CURRENT PERIODICAL SERIES

PUBLICATION NO: 2569

TITLE: CONGRESSIONAL RECORD
94th. CONGRESS. 1st SESSION

VOLUME: 121

ISSUES: PARTS 11-12

DATE: May 7,-May 22, 1975

REEL 608

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MICROFILMED – 1978

VOL 121

MICROFILMED – 1977

PART 11

UNITED STATES OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 94th CONGRESS
FIRST SESSION

VOLUME 121—PART 11

MAY 7, 1975 TO MAY 15, 1975
(PAGES 13281 TO 14762)

UNITED STATES GOVERNMENT PRINTING OFFICE, WASHINGTON, 1975

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United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 94th CONGRESS, FIRST SESSION

SENATE—*Wednesday, May 7, 1975*

(Legislative day of Monday, April 21, 1975)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by Hon. DALE BUMPERS, a Senator from the State of Arkansas.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God, our Father, we thank Thee for this new day and for the high privilege of serving the Nation in this place. Grant unto us to waste none of its hours, to soil none of its moments, to neglect none of its opportunities, to fail in none of its duties. May we grow in self-control and self-mastery. Use us for making a better Nation and better world. Grant to us the purity of heart of those who see God. May Thy kingdom come and Thy will be done beginning in us. Bring us to the evening at peace with ourselves, at peace with our fellow men, and at peace with Thee.

In Thy holy name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 7, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. DALE BUMPERS, a Senator from the State of Arkansas, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. BUMPERS thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Tuesday, May 6, 1975, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN ITEMS ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of all the measures on page 8 of the calendar, beginning with Calendar No. 91.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

DISAPPROVAL OF DEFERRAL OF BUDGET AUTHORITY

The resolution (S. Res. 32) disapproving deferral of budget authority, was considered and agreed to, as follows:

Resolved, That the Senate disapproves the proposed deferral of budget authority for continuing research to develop a nuclear-powered artificial heart, which deferral (D 75–115) was set forth in the President's message to the Congress of November 26, 1974, transmitted under authority of section 1013 of the Impoundment Control Act of 1974.

DISAPPROVAL OF DEFERRAL OF CERTAIN BUDGET AUTHORITY RELATING TO ATOMIC ENERGY—(D 75–117)

The resolution (S. Res. 75) disapproving the deferral of certain budget authority (D 75–117) relating to atomic energy which is proposed by the President in his message of November 26, 1974, transmitted under section 1013 of the Impoundment Control Act of 1974, was considered and agreed to, as follows:

Resolved, That the Senate expresses its disapproval of proposed deferral D 75–117, as set forth in the message of November 26, 1974, which was transmitted to the Congress by the President under section 1013 of the Impoundment Control Act of 1974.

DISAPPROVAL OF DEFERRAL OF CERTAIN BUDGET AUTHORITY RELATING TO ATOMIC ENERGY—D75–116

The resolution (S. Res. 76) disapproving the deferral of certain budget authority (D75–116) relating to atomic energy which is proposed by the President in his message of November 26, 1974, transmitted under section 1013 of the Impoundment Control Act of 1974, was considered and agreed to, as follows:

Resolved, That the Senate expresses its disapproval of proposed deferral D75–116, as set forth in the message of November 26, 1974, which was transmitted to the Congress by the President under section 1013 of the Impoundment Control Act of 1974.

DISAPPROVAL OF DEFERRAL OF CERTAIN BUDGET AUTHORITY RELATING TO ATOMIC ENERGY—D75–114

The resolution (S. Res. 77) disapproving the deferral of certain budget authority (D–75–114) relating to atomic energy which is proposed by the President in his message of November 26, 1974, transmitted under section 1013 of the Impoundment Control Act of 1974, was considered and agreed to, as follows:

Resolved, That the Senate expresses its disapproval of proposed deferral D 75–114, as set forth in the message of November 26, 1974, which was transmitted to the Congress by the President under section 1013 of the Impoundment Control Act of 1974.

DISAPPROVAL OF DEFERRAL OF CERTAIN BUDGET AUTHORITY RELATING TO ATOMIC ENERGY—D 75–113

The resolution (S. Res. 78) disapproving the deferral of certain budget authority (D 75–113) relating to atomic energy which is proposed by the President in his message of November 26, 1974, transmitted under section 1013 of the Impoundment Control Act of 1974, was considered and agreed to, as follows:

Resolved, That the Senate expresses its disapproval of proposed deferral D 75–113, as set forth in the message of November 26, 1974, which was transmitted to the Congress by the President under section 1013 of the Impoundment Control Act of 1974.

DISAPPROVAL OF DEFERRAL OF CERTAIN BUDGET AUTHORITY RELATING TO ATOMIC ENERGY—D75–112

The resolution (S. Res. 79) disapproving the deferral of certain budget authority (D 75–112) relating to atomic energy which is proposed by the President in his message of November 26, 1974, transmitted under section 1013 of the Impoundment Control Act of 1974, was considered and agreed to, as follows:

Resolved, That the Senate expresses its disapproval of proposed deferral D 75–112, as set forth in the message of November 26, 1974, which was transmitted to the Congress by the President under section 1013 of the Impoundment Control Act of 1974.

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DISAPPROVAL OF DEFERRAL OF CERTAIN BUDGET AUTHORITY RELATING TO ATOMIC ENERGY—D75-111

The resolution (S. Res. 80) disapproving the deferral of certain budget authority (D 75-111) relating to atomic energy which is proposed by the President in his message of November 26, 1974, transmitted under section 1013 of the Impoundment Control Act of 1974, was considered and agreed to, as follows:

Resolved, That the Senate expresses its disapproval of proposed deferral D 75-111, at set forth in the message of November 26, 1974, which was transmitted to the Congress by the President under section 1013 of the Impoundment Control Act of 1974.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania is recognized.

Mr. HUGH SCOTT. Mr. President, I yield back my time.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Virginia (Mr. HARRY F. BYRD, JR.) is recognized for not to exceed 15 minutes.

Mr. HARRY F. BYRD, JR. Mr. President, I yield myself 10 minutes.

UNITED STATES-CUBA RELATIONS

Mr. HARRY F. BYRD, JR. Mr. President, today seems an appropriate time to discuss U.S. relations with Cuba. The foreign ministers of the Organization of American States will meet in Washington tomorrow. On the agenda will be the question as to whether that group will recommend a change in that relationship. Of course, whatever is done by that group does not necessarily affect the United States.

Another reason why a discussion of our relations with Cuba is timely today is that one of our colleagues, the senior Senator from South Dakota, is in Cuba. Undoubtedly, upon his return, he will recommend a normalization, so to speak, of relations with Cuba.

Also, the senior Senator from Massachusetts (Mr. KENNEDY) has introduced a bill; namely, S. 935, which would repeal Public Law 87-733. The purpose of the measure introduced by the senior Senator from Massachusetts would be to change the relationship between the United States and Cuba.

Mr. President, I think it appropriate to read a portion of Public Law 87-733, and I will put the entire joint resolution in the RECORD later.

One aspect of Public Law 87-733 reads as follows:

> The present Government of Cuba has identified itself with the principles of Marxist-Leninist ideology, has established a political, economic, and social system based on that doctrine, and accepts military assistance from extracontinental Communist powers, including even the threat of military intervention in America on the part of the Soviet Union . . .

Mr. President, I wonder whether the foreign ministers of the Organization of American States, when they meet tomorrow, will be willing to say that there has been no change in Cuba's identification with Soviet Russia. I wonder whether those who advocate a change in our relationship with Cuba are willing to say there has been any change in the close identification of the Government of Cuba with the principles of Marxist-Leninist ideology and Communist Russia.

I believe that before the Congress of the United States repeals what it did in 1962, namely, the joint resolution labeled Public Law 87-733, there should be a thorough discussion of this matter in the Senate.

So that we will be prepared for steps which undoubtedly will be taken in the Senate to embrace Fidel Castro and change our relationship with that Communist country 90 miles off of our shores, I am offering amendments to the proposal of the Senator from Massachusetts (Mr. KENNEDY), amendments to S. 935. Before introducing those amendments, I wish to say that this proposal would repeal entirely Public Law 87-733, a resolution of Congress approved October 3, 1962. It would repeal the Foreign Assistance Act of 1961, the section which prohibits assistance to Cuba and to any country which furnishes assistance to Cuba unless the President determines such assistance to be in the national interest.

Why in the world does the Congress of the United States want to get into the posture of granting foreign aid to Cuba? We are giving foreign aid now to 100 countries. What we ought to do is reduce our commitments, not expand them.

The proposal by the Senator from Massachusetts (Mr. KENNEDY) would also repeal provisions of the Agricultural Trade Development Assistance Act, which, again, would permit taxpayer assistance to Castro's Cuba. Well, Congress may want to take those steps. I expect that the proposal will be brought up before Congress in a reasonable length of time and if and when that is brought up, I will have available, and I shall present now, amendments which will give Congress and the Senate an opportunity to go on record on this question.

REMOVAL OF EMBARGO AGAINST TRADE BETWEEN THE UNITED STATES AND CUBA—S. 935

Mr. President, I send to the desk five amendments to the Kennedy proposal. I ask that those amendments be printed at this point in the RECORD, and, I ask that they also be printed and be placed on the table for consideration when S. 935 is called up for consideration.

The ACTING PRESIDENT pro tempore. The amendments will be received and printed, and will lie on the table; and, without objection, the amendments will be printed in the RECORD.

The amendments are as follows:

AMENDMENT No. 397

At the end of the bill add the following new section:

"SEC. 9 ( ) The amendments made by sections 1 through 8 of this Act shall not take effect unless and until the President certifies in writing to the Congress that

"( ) the government of Cuba has renounced its alliance with the Soviet Union, ordered a withdrawal of all members of the Soviet armed forces, all Soviet military advisors, and all Soviet intelligence agents, and does not allow Soviet naval vessels to use any Cuban port, base, or territorial waters.

AMENDMENT No. 398

At the end of the bill add the following new section:

"SEC. 9 ( ) The amendments made by sections 1 through 8 of the Act shall not take effect unless and until the President certifies in writing to Congress that—

"( ) the government of Cuba is not engaged in any intervention in the domestic affairs of any other country in this hemisphere.

AMENDMENT No. 399

At the end of the bill add the following new section:

"SEC. 9 ( ) No funds authorized to be appropriated under any laws be made available to disband or close down the United States Naval Base at Guantanamo Bay in Cuba, and the President in pursuance of such closing or disbandment may not otherwise abandon or dispose of any property, tangible or intangible, of the United States government on such base, without the approval of the Congress.

AMENDMENT No. 400

At the end of the bill add the following new section:

"SEC. 9 ( ) The President may not dispose of the United States Naval Base at Guantanamo Bay in Cuba unless approved by the Congress in a concurrent resolution as provided in Article IV, Section 3, clause 2 of the United States Constitution.

AMENDMENT No. 401

At the end of the bill add the following new section:

"SEC. 9 ( ) The amendments made by sections 1 through 8 of the Act shall not take effect unless and until—

"(1) The President transmits to both Houses of Congress a special message specifying that the government of Cuba has entered into a satisfactory agreement with the United States providing for the settlement and discharge of claims of the government of the United States and of nationals of the United States against the government of Cuba, arising out of the nationalization or taking of property by the government of Cuba, and;

"(2) appropriate legislation approving the terms of the agreement contained in the President's special message has been approved by the Congress within 60 days of the submission of said message.

Mr. HARRY F. BYRD, JR. Mr. President, prior to the insertion of a speech which I have prepared for the RECORD, I ask unanimous consent to have printed in the RECORD Public Law 87-733, a joint resolution adopted in 1962, which resolution would be repealed by the Kennedy proposal. I ask unanimous consent that that be printed at this point in the RECORD, to be followed by the speech captioned "United States and Cuba, Yesterday and Today."

There being no objection, the public law and speech were ordered to be printed in the RECORD, as follows:

PUBLIC LAW 87-733

Joint resolution expressing the determination of the United States with respect to the situation in Cuba

Whereas President James Monroe, announcing the Monroe Doctrine in 1823, declared that the United States would consider any attempt on the part of European powers "to extend their system to any portion of this hemisphere as dangerous to our peace and safety"; and

Whereas in the Rio Treaty of 1947 the parties agreed that "an armed attack by any State against an American State shall be considered as an attack against all the American States, and, consequently, each one of the said contracting parties undertakes to assist in meeting the attack in the exercise of the inherent right of individual or collective self-defense recognized by article 51 of the Charter of the United Nations"; and

Whereas the Foreign Ministers of the Organization of American States at Punta del Este in January 1962 declared: "The present Government of Cuba has identified itself with the principles of Marxist-Leninist ideology, has established a political, economic, and social system based on that doctrine, and accepts military assistance from extracontinental Communist powers, including even the threat of military intervention in America on the part of the Soviet Union"; and

Whereas the international Communist movement has increasingly extended into Cuba its political, economic, and military sphere of influence; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States is determined—

(a) to prevent by whatever means may be necessary, including the use of arms, the Marxist-Leninist regime in Cuba from extending, by force or the threat of force, its aggressive or subversive activities to any part of this hemisphere;

(b) to prevent in Cuba the creation or use of an externally supported military capability endangering the security of the United States; and

(c) to work with the Organization of American States and with freedom-loving Cubans to support the aspirations of the Cuban people for self determination.

Approved October 3, 1962.

THE UNITED STATES AND CUBA: YESTERDAY AND TODAY

Fidel Castro grabbed power—and immediately became Cuba's dictator—on January 1, 1959, nearly 16 years ago. While the Batista government which he ousted had many faults, it was pro-American, and people had economic freedom. The Cuban people were also strongly pro-American.

I saw all this change in a short period of time.

As a newspaper correspondent, I was sent to Cuba in an effort to assess Fidel Castro and his new regime.

On my first trip, shortly after Castro came to power, I found Castro welcomed with opened arms by the overwhelming majority of the Cuban people.

In the many discussions I had with large numbers of persons of all political and economic persuasions, I found that few thought him a Communist and even fewer foresaw the extreme to which he subsequently would go.

On leaving Cuba after that first trip, I reported that Castro had overwhelming support and a great opportunity to create a better life for his fellow citizens.

But I raised the caution flag by stating that while Castro was riding high in both acclaim and opportunity, I had the uneasy feeling that the future for the Cuban people was not as bright as most Cubans at that time believed.

That was August, 1959.

I returned to Cuba in late October of that year—and what a change had taken place.

My purpose in returning was to cover for the newspapers I represented the huge anti-American rally, which Castro held on the ground of the Presidential Palace in Havana.

The rally lasted from early afternoon until late that night, the 26th of October if my memory is correct. The first speaker was President Osvaldo Dorticos Torrado. Then followed numerous government officials. Fidel Castro was the anchor man and spoke for 3 hours and 15 minutes.

The crowd was estimated at 1 million persons. Bus loads of peasants were brought from throughout Cuba to add to the multitude of Havanans.

I telephoned my report of the event from the apartment of the editor of the Times of Havana which apartment overlooked the Presidential grounds.

The speeches were bitterly and vindictively anti-American.

During that trip, I spent much time with the late Jules DuBois, Latin American correspondent for the Chicago Tribune. DuBois had been pro-Castro during the time Castro's guerrillas were fighting Batista. He had written a favorable book on Fidel Castro but broke with Castro when the latter established a dictatorship.

DuBois then became public enemy No. 1 being continually denounced by the leaders of government.

A day or so after the anti-American rally DuBois was attacked by an angry mob and saved from harm by Havana police.

The next day, he was ordered out of the country and it was suggested that since I had been with him so much, it would be well for me to leave Havana. So I went to Santiago.

During that October trip to Cuba, I talked with many of those whom I had seen in August. Most of those who previously had been favorable to Castro had become deeply alarmed. It was clear that the Castro government would be not only bitterly anti-American, but a tight dictatorship which would tolerate no opposition.

I sought to find two prominent businessmen who had been particularly outspoken on behalf of Castro when I had talked with them in August. They were not available in October, and I learned that they had fled the country after Castro had confiscated their properties.

I have seen more fear on the part of individual citizens in Cuba than I have seen in any countries except Czechoslovakia and East Germany.

I shall never forget visiting a small produce merchant at the Havana market to whom I had been given an introduction by a mutual friend. When I handed him the letter of introduction on the sidewalk in front of his place of business, he indicated clearly that he did not wish to talk with me—except about the price of produce.

As I was preparing to leave he said he would like to show me his cold storage facility. After he closed the door and we were alone in the refrigerated room, he said, "Now we can talk."

We seated ourselves on sacks of potatoes, and he proceeded to give me in great detail the change that had taken place in Cuba, the stifing of individual liberty, the harassment or imprisonment of those expressing opposition to the Castro regime and the militancy being developed among the Castro supporters.

He had tears in his eyes when he said that his own daughter, the night before, had told him that if he did not like what Castro was doing, he should leave Cuba.

Through the years I have tried to keep in touch with many who knew Cuba well and who, although forced to flee themselves, have kept contact with the year-to-year developments in Cuba.

There is little doubt that Cuba today is a strict Communist dictatorship with personal freedom virtually nonexistent.

Yet despite the present state of Castro's regime, there is increasing interest to change US-Cuban relations, as well as Cuba's relations with the Organization of American States.

The new mood for a reconciliation of sorts with Cuba is not the result of any policy shift on the part of Castro and the Soviet Union.

Indeed, in every official pronouncement, Castro has continued to reaffirm those policies which resulted in the Soviet-American confrontation.

The new mood results from the ambiguities of detente.

Early in 1974, U.S. supporters of normalized U.S.-Cuban relations launched a concerted effort for their case.

In Congress, initial steps in this direction were undertaken when Senator Fulbright introduced legislation to repeal provisions of current Federal law enacted under three separate Acts.

The Fulbright proposal would repeal legislation which prohibits trade between the two nations. In addition, it would repeal the prohibition on U.S. aid to Castro.

Senator Fulbright's legislation also would repeal the law signifying our opposition to the Castro regime's subversive activities in the Western hemisphere.

Furthermore, his proposal would repeal the law committing the U.S. to prevent an externally supported military capability in Cuba that would endanger the United States.

I shall oppose the enactment of Senator Fulbright's legislation.

There nevertheless remains a strong sentiment among our Latin American neighbors, and among many prominent U.S. businessmen, publishers, academicians, and politicians, for a normalization of U.S.-Cuban relations.

Despite, however, what appears as a trend toward changed Cuban-Western Hemispheric relations, I think a number of questions must be raised.

Proponents of normalized U.S.-Cuban relations assert that U.S. policy has failed to isolate Cuba, and that the changing international environment makes our present policy inadequate.

Few critics of our policy, however, seem willing to ask what, in fact, the U.S. stands to gain from a resumption of relations with Cuba, and what the long-term consequences would be for free Cubans everywhere.

What do we stand to gain? In my view, very little.

My objection to detente with the Soviet Union is not that there should not be a dialogue, but that in all our agreements with Russia, we seem to come out second best.

By the same token, I would oppose unilateral concessions to Cuba.

Fidel Castro's statement to the effect that he is "willing to talk to Secretary of State Kissinger if the economic embargo against Cuba is unconditionally lifted" has of course raised speculation that Cuba is ready to meet U.S. requirements for a reconciliation between the two nations.

But I do not believe that Castro is ready to meet U.S. requirements and I doubt the wisdom of lifting the economic embargo against Cuba as a prelude to negotiations.

Since Cuba is seriously interested in trade with the United States, particularly access to our money markets, we should not give away the only leverage we really have without getting something in return.

In the past, the United States has insisted that improved relations would require a cessation by Cuba of interfering in the affairs of other American states, and severing close political and military ties between Cuba and the U.S.S.R.

There is no evidence that Cuba is prepared to sever close ties with Russia.

On the contrary, in 1970 the Soviet Union established a nuclear submarine base in Cienfuegos, in violation of an agreement with the United States not to deploy strategic offensive weapons on the island.

Without revealing any details, President Nixon in 1971 stated that, in the event nuclear submarines were serviced in Cuba,

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or from Cuba, it would be considered a violation of the U.S.-Soviet understanding.

Recently published sources indicate that only one month after the Nixon warning, a Soviet nuclear submarine sailed into Cienfuegos.

The Soviets have continued to violate the agreement regularly ever since.

These Soviet submarine visits to Cuba illustrate just how shallow detente is.

If the Soviet Union persists in violating agreements there can be no detente.

Since the Cuban Missile Crisis of little more than a decade ago, the Soviet Union has become a Caribbean power, with bases only 90 miles from the United States.

Besides the immediate strategic gains accruing to Russia because of its newly established presence in the Caribbean, there is also a gain in prestige for the Soviets.

This has to be damaging for the United States with respect to our relations with our Latin American neighbors, as well as within the overall East-West context.

Where does this situation then leave the United States with respect to a normalization of relations with Cuba?

I think we must recognize that there is little hope that the U.S. policy of isolating Castro will result in his being deposed. He operates a repressive police state and has strong external backing from Russia.

Nevertheless, I personally cannot accept any unilateral concessions on the part of the United States.

I cannot accept the proposal to lift the embargo on Cuba as a prelude to negotiations.

An end to the embargo should only come if Cuba is willing to meet certain conditions. Here are three examples.

First, I think the United States and Cuba should permit free access to the news media representatives of the other country, and allow for a greater freedom of movement between the two peoples.

Second: I think the Cuban Government should provide compensation for the confiscation of property. Vast amounts of property were seized by Castro—land, cattle, factories, homes.

The State Department has an obligation to demand a full settlement and the time to do it is as a prior condition to any lifting of U.S. restrictions. The Foreign Claims Settlement Commission has certified claims of losses by American citizens totaling some $1.8 billion.

Third, there is the question of oppression.

In our country, the press talks extensively about the political repression, the terror, and the torture in countries like Brazil and Chile. The U.S. government is urged to intervene and use its diplomatic leverage to seek improved conditions.

In contrast, few seem willing to write about the brutality and horrors of the Castro regime. Clearly, if the United States is to be concerned about repression in non-Communist countries, we must be concerned about conditions in Cuba—a country that has shared such good and close relations with the United States historically.

We cannot afford to delude ourselves about the nature of Castro's regime.

Castro must drastically change his ways if the United States is to change its present policy toward Cuba.

Mr. HARRY F. BYRD, JR. Mr. President, I reserve the remainder of my time and ask how much time I have remaining.

The ACTING PRESIDENT pro tempore. The Senator has 5 minutes remaining.

Mr. HARRY F. BYRD, JR. I thank the Chair.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from North Carolina (Mr. HELMS) is recognized for not to exceed 15 minutes.

REMOVAL OF RESTRICTIONS ON FOREIGN CORRESPONDENTS IN CUBA

Mr. HELMS. Mr. President, I commend the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.) for his typically cogent remarks on a subject which is of great interest and concern to me. Needless to say, I support each of the four amendments which the Senator from Virginia has submitted. I have a fifth amendment to propose.

Mr. President, S. 935, which was introduced by the distinguished Senator from Massachusetts (Mr. KENNEDY) proposes to remove the trade embargo and sanctions with regard to Cuba. This proposal, I presume, is put forward in the hope that it will improve relations with Cuba, and gradually lead to diplomatic recognition of the Cuban regime and the integration of Cuba into normal hemispheric relations.

Mr. President, I, too, look forward to the day when Cuba will rejoin the nations of the Western Hemisphere on an equal standing; but I do not look forward to that prospect until such basic human rights as the right to free speech, to private property, and to individual freedom are respected in that nation. We simply cannot accept Cuba as a full-fledged member of the American community until Cuba herself acknowledges the standards which are common to all the nations of the Americas.

Certainly, there is little evidence that Cuba, at present, respects those basic standards of human dignity and freedom. I have just returned from a brief trip to Latin America, and in the countries I visited—Brazil and Argentina—I find widespread concern among the officials with whom I talked about the problems of allowing a country such as Cuba to have full intercourse with nations which are struggling against internal subversion.

Brazil, of course, narrowly averted the fate of being subject to the same type of inhuman regime which rules Cuba today; and Argentina is currently gripped by a terrorist campaign which had its origins in a guerrilla movement originally trained and equipped in Cuba. That movement today is so strong that it does not need the present support of Cuba, and it threatens the stability and human rights of the nation. And nearby in Chile, which I did not have an opportunity to visit, it is a matter of record that the pattern of subversion which was, fortunately, overthrown at the last minute by the present Chilean Government was to a great extent directed and supplied with arms from Cuba.

Mr. President, I do not pretend that governments faced with such an open attempt at subversion necessarily all reach the optimum degree of freedom that we are accustomed to in the United States. When a nation is under siege, strict measures are often taken, and sometimes they err in going too far. But one of the reasons why there has been continual improvement in the countries I have mentioned is because of the continuing monitoring of events by the international press.

I think the same circumstances apply to Cuba. If we are going to open Cuba to trade, we should be interested not only in the economic benefits of such trade, but also in improving the standards of human rights which exist in that country. Cuba, at a minimum, should be open to inspection by international journalists who are free and unfettered in their travels about the country.

I am, therefore, proposing an amendment to S. 935 which reads as follows:

> SEC. 9. The amendments made by sections 1 through 8 of this Act shall not take effect unless and until the President of the United States certifies in writing to Congress that the government of Cuba provides full access to all parts of Cuba to all media representatives of all nations.

There is a great need for such an amendment. As a Nation, we do not want to be profiting from trade with a country which tramples upon basic human rights. Unless Cuba is open to free travel by foreign journalists, there will be no monitoring by the outside world of the situation in Cuba itself.

At the present time, the situation is very restrictive. All visitors to Cuba have tours conducted by the Cuban Institute of Friendship with Peoples—ICAP in the Spanish acronym. ICAP is an arm of the General Directorate of Intelligence. Journalists and other visitors get only the "official" tour.

Moreover, news film is controlled by the Cuban Institute of Motion Picture Arts and Industry—ICAIC in the Spanish acronym. This is the outfit that cooperated with CBS to such an extent that CBS saw fit to omit clips in which Fidel Castro stated that he would continue to support revolution throughout Latin America. Not surprisingly, ICAIC is also a part of General Directorate of Intelligence.

Similarly, the Cuban Broadcasting Institute—ICR—is also an arm of the General Directorate of Intelligence, as is the Union of Cuban Newspapermen—UPEC.

In short, the normal press outlets are completely controlled by Cuban Intelligence operations, and by the Cuban Communist Party. This is to be expected; but it must also be expected that the Communists will continue to try to manipulate and control the news which emanates from Cuba.

The least that we can expect, as a quid pro quo for removing trade sanctions is that Cuba will open up to newsmen, so that a variety of reporters can give information on what is happening in that society. This does not demand changes in Cuban society; we would only be demanding that the world get the truth about what is happening in that unfortunate island.

I need only mention that responsible sources have brought serious charges against the Cuban regime in the matter of political prisoners. Not so long ago, four Cuban organizations based in the United States sent a petition to the United Nations Human Rights Commission, meeting in Geneva, outlining the plight of political prisoners in their

homeland. They cite specific cases of forced labor, lack of medical assistance, torture, and death. To date, I know of no action by the Human Rights Commission. On the other hand, if reporters from many nations were allowed free access to Cuba, these charges could be verified or refuted, or at least progress could be made toward that end. From what we know of the history of Castro's prisons, the charges are very plausible; but the pressure of investigation by a free press would force progress not only upon Castro, but also upon the U.N. Human Rights Commission.

Mr. President, an account of the petition to the U.N. Human Rights Commission appeared in Spanish in the Diario Las Americas, Miami, on February 7, 1975, and I ask unanimous consent that a translation prepared by the Library of Congress be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HELMS. To sum up, Mr. President, my amendment demands only one thing in exchange for trade, and that one thing is the truth. Unless we know the truth about Cuba, we will continue to make grave mistakes about our future policy directions with that country.

EXHIBIT 1

LET HUMAN RIGHTS INVESTIGATE IN CUBA

In a joint action, which for once demonstrates the spirit of solidarity in the exile's struggle for our Cuban ideals, the four organizations created and active in the defense of our captive brothers, have just signed and sent a common document to the United Nations Human Rights Commission, meeting in Geneva, Switzerland, outlining the suffering of the political prisoners in Cuba and demanding the naming of an investigative committee to go to Cuba, verify the situation of the political prisoners and ask that they be unconditionally set free. The document, addressed to the President of the Human Rights Commission, is also being sent to each and every one of the delegates from the nations who are members of this Commission, as well as to the non-government organizations with a consulting status who are taking part in the sessions with a voice to express their opinions and recommendations. Other measures are being taken to strengthen this request which cannot be expressed at this time. What really is necessary is that all the organizations of the exile; political, economic, revolutionary, religious, student, professional, social, etc. send their immediate adhesion to these denouncements, in the form which appears at the end of the transcription of the document which we are going to make. And of course, that each Cuban, or Latin American in particular, send the message of adhesion that is accompanying.

Here is the document:

JANUARY 28, 1975.

His Excellency Dr. GHULAN ALLANA,
President of the Human Rights Commission,
United Nations, United Nations Palace,
Geneva, Switzerland.

DEAR MR. PRESIDENT: The undersigned organizations, constituted fundamentally to proclaim and defend the respect of human rights in Cuba and denounce their violations, especially those that affect the political prisoners in that country, appear before you and with all respect and regard do submit: First: That according to what has been being posed in repeated denouncements submitted to your high international organization for over a decade, the treatment that is applied to the political prisoners in Cuba presents a permanent pattern of serious violations of human rights, characterized by ideological genocide, institutionalized terror and crimes against humanity.

Second: That these deeds characterizing the permanent pattern of violations of human rights that is being reported are comprised of murder; physical and mental tortures; insufficient and sickening food; absence of medical attention; prohibition of visits; the refusal to surrender foodstuffs and correspondence from relatives; the imposition of political indoctrination and forced labor; the arbitrary reimposition of sentences on prisoners who have already served those which had been imposed on them before, thus illegally extending, for an indefinite period the term of their imprisonment; the new arrests of those who have been set free for any trumped up motive, real or made up; the placing of obstacles to finding work and hindrances to leaving the country; solitary confinement in closed cells where the prisoners become ill and die without seeing sunlight for years; subjection to biological and psychological experiments; beatings with clubs, round irons, chains, cables and bayonets and imposition of all kinds of harassing measures such as nudity.

Third: That this situation has been denounced on different occasions by the following international organizations:

(A) International Jurists Commission: Study "Cuba and the Empire of the Law", 1962.

(B) Interamerican Human Rights Commission of the OAS: "Report on the Situation of Political Prisoners and Their Relatives in Cuba", 1963; "Report on Human Rights in Cuba", 1967; and "Second Report on the Situation of the Political Prisoners and Their Relatives in Cuba", 1970.

Three recent official resolutions from that organization corresponding to 1973 on cases 1604 (killing of student leader Pedro Luis Boitel, who was allowed to die on a hunger strike, beaten and tortured); 1721 (repeated physical abuses of a group of political prisoners among which one could name specifically former Comandantes of the Rebel Army Huber Matos, Eloy Gutiérrez Menoyo and César Páez, former Captain Tony Lamas, labor leader Lauro Blanco and J. Pujals, A. Gámiz, Jorge Vallas and O. Figueroa) and 1726 (the gun-slaying of sugar worker José Oriol Acosta García, in the Security Center 4 in Manacas, Las Villas).

(C) International Red Cross Committee: Annual reports in which are outlined how the repeated requests by its representatives to visit the prisoners in Cuba and give them medical attention have been rejected and the authorization to make the visits denied.

Letter from Mr. José Barroso Ch., President of the League of Societies of the Red Cross, to Dr. Aurelio Alvarez Echezarreta on August 1, 1974, from Mexico, confirming the futility of said efforts.

(D) Interamerican Press Association: Several resolutions on the matter and especially those unanimously agreed upon in its most recent annual meetings, held in Boston, USA in 1973 and in Caracas, Venezuela in 1974.

(E) Serious concerns felt and submitted by the following international organizations: International Rescue Committee; International League for the Rights of Man; Amnesty International.

Fourth: That among the most recent abuses constituting very serious violations of human rights we might point out, among hundreds, and only by way of example, the following:

(A) Denial of food and medicines to a group of political prisoners in La Cabana prison in Havana because of refusing to accept the so-called "Plan of Rehabilitation" which carries with it the acceptance of political indoctrination and forced labor. The abuse lasted from June 24 until August 12, 1974. As a result six prisoners were left invalid because of polyneuritis. Their names are: Rolando de Vera Méndez, Oscar Rodriguez Terrero, Pedro Gallardo Batista, Fernando Gómez Fonseca, Israel Dominguez Rodríguez, and Armando Valladáres Pérez.

(B) Death of the young negro Olegario Chariot Pileta, at the prison in Boniato, Oriente. He declared himself on a hunger strike over the physical abuses and solitary confinement. He didn't receive any medical assistance. He died in early 1973.

(C) Death of political prisoner Marcelo Diaz, who was transferred from Security Camp No. 4 in Manacas, Las Villas, to the jails of the G-2 (State Security) in Santa Clara, Las Villas. He was subjected to physical and mental tortures. He died in those jails in early 1974. His death was reported as suicide by hanging.

(D) Death of the political prisoner known by the name of Miguel "Cachimba". This political prisoner accepted the Rehabilitation Plan. He was sent to the Melena concentration camp in Havana and subjected to forced labor. He tried to escape. A guard shot at him and wounded him in the leg. He fell in a sitting position. He begged for mercy. The garrison's officer ordered that they keep firing. He fell dead with four bullet wounds in his chest.

(E) In the beginning days of August, 1974, youths Miguel Sales, 23 years old, Luis Zúñiga and Roberto Camps Verdecia, 24 and 25 years old respectively, who had been political prisoners and had succeeded in escaping from Cuba after having served their sentences and having been received as exiles in the U.S., decided to set out for Cuba in a small boat to rescue their relatives. They were captured. At the trial that was held for them the report from the State Security Department confirmed the reasons for their trip. Nevertheless, the prosecuting attorney insisted that they "had sold out to Yankee imperialism". They were sentenced to 30 years imprisonment. They were not allowed to name lawyers. The lawyers which the government designated showed themselves to be in agreement with the penalty. They are imprisoned in La Cabaña prison in Havana. Miguel Sales is a writer and poet and a polyglot despite his young age. Several of his poems have just received awards from the Club of Spanish-American Writers and Poets of New York in December of 1974. Those poems were taken out of Cuba clandestinely. Besides sentencing them for the crime of brotherly love, some of them have been victims of brutal beatings recently.

(F) Miriam Ortega, who was president of Catholic Youth in Cuba, as punishment for her hunger strikes is shut up in La Cabaña prison in Havana, a jail for men. She is semi-invalid because of the beatings she received. Her mother, who lives in Miami, is willing to testify to this before whomsoever deems it suitable. With her there are four women political prisoners plus over 35 women political prisoners who have refused the Rehabilitation Plan in the "Nuevo Amanecer" jail for women in Havana. These are Leonor Olivera, Leopoldina Grau Alsina (niece of former President Dr. Ramon Grau San Martin), Fidelina Suárez, Nereida Polo, Esther Castellanos, Aleja Sánchez Piloto, Bertha Alemán, María Amalia Fernández, Felicia Guillermina García, Georgina Cid, Nilda Diaz, Ana Bustamante, Dolores Correoso, Xiomara Wong, Elda Denys, Albertina O'Farrill, Esther Campos, Clara Alonso, Caridad Cabrera, Araceli Rodriguez, Zolia Avila ("La Niña"), Dora Delgado, Américan Quesada, Ofelia Rodriguez, Maria Magdalena Alvarez, Teresa Bastanzuri, Sara Carranza, Maria García Rangel, Miriam Ortega, Mercedes Peña, Lucrecia Sánchez and Ana Lázara Rodriguez.

Of the above-mentioned prisoners, we know that Aleja Sánchez Piloto, 50 years old, suffers with progressive and deforming arthritis, as well as an oral tumor; Sara Carranza is almost blind, Dolores Correoso underwent an unsuccessful operation on her ovaries; and Zoila Avila ("La Niña") is suffering mental disturbances. Due to the lack of medical assistance, almost all have lost their teeth, they suffer from avitaminosis and ovarian problems owing to a traumatic menopause as a result of the lack of medicines and the tension produced by the physical abuses they have had to suffer. These women, especially those who have suffered for over ten years, show advanced geriatric symptoms, especially in their visual organs.

(G) Sentences of one to two years have been reimposed on the following political prisoners after they had finished serving the ones that had been imposed on them previously. These sentences were made without a trial, or with a mock trial in which the court was made up of heads of the prison and without defense lawyers. Roberto Cardés Valdés, 36 years old, employee, sentenced to nine years in trial 501 in 1963, finished serving it on July 25, 1972. Sentenced to one year of labor through a trial. Upon serving the year without working, he was sentenced to another year, but without holding any trial.

Pablo Arenal Piñón, 33 years old, student, sentenced to 12 years in Trial 294 in 1961, finished serving them on April 16, 1973. Sentenced to one year of labor. Angel Luis Bicet, 43 years old, carpenter, sentenced to nine years in Trial 702 in 1963, finished serving them on November 14, 1972. Sentenced to two years of forced labor.

Julio Rodriguez Lamelas, 54 years old, pharmaceutical representative. Sentenced to six years in Trial 569 in 1965, finished serving them on November 29, 1971. Sentenced to two years of labor through trial. Upon serving the two years without doing the forced labor, he was sentenced to two more years without the holding of a trial. He has suffered two heart attacks and chronic hypertension. Pablo Castellanos Caballero, 50 years old, journalist, former director of the Radio Morón News Program. Sentenced to 12 years in Trial 105 in 1962. Finished serving them on October 30, 1973. Sentenced to a year of labor. Has suffered a heart attack. Chronic hypertension, has ulcer in duodenum and bursitis and is asthmatic.

Segundo de la O. Elejalde Cepero, 32 years old, construction worker, sentenced to ten years in Trial 325 in 1963. Finished serving them on May 18, 1973. Sentenced anew on April 11, 1973 to one year more.

Manuel Hernández Gómez, 33 years old. Finished serving a 10 year sentence in 1973. Sentenced again to two years because of not having done forced labor. He worked (before his imprisonment) in the San Antonio Central of the town of Madruga. Eddy Carrera Vallina, 38 years old, university student (5th year of business administration), sentenced to 12 years in Trial 301 in 1961. Finished serving them on April 16, 1973. Sentenced anew to two years because of refusing to work as a prisoner on March 19, 1973.

Federico Rodriguez Avila, 44 years old, businessman, sentenced to nine years. Trial 356 in 1963. Finished serving them on May 2, 1972. Sentenced anew to two more years on April 28, 1972.

Santiago Diaz Perez, 47 years old, electrician, sentenced to nine years, in Trial 608 in 1963. Finished serving them in September 1972. Sentenced anew to one year and another one later on for refusing to do forced labor, which political prisoners are not obliged to do.

Luis Felipe Sabatela Pardo, 47 years, taxi driver, sentenced to nine years in Trial 779 in 1963. Finished serving them on December 14, 1972. Sentenced to one year for refusing to work as a prisoner. Having served this sentence, he was sentenced again without a trial.

All these prisoners are in La Cabana Prison in Havana.

In the Cinco y Medio jail in Pinar del Río, Reinaldo Cordero has been sentenced to three more years, after serving nine. Also, Pedro Baquet, Vidal Arocha Cubillas and Amado González in Pinar del Río. The following had previously suffered reimposition of sentences, which they are still serving in Las Villas prison: Carlos Más Guerra, Juan Cruz González, Reynaldo Aquit, Eduardo Cuencio, Blas Camacho, César Ja, José Luis Márquez, Nerin Sánchez, Heriberto Trujillo Montes. At Guanajay: Federico Rodríguez, Lázaro Hesta, Bolo Capote. At the gloomy Castle of San Severino: Evaristo Sardiñas Cruz, Baudilio Echeverría Yanes, Alfonso Loo Suú and Luis de los Santos Naranjo.

Fifth: That there are numerous prisoners in a precarious state of health to whom due medical attention is not given, nor for mercy's sake are they taken out of jail and delivered over to the care of their relatives. Here are some names: Federico Hernandez González, cerebellar ataxia; Francisco López Pérez, 70 years old, cancer of the throat, cannot speak; Alfonso de Aramas Orozco, cancer of the stomach; Tony Cuesta, blind and crippled; Antonio Dominguez Hernández and Ramón García Salcedo, almost blind, due to a type of toxoplasmosis which they acquired through the contamination by specific germs when they were handling bat manure at a forced labor camp; Abel Nievel Morales, has only one kidney and he has to have one testicle removed; Alfredo Izaguirre, journalist, hepatocirrhosis; Dr. Abelardo Codinach, 72 years old, pride of Cuban medicine, cancer of the spine; Dr. Andrés Vargas-Gómez, grandson of Generalísimo Máximo Gómez, hero of the War of Independence, with one kidney amputated and infection in the other one; Pablo Castellanos Caballero, journalist, 50 years old, heart attack, chronic hypertension, duodenal ulcer, asthma; Manuel Romeu Fernández, Juan Miguel Coello Moreno, Rigoberto Pereda López, Gerardo Martiatu Daniel, Heriberto León Ruiz, René Ramos Angulo, José Agustín González Savio, and Beato Guerra Piñero, all totally disabled. Only Coello Moreno has a wheelchair; the others depend on their companions to get around and the attention to all their needs. In addition, the six affected with polyneuritis who are serving time in La Cabaña whom we mentioned previously. It is spread upon the record that there are thousands of prisoners also in a poor state of health in numerous prisons and concentration camps throughout the island.

Sixth: That the proofs of these denouncements lie in unrefutable documents, clandestinely taken out of the prisons in Cuba, many of which are already in the hands of your Commission. The others that were required will be duly submitted.

Seventh: That with regard to the foregoing we respectfully request of your United Nations Human Rights Commission:

1.—That naming of an investigating committee for the verification of the reported violations of human rights.

2.—That said Committee call for the corresponding authorization to go to Cuba and make an on-the-spot inspection of the political prisons, especially: the Cinco y Medio in Pinar del Rio; La Cabaña and Nuevo Amanecer in Havana; San Severino in Matanzas: Nieves Morejón in Las Villas; Morón in Camaguey; and Boniato in Oriente. There are hundreds of jails and concentration camps whose names and locations we will immediately and gladly put at the disposal of the delegates upon their request.

3.—That they be permitted to interview, even be it only a reduced number of political prisoners, among which we suggest: Tony Cuesta; former comandantes of the Rebel Army Huber Matos and Eloy Guitiérrez Menoyo; Miguel Sales; Dr. Andrés Vargas-Gómez; and journalists Alfredo Izaguirre and Pablo Castellanos Caballero at La Cabaña prison in Havana; and mesdames Miriam Ortega and Leopoldina Grau Alsina in the prisons of La Cabaña and Nuevo Amanecer, in the same province.

4. That once the reported facts are proven, demand, in the name of respect for human rights, that they cease the mistreatment of the political prisoners and set them unconditionally free, allowing them to leave the country under the supervision of your organization and the International Red Cross.

Very respectfully yours,

For the Committee for the Divulgation of Abuses Against Political Prisoners in Cuba: Dr. Humberto Medrano, Coordinator.

For the Association of Former Political Prisoners in Cuba: Board of Directors: Mercedes Roselló, F. Suarez Roqueta, Sergio Aguilera.

For the Worldwide "Pedro Luis Boitel" Committee for Cuban Political Prisoners: Jose A. Ponjuan, President, N.Y., Ricardo A. Pastrana, Vice President, N.Y., Roberto Ruiz Lavin, Sec. Gen., State of Florida.

For the Committee for the Liberty of Cuba's Political Prisoners: Juan Angulo, President, San Juan, Puerto Rico. Dr. Aurelio Alvarez Echezarreta, President, Caracas, Venezula.

FOR THE CUBAN POLITICAL PRISONERS

Campaign suggested by:

Committee for the Divulgation of Abuses Against Political Prisoners in Cuba.

Association of Former Political Prisoners in Cuba.

Worldwide "Pedro Luis Boitel" Committee for Cuban Political Prisoners.

Committee for the Liberty of Cuba's Political Prisoners (Puerto Rico and Venezuela).

Mr. HELMS. Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator has 5 minutes remaining.

Mr. STONE. Mr. President, will the Senator yield?

Mr. HELMS. I am delighted to yield to my good friend, the able Senator from Florida.

Mr. STONE. Mr. President, today there are newsmen in Castro's Cuba accompanying one of our colleagues on his tour down there.

Does the Senator suppose that when they return or when they broadcast from Cuba they will broadcast any film footage or any coverage whatsoever of the political prisons?

Mr. HELMS. The Senator's question is almost rhetorical, and I appreciate his asking it. The answer is no, of course, news from all Communist countries, including Cuba, is heavily censored. That is why the American people are so often misled about the nature of the Communist menace around the world.

Mr. STONE. Does the Senator suppose that any of this tour or any of the coverage of the tour is going to cover the forced labor camps doing agricultural service?

Mr. HELMS. I say to the Senator, in no way will such coverage occur, if previous experience is any guide, and we all know—or should know—that experience

is a good teacher when it comes to dealing with the Communists.

Mr. STONE. Does the Senator think that this tour or the coverage of this tour is going to cover the committees for the revolution which occur on every single block, and the members of which committees monitor and supervise not merely political thought on their block or in their neighborhood but even such things as the manner of life, the comings and goings, who visits whom, what soap they use for their laundry and their other washing and how much of it? Does the Senator suppose that we will get coverage of that?

Mr. HELMS. The Senator's series of penetrating questions drive home the very point of my amendment, and I thank him most sincerely.

Mr. STONE. Mr. President, that is a valid and needed amendment in the opinion of the Senator from Florida. In my opinion as well as in the opinion of the Senator from North Carolina we are not dealing here with just another Communist bloc nation, but one of the most tightly controlled Communist societies in the world. Part of that is because it is an island, part of it is just because of the way they set themselves up. For us to put our seal of approval on that type of punishment of innocent civilians and that type of political mind control 90 miles from our shores does not make much sense to the Senator from Florida.

I ask one final question of the Senator: Is it or is it not a fact that the island of Cuba under the Castro regime maintains and assists in maintaining bases for Soviet nuclear submarines, again 90 miles from our shores?

Mr. HELMS. The Senator is absolutely correct, in the opinion of the Senator from North Carolina. That is one of the most serious problems we face.

Mr. President, I reserve the remainder of my time.

The ACTING PRESIDENT pro tempore. The Senator from Virginia has 5 minutes remaining.

Mr. HARRY F. BYRD, JR. Mr. President, I point out that those who seek to change the status of our relationship with Cuba, in order to accomplish that, will need to repeal Public Law 37–733, and, as I mentioned earlier, such legislation has been introduced by the senior Senator from Massachusetts (Mr. KENNEDY).

I want to read the first paragraph of the preamble of Public Law 37–733.

It states:

> Whereas President James Monroe, announcing the Monroe Doctrine in 1823, declared that the United States would consider any attempt on the part of European powers "to extend their system to any portion of this hemisphere as dangerous to our peace and safety";

I submit if we repeal Public Law 87–733 we are, in effect, repealing the Monroe Doctrine. This country has winked at the Monroe Doctrine for some years now, but we will be going much further if we are to adopt any proposal which would formally acquiesce in the existence of the Soviet influence in the Western Hemisphere such as the influence of the Soviets in Cuba today.

As the able Senator from Florida just pointed out, it is a highly regimented, totally Communist society in Cuba, and yet legislation has been introduced in the Senate which would permit foreign aid of American tax dollars to be given to Cuba.

I think it would be a great mistake to do that. I do not say there should be no change at any time in our relationship with Cuba, but I think before there is a change in our relationship with Cuba there must be a change on the part of Fidel Castro, an acknowledged Communist agent, the acknowledged Communist representative in Cuba.

The able Senator from North Carolina has pointed out an important need if our relationship with Cuba is to be changed. I say again I do not say that there should not be a change in relationship, but I say if there is a change that there should be important demands or important concessions made by Castro, particularly in regard to the Soviet influence in that island.

Mr. STONE. Mr. President, will the Senator yield for a question?

Mr. HARRY F. BYRD, JR. I yield to the Senator from Florida.

Mr. STONE. Did the Senator happen to notice this morning's television interview on the NBC "Today" show with Secretary of State Kissinger in which the question was asked what was the Secretary's view with regard to changing our relationship with Castro Cuba, and the Secretary replied:

> We have made some gestures to ask, in effect, for a changed attitude and change in circumstances by Fidel Castro, but to this moment we have not heard anything back from them, and they know how to reach us.

Yet, in the face of that, the Secretary announced, in effect, a policy of permitting the OAS, without any objection on our part, to change the rules so that by a majority, a mere majority, sanctions could be lifted against Castro Cuba.

I just wonder whether the Senator from Virginia feels that in the absence of these gestures, and more than a gesture—because people's lives are involved by the tens of thousands—whether we should blithely go on our way and proceed as if changes had occurred, changes in the export of revolution, changes in the training of saboteurs, changes in the total mind control and regimentation of those people so close to our shores.

Mr. HARRY F. BYRD, JR. I think the Senator from Florida is quite right in his assertion. The Senator from Virginia said 6 months ago that the State Department was laying the groundwork for a change in relationship, and trying to do that not directly but indirectly through the Organization of American States, and if our country acquiesces in the change in the rules of the OAS, a change in the rules which Congress has approved, which rules Congress has approved if we acquiesce in the change of those rules, then that will mean the State Department is trying to do indirectly what it is not willing to do directly.

Mr. STONE. Mr. President, will the Senator yield for one further question?

Mr. HARRY F. BYRD, JR. I yield.

Mr. STONE. Senator, is it not the case that our State Department and our President are now in the process of reassessing our foreign policies so that we do not either seem to be or actually be so much of a loser in our foreign policy as we have been in recent months? Is it wise, in reassessing the policy, to continue a policy of a giveaway first and hope for something in return last as opposed to a quid pro quo approach, a reciprocity approach, which was enunciated early by Cordell Hull, which said if they would do something back for us we will do something for them? Is it wise for us to continue in this policy and say that we are reassessing when actually we are doing more of the same, failing, failing, failing, and getting nothing back to our taxpayers or citizens for these giveaways or concessions.

Mr. HARRY F. BYRD, JR. I think it is a very unwise policy that we have been pursuing, and that is the reason why I have had a grave question about détente. I approve of détente, and if by détente you mean a dialog between the leaders of the great nations of our world, that is important. I favor a dialog.

Where I part company with Secretary Kissinger on the question of détente is in regard to the agreements which have been made, and the United States has come out second best in these agreements in many cases, and this looks like it might be another case where we give away all of our chips without getting anything in return.

The ACTING PRESIDENT pro tempore. All time of the Senator from Virginia has expired.

The Senator from North Carolina has 1 minute.

Mr. HELMS. Mr. President, to illustrate the way the free press is treated in Cuba, I want to refer to page 1649 of a committee print from the Judiciary Committee, Subcommittee To Investigate the Administration of the Internal Security Act and Other Internal Security Laws. This has to do with the testimony of a Communist functionary of Cuba, Francisco Antonio Teira Alfonso, connected with the intelligence apparatus of the Department of the Security of States, who defected. In the testimony they are talking about Bert Quint, of CBS, who visited Cuba and came back with one of those glowing reports.

In this excerpt, Mr. Tarabochia, who is chief investigator for the subcommittee, identifies Mr. Quint through cross-examination and the excerpt continues as follows:

> Mr. TEIRA. . . . people like John Roberts, Bert Quint.
>
> Mr. TARABOCHIA. He was a correspondent for CBS?
>
> Mr. TEIRA. For CBS; yes.
>
> Mr. TARABOCHIA. What kind of treatment did he receive?
>
> Mr. TEIRA. Well, with many, the treatment consisted of making believe that he was seeing what he wanted, and we put on a facade that we were a bunch of honest people. Actually, it was a matter of trying to disinform them a little.
>
> Mr. TARABOCHIA. By disinformation you mean misinform him?

Mr. Teira. Misinform him; yes.

Mr. Tarabochia. Give him information that——

Mr. Teira. That was not true.

Mr. Tarabochia. It was not true.

Mr. Teira. But, we let him have the impression that he was able to get information from us while we pretended that we had violated rules and committed an error by allowing him to get this information, because we would make a remark that the information we gave him was wanted for the record and that would put us in a difficult position if my superiors found out that I had let this information reach him. Naturally, this air of conspiracy made him believe that he was getting valuable information when actually, we were giving him what we wanted him to get.

I just want to say this confirms precisely what the able Senator from Florida said in his fine line of questioning, and what the able Senator from Virginia said in his excellent presentation.

I yield back the remainder of my time.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The Senator from Florida has, under the previous order, 15 minutes.

UNITED STATES-CUBA RELATIONS

Mr. STONE. Mr. President and Senators, I shall be brief. If my distinguished colleagues wish to utilize any of the time reserved under the previous order, I will be very happy to yield further time.

Briefly, Mr. President, we are about to commence a meeting of the Organization of American States within just a few days right here in Washington. Again it will be proposed by a majority vote that the sanctions which have been imposed against Communist Cuba for cause will be lifted.

Our State Department will probably go along with that, and there are two routes that it can follow in going along with that approach, either route being objected to by the Senator from Florida.

There are two routes. One is to amend the internal procedures of the body in such a way as to affect the two-thirds requirement in the resolution of sanctions itself, and the other is to change the rules of the Organization which occur under the Rio Treaty. That latter approach would allow the Senate to advise and consent or to advise and not consent.

I have not exactly been assured, but the implication has been made to me by high State Department officials that the latter route will be followed if the State Department chooses to approve or acquiesce by its silence in this majority approach.

If so, the Senate will be faced within a matter of a few weeks or months with the ratification of this change in relationship toward Communist Cuba, toward Castro Communist Cuba, toward a regime which, without any dispute, is one of the most regimented, repressive, politically imprisoning type of regimes in the world today—not just in this hemisphere but in the world.

When the distinguished Senators who last year proposed and signed a resolution to object to the unilateral giveaway of the Panama Canal Zone, obtained lawfully and through treaties and through benefits conferred on the Republic of Panama and its citizens, and when those Senators stood up, the entire process of unilateral giveaway slowed to a walk.

The other day on this floor when the distinguished Senator from North Carolina brought to light a distinct possibility that unilaterally and by executive agreement, and maybe even by secret executive agreement, essential services in the Canal Zone were to be given away without amending the treaty, I think that we had some effect because nothing of the sort took place even though more than sufficient smoke was there for there to be a fire.

So I think it is appropriate for us in this body to express ourselves and to be part of this process of reassessment of foreign policy that is now taking place.

What should our foreign policy be to be more realistic in the world?

The giveaways have not purchased love for this country. What is worse, the unilateral weakness, the concessions in advance with no quid pro quo have purchased for our foreign policy a total lack of respect and one defeat after the other.

When I return home to Florida, I find all of our constituents there, almost to a person, urging that we not continue this self-defeating policy of unilateral concessions and that we in our foreign trade, in our military posture, in all of our relationships with both the free world and the nonfree world, insist on being treated as we treat others.

Now we are about to embark on another one of these unilateral concessions in advance with no gain for liberty in the world, with no major gain for our own pocketbook and those of our taxpayers, with more of the same, with pouring water on a drowning foreign policy, with pouring of acid on the upset stomachs of our citizens and taxpayers, to no purpose.

I think it is appropriate that in advance the Senate advise and not consent to that type of continuing wasteful foreign policy that produces a lack of pride in our heritage just as we are beginning to celebrate our 200th birthday.

Mr. HELMS. Will the Senator yield?

Mr. STONE. I yield to the Senator.

Mr. HELMS. Mr. President, the Senator from North Carolina wishes to commend the able Senator from Florida for his eloquent, sound, and sensible comments. He is a great addition to this body and I want to say to him that I am glad he is here, because his voice needs to be heard.

Mr. STONE. I appreciate that very much:

Mr. HELMS. Further, the distinguished Senator mentioned the current visit to Cuba by the Senator from South Dakota (Mr. McGovern). The Senator from Florida expressed some interest in what Senator McGovern may report to us when he returns to this body.

I recall Senator McGovern's allegations about political prisoners in Vietnam in prior years. I hope that he will be able to perceive the plight of political prisoners in Cuba, and report to this Senate thereon.

Mr. STONE. The Senator from North Carolina knows, as does the junior Senator from Florida, that there are political prisoners in the Republic of Cuba that are Americans, that are U.S. citizens.

Mr. HELMS. The Senator is correct. There is no doubt in my mind about there being political prisoners in Cuba, and I regret that the major news media of the United States are suffering from an epidemic of blind spots in this connection. I am concerned, as is the Senator from Florida, about these people.

Mr. STONE. They are unable to leave and they want to leave. They are not even MIA's or POW's. They are there as civilians and cannot get out.

Mr. HELMS. For too many Americans, they are forgotten.

Mr. STONE. And forgotten except on the floor of the Senate. I do not propose, and I do not believe the distinguished Senator from North Carolina or the distinguished Senator from Virginia proposes, to forget those citizens. For us to consent and passively acquiesce to a change of policy without immediately getting the exit right for those U.S. citizens that are not accused of any crime or even any offense is more of the same. We lose before we even start.

Mr. HELMS. Once again, I commend the Senator for his splendid remarks.

Mr. HARRY F. BYRD, JR. Will the Senator yield?

Mr. STONE. I yield to the Senator.

Mr. HARRY F. BYRD, JR. The Senator from Florida made a splendid statement today, an outstanding statement. I agree with all that he has said in regard to the situation in Cuba. It is tragic, I think.

I spent a lot of time in Cuba in 1959. I was doing newspaper work there and saw a great deal of Cuba. It is a wonderful island, wonderful people. It is so tragic, what has happened to it. It has become a totally communistic country situated so close to our shores.

If the State Department acquiesces in what the Organization of American States and majority may do, then it will, it seems to me, be putting the stamp of approval on a Soviet military base 90 miles from the shores of the United States.

So long as the Soviet military base exists in that island, I will have a great deal of reluctance, a great deal of difficulty in supporting any change in the status of our relations with Cuba.

Mr. STONE. The Senator from Virginia is completely accurate and one of the main reasons, apart from our unilateral giveaway in advance, for the failure of our foreign policy is the fact that the world used to perceive this country as the guardian of liberty, the guardian of individual freedom.

That is what made America the hope of the world, and if we give that underpinning of our basic policy away it must fail, no matter how pragmatic it seems at the time.

There are imprisoned Americans in the sense they cannot get out of that

country. There are tens of thousands of imprisoned Cubans, imprisoned for political reasons, not reasons of crime. Just to acquiesce either by acceding to a back-door approach through the OAS or a front-door approach would be to say to the world that we really do not care about freedom and liberty of the individual, we only care about what seems to be advantageous at the moment.

That type of foreign policy must fail because it gives away the one great thing we have.

They may not like us around the world. They may never have liked us around the world, but they always respected us and hope for our success because we stood up for the right of an individual person to have a free choice of his religion, of his citizenship, of his right to leave and come back to a country. Some basic freedoms.

If we give that all away in the name of a reassessment, which is really more of the same, we will continue to fail and we should not. We owe ourselves better on this 200th birthday.

The ACTING PRESIDENT pro tempore. Is all time yielded back?

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Mississippi (Mr. Stennis) is recognized for not to exceed 15 minutes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order allotted to Mr. Stennis be altered to provide for a period for the transaction of routine morning business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. There will now be a period for the transaction of routine morning business.

PRIVILEGE OF THE FLOOR—S. 200

Mr. MORGAN. Mr. President, I ask unanimous consent that my aide, Neil Hill, be given the privilege of the floor during the consideration of the Consumer Protection Agency bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

At 11:03 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 1387. An act for the relief of Paul Alvarez Rodriquez;

H.R. 1388. An act for the relief of Guadalupe Villegas-Cantu;

H.R. 1393. An act for the relief of Jacinta Roque Armstrong-Perez;

H.R. 1408. An act for the relief of Joseph Hoffman;

H.R. 1510. An act for the relief of Steve P. Reese;

H.R. 1553. An act for the relief of Victor Henrique Carlos Gibson;

H.R. 1556. An act for the relief of Henrika Koenders Lyne;

H.R. 2119. An act for the relief of Maria Gilda Haro;

H.R. 4510. An act to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations; and

H.R. 5810. An act to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations.

ENROLLED BILL SIGNED

At 12:30 p.m., a message from the House of Representatives delivered by Mr. Berry announced that the Speaker has signed the enrolled bill (S. 172) to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of Government employees, and for other purposes.

The enrolled bill was subsequently signed by the Vice President.

At 2:30 p.m., a message from the House of Representatives delivered by Mr. Berry announced that the House has agreed to the following concurrent resolutions without amendment:

S. Con. Res. 16. A concurrent resolution authorizing the printing of additional copies of the joint committee print entitled "Income Security for Americans: Recommendations of the Public Welfare Study"; and

S. Con. Res. 17. A concurrent resolution authorizing the printing of additional copies of the joint committee print entitled "Federal Subsidy Programs."

The message also announced that, pursuant to the provisions of section 1(e), Public Law 93–568, the Speaker has appointed as members of the Advisory Committee of the White House Conference on Library and Information Services the following member on the part of the House: Mr. Ford of Michigan, and the following members from private life: Mr. Gene Shalit of New York City, N.Y.; Mrs. Allie Beth Martin of Tulsa, Okla.; Mrs. Jeanne Hurley Simon of Carbondale, Ill.; and Mr. Michael A. McCarroll of Lexington, Mass.

The message further announced that, pursuant to the provisions of section 2(a), Public Law 9379, the minority leader has appointed Mr. Stanford E. Parris of Virginia as a member of the District of Columbia Law Revision Commission, vice Mr. Henry P. Smith III, of New York, resigned.

At 4:30 p.m., a message from the House of Representatives delivered by Mr. Berry announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 25) to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes.

The message also announced that the House has agreed to the following concurrent resolutions without amendment:

S. Con. Res. 23. A concurrent resolution to authorize the printing of additional copies of "The Congressional Program of Economic Recovery and Energy Sufficiency"; and

S. Con. Res. 31. A concurrent resolution authorizing the printing as a Senate document of the prayers offered by the Chaplain of the Senate, the Reverend Edward L. R. Elson, S.T.D., during the 93d Congress.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. Bumpers) laid before the Senate the following letters, which were referred as indicated:

Report of the Defense Civil Preparedness Agency

A letter from the Director of the Defense Civil Preparedness Agency transmitting, pursuant to law, a report of Federal Contributions Program Equipment and Facilities for the quarter ending March 31, 1975 (with an accompanying report); to the Committee on Armed Services.

Report of the Comptroller General

A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Inefficient Management of F–14 Spare Parts" (with an accompanying report); to the Committee on Government Operations.

Proposed Legislation by the Department of the Navy

A letter from the Secretary of the Navy transmitting a draft of proposed legislation to authorize officers of flag rank to serve in the Medical Service Corps in the Navy, and for other purposes (with accompanying papers); to the Committee on Armed Services.

Supplemental Estimate of Appropriation for the Railroad Retirement Board

A letter from the Deputy Director of the Office of Management and Budget reporting, pursuant to law, that the appropriation to the Railroad Retirement Board for "Limitation on Salaries and Expenses," has been apportioned on a basis which indicates a necessity for a supplemental estimate of appropriation for the fiscal year 1975 (with accompanying papers); to the Committee on Appropriations.

Proposed Legislation by the President

A communication from the President of the United States transmitting a draft of proposed legislation to set a termination date for veterans educational benefits under Chapters 34 and 36 of title 38, U.S.C., and for other purposes (with accompanying papers); to the Committee on Veterans' Affairs, and ordered to be printed.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HRUSKA, from the committee on the Judiciary, without amendment:

S. 240. A bill to amend the Act entitled "An Act granting a charter to the General Federation of Women's Clubs" (Rept. No. 94–105).

S.J. Res. 44. A joint resolution authorizing the President to proclaim September 28, 1975, as National Indian Day (Rept. No. 94–106).

S.J. Res. 46. A joint resolution authorizing and requesting the President to issue a proclamation designating October 5–11, 1975, as "Newspaper Week" and also designating October 11, 1975, as "Newspaper Carrier Day" (Rept. No. 94–107).

By Mr. Hruska, from the committee on the Judiciary, with an amendment:

S.J. Res. 79. A joint resolution to authorize "National Shut-In Day" (Rept. No. 94–108).

By Mr. HRUSKA, from the Committee on the Judiciary, with amendments:

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S.J. Res. 34. A joint resolution asking the President of the United States to declare the fourth Saturday of each September "National Hunting and Fishing Day" (Rept. No. 94–109).

By Mr. HARTKE, from the Committee on Commerce, without amendment:

H.R. 4975. An act to amend the Rail Passenger Service Act to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. WILLIAMS, from the Committee on Labor and Public Welfare:

Donald Sharp Fredrickson, of Maryland, to be Director of the National Institutes of Health;

Harold L. Hodgkinson, of California, to be Director of the National Institute of Education;

Richard C. Atkinson, of California, to be Deputy Director of the National Science Foundation;

Edward E. Booher, of New Jersey, to be a member of the National Council on Educational Research;

Theodore Cooper, of Maryland, to be an Assistant Secretary of Health, Education, and Welfare; and

The following-named persons to be members of the Advisory Council on Women's Educational Programs for the terms indicated (new positions):

For a term of 1 year:

Benjamin DeMott, of Massachusetts.
Marsha Jean Darling, of North Carolina.
Jon W. Fuller, of Michigan.
Margaret B. Harty, of Texas.
Holly Knox, of the District of Columbia.
Irene E. Portillo, of California.

For a term of 2 years:

M. Anne Campbell, of Nebraska.
Joanne M. Carlson, of Oregon.
Bernice Sandler, of Maryland.
Gerald E. Weaver, of Mississippi.
Sister M. Joyce Rowland, of Minnesota.

For a term of 3 years:

Mary L. Allen, of Kansas.
Ernest L. Boyer, of New York.
Katherine K. Burgum, of North Dakota.
Theresa Aragon de Shepro, of Washington.
Mary Beth Peters, of Pennsylvania.
Agnes M. Dill, of New Mexico.

(The above nominations were reported with the recommendations that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that today, May 7, 1975, he presented to the President of the United States the enrolled bill (S. 172) to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of Government employees, and for other purposes.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated:

H.R. 1387. An act for the relief of Paul Alvarez Rodriguez;

H.R. 1388. An act for the relief of Guadalupe Villegas-Cantu;

H.R. 1393. An act for the relief of Jacinta Roque Armstrong-Perez;

H.R. 1408. An act for the relief of Joseph Hoffman;

H.R. 1510. An act for the relief of Steve P. Reese;

H.R. 1553. An act for the relief of Victor Henrique Carlos Gibson;

H.R. 1556. An act for the relief of Hendrika Koenders Lyne; and

H.R. 2119. An act for the relief of Maria Gilda Haro; to the Committee on the Judiciary.

H.R. 4510. An act to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations; and

H.R. 5810. An act to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations; to the Committee on Foreign Relations.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. HUGH SCOTT:

S. 1672. A bill to amend the Food Stamp Act; and

S. 1673. A bill to amend the Food Stamp Act. Referred to the Committee on Agriculture and Forestry.

By Mr. SPARKMAN (by request):

S. 1674. A bill providing for participation by the Government of the United States in the International Cotton Advisory Committee, the International Lead and Zinc Study Group, the International Rubber Study Group, and the International Seed Testing Association, and authorizing appropriations therefor. Referred to the Committee on Foreign Relations.

By Mr. PHILIP A. HART (for himself, Mr. Griffin, Mr. Bayh, Mr. Hartke, Mr. Humphrey, Mr. Mondale, Mr. Nelson, Mr. Percy, Mr. Proxmire, and Mr. Stevenson):

S. 1675. A bill to designate certain lands in the Isle Royale National Park in Michigan as wilderness, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. TAFT (for himself, Mr. Thurmond, and Mr. McClure):

S. 1676. A bill to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes. Referred to the Committee on Government Operations.

By Mr. MONDALE:

S. 1677. A bill to amend 23 of the Internal Revenue Code of 1954 (relating to the Federal Unemployment Tax Act) to provide for the eligibility of school teachers for unemployment insurance under the unemployment insurance program. Referred to the Committee on Finance.

By Mr. ABOUREZK:

S. 1678. A bill to help preserve the separation of powers and to further the intent of Congress in the delegation of responsibilities to the agencies by providing for congressional review of rulemaking proposed by executive agencies. Referred to the Committee on the Judiciary, by unanimous consent.

By Mr. HARTKE (for himself and Mr. Magnuson):

S. 1679. A bill to amend the Regional Rail Reorganization Act of 1973 to permit responsible consideration of the profitability of light density lines, and for other purposes. Referred to the Committee on Commerce.

By Mr. HARTKE (by request):

S. 1680. A bill to authorize the Secretary of Transportation to guarantee loans of $100,000,000 to Railroad Systems in the Midwestern United States. Referred to the Committee on Commerce.

By Mr. EAGLETON:

S. 1681. A bill to amend the Federal Food, Drug, and Cosmetic Act with respect to cosmetic safety. Referred to the Committee on Labor and Public Welfare.

By Mr. BENTSEN:

S. 1682. A bill entitled "The Justice Department Reform Act." Referred to the Committee on the Judiciary.

By Mr. BAYH:

S. 1683. A bill to amend the Internal Revenue Code of 1954 to permit a parent who supports a handicapped child to take a personal exemption for that child even though the child earns more than $750. Referred to the Committee on Finance.

STATEMENT ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HUGH SCOTT:

S. 1672. A bill to amend the Food Stamp Act; and

S. 1673. A bill to amend the Food Stamp Act. Referred to the Committee on Agriculture and Forestry.

Mr. HUGH SCOTT. Mr. President, I am pleased today to be introducing two bill to amend the Food Stamp Act of 1964. As you know, there have been many abuses and inequities in this program since its inception. In essence, these two bills are designed to eliminate abuses and improve and streamline the program.

The first bill will allow all those already eligible for food stamps to use them to purchase Meals on Wheels. In 1969 I introduced a bill to authorize the elderly to exchange food stamps for meals prepared by private, nonprofit organizations. Although this bill was subsequently made a part of a more comprehensive bill adopted by the Senate in 1969, the House failed to take action. The bill I introduce today is designed to do the same thing; namely, to allow all those elderly or disabled who receive Meals on Wheels to pay for them with food stamps.

The second bill is designed to aid in the administration of the food stamp program by requiring a more efficient and orderly procedure for the issuance of food stamp vouchers, for certification and verification of potential applicants. At present, Pennsylvania has nearly 900,000 people receiving food stamps—this represents more than 290,000 households.

As my colleagues know, the biggest problem facing most States is getting those eligible for the program properly and quickly enrolled. In many States potential recipients are forced to wait in long lines day after day in their effort to register for the program. This bill will eliminate lengthy waiting periods by improving certification procedures. In addition, the bill provides for notification of all social security supplemental security income and unemployment compensation applicants and recipients of the food stamp program and its income and resource guidelines.

I think it is appropriate to state that the two bills I am introducing today are also part of a comprehensive bill introduced by Senator McGovern, chairman of the Select Committee on Nutrition and Human Needs. He has graciously agreed to my introducing two of the sections of his bill which I believe are

critical to the continued efficient and equitable operation of the food stamp program.

In this time of rising unemployment, the food stamp program represents salvation to hundreds of thousands of people across the country. It is designed to lessen their struggle against skyrocketing prices. Because of the critical role that food stamps play, it is essential that we make them readily available and easily accessible to all those eligible to participate in the program. These two bills go a long way toward accomplishing that goal.

Mr. President, I ask unanimous consent that the text of my two bills be printed immediately following my remarks.

There being no objection, the bills were ordered to be printed in the Record, as follows:

S. 1672

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that Section 10(h) of the Food Stamp Act of 1964, as amended, is amended by deleting the first sentence and inserting in lieu thereof the following:

"Subject to such terms and conditions as may be prescribed by the Secretary in the regulations issued pursuant to this Act, household members or persons who are elderly, housebound, feeble, physically handicapped, or otherwise disabled, to the extent that they are unable to adequately prepare all of their meals, may use coupons issued to them to purchase meals prepared for and delivered to them by a political subdivision or by a private nonprofit organization which: (1) is operated in a manner consistent with the purposes of this Act; and (2) is recognized as a tax exempt organization by the Internal Revenue Service."

S. 1673

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that the Food Stamp Act, as amended, is amended by adding new subsections 10(j) and (k) as follows:

"(j) In order to insure the participation of eligible households and to provide for the effective and efficient administration of the food stamp program, the Secretary shall provide for in the regulations issued pursuant to this Act:"

"(j) (1) Certification procedures that shall provide for:

"(a) each potential applicant to have an opportunity to file an application for participation in the food stamp program on the same day of such person's first reasonable attempt to make a request for food stamp aid."

"(b) immediate 30-day certification, and issuance of an authorization to purchase card, to any household which meets the uniform national standards of eligibility on the face of the application, without requiring supporting documents, subject to the provisions of subsection (c)."

"(c) verification of each application within 30 days after certification: *Provided,* That a household's certification shall not expire prior to the State agency completing verification."

"(d) a minimum certification period of three months: *Provided,* That households containing an elderly, blind, or disabled recipient, shall be certified for a minimum of six months."

"(e) convenient, adequately staffed certification centers."

(2) Outreach guidelines to insure the participation of all eligible households, including but not limited to:

"(a) notification of all Social Security, SSI, and unemployment compensation applicants and recipients, or the existence of the food stamp program and its income and resource guidelines. A full-time outreach director for each State and county.

"(b) a continuing media campaign in each State to inform the public about the food stamp program eligibility guidelines, how and where to apply, and what to take to the certification office.

"(c) personal contact with low-income persons by outreach workers to be hired primarily from the low-income community and the use of nonprofit organizations.

"(d) a toll-free telephone number through which food stamp information may be obtained and to provide adequate telephone lines into food stamp offices."

"(3) In such areas as are necessary, multilingual personnel, printed material, and other services provided for in subsection (1) and (2)."

"(4) The creation of a Food Stamp Advisory Board, to be composed equally of State administrators, community representatives including food stamp recipients and persons generally recognized as experts in the field. The Board shall be composed of 15 members and shall be consulted prior to regulation changes, and in no case less than quarterly. The Board shall issue a yearly report to the Congress on the operation of the food stamp program."

"(k) The United States Postal Service shall provide for the issuance of food stamps to certified households in all post offices during normal working hours, notwithstanding the responsibility of the State agency for the issuance of coupons under subsection (b). The Postmaster General shall consult with the Secretary in formulating regulations pursuant to this subsection."

By Mr. SPARKMAN (by request):

S. 1674. A bill providing for participation by the Government of the United States in the International Cotton Advisory Committee, the International Lead and Zinc Study Group, the International Rubber Study Group, and the International Seed Testing Association, and authorizing appropriations therefor. Referred to the Committee on Foreign Relations.

Mr. SPARKMAN. Mr. President, by request I introduce for appropriate reference a bill to provide for participation by the Government of the United States in the International Cotton Advisory Committee, the International Lead and Zinc Study Group, the International Rubber Study Group, and the International Seed Testing Association, and authorizing appropriations therefor.

The bill has been requested by the Department of State and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when it is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill, a justification and a section-by-section analysis be printed in the Record at this point, together with the letter from the Assistant Secretary of State for Congressional Relations to the President of the Senate dated April 25, 1975.

There being no objection, the bill and material was ordered to be printed in the Record, as follows:

S. 1674

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized to maintain membership in the International Cotton Advisory Committee, the International Lead and Zinc Study Group, the International Rubber Study Group, and the International Seed Testing Association.

Sec. 2. There is hereby authorized to be appropriated to the Department of State such sums as may be necessary for the annual payment by the United States as a member of its share of the expenses of the International Cotton Advisory Committee, the International Lead and Zinc Study Group, the International Rubber Study Group, and the International Seed Testing Organization.

April 25, 1975.

Hon. Nelson A. Rockefeller,
President of the Senate,
U.S. Senate

Dear Mr. President: There is transmitted herewith proposed legislation which would authorize United States Government participation in the following organizations: (1) the International Seed Testing Association; (2) the International Cotton Advisory Committee; (3) the International Rubber Study Group; and (4) the International Lead and Zinc Study Group. The United States has participated in these organizations since 1924, 1939, 1945, and 1960 respectively.

We are also requesting authorization of appropriations to the Department of State for such sums as may be necessary for the annual payment by the United States as a member of its share of the expenses of these International Organizations.

The Department has been informed by the Office of Management and Budget that there is no objection to the presentation of this proposed legislation to the Congress.

Respectfully,

Robert J. McCloskey,
Assistant Secretary for Congressional Relations.

Enclosure:
1. Proposed Legislation
2. Section-by-Section Analysis
3. Explanatory Justification

Explanatory Justification

The four organizations in which the proposed bill will formally authorize United States membership, the International Cotton Advisory Committee (ICAC), the International Rubber Study Group (IRSG), the International Seed Testing Association (ISTA) and the Lead and Zinc Study Group (LZSG) have been in existence for many years. They provide useful forums for international cooperation and for discussion and solution of international problems pertaining to the commodities concerned. Continuation of our membership in these organizations is in the national interest.

The ICAC is the source of widely respected statistical data and economic analysis with respect to world cotton production, consumption, trade, stocks, and prices, and serves as a forum for the consideration of cotton problems. As a major cotton producer and consumer, the United States has an important interest in the activities of the ICAC, and has participated in the Committee since 1939.

The IRSG provides valuable statistics and other data on production and trade in rubber, and a forum for discussion of the problems of the rubber industry. As the world's largest consumer of rubber and the largest producer of synthetic rubber, the United States has an important interest in developments in the rubber industry. United States participation in the IRSG started in 1945.

The ISTA develops internationally accept-

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able seed testing criteria. These are important in protecting the farmer against the hazard of sowing inferior seed and helps insure that U.S. seeds may enter foreign markets. We have participated in the ISTA since 1924.

The LZSG is a valuable source of data on these important and often unstable commodities. As a major producer and consumer of these metals, the United States has an important need for these data and for the LZSG as a forum for discussing specific problems of these industries. We have participated in the LZSG since 1960.

In its report 93–176, the Senate Foreign Relations Committee recommended that action be taken to obtain formal Congressional authorization of United States participation in these organizations. The proposed bill will accomplish this objective. It will also authorize appropriation of our share of the organizations' expenses. Upon enactment of the legislation, our share of the organizations' expenses will be moved from the "Contributions to New or Provisional Organizations" section of the *International Conferences and Contingencies* appropriation to the *Contributions to International Organizations* appropriation. Our share of the expenses of all four of these organizations for fiscal year 1976 is estimated at $55,000.

Section-by-Section Analysis

Section 1. This section authorizes the President to maintain membership in the International Cotton Advisory Committee, the International Lead and Zinc Study Group, the International Rubber Study Group, and the International Seed Testing Association.

Section 2. This section authorizes the annual appropriation of sums for payment by the United States of its share of the expenses of the four organizations.

By Mr. PHILIP A. HART (for himself, Mr. Griffin, Mr. Bayh, Mr. Hartke, Mr. Humphrey, Mr. Mondale, Mr. Nelson, Mr. Percy, Mr. Proxmire, and Mr. Stevenson):

S. 1675. A bill to designate certain lands in the Isle Royale National Park in Michigan as wilderness, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. PHILIP A. HART. Mr. President, on behalf of Senator Griffin and myself, I am reintroducing a bill to designate portions of Isle Royale National Park for preservation as wilderness. Again we are pleased to be joined in sponsorship of this measure by the Senators from Illinois (Mr. Percy and Mr. Stevenson), the Senators from Indiana (Mr. Bayh and Mr. Hartke), the Senators from Minnesota (Mr. Humphrey and Mr. Mondale), and the Senators from Wisconsin (Mr. Nelson and Mr. Proxmire).

Isle Royale National Park, situated in Lake Superior, is one of the most outstanding natural areas in North America. Due to its location and insularity the island offers a rare opportunity to the hiker and naturalist alike for the enjoyment and study of a basically undisturbed fragile ecosystem, including the only naturally balanced population of timber wolf in the continental United States.

From the time Isle Royale was established as a national park in 1931, studies done for and by the National Park Service have repeatedly emphasized that the singular, most important characteristic of Isle Royale is its value as a wilderness area.

Today, with visitation at or near carrying-capacity, the need is ever more pressing to protect that wilderness value for which this national park was established. With the passage of the Wilderness Act in 1974, Congress provided a mechanism to prevent the dilution of wilderness values, irreplaceable once lost.

The proposal we introduce today again embodies a "citizen alternative proposal," the result of a great deal of interest and detailed field work by conservation groups in Michigan, ecologists, and scientists at several Michigan universities, and members of leading national conservation groups. Officials of the State of Michigan—Governor William Milliken, his Natural Areas Advisory Council, and the Michigan Department of Natural Resources—have also endorsed the "citizen alternative proposal," a 132,744-acre alternative to the smaller acreage which would be designated as wilderness in the Department of Interior official proposal.

Senator Griffin and I first introduced legislation to implement the citizens proposal as S. 2539 in 1971. As a result of policy clarifications in hearings on S. 2539 in 1972, the Senate Subcommittee on Public Lands directed the Department of Interior to revise its recommendations to conform to the Wilderness Act. This resulted in the addition of some 9,000 acres to their earlier 120,588–acre proposal, a significant and welcome improvement. This, we believe, can be further improved with the other 3,000 odd acres we additionally propose.

As a result of the 1972 hearings, our bill was also refined and introduced as S. 452 in the 93d Congress. The bill Senator Griffin and I, and our cosponsors introduce today is identical to S. 452, and we look forward to its prompt consideration in the Committee on Interior and Insular Affairs.

By Mr. TAFT (for himself, Mr. Thurmond, and Mr. McClure):

S. 1676. A bill to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes. Referred to the Committee on Government Operations.

(The remarks of Mr. Taft on the introduction of the above bill are printed later in the Record.)

By Mr. MONDALE:

S. 1677. A bill to amend chapter 23 of the Internal Revenue Code of 1954—relating to the Federal Unemployment Tax Act—to provide for the eligibility of school teachers for unemployment insurance under the unemployment insurance program. Referred to the Committee on Finance.

Mr. MONDALE. Mr. President, I am today introducing legislation designed to remove an inexcusable inequity in our Federal-State unemployment compensation system. The bill which I am proud to introduce would bring teachers within the unemployment compensation system.

The unemployment compensation system in this country is designed as a cooperative effort between the Federal Government and the governments of the States. As a general rule, the Federal legislation embodying the system requires the States to equal or exceed specifically described Federal requirements in order to participate.

Under present law, the States are given the option to include non-Federal employees in the unemployment compensation system. Unfortunately, coverage has not been generously forthcoming.

Only 8 States, including Minnesota, provide mandatory coverage for teachers. Although 24 States allow local governments the choice of whether or not to cover teachers, there has been minimal exercise of the local option. Generally, because the local districts are fiscally dependent upon higher legislative bodies, teachers must convince the school district plus one or more legislative bodies of the desirability of coverage.

Most unfortunate of all, 17 States provide for neither mandatory nor voluntary coverage of teachers.

The Supreme Court of the United States has said:

> Today, education is perhaps the most important function of state and local governments. . . . It is required in the performance of our most basic public responsibilities. . . . It is the very foundation of good citizenship. Today it is a principal instrument in awakening the child to cultural values, in preparing him for later professional training, and in helping him to adjust normally to his environment. In these days, it is doubtful that any child may reasonably be expected to succeed in life if he is denied the opportunity of an education.

Although written many years ago, these words ring equally true today.

It is, after all, the teacher who serves as the vehicle for the transmission of this important input into the lives of our children. The teacher conveys facts and figures. The teacher serves as a moral and ethical example. The teacher serves as a parent-substitute for many hours of the day.

The teacher is, in short, an indispensable public servant, performing a vitally important professional function. The work performed by teachers is as important as that performed by any group of our society.

It is, therefore both unwise and unfair to treat the teacher as a second-class citizen when he or she, through no personal fault, falls victim to unemployment.

Mr. President, teachers are not escaping the effects of our current economic problems. Several years ago teachers were part of a booming job market. There were not enough teachers to fill the enormous need. Today, however, teaching positions are very, very hard to find. Many experienced, qualified teachers have been laid off and are unable to find new employment. Recent graduates are entering the market with no prospect for employment.

These people want to teach, they are trained to teach, but the employment situation is desperate. The Office of Education estimates that, within the next 5 years, there will be a Nationwide reduction of 80,000 teaching jobs.

Mr. President, we must not ignore this important segment of our society when they fall victim to unemployment. We

must help teachers over periods of economic adversity as we help others.

It is estimated that, of the 2.2 million teachers in the United States today, only approximately 424,220—about 16 percent—are presently covered by permanent unemployment compensation protection.

Fortunately, the 93d Congress enacted Public Law 93–567, providing a temporary program of unemployment compensation benefits for workers—including teachers—who are not presently covered. Under this law, teachers in 41 States are currently receiving unemployment compensation benefits.

We should—we must—continue this program during our current period of high unemployment. However, we must also think ahead, toward basic reform of our unemployment compensation system. The legislation I am introducing today is designed to do just that.

Unemployment insurance is a Federal-State System designed to provide temporary wage-loss compensation to workers as protection against the economic hazards of unemployment. Funds accumulated from taxes on wages during periods of employment permit payments of benefits to covered workers during periods of unemployment.

At the same time as the unemployed worker is assisted financially while he is looking for work, the benefit payments help maintain purchasing power throughout the economy and cushion the shock of unemployment on the economy. In addition to helping the worker, the program is designed to help the entire economy, helping to prevent an economic downturn from gathering momentum and forcing further declines in consumer purchasing power. The benefits are countercyclical in effect and help to prevent unemployment from spreading and lasting a longer time.

Thus, Mr. President, not only does the importance of the teaching profession dictate inclusion of educators in our Unemployment Compensation System, the basic rationale of the System dictates inclusion.

Mr. President, I continue to advocate broad reform of the Unemployment Compensation System. Accordingly, I will shortly introduce a much broader bill on this subject, including reform of numerous aspects of the System—duration, eligibility, benefit amounts, and the like.

The legislation I am introducing today aims at a specific inequity. I am hopeful that it will serve as a vehicle for the Senate to focus on this problem.

I ask unanimous consent that the text of the bill be printed in the Record, at this point.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1677

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. This Act may be cited as the "School Teachers' Unemployment Insurance Act."

Sec. 2. (a) Section 3304(a)(6)(A) of the Internal Revenue Code of 1954 is amended by striking out the word "higher" in each instance in which the word appears therein immediately preceding the word "education" in the subparagraph.

(b) Section 3304(a) of such Code is further amended by striking out, in paragraph (12) of such subsection, the words "and institutions of higher education as defined in section 3309(d)" where such words appear therein immediately preceding the words "operated by such political subdivisions."

(c) Section 3309 of the Internal Revenue Code of 1954 is amended by—

(1) striking out the word "higher" where such word appears immediately preceding the word "education" in subsection (a)(1)(B);

(2) striking out paragraph (3) of subsection (b) and redesignating paragraphs (4), (5) and (6) of such subsection as paragraphs 3, (4) and (5), respectively;

(3) amending subsection (d) to read as follows:

"(d) Definition of Institution of Education.—For purposes of this section, the term "institution of education" means an educational institution in any State—

"(1) which offers preschool, elementary or secondary education or occupational training, (except that the term shall not include any day care center that provides predominantly custodial service) and is a public institution, or

"(2) which is an institution of higher education and which

"(a) admits as regular students only individuals having a certificate of graduation from a high school, or the recognized equivalent of such a certificate;

"(b) is legally authorized within such State to provide a program of education beyond high school;

"(c) provides an educational program for which it awards a bachelor's or higher degree, or provides a program which is acceptable for full credit toward such a degree, or offera a program of training to prepare students for gainful employment in a recognized occupation; and

"(d) is a public or other nonprofit institution."

Sec. 3. (a) the captions of section 3309 of the Internal Revenue Code 1954 is amended to read as follows:

"STATE LAW COVERAGE OF CERTAIN SERVICES PERFORMED FOR NONPROFIT ORGANIZATIONS, INSTITUTIONS OF EDUCATION AND STATE HOSPITALS

(b) The table of sections for chapter 23 of the Internal Revenue Code of 1954 is amended by striking out the item relating to section 3309 and inserting in lieu thereof the following:

"Sec. 3309. State law coverage of certain services performed for nonprofit organizations, institutions of education, and State hospitals."

Sec. 4. Section 3303(f) of the Internal Revenue Code of 1954 is amended by inserting immediately after "January 1, 1969," in such subsection "or, in the case of an organization or group of organizations to which section section 3309(a)(1)(A) applies as the result of amendments made by the School Teacher's Unemployment Insurance Act, January 1, 1972."

Sec. 5. (a) The amendments made by sections 2, 3 and 4 shall apply with respect to certifications of State laws for 1977 and subsequent taxable years, but only with respect to service performed after December 31, 1975.

(b) Section 3304(a)(6) of the Internal Revenue Code of 1954 (as amended by this Act) shall not be a requirement for the State law of any State prior to July 1, 1977, if the legislature of such State does not meet in a regular session which closes during the calendar year 1976.

By Mr. ABOUREZK:

S. 1678. A bill to help preserve the separation of powers and to further the intent of Congress in the delegation of responsibilities to the agencies by providing for congressional review of rulemaking proposed by executive agencies. Referred to the Committee on the Judiciary, by unanimous consent.

Mr. ABOUREZK. Mr. President, today I introduce S. 1678, a bill to help preserve the separation of powers and to further the intent of Congress in the delegation of responsibilities to the agencies by providing for Congressional review of rulemaking proposed by executive agencies.

The provisions of this bill are identical to H.R. 3658 introduced by Representative Levitas in the House of Representatives on February 25, 1975, and referred to the Judiciary Committee of the House. I introduced this bill for the purposes of discussion because I believe that the need for such an inquiry is real and crucial.

The volume and importance of these administrative rules are much greater than one would think. Sam Ervin, my predecessor as chairman of the Subcommittee on Separation of Powers, once noted that all the volumes of the United States Code, representing the entire output of Congress from 1787 to the present do not take up nearly the room on his shelves as do the regulations issued by executive departments and independent agencies over an 18 month period.

Let me reemphasize this point. Last year the Congress enacted 647 public laws while approximately 6,000 administrative rules were adopted by 67 Federal agencies, departments, and bureaus. More law, in the sense of rules governing our society is produced by the executive branch and independent agencies than is produced by the national legislature. Administrative agencies, the headless "fourth branch" of Government have grown up virtually unsupervised. Administrative rulemaking has filled the gaps between the broad principles embodied in acts of Congress, yet this process has not been subjected to effective congressional control and direction.

As chairman of the Separation of Powers Subcommittee, I am deeply concerned with the broad discretion given these agencies. I believe that the procedures which permit civil servants and appointed officials to pass upon thousands of far-reaching laws that in some circumstances put the liberty or property of our citizens in jeopardy are in need of reexamination.

The separation of powers interest in the rulemaking operations of the administrative agencies transcends the practical problems of the internal organization procedures, substance and quality of the work of any one agency.

As introduced, this bill would provide for congressional review of any administrative rule adopted by an agency under the procedures of the Administrative Procedure Act, 5 U.S.C. 553—where the violation of such rule could result in a criminal sanction. Either House of Congress would have 30 days in which to consider whether to introduce a resolution disapproving the adopted regulation. If during this period, a member of either House introduces a resolution disapproving the specific rule, the resolution can be either voted on or referred to the appropriate oversight committee for its consideration and action. In this event, the time period for consideration and action. In this event, the time period for consideration would be extended an additional 30 days. If either House by majority vote, passes a resolution of disapproval, the proposed regulation could not take effect. Moreover, the failure of Congress to adopt a negative resolution would not be construed an expression of approval, therefore, avoiding interference with any litigation which might arise from an adopted rule.

Mr. President, the Separation of Powers Subcommittee has had the matter under investigation for some time. In fact, the procedures contemplated in this bill for Congressional review and the mechanism for disapproval were patterned on procedures adopted in the Budget and Impoundment Control Act of 1974, which originated in the subcommittee in 1971.

Whether this procedure will ultimately be adopted by the Congress remains to be seen. As I said earlier, I am not wedded to this approach. However, I am convinced that it is time for Congress to reexamine the practice of delegating authority to the agencies and the manner in which the agencies interpret such delegations through administrative rulemaking procedures.

Mr. President, I ask unanimous consent that the text of this bill be printed in the Record following the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1676

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Administrative Rulemaking Control Act".

Sec. 2. The Congress finds that—

(1) the executive agencies through rulemaking powers have promulgated many rules which contain criminal sanctions;

(2) the executive agencies have often exceeded the intent of Congress in the manner in which such agencies have administered various laws; and

(3) the executive agencies in the administration of any law should be more responsive to the intentions of Congress in enacting such law.

Therefore, it is the purpose of this Act to establish a procedure whereby Congress may review certain rulemaking activities of executive agencies, thereby exercising greater control and oversight over the operations of such agencies.

Sec. 3. Section 553 of title 5, United States Code (relating to rulemaking), is amended to read as follows:

"§ 553. Rulemaking and congressional disapproval of proposed rules

"(a) This section applies, according to the provisions thereof, except the extent that there is involved—

"(1) a military or foreign affairs function of the United States; or

"(2) a matter relating to agency management or personnel or to public property, loans, grants, benefits, or contracts.

"(b) General notice of proposed rulemaking shall be published in the Federal Register. The notice shall include—

"(1) a statement of the time, place, and nature of public rulemaking proceedings;

"(2) reference to the legal authority under which the rule is proposed; and

"(3) either the terms or substance of the proposed rule or a description of the subjects and issues involved.

Except when notice or hearing is required by statute, this subsection does not apply—

"(A) to interpretative rules, general statements of policy, or rules of agency organization, procedure, or practice; or

"(B) when the agency for good cause finds (and incorporates the finding and a brief statement of reasons therefor in the rules issued) that notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest.

"(c) After notice required by this section, the agency shall give interested persons an opportunity to participate in the rulemaking through submission of written data, views, or arguments with or without opportunity for oral presentation. After consideration of the relevant matter presented, the agency shall incorporate in the rules adopted a concise general statement of their basis and purpose. When rules are required by statute to be made on the record after opportunity for an agency hearing, sections 556 and 557 of this title apply instead of this subsection.

"(d) Except where subsections (f) and (g) apply, the required publication or service of a substantive rule shall be made not less than thirty days before its effective date, except—

"(1) a substantive rule which grants or recognizes an exemption or relieves a restriction;

"(2) interpretative rules and statements of policy; or

"(3) as otherwise provided by the agency for good cause found and published with the rule.

"(e) Each agency shall give an interested person the right to petition for the issuance, amendment, or repeal of a rule.

"(f) A rule shall take effect only in the manner provided in subsection (g) if it is a rule—

"(1) with respect to which general notice of a proposed rulemaking is required to be published by this section; and

"(2) the violation of which subjects the person in violation to a criminal penalty.

"(g)(1)(A) Except as provided in subparagraphs (B) and (D), a rule described in subsection (f) may take effect (i) only if published (with an identification number) in the Federal Register, (ii) only after the expiration of the first period of thirty calendar days of continuous session of Congress after the date on which the rule was published, and (iii) only if, between the date of publication and the end of the thirty-day period, neither House, without referral of such matter to the appropriate committee, passes a resolution stating in substance that that House does not favor the rule.

"(B) Notwithstanding the provisions of subparagraph (A) of this paragraph, whenever a resolution, stating in substance that a House does not favor a rule described in paragraph (f), is referred to a committee of either House, such rule may take effect (i) only after the expiration of the first period of sixty days of continuous session of Congress after the date on which the rule was published, and (ii) only if, between the date of publication and the end of the sixty-day period, neither House passes such resolution.

"(C) For the purpose of subparagraph (A) of this paragraph—

"(i) continuity of session is broken only by an adjournment of Congress sine die; and

"(ii) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the thirty-day period.

"(D) Under provisions contained in a rule, a provision of the rule may be effective at a time later than the date on which the rule otherwise is effective.

"(2) Paragraphs (3) through (8) of this subsection are enacted by Congress—

"(A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described by paragraph (3) of this subsection; and they supersede other rules only to the extent that they are inconsistent therewith; and

"(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"(3) For the purpose of paragraphs (2) through (8) of this subsection, 'resolution' means only a resolution of either House of Congress, the matter after the resolving clause of which is as follows: 'That the does not favor the rule numbered published in the Federal Register on , 19 .', the first blank space therein being filled with the name of the resolving House and the other blank spaces therein being appropriately filled; but does not include a resolution which specifies more than one rule.

"(4) Upon introduction of a resolution with respect to a rule, it shall be in order at any time thereafter to move the referral of such resolution to a committee pursuant to paragraph (5) or to move the adoption of such resolution. Each such motion is highly privileged and is not debatable. An amendment to such motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to. In the case of a motion to adopt a resolution, the procedures set forth in paragraphs (7)(B) and (8) (A) and (B) shall apply.

"(5) After passage by a majority vote of a motion to refer a resolution to a committee, such resolution shall be referred to such committee (and all resolutions with respect to the same rule shall be referred to the same committee) by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

"(6)(A) If the committee to which a resolution with respect to a rule has been referred has not reported it at the end of ten calendar days after its introduction, it is in order to move either to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of any other resolution with respect to the rule which has been referred to the committee.

"(B) A motion to discharge may be made only by an individual favoring the resolution, is highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same rule), and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(C) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same rule.

"(7)(A) When the committee has reported, or has been discharged from further consideration of, a resolution with respect to a rule, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged

and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(B) Debate on the resolution shall be limited to not more than ten hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit, the resolution is not in order, and it is not in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

"(8)(A) Motions to postpone, made with respect to the discharge from committee, or the consideration of, a resolution with respect to a rule, and motions to proceed to the consideration of other business, shall be decided without debate.

"(B) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution with respect to a rule shall be decided without debate.

"(h) Congressional inaction with respect to, or the rejection without referral to a committee of any resolution disapproving a rule described in subsection (f) of this section shall not be deemed to be an expression of approval of such rule.".

Mr. **ABOUREZK** subsequently said: Mr. President, I ask unanimous consent that the bill I introduced earlier today on rulemaking be referred to the Commitee on the Judiciary.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

By Mr. **HARTKE** (for himself and Mr. Magnuson):

S. 1679. A bill to amend the Regional Rail Reorganization Act of 1973 to permit responsible consideration of the profitability of light density lines, and for other purposes. Referred to the Committee on Commerce.

Mr. **HARTKE**. Mr. President, I am introducing today the Light Density Railroad Lines Evaluation Act of 1975. This legislation is conceptually similiar to S. 1396, which I introduced a short while ago. It is designed to deal with two increasingly serious problems that have resulted from the implementation of the Regional Railroad Reorganization Act of 1973. Title IV of the Regional Railroad Reorganization Act provided for a system of local rail service continuation subsidies to allow the continuation of light density lines that do not pay their way when there is reason to do so. Essential to the functioning of title IV are two things: First, State wishing to participate in the program must create a State rail program analogous to the familiar State highway programs that have developed over the years; and second, there must be a good analysis of the characteristics of each light density line so that those not covering their costs can be clearly identified and the extent to which they would have to be subsidized can clearly be ascertained.

Unfortunately, because of the immense scope of the task that the Congress assigned to the U.S. Railway Association and the limited time which we have permitted them to accomplish that task, there has not been a site—specific analysis of all light density lines with special attention paid to the individualities of each line. Furthermore, the Association has had to use a formula approach that has not met with universal agreement. The relatively short time in which the Congress has given for implementation of this very significant statute has also been difficult for the States. Many States have not had sufficient time to create the needed State rail programs, and if title IV were to be implemented as originally envisioned by Congress in 1973, there are States that would be completely unable to participate through a State rail program.

The Light Density Railroad Lines Evaluation Act of 1975 is designed to resolve these problems. The legislation creates a new category of "interim light density lines" which are to be studied for a 2-year period while being operated by ConRail. This will provide actual operating data for the lines in question so that more accurate and up-to-date information can be obtained. A reworking of the subsidy formula is required in order to get the optimum possible formula for determining subsidies, and the development of an accounting and information system is enhanced which will give a uniform determination of revenue, costs, and other features of operation of light density lines as individual operating and economic units.

Mr. President, this amendment provides for congressional review of the lines involved in much the same manner as Congress is to review the final system plan of the Association later this year. Both the Association and the Rail Services Planning Office will contribute to this process, and at the end of the 2-year period during which this analysis and review is conducted, the subsidy provisions revert to a 70/30 mix, and abandonment of unsubsidized lines occurs in the same manner as is presently provided in the Regional Rail Reorganization Act. Finally, the bill would assist the ability of the States to productively contribute to this process with rail planning grants. This legislative suggestion would implement a position that has already been taken by the Conference of States on the Regional Rail Reorganization Act.

Mr. President, my subcommittee intends to evaluate a number of amendments to the Regional Rail Reorganization Act. Amendments to the way in which the act deals with light density lines will probably be dealt with legislatively, as will other provisions of the Regional Rail Reorganization Act. This legislation is being introduced today so that it will be before the committee and the Congress to enable public and Government comment on the bill. While the Light Density Railroad Evaluation Act of 1975 will not solve any of the basic problems facing railroad transportation in the United States today, it is a worthwhile proposal for dealing with the specific problem of light density lines which has already received some attention in the Regional Rail Reorganization Act. I am hopeful that my subcommittee and the full Commerce Committee will be able to incorporate many of the concepts in this bill I am introducing today in the eventual package of legislation that will be necessary to assure the proper implementation of the reorganization. I am also hopeful that a similar process can be applied to light density lines elsewhere in order to adequately resolve the problems facing rail transportation over light density lines.

Mr. President, I ask unanimous consent that the full text of the Light Density Railroad Lines Evaluation Act of 1975 be printed in the Record at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1679

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Light Density Railroad Lines Evaluation Act of 1975."

Sec. 2. Section 102 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 702) is amended (1) by redesignating paragraphs "(8)" through "(15)" thereof as paragraphs (9) thorugh (16) thereof; and (2) by inserting after "paragraph "(7)" thereof the following new paragraph:

"(8) 'interim light density lines' means rail properties which are used in or useful for local rail services in the region; except that the term shall not include any such rail properties (A) which have been designated in the final system plan as rail properties (i) to be transferred to the Corporation, (ii) to be conveyed to a profitable railroad, or (iii) to be operated by any responsible person pursuant to section 206(c)(3) of this Act; or (B) which have been authorized to be abandoned, or over which rail service has been authorized to be discontinued, under section 304(f) of this Act, prior to the effective date of the final system plan;".

Sec. 3. (a) Paragraph (3) of section 205(d) of such Act (45 U.S.C. 715(d)(3)) is amended by deleting ";" after "United States Code" and inserting in lieu thereof the following: ". Such standards shall be used to compute the amount of any rail service continuation subsidy to be paid entirely by the United States pursuant to section 402(b)(3) of this Act. Such standards shall, if necessary, be revised and republished by the Office within 450 days after the date of submission of a final system plan under section 207(c) of this title, on the basis of evaluation of all reports prepared pursuant to section 216(b) of this title, after a proceeding in accordance with the provisions of section 553 of title 5, United States Code. Such revised standards shall be used to compute the amount of any rail service continuation subsidy to be paid pursuant to section 402(a) of this Act;".

(b) Paragraph (4) of such section 205(d) is amended by (1) deleting "assist" and inserting in lieu thereof "provide legal and technical assistance to"; and (2) inserting after "criteria" and before "for determining whether" the following: ", not later than 360 days after the effective date of the final system plan and following public hearings and a proceeding in accordance with section 553 of title 5, United States Code,".

Sec. 4. Section 206(c) of such Act (45 U.S.C. 716(c)) is amended by—

(1) inserting in paragraph (1) thereof after "rail properties" and before "of railroads in reorganization" the following: ", including those identified as interim light density lines,";

(2) deleting ";" after "such offer" at the end of subparagraph (B) of paragraph (1) thereof and inserting in lieu thereof the following: ". All rail properties identified as interim light density lines shall be designated as such additions;";

(3) deleting "and" at the end of paragraph (1) thereof;

(4) deleting "." at the end of paragraph (2) thereof and inserting in lieu thereof "; and"; and

(5) adding at the end thereof the following new paragraph:

"(3) which interim light density lines shall be transferred to, continued in rail service, and operated by (A) the Corporation, (B) a profitable railroad, or (C) any responsible person; following the effective date of the final system plan, pursuant to section 304(c) of this Act, and how much annual subsidy shall be paid entirely by the United States to any such entity or person pursuant to section 402(b)(3) of this Act.".

SEC. 5. Section 214 of such Act (45 U.S.C. 724) is amended by—

(1) deleting "$5,000,000" in subsection (b) thereof and inserting in lieu thereof "$10,000,000"; and

(2) deleting "$40,000,000" in subsection (c) thereof and inserting in lieu there of "$50,000,000".

SEC. 6. Title II of such Act is amended by adding at the end thereof the following new section:

"LIGHT DENSITY LINES

"SEC. 216 (a) GENERAL.—Upon the effective date of the final system plan, the Association and the Office shall each commence a further study of interim light density lines. The additional study shall be conducted in accordance with sections 206 (a) and (b) of this title and shall include

"(1) further analysis of the methodology used by the Association in preparing the final system plan to determine the economic viability of light density lines; and,

"(2) further analysis of the subsidy standards and suitability criteria developed by the Office prior to the adoption of a final system plan, pursuant to sections 205(d)(3) and 205(d)(4) of this Act; and,

"(3) development of an accounting and information system necessary to produce an accurate determination of the revenue, costs and operations of light density lines as operating and economic units.

In addition, the Association and the Office shall review the actual operations of the Corporation and shall make recommendations for any changes in its operations and financing to the extent required to meet the purposes and goals of the Act.

"(b) REPORT.—(1) Within 120 days after the effective date of the final system plan, the Association shall prepare a report on the methodology to be used by it to determine the economic viability of interim light density lines. The Association shall make such changes in the methodology used in the preparation of the final system plan as are necessary or appropriate to reflect accurately actual revenues and actual costs of operation with respect to such lines, including any revenues and costs associated with repair, rehabilitation, and improvement activities required to provide safe, reliable, and efficient rail service. Such report shall include a statement as to any changes, including any increase in traffic or improvement in efficiency, that would or might make a specified interim light density line economically viable. Such report. shall identify the accounting and information system, including the data with respect to operations, that are necessary to determine the actual revenues and actual costs of operation of such lines. A copy of such report shall be transmitted by the Association to the Secretary, to the Office, to the Governor and public utility commission of each State in the region, and to each Member of the Congress; shall be made available to interested persons; and shall be published in the Federal Register.

"(2) The Office shall conduct public hearings in the region on the Association's report and shall make available to the Association a summary and analysis of the evidence received in the course of such proceedings, together with its critique and evaluation of such report, not later than 90 days after the date of the release of the Association's report;

"(3) Within 270 days after the effective date of the final system plan, the Association shall issue a final report. Copies shall be submitted to the Committee on Commerce of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives. Such report shall be deemed approved and shall have the force of law at the end of the first period of 30 calendar days of continuous session of the Congress after the date that it is submitted, unless (following is probably unconstitutional since the power to make laws is granted to the Congress, not to any segment thereof like a Committee) either Committee of Congress during such period states its disapproval of the report and the reasons therefor. In this event, the Association shall prepare a revised report. Each such revised report shall be submitted for like review. The days of continuous session of Congress shall be computed as required under section 208(c) of this Act.

"(4) Within 30 days after the Association submits its report pursuant to the preceding paragraph, the Office shall issue a report outlining the applicability of the interim standards developed pursuant to section 205(d)(3) of this title to the determination of actual revenues and actual costs of operation of light density lines.

"(c) REVIEW AND RE-EVALUATION.—(1) Within 570 days after the effective date of the final system plan, the Association shall issue a preliminary report on interim light density lines. Such report shall include—

"(A) an analysis and identification of the economic viability of interim light density lines, utilizing the accounting and information system implemented pursuant to sections 302(e) and 402(g)(3) of this Act, together with changes in traffic, rates, operations and other such factors which, if accomplished, would improve the economic viability of interim light density lines;

"(B) an analysis of the economic, social and environmental effect on local communities of discontinuing service on interim light density lines;

"(C) recommendations for continuance or discontinuance of service on interim light density lines together with the subsidy amount to be paid pursuant to sections 304 (c), and 304(g), 402(b)(1), and 402(b)(2) of this Act and computed pursuant to section 205(d)(3) of this Act;

"(D) recommendations regarding suitable public uses for interim light density lines designated as unprofitable, pursuant to section 216(c)(1)(C) of this title; and

"(E) a designation of those interim light density lines found to be profitable which shall be operated by the Corporation, profitable railroads, or any responsible person without a subsidy paid pursuant to sections 304(c), 304(g) 402(a), and 402(b) of this Act:

"(F) any recommendations for changes in operations or financing that are necessary or appropriate to more completely or effectively meet the purposes and goals of this Act.

A copy of such report shall be transmitted by the Association to the Secretary, to the Office, to the Governor and public utility commission of each State in the region, and to each Member of the Congress; shall be made available to interested persons; and shall be published in the Federal Register.

"(2) The Office shall conduct public hearings in the region on the Association's report and shall make available to the Association a summary and analysis of the evidence received in the course of such proceedings, together with its critique and evaluation of such report, not later than 90 days after the release of the Association's report.

"(3) Within 720 days after the effective date of the final system plan, the Association shall prepare and submit to the Congress a final report, pursuant to this section. Such submission shall reflect (A) study by evaluation by the Association of all responses, summaries, and testimony received by it, including the critique and evaluation of the Office; and (B) the results of any additional study and review by it. Copies of such final reports shall be made available to interested persons and shall be published in the Federal Register. Such final report shall include final analyses and conclusions as to each of the matters listed in paragraph (1) of this subsection. Such final report shall be deemed approved by the Congress and shall take effect at the end of the first period of 30 calendar days of continuous session of Congress after the date the final report is transmitted, unless either the House of Representatives or the Senate passes a resolution during such period stating that it does not favor the final report, in which event the Association shall prepare a revised report. Each such revised report shall be submitted for like review. The days of continuous session of Congress shall be computed as required under section 208(c) of this Act."

SEC. 7. Section 302 of such Act (45 U.S.C. 742) is amended by (1) redesignating "(a)", "(b)", "(c)", and "(d)" as "(1)", "(2)", "(3)", and "(5)" respectively; and (2) inserting immediately after "rail properties;" the following new paragraph:

"(4) implement and utilize the accounting and information system developed by the Association under section 216 of this Act;"

SEC. 8. Section 304 of such Act (45 U.S.C. 744) is amended by—

(1) inserting ", including interim light density lines" after "rail properties" and before the semicolon at the end of subparagraph (A) of subsection (a) thereof;

(2)(A) deleting "and (b)" in the first sentence of subsection (c) thereof and inserting in lieu thereof ", (b), and (g)"; (B) deleting "after 2 years from the effective date" in paragraph (1) of subsection (c) thereof and inserting in lieu thereof "after 4 years from the effective date"; (C) deleting "or" at the end of paragraph (1) of subsection (c) thereof; (D) deleting "." at the end of paragraph (2) of subsection (c) thereof and inserting in lieu thereof "; or"; and (E) inserting after paragraph (2) of subsection (c) thereof the following new paragraph:

"(3) when the United States offers a rail service continuation subsidy pursuant to section 402(b)(3) of this Act for the operation of rail service on such rail properties as interim light density lines; in which case the United States shall enter into an operating agreement with the Corporation, a profitable railroad, or any responsible person (including a government entity) pursuant to which such person or entity shall operate rail service and receive the required amount of such subsidy to be paid entirely by the United States under such section and in an amount to be computed pursuant to section 205(d)(3) of this Act.";

(3) deleting the period at the end of the first sentence of subsection (d) thereof and inserting in lieu thereof the following: ": *Provided*, That no offer of a rail service continuation subsidy shall be required to accompany an offer to purchase rail properties that are designated as interim light density lines and which are operated pursuant to a subsidy paid entirely by the United States pursuant to section 402(b)(3) of this Act if such purchase is executed during the term of such subsidy.";

(4) deleting "2 years" in subsection (e) thereof and inserting in lieu thereof "4 years";

(5) inserting after "no railroad in reorganization" and before "may discontinue" in subsection (f) thereof the following: ", the Corporation, no profitable railroad, and no responsible person operating interim light

density lines pursuant to a rail service continuation subsidy paid entirely by the United States pursuant to section 402(b)(3) of this Act, with respect to such a line during the term of such subsidy,"; and

(6) adding at the end thereof the following new subsection:

"(g) INTERIM LIGHT DENSITY LINES.—(1) Except as provided in subsection (c) and (f) of this section, rail service on interim light density lines operated by the Corporation, by a profitable railroad, or by an responsible person pursuant to this Act may be discontinued, to the extent that such discontinuance is not precluded by the terms of the leases and agreements referred to in section 303(b)(2) of this title, if—

"(A) the final report of the Association under section 216(c) of this Act does not designate rail service to be operated over such interim light density line;

"(B) not sooner than 30 days following the effective date of such final report, the person or entity operating such rail service gives notice in writing of intent to discontinue such rail service on a date certain and such date is not less than 60 days after the date of such notice; and

"(C) such notice was sent by certified mail to the Governor and state transportation agency of each State, and to the government of each political subdivision thereof, within which such rail properties are located; to the office; and to each shipper who has used such rail service during the 12-month period prior to the date of such notice.

"(2) Interim light density lines over which rail service has been discontinued, pursuant to paragraph (1) of this subsection, may not be abandoned sooner than 60 daya after the effective date of such discontinuance, except as provided in subsections (c) and (f) of this section. Thereafter, such a line may be abandoned upon 30 days notice in writing to those required to receive notice pursuant to subparagraph (C) of paragraph (1) of this subsection.

"(3) If any rail properties proposed to be abandoned under this subsection are recommended, in the final report of the Association under section 216(c) of this Act, as rail properties which are suitable for use for other public purposes, such rail properties shall not be sold, leased, exchanged, or otherwise disposed of during the 180-day period beginning on the date of notice abandonment, unless such properties have first been offered, upon reasonable terms, for use of public purposes.".

SEC. 9. Section 402 of such Act (45 U.S.C. 762) is amended by—

(1) adding the following new sentence at the end of subsection (a) thereof: "For purposes of subsection (b)(3) of this section, the Federal share of a rail service continuation subsidy shall be 100 per centum.";

(2) adding the following two new paragraphs at the end of subsection (b) thereof:

"(3) The Secretary is authorized and directed to provide financial assistance to the Corporation, to a profitable railroad, or to a responsible person (including a government entity), if such person or entity is operating or intends to operate rail service over an interim light density line that is designated as such in the final system plan, for the purpose of continuing local rail service on such line. The amount of such assistance shall be computed in accordance with section 205(d)(3) of this Act, and the terms and conditions of such assistance shall be governed by regulations issued under subsection (d) of this section and by applicable operating agreements entered into by the Secretary.

"(4) The Secretary is authorized and directed to provide financial assistance in the form of grants to States in the region to assist such States to meet the cost of establishing and implementing the State plan for rail transportation and local rail services that is required as a condition of eligibility under subsection (c)(1) of this section. Such grants shall be made available as needed subject to reasonable conditions. The amount that each State in the region is entitled to receive, of the sums appropriated therefor, in the form of such State rail planning grants shall be determined by the Secretary according to the same ratio calculation as is used under paragraph (1) of this subsection to determine entitlement as to 50 per centum of the sums appropriated.";

(3) deleting the period at the end of subsection (d) thereof and inserting in lieu thereof the following: "and with respect to subsidies pursuant to subsection (b)(3) and planning grants pursuant to subsection (b)(4) of this section. Such regulations shall include a requirement that each recipient of a rail service continuation subsidy, including any person or entity operating an interim light density line, implement the accounting and information system developed by the Association under section 216 of this Act within 480 days after the effective date of the final system plan.";

(4) deleting paragraph (1) of subsection (i) thereof and inserting in lieu thereof the following: "(1) There are authorized to be appropriated to carry out the purposes of this section such sums as are necessary, not to exceed $55,000,000, of which $5,000,000 is to be made available for State rail planning grants in the region, for each of the two fiscal years including and following the effective date of the final system plan, and $45,000,000, of which $5,000,000 is to be made available for State rail planning grants in the region, for each of the next two fiscal years. Such sums as are appropriated shall remain available until expended."; and

(5) inserting in paragraph (2) of subsection (i) thereof immediately after "authorization", each place such term appears, the following: "for the last two fiscal years pursuant to paragraph (1)".

By Mr. HARTKE (by request):

S. 1680. A bill to authorize the Secretary of Transportation to guarantee loans of $100,000,000 to railroad systems in the Midwestern United States. Referred to the Committee on Commerce.

Mr. HARTKE. Mr. President, I introduce by request, for appropriate reference, a bill, to authorize the Secretary of Transportation to guarantee loans of $100,000,000 to railroad systems in the Midwestern United States, and ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1680

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

STATEMENT OF PURPOSE

SECTION 1. It is the purpose of this Act to promote commerce, to meet the needs of consumers, to encourage the continued employment of the labor force and to foster the preservation and development of a rail transportation system in the Midwestern United States of America capable of meeting the national needs by providing financial assistance in the form of loan guarantees to those railroads in the Midwestern United States which need such assistance—

(a) to continue their operations without interruption;

(b) to acquire, construct, and maintain facilities and equipment necessary to continue safe and efficient operations; and

(c) to prevent the precipitous piece-meal division of such railroads among other railroads in the same region.

DEFINITIONS

SEC. 2. For the purposes of this Act—

(a) the term "additions and betterments or other capital expenditures" means expenditures for the acquisition or construction of property used in transportation service, chargeable to the road, property, or equipment investment accounts, in the Uniform System of Accounts prescribed by the Interstate Commerce Commission;

(b) the term "Company" shall mean any carrier by railroad subject to proceedings under Section 77 of the Bankruptcy Act (11 U.S.C. 205) which operates primarily in the Midwestern region of the United States;

(c) the term "Midwestern Region" shall mean that region of the United States comprising the following states: Colorado, Illinois, Iowa, Kansas, Louisiana, Arkansas, Minnesota, Missouri, Nebraska, North Dakota, Oklahoma, New Mexico, South Dakota, Tennessee, Texas and Wisconsin.

(d) the term "expenditures for maintenance of property" means expenditures for labor, materials, and other costs incurred in maintaining, repairing, or renewing equipment, road, or property used in transportation service chargeable to operating expenses in accordance with the Uniform System of Accounts prescribed by the Interstate Commerce Commission;

(e) the term "operating expense" means the day-to-day operating expenses of the company, including the normal and usual payroll expenditures for the company; and

(f) the term "Secretary" means the Secretary of the Department of Transportation.

AUTHORIZATION

SEC. 3. (a) The Secretary, is authorized and directed, on such reasonable terms and conditions as he may prescribe, to guarantee any person against loss of principal (including all payment obligations under a lease) and interest on securities, obligations (including rolling stock leases), or loans (including refinancing thereof) issued to a company for expenditures for maintenance of property.

(b) There is created within the Department of the Treasury a separate fund which shall be known as the "Midwestern Rail Fund" (hereinafter referred to as the "Fund") which shall be available to the Secretary without fiscal year limitation as a revolving fund for the purpose of this section. The total of guarantees made from this fund shall not exceed $100,000,000.

(c) There are authorized to be appropriated to the Fund from time to time such amounts as may be necessary to provide capital for the Fund.

(d) If at any time the amounts available in the Fund are insufficient to enable the Secretary to discharge his responsibilities under guarantees under this section, he shall issue to the Secretary of the Treasury notes or other obligations in such forms as may be prescribed by the Secretary of the Treasury. Redemption of such notes or obligations shall be made by the Secretary from appropriations or other funds available under subsection (c) of this section. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury shall purchase any notes or other obligations issued under the Second Liberty Bond Act and the purposes for which securities may be issued under that Act are extended to include any purchase of such notes or obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.

TERMS AND CONDITIONS

SEC. 4. (a) Prior to issuing the loan guarantee required by section 3 of this Act, the Secretary shall—

(1) require that application for such loan guarantee be made by the company in such form and with such content as he shall prescribe to reasonably protect the interests of the United States;

(2) obtain satisfactory assurances from the company that no more than $9,100,000 of funds guaranteed will be utilized to meet operating expenses and that the remainder of such guaranteed funds will be utilized for expenditures for maintenance of property; and

(3) obtain satisfactory assurance from the company that the company will be able to repay such guaranteed funds no later than fifteen years after the date on which they are made.

RULES AND REGULATIONS

SEC. 5. The Secretary shall issue such rules and regulations as are appropriate to carry out the purposes of this Act.

ENFORCEMENT

SEC. 6. The Secretary shall insure that the company complies with the provisions of this Act and any rules, regulations, or conditions imposed by the Secretary pursuant to this Act. In the event of any failure to comply with such provisions, rules, regulations, or conditions, the Secretary may take such enforcement action as he deems appropriate.

REPORTS

SEC. 7. The Secretary shall, within one year after enactment of this Act, report to the President and to the Congress with respect to his activities pursuant to this Act, including an evaluation of the financial conditions of the company. Such report shall also include recommendations, if any, for additional legislation action.

AUDIT

SEC. 8. The Comptroller General of the United States, or any of his duly authorized representatives, shall have access to such information, books, records, and documents as he determined necessary to effectively audit financial transactions and operations carried out by the Secretary in the administration of this Act. The Comptroller General shall make such reports to the Congress on the results of any such audits as he determines necessary.

INTERSTATE COMMERCE COMMISSION APPROVAL

SEC. 9. The company shall not be required to comply with the provisions of section 20a of the Interstate Commerce Act (49 U.S.C. 20a) with respect to guarantees made by the Secretary under this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 10. In addition to the amount set forth in section 3(b) of this Act, there are authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

By Mr. EAGLETON:

S. 1681. A bill to amend the Federal Food, Drug, and Cosmetic Act with respect to cosmetic safety. Referred to the Committee on Labor and Public Welfare.

COSMETIC SAFETY AMENDMENTS OF 1975

Mr. EAGLETON. Mr. President, today I am introducing a revised version of the Cosmetic Safety Amendments, a bill to insure that cosmetic products offered for sale to the public are safe, and that consumers have available the information they need to make informed purchases and to protect themselves against unnecessary injury. The bill is based on S. 863, which I introduced in the 93d Congress.

The need for this legislation has become increasingly apparent. Estimates of annual injuries presented in hearings held last year on my bill ranged from 60,000 by the Commission on Product Safety, to 29,000 by Mrs. Virginia Knauer, Special Assistant to the President for Consumer Affairs, to 9,700 by the director of applied research for Chesbrough-Ponds. Regardless of the precise figure, it is clear that a substantial number of persons suffer injuries associated with cosmetic use.

Question regarding the safety of cosmetics continue to be raised by authoritative sources. A recent report by a Food and Drug Administration Advisory Review Panel charged with studying and evaluating the safety and effectiveness of over-the-counter (OTC) antimicrobial drug products which are used on a daily basis has found some ingredients that are used in both cosmetics and OTC drugs are not generally recognized as safe. The Review Panel concluded that these ingredients should not be used in drugs until evidence to substantiate their safety is developed. However, as the panel also noted, in the absence of adequate regulatory authority with respect to cosmetics, there is nothing to prevent the incorporation of these ingredients of questionable safety in cosmetic products used daily by millions of Americans.

Other disturbing reports include the recent account of laboratory studies by Dr. Bruce Ames, a biochemist at the University of California, which raised the possibility that hair dyes may cause cancer and birth defects. In addition, a New York Times article of March 18, 1975, reported that a New York internist has noted that an unusually high percentage of his patients who developed breast cancer had been regular users of hair dyes. Both studies, while not purporting to be definitive statements on the safety of the products involved, do point to the existence of potential hazards to consumers of cosmetics.

The Federal Food, Drug, and Cosmetic Act of 1938 gives the Food and Drug Administration some limited power over cosmetics, but this authority is clearly inadequate. The law specifies a few labeling requirements—all products must indicate that net weight contents of a package and the name and address of the manufacturer—but contains no provisions regarding ingredient labeling, that is, the kind of labeling which is most important to the consumer to allow him or her to avoid certain ingredients which are known to cause allergic reaction or about which safety questions have been raised.

The existing law also gives the FDA authority to act against cosmetics which are adulterated—that is filthy, putrid, or decomposed. Should a cosmetic be determined to be either misbranded or adulterated, the FDA has the authority to seize the product. However, this after-the-fact approach permits potentially injurious products to be sold and leaves totally unprotected those who have already purchased these products and who continue to use them.

At the present time, the FDA can neither require manufacturers to provide proof that their products are safe nor require that premarket testing be undertaken. Let me add that many companies, both large and small, test their products thoroughly prior to production to assure that they are safe. But the average consumer assumes that some Federal control over safety is exercised, when in fact it is not. There is simply no uniformity of safety standards of procedures within the industry.

Only recently has the FDA begun to move to provide greater information to the consumer by proposing regulations under the Fair Packaging and Labeling Act to require ingredient labeling of all cosmetic products. However, the statutory basis for these regulations has been questioned, and in certain areas of regulation the FDA has had to depend to some degree on voluntary industry cooperation.

The bill I am introducing today gives clear statutory authority to the FDA to promulgate substantive regulations in the areas of ingredient labeling and safety substantiation. It will allow the FDA to use the broad authorities contained in the Food, Drug, and Cosmetic Act to enforce cosmetic safety rather than being forced to rely on the narrow authority of the Fair Packaging and Labeling Act.

I would like briefly to describe the provisions of my bill:

Title I sets forth procedures for the safety substantiation of cosmetics and cosmetic ingredients, placing the burden on manufacturers of thoroughly testing their products for safety before offering them to the public. There is no blanket requirement that the manufacturer submit these data indicating the safety of his products prior to sale as there was in the prior legislation I introduced, but the FDA is given the authority to require premarket submission of safety test data when it believes such submission would better protect the safety of consumers.

In addition, the FDA is given the authority to require specific safety testing which it believes is necessary to set screening levels for toxicity, sensitization, and irritancy of cosmetics, and to designate certain ingredients or classes of cosmetics which it finds present a significant risk of injury. If it finds that a product or ingredient presents a hazard, the FDA can prohibit certain ingredients, prescribe limits of tolerance, require additional labeling, or ban a cosmetic.

Title II requires manufacturers: First, to register with the FDA; second, to submit formulas for cosmetic products to the FDA—with safeguards to insure preservation of trade secrets; and third, to periodically forward consumer complaints about adverse reactions to products to the FDA. This title codifies and makes mandatory the FDA's "voluntary compliance program" launched in 1972. Registration of manufacturers and packagers and their products with the FDA will facilitate a two-way flow of

information that is currently hampered by the FDA's inability to know precisely who and what they are regulating. The requirement as to submission of product formulas is included so that the FDA has precise information on ingredients and composition of products which can then be made available to poison control centers and other organizations requiring specific toxicological information. The filing of adverse reactions will enable the FDA to pinpoint those products or ingredients which are causing injury and will allow it to focus its attention on those products.

Title II also broadens the FDA's inspection powers of cosmetic facilities, and allows it to administratively detain suspect products for up to 20 days, pending seizure. At the present time, the FDA's primary enforcement tool is judicial seizure, but at times a suspected product is shipped before seizure can be accomplished. This proposed authority, which is similar to that now exercised by both the Department of Agriculture and the FDA with respect to certain foods, would provide an effective and speedy method of enforcement.

Title III provides for ingredient, cautionary, and informational labeling of cosmetics. Such information will alert consumers with allergies about the particular contents of products so they can avoid allergens, and will make comparative shopping possible. The provisions of this title are generally compatible with the regulations published by the FDA, although they do not track them completely.

Title IV contains general provisions relating to cosmetics. First, it establishes a system through poison control centers to make information available when there has been ingestion of cosmetics; second, requires the Secretary to cooperate with the Small Business Administration in recommending loans to small cosmetics manufacturers to assist them in complying with the safety substantiation and good manufacturing provisions; third, provides for preemption of State law with respect to labeling; fourth, gives the FDA substantive rulemaking power and sets forth procedures for issuing regulations and judicial review of the regulations; and fifth, authorizes the appointment of advisory committees to make recommendations to the Secretary regarding the administration of this act.

Mr. President, I believe that this bill represents an important step forward in consumer safety. I have sought to strike a reasonable balance between the entirely proper desire of the cosmetic industry to conduct its business with a minimum of Government regulation, on the one hand, and the compelling need of millions of American consumers for some measure of protection against cosmetic-related health hazards on the other. I am hopeful that the Committee on Labor and Public Welfare, and particularly the Health Subcommittee thereof, will give it careful consideration within the coming months.

I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1681

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Cosmetic Safety Amendments of 1975".

TITLE I—COSMETIC SAFETY

Sec. 101. Title VI of the Federal Food, Drug, and Cosmetic Act is amended to add a new section as follows:

"COSMETIC SAFETY

"Cosmetics deemed adulterated

"Sec. 604(a). A cosmetic shall be deemed to be adulterated for the purposes of section 601(a) if—

"(1) its safety has not been adequately substantiated prior to the commercial distribution of the cosmetic;

"(2) requirements applicable to that cosmetic by or under subsections (c), (d), or (e) of this section have not been met; or

"(3) it is a banned cosmetic.

"Cosmetic safety substantiation

"(b)(1) The safety of a cosmetic shall not be considered adequately substantiated unless—

"(A) on the basis of all data and information relating to the safety of the cosmetic which is published or known to, or which should reasonably be known to, the manufacturer or distributor, it can reasonably be concluded that the cosmetic is safe under the conditions of use prescribed in the labeling of the cosmetic or under such conditions of use as are customary and usual;

"(B) such data and information are contained in, or referred to, in records maintained by that manufacturer or distributor who is designated under section 605(b)(1)(D) as responsible for maintenance of such records respecting that cosmetic; and

"(C) such data and information are submitted to the Secretary—

"(i) upon a written request by the Secretary, or

"(ii) where required by regulation under subsection (d) of this section.

"(2) The data or information referred to in paragraph (1)—

(A) shall include information on such specific testing, in animals or humans, of the potential of the ingredients of the cosmetic or the finished cosmetic product, for—

"(i) toxicity,

"(ii) sensitization, and

"(iii) irritation,

as is appropriate or necessary; and

"(B) may include scientific literature, or unpublished data and information in the possession of the manufacturer or distributor, relevant to the safety of the ingredients of the cosmetic or the finished cosmetic product.

"Requirements for specific testing and screening levels

"(c)(1) The Secretary may by regulation—

"(A) determine when specific testing is appropriate or necessary for any cosmetic in order to constitute adequate substantiation of safety;

"(B) establish the procedure to be used in such specific testing; and

"(C) require that such specific testing be conducted by a qualified person independent of any cosmetic manufacturer or distributor, with costs of such testing paid such person by the manufacturer or distributor.

"(2) The Secretary shall by regulation establish screening levels or other criteria for toxicity, sensitization, and irritation of cosmetics. The manufacturer or distributor of any cosmetic which meets any such level or criteria established in such regulation shall notify the Secretary of this fact within 30 days after it is found to meet such level or criterion. If the cosmetic is not in commercial distribution at the time the regulation becomes effective, it shall not be offered for commercial distribution for a period of 90 days following notification of the Secretary, except as authorized by the Secretary.

"(3) Specific testing requirements and screening levels or other criteria established under this section shall be relevant to the conditions of use prescribed in the labeling of the cosmetic or to such conditions of use as are customary or usual.

"(4) Manufacturers and distributors may perform such specific testing individually or jointly.

"(5) The Secretary may in accordance with section 606(e) appoint advisory committees to provide advice concerning the development of specific testing requirements and screening levels and other criteria under this subsection.

"Regulations requiring submission of cosmetic safety substantiation data

"(d)(1) The Secretary shall by regulation—

"(A) designate those cosmetic ingredients or classes of cosmetics which he finds present a significant risk of injury;

"(B) require the submission to him within a reasonable period after such regulation becomes effective, but not to exceed 60 days, of the data and information required to be maintained under subsection (b) concerning cosmetics in commercial distribution concerning cosmetics in commercial distribution containing any ingredient or included in any class designated by such regulation;

"(C) require, as to any product which is not in commercial distribution at the time such regulation becomes effective and which contains any ingredient or is included in any class designated by such regulation, the submission to him of that data and information required to be maintained under subsection (b) within a reasonable period, but not to exceed 60 days, after such data or information becomes known to the manufacturer or distributor of such product; and

"(D) require that any product containing any such ingredient, or included in such a class, which is not in commercial distribution at the time such regulation becomes effective not be offered for commercial distribution for 90 days after such submission, except as authorized by the Secretary.

"(2) The Secretary may by regulation require any manufacturer or distributor of a cosmetic which is proposed to be offered for commercial distribution—

"(A) which is not within a type of cosmetic which was previously in commercial distribution, or

"(B) which is within such a type of cosmetic, but, in accordance with regulations of the Secretary, is significantly different from other cosmetics within that type,

to submit to him the data and information required to be maintained under subsection (b) concerning such cosmetic prior to such proposed distribution and to withhold the cosmetic from commercial distribution for 90 days after such submission except as authorized by the Secretary.

"Cosmetic safety regulations

"(e)(1) Whenever the Secretary finds on the basis of all available information, including data and information obtained under this section, that such action is necessary to assure the safety of cosmetics, he may by regulation—

"(A) require additional specific testing pursuant to subsection (e);

"(B) prohibit the cosmetic from bearing or containing any poisonous or deleterious substance or prescribe limits of tolerance upon such substance; or

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"(C) require appropriate labeling pursuant to section 602; or

"(D) declare a cosmetic to be a banned cosmetic.

"(2) The Secretary may declare a proposed regulation under paragraph (1) to be effective upon its publication in the Federal Register and until the effective date of any final action taken respecting such regulation if he determines, on the basis of all available information, that making such proposed regulation so effective is necessary to reduce or eliminate a substantial risk of illness or injury associated with the use of the cosmetic which is the subject of the regulation. If the Secretary makes a proposed regulation so effective, he shall, as expeditiously as possible, give interested persons prompt notice of his action under this subsection, provide reasonable opportunity for an informal hearing, and either affirm, modify, or revoke such proposed regulation.

"(3) In addition to such findings as the Secretary may make pursuant to subparagraph (1) of this subsection, a cosmetic or cosmetic ingredient shall be deemed unsafe within the meaning of this subsection—

"(A) for any use which will or may result in ingestion of all or part of such cosmetic or cosmetic ingredient if the cosmetic or cosmetic ingredient is found by the Secretary to induce cancer when ingested by man or animal, or if it is found by the Secretary, after tests which are appropriate for the evaluation of chemicals liable to be ingested by man, to induce cancer in man or animal, and

"(B) for any use which will not result in ingestion of any part of such cosmetic or cosmetic ingredient if, after tests which are appropriate for the evaluation of the safety of such cosmetic or cosmetic ingredient, it is found by the Secretary to induce cancer in man or animal.

"Definitions

"(f) As used in this section the term—

"(1) 'toxicity' refers to the short-term or long-term capacity of a cosmetic to produce personal injury or illness to human beings through ingestion, inhalation, or absorption through any body surface;

"(2) 'sensitization' refers to the capacity of a cosmetic to cause on normal living tissue through an allergic or photodynamic process a hypersensitivity which is manifested on reapplication of the same substance; and

"(3) 'irritation' refers to the capacity of a cosmetic, on immedate, prolonged, or repeated contact with normal living tissue, to induce a local inflammatory reaction."

GOOD MANUFACTURING PRACTICES

Sec. 102. Section 601 of the Federal Food, Drug, and Cosmetic Act is amended by adding at the end thereof the following new subsection:

"(f)(1) If the methods used in, or facilities and controls used for its processing do not conform to, or are not operated or administered in conformity with, current good manufacturing practices, as determined by regulations promulgated by the Secretary.

"(2) Such regulations shall, where appropriate, include requirements for the testing of the cosmetic, on a sample basis or otherwise, if necessary to assure that cosmetic is not adulterated."

CONFORMING AMENDMENTS

Definition

Sec. 103. (a) Section 201 of the Federal Food, Drug, and Cosmetic Act is amended by adding the following new subsection at the end thereof:

"(y) For purposes of sections 301(q), 604, and 605, the term 'commercial distribution' means any distribution outside the establishment manufacturing the product for sale, for promoting future sales (including distribution of free samples of the product), or for measuring consumer acceptance through market testing."

Deletion of soap exemption

(b) Section 201(i) of such Act is amended by striking "articles; except that such term shall not include soap." and inserting in lieu thereof "articles.".

Prohibited acts

(c)(1) Subsection (e) of section 301 of such Act is amended by striking the word "or" before "512" and adding a comma and "604" after "(m)".

(2) Section 301 of such Act is further amended by adding new subsections as follows:

"(q) The commercial distribution of any cosmetic which is deemed adulterated under section 604(a).

"(r) The failure to notify the Secretary of any cosmetic which meets any screening level or criterion required under section 604(c)."

Guarantees

(d) Section 303(c)(1) of such Act is amended by striking the period at the end thereof and inserting at the end thereof the following: ", or (6) for having violated section 301 (a) or (c) because the cosmetic is deemed adulterated under section 604(a), if such person establishes a guarantee in a form and under such conditions as are established by the Secretary by regulations."

Adultered and misbranded cosmetics

(e) Section 601(a) of such Act is amended to read as follows:

"(a) If it bears or contains any poisonous or deleterious substance which may render it injurious to users, or if it is or may be injurious to users, under the conditions of use prescribed in the labeling thereof, or under such conditions of use as are customary or usual, or if it is deemed adulterated by section 604(a).

(2) Section 601(e) of such Act is amended to read as follows:

"(e) If it is, or it bears or contains, a color additive which is unsafe within the meaning of section 706(a). This paragraph shall not apply to any hair dye other than any eyelash dye or eyebrow dye."

(e) Section 602(e) of such Act (21 U.S.C. 362(e)) is amended by striking "(as defined in the last sentence of section 601(a))" from the second sentence and inserting "(other than any eyelash dye or eyebrow dye)" in lieu thereof.

EFFECTIVE DATE

Sec. 104(a). The provision of this title shall take effect upon enactment, except as provided in subsections (b) and (c).

(b) With respect to cosmetics in commercial distribution on the day immediately preceding enactment of this Act, the provisions of subsections (a) and (d) of new section 604 of the Federal Food, Drug, and Cosmetic Act shall take effect on the first day of the twelfth month following the month in which this Act is enacted, provided that the Secretary may for good cause extend such effective date an additional six months. The definition of "commercial distribution" in new subsection (y) of section 201 of the Federal Food, Drug, and Cosmetic Act shall apply to this section

(c) The legend required to be placed on the label of a coal-tar hair dye by the proviso of section 601(a), prior to the enactment of this Act, shall continue to be required until the Secretary promulgates regulations under section 602 prescribing different requirements.

TITLE II—REGISTRATION AND COMPLIANCE

Sec. 201. Chapter VI of the Federal Food, Drug, and Cosmetic Act is amended by adding at the end thereof the following new section:

"REGISTRATION OF COSMETIC PROCESSORS

"Establishment registration required

"(a)(1) On or before December 31 of each year, every person who owns or operates an establishment engaged in processing a cosmetic shall register with the Secretary his name, principal place of business, and the location of each such establishment, in such manner and form as the Secretary shall prescribe by regulation.

"(2) Every person required to register under this subsection shall, within 10 days after commencing operation of any additional establishment, register with the Secretary.

"Registration of cosmetic lists

"(b)(1) Every person required to register under this section shall, for each such establishment, include as part of such registration the following information regarding any cosmetic which is in commercial distribution—

"(A) a list of each cosmetic processed in each such establishment by brand name or names;

"(B) the product class (as prescribed by the Secretary by regulation) of each such cosmetic;

"(C) a list of each ingredient used in each such cosmetic in descending order of predominance by weight, showing the percentage range of each such ingredient, which range shall not deviate by more than 5 percent from the actual percentage;

"(D) the name and principal place of business of that manufacturer or distributor who is to be responsible, with respect to each such cosmetic, for the maintenance of records relating to safety substantiation required to be kept by section 604(b) and the location of such records; and

"(E) summary information on such cosmetic relevant to hazards from accidental ingestion or misuse of such cosmetic (which information shall be based upon such investigations as are necessary to identify such hazards) and, where appropriate, as to antidotes or treatment.

"(2) The Secretary may also require the submission by any person required to be registered under this section (as part of annual registration or otherwise) of the following information concerning any cosmetic in commercial distribution if he finds that such submission is necessary or appropriate to carry out the purposes of this Act—

(A) a quantitative list of the ingredients of any cosmetic,

"(B) a list of all cosmetics that include a particular ingredient or fall within a particular cosmetic class or for any particular use;

"(C) representative samples of the labeling or all labeling of any cosmetic or class of cosmetics;

"(D) information which indicates that there is, with respect to any cosmetic processed by such person which has left an establishment under his control, an unreasonable risk of adulteration; and

"(E) information as to any recall of any cosmetic processed by such person which may be adulterated, if it left an establishment under his control.

"Changes in registration information

"(c) The annual registration under subsections (a) and (b) of this section shall include all changes in information previously submitted. Information previously submitted under such subsections shall not be required to be resubmitted in any subsequent annual registration. The Secretary may by regulation specify circumstances under which any changes in the information previously submitted shall be submitted at a date other than that prescribed for the annual registration.

"Notification of new cosmetics

"(d)(1) Every person required to register pursuant to this section upon first engaging in processing a cosmetic not previously included in a list submitted by him under subsection (b)(1) shall—

(A) notify the Secretary prior to the proposed commercial distribution of such cosmetic;

(B) submit such information concerning such cosmetic prescribed in subsection (b), as the Secretary shall by regulation require; and

(C) comply with any applicable requirements of section 604.

"Notification of discontinuance and resumption of processing

"(e)(1) The Secretary shall by regulation require that any person required to register under this section notify him (as part of annual registration or otherwise) of any cosmetic which he has discontinued processing for commercial distribution, providing the date of such discontinuance and a brief summary of the reasons therefor.

(2) If such person resumes processing of a cosmetic which is identical, similar, or related to—

(A) a cosmetic which has been the subject of a prior notification under this subsection of discontinuance of processing, or

(B) a cosmetic which had been declared a banned cosmetic under section 604(e), such person shall, upon such resumption of processing, notify the Secretary of such resumption, the date thereof, and a brief explanation of the reasons for such resumption.

"Filing of adverse reactions

"(f) The Secretary shall by regulation require every person required to register under this section to file with him every report of any adverse reaction received by such person which may have resulted, or is alleged to have resulted, from the use of a cosmetic processed by him, within 90 days after receipt of such report. Each such person shall preserve, for at least five years from date of receipt all such reports, all information regarding such adverse reaction.

"Inspection, reporting, and recordkeeping

"(g)(1) Every establishment required to register under this section shall be subject to the inspection and reporting requirements of section 704.

"(2) Every person required to register under this section shall maintain records of all information submitted to the Secretary under this section. Such information, and other records relating to such information, may be inspected or required to be submitted under section 704.

"Availability of information

"(h) The Secretary shall make available for inspection, to any person so requesting, any registration filed pursuant to this section except to the extent that such information is a trade secret or other matter referred to in section 1905 of title 18, United States Code.

"Definitions

"(i)(1) As used in this section the term—

"(1) 'process,' 'processed,' or 'processing' with respect to cosmetics means the manufacturing, processing, preparing, packaging, labeling, or holding of a cosmetic in any State, except that such term shall not include retailers;

"(2) 'name' shall include in the case of a partnership the name of each partner, and in the case of a corporation the name appearing on the corporation's charter or certificate of incorporation and the name of each principal corporate officer and director and the State of incorporation;

"(3) 'owns or operates' means any person who owns, operates, leases, charters, or controls any establishment used in processing a cosmetic;

"(4) 'establishment' means the premises, building, structures, and facilities used in processing cosmetics; and

"(5) 'adverse reaction' means any allergic reaction or other bodily injury associated with or contemporaneous with the use of a cosmetic."

INSPECTION AND REPORTING

Sec. 202. Section 704(a) of such Act is amended by adding at the end thereof the following new sentence: "In the case of establishments manufacturing, processing, preparing, packaging, labeling, or holding a cosmetic in any State, (1) inspection shall extend to all things therein (including records, files, papers, processes, controls, and facilities, but excluding those financial, sales, pricing personnel and research data not bearing upon whether the product may be adulterated or misbranded), bearing on whether a cosmetic may be adulterated or misbranded or on whether there has been a violation of section 301; and (2) the owner or operator of any information which may be inspected under this section shall, upon written request by the Secretary, submit such information to him. The district courts of the United States shall have jurisdiction to enforce requests under the preceding sentence and to require access to such information upon application of the Secretary or the Attorney General, in an action brought in any district wherein the person or establishment involved is found or transacts business."

ADMINISTRATIVE RESTRAINT AND SEIZURE

Sec. 203. (a) Section 304 of such Act is amended by adding at the end the following new subsection:

"Administrative restraint

"(g)(1) If during an inspection conducted under section 704 of an establishment or a vehicle, a cosmetic which the officer or employee making the inspection has reason to believe is adulterated or misbranded is found in such establishment or vehicle, such officer or employee may order the cosmetic detained (in accordance with regulations prescribed by the Secretary) for a reasonable period which may not exceed 20 days unless the Secretary determines that a period of detention greater than 20 days is required to institute an action under subsection (a) to seize the cosmetic, in which case he may authorize a detention period of not to exceed 30 days. A detention order under this paragraph may require the labeling or marking of a cosmetic during the period of its detention for the purpose of identifying the cosmetic as detained. Any person who would be entitled to claim a cosmetic if it were seized under subsection (a) may appeal to the Secretary a detention of such cosmetic under this paragraph. Within 5 days of the date an appeal of a detention is filed with the Secretary, the Secretary shall after affording opportunity for an informal hearing by order confirm the detention or revoke it.

"(2)(A) Except as authorized by subparagraph (B), a cosmetic subject to a detention order issued under paragraph (1) shall not be moved by any person from the place at which it is ordered detained until—

"(i) released by the Secretary, or

"(ii) the expiration of the detention period applicable to such order,

whichever occurs first.

"(B) A cosmetic subject to a detention order under paragraph (1) may be moved—

"(i) in accordance with regulations prescribed by the Secretary, and

"(ii) if not in final form for shipment, at the discretion of the manufacturer of the cosmetic for the purpose of completing the work required to put it in such form.".

Seizure of any adulterated or misbranded cosmetic

(b) Section 304 of such Act is further amended (1) by striking out "and" before "(C)" and, (2) by striking out the period at the end and inserting in lieu thereof a comma and the following: "and (D) any adulterated or misbranded cosmetic.".

CONFORMING AMENDMENTS

Prohibited acts

Sec. 204. (a) Section 301 of such Act is further amended by adding the following new paragraphs:

"(s) The failure to register under section 605, or to submit or maintain any information as required by or under section 605, or to submit any information as required under section 704.

"(t) The movement of a cosmetic in violation of an order under section 304(g) or the removal or alteration of any mark or label required by the order to identify the cosmetic as detained.".

Misbranded cosmetics

(b) Section 602 of such Act is further amended by adding at the end thereof the following new paragraph:

"(i) If it was processed in an establishment which was not registered as required under section 605, or if information concerning it is not submitted or maintained as required under section 605, or if information concerning it is not submitted as required under section 704."

Imports

(c) Section 801(a) of such Act (21 U.S.C. 381(a)) is amended by inserting "(1)" immediately after "(a)" and adding at the end thereof:

"(2) The Secretary shall refuse entry of any cosmetic offered for importation into the United States which has been processed in any establishment other than an establishment registered or exempt from registration pursuant to section 605."

EFFECTIVE DATES

Sec. 307. Cosmetic processors shall first register pursuant to section 605 of the Federal Food, Drug, and Cosmetic Act on the first day of the third month after regulations are promulgated under section 605 of the Federal Food, Drug, and Cosmetic Act and registration forms made available by the Secretary of Health, Education, and Welfare. All other provisions of this title shall take effect upon enactment.

TITLE III—COSMETIC LABELING

Cosmetic ingredient labeling

Sec. 401(a). Section 602 of such Act is further amended by adding at the end thereof the following new subsections:

"(g)(1) Unless labeling affixed to or within the package bears—

"(A) the common or usual name of the cosmetic, if any, and

"(B) in case it is fabricated from two or more ingredients, the common or usual name of each such ingredient in the order of decreasing predominance by weight.

The first sentence of this subsection shall not apply in a case where an ingredient is a color which is declared in a manner that accurately states the nature of the ingredients without regard to order of predominance, and a fragrance and flavor may be designated as fragrance and flavor without naming each ingredient, except that the Secretary may by regulation require any fragrance or flavor ingredient to be named on such labels upon a finding that such disclosure is necessary to protect the public health or to provide information useful to consumers.

"(2) Subject to such conditions as the Secretary may by regulation provide—

"(A) this subsection shall not apply to cosmetics sold in bulk or to incidental additives that are present in a cosmetic in insignificant levels and which do not have any technical or functional effect in such cosmetic, and

"(B) closely related ingredients may be declared by a general term or without regard to order of predominance in a manner that accurately states the nature of the ingredients.

"Warning and other labeling

"(h) Unless its label or labeling bears adequate warnings against use where it may be hazardous to health, or such warnings or information as the Secretary may by regulation require with respect to use which the Secretary has determined to be necessary for the protection of the public health or appropriate as a guide to use."

EFFECTIVE DATE

Sec. 303. The amendments made by this title shall be effective on the first day of the thirteenth calendar month following the month in which this Act is enacted.

TITLE IV—GENERAL PROVISIONS CONCERNING COSMETICS

Sec. 401. Chapter VI of the Federal Food, Drug, and Cosmetic Act, as amended by this Act, is further amended by inserting at the end thereof the following:

"GENERAL PROVISIONS CONCERNING COSMETICS

"Poison control information

"Sec. 606. (a) The Secretary shall establish a system for making publicly available, through poison control centers and other appropriate means, the summary information collected under section 605(b)(1)(E) relevant to hazards from accidental ingestion or misuse of cosmetics and antidotes or treatment. Such system shall assure that such information is available at any time to persons (including physicians, hospitals, clinics, and poison control centers) who request such information to aid in treatment of individuals who may be injured as a result of the ingestion of, contact with, or exposure to, any cosmetic. The system shall also include a continuing program by the Secretary to inform physicians, hospitals, clinics, and poison control centers, and other persons to whom such information may be useful, of the availability of such information and the methods by which it may be obtained at any time.

"Small business assistance

"(b) The Secretary shall cooperate with the Small Business Administration with respect to applications (under section 7(b)(5) of the Small Business Act, as amended (15 U.S.C. 631)) for loans to assist affected small business entities to comply with requirements under sections 604 and 601(f). The Small Business Administration shall direct that applications from such small business entities, regarding proposed additions to or alterations in plants, facilities, or methods of operation which are designed to enable such entities to comply with such requirements, shall be reviewed by the Secretary. The Secretary shall evaluate each such application and shall report to the Administrator (or to the bank or lending institution) within 60 days to determine if such additions or alterations are appropriate and necessary to assist the applicant to comply with such requirements and whether he recommends that the loan be granted.

"Effect on State law

(c)(1) It is declared to be the express intent of Congress to supersede any and all laws of the States or political subdivisions thereof, insofar as they may now or hereafter provide for information on the label or in labeling of a cosmetic which is in addition to or different from information required on the label or in labeling by or under section 602 of this Act, except as provided in this section.

"(2) Upon application of a State or political subdivision thereof, the Secretary may by regulation, after notice and opportunity for oral presentation of views, exempt from the provisions of paragraph (1) (under such conditions as he may impose) a proposed safety requirement described in such application, where the proposed requirement—

"(A) imposes a higher level of performance than the Federal standard.

"(B) is required by compelling local conditions, and

"(C) does not unduly burden interstate commerce."

"Procedures and judicial review

"(d)(1) Proceedings to issue, amend, or repeal a regulation under this chapter shall be conducted in accordance with the procedures prescribed by section 553 of title 5 of the United States Code.

"(2) In the case of any regulation or order under this chapter any interested person (including a consumer or consumer organization), who may be adversely affected by such regulation or order may, at any time within 60 days after the regulation or order is issued by the Secretary, file a petition with the United States Court of Appeals for the District of Columbia, or for the circuit wherein such person resides or has the principal place of business, for judicial review of such regulation or order. A copy of the petition shall be transmitted by the clerk of the court to the Secretary or other officer designated by him for that purpose. The Secretary shall file in the court the record of the proceedings on which the Secretary based his regulation or order as provided in section 2112 of title 28 of the United States Code. For purposes of this subsection, the term 'record' means all notices and other matter published in the Federal Register with respect to the regulation or order reviewed, all information submitted to the Secretary with respect to such regulation or order, proceedings of any advisory committee with respect to such regulation or order, any hearing held with respect to such regulation or order, and any other information identified by the Secretary, in the administrative proceeding held with respect to such regulation or order, as being relevant to such regulation of order.

"(3) If the petitioner applies to the court for leave to adduce additional evidence, and shows to the satisfaction of the court that such additional evidence is material and that there was no opportunity to adduce such evidence in the proceeding before the Secretary, the court may order such additional evidence (and evidence in rebuttal thereof) to be taken before the Secretary in a hearing or in such other manner, and upon such terms and conditions, as to the court may deem proper. The Secretary may modify his findings, or make new findings, by reason of the additional evidence so taken, and he shall file such modified or new findings, and his recommendation, if any, for the modification or setting aside of his original regulation or order, with the return of such additional evidence.

"(4) Upon the filing of the petition under subsection (b) of this section, the court shall have jurisdiction to review the regulation or order of the Secretary in accordance with subparagraphs (A), (B), (C), and (D) of paragraph (2) of section 706 of title 5 of the United States Code. If the court orders additional evidence to be taken under subsection (c) of this section, the court shall also review the Secretary's regulation or order to determine if, on the basis of the entire record before the court pursuant to subsections (b) and (c) of this section, it is supported by substantial evidence. If the court finds the regulation or order is not so supported, the court may set it aside.

"(5) With respect to any regulation or order reviewed under this section, other than a regulation made effective upon publication in the Federal Register pursuant to section 604(e)(2), the court may grant appropriate relief pending conclusion of the review proceedings, as provided in section 705 of such title 5.

"(6) The judgment of the court affirming or setting aside, in whole or in part, any such regulation or order of the Secretary shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification, as provided in section 1254 of title 28 of the United States Code."

"Advisory committees

(e) The Secretary may appoint advisory committees to assist in the administration of this chapter. Any such committee shall consist of members who are individuals appropriately qualified by training and experience and shall include, as non-voting members, a representative of consumer interests and a representative of industry interests. The Secretary shall prescribe by regulation the procedures to be followed by such committees and shall assure that each committee provides, to the maximum extent practicable, an opportunity for any interested person to submit data and views on all matters considered by the committee. All meetings of the committee shall be open in accordance with the requirements of the Federal Advisory Committee Act.

Sec. 401. The provisions of this title shall take effect on the date of enactment of this Act, except that new section 606(c) shall be effective on the first day of the seventh calendar month following the initial registration pursuant to new section 605 of the Federal Food, Drug, and Cosmetic Act.

By Mr. BENTSEN:

S. 1682. A bill entitled "The Justice Department Reform Act." Referred to the Committee on the Judiciary.

JUSTICE DEPARTMENT REFORM ACT

Mr. BENTSEN. Mr. President, I am deeply concerned about the American people's loss of confidence in the Department of Justice. I believe that loss of confidence is due in large measure to the politicization of legal posts within the Department. The time has come to end what seems to have become the nearly standard practice of Presidents appointing as Attorney General one of the principal leaders of the political campaign in which they were elected. The time has also come to remove the U.S. attorneys' offices from the patronage system.

John Mitchell, Robert Kennedy, and J. Howard McGrath, Attorney General under Truman, are the most obvious examples of men who managed the successful Presidential campaigns and who immediately after the election were appointed to head the Justice Department. Unfortunately, the practice has been working its way into our political system for much longer than these relatively recent appointments. A Mitchell Palmer, Attorney General under Woodrow Wilson, had been the President's floor manager at the 1912 Democratic Convention. Frank Murphy, Attorney General under Franklin Roosevelt, served as leader of the Roosevelt forces in the State of Michigan. President Eisenhower's Attorney General, Herbert Brownell, had not only been active in his campaign, but had served as campaign manager for Republican Presidential Candidate Thomas E. Dewey in both 1944 and 1948. Several of these men after appointment continued to serve as political advisers to the President as well as his legal counsel. By historical tradition, and with certain exceptions, the top Presidential appointees in the Department of Justice have been highly respected representatives of the legal profession. But where they have also been major campaign officials for the President their appointment only contributes to a growing perception of the Justice Department as a political instrument. With all of the highly competent members of the legal profession to choose from, it is simply not necessary to look to the ranks of the campaign staff for Justice Department personnel.

The conduct of some of the recent officials of the Department is too fresh in the mind of the public and too deeply etched on the minds of the bar to be passed with a bromide that, "The next President won't let it happen."

It is time to assure the American people that law enforcement decisions will not be determined by partisan politics—either Democratic or Republican. It is time to get a little closer to the statement of President Lincoln's Attorney General Elward Bates, when he said,

> The office I hold is not properly political, but strictly legal; and it is my duty, above all other ministers of state to uphold the law and to resist all encroachments, from whatever quarter, of mere will and power.

In an effort to restore that spirit, I am today introducing legislation which I believe will be a major step to effectively deal with the politicization of legal posts within the Department of Justice. My bill is directed at insuring the Department's capacity to administer justice evenly and at restoring the public's perception of the quality and impartiality of the justice that is administered. Specifically my bill will do the following:

First, it will statutorily prohibit the President from appointing as Attorney General, Deputy Attorney General, a person who held a paid or unpaid position in the political campaign in which he was elected. This prohibition includes the national and State party organizations at the time of his election.

Second, it will amend the Hatch Act, which prohibits partisan political activities, to encompass within its purview all personnel in the Department of Justice, including the Attorney General, his Deputy, the Solicitor General, and all of the U.S. attorneys.

Third, the bill provides for the appointment of U.S. attorneys and U.S. marshals by the Attorney General. Such appointments would continue to be for 4-year terms, subject to Senate confirmation and reconfirmation after 4 years in the event of reappointment. Thirty years ago the Collectors of the Internal Revenue, the Postmasters, and the U.S. attorneys were the backbone of the patronage system. Today, only the Presidentially appointed U.S. attorney remains. It is time that these positions were filled on the basis of ability to effectively enforce the Nation's laws rather than as rewards for backing a successful Presidential candidate.

Fourth, the bill provides that all assistant U.S. attorneys and their legal staffs become part of the career service already effectively established within the headquarters of the Department of Justice.

The President must retain authority to carry out his responsibilities of seeing that our laws are enforced and my bill would not alter or inhibit that authority. But, the partisan orientation in recent years of those responsible for supervising the Nation's legal affairs seems extreme. If justice is to be impartial it must, for starters, be nonpartisan.

The Department of Justice should not be run or even give the appearance of being run by people who march to a drum beat emanating from the political advisers of any President or his party. We must move now to restore the American people's confidence that their laws are being enforced impartially and without regard to political affiliation. Decisions as to whether cases are prosecuted or dismissed, whether appeals are taken or settled, must not depend upon the political influence of the litigant. Even the appearance of impropriety undermines people's faith in our system.

Mr. President, I was interested to learn that the House Judiciary Committee shares my concern over these matters and has ordered a study of the history of the politicization of the Justice Department. I am hopeful that this report will provide recommendations, in addition to those proposed in the legislation I am introducing today, which will once and for all divorce politics from the impartial administration of justice in this country.

I believe that the Congress has a responsibility to act now to restore confidence in our system. I ask unanimous consent that the text of my bill be printed in full in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1682

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Justice Department Reform Act."

APPOINTMENT OF OFFICERS

Sec. 2. (a) Chapter 31 of Title 28, United States Code, is amended by inserting after Section 505 the following new section:

"§ 505A. Qualifications

"Any individual who—

"(1) whether paid or unpaid, held a position of trust and responsibility to an individual who was elected to the office of President while serving (A) on the personal campaign staff of such individual, or (B) on an organization working on such individual's campaign, or

"(2) held a State-wide or National office or was employed by a State or National political party, respectively, that campaigned for an individual who was elected to the office of President,

shall be ineligible for appointment to any position under sections 503–506 of this title if the appointing authority is the President for whom such individual campaigned."

(b) The analysis of Chapter 31 of such title is amended by inserting immediately below item 506 the following new item:

"506A. Qualifications."

APPOINTMENT OF UNITED STATES ATTORNEYS AND UNITED STATES MARSHALS

Sec. 3. (a) Section 541 of such title is amended by striking out "President" in subsections (a) and (c) and inserting in lieu thereof "Attorney General".

(b) Section 561 of such title is amended by striking out "President" in subsections (a) and (b) and inserting in lieu thereof "Attorney General".

(c) Section 27 of the Revised Organic Act of the Virgin Islands (40 U.S.C. 1617) is amended by striking out "President" and inserting in lieu thereof "Attorney General".

APPOINTMENT OF ASSISTANT UNITED STATES ATTORNEYS

Sec. 4. Section 542 of such title is amended to read as follows:

"§ 542. Assistant United States Attorneys.

"(a) The Attorney General may appoint assistant United States attorneys, and may assign such attorneys to assist any United States attorney the Attorney General considers appropriate.

"(b) Each assistant United States attorney is subject to removal by the Attorney General".

POLITICAL ACTIVITY

Sec. 5. Section 7324 of Title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(e) Notwithstanding the provisions of subsection (d) of this section, subsection (a)(2) of this section applies to all officers and employees of the Department of Justice."

EFFECTIVE DATE: INITIAL APPOINTMENT OF OFFICERS

Sec. 6. (a) This Act, and amendments made by this Act, other than this section shall take effect 90 days after the enactment of this Act.

(b) Nowithstanding subsection (a) of this section, any vacancy in any office affected by this Act may be filled in the manner provided by this Act at any time after the date of enactment of this Act.

(c) The provisions of this Act shall not apply to any individual holding an office affected by any amendment made by this Act if such individual would be eligible for appointment to such office after the provisions of this Act becomes effective.

By Mr. BAYH:

S. 1683. A bill to amend the Internal Revenue Code of 1954 to permit a parent who supports a handicapped child to take a personal exemption for that child even though the child earns more than $750. Referred to the Committee on Finance.

Mr. BAYH. Mr. President, today I am introducing a bill which would make it possible for parents of a physically handicapped or mentally retarded child to claim an exemption deduction for the child despite the fact that the child had earnings in excess of $750.

The necessity for such an amendment to the Internal Revenue Code was called to my attention by constituents whose 24-year-old retarded son earned $763 in a sheltered workshop in 1974. When the couple filled out their tax returns, they learned that they could not claim an exemption deduction for that child though they could claim deductions for two children who were college students and who earned far more than the retarded child.

Mr. President, it does not make sense to me to deny the exemption deduction to parents of a retarded or handicapped child if the parents provide more than half the child's support. Expenses incurred in behalf of such children often exceed those incurred for children who are not so afflicted, and parents should not be penalized because their child takes part in meaningful outside activities which produce income.

The bill I introduce today would make a simple amendment to section 151(e)(1)(B) of the Code by adding another exception to the $750 earnings limitation, in this case for physically handicapped or mentally retarded children. I do not believe it is necessary to put a new ceiling on the earnings permitted since it would still be necessary for parents to provide more than 50 percent of the child's support under section 152. As a child's earnings increased, he would be providing for an increased portion of his support, and eventually cease to qualify as a dependent.

Mr. President, we know there are over 25 million physically handicapped and approximately 6 million mentally retarded persons in the United States. There are about 9.5 million handicapped children, including the mentally retarded. Certainly, a significant number of the families of these people have suffered from the provisions of the Tax Code which my bill addresses. I hope my colleagues will carefully consider my proposal and support it. I believe it is very important that we provide fair tax treatment to families with physically handicapped or mentally retarded children.

I ask unanimous consent that the full text of this bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1683

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 151(e)(1)(B) of the Internal Revenue Code of 1954 (relating to additional exemption for dependents) is amended by striking out the period at the end thereof and inserting in lieu thereof ", or (iii) is physically handicapped or mentally retarded.".

SEC. 2. The amendment made by the first section of this Act shall apply to taxable years ending after the date of the enactment of this Act.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 100

At the request of Mr. PELL, the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of S. 100, a bill to provide a national program in order to make the international metric system the predominant but not exclusive system of measurement in the United States and to provide for converting to the general use of such system within 10 years.

S. 1336

At the request of Mr. CASE, the Senator from Massachusetts (Mr. BROOKE) was added as a cosponsor of S. 1336, a bill to amend the Clean Air Act so as to assure that aerosol spray containers discharging chlorofluoromethane compounds in the ambient air will not impair the environmental ozone layer, to prevent any increased skin cancer risk, and otherwise to protect the public health and environment.

S. 1625

At his own request, the Senator from Maine (Mr. MUSKIE) was added as a cosponsor of S. 1625, a bill to extend and revise the State and Local Fiscal Assistance Act of 1972.

S. CON. RES. 29

At the request of Mr. CURTIS, the Senator from Florida (Mr. CHILES) and the Senator from Maryland (Mr. BEALL) were added as cosponsors of Senate Concurrent Resolution 29, expressing the sense of Congress regarding the annexation of the Baltic nations.

AMENDMENTS SUBMITTED FOR PRINTING

REMOVAL OF EMBARGO AGAINST TRADE BETWEEN THE UNITED STATES AND CUBA—S. 935

AMENDMENTS NOS. 397 THROUGH 401

(Ordered to be printed and to lie on the table.)

Mr. HARRY F. BYRD, JR., submitted five amendments intended to be proposed by him to the bill (S. 935) to terminate the embargo against trade between the United States and Cuba.

AMENDMENT NO. 402

(Ordered to be printed and referred to the Committee on Foreign Relations.)

Mr. HELMS submitted an amendment intended to be proposed by him to the bill (S. 935), supra.

CONSUMER PROTECTION ACT—S. 200

AMENDMENT NO. 403

(Ordered to be printed and to lie on the table.)

Mr. BUMPERS. Mr. President, today I am submitting an amendment to S. 200, the proposed Consumer Protection Act of 1975.

This amendment concerns the right of the Agency for Consumer Advocacy, acting through its Administrator, to initiate judicial proceedings with rtspect to Federal administrative agency proceedings or activities. Under section 6(c)(1) of S. 200, the Administrator as a matter of right may initiate a civil proceeding in court which involves the review of a Federal agency action taken in an administrative proceeding in which the Administrator of Agency for Consumer Advocacy had intervened or otherwise participated. The section goes on to say that if the Administrator did not intervene or otherwise participate before the agency, he may nevertheless initiate a Federal court proceeding with respect to an agency action unless the court shall determine that initiation of such a judicial proceeding would impede the interests of justice.

In my view, a finding by a court that initiation of a proceeding would impede the interests of justice would be most unlikely ever to be made. This provision of S. 200, it seems to me, means in effect that ACA will almost always be able to initiate a Federal court proceeding, even in those instances where it was not a party before the agency. I can understand that ACA should have the right to go to court to seek review of agency action resulting from an agency proceeding in which it was an intervenor or otherwise participated, but in cases where ACA did not participate before the agency, I do not see the need for unlimited access by ACA to the courts. Instead, I would suggest that it be permitted to initiate a judicial proceeding in such a case only if the court should find that initiation of such a proceeding would advance the interests of justice.

In this way, ACA could go to court if, first, it had intervened or otherwise participated before the agency, or second, a court should find that initiation of a court proceeding by ACA would be in the interests of justice. Such a statutory scheme, which would be the result of my proposed amendment to S. 200, would give ACA the right to initiate a court proceeding as a matter of course in those instances in which private parties would have such a right, and perhaps even in a broader category of instances. In those cases, however, in which ACA had not been a party before the agency, it would have to secure a special public-interest finding from the court before being permitted to initiate a court proceeding. In this way, the interests of consumers and of other parties to agency proceedings would be fairly balanced, and a potential burden on the administration of justice through overcrowding of court dockets would be alleviated.

Mr. President, I ask unanimous consent that the text of this amendment be printed in the RECORD immediately following these remarks.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 403

On page 15, strike the last five words in line 25, and on page 16, strike lines 1 through 12, and insert in lieu thereof the following:

"Where the Administrator did not intervene or otherwise participate in a federal agency proceeding or activity, the Administrator shall not be permitted to initiate a judicial proceeding with respect to such agency proceeding or activity unless the court shall first have determined that initiation of such a proceeding by the Administrator would advance the interests of justice. In advance of the initiation of such a proceeding by the Administrator, he shall file a statement setting forth the reasons why he did not intervene or otherwise participate in the federal agency proceeding or activity out of which the contemplated judicial proceeding arises, for the court's consideration in connection with its determination whether the initiation of such judicial proceeding would advance the interests of justice."

AMENDMENT NO. 404

(Ordered to be printed and to lie on the table.)

Mr. TAFT (for himself, Mr. THURMOND, and Mr. MCCLURE) submitted an amendment intended to be proposed by them jointly to the bill (S. 200) to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes.

AMENDMENT NO. 405

(Ordered to be printed and to lie on the table.)

FARM EXEMPTION

Mr. DOLE. Mr. President, I am submitting today an amendment to make all Federal proceedings and activities that directly affect farmers exempt from the jurisdiction of the Agency for Consumer Advocacy. This amendment would not exempt proceedings related to what is the greatest factor in the consumer's food budget—the expenses related to operations after commodities leave the farm.

This farm exemption is essential. There are numerous examples of Government interventions prompted by well-intentioned consumer-oriented efforts that have had a detrimental impact on the agricultural industry. These examples, while intended to help consumers in the short run, have been harmful in the long run to public, national, and consumer interests.

Among these examples, I will refer in a moment to the soybean embargo of 1973, the "export prior approval system" instituted last year, and the beef price freeze of 1973.

I am aware that some language is included in the pending bill which is intended to protect legitimate interests of food producers. The language, unfortunately, is not adequate, however. It is not as comprehensive nor as precise nor as effective as the language which was accepted last year when I offered a substitute to S. 707, and as the language of the amendment I propose today. I believe it to be of critical importance that this language be included in S. 200.

NONFARM FOOD COSTS NOT EXEMPTED

At the same time, there are undoubtedly many Federal proceedings and activities not directly affecting agricultural producers in which greater consumer representation is warranted.

A recent USDA report showed farm-to-retail price spreads for February 1975 to be 22 percent higher than those a year earlier. During that period, the farmer's share of food prices has been sliding downward month after month. This has been a repetition of a cycle familiar to every farmer:

> When farm prices go up, they eventually go down, but when most other prices go up, they just keep climbing.

The fact of the matter is that farm prices are subject to strong and constant competitive pressures. Intervention in this finely tuned and sensitive market mechanism would be counterproductive for consumers, just as it has been in the past. But there are other areas where I would greatly welcome the participation of an Agency for Consumer Advocacy.

The Wall Street Journal, for example, recently ran an investigative report on the meat industry's "yellow sheet" and possible manipulations of wholesale prices for beef. There have been charges of kickbacks to organized crime for shipments of food commodities into New York and other large metropolitan areas. It is clear to me that strong action is needed in these and similar cases.

There is a need for action by consumer representatives as might be taken by ACA, first to inform the public and to clarify common myths about profit margins in the food industry, from farm to retail shelf. And there is an urgent need to pursue the shady or illegal operations of a few, to sharply delineate these from the efficiency and high standards of the majority of those in the food processing, distribution, and retailing industries and, in general, to build consumer awareness as it protects consumer interests.

INTERVENTION IN AGRICULTURE COUNTERPRODUCTIVE

But intervention by the Federal Government in those areas directly affecting the actual production of agricultural commodities is almost invariably counterproductive. Many cases of Government interference with agriculture can be cited that were initiated with the goal of protecting consumers from higher food prices. Yet consumers did not benefit to any appreciable degree and the interests of the public, the Nation, and ultimately consumers themselves have suffered.

Earlier I mentioned the soybean embargo of 1973, the "export prior approval system" of last year and the beef price freeze of 1973.

In 1973, there was great concern that we would "run out" of soybeans and that the high prices for soybeans would force prices up for foods derived from this excellent protein source. So an embargo on soybean exports was instituted. As expected, soybean prices plummeted and farmers suffered.

But I would challenge anyone to show how consumer food prices declined as a result. Farm prices declined and farmers were deprived of income, but consumers did not benefit.

At the same time, our trade balance declined due to loss of export sales. Our reputation as a reliable supplier in the world food market was shattered.

In short, farmers, the public, and the Nation as a whole suffered and in the long run, consumers did also because of the harm to the economy. Although the embargo action was taken on behalf of consumers, I cannot find how it benefited them.

EXPORT RESTRICTIONS DO NOT HELP CONSUMERS

A similar situation took place last year. Out of concern that our grain market was oversold, a prior approval requirement was placed on export sales. Again, the goal was to protect consumers from higher food prices.

As with soybeans in 1973, farm prices for wheat have plummeted. Even though the prior approval system has not specifically prohibited any export sales, it is common knowledge in the wheat trade that many foreign buyers have been discouraged from making wheat purchases in the United States because of the requirement. So the public and the Nation as a whole have suffered again because of the harm done to our trade balance.

And even though farm prices for wheat have declined more than 30 percent, I have yet to see any benefit to consumers through a substantial decline in bread prices.

The most recent calculations from the Department of Agriculture indicate the farm value of wheat in a loaf of bread at 4.4 cents in March. This compares to an average price of 37.3 cents per loaf. These calculations are based on an average price of $3.54 per bushel for wheat which is at least 50 cents higher than what most farmers in Kansas have been getting for their wheat.

When the farm value of wheat in a 37-cent loaf of bread is less than a nickel, it is hard for me to understand how any consumer advocate could expect to benefit consumers by intervening to reduce farm exports. Yet last year major sponsors of the predecessor of this bill stated that exports of farm commodities would be a major concern of the Agency for Consumer Advocacy.

FARM PRICES DOWN BUT NOT CONSUMER PRICES

Another example of how consumer intervention has hurt agricultural producers is the beef price freeze of 1973. Again, in the apparent interest of consumers and under pressure from Congress, the Cost of Living Council imposed price controls and a price freeze on the meat industry in order to maintain "favorable prices for food." The immediate result was the destruction of the incentive for cattlemen and other livestock producers to bring their animals to market. A beef shortage developed immediately. The economic dislocations which occurred in the livestock industry at that time have had repercussions which are still being felt today.

As a result of the 1973 beef price freeze, there has been an oversupply of cattle on the market. The oversupply has led to depression level prices in the livestock market for over a year and only now are we beginning to see some recovery in the industry.

While the price freeze in 1973 certainly resulted in lower prices for cattle, I have been unable to see any comparable declines in the price of meat for consumers. However, the loss of income to cattlemen has been detrimental to the economy as a whole and that certainly has been contrary to the public interest.

Mr. President, the conclusion is that Federal actions directly affecting the production of agricultural commodities which were intended to reduce food prices for consumers have not benefited consumers at all. In fact, they have been contrary to the public interest and the ultimate interests of consumers.

ACA WOULD REPEAT BLUNDERS

It is my strong belief and many others share this view that without their exemption, the Agency for Consumer Advocacy would risk repeating the many mistakes that have been made regarding farm production in the past.

IMPACT OF ACA INDIRECT

The sponsors of S. 200 have defended the impact of ACA on agriculture by saying that the Agency would have no direct control over Federal actions related to agricultural production. While technically true, this does not adequately reflect the role ACA is intended to play.

In a colloquy with the junior Senator from Kansas on the predecessor of this bill, S. 707, last year, the senior Senator from Connecticut stated:

> The administrator of ACA would not be able to interrupt or otherwise participate in private sales or negotiations relating to agriculture. The ACA would no more be able to interrupt, delay or halt the export sales of agriculture commodities than any other private party such as the millers and bakers who tried to limit export sales of wheat last spring. The Administrator of ACA would only

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be able to participate in Federal proceedings concerning agriculture in the same respect as any other private party, consumer group or business enterprise would be able to do.

I do not quarrel with this statement. However, it has been clearly stated by the Senator from Connecticut and others that farm exports would be a matter of prime interest for ACA.

The result would be that by creating ACA, we will create another voice in the Government calling for intervention in export sales and other matters directly affecting farm production. While ACA would have no direct control over exports or other Federal actions regarding agriculture, the existence of this powerful voice in the Government with a large amount of resources to back it up is bound to have a detrimental impact on farmers.

As in the case of small businesses, farmers would not have the time or money to come to Washington to defend their interests in Federal proceedings by countering the recommendations that could be expected to come from ACA. Therefore, I strongly believe that this exemption for farmers should be adopted.

MILK PRICES AND ACA TARGET

Milk marketing orders is another area directly affecting farm production that would certainly be a target of ACA.

The indications are that milk prices through milk marketing orders and price supports would be a major concern of ACA. In view of consumer protests of milk price increases resulting from USDA milk marketing orders, it could be expected that ACA would strongly and vigorously oppose any USDA action increasing milk prices. Such opposition would be a repetition of shortsighted action apparently intended to help consumers but ultimately detrimental to the public as a whole and to the long-term interests of consumers.

Opposition to higher dairy prices totally disregards an even more important consumer interest—the supply of dairy products. Clearly when farmers do not receive an income adequate to cover their cost of production, they are forced out of business. Having an Agency for Consumer Advocacy publicly pressing for lower price supports and milk marketing orders would undoubtedly result in many dairy producers being forced out of business with the consequent result of a lower supply of milk. This is an example of how advocacy of short-term consumer interests would ultimately be detrimental to the long-term public and consumer interests.

Supporters of S. 200 may argue that the bill already includes a provision requiring ACA to consider the consumer's interest in an adequate supply of food and the interests of farmers in an adequate level of income and production. It is clear in my mind that this provision is totally inadequate. First of all, an adequate supply of food is contingent upon farmers having enough income to stay in business. While ACA is charged with considering farm income, there is no assurance in this bill that I can find that ACA will have any expertise to realistically evaluate the farm costs of production or the income requirements of agricultural producers. That expertise is vested in the Department of Agriculture. No consumer interest would be served by allowing ACA to participate in dairy producer-related proceedings or any other farmer related proceeding. On the contrary, the probable harmful impact ACA would have on farm production would undoubtedly be contrary to the long-term interests of consumers and the public.

Not only could ACA intervene directly in proceedings and activities related directly to dairy and other farm production, but the Agency could pursue court review of any milk marketing order or other action initiated by the Department of Agriculture. A court review could delay implementation of a milk marketing order for months. During the delay, many dairy producers could be forced out of business and the supply of milk production would be decreased. In addition, the number of producers would be reduced if dairy farmers are forced out of business. The decline in numbers leads to concentration in the dairy industry and a resulting decline in competition.

Mr. President, I feel strongly that in view of the particular considerations of agricultural producers the exemption provided by this amendment should be adopted.

I request unanimous consent that the amendment be printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 405

On page 37, delete lines 5 through 11 and insert in lieu thereof the following:

"(b) Nothing in this Act shall be construed to authorize the Administrator to intervene or participate in any proceeding or activity directly affecting producers of livestock, poultry, or agricultural crops, including but not limited to, such proceedings and activities relating to the initial sale by such producers of raw agricultural commodities; Commodity Credit Corporation price support, procurement, loan, and payment programs; P.L. 480 and other export programs; acreage allotments and marketing quotas; Federal crop insurance; soil conservation and land adjustment programs; Farmers Home Administration and Rural Electrification Administration loans; marketing orders; and programs to prevent the spread of livestock and poultry diseases, plant pests and noxious weeds."

AMENDMENTS NOS. 406, 407, AND 408

(Ordered to be printed and to lie on the table.)

Mr. PERCY (for himself and Mr. JAVITS) submitted three amendments intended to be proposed by them jointly to the bill (S. 200), supra.

WITHDRAWAL OF A COSPONSOR OF AN AMENDMENT

AMENDMENT NO. 342

At the request of Mr. WEICKER, the Senator from Oregon (Mr. HATFIELD) was withdrawn as a cosponsor of Amendment No. 342, intended to be proposed to the bill (S. 200), the Consumer Protection Act of 1975.

NOTICE OF HEARINGS

Mr. PHILIP A. HART. Mr. President, as many of my colleagues know, the Antitrust and Monopoly Subcommittee Monday ordered reported S. 408, which would overturn fair trade laws. The bill was reported as introduced by Senator BROOKE, with one minor technical amendment. However, it was agreed by the subcommittee that a day of hearings would be held to receive testimony on the request of various newspaper publishers for an antitrust exemption to allow them to set the resale price for their newspapers. This hearing was to be timed to come before consideration of S. 408 by the full Judiciary Committee. I wish to inform those interested that that hearing will be at 9:30 a.m., Monday, May 12, in room 2228.

ANNOUNCEMENT OF PUBLIC HEARINGS BEFORE THE SENATE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. JACKSON. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Senate Interior and Insular Affairs Committee.

The hearing is scheduled for May 16, 1975, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building. Testimony is invited regarding several measures pending before the committee relating to the Alaska Native Claims Settlement Act. The measures are:

S. 131—a bill to authorize the Secretary of the Interior to enroll certain Alaskan Natives for benefits under the Alaska Native Claims Settlement Act;

S. 685—a bill to authorize certain corporations under the Alaska Native Claims Settlement Act to merge or consolidate;

S. 1469—a bill to amend the Alaska Native Claims Settlement Act to continue the authority of the Joint Federal-State Land Use Planning Commission for Alaska until June 30, 1979; and

S. 1501—a bill to extend the existence of the Joint Federal-State Land Use Planning Commission for Alaska.

Additionally, it may be that before the hearings are held, other related bills will be introduced which will also be considered.

For further information regarding the hearings you may wish to contact Mr. Steven Quarles of the committee staff on 224-9894. Those wishing to testify or submit a written statement for the hearing record should write to the Senate Interior and Insular Affairs Committee, room 3106, Dirksen Senate Office Building, Washington, D.C. 20510.

ANNOUNCEMENT OF PUBLIC HEARINGS BEFORE THE ENERGY RESEARCH AND WATER RESOURCES SUBCOMMITTEE OF THE SENATE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. CHURCH. Mr. President, I would like to announce for the information of the Senate and the public, the cancellation of a public hearing before the Energy Research and Water Resources Subcommittee of the Senate Interior and Insular Affairs Committee.

This hearing was to examine the Energy Research and Development Administration upon implementation of the Solar Heating and Cooling Demonstration Act passed by the Congress last year.

Instead of conducting a hearing on solar energy and because of the urgency of the matter, a markup hearing on the ERDA authorization bill (S. 598), which has been referred to the Senate Interior Committee, has been scheduled for May 13, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building. This markup session will allow the subcommittee to address the nonnuclear portion of the ERDA budget request.

NOTICE OF HEARING

Mr. WILLIAMS. Mr. President, this is to announce to the Senators and other interested persons that a joint hearing will be held by the Senate Committee on Labor and Public Welfare and the House Subcommittee on Manpower, Compensation, Health and Safety of the Committee on Education and Labor on Jobs and Unemployment, Monday, May 19, 1975. The hearing will begin at 9:30 a.m. at Marist High School, 1241 Kennedy Boulevard, Bayonne, N.J. Interested persons who wish to testify or who wish to submit testimony to be included in the record should contact Mr. Donald E. Elisburg, General Counsel, Senate Committee on Labor and Public Welfare, 224-7665.

NOTICE OF HEARING

Mr. WILLIAMS. Mr. President, this is to announce to the Senators and other interested persons that hearings on the nominations for the Board of Directors of the Legal Services Corporation will be held by the Senate Committee on Labor and Public Welfare on Wednesday, May 14, and Thursday, May 15. The hearings will begin at 9 a.m. in room 4232, Dirksen Senate Office Building. Interested persons who wish to testify or who wish to submit testimony to be included in the record should contact Donald Elisburg, General Counsel, Senate Committee on Labor and Public Welfare, 224-7665.

ANNOUNCEMENT OF HEARINGS ON LOBBY REFORM

Mr. RIBICOFF. Mr. President, I wish to announce that the Senate Committee on Government Operations will hold a second set of hearings on S. 774 and S. 815, lobby reform legislation, next Wednesday and Thursday, May 14 and 15.

The hearings will begin at 10 a.m. in room 3302 of the Dirksen Senate Office Building.

The committee will hear from the following witnesses:

Wednesday, May 14: Milton A. Smith, general counsel, Chamber of Commerce of the United States; Andrew Biemiller, legislative director, AFL-CIO.

Thursday, May 15: Harold R. Tyler, Deputy Attorney General, Department of Justice; and Richard D. Godown, senior vice president and general counsel, National Association of Manufacturers.

Anyone wishing to submit written testimony for the hearing record may write the Senate Committee on Government Operations, room 3306, Dirksen Senate Office Building, Washington, D.C. 20510. Phone 224-4751.

ADDITIONAL STATEMENTS

REVENUE SHARING RENEWAL

Mr. MUSKIE. Mr. President, last week renewal of revenue sharing was introduced in the Senate. Though I do not support every detail of the President's bill, I remain a firm supporter of general revenue sharing. For that reason, I am today joining as a cosponsor of S. 1625.

Four years ago the 92d Congress debated the merits of enacting a general revenue-sharing program to provide a new form of financial assistance to revenue-starved State and local governments. As a longtime supporter of revenue sharing, I understood the program's goals at that time to be quite simple. They were:

One. To relieve the fiscal problems of hard-pressed local governments with inadequate or inflexible tax bases.

Two. To reduce the regressive burden of State and local taxes by substituting revenues from progressive Federal income taxes; and

Three. To give people at the State and local levels the resources and the flexibility to develop solutions suited to their unique problems.

General revenue sharing is not—nor was it ever intended to be—a substitute for carefully targeted categorical programs aimed at specific social problems. The proper role for revenue sharing is—and should remain—that of a complement—not a substitute—for a balanced mix of general revenue sharing, block grants, and categorical programs.

As the 94th Congress begins to assess the impact of general revenue sharing, it would be helpful if both its critics and supporters returned to these relatively modest but extremely meaningful goals. When measured by this limited test, I believe the success column for revenue sharing is longer than its critics would have us believe.

In most cases, revenue-sharing funds have gone into worthwhile programs. Hot lunches for the elderly, improved police protection, and new sewage treatment facilities are some of the successes.

In many other instances, State and local taxes have been held down because of revenue sharing. And I might add that in many of our urban areas, holding down property taxes is a worthy social objective.

That is not to say that the first revenue sharing program has been an unqualified success, or that there are not problems that have cropped up. As the 94th Congress considers extending the present program beyond 1976, it faces some tough choices. Some of those choices are necessary because of the flaws that have become evident in the program's first 3 years of operation. Others are choices that should have been made before revenue sharing was ever enacted, but which were avoided in the spirit of compromise deemed necessary to get any program at all in 1972.

Perhaps the most difficult question of all is if it makes sense, or if we can afford, to give something to everybody under revenue sharing, whether they need it or not. That is what we did in 1972, in order to get a bill.

I personally do not think it does make sense, and I do not think we can afford, to give revenue sharing money to certain units of government simply because they exist, but serve no substantial governmental function. I do not think it makes sense, nor do I think we can afford, to give money to affluent communities with no demonstrated need for assistance, while big cities with big problems have arbitrary limits imposed on the amount they receive.

So our first tough choice must be to rewrite the revenue sharing formula to insure that greater emphasis is placed on need.

We need to raise or eliminate the ceiling that holds down payments to cities, relative to other communities in the same State. We must find a better way to judge the amount all governments should receive, and adjust the formula where it deprives cities of needed funds because they are located in relatively affluent States. At the same time, we need to revise the current 20-percent floor where it benefits wealthy communities or governments with very limited functions.

A second difficult question facing the Congress in renewing revenue sharing is the matter of incentives for tax reform at the State and local levels.

To be sure, tying tax reform to revenue sharing is not going to be popular with many people. But we must consider the argument of critics that revenue sharing has actually shored up regressive State and local tax systems. For every time a local government has been able to cut property taxes because of revenue sharing, the pressure for reform is weakened.

A third major focus of the revenue sharing debate this year must be on improved civil rights enforcement. The problem here is not one we avoided during the original debate, but one which has reappeared in the administration of the present program.

In our upcoming efforts to enact revenue sharing renewal, we must make it very clear that simply because the funds are free, they are not a blank check to discriminate. We must also assure that the Office of Revenue Sharing has the staff to enforce the law.

And we must also assure for local citizens the opportunity to participate more fully in decisions about how revenue sharing money will be used.

In presenting its recommendations for revenue-sharing renewal, the administration has addressed some—but not all—of these important questions. I am cosponsoring S. 1625, the adminstration's bill, because I share its assessment that general revenue sharing has been an important shot in the arm for our Federal system. I do so—not in the belief that

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S. 1625 is the final answer in our efforts to build upon the strengths and iron out the flaws of the current program—but in the belief that the legislation can be improved and strengthened by constructive debate.

VIETNAMESE REFUGEES

Mr. CURTIS. Mr. President, I support the actions of President Ford directed at taking care of the Vietnamese refugees who have come to our shores seeking the freedom and the care and compassion for fellow man that is our heritage as Americans.

I am shocked and baffled at the anti-refugee attitude being expressed by some people whose ancestors were immigrants at one time. Letters arriving at congressional offices are signed by people with "foreign" names, people who are proud to call themselves American but whose surnames clearly depict their national origins. These people are also proud of their ancestral backgrounds, and rightly so, since they have contributed to this great "melting pot" our young people are reading about in their history books.

Is the "melting pot" concept past history?

Are we now, ready to deny our own immigrant backgrounds, to refuse the welcome and the compassion that greeted our ancestors when they came to this country seeking a better life, seeking the kind of life America is supposed to be all about?

We must remember that inscription on the Statue of Liberty, "Give me your tired, your poor, your huddled masses yearning to breathe free. . . ." They are not meaningless words that have no support from people whose hearts have turned to stone like the statue itself. I am sure of this.

And for this reason, I do not understand the reports that vast numbers of Americans are opposed to receiving any Vietnamese refugees in our country. As President Ford so aptly stated, these reports do not typify the America I know. They must represent a bad sampling of opinion. I believe that the majority of Americans agree with the President.

I do understand the logical concerns. We are in a period of high unemployment. We are in a period of high inflation, high welfare, long food stamp lines. And, of course, we are concerned about taking care of our own people who face these very real problems.

But no one said that the final end to Vietnam would be easy.

There is no way to plan a war to end when it is most convenient for your economy to absorb an influx of refugees.

I was in Congress when thousands of Hungarians were offered refuge and comfort here. Following World War II, we took in the largest number of refugees ever. When Cuba collapsed, I was in Congress to see this country welcome hundreds of thousands of persons who preferred freedom to communism.

I cannot bear to see this Congress or this country turn its back on a people who have come to us for help now. Would we have wanted our ancestors to be treated that way?

The Vietnamese who are coming to our country, and who are already here, are largely middle-class, hard-working people like ourselves. Many of them have professional skills that will benefit our economy. The South Vietnamese are industrious, family-oriented and freedom-loving.

They do not come to take jobs away from our people. They come to seek the freedom we fought for in their country, could not win, and should be happy to offer them now. They have left their homeland. Many families have split up.

They will be paying the price of war all their lives.

If this country turns its back on them now, we may as well go out and sink the Statue of Liberty. It says, "Send these, the homeless, tempest-tossed, to me. . . ."

If we do not mean that any more, then how can we honestly say we were fighting for freedom in the first place?

V–E DAY—VICTORY IN EUROPE

Mr. KENNEDY. Mr. President, today, we celebrate the 30th anniversary of the end of the war in Europe: V–E Day—Victory in Europe. It is ironic, perhaps, that the victory over Nazism and the liberation of Europe came just three decades to the week before the end of the Vietnam war. These 30 years span two generations of American involvement in the outside world; they bound an era in our foreign relations.

The coincidence of these two events is important for a particular reason: for as we put the Vietnam experience behind us, we are challenged to regain perspective on the world and our place in it; we are challenged to reaffirm our commitment to truly vital interests; we are challenged to build upon cooperative relations with those countries most important for us and for the future of the world.

So as the Indochina war ends, we return to our concern for the future of Europe. The contrast with May 7, 1945 is staggering. In ruins following mankind's most devastating war, Europe then seemed almost beyond salvation. Once great nations—friend and foe—lay prostrate. The Continent was crying out for help in building shattered economies and broken lives. And the seeds of cold war had already been sown.

Thirty years later, the shape of the Continent has radically changed. Recovery from the ravages of war is complete. The European Community is a hopeful effort in relations between states that go beyond the rivalries of the past—that look toward new institutions for the future. The Community has achieved economic power second only to that of the United States. In Western Europe, there has been a resurgence of political strength and democratic values, and deep dedication to human freedoms—in countries we fought against in World War II as well as in those Western countries that joined us in the crusade in Europe.

Meanwhile, we have gone through the dark night of the cold war, and are now concerned with settling the issues of the past, with promoting détente, and with reconciling nations of a divided continent.

Today, as we turn from our preoccupation with Indochina, our task in Europe is clear:

We must reaffirm the preeminent place that this continent—and the Western alliance—play in U.S. interests and concerns;

We must reaffirm the importance of the NATO alliance, and the military security upon which our hopes for détente are based;

And we must redouble our efforts to work with the nations of Europe—especially our friends and allies in the West—on meeting economic problems peculiar to industrial states, and the new global problems of food, fuel, raw materials, and the workings of the international economic system.

These are all important and critical items on the agenda for American leadership and action in the months and years ahead.

We are particularly concerned with reviving the strength and vitality of the Western alliance. Beyond a renewal of our military and political commitment to Europe, this means in particular a steadfast concern with the economic bonds of alliance. There is a pressing need for real reform of the international economic system, in which the industrial states of the West play a central role. We are now about to enter a new round of trade negotiations, which will set the pattern of trade relations for many years to come. And there is still the critical problem of energy—where, unfortunately, there is now less momentum following a brief creative period at the end of last year.

Yet the test of Atlantic cooperation in the near future will come in this vital area. There was a high degree of common effort during the recent energy conference in Paris; but far more needs to be done, before we can genuinely say that there is forward-looking, productive response in common to the energy challenge.

Here American leadership will be indispensable, just as it is in other areas of international economic and political life. Yet it cannot be leadership alone. Unlike the difficult days of three decades ago, both Western Europe and Japan now have the economic strength and capacity to share the burdens with us. Together, there is much that we can do to meet the challenges of the future, as we have met those of the past.

In the near future, President Ford will be going to Western Europe for a summit meeting of NATO leaders. I welcome this trip. It can prove to be a practical demonstration of this Nation's commitment to Atlantic relations, and a first step in the post-Vietnam era of U.S. foreign policy.

At the same time, we must be aware of changes taking place in Europe that pose new difficulties. In addition to economic problems brought about by rising energy prices, by inflation, and by recession, there is continuing concern about the vitality and effectiveness of the European Community. But there must be no doubt here or in Europe about one thing: Continued U.S. support for the Community, and our willingness to work with it as equals in the years ahead.

We have also become aware of shifts within various countries of the alliance, taking place for a variety of reasons. And one lesson is uppermost: As we saw in both Greece and Portugal, reluctance to face the demands of human aspirations—as enshrined in the North Atlantic Treaty—can have consequences for all the nations of the alliance. It is therefore important for the allies to indicate their support—in tangible ways—both for Greek democracy and for elements in Portugal supporting that nation's efforts to build democracy and complete the process of decolonizing.

Today, Greece is at odds with NATO; and it is possible that Portugal will be estranged from the alliance. In both cases, we must do what we can to rebuild and reaffirm vital ties with these nations.

In the near future, NATO is likely to take up again the question of admitting Spain to full membership, supplementing those bilateral ties that include Spain in West Europe defense efforts. Yet because of what has happened in Portugal and Greece, there is reason to proceed cautiously with taking this further step. The internal situation in Spain is different from that in Portugal before the coup of April 1974. Yet while the future of Spain is unclear—while it is still not a democratic state—I believe that the Allies should postpone a decision on Spanish membership as a full NATO ally.

America's concerns with Europe, three decades after V–E Day, do not end with the need for paying renewed attention to traditional security concerns, or to the new economic issues—themselves vital to Western security. We must also continue looking beyond Western Europe to the nations of the East.

Partly because of events that followed the Second World War, there remain critical issues that primarily concern the United States and the Soviet Union in their bilateral relations. Most important is the need to proceed with efforts to bring the nuclear arms race firmly and finally under control.

But beyond aspects of détente that most directly affect the United States and the Soviet Union, we must continually realize that so much of the unfinished business of détente involves the nations of Europe, themselves. Just as détente must begin with firm ties to Western Europe, so the process of détente must continue with deep European involvement.

We in the United States have benefited from efforts to reduce tensions in Europe, from the first French approaches through the invaluable work of West Germany's Ostpolitik.

Now we are engaged in two major efforts in European détente: the mutual and balanced force reduction talks in Vienna—MBFR—and the Conference on Security and Cooperation in Europe in Geneva—CSCE. Both are important steps; both are connected; both must be pursued. Unfortunately, progress at Vienna at the MBFR talks has been slow and uncertain. Our own Government has been preoccupied with other foreign policy issues and other aspects of détente; while nations in the East—led by the Soviet Union—have proceeded at a slow pace for reasons of their own.

Meanwhile, the CSCE has made some progress primarily on issues deriving from the Second World War and its aftermath. The current phase of negotiations is expected to end in the near future, to be followed by a formal meeting at the level of heads of state.

I welcome the idea of the CSCE. By focusing on many issues outstanding from the end of the European war—and by approaching important matters of free exchange of peoples and ideas—this conference can help build understanding and contribute to the reconciliation of East and West in Europe.

Yet I have doubts about the rush to conclude the CSCE. To be sure, there has been some progress on what for the West is the critical issue—the human dimension of détente, the so-called "basket three." But has this progress been great enough to justify a summit meeting in the near future? I do not believe that it has. I believe that we should not be in such a rush to bring to an end this phase of détente that we fail to provide the best basis for continuing steps in the future.

To be sure, pursuing détente remains a vital interest of the United States and its allies. For many years, I have supported constructive steps leading in the direction of a final end to the cold war, and the building of new links between East and West. This is particularly true when so many problems remain in the nuclear arms race; when there are new problems, such as the need to halt the spread of nuclear weapons, that loom before us; and when there is some questioning of the value of détente in the wake of Soviet abrogation of the United States Soviet trade agreement.

But as we pursue détente—and beyond—we must also make each effort both real and deep. For to do otherwise could breed disillusionment in the future, and erode the basis for steps that will be genuinely in the interests of all parties, and bring a new era of security to Europe.

I therefore urge the President to seek, with our Allies, further agreements at the Conference on Security and Cooperation in Europe, in the area of "basket three"—in the human dimension of détente. And I urge him to seek further progress at the talks on mutual and balanced force reductions, before embarking on a multilateral summit meeting between East and West. For in the final analysis, it is concrete, specific steps toward détente—and particularly in the human realm—that will give us the best hope for the future. In the long run, détente must be built in the lives of people, going beyond arrangements in the military realm, going beyond an improved climate of political relations between states of East and West.

We should continue to pursue the goals of the CSCE for as long as necessary, while seeking further agreements both in bilateral United States-Soviet relations—such as in strategic arms control—and in a broader European détente.

By contrast, holding a summit meeting of the CSCE too soon could risk giving the peoples of Europe the impression that this particular phase of détente has been finished—when it has only just begun. At the very least, we should do nothing to imply that a summit conference of the CSCE marks the end of building a human basis for détente. We should reaffirm that détente is at heart, a process of change, not a search for dramatic events. And we should give the strongest support to the Danish proposal that there be a time of testing in fulfilling the agreements already reached at the CSCE.

At the same time we should join with our allies in Europe in seeking to extend détente into other areas. For the Soviet Union and its allies will also be inevitably involved in the great global issues that are gripping mankind. Whether in food, fuel, raw materials, the sharing of the resources of the areas, or protecting the environment, the nations of the Warsaw Pact cannot forever remain aloof. They, too, will have much to gain and to contribute from an approach based on cooperation rather than on confrontation or isolation. Seeking their involvement will not be easy, for a host of reasons. But as we build for the future, the effort of East-West involvement could help promote the objectiveness of détente, and recognize the growing interdependence of the world's nations, East and West, rich and poor.

Mr. President, I have sketched some ideas today on our relations with Europe. I believe this is an appropriate day to do so, as we celebrate the return of European peace three decades ago, and as we seek to go beyond the area of conflict in Indochina, to gain new perspectives about the future of American foreign policy. There is no more appropriate place to begin than in Europe. There is no area in the world so vital to us, nor our friendships with old allies so indispensable. Here, I believe, we can begin a new era of American involvement and shared leadership, designed to meet the needs of the future.

WYOMING RESERVE RESOLUTIONS

Mr. HANSEN. Mr. President, the Wyoming Department of the Reserve Officers Association of the United States met in convention at Sheridan, Wyo., April 12 and passed a number of resolutions.

These resolutions should be brought to the attention of the Congress, and I ask unanimous consent that they be printed in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RECALL OF READY RESERVISTS

Whereas, under the Total Force Policy the Reserve Components are to play an increasingly important role, and

Whereas, as a part of the implementation of the Total Force Policy it is necessary to be able to utilize the Reserve Components under circumstances less serious than warranting a declaration of war or a national emergency, and

Whereas, the Congress has given the President authority to respond to such military threats for a limited period of time while it is reviewing such action in accordance with

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its constitutional responsibilities under the War Powers Act: Now therefore be it

Resolved that the Wyoming Department of the Reserve Officers Association of the United States supports legislative authority for the President of the United States to recall up to 50,000 Ready Reservists for up to 90 days without a declaration of national emergency by the President, or by the Congress, and that this resolution be forwarded to the Wyoming Congressional Delegation.

B–1 Advanced Bomber

Whereas, the national strategy of Realistic Deterrence rests upon the maintenance of a blend of land-based missiles, sea-based missiles, and manned bombers, a blend known as the Triad; and

Whereas, each element of the Triad is essential to a strong deterrent posture through its ability to compensate for potential vulnerabilities in any one system; and

Whereas, the manned bomber component of the Triad requires, for its continued effectiveness, a new aircraft to meet the requirements for higher penetration speeds, reduced radar cross-section, larger payload, improved low-level penetration, dispersal, and quick reaction; and

Whereas, the B–1 advanced bomber possesses all these attributes together with a growth potential which ensures its value as a strategic weapon system over many years; now, therefore, be it

Resolved that the Wyoming Department of the Reserve Officers Association strongly urges the Wyoming Congressional Delegation to support the Air Force request for the B–1 program as a critial and urgent requirement in maintaining the effectiveness and credibility of the strategic deterrent Triad.

Resolution on Reserve Force Reductions

Whereas, the Active Armed Forces are being reduced, and

Whereas, under the Total Force concept the Reserve Forces are to be strengthened to compensate for the reduction in Active Duty Forces, and

Whereas, the country must maintain a strong military posture as a deterrent to future aggression; now therefore be it

Resolved by the Wyoming Department of the Reserve Officers Association that the Reserve Forces of the United States be strengthened rather than reduced as it is now proposed.

WHALING DAYS IN NEW JERSEY

Mr. WILLIAMS. Mr. President, the Newark Museum's first Bicentennial project is a fascinating exhibition on "Whaling Days in New Jersey." The exhibition presents an extensive amount of material about all aspects of whaling in my State. The exhibition is the product of a year of original research by the museum staff, and includes items from the Newark Museum's own collections as well as material lent by private collectors, museums, and historical societies as far away as Wisconsin. It truly reflects the concept of a Museum of Art, Science, and Industry because virtually every museum department was involved in preparations for the show.

Whaling was an important factor in the economic life of New Jersey and the United States for more than a century. This is amply demonstrated by the display of utilitarian objects made from whale products. Whale oil lamps recall the days when whale and sperm oil, not electricity and petroleum, were the best sources of light and lubrication.

Many luxury items made from whale bone and other whale products are on view, including ladies' fancy corsets, elaborately carved fans, parasols, and elegant walking sticks with handles carved in the shape of knots, birds, fish, and whales.

A section of the exhibition is devoted to scrimshaw, the sailor's "spare time" art of carving wood, ivory, and whalebone during the long voyages at sea. The unschooled carvers fashioned children's toys and models and carved and etched elaborate scenes of whaling ships and 19th century life onto the smooth surface of whales' teeth.

A three-screen multimedia slide show presents details of a whaler's life by tracing a round-the-world voyage through whaling prints, paintings and drawings to a background of oldtime sea chanties.

I believe one of the most important areas of the exhibition is that devoted to the natural history of the whale. It strongly emphasizes the danger of extinction posed to today's small remaining whale population. The message of that exhibit is very timely since the International Whaling Commission is meeting next month in London, and I am hopeful that the IWC will finally accept a moratorium on the killing of whales at that meeting.

I was pleased to have had the opportunity to attend the United Nations Conference on the Human Environment in Stockholm with the U.S. delegation. One of the substantial agreements achieved by the conference was a resolution adopted by a 53-to-0 vote calling for a 10-year moratorium on commercial whaling.

I was also the sponsor of the Senate version of the Endangered Species Act and the Marine Mammal Protection Act which were signed into law last Congress. These acts have resulted in a ban on the importation of whale products and a prohibition against U.S. fishermen killing whales. However, a binding international agreement for the protection and conservation of marine mammals is still needed.

Whales are today an endangered species. There are no very accurate statistics of how many there are, but such information as we have gives us cause for alarm. The International Whaling Commission has acknowledged this to some extent, by its prohibitions on the taking of some species, such as the blue whale, the humpbacks, and four species of right whales. But it has not protected others, such as the fin, Bryde's and sperm whales, and several other species. Even if the Commission's limited prohibitions are respected, authorities agree that it is already too late for some species. Populations of some species are extremely low at the present time, and whales reproduce very slowly. Moreover, as the Commission's limited prohibitions take effect, hunters kill ever-larger numbers of other species because quotas for the killing of whales are set in terms of the oil production of the very large blue whale.

Considered in the total scheme of the global environment, whale killing may not appear to be of very great importance. Whales are, after all, rather remote from the everyday environment of most men. Few people have ever seen one. And for most people, they exist as almost fictional creatures. But calling for a moratorium on killing them can have a great significance in at least two important ways.

First, we have become more aware of the importance of the interdependence of the various elements that make up our natural environment. Our knowledge of the earth and our survival on it is endangered when we alter its delicate balance. The complete extinction of whales might not have a direct and significant effect on the lives of any of us. But to assume that it is to miss the point that ecologists have found is so hard to make. That point is that whales, like any other part of our complex natural world, might possibly represent a vital link in the ecology chain. Enough research has been accomplished with other ocean mammals, such as porpoises and dolphins, to give weight to the proposition that whales are a potential for research. This research could show that they are vital for man's well-being. Their extinction would remove even that option for the future.

A second important point regarding this proposal concerns the willingness and ability of the international community and its institutions to bring some order to the global environment. One of our most hopeful accomplishments lies in the indication that mankind is at last determined to protect this earth.

Finally, I must admit to a very personal, sentimental aversion to the possibility that these magnificent animals become extinct. I hope that the International Whaling Commission finally will attempt to enforce a moratorium on these endangered mammals. Previously, the Commission's members have not even bound themselves to observe the quotas set for each of them. It is important to note that the quotas have not been set for several years because whaling fleets are not able to find enough whales to fill them.

Mr. President, I wish to commend Mr. Samuel C. Miller, director of the Newark Museum, for the outstanding job he and his staff have done to make "Whaling Days in New Jersey" a success. There have been many important contributions toward this show. I believe the Barbara Johnson collection typifies the extensive breadth and profound depth of the exhibition. It includes a library of over 10,000 titles on whales and whaling with 40,000 cross-filed subject titles, journals and manuscripts, gear and tools, paintings, prints, and carvings, and scrimshaw. In addition, the collection is just one manifestation of her interest and tireless efforts to save this magnificent animal. I know of no one who has done more to help preserve this endangered species. Among other important contributors to this magnificent exhibition are Mr. and Mrs. H Harrison Huster, and Mrs. Leonard Dreyfuss.

This comprehensive project serves many valuable purposes. It reminds us of an exciting era in our past; it informs us of issues which face us in the present; it indicates some directions we should take to improve our future.

I feel a most important contribution of "Whaling Days in New Jersey" is the lesson that the survival of whales and the survival of man may both depend on our rededication to preserving our world environment. We cannot escape the fact that the fate of other creatures on this Earth might determine ours.

VIETNAMESE REFUGEES

Mr. JAVITS. Mr. President, the debate regarding America's newest immigrants and refugees is beginning to emerge into a rational discussion although some vocal critics are yet being heard.

I want to praise again the posture of President Ford in addition to other responsible Americans in positions of influence and authority: President Meany of the AFL–CIO Speaker ALBERT, Senator HUGH SCOTT, minority leader in the Senate, Senator CLAIBORNE PELL, who cosponsored legislation with me yesterday to provide humanitarian assistance for the refugees, Congressman UDALL, and other Members of the Congress and the public, who have spoken out responsibly on the issue.

I am particularly proud of a voice of reason and moral awareness that has been heard from the editorial pages of many of our influential newspapers.

I ask unanimous consent, Mr. President, that editorials from the New York Daily News, New York Times, Washington Star, and the Christian Science Monitor be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

On Winning Refugee-Aid Support

We share President Ford's disappointment with the attitudes reflected in the debate over and defeat of the South Vietnamese refugee-aid bill. Mr. Ford said of the one-sided (246-to-162) vote in the House: "This action does not reflect the values we cherish as a nation of immigrants."

But the White House will hardly persuade Congress to a different point of view by attempting to shame it. A new Gallup poll on the issue of permitting South Vietnamese evacuees to live in the U.S. showed the congressman not far off the mark of public sentiment. By a margin of 54 percent to 37 percent, citizens opposed such relocation.

As a first step, the White House will have to come up with a new piece of legislation. The $327 million refugee-aid bill rejected by the House had a serious defect. It contained the clause giving the President authority to use troops for evacuating citizens. New legislation, such as that being readied by Senators Javits and Pell, can now deal strictly with the humanitarian aspects of the problem.

As a second step, the White House should address the attitude of the public, which, as Mr. Ford said of Congress, "reflects fear and misunderstanding rather than charity and compassion." The White House cannot ignore the pervasive feeling that America's own underemployed and overtaxed merit attention. It need not go so far as Gov. Edmund Brown Jr. of California, who had his state's million unemployed in mind when he called for a Vietnamese aid bill that would provide "jobs for Americans first." But it would help Mr. Ford's effort to secure refugee aid financing if he would show more regard for his country's native jobless.

At base, the exact price of resettling the Vietnamese refugees is not the issue—whether it takes the $327 million the House rejected or the $500 million the White House says is needed. Nor is the issue the sharing of jobs or communities. This issue is whether America's conclusion of the Vietnamese adventure is to be humane and generous, or self-seeking and mean.

The refugee aid is needed. It should be voted.

'We Have No Choice'

The antagonistic response of some Americans in and out of Congress to the prospect of granting refuge in the United States to 150,000 Vietnamese seeking asylum here recalls the worst days of McCarranism a quarter century ago. At that time, the late Senator McCarran of Nevada became the odious symbol for all that was ungenerous in the American attitude toward the admission of political and other refugees after World War II. A recrudescent McCarranism is the last thing Americans should want to see today.

The most immediate and obvious way for the Congress to demonstrate that Americans have not lost their moral sense as a result of the Vietnam tragedy is to grant President Ford's urgent request for sufficient funds to meet the expenses of transporting, housing and resettling those Vietnamese refugees who have managed to escape to this country. Senators Javits of New York and Pell of Rhode Island are sponsoring a bill to provide the requisite funds; the ultimate shame of American involvement in the Vietnam war would be the hesitation—or, worse yet, refusal—to accept this much responsibility.

In fact, one of the few shreds of glory that the United States has been able to retrieve from the closing days—or years—of the Vietnam war consists of the success of the tremendous air and sea lift that rescued so many thousands of Vietnamese who had been associated in one way or another with the American involvement.

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The attitude expressed by a few public officials—including Governor Brown of California—and many private citizens to the effect that the influx of Vietnamese is unwelcome because they will take needed jobs from Americans may be understandable but it is unwarranted. As Representative Morris Udall of Arizona has sensibly pointed out, the incoming Vietnamese will comprise a minuscule fraction of the labor force (certainly not more than one-tenth of 1 per cent); they total less than half the number of immigrants normally admitted to the United States annually; they are less than one-fifth the number of Cubans who came here after the Castro revolution. "We have no choice," says Mr. Udall, "except to take them in."

He is right, on the grounds of humanitarianism, of decency and of political freedom—and as much for our own self-respect as for the Vietnamese.

Welcome the Refugees

There is grumbling—with racial overtones—that the 100,000 Vietnamese refugees will put an added burden on the taxpayer and steal jobs from Americans.

We don't agree in any way, shape or form.

These selfish, short-sighted complaints are unworthy of our shining tradition of compassion, and are inaccurate to boot.

Many of the refugees have relatives already in the U.S. who will help look after them. They will be dispersed so that no section of the country will bear a disproportionate burden.

Probably only 20,000 of them will be looking for jobs. A surprisingly high percentage of these are middle and upper-class professionals we can well use—lawyers, doctors, college teachers.

In welcoming them, we are carrying out our splendid tradition of offering refuge to the homeless and the tempest-tossed.

We succored victims of famine and revolution in the 18th and 19th Centuries—they were our ancestors. We gave haven to those who suffered the Nazi programs, those who fled Red tyranny in Hungary and Cuba.

America can easily absorb this wave of immigration and thus reinvigorate herself as each wave in the past invigorated her.

Most of all, we will be fulfilling our destiny, the destiny that Emma Lazarus so hauntingly described in her inscription for the Statue of Liberty:

> A mighty woman with a torch, whose flame
> Is the imprisoned lightning, and her name
> Mother of exiles.

ANOTHER HUDDLED MASS

The Vietnamese refugees are the badly chosen target of several of this nation's discontents, to judge from widely quoted criticisms and a Gallup Poll showing most Americans opposed to the influx.

The unpopularity of our involvement in the Indochina wars ironically has rubbed off on some of its most pathetic victims. So has impatience with the recession: The newcomers are seen as taking jobs away from Americans or requiring welfare handouts from harried taxpayers. Other negative thoughts include a vein of racism. The evacuees are non-white, Oriental, somehow lacking the ideal credentials of would-be Americans.

There is more particular criticism of the selection process that broke down in the last frantic days of the Saigon regime. It was indeed an untidy mess, for which it is hard to place blame. Not all of the prospective immigrants are dependents or employes of Americans, or the most likely targets of Communist reprisal had they stayed home. Some bought their way out or used connections, were lucky or were desperate enough to head for the open sea in small boats. There is no sending them back to Ho Chi Minh City.

None of the misgivings voiced by Americans dilutes this country's responsibility to take in those of the more than 100,000 fleeing Vietnamese who want to come here. As seekers of political asylum, they have a more-than-ordinary claim to our hospitality (more than the 675,000 Cubans or 40,000 Hungarians) because of the United States role in their country's resistance to Communist takeover.

The recession-based fear shrinks when put in perspective. The minority of refugees who will enter the labor market will have an imperceptible impact in a national work force of more than 90 million. They will be felt less than the year-to-year flow of regular immigrants and far, far less than the perennial problem of millions of illegal aliens. The racist quibble should get a quick burial in this diverse nation of immigrants, former slaves and descendants of the original (non-white) Americans.

As for the tendency of older immigrants to look askance at newer arrivals—that is an America tradition that has marked all of the successive waves of migration to these shores. The ethnics seeking their place always have brushed annoyingly against the ethnics already established here. But the country's generous side for the most part has prevailed, and should have little trouble doing so in the case of a relative handful from Vietnam. Compared with the Irish potato famine and the pogroms of Eastern Europe, for instance, the fall of Saigon will prove a relatively minor event in the history of American immigration. Dispersed around the country in line with the government's settlement plans, the Vietnamese soon will be hard to spot in the national mosaic.

The task of absorbing the Indochinese refugees can be eased, and the critics disarmed, by intelligent leadership. Public officials should stop amplifying constituents' fears and help solve any problems that arise. Congress should provide for settlement costs and the future legal status of the Vietnamese outside the regular immigration quotas. As a national responsibility, the influx should not be allowed to become a burden and an irritant in a few communities. Private agencies and individuals stand ready to help in the absorption process.

By giving the Vietnamese a humane welcome, the nation will be doing more than making good on a debt of honor. It will be fulfilling some of its own promise, for "older" Americans as well as those to come.

WHAT DO WE EXPECT OF THE MILITARY?

Mr. PELL. Mr. President, a very interesting and provocative article entitled, "What Do We Expect of the Military?" by Philip L. Geyelin appeared in the Washington Post on Monday, May 5, 1975.

This article has particular meaning for all of us who have served our country in a military capacity.

It is an excellent piece and one that I commend to my colleagues. For this reason, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHAT DO WE EXPECT OF THE MILITARY?

(By Philip L. Geyelin)

The following is adapted from an address given at a "Symposium on Officer Responsibilities" at the Command and General Staff College, Fort Leavenworth.

I have been asked to answer the question: What is it that those of us in the civilian world, in and out of government and however intimately or remotely involved in the political process, expect of you who have military service as your career?

The short answer is, quite a lot—and often, almost certainly, too much. For example, we expect you:

to defend us from foreign enemies and in fact from any threats to our national security as this may be defined, not by you, but by political leaders;

to maintain order during disturbances at home—without trampling upon civil liberties;

to be quite precise about your needs—even though the dangers you are charged with defending us against may change drastically from time to time;

to design experimental weapons and give us firm estimates of their cost and to deliver them to your units at no higher cost than you originally estimated;

to advise the President and other civilian leaders about the military implications of this or that foreign policy question, even though you do not participate as an equal partner in the making of that policy; and when an ill-conceived policy gets us into a war that cannot be won under the rules of engagement that have been imposed upon you, we expect you to win it anyway;

To be scrupulously truthful about your needs, however, they may be altered by unpredictable events, and also to be scrupulously honest about your battle reports and never mind how much aid and comfort adverse reporting might give to an enemy.

If some of these expectations seem to you to have particular application to the long and tragic Vietnam struggle now ended, the fact is that there is no better example than Vietnam of a war in which too much was asked of the military by civilians who were unprepared to take the risk of doing nothing and equally unprepared for the risks that would have been involved in moving in a conclusive and decisive way.

An even larger lesson, however, is that the war, and the manner in which it was waged asked too much, not only of the military but of the process of government of which the military is an essential element and a vital arm. For what was asked of military and civilian leaders alike was that they lend themselves to a kind of continuing, calculated deception—a conspiracy in restraint of candor required by the very nature of this new concept of limited war. The name of the game was "graduated response" to enemy initiatives. The objective was to convey by incremental increases in the application of military force an impression of limitless American will power and staying power. This, it was believed, would persuade the North Vietnamese and their supporters that their cause was hopeless. And so, the theory went, they would soon stop doing what they were doing and leave their neighbors alone—in Secretary of State Dean Rusk's familiar litany.

What this meant in practical terms, however, was that military progress reports were very nearly required to report progress. Civilian leaders, for their part, were encouraged to conceal military cutbacks—or escalation—from their own people in order not to alarm the public or generate the sort of divisive debate that might undercut the impression of a united resolve that we were trying to project to the enemy.

Well, it didn't work—because it was by its nature unworkable. And the reason it was unworkable, in my view, was that we were all expecting too much of each other. Civilian leaders in the executive were asking too much of the military and also too much of the Congress and the public and the press.

They were asking Congress to suspend free debate and blindly vote for resolutions and for appropriations in support of a war that nobody was prepared to declare. They were asking the public to pay the taxes for it and to send their sons, without saying how long it would last or how big it would get or even admitting that it was getting big without anybody knowing it. And they were asking the press not to question their official accounts of their conduct of the war.

You in the military were asking us in the press to accept your body counts and your estimates of enemy forces and your warnings of enemy intentions on faith, even though, to be blunt about it, they were not always reliable.

And we in the press, of course, were asking you to tell us about your plans and future operations and force levels and deployments, because we were not formally at war, and there was no censorship—even though you knew that this information could help the enemy.

I don't want to labor the point or refight the war. But I think it is important for us to recognize that the question we are asking ourselves has no easy answer out of our recent experience. For our recent experience is almost a case history of our system gone wrong, of a sustained distortion and straining of healthy adversary relationships between us all—between the relevant branches of government, between civilian and military, between government and the people, and between government and the press. There is at least the glimmer of an answer, however, growing out of our recent experience, and it is that each of us is going to have to not only ask less of each other, but also try harder to understand each other.

Accordingly, what I would put high on my list of what civilians expect of professional officers in the armed services is simply that you understand the rights and prerogatives of the public and the press in our society.

Yours is a society which, by necessity, indeed almost by definition, depends on strict discipline, tight security and firm, not to say unquestioning, support for policies and directives issued by higher authority. But the larger American society operates under no such constraints. The right to question, to debate, to dissent, to demonstrate lawfully, is inherent. No government policy is sacrosanct. It is not disloyal or even necessarily destructive to disagree openly and as forcefully as possible with the word of the authorities. On the contrary, that is the way we conduct our government; that is the essence of a free society.

And when we think about the problem of preserving this free society, it is necessary for all of us to remember that there is more than one way to destroy it. It can be destroyed from without by hostile adversaries against which you are charged with defending us. But our fundamental freedoms—our national security, if you will—can also be threatened from within, when in the very name of national security we resort to "plumbers" and "enemies lists" and unconstitutional invasions of privacy in order to suppress public discussion and debate about a war in which the public has a vital stake. In this respect it is perhaps worth recalling the point that Arnold Toynbee makes in his study of civilization: of the 16 great civilizations that have been destroyed over the centuries, every one was destroyed from within—from the corruption of fundamental institutions and the slow erosion of fundamental values. The most that any outside power did was to administer the coup de grace.

I'm sure that you know that. But I also sense that sometimes you find our fundamental freedoms inconvenient, that you often feel that they work contrary to your purposes, and that there are times, and the Vietnam war is a notable example, when you believe it would be in the urgent interest of national security to suspend these processes and liberties.

The origins of your Vietnam dilemma, of course, did not lie with you. The origins began with your civilian superiors who were consistently unwilling to be honest with Congress and with the public about a policy that was ill-founded and failing.

Nevertheless, the fact remains that too much was expected of the American body politic, with all that term implies, by the military establishment during the course of the war. You expected the press and the Congress not to inquire too deeply into the course of a war that was taking a heavy toll in casualties and in material resources without showing any promise of coming to an end. You expected the public to retain its confidence in policies and strategies that depended for their success on a high measure of demonstrable dissembling and deception. And you measured the performance of both the press and the Congress in terms of a "patriotic" willingness to support whatever the government proposed even though it is inherent in our system to question whether what's good for the country at any given time is what a particular politician or cabinet head or President proclaims to be good.

We live, in fact, by a difficult and delicate system of checks and balances, which may in extreme crises oblige a newspaper reporter to report something that others will believe is harmful to the national interest, and may also require an Army officer or a government official to go against the official line. We have, I think, recently undergone two such extreme crises in our affairs: Vietnam and Watergate. To work our way back to that careful balance by which we manage our affairs may well require all of us to re-examine and re-define what it is we can reasonably expect of each other as military officers, private citizens, civilian leaders, politicians, and members of the press.

VIETNAMESE REFUGEES: OUR LATEST IMMIGRANTS

Mr. KENNEDY. Mr. President, our Nation has long prided itself on a long tradition of compassion and humanitarianism toward the homeless of the world. America's heritage and the very vitality of our democracy is built upon the lives of immigrants seeking hope, freedom, and opportunity in a new land. I am troubled that this Nation of immigrants—whose bicentennial is nearly here—is struggling over whether our doors will remain open to the latest group of refugees from South Vietnam. Widespread concern over new refugees may find its roots in fears of the future, in present economic hardship in our Nation, or in a desire to rid ourselves once and for all of the nightmare of the Indochina war.

For us, the war is truly over. For the Vietnamese too, the end of suffering from continuing decades of hostility has arrived, and peace will come to Indochina for the first time in two generations.

But as the curtain falls on war, the tragedy is not finished—nor is the responsibility of the United States. For the suffering continues in both Cambodia and Vietnam. Millions of people are still homeless. We cannot ignore this suffering. We cannot ignore the needs of orphans, of the wounded and maimed, and the countless other war victims who cry out for protection and help. The United Nations, and others, stand ready to help. And the humanitarian appeal of the United Nations deserves our country's support. The time is past due for us to meet our humanitarian obligations to the people of Indochina, and for the President to declare our country's support of international efforts to rehabilitate their lives.

As I said in Boston on Law Day last week, we in the United States cannot ignore what is happening now. We have evacuated those Vietnamese we could, before the ports and airfields were closed. Now we open a new chapter in our history as a nation of immigrants, and we should welcome those now arriving in our Nation and help them to make new lives. As the violence subsides in Indochina, we must cease doing violence to ourselves, and begin binding up the wounds at home. We can begin by coming to the immediate assistance of our newest immigrants.

There were always those who opposed immigration—even at the beginning of our Republic. Many more later sought to restrict the flow of immigrants—how many and whom we would accept. But for nearly a century following the Declaration of Independence, our national policy was to encourage a free flow of immigrants—and we have in recent years had the courage to resist those who would discriminate against immigrants from particular lands. Each year we open our doors to approximately 400,000 new immigrants. Millions more have entered the United States from the Western Hemisphere. And, as in the past when millions of Russians, Poles, and Jews sought protection and haven from persecution, the American people have remained exceptionally generous when war and oppression forced people to flee their homelands—seeking security, relief, and freedom.

Since 1959, nearly 650,000 Cuban refugees have arrived on our shores. Thousands of Hungarians, Czechs, and Germans—and others—have not only sought asylum in the United States, but have developed rich and creative lives, providing new meaning to our own lives as Americans. This constant flow of immigrants has come about with little if any hardship to the rest of our people.

The Vietnamese who choose to stay can also become productive Americans.

In the days ahead, as thousands of new refugees arrive to hastily built reception camps, we will soon understand the scope of their needs. Their requirements must be met with ample resources and a compassionate approach to their needs. Their successful and swift integration in our society will be measured by our dedication. Their impact upon our communities will be measured by our determination to meet the challenge and the efforts our Government can muster to insure a rapid assimilation.

But most of all I call upon all Americans to receive the Vietnamese warmly. They fled in fear, from a nation torn by war, from a life marked by devastation and death. We can do no less to end their suffering and bring a new purpose to their shattered lives than by accepting the challenge of their arrival, and meeting this new problem in a positive manner. Let us not forsake the conscience of a nation, whose humanitarian idea serves as an example for other nations, by turning our backs on those who more than ever before are totally dependent upon our good will and expressions of concern.

Last night the President appealed to the American people not to turn away from these Vietnamese refugees. He voiced his deep concern over opposition to their arrival. I share his concern, and I know I speak for millions of Americans, who have offered their resources and homes in expressing my belief that the American people will once again be as generous as they have been in the past.

Mr. President, we face a task of resettling nearly 150,000 new refugees. We have confronted more burdening problems in the past. Despite the state of our economy, despite the critical levels of unemployment and the critical needs of our own people, let us end this final chapter of our painful involvement in Indochina with a strong determination to move toward the achievement of success in bringing new hope to the Vietnamese refugees.

VIETNAMESE REFUGEES

Mr. MUSKIE. Mr. President, I would like to take a few moments to express a personal viewpoint about the arrival of many thousands of refugees from South Vietnam. I am deeply concerned that this issue now threatens to divide us as a nation even as the war itself has divided us for so many years.

I hope that this will not be so—and that our country will welcome these new immigrants just as we have welcomed refugees from war and political oppression throughout our history. I speak to this issue as one who is himself the son of a refugee.

First, let me point out that the agony of Vietnam is over. America squandered much of her wealth, the lives of her young men, and much of her moral leadership in a policy that was wrong.

In our sensitivity to those consequences, let us not be insensitive to the suffering of Vietnam. The magnitude and depth of Vietnamese suffering exceeds our own.

And we cannot simply forget that suffering. For the ledger of Vietnam will be part of this Nation's history forever.

We have the opportunity now to relieve a small part of that suffering, to make a positive, humane entry in that ledger. It is more than an opportunity, it is an obligation, a moral imperative.

I am not blind to the fact that some of the refugees are those who helped corrupt their own society. There may be some who are undesirable additions to our own society.

But the overwhelming majority are the middle class—the artisans, the scholars, technicians, minor officials, the women and children. They did not profit from war. They bring no secret bank accounts with them. They bought our aims unselfishly. They sacrificed much at our urging.

They have now fled Vietnam, fearing harsh retaliation. They are homeless, many are ill, their careers shattered, their dreams wiped away. Now all they have is the reality of their plight.

We can offer them hope in the refuge of our land. We can—and must—give them a new start in a new land.

This is not unusual or unprecedented in our history.

We are a Nation of refugees.

For more than three centuries we offered a new start to people of all races and nationalities. The Pilgrims and Puritans, Germans, Irish, Italians, Chinese, and scores of other groups who came here were refugees.

They came to avoid conscription, to escape political, religious, or social persecution, to rebuild mortgaged lives. They came because America welcomed them. The Nation gathered strength and vitality from them. Our powerful economy and rich culture was built by them.

My own father was a refugee. He fled from eastern Poland to avoid conscription in the czarist army. And when he fled, he came to America; the bright, hopeful refuge for the dispossessed of the world.

In recent years, we provided refuge for tens of thousands of Hungarians and hundreds of thousands of Cubans. They are now Hungarian Americans and Cuban Americans. They are productive people. They have prospered, and we have prospered.

We cannot turn our back on this history.

There are many who would, of course. Congressional mail has run strongly against aid to refugees. My own mail is no exception.

I believe that many of these opponents react impulsively to the frustration of seeing Vietnam collapse so quickly and completely. They would punish the wrongdoers, and classify all refugees as wrongdoers.

Others say that we cannot afford to help them. There are too many jobless and poor Americans, already, to take on another burden.

But there are many others who in private acts of charity have aided the refugees. With quiet generosity, in small ways, they are breathing life into our history and responsibility.

I believe we must build on that private charity with legislation providing necessary aid.

If it may not seem momentarily popular, if rancor seems ascendant, if selfishness seems the order of the day, we must still act.

We must take on what all of us in public life must take on—leadership. We may be ahead of many Americans in exercising this leadership, but it must be done nevertheless. We must be honest and moral in this leadership.

Eight years ago, the Reverend Martin Luther King, Jr., spoke about the suffering of the Vietnamese. He urged the war's end and the repair of the damage.

In calling for that, he said:

> To be honest is to realize that the ultimate measure of a man is not where he stands in moments of convenience and moments of comfort, but where he stands in moments of challenge, in moments of controversy.

We have that opportunity today. We in Congress and the American people have the opportunity to meet the challenge and reassert our moral leadership to the world. We can—and must—do no less.

THE PROBLEMS OF THE AIRLINES

Mr. CANNON. Mr. President, there has recently been much public attention given to the problems of air transportation, the Civil Aeronautics Board, the airlines, and the public.

The Nation's airlines are undergoing very difficult times as a result of depressed traffic due to the national recession and rapidly increasing costs, attributable in part to the phenomenal increase in the price of fuel. Some, including myself, believe the airlines are about to price themselves out of the market, particularly that market known as the discretionary travel market composed of persons traveling for personal or vacation purposes.

In this regard, I was recently pleased to read the remarks of the president of Allegheny Airlines, Mr. Leslie O. Barnes, before the Institutional Investor Conference in New York. Mr. Barnes thoughtfully deals with the problems faced by the airlines and the current fare structure and the need for the Civil Aeronautics Board to encourage and strengthen competition in the airline industry.

Because Mr. Barnes' remarks are so timely and well reasoned, I recommend them to my colleagues as an excellent analysis of the current problems of the industry and the traveling public.

Mr. President, I ask unanimous consent that Mr. Barnes' speech be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Industry Trends—Cause and Effect

(By Leslie O. Barnes)

(Note.—Revised paper to include changes made by Mr. Barnes to the paper he prepared, this as presented to panel.)

Any reading of current airline trends must be alarming. Growth trends have flattened—even declined; costs continue to rise, and have been accelerated by reduced service volume; essential profits are down or have disappeared altogether.

New concepts—by the airlines, by our labor groups, by the Civil Aeronautics Board—are urgently required if these trends are to be reversed. Gone are the days when newer, larger jet aircraft could be added with the assurance that this was singly the most reliable way to meet higher costs, to increase productivity. Gone, also, are the days when another fare increase could be added to keep profits in balance.

For a number of reasons, the "bounce" has gone out of the industry. Share with me a look at what has been happening:

First.—We are pricing ourselves out of the market—not the business market, but in the discretionary travel market. The business traveler's fare has been increased only 15% based upon 1973 levels—not bad considering national inflationary trends. But the discretionary travelers' fare has been increased by 60% through the progressive elimination of most discounts including the key Family Plan and Youth Fare discounts effective June 1, 1974. While the Civil Aeronautics Board thought it was forced as a legal matter to outlaw these discounts as being discriminatory and unlawful, many in our industry were placid about the whole matter because the belief persisted in many quarters that discounts were unnecessary to maintain business volume. Mixed with an industry and CAB concern over rapidly rising fuel and labor costs, it became very easy to *accept the conclusion* instead of exploring or developing alternative off-setting programs.

If Youth and Family Plans *are* unlawful, and if these discounts *are* essential to a resumption of our growth trends, then the industry should vigorously be supporting pending legislation which would legalize this type discount. And it should similarly support the inclusion of Retired Senior Citizens for obvious reasons of fairness and common sense.

Second.—This industry was built upon the principle of vigorous competition. And over the years, a vast network of services in *both* primary and secondary markets resulted from an aggressive route development program. In turn, the interfacing between the primary and secondary markets produced numerous opportunities and choices for the traveler to move literally at will between any pair of cities in the country. *And it is these secondary markets which are the lifeblood of the industry!*

Today's larger jumbo jet aircraft do not lend themselves to services in the secondary markets. And as cost pressures have increased, smaller aircraft have been rendered economically obsolete: as marketing efforts have shifted and concentrated on the essentiality of filling the larger aircraft, the nation's service patterns have shifted and deteriorated in the secondary markets. The result of all this is that many large, short-haul markets receive not only less service, but those services which are provided are poorly timed by comparison to 1973 and earlier. I can show you several markets where only one trunk is serving the market today, which were formerly served by two or more trunks and where the other trunk or trunks have completely withdrawn from that market.

The industry and the CAB have grown to be afraid of competition. The capacity agreements may have been necessary, and certainly were a part of a premature use of those marvelous machines called Jumbo Jets. But these agreements are a part of the poison which has crept into our industry. And the over-capacity produced by the Jumbos has in turn fed the myth that the Board has over-certificated the industry and thus created too much competition.

The "too-much competition" theme led the CAB into the trap of declaring a "moratorium" on any competitive route authorities. And this moratorium has now existed for over five years. While I can subscribe to a policy which says that a third or fourth carrier is unnecessary in any but unusual circumstances, I cannot subscribe to a passive acceptance of inadequate services. I can show you markets in major city pairs where vigorous competition existed five years ago, but where the market today and for over a year or more has been served by only one carrier; I can show you major city markets which were served on a nonstop basis five years ago, but which today receive only connecting services. *This is wrong.*

The Board is *not* functioning under the law when a carrier is permitted to literally abandon a market without vigorous and positive steps being taken to provide a replacement carrier; the Board is *not* functioning under the law when it denies a willing carrier the right to be heard in a market which is clearly unserved or underserved.

Much of the industry's woes would be eased, and I suggest that some of the CAB's current woes would be eased, if they adopted a vigorous and aggressive program of identifying those markets which are being neglected, and then promptly instituted a case to determine whether a second *and willing* carrier should be certificated. And if the CAB is concerned about too much competition occurring some time later should the neglectful carrier decide to return to the market, then the neglectful carrier should be decertificated. The law provides ample authority and latitude for this kind of action. We don't need new "entries," new airlines; *we do need* greater freedom to move into vacuums.

Third, the CAB can't win, I suppose. They are lambasted on the one hand for over-certification, for creating too much competition, on the other hand they are criticized for not permitting the "entry" of new airlines into the scheduled transportation scene. They are blamed when the industry's economy goes sour, and they are criticized when they grant a fare increase to correct the situation. They are required by law to promote the same industry they are required to regulate. They are criticized for being too close to the industry and in other quarters criticized because they are not close enough or familiar enough with the problems of the industry.

Our nation and our industry is in a kind of pause period. There is confusion and a loss of leadership throughout the fabric of the government at virtually all levels. For seven years now the Congress has waited for a National Aviation Policy from the Department of Transportation; we are witnessing a conflict between two Senate committees which are overlapping each other. The CAB has lost its drive. There has been an almost unprecedented media attack on the Regulators as being dominated by the Regulated; yet the economic facts show that the fruits of the allegations are not flowing to the culprit.

The CAB is in a "hapless" position. But it is operating under a good statute. The existing laws and the application of the law have developed the best and safest air transportation system in the world. I would not change the law in any respect and I would resist any attempt to do so. And I wish that those who are advocating change would spend a little time analyzing that law and

the consequences of the changes being advocated. More particularly, I hope that the Congress, who wisely created the statutes in the first place, will recognize the source and purpose of those attacks, and tell the CAB to do its thing.

Fourth.—Our costs *are* too high. As these costs rise *without* compensating productivity increases, then formerly profitable markets become unprofitable; as costs rise, aircraft used in those markets become economically obsolete and are retired from service, and since the newer, larger aircraft cannot replace them service is reduced; as services are reduced furloughs occur. And unless we arrest this trend, unless we find meaningful, fair ways to produce more for less, then furloughs must increase and the airlines will ultimately get into situations *from which there is no retreat.*

All of us are affected by rising costs—particularly in fuel, services, parts and labor. We are faced with the necessity—indeed an urgency—for new thinking and new ideas by the CAB, by the airline managements, by the unions and working groups making up 45% of our total operating costs.

These are *not* adversary times between management and labor, nor between the CAB and the airlines. The time has come, indeed it is past time, when critical and searching reassessments must be made. We must find new ways to do things at lower costs; we must find new ways to achieve major increases in productivity at lower unit costs; and we must have the opportunity to experiment again.

Unless our industry, our labor groups, and the CAB, can on a concerted, dedicated basis arrest the continued upward swing in costs, furloughs will continue; unless our industry can arrest the erosion and elimination of services in significant city pairs, our economic woes will increase and one by one we will either disappear or be courting nationalization.

I think there is the mood abroad to re-evaluate what we who are called the industry are doing, to assess cause and effect, to restore what has been lost. It is time to get on with it.

KENNETH B. KEATING

Mr. WILLIAMS. Mr. President, I join my colleagues today in mourning the death of a great public servant, and a former Member of this body, Ambassador Kenneth B. Keating.

It was my distinct privilege to have served both in the House and in the Senate with Ken Keating. He was a gentleman, a statesman, and a fine representative of the people of New York. He merited universal respect and affection from those of us who served with him.

Kenneth Keating was a native of Lima in upstate New York, and practiced law in Rochester. He served with valor and distinction in both World War I and II, and rose from enlisted man to brigadier general.

In 1946 Ken Keating was elected to the House of Representatives. He was reelected five times in succession, until in 1958 he sought, and won, a seat in the Senate. As a Senator he continued to serve on the Judiciary Committee, as he had in the House. He quickly enhanced his reputation as champion of human rights, and was a major backer of the historic Civil Rights Act of 1964.

Following his Senate service, Ken Keating was elected to the New York State Court of Appeals and served there with distinction for 4 years, until he resigned in 1969 to accept appointment as U.S. Ambassador to India. In 1973, he was appointed Ambassador to Israel, an appointment that brought him great personal satisfaction because of his deep and longstanding interest in that nation. The Ambassador dedicated his efforts to strengthening the traditional ties of friendship between the United States and Israel, and to the search for a lasting peace in the Middle East.

Mr. President, Ken Keating was truly a great American, and one who will be sorely missed. I am proud to have had the opportunity to know him and work with him, and I join my colleagues in conveying my most heartfelt condolences to his widow.

JUSTICE ARTHUR GOLDBERG WRITES ON VIETNAM

Mr. PELL. Mr. President, Justice Arthur Goldberg, a truly distinguished American and an individual whose high abilities and intelligence have often been placed in the service of his Nation, wrote an excellent column in the Washington Star of April 30, 1975.

Justice Goldberg, who gave up his Supreme Court seat in order to try to bring to an end the ill-fated Vietnam war, possesses the wisdom that few had at the time—or today!

I believe his column calling for a realistic reassessment and for us to learn from the lessons of Vietnam is an excellent one and one which will be of interest to my colleagues.

For that reason, I ask unanimous consent that it be printed in the Record.

There being no objection, the column was ordered to be printed in the Record, as follows:

Goldberg: "The War Is Finished—There Shall Be No More Vietnams"

(By Arthur J. Goldberg)

The war in Vietnam is finished. The cost is incalculable—in lives, American and Vietnamese; in dollars; in divisiveness among our people; in disruption of our economy; and in disaster for the people of South Vietnam.

The dead have died with valor but without victory, the dollars have been squandered, a new isolationism menaces our vital national interests in other parts of the world. Divisiveness and disruption of the economy have corroded the quality of American life. And the plight of the South Vietnamese people is beyond comprehension.

There is no need for a commission to assess responsibility; we know where the fault lies. All administrations, past and present, however well intentioned, which have either involved us in this war or prolonged our involvement, are responsible for the consequences of Vietnam.

I write not from hindsight. In 1965, when I first assumed a position of responsibility in foreign affairs as our ambassador to the United Nations and ever since, I have steadfastly adhered to the view that there was no justification for our involvement in this war.

Inasmuch as President Lyndon B. Johnson declassified my memorandum to him of March 15, 1968, which summarized my consistent viewpoint throughout my tenure at the U.N., I am at liberty to quote from this memorandum:

"Developments in our country have demonstrated that there is grave concern among the American people whether the course we have set in our Vietnam policy is right . . . concern which has been deepened by the reverses we and the South Vietnamese suffered during the Tet offensive by the apparent lack of energy, effectiveness and appeal of the South Vietnamese government, by the mounting rate of American casualties, by the extent of the destruction of life and property in Vietnam, and by reports that requests have been made of the President for substantial troop reinforcements in South Vietnam. . . . Public support is permanently and substantially eroded. . . . And never has a serious move toward a political settlement been more necessary."

The thesis of this and prior memoranda and statements by me to the National Security Council was a simple one: Our government, we are taught by the Declaration of Independence, depends upon the consent of the governed; consent of the governed increasingly became lacking in the Vietnam war, not because of overexposure by the media, but for good and solid reasons.

The people were not fooled; long before their leaders, the people recognized that the course we had set in our Vietnam policy was not right.

It is said that this is not the time for recriminations; I agree. This is a time, however, to ponder whether we have indeed learned the lessons of this great tragedy in American history which has caused us such incalculable damage.

Let me state what I conceive these lessons to be.

There shall be no more Vietnams. This is a catchy phrase which only partially illuminates the teaching. It means that we must not fight wars or make major military commitments without the underlying consent of the people and their representatives in Congress. Under the Constitution, Congress, not the President, declares war. Congress must assume and discharge this responsibility. The people's representatives in Congress must see to it that this constitutional command is not infringed by the President.

America cannot be the world's policeman. The end of the war in Vietnam calls for a realistic reassessment of our commitments—both legal and moral. A great nation should make only realistic commitments, but it should keep the ones it makes. We committed far more in Vietnam than we should have, but less than we had led the Vietnamese to expect.

In reassessing our commitments, we must determine by constitutional processes and candid, public discussion what our real interests are, interests which would truly justify commitment of American forces. Public opinion polls which indicate that the American people support our commitments to Europe, to Japan, to Israel, areas of vital interest, are not convincing. They do not really test public opinion on the hard question. Are we prepared to commit American forces, suffer substantial casualties, spend huge sums of money, and dislocate our economy in order to support other nations—even those whose interests are vitally linked with ours? Before Vietnam the answer would have been clear. It is not so now.

Reassessment dictates that we rebuild national confidence just as Gen. DeGaulle did for France after its defeat in Algeria. This will not be easy, not only because of disillusionment with Vietnam, but because of the state of our domestic affairs. Our economy is in a shambles, present unemployment intolerable, inflation rampant, crime still growing, our cities in squalor, our racial problems unresolved, any cynicism about our political process widespread.

It is a first priority that we put our domestic house in order if America is to return to a viable foreign policy.

No American president and no Congress can any longer assume that Americans will as they often have done in the past, adhere to the notion that: "Our country . . . may she always be in the right; but our country, right or wrong."

This slogan is no longer on the masthead of the Chicago Tribune. It is no longer on the masthead of the American people. They are patriotic but not jingoistic.

Our country will henceforth have to be right in its foreign involvements and commitments. Being wrong, as Vietnam teaches, will no longer command the consent of the governed. And on the vital question of declaring and waging war, the ultimate lesson of Vietnam is that the consent of the governed is imperative.

U.S. ARMS TO THE PERSIAN GULF: $10 BILLION SINCE 1973

Mr. KENNEDY. Mr. President, one of the thoughts weighing heavily on the minds of many Americans today is the importance of exercising caution with regard to future U.S. military involvements in far-off lands. Yet we face this danger again, in a region potentially as explosive as Indochina, and clearly more vital to American interests—the Persian Gulf.

American military involvement in the gulf—through arms sales—has developed rapidly, without congressional guidelines or oversight. I have introduced legislation calling for a 6-month moratorium on arms sales to the littoral states of the Persian Gulf to give the Congress the time to examine our activities in this region, and to develop a coherent policy toward the gulf. As we begin now the difficult but necessary reexamination of the long-range political, strategic, and economic goals of the United States, we must not fail to act with caution and wisdom in the Persian Gulf and elsewhere.

I ask unanimous consent that the article on this subject, which appeared in the May issue of the Defense Monitor, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

U.S. Arms to the Persian Gulf: $10 Billion Since 1973

U.S. political and military involvement in the Persian Gulf has been expanding rapidly in recent years. The leading edge of our involvement in this area—as it was in Southeast Asia in the 1950's and 1960's—is military assistance and arms sales.

The U.S. is not the only supplier of arms to the Persian Gulf, but it is by far the largest. In 1974 the U.S. sold over $4.4 Billion worth of arms to Persian Gulf countries. Russia sold $1.5 Billion, France sold $1.5 Billion and Britain sold $50 million. Saudi Arabia and Iran have been the chief customers for U.S. arms. In 1974, these two countries alone bought $4.4 Billion worth of American weapons. Recently Iran and the U.S. announced a $15 Billion five-year trade deal, that is expected to include the delivery of $5 Billion worth of U.S. arms are helping to make Iran a major world military power.

The major countries of the region are now spending about $5.8 Billion a year on their military forces. Just five years ago the total was $1.6 Billion. Kuwait and Saudi Arabia are among the leading countries of the Middle East and the world in per capita military expenditures ranking second and third in the Middle East and thirteenth and nineteenth respectively in the world.

One justification U.S. officials give for arming Iran has been to make direct U.S. involvement in the area unnecessary. There are indications, however, that Pentagon officials have decided that a U.S. presence in the area is necessary in any case. The Navy has begun regular deployment of a carrier task force to the Indian Ocean and visits to the Persian Gulf. At the same time, the U.S. is in the process of developing a base at Diego Garcia and there are plans to use the former British base at Masirah and perhaps the base at Gan. In addition, the U.S. Middle East Force has a base at Bahrain. All of this points to growing U.S. involvement in a highly volatile region of the world.

CHANGING SALES PATTERNS

The character of U.S. military assistance and arms transfers has undergone major changes in recent years. In the past it was unusual for the U.S. or any other country to provide or sell its most advanced weapons to foreign governments. With the possible exception of some favored allies, foreign recipients of military aid had to content themselves with older or obsolescent equipment. For example, in the early 1960's, Saudi Arabia's air force consisted of obsolete U.S. B–26's, British Vampires and some Korean war vintage F–86's.

This pattern has changed quite radically in recent years, particularly in the Middle East and Persian Gulf, where oil-rich governments can afford to pay for the most up-to-date equipment. Beginning in the mid-1960's, Iran began acquiring the F–4 Phantom which was, and still is, one of the first-line fighter aircraft of the U.S. Air Force. Iran is now about to buy sophisticated and expensive F–14 fighters from the U.S. It is scheduled to get these aircraft in 1976, only 21 months after the first F–14's are placed in the U.S. Navy's inventory. Iran will be adding ocean-going DD–963 destroyers to its Navy soon after the last of these destroyers are introduced into the U.S. Navy. It will soon receive improved Hawk surface-to-air missiles and has already received TOW anti-tank missiles, both currently being added to the U.S. inventory. From Britain, Iran has purchased Chieftain tanks, which are the first-line tank of the British Army. Kuwait has announced plans to purchase the Mirage F–1 aircraft from France, and will begin adding it to its inventory at the same France acquires the Mirage in large numbers for its own Air Force. The fundamental point is that the sophistication of the weapons available to the countries of the Persian Gulf has escalated substantially in recent years and a full-scale war in the region is likely to prove highly destructive and very costly.

GROWING POTENTIAL FOR DESTRUCTION

This infusion of advanced military technology has greatly increased the offensive military capabilities of several Persian Gulf countries—Iran in particular. The countries in the region are acquiring the capability to make war at ever-increasing levels of potential destructiveness. Neighbors who previously did not have the means to threaten each other are now becoming capable of waging full-scale wars. Such conflicts could lead to U.S. involvement. We must also ask whether the U.S. may also be creating military powers that some day will turn against us.

Many of these advanced long-range weapons, such as the F–4, F–14, and DD–963 destroyers, supplied or about to be supplied to Iran, have strategic implications beyond the Persian Gulf. The Iranian military build-up and Iranian aid to Pakistan (Iran has given 90 F–86 jets and several modern C–130 transports to Pakistan) could in the future be seen as a threat by India. At present Iranian-Indian relations are cordial but a continued Iranian build-up and more Iranian aid to Pakistan could turn the relations between these two countries sour over the next few years. In similar fashion Saudi and Kuwaiti arms may soon have an impact on the Arab-Israeli military balance. As Saudi Arabia and Kuwait grow in power the Israelis may have to begin to weigh them in the total balance. This may make the Israelis less secure and undermine a key tenet of U.S. policy which is to insure the survival of Israel. It may also increase Israel's need for military assistance and cost the U.S. money in the long run.

ACDA SEES DANGERS

"In some cases the flow of weapons to an already tense region can further aggravate the situation by raising doubts about the recipient's intentions, particularly when the transfers involve a marked acceleration of a recipient's rate of acquisitions or a sudden shift to a more advanced weapon system. In such a climate of heightened distrust, the chances of miscalculation and precipitate military action may increase."—U.S. Arms Control and Disarmament Agency, Report to the Congress, 1973.

U.S. FOREIGN MILITARY SALES TO THE PERSIAN GULF

[In thousands of dollars]

	1950–69	1970	1971	1972	1973	1974	[1] 1975	Total
Iran	$647,497	$113,284	$3[illegible]6,613	$528,022	$2,108,787	$3,794,369	$1,935,24[illegible]	$9,523,816
Iraq	13,152							13,152
Kuwait					53	18,154	331,67[illegible]	349,878
Oman							1,61[illegible]	1,613
Saudi Arabia	161,468	14,854	[illegible]5,815	342,295	83,984	587,698	1,101,77[illegible]	2,387,887
Total	822,117	128,138	4[illegible],428	870,317	2,192,824	4,400,221	3,370,3[illegible]	12,276,346

[1] First 9 mo. of fiscal year.

DISPUTES MAKES GULF A VOLATILE AREA

The Persian Gulf is a highly volatile area. Numerous disputes among countries in the region make it an area of great instability. As Senator Kennedy has pointed out, "Passions are deep and distances are short."

The two largest purchasers of U.S. weapons in the Persian Gulf area—Iran and Saudi Arabia—are traditional rivals. At the root of their rivalry are a number of long standing differences. Both are strongly nationalistic and disagree over whether the Gulf that separates them is the Persian Gulf or the Arabian Gulf. Saudis are Arab and Iranians are Aryan. They are divided by religious differences—Iranians are Shia Muslims and Saudis are Sunni Muslims. Saudi Arabia has been a strong opponent of Israel and a supporter of Israel's Arab enemies, while Iran has quietly supported Israel and continued to sell oil to Israel. Finally, and most important of all, the Shah's ambitions to be the dominant power in the Gulf clash with Saudi aspirations and undoubtedly make the Saudis uneasy about their own security. Despite the avowed intention of the U.S., sales of arms to Iran can only serve to further increase tensions and reduce the chances of peaceful cooperation. Arming one power leads in turn to increased demands for arms by the other. Such a policy may stimulate business for U.S. arms manufacturers, but it could lead to war.

The continuing dispute between Iran and Saudi Arabia is the most prominent among the Persian Gulf countries, but it is by no means the only one.

ARMS TRANSFERS TO MAJOR PERSIAN GULF COUNTRIES 1970–75

[In millions of dollars]

Weapon	Supplier	Year ordered	Cost	Number of weapons
IRAN				
Fighter-bombers			2,716.6	359
Phantom II (F–4)	United States	1971, 1972, 1974.	581.6	138
Tiger II (F–5E)	do	1972	285.0	141
Tomcat/Phoenix (F–14)	do	1974	1,850.0	80
Transport planes			412.03	125
Hercules (C–130)	United States	1970, 1972	203.30	50
Fokker (F–27)	Netherlands	1971, 1973, 1974.	30.93	20
Bonanza (F–33 690)	United States	1972	1.60	30
Aero-Commander	do	1972	2.50	3
Boeing (707)	do	1972	62.50	6
Aero-Shrike	do	1973	5.00	6
Fokker (F–28)	Netherlands	1973	7.20	4
Boeing (C–747)	United States	1975	99.00	6
Missiles			911.6	10,814
Antitank (SS–11–12)	France	1970	4.65	(1,000)
Antitank (TOW)	United States	1972	15.0	2,880
Surface to air:				
(Rapier)	United Kingdom	1970	113.0	[1] 24
(Seacat)	do	1971	2.5	[1] 12
Surface to air: Hawk	United States	1972	100	(240)
Air to air:				
(Sidewinder)	do	1971, 972, 1974.	78.7	(3,462)
(Sparrow)	do	1971, 1972, 1974.	521.7	(2,616)
Surface to surface (Sea Killer)	Italy	1971	1.8	(60)
Surface to surface (Exocet)	France	1974	4.27	(142)
Torpedo (MK 46)	United States	1975	70.0	414
Helicopters			1007.5	709
Other aircraft			111.0	22
Fwd air control (0–2)	United States	1970	1.0	12
Reconnaissance (RF–4)	do	1971	20.0	4
Anti-sub war (P–3 Orion)	do	1972	90.0	6
Tanks			418	1500
Medium tank (Chieftain)	United Kingdom	1971	346	800
Light tank (Scorpion)	do	1972	41	400
Armored car	do	1972	31	300
Other equipment			76.4	475
Blindfire radar	United Kingdom	1973	14.4	(2)
Artillery (175 mm 155 mm all self-propelled).	United States	1973	12	75
Arm personnel carrier (BMP–76)	U.S.S.R	1974		
Self-propelled anti-air gun (ZSU 23/4).	do	1974	25–50	(200–400)
Artillery	do	1974		
Ships			871.62	43
Patrol boats	United States	1970	2.1	3
Hovercraft	United Kingdom	1970, 1971 1973.	32.62	10
Frigate (Saam)	do	1971	32.0	4
Store, repair ships	United Kingdom, United States.	1971, 1973	18.0	3
Destroyer (Sumner)	United States	1972	7	3
Fast patrol boat (Combattante)	France	1974	57.6	12
Patrol boat	Germany	1974	2.1	3
Destroyer (Spruance)	United States	1975	726.5	6
SAUDI ARABIA				
Fighter-bombers			1,349.5	208
Tiger I (F–5A)	United States	1971	130.0	50
BAC–167	United Kingdom	1972	4.5	10
Tiger II (F–5E)	United States	1973–75	1,095.0	90
Tiger I (F–5B)	do	1973		20
Mirage III	France	1973	120.0	38
Transports			60.2	10
Hercules (C–130)	United States	1970	60.0	6
Cessna	do	1970	.2	4
Helicopters			20.0	36
Alouette III	French	1970	1.4	6
Missiles			296.3	1,848
Air to air (Sidewinder)	United States	1971, 1973, 1974	21.8	(960)
Anit-tank (Vigilant)	United Kingdom	1971	1.4	300
Air to air (Matra)	France	1973	3.1	(228)
Surface to air (Hawk)	United States	1973	270	(300)
Surface to air [3] (Crotale)	France	1974	(3)	(2)
Tanks			816.8	430
Med. tank (AMX 30)	France	1972/1974	[4] 800	230
Lt. tank (Scorpion)	United Kingdom	1973	16.8	100–200
Arm. car (Fox)	do	1973		
Other equipment			960+	950
Artillery	United States	1974	335	300–400
Arm. personnel carriers (M–113)	do	1974		
Arm. personnel [4] carriers (AMX–10)	France	1974		250
Spare parts	United Kingdom	1972	625	
Ships			870.8	59
Patrol boat	United Kingdom	1970, 1971	217	31
Hovercraft	do	1971	26.1	8
Destroyer escorts patrol boats	United States	1974	823.0	20

Note: Numbers in parentheses are estimates.

[1] Launchers.

[2] Unknown.

[3] Part of package which also included 250 armored personnel carriers (AMX–10) and 200 AMX–30 tanks.

[4] Cost of package which included crotale air to air missiles and AMX–30 tanks, and AMX–10 armored personnel carriers.

The Iranian Connection: New Dangers

With American assistance Iran has become the dominant military power in the Persian Gulf. Iranian military forces are twice as large as those of Iraq and five times larger than those of Saudi Arabia. Iran spends on its military forces four times what Iraq spends and twice what Saudi Arabia spends. This expansion of Iranian military power poses significant risks, both for the U.S. and for other Persian Gulf states. A few years ago the late Senator Richard Russell, commenting on U.S. military capabilities, pointed out that "If Americans find it easy to go anywhere and do anything, they will always be going somewhere and doing something." The same can be said of Iran. If we make it easy for Iranians "to go anywhere and do anything," they will "always be going somewhere and doing something." By massively expanding Iranian military capabilities the U.S. may be encouraging Iranian ambitions to dominate the Persian Gulf. Even if the present regime remains in power there are dangers in this policy.

As the Soviet-Iranian detente has moved forward, the deployment of Iranian military forces has been altered to reflect the new international situation and Iranian ambitions. In the late 1960's, Iranian army units were moved from the northern border area to south of Teheran. The Iranian Navy moved its headquarters to Shiraz in the South.

Three-fourths of the F–14's that Iran has ordered from the U.S. will be based in the central and southern part of the country. This pattern indicates that Iran is much more concerned with dominating the politics of the Gulf than it is with the Soviet threat.

NEW IRANIAN BASES

Consistent with its new concern with dominating the Persian Gulf, Iran has built several new military bases in the southern part of the country. New bases have been built at Kharg Island, Tunbs Island and Abu Musa. A new base is also being built at Chah Bahr near the Straits of Hormuz on the Indian Ocean, while facilities are being modernized and expanded at Bandar Abbas and Bushire. The continued growth of Iranian military power and its southward deployment will make many of the smaller countries of the Persian Gulf increasingly insecure.

In justifying U.S. arms sales to Iran, U.S. officials have recently emphasized the shared interest between the U.S. and Iran in safeguarding the flow of oil from the Persian Gulf to the U.S., Europe and Japan. The Shah has insisted that he will not participate in another embargo under any circumstances. While there is no reason to doubt the Shah's commitment to this goal—especially given the very high prices he is now getting for his oil—there are some potential dangers. One possibility is that the Shah's ambitions and Iran's growing military power might lead to conflicts in the Persian Gulf area that would disrupt the flow of oil—or might even end with the Shah in control of *all* Persian Gulf oil. The U.S. policy of virtually unlimited arms sales to Iran increases this danger.

MILITARY FORCES AND INSTABILITY

The backward and oppressive governments in power in the Persian Gulf—seven of the eight are monarchies and the other one is a military dictatorship—are constantly faced with the threat of domestic unrest, coups and rebellion. It is worth remembering that Saudi Arabia abolished slavery as recently as 1964. Iran maintains domestic tranquility by means of a powerful and pervasive secret police organization. The recent assassination of King Faisal is rather typical of the kinds of threats that Persian Gulf governments face, especially the conservative monarchies. Iraq, Iran and Saudi Arabia have all experienced coups, attempted coups or assassinations in recent years. Thus, while military forces are created to enhance political stability, in developing countries they often produce just the opposite. In sum, political and social change is inevitable in the Persian Gulf, and U.S. programs that create excessive military establishments can actually stimulate political upheavals.

A second result of creating new and powerful military forces in Persian Gulf countries is that once military establishments become petites for weapons grow. They come to absorb larger and larger quantities of resources and aspire to new and more expensive weapons. Indeed, once they have their appetites whetted for sophisticated modern weapons, we can expect the political and military leaders of the Persian Gulf countries to begin to think about acquiring nuclear weapons—especially in light of the recent Indian nuclear explosion. Iran has already indicated that planning is underway to build nuclear air-raid shelters.

THE RAPID GROWTH OF IRANIAN MILITARY MIGHT

	1965 (in millions)	1975 (in billions)	1985 [1] (in billions)
Defense spending	$217	[1] $4–5	$10–20
Aircraft	90	500	2,000
Ships	32	41	90
Tanks	500	1,260	2,460

[1] Projected.

INTERVENTION FOR OIL?

In recent weeks several government officials and commentators have proposed that the United States should consider using military force to seize oil fields in the Persian Gulf. The notion that we can solve our energy problems by military means smacks of scapegoating. It distracts our attention from serious discussion of any meaningful solutions to our energy problems by blaming the Arabs. It ignores the role played by U.S. oil companies and by our own wasteful use of energy.

First of all, we must ask if this country should even consider using its military might in this manner. Seizing Middle Eastern oil would be an act of international theft, and that is surely not what this country believes in. However, for those who are not persuaded by moral considerations there are practical objections to such an act. Such an act would set a precedent that would undoubtedly come to haunt the U.S.

There are strong indications that dependence on Persian Gulf oil will be a relatively short-lived phenomenon. The North Sea oil fields near Britain will help make several European countries self-sufficient over the next few years. In addition, major oil discoveries have been announced in Israel, Mexico, India and other countries. Soon the Alaskan oil fields will begin operations. There is, in fact, currently a glut of oil on the world market and the new sources can only increase this glut. There is no pressing need for the Persian Gulf oil—and certainly no need that demands the dangerous and drastic step of military action.

MILITARY OBSTACLES TO INTERVENTION

However, since others have made the case for military intervention in the Persian Gulf it is worthwhile pointing out certain fundamental military and political problems they have failed to consider. Certainly, not all the countries in the Persian Gulf are militarily weak. One likely source of resistance is Iran, which has become a formidable regional military power, thanks largely to U.S. arms sales. It is hard to imagine that Iran would stand by and watch the U.S. destroy O.P.E.C. (Organization of Petroleum Exporting Countries), the cartel that has succeeded in raising oil prices to such heights, so quickly. Iran is one of the most active members of O.P.E.C. Saudi Arabia would also resist any attempted U.S. take-over. Contrary to the impression given by so much pro-intervention talk, the Persian Gulf is not simply an empty desert laid out for the taking.

The area of the Persian Gulf discussed by one invasion scenario—the stretch of Persian Gulf coast from Kuwait to Qatar—contains several hundred oil wells in at least a half dozen separate fields, hundreds of miles apart in some cases. There are also thousands of miles of pipeline that must be guarded if the oil is to be moved from the wells to the U.S., Europe and Japan. In other words, the problem is not simply to seize the wells in a quick assault but to hold, protect and operate them over a long period of time while the oil is extracted, in the face of strong opposition in the U.S., abroad, and armed resistance by either guerrillas or conventional armed forces or both. What is contemplated is a costly long-term colonial occupation.

One way to get a sense of the military problems of the proposed invasion is to look at a recent historical comparison—the 1956 Anglo-French-Israeli invasion of Suez. The Suez invasion offers several instructive lessons. First, it helps to illustrate the size and logistical problems that would be involved in an invasion of the Persian Gulf. The British, French and Israelis committed approximately 125,000 ground troops, nearly 200 ships and about 1000 aircraft to that operation. The Chiefs of Staff of Britain and France who were involved in planning and executing the Suez invasion thought that it was more difficult than planning operation Overlord—the Normandy invasion of Europe in 1944. An invasion of the Persian Gulf would be at least as large and probably more difficult and costly.

A second lesson is that we should not expect the Soviets to stand by and not react to such an invasion. In 1956, the Soviets threatened intervention, put pressure on the U.S. which in turn pressured the French, British and Israelis to withdraw. In any future invasion of the Persian Gulf the incentives for the Soviets to intervene would be great and such action would have to be anticipated, though it could take different forms. The risk of confrontation with the Soviets as well as other states in and out of the region would be very great.

CENTER CONCLUSIONS

1. There should be a U.S. moratorium on arms transfers to Persian Gulf countries. This would provide a period in which the Congress, the Executive branch, and the American people could carefully reassess American policy toward this volatile region of the world. Today the U.S. seems to have no policy except unrestrained arms sales.

2. The U.S. should convene a conference of arms suppliers to attempt to establish controls on the kinds and amounts of weapons introduced into the Persian Gulf. No serious effort along these lines has yet been made.

3. The U.S. should sell no offensive weapons to the Persian Gulf. The sale of weapons with long-range offensive capabilities, such as bombers, sophisticated fighter bombers, refueling planes and large warships, does not serve U.S. interests. The British have set a precedent by refusing to sell offensive weapons to Libya.

4. The Executive branch should be required to submit regular reports to the Congress assessing the military and political impact of the introduction of particular weapons into the Persian Gulf in clear, comprehensive terms.

5. Congress should set an annual ceiling on arms sales to the Persian Gulf area and should be required to approve all major arms sales.

MARY McGRORY WINS A PULITZER PRIZE

Mr. McINTYRE. Mr. President, Mary McGrory has won a Pulitzer Prize, and I would like to congratulate her on a great honor greatly deserved, and to ask unanimous consent to have Miss McGrory's column of May 5 printed in the RECORD at the conclusion of these brief remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. McINTYRE. I do this, Mr. President, because the column in question underscores the real reason why Miss McGrory should be honored.

The Pulitzer Prize Committee cited her "trenchant commentary spread over more than 20 years as a reporter and a columnist in the Nation's Capital," but Duncan Spencer's profile of Mary, which also appeared in Tuesday's Washington Star, points up that 1974 was "the McGrory year," because it was the year that she had been "right and right and right so many times that it seemed almost annoying."

As one who has not always agreed with Mary, but usually learned that she was, indeed, right, when I was wrong, Mr. Spencer's characterization forcefully reminds me to pay attention to what Mary says, when she says it. For if I had done that in the past, I could have said "I told you so" a good many times more than

developing situations forced me to say, "I am sorry. I was wrong."

So while the lesson is fresh, Mr. President, I am going to subscribe to Mary's "Point of View" in Tuesday's edition, for once again this dauntless lady is telling it like it is.

She faces squarely up to the painful Vietnamese refugee question and lets our collective conscience have it right between the eyes. She says:

> We did this to Vietnam. We must pay the price.

How right you are, Mary McGrory. How right you are.

[EXHIBIT 1]

SO WHAT HAPPENED, AMERICA?

(By Mary McGrory)

The Irish poet, William Butler Yeats put his finger on the trouble a long time ago. In his great poem, "Easter 1916," he foresaw the national nervous breakdown that has attended the arrival of the Vietnamese refugees to our shores:

"Too long a sacrifice can make a stone of the heart."

It remained for the young governor of Arkansas, David Pryor, to bring it up to date when the first wretched platoons arrived.

"If you for some reason encounter some who are less than friendly," he told them at Fort Smith, "I hope you will understand that they are people who, like yourselves, have met unknown circumstances, and you will understand how to deal with them."

His remarks were translated for the weary travelers into Vietnamese. If the words did not get through, maybe the music did. In the absence of the President, who considering the magnitude of the hostility and spite which greeted the refugees, should have been there, Pryor was doing his best.

The young governor had been galvanized into action by the vindictiveness of his people. One Fort Smith resident observed, for example, that, considering the disparity of the temperature between Saigon and Arkansas, the visitors "might all die of pneumonia."

Once again, Vietnam has shoved into the nation's face the question: What kind of people are we?

The response this time has been roughly what it was when we were confronted with the My Lai massacre. We avoid the question. When Lt. William L. Calley was convicted of the murders of babies and women and old men, the nation rose up and said it was not so. We defended the myth. We do not shoot children at point-blank range. We give them candy.

And now we are asked once again who we are, and the crazed answer is given, from right and left. We are a nation of hawks who would have fought into the next century to save the South Vietnamese from communism but who don't want them in the next block. And we are a nation of doves who said we would accept any consequence of stopping the war except, it seems, to find room for its most unattractive victims here.

It is not just Arkansas which has fled from the sight of what we did. In Portland, Maine, a local television station, WGAN, conducted a poll on the question of whether we should let adult South Vietnamese enter the country. The results were 85 in favor and 1,018 opposed. That from people who three weeks ago were breaking down the doors to adopt their babies.

America is responding to its first defeat. It is responding to 10 years of lies from its government. It is blaming the victims. These little people who could not be distinguished from their and our adversaries, these hapless souls who destroyed our country physically as we destroyed their country physically, are coming here, living reminders of their failure and ours.

President Ford has reminded us that we are a nation of immigrants. He has cited us Emma Lazarus' great lines about "your tired, your poor, your huddled masses yearning to breathe free." He should tell us what follows: "The wretched refuse of your teeming shores."

That good anti-war liberal, Elizabeth Holtzman, D-N.Y., pressed the head of the Immigration and Naturalization Service, Gen. Leonard Chapman on the question of screening out the "criminal" element from the incoming thousands. Would he finger the torturers, the Tiger Cage guards, the war profiteers from the applicants.

To his credit, Gen. Chapman bit the bullet. It is the hard fact, the inexorable fact, he said, that there were such among those coming in.

And that is the fact we must all swallow. The more "criminal" they are, the more eligible they are. They are our people. Gen. Ky, the admirer of Adolph Hitler, must be admitted. And the lesser fry must come, too. They were Oliver Twist; we were Fagin. We corrupted them, as they corrupted us.

There is no escape. They are not, perhaps by the thousands, exploiters or monsters who abused their own for gain.

Economics is only part of it. Their numbers are not so great as to menace the unemployed or the welfare recipients.

What they threaten to do to us is to bring the war home to us in the most unbearable, ineradicable way. Whatever hall we look down in the next years, we will see the grinning ghost of the mad folly, of our Vietnam delusion.

Yeats was right and so was Gov. Pryor. The heart is of stone, but the responsibility is clear and inescapable. We did this. We must pay the price.

LIVESTOCK ENTERPRISE RETURNS, 1965–74

Mr. HUDDLESTON. Mr. President, farmers of the Midwest, including the Corn Belt regions of Kentucky, have always viewed Illinois as an agricultural barometer.

The University of Illinois Cooperative Extension Service operates in Illinois a farm records program, the Illinois Farm Business Farm Management Service, which indicates the profitability of types of farms and farm enterprises. D. F. Wilken, an extension farm management specialist with the Illinois program, has written an article regarding livestock enterprise returns from 1965 through 1974.

This article indicates how disastrous 1974 was for the livestock farmers of our Nation. Further indicated is the acute economic distress suffered by cattlemen.

Mr. President, I ask unanimous consent that the April 18, 1975, Illinois Farm Management Facts and Opinions be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF
AGRICULTURAL ECONOMICS,
Urbana, Ill., April 18, 1975.

LIVESTOCK ENTERPRISE RETURNS, 1965–74

About 30 percent of the Illinois corn crop currently is marketed through livestock, and substantial quantities of labor and capital are utilized in livestock enterprises. Shifts in feed-grain prices cause significant changes in net earnings from livestock. Livestock returns above the cost of feed and of purchased animals indicate the margin available to pay for labor, equipment, supplies, and management—plus a profit, if any.

The accompanying table shows average returns for five major livestock enterprises by year since 1965. Several thousand enterprise records are sampled each year, and the returns are expressed per enterprise unit. A litter of hogs was equivalent to 16.5 hundredweight of pork produced. Records were kept by Illinois farmers enrolled in Farm Business Farm Management Associations. Data from these farms are reasonably comparable to livestock enterprises on all farms, even though the record-keeping farms as a group include a higher proportion of the larger farms in the state.

To place this adjusted-gross-income measure in perspective, we have estimated nonfeed costs (direct cash and other) for each livestock unit. The estimated, 1965–1974 total nonfeed cost reflects average annual costs over this ten-year period.

Commitments to produce livestock are made with the expectation of returns over a long period of years. Diversified farms raising both crops and livestock in 1974 had higher earnings than highly specialized livestock farms. The difference between the ten-year average return in the table and the total nonfeed costs gives some indication of the margins available on the average farm for management and compensation for the risks involved. These long-time, average margins are important in helping farmers decide whether to continue or to expand livestock production.

Hog returns follow a cyclical pattern. The average Illinois producer can expect two or three profit years for each nonprofit year. This favorable profit ratio is verified in the table. The ten-year average return above feed of $167 per litter is $34 higher ($2 per hundredweight) than the estimated, total nonfeed cost of $133. But to consider expansion or a new enterprise, the recent cost increases may require a return above feed per litter of at least $185, or $11.20 per hundredweight (see table) on the average farm to recover all costs.

Since 1955, feeder-cattle returns above the cost of feed and purchased animals have completed five cycles of high returns followed by low ones. This was one cycle every three or four years. The record low returns in 1974 resulted in a ten-year average return of $12 ($27 to $39) below the estimated, average nonfeed cost. To consider expansion at current costs would require about $50 per feeder (500-pound gain) to pay all nonfeed costs on these farms. Unless the average livestock producer is willing to discount the value of some of the roughage, labor, or buildings used, the ten-year average return continues to show little or no profit available.

Summaries of these records show feed costs per 100 pounds of production in 1974 were 23 to 33 percent higher than in 1973 for all enterprises. Average prices received for all production sold in 1974 were down 10 to 15 percent for all products except milk. These changes plus lower year-end inventory values resulted in record low returns for beef enterprises.

Producers should consider the long-run returns before making new investments in livestock facilities. The last line in the table shows estimated nonfeed costs per unit at 1975 price levels, and may be used as a guide when planning. Also, each producer needs to estimate his own costs and efficiency level in order to evaluate his profit potentials.

UMI

AVERAGE LIVESTOCK RETURNS ABOVE THE COST OF FEED AND PURCHASED ANIMALS, PER ENTERPRISE UNIT, 1965–74

Year	Hogs per litter	Feeder pigs per 175-lb gain	Feeder cattle per 500-lb gain	Dairy, per cow	Beef, per cow[1]	Yearly corn price
1965	$204	$14.84	$47	$216	$30	$1.15
1966	162	8.20	17	292	39	1.23
1967	107	4.29	18	314	43	1.17
1968	127	6.19	39	350	60	1.02
1969	217	14.25	50	361	70	1.14
1970	86	.88	19	370	58	1.26
1971	106	5.05	61	389	87	1.27
1972	242	14.51	64	446	123	1.16
1973	322	22.31	35	438	128	2.00
1974	100	3.85	−79	282	−117	3.00
10-yr average	167	9.43	27	346	52	1.44
Nonfeed cost 1965–74:[2]						
Direct cash	30	1.46	9	94	13	
Other	103	4.68	30	343	83	
Total	133	6.14	39	437	96	
Nonfeed cost for new enterprise:[3]	185	10.17	50	615	116	

[1] Feed cost includes up to $40 of hay equivalent gleaned from nonmarketable salvage roughage.

[2] Estimates of annual nonfeed costs are based on studies of operative units, 1965 to 1974.

[3] Estimate of total nonfeed costs for new or expanded enterprises, 1974–75.

THE VIETNAM REFUGEES

Mr. WILLIAMS. Mr. President, I have been surprised and saddened by the unexpected national controversy that has arisen over the refugees who fled South Vietnam in the last moments of its existence, and who now wish to settle in the United States. We must put this divisive and degrading debate behind us and set about the business of welcoming these newest immigrants and integrating them as productive members of our society.

The war in Vietnam is, thank God, finally ended after 30 years of bloodshed and destruction. Whether the United States was right or wrong to enter that war is something we will never really know. At the end, most of us had become firmly convinced that our involvement was wrong, and should be ended. But the fact remains that for a decade, our country contributed in a mind-boggling degree to the warfare that devastated much of South Vietnam.

The 130,000 or so refugees who fled their homeland even as the last shots were being fired may well be the war's last victims. Many of them were people who worked with or for the United States and who would almost certainly fare very badly at the hands of the Communist victors. Others are members of the middle or upper class who could afford to buy their way out of Saigon. Still others are just ordinary Vietnamese who for reasons of their own felt compelled to flee to an unknown fate—leaving possessions, homes, friends, and families—rather than live under the new government.

And the total number of Vietnamese seeking to enter our country is small compared to, for example, the 675,000 Cubans whom we have absorbed. The Cuban refugees have proven to be excellent citizens and an asset rather than a liability. The same is true of every other refugee group that has ever sought asylum on our shores and the same, I am sure, will be true of the Vietnamese.

Mr. President, much has been made of the fact that Congressional mail in the last week or so has run heavily against the Vietnamese refugees. But I would like to point out that my own mail—reflecting the sentiments of 7.2 million New Jerseyans—has been very light. And in the last few days I have noticed an increasing trend of letters from people reacting in a positive way to reports of opposition to the refugees.

For example, a woman in Upper Montclair wrote:

> Despite our own financial problems, the United States surely owes humanitarian aid to the South Vietnamese refugees. After all they were to some extent pawns in the U.S. foreign policy maneuvers. It would be unconscionable to refuse it.

A man in Leonia said:

> I believe that in the long run the great majority of the American public will accept these newest immigrants in the spirit in which we accepted Hungarian and Cuban political refugees.

I make no value judgments on any of these people, or on their motivations in fleeing South Vietnam. If our tragic involvement in Vietnam has taught us anything, it is that we are in no position to tell others how they ought to live.

But it is absolutely unthinkable that the United States of America—the Nation of immigrants—the haven of peoples seeking new lives—the refuge of the oppressed and the persecuted—would slam its door in the face of this relatively handful of homeless people.

We Americans are making much of the fact that next year we will celebrate the 200th anniversary of our Nation's birth. I suggest that a fitting way to mark that occasion is to reaffirm some of the traditions that we are so proud of. As President Franklin D. Roosevelt once told a meeting of the Daughters of the American Revolution:

> Remember, remember always that all of us . . . are descended from immigrants.

Mr. President, it is important that all Americans understand they have nothing to fear from the new Vietnamese immigrants. It is true that we are facing very difficult economic conditions—conditions that we in Congres are working hard to change. But the addition of perhaps 30,000 jobseekers to our economy will not materially affect the unemployment problem or the chances for any individual American who is unemployed to get a job.

And a man in Short Hills sent me a telegram that read:

> Has this nation lost all moral dignity? We have an obligation to assist all those fleeing Vietnam.

Mr. President, I truly believe that these sentiments are representative of the overwhelming majority of Americans. I have been very heartened by the courage displayed on this issue by numerous elected officials, from the President down. And I was most gratified by the resolution passed yesterday by the executive committee of the AFL–CIO, our Nation's largest labor organization, which welcomed our newest immigrants and urged support of sufficient Federal funds to resettle them.

I do not believe that our experience in Vietnam has so brutalized this Nation that we will turn our backs on this remnants of a long and tragic war. Instead, let us welcome the refugees and give them the opportunity to build new lives. They will help to strengthen our society much as the immigrants of yesterday—our forebears—did.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

EXECUTIVE SESSION

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now go into executive session and proceed to consider nominations on the Executive Calendar, beginning with Calendar No. 79.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nomination will be stated.

DEPARTMENT OF STATE

The assistant legislative clerk read the nomination of William C. Harrop, of New Jersey, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Guinea.

MISMANAGEMENT IN STATE DEPARTMENT APPOINTMENTS

Mr. HELMS. Mr. President, a number of important considerations have been brought to my attention concerning the nomination of William C. Harrop as U.S. Ambassador to Guinea, which I feel should be shared with my colleagues.

But it is a crisis perhaps as much of our own making as of external forces in the world. A principal cause, Mr. President, is the failure to reinvigorate the State Department as a policymaking vehicle, a failure to restore morale among its employees, and a failure to offer recognition to those who perform competently and with distinction. Instead, the same failure that we see in our policies worldwide is reflected in the poor management and misadministration of the Department itself.

Too often it appears that the incompetent get the promotions in the State Department, and those who are adept at internal politics and deals manage to survive despite deficiencies and negative elements in their records. In a large system there are bound to be inequities that occur, Mr. President, of course. But at the very least whenever serious questions are raised about an individual, the State Department owes it both to that individual and to the Congress to set the record straight, or to acknowledge the truth of such charges. Instead, we appear to have a system in which the friends of the system are protected no matter what their record. I have spoken on this floor many times about the failure of the State Department to study objectively the background of those who are being promoted to places where they will make important policy decisions. But Mr. Harrop in a way is unique, because the accusations against him suggest that he is a symbol of the very mismanagement I have described. He is regarded by many as not only responsible for malpractices but as part of the system which seeks to cover up the incompetent and crush dissent within the Foreign Service itself.

Mr. President, we are about to vote on the nomination of Mr. Harrop without any Senator being able to say that he knows anything about this man. The Senator from North Carolina believes that the Foreign Relations Committee would want to consider any charges against Mr. Harrop on their merits and not dismiss them summarily, if, Mr. President, the committee were aware of the deep feelings in various quarters about this nomination. It would be far better for the committee to recall Mr. Harrop—and this would be fair to Mr. Harrop, if he were recalled—and simultaneously to call the appropriate witnesses, perhaps in executive session for the protection of all concerned, and provide an appropriate review of this matter.

The committee has recently been very active, Mr. President, in investigating and opposing such so-called political appointments in the upper echelons, yet the career service is the backbone of the Department and perhaps the most important in the long run.

Now that we are entering a new era in our foreign policy, it would be appropriate for the committee to study the promotion of career service officers a little more carefully.

In the judgment of the Senator from North Carolina, the nomination of Mr. Harrop is a mighty good place to begin. It is my understanding that serious charges have been made publicly concerning the qualifications of Mr. Harrop for this important diplomatic post. In fact, in a statement transmitted to the Senate Foreign Relations Committee on April 21, 1975, John J. Harter, a Foreign Service officer, alleged that William C. Harrop, while serving as chairman of the board of directors of the American Foreign Service Association, "manipulated himself into a position whereby large sums of AFSA resources were illegally disbursed to himself."

Why no investigation? Why no discussion of this, Mr. President? Why move this nomination through the Senate without a discussion?

Mr. Harter has also made the accusation that William C. Harrop is responsible for deplorable personnel malpractices in the Foreign Service. According to Harter—

> Mr. Harrop has probably done more than any other career Foreign Service officer in recent years to destroy the confidence of his associates in the Foreign Service personnel system.

Indeed, Mr. Harter alleges that Mr. Harrop stifled Foreign Service dissent to prevent public discovery of improper activities in the personnel policies of the Foreign Service; that he occupied his AFSA leadership position as a consequence of manipulated elections, the result of which is that the Department of Labor, Mr. President, has found it necessarry to supervise the current 1975 AFSA election to prevent the recurrence of corrupt campaign and balloting practices.

Further, Mr. Harter alleges that Mr. Harrop, as the AFSA chairman, personally exerted stringent censorship over the editorial policies of the Foreign Service Journal to insure support for his allegedly unethical and unprofessional personnel policies.

Mr. President, I cannot vouch for the accuracy of Mr. Harter's charges, but this I do know: Either these allegations are true or they are false. It seems to me that it would be a service to Mr. Harrop to have this cloud lifted from his head, if indeed it is only a cloud.

Let me call to your attention, Mr. President, the fact that Representative ASHBROOK, of Ohio, has introduced information into the CONGRESSIONAL RECORD dating back to 1972 which also casts doubt on Mr. Harrop's fitness for the position as American Ambassador to Guinea. Since this information has already been printed in the RECORD, Mr. President, I shall not reinsert it, because it would be a costly item for the taxpayers. I shall simply refer to it today by citation. I refer specifically to Representative ASHBROOK's remarks on May 15, 1972, on pages 17383 through 17387 of the CONGRESSIONAL RECORD; his remarks on June 22, 1972, on pages 22163 through 22164; and his remarks on August 31, 1972, on pages 29286 through 29287.

Mr. President, I also understand that two locals of the American Federation of Government Employees—AFL–CIO—have considerable further information which would establish the accuracy of these allegations. I believe, Mr. President, that these two locals, regardless of what the true facts may be, should be asked to submit statements for the committee record, or be asked to appear in executive session, concerning Mr. Harrop's alleged malfeasance in office.

It is my understanding that representatives of these two locals are perhaps at this moment visiting with the distinguished chairman of the committee but, of course, too late, because this matter is now before the Senate.

The charges that have been made against Mr. Harrop are grave. They cast, as I said a moment ago, a cloud of suspicion over his integrity and his commitment to democratic principles, his administrative abilities, and his general fitness for office.

I reiterate and emphasize that I have no personal knowledge of the truth or falsity of the charges. Still, they come from responsible enough sources that certainly, Mr. President, I feel that it is incumbent upon the Senate of the United States at least to give them consideration before acting on this nomination. If they are true, the President of the United States has an obligation to withdraw this nomination. If these allegations are false, then Secretary of State Kissinger and Mr. Harrop should be given an opportunity to come forward and refute them.

With all due respect to the Committee on Foreign Relations—and I do respect the members of the committee—the Senate cannot, in my opinion, properly perform its duty of voting on the confirmation of Mr. Harrop at this time. I feel most sincerely, Mr. President, that such action is premature. The testimony and correspondence presented to the Committee on Foreign Relations on April 21, 1975, concerning Mr. Harrop have not even been printed or made available to Members of the Senate, nor has any of the information on Mr. Harrop, supplied earlier by Representative ASHBROOK, been distributed to assist us in evaluating the qualifications of the nominee. Nor have the charges against Mr. Harrop been investigated or denied.

How, then, can we make an intelligent determination of Mr. Harrop's abilities for this important ambassdorship when we have no access to information about his complete professional background?

What explains the urgency of this appointment that we cannot wait until we have the full record before us on Mr. Harrop?

With all due respect to the Committee on Foreign Relations, why have we not been supplied with adequate information prior to the reporting of this nomination to the floor of the Senate? That is why, Mr. President, I placed a "hold" on this nomination for the past several days.

With our diplomacy in shambles, we cannot afford the luxury of confirming the nominations of individuals for high diplomatic positions before they are carefully screened by Members of the Senate. I fear that we, as Senators, are avoiding our constitutional duty if we do not demand the highest standards of our ambassadors, after a full and careful analysis of the record of their past performance.

I appreciate the fact, Mr. President, that the Committee on Foreign Relations is under a great burden to consider countless nominations and appointments, and that it is simply humanly impossible for the committee to study every particular executive appointment with the kind of thoroughness that is probably necessary.

But I do wish—and I must say so here today— that, in the best interests of Mr.

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Harrop and in the best interests of the regarding this nomination. At least, in country, more witnesses could be heard this way Mr. Harrop would be given an opportunity to remove this cloud of suspicion about his past record; and the American public—this is far more important—would be given an opportunity to see for itself whether this is a good appointment or a bad one.

I shall not delay further the confirmation of the nomination of Mr. Harrop. But I do want it to be a matter of record that the Senator from North Carolina raised questions about the wisdom of this appointment. Inasmuch as the questions about Mr. Harrop's fitness have not been resolved in my mind, I feel obliged to request that the record show, by these comments, that I cannot approve the nomination unless and until the questions are resolved. I feel that we owe it to ourselves, as Senators, and to Mr. Harrop, to study this matter more carefully than has been done.

Mr. President, I oppose the nomination.

The PRESIDING OFFICER. The question is: Will the Senate advise and consent to the nomination of William C. Harrop to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Guinea.

The "nays" appear to have it.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. LEAHY). Without objection, it is so ordered.

The question is: Will the Senate advise and consent to the nomination of William C. Harrop, of New Jersey, to be Ambassador Extraordinary and Plenipotentiary to the Republic of Guinea?

The nomination was confirmed.

(The following proceedings occurred subsequently:)

Mr. WILLIAM L. SCOTT. Mr. President, reserving the right to object, could I ask the distinguished majority leader, have we now voted on Mr. Harrop?

Mr. MANSFIELD. That is right.

Mr. WILLIAM L. SCOTT. That was the first vote?

Mr. MANSFIELD. Yes. The leadership was informed that that was the only one on which some discussion would be held. That is why it was called up first. Now I have asked unanimous consent that the remainder of the State Department nominations, all favorably reported unanimously by the Committee on Foreign Relations, be considered en bloc.

Mr. WILLIAM L. SCOTT. Mr. President, continuing to reserve the right to object, and I shall not object, I have heard that when Mr. Harrop's name came up, there were no hearings. I did want to make some inquiry with regard to that, as to whether there had been thorough consideration. This is a man whom I do not know.

I do think that when a committee makes a report, we should have an opportunity to hear from the committee as to what action the committee took, and whether there was a fair examination; it should not just be pro forma approved.

Mr. MANSFIELD. May I say I was not there at the time of the hearings, but I was there at the time these nominations were reported, and there was some discussion about some of the nominations, though not that of Mr. Harrop. The committee unanimously reported all those which are on the calendar today. I have had them held on the calendar because I did not want to have one man singled out from the others, when they were all reported favorably at the same time. That is the reason why we are taking them all up in this fashion.

Mr. HUGH SCOTT. Mr. President, may I say it is my recollection that the background and biography of these men was available for all the members of the committee. There was a general discussion of various persons there. There was, as I recall, no request for hearings, and often that is what happens in the committee. No notice had been given and no request for hearings, and that is why the committee reported these nominations favorably and unanimously.

Mr. WILLIAM L. SCOTT. Mr. President, further reserving the right to object, I did talk with the distinguished minority leader very briefly, and, as I understood, he was not present at any hearings; so perhaps he may be speaking secondhand information.

I just feel, Mr. President, that before we act on any nomination, we should be assured by the committee that it has been looked into.

I believe in the committee system, and I am not going to object, but the distinguished Senator from North Carolina said there were serious reservations by a number of people, and perhaps he could address himself to the reservation that he had. But I would hope that we would have an opportunity at least to be heard.

I am sure the distinguished majority leader would agree.

Mr. MANSFIELD. Of course.

Mr. WILLIAM L. SCOTT. I have no further reservation.

Mr. HUGH SCOTT. I think I ought to say that my recollection is that I was there at the executive session when these names were discussed and approved. I am virtually certain of that recollection. I do not think there was a request for hearings. But the distinguished Senator from Virginia has made an important point.

On the 21st of April Mr. Harrop did appear in his own behalf and was heard by the committee. I was not present, to the best of my recollection, at that hearing.

Mr. HELMS. Mr. President, if the distinguished Senator will yield—I do not know who has the floor.

Mr. MANSFIELD. I have the floor.

Mr. HELMS. If the Senator will yield 1 minute——

Mr. MANSFIELD. Surely.

Mr. HELMS. I shall not repeat the comments that I made in my statement earlier.

I certainly am not passing judgment on the accuracy or inaccuracy of the charges that have been made against the nominee in question. I do think, however, that since questions have arisen, coming from reliable sources as they do, it would be worthwhile for the committee to take a look at the charges in the interests of Mr. Harrop himself. If I were the nominee, I say to the distinguished Senator from Montana, I would demand that these charges be aired.

Mr. MANSFIELD. Mr. President, as I indicated, I was not present because of official duties.

Mr. HELMS. I understand.

Mr. MANSFIELD. But I do understand that Mr. Harrop, who is a career Foreign Service officer of class 1, did appear at his own request before the committee and was interrogated.

I did preside as acting chairman at the time that these nominations were reported, and I must reiterate again that at that time they received the unanimous approval of the Committee on Foreign Relations.

So I must assume that all the prior details had been attended to. The Senator from North Carolina is correct in saying that as far as he knows the charges and the allegations are untrue, but I would assume that the appearance of Mr. Harrop satisfied the committee as to that particular nomination.

Mr. HELMS. The Senator from Montana understands that the Senator from North Carolina is not being critical of the committee in any way, nor of the majority leader?

Mr. MANSFIELD. Oh, yes.

Mr. HELMS. I am simply raising the question about this information—it may have come subsequent to the hearings—but in any case, the Senator from North Carolina must confess that he is a bit disappointed that these charges or allegations, true or not, were not looked into.

Mr. MANSFIELD. I appreciate the Senator's statement.

Mr. HELMS. I thank the distinguished Senator from Montana.

The PRESIDING OFFICER. The clerk will state the next nomination.

The legislative clerk proceeded to read the nomination of Lawrence S. Eagleburger, of Wisconsin, to be Deputy Under Secretary of State.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the remaining nominations in the Department of State be considered en bloc.

The PRESIDING OFFICER. The question is on agreeing, en bloc, to the remaining nominations in the Department of State.

The nominations were confirmed.

(All nominations confirmed today are printed at the end of the Senate proceedings.)

AMBASSADOR

The legislative clerk read the nomination of Laurence W. Lane, Jr., for temporary rank as ambassador during his service as Commissioner General of the U.S. Exhibition at the International Ocean Exposition.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION

The legislative clerk read the nomination of Alfred D. Starbird, of Virginia, to be an Assistant Administrator of Energy Research and Development.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

U.S. MARINE CORPS

The legislative clerk read the nomination of Lt. Gen. Louis H. Wilson, Jr., to be Commandant of the Marine Corps with the temporary rank of general.

Mr. MANSFIELD. Mr. President, let me say that this is just about the speediest confirmation of a Commandant of the Marine Corps that I am aware of. He appeared before the committee yesterday and was approved today. I speak, as a former private first class in the Marine Corps, to express my appreciation of the rapidity with which this nomination was confirmed.

Mr. WILLIAM L. SCOTT. Mr. President, will the Senator yield?

Mr. MANSFIELD. Surely.

Mr. WILLIAM L. SCOTT. I understand that the nominee is a Medal of Honor winner. Perhaps that in part accounts for the rapidity of the action.

Mr. MANSFIELD. That is correct.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. STENNIS. Mr. President, it is a long road, and often a rocky one, from an enlisted man, a private, to a four-star general in the U.S. Marine Corps. Such is the road traveled by Lt. Gen. Louis H. Wilson, Jr., who has been nominated by President Ford and unanimously confirmed today by the U.S. Senate for Commandant of the U.S. Marine Corps. He has served continuously from the date of his enlistment in May of 1941 until the present time, and has served in World War II, the Korean war, and the war in South Vietnam. His awards include the Congressional Medal of Honor. I read from a portion of that citation, not merely to honor him but also to honor the memory and sacrifices of those men who were serving with him that lost their lives at that time in honored glory that our Nation might live, and may God rest their souls:

MEDAL OF HONOR

As Commanding Officer of Company F, Second Battalion, Ninth Marines, Third Marine Division, in action against enemy Japanese forces at Fonte Hill, Guam, Mariana Islands, July 25 and 26, 1944, ordered to take that portion of the hill within his zone of action, Captain Wilson initiated his attacks in mid-afternoon, pushed up the rugged, open terrain against terrific machine-gun and rifle fire for 300 yards and successfully captured the objective. Promptly assuming command of other disorganized units and motorized equipment in addition to his own company and one reinforcing platoon, he organized his night defenses in the face of continuous hostile fire and, although wounded three times during the five-hour period, completed his disposition of men and guns before retiring to the company command post for medical attention. Shortly thereafter when the enemy launched the first of a series of savage counterattacks lasting all night, he voluntarily rejoined his besieged units and repeatedly exposed himself to the merciless hail of shrapnel and bullets, dashing fifty yards into the open on one occasion to rescue a wounded Marine lying helpless beyond the front lines. Fighting fiercely in hand-to-hand encounters, he led his men in furiously waged battle for approximately ten hours, tenaciously holding his line and repelling the fanatically renewed counterthrusts until he suceeded in crushing the last efforts of the hard-pressed Japanese early in the following morning. Then, organizing a seventeen-man patrol, he immediately advanced upon a strategic slope essential to the security of his position and, boldly defying intense mortar, machine-gun, and rifle fire which struck down thirteen of his men, drove relentlessly forward with the remnants of his patrol to seize the vital ground. By his indomitable leadership, daring combat tactics and dauntless valor in the face of overwhelming odds, Captain Wilson succeeded in capturing and holding the strategic high ground in his regimental sector, thereby contributing essentially to the success of his regimental mission and to the annihilation of 350 Japanese troops. His inspiring conduct throughout the critical periods of this decisive action enhanced and sustained the highest traditions of the United States Naval Service.

It is my conviction that the Chiefs of each of the services, including the Chairman of the Joint Chiefs, are men of high attainments, outstanding ability, and well worthy of the confidence of those in their services, the President, the Congress, and the people of our great Nation. General Wilson is qualified in every respect to serve as a member of this select group. This was a case where the position sought the man.

I take great pride, as do all Mississippians, in the fact that General Wilson is a native Mississippian where he is well known and highly respected.

NOMINATIONS ON THE SECRETARY'S DESK

The legislative clerk proceeded to read sundry routine nominations in the Foreign Service and the Coast Guard which had been placed on the Secretary's desk.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

(All nominations confirmed today are printed at the end of the Senate proceedings.)

LEGISLATIVE SESSION

Mr. MANSFIELD. I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. I ask that the distinguished Senator from Connecticut (Mr. RIBICOFF) now be recognized to undertake the beginning of the consideration of the pending business.

Mr. RIBICOFF. I thank the Senator very much.

CONSUMER PROTECTION ACT OF 1975

The PRESIDING OFFICER (Mr. LEAHY). Under the previous order, the Senate will proceed to the consideration of S. 200, which the clerk will state.

The legislative clerk read as follows:

A bill (S. 200) to establish an independent consumer agency to protect and serve the interests of consumers, and for other purposes.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the following staff members be permitted to remain on the floor during the debate and for all rollcall votes, in connection with the consideration of S. 200:

Dick Wegman, Matt Schneider, Paul Hoff, Lee Stillwell, Brian Conboy, Stuart Statler, Claudia Ingram, Martha Weisz, and Lyle Ryter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, I yield to the distinguished Senator from North Carolina (Mr. MORGAN) for a unanimous-consent request.

Mr. MORGAN. Mr. President, I ask unanimous consent that my staff aide, Carol Liggett, be accorded the privilege of the floor during the consideration of and voting on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, legislation to create a Federal consumer protection agency, S. 200, is once again before the Senate. This bill is sponsored by 45 Senators—12 more than last year—and is very similar to the consumer bill supported by 65 Senators on the floor last September. At that time, on a fourth cloture vote we came within one vote of breaking a filibuster against the bill.

The House overwhelmingly passed consumer agency legislation in both the 92d and 93d Congresses. The Senate overwhelmingly passed a similar bill in the 91st Congress. In March of this year, the Senate Government Operations Committee voted 11 to 1 to report this bill to the Senate floor,

The Consumer Protection Act is supported by hundreds of prominent individuals and groups including Governors, mayors, attorneys general, and many businesses. Recently, one of the Nation's largest food chains, Stop & Shop Co., and the Mobil Oil Co., endorsed the bill. I ask unanimous consent that a list of the supporters of S. 200 be printed in the RECORD directly following this statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. RIBICOFF. Since Senator Estes Kefauver introduced a bill to establish a Department of Consumers to represent the economic interests of consumers in 1961, the concepts embodied in S. 200 have been considered, discussed, debated, and analyzed to an unprecedented degree. S. 200 represents a synthesis of the best and most practical ideas put forth over the past 14 years.

S. 200 creates a Federal Agency for Consumer Advocacy—ACA. This small, specialized Agency will be authorized to

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represent consumer interests by participating in Federal agency proceedings and activities and in resulting judicial review. To insure that representation is meaningful, ACA is provided with the means to obtain and disseminate information relevant to consumers.

This legislation does not create another regulatory body. The ACA will have no power to compel any decision or compliance. ACA will be an advocate. It will not be able to require any agency to take any action or make any decision. And, it will not simply be a consumer information office, like many of the offices and bureaus throughout the Government. Its power lies in persuasion—in the same manner as any other party that participates in Federal agency proceedings. In general, the rights granted the ACA are parallel to those accorded any private party under the Administrative Procedures Act.

Mr. President, this Agency is needed to give consumers a voice in Government which can be heard. It provides a measured response to a pressing national problem.

ACA SHOULD REPAY ITS COSTS

The ACA is not a major new spending program. The authorization levels for the ACA are $15 million for the first year, $20 million for the second year, and $25 million for the third year. It will cost the average American taxpaying family about 25 cents per year.

This represents a negligible percentage of any Federal budget. Its first year budget of $15,000,000 is about two one-hundredths of 1 percent of the Federal budget for 1975.

ACA also would be a tiny but vital part of the Federal system. The Department of Commerce, whose function is to "foster, promote, and develop commerce and industry," has a budget of 60 times of that projected for ACA. ACA will hardly be an excessive burden on the taxpayer. It could save consumers billions of dollars each year.

CONSUMERS NOT ADEQUATELY REPRESENTED BEFORE REGULATORY AGENCIES

Each year Federal agencies make hundreds of decisions which have enormous impact on the health, safety, and economic well-being of American consumers. Frequently, these decisions are made without adequate consideration of consumer interests.

A former high FTC official testified in the last Congress that business representatives outnumber consumer representatives in appearances before Federal agencies by 100 to 1. This imbalance of advocacy results in a hearing record heavily weighted with facts and arguments of the business advocate. Businesses certainly have every right to make their case as forcefully as they can. Generally, their positions are responsible and in the public interest. Sometimes, however, they are not. The regulatory agency gets "snowed" by all the information given by one side, and the case goes to a decision with a record that is heavily overweighted against the consumer. The result is agency action that costs consumers—economically and otherwise.

Government decisions that unjustifiably drive up the costs of goods and services or needlessly jeopardize public health and safety represent bad government and have a tremendous inflationary impact.

In a recent speech at the White House on domestic and economic affairs, the President cited surveys indicating that the average American family is paying $2,000 a year—a national total of $130 billion—in excessive and unnecessary costs resulting from ineffective Government regulation.

Department of Justice Antitrust Chief, Thomas Kauper, has estimated that price fixing and other anticompetitive actions by businesses raise price levels by as much as $80 billion each year.

The imbalance between consumer and business impact in Federal agency proceedings is one of the chief causes of the Federal Government's inability to respond effectively to consumer interests and problems. Day after day agencies confront the difficult task of balancing many diverse interests. Often, they act in areas relying on abundance of detailed and highly technical information.

No decisionmaker, no matter how honest and competent, can be expected to take full and accurate account of interests when their views are not presented in an effective manner. The agencies act in a quasi-judicial capacity. The role of judge and advocate are simply incompatible.

As long as regulatory decisionmaking relies heavily on the adversary process, as is traditional in our system, a consumer agency is necessary to bring the consumer's perspective to Government. Many expert witnesses, including the attorney general of the State of Alabama, Mr. William Baxley, presented convincing testimony to this effect before the Government Operations Committee earlier this year.

ACA AND REGULATORY REFORM

In recent months opponents of this bill have taken to saying that instead of an ACA we need a study of regulatory reform. This is not an either/or proposition. The creation of the ACA is not inconsistent with regulatory reform efforts.

Earlier this year the Government Operations Committee reported out Senate Resolution 71 which would authorize $750,000 for a joint study of regulatory reform by the Government Operations Committee and the Commerce Committee. That resolution is currently pending before the Rules Commitee.

This study will deal with other problems which today affect Federal regulation and which ACA will not address such as the possible need for deregulation in certain areas. The choice is not ACA or regulatory reform. ACA is important regulatory reform. Detailed study of the need for consumer representation has shown that ACA is the best way to insure that regulatory agencies take into consideration the views of consumers before making important decisions which have enormous impact. Many other regulatory reforms are vitally necessary—but no reform of an existing agency can address the need for independent consumer advocacy.

HOW ACA WILL HELP CONSUMERS: A FEW EXAMPLES

As a practical matter consumers get the short end of the stick in a flood of regulatory decisions each year. Too often, big business gets what it wants. The public, of course, ends up paying the bill. Let me cite some recent examples of the high cost we have paid in dollars and lives.

First. In November 1974, the Civil Aeronautics Board raised domestic air fares by 4 percent. This increase, the third in 12 months, brought air fares up to an average level 20 percent higher than they had been a year before. According to CAB figures, for the same amount of air travel as under the old rates, passengers would pay an additional $300 million. In fact, air travel fell off so substantially after the increases took effect that the airlines returned to the CAB within weeks to request renewed special discount fares.

Was a smaller increase, no increase, or even a decrease in fares to stimulate air travel justified by economic conditions prevailing at that time? These hundreds of millions of dollars in increased fares were approved with no independent advocacy of the consumer's point of view.

Second. Another example: The FEA—Federal Energy Administration—issued a regulation in November of 1974 making it clear that all oil fefiners must treat refinery-fuel costs as nonproduct cost subject to profit-margin limitations, rather than as a product cost which could be automatically passed through dollar-for-dollar to the consumer. The FEA decided not to make the new clarification retroactive. The potential cost to consumers of that refusal is estimated at $750 million. Had there been an ACA—Agency for Consumer Advocacy—it could have urged the FEA to make the interpretation retroactive.

Third. Another FEA regulation permitted oil refiners to collect increased oil costs twice. This practice which has been dubbed "double dipping" might have eventually led to $332 million in consumer overcharges. After 6 months this loophole was discovered and eliminated. Had there been an Agency for Consumer Advocacy, the Agency might have spotted the loophole and spared us 6 months of "double dipping."

Fourth. In 1972, after a DC–10 passenger plane was involved in a near fatal accident, the FAA discovered that the plane's cargo door was at fault. The FAA drafted a directive requiring the manufacturer, McDonnell Douglas, to correct the defect in the cargo door. McDonnell Douglas intervened directly with the FAA Administrator, urging that FAA make the notice permissive, rather than mandatory. The FAA buckled, and the modification was not made on all DC–10's.

A recent public television special "The World's Worst Air Crash," suggests that the reason the modification was not required is the too cozy relationship between the FAA and the industry.

In March 1974, a DC–10 crashed near Paris killing 344 people. It was a plane on which the cargo door had not been modified. The FAA believes that the faulty cargo door caused the crash.

Had ACA been in existence in 1972, it could have fought for stronger measures by FAA—saving hundreds of lives.

Fifth. Last week I released a very disturbing report by the Comptroller General of the United States in which the Food and Drug Administration was found not to have complied with its own procedure in a "life threatening situation." Apparently, the FDA failed even to follow its own procedures to independently investigate the cause of a recall of cardiac pacemakers by manufacturers. The common defect in the pacemakers was a leakage of body fluids through the plastic seal of the pacemakers causing short circuiting which led to sudden speeding up or slowing down of the electronic heart pacing. To date, no standard has been issued by the FDA to deal with this problem.

The FDA has not independently established how many deaths and injuries have been caused by this defect, and the number could be substantial. What we do know is that the FDA did not give adequate consideration to possible adoption of a standard developed by the Navy for hermetic sealing of electronic components to prevent short-circuiting caused by moisture. Had there been an ACA, the Agency could have urged the FDA to consider the advantages of hermetically sealing, perhaps saving many lives.

These examples are just the tip of the iceberg.

The total cost to consumers of government decisions made without consumer input is impossible to estimate. However, we know that the actions and inactions of Federal agencies have an enormous impact on the cost and quality of goods and services in the marketplace.

Under normal conditions the need for this legislation is great—during these very difficult economic times, it is critical. Today, the average American consumer can ill-afford to pay needless costs or suffer the consequences of unsafe or unhealthy products.

NO AGENCY EXISTS TO REPRESENT CONSUMER INTERESTS

ACA's function will be unique in Government—to advocate the interests of consumers before other Federal agencies and departments. There is no such entity now in existence which has that function or power.

When the Administrator speaks for the consumer, he will speak with knowledge of consumer preferences. The legislation assures this. Consumers will be free to petition the agency to express their views and to request the agency to become involved in particular issues. In its capacity as a clearinghouse for consumer complaints, the Agency will be receiving, reviewing and transmitting complaints from the public. Its information-gathering powers will provide yet a further means for the agency to discover consumer trouble spots.

Finally, the agency will be free to conduct surveys and other studies to assure that it is acquainted with consumer preferences. I ask unanimous consent that the brief summary and explanation of S. 200 be printed in the RECORD following this statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. RIBICOFF. This bill is not anti-business. It is proconsumer. Indeed, the great majority of American businesses have nothing to fear from the bill. The ACA will help to protect their good name and promote the consumer's faith in American business generally. It will help end the practices of a few that may give a whole industry a bad name.

This legislation does not abridge the rights of any individual, corporation, or organization to make its case before Federal agencies. Instead, it honors the principle that all persons affected by Government action should have equal access to those Government agencies responsible for that action.

In fact, the act contains a number of important safeguards to assure that the rights of persons in private enterprise will not be infringed upon by any agency activity. I ask unanimous consent that a list of these principal safeguards be inserted in the RECORD following this statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. RIBICOFF. While the main provisions of S. 200 are identical in most respects to the bill considered by the Senate last year—the differences are described in the committee report on S. 200, report No. 94–66, pages 5–9—there is one major addition to the bill.

Section 24 of S. 200 was offered as an amendment in committee by Senator BROCK, and unanimously supported by those present. The Brock amendment is a response to growing concern by businesses and consumers alike, that very often the costs of Government policies and programs outweigh their benefits.

The Brock amendment requires Federal agencies to prepare cost and benefit assessment statements in connection with the promulgation of rules and preparation of legislative proposals which have a substantial economic impact.

The Brock amendment creates a mechanism for the public and the Congress to evaluate the extent to which Government agencies are promulgating regulations and proposing legislation whose benefits outweigh costs. It does not add to the already long administrative delays or burden the agencies with needless additional paperwork.

Section 24 requires the GAO to review its implementation after 3 years to determine how well it has worked and to determine if changes are necessary. The Brock amendment is an important first step in the direction of insuring that Government programs are cost effective. I commend Senator BROCK for his initiative in this area.

FCC LICENSE RENEWALS

S. 200, as introduced, prohibited the ACA from intervening or otherwise participating in FCC license renewal proceedings before the FCC. The committee voted to delete this exemption in order not to flatly exclude ACA from the possibility of participation in such proceedings.

As a practical matter, even with this exemption deleted, I believe the jurisdiction of the ACA would not extend to most license renewal proceedings. This is because the issues generally contested in license renewal proceedings involve questions of free speech, fairness in broadcasting, equal time provisions, racial discrimination, and other aspects of the broadcaster's obligation to serve the public adequately. As the report language makes clear these issues do not ordinarily relate to marketplace consumer transactions—and the bill empowers ACA to participate only when a marketplace transaction is involved. The definition of "interest of consumers" in section 14(11) makes this point clear. By deleting this exemption, however, the committee has provided that the ACA could intervene in those instances where consumer interests are involved.

LETTER FROM PRESIDENT FORD

On April 17, I received a letter from the President requesting that "the Congress postpone further action on S. 200." The President indicated that he was making this request "in view of the steps that are being taken by the executive department to make Government-wide improvements in the quality of service to the consumer."

I am pleased that the President has requested the various departments and agencies to make internal reform. Such an effort is long overdue. There are without doubt many constructive steps which could be taken within the Government to make the Federal bureaucracy more responsive to consumer needs—I applaud all such initiatives.

In his letter, the President also called for a repeal of outmoded fair trade laws, overhaul of transportation regulations, and protection of small saving deposits. These are good suggestions, which I support. However, none of these proposals addresses the compelling need for an effective advocate to represent consumer interests before the Federal agencies and courts.

The President has supported consumer agency legislation in the past. In 1971, then Congressman Ford spoke out in favor of the bill and supported it on the floor of the House. He stated on the House floor:

> I am glad to join with [Mr. Holifield] and those on his side in support of the Committee bill . . . Mr. Chairman, this is good legislation. This is good legislation that ought not to be tampered with on the floor of the House.

I hope that the President continues to support this legislation, as he has done in the past.

In my response to the President's letter, I praised his efforts. I stressed out the need for an ACA and its modest cost. I noted its widespread support in the Congress and around the Nation. I detailed the long, careful study which the Congress has given this proposal. I urged the President to support the bill.

I ask unanimous consent that the full text of the President's letter and of my letter in response to the President be reprinted in the RECORD following this statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 4.)

Mr. RIBICOFF. Opponents of this leg-

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islation have alleged that S. 200 is special interest legislation because it has an exclusion for labor-management relations proceedings. This simply is not true.

Labor is not exempted by this provision any more than management is exempted. The exemption prohibits the ACA from intervening in proceedings concerning labor-management matters before such agencies as the National Labor Relations Board or the National Mediation Board.

Labor-management issues which come before the NLRB typically concern recognition of a union, elections, or unfair labor practices. Such issues are far removed from the marketplace transaction necessary to invoke ACA's jurisdiction.

There is no question, of course, that labor-management issues can affect the consumer. But the issues that typically affect the consumer are private contract terms which result from private negotiations, and, therefore, not subject to ACA's participation.

This exemption is thus consistent with the underlying philosophy of the act—that the ACA may only participate or intervene in proceedings which affect a "interest of consumers" as that term is defined in section 14(11) of the Act—that is, matters which touch on a concern of consumers arising out of a marketplace transaction. The exempted matters have no direct relationship to any marketplace transaction.

Moreover, the balance which ACA is designed to provide before regulatory agencies is not lacking in labor-management negotiations. There, labor and management constitute two well-financed and effective advocates negotiating over private contracts. In contrast, when airlines come before the CAB, or when the telephone company comes before the FCC, the consumer side is largely unrepresented, and there is a great need for a ACA.

Issues in which labor and management are not opposing each other—such as labor ownership of a business—are not within the expemption, and would be subject to ACA's jurisdiction.

This provision preserves a principle, reflected in legislation and court decisions over the past 40 years, that Federal agencies not get involved in the substance of private labor-management contract negotiations. In the words of a leading Supreme Court opinion, the Federal agencies which oversee labor-management relations and contracts should not "sit in judgment upon the substantive terms of collective-bargaining agreements" (*Porter Company* v. *NLRB*, 397 U.S. 99, 106).

The National Labor Relations Act itself specifically provides that nothing in the act "shall be construed to authorize the Board to appoint individuals for the purpose of * * * economic analysis" (NLRA, section 4). The provision recognizes the distinction between the labor market, and the product and service market. The ACA's concern is with the product and service market, and where unions intervene in the product and service market, they are as much subject to S. 200 as anyone else. But where a matter is concerned exclusively with labor-management disputes or contracts, and falls under the exclusive jurisdiction of a Federal agency overseeing labor-management relations, that matter is beyond any authority expressly granted by this act to the ACA.

The explicit inclusion of this exception in the bill simply reflects Congress' continuing desire to keep Government out of the substance of labor-management relations. This is not a special interest exception. Labor is not exempt. The opponents of this bill are raising a red herring in the so-called labor exemption.

POLL COMMISSIONED BY BUSINESS ROUNDTABLE

Mr. President, lately opponents of this bill have contended that the American people do not want an ACA. As evidence, they cite a poll commissioned by the Business Roundtable, a group of conservative industrialists. The poll allegedly shows that American consumers oppose the ACA by a margin of 75 percent to 13 percent.

To give each Senator and the public an opportunity to make an independent judgment on the validity of this poll, I would like to recite the exact wording of the question which 75 percent of those polled answered in the affirmative:

> Those in favor of setting up an *additional* Federal Consumer Protection Agency *on top of all the other agencies* say it is needed because the agencies we have are not getting the job done by themselves. Those who oppose setting up the *additional agency* say that *we already have plenty of government agencies* to protect consumers, and it's just a matter of making them work better. How do you feel? Do you favor setting up an additional Consumer Protection Agency *over all the others*, or *do you favor doing what is necessary to make the agencies we now have* more effective in protecting consumer interests? (emphasis added)

For those 13 percent who reportedly answered that they favored a new agency, the next question said:

> Well, to get the *additional* Federal Consumer Protection Agency set up and started will cost at least $60 million *new tax dollars* in the first 3 years. Would you still be in favor if it means spending *that kind of money?* (emphasis added)

Public opinion polls can be very useful tools to gauge public opinion on a variety of issues. However, we are all well aware that polls can be unreliable and misused if the questions are not fairly worded.

Mr. President, I believe it is obvious that these are rhetorical, slanted, unscientific and self-serving questions. Moreover, of those who answered the first question, only 22 percent had ever heard of the legislation, and of that 22 percent there was virtually no agreement as to what the proposed agency was intended to do. In view of these facts, I believe that it is quite inaccurate to say, on the basis of this poll, that the public does not support this legislation.

A more meaningful indication of public sentiment on this legislation is the huge number of endorsements by consumer groups, government officials and others across the country whose names are listed after this statement.

Mr. President, this bill is responsible legislation. It undeniably breaks new ground. If it did not, it would not be worth enacting—for the last thing we need is a perpetuation of the problems which have created the need for this new agency. Enactment of this legislation will show the American consumer that the Congress is serious about regulatory reform—about making government more responsive to people's needs and desires. Those who support this bill can point to it with pride when people ask what they are doing to restore the people's faith in the Federal Government.

Mr. President, I believe that this year the American people will finally get a consumer protection agency and I urge my colleagues to support this important bill.

EXHIBIT 1

Our coalition, consisting of various consumer, farm, senior citizen, religious, and community groups, labor unions, and state and local officials, favor enactment of the agency for consumer advocacy legislation.

NATIONAL GROUPS

Amalgamated Clothing Workers of America (AFL–CIO).

Amalgamated Meat Cutters and Butcher Workmen (AFL–CIO).

American Association of Retired Persons.

American Association of University Women.

Americans for Democratic Action.

B'nai B'rith Women.

Common Cause.

Communications Workers of America (AFL–CIO).

Consumer Action for Improved Food and Drugs.

Consumer Federation of America.

Consumers Union of the United States, Inc.

Cooperative League of the United States of America.

Friends of the Earth.

International Association of Machinists and Aerospace Workers (AFL–CIO).

International Union of Electrical Radio and Machine Workers (AFL–CIO).

International Ladies Garment Workers Union (AFL–CIO).

Movement for Economic Justice.

National Black Media Coalition.

National Congress of Hispanic-American Citizens.

National Consumers Congress.

National Consumers League (Esther Peterson, President).

National Council of Senior Citizens.

National Farmers Union.

National Women's Political Caucus.

Oil, Chemical and Atomic Workers International Union (AFL–CIO).

Public Citizen (Congress Watch).

Retail Clerks International Association (AFL–CIO).

Sierra Club.

United Auto Workers.

United Mine Workers of America.

United Presbyterian Church (Washington Office).

United Steelworkers of America (AFL–CIO).

Women's Equity Action League.

Women's Lobby.

Women's National Democratic Club.

LOCAL GROUPS AND INDIVIDUALS

Alabama

Alabama Labor Council (AFL–CIO).

Julian Butler, Attorney-at-Law (Huntsville).

Morris Dees, Civil Rights Attorney (Montgomery).

Elmore Community Action Committee (Wetumpka).

Dr. Higdon Roberts, Jr., Director, Center for Labor Education and Research, University of Alabama (Birmingham).

Ronald Menton, Director, Alabama Credit Union League.

William Baxley, Attorney General.

Arizona

Arizona Consumer Council.

Arizona Committee for Social Utility.

Tucson Public Power.

Arkansas

Earl Anthes, Community Development Consultant (West Memphis).

Arkansas Community Organization for Reform Now (Little Rock).

Arkansas Consumer Research (Little Rock).

California

Alameda County Consumer Action, Inc.

California Citizen Action Group.

California Public Interest Research Group.

CalPIRG Advocates.

Coalition for Santa Clara Valley.

Consumer Cooperative (Don Rothenberg, Richmond).

Consumers Coop of Palo Alto.

Consumers United of Palo Alto.

Fight Inflation Together (Los Angeles).

Friends Committee on Legislation of Southern California.

Gil Graham, Esq., Lawyers Committee for Urban Affairs (San Francisco).

Bob Fellmeth, Deputy District Attorney (San Diego).

People's Lobby (Los Angeles).

San Francisco Consumer Action.

San Francisco Consumer Advocates.

Colorado

Colorado League for Consumer Protection.

Colorado Public Interest Research Group.

Connecticut

Connecticut Citizen Action Group.

Connecticut Consumer Association, Inc.

Connecticut Public Interest Research Group.

Consumer Advocates.

Delaware

Mrs. Frances West (Director, Consumer Affairs Division).

District of Columbia

District of Columbia Public Interest Research Group.

Florida

Reubin Askew, Governor.

American Consumers Association, Inc.

Concerned Consumers of Dade County.

Congress of Senior Citizens.

Consumer Information Center of Central Florida, Inc.

Mrs. Stanley Goldberg, Commissioner of Metropolitan Dade County.

Georgia

Citizens Consumer Council of Georgia.

Idaho

Cecil D. Andrus, Governor.

Illinois

Dan Walker, Governor, Illinois Public Interest Research Group.

Indiana

Otis R. Bowen, Governor, Indiana Public Interest Research Group.

Iowa

Iowa Consumers' League, Iowa Public Interest Research Group.

Kansas

Consumer Relations Board, Kansas State University.

Consumer United Program.

William Griffin, Assistant Attorney General & Chief, Consumer Protection Division.

Kansas City Consumers Association.

Richard L. D. Moore, Professor, Family Economics, Kansas State University.

Earl Sayre, Legislative Chairman, Kansas Council on Aging.

Curt Schneider, Attorney General.

Kentucky

Consumers Association of Kentucky, Inc.

Kentucky Public Interest Research Group.

Louisiana

Acadiana League.

Consumer Protection Center.

William Guste, Attorney General.

Louisiana Consumers' League.

Mayor's Office of Consumer Affairs (New Orleans).

Charles W. Tapp, Director, Louisiana Governor's Office of Consumer Protection.

Maine

COMBAT, Inc. (Portland).

Maine Public Interest Research Group.

Maryland

Marvin Mandel, Governor.

Alliance for Democratic Reform (Montgomery County).

Maryland Citizens Consumer Council.

Maryland Public Interest Research Group.

Montgomery County Office of Consumer Affairs.

Massachusetts

Father McEwen, President, Association of Massachusetts Consumers (Boston).

Massachusetts Public Interest Research Group.

Michigan

William G. Milliken, Governor.

Consumer Alliance of Michigan.

Michigan Citizen's Lobby.

Michigan Consumer's Council.

Michigan Public Interest Research Group.

Esther K. Shapiro, Director, Consumer Affairs Department, City of Detroit.

Minnesota

Wendell R. Anderson, Governor.

Sherry Chenoweth, Director, Minnesota Office of Consumer Services.

Missouri

Housewives Elect Lower Prices.

Mid-American Coalition for Energy Alternatives (Clinton).

Missouri Public Interest Research Group.

St. Louis Consumer Federation.

Montana

Thomas L. Judge, Governor, Consumer Affairs Council, Inc., of Montana.

Nebraska

J. James Exon, Governor, Consumer Alliance of Nebraska.

Nevada

Consumer League of Nevada.

Rex Lundberg, Commissioner of Consumer Affairs.

Robert List, Attorney General.

Elliot Sattler, Deputy Attorney General.

New Jersey

Brendan Byrne, Governor.

Center for Consumer Education Services (Edison).

New Jersey Public Interest Research Group.

New Mexico

Toney Anaya, Attorney General.

Emily Belasquez, Director, Consumer Education Program, All Indian Pueblo Council.

Delacroix Davis, Jr., Chairman, FEB Consumer Issues Committee (Albuquerque-Santa Fe).

Herman Grace, Director, Division of Human Resources, Office of the Governor.

Mrs. Viola Pena, Director, Consumer Protection Division (Albuquerque).

New Mexico Public Interest Research Group.

New York

Adolfo Alayon, Consumer Action (Bedford Stuyvesant).

Center for Community Issues Research (Rochester).

Consumer Action Now (CAN).

Consumers Association of New York (Rochester).

Consumer Protection Board (Huntington).

Metro-Act of Rochester.

New York Consumers Assembly.

New York Public Interest Research Group.

James Picken, Commissioner of Consumer Affairs (Nassau County).

North Carolina

James E. Holshouser, Governor.

Consumer Center of North Carolina.

Conservation Council of North Carolina.

North Carolina Public Interest Research Group.

North Dakota

Arthur A. Link, Governor, Community Action Line (Grand Forks).

Ohio

Consumer Action of North Dayton.

Consumer Conference of Greater Cincinnati.

Consumer Protection Association of Cleveland.

Consumers League of Ohio.

Ohio Consumers Association.

Oregon

Community Care Association, Inc. (Portland).

Oregon Consumers' League.

Pennsylvania

Milton Shapp, Governor. Alliance for Consumer Protection, Bucks County Consumer Organization, Pennsylvania League for Consumer Protection, Philadelphia Area Consumers' Council.

Ruth Rodman, Director, Consumer Affairs Education Division, Philadelphia School District.

Rhode Island

Philip W. Noel, Governor.

South Dakota

Richard F. Kneip, Governor.

Tennessee

Tennessee Consumer Alliance.

Texas

Texan Consumer Association. Texas Public Interest Research Group.

Vermont

Thomas P. Salmon, Governor. Vermont Public Interest Research Group.

Virginia

Mills Godwin, Governor. Virginia Consumers Citizens Council.

Washington

Daniel J. Evans, Governor. Washington Committee on Consumer Interests.

Wisconsin

Patrick J. Lucey, Governor.

Wyoming

Wyoming Public Interest Research Group.

COMPANIES WHICH SUPPORTED S. 707

Alexander Hamilton Life Insurance Company of America, Farmington, Michigan.

American Income Life Insurance Company, Waco, Texas.

AMFAC, Inc., Honolulu, Hawaii.

Amivest Corporation, New York, New York.

Ar-Ex Products Company, Chicago, Illinois.

Bantam Books, New York, New York.

Brands Mart, Long Island City, New York.

Chief Auto Supply, Cerritos, California.

Condamatic Company, Inc., Dyna-Day Plastics, Inc., American Sound Corporation, Warren. Michigan.

Connecticut General Life Insurance Company, Hartford, Connecticut.

Consumers Cooperative of Berkeley, Inc., Berkeley, California.

Consumers Cooperative Society, Palo Alto, California.

Consumers United Insurance Company, Arlington, Virginia.

Co-op Supermarkets, SCAN Co-Op Contemporary Furniture, Silver Spring, Maryland.

Cummins Engine Company, Columbus, Indiana.

The Dreyfus Corporation, New York, New York.

Executive Life Insurance Company of New York, New York, New York.

Federation of Cooperatives, Inc., New York, New York.

GRT Corporation, Sunnyvale, California.

Harper Systems, Little Rock, Arkansas.

International Group Plans, Inc., Washington, D.C.

Kings Super Markets, Inc., Irvington, New Jersey.

Maxwell Corporation of America, Moonachie, New Jersey.

Monogram Industries, Inc., Los Angeles, California.

Montgomery Ward, Chicago, Illinois.

Motorola, Inc., Franklin Park, Illinois.

Polaroid Corporation, Cambridge, Massachusetts.

Stride-Rite Shoes, Boston, Massachusetts.

Zenith, Inc., Chicago, Illinois.

NEW COMPANIES WHICH SUPPORT S. 200

Mobil Oil Corporation, 150 E. 42nd Street, New York, New York 10017.

The Stop and Shop Company, Boston, Massachusetts.

Jewel Companies, Inc., Chicago, Illinois.

United Artists, Hollywood, California.

Exhibit 2

Summary and Explanation of S. 200

(April 1975)

The bill would establish an independent, nonregulatory Agency for Consumer Advocacy (ACA) to speak for the interests of the consumer. The Agency will be authorized to advocate the interests of consumers before agencies and the courts and to provide the public with information about consumer matters.

The Agency will have no regulatory or other legal power to force business enterprises to change their practices in any way. Rather, it will operate purely as a spokesman for the consumer before the other agencies that do make decisions affecting the consumer.

CONSUMER ADVOCACY BEFORE FEDERAL AGENCIES

The most important function of the Agency will be representation of consumer interests before Federal agencies and courts. In *formal* adjusticatory or rule making proceedings under the Administrative Procedure Act, the ACA is authorized to intervene as a party. In such cases the Agency will be subject to the same rules as any other person who is a party to the proceedings. The Act directs ACA to refrain from intervening in such proceedings unless necessary to adequately represent the interests of consumers.

When a Federal agency considers a decision affecting the interests of consumers outside a formal adjudicatory or rule-making proceeding, the Act gives the ACA the right to submit data and other relevent information or arguments. Such submission will be in either written or oral form and presented in such a way as not to hinder the agency's ability to act expeditiously. This means that if the lead tinsel manufacturers have a meeting with the Commissioner of FDA on the schedule for removing lead tinsel from the market, the Administrator of ACA is entitled to present his views on the subject to FDA officials. The section does *not* give him the right to be present at the tinsel manufacturers meeting and argue his case at the same time they do.

JUDICIAL REVIEW

The ACA Administrator is also authorized, where necessary to protect consumer interests, to seek judicial review of an agency proceeding reviewable under law. He may also intervene in any judicial proceeding reviewing or enforcing such agency actions. This right to seek review is analogous to the right now enjoyed by private persons aggrieved by agency action. If the Administrator did not participate in the agency proceeding below, he may appeal the agency decision only if he first files a timely petition before the Federal agency for rehearing and reconsideration and the agency fails to act favorably on the petition.

CLEARINGHOUSE FOR COMPLAINTS

The Agency is authorized to act as a clearinghouse for consumer complaints. ACA is required to notify businesses of complaints. ACA is required to notify businesses of complaints concerning them, to give them an opportunity to respond, to transmit such complaints to appropriate Federal or state agencies, and to maintain an up-to-date file for public inspection of complaints together with any comments which are received.

GATHERING INFORMATION

The ACA is authorized to obtain the information it needs through the submission of written interrogatories. However the Administrator may only use this authority where the information is not publicly available and cannot be obtained from another Federal agency. Moreover, he may not use this authority in an agency proceeding in which the Administrator has intervened. The interrogatories may only be enforced if the Administrator sustains the burden of showing that they are relevant to the purpose for which they are sought and are necessary to uncover consumer fraud or to protect consumer health or safety. Small businesses, which includes about 95% of all businesses, are exempted from enforcement of interrogatories.

INFORMATION FROM OTHER AGENCIES

The ACA may obtain information from other agencies. But ACA is expressly prohibited from collecting information from other agencies concerning national security, tax records, internal policy recommendations, and other similar private information. There are also strict limits on the Agency's right to have access to trade secrets. The Agency is prohibited from publicly disclosing any information obtained from another Federal agency if the information is exempted from such disclosure by the other agency.

COST AND BENEFIT ASSESSMENT STATEMENTS

Every Federal agency which issues rules is required to prepare a cost and benefit assessment statement in connection with the promulgation of any rule likely to have a substantial economic impact.

Statements are required to include an estimate of the costs and benefits, including those which are direct and indirect, economic and non-economic, quantifiable and non-quantifiable. In addition, the statements are required to include a statement of the relationship between estimated costs and benefits.

Applicable agencies are required to give public notice of the preparation of such assessment statements, seek to obtain information relevant to the preparation of such statements, and to the extent permitted by law, make all information utilized in connection with the preparation of such statements available to interested persons. Agencies are required to publish such statements yearly in the Federal Register. Cost and benefit assessment statements are not subject to judicial review.

In addition, Federal agencies are required to include a cost-benefit statement whenever they submit any legislative proposal to Congress which is likely to have a substantial economic impact.

FUNDING

The bill would authorize $15 million for fiscal year 76, $20 million for fiscal year 77, and $25 million for fiscal year 78. By way of contrast, the U.S. Budget for fiscal year 1975 provides $1.433 billion in Federal funds under the category "advancement of business."

Exhibit 3

The Consumer Protection Act of 1975 (S. 200)

SAFEGUARDS FOR BUSINESS

The Act contains a number of important safeguards to assure that the rights of persons in private enterprise will not be infringed upon by any Agency activity. These safeguards include the following:

1. *Restrictions on Information-Gathering.* Section 10 delineates the ACA's information-gathering authority, placing restrictions on the Agency's powers to obtain information from business and from government. Generally, the Administrator is authorized to compel disclosure of information only when necessary to protect the health or safety of consumers or to discover consumer fraud and substantial economic injury to consumers. Such information may only be obtained from businesses which substantially affect interstate commerce whose activities substantially affect consumer interests. In addition to these general limitations, specific prohibitions limit ACA power to obtain information from small businesses and from other Federal agencies.

a. The ACA is prohibited from requiring the disclosure of information from small businesses as defined in the Act* (Section 10(a)(4)). (Additional small business protections are outlined in this memo, number 8.)

b. The Act also includes a number of restrictions on access to information held by other Federal agencies. The categories of information which ACA has no right of access to include: information classified in the interest of national security; policy or prosecutorial recommendations; personnel and medical files; information which a Federal agency is prohibited from disclosing to another agency; information which would disclose the financial condition of individual bank customers; information from Federal income tax returns (Section 10(c)); and trade secrets and confidential commercial or financial information obtained prior to the enactment of the Act. The ACA has no right of access to any information collected in the future by another agency if the agency is only able to obtain such information by promising to keep it confidential. And, before ACA obtains *any* trade secrets or confidential commercial or financial information from another agency, the agency holding the information must first notify the person from whom the information was collected. Such a person will have a reasonable time to comment or seek injunctive relief. (Section 10(b))

2. *Prohibitions on Disclosure of Information.* Section 11 governing the ACA's duty to disclose information to the public, prohibits the Agency from disclosing information received from another agency which is exempt from disclosure under the Freedom of Information Act or any other law, and which the Agency has specified shall not be disclosed. (Section 11(b)) Trade secrets or other confidential business information received from a business, may be withheld by the ACA.

3. *Limitations Governing Disclosure of Information.* Section 11(c) sets forth provisions governing the release of information by the Administrator. Where the release of information is likely to cause substantial injury to a person, the Administrator is required to notify such person and provide an opportunity for comment and injunctive relief, unless immediate release is necessary to protect the public health or safety. (Section 11(c)(4)) In addition, the Administrator is directed to take all reasonable measures to assure that any information it releases is accurate and not misleading or incomplete. Tight restrictions are imposed on the release of information which discloses product or service names. Among other restrictions, the Agency is prohibited from indicating that any specific product is a better buy than any other product.

4. *Objections to Interrogatories—ACA Burden.* A private party may object to any interrogatory ACA serves on it. In such a case, the burden will be on the Administrator to prove that the information sought substantially affects the health or safety of consumers, or is necessary in the discovery of consumer fraud or substantial economic injury to consumers and is relevant to the purposes for which the information is sought. In addition, no person is required to answer an interrogatory which is unnecessarily burdensome (Section 10(a)(3)), and no small business, as defined in section 10(a)(4), is required to answer an interrogatory.

5. *Consumer Complaints—Opportunity to Respond.* When, under Section 7, ACA transmits consumer complaints to other government agencies or makes them available to the public, ACA must also forward the complaint to the person who is the subject of the complaint. The only exception to this requirement is when such notification might impede action against a person for a violation of the law. The person's response to the complaint must be made available to the public along with any disclosure of the original complaint.

6. *Judicial Review Protection.* Section 21 (b)(1) gives any party to a final agency proceeding reviewable under law the right to obtain judicial review on the grounds that the ACA participation in the proceedings resulted in error prejudicial to the party.

7. *Restrictions on Initiation of Civil Proceedings.* ACA's ability to initiate court actions involving agency proceedings in which it did not participate is specifically subject to a requirement that the ACA first petition the agency for reconsideration and is further subject to an initial judicial determination that such action would not impede the interests of justice. (Section 6(c))

8. *Additional Small Business Protections.* Section 18 requires the ACA and all other Federal agencies to keep the unique needs of small businesses in mind when implementing the Act, and requires the ACA to treat all businesses, whether large or small, in an equitable fashion. In addition, the Small Business Administrator is directed to keep small businesses informed about the activities of the ACA, and to report to Congress on actions taken under this Act affecting small businesses. Similarly, the Administrator of the ACA is required to consult with representatives of small businesses before establishing the Agency's general priorities or policies, and he is to respond in an expeditious manner to requests and other correspondence from small businesses.

9. *Assurance of Fairness.* Generally, in carrying out functions under the Act, the Administrator is required to act in accordance with the rules that assure fairness to affected persons. (Section 4(a)(4))

Exhibit 4

The White House,
Washington, April 17, 1975.

Hon. Abraham A. Ribicoff,
Committee, U.S. Senate,
Washington, D.C.

Dear Mr. Chairman: In the interest of protecting the American consumer, I am directing department and agency heads, in coordination with the Domestic Council, to review Executive branch procedures to make certain that consumer interests receive full consideration in all Government actions.

To be frank, I recognize the legitimate public and Congressional concerns that departments and agencies be more responsive to the interests of consumers. This must be changed. Therefore, I am asking agency heads to examine the specific efforts they are making now to represent the consumer in their agencies' decisions and activities and to work with Virginia Knauer, my Special Assistant for Consumer Affairs, in instituting additional efforts which the agencies can undertake to better represent consumer interests.

In examining their present procedures and in establishing new ones, department and agency heads will follow these guidelines:

All consumer interests should receive a fair chance to be heard in the Government decision making process; and

The costs and administrative requirements of Federal rules and regulations on the private sector should be held to a minimum.

Regulatory reform is one of the most important vehicles for improving consumer protection. Outdated regulatory practices lead to higher prices and reduced services. I urge the Congress to enact a number of specific legislative proposals in this regard, including the bill I submitted in January to establish a Regulatory Review Commission. I renew my request to the Congress to repeal outdated fair trade laws which raise prices and to reform many of the existing banking laws and regulations which penalize small savers. I will soon request legislation to overhaul our system of transportation regulation to allow freer competition, improved services, and lower prices.

I also intend to ask the chairmen and members of the independent regulatory agencies to meet with me to discuss ways they can make immediate improvements in the regulatory process. I am determined that the public will receive the most efficient and effective public service at the least cost.

In view of the steps that are being taken by the Executive department to make Government-wide improvements in the quality of service to the consumer, I am requesting that the Congress postpone further action on S. 200, which would create a new Federal Agency for Consumer Advocacy.

I do not believe that we need yet another Federal bureaucracy in Washington, with its attendant costs of $60 million for the first three years and hundreds of additional Federal employees, in order to achieve better consumer representation and protection in Government. At a time when we are trying to cut down on both the size and the cost of Government, it would be unsound to add another layer of bureaucracy instead of improving the underlying structure.

It is my conviction that the best way to protect the consumer is to improve the existing institutions of Government, not to add more Government.

I look forward to working with you, the members of your Committee, and the Congress in advancing the interests of all consumers within our existing departments and agencies.

Sincerely,

Gerald R. Ford.

Committee on Government Operations,
Washington, D.C., April 17, 1975.

The President,
The White House,
Washington, D.C.

Dear Mr. President: Thank you for your letter outlining some positive and constructive steps to assist the American consumer. I believe that repeal of outmoded fair trade laws, overhaul of transportation regulation, and protection of small savings deposits are all important, and I strongly support such initiatives.

However, none of these proposals addresses the compelling need for an effective advocate to represent consumer interests before the Federal agencies and departments.

These agencies and departments make decisions every day which affect the consumer.

When the Federal Communications Commission decides to increase telephone rates, when the Department of Agriculture approves the export of American grain to Russia, when the Civil Aeronautics Board approves higher airline fares, or when the Food and Drug Administration authorizes the sale of a new drug, the business or industry which has an interest in the outcome is well represented—often by an entire team of lawyers and technical experts. But not the consumer—he can hardly afford the hundreds of thousands of dollars that it takes to present his side of the case. The result is almost inevitable: the consumer very rarely wins when government decisions are made.

S. 200, the Consumer Protection Act, would correct this imbalance. It would provide the consumer with an effective and well-organized advocate to plead his cause with government decisionmakers. And S. 200 would do this for the relatively modest sum of $15 million in the first year, $20 million in the second year, and $25 million in the third year. This is not enormous, when compared with Assistant Attorney General Kauper's estimate that inefficient government regulation is costing American consumers some $80 billion a year.

I might add that S. 200 includes a provision added in Committee which requires Federal agencies to prepare cost and benefit assessment statements when promulgating regulations or proposing legislation. This should help to achieve the goal outlined in your letter that the costs of Federal rules and regulations to the private sector be held to a minimum.

Mr. President, support for this legislation is widespread and growing. More than 100 national, state, and local organizations have endorsed creation of a strong consumer protection agency—and among them the Consumer Federation of America, Common Cause, the American Bar Association, the National Conference of Mayors, the National Association of Attorneys General, and a number of the unions comprising the AFL–CIO. Thirty-two of the nation's governors supported the bill in a telegram to the Senate last year. And a number of businesses—including such major corporations as Polaroid, Connecticut General Life Insurance, Montgomery Ward, Zenith, and Dreyfus Fund—have endorsed the bill. In just the last few days, one of the country's largest food chains, Stop and Shop, and one of the country's biggest oil companies, Mobil Oil Corporation, have endorsed S. 200.

This increasing level of support is reflected in the Senate when S. 200 now is sponsored by 45 Senators—12 more than last year. Last Wednesday, the bill was reported out of the Government Operations Committee by a vote of 11 to 1.

Mr. President, legislation to create a consumer protection agency has been worked on by Congress for more than 5 years. As you may recall, you supported it and spoke out in favor of it in 1971, the one time it came to the floor of the House while you were a member of that body. I am confident that the legislation we have prepared represents a fair balancing of all the interests concerned and that S. 200 meets the needs of the American consumer.

Under the circumstances, I feel that S. 200 should be passed this year.

Mr. President, I believe very strongly that the Consumer Protection Act deserves your support. I hope that you will be able to support it.

Sincerely,

Abe Ribicoff.

Mr. THURMOND. Mr. President, proposals to create a so-called Consumer

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*Available statistics show that under this definition, over 95% of all businesses would be exempted from interrogatories.

Protection or Advocacy Agency at the Federal level have been before Congress for some years now. The Senate Government Operations Committee has made some relatively minor changes in this legislation from similar bills previously debated in this Chamber. However, in my opinion, this proposal, as presently written, still ranks as one of the most dangerous, unwise, and unnecessary pieces of legislation ever considered by Congress.

I would like to emphasize that I am not opposed to the basic goals and purposes of this bill. I believe that Federal agencies and private businesses should adequately consider the interests of consumers in their decisions. Furthermore, I agree that the performance of the present system in responding to the needs and concerns of the average American citizen should be improved.

However, I firmly believe that this concept of a free-wheeling, all-powerful, new Federal bureaucracy is not the best means to achieve laudable ends. Are we in Congress really ready to admit to the public that the only way we know of to make the present bureaucracy more responsible is to create still another, massive bureaucracy? Well, I, for one, am not ready to hand over still more of the people's rights and tax dollars to a group of appointed agency representatives, who will sit here in Washington and arbitrarily decide what is the "consumer interest" and how it will be pursued.

The creation of this new bureaucracy, designed to pit consumer against producer, and, indeed, consumer against consumer, would still entail the same disrupting functions as before. After all, we are all consumers, and we are all producers in some fashion.

This bill's sponsors have laboriously emphasized that they are protecting the rights of the consumer. Yet, clearly it is in the interests of Americans, all of whom are consumers to some degree, to have a thriving economy. It seems paradoxical that anyone would want to see the creation of a Government agency whose actions would be to involve American businessmen, large and small, in even more red tape. This can only act to further stifle our competitive, free enterprise system.

Certainly no one is adverse to the basic concept of consumer protection. It is in large part for this reason that we have the Federal Trade Commission, the Interstate Commerce Commission, the Federal Aviation Administration, the Civil Aeronautics Board, the Federal Energy Administration, the Consumer Products Safety Commission, the National Traffic Safety Commission, the Food and Drug Administration, and numerous other Federal agencies. All of these agencies take into account the consumer interest in carrying out their functions. The last thing we Americans need is yet another Federal bureaucracy to "protect" us.

In addition to being unwise and unnecessary, this legislation would prove costly to taxpayers and consumers. The outright cost of setting up this new bureaucratic machinery, estimated to be $60 million through the first 3 years, is itself a burdensome addition to already excessive budget deficits in fiscal years 1975 and 1976. However, the hidden cost of this bill due to its impact on other Federal agencies and private businesses will undoubtedly add up to many additional millions of dollars.

Proponents of this legislation argue that this new agency will save consumers billions of dollars annually by curtailing instances of fraud and consumer "rip-off." If that were the certain consequence, then this bill might be worth it. However, I tend to think that an even greater rip-off would occur with the enactment of this bill. It seems to me that this proposal would inevitably add to the cost of doing business and result in even higher prices to consumers.

I really wonder if the supporters of this proposal have stopped to consider why nearly every business concern in the Nation, both large and small, has opposed this bill. Granted, a few less responsible businesses may fear that the ACA will cut into their excessively profitable or suspect operations. However, apparently the majority of the American people still believe that most businessmen are responsible. If that is true, then it is certainly plausible that businesses would be concerned about the additional cost of hiring legal and clerical staff to comply with the dictates of the ACA.

If the business community sees the ACA proposal as another bureaucratic monster, then I think we at least should take a hard look at the substance of their concerns. Surely the some 33 existing Federal departments and over 1,000 programs that monitor and regulate the private sector can responsibly reflect consumer interests. We do not need to create this consumer super-agency with its probable costly and inflationary repercussions.

Mr. President, I ask unanimous consent that relevant editorials from two of the leading newspapers in South Carolina, the Greenville News-Piedmont and the Spartanburg Herald, be included in the RECORD at the conclusion of my remarks. I also ask unanimous consent that a letter from the Honorable Jeffrey H. Joseph, consumer affairs attorney for the U.S. Chamber of Commerce, which appeared in the April 1, 1975, issue of the Washington Post, be printed in the RECORD following these editorials.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MORE PROTECTION NOT NEEDED

Consumer advocacy these days is an issue ranking right along with campaign reform, environmental protection and fuel conservation in political appeal.

It seems likely, then, that creation of an independent consumer agency, envisioned in a bill reported by the Senate Government Operations Committee, will be embraced lovingly when the legislation progresses to the Senate floor.

Only a herculean filibuster eoffrt by Sen. James B. Allen prevented passage in the last Congress. The Alabama Democrat under amended cloture rules will find his lonely position woefully eroded this year.

But, despite the automatic appeal of the proposed Agency for Consumer Advocacy, its potential for consumer benefit is unclear. Perhaps the most we can expect from doubtful lawmakers is that they ensure it does no harm.

The indicated role of the agency is to represent consumers before other federal agencies and in the courts.

The dangerous assumption is that the nation's 212 million consumers share identical concerns and think with like minds. Obviously, they do not.

And the agencies with which the proposed ACA will "intervene" are themselves—in theory at least—engaged in consumer protection activities.

A proclaimed goal is to scrutinize decisions or agreements that will affect prices consumers eventually will pay for goods and services. Yet the bill studiously rejects agency involvement in labor-management disputes handled by the National Labor Relations Board, which contribute significantly to consumer costs.

The sometimes incomprehensible dictates of Congress, too, are beyond the scope of ACA criticism, although the price of legislated programs in tax dollars—not excluding the agency in question—demands a big bite from consumer paychecks.

Since neither house of Congress will be enthusiastic about treading on labor's toes or exposing its own handiwork to an evaluation of benefits and costs, consumer protection at the agency level seems destined, at best, to be nothing more than a costly duplication of the mission of the Federal Trade Commission, the Civil Aeronautics Board, the Interstate Commerce Commission and our other regulatory powers.

At its worst, it could obstruct and confuse the essential functions of those agencies.

The consumer right now could use a protector to prevent establishment of yet another unneeded, unproductive bureaucracy.

TOO MUCH 'HELP' FOR CONSUMERS

A phenomenon of the Seventies is the proliferation of self-appointed consumer protectors.

Not the least of these is the U.S. Congress. Often, consumers get more "protection" than they want. Witness some of the zany devices that federal law required for automobiles.

Now the Senate is on the verge of setting up another outfit, called the Agency for Consumer Advocacy. It would add another $60 million to the dangerously expanded federal deficit.

There is no ground swell of support for such an independent government agency to stand guardian for consumers.

A poll taken by the National Federation of Independent Business showed 84 per cent of small business people who responded are opposed to the legislation.

This particular poll may be challenged as reflecting a special interest.

However, an Opinion Research Corp. survey last month—which covered a cross-section of citizens all over the nation—showed 75 per cent opposed, only 13 per cent in favor.

One bad thing about the bill as it now stands is a provision that would prohibit the agency from gathering information or expressing opinions, on any matter involving a labor-union dispute or agreement.

Thus, the consumer would be less than completely advocated and protected.

With so little evident desire or need for new federal bureaucracy to exercise more control over the free market economy, the Senate should abandon this little project.

OPPOSING AN AGENCY FOR CONSUMER ADVOCACY

In a March 11 editorial, "A Voice for Consumers," the Post states that S. 200, which would create an independent Agency for Consumer Advocacy, represents an idea "whose time has come". The Chamber of Commerce of the United States disagrees.

While in 1969, when this legislation was first conceived, consumers may have had few spokesmen, the opposite is true today. In

the Washington Metropolitan area alone, there are no fewer than 38 private and 14 public consumer organizations, national and local, alive and active. Much new legislation has been enacted to protect consumers. Despite this umbrella of protective activity, what can only be described as a federal super-agency may soon be created.

If, as the Post says, the agency would have no regulatory powers, and would serve only as an advocate "for consumers who have been victimized by marketplace irresponsibility," why is it necessary to give the agency the unchallengeable right to monitor and intervene in the formal proceedings of other agencies; to participate in virtually thousands of informal agency actions, even if it were not a party to the initial action. Such authority is not enjoyed by other advocates—whether they represent business, environmental or other consumer interests. Indeed, the legislation requires the agency to be treated as an independent federal regulatory agency with regard to information gathering and disclosure and the Federal Reports Act.

Further, the Post states that "compelling arguments for the bill are being made." When Ralph Nader testified recently on behalf of the agency, he suggested that had the agency been in existence it could have saved millions of dollars for consumers by blocking the Russian wheat deal, trimming milk supports, holding down the price of oil, and curbing the rise in air fares. If true, these certainly might be "compelling arguments," but if an agency with that much control over our destinies is a mere "advocate," then someone had best resurrect Mr. Webster to rewrite his Dictionary.

In its editorial, The Post states a minority successfully manipulated the bill by using "parliamentary tactics" to prevent its passage. Then, the following day, we read of the bill's supporters filibustering in the Senate Government Operations Committee to exempt organized labor from the act.

In spite of the impact which labor disputes may have on the cost and availability of consumer products, an exemption is organized labor's price for supporting the measure. Indeed, Senator Javits, a primary sponsor of the bill, stated on the Senate floor during debate on similar legislation in the 93rd Congress that if the labor exemption were deleted, "it will kill this bill". The New York Times and The Wall Street Journal have urged removal of the labor exemption. Will The Post do the same?

Despite its position on consumer advocacy legislation The Post does have the consumers' interests at heart. In a March 5 editorial, "It's Time for Economic Impact Statements," we are told that "federal legislation and administrative orders . . . cost somebody something, and the costs that don't show up in tax bills tend sooner or later to show up in price increases." S. 200 is an example of precisely the kind of costly legislation.

Finally, in a recently released nationwide survey of public attitudes by the Opinion Research Corporation, American consumers, by a 75% majority opposed creation of a new, independent federal consumer agency. When given the choice between creating a new consumer agency or taking steps necessary to make existing consumer agencies more effective, respondents strongly favored improving the present agencies by a margin of 75% to 13%.

The Post calls for "A Voice for Consumers". It seems to us that a representative sector of taxpayers who participated in the survey are trying to speak. Is no one in Washington listening?

JEFFREY H. JOSEPH,
Consumer Affairs Attorney,
Chamber of Commerce
of the United States.

WASHINGTON.

CONSUMER REPRESENTATION ACT OF 1975—S. 1676

Mr. TAFT. Mr. President, I have today introduced the Consumer Representation Act of 1975. I have also introduced, by way of an amendment to this bill, in the nature of a substitute, an amendment which is identical in basic terms and application to the bill I have introduced.

The bill and the amendment seek to offer a more realistic and effective program for consumer protection than is presently contained in S. 200.

Effective consumer protection legislation must deal in a coordinated way both with the issue of consumer representation before the Federal agencies and with the issue of indirect adverse impact on the economy and consumer prices caused by the hidden costs and burdens of Federal regulation. Moreover, especially during these inflationary times, such legislation cannot itself be expensive, nor can it unduly complicate or disrupt existing regulatory procedures in a manner that will hinder the work of the pending regulatory reform study commissions which must ultimately suggest the best long-term solutions to our regulatory problems.

In this context, the Agency for Consumer Advocacy (S. 200) is exceedingly ill-advised, in my opinion. Although well-intentioned, I can see the establishment of an agency for consumer advocacy as actually working against the orderly process of the Government, working against the consumers' best interests, and working especially, against the consumers' sorely tested pocketbook.

In my view, the Agency for Consumer Advocacy can only lead to minority rule in matters affecting consumer interests. It is beyond my comprehension how the proposed Agency, with 50 to 100 lawyers, can divine the will of millions of consumers. The premise upon which ACA is established is the notion that this Agency represents the interests of what I like to refer to as our mythical "every man"—which I spoke of last year in the debates on S. 707. I say "mythical," for I do not believe that there is a composite every man out there in this complex ever-changing Nation of individuals.

The hard fact is that the consumer interest is as broad, and as varied, as complex as the entire U.S. economy of the entire U.S. population. The great bulk of producers of consumers goods exist to serve an infinite variety of consumer interests and an infinite variety of circumstances. What is in the interest of one consumer in one set of circumstances may well be contrary to the interests of another consumer in another set of circumstances. Every consumer has his own needs—his own desires—his own standards of satisfaction. S. 200 fails to recognize these very real considerations.

To superimpose over all of this a single agency with the authority to speak for all consumers and all their interests and in all circumstances is a fallacious and unworkable concept. It can only have the effect of being responsive to vocal minorities and, indeed, unresponsive to the general consumer and public interest.

I believe the continuing debate on S. 200 will establish that, indeed, it is an unsound concept to set up one "super-agency" with the absolute power to intervene in the affairs of other agencies, and to call the decisions of all others into question in the courts. This bill contains built-in disruptions of virtually all Government agencies and would give the new agency unlimited power to second-guess and override decisions of Cabinet officers and other Government agencies. S. 200, I believe, will hinder, not help, effective representation of consumer interests within the Federal Government.

Of importance is the fact that S. 200 fails to integrate the advocacy provisions in a coordinated way with the recently added economic impact provisions, it will require large appropriations for a vast new bureaucracy that will only complicate the work of necessary regulatory reform. My proposal seeks to take advantage of the worthwhile and effective provisions of S. 200, avoid the problems it would create, and deal with the issues it ignores, in the following manner.

The heart of my proposal is title II, which establishes within each Federal agency an office of consumer representation. Each office is authorized and mandated to protect the consumer interest that may be affected by agency action either by representing an interest of consumers as an advocate in a proceeding—or by submitting views—or by requesting his agency to prepare a consumer impact evaluation, or both. The choice of which way to proceed is left generally to the office's discretion, subject to overall coordination by the Office of Consumer Affairs, made into a separate statutory office by title I to eliminate the risk of costly and destructive duplication and conflict within Government.

This new approach is designed to create far greater flexibility and coordination in the choice of suitable means to protect consumers. For example, some proceedings may simply be unsuited for an advocacy role, either because the proceedings is too complex for one single, ununified consumer interest to be identified, or because the long-term indirect and direct costs outweigh any immediate benefits that may appear on the surface. At the same time, my approach is offered within the framework of existing agency structures and budgets. Because each office is a part of the agency itself, it will have full access to all of the information needed to insure that attention is focused upon consumer goals within that agency. It may use this information to call for and help develop consumer impact statements, or, if suitable, the office may choose an advocate's role in the proceedings before the agency, but without engendering the excess of struggles between agencies as presently under S. 200 proposed. In summary, the benefits of this approach are the following:

It eliminates the need for creating and funding an enormous new consumer protection bureaucracy which a vast majority of the American people and the President do not want.

It introduces a new and more flexible approach toward consumer protection that takes into account the diversity of consumer viewpoints, that reduces the risk that one superagency will represent its view of the consumer interests, and that requires analysis of the hidden costs of regulation in relation to apparent benefits.

It provides for a minimal disruption of fundamental administrative law principles and the operation of the independent regulatory agencies during the pendency of studies of regulatory agency reform which will provide the Congress with the best long-term solutions for improving the regulatory process.

It will assure that every Federal agency—not just those agencies selected by a single advocacy bureaucracy—will be forced to give full consideration to consumer interests, while requiring that legislative oversight will be kept in the jurisdiction of the subject matter committee reviewing the respective regulatory agencies.

Mr. President, the American consumers, through reliable polls conducted by the National Federation of Independent Businessmen and the Opinion Research Corp., have told us they do not want an independent agency for consumer advocacy, I believe American consumers ought to be heard. They do expect, and rightfully so, the existing Government agencies to work more effectively on behalf of their consumer interests. My bill recognizes the fact that there are already ample Federal agencies in being to protect the consumers' interest. Congress job is not to proliferate these agencies, but to see to it that they discharge their duties in the interests of consumers. I submit that our efforts would be better spent in cranking up existing mechanisms on behalf of consumers than trying to legislate a fairy godmother or guardian angel for them. My bill and my amendment are geared toward these objections.

Mr. President, I ask unanimous consent that the substitute amendment, together with its summary be printed in the RECORD at this point.

There being no objection, the amendment and summary were ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 404

Intended to be proposed by Mr. TAFT, Mr. THURMOND, and Mr. McCLURE to S. 200, a bill to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes.

Strike out all after the enacting clause and insert in lieu thereof the following: That this Act may be cited as the "Consumer Representation Act of 1975".

STATEMENT OF FINDINGS AND PURPOSE

SEC. 2. (a) The Congress hereby finds and declares that the interests of consumers are often inadequately represented within the Federal agencies to the detriment of the fair and efficient functioning of a free market economy; that better consumer representation can be achieved in some circumstances if consumers are represented by an advocate; that in other circumstances, representation is better achieved by evaluating multiple consumer views or addressing the impact of actions upon consumers; and that vigorous advocacy of different consumer interests is essential to decisionmaking that is informed, timely, and in the best interests of the public.

(b) The Congress therefore declares that it is the purpose of this Act to establish consumer advocates to engage in active representation of consumer interests where appropriate and to require mose systematic evaluation of consumer interests; and this Act should be so interpreted by the executive branch, the independent regulatory agencies, and the courts so as to implement the intent of Congress to protect and promote the interests of consumers.

DEFINITIONS

SEC. 3. As used in the Act, unless the context otherwise requires, the term—

(1) "Director" means the Director of the Office of Consumer Affairs;

(2) "Administrator" means the Administrator of each Office of Consumer Representation;

(3) "agency action" includes the whole or part of an agency "rule," "order," "license," "sanction," "relief," as defined in section 551 of title 5, United States Code, or the equivalent or the denial thereof, or failure to act;

(4) "agency activity" means any agency civil process, conducted pursuant to any authority or responsibility under law, whether such process if formal or informal;

(5) "agency proceeding" means agency "rulemaking." "adjudication," or "licensing," as defined in section 551 of title 5, United States Code;

(6) "commerce" means commerce among or between the several States and commerce with foreign nations;

(7) "consumer" means any individual who uses, purchases, acquires, attempts to purchase or acquire, or is offered or furnished any real or personal property, tangible or intangible goods, services, or credit for personal, family, agricultural, or household purposes;

(8) "Federal agency" means any executive department, or independent regulatory agency or commission of the United States;

(9) "individual" means a human being;

(10) "interest of consumers" means any health, education, safety, or economic concern of consumers involving real or personal property, tangible or intangible goods, services, or credit, or the advertising or other description thereof, which is or may become the subject of any business, trade, commercial, or marketplace offer or transaction affecting commerce, or which may be related to any term or condition of such offer or transaction. Such offer or transaction need not involve the payment or promise of a consideration;

(11) "participation" includes any form of submission;

(12) "person" includes any individual, corporation, partnership, firm, association, institution, or public or private organization other than a Federal agency;

(13) "State" means each of the several States of the United States. the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Canal Zone, Guam, American Samoa, and the Trust Territory of the Pacific Islands; and

(14) "submission" means participation through the presentation or communication of relevant evidence, documents, arguments, or other information.

APPLICATION TO SMALL BUSINESS AND AGRICULTURE

SEC. 4. (a) The particular varied needs of small business and agricultural enterprises shall be considered by all levels of government in the implementation of the procedures provided for throughout this Act.

(b) In order to carry out the small business aspect of the requirement set forth in subsection (a), the Small Business Administration shall (1) to the maximum extent possible, provide small business enterprises with full information concerning the procedures provided for throughout this Act which particularly affect such enterprises, and the activities of the various agencies in connection with such provisions, and (2) as part of its annual report, provide to the Congress a summary of the actions taken under this Act which have particularly affected such enterprises.

(c) In order to carry out the agricultural aspect of the requirement set forth in subsection (a), the Administrator shall, before intervening in any United States Department of Agriculture proceeding, consider (1) the interests of consumers in obtaining an adequate supply of food, and (2) the interests of farmers in maintaining an adequate level of income and production.

(d) (1) To the extent feasible, the Director of the Office of Consumer Affairs shall seek the views of small business and agricultural interests in connection with establishing the Federal Agency's priorities, as well as in promulgating the rules to implement this Act.

(2) In administering the programs provided for in this Act, each Administrator shall respond in an expeditious manner to the views, requests, and other filings by small business and agricultural enterprises.

(3) In implementing the provisions of this Act, each Administrator shall give due consideration to the unique problems of small business and agriculture in order to avoid unnecessary hardships on those enterprises and activities.

EXEMPTIONS

SEC. 5. This Act shall not apply to the Central Intelligence Agency, the Federal Bureau of Investigation, or the National Security Agency, or the national security or intelligence functions (including related procurement) of the Department of State and Defense (including the Departments of the Army, Navy, and Air Force) and the military weapons program of the Energy Research and Development Administration.

DISCRIMINATION

SEC. 6. No person shall on the ground of sex, race, religion, age or national origin be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity carried on or receiving Federal assistance under this Act. This provision will be enforced through agency provisions and rules similar to those already established, with respect to racial and other discrimination, under Title VI of the Civil Rights Act of 1964. However, this remedy is not exclusive and will not prejudice or cut off any other legal remedies available to a person alleging discrimination.

EFFECTIVE DATE

SEC. 7. (a) This Act shall take effect ninety calendar days following the date on which this Act is enacted, or on such earlier date as the President shall prescribe and publish in the Federal Register.

(b) Any of the officers provided for in this Act may (notwithstanding subsection (a)) be appointed in the manner provided for in this Act at any time after the date of the enactment of this Act. Such officers shall be compensated from the date they first take office at the rates provided for in this Act.

SEPARABILITY

SEC. 8. If any provision of this Act is declared unconstitutional or the applicability thereof to any person or circumstance is held invalid, the constitutionality and effectiveness of the remainder of this Act and the applicability thereof to any persons and circumstances shall not be affected thereby.

TITLE I—OFFICE OF CONSUMER AFFAIRS

ESTABLISHMENT

SECTION 1. (a) There is hereby created in the Executive Office of the President an office to be known as the Office of Consumer Affairs (OCA). The Office shall be directed and administered by a Director who shall be appointed by the President, and who shall serve as a Special Assistant to the President for Consumer Affairs. There shall be in the Office of Consumer Affairs a Deputy Director who shall be appointed by the President. The Deputy Director shall perform such functions, powers, and duties as may be prescribed from time to time by the Director and shall act for, and exercise the powers of, the Director during the absence or disability of, or in the event of a vacancy in the Office of the Director.

(b) No employee of OCA while serving in such position may engage in any business, vocation, other employment, or have other interests, inconsistent with his official responsibilities.

(c) There shall be in the Office of Consumer Affairs a General Counsel and not more than five additional officers. Each such officer shall be appointed by the Director, subject to the approval of the President, under the classified civil service, shall have such title as the Director shall from time to time determine, and shall receive compensation at the rate now or hereafter prescribed for offices and positions at Level V of the Executive Schedule (5 U.S.C. 5316).

POWERS AND DUTIES OF THE DIRECTOR

SEC. 2. (a) The Director shall be responsible for the exercise of the powers and the discharge of the duties of OCA, and shall have the authority to diretc and supervise all personnel and activities thereof.

(b) In addition to any other authority conferred upon him by this Act, the Director is authorized, in carrying out his functions under this Act, to—

(1) subject to the civil service and classification laws, select, appoint, employ, and fix the compensation of such officers and employees as are necessary to carry out the provisions of this Act and to prescribe their authority and duties:

(2) employ experts and consultants in accordance with section 3109 of title 5, United States Code, and compensate individuals so employed for each day (including traveltime) at rates not in excess of the maximum rate of pay for Grade GS–18 as provided in section 5332 of title 5, United States Code, and while such experts and consultants are so serving away from their homes or regular place of business, pay such employees travel expenses and per diem in lieu of subsistence at rates authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently;

(3) appoint advisory committees composed of such private citizens and officials of the Federal, State, and local governments as he deems desirable to advise him with respect to his functions under this Act, and pay such members (other than those regularly employed by the Federal Government) while attending meetings of such committees or otherwise serving at the request of the Director, compensation and travel expenses at the rate provided for in paragraph (2) of this subsection with respect to experts and consultanta: *Provided*, That all meetings of such committees shall be open to the public and interested persons shall be permitted to attend, appear before, or file statements with any advisory committee, subject to such reasonable rules or regulations as the Director may prescribe;

(4) utilize, with their consent, the services, personnel, and facilities of other Federal agencies and of State, regional, local, and private agencies and instrumentalities, with or without reimbursement therefor, and to transfer funds made available under this Act to Federal, State, regional, local, and private agencies and instrumentalities as reimbursement for utilization of such services, personnel, and facilities;

(5) enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary to carry out the provisions of this Act, on such terms as the Director may deem appropriate, with any agency or instrumentality of the United States, with any State, or any political subdivision thereof, or with any person:

(6) accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b));

(7) adopt an official seal, which shall be judicially noticed;

(8) conduct conferences and hearings and otherwise secure data and expression of opinion;

(9) designate representatives to serve or assist on such committees as he may determine to be necessary to maintain effective liaison with Federal agencies and with State and local agencies carrying out programs and activities related to the interests of consumers; and

(10) perform such other administrative activities as may be necessary for the effective fulfillment of his duties and functions.

(c) Upon request made by the Director, each Federal agency is authorized and directed to make its services, personnel, and facilities available to the greatest practicable extent within its capability to the Office of Consumer Affairs in the performance of its functions.

(d) The Director shall prepare and submit simultaneously to the Congress and the President, not later than April 1 of each year beginning April 1, 1976, an annual report, which shall include a description and analysis of—

(1) the activities of the Office of Consumer Affairs;

(2) the major Federal agency actions and Federal court decisions affecting the interests of consumers;

(3) the assistance given the Office of Consumer Affairs by other Federal agencies in carrying out the purposes of this Act;

(4) the performance of Federal agencies in protecting the interests of consumers.

FUNCTIONS OF THE OFFICE OF CONSUMER AFFAIRS

SEC. 3. (a) The Office of Consumer Affairs shall, in the performance of its functions, advise the President as to matters affecting the interests of consumers; and shall protect and promote the interests of the people of the United States as consumers of goods and services made available to them through the trade and commerce of the United States.

(b) The function of the Director shall be to—

(1) communicate with each Office of Consumer Representation established pursuant to Title II of this Act for the purpose of encouraging and assisting in development, implementation and coordination of the activities of the respective Offices. The Director shall endeavor to make available to each such Office, appropriate assistance in the preparation of consumer benefit analysis or in such other functions as the Offices may undertake pursuant to Title II of this Act.

(2) conduct and support research, studies, and testing to the extent authorized in section 5 of this Act;

(3) submit recommendations to the President on measures to improve the operation of the Federal Government in the protection and promotion of the interests of consumers;

(4) obtain information and publish and distribute material developed in carrying out his responsibilities under this Act in order to inform consumers of matters of interest to them. to the extent authorized in this Act;

(5) conduct conferences, surveys, and investigations, including economic surveys, concerning the needs, interests, and problems of consumers: *Provided*, That such conferences, surveys, or investigations are not duplicative in significant degree of similar activities conducted by other Federal agencies;

(6) cooperate with State and local governments and encourage private enterprise in the promotion and protection of the interests of consumers;

(7) perform the functions assigned to the President's Committee on Consumer Interests in Executive Order No. 11566 of October 26, 1970;

(8) receive and act upon consumer complaints in the following manner. Upon receipt of a consumer complaint or other information disclosing a possible violation of (1) any law of the United States, or (2) any rule or order of any Federal agency concerning consumer interests, the Director shall promptly transmit such complaint or other information to the Federal agency's Office of Consumer Representation for appropriate action and may in its discretion also refer such complaint or other information to the private persons or industry against whom the complaint is made.

(9) publish, in language readily understandable by consumers, a consumer register which shall set forth the time, place, and subject matters of actions by Congress, Federal agencies, and Federal courts, and other information useful to consumers;

(10) encourage the adoption and expansion of effective consumer education programs;

(11) encourage the application and use of new technology, including patents and inventions, for the promotion and protection of the interests of consumers;

(12) encourage the development of informal dispute settlement procedures involving consumers;

(13) encourage meaningful participation by consumers in the activities of the OCA;

(14) promote the consumer interests of farmers in obtaining a full supply of goods and services at a fair and equitable price; and

(15) perform such other related activities as he deems necessary for the effective fulfillment of his duties and functions.

CONSUMER INFORMATION AND SERVICES

SEC. 4. (a) In order to carry out the purposes of the Act the Director shall develop on his own initiative, and, subject to the other provisions of this Act, gather from other Federal agencies and non-Federal sources, and disseminate to the public in such manner, at such times, and in such form as he determines to be most effective, information, statistics, and other data including, but not limited to, matter concerning—

(1) the functions and duties of the Office;

(2) consumer products and services;

(3) problems encountered by consumers generally, including commercial and trade practices which may adversely affect consumers; and

(4) notices of Federal hearings, proposed and final rules and orders, and other pertinent activities of Federal agencies that affect consumers.

(b) All Federal agencies which possess information which would be useful to consumers are authorized and directed to cooperate with the Director in making such information available to the public (to the extent such information is not exempt from disclosure pursuant to title 5, U.S.C., sec. 552).

LIMITATIONS ON DISCLOSURES

SEC. 5. The Director shall not disclose to the public or any State or local agency any information in a form which would reveal trade secrets and commercial or financial information as described in section 552(b)(4) of title 5, U.S.C., obtained from a person privileged or confidential unless the Director determines that the release of such information is necessary to protect health or safety.

STUDIES

SEC. 6. The Director is authorized to conduct, support, and assist research, studies, plans, investigations, conferences, demonstration projects, and surveys concerning the interests of consumers.

CONFORMING AMENDMENT

SEC. 7. (a) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following:

"(60) Director, Office of Consumer Affairs."

(b) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following:

"(100) Deputy Director, Office of Consumer Affairs."

(c) Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following new paragraphs:

"(135) General Counsel, Office of Consumer Affairs."

"(136) Assistant Directors, Office of Consumer Affairs."

TRANSFER OF CONSUMER PRODUCT INFORMATION COORDINATING CENTER

SEC. 8. (a) All officers, employees, assets, liabilities, contracts, property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with the functions of the Consumer Product Information Coordinating Center in the General Services Administration are transferred to the Office of Consumer Affairs and all functions of the Administrator of General Services administered through the Consumer Product Information Coordinating Center are transferred to the Office of Consumer Affairs.

(b)(1) Except as provided in paragraph (2) of this subsection, personnel engaged in functions transferred under this section shall be transferred in accordance with applicable laws and regulations relating to transfer of functions.

(2) The transfer of personnel pursuant to this section shall be without reduction in classification or compensation for one year after such transfer.

AUTHORIZATION OF APPROPRIATIONS

SEC. 9. There are authorized to be appropriated to carry out the provisions of this title not to exceed $4,000,000 for fiscal year ending June 30, 1976.

TITLE II—CONSIDERATION OF CONSUMER INTERESTS BY THE FEDERAL AGENCIES

ESTABLISHMENT

SECTION 1. (a) There is hereby established an Office of Consumer Representation within each Executive Department and independent regulatory agency and commission. Each Office shall be directed and managed by an Administrator who shall be appointed by such agency.

(b) The Administrator of each office is authorized to appoint within his office a Public Counsel and two Assistant Administrators, one for economics and one for complaint handling. The Administrator shall have such other professional and support staff as are necessary to adequately represent within his agency the interests of the consumers.

(c) Each Federal agency is directed to provide sufficient funding within its budget for its Office of Consumer Representation to enable it to carry out its functions under this Title. The budget request for the Office of Consumer Representation shall be separately stated.

POWERS AND DUTIES OF THE ADMINISTRATOR

SEC. 2. (a) Each Administrator shall be responsible for the exercise of the powers and the discharge of the duties of the Office of Consumer Representation within his agency, and shall have the authority to direct and supervise all personnel and activities thereof.

(b) In addition to any other authority conferred upon him by this Title, the Administrator is authorized, in carrying out his functions under this Title, to—

(1) accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b));

(2) conduct conferences and hearings and otherwise secure data and expression of opinion;

(3) perform such other administrative activities as may be necessary for the effective fulfillment of his duties and functions.

(c) Each Administrator shall, subject to the Civil Service and classification laws, select, appoint, employ, and fix the compensation of such officers and employees as are necessary to carry out the provisions of this Title and to prescribe their authority and duties.

FUNCTIONS OF EACH OFFICE OF CONSUMER REPRESENTATION

SEC. 3. (a) The functions of each Office of Consumer Representation shall be to—

(1) represent and protect the interests of consumers before its agency to the extent authorized by this title;

(2) submit such reports as may be required by the Office of Consumer Affairs or its agency on measures to improve the operation of its agency in the protection and promotion of the interests of consumers;

(3) obtain information and publish and distribute material developed in carrying out its responsibilities, under this title in order to inform consumers of matters of interest to them, to the extent authorized in this title.

(4) receive, transmit to the appropriate bureaus, division, and persons within its agency and make publicly available, consumer complaints to the extent authorized in section 7 of this title;

(5) keep the Office of Consumer Affairs fully and currently informed of all its agency's activities substantially affecting consumer interests, when asked or on its own initiative;

(6) encourage meaningful participation by consumers in the proceedings of its agency; and

(7) perform such other related activities as it deems necessary for the effective fulfillment of its duties and functions.

CONSUMER PROTECTION

SEC. 4. (a) Each Federal agency shall keep its Administrator informed of all major proceedings and activities pending before the agency which may substantially affect an interest of consumers.

(b)(1) Whenever an Administrator finds that the result of any proceedings or activity before the agency may substantially affect one or more interests of consumers, he may (i) represent an interest of consumers as an advocate in the proceeding or activity pursuant to section 5 of this title and (ii) request the agency for and assist in the preparation of a consumer benefit analysis pursuant to section 6 of this title.

(2) When the Administrator makes such determination, he shall issue publicly a written statement setting forth concisely the reasons for his determination. Notwithstanding the foregoing, the Administrator shall, upon petition in writing in a proceeding by a substantial number of persons, request his agency for and assist in the preparation of a consumer benefit analysis whether or not he has determined to represent an interest of consumers pursuant to section 5.

(c) The Administrator shall have access to all the information, data, and other materials customarily made available by his agency to its staff, provided, that where the Administrator appears as a party in a proceeding under section 5, he shall be subject to the agency's rules of practice and procedure generally applicable to other parties to the proceeding. The Administrator may obtain information from other agencies through his agency or by independent request. When the Administrator makes an independent request, he shall be deemed a "person" within the meaning of Section 552, Title 5, United States Code. The Administrator shall be subject to laws governing public disclosure of information applicable to any officer or employee of his agency.

CONSUMER ADVOCACY

SEC. 5. (a) In any agency proceeding or activity in which the Administrator has determined, pursuant to section 4, to represent an interest of consumers as an advocate, the Administrator may:

(1) pursuant to the agency's rules of practice and procedure of general applicability, intervene as a party, appear as amicus or otherwise participate for the purpose of representing an interest of consumers in any proceeding which is subject to the provisions of Sections 553, 554, 556, or 557 of Title 5, United States Code, relating to administrative procedure, or which involves a hearing pursuant to the administrative procedural requirements of any other statute, or which is conducted on the record after opportunity for an agency hearing, or which provide for public notice and opportunity for comment. In any such proceeding, the Administrator may request the agency to issue and the agency shall issue such orders as are authorized by the Federal agency's statutory powers and rules of general applicability, for the copying of documents, papers, and records, summoning of witnesses, production of goods and papers, and submission of information in writing. The participation of the Administrator in any proceeding shall not affect the obligation of the agency conducting such proceeding to assure procedural fairness to all participants.

(2) With respect to any proceeding of this agency not covered by paragraph (1) of this subsection, or any other activity of his agency which the Administrator determines may substantially affect an interest or interests of consumers, the Administrator may participate by presenting written or oral submissions.

(b) The Administrator may in the manner prescribed by law apply for leave to intervene as a party or, otherwise participate in any civil proceeding in a Federal court which involves the review or enforcement of an action of his agency.

(c) When the Administrator determines it to be in the interests of consumers, he may request his agency to initiate such proceeding or activity as may be authorized by law with respect to such agency. If the agency fails to comply with his request, it shall promptly notify the Administrator of the reasons therefor, and such notification shall be a matter of public record.

CONSUMER BENEFIT ANALYSIS

SEC. 6. (a) If the Administrator determines to request a consumer benefit analysis in a proceeding, he shall promptly transmit his request to the appropriate official in the agency, who shall comply with the requirements of this section.

(b) The consumer benefit analysis requested by the Administrator shall assess in detail—

(1) the short-and-long-term costs and benefits to consumers, if any, of the agency proceeding;

(2) the short-and-long-term costs and benefits, if any, to other relevant interests;

(3) the real costs to the public, if any, of developing and administering or enforcing action taken by the agency in the proceeding;

(4) alternative means, if any, for achieving the same or similar result sought by the agency in the proceeding, and a comparison of their benefits and costs to consumers as well as other competing interests; for purposes of this subsection, "alternative means" shall include realistic alternatives, including those which require further action by a Federal agency or Congress;

(5) effect on productivity, competition, employment, and supply and demand of important materials, including energy;

(6) the relationship of the action taken to Federal, State or local regulatory programs or actions (including those not directly involved in the proceeding), and the need, if any, for more inter-agency coordination; and

(7) any other criteria specified by the Administrator or the Office of Management and Budget or the General Accounting Office.

(c) When published in final form as specified by subsection (f), the evaluation must

be a product of the agency's independent analysis of all relevant data, and shall discuss the reasons for failing to take into account any responsible data submitted by the Administrator and interested persons (at the hearing or otherwise) which is not included within the anaylsis of the body of the consumer benefit analysis, or for failing to choose a proposed alternative course of action less damaging to a significant consumer interest.

(d) A draft of the consumer benefit analysis shall be published no later than 30 days after such time as public notice of the proceeding is given, except that a draft of an evaluation requested pursuant to section 4 (b) shall be published within 20 days of the request.

(e) Each agency shall establish procedures pursuant to which

(1) the Administrator may publicly request views on specific matters identified by him, and

(2) all interested persons (including interested Federal, State and local agencies) may have reasonable time to submit comments and data to be considered by the agency in its preparation of the consumer analysis.

(f) The consumer impact evaluation shall be published in final form no later than 20 days after announcement of the final action taken by the agency; and the consumer benefit analysis shall be subsequently updated upon request by the Administrator.

(g) The Administrator shall assist in the preparation of the consumer impact evaluations and shall provide information to the agency with respect to subparagraphs (1), (4), and (6) of subsection (b) of this section.

CONSUMER COMPLAINTS

SEC. 7. (a) Whenever the Administrator receives from the Office of Consumer Affairs or from any person any complaint or other information which discloses—

(1) an apparent violation of any law administered by his agency or of any rule or order of the agency relating to an interest of consumers; or

(2) a commercial, trade, or other practice within the jurisdiction of his agency which is detrimental to an interest of consumers; he shall, unless he determines that such complaint or information is frivolous, promptly transmit such complaint or information to the appropriate bureau, division or person within the agency which has the authority to take appropriate action. The agency shall keep the Administrator informed to the greatest practicable extent of any action which it is taking on complaints transmitted by the Administrator pursuant to this section.

(b) The Administrator shall promptly notify producers, distributors, retailers, lenders, or suppliers of goods and services of all complaints of any significance concerning them received or developed under this section unless the Administrator determines that to do so is likely to prejudice or impede an action, investigation, or prosecution concerning an alleged violation of law.

(c) Each agency, with the assistance of the Administrator, shall maintain a public document room containing, for public inspection and copying (without charge or at a reasonable charge, not to exceed cost), an up-to-date listing of all consumer complaints of any significance which the Office of Consumer Representation or agency has received, arranged in meaningful and useful categories, together with annotations of actions taken in respect thereto. Unless the agency, for good cause, determines not to make any specific complaint available, complaints listed shall be made available for public inspection and copying: *Provided*, that—

(1) the person complained against has had a reasonable time to comment on such complaint and such comment, when received, is displayed together with the complaint;

(2) the bureau, division or person of the agency to which the complaint has been referred has had a reasonable time to notify the Administrator what action, if any, it intends to recommend with respect to the complaint.

PUBLIC PARTICIPATION

SEC. 8. (a) Each Federal agency shall review its rules of procedure of general applicability, and, after consultation with the Administrator, issue any additional rules which may be necessary to provide for the Administrator's orderly intervention or participation, in accordance with this section, in its proceedinga and activities which may substantially affect the interests of consumers. Any additional rules adopted pursuant to the requirements of this subsection shall be published in proposed and final form in the Federal Register.

(b) Any rules of procedure issued by any Federal agency pursuant to this section shall be published in a form and disseminated in a manner that is designed to inform, and that is able to be understood by, the general public.

JUDICIAL REVIEW

SEC. 9. Nothing in this Act shall be construed as altering or affecting in any way either the law governing the substantive standards or the scope of judicial review otherwise applicable to the agency proceeding or activity involved.

AUTHORIZATION FOR APPROPRIATION

SEC. 10. (a) For purposes of this Title, existing resources should be utilized to the greatest extent possible. However, there are authorized to be appropriated such sums as are necessary, not to exceed $300,000 per Office of Consumer Representation for the fiscal year ending June 30, 1976.

SUMMARY OF TAFT CONSUMER PROPOSAL

1. Title: Consumer Representation Act of 1975.

2. Purpose: Establish consumer advocates to improve representation and evaluation of multiple consumer interests in the Federal government.

3. Organization:

a. Office of Consumer Affairs—

Created in the Executive Office of the President;

Contains Consumer Product Information Coordinating Center (transferred from GSA);

Authorization: $4 million for FY '76 (includes $2.5 million already in budget.

b. Offices of Consumer Representation—

Created in each Executive Department and independent regulatory agency;

Authorization: $300,000 plus budgets for existing consumer offices.

4. Main functions of the Office of Consumer Affairs are to:

a. Advise and make recommendations to the President;

b. Coordinate and assist the Offices of Consumer Representation;

c. Conduct studies, investigations, etc.;

d. Collect, publish and distribute information about consumer interests;

e. Work with state and local governments and private enterprise to promote and protect consumer interests;

f. Prepare an annual report to the Congress and the President on the state of consumer affairs.

5. Main functions of the Offices of Consumer Representation:

a. May participate as a full party or as amicus in parent agency proceedings or activities (in its participation, each OCR will be subject to the parent agency's rules of practice and procedure and will have full access to information, subject to those rules); and/or:

b. In the same proceedings, may request a Consumer Benefit Analysis (the Consumer Benefit Analysis will assess, 1) the short and long-term costs and benefits of Federal agency actions to consumers, the public, and other relevant interests, 2) alternative means for achieving the desired results, and 3) effect on productivity, competition, employment and supply demand);

c. May petition to participate as a full party or otherwise in Federal court civil proceedings which involve actions of the parent agency;

d. May request parent agency proceedings or actions which may be the interests of consumers;

e. Action on consumer complaints by (1) referring to the appropriate office(s); (2) notifying any enterprise concerned; (3) placing in a document room for public inspection after giving the concerned office or enterprise a reasonable time to respond.

6. Special considerations provided for Small Businesses and Farmers.

7. Exemptions:

a. CIA, FBI, NSA;

b. National security and intelligence functions of the Department of State and Defense;

c. Military weapons program of ERDA.

Mr. WEICKER. Mr. President, as a cosponsor of S. 200, I commend my distinguished colleague, the chairman of the Committee on Government Operations, for the very excellent job which was done on the committee report on S. 200. On the whole, the report explains clearly and accurately the bill in great detail. In order that the legislative history of this bill not be subjected to any misinterpretation, I wish to get a clarification from the chairman on one paragraph of the report, which explains the committee's action in removing the FCC license renewal proceeding exemption.

Mr. President, I believe the Consumer Protection Act will be very beneficial to all American consumers. In order to have maximum benefit, I believe that the administrator of the new agency should have the ability to represent consumer interests in government wherever they arise. To insure this, I oppose the inclusion in the bill of any exemption for any agency proceedings.

I understand that the jurisdiction of the ACA extends only to those proceedings which have a substantial effect on an interest of consumers, as those terms are defined in the act. I recognize that this limited jurisdiction will prevent the ACA from intervening in agency proceedings which do not directly involve consumer interests. I support this limitation as a proper focus for this new agency, but I oppose any explicit exemption such as those included in section 16 of the act.

Because of the jurisdictional limitations already in the act, such exemptions are by and large unnecessary and give opponents of this bill an excuse to charge that it is special interest legislation. This is not special interest legislation. I would like to take the opponents argument away. And so in committee mark-up, I introduced amendments to take out of the bill all exemptions. One of my amendments passed in committee by a 5 to 3 vote deleted from the bill an exemption which would have prohibited the ACA from participating in FCC license renewal proceedings. I was very gratified by the committee's action. I hope the Senate will defeat any attempt to put the exemption back in the bill.

UMI

The committee report explains the action of the committee in voting out the exemption in some detail.

The second full paragraph on page 46 of the report begins:

> The committee voted to remove from the act the provision which would have prohibited the ACA from intervening or otherwise participating in license renewal proceedings of the Federal Communications Commission. It was the committee's judgment that a broad across the board exemption should not be explicitly provided for in the act.

These sentences present a fair statement of the committee's action in my judgment. The paragraph continues:

> The committee's decision not to include the provision should not be interpreted, however, as expressing an intent that the act's definition of consumer interests be interpreted in such a way as to include license renewal proceedings.

I would appreciate it if the chairman of the Government Operations Committee would clarify what was intended by this latter statement.

Mr. RIBICOFF. First, I commend my colleague, the distinguished junior Senator from my home State of Connecticut, for his strong support of this legislation and his valuable contributions in the Government Operations Committee on this and many other matters. The Senator is a welcome addition to the committee. With regard to the Senator's question let me say this:

There is no question that there is no longer any exemption in the bill for FCC license renewal proceedings as a result of Senator WEICKER's amendment in committee. To the extent that the act's jurisdiction extends to issues raised in license renewal proceedings, the ACA would now have a clear right to participate in such proceedings. The language cited by the Senator was included in the report to make it clear that the deletion of the exemption has no effect on the definition of interest of consumers as that term is carefully defined in the act, section 14, paragraph 11.

This is a complex bill, one which has been worked out carefully over many years. The jurisdiction of the ACA has been subject to a great deal of consideration. Often, when something is changed in the bill such as this, inferences are created which may not be true. In this case, by taking out the exemption, there might have been an inference in the legislative history that the definition of interest of consumers was being altered. I do not believe that that was the intent of the Senator's amendment in committee.

Mr. WEICKER. The Senator is correct. My intention was to make it possible for the agency to get involved in such proceedings if the act otherwise permitted it. My point was to give the Administrator maximum discretion.

Mr. RIBICOFF. That was precisely the point of the language: To give the Administrator maximum discretion.

Mr. WEICKER. I think the Senator has clarified the meaning of the language I cited. I am quite satisfied that the report accurately reflects my intention in proposing this amendment. The paragraph we were discussing concludes with the following sentences:

> In license renewal proceedings generally, the issues contested involve questions of free speech, fairness in broadcasting, equal time provisions, racial discrimination, and other aspects of the broadcaster's obligation to serve the public adequately. Such issues do not relate to the marketplace transactions, and since there is no commercial transaction involved between a licensee and a consumer, there is no direct consumer interest involved in the license renewal proceeding. FCC rule-making proceedings may have a substantial effect on an interest of consumers and in such instances the ACA may seek to become involved.

From what the chairman has said so far, I assume that these sentences were included in the report to clarify the act's jurisdiction as it would relate to issues raised in license renewal proceedings.

Mr. RIBICOFF. The Senator is correct.

Mr. WEICKER. I was wondering if the Senator might be able to give an example of an issue which could be considered by the FCC in license renewal proceedings which would come under the jurisdiction of the ACA.

Mr. RIBICOFF. As the report indicates, they would be quite rare. I asked my staff to find one. The FCC prior to the ban on television cigarette advertising, required all stations to give equal time to those seeking to point out the health hazards of cigarette smoking. A licensee's compliance with this requirement would have been an issue which the FCC could consider in deciding whether to renew a station's license. This requirement was a short-lived and rare instance when the FCC gets involved with issues relating to health safety or economic concerns of consumers involving a commercial transaction in the marketplace—which the act's jurisdiction requires in order for the ACA to be involved.

As the report states, the issues generally considered in license renewal proceedings involve questions of free speech, fairness in broadcasting, racial discrimination and other aspects of the broadcasters obligation to serve the public adequately. Normally, these issues do not relate to marketplace transactions which involve consumers. As a practical matter even without the exemption, the jurisdiction of the ACA would not extend to the vast majority of license renewal proceedings. However, without the exemption, as the report states, there may be instances where the ACA may seek to become involved on behalf of consumers.

Mr. WEICKER. I very much appreciate the chairman's very excellent clarification. As a sponsor of this amendment which the report language explains, I am quite satisfied that the language accurately reflects the committee's action.

Mr. MONDALE. Mr. President, I wish to congratulate the distinguished Senator from Connecticut (Mr. RIBICOFF) for the outstanding work he has done in preparing this legislation for Senate action. As you know, Mr. President, this legislation has had a long and stormy history. The concepts embodied in this bill have been developed in the course of hearings and committee meetings over more than a decade. It is to the great credit of the distinguished Senator from Connecticut (Mr. RIBICOFF) and the others who have worked long and hard on this bill that we are able to act upon it today.

The purpose of S. 200 is simple—to protect the interests of consumers and to promote consumer protection in the United States. In order to achieve this purpose, S. 200 creates an independent Agency for Consumer Advocacy to represent and advocate the interests of consumers before Federal agencies and Federal courts. The ACA will also receive and transmit complaints from individual consumers as well as disseminate information concerning consumer interests.

Federal agencies and Federal courts make decisions daily which affect the American consumer. The statutes under which these agencies operate and the statutes being enforced by these courts frequently require decisionmaking in the public interest. Yet, thousands of decisions are made each year "in the public interest" without the input of an important public interest—the interest of the American consumer. The lengthy hearings which have been held on S. 200 and similar proposals document the frequent failure of the decisionmaking process to consider and act in the interest of the American consumer. S. 200 will help Federal agencies and Federal courts better meet their statutory responsibilities by assuring that, before they act, they hear from the consumer.

Consumers are usually poorly organized, underfunded, and ill equipped to present an effective case before a Federal court or agency. A single consumer can rarely gather the resources needed to intervene or litigate. A group of consumers often feel a sense of powerlessness, even if it is able to find out about an important consumer proceeding in time to participate. Even when the consumer is represented in a particular proceeding, he goes unrepresented in a thousand others.

On the other hand, business interests are often well-organized, well-funded, and usually fully able to engage in business-related intervention or litigation. The imbalance is well known, and it is to correct this imbalance that S. 200 should be enacted.

The Agency for Consumer Advocacy will function as an advocate and spokesman for consumer interests. It will have no authority to directly regulate activities affecting the interests of consumers. Nor may it dictate how other Federal agencies or how Federal courts decide in matters of importance to consumers. The ACA will provide useful input to the decisionmaking process and will provide important and helpful information to the American consumer.

We have needed the Agency for Consumer Advocacy for a long time. Now is the time to take decisive action to insure the prompt creation of the ACA, the effective representation of the consumer before Federal courts and Federal agencies, and decisionmaking in the consumer interest.

Mr. TOWER. Mr. President, once again we are faced with legislation to create an independent super agency to protect the American consumer. This proposal has become a real perennial around here—as predictable and appealing as crab grass.

Proponents of S. 200 would have us believe that the helpless consumer is being hornswoggled in the marketplace by villainous business in collusion with corrupt Government agencies. The answer to this problem, they assure us, is to create yet another Government agency—an Agency for Consumer Advocacy which will do battle against the armies of business lobbyists and lawyers who are out to swindle the consumers.

Time and again, I have listened to my colleagues who tout the merits of a Consumer Advocacy Agency. Time and again, I have studied these bills as they are paraded before us. And with each go-round of these tired proposals I become more and more convinced of three things:

First, the rationale behind this approach to consumer protection is fraught with inconsistencies and out of step with the wants and needs of the American people.

Second, the bill itself contains a number of dangerous provisions and constitutes special interest legislation at its worst.

And third, if enacted, this bill will expand bureaucracy, impede the administrative law process, clog our courts, disrupt the free market system, and cause untold economic problems.

Now let me expand for a moment on these points. For nearly 70 years now, Congress has been aware of, and responsive to, the needs of consumers. In 1906, Congress passed the Pure Food and Drugs Act and since that time, dozens of other measures have been enacted to protect consumers. Among these are the Fair Package and Labeling Act, the Truth in Lending Act, the Flammable Fabrics Act, the National Commission on Product Safety, the Highway Safety Act, and many others.

During the 1930's, the first serious attempts to create consumer advocacy units were realized under President Franklin D. Roosevelt. These efforts failed miserably, however, because of the inability to define consumer interest. Surely, this task of defining the consumer interest has become even more difficult if not impossible, in the intervening 40 years. What was considered a bad deal during the New Deal should be left at that.

When called upon to justify the need for the ACA, many of its proponents rely on the so-called "capture" theory. In essence, this line of reasoning says that the regulatory agencies designed to protect the public are "captured" by the very interests they are supposed to regulate. The implication is thus made that these agencies are not fulfilling their responsibilities; that they are in fact abusing their authority.

Now I do not discount this theory in its entirety, Mr. President, and I would like to point out that consumers, too, have done some "capturing" from time to time. The freeze on meat prices was certainly a response to consumer pressure. And the Federal Power Commission bent to consumer demands by keeping natural gas rates down.

Regardless of who is capturing our regulatory agencies, it seems to me that general reforms in this area would be a viable solution to consumer problems. Certainly, if we give any credence at all to this whole "capture" theory, there is no logic to the proposal that we create another fallible Federal agency.

Prof. Milton Friedman, in a 1973 Newsweek article, commented on the faulty reasoning of consumer activists who use the capture theory as timber for the ACA. One might expect them, Friedman observes—

> To draw the obvious conclusion that there is something innate in the political process that produces this result; that, imperfect as it is, the market does a better job of protecting the consumer than the political process. But no, their conclusion is very different: Establish stronger agencies instructed more explicitly and at greater length to do good and put people like us in charge, and all will be well. Cats will bark.

Mr. President, there are 34 agencies and departments conducting over 1,000 consumer-related programs. Congress is vested with oversight responsibility for those agencies it creates, and if the agencies are not doing their job, then it is up to us to find out why and do something about it.

The proponents of this bill evidently do not see it that way. They seem to be ignoring the fact that the Federal bureaucracy is already laden with expensive consumer programs—programs which may or may not be functioning as they should. One thing is for sure—the taxpayer is a big investor in consumer protection, whether he knows it or not, and my feeling is that we should make sure our tax dollars are being put to good use before we go out and spend more.

It might interest my colleagues to know, Mr. President just what we are spending on consumer-related programs. The Library of Congress recently completed a study of Government expenditures in this area and the result is astounding: Annual Federal outlays in this area range from $20 billion to $65 billion.

For cost reasons alone, many Americans are opposed to creating the ACA. Others—and a great many others I might add—simply do not feel the ACA is necessary, and have indicated they would rather make existing agencies more effective. This sentiment is reflected in a survey conducted by Research Strategies Corp. in conjunction with Opinion Research Corp. The results of that survey show that 75 percent of those questioned are opposed to the ACA, while 10 percent favor it.

Of those who did favor the bill, 6 percent changed their minds when they found out how much it would cost. That brings the total opposed to 81 percent.

Furthermore, the National Federation of Independent Business conducted their own poll on the ACA, and once again, 84 percent were opposed. What I hear from by constituents in Texas reflects this same attitude toward S. 200. The mail I have received has been overwhelmingly opposed. Whenever I speak to audiences in my State, the response is likewise—we do not need another layer of bureaucracy crammed down our throats.

The Houston Chronicle, in an April 7 editorial had this to say about the ACA:

> A free marketplace does more for consumers than any Federal agency for consumer advocacy could ever do . . . Consumers already know what one of their biggest problems is—that there are too many bureaucrats interfering in every stage of their lives, forcing costs up, stifling competition and invading privacy.

The Fort Worth Press puts it this way:

> If we thought the proposed Agency for Consumer Advocacy would help consumers by intervening in their behalf with regulatory bodies and the courts, we'd be all for the idea. That's not exactly right. Another agency in a government already awash with agencies isn't exactly what is needed.

I wonder, Mr. President, just where is the great mandate for this bill. Who wants it; obviously not the consumers. And I firmly believe, that if my colleagues will take the time to carefully study the language of this bill, they will come to the same conclusion.

Consider, for example, the status of the ACA Administrator. Once confirmed, this individual will be virtually untouchable by anyone, including the President. His 4-year term is to run conterminous with that of the President, and he may be removed only for "inefficiency, neglect of duty, or malfeasance in office." Furthermore, the power granted this person is incredible, and far outstrips that of any other agency head or Cabinet member.

It will be up to this Administrator to determine what the consumer interest is, and to represent that particular interest in various agency proceedings and in the courts.

Now herein lies one of the greatest dangers and one of the most blatant inequities in this bill. There simply is no such thing as a single consumer interest. In any given situation, there will almost inevitably be multiple consumer interests involved, and it will be up to the ACA to select one of these interests to represent, most likely in opposition to the other consumers.

Consider the classic example of automobiles, for instance. Should the pervading consumer interest be the maximum safety, health—such as low emission controls—or economy? We have already seen what these so-called consumer protectors have done here. First, the interlocking seatbelts, then the catalytic converters. Cars became so expensive no one would buy them and they gave off sulfuric fumes that were hazardous to our health. Meanwhile, unemployment in Detroit skyrocketed.

Another aspect of this determination process which bothers me, Mr. President, is this: While the ACA is busy protecting the so-called consumer interest, who will be protecting the public interest?

The Federal Power Commission, under the Natural Gas Act, is directed to establish "just and reasonable rates" for natural gas sales by producers and pipelines in interstate commerce. Obviously, consumers want to spend as little as

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possible for utilities and in response to this "consumer" pressure, the FPC has kept these gas rates low. While such action may have strong appeal to the short term consumer interest, it is detrimental to the long-range public interest in having adequate future supplies of this valuable energy source.

What about the consumer interest in lower priced foreign imports versus the working man who may lose his job if imports are allowed to flood the market? Is this working man not a consumer too?

The inference by the sponsors of S, 200 that it will protect American consumers is misleading and untrue. It may protect some consumers, while opposing others. One thing is for sure—no matter which consumers benefit from ACA actions, they will all pay for it.

As far as intervention powers are concerned, S. 200 will assure the ACA free rein to stick its meddlesome fingers in almost every kind of agency activity—both formal and informal. While supporters argue that consumers are often left out of these procedures, what they fail to mention is that the result of this bill will be to give the ACA powers that none of the other parties to such actions will have.

For instance, prior to a formal agency proceeding such as rate-setting or a cease and desist order, ACA will be able to request a company to respond to court-enforceable interrogatories. Such information would not be available to the host agency involved, or the public. As far as trade secrets and similar confidential information is concerned, there is no assurance that such materials will be protected should the ACA get involved.

Most of those familiar with administrative procedure predict that ACA intervention in these activities will result in more formal proceedings, frequent delays, and increased costs to all involved. Similar predictions are made with reference to judicial activities. ACA suits could further clog court dockets and tie up urgent decisions for months.

ACA would have the same right as an aggrieved party to initiate or participate in civil proceedings in Federal court to review an agency action. What is more, even if they did not participate in original agency proceedings, the ACA can still petition the court for the right to initiate judicial proceedings.

What will result from all these maneuverings is a dual-prosecutor situation where a company might well find itself facing two Government lawyers who will simultaneously prosecute the case. In addition, there will be a proliferation of U.S. against U.S. cases, pitting Government agency against Government agency, while the taxpayer supports this lawyers' bonanza.

While the lawyers may have something to gain from passage of S. 200, labor seems to have nothing to lose. Once again, the sponsors of S. 200 have bolstered their support by exempting labor disputes and agreements. We are asked to swallow this brazen special interest language on the basis that labor negotiations are so removed from the marketplace they do not have a direct bearing on consumer transactions.

Well, now, that is the most ridiculous reasoning I ever heard. I am more inclined to accept the explanation offered by AFL-CIO Legislative Director Andrew Biemiller in 1974:

> We don't want another Government agency intervening in labor-management relations, sticking their noses in our affairs.

While rationale for this exemption may be hazy, the loophole it opens is very clear. Labor costs figure heavily in the ultimate price of most products on the market today. And what about a dock strike? Or a secondary boycott? Are we really supposed to believe that such actions have no direct bearing on prices or availability of goods? Even the New York Times, in a March 4 editorial comments that for Congress to include the exemption "would be politics at its most cynical."

There is one further point I would like to make, Mr. President, and that concerns the economic damage this bill would cause—at a time, I might add, when we can least afford it.

We can set up and operate the ACA for 3 years, its supporters claim, for a mere $60 million. Well, in my opinion, that is $60 million too much to begin with, but now let us take a closer look at this cost estimate.

Consider, for example, the Consumer Product Safety Commission, set up in October of 1972. Just 1 year later they had a staff of 667. And I seem to recall their authorization request this year is in the neighborhood of $51 million. Now if the Product Safety Commission, whose powers look like small change in comparison to the ACA, needs $51 million a year, it simply does not follow that ACA can scrape along for 3 years on $61 million.

Inherent in the provisions of S. 200, but unmentioned by its supporters, are the indirect costs the ACA will place upon almost every segment of the economy—and particularly on the consumer.

First of all, there will be substantial costs incurred by other agencies as they are forced to comply with the demands of ACA. The paperwork burden, man-hour costs, and legal fees will mount up substantially. Businesses will be faced with similar expenses. Now think about it for a minute—who will ultimately pay for the ACA? Government costs will eat up tax dollars. Business costs will result in higher prices, or reduction in the work force.

The consumer, of course, will pay. For this great advocacy service, the well-protected consumer can pay more taxes, higher prices, and may even find himself out of a job.

Mr. President, this bill is an utter atrocity. It will proliferate the bureaucracy, impede the administrative law process, clog our courts, disrupt the free market system, and cause untold economic damage. I sincerly hope this body will not see fit to place such a burden on the American people.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the committee amendments to S. 200 be considered and agreed to en bloc and that the bill as thus amended be regarded as original text for the purpose of further amendment.

The PRESIDING OFFICER (Mr. Leahy). Without objection, it is so ordered.

(The committee amendments are printed in the Record of yesterday, May 6, 1975, at page 13253.)

Mr. RIBICOFF. Mr. President, I ask unanimous consent that Mr. Michael Pertschuk, Mr. Edward Merlis, Mr. S. Lynn Sutcliffe, and Mr. Art Pankopf be granted permission to be in the Chamber during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, I know that my distinguished colleague, the Senator from Alabama, has some remarks. But I think his preference is that other proponents make their statements; is that not correct?

Mr. ALLEN. Yes.

Mr. RIBICOFF. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING AFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that Mr. Herb Jolovitz and Mr. Robert Daniels be accorded the privileges of the floor during the consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I join again with Senator Ribicoff, Senator Percy, and Senator Magnuson in relaunching the effort to enact a consumer protection agency, or Agency for Consumer Advocacy as it is now called, bill.

Mr. President, this matter has been pending for 6 years. The interesting thing is that in that length of time a piece of legislation can be seasoned and the seasoning of this legislation has only indicated more and more that it should be enacted rather than that it should not.

Indeed, the views of the President asking us to delay on the matter only emphasized the fact that there is no substitute for it at the Federal level.

The reason, Mr. President, is that the idea that we will somehow protect the consumer because every Government department and regulatory agency is a public agency supposed to protect the consumer is not, in fact, the fact. The President himself has recognized it in calling for a review and overhauling of the functions of regulatory agencies because by the natural flow of events they tend to get more concerned than they should with the industry and those participating in it that they are supposed to regulate.

Again, I repeat what we have said so many times before. An Agency for Consumer Advocacy is not something new; it is simply a Government reorganization in which we aggregate the con-

sumer protection function in one agency because it is not being adequately and effectively performed in all the agencies in which it is now located.

It really is not at all some new design, some new enterprise which is suddenly is being engrafted upon the whole Federal establishment. The fact is that the rank and file of people, more and more, are supporting this activitity because we simply have not had it, while an enormous number of decisions are made by regulatory agencies dealing with a consumer's rights without an adequate and effective consumer voice.

The fundamental objective of the bill, therefore, is to right the imbalance between the consumers in the community—a very, very vital group—and those who are the managers and the operators of American business and deal on a direct basis with the regulatory agencies.

The idea is to improve and refine the adversary process by which under our system everything gets done, dealing with fair prices, with public health and with public safety.

I think the most important thing to consider, circa 1975, after 1969 when the original version of this legislation was first introduced, is that it has stood the test of time and, indeed, a great deal has been done to improve the bill in all of that time.

That is no reason why it should not have been enacted before. We can do that with any piece of legislation. The fact is that the lapse of time has occurred and we have not been dead on our feet, those of us who sponsored this measure, but we have been trying all the time to meet the objections and also become as close as possible to a broad consensus.

It is interesting that some of the Senators who have heretofore opposed this have now come around to supporting it with modifications which have been agreeable to them and entirely agreeable to us, and that is true in the business community, which is no surprise. There have been a number of very material changes in the attitude of the business community toward this bill.

Now the effort is renewed and I believe it is very hopeful now of at long last being successful because so much evidence has piled up, really pyramided, as to the need.

This evidence is found in the hearings of the Committee on Government Operations of which Senator Ribicoff, Senator Percy, and I are senior members, the Commerce Committee, the Government Operations Committee in the House, and by the repeated reports of the General Accounting Office setting out the failure of Federal programs to take the consumer's interest into consideration in their decisionmaking.

This interest has particularly suffered because adequate information about the consensus and the effects on consumers in health, safety, and jobs of the decisions of these agencies has not been laid before them. These stakes are, of course, enhanced by stringent financial conditions.

So I believe that the case for the agency, both by the lapse of time, the changes made in the measure itself, and the condition of the general economy, has been enormously strengthened, rather than weakened.

One thing that is very important for all of us to understand is that the very heart of our system is the adversary system. The pride of Anglo-Saxon law is that the two sides, evenly balanced, in presenting the facts and their views of the law, finally have a final determination by the courts. This is the strength of this particular approach; that is, the approach of advocacy rather than the approach of coinciding with some government or particular industry view.

Also we have seen examples of where the consumer has suffered from the inadequate enforcement of Federal laws designed to protect his interests.

We have seen this in a wide range of things, most important, by the way, in the food and drug field, as well as in the field of flammable fibers, unsafe toys and infant cribs.

I served as attorney general of my own State from 1954 to 1957 and in that capacity I had a lot to do with setting up the consumer protection office which has since been enormously enlarged and developed by my successor, Judge Lefkowitz, now attorney general of New York.

I saw there the enormous feeling of confidence in Government which it gives the consumer to have a place to which he can resort for making some effort to get to the bottom of things on his consumer complaints.

I might say that I can understand why a good many businesses are now interested in this agency for consumer advocacy because it also enables them to deal with vexatious and often very irresponsible claims. The consumer is not always right, either, and an agency which can intelligently deal with that with some experience can also be extremely helpful to business.

Many in the business community, however, are concerned—and this is the main argument against the agency—that in its advocate's role it would disrupt the orderly processes of Government and unduly interfere with legitimate businesses.

But, Mr. President, we have gone to enormous lengths. I am sure that this has been put in the Record, if it has not I will put it in, we have a whole list of safeguards, 12 in number, I will just give the headings.

A design to protect exactly against the situation of undue vexation, delay or interference with legitimate business activities.

Indeed, both Senator Ribicoff and I are very professional lawyers in the business field. We used to get very well paid for our services. Senator Percy himself is one of the top business executives of the country. We really have used our heads in a very strong way to deal with what we considered to be, from long experience, proper feelings about vexatiousness on the part of this agency.

Mr. RIBICOFF. Will the Senator yield?

I am sure the Senator will agree that we were very concerned and considerate of other members on the committee who had many doubts and wanted to be assured that there was protection and no sense of vexation.

We accepted from our colleagues numerous amendments to strengthen the bill to insure that there would not be any vexatious proceedings against business. The current bill contains many safeguards in addition to those contained in the original bill.

I believe that accounts for the strong vote in the committee to report S. 200, the 11 to 1 vote, as has been pointed out.

Mr. JAVITS. That is absolutely correct.

I will read into the Record the titles of these various forms of protection and also ask unanimous consent that an analysis of them may be printed in the Record.

The agency will have no regulatory authority. It is strictly limited to a very serious degree in the cases in which it can intervene, which must be broad interest to consumers.

The limits on the involvement of the agency are very strict in that regard.

There is a strong protection against delay and disruption of agency proceedings.

There is a strong protection against the misuse of compulsory process, that is, the subpena. This agency has no power to issue subpenas. It must seek the subpena from the host agency, as it were, which is where it is participating in the proceedings.

There is a very sharp limitation on what was one of the big objections to this bill. That is on the power of the agency to issue interrogatories to business. The possibility is very real, and undoubtedly there will be, like interrogatories in a law case to be tested in court.

There is strong protection against arbitrary, capricious or vindictive intervention by the agency in ongoing proceedings.

There are strong restrictions against publicity so that frivolous consumer complaints may not cast reflections upon a given product or enterprise.

There is even a limitation on the agency's right of access to information held by other Federal agencies, and protection against their access to income tax records and to the disclosure of confidential information relating to business practices or trade secrets.

There are protections against disclosure to the public of any false or misleading information regarding a business, and even surprise disclosures likely to injure, because there is not enough time to catch up with the allegation, the reputation or good will of the business.

Those are generic, broad headings in which, in specific detail, we have dealt with in this bill.

There being no objection, the analysis was ordered to be printed in the Record, as follows:

Safeguards Against Undue Interference by the Consumer Protection Agency (CPA) With Responsible Business Practices and the Orderly Processes of Government

1. *The CPA will have no regulatory authority.* The CPA can not overrule, veto or impair any Federal agency's final determinations. CPA cannot institute enforcement proceedings against alleged violators of law, or impose fines or other penalties. No

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authority granted to the CPA may be construed to supersede, supplant, or replace the jurisdiction, functions or powers of any other agency to discharge its own statutory responsibilities. Sec. 3(2), Sec. 17(b).

2. *Limitations on CPA intervention.* CPA may intervene as a party in formal agency proceedings, but the Administrator must exercise discretion to avoid unnecessary involvement. He must refrain from intervening as a party unless he determines that participation to that extent is necessary to adequately represent an interest of consumers. Where the submission of written views or information or the presentation of oral argument would suffice, he must limit his involvement accordingly. Sec. 7(a).

3. *Protection against disruption and delay of agency proceedings and activities.* When intervening or participating in agency proceedings, the Administrator must comply with the host agency's statutes and rules of procedure. Sec. 7(a). When submitting oral or written views in an informal agency activity, the Administrator must do so in orderly manner and without causing undue delay. Sec. 7(b).

4. *Protection against misuse of a host agency's compulsory process.* Where CPA seeks to use an agency's subpoena authority for discovery purposes, the host agency retains discretion and control over the CPA's access to such authority. The host agency has discretion to deny CPA's request if it "reasonably determines" either that (1) it is not relevant to the matter at issue, (2) it would be unnecessarily burdensome to the person specified, or (3) it would unduly interfere with the host agency's discharge of its own statutory responsibilities. Sec. 7(c).

5. *Limitations on CPA's Power to Issue Interrogatories to Business.* The Administrator's authority to gather information from businesses through the use of interrogatories may not be exercised to obtain data which (1) is available as a matter of public record, (2) can be obtained from another Federal agency, or (3) is for use in connection with his intervention in any pending agency proceeding involving the person to whom an interrogatory is addressed. Sec. 11(b)(2). Interrogatories may not be directed to businesses unless required to protect the health or safety of consumers or to discover consumer fraud or other unconscionable conduct detrimental to consumers. Moreover, any interrogatory must be relevant to a legitimate inquiry and not unnecessarily burdensome to the person to whom it is addressed.

6. *Protection against arbitrary, capricious or vindictive intervention by the CPA.* The Administrator is required to set forth explicitly and concisely in a public statement the interest of consumers which he is representing, and, to the extent practicable, any substantial interest of consumers which he is not representing, in any formal agency or court proceeding. Sec. 14(g). Any party to a proceeding or participant in any activity in which the Administrator took part may, where judicial review of the final agency action is otherwise accorded by law, obtain judicial review on the ground that the Administrator's intervention or participation resulted in prejudicial error. Sec. 14(e)(1)(B).

7. *Protection against publicity of frivolous consumer complaints against a business, its products or services.* Upon receipt of consumer complaints which the Administrator has determined are not frivolous, the CPA must notify the companies named and afford them a reasonable time to comment before complaints may be publicly displayed. When placed on public display, these complaints must be displayed together with any comments received. Sec. 10(c).

8. *Limitations on CPA's access to information held by other federal agencies.* Federal agencies may deny CPA access to classified information and restricted data whose dissemination is controlled pursuant to the Atomic Energy Act; policy and prosecutorial recommendations intended for internal agency use only; information concerning routine executive and administrative functions, personnel and medial files, and information which agencies are expressly prohibited from disclosing to another federal agency.

9. *Protection against CPA access to income tax records.* There is no authorization in this act to any federal agency to divulge the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed solely in any income return, or to permit the Administrator access to any Federal income tax return. This will insure that records which are now treated as confidential by the IRS with respect to access by other federal agencies will be treated in the same manner with respect to CPA. Sec. 11(d).

10. *Protection against disclosure of confidential information relating to business practices and trade secrets.* Federal agencies may deny CPA access to trade secrets and other confidential business information if the agency could not have obtained the information without an agreement to keep it confidential and if the failure to obtain the information would seriously impair the carrying out of the host agency's program and CPA's access to it would be likely to cause substantial competitive injury to the person who provided it. Sec. 11(c)(6). Where CPA is given access to this information by another agency, CPA may *not* disclose it to the public. Where CPA obtains this data from a source other than other agency, it may disclose it only in two very limited circumstances: (1) when required to protect the public health or safety, or (2) in a manner designed to preserve confidentiality, to Congress, the courts, or another agency. Sec. 12(c).

11. *Protections against disclosure to the public of false or misleading information regarding a business.* CPA is directed to take all reasonable measures to insure that any information it discloses is accurate and not misleading or incomplete. If it is, CPA is required to promptly issue a retraction, take other reasonable action to correct the error, or release significant additional information which is likely to affect the accuracy or completeness of information previously released. Sec. 12(d).

12. *Protection against "surprise" disclosures to the public of information likely to injure the reputation or good will of a business.* The CPA is required, as a matter of course, to give prior notice to businesses likely to sustain injury due to release of information and to afford an opportunity to comment or seek injunctive relief, unless immediate release is necessary to protect the health or safety of the public. Sec. 12(d). In releasing information naming products or services CPA must make clear when all products have not been compared and CPA may not indicate expressly that one product is a "better buy" than another.

Mr. JAVITS. This bill has gone through the other body, with even more protections in it now than when it went through the other body, by a vote of more than 3 to 1, after the most careful scrutiny by business, consumer, and professional groups, including the American Bar Association.

The Governors of 32 States, the Conference of Mayors and the Association of State Attorneys General have supported this bill.

It seems to me, Mr. President, that we really have knocked ourselves out in the effort to reduce the reasons for any alarm by the American business community or by the public respecting this bill. Indeed, one of our members helped us a lot, the Senator from Kansas (Mr. Dole), by introducing a substitute bill which was supposed to be very conservative. We took a good deal from that bill and placed it in the bill we now present to the Senate in order to give a sense of security to those who felt that this would be some mischievous meddling agency that interfered in everybody's business and delayed and retarded the regulatory processes of the Federal agencies.

Mr. President, for all of those reasons and because it represents the total product now of years of work, years of exposure to the public view which have so refined this bill, I believe it is ready to become law, and I hope very much the Senate will make it law.

Mr. McCLURE. Will the Senator yield for a unanimous-consent request?

Mr. JAVITS. Yes, without losing my right to the floor.

Mr. McCLURE. I ask unanimous consent that Margo Carlisle, of my staff, and Tom Cantrell, of Senator Laxalt's staff be allowed the privilege of the floor during the consideration of this legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Among the business concerns supporting this bill are Montgomery Ward, Zenith, Jewel Tea Co., and Stop and Shop, Inc., which is a grocery chain. I think there is a lot of credit due to these companies, and I give a lot of credit to Senator Percy, for working hard to convince business concerns that there is no threat in this bill to them, to any legitimate operation or enterprise.

Mr. President, this is a fundamental institution, consolidating within itself the consumer protection activities of all the institutions of Government, and which is long overdue. It is not establishing some new function or new enterprise or new liberal idea. It is simply the consolidation of what every Government department and agency should do which experience has demonstrated it will not or cannot do for organic reasons in its own operations. Having recognized that, it is only provident for the Congress to protect the consumer's interest by consolidating and organizing those activities, taking the utmost precaution, which we feel we have really gone far beyond, to reassure American businesses and all Americans that this will be a constructive, helpful and extremely profitable activity for the American consumer and will not be a vexation, a disruption or a delay to American business enterprise. I hope at long last this recognition will bring about the enactment of this bill into law in this current effort.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Gary W. Hart). Without objection, it is so ordered.

Mr. PERCY. Mr. President, today we consider again landmark legislation seeking to assure that American consumers are paid attention to in matters affecting their pocketbooks and their health and safety.

S. 200, to create an Agency for Consumer Advocacy, reflects a growing awareness within Government and business that consumers are expressing real and deep-seated complaints about important safety and economic concerns, and that they intend and demand to be taken seriously.

More often than not, whenever we hear talk about wage and price controls, whenever we have inflated propane prices and sugar prices, whenever we have sky-high home mortgage rates, whenever we have a meat shortage or a gas crisis, whenever we have a highly political milk deal or an ill-handled international wheat deal—the consumer is the first to suffer and the last to be listened to.

The ACA is meant to put an end to that. The establishment of an independent agency for consumers is intended to make the existing agencies of Government work better—or, in some cases, to begin working again. It is intended to promote open, honest Government responsive to the broader public interest rather than narrow special interests. In doing that, the ACA should help to restore integrity to the marketplace, stability to the economy, and dignity to the American consumer.

The underlying issue we face is not whether we need an Agency for Consumer Advocacy, but how much longer we can afford to be without one. How much longer can we fail to face up to deeply-felt grievances about health, safety, and economic matters that affect the daily lives of some 200 million Americans?

I share President Ford's recently expressed concern as to the pressing need for regulatory reform. I support his initiative in repealing the so-called fair trade laws and in reforming transportation regulation and the regulation of financial institutions, with a view toward mitigating the impact of inflation, improving competition, and better serving the public interest. It is my personal view that consumers and the country would be better off if such costly and ineffective agencies as the Interstate Commerce Commission, the Federal Maritime Commission, and the Civil Aeronautics Board were to be promptly phased out of existence, in line with a national goal of returning to free market competition.

I quote from a recent letter that I sent to the President:

> . . . At the core of regulatory reform, in my view, is the recognition that it is not nearly enough to merge or consolidate agencies, eliminate overlapping functions, and revise, revamp or reorient the structure and purpose of government regulation. However well we succeed in that, there remains the ever present and gnawing reality that while the process may function better, and make more sense in theory, consumers will probably be no better off unless commensurate steps are taken to assure that the views and concerns of individual consumers are taken into account at each and every stage of agency decision-making.
>
> . . . [F]or lack of time and money and organizational means, individual consumers are generally at a total loss when faced with the red tape and revolving doors of government decision-making (or more often lack of decision or action) affecting their daily lives. Accordingly, the regulatory reform which we both seek hinges ultimately on devising a means by which consumer views may be voiced, focused, and systematically brought to bear within that process.
>
> After years of effort, and consultation with enlightened and open-minded businessmen, economists, lawyers, academicians, consumer groups, and the government decision-makers themselves (including numerous experts within the Administrations of the last two presidents, and your own), the Congress has settled upon just such a means for assuring consistent, informed, and responsible consumer input in agency decisions. The means we have settled upon is an Agency for Consumer Advocacy as outlined in S. 200. In my view it would be a tragic mistake to defer any longer consideration of creating the one agency of government which will be closest to and speaking on behalf of consumers of this nation.

I also wish to reference the fact that the President said that this would add cost at a time of budget stringency. Certainly, the cost added by the new agency would be a very, very small part of the savings that would be made if we eliminate, totally and completely, or phase out of existence the huge agencies that I have mentioned. Three of those—the ICC, FMC, and CAB, are not in the best interest of this country. They overregulate and control in such a way that they work contrary to the interests of consumers. Some of them are essentially set up for the purpose of perpetuating the monopolies and the guarded markets of the very companies that they are supposed to be regulating.

The evidence of that is the fact that the proponents of keeping these regulatory agencies are the regulated companies themselves. The consumer's interest should be the voice that is heard. However, these regulatory agencies no longer are serving the interests of the consumer, but cater, instead, to special vested interests that have helped keep them in being all these years.

Mr. RIBICOFF. If the Senator will yield, first, I commend the Senator for his outstanding work in making this bill possible. His contributions have been monumental, indeed.

I have here an excerpt from remarks of the President at the White House Conference on Domestic and Economic Affairs in New Hampshire recently. I wish to quote from those remarks.

The President says:

> Although it is difficult to come up with an exact price tag on the cost of unnecessary and ineffective Government regulation, some estimates that I have seen place the combined cost to consumers of Government regulation and restrictive practices in the private sector at more than the Federal Government actually collects in personal income taxes each year—or something in the order of $2,000 per family—unbelievable.
>
> Even if the real costs are only a fraction of this amount, this is an intolerable burden on our pocketbooks.

The President says he is opposed to this legislation. He wants regulatory reform. So do the Senator from Illinois and myself want regulatory reform. But even with reform, someone has to look out for the consumer. If the President's statement indicates that regulation and restrictive practices cost $2,000 per family, it behooves us to spend 25 cents per year per family to get somebody to speak for and protect the consumer.

Will the distinguished Senator agree with me on that point?

Mr. PERCY. I certainly do agree with my distinguished colleague. He makes a very apt and pertinent point.

Mr. President, I wish also to add that the cost factor that the President has pointed out—the $60 million authorization for ACA for 3 years—is equivalent to about 6 hours of the Pentagon's annual budget. The entire $60 million is not even as large as the advertising budget of some of the companies who are devoting so much time and attention to trying to defeat this effort by saying that a voice for the consumer is not needed.

My distinguished colleague (Mr. Ribicoff) the chairman of the Committee on Government Operations, and Senator Javits from New York, who has worked together with Senator Ribicoff and myself in the formulations of this legislation over a period of years have cited so many of the grievances of consumers which need to be immediately addressed. But how much longer will certain segments of business remain oblivious to the very legitimate complaints of consumers concerning products that do not work or are dangerous, services that are defective, and practices that cause the American business community to be held in low esteem.

As I have consistently said, the overwhelming majority of U.S. businesses know and understand that their own success depends upon serving the real interests of the consumer. But the existence of such agencies as the FCC, SEC, FTC, FPC, FDA, and the Federal Reserve Board, demonstrates that a need exists for the Federal Government to play a role. For it is the unscrupulous actions of the minority which stain the good name of the great majority of businesses that are reputable and out to serve the best interests of their customers.

The grievances of consumers should be immediately addressed. The litany of consumer abuses that I personally know of is much too long. In almost every case, the consumer has not had an effective spokesman to protect him against neglect by Federal agencies or corporate disregard of his interests. Just a few examples will recall for each of us the fact that action has been too long delayed.

I ask now of any Senator who challenges these specific cases that I will mention, to let me know at any time if he wants to debate the particular situations that exist in those particular industries. These are problems that the consumer in America faces and must be handled somehow. They include:

UMI

Overly inflated fuel prices charged to utilities;

Hearing aid frauds that victimize older persons in particular;

Nursing home indignities;

Dangerous heart pacemaker implants;

Millions of doses of ineffective, even dangerous flu vaccines sold in the late 1960's; and paid for, to a large extent, by the Federal Government;

Yellow, tin-can schoolbuses that are unsafe for children to ride in;

Carcinogenic additives in foods; that are dangerous to health;

Deadly, mercury-tainted tuna;

Corruption in FHA-financed housing;

Interstate land scandals;

Gas station gimmickry to promote more sales when the Nation is being asked to conserve on fuel use;

Unsafe cargo doors on DC–10 aircraft;

Diseased blood used in transfusions;

Excessive exposure to X-rays;

Toxic leaded-paint in federally financed housing;

Filth-laden and infested food warehouses;

High-risk intrauterine contraceptive devices;

Auto repair ripoffs; and,

Assembly lines of defective and dangerous automobiles.

Can any Member of this body who opposes the creation of a consumer advocacy agency say that these are not specific instances in our time, when there has been an abuse of the privilege of the private sector. Advocacy on behalf of the consumer might have helped to stamp out these abuses.

Again, these examples are but a few which readily come to mind. And, sadly, there are so many more. As a former businessman, I am at a loss to understand why some segments of the business community—with certain notable exceptions—remain so headstrong in opposition to an agency whose primary responsibility is to speak out loudly and clearly for consumers in the daily deliberations of Government agencies and courts. The ACA is intended to balance the scales, to offset the weighty lobbying resources of special interests, and to make certain that matters which are important to consumers are at least considered before a Federal agency or court decides to act or refuses to act on important health, safety or economic matters.

No one has yet been able to satisfy me as to what responsible businesses have to fear over consumers being better informed and better able to have their grievances brought to the attention of the very agencies of Government that can do something about them. Why should any segment of the American business community be so agitated over a concerted and informed voice signaling the beginning of the end to unfair trade practices, false and fraudulent advertising, empty warranties and guarantees, deceptive packaging, bait and switch merchandising, shoddy or unsafe goods and services, and price-fixing and other forms of competitive behavior.

All the specious talk of the ACA as some kind of a "superagency" is absolute nonsense. The bill is expressly designed to insure that in protecting the consumer, the agency does not unduly or unfairly harass business, and that the regulatory process is made more fair, expeditious, accountable, and responsive to the needs of consumers. To assure this result, working cooperatively with many representatives from the business community over the years, we have written into the bill significant safeguards against undue interference with responsible business practices and the orderly functions of Government. These include the following:

9. INTERROGATORIES—SMALL BUSINESS

1. Restrictions on Information Gathering. Section 10 delineates the ACA's information gathering authority, placing restrictions on the Agency's powers to obtain information from business and from government. Generally, the administrator is authorized to compel disclosure of information only when necessary to protect the health or safety of consumers or to discover consumer fraud and substantial economic injury to consumers. Such information may only be obtained from businesses which substantially affect interstate commerce whose activities substantially affect consumer interests. In addition to these general limitations, specific prohibitions limit ACA power to obtain information from small businesses and from other Federal agencies.

(a) The ACA is prohibited from requiring the disclosure of information from small businesses as defined in the Act.* (Section 10(a)(4)). (Additional small business protections are outlined in this memo, number 8.)

(b) The Act also includes a number of restrictions on access to information held by other Federal agencies. The categories of information which ACA has no access to include: information classified in the interest of national security; policy or prosecutorial recommendations; personnel and medical files; information which a Federal agency is prohibited from disclosing to another agency; information which would disclose the financial condition of individual bank customers; information from Federal income tax returns (Section 7(c)); and trade secrets and confidential commercial or financial information obtained prior to the enactment of the Act. The ACA has no right of access to any information collected in the future by another agency if the agency is only able to obtain such information by promising to keep it confidential. And, before ACA obtains *any* trade secrets or confidential commercial or financial information from another agency, the agency holding the information must first notify the person from whom the information was collected. Such a person will have a reasonable time to comment or seek injunctive relief. (Section 10(b))

2. Prohibitions on Disclosure of Information. Section 11 governing the ACA's duty to disclose information to the public, prohibits the Agency from disclosing any of the following:

(a) information received from another agency which is exempt from disclosure under the Freedom of Information Act or any other law, and which the agency has specified shall not be disclosed. (Section 11(a)(2))

(b) trade secrets or other confidential business information received from a business, except where necessary to protect the public health and safety. (Section 11(a)(1))

3. Limitations Governing Disclosure of Information. Section 11(b) sets forth provisions governing the release of information by the Administrator. Where the release of information is likely to cause substantial injury to a person, the Administrator is required to notify such person and provide an opportunity for comment and injunctive relief, unless immediate release is necessary to protect the public health or safety. In addition, the Administrator is directed to take all reasonable measures to assure that any information it releases is accurate and not misleading or incomplete. Tight restrictions are imposed on the release of information which discloses product or service names. Among other restrictions, the Agency is prohibited from indicating that any specific product is a better buy than any other product.

4. Objections to Interrogatories—ACA Burden. A private party may object to any interrogatory ACA serves on it. In such a case, the burden will be on the Administrator to prove that the information sought substantially affects the health or safety of consumers, or is necessary in the discovery of consumer fraud or other unconscionable conduct and is relevant to the purposes for which the information is sought. In addition, no person is required to answer an interrogatory which is unnecessarily burdensome. (Section 10(a)(3)).

5. Consumer Complaints—Opportunity to Respond. When, under Section 7, ACA transmits consumer complaints to other government agencies or makes them available to the public, ACA must also forward the complaint to the person who is the subject of the complaint. The only exception to this requirement is when such notification might impede action against a person for a violation of the law. The person's response to the complaint must be made available to the public along with any disclosure of the original complaint.

6. Judicial Review Protection. Section 21(b)(1) gives any party to a final agency proceeding reviewable under law the right to obtain judicial review on the grounds that the ACA participation in the proceedings resulted in error prejudicial to the party.

7. Restrictions on Initiation of Civil Proceedings. ACA's ability to initiate court actions involving agency proceedings in which it did not participate is specifically subject to a requirement that the ACA first petition the agency for reconsideration and is further subject to an initial judicial determination that such action would not impede the interests of justice. (Section 6(c)).

8. Additional Small Business Protections. Section 18 requires the ACA and all other Federal agencies to keep the unique needs of small businesses in mind when implementing the act, and requires the ACA to treat all businesses, whether large or small, in an equitable fashion. In addition, the Small Business Administrator is directed to keep small businesses informed about the activities of the ACA, and to report to Congress on actions taken under this act affecting small businesses. Similarly, the Administrator of the ACA is required to consult with representatives of small businesses before establishing the agency's general priorities or policies, and directs the Agency to respond in an expeditious manner to requests and other correspondence from small businesses.

9. Assurance of Fairness. Generally, in carrying out functions under the Act, the Administrator is required to act in accordance with the rules that assure fairness to affected persons. (Section 4(a)(4))

All along, we have counseled with experts in the field of agency procedure, and with numerous segments of industry who have been interested enough to consider this legislation with an open mind. As a result, the following important changes in the measure, originally introduced as S. 707 in the 93d Congress, are now to be found in S. 200, as reported 11–1 by the Government Operations Committee on March 12:

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*Available statistics show that under this definition, over 90% of all businesses would be exempted from interrogatories.

MAJOR DIFFERENCES BETWEEN S. 707 AS INTRODUCED AND S. 200 AS REPORTED BY THE COMMITTEE

1. CONSUMER COUNCIL

S. 707, provided for a Council of Consumer advisors, in the Executive Office of the President, to set priorities on consumer matters and review impact of Federal programs.

S. 200 deletes the Council entirely.

2. STATE AND LOCAL PROCEEDINGS

S. 707 authorized the consumer agency to intervene or participate in State or local agency or court proceedings, on request of State officials or the State or local agency or court.

S. 200 denies ACA such authority, but specifically empowers the ACA to communicate with, provide information to, or provide assistance requested by any Federal, State or local agency or court.

3. GRANT PROGRAM

S. 707 authorized grants to State and local public agencies to promote consumer interests and education. It provided for $20 million in the first fiscal year and $40 million in the second fiscal year after enactment.

S. 200 contains no grant program.

4. NAME OF AGENCY

S. 707 designated Consumer Protection Agency (CPA) as name of the Agency.

S. 200 designates Agency for Consumer Advocacy (ACA) as name of the Agency.

5. BUDGET BYPASS

S. 707 provided that the Administrator's proposed budget estimates, and recommendations or testimony on legislation be submitted to Congress at the same time they are submitted to Office of Management and Budget.

S. 200 deletes this provision.

6. INFORMAL PROCEEDINGS

S. 707 provided that the Administrator of the Consumer Protection Agency could "as of right participate" in informal agency proceedings which substantially affect consumers. It was understood that the participation would be equal to that of others.

S. 200 does not require agencies to allow ACA to participate in their informal proceedings simultaneously or equally with others. ACA may present "written and oral submissions", and Federal agencies must give "full consideration" to such ACA submissions.

7. SUBPOENAS

S. 707 required the Federal host agency to issue subpoenas under its authority where the consumer agency was intervening or participating in an agency proceeding or activity.

S. 200 limits host agency issuance of subpoenas requested by ACA to agency proceedings.

8. JUDICIAL REVIEW

S. 707 allowed consumer agency, where it did not participate below, to seek judicial review unless the court determined it would be detrimental to the interests of justice. S. 707 also required the Administration to petition the agency for reconsideration prior to seeking judicial review of an agency decision whenever the Federal agency's laws *required* such petition, and the Administrator had not participated at the agency level.

S. 200 requires the court to make a determination as to whether or not the ACA's institution of a proceeding in court would impede the interests of justice. When initiating such appeal the Administrator must state his reasons for not participating at the agency level. S. 200 also requires the Administrator to petition the agency for reconsideration before initiating an appeal whenever such a petition is *authorized* by agency laws and the Administrator had not participated in the proceeding at the agency level.

9. INTERROGATORIES—SMALL BUSINESS

S. 707 contained no exemption from the interrogatory section for small businesses.

S. 200 exempts from the interrogatory section, except in the case of an imminent and substantial danger to health or safety, any business with assets under $7½ million, net worth under $2½ million, and average annual net income under $250,000.

10. ACCESS TO AGENCY RECORDS

S. 707 allowed the consumer agency full access to Federal agency records, with exceptions only for national security information, policy recommendations, and administrative and personnel records.

S. 200 imposes much more stringent limitations on ACA access. In addition to the original protections, it prohibits ACA from obtaining trade secrets which an agency could obtain only by agreeing to keep them confidential. It prohibits ACA from obtaining prosecutorial recommendations from law enforcement agencies. It prohibits ACA access to bank examination reports to the same extent other agencies are denied access to such information. And it prohibits ACA access to information which would disclose the financial condition of individuals who are customers of financial institutions.

11. FARMERS

S. 707 did not include farmers within the definition of consumers.

S. 200 redefines consumers to include farmers, and specifically directs the Administrator to promote the interests of farmers "in obtaining a full supply of goods and services at a fair and equitable price". It also contains a provision requiring the Administrator to consider the interests of both farmers and consumers before intervening in any Department of Agriculture proceeding.

12. PROTECTION FOR SMALL BUSINESS

S. 707 contained no special protection for small business.

S. 200 requires ACA to take the views of small business into account in setting ACA's priorities, and requires ACA to solicit advice from small business before promulgating any rules or regulations under the Act.

13. EXEMPTIONS

S. 707 contained no explicit provision barring the consumer agency from participating in labor-management relations cases before the NLRB, although accompanying committee report stated such cases would be exempt.

S. 200 adotps the labor-management exemption contained in the bill passed by the House in 1974.

14. GAO REVIEW

S. 707 contained no provision for GAO review.

S. 200 requires GAO to review all of ACA's activities, and provide a full report to Congress within three years of the date of enactment, with an evaluation of ACA's effectiveness and recommendations for any modifying legislation.

15. CONSUMER COMPLAINTS

S. 707 permitted the ACA to place anonymous complaints in the public document room but allowed the withholding of such complaints if the Administrator determines that the complaint is frivilous, or that publication is detrimental to the complainant or that for good cause the complaint should be withheld.

S. 200 provides that no unsigned complaint shall be placed in the public document room.

16. LIMITATIONS ON DISCLOSURES

S. 707 prohibited the ACA from publicly disclosing any trade secret or other confidential commercial or financial information obtained from a person unless disclosure is necessary to protect health or safety.

S. 200 puts the ACA in the same position as any other government agency, in this respect, by making the provisions of the Freedom of Information Act applicable to the ACA. Under the Freedom of Information Act, the ACA *may* withhold such information from the public.

17. COST AND BENEFIT ASSESSMENT STATEMENTS

S. 707 contained no provision for the preparation of cost and benefit assessment statements by Federal agencies.

S. 200 provides for the preparation of cost and benefit assessment statements by Federal agencies issuing rules or proposing legislation which have a substantial economic impact.

These several years of effort have led to endorsement of the legislation by the national platforms of both political parties, by the American Bar Association, the American Trial Lawyers, the Association of the Bar of the City of New York, and the Chicago Council of Lawyers, and last year by the Governors of 33 States, the Conference of Mayors, and the National Association of Attorneys General.

It is for the same reason that the President's Special Assistant for Consumer Affairs, Virginia Knauer, has consistently expressed her very strong support, having termed the legislation "a powerful antidote to the poison of alienation and helplessness affecting many of our citizens—who—believe their pleas for help or understanding are unheeded—that only the big and powerful have access to decisionmakers."

For like reason, Business Week magazine last year strongly endorsed the kind of ACA described in this legislation, noting that—

> By equalizing the balance between well-financed, well-organized business groups, and the often disorganized consumer spokesmen, it could help restore public confidence in the regulatory process.

The editorial continued:

> [A] consumer agency could improve the level of debate between business and the consumerist. By putting a sharp focus on the vague charges the consumer groups now feel free to make, it could show business where its real problems are.

At the same time, outstanding national corporations—such as Mobil Oil Corp., Zenith, Marcor, and its subsidiary Montgomery Ward, Connecticut General Life Insurance Co., Bantam Books, Stop and Shop Corp., Stride-Rite Shoes, the Dreyfus Corp., and so many others—have been willing to speak out loudly and clearly in support of this legislation as good for business. In a letter to me, Leo Schoenhofen, chairman and chief executive officer of Marcor explained the basis of his company's endorsement:

> There is a growing body of opinion that sees a close correlation between the belief of numerous consumers that they don't yet have adequate protection in some important circumstances and today's less than optimum public confidence in business, the declining interest of some talented young people in business careers and other ills that currently plague the marketplace. Because we believe a fair and effective Consumer Protection Agency law would be a positive step toward correcting some of these problems and because we believe it would advance the vital cause of providing all Americans with fair and effective consumer protection,

we are pleased to announce our support for Senate passage. . . .

Two new businesses announced their support just today—United Artists and the Jewell Companies, Inc., one of the Nation's largest food chains, including Jewel, Star, Buttrey, and Eisner Food Stores, Osco Drug, and the Turnstyle General Merchandise Stores.

Certainly when United Artists, one of the Nation's great distributors and producers of motion picture film, and Jewell Co., one of our great retail chains in America today, announce their support, this is personally satisfying since these businesses are supporting a principle that they know is in the best interests of American business. I personally extend my deep appreciation to Don Perkins, chairman of the board of Jewell, and one of the most highly respected business leaders in this country, who endeavored to study the legislation in detail in coming to the conclusion that the measure was not only good for the very consumer interests that he and Jewell have so consistently promoted, but that it would be helpful in upgrading the all too tarnished image of American business.

Just last month, after an exhaustive reappraisal of the measure, in separate letters to me, Rawleigh Warner, chairman of the board of Mobil Oil Corp.—the Nation's fifth largest corporation, and William Tavoulareas, Mobil president, expressed support for this legislation after noting—

> That many of the difficulties in the earlier proposal have been cured.

It is sheer futility for so much of the business community to keep its head stuck in the sand and to do everything possible to defeat this legislation, with the same kind of negativism that evidenced past opposition to the securities legislation of the 1930's, social security, truth-in-lending, and the rest.

This consumer bill before us—as responsibly worked upon and reported by the Government Operations Committee—is a precise and balanced measure which provides the authority and resources needed to effectively represent consumer interests in the everyday workings of Federal agencies. The measure does not tip the scales for the consumer or against business. It is needed because the regulatory agencies we have set up to protect the consumer simply have not been performing their assigned tasks. Too often in the past, the very agencies we have set up as watchdogs for the public interest have long since become lapdogs for special interests.

Once and for all, let us permit the American consumer to have a voice as to matters before Federal decisionmakers which affect the pocketbooks of each and every buyer of goods and services. Shall we not attempt, through this legislation, to give consumers an equal chance to have their fair say, to seek satisfaction as to their complaints concerning poor quality goods and services?

And shall we not permit consumers to have a mechanism within Government to channel their views and to express their legitimate concerns as to the cruel inflationary pressures which are preventing consumers from buying or building homes, which are impeding consumers from obtaining needed credit, and which are ravaging the dearly held savings and fixed-income pensions of so many Americans? There can be no more pressing concern, no higher priority, to which the ACA should address itself upon being established.

Out of the dedicated efforts of so many of our colleagues, we now have in this measure a delicate balance which is fair to consumers and to business. I know of no better way to frustrate the hopes and spirit of so many Americans—outstanding businessmen and consumers alike, who have rallied to the support of this measure—than to postpone further the passage of this legislation.

As I have emphasized time and again, an Agency for Consumer Advocacy would begin to redress the imbalance in the regulatory process which permits the voices of special interests and big money to silence the voices of consumers.

An Agency for Consumer Advocacy would afford consumers a voice in dealing with the principal economic issues before the country at this time—recession and inflation—and help to put a halt to the productivity slump and price spirals which undercut our economic system.

An Agency for Consumer Advocacy would restore integrity to the free enterprise system by helping to put back in balance the bargaining power of consumers when they deal with producers and suppliers of goods and services.

An Agency for Consumer Advocacy would help correct the tattered image of American business by focusing acutely on the actions of those few unscrupulous or callous firms which have held the rest of American industry up to scorn and disrepute.

An Agency for Consumer Advocacy would be a catalyst for timely, effective actions in the public interest by those very Government agencies and bureaucracies which have too often turned away from the legitimate health, safety, and economic concerns of American consumers from every region of the country and from every walk of life.

Finally, this legislation will be seen as a beacon to Government and industry that the day of the consumer is finally at hand. The Agency for Consumer Advocacy will be seen as a signal for improved quality of goods and services, for fairness in advertising and promotion, and for honesty in the marketplace.

Mr. President, I ask unanimous consent to have printed in the RECORD the full text of my letter of April 18, 1975, to President Ford, concerning the vital need to act now on creating an Agency for Consumer Advocacy. I also ask unanimous consent to have printed a letter dated April 28, 1975, to the President's Special Assistant for Consumer Affairs, Mrs. Virginia Knauer, cosigned by representatives of seven highly respected national consumer and public interest groups, namely, Common Cause, Consumer Federation of America, National Consumer's League, Consumer Action for Improved Food and Drugs, Consumer's Union, Public Citizen, and National Consumer's Congress.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
April 18, 1975.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I have carefully reviewed your letter yesterday to Senator Ribicoff, Chairman of the Senate Government Operations Committee, and the copy you sent me as ranking Republican, describing actions you intend to take, and have already taken, on behalf of the American consumer.

I was especially pleased by your recognition that the departments and agencies that administer programs and make daily decisions affecting the health, safety, and economic wellbeing of all consumers have, over the years and especially in recent times, failed to be sufficiently responsive to consumers. I can think of no better beginning than your directive to those units of government that a major and immediate effort must be made to make sure that consumers are adequately listened to and consulted in the decisionmaking process. And, with respect to the high costs and prolonged delays of agency actions, your intent to personally involve yourself in redressing these matters must be seen by all consumers as a significant development.

So far as regulatory reform is a means of accomplishing both ends, I share your interest in repealing the so-called fair trade laws and in reforming transportation regulation and the regulation of financial institutions, with an overall view toward lessening the impact of inflation, improving competition, and better serving the public interest. Toward this end, I have myself introduced legislation to get the Senate moving on regulatory reform, substantive and procedural, by authorizing a comprehensive study under the joint auspices of the Senate Government Operations Committee and the Senate Commerce Committee. It is my personal view that consumers and the country would be better off if such costly and ineffective agencies as the Interstate Commerce Commission, the Federal Maritime Commission, and the Civil Aeronautics Board were to be phased out of existence, consistent with a national effort to return to free market competition.

But at the core of regulatory reform, in my view, is the recognition that it is not nearly enough to merge or consolidate agencies, eliminate overlapping functions, and revise, revamp or reorient the structure and purpose of government regulation. However well we succeed in that, there remains the ever present and gnawing reality that while the process may function better, and make more sense in theory, consumers will probably be no better off unless commensurate steps are taken to assure that the views and concerns of individual consumers are taken into account at each and every stage of agency decision-making.

You have been in government life longer than I, but I am sure that you share my observation that, for lack of time and money and organizational means, individual consumers are generally at a total loss when faced with the red tape and revolving doors of government decision-making (or more often lack of decision or action) affecting their daily lives. Accordingly, the regulatory reform which we both seek hinges ultimately on devising a means by which consumer views may be voiced, focused, and systematically brought to bear within that process.

After years of effort, and consultation with enlightened and open-minded businessmen, economists, lawyers, academicians, consumer groups, and the government decision-makers themselves (including numerous experts

within the Administrations of the last two presidents, and your own), the Congress has settled upon just such a means for assuring consistent, informed, and responsible consumer input in agency decisions. The means we have settled upon is an Agency for Consumer Advocacy as outlined in S. 200. It my view it would be a tragic mistake to defer any longer consideration of creating the one agency of government which will be closest to and speaking on behalf of consumers of this nation.

At the very time that vital decisions are being made by Presidential Counselors, cabinet heads, regulators, and government bureaucrats regarding today's twin crises of energy and the economy, there needs to be some agency of government which can speak out forcefully for consumers and relate how intimately those decisions are tied to their earnings, savings, and purchasing power—how their jobs will be affected, their weekly budgets, and their bank accounts. There needs to be some agency of government mandated to seek out and express the views of those who are most devastatingly affected by the rate of unemployment at current levels above 8.5 percent, by the housing slump, and by too-high interest rates that put home and auto loans out of reach for so many, and in turn, get the economy out of joint. If consumers today are at all able to get someone in government even to pay attention when decisions of this sort are being made, it would appear that their advice is not being taken.

In reaching the conclusion that an Agency for Consumer Advocacy is needed, I have, at the same time worked consistently over the past four years to incorporate safeguards in the legislation to make sure that responsible business will be fairly dealt with and that the orderly functions and processes of government will not be delayed or disrupted. What we have today achieved in the legislation is a delicate balance which will better protect the American consumer while at the same time deal with some of the serious wrongs which unfairly stain the good name of the overwhelming majority of responsible businesses throughout this great nation.

Mr. President, it is not without thought that 45 Senators are cosponsoring this legislation. Nor that major American businesses, including such outstanding and far-sighted firms as the Mobil Oil Corporation, Zenith, Marcor (parent of Montgomery Ward), Polaroid, the Dreyfus Fund, Connecticut General Life Insurance, and others, have lent their good names in support of the concept and the legislation before us. I note that you apparently had reached the same conclusion back in 1971 when very similar legislation overwhelmingly passed the House of Representatives, as it did again in the last Congress. Whatever has caused you to change your thoughts in this regard, I urge that you personally take the time to study the amended version of S. 200 as reported to the Senate late last week following an 11–1 vote of the Government Operations Committee, and soon to be scheduled for floor action. The bill, as reported, now includes a provision giving legislative effect to, and providing guidelines consistent with your own Executive Order of last fall which mandated a weighing of respective costs to the consumer and benefits to be gained from government regulatory decisions.

I am confident that a thoroughgoing review on your part will convince you, as it has numerous Senators and leaders in the buisness community, that this bill needs to be passed and the agency created without further delay. In this light, I want to share with you my very recent correspondence with Rawleigh Warner, Chairman of the Board of Mobil, and William Tavoulareas, President of that company. (attached)

Finally, I would personally be very happy to sit down with you to discuss this matter. You should be aware that nine years ago, when I first came to the Senate, I set an objective relevant to the money concerns you expressed, and have maintained it to this date. That goal was never to propose new legislation involving additional expenditure of Federal funds without recommending reductions in comparable expenditures, so that the net cost to the government is zero. I would welcome, therefore, reviewing with you ways of cutting hundreds of millions of dollars—nay billions of dollars—of needless government expense by existing departments and agencies which have utterly outlived their usefulness, as a trade-off for the relatively small sum of $60 million, over 3 years, for financing this one new agency which can really make a difference. That total amount is considerably less than the annual advertising budgets of some of the companies lobbying vigorously, once again, to defeat this needed legislation.

Warmest personal regards,

CHARLES H. PERCY,
U.S. Senator.

APRIL 28, 1975.

MS. VIRGINIA KNAUER,
Special Assistant to the President for Consumer Affairs, The White House, Washington, D.C.

DEAR VIRGINIA: Thank you for the opportunity to present recommendations for improvement in the responsiveness and accountability of the Federal Executive Branch agencies to the needs of the American consumer. We are delighted to be able to make a number of suggestions which should be given early and expeditious consideration. As you noted, the notice of this meeting was quite short and we therefore were unable to prepare a comprehensive package of recommendations for substantive reforms. These will be forwarded within the next several weeks.

All of the consumer proposals to improve federal agencies complement the proposal for an advocate to represent consumers before federal regulatory agencies and departments as provided in S. 200, and we hope you will not cease your strong and effective support for this bill. As a small, anti-inflationary, anti-bureaucratic force within the government, there is no substitute for a consumer advocate who would challenge agencies to consider the anticompetitive and cost impacts of their actions. Our system of justice in the regulatory agencies and the courts is based on an adversarial relationship where opposing parties make their best case and the impartial judge makes the decision. But only rarely is the case now being made for the consumer in the complex maze of federal regulatory actions. As has been documented by hundreds of Congressional committee hearings and reports since 1966, the absence of a consumer advocate has permitted, if not encouraged, repeated marketplace abuses and the sluggish, often industry-indentured performance of the federal agencies.

The Antitrust Division in the Justice Department not uncommonly intervenes before other federal regulatory agencies on antitrust matters. Recently the Division's chief public counsel, Joseph J. Saunders, stated: "Agency officials are principally exposed through industry meetings and informal chats to the industry they regulate. To an extent, it is desirable that they get the business point of view, but there is no counter balancing with the consumer view or interest."

In spite of the tax deductions available to business for lobbying federal agencies, there is scarcely a major business interest group which does not also have an agency or department expressly designed to spend its many dollars of annual budget to *promote*, *subsidize* or *advocate* its interests. Consumers are increasingly at the mercy of this joint government-business power interlock, and it is manifestly unfair to continue depriving consumers of a small advocate's voice within the Executive branch. It is more than unfair; it is dangerous to our economic system to so imbalance the powers against the consumer whose confidence in industry and government must no longer be eroded.

Legislation to create a nonregulatory consumer advocate in the federal government has been discussed and debated by both Houses of Congress for six years and is supported by a coalition of more than 140 consumer, farm, senior citizen, religious and community groups and labor unions, a large number of governors, the Conference of Mayors, and the National Association of Attorneys General. In 1970 the Senate passed Consumer Protection Agency (CPA) legislation, 74–4, but that legislation did not reach the House floor after a tie vote blocked it in the House Rules Committee. In 1972, after the House passed CPA legislation, the Senate version was never voted on when supporters failed by only three votes to achieve cloture. In 1974 the House passed CPA by a 3 to 1 margin, but it was stopped once again by a Senate filibuster when in an unusual fourth cloture vote with 65 Senators supporting it, one Senator switched and voted for the filibuster.

In the face of this overwhelming support and thorough consideration, as well as the endorsement of S. 200 by a number of business firms including Montgomery Ward, Zenith, Mobil Oil and Stop and Shop food stores, plus endorsement by the Democratic and Republican party platforms in 1972 and bipartisan sponsorship in both the House and the Senate, President Ford on April 17, 1975, without ever discussing the bill with its supporters, asked the Congress to "postpone further action" on S. 200.

President Ford suggests we should not add costs to the government budget, yet the maximum authorization (the appropriation will undoubtedly be less) over *three years* is $60 million, approximately *6 hours* of the Pentagon's budget. The President requests postponement on the basis of "the steps that are being taken by the Executive department to make government-wide improvements in the quality of service to the consumer". The "steps" referred to are apparently the President's very recent request to all agency heads to give all consumer interests a fair chance to be heard in government decision making and to hold to a minimum the costs and administrative requirements of federal rules and regulations on the private sector. This is exactly what S. 200 would do, by creating the consumer advocate, by mandating, in section 23, far more specifically than the President, that each federal agency through review and revision of agency rules and procedures assist individuals in representing their interests, and in section 24 by requiring cost and benefit assessment statements for all federal regulations issued.

What President Ford ignores is the fact that the consumer advocate would give consumers a fighting chance in the regulatory process where hundreds of crucial decisions directly affecting our health, safety and economic well-being are made each year. Although Congress has passed important consumer protection laws in recent years, the consumer is often given short shrift in the day-to-day administration of these laws. What CPA would provide for consumers—and what the Chamber of Commerce, the National Association of Manufacturers, the Grocery Manufacturers, the National Association of Food Chains, and several major corporations would deny us—is a chance to effectively monitor the regulatory agencies on a regular basis so that the consumers' case can be presented to these agencies at the appropriate time. The powerful business interests which oppose extending these capabilities to consumers have themselves long enjoyed them on a much more massive scale.

Consumers want corporations to obey consumer protection laws and for administrative agencies to strictly enforce them, without favoritism. No one can doubt that consumers want high quality goods at the lowest fair price, or that consumers want to avoid unnecessary hazards in the marketplace. No one can doubt that the politically potent milk fund and the decision to sell wheat to the Russians at a ridiculously low price were detrimental to consumers. Having no decisionmaking power, the CPA is uniquely able to advocate the multiple interests of consumers, leaving to the regulatory agency the task of striking a balance in the public interest among these and other views. The public interest can emerge only from an honest confrontation between differing interests presented with equal force. CPA's mission is to insure that these decisionmakers have all the consumer-related facts in front of them before this balance is struck. As Mr. William P. Tavoulareas, President of Mobil Oil recently stated, "There is no question in my mind that Mobil can support this measure with the confidence that it will help to redress some of the serious wrongs which unfairly tarnish the good name of responsible business, and that at the same time the legislation will help to better protect the American consumer."

In the wake of Watergate, a hallmark of which has been abuse of the regulatory process by the wealthy and influential, the time has never been more appropriate for creation of a consumer advocate. The CPA would breathe fresh air into the regulatory process, opening the closed door behind which are made many of the arbitrary, unsubstantiated decisions for which consumers have paid and paid and paid. The CPA will work to make relevant government decisions on the record, supported cogently by facts and law, instead of "political" considerations which are contrary to both.

Having stated our unequivocal support for immediate enactment of S. 200, we urge you to ask the President to reconsider his position and to permit himself the opportunity to hear the case made for the bill by its advocates, not just by its opponents. As his daily calendar documents, the President has spent considerable time on perfunctory and ceremonial obligations and communications with businessmen, but he has yet to meet with and hear the arguments of consumers for this bill, or for other much needed consumer programs. We are puzzled and disappointed by a decisionmaking process that systematically excludes citizen advocates on one side of an issue.

Enactment of S. 200 is our major organizational recommendation. Other comments on regulatory agency structure and consumer complaint-handling will follow shortly.

In response to your request for procedural and consumer information recommendations, we are attaching a memorandum prepared by Public Citizen which makes a large number of very important suggestions, including self-funding mechanisms for consumer representation, improvementa in rule making procedures, authorities for congressional oversight of agency actions, changes to remove conflicts of interest, improvements in penalties and antitrust enforcement and broadening of citizens' right of action before agencies and courts. Rather than delay any Congressional or Executive action by a year or more with a Presidential Commission on Regulatory Reform as recommended by the President, we have urged the appropriate Congressional committees to conduct staff studies and consider such legislative proposals in this Congress.

In order for our recommendations to you to be considered in the most effective and efficient manner by agency heads, we think it would be worthwhile for us to meet with them to discuss the concerns from which they arise and our view of their importance in remedying specific problems. We would appreciate your assistance in making these arrangements.

As the President indicated in the Hersey *New York Times Magazine* article last week, there are serious questions about the ability of consumer affairs officers within individual agencies to adequately represent consumers. The President is concerned that the agency head will not be able to control them. We are concerned, and have generally found, that this type of in-house consumer representative is unable to exercise any independent judgment. Those offices presently in existence have demonstrated no independence of thought or action and no ability to influence agency decisions. There could not be a better example of the ineffectuality of agency consumer representatives than the recent experience with the U.S. Department of Agriculture beef grading regulations. Despite opposition from its in-house consumer representative, her consumer committee, from thousands of consumers who wrote letters and signed petitions and from some segments of the industry, the Department promulgated regulations raising most "good" grade beef into the "choice" grade category. There is absolutely no indication that the Department considered any of the objections to this action and the regulations made no attempt to explain why the substance of the comments were rejected.

This experience is reflective of the window dressing approach described in an April 28, 1975 *Business Week* editorial commenting on the sudden increase in the number of corporate executives with "consumer affairs manager" titles as concessions to the consumerist movement. The editorial states:

"Unfortunately, the number of consumer affairs managers who have real authority within the company is considerably smaller than the number who rejoice in the title. Under an honest system of titles, a good many companies would have to call the job "vice president in charge of soft soap" or "chief runaround officer".

"There is a simple test which any management can apply to determine whether it is taking consumer affairs seriously. It can ask the question: Does the manager of customer relations have any authority over product design, quality, and advertising? If he does, then he can help make peace between the company and its customers. If he does not, then he is window dressing."

Regretfully, this same ornamental approach to consumer concerns appears to be surfacing in the President's statements. It is not consistent with the goals of honesty and responsiveness he has outlined for his presidency. We believe the list of recommendations we have and will set forth provide a minimum standard by which to judge the Ford Administration's commitment to go beyond window dressing. And it must be clear, Virginia, that creation of the Agency for Consumer Advocacy has headed and will continue to head any list of actions required for a meaningful program of consumer protection.

Sincerely,

Common Cause: Dick Clark.

Consumer Action for Improved Food and Drugs: James Turner.

Consumer Federation of America: Carol Foreman.

Consumer's Union: Peter Schuck.

National Consumer's Congress: Ellen Zawel.

National Consumer's League: Ellen Haas.

Public Citizen: Joan Claybrook.

Mr. PERCY. Mr. President, I should just like to say in closing that this legislation should be seen as a beacon to Government and industry. The day of the consumer is finally at hand. The Agency for Consumer Advocacy will be seen as a signal for improved quality of goods and services, for fairness in advertising and promotion, and for honesty in the marketplace.

It is my deep hope that my colleagues who oppose this measure will take into account that it has been debated now on the floor of the Senate and in committee for a period of over 5 years. Its provisions are not revolutionary or new. They have evolved over a period of many, many years.

There are modifications and improvements in the present bill, S. 200, that are fully explained in the views expressed by the committee in its report as well as the supplementary individual views. But we now have before us everything we need to carry on an adequate discussion, weighing and certainly airing all factors. Therefore, it would be my hope that there would not be any resort to filibuster, which I think would be unbecoming.

This measure should be voted up or down on the basis of its merits, in line with the arguments on both sides. I would hope that we would not go into protracted, unnecessary delaying tactics, which would really contribute nothing to the Nation's good at this stage. Such tactics would seem, I should think, to all Americans witnessing such action, to be a case of fiddling while Rome burns, since the Senate has very, very important measures to deliberate and debate; and we should not be engaged, in my judgment, in protracted debate on a measure that has been fully debated through the years. After a reasonable passage of time for every Member to adequately express his viewpoint, the bill should be voted up or down. I hope that vote will come very shortly.

I wish to commend my distinguished colleague (Mr. RIBICOFF) once again for the tremendous leadership he has provided. I think every consumer in America should be grateful to him and to Senator JAVITS for the truly distinctive effort that they have made and for the efforts that have been made by many other Members of the Senate—among them WARREN MAGNUSON, ALAN CRANSTON, FRANK MOSS, BILL BROCK, BOB DOLE, and LOWELL WEICKER—who have worked on this measure, improved it, and who continue to provide assistance in assuring its prompt passage.

Mr. WILLIAM L. SCOTT. Mr. President, I listened with great interest to my distinguished colleague from Illinois and his thought that we would not take an undue amount of time in the consideration of this bill; that, in fact, if we engaged in extended debate that it would be a disservice to the people of the country.

Well, in all candor, Mr. President, I believe that if we pass this bill it will be a disservice to the people of the country.

I refer to it as the common law barratry bill. If you will remember, common law barratry is the crime by which people meddle in matters that are not of concern to them directly. They stir up strife and litigation.

I hate to even think of this as the ACA bill because we have Americans for Constitutional Action, which is a group that rates Members of Congress on how they vote. They happened to rate me during the time I served in the House of Representatives and the Senate at 96. Well, I am sure that if the proponents of this bill were rating, I would not have any 96 as I do with the Americans for Constitutional Action. It is a relatively conservative group.

I would like to ask the distinguished chairman of the committee, the floor leader, just a very few general questions in view, particularly, of the statements that were made by the Senator from Illinois.

He referred to this as having been a matter that had been debated for 5 years. If the Senator might tell me, Senator RIBICOFF, is this substantially the same bill as we debated last year?

Mr. RIBICOFF. Yes. There have been a few changes, but it is substantially the same bill that was debated on last year.

But may I comment on the distinguished Senator's concern with the use of the symbol ACA, which is ironical, but the Senator's distinguished colleague, philosophically on all fours with himself, Senator ALLEN, was the one who put in the amendment to change the name from CPA to ACA, so the Senator is going to have to take up the cudgels with the distinguished Senator from Alabama.

Mr. WILLIAM L. SCOTT. I think he was trying to get the wording changed; he was trying to change the wording rather than the initials of the bill. I can understand a CPA, a certified public accountant, not wanting to be confused with this matter either.

Mr. RIBICOFF. May I add further to my distinguished colleague that he made an inquiry concerning the major differences between S. 200 and S. 707 last year.

In the report on page 6 the distinguished Senator will find listed therein the various changes that have been made.

Mr. WILLIAM L. SCOTT. Mr. President, I appreciate the Senator's comments, and I expect we will be engaging in discussion of this bill for some time. My comments today are prefaced on the bill as it existed last year.

Mr. RIBICOFF. May I say that basically the Senator's comments based on last year's bill would still be pertinent to the bill this year, so the Senator for himself can be reassured that his objections would probably pertain this year as well.

Mr. WILLIAM L. SCOTT. Mr. President, I believe the suggestion of having a consumer advocacy agency indicates that the existing public agencies do not speak for, they do not protect, the consumers. They do not speak for nor protect the general public; that the Government agencies are captives of business organizations they were created to regulate.

This, to me, Mr. President, calls to mind the purpose of having any government at any level. What is our concept of government? Now we like to believe that the only purpose of government is to serve people. We do not believe the people are the servants of an all-powerful government but, to the contrary, that the government is our servant, that we can make of this government what we want to, and we have elections from time to time in which we elect people to represent us, to mold the government in such a way as we feel it should be.

We like to believe that the sovereignty, or ultimate will, reside in the people of the country collectively and in their exercise of sovereignty that they can change the existing agencies. If a given agency is not acting in the public interest, rather than put another agency over it, rather than put an advocate to go before that agency, it would seem more reasonable to me to replace the head of that agency or to replace the commissioners or whoever the governing directors are of a given agency so that it will represent the public interest.

It does not seem to me that it is good government to have an agency in existence that is not representing the public interest. But then to put a watchdog over that agency and say to it:

> You are not acting in the Government's interest and, therefore, we will have a duplicate agency, we will have a super agency which is operating in the Government's interest to straighten you out.

How can we assume that any new agency we create will act in the public interest? How can we assume that any agency, any group of men or women who are appointed to an agency, will not sell out, as is suggested, to the business community?

I believe we should reflect also on what a consumer is. In the act last year—and I do not know whether this has been changed or not—a consumer was defined as any individual who uses, purchases, acquires, attempts to purchase or acquire, or is offered or furnished any real or personal property, tangible or intangible goods, services or credits for personal, family or household purposes. This appears to include everyone. I believe that serving the consumer is serving the public interest at the same time. All of us are consumers.

It seems obvious that every government official should be imbued with the public interest regardless of the agency or the branch of government in which he serves.

We have no assurance, once again, Mr. President, that the head of a consumer protection agency would be more representative of the public interest than the head of our existing agencies, with the vast powers that are given to him under this act. He might be arbitrary. It might be that what he considers to be in the interest of the consumer would not be what another given individual considered to be in the interest of the consumer.

We in this Chamber often disagree, and I think that reasonable men and women can disagree on a given issue. So to say that we are going to have a consumer or a consumer advocacy agency that will speak for the consumer is rather presumptuous because I would submit that there is no single consumer's interest, there is no all-encompassing consumer's point of view because individuals are different. They have a wide variety of individual views. There are liberal points of view, there are conservative points of view, there are points of view that a church group has, that a labor group has, that a management group has.

We know here in Congress that all kinds of groups come up here, special interest groups that want to present their point of view; and I know, for my own part, I listen to all of them, and I like to hear their point of view before making up my own mind as to how I should vote on a given piece of legislation that comes before Congress.

I just do not believe we have anyone who is omnipotent, who is able to say, "This is it; this is what the American consumer believes."

We do not have anyone knowledgeable enough to fill the position that we would create and to represent the consumer's point of view because there is no one consumer point of view. We are talking about 210-plus million people that live in the United States, that each have their own minds, that have their own opinions, and the Government agencies that we have should look after the public interest to see that the public is not trampled upon.

Under this bill, we would have a new agency, a consumer agency to look over the shoulders of existing agencies. This implies that they are not doing their job. I think that is an unwarranted broad smear of existing Government departments and agencies.

Perhaps in exercising legislative oversight, we in the Congress should examine into the various Government agencies. Perhaps we should change the law where necessary, and, with the cooperation of the executive branch of the Government, remove from office anyone who is not acting in the public interest.

It would certainly have an adverse effect upon a given agency to have a public consumer lobbyist appealing a decision that is made to the courts. It would result in one agency contesting the action of another agency, the United States against the United States. In my opinion, this would be poor administration.

I believe if we look at the various sections of the bill we will see example after example of something that does approach common law barratry, the needless stirring up of strife, quarrels, litigation, controversy, division within our Government.

We should ask if it is in the public interest and think hard before we adopt this bill (S. 200).

Certainly, we do not want to create a new Government agency, a Frankenstein monster over which the Congress will have little control.

Mr. CURTIS. Will the distinguished Senator yield?

Mr. WILLIAM L. SCOTT. I am glad to yield to my friend from Nebraska.

Mr. CURTIS. This bill has implications beyond what anyone realizes.

Theoretically, it provides that this consumer advocate could intervene in

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any proceeding that adversely affected the consumer. I assume that they would go on the premise that an increase in price adversely affected the consumer.

The very reason that we have an agricultural program is because it is public policy to increase the price paid for farm products. Does this mean that if this bill is enacted, the Department of Agriculture undertakes to establish a support ceiling on food prices, admittedly it will raise the price to the consumer, that we will be faced with the harassment, interference, injunctive procedures, and everything in the book, by this consumer advocacy? I think that is a real danger.

It is not any surprise that a very reputable concern, Opinion Research, after conducting a thorough survey came up with the finding that 75 percent of the people of the country are opposed to this legislation.

I used this opinion survey in debating this bill with Ralph Nader. He downgraded it, implied that it was not a valid survey. However, it was anticipated that he would do that.

Before the debate, officials of Opinion Survey came to see me and said they had kept their working papers and, if any statement like that was made, I was free to state that they would make all the background of the survey available to any research group or group of researchers who would like to look it over and let them decide whether or not they conducted a fair survey.

I know that many of our colleagues believe strongly in this bill. I do not think it will benefit consumers. I think they believe it will. It will add to the burdens of government.

The sizable amount of money it will take to put it in operation is a small part. The added expense it will bring to every Government agency is tremendous. The great increase in cost of products the consumer must buy will more than destroy any known benefit or claimed benefit that might come from the bill.

I thank my distinguished friend for yielding.

Mr. WILLIAM L. SCOTT. I would ask the distinguished Senator from Nebraska, when he was debating with Mr. Nader, did Mr. Nader express any interest in being appointed head of this agency during debate?

Mr. CURTIS. He was asked that question and he said he was not.

Mr. WILLIAM L. SCOTT. Well, I am glad to hear that. At least that is one good thing about the consideration of the bill, the first good thing I have heard.

Mr. CURTIS. Will the Senator yield further on that?

Mr. WILLIAM L. SCOTT. Yes, I am glad to yield to the Senator.

Mr. CURTIS. Here is what it would do if this bill is enacted. The agency could turn this money over to Mr. Nader and his organization. It very clearly provides for the use of private organizations and to transfer the funds appropriated to any private concern.

Mr. WILLIAM L. SCOTT. That is good administration, in the Senator's opinion?

Mr. CURTIS. Well, not in this case.

Mr. TOWER. Will the Senator yield?

Mr. WILLIAM L. SCOTT. I am glad to yield to the Senator.

Mr. TOWER. The Senator from Nebraska alluded to a survey conducted by Opinion Research and the question has been raised about whether or not the question, which was answered 75 percent in the negative by the respondents, was a biased question.

I want to read that question into the RECORD right now, if the Senator from Virginia will indulge me. We should bear in mind that a vast majority of the people in this country never heard of the proposed Agency for Consumer Advocacy. They do not know what it is.

Now, here is the question:

> Those in favor of setting up an additional Federal Consumer Protection Agency on top of all the other agencies say it is needed because the agencies we have are not getting the job done by themselves.
>
> Those who oppose setting up the additional agency say that we already have plenty of government agencies to protect consumers, and it's just a matter of making them work better.
>
> How do you feel? Do you favor setting up an additional Consumer Protection Agency over all the others, or do you favor doing what is necessary to make the agencies we now have more effective in protecting consumers' interests?

Total U.S. public

	Percent
Favor new agency	10
Make existing agencies more effective	75
Both (volunteered by respondents)	3
No opinion	12

Now, that is how much popular support this thing has.

I might note that the Roper Organization commenting on this question said it was not all biased, said they did not regard the full wording of this question as biased.

There is another distinguished posture that bears out the efficacy of the question.

So I think that should be brought to our attention at this moment, that this survey is done by a highly reputable organization, used by many business and political establishments in this country, and shows unmistakably the public does not want this thing.

We are being bullied into it by some self-appointed consumer advocates outside the Congress.

Mr. WILLIAM L. SCOTT. Let me say to the distinguished Senator that I appreciate the contribution he has made and his remarks. It calls to mind, however, a statement that was made by a Congressman from Ohio some years ago, WAYNE HAYS, when we were talking about a campaign reform bill.

He said, "You can call the trash can a reform can and everybody will be for it."

The words "consumer protection" have a connotation that calls to mind something that would appear to be helpful to people. We all want to be helpful.

I think having the word "consumer" in the statement that was made makes the result even more meaningful than it might otherwise be.

Mr. CURTIS. Will the Senator yield further?

Mr. WILLIAM L. SCOTT. I will be glad to yield.

Mr. CURTIS. I feel that Senators should carefully note what this bill provides. Section 4, among other things, says:

> In addition to any other authority conferred on him by this Act, the Administrator is authorized in carrying out functions under this Act to . . . utilize the services, personnel and facilities of private agencies, and to transfer funds made available under this Act to private agencies.

It goes on to say:

> Enter into and perform such contracts, leases, cooperative agreements or other transactions as may be necessary to carry out the provisions of this Act on such terms that the Administrator may deem appropriate with any person.

It is a broad grant of power, not only to a Government agency but to provide parties to intervene, to delay, to increase costs, to harass, to drive out of business, to do anything they choose. The Administrator, under the terms of this act, is the judge of what is the consumer's interest.

I thank the Senator.

Mr. TOWER. Will the Senator from Virginia yield for a unanimous-consent request?

Mr. WILLIAM L. SCOTT. I will be glad to yield.

Mr. TOWER. I ask unanimous consent that a member of my staff, Pam Turner, be given the privilege of the floor during consideration of the pending bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAM L. SCOTT. Mr. President, I ask unanimous consent that a member of my staff, Jim Roberts, be accorded the privilege of the floor during consideration of the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAM L. SCOTT. We might also consider the proper function of an individual in looking after his own interests, the function of a State as well as the proper function of the Federal Government. Is it more proper to have police power, the right to regulate the health, the morals, the well-being of the people at the State level, closer to the individual citizen, at the level that is more familiar with his views than an appointed Federal official?

Under the statement of finding in the bill we considered last year, it says consumers suffer because of lack of effective representation before Federal agencies and courts, giving the appearance that only the Federal Government can protect the individual from the Federal Government.

My mail, incidentally, is just to the contrary. I get a lot of mail from people who want us to leave them alone for awhile. I have a letter that I received yesterday in which a businessman was expressing great concern and displeasure about what we were doing for him.

This report also finds that a new Government agency is necessary to represent the interests of consumers before Federal agencies and courts, and that this new agency should be an independent one,

established for the sole purpose of representing the consumer. It would create another layer of Government to advocate the cause of the consumer.

It might help by putting more people to work. Obviously, if you have a new agency, you have more people at work, and that might help with our 8.9 percent unemployment.

I happen to believe that we have so much regulation of business that we are depressing business now. If we want to get out of our economic slump we need to have less intervention in the affairs of the business community and not more, as we would have under this bill.

I find no provision for the policing or any check on the Consumer Protection Agency. Apparently, the Administrator of that Agency would determine what is and what is not in the interest of the American consumer or the general public. For example, there is the statement in the bill that it is the purpose of the act to promote protection of consumers with respect to, among other things, the protection against unfair and deceptive trade practices.

What about the Federal Trade Commission? One of the functions of the Federal Trade Commission is to safeguard the consuming public by preventing the dissemination of false or deceptive advertisements of food, drugs, cosmetics, therapeutic devices, and other unfair and deceptive practices.

Are we saying we have no confidence in the Federal Trade Commission? Are we saying we have no confidence in the Pure Food and Drug Administration? Are we saying we have no confidence in any of the Government regulatory agencies, but that we have to create a new agency in which we do have confidence, for some strange reason not known to me since we do not have the agency created at this time? We do not know who will make up the staff of the agency. But somehow we are going to create a superagency in which all of the American people will have confidence, an agency where the head will be omnipotent and he will know what is best for all of the people of the country.

I understand to some extent the things that I have just read duplicates the function of the Food and Drug Administration, but these two agencies amicably resolve their jurisdictional conflicts between themselves. However, this proposal would create a third agency to represent the consuming public.

Mr. President, I have a recent editorial that I would like to read to my colleagues in the Senate from the Richmond Times-Dispatch. It is dated Wednesday, April 9. This newspaper, published in the capital city of Virginia contains a masthead entitled "The State Newspaper."

The editorial is entitled "An Unneeded Agency."

I might say that it is nice to know that the President of the United States agrees that this is an unneeded agency and has recommended against the passage of this legislation. There are indications that he will veto the bill if the Congress does pass it. Reading the editorial, it states:

> AN UNNEEDED AGENCY
>
> A few years ago an *anti-pollution* label on a bill almost assured its passage by Congress. Today the magic phrase is *consumer protection*.
>
> Congress seems on the verge of setting up a brand new federal agency designed to protect consumers' interests. It would be called the Agency for Consumer Advocacy. It would be virtually the same as the proposed Consumer Protection Agency which was narrowly defeated in the Senate last year. The name has been changed because certified public accounts (CPAs) complained that their acronym was being stolen.
>
> The Agency for Consumer Advocacy (ACA) would represent consumers in matters brought before other federal regulatory bodies, such as the Civil Aeronautics Board, the Interstate Commerce Commission, the Federal Trade Commission and others which have powers to regulate transportation fares or to take other actions which affect the pocketbooks or other interests of the people of the country. The ACA could also represent consumers in court, and it would serve as a clearinghouse for consumer information and complaints.
>
> No one is against consumer protection; the question is whether any significant contribution to such protection would be made by a new federal agency, which in itself would cost the taxpayers many millions of dollars to staff and operate. Opponents also fear that the powers given the ACA in the bill would permit that agency to demand and get sensitive confidential information as to the internal affairs of private business firms and to make such information public, to the detriment of the firms involved from a competitive standpoint. A further concern is that the ACA would publicize complaints which might be totally without foundation but which could cause damage to the businesses complained against.
>
> J. W. Reihm of the U.S. Chamber of Commerce, in testimony before the Senate Government Operations Committee, summed up a major argument against the proposed new agency:
>
> "Consumer interest" is an amorphous concept, made up of many competing elements, and the ACA, time and again, will be called upon to make paternalistic judgments as to what is best for 210 million American consumers. We submit that the more logical approach is to determine why the [regulatory] agencies are failing to execute their statutory mandates and then seek to correct these shortcomings."
>
> That "more logical approach" was recommended to Congress last October by President Ford. He urged creation of a National Commission on Regulatory Reform "to identify and eliminate existing federal rules and regulations that increase costs to the consumer."
>
> If the federal regulatory agencies are set up in such a way, and under such laws, as to fail to provide sufficient consumer protection, then the answer would be to change those agenceis by law. It would be costly, confusing and time-consuming to approach the problem by establishing a new permanent government bureaucracy on top of what already exists.

Mr. President, we might say that if this Consumer Advocacy Agency does not work out, then we should have another agency created on top of it, to see that it does the job that it is created to do; and we could go on ad infinitum on a matter such as that.

The clear answer is for Congress, in its legislative oversight, with the cooperation of the executive branch of the Government, to make the agencies we have do the work they were created to do.

I return to the editorial:

> Unfortunately, however, as pointed out above, legislators at all levels of government tend to rush to jump on any bandwagon labeled "consumer," even if the wagon is rolling the wrong way. Passage of the bill in the House of Representatives seems highly probable, since the House passed a similar measure last year. In the Senate, 42 members are co-sponsors of the pending bill, so it looks as though it will get through that body too, especially since opponents felt they had to resort to a filibuster to defeat the similar measure last year. Proponents even claim they have enough support to override any presidential veto.
>
> So we may soon be saddled with another federal agency—as though there weren't enough already! But opponents should continue the fight; they are on the right side, even if it turns out that they are in the minority when the votes are counted.

Mr. President, I hope the concluding paragraph of this editorial proves to be wrong, that this bill does not pass.

Mr. President, the proposal permits the Consumer Advocacy Agency to intervene not only among Government agencies but also in the courts, including the Supreme Court of the United States.

Having worked for a number of years with the Department of Justice, I am aware that it has plenary authority under the law and Executive orders to represent the Government in suits to which the Government is a party. The Congress should be very cautious in dividing this authority to represent the Federal Government in the courts. To do so might well result in inconsistencies of Government positions before the courts. Certainly it would be an imposition on the American taxpayer to have the Department of Justice file one set of briefs and the Consumer Advocacy Agency, at taxpayers' expense, to file a brief representing a different point of view.

It is interesting to note in the bill that the function of the Administrator would be "to inform the appropriate committees and Members of Congress of the activities of the Agency and testify, when asked or on his own initiative, before the committees of Congress on matters affecting the interest of consumers."

This appears to mean that Congress would create an agency and give the Administrator the authority to lobby with individual Congressmen and before our various committees regarding his concept of what is best for the American public.

As I understand the proposal, the new Agency would have no regulatory function but would intervene in an effort to see that existing agencies are properly performing their prescribed duties. For example, it is provided that the Administrator shall include in his annual report a statement on—

> The performance of Federal agencies and the adequacy of their resources in enforcing consumer protection laws and in otherwise protecting the interest of consumers; and the prospective results of alternative consumer protection programs;

Would this not also duplicate the watchdog function of the General Accounting Office and the Office of Management and Budget? Would it not also duplicate our Congressional Budget

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Committees, the committees of the House and the Senate? Are we to assume that Americans are unable to look after their own personal affairs and that a bureaucratic representative must appear before a Federal regulatory agency, a court, or a committee of the Congress to protect their interest? We used to pride ourselves on the self-reliance of the average American. Over the years we have achieved higher educational levels but this act would have you believe that we are now less able to look after our own interests.

There was a time in American history when business enterprise was unregulated but that certainly is not true today. Not only has the Government, over the years, regulated business more and more but I believe that the business community has become more conscious of the public interest. This act would have you believe that all businessmen are out to swindle the public, that the individual is unable to protect himself, that existing Federal agencies are incapable or unwilling to protect the consumer and that it is necessary to create another layer of bureaucracy not held captive by private industry. Of course, the question could well be raised, if the same reasoning is adopted, as to how soon the consumer protection agency would be captured. It seems to me that this proposal ignores the market processes, the competition between various producers of goods and services which helps to protect the American consumer, who can compare the various products on the market to determine whether he wants to purchase one or another, who can consider the reputation of the manufacturer for competence and integrity.

If we assume as this proposal appears to do, that existing Government agencies are not performing the functions for which they were created, if there is malfeasance in office among the officials of regulatory agencies, it would seem preferable to fire the officials than to create another level of government to protect the public. The concept of creating an additional level of government when confidence is lost could go on ad infinitum. There is no assurance that the administrator of the Consumer Protection Agency would be any more dependable than anyone else. And, I wonder if the individual Senators and various committees of the Congress need another Government bureaucrat to appear and advise them on what is best for the American people.

My mail, at least, indicates that the people of Virginia are not inhibited in telling me what they think about the pending legislation and the various issues confronting the country. I wonder if the same is not true of the citizens of each of our States.

Mr. President, I wish to share with the Senate some mail that I have received with regard to this particular matter. I have a letter from a gentleman in Springfield, Va., in which he says, among other things:

> Russia and China are still fine examples of what is accomplished by people whose every facet of life is controlled by bureaucratic rules and regulations.

A gentleman from Lynchburg, Va., among other things, indicates:

> I hope you will not be part of placing another bureau on the backs of the taxpayers, and urge you to vote against it.

At the conclusion, he says:

> I understand there are thirty three consumer agencies operating more than one thousand consumer-related programs! Do we need another? No!

From the Virginia Farm Bureau Federation, its president writes, among other things:

> We believe that enough federal agencies are presently protecting and representing the consumer without the creation of another massive bureaucratic agency that would be expensive and act as a "bottleneck" to proper and expedient functions of existing federal agencies. With the present economic conditions of the United States, our country cannot afford another agency to increase deficit spending and fuel inflation.

From a furniture dealer in Galax, Va., a paragraph is included reading:

> I am sure that you realize that the country is actually burdened to death now with different bills that have been passed, one on top of another, and the over-lap of authority has been so confusing that none of us know what to do.

I have a letter from a gentleman in Norfolk, Va., who writes:

> As I understand, this agency would be created to hire thousands of people to supervise people that are overlooking people that are supervising people that are overlooking people that are now protecting the consumer through such organizations as the Interstate Commerce Commission, the F.C.C., the F.A.A., etc., and I feel that this is entirely unnecessary.

I have a telegram from a gentleman in Lynchburg, Va. He says, in part:

> It does not properly attack the problem of making the Government responsive to the consumer.

A gentleman in the moving and storage business in nearby Merrifield, Va., commences his letter by saying:

> As a citizen and businessman, I am quite alarmed about this.
>
> This bill seems to me as if we would be creating another group of people to tell the people we have now to run their agencies. I cannot for the life of me see how we could hire a new group of people to tell the ICC how to run that agency. This same thought applies to the DOT, FAA, and any other agencies. I do not think that we need to federalize the Nader group or Common Cause group to dictate to these agencies.

A letter from one of our larger chain stores in Virginia includes this paragraph:

> If such an agency were created it would have the opportunity to second guess the decisions of other federal agencies affecting business. It could arbitrarily ask that any case be reopened if the ACA believes that the other agency's decision is not in what the ACA says is in the consumer interest. The resultant uncertainty would surely not be conducive to either good regulatory law or business.

I have a short letter, Mr. President, from a contractor and engineer in Arlington that I would like to read in its entirety, because he is just completely disgusted with the increasing Government regulation of business. He says this:

> During my more than forty working years I have attempted to provide for our few remaining years.
>
> Unfortunately, I could not anticipate the utterly reckless spend, waste and inflation be damned of the present Congress.
>
> Quoting an old axiom, "If you would destroy a nation, first destroy its currency."
>
> And Congress is accomplishing this end with great gusto!

I ask unanimous consent, Mr. President, that all of these letters be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

SPRINGFIELD, VA.,
April 23, 1975.

WILLIAM L. SCOTT,
U.S. Senate, Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR: I understand that the Senate will soon be voting on a bill which proposes to create a governmental Consumer Protection Agency. It is requested that serious consideration be given to the possible detrimental effects of such a proposal.

New rules and regulations are being passed almost daily at the city, county, state, and national levels. Nearly all of these rules and regulations impose additional costs upon the individuals who must comply. In my mind, if costs go up, prices and wages must go up. To me, there has been no question, such as seems to have stumped our great economists, as to why this nation has experienced serious inflationary trends at a time when we are in the middle of a recession.

Those who are sponsoring and passing these rules and regulations are missing a very important point. They use the cliche that the new legislation is for the good of the taxpayer or the consumer. It is expedient for them to ignore the fact that the taxpayer and the consumer in most cases is also an employee whose livelihood depends on the sound health of the private sector of industry and commerce. To those who feel that we as individuals are incapable of acting or thinking for ourselves and must be sheltered from all possible adverse situations by the many levels of government, I say: permit me some measure of freedom to decide and act for myself, I will accept responsibility for my actions.

Russia and China are still fine examples of what is accomplished by a people whose every facet of life is controlled by bureaucratic rules and regulations.

Please vote against one more expansion of bureaucracy—the Consumer Protection Agency.

Sincerely,

GEORGE S. ROAL.

LYNCHBURG, VA.,
April 21, 1975.

Hon. WILLIAM SCOTT,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: I am very concerned about the ever-increasing list of government agencies that regulate every segment of the citizen's lives, to say nothing of the soaring costs that add billions to the national debt.

I understand there are thirty-three consumer agencies operating more than one thousand consumer-related programs! Do we need another? NO!

Senator Ribicoff's bill S200 (Agency for Consumer Advocacy) should be turned down pronto! Sixty million dollars to operate it the first three years! If all the agencies we already have are not doing the job, how in the name of common sense can we expect another to do it?

I hope you will not be part of placing another bureau on the backs of the taxpayers, and urge you to vote against it.

Yours very truly,

J. L. THOMPSON.

P.S. It is not necessary to reply to this. I simply want to register my protest. Also, I hope the rumor that you may not run for the Senate again is unfounded. I like your record.

VIRGINIA FARM BUREAU FEDERATION,
Richmond, Va., April 25, 1975.

Senator WILLIAM L. SCOTT,
Senate Office Building,
Washington, D.C.

DEAR BILL: The Virginia Farm Bureau Federation requests that you oppose S. 200, the Federal Agency for Consumer Advocacy bill.

We believe that enough federal agencies are presently protecting and representing the consumer without the creation of another massive bureaucratic agency that would be expensive and act as a "bottleneck" to proper and expedient functions of existing federal agencies. With the present economic conditions of the United States, our country cannot afford another agency to increase deficit spending and fuel inflation.

Your utmost attention is needed to thwart the creation of a Federal Agency for Consumer Advocacy. Your opposition to S. 200 plus any opposition that you can muster from your colleagues is gratefully appreciated.

Sincerely,

ROBERT B. DELANO,
President.

WEBB FURNITURE CORP.,
Galax, Va., April 30, 1975.

Senator WILLIAM F. SCOTT,
U.S. Senate, Washington, D.C.

DEAR SENATOR SCOTT: You have a long, established record and from our previous correspondence, I do not think that it is necessary to write to you and express my opposition to the new Federal Agency for Consumer Advocacy under Bill S–200.

I am sure that you realize that the country is actually burdened to death now with different bills that have been passed, one on top of another, and the over-lap of authority has been so confusing that none of us know what to do.

I trust you will do everything possible to see that this measure is defeated.

Yours very truly,

D. E. WARD, Sr.,
Chairman of the Board.

NORFOLK, VA.,
April 24, 1975.

Senator WILLIAM L. SCOTT,
Senate Office Building,
Washington, D.C.

DEAR SENATOR SCOTT: You may recall that I wrote last year, requesting that you oppose the bill for the Federal Agency for Consumer Advocacy, which is, as I understand, again before the Senate under Senate Bill 200. I believe that at that time you, in principle, opposed this legislation, but I, again, ask that you not just passively oppose the Consumer Protection Agency but that you actively work for its defeat and permanent elimination from the legislative slate.

As I understand, this agency would be created to hire thousands of people to supervise people that are overlooking people that are supervising people that are overlooking people that are now protecting the consumer through such organizations as the Interstate Commerce Commission, the F.C.C., the F.A.A., etc., and I feel that this is entirely unnecessary.

Congress created a monstrosity when they passed the OSHA provisions and allowed the Health, Education and Welfare to invade free enterprise with ridiculous regulations in many instances. Whereas I am not opposed to the concept of OSHA, I am opposed to the implementation, and am afraid the same thing would occur in a consumer agency bureau. In fact, I understand that recent surveys indicate that 75% of the general public do not feel that a master protection agency is necessary—and certainly, those in Virginia do not need such an agency as we have adequate protection, I feel, from the current regulatory and consumer protection agency.

I am sorry this has been so long, but I hope that you will forcefully oppose this Senate Bill 200 at every opportunity that occurs.

Sincerely,

J. PARKER NEW, Sr.

TELEGRAM

LYNCHBURG, VA.

Senator WILLIAM L. SCOTT,
Senate Office Building,
Washington, D.C.

Concerning Senate bill 200 the Agency for Consumer Advocacy we are strongly opposed to the passage of this bill. The most serious flaw is that it does not properly attack the problem of making the Government responsive to the consumer. If existing agencies have not shown proper consumer advocacy, then the internal pocedures of the existing agencies should be reviewed and revised as necessary. In these inflationary times, we should look for methods of reducing Government spending rather than creating additional layers of bureaucracy. While the initial costs of establishing such an agency appear modest, you are of course aware that such agencies tend to be self-perpetuating and vastly more expensive than originally planned. I urge your consideration of these points.

W. E. MASENCUP, Jr.,
Chairman, Lynchburg Foundry.

STERLING STORAGE & VAN CO., INC.,
Merrifield, Va., March 21, 1975.

Re: Senate Bill S–200

Hon. WILLIAM L. SCOTT,
House of Representatives,
Washington, D.C.

As a citizen and businessman, I am quite alarmed about this.

This bill seems to me as if we would be creating another group of people to tell the people we have now to run their agencies. I cannot for the life of me see how we could hire a new group of people to tell the ICC how to run that agency. This same thought applies to the DOT, FAA, and any other agencies. I do not think that we need to federalize the Nader group or Common Cause group to dictate to these agencies.

Prior to the defeat of Congressman Parris, I was in an audience of his and heard him report that we have one government employee per every seven citizens. How can we possibly support more? Congressman Parris was in support of this new agency and I asked him this same question; he told me that the consumer needed protection from the other consumers.

Senator Scott, I do not feel nor will I ever feel that we could hire or elect someone more knowledgeable to tell *you* how to conduct your Senate duties. This new proposed agency is just as ridiculous.

Also, I see the labor unions and the FCC are exempted from this bill. I guess the lobbyst from this group have been active, but if we are to have such a super monster run our society—why should anyone be exempted. I feel, Senator Scott, that you will not give this bill your support without consideration of all the facts. And I rest my plea.

Respectfully yours,

HAROLD B. PACK,
President.

MILLER & RHOADS,
Richmond, Va., March 17, 1975.

Hon. WILLIAM L. SCOTT,
U.S. Senate
Washington, D.C.

DEAR SENATOR SCOTT: I understand that the Senate Committee on Government Operations has reported to the full Senate S 200. the Consumer Protection Act, which would create an Agency for Consumer Advocacy. Once again I write to express the hope that you will oppose this bill, as you did last year, with the full measure of your good influence.

If such an agency were created it would have the opportunity to second guess the decisions of other federal agencies affecting business. It could arbitrarily ask that any case be reopened if the ACA believes that the other agency's decision is not in what the ACA says is in the consumer interest. The resultant uncertainty would surely not be conducive to either good regulatory law or business.

There is no need to add another level of bureaucracy to that which we already have at the federal level.

Furthermore, why should labor disputes be exempted from ACA's attention when union demands and work practices etc. represent a distinct cost factor which ultimately has a direct impact on consumers?

Sincerely yours,

THOMAS P. BRYAN.

V. L. FREDERICK CO.,
Arlington, Va., May 2, 1975.

Senator WILLIAM L. SCOTT,
Senate Office Building,
Washington, D.C.

DEAR SENATOR SCOTT: During my more than forty working years I have attempted to provide for our few remaining years.

Unfortunately, I could not anticipate the utterly reckless spend, waste and inflation be damned of the present Congress.

Quoting an old axiom, "If you would destroy a nation, first destroy its currency."

And Congress is accomplishing this end with great gusto!

Yours very truly,

V. L. FREDERICK.

Mr. WILLIAM L. SCOTT. Mr. President, I wish to have printed in the RECORD an editorial from the Washington Star-News of March 21. It says, "Watch out for the watchdog."

Mr. President, I think that is a phrase that we have to deal with, with regard to this bill, "watch out for the watchdog."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WATCH OUT FOR THE WATCHDOG

Legislation to create a Consumer Protection Agency—that super-bureau that is supposed to save all of us from flim-flams and shoddy but expensive merchandise—is before Congress again, seemingly more vigorous than it was last year when it fell before a filibuster led by Senator James Allen of Alabama.

There is no more justification for it this year than last. But with Congress more titled toward the liberal side as a result of the November elections and with the Senate having made it easier to cut off filibusters, the chances are higher than 50–50 that this bureaucratic monstrosity will be unloaded on the taxpayers, in the name of consumerism.

The new agency would be given a mandate to stick its finger into any governmental operation that "may substantially affect the interest of consumers"—which is to say, just about every thing. The administrator of such an agency would be one of the most powerful persons in government. We already can

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> see him sending off legal staff, investigators and paper shufflers of various sorts to nose around all over town. The probability is very high that this new agency would soon dwarf most other governmental units, as to size of both staff and budget.
>
> About the only justification we can think of for creating the new agency is that it would provide some jobs for the growing lists of unemployed. The problem is that once the economy gets straightened out, the taxpayers still would be saddled with it; the chances of ever getting rid of a government agency are almost nil.
>
> What this legislation would do is add another "watchdog" agency to a federal government that already is up to its ears in watchdog agencies. If the existing watchdogs were doing their jobs, we wouldn't need another. If Congress really wants to look out for the consumers' interest, it ought to see that the watchdogs we've already got earn their keep.

Mr. WILLIAM L. SCOTT. I see we have the floor leader for our side of the aisle here at the present time, Mr. President. I wish to ask him to respond, if he will, to a couple of questions on matters that I heard mentioned in his remarks in general an hour or two ago. He was speaking of phasing out some agencies of Government if we create this new agency, that it would phase out some other agencies. What agency, if I may ask the distinguished Senator from Illinois, did he have in mind?

Mr. PERCY. I am very happy to respond to questions of my distinguished colleague. If the Senator from Virginia would refer to the comments of the Senator from Illinois, I said that what we should do, as I pledged to the President, is see that we eliminate enough Government agencies or functions to more than pay for this one. I did not say that it automatically would do away with those, but I did mention agencies, such as the ICC, FMC, and CAB, which are very costly and which really work to the detriment of the consumer rather than to his benefit. They provide protected routes, they set rates that are really uncompetitive, and they create idle capacity. Certainly, the elimination of the ICC alone would more than pay for all the cost of this new agency which, of itself, would probably result in a tenfold return on investment each year.

It is perfectly obvious that certain offices would be eliminated—for instance, the office of Virginia Knauer, which used to be an office of the President but now is part of the Department of Health, Education and Welfare. Similarly, so many of the consumer information offices scattered about in many departments and agencies. The President has asked for a report from every agency of Government as to what they are doing for the consumer. I think when he gets that report, he might be able to identify for us certain activities which can either be done away with entirely or be trimmed by merging the activity within ACA.

I made the pledge to the President, based on the general pledge I made to myself when I came to the Senate, that I would never sponsor a piece of legislation that called for expenditures beyond the budget without showing where we could reduce the budget on an overall basis, over a period of time, in another area; in other words, not put a matter of higher priority in and just add it, but actually, in tandem, do away with something of lower priority. The Senator from Illinois, for 9 years, has held to that principle. I simply was repeating a pledge I made to the President that we would be able to find enough Government cost, and waste, in other areas to eliminate and phase out so that the $15 million, $20 million, and $25 million authorization for this agency over 3 years would not be any net addition to the budgetary cost of the Government.

Mr. WILLIAM L. SCOTT. Is the distinguished Senator saying that the cost of this proposed new agency would be less than that of the office of a Presidential Adviser on Consumer Affairs?

Mr. PERCY. Oh, no.

But we would be able to pinpoint areas of lesser priority, or duplicative functions, that could be cut out.

We have to pay for things, and when we propose legislation we ought to propose how we are going to pay for it. I would think whether we are conservative, moderate, or liberal, whatever we call ourselves, that is a good pledge to take.

Mr. WILLIAM L. SCOTT. I ask the distinguished Senator, with reference to the statement that he made with regard to schoolbuses, as I understood the distinguished Senator indicated that there would be some regulation by this agency of safety on schoolbuses. Will he tell us just what he had in mind in that statement?

Mr. PERCY. I am happy to respond.

I would not be surprised if the Senator from Virginia pricked up his ears when he heard the word "busing." The Senator from Illinois was not inferring that there was any busing amendment on this bill.

Mr. WILLIAM L. SCOTT. I understood the Senator was referring to safety on schoolbuses, not racial busing.

Mr. PERCY. That is right.

What the Senator from Illinois was referring to in just listing the schoolbus, which I consider on a whole as used throughout the country a relatively unsafe vehicle for our children, was that this is the kind of an activity that the Senator from Illinois feels that an agency for consumer protection could do a better job with safetywise. It could urge the National Highway Traffic Safety Administration and the parent Department of Transportation to issue regulations that would require that there be safe schoolbuses that would protect our children—that seating standards, brake standards, crashworthiness standards, and other kinds of design standards be substantially upgraded now, not 10 years from now. In looking into this matter, the Senator from Illinois has found that there are contractors who feel that uniform regulations on safety so far as schoolbuses are concerned would be extraordinarily helpful to the industry, but right now the children go to school in the bus provided by the lowest bidder.

This is not reassuring to parents who send children to school in buses with protrusions sticking out, for example, and without safety belts.

So these are the kinds of things in the school bus safety area that an advocacy agency could help to improve upon. The Senator from Illinois has been an advocate and ombudsman in this particular area, and for several years has tried to get DOT to take needed action. But it should not be up to a U.S. Senator's office to try to do things like this on a daily basis.

We are making progress, however. DOT is moving, and the industry is moving, but this is the very kind of thing that should not have to be done by a member of the legislative branch. It should be done by an agency with the time, the staff, the authority, and the resources to act upon the legitimate health, safety, and economic concerns of consumers.

Mr. WILLIAM L. SCOTT. Is there not already a Federal agency with regard to safety of consumer products, an existing Federal agency that could do the very thing that the Senator is referring to?

Mr. PERCY. NHTSA is the Agency set up within DOT. I have worked with it and with the schoolbus industry on this particular matter. They could have picked this up, but they felt they had other "higher priorities." It may well be that they were aware of the work that was being done and is continuing to be done in this field; but it would be appropriate as one item for the Agency for Consumer Advocacy to take up. I would be very happy to turn over all the files that I have in my office to the Senator from Virginia to make up his own mind whether or not progress has been made. When he reads the files, sees the statistics, and sees the number of needless deaths and injuries on our highways every year involving school buses, I think he will agree that someone ought to be doing something about this other than the Senator from Illinois.

Mr. WILLIAM L. SCOTT. Mr. President, I appreciate the comments of the Senator from Illinois. Oftentimes, men of good will who are Members of this body can have a difference of opinion. I disagree with the need to have a new agency to phase out the old agencies. I think we can phase out a lot of old agencies without creating a new agency to do it.

I think we can have safety on our schoolbuses by getting the existing Federal agencies, State agencies, and local agencies to provide it. I do not believe in this empire-building concept, putting one agency over the other.

To conclude my remarks, Mr. President, let me point out that not only would the administrator of this proposed new Agency tell Congress, the various departments and agencies of the Government and the courts what is best for the consumer or the public, but once he is appointed for a term concurrent with that of the President, he could be removed only for inefficiency, neglect of duty or malfeasance in office, with the power to decide what is best for all of us. He would be an advocate of what he believes to be in the public interest and his determination would not be reviewable by any agency of Government, any court, or any instrumentality during his term of office. I doubt that we could find any individual with the complete knowledge necessary to perform the function of this office.

It has been 1,975 years since we have had the "Perfect Man" living in the flesh on this Earth. I hope that we will examine every phase of this bill and see how the bill that we have before us today, S. 200, differs from the one we had before us last year and those discussed in previous years.

It may well be that this proposal would act counter to its intention and create such uncertainty and chaos within the Government, among businessmen and in the marketplace, that the cost of goods and services would be increased, taxes would be raised and that it would be harmful to the very one it is intended to help—the consumer or the individual American citizen.

Its broad scope requires the most careful examination. I believe we will serve the public interest by extended discussion of each paragraph of this common law barratry bill.

One of the most encouraging news items that I have heard recently is that the President will veto this measure, and I commend the President for his promise to do this. Certainly I am prepared to vote to sustain his veto in the event that the bill does reach that point.

Mr. President, it was understood, and there was unanimous consent, that when I completed my remarks the Senator from Alabama would again be given the privilege of the floor.

Mr. PERCY. Mr. President, will the Senator from Virginia just yield for a question?

Mr. WILLIAM L. SCOTT. I would request, Mr. President, that that request be made of the distinguished Senator from Alabama.

Mr. PERCY. Mr. President, the Senator from Illinois would like to direct a question to the Senator from Alabama because the Senator from Alabama has the floor now. Before the Senator from Alabama takes the floor, I ask unanimous consent that I be permitted to ask one or two questions of the Senator from Virginia.

Mr. ALLEN. I have no objection if I can resume the floor under the same terms granted to me at the outset.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. I thank the Senator very much indeed.

I would like to ask the Senator from Virginia, first, whether, in his comments just now, he mentioned or said anything as to whether the President had definitely said he would veto the bill. I was not sure I heard that part of it correctly.

Mr. WILLIAM L. SCOTT. Well, it is my understanding that in a letter to Senator TOWER, our colleague from Texas, the President made such a statement. But the Senator from Texas will be here at a later time and, perhaps, could answer the question more directly. This is hearsay on my part, but I have heard from a number of sources that the President will veto the bill. I do not know it of my own personal information. It is hearsay. I believe it to be true and I hope it is true.

Mr. PERCY. I merely asked the question because, although I know the President has taken a position opposed to the bill, I had not heard that he had intended to veto the bill if passed by the House and the Senate. I think it would be well if we could have that point clarified and, perhaps, Senator TOWER could clarify it.

Mr. WILLIAM L. SCOTT. I believe Senator TOWER would be the better source.

Mr. PERCY. Second, I would like to point out to the Senator from Virginia, who is a strong State's rights Senator, that I should like to identify myself also with that principle. But what should be the Federal role in this area?

Mr. WILLIAM L. SCOTT. I would go further and say that nothing should be done by any government and any agency that the individual can best do for himself. I believe somebody from Illinois said that 100 years or so ago.

Mr. PERCY. That is quite right, and certainly nothing should be done at the State level that can be done at the county level or municipal level, and certainly nothing undertaken by any government that can be done by private citizens or by private groups.

So we agree in philosophy on that. But I should like to ask the Senator from Virginia how he can reconcile the fact that 39 States now have adopted legislation creating, in effect, a consumer protection agency; that 33 Governors last year endorsed the concept of a Federal agency for consumer protection.

In our Federal system we have the good virtue of being able to try out ideas in our respective States. First one State adopted the idea of fair employment practice laws, then another State, then another State in the South, the West, the North, and the Midwest. You can try these ideas out and then finally, after it is proven that it is valuable and necessary, we ultimately adopt a national policy, and we have done that in an infinite number of areas.

Here, consumer protection started out in one State, then another State, and finally approximately 39 States have created that concept. But they are the very ones that would come down and say, "There are certain things we can do in our States but, just like environmental laws, it is probably better to have a national pattern once you have established the principle, because in our own State we cannot be effective in regulating a national situation or prescribing guidelines for a national situation."

Or when we get, for instance, in the case of housing scandals all over the country, involving collusion between unions, contractors, brokers, and real estate dealers defrauding the Federal Government and defrauding poor people—a consumer advocate, and ombudsman, at the national level could have detected that pattern far more quickly than grand juries conducting piecemeal inquiries all over the country and duplicating an effort that could have been done much more economically and much more easily by a Federal agency at the outset. So I ask how we can justify turning down the judgment of that many States when they have had actual practical experience, and feel this is needed at the national level?

Mr. WILLIAM L. SCOTT. Let me say to the distinguished Senator that oftentimes individuals put different emphasis and interpretations on the same facts.

I would submit that some of these things that the distinguished Senator mentions have come about because of pressure groups pressure upon their State legislatures, which indicates to me that the individual citizen can contact his representative at the State level as well as his representative at the Federal level, and make his views known.

We do not need to have a consumer advocate administrator who says what is best for the American consumer. The American consumer can speak for himself. He always has.

The Senator says there are 39 State consumer protection agencies. To me that would negate the need to have a Federal consumer protection agency. Apparently the States are meeting the need.

If the States are doing the job, it is not necessary to have the Federal Government to get into the act. Furthermore, this bill would impose another agency over one that is charged with the responsibility to represent the public interest.

We were discussing the Federal Trade Commission a few minutes ago, and before that going back to the Federal Communications Commission under the amendment of the Senator from Washington. Under this bill we would have a duplication of agencies in almost every field.

I am saying when we are talking about protecting consumers we have innumerable agencies now to protect them but with all our Government agencies, at all levels they can still best protect themselves.

AMENDMENT NO. 371

Mr. MAGNUSON. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from Washington (Mr. MAGNUSON), for himself, Mr. DOLE, and Mr. PEARSON, proposes an amendment:
>
> On page 36, line 20, after the comma, insert the following: "to any agency action in the Federal Communications Commission with respect to the renewal of any radio or television broadcasting license,".

Mr. MAGNUSON. Mr. President, my amendment would strike the committee amendment on page 36, line 20 through 22. The committee amendment struck out the exemption relating to Agency for Consumer Advocacy Intervention in Federal Communications Commission proceedings having to do with renewals of radio or television broadcasting licenses. By striking the committee amendment, we would restore the exemption and insure that the ACA does not get bogged down in the endless procedures of the FCC which deal with broadcast license renewals. It must be pointed out that in no way would this action deprive the ACA of participation in other FCC activities; it is limited only to license renewal proceedings for broadcasting stations.

The exemption was contained in last year's Senate bill and was overwhelmingly supported on the floor by a 57 to 17 vote to reject its deletion. There are many good reasons for this exemption.

This legislation is to assist consumers. Renewal proceedings bear no resemblance to the market-place transactions that are the focal point of the bill, and it should be obvious that there are no such transactions between the broadcaster and his viewers and listeners.

Even if, by some stretch of the imagination, the broadcaster-listener/viewer relationship could be interpreted as a "consumer" one, it would be farfetched to claim that the interest is substantial enough to require ACA participation.

Practical problems are also involved. One-third of all licenses are up for renewal each year, and the new Agency would spend thousands of manhours on renewal proceedings which have little impact on the Nation's consumers while neglecting those areas of concern which are of the greatest importance to the consumer.

The exemption is a limited one: it would extend to only the license renewal process and not prevent the ACA from participating in other matters before the FCC such as rulemaking procedures which affect the entire industry rather than a single radio or television station.

We feel strongly that such an intrusion is in violation of the first amendment and, furthermore, is discriminatory against the broadcast industry.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TAFT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. Will the distinguished Senator yield?

Mr. TAFT. I yield to the distinguished Senator from Connecticut.

Mr. MAGNUSON. Mr. President, what is the pending business?

The PRESIDING OFFICER (Mr. STAFFORD). The pending business is the amendment of the Senator from Washington.

Mr. TAFT. Will the Senator yield for a unanimous-consent request?

Mr. WEICKER. Certainly.

Mr. TAFT. Mr. President, I ask unanimous consent that during debate on this bill, my aide, Robert Hunter, be permitted the privilege of the floor.

The PRESIDENT OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I ask unanimous consent that a member of my staff, Mr. Kim Wells, be granted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, I ask unanimous consent that during the course of the debate, members of my staff, Mr. Robert Dotchin and Mr. Jack Harvey, be permitted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, what is the pending question?

The PRESIDING OFFICER. The pending question is on agreeing to the amendment of the Senator from Washington.

Mr. WEICKER. Mr. President, may I have the amendment read or has an explanation of the amendment been given?

The PRESIDING OFFICER. Without objection, the Chair will have the clerk read the pending amendment.

Mr. WEICKER. Is this an unprinted amendment?

The legislative clerk read as follows:

AMENDMENT No. 371

On page 36, line 20, after the comma, insert the following: "to any agency action in the Federal Communications Commission with respect to the renewal of any radio or television broadcasting license,".

Mr. WEICKER. Mr President, I shall have a good deal further to say on this entire subject when I present my own amendment, which will relate to the labor exemption. But a few opening comments at this time I think might very well be in order as to the subject matter of the Magnuson amendment, and any subsequent amendments that try to put exemptions into this bill.

The real problem in this country today is that the establishment, and that means all aspects of the establishment, suffers from a credibility gap as between itself and the American people. I am not just talking about politicians. We have our particular problems in trying to achieve credibility with our own constituencies.

When I talk about the Establishment, and when I talk about leadership, I am in essence talking about the powerful of this country, whether they are politicians, educators, labor leaders, the news media, or religious leaders. They, indeed, are the Establishment; they are the powerful. All of us put together have a problem of restoring the faith of the American people in the leadership of this country.

It is not politically wise, or practical, I suppose, at least for a politician, to oppose an exemption which in effect would give the electronic broadcast media freedom from the provisions of this act; and I suppose it is even more impolitic and impractical to oppose an exemption for the labor unions and the labor leadership of this country.

But if we want to continue to go this route, in effect what we are going to end up with is a bill which says to the American people, "This law will apply to all of you, but not to any of us."

That is the whole problem in the country today. People think there are two sets of rules: One for the powerful and one for them.

I suggest to you that nothing is more important than to make it clear in our deeds that indeed we are all equal, and there is one set of rules, and it applies to everybody.

I am appalled by this exemption. There is no reason for it. Obviously the electronic media is involved with consumers, no question about it. Just because we have been prevailed upon, certain of our Members have been prevailed upon, to exempt them from the legislation is no reason to follow that lead out of fear for our own personal fortunes in the future.

If we are going to have a consumer protection bill that does not apply to everybody, then let us not have it.

The whole spirit of consumerism, it seems to me, is a breath of fresh air on the American scene whereby every American is given a voice as it relates to the products and services offered by everybody in this country. One voice applying to all.

Here, right at the outset of this legislation, we sully it by making it special interest legislation.

We are well known, Mr. President, for special interest legislation. We do not need to be known for that. Go out on the streets of this country and ask about legislation that we pass here, and while the image might not be true, the image is, "Well, we do it for ourselves" or "We do it for those who have enough money and enough power to reach the various Members of Congress." That is what we are known for.

I would like to start to get known for our independence, for our being able to make these judgments separate and apart from whatever it is the powerful think or do.

We can go back home, we can give all the speeches we want to about the equal system of justice and, we can ask people to work within the system, and all the rest of it, and then we do one thing like this, and the people will say, "It is a great speech but that is not what goes on."

So I do want a new beginning. It is what should go on.

I think we all forget too soon the difficulties that encompassed this country in the late 1960's and the early 1970's. I know, I came down here to Washington in 1969, and Washington, like so many other areas of the country, was a city of confrontation, a city of violence.

I remember the leadership when I would talk to them, the political leaders as well as those leaders in other areas of the media, of education, of religion, of labor; they were all honestly wondering whether we were going to make it through those difficult times.

I am glad that the American people did not have a chance to hear the timidity that was expressed by the leadership of this country as to whether or not we were going to come through those times of violence and confrontation.

But, in any event, those leaders stood before the American people in an attempt to bring order out of the chaos that existed, and they said two things, if you will recall:

> Work within the system and believe in our system of equal justice.

Those two things were said, and I think there was a reservoir of belief in our political system and in the equality of our justice, not in the National Guard or in the U.S. Army or in the police that, in effect, brought order out of chaos at that time.

Well now, let us take a look and see what has happened since the late sixties. Let us understand what it is the American people have come to learn.

Do you think they honestly have learned that there is equal justice? Have they learned that working within the system is the best way to accomplish change? Or have they learned that there are two strata of justice and of legislation, one for the powerful and one for the rest of the country?

If you stand up today in light of the facts of the last several years, including what it is that we do on the floor today, and ask people to work within the system and believe in the equality of our justice, do you think you would be heeded on the basis of the experiences and the words and the revealed deeds of the last several years? I think you would have difficulty in bringing the classroom to order, and when I say "you" I mean "we," because this is a part of that leadership.

So, regardless of the actual substance of the legislation before us—and that is important—I think it is also important that it be passed or it come to the attention of the American people in the right light, which is that here is a law that applies to us all. It is not tailored to include everybody except elements of the power structure in this country.

Is it not amazing that the two exemptions, the two principal exemptions, are the electronic broadcast media and the labor unions? How about the citizen out in the street? Where is his exemption? What about Mr. Joe Doe, Main Street, Bridgeport, Conn.? I do not see subparagraph (b), paragraph (1), or whatever it is, saying that he shall be exempt from the provisions of this act. Why?

Because he does not have a battery of lawyers, because he cannot come in here and promise great blocs of votes and support in the next reelection effort. It is as simple as that. So no exemption as far as he is concerned, because he cannot generate enough fear, votewise, insofar as the Members who are going to vote on this legislation are concerned.

But I will tell you what does happen. His faith, I think, in his country is just a little bit weakened, and so democracy is just a little bit more unsure, unstable.

Mr. President, I hope that my colleagues will reject the amendment of the distinguished Senator from Washington. Normally, I have enormous respect for the matters that he speaks out on. I am fortunate enough to serve on his committee under his stewardship.

The committee, in its wisdom, decided that it would knock it out in the first instance, and I hope that judgment will be upheld here on the floor.

Believe me, the electronic media has nothing to fear by the inclusion of the FCC. Indeed, later on as we get to my amendment, the labor unions have nothing to fear from the inclusion of the labor-management negotiations.

But, by exempting these special interests, what it will do is cast a cloud on the entire bill, and I will tell you what is going to happen.

Year after year we are going to get more heat from specific groups, and more exemptions and more amendments to this legislation and, in the final analysis, what started out, I think, to be a great idea and a pure idea will have been politicized into the mud.

So, Mr. President, I repeat my urgings that the amendment of the distinguished Senator from Washington be rejected, and that the committee's judgment be supported. If we take this action, we have the people of this country once again looking with admiration and respect to what it is that we do on this floor rather than to look upon us as conducting politics as usual and supporting those famous words of recent history, "Everybody does it down there." Everybody does not do it. We should not do it now.

Mr. THURMOND. Mr. President, I ask unanimous consent that a member of my staff, Mr. John Steen, be allowed on the floor during consideration and action on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. I yield to the distinguished Senator from Virginia.

Mr. WILLIAM L. SCOTT. I may well vote against the amendment, as the distinguished Senator from Connecticut has suggested that he will, and I may well vote, intend to vote, for his amendment with regard to labor unions. But I do not really follow his reasoning in its entirety. If this is a measure in which that is bad for the media, why is it not bad for everything to have a consumer advocacy agency? Is that what he is saying? Is the distinguished Senator saying that this is a bad bill as it applies to the media, or that it is a bad bill as it applies to labor? Or is he saying that if we include labor, if we include the media, then it is a good bill and he is going to vote for it?

Mr. WEICKER. I thank the distinguished Senator from Virginia for his question.

I am saying this is a good bill for everybody. This is a good bill for everybody. It is the electronic broadcast media that says, however, it is a bad bill for them; it is labor that says it is a bad bill for them if they are included. If they are included, that is their opinion.

In my opinion, it is a good bill for everybody as long as everybody is included.

The inadequacies of the bill insofar as it affects each one of these interests, that is what they are claiming, and what I say is that it is good for everybody in its purest form and there is no reason for exemption whatsoever.

Mr. WILLIAM L. SCOTT. Well, I believe that the distinguished Senator is being consistent, and I am being consistent exactly the opposite way.

Mr. WEICKER. I understand that and I think the distinguished Senator from Virginia has not flown under any false colors whatsoever. He is opposed to it, he does not think it is a good piece of legislation. Fair enough. I take the opposite point of view. So I am glad this point was raised. I repeat: The Senator from Virginia has made his feelings known explicitly:

On the other hand, I would like to say that there are those that I am sure will try to use my amendment to kill the bill. This is not the Senator from Virginia. I want to repeat that. Please understand that I am not offering this amendment in the hopes that if it passes it will kill the bill. I am hoping my amendment passes and that Senator MAGNUSON's amendment is defeated in order to make it a better bill and with full expectation that then it will pass, not only this Senate Chamber but, more importantly, the judgment of the American people that we have done the right thing.

The PRESIDING OFFICER. The question is on the amendment.

Mr. WILLIAM L. SCOTT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the Magnuson amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. Mr. President, the exemption in S. 200 of FCC license renewal proceedings is important. The same exemption was contained in S. 707 which was considered by the Senate last year. As I understand, it is contained in the Taft substitute which is pending before the Senate this year. The increasing frequency of license challenges by citizen groups and others has already greatly increased the cost of successfully getting a radio or TV station license renewed.

One study by the National Association of Broadcasters indicates that some stations have spent over $1 million to maintain their licenses.

The Senator from Kansas will add that that is not the average cost. That may be a very high cost. The median cost reported in the survey was somewhere in the neighborhood of $300,000. There is nothing to prevent repeated challenges to broadcast licenses every 3 years when licenses come up for renewal. It is, therefore, important that we not allow a federally funded Government agency to interject itself into these renewal proceedings. Already the FCC is charged with the responsibility to insure that "the public interest, convenience, and necessity" is served by every license renewal.

The interjection of the ACA into the license renewal process would only add another layer of Government to the already confused license renewal process. The committee amendment which removes the FCC license renewal exemption should be stricken.

Mr. President, I ask unanimous consent that the abbreviated report of the study by the NAB with reference to station expenses incurred in license challenges be printed in the RECORD.

There being no objection, the abbreviated study was ordered to be printed in the RECORD, as follows:

STATION EXPENSES RELATED TO LICENSE CHALLENGE

NAB has developed some rough estimates of the expenses incurred by radio and television stations in responding to petitions to deny the station's license renewal application or to competing applications for the station's license. Challenges to licenses typically add to station costs in two ways—the actual out-of-pocket expenses (attorneys' fees, hearing costs, etc.), and the expenditure of staff time that must be diverted from normal station operations.

Data were collected on the *extra* out-of-pocket costs and staff time required by license challenges, so the following figures refer to dollars and man-hours expended in addition to those normally required for license renewal. These expenses vary widely; if the station is a radio station in a small market, the total amounts of time and money involved would be expected to be less than in the challenge to a major television station's license.

Nine of twenty-two stations answered our request for estimates of expenses incurred in response to competing applications. The extra out-of-pocket expenses reported by these stations ranged from $2,800 to $1,500,000; the median amount was $300,000. The extra staff time reported ranged from 400 man-hours to 22,000 man-hours; the median amount was 3,500 man-hours.

Information on costs of defending against a petition to deny was obtained from about one-half of 97 stations against whom petitions to deny were filed during a two-year period ending February 1, 1972. The median amount of extra staff time required by the petition to deny was 250 man-hours; estimates reported by stations ranged from "some" to 4,000 man-hours. The median for radio stations was 180 man-hours, and for television, 250 man-hours.

The median amount reported for extra, out-of-pocket expenses was $8,300; the range was $100 to $45,000. The medians for radio and television were $5,000 and $10,000 respectively. It should be noted that twenty-four of the reporting stations had not yet resolved the challenges to their licenses; how much additional time and money will be required obviously depends quite strongly on whether the station has to go to hearing; if set for hearing, total expenses presumably will be much greater than those already incurred.

CONSUMER REPRESENTATION

Mr. DOLE. Mr. President, I am pleased to see that the Senate is considering legislation to increase consumer representation in the Federal Government.

It has been and is my strong feeling that consumers need better representation in the decisions, proceedings, and activities of the Federal Government. We have heard a great deal about regulations and actions by the Government that have resulted in large additional costs for taxpayers and consumers and in additional burdens for the public as a whole. I strongly believe that the consumer voice should be better heard in the Federal Government.

That is why I worked last year to create a substitute consumer protection bill that would provide meaningful representation for consumers yet reduce the objections of many in private industry and Government. I believe we made some progress in that direction, since the so-called Dole substitute was short only by a vote or two of being passed. It is my understanding that S. 200 was based on the Dole substitute of last year and it seems to me this substitute, which had a large amount of support last year, was a good starting point for consideration this year.

NEED FOR BETTER REPRESENTATION CONTINUES

The need for better consumer representation in the Government still exists. I was pleased to see the President's recent action ordering the Department and agency heads to improve consumer representation within their organizations. There may be a need for further action beyond this.

Although the Dole substitute of 1974 was the basis for the legislation we are considering now, I have strong reservations about some of the changes that have been made in this bill since that time. A number of amendments I have introduced would resolve these problems.

The substitute I authored last year was based on the concept of parity and equality between the agency for consumer advocacy, private enterprise, and any other private interest. Some changes made in S. 200 substantially depart from that concept. Since sponsors and opponents of S. 200 alike have agreed that ACA should not be a super agency, it is my hope that we can adopt those amendments I have submitted that would return S. 200 to the concept of parity.

Other changes made in S. 200 would create difficulties for private enterprise and for the conduct of effective and meaningful Government by existing departments and agencies. While consumer interests are of vital importance, the national and public interests of effective Government and a healthy economy should not be subordinated to the concerns of consumers alone. In the long term, the interests of consumers and the interests of the public and the Nation become identical in most cases.

A further concern of mine related to S. 200 is that provisions I introduced last year have been greatly watered down from what was originally intended. Accordingly I have proposed amendments to correct the language in the bill.

As stated before, I continue to be concerned about increasing consumer representation before the Federal Government. It is my hope that we can work for passage of legislation that will provide meaningful representation for consumers, yet, at the same time, will not create a new and expensive agency that will unduly burden effective Government or our great private enterprise system.

Mr. President, as we enter the debate on S. 200, the Senator from Kansas has a number of amendments which he will be calling up dealing with provisions which are contained in the modified S. 707 of last year, which are not presently in S. 200. It is the hope of the junior Senator from Kansas that these amendments might be accepted. If not, we will proceed to determine whether or not the Senate will accept the amendments on a record vote.

The Senator from Kansas, of course, is aware of the interest in this legislation, interest in the White House, of having no legislation interest by some in this body, of having far-reaching legislation, and then, hopefully, some interest by others in the Senate and in the House in a moderate but meaningful approach to protect the American consumer.

I can understand the President's reluctance to embrace any proposal which calls for a new governmental agency, which calls for spending $60 million in the first 3 years. This flies in the face of an already strained budget threatened with deficits coming up to $60 to $70 to $80 billion. I think very clearly the President would probably veto S. 200 on the basis that it is a new program; that it does call for increased spending.

Though we have changed the rules insofar as shutting off debate is concerned, and I was one of those who voted to shut off debate on this measure last year, it would appear to the Senator from Kansas that we must now take a hard look at what happens to this legislation if it is passed by the House and passed by the Senate, signed, vetoed, and sent back to the Senate in the first instance to make a determination of whether or not it will sustain or override the veto.

I make these preliminary remarks in the hopes that the manager of the bill might be receptive to some of the responsible and reasonable amendments to be offered to S. 200 in the next few days or few weeks, whichever the case may be.

I do strongly support the amendment of Senator MAGNUSON. I agree, to a certain extent, with the distinguished Senator from Connecticut (Mr. WEICKER). If we want to be totally pure, then we grant no exemptions. I support the amendment of the Senator from Connecticut (Mr. WEICKER) with reference to the labor exemption.

I would say, however, that the FCC license renewal exemption is very limited. It applies only to license renewal proceedings. It does not affect rulemaking. I believe it is in the best interest not only of this legislation and not just to the broadcast industry but to the consumer that the Magnuson amendment be adopted.

I yield the floor, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WEICKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, the thought occurred to me when the distinguished Senator from Kansas mentioned exemption, that in Connecticut, and I am sure the case is similar in other States, whenever we pass laws and have exemptions they usually relate to the least powerful elements of our society. For example, in our sales tax we exempt clothing. We exempt food. We exempt those things that are literally the basis of life to those who have to struggle over it.

This is great legislation for the Senate. We exempt the powerful. That is what this is all about. It is a different concept, though it is a rather interesting one for the country. We are not exempting items that relate to the poor or to those who are in need in terms of health, nutrition, or what have you. These are the most powerful elements of our society that we are now exempting. That is the difference in philosophy as between this legislation and what has usually been done legislatively both at the State and Federal levels.

I yield the floor.

Mr. DOLE. Will the Senator yield?

Mr. MAGNUSON. Mr. President——

The PRESIDING OFFICER. The Senator from Washington.

Mr. MAGNUSON. Mr. President, there is a practical aspect to this which is quite important.

The PRESIDING OFFICER. Will the Senator please use his microphone?

Mr. MAGNUSON. Mr. President, there is a practical aspect to this matter that we in the Commerce Committee have been looking at for many, many years. There are more than 6,000 broadcast licensees in the United States. The number used to be 6,000. The total now is 7,200. This poses a real problem to any agency outside the FCC, which I believe has ample procedures to handle these matters with respect to the renewals. This is one problem with which we are concerned.

Many people are angry at television for one reason or another. I become angry with it sometimes, too. If we are going to get at some of the evils we think may exist in TV in this country, or even with some radio stations that are part of networks, we should not approach it through the ACA.

We are talking about the fellow at home, with the license, who comes up for renewal. He just could not live with ACA involvement in license renewal, nor would ACA have the ability to become involved.

Networks, of course, are not under any kind of regulation, except to the extent that they are licensees. This should be understood. We are not talking about TV as we know it through networks, or even the big networks that have stations; we are talking about the individual licensee. Some of the radio licensees have had a pretty bad time financially because there are too many of them.

Mr. WEICKER. Mr. President, will the distinguished Senator from Washington yield for a question?

Mr. MAGNUSON. I will yield in a moment.

We opened it up about 8 or 9 years ago. There is a radio station in the Senator's community. In my community there are about 15 or 20 outlets that have to have their licenses renewed. Some of them are having a difficult time.

The distinguished Senator from Rhode Island has been very diligent and dedicated in trying to get at these things in his subcommittee, and I think that perhaps we should consider some amendments to the FCC law rather than have the ACA intervene in license renewals. I do not see how any agency could do anything about looking at 7,200 licenses that must be renewed every 3 years. It would be impossible.

I just want to pose the technical side of this matter. I have some misgivings about the greatest media in the world, the television and radio of the United States, but overall they have done a pretty good job, considering all the problems we have.

I want the record to be clear that part of my reason for this amendment and part of the reason the Committee on Commerce, which has consistently supported this concept, is the practical aspect of it, too.

Mr. WEICKER. Does the distinguished Senator from Washington know how many people there are in the United States?

Mr. MAGNUSON. How many people are there?

Mr. WEICKER. Yes; 212 million.

I appreciate the problems of 7,200 radio stations and television stations, but 212 million people are out there. They all have the same burdens. They have hundreds of requirements placed upon them by their Government in a variety of ways. Why should we feel more sorry for the 7,200 radio stations than for the 212 million people?

Mr. MAGNUSON. I am not feeling sorry for them at all. I merely am suggesting that we created the FCC to handle these matters, and they do, and there are ample procedures down there to handle this matter. If someone objects to something, he can go down there and appear at the hearings on renewals and licenses. The stations have to submit logs of what they are doing.

Mr. WILLIAM L. SCOTT. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. WILLIAM L. SCOTT. I agree with the distinguished Senator from Washington that a consumer advocacy agency should have no part in licensing renewal. Yet, I am going to vote against his amendment, because I do not think we have any need for a consumer advocacy agency to second guess any agency of the Government, and I would just strike it all and vote against the amendment and accomplish what the distinguished Senator is attempting to accomplish.

Mr. DOLE. Mr. President, I point out that the efforts of the Senator from Washington in no way would have any impact on what the Department of Justice may do at any time, and that is to file a petition to deny the license renewal on the basis of overconcentration of power. That, in itself, is consumer protection. Cases are pending all the time. That is not touched by this amendment. We are talking about the FCC powers with reference to license renewal.

I do not really believe that there is going to be any damage to the rights of consumers.

I also address myself to an earlier point raised by the Senator from Connecticut. I believe that the most difficulty with the ACA would be with the small and medium-sized stations. I suppose there will be consumer groups presenting challenges, when they determine there should be challenges, to some of the big city VHF television stations. As disorderly as this makes the license renewal process, the large, urban TV stations can afford it. I know it is difficult to separate what we call big from small or medium sized. But I believe that the RECORD will show that the amendment would primarily benefit the small operators, the middle-sized operators who cannot easily absorb the tremendous expense which might be incurred by a license challenge from the ACA. Therefore, the amendment does not represent an effort to pick out of this bill some giant network or large VHF TV stations. That is not the intent of the Senator from Kansas, and I am certain that it is not the intent of the Senator from Washington.

Mr. WEICKER. The distinguished Senator from Kansas is raising the point that I think will be the nub of our discussions in the next several days relative to these exemption amendments.

I appreciate the small station in Kansas, but I also appreciate the small person. Does the Senator realize the obligations that the Federal Government imposes upon the individual? 212 million Americans are out there, with obligation upon obligation placed upon them to observe the laws of this country. If indeed the small station is in tight straits, the small individual is in even tighter straits. I point out that this is the only purpose in opposing this amendment and being for mine.

I feel that we all should undergo this type of scrutiny by being subject to this law, and there should be no exemptions at all.

I make this comment to keep the record straight: First of all, I have no complaints whatever against the television medium or the radio medium, whether it is a network or whatever. I think they have done a fantastic job. In fact, I have said many times over that the reason why the United States today is a changed constituency and a far more aware constituency is due principally to two factors: our tremendous investment in public education, number one, and the ability to disseminate facts immediately to all the American people, principally by the electronic media. Make no mistake about it, they do a fantastic job in informing the American people, and we are a stronger nation today because of the job they do.

I have no particular gripe against a station or in a general sense against the communications industry. But I want to establish the fact that when we pass a law in this Chamber, it applies to everybody—whether small, big, or medium sized—it makes no difference. If, in effect, this is going to have a bad effect on small television stations, small radio stations, if it is going to hurt small people, hurt small businesses, right on down the line, do not pass it. I do not think it is going to hurt anybody. Everybody else has a spokesman in Government; everybody else has an agency. We all know that is one of the difficulties with regulatory agencies today.

That is the reason why we have consumer protection legislation before us. Obviously, we have gone past that point where the regulatory agencies serve the public. More and more, they have come

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to serve the entities which they are supposed to regulate; so the public has demanded that they have a voice in Government. That is what this is all about, that they have a voice.

Apparently, what they are going to have is a voice as far as certain aspects of our life are concerned, but not insofar as others are. Again, the same arguments can be made on the labor proposition—obviously, an enormously important part of our national fabric, one which I am proud to have represented and supported most of the time. It makes no difference to me; they should not be exempt from this legislation, either.

Let us face it: What we are all involved with here is compromise, compromise, compromise, to the extent that we weaken the credibility of this legislation. That is what is so harmful in this particular instance.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered.

Mr. ALLEN. Mr. President, I first wish to commend the distinguished senior Senator from Connecticut (Mr. RIBICOFF), chairman of the Committee on Government Operations, for the eminently fair manner in which he has handled this bill, both on the floor and in committee. The distinguished chairman knew, of course, of my opposition to the bill. He was extremely courteous to the Senator from Alabama at every stage of the proceedings, seeing to it that the Senator from Alabama had every opportunity to offer amendments to the bill in committee, seeing that he had an opportunity to call before the committee such witnesses as the Senator from Alabama desired to ask to come before the committee. In the discussion today, he has been extremely courteous and affable and cooperative in allowing those of us who oppose this bill, or who may wish to offer amendments to this bill, every opportunity to speak against the bill or to offer those amendments. Certainly, no chairman could have been fairer through every stage of the proceedings than has been the distinguished chairman of the committee (Mr. RIBICOFF).

Mr. President, I might state that my comments at this time, in view of the fact that we seem to be recessing from day to day rather than adjourning, will be directed against the amendment offered by the distinguished Senator from Washington, not the bill itself, in case the matter comes up as to whether the Senator from Alabama has spoken more than twice in one day on the bill itself.

Mr. President, we are today considering what I would call the Exemption Protection Act of 1975. I was interested in listening to the debate here, on the floor—the theory of the distinguished Senator from Connecticut (Mr. WEICKER), as to why the proceedings before the FCC should not be exempt, and the reasoning of the distinguished Senator from Virginia (Mr. WILLIAM L. SCOTT) as to why the proceedings before the FCC having to do with the granting of licenses to TV and radio stations and the renewal of those licenses should not be exempt from the provisions of this bill. The distinguished Senator from Connecticut, as the Senator from Alabama understands it, feels that this bill is a good bill and that no agency or no operation before the Government agencies should be deprived of coverage by the bill. That is a benefit that is being extended; therefore, it should apply to all matters and there should be no exemptions.

The distinguished Senator from Virginia (Mr. WILLIAM L. SCOTT), on the other hand, feels, as the Senator from Alabama understands it from his argument, that this is a bad bill, that its provisions should not be applicable to any proceedings before the regulatory commission, but that if the bill is to be enacted into law, it should apply equally to all; that this detriment should not be removed from radio and TV licensing procedure before the FCC; that if it is a detriment, it should apply to all items or areas involved. But the bill, being bad, should be defeated.

I say that there is good argument on both sides, I assume, to support the two theories that have been outlined by the distinguished Senators. We have considered proposals similar to S. 200 in the past. These past proposals and their attendant debates make the Senator from Alabama impressed most by what is not found in the present proposal, S. 200. Gone are most of the safeguards of yesteryear. Once upon a time, we were assured that ACA, the Agency for Consumer Advocacy, formerly the Consumer Protection Agency, was a moderate proposal, further moderated by built-in safeguards against the potential for abuse.

Here again, I commend the distinguished chairman of the committee, the floor manager of the bill (Mr. RIBICOFF). It has been the theory of the distinguished chairman that this agency, if it should be created, would not be a regulatory agency; that it would be an agency to advocate the interests of the consumer, supposedly, and that possibly, the term "Consumer Protection Agency" might imply that this agency was to be a regulatory agency. The Senator from Alabama insisted that if the advocates of the bill, in fact, conceded that the agency was not to be a regulatory agency, there should be no reason for not agreeing to a change in the name of the agency to avoid any confusion as to the basic function of the agency. Though during the last Congress, the Senator from Alabama did propose an amendment changing the name of the agency from Consumer Protection Agency for Consumer Advocacy, the distinguished chairman of the committee (Mr. RIBICOFF) stated that he felt that that term, "Agency for Consumer Advocacy," did more nearly describe the function of the agency than "Consumer Protection Agency." He advocated the adoption of the amendment and it was adopted.

Then when the bill came forward in this Congress and was redrafted the name was carried forward, Agency for Consumer Advocacy, and an effort was made in committee to change the name back or to a name more similar to the original term, CPA, and the distinguished Senator from Connecticut, the chairman of the committee, took the position against changing it from ACA.

So I wish again to commend the Senator from Connecticut for his fairness in this matter.

These safeguards were included, we were assured, as a concession to those among us who were fearful that the ACA would abuse its considerable powers.

Yes, the safeguards are gone. To fill the gaps created by their departure we now have exemptions.

I refer to the exemption of proceedings before the FCC on behalf of applications for TV and radio licenses or renewals of those licenses as one such exemption. The other exemption is labor-management negotiations and relationships, which are exempted under the provisions of the bill from coverage by the bill.

I might state at this point, Mr. President, that the exemption of the FCC proceedings on TV and radio applications for license or applications for renewal was considered.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. ALLEN. Yes, I am delighted to yield.

Mr. RIBICOFF. I am sure that the Senator would not want the record to be incorrect. The Magnuson amendment only applies to renewals, not to original applications.

Mr. RIBICOFF. I think the Senator would want the record correct.

Mr. ALLEN. Yes. I am really not talking about that at this time. I am talking about the action by the committee as to the bill itself, not the Magnuson amendment.

Mr. RIBICOFF. It is my understanding that the original bill as well applied the exception only to renewals, but not to applications. But the committee, by a vote of 5 to 3, changed the original bill and eliminated the exemption.

Mr. ALLEN. Yes. It eliminated the exemption as to applications and as to renewals as well, did it not?

Mr. RIBICOFF. On page 36 of S. 200, if the Senator will refer to section 16, line 21, he will see what was stricken out was the word "renewal" and not "application".

Mr. ALLEN. Yes.

The point the Senator from Alabama is making is that this matter came up in the Committee on Government Operations at a time when the exemption was in the bill, and by action of the committee the exemption was stricken out.

Mr. RIBICOFF. Yes.

Mr. ALLEN. What the Senator from Washington is seeking to do is to put that exemption back in.

Mr. RIBICOFF. That is right.

The only thing I am trying to do is have the record reflect that at all times the exemption only went to renewals, and this is what is sought to be reinserted.

Mr. ALLEN. Does the Senator concede, then, that even under the Magnuson amendment the granting of the original license would be a proper area for intervention by the ACA?

Mr. RIBICOFF. That is correct. In the original application, the ACA could intervene. but it could not intervene in renewals if the Magnuson amendment were adopted.

Mr. ALLEN. Yes. I am glad that the Senator from Connecticut is making that concession as part of the legislative history.

The distinguished Senator from Washington (Mr. MAGNUSON) was making a point of the voluminous work that would be involved in going into the matter of these various applications, not only for renewal, as the Senator from Alabama understood it, but for the original applications as well, which would also be very voluminous.

Mr. RIBICOFF. Of course, I cannot speak for the distinguished Senator from Washington, the chairman of the Commerce Committee, but it has always been my understanding that what we were talking about were renewals and not applications, and I believe that is what the Senator from Washington (Mr. MAGNUSON) has in mind.

Mr. ALLEN. Very well.

Mr. RIBICOFF. I just want the record to be clear, and I know that the Senator does not want it to be unclear.

Mr. ALLEN. I am glad to have it made clear, as part of the legislative history, that it is conceded that the ACA could intervene in the matter of an original application for a license, whether it be for radio or for television. Is that correct?

Mr. RIBICOFF. In the event that the Senate adopts the Magnuson amendment, the ACA could intervene on original application but could not on renewals.

Mr. ALLEN. I think that is good, that this concession has been made, because it would certainly cut the ground out from under the argument of the proponents of the amendment and the proponents of the bill that there is no marketplace transaction involved here and, therefore, there is no need for requiring the ACA to have jurisdiction in this matter.

So, if it is conceded that they can intervene in original applications but not renewals, what has become of the argument of the advocates of the bill that the exemption is proper because no marketplace transaction is involved? That is the only argument I have heard in favor of the exemption.

Mr. RIBICOFF. Again, I cannot speak for the distinguished chairman of the Commerce Committee, but I think the difference comes in that the number of applications that are being made today are limited in number as against the renewals.

The figures I had last year indicated that there were television stations, either UHF, VHF, UHF educational, or VHF educational, numbering 940, and radio stations, AM, FM, and FM educational, making a total of 7,640, in this particular field. So, when you add 940 to 7,640, we are talking about a lot of licenses, and my understanding is that each year the FCC must consider some 1,860 license renewals.

These are local issues. They are local in the Senator's State of Alabama and in my State of Connecticut.

With the limited budget I contemplate for ACA, if ACA had to get involved in some 7,000 to 8,000 license renewals on a local level they would not be involved with the basic problems that I can see for ACA: the large problems that really affect 210 million people, and not the local problems.

I have always felt the States are going to have to take care of their local consumer problems. I believe the State of Alabama has a consumer agency and that their able attorney general talked about the problems.

Mr. ALLEN. Yes.

Mr. RIBICOFF. We have a consumer agency in my State of Connecticut, and they would have to take care of the local problems.

At one time in the original bill there were grants of funds to State agencies and authority of the Federal agency to intervene in State proceedings. These were deleted at a later time because of monetary considerations and the feeling that we ought to stay with the larger interstate matters instead of the local.

But I raise this point with the Senator in order to have the RECORD straight, that at no time are we trying to make an exception for the original application, but just the renewal. Even if the Magnuson amendment were adopted, it would apply only to renewals, and not original applications.

Mr. ALLEN. I thank the Senator for his explanation, but the Senator failed to answer the question of the Senator from Alabama in asking what has become of the argument that was made in committee and will be made here on the floor that the reason for granting an exception on renewal applications is that no market place transaction is involved; therefore, no consumer interest is involved; therefore, it should be exempt. If that argument would apply as to renewals, why would not that same argument apply as to original applications?

Why would there be no marketplace transactions with regard to renewals and yet there would be marketplace transactions regarding applications? That has not been answered, as the Senator from Alabama sees it.

Mr. RIBICOFF. I think, in all fairness, I should state that Mr. Nader agreed with the Senator from Alabama and my colleague from Connecticut. He was very unhappy that there was an exception made.

But, as I look at it, I want this agency to succeed, and one way that it will not succeed is if we have it bogged down with local transactions and local problems instead of looking at the basic problems affecting the consumers throughout the country.

I do not conceive of this agency's getting involved with every problem that exists, because you cannot do it with 200 people and you cannot do it with a $15 million budget. To have the Agency for Consumer Advocacy start getting involved in license renewals on a day-to-day basis, they would never be adequately able to get into the basic health and economic problems that affect 212 million people.

My hope, in setting up this agency is to make sure that this agency works and make sure it does not get involved with every local problem as against the major big problems that affect this country.

I am just being candid with my colleague. I want to express my appreciation for his gracious comments on the way in which I conducted these hearings as chairman, and conducted the markup, as well as my activities on the floor but, as the Senator realizes, I never have tried, and I do not think I ever will, as a U.S. Senator, try to mislead or misrepresent my own feelings as I see and interpret any measure over which I have a responsibility on the floor of the U.S. Senate.

Mr. ALLEN. I thank the distinguished Senator for his remarks.

Apparently he has withdrawn the argument as to why renewals of TV and radio licenses before the FCC should not be under the coverage of the bill because no marketplace transaction is involved.

Now he makes the basis the difference between nationwide interests and purely local interests. It is difficult for the Senator from Alabama to see how the applications would be local and renewals would be national, because it comes from all of the country nationally. But no longer then will the argument be valid that the renewals should not be under the FCC because no marketplace transaction is involved, because the Senator from Connecticut now seems to feel they do have a direct interest or effect on the day-to-day lives of consumers. So that argument has been laid to rest by the distinguished floor manager of the bill.

Obviously, there could not be no marketplace transactions with regard to renewals and be marketplace transactions with regard to original applications. But whatever the state of the bill as it appeared before the committee, whether it applied to original applications and renewals, whatever the exemption was, it was stricken out by the committee, and the committee took the position that if this coverage is good for one, it is good for all, or if it is bad for one, it is bad for all, and all ought to share the bad features, just as if it is good for all, all ought to have the right to share in those good features.

So what the amendment of the Senator from Washington seeks to do is to nullify or strike down the action of the committee which has come forward with this bill.

Well, if we are going to risk the committee on the thrust of the bill, if we are going to risk the committee on the theory underlying the bill, why can we not risk the committee when it says that all should be covered? So the Magnuson amendment seeks to undo the work of the committee in this particular area.

Now, let us read the language of the bill which had granted an exemption to any agency action in the Federal Communications Commission with respect to the renewal of any radio or television broadcasting license. The committee struck out those very words which are now embraced in the Magnuson amendment. This is what the committee report, the majority report, adopted by, I believe, an 11-to-1 vote on page 46 says:

> The committee voted to remove from the act a provision which would have prohibited the ACA from intervening or otherwise participating in license renewal proceedings of the Federal Communications Commission.

That is just about as plain as the English language can state it.

> It was the committee's judgment that a broad, across-the-board exemption should not be explicitly provided for in the act.

That is still very clear. Now here is where it gets very muddy, gets very muddy indeed. After knocking this exemption out, let us see this gobbledygook that the report now has in it.

> The Committee's decision not to include the provision should not be interpreted, however, as expressing an intent that the Act's definition of consumer interest be interpreted in such a way to include license renewal proceedings.

This report, with all due respect, was not drafted by the Senators as the Senator from Alabama knows. The first time the Senator saw it was in this little booklet. But the report says that the committee in taking this action, knocking out the exemption, meant just the opposite.

I read again:

> The Committee's decision not to include the provision should not be interpreted, however, as expressing an intent that the Act's definition of consumer interest be interpreted in such a way to include license renewal proceedings.

Now we see it, now we do not. Now the exception is knocked out, now it is still in there, according to the report.

> In license renewal proceedings generally, the issues contested involve questions of free speech, fairness in broadcasting, equal time provisions, racial discrimination, and other aspects of the broadcasters' obligation to serve the public adequately.

Now, here is this language that they all try to hang their hat on:

> Such issues do not relate to marketplace transactions, and since there is no commercial transaction involved between a licensee and a consumer, there is not direct consumer interest involved in the license renewal proceeding.

So when the committee knocked that exemption out, according to the report, it meant just the opposite of what it did.

Mr. President, getting back to the matter of the distinguished Senator from Connecticut, the chairman of the committee, saying that the bill originally, and even after the Magnuson amendment is adopted, as it will be, of course, the ACA could intervene in applications for original license.

But the committee and the Senators—I can dig out the hearing and show it, if necessary—favoring the exemption and the distinguished Senator from New York (Mr. Javits) made frequent reference to lack of a marketplace transaction, so since they are agreeing that original applications shall be covered, how can they say that renewals ought not to be covered because there are no marketplace transactions.

There is just as much a marketplace transaction in the matter of the original application as there would be on the renewal.

No longer Mr. President, it would seem to the Senator from Alabama, could the contention logically be made that these proceedings before the FCC should not be covered by the agent of the consumer action bill because no marketplace transaction is involved.

If it is involved in the original application, it would be involved in the renewal application. No difference whatsoever of the principle involved.

Mr. President, after the committee acts, as the chairman said a moment ago by a 5 to 3 vote, knocking out this exemption, the committee report written, I assume, by the staff—and very able staff, I might say—says we did not mean what we did when we struck out the exemption. The exemption is still there.

Mr. President, as I mentioned, this bill might well be called the Exemption Protection Act of 1975.

The Magnuson amendment is seeking to put back an exemption that the committee knocked out. The other exemption involves big labor and big business, their negotiations. Big labor and big business in their wage negotiations and other relationships that might affect the consumer do not need any exemption.

The statement was made by one of the Senators advocating this bill on the floor during the last Congress that big labor and big business do not need the Agency for Consumer Advocacy, they can take care of themselves. The Senator in making that argument overlooked the fact that, yes, big business and big labor can take care of themselves, but who is going to take care of the public? There is a public interest involved, not just the interests of big labor and big business, so the Senator misses the point.

The Consumer Advocacy agent would not be in there to protect the special interests. I assume he would be in there to protect the public interest and the consumer interest.

What justification then is there for either the FCC proceedings exemption or the big business-big labor exemption?

When business commits an unfair business practice, by limiting competition, perhaps, the Agency for Consumer Advocacy can appear in adjudicatory proceedings in the Federal Trade Commission to assure punishment of the business responsible.

But when big labor commits an unfair labor practice, by also limiting competition, perhaps, the ACA is, under S. 200, estopped from participating in similar NLRB adjudications—even where the practice is performed in collusion with a business organization.

As a rationale for exempting labor activities, the majority report on S. 200 tells us that Federal agencies cannot "sit in judgment on the substantive terms of collective-bargaining agreements," quoting the Supreme Court case of Porter Company against NLRB.

Thus, they cite the rule of the Supreme Court that Federal agencies cannot dictate a single term of a labor contract.

But this is not an argument for an exemption. This is an argument against exemption. If the National Labor Relations Board cannot impose contract terms, the ACA cannot force the NLRB to impose contract terms. What, then, is the fear of these apologists for this exemption who say that the ACA can have absolutely no input in labor disputes?

The ACA can run roughshod over the rights of participants in other agencies' proceedings, but, when it comes to labor-management disputes—disputes which affect the price consumers pay for goods and services, disputes which affect the availability of goods and services to consumers who need them—we are told by the proponents of the bill that the consumers' concern is too remote to permit the ACA to even express an opinion.

Why is that? The AFL–CIO legislative director has already told us why that is. Because big labor and big business, too, does not want another Government agency "sticking its nose into our affairs," he says quite candidly.

The New York Times, in recommending deletion of this exemption, has said editorially that this "special interest exemption is foreign to the whole concept of independence for the ACA" and for the Senate to yield to union pressure on this "would be politics at its most cynical."

I would not charge that politics is involved in this matter, but the representatives of the national labor organizations have stated that with labor included in this bill they will oppose it. With labor out from under the bill, they will support it. So they are out from under the bill. Any person would be able to draw his own conclusion as to whether politics influenced the decision to leave big labor and big business in their negotiations out from under the provisions of the bill.

I do not always agree with what the New York Times has to say on public issues, but I believe they are right in this regard.

I am imposing somewhat on the distinguished Senator from Washington in discussing these two major exemptions at the same time, but I will have enough to say on the FCC exemption in a moment.

The New York Times, speaking of the labor-management exemption, says:

> The long fight to establish an independent agency to defend the interests of consumers in proceedings before Federal regulatory bodies and courts has moved an important step closer to victory in the Senate.

So, Mr. President, the New York Times is for this bill.

> The 11 to 1 vote by which the consumer advocate bill was approved in committee this week measurably reduces the danger that it can be killed by filibuster, the fate that befell it on the Senate floor last year.

Mr. President, I do not feel that there is going to be any successful filibuster with respect to this bill. I believe during the last Congress some 65 votes were cast to cut off debate. That would be five votes more than necessary to cut off debate under the present rules. I do not anticipate that many of those 65 votes have been lost.

I might say I have not asked a single Senator to vote for or against cloture. I am sure each Senator will be able to make up his mind. I would anticipate that cloture, which I understand is to be voted on next Tuesday, would resoundingly carry. There is some thought that the President may veto the bill if it does reach him, as I rather imagine it will. I would feel there is probably more of a likelihood that he might possibly veto the bill if the vote here in the Senate would be fairly close to the number necessary to sustain a veto. So the matter must be discussed. The matter must be laid before the Senate, the dangerous precedent of leaving out special interest groups, leaving out these 7,600 radio and TV stations that the Senator from Washington speaks of, leaving out big labor and big business in their negotiations because the legislative director of the biggest union in this country or group of unions says they will be against this bill if they are included.

I think it might be interesting at this point to read some of the hearings on this bill before the Government Operations Committee wherein I questioned Mr. Ralph Nader, who is the No. 1 proponent of this legislation, the No. 1 proponent, I guess, in or out of the Senate, for that matter. Let us see what he says about this Magnuson amendment seeking to strike down the committee version of the bill.

At page 123 of the hearings before the Committee on Government Operations, I had the opportunity to question Mr. Nader:

> Senator Allen. Thank you, Mr. Chairman.
>
> Mr. Nader, I appreciate your appearances before the committee with your great knowledge and expertise and the fine reputation that you have as a consumer advocate.
>
> Would it be fair to state that although this bill might not be exactly what you would like, it is acceptable to you?
>
> Mr. Nader. It is acceptable to me, with the recommendations contained in my testimony today, Senator Allen.
>
> Senator Allen. Yes. Well, I am not quite sure what your recommendation was with respect to the FCC exemption. I do not believe you touched on that. Does that mean that you have no recommendation there? You do not feel that radio and TV licenses and renewals of licenses should be covered by this act?
>
> Mr. Nader. Well, as I stated on prior occasions, I am opposed to that, that broadcasting FCC exemption.
>
> Senator Allen. Well, I am glad to hear you say that. I did not notice—I may have drifted off a bit while you were giving your testimony. I do not believe you covered that, though, in your statement, did you?
>
> Mr. Nader. I was certain that you would raise the issue, though. I do say, however, that the bill——
>
> Senator Allen. Well, you raised the issue initially, did you not? I mean, you commented before on the opposition to that exemption?

That is the exemption we are talking about here now, the exemption that is sought to be put back into the bill under the pending Magnuson amendment.

> Mr. Nader. Yes, I was opposed to that exemption, but I think that the bill is acceptable even with that exemption, and hopefully in subsequent years, that exemption can be removed.

Well, let us just not put it in; that would be the answer to that, and thereby we would comply with Mr. Nader's wishes in the matter.

Mr. RIBICOFF. Mr. President, will the Senator yield to me for unanimous-consent request?

Mr. ALLEN. Yes.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that when the Senate resumes consideration of S. 200 tomorrow that the Senator from Alabama be recognized.

Mr. ALLEN. For the completion of his first speech.

Mr. RIBICOFF. For the completion of his first speech.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. I move, in accordance with the previous order, that the Senate stand in recess until 10 a.m. tomorrow.

Mr. ALLEN. Mr. President, will the Senator withhold that? The Senator from Illinois wishes a few minutes.

Mr. RIBICOFF. Certainly.

OUR ATTITUDE TOWARD SOUTH VIETNAMESE REFUGEES

Mr. PERCY. Will the Senator from Connecticut yield to me 2 minutes?

Mr. RIBICOFF. Yes, I yield.

Mr. PERCY. Mr. President, I should like to discuss a subject that has been much discussed in recent days involving South Vietnamese refugees.

It has been reported that the mail to Members of Congress is running heavily against providing assistance to the tens of thousands of Vietnamese refugees arriving in this country. I know that in my own office mail has run about 70 percent against providing assistance.

However, I should point out that the total mail received in my office on this issue has amounted to only about 250 letters per week, which is not a great number. Actually I am receiving more than twice as many letters on the issue of handguns alone.

I should also point out that the letters on handguns are, like those on refugees, heavily negative. These letters are running 90 percent against handgun controls, despite public surveys which show that 70 percent of the American population favor some type of control over handguns. Statistics of mail received by Congress do not always reflect the broad range or consensus of public opinion. I cannot believe that the American people are overwhelmingly hostile to assisting the new immigrants to our country.

In regard to the arrival of the Vietnamese at a time of economic hardship in our country, special problems are created. For this reason I have urged that other nations, particularly in Asia and the Pacific, share in accepting these refugees.

In the comments the Senator from Illinois made yesterday, I expanded on that thought and on other ways we should approach this problem, not putting everyone in the same category, but making value judgments in individual cases.

My remarks this evening should certainly be taken together with, and in the same context as my remarks on the floor of the Senate yesterday.

I also hope that those Vietnamese who come to the United States, and those who must stay here for lack of opportunity to go elsewhere, will find a warm welcome among our people. They have already suffered a wrenching separation from their families, loss of their possessions, and the pain of being uprooted from their own society.

I am encouraged by the splendid statement from many private agencies and sources such as the Chicago Board of Rabbis which calls on members of the Jewish community to contribute to the relief efforts for the Vietnamese and which has established a fund for this purpose. Other religious leaders and groups are similarly responding to the needs of the new refugees, and I commend such efforts.

Even as Federal and voluntary funds are sought for relief purposes, I would suggest that Americans can also contribute something more important and equally necessary, and that is the warmth and personal interest in the Vietnamese which will ease their concerns, calm their anxieties and provide hope as they seek to adjust to our different and complex society.

We are still a nation of immigrants, and we should sympathize with and assist those Vietnamese who fled their own land out of fear for their lives and the lives of their children.

I thank my distinguished colleague.

ORDER FOR RECESS UNTIL 10 A.M., RECOGNITION OF SENATOR ABOUREZK, AND FOR DESIGNATION OF PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate convenes tomorrow it convene at the hour of 10 o'clock; that after the two leaders or their designees be recognized under the standing order the junior Senator from South Dakota (Mr. Abourezk) be recognized not to exceed 15 minutes, to be followed by a period of transaction of routine morning business of not to exceed 30 minutes with statements limited therein to 5 minutes each; and that at the conclusion of that period of routine morning business the Senate resume the consideration of S. 200.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. The Senate will convene tomorrow at 10 a.m., following a recess.

After the two leaders or their designees have been recognized under the standing order, Mr. Abourezk will be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business, of not to exceed 30 minutes, with statements therein limited to 5 minutes each.

At the conclusion of routine morning business, the Senate will resume consideration of S. 200. Rollcall votes may occur on amendments thereto or on amendments in relation thereto.

RECESS UNTIL 10 A.M.

Mr. RIBICOFF. Mr. President, I move in accordance with the previous order that the Senate stand in recess until the hour of 10 a.m. tomorrow.

The motion was agreed to; and at 4:44 p.m., the Senate recessed until tomorrow, Thursday, May 8, 1975, at 10 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 7, 1975:

Department of State

Lawrence S. Eagleburger, of Wisconsin, a Foreign Service officer of class 1, to be Deputy Under Secretary of State.

William C. Harrop, of New Jersey, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Guinea.

Charles S. Whitehouse, of Virginia, a Foreign Service officer of the class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Thailand.

John L. Loughran, of California, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Somali Democratic Republic.

Laurence H. Silberman, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Socialist Federal Republic of Yugoslavia.

Ambassador

Laurence W. Lane, Jr., of California, for the rank of Ambassador during the tenure of his service as Commissioner General of the U.S. Exhibition at the International Ocean Exposition to be held in Okinawa, Japan, in 1975.

Energy Research and Development

Alfred D. Starbird, of Virginia, to be an Assistant Administrator of Energy Research and Development.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

In the Marine Corps

Lt. Gen. Louis H. Wilson, Jr., U.S. Marine Corps, to be Commandant of the Marine Corps with the rank of general for a period of 4 years pursuant to title 10, United States Code, section 5201.

In the Foreign Service

Foreign Service nominations beginning Edward Alexander, to be a Foreign Service information officer of class 1, and ending Sheila West Austrian, to be a Foreign Service information officer of class 7, which nominations were received by the Senate and appeared in the Congressional Record on April 9, 1975.

In the Coast Guard

Coast Guard nominations beginning Gregory Don Ahlstrom, to be ensign, and ending Gregory N. Yaroch, to be lieutenant, which nominations were received by the Senate and appeared in the Congressional Record on March 21, 1975.

Coast Guard nominations beginning William R. Volpentest, to be commander, and ending Philip L. Adair, to be commander, which nominations were received by the Senate and appeared in the Congressional Record on March 26, 1975.

HOUSE OF REPRESENTATIVES—*Wednesday, May 7, 1975*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

The Lord is my shepherd; I shall not want.—Psalms 23: 1.

O Thou Seeking Shepherd of our souls, from the wilderness of our foolish and futile ways lead us into the green pastures of prayer and beside the still waters of meditation where Thy presence is revealed, our spirits restored, and our faith renewed. Incline our hearts to seek Thy way for our day and Thy will for our lives. Out of this moment of quiet thought may there come wise legislation for our country.

Grant that we may learn to discipline ourselves as individuals and as a nation. Out of this discipline may there come a better day for a better nation in a better world.

In all of life and through dark shadows lead us in the paths of righteousness for Thy name's sake. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate insists upon its amendments to the concurrent resolution (H. Con. Res. 218) entitled "A concurrent resolution setting forth, on an aggregate basis only, the congressional budget for the U.S. Government for the fiscal year 1976," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Muskie, Mr. Magnuson, Mr. Moss, Mr. Mondale, Mr. Hollings, Mr. Cranston, Mr. Bellmon, Mr. Dole, Mr. Beall, and Mr. Domenici to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 409. An act to increase the authorization for the Council on Wage and Price Stability, and to extend the duration of such Council.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. YOUNG of Texas. Mr. Speaker, I ask unanimous consent that the Committee on Rules have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

JOINT COMMITTEE REVIEW OF THE LIQUID METAL FAST BREEDER REACTOR PROGRAM

(Mr. McCORMACK asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. McCORMACK. Mr. Speaker, in continuance of my practice of keeping this body informed of the activities of the Joint Committee on Atomic Energy's Subcommittee on Review of the National Breeder Reactor program, I have the following report. Yesterday, the subcommittee received a briefing on the subject of the status, reliability, and performance to date of operating nuclear powerplants and a description of the Clinch River demonstration breeder reactor project.

The first presentation was by Mr. William Lee, vice president of Duke Power Co. He provided up-to-date availability and capacity factors for nuclear plants and compared them to similar data derived from fossil-fired plants.

Mr. Wallace Behnke, executive vice president of Commonwealth Edison Co., described the evolution of industry involvement in the Clinch River demonstration breeder project and reported on the present status of design and procurement. I include in the Extensions of Remarks a summary of the presentations which were heard from our two speakers.

I was pleased that Senator Clifford Case, Congressmen Melvin Price, John Anderson, Manuel Lujan, and Frank Horton were able to attend and participate in this briefing session.

This afternoon at 2 p.m., the subcommittee will convene to hear testimony by the Honorable Russell Train, Administrator of the Environmental Protection Agency, concerning comments recently provided by his Agency to the Energy Research and Development Administration on the proposed final environmental impact statement on the liquid metal fast breeder reactor program. The Honorable Frank Zarb, Administrator of the Federal Energy Administration, will then present administration views on projections of electrical load growth and the prospective role of the liquid metal fast breeder reactor in meeting our future electrical energy needs.

PERSONAL EXPLANATION

Mr. METCALFE. Mr. Speaker, yesterday because of hearings by the Subcommittee on Transportation and Commerce, I was unable to reach the House floor in time to cast my vote on S. 1236, the Emergency Livestock Credit Act. I would have voted "aye" on the bill.

NATION'S FOOD STAMP PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, the Nation's food stamp program is rapidly turning from a problem into an outrage.

An announcement this week by the Department of Agriculture shows just how bad it is getting, and how far we have moved down the road to a welfare state.

Effective July 1, the allotment for a family of four will be increased from $154 to $162 a month, and the maximum income eligibility level raised from $513 to $540 a month.

Let us put those figures in perspective. The current poverty guideline level is $420 a month gross income. But the food stamp eligibility level of $540 a month, net income, is equivalent to $765 a month, gross. Moreover, the Bureau of Labor Statistics Consumer Survey, updated just last week, indicates that an average U.S. family of four has a gross income of $985 a month, and spends $170 a month for food. This is only $8 more than USDA will be providing a food stamp recipient in July. In other words, we are moving closer and closer to making the average American a welfare recipient.

Over half of those eligible for food stamps are above the poverty level, clearly an indication that the current eligibility formula is defective.

Food stamps should help the needy. Instead, they are rapidly replacing currency as the medium of exchange for foodstuffs.

Such a situation is intolerable; it is destructive of economic stability and basic American values. Surely the time has come to reform this overgrown and unjust program. Surely the time has come to rethink its goals and performance, and put a stop to creeping food stampism.

LEGISLATION NEEDED TO COMBAT TORNADOES

(Mr. WINN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WINN. Mr. Speaker, I am sure that all my colleagues were as saddened as I was to learn of the deaths, injuries, and destruction which occurred yesterday as more than a dozen tornadoes swept through eastern Nebraska. Three persons were killed and more than 100 injured just in Omaha. Scores of others were left homeless. Certainly, our hearts and prayers go out to these people.

The lesson we must learn from this tragedy is that, in spite of the tremendous strides which have been made in recent years, there is still a large degree of ignorance and helplessness associated with severe storms.

I believe we can change that. With even more sophisticated weather satellites and aircraft for storm prediction and improved communications systems for issuing warnings, we should be able to prevent more of the death and destruction wreaked by such storms. With increased understanding of weather phenomena, we may eventually be able to exert some control over them.

Earlier this spring with the support of 13 colleagues from every part of the Nation, I introduced a bill to step up our utilization of the advanced technologies and equipment of the National Aeronautics and Space Administration in severe storm research. I intend to reintroduce this legislation in the near future, and I urge the rest of you to join me in my efforts to prevent a repeat of yesterday's tragedy.

BUDGET BUSTER BIRD AWARDS COMING

(Mr. FINDLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FINDLEY. Mr. Speaker, next Tuesday, when the House votes on the override of the farm bill veto, will be an historic day. It will be one which deserves special recognition. In the past Members of Congress who have voted for fiscal prudence have received the Watchdog of the Treasury Award.

Because the vote Tuesday will be an historic first—the first test of the House's brandnew budget control resolution—I am hereby establishing a new award for those Members who help to override the veto and thus destroy budget control less than 2 weeks after the control resolution was approved by the House. This new award will be known as the Budget Buster Bird Award.

Each Member who votes to override the nonbudgeted farm bill will be given this new Budget Buster Bird Award.

But there will be special recognition within this select group. For example, each Member who votes to override after having voted against the farm bill on just one previous vote will receive the boll weavil cluster in recognition of the importance of the cotton lobby in the override operation.

Each Member who votes to override after having voted twice against the farm bill will receive double recognition—the boll weevil cluster, of course, and in addition the sour milk citation, this in recognition of the importance of the role of the well-financed milk lobby in this override operation.

Then there will be a special prize—the Budget Buster Bird Award with three clusters—the boll weevil, the sour milk citation, and the chicken pin. This combination will be reserved for those Members who voted against the bill on a previous occasion, but ducked out—did not vote at all—on the override motion.

AUTHORIZING THE CLERK TO MAKE CORRECTION IN ENGROSSMENT OF HOUSE AMENDMENT TO S. 1236

Mr. BERGLAND. Mr. Speaker, I ask unanimous consent that the Clerk of the House of Representatives in the engrossment of the House amendment to S. 1236, to extend and amend the Emergency Livestock Credit Act of 1974 and section 316 of the Consolidated Farm and Rural Development Act, and for other purposes, is authorized and directed to make the correction described in the following sentence. In subsection (1)(h) of the House amendment, immediately after the word "by" in the first line, strike all that follows down through the word "language" and insert the following: "deleting the figure '$2,000,000,000' and inserting in lieu thereof '$1,000,000,000' and by adding the following language".

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, is this a substantive change from what we discussed and passed yesterday?

Mr. BERGLAND. Mr. Speaker, if the gentleman will yield, it is not a substantive change.

Yesterday when the House was considering this bill, the amendment offered by the gentleman from New York (Mr. Peyser) was accepted. It had the effect of reducing the lending authorization from the $2 billion authorized by current law to $1 billion. Subsequent to the accepting of that amendment, that section was amended again, with a substitute designed to clarify some points that needed to be dealt with; and inadvertently the Peyser amendment was deleted.

Mr. Speaker, the effect of this unanimous-consent request is to restore the Peyser amendment, as the House intended.

Mr. ROUSSELOT. Mr. Speaker, I thank the gentleman for his explanation, and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

PERMISSION FOR COMMITTEE ON ARMED SERVICES TO HAVE UNTIL MIDNIGHT SATURDAY, MAY 10, 1975, TO FILE A REPORT ON H.R. 6674

Mr. PRICE. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services have until midnight Saturday, May 10, 1975, to file its report on H.R. 6674, a bill to authorize appropriations during the fiscal year 1976, and the period beginning July 1, 1976, and ending September 30, 1976, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

RESIGNATION FROM DISTRICT OF COLUMBIA LAW REVISION COMMISSION

The SPEAKER laid before the House the following resignation from the Dis-

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trict of Columbia Law Revision Commission:

International Joint Commission,
United States and Canada,
Washington, May 1, 1975.

The Speaker,
House of Representatives, The Capitol,
Washington, D.C.

Dear Mr. Speaker: I have heretofore been nominated and appointed to be a member of the District of Columbia Law Revision Commission by the Honorable John J. Rhodes, Minority Leader of the House of Representatives. I regret that I must at this time resign this appointment because of my new duties, and so I do hereby resign effective immediately.

Sincerely,

Henry P. Smith III.

The SPEAKER. Without objection the resignation will be accepted.

There was no objection.

APPOINTMENT AS MEMBER OF DISTRICT OF COLUMBIA LAW REVISION COMMISSION

Mr. RHODES. Mr. Speaker, pursuant to the provisions of section 2(a), Public Law 93–379, I have today appointed as a member of the District of Columbia Law Revision Commission the Honorable Stanford E. Parris, of Virginia, to fill the existing vacancy thereon.

PROVIDING FOR PRINTING OF ADDITIONAL COPIES OF "REPORT OF THE SPECIAL SUBCOMMITTEE ON THE MIDDLE EAST OF THE COMMITTEE ON ARMED SERVICES, HOUSE OF REPRESENTATIVES," COMMITTEE PAPER NUMBERED 94–3

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration I call up House Resolution 390, and ask for its immediate consideration.

CALL OF THE HOUSE

Mr. COCHRAN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 183]

Ambro
Anderson, Ill.
Brown, Ohio
Chisholm
Clay
Conlan
Conyers
de la Garza
Dellums
Derrick
Derwinski
Diggs
Dingell
Drinan
Eckhardt
Erlenborn
Fish
Ford, Mich.
Goldwater
Gonzalez
Hébert
Hinshaw
Holt
Kemp
Landrum
Lent
McCollister
Macdonald
Mink
Mollohan
Moorhead, Pa.
Mosher
Patman
Pritchard
Rangel
Rinaldo
Rosenthal
Roybal
Scheuer
Shriver
Smith, Iowa
Teague
Thompson
Van Deerlin
Waxman
Wilson,
  Charles H.,
  Calif.
Wolff

The SPEAKER. On this rollcall 386 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PROVIDING FOR PRINTING OF ADDITIONAL COPIES OF "REPORT OF THE SPECIAL SUBCOMMITTEE ON THE MIDDLE EAST OF THE COMMITTEE ON ARMED SERVICES, HOUSE OF REPRESENTATIVES," COMMITTEE PAPER NO. 94–3

The Clerk read the resolution, as follows:

H. Res. 390

Resolved, That there shall be printed for the use of the Committee on Armed Services of the House of Representatives one thousand additional copies of the "Report of the Special Subcommittee on the Middle East of the Committee on Armed Services, House of Representatives", it being Committee Paper Numbered 94–3 (Ninety-fourth Congress, first session).

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR PRINTING AS A HOUSE DOCUMENT A REVISED EDITION OF "HISTORY OF THE U.S. HOUSE OF REPRESENTATIVES"

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up the concurrent resolution (H. Con. Res. 177) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. Con. Res. 177

Resolved by the House of Representatives (the Senate concurring), That there shall be printed as a House document a revised edition of the publication entitled "History of the United States House of Representatives". The document shall be prepared under the supervision of the Joint Committee on Printing and shall be bound in such style as the Joint Committee on Printing shall direct.

Sec. 2. There shall be printed forty-five thousand additional copies of such House document for the use of the House of Representatives to be prorated for a period of sixty days, after which the unused balance shall revert to the Joint Committee on Printing.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING THE PRINTING OF THE HEARING ON AMNESTY

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up the concurrent resolution (H. Con. Res. 178) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. Con. Res. 178

Resolved by the House of Representatives (the Senate concurring), That there shall be printed for use of the House Committee on the Judiciary one thousand five hundred copies of the committee hearing, "Amnesty", Ninety-third Congress.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING THE PRINTING OF ADDITIONAL COPIES OF "INCOME SECURITY FOR AMERICANS: RECOMMENDATIONS OF THE PUBLIC WELFARE STUDY"

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up the Senate concurrent resolution (S. Con. Res. 16) and ask for its immediate consideration.

The Clerk read the Senate concurrent resolution, as follows:

S. Con. Res. 16

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Joint Economic Committee three thousand additional copies of its joint committee print of the Ninety-third Congress, second session, entitled "Income Security for Americans: Recommendations of the Public Welfare Study".

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

AUTHORIZING THE PRINTING OF ADDITIONAL COPIES OF "FEDERAL SUBSIDY PROGRAMS"

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up the Senate concurrent resolution (S. Con. Res. 17) and ask for its immediate consideration.

The Clerk read the Senate concurrent resolution as follows:

S. Con. Res. 17

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Joint Economic Committee three thousand additional copies of its joint committee print of the Ninety-third Congress, second session, entitled "Federal Subsidy Programs".

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

AUTHORIZING THE PRINTING OF ADDITIONAL COPIES OF "THE CONGRESSIONAL PROGRAM OF ECONOMIC RECOVERY AND ENERGY SUFFICIENCY"

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up the Senate concurrent resolution (S. Con. Res. 23) and ask for its immediate consideration.

The Clerk read the Senate concurrent resolution, as follows:

S. Con. Res. 23

Resolved by the Senate (the House of Representatives concurring), That there shall be printed twenty thousand additional copies of the publication entitled "The Congressional Program of Economic Recovery and Energy Sufficiency", of which ten thousand copies shall be for the use of the Members of the Senate and ten thousand copies shall be for the use of the Members of the House of Representatives.

Mr. CLEVELAND. Mr. Speaker, on this resolution I have reservations, and I want to discuss this. I opposed this in com-

mittee, and I wish to oppose it on the floor.

The SPEAKER. The gentleman from Indiana (Mr. Brademas) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, it is, of course, not my intention to take 1 hour to discuss the concurrent resolution. I would only call to the attention of the Members of the House that the report which is proposed to be printed under Senate Concurrent Resolution 23 is, I think, already known to most Members of the House.

It is entitled "The Congressional Program of Economic Recovery and Energy Sufficiency," and represents the combined reports of the committees appointed by the Speaker of the House and the majority leader of the Senate to draw up a congressional program of action in these two fields vital to our country.

So I hope very much that Members of the House will approve this concurrent resolution. for which there is a demand.

Mr. Speaker, I would yield to the gentleman from New Hampshire (Mr. Cleveland) for such observations as he may care to make.

Mr. CLEVELAND. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, my reason for opposing this resolution is that I feel the document entitled "The Congressional Program of Economic Recovery and Energy Sufficiency" is essentially a political document, although it purports on its face to represent a congressional policy. Indeed, the gentleman from Indiana has already spoken of this document being reported from committees appointed by the majority leader of the Senate and the Speaker of the House. These committees were composed entirely of members of the Democratic party. There was no opportunity for Republican Members to participate in deliberations or to file with this report either supplemental views or minority views.

I would further point out, Mr. Speaker, that this document is now sadly out of date. It bears the date of February 1975. It purports to describe to the general public a congressional program, and since that time, Mr. Speaker, I think it is common knowledge that there have been a good many so-called congressional programs with a regrettable lack of action on most of them.

Mr. Speaker, the economic recovery and energy sufficiency problems facing this country are enormous, but in the House at least the jurisdiction is divided between the Committee on Ways and Means, the Committee on Interstate and Foreign Commerce, the Committee on Banking, Currency and Housing, my own Committee on Public Works, and Transportation to mention a few. I think it is very misleading to purport to have a document such as this, which presents a congressional program for economic recovery and energy sufficiency, at a time when indeed there is no such program. The committees of the House are addressing these various problems in different ways and eventually they will bring proposals to the floor of this House for debate and discussion concerning aspects of the problems they have in their jurisdiction.

Mr. Speaker, I think we would be doing a disservice to the House to start printing what is essentially a political document with public funds. I think that if this document is something that the gentleman from Indiana (Mr. Brademas) feels should have wide distribution, then the funding of the printing should be obtained from some other sources.

Mr. Speaker, this is why I strongly objected in committee, and it is why I am constrained to object on the floor of the House to using public money to publish this document.

Mr. BRADEMAS. Mr. Speaker, I appreciate the observations of my friend from New Hampshire (Mr. Cleveland).

What I want to ask my friend from New Hampshire is if he would not agree that nearly every point he has made could with equal force be made with respect to the printing by the House of Representatives of the President's state of the Union message.

I am not aware that Members of the House of Representatives or Members of the U.S. Senate of the majority party are invited to participate in the writing of the President's state of the Union message.

I am also very sure of my ground in asserting that the state of the Union message delivered by a President can be described, in most instances, as an essentially political document. Yet we do not hesitate to print speeches made by the President of the United States in this Chamber within a few weeks after their having been given.

Regarding the further criticism that the gentleman has made, namely, that the report proposed to be printed is out of date, I dare say that President Ford's state of the Union message is in many respects already out of date. But I would not object on those grounds to a request, if there were sufficient support for it, for a printing of additional copies of a state of the Union message.

Mr. Speaker, I therefore suggest to the gentleman that if he wants to start establishing a precedent using the kinds of arguments that he has used, he is on very shaky ground because we may then have to question the authorization by Congress of the printing of a lot of other documents that are requested to be printed by the executive branch of the Government, in the writing of which Members of Congress of the majority party here have had no participation.

So I think the logic of the gentleman's criticism is, in the American constitutional system, where we have a separation of powers, very ill-advised.

I would further observe to my friend from New Hampshire that this document does not pretend to be a program representing all of the views of all of the Members of Congress of the United States.

So I hope very much, Mr. Speaker, that the gentleman will not put some of us in the position where we would have to look with jaundiced eyes on proposals to print documents that objective people might agree are essentially political in nature but happen to be produced by the executive branch of the Government of the United States.

Mr. CLEVELAND. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I will be glad to yield to my friend from New Hampshire (Mr. Cleveland).

Mr. CLEVELAND. I thank the gentleman for yielding.

I do think that to compare this document, which is entitled "The Congressional Program," and therefore purports to speak for all of Congress, is not the same as the state of the Union message required by the Constitution which the President may come into the well of this House to deliver.

Everybody knows that it is the President who gives it. The television records this for the entire country, and indeed, following the President's delivery of the state of the Union message, as the gentleman knows, the television commentators start commenting on it. It is a very a public document. However, here is a document that purports to speak for Congress. There is no opportunity for minority views. There is no opportunity for supplemental views, and I just think that it is unwise for us to get into the position of publishing what one has to confess is essentially a political document because it represents only Democratic Members of the Senate and the House, if indeed it does even that.

Mr. BRADEMAS. Mr. Speaker, is my friend, the gentleman from New Hampshire, going to stand on the floor of this House and tell us seriously that a state of the Union message by a President who, in our system, is the leader of his party is not essentially a political document? Yet the President's state of the Union messages are printed by Congress and I do not at all object to that.

I suggest to the gentleman that the printing of this particular document—which certains congressional views—symbolizes, in part, a redress of an imbalance in our constitutional system because the Congress and Members of Congress are also responsible, under the Constitution, for writing laws.

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Minnesota (Mr. Frenzel).

Mr. FRENZEL. Mr. Speaker, I thank the gentleman for yielding.

I would like to back up the statement of the gentleman from New Hampshire (Mr. Cleveland).

What the distinguished gentleman from Indiana (Mr. Brademas) is really guilty of is deceptive packaging. Perhaps he ought to stamp across the face of this document, "Reading this Democrat propaganda is likely to be dangerous to your health or sanity."

Mr. BRADEMAS. Is the gentleman from Minnesota describing a state of the Union message?

Mr. FRENZEL. If the gentleman will yield further, I was going to say that what he is doing is clothing a partisan document, which was constructed in secrecy, without the normal hearings we are used to in the House, and without the participation of the minority, in con-

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gressional guise by putting on the front of it that it is a congressional program. That is just plain, downright misleading.

Mr. BRADEMAS. Mr. Speaker, is the gentleman from Minnesota (Mr. FRENZEL) seriously suggesting that a state of the Union message is composed out in the open, with an opportunity for all to participate?

The gentleman knows that that is, of course, not the case.

Mr. FRENZEL. Mr. Speaker, the gentleman is dealing in irrelevancies. We are not discussing the constitutional mandated state of the Union address. We are talking about a program that the gentleman is trying to print in the name of the Congress and which was not a creation of the Congress.

If the gentleman's party wants to take the responsibility for publishing this, it has all the votes it needs to publish it. But the gentleman from New Hampshire (Mr. CLEVELAND) and I are not going to vote for it and to help the gentleman perpetrate this fraud. We also want the public to know that there is an attempt to mislead us.

Mr. Speaker, I thank the gentleman for yielding.

Mr. BRADEMAS. Mr. Speaker, I might just say that I think perhaps the problem on the other side may be that Members there do not have a program of economic recovery and energy sufficiency.

Mr. ESCH. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Michigan.

Mr. ESCH. Mr. Speaker, I believe that it is in our interest, as one who supports the independent judgment of Congress, that, indeed, the Congress ought to try to develop its own program.

However, Mr. Speaker, I think the difference, between the President's addressing us and this program is that the President represents one individual or one monolithic entity, whereas, in the case of the Congress, traditionally and historically the rights of the minority have always been protected. We are not a monolithic body. We are diversified. Therefore, in order to bring about equity of discussion and dialog, certainly any publication such as this should, in normal course, allow for the divergence of views as expressed by the various groups in Congress.

Consequently, I do not object in any way if the Congress publishes its own programs, but I would suggest to the gentleman from Indiana that from the standpoint of protection of minority's rights and views, that it would be in the interest of this Congress to allow diversified views to be printed. In fact, the minority was not represented in the development of this so-called national policy, and any publication should recognize that fact.

Mr. BRADEMAS. Mr. Speaker, I appreciate the gentleman's observations, but not very much.

Mr. SEIBERLING. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I will be glad to yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Speaker, I thank the gentleman for yielding.

I think the gentleman from Michigan (Mr. ESCH) is making a point here, and I do not know how much of a point it is but, frankly, as a Member of the Democratic side of the aisle, I personally would prefer to have it called the congressional majority program because then we on the majority side will get credit for it to the extent that it has merit, and I think it has merit. But the fact is that it has already been labeled congressional program, and so if we printed it with some other title on it, we would not be reprinting what has already been printed before.

Mr. BRADEMAS. If I may say to my friend, the gentleman from Ohio, I think his is a constructive suggestion, but I am also constrained to point out that our Subcommittee on Printing, as I am sure the gentleman from New Hampshire would agree, does not assume responsibility for developing the format of the documents which come before us with resolutions calling for more copies to be printed.

Mr. MYERS of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Pennsylvania.

Mr. MYERS of Pennsylvania. Mr. Speaker, in other words is it the opinion of the gentleman from Indiana that if the minority were to come up next week with their own program, printed it in a red cover and called it the congressional economic recovery program, the gentleman from Indiana would support that printing?

Mr. BRADEMAS. I would certainly be glad to give it some consideration, the consideration that it deserves.

Mr. SEIBERLING. If the gentleman will yield still further, I might add that what the gentleman from Pennsylvania just suggested would be misleading, because everybody knows that the majority party, not the minority party, is supposed to rule in the Congress. If the congressional majority puts out their own program, then it can fairly be called a congressional program. Of course, since the program has not been adopted as yet by the Congress it obviously is not the final program, but it is a program of the majority. The gentleman can rest assured that any Member who issues this will be very careful to have the people who are getting it from him know that this is a Democratic Party program.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I do not want to depart too far from the high constitutional plane on which we have embarked, but I would point out that when this resolution first came up on March 25, I observed that I had contacted the Government Printing Office and found that there had already been some $3,452.30 spent for the printing of 3,000 copies of this particular report. I wonder if the gentleman from Indiana can tell us by what authority those moneys were used to have this printed without prior authorization by the Congress?

Mr. BRADEMAS. I am not aware of the answer to that question because that was not a matter which came before the Subcommittee on Printing.

Mr. BAUMAN. But it is within the jurisdiction of the Subcommittee on Printing?

Mr. BRADEMAS. The resolution presently under consideration is within the jurisdiction of the subcommittee.

Mr. BAUMAN. But the gentleman from Indiana does not know who authorized the printing?

Mr. BRADEMAS. I do not know the answer to that question, for it is not one within the jurisdiction of the Subcommittee on Printing.

Mr. RONCALIO. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I will be glad to yield to the gentleman from Wyoming.

Mr. RONCALIO. Mr. Speaker, I appreciate the gentleman from Indiana yielding to me for a moment.

I would like to say to my friends of the minority who are questioning this expenditure that for the past year the Nation's citizens have been subjected to quite a debate between the executive branch, the President, who has been advancing his own program, on energy known as Project Independence, and on energy conservation and on the economy in general.

The President has been asking for a congressional program, he has complained that the Congress has not acted as it has been asked to do. He did not complain about the Democrats as such, he cites Congress.

Now Congress has come up with an answer, it is squarely in the realm of public debate and discussion, and consequently it ought to be placed in printed form.

Of course there are obviously political overtones to everything we do in the Congress. We cannot begin our day's work in this body without obvious political overtones, our opening prayer generally excluded.

We often ask unanimous consent of the Members that certain material be included in the RECORD, notwithstanding certain costs, so that political material and dialog may ensue. All of it is subject also to a similar objection that the gentleman makes. But we cannot work in a vacuum.

The Congress is controlled by majority rule, and if the leader of the other body presents us with a resolution that is appropriate, I think as a matter of comity, there should be acceptance of a publication of this kind for printing.

I thank the gentleman.

Mr. BRADEMAS. I thank the gentleman from Wyoming.

I have no further observations to make, Mr. Speaker, other than to urge Members of the House on both sides of the aisle to give their support to the resolution under consideration.

MOTION TO RECOMMIT WITH INSTRUCTIONS OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Speaker, I offer a motion to recommit with instructions.

The Clerk read as follows:

> Mr. BAUMAN moves to recommit Senate Concurrent Resolution 23 to the Committee on House Administration with instructions to report the resolution back forthwith with the following amendment: Page 1, line 3 and 4 strike the word "Congressional" and insert in lieu thereof the word "Democrat".

The SPEAKER pro tempore. Is the gentleman opposed to the Senate concurrent resolution?

Mr. BAUMAN. I am, Mr. Speaker, in its present form or in any other form.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. BAUMAN. Am I not permitted time to discuss the motion?

The SPEAKER pro tempore. I would inform the gentleman from Maryland that it is not a debatable motion on a concurrent resolution.

Mr. BAUMAN. I am relieved. I thank the Speaker.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. FRENZEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 133, nays 264, not voting 36, as follows:

[Roll No. 184]

YEAS—133

Abdnor
Anderson, Ill.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bell
Biester
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Butler
Carter
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conte
Coughlin
Crane
Daniel, Robert W., Jr.
Devine
Dickinson
Duncan, Tenn.
du Pont
Edwards, Ala.
Emery
Esch
Eshleman
Fenwick
Findley
Fish
Forsythe
Frenzel
Frey
Gilman
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Hammerschmidt
Hansen
Harsha
Hastings
Heckler, Mass.
Heinz
Hillis
Horton
Hutchinson
Hyde
Jacobs
Jarman
Jeffords
Johnson, Colo.
Johnson, Pa.
Kasten
Kelly
Kemp
Ketchum
Kindness
Lagomarsino
Latta
Lott
Lujan
McClory
McCloskey
McDade
McDonald
McEwen
McKinney
Martin
Michel
Miller, Ohio
Mitchell, N.Y.
Moore
Myers, Ind.
Myers, Pa.
Pettis
Peyser
Pressler
Quie
Quillen
Railsback
Regula
Rhodes
Robinson
Rousselot
Ruppe
Sarasin
Schneebeli
Schulze
Sebelius
Shuster
Skubitz
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steelman
Steiger, Ariz.
Steiger, Wis.
Stuckey
Symms
Talcott
Taylor, Mo.
Thone
Treen
Vander Jagt
Walsh
Wampler
Whalen
Whitehurst
Wiggins
Wilson, Bob
Winn
Wydler
Wylie
Young, Alaska
Young, Fla.

NAYS—264

Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Andrews, N.C.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, Phillip
Byron
Carney
Carr
Casey
Chisholm
Clay
Collins, Ill.
Conyers
Corman
Cornell
Cotter
D'Amours
Daniel, Dan
Daniels, Dominick V.
Danielson
Davis
Delaney
Dellums
Dent
Derrick
Derwinski
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
English
Evans, Colo.
Evins, Tenn.
Fascell
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Tenn.
Fraser
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Ginn
Green
Haley
Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Hefner
Helstoski
Henderson
Hightower
Holland
Holtzman
Howard
Howe
Hubbard
Hughes
Hungate
Ichord
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Keys
Koch
Krebs
Krueger
LaFalce
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
McFall
McHugh
McKay
Macdonald
Madden
Maguire
Mahon
Mann
Mathis
Matsunaga
Mazzoli
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mills
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Montgomery
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman
Patten
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pickle
Pike
Poage
Preyer
Price
Randall
Rees
Reuss
Richmond
Riegle
Risenhoover
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Runnels
Russo
Ryan
St Germain
Santini
Sarbanes
Satterfield
Scheuer
Schroeder
Seiberling
Sharp
Sikes
Simon
Sisk
Slack
Solarz
Spellman
Staggers
Stanton, James V.
Stark
Steed
Stephens
Stokes
Stratton
Studds
Symington
Taylor, N.C.
Teague
Thompson
Thornton
Traxler
Tsongas
Udall
Ullman
Vander Veen
Vanik
Vigorito
Waggonner
Waxman
Weaver
White
Whitten
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wirth
Wolff
Wright
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—36

Ambro
Burton, John
Chappell
Conlan
de la Garza
Diggs
Erlenborn
Evans, Ind.
Ford, Mich.
Fountain
Goldwater
Gonzalez
Hicks
Hinshaw
Holt
Landrum
Leggett
Lent
Long, Md.
McCollister
McCormack
Madigan
Meeds
Mink
Mollohan
Moorhead, Calif.
Mosher
Pritchard
Rangel
Rinaldo
Roybal
Shipley
Shriver
Smith, Iowa
Sullivan
Van Deerlin

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. McFALL). The question is on the Senate concurrent resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. CLEVELAND. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 262, noes 138, not voting 33, as follows:

[Roll No. 185]

AYES—262

Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Andrews, N.C.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Bennett
Bergland
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, Phillip
Byron
Carney
Carr
Casey
Chisholm
Clay
Collins, Ill.
Conyers
Corman
Cornell
Cotter
Daniel, Dan
Daniels, Dominick V.
Danielson
Davis
Delaney
Dellums
Dent
Derrick
Derwinski
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Early
Eckhardt
Edwards, Calif.
Eilberg
English
Evans, Colo.
Evins, Tenn.
Fascell
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Tenn.
Fountain
Fraser
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Ginn
Green
Haley
Hall
Hamilton
Hanley
Hannaford
Harrington
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Hefner
Helstoski
Henderson
Hicks
Hightower
Holland
Holtzman
Howard
Howe
Hubbard
Hughes
Hungate
Ichord
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Koch
Krebs
Krueger
LaFalce
Lehman
Levitas
Litton
Lloyd, Tenn.
Long, La.
Long, Md.
McCormack
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Maguire
Mahon
Mann
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mills
Mineta
Minish
Mitchell, Md.
Moffett
Montgomery
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman
Patten
Patterson, Calif
Pattison, N.Y.
Pepper
Perkins
Pickle
Pike
Poage
Preyer
Price
Randall
Rees
Reuss
Richmond
Riegle
Risenhoover
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Runnels
Russo
Ryan
St Germain
Santini
Sarbanes
Satterfield
Scheuer
Schroeder
Seiberling
Sharp
Shipley
Sikes
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, James V.
Stark
Steed
Stephens
Stokes
Stratton
Studds
Sullivan
Symington
Taylor, N.C.
Teague
Thompson
Thornton
Traxler

Tsongas
Udall
Ullman
Vander Veen
Vanik
Vigorito
Waggonner
Waxman
Weaver
White
Whitten
Wilson,
  Charles H.,
  Calif.
Wilson,
  Charles, Tex.
Wirth
Wolff
Wright
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NOES—138

Abdnor
Anderson, Ill.
Andrews,
  N. Dak.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bedell
Bell
Biester
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Butler
Carter
Cederberg
Clancy
Clausen,
  Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conte
Coughlin
Crane
D'Amours
Daniel, Robert
  W., Jr.
Devine
Dickinson
Duncan, Tenn.
du Pont
Edgar
Edwards, Ala.
Emery
Erlenborn
Esch
Eshleman
Evans, Ind.
Fenwick
Findley
Fish
Forsythe
Frey
Gilman
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Hammer-
  schmidt
Hansen
Harsha
Hastings
Heckler, Mass.
Heinz
Hillis
Horton
Hutchinson
Hyde
Jacobs
Jarman
Jeffords
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Kasten
Kelly
Kemp
Ketchum
Keys
Kindness
Lagomarsino
Latta
Lloyd, Calif.
Lott
Lujan
McClory
McCloskey
McDade
McDonald
McEwen
Madigan
Martin
Michel
Miller, Ohio
Mitchell, N.Y.
Moore
Myers, Ind.
Myers, Pa.
Pettis
Peyser
Pressler
Quie
Quillen
Railsback
Regula
Rhodes
Robinson
Rousselot
Ruppe
Sarasin
Schneebeli
Schulze
Sebelius
Shuster
Skubitz
Smith, Nebr.
Snyder
Spence
Stanton,
  J. William
Steelman
Steiger, Ariz.
Steiger, Wis.
Symms
Talcott
Taylor, Mo.
Thone
Treen
Vander Jagt
Walsh
Wampler
Whalen
Whitehurst
Wilson, Bob
Winn
Wydler
Wylie
Young, Alaska
Young, Fla.

NOT VOTING—33

Ambro
Beard, R.I.
Burton, John
Chappell
Conlan
de la Garza
Diggs
Ford, Mich.
Frenzel
Goldwater
Gonzalez
Harkin
Harris
Hinshaw
Holt
Jenrette
Landrum
Leggett
Lent
McCollister
Mink
Moakley
Mollohan
Moorhead,
  Calif.
Mosher
Pritchard
Rangel
Rinaldo
Roybal
Shriver
Stuckey
Van Deerlin
Wiggins

So the Senate concurrent resolution was concurred in.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING THE PRINTING AS A SENATE DOCUMENT OF THE PRAYERS OFFERED BY THE CHAPLAIN OF THE SENATE, THE REVEREND EDWARD L. R. ELSON, S.T.D., DURING THE 93D CONGRESS

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration I call up the Senate concurrent resolution, (S. Con. Res. 31), and ask for its immediate consideration.

The Clerk read the Senate concurrent resolution, as follows:

S. Con. Res. 31

Resolved by the Senate (the House of Representatives concurring), That there be printed with an illustration as a Senate document, the prayers by the Reverend Edward L. R. Elson, S.T.D., the Chaplain of the Senate, at the opening of the daily sessions of the Senate during the Ninety-third Congress, together with any other prayers offered by him during that period in his official capacity as Chaplain of the Senate; and that there be printed two thousand additional copies of such document, of which one thousand and thirty would be for the use of the Senate and nine hundred and seventy would be for the use of the Joint Committee on Printing.

Sec. 2. The copy for the document authorized in section 1 shall be prepared under the direction of the Joint Committee on Printing.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the several resolutions just agreed to.

The SPEAKER pro tempore (Mr. McFall). Is there objection to the request of the gentleman from Indiana?

There was no objection.

CONFERENCE REPORT ON H.R. 25, SURFACE MINING CONTROL AND RECLAMATION ACT OF 1975

Mr. UDALL. Mr. Speaker, I call up the conference report on the bill (H.R. 25) to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of May 5, 1975.)

Mr. UDALL (during the reading). Mr. Speaker, I ask unanimous consent to dispense with further reading of the joint statement of the committee of conference.

The SPEAKER pro tempore (Mr. Brademas). Is there objection to the request of the gentleman from Alaska?

There was no objection.

GENERAL LEAVE

Mr. UDALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the conference report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The SPEAKER pro tempore. The gentleman from Arizona (Mr. Udall) is recognized.

Mr. UDALL. I yield myself such time as I may consume.

Mr. Speaker, we bring here today to the House Chamber an old friend, the strip mining, surface mining legislation. This will not be the last time, if the script goes as now indicated. We will be back here in a couple of weeks confronted with another Presidential veto, and the House will have a chance at long last to say whether we will write something on the law books or whether we will continue to struggle with this most difficult and crucial national problem.

This bill passed 333 to 86 here in the House in March. We had a lengthy conference with the other body. We bring back today a very similar measure. It is a measure which is very similar also to the one which the House of Representatives and the Congress passed last December and which was pocket-vetoed by the President.

There has been a flood of propaganda and Dear Colleague letters concerning this legislation in the last few days, and I must confess that I am troubled and puzzled and, indeed, a little bit amused by the unholy alliance among a few strong opponents of any surface mining whatever, who now oppose the conference report on the ground that it is too weak, that it is a toothless bill, that the House conferees gave way too much in conference; and on the other hand the same old tired arguments in opposition from the National Coal Association and from those retrogressive elements in an industry who want to keep on strip mining in the same old way. In a sense both of these arguments are right. This bill is too strong for those who want to continue to mine in the same way.

We have a very good exhibit showing what is going on down in southern Virginia right now. It is too strong for those who want to continue the same kind of efforts that have devastated so much land in this country and, yes, in a sense the bill is too weak for those who want to prohibit all surface mining of coal even in instances where the land can be restored, because this is not a prohibition bill. The fact is that this is a bill which will do two central things. It will end the shameful practices of the past which have destroyed and devastated millions of acres of land in this country; and, second, it will enable the coal industry to get on with the job of getting more coal.

We need more coal, and we should double the production of coal in the next decade, and we will double the production of coal in the next decade if we can get some certainty in this legislation into the industry so that the capital investments can be made and the new mines can be opened.

We have over here—and I hope during the course of the debate my colleagues will have a chance to see it—a display showing what has been done wrong in the past, a display showing what has been done under similar legislation in Pennsylvania, and this should prove beyond a doubt that coal can be mined through surface-mining techniques and the land restored, even on steep slopes of the kind the Members will hear about here this afternoon.

We have here an ad from Coal Age magazine by the Caterpillar Co. in which they tell industry they can mine coal and restore the land using different techniques but using the same equipment that is now available, that is available today.

So I think the time has come to get this bill written on the statute books of this country. It will help provide jobs. It will help bring down the price of coal which has been such a key element in the big increase in the utility bills for residential customers. It will help lessen our dependence on foreign oil and it will help our balance of payments. It will help us do the job of restoring and reclaiming land in this country which has been devastated by past practices.

Mr. HALEY. Mr. Speaker, will the gentleman yield?

Mr. UDALL. I yield to the chairman of the Interior and Insular Affairs Committee, the gentleman from Florida (Mr. Haley).

Mr. HALEY. Mr. Speaker, I thank the gentleman for yielding. I call the attention of the gentleman to the fact that in addition to what the gentleman has outlined on this bill, we are also going to try to restore the land and put it back in a situation where in the future it will be beneficial to generations to come. I think that is something we had better look to because, as the gentleman has called attention to, we have the strip mining practices which have raped the land, so to speak. We want to require the mining operators do something to put that land back into a condition where it can be used.

Mr. UDALL. I thank the gentleman.

Before we close I want to quote two witnesses. One is Rogers C. B. Morton, formerly Secretary of the Interior and now Secretary of Commerce. Members have been hearing this afternoon that the passage of this legislation will cause a loss in employment. Secretary Morton on February 18 at a hearing in our committee—and the bill has not been changed essentially since then—said:

> There will be a net gain in employment because of the passage of this bill since reclamation is going to require capital investment, it is going to require a work force, and so we should have a net gain in employment.

The second witness is the new Secretary-designate of the Interior, Governor Hathaway of Wyoming, and he has been having some trouble over in another legislative body about confirmation. I do not know what pressures he is under at this time, but as reported in today's New York Times issue he was asked about the strip mining legislation passed yesterday by the Senate, and I quote from the article:

> Governor Hathaway said that he thought it was administratively workable and that he approved the provisions for mandatory reclamation of stripped land and the regulatory authority given to the States.

Mr. Speaker, we have been here before.

In the past year, I have stood before this body four times urging action on strip mining legislation. Each time a considerable majority of the Members of this House have responded affirmatively.

Yet we have no law. The blame for that disgrace must be placed on the President who vetoed the bill of the last Congress at the urging of the energy industry lobbyists. But the Congress went back to work and to its credit, it has acted thoughtfully and expeditiously. Again, the House has an opportunity to affirm its commitment to tough but workable strip mining legislation, and I have no doubt that such a commitment will be forthcoming.

We took a strong bill to conference, and the conferees have returned with legislation that substantially conforms with the will of the House. The conference report retains the critical environmental safeguards and procedures of the House bill, a number of the House amendments that strengthen the bill, as well as some new language that resulted from the necessity to reach a common ground with the Senate. While all of the decisions reached by the Conferees were not entirely consistent with my own preferences, I believe that, on balance, the conference report is a remarkably good piece of work and certainly deserves speedy enactment.

For the vast majority of the Members of this House, and for the people of the country, the legislation is on track. We have reached the goal of fashioning workable regulation that eliminates the abuses of strip mining while allowing the production of needed coal. This is not an easy goal, but a review of the conference report will reveal that it has been attained.

The basic environmental standards and the regulatory scheme of the bill vetoed by the President in 1974 have been retained in the conference report.

First. Environmental standards. In general, the conference report requires that the mined area must be returned to a condition that is fully capable of supporting premining uses or higher or better uses. This is accomplished through implementation of these key environmental performance standards:

At the outset, topsoil must be separately removed and preserved for later replacement;

Following the extraction of the coal, the lands must be returned to their "approximate original contour"—there is a limited variance from the approximate original contour provision where the operator demonstrates that the variance is necessary to achieve planned industrial, commercial public facility or residential development.

The topsoil is to be replaced on the mined area and the operator must reestablish vegetation comparable to that which existed prior to mining;

There are a number of provisions for the preservation of the quality and quantity of affected water resources; and

A number of other environmental performance standards must be met, including standards designed to insure the safe construction of waste impoundments.

Second. Application procedures. The operator will be required to submit a detailed permit application and a mining and reclamation plan which will set forth the specifics of his proposed operation and other information to allow the regulatory authority to determine if he is in compliance with the act. The operator will be required to post a bond in an amount sufficient to complete reclamation should the operator default. The entire bond will not be released until all the requirements of the act are met, including the elimination of increased siltation and successful revegetation—unaugmented vegetative cover under the act's requirements for a period of 5 years, or 10 years in dry areas.

Third. Citizen involvement. The bill provides for full citizen access at all stages of the act's implementation, including a variety of regulations, approval or disapproval of the State program, Federal enforcement, approval or disapproval of mining permit and bond release.

Fourth. Phase-in of new regulatory program. The key environmental performance standards will become applicable to all surface coal mining operations within 135 days after enactment—approximate original contour, topsoil preservation and replacement, hydrologic protection, impoundment construction requirements, and revegetation. Note that the specific requirements applicable to steep slope mining—spoil may not be placed on the downslope and highwalls must be eliminated—also come into effect within 135 days.

While both the House and the Senate bills were identical upon introduction, various amendments were made to each during committee and floor action. The following are decisions made by the conferees. All of these amendments represent the decision to adopt the stronger position from an environmental standpoint:

First. The House bill was amended to provide that the Director of the Office to enforce the act in the Department of Interior would report to the Assistant Secretary for Land and Water Resources and would be compensated at a level IV. This amendment is intended to insulate the enforcement office from other bureaus and agencies of the Department which have a minerals development mission. The conferees modified this amendment by providing that the Director would report directly to the Secretary, but that he would be compensated at the level IV instead of the lower level V provided by the vetoed bill and the Senate amendment.

Second. The House bill included two conflict-of-interest amendments that barred the holding of an interest in coal mining operations other than the total of a hundred shares of stock of a company with such interests. The Senate bill had no such provision. The conferees dropped the hundred-share exception and adopted the House provision.

Third. The vetoed bill and Senate bill provided for a fee of 35 cents a ton on strip mined coal and 25 cents a ton on deep mined coal. The House bill was amended to impose only a 10 cents per ton fee on coal from underground mines. This was done to encourage deep mining which must carry the economic burden of compliance with the Coal Mine Health and Safety Act. The conference adopted a fee of 15 cents on deep-mined coal.

Fourth. The House amended the section dealing with the use of the fund referred to in the above paragraph, which was, in general, limited to purposes of reclaiming abandoned coal mined lands and providing for the development of public facilities needed in areas experiencing rapid development attendant to increased coal production. The House amendment opened the purposes of the fund to aid all areas experiencing development of their "energy resources." This would have the effect of depleting the amounts available for the primary goal of reclaiming orphan mined lands. The conferees rejected the House amendment.

Fifth. The vetoed bill provided that the permit would lapse 3 years after its issuance if development of the mine had not commenced. This is a significant provision as there are vast amounts of coal currently under Federal lease that are not being developed to meet the Nation's energy needs. This increases the pressure for additional leasing. The 3-year cutoff could have been a problem, however, for the development of synthetic fuel plants, for such a plant to obtain financing there would have to be an assured supply of coal; that is, a permit would have to have been issued, but the actual construction of the plant would not be completed for a number of years and thus the coal operation would not have commenced within 3 years. The Senate adopted language that would have simply allowed the waiver of the 3-year requirement while the House limited such waiver specifically to the situation where a synthetic fuel is contemplated. The conferees adopted the House provision.

Sixth. The vetoed bill and the Senate amendment included a provision that could have been a substantial loophole to the revegetation requirements where previously mined and unreclaimed land is to be remined. This was not included in the House bill, and this loophole was dropped by the conferees.

Seventh. Both the House and Senate bills were amended to include a new provision that required the replacement of the water supply of an owner whose supply had been affected or interrupted by mining. The Senate amendment, however, precluded such replacement for water from a "subterranean stream channel" and did not include surface sources. The House bill provided the protection for both all underground and surface sources. The conferees adopted the House provision.

Eighth. Both the vetoed bill and the House bill provided for the preservation of the important functions of alluvial valley floors in the West. The Senate bill was amended to provide that such areas must be protected only "to the maximum extent possible" using the "best available technology." As the issue presented here is whether such technology currently exists, the Senate provision was a substantial weakening of the bill. The conferees adopted a House approach and approved language that is more specific thus generally improving the standard. Also relevant to this issue is treatment of a ban on mining of certain alluvial valley floors which I will discuss later.

Ninth. The vetoed bill and the Senate amendment provided that where practices of an operation could result in significant environmental harm, the inspector is to issue an immediate cessation order. The House adopted an amendment that provided that where the significant environmental harm could be repaired, an immediate cessation order would not be issued. This substantially weakened the mandatory provision. The conferees dropped the House amendment.

Tenth. The House bill did not provide for control waste impoundments associated with deep coal mining during the interim period. The Senate version controlled all impoundments from the outset. As the hazards involved in unsafe waste impoundments are the same whether they are associated with deep or underground mines, the conference chose the Senate approach.

Eleventh. The House bill could have resulted in not requiring compliance with the full terms of the act until 40 months or more after enactment. The conferees adopted the Senate approach which provides that the State program, or a Federal program if the State program is not approved, must be in place by 30 months after the date of enactment.

The conferees also took the following actions which, while receding from the House position, did not, in my view, substantially interfere with the integrity of the bill:

First. Citizen suits. The charge is made that citizens suffered a serious loss when the conferees adopted the modified Senate version of the citizen suit section.

Nothing could be more inaccurate.

Under the adopted version, citizens may sue the operator who is in violation of his permit, any rule, regulation, or order of the regulatory authority. Moreover, citizens may sue the State or the Secretary for violation of its own regulations or violations of the act. This makes administrative sense.

It means that an operator can have the assurance of the validity of his permit—assuming that it was issued in accordance with the act—and thus there is some finality in the administrative process. This is nothing more than normal administrative procedure, and it makes sense. Under the House version there was an argument that the permit would always be up for grabs as the operator could have been sued for direct violations of the act.

The point of fact, the same result probably would have been obtained under the House language as the permit would have carried with it the normal presumption of validity. So nothing was really lost in adopting more rational legislative language and arguments that the citizen suit provision was somehow weakened are grossly exaggerated.

Of course, the plaintiff may bring an action against the regulatory authority if the regulations are not in compliance with the act and, again, this is standard procedure.

Second. Alluvial valley floors. The vetoed bill provided that a mining application was to be denied if the proposed operation would have a substantially adverse effect on alluvial valley floors where farming can be practiced or where such valley floors are significant to present or potential farming or ranching operations.

The House adopted an amendment that banned mining within such alluvial valley floors.

The Senate modified the limited prohibition of the vetoed bill and essentially weakened it.

The conferees rejected the House's stronger ban language and wrote a new version that prohibits mining on such alluvial valley floors which are important for agricultural uses, and potential agricultural uses, but this "ban" is alleged to be more limited than the vetoed version—in fact, it probably is not.

Environmentalists would like to avoid any necessity to litigate the issue and therefore support the House approved "ban" language.

Third. The House bill contains certain procedural mechanisms for the protection of water rights. The conferees rejected this language as it could possibly interfere or modify well developed State law on the subject of water rights and was viewed as unnecessary.

Fourth. While both the House and Senate bills prohibit the placing of overburden on the downslope on a mountain mining operation because such placement generally results in landslides and siltation problems, the vetoed bill and the Senate version as approved on the floor, allowed the placing of the "first cut"; that is, the material removed initially to obtain access to the coal seam, on the downslope if material is stabilized to prevent landslides. The House adopted an amendment that provided that such material could be placed on the downslope but only temporarily and that it would have to be picked up and removed. The conferees returned to the vetoed version.

As production loss has also been a factor in this debate, I would like to add these comments.

The administration has played a shabby numbers game asserting coal production losses resulting from the enactment of this bill which upon examination appear to be nothing more than smoke. Only twice has the Department furnished the committee with backup data on these estimates and in both instances the data and analysis have been totally flawed.

The first set of figures provided in May of 1974 on production losses associated with H.R. 11500 showed an immediate loss of 31 to 187 million tons per year. An analysis of the data of these estimates revealed: First, a spread in range in each set of estimates indicating enormous uncertainty on the part of analysts; second, misinterpretation of provisions in the legislation accounting for more than 60 percent of these losses; third, double counting; fourth, no recognition that operations can shift geographically; and fifth, no consideration of potential increases in coal production due to certainty about environmental standards.

Over 55 percent or 106 million tons of the losses identified above were due to provisions relating to subsidence impacts of underground mines—provisions in the bill that did not go into effect for more than 2 years after enactment. Further, the study noted that the subsidence provision should not have any loss with it, since the principal method of subsidence control is to leave more coal underground for support and this would not reduce coal production, but only the amount of coal recovered from the deposit. However, the administration chose to count this coal left in place as a production loss. Under this logic, every underground mining operation in the world has production losses due to coal left in place for roof stability and control.

Current estimates of coal production losses advanced by Mr. Zarb on H.R. 25 indicate a range of 62 to 162 million tons per year. Of this total, 66 million tons, or over 40 percent are predicated on losses due to coal production from mining operations located within alluvial valley floors in the West.

On March 14, the Department of Interior personnel, including professional members from the U.S. Geological Survey, Bureau of Mines, and the Secretary's office, admitted that the interpretation of the geographic extent of the definition of alluvial valley floors on which this data is based was "unreasonable" and made without reference or knowledge of the legislative history of the provisions. The USGS personnel who prepared the basic data on the extent of alluvial valley floors in the West admitted that he did not read the committee report dealing with this provision.

Yet, we find the Department and the administration still use this data for their assessments. A mine-by-mine analysis supporting this provision shows virtually every surface mining operation in the West located on alluvial valley floors. In fact, it is exactly the opposite. According to the best estimates of USGS field personnel in the Denver office, there are only approximately four mines presently located in alluvial valley floors and only two of these are producing significant amounts of coal. The total production from these four mines is about 10 million tons a year.

The above data in Mr. Zarb's letter also includes double counting and the assumption that operators would rather go out of business than meet economically feasible environmental standards in the Appalachian coal fields.

The SPEAKER pro tempore. The gentleman from Arizona (Mr. STEIGER) is recognized for 30 minutes.

Mr. STEIGER of Arizona. I yield 5 minutes to the gentleman from Michigan (Mr. RUPPE), the ranking minority but misguided member of our subcommittee.

Mr. RUPPE. Mr. Speaker, throughout the House's debate and deliberations on H.R. 25 we have heard the word "compromise" used repeatedly. I personally feel that we do an injustice to this legislation by continuing to refer to it in such a manner. Rather, what I think the Congress has done is to realize two things: First, that this country depends on coal for a great deal of its energy needs; and second, that uncontrolled strip mining has in the past left thousands upon thousands of acres of land in a useless and disastrous condition. We have interrelated the issues into one piece of legislation, but we have not compromised our dedication to preserving our environment and we have not compromised our responsibilities to this Nation to insure that we have adequate energy resources. Quite the opposite, we have effectively said that our concerns about the environment and our concerns about energy can coexist, that one does not preclude the other, and that both can be dealt with in a single piece of legislation. This is not compromise, for that word connotes, at least to me, a surrender of principle, and I sincerely feel that we have been true to our principles and true to our responsibilities.

The conference committee did make some modifications of the House-passed bill, and I would like to take a couple of minutes to key in on two of them.

Perhaps the most controversial change we made was in the section dealing with alluvial valley floors. The House passed an amendment which provided for a total ban on surface mining on these valley floors west of the 100th meridian west longitude. In my opinion this was a mistake—it was overkill. I am well aware of the importance of the alluvial valley floors in the West, those unconsolidated deposits, formed by streams where the ground water level is so near the surface that it directly supports extensive vegetation. In many cases they are the only natural irrigation for haylands and croplands which are essential to farming and ranching operations in the West. If the essential functions of these floors were disturbed, these farming and ranching operations could be seriously affected. The conference committee went to the heart of the matter. We agreed on a provision specifying that a permit should not be approved if the proposed mining operation would have a substantial adverse effect on alluvial valley floors in those areas where farming can be practiced in the form of irrigated or naturally subirrigated hay meadows or other crop lands where the alluvial valley floors are significant to the practice of farming and ranching operations. We specifically included "potential" farming or ranching operations as well, not just those presently in existence.

Now, this is what we should have been doing all along. Our efforts should have been directed toward protecting the productive capacity of the lands lying over the alluvial valley floors. An outright ban was the wrong approach. However, I would say to those who favored the ban, I think the inclusion of potential ranching or farming operations will insure that the productive capacity of all lands overlying the valley floors will be carefully studied before a mining permit would be issued.

The conference also perfected the provision dealing with citizen suits. Very few, I am sure, would question the premise that an operator should be held accountable for violations of his permit or the regulations specifically applicable to him. However, under the House passed version, the operator could have been subject to a citizen suit based on an erroneous interpretation of the law by the regulatory authority. This was a mistake on our part. When an operator is issued a permit, he should be able to assume that it was processed and issued in accordance with congressional mandates. However, if that was not the case, a suit should lie against the regulatory authority, the body that committed the error. The conference agreed that we should not hold an operator, who in good faith is complying with the terms of his permit, accountable for the mistakes of others.

These are just two of the changes that the conferees agreed upon, but they are important in that they address two major objections which had been previously voiced by the administration. President Ford, in a letter dated February 6, 1975, outlined eight critical differences between the administration's version and the bill passed, and vetoed, in the 93d Congress. Of these eight differences, the conference committee has in six cases accepted the viewpoint expressed or modified the language of applicable sections to deal with their concerns. Besides alluvial valley floors and citizen suits, the other four are stream siltation, the abandoned land reclamation fund, impoundments, and the special unemployment provisions.

The conference did not modify the ban on mining in national forests, as the administration requested. But I think it should be pointed out, that the administration has said over and over again that they do not intend to issue any leases for mining in the national forests, so some of us were somewhat puzzled by their insistence on the point. Also, it should be noted that the amount of reserves in the forest is about 7 billion tons, six of which are in the Custer National Forest in Montana. Standing by itself, 7 billion tons is no small amount, but in comparison to a total reserve base of 434 billion tons, 137 of which is strippable, we can see that in relative terms, we are not talking about a considerable amount of this Nation's coal.

The administration also asked that the bill include explicit authority for the Secretary of Interior to define ambiguous terms. Both the House and the Senate rejected this request. First of all, I believe the Secretary, through his general rulemaking authority, already may define terms. And second, we feared that this provision would force courts to give unusual weight to the Secretary's interpretations, perhaps even more than that which would be given to the legislative history developed in the Congress.

But, I would say that the administration has provided valuable input into this legislative process. Many of their thoughts and objections have been valid and insightful, and incorporated into the bill. I would hope that the President would sign it: Six out of eight is a pretty good track record. The bill will not place unnecessary burdens on the mining industry, it should not take out of production needed coal, and it should not have a significant impact on this Nation's utilities bills. Rather, H.R. 25 will stabilize the mining industry and will provide needed environmental protection.

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I would hope we have produced a bill which the President will have no difficulty in signing. But that is getting ahead of ourselves. For the present, I urge the House to adopt this conference report. The nightmare of uncontrolled strip mining of coal must stop, and this legislation is an effective tool for accomplishing that end.

Mr. UDALL. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan (Mr. Dingell).

Mr. DINGELL. Mr. Speaker, I support the conference report. I commend the committee for including the amendments I put in with respect to conflicts.

Mr. Speaker, I want to take this opportunity to comment on several provisions in the Conference Report on H.R. 25, Surface Mining and Reclamation Act of 1975.

First. The conferees accepted section 201(e) of the bill which I authored and which makes the new Office of Surface Mining Reclamation and Enforcement an "independent Federal regulatory agency" for the purpose of 44 U.S.C. 3502 and 3512—that is, the Federal Reports Act. This means that all questionnaires, applications, permit forms, report forms, and similar documents used or required by this Office to obtain information from 10 or more persons must be reviewed and approved by the General Accounting Office. In this regard, I want to make it clear, as author of this provision, that it is the duty of the GAO to review these forms, et cetera, carefully and to insure that any proposed provision included therein giving blanket or even partial confidentiality, to some or all of the data supplied therein, shall be justified by the new Office to the GAO and the public as being required by this legislation. Moreover, the GAO should ascertain that these forms, et cetera, specify that the person seeking confidentiality must clearly show to the satisfaction of the new Office that such confidentiality is authorized and warranted in whole or in part.

Second. The conferees adopted section 201(f) of H.R. 25, which I also authored, concerning the disclosure of financial interest by Federal employees (See Congressional Record, of March 17, 1975, pp. 6486–6489). The conferees modified my amendment slightly in an effort to strengthen it by deleting the exception for persons holding up to 100 shares of stock in companies listed in a registered securities exchange. This change does not affect the basic requirements of the section and is therefore helpful.

Mr. Speaker, I want to make it clear that this section not only pertains to Federal employees of the new Office, but also to all Federal employees "performing a function or duty under this act." This includes persons in Interior's Solicitor's Office, the Office of Hearings and Appeals, MESA, the Bureau of Mines, the Geological Survey, Secretarial officials, including the Secretary himself, and employees of non-Interior agencies having duties and functions under this act. The term "employee" should be broadly construed to include, as a minimum, persons covered by 5 U.S.C. 2105 and temporary employees referred to in 5 U.S.C. 3109.

It is my intention that this section and a similar section for State employees (517(g)) shall be effectively administered and enforced by Interior, Justice, and these other agencies, and I look to the GAO to periodically review such administration and enforcement and to make its findings available to me and the public. I want particularly for the GAO to review and comment on the regulations when they are proposed under these Sections.

Third. Section 702(a) of this conference report states unequivocally that it does not, in any way, affect several statutes, including the Fish and Wildlife Coordination Act, all antipollution laws, including the Refuse Act of 1899, and the National Environmental Policy Act of 1969. Section 702(d) also specifies by statute that certain actions required by the conference report are "major actions" requiring an environmental impact statement. The conference report comments on this section as follows (p. 86):

> This Subsection provides that certain enumerated actions taken pursuant to the Act shall constitute major Federal actions significantly affecting the quality of the human environment within the meaning of Section 102(2)(C) of the National Environmental Policy Act of 1969, 42 U.S.C. 4332 (NEPA), i.e. that such actions will require the preparation of an Environmental Impact Statement.
>
> The Section is not intended as a limitation or modification of NEPA but, to the contrary, the provision is viewed as being consistent with the Act. The Conferees believe that, properly interpreted and applied, the operation of NEPA will not result in any delay in the implementation of the various regulatory provisions of this environmental regulatory legislation including those actions which must be accomplished in a relatively short time period such as the establishment of the Federal Enforcement Program within 135 days after enactment.

As author of NEPA, I agree with these comments, but point out that section 702 (d) does not exhaustively state what actions under this conference report constitute a "major action" requiring an EIS. It merely identifies some actions where an EIS is required by statute. The new Office must still determine what other actions require an EIS and, if it determines that a particular action is not a major action, the Office must make this determination public by notice.

Fourth. Section 522(e) of the conference report prohibits surface coal mining operations in several categories of areas, such as the National Park System and national forest areas, "subject to valid existing rights." During the House debate on this section, I questioned the need for this phrase, saying that "it is extra verbiage and really has no meaning" (See Congressional Record, of March 18, 1975, p. 7048). I now note that this phrase was adopted for application to the national forests and really has no effect or purpose for these other Federal areas. Indeed, the conference report makes this very clear in saying (p. 85):

> This Subsection prohibits surface coal mining on lands within the boundaries of national forests, "subject to valid existing rights." It is not the intent, therefore, nor is it the effect of this provision to preclude surface coal mining on private inholdings within the national forests.
>
> The language "subject to valid existing rights" in Section 522(e) is intended to make clear that the prohibition of strip mining on the national forests is subject to previous state court interpretation of valid existing rights. For example, in West Virginia's Monongahela National Forest, strip mining of privately owned coal underlying federally owned surface has been prohibited as a result of U.S. vs. Polino (133 F.S. 722, 1955). In this case the court held that "stripping was not authorized by mineral reservation in a deed executed before the practice was adopted in the county where the land lies, unless the contract expressly grants stripping rights by use of direct or clearly equivalent words. The party claiming such rights must show usage or custom at the time and place where the contract is to be executed and must show that such rights were contemplated by the parties." The phrase "subject to valid existing rights" is thus in no way intended to open up national forest lands to strip mining where previous legal precedents have prohibited stripping.

This is the explanation I had hoped for. It is helpful and should remove the cloud I mentioned earlier.

Fifth. The conference report notes (p. 87) that the Administration objected to the citizen suit provisions of the House version of H.R. 25 because it allowed suits against operators for a "violation of the provisions" of the act. The administration suggested that the language be changed to allow suits against operators for violation of regulations or permits. The Conferees did change this provision, but the change does not and cannot preclude suits against operators for violations by the operators of the act.

The operator has a duty to comply with the "law." This includes, first and foremost, the statute and then the regulations and permit conditions issued or promulgated pursuant to the statute. It also includes case law. Like the conferees, I agree that the operator should not be sued for the failures of the new office, so long as the operator is complying with the law. This clarification of the citizen suit provision adopted by the conferees should not be viewed as a major change. It is in fact very narrow in effect.

Sixth. I want to stress that the purpose of this legislation is to regulate coal mining operations. To do this effectively, it must be liberally construed in favor of protection rather than in favor of production. I continue to be skeptical that Interior, with its poor protection record to date, will do this. Thus, I look to citizens and the courts to be, in effect, the enforcers of this bill.

In this regard, I want to stress the importance of having this bill liberally construed by Interior and the courts to encourage participation by a wide spectrum of the public.

Mr. UDALL. Mr. Speaker, I yield 3 minutes to the gentleman from West Virginia (Mr. Hechler).

Mr. HECHLER of West Virginia. Mr. Speaker, 4 years have passed since the Congress first seriously began to consider and try to pass strip mining legislation. This effort was started because the Nation was shocked with the ruthless ripping up of the land in the Appalachian Mountains.

Unfortunately, this conference report

fails to protect those very people in the mountains. Huge profits are being extracted from the hills by strip mining, but these are profits without honor.

This conference report feeds LCD to people. It is an LCD bill, the lowest common denominator. Time after time the Interior Committee and the Conference Committee folded, caved in, and yielded to pressure to weaken the regulations in this bill.

There was pressure from those interests who could afford to maintain round-the-clock lobbyists here for the coal industry and its allies. The people most affected could not afford to come up here and tell the Congress precisely how strip mining affected them in its exploitation of land, water, and people.

Congress has labored long and hard to protect the mountains, but it has come forth with a mouse of a bill. To meet the energy needs of the Nation, we must turn to deep mining. There has been a disastrous decline in deep mining ever since coal companies have discovered the tremendous profits available in stripping. The regulations in this conference report really put the burden on the citizens in the mountains and in other sections of the country who are forced through their efforts, through citizen suits, to try to protect themselves.

Mr. Speaker, on pages 12996–12997 of the Congressional Record of Monday, May 5, I set forth precisely and specifically many of the weaknesses in this conference report. The gentleman from Arizona (Mr. Udall) mentioned the Caterpillar Co. This is sort of like unleashing millions of tent caterpillars across the country in the form of stripping machines, not only in the mountains, but to Appalachianize the rest of the Nation.

Mr. Speaker, I feel certain that this conference report, after 4 years of strip mining, is not stronger. I intend to vote against the conference report.

Mr. Speaker, the Congress is approaching what may be the final chapter in the process of fashioning this strip mining legislation. I want to assure the Members that this bill will not mark the end of the struggle. It will take several years for the false promises offered by this legislation to become obvious to all. The people of the mountains already look at this with skeptical eyes—because they have seen all this before. They have seen each new version of State strip mining laws greeted with eulogies of how "this bill will stop the devastation." But the destruction of their land has continued and is continuing at this very moment.

The people are way ahead of Congress; they know the pitfalls of regulations which do not regulate, of strong-sounding legislative language that is forgotten once one gets outside the world of Washington. This bill aims to change this process by providing citizen access through public hearings and the courts. We'll see how this uneven match works out—the well-financed, well-represented coal operators against the person living below the strip mine who hasn't the time or the expertise to fight the long battle required. Congress has copped out—instead of facing up to this issue by phasing out strip mining, Congress has written a lot of high sounding phrases and said "OK, citizen now you fight it."

In all the discussion of how weak or strong the provisions of this bill are, the real issue of phasing out strip mining has been tossed aside. Perhaps it is useful at this point to recount the balance sheet that has led so many people to believe that abolition is the only real answer.

RECLAMATION HAS FAILED IN THE UNITED STATES

In Appalachia, the combination of steep slopes, pyritic shales, heavy rainfall, and thin topsoil, creates monumental erosion problems, sedimentation, landslides, and acid drainage. Newer techniques have reduced environmental damage in the mountains, but the key problems: landslides and sedimentation continue regardless as documented by the recent Mathematica study of eastern Kentucky.

In the flatter terrain of Ohio and the Midwest, reclamation would seem to have a better chance. However, because of the high sulfur content of the coal and of the shale strata above and below the coal seam, acid drainage problems are very serious. Extensive research by Dr. Moid Ahmad of Ohio University and by the Ohio Department of Natural Resources have found that even when toxic materials are buried and compacted, leaching of acid and toxic elements has continued. While reclamation efforts in the Midwest occasionally produce esthetically pleasing sites, this can be quite misleading since degradation to neighboring streams and to ground water systems is often being caused by these same reclamation sites.

The arid lands of the West present still another set of reclamation problems. Western lands are characterized by very thin topsoil, low rainfall, alkali, saline, and sodic spoils—no acid producing materials—and the general scarcity of water. Recent research by the National Academy of Science, by Dr. Robert Curry of the University of Montana, and by the Montana Bureau of Mines has all indicated that reclamation in the west faces grave difficulties.

STATE REGULATION HAS FAILED

Yet this bill turns enforcement over to those same States which have failed in the past. My own State of West Virginia is considered to have a moderate law in comparison with other States. Yet in 1974, the Department of Natural Resources rejected just 4 of 402 strip mining permit applications. The cases which pour into my office each week, detailing the landslide which has covered a person's yard or moved his trailer, the blasting that has destroyed his water well, are testimony to the ineffectiveness of State regulation.

WE DO NOT NEED STRIP MINING TO MEET OUR ENERGY NEEDS

Every one concedes that deep minable reserves vastly outnumber strippable reserves by ratios of at least 8 to 1. The Department of the Interior in its Energy Research program plan for 1974 clearly stated that strippable reserves in the west will be depleted by the year 1996. Yet we continue to accept the propaganda of the coal industry and the Ford administration about the "vital" need for strip mining.

STRIP MINING IS A ONE-CROP HARVEST

Strip mining is a one-time use of the land. It prevents the future use of the land for timber, agriculture, tourism, and light industrial development. Deep mining would be compatible with these alternate land uses.

AN END TO STRIP MINING WOULD MEAN MORE JOBS NOT LESS

Strip mining is capital-intensive rather than labor-intensive. Extensive research by the Appalachian Regional Commission and by the Regional Research Institute at West Virginia University has shown that abolition of strip mining would result in a net gain in jobs because of the much more labor-intensive nature of deep mining. Deep mines generally require three times the number of miners to produce the same amount of coal produced by a comparable sized strip mine.

CONGRESSIONAL INTENT

Mr. Speaker, there are several provisions in the conference report which deserve emphasis. I would like to set forth these provisions as an interpretation of legislative intent.

First. Section 201(b) specifically provides that the new office created by this Act shall not be merged with program functions of the Bureau of Mines or MESA. In addition, section 201(c)(12) while recognizing that other duties may be assigned to this new office "by law"—that is, act of Congress—such duties must "relate to the purposes of this Act".

Quite clearly, the purpose of these requirements is to avoid the possibility of overburdening this office and creating built-in conflict of interests. This is a regulatory agency. Its purpose is to protect against the ravages of surface mining. That is why this legislation was even considered by Congress. Promotion of coal development is not a function of this office.

Second. Section 201(b) of the conference report specifically states that "Employees of the Office shall be recruited on the basis of their professional competence and capacity to administer" the act. That does not mean that all key personnel need be, or should be, drawn from the mining industry or mining schools. Indeed, the old and tried words used in other mining laws that persons must have practical experience in the mining of coal or experience as a mining engineer were deliberately not used by Congress. This is clearly intended to convey the concept that persons in other fields who are innovative and possess other skills may be even more competent than persons from the mining industry.

Third. Section 201(d) which I authored—see Congressional Record of March 17, 1975, pages 6487–6488—requires that coal mine inspectors not be used even temporarily to enforce this law unless the Director "finds" in writing "that such activities would not interfere with such inspections." This is not to be a perfunctory finding. The new office must clearly show on a case-by-

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case basis that the use of such inspectors would not drain off employees now inspecting coal mines for health and safety purposes. It also means that such inspectors cannot be assigned an additional function of carrying out the provisions of this law and health and safety functions without an explicit finding on a case-by-case basis.

Fourth. Section 713(d) of the conference report which I also authored—see Congressional Record, March 18, 1975, pages 7065–7060—requires that before any funds "are obligated" by the Interior Department for research, studies, surveys, experiments, demonstration, or development projects authorized by this conference report, including that authorized through funding under title III of this conference report, must consult with ERDA and other Federal agencies to determine that such activities "are not being conducted or financed" by ERDA or some other Federal agency. Implicit in this, is the requirement that Interior, ERDA, and these other agencies determine whether such activities should or should not be funded by Interior. These determinations must be published at least 60 days prior to the making of any grant, contract, or similar agreement to fund such an activity.

The basic purpose of this provision is to avoid duplication and to make sure that scarce dollars are being spent wisely. Inherent in this provision is a procedure for a broad-based review by ERDA and other agencies to see if these activities are well-conceived, needed, and will achieve the purposes of the law. It is the intent of this provision that ERDA formally comment in writing on these various proposals and that each agency take the responsibility seriously.

This section also requires an annual report to Congress which shall go to the House and Senate Interior and Insular Affairs Committees and the House Committee on Science and Technology. The report is designed to fully inform Congress of the R. & D. work, studies, and so forth, financed pursuant to this legislation.

Fifth. Section 713(e) was also authored by me—see Congressional Record, March 18, 1975, page 7066. For the first time, the Interior Department has a clear public disclosure mandate, subject to the limited patent provisions of section 306(d) of the conference report. It places an obligation on the Department to make a positive effort to disclose widely R. & D. results to the public and to inform the public about the existence of such results in a timely manner.

Sixth. The success or failure of a national coal surface mining regulation program will depend, to a significant extent, on the role played by the citizens in the regulatory process. While citizen participation is not, and cannot be, a substitute for governmental authority, citizen involvement in all phases of the regulatory scheme will help insure that the decisions and actions of the regulatory authority are grounded upon complete and full information. In addition, providing citizen access to administrative appellate procedures and the courts in a practical and legitimate method of assuring the regulatory authority's compliance with requirements of the act.

The House committee's reports on this legislation have made it clear that public participation is not limited to those who have an economic or proprietary interest. The history of coal surface mining is replete with examples of significant environmental and social costs being borne by those who neither profited from the mining activities nor had full access to the institutions of government to correct this unfair distribution of the impact of such mining. The poor surface landowner and tenant suffer.

The conference report adopts a broad test of standing to participate in such critical decisions as the issuance of a permit, designation of areas unsuitable for surface coal mining, bond release, and other matters. It is the intent of the conference report that the phrases "any person with a valid legal interest" or "any person having a right which is or may be adversely affected" shall be construed by Interior and the Courts to be coterminous with the broadest standing requirements enunciated by the United States Supreme Court. Where there is doubt, the doubt should be resolved in favor of public participation.

CONCLUSION

Mr. Speaker, I am deeply disturbed by the fact that so must depends on how well these already weak regulations will be administered. The States, with very few exceptions, have been subjected to economic pressure and competitive economic blackmail which have weakened enforcement in the name of "production" rather than protection of the land and people. Backup enforcement is through the Department of the Interior, to be headed by former Gov. Stanley Hathaway of Wyoming whose record is for pellmell exploitation through strip mining. It was pointed out that Secretary-designate Hathaway supports the pending legislation. This fact alone would make me suspicious of how strong this legislation might be, and I intend to vote against the conference report.

Mr. STEIGER of Arizona. Mr. Speaker, I would like to yield 5 minutes to the ranking minority member of the Committee on Interior and Insular Affairs, the gentleman from Kansas (Mr. Skubitz).

Mr. SKUBITZ. Mr. Speaker, I signed the conference report on surface mining control. I did so because I believe in reclaiming stripped lands—and that's what this legislation is all about.

It has been more than 4 years since the first draft of this act was introduced. Members of this House, and particularly members of the Interior Committee have been educated and re-educated on the pros and cons of surface mining control and land reclamations. Some Members—including myself—feel they could now write articles entitled: "More Than You Ever Wanted To Know About Surface Mining Control."

We have learned about alluvial valley floors, orphaned lands, backfill, first cuts, approximate original contour, overburden, angle or repose, and acid-forming materials—by legitimate mining experts as well as some self-styled experts who have never mined a pound of coal in their life.

We have designed, crafted, shaped, and reshaped compromise language to meet the objections—of environmentalists and industry representatives.

We have arrived at a balance of some sort between current environmental concerns and the need for coal as an energy source.

But is that balance a fair measure for the months ahead?

Have we properly weighed the need to protect the environment against the need for jobs and energy self-sufficiency in a seriously slumping economy?

Is our need for energy now so great that we should postpone action on this bill?

Last year, I supported H.R. 11500. I supported this year's H.R. 25 and the conference report before us now. But times are changing.

Several years ago we could afford the extra costs of environmental protection without a great pinch on our fundamental living expenses.

Clean-air cars cost more, smokeless industries require higher product prices.

But more important is the question—whether our immediate energy demands are so paramount, so vital, that nothing should be done to thwart maximum production.

Admittedly, some damage to the environment may result, but would such damage be so great, so irreparable that it should take precedence over our energy needs?

So we have to look at today's economy and predict tomorrow's economy and ask the question: Can we afford this bill 6 months or a year from now?

That is my concern, Mr. Speaker. If we were voting on this land reclamation program in a healthy economy with no energy problem—I would not have any reservations.

I shall vote for this conference report, but I do so with reservations—reservations not related to the objectives of the bill but the timing of this legislation.

Mr. UDALL. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. Ottinger).

Mr. OTTINGER. Mr. Speaker, I rise in support of the conference report. My reservations, I suppose, are the opposite of the gentleman from Kansas (Mr. Skubitz). I am very sympathetic to the concerns expressed by the gentleman from West Virginia (Mr. Hechler). I joined with him in supporting virtually all of the amendments that he offered, or inspired, to strengthen this legislation, and I think he did yeoman work. The strength of this legislation is largely attributable to his effective efforts.

Unfortunately, we are faced here today with the practicalities of legislative life. One very seldom can walk out of this body with legislation that he thinks is perfect. The fact of the matter is that this legislation is stronger than the legislation that was passed last year and which was vetoed by the President. It offers a measure of protection. While I would like to see strip mining greatly more curbed, I don't think we can get more than what is provided in this bill, and while I certainly would like to see deep mining encouraged in West Virginia and all of the eastern portions of the country which would meaningfully contribute to solving our energy problems, we will have to do battle for that in another forum.

It is clear that we cannot stop strip mining. We cannot get all of the curbs we would like against strip mining on mountaintops and steep slopes, or complete protection of our alluvial valleys. We must pass a bill that is not only passable, but passable with a margin sufficient to permit override of a possible veto—or to discourage a veto.

What we have here is a compromise, a compromise which will offer a measure of protection, a compromise which is as strong as I believe we could get out of this body. I hope my colleagues will support it, as indeed environmental organizations generally throughout the country are supporting it. I think it is a good deal better than what we would have if we did not pass this legislation.

Mr. STEIGER of Arizona. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. Steelman).

Mr. STEELMAN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in support of the conference report on H.R. 25, the Surface Mining Control and Reclamation Act.

This legislation will allow for coal production along with the preservation of the environment. Once we get to the merits of the legislation before us, I think it will be seen that this is a balanced approach and provides for environmental protection and at the same time allow for the production of essential coal energy. This conference report would permit mining coal, it would require revegetation and it would require responsible conduct on the part of the mining companies.

A strong part of this conference report is the involvement of the public. The public is an integral component in strip mine regulation—they suffer the economic and environmental consequences. Under the provision of the conference report hearings will be held upon petition of interested citizens, and a citizens suit provision is included. Too often in the past individuals who are directly affected by coal surface mining have been totally unable to participate in regulatory procedures. I submit that since surface mining ca nso alter an area or region, it is necessary to give citizens who are affected by this a chance to participate in these procedures.

Mr. Speaker, as we are all aware, coal is an essential element in our energy program for quite possibly the next several hundred years. And, although I am a strong advocate of research and development of alternative sources of energy, such as solar and geothermal, our present information indicates that the bulk of our energy needs until the year 2000 and probably somewhat beyond, revolves around oil and gas, and, principally, coal. Since our estimates of oil reserves range between 30 and 60 years at present rates of usage, the expanded production of coal is imminent.

Of course, I do not believe we need to, or should, consume energy at the present rate, but the development of a strong conservation program still leaves us with a great dependency on coal in the immediate future.

Neither am I disregarding the national security and balance of payments problems inherent in the use of foreign energy supplies at the current, much less the projected, rate.

However, at the same time the adoption of conservation measures the last several years, plus what I hope will become even stronger incentives to our domestic oil producers for secondary and tertiary recovery, as well as tax incentives to invest in more new starts, does not demand that we go pell-mell in ripping up our lands and aquifers to satiate our every desire.

Coal can be mined under this legislation, and I hope my colleagues will see the wisdom of adopting the conference report.

Mr. STEIGER of Arizona. Mr. Speaker, I would like to recognize for 8 minutes the distinguished gentleman from Virginia (Mr. Wampler).

Mr. WAMPLER. Mr. Speaker, I am strongly opposed to this legislation in its present form, because in all its ramifications, it is a negative bill. It is antienergy—antibusiness — antilabor — and anticonsumer. If there is anything we need today in this country, it is positive thinking.

The bill was introduced early in the first session of the 93d Congress. It passed late in the second session, and was vetoed by President Ford because of its potential adverse effects upon the Nation's critical energy situation. This bill, H.R. 25, was rammed through the Committee on Interior and Insular Affairs early this session, without benefit of public hearings. Requests of the administration, Members of Congress, and the public for new hearings were denied. The sponsors of this legislation were so determined to push it through the newly elected Congress that they failed to give due consideration to our deteriorating national energy picture, rising unemployment, and severe economic strain, all of which has occurred since hearings were last held in 1973. Because of the manner in which this measure was rushed to the floor for a vote, many Members who opposed the bill during debate still are of the strong opinion that the true impact and phenomenal cost of this legislation has never been brought home to the Members, nor to the public.

I have no quarrel with the intent of the Surface Mining Control and Reclamation Act. I concur in the consensus that the environment must be preserved—that land must be returned to a useful condition following surface mining.

The crux of the surface mining bill, as far as southwestern Virginia is concerned, lies in the definition of "steep slope." Section 515, the section of the bill that concerns itself with "environmental protection performance standards," defines "steep slope" as any slope above 20 degrees. Surface mining in "steep slope" areas is severely restricted by the bill. Coal surface mining in Virginia ranges from approximately 20 degrees in Wise County to slightly over 29 degrees in Buchanan County. Of the six counties in the Ninth District of Virginia which produce commercial quantities of surface mined coal, all have average surface mine slopes of 20 degrees or more. Essentially, these restrictions will abolish the coal surface mining industry in Virginia and bring economic chaos.

If this bill goes into effect, it will cost this Nation 162 million tons annually in lost coal production—and this at a time when the President has asked the coal industry to increase its annual production from 591 million tons to 1.2 billion tons annually to help meet our energy needs. Even using a conservative figure of 100 million tons lost annually in coal production, this loss would require an additional 1 million barrels of oil each day, just to replace the energy-producing capacity of the coal we fail to mine. With domestic oil already in critically short supply, the bulk of the replacement requirements would be imported and paid for at the prevailing exorbitant rates. Instead of saving a million barrels of oil daily, our national energy goal, we would be doubling our demand.

If coal production is reduced by 162 million tons because of this legislation, it is estimated that 14,000 jobs would be lost directly during the first year of the act's implementation. An additional 12,000 jobs would be lost indirectly, for a total first-year impact of 26,000 jobs. This would amount to a loss in wages of $467 million.

In Virginia, the bill will virtually wipe out over 100 coal surface mining companies and suppliers; 2,000 surface miners could be added to the unemployment rolls; 5,000 to 7,000 workers employed in related jobs could be affected; and the Commonwealth's economy would suffer to the tune of $125 million which circulate each year because of coal surface mining within the State.

I have covered in the past few minutes the antienergy, antibusiness, and antilabor aspects of this bill. There is nothing new here. You have heard it all before. But for weeks, I have been trying to get an answer to a question closer to home—How much will this bill cost the consumer? Apparently this is a difficult question to answer and one which appears not to have been studied very deeply. Yet to me, and to millions of Virginians concerned about the phenomenal rise in their electric bills, it is a valid question and a pressing question. I should think this question would also be important to millions upon millions of other Americans who are alarmed about the recent rise in their electric bills.

Several weeks ago, I asked the Congressional Research Service of the Library of Congress to provide for me a comprehensive report, using the best available data, on the economic and social costs of implementing the Surface Mining Control and Reclamation Act, with special emphasis on how much these bills would cost the consumer. The report estimates an annual cost to consumers of $850 million, plus an unnecessary $11 billion in payments for imported oil, which would annually be charged to consumers, because of losses in coal production that will be brought about by enactment of this legislation. To me, an annual energy cost increase to the American consumer of approximately $12 billion for any legislation is disturbing. I would think that every one of you—consumers all—would want to know why this increase is necessary. I would think the press of America would want to know why these costs have not been presented to the public before. I know that I am not satisfied that this much of an increase in cost is necessary. Let us, for a moment, take a closer look.

The potential for damage to consumers' vital interests from passage of H.R. 25 lies in its implications for both the cost and availability of coal. Whatever the initial impact of higher production costs, it is predictably the final energy user who will eventually be called upon to shoulder these increased expenses. Through higher priced fuels and the additions to prices of every product that uses energy from coal in its production, America's consumers will end up paying the check for this ill-considered measure. Quantifiable costs for the 684 million tons of coal affected after 1976 will burden consumers with more than $350 million in additional energy expenses. Unquantifiable costs could, according to the administration, boost this total to nearly half a billion dollars in additional annual outlays. Against the heady rises in petroleum prices, this figure may seem small. Yet it is important to realize that its impact will be focused on exactly those sectors of the economy that can little afford another shock. Because coal plays so dominant a role in the fueling of electric powerplants, the already hard-pressed utility industry—and its customers—will bear the brunt of more expensive coal supplies. Utility companies must either further shrink the earnings that alone enable future growth, or already dissatisfied electricity purchasers, in homes and factories across the land, must be asked to ante up millions of dollars to pay utility bills they view as excessive now. The task of financing needed expansion of utility generating power, regulating the chaotic utility markets, and gaining public understanding of the problems and prospects confronting electricity users—all will be rendered more difficult by a sudden and unnecessary hike in the cost of coal.

These consequences will flow inevitably from those provisions of H.R. 25 imposing additional costs on coal production. Less easily seen, perhaps, but far more important in the long run are the effects of the bill on the actual volume of coal production that we can expect in coming years. President Ford has submitted his plan for reducing U.S. dependence on foreign oil by 1 million barrels a day next year. Whatever the final disposition of his plan, or congressional enery plans, I think one fact has emerged in recent debates: Any workable policy designed to save this much energy will force real sacrifices on the American people. Yet the entire benefit of these sacrifices could be offset, indeed squandered, by the immediate impact of this one piece of legislation.

There is no easy answer to the question of consumer cost in this matter, but a review of some of the issues involved leads to the inescapable conclusion that the cost could be immense. The purpose of a serious energy conservation program is chiefly to reduce America's import needs enough to moderate the price-setting manipulations of the oil cartel itself. No target number of "barrels a day" saved can be regarded as certain to achieve this goal. Yet it is clear that the more we save in energy the better our chances of restraining imported oil prices and the sooner we can expect to do so. Conversely, the more energy we waste—either by overconsuming or failing to develop practical reserves of coal and other sources—the longer we will have to go on paying exorbitant charges for foreign crude oil. We presently import more than 6 million barrels a day of crude and products at a price approaching $12 a barrel. If the coal lost because of H.R. 25 were to delay a return to something like a free international energy market by just 1 year—most free market experts put the free market price at about $7 a barrel—it would cost the Nation unnecessarily $11 billion in payments for imported oil, as I mentioned earlier.

The fulfillment of that particular scenario—or of any other precise set of developments in world oil markets—cannot, of course, be predicted. But the point stands: H.R. 25 works against the essential directions which U.S. energy policy must take if we are to solve the problem of our addition to foreign fuel supplies at monopoly price levels. And it works against these policies in ways that are measurable and measurably significant.

For the American consumer who has been asked to pay so much for our past oil policy mistakes, the cost of further mistakes may prove intolerable. Intolerable as well to the consumer, as taxpayer and voter, would be the sort of elected representative that would needlessly impose such costs.

In conclusion, let us consider the impact of H.R. 25 as it relates to reclamation requirements, and compare them briefly with Virginia's reclamation law.

Since 1966 the State of Virginia has regulated surface coal mining operations within its boundaries. Amended in 1968 and again in 1972, the law has proven effective, yet it has not placed unreasonable burdens upon operators within the State. Much of its success can be attributed to the efforts of State legislators, who have tailored the regulations to the unique characteristics of the coal beds in Virginia and have considered the needs of both the landowners and the coal operators within the State.

I have made it a point to closely examine and compare the Virginia reclamation law with the present House and Senate bills. One item I found to be particularly important was the definition of reclamation. According to the State law, reclamation means "the restoration or conversion of disturbed land to a stable condition which minimizes or prevents adverse disruption and the injurious effects thereof and presents a reasonable opportunity for further productive use."

This concept is embodied throughout all of the provisions of Virginia's reclamation law and should have been the primary concern in drafting equitable and effective surface mining legislation for the rest of the Nation. If the land can be restored to a reasonable use, why is it necessary to arbitrarily restrict mining on any slopes? It is the final result that counts.

The past 4 years of investigations by the Congress into the surface mining issue have shown us that the problems associated with surface mining are unique to the different areas of the country. Reclamation methods for returning Western lands to a useful condition cannot be compared with lands in the Eastern United States. This is a weakness in the surface mining bill. The sponsors of the bill, in an attempt to write forceful effective legislation, have impaired the flexibility that any regulatory authority must have in order to adapt the provisions of H.R. 25 to the vastly different reclamation situations that will be encountered now and in the future.

Not only does H.R. 25 require that the land must be restored to a condition fully capable of supporting its previous uses, but it also specifies the procedure the operator must use in achieving this goal. It would appear, therefore, that the supporters of H.R. 25 have confused the law with the regulations—regulations which, if initiated at the State regulatory level, could be adapted to the local environment, to local land use, to local programs for agricultural, recreational, commercial, or residential development, to local coal mining operation, and to local human needs.

In addition, H.R. 25 is riddled with uncertainties for the coal mine operators. As the administration pointed out in testimony before both the House and Senate Interior Committees and in statements to congressional leaders, the surface mining bills have retained provisions from the bill passed by the 93d Congress that would permit practically any citizen to bring civil action against mine operators, and to halt production of vitally needed coal. This type of provision establishes a negative and unstable framework within which the operator must make business decisions and invest large amounts of capital. His commitments may be for as long as 8 years, and the risk may be too great for many operators. Long-term decisions are critical to the successful operation of the coal industry and the electric utilities, and cannot be made in the climate of uncertainty that would result from the prospect that a company's coal reserves might be locked up by an injunction resulting from a civil suit. Before committing company funds to large outlays of capital for equipment, and before making contractual arrangements with public utilities, managers must have reasonable assurance that their production will continue without delays.

Another critical point of difference between the law we have in Virginia and that which would result from the Federal bills is that of restoring the original contours of the mined land. H.R. 25 and S. 7 would require the surface of mined land to be restored to its approximate original contour with very few exceptions. The Virginia law does not specify original contours, but the Director of the State regulatory agency is urged to encourage the adoption of more productive land uses such as pasture, agriculture, recreational areas, industrial, and building sites, when mining operations are completed in each area. Not only in Virginia, but also in neighboring States as well, the productivity of mined lands has actually been increased by not restoring the original contour. In the State of Kentucky, orchards now yield bountiful harvests of fruits from lands that previously could not have supported such agricultural activity. Perhaps more importantly, much of this agriculture activity could not take place if the original contour had been restored. Benches left by contour mining can even serve a useful purpose as roadbeds for public transportation. The Virginia surface mining law is not a weak law. The law is tough, where it needs to be tough. For example, H.R. 25 requires that operators whose permits have been subsequently revoked disclose such revocation only on new permit applications. The Virginia law, however, in addition to requiring disclosure of any such revocation, prohibits the issuance of a new permit until a detailed hearing is convened to determine whether or not an operator should be allowed to engage in new surface mining operations.

In this instance, Virginia felt that former noncompliance with the law should not be taken lightly, and has reinforced these provisions to prevent repeated offenses.

I have given you many examples of a lack of consideration for an industry which in the past has struggled to survive. We should not kill it now when we need it most. Renewed interest in coal mining has brought a resurgence to the economy of Appalachia, one of our Nation's most impoverished areas.

Coal mining is finally emerging once again as an important industry and it is an essential industry if energy independence is to be achieved. Ill-conceived proposals, such as the one now before us, would dash those hopes. I hope we will defeat the conference report and send this matter back to committee for further study and proper hearings. Should that be unsuccessful, and should the conference report pass, I will renew my appeal for a Presidential veto.

With proper consideration, Congress could write and pass a surface mining bill that would be fair and equitable for all concerned—one that will take into account economic, as well as environmental interests—and one that will permit our Nation to provide its citizens with the kind of life they have struggled so hard to attain.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. STEIGER of Arizona. Mr. Speaker, I yield 1 additional minute to the gentleman from Virginia.

Mr. WAMPLER. Mr. Speaker, the distinguished gentleman from Arizona (Mr. Udall) has a display here on the floor in which he depicts scenes of surface mining in my district in southwestern Virginia.

I have here a color photograph taken within the last 2 weeks of a surface mining operation in my district that has been reclaimed according to the laws of Virginia, and the distinguished gentleman from Arizona (Mr. Udall), who represents much of the arid wastelands of our Nation, can see green grass and beautiful cows.

I appeal to the gentleman's sense of fairness, and I know the gentleman from Arizona will not object to my placing this photograph also on his display to show actually what is happening in Virginia.

Mr. UDALL. Mr. Speaker, if the gentleman will yield, the gentleman from Virginia (Mr. Wampler) has just made our case. What they want to do to their land in southern Virginia is shown in the diagram here, and it shows what they have been doing for the last 50 years, dumping spoil on the downslope and leaving high walls, and that is what they want to keep right on doing, and they have confused their own people who live in that area into believing that strip mining cannot be done without such damage.

If any of the Members have time, they should look at the right-hand side of our display, and there they will see 30-degree and 26-degree slopes in the State of Pennsylvanna, which has done a lot to handle the situation, and they are putting the land back, and that is the way the people in Virginia should put their land back, and you can see on the left-hand side what they have been doing, this is an actual photograph of a Virginia coal mine, and it looks like the Moon.

Mr. WAMPLER. Mr. Speaker, I would like to ask the gentleman from Arizona whether the gentleman has ever visited in Virginia?

Mr. UDALL. Mr. Speaker, I have been in all parts of Virginia, and I have seen areas just like this one down in the gentleman's district.

Mr. WAMPLER. Would the gentleman be specific and say just what part of my district the gentleman visited?

Mr. UDALL. I cannot be, but for the last 10 years I have been in all parts of Virginia, and have seen areas similar to the one shown. I have flown all over that State.

Mr. WAMPLER. Mr. Speaker, that is the trouble. The gentleman from Arizona ought to get down onto the ground and look it over, just like this bill ought to get down to earth.

The SPEAKER pro tempore. The time of the gentleman has again expired.

Mr. UDALL. Mr. Speaker, I yield 3 minutes to the gentleman from Montana (Mr. Melcher).

Mr. MELCHER. Mr. Speaker, first I would like to direct the attention of the chairman of the subcommittee, the gentleman from Arizona (Mr. Udall) to section 709(g) of the House bill which was amended by the Senate by inserting the words "including mineral interests" in reference to lands held in trust or supervised by any Indian tribe. It was the purpose of this amendment to clarify the term "land" so that it would be given its normal meaning to include mineral estates.

Mr. UDALL. The gentleman is correct. That is correct.

Mr. MELCHER. As a member of the conference, I understand that it was not our intention in accepting the Senate provision to in any way alter the existing State jurisdiction in regulating surface coal mining on such lands. Is my understanding correct?

Mr. UDALL. The gentleman is correct. As is stated in the joint statement of the committee of conference:

> This language is not intended to change any existing jurisdiction which the States may have over such land.

Mr. MELCHER. Mr. Speaker, I believe it is necessary to point out some of the needs in a Federal strip mining coal bill which should address themselves particularly to mining on Indian reservations, because those lands are not covered by State law. Within the boundaries of the Indian reservations State regulation of this reclamation law will not be enforced.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. UDALL. Mr. Speaker, I yield 2 additional minutes to the gentleman from Montana.

Mr. MELCHER. Mr. Speaker, that regulation will be in the hands of the Secretary of the Interior. I believe the tribes should be able to have a voice in deciding on stronger features, if they believe their lands within their reservations require it. The House agreed with that and gave the Indians those particular rights separate from the authority so traditionally granted to the Secretary of the Interior.

However, the weakest part of the Federal strip mine bill which we have before us now after the conference—the weakest part for the West is the requirement it contains affecting Indian lands. The broader Indian lands provisions adopted here in the House were scuttled by rejection of the Senate conferees.

Within the boundaries of reservation lands the bill requires the Secretary of the Interior to enforce minimum strip mining reclamation requirements, but only part of the sections of the bill that apply to private or State lands. While the bill allows States to set higher standards, including finding some areas unsuitable for mining because of doubtful reclamation feasibility, the requirements for Indian lands are not covered by those sections of the bill.

The bill does call for a year's study by the Secretary of the Interior concerning the special requirements of reclamation on Indian reservation land that is strip mined. But the bill leaves for a future act of Congress to determine when and how the left-out requirements of the bill will be applied to Indian lands. Regardless of the study, this leaves Indian lands in a vulnerable state of affairs.

With thousands of acres of Indian coal lands already leased to energy companies by leases approved by the Secretary of the Interior, the tribes may find themselves in a pitched battle to gain by law stronger provisions of reclamation, the enforcement section afforded by the bill on all other lands whether private or State, and the right to determine areas they do not want strip mined.

The result may be to make strip mining on Indian lands easier than on other lands, and that should not be the case. This law should apply the same minimum standards everywhere on all lands. But the tribes' failure to back the House version of the bill has opened their futures to a year's study and the mercy and sufferance of the Secretary of the Interior and further unknown acts of Congress.

At best this is less than satisfactory and at worst a rip-off of Indian lands—and the tribes had a chance to prevent it by endorsing the broader concept for Indian reservation lands that gave them greater protection and greater self-determination as passed by the House.

Mr. Speaker, it is necessary to state clearly what coal strip mining is prohibited in alluvial valley floors. One of the major points of discussion in the conference concerned the geographic extent of alluvial valley floors.

The Department of Interior had confusing estimates that over 40 percent of western lands could be covered by this term as defined in H.R. 25.

On April 29 Assistant Secretary of Interior Jack Carlson sent me a letter indicating that 97 percent of the lands in the Powder River Basin in Montana and Wyoming was undeveloped rangelands and, therefore, would be excluded from such provision. He further stated in the letter that colluvial deposits should be explicitly excluded in the definition. Colluvial deposits are composed chiefly of debris from sheet erosion, deposits by unconcentrated runoff or slope wash, together with talus, other mass movement accumulation, and windblown deposits.

The inclusion of colluvial deposits in this provision is a strawman put forth by the Department in order to cast doubt upon the provisions of this legislation. There is no professional or reasonable basis for the inclusion of such deposits in the meaning of the term "alluvial valley floors," the definition of which stipulates that they be "stream-laid deposits"—for example, formed by concentrated runoff—and it should be noted that the definition in H.R. 25 is the same as that in the administration bill submitted by the President last February.

USGS personnel admitted on April 14 to both the minority and majority House and Senate Interior staffs that the inclusion of colluvial deposits in the interpretation of "alluvial valley floors" was "unreasonable" and that they had not read the committee report or legislative history on this provision prior to preparing maps and data showing that the term could apply to wide areas in the West. I find it very disturbing that the professional agency within the Federal Government with respect to Earth sciences and geology could not clearly provide accurate data on this provision of this act.

At this point I would like to include in the Record that portion of the statement of managers which pertains to the geographic extent of alluvial valley floors in the West and note that it covers 5 percent or so of the land overlying surface coal minable deposits:

> There has been considerable discussion on the potential geographical extent of this provision. For example, estimates have ranged up to nearly 50 percent, of the land over the strippable coal in the Powder River Basin being included under this provision. The conferees strongly disagree with such interpretations noting that specific investigations of representative portions of the Powder River in the Gillette area, indicate that only 5 percent or so of the lands containing strippable coal deposits appeared to be alluvial valley floors. It should also be noted that the Department of the Interior advised the conferees that 97 percent of the agricultural land in the Powder River Basin is undeveloped range land, and therefore excluded from the application of this provision.
>
> While both of these estimates are based on sample data, it is recognized that the amount of land affected in an area might well be higher and the total proportion of land affected in the entire Powder River Basin may also be higher. However, this data strongly suggests that the estimates of large scale geographic impacts of this provision are erroneous, not only in the Powder River Basin but also in other pertinent areas west of the 100th meridian.

Mr. UDALL. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. Vigorito).

Mr. VIGORITO. Mr. Speaker, I rise in strong support and urge my colleagues to approve this conference report.

As the gentleman from Arizona (Mr. Udall) pointed out regarding the slopes of 25 degrees and 30 degrees that we have in Pennsylvania, we have a much stronger law in Pennsylvania right now than we anticipate having in the Federal law, and we in Pennsylvania can sell every ton of coal that we can possibly produce today, and the additional cost is small. Everyone is willing to pay that additional cost so that we can restore our land to the original contour and preserve our land for generations to come. It is imperative that we have a law on the national level, a law that other States can use as a guide.

So I urge my colleagues to vote for this conference report.

Mr. STEIGER of Arizona. Mr. Speaker, I yield myself 12 minutes.

Mr. RUPPE. Mr. Speaker, will the gentleman yield?

Mr. STEIGER of Arizona. I yield to the gentleman from Michigan.

Mr. RUPPE. I thank the gentleman for yielding.

I would like to ask, if I might, two questions of the chairman of the subcommittee, the other gentleman from Arizona. On page 39 of the conference report there is a reference to section 515 (b)(10)(E), the water replacement standards.

As I understand the water replacement standard provision, this would be met by a performance bond. Is that the understanding how the standard would be met?

Mr. UDALL. If the gentleman will yield, it is my understanding that the legislation does not provide for posting a bond. I would be glad to look at it and maybe give the gentleman a more comprehensive reply.

Mr. RUPPE. In other words, under the water replacement standard I would question whether the individual would have to call up a water truck or have one readily available, and our provision requires that there would have to be a performance bond, and if there was any question the water would have to be replaced, the bond would have to be filled, but the water would not have to be immediately there.

Mr. UDALL. If this would be physically impossible I assume they would have to compensate the owners for damages under applicable State law, and they would be in violation of the act if they did not produce the water.

Mr. RUPPE. Or produce the water.

Mr. UDALL. Yes.

Mr. RUPPE. Then there is another problem. On page 79 and also page 82 of the report there are several references to alluvial valley floors. On page 79 the report states:

> These areas protected by this provision are very small.

Then it goes on to refer to that as being generally undeveloped range land.

Also on page 83 there is a second reference to the alluvial valley floor:

> Alluvial valley floors do not include upland areas which are generally overlain by a thin veneer of colluvial deposits . . .

I understand that language was acceptable and that is the understanding of the committee and subcommittee?

Mr. UDALL. Yes. The first reference on page 79 to alluvial valley floors is that they are insignificant nationally and in some valleys they may have a very large segment in a particular place which was alluvial.

Mr. GOODLING. Mr. Speaker, will the gentleman yield?

Mr. STEIGER of Arizona. I yield to the gentleman from Pennsylvania (Mr. Goodling).

Mr. GOODLING. Mr. Speaker, I thank the gentleman for yielding.

I would like to ask the chairman one question. When the bill came up the last time I voted for it. It was a parochial vote since the requirements in our State of Pennsylvania, as the gentleman from Pennsylvania (Mr. Vigorito) said, are more strict than this. Since then I have had a friend in Virginia, who is in Farmers Home Administration, responsible for the low-income and low-cost homes that are built for people, tells me the only place he has to build these homes is in the southern part of Virginia on reclaimed land. Are we saying that land must be put back the same as it was before it was mined?

Mr. UDALL. If the gentleman will yield, no, this is an old bromide they keep throwing at us. They keep throwing it in. We have in the bill a provision for a variance. But they have to say that they need a school or shopping center or homes to be built in this particular instance and in this particular instance they will not put it back to the original contour, but they will leave it level. That

is perfectly permissible under the bill. We encourage that.

What we do not encourage is leaving the high walls and the benches as they have been doing in the past years, using the dodge that sometime in the future, maybe 100 years from now, they will need that for home land. But if they do have a particular use and a particular plan, the bill does permit that.

Mr. GOODLING. The gentleman is saying the bill does permit that.

Mr. UDALL. Yes, it does.

Mr. STEIGER of Arizona. Mr. Speaker, whereas we are once again gathered together to do to our country that which we would not do to ourselves, I recognize once again that everybody in this room with the possible exception of the gentleman from California has heard much of this rhetroic before. I should simply like the record to reflect that we are not all presumed to be politically seduced by the hopefully achievable or the emotionally attractive. We have a piece of legislation here that is based upon the desires of all of us to do the best possible job for the environment that we can do. We simply fail to recognize that we have the capacity here in the Congress to produce an entity that is absolutely counterproductive and we do it in this bill.

We take 91 pages of ambiguity, written again by people who honestly know nothing of coal mining; in fact, written by people who resent very deeply the intrusion of the coal companies input, and said input having been invoked as a reason to refute all objections to the bill in recent hours by my good friend, the gentleman from Arizona.

I will simply advise my good friend, the gentleman from Arizona, that everybody opposed to this bill is not involved in the coal business, that people who pay electric utility bills are opposed to this bill, that a 15-percent increase in their electric utility bills is too great a price for people to pay for the aggrandizement of individual Members of Congress so that they can best demonstrate their concern about the environment.

The fact is, and the sad fact, is that this committee knows and every Member of this body knows that the Federal Government is no more competent to administer a set of regulations and standards at this time or any other time than they are in administering a set of regulations and standards for any other qualitative assignment; but what we have done in this 91-page horror is to incorporate into the law—and this hopefully somebody will hear—incorporate into the law solid ambiguity which can only invite litigation.

There has been a great deal of debate between the insiders, the White House staffers, the Interior Department staffers, as to how much coal we are going to lose by this bill.

I submit that no estimate is right and pride of authorship means nothing. The one single thing is we are going to lose coal, that is No. 1. The second thing is that we are going to lose a lot more new starts in the future because of these ambiguous terms, such terms that are incorporated in this bill as a matter of law and by statute and that will lend themselves to litigatory interpretation, such terms as "essential hydrologic function," "unconsolidated stream-laid deposits," "substantially degrade."

Mr. RONCALIO. Mr. Speaker, will the gentleman yield?

Mr. STEIGER of Arizona. I would not yield to the gentleman if his clothing were on fire—"Contemporaneously as possible."—did we catch that one? "Contemporaneously as possible."

CALL OF THE HOUSE

Mr. FORD of Michigan. Mr. Speaker, I make the point of order that a quorum is not present.

Mr. STEIGER of Arizona. That does not surprise me, Mr. Speaker.

Mr. UDALL. Mr. Speaker, I yield the gentleman a minute.

Mr. STEIGER of Arizona. Mr. Speaker, I refuse to be intimidated by such shallow parliamentary tactics.

The SPEAKER pro tempore (Mr. Brademas). The Chair will count.

Seventy-six Members are present, not a quorum.

Mr. UDALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 186]

Ambro
Anderson, Ill.
Archer
Bergland
Brodhead
Chisholm
Conyers
Corman
de la Garza
Diggs
Drinan
Esch
Fascell
Fisher
Gibbons
Goldwater
Gonzalez
Hawkins
Hays, Ohio
Hinshaw
Holt
Ichord
Jones, Tenn.
Karth
Koch
Landrum
Lent
McCollister
McCormack
McFall
Mink
Mollohan
Mosher
Pritchard
Rangel
Rinaldo
Roybal
Shriver
Staggers
Stark
Van Deerlin
Wilson, Charles, Tex.
Young, Ga.

The SPEAKER pro tempore (Mr. Brademas). On this rollcall 390 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

The SPEAKER pro tempore. The Chair will advise the gentleman from Arizona (Mr. Steiger) that he has 4 minutes remaining, and the gentleman from Arizona (Mr. Udall) has 12½ minutes remaining.

Mr. STEIGER of Arizona. I thank the Speaker.

Mr. Speaker, I would like to advise those of my colleagues who are here under the demands of the quorum call that it was not my doing, it was rather the petulant action of a colleague of ours who was angry with me. So I would not want to bear the blame for requiring you to hear the remainder of my few poor words.

At any rate, what I want the Members to understand is that this bill is a symphony of ambiguity. It is best personified by the colloquy—and I hope the Members will listen to this, or perhaps read the Record tomorrow, because they will hear this no other place, and they will read of it in no newspapers. But the ambiguity inherent in this bill is best personified by the colloquy in the conference committee between the Senate and the House leaders of the conference in which the Senate leader allowed as to how this bill permitted State standards to supersede Federal standards where applicable, and the colloquy we just heard a little earlier between the gentleman from Montana and the gentleman from Arizona, whereas the conferees, the House conferees, through their spokesman, allowed that it did not, the State authority could not supersede the Federal authority. The bottom line of this, I will tell my friends, is that the conferees agreed to put nothing in the report about it, and to let the courts decide it.

I will tell my friends that this whole legislation is filled with that same potential.

I submit that the lawyers need all of the business they can get, but the folks need all the coal they can get, and this will deny them that coal. This will guarantee unemployment, regardless of what my good friend, the gentleman from Arizona, says, this will guarantee unemployment in excess of 47,000 people who would lose jobs through this legislation, and the electric utilities and every consumer in the country, even in your district and mine, will have their bills increased by 15 percent, and they will have absolutely no positive gain. Because there is not one line and there is not one word, not one line written, that if the State laws are adequate, that the Federal standards will prevail. We have all of these horror stories and all of these horror pictures, and some are on display here, but the facts are we are putting everything into the hands of a few bureaucrats, and the rest of us, and we will not have any reform. That is how bad this bill is.

You will be doing yourselves a favor by voting against this conference report, but you will also be doing the country a far greater service.

Mr. UDALL. Mr. Speaker, I yield 3 minutes to the gentleman from Wyoming (Mr. Roncalio).

Mr. RONCALIO. Mr. Speaker, I am happy that I could get a little time of my own, because I had asked for time from the previous speaker, my good friend, the gentleman from Arizona (Mr. Steiger) and he said he would not yield to me even if my clothes were on fire. I am indebted to the lovely gentlewoman from Texas, Barbara Jordan, for telling me that my response should have been that were my clothes on fire I would not ask him to yield, I would race into the well and embrace him.

Mr. UDALL. In that event the gentleman would not have had to rescue him, because the gentleman from Arizona is usually all wet.

Mr. RONCALIO. Mr. Speaker, I am glad we have a pleasant tone, so that I can proceed with a final response to some of the criticism to the conference report we have heard today.

The New Yorker magazine's "block that metaphor" department that we used to read in our college days should have an editor here today. We have become involved in wild metaphors, such as: This is a symphony of ambiguity—let us say it is an "essay on discord." Of course, there is a little bit of ambiguity in this legislation.

There will be litigation. It is inevitable, because we are defining matters of first instance in the law, and, therefore, there is no other way to determine what the implications are of some of our protections for the surface owner, of the refusal of mining without his written consent.

There is no need for this law—my good friend, the gentleman from Arizona (Mr. Steiger) says—because the State laws govern. How can a State law have jurisdiction in a State that is 55 percent owned by the United States of America, as is the case in Wyoming? How can a State law govern when a vast percentage of the mineral deposits in that State underlie land not owned by the United States—where the coal belongs to the Arapahoes or the Shoshones or to other individuals, and the surface in other hands?

Basically, Mr. Speaker, in response to the gentleman from Virginia (Mr. Wampler) who has opposed this, the loss that will be sustained in Virginia because certain operators refuse to accept the fact that downslope spilling of soil will no longer be tolerated in America.

Some of these operators came to my office at the suggestion of our friend, the Clerk of the House, Mr. Pat Jennings. The Clerk said to me, "Teno, these gentlemen are desperate; they are worried. Can they come and talk to you about this bill?"

I said, "Yes; send them in."

They said, "Mr. Congressman, that definition of a 20-degree slope means we are out of business."

I said, "Why is that?"

They said, "Because we are not allowed to mine a 20-degree slope."

I showed them the bill and said, "There is nothing in the law that prohibits you from mining a 20-degree slope. All it does is define what is a steep slope, and it says you cannot spill the overburden down that downslope. You must restore to approximate original contours."

Mr. WAMPLER. Mr. Speaker, will the gentleman yield?

Mr. RONCALIO. I yield to the gentleman from Virginia.

Mr. WAMPLER. I thank the gentleman for yielding.

Would the distinguished gentleman from Wyoming agree with me that the requirement in the bill to restore steep slope land to the approximate original contour does not constitute the best possible post mining use of that land?

Mr. RONCALIO. I will answer the gentleman this way. There is no doubt that writing one law to apply to the hydrology and topography of 50 jurisdictions is inevitably difficult.

Mr. WAMPLER. If the gentleman will yield further, is that not one of the best reasons why we ought to send this conference report back to the committee and bring out a workable bill?

Mr. RONCALIO. No, sir. Let me respond, in conclusion before my time is up, that that is the finest reason I know for at long last, after 4 years of deliberation and toil, after one pocket veto, getting a bill on the statute books. Let us all be reasonably pleased with it, and then let us move ahead with better legislation in years to come.

Please vote for the conference report.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. UDALL. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina (Mr. Taylor).

Mr. TAYLOR of North Carolina. Mr. Speaker, I take this time in order to direct some questions to the gentleman from Arizona (Mr. Udall). I might point out this legislation passed by a vote of 333 to 83, and I just wanted to compare the conference report with some of the provisions in the original bill.

Is the conference report in any way more restrictive than the House-passed bill in regard to steep slope mining or mountain top mining?

Mr. UDALL. No. As a matter of fact, it is less restrictive, and we have been restricted by some members of our group from moving away from that point. Under the House-passed bill this year one could temporarily place spoil from the initial short cut on the downslope and did not have to bring it back for the permanent reclamation. Now if one has a place for it—to fill along haul roads or in old, abandoned areas, or one can leave it permanently on the downslope as long as it is in accordance with the provisions of the act.

Mr. TAYLOR of North Carolina. What is the requirement in the conference report in regard to returning the land to the original contour when the mine is located on top of a mountain?

Mr. UDALL. We went into this in great detail. We had exactly the provisions as we had before which permits mountaintop removal if one had a suitable plan that required, with all of the restrictions, and put the topsoil back with all of the rest.

Mr. TAYLOR of North Carolina. How does the language in the conference report vary from the language in the original bill with regard to citizen suits?

Mr. UDALL. Because there were a number of complaints, including some by the administration, we removed a provision that the administration claimed was unduly restrictive that permitted an operator to be sued for any violation of the act, even though he was complying with his permit, or complying with his license. We thought the operator ought not to be put under that jeopardy. The conference revision makes it better for the coal operator.

Mr. TAYLOR of North Carolina. I thank the gentleman.

Mr. UDALL. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. Seiberling), one of the conferees.

Mr. SEIBERLING. Mr. Speaker, no one can say that this bill has not been thoroughly deliberated. This is the fifth time a stripmining bill has been brought before the House. It is, in fact, a very carefully drafted bill.

We have heard all kinds of dire predictions about how this legislation is going to cost jobs and put mine operators out of work. We have been down that road before. The State of Ohio 3 years ago passed a stripmining law which was very similar to this bill and which probably will fit very neatly within this bill. We heard the same kind of song and dance from the largest strip mine operator in the State, and yet the ink was hardly dry on the law when he was asking for a permit to expand his operations in Ohio.

And the State of Ohio has gone on producing strip mined coal.

We have heard predictions that this bill will raise the cost of electricity to the consumer. The fact is that the price of coal has gone up fantastically in the last two years during which time there has been no Federal strip mine program. Coal that 2 years ago was selling for $12 to $15 a ton is now selling for $50 and $60 on the spot market, and the coal companies have made astronomical profits, the fact is that the price of coal is determined today not by the cost of mining it but by other factors, including tremendous increases in the price of oil. This bill will, in fact, have little or no effect on the cost of coal to the consumer.

Of course this is not an ideal bill. Having lived with it in the subcommittee, the full committee and weeks and weeks of House-Senate conferences, no one is more aware of this than I am. But nothing we do here is ideal. This is a carefully considered and carefully drafted bill which is designed to take into account many conflicting considerations. In my opinion, it strikes a reasonable balance. We cannot ban strip mining in this country, much as I would like to do that. In today's world that is simply an unattainable goal.

This bill is practically the same as the bill which passed the House last December. It is a strong bill. It has very specific and very tough environmental protection provisions in it.

The only unanswered question is whether this bill, if it becomes law, is going to be enforced. If it is enforced in accordance with its intent then we are going to have an end to the depredations of coal strip mining. If it is not enforced, then we can tighten the law as experience indicates.

I urge support of the conference report.

Mr. UDALL. Mr. Speaker, I yield myself the remaining time.

Mr. Speaker, if any of my colleagues are in doubt before they vote, I hope they will walk down to the display at my right. On the right-hand side of that display they can see what has been done in the State of Virginia, the area from which all these big trucks and all these poor misled and misinformed miners came here about a month ago.

This area looks like the Moon. It is devastated land and it is done under the Virginia law. There are other States which have either weak laws or which are administering them in ways that will let that activity continue.

They tell us they cannot mine from steep slopes. On the right-hand side there are two pictures from the State of Pennsylvania, one is 26 degrees and one

is 30 degrees, and the pictures show the kinds of results one can get using present techniques and present machinery at almost no additional expense. They just plan in advance and do it the right way.

In the middle is an advertisement from the Caterpillar Tractor Co. in Coal Age magazine, and they show in a very simple way the techniques of moving along and taking topsoil from the place where it was earlier and putting it back in sequence.

I want to close by reading from a letter that our colleague Congressman John Dent, the gentleman from Pennsylvania, was going to read but he was unable to be here this afternoon and I will do it for him. In Pennsylvania there is a man named W. E. "Bill" Guckert and he was down in Virginia about a month ago, and he wrote a letter to the senior Senator from the State of Virginia, Senator Byrd, and this is what Mr. Guckert, who administers the law in Pennsylvania, said:

> In the afternoon, I was invited, along with all the other people attending the conference, including the people from Virginia that were in charge of the enforcement of strip mining in Virginia, to make a tour of strip mined areas in Wise County. The areas covered on the tour were the Dewey and Flat Gap area near Pound and the Duncan's Gap, Roundtop area near Wise. We traveled throughout this area from 2 p.m. to 6 p.m. and, Senator, I want to tell you this, I have never seen such utter devastation, exploitation and destruction of the land as I saw in Wise County, and I am not saying this for public consumption, what I am telling you is the truth. When the State of Virginia says they have a strong strip mine law, they are not telling the truth because if what I saw was an example of their strip mine law, they don't have a law.
>
> Any man with a conscience could never stand up and say that is what is called restoration.

Then Mr. Guckert tells about Pennsylvania by saying:

> When our Surface Mining Law was passed in Pennsylvania, which required the land to be restored to the approximate original contour, the Strip Mine industry said it would put them out of business and, Senator, today we have more strip mines and more strip mine production than ever before and the industry is making more money. Another thing, you don't hear in Pennsylvania the story I heard in Virginia (and Ohio, West Virginia, Kentucky and Alabama) where the people were calling to "abolish strip mining". The reason for that is that in Pennsylvania the industry is doing a good job. The land is being restored after strip mining in such a manner that future generations will be able to live and benefit from the land.

Mr. ROUSSELOT. Mr. Speaker, I rise in opposition to the conference report on H.R. 25, the Surface Mining Control and Reclamation Act of 1975.

This morning I received the following telegram from the Chamber of Commerce of the United States which gives a clear summary of private industry's views of this legislation and its impact on domestic coal production, and on jobs in the coal mining industry:

> May 7, 1975.
>
> Hon. John H. Rousselot,
> *House of Representatives,*
> *Washington, D.C.:*
>
> Members of National Chamber urge you reject conference report on coal surface mining. However worthy its intentions, bill's impact would worsen both our energy and economic problems.
>
> Proposed restrictions on surface mining expected cut coal production as much as 22% first year; would also eliminate 50% of coal reserves from future production. Considering that surface-mined coal currently provides two-thirds of all electric power, effect of such cutback will not only reduce current supply of electricity but impede essential development of new generating facilities, all to disadvantage of consumers.
>
> Consumers also adversely affected by bill's requirements of new coal taxes, production costs and enforcement costs—totalling $400–$500 million or more.
>
> Further, FEA has estimated bill could cost up to 36,000 mining jobs, at time national employment at 8.9%.
>
> With nation trying improve energy self-sufficiency, put unemployed back to work, and curb inflation, surface mining bill goes in wrong direction. In national interest, House should reject this bill so more reasonable and responsible measure can be developed.
>
> Hilton Davis,
> *Chamber of Commerce of the United States.*

The reclamation fee required by title IV of this legislation which is to be levied on every ton of coal mined—35 cents per ton for surface-mined coal, 15 cents per ton for underground mined coal, or 10 percent of the value of the coal, whichever is less—is essentially a tax which will be paid into a trust fund to be known as the "Abandoned Mine Reclamation Fund." I have several objections to this provision:

First. The cost of this "tax" will be passed on to consumers thereby forcing up the price of coal;

Second. There is a committee jurisdictional problem with this section of the legislation. A trust fund is established, and what amounts to a tax is imposed in a provision that has never been considered by the House Ways and Means Committee—the committee which has jurisdiction over such proposals; and

Third. Higher coal costs will force increased reliance on imported oil, and it is counterproductive to our national goal of developing domestic energy supplies.

My objections to this legislation go beyond just problems with section 401, as I feel this entire bill is counterproductive to meeting national goals of developing domestic energy needs, and encouraging production in our private market industries in order to stimulate employment in the private sector.

This legislation has the same characteristics of so many of the bills we have been considering in this Congress. It overreacts to a problem that can and is being solved at the State level. The conference report itself states on page 78:

> Virtually all of the specific standards set forth in the conference report are already required in one or more of the several States regulating surface coal mining.

I urge my colleagues to join me in voting down this conference report, which can only further intensify the federally mandated inflationary forces in the economy that are causing the upward pressure on prices and interest rates, and are stunting private industry growth and employment.

Mrs. MINK. Mr. Speaker, once more, and hopefully for the last time, I speak up on behalf of the Surface Mining Control and Reclamation Act of 1975—a bill which has experienced almost every vicissitude imaginable, but a bill which persists because it is meant to answer a national dilemma that becomes more evident every day. How can we dig the coal essential for the running of our economy—for our electric generators today, our gasification and liquifaction plants tomorrow—how can we dig this coal from the abundant resources at hand and still discharge our stewardship over land and water? Your conference committee members have grappled repeatedly with this question in their attempts to resolve outstanding differences beween H.R. 25 and S. 7.

It has not been an easy process. The attempt to hold on to what is vital in the bill has been especially difficult because the administration saw fit to bring before the conference a list of amendments and modifications which were pressed upon the members by Mr. Zarb of the Federal Energy Administration under the threat of Presidential veto. Nearly all the conferees had already been through the experience, in the last days of the 93d Congress, of a Presidential veto which in turn necessitated starting anew on this measure in the present session. The large majority by which the House passed H.R. 25 in March, sending it to conference by a vote of 333 to 86, must be taken as a definite indication that all but a small group of Members have concluded the time for debate is nearly over. It is indeed time to get this measure into the law books, to take steps implementing it in all the States, Indian lands and Federal lands—in a word, to get down to the business of encouraging the orderly development of the surface coal mining industry.

Despite the difficulties, your conferees have given exhaustive scrutiny to the administration's overall demands. As you will note on page 87 and following of the conference report, President Ford in his February transmittal letter set forth 8 "critical" and 19 "important" differences between the administration's proposal and the conference report on S. 425, 93d Congress. A review of changes made in the bill indicates that six of the eight critical items were adopted in one way or another. These six include modifications of provisions covering citizens suits, stream siltation, hydrologic disturbances, abandoned mine reclamation fund, coal waste impoundments, and unemployment provisions.

In two instances, the conferees rejected administration suggestions outright. These were the authority for the Secretary to define ambiguous terms, and the opening up of national forests to strip mining.

In no instance where the President's recommendation was accepted did the conference committee relinquish provisions which are essential to the adequate enforcement of the act. To make my point, I will review these quickly. In the case of citizen suits, mine operators would not be exempted from suit if they are in

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violation of the rules and regulations, or permit terms or the Secretary's orders, nor would they be immune from suit under other sections of the act, but only where they are in good faith compliance with such requirements.

In the case of stream siltation, the insertion of a qualifying term—"to the extent possible using the best technology currently available"—was made in recognition of the existence of techniques at this time which will allow near-total removal of suspended solids from water running off from the mined site. The committee report for H.R. 25 on page 105, refers to the highly effective technology used at the surface coal mine of the Washington Irrigation and Development Co. of Centralia, Wash., as an example. In other words, Mr. Speaker, there is no excuse for an operator, even under the qualifying clause, to discharge water having a higher sediment load than that which is normal to the area prior to the start of mining. Additionally, the conferees adopted a provision in section 519 (c)(2) requiring the withholding of the operator's revegetation bond until the minimum levels of sedimentation have been reached.

Regarding hydrologic disturbances to alluvial valley floors, the conferees accepted the earlier conference report language limiting the ban on mining in alluvial valley floors to those areas wherein the hydrologic function of the alluvial material allows irrigated or subirrigated ranching or farming, including potentially significant and economically feasible ranching or farming, but excluding undeveloped rangelands. The purpose has been not protection of alluvial valleys as such, but protection of the food-producing capacity of these valleys. In the West, agricultural potential depends largely upon the water-holding and transmitting capability of the alluvial material underlying these valleys. Consequently, while the ban has been narrowed, its effect is still the preservation of the surface and subsurface water systems of these critical areas. The outcome of the conference language is entirely in keeping with this purpose.

In considering the abandoned mined lands reclamation fund, the conferees made it clear that the fund's primary objective remains the reclamation of previously mined areas, and that before the Governor of any State may request the use of funds for removing public hazards caused by mining for other than coal, all reclamation of abandoned coal mined lands must have been completed in that State. Areas which experience rapid development of coal resources may more easily qualify for funding under the new conference language, because of broader criteria by which the Secretary would make a selection. The administration's request for reduction of the reclamation fee to $0.10 per ton across the board was rejected by the conference committee.

The conferees also scrutinized the administration's contention that the use of new and existing mine waste impoundments would be "unduly restrictive" because of requirements for their location. The House response to this criticism was adopted and modified so as to require the Army Corps of Engineers through its Chief of Engineers, to oversee the promulgation of standards for the design, construction, maintenance, operation and removal of any such structures which serve as either temporary or permanent impoundments. Thus, while avoiding needless duplication of enforcement inspectors, the conference report will insure that these potentially disastrous dams are built according to the safety standards applying to flood control structures of the Army Corps, for the safeguarding of downstream populations.

The special unemployment provisions were dropped from the conference report at the administration's suggestion because they are clearly in conflict with the anticipated effect of the act, which is, to permit the expansion of surface mining where reclamation of the land can and will be accomplished. It is evident that new jobs will be created both under the requirements of the act's environmental protection performance standards and the program for the reclamation of orphaned mine lands. These jobs should more than compensate for the temporary unemployment which may be experienced by a few in the process of adjusting to the new law. Thus, it makes no sense whatsoever to include unemployment compensation provisions which will require a complex administration.

Turning from the major changes to amendments of a less critical nature as proposed by the administration, it is instructive to note that many of those which were rejected outright would have eliminated key provisions in the act relating to environmental protection, the rights of surface owners and long-range planning. A brief review of these rejected provisions follows:

First. Reclamation fund. The administration amendment would have deleted the portion of the orphaned lands program under which private landowners would be encouraged to reclaim and upgrade lands affected by previous coal mining, through grants administered by the Secretary of Agriculture. This program would have wide applicability throughout Appalachia and the Midwest.

Second. Federal enforcement. The administration would limit the Federal enforcement role only to cases of imminent danger to public health and safety or harm to the environment during the period of up to 30 months prior to the initiation of the permanent regulatory programs by States and by the Secretary. This limitation would have encouraged continuance of inadequate State regulation, seriously undermining the confidence of citizens in the ability of the Interior Department to bring about effective implementation of the act.

Third. Surface owner consent. The administration would completely wipe out all provisions in the act for the protection of surface owners where the underlying coal is owned by the Federal Government. Under existing law, condemnation procedures can be initiated in such cases where a rancher or farmer who is located in the Federal coal lands of the West resists the strip mining of his land. The conference report, by retaining language in section 714, would provide an equitable arrangement under which surface owners (as defined) would be protected from displacement or if willing, would be adequately compensated.

Fourth. Research centers. The administration would totally eliminate title III of the conference report which establishes a program for funding State mineral resources research institutes to carry out needed research and to prepare specialized personnel now greatly in demand throughout the mining industry. This program will not duplicate existing Federal programs because its primary objective is manpower training, the need for which has been documented by industry groups, including the National Coal Association.

Fifth. Hydrologic data. The administration would—at the discretion of the regulatory authority—waive the requirement that a permit applicant provide essential hydrologic data. Unless such data is made available during the process of review by the regulatory authority and during scrutiny by the interested public, the permit application would be grossly deficient in documenting whether or not the applicant can meet performance standards of the act dealing with water quality and quantity. For western strip mines in particular, the gathering of hydrologic data prior to the issuance of the permit is absolutely essential—without it the act cannot live up to its promise.

Sixth. Variances to performance standards. The administration proposed to weaken a central requirement, that the mined site be returned to its approximate original contour, with highwalls eliminated and with no spoil except that from the initial cut placed on the downslope below the bench. In short, the guts of the performance standards—as applying to the humid East—would be removed from the bill. This proposition had been firmly rejected in committee and was not at issue in conference.

Seventh. Prohibition on mining within 500 feet of an active mine. The administration, claiming that this reasonable precautionary measure would "unnecessarily restrict recovery of substantial coal resources," opted for deletion of the ban. Endorsed by the United Mine Workers, the prohibition is meant to safeguard the welfare of underground miners who might be endangered by blasting and excavating activities of nearby surface mining operations. There was no inclination to remove the ban in conference.

Mr. Speaker, in reviewing various administration changes which were rejected in conference and in committee, I would note that better than half of the group of "non-critical" modifications were incorporated into the bill in one form or another. Again, in my judgment, none of these modifications has done serious harm to the basic integrity of the act. For example, unintended moratoriums on surface mining, an inadvertent ban against connecting haul roads to public highways and needless interference with long term contracts between producers and consumers of coal were exposed and cleared up. An antidegradation clause which could cause further unintentional shutdowns of strip mining operations was removed, and use of the term "potential ranching and farming" was clarified, as it would apply to restrictions on mining within alluvial valley floors.

The attention given by conferees to striking a compromise in keeping with the purposes of the act is evident in the above summary of how administration amendments were disposed of. There was no sellout to the coal interests. Nor was there any caving in to the administration, as some would have us believe. Rather, there was a meticulous effort to examine each issue on its merits, and to harmonize as far as possible the legitimate interests of the coal industry in maximizing production together with the equally legitimate interests of ranchers, users of waters, mountain residents living in the shadow of mine waste embankments, and the rest of us who must have electric energy and food produced from these coal lands. Yet there are some among the environmentalists and some in the industry who seem determined to distort our effort toward a workable compromise.

On the one hand we are accused of producing a "spineless and toothless" conference report with a "dismal litany of weaknesses." Matching this rhetoric is the stridency of the strip mine operators of Virginia, spreading misinformation about the bill, and predicting a veritable plague of unemployment. I have already entered into the CONGRESSIONAL RECORD—on May 1—letters sent to me by many individuals in southern Appalachia who do not swallow the hogwash of either the environmentalists or of the strip mine operators. These individuals live with strip mining and its awful consequences every day of their lives. They truly appreciate the urgency of establishing an equitable, enforceable nationwide system for regulating and ameliorating the effects of strip mining. Without any ifs, ands or buts, they are writing to urge me to "hang in there—we need this bill—don't let anyone tell you otherwise!"

Mr. Speaker, I intend to hang in there. I make no apologies for this conference report. It represents a reasonable approach. It recognizes the just needs of the coal industry, of the utilities, of the gas companies, of the administration, of the States, of the Indian tribes, of the miners, of the public interest and environmental groups, and most especially, as far as I am concerned, it recognizes the just needs of the many, many ordinary people who in the last analysis, are paying all the costs of strip mining.

Many of us wonder what the President intends to do. Doubtless, the coal production loss estimates which were bandied about by the administration are now being presented in their latest reincarnation to the President, by proponents of a renewed Presidential veto. There is absolutely no reason to believe that any of these figures have any validity. They all boil down to unsupportable interpretations of various provisions of the conference report, interpretations which by admission of the Interior Department staff members who compiled the figures, have no justification in the congressional history, particularly where they relate to restrictions on the mining within alluvial valley floors in the West.

In fact, the alluvial valley floor estimates and a map illustrating how the interpretations would apply to one river basin, were produced under explicit instructions that the "broadest possible interpretation" of the alluvial valley floor language be taken, without regard to any reasonable reading of committee reports or floor debates or any other background material which might shed more light on what Congress intended. An inadmissibly large area of western coal lands has been included in the calculations, distorting the final estimates out of all proportion.

There is no more validity to such claims of coal production loss—which have been ground out like so much sausage by the Bureau of Mines, by the Geological Survey, and by the Federal Energy Administration—than there is validity to that other spurious claim: By boycotting pineapples, strip miners in Virginia claim they will hit me where it hurts and so persuade me to give way in determining to bring about an effective strip mine bill. Both claims are ridiculous. They are based on a willful misreading of reality—the administration by stretching the definition of "alluvial valley floors," and the strip miners of Virginia by underestimating the intelligence of their fellow Appalachians. Just as the so-called pineapple boycott has inspired many Appalachians to buy more pineapples so I believe the fallacious calculations of the administration is having a contrary effect upon those in Congress who exercise their commonsense to review the basis of these claims.

In the unfortunate event that the President is not one to perceive the fallacy of the administration's estimates, and if he should then succumb to the pressures for a veto of this bill, I will confidently predict, Mr. Speaker, that an even larger proportion of my colleagues in the House than voted to pass H.R. 25 on March 18 will vote to override his veto.

What is at stake is not the enormous investment of time and energy in bringing this legislation a second time to the White House, nor the question of affirming the integrity of the Congress. What is at stake is whether we can establish, once and for all, order and equity in a necessary industrial activity which has grown rampant too long and which now threatens to disembowel this continent.

I respectfully urge my colleagues to support the conference report with an affirmative vote.

Mr. RHODES. Mr. Speaker, the proposed legislation we are considering today has been described as an act concerning the mining of coal. It should really be entitled "The Coal Undermining Act of 1975." It proposes to limit coal production. It would have very serious detrimental impact on the coal industry, our energy supplies, the American economy, jobs, and the standards of living of our people.

Quite simply, coal is one of the natural resources we have been blessed with in huge amounts. It is most interesting that the Democratic congressional leadership has proposed a plan to increase production from today's 600 million tons a year to 1.37 billion tons by the year 1985. Yet—that same leadership today is pushing a bill that would cripple coal production—and make their own declared goals unattainable.

This bill could well be labeled "The Foreign Oil Dependency Act of 1975." It is estimated that in its first year of full operation, H.R. 25 will cost up to 162 million tons of coal production a year. This will require some 450 million barrels of oil. This Congress already has shown that it talks a good energy fight, but in the clutch it acts to curb our energy development. We will not have the additional domestic oil, due to the disincentive already enacted by this Congress. This means we will depend more on imported oil. Our balance of payments will be adversely affected. This wil have an inflationary impact on our economy.

This bill might also be called the Brownout and Electric Power Cost Increase Act of 1975. By cutting production of strip-mined, low-sulfur coal, it will force utilities to turn to expensive oil, or to burn expensive metallurgical grade coal in their boilers. Experts estimate that it will take 6 years to up production of deep-mined coal in sufficient quantities to supply power needs. Much of this high-grade coal will be needed in our industries, and to divert it to boiler use would up electric bills for consumers. Estimates are that power bills could go up at least 16 percent due to this bill.

This bill could also be called the Unemployment Assurance Act of 1975. Due to its ambiguity, its 266 pages of regulations on the mining of surface coal, and its prohibitory sections, many of the 2,178 small coal producers, who extract 100 million tons of coal a year, would be forced out of business. This could cost 46,000 jobs immediately. The ripple effect from constrained energy supplies in allied industries would idle thousands of other workers, foreclose business expansion, and cost millions in further unemployment compensation. At a time when the Nation is fighting recession, when Congress is charged with the responsibility to enact economic stimulative measures, this act would be a travesty against the national interest, and cause untold hardship and suffering for thousands of those now working, and those unable to find jobs in the future.

H.R. 25 could well qualify as the Economic Stagnation Act of 1975. In our energy-dependent economy, we can ill-afford to enact legislation that hamstrings our energy future. This bill does nothing to create more energy resources. It does insure lessened energy production. Our economic vitality cannot be enhanced by any measure that curtails prospects for the energy we will need for future industrial productivity.

Perhaps the worst feature of this bill is that it is really the Resources Waste Act of 1975. This measure simply assures that millions of tons of needed coal will be locked up in the ground. Far from

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reality, it bears the appearance of having been concocted under the influence of high-rise naturalists.

We have heard scare stories that the West would be ripped wide open, left a scarred and useless, exploited land. In actuality, by 1990 there would be only 143 square miles of high-production coal lands involved. Under Federal and State laws, these lands will be reclaimed after mining. This is a costly process, up to $6,000 per acre. It will increase the price of coal, but it has been accepted as part of the costs of coal mining today.

Far from laying waste to the West, the area involved is less than five one-hundredths of 1 percent of the western 1.6 million square miles. It is an area equal in size to one-twentieth of the Washington, D.C., metropolitan area. Each year we take 373 square miles of land for interstate highway construction. Of the land to be mined, only 2 to 3 percent would be disturbed in any one year.

This bill would waste up to 53 percent of the United States' 137 billion tons of coal reserves, and would be unconscionable misuse of our natural resources. Some 88 percent of Western coal is low-sulfur, the kind that is best suited for our environmental needs.

It is interesting to note that this very chamber is lighted by electric power supplied by the Potomac Electric Power Co., and produced almost entirely from surface mined coal from Western Maryland, Pennsylvania, and West Virginia. It would not seem very illuminating for Congress to pass this bill, which could turn its own lights out.

When you add up the disadvantages of this ill-conceived legislation, and weigh them against America's needs, it should be obvious that Congress would be doing a great disservice to the public to pass this bill. There has been talk of special interests opposing strip mining legislation. The most special interest this Congress should be concerned about is the Nation's general economic well-being. This proposal would jeopardize our economic future.

Since we in Congress represent the people, the public interest must be paramount. This bill does not do the job. We are today considering a proposal that could have far-reaching effects for the next decade. Do we want to enact a bill that increases our dependence on foreign oil? Do we want a bill that might return the long lines at the gas station and disrupt our trucking industry because petroleum is diverted to power production? Should we lock up and waste more than half of the coal we have in the ground? Should we waste high-quality metallurgical coal by burning it in boilers? Is it right to enact legislation that we know will cause unemployment, and increase that unemployment as the years multiply its damaging effects throughout our economy?

We all share concern for the environment. But, we all live here, we all depend on a strong, vigorous American economy. Present laws, Federal and local, protect the long-run environmental impact of strip mining. The proposal we have before us is unreasonable in its demands, impractical in its impact, and against the public interest. It is bad legislation, and I urge my colleagues to cast a vote for the future of America by rejecting this conference report.

Mr. MIKVA. Mr. Speaker, I rise in support of the conference report on H.R. 25, the Surface Mining Control and Reclamation Act of 1975. This bill contains the essential environmental safeguards and regulatory procedures adopted by the House on March 17 and 18, 1975. It is similar in many respects to the bill which passed the Congress during 1974 but which was pocket vetoed by President Ford.

While I would have personally preferred a bill which would have placed enforcement jurisdiction within the Environmental Protection Agency, required the Director of the Office of Surface Mining Reclamation and Enforcement to report to the Assistant Secretary for Land and Water Resources, and prohibited dumping of spoil on down slopes, I nevertheless believe that the conference report represents effective and workable strip mining legislation.

Further, in view of the opposition of the Ford administration to certain provisions of the bill, I feel the bill indicates a willingness on the part of Congress to work cooperatively with the administration to resolve legitimate differences. On this point, it is my understanding that the conferees adopted eight modifications recommended by the administration and approved language designed to meet another six. Thus, the conferees have met many of the administration objections while, at the same time, they have protected environmental safeguards.

In view of this, Mr. Speaker, I urge my colleagues to vote in support of the Surface Mining Control and Reclamation Act of 1975 and I call upon the President to sign this bill when it is presented to him for his signature.

Mr. DENT. Mr. Speaker, at the request of Bill Guckert, Pennsylvania's director of bureau of surface mines reclamation, I wish to submit a letter to Senator HARRY F. BYRD, Jr., on the opposition views on this legislation.

Many of us, including Bill Guckert, one of the most knowledgeable persons in America on stripping, rehabilitation, ecology, and environment on some features of this proposal. However, like myself, he finds more to recommend passage rather than defeating this conference report.

I include the following:

COMMONWEALTH OF PENNSYLVANIA,
DEPARTMENT OF ENVIRONMENTAL
RESOURCES,
Harrisburg, Pa., April 21, 1975.

Hon. HARRY F. BYRD, JR.,
U.S. Senate, New Senate Office Building,
Washington, D.C.

DEAR SENATOR BYRD: I have received a letter from Franklin D. Hubbard, Route 1, Box 310–H, Wise, Virginia, in which he requested that I explain to you exactly what I saw as far as surface mining is concerned in the State of Virginia when I visited there in March, 1974.

I had been invited to attend the Interstate Center on Corporate Responsibility, a conference on the energy crisis and strip mining, held at the Clinch Valley College in Virginia. The purpose of my visit was to show slides and speak on what the strip mining industry was accomplishing in Pennsylvania as far as restoration was concerned. I was not aware at the time that the group was church people and that the majority of them were anti-strip mining or wanted to control strip mining. I was scheduled to show my slides and talk on Pennsylvania's restoration but the gymnasium where the conference was held did not have any ways and means of darkening the room so I requested that I be excused to show my slides in the evening in order to make a better presentation. In the afternoon, I was invited, along with all the other people attending the conference, including the people from Virginia that were in charge of the enforcement of strip mining in Virginia, to make a tour of strip mined areas in Wise County. The areas covered on the tour were the Dewey and Flat Gap area near Pound and the Duncan's Gap, Roundtop area near Wise. We traveled throughout this area from 2 p.m. to 6 p.m. and, Senator, I want to tell you this, I have never seen such utter devastation, exploitation and destruction of the land as I saw in Wise County, and I am not saying this for public consumption, what I am telling you is the truth. When the State of Virginia says they have a strong strip mine law, they are not telling the truth because if what I saw was an example of their strip mine law, they don't have a law.

If you want to do justice to the State of Virginia, you should personally visit that particular area in Wise County and take a drive through those mountains. Quite a few of the highwalls along the mountains that were auger mined were never backfilled; never even covered. Some day you people in Virginia are going to have these coal seams on fire and it is going to cost millions of dollars to control them. Your streams are going to be completely filled with silt because the industry is pushing the material over the mountain side and down into the valley. I actually saw that with my own eyes.

Any man with a conscience could never stand up and say that is what is called restoration.

Now, in conclusion, if you believe that strip mining cannot be done properly with the land restored to the approximate original contour, I am prepared to invite you to come to Pennsylvania and I will pay your fare both ways and take you on a tour of any part of the Bituminous Coal Region of Pennsylvania and show you what we are talking about. You can name the area and I will take you there and then you will see first-hand what can be done.

When our Surface Mining Law was passed in Pennsylvania, which required the land to be restored to the approximate original contour, the Strip Mine Industry said it would put them out of business and, Senator, today we have more strip mines and more strip mine production than ever before and the industry is making more money. Another thing, you don't hear in Pennsylvania the story I heard in Virginia (and Ohio, West Virginia, Kentucky and Alabama) where the people were calling to "abolish strip mining". The reason for that is that in Pennsylvania the Industry is doing a good job. The land is being restored after strip mining in such that future generations will be able to live and benefit from the land.

Very truly yours,

W. E. GUCKERT,
Director, Bureau of Surface Mine Reclamation.

Mr. ASHBROOK. Mr. Speaker, I rise in opposition to the conference report on H.R. 25, the Surface Mining Control and Reclamation Act.

I certainly agree with the goals of this legislation. We need to regulate surface coal mining. We need to put a halt to the environmental abuses that have characterized such mining in the past.

I am opposed to H.R. 25, however, for two reasons: First, the bill does not adequately provide for the energy needs of our Nation; and second, it would mean further price increases for consumers, especially the cost of electricity.

It is essential that our Nation work toward energy independence. Recent events have shown that we cannot depend on unreliable foreign oil without endangering our national and economic security.

If we are to become self-sufficient in energy, however, we must have increased utilization of coal. There is no way around it. The administration's program calls for doubling domestic coal production to 1.2 billion tons by 1985. The plan advanced by the congressional Democratic leadership likewise envisions a twofold increase in production.

Unreasonable and unnecessary restrictions in H.R. 25, however, would sharply reduce coal production. The Department of the Interior and the Federal Energy Administration forecast a drop of at least 40 million to 162 million tons annually. Over one-fourth of our annual coal production could be lost.

Even more coal would be locked away from development. Perhaps as much as one-half of our strippable coal could not be mined because of the ridiculously stringent provisions of H.R. 25. It makes no sense to deny ourselves the use of our own coal reserves.

At a time when we must increase coal production H.R. 25 would reduce production. At a time when we must spur the development of our coal and other energy resources H.R. 25 would prevent the development of vast amounts of potentially minable coal. This is not in the public interest.

Nor is this legislation in the best interest of the consumer. H.R. 25 would mean higher prices. Ohio electric rates, which have skyrocketed in recent months, would increase even more.

Why is this so? Because two thirds of our coal is used to produce electricity. When the cost of coal goes up, so does the cost of electricity.

H.R. 25 would add to the current price of coal another $130 to $204 million in taxes, $171 million in increased coal production and reclamation costs and $100 to $160 million for Federal and State government activities to carry out the bill's provisions. These costs would be added into everyone's electrical bills.

This is just part of the cost. Every ton of coal is equal in energy value to about 4.3 barrels of oil. Every ton of reduced or blocked domestic coal production because of H.R. 25 means we must import another 4.3 barrels of high-priced foreign oil to meet our energy requirements. This translates into more inflation, further balance-of-payments problems and higher priced consumer goods.

For the sake of our national interest and the interest of the consumer I urge the defeat of the conference report to H.R. 25.

Mr. FRENZEL. Mr. Speaker, I rise today in support of the conference report filed on H.R. 25, the Surface Mining Control and Reclamation Act.

During our recent debates on the passage of the strip mining bill I am afraid that I may have bored some Members with my lengthly description of past history, my support for the bill and my thoughts on some of the changes which still needed to be made before forwarding the bill to the President. However, I am rising again because I believe that this legislation is not only far superior to the measure which we passed in the 93d Congress but is also an improvement over either of the original House or Senate bills in this session.

In the report before us the conferees have offered a package which meets a majority of those objections which caused President Ford to pocket veto the measure. The areas which have been substantially altered are citizens suits, hydrologic disturbances, stream siltation, alluvial floor disturbance provisions, the mine reclamation fees, and the elimination of the odious special unemployment benefits. Improvements have also been made in reclamation fees and use of the reclamation fund and violation of cessation orders.

While H.R. 25 is not perfect legislation it does appear to be the best bill that we can get. I will certainly vote for it and I hope that others will support it also.

Mr. UDALL. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. UDALL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 293, nays 115, not voting 25, as follows:

[Roll No. 187]

YEAS—293

Abdnor
Abzug
Adams
Addabbo
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Armstrong
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bell
Bennett
Bergland
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Burke, Calif.
Burke, Fla.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carr
Chisholm
Clancy
Clausen, Don H.
Clay
Cleveland
Cohen
Collins, Ill.
Conte
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniels, Dominick V.
Danielson
Delaney
Dellums
Dent
Diggs
Dingell
Dodd
Downey
Drinan
Duncan, Oreg.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Fascell
Fenwick
Findley
Fish
Fisher
Flood
Florio
Foley
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Goodling
Gradison
Grassley
Green
Gude
Haley
Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hastings
Hayes, Ind.
Hays, Ohio
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Holtzman
Horton
Howard
Howe
Hughes
Hungate
Hyde
Jacobs
Jeffords
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jordan
Karth
Kasten
Kastenmeier
Kelly
Keys
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Leggett
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
McClory
McCloskey
McCormack
McDade
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Martin
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moorhead, Calif.
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patten
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Pressler
Preyer
Price
Quie
Railsback
Rees
Regula
Reuss
Richmond
Riegle
Rodino
Roe
Rogers
Roncalio
Rooney
Rosenthal
Rostenkowski
Roush
Roybal
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schneebeli
Schroeder
Schulze
Seiberling
Sharp
Shipley
Shuster
Sikes
Simon
Sisk
Skubitz
Smith, Iowa
Solarz
Spellman
Stanton, J. William
Stanton, James V.
Stark
Steelman
Steiger, Wis.
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, N.C.
Thompson
Thone
Traxler
Tsongas
Udall
Ullman
Vander Veen
Vanik
Vigorito
Walsh
Waxman
Weaver
Whalen
White
Whitehurst
Wiggins
Wilson, Charles H., Calif.
Winn
Wirth
Wolff
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Zablocki
Zeferetti

NAYS—115

Alexander
Andrews, N.C.
Archer
Ashbrook
Bauman
Beard, Tenn.
Bevill
Bowen
Breaux
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burleson, Tex.
Butler
Byron
Carter
Casey
Cederberg
Chappell
Clawson, Del
Cochran
Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Davis
Derrick
Derwinski
Devine
Dickinson
Downing
Duncan, Tenn.
Edwards, Ala.
English
Erlenborn
Evins, Tenn.
Flowers
Flynt
Ginn
Guyer
Hagedorn
Hammerschmidt
Hansen
Hébert
Hechler, W. Va.
Hefner
Hightower
Holland
Hubbard
Hutchinson
Ichord
Jarman
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kemp
Ketchum
Kindness
Latta
Lott
Lujan
McDonald
McEwen
Mahon
Mann
Mathis
Michel
Milford
Mills
Montgomery
Moore
Myers, Ind.
Nichols
O'Brien
Passman
Patman
Poage
Quillen
Randall
Rhodes
Risenhoover
Roberts
Robinson
Rose
Rousselot
Runnels
Satterfield
Sebelius
Slack
Smith, Nebr.
Snyder
Spence
Steed
Steiger, Ariz.
Stephens
Symms
Taylor, Mo.
Teague
Thornton
Treen
Vander Jagt
Waggonner
Wampler
Whitten
Wilson, Bob
Wright
Young, Alaska
Young, Tex.

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NOT VOTING—25

Ambro
Anderson, Ill.
Burke, Mass.
Conyers
de la Garza
Fithian
Ford, Mich.
Goldwater
Gonzalez
Hawkins
Hinshaw
Holt
Landrum
Lent
McCollister
Mink
Mollohan
Mosher
Pritchard
Rangel
Rinaldo
Shriver
Staggers
Van Deerlin
Wilson,
Charles, Tex.

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Rangel for, with Mr. de la Garza against.

Mr. Ambro for, with Mr. Gonzalez against.

Mr. Staggers for, with Mr. Landrum against.

Mr. Lent for, with Mr. Goldwater against.

Mr. Rinaldo for, with Mrs. Holt against.

Until further notice:

Mr. Mollohan with Mr. Charles Wilson of Texas.

Mr. Hawkins with Mr. Burke of Massachusetts.

Mr. Fithian with Mr. Anderson of Illinois.

Mr. Ford of Michigan with Mr. Hinshaw.

Mrs. Mink with Mr. Conyers.

Mr. Van Deerlin with Mr. Mosher.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. BURKE of Massachusetts. Mr. Speaker, during rollcall No. 187, on the conference report on H.R. 25, I was unavoidably detained by an official of a labor organization in the Rayburn Building. This is the first rollcall I missed this year. I rushed into the Chamber, but time had expired. Had I been allowed to vote, I would have voted in favor of the conference report. My vote would have been "aye." I ask that this statement be placed in the Record immediately following the rollcall.

PERSONAL EXPLANATION

Mr. FORD of Michigan. Mr. Speaker, on the vote on the strip mining conference report today, I was on the floor during the debate and during a quorum call just before the vote and put my card in to vote in the affirmative. Apparently my vote has not been recorded, and I would like the record to show that I did attempt to vote in the affirmative.

PROVIDING FOR CONSIDERATION OF H.R. 4115, NURSE TRAINING ACT OF 1975

Mr. MATSUNAGA. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 418 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 418

Resolved, That upon the adoption of this resolution it shall be in order to move, section 401 of the Congressional Budget Act of 1974 (Public Law 93–344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4115) to amend title VIII of the Public Health Service Act to revise and extend the programs of assistance under that title for nurse training, and all points of order against section 222(e)(2) of the bill are hereby waived for failure to comply with the provisions of clause 5, rule XXI. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Hawaii (Mr. Matsunaga) is recognized for 1 hour.

Mr. MATSUNAGA. Mr. Speaker, I yield 30 minutes to the gentleman from Mississippi (Mr. Lott), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 418 provides for consideration of H.R. 4115, which, as reported by our Committee on Interstate and Foreign Commerce, would extend without change through the remainder of 1975 the authorizations of the Nurse Training Act of 1971. The authorities for fiscal years 1976 through 1978 would be continued with some modifications.

The resolution provides an open rule with 1 hour of general debate, the time being equally divided and controlled by the chairman of the committee and the ranking minority member.

After general debate, the bill would be read for amendment under the 5-minute rule, by titles instead of by sections.

Points of order against H.R. 4115 for violation of section 401 of Public Law 93–344, the Congressional Budget Act, would be waived. That section prohibits consideration in the House unless that bill provides that new spending authority included in the bill is to be effective only to the extent provided in appropriations acts. H.R. 4115 lacks such a provision, necessitating the waiver provided by House Resolution 418.

However, the spirit and substance of Public Law 93–344 will be complied with. The gentleman from Florida (Mr. Rogers) has stated his intention to offer an amendment to the bill at the appropriate time to bring it into compliance with section 401 of the Budget Act. It is my understanding that the gentleman from Washington (Mr. Adams), the chairman of the Budget Committee, has agreed to this procedure.

The resolution also provides for a waiver of all points of order against section 222(e)(2) of H.R. 4115 for failure to comply with clause 5, rule XXI of the Rules of the House of Representatives. Clause 5 prohibits appropriations in a legislative measure. Section 222(e)(2) of the bill provides a limited transfer authority for certain nurse training funds.

At the conclusion of consideration on H.R. 4115 for amendment, the committee will rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole.

The previous question will be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit with or without instructions.

Mr. Speaker, it was not until 1964 that Congress enacted the first comprehensive Federal legislation to help fund nursing education. The Nurse Training Act of 1964 authorized a balanced program of Federal assistance to both nursing students and to professional schools of nursing. Grants were provided for construction of facilities for nurse education, special training improvement projects and loans to student nurses. This legislation, which comprises title VIII of the Public Health Service Act, was revised and extended first in 1968, and then again in 1971.

The legislative authority for existing programs under the Nurse Training Act expired at the end of fiscal year 1974. Except for loans to nursing students, authority for which was extended through June 30, 1975, all of the programs in the act are currently being funded under continuing resolution.

Legislation to extend the act's provisions through 1977 was passed by Congress in December 1974, but vetoed by President Ford.

This action necessitated consideration of new authority for the programs under the Nurse Training Act. As reported, H.R. 4115 extends authorizations for the current fiscal year at 1974 levels, and makes appropriate adjustments and revisions for the following 3 years.

Mr. Speaker, the U.S. Public Health Service estimated some time ago that we would need 1 million nurses by 1975. The Interstate and Foreign Commerce Committee points out in its report on H.R. 4115 that we have fallen thousands short of that goal. The Senate Select Committee on Aging has just released a new section in its comprehensive report on nursing homes, noting that one of the principal reasons for the poor level of care in nursing homes is the acute lack of skilled nurses in the homes.

The committee bill attempts to address this overall shortage in three separate ways:

First. By continuing to expand enrollment in nursing education programs of various types;

Second. By providing remedial education to nurses who have left active service for families or other work; and

Third. By encouraging upward mobility toward professional nursing by licensed practical nurses and other health personnel.

To achieve these goals, the committee bill would continue institutional support for schools of nursing through grants based on enrollment. Special project grants would also be continued, and new authority added to help nursing schools in establishing advanced training programs and programs to train nurse practitioners.

This is needed, Mr. Speaker, not only

to meet the shortage in professional nurses for traditional tasks, but to permit the increasing utilization of nurses to perfrom duties normally thought of as requiring a physician. In a great many States, including Hawaii, nurse practice statutes are being revised, to permit nurses to expand their authorized areas of responsibility to more nearly match their skills. This will eventually permit physicians to perform the more sophisticated tasks for which only they are qualified. It will also give some isolated areas a better chance for access to adequate health care through licensed nurse practitioners.

Under H.R. 4115, existing authority would also be continued for advanced nursing traineeships. nursing student loans and scholarships for nursing students. Programs for grants, loan guarantees and interest subsidies for construction of teaching facilities would also be extended.

Mr. Speaker, I am sure that the able gentleman from Florida (Mr. Rogers) and the other members of the Interstate and Foreign Commerce Committee will explain this important legislation in more detail. I urge at this time the adoption of House Resolution 418, in order that H.R. 4115 may be considered.

Mr. Speaker, I now yield to the gentleman from Mississippi (Mr. Lott).

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as has been noted by the gentleman from Hawaii, House Resolution 418 provides for the consideration of H.R. 4115, the Nurses Training Act of 1975, under an open rule with 1 hour of general debate. Included in the rule, though, is a waiver of the provisions of section 401 of the Congressional Budget Act relating to legislation providing new spending authority, and there is a waiver of points of order against section 222 (e)(2) of the bill for failure to comply with the provisions of clause 5, rule XXI of the rules of the House, which prohibit appropriations in an authorization bill.

The general purpose of this bill is to continue the Nursing Act for 1 year at fiscal year 1974 authorization levels, and to extend it for 3 years, through 1978, with modifications. There are several revisions in the bill that properly should be and will be later on discussed; but I should like to mention a few of them.

There is included the addition of $60 million over the next 3 fiscal years for grants for the construction of new educational facilities. It changes the formula for capitation grants, which are formula grants to nursing schools based on enrollment. It continues financial distress grants, nursing student loans, and also scholarships for nurses.

In addition, there is new authority to assist nursing schools in the establishment of advanced nurse training programs and new authority to assist schools of nursing in establishing programs for the training of nurse practitioners.

There are some objections to the bill, to certain sections of it relating to the capitation grants, and also some expression of concern about the cost of this bill, which is $558 million for fiscal years 1975 through 1977.

At this point I should like to remind my colleagues that points of order are waived against this bill relating to backdoor spending and the making of appropriations in a legislative committee bill, and this will be the fourth bill that the rule has provided for this waiver of points of order this year.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank the gentleman for yielding.

Is the gentleman saying that the budget bill which was passed last week is not operative here; that we are waiving the provisions of that bill?

Mr. LOTT. We are waiving one of the provisions of that bill; but it is my understanding that the subcommittee chairman, the gentleman from Florida (Mr. Rogers), plans to offer an amendment to correct these Budget Act violations.

Mr. ROGERS. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Florida.

Mr. ROGERS. I thank the gentleman for yielding.

Yes, we will offer an amendment to correct this. We gave that assurance to the Committee on Rules and to our Budget Committee, and it was on that ground that a waiver was authorized in the rule.

Mr. LOTT. I thank the gentleman from Florida.

I maintain, however, and a substantial number of Members share the views just expressed by the gentleman from Ohio, that these corrections should be made before the legislation comes to the Committee on Rules. I understand in this particular case there were some reasons why the corrections were not made.

I am going to vote for this rule, but I hope that in the future there will be a real effort to comply with the Budget Act.

Mr. DEVINE. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Ohio.

Mr. DEVINE. Mr. Speaker, just for the purpose of the record, is this bill nearly identical with the bill that was enacted in the latter part of the 93d Congress that the President vetoed?

Mr. LOTT. It is the same basic subject. I understand some changes have been made and I am sure the chairman, the gentleman from Florida (Mr. Rogers), will speak to that.

Mr. DEVINE. If I may ask further, as revealed in the minority views on this bill, I understand it does violence to the budget by about $128 million, which was one of the basic reasons for the veto last year?

Mr. LOTT. It is $128.1 million above the budget.

Mr. DEVINE. I thank the gentleman.

Mr. LOTT. There is one other section I might mention. There is a prohibition of the Secretary of HEW from delegating his authority to administer any program under this act to any officer in any regional office.

I was interested in that particular section and asked about it. I understand this is so there will be some way one can actually find out what is happening in these programs and one does not have to go through the hierarchy to find out the answers to basic questions, and I think that certainly is an improvement.

Mr. MATSUNAGA. Mr. Speaker, I have no further requests for time.

I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 4114, NATIONAL HEALTH SERVICE CORPS AMENDMENTS OF 1975

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 417 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 417

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4114) to amend the Public Health Service Act to revise and extend the National Health Service Corps program. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Florida is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the able gentleman from Mississippi (Mr. Lott), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 417 provides for an open rule with 1 hour of general debate on H.R. 4114, National Health Service Corps Amendments of 1975.

H.R. 4114 provides for a 1-year simple extension through fiscal year 1975 of the National Health Service Corps program with an authorization of $16 million. The authorization for the program expired on June 30, 1974, and it is presently being funded by a 1-year continuing resolution for fiscal year 1975.

For fiscal year 1976, the bill authorizes $30 million. It makes some substantive revisions in the program. It authorizes the award of bonuses of up to $1,000 per month to members of the National Health Service Corps, in order that the monthly income of a member of the NHSC member may be competitive with the average monthly income of a member of the applicable profession with equivalent training. It also provides for the designation of medically underserved areas of populations, by the Secretary of HEW, and authorizes such areas to re-

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ceive health services from NHSC personnel in order to establish medical practice management systems, acquire equipment, and provide continuing education for NHSC personnel.

Mr. Speaker, I urge the adoption of House Resolution 417 in order that we may discuss, debate, and pass H.R. 4114.

Mr. LOTT. Mr. Speaker, the distinguished gentleman from Florida has explained the provisions of House Resolution 417, the rule allowing for 1 hour of general debate on H.R. 4114, the National Health Service Corps Amendments of 1975. I know of no serious objections to this body debating the bill, and I would hope that the rule as recommended by the authorizing committee would be approved.

The general purpose of H.R. 4114 is to revise through fiscal year 1976 and extend through fiscal year 1975 the National Health Service Corps program in an effort to solve the problems of geographic maldistribution of health manpower personnel. In order to do this, the legislation authorizes $16 million for fiscal year 1975 and $30 million for fiscal year 1976.

The major revisions called for by H.R. 4114 are as follows:

First. Authorization of bonus awards up to $1,000 per month to members of the NHSC to make their income competitive with other physicians in the area.

Second. Provision for the designation of medically underserved populations by the Secretary of HEW;

Third. Provision for the mandatory repayment of the Federal Government by an entity to which NHSC personnel are assigned, from collections it receives as a result of service provided by such personnel, the amount of any grant the entity has received, amounts equal to the pay of the NHSC members assigned to it, and the amount of scholarship assistance received by the NHSC assignee; and

Fourth. Authorization of grants of up to $25,000 to entities with approved applications for assignment of NHSC personnel in order to establish medical practice management systems, acquire equipment, and provide continuing education for the NHSC personnel.

Mr. Speaker, since my home State of Mississippi has the lowest physician population ratio in the Nation, I would urge the adoption of this rule, which will allow for 1 hour of general debate on H.R. 4114 and open the floor to all germane amendments.

Mr. PEPPER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 401, nays 0, not voting 32, as follows:

[Roll No. 188]

YEAS—401

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hastings
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nichols
Nix
Nolan
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman
Patten
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Quie
Quillen
Randall
Rees
Regula
Reuss
Rhodes
Richmond
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shuster
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—0

NOT VOTING—32

Anderson, Ill.
Crane
de la Garza
Eshleman
Frenzel
Goldwater
Gonzalez
Hawkins
Hébert
Hinshaw
Holt
Landrum
Lent
McCollister
McFall
Mink
Mollohan
Mosher
Neal
Nowak
Pettis
Pritchard
Railsback
Rangel
Riegle
Rinaldo
Shriver
Sikes
Teague
Van Deerlin
Wilson, Charles, Tex.
Young, Alaska

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Teague with Mr. Anderson of Illinois.
Mrs. Mink with Mr. Eschleman.
Mr. de la Garza with Mr. Lent.
Mr. Hébert with Mr. Rinaldo.
Mr. Rangel with Mr. Crane.
Mr. Riegle with Mr. Railsback.
Mr. Mollohan with Mr. Young of Alaska.
Mr. Sikes with Mr. Neal.
Mr. Van Deerlin with Mr. Shriver.
Mr. Charles Wilson of Texas with Mr. Frenzel.
Mr. McFall with Mr. Mosher.
Mr. Gonzalez with Mrs. Pettis.
Mr. Nowak with Mr. Goldwater.
Mr. Landrum with Mrs. Holt.
Mr. Hawkins with Mr. Hinshaw.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. PEPPER. Mr. Speaker, may I say in my personal capacity that on Monday, May 5, 1975, I was unavoidably detained and failed to make the vote on rollcall No. 176, H.R. 1244, having to do with the Presidential protection. I was detained by constituents in my office and

failed to get here in time. Had I been here, I would have voted "aye."

NATIONAL HEALTH SERVICE CORPS AMENDMENTS OF 1975

Mr. ROGERS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4114) to amend the Public Health Service Act to revise and extend the National Health Service Corps program.

The SPEAKER. The question is on the motion offered by the gentleman from Florida (Mr. Rogers).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4114), with Mr. Charles H. Wilson of California in the Chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Florida (Mr. Rogers) will be recognized for 30 minutes, and the gentleman from Kentucky (Mr. Carter) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Florida (Mr. Rogers).

Mr. ROGERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I call up today H.R. 4114, the National Health Service Corps Amendments of 1975.

This legislation provides a 1-year simple extension through fiscal 1975 of the National Health Service Corps program, which is presently being funded under continuing resolution at an authorization level of $16 million. H.R. 4114, however, does not affect the provisions of the scholarship training program which authorize the award of scholarships to health professions students who agree to join the National Health Service Corps in return for scholarship assistance. These provisions will be considered as part of the National Health Manpower Act of 1975 (H.R. 5546), which is presently pending consideration by the full Interstate and Foreign Commerce Committee.

Mr. Chairman, legislation which resulted in the establishment of the National Health Service Corps was first enacted in 1970 as the Emergency Health Personnel Act as a result of the geographical imbalance of physicians and other health professionals. The geographic maldistribution of health manpower represents one of the most serious barriers to access to quality health care in this Nation today. Increases in the supply of health professionals have not led to a more equitable distribution of health manpower. In fact, despite significant increases in total supply, the geographic maldistribution of health manpower has worsened in the past decade.

The national ratio of physicians to population is 156 physicians for every 100,000 people, or one physician for every 641 people. Although many experts believe that this ratio would be sufficient to meet many medical needs of this country, the distribution of physicians significantly hampers access to medical care for large segments of the population.

In 35 States, rural areas now have less than one-half of the per capita physician supply of urban areas. In 14 States, rural areas have less than one-third the urban supply. A recent HEW study indicates that the discrepancy in physician/population ratios between rural and urban counties worsened in 43 States between 1960 and 1970.

Through implementation of the Emergency Health Personnel Act and subsequent amendments thereto, a substantial number of voluntary physicians, dentists, nurses, and other health professionals have joined the Corps and have received assignments to practice their professions in critical health manpower shortage areas in the United States. This program represents the most effective legislative mechanism ever developed by the Congress to solve the growing problem of geographic maldistribution of health professionals.

It has already attracted 405 health professionals into rural and inner city areas experiencing acute health manpower shortages, and a substantial percentage of these professionals have remained in these areas after completing their assignments. The potential of this program is such that, if adequate funding for the program continues, it will undoubtedly serve to attract several thousand health professionals to provide much needed care to medically underserved populations in the foreseeable future.

The major substantive revisions made in the program effective in fiscal year 1976 would make the program more attractive to both health professionals and the communities in which they would serve. The following changes are proposed:

First. It authorizes the award of bonuses of up to $1,000 per month to members of the National Health Service Corps in order that the monthly income of the Corps member may be competitive with the average monthly income of a member of his or her profession with equivalent training and time in practice;

Second. It provides for the designation of medically underserved populations by the Secretary of HEW in lieu of the provisions of existing law, which authorize designation of medically underserved areas. Populations are eligible to receive health services from Corps personnel for periods of up to 4 years, with provisions for extension of this period;

Third. It provides that an entity to which Corps personnel are assigned must repay the Federal Government, from collections it receives as a result of service provided by such personnel, amounts equal to the pay of the Corps members assigned to it, the amounts of any grant the entity has received, and the amount of scholarship assistance received by a Corps assignee. A waiver of this provision is authorized in instances in which an entity is financially unable to comply or if compliance would unduly limit quality or services;

Fourth. It authorizes grants of up to $25,000 to communities or other entities with approved applications for assignment of Corps personnel in order to establish medical practice management systems acquire equipment, and provide continuing education for Corps personnel; and

Fifth. It continues, with revisions, the National Advisory Council on the National Health Service Corps.

Mr. Chairman, H.R. 4114 would extend and expand the Natinoal Health Service Corps program at levels reflecting its potential. If the authorizations under this act are fully funded, the Corps will be able to increase the number of assigned personnel to 551 by June of 1975, and to 826 by June of 1976. In addition, revisions proposed for fiscal 1976 would make the program more attractive to potential personnel and to medically underserved communities.

Because there is no authority for the Corps program for fiscal year 1976, the Office of Management and Budget has denied HEW requests that the present ceiling limitation on Corps field positions be raised from 405 positions to 551. These 146 new positions could be immediately filled by already approved physician and nurse applicants. By raising the present ceiling, health services will be made available to 50 additional communities which presently do not have such services. This legislation in no way affects health manpower policy which will be ready for consideration by this body within the next few weeks. It simply places the National Health Service Corps on a firm footing and avoids a 1-year delay in the provision of vital health services to 50 additional communities.

This is cost-effective legislation which deserves the support of every Member of ths body, and I urge its adoption.

Mr. CARTER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I join my colleagues from Florida in urging passage of H.R. 4114, the National Health Service Corps Amendments of 1975.

The Health Service Corps has meant much to the effort to provide primary health care to urban and rural areas. In southeastern Kentucky, that area I represent, nearly every community is medically underserved. This measure will assist the citizens of my district in attracting qualified medical personnel to the area.

The bill provides a simple extension of the present program through fiscal year 1975. It establishes a new, revised program for 1976.

Revisions in the program to take effect in 1976 are meant to improve upon a good thing. We have seen the program in operation, and we know, now, where some changes can be made for more effective, efficient use of resources and administration.

One most welcome revision in the program allows the Secretary to designate areas other than political subdivisions as underserved populations. Many communities which would not qualify for corps personnel under existing provisions would meet requirements under the revised law due to their isolation from existing medical facilities and personnel. This new provision will mean much to southeastern Kentucky, as I am sure it will for many other areas.

Already, this program has attracted 405 professionals to urban and rural areas. If this program receives its full authorization, that figure will increase to 551 by next month, and 826 a year from now.

The Health Service Corps program is cost effective. Authorizations for 1975 are $16 million. That figure goes up to $30 million in 1976. Funds loaned Service Corps personnel will be paid back in services. It is not the Federal give-away some may think.

The problem of maldistribution of health manpower has been of acute concern to Congress and the professions for years and the solutions are elusive. Convincing medical and other health graduates to practice their professions in remote or otherwise unattractive areas is not easy. It is understandable that after putting forth the mighty effort to attain a place in the health professions that a graduate should consider it his right to decide how he wants to use that training. Several things have been tried over the years to entice graduates into medically underserved areas. None have worked too well.

A few years ago, when the uniformed ranks of the Public Health Service were still being filled, it was decided that these health officers should be assigned to communities needing a doctor as well as to purely Federal installations and projects. It was the start of the National Health Service Corps concept. Once the draft had ceased and the emphasis upon the uniformed corps had waned for other reasons as well, the requests for assignment of doctors still flowed in. It was then that the idea of contracting with doctors to serve was conceived. It works.

The bill before us today is a straight extension of the authority needed to contract with and assign doctors to underserved areas. This is not the program which provides scholarships in medicine in return for obligated service. The recipients of these scholarships, however, will serve in the National Health Service Corps which is hereby continued.

H.R. 4114 provides for a 1-year simple extension and $16 million to finance it. The authority for this program expired last July, and it has been existing only by virtue of a continuing resolution since that time. This bill will legitimatize the program which has been in place and carry it through the remainder of fiscal year 1975.

For the fiscal year 1975, the bill provides a $30 million authorization and makes some substantive changes in the program which experience has indicated are necessary. First, there is a bonus provision which allows the payment to doctors assigned to communities up to $1,000 per month to make the income at least competitive with that of similarly situated doctors in private practice.

A most significant change provides for the designation of underserved populations rather than underserved areas. It has been amply demonstrated that within areas having statistically enough doctors will be pockets of population which have no medical service whatsoever. Everyone recognizes the desirabilty of getting the service to people who need it and the area is not important.

If a doctor is assigned to an entity which collects fees and payments for the services rendered by the assigned doctor, then that entity is required to pay back to the Federal Government the amounts it is paying the doctor and also any scholarship funds which have been advanced to educate that doctor. Waivers may be granted where appropriate.

When a doctor is assigned to a community which has had no medical service, it may be necessary to assist that community in acquiring equipment and setting up management systems. For this purpose, grants of up to $25,000 are authorized.

It might be pertinent to inquire why this aspect of medical manpower utilization has not been incorporated into legislation which deals with the general subject of health manpower. The answer is that it was incorporated into the health manpower bill which came from our committee in the 93d Congress. That bill was too late to make it, and the expired program was forced to limp along on the continuing resolution. In the 94th Congress, a health manpower bill has been making its way slowly through the committee process. It is now at the markup stage in the full committee. By the time it has gone the rounds and through conference, the program will have languished for a year. In addition, there are controversial aspects to the health manpower legislation which could become roadblocks to the continuation of this program which seems to be universally acceptable.

I recommend that the House accept and pass H.R. 4114.

I include the following:

H.R. 4114: NATIONAL HEALTH SERVICE CORPS AMENDMENTS OF 1975

H.R. 4114, as reported by the full Committee, provides for a simple one year extension of the present program through 1975 and continuation of a revised program in 1976.

Obligational authority for fiscal year 1975 and 1976 through H.R. 4114, NHSC amendments

NHSC program:	*Millions*
1975	16
1976	30

The major substantive changes made in the program by H.R. 4114 are as follows:

1. It authorizes the award of bonuses of up to one thousand dollars per month to members of the NHSC in order that the income could be competitive with the average monthly income of a member of the applicable profession with equivalent training and time in practice.

2. It provides for the designation of Medically Underserved Populations by the Secretary of HEW, in lieu of present provisions of law.

Populations are eligible to receive services of NHSC personnel for a period of four years with an extension possible.

3. The entity to which NHSC personnel are assigned must repay the Federal Government for collections it receives as a result of services performed, amounts paid members of the NHSC assigned there, the amount of the grant the entity has received, and the amount of scholarship received by the NHSC member.

A waiver is provided when an entity is financially unable to comply or if compliance would limit quality.

4. It authorizes grants of up to twenty five thousand dollars to communities or other entities with approved application for assignment of personnel to assist in establishing medical practice management systems, acquire equipment, and provide continuing education.

5. It continues with revisions, the National Advisory Council on the Nationl Health Service Corps.

"To say we're eliminating the shortage of physicians is playing with words. It won't make any difference if we do have 440,000 physicians by 1980 because they won't be where we need them. Unles we come up with acceptable incentives for rural practice and inner city practice, we're going to have the same (distribution) problem in 1980 that we do now."—Dr. Malcolm Todd, President, American Medical Association.

The program has already attracted 405 health professionals into rural and inner city areas experiencing acute manpower shortages.

The Potential of the program is such that it will serve to attract many to serve this medically underserved population. . . . If the program is fully funded, it will be able to increase the number of personnel assigned to 551 by June, 1975, and if the 1976 authorization is funded, that number can increase to 826 by June, 1976.

INFLATION IMPACT

The authorization of FY 1975 is 16 million dollars. which compares favorably with amounts already provided under continuing resolution.

The proposed authorizations represent .005 percent of the President's proposed budget for FY 1975 and .009 percent for the 1976 budget.

The authorizations represent .06 percent of the budget for health programs for FY 1975 and .11 percent for that budgeted for 1976.

It is cost effective. Unlike many Federal grant programs, the majority of funds appropriated to the NHSC program will be repaid to the Federal Government.

NHSC BUDGET HISTORY

Fiscal year	Authorization	Budget request	Appropriation	Obligation
1971	10	0	0	0
1972	20	10	12.574	8.58
1973	30	14.803	[1] 11	10.701
1974	25	11	13	12.574
1975		12.383	[1] 15.180	[2] 15.180

[1] Continuing resolution.

[2] HEW projection.

Mr. ROGERS. Mr. Chairman, I yield such time as he may desire to the distinguished chairman of the full committee, the gentleman from West Virginia (Mr. STAGGERS) who has been most supportive of this committee and who has helped us tremendously in getting the legislation to the floor.

Mr. STAGGERS. I thank the gentle- for yielding.

Mr. Chairman, I want to congratulate all of the members of the subcommittee for the work they have done. As usual, they have done their usual good jobs.

Mr. Chairman, I rise in support of the legislation and urge its overwhelming adoption by the House.

I have long been one of the most vigorous supporters of the National Health Service Corps which as my fellow Members know is the only Federal program designed to place doctors and nurses in communities which do not have them.

The legislation would extend the program for 1 additional year through 1975 with an authorization of $16 million and would then revise the program and extend it through 1976 with an authorization of $30 million. The revisions which are proposed by 1976 are designed to expand and strengthen the program in hopes that it will be able to attract more doctors and provide more assistance to the communities which receive the doctors in developing good practices for them.

This is good legislation which we wrote in the last Congress and were unable to enact because of our difficulty with the health manpower legislation. We are, therefore, bringing it forward as a separate proposal for extension through 1976 so that it will not be endangered by the time it takes us to complete consideration of health manpower.

It is a good bill and I urge your support for it.

Mr. ROGERS. I thank the gentleman for his strong support.

Mr. Chairman, I yield 1 minute to the gentleman from Missouri (Mr. SYMINGTON).

Mr. SYMINGTON. I thank the distinguished chairman for yielding.

I first would like to say on behalf, I am sure, of all of the members of the subcommittee, how grateful we are for the chairman's leadership on this bill and the tremendous job he did, which I think will have favorable impact across this country, from coast to coast.

Mr. Chairman, this year one of the first priorities for the House Public Health and Environment Subcommittee on which I serve was to extend the authorities for the National Health Service Corps. The bill before the House today, H.R. 4114, is the result of our efforts. The Service Corps legislation is designed to insure more equal distribution of professional health care. Last year, the corps established services in 206 communities across the Nation; about 85 percent of these practices were in rural areas and the remainder in medically underserved urban communities. Health professions students have grown reliant on the financial aid provided by this legislation in exchange for their commitments to practice in underserved areas. Further, many communities have grown dependent on the services of corps professionals. Today we must reaffirm our commitment to these students, to those currently serving in the corps, and to those communities benefiting from the corps' programs by passing H.R. 4114.

Mr. ROGERS. Mr. Chairman, I yield such time as he may desire to the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Chairman, I should like to commend the chairman of the subcommittee on this legislation.

Mr. Chairman, as one who has experienced firsthand the severe problems that maldistribution of physicians can cause, I heartily welcome the National Health Service Corps amendments. I believe the Corps to be a well-conceived idea which, with proper support from the administration, can provide the services of health care professionals to rural and inner-city communities without seriously impeding the progress of the lives of the people who must provide those services. In fact, the bill provides economic access to medical training to those who might otherwise be unable to afford such a regimen; by bringing the stipend to a more livable level, we encourage individuals of more modest means to participate, and by allowing repayment through working in medically deprived communities we do not saddle them with unmanageable debts for a substantial portion of their working lives. I am very pleased to note that the Committee on Interstate and Foreign Commerce projects a growth in this program of almost 300 percent over the next 3 years, from authorization of $16 million in fiscal year 1975 to $45 million in fiscal 1978. This kind of dynamic growth is necessary to fulfill the requirements of medical need in underserved communities.

I said that I had firsthand knowledge of this problem, and I would like to relate one of my experiences to the House. There is a rather substantial portion of my district which has been designated by the Secretary of Health, Education, and Welfare as critically short of doctors. This area has only one emergency medical facility, and it recently faced the necessity for closing due to a lack of medical personnel. Fortunately, the fortuitous location of Travis AFB nearby and the cooperation of the Air Force and individual Air Force physicians averted the closure by supplying physicians on a part-time basis to enable the emergency room to stay open. But for this circumstance, many of my constituents would be faced with the necessity of driving distances up to 40 miles for emergency treatment. As Members well know, other communities are not so fortunate as to have a resource of a major facility to fall back on, and would be left in a totally unsupportable position if faced with similar circumstances, as happens far too often.

Because the letters I received tell this story far more eloquently than I can, I would like to insert at this point in the RECORD correspondence I received from the cities of Rio Vista, Fairfield, and Vacaville which describe in detail the problem these communities faced in maintaining adequate medical service. It is the existence of problems such as this which prompt me to support this legislation.

The letters follow:

CITY OF RIO VISTA,
Rio Vista, Calif., January 15, 1975.

Re Civilian Employment of Air Force Physicians as Emergency Room Doctors at Intercommunity Memorial Hospital, Fairfield, Calif.

Hon. ROBERT L. LEGGETT,
Representative in Congress,
Washington, D.C.

DEAR CONGRESSMAN LEGGETT: The City Council at their regular meeting of January 9, 1975, voted to endorse the City of Fairfield's request for approval in obtaining the services of military physicians on their off hours from duty at Travis Air Force Base to work in the Emergency Room at Intercommunity Hospital, Fairfield, California.

The only Emergency Room available between Vallejo, California and the Davis-Secramento area, which also includes Rio Vista, is the Emergency Room at Intercommunity Memorial Hospital, Fairfield, California. As the Department of Health, Education, and Welfare has designated the Vacaville, Dixon and Rio Vista areas as critically short of physicians, a number of military physicians have indicated they would be willing to serve as Emergency Room Physicians if approval could be obtained from their Hospital Commander, Military Airlift Command and the Surgeon General of the United States Air Force.

As the physician shortage is critical and all Air Force requirements would be complied with, it is requested that any assistance you may give the City of Fairfield in obtaining permission from the Military Airlift Command Surgeon would be greatly appreciated.

It is emphasized, the military physicians, if granted permission for civilian practice, would work in the capacity of Emergency Room physicians only. Without help from the military, the Emergency Room may be forced to close which would cause a great problem in a number of Cities as well as rural areas.

Very truly yours,
GERALDINE MCCORMICK,
City Clerk.

CITY OF FAIRFIELD,
December 24, 1974.

Re. Civilian employment of Air Force Physicians as emergency room doctors, at Intercommunity Memorial Hospital, Fairfield, Calif.

Hon. ROBERT L. LEGGETT,
Representative in Congress,
Washington, D.C.

DEAR BOB: The Department of Health, Education, and Welfare has designated the Vacaville-Dixon-Rio Vista areas as critically short of physicians, eligible for Public Health Service physicians. These cities, as well as Fairfield, California, are primarily served by Intercommunity Memorial Hospital, Fairfield, California. Since the designation of these areas as "critically short of doctors", four additional physicians have left Fairfield, which was already short of physicians, as regards the physician: population ratio. The only Emergency Room available between Vallejo, California and the Davis-Sacramento area is the Emergency Room at Intercommunity Memorial Hospital, Fairfield, California.

Attempts to "recruit" civilian physicians by various means have been unsuccessful. Most of the physicians in Fairfield, as well as those in the Vacaville-Dixon-Rio Vista areas, are working from seventy to one hundred hours per week. It is literally impossible for a patient, who does not have an established family doctor, to obtain an appointment for a semi-urgent, much less an urgent, problem in less than four to six weeks. We can also add that a fair percentage of these "emergency" visits represent a workload incident to Air Force dependent and retired Air Force families who have elected to remain in this area.

The Solano County Medical Society, recognizing the critical shortage of physicians in this area, not only has no objections to "outside" physicians serving in the Emergency Room, but recognizes that employment of such physicians is essential if we are to continue to operate an Emergency Room service.

The David Grant U.S.A.F. Medical Center, at Travis Air Force Base, is a large Air Force hospital, with a fairly large number of physicians, many of whom have indicated that, upon separation from the military service, they intend to settle in this area, the prospect of which is considered to be invaluable as regards the future development of the Upper Solano County area. Numerous Air Force physicians have indicated that they would be perfectly willing to serve in the capacity of Emergency Room physicians, providing approval of such civilian employment (strictly in accordance with Air Force regulations) were approved by their Hospital Commander, Military Airlift Command, and the Surgeon General of the United States Air Force. In any case, it is obligatory that an officer on active duty obtain approval from Headquarters, Military Airlift Command, prior to (strictly in accordance with Air Force regulations) were approved by their Hospital Commander, Military Airlift Command, and the Surgeon General of the United States Air Force. In any case, it is obligatory that an officer on active duty obtain approval from Headquarters, Military Airlift Command, prior to engaging in civilian practice. The requirements for engagement in civilian practice by officers of the medical service of the Air Force are contained in AFM 168-4, Chapter II, Section D.

These requirements are well known to the Hospital Administrator of Intercommunity Memorial Hospital, as well as to the Emergency Room/Disaster Committee of Intercommunity Memorial Hospital (over fifty percent of the members of this Committee are ex-Air Force Hospital Commanders or retired Air Force Medical Officers). The Administrator of Intercommunity Memorial Hospital, Mr. Macias, has indicated to us that there would be no problem whatsoever in conforming to the specific requirements of AFM 168-4, insofar as the utilization of Air Force physicians as Strictly Emergency Room Physicians, is concerned. The only problem consists of obtaining administrative approval for volunteer Air Force physicians by Military Airlift Command.

It is our desire to cooperate completely with Air Force requirements. "Volunteers" from the David Grant U.S.A.F. Hospital have submitted a request, through channels, for approval of civilian practice in accordance with the appropriate Air Force Regulations. The Solano County Medical Society has unequivocally approved of the employment of Air Force physicians in this capacity. (See attached sample letter of approval.) The only "bind" consists in obtaining approval, through channels, from higher authorities. The Hospital Commander at the David Grant U.S.A.F. Hospital has been most understanding of our problems, but has indicated to Intercommunity Memorial Hospital that approval for civilian employment must be obtained from Military Airlift Command.

Our Physician shortage problem is critical. Unless the Military Airlift Command Surgeon will grant permission for civilian practice (Strictly as Emergency Room Physicians), the hospital may be forced to close the Emergency Room Department of Intercommunity Memorial Hospitals, and we can assure you, this would produce a panic in our city, and in the surrounding physician-shortage areas.

It is, therefore, requested that you intercede on our behalf, with the Air Force Surgeon General, as well as the Military Airlift Command), in attempting to obtain a favorable decision as regards employment of Air Force Physicians in our Emergency Room. Mr. Macias, Hospital Administrator of Intercommunity Memorial Hospital, as well as the Chief and members of the Emergency Room Department, are well acquainted with Air Force requirements and will abide rigidly to the limitations which have been designated in Air Force Regulations.

The future of this area is intimately bound to the ability of this area to provide.

In short, we have a dire need for outside support in this area of critical physician shortage. Anything that you can do to influence the Surgeon General, United States Air Force, or his subordinate, the Surgeon of Military Airlift Command would be very gratefully received by the citizens of this community.

Sincerely,

Manuel Campos,
Mayor.

City of Vacaville,
Vacaville, Calif., December 31, 1974.

Subject: Employment of Air Force physicians as emergency room doctors at Fairfield Intercommunity Memorial Hospital

Hon. Robert L. Leggett,
Representative in Congress,
Washington, D.C.

Dear Congressman Leggett: As you know the Vacaville area has been designated by the Department of Health, Education and Welfare as an area eligible for Public Health Service physicians. This designation simply means that we do not now have sufficient medical doctors to provide adequate service to our area. We—as a community—have been making every reasonable effort to bring additional physicians to our area. Although we have had some success, it has not been enough to eliminate the critical need for additional physicians in our area.

One major source of physicians which could be readily used by our community would be those at the David Grant Hospital at Travis Air Force Base. If these physicians could be permitted (subject to all military regulations) to work as Emergency Room physicians at the Fairfield Intercommunity Hospital it would be of immense help to the Vacaville/Fairfield communities.

We are hopeful that you might be able to emphasize to the Surgeon General, United States Air Force or his subordinate, the Surgeon General, United States Air Force or his subordinate, the Surgeon General of the Military Air Lift Command, that the need for Emergency Room physicians is critical in our area. Additionally we emphasize that this service would be on a paid voluntary basis. We are not asking the Air Force to provide physicians on duty time. We are only hopeful that if the Military Commanders grant permission for their medical officers to work "after hours," there will be some of the medical officers who will provide this critically needed service.

Thank you for any help you might be able to give our community on this matter.

Yours very truly,

William J. Carroll,
Mayor.

Mr. CARTER. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from New York (Mr. Hastings), who has been extremely helpful in formulating this legislation.

Mr. HASTINGS. I thank the gentleman for yielding.

Mr. Chairman, I join in support of H.R. 4114. As we proceed through the committee to reach the health manpower legislation that is complemented by the act that we are passing today, I might make the observation that if there is any possibility of solving this problem of providing health personnel in the underserved areas of this country, the passage of this act is extremely important to that overall objective. It is for that reason, Mr. Chairman, that I do strongly support this measure and urge the vote for favorable action on it.

Mr. CARTER. Mr. Chairman, I yield such time as he may consume to the gentleman from North Carolina (Mr. Broyhill), who also has been extremely helpful in the formulation of this legislation.

Mr. BROYHILL. Mr. Chairman, as an original sponsor of H.R. 4114, amendments to the National Health Service Corps Act, I rise in support of this legislation.

H.R. 4114 provides a simple 1-year extension through fiscal year 1975 of the National Health Service Corps program, and a 1-year substantive revision of the program through fiscal year 1976. The total authorization level is $46 million.

The bill will pay a monthy bonus of $1,000 to members of the National Health Service Corps, to make salaries comparable to that received by private physicians. It authorizes the Secretary of HEW to designate medically underserved populations to which NHSC members will be assigned for up to 4 years, with a provision to extend this period. Additionally, it provides grants up to $25,000 to communities to establish facilities for use by NHSC members; these grants must be repaid from collections received from patients.

I believe we are all aware of the geographic maldistribution problem in our health care delivery program. The National Health Service Corps program was begun as an attempt to help solve this problem. It has started to make a dent. But much more needs to be done.

The problem is acute in North Carolina, a largely rural State. The use of NHSC members, however, has made it possible for areas which have never before had a doctor to acquire one.

People who have never had an opportunity to receive proper medical care are able to do so because the National Health Service Corps has supplied a qualified physician.

The benefits derived from this program more than justify the authorization level. I would hope, therefore, that it will be agreed to.

Mr. ROGERS. Mr. Chairman, I yield such time as he may require to the distinguished gentleman from Florida (Mr. Pepper).

Mr. PEPPER. Mr. Chairman, I am strongly for this bill which my distinguished colleague has presented to the House. We all realize the need for more trained nurses, who render a very essential service in the treatment of people in this country. But there are two other areas that I think are also vitally important for the treatment of people.

One of them is the practical nurse, the person who does not get the compensation and does not have to have the training of the registered nurse or professional nurse and yet who can render a very important and very valuable service in the care of people particularly in nursing homes and particularly in private homes.

I have just spoken today with a distinguished citizen of Great Britain, Dr. Cozins who has a project at Oxford University where they save a great deal of public money by training members of families of people not desperately ill but who would otherwise be in institutions, to look after those ill in the homes. There may be cases where family members are not capable or available to look after their loved ones and that is a typical example where the practical nurse could render a service so much required.

Another area of kindred character is the elderly people, the senior aids. A great many of our elderly people need employment and they are ideally fitted to go into the homes of people who need care and assistance and serve those people in a way that will permit them to stay in the home and avoid the expense of staying in a hospital or nursing home, so that expense need not be incurred.

I am sure my distinguished colleague will agree those people can render a useful service. What Federal program or encouragement or assistance do we have or may we contemplate to provide services of people of that character?

Mr. ROGERS. I thank the gentleman for his comments. I think they are certainly well made.

It is true we are trying to document some of these programs under the health programs. There are some under the adult education and there are some under other programs, but they are necessary factors in the health personnel and they should be expanded and used, I agree with the gentleman completely .

Mr. PEPPER. If the gentleman will yield further—I know the magnificent contribution the gentleman and his committee have made to the rendition of health care to the people of this country, but if his committee will follow through in these areas I think he will render a great public service.

Mr. ROGERS. I thank the gentleman. We will try to check into these matters.

Mr. CARTER. I yield such time as he may consume to the distinguished gentleman fom Pennsylvania (Mr. Heinz).

Mr. HEINZ. I thank the gentleman for yielding.

Mr. Chairman, I just want to say the chairman of our committee, the gentleman from Florida (Mr. Rogers), and our ranking minority member, the gentleman from Kentucky (Mr. Carter), have done an excellent job in our view in bringing this legislation to the floor. The subcommittee has worked long and hard. The full committee under the chairmanship of the gentleman from West Virginia (Mr. Staggers) and the ranking minority member (Mr. Devine) have made very valuable contributions. I think the committee deserves a great deal of credit for having brought to the House what I consider to be a fine piece of legislation.

Mr. BADILLO. Mr. Chairman, I rise in support of H.R. 4114. I am pleased that the Interstate and Foreign Commerce Committee has seen fit to take additional steps to correct the serious problem of geographical maldistribution of doctors and other types of health professionals.

Previously, the National Health Service Corps., while intended to correct the problem of medical personnel shortage in currently underserved areas, had been limited in the types of populations which could be served. HEW regulations mandated that the eligible health manpower shortage areas have a primary care physican-to-population ratio of less than 1 to 4,000 and a dentist-to-population ratio of less than 1 to 5,000.

I am pleased to note that the committee has, in this legislation, recognized the problem of districts such as the one which I represent, specific neighborhoods which are pockets of poverty, with critical manpower shortages in the health field, but which have previously been ineligible for services because they are in the midst of areas which, for the purposes of the National Health Services Corps Act, were designated as having high physician-to-patient ratios. Testimony about the problem of the inner city in this regard, and studies of New York and other cities, have indicated that the physician supply has been decreasing over the past decade in poverty-stricken areas.

It is my hope that the legislation before us, by changing the criteria for designation of medically underserved populations, will bring increased health services to my district, and others like it, in which health care is so desperately needed.

Mr. ROGERS. Mr. Chairman, I have no further requests for time.

Mr. CARTER. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

EXTENSION OF CURRENT AUTHORITY THROUGH FISCAL YEAR 1975

Section 1. Section 329(h) of the Public Health Service Act is amended by striking out "and" after "1973;" and by inserting before the period a comma and the following: "and $16,000,000 for the fiscal year ending June 30, 1975".

REVISION OF NATIONAL HEALTH SERVICE CORPS PROGRAM

Sec. 2. (a)(1) Part C of title III of the Public Health Service Act is amended by inserting immediately below the heading for such part the following:

"Subpart I—General Provisions".

(2) Sections 331 and 332 of part D of such title are redesignated as sections 338 and 339, respectively.

(b) Part C of title III of the Public Health Service Act is amended by striking out section 329 and inserting in lieu thereof the following:

"Subpart II—National Health Service Corps Program

"NATIONAL HEALTH SERVICE CORPS

"Sec. 329. (a) There is established, within the Service, the National Health Service Corps (hereinafter in this subpart referred to as the 'Corps') which (1) shall consist of those officers of the Regular and Reserve Corps of the Service and such other personnel as the Secretary may designate, and (2) shall be utilized by the Secretary under this subpart to improve the delivery of health services to medically underserved populations.

"(b)(1) The Secretary shall conduct at medical and nursing schools and other schools of the health professions and at entities which train allied health personnel recruiting programs for the Corps. Such programs shall include the wide dissemination of written information on the Corps and visits to such schools and entities by personnel of the Corps.

"(2) The Secretary may reimburse applicants for positions in the Corps for actual expenses incurred in traveling to and from their places of residence to an area in which they would be assigned for the purpose of evaluating such area with regard to being assigned in such area. The Secretary shall not reimburse an applicant for more than one such trip.

"(3) Commissioned officers and other personnel of the Corps assigned under section 331 to provide health services for medically underserved populations shall not be included in determining whether any limitation on the number of personnel which may be employed by the Department of Health, Education, and Welfare has been exceeded.

"(c)(1) The Secretary shall, under regulations prescribed by him, adjust the monthly pay of each physician and dentist member of the Corps who is directly engaged in the delivery of health services to a medically underserved population as follows:

"(A) During the first thirty-six months in which such a member is so engaged in the delivery of health services, his monthly pay shall be increased by an amount (not to exceed $1,000) which when added to the member's monthly pay and allowance will provide a monthly income competitive with the average monthly income from an established practice of a member of such member's profession with equivalent training.

"(B) During the period beginning upon the expiration of the thirty-six months referred to in subparagraph (A) and ending with the month in which the member's monthly pay and allowances is equal to or exceeds the monthly income he received for the last of such thirty-six months, the member shall receive in addition to his monthly pay and allowances an amount which when added to such monthly pay and allowances equals the monthly income he received for such last month.

For purposes of subparagraphs (A) and (B), the term monthly pay' includes special pay received under chapter 5 of title 37 of the United States Code.

"(2) In the case of a member of the Corps who is directly engaged in the provision of health services to a medically underserved population in accordance with a service obligation incurred under the Public Health Service and National Health Service Corps Scholarship Training Program, the provisions of paragraph (1) shall apply to such member upon satisfactory completion of such service obligation and the first thirty-six months of his being so engaged in the delivery of health care shall, for purposes of paragraph (1)(A), be deemed to begin upon such satisfactory completion.

DESIGNATION OF MEDICALLY UNDERSERVED POPULATIONS:

"Sec. 330. (a) For purposes of this subpart—

"(1) the term 'medically underserved population' means (A) the population of an urban or rural area (which need not have to conform to the geographical boundaries of a political subdivision and which should be a rational area for the delivery of health services) which the Secretary determines has a critical health manpower shortage, or (B) a population group determined by the Secretary to have such a shortage; and

"(2) the term 'State' includes Guam, American Samoa, and the Trust Territory of the Pacific Islands.

"(b)(1) The Secretary shall designate the medically underserved populations in the States. In designating a medically underserved population, the Secretary shall take into account the following:

(A) The recommendations of each health systems agency designated under section 1515 for a health service area which includes all or any part of the area in which the population under consideration for designation resides.

"(B) If such area is within a health service area (or areas) for which no health systems agency has been designated, the recommendations of the State health planning and development agency designated under section 1521 for the State (or States) in which such area is located.

"(C) Ratios of available health manpower to the population under consideration for designation.

"(D) Indicators of the population's access to health services.

"(E) Indicators of the health status of the population.

"(F) Indicators of such population's need and demand for health services.

"(2) Any person may apply to the Secretary (in such manner as he may prescribe) for the designation (in accordance with the second sentence of paragraph (1)) of a population as a medically underserved population.

"ASSIGNMENT OF CORPS PERSONNEL

"SEC. 331. (a)(1) The Secretary may assign personnel of the Corps to provide, under regulations prescribed by the Secretary, health services for a medically underserved population only if—

"(A) the State health agency of each State in which such population is located or the local public health agency or any other public or nonprofit private health entity serving such population makes application to the Secretary for such assignment, and

"(B)(i) the local government of the area in which such population resides certifies to the Secretary that such assignment of Corps personnel is needed for such population, and

"(ii) any State and district medical, osteopathic, or dental society for such area, or any other appropriate health society (as the case may be) for such area, makes such a certification to the Secretary.

"(2) The Secretary may not approve an application under paragraph (1)(A) for an assignment unless the applicant agrees to enter into an arrangement with the Secretary in accordance with subsection (b) and has afforded—

"(A) each health systems agency designated under section 1515 for a health service area which includes all or any part of the area in which the population for which the application is submitted resides, and

"(B) if there is a part of such area within a health service area for which no health systems agency has been designated, the State health planning and development agency of the State (designated under section 1521) in which such part is located.

an opportunity to review the application and submit its comments to the Secretary respecting the need for and proposed use of the Corps personnel requested in the application. In considering such an application, the Secretary shall take into consideration the need of the population for which the application was submitted for the health services which may be provided under this subpart; the willingness of the population and the appropriate governmental agencies or health entities serving it to assist and cooperate with the Corps in providing effective health services to the population; and recommendations from medical, osteopathic, dental, or other health societies or from medical personnel serving the population.

"(3) If with respect to any proposed assignment of Corps personnel for a medically underserved population the requirements of subparagraphs (A) and (B) of paragraph (1) are met except for the certification required by subparagraph (B)(ii) of such paragraph and if the Secretary finds from all the facts presented that such certification has clearly been arbitrarily and capriciously withheld, the Secretary may, after consultation with appropriate medical, osteopathic, dental, or other health societies, waive the application of the certification requirement to such proposed assignment.

"(b)(1) The Secretary shall require as a condition to the approval of an application under subsection (a) that the entity which submitted the application enter into an appropriate arrangement with the Secretary under which—

"(A) the entity shall be responsible for charging in accordance with paragraph (3) for health services provided by the Corps personnel to be assigned;

"(B) the entity shall take such action as may be reasonable for the collection of payments for such health services, including if a Federal agency, an agency of a State or local government, or other third party would be responsible for all or part of the cost of such health services if it had not been provided by Corps personnel under this subpart, the collection, on a fee-for-service or other basis, from such agency or third party the portion of such cost for which it would be so responsible (and in determining the amount of such cost which such agency or third party would be responsible, the health services provided by Corps personnel shall be considered as being provided by private practitioners); and

"(C) the entity shall pay to the United States as prescribed by the Secretary for each calendar quarter (or other period as may be specified in the arrangement) during which any Corps personnel are assigned to such entity the sum of—

"(i) the pay (including amounts paid in accordance with 329(c)) and allowances of such Corps personnel for the portion of such quarter (or other period) during which assigned to the entity;

"(ii) if such entity received a grant under section 332 for the assistance period (as defined in subsection (c)) for which such personnel are assigned, an amount which bears the same ratio to the amount of such grant as the number of days in such quarter (or other period) during which any Corps personnel were assigned to the entity bears to the number of days in the assistance period after such entity received such grant; and

"(iii) if during such quarter (or other period) any member of the Corps assigned to such entity is providing obligated service pursuant to an agreement under the Public Health and National Health Service Corps Scholarship Training Program, for each such member an amount which bears the same ratio to the amount paid under such Program to or on the behalf of such member as the number of days of obligated service provided by such number during such quarter (or other period) bears to the number of days in his period of obligated service under such Program.

The Secretary may waive in whole or in part the application of the requirement of subparagraph (C) to an entity if he determines that the entity is financially unable to meet such requirement or if he determines that compliance with such requirement would unduly limit the ability of the entity to maintain the quality of the services it provides.

"(2) The excess (if any) of the amount collected by an entity in accordance with paragraph (1)(B) ever the amount paid to the United States in accordance with paragraph (1)(C) shall be used by the entity to expand or improve the provision of health services to the population for which the entity submitted an application under subsection (a) or to recruit and retain health manpower to provide health services for such population.

"(3) Any person who receives health services provided by Corps personnel under this subpart shall be charged for such services on a free-for-service or other basis at a rate approved by the Secretary, pursuant to regulations, to recover the value of such services; except that if such person is determined under regulations of the Secretary to be unable to pay such charge, the Secretary shall provide for the furnishing of such services at a reduced rate or without charge.

"(4) Funds received by the Secretary under an arrangement entered into under paragraph (1) shall be deposited in the Treasury as miscellaneous receipts and shall be disregarded in determining the amounts of appropriations to be requested under section 335 and the amounts to be made available from appropriations made under such section to carry out this subpart.

"(c) Upon approval of an application submitted under subsection (a) for the assignment of Corps personnel to provide health services for a medically underserved population, the Secretary may approve the assignment of Corps personnel for such population during a period (hereinafter in this subpart referred to as the 'assistant period') which may not exceed four years from the date of the first assignment of Corps personnel for such population after the date of the approval of the application. No assignment of individual Corps personnel may be made for a period ending after the expiration of the applicable approved assistance period.

"(d) Upon expiration of an approved assistance period for a medically underserved population, no new assignment of Corps personnel may be made for such population unless an application is submitted in accordance with subsection (a) for such new assignment. The Secretary may not approve such an application unless—

"(1) the application and certification requirements of subsection (a) are met;

"(2) the Secretary has conducted an evaluation of the continued need for health manpower of the population for which the application is submitted, of the utilization of the manpower by such population, of the growth of the health care practice of the Corps personnel assigned for such population, and of community support for the assignment; and

"(3) the Secretary has determined that such population has made continued efforts to secure its own health manpower, that there has been sound fiscal management of the health care practice of the Corps personnel assigned for such population, including efficient collection of fee-for-service, third-party, and other funds available to such population, and that there has been appropriate and efficient utilization of such Corps personnel.

"(e) Corps personnel shall be assigned to provide health services for a medically underserved population on the basis of the extent of the population's need for health services and without regard to the ability of the members of the population to pay for health services.

"(f) In making an assignment of Corps personnel the Secretary shall seek to match characteristics of the assignee (and his spouse (if any)) and of the population to which such assignee may be assigned in order to increase the likelihood of the assignee remaining to serve the population upon completion of his assignment period. The Secretary shall, before the expiration of the last nine months of the assignment period of a member of the Corps, review such member's assignment and the situation in the area to which he was assigned for the purpose of determining the advisability of extending the period of such member's assignment.

"(g)(1) The Secretary shall (A) provide assistance to persons seeking assignment of Corps personnel under this section, and (B) conduct such information programs in areas in which such populations reside as may be necessary to inform the public and private health entities serving those areas of the assistance available to such populations by virtue of their designation under section 330 as medically underserved.

"(2) The Secretary shall provide technical assistance to all medically underserved populations to which are not assigned Corps personnel to assist in the recruitment of health manpower for such populations. The Secretary shall also give such populations current information respecting public and private programs under which they may receive assistance in securing health manpower for them.

"PROVISION OF HEALTH SERVICES BY CORPS PERSONNEL

"SEC. 332. (a) In providing health services for a medically underserved population under this subpart, Corps personnel shall utilize the techniques, facilities, and organizational forms most appropriate for the area in which the population resides and shall, to the maximum extent feasible, provide such services (1) to all members of the population regardless of their ability to pay for the services, and (2) in connection with (A) direct health services programs carried out by the Service; (B) any other direct health services program carried out in whole or in part with Federal financial assistance; or (C) any other health services activity which is in furtherance of the purposes of this subpart.

"(b)(1) Notwithstanding any other provision of law, the Secretary (A) may, to the extent feasible, make such arrangements as he determines necessary to enable Corps personnel in providing health services for a medically underserved population to utilize the health facilities of the area in which the population resides and if there are no health facilities in or serving such area, the Secretary may arrange to have Corps personnel provide health services in the nearest health facilities of the Service or the Secretary may lease or otherwise provide facilities in such area for the provision of health services, (B) may make such arrangements as he determines are necessary for the use of equipment and supplies of the Service and for the lease or acquisition of other equipment and supplies, and (C) may secure the temporary services of nurses and allied health professionals.

"(2) If such an area is being served (as determined under regulations of the Secretary) by a hospital or other health care delivery facility of the Service; the Secretary shall, in addition to such other arrangements as the Secretary may make under paragraph (1), arrange for the utilization of such hospital or facility by Corps personnel in providing health services for the population, but only to the extent that such utilization will not impair the delivery of health services and treatment through such hospital or facility to persons who are entitled to health services and treatment through such hospital or facility.

"(c) The Secretary may make one grant to any applicant with an approved application under section 331 to assist it in meeting the costs of establishing medical practice management systems for Corps personnel, acquiring equipment for their use in providing health services, and establishing appropriate continuing education programs and opportunities for them. No grant may be made under this subsection unless an application therefor is submitted to, and approved by, the Secretary. The amount of any grant shall be determined by the Secretary, except that no grant may be made for more than $25,000.

"(d) Upon the expiration of the assignment of Corps personnel to provide health services for a medically underserved population, the Secretary may (notwithstanding any other provision of law) sell to the entity which submitted the last application approved under section 331 for the assignment of Corps personnel for such population equipment of the United States utilized by such personnel in providing health services. Sales made under this subsection shall be made for the fair market value of the equipment sold (as determined by the Secretary).

"REPORTS

"SEC. 333. The Secretary shall report to Congress no later than May 15 of each year—

"(1) the number and identity of all medically underserved populations in each of the States in the calendar year preceding the year in which the report is made and the number of medically underserved populations which the Secretary estimates will be designated under section 330 in the calendar year in which the report is made;

"(2) the number of applications filed under section 331 in such preceding calendar year for assignment of Corps personnel and the action taken on each such application;

"(3) the number and types of Corps personnel assigned in such preceding year to provide health services for medically underserved populations, the number and types of additional Corps personnel which the Secretary estimates will be assigned to provide such services in the calendar year in which the report is submitted, and the need (if any) for additional personnel for the Corps;

"(4) the recruitment efforts engaged in for the Corps in such preceding year, including the programs carried out under section 329 (b)(1), and the number of qualified persons who applied for service in the Corps in each professional category;

"(5) the total number of patients seen and patient visits recorded during such preceding year in each area where Corps personnel were assigned;

"(6) the number of health personnel electing to remain, after termination of their services in the Corps, to provide health services to medically underserved populations, the number of such personnel who do not make such election, and their reasons for not making such election;

"(7) the results of evaluations made under section 331(d)(2), and determinations made under section 331(d)(3), during such preceding year; and

"(8) the total amount (A) charged during such preceding year for health services by Corps personnel, (B) collected in such year by entities in accordance with arrangements under section 331(b), and (C) paid to the Secretary in such year under such arrangements.

"NATIONAL ADVISORY COUNCIL

"SEC. 334. (a) There is established a council to be known as the National Advisory Council on the National Health Service Corps (hereinafter in this section referred to as the 'Council'). The Council shall be composed of fifteen members appointed by the Secretary as follows:

"(1) Four members shall be appointed from the general public to represent the consumers of health care, at least two of whom shall be members of a medically underserved population for which Corps personnel are providing health services under this subpart.

"(2) Three members shall be appointed from the medical, dental, and other health professions and health teaching professions.

"(3) One member shall be appointed from a State health planning and development agency designated under section 1521, one member shall be appointed from a Statewide Health Coordinating Council under section 1524, and one member shall be appointed from a health systems agency designated under section 1515.

"(4) Three members shall be appointed from the Service, at least two of whom shall be members of the Corps directly engaged in the provision of health services for a medically underserved population.

"(5) Two members shall be appointed from the National Council on Health Planning and Development (established under section 1503).

The Council shall consult with, advise, and make recommendations to, the Secretary with respect to his responsibilities in carrying out this subpart, and shall review and comment upon regulations promulgated by the Secretary under this section subpart.

"(b)(1) Members of the Council shall be appointed for a term of three years and shall not be removed, except for cause. Members may be reappointed to the Council.

"(2) Members of the Council (other than members who are officers or employees of the United States), while attending meetings or conferences thereof or otherwise serving on the business of the Council, shall be entitled to receive for each day (including traveltime) in which they are so serving the daily equivalent of the annual rate of basic pay in effect for grade GS–18 of the General Schedule; and while so serving away from their homes or regular places of business all members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703(b) of title 5 of the United States Code for persons in the Government Service employed intermittently.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 335. To carry out the purposes of this subpart, there is authorized to be appropriated $30,000,000 for fiscal year 1976.".

(c)(1) The amendments made by subsections (a) and (b) of this section shall take effect July 1, 1975.

(2)(A) Any area for which a designation under section 329(b) of the Public Health Service Act (as in effect on June 30, 1975) was in effect on such date and in which National Health Service Corps personnel were, on such date, providing, under an assignment made under such section (as so in effect), health care and services for persons residing in such area shall, effective July 1, 1975, be deemed under subpart II of part C of title III of such Act (as added by subsection (b) of this section) to (i) be an area in which is located a medically underserved population (as defined by section 330 of such Act (as so added)), and (ii) be qualified under section 331 of such Act (as so added) for the assignment of Corps personnel unless, as determined under subparagraph (B) of this paragraph, the assistance period applicable to such area (within the meaning of such section 331) has expired.

(B) The assistance period (within the meaning of such section 331) applicable to an area described in subparagraph (A) of this paragraph shall be deemed to have begun on the date Corps personnel were first assigned to such area under section 329 of such Act (as in effect on June 30, 1975).

(C) In the case of any physician or dentist member of the Corps who was providing health care and services on June 30, 1975, under an assignment made under section 329(b) of such Act (as in effect on June 30, 1975), the number of the months during which such member provided such care and services before July 1, 1975, shall be counted in determining the application of the additional pay provisions of section 329(c) of such Act (as added by section (b) of this section) to such member.

(3) The amendment made by subsection (b) which changed the name of the Advisory Council established under section 329 of the Public Health Service Act (and placed the authority for the Advisory Council in section 334 of such Act) shall not be construed as requiring the establishment of a new Advisory Council under such section 334; and the amendment made by such subsection with respect to the composition of

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such Advisory Council shall apply with respect to appointments made by the Advisory Council after July 1, 1975, and the Secretary of Health, Education, and Welfare shall make appointments to the Advisory Council after such date in a manner which will bring about, at the earliest feasible time, the Advisory Council composition prescribed by the amendment.

REPORT AND STUDIES

SEC. 3. (a) The Secretary of Health, Education, and Welfare shall report to Congress (1) not later than October 1, 1975, the criteria used by him in designating medically underserved populations under section 330 of the Public Health Service Act, and (2) not later than January 1, 1976, the identity and number of medically underserved populations in each State meeting such criteria.

(b) The Secretary of Health, Education, and Welfare shall conduct or contract for studies of methods of assigning under section 331 of the Public Health Service Act (as added by section 2(b) of this Act) National Health Service Corps personnel to medically underserved populations and of providing health care to such populations. Such studies shall be for the purpose of identifying (1) the characteristics of health manpower who are more likely to remain in practice in areas in which medically underserved populations are located, (2) the characteristics of areas which have been able to retain health manpower, (3) personnel, and (3) the appropriate conditions for assignment of nurse practitioners, physician's assistants, and expanded function dental auxiliaries in areas in which medically underserved populations are located, and (4) the effect that primary care residency training in such areas has on the health care provided in such areas and on the decisions of physicians who received such training respecting the areas in which to locate their practice.

CONFORMING AMENDMENT

SEC. 4. (a) Section 741(f)(1)(C) of the Public Health Service Act is amended by striking out all that follows after "in a State" and inserting in lieu therof "in which is located a medically underserved population designated under section 330;".

(b) The amendment made by subsection (a) shall apply with respect to agreements entered into under section 741(f) of the Public Health Service Act after June 30, 1975.

Mr. ROGERS (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Page 3, strike out lines 12 through 15 and insert in lieu thereof the following: "for medically underserved populations shall not be counted against any employment ceiling affecting the Department of Health, Education, and Welfare."

Mr. ROGERS. Mr. Chairman, I ask unanimous consent that the committee amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. The Clerk will report the remaining committee amendments.

The Clerk read as follows:

Page 3, strike out "shall" in line 16 and insert in lieu thereof "may".

Page 4, beginning in line 1, strike out "competitive with" and all that follows down through and including line 3 and insert in lieu thereof the following: "competitive with the average monthly income from a practice of an individual who is a member of the profession of the Corps member, who has equivalent training, and who has been in practice for a period equivalent to the period during which the Corps member has been in practice."

Page 4, beginning in line 21, strike out "the provisions of paragraph (1) shall apply to such member" and insert in lieu thereof "the adjustment in pay authorized by paragraph (1) may be made for such a member only".

Page 5, line 7, strike out "have to".

Page 5, line 16, strike out "designating" and insert in lieu thereof "determining whether to designate a population as".

Page 5, line 22, insert "the" after "which".

Page 6, line 22, insert "only" after "population".

Page 13, line 24, strike out "expiration" and insert in lieu thereof "beginning".

Page 15, line 21, strike out "nurses" and insert in lieu thereof "physicians, nurses,".

Page 16, line 19, strike out "be made for" and insert in lieu thereof "exceed".

Page 18, line 21, insert "total" after "the".

Page 23, line 15, strike out ", (3)" and insert in lieu thereof "personnel, and (3)"; and strike out ", and" in line 18 and all that follows through line 22 and insert in lieu thereof a period.

Mr. ROGERS (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The committee amendments were agreed to.

The CHAIRMAN. Are there further amendments? If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MCFALL) having assumed the chair, Mr. CHARLES H. WILSON of California, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4114) to amend the Public Health Service Act to revise and extend the National Health Service Corps program, pursuant to House Resolution 417, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HASTINGS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 399, nays 4, not voting 30, as follows:

[Roll No. 189]

YEAS—399

Abdnor
Abzug
Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conlan
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis
Delaney
Dellums
Dent
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Goodling
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hastings
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta

Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman
Patten
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Quie
Quillen
Railsback
Randall
Rees
Regula
Reuss
Rhodes
Richmond
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shuster
Simon
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Zablocki
Zeferetti

NAYS—4

Burlison, Mo.
Collins, Tex.
McDonald
Symms

NOT VOTING—30

Adams
Anderson, Ill.
Barrett
Crane
de la Garza
Derrick
Esch
Eshleman
Gonzalez
Gradison
Hawkins
Hinshaw
Holt
Landrum
Lent
McCollister
Mink
Mollohan
Mosher
Pritchard
Rangel
Riegle
Rinaldo
Shriver
Sikes
Sisk
Teague
Van Deerlin
Wiggins
Young, Tex.

So the bill was passed.

The Clerk announced the following pairs:

Mrs. Mink with Mr. Hinshaw.
Mr. Teague with Mr. Mosher.
Mr. Hawkins with Mr. Wiggins.
Mr. Barrett with Mr. Rinaldo.
Mr. de la Garza with Mr. McCollister.
Mr. Rangel with Mr. Lent.
Mr. Van Deerlin with Mr. Shriver.
Mr. Sikes with Mrs. Holt.
Mr. Sisk with Mr. Anderson of Illinois.
Mr. Adams with Mr. Derrick.
Mr. Gonzalez with Mr. Esch.
Mr. Landrum with Mr. Crane.
Mr. Riegle with Mr. Eshleman.
Mr. Young of Texas with Mr. Gradison.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ROGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed and that the gentleman from California (Mr. LEGGETT) be permitted to include extraneous matter in his remarks.

The SPEAKER pro tempore. (Mr. MCFALL). Is there objection to the request of the gentleman from Florida?

There was no objection.

NURSE TRAINING ACT OF 1975

Mr. ROGERS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4115) to amend title VIII of the Public Health Service Act to revise and extend the programs of assistance under that title for nurse training.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. ROGERS).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 4115, with Mr. CHARLES H. WILSON of California in the Chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Florida (Mr. ROGERS) will be recognized for 30 minutes, and the gentleman from Kentucky (Mr. CARTER) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Florida (Mr. ROGERS).

Mr. ROGERS. Mr. Chairman, I call up today H.R. 4115, the Nurse Training Act of 1975. This legislation provides a simple 1-year extension through fiscal year 1975 of the nurse training authorities, which expired June 30, 1974, and which are presently being funded under continuing resolution. It also provides a 3-year substantive revision of the existing authority for fiscal years 1976, 1977, and 1978 with a total authorization of appropriations of $558 million. The provisions for fiscal years 1976 through 1978 are practically identical to a bill which passed the House last year but was vetoed by the President after the Congress adjourned. The committee has reduced authorization levels by $96 million from the 1974 levels in an effort to meet the President's objections. This does not, however, mean that the committee has reduced its commitment to the necessary effort to train fully qualified nurses.

Congress first took steps to reduce the critical national shortage of nurses and improve the quality of nursing education in 1966. Since that time, the Congress has, through enactment of several laws respecting nurse training, devised a Federal effort designed to assist nursing schools and students.

The Nurse Training Act of 1975 builds upon the strengths of existing law and makes some revisions directed at shortages of nursing personnel, the need for increasingly sophisticated nurse training and the need to attract more health professionals into rural areas.

Mr. Chairman, the proposed legislation would:

First. Continue the existing authority for grants for construction of teaching facilities for diploma, associate degree, and collegiate schools of nursing at $20 million for each of the next 3 fiscal years; and for loan guarantees and interest subsidies to assist in financing such construction at $1 million for each of the next 3 fiscal years.

Second. Continue existing authority for capitation support for schools of nursing at $50 million, $55 million and $60 million for fiscal years 1976, 1977, and 1978 respectively, and modify the capitation formula as it relates to level of support and the period for which different types of programs would be eligible for support. Baccalaureate schools would receive $400 for each student enrolled in the last 2 years of the educational program; associate degree schools would receive $275 for each student enrolled in the last year and a half of the educational program; and diploma programs would receive $250 for each student in each year of the educational program of such schools. In order to be eligible for capitation support each school must provide assurance that it will maintain existing enrollment levels and maintain non-Federal efforts. In addition, each school must either increase enrollment over a base year level or submit a plan to carry out one of four special programs aimed at improving the quality of and opportunities in the nursing profession.

Third. Continue the existing authority for financial distress grants to schools of nursing at $5 million for each of the next 3 fiscal years.

Fourth. Modify the existing authority for project grants to schools of nursing and authorize $15 million for each of the next 3 fiscal years.

Fifth. Add new authority to assist schools of nursing in establishment of advanced nurse training programs with authorizations of $15 million, $20 million and $25 million for fiscal years 1976, 1977 and 1978 respectively.

Sixth. Add new authority to assist schools of nursing in establishing programs for the training of nurse practitioners with authorizations of $15 million, $20 million and $25 million for each of the next 3 fiscal years.

Seventh. Continue the existing authority for traineeships for advanced training of professional nurses to become teachers, supervisors, clinical specialists and nurse practitioners at $15 million, $20 million, and $25 million over the next 3 fiscal years.

Eighth. Continue the existing authority for student loans at $25 million, $30 million and $35 million for fiscal years 1976, 1977, and 1978, respectively.

Ninth. Continue the existing program for scholarships for nursing students based on a statutory formula for allocation of funds.

Tenth. Require the Secretary of HEW to collect, analyze and report on a continuing basis, information respecting the supply and distribution of and requirements for nurses.

Eleventh. Prohibit the Secretary of HEW from delegating his authority to administer any program under this act to any officer in any regional office.

Mr. Chairman, the committee recognizes the need for fiscal economy in its consideration of existing programs. Whereas fully 85 percent of the funds authorized in fiscal year 1974 were for basic support of traditional nursing education, the proposed legislation represents a gradual shift toward support of innovative nursing education through special projects to improve geographic distribution, recruit individuals from disadvantaged backgrounds, provide continuing and remedial training for professional nurses and provide advanced training opportunities including the training of new nurse practitioners who will help to relieve current shortages of trained health professionals. By training professional nurses to perform many of the tasks traditionally performed by physicians, at less than one-third of the cost of training a physician, the implementation of this legislation should promote better health care for many Americans at a significantly lower cost. The bill before us today would continue Federal support to assure that the gain made in the supply of nurse manpower is not diminished and that progress can continue.

Mr. Chairman, as you know, the rule authorizes a waiver of points of order against section 222(e)(2) of the bill for failure to comply with the provisions of clause 5, rule XXI. This is necessary because the committee deleted, at the request of the Department of Health, Education, and Welfare, a requirement in existing law that the Secretary of HEW's authority to issue notes to the Secretary in order to discharge certain obligations be limited by appropriation acts. This action violates section 401(a) of the Budget Control Act which recently has been implemented by the Budget Committee. I will offer, on behalf of the committee, an amendment to reinstate that deleted provision.

Mr. Chairman, nurse training legislation deserves the support of every member of this body. I urge the adoption of the bill.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I am happy to yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I would like to speak in support of this bill.

Mr. Chairman and Members of the House, as a member of my State's health planning council I can speak with experience on the very great shortage of nurses in New Jersey. We have had some wards in our hospitals with only one nurse for 100 beds. The nursing need is acute. I hope very much that this bill will receive the support of the House.

Mr. ROGERS. Mr. Chairman, I thank the gentlewoman from New Jersey for her contribution. What the gentlewoman says is true of many, many of our States. In fact, 36 States have such a shortage.

Mr. Chairman, I now yield such time as he may consume to the gentleman from New Jersey (Mr. Florio), who is a member of the committee.

Mr. FLORIO. Mr. Chairman, the Nurse Training Act of 1971 has made it possible for us to approach the desired number of nurses needed to meet our ever increasing health requirements. Presently, we are considering passage of an extension of that program so that the accomplishments of the past 3 years will be continued.

This legislation has come under attack by the administration since its inception in 1971. However, a review of the progress being made in nursing and nursing education indicates that this is clearly a necessary and highly desirable program.

If this legislation is defeated, the effects on the nursing industry, nursing schools, and nursing students would be devastating. We must not allow this to happen.

Two new sections of this bill are also vital to the nursing profession. The nurse practitioner program, which will provide manpower for critical inner city and rural areas, should begin to address the primary health care needs of these people.

In addition, a priority need of the profession is graduate education, provided in this bill by the advanced training section. This addendum will help to alleviate the shortages of clinical nurse specialists who are increasingly sought by the health professionals and hospital staffs.

Now we have the opportunity to conscientiously continue the responsive approach this Congress has taken to meet the health needs of the American people. Let us not falter in this area which is so very essential to all of us; our physical well-being. I call on all of my colleagues to vote favorably on this bill so that its passage will be assured.

Mr. Chairman, I should like to take this time to commend the chairman of the subcommittee who has done a very fine job with regard to both pieces of legislation with which we have dealt today. I consider it a great pleasure to have served with him and look forward to serving with him on other good pieces of legislation.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

I should like to ask the gentleman from Florida: I notice in the Minority Views of the gentleman from Ohio (Mr. Devine) and the gentleman from Texas (Mr. Collins) the statement that the spending level of this legislation is $128.1 million more than the fiscal year 1976 budget request.

Last week we adopted a resolution here with certain levels of spending, and I should like to ask the gentleman, how does the excess budget authority in this bill fit in with that overall budget legislation that we adopted last week?

Mr. ROGERS. This is within the congressional budget.

Mr. BAUMAN. But it is not within the Presidential budget?

Mr. ROGERS. It is not within the President's budget, although we did try to accede to some of the President's concerns by cutting this bill over last year's by some $96 million. So we have tried to take into consideration the President's objections.

Mr. BAUMAN. I thank the gentleman.

Mr. ROGERS. Mr. Chairman, I now yield to the distinguished gentleman from West Virginia (Mr. Staggers) who has been a strong supporter of nurses' training and has done a tremendous job in helping this committee to bring forward legislation to provide more nurses for the Nation.

Mr. STAGGERS. I thank the gentleman from Florida for yielding.

Mr. Chairman, I rise in support of the legislation and urge its favorable consideration by the House.

This bill would extend existing nurse training programs with some modification for the 3 years, 1976–78. For this period it would authorize appropriations of $558 million for the various purposes of the act which includes: Capitation grants to nursing schools, construction grants for new teaching facilities, authority for assisting schools in the advanced training of nurses, support for new programs for training nurse practitioners, and continued support for nursing student loans and scholarships.

This legislation has already provided for the construction of over 200 new nursing schools and has assisted over 980 schools with the cost of actually educating their students. In addition, it is presently providing loan assistance to over 26,000 students each year. Our Nation needs a growing supply of nurses as our health care system expands and this legislation is vitally important to the creation of that supply.

I urge its enactment.

Mr. CARTER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the Nurse Training Act of 1975 is an extremely important piece of legislation providing continued Federal assistance to nursing students and to schools of nursing. As many of my colleagues here will remember, this House passed a similar measure during the last session of the Congress and it was pocket vetoed. Through this important legislation, nurses and nurse practitioners will be able to assist in meeting the needs of those rural and inner-city areas where their services are in such great demand.

The Commonwealth of Kentucky enjoys the services of one of the oldest and best examples of rural health care delivery. In the high hills of eastern Kentucky, situated near the community of Hyden, whose residents I represent, the Frontier Nursing Service continues to render invaluable service to the people of Appalachia. Founded in 1925 by Mary Breckinridge, the FNS has expanded its operations and now covers an area of 1,000 square miles with a population of 18,000. Mary Breckinridge was an ancestor of my distinguished colleague, the Honorable John Breckinridge.

Through the efforts of Mary Breckinridge, many English mid-wives came to this country to work with her in providing maternal health care to the women

of eastern Kentucky. Incidentally, the FNS will be celebrating its 50th anniversary this May 28. During the ceremonies in Frankfort, the featured speaker will be Lady Ramsbotham, wife of the distinguished Ambassador from Britain. Much of the celebration will center about the newly dedicated Mary Breckinridge Hospital and Health Center at Hyden.

Mr. Chairman, the people of the mountains are fortunate to benefit from this fine organization. I firmly believe that through the enactment of this legislation, the Congress and the Federal Government can work toward assuring that the type of quality care offered by the nurses of the FNS and other nursing organizations will be available to those areas in need.

There is that need. Estimates are that this country will need one million nurses this year. We are presently below that by some 50,000. We will need 1.1 million by 1980.

During the consideration of this legislation, the subcommittee cut $97 million from last year's authorization. The total authorization for this measure through fiscal year 1978 is $558 million.

The implementation of this bill should promote better health care for many Americans at a significantly lower cost. I urge its adoption.

In the 93d Congress, the Commerce Committee brought forth a Nurse Training Act which was accepted by the House, passed by the Senate, and presented to the President. It was vetoed. The bill before the House today is very much the same bill. Some minor changes have been made, but it is the same program. We are here to urge you to pass it once again. I cannot tell you that it will not now be vetoed. It may be.

The problem with the program is that the administration, for all intents and purposes, would like to scrap it. The Department of Health, Education, and Welfare is convinced that no program of nurse training is necessary and that we will get all of the nurses we need if we merely make student loans available in exactly the same manner as loans to other undergraduates. The profession feels otherwise. The committee has been convinced that it is not time to cut off the inducements and the various kinds of assistance to both the personnel and the schools which have resulted in the past few years in a dramatic increase in the numbers of nurses.

The nurse is the original paramedic. Nurses have worked with the medical profession over the years. They are respected and trusted by patients. Their role in health care has expanded greatly in recent years, and it is the purpose of this bill to expand it further. The concept of nurse practitioner which is embodied in this bill could be one of the major breakthroughs in solving or ameliorating the maldistribution of health manpower.

Even if students were flocking to the nursing schools without any unusual support, the program would still be necessary. The quality of the education offered to them is as important, if not more important, than the presence of warm bodies willing to be trained. The creation of supervisors and teaching nurses is as important as the student body and the larger that student body, the greater the need for well-educated, advance-trained nurses to guide them. All this presumes that no shortage of nurses will exist if we let well enough alone, but the information convincing to your committee indicates that we are 50,000 nurses short of our national goals at present and all indications point to the need for greater overall numbers in the future.

In the field of nursing, as in the field of medicine, there has come to be an increasing reliance upon foreign-trained personnel. This does help to alleviate the shortages, but it is not a trend which should be encouraged.

It is also intended to develop mechanisms to get nurses to the underserved populations. That again will require greater numbers than we presently anticipate training.

The bill before you today continues, in the main, the nurse training programs which have been in effect for some time. They consist of financial assistance to nursing schools in the form of capitation grants, postgraduate training, and assistance to undergraduates in the form of loans and scholarships. Since 1965, the schools participating in the loan program have increased from 426 to 1,151, and the number of students using the loan program has increased from 3,654 to 26,250. In addition, the scholarship program which is designed to assist students with exceptional financial need and disadvantaged backgrounds pursue a course of study in nursing has been helping up to 20,000 individuals.

There would seem to be no need to justify at length the nurse training program which we bring to you today. That was done previously, and there is nothing basically different. We do urge the House to accept the program once more, and we can at least hope that this time it will receive the blessing of the executive branch.

I include the following:

H.R. 4115—Nurse Training Act of 1975, as Approved by the Health Subcommittee, February 27, 1975

BACKGROUND

H.R. 4115 extends for 3 years authorizations for the existing Nurse Training Program (Authorizations expired June 30, 1974). This bill is very similar to H.R. 17085 which passed both Houses late in the 93rd Congress and was pocket vetoed by the President on January 2, 1975. A copy of a letter from HEW is attached. FY 1975 authorizations are deleted and left to the continuing resolution while FY 1978 authorizations are added.

SUMMARY

1. Construction Grants: FY 1976, $20 million; FY 1977, $20 million; FY 1978, $20 million.

2. Interest Subsidies: FY 1976, $1 million; FY 1977, $1 million; FY 1978, $1 million.

3. Capitation Grants:

A. Continues the existing program and modifies the capitation formula as follows:

(1) Collegiate: $400 per each undergraduate full-time student enrolled in each of the last two years.

(2) Associate: $275 per one-half the number of the full-time students enrolled in the first year and for each of the full-time students enrolled in the last year.

(3) Diploma: $250 per each full-time student enrolled.

B. Authorizations: FY 1976, $50 million; FY 1977, $55 million; FY 1978, $60 million.

4. Financial Distress Grants: FY 1976, $5 million; FY 1977, $5 million; FY 1978, $5 million.

5. Traineeships: FY 1976, $15 million; FY 1977, $20 million; FY 1978, $25 million.

6. Special Project Grants:

A. Amends the existing program to provide grants for the following:

(1) mergers of training programs.

(2) cooperative arrangements.

(3) new nurse training programs.

(4) increases nurse education opportunities for individuals from disadvantaged backgrounds.

(a) Not less than 10% of appropriated funds for any fiscal year are to be used for this purpose.

(5) continuing education.

(6) retraining opportunities.

(7) improved distribution by geographic area or by specialty group of trained nursing personnel (including bilingual personnel).

(8) upgrading skills of licensed vocational or practical nurses, nursing assistants, and other paraprofessional nursing personnel.

B. Authorizations: FY 1976, $15 million; FY 1977, $15 million; FY 1978, $15 million.

7. Advanced Nurse Training Programs:

A. Authorizes a *new* program of grants to collegiate nursing schools to assist in the establishment of advanced nurse training programs (i.e., training professional nurses as teachers, administrative supervisors).

B. Authorizations: FY 1976, $15 million; FY 1977, $20 million; FY 1978, $25 million.

8. Nurse Practioner Programs:

A. Authorizes a *new* program of grants to public or nonprofit schools of nursing, medicine, and public health, public or nonprofit private hospitals, and other public or nonprofit private entities to assist in the establishment of programs for the training of nurse practioners to provide primary health care (including pediatric and geriatric nurses).

B. Authorization: FY 1976, $15 million; FY 1977, $20 million; FY 1978, $25 million.

9. Student Loans: FY 1976, $25 million; FY 1977, $30 million; FY 1978, $35 million.

10. Scholarship Grants:

A. Continues the existing program with no line item authorization.

B. No specific authorization figures given.

11. Provides that the Secretary of HEW may delegate some of his authority to regional offices—Secretary make final grant decisions.

12. Requires Secretary of HEW to determine and report on a continuing basis on the supply and distribution of and requirements for nurses.

13. The letter from HEW does not reflect accurately the final figures as reported. The budget $32.9 million for FY 1976 compares with $161 million in the reported bill.

14. Total bill authorization: $558 million.

Mr. BRECKINRIDGE. Mr. Chairman, I rise in support of this legislation, and I thank the chairman for bringing it before the House.

I want, more particularly, though, and personally, and in my private capacity as a member of the board of trustees of the Frontier Nursing Service, to acknowledge the deep debt of gratitude which the people of Kentucky and the Frontier Nursing Service owe our colleague from Kentucky, the Honorable Tim Lee Carter. He has, to my personal knowledge, as a boy, as a young man, as a physician, as a personal friend, and as Congressman from his district over the years supported not only the people but also the activities of the Frontier

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Nursing Service in that area in taking care of the needs of the people.

Mr. Chairman, I wish to take advantage of this opportunity to personally extend to him my expression of appreciation.

Mr. ROGERS. I yield to the gentleman from New York (Mr. Biaggi) such time as he may consume.

Mr. BIAGGI. Mr. Chairman, I intended to offer an amendment today but withdrew it after I received the assurances of the chairman that he would see to it that its objective would be carried out in the final bill. For the purposes of discussing the intent of my amendment I would like to establish some colloquy. It has been my experience that when we leave the establishment of criteria to the agencies, that is oftentimes abused. The arrogance of bureaucracy has long been established. My amendment was designed to insure that the criteria which determine disadvantaged students under this act are equitable. More importantly, the amendment reflected my deep concern that many disadvantaged students are not taking advantage of educational opportunities such as those provided in this bill.

In the past, the Federal Government has applied the term "disadvantaged" to large racial and ethnic blocks such as Spanish-speaking Americans, blacks, Native Americans and Appalachian whites. In the process, we have lost sight of other disadvantaged groups in the Nation.

For example, in my own district and in cities across the Nation, many students of Italian American, Greek, Irish, and other ethnic descent have language and socioeconomic problems which effectively close the doors of education to them. They become high school dropouts and subsequently swell the ranks of the unemployed because they do not have the skills or the educational background to find steady work.

We are dealing today with legislation which seeks to provide nursing skills and training for qualified students. Under section 820(a)(3), the bill would provide moneys to increase nursing education opportunities for individuals from disadvantaged backgrounds as determined in accordance with criteria prescribed by the Secretary.

I would like for the Record to state my amendment would have provided the Congress with the opportunity to exercise its oversight function with respect to these criteria. It required the Secretary to report the criteria to Congress and it allowed Congress a period to consider, modify or reject the criteria before they became effective.

It is only through such congressional oversight of the executive branch that we can be certain that all disadvantaged students will be given a full opportunity to participate in the educational opportunities offered in H.R. 4115.

I would like to establish with the chairman for the record and further for the instruction perhaps and guidance of the Secretary, that the Secretary should apply the criteria across the board with equity. If the chairman will respond to that I will appreciate it.

Mr. ROGERS. Yes. I thank the gentleman for bringing this matter to the attention of the committee. The committee will check into this because it certainly is our intent that the disadvantaged program should be applied completely across the board without discrimination. We will check into this and ask for an accounting by the Secretary of HEW. If the gentleman has specifics in mind and if he will let the committee know of abuses, we will check into the specifics.

Mr. BIAGGI. I thank the gentleman.

I would hope, if the gentleman agrees, that the application of this bill the Secretary will normally provide funds to schools and for recruitment activities among the disadvantaged at all levels and in all portions of the United States.

Mr. ROGERS. We would hope there would be equity throughout the United States. I thank the gentleman for his contribution.

Mr. ANNUNZIO. Mr. Chairman, will the gentleman yield?

Mr. BIAGGI. I yield to my colleague, the gentleman from Illinois, from Chicago.

Mr. ANNUNZIO. Mr. Chairman, I commend the gentleman from New York for raising this point and I wish to say I agree with the gentleman and he is absolutely correct.

When we talk about people across the board, I assume, and I will be a lot more blunt than the gentleman from New York has been, because in my own city I have seen standards deteriorate because of not only the bureaucracy, but of the Federal courts, wherever there is Federal money involved.

I would like to mention as an example the police department in the city of Chicago, where I have seen a court decision made by a Federal judge in the northern district of Illinois where an entire examination of 2,000 was thrown out on the basis there was not enough spread between whites, blacks, and Chicanos. As a result, we have not had a policeman assigned in over 2 years and our crime rate has more than quadrupled.

I am assuming on this nursing business that it will be applied across the board, because it is pretty hard to tell who is poor and who is rich; I have more people applying for unemployment compensation in my district than at any other time. So I want to compliment the gentleman for raising this point. It is about time we stopped the quota basis. People ought to be recognized on the basis of need, regardless of the question of race, nationality, color, or age. The need should determine the ability of the Government to provide help to people across the board.

Mr. BIAGGI. Mr. Chairman, I thank the gentleman for his support.

I am, indeed, addressing myself to areas where we have pockets of poverty, where whole denominations would be eligible under this bill. I thank the gentleman and sincerely hope that we will pursue the Secretary in the event of any aberration.

Mr. ROGERS. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Louisiana (Mrs. Boggs), who has been most interested and most effective in helping us, in this legislation, to obtain nurses.

Mrs. BOGGS. Mr. Chairman, presently in my own State of Louisiana, there is a significant shortage of qualified nurses. Nurses are needed to staff hospitals and community health agencies throughout the State. Our several splendid nursing schools have embarked on programs to upgrade their basic education programs and to develop graduate programs to train specialists in new and innovative nursing fields.

We in Louisiana need the grants contained in this legislation to expand and improve nursing education programs, nursing traineeships, for student loans and scholarships, and for the interest subsidies for the construction of teaching facilities.

When an individual becomes hospitalized, it is the nurse who is responsible for identifying the needs of that individual. Only through proper education and training and continuing education programs can we be assured of the presence of the quality of nurse needed for critical care and early recognition of impending danger to the individual patient.

Without our favorable action on this legislation, the quality of health care in Louisiana and throughout the United States will be endangered.

Mr. Chairman, I urge the adoption of H.R. 4115.

Mr. CARTER. Mr. Chairman, I yield such time as he may consume to the gentleman from North Carolina (Mr. Broyhill).

Mr. BROYHILL. Mr. Chairman, I support the passage of H.R. 4115, the Nurse Training Act of 1975. Basically, this bill would continue existing programs for nurse training through fiscal year 1978.

The nurse training program has had a measure of success in increasing the number of nurses throughout the country. A similar bill was vetoed last year, after the Congress adjourned.

There has been a great deal of controversy over this bill because of the basic differences in policy between the administration and the Congress. The administration has said that we have enough nurses and we can now afford to terminate this program. On the other hand, the Interstate and Foreign Commerce Committee feels, and I agree, that there is still a need for more nurses, especially in the more rural areas of our country.

This is not the time to eliminate the nurse training program. As the Congress moves toward the implementation of a system of national health insurance, it must also consider how the health professions will deliver the health care provided under the system. One way is through the greater use of properly trained nurses. This bill assures us that we will continue to have an adequate supply of properly trained nurses.

I do believe, however, that the Health Subcommittee will have to take a look at the overall operation of the nurse training program in the next year or 2, to determine the total supply of nurses needed in the future. If it is shown that the need will not be as great as in the past, then the program can and should be tailored to fit our projected needs.

In the meantime, Mr. Chairman, we need to continue the Nurse Training Act and I would urge my colleagues to vote for this bill.

Mr. CARTER. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Ohio (Mr. Devine), the ranking Member of the Committee on Interstate and Foreign Commerce.

Mr. DEVINE. Mr. Chairman, I thank the gentleman from Kentucky for yielding me this time.

I hate to be a dog in the manger and break up this love feast. I do not think our colleagues here are necessarily intimidated by the lovely ladies in the powerful nurses' lobby; but this legislation, I am sure, will pass with a resounding vote.

I would be less than frank and candid if I did not point out that this is nearly identical with the bill that we passed last year and which the President vetoed. The President vetoed it, not because he is against nurses or nurses' training and the needs of our people, but because it does great violence to the budget. I do not know where anybody gets the idea that if we send the bill back to him again this year, since it is a new year, that the President will not veto it again. I have no assurance, I have no right to speak for the President in this regard.

I would point out to the Members of the Committee that this is $128.1 million above the budget. It is just that simple. Here we all were, on the same floor here last week talking about a balanced budget; the same Members who were saying that we will have no new spending programs are now ready to pass this by a tremendous vote.

I recognize that we have very fine capable people in the nursing profession and they are vitally concerned, but I would invite all my colleagues to look at the minority views of the gentleman from Texas (Mr. Collins) and myself, who have affixed our signatures to it and sincerely believe that such grants directly to teaching institutions are no longer necessary.

We say:

> We continue programs because they are there and at increasing levels of funding—never decreasing. Congress professes to be vitally concerned with cutting back spending and then rejects about 90 percent of the rescissions and deferrals presented by the Executive. In addition, it continues to authorize appropriations in a business-as-usual fashion.

A number of weeks ago we passed a bill, a tax cut bill which, in effect, reduced revenues by about $25 billion. Yet, we continue to spend and spend and spend, and then we are appalled when the Budget Committee comes up with a deficit. The President's figure was, I think, $52.3 billion over the budget. Our Budget Committee decided to hold things down and came up with a figure of $72 billion or $73 billion, even greater than the Senate, and yet we continue to spend above the budget. I would predict, regretfully, that we are going to have a deficit closer to $80 billion to $100 billion rather than what is estimated today. That is because of activity such as this.

The Department of Health, Education, and Welfare wrote a letter, and they say this:

> Moreover, the reported bill does not meet in any significant measure any of the programmatic issues which concern the Administration. Continued emphasis on capitation for this undergraduate field is costly, inefficient, and unnecessary. Capitation subsidies to encourage enrollment expansion are not needed in view of the sizeable increase in the aggregate supply of nurses already realized, as well as those projected to occur in the future. Moreover, the capitation mechanisms do not permit scarce Federal resources to be targeted on addressing the needs of schools and students in underserved areas. The construction authority in the bill is not needed, the general student assistance provisions are largely duplicative of existing undergraduate student assistance programs offered by the Office of Education and are unnecessary.

That is with reference to the remarks of one of our colleagues who thought this bill, if passed, the under-served areas will be included. This bill does not guarantee it in any sense of the word. It says:

> The construction authority in the bill is not needed, the general student assistance provisions are largely duplicative of existing undergraduate student assistance programs offered by the Office of Education and are unnecessary.

Finally, the minority views pointed out that continuation of grant programs because they are extremely popular with the recipients is not enough justification in present circumstances relating to the budget.

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. DEVINE. I yield to the gentleman from New York.

Mr. WYDLER. Mr. Chairman, is the $123 million in this bill included in the projections of the Budget Committee report we considered on the House floor last week?

Mr. DEVINE. I believe the gentleman from Florida suggested that it was included in the bill passed last week.

Mr. WYDLER. Can the gentleman also clarify for me whether there is in fact in our country a national shortage of nurses, or whether this is a localized problem?

Mr. DEVINE. I am not prepared to answer that. I associated myself with the minority views, but I would refer that question to the gentleman from Florida.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. DEVINE. I yield to the gentleman from Florida.

Mr. ROGERS. Mr. Chairman, I will say that there is a very great shortage. The American Hospital Association has just completed a survey which indicates a definite statewide shortage of nurses in 36 States. In the remaining 14 States, there are pockets of critical shortages, that affect health care in the Nation. There is a great shortage of nurses in this country, and this bill is designed to do something about it.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. CARTER. Mr. Chairman, I yield 1 additional minute to the distinguished gentleman from Ohio.

Mr. DEVINE. Mr. Chairman, I thank the gentleman from Kentucky for yielding to me.

In response to the gentleman from Florida—and I am sure he is an expert on this subject because he has devoted a great part of his congressional career to health services and in attempting to help the American people with regard to health problems—I believe HEW would disagree with him that there is indeed a shortage of nurses across the country.

I find it very difficult myself to be the kind of a person like Simon Legree kicking poor Liza across the ice, because I know this is a sacred cow, so to speak. Nursing is a great profession. They do great things for everybody.

Someone said, "You better not vote against this bill, because you might have to go to the hospital some day and you will be in bad shape with nurses."

I am willing to take that risk, because I think our country is in bad shape, and the reason it is in bad shape is because of inflation, and inflation is our fault here in Congress because we do not have the courage, the guts, to vote against anything. As long as it blows the budget by $128 million, I am going to vote against it, and I hope the President will veto it if it passes.

Mr. CARTER. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Massachusetts (Mr. Conte).

Mr. CONTE. Mr. Chairman, I want to thank my good friend from Kentucky, and I strongly support this bill.

Mr. Chairman, I rise in support of this bill to revise and extend the authorization for programs of assistance for nurse training.

There continues to be a need for additional numbers of registered nurses. Conservative estimates place the need at 1 million nurses in 1975 and 1.1 million nurses by 1980. Such estimates do not take into account the additional need which would result from passage of a national health insurance program. These statistics would indicate that there is an immediate need for about 100,000 additional nurses, with many more needed in future years.

The increasing complexity of health care resulting from scientific research, the rise in life expectancy, the expansion of health services made possible by insurance programs, all contribute to the demand for health manpower, including well-prepared registered nurses, able to adapt to changing needs and to help make essential health care available in all parts of the country and to all people.

The Nurse Training Act of 1971, of which this bill is essentially an extension, has significantly helped to meet the Nation's need for nurses.

Under the provisions of this act, more nurses have been able to get the advanced educational preparation they need for new and expanded responsibilities in pediatrics, nurse midwifery, family nursing, and other specialty areas.

Research into better methods of nursing care has brought benefits to patients throughout the country.

New teaching methods and cooperative projects among schools and between schools and local agencies have made nursing education accessible to more

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students and made possible the development of new educational programs closely geared to community needs.

In addition, more minority students have been able to prepare for careers in nursing, as well as more men and those from older age groups.

In short, Mr. Chairman, programs under the Nurse Training Act have permitted significant advances in health care delivery through the encouragement of greater numbers and quality of nursing professionals.

I think that it is clear that without continued Federal support, this progress cannot continue.

Among the excellent provisions of this bill, I would like to focus my colleagues' attention on the authorization of special project assistance. Grants and contracts under this section can include cooperative arrangements between hospitals and academic institutions, innovative nurse training programs, and continuing education and retraining programs for nurses.

In addition, as indicated by the committee's intent, an intent with which I wholeheartedly concur, special consideration should be given to programs in geriatric and pediatric nursing, and projects to improve the geographic distribution of nurses.

As my colleagues well know, a similar measure was pocket vetoed by the President at the end of the last Congress. I believe that this bill, with its lower level of authorization, is a more responsible bill, yet one which will not hamper efforts to provide the necessary manpower to our health care delivery system.

Mr. Chairman, I believe that this is an excellent program and an excellent bill, and I urge my colleagues' support for its adoption.

Mr. HAYES of Indiana. Mr. Chairman, the Nurse Training Act of 1975 (H.R. 4115) is of major importance to the health services of the United States.

This bill continues through 1978 the nurse training authorities of title VIII of the Public Health Services Act. Specifically it includes provisions for the continued support for schools of nursing throughout the Nation for special project grants, grants for advanced nurse training programs, nursing student loans and scholarships and support for the construction of teaching facilities.

Since the Federal Government began supporting nursing education in 1956 the number of professional nurses has increased dramatically. In 1956 the ratio of employed registered nurses to population was 259 nurses per 100,000 people. In 1975 the ratio was 361 per 100,000. Yet the American Nurses' Association estimates that we are meeting only 75 percent of the current need. This need has increased in recent years with continued population growth, the greater availability of health insurance, advances in the variety and complexity of health care treatments and equipment, and more emphasis on the importance of health education and prevention.

Yet the quantity of these professionals must not be our only concern. Advanced education in areas of speciality is a pressing need as treatment becomes more complex and specialized. The quality of the education of nurses must constantly improve to meet the advances in health care.

Since 1964, when the nurse training authorities of title VIII of the Public Health Service Act were established, more than $700 million has been awarded for student scholarships, loans, and traineeships, for construction and basic support for nursing education programs and for projects to improve nursing education and recruitment.

A specific example of the successful results of such Federal support is the Deaconess Hospital School of Nursing in Evansville, Ind. There the capitation grant funds have been used to develop projects that could not have been pursued without Federal assistance. At Deaconess Hospital audiovisual tutorial learning laboratories have been built to utilize the A–V material developed to enhance the quality of the curriculum. Students check out this A–V material and can progress at their own speed. Students are reported to learn much faster and more effectively by using these resources.

At Deaconess, capitation funds were also used to obtain new classroom equipment, to revise and expand the curriculum to accommodate a larger senior class, to employ an additional instructor and to finance part-time lecturers in areas of psychiatric nursing and nursing leadership.

At the University of Evansville School of Nursing in Evansville, Ind., the Nurses Training Act enabled the school administration to finance the construction of a three-story $3.2 million facility that includes laboratories for individual research, classrooms, seminar rooms, closed circuit television teaching aids and rooms for private counseling. Also $1.2 million of the funds for construction were furnished through the Nurse's Training Act.

The University of Evansville has also been able, through Federal funds, to establish a masters degree program in nursing and an upward educational mobility program for licensed practical nurses and nurse aides.

Many of the student nurses of the University of Evansville receive practical training in their chosen profession in the many inner-city clinics established with grants received through the Nurses Training Act. Besides being a learning resource for the students these clinics provide much needed health care to the poor and elderly of Evansville.

But more basic to this Federal program are the thousands of students across the Nation preparing for careers in the nursing field who receive direct financial support for their education.

One student at Deaconess said:

> My main reservation in entering nursing was a lack of money, but I talked with the school's Director, Miss Ellen Lynch, and she was convincing. She said financial help was available.

This student is a junior this year and to date has received $1,300 in loans and $1,650 in scholarships. As a former medic in the Army's Green Berets, he is married and has a 2-year-old son. The assistance he receives through the Nurses Training Act enables him to pursue his education which otherwise may have been deferred or never been initiated.

Another student, 25 and a mother of a 5-year-old son, lives with her parents who can provide no financial help for her education. She works part-time and is a full-time student who commutes 20 miles a day to the school. To date she has received $1,500 in loans and $1,000 in scholarships through the Nurses Training Act. As a senior, she realizes she could not have continued in the school without this Federal aid.

A third student in Evansville is a member of a family with eight children, three of whom are in postsecondary schools. Her parents are unable to help finance her education, but she has qualified for and has received $1,400 in loans and $1,200 in scholarships.

These are but a few examples of the good that has been accomplished by Federal assistance to the nursing profession through the Nurses Training Act. To halt this program—which is beneficial to the Nation through improved health care—would strike a blow to the progress made in this field.

Finally, the President has indicated he will veto this bill, as he did a similar bill during the last session of Congress. It is my hope that such a threat will be ignored by my colleagues. The education of thousands of deserving students, the progress of the nursing profession and the health care of the Nation are the issues here. I urge the Members of the House to vote favorably.

Mr. PRESSLER. Mr. Chairman, the Nurse Training Act of 1975 is a vitally important piece of legislation which would help fill the gaps in one of the few areas currently needing employees—the health services field.

I know the struggle many fine young men and women have when they wish to become nurses. I have two sisters who are both South Dakota nurses, and who graduated from South Dakota nursing schools. Through continued aid, as would be provided in the Nurse Training Act of 1975, we can provide the assistance these students need in order to further their education.

I have heard from the administrators of, and students in, nursing schools throughout the First District of South Dakota. The administrators have expressed their fear that if they no longer receive capitation grants, the quality of the education currently offered would rapidly deteriorate. Many students have told me their studies would be jeopardized if they are deprived of the aid provided by capitation grants. In rural areas where the doctor/patient ratio is often remarkably disproportionate in comparison with the ratio in urban locales, nurses could, and in fact often do, perform some of the functions traditionally associated with physicians. Therefore, I cannot overly stress the importance of the capitation grants provision of H.R. 4115 to South Dakota nursing schools and students.

Another insightful provision of this bill stresses the need for nurses with advanced training. Once again, the shortage of doctors in numerous areas of

the United States underscores the dire need for nurses who are capable of performing certain duties historically designated to a doctor's purview. With the advanced training and specialization provided by this bill, those in the nursing profession could help alleviate the problems concomitant with our country's chronic shortage of doctors.

The authorization contained in the Nurse Training Act of 1975 for special project assistance is a forward-looking consideration. I am most pleased the committee intends that a portion of these funds be used to promote nursing in pediatric and geriatric areas, as well as for projects to improve the geographic distribution of nurses.

I ask that my colleagues consider the long-run benefits the United States will garner from the passage of this bill. The quality and scope of training that would be available to our nursing students under H.R. 4115 would insure an adequate supply of competent men and women in the health care professions in the years to come.

Mr. LEGGETT. Mr. Chairman, I am glad to record my views again in today's health doubleheader.

Actually, I am sorry that it is necessary for us to have to consider this matter again. We passed a perfectly good bill in the 93d Congress which, unfortunately, the President felt the necessity to veto, and while his veto continues to have its effect, the effect is still not a good one. We are 50,000 nurses short of what the Public Health Service estimates to be our current requirements. In California, we are feeling the pinch. Our nurse-patient ratio is 334 per 100,000, well below the national average of 380 per 100,000, despite the fact that we licensed more graduates than all but two States last year. Many of our teaching facilities are dated, and the entire nurse training program continues in the limbo of a continuing resolution.

The Committee on Interstate and Foreign Commerce has obviously labored hard and long on this bill, and I am pleased to support its efforts. It is obvious to all of us that we have to have a nurse training program that does something other than just to stumble along from year to year and continuing resolution to continuing resolution. We must have a dynamic, expanding program to meet the country's expanding needs. The fact that the United States attracted and licensed over 9,000 foreign nursing graduates in 1972 alone, and that we are still 50,000 nurses short of current needs, should tell us all that we are not doing nearly enough about nurse training. This bill is a minimum requirement if we are to offer to our own citizens both the advantages of jobs and careers in medicine and the benefits of quality medical care.

Mrs. LLOYD of Tennessee. Mr. Chairman, despite the advances in increasing the supply of professional nurses and the improvements which have been realized in the education and training of nurses, this Nation still faces a nurse shortage. The U.S. Public Health Service estimates that in 1975 we are 50,000 nurses below the level of projected need.

As more of our senior citizens enter nursing homes, or require home health care services, this shortage will increase. The inevitability of some form of national health insurance will add more demands to increase the number of nurses in health professions.

Many of today's nursing graduates will find themselves moving more and more into the roles that were once reserved for doctors. Frequently, particularly in some of our rural areas, the nurse-practitioner is the only trained medical service provider available to the community. The continuing availability of qualified nursing professionals is essential to the well-being of these communities.

Nurses have used their improved training to expand into other responsible roles in which they are directly accountable for their actions. Nurse practitioners, for example, have gained increasing respect from the public and from physicians. The visibility of nurses in these roles have helped alert the public to the fact that the nurses are a new breed of health care professionals.

The future of the nurse profession will be closely tied as it has always been to patient needs. These needs are now undergoing dramatic changes as more and more Americans come to regard the availability of health care as a right and look to their governments for guarantees that medical attention will be available at a price they can afford.

Today, the Congress has before it a major piece of health care legislation. The Nurse Training Act of 1975. This legislation would provide for the continuation of nurse training programs through fiscal years 1976, 1977, and 1978. Included in the Nurse Training Act are sections calling for the establishment of advanced nurse training loans and grants, as well as scholarships and funding for construction of additional nurse training facilities. This legislation has my strong support and I urge my colleagues to join with me and vote for passage of the bill.

The importance of these programs is dramatically illustrated by the nurse-population ratios of some States. In Tennessee, there are 223 nurses for every 100,000 residents. The national average is 380 per 100,000. The highest ratio is in the District of Columbia where there are 673 nurses for every 100,000 residents.

In an effort to solve this problem of maldistribution of nurses, the Congress has added language to the Nurse Training Act to encourage the establishment and expansion of nursing education facilities in areas below the national average in nurse-population ratios.

I cite these figures to emphasize both the need for more, better trained, better educated nursing professionals, and the extent to which the Government is committed to meeting this need. But the end product of these programs can never be described in the figures and projections I have discussed. The contribution of nurses to the improved health care of our country cannot be exaggerated. We must continue to support the training and education of nursing professionals as part of our national effort to achieve a healthier America.

Mr. SYMINGTON. Mr. Chairman, the Nurse Training Act, H.R. 4115, before the House today, is an integral part of the Congress continuing effort to ameliorate two problems which currently impede adequate delivery of health care in America: Maldistribution and insufficient numbers of primary care health professionals. In an effort to address these problems, early this session, the House Public Health and Environment Subcommittee gave careful consideration to the Nurse Training Act which is before the House today.

In the past, nurse training legislation has been designed to provide students and schools of nursing with a thorough program of Federal assistance. This year's bill, H.R. 4115, builds on that program and includes revisions to improve the distribution of registered nurses in medically underserved areas. It would also make additional funds available to institutions training nurse practitioners to help meet our need for primary health care professionals.

It has been estimated that we spend 8 percent of our gross national product on health services. Despite this huge expenditure of resources, delivery of health care is not uniform. This year's nurse training bill is designed to distribute health services more equitably and to meet the critical need for primary health care. I am hopeful my colleagues will recognize these merits of the nurse training bill and today vote to affirm H.R. 4115.

Mr. DODD. Mr. Chairman, I rise in support of H.R. 4115, the Nurse Training Act of 1975. This legislation, which is very similar to the bill which I introduced in the beginning of this session on nurse training, would continue without change, for fiscal year 1975, the nurse training authority of title VIII of the Public Health Service Act and would continue the authorities for fiscal year 1976, 1977, and 1978 with modifications.

Last year, similar legislation was passed by Congress and vetoed by the President, leaving no authority in existence at present which would continue provisions of the Nurse Training Act for fiscal 1975. In view of the shortage of trained professional nurses which we are currently facing and which is expected to expand in the years to come, I urge the House of Representatives to vote its support of this legislation today.

Medical care in this country is at a deplorable level—the number of doctors and hospitals in the Nation is inadequate to even come close to meeting the needs of the people. In my district in Connecticut, there are only 8 hospitals providing 1,449 beds to care for the medical needs of 555,800. The doctor shortage is one of the worst in the entire Northeastern region. In New London, there is only 1 doctor for every 840 people and in Middletown there is only 1 doctor for every 590 people.

Nurses can and should play a primary role in changing this situation. The Nurse Training Act is one means by which we can properly develop and utilize nursing personnel to the fullest extent possible. The Nurse Training Act would provide $100 million in undergraduate student loan funds and $60 million in funding for advanced nurse training programs. By increasing the number of nurses and nurses with advanced training, this legislation would alleviate much of the work currently performed by greatly overworked physicians and consequently improve our primary medical care system substantially.

I would like to particularly emphasize the portion of the Nurse Training Act which authorizes funds for nurse practitioner programs. This legislation provides $60 million for fiscal years 1976, 1977, and 1978, for grants and contracts for the planning, development, and operation of training programs for nurse practitioners. The nurse practitioner is a relatively new concept in the nursing field, who has been trained to give independent care to individuals, provide basic diagnostic service, make decisions about treatment in collaboration with physicians, and provide routine care to patients. One very important aspect of a nurse practitioner's work is the training and counseling which the practitioner is able to give patients, in an extension of medical care from clinical service to preventive medical service. This type of medical care which the nurse practitioner gives has proven invaluable in rural and other underserved areas. Its inclusion in the Nurse Training Act will help meet the need for medical personnel in shortage areas, such as my district in Connecticut, and is an extremely vital part of the Nurse Training Act.

President Ford has said that he objects to the Nurse Training Act because "Such high Federal spending for nursing education would be intolerable at a time when even high priority activities are being pressed to justify their existence." Obviously, the President does not consider nurse training among his priority actvities. Here, I must disagree with the President. The simple fact is that the costs of medical care have increased at a greater rate than any other service or product in our economy. We are fast approaching the situation where basic medical care is too expensive for many Americans to afford.

Therefore, to the President's concern that we cannot afford to spend the money that the Nurse Training Act will require, I say that we cannot afford not to spend it. If we are going to assure that adequate health services are available to the people of this country, we must create the programs that will train the people we need. The Nurse Training Act is an important step in this direction.

Mr. ROGERS. Mr. Chairman, I have no further requests for time.

Mr. CARTER. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, pursuant to the rule, the Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; REFERENCE TO ACT

SECTION 1. (a) This Act may be cited as the "Nurse Training Act of 1975".

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

TITLE I—ONE-YEAR EXTENSION

EXTENSION OF EXISTING AUTHORITIES THROUGH FISCAL YEAR 1975

SEC. 101. (a) Section 801 (relating to construction grants) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(b) Section 806(i) (relating to capitation grants) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(c) Section 808 (relating to special project grants and contracts' and financial distress grants) is amended by striking out "for the fiscal year ending June 30, 1974" each place it occurs and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(d) Section 809 (relating to loan guarantees and interest subsidies) is amended—

(1) by striking out "1974" in subsections (a) and (b) and inserting in lieu thereof "1975", and

(2) by striking out "in the fiscal year ending June 30, 1974" in subsection (e) and inserting in lieu thereof "in the fiscal year ending June 30, 1974, or in the next fiscal year".

(e) Section 810(d) (relating to start-up grants) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(f) Section 860 (relating to scholarships) is amended—

(1) by striking out "next two fiscal years" in subsection (b) and inserting in lieu thereof "next three fiscal years",

(2) by striking out "1975" in that subsection and inserting in lieu thereof "1976",

(3) by striking out "1974" in that subsection and inserting in lieu thereof "1975",

(4) by striking out "the next two fiscal years" in subsection (c)(1)(A) and inserting in lieu thereof "the next three fiscal years",

(5) by striking out "1974" in subsection (c)(1)(B) and inserting in lieu thereof "1975", and

(6) by striking out "1975" in that subsection and inserting in lieu thereof "1976"

(g) Section 868(b) (relating to recruitment programs) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

TITLE II—REVISION AND EXTENSION OF PROGRAMS THROUGH FISCAL YEAR 1978

PART A—EFFECTIVE DATE

EFFECTIVE DATE

SEC. 201. Except as may otherwise be specifically provided, the amendments made by this title shall take effect July 1, 1975. The amendments made by this title to provisions of title VIII of the Public Health Service Act (hereinafter in this title referred to as the "Act") are made to such provisions as amended by title I of this Act.

PART B—CONSTRUCTION ASSISTANCE

EXTENSION OF GRANTS AND LOAN GUARANTEES AND INTEREST SUBSIDIES

SEC. 202. (a)(1) Section 801 is amended by striking out "and" after "1973,"; and by inserting before the period a comma and the following: "$20,000,000 for fiscal year 1976, $20,000,000 for fiscal year 1977, and $20,000,000 for fiscal year 1978".

(2) Effective with respect to grants for construction projects under part A of title VIII of the Act made from appropriations under section 801 of the Act, section 801(c)(1)(A) is amended (A) by inserting "(i)" after "proposed facilities", and (B) by inserting before the semicolon ", or (ii) in expanding the capacity of the school to provide graduate training".

(b)(1)(A) Subsections (a) and (b) of sections 809 are each amended by striking out "June 30, 1975" and inserting in lieu thereof "September 30, 1978".

(B)(i) The last sentence of subsection (a) of section 809 is amended (I) by striking out "(1)" and (II) by striking out all after "the project" and inserting in lieu thereof a period.

(ii) The amendment made by clause (i) shall apply with respect to loans guaranteed under subpart I of part A of title VIII of the Act after the date of the enactment of this Act.

(2) The second sentence of subsection (e) of such section is amended (A) by striking out "and" after "1973,", (B) by inserting after "the next fiscal year" a comma and the following: "$1,000,000 in fiscal year 1976, $1,000,000 in fiscal year 1977, and $1,000,000 in fiscal year 1978", and (C) by inserting a period after "Treasury" the second time it appears in the fourth sentence and by striking out the remainder of that sentence.

(c)(1) Subsection (a) of section 809 is amended by inserting "or the Federal Financing Bank" and "non-Federal lenders".

(2) Subsection (b) of section 809 is amended by inserting "or the Federal Financing Bank" after "non-Federal lender".

TECHNICAL AMENDMENTS

SEC. 203. (a)(1) Title VIII is amended by inserting after the heading for part A the following:

"Subpart I—Construction Assistance"

(2) The heading for part A is amended by striking out "GRANTS" and inserting in lieu thereof "ASSISTANCE".

(b) Section 809 is inserted after section 804 and is redesignated as section 805.

PART C—CAPITATION GRANTS

EXTENSION AND REVISION OF CAPITATION GRANTS

SEC. 205. (a) Section 808(a) is amended by striking out paragraphs (1) and (2) and inserting in lieu thereof the following:

"(1) Each collegiate school of nursing shall receive $400 for each undergraduate full-time student enrolled in each of the last two years of such school in such year.

"(2) Each associate degree school of nursing shall receive (A) the product of $275 and one-half of the number of full-time students enrolled in the first year of such school in such year, and (B) for each full-time student enrolled in the last year of such school in such year.

"(3) Each diploma school of nursing shall receive $250 for each full-time student enrolled in such school in such year."

(b) Subsections (c), (d), (e), and (f) of section 806 are repealed and the following new subsection is inserted after subsection (b):

"(c)(1) REQUIREMENTS FOR GRANTS.—The Secretary shall not make a grant under subsection (a) to any school of nursing in a fiscal year beginning after June 30, 1975, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that—

"(A) the first-year enrollment of full-time students in the school in the school year beginning after the fiscal year in which the grant applied for is to be made will not be less than the first-year enrollment of such students in the school in the preceding school year; and

"(B) that the school will expend in carrying out its function as a school of nursing, during the fiscal year for which such grant is sought, an amount of funds (other than funds for construction as determined by the Secretary) from non-Federal sources which is at least as great as the average amount of funds expended by such applicant for such purposes (excluding expenditures of a nonrecurring nature) in the three fiscal years immediately preceding the fiscal year for which such grant is sought.

The requirement of subparagraph (A) shall be in addition to the requirements of section 802(b)(2)(D), where applicable.

"(2) The Secretary shall not make a grant under subsection (a) to any school of nursing in a fiscal year beginning after June 30, 1975, unless one of the following requirements is met:

"(A) The application for such grant shall contain or be supported by reasonable assurances satisfactory to the Secretary that for the school year beginning after the close of the fiscal year in which such grant is to be made and for each school year thereafter beginning in a fiscal year in which such a grant is made the first year enrollment of full-time students in such school will exceed the number of such students enrolled in the school year beginning during the fiscal year ending June 30, 1975—

"(i) by 10 per centum of such number if such number was not more than one hundred, or

"(ii) by 5 per centum of such number if such number was more than one hundred.

"(B) The school has provided reasonable assurances satisfactory to the Secretary that it will carry out, in accordance with a plan submitted by the school to the Secretary and approved by him, one of the following programs in the school year beginning after the close of the fiscal year in which such grant is to be made and in each school year thereafter beginning in a fiscal year in which such a grant is made:

"(i) In the case of collegiate schools of nursing, a program for the training of nurse practitioners (as defined in section 822).

"(ii) A program under which students enrolled in a school of nursing will receive a significant portion of their clinical training in community health centers, long-term care facilities, and ambulatory care facilities geographically remote from the main site of the teaching facilities of the school.

"(iii) A program for the continuing education of nurses which meets needs identified by appropriate State, regional, or local health or educational entities (including health systems agencies).

"(iv) A program to identify, recruit, enroll, retain, and graduate individuals from disadvantaged backgrounds (as determined in accordance with criteria prescribed by the Secretary) under which program at least 10 per centum of each year's entering class (or ten students, whichever is greater) is comprised of such individuals.".

(c)(1) Section 806(i)(1) is amended by striking out "and" after "1973," and by inserting before "for grants" the following: "$50,000,000 for fiscal year 1976, $55,000,000 for fiscal year 1977, and $60,000,000 for fiscal year 1978".

(d) For fiscal year 1976, and for each of the next two fiscal years, there are authorized to be appropriated such sums as may be necessary to continue to make annual grants to schools of nursing under section 806(a) of the Act (as in effect on June 30, 1975) based on the number of enrollment bonus students (determined in accordance with subsections (c) and (d) of section 806 of the Act (as so in effect)) enrolled in such schools who were first-year students in such schools for school years beginning before June 30, 1975.

TECHNICAL AMENDMENTS

SEC. 206. (a) Subsections (g), (h), and (i) of section 806 are redesignated as subsections (d), (e), and (f) respectively.

(b) Subsection (b) of such section is amended by striking out "subsection (i)" and inserting in lieu thereof "subsection (f)".

(c) Title VIII is amended by inserting after section 805 (as so redesignated by section 102(b) of this Act) the following:

"Subpart II—Capitation Grants"

EFFECTIVE DATE

SEC. 207. The amendments made by this part shall take effect with respect to grants made under section 806 (redesignated as section 810 by title III of this Act) of the Act from appropriations under such section for fiscal years beginning after June 30, 1975.

PART D—FINANCIAL DISTRESS GRANTS

EXTENSION OF FINANCIAL DISTRESS GRANT PROGRAM

SEC. 209. Title VIII is amended by inserting after section 807 the following:

"Subpart III—Financial Distress Grants

"FINANCIAL DISTRESS GRANTS

"SEC. 815. (a) The Secretary may make grants to assist public or nonprofit private schools of nursing which are in serious financial straits to meet operational costs required to maintain quality educational programs or which have special need for financial assistance to meet accreditation requirements. Any such grant may be made upon such terms and conditions as the Secretary determines to be reasonable and necessary, including requirements that the school agree (1) to disclose any financial information or data deemed by the Secretary to be necessary to determine the sources or causes of that school's financial distress, (2) to conduct a comprehensive cost analysis study in cooperation with the Secretary, and (3) to carry out appropriate operational and financial reforms on the basis of information obtained in the course of the comprehensive cost analysis study or on the basis of other relevant information.

"(b)(1) No grant may be made under subsection (a) unless an application therefor is submitted to and approved by the Secretary. The Secretary may not approve or disapprove such an application except after consultation with the National Advisory Council on Nurse Training.

"(2) An application for a grant under subsection (a) must contain or be supported by assurances satisfactory to the Secretary that the applicant will expend in carrying out its functions as a school of nursing, during the fiscal year for which such grant is sought, an amount of funds (other than funds for construction as determined by the Secretary) from non-Federal sources which is at least as great as the average amount of funds expended by such applicant for such purpose (excluding expenditures of a nonrecurring nature) in the three fiscal years immediately preceding the fiscal year for which such grant is sought. The Secretary may, after consultation wtih the National Advisory Council on Nurse Training, waive the requirement of the preceding sentence with respect to any school if he determines that the application of such requirement to such school would be inconsistent with the purposes of subsection (a).

"(c) For payments under grants under this section there are authorized to be appropriated $5,000,000 for fiscal year 1976, $5,000,000 for fiscal year 1977, and $5,000,000 for fiscal year 1978.".

TECHNICAL AMENDMENT

SEC. 210. Sections 805 and 808 as in effect on June 30, 1975) are repealed.

PART E—SPECIAL PROJECT ASSISTANCE

SPECIAL PROJECT GRANTS AND CONTRACTS

SEC. 215. (a) Title VIII is amended by inserting after subpart III of part A (as added by section 209 of this Act) the following:

"Subpart IV—Special Projects

"SPECIAL PROJECT GRANTS AND CONTRACTS

"SEC. 820. (a) The Secretary may make grants to public and nonprofit private schools of nursing and other public or nonprofit private entities, and enter into contracts with any public or private entity, to meet the costs of special projects to—

"(1) assist in—

"(A) mergers between hospital training programs or between hospital training programs and academic institutions, or

"(B) other cooperative arrangments among hospitals and academic institutions,

leading to the establishment of nurse training programs;

"(2)(A) plan, develop, or establish new nurse training programs or programs of research in nursing education, or

(B) significantly improve curricula of schools of nursing (including curriculums of pediatric nursing and geriatric nursing) or modify existing programs of nursing education;

"(3) increase nursing education opportunities for individuals from disadvantaged backgrounds, as determined in accordance with criteria prescribed by the Secretary, by—

"(A) identifying, recruiting, and selecting such individuals,

"(B) facilitating the entry of such individuals into schools of nursing,

"(C) providing counseling or other services designed to assist such individuals to complete successfully their nursing education,

"(D) providing, for a period prior to the entry of such individuals into the regular course of education at a school of nursing, preliminary education designed to assist them to complete successfully such regular course of education,

"(E) paying such stipends (including allowances for travel and dependents) as the Secretary may determine for such individuals for any period of nursing education, and

"(F) publicizing, especially to licensed vocational or practical nurses, existing sources of financial aid available to persons enrolled in schools of nursing or who are undertaking training necessary to qualify them to enroll in such schools;

"(4) provide continuing education for nurses;

"(5) provide appropriate retraining opportunities for nurses who (after periods of professional inactivity) desire again actively to engage in the nursing profession;

"(6) help to increase the supply or improve the distribution by geographic area or by specialty group of adequately trained nursing personnel (including nursing personnel who are bilingual) needed to meet the health needs of the Nation, including the need to increase the availability of personal health services and the need to promote preventive health care; or

"(7) provide training and education to upgrade the skills of licensed vocational or practical nurses, nursing assistants, and other paraprofessional nursing personnel.

Contracts may be entered into under this subsection without regard to section 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(b) The Secretary may, with the advice of the National Advisory Council on Nurse Training, provide assistance to the heads of other departments and agencies of the Government to encourage and assist in the utilization of medical facilities under their jurisdiction for nurse training programs.

"(c) No grant or contract may be made under this section unless an application therefor has been submitted to and approved by the Secretary. The Secretary may not approve or disapprove such an application except after consultation with the National Advisory Council on Nurse Training. Such an application shall provide for such fiscal control and accounting procedures and reports, and access to the records of the applicant, as the Secretary may require to assure proper disbursement of and accounting for

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Federal funds paid to the applicant under this section.

"(d) For payments under grants and contracts under this section there are authorized to be appropriated $15,000,000 for fiscal year 1976, $15,000,000 for fiscal year 1977, and $15,000,000 for fiscal year 1978. Not less than 10 per centum of the funds appropriated under this subsection for any fiscal year shall be used for payments under grants and contracts to meet the costs of the special projects described in subsection (a)(3).

"ADVANCED NURSE TRAINING PROGRAMS

"Sec. 821. (a)(1) The Secretary may make grants to and enter into contracts with public and nonprofit private collegiate schools of nursing to meet the costs of projects to—

"(A) plan, develop, and operate,

"(B) significantly expand, or

"(C) maintain existing,

programs for the advanced training of professional nurses to teach in the various fields of nurse training, to serve in administrative or supervisory capacities, or to serve in other professional nursing specialties (including service as nurse clinicians) determined by the Secretary to require advanced training.

"(b) For payments under grants and contracts under this section there are authorized to be appropriated $15,000,000 for fiscal year 1976, $20,000,000 for fiscal year 1977, and $25,000,000 for fiscal year 1978.

"NURSE PRACTITIONER PROGRAMS

"Sec. 822. (a)(1) The Secretary may make grants to and enter into contracts with public or nonprofit private schools of nursing, medicine, and public health, public or nonprofit private hospitals, and other public or nonprofit private entities to meet the cost of projects to—

"(A) plan, develop, and operate,

"(B) significantly expand, or

"(C) maintain existing,

programs for the training of nurse practitioners.

"(2)(A) For purposes of this section, the term 'programs for the training of nurse practitioners' means educational programs which meet guidelines prescribed by the Secretary in accordance with subparagraph (B) and which have as their objective the education of nurses (including pediatric and geriatric nurses) who will, upon completion of their studies in such programs, be qualified to effectively provide primary health care, including primary health care in homes and in ambulatory care facilities, long-term care facilities, and other health care institutions.

"(B) After consultation with appropriate educational organizations and professional nursing and medical organizations, the Secretary shall prescribe guidelines for programs for nurse practitioners. Such guidelines shall, as a minimum, require—

"(i) a program of at least one academic year consisting of (I) supervised clinical practice and (II) at least four months (in the aggregate) classroom instruction, and that the program be directed toward preparing nurses to deliver primary health care; and

"(ii) a minimum level of enrollment in each year of not less than eight students.

"(b) No grant may be made or contract entered into to plan, develop, and operate a program for the training of nurse practitioners unless the application for the grant or contract contains assurances satisfactory to the Secretary that the program will upon its development meet the guidelines which are in effect under subsection (a)(2)(B); and no grant may be made or contract entered into to expand or maintain such a program unless the application for the grant or contract contains assurances satisfactory to the Secretary that the program meets the guidelines which are in effect under such subsection.

"(c) The costs for which a grant or contract under this section may be made may include costs of preparation of faculty members in order to conform to the guidelines established under subsection (a)(2)(B).

"(d) For payments under grants and contracts under this section there are authorized to be appropriated $15,000,000 for fiscal year 1976, $20,000,000 for fiscal year 1977, and $25,000,000 for fiscal year 1978.".

(b) Sections 810 and 868 are repealed.

GUIDELINES FOR NURSE PRACTITIONER TRAINING PROGRAMS

Sec. 216. The Secretary of Health, Education, and Welfare shall within ninety days of the date of the enactment of this Act prescribe the guidelines for nurse practitioner programs specified in section 822(a) of the Act (as added by section 215 of this Act).

Part F—Assistance to Nursing Students

EXTENSION OF TRAINEESHIPS

Sec. 221. (a) Subsection (a) of section 821 (as in effect on June 30, 1975) is amended to read as follows:

"(a) There are authorized to be appropriated $15,000,000 for fiscal year 1976, $20,000,000 for fiscal year 1977, and $25,000,000 for fiscal year 1978, to cover the costs of traineeships for the training of professional nurses—

"(1) to teach in the various fields of nurse training (including practical nurse training),

"(2) to serve in administrative or supervisory capacities,

"(3) to serve as nurse practitioners, or

"(4) to serve in other professional nursing specialties determined by the Secretary to require advanced training.".

(b) Effective with respect to grants under section 821 of the Act from appropriations under such section for fiscal years beginning after June 30, 1975, subsection (b) of section 821 (as so in effect) is amended by adding at the end thereof the following: "In making grants for traineeships under this section, the Secretary shall give special consideration to applications for traineeship programs which conform to guidelines established by the Secretary under section 822 (a)(2)(B).".

EXTENSION OF STUDENT LOAN PROGRAM

Sec. 222. (a) Section 822(b)(4) (as in effect on June 30, 1975) is amended by striking out "July 1, 1975" and inserting in lieu thereof "October 1, 1978".

(b) Effective with respect to periods of training to be a nurse anesthetist undertaken on or after the date of the enactment of this Act, section 823(b)(2)(B) is amended by inserting "(or training to be a nurse anesthetist)" after "professional training in nursing".

(c) Section 824 is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS FOR STUDENT LOAN FUNDS

"Sec. 824. There are authorized to be appropriated for allotments under section 825 to schools of nursing for Federal capital contributions to their student loan funds established under section 822, $25,000,000 for fiscal year 1976, $30,000,000 for fiscal year 1977, and $35,000,000 for fiscal year 1978. For fiscal year 1979, and for each of the next two succeeding fiscal years there are authorized to be appropriated such sums as may be necessary to enable students who have received a loan for any academic year ending before October 1, 1978, to continue or complete their education.".

(d) Section 826 is amended (1) by striking out "June 30, 1977" each place it occurs and inserting in lieu thereof "September 30, 1980", and (2) by striking out "September 30, 1977" and inserting in lieu thereof "December 31, 1980".

(e)(1) Section 827 is repealed.

(2) The nurse training fund created within the Treasury by section 827(d)(1) of the Act ahall remain available to the Secretary of Health, Education, and Welfare for the purpose of meeting his responsibilities respecting participations in obligations acquired under section 827 of the Act. The Secretary shall continue to deposit in such fund all amounts received by him as interest payments or repayments of principal on loans under such section 827. If at any time the Secretary determines the moneya in the funds exceed the present and any reasonable prospective further requirements of such fund, such excess may be transferred to the general fund of the Treasury.

(3) There are authorized to be appropriated without fiscal year limitation such sums as may be necessary to enable the Secretary to make payments under agreements entered into under section 827(b) of the Act before the date of the enactment of this Act.

EXTENSION OF SCHOLARSHIP PROGRAM

Sec. 223. Section 860 is amended—

(1) by striking out "1972 and, the next three fiscal years" in subsection (b) and in subsection (c)(1)(A) inserting in lieu thereof "1976 and, the next two fiscal years";

(2) by striking out "June 30, 1976" in the second sentence of subsection (b) and in subsection (c)(1)(B) and inserting in lieu thereof "September 30, 1979"; and

(3) by striking out "July 1, 1975" in the second sentence of subsection (b) and in subsection (c)(1)(B) and inserting in lieu thereof "October 1, 1978".

TITLE III—TECHNICAL AND CONFORMING AMENDMENTS

TECHNICAL AND CONFORMING AMENDMENTS

Sec. 301. (a)(1) Section 802 is amended—

(A) by striking out "this part" each place it occurs and inserting in lieu thereof "this subpart";

(B) by striking out "subsection 806(e) of this Act" in subsection (b)(2) and inserting in lieu thereof "section 810(c)";

(C) by striking out paragraph (5) of subsection (b) and inserting in lieu thereof the following:

"(5) the application contains or is supported by adequate assurances that all laborers and mechanics employed by contractors or subcontractors in the performance of work on a project will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 276a—276a–5, known as the Davis-Bacon Act), and the Secretary of Labor shall have with respect to such labor standards the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c).";

(D) by striking out "section 841 (hereinafter in this part referred to as the 'Council')" in the first sentence following paragraph (5) of subsection (b) and inserting in lieu thereof "section 851";

(E) by striking out the second sentence following such paragraph; and

(F) by striking out "above in paragraph (A)" in subsection (c)(1)(B) and inserting in lieu thereof "in subparagraph (A)".

(b)(1) Subsection (a) of section 803 is amended to read as follows:

"(a) The amount of any grant for a construction project under this subpart shall be such amount as the Secretary determines to be appropriate after obtaining the advice of the National Advisory Council on Nurse Training; except that—

"(1) in the case of a grant—

"(A) for a project for a new school,

"(B) for a project for new facilities for an existing school in cases where such facilities are of particular importance in providing a major expansion of training capacity, as determined in accordance with regulations, or

"(C) for a project for major remodeling or renovation of an existing facility where such project is required to meet an increase in student enrollment,

the amount of such grant may not exceed 75 per centum of the necessary cost of construction, as determined by the Secretary, of such project; and

"(2) in the case of a grant for any other project, the amount of such grant may not, except where the Secretary determines that unusual circumstances make a larger percentage (which may in no case exceed 75 per centum) necessary in order to effectuate the purposes of this subpart, exceed 67 per centum of the necessary cost of construction, as so determined, of the project with respect to which the grant is made.".

(2) Subsections (b) and (c) of section 803 are each amended by striking out "this part" and inserting in lieu thereof "this subpart".

(c) Section 804 is amended (1) by striking out "this part" and inserting in lieu thereof "this subpart", and (2) by redesignating paragraphs (a), (b), and (c) as paragraphs (1), (2), and (3), respectively.

(d) Section 805 (as redesignated by section 203(b)) is amended by striking out "this part" each place it occurs and inserting in lieu thereof "this subpart".

(e) Section 806 is redesignated as section 810.

(f) Section 807 is redesignated as section 811 and is amended—

(1) by striking out "section 805, 806, or 810" in subsections (a) and (c) and inserted in lieu thereof "this subpart";

(2) by striking out "part" in subsection (b) and inserting in lieu thereof "subpart";

(3) by amending paragraph (1) of subsection (c) to read as follows:

"(1) is from a public or nonprofit private school of nursing;"; and

(4) by striking out "those sections" each place it occurs in paragraphs (2) and (3) of such subsection.

(g)(1) Title VIII is amended by inserting after the heading for part B the following:

"Subpart I—Traineeships".

(2) Section 821 (as so designated on the day before the date of the enactment of this Act) is redesignated as section 830.

(3) Title VIII is amended by inserting after section 830 (as so redesignated) the following:

"Subpart II—Student Loans".

(h) Sections 822, 823, 825, 826, 828, and 830 (as so designated on the day before the date of the enactment of this Act) are amended as follows:

(1) Sections 822(a), 823, 825, 826, and 828 are each amended by striking out "this part" and inserting in lieu thereof "this subpart".

(2) Sections 822(a), 823(b), 823(c), 825 (b)(2), and 826(a)(1) are each amended by striking out "of Health, Education, and Welfare".

(3) Section 822(b)(2)(A) is amended by striking out "under this part" and inserting in lieu thereof "from allotments under section 838".

(4)(A) Section 825 is amended—

(i) by striking out "(whether as Federal capital contributions or as loans to schools under section 827)" in subsection (a); and

(ii) by striking out ", and for loans pursuant to section 827," in subsection (b)(1).

(B) Section 826(b) is amended by striking out "(other than so much of such fund as relates to payments from the revolving fund established by section 827(d))".

(C) Section 828 is amended by striking out "or loans."

(5) Section 830 is—

(A) transferred to section 823 and inserted after subsection (i) of such section; and

(B) is amended by striking out "Sec. 830. (a)" and inserting in lieu thereof "(j)".

(i)(1) Sections 822, 823, 824, 825, 826, 828, and 829 (as so designated on the day before the date of the enactment of this Act) are redesignated as sections 835, 836, 837, 838, 839, 840, and 841, respectively.

(2) Section 835 (as so redesignated) is amended (A) by striking out "829" each place it occurs and inserting in lieu thereof "841", and (B) by striking out "828" and inserting in lieu thereof "836".

(3) Section 837 (as so redesignated) is amended (A) by striking out "825" and inserting in lieu thereof "838", and (B) by striking out "822" and inserting in lieu thereof "835".

(4) Section 838 (as so redesignated) is amended by striking out "824" each place it occurs and inserting in lieu thereof "837".

(5) Section 839 (as so redesignated) is amended by striking out "822" each place it occurs and inserting in lieu thereof "835".

(6) Section 841 (as so redesignated) is amended (A) by striking out "822" and inserting in lieu thereof "835", and (B) by striking out "part D" and inserting in lieu thereof "subpart III of this part".

(j)(1) Part D of title VIII is inserted after subpart II of part B of such title; sections 860 and 861 are redesignated as sections 845 and 846, respectively; and the heading for such part is amended to read as follows:

"Subpart III—Scholarship Grants to Schools of Nursing".

(2) Section 845(a) (as so redesignated) is amended by striking out "this part" and inserting in lieu thereof "this section".

(3) Section 853 (as so redesignated) is amended (A) by striking out "this part" the first time it occurs and inserting in lieu thereof "section 845", and (B) by striking out "to the sums available to the school under this part for (and to be regarded as) Federal capital contributions, to be used for the same purpose as such sums" and inserting in lieu thereof "to the student loan fund of the school established under an agreement under section 835. Funds transferred under this section to such a student loan fund shall be considered as part of the Federal capital contributions to such fund".

(4) Section 869 is repealed.

(k)(1) Sections 841, 842, 843, 844, and 845 (as so designated on the day before the date of the enactment of this Act) are redesignated as sections 851, 852, 853, 854, and 855, respectively.

(2) Section 851 (as so redesignated) is amended (A) by striking out "part A of applications under section 805" in subsection (a)(2) and inserting in lieu thereof "subpart I of part A, of applications under section 805, and of applications under subpart III of part A"; (B) by striking out subsection (b); (C) by striking out "(a)(1)" and inserting in lieu thereof "(a)"; and (D) by striking out "(2)" and inserting in lieu thereof "(b)".

(3) Section 853 (as so redesignated) is amended—

(A) by striking out "part A" in paragraph (f) and inserting in lieu thereof "subpart I of part A";

(B) by striking out "806" in paragraph (f) and inserting in lieu thereof "810";

(C) by striking out "part B" each place it occurs in paragraph (f) and inserting in lieu thereof "section 835";

(D) by striking out "825" in paragraph (i) and inserting in lieu thereof "838";

(E) by redesignating paragraphs (a) through (j) as paragraphs (1) through (10) respectively;

(F) by redesignating clauses (1), (2), and (3) of paragraph (6) (as so redesignated) as clauses (A), (B), and (C), respectively.

(G) by redesignating subclauses (A) and (B) of such paragraph (6) as subclauses (i) and (ii), respectively; and

(H) by redesignating clauses (1) and (2) of paragraph (9) (as so redesignated) as clauses (A) and (B), respectively.

(4) Part C is amended by adding at the end thereof the following:

"DELEGATION

"Sec. 856. The Secretary may delegate the authority to administer any program authorized by this title to the administrator of a central or regional office or offices in the Department of Health, Education, and Welfare, except that the authority—

"(1) to review, and prepare comments on the merit of, any application for a grant or contract under any program authorized by this title for purposes of presenting such application to the National Advisory Council on Nurse Training, or

"(2) to make such a grant or enter into such a contract,

shall not be further delegated to any administrator of, or officer in, any regional office or offices in the Department.".

EFFECTIVE DATE

Sec. 302. The amendments made by section 301 shall take effect July 1, 1975. Except as otherwise specifically provided, the amendments made by section 301 to provisions of title VIII of the Act are made to such provisions as in effect July 1, 1975, and as amended by title II of this Act.

TITLE IV—MISCELLANEOUS

INFORMATION RESPECTING THE SUPPLY AND DISTRIBUTION OF AND REQUIREMENTS FOR NURSES

Sec. 401. (a)(1) Using procedures developed in accordance with paragraph (3), the Secretary of Health, Education, and Welfare (hereinafter in this section referred to as the "Secretary") shall determine on a continuing basis—

(A) the supply (both current and projected and within the United States and within each State) of registered nurses, licensed practical and vocational nurses, nurse's aides, registered nurses with advanced training or graduate degrees, and nurse practitioners;

(B) the distribution, within the United States and within each State, of such nurses so as to determine (i) those areas of the United Statea which are oversupplied or undersupplied, or which have an adequate supply of such nurses in relation to the population of the area, and (ii) the demand for the services which such nurses provide; and

(C) the current and future requirements for such nurses, nationally and within each State.

(2) The Secretary shall survey and gather data, on a continuing basis, on—

(A) the number and distribution of nurses, by type of employment and location of practice;

(B) the number of nurses who are practicing full time and those who are employed part time, within the United States and within each State;

(C) the average rates of compensation for nurses, by type of practice and location of practice;

(D) the activity status of the total number of registered nurses within the United States and within each State;

(E) the number of nurses with advanced training or graduate degrees in nursing, by specialty, including nurse practitioners, nurse clinicians, nurse researchers, nurse educators, and nurse supervisors and administrators; and

(F) the number of registered nurses entering the United States annually from other nations, by country of nurse training and by immigrant status.

(3) Within six months of the date of the enactment of this Act, the Secretary shall develop procedures for determining (on both a current and projected basis) the supply and distribution of and requirements for nurses within the United States and within each State.

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(b) Not later than February 1, 1977, and February 1 of each succeeding year, the Secretary shall report to the Congress—

(1) his determinations under subsection (a)(1) and the data gathered under subsection (a)(2);

(2) an analysis of such determination and data; and

(3) recommendations for such legislation as the Secretary determines, based on such determinations and data, will achieve (A) an equitable distribution of nurses within the United States and within each State, and (B) adequate supplies of nurses within the United States and within each State.

(c) The Office of Management and Budget may review the Secretary's report under subsection (b) before its submission to the Congress, but the Office may not revise the report or delay its submission, and it may submit to the Congress its comments (and those of other departments or agencies of the Government) respecting such report.

Mr. ROGERS (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendments: Page 4, line 21, strike out "801" the second time it appears and insert in lieu thereof "802".

Page 8, line 21, insert ", or ten students, whichever is greater," after "number".

Page 18, line 10, insert "for registered nurses (irrespective of the type of nursing school in which the nurses received their training)" after "programs".

On page 18, strike out line 18 and all that follows down through and including line 4 on page 19, and insert the following:

"(B) After consultation with appropriate educational organizations and professional nursing and medical organizations, the Secretary shall prescribe guidelines for programs for the training of nurse practitioners. Such guidelines shall, as a minimum, require that such a program—

"(i) extend for at least one academic year and consist of—

"(I) supervised clinical practice, and

"(II) at least four months (in the aggregate) of classroom instruction,

directed toward preparing nurses to deliver primary health care; and

"(ii) have an enrollment of not less than eight students."

Page 19 insert "for a project" after "entered into" in lines 5 and 11.

Page 22, line 8, immediately before "and" insert "in subsection (b)".

Page 23, line 5, strike out "and" and insert in lieu thereof ", and for each of".

Page 23, line 7, strike out "and" and insert in lieu thereof ", and for each of".

Page 27, line 4, insert "and inserting in lieu thereof 'this subpart'" after "subsection" and before the period.

Page 27, line 18, insert "each place it occurs" immediately before "and".

Page 31, line 8, strike out "(i)" and insert in lieu thereof "(f)".

Mr. ROGERS (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendments be considered as read, considered en bloc and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS. Mr. Chairman, these amendments are technical in nature, all except for the one which is conforming, the amendment on page 18, which just makes it clear that all registered nurses, irrespective of the type of school in which they received their training, will be eligible as nurse practitioners.

The CHAIRMAN. The question is on the committee amendments.

The committee amendments were agreed to.

AMENDMENT OFFERED BY MR. ROGERS

Mr. ROGERS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS: Page 5, insert "and" at the end of line 13 and strike out the comma at the end of line 16 and all that follows down through and including line 19 and insert in lieu thereof a period.

Mr. ROGERS. Mr. Chairman, this is the amendment which we had agreed in the Committee on Rules to offer so that this legislation would conform to the provisions of the Budget Act.

It simply would require that HEW's authority to issue notes to the Secretary of the Treasury to discharge obligations with respect to loan guarantees and interest subsidies for construction of nurse training facilities be limited by appropriations acts. It is a very simple, straightforward amendment which would bring this bill into compliance with the House Rules and the Budget Act, in accordance with our commitment to the Committee on Rules.

Mr. CARTER. Mr. Chairman, will the chairman of the subcommittee yield?

Mr. ROGERS. Yes; I will yield to the gentleman from Kentucky.

Mr. CARTER. Mr. Chairman, certainly we, on this side, agree to this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentlman from Florida (Mr. ROGERS).

The amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. ROGERS).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ROGERS

Mr. ROGERS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS: Page 6, line 21, insert "$275" after "(B)".

Mr. ROGERS. Mr. Chairman, the sole purpose of the amendment is to correct a printer's error. The figure "$275" was to appear in the bill in the place in which the amendment would include it, and does not appear because it was inadvertently dropped by the printer.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. ROGERS).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. MURPHY OF NEW YORK

Mr. MURPHY of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURPHY of New York: On page 7, line 1, strike "$250" and insert thereof "$375."

Mr. MURPHY of New York. Mr. Chairman, while I support passage of this bill I believe it contains an unfortunate change from the bill passed by the House in the 93d Congress.

When the committee reported H.R. 17085 last year it contained procedures for allocating assistance to eligible schools of nursing based on per capita enrollment and net educational expenditures of the three different types of nursing schools. The formula for allocation of these capitation grants was carefully constructed by the members of the Health Subcommittee to insure that each type of nursing school would be allocated approximately the same percentage of its net educational expenditures as determined by the Institute of Medicine/National Academy of Sciences' cost study. This study endorsed capitation grants as an appropriate mechanism to lend stability to Federal support to schools of the health professions. The study expressed the opinion that capitation grants ranging between 25 and 40 percent of net educational expenditures would contribute to the financial stability of these institutions. Last year's bill would have provided all eligible nursing schools approximately 17 percent of net expenditures.

What the Health Subcommittee has done this year is to alter last year's formula so that one of the three nurse training programs will receive a larger percentage of available Federal funds.

I attempted in full committee to at least partially correct this situation and at the same time not raise authorizations. This issue is one of equity and nothing else. It does not impact on whether the bill will be acceptable to this administration nor is it related to the total dollars authorized by this bill. The capitation formula as reported by the full committee is based on the assumption that all nursing schools will apply for and receive capitation grants. However, in fiscal year 1974 diploma nursing programs received only $5.6 million of the $34.3 million expended by the Federal Government, while last year diploma schools graduated 32 percent of all nursing students. Appropriations rarely reach the authorization levels, and it is obvious that appropriations are not proportionate to the size of the degree program. The question here is whether the basis of nursing will be made on the basis of equality for each type of program, or whether favoritism will be shown to one program at the expense of the others.

I favor very strongly continued and strengthened Federal support to nursing education but I am disturbed at the precedent this bill may establish for the allocation of these funds.

I include the following:

Last year's bill included the following capitation formula:

Bachelor's degree: $400 per student for each of the last 2 years of school.

Associate degree: $275 per student for the last year of school.

Diploma: $250 per full-time student for the last year of school.

These figures represent one-sixth, or 17 percent of the Institute of Medicine cost study recommendations for nursing based on net annual expenditures which were:

Baccalaureate	$2,450
Associate	1,650
Diploma	1,500

The formula in the bill passed last year gave equity for the three programs. All were 17%. This year, the Subcommittee bill increased the formula and total authorizations to Associate programs to 25% and up 15 million dollars.

This amendment will raise capitations for diplomas from $250 per student per year to $375 per student per year. This would increase diploma school share of capitation funds to 25% of net expenditures.

This amendment will not increase authorizations, simply change redistribution of the funds which will eventually be appropriated. The Rogers capitation formula is based on the assumption that all nursing schools will apply for and receive capitation grants, which records prove is not the truth. Of all schools, diploma schools apply for and receive the least amount of federal monies. Last year approximately 32% of all nursing students graduated from diploma schools.

Nursing school distribution in two states as examples—

New York: 63 diploma; 37 association; and 29 bachelor.

Florida: 4 diploma; 20 associate and 6 bachelor.

Mr. ROGERS. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York (Mr. MURPHY).

Mr. Chairman, I might say that I am sure the committee would like to be able to accept the amendment and every other amendment like it which would provide even more money for nursing schools. As I say, we would like to do this. But this bill has already been vetoed once. We have tried to be moderate in our funding.

What the committee has done in changing the formula is to rely on a study by the Institute of Medicine which studied the cost of medical education per student per year for nurses in each of the category of schools: The baccalaureate schools which are the 4-year nursing schools; the diploma schools, which are the hospital-based programs; and third, the associate degree schools, which are the junior colleges, or 2-year schools.

We have tried to be fair by adopting a formula which authorizes a little over 16 percent of the cost of education of a student to each of those schools for each of its students. So we have treated all schools fairly.

To do what the gentleman from New York now suggests would completely upset that balance that we have worked out, which we believe to be fair.

I think the House would be interested to know that, in fact, the bill provides over $16 million per year to the diploma schools which the gentleman from New York wants to help, and rightfully so; this is $11 million more than they are receiving under the present appropriation. So we in effect are giving them $11 million more to apply to their schools, whereas the associate degree schools are only getting $4 million more and the baccalaureate schools are getting about $1 million more. So we have been fair to everyone. We would like to give everyone everything they ask for, but it is not possible. The committee has reasoned this through and has come to a judgment that I think the House can be proud to stand with.

I would, therefore, reluctantly urge that the amendment be defeated.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from New York.

Mr. MURPHY of New York. I thank the gentleman for yielding.

The American Hospital Association strongly opposed the change that the subcommittee made this year. To correct one other statement of the gentleman, my amendment would not necessitate a change in the total dollar funding in this legislation. Adoption of my amendment will not affect the President's consideration of the legislation. What the amendment does is to require a return to the historical and the equitable formula for these three types of schools that we established last year in the vetoed bill and which for some strange reason was changed this year.

Mr. ROGERS. It was not strange at all. It was done after the study made by the Institute of Medicine. Furthermore, the gentleman's statement that he is not changing authorization simply does not hold up because, if he examines the total amount that would go to diploma schools under his formula, if all schools took advantage of the programs the authorization would have to be changed.

So the gentleman's amendment, to be effective would have to authorize an additional $8 million for each of the next 3 years or a total of $24 million. Thus his amendment would either boost the cost of the bill or else the schools are not going to get any more money, because there are no additional funds authorized, even though the formula is changed. A change in the formula is not effective without a change in the authorization.

The gentleman's amendment does not change the authorization, so it does not mean anything. It is not a proper or a fair amendment, and I oppose it strongly.

Mr. MURPHY of New York. Will the gentleman yield further?

Mr. ROGERS. I yield to the gentleman.

Mr. MURPHY of New York. There is no change in authorization. Total dollars will remain the same. The amendment merely would constitute a return to the historical formula in order that diploma schools receive equitable treatment.

Mr. ROGERS. The gentleman is in error. The authorization would have to be changed or else there would not be money to fund the gentleman's proposed formula for the diploma schools.

Mr. MYERS of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Pennsylvania.

Mr. MYERS of Pennsylvania. I thank the gentleman for yielding.

Is the gentleman from New York implying that the diploma schools are on a decrease because of some action on this?

Mr. MURPHY of New York. If the gentleman will yield, yes, there will be a decrease in the diploma schools' proportionate participation in relation to the baccalaureate and associate degree schools. Under the formulation this year, as proposed by the subcommittee, more money would be available to the associate degree schools on a per-student basis. As I pointed out earlier, a proportionately lesser amount would go to diploma schools, and yet they graduate 32 percent of the nurses each year.

I might say that the American Hospital Association supports this amendment because it feels that the nurse in the diploma school is the nurse who is definitely going to stay in nursing because of his or her type of training and degree of commitment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CARTER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I reluctantly oppose the amendment offered by the distinguished gentleman from New York. In going over the features which he has mentioned, I have locked at the total capitation for collegiate nurses, and for the 2 years for which they receive capitation, it is $800. Our diploma schools of nursing at $250 for each of 3 years receive $750.

There is not a great deal of difference there. However, the associate degree nurses only receive for 1½ years $412.50.

I strongly support this capitation. I do not want to rock the boat. I feel that this is good legislation. I feel that if we attempt to amend and increase authorization, we may well cause defeat of a good bill. I oppose the amendment reluctantly.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. CARTER. I yield to the gentleman.

Mr. MURPHY of New York. I thank the gentleman for yielding.

The distinguished doctor from Kentucky, and one of the revered Members of this House, is certainly a leader in the medical professional and very knowledgeable in the medical profession. Does the gentleman know the dropout rate of associate degree students?

Mr. CARTER. I am not conversant with it. Really I am not.

Mr. MURPHY of New York. It is my information that help of the students in associate degree programs fail to graduate. However, the bill proposes to change the formula of support to associate degree programs at the expense of the diploma programs which graduate 75 percent of enrolled students, a higher percentage of whom then stay in the nursing profession.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. CARTER. I am happy to yield to the distinguished chairman.

Mr. ROGERS. Mr. Chairman, under the capitation formula proposed in H.R. 4115, diploma schools could receive $11.5 million more than they recevied in fiscal year 1974. The collegiate schools would only be eligible for an increase of $1 million and the 2-year schools only $4 million more, so we are providing a substantial increase in support to the diploma schools. What the committee has done is more than equitable. Furthermore, I would advise the gentleman

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from New York that according to the 1974 Report to the Congress on Nurse Training, more than two-thirds of the students enrolled in associate degree schools in school year 1971-72 graduated.

Mr. CARTER. I certainly feel we should keep the capitation figures as they are. Really there is not enough difference between the formula for collegiate degree schools and the diploma schools—only $50 per student—so I really do not think we should raise too much fuss about the formula. This is a good bill and I think we should proceed with it as it is.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield further?

Mr. CARTER. I yield to the gentleman from New York.

Mr. MURPHY of New York. Mr. Chairman, the diploma schools did not get $11 million. They are eligible for $11 million and I pointed this out in the full committee. They received $5.7 million of the $34.4 million appropriated in fiscal year 1974, while contributing 32 percent of the total output of nurse graduates in that year. I pointed out these statistics several times in the last 15 minutes. Under the formula established by H.R. 4115 we are prejudicing the diploma schools.

Mr. ROGERS. Mr. Chairman, will the gentleman yield only for a correction?

Mr. CARTER. I yield to the gentleman from Florida.

Mr. ROGERS. Mr. Chairman, the diploma schools will be eligible for $16.5 million in fiscal 1976 under this bill. This is $11 million more than they received in 1974. I want the Members of the House to have accurate information.

I recommend that the amendment be voted down.

Mr. CARTER. Mr. Chairman, I suggest this amendment is a tempest in a teapot. The amendment should be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. MURPHY).

The amendment was rejected.

Mr. ASHBROOK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I fully appreciate the important role that nurses perform in our society. I am unable to justify, however, the large sums of money authorized in this bill.

The administration has requested $50.4 million and $34.5 million for the next 2 years. By comparison, H.R. 4115 would authorize $141 million for fiscal year 1975, $161 million for fiscal year 1976, $181 million for fiscal year 1977 and $211 million for fiscal year 1978. I certainly support the requested levels and feel they are adequate.

Although the Congress is being asked to vote ever larger sums of money for this program, it is extremely doubtful whether increased funding is necessary. The President's memorandum of disapproval states:

> Without any additional Federal stimulation, we expect that the number of active duty registered nurses will increase by over 50 percent during this decade.

Any overall shortage of nurses that currently exists will be eliminated in the near future even without "additional Federal stimulation." Why, then, should we continue to subsidize the construction of new nurse training facilities? Why should we encourage even more people to go into nursing through loans, scholarships, and subsidies?

On numerous occasions, Mr. Chairman, I have expressed my reluctance to start up new Federal programs. A major reason for my reluctance is that once a Federal program is started it seems to go on forever—and at ever increasing levels of funding. It is nearly impossible to decrease funding or terminate a program even though the original purpose of the program has been fulfilled.

Now that we are confronted with huge budget deficits and expanding Federal expenditures the Congress must change this attitude. We cannot afford to go on funding Federal programs at ever higher levels. Even those which are necessary should be limited wherever possible.

The Nurses Training Act is a good place to begin cutting Federal spending. As the President's memorandum says, the expected 50-percent increase in nurses—

> suggests that our incentives for expansion have been successful, and that continuation of the current federal program is likely to be of less benefit to the Nation than using these scarce resources in other ways.

The Government must start living within its means. The alternative is economic chaos. This does not mean nurses will not be trained. There is adequate evidence that these programs at the local level are more than able to be funded without a budget breaking $128 million additional spending. This budget breaking excessive expenditure resulted in a veto last year. Across the board, we must hold the line if we are to keep the deficit at a figure of $60 billion.

The CHAIRMAN. There being no further amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. McFALL) having resumed the chair, Mr. CHARLES H. WILSON of California, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4115) to amend title VIII of the Public Health Service Act to revise and extend the programs of assistance under that title for nurse training, pursuant to House Resolution 418, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker (pro tempore announced that the ayes appeared to have it.

Mr. BRINKLEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 384, nays 17, not voting 32, as follows:

[Roll No. 190]

YEAS—384

Abdnor
Abzug
Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis
Delaney
Dellums
Dent
Derrick
Derwinski
Dickinson
Diggs
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Goodling
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hastings
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holtzman
Horton
Howard
Howe
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
Lagomarsino
Latta
Leggett
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills

Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman
Patten
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Quie
Quillen
Railsback
Randall
Rees
Regula
Reuss
Rhodes
Richmond
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wilson, Charles H., Calif.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—17

Archer
Armstrong
Ashbrook
Bauman
Clawson, Del
Collins, Tex.
Conlan
Devine
Hansen
Kelly
McDonald
Michel
Rousselot
Shuster
Steiger, Ariz.
Symms
Wilson, Bob

NOT VOTING—32

Adams
Anderson, Ill.
Barrett
Crane
de la Garza
Esch
Eshleman
Gonzalez
Gradison
Hawkins
Hébert
Hinshaw
Holt
Hubbard
LaFalce
Landrum
Lent
McCollister
Mink
Mollohan
Mosher
Pritchard
Rangel
Riegle
Rinaldo
Risenhoover
Shriver
Sikes
Teague
Van Deerlin
Wiggins
Wilson, Charles, Tex.

So the bill was passed.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Anderson of Illinois.
Mrs. Mink with Mr. Gradison.
Mr. Rangel with Mr. Hinshaw.
Mr. Mollohan with Mr. LaFalce.
Mr. Hawkins with Mr. Crane.
Mr. Sikes with Mr. Lent.
Mr. de la Garza with Mr. Rinaldo.
Mr. Van Deerlin with Mr. Esch.
Mr. Landrum with Mr. Mosher.
Mr. Barrett with Mr. Gonzalez.
Mr. Adams with Mr. Hubbard.
Mr. Riegle with Mr. Eshleman.
Mr. Teague with Mr. Shriver.
Mr. Charles Wilson of Texas with Mr. Wiggins.
Mr. Risenhoover with Mrs. Holt.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ROGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore (Mr. McFALL). Is there objection to the request of the gentleman from Florida?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON CEMETERIES AND BURIAL BENEFITS OF COMMITTEE ON VETERANS' AFFAIRS TO MEET DURING PROCEEDINGS OF HOUSE ON MAY 12 AND 19, 1975, AND UNDER 5-MINUTE RULE

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that the Subcommittee on Cemeteries and Burial Benefits of the Committee on Veterans' Affairs be allowed to meet on the afternoon of May 12 and 19, 1975, during general debate and under the 5-minute rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

AUTHORIZING SPEAKER TO SIGN ENROLLED BILLS AND THE CLERK TO RECEIVE MESSAGES WHEN HOUSE IS NOT IN SESSION

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the Speaker be authorized to sign enrolled bills and the Clerk be authorized to receive messages, when the House is not in session today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PRACTICAL EFFECTS OF LEGISLATION PASSED BY CONGRESS

(Mr. YOUNG of Texas asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. YOUNG of Texas. Mr. Speaker, without rancor and in the hope that reason will prevail, I am continuing to bring to the attention of our membership some of the practical effects of legislation which the Congress has passed. I have been concerned for some time that the Congress has not and never will learn to leave well enough alone. It seems to me if we are ever to learn such a valuable lesson it surely must come from examining into the actual and practical happenings as a result of legislation which we have passed.

As these matters are brought to the attention of the membership of this House, I hope that the Members who are specially interested in steel production, automobile production, recreation industry, boats, trailers, airplanes and a hundred other items important to the wholesomeness of our economy take careful note. Congress has the oil and gas industry in a shambles—your industry is bound to suffer from this disaster and, in fact, your industry might, indeed, be marked for the same kind of treatment. The steel, automobile, and farming industry seem to be already under the gun—who will be next?

Mr. Speaker, I am including an account of the deferring of a $160 million terminal and pipeline in California as a result of action taken by Congress when it passed legislation disastrous to the oil and gas industry:

[From the Wall Street Journal, Apr. 29, 1975]

CALIFORNIA STANDARD DEFERS PLAN TO BUILD TERMINAL, PIPELINE

MORRO BAY, CALIF.—Standards Oil Co. of California announced it's deferring indefinitely a deepwater terminal and crude oil pipeline it had proposed to build here.

A spokesman for the company said the project was expected to cost the company $160 million.

He said the deferral came partly because of "uncertainties over government policies as well as escalating costs" and the repeal of the oil depletion allowance. "The primary factor is the lack of ground rules. Obviously we're going to need more oil, but whether it will be imported under tariffs or quotas is just so uncertain we can't make a commitment at this time," he said.

At an interview in February, H. J. Haynes, chairman, said that a total loss of the oil depletion allowance and the imposition of a windfall profits tax would raise California Standard's tax bill $125 million this year. He said the company, under such circumstances, would reduce its capital and exploration effort "by that amount in the U.S."

The company said the postponement of the project doesn't mean it won't be reinstated in the future "as there is still a need for a deepwater terminal to serve northern California."

"INDIA ADDS SOME SALT TO OUR WOUNDS"

(Mr. GAYDOS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. GAYDOS. Mr. Speaker, I have tried to come up with a firm figure on the number of U.S. dollars which have been poured without strings attached into India by our aid dispensers since the "Great Giveaway" began.

In publications of the Agency for International Development and other organizations of our Nation's unmitigated generosity we find India listed in tables on dollar grants so complex that it is virtually impossible to get the full truth. Even the reliable World Almanac has had trouble, listing figures with so many reservations attached that a researcher is led into complete confusion.

But it is sufficient for my purpose now to say that India has tapped the American taxpayers for billions over the years. No one disputes this. We have been India's mainstay since it cut loose from Britain at the end of World War II.

And what has it gotten us? Certainly no aid recipient has been as persistently critical of us, carping at our faults and impugning our motives generally. And now, with our setbacks in Southeast Asia, India is engaged in an almost hysterical binge of gloating. I quote Indian Foreign Minister Y. B. Chavan's recent statement as reported by the Associated Press:

> These developments in Indochina (the fall of Cambodia and South Vietnam) are the culmination of a heroic struggle waged by the people of Indochina to assert their independence and sovereignty and their determination to shape their destiny without external interference.

In other words, in the view of this high New Delhi official, we Americans, with our heavy investment of lives, arms, and money in South Vietnam and Cambodia, have been an "external interference" to the heroic aspirations of those whose liberty we sought to protect. But what of Communist China and the Soviet Union and their roles in Southeast Asia? Foreign Minister Chavan has no criticism of them. When we have friends like him, no enemies are needed.

We have become accustomed to ingratitude since we first set out to share our substance with the rest of the world. Countries have eagerly taken our dollars and then turned deaf ears to our pleas for help in emergency situations. Britain repeatedly has held aloof, regardless of our postwar assistance. So has France, and indeed, Japan. Our supposed Southeast Asia Treaty Organization partners did little for us either in Korea or in Indochina. Each was very willing to let Uncle Sam hack it alone.

But none, save India, to my knowledge, has made a point of expressing official glee at our current wounds. As a Congressman, I shall never forget the statement of India's Foreign Minister—the branding of us as an "external interference" in the "heroic struggle" which now has ended with complete Communist takeovers of the once free nations of South Vietnam and Cambodia.

LANCASTER, PA., WAS BIRTHPLACE OF CONTINENTAL ARMY

(Mr. ESHLEMAN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. ESHLEMAN. Mr. Speaker, at this point I would like to call to the attention of my colleagues a study completed recently by the noted Pennsylvania historian, Frederic S. Klein. In this paper Dr. Klein shows convincingly that the Continental Army was born at Lancaster, Pa., on June 25, 1775. From that muster of volunteers came our U.S. Army.

Since my congressional district includes Lancaster, I am proud to make my colleagues aware of another major contribution our community made to the struggle for independence.

The item follows:

Congress Selected Pennsylvania Riflemen To Begin a Continental Army

On June 14th, 1775, the Continental Congress brought all the American colonies together in a war for independence by a bold decision to call up and control a Continental Army, whose first volunteers formed the official beginning of what was to become the United States Army. They were skilled riflemen, from Pennsylvania, Maryland and Virginia, who had defended their frontiers in previous years against French and Indians.

After Lexington and Concord and during the siege of Boston, the Massachusetts Convention appealed to the Congress in Philadelphia to assist New England militia in the defense of American rights. The response of Congress was to call on other colonies for special troops, by the following resolution: "Resolved, that six companies of expert riflemen be immediately raised in Pennsylvania, two in Maryland and two in Virginia; that each company consist of a captain, three lieutenants, four sergeants, four corporals, a drummer or trumpeter, and sixty-eight privates . . ." The resolution included a pay scale and a form of enlistment, as follows: "I have this day voluntarily enlisted myself as a soldier in the American Continental Army, for one year . . . and I do bind myself to conform to such rules and regulations as are or shall be established for the government of said Army."

This is the first official reference by the Congress to a Continental Army, and the rules and regulations were not established until June 30th.

The day after these soldiers for the Continental Army were called out, Congress resolved that a General must be appointed to command all forces, and elected George Washington. On June 17th Washington was commissioned, by June 22nd, Pennsylvania had raised a battalion of eight companies instead of six, and by June 25th, the first commissions printed by Congress were issued to the Pennsylvania Battalion officers—Colonel William Thompson, of Carlisle; Lt. Colonel Edward Hand, of Lancaster, and the eight captains of the rifle companies. By July, the riflemen, with two Lancaster companies instead of one, were marching to Boston, armed with their long Pennsylvania rifles—the secret weapon of the Revolutionary War with the precise accuracy and long range that kept the British pinned down in Boston for months.

Militia and New England volunteers who had been opposing the British were speedily enrolled in the new Continental Army, but it is significant that when Congress first decided to raise and manage an army, they confidently began by selecting the group they considered most formidable—the riflemen of Pennsylvania, Maryland and Virginia—for the beginnings of the United States Army.

Even the very first act of the newly appointed Congressional Treasurers, on the very day of their appointment, July 29th, 1775, was to pay Colonel Thompson five thousand dollars, as advance pay for his battalion of riflemen—the first pay ever granted to American soldiers.

It is a significant coincidence that June 14th, the day the Army began, is also now Flag Day, officially recognized in Pennsylvania as a legal holiday.

In Lancaster during the last week in June, representatives of rifle companies from various counties in Pennsylvania which raised troops for the new army will meet at the home of General Edward Hand, first a rifle company commander, and later Adjutant General of the Army under Washington, to commemorate the beginninga of the army in 1775 by demonstrations of marksmanship, uniform displays and battle re-enactments on the grounds at Rockford.

Frederic S. Klein,
Franklin and Marshall College.

Sources: Journals of the Continental Congress, 1775, Vol. 2, pp. 89, 90, 91, 96, 104, 111, 173, 221: Pennsylvania Archives, Series II, Vol. X, No. 1, p. 3.

PERSONAL EXPLANATION AS TO VOTE

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, during the past 2 weeks, I have been off the floor when five votes were taken. For the Record, I now state how I would have voted on each of those questions had I been present:

THURSDAY, APRIL 24, 1975

Rollcall No. 153: Passage of H.R. 4111, to amend the Securities and Exchange Act of 1934 to remove barriers to competition, to foster the development of a national securities market system, and to make uniform the Securities and Exchange Commission's authority over securities industry regulatory organizations. I would have voted "yea."

Rollcall No. 155: An amendment to H.R. 4975, to amend the Rail Passenger Service Act, that sought to delete the section that provides for an increase in the salary of the president of Amtrak from $60,000 to $85,000. I would have voted "aye."

Rollcall No. 156: Passage of H.R. 4975, to amend the Rail Passenger Service Act to provide financial assistance to the National Railroad Passenger Corporation. I would have voted "yea."

MONDAY, APRIL 28, 1975

Rollcall No. 159: An amendment to H.R. 4222, the National School Lunch and Child Nutrition Act amendments, that requires the funding of the supplemental feeding program for women, infants, and children be on the same performance basis as the school lunch program. I would have voted "aye."

THURSDAY, MAY 1, 1975

Rollcall No. 166: To dispense with the reading of the Journal of the proceedings of April 30, 1975. I would have voted "yea."

SITUATION OF HUNGARIANS IN ROMANIA

The SPEAKER pro tempore (Mr. McFall). Under a previous order of the House, the gentleman from New Jersey (Mr. Patten) is recognized for 30 minutes.

Mr. PATTEN. Mr. Speaker, for the past 8 years I have remained silent about the situation of the about 2½ million Hungarians in Transylvania, Romania, whom I had the opportunity to visit in the summer of 1965. I did so because there were signs that the oppressive measures of the Romanian Government might be easing.

Despite superficial improvements, however, the situation did not change. The transfer of Hungarian intellectuals to purely Romanian areas which was recognized by our State Department in a memorandum sent to me and other Members of Congress on September 19, 1967 continued unabated. The State Department wrote in 1967:

> The method of assigning jobs to most university graduates on a nationwide basis rather than according to the desires of the individual tends, in addition, to scatter Hungarian intellectuals throughout the country.

While the number of Hungarian sections in the grade schools improved, a sign of the growth of the numbers of the Hungarian minority, the situation deteriorated on the high school and college levels. In 1973, the law making the first year of high school (lycee) obligatory for every pupil resulted in inadequate number of Hungarian sections in the first year schools as did the establishment of increasing numbers of vocational and professional high schools since 1973.

The reason for my speech today is the fact that since 1974 the situation of the Hungarians in Romania is deteriorating at a rapid rate. The old grievances listed in the memorandum signed by me and 48 other Members in 1966 to the then Secretary of State Dean Rusk, remain unremedied and new kinds of discrimination are occurring driving even some of the Communist Party leaders of Hungarian origin, like Janos Fazekas, to well-nigh despair.

The deterioration occurs primarily in regard to schooling. According to reliable sources, during 1972–73 about 40 vocational school sections were established in Transylvania for the benefit of the Hungarian students. As usual, history, geography and Romanian language were taught in Romanian. After the end of the first year, mathematics, mechanical arts and sciences were also taught in Romanian by Hungarian teachers in accordance with new regulations passed by the Education Ministry in Bucarest. By now only Hungarian language and physical education are taught in Hungarian, but the 50 vocational sections are still listed as Hungarian.

The situation at the Babes-Bolyai University only worsened. Already in 1967 the same State Department memorandum noted:

> The Bolyai (Hungarian) and Babes (Romanian) universities in the Transylvanian city of Cluj (Kolozsvar) were amalgamated in 1959, becoming the Babes-Bolyai University. Proficiency in the Romanian language is now a prerequisite for entry and all courses are taught in Romanian, even by professors of Magyar origin, except those on Hungarian language and literature. Hungarian students make up about 30 percent of the University's enrollment.

In 1973, according to the statement of the Rector of the University, Stefan Pascu, a Romanian, only 6 of the 56 doctorates were awarded in languages and literatures. Even these include both Romanian and Hungarian languages and literature. If we assume that 30 percent of the student body is still Hungarian and that of the graduates 17 of the 56 are working outside of Transylvania and 5 at a city with a small Hungarian minority, we can see that the majority of the Hungarian graduates are still transferred to purely Romanian areas.

The Medical and Pharmaceutical College at Tirgu Mures—Marosvásárhely—is also in the process of Romanization. Already in 1967 the State Department memorandum noted:

> About the same time, the Medical Institute of the region introduced Romanian in addition to the Hungarian as a language of instruction, and the proportion of Romanian students has been increased.

By now, a majority of the students and the language of the majority of the courses are in Romanian. For window-dressing purposes, the Hungarian prorector is still in office, but both of his deputies are Romanian.

In the county of Mures—Maros—about equally divided between Hungarians and Romanians in population, the County Educational Commissioner, Ioan Ratiu, is a Romanian as is the Mayor of the major city, Tirgu Mures—Marosvásárhely. The director of the Teachers College there, until 1968 a bulwark of Hungarian-language teachers' education, is now Emil Popp, a Romanian.

In the same county, the high school—lycée—graduation examination commissions were as follows: Hungarian: 9, Romanian: 30, mixed Romanian-Hungarian: 4, and mixed Hungarian-German: 1. In addition, the 30 Romanian commissions included all the vocational, economic, and scientific high schools except those of performing arts and teachers education where 1 Hungarian section each survives. Let me express the situation in numbers: 43 percent Hungarians—data from Romanian statistics—possessed less than one-third of the examination commissions which are based on the number of students taking the examination; 45 percent Romanians possessed 66 percent of the same commissions and 88 percent of all the commissions in vocational, scientific, and other specialized high schools; 5 percent Germans had 1.2 percent of all the commissions.

This data was reported in the Communist Party's Hungarian-language daily of Tirgu Mures—Marosvásárhely—Vörös Zászló—Red Flag—of June 16, 1973.

The second thrust of renewed Romanian pressure was aimed at the Hungarian historical documents in private and church possessions. In Transylvania, the churches reflect the nationalities. The Romanians are Greek Orthodox, until 1948 also Uniates—Greek Catholics. Hungarians are Catholic or Reformed Protestant, 70,000 of them even Unitarians. The Germans are Lutherans. Church records, church-related libraries of educational institutions nationalized in 1947–48 constitute the major historical sources for the province which for 1,000 years before 1918 was directly or indirectly part of the Hungarian kingdom and was politically and culturally dominated by the Hungarians of the region.

Even incipient Romanian nationalist historiography was originally encouraged by the Hungarian administration with the assistance of the Rome-oriented Romanian Greek Catholic church.

Today, the Romanian Government is assuming direct control of all archives, documents, publications, art objects in private or church hands which are over 40 years old and are of interest to the history of the Romanian nation.

What this means in practice, was explained even by Louis Takács, a member of the Romanian Communist Party's Central Committee and a deputy of the Grand National Assembly, during the debate in October 1974 at the Assembly:

> For twenty-five years no archival instruction was provided at the universities. The archival officials no longer understand the Old Slavonic, Classical Greek and Hungarian and Latin languages. They could only provide for the preservation of the materials. But the latter would be inaccessible as it could not be organized and being deprived of usage even the danger of their destruction would exist.

Yet the law was passed on October 28, 1974, and was published in the Official Bulletin on December 10, 1974. In case of most of the Catholic and Protestant churches the transfer of the documents and art objects to the National County Archives and Museums have been completed.

Past experience makes Hungarian experts in Romania to fear the destruction of some and inaccessibility of most of the documents. That is, when the new State Archives were built in Cluj—Kolozsvár—construction workers used "documents in unknown languages"—that is, Hungarian and Latin—for kindling their open fire during the cold winter days.

The Romanian Academy of Arts and Sciences already acquired 2 million archival documents from the Transylvanian Museum Society and 170,000 volumes from the libraries of the former Protestant College, Piarist Preparatory School and Unitarian Gymnasium—high school—at Cluj—Kolozsvár—alone.

At the same time the Romanian Academy of Arts and Sciences employs only 3 Hungarians and 2 or 3 Romanians who read Hungarian from a staff of 28.

Many other aspects of the old grievances remain unremedied, but my colleagues will report on them.

I believe that analyzing the national discrimination policies of the Romanian Government abridging the human and civil rights of the Hungarians in Romania is of legislative significance. We will soon have before us for approval President Ford's proclamation awarding Romania the status of a "most favored nation" in regard to import duties. Even if we no longer regard ourselves as guardians of the freedom of the peoples of the world, we must ask ourselves the question: have we permanently abandoned our standards in international affairs? Are we going to award the oppressors professing an alien ideology with substantial economic concession without even using our good offices to ease the desperate situation of the largest national minority in Europe? I would like to believe that my colleagues do not think so and will want assurance from our Government that we will raise the issue with the Romanian Government in the near future.

May I also ask for an extension of 5 legislative days for my colleagues to extend and revise their remarks on this subject?

Mr. HORTON. Mr. Speaker, between 1965 and 1968 I spoke several times about the plight of the Hungarian minority in Romania and made representations to our Secretary of State.

Then for 7 years I remained silent, as did several of my colleagues who had a personal concern, in the hope the situation would gradually improve and the Romanization techniques of the Romanian Government would cease, or at least abate.

Our interest is now rekindled by two series of events. First, the conditions of the Hungarian minority have deteriorated in 1974 and 1975. Practically all education on the college and university level and in specialized or vocational high schools is given completely in Romanian and the texts abuse the Hungarians as barbarian, nomad people who had exploited the state nation for many centuries. The documentary traces of the Hungarians in the province are being eradicated by the transfer of church records and private materials over 40 years old to state and local archives without proper staffs. Even the collection procedures, as described by the Neue Zurcher Zeitung—Swiss—and the Washington Star News, were primitive and truckloads of unassembled records were taken from the parishes and congregations. Churches are also harassed again and they are even forbidden to receive gifts from abroad, while every individual citizen is permitted to do so.

Human rights, and the denial of the same, always exercised an important bearing upon our understanding of foreign relations. For many decades we championed oppressed peoples and we cannot abandon this basic principle despite any reappraisal of our global commitments.

Therefore, we must be careful not to present the oppressors with prime economic concessions and to reward those who treat their citizens and their minorities with ill-will and harassment. We must ask our Government to use its diplomatic influence to effect an improvement of the situation for these Rumanian citizens of Hungarian ethnic background before we can speak of a normalization of American-Romanian relations. This is also true of the recently concluded Romanian-American trade agreement of April 2, 1975, which is now pending before the Ways and Means Committee.

Mr. RODINO. Mr. Speaker, between 1965 and 1968 many of my colleagues and I spoke several times on the floor about the attitude of the Romanian Government toward its citizens of Hungarian ethnic background, denouncing many of its practices. We also wrote to Secretary of State Dean Rusk in 1966 on the problem.

For many years we expected some improvements in the situation of the largest national minority in Europe. But despite some easing of the conditions between 1968 and 1972, the repressive cycle continued and the situation worsened in the last 12 months. Therefore, my distinguished colleague from New Jersey (Mr. PATTEN), and others are rising today to remind us of the deplorable conditions facing Romanian citizens of Hungarian ethnic background in Transylvania.

Our remarks are important at this time because of the recent Presidential proclamation awarding Romania the status of most favored nation on import duties, part of the agreement of April 5, 1975. This agreement is now before the Ways and Means Committee for approval.

Judging from the reports received lately from Romania, the educational situation is deteriorating and there are practically no college or university courses in Hungarian any more. In the vocational, professional, and commercial high schools there are few Hungarian sections left. Only in general high schools do Hungarian sections still exist, encompassing, however, less than half of the Hungarian youth in the province.

The history of the Hungarians in Transylvania, where they were the dominant governmental and cultural force for 1,000 years while the province was part of the Hungarian Kingdom, is also being eradicated by administrative means. The law of October 30, 1974, which has now been implemented, deprives churches and private collections from possessing documents, archival materials, art objects and other historically important library material which is over 40 years old. These are now transferred into state and county museums and archives. Unfortunately, here they cannot be properly cataloged and organized as there are few trained archivists who also read the languages—Greek, Latin, Hungarian—of the documents.

The old grievances of job discrimination; inadequate representation on local, county and state levels in the administrations; the absence of civil servants who speak Hungarian in the Hungarian areas; housing discrimination in the cities; and the scattering of intellectuals into purely Romanian areas by job transfers still prevail.

Under these conditions, we must weigh carefully the approval of major economic concessions, at a time when our economy is in a severe recession.

Mr. HOWARD. Mr. Speaker, today I am joining my distinguished colleague from New Jersey (Mr. PATTEN) in discussing the continued oppression of the Hungarians in Romania.

In the mid-1960's many of my colleagues pointed out the lack of human and civil rights of the Hungarian minority in Romania which constitutes a group of almost 2.5 million people. They referred to the scattering of university graduates of Hungarian origin to purely Romanian areas as the state is the sole employer, discrimination in regard to housing and promotion, inadequate schools and opportunities to attend a school in the mother language, neglect of Hungarian areas regarding economic development and harrassment of churches belonging to the Hungarian minorities.

These grievances continue to exist and in some fields, during the past year, the situation became worse. That is, the documents on the history of the province are now transferred into state and county archives from churches and private collections. The end result will be that the documents in Hungarian and Latin relating to the history of the Hungarians will not even be cataloged or made available to researchers as according to deputies in the Romanian Grand National Assembly for 25 years no archival degrees were awarded by Romanian universities and few of the archivists read these languages and can do the cataloging.

There is also increased pressure for Romanizing the secondary schools and university education and professoinal schools. Of the four teachers' colleges which provided for the education of teachers in the Hungarian sections, two are almost completely teaching courses in Romanian and the number of Romanian courses is substantially increasing in the other two. There is not one teacher's college which has a Hungarian rector. The medical school in Tirgu Mures (Marosvásárhely) is also teaching courses mostly in Romanian and only Hungarian literature courses are still taught in Hungarian at the Babes-Bolyai University of Cluj—Kolozsvár. Eighty-eight percent of the professional high schools even in the half-Hungarian county of Mures—Maros—are Romanian.

Churches are increasingly harassed. While any Romanian citizen may except gifts from abroad, the churches were prohibited from doing last fall by ministerial decree. The Greek Catholic Church has been abolished by decree in 1948 and three of its four bishops died in prison, and the fourth one, Julius Hossu, is still under arrest. Religious instruction of children is very chancy for the parents and for the future of the children alike and is restricted to rural areas. Two of the four Catholic dioceses are still unfilled, and the Government forced Bishop Aron Marton of Alba Iulia to appoint a Romanian as the Catholic bishop of Iasy although there are few Romanian Roman Catholics in the country, but there are about one million Hungarian Roman Catholics. The list could be continued for several more pages but some of my other colleagues refer to the other grievances in detail.

The situation assumes legislative interest because of the Proclamation of President Ford on awarding "most favored nation" status to Romania. The proclamation was sent at the end of April to the Ways and Means Committee and will be presented as a concurrent resolution to us in the near future for approval.

Indeed, I believe that the administration should raise the continued and increasing oppression of the Hungarian minority in Romania to the Romanian Government before seeking approval and we should be very careful in our vote lest we promote further denial of human and civil rights to the largest national minority in Europe.

GENERAL LEAVE

Mr. PATTEN. Mr. Speaker, I ask unanimous consent that all Members may be permitted 5 legislative days in which to extend their remarks and to include extraneous material on the special order today of the gentleman from New York (Mr. PATTEN).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

THE VIETNAM BACKLASH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CRANE) is recognized for 20 minutes.

Mr. CRANE. Mr. Speaker, it is with great dismay that I note the rising hue and cry raised in opposition to the admission of refugees from South Vietnam into America. Not only is such a position totally inconsistent with our previous attitudes toward refugees fleeing totalitarian regimes, but it raises serious moral and spiritual questions.

America is a nation of immigrants. In the 17th century Englishmen, Dutchmen, Germans, Scots, Frenchmen, and Swedes settled the eastern seaboard, drawn together by a common desire to escape religious and/or political oppression. Spaniards began settling Florida, the gulf coast, and later what became Texas and California. Frenchmen explored the Midwest and settled in Louisiana. Long before the term was coined, America became the great melting pot, proof of which is found by looking at the names of some of those who helped this Nation win its independence—names like Lafayette, Von Steuben, Kosciuszko, and Pulaski.

Once independence was assured, more people came from abroad, spurred by the torch of freedom that had been lighted in America and encouraged by the opportunity to make of themselves whatever their ability and initiative would permit. Irishmen, Scandinavians, Germans, Chinese, and Poles came during the 19th century, soon to be followed by Italians and Slavs in what became the greatest wave of immigration in modern history. Today, most Americans number among their ancestors people who were part of that wave of immigration.

Even more recently, America has been a haven for those fleeing from totalitarian regimes—from Eastern Europe after World War II, from China after the Communist takeover, from Hungary after the Soviets crushed the freedom fighters in 1956 and from Cuba after Castro seized power in 1959. In many cases these people were not only accepted, but greeted as heroes who deserved a refuge and a helping hand after all they had suffered and lost. And, almost universally, these refugees from totalitarianism have more than repaid us for our kindness by becoming valuable, contributing members of our society.

No better recent example can be found than that of the three quarters of a million Cubans who have come to this country in the past 15 years. Not only have they required a minimum of assistance in readjusting, but their shops, stores, skills, and industry have rejuvenated part of one great American city, Miami, and have contributed greatly to many others. About 350,000 of those Cubans have settled in the State of Florida and yet by 1970, despite having to overcome a language barrier and adjusting to life in a new nation, the median average income of Spanish-speaking Floridians—most of whom were these very same Cubans—was only $100 or so less than the median average income of all Floridians. Rather than a burden, the Cubans have been a tremendous asset. Indeed, we have been fortunate to have such people, many of whom were business, professional, and civic leaders before fleeing Castro.

But now with thousands of refugees from the Vietnam conflict having nowhere else to go, our attitude seems to be changing even though, as in the case of the Cubans, many of the early arrivals are drawn from the business and professional community. Many Americans seem to be saying—do not come here, we do not want you competing with us for jobs, we do not like the looks of you.

What has come over some of us? How, in good conscience can we, as a nation of immigrants, say things like that? Where is our sympathy for those to whom freedom or even life would otherwise be denied? And what has happened to our belief in freedom itself? Furthermore, these Vietnamese will constitute only 12 percent of the immigrants who will be permitted to enter the United States this year. What sets them apart from the hundreds of thousands of new immigrants coming to our shores from other countries?

Not only did we promise the South Vietnamese that we would help them maintain their independence through the Paris accords, and then fail to live up to our pledge, but now we seem to be saying that we do not want to help them even after they have nowhere else to go. Never before in our history have we ever contemplated turning our back on beleaguered allies, not once but twice in succession. And what was their crime? Apparently nothing more than believing in America and the strength of its commitment. May God help us if we do not live up to at least a small part of our obligation—because if we do not, no one else will help us or respect us in the future.

And it is not as if America cannot help these people. First of all, despite the inflation and recession that has everyone so worried, we still have the highest standard of living on Earth. Second, we have been through hard times before and have not turned our back on others in such a manner. And, third, many of these people will be self-sufficient almost from the outset and will soon be contributing their skills and their tax dollars to America. Can we really say that times are so bad that we cannot help those whom we have already let down once? I do not think we can and I fear that many of those taking that position are reflecting selfish concerns that speak more to the decay of our values than anything else.

As the most affluent society on Earth, have we become so used to the good life that materialism has become our paramount goal, rather than the principles of justice, humanity, and righteousness upon which the good life is built? Have we become so "security conscious," so concerned that we might not be able to buy that third color TV for the upstairs den, that we seem to have forgotten that we got where we are by taking risks and by opening our doors to others so that they might take the same risks? Have we also forgotten that freedom is never free and that turning our backs on those who seek it can only hasten the coming of the day when we will lose it ourselves? Perhaps the ultimate irony is that past experience indicates that these refugees from totalitarianism will likely be in the forefront of those willing to fight for our freedom when the occasion arises.

What such protest really boils down to is a repudiation of our moral fiber and spirit as a Nation. We seem to be abandoning those principles for which we have fought so long and so hard. We seem to be substituting for them the plastic comforts of the Pepsi generation. Too many seem to be losing the will to take the high road, preferring instead to follow along the easy road. Compromise and expediency seem to be the order of the day. Now that may seem harsh, but how else can one explain the fact that so many Americans have not only apparently forgotten the sacrifice of our own men in Southeast Asia, but can turn their back on those for whom we were fighting less than 3 years ago.

Many Americans will reject such an assessment but one need only look at what others are saying about us to put things back in their proper perspective. Several weeks ago Sirik Matak, the No. 2 man in Lon Nol's Cambodian government, refused to flee his country, choosing instead to await his fate at the hands of the Communists. But he sent the American Ambassador a letter in which he commented on America as follows: "I have only committed this mistake of believing you." And then, just last Friday, Foreign Minister Chatichai Choonhavan of Thailand put it even more clearly. "Moral?" he said of us, "The United States does not have any morals at this point."

Harsh words, but we delude ourselves if we seek to dismiss them.

There may be those who will shrug these words off as representing a minority viewpoint. However, if we do so, we are ignoring reality as well as the words and deeds of diplomats all over the world, diplomats who are acting in accordance with the underlying assumptions behind those words. Ferdinand Marcos of the Philippines now questions the validity of a mutual security pact with the United States; the Israelis bluntly point out that two mountain passes and an oil field are of far more value to Israel's security than any guarantee that the United States might make; the Premier of Malaysia has begun talking about a "neutral zone" in Southeast Asia; the Japanese have sought U.S. reassurances that our promises to defend Japan in case of attack are meaningful; Thailand began immediate negotiations for a complete U.S. withdrawal from its territory.

One can hardly blame these people. In fact, if I were in their shoes I would wonder if the failure of America to live up to its commitments to the South Vietnamese and Cambodians was an indication that America had become a paper tiger. I would further wonder whether the hue and cry about the Vietnamese refugees were not evidence of a lack of humanity as well. As an American, the whole episode, from the beginning to its present state, makes me sick at heart and fearful for the future of our country.

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However, I am not one of those doomsayers who believe all is lost and nothing can be done to turn things around. First of all, a nation which contributed $25.2 billion to charity last year alone has within itself the ability to welcome with open arms these South Vietnamese refugees. All it needs to do is put aside unreasoned fears, selfish interests and personal prejudices in our best national tradition. Secondly, there are some lessons to be learned from our experience in Southeast Asia that should help us not only in accommodating these refugees but also in preventing similar situations from occurring in the future.

The lessons are simple really. The first is, as Thomas Jefferson once said, to recognize that "the price of liberty is eternal vigilance." Any thought of retiring within "Fortress America" at this point in history would be suicidal. The second lesson is that freedom is ever worth fighting for. But when we decide something is worth fighting for, we should fight to win. The experience of both Korea and Vietnam speaks eloquently to the folly of fighting for limited objectives that fall short of victory. And, finally, the last lesson is that the domino theory is alive, well, and in motion. If we do not put aside the myth about it not existing, we may well become, as Kenneth Crawford so aptly put it a few days ago, the last domino. "Aggression unchecked," as President Johnson correctly observed, "is aggression unleashed."

History is replete with examples of what happens when aggression is rewarded by conquest. Just 40 years ago, the Germans abrogated the Versailles Treaty by announcing formation of an army and air force, but nothing was done. Then, the Italians attacked Ethiopia and protests were not supported by action. Then Hitler retook the Rhineland and the Allied Powers lifted not a finger to stop him. Thus encouraged, Hitler annexed Austria and then moved on Czechoslovakia where, instead of a stand, we witnessed the sellout at Munich in September 1938. What Neville Chamberlain, the British Prime Minister, thought was "peace in our time" became war in no time. Six months later, Hitler took the rest of Czechoslovakia and a year later Europe went to war.

During the course of that war, it was decided that the principles at stake, the principles of the Atlantic Charter, made it necessary to bring about the unconditional surrender and total conquest of Germany. There was even some discussion of making postwar Germany a pastoral state—something we fortunately did not do. But there was no thought of fighting only until a demarcation line, or a parallel, or a demilitarized zone was reached. The fight was to be carried on until the overriding objectives, the principles at stake, were assured.

Unfortunately, these experiences seem to have been forgotten, just as the fact that we are a nation of immigrants seems to have been forgotten, at least temporarily, by too many Americans. But, if we are willing to look back and learn from history all is not lost provided we act upon those lessons in accordance with our proud heritage. The fact that we have stood by the principles of freedom, and those who believe in them, in something we can be proud of—but only if we are willing to keep up the good fight in the future, even if it does mean an element of personal sacrifice.

Looking at our history again, it seems that economic adversity, or threat of economic adversity, tends to bring out the worst in Americans—cynicism, materialism, isolationism. The great depression, for instance, spawned not only economic discontent but an isolationism that led to the Nye Committee, the Neutrality Acts and a reluctance to get involved until the day we were actually attacked at Pearl Harbor. So, there is hope that our apparent xenophobia over Vietnam will pass away as it has before with respect to other minorities as we rediscover our traditional commitment to basic principles of justice, righteousness, and personal liberty.

There are, however, salient differences. The first is that times are not nearly as grim as they were in the great depression. Moreover, the art of warfare has progressed to the point where we cannot afford to wait until we are attacked before we alter our attitude and prepare to defend our liberty. The protection of the oceans is a thing of the past; now we may get 30 minutes warning before our own cities come under attack.

Thus we cannot afford to ignore the lessons history can teach us about aggression, nor can we afford to adopt something less than a "win policy" in defense of freedom. And, finally, if we are to maintain our own self-respect, to say nothing of keeping the respect of others, we must not turn our backs on those who fought with us on the side of freedom and now ask only that they be given refuge. To do any of these things would not only be shortsighted from a practical standpoint but from a moral viewpoint as well.

If we are to maintain our position as leader of the free world, we must be willing to stand up for what we believe wherever those beliefs are challenged. And we must stand ready to help those who share those beliefs with us, particularly if they have backed up their words with deeds. To do less seems counter to the finest traditions of this Nation, traditions which have set us apart and made us unique in the annals of human history.

Sometimes it is difficult to live up to such a fine tradition but surely the benefits accruing from adherence to that tradition far outweigh any transitory material comforts or conveniences that we might otherwise crave. Let it not be said by our children or our grandchildren that we failed in our obligations when the going got tough and thereby helped to extinguish the torch of freedom, not only for others, but ultimately for ourselves.

Perhaps the most eloquent symbol of our past tradition is the Statue of Liberty, overlooking New York Harbor. It was given to us by the French in recognition of our contribution to the cause of freedom but, for almost a century now, it has held aloft a beckoning hand to millions of immigrants who have come to our shores to enjoy the fruits of liberty. It would indeed be a shame if we forgot how good those fruits tasted or how much human suffering would have resulted had we had not been allowed to walk down the gangplank.

For our own sakes, if for no one else's, we cannot forget.

RAIL EMPLOYMENT LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. Heinz) is recognized for 20 minutes.

Mr. HEINZ. Mr. Speaker, I am today introducing legislation similar to H.R. 4622, the Railroad Right-of-Way Improvement Act of 1975, which I introduced on March 11, 1975.

The bill I introduce today is identical to legislation reported out of the Senate Labor Committee and should be given consideration by the House Commerce Subcommittee on Transportation when hearings soon begin on H.R. 4622.

I personally feel that H.R. 4622 more quickly, effectively, and fairly achieves the goal of putting people to work rebuilding our Nation's railroad rights-of-way.

Nonetheless, the bill I introduce today has the same worthy end, even if the means differ somewhat from H.R. 4622. Because of my interest in achieving the goals of both approaches as quickly and expeditiously as possible, I believe the Transportation Subcommittee should have before it for full consideration the widest possible choice of good legislative options. It is for this reason I am bringing the legislation I introduce today to the attention of my colleagues.

Mr. Speaker, I ask unanimous consent that the text of this bill be printed in the Record at this point:

H.R. 6767

A bill to improve the reliability, safety, and energy efficiency of transportation and to reduce unemployment by providing funds for work in repairing, rehabilitating, and improving essential railroad roadbeds and facilities

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Rail Transportation Improvement and Employment Act of 1975".

DECLARATION OF POLICY

Sec. 2. (a) Findings.—The Congress finds and declares that—

(1) Adequate and safe rail transportation is essential to the public interest, and jobs which involve repairing, rehabilitating, and improving essential railroad roadbeds and facilities to increase the public service capability of railroads are important public service jobs.

(2) Unemployment can be reduced significantly by stimulating and expediting the repair, rehabilitation, and improvement of the Nation's railroad roadbeds and facilities, because there is a great need for such activity and because such activity is labor intensive.

(b) Purpose.—It is therefore declared to be the purpose of the Congress in this Act to authorize the Secretary of Transportation in consultation with the Secretary of Labor to provide financial assistance, from funds

appropriated and made available under section 11 and in accordance with the provisions of this Act to eligible applicants, for programs aimed at reducing unemployment and at repairing, rehabilitating, or improving essential railroad roadbeds and facilities.

Sec. 3. Definitions.—As used in this Act, unless the context indicates otherwise, the term—

(1) "eligible applicant" means any (A) State or political subdivision thereof, (B) railroad, (C) regional, State, or local transportation authority, or (D) regional commission;

(2) "government" means the Federal Government or the government of a State;

(3) "railroad" means a common carrier by railroad, as defined in section 1(3) of the Interstate Commerce Act (49 U.S.C. 1(3)); the term includes the National Railroad Passenger Corporation, and the Consolidated Rail Corporation.

(4) "regional commission" means the Appalachian Regional Commission, established pursuant to section 101 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 101), and the Regional Action Planning Commissions, established pursuant to title V of the Public Works and Economic Development Act (42 U.S.C. 3181);

(5) "roadbeds and facilities" means the physical assets of a railroad, other than rolling stock, that are necessary for the actual movement of rolling stock, including, but not limited to, tracks, ties, rails, switches, roadbeds, bridges, yards, stations and terminals, machines for loading and unloading, ferries and shoreside facilities for transporting rolling stock over water, signal systems, grade crossings, train monitoring systems, electrification and other power transmission systems, and structures and equipment necessary to the functioning of any of the foregoing;

(6) "Secretary" means the Secretary of Transportation; and

(7) "State" means any State of the United States, or the District of Columbia.

GRANTS FOR EMPLOYMENT IN RAILROAD REPAIR OR REHABILITATION PROJECTS

Sec. 4. (a) General.—The Secretary shall, in accordance with this Act, provide financial assistance in the form of grants to eligible applicants for projects involving the repair, rehabilitation or improvement of railroad roadbeds and facilities as set forth in section 6 of this Act and that best fulfill the following three objections:

(1) the reduction of unemployment in areas that are identified by the Secretary of Labor as areas of substantial unemployment;

(2) the improvement of severely deteriorated roadbeds and facilities that (A) constitute a significant risk to public safety or (B) seriously inhibit the expeditious movement of freight or passengers; and

(3) the improvement of roadbeds and facilities that (A) contribute significantly to a balanced national rail transportation system, and (B) meet national or regional goals set forth in section 79 of this Act.

In making such a grant, the Secretary shall obtain adequate assurances that the proposed project substantially meets the goals set forth in section 7.

(b) Guidelines and Procedures for Grant Applications.—(1) To facilitate the rapid initiation of railroad repair, rehabilitation or improvement projects, the Secretary shall establish and publish within 30 days after the date of enactment of this Act, guidelines and procedures for making and evaluating applications for financial assistance pursuant to this section.

(2) Any such application shall be prepared and submitted to the Secretary pursuant to such guidelines and procedures. Such an application shall include, but need not be limited to, the following information and documentation in support thereof, with respect to the project for which financial assistance is requested:

(A) a description of the roadbed and facilities to be repaired or rehabilitated or improved;

(B) a statement as to the number of persons to be employed;

(C) a description of the relationship between the applicant and the roadbed and facility to be affected, if such applicant does not directly own or control such roadbed or facility;

(D) an evaluation of the roadbed and facility to be affected, in terms of its present or potential significance for national or regional transportation; and

(E) a description of the way in which the goals set forth in section 7 of this Act will be realized, and the manner in which such realization will be monitored.

The Secretary shall act upon any application under this section within 15 days after it has been received and is complete.

(c) Supervision of Products.—In administering this Act, the Secretary is authorized to establish objective criteria to aid in determining whether the recipient of a grant made pursuant to this Act is maintaining a good faith level of repair and rehabilitation, on the basis of past experience and the present financial capability of the recipient.

(d) Limitations.—Grants made to eligible applicants pursuant to this section shall be used solely to pay the wages, and other benefits earned by individuals employed in programs funded by this Act, and shall not be used by such applicants for any administrative expenses incurred with respect to any such programs. Funds made available under this section for roadbed and facility repair and rehabilitation are to be used by eligible applicants in addition to, and not as a partial or total substitute for, or as a replacement for, any other funds that the applicant would would have been reasonably expected to utilize in the absence of this Act, for roadbed and facility repair and rehabilitation.

EMPLOYMENT PRIORITIES

Sec. 5. The jobs created pursuant to financial assistance provided pursuant to this Act shall, after the recall of furloughed maintenance-of-way and signal system maintenance employees pursuant to applicable collective bargaining agreements, be made available, consistent with other provisions of this Act, (1) to unemployed persons who have exhausted unemployment insurance benefits, to unemployed persons who are not eligible for unemployment insurance benefits (except for persons lacking work experience), and to unemployed persons who have been unemployed for 15 or more weeks; (2) to unemployed or underemployed persons as defined by section 601 of the Comprehensive Employment and Training Act of 1973, as amended (29 U.S.C. 801 et seq.). The Secretary of Labor shall promptly establish such procedures, rules, or regulations as necessary to insure that sufficient numbers of such unemployed persons are referred to eligible applicants receiving funds pursuant to this Act by State unemployment service agencies, by the Railroad Retirement Board, and by prime sponsors designated under the Comprehensive Employment and Training Act. All jobs created under this Act, except those to which furloughed employees are being recalled, must be listed with the State employment service at least 72 hours before such vacancies are filled.

ELIGIBLE ROADBEDS AND FACILITIES

Sec. 6. Roadbeds and facilities are eligible for project grants pursuant to section 4 if they:

(1) have been included in the preliminary system plan, or in any subsequent plan, that has been approved by the Board of the United States Railway Association;

(2) are used in a substantial way in a rail commuter passenger service;

(3) are utilized by the National Railroad Passenger Corporation pursuant to the Rail Passenger Service Act (45 U.S.C. 501 et seq.) for providing rail passenger service or are part of either the basic system or the experimental routes established pursuant to the Rail Passenger Service Act (45 U.S.C. 501 et seq.), or by any other railroad providing intercity rail passenger service;

(4) have been subject to track usage of at least five million gross ton-miles per mile of road per year, during at least one calendar year following January 1, 1970;

(5) have been identified to the Secretary by any State, political subdivision thereof, or regional commission as significantly contributing to improvements in, or the continuation of, essential present or anticipated transportation needs, if the Secretary concurs in such identification; or

(6) are owned by a State or public entity.

GOALS

Sec. 7. In order to receive financial assistance under this Act, a project shall be structured and administered so as to achieve substantially the following goals:

(1) the reduction of unemployment;

(2) the acceleration and expansion of a nationally balanced rail rehabilitation effort designed to improve railroad roadbeds and facilities that meet essential national and regional transportation needs or policies or that will eliminate serious safety hazards involving such roadbeds and facilities;

(3) the coordination of repair and rehabilitation work with other national transportation priorities, such as the elimination of grade crossings and similar safety problems, the improvement of rail passenger service, and the modernization of facilities, including the electrification of appropriate lines.

(4) the substantial completion of such project within 18 months after the date on which work is commenced; and

(5) the maximization of the chances for permanent employment by the railroad of the individuals employed on such projects.

MATERIALS AND EQUIPMENT ASSISTANCE

Sec. 8. (a) General.—To the extent necessary to carry out a project receiving financial assistance pursuant to section 4, the Secretary may provide financial assistance to eligible applicants, in accordance with this section, for the acquisition of materials and equipment necessary and appropriate to such project. Such financial assistance shall not be made available until the Secretary receives adequate assurances that it will not be used, directly or indirectly, as a substitute for financial resources which would otherwise have been expended for such purposes by the applicant. Financial assistance pursuant to this subsection may be provided by the Secretary in the form of guarantees by the United States of the payment of the principal amount of, and the periodic interest obligation on, loans, or in the form of grants, with or without conditions. In the case of a grant under this subsection, which adds, or may add, value to the rail properties or other assets of a railroad other than a Government corporation, the Secretary may require that adequate and binding assurances be made for recompensating the Federal Government for any such value added, through a mechanism such as reduced user fees for rail passenger service operated by the National Railroad Passenger Corporation or other compensatory device. In the event of any transfer of railroad roadbeds or facilities to the Government or to any corporation established by the Government, the transferring railroad shall not receive compensation for that portion of the value of such roadbed or facilities which was added by materials and equipment obtained with the proceeds of grants under this sec-

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tion. At any time after the completion of such a project, the Secretary and an affected railroad may enter into a stipulation as to amount of such value added, or as to the absence thereof, and such a stipulation shall be binding in any subsequent negotiation or proceeding.

(b) Limitation on Amount.—The aggregate unpaid amount of outstanding obligations, including principal and interest thereon, that may be guaranteed under this section shall not exceed $100,000,000.

LABOR PROTECTION

Sec. 9. (a) All work in connection with the projects funded under this Act which has been performed by practice or agreement in accordance with provisions of the existing contracts in effect with the representatives of the employces of the classes or crafts involved shall continue to be performed by the applicant's employees, including employees on furlough. Should the applicant lack a sufficient number of employees, including employees on furlough, and be unable to hire additional qualified employees from among the unemployed and underemployed persons specified under section 5 of this Act, to perform the work required, it shall be permitted to subcontract that part of such work which cannot be performed by its employees consistent with applicable collective-bargaining agreements. Applicants shall be required, prior to contracting out work under this subsection, to secure certification from the Department of Labor that there is an insufficient number of furloughed maintenance of way employees, or of unemployed persons referred pursuant to section 5 of this Act, to perform the work required. In the event that such work is subcontracted, after meeting the requirements of this subsection, wages and benefits paid shall be not less than those provided for in collective-bargaining agreements in effect and negotiated pursuant to the Railway Labor Act for similar jobs and classifications. Such rates shall be considered in compliance with the Davis-Bacon Act (40 U.S.C. 267(a): Walsh-Healy Act (41 U.S.C. 35), or Service Contract Act (41 U.S.C. 35)), whichever is applicable.

(b) Work to be performed with financial assistance received under this Act, which has not traditionally been performed by employees of the applicant, may continue to be performed by a contractor of the applicant: *Provided, however*, That the applicant shall take such action as may be necessary to insure that all laborers and mechanics employed by such contractor or subcontractors in the performance of work done with the aid of such financial assistance shall be paid wages and benefits at rates not less than those prevailing on similar work in the locality, as determined in accordance with the Davis-Bacon, Walsh-Healy Act, or Service Contract Act, as applicable. No contract or agreement for the performance of work receiving Federal financial assistance shall be entered into under this subsection without first obtaining adequate assurances that required labor standards shall be maintained in the performance of such work and that persons employed, whether by the applicant, contractor, or subcontractor of the applicant, shall be hired in accordance with the priorities and procedures set forth in section 5 of this Act.

MISCELLANEOUS PROVISIONS

Sec. 10. (a) Records and Audit.—Each recipient of Federal financial assistance pursuant to this Act, regardless of form, shall maintain such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the program or project in connection with which such assistance was given or used, and such other records as will facilitate an effective audit. The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives shall, until the expiration of three years after the completion of such program or project, have access for the purpose of audit and examination to any books, documents, papers, and records of such receipts which, in the opinion of the Secretary of the Comptroller General, may be related to or pertinent to any such Federal financial assistance.

(b) Cost and Benefit Assessment.—The Secretary is authorized to conduct, or to cause to be conducted, cost and benefit assessment studies of various programs and projects receiving Federal financial assistance pursuant to this Act and of proposed projects to the extent necessary to assure that funds appropriated for purposes of this Act are expended in the manner most cost-beneficial to the people of the United States, except that this provision may not be applied in any way which is likely to delay reduction in unemployment.

(c) Reports and Oversight.—The Secretary shall submit to the Congress and the President periodic reports on his actions taken pursuant to this Act, including statements as to progress made in reducing unemployment and in improving the Nation's rail transportation system in terms of reliability, safety, and energy efficiency.

(d) Conforming Amendment.—Section 5108(c) of title 5, United States Code, is amended by adding, immediately after paragraph (11) thereof, the following new paragraph:

"(12) The Secretary of Transportation, subject to the standards and procedures prescribed by this chapter, may place an additional 6 positions in the Federal Railroad Administration in GS–16, GS–17, and GS–18 for the purposes of carrying out his responsibilities under the Rail Transportation Improvement and Employment Act of 1975, and related legislation.".

AUTHORIZATIONS FOR APPROPRIATIONS

Sec. 11. There are authorized to be appropriated, not to exceed $600,000,000 to the Secretary for purposes of providing financial assistance pursuant to section 4, of which not more than $7,000,000 shall be available to the Secretary for administrative expenses in implementing this Act, such sums to remain available until expended. There are also authorized to be appropriated, not to exceed $100,000,000 to the Secretary for purposes of providing grants pursuant to section 8, such sums to remain available until expended.

YUGOSLAVIAN BLOODBATH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. Ashbrook) is recognized for 10 minutes.

Mr. ASHBROOK. Mr. Speaker, yesterday in a special order I outlined details of Communist bloodbaths which have been a part of their policy in the past. Today, I want to deal with Communist atrocities and brutality in Yugoslavia.

Unlike the other Communist satellites, Yugoslavia did not have the direct presence of the Soviet Army following World War II, as it did during the end of the war, to aid its native Communists in the takeover of the reins of power. Much of the spadework, however, was done during the war years by Marshall Josip Tito's forces against his natural enemies, the Christian anti-Communists, under the guise of fighting Germany.

Indigenous Communists led by Tito also recognized that if Yugoslavia was defeated by Hitler an opportunity would also be provided for a revolution. Regardless of the outcome—victory or defeat—Tito would be ready to make the revolution. To this end Stalin and Tito advanced proposals to the Nazi that they would refrain from fighting the Germans in certain parts or "reservations" of the country and even went so far as to propose helping Germany to counter an Allied landing. Hitler declined the offer.

Meanwhile, Gen. Draza Mihajlovic's paramilitary forces who were avid anti-Communists, were carrying the main burden of the fighting against the German occupation forces in Yugoslavia.

Tito, whom Communist propaganda agents made out to be an anti-German, superpatriot, was in fact off on other business, that is, incurring the hatred of the Serbs, Croats, and Slovenes by establishing miniature Communist regimes and by ruthlessly exterminating all native opposition elements—his future potential opponents. This was the test of a true Communist leader who was guided by the Kremlin, that is, save your energy and preserve your forces for the postwar, so-called civil war. Mao saved his Sunday punch for Chiang's Nationalist forces in China who were fighting the Japanese, and Ho Chi Minh reserved his for South Vietnam who suffered most of the casulties against the Japanese and the French.

Communist propaganda agents working through British Intelligence, BBC, and other forms of British mass media, persuaded Churchill by means of exaggerated and falsified accounts, of Tito's partisan achievements against Germany coupled with a massive anti-Mihajlovic campaign, that the former should be supported and the latter repudiated. Churchill was later to admit that he had been badly mislead. The net effect was that Tito received the full backing of the Western allies in addition, of course, to that of the U.S.S.R. The anti-Communist forces received the leftovers, if any.

The U.S. inadvertent assistance to Tito's takeover ambitions and the complete liquidation of his postwar opposition was also a contributing factor as the following example illustrates. The following was inserted into the Congressional Record in December 1950 by my colleague from Ohio, Mr. Wayne Hays:

> That on Easter Sunday in Belgrade during the last year of the war . . . Tito asked that American bombers bomb the city of Belgrade, which was not strategicaly important; he specified that day and he specified that hour. That day and that hour happened, purely by accident I suppose, to be on Easter Sunday when the Serbs were coming out of the Orthodox churches.

Finally in September 1944, the Soviet Army entered northern Serbia and the Bulgarian Army southern Serbia and thus, the genuine patriot of Yugoslavia, General Mihajlovic, exhausted from fighting both the Germans and Tito's guerrillas and unsupported by the West, was finished. Many of his anti-Communist troops who were not captured by the invading Communist armies or by Tito's partisans fled to the American Zone—where they found safety, or to British-occupied Carinthia—where they found treachery.

The British, out of ignorance, or deception by their own diplomats such as

Guy Burgess who later defected to the U.S.S.R., and by James Klugmann, wartime chief of Balkan intelligence for the British Middle East Command who later became "director of education" for the Communist Party of Great Britain, sent back thousands of the General's men to Tito's partisans who immediately massacred them without benefit of trial.

Their numbers included over 11,000 young Slovenians including civilians, several thousand unarmed Croatian soldiers, and about 3,000 anti-Communist fighters from Ljotic's movement, and 1,000 Montenegrin cetnici, according to the excellent study on Yugoslav communism prepared by Dr. Charles Zalar for the Senate Internal Security Committee and from which the major portion of these remarks are taken.

In a work entitled "Requiem for Massacred Slovenes," it was noted that:

> The quiet mountains and hidden valleys of Slovenia were the scenes of mass executions during the whole months of May and June 1945. By a terrible mistake the Christian leaders of the Western World had sent to their deaths over ten thousands of convinced anti-Communists; these young men were the first victims in the defense of the West against Eastern barbarism.

Wrote Bishop Bernard J. Topel of Spokane—

> Not only men, but also women and children, even babies and grandparents were murdered at Tito's whim. Sometimes the killing came after sadistic torture that is so much a part of Communism.

Tens of thousands of Yugoslavs fled to refuge abroad. A great number of Yugoslav prisoners of war who were held in concentration camps by the Germans and Italians refused to return to the "new liberated" homeland.

But this was only the beginning. Whom Tito's Communist-led partisans missed in the massacres during the wartime mopup, his secret police finished off during the postwar period. Under the lofty-sounding name of the "Department for the Protection of the People," otherwise known as the infamous OZNA, 200,000 persons were liquidated.

Marshall Tito, the butcher of Belgrade, in a speech at Tuzla, in September 1946 stated piously, according to Martin Ebon in his work, "World Communism Today:"

> Those who will persist in hindering the creation of a better future, the reconstruction of our country, the creation of something better and new, will have to disappear from the face of this earth. We will have no pity toward them and will act toward them as against our worst enemies. We cannot stop halfway.

And indeed he did not. Or, as a member of the Yugoslav Communist Party's Central Committee, Moshe Pijade threatened—

> The altar lamp of terror must never be extinguished. The people must have fear.

And fear they were given.

Meanwhile what did the vanguard of the working class get? Communist Party members and cohorts entered the administration, received vast powers, and a high standard of living. Tito himself was forced to rough it in the former residence of the royal family, the White Palace, located in the fashionable, hilly Dedinje suburb of Belgrade.

In classic, satellite-takeover fashion, the usual postwar, Communist-led coalition government was created as prescribed by Stalin and agreed to by Churchill who had agreed in Moscow in 1944 to share "influence" equally in Yugoslavia on a 50–50 basis. By June 1945 Churchill was protesting that Britain's share of "influence" had diminished to only 10 percent, if that, because "we have been subjected to violent pressure by Marshall Tito."

Tito could not care less by this time. He was busy nationalizing everything that was nailed down, and most of that which was not. The handful of democratic leaders from the non-Communist political parties who provided the window dressing in the make-believe coalition government had already served their purpose of creating for the benefit of the Western Allies, the illusion of democracy. The die was cast.

During this period and somewhat later, allied soldiers in Europe were moving to the Pacific to shore up their colleagues there, and when that was concluded in August 1945 to sail for home to be discharged from service. But the Communist armies remained intact and uncontested because for them the booty and spoils of war had to be solidified; that is, the 10 nations of central-eastern Europe extending from the Baltic to the Mediterranean Seas. These armies would bring the blessings of Bolshevism bloodbaths to the stubborn, land-loving peasant who would fight against Tito's collectivization of his soil as the long-suffering Ukrainians had done against Stalin before them, and also to the freedom-loving democratic leaders, to the idealistic intellectuals, the industrious businessmen, and to anyone else who challenged Communist rule in the so-called Peoples' Democracy of Yugoslavia. In short, all members of the pre-Tito establishment in the public and private sectors of society would soon be looking into the business end of a Communist gun barrel out of which, as Mao reminds us, comes political power.

And down that barrel now peer the peoples of Southeast Asia.

THE NEED FOR ENERGY RESEARCH AND THE DEVELOPMENT OF FUSION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. Fithian) is recognized for 15 minutes.

Mr. FITHIAN. Mr. Speaker, I recently received an excellent letter from Dr. C. Richard Mueller, professor of chemistry at Purdue University in West Lafayette, Ind., which I would like to share with my distinguished colleagues in the House.

Dr. Mueller has given lectures in the field of fusion research, delivered scholarly essays, and conducted original research in the area of fusion. He is a leading spokesman in the field.

Nearly every American is conscious of the need for a plentiful, inexpensive supply of energy. In the long run, fusion holds the brightest prospect for achieving this goal. The scientific research that is necessary to achieve this goal must begin on a massive scale as soon as possible. We need a Manhattan-type project to examine all the aspects of fusion research and work toward its success within this century. We can ill afford to cut the budget for fusion research. In fact, we might well shift some of the funds from fission related research and development to fusion. Unless we do something today to resolve the problems of tomorrow, these problems will be on our doorstep and we will be unprepared for them. The future is now.

It is my privilege to reprint Dr. Mueller's letter and his position statement. It is as follows:

Purdue University,
West Lafayette, Ind., April 29, 1975.

There are two methods of producing nuclear energy

a. Fission—the split up of heavy atoms into two or more parts. The disadvantage is that the products are lovely things like strontium-90 which has a long half life and is biologically ingested. The radiation products require geological integrity; are dangerous for 500,000-1,000,000 yrs.

b. Fusion—combination of light elements to produce slightly heavier elements. This is the mechanism of the sun and other stars and is the primary source of energy. The problem with fusion is that it requires an ignition temperature of 100 million degrees.

Recently KMS Industries has demonstrated the attainability of fusion. The old AEC bunch under ERDA is now trying to attain the break-even point. I suspect that the present group in ERDA are not really trying to make fusion practical. The level of research proposed by ERDA is basically large enough to maintain a small in-house effort. Their results to this date are not very impressive. In fact KMS, on a much smaller budget has done much more.

The eventual effort required is on the scale of the Manhattan project, but the quality of the people in ERDA is certainly far below the war-time effort which involved Fermi, Einstein, Teller etc. The Russian effort incidentally involves three Nobel prize winners. In addition the old A.E.C. group are heavily pushing fission reactors, which are their bread and butter. There really is a conflict of interest here as well as a rather low level of competence; and it would be better, somehow, to separate the fusion and fission problems into independently administered programs.

Realistic levels for the fusion program will ultimately rise to about a billion per year. My guess is that this will occur only when the Russians have a spectacular success.

Yours sincerely,

C. R. Mueller,
Professor of Chemistry

The Role of Fusion in a Rational Energy Program

The energy problem is so complex and so vital to industrialized civilization that a variety of approaches are needed. Some of these are short-range, but others require a long period of sustained and determined effort. Of all of the proposed solutions to the energy crisis, only fusion can provide the possibility of a source of unlimited, cheap, and clean energy.

The process of fusion bears a striking resemblance to the conventional process of combustion. Nuclei react with one another to produce other nuclei with the release of tremendous energies. For example, deuterium nuclei react with tritium nuclei to form helium and neutrons. At a higher temperature, deuterium will react with deuterium to produce helium and a neutron or tritium and hydrogen.

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The basic fuel for this process is deuterium since the tritium can be produced by reaction of neutrons with the reactor wall materials. There is a billion years supply of deuterium and fuel costs are microscopic. The price of deuterium is less than 30 cents a gram. 200 metric tons would produce all the power being produced in the United States in a year at a fuel cost of $100,000,000.

The question is not whether fusion will work. The stars including our sun have been using this process since the dawn of time. This has been the source of virtually all the energy in the universe. Since we are still surviving after five billion years, its safety is beyond doubt. The question is whether scientists and engineers can produce fusion reactors sufficiently advanced and economical enough to make fusion practical.

The difficulty lies in the tremendous ignition temperature of the fusion process, 100 million degrees centigrade. There are presently two possible methods of igniting and containing the fusion process. The first of these is magnetic confinement and the second is by laser ignition and compression. Both of these methods provide valuable design data and both provide possible routes to a solution of the reactor design problem. In particular laser fusion has been done and the break-even point of energy put in equaling energy output is not far away. We are now at the point where research on optimizing laser efficiency could have tremendous pay-offs.

Congress is debating about whether the proposed $130,000,000 budget for fusion research should be reduced to $100,000,000. Congress should consider the alternatives. The shortage of petroleum is well known. While we have an abundant supply of coal, that coal transformed into fuel for mobile purposes will cost two or three times the present price of gasoline. If nuclear fission is used and the energy applied to synthesizing gasoline the net effect will be the same. Unless fusion becomes practical, we will suffer from increasingly higher energy costs, suffocating and stifling productivity.

While no one can guarantee the success of the fusion effort, the prognosis is good. In view of the critical and overriding importance of the energy crisis to civilization, in view of the support that Congress has given to the development of nuclear fission and to the space program; it is extremely difficult to understand the pathetically low level of support being proposed for the fusion program.

No one doubts that an effort on the scale of the Manhattan project is ultimately required. This entailed an expenditure of two billion dollars in the 1940's. When we consider the effect of inflation and divide by the current proposed support of $130,000,000; we come to the conclusion that, at the present rate of support, we might achieve success in 62 years.

If there is an element of facetious humor in the preceding remark, it is difficult to decide on whom the joke has been played. The fact is that this is the most difficult and important problem that has ever faced the scientific community. This is a challenge that the best scientific minds will accept, but this is not a project that can be undertaken at the present cavalier level of support.

THE C–SELM PROJECT IN NORTHWESTERN INDIANA

Mr. Speaker, I appreciated the opportunity to testify against the land filtration aspect of the Chicago-South End Lake Michigan—C–SELM—project before the Appropriations Subcommittee on Public Works.

Since the first announcement that the Army Corps of Engineers proposed to utilize Indiana farmland to treat Chicago sludge and sewage, I have continuously fought this ridiculous program. I want to kill this portion of the C–SELM. It is an unwise, unpopular project that should never be adopted.

The people of northwestern Indiana are completely opposed to the land filtration aspect of the C-SELM project, and the local officials, the State legislature, and the Governor have categorically stated their opposition to the project. The Army Corps of Engineers even concedes that the project will never be built unless the local officials, the Governor, and the Congress agree to this plan.

Now it is time for Congress to register its disapproval of this land treatment policy. I strongly urge that not one cent of the taxpayers' dollars be expended by the Army Corps of Engineers for either the continued study or the construction of a land filtration system as an option of the C–SELM project's wastewater management program.

I urge Congress to cut off all funds necessary to engage in any further study or construction of the land filtration system in this project and deny any future funding for an interstate agency or commission to implement such a program.

I have asked the subcommittee to insert three statements in its official report that accompanies the present appropriation bill. These three statements would prohibit the Army Corps of Engineers from any further study or construction of the land filtration aspect of the C–SELM project and prohibit the use of funds for an interstate agency. I hope that the subcommittee acts favorably on these proposals and that the Congress adopts the full committee's report.

I have enclosed these three statements and the supporting arguments from the testimony I gave to the subcommittee, and which is printed hereafter:

THE C–SELM PROJECT IN NORTHWESTERN INDIANA

Mr. Chairman, usually a member appears before a subcommittee asking that funds be appropriated for projects within his district. I come today, however, for the opposite reason. I strongly urge that not one cent of the taxpayers' dollars be expended by the Army Corps of Engineers for either the continued study or the construction of a land filtration system as an option of the Chicago-South End Lake Michigan (C–SELM) project's wastewater management program. The residents of northwestern Indiana are totally opposed to the land treatment aspect of the C–SELM Project.

I urge the committee to insert the following statements in its official Report that accompanies the present appropriation bill. These statements are:

1. The committee directs that none of the $192,000 for the C–SELM project be utilized for further study or construction of any land treatment system of wastewater management in the State of Indiana.

2. The committee directs that any appropriated, but unspent, funds for the Wastewater Management Study for C–SELM, not be utilized for further study or construction of any land treatment system in Indiana.

3. The committee further directs that no federal funds be utilized for the creation of an interstate agency to regulate a wastewater management system in Illinois and Indiana.

If the land filtration alternative in the C–SELM proposal is adopted, the area affected would lie solely within the congressional district which I have the honor to represent. These changes would confirm in the law itself what has already been indicated by earlier testimony presented by Brig. General Walter O. Bachus, Division Engineer Army Corps of Engineers in answer to the questions which, you, Mr. Chairman, were good enough to ask on my behalf. This testimony appears in the subcommittee hearings on Public Works for Water and Power Development and Energy Research Appropriations Bill, 1976 Part II, pages 548–549. If the Army Corps policy is not to build a project over the objections of state and local governments, then land filtration is not possible as an alternative in the Chicago Wastewater Management Program now being studied by the Army Corps. Let me briefly discuss the reasons why such approval is not attainable.

It is blatantly unfair to utilize the resources of one reigon to resolve the problems of another. The C-SELM projects seeks to transfer the problems of one area, in this case, Chicago, to another, northwestern Indiana. This solution lacks the fairness and equity with which Americans traditionally resolve their problems.

There is a natural resistence in northwestern Indiana as well as across the country to having the Federal Government impose an unpopular proposal the people profoundly and unanimously reject. C-SELM is such a proposal as far as northwestern Indiana is concerned.

I would like to take this opportunity to briefly outline the efforts which have been made by we Hoosiers in demonstrating total opposition to the land filtration aspects of the proposed C-SELM's program for wastewater management.

1. Over 1,500 people joined the Kankakee Valley Association, spearheaded originally by Mr. John DeGraf. This organization was formed literally within days after the C-SELM propect first became public. I am proud to say that I was a charter member of this organization. Citizens from all over northwestern Indiana joined this effort to kill C-SELM. Collectively, we stand as one person in our total and unequivocal opposition to the potential use of Northwestern Indiana farm land in the beautiful Kankakee River Valley as a receptical for human organic and industrial waste or sludge from the greater Chicago area or any where else.

2. The Indiana State Legislature has gone on record against the land filtration system included in the C-SELM project. Under the leadership of Walter Roorda, the legislature voted over-whelmingly to oppose implementation of any plan which resulted in land filtration. Governor Otis Bowen signed the bill and has frequently recorded his strong opposition to the C-SELM proposal.

3. When the C-SELM project was first announced in 1972, thousands of inspired and concerned public citizens jammed schools, town halls, and armories to protest it. These area citizens attended public meetings conducted by the Army Corps of Engineers and voiced their nearly unanimous objection in the strongest possible way. These same citizens, working through the KVA, have pursued a course in strong opposition to C-SELM, have held their own public meetings, have received the support of all local, state, any federal officials, including our United States Senators, Birch Bayh and Vance Hartke, and have left a vigilant guard against any surprise developments.

4. In 1972 I circulated a petition in the six counties to be affected by the C-SELM project (Jasper, Newton, Starke, Pulaski, Lake, and Porter). More than 3,000 persons signed these petitions in less than ten days, thereby recording their strong opposition to C-SELM. I sent a strong letter to the Corps indicating my total opposition and reported the results of the petition.

It is time to lay this project aside and to do so permanently. In several discussions with the Army Corps of Engineers, I have been told repeatedly that it is contrary to their policy to build a project without the assent of the local and state officials. It is manifestly clear that they do not have that assent, and in fact, are faced by a solid wall of opposition stretching from the affected counties, to the State House, and on to Washington.

When General Bachus testified before this committee on March 10th, he stated that "none of the remaining funds would be spent on further study or construction of wastewater management facilities or land treatment or sewage treatment facilities within the State of Indiana." He further conceded that the Army Corps of Engineers "is not pushing land treatment or the dumping of any waste material from Illinois into Indiana."

When asked how the people of Indiana felt about the prospects of utilizing the land treatment approach for Chicago sludge and wastewater products, General Bachus stated that "almost no one was willing to accept the disposal of waste products in their area." "There was particularly strong concern expressed," note General Bachus, "about a number of land disposal schemes and about transporting Chicago wastewater effluents to outlaying areas and across state lines."

General Bachus pointed out that he could "see no way" in which the Army Corps of Engineers might make a recommendation for the implementation of C–SELM proposal without the approval of appropriate state or local sponsoring agencies. He further stated that the C–SELM decision depended on "the governors, the local officials and . . . the Congress."

In responding to other questions, General Bachus pointed out that the Corps had finished its studies and left the decision for implementing C–SELM at the local, state and federal levels. "It now depends on how the states want to move out with this information," noted Bachus. "It is primarily a local problem and decision, of course. However, Congress may choose to supplement this with funds and perhaps with guidance." General Bachus conceded that it would "take a coordinated effort by the States and the Federal Government to do whatever has to be done."

In recent surveys which the Army Corps has prepared, they have clearly indicated that they have outlined "the feasible alternatives," and "land treatment happens to be one such alternative." They stated that they made no recommendations nor favored one alternative over the other. "It would be blind and politically naive on our part to be pushing an alternative that is not acceptable to the people involved," concluded General Bachus.

If the State of Indiana and Illinois decided to implement a wastewater management system, they would have to create an interstate agency or commission under the authority of Section 208, of the Federal Water Pollution Control Act Amendments of 1972 (Public Law 92–500). General Bachus conceded that "some sort of agreement or compact would be required between the two states" if they decided "to implement a wastewater management plan involving the transport of sewage or sludge from one state to another." He further concluded that "such a compact would require congressional approval." I urge the Congress to oppose such an agency or commission if its purpose is designed to regulate the inter-state shipment of sewage and sludge or calls for utilizing a land filtration system in northwestern Indiana.

Since the Army Corps of Engineers have repeatedly stated that the land filtration system will never be implemented over the protests of local and state officials, I urge the Congress to remove all funds for this aspect of the C–SELM project. Is it not an awful waste of the taxpayer's money if the Army Corpa proceeds to work on a project that it knows has a lack of public and popular support? Why waste money on a project which will never be implemented? Why study and restudy a project that cannot be built without public and popular support? I can assure you that if the local and state government approval is required prior to implementing land filtration in northwestern Indiana, there is no chance it will be built.

Local residents, locally elected officials, the State Legislature, and the Governor have categorically opposed the land filtration aspect of the C–SELM project. Now it is time for Congresa to go on record disposing of the land treatment alternative. I urge Congress to cut off the funds necessary to engage in any further study or construction of the land filtration in this project and deny any future funding for an inter-state agency or commission to implement such a program.

REASSESSMENT ON THE BIAS?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Bingham) is recognized for 10 minutes.

Mr. BINGHAM. Mr. Speaker, I am deeply concerned by the news that the administration is proceeding with the sale of Hawk surface-to-air missiles to Jordan, at a time when all new commitments of weapons to Middle Eastern countries were supposedly under suspension, because of the announced "reassessment" of U.S. policies in the Middle East. This proposed sale is doubly disturbing, because it follows on the heels of King Hussein's declaration that the principal reason Jordan did not join Syria and Egypt in the Yom Kippur war was the lack of a Jordanian air defense system. The only possible conclusion is that this sale is the latest turn of the screw in the Ford administration's increasing pressure campaign designed to force Israel to agree to a settlement of Arab terms.

The Arabs will never make an acceptable peace with Israel just because the United States is nice to them. They will make peace, if at all, when they conclude that it is in their interest to do so because they have no more palatable alternatives. To that end, it is imperative for stability and ultimate peace in the area that the Arabs regard the Israelis as militarily impregnable. That is why an assured flow of American arms to Israel is necessary for stability and peace, and why supplying American arms to Arab States is unsettling and destabilizing.

Fortunately, there are limits to the discretion the administration has in arms sales abroad. Thanks to the Nelson-Bingham amendment to the Foreign Military Sales Act, Congress must be formally notified of any proposed sale of weapons costing $25 million or more, and can veto sales which seem unwise. It is hard to see the wisdom in selling one side American missiles to shoot down the other side's American Phantom jets. I expect the Congress will scrutinize this matter with the utmost care.

FAILURE TO ACT AGAINST MEDICAID FRAUDS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. Vanik) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, recently, I wrote to the Department of Health, Education, and Welfare concerning the Department's efforts to prevent frauds and overbillings in medicare and medicaid. In response to my inquiries on medicaid, I recently received the following letter from Administrator James S. Dwight, Jr., of the Social and Rehabilitation Service. I would like to include Administrator Dwight's letter in the Record, since it provides a quantity of valuable information on cost and fraud controls in the $13.5 billion medicaid program.

There are several major issues raised in the letter. First, it is incredible that for the past 10 years, there has been almost no Federal staff to investigate fraud and abuse in the medicaid program. As Mr. Dwight states:

> We have been limited to one person on a part-time basis in our Central Office in Washington, D.C.

The situation is improving—but is still woefully inadequate:

> However, Congress has recently authorized Medical Services Administration ninety new positions; of those positions, the Commissioner of MSA has designated eleven positions with which to form a Fraud and Abuse Surveillance Branch in the Division of Program Monitoring.
>
> Our Department is requesting in its FY 1976 budget 108 positions to be filled in the ten Regional Office to organize a RO fraud unit for the surveillance and the detection of fraud and abuse in the Medicaid program.

This is a minimum request, Mr. Speaker, since it would still provide only one Federal auditor and investigator per $100 million in a program which has been plagued by scandal and abuse. It would be my hope that the Congress would support this expansion of investigative staff and even provide for additional personnel. I believe that this investment in auditors will more than pay for itself in the reduction of fraudulent and unnecessary charges to the medicaid program.

Despite indications that SRS is concerned and seeking to improve its cost and quality control over the medicare program, the Administrator's letter reveals a number of deficiencies in the administration of the program.

For example, there is little data available on what actions have been taken against those who have abused the program and the Department is just now moving to make it easier to combine medicare and medicaid fraud investigations.

The main problem, however, is that the States, which are charged with the field administration of the medicaid program, often do little or nothing to investigate potential frauds and overbillings. In all too many States, the medicaid program is a sitting duck for abuse by the unscrupulous. It is particularly interesting to note that "recently" SRS requested a report on the number of full-

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time equivalent staff in the States involved in fraud surveillance. The results of this inquiry reveal that approximately 468 investigators are employed by the States—but that this is "made up primarily of 100 in the State of Florida and 77 in California." While New York, Puerto Rico, and the District of Columbia are not included in these figures, it appears that 38 percent of the State fraud investigators may be concentrated in just two States. It is interesting to note from the table on "Medicaid Fraud Cases in the States," Florida and California, which have made such a substantial effort to employ investigators have some of the best civil and criminal action records against those who are abusing the system. In fact, California with its 77 investigators, accounted for 168 of the 207 cases nationwide referred for civil or criminal prosecution between 1972 and 1974.

Many States do not even bother reporting to HEW on actions they have taken to prevent abuses, and in general, we can assume that those States are taking no action to stop these abuses against the Treasury and against the poor and sick.

As a final point, I would like to call attention to the request of Administrator Dwight for stiffer monetary penalties:

> In many cases, the provider reimburses the State for just the overcharges. In some States and in some cases, the provider is fined up to $10,000. Again, this is a State's prerogative. SRS would like to see legislation passed penalizing a provider double or treble the amount of money the provider is found guilty of defrauding the Medicaid program.

I appreciate Mr. Dwight's comments on the need for stronger legislation, and I am planning to introduce this proposal as separate legislation within the next several days.

The full text of Administrator Dwight's letter follows:

APRIL 17, 1975.

Hon. CHARLES A. VANIK,
House of Representatives,
Washington, D.C.

DEAR MR. VANIK: Social and Rehabilitation Service is in receipt of a copy of your letter to the Social Security Administration Commissioner, James B. Cardwell. As some of your questions apply equally to Medicaid, I wish to take the opportunity to respond to them. The answers will be in the same sequence as your questions.

(1) Since Medicaid is a State-operated program with Federal matching, the responsibility for surveillance, detection, investigation and the prosecution of fraud and abuse in the Medicaid program is primarily with the States.

However, in those cases where the State or local enforcement agency declines prosecution and there is the possibility that fraud or abuse has been committed under Federal statutes, it is the responsibility of the SRS Regional Office (RO) to follow-up on the case and, in consultation with the HEW Regional Attorney, to determine whether the allegation should be referred for possible action by the U.S. Attorney's Office for either criminal prosecution or institution of legal proceedings to recover the indebtedness under applicable Federal statutes. If the HEW Regional Attorney and the SRS Regional Commissioner (RC), after review, find the case merits further action, it is then forwarded to the U.S. Attorney's Office in the appropriate judicial district.

As for staff on the Federal level to investigate fraud and abuse in the Medicaid program, we have been limited to one person on a part-time basis in our Central Office (CO) in Washington, D.C. However, Congress has recently authorized Medical Services Administration (MSA) ninety new positions; of those positions, the Commissioner of MSA has designated eleven positions with which to form a Fraud and Abuse Surveillance Branch in the Division of Program Monitoring.

Our Department is requesting in its FY 1976 budget 108 positions to be filled in the ten RO's to organize a RO fraud unit for the surveillance and the detection of fraud and abuse in the Medicaid program. Grades for professionals will range from GS–5 or 7 to GS–14.

(2) A quick survey undertaken by the Regional Offices in January 1975 relating to civil and criminal action taken in Medicaid fraud cases covering the years 1972–74 indicated 504 cases referred for either civil or criminal action to the State legal system and 207 prosecuted. In the Federal legal system, only 27 were referred for either civil or criminal action and only 8 prosecuted.

(3) There are no figures on hand at present to indicate how many providers have been *terminated* from the Medicaid program. MSA is now in the process of updating the SRS Quarterly Fraud Report to include this information (see attached FAS–1).

However, California has reported 38 providers *suspended* in the past year as follows:

1 provider suspended for 1 month.
4 providers suspended for 6 months.
31 providers suspended indefinitely.
2 providers suspended permanently.

Prior to January 1975, Michigan's only effort in provider fraud and abuse was to recover funds improperly obtained from the Medicaid program. Since January 1, 1975, however, Michigan has *suspended* 29 providers from the Medicaid program.

(4) The following is a list of citations for the Medicaid program that was incorporated into the Federal regulations, 45 CFR 250.80:

Section 229, P.L. 92–603.
Section 235, P.L. 92–603.
Section 242, P.L. 92–603 (Section 1090 of the Social Security Act).

Also included in the Federal regulations, but not in the 45 CFR 250.80, is Section 236, P.L. 92–603 (Section 1902(a) (32) of the Social Security Act).

In many cases, the provider reimburses the State for just the overcharges. In some States and in some cases, the provider is fined up to $10,000. Again, this is a State's prerogative.

SRS would like to see legislation passed penalizing a provider double or treble the amount of money the provider is found gulity of defrauding the Medicaid program.

(5) Since Medicaid is a State-operated program, the State is obligated to carry on its own investigation. Only when the State declines to prosecute may the case become a Federal responsibility.

The Secretary of the Department has just signed a "Proposed Rule Making" to the amendment to the fraud regulations (see attached) authorizing the exchange of information on providers suspected of fraud between Medicare and Medicaid.

Also, with the 108 new fraud positions that SRS is requesting in the FY 1976 budget, we plan on making an all out effort to curtail fraud and abuse by providers in the Medicaid program.

(6) Attached are tables compiled from information received in our Quarterly Fraud Report from each State. Due to some misunderstandings by the States, these figures are far from accurate or all-inclusive.

Recently, SRS requested our Regional Offices to query the States on the number of full-time equivalent staff engaged in various functional activities in the title XIX program. One of the identified activities was "graud surveillance." From the data reported, it would appear that there are 279 full-time equivalent staff in the single State agency (Medicaid agency) and an additional 189 in other State departments supporting this activity. This latter figure is made up primarily of 100 in the State of Florida and 77 in California. The above figures exclude Puerto Rico and the District of Columbia and do not include any figures for New York State where all such activities are conducted by local or county staff and the State was unable to provide such information.

If I can be of further service, please feel free to call on me.

Your very truly,

JAMES S. DWIGHT, Jr.,
Administrator.

IN SUPPORT OF THE PRESIDENT'S REQUEST FOR ASSISTANCE TO SOUTH VIETNAMESE REFUGEES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KOCH) is recognized for 30 minutes.

Mr. KOCH. Mr. Speaker, it is appalling that Americans in any substantial number should be objecting to providing asylum and assistance for those Vietnamese who are fortunate enough to have escaped from South Vietnam and who fled because of their fear that they would be subjected to reprisals by the provisional revolutionary and North Vietnamese Communist governments. No matter whether one was in support of our military involvement in Vietnam or opposed as I have been, we have a moral obligation to provide assistance to Vietnamese and Cambodian refugees, considering the fact that it was our country that was in part responsible for extending their agony.

The United States, notwithstanding the inequities that exist domestically and the mistakes that we have made in foreign policy, still sets an example for the rest of the world, particularly in its treatment of refugees. We can reaffirm our proud tradition of offering haven to the politically exiled by welcoming the refugees from Vietnam—these "new Americans." To this end, my colleague, Congressman PEYSER, and I have written to President Ford expressing our support for his request for humanitarian assistance. We have also today circulated for cosponsors in the House a resolution expressing support for the President's request. We urge your support for this resolution.

Our letter to the President and today's editorial from the New York Times are appended:

MAY 7, 1975.

Hon. GERALD R. FORD,
President, The White House,
Washington, D.C.

DEAR MR. PRESIDENT: You have been described as "damned mad" because of widespread opposition to the resettlement of 130,000 Vietnamese and Cambodians in this country. We want you to know that your anger is well placed and that we support you in this great humanitarian effort. We, too, are damn mad that there is opposition to assisting these people who are fleeing from what they believe would be communist reprisals against them for having assisted the United States in their respective countries. It matters not whether one was for our military involvement in Vietnam and Cambodia or opposed to it. Indeed the undersigned were not always on the same side of that issue but we are on the same side when it comes to continuing the tradition of American asylum for refugees. From the beginning of our history we as a country have opened our doors to the oppressed of the world to a far greater degree than any other country.

That tradition must continue notwithstanding our domestic economic problems. And the truth is that the 130,000 Vietnamese and Cambodian refugees who were evacuated from their homelands are less than one-half of our annual number of immigrants. It is with pride that we can point to our humanitarian efforts in providing asylum for refugees from Cuba, Hungary, Czechoslovakia, and the Soviet Union. We can do no less for the South Vietnamese and Cambodians.

For the fainthearted who seem obsessed with the thought that the 130,000 refugees will overburden our employment situation we say, consider the fact that 60% are children and many others are elderly; and that perhaps only 35,000 who are heads of households are likely to seek work. Frankly, we see in this opposition those who oppose our assistance for political reasons, condemnation of South Vietnamese and indirect support of the North Vietnamese. Joining this faction are those, who in all candor, would discriminate between refugees on the basis of color. Many who supported assisting Cuban, Hungarian, Czech, and Soviet Jewish refugees today would turn their back on South Vietnamese refugees. We will not.

We are today, Mr. President circulating a House Resolution supporting your efforts to provide humanitarian assistance to these refugees. Our country has survived many tragedies and we have been blessed with many bounties and most of all we have had as our shining achievement through our history a demonstrated compassion unsurpassed by any other country.

Let not the light held in the hand of the Statue of Liberty be extinguished in 1975. It has blazed too long for this generation to allow that to occur.

Sincerely,

EDWARD I. KOCH,
PETER A. PEYSER.

DENYING THE HERITAGE

President Ford is right to be angry at the querulous and uncharitable responses of too many Americans toward the plight of the Vietnamese refugees. His request for $507 million to assist the resettlement of approximately 150,000 Vietnamese over the next two years is a reasonable and honorable response to a tragic human situation. The United States can do nothing less.

Those citizens who are unemployed or who are financially pinched by inflation and high taxes have understandable fears that the nation is taking on yet another burden while their problems remain unsolved. But those fears are based on a misconception of the facts.

About 60 per cent of the refugees are children, while many others are elderly persons too old to enter the job market. Thus, only 30,000 of the Vietnamese refugees are heads of households and likely to seek work. Of these, many are doctors, lawyers and businessmen who can readily find places for themselves in American life and contribute needed skills.

What is harder than the fears of the unemployed to explain and justify is the antagonism of many members of Congress, including well-known liberals, and other leaders of opinion throughout the country. Several liberal members of the House of Representatives seem not to be aware that the war in Vietnam is over.

No nation is eager to welcome criminals, prostitutes, war profiteers, or practitioners of political torture. But it grossly distorts the whole nature of the refugee problem to focus on the tiny minority of persons who might deserve one or another of those terms of opprobrium, or to exaggerate their number. There is no possible way to make a just determination about the political or moral character of individual refugees.

If some Vietnamese engaged in dirty work, they usually had American advisers or were financed by American money. In some respects it was a dirty war. But now that it has all ended badly, it would be the ultimate disgrace for Americans to turn their backs and adopt a holier-than-thou attitude toward those Vietnamese who aligned themselves with the American war effort in their country.

It is likewise blatantly contradictory to play upon fears that the Vietnamese may take away jobs or end up on welfare rolls and at the same time argue that many of them are too rich to deserve help.

Most of these refugees have lost all of their worldly possessions. Many are separated from loved ones. All have lost their country, a lasting sorrow that perhaps only other migrants and exiles can fully comprehend. They deserve to be cherished as fellow human beings and given a welcoming hand as new Americans.

George Meany, president of the A.F.L.–C.I.O., has pledged the labor movement's help—even in this time of economic adversity—to assist the Vietnamese refugees to find jobs. "The United States has an inescapable moral responsibility," Mr. Meany observed. "We are a nation of immigrants. Rejecting them would be denying our heritage and the history of this country as a haven for the oppressed."

No matter what one may have thought about the rights and wrongs of the Vietnam War, those words express, the true American tradition.

Mr. PEYSER. Mr. Speaker, today I joined with my colleague, EDWARD KOCH, of New York, in urging the Members of the House to join us in a resolution stating that we support the humanitarian efforts of the President to aid the unfortunate people of Vietnam who have come to our shores as refugees.

It will indeed be a black day in American history when this great land no longer opens its arms and heart for those who are desperate and in need.

When we consider that over 60 percent of the refugees are women and children and we recognize that their impact on the job market has been estimated to be fewer than 12,000 full-time jobs, I am convinced that the American people will want to be true to their tradition of the past.

GENERAL LEAVE

Mr. KOCH. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks on my special order today.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

JUDICIAL SELECTION AND THE BLACK EXPERIENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DIGGS) is recognized for 5 minutes.

Mr. DIGGS. Mr. Speaker, the very distinguished judge of the recorders court of the city of Detroit, the Honorable George W. Crockett, Jr., has written what I believe to be an excellent article on "Judicial Selection and the Black Experience." This article, which appears in the April 1975, issue of Judicature, addresses an issue of national significance and provides insights into the process of judicial selection. I commend it to the attention of my colleagues:

JUDICIAL SELECTION AND THE BLACK EXPERIENCE

(By George W. Crockett, Jr.)

The subject of judicial selection has long been contentious and controversial. While each of us loudly asserts his "objectivity and fairness" in developing his arguments for or against at-large election of judges, or for or against an appointive system, the truth is that our attitudes are determined largely by our individual perspectives and social objectives. Unfortunately, latent and patent biases are also part of the debate.

Among the criteria generally (and properly) applied to judicial candidates—in addition to the hope for at least a modicum of understanding of the law, a breath of compassion, a spark of originality—is the need for judges to represent a true cross-section of the population over which they are to preside. There are few, if any, who deny the importance of this qualification.

In this regard, our system of presidential appointment of Federal judges has been a distinct failure. Federal judges, whatever their other redeeming qualities or shortcomings, have historically been selected for reasons other than as "mirrors of their constituencies."

Of the approximately 700 Federal judges now in office, only 20 are black. And, significantly, each one of these black Federal judges is from a geographic area where the black voting potential is crucial; none is from the areas where the bulk of the black people reside. After 100 years of full citizenship, no southern black (one who resides south of Washington, D.C.) has ever been found "qualified" for nomination to a Federal judgeship. Atlanta, New Orleans, Houston and St. Louis with their increasing numbers of black voters and black attorneys would surely not be without black Federal judges today if all Federal trial court judges were elected.

The proponents of the appointive method of judicial selection always refer to their various plans as "merit selection." The implication is that popular selection and election of judges is without merit, or does not produce judges of sufficient merit. Underlying the "merit" proposals is the further assumption that the people themselves—those who are to be judged—are not competent to choose those who are to sit in judgment upon them.

Members of the bar, the argument goes have a superior appreciation of what constitutes a good judge. At most, some of the proponents of the appointive system concede, the ordinary citizen should be allowed to veto a candidate who has been appointed by the governor from a list prepared by a blue ribbon, lawyer-dominated committee. This, the "Missouri Plan", and its variations, allows the governor's appointee to serve a minimal period of time before he faces the electorate. By this time, the political cards are stacked because the appointee has no opposition. The electorate almost invariably will approve him rather than recommence the long tortuous process of selection, appointment, trial period and referendum. The so-called citizen-input becomes an empty promise impossible to fulfill.

Here in Michigan the change to an appointive system is vigorously advocated by the leadership of the Detroit Bar Association, the State Bar of Michigan, the Michigan League of Woman Voters and the major Detroit press. The change is just as determinedly opposed by the Wolverine (black) Bar Association, the leadership of the State Federation of Labor, the Michigan Judges Association, and by most judges and attorneys located outside the metropolitan areas.

Michigan has had a popularly elected judiciary ever since its first constitution in 1835. While that document provided for an appointed Supreme Court (consisting of four justices), it specified that all other judges in the state were to be "elected by the qualified electors." For 124 years—ever since the Constitution of 1850—all Michigan judges, including justices of the Supreme Court, have been "elected by the qualified electors."

The Missouri Plan and its variations have been hotly contested among Michigan lawyers since 1951 when the annual meeting of the Michigan State Bar refused even to put it to a referendum of the membership. It was debated in 1962–63 at the Michigan Constitutional Convention where the "leaders" of the bar tried to write the plan into the new state constitution. Again the proponents failed. The revival of agitation in recent years for merit selection of Michigan judges coincides with the comparatively large increase in the number of black judges in Michigan in recent years, and some see a direct connection between these two developments.

Unlike most states, Michigan has had a sizable contingent of competent black lawyers since the late 1920's. But as late as 1966 there were only eight black judges in Michigan, due to the fact that Michigan governors had the power to fill all interim judicial vacancies by appointment until the next general election. It wasn't until 1950 that a governor, G. Mennen Williams, demonstrated enough political guts to appoint our first black judge. Today the number of black judges in Michigan has increased to 21, and 16 of these are in the city of Detroit where black voters are in the majority.

Blacks in Detroit no longer depend upon gubernatorial courage to get fair judicial representation. "The shoe is on the other foot," one black political leader recently remarked, "and no one can expect to gain or retain judicial office in Detroit or in Wayne County without substantial black support."

A basic question, of course, is whether the quality of the judiciary is materially improved by making selection appointive rather than elective. The arguments pro and con are similar in many respects to those made in 1912–13 when the people adopted the 17th Amendment to the U.S. Constitution, abolished the appointment of United States senators by state legislatures and asserted their competency to select and elect their senators. It would be difficult today to support the proposition that our present popularly elected United States Senate is inferior in quality to the former legislatively appointed Senate.

The same general considerations that influence the selection of such public officers, as presidents, governors, mayors, and members of legislative bodies, should also influence the selection of judges. The citizen selects and votes for candidates whom he believes more closely reflect his point of view and his personal philosophy with respect to the powers, duties, and obligations associated with the particular public office. And this is true whether he is making the selection as a voter, in the privacy of the polling place or secretly casting his ballot as a member of a blue ribbon screening of nominating committee or commission. In each case the choice will reflect as closely as possible the selectors own personal, social, economic and political judgement.

In like fashion, regardless of high-sounding protestations to the contrary, the person chosen is inclined to feel an affinity for those who selected him whether it be the electors at the poll or the selectors at a conference table. The simple question is whether his "instinctive" responses will lean more toward the "power structure" or toward the "man in the street."

The primary difference then between choice by electors and choice by a commission is the matter of constituency, accountability and control. A judge selected (nominated) from an open field and then selected by popular vote, has a broad constituency, is accountable directly to the voters, and control of the selection process is diffused among the thousands and tens of thousands who voted for him. He feels a sense of responsibility and gratitude to those who make him their judge. But selection by a committee or a commission concentrates that control in the hands of those interests directly represented on that committee or commission. Such commissions normally are top heavy with "status" representatives (i.e. corporation lawyers, big business executive, professional "liberals") with under-representation, if not complete exclusion, of blacks and other minorities. The result of their deliberations is a list of judicial nominees that mirriors a cross-section not of the community but of the economic, social, moral and political views of the commissioners.

This is what judicial selection by appointment is all about. Notwithstanding the claim that a better caliber of judge is obtained when nominees are selected by a committee or commission, the real issue is: who will the judge represent in his rulings particularly with respect to those sensitive areas where "the law" is whatever we judges decide "our community" wants the law to be? Judges have an enormous tool in the power of judicial discretion. It is this tool, after all, that allows the law to keep pace with change in society. It is this tool which, in the hands of one judge may be used to uphold an outmoded precedent but in the hands of another may be used to revise, reform and advance our law. It is this tool with which a defendant may find himself jailed or freed—depending upon which judge wields it.

Judicial discretion, after all, is what our system of common law is all about. Roscoe Pound put it. "Justice is an alloy of men and mechanism in which men count more than machinery."

The dual society—white and black—which continues after 300 years to plague American life, has conditioned black Americans to think and to react to public issues in much the same manner as persons who have inherited dual citizenship. To blacks, every public issue has its two-pronged aspect: how will it affect blacks? and how will it affect the people generally? The answer to both questions should be, but is not always, the same.

The answer to the first question will reflect the black experience; the answer to the second will reflect the white patina encrusted upon all blacks by three centuries of living in a dominant white society.

Black judges are sensitive to their dual personality and their dual reaction to the question of elective versus appointive judicial selection. Not only are we aware of this duality, but all candidates who face a sizable black voting potential must be aware of it. Blacks, like other minorities in the past, are now voting black with ever-increasing consistency in an effort to win that mirror representation for themselves in every branch and on every level of government that has been consistently denied them by the appointive method. This is why in Michigan any suggested change in our traditional practice of having all judges elected by the people themselves—and not selected by the governor upon the recommendation of some blue ribbon committee—has to take into account the reaction of the black electoral majority in populous Detroit. Every politically astute leader in Michigan knows that on any closely-contested statewide issue, this group casts the decisive vote. Black experience in Michigan argues against the appointive process and in favor of continuing the elective process for all judicial offices. The commission was reminded that blacks were not appointed to judicial vacancies in anything like representative numbers until the late 1960's when their voting potential reached the point where they could elect black judges of their own selection and were no longer dependent on appointments; and that this same voting potential spelled defeat for any proposed constitutional amendment that would deprive them now of their ability to have meaningful participation in the administration of justice on the highest levels.

The black experience in Michigan is not necessarily synonymous with the experience of blacks in other states. The increase in black participation in the judicial process has been greatest in those states and cities where judges are elected and where the black voting potential is significant. Roughly two-thirds of the nation's black judges—about 200 out of a total of 325—are located in eight jurisdictions (California, District of Columbia, Illinois, Michigan, New Jersey, New York, Ohio and Pennsylvania). All except the District of Columbia have popular election of judges, and all have a substantial black voting potential.

It is quite understandable, therefore, that while the black experience in geographic areas having large concentrations of black voters will favor the election of judges, blacks who live in predominantly white political enclaves and are dependent for their political advancement on white largesse are more likely to favor the appointive process of judicial selection.

Judicial selection, like jury selection, should endeavor to achieve and thereby reflect a true cross-section of the population over which the judges are to preside. A system like the Federal system that has not achieved this result in more than a hundred years of operation is hardly one to be emulated at either the state or local level. To those who insist on pursuing this change in our electoral tradition we ask: "Why now, when blacks have at last begun to achieve the political influence they so rightfully have earned?"

TWENTY-SEVENTH ANNIVERSARY OF THE INDEPENDENCE OF ISRAEL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, for the past 27 years, the world has had the opportunity to observe a nation that began with every adversity known to man raise itself by hard work and an incredible perseverance to become a model of modern economic progress. It was 27 years ago on May 15, 1948, that the British mandate for Palestine came to an end and the State of Israel proclaimed its independence.

The proclamation of independence pledged that the new state "will rest upon the foundations of liberty, justice, and peace as envisioned by the prophets of Israel. It will maintain complete equality of social and political rights for all its citizens, without distinction of creed, race, or sex. It will guarantee freedom of religion and conscience, of language, education, and culture. It will safeguard the holy places of all religions. It will be loyal to the principles of the United Nations Charter."

Almost immediately President Truman recognized the new nation. His policy was based on the desire, he later wrote, to find a peaceful solution of a world trouble spot, to see promises kept, to relieve human misery, and to open the door for the development of the productive potential of the Middle East. Most of these objectives have been achieved although, unfortunately, true peace has not yet been realized. For 2 years after proclaiming its independence, Israel had to fight for its existence, and tension still remains high throughout the area.

From humble beginnings, the State of Israel has created a strong economy despite an apparent lack of resources. In the deserts of the south, Israeli farmers and pioneers have started farms and orchards by transporting much-needed and scarce water through a pipeline that is considered to be an outstanding engineering accomplishment.

In the northern part of the country, the opposite condition existed. There, the industrious Jews of Israel have drained the swamps and built farms and villages on the land reclaimed from the stagnant waters. In every endeavor, the Israelis have displayed amazing ingenuity and inventiveness.

The Israelis have built a manufacturing complex utilizing the few resources they have available, such as the minerals found in the Dead Sea. Eager to find markets for Israeli products, the people of Israel decided to sell the one product of their land that could not be found elsewhere in the world—the skill of trained artisans. Today Israeli manufactured goods can be found in almost all of the markets of the world displaying the imagination and true craftsmanship that can be found in this ancient land.

Israel has grown and progressed in many other areas so vital to the well-being of a new nation. The Israeli educational system is one of the finest in the world despite the fact that the immigrants to Israel spoke almost every language known to man and had to be taught the Hebrew tongue.

Mr. Speaker, Israel stands today as a tribute to courage, strength, ingenuity, and perseverance. On this 27th anniversary celebration of independence, I congratulate Israel and wish for her people peace, prosperity, and happiness in their homeland. I salute our friends in Israel, as well as Americans of Jewish descent in my own city of Chicago and throughout our Nation, who are joining in this celebration, and extend to them my profound respect and warmest personal regards.

MINNESOTA PAYS TRIBUTE TO FORMER CONGRESSMAN JOHN A. BLATNIK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. O'NEILL) is recognized for 5 minutes.

Mr. O'NEILL. Mr. Speaker, it is the fate of many public officials to be forgotten by those they served, regardless of how well, as soon as they cease to render service.

Not so with our former colleague, John Blatnik of Minnesota, who retired from Congress last year.

A Member of Congress for 28 years; architect of the Nation's water pollution control program; guiding force behind the Interstate Highway program and the public works jobs and community development program, John made a powerful impact on Congress, the Nation, and on the Eighth District of Minnesota, which spans roughly 260 miles from the Canadian border, through the Mesabi Iron Range and Duluth to the outskirts of the Twin Cities.

Last Sunday, May 4, the people he had served for 34 years—since he was first elected to the Minnesota State Senate in 1941—gathered to pay tribute to their most distinguished citizen.

Over 2,500 people gathered in Duluth for an evening with John and his close personal friend, entertainer Danny Thomas. Many came as far as 170 miles to be counted among his friends.

All of who know John know the pleasure of being in his company, but this gathering signified far more—it represented a tremendous outpouring of public spirit, sentiment, and appreciation for this dedicated legislator and leader of men.

From reports I have personally received, and from the following coverage of the evening, which appeared in the Duluth News-Tribune, it is clear that John Blatnik is more than a friend to the people he served: he has the enduring love, admiration, and respect of the people he so ably represented for over a third of a century.

I want to share that evening with all of you, so that we can join the people of Minnesota in paying our respects to this great man, and great Congressman, John A. Blatnik.

An article by George D. Johnson follows:

JOHN BLATNIK? ". . . LOVE THE GUY"

(By George D. Johnson)

"None knew thee but to love thee,
Nor named thee but to praise."

When Fitz-Greene Halleck wrote those lines in 1820 he wasn't thinking of John A. Blatnik, but he might just as well have been considering Sunday's tribute to the retired congressman in the Duluth Auditorium.

Sen. Walter Mondale told a standing-room-only crowd that despite Blatnik's great accomplishments in Congress, for this country, and particularly for the Eighth Congressional District, his greatest accomplishment was in being a totally honest, decent, hard-working human being.

"We all love the guy," Mondale said.

Several cats of yesteryear emerged from the bag at Sunday's tribute.

Sen. Hubert Humphrey told of the time when Blatnik, because of his relationship with Marshal Tito, practically singlehandedly settled a dispute between Yugoslavia and Italy over Trieste that could well have erupted into a shooting war.

Rep. James Oberstar, master of ceremonies with Lee Vann, told of two opportunities his old boss had to become a cabinet member in the Kennedy or Johnson administrations.

Blatnik apparently had been considered for—or perhaps offered—the secretary of interior post under Kennedy, and also the top spot in the Department of Health, Education, and Welfare. "But he chose to continue to serve the people of the Eighth District," Oberstar said.

Television personalities Earl Henton and John LaForge's description of Blatnik's career, although concise and business-like, took nearly 10 minutes—a measure of how varied and productive that career is.

Oberstar spoke of Blatnik's early days, particularly his first congressional campaign against Republican incumbent William A. Pittenger where the chief issue seemed to be whether Blatnik would follow the Communist party line or not.

After Blatnik's victory that year, the Hibbing Tribune lamented that, while the rest of the country was going Republican, the Eighth District now had a freshman member of the minority party as its representative. "The $64 question is how he will accomplish anything," the paper said.

Shortly after that, Blatnik became the only freshman Democrat appointed to the powerful Public Worka Committee which years later he chaired.

In 28 years in Congress Blatnik had served under six presidents. Minnesota had seven governors during that time. During his tenure, Blatnik voted on 10,919 pieces of legislation and cast over 40,000 votes, Oberstar reported.

The program opened with Johnny's Accordionaires, who look too young to be all that good. Later, the Duluth Boys Chorus paid musical tribute to the retired congressman with several clever parodies.

Blatnik's friend, television star Danny Thomas, said to Humphrey, "We almost made it last time, didn't we?" referring to the senator's presidential bid of 1968.

Humphrey said of Blatnik, "He is the only man in the country that can stay up later than I can." In a more serious vein he said "No greater tribute can be paid to anyone than to gain the respect of his fellow man the way John has."

Mondale said he had, in all his time in Washington, heard only one criticism of Blatnik—this from a senator who complained that the congressman got too much money for the Eighth District. Mondale said he called Blatnik and advised him of this criticism, to which Blatnik reportedly replied, "I'm totally fair about this—I want half the money for the Eighth District and half for the rest of the country."

Oberstar reported that it was Blatnik's committee that first widely publicized the relationship between cigarettes and cancer. Blatnik, who once smoked cigarettes, no longer does.

The visibly affected Blatnik expressed profuse thanks to all who had helped in his campaigns over the years and praised his successor, Oberstar, for the job he was doing.

U.S. Civil Service Commissioner Lud Andolsek, Blatnik's alter ego for many years, was detained in Washington but sent a lengthy telegram based on "What is so rare as a day in June?" in which he describes his old boss as rarer than such a day, but like it in that he was bright and warm.

PANAMA CANAL TREATY NEGOTIATOR WRITES TO PANAMA CANAL COMPANY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. METCALFE) is recognized for 5 minutes.

Mr. METCALFE. Mr. Speaker, the Panama Canal Subcommittee of the Committee on Merchant Marine and Fisheries is responsible for the legislative jurisdiction of the operation and maintenance of the Panama Canal and the Government of the Canal Zone. Because of its jurisdictional responsibility the subcommittee, which I chair, has a deep concern for the morale and well-being of

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employees of the Panama Canal Company and Canal Zone Government. This concern was demonstrated recently in the subcommittee's efforts to bring forth a response from the Executive as to the apprehensions of canal employees that jurisdictional services in the Canal Zone were to be transferred to the Republic of Panama by Executive order.

Ambassador-at-Large Ellsworth Bunker, chief U.S. negotiator for a new Panama Canal treaty, last week wrote to the Governor of the Canal Zone, Maj. Gen. Harold R. Parfitt, to respond to employee apprehensions and to discuss the treaty negotiations in general. I believe that all those who are concerned with or about these negotiations will find the Ambassador's letter helpful. I would call special attention to the Ambassador's statement that "any proposed change in basic U.S. relations with Panama, and especially any jurisdictional change, would be submitted to Congress for approval." Given the strong interest of the Congress in Panama Canal matters, I am inserting the letter at this point in the RECORD:

DEPARTMENT OF STATE,
AMBASSADOR AT LARGE,
Washington, D.C., May 1, 1975.

Maj. Gen. HAROLD R. PARFITT,
Governor of the Canal Zone,
Balboa Heights, Canal Zone

DEAR GOVERNOR PARFITT: As the United States moves toward a new treaty relationship with Panama, you and I will share an important concern—the protection of the rights and interests of the employees of the Panama Canal enterprise.

I thought it would be appropriate to write you at the outset of your tenure as Governor to emphasize my intent to provide that protection.

Without it the new relationship could not be fully equitable as between the parties.

You may know that during my first visit to Panama in November of 1973, I met with representative groups of employees in the Canal Zone, to acquaint myself with their sentiments on a new treaty. I shall hope to be able to meet with them again during my next visit to Panama. My purpose will be to offer a perspective on the course of the negotiations thus far.

I must be frank, however, in saying that there will be limits to the perspective I can offer.

The two countries have been attemping to reach an accommodation of the national interests of each since the unfortunate events of 1964. That they have not yet been able to reach it is in part the consequence of premature public revelations of the details of important matters agreed upon—or not agreed upon—during negotiation. The public discussion which ensued made it impossible for the two governments to exercise the flexibility required to complete the process of accommodation.

I cannot contribute to a repetition of those negotiating misfortunes. Accordingly I shall be able to offer only a broad, rather than a detailed, perspective.

I am aware, of course, and very much regret, that the absence of detailed information leads to rumor and to anxiety among those who stand to be affected by change in the Panama-United States relationship. Rumor and anxiety have undoubtedly been reinforced by speculation in the media of both countries concerning the negotiations—speculation which has in the main been false or misleading.

I understand, for example, that a rumor is circulating that the United States intends to transfer police, fire, customs, postal, educational and other jurisdictional services to Panama through executive action without the approval of Congress. That is not so. Any proposed change in basic United States relations with Panama, and especially any jurisdictional change, would be submitted to the Congress for approval. I am confident that the Congress would scrutinize proposed changes carefully, to assure that the paramount interests of our country and its citizens are safeguarded.

I would hope that the employees of the enterprise would treat any such speculation and, indeed, any reports on the negotiations which do not come to them from official United States sources, with a considerable measure of skepticism. I should add that a good deal of the speculation and rumor relates to elements in the new relationship which have not been addressed by the negotiators, much less resolved.

I should also emphasize that in this, as in any other major international negotiation, agreements made along the negotiating path are tentative ones, subject to modification as the parties reach the point of preparing a final "package" of agreements.

Much work remains to be done, many difficult issues remain to be negotiated, before that point is reached. It is only after that point is passed that the negotiators would begin the drafting of treaty texts.

Naturally my intent is to negotiate a new relationship which, while reflecting the legitimate national interests of Panama, provides the safeguards that will lead to congressional approval of it.

Plainly there is opposition in the Congress to a new relationship with Panama. I have urged members of the Senate and House of Representatives, however, to withhold judgment on the matter of a new relationship until they have an opportunity to examine its configuration.

I would ask the same of the employees of the Panama Canal enterprise.

The configuration for which I am striving is one of a partnership in the enterprise fair to both countries. The Joint Statement of Principles of February 7, 1974, sketched the broad outline of that partnership. In effect:

For the new treaty's lifetime the United States will retain the responsibility and rights necessary for the operation and maintenance of the Canal and the transit of ships.

Upon the treaty's expiration, however, Panama will assume those responsibilities and rights.

In order to make it possible for Panama to assume those responsibilities and rights in a manner which will permit the uninterrupted and efficient operation of the waterway, Panama's participation in all aspects of Canal operation will increase over time in an orderly, mutually-agreed fashion.

In addition, during the treaty period Panama will assume—again in an orderly fashion—the jurisdictional responsibilities now exercised by the United States in the present Canal Zone.

One of the indispensable details to be incorporated into that outline is an arrangement whereby those who have contributed to making the Panama Canal the grand enterprise it is today will not only wish to continue making that contribution but will also welcome the new environment in which to make it. All negotiators have critical objectives. Securing that arrangement is one of mine.

With respects and all good wishes,

Sincerely,

ELLSWORTH BUNKER.

SELECT COMMITTEE ON AGING STUDIES PROBLEMS OF FINANCING THE SOCIAL SECURITY SYSTEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. RANDALL) is recognized for 10 minutes.

Mr. RANDALL. Mr. Speaker, among the many complex problems affecting America's aged citizens that are being studied by our new Select Committee on Aging is the short- and long-term financing problems of the social security system.

Recently, our Retirement Income and Employment Subcommittee held hearings on this problem, receiving testimony from the Commissioner of the Social Security Administration, James B. Cardwell. After that hearing, I placed portions of his statement in the RECORD in which his views and comments on alternative plans to meet future financing needs of the social security system were set forth.

Comments on this same problem were recently expressed by the former Social Security Commissioner, Robert M. Ball, in an interview published in the Washington Star. Mr. Ball served as Commissioner from 1962 to 1973 and is considered to be one of the Nation's leading experts on the social security system. Mr. Ball will testify before the committee later this month.

Mr. Speaker, I feel sure that our colleagues will benefit from this incisive analysis of the social security financing problem presented in this interview with Mr. Ball. I read into the RECORD at this point. Mr. Ball's answers to questions by writer Ned Scharff as the interview appeared in the Washington Star on April 29, 1975:

[From the Washington Star, Apr. 29, 1975]

BALL ON TAX FOR SOCIAL SECURITY AID

Robert M. Ball has been involved with the Social Security Administration since he went to work in 1939 as a petty officer in the Newark district office. He served as commissioner of the system from 1962 to 1973, and is now scholar-in-residence at the Institute of Medicine of the National Academy of Sciences. Ball was interviewed by Washington Star Staff Writer Ned Scharff.

Q. Many observers of the Social Security system are saying that it'a in trouble financially. Do you think Social Security can continue to function as it does now?

BALL. Well, the system does need more financing. I think the best way to look at this is in two parts. There is a short-range financing problem which grows out of the present economic situation. And then in the next century there is the possibility of a problem in Social Security financing which grows out of an expected change in the age composition of the population. I have no doubt that the promises of Social Security will be met by the U.S. government, but, as I say, some additional financing will undoubtedly be needed.

Q. Where do you think that should come from?

A. Well, it would not be good economics to raise Social Security contributions, taxes or premiums, at this time, but obviously you can't let the deficits go on. It is very important that the income to the program be raised so that it is in excess of the benefit payments that have to be made just as soon as an economic turnaround. I would not do it until the economy is on the upbeat. But when that happens, I would propose that the maximum amount on which people pay and the maximum which is credited to their benefits be raised to $24,000 a year.

Q. That is you would advocate an increase in the tax base rather than in the tax rate itself?

A. The tax rate which falls on everybody under Social Security is now 5.85% and that is a fairly sizable rate if that applies to workers of all levels. If you increase the base it applies only to 15% of workers under the system who have the highest earnings. In other words, 85% of workers today have all their earnings counted toward those security benefits and they pay on those earnings. The 15% at the upper end do not.

Q. Would you agree that it makes it a regressive tax that falls hardest on low income earners?

A. I don't think really it's correct to look at Social Security finance primarily as a tax. It's the purchase of retirement insurance, disability insurance and of life insurance. People are paying for a protection and what they pay is marked for the purpose of Social Security. Now if you look at it as a complete system, then it is not regressive because the benefit amounts that people get are weighted in favor of the lower wages. If you look at both of what you pay in and what you take out the lower paid wage earner has a break as compared to the high-paid wage earner.

Q. But generally, a man or a woman retiring now on nothing other than Social Security benefits would find it pretty difficult to lead a decent life?

A. No, I don't think so. I think the way to judge a retirement system like Social Security or Federal Civil Service or private pension is the relationship of the payment made to the recent earnings that the individual has been getting. And for people retiring today under Social Security, the worker who has been earning the federal minimum wage, he and his wife together if he retires at 65, would be getting benefits at about 80 percent of what he had been earning in the years just before retiring. The worker earning the amount that the average male worker would get, he and his wife together would be getting about two-thirds of what they had been earning just before retiring.

Q. When the system was introduced in 1935, it was designed not only to provide a minimal income for the elderly but at the same time to get elderly people out of the job market to help clear the way for younger people. Is that fair or wise?

A. I feel very strongly that there should be increased opportunities for older people to work. I think that it ought to be up to the individual whether 65 is the right age for him to stop paid employment and start something else, volunteer work and other activities or whether he wants to continue in a regular or part-time job. However, I do not believe that a retirement system should be paying people who aren't retired any more than a disability insurance system should be paying people who aren't disabled. And I think it would be a great mistake to turn the Social Security system into what the insurance people call an "annuity program," which just gives you the benefit because you reached age 65, say. Up till now the philosophy has been that it's retirement insurance designed to partly make up for the income you lose when you retire. So you need some sort of a test of when a person is retired and the present provision in Social Security seems to me reasonably satisfactory.

Q. But as far as retirement itself goes, do you think the government is proper in making this a basic humanitarian goal?

A. I think at age 65 what I'd like to see is the opportunity for people to choose. I'm against forced retirement. I think the trend toward compulsory retirement in industry is undesirable, particularly if we take note of the problem of a high ratio of older people to 20 to 64-year-olds in the next century. The more older people who have the opportunity to work, the less economic burden therefore they would be. At the same time, I think if individuals are willing to accept a somewhat lower level of living as they do under well-designed retirement systems, then I think that's acceptable. I think what we want to do is enlarge choices.

Q. The present Social Security Advisory Council suggests that part of the burden in the next few years be paid for out of the general treasury. How do you feel about that?

A. I'm very much against the specific proposal made by the advisory council. What they suggested was that the Medicare program, the health insurance program providing hospitalization for older people and disabled people, be supported 100 percent out of general revenue, not be a contributory system at all. The reason I'm opposed to that is that I believe that if Medicare was supported entirely out of general revenues there would be a good possibility that in the future that an income test might be introduced. People might say, in effect, well if this is all being paid for from general revenues why should the protection be given to people who could take care of it on their own. You'd soon find I think that instead of an insurance program, like Medicare now is, you'd have turned it into a relief program. Now on the larger question of general revenues for the Social Security program as a whole I am not opposed to that if it's kept to a subordinate part of the financing for the long run. I see no need to introduce general revenues at this point. I'd be for raising the maximum earnings base to $24,000 which I think helps on the benefits side as well as on the financing, and that would carry the program for many many years into the future. If in the next century we find that the commitments of the present program still need additional financing at that time, I would be personally in favor of the gradual introduction of some general revenue financing, both on the cash program and on the health insurance. Not putting it all one way or the other.

Q. One of the most difficult questions about the future of the system is that as we become an aging society with fewer workers proportionate to the number of retirees in our society, the current level of benefits may well be impossible to keep up some years from now without severely damaging the economy. How do you feel about this?

A. I don't agree with that at all. It seems to me that we are now into the question of the long range financing of Social Security and I think the problem you are raising really applies to an estimated or projected situation that begins about 2010. Assuming an accumulation of low fertility rates, by about 2010 the people of working age, those between 20 and 65, in absolute numbers will come to a halt and the numbers of people above 65 greatly increases for a period there between 2010 and 2030. Now that just taken in itself would create an additional economic burden on the people of working age, and this is to aside from Social Security. This would be true if you were to support an entire elderly population entirely out of private pension plans or if you were going to do it out of relief or assistance or if you were going to do it all from the wages of their children. That kind of a shift in the larger number of retired people vs. people of working age would apply to any matter. But the point I want to emphasize is that exactly the same in birth rate that has brought what we have just described also results in a lot fewer children and so that the people of working age, the 20–64 group, we have no more dependents to support in an economic sense than they do today. As a matter of fact, they have less. There are fewer combined dependents, that is those under 20 plus the group over 65 as a ratio to those of 20–64 than is true right now today.

Q. So it would certainly be easier for them to prepare for retirement?

A. Yes. Maybe the long-range problem could be described as: how do we translate the reduced burden of caring for and raising children on the willingness of people of working ages to pay higher rates for retirement benefits.

WELCOME "HUDDLED MASSES YEARNING TO BREATHE FREE"

(Mr. REES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Give me your tired, your poor,
Your huddled masses yearning to breathe
free,
The wretched refuse of your teeming shore.
Send these, the homeless, tempest-tossed, to
me,
I lift my lamp beside the golden door.

Mr. REES. Mr. Speaker, I had to read and reread these words from the poem by Emma Lazarus inscribed on the pedestal of the Statute of Liberty to make sure in my own mind that the United States was still that great melting pot, that wonderful country which had offered so much hope to many millions of immigrants these past 200 years.

The words are still inscribed on the pedestal of the Statue of Liberty, but do we Americans believe them any more?

The panic of so many of us 205 million Americans over the arrival of 100,000 South Vietnam refugees defies logic. It is almost like the outcry over the "yellow peril" of a century ago. The statements of public officials in my own State of California, officials who should know better, border on the absurd.

"Disease, disease, they are bringing all those diseases," I heard from one of my constituents who somehow likened the refugees to the bubonic plague. Others felt that this so-called horde—estimated by one Los Angeles County official to be upward of 1 million—only 1,000 percent off the mark—would suddenly swoop down and take their jobs away from them.

According to some press reports the evacuees constituted "bar girls, pimps, and corrupt generals and civil servants" whose first desire was to land in America and send for their gold in Swiss bank accounts.

But it seems that the bulk of the refugees are families of Americans, employees and their families of American Government and business, or simply people who did not want to live under Communist domination. Most refugees felt they would be persecuted because of their participation in the South Vietnam cause and their friendship with the Americans.

We are a nation of immigrants. Historians have noted that much of the strength and stability of this country and its democracy has been due to our broad racial and religious base enriched by new immigrants. Our policy of welcoming those faced with political or religious persecution has been in sharp contrast to other countries with their narrowly restrictive immigration barriers.

Perhaps the vocal opinions we hear today are merely a reaction to the tragedy of Vietnam and the total bankruptcy of our policy there over the past 20 years. Would we deny Vietnamese refugees a haven in order to blot out reminders of our failure?

We need reminders of our failures as well as our successes. But a human be-

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ing's survival should be valued as just that and not as a symbol of a success or failure.

Those Vietnamese who choose to adopt the United States will, like the many millions of immigrants before them, add strength and new values to our country. They should be welcomed and given an opportunity to succeed just as my father was given the same chance when he immigrated in 1912.

On the eve of the American Bicentennial, what better way can we renew the spirit of our country's meaning?

PART II: IN OPPOSITION TO REVERSE DISCRIMINATION

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, on Sunday, May 4, I attended a breakfast held by the Metropolitan New York Coordinating Council on Jewish Poverty which I, in error, described as being hosted by another organization in my RECORD statement of May 5. The purpose of the breakfast was to provide the New York legislators in attendance with the facts concerning unfair Federal Government regulations and restrictions governing the use of Federal poverty moneys and other Federal programs. I discussed in some detail the reverse discrimination that these Government regulations and restrictions cause in my statement of May 5, 1975.

Mr. Speaker, I tried to outline in my statement on May 5 on the subject of reverse discrimination the reasons for my opposition to those regulations. I believe that while we must seek out through affirmative action those needing Federal assistance, our criteria must be other than race, creed, color, religion, national origin, or sex. Our criteria must be predicated on poverty in the poverty programs and merit in the scholastic programs. We must always bear in mind that those restrictions, whether they limit programs to a particular geographic area, or impose tests that are not related to the job opportunities offered, are to be condemned. We must do all that is necessary to remove the existing inequities in our society but in doing sc we must not impose new ones.

I am appending at this time the statement of Rabbi Jack Simcha Cohen, executive director, Metropolitan New York Coordinating Council on Jewish Poverty, delivered at that breakfast which I think will be of interest to our colleagues.

The statement follows:

STATEMENT OF RABBI COHEN

Mr. Chairman, distinguished Government officials, ladies and gentlemen:

The purpose of this morning's session is to raise the level of consciousness of government officials to the tragic plight of New York City's Jewish poor. Today we have told our story; a story of neglect and deprivation—a brief glimpse of a major social problem affecting the viable existence of our contemporary Jewish community.

We have learned that the myth of Jewish affluence must be immediately debunked—we should be aware that one out of every five Jews living in the city of New York City is a potential welfare recipient. This makes the Jewish poor the third largest poverty group in the city of New York.

Now—what has been the response to this problem? How has government reacted to the legitimate needs of the Jewish poor?

In terms of community action and programs to help Jewish neighborhoods to serve the Jewish poor, the response from certain components of government has been as tragically pathetic as the need.

In New York City, by executive order of the mayor, the Council Against Poverty (CAP) and the Community Development Agency (CDA) are authorized to serve as the official agency to meet the needs of New York City's poor.

In program year I, CAP–CDA lists a total expenditure and budget of $41,195,634 to serve New York City's poor. Of this amount, approximately 16 million comes from the Federal Government and the remainder, above and beyond the mandated 20% share, was derived from New York City funds.

How much did the Jewish poor receive? .5% ($212,258), ½ of 1% was specifically allocated to a Jewish program, ½ of 1% of 41 million dollars. An additional 0.3% (136,580) was allocated to programs with some Jewish input.

Thus, only $348,838 or .8% of a total budget of 41,195,634 can be cited as being earmarked for projects having any degree of service to the Jewish poor.

Why? This is a question that we wish our Government officials to investigate and provide answers.

CAP and CDA have designated 26 poverty areas plus 26 poverty corporations to provide services to the poor. Do these poverty programs meet the needs of the Jewish poor? Again the answer is "no". The criteria for the designation of poverty areas simply disenfranchises and neglects the Jewish poor. The poverty areas are based upon three major criteria:

1—The number of live births in city hospitals per 100 population.

2—Juvenile delinquency offenses per 100 population between the ages 7–20.

3—The total number of persons receiving welfare assistance in April 1965 per 100 total population.

It is obvious that these criteria do not provide any accurate index of Jewish poverty. The overwhelming number of Jewish poor are the aged who are certainly not giving birth in city hospitals nor, by any stretch of the imagination, engaging in juvenile delinquency. Indeed the traditional reluctance of Jews to seek public welfare would also effectively eliminate the first criterion. These facts were recognized by HRA in their official report on Jewish poverty prepared in 1971. Today it is 1975 and the old poverty area criteria still exist. Therefore, because few Jews live in officially designated poverty areas—their needs have been ignored. Of our government officials we ask, is it not about time that the poor are serviced on the basis of need and not geography?

Even those Jews residing in poverty areas are underserviced due to insensitivity to Jewish needs. Such insensitive attitudes have tended to discourage Jewish participation in local poverty corporations and programs.

Indeed, it should be noted that the Government persists in utilizing artificial boundary lines in a variety of programs geared to servicing the poor. For example, criteria for establishing HRD districts are similar to those of the poverty areas and drastically curtail Jewish input in the delivery of services to the poor. HRD district #18 was established with a population of 450,000 people. Community Planning District #12, of which Boro Park in Brooklyn is a major component, has a total population of 190,000. Yet it is lumped together with two other CP's despite the acknowledged fact that every area in the city of New York with a population in excess of 150,000 has its own HRD district. Thus, once again, Jewish needs are ignored.

My friends, the needs of the Jewish poor are vast and in one way similar to the needs of all poor. Our poor vitally need food, clothing, shelter, medical services and jobs and we want Government programs to provide these basic human needs—programs geared to need, regardless of religion or color or geography. As a result, we implore our government officials to support legislation increasing services to the poor and the elderly.

But, we also have distinctive cultural needs that must be met. Many of our poor, especially the aged, do not speak English. Their primary language is Yiddish. As a result, they simply do not comprehend the range of services available and are not able to master or understand the forms used to register for basic services. Government must provide personnel who have facility in Yiddish or make grants to organizations who have such personnel to enable our poor to acquire basic services. Official linkage with the Jewish poor must be developed and the Jewish community must be used to help service its poor.

This past year, moreover, the Federal guidelines to the Older Americans Act defined as a minority those who speak Spanish or whose major language is not English. The MNYCJP led the Jewish community in calling upon HEW and former governor Malcolm Wilson to implement administrative proceedings on both the Federal and State level to designate as minorities those whose primary language was yiddish. The implementation of this would reap innumerable benefits for thousands of Jews in New York City as well as in other major urban areas. Its implication definitely would extend beyond the aged and would assist Jews of all age levels. Progress report—so far the response has been a bureaucratic snafu.

Jews, as is well known, have special dietary laws. Luncheon clubs must be constantly provided with facilities for kosher observance.

Thus, the Jewish poor need a variety of services to meet their needs. This means that every level of Government: Federal, State, and city and every level of authority-elected official to appointed executive must increase efforts to serve our people.

The city administration has been the prime backbone of our support. It has, since 1972, provided city wide grants to serve the Jewish poor. In 1975 the MNYCCJP received $475,000. The Jewish community is appreciative of these funds. But, at the same time, we must say it is not enough—simply not enough. The funds come out to 25c per capita Jew or $1.32 per capita Jewish poor. The Jewish poor need more. The Jewish poor deserve more. We ask our city officials to continue to sustain and support our endeavors and at the same time to energetically join our cause by supporting our proposals for increased aid and vastly increased funds to care for the Jewish poor.

To the State—we must say that Jewish Community Action programs have been totally non-existent and grants to serve the Jewish poor only minimal. A rethinking of priorities is necessary. The Jewish poor cannot be simply neglected. Your help in crystalizing new programs is vital. Perhaps this administration and this legislature will be more responsive to our needs and will not provide us with benign neglect.

To the Federal Government—to those responsible for dispensing billions of dollars of social welfare funds, the Jewish poor cannot forgive such neglect. The tragedy of an absence of Federal leadership cannot continue.

Our President, Mr. Becker, indicated in his remarks that a $750,000 two-year Federal grant to the MNYCCJP via CDA was terminated after 9 months as a result of bureaucratic disputes over the intended disposition of the funds. This left Jewish poverty programs in a shambles. Hopes and aspirations

to serve the poor through local groups were shattered. The MNYCCJP through obstacles and intricate maneuvers succeeded in rescuing some elements of our programs. This issue is being adjudicated in the courts and now is not the time to review its details.

It is important, however, to realize that now, more than ever, Federal funds and programs are needed. We ask your support to provide funds for the Jewish poor—to help with grants and programs to meet our needs—to not forsake or neglect us.

We ask all—we, rather, implore you to serve as our friends, to provide leadership, to sustain life, to facilitate funds—to encourage other Government officials to generate programs to meet the need of the Jewish poor.

Hopefully, as a result, the future will be as Browning once said, "Grown old along with me—the best is yet to be."

VITAMIN AND MINERAL LEGISLATION

(Mr. ROGERS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ROGERS. Mr. Speaker, today I am joined by my colleagues in the House, Mr. PREYER, Mr. CARNEY, Mr. SCHEUER, Mr. WAXMAN, Mr. HEFNER, Mr. DEVINE, Mr. CARTER, Mr. HASTINGS, Mr. HEINZ, and Mr. GOLDWATER, in introducing new legislation to amend and clarify the provisions of the Federal Food, Drug, and Cosmetic Act with respect to foods for special dietary use containing vitamins and minerals. Senator PROXMIRE and Senator SCHWEIKER will be introducing identical legislation today in the Senate.

This legislation has a long history. On June 20, 1962, the Commissioner of the Food and Drug Administration published a notice in the Federal Register announcing his agency's intention to revise regulations pertaining to the labeling of food or dietary supplements. These proposals met with the criticisms that the regulations would unduly interfere with the "freedom of choice" of consumers to purchase vitamin and mineral products and that they were scientifically unsound. Later, on June 18, 1966, the FDA Commissioner published regulations pertaining to the labeling and content of special dietary food products. Shortly thereafter, FDA issued an order staying the effective date of the regulations because of the many objections received.

On August 2, 1973, the FDA published final regulations which were intended to become effective on January 1, 1975. These new regulations proposed that most vitamins and minerals with a potency of 150 percent or more of their recommended daily allowances be classified as drugs. Vitamins A and D were classified as drugs at 100 percent or more of their RDA levels because of their potential toxicity and have subsequently been subject to prescription drug regulations promulgated by the FDA. Further, they would have restricted vitamin and mineral manufacturers from distributing combinations of these products except in extremely limited circumstances.

This effective date was stayed until at least June 30, 1975, by the U.S. Court of Appeals for the Second Circuit in *National Nutritional Foods Association, et al.* v. *FDA, et al.* (No. 73–2129, C.A. 2, Aug. 15, 1974). The court generally sustained FDA's authority to establish standards of identity for vitamin and mineral supplements and to regulate their labeling. However, the court remanded the regulations to the FDA in accordance with the instructions in the 85 page opinion. This decision limited FDA's power to declare products "drugs" and instructed FDA to liberalize its criteria for determining what combinations and potencies of vitamins and minerals should be permitted in dietary supplements.

During the past several years, hundreds of bills have been introduced in response to FDA's proposed regulations. In 1966 the first version of legislation to restrict FDA's authority over vitamin and mineral supplements, was introduced by Representative CRAIG HOSMER. This bill, and subsequent versions of it, would have virtually nullified FDA's regulatory authority over foods for special dietary uses, even those products which were potentially carcinogenic, toxic, or otherwise unsafe. Moreover, the legislation would have had the effect of nullifying existing standards of identity of conventional foods, such as breakfast cereals and orange juice, which are fortified with vitamins and minerals except where actual harm could be demonstrated. A version of the Hosmer bill was incorporated, as a floor amendment by Senator PROXMIRE, to the Senate health manpower bill last year. The manpower bill died in conference.

During the second session of the last Congress our subcommittee conducted hearings and markup on vitamin and mineral legislation and reported out H.R. 16317 which was not considered in the full committee before adjournment.

The reported House subcommittee bill reflected the concerns of the members that the Proxmire amendment to the Manpower Act took away too much authority from FDA to regulate the safety of vitamin and mineral supplements. In addition, the subcommittee bill provided the FDA with new authority to regulate false or misleading advertising of vitamin and mineral supplements.

The bill we are introducing today is designed to modify and clarify the authority of the Food and Drug Administration regarding vitamin and mineral food supplements. This legislation would preserve the right of the individual to continue to freely purchase vitamins and minerals in tablet, capsule, and certain other forms, while protecting the public from unsafe and fraudulently labeled and falsely advertised products. Under the bill, the FDA would be prohibited from classifying vitamins and minerals as drugs solely on the basis of their potency or on some other basis, except where they are habit forming, toxic, injected by syringe, or are otherwise not safe for use except under the supervision of a licensed practitioner, or are represented in their labeling for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man.

In addition, the FDA would continue to have full authority under the "food" provisions of the Food, Drug, and Cosmetic Act to regulate these products where there is evidence that they may be toxic or carcinogenic or where they are not generally recognized among qualified experts to be safe under the conditions of their intended use.

The bill also contains special provisisions applicable to protect certain consumers—pregnant and lactating women, infants, and small children—where food supplements are represented for their use. Other provisions of the bill provide for additional protection of the public from false and misleading advertising and for truthful and informative disclosure to the consumer of all the ingredients in the labeling of vitamin and mineral food supplement products.

Mr. Speaker, I wish to commend my able colleagues and cosponsors in the House and the distinguished members of the Senate, Senator PROXMIRE and Senator SCHWEIKER, in joining me in the introduction of legislation which will protect the individual's freedom to purchase vitamins and minerals without sacrificing adequate protection of public health and safety and control of consumer fraud.

For the information and use by members and the public I am inserting herewith a section-by-section analysis of the bill as introduced. It is my understanding that Senator PROMIRE is inserting the text of the bill in the RECORD for today's Senate proceedings.

The analysis follows:

SECTION-BY-SECTION ANALYSIS

Section 1(a) of the bill adds a new section 411 to the Federal Food, Drug, and Cosmetic Act (hereinafter referred to as "the Act") with respect to vitamins and minerals in certain forms as follows:

Section 411(a)(1), except as provided in section 411(a)(2) below, prohibits the Secretary from—

a. establishing maximum limits on the potency of vitamins or minerals,

b. classifying vitamins or minerals as a drug on the basis of potency or any other basis except where they are presented in their labeling for use in the diagnosis, cure, mitigation, treatment, or prevention of disease, or where they are toxic or habit forming and should be dispensed only upon prescription, or

c. limiting the combinations or number of any synthetic or natural vitamin, mineral, or other ingredient of food.

Section 411(a)(2)(A) provides that the limitations in section 411(a)(1) on the Secretary's authority do not limit his authority under the following sections of the Food, Drug, & Cosmetic Act:

a. 402 (which governors adulterated foods),

b. 406 (which authorizes tolerances for poisonous ingredients in food),

c. 409 (which establishes procedures and regulations with respect to unsafe food additives),

d. Chapter 5 (relating to drugs), and

e. any other provisions of the Act except as limited by this bill.

Section 411(a)(2)(B) provides that the limitations in section 411(a)(1) on the Secretary's authority do not limit his authority to regulate vitamins, minerals or other food ingredients represented for use by children (under age 12) or pregnant or lactating women.

Section 411(b)(1) provides that a food is not misbranded solely because its label bears all the ingredients in the food. This

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provision is necessary in view of FDA's attempts to have products declared misbranded because their labeling lists ingredients other than vitamins or minerals that are contained in the product.

Section 411(b)(2) provides that the labeling of foods may not list non-vitamin or non-mineral ingredients—

a. except as part of a list of all the ingredients and

b. unless the ingredients are listed in accordance with an applicable regulation under section 403(j) of the Act (pertaining to information required on labeling of foods for apecial dietary use). Section 411(b)(2) also provides that the labeling may not give prominence to or emphasize non-vitamin or non-mineral ingredients.

Section 411(c)(1) defines the term "food" for purposes of application of the provisions of this bill as a food for special dietary use containing vitamins or minerals which is intended for ingestion in tablet, capsule, liquid, or other forms which do not simulate or are not represented as conventional food. "Liquid form" is that form of food determined by the Secretary to be formulated in a fluid carrier and intended for ingestion in daily quantities measured in drops or similar small units of measure.

Section 411(c)(2) defines "special dietary use" for the purposes of the Act.

Section 1(b) of the bill directs the Secretary of HEW to amend existing regulations that are inconsistent with the new section 411 of the Act and to promulgate amended regulations in accordance with section 4 of the Administrative Procedure Act (5 U.S.C. § 553).

Section 2(a)(1) of the bill amends the Act to provide that foods described in the new section 411 are misbranded if their advertising is false or misleading in a material respect or if their labeling is in violation of new section 411(b)(2).

Section 2 (a) (2) (A) of the bill amends section 201(n) of the Act to provide that factors to be taken into account in determining whether a food is misbranded because its labeling is misleading shall also be considered in determining whether its advertising is misleading. These factors include affirmative suggestions and failure to reveal material facts relating to the conditions and consequences of use.

Section 2. (a)(2)(B) of the bill amends section 303 of the Act to provide that persons in violation of the Act because of misbranded advertising shall not be subject to criminal fines or imprisonment unless the violation is committed with the intent to defraud or mislead.

Section 2(a)(2)(C) of the bill amends section 304(a) of the Act to provide that a libel for condemnation action (seizure) may not be instituted against a food which is misbranded because of its advertising if the food is being held for sale to the ultimate consumer in an establishment not owned or operated by a manufacturer, packer, distributor, except under the following circumstances:

a. the false or misleading advertising of the misbranded food was disseminated in the establishment in which the food is being held for sale to the ultimate consumer, or was disseminated by, or under the direction of the owner or operator of the establishment, or all or part of the cost of the advertising was paid by the owner or operator, and

b. the owner or operator of the establishment used the advertising in the establishment to promote the sale of the food.

Section 2(b) of the bill provides that for the purpose of avoiding unnecessary duplication, the Secretary shall consult with the Federal Trade Commission prior to taking any action with respect to foods which are misbranded because of their advertising and to coordinate any such action with any action taken or proposed to be taken by the F.T.C.

Section 2(c) of the bill provides that the advertising provisions in the bill shall take effect 180 days after enactment.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. McCollister (at the request of Mr. Rhodes), for May 7 and 8, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Myers of Pennsylvania) to revise and extend their remarks and include extraneous material:)

Mr. Crane, for 20 minutes, today.

Mr. Young of Alaska, for 10 minutes, today.

Mr. Heinz, for 20 minutes, today.

Mr. Kemp, for 25 minutes, May 8, 1975.

Mr. Ashbrook, for 10 minutes, today.

(The following Members (at the request of Mr. Lloyd of California) to revise and extend their remarks and include extraneous material:)

Mr. Fithian, for 15 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Bingham, for 10 minutes, today.

Mr. Vanik, for 5 minutes, today.

Mr. Koch, for 30 minutes, today.

Mr. Diggs, for 5 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Dodd, for 5 minutes, today.

Mr. Dingell, for 5 minutes, today.

Mr. O'Neill, for 5 minutes, today.

Mr. Wolff, for 5 minutes, today.

Mr. Metcalfe, for 5 minutes, today.

Mr. Randall, for 10 minutes, today.

Mr. Rostenkowski, for 5 minutes, on May 8, 1975.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. McCormack, to extend his remarks today.

Mr. Gaydos.

Mr. Breckinridge, and to appear in the Record immediately following the remarks of Mr. Carter.

(The following Members (at the request of Mr. Myers of Pennsylvania) and to include extraneous material:)

Mr. O'Brien.

Mr. Archer.

Mr. Heinz in two instances.

Mr. Ashbrook in five instances.

Mr. Hinshaw.

Mr. Brown of Ohio.

Mr. Biester.

Mr. Steelman.

Mr. Rhodes.

Mr. Crane in three instances.

Mr. Emery.

Mr. Gradison.

Mr. Symms in two instances.

Mr. Kemp in two instances.

Mr. Derwinski in two instances.

Mr. Frey.

(The following Members (at the request of Mr. Lloyd of California) and to include extraneous matter:)

Mr. McCormack.

Mr. Edwards of California in two instances.

Mr. Anderson of California in three instances.

Mr. Gonzalez in three instances.

Mr. Downing.

Mr. Dent in two instances.

Mrs. Schroeder.

Mr. McDonald of Georgia in five instances.

Mr. Moffett in 10 instances.

Mr. Brademas in 10 instances.

Mr. Rodino.

Mr. Downey in five instances.

Mr. Pickle in 10 instances.

Mr. Won Pat.

Mr. Symington in two instances.

Mr. Rostenkowski.

Mr. Addabbo.

Mr. Jones of Tennessee.

Mr. Fraser in two instances.

Mr. Traxler.

Mr. Dodd in two instances.

Mr. Wirth.

Mr. Karth in two instances.

Mr. Simon.

Mr. Young of Georgia.

Mr. Preyer.

Mr. Dingell.

Mr. Ginn.

Mr. Dominick V. Daniels.

Mr. Harrington.

Mr. Jacobs.

Mr. Boland.

Mr. Minish in two instances.

Mr. Yates.

Mr. D'Amours.

Mr. Obey.

Mr. Nowak.

Mr. Nichols.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 172. An act to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of Government employees, and for other purposes.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did May 6, 1977, present to the President, for his approval a joint resolution of the House of the following title:

H.J. Res. 242. Joint resolution to authorize and request the President to issue a proclamation designating the calendar week beginning May 12, 1975, as "National Historic Preservation Week."

ADJOURNMENT

Mr. LLOYD of California. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 26 minutes p.m.), the House adjourned until tomorrow, Wednesday, May 8, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as folfollows:

960. A letter from the President of the United States, transmitting a draft of proposed legislation to amend title 38, United States Code, to set a termination date for veterans educational benefits under chapters 34 and 36 of such title, and for other purposes (H. Doc. No. 94–138); to the Committee on Veterans' Affairs and ordered to be printed.

961. A letter from the Secretary of Agriculture and the Secretary of Housing and Urban Development, transmitting the fifth annual report on financial and technical assistance provided for nonmetropolitan planning districts, covering fiscal year 1974, pursuant to section 901(c) of the Agricultural Act of 1970; to the Committee on Agriculture.

962. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee and insurance transactions to Communist countries supported by Eximbank during March 1975; to the Committee on Banking, Currency and Housing.

963. A letter from the Chairman, Indian Claims Commission, transmitting a draft of proposed legislation to authorize appropriations for the Indian Claims Commission for fiscal year 1977; to the Committee on Interior and Insular Affairs.

964. A letter from the Chief Commissioner, U.S. Court of Claims, transmitting a report on allowance of claims for attorney fees in proceedings conducted under the Alaska Native Claims Settlement Act, pursuant to section 20(e) of the act (Public Law 92–203); to the Committee on Interior and Insular Affairs.

965. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed contract with Holland Construction Co., Billings, Mont., for a research project entitled "Develop a Continuous Stripping and Mining Technique," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

966. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed contract with Foster-Miller Associates, Inc., Waltham, Mass., for a research project entitled "Develop and Demonstrate an Auto-Track Bridge Conveyor Train for Continuous Face Haulage," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

967. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed contract with Foster-Miller Associates, Inc., Waltham, Mass., for a research project entitled "Research and Development Contract for the Demonstration of a New Continuous Excavator for Surface Coal Mining," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

968. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed contract with the University of Utah, Salt Lake City, Utah, for a research project entitled "Adsorption-Desorption Reactions in the Desulfurization of Coal by Pyrite Flotation Technique," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

969. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed contract with MSA Research Corp., Evans City, Pa., for a research project entitled "Evaluation of Foamed Concrete for a Rapid Center-Wall Placement System," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

970. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed contract with The Robbins Co., Seattle, Wash., for a research project entitled "Develop and Demonstrate A Blind Shaft Borer," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

971. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed contract with Southwest Research Institute, San Antonio, Tex., for a research project entitled "A Draft Power Sensor For Improved Dozer Performance," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

972. A letter from the Acting Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to extend appropriations authorizations for communicable disease and other control programs, and for other purposes: to the Committee on Interstate and Foreign Commerce.

973. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in the cases of certain aliens found admissible to the United States, pursuant to section 212(a) (28) (I) (ii) of the Immigration and Nationality Act [8 U.S.C. 1182 (a) (28) (I) (ii) (b)]; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. Reported adversely. H.R. 5970. A bill to provide, through tax incentives in the Internal Revenue Code of 1954, that all future employment-based group health insurance plans extend coverage to workers who become unemployed and receive unemployment compensation benefits, with a temporary program financed through a trust fund and a temporary assessment on group health insurance arrangements to cover workers who are currently unemployed and receiving unemployment compensation (or who become unemployed before the applicable health insurance plans are modified to cover them), and for other purposes (Rept. No. 94–171, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAHON: Committee on Appropriations H.R. 6573. A bill to rescind certain budget authority recommended in the message of the President of April 18, 1975 (H. Doc. 94–109), transmitted pursuant to the Impoundment Control Act of 1974 (Rept. No. 94–191). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 4925. A bill to amend the Public Health Service Act and related laws to revise and extend programs of health revenue sharing and health services, and for other purposes; with amendment (Rept. No. 94–192). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Texas: Committee on Rules. House Resolution 444. Resolution providing for the consideration of H.R. 3902. A bill to authorize appropriations for the fiscal years 1976 and 1977 for certain maritime programs of the Department of Commerce, and for other purposes (Rept. No. 94–193). Referred to the House Calendar.

Mr. MATSUNAGA: Committee on Rules. House Resolution 445. Resolution providing for the consideration of H.R. 5357. A bill to authorize appropriations to the Secretary of Commerce for the promotion of tourist travel (Rept. No. 94–194). Referred to the House Calendar.

Mr. YOUNG of Georgia: Committee on Rules. House Resolution 446. Resolution providing for the consideration of H.R. 6209. A bill to prohibit the Federal Home Loan Bank Board from permitting Federal savings and loan associations to offer loans secured by one to four homes or dwellings with variable interest rates (Rept. No. 94–195). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. RODINO:

H.R. 6755. A bill to enable the United States to render assistance to or in behalf of certain migrants and refugees; to the Committee on the Judiciary.

By Mr. ARCHER:

H.R. 6756. A bill to provide a tax credit for expenditures made in the exploration and development of new reserves of oil and gas in the United States; to the Committee on Ways and Means.

By Mr. ARCHER (for himself and Mr. Conlan):

H.R. 6757. A bill to repeal the Davis-Bacon Act; to the Committee on Education and Labor.

By Mr. BOWEN (for himself and Mrs. Meyner):

H.R. 6758. A bill to amend the Internal Revenue Code to encourage the continuation of family farms, and for other purposes; to the Committee on Ways and Means.

By Mr. BURKE of Massachusetts:

H.R. 6759. A bill to amend the Internal Revenue Code of 1954 to provide that the tax rules now applicable to savings and loan associations, mutual savings banks, and certain cooperative banks, shall be applicable to the comparable mortgage programs now undertaken by national mortgage associations; to the Committee on Ways and Means.

By Mr. DICKINSON:

H.R. 6760. A bill to amend title 5, United States Code, to correct certain inequities in the crediting of National Guard technician service in connection with civil service retirement, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. DRINAN:

H.R. 6761. A bill to repeal the Military Selective Service Act and for other purposes; to the Committee on Armed Services.

By Mr. FISH (for himself and Mr. Cohen):

H.R. 6762. A bill to enable the United States to render assistance to or in behalf of certain migrants and refugees; to the Committee on the Judiciary.

By Mr. FITHIAN:

H.R. 6763. A bill to amend the Land and Water Conservation Fund Act of 1965, as amended, and to amend the act of October 15, 1966, to establish a program for the preservation of additional historic properties throughout the Nation, as amended, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FLOOD (for himself, Mr. Roe, Mr. O'Neill, Mr. McFall, Mr. Wright, Mr. Johnson of California, Mr. Roberts, Mr. McCormack, Ms. Abzug, Mr. Breaux, Mr. Studds, Mr. Holland, Mr. Howe, Mr. Oberstar, Mr. Nowak, and Mrs. Lloyd of Tennessee):

H.R. 6764. A bill to authorize a local public works capital development and investment program; to the Committee on Public Works and Transportation.

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By Mr. FULTON (for himself, Mr. Jones of Alabama, Mr. Roe, Mr. O'Neill, Mr. McFall, Mr. Wright, Mr. Johnson of California, Mr. Roberts, Mr. McCormack, Ms. Abzug, Mr. Breaux, Mr. Studds, Mr. Holland, Mr. Howe, Mr. Oberstar, Mr. Nowak, and Mrs. Lloyd of Tennessee):

H.R. 6765. A bill to authorize a local public works capital development and investment program; to the Committee on Public Works and Transportation.

By Mr. HASTINGS (for himself, Mr. Mosher, Mr. Broyhill, Mr. Walsh, Mr. Whitehurst, Mr. Zeferetti, Mr. Nix, Mr. Fascell, Mr. Winn, Mr. Eshleman, Mr. Ruppe, Mr. Van Deerlin, Mr. Frenzel, Mr. Carney, and Mr. Pressler):

H.R. 6766. A bill to assist in the settlement of medical malpractice claims through a Federal program of reinsurance and through voluntary arbitration under State laws, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HEINZ:

H.R. 6767. A bill to improve the reliability, safety, and energy efficiency of transportation and to reduce unemployment by providing funds for work in repairing, rehabilitation, and improving essential railroad roadbeds and facilities; to the Committee on Interstate and Foreign Commerce.

By Ms. HOLTZMAN (for herself, Mr. Bingham, Mr. Addabbo, Mr. Badillo, Mr. Beard of Rhode Island, Mr. John L. Burton, Mr. Carr, Mrs. Chisholm, Mr. Cornell, Mr. Drinan, Mr. Koch, Mr. Mineta, Mr. Moss, Mr. Nowak, Mr. Pattison of New York, Mr. Riegle, Mr. Roe, Mr. Rosenthal, Mr. Scheuer, Mrs. Spellman, Mr. Stokes, Mr. Studds, and Mr. Waxman):

H.R. 6768. A bill to amend title XVI of the Social Security Act to insure that cost-of-living increases in supplemental security income benefits are granted to recipients of such benefits in all States, to provide a housing supplement to certain recipients of such benefits, to prevent reductions in such benefits because of social security benefit increases, to allow recipients of such benefits in cash-out States to elect to receive food stamps, to provide for emergency assistance to recipients, and for other purposes; to the Committee on Ways and Means.

By Ms. HOLTZMAN (for herself, Mr. Bingham, Mr. Brown of California, Mr. Carney, Mr. Conyers, Mr. Dellums, Mr. Edwards of California, Mr. Eilberg, Mr. Fish, Mr. Ford of Tennessee, Mr. Harrington, Mr. Hawkins, Mr. Horton, Mr. Hungate, Mr. LaFalce, Mr. Mitchell of Maryland, Mr. Nix, Mr. Ottinger, Mr. Richmond, Mr. Roybal, Mr. Ryan, Mr. Solarz, Mr. Stratton, and Mr. Thompson):

H.R. 6769. A bill to amend title XVI of the Social Security Act to insure that cost-of-living increases in supplemental security income benefits are granted to recipients of such benefits in all States, to provide a housing supplement to certain recipients of such benefits, to prevent reductions in such benefits because of social security benefit increases, to allow recipients of such benefits in cash-out States to elect to receive food stamps, to provide for emergency assistance to recipients, and for other purposes; to the Committee on Ways and Means.

By Mr. HUNGATE:

H.R. 6770. A bill to authorize the Secretary of Commerce to make a grant to Monroe, Mo., for the construction of a facility system to interconnect with a rural electric cooperative: to the Committee on Public Works and Transportation.

By Mr. JONES of Alabama (for himself, Mr. Roe, Mr. Nolan, Mrs. Mink, Mr. Mitchell of Maryland, and Mrs. Fenwick):

H.R. 6771. A bill to authorize a local public works capital development and investment program; to the Committee on Public Works and Transportation.

By Mr. KEMP:

H.R. 6772. A bill to amend section 5051 of the Internal Revenue Code of 1954 (relating to the Federal excise tax on beer); to the Committee on Ways and Means.

H.R. 6773. A bill to amend the Tariff Schedules of the United States to provide for the duty-free entry of certain machines, molds, and equipment, if products of Canada, used in molding and forming plastic materials; to the Committee on Ways and Means.

By Mr. MATSUNAGA:

H.R. 6774. A bill to amend the Comprehensive Employment and Training Act of 1973 to make native Hawaiians eligible for assistance under certain programs established by such act; to the Committee on Education and Labor.

By Mr. MATSUNAGA (for himself, Mr. Thompson, Mr. Downey of New York, Mr. Pepper, and Mr. Ford of Tennessee):

H.R. 6775. A bill to amend the Social Security Act to provide for inclusion of the services of licensed (registered) nurses under medicare and medicaid; to the Committee on Ways and Means.

By Mr. OBERSTAR:

H.R. 6776. A bill to amend the Railroad Retirement Act of 1974 with respect to the entitlement under such act of certain remarried widows and divorced wives of railroad employees; to the Committee on Interstate and Foreign Commerce.

H.R. 6777. A bill to amend the Railroad Retirement Act of 1974 to provide that an individual who has completed 30 years of railroad service shall be deemed to have a current connection with the railroad industry for the purposes of such act; to the Committee on Interstate and Foreign Commerce.

By Mr. PEPPER:

H.R. 6778. A bill to amend chapter 44 of title 18 of the United States Code to limit the availability of guns not suitable for lawful sporting purposes; to the Committee on the Judiciary.

By Mr. PRICE:

H.R. 6779. A bill to authorize a local public works capital development and investment program; to the Committee on Public Works and Transportation.

By Mr. QUILLEN:

H.R. 6780. A bill to amend the Higher Education Act of 1965 to provide that vocational schools in a State which are designated as postsecondary schools by the State educational agency shall be eligible as institutions for purposes of basic educational opportunity grants; to the Committee on Education and Labor.

H.R. 6781. A bill to amend the Communications Act of 1934 with respect to the renewal of licenses for the operation of broadcasting stations; to the Committee on Interstate and Foreign Commerce.

By Mr. RAILSBACK:

H.R. 6782. A bill to incorporate the United States Submarine Veterans of World War II; to the Committee on the Judiciary.

By Mr. RAILSBACK (for himself, Mr. Badillo, Ms. Chisholm, Mr. Conyers, Mr. Gilman, Mr. Gude, Mr. Harrington, Mr. Horton, Mr. Hyde, Mr. McCloskey, Mr. Metcalfe, Mr. Murphy of Illinois, Mr. Nix, Mr. Ottinger and Mr. Pressler):

H.R. 6783. A bill relating to the employment and training of criminal offenders and for other purposes; to the Committee on the Judiciary.

By Mr. RAILSBACK (for himself, Mr. Kastenmeier, Mr. Andrews of North Dakota, Mr. Bafalis, Mr. Drinan, Mr. Fraser, Mr. Hall, Mr. Ketchum, Mr. Mann, Mr. Mezvinsky, Mr. Mottl, Mr. Richmond, Mr. Rooney, Mr. Sarasin, Mr. Scheuer, Mr. Stark, and Mr. Young of Georgia):

H.R. 6784. A bill to regulate lobbying and related activities; jointly to the Committees on the Judiciary, and Standards of Official Conduct.

By Mr. RISENHOOVER (for himself, Mr. Jones of Alabama, Mr. Roe, Mr. O'Neill, Mr. McFall, Mr. Wright, Mr. Johnson of California, Mr. Roberts, Mr. McCormack, Ms. Abzug, Mr. Breaux, Mr. Studds, Mr. Holland, Mr. Howe, Mr. Oberstar, Mr. Nowak, and Mrs. Lloyd of Tennessee):

H.R. 6785. A bill to authorize a local public works capital development and investment program; to the Committee on Public Works and Transportation.

By Mr. RODINO (for himself, Mr. Brooks, Mr. Flowers, Mr. Sarbanes, Mr. Seiberling, Ms. Jordan, Mr. Mezvinsky, Mr. Mazzoli, Mr. Hughes, and Mr. Howe):

H.R. 6786. A bill to permit the attorneys general of the States to secure damages and other relief for persons and political subdivisions of their States which are injured by reason of any violation of the antitrust laws and for other purposes; to the Committee on the Judiciary.

By Mr. SIMON (for himself, Mr. Derwinski, Mr. Mazzoli, Mr. Steiger of Wisconsin, Mr. Fraser, Mr. Whitehurst, Mr. Harrington, Mr. Anderson of California, and Mr. Bingham):

H.R. 6787. A bill to provide for a program of grants for Vietnamese and Cambodian students at institutions of higher education; to the Committee on Education and Labor.

By Mr. SPENCE:

H.R. 6788. A bill to amend title 38, United States Code, to authorize a program of assistance to States for the establishment, expansion, improvement, and maintenance of cemeteries for veterans; to the Committee on Veterans' Affairs.

By Mr. SPENCE (for himself, Mr. Mann, Mr. Davis, Mr. Derrick, Mr. Holland, and Mr. Jenrette):

H.R. 6789. A bill to name a Federal office building to be located in Columbia, S.C., the Strom Thurmond Federal Building; to the Committee on Public Works and Transportation.

By Mr. UDALL (for himself, Mr. Roe, Mr. O'Neill, Mr. McFall, Mr. Wright, Mr. Johnson of California, Mr. Roberts, Mr. McCormack, Ms. Abzug, Mr. Breaux, Mr. Studds, Mr. Holland, Mr. Howe, Mr. Oberstar, Mr. Nowak, and Mrs. Lloyd of Tennessee):

H.R. 6790. A bill to authorize a local public works capital development and investment program; to the Committee on Public Works and Transportation.

By Mr. WALSH:

H.R. 6791. A bill to expand the membership of the Advisory Commission on Intergovernmental Relations to include elected school board officials; to the Committee on Government Operations.

By Mr. WALSH (for himself, Mr. Collins of Texas, Mr. Conte, Mr. Ford of Tennessee, Mr. Anderson of California, Mrs. Spellman, Mr. Metcalfe, Mr. Brown of Michigan, Mr. Hannaford, and Mrs. Collins of Illinois):

H.R. 6792. A bill to amend the Internal Revenue Code of 1954 to allow individuals a deduction for volunteer services performed in Veterans' Administration hospitals; to the Committee on Ways and Means.

By Mr. WHITEHURST (for himself and Ms. Holtzman):

H.R. 6793. A bill to amend the Federal law relating to the protection, management, and control of wild free-roaming horses and burros on public lands in order to provide the authority needed to properly manage wild horses and burros in harmony with wildlife and other uses of the national resource land; to the Committee on Interior and Insular Affairs.

By Mr. BROWN of Ohio (for himself, Mr. Broyhill, Mr. Moorhead of California, and Mr. Heinz):

H.R. 6794. A bill to increase domestic energy supplies and availability; to restrain energy demand; to prepare for energy emergencies; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CLAY (for himself, Mr. Evans of Indiana, and Mr. Murphy of New York):

H.R. 6795. A bill to restore to Federal civilian employees their rights to participate, as private citizens, in the political life of the Nation, to protect Federal civilian employees from improper political solicitations, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. DOWNEY of New York:

H.R. 6796. A bill to expand the membership of the Advisory Commission on Intergovernmental Relations to include elected school board officials; to the Committee on Government Operations.

By Mr. HARRINGTON:

H.R. 6797. A bill to assist refugees from South Vietnam who wish to return to their native country; to the Committee on International Relations.

By Mr. HASTINGS:

H.R. 6798. A bill to amend section 5051 of the Internal Revenue Code of 1954 (relating to the Federal excise tax on beer); to the Committee on Ways and Means.

By Mr. HUNGATE (for himself, Mr. Russo, Mr. Wiggins, and Mr. Hyde):

H.R. 6799. A bill to approve certain of the proposed amendments to the Federal Rules of Criminal Procedure, to amend certain of them, and to make certain additional amendments to those rules; to the Committee on the Judiciary.

By Mr. McCLOSKEY:

H.R. 6800. A bill to amend section 44 of the Internal Revenue Code of 1954 (relating to credit for purchase of new principal residence) to provide that the lowest offering price requirement be limited to offers after December 31, 1974, and to expedite the prescribing of final regulations on such section 44: to the Committee on Ways and Means.

By Mr. MEZVINSKY:

H.R. 6801. A bill to incorporate the Army and Navy Union of the United States of America; to the Committee on the Judiciary.

H.R. 6802. A bill to provide a program of income tax counseling for elderly individuals; to the Committee on Ways and Means.

By Mrs. PETTIS:

H.R. 6803. A bill to amend title 18, United States Code, to promote public confidence in the legislative branch of the Government of the United States by requiring the disclosure by Members of Congress and certain employees of the Congress of certain financial interests; to the Committee on Standards of Official Conduct.

H.R. 6804. A bill to amend title 38 of the United States Code so as to provide that public or private retirement, annuity, or endowment payments (including monthly social security insurance benefits) shall not be included in computing annual income for the purpose of determining eligibility for a pension under chapter 15 of that title; to the Committee on Veterans' Affairs.

H.R. 6805. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. ROBERTS (for himself, Mr. Teague, Mr. Hammerschmidt, Mr. Satterfield, Mr. Edwards of California, Mr. Montgomery, Mr. Carney, Mr. Danielson, Mr. Wolff, Mr. Charles Wilson of Texas, Mr. Mottl, Mr. Cornell, Mr. Hefner, Mr. Hannaford, Mr. Edgar, Mrs. Heckler of Massachusetts, Mr. Wylie, Mr. Hillis, Mr. Abdnor, Mr. Walsh, Mr. Guyer, Mr. Hansen, Mr. O'Brien, and Mr. Beard of Rhode Island):

H.R. 6806. A bill to terminate the Vietnam era period of war for purposes of the veterans' laws, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. ROGERS (for himself, Mr. Preyer, Mr. Carney, Mr. Scheuer, Mr. Waxman, Mr. Hefner, Mr. Devine, Mr. Carter, Mr. Hastings, Mr. Heinz, and Mr. Goldwater):

H.R. 6807. A bill to amend the Federal Food, Drug, and Cosmetic Act to establish certain limitations respecting the authority of the Secretary of Health, Education, and Welfare to regulate vitamins and minerals under that act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STAGGERS:

H.R. 6808. A bill to improve the reliability and safety of railroad transportation so as to promote the efficient use of energy in surface transportation, and to reduce unemployment by providing funds for work in repairing, rehabilitating, and improving railroad roadbeds and facilities; to the Committee on Interstate and Foreign Commerce.

By Mr. STAGGERS (for himself and Mr. Devine):

H.R. 6809. A bill to amend certain provisions of the Communications Satellite Act of 1962, as amended; to the Committee on Interstate and Foreign Commerce.

H.R. 6810. A bill to authorize an additional Assistant Secretary of Commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. WOLFF:

H.R. 6811. A bill to authorize the emergency issuance of 2,000 special immigrant visas to nationals of Ireland; to the Committee on the Judiciary.

By Mr. BELL:

H.J. Res. 444. Joint resolution to save the great whales from extinction by amending the Fishermen's Protective Act of 1967 to impose an embargo on the products of all foreign enterprises engaged in commercial whaling; to the Committee on Ways and Means.

By Mr. BOWEN:

H.J. Res. 445. Joint resolution to restore posthumously full rights of citizenship to Gen. R. E. Lee; to the Committee on the Judiciary.

By Mr. MOTTL:

H.J. Res. 446. Joint resolution proposing an amendment to the Constitution of the United States to prohibit compelling attendance in schools other than the one nearest the residence and to insure equal educational opportunities for all students wherever located; to the Committee on the Judiciary.

By Mr. OBERSTAR (for himself and Mr. Casey):

H.J. Res. 447. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. HAYS of Ohio:

H. Con. Res. 269. Concurrent resolution providing for the printing of a House document, "Federal Election Campaign Laws Relating to the U.S. House of Representatives"; to the Committee on House Administration.

By Mr. MOTTL (for himself, Mr. Hays of Ohio, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Bedell, Mr. Blanchard, Mr. Devine, Mr. Derwinski, Mr. Emery, Mr. Evans of Indiana, Mr. Fithian, Mr. Ford of Tennessee, Mr. Hannaford, Mr. Hubbard, Mr. Jenrette, Mr. Kasten, Mr. Kemp, Mr. Lagomarsino, Mr. McCloskey, Mr. Mazzoli, Mrs. Meyner, Mr. Ottinger, Mr. Riegle, and Mr. Sarbanes):

H. Con. Res. 270. Concurrent resolution expressing the sense of Congress with respect to the complexity of Federal income tax forms; to the Committee on Ways and Means.

By Mrs. PETTIS:

H. Res. 443. Resolution in support of continued undiluted U.S. sovereignty and jurisdiction over the U.S.-owned Canal Zone on the Isthmus of Panama; to the Committee on International Relations.

MEMORIALS

Under clause 4 of rule XXII,

129. The SPEAKER presented a memorial of the Legislature of the State of Missouri, requesting Congress to call a convention for the purpose of proposing an amendment to the Constitution of the United States with respect to abortion; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BUTLER:

H.R. 6812. A bill for the relief of Robert Alexander; to the Committee on the Judiciary.

By Mrs. PETTIS:

H.R. 6813. A bill to authorize the President of the United States to present, in the name of Congress, a Medal of Honor to Brig. Gen. Charles E. Yeager; to the Committee on Armed Services.

By Mr. RHODES:

H.R. 6814. A bill for the relief of Health Maintenance Associates, a professional corporation of the State of Arizona; to the Committee on the Judiciary.

By Mr. RYAN:

H.R. 6815. A bill for the relief of Albert Edward Squitieri; to the Committee on the Judiciary.

By Mr. STEPHENS:

H.R. 6816. A bill for the relief of Dr. Daryl C. Johnson; to the Committee on the Judiciary.

By Mr. WAXMAN:

H.R. 6817. A bill for the relief of Fidel Grosso-Padilla; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 49

By Mr. JEFFORDS:

On page 5, line 13, after the word "if" and before the word "Each" on line 15, delete the words "neither the House of Representatives nor the Senate adopts a resolution of disapproval.", and replace them with the following words: "both the House of Representatives and the Senate adopt a resolution of approval."

On page 7, line 3, add the following words: "Any oil offered for sale under this Act shall be subject to the provisions of the Petroleum Allocation Act and shall be considered as old crude petroleum as defined in section 212.72 of title 10, Code of Federal Regulations (as in effect on January 1, 1975)."

On page 7, after line 15, add the following:

"Sec. 4. (a) It is hereby declared to be the policy of the United States that a National Strategic Petroleum Reserve (Military) shall be established in order that the energy requirements of the United States military will be met in the event of any disruption of foreign supplies of petroleum and petroleum products or any military emergency. The stockpiles of such a reserve shall be created in such a manner that they may be, as a general rule, physically integrated and managed together with such stockpiles as may be created in the event the Congress creates a national civilian petroleum reserve. Accordingly—

"(b) Upon enactment of this Act, the Secretary of Defense shall commence a search for suitable storage facilities within which petroleum from any national petroleum reserves the Secretary of the Interior may establish under this Act, or its equivalent, may be stockpiled. The Secretary of Defense shall conduct his search with the cooperation of the Administrator of the Federal Energy Administration for the purpose of integrating such stockpile with such petroleum which may be stockpiled by that Administrator in the event that a national civilian strategic petroleum reserve be created by Congress. The search shall be conducted under the assumption that storage will be needed for at least 100 million barrels of military stockpiles. This figure may be modified upon completion of the study delineated in subsection (d) thereof.

"(c) When suitable facilities, either in or above ground, or both, are found, the Secretary of Defense is directed to stockpile up to 50% of the daily production of petroleum from any national petroleum reserves the Secretary of the Interior may establish under this Act, or its equivalent, in such facilities.

"(d) One year after the enactment of this Act, the Secretary of Defense, after consultation with the Joint Chiefs of Staff, shall provide the Congress a report recommending the amount of petroleum to be stockpiled on an annual basis in such Military Reserve."

H.R. 6209

By Mr. REES:

Amendment in the nature of a substitute: Strike out all after the enacting clause and insert the following: "The Federal Home Loan Bank Board is prohibited from authorizing by rule, regulation or otherwise any Federal savings and loan association from making a variable interest rate mortgage loan on any one-to-four family dwelling unit occupied or to be occupied by the borrower for two years after enactment of this law, except as follows:

"(a) The variable interest rate mortgage loan is on a dwelling unit located in a state where building and loan or savings and loan associations chartered or organized under the laws of such state are, on the date of enactment of this act, offering such loans; and

"(b) The terms of the variable interest rate mortgage loan satisfy the following standards and such additional standards as the Board may prescribe:

"(i) Any such association shall also make available on reasonable terms and conditions to the borrower a mortgage loan at a fixed interest rate.

"(ii) The rate of interest on a variable interest rate mortgage loan shall change not more often than once during any semi-annual period and at least six months shall elapse between any two such changes.

"(iii) Any increase in the interest rate on a variable interest rate mortgage loan shall not exceed one-fourth of one percent in any semi-annual period, nor shall any such rate be increased more than ½ of one percent at any one time not withstanding the waiver of any previously authorized increases by the lender.

"(iv) Total increases in the interest rate on a variable interest rate mortgage loan shall not exceed the initial interest rate over the term of the loan by more than two percent.

"(v) The rate of interest on a variable interest rate mortgage loan shall not change except in accordance with standards prescribed by the Board under this paragraph (b); however, such association must decrease the rate of interest in accordance with such prescribed standards but has the option of increasing the rate in accordance with such prescribed standards.

"(vi) The rate of interest on a variable interest rate mortgage loan shall not change until after a year following the operative date of the mortgage.

"(vii) The borrower is permitted to prepay the variable interest rate mortgage in whole or in part without a prepayment charge within 90 days of notification of any increase in the rate of interest above the initial interest rate.

"(viii) The borrower must be given 60 days advance notification of any increase in the rate of interest on a variable interest rate mortgage loan."

And amend the title to read as follows: "To prohibit the Federal Home Loan Bank Board from permitting Federal savings and loan associations to make home mortgage loans with variable interest rates except in special circumstances."

EXTENSIONS OF REMARKS

CHARLES R. "DICK" STANTON

HON. NORMAN E. D'AMOURS

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. D'AMOURS. Mr. Speaker, I rise to praise the Honorable Charles R. "Dick" Stanton, mayor of Manchester, N.H.

One of the qualities which makes this country great is the willingness of her people when called upon to help. "Dick" Stanton exemplifies this spirit, and has demonstrated his willingness to serve his fellow citizens in times of need.

Upon the untimely death of the Honorable Mayor Henry Pariseau in 1970, Charles R. "Dick" Stanton served in a dual capacity as city clerk and mayor. He is the only person ever to hold both positions simultaneously.

Serving admirably, "Dick" Stanton remained as mayor until the election of the Honorable Sylvio Dupuis in 1971.

Recently, in January 1975, Mayor Dupuis accepted another position of responsibility, and again, Charles "Dick" Stanton was called upon by his fellow citizens to serve as mayor of Manchester.

In these times of economic crisis, both at the national and local levels, and requiring personal sacrifice to himself, "Dick" Stanton again comes forward to offer his administrative leadership to the city of Manchester.

Therefore, Mr. Speaker, I rise to acknowledge the debt of gratitude from the citizens of Manchester, N.H., to a hard working and dedicated public servant, Charles R. "Dick" Stanton.

GUN CONTROL: NEAT, PLAUSIBLE, AND WRONG

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. ASHBROOK. Mr. Speaker, at the opening of another Congress we have been met with a veritable torrent of bills introduced by, I am sure, well-intentioned, but ill-advised gentlemen in this body, to attempt to reduce violent crime and particularly homicides by the hopeless expedient of attempting to control the possession of one of the tools used.

We have had homicides since Cain slew Abel with the jawbone of an ass and homicides were common before the discovery of gunpowder. We all know that crimes of violence, particularly homicides, flow from a state of mind—the will or desire to commit a crime—not the availability of the tools. Human beings are obviously the most resourceful animals on Earth and if one method to accomplish an objective is not available another will be used. If an existing method is inadequate another will be devised. We have only to look at the last few years in the United States to see how the use of hand grenades and bombs has increased in the commission of homicides, bank robberies, airplane hijackings, and so forth. In the tragic struggle in Northern Ireland, far more people have been killed by bombs than by all kinds of firearms. In both the United States and Ulster, the manufacture, possession, sale, or use of grenades and bombs has been illegal for years.

The estimates of the cost of such firearms controls as those proposed by the gentleman from New York, (Mr. Bingham) would put the United States another $1 billion to $4 billion a year in debt and create a huge bureaucracy. It would create millions of new criminals such as those who would not turn in or register their guns on one hand and on the other, those being gun runners from Mexico, Canada, and Europe. The police, the courts, and the prisons would be more overworked and overloaded than now.

Better that we put this money and manpower into the enforcement of existing law, into increasing judicial capability to insure prompt trial and sentencing, into better corrections systems and personnel and into minimizing the causes of crime such as poor education, poor housing, and unemployment.

There follows an article entitled "Gun Control: Neat, Plausible, and Wrong" by Gary G. Vance which appeared in the October 1974 issue of Guns and Ammo.

I am sure that it expresses the views of millions of dedicated Americans:

Gun Control: Neat, Plausible, and Wrong

(By Gary G. Vance)

(Gun Control Advocates Corrode Constitutional Freedoms While Burdening Taxpayers with Greater Bureaucratic Expense.)

If one studies the history of mankind's major calamities one must eventually reach the conclusion that most of them were engineered by individuals or groups whose good intentions and high purposes were above question. Within their own conceptual framework, their actions were both moral and in the best interests of some social or political grouping. The failure of such well-intentioned enterprises is that they are invariably shortsighted, selfish and simplistic. They are born more of passion than of wisdom. In the name of justice and societal welfare both Communism and Fascism have perpetrated some of the most heinous, brutal and dehumanizing acts known to man, all with good intentions.

The damage issuing from such good intentions is not confined to sweeping political movements. Around my home in Southeast Alaska there are still a few of the original totems carved and colored by the Tlingit and Haida Indians native to this area. The totems were a means of recording family or tribal history and they represent an art form that I consider singularly magnificent. There were once many such totems on the islands where the Indians lived but most were burned by early missionaries because they were thought to be pagan and godless. More good intentions.

When the U.S. Constitution was amended to make the manufacture, sale and consumption of alcoholic beverages illegal, the advocates of the amendment surely had our best interests at heart. The issue was simple. Some people drank too much which resulted in wasted lives and ravaged families. Make the alcohol illegal and the problem would be solved. Only things did not work out as they had planned; bootlegging became big business. Alcohol was everywhere, much of it being scarcely better than poison. Prices skyrocketed. And, most important of all, that great social experiment resulted in the establishment of an organized criminal empire that flourishes even today. So much for good intentions.

The history of mankind's survival is one narrow escape after another from the ministrations of some misguided zealot and his particular recipe for the common good. This is not to say there have not been events and individuals that have done much to correct inequities in human affairs. The decision of the U.S. to plunge into the mad war in Europe in 1942 was a necessary step to rekindle the lights which were winking out under Nazi domination of that said continent. However, that whole grim chapter in history need never have happened. It was born of the good intentions of all the political leaders who sought to appease and conciliate the criminals that had seized power in Germany. A firmer and less well-intentioned approach to Hitler's government may have changed the entire history of the world much for the better.

Today we are threatened by still another cadre of politicians who are convinced that they alone know what is best for us all. I am personally appalled by the plans they are making. The gun control issue is a classic example of how these well-intentioned hustlers promote injustice, infringe on human rights and move us ever further down the road toward the practice of empire. And make no mistake that the practice of empire is what these gentlemen have in mind. They all staunchly proclaim their belief in the concept of government by the people but they enjoy their power as a personal attribute, they are convinced that they personally know what is best for you and me, they are determined to impose their will to the fullest extent possible, and most of them are frightfully naive and shortsighted opportunists. Let's see what happens when you and I, law-abiding citizens, are deprived of our right to own handguns of any sort and are forced to register long guns with a government bureau.

1. A lucrative black market in handguns will spring up, with little delay, across the entire nation, centering primarily on the major cities. Huge sums will be spent on a law enforcement effort that will, at best, be no more effective than present efforts in controlling the criminal use of guns. Handguns will still be widely available to anyone who may want one for a quick stick-up or to back up other illegal activities. They will also be available to any blowhard who feels he needs one to bolster his sagging ego. All he has to do is pay the black market price.

2. Crime rates will show no significant slackening and may well increase as the average citizen becomes more vulnerable. The causes of crime in the U.S. have nothing to do with the availability of legitimately owned guns.

3. The record-keeping costs for long guns will multiply as another federal bureaucracy becomes entrenched and begins to grow fat and sloppy. The bureaucrats will seek ever newer controls and restrictions to justify more expansion and broader powers. Record-keeping will become an end in itself.

4. Little information useful in the solving of crimes will be generated by all of those expensive records. This is borne out by other cases of registration both here and abroad.

5. Red tape harassment of law-abiding gun owners will grow out of proportion to any rational purpose. The shooting sports will go into a decline resulting in sharply reduced revenue for game conservation purposes. (By far the greatest amount spent for conservation comes from the pocket of the shooters and hunters of this nation; recently around $160 million a year.)

6. Game habitat and control will deteriorate and game animals, as well as non-game animals, will die off in great numbers further insuring the decline of hunting in particular and the shooting sports in general.

7. A readily available listing of arms in the hands of private citizens will be created which internal enemies could conceivably use in a case of armed confrontation. Couldn't happen in the U.S., you say? The naive trust of a complacent citizenry is the foundation upon which totalitarian governments are built. The framers of the Constitution fully intended that personal arms should *not* be taken from the private citizen. Gun control advocates will argue that such reasoning is obsolete, pointing to huge standing armies and nuclear hardware. But they fail to explain away the increasing trend toward kidnapping, terrorism and guerrilla warfare as instruments of social change. An armed citizenry is just as important now as it ever was.

In summary, the crime problem will remain unchanged and possibly grow worse; taxes will be increased or funds diverted from other programs (probably wildlife conservation) to pay for the new bureaus; our national wildlife resources will decline and we will grow individually and collectively more vulnerable to the tyrants known to exist everywhere, in every nation, throughout history.

Meanwhile, those well-intentioned fellows that started the whole thing will express "deep personal concern" over the worsening situation. They will draw up even more restrictive measures to "sew up the loopholes" in their earlier efforts. They will even order "funding of special task forces and study groups to come to grips with the problem." You have heard their siren speeches and witnessed their posing before. By that time the battle will be lost.

H. L. Mencken once wrote, "There is always an easy solution to every human problem . . . neat, plausible, and wrong." Strict gun controls simply feel right to those crusading politicians seeking an easy scapegoat to complex social problems. Guns are loud, dangerous, expensive and unnecessary in their estimation. Many people get along fine without them so obviously they are not needed. Arms represent a source of power in the hands of private citizens and in the gun control politician's mind such power is a threat to his own.

The outlawing of guns is strangely like the outlawing of books. The beginning of tyranny can invariably be traced to episodes of attempted thought-control through the banning of certain books. And just as tyrants seek to control our thoughts, they must seek to control our actions. It is the mind and will of a free people, seeking to determine their own outcomes, that is the enemy of the empire builders. What difference is there between the tyrant who decides to dispose of certain books because he believes the common man cannot be trusted to judge them wisely and the politician who advocates the banning of guns because he believes the common man cannot be trusted to use them wisely? Attempts to pass laws legalizing the seizure and control of guns or books must be met with unfailing resistance wherever such attempts are encountered. I am not interested in how nobly conceived attempts at control may be. I am only interested in the end result. The road to hell, it's said, is paved with good intentions.

WAYS TO FIND WORK IN THE HIDDEN JOB MARKET

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. MOFFETT. Mr. Speaker, as you are already aware, unemployment is raging across our Nation at a cancerous clip. People who have never had a financial worry before are confronted with a rapid depletion of their life's savings.

In my own State of Connecticut unemployment was computed to be 9.9 percent at the March midpoint. I suggest this is a conservative estimate, as the figure quoted does not account for those who have dropped out of the labor force in utter despair.

It is outrageous that the employment situation should even approach the point where great numbers of job hunters have ceased searching. Mr. Speaker, for those men and women who labor tirelessly in their quest for a job and are finding even interviews few and far between, and for those who desire to reenter the labor force, I ask for unanimous consent to insert into the Record an article that appeared in U.S. News & World Report entitled, "Ways To Find Work in the Hidden Job Market." I recommend that it be carefully examined as it has some excellent professional hints to aid the active jobseeker.

The article follows:

Ways To Find Work in the "Hidden Job Market"

(Interview with James I. Briggs, Jr., an expert on career planning)

Q. Mr. Briggs, with 7.5 million people out of work, and predictions that more will soon join them, what advice do you have for job seekers?

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A. I tell people that an unemployment rate of 8 percent doesn't mean there are no jobs, or that companies are not hiring. It does mean that the market is much more competitive. Today's job seeker has to do what I call creative job hunting, as opposed to the traditional method of trying to find a vacancy and then submitting an application.

Q. What about all the pages of help-wanted ads in the newspapers, even in cities where unemployment is high?

A. If you follow those ads with any kind of concentration, you'll notice there are great numbers of ads for jobs in particular categories, and no openings at all in other categories.

For example, there aren't enough secretaries to go around, and employers advertise to try to surface applicants. There are many ads, too, for unpopular jobs that people don't want to accept. Other ads are for jobs that demand a high degree of technical skill, and usually there is a shortage of people who can qualify.

Finally, many employers have legitimate job openings that they advertise to comply with Equal Employment Opportunity regulations. In many cases an employer will have decided already on who is going to get the job, but he goes through with the publication procedures to comply with the law.

Q. Do you advise job seekers to sign up at company personnel offices?

A. No. Generally I advise people to avoid them if at all possible. Most personnel offices are not in the business of hiring people; they're in the business of screening them out. When you make it through their screening process, you are referred to the person with the ultimate responsibility for the position that's open. If you can circumvent this whole process and establish some kind of personal relationship with the employer, I think you are miles ahead of the individual who walks in off the street and fills out an application.

Q. What about sending out résumés—are they useful?

A. They can be in some cases. But the typical résumé—a straight, factual account of your education and the jobs you have held—tends to be flat and rather uninteresting. It can't convey your interest, enthusiasm and personality.

A better approach is the functional résumé that supports your specific job objective by outlining the four or five major skill and ability areas in which you are strongest. The success of any résumé depends on how personalized and well-targeted it is. But in most cases the résumé is used as a screening device and, therefore, is a poor substitute for the personal contact.

Q. How should one go about looking for work in a tight job market, such as the present?

A. First, I think it's important to describe what we mean by a "tight job market." When people talk about how hard or easy it is to get a job, they often base that on stories they read in the newspaper, on the broad unemployment figures put out by the Bureau of Labor Statistics, on tales they hear from friends, or on their own experiences. A lot of what we read about layoffs in particular lines of business, or cutbacks in hiring plans, would lead you to believe that jobs are dispearing across the board. That is not really the case. The situation is localized in certain parts of the economy.

Beyond that, studies indicate that only about 20 per cent of all the job vacancies that exist at any one time ever get listed by the traditional sources of job information—classified ads, private employment agencies, public employment services, college placement offices.

Q. Are you saying that there are 80 per cent more potential job openings than people hear about?

A. Exactly. These openings are in what is called the "hidden job market." The only way you can find out about them is to decide what sort of work you really want to do, then make contacts in that particular field and let your abilities and strengths be known. You have to muster the self-confidence and courage to go after what you want without being put off by rumors and intimations about how bad the job market is.

Q. What specific advice can you give about going after a job?

A. When students ask me about that, I try first to get them to make five basic determinations: (1) their skills, abilities and personal qualities; (2) what they hope to accomplish with those personal assets; (3) the sort of organization and work environment they prefer; (4) their preferred geographical location, and (5) how much money they want to make.

Making these determinations and defining one's job objective is, for most people, the most difficult part of the job hunt. Yet it is crucial to giving focus to the job-search campaign and overcoming the problem of where to begin looking.

As a second step, I suggest they research the organizations that meet their qualifications. That means gathering all the information you can about them.

Q. Suppose I'm a job seeker who has done all this. What next?

A. Then you must find out which person in the organization is responsible for the kind of work in which you are most interested, and get in touch with him. You do that not as a job applicant, but as someone who shares mutual enthusiasm for what his organization is doing. You stress that you want to talk with him to get information about what he is doing in your particular area of concern. You should also get from him the names of three or four others who are prime movers in your field of interest. Before you know it, you have inserted yourself within the inner-communications network of people who are on the cutting edge of whatever field you have chosen to enter.

You now have access to inside information on job opportunities, as well as being in an excellent position to propose to the employer of your choice how you can help his organization.

Under this creative system, you have conducted a well-prepared, well-researched job campaign, talking to people with responsibility to hire. Contrast that with just dropping in off the street and asking a receptionist if the company has job openings. She probably will say, "Go to the personnel office, or send along a résumé." There is just no comparison between the two approaches.

Q. All of that seems adaptable to a college student. But what about the 40-year-old man who has lost his job as a bookkeeper. Can he use this same method?

A. I think he should try. First of all, a person is not just a bookkeeper. That may be the job he has held for seven or eight years, but he can do more than that. Certainly he has outside interests—cultural, social or recreational. Perhaps he does a lot of reading, or takes enrichment courses. You have to look at a person's whole life to get the range of his personal assets. And personal assets that have been developed outside of an eight-hour workday are just as valuable as those that a worker is paid to use on the job.

Q. Suppose a person has been out of work for two or three months and desperately needs a job. Would you advise him to take the first thing that comes along, or hold out for the sort of job he'd most like to have?

A. There are plenty of examples of the desperation and dehumanization that takes place when people have been out of work for a while. I think that if a person is emotionally desperate because of frequent turndowns for a job, or if he needs money to survive, his best bet is to take something that will meet those needs and allay the desperation—but only on a part-time or temporary basis while he decides what he really wants and goes after it.

Q. Is it true that it's easier to go from one job to another than to find work once you're unemployed?

A. I think there is some truth in that. If a person has been out of work for a long time and that is known to a potential employer, the job seeker may seem less attractive than someone who is working and giving the impression that his skills are in demand.

Q. If you are jobless and let it be known you will take anything, no matter what, will you have a better chance of getting work?

A. I think your chances are poorer. Most employers, in addition to looking for individuals with a particular level of education and ability, also are alert to human characteristics. A person who is willing to jump at the first offered gives the impression he has no direction to his life. Chances are he will not bring to the job the same confidence and enthusiasm as one who says: "This is exactly what I'm looking for. It's what I want to do, and I know I can do it."

Q. Are students who are getting out of college this spring going to face discouraging job conditions?

A. Yes, if they rely only on the conventional ways of finding out about jobs. One such method, for example, involves being interviewed on the campus by recruiters for major companies. In the last few weeks, six or seven companies have canceled their plans for interviews on our campus. This doesn't mean those companies are not hiring—just that their hiring level at this time doesn't warrant a visit to a college.

Q. Is that happening at other campuses?

A. Yes. I should add that the cancellations so far represent only about 10 percent of all the firms that had planned to send recruiters to Georgetown. But it's clear that jobs for graduates are not going to be as readily available this year as last, and certainly they will be less available than five or six years ago.

Q. Where do you see the best job opportunities in the next few months?

A. According to most studies, the highest demand seems to be for people in engineering, sales, accounting and computer science.

Q. Do you hear complaints from employers that colleges are not training people the way they want them trained?

A. Yes. And that raises a philosophical question: Should all educational institutions go the vocational route and attempt to reduce a person's education to skilled training for a particular position that is currently in demand by business and industry? Or should that type of training be left to certain institutions, while others continue to offer a broad liberal-arts education that also turns out well-prepared, marketable individuals—students who may not meet a specific need at any one time but who, in the long run, will probably be better material in terms of filling the on-going demand for knowledge workers?

I think it is dangerous for students to base career decisions simply on the availability of jobs and on the income they'll get as a starting salary. The job market is volatile, as we're seen in the past, with gluts at various times of aerospace engineers, teachers and others.

Q. Do most young people today know what they want to do when they enter college?

A. No—and that's a big problem. A lot of the how-to-find-a-job advice that's given today, valuable as it may be, is fruitless until the individual student has a strong knowledge base. He needs knowledge about himself and about the world of work, so that he can say: "These are my goals, and here is how I plan to reach them, step by step."

This sort of self-knowledge and self-confidence often is far more important than the external economic situation in determining success in getting a job.

VIETNAM REFUGEE RETURN ACT

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. HARRINGTON. Mr. Speaker, over the past several days we have witnessed a human spectacle of staggering proportions. Tens of thousands of South Vietnamese—the total number is still not known—have fled their homeland in fear of reprisals by the new revolutionary government. And in spite of scattered expressions of public resentment, the United States has generously opened its doors to the flood. I have every expectation that the Congress will vote the necessary funds for refugee resettlement once the exact dimensions of the need become clear.

I hope, however, that we will not close off a critical option to those who have suddenly appeared among us. As Senator McGovern has suggested, many of these refugees probably have nothing to fear from the new leadership in "Ho Chi Minh City" and may therefore be much happier if given the opportunity to return to their homeland when the bloodbath scare has subsided.

That is why I am introducing today a bill to provide for the return of those Vietnamese refugees who wish to go back. The terms would be strictly voluntary, of course, with transportation provided by the U.S. Government on either commercial or military carriers.

This bill is identical in substance, though not in language, to the measure introduced on Monday by Senator McGovern. The text follows:

H.R. 6797

A bill to assist refugees from South Vietnam who wish to return to their native country

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Vietnam Refugee Return Act of 1975".

Sec. 2. It is the sense of Congress that South Vietnamese refugees who would not be physically endangered by a return to South Vietnam should be offered an opportunity to return to that country.

Sec. 3. (a) The President shall take appropriate steps to determine whether the government of South Vietnam will permit refugees who have been evacuated from such country to return.

(b) At the earliest practicable date the President shall take appropriate steps to identify those refugees from South Vietnam who would choose to return to such country if the government of South Vietnam permits such return. For the refugees so identified, the President is authorized (1) to provide transportation for such refugees through the use of commercial carriers or, if the government of South Vietnam agrees, of military transport, and (2) to make other necessary arrangements for the return of such refugees.

Sec. 4. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

THE WESTERNAIRES: OUTSTANDING YOUNG AMERICANS

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. WIRTH. Mr. Speaker, the youth of America are the future of this country. Unfortunately, it has become fashionable among many people in recent years to condemn youth as a major source of this Nation's problems. I would like to take this opportunity to put the spotlight on a group which is working to help the young people of our country become outstanding citizens.

The Westernaires is a self-supporting, nonprofit youth group of mounted riders, with about 1,200 members, based in Jefferson County, Colo. The riders specialize in spectacular arena shows and "Horsecapades," the horse-riding version of the Ice Capades. The Westernaires were organized in 1949 and now have 45 riding clubs, plus 21 specialty clubs. They have become internationally famous, and have traveled all over North America and appeared in movies and on television.

This outstanding group has never had a fund drive, nor has it ever received funds from any outside source. Group members buy their own horses and ride on their own grounds, in addition to putting on their performances. Youth-oriented activities tend to be neglected by most Government officials, and I think it should not go unnoticed that in the Westernaires' 26-year history no member has appeared before even a juvenile court.

The Westernaires have a guiding slogan:

> Never ask anyone to do something for you until you have proven that you can't do it for yourself.

With that guideline, and with a totally volunteer organization directed by Mr. and Mrs. Elmer E. Wyland, the Westernaires have met all of their needs on their own.

In true pioneer spirit, the Westernaires have succeeded in building their own Fort Westernaire, where the group spends about 65 percent of its time. The fort's complex is made up of five classrooms, a covered show arena, an open-air arena, barns for the 40 Westernaire-owned horses and 32 ponies, a printshop, office space, a club store, costume rooms, sewing rooms, a museum, and much more.

Mr. Speaker, I think it is important that we pay tribute to youth groups such as the Westernaires. They fill a real need in our society, one which will make for a better America.

SENIOR CITIZENS AND THE ECONOMY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. DOWNEY. Mr. Speaker, on March 3, I held a day-long public hearing in my district on senior citizens and the economy. I heard testimony from more than 2 dozen witnesses, including heads of senior citizen organizations, agency directors, and some very outspoken individuals representing themselves. The hearing room was packed with interested older Americans anxious to be heard by their congressman as well as by the various public officials who were also in attendance.

Mr. William Bartsch, the Public Assistance Administrator of Suffolk County, was one of the witnesses. I was personally very impressed with the thoroughness of his testimony. He outlined many of the specific problems that plague the supplemental security income program, and I think his words should be read by those of us who are best able to do something about the SSI situation. Accordingly, I ask that Mr. Bartsch's testimony be printed in the Record.

The testimony follows:

TESTIMONY OF WILLIAM BARTSCH

Mr. Bartsch. I'm Public Assistant Administrator of Suffolk County.

I appreciate the opportunity, Congressman Downey, to speak to you today about the SSI Program.

In a report such as this, it is difficult to convey the extraordinary hardship and frustration which the SSI Program has brought to many of the converted cases in Suffolk County, especially those people who are the most vulnerable and the least able to cope with life because they are poor and because they also suffer the afflictions of blindness, disability or age.

A basic assumption of SSI appears to be that the aged, blind and disabled poor are a relatively stable group with simple, predictable needs who are, therefore, easy to maintain on a flat grant with simple supporting services and minimal professional casework. This was apparently the wishful thinking of the program's designers. On the contrary, the SSI eligible population of Suffolk County, and, we can assume the nation, are as dissimilar in their financial and shelter needs, and in their need for easily accessible supporting services as are those eligible for the remaining programs of public assistance. The implementation of SSI, which is a less flexible framework of financial assistance, has resulted in a system inconsistent with the real nature and needs of its intended beneficiaries. Many of these people, as a consequence, now have less financial security in the marketplace.

A basic goal of SSI was to shift the burden of financing a portion of the costs of public assistance from the local governments to the more adequate federal tax base. However, without providing for federal protection of cost-of-living increases necessitated by nationwide inflation, states such as New York, which have historically made the greatest effort to meet the real needs of its aged, blind and disabled citizens, must continue to experience rising income maintenance costs for economic factors external to it.

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SSI has, therefore, fallen short in a very significant way as it has proven a fiscal disappointment for states such as New York.

It is clearly apparent that the division of governmental responsibility for the comprehensive needs of the SSI participant—namely, the receipt of recurring grants from the SSA office while services and emergency assistance are provided by the local Social Services Department—has caused extreme hardship, uncertainty and despair on the part of many participants.

None of Suffolk's 9,000 transferred SSI cases experienced a reduction of cash benefits when SSI was implemented. They received the greater of either their 1973 grant or 1974 SSI entitlement less food stamps. However, new applicants received a flat grant varying only with a few living arrangement variations. The flat grant takes into account none of the actual cost-of-living variables accruing from varying personal needs, regional variations in rent, transportation or nutrition or any number of factors which do not apply with equal impact upon each and every SSI client.

The result is that SSI recipients are placed in a hierarchy where, for no equitable reason, one group has, in effect, more money with which to purchase food and other personal essentials than another.

It is not at all uncommon in Suffolk County for even a single person to have to pay rent in the range of $150 to $225 per month. After also paying for utilities, an essential phone, personal necessities, transportation and heat, a person with as little as the basic monthly SSI grant of $206.85 may have less than a dollar a day with which to put food on the table. SSI recipients must, therefore, each month tread a thin line between malnutrition and eviction or utility disconnection.

Thus, one of the most incredible inequitable and most potent defects in the SSI Program, is the fact that ADC and Home Relief recipients clearly fare better now in overall program benefits than the aged, blind and disabled poor on SSI who may live next door.

The state-administered ADC and Home Relief Programs provide variable cash grants based upon individual need. The federally administered SSI Program pays flat grants varying only to the extent of five broadly defined groups of participants without regard to individual need.

For example, an SSI person living alone receives $206.85. Suffolk County's Home Relief standard for that person would be $299 a month. A difference of ninety-three dollars per month. An SSI couple living alone receives $294.94. Our Home Relief standard for that couple would be $371. A difference of seventy-six dollars per month. In addition, Home Relief clients receive food stamps, excess fuel allowances as needed and periodic cost-of-living increases granted by New York State. SSI recipients do not.

Increases reflecting the rising cost of living have been made for the other programs with matching federal funds.

For example, during 1974, ADC and Home Relief clients received two fuel increases and two cost-of-living increases in their monthly grants. SSI grants, however, remained as is. SSI participants in New York State are denied such cost-of-living increases because any increase in New York State's payment level are not Federally protected under the "Hold-harmless" clause and, therefore, would not be matched with federal funds.

Under the federal SSI law, states had the option to supplement the nationally uniform federal SSI benefit levels. These federal levels are very low $146 per month for individuals and $219 per month for couples. State supplementation was mandatory, however, for those former aged, blind and disabled beneficiaries whose December, 1973, public assistance needs were above their 1974 SSI entitlement. These preconversion cases protected by this provision receive an SSI check at least as much as their December, 1973, public assistance payment.

New York State contracted with the Social Security administration to administer the state supplement including eligibility determination and check issuance. Under this option, the Social Security administration would pay 100 per cent of the costs of administration, and the state could take advantage of a provision in the law written to protect states against costs resulting from increased caseloads.

In other words, a state choosing a federally-administered state supplement can avail itself of a "Hold-harmless" clause which provides that the federal government will fund all supplemental payments which exceed the state's share of such expenditures in 1972. This fiscal protection, however, applies only to the level of state supplementation that was needed in the state as of January, 1972. This level of assistance included cash assistance, shelter and fuel plus a ten dollar "Cash-out" allowed in lieu of continued participation in the food stamp program for which SSI recipients would no longer be eligible. This combination of a "Hold-harmless" clause and a time-specific fixed payment level makes the federal government fiscally responsible for increased costs resulting from expanding caseloads in future years but not responsible for costs arising from increases needed in the payment level above January, 1972 standards.

In New York State, the opportunity for this liability limitation, as provided in the "Hold-harmless" clause, was the crucial factor in determining the features of the State's Supplementation Program such as the state's decision on federal administration and its selection of payment levels and variations.

In order to have SSA administer these payments, New York State's program had to meet SSA criteria, and it had to be a flat grant supplementation with a very limited number of variations. Specifically, SSA refused to administer a supplementation program that required individual rent variations, verifications or adjustments.

In addition to income maintenance administered by the SSA, SSI recipients continue to be eligible for supporting social services such as homemaking, housekeeping, counseling, institutional placement and home finding which are provided by the district offices of the Social Services Department upon referral from either the Social Services Administration or the SSI client himself.

Federally determined eligibility for SSI also makes SSI recipients automatically eligible for the state-administered Medical Assistance Program. The disbursement of Medicaid identification cards depends upon the transfer of specific information on computer tapes forwarded from the federal government to the state.

Unlike SSI clients, recipients in the state programs deal with one agency for continuing and emergency services and medical assistance. SSI participants must go to two separate offices to meet the same needs, duplicating effort and travel expenses.

Another comparable inequity is the failure of Congress to disregard cost-of-living increases in federal Social Security benefits, such as the seven per cent increase of April 1, 1974. SSI recipients saw their Social Security checks increase while their SSI checks decreased by the same amount. An individual or couple receiving Social Security alone or with other income sufficient to be ineligible for SSI, in fact, received the increase. This means that the aged, blind and disabled so poor as to require assistance to put them above the January, 1972 adjusted payment level, are to be held at that minimal level while some persons who are better off financially may receive increased income.

The rational basis upon which the federal government selected the figure of $146 per month for a single person living alone as the basic federal flat grant under SSI is not clear. To establish a flat grant without taking into consideration cost-of-living variables between the several states was a serious error. The additional failure of Congress to protect the "Passalong" of cost-of-living increases in federal payment levels, only contributes to this basic inequity. The program should be redesigned in such a way as to afford equitable standards of real income for participants regardless of the state in which he or she may reside. It thus appears that so far as the SSI Program is concerned, New York recipients may suffer a de-facto deprivation of the equal protection of law. In addition to the inequities resulting from the inappropriate rigidity of the national flat grant, inflexibility and lack of precision in the nationwide criteria for disability are excluding or making it inordinately difficult for certain groups of potential SSI eligibles to receive the help Congress seems to have intended for them.

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Home Relief grants run twenty-five per cent to thirty per cent higher than SSI, such individuals are better off financially as a result of this phenomenon.

The SSI Program breaks with this historically valid reasoning in failing to account meaningfully for the emergency needs of its participants. The aged, blind and disabled poor are, as a group, particularly susceptible to finding themselves in need of emergency assistance as they are the group most victimized by theft and unscrupulous sales practices, the group most likely to lose cash or fail to make rent or utility payments because of memory lapses and the group least capable of facing an emergency without help. Under SSI, they are forced to look elsewhere in their hours of most urgent need and greatest stress.

While we believe that an adequate federal emergency assistance capability must be built into SSI administratively and fiscally, we must also express disappointment and concern with the emergency program which the State of New York was compelled on short notice to implement in order to meet the real and urgent needs by the SSI Program.

This program, called Emergency Assistance to Adults, or EAA, is funded equally by the state and local government with no federal participation. The EAA Program provides very limited assistance to SSI clients with emergency problems. Those emergencies covered under EAA are as follows:

1. Replacement of essential clothing, furniture, food and shelter lost as a result of catastrophes such as fire and flood.
2. Replacement of stolen cash.
3. Maintenance of a home while an SSI client is placed in a medical facility for no longer than approximately three months.
4. Repair or replacement of essential household heating, cooking and refrigeration equipment.
5. Relocation costs if the SSI client is required to move because of substandard housing. This does not include relocation costs due to eviction for nonpayment of rent.
6. Purchase of clothing and furniture to establish a home for an individual being discharged from an institution.

This emergency assistance can only be granted once to the same SSI client during a twelve-month period. The program does not provide for recurring or special grants required by SSI clients as a result of increased rents and increased fuel or food prices. This emergency assistance program is, therefore, very restrictive and falls far short of meeting the real needs of many aged, blind and disabled individuals.

So far as SSI is concerned, immediate and cooperative remedial action is necessary at

both the state and federal levels but primarily on the federal level.

The flat, nationwide federal payment level should be abandoned and replaced with a flexible framework of federal benefit levels related to interstate and intrastate variations in the cost of living.

The provision of emergency assistance must be accepted as an integral part of the income maintenance function now under federal administration.

The long perod of time it now takes to process an SSI application must be shortened to reduce the financial strain and emotional stress now imposed on SSI applicants. This financial strain is also reflected in Suffolk's growing Home Relief rolls because an SSI applicant while awaiting federal determination of his SSI eligibility is entitled to Home Relief during the interim period, and the fiscal burden of Home Relief is not shared with the federal government.

Sufficient staff must be hired to enable SSA to visit homebound and hospitalized applicants about to be discharged to bring them into the program as rapidly and smoothly as possible.

Federal legislation must be enacted to allow increases in the January, 1972 adjusted payment levels of states to include cost-of-living increases in the federal payment level permitting states to pass through such increases to SSI recipients with limited cost to the states.

Federal legislation must be enacted to increase the statutory disregard to Social Security benefits in order to pass along cost-of-living increases in such benefits to SSI recipients without additional costs to the local governments.

Federal legislation must be enacted to permit SSI recipients to purchase food stamps without adversely affecting the "Cash-out" bonus already given them in 1974. The purchase amount should be the difference between each household's current entitlement and the value "Cashed out" to recipients. Recipients themselves should decide whether relief from the stigma of using food stamps is worth the purchasing power they may be lost through the "Cash-out" provision.

Federal disability criteria and application processing procedures must be developed specifically relevant to the unique needs of the mentally handicapped, alcoholics and drug addicts to eliminate the imprecision and exclusionary effects of present criteria.

Local governments such as Suffolk County must not be required to spend any more of their limited resources on the SSI Program over and above their 1972 contribution. It is up to the federal government to administer and fund a total program for the nation's aged, blind and disabled citizens.

Thank you very much.

The CHAIRMAN. I'm very impressed with the thoroughness of your testimony and the points you have made. I will send you a copy of Congresswoman Holtzman's bill and a few others, and I would appreciate your comments on them. I think they address themselves to the variety of shortcomings that you pointed out in SSI, and, believe me, from my previous experience as a County Legislator, I know how we are limited in terms of what we can finance.

Thank you for coming today, Mr. Bartsch.

STARTLING STATISTICS

HON. RICHARDSON PREYER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. PREYER. Mr. Speaker, an Associated Press story recently termed the 1-percent "catchup" increase for Federal retirees as a bonus which could cost the taxpayers "$100 billion or more by 1990." As this body well knows, the additional 1 percent was approved by Congress to allow for the lag time involved in getting cost-of-living raises into the retirees' checks. The 1 percent does not go into effect until and unless the cost of living rises by 3 percent and remains at that level for a period of 3 months. Then there is a time lag of 60 days before the increase is reflected in pension checks. In the meantime, the cost of living has risen still further and without the 1 percent the Federal retiree is still behind the cost-of-living increase.

Perhaps my colleagues will be interested in some startling statistics on what would happen to salaries and the price of consumer items assuming the 12-percent annual rate of inflation used by the AP reporter in calling the 1 percent "a bonus." The following article appeared in the April 1975 issue of the Retired Officer magazine:

STARTLING STATISTICS

The news media can come up with some pretty startling statistics sometimes. One of the wire services, for example, reported that the one percent added to each CPI pay increase for federal civilian and military retirees could cost taxpayers "$100 billion or more" by 1990.

One journalist, following up on the report, said that the figure could easily be pegged as high as $157.5 billion, or even as low as $42 billion, depending on the rate of inflation used. It "appeared," he wrote, that the wire service had assumed a 12 percent annual rate of inflation in arriving at the $100 billion figure.

Assuming 12 percent inflation until 1990, he reported:

Today's $40,000 house will sell for $280,000.

Today's $15,000 salary will be $105,000, even if it merely keeps pace with the cost-of-living without standard-of-living increases.

And, a president submitting today's version of a $350 billion budget will have to ask Congress for $2.5 trillion.

TRIBUTE TO THE LAST AMERICANS TO DIE IN THE WAR IN VIETNAM

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. BIAGGI. Mr. Speaker, the profound tragedy which has befallen the nation of South Vietnam has occupied the front pages of our newspapers and the constant thoughts of our citizenry. Yet one especially tragic fact seems to have been obscured in the confusion, namely that four U.S. marines were killed in action during the closing days of our commitment in South Vietnam.

One was killed during a Communist attack at the Tan Son Nhut Air Base, another was killed assisting in the evacuation of fellow Americans, and still another was killed by enemy fire 12 hours before he was scheduled to leave Vietnam. The fourth soldier was listed as missing in the crash of a helicopter. All of these men served our Nation in the finest military tradition. They continued to fight for the freedom of the South Vietnamese people even though they themselves abandoned this effort and were immediately conquered by Communist forces.

These 4 Americans added to the more than 50,000 others who preceded them in death represented the real tragedy of Vietnam. These last deaths must have been especially difficult for their families and loved ones who were anticipating each of their imminent returns to the United States.

This Nation owes an eternal debt of gratitude to those who fought and died in Vietnam. They were fighting in a war opposed by many here but they realized they had a commitment and honored it with distinction.

Even though our commitment in Vietnam is over the harsh and bitter feelings will remain. Yet we cannot afford to have them hover over us much longer. We must pick up the pieces and work on promoting peace in the world and improving the quality of life for Americans hard hit by economic hard times, caused to some extent by Vietnam.

We do have one further task to complete in Vietnam. We must intensify our efforts at locating the remaining men missing in action in Vietnam. I have cosponsored important legislation which will establish a select committee in the House to investigate and expedite information on the status of our MIA's. The Congress should make this a top priority legislative item as now with the Communists in firm control of Vietnam, the dangers confronting our missing servicemen increase. The administration must work with Congress in this area to present a full effort which will be needed if we are to get our MIA's out.

Mr. Speaker, at this point in the RECORD, I insert an article which contains a biography of each of the last four Americans to die in Vietnam:

FOUR MARINES LOST AS THE WAR IN VIETNAM ENDS

DARWIN L. JUDGE

The youngest of three children, Lance Cpl. Darwin L. Judge, 19 years old, of Marshalltown, Iowa, joined the Marines after graduating from high school last June and was put in an honor detachment. He was proud to be a Marine and had volunteered to serve in Vietnam.

Last Monday, under a rocket and artillery attack, he and another Marine were killed at Tan Son Nhut Air Base.

Corporal Judge, the son of Mr. and Mrs. Henry Judge, had been assigned temporarily with the defense attaché's office at the air base to help evacuate refugees.

The corporal's father, now a mail carrier, was a tail gunner in Europe in World War II and was rescued after being shot down over the North Sea. "It hurts, it hurts, but we're real proud of our son," Mrs. Judge said in a television interview.

A brother of the dead Marine, Loren, is stationed with the Air Force at Colorado Springs, Colo., and a sister, Mrs. Lorrain De Saulniers, lives in Marshalltown.

A spokesman for the family said that Corporal Judge, after enlisting in the Marine Corps last June, received basic training in California and then attended a Marine Corps Embassy Guard School in Virginia. He went to Vietnam with an honor detachment from the Virginia school.

Robert McCormack, assistant principal of Marshalltown High School, said: "He was a good student, very cooperative and had an excellent school record. He was a good friend. His attitude was very positive. He gave me the impression he liked the service very much."

Greg De Saulniers, a Marshalltown policeman and brother-in-law of Corporal Judge, said: "I think we should have gotten the Americans out of Vietnam sooner."

WILLIAM CRAIG NYSTUL

Capt. William Craig Nystul was one of two Marine officers listed by the corps as missing in the crash Tuesday of their helicopter near the carrier Hancock in the South China sea during the evacuation in South Vietnam.

The officers were aboard a CH-46 helicopter that was on rescue duty during takeoff and landing of other helicopters that had gone to Saigon to pick up refugees. Two Marine enlisted men who also were aboard the helicopter were rescued, according to the corps announcement.

In Coronado, Calif., the parents of Captain Nystul were notified by the Navy that their 29-year-old son, a pilot, was "unaccounted for" and that an extensive search was on.

Captain Nystul's father, Oliver Nystul, is a retired captain of the Navy dental corps.

The son's wife, Carol, and their 23-month-old son, Sean, who have been living in Okinawa, are scheduled to return to their home in Los Angeles today, according to a family spokesman.

Captain Nystul, who had been on duty in the Western Pacific for eight months, graduated from Coronado High School in 1963, enlisted in the Marine Corps Reserve in 1964 while a freshman at San Diego State College and had been on active duty since 1968.

CHARLES M'MAHON JR.

Four years ago, a year before he graduated from high school in Woburn, Mass., Charles McMahon Jr. was named by the Woburn Boys Club as its "boy of the year." Three weeks ago, Charles and Edna McMahon said good-by to their son, a 22-year-old Marine corporal, but they were not worried—the war in Vietnam was just about over.

On Tuesday, two Marines walked up to the McMahon's pink and white house in the Boston suburb, and the message they carried could not have been worse. Their son was dead, one of the last two Marines to be killed under enemy fire on Vietnam soil, less than 12 hours before the start of the final evacuation of Americans from Saigon.

Corporal McMahon, who had been in Vietnam two weeks, was killed last Monday in a rocket and artillery attack on Tan Son Nhut Air Base outside Saigon as he stood guard over the United States defense attache's office.

After receiving the news of Corporal McMahon's death, his parents went into seclusion with their two other sons and a daughter.

Last April 5, when he was home on leave, Corporal McMahon attended the annual dinner of the Woburn Boys Club, where he was singled out as a former holder of the club's model boy award. He had been on leave after embassy duty in Washington. He spent some of his leave at Tenney Mountain in Plymouth, N.H., a favorite skiing resort.

When he left Woburn on April 17, he told friends he was to be assigned to the United States Embassy in Lima, Peru. However, his orders were changed at the last minute and he was ordered to report to Hawaii. Friends said that was the last they heard from him.

MICHAEL JOHN SHEA

First Lieut. Michael John Shea, a Marine Corps pilot listed as missing in the crash Tuesday of a helicopter, went to flight training after college graduation "to serve his country, and fly helicopters," according to his wife.

In an interview at her home in El Paso, Tex., Jennifer McCabe Shea, 21 years old, said that her husband, who turned 25 on April 7, had been "dedicated to the Marines" but had thought of returning to college to earn a degree in electrical engineering.

Lieutenant Shea, a native of Milwaukee, was the son of Clarence J. Shea, a retired chief warrant officer who now is a civil employe at Fort Bliss.

At Parkland High School in El Paso, young Shea was captain and quarterback of the football team, played basketball, was the starting catcher for the baseball team and ran the high and low hurdles in track.

One of his high school coaches said of him: "He was a natural leader. He was a fierce competitor in anything he did." In his senior year in 1968, the faculty voted him "most outstanding boy."

In 1972 he graduated from the University of Texas with a major in Mathematics and a minor in physics.

In addition to his wife, parents and two sisters, Lieutenant Shea leaves two sons, Matthew John, 3, and Mark Darren, 11½ months.

SENATOR MANSFIELD SEES RESURGENCE IN U.S. POLITICAL LEADERSHIP

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent to insert in the RECORD the text of a most thoughtful address delivered recently by the distinguished majority leader of the U.S. Senate, the Honorable Mike Mansfield, before the Washington Committee of the Mortgage Bankers Association of America.

The address, which was published in the May 1975 issue of the journal, "The Mortgage Banker," follows:

SENATOR MANSFIELD SEES RESURGENCE IN U.S. POLITICAL LEADERSHIP

NOTES "GREAT DEAL OF RIGHT IN NATION"

It is not without some reticence that I choose to address you on the subject of Congressional leadership. As someone has recently pointed out, the trouble with being a political leader these days is that you cannot be sure whether people are following you or chasing you. Whether it is called a "message" or a "signal," some sort of shock has definitely been sent by the people to Washington. At a minimum, it causes a painful ringing in the ears. It can, in more serious cases, portend sudden political death. It is even rumored to be the only known cure for Potomac fever.

However that may be, it is obvious that the public impression of the Federal government, at this time, is not a happy one. An August 1974 public opinion poll shows the Congress at its highest point in history—48 percent—compared to 21 percent in December 1974. The Presidency has also had its ups and downs, as we all know. What our respective standings are now is open to question.

Leaving aside for the moment the question of whether such feeling is warranted, the fact remains that what is being expressed is, in part, a deep sense of public dissatisfaction and concern with the Federal government. Our people are caught between the jaws of inflation and recession. The effects of this painful pressure were intensified by the Indochina War, the oil crisis and a growing awareness of an inequitable tax structure. To cap the situation are the shocking blows against the nation's political institutions which have been delivered by the tragedies of Watergate and related matters.

NOT AT END OF ROAD

Whatever the sense of frustration, I hasten to add that I do not think that the nation is at the end of the road. To the bumper sticker which commands: "America: Love it or leave it," the response is simple: whatever the current irritants, who is leaving and who doesn't love it?

You can understand the reasons for that sentiment. Your industry at its best is a symbol of this country. It is energy and growth. It is fresh ideas, competition, progress, service, a faith in the future of the people of the nation. Qualities such as these go with the United States. They have enabled us to withstand the gravest adversity in the past. They provide the binders which hold the nation together, even at a time of government disarray.

Out of these qualities will come the source of tomorrow's renewal of the nation's spirit. It is in this context—in the context of renewal—that I would like to discuss the Congress of the United States, its role and the leadership it is trying to contribute to the nation in this time of trial.

Fourteen years ago, I was elected the Majority Leader of the United States Senate. The mandate has been renewed by my colleagues at regular two year intervals. Many have taken issue with the nature of that leadership over the years. It is a political fact of life that some individuals—Republicans, that is—would have preferred me to be the leader of a minority.

Notwithstanding my party role in the Senate, I can assure you that there exists a close working relationship with the leadership of the other party. To be sure, Senator Hugh Scott of Pennsylvania and I have our differences. Most of all, however, we share our problems in common. A Senate in continual partisan conflict is an ineffectual Senate. The Senates of the past few years have had their faults but measured by any responsible yardstick, they have ben effective. They have been active, innovative, careful, cooperative, and they have been made up of Americans with a sense of decency, integrity, and fair play.

ROCK OF REPUBLIC

For the past two years, in particular, the Legislative Branch has been the principal rock of the Republic and the guardian of Representative government. On the fundamental Constitutional questions, party labels have faded almost completely. On the many other issues, whether the energy crisis, taxes, appropriations or whatever, there are differences between the parties and even within the parties in the Congress. There are also differences between the branches and the Congress. It can be no other way. We are a government of separate branches; our politics remain lodged in two major parties. The juxtaposition of views from these various centers of political power are healthy and they are essential under our system of government.

I would note in this connection that the Democratic Majority in the Congress accepted without question, at that time, the vast electoral mandate given a Republican President in 1972. We were not, however, over-awed by it then or our increased majority this year. We concluded that the retention of the Democratic Majority in the Congress also carried a message. We read it as a separate mandate from the voters for the assertion of the independent functions of the Legislative Branch. Therefore, we acted to reinforce the Nation's system of checks and balances against what seemed to us to be an excessive accumulation of power in the Executive Branch and, may I say, that in this process we had a great deal of help from the Republicans in Congress.

The accumulation of Executive power did not begin in the present administration. It has been going on, administration after administration, for decades and much of it had become lodged, as a practical matter, in the

permanent bureaucracy. Nevertheless, there were, at the outset of the last Congress, many evidences of a decided shift toward one-branch government which most members of the Congress of both parties found deeply disturbing in a Constitutional sense.

SYSTEM EROSION HALTED

In my judgment, the erosion of the system of checks and balances has been halted. It has not been easy. A President can make decisions as one person and, in a moment, if he chooses to do so. In Congress, a majority of the 100 Senators and of the 435 House Members not only have to agree on a goal but on what course to take to reach it. Then, if a Presidential veto stands in the way of that source, we have to begin again and reshape a new one which will gain the adherence of two-thirds of the Members.

If the country is not in the best of shape today, we might well ponder what the situation might have been if there had not been an independent Congress of dedicated Members—Republicans and Democrats. The fact is that there has been a more constructive Congressional input into National Leadership in the past two years than at any other time in many years. While it may be too early for this change to be felt or even to be widely perceived, it is, nevertheless, a change of great significance.

I would like to state in my remarks today that even as we give our attention increasingly to domestic problems, we cannot turn away from the international underpinning of these problems. The interrelationship of foreign and domestic developments, of course, has long been recognized. I would go further, however, and suggest that our involvement in what goes on outside the United States is greater than is commonly realized. What has happened abroad and how we have responded, in my judgment, has done much to delineate the situation which now confronts us at home.

I do not propose to try to answer the question of whether this is as it should be. What I should like to do in these brief remarks is to examine some recent examples of ways in which certain foreign policies have affected our life here in the United States.

There is, first of all, to repeat, the tremendous impact of two decades of U.S. activity in Southeast Asia which culminated in one of the most tragic wars in modern history. The circumstances and the attitudes which led us into the deep involvement in that remote part of the world have already receded into the past. What ought to remain fresh in our minds, lest we forget, is the price we have and will continue to pay for that involvement.

In much the same fashion, a general line of foreign policy which has consisted of providing military equipment and supplies to just about any nation willing to take it has also distorted the domestic situation of the nation. In fiscal year 1974, even after Congressionally imposed retrenchment had been legislated, we still managed to sell, give, or otherwise make available equipment and supplies to seventy-eight countries. Last year, $5.4 billion of military equipment was sold abroad—most of it through the Department of Defense. An additional $4 billion worth was given to nations without the capacity to pay for it.

EXPORT EFFECT ON NATION

That this great outflow of devastation has had a profound effect on some recipient nations is obvious, even a few artillery pieces can sometimes make a difference in the precipitation of coups and in the outcome of power struggles in new or unstable nations. What is not nearly so obvious, however, is that an export of $10 billion worth of military equipment is also not without deep effect on this nation's inner affairs. In the first place, a massive outpouring of military equipment, year in and year out, feeds domestic inflation. It draws down stockpiles of strategic materials. It depletes supplies of finite raw materials. It diverts large amounts of inventive genius and engineering skill to the production of military equipment which lives a short and not very useful life and then goes into obsolescence. It directs a flow of Federal resources from areas of urgent domestic need into a vast and largely useless overseas drain.

As I contemplate that while we are turning out ever more refined military equipment, other nations are doing better at producing electronic equipment, pollution-free automobiles, and are buying U.S. resources for manufacture and re-sale to the United States.

Another aspect of our foreign relations, which, interrelated with our domestic situation is the maintaining of large U.S. military garrisons in bases abroad. This practice has been going on ever since World War II. Its effect is not unlike the give-away of billions of dollars of military equipment and supplies. Even now, we have over 300 major overseas military bases and more than a thousand minor bases. There are over 3 million American servicemen, plus dependents, in Western Europe. Another 38,000 are stationed in South Korea; U.S. outposts in Southeast Asia contain still another 28,000.

FINANCIAL DRAIN APPARENT

The financial drain of these deployments is readily apparent. What is only beginning to become clear, however, is that we can no longer afford to use federal funds and exchange resources for extravagances of this kind. There has been a severe shrinkage in the large margin for error which this nation possessed a quarter of a century ago. Years of attrition have weakened the value of the dollar abroad. Years of deficits are doing the same thing at home.

The U.S. Military presence overseas has been too much for too long, at too great a cost.

Overseas deployments and military exports constitute only a part of the sum of the current military enterprises of federal government. Total expenditures for the Defense Department have become so astronomical that they are now a key element in the general economic condition of the nation. This year's military budget request of $85.8 billion is the largest in our history, surpassing even the $81.6 billion we spent in 1945, the last year of World War II. At the height of the Indochinese war, the military budget was $20 billion less than the amount requested for this fiscal year. It is reported that the amount for fiscal year '76 will be even higher than this year's.

An area of foreign policy which will have a continuing impact on our domestic situation is the nature of our relations with nations controlling significant sources of energy and industrial raw materials. We have come to a shocking realization of the precariousness of our situation in this connection. I do not profess to know whether any U.S. policy towards the states of the Middle East might have avoided the Arab cut-off of oil exports. I do know that we have done little until recently to pursue a policy which might lead to an acceptable stability in that region.

Without reflecting on the men and women who have struggled with the problems of the region for many years, the fact is that the Middle East has scarcely been a pre-occupation of our principal policy makers except when the blood of war begins to flow.

We must also face the fact that a decent future for the people of the United States cannot be found by shutting a non-existent door. We need the rest of the world even as it needs us. In short, the challenge is to look outward with new perceptions, even as we turn inward to build anew at home.

While there is reason for optimism in regard to a renewal in foreign affairs, it will be of little avail unless there is also a restoration of confidence in government and in the nation's political institutions at home. It is not just a question of Watergate or forgetting it or pretending that it never happened. It is the whole cloth of government which has become tattered with doubt, distrust, and dissatisfaction. It would, indeed, be convenient were it possible to exorcise in a moment all the inertia, neglects, and abuses that have gone into creating this climate. That cannot be. What can be done is to use the chief instruments of government—the Courts, the Congress and the Executive Branch—to dissolve these abuses before they ever again become fatal to liberty. That is a fundamental responsibility of public leadership—in the Congress, no less than in the Presidency.

PEOPLE'S RIGHTS

Before all else, the people have a right to an electoral system free of doubts and capable of yielding honest, responsible and responsive government open to all and shaped to meet the needs of all. It is incumbent on us to foreclose an excessive intrusion of great wealth, whether corporate, labor, personal or whatever, into the electoral process. That is a solemn and urgent obligation and, in my judgment, it will not be met except as we are prepared, in the end, to pay for the public business of elections largely with public funds. We are moving in that direction.

It is up to the Congress, too, to do something about other government abuses. Quite apart from Watergate, for example, there have been invasions into the most intimate workings of our lives, into the privacy of all Americans, by ill-coordinated, bureaucratic activity. There have been misinterpretations and maladministrations of laws, sometimes to the extent that they bear little or no resemblance to what Congress intended in the enactment. Representative government has yet to deal effectively with the problem of how to keep bureaucracies responsive to the public need, especially when they grow large, inert, cumbersome, and as in our times, more and more, automated and impersonal. In my judgment, Congress spends enough time writing laws—in some instances, too much. It may be that it is time, now, for Congress to devote itself more to looking to the manner of execution of these laws.

What Watergate, election abuses and, often, a distant bureaucracy have done to public confidence with regard to the Federal government, the energy crisis has done in the realm of the nation's economy.

IMMEDIATE RESPONSIBILITY

The immediate responsibility is to make certain that oil shortages do not devastate the economy again and that the price of past neglect is borne equitably by all Americans. We should fit our needs to our resources and we can if we will.

Beyond the immediate, what we must have is a foundation of facts on which to build a national policy on energy. We have to know far more than we know now if we are to meet what otherwise promises to be a recurrent threat to the nation's well-being. It is a threat of widespread business shutdowns, of transportation paralysis and of a permanent inflation which can only culminate in recession, unemployment and appalling human hardship. That, the people of this nation will not tolerate. That, the Congress of the United States no less than the Executive Branch must do all in its power to prevent. The need will not change even if the OPEC nations turn the valves wide-open. I hope that the ball of blame, therefore, will not be passed between the two branches for failure to meet the problem; I hope that we will be able to work together to resolve it. I am sure that with President Ford that will be the case.

The energy crisis has shocked this nation.

UMI

In so doing, it has also shown us in a sudden flash the precarious manner in which our entire national economic life has come to be organized. It is all well and good to be concerned at this time with the shortage of petroleum. But what of bauxite, nickel, tin, iron and copper and many other materials? What of wood and concrete? Where will the supplies of these and other essentials come from in the years ahead? Indeed, what of food, with the kind of disjointed policies in which exports of wheat in 1972 are stimulated one year only to compel high-priced imports the next?

To say that we have been extravagant with our resources is to put it mildly. In the earliest years of this nation, the first President, George Washington, spoke of raising "a standard to which the wisest and honest can repair." Do we meet such a standard when one day we are obsessed with the threats to our environment and the next, in our concern over the driving up of petroleum supplies, we all but forget that pure air and water are also exhaustible resources? To meet the Washingtonian standard—that is, the President's, not the city's—will take courage, courage to change, courage to innovate, courage to learn, and courage to renew.

It is my hope that the concern of the President and the Congress will not stop with just the energy crisis. The need is to learn from a bad dream before it becomes a nightmare again. The need is to begin, now, to take a careful look at not only the flashing of isolated warning lights but at the whole integrated switchboard of our national economic existence.

It is not enough, for example, for the Federal government to dole out tens of millions of dollars in a rescue operation to keep bankrupt Penn Central Railroad on the tracks. We need to know where an action of this kind fits into a national rail policy; where that policy, in turn, fits into the overall transportation requirements and the availability of fuels and other essentials in meeting them, not only today, but for the next decade or more. In short, we need to think ahead and to think in an integrated fashion. We need to begin to make the hard choices between what is more important to the nation and what is less, between what is enduring and what is transitory. That is the full scale by which government intervention in the nation's economy, if and when it must take place, should be measured. Unless we begin soon to develop that scale, the right hand of government will tend more and more to undo what the left hand has done.

Let me close by saying that there is a great deal that is right in this nation. We are a generous country with a strong, decent, industrious, and compassionate people. There is ample intelligence and inventiveness and an immense experience and vitality in our midst. If, working together, today, we will put these attributes to use for the benefit of all, there need be no fear for the nation's tomorrow.

This nation will withstand the adversity of the present. This nation will find, again, in the months and years ahead, the essential political leadership in the Presidency and in the Congress. We will renew. We will endure. There is no other choice.

A TRIBUTE TO MARY McGRORY

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. RODINO. Mr. Speaker, a recent profile of her in a national magazine said this of columnist Mary McGrory:

> Mary McG., as she signs herself, is chilling wineglasses and chatting about her garden and the importance of having sun in one's kitchen. Her voice has unusual and memorable charm—gentle, low-pitched, with the clarity of a cultivated Boston accent. She has an especially beguiling smile, inward yet conspiratorial, something just between the two of us.

Two days ago, Mr. Speaker, this wonderful lady and acomplished journalist was awarded a Pulitzer Prize in the field of commentary. And, as her former executive editor at the Star-News, Newbold Hayes, remarked:

> I just don't understand why it took so long for her to win it.

For 21 years Mary McGrory's reporting, and for 15 years her syndicated column has provided insightful, incisive, and most of all, human, analyses of the great events in our world. Whether reporting about the campuses, the hearing rooms or the Asian battlefields she has always brought to her work a keenly intelligent perspective and what has been aptly described as a "poet's gift" for understanding and analogy.

It is a pleasure and a high honor to salute her this day on her richly deserved Pulitzer Prize.

GOOD-BYE, GREAT BRITAIN

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. SYMMS. Mr. Speaker, for a number of years now Americans have watched and commented on the steady trend toward socialism and consequent economic collapse in Great Britain. Unfortunately, Americans have learned from the economic disasters of Britain for we are heading down the same road. The April 29, 1975, Wall Street Journal carried an editorial on the demise of Britain and I commend it to my colleagues in the Congress:

GOOD-BYE, GREAT BRITAIN

"Steady as She Sinks," proclaims the April 25 cover story of The Economist, the British weekly journal of news and opinions. It is the British economy, of course, that is sinking. But that's not news. What makes this issue of The Economist valuable—it should be bound in leather and made required reading in every U.S. school of economics—is that it so finely, albeit unwittingly, traces the ultimate consequences of the welfare-state-manic-Keynesian syndrome.

Britain's current contribution to the world is to reveal the ultimate result of economic and social policies rapidly gaining ascendancy in the United States. To wit, the state must fulfill all needs, especially medical care. Income must be redistributed, principally through taxes on the returns from capital. After all, transfer payments and redistribution stimulate the economy (don't they?). The inflationary results can be contained by various forms of price control (can't they?). And if problems arise, the solution lies in finding the magical proper balance between government spending and taxes.

Thus we have Denis Healey, the Chancellor of the Exchequer, announcing his latest budget, widely praised as "brave" and "courageous" because in the midst of world recession he has imposed another $3 billion in taxes on an economy whose chief problem is that it already is strangling on taxes. By some mad twist of logic, known only to British politicians and economists, this "mildly deflationary" move is designed to run the unemployment rolls up to one million, punish the unions for pushing up wage rates so fast (32.6% annual rate in March), and position the economy so that it can take advantage of next year's forecast of a world trade boom.

We learn that The Economist itself does not think it fair of Margaret Thatcher, the Conservative Party leader, to describe the budget as "typically Socialist." After all, Mr. Healey did not increase the 52% corporate tax rate. Nor did he increase the 83% marginal tax rate on earned incomes above $48,000 or the 98% marginal tax rate on "unearned income"—interest and dividends for example—above $48,000. And he does provide for government assistance to selected private industries in the amount of $240 million, especially those the government divines will be able to increase exports.

There are other interesting statistics. Because of the effect Britain's 20% inflation has in moving workers up the progressive tax schedule, combined with Mr. Healey's two point tax increase, a Britain earning $24,000 this year will have to get a pay raise of $9,600 merely to maintain his purchasing power. A worker now getting $12,000 needs another $3,000 to stay in the same place.

Public spending rises to $128 billion from $105 billion or to 60% of gross national product. In that the U.K.'s gross national product is about one-eighth the size of ours, this is the equivalent of a $900 billion federal budget. Mr. Healey boasts that the "social wage"—all the government goodies such as health, education and welfare—now amounts to $2,400 a year for every member of the working population. To get this in perspective, it has to be pointed out that Britain's per capita income last year was $3,085.

Britain, it is regularly noted, always seems to somehow "muddle through" despite the best efforts of its government. One reason has been that, in their imperfect understanding of economics, the income redistributors have always overlooked a few opportunities to confiscate wealth. Through these tiny cracks in the tax laws, otherwise known as "loopholes," the private economy has always been able to spy enough incentive to keep producing. As a result of the current economic crisis, however, the Labor government made a determined search for these tiny cracks and has found most of them.

Because most of what businesses pay their managers in increased wages is taken away by the government in taxes, there have been exotic schemes to permit managers to live off business prerequisites. These are being closed up. A year from now, employes will be taxed on any private medical insurance cover they receive, the government having determined that private medical treatment is a great incentive to keep producing. Mr. Healey also promises to tighten up on capital gains taxation, and has already closed an accounting loophole whereby corporations could avoid some taxation by selling shares they owned and taking the loss, and buying them back the next day.

The British government is now so clearly headed toward a policy of total confiscation that anyone who has any wealth left is discounting furiously at any chance to get it out of the country. Mr. Healey wisely halted the importing of gold coins, which could be rather easily smuggled out, and he's slapped a 25% value-added tax on jewelry, along with radios, televisions and electrical appliances. The result of all this is of course to bring investment to a screeching halt by drying up both available funds and potential returns. The price can only be still slower economic growth, and still lower living standards for all the British, rich and poor.

Good-bye, Great Britain. It was nice knowing you. Since we're following down the same road, perhaps we'll meet again.

LEGISLATIVE QUESTIONNAIRE

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. PICKLE. Mr. Speaker, about 2 months ago I mailed nearly 20,000 questionnaires to constituents throughout the 10th Congressional District. I was very glad to get a heavy response of around 10 percent on this long and detailed survey.

There are many contradictions in the opinions expressed throughout the survey. But I take this is a healthy sign. It demonstrates to me that our citizenry is not locked in a liberal position or a conservative position, but rather that they judge each issue or question on its individual merits or appeal.

Naturally, it is impossible to know the feelings of the more than 560,000 people who reside in the 10th Congressional District of Texas on each issue of the day, but I believe that this questionnaire is representative of a healthy cross section of the "grassroots."

I would like to insert the results of this survey for the benefit of my colleagues:

LEGISLATIVE QUESTIONNAIRE

[Answers in percent]

1. What do you feel is the bigger problem in the American economy at this time?

Inflation, 45.

Recession, 9.

Both, 45.

2. Check the following programs you think the government should institute to fight recession.

Tax cut, 68.

Create a credit institution similar to the Reconstruction Finance Corporation, 14.

More unemployment insurance, 7.

Public service jobs, 46.

Other (Please specify), 17.

3. Do you favor the $20 billion tax cut voted by the Ways & Means Committee?

About right, 51.

Too large, 14.

Too small, 22.

No cut at all, 18.

Other (Please specify), 5.

4. Check the statement or statements with which you can generally agree.

The Federal tax system is fair, 13.

The Federal tax system does not give enough incentives to business and investors, 17.

The Federal tax system is unfair to the lower and middle income people, 83.

The Federal tax system should give tax incentives to business that invest to increase their production, 37.

The Federal tax system should not have special provisions for business and investors, 26.

The domestic oil depletion allowance should be retained, 37.

The domestic oil depletion allowance should be eliminated gradually over several years, 31.

The domestic oil depletion allowance should be eliminated immediately, 17.

5. a. Should energy company profits be taxed more heavily?

Yes, 49.

No, 31.

Not sure, 27.

b. If yes, what should be done with the revenue?

The companies should reinvest the funds in efforts to find more energy, 28.

The U.S. government should use the money to find more energy, 21.

The money should go into general revenues, 17.

6. If tax cuts and government anti-recession programs are instituted, should we:

Allow an increase in the Federal deficit to cover the cost, 11.

Raise additional taxes to cover costs, 18.

Cut spending in other areas, 96.

7. Check the statement most representative of your views:

I favor total government controls on wages, prices, and profits, 15.

I favor selective government controls on wages, prices, and profits, 41.

I do not favor government controls whatsoever on wages, prices and profits, 56.

8. If Federal spending is cut, what areas would you recommend for less Federal spending? (Check one or more):

Defense, 44.

Human services (Social Security, welfare, education, housing, health care, etc.), 45.

Environmental programs, 46.

Research & development, 16.

Agriculture, 14.

Equal cuts in all areas, 29.

Other (Please specify), 10.

9. Do you agree with this statement: "Inflation is completely caused by too much government spending, and inflation could be completely stopped if Federal spending were reduced."

Yes, 36.

No, 47.

Not sure, 24.

10. Do you feel that the demand for oil and gas in the United States is greater than the available oil and gas supplies in the United States?

Yes, 50.

No, 36.

Not sure, 22.

11. What new forms of energy do you think should be emphasized in the future? (Check one or more)

Coal gasification, 35.

Oil shale, 26.

Solar energy, 57.

Geothermal energy, 34.

Nuclear fission, 30.

Fusion, 21.

All of the above, 46.

12. What steps would you support in order to increase the domestic production of oil and gas? (Check one or more)

Initiate offshore drilling on the Eastern & Western Seaboards, 80.

Lift price controls on old oil, 24.

Deregulate interstate natural gas, 27.

Ease environmental controls, 47.

Increase tax incentives for new production, 38.

Require oil and gas companies to invest more of their profits in exploration and development, 68.

Other (Please specify), 3.

13. Should the United States support the nation of Israel if Israel and the Arab States begin another armed conflict?

Yes, 26.

No, 47.

Not sure, 29.

14. If the Middle East producers instituted another oil embargo that brought the Western World to the brink of economic collapse, should the United States use armed force to break the embargo? (Check one or more)

Yes, 31.

No, 55.

Only if European countries and Japan support the action, 28.

Regardless of the feelings of Europe and Japan, 10.

15. What is your reaction to the following statement: "The United States should try to eliminate its need for imported oil."

Yes, even if it means reducing automobile use and changing lifestyles here at home, 77.

No, 22.

16. In order to cut down on this country's dependence on imported oil, which of the following actions could you support? (Check one or more)

A 25–50 cent tax on gasoline, 9.

A smaller gasoline tax earmarked for developing energy alternatives, 51.

A tax on imported oil, 41.

Mandatory oil and fuel allocation, 13.

Direct rationing, 29.

Special taxes on heavier, high horsepower, and low-gasoline mileage cars, 44.

A tax on industrial and commercial energy consumption, 19.

A ban on gasoline sales on certain days, 18.

Relaxation of environmental standards, 47.

Tax incentives for improved home insulation, 31.

We should continue to import as much oil as we need, 18.

17. If the choice were among the following, which would you choose:

Either direct or indirect taxes on petroleum products, 40.

Rationing, 33.

Allocation, 23.

Quota limitation, 16.

18. Do you agree with this statement: "Family farms and ranches are no longer economically feasible, and large-scale corporate farming is a good solution for our food-producing problems."

Yes, 13.

No, 76.

Not sure, 19.

19. Check any of the following statements you agree with:

I approve a government target price program over an allocation subsidy system for

peanuts, 14.

for wheat, 24.

for corn, 21.

for soybeans, 19.

for cotton, 17.

for rice, 13.

None of the above; I favor the old system, 17.

None of the above; I do not favor any form of price security for agriculture, 48.

20. In order to alleviate the present economic squeeze faced by livestock producers, which of the following actions do you think we should take? (Check one or more)

Ban beef imports, 45.

Liberalize the Emergency Livestock Loan Program, 11.

Institute price supports for meat as in the Common Market countries, 11.

Let the free market system work its will whether it alleviates the squeeze or not, 68.

Other (please specify), 6.

21. What do you blame for high food prices?

Producers, 1.

Processors, 50.

Retailers, 42.

All of the above, 20.

None of the above; it is a factor of general inflation, 31.

22. Do you think there is a world food shortage?

Yes, 63.

No, 22.

Not sure, 19.

23. Should the United States participate in an international program to aid nations with a food shortage by allotting some US agricultural production to the international program?

Yes, 61.

No, 27.

Not sure, 17.

24. Should we increase military aid to the government of South Vietnam?

Yes, 13.

No, 76.

Not sure, 16.

25. Check the statement or statements most representative of your views:

I favor a Federal health insurance program, 42.

I do not favor any kind of Federal health insurance program, 34.

If there is a Federal health insurance program, I favor the administration and financing to be through the Social Security Administration, and not through private insurance companies, 34.

If there is a Federal health insurance program, I favor Federal guidelines and Federal support for those who cannot afford health insurance, but a system where the private insurance companies manage health insurance matters, 39.

26. Do you favor a Federal no-fault insurance system for automobiles?

I do favor, 51.

I do not favor, 45.

27. Do you feel Social Security deductions from paychecks are too high?

Yes, 50.

No, 41.

Not sure, 13.

28. a. If the answer to No. 27 is "Yes," which of the following courses of action would you most favor to rectify the situation?

Cut the tax and reduce the level of benefits, 7.

Cut the tax and reduce the number of people covered by the benefits, 16.

Supplement the Social Security fund with revenues from the Federal Treasury, 20.

Lower the Social Security tax rate and increase the tax base, 20.

b. Are there any of the above solutions which you strongly oppose?

Cut the tax and reduce the level of benefits, 39.

Cut the tax and reduce the number of people covered by the benefits, 31.

Supplement the Social Security fund with revenues from the Federal Treasury, 30.

Lower the Social Security tax rate and increase the tax base, 22.

GUN CONTROL AS PEOPLE CONTROL

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. ASHBROOK. Mr. Speaker, in a continuing effort to shed the light of reason on the efforts of those well-intentioned persons who seem to feel that it is just and equitable to deprive the 45 million handgun owners in the United States of the legal right to possess such arms for sport and self protection in the futile and unfounded hope that the less than three-tenths of 1 percent will be unavailable for missuse, I am inserting in the RECORD a recent article contained in the April issue of Guns and Ammunition. It is written from the point of view of a man with a unique background. He has been on the inside of both the elite Presidential Palace Guard and the District of Columbia jail. There follows "Gun Control As People Control" by G. Gordon Liddy:

G. GORDON LIDDY: GUN CONTROL AS PEOPLE CONTROL

Early in the middle ages there was invented in Italy another in that long series of weapons predicted to "revolutionize warfare." In this case the prediction proved correct in a social as well as military sense.

Accurate to a range of three hundred yards, the new shoulder weapon had an extraordinary capability: it was armor-piercing. For the *medieval panzer*, the mounted armored knight, an effective anti-tank weapon had been developed.

By 1139 A.D. the one existing Pan-European political entity, the Catholic Church had, at the Second Lateran Council chaired by Innocent II, banned the crossbow on the ground that its use constituted an atrocity. The reason given by the Pope for crossbow control has in common with those asserted on behalf of its modern equivalent, gun control, two elements: both are as self-rightous as they are spurious.

The real reason the church banned the crossbow had nothing whatever to do with morality and everything to do with power since the proscription did not extend to use against non-Christian knights. Prior to the introduction of the crossbow, a ruling-class noble, encased in armor, mounted on a horse and carrying a sword and lance in the use of which he was skilled, had nothing to fear from a homespun-clad peasant afoot armed with the glorified spear called a pike.

Suddenly, the ruling class found itself in an unacceptable situation. A peasant father, for example, seeking to preserve his daughter from casual rape at the hands of a bored baron need no longer wring his hands and appeal to God; he could elect to preserve her purity with power rather than prayer. Safely out of range of lance and sword, a lowly peasant could send a bolt smashing through the armor of a lord to transfix the man who threatened a member of his family.

Even more importantly, an entire class of exploited persons had for the first time the technological capability to attack successfully their previously invulnerable masters: an atrocity indeed if, as was the Pope, one happened to be a master.

The medieval aristocracy had no intention of sharing the power of life and death if that sharing could be prevented. Fortunately, for the peasants, crossbow control was as effective then as gun control is today, which is to say not at all. The reason is the same. It has not and will not achieve the support of a huge portion of the population. People do not readily surrender power, and power is what the argument is really all about.

Cellblock 4 of the District of Columbia Jail has, on its third floor, a common room where prisoners may view television. One evening recently, following the local news, a young white man appeared on screen and delivered himself of an editorial calling for the confiscation of handguns owned privately. Save one observer, myself a convict, all those in the room were black. The listeners reacted to the editorial not as convicts but as black citizens. The editorial was viewed unanimously as a threat to what little power a black man, especially a poor one, had in a white, affluent nation. The barons did not want the peasants to have the power inherent in the possession of a crossbow, and *Whitey* does not want a *Brother* to have the power inherent in the possession of a gun.

The old arguments about registration, licensing, owner identification cards and the like are *passe* now. Few serious men on either side of the controversy bother to deny any longer that the issue is private possession of firearms; of a handgun today, of a long gun tomorrow (a long gun plus a hacksaw equals a handgun).

Feeling on both sides is intense. How could it be otherwise when such elemental and opposite emotions as fear, on the one hand, and a sense of security on the other, are at the center of the dispute?

We have, as a people (black and white) abandoned our streets after dark to the feral, only to sit behind dead-bolted doors there to ignore the cries of the street victim as of someone who should have known better than to have been abroad at that hour in the first place. We have not, however, abandoned our homes. There we stand and fight. Indeed, what choice is there? Further retreat is impossible.

Years ago someone engraved on the barrel of a Colt revolver: "Be not afraid of any man, no matter what his size. When danger threatens, call on me. I will equalize."

There is a profound sense of security felt by some forty-five million firearms-owning citizens in the knowledge that they have in their homes a gun. It may not be an appropriate weapon in fact (many a woman places her faith in a .22 caliber pistol when, for man-stopping purposes, a .38 special is marginal) but the feeling of security is there. If someone from "out there" tries to break into the last sanctuary, the home, there is a powerful last resort. Anyone believing that such a person is going to turn in the gun the government doesn't know he or she possesses, and with it what little sense of security he or she has left, because a law purports to make criminal what has existed as a right for two hundred years, is mistaken.

It is also vain to expect those who do not own firearms, are not familiar with them and thus fear them, to care that a firearms confiscation program would entail billions in direct and indirect costs; would be as effective as prohibition; would not prevent a robber from arming himself with a handgun; or prevent a person in a murderous rage from using it on a spouse, or oneself if determined upon committing suicide.

One wishing to gauge the impact of the emotional character of this argument need but reflect upon the position taken by many an erstwhile civil libertarian on this issue.

Fewer than three-tenths of one percent of firearm owners are involved in any crime in which, in any way, a firearm is used. In no other issue-area would a civil libertarian even suggest that one could justify the deprivation of a right and the confiscation of property from a majority on the ground that a minuscule minority had abused that right or misused that property.

What those who call for "gun control" really mean is people control, but they lack the courage to say so. Gun control has always been a convenient scapegoat for those unwilling or unable to address themselves to the real problems of our society. But gun control will not protect its advocates from those who believe that they are excluded from our society, are social outlaws and might as well become outlaws in fact to take by force that which they are not equipped to acquire by acceptable means or which they believe, correctly or incorrectly, they will not be permitted the opportunity to acquire whether equipped to do so or not.

There will always be among us those who do not choose to delay gratification and who elect to prey upon others. Such persons are not confined to any social class, educational background, race or other identifiable grouping factor. Such persons, however, cannot account for the extraordinary amount of violent crime in the United States. There are other reasons for that, not the least being the fact that millions of our people perceive themselves, not without reason, as members of an underclass, without power and without access to power by ordinary means.

In struggles for power, people get hurt. Sooner or later responsible leaders will have to stop occupying their time with such symptom-treating approaches as gun control and attack the real problem. The only aristocracy that can last is that based upon merit. Joining with the Pope in cursing the crossbows will not preserve an aristocracy based upon one's pigmentation or parents.

PROFESSOR HAYEK, NOBEL PRIZE WINNING ECONOMIST, EXPLAINS THAT "SO-CALLED" FULL EMPLOYMENT POLICIES OF GOVERMENT ACTUALLY CAUSE UNEMPLOYMENT

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. KEMP. Mr. Speaker, last month I had the pleasure of organizing a discussion with Prof. F. A. von Hayek, Nobel Laureate in Economics, and several Members of Congress. All of us benefited greatly from the insights of this distinguished scholar into our current economic problems.

At this meeting he stressed to us what many of us have been saying here on the floor, that is, that inflation is a result of deficit spending and that inflation causes unemployment. The way to create jobs is not through inflation but by unleashing the creative and productive energies of a free society, as Professor Hayek has pointed out in his most valuable book, "The Constitution of Liberty."

Mr. Speaker, Professor Hayek recently spoke under the auspices of the University of Chicago School of Business on this most important point: The causes of unemployment. I should like to insert in the RECORD at this time a report of his remarks, which appeared in the April 20, 1975 issue of the Chicago Tribune by Nick Poulos:

REMARKS BY PROF. F. A. VON HAYEK

Intellectually, the man towers like a giant oak in a forest of saplings.

He is Friedrich A. von Hayek, the 75-year-old cowinner of the 1974 Nobel Prize for economics—the man who captivated Chicago's economic community last week with his refreshingly honest ideas, integrity, and charm.

The Austrian-born economist was one of a select group of economists, bankers, and government officials from major industrial nations who attended a conference sponsored by the University of Chicago Graduate School of Business and the First National Bank of Chicago.

While most of his peers flirted rhetorically with the problems of inflation, unemployment, and other economic ills, Von Hayek demonstrated an instinct for the jugular. Indeed, Von Hayek left quite a few of them bloodied and bowed.

Von Hayek charged that the economists who subscribe to the distorted Keynesian theories have given "wrong advice" to their governments in the last 25 years; that they are primarily responsible for the "mess" the Western world finds itself in.

"They ought to do penance in sack cloth and ashes," he suggested. "They should admit they have lost credibility and no longer deserve audience in determining current economic policy."

Von Hayek recalled that back in 1945, he had warned Lord John Maynard Keynes, the famous British economist, that his theories were being distorted by his disciples.

"Keynes said he intended to repudiate the misleading interpretations of his economic theories, but he died six weeks later," Von Hayek said.

"What we are suffering today is Keynesianism, not Keynes. Most of his disciples welcomed the fact inflation would eventually destroy the market economy. If Keynes were alive today, he would be fighting inflation.

"We can avoid calamity by following effective economic policies supported by a better informed public. The public has been miseducated in economics.

"For example, there is no question in my mind that the present high unemployment is a direct necessary consequence of a full employment policy.

"We must make clear to the public the true relationship between inflation and unemployment. The relationship is one of overeating and indigestion.

"Unemployment is the indigestion you get after you swallow the pill of inflation.

"We may have reached the stage—I pray we have reached that stage—where a further dose of inflation will no longer be sufficient to stop the rise in unemployment, and that it will be obvious we must consider other alternatives.

"Full employment is a desirable aim, but the policy doesn't work in the long run. In the short run, it attracts people into jobs that cannot be permanently maintained without rapid acceleration of inflation.

"It simply creates false jobs which require even more inflation.

"I'm not arguing that unemployment is a desirable instrument to secure economic recovery. Unemployment, unfortunately, is a consequence of the expansive political policies we have been following for the last 15 to 20 years.

"As long as the public believes unemployment can be cured by a little more government spending, no government can resist the pressure to do so.

"Inflation is solely and entirely the result of an increased quantity of money, not the necessary consequence of other political actions.

"And if there is anything worse than open inflation, it is suppressed inflation. Wage and price controls simply aggravate the situation.

"I believe that our chances of achieving a relatively stable and prosperous society depend upon the recognition of such truths."

Von Hayek, who taught at the University of Chicago in the 1950s, called for an eventual return to fixed exchange rates for currencies and a central monetary standard based on gold or some combination of values of commodities.

He added that the same economists who had misled their governments in economic policy had contributed to the destruction of valued monetary institutions such as the old gold standard and the Bretton Woods system.

Having disposed of his errant fellow economists, Von Hayek went on to express his growing alarm about the general disillusionment over democracy in general because of political and economic events.

"We must be prepared to admit that while the principle of democracy is still valid, some of our democratic institutions are defective," he asserted. "Democracy is being blamed for things which are really a defect of our institutions."

Von Hayek said democracy must change if it is to survive, and that the ultimate solution to economic and political problems is adoption of some form of super government body that is able to provide the sound guidance a nation needs.

The economist said this will be the subject of a third book in an economic trilogy he is working on.

Von Hayek shared the 1974 Nobel Prize in economics with Gunnar Myrdal of Sweden.

The Swedish Academy of Sciences cited Von Hayek for his "profound and original" contributions to economic theory which aroused widespread debate in the 1920s and 1930s.

Von Hayek was one of the few economists who warned of the dangers of a major economic crisis before the 1929 crash.

Today, Von Hayek fears the western world may experience a long economic depression with higher unemployment if governments do not reverse their high spending policies.

Whether the sound economic policies of men such as Von Hayek are adopted remains to be seen. If they are not, and economic and political disaster results, no one need try to fault the Von Hayeks of the world.

PRESIDENT FORD AND COVERT ACTION

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. HARRINGTON. Mr. Speaker, on April 10, 1975, President Gerald R. Ford gave the state of the world address to a joint session of Congress. In his speech, the President declared that the first priority of his Presidency was to "sustain and strengthen the mutual trust and respect which must exist among Americans and their Government." The President went on to state that, as long as he is President, America will "maintain its strengths, its alliances, and its principles as a prerequisite to a more peaceful planet."

The goals which President Ford has set for his administration are certainly admirable and no one who has recently reviewed public opinion polls could doubt the necessity of reviving popular trust and confidence in our governmental institutions. In addition, anyone who has assessed America's international standing would similarly agree to the necessity of reaffirming our principles as a nation.

Having stated my agreement with these goals, I seriously question whether the means by which the President will seek to accomplish them are not in and of themselves antithetical to the principles of democracy. In an interview on April 21, with Walter Cronkite, Eric Sevareid, and Bob Schieffer, President Ford said:

> I can assure you that if we are to compete with foes on the one hand, or even be equal in the execution of foreign policy with our friends, we have to have covert activities carried out.

By reiterating his support for covert action and expressing his belief that such activities are necessary to compete on an equal footing with friends and foes alike, President Ford has placed himself among those who, perhaps unwittingly, have contributed to the crisis of trust and confidence at home and our loss of power and prestige abroad.

Covert action means cover story, and cover story is simply an euphemism for lying. Valiant attempts to maintain the cover stories for covert activities which failed have subjected the American people to the repulsive spectacle of watching our most respected public officials lying until finally forced to reveal the truth. President Eisenhower lied pub-

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licly in the U-2 incident, Adlai Stevenson unwittingly lied before the U.N. during the Bay of Pigs invasion, Secretary of State Dean Rusk also lied on this occasion, and the list could go on and on. Opinion leaders, whether on the local or national level, set the moral climate of the Nation. When opinion leaders such as these find lying expedient, lying could well become an acceptable form of behavior throughout our society.

Commonsense proved long ago the validity of the adage that one lie begets another. The behavioral requirements of covert action soon overlap and permeate our domestic scene, and the techniques of covert operations begin to be applied at home, as Watergate so clearly proves. John Kenneth Galbraith noted this linkage when he wrote:

> Nothing growing out of the episode has been more salutary than its advertisement of the banality, ineptitude and general unattractiveness of the people who, released from foreign employment, sought to bring the darker arts nurtured by our recent foreign policy to domestic purposes.

The illegality and corruption inherent in covert operations are soon linked to our domestic institutions, compromising their purposes and functions. When domestic corporations are used as fronts by the CIA for covert action operations the credibility and integrity of our legal system is subverted and the independence of our regulatory commissions becomes questionable. The case of the *Glomar Explorer* is instructive in this regard. To protect the secrecy of the operation, the Los Angeles County tax assessor was requested to place the ship on the tax rolls at less than total value. False affidavits of ownership were filed with the Coast Guard, and I know of no investigation of perjury in this regard. Systematically, the illegality inherent in such operations has a snowball effect and undermines the legitimacy of our regulatory commissions and our legal system in general.

David Wise, in "The Politics of Lying," perhaps best sums up the effect of Government deception:

> The consent of the governed is basic to American democracy. If the governed are misled, if they are not told the truth, or if through official secrecy and deception they lack information on which to base intelligent decisions, the system may go on—but not as a democracy.

Historians who have for years argued that our generation lacks a sense of historical perspective would be quick to add that great civilizations of the past have all been destroyed from within by the corruption of their institutions and the erosion of their values.

The effects of covert action on America's prestige and power abroad is no less important. The assumption by President Ford that covert operations are necessary in order for U.S. foreign policy to compete successfully with its allies and foes alike reflects the President's inability to discard outdated cold war assumptions and learn the single most important lesson to emerge from our defeat in Vietnam: Paramilitary operations, secret wars, bribery, and even massive commitments of American firepower and money cannot compete with the power of insurgent forces engendered by a commitment to a national ideal.

The single most important competition in which the United States must participate and win will be for the minds of men; not for the momentary allegiance of one particular leader, or regime, or junta, or faction of a political party. The extent to which Secretary Kissinger continues to ignore the ideological component of power in favor of an easily quantifiable military balance of power will be reflected by continued setbacks in the competition for the minds of men.

The primary purpose of American foreign policy should be to support the right of self-determination and encourage the development of democratic institutions. For the most part, American political scientists have been hard pressed to explain why developing countries of the third world have had such a difficult time making democracy work.

Perhaps because of the necessity to protect the secrecy of covert operations they were unable to factor in several key variables affecting its development: Massive monetary support from the CIA to various political parties; sustained bribery thus subverting the political process, as in Chile; supporting, encouraging, and planning, military interventions in their political processes.

These latter acts fundamentally alter civil-military relations, a process which once begun is hard to reverse. None of these acts would be tolerated in our own democratic society, and to undertake or encourage such actions abroad puts the lie to our stated commitments and makes virtually impossible an already difficult task.

Third world countries who attempt to make democracy work deserve the chance to do so free of foreign intervention. The use of covert action to support a status quo throughout the third world identifies the United States as the primary stumbling block to progress and social change.

The use of similar tactics as those of our supposed enemy, the installation of military juntas and one-man dictatorships by use of covert action—many of which have in the past or presently stand accused in the United Nations of gross violations of human rights—makes the United States appear the mirror image of the forces of oppression which we abhor. Richard Falk, professor of international law at Princeton University makes a similar point when he notes:

> The CIA has opposed regimes that basically upheld human rights and helped replace them with regimes utilizing torture as a routine technique of governance such as in Guatemala, Greece and South Vietnam.

These covert activities of the CIA do not speak highly of our supposed commitment to articles 55 and 66 of the United Nations Charter or the Universal Declaration of Human Rights.

Professor Falk goes on to list examples of paramilitary interventions by the CIA to overthrow legally constituted governments:

> The anti-Mossadegh coup of 1953 in Iran; the anti-Arbenz coup of 1954 in Guatemala; the unsuccessful anti-Sukarno coup of 1958 in Indonesia; the unsuccessful anti-Castro invasion of Cuba at the Bay of Pigs in 1961; the unsuccessful harassment of Chinese administration of Tibet throughout the 1960's; the anti-Papandreou coup of 1967 in Greece; and the anti-Sihanouk coup of 1970 in Cambodia.

He goes on to say that such actions by the CIA "violate the United Nations Charter and as a duly ratified treaty, is part of the supreme law of the land by the U.S. Constitution." The President of the United States in his oath of office, swears to uphold the supreme law of the land and one could reasonably ask in this regard if by authorizing these covert activities he is not committing an impeachable offense.

One searches in vain for any validity to the President's assertion of a "new dialog with Latin America, looking toward a healthier hemispheric partnership." And his comment that "our relations with Europe have never been stronger" raises the intriguing question of who is censoring his morning papers? Anti-Americanism is rampant in Greece, which has recently pulled out of the military side of NATO, and Turkey is reevaluating our bilateral base agreements. Portugal, whose military leaders were disgusted with their long and weary participation in oppressive colonial wars, are now on a leftward trend that seems destined to take them out of the NATO orbit.

Arnold Toynbee's reflection on America's image in Europe is probably much more accurate than the President's:

> To most Europeans I guess America now looks like the most dangerous country in the world, since America is unquestionably the most powerful country. The transformation of America's image in the last thirty years is very frightening to Europeans. They feel that at any moment America may intervene in their own internal affairs with the same appalling consequences that have followed from American intervention in Southeast Asia. For the world as a whole the CIA has now become the bogey that Communism has been for America. Whenever there is trouble, violence, suffering, tragedy, the rest of us are now quick to suspect that the CIA had a hand in it. Our phobia about the CIA is no doubt as fantastically excessive as America's phobia about world Communism. But, in this case too, there is just enough convincing evidence to make the phobia genuine. In fact, the roles of America and Russia have been reversed in the World's eyes. Today, America has become the world's nightmare.

To cite covert activities by the CIA as antithetical to our own democratic principles, as direct violations of international law and the Charter of the United Nations, as inherently destructive to the development of democratic institutions in the third world, and as eventually subverting our own domestic political system is not to say that the agency is not to some degree responsive to policymakers.

In this regard, it behooves us to scrutinize closely the commitments of our Secretary of State to democratic values, American ideals, and our stated support for self determination. His statement with regard to Chile is instructive:

> I don't see why we need to stand by and watch a country go communist due to the irresponsibility of its own people.

Such an elitist and ethnocentric point of view has no foundation in basic American ideals.

Secretary Kissinger simply is not comfortable with democratic institutions, either at home or abroad, an observation easily defended by noting the character of those regimes he feels most comfortable with and is willing to support. As Thomas L. Hughes recently noted, realpolitik has to operate under restraints in a democratic society and in the context of realpolitik unlimited, "slippery men seek slippery measures, and odious measures seek odious men—a fateful combination destructive of democracy."

Covert action must cease. Congressional oversight of our intelligence community is long overdue; without it the threat to our domestic institutions has become too real and the damage to our international standing too great. We can no longer afford the luxury of saying "I don't want to know"—we must instead demand to know and those who are charged with conducting these investigations who do not want to know should resign their positions and leave the task to others. As is usually the case with most cancers, rarely is the first operation a total success. Covert activities undermine our basic principles, belie our cause, defeat our purpose and should therefore cease to be an integral part of American foreign policy.

A QUESTION OF FAIRNESS

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. SYMMS. Mr. Speaker, a matter has recently come to my attention which merits, in my opinion, further examination. It involves the House Subcommittee on Oversight and Investigations and actions it took against the Federal Energy Administration which, on the surface at least, appear to have been highly imprudent. The article I submit on this matter speaks for itself. I urge my colleagues to read it carefully and draw their own conclusions.

Mr. Speaker, I would further state that we should abolish FEA, but I fear that the subcommittee chairman has plans not to get rid of FEA, but to give it more authority thereby helping us slide even further into the dark ages of no heat, no lights and no gas.

The article, from the Baltimore Sun, follows:

AGGRESSIVE HOUSE OVERSIGHT SUBCOMMITTEE FLEXES MUSCLES, MAKES LIFE TOUGH FOR FEA

(By Stephen E. Nordlinger)

WASHINGTON.—Suddenly, in the middle of an afternoon three weeks ago today, a congressional investigator arrived at the offices of the Federal Energy Administration with a letter that demanded all the documents on a controversial oil-price case at the agency's "earliest convenience but no later than 12 o'clock noon Tuesday"—the next day.

This letter, signed by Representative John E. Moss (D., Calif.), chairman of the newly reformed House Subcommittee on Oversight and Investigations, set in motion hurried public hearings that raised questions about the fairness and objectivity of the subcommittee, which is expected to emerge this year as perhaps the strongest and most important investigative panel in the House of Representatives. It is operating with a $600,000 budget and 15 investigators.

Despite the short deadline in the letter from Mr. Moss, the subcommittee's investigator, Albert McGrath, pressed for faster action from the FEA.

He asked for the immediate delivery to him on the spot of material from the files, but officials in the FEA general counsel's office wanted at least the limited time afforded by the letter. Some of the documents had to be sent by telecopier from the FEA regional office in Atlanta.

Later that same afternoon, even before the material was put together for delivery, a public hearing was scheduled by the subcommittee for two days later to examine the evidence in the case, in which top FEA officials were accused by federal and Florida law-enforcement authorities of not cooperating in investigating alleged overcharges by a fuel supplier to the Jacksonville Electric Authority.

The chief FEA officials in the case who were called to testify at the hearings were not interviewed in advance to give their version of the case or to be informed of the scope and nature of the charges to be presented against them.

In contrast, the subcommittee's investigative staff talked with the chief accusers from the U.S. Customs Service and Florida agencies as well as officials at the State and Justice departments who were involved in the case.

The staff also spoke to lower-level FEA staff members about the actions of the officials who were called to testify, including Robert E. Montgomery, Jr., the general counsel, and Douglas G. Robinson, his deputy.

So quickly did the subcommittee staff, under Michael Lemov, the chief counsel, put together the hearing material that few members had an opportunity to read, much less analyze, the thick volume of documents.

The Republicans, in the dark about the investigation, met privately to discuss boycotting the hearings but decided to attend. As it was, no Republican was present when Mr. Moss decided at the outset to move ahead. By a vote of 6 to 0, the Democrats quickly waived the House rule that requires seven days notice for hearings.

Without having interviewed the key FEA officials in the investigation and before the testimony began, Mr. Moss said in his opening statement: "I am certain that officials of the FEA . . . will have explanations for their less than vigorous cooperation with state and federal law enforcement officials. We will want to hear them out. We will reserve final judgment until all the facts are in."

The FEA officials later denied the charges of noncooperation lodged by the Florida and federal law-enforcement officials.

Mr. Moss, a 60-year-old, 12-term House member and long-time critic of the oil industry and of the relations of the industry to Republican administrations, spoke at the hearing of the need for "urgency" and said it was "essential" to move quickly to investigate FEA enforcement policies.

At no time during the two days of the hearings, April 9 and 11, was there an explanation of the requirement to pursue the case so quickly.

During a study over the next two weeks of the manner in which the hearings were put together, neither Mr. Moss nor Mr. Lemov cited a specific reason for the need to waive the House rule and hold the hearings that particular week. Apparently no emergency existed.

Representative Richard L. Ottinger (D., N.Y.), who moved to waive the rule, said in an interview that there were "trials going on" in the Jacksonville case that, he said, prompted the speedy hearings. When informed that no trials were taking place, he said that grand juries were investigating, but two grand juries in Jacksonville have been in session for months on the case without a conclusion in sight.

Some congressional committees, in fact, avoid public hearings on matters being investigated by grand juries to prevent publicizing material that could jeopardize the criminal investigation.

Finally, Mr. Ottinger said that he made his motion at the request of Mr. Moss who said later in an interview that "in my judgment this was the appropriate way to proceed."

"I am answerable to the committee [the parent House Commerce Committee], to the Congress and ultimately to the electorate," Mr. Moss said. "I feel that I have acted in a manner consistent with the responsibilities I bear."

Later, he added: "I have been attempting to catch up with lost time. We should have gotten started in the last year."

In a separate interview, Mr. Lemov gave additional reasons for scheduling the hearing so quickly, but, when pressed, he cited no specific reason for needing to move that week.

He mentioned that President Ford had been appealing to Congress for speedy action on energy legislation, but the President had been applying this pressure for months and it is expected to continue indefinitely.

Mr. Lemov also said there was a need for the hearing to occur while another subcommittee, headed by Representative John D. Dingell (D., Mich.), was drawing up a bill concerned with federal controls over oil prices. But, in an interview, Mr. Dingell said he was uncertain when this legislation would be completed.

Finally, Mr. Lemov said that the U.S. Customs Service was investigating possible illegal overcharges by oil suppliers in 40 ports and that there was a need to move quickly in the subcommittee. But a spokesman for the agency said that these investigations had been proceeding for months and there was no indication of an end.

Discussing the subcommittee's approach to its investigative functions, Mr. Lemov said: "If you think that was fast, just watch us when the situation demands it. We're going to move ahead, within, of course, the requirements of due process and fairness to all sides."

Late in the same week of the Moss hearings, the Senate Permanent Subcommittee on Investigations was holding a closed hearing on matters before the FEA, including the Jacksonville case. Mr. Moss, by moving speedily, allowed the first day of his public hearings to precede the executive session by the Senate panel.

On the Thursday afternoon between the Wednesday and Friday hearings held by Mr. Moss, the Republicans on the subcommittee, evidently incensed by the procedures used by Mr. Moss and his staff, met for four hours to review the case with the group of FEA officials summoned to the hearings.

The next day, Friday, Representative Edward R. Madigan (R., Ill.) elicited from the FEA officials testimony that none of them appearing before the subcommittee had been consulted in advance of the hearing.

Defending this procedure, Mr. Moss told the hearing: "I do not waste the time of a limited investigative staff to go out and interview each of the persons here in town who are already employed by the government."

However, a staff investigator, Kirk Smith, interviewed officials at the Customs Service and the State and Justice departments as

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well as the lower echelons of the FEA, apparently to build up his case.

Mr. Kirk said in an interview that it was subcommittee policy not to disclose the list of those interviewed, but checks with several officials determined that they had been interviewed in the week before the hearing.

"I do not at this moment feel at all embarrassed by the conduct of my staff," said Mr. Moss. "As a matter of fact, within the very limited space of time available to them, I am proud of the thoroughness of the job they have done to date."

When Mr. Montgomery noted that Mr. Moss had said that it was his policy only to interview people out of town but that, in fact, his staff had also talked to other officials at the FEA in Washington, Mr. Moss replied:

"It is also my policy to determine whom I will interview."

After consulting Mr. Lemov, Mr. Moss noted that his staff had actually met with the FEA general counsel's staff "in Room 2323 of the Rayburn Building at 2 P.M. on March 24 to discuss the areas of interest to this committee as it commenced to undertake an inquiry."

The Jacksonville case was never discussed at this meeting, Mr. Lemov later acknowledged. None of the seven FEA officials sent to the meeting scheduled by Mr. Lemov knew the details of the case and no other meeting was arranged by Mr. Lemov before the public hearings.

Asked why he had not interviewed the FEA officials on the specific case before the subcommitte, Mr. Lemov said that he was "not in the habit of tipping off possible subjects as to the exact nature of the investigation" because "they would be able to exert pressure on persons in the agency in question who are assisting the subcommittee."

Mr. Moss said in a separate interview that he felt "no compulsion" to interview all parties in advance of a public hearing. He said that he felt the preparation of the hearing in this case was "quite adequate."

Mr. Moss is known on Capitol Hill as a bright, aggressive legislator who had been eager over the years to move into a position of greater influence and power.

Last January, with the help of an influx of freshmen congressmen on the House Commerce Committee, he ousted Representative Harley O. Staggers (D. W.Va.) as subcommittee chairman after a bitter fight.

For years under Mr. Staggers, who is chairman of the full Commerce Committee, the investigations subcommittee had been dormant. It gained its greatest prominence in recent years in 1971 when Mr. Staggers investigated alleged bias in a CBS television program, "The Selling of the Pentagon," about Defense Department public relations activities.

In his campaign, Mr. Moss charged that Mr. Staggers had failed to exercise the subcommittee's functions overseeing various regulatory agencies and he pledged that he would vigorously investigate such matters as the hiring of oil company executives by the FEA and the implementation of oil price controls.

Mr. Moss's first public hearings as chairman were devoted to the Jacksonville case. After the first two sessions, now more than two weeks ago, no further hearings have been held or scheduled.

As a result of reforms within the Commerce Committee this past January, Mr. Moss as subcommittee chairman will be given considerable power. He has the right to hire his own staff and dispose of an appreciably increased budget, subject only to approval of the other Democrats on the panel. Before this change, all the staff and funds of all subcommittees were kept at the full committee level, under the thumb of Mr. Staggers.

THE INDIANA DUNES: THE NEED FOR A COMPROMISE

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. FITHIAN. Mr. Speaker, on March 20, I introduced a compromise bill for the expansion of the Indiana Dunes National Lakeshore Park.

This compromise addresses itself to the vital interests of both environmentalists and industrialists, and seeks, therefore, to preserve the best natural areas for park expansion while allowing for adequate industrial growth and development. It is a compromise that has no group or agency dancing in the streets. It is not a victory for anyone except for the people of northern Indiana who desire a fair and equitable solution that finally resolves this controversy which has long divided the community.

I am pleased to have received these favorable comments from the local print media. I would like to reprint two editorials, one from the Gary Post-Tribune, March 19, 1975, and another from the LaPorte Herald-Argus, March 31, 1975, as well as a story in the Chesterton Tribune of March 17, 1975. I would like to call these comments to the attention of my colleagues in the House. This information is reprinted as follows:

[From the Gary Post-Tribune, Mar. 19, 1975]

PARK AND INDUSTRY GROWTH

The side-by-side creation of a national park and industrial development around the Port of Indiana, including creation of the port, itself, came into being through a spirit of congressional compromise.

That same spirit seems to us encompassed in the further expansion plans for the Dunes National Lakeshore as advanced by Rep. Floyd Fithian, the new Democratic 2nd District congressman.

Fithian's proposal would add 4,580 acres to the park as compared with a 5,328-acre addition supported by Rep. J. Edward Roush of Huntington.

Fithian, in whose district the park is located—except for additions touching Rep. Ray J. Madden's 1st District and Rep. John Brademas' 3rd—would make certain exceptions asked by three major industrial developers in the area, Bethlehem Steel, Midwest Division of National Steel and Northern Indiana Public Service Co.

That doesn't mean that those concentrating on industrial expansion of the area are thoroughly in accord with the Fithian proposal.

In fact, somewhat sharp criticism of the plan both from the industrialists and from the environmentalists tends, in our view, to indicate the Fithian program is truly a compromise, and since no one will get everything he wanted, none is fully satisfied.

That doesn't mean that the Fithian plan need be accepted as the final blueprint. Nevertheless, it is based on a careful taking of testimony by a man desirous of seeing both sides of the arguments, and it should afford a workable vehicle for developing a final map.

We regard Fithian as sincere in stating:

"I firmly believe that it is possible to have industrial expansion and still expand the park to preserve the best of the natural areas."

Let's take it from there.

[From the LaPorte Herald-Argus, Mar. 31, 1975]

FITHIAN PLAN ACCEPTABLE

A compromise expansion plan is welcomed for the Dunes National Lakeshore as proposed by Second District Congressman Floyd Fithian.

It was by compromise that the national park was created side-by-side with industrial development along the lakeshore in Porter County. Both recreational park area and industrial installations surround the Port of Indiana, which also came into being because of congressional and state legislative agreements to carry out all projects that had been planned in the area for many years.

Congressman Fithian arrived on the scene as a freshman U.S. representative after a long and drawn out struggle between conservationists and promoters of economic growth. In the aftermath, since he took office, he has held a series of public hearings, listening to both sides and researching details involved in developing industry, a port and a national park in the same vicinity.

Nothing that now exists can very well be removed. Fithian, in proposing to add approximately 4,500 acres to the national park, leaned toward protecting the open spaces as a first priority in his compromise proposal. He includes the town of Beverly Shores in the expanded area, which squares with what the majority of affected residents in Beverly Shores have advocated during numerous past hearings.

The Fithian plan falls short of the 5,300-acre addition proposed in the Roush Bill now before Congress—introduced by Indiana Rep. Edward Roush, from Huntington, a longtime supporter of preserving the lakeshore and vicinity for park and recreational purposes.

Fithian deletes from the federal park area several sectors in the immediate vicinity of existing steel mills and close to the Northern Indiana Public Service Co. property because of the necessity, as he sees it, for "green belt" areas between park and private property.

That part of the plan appears particularly consistent with the spirit of compromise that has characterized so much of park-industrial development in the area.

The Fithian proposal does not have to be accepted as such, but it opens the way to accord that is badly needed to resolve the controversy in the best interests of all concerned.

We believe it urgent that the Congress accept Fithian's proposal as a basic blueprint for drawing up a final settlement.

[From the Chesterton Tribune, Mar. 17, 1975]

FITHIAN PLAN APPEARS TO BE TRUE COMPROMISE

Congressman Floyd Fithian, D-2nd, appears to have a true park-industry compromise bill with his national lakeshore expansion bill proposed for introduction this week.

The test. Neither side (supporters of the national park or proponents of industry) stood up and cheered Friday afternoon when the congressman from this district unveiled his plans at a press conference in the city council chambers of Valparaiso city hall, nor did they shout protest.

Ed Frank of Bethlehem Steel said he was not enthusiastic but the company would need time to analyze Fithian's proposal before making a comment.

John Hillenbrand, chairman of the Indiana Natural Resources Commission, said he felt the Fithian proposal still "boxed in industry" and that is what the state wanted to avoid.

John Schnurlein, member of the lakeshore

advisory commission, said the Fithian proposal further clouded the issue.

"It's a whole new can of worms," he said, "and is more confusing than before. It creates more islands."

When asked what the reaction had been to his proposal from Midwest Steel, Bethlehem Steel, NIPSCO, and Gov. Otis Bowen, Fithian said that he had not discussed the actual bill he introduced with any of them. A snowfall in Indianapolis prevented the Governor and him from meeting.

Fithian updated his press conference to announce the proposal from 8:30 a.m. today to Friday afternoon, because he wanted to be in Washington to help Congressman Udall pass a conservation bill today, and consequently was not as prepared as he would have been.

He expressed surprise over Ed Roush, D-Huntington, introducing the same bill that Roush introduced last session. Fithian said he talked for two hours with Roush explaining to him the reasons for dropping certain areas from the bill, but he said he understood Roush's long time committment to the Dunes National park and to the port-park controversy. Roush was in the battle since the beginning, he said.

But Congressman Fithian said he was not a part of the port-park controversy. He said the issue was no longer whether there should be a park or industry. Steel mills were built and operating and the park was a fact. He said he wanted to see the industries develop and prosper and the park be developed to operate, too.

"My introduction of a bill should not be interpreted as any rancor or bitterness toward the Roush bill," Fithian said, but he believes in time that Roush and the rest of the Indiana congressional delegation will be able to settle upon such a compromise as a proper expansion bill.

Fithian views his bill as a "moderate compromise of this complex situation." And he further considers it a chance to end the turmoil of what is park and what is not park.

He said he hoped it would define the area of the park once and for all and it would provide for the speedy acquiring of property.

He said he wanted to see an end of the unrest or limbo that the park created, and "I won't rest comfortably until this decision is behind us," Congressman Fithian said.

For the LaPorte county areas he took Congressman Brademas' word for it, and for the Lake county areas in the bill he relied on Ray J. Madden, a long time supporter of the national park.

Fithian said that he realized he would not get 100 percent agreement about the park expansion from either side. Some of his decisions he said he did not make until as late as Wednesday and were agonizing to make.

He pointed out that Roush's bill nearly passed Congress last session, and this could account for Roush's dedication to the same bill. He expected further hearings since his bill was different, but not nearly as extensive as before. Fithian pointed out that he walked over much of the area, read testimony, conducted hearings, and his staff and he spent more than 300 hours on the problem (his staff upped the figure to more than 600 or 700 hours), but if other congressmen wish to visit the area, he said, he would be glad to serve as host.

The Fithian proposal calls for adding 4,580 acres to the park, which is 894 less than the Roush bill, and 2,143 more acres than the Gov. Bowen bill. The National Park Service recommended about 1,100 acres.

The Fithian proposal is the same as the Roush proposal in LaPorte county and in Lake county including the lagoons, where it connects areas with a few acres, and the Hoosier prairie.

The Fithian proposal includes Beverly Shores as does the Roush and Bowen proposals. He said there seemed agreement among the residents, 100 percent of the town board, and privately members of the National Park Service want that area in the park.

Although he included the Blue Heron rookery in Pine twp., he excludes the Little Calumet river valley from the rookery to the Penn-Central crossing (east of Waverly rd.), and then includes the Little Calumet river to the Westchester-Portage township line just west of Shadyside. Excluded is the Salt Creek valley and the part from Shadyside to the Burns Ditch. It includes the falls in Burns Harbor.

Fithian says that he excluded all the parts of the river that are already in channels. The eastern arm is in a channel and would "unnecessarily infringe on homeowners and property owners along the Little Calumet river who did not favor this section's inclusion in the Lakeshore."

About the western arm Fithian said that the Roush proposal cuts the Bethlehem property in half and would make its development difficult. Fithian eliminates about half the acreage proposed in that area, and feels that he permits Bethlehem the opportunity to develop its property on both sides of the river. He also suggests that Bethlehem be given a 200 ft. wide easement across the river about 200 ft. west of Ind. 149. His proposal includes a little more of the river valley, and more acres at the west end of Shadyside to provide access to the river there. He provides for two or three more landings along the river.

Fithian said that he did not want to comment one way or another on the NIPSCO nuclear plant, since the matter was in court.

With help from attorneys, Fithian provides for a scenic right of way for NIPSCO greenbelt area. This keeps the land under NIPSCO's ownership, so it can be considered a part of the nuclear plant site, but permits the Secretary of the Interior to protect the wildlife in the tract.

Fithian said that he talked with AEC officials, and if the greenbelt were in the park it would open the door to law suit since the tract would not have enough acreage as a nuclear site.

The Midwest Steel land between Burns Ditch and Ogden Dunes, Fithian considered his tough decision. He cut the area in half keeping the dune areas in the bill, and removing the sludge lagoon and some beach area. The sludge ponds are necessary to a steel mill, he said. He included Lefty's Coho landing and added some more high dune area in the U.S. 12 area.

In Ogden Dunes, he pointed out that the town was divided on the issue with the town board not wanting any land included and the park board favoring inclusion. His proposal divides the parcel on the western side of the town cutting out 24 acres now under development, but adding 60 acres near the beach.

Fithian said that the NIPSCO green belt needed to be controlled by the NPS to prevent pollution of Cowels bog, but Hillenbrand said that independent chemists did not find evidence of pollution in that area.

The Fithian bill also makes some changes in the acquiring of property. It requires the property owner to tell the government within five years whether or not he plans to sell, and it gives the Secretary of the Interior the right of first refusal.

U.S. AID WASTED ON INDIA

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. SIMON. Mr. Speaker, one of the ablest, most conscientious Members of the House is the distinguished Member from Ohio, JOHN M. ASHBROOK. But that does not prevent him from being on the wrong side of things occasionally, and the May 5 CONGRESSIONAL RECORD is unfortunately such an example.

While I do not agree with everything India and her prime minister do, several things ought to be pointed out:

First. Far from being in total collapse, India has made progress since those days of independence. There remain overwhelming problems, but by whatever gage you use, progress has been made in per capita income, in agricultural production per capita, and in other ways. I do not want to suggest that India is anywhere near where she should be; that country has some problems that deserve our concern and sympathy, rather than our hostility.

Second. The biggest cash customer of wheat from the United States this year will be India, according to an article in the New York Times a few days ago. The balance of trade this year between India and the United States will favor the United States by more than $425 million. Aid to India has not paid off? I suggest that it has paid off—and will continue to pay off—in purely economic terms.

Third. What is not mentioned in the comments by our distinguished colleague and the comments of Henry Taylor is that India is the world's largest democracy. It is trying—in a free way—to meet the problems which that nation faces. There are occasional abuses of civil liberties, which I do not defend, but considering the kind of economic problems India confronts, her leadership has done a remarkable job in keeping the lamp of freedom burning there. If we had paid as much attention to India on a per capita basis as we have to some military dictatorships, India would probably be in much better shape today.

Finally, the figures cited by Mr. Taylor are distorted. He suggests that the United States has spent as much on India as we did on Western Europe during the Marshall plan. Let us use his figure of $8 billion as correct in aid to India. Western Europe received $23 billion—and in dollars that would be worth at least twice that amount today.

But even if his assertions were accurate—which it is not—does it not make sense to aid the area of greater need more than the area with less need?

We have given Taiwan almost as much aid through the years as we have India. I am not complaining, because Taiwan has made remarkable strides in building her economy, but the Ashbrook-Taylor statement makes it sound as if we have given a disproportionate amount of assistance to India. That simply is not the fact.

Taylor's assertions make the easy assumption that if we aid Western Europe as much as we aid India, India should be as far advanced as Western Europe. But India has roughly 80 percent illiteracy, and has massive economic problems. The response in these economies of nations like India will not be as rapid, but it will be there—as the wheat sales for 1975 suggest.

I am proud that this Nation has aided

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India. I hope this Nation does more to show in concrete ways that we care about the fate of human beings everywhere, for our fate is ultimately intertwined with theirs.

IMOGENE H. MANNING, M.D.

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. DODD. Mr. Speaker, I rise at this time to pay tribute to and commend Imogene H. Manning, M.D.—Mrs. Carol Tarcauanu—a woman who has dedicated her full time and energy to tending and healing the children of my district.

Dr. Manning has had a private practice in pediatrics in Norwich, Conn., since 1953, in affiliation with W. W. Backus Hospital. And, for as long as she has practiced, Dr. Manning has donated her services as physician to schools and preschool well-child conference clinics in the surrounding Connecticut towns of Bozrah, Franklin, Sprague, and her hometown, Lebanon.

The atmosphere of her office has always been in the tradition of New England neighborliness, an encouragement to all to "come and sit a spell." There is a crib for the use of the busy mother of several small children, toys to entertain the brothers and sisters whose turn will be another day and, of course, books. It is not an uncommon occurrence for a mother to stand impatiently at the doorway while her child finishes a story. How many doctors can claim children go out of their office door crying, because they do not want to leave? Testimonials of the children's love are hung on the office walls, school pictures, family portraits, and budding artistry—the legion of Dr. Manning's "family."

To the children of Lebanon, Dr. Manning is not only a familiar figure during school hours, but after school as well. She tries to attend the various fairs, plays, and concerts of her "children," though often she never gets to see the end, because a call has come that someone needs her. No matter how tired, she will stop to see a homebound patient when she finishes with office hours and is prone to calling the parents again in the evening and before she goes to work the next day. Though the epitome of a lady, she is not above plowing through the mud or skidding over the ice to get to a sick child. In this day of modern medicine she achieves results with salt, boiled water, and Karo sirup as readily as with antibiotics. A plaque hanging in the entrance of the elementary school sums it up:

> In appreciation for your unselfish contribution to Lebanon children . . .

Throughout her 66 years of life her family, religion, and education have been the priorities of this remarkable woman. An active member of the First Congregational Church of Lebanon, she has taught Sunday school, chaired the religious education committee, served on the board of trustees, was a member of the building committee for the fellowship hall and, recently, reorganized and updated the church library. At her own expense, she had a light installed in her pew at the church that connected with the church telephone so she would still be available on the Sunday mornings she was "on call."

For 15 years, she worked as a research assistant, then a chemistry professor to earn the money that would make her goal, to be a pediatrician. A former student of hers claims the exacting standards of Professor Manning have made her chemistry notes useful to four decades of chemistry students in the family. Nieces, nephews, and former patients who discuss college plans or further education with her are apt to get practical as well as philosophical encouragement. Inspired, herself, by the former town physician, Dr. Laura Hill, in 1946 at the age of 38 she was accepted at the Women's Medical School of Philadelphia. After an internship at Baroness Erlanger Hospital in Chattanooga, Tenn., she did her residency in pediatrics at Waterbury Hospital, Connecticut, and later, the Hitchcock Clinic in Hanover, N.H. But, her learning did not stop there. Dr. Manning constantly attends conferences in Europe, Canada, and throughout the United States, learning new methods, updating her practice.

Imogene Hopkins Manning was born December 30, 1908, in South Windham, Conn.; the oldest girl of nine children in a family that dates its heritage in America back to the *Mayflower*. Her wry sense of humor has enhanced many an informal get-together arranged by her to celebrate some family wedding, birth, or special occasion. Over the years, she has kept abreast of family and never forgets to send special remembrances to the more than 115 members of her family ranging from uncles and aunts to grandnieces and grandnephews.

In 1963, Imogene Manning married Carol Tarcauanu, a former vice consul and chancellor of the Romanian diplomatic corps, who has divided his Lebanon years between farming and teaching. Mr. Tarcauanu, who became an American citizen in 1945, has been the Lebanon Democratic town chairman, the first president of the Lebanon Lions Club, and has served on numerous town commissions.

Lebanon residents are particularly appreciative of Dr. Manning's willingness to be available at any time; a confidant for all ages and walks of life, a familiar "friend" to the community. In spite of the demands on her time, Dr. Manning maintains an active interest in all phases of town government. She actively encouraged the establishment of a town-supported public health nursing service, presently serves as president of the Lebanon Historical Society, has been the town health official and school physician.

Over the years at W. W. Backus Hospital, she has served as physician to the school of nursing and secretary to both the medical staff and the pediatric staff. There, statewide, she has served on New London County Medical Association, New England Pediatrics Association, Connecticut State Milk Control Board, and child rights and abuse panel.

In recognition of Dr. Manning's total humanitarian service, the town of Lebanon has declared Sunday, May 25, 1975, as "Dr. Imogene Manning Tarcauanu Day." Family, friends, and townspeople from near and far will gather at a silver tea in her honor to offer testimonials of praise, appreciation, and love.

LITTLE CALUMET RIVER

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. ROSTENKOWSKI. Mr. Speaker, on Monday, May 5, 1975, my colleague and fellow Member of the Illinois delegation, the Honorable MARTIN A. RUSSO, testified before the Subcommittee on Public Works of the House Committee on Appropriations.

The purpose of his testimony was to request that the funds necessary to begin phase I of the Little Calumet River cleanup be included in the Public Works Appropriations Act for fiscal year 1976 and the transition quarter.

I know the Little Calumet River. It runs through the southern suburbs of Metropolitan Chicago and the people in that area have lived with the polluted conditions of the Little Calumet River for years.

The cleanup program for which my colleague seeks to obtain funding is exemplary. At this point, I would like to share Congressman Russo's testimony with the entire membership of this body:

STATEMENT OF THE HONORABLE MARTIN A. RUSSO

Mr. Chairman, please accept my thanks for allowing me and my guests to appear before you this morning. I know the serious time limitation you are operating under and your kindness to us is very much appreciated. It is my pleasure to introduce the Honorable Richard F. Kelly of East Hazelcrest, Illinois and the Honorable Thomas Miller of South Holland, Illinois. These gentlemen are the representatives in the Illinois General Assembly of a large portion of the same community I represent in Congress. They are with us today on behalf of the Little Calumet River Commission. I know that you are as pleased as I, that they were able to join us.

Our reason for coming before you is to request that the funds necessary to begin Phase I of the Little Calumet River clean-up be included in Public Works Appropriations Act for Fiscal Year 1976 and the transition quarter.

The clean-up, as provided for in Public Law 93–251 (Section 66, Subsection A), will entail the removal of fallen trees, roots, waste, and other debris along the twelve mile course of the river within the Third Congressional District of Illinois. The project is to be carried out by the United States Army Corps of Engineers.

The Corps estimates that $290,000 is necessary to satisfactorily complete the project. Today I am introducing legislation to this end in the House of Representatives. It is my hope that this Subcommittee will include this amount as an item in the omnibus Public Works Appropriations bill which will be reported to the House for final action.

There are over 200,000 people who reside in the 16 communities through which the Little Cal River flows. With open lands quickly disappearing and very little space reserved for the pleasure and benefit of the increasing number of our people, it is an urgent matter to save our river.

For several years the residents of the Thornton Township in the southern suburbs of metropolitan Chicago have lived with the polluted condition of the Little Calumet River. At first these same residents through the formation of concerned citizen groups have attempted to remedy the polluted condition of the Little Calumet River by conducting several river clearing projects of their own. In their attempts to clear the river of debris, hundreds of residents have taken part and much debris has been removed from the river, but a massive amount of work still remains to be done. For the successful completion of this project these interested residents are seeking the assistance of their Congressman and in turn the Federal Government.

When we take into consideration the great concern our society places on environmental matters, the initiation of this government sponsored project would go a long way toward restoring a once clean and free flowing river, and it would bolster the confidence of the people in a government that is truly concerned with their environmental well-being.

The benefits of having this river cleared of obstructions and restored to its once free flowing state will be numerous. Besides ending hazards to public health and safety and serious visual pollution problems, the waterway will once again be available for recreational use—in an area where recreational facilities are very much needed. By appropriating the necessary funds the Congress will help take the necessary first step to restore a once vibrant river as the lifeline of south suburban Cook County.

I would like to extend my thanks to you, Mr. Chairman, and the members of the Subcommittee for allowing me the opportunity to appear before you today. Hopefully you will look favorably on my request for funds for the Little Calumet River.

RENEWED COMMITMENT TO OUR ALLIES

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. TRAXLER. Mr. Speaker, in the wake of the fall of South Vietnam, I think it is essential that we let no nation or government misunderstand our pledge to meet our standing commitments to our allies in the remainder of the Far East, Europe, and South America, particularly Israel.

The tragedy in Indochina does not affect our strength as a nation and should not affect our reliability as an ally.

With the morass of Vietnam removed as a reason for devisiveness in our society, I believe the United States will be more likely and better prepared to honor our longstanding ties and treaty commitments.

It is time for us to reassure nations with whom we have longstanding relations that we remain their friends, that we are offering them our continued support, and we are not turning our backs on them.

Our first priority must be renewed efforts for a true and lasting peace in the Middle East.

And I believe it is more important than ever to reaffirm our support for Israel.

We must continue to support Israel both economically and militarily to the extent necessary to maintain a balance of power in the Middle East and to encourage the Arab States to enter into direct negotiations with Israel to settle the Middle East dispute.

I am not in favor of the United States continuing to arm both sides of the conflict at a level that might trigger another war. However, to abruptly cut off or curtail aid to Israel at a time when Arab countries seem to be arming themselves at a record pace would only result in the threat of more war at the expense of a negotiated settlement. We can expect successful negotiations only if both sides enter with equal relative strength and the understanding that there are no other alternatives.

I am opposed, as are United States and Israeli officials, to the use of any American troops in Israel or the Middle East.

The United States must reaffirm our support for the integrity and sovereignty of the State of Israel within recognized and secure borders.

Israel's right to exist and to maintain its position as a democratic state should be recognized as an important factor in the foreign policy of the United States so Israel may be able to continue its peaceful negotiations with the Arab States.

There are those who say that the fall of Vietnam signals an end to the American credibility in foreign policy. There are those who say Americans no longer have the will, or the strength, to stand by their friends. We must not permit those who would test our will to overrun Israel, a small, stalwart nation that has endured much hardship since its beginnings just a few decades ago. We must reaffirm our commitment to the strength and viability of the state of Israel.

This is a moment for all Americans to look back, profit by our mistakes and to look forward and recommit ourselves to making the world safer for ourselves and the rest of humanity.

TRIBUTE TO BILL BONSELL

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. COUGHLIN. Mr. Speaker, I know that I will miss Bill Bonsell, as will all of us who had the honor and pleasure of working with him, on his retirement as minority doorkeeper of the House.

In the more than 6 years since I have known him, I always am impressed by Bill's unflappable qualities, easygoing nature, and his keen insight and knowledge of the inner workings of the House. I think it is a tribute to Bill's character that after 29 years of House service he never has lost these sterling traits that have endeared him to so many of us.

As a freshman, I soon discovered that Bill was a reliable and well-informed House aide who could be depended upon to exert that extra effort to help those of us who were groping our way into a new system and surroundings. I later discovered that this was Bill's way and he never stinted in helping new Members and old friends.

In the broader concept of Federal Government service, Bill Bonsell is the type of public servant who exemplifies the best. I know that too often we only hear of the worst—through the news media or from others in Government. That is another reason why knowing Bill has been a greater experience and delight for me.

To Bill, his wife and their son, I wish only the best for a bright, happy, healthy, and secure future. I hope that he will look back on occasion to his rewarding service in the House of Representatives with the knowledge that we who were associated with him, indeed, were rewarded by his friendship.

REOPEN INVESTIGATION OF PRESIDENT JOHN F. KENNEDY?

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. GAYDOS. Mr. Speaker, should Congress reopen a full-scale investigation of the 1963 assassination of President John F. Kennedy on the possibility that the Warren Commission Report does not tell the entire tragic story?

This question is becoming of increasing importance here in Washington as more and more Americans, their interest heightened by recent TV showings of a technically improved reproduction of the famed Zapruder film of the murder, have expressed doubts that Lee Harvey Oswald was the lone gunman that fatal day in Dallas.

Now Congressman HENRY B. GONZALEZ, of Texas, has provided Congress with a "draft brief" written by students at the University of Virginia calling for another inquiry. He has introduced legislation to this purpose which is awaiting action.

The chief point made by the students concerns the Warren Reports "single bullet" finding—the conclusion that the same shot caused the President's back and neck wound and also the wounds suffered by Gov. John B. Connally as he rode in the jump seat of the Presidential car.

The students contest this assumption with evidence from the Zapruder film which they claim shows the President was hit while Governor Connally was still unharmed, "holding his hat in his yet uninjured right hand in a position higher than when it was struck."

I need not point out that the single bullet theory as to the President's and Governor Connally's wound is essential to the Warren Commission verdict that Oswald acted alone.

If the President and Governor Connally, however, were struck by separate bullets, then the timespan, as shown by the Zapruder film, was not great enough,

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the students contend, to have enabled Oswald to fire twice.

His gun would not work that fast. So another, or others, were shooting, too, and thus there was an assassination plot which, even at this late date, we need to know the truth about. I cannot disregard the possibility of this being so.

I plan, therefore, to support Congressman Gonzalez' resolution in the belief that questions about the Kennedy murder must be answered and not be left to fester down through history, inviting all kinds of speculation. I feel also that Congress should learn all the circumstances surrounding the deaths of Senator Robert F. Kennedy and Dr. Martin Luther King and the attempted assassination of Gov. George Wallace. These cases, too, ought to be stripped of all doubts and be marked closed.

I would welcome the views of my constituents on this matter.

STATE OF MAINE RESOLUTION

HON. DAVID F. EMERY

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. EMERY. Mr. Speaker, I wish to include in the Record for your interest a joint resolution memorializing the U.S. Congress to extend the Voting Rights Act of 1965 for 10 additional years, as passed by the Maine Legislature on April 16, 1975:

Joint Resolution Memorializing the United States Congress To Extend the Voting Rights Act of 1965 for 10 Additional Years

We, your Memorialists, the House of Representatives and the Senate of the State of Maine of the One Hundred and Seventh Legislative Session assembled, most respectfully present and petition the United States Congress, as follows:

Whereas, the 1965 Voting Rights Act is one of the most significant pieces of civil rights legislation ever enacted; and

Whereas, the Voting Rights Act is a complex piece of legislation that was developed in response to the failure of earlier legislation to remedy discrimination in voting, and is designed to enable minority citizens to gain access to the political process and to gain the influence that participation brings; and

Whereas, its passage and enforcement have been responsible for substantial increases in the number of blacks registered, voting and elected to office in the seven southern states covered by the Act; and

Whereas, the Voting Rights Act Amendment of 1970 continues the special coverage provisions which reach into every corner of the United States; and

Whereas, the United States Commission on Civil Rights, in its January, 1975 evaluation of the current status on minority rights in jurisdictions covered under the Voting Rights Act of 1965 as amended in 1970, concluded that there is still hostility and resistance to the free and effective political participation of blacks, native Americans, Puerto Ricans and Mexican-Americans; and

Whereas, a democratic system depends on the full participation of all its citizens; and

Whereas, the Voting Rights Act of 1965 will expire on August 6, 1975 of this year unless it is further extended by Congress; now, therefore, be it

Resolved: That we, your Memorialists, do hereby respectfully urge that Congress, prior to August 6, 1975, extend the Voting Rights Act of 1965 for an additional 10 years; and be it further

Resolved: That a copy of this resolution, duly authenticated by the Secretary of State, be transmitted by the Secretary of State to the President of the Senate and the Speaker of the House of Representatives of the United States Congress and to each Member of the Maine Congressional Delegation.

LIBERTY COUNTY AND THE AMERICAN REVOLUTION

HON. BO GINN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. GINN. Mr. Speaker, the First District of Georgia, which I have the honor of representing, is an area that is rich in the history of the founding of our great Nation. Our past is the foundation of our future, and we treasure the growth of our knowledge of our past.

For that reason, it was a special privilege to have my distinguished colleague, James G. Martin of North Carolina, deliver an outstanding address to the Midway Society in Midway, Ga., on April 27. Representative Martin spoke in the historic Midway Church in Liberty County. Many members of Mr. Martin's family reside today in the Midway and Liberty County area, and so my colleague was doing my constituents and me a great honor in returning to the home of his ancestors to share with us his own expansive knowledge of Georgia and America.

It is my pleasure to share Representative Martin's address with my colleagues, and I include it in the Record at this point:

Liberty County and the American Revolution

(Address by Hon. James G. Martin)

May I first express my deep appreciation to Congressman Ginn for attending this occasion and for the kindness of his introductory remarks. In serving this district in the United States Congress, he continues a distinguished line of representation interwoven with the early history of this Liberty County and of St. John's Parish, as it was designated in colonial times.

It is awesome to attempt a historical narrative in so ancient a place which, built in 1792 (one year after President Washington's visit), predates by a full year the laying by President Washington of the cornerstone of that place where Bo Ginn and I work. It is folly to dare anything memorable in the presence of so distinguished a company of published historians as Aunt Josephine Bacon Martin and my esteemed father Reverend Dr. Arthur Morrison Martin, Sr. (whom I recently introduced to the Congress for the opening prayer as being not one of my constituents, although for almost two score years I have been one of his constituents.) All of this is downright frightening for one whose scholarship was trained in the pits of the chemistry laboratories! Yet I am sustained by the realization, borne of a career in politics, that one's friends are generously inclined to forgive so much. It is humbling to realize that if I achieve historical accuracy it will only suffice to tell many of you what you already know and what a few of you have already written!

Realizing that I would be standing at the very spot where eight years ago my father stood to address this Society amid the "gospeling glooms of the ancient oaks of Midway", and where 21 years ago the late Senator Richard B. Russell, also a direct descendant of colonial Midway, addressed the Bicentennial of the Midway Settlement, humility wrestled against despair—until in my studies I came across the Midway Centennial of the American Revolution, and a most informative address on that occasion by Professor John B. Mallard, who is derivatively represented here today. Listen to the soaring sweep of his opening words:

"When the sun went down on the night of the 18th of April, 1775, England and her American Colonies, exasperated as they were, might still, by a generous regard on the part of the former to the rights of the latter, have remained together in the bonds of union. When the stars vanished on the morning of the 19th, bands of iron could not have held them together."—from which introduction he unfolded the story of the American Revolution and early Liberty County.

Then I determined to speak to you on the American Revolution and the rich historical tapestry woven by our ancestral patriots of Midway and Sunbury, eight miles to the East in St. John's Parish. As with many of you, I have often been just as impressed on the one hand with the quality of the lineal foliage which always adorns such occasions, as on the other hand, I have been mystified by those ancestral roots that stretch back to antiquity (to Roger Bacon, that ancient practitioner of Black Magic, and to Grimbaldus of the Norman Conquest, to King Henry I of France, to several Barons of Runymede, and even to the Lady of Warwickshire—Lady Godiva). Yet I have always indulged the irreverent assurance that even the unrecorded genealogies of the humblest among us stretch undeniably back much further.

There are many colorful events and movements in the history of the Midway Church and Society the retelling of which have thrilled these annual homecomings.

Perhaps the most fascinating and compelling period is that of the American Revolution. We have been celebrating its Bicentennial since December 16, 1973, with the reenactment of the Boston Tea Party and will continue until 1987, then commemorating the adoption of the United States Constitution.

As I began my study, I was soon chagrined (although briefly) to find that one recent standard reference, Coleman's The American Revolution in Georgia, 1763–1789, paid little attention to Midway or Liberty County. With an undaunted confidence that our forebears would not fail us, and with the able assistance of Mr. Stephen Stathis of the staff of the Library of Congress, a bibliography of seventeen publications was soon assembled, unfolding to me a most impressive and "satisfactory" story. It soon became very clear why it was that in 1777 the Georgia legislature changed the name of the Parish of St. John (together with St. Andrew and St. James) to the County of Liberty, thereby forever enshrining the patriotic devotion to freedom of the patriots of Midway and Sunbury. It's quite a story!

The Province of Georgia had shown little zeal for rebellion. This youngest Colony, and the one most favored by Parliament, hesitated to encourage the radical Revolutionists, and in 1774 declined even to send a delegation to the First Continental Congress at Philadelphia.

One relatively moderate, colonial protest in the form of an agreement to limit importation of certain English goods, was rejected by the Georgia Assembly in 1775. This infuriated the Puritan settlers in Midway (by now successful planters), who despaired in finding any way to generate a patriotic resistance on the part of Provincial Georgia.

They boldly attempted to secede from Georgia and ally themselves with their cousins in South Carolina, with whom they shared a common ancestry and political sympathies. Both were intolerant of the Divine Rights of Kings, and (like today's successful merchants) impatient of trade restraints.

Now, the Charleston General Committee had just proclaimed that South Carolina would boycott and embargo all trade and other dealings with Royalist Georgia.

They must have then been quite perplexed on February 23, 1775, to receive the delegation of three Midway Malcontents requesting that South Carolina "not condemn the innocent with the guilty", but allow commerce with St. John's Parish in light of its full support of the Continental Congress. South Carolina judged it impractical to annex the middle coast of Georgia, and could go no farther than to encourage them to continue trying to persuade the entire Province. Surely, South Carolina realized that the entire Georgia buffer would be advantageous in terms of a "domino theory".

Thereafter, the maverick St. John's Parish held a mass meeting here and vowed to cut trade with the offending parts of Georgia! Dr. Lyman Hall of Sudbury was elected to represent the Parish at the Second Continental Congress. He was duly admitted, but without a vote since he did not represent a full Province. Later, when lukewarm Georgia finally got hot and approved a delegation to the Congress in July, 1775, Hall was joined by his good friend Button Gwinnett of nearby St. Catherine's Island. Both, along with Savannah's George Walton, later signed the immortal Declaration of Independence. All three of these stalwarts served as Governor of the State, although Gwinnett only for two months as an appointed Acting Governor. Incidentally it was when his bid for election was thwarted by General Lachlan McIntosh, for whom he held a fatal hatred, that Gwinnett's challenge to mortal combat was accepted by McIntosh. In the ensuing duel both were shot in the leg, on account of which, Gwinnett died soon after and McIntosh departed in disrepute.

Walton was for a while held captive at Sunbury by the British as attested by the historical marker at the site of colonial Sunbury. Two other Sunbury citizens attended the Continental Congress: Richard Howley and Dr. Nathan Brownson, who later was a delegate to the Constitutional Convention. Both were Revolutionary Governors of Georgia as well.

Sir James Wright, in whose pasture the aforementioned duel was staged, was Royal Governor of the Colony of Georgia at the time Hall had set sail in 1775 for Philadelphia and the Continental Congress. Hall took with him 160 barrels of rice and 50 pounds sterling as aid for Boston which had suffered severe trade restraints. Sir James dismissed the Puritan rebels in a letter to Lord Dartmouth as "insignificant fanatics" who had been rejected by South Carolina and probably would be unwelcome in the North even with their rice for the Bostonians—whom Wright ridiculed as "poor distressed, innocent breathern . . . suffering under tyranny and oppression." His judgment was faulty to say the least, and his leadership out of touch. Governor Wright could not once muster a quorum of his Colonial Assembly throughout 1775.

Lyman Hall, one of five physicians to sign the Declaration of Independence, is now portrayed as one of the principal characters in the musical comedy "1776".

Other notable patriots of this Parish were the early settler Colonel John Baker, and two Generals now buried here at Midway: James Screven and Daniel Stewart (ancestor of President Theodore Roosevelt). All three, along with Gwinnett and Hall have been immortalized by Georgia Counties bearing their names. (Another son, Senator Augustus O. Bacon was similarly memorialized, but his career was just prior to the First World War.)

James Maxwell, John Stevens and William Bacon, all early settlers, served as delegates to the more moderate Provincial Congress on July 4, 1775. As an additional irony, St. John's Parish earlier had sent no delegates to the First Provincial Congress in late 1774, because that body lacked the courage to support those "Non-importation" agreements promoted by the Continental Congress.

We should also note the name of Grey Elliott, who accompanied Benjamin Franklin to England with grievances against Parliaments Repressive Acts and against "taxation without representation". Also, Colonel Samuel Spry Law served as First Captain of the Liberty Independent Troop, whose military traditions continued through the Second World War in the South Pacific theater in the form of Battery B of the 101st Anti-Aircraft Battalion, led by none other than then Colonel Joseph Fraser. Two earlier volunteer companies were the St. John's Rangers and the St. John Riflemen. Add to these distinguished Puritans the legendary, swashbuckling exploits of Robert Sallette, a mere soldier of great daring and great strength who literally terrorized the Tories.

Historic Midway was founded in 1752–54 by Reverend John Osgood's Congregational Church, derived from Dorchester, South Carolina, which in turn derived from Dorchester, Masachusetts, in its turn derived from Dorchester, England. Sunbury, a healthier (nonmalarial) settlement, was established out on the salt water bluffs in 1758. There soon developed a shipping trade rivalling that of Savannah just before the Revolution, clearing 56 ships (7 in one day!) in 1772. Sunbury was the site of Fort Morris under Colonel John McIntosh. Laying siege to the Fort, British Colonel Fuser demanded surrender, to which McIntosh replied "Come and take it" (although I suspect that is handed down in a somewhat sanitized form!). In any event, the British came but they couldn't take it.

In retaliation for their rebellious fervor, which finally had led Georgia away from her Tory inclinations, Midway and Sunbury were severely punished in 1778. The church on this spot was burned to the ground by Colonel Prevost, the settlers were scattered, and their crops and homes destroyed. In 1782, survivors returned to re-establish Midway, but Sunbury never recovered its former prominence. What a historic tragedy there! Yet what a beautiful place today.

One further story looms out of that past as a genealogical puzzle, which in closing I leave with you. This involves an identity of some published dispute, together with a tantalizing unpublished hypothesis for which I am indebted to my father. Consider, if you will, the question: Who was John Martin?

About 1800, there arrived from Inverness, Scotland (whence many Highlanders had come to what is now Darien), an Immigrant named John Martin. He married Jane Martin, eldest child of Martin Martin, whose father was also named John Martin. Thus we display John Martin (the Immigrant), whom we will temporarily withhold from further consideration, and his Grandfather-in-law John Martin (the Obscure). This elder John Martin was occasionally recorded in association with both his son Martin Martin and a certain James Martin, who may have been related.

Now, prior to the Revolution, a John Martin was named Naval Officer (a political commission) at Sunbury in 1761. He is believed to be the same John Martin of adjoining St. Phillip's Parish on the North, who had come from Rhode Island with *his* brother James, and who served both in the Provincial Congress and as an officer in the Georgia Continental Battalion. This John Martin later became Governor of Georgia in 1782, then aiding General Nathaniel Greene in forcing the British to evacuate Savannah.

A likely and tempting tradition in the family holds that this John Martin (the Governor) and our lineal John Martin (the Obscure) are one and the same. John the Governor did hold property on the Liberty County side of the Ogeechee River just downstream from property on the Canouchee tributary owned by Martin Martin, son of John the Obscure. The only catch to this connection is that when he died in 1786 Governor John Martin mentioned no children in his Will, which conveyed the estate to his wife Polly, the former Mary Deborah Spencer, whom he married in 1783. This can, however, be rationalized theoretically by postulating that Polly was his *second* wife late in life, and that children by an earlier marriage had already been taken care of by bestowing them with their inheritance just after their mother's death, as was then customary.

To this haunting spell, you will now hear for the first time a fascinating new complexity. In the Scottish Rebellion of 1745, James the VIII of Scotland, Pretender to the Throne of England, sent his son Bonnie Prince Charlie on his famous march to London. His rebel forces were met and driven back to the disastrous Battle of Culloden, near Inverness, and his defeated men had to flee for their lives. Many were captured, and exiled to Cape Fear, North Carolina, pardoned upon an oath never again to take arms against the British Crown. For this reason many could only in good consciency be Tory soldiers during the Revolution.

On a wall in Edinburgh Castle (I am informed on good authority of my father), there hangs today a Proclamation of Fealty to James VIII, signed in 1745 by a few officers from each company in the Duke of Perth's Regiment. You will have guessed by now that this Proclamation (approximately 3′ by 4′ in dimensions) contains the signature, in a loose script, of John Martin. Psychic powers may even have drawn you to the knowledge that right beside his is the signature, in a fairly tight script, of Jamea Martin! Perhaps they were brothers.

A published "List of Persons Concerned in the Rebellion of 1745–46" does not mention James at all. It does record "John Martin, no employment, abode and parish of Perth, and Co., went off a volunteer with Rebels. Last reported 'Lurking'."

May we wonder: had this John Martin, never killed or captured, but "lurking", managed to escape to the New World, perhaps with his brother James? If so, they would not be bound by the loyalty oath of their captured comrades, and would be free to fight in the American Revolution. A young officer in the Rebellion of 1745 might thus have become a mature leader in the Revolution of 1776, having never stopped fighting the British. Of necessity would not he and his brother have sought for a while the safety of relative . . . obscurity?

Was John the Rebel identical with John the Obscure or John the Governor, or both? If so, how did Martin Martin get himself born "about 1745" and where? What prior relation was John the Immigrant from of all places, Inverness? I don't rightly know, but I eagerly look forward to the 1976 Midway Society meeting when the next speaker will be expected to solve the Riddle of John Martin the Obscure.

OIL SHALE: WATER AND AGRICULTURE

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mrs. SCHROEDER. Mr. Speaker, water is a necessity to the oil shale industry. It is needed to run shale processing plants, to revegetate areas from which oil shale has been removed, and to nourish the people working in oil shale production facilities.

The unfortunate drawback to the shale oil industry's water requirements is the scarcity of water in the oil shale region of this Nation. The water to sustain the industry exists, but it appears that to obtain it, it would have to be appropriated on behalf of the industry by the Federal Government from amounts now destined for agricultural uses.

An additional water-related problem which oil shale development would produce is an increase in salinity levels in the region's ground and percolating waters. In order to remove these salts from the water, so that it is once again fit for human consumption and agricultural production, salinity removal plants must be built. Already, with limited water but increased use of water in and around our Nation's oil shale regions, we have a problem in reducing water salinity levels. Last year, for example, Congress had to authorize further salinity treatment plants at the Mexican border to meet our water quality treatment standards on water flowing to that nation.

Both less water and more water salinity affect agricultural production. While this Nation faces an energy problem based in obtainability and price, it also faces a food shortage based in scarcity. The promise of oil shale in helping our energy problem hampers further agricultural development in a region which can grow more food. This is an economic factor of large scale oil shale development which offers no easy resolution.

VIETNAM REFUGEES

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. RHODES. Mr. Speaker, I would like to pass along for my colleagues' consideration a recent editorial comment on KOOL TV and radio in Phoenix, Ariz. Homer Lane, vice president and general manager of the stations, reports on a letter he received from Mary Cordalis, which offers constructive thought about our handling of the Vietnam refugee problem in the United States.

Text of her suggestion is as follows:

> The war in Viet Nam is over, but the problems remain along with some new and very pressing problems that must be solved. We didn't do very well in our effort to save South Viet Nam as a country, separate from the Communist North. Perhaps we can do better in helping to provide a new life for the tens of thousands of Vietnamese that are on their way out of Saigon.
>
> Rather than disperse these people all over the United States, or even the globe, it might be far better to keep those who choose to do so in a group, much as the Cuban refugees stayed together in Dade County, Florida. The Federal Government owns huge tracts of land in every State. A plan might be worked out to provide a tract of land on which the Vietnamese can build a new city. The construction would provide jobs, a culture could be held together and a segment of society built that could help each other, rather than having thousands of small groups depending on the government for survival.
>
> A thought in rough form with many details to be worked out . . . but it could work.

SENIOR CITIZENS AND THE ECONOMY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. DOWNEY. Mr. Speaker, on March 3 I held a day-long public hearing in my district on senior citizens and the economy. I heard testimony from more than two dozen witnesses, including heads of senior citizens organizations, agency directors, and some very outspoken individuals representing themselves. The hearing room was filled with interested older Americans anxious to be heard by their Congressman as well as by the various public officials who were also in attendance.

Ms. Frieda Rosen is the program manager of the Martin J. McNicholas senior citizen program in Amityville, N.Y. She brought to the hearing several individuals who are receiving SSI benefits. They spoke for themselves, relating some disturbing stories about their lives under this program. I think we can better understand the need to change SSI if we know some of the specific problems with it. Accordingly, I include this testimony to be printed in the RECORD so that my colleagues may benefit from it:

Ms. ROSEN. I'm Frieda Rosen from Catholic Charities, and I am Program Manager of the Martin J. McNicholas Senior Citizens Program in Amityville. It's a federally funded program under Title VII of the Older Americans Act.

I'm not going to read any prepared material because some of the recipients of the Title VII Act are here, and they've asked to be heard. So I'm withdrawing from speaking so that you can see the people who are recipients of SSI and who are trying to live under Social Security and are parents of disabled. So, if you don't mind——

Sylvia Allocco, please.

Ms. ALLOCCO. The thing I want to bring out on the opening is that we get the check which just about pays our mortgage or our rent, and it pays the oil bill and the electric, and then there is no money for food or for any—anything we need. And the oil bill went up almost 300 percent.

The CHAIRMAN. How much is left? After you have finished paying for all these things, how much do you have for food?

Ms. ALLOCCO. There is no money after I pay the rent and electric and oil.

The CHAIRMAN. How do you get money for food?

Ms. ALLOCCO. I have to borrow from friends and neighbors and relatives, and it's a real hard position to be in, and I come to the program for lunches, and, if they didn't bring them, then I think I would have died a long time ago. And, the fact that we have to suffer because the things are so hard and there is no money for anything that we really need, we are begging for help, and help us.

The CHAIRMAN. Thank you, ma'am. We intend to, ma'am.

Ms. ROSEN. Charles Amato.

Mr. AMATO. We need the same thing. I need a lot of medical help, and I can't get any medical help. And when I get my Social Security checks, I have to take out money to pay for certain medicine. I have a bad psoriasis, bad polio and three-quarters of my other leg is shot with arthritis and all. Now, you see the way I walk. So I thought that people would help me to walk. Instead, they put you in bed, and I would like to walk yet.

I don't have all this facility of getting a little more money which I need.

When my wife goes shopping, she don't go shopping where everybody else shops. She looks at what they call the day before goods. We won't say stale. She carves it out, and she knows how to make something.

The CHAIRMAN. You don't get Medicaid?

Mr. AMATO. They took it away. I was on this line that said, "Too rich to be poor and too poor to be rich."

I have a car because when I went disabled, I had the car which I could drive. It's under the way I was taught to drive all these years while I was working. So I keep the car yet. That's my only way to get around. Otherwise, I can't get around any other way. If I get a few dollars from my wife, I put gas in my car. It's a good thing I have a good gas man. So he will go a dollar with me.

And I have all these things here. I need Medicaid badly.

The CHAIRMAN. I think in terms of some restrictions, they have been liberalized. So you could get the amount.

Mr. AMATO. That would help me out very much.

Ms. ROSEN. This is Anna Amato.

Mrs. AMATO. This psoriasis is something that the whole world has. He has to pay twenty dollars just to see a doctor. Why can't you go in the drugstore and buy the stuff just the way you are supposed to. Whatever he gets at the end of the month, he needs just to get the medicine. This is something the whole world has.

The CHAIRMAN. I don't know why, ma'am.

It's pretty clear that among the problems we have heard today are some of the arbitrary restrictions between what is poor and what is not poor, and it's true that they have to be changed.

Mrs. AMATO. The idea is to spend ten, twenty dollars and thirty dollars every two weeks.

Ms. ROSEN. This is Sandy Governaoe.

Mrs. GOVERNAOE. Congressman Downey, you must excuse my way of speaking. I'm not used to addressing people.

I have a daughter. She is an epileptic, and she has been mentally disturbed.

I don't speak only for my daughter, but I speak for all of the people in the Holiday Manor in Lindenhurst. Mrs. O'Mara takes care of them. She is the head of the nursing home. She has another place in Laurel Hollow where they need her very badly.

They cut my daughter off on SSI for three months—she was not the only person; all the others in this home—saying that they are not completely disabled. This, I can't understand.

I had quite an argument with them, and they have been giving me the runaround ever since. Why should these people who are disabled be cut off from SSI? After a while, they started dillydallying for about twenty minutes. When they finally looked into it, they made a mistake. How many mistakes can they make with all these disabled people?

I think it's high time they stopped politics and stopped touching the taxpayers' money and utilized this money to help the seniors, the disabled, the widows and those who don't get enough money instead of playing wars with other countries. This is my feeling deeply, and I think it's high time something should be done about it soon.

That's all I have to say.

Ms. ROSEN. This is Carl Engel.

The CHAIRMAN. Let me just add not only do we want to hear your problems today, but we have staff people around who might

be able to help you with individual problems. We would be happy to work with you on particular individual problems.

Ms. ROSEN. We have associate chapters in Catholic Charities.

The CHAIRMAN. Sometimes it helps to have a Congressman intervene with Social Security, and we would be happy to do that if we can.

Ms. ROSEN. The point I think Mrs. Governaoe was trying to make is when these errors are made, what happens to the disabled in that three-month period? Who pays those bills?

The CHAIRMAN. Not only is that a problem but, normally, you hear people who say these people who have these three-month gaps are only three percent of the total population. They never stop to realize that three percent of the people have some very hard times in the interim.

Ms. ROSEN. They are citizens of the country.

The CHAIRMAN Go ahead, sir.

Mr. ENGEL. First of all, I would like to compliment you on the fact that you are interested in the welfare of people like ourselves.

The CHAIRMAN. Thank you.

Mr. ENGEL. Another point I would like to make is that I don't think we are here as beggars. I don't think we have a tin cup out. We simply want some adjustments and recognition of the ills that are being practiced upon defenseless people.

Most of what I had in mind was very beautifully expressed by people before me. So I'm going to cut out a lot of my thoughts, but I would like to ask a couple of questions if I may.

For example, my wife passed away on December 2nd. I got a check for her on December 3rd for ninety-six dollars. I went down to the Social Security office and turned it in and got a receipt for it. This check was for November which was a month prior to her death. I'm still waiting for that money even though I have turned in more checks, and here's another one today for her. This is inefficiency to the extent where money is being tied up and people really need it.

I can tell you this. I get along on Social Security only, and I have a disabled son I take care of, too. I have no pension. I worked for fifty-six years. I'm going to be seventy-two my next birthday.

I can say that you can't get by on that kind of money. Fortunately for me, I was a guy who put a few bucks aside, and I do own property which has certain disadvantages today, too. I have a home, a one-family house, that I live in. If I sell it, I, perhaps, would be worth $35,000 to $40,000. I'm not about to do that. Don't misunderstand me. I simply mean that as time goes on, my life savings are dwindling down to a big nothing to the point where I would be forced to sell the house. Then where do we go, a sick boy and myself, from there?

The amount of money that we have coming in doesn't nearly cover our expenses. I asked a simple question. Why don't they in their projects ever mention senior citizens at all.

For example, our President says that we have to have a gasoline tax. Our Governor says that we have to have a gasoline tax. Senior citizens drive cars.

They have to get diagonally across the Island. There is no transportation besides the car. We can hardly pay the price of a gallon of gas right now. What happens to us if it goes up any further? There is no opportunity for us to get around for our necessities. That is one question.

The other question is, of course, about that money that I keep turning back to them and the ninety-six dollars they owe me. They don't pay me.

The CHAIRMAN. How many months has this been going on?

Mr. ENGEL. Well, the November check, I haven't received yet, and it's taken four hours of time plus the fact that I'm burning gas to get there from Amityville to Babylon.

I'm not saying this as any criticism other than to wonder why a system can't be more efficient. That's all.

The CHAIRMAN. There is no reason why the system can't be more efficient. It's pretty clear that not only is it the money but an emotional factor of receiving your wife's checks after her death.

Mr. ENGEL. They make rules, and then all their rules about increases in sales taxes and so forth never once mention how the senior citizen is going to pay for them. They never make provisions for that at all.

Actually, there are many people much worse off than I am.

The CHAIRMAN. We have been talking about, in one sense or another, the whole question of what it takes to live adequately and what you deserve in terms of your share of federal benefits, and it's pretty clear from what we have heard today that the levels are not adequate. You are not asking for charity. You are only requesting what you deserve to survive.

Mr. ENGEL. I'm a proud person. As an individual, I was a thousand miles from home with a very wealthy uncle within a stone's throw of me, and I slept in a park for three nights and wouldn't holler for help. That's the kind of guy I am.

Ms. ROSEN. I think what they are saying is that some man sits up there with a $30,000 income and decides they can live on $2,000 or $2,400 a year. It's a little bit ludicrous, and they are trying to tell you that.

The CHAIRMAN. It's ludicrous to have someone propose as was recently proposed that the price of food stamps be increased. It's pretty clear that the people who voted for the price to be increased have never been hungry.

Ms. ROSEN. I have a few more people who would like to speak. These are real Americans. They are American Indians.

This is Audrey Fowles.

The CHAIRMAN. Hello, ma'am.

Ms. FOWLES. Mr. Downey, I would just like to say I have lived here all my life. I have never had any taxes cut. I am a very proud woman, too. I have worked to maintain a home, but my husband is in his seventies. I am also, and we have never had the taxes cut. Now, I am wondering why. Now, I joined the senior citizens, and we have a very fine lady who leads us.

Through their medical care, I only learned the other day that I have such high blood pressure. It's because of the high cost of living and the strain that I'm under.

My husband has very bad eyesight. This is bad. I have no way hardly to get around except depending upon people.

Now, why can't I be helped?

Ms. ROSEN. I think we are aware that when you turn sixty, you are eligible for a tax deduction. You have to wait for a period that comes due before you can get it. It could be a year. Your birthday could be one month after the period, and you have to wait a year. That is a long time to wait when you are putting out that kind of money and you don't have it.

The CHAIRMAN. This is one of the areas not of my jurisdiction. It's a state and local thing, but let me assure you that the state and local government really have to provide the property tax reduction, but the federal government can provide more revenue sharing money so that property tax reductions can be made.

I think one of the things we looked at earlier in the hearing was that a great number of people actually did reside in their own homes and were trying to make ends meet, and the biggest burden they have were the escalating property taxes. The loss in tax revenue is very small in comparison to what it does for individuals. I don't think there is any reason why an amendment to the Older Americans Act or Social Security that federal money go back to the state and local governments to provide for property tax reductions for older Americans. I think it's about time that the federal government had a role in that. It's one of the things I have heard loud and clear today.

Ms. ROSEN. Lucy Tyson.

Mrs. TYSON. What I wanted to speak about is I don't feel that our Social Security should become income. If a state like Massachusetts could give it tax free after 1970, I don't see why a big state like New York couldn't do it. That was what I was going to speak about for all senior citizens.

We just can't make it. It's hard.

The CHAIRMAN. I know, ma'am. I think, again, there were a number of proposals that I mentioned before. I would exempt Social Security both from being deducted as income from Supplemental Security Income and also from programs for a reduction of property taxes. I, personally, would support them.

Mrs. TYSON. My husband and I together might go $200 over the allotted amount, and we have to pay full taxes.

The CHAIRMAN. Thank you.

Ms. ROSEN. Rita M. Flaherty.

Ms. FLAHERTY. Ladies and gentlemen, fellow senior citizens, I'm very happy to be here on your behalf.

To start off with, I have a little note from a fellow senior citizen, a woman. I will not divulge her name to embarrass her. Now, she is paying $135 a month rent. Fifty dollars for heat. A detective owns the house. He raised the rent. She hasn't got enough to eat. She feeds the dog and starves herself. She wrote a message here which I'd like to read.

"Last year O.A.A. gave a refund for oil bill. The oil has tripled since that. Then, also, if you don't pay electric bill that has gone up, they will shut it off. The SSI deducts any raise we get from Social Security."

Now, I could speak of myself. I'd been in the same predicament. I'm a widow. I spent twenty-five years in the subway, retired, got Social Security. My son lived with me. He was an ex-Marine, four and a half years in the South Pacific, got a pension for a heart condition.

We had a time—get living. We came out here. I got a house, worked for a florist in Farmingdale because we got free rent. Then I went to work for a funeral director in Bay Shore and got free rent. Seven dollars for every corpse that came in. Free electric. Free telephone.

Then we left there. I bought a house, a bungalow in Lindenhurst. Our income wasn't adequate. My son went to Social Security. They wouldn't give Medicare. They said I was getting eight dollars too much a month.

Fortunately for me, he died. He used to—he wasn't able to work, but he took a civil service job and was a clerk in Agricultural College of Farmingdale. He left me $10,000 in insurance. I paid off the mortgage.

That's why I don't have to eat the dog's food. So I have no problem, but I'm looking—after he had died, I went to get the taxes reduced.

They said to me, "You're not five years."

This year, I wanted to file to have the taxes reduced, but you have to have your birth certificate, which I got from Brooklyn. You have to have certain other conditions, and I found out that because I hadn't filed by June 1st that now I'm paying taxes.

Thank you very much.

Ms. ROSEN. I know you have several other speakers whom you want to hear, and I'll leave now. But I hope that you would listen to these people. These are the people whom you're talking about serving.

The CHAIRMAN. Thank you.

UMI

TOM WICKER ON DEFICITS AND JOBS

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. DOMINICK V. DANIELS. Mr. Speaker, every Member of this House is keenly aware of the economic ills besetting our Nation—the most dramatic symptom of which is a disturbingly high rate of unemployment.

Yet, at the same time, many Members are becoming increasingly concerned about the size of our national budget deficit, and they have expressed reservations about expending too much money to put unemployed Americans back to work. Many philosophical debates have ensued in these Halls about the level of unemployment that should be deemed "acceptable" in terms of public policy. Quite frankly, I believe that unemployment, in general, is unacceptable. Unemployment is more than a manifestation of a downturn in our national economy. It is a social and political problem, as well as an economic problem. It is a problem that we ignore or evade only at our own peril. Cities with unusually high rates of unemployment are becoming caldrons of discontent which can boil over at any time. Unemployment is the crucible of social unrest; it begets frustration, violence, and crime. It drains our national vigor, and transfuses our national spirit with a venemous blend of cynicism, distrust, and fear. Any Member who doubts the validity of that statement need only look at the national phenomenon we are now witnessing—an angry and beleaguered American public willing to slam the doors of sanctuary in the face of Vietnamese war refugees, because they fear that these Vietnamese will deprive American citizens of badly needed jobs.

Mr. Speaker, it is indeed a sorry day when our unemployment problems can cause such a dramatic reversal in the traditionally generous American character.

What shall be our response? Shall we take comfort in the soothing phrases issuing from the Treasury Department and the White House that "conditions should start to improve soon." Or should we, instead, take a very objective look at some less optimistic predictions which indicate that while recovery may be on the way, it will not be enough to restore full economic vitality, and that high rates of joblessness will persist.

Mr. Speaker, Tom Wicker, the highly respected author and social commentator, has written a very interesting article which appeared in the New York Times of May 6, on the subject of unemployment and budget deficits. I believe my colleagues will be interested to discover that a recent Republican National Committee poll revealed that Americans are more concerned about unemployment—as it affects them personally—than they are about inflation.

Mr. Wicker points out that every increase of 1 percent in unemployment in today's economy results in an increase of $16 billion in the Federal budget deficit—$14 billion in lost tax revenues and $2 billion for unemployment compensation.

It is clear to me that our budgetary problems and our unemployment problems have a mutual solution—more jobs.

Mr. Speaker, there is a timeworn phrase that "sometimes you have to spend money to save money." I believe this is precisely the case in our national unemployment situation. The problem will not be solved by benign neglect or halfhearted attempts. It is a problem that can only be solved with the full and vigorous application of our collective imagination and intellect in the design of an effective manpower policy—including an adequately funded public service jobs program. Public service jobs are not the complete answer to our domestic employment woes; however, they are an important part of the solution.

Mr. Speaker, I commend the article by Tom Wicker to the attention of my colleagues, and I include it at this point in my remarks:

DEFICITS, JOBS AND DEMOCRATS

(By Tom Wicker)

WASHINGTON.—A comprehensive poll taken for the Republican National Committee confirms the finding of other surveys that the American people, remarkably enough, still regard inflation as the No. 1 problem of the nation, with unemployment rated second. Yet, unemployment rose to 8.9 per cent of the work force in April, a post-World War II record, while the rate of inflation has been declining in recent months.

In another part of the Republican poll, however, respondents were asked which issue was most important for them personally, rather than for the country generally. Six out of ten said unemployment was more important to them personally than inflation—which suggests that it would be a political error of the first magnitude for either party to worry too much about inflation at the expense of putting people back to work.

That is just what some Congressional Democrats—for example, the able Representative Ab Mikva of Illinois, a member of the Ways and Means Committee—fear their party may be doing. Mr. Mikva thinks a $3.6-billion program to create 450,000 public service jobs, for instance, is much too limited at a time when 8 million persons are out of work and another half-million are so discouraged they've stopped looking for jobs.

The new House Budget Committee, moreover, has assumed a target of reducing unemployment only to 7.4 per cent by the end of calendar 1976—a goal so conservative that many Democrats regard it as unacceptable. The Senate Budget Committee's unemployment target is even more conservative—8 per cent by the end of July 1976.

Mr. Mikva believes that the Democrats' relative reluctance to provide for more public service jobs is due in part to over-confidence that the big tax reduction bill already passed provides sufficient stimulus to economic recovery. But another major reason, in his opinion, is an active fear of increasing the huge deficits already in prospect, and being blamed for those deficits by President Ford.

The House Budget Committee proposes a deficit of $73.2 billion for fiscal 1976; the Senate committee proposal would produce a deficit of $69.6 billion. Mr. Ford's budget calculated that there would be a $60-billion deficit, and he has left no doubt that he would attack as inflationary any deficit out of the general $60- to $70-billion range.

In fact, however, the $73-billion deficit projected by the House would represent 4.4 per cent of a gross national product estimated at $1.7 trillion. The Democratic Study Group has pointed out that the $12.8-billion deficit for fiscal year 1959, during the last big recession, was about 4 per cent of that year's G.N.P. Since the unemployment situation now is worse than it was then, a deficit beyond the $60–70-billion range would not necessarily be out of line.

Both George Meany of the A.F.L.–C.I.O. and Representative Brock Adams of Washington, chairman of the Budget Committee, contend that the primary cause of the deficit is going to be the recession itself, rather than excessive spending by Congress. That is, every increase of 1 per cent in unemployment in today's economy results in a $16-billion increase in the Federal budget deficit.

That $16 billion is accounted for by $14 billion in lost tax revenues and $2 billion in increased spending for unemployment compensation. Mr. Adams therefore calculated that if unemployment should somehow be reduced to 4.2 per cent in fiscal 1976, the Ford budget would be in balance and the House and Senate budget proposals not far out.

No amount of job-creating programs, of course, could produce a result so spectacular, but these figures do suggest that, as Mr. Meany told a House subcommittee, "The problem is not the budget and the budget deficit. The problem is the jobs."

Aside from these economic calculations, there may be a good political reason for the Democrats to open up the purse and the deficit in an effort to put more people back to work. Mr. Ford intends to capitalize upon any improvement in the unemployment rate in 1976 to claim that under his Administration the recession has bottomed out and things are looking up. And while the Democrats will counter that, if so, it was their tax cut that was responsible, a President in office usually gets much public credit for improving economic times.

On the other hand, what will the Democrats be able to claim? For the party of Franklin Roosevelt to go into an election campaign boasting an unemployment target of over 7 per cent is not much of a platform, tax cut or no tax cut. But if the Democrats openly accept Mr. Ford's challenge on the budgetary issue, with the stated purpose of putting people back to work more quickly than he or they now contemplate, they will have a traditional Democratic platform and can make the solid economic claim that they are attacking the major cause of the deficit—unemployment.

TRIBUTE TO JOZSEF CARDINAL MINDSZENTY

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. NOWAK. Mr. Speaker, freedom-loving persons in the world today mourn the passing of Jozsef Cardinal Mindszenty, the former primate of the Hungarian Catholic Church, whose dedication to principle brought him suffering, bondage and eventual exile from his homeland. His reputation and his inspiration have extended far beyond the borders of Hungary; for the sacrifices he endured and the ideals he symbolized made him a truly living legend.

Almost 1 year ago, Cardinal Mindszenty visited the western New York area, including parishes in the cities of Buffalo and Lackawanna, where he received a warm reception. Visiting the campus of Niagara University, the cardinal was told by its president, Father Slattery:

> This is Niagara's finest hour because we welcome a Prince of the Church, a hero of our times and a man who has spoken out against the enemies of the Church. By your heroic suffering, you have truly enobled all of humanity.

In a world plagued by materialism, Cardinal Mindszenty stood as a sterling example of what one man, especially a spiritually-motivated one, can do. As we offer this tribute to one of the 20th century's genuine heroes, it is with the conviction that his example will continue to serve as an inspiration to all liberty-loving peoples.

CHIEF DAVIS SPEAKS ON GUN CONTROL

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. ASHBROOK. Mr. Speaker, one of the outstanding chiefs of police in this country is Edward M. Davis of Los Angeles. On a number of occasions, I have had the opportunity to bring to the attention of this body his thoughtful comments.

Last month, Chief Davis spoke on the important issue of gun control. His remarks are worthy of close study because of his intimate understanding of crime, the criminal and the problems of law enforcement. Chief Davis is one of those who believes that adequate enforcement of our laws is the goal Americans should seek rather than removing the right to own a weapon from the law-abiding citizen.

I include his remarks at this point in the RECORD:

A PRESENTATION BY EDWARD M. DAVIS ON APRIL 22, 1975, IN SAN DIEGO

Let me preface my remarks by saying that if you came here to hear Ed Davis speak about gun control, you may be extremely disappointed. My comments will be directed toward two rather basic and endearing concepts—liberty and freedom and the tyrants who would trample them.

Today, we stand at the threshold of celebrating the two hundredth anniversary of this government. If that celebration is to be made complete, it should continue until 1991. For the birth and foundation of this government involved more than the development of a Declaration of Independence. Our government was sired in a revolution which began on April 19, 1775, when a British expedition marched on Concord in an effort to seize colonial arms. So you see that gun control way back then started the American Revolution. The maturation and growth of this nation was nurtured in debate beginning with the Revolutionary War and continuing even today. You have heard the voices of those who desire to limit your rights and instill government control over your life. That concept has been the subject of debate since there was government. One of the very basic liberties that seems to raise serious conflict with some critics is the Second Amendment to the Bill of Rights.

Let's digress for a moment and briefly trace the development of our Bill or Rights. During the Constitutional Convention between 1787–89, our founding fathers sought to modify the Articles of Confederation. The convention was composed of two camps of political thinkers. One group, in favor of a strong centralized government, became known as the Federalists. The other group, desirous of state's rights and a loosely knit central government, became known as the Antifederalists.

About mid-way through the convention, a representative from the state of Virginia—a truly outstanding patriot—George Mason, recognized that the Constitution was deficient in providing for the rights of the people. He expressed a desire to preface the Constitution with a Bill of Rights. He said, "It would give great quiet to the people; and, with the aid of state declarations, a Bill might be prepared in a few hours." This was later developed as a motion and it was soundly defeated. As the convention progressed, Mason and others expressed serious concern and reflection over the power this new central government might exert on the states and on the people. In fact, it was through the urging of such men as Mason that the Fifth Article, providing for amendments to the Constitution, was finally adopted. Governor Randolph, of Virginia, George Mason of Virginia and Elbridge Gerry of Massachusetts refused to sign the Constitution because of its serious deficiencies in freedom. They feared that the Constitution's deficiencies in personal liberty would soon lead this nation to monarchy or tyranny.

This great concern for liberty coupled with a desire for a Bill of Rights was nothing new to these men. Each state had its own Constitution and a majority of the states had their own Bill of Rights.

The first Bill of Rights, after considering the Magna Carta, was probably the English Bill of Rights of 1689. It was codified after the English Revolution of 1688, and after James II fled his kingdom. Among the many provisions of this Bill was the right of the people to keep and bear arms that's back in the British Bill of Rights. Now, with the development of Colonial Charters and Laws in this country, many of these liberties became a part of our law. These liberties were further defined and included in many revolutionary declarations and constitutions. The seventeenth Amendment to the Massachusetts Declaration of Rights, for example, includes a right to keep and bear arms. So, when George Mason asked the Constitutional Convention to consider a Bill of Rights, his request was made as a result of long-standing practice for the insurance of freedom. He was the author of Virginia's Declaration of Rights and he had a profound love for these basic liberties.

However, as I said, his motion was defeated unanimously. The Federalists, like Hamilton, could not see a need for a Bill of Rights. When the work of the convention has concluded and the representatives left for their home states for the purpose of seeking ratification of this document, the fate of the Constitution was in serious jeopardy. Many of the delegates, like Hamilton, Washington, Jefferson, and Madison voiced concern for the ability of the Constitution to extricate itself from the deep divisions of the Convention.

The first state to ratify the Constitution was Delaware. The vote was unanimous. However, in the second state, Pennsylvania, Robert Whitehill successfully argued for a bill of rights. The next states ratifying the Constitution were New Jersey and Georgia. Their ratification did not include a bill of rights. Massachusetts was next and because of the efforts of Samuel Adams and other Antifederalists, a Bill of Rights was developed by John Hancock, a president of that state's convention. Maryland and New Hampshire also included a Bill of Rights in their ratification of the Constitution. The most crucial state in the ratification contest was Virginia. It was, at that time in our history, the largest and most important state. The debates in Virginia's State Convention are well recorded. The ratification debates lasted a month. The most profound and most glorious oratory delivered for individual rights was delivered by Patrick Henry and supported by such men as George Mason. Mason expressed a fear that the new government's standing army, like the British Regulars, might invade the state and keep the people under martial law. Henry thought that this new government might exercise its "power oppressively" and cautioned about enslaving the people. He asked if the other members were able to recall that France, Spain, Germany, Turkey and other countries were enslaved by their own people. He agreed with Mason's concern about providing the absolute power of the sword as well as the pursue in the hands of this new government. The convention finally adopted 20 provisions for a Bill of Rights. These provisions were later used by Madison in the Congress.

In the first Congress, the issue of a Bill of Rights was a very crucial concern. There was a talk of a Second Constitutional Convention to modify the existing draft of the proposed Constitution; 210 different amendments to the Constitution were proposed by eight states. This was finally refined to 22 amendments, and 14 were included in Madison's recommendations to Congress. However, the great debate on these liberties continued. The 14 amendments submitted by Madison were cut down to 12. Each of those 12 amendments was debated and defined. Finally, ten amendments were adopted.

The purpose of our Bill of Rights was perhaps best summed up in the House: "These are essential and unalienable rights of the people designed to protect them from maladministration."

Let's look at the second provision of the Bill of Rights: "A well regulated militia, being necessary to the security of a free state, the right of the people to keep and bear arms shall not be infringed." When Madison presented that article it read, "The right of the people to keep and bear arms shall not be infringed; (semicolon) a well regulated militia being the best security of a free country; (semicolon) but no person religiously scrupulous of bearing arms shall be compelled to render military service in person." After some debate on the "religiously scrupulous" portion of this provision in both committee and in the full house, the Article came out in final form as we have it today. There was little discussion of this provision in the Senate.

Okay, let's tear this article apart and try to define it. The first part says, "A well regulated militia . . ."—Does that mean an Army? Does this mean a national guard? When you read the debates of these meetings the answer is definitely no. The framers of this provision believed that standing armies were a threat to peace and liberty. Madison, Mason and Henry spoke at great lengths about the problems of a standing army ruling the people or supporting a tyrant. So, what was the militia? Well, according to the framers of the Constitution, and this is supported by dictionaries of that era, it was individual free men, like you and me, who would leave their usual occupations to fight for the town or the state or the government. The officers of the old militia units were often prominent businessmen or statesmen. The soldiers were just workers, like you and me, lovers of liberty. And Patrick Henry, when speaking at the Virginia Convention said, "All people," he was a women's libber way back then. He didn't say able bodied men.

Okay, we are not talking about any army. We are talking about free men willing to fight. The second half of this amendment states, ". . . being necessary to the security of a free state . . ." These amendments were designed to protect the people against the tyranny of central government. They were concerned about their ability to protect themselves, their families, and their friends from invasion both without and within. Is the danger any less today? I think not. Let us not forget the plight of the British during the second World War. They were about to be invaded by the German Army. If the British citizens had been totally unarmed during an invasion, they would have been forced to peacefully submit to Nazi Germany. If this country ever again went to war, could our Army and Navy protect us at home while it is divided upon two continents? Could it protect more than 4,000 miles of coastline? I think not. It would become the responsibility of individual citizens.

Remember, our Navy was almost destroyed at Pearl Harbor and thousands of our regular army troops were lost in a holding action against the Japanese. Remember, the same people who advocate gun control are the same people who advocate cutting the budget for the Department of Defense. It could happen again. On June 20, 1940, a United Press story stated, "The British people, undaunted by Germany's air attacks, grimly asked the government to put arms in their hands so that they might meet their invaders in hand-to-hand combat." That was a reality in England a short time ago. That could be a reality for us at any time in the future. The British were saved by American sportsmen sending weapons over and a benevolent President. We represent about five percent of the world's population and have about 50 percent of the world's wealth. President Ford and Secretary of State Henry Kissinger recently commented on the possibility of our using force against some smaller nations. Obviously, 95 percent of the rest of the world can make the same threat against the United States.

Let's discuss the threat from within. During the early days of settling our Western states, there was a threat from the powerful Indian Nations. In the 1800's, the army was most inept at protecting the frontiersmen from Indian raids. By the time the army heard about an attack and a troop of calvary travelled a distance of 100 miles, the ashes of the ranch house were cold. The settler-victims were in an advanced state of decomposition. That was less than a century ago and things really haven't changed. Instead of fighting Indians, we are fighting modern hoodlums. The hoodlums and criminals are terrorizing our communities. Look at the crime statistics. Crime increased nationally by 17 percent in 1974. This is the largest annual increase in the recorded history of this country. The largest increase was not in the central city, it was in the suburbs—the small towns and rural areas. It went up 17 percent on the average; about 8 percent in the major cities, about 19 percent in the suburbs and up 25 percent in the towns under twenty-five thousand.

I can tell you that today's law enforcement cannot protect you. When you call, do the police immediately appear. I don't think that there is any town that, when you call, the policeman appears like a genie. In order to insure your protection, we would have to hire ten times as many policemen—as they do in many foreign countries. The costs for such an increase would be prohibitive. So, if the law enforcement agencies can't insure your protection and the protection of your family from hoodlums, it becomes your responsibility. When and if we arrive at a point in time where all the criminals are properly processed through the criminal justice system—properly meaning that the criminal no longer presents a threat to the community—and I am able to insure your protection, then you may want to give up your gun. However, I don't see that secure existence ever presenting itself. The crime rate so far this year is even going up at a higher rate than in 1974.

Okay, I've talked about the threat from without and the threat from within, represented by the criminal element, but I failed to mention the terrorists. Groups like the SLA and the Weather Underground could pose a threat to you. If the police and National Guard are busy battling these terrorists, who is going to protect your home and your family? Again, it comes down to the ability of the individual to provide for his own self-protection.

The final part of this Amendment states, ". . . The right of the people to keep and bear arms shall not be infringed." According to Webster's New Collegiate Dictionary, the word infringe means to "defeat, frustrate; violate, or transgress." The final part of the Amendment, therefore, seems to indicate that, "The right of the people to keep and bear arms shall not be" violated or frustrated or defeated. Patrick Henry speaking before the Virginia Convention states, "If you intend to reserve your unalienable rights, you must have the most expressed stipulation; for, if implication be allowed, you are ousted of those rights. If the people do not think it necessary to reserve them, they will be supposed given up." Well we expressly reserve them—we think. That statement tends to sum up the intent of our forefathers in developing this Bill of Rights. So, when they said that this right should not be infringed, they meant that Government could not take this right from the people. Mason and Henry and the other Antifederalists had just rid themselves of one King George and they wanted to retain the ability to rid themselves of a future tyrant.

Mason, Henry, Jefferson and other true patriots had some specific protections in mind when they developed our Bill of Rights. The need for liberties has not become less in our brief 200 year history. The fact that this Amendment was placed second on our Bill or Rights has special significance. Members of the House of Representatives at our First Congress were asked, after debating the amendments, to arrange them in proper order. The Bill of Rights starts with Freedom of Speech, Religion, Press and Assemblance and concludes with an admonition prohibiting the Government from taking any powers not expressly granted by the Constitution. It's interesting to note that the Right to Keep and Bear Arms was placed second after the Right of Free Speech and Religion.

Judicially, the full intent of this Constitutional right has not been tested. In reviewing an old legal text book, I found this definition of the Second Amendment: "This Amendment means no more than that the right of bearing arms for a lawful purpose shall not be infringed by Congress. It is one of the amendments that has no other effect than to restrict the powers of the National Government, leaving the people to look for their protection against any violation by their fellow citizens of the rights it recognizes to the State power of internal police."

The Supreme Court in the United States v. Miller, in 1939, sustained a statute requiring the registration of sawed-off shotguns. The court said, "In the absence of any evidence tending to show that possession or use of a shotgun having a barrel of less than 18 inches in length at this time has some reasonable relationship to the preservation or efficiency of a well regulated militia; we cannot say that the Second Amendment guarantees the right to keep and bear such an instrument. Certainly it is not within judicial notice that this weapon is any part of the ordinary military equipment or that its use could contribute to the common defense." So, the court has defined the right to keep only military type equipment. What these decisions seem to say is that the type of weapon you bear can be regulated by the federal government. Since there is some diseussion in these cases about the military relatedness of the weapon, it appears that both sidearms and rifles are included. It would be difficult for the court to argue against the military relatedness of sidearms. History indicates that ever since the first handgun was manufactured they have served as a part of military hardware, starting with the flint lock pistols of the 16th Century and continuing with the .45 caliber automatic and the .38 caliber revolver which have distinguished themselves in two world wars. Further, I think the court could take "judicial notice" of the .22 caliber's effectiveness to provide for "common defense."

Justice William O. Douglas, writing in the New York Law Review, stated, "A Bill of Rights . . . is a reminder to officials that all power is a heady thing, and that there are limits beyond which it is not safe to go. A few provisions of our Bill of Rights, notably the Third Amendment, and its prohibition against quartering of soldiers in private homes, have no immediate connection to any modern problem. Most of the other guarantees of government are, however, as important today as they were when first adopted. Many of them are even more important." Considering the continued attack by some against our liberties, including the right to keep and bear arms, it seems clear that our Bill of Rights and its provisions are even more important today.

Let's discuss the thinking and reasoning behind those who desire to compromise our liberties. They cite the misuse of guns as a reason for their abolition. They point out that a certain percentage of all robberies, murders and assaults are accomplished with firearms. What they seem to overlook is the fact that we are talking about a very small percentage of people. Would it be fair to sanction 99 plus percent of the people in an effort to control one-tenth of one percent of the population? If such a sanction were imposed on the populace, would it work? Would it be effective? Would it be a viable alternative? Most emphatically no. Tim Sullivan gave New York one of the strictest gun laws in this country and it has done little to help New York. Criminals still use guns in New York. As a matter of fact, New York and several other states with strict gun control laws have distinguished themselves with their high crime rate. Some officials from these states are now asking the government to ride roughshod over the Second Amendment. They want others to share in the unsuccessful efforts of their gun control measures. You see, when a criminal makes up his mind to violate one law, like robbery, the violation of another law is a very small thing. A professional criminal—one who makes a living by violating the law—doesn't give a damn about society's rules. He has his own rules. So, gun laws, like those in New York, restrict the law-abiding citizens and not the criminal.

Alan S. Krug, an economist formerly with Pennsylvania State University, completed a comparison study of jurisdictions with strong gun laws compared to those with lenient laws. He found that firearms are involved in only three percent of all crimes. He found that while the number of guns purchased and owned by citizens has increased significantly during the past decade, the number of deaths resulting from firearms, per hundred thousand population, has remained fairly constant. So, the availability of firearms to the general public is not the cause of abuse. The United States Congress in 1967, involved itself in a study dealing with the hypothesis that strict firearm licensing laws resulted in a lower crime rate. The study found no correlation between firearm regulations and crime. The antagonists of our liberties appear to be utilizing a false and emotional argument as a reason for infringing upon our rights. When that is done by government, it smacks of tyranny. King George the third is alive and well in the United States today.

Now listen to this king or would be king. The United States Senate Judiciary Committee of the 93rd Congress, headed by Senator Sam Ervin of Watergate fame, drafted a "Layman's Guide to Individual Rights

Under the United States Constitution." Under the Second Amendment, the following quote is provided: "The Right to Bear Arms: The Second Amendment provides for the freedom of the citizen to protect himself against both disorder in the community and attack from foreign enemies. This right to bear arms has become much less important in recent decades as well-trained military and police forces have been developed to protect the citizen." I'm just departing from the quotes now, but I wonder where in the hell they got that information. I don't know anything about it. "No longer does he need to place reliance on having his own weapons available." And so I say no thank you King Sam. This Senate Committee believes that your right is not as important as it once was. I disagree. I believe that this right is just as important today as it was when it was developed. It is an inalienable right of the people promulgated for posterity by our forefathers. It will not be infringed.

Now listen to this would be King. The new Attorney General of the United States, Edward Levi, in a meeting just a few weeks ago came out with a proposition that would impose Federal gun control on certain cities, at certain times, under certain conditions. To me, its incredible that this brilliant legal scholar has not heard of the Second and Fifth and Fourteenth Amendments to the United States Constitution. No thanks to you King Ed.

The answer to gun abuse lies not in abolishing the right of the majority, but in protecting that majority against a few. This end should be achieved by the criminal justice ssytem working with existing law. The proper administration of penalties against those who abuse this right will act as a proper deterrent. I have statistics on the workings of this Criminal Justice System which indicate that the criminal is more often rewarded with probation than censured by punishment. Those who would propose an endorsement for the abolition of our right to keep and bear arms must seriously consider this . . . are you listening A.C.L.U.? They must seriously question their future position on the relinquishment or renunciation of other Constitutional guarantees. For to surrender and abandon one liberty might well lead to the surrender of others. When man forsakes his liberties, he becomes a slave.

And now there's the House of Lords who would impose something. Listen to what this House of Lords has to say. The United States Conference of Mayors just a few days ago endorsed a proposition that would take our bullets away. Now this is the theft of our Second Amendment rights by trick and device. A special form of theft covered in the penal code and we say No thank you Lord Mayors. We will not have that here.

In conclusion, let me say that Mason and Henry and Jefferson probably had these protections in mind when they drafted our Bill of Rights. Certainly, the value of these liberties is no less today than it was at the time of our founding. The abandonment of these guarantees will ultimately lead to the destruction of this great nation. I am but a servant of the people and a lover of liberty and I cannot let that happen.

And there is an existence in the beginning of the bicentennial, a well coordinated nation-wide effort to strip us of our personal Constitutional rights, to keep and bear arms. Unless we match the efforts of those would-be tyrants, we will lose these rights. We must alert our fellow countrymen and have them stand with us. Perhaps our badge or lapel pin during the bicentennial period could be a serpent floating a circle with a No. 2 inside. This would be similar to the Minuteman flag of the Colony of Virginia where Patrick Henry did his great work for us. That flag said, "Liberty or death—Don't tread on me." And let this bicentennial of ours mark the beginning of a new declaration against tyrants. Let this bicentennial mark an awareness of our now inalienable rights. Let this mark a return to a deep reverence for the law, its principles, and our rights, liberties and obligations.

APPROPRIATING FUNDS FOR RAILROAD EMPLOYMENT

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. HEINZ. Mr. Speaker, the Nation was shocked last week to learn that unemployment during April has risen to 8.9 percent, the highest level in nearly three decades.

Part of the solution should be getting people back to work by providing employment in repairing our Nations deteriorated but absolutely essential railroad rights-of-way.

I am personally delighted that the Executive Committee of the AFL–CIO, at their meeting on Tuesday, May 6, 1975, has taken a strong position endorsing congressional action to do this along the lines of my bill, H.R. 4622, the Railroad Right of Way Improvement Act.

The most immediate step Congress can take today is to set aside money to fund this program. This is an action that can be taken right now as the House and Senate conferees consider and move toward final action on H.R. 4481, the Emergency Employment Appropriation Act of 1975 which was sent to conference on April 28, 1975.

In this connection five members, including myself, of the Interstate and Foreign Commerce Committee, the committee responsible for authorizing such an appropriation in H.R. 4481, have today written to one of the conferees, the Honorable Silvio Conte, in support of actions to reserve in H.R. 4481 funds for the immediate task of railroad rehabilitation through an emergency employment program.

Mr. Speaker, because of the widespread interest in this matter, I include the letter to be printed at this point in the Record:

Congress of the United States,
House of Representatives,
Washington, D.C., May 7, 1975.

Hon. Silvio O. Conte,
Cannon House Office Building,
Washington, D.C.

Dear Silvio: We, the undersigned members of the House Interstate and Foreign Commerce Committee, have introduced H.R. 4622, "The Railroad Right-of-Way Improvement Act", or identical legislation, which has as its goal, in these times of high unemployment, putting people to work improving our nation's badly deteriorated and vital railroad rights-of way.

Most of us have, either in writing or verbally, urged the Chairman of the Transportation Subcommittee, Congressman Rooney, to hold hearings at the earliest possible date. We are pleased to report that Chairman Rooney has assured us of his intentions to do so, and we expect him to announce an exact date very shortly. Based on yesterday's action by the Senate Labor and Public Welfare Committee in reporting similar legislation only five days after hearings were held (on Thursday, May 1, 1975) we would anticipate similarly prompt action on the House side.

We join you in recognizing the importance of initiating any railroad employment program at the earliest possible time this spring, and agree that such a program could put people to work immediately and most effectively right now, as the peak season for railroad maintenance, the fair weather months, is now just beginning. With unemployment now reaching 8.9 percent nationally, certainly there is a need for more good and productive jobs.

Most importantly, we support your effort, in anticipation of the early enactment of authorizing legislation, to include in the appropriations bill now pending in conference, funding that would be made available for the immediate initiation of such program upon passage of appropriate authorizing legislation.

We sincerely believe that money spent to employ persons in rehabilitating our railroad tracks is a superior taxpayer investment to the kind of public employment which too often results in "make-work" programs like raking leaves or sweeping streets, leaves no permanent improvement to benefit our citizens and fails to provide any positive "ripple" effect in employing people in other sectors of our economy.

It is our hope that your efforts in this regard will be successful and we strongly support your initiative.

Sincerely,

H. John Heinz III,
Member of Congress, Member, Interstate and Foreign Commerce Committee.

Samuel L. Devine,
Member of Congress, Ranking Minority Member, Interstate and Foreign Commerce Committee.

Clarence J. Brown,
Member of Congress, Ranking Minority Member, House Commerce Subcommittee on Energy and Power.

Joe Skubitz
Member of Congress, Ranking Minority Member, House Commerce Subcommittee on Transportation.

James F. Hastings,
Member of Congress, Member, House Commerce Subcommittee on Transportation.

P.S.—We are attaching, in the belief it may be of current interest, yesterday's statement by the AFL–CIO Executive Committee in support of legislation like H.R. 4622.

Statement by the AFL–CIO Executive Council on Restoration of Track and Roadbed

Washington, D.C.,
May 6, 1975.

Among the important programs to create jobs in the present depressed economy is the restoration of track and roadbeds. This program would not only create tens of thousands of direct jobs, but would create many more back-up jobs in manufacturing steel rails and railroad equipment.

Bills are pending in both the House and Senate Commerce Committees to authorize this program. We urge both Committees to proceed immediately with this legislation. We also urge the Appropriations Committee to take immediate steps to supply funds for this program.

A RESOLUTION ADOPTED BY HARTFORD COURT OF COMMON COUNCIL

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. MOFFETT. Mr. Speaker, I am pleased to submit a resolution passed by the Hartford Court of Common Council. This resolution is a clear expression of

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opposition to the administration's proposal to allow a mere 5-percent increase in benefits under the supplemental security income program. Congressional efforts to limit Federal spending cannot be allowed to increase the already oppressive burden on the aged, the blind, and the disabled. The resolution follows:

RESOLUTION

Whereas, The Supplemental Security Income Program, administered by the Department of Health, Education and Welfare, provides substantial financial aid to aged, blind, or disabled persons; and

Whereas, President Ford has proposed drastic cutbacks in the 1975–76 fiscal budget for the Department of Health, Education and Welfare, mostly in the form of cutting back funding increases set for the coming year by previous legislation and by cutting coverage of other increases; and

Whereas, According to Senator Abraham A. Ribicoff, President Ford's proposal to cut the benefit rise for the Supplemental Security Income program to 5 per cent would cause a loss of more than $1.76 million to Connecticut's 21,000 aged, blind, or disabled persons; now, therefore, be it

Resolved, That the Hartford Court of Common Council does hereby go on record as strongly opposing any cutbacks in funding to the Supplemental Security Income Program administered by the Department of Health, Education and Welfare; and be it further

Resolved, That the Town Clerk is hereby directed to forward a copy of this resolution to President Ford and the Connecticut Congressional Delegation in Washington, D.C.

FEA ENTITLEMENTS PROGRAM LETS THE RICH GET RICHER

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. PICKLE. Mr. Speaker, without much fanfare, I want the Members to have notice of some facts about petroleum costs in the New England area compared to the rest of the Nation.

First, I want to place in the record a list of five localities having the lowest posted price for gasoline on or about April 22, 1975. The posted price is the price paid for wholesale gasoline. These prices are not retail prices, or prices paid at the gasoline pump.

Following are the five lower posted price, for regular grade gasoline, exclusive of taxes, by city, on or about April 22, to wit:

(1) Providence, R.I. (tie) 39.9 cents. Miami, Fla. (tie) 39.9 cents.
(2) Springfield, Mass. 40.4 cents.
(3) New Haven, Conn. 40.9 cents.
(4) Boston, Mass. 41.4 cents.
(5) Wichita, Kan. 42.0 cents.

Following are the cities posting the five highest prices on or about April 22, to wit:

(1) Omaha, Neb. 47.9 cents.
(2) Louisville, Ken. 46.0 cents.
(3) Chicago, Ill. (tie) 45.9 cents, Minn.-St. Paul, Minn. (tie) 45.9 cents. Montgomery, Ala. (tie) 45.9 cents.
(4) Birmingham, Ala. (tie) 45.7 cents. Phoenix, Ariz. (tie) 45.7 cents.
(5) Boise, Idaho (tie) 45.5 cents. Los Angeles (tie) 45.5 cents.

Next, I want to place in the CONGRESSIONAL RECORD an excerpt of a research paper done by the George Washington University's Energy Policy Research Project. The paper is authored by Messrs. William A. Johnson, Samuel Van Vactor, and Frank R. Wyant. The paper is titled "The Regional Impact of the Entitlements Program," and was released on April 23, 1975.

The following from this paper is very interesting:

Even so, there are definite regional biases in the program. In the first place, retail gasoline prices could, in theory at least, increase for all states except one—Connecticut. There would, in other words, appear to be a slight gasoline "tilt" implicit in the entitlements program. For the nation as a whole, gasoline prices could increase, on average, by about 0.2 cents per gallon. As a result, the entitlements program disadvantages certain sections of the country, such as the Rocky Mountain states, which have a relatively high per capita consumption of gasoline.

One can only speculate why this tilt occurs. In the first place, despite some notable exceptions, the largest refiners tend to be net buyers of entitlements while the smaller refiners tend to be net sellers. The larger refiners also tend to produce higher gasoline fractions than the smaller refiners, primarily because they can afford the more expensive plant and equipment, such as catalytic crackers and alkylation units, which increase gasoline yields. Perhaps most important, during the first three months of the program certain product importers were allowed to sell entitlements. These benefits were restricted to importers of number two and residual fuel oil. The inclusion of these product importers would, very definitely, tilt the entitlements program against gasoline.

There are other noticeable, even if small, regional shifts in the prices of gasoline resulting from the entitlements program. The most disadvantaged part of the country is the South. Alabama is most adversely affected, followed, in order, by Tennessee, Mississippi, and North Carolina. The Mid-West is also adversely affected by the program, while the part of the country that is least disadvantaged is, once again, the Northeast. The Northeast is also the area of the country with the lowest per capita consumption of gasoline.

The total cost of gasoline to all American consumers could, in theory, increase by over $74 million for the first three months of the entitlements program. By far, the bulk of this increase in costs will be borne by states in the "Other Areas." Altogether, the added cost of gasoline for these states would be $68 million, or 92 percent of the total for the Nation.

The results of the second approximation are generally consistent with the results of the first. Those areas of the country with the lowest per capita incomes are being forced to subsidize those areas with the highest per capita incomes. Alabama, Tennessee, and Mississippi, the states that will pay the highest gasoline prices under the entitlements program, are the poorest states of the country. Connecticut, the one state in which gasoline prices should fall, has the highest per capita income of any state of the Union. The entitlements program, in other words, lends credibility to the old adage that the rich get richer and the poor get poorer.

GAINS ON GREEK BASES

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. EDWARDS of California. Mr. Speaker, during the years of junta control in Greece, those of us who supported a return to democracy in Greece were adamant in our concern that excessive emphasis on U.S. military considerations had the effect of lending unwarranted support to the junta.

Now that a freely elected government has been established in Greece, it is encouraging to note the efforts being made by Greek leaders to restrain any ill will over U.S. behavior during the 1974 Cyprus crisis. It is gratifying as well that our negotiators fully appreciate Greek concern about the presence of U.S. homeporting facilities.

I want to bring to the attention of my colleagues the New York Times editorial of May 1, 1975, commenting on the current negotiations between the United States and Greece regarding the future of U.S. military installations:

GAINS ON GREEK BASES

The Government of Greece has now indicated clearly that it will not permit resentment over United States behavior during the Cyprus tragedy of 1974 to destroy the links with this country that are vital for Greek security. Negotiations about the American military presence in Greece have not been concluded; but the communiqué issued after the latest talks suggests the likelihood of a settlement reasonably satisfactory to both countries.

At Greece's request, the United States has agreed to terminate the Navy's homeporting arrangement at Eleusis, west of Athens, and to close the Air Force bases at Hellenikon airport, east of Athens. These agreements may cause inconveniences but they will not basically reduce military capability in the area.

Although the separate American air base will close, some American facilities which "contribute to Greek defense needs" will continue to operate from the Greek Air Force base at Hellenikon. The Navy's homeporting arrangement, which stationed 3,000 American servicemen and their families in the already-jammed Athens-Piraeus area, was bitterly resented by Greek democrats who regarded it as ostentatious backing for the despised military dictatiorship.

When Greece withdrew from NATO commands to protest the failure of the alliance and of the United States to prevent Turkey's massive invasion of Cyprus last August, it also threatened to close all American bases on Greek territory. The communiqué merely says "agreement is expected on the elimination, reduction and consolidation" of the other American facilities. The installations that remain will be put under Greek command.

Most of these actions might well have been taken had there been no Cyprus crisis. The homeporting agreement of 1973 was an aberration from what should have been Washington's policy, in Greece as it had been in Turkey, to cut back those aspects of the American military presence not related to security. The atmosphere of the Greek-American talks thus far provides hope for a conclusion that will ease relations without damaging the security of either country or of the West as a whole.

RESIGNATION IN PROTEST

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. BINGHAM. Mr. Speaker, it would be more than unfortunate if the backwash of our Vietnam disaster pushed out of mind the Watergate issue of personal

integrity in government. "Resignation in Protest," by Edward Weisband and Thomas M. Franck, persuasively argues that questions regarding the personal integrity of high officials should be as fundamental to any discussion of the Vietnam debacle as they are to Watergate. In both cases, a basic cause of disaster was that men in high positions valued being a "team player" above their obligation to tell the truth to the American people. And in both cases the force of personal ambition, finding principle too weak a reason to depart from the thrills of the inner circle, served our Nation badly.

Richard Reeves' review of "Resignation in Protest," carried in last Sunday's New York Times Book Review, raises important questions about truth, ambition, and their relationship to the structure of rewards in the American political system. At this point in history, we in Congress could do worse than to spend some time thinking about these questions.

The text of Mr. Reeves' review follows:

"RESIGNATION IN PROTEST"

(By Edward Weisband, and Thomas M. Franck, reviewed By Richard Reeves)

In 1938, the First Lord of the British Admiralty, A. Duff Cooper, read the terms of the Munich agreement between his Prime Minister, friend and benefactor, Neville Chamberlain, and Adolf Hitler. "I said to myself," Cooper wrote later, "if these are accepted it will be the end of all decency in the conduct of public affairs in the world."

Then Cooper resigned.

"I have given up an office that I loved, work in which I was deeply interested and a staff of which any man might be proud," he said. "I have given up the privilege of serving as lieutenant to a leader whom I still regard with the deepest admiration and affection. I have ruined, perhaps, my political career. But that is a little matter; I have retained something which is to me of great value—I can still walk about the world with my head erect."

Compare Cooper with Robert McNamara, or George Ball, or John Gardner or Nicholas Katzenbach or the respectable men around Richard Nixon. That comparison is the core of "Resignation in Protest." It is the best book I have read about Vietnam and Watergate.

The book is so rich and disturbing that it is hard to decide how to begin discussing it. Three paragraphs, perhaps, demonstrate something of the mix of historical perspective, statistical analysis and tough interpretation that make the work convincing:

"The costs of ethical autonomy, in this society, are prohibitive and the rewards minimal. It is a disturbing but inevitable conclusion of the statistics and case studies that, in America, it is both dangerous and costly for those best placed to speak out—the insiders. One almost has to be a bit mad to resign in protest. Nice, sensible insiders keep quiet.

"Another way of fudging a protest resignation, of copping out of effective public dissent while still seeming to be possessed of heroic ethical autonomy, is to delay going public just long enough for the issue to become—that deadly word!—academic. Washington, today, is as full of lately self-confessed opponents of the Vietnam war as postwar Berlin was of Germans claiming Jewish grandmothers. If all the top State, White House and Pentagon officials whose recently published memoirs place them as squarely in the camp of the doves had indeed been doves, Presidents Kennedy, Johnson and Nixon must have conceived, organized, administered and almost fought the war alone. The chroniclers of former Administrations are particularly adept at walking the tightrope between publishing too early—in which case the Establishment will thereafter exclude them—or too late, in which event their royalties suffer.

"The reluctance to speak out is getting worse. This lamentable fact emerges from a further examination of the 389 'prime' resigners. Among this group, the rate of going public has declined sharply during the past thirty years. The percentage of persons resigning and speaking out was 16 per cent of the officials surveyed in the decade 1910–19, 10.5 per cent between 1920 and 1929, and 21.7 per cent went public 1930–39. In 1950–59 it was 5.1 per cent and in 1960–69, the era of the Vietnam war, only 6.3 per cent."

Despite those statistics, "Resignation in Protest," is not a numbers book. But Edward Weisband and Thomas Franck do use their own surveys rather effectively. They began with a base of 2,000 Federal officials—assistant secretaries and higher, plus senior White House staff members—then narrowed that down to 389 "prime" resigners who left before their terms were completed, in good health and at an age younger than 62. Of those 389, only 34 spoke any words of protest about public policies and only one was ever named to a public position again.

The book, in fact, is about the calculated evolution of an American "system which compels a direct and irrevocable choice between principled autonomy and ambition." Most choose ambition, ignoring Antigone's reply when Creon offered her power and comfort at court if she would not oppose his will: "Tell me: to whom shall I have to lie? Upon whom shall I have to fawn? To whom must I sell myself? Whom do you want me to leave dying, while I turn away my eyes?"

Weisband and Franck, professors at the State University of New York and New York University Law School respectively, build their case from "the constitutional miscalculation" of James Madison, who believed the Presidency would always be less powerful than Congress. They document the scorn that has been heaped on principled resigners beginning with William Jennings Bryan's loud exit as Woodrow Wilson's Secretary of State. Loyalty! Loyalty! Loyalty! Discretion! Discretion! Discretion! thundered The New York Times and almost every other worthy journal and public voice. And, they detail the dissent-suppressing of ethics of business and the law—75 per cent of the Cabinet and White House staff come from those professions—the ethics of "leave our arguments in this room" and the lawyer-client relationship.

The trouble with leaving the argument in the Cabinet Room—where, in fact, there is little stomach for argument when a President is as strong as Lyndon Johnson—is that you are also suppressing information needed for a reasonable public debate. If the American people had known some of what Robert McNamara knew and led him to consider resigning, they very well might have come to much different personal conclusions on Vietnam, and political action would have inevitably followed. The knowledgeable, silent dissenter playing by team rules is as culpable, in the end, as the public liar.

"When I was at Ford," McNamara, a former president of the automobile company, told a friend, "if I didn't like a policy, I used to take it up with the chairman. If he ignored my criticism, I would take it to him again. Then, if that didn't help, and it were something I felt strongly about, I might even go back a third time. But after that, I'd never raise that particular issue again. I'd just tend to my knitting."

The book also touches on an interesting contemporary argument—no one is really responsible. Things are just too big, too complicated, you can't blame anybody. "This, for a time," write Weisband and Franck, "was Richard N. Goodwin's public position after he resigned. In The New Yorker Goodwin tried to disassociate himself from Johnson's Vietnam policy without attacking his former boss—for whom he continued to be a free-lance speechwriter. If Vietnam were to turn into the apocalypse, he wrote, 'there will be no act of madness, no single villain on whom to discharge guilt; just the flow of history.' "

In the end, "Resignation in Protest" advocates the British model, where public resignations are common and effective because cabinet members are also members of Parliament and stay in public life on a bench in the House of Commons. Weisband and Franck argue that the President's Cabinet should be restricted to sitting members of Congress.

That idea is certainly worth talking about, although I, for one, know too many Congressmen to quickly endorse it.

This book itself, I think, is part of the solution—it heaps scorn, richly deserved, on the respectable, team-playing resigners. Elliot Richardson and Jerald ter Horst are part of the solution. If "Resignation in Protest" gets half the audience it deserves, the McNamaras and Gardners and Herbert Porters of the future are going to have to think twice about the quiet resignations and the discreet whisperings that they were really good guys all along.

Jerry ter Horst was not really an insider; he had been President's Ford's press secretary only 30 days when he quit in protest, but he has said some things that I think have made an impression on at least one generation of dutiful public appointees: "I very distinctly recall the moment I took my oath of office, and there was nothing in that oath of office that said I was working for the President of the United States and that I owed him my loyalty to the extent that I would do anything for him. My loyalty was pledged to the United States of America."

TOO MUCH GOVERNMENT BY DECREE

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. CRANE. Mr. Speaker, unfortunately, the American people seem no longer to be in control of their Government.

More and more, elected officials have turned over to nonelected administrators the right to make rules and regulations which have the authority of law. In a sense, Americans are being subjected to a 20th century version of what their ancestors viewed as being sufficient cause for a revolution in the 18th century—taxation without representation.

The rules and regulations promulgated by nonelected officials are also one of the major reasons for the inflated prices we are now forced to pay for a variety of goods and services.

This point is clearly made in a study published in February by the American Enterprise Institute. This study, entitled "Government Mandated Price Increases" is written by Prof. Murray L. Weidenbaum. He lists "29 major pieces of regulatory legislation which imposed nonproductive costs on business during the period 1962–73."

In 1974, for example, new car purchases cost American motorists $3 billion extra for the new devices required by government regulators. In addition, the added weight and complexity of the mandated features have increased the operating costs of vehicles, particularly the fuel costs. The cost of the new catalytic converters that will be required on 1975 automobiles is estimated at $150 per vehicle—and the evidence is mounting that they do not work properly.

In a recent article, John Barron notes:

> The stream of bureaucratic dictates pouring out of Washington has turned into a flood. In 1973, the Federal Register needed 35,591 pages to publish all the new decrees and decisions; last year it required 45,422 pages. Random examination of the Register suggests how far the bureaucracy has thrust itself into the ordinary business of ordinary people. Navel-Orange Regulation 311, for example, prescribes how many oranges may be shipped from California to Arizona counties during a specific one week period. Contractors in Allegheny County, Pennsylvania, are informed their bricklayers must be paid $9.25 an hour, whereas bricklayers in Adams and York counties, in another part of the state, can receive $7.65. Arbitrary Register regulations may nullify a union contract, require a corporation to spend millions on new equipment, or deny a town the right to approve a new shopping center.

Mr. Barron concludes:

> The remedy lies in Congress, which created the problem in the first place. Congress should reappraise each federal agency, with a view to outright abolition of those that have obviously outlived their usefulness. It should withdraw from the others the vast grants of arbitrary power it has bestowed. Congress should define the powers left to bureaucracies in language so clear and explicit that no officials can expand their power beyond Congressional intent.

I wish to share with my colleagues the important article, "Too Much Government By Decree," by John Barron, which appears in the May 1975 issue of Readers Digest, and insert it into the RECORD at this time:

TOO MUCH GOVERNMENT BY DECREE

(By John Barron)

The decree from the Environmental Protection Agency (EPA) fell upon Bostonians like an edict from some ancient king. Beginning March 1, 1975, no one might park on a downtown street between 7 and 10 a.m. Forty percent of all spaces in Boston's parking garages must be kept empty during the same hours. Employers must eliminate one fourth of all employe parking spaces. By making it difficult, if not impossible, for Boston workers to drive to their jobs, the Washington bureaucrats who handed down these sweeping orders hoped to reduce air pollution.

Boston community leaders were appalled. "We cannot eliminate the car until there is a viable alternative," declared Mayor Kevin White. Businessmen predicted serious economic loss and unemployment, as well as personal hardship and traffic chaos. Nevertheless, the EPA all last year stubbornly proclaimed its determination to compel Bostonians to do what it wanted, regardless of the consequences. Repeatedly it warned employers that they were liable to a year's imprisonment and a $25,000 fine if they disobeyed. Threatened with Congressional intervention, the EPA finally, last February, modified its Draconian decrees and granted the city more time to gird for their effects. Grateful for the reprieve, Boston Chamber of Commerce executive William F. Chouinard nonetheless said, "I hate to think what might have happened if we had not fought like hell."

MASS MEDDLING

Even though postponed, the orders arrogantly visited upon Boston are symptomatic of an insidious change which is occurring in governmental processes. Traditionally, Americans have been governed according to laws enacted by elected representatives answerable to voters. Today, Americans increasingly find their lives regulated by decrees emanating from bureaucrats who are, in effect, accountable to no one.

The stream of bureaucratic dictates pouring out of Washington has turned into a flood. In 1973, the *Federal Register* needed 35,591 pages to publish all the new decrees and decisions; last year it required 45,422 pages. Random examination of the *Register* suggests how far the bureaucracy has thrust itself into the ordinary business of ordinary people. Navel-Orange Regulation 311, for instance, prescribes how many oranges may be shipped from California and Arizona counties during a specific one-week period. Contractors in Allegheny County, Pa., are informed that their bricklayers must be paid $9.25 an hour, whereas bricklayers in Adams and York counties, in another part of the state, can receive $7.65. Arbitrary *Register* regulations may nullify a union contract, require a corporation to spend millions on new equipment, or deny a town the right to approve a new shopping center.

Consumer advocate Ralph Nader points out that senseless or incompetent rulings by federal regulatory agencies drive up prices by suppressing competition, stifling innovation and perpetuating inefficiency. A Senate subcommittee estimates that private business spends $18 billion annually on paperwork demanded by federal bureaucrats, while the General Accounting Office calculated that 1973 paperwork cost the government itself $15 billion. But the gravest consequence of all this bureaucratic meddling carries no price tag. It is eloquently summed up by Sen. Sam Ervin (D., N.C.), Congress' leading constitutional authority, who retired this year after presiding over the Senate Watergate investigation. "Government by bureaucratic decree threatens freedom itself," Ervin declares. "The pursuit of no goal justifies the destruction, or even the erosion, of freedom."

Few Americans would dispute that abolishing racial discrimination, promoting industrial and consumer safety, and cleaning up the environment are worthy goals. The trouble is that Congress has created vast new bureaucracies with sweeping powers to pursue such goals as they see fit. All too often, the results are tragic.

BUSINESS BUSTER

Marlin Toy Products, Inc., in Horicon, Wis., used to provide jobs for 85 of the town's 1400 residents. Its most profitable products were two popular toys designed for babies. One was a transparent plastic sphere containing artificial birds and tiny, bright-colored plastic pellets. The other was a similar sphere containing pellets and artificial butterflies. When the spheres rolled, the birds or butterflies fluttered, the pellets rattled and a child enjoyed motion; color and sound.

In November 1972, the Food and Drug Administration (FDA), then responsible for product safety, suddenly informed Marlin that the toys were unsafe, reasoning that, if a sphere broke, a child might be tempted to eat the pellets.

Since Marlin first marketed the toys in 1962, millions of Americans had purchased them. Not one had complained to the company of any harmful results. The toys had already passed three rigorous safety tests—Marlin's, an insurance company's and a department store's. Nevertheless, Marlin agreed promptly to recall all the spheres and remove the pellets. Within a month, the FDA said it was satisfied and promised to remove the toys from the next published list of banned products.

Marlin proceeded to manufacture hundreds of thousands of the toys, hoping to recover, through the 1973 holiday sales, the losses from the 1972 recalls. But in September 1973 the newly formed Consumer Product Safety Commission (CPSC) issued a "Special Holiday List" of dangerous toys whose sale was prohibited—including the toys Marlin had redesigned months before to FDA satisfaction.

Not until early December did frantic company and Wisconsin officials succeed in getting CPSC to acknowledge that it had made an "editorial error." It was too late. Stores all over the country had canceled toy orders, and Marlin had lost at least $1.2 million. Today the company is on the verge of collapse.

"ARBITRARY . . . CAPRICIOUS"

Congress in 1970 created the Occupational Safety and Health Administration (OSHA), endowing it with authority to dictate work rules to virtually every segment of American business, from the corporate giants of Detroit to mom-and-pop shops at rural crossroads. OSHA inspectors can walk into any business unannounced, search the premises without a warrant and levy fines without a hearing or trial. Industry and labor alike recognize that there are industrial hazards which require intelligent remedies, but too often OSHA simply makes a nitpicking nuisance of itself. Consider:

In Newport Beach, Calif., an OSHA inspector visited Blackie's Boatyard, where owner Arsene "Blackie" Gadarian and six workers repair small craft. Pointing to a man without a life jacket who was working in a boat tied to the pier, the inspector asked, "What would happen if he fell in the water?"

"He would stand up," Gadarian replied. "The water's only three feet deep all along the pier." Still, the inspector thought there should be a ladder at the pier's end. Gadarian said he would nail up a ladder.

Three weeks later, OSHA formally notified Gadarian that he had violated its ladder regulation—Section 1501.84(c)(4)—and was liable to a fine of as much as $1000. When Gadarian asked to see the rule, OSHA sent him a 248-page document a month later. Nowhere could Gadarian discover any reference to ladders. Asked for clarification, OSHA sent a 48-page supplement saying only that a ladder must be installed in the vicinity of a dock where boats are repaired.

Because Gadarian already had four ladders near his pier, he decided to appeal the fine. OSHA set the fine at only $15, but Gadarian refused to pay.

A battery of government lawyers assembled to argue the OSHA case before a specially appointed federal hearing examiner and a flock of other federal officials. Gadarian, helped by his wife, acted as his own lawyer. The proceedings lasted four hours before Gadarian's innocence was certified. Gadarian's wife would not let him buy a transcript of the proceedings. It cost $500.

OSHA can be just as foolishly autocratic in dealing with big matters as with little. At a cost of $100,000 annually, the Continental Can Corp. effectively safeguards its employes from noise by providing comfortable ear protectors and insisting that they be worn. OSHA itself admits that the protectors reduce the noise level well below federal standards. Nevertheless, OSHA demanded two years ago that Continental Can "engineer" noise abatement by building sound shields around thousands of machines at a cost of $33.5 million—contending that some workers might be too "ignorant or obstinate" to wear the ear protectors. Continental contested the OSHA decree.

After reviewing 1000 pages of testimony, Judge Robert N. Burchmore last October issued what added up to a searing indictment of both the judgment and the competence of

OSHA. A government "expert" had claimed that sound shields could be designed and installed in two months. The court ruled that after seven more years of research it *might* be feasible to install them. OSHA had had to admit that it had found not a single employe who was not wearing the ear protectors. Judge Burchmore dismissed the OSHA ruling, calling it "arbitrary to the point of capriciousness."

PASSION AND THE POLICE

The Equal Employment Opportunities Commission (EEOC) was created to insure that employers should not discriminate against minorities in hiring and promotions. But the EEOC now ranges far beyond this stated mission; its flagrant excesses have provoked outspoken criticism from even longtime champions of minority causes.

Late last year, for example, the EEOC issued an astonishing set of decrees against the police department of Houston, Texas. By EEOC's own admission, this department has had, in recent years, a commendable record of employing minority personnel, who presently compose about 40 percent of the force. But the Houston police require that applicants have a high-school diploma, and they refuse to hire convicted criminals, people dishonorably discharged from the armed services, and those with a history of defaulting on debts.

The EEOC asserted that the ratio of individuals convicted of crimes, dishonorably discharged from the military, or marked as bad credit risks, is higher among blacks and other minorities than among whites. Therefore, ruled the agency, the Houston police department is guilty of racial discrimination and must cease investigating the backgrounds of prospective officers. It threatened legal action unless the Houston police opened their ranks to convicts, those with dishonorable discharges from the armed services, those who had not completed high school.

"If we do not even have the right to ask a man if he has been convicted, we could turn over the department to a bunch of criminals, the very element we're supposed to fight!" exploded Chief Carrol Lynn. "Hire a convicted kidnaper, burglar, rapist, murderer as a policeman? My God!" Houston's leading black newspaper, *Forward Times*, published a full-page editorial ridiculing EEOC and defending the police. To all protests, the EEOC has so far responded with bureaucratic contempt for common sense.

Meanwhile, EEOC's real business often goes unattended. It has a backlog of 100,000 cases, and now takes an average of 28 months to process a complaint. In their passion to pursue their mandate, EEOC investigators frequently fail to get facts straight. As a result, the EEOC general counsel has to return to the field as "unsuitable for litigation" between 80 and 90 percent of the cases submitted to his office. Yet this is the bureaucracy that has the power to impose racial and sexual quotas at all levels of business, and to drag any employer into a costly lawsuit at will.

THE SINGLE MOST POWERFUL

But the Congressional creation that threatens to grow into the most fearsome bureaucratic monster of all is the Environmental Protection Agency. Under a pervasive umbrella of power conferred by the National Environmental Policy Act, the Clean Air Amendments, the Water Pollution Control Act and the Noise Control Act, EPA has claimed for itself authority unprecedented in American peacetime history. Indeed, Prof. Irving Kristol of New York University recently wrote: "If the EPA's conception of its mission is permitted to stand, it will be the single most powerful branch of government, having far greater direct control over our individual lives than Congress or the Executive or state and local government." Professor Kristol does not exaggerate. Consider:

EPA asserts the right to veto construction of virtually anything that might generate a substantial volume of traffic. Thus, unless Congress intercedes, as of January 1, 1976, local communities may not permit development of a major shopping center, hotel, stadium or factory without approval from Washington.

In Gary, Ind., the U.S. Steel Corp. tried to meet EPA requirements by building two new installations of non-polluting furnaces. But initially their output was limited by factors beyond the company's control: a power failure that damaged its furnaces, the coal strike and a construction strike. So U.S. Steel last fall asked EPA permission to keep its one remaining open-hearth installation in operation six months more. It was told that the installation could be kept open for three months with a $2300 fine for each day of operation. Instead, the company closed the installation, and hundreds of workers are losing their jobs as a result.

An infestation of deadly tussock moths in 1972 defoliated 174,000 acres of magnificent Washington and Oregon forests. To prevent further ravages, state officials and conservationists pleaded with EPA to allow a carefully controlled spraying of DDT. EPA stubbornly refused even a temporary removal of its ban against DDT. Unchecked, the multiplying moths by the summer of 1973 had afflicted 700,000 acres of timber. Faced with Congressional uproar and a lawsuit, EPA in February 1974 relented and authorized use of DDT. Helicopters sprayed the forest, and the infestation ended. But the devastation inflicted by doctrinaire bureaucrats endures.

ULTIMATE REMEDY

Nearly two centuries ago, the people of Boston started one of history's most important revolutions in the name of freedom. In the years since, millions of Americans have risked their lives to preserve that freedom. It is inconceivable that we will now sit back passively and allow it to be lost to bureaucratic usurpation.

The remedy lies in Congress, which created the problem in the first place. Congress should reappraise each federal agency, with a view to outright abolition of those that have obviously outlived their usefulness. It should withdraw from the others the vast grants of arbitrary power that it has bestowed. And Congress should define the powers left to bureaucracies in language so clear and explicit that no officials can expand their power beyond Congressional intent. Finally, broad national policies required to protect consumers, workers, minorities and the environment should be implemented through specific legislation rather than bureaucratic fiat.

If the people don't like the results, then—in the next election—they can remove the members of Congress responsible. That is why the American system has always provided that power must be exercised by elected representatives instead of by bureaucrats who have earned the vote of no one. If freedom is to survive, power must *remain* in the hands of elected representatives.

NEW COMMITTEE FOR THE AGED

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. DENT. Mr. Speaker, the problems of the aging have recently become a matter of concern for a great number of people, so much so that we recently created a special select committee in the House dealing with the aged.

This is not to say that the problems of the aging have not always been with us, or that they did not elicit concern from people previous to these days. I have always realized the inherent difficulties in growing old, and early in the 1960's initiated hearings to study these problems and to propose improvements important to the well-being of these important members of society. Unfortunately, my jurisdictions were changed after only having a very short period of time to deal with the aging situation.

I would like to take this opportunity to introduce the testimony of a man who has been involved in the aging problem for a number of years at a recent hearing held by the Pennsylvania Advisory Council on Comprehensive Health Planning. Robert Baron, of Glassport, Pa., has long been associated with pensioners activities with the United Steelworkers, and as such affords us a much needed viewpoint into the question of health care for the aging.

The testimony follows:

> I welcome and appreciate this opportunity to outline some views and recommendations at these Public Hearings on Critical Health Issues.
>
> My name is Robert Baron. I have been privileged to work with the Committee on Older and Retired Workers of the United Steelworkers of America. For the past 20 years, I have been active in the field of aging, working with prospective retirees at the local and district level, and as a Regional Board Member of the National Council of Senior Citizens.
>
> Years ago, when life was simpler, it was easier to get health care. There were more doctors to treat ordinary illnesses, although fewer ways to treat the diseases we had.
>
> In the 1930's, there was at least one family doctor for every 700 people. Today, because so many physicians have been specializing, we have one family doctor for every 2,000 people. This means we have a lot less of a chance of finding doctors just for family illness. We may be able to get open heart surgery, yet have to sit outside a doctor's office for hours on end.
>
> Recently, my wife and I took one of our children to the doctor's office for treatment, arriving at 5:30 P.M. and leaving at 11:45 P.M. Emergency room waits at hospitals usually last upwards to 5 hours and more. It is not uncommon to wait 6 to 8 weeks and longer to get a doctor's appointment.
>
> Ten years ago, full hospital care for an average person was $37 per day. Now it is $114, an increase of 200% since 1964. In 1966, the Medicare deductible was $40, now it is $92.
>
> The cost of living has been going up, but not as much as the 145% in hospital and medical costs in the past ten years.
>
> Our whole health insurance program is geared essentially to putting a person in a hospital when he's sick rather than treating the illness in the doctor's office or in the home. We have thousands of physicians who are practicing alone and not making wise use of assistants.
>
> More doctors should be encouraged to go into group practice. This would result in savings that could be passed on to the patient. Hospitals should operate on a 7-day week basis instead of the present 5-day week. This creates numerous inefficiencies and costly delays in getting people in and out of the hospital.
>
> Whose fault is it when a routine test or procedure is performed on Thursday, to find out on Tuesday of the following week the results of the test. Imagine the effect on the patient waiting nervous days and nights for some news on the results.

UMI

Patients want to be treated as a whole person, not as an assembly of separate organs, tissues and bones. Specialization of physicians makes it more difficult for patients to achieve their desire to be treated as a whole person than when the old-style general practitioner treated patients for almost all of their ills.

Most consumers feel lost in medical care maze. The difficulties in obtaining primary care have resulted in too many patients having to make their own diagnosis and referring themselves to a specialist. This should not be. A major medical care problem today is the shortage of primary care physicians. Less than 50 percent of physicians are family practitioners, internist or pediatricians. Yet primary physicians take care of 90% of the medical care problems patients may have.

There are too many specialists and not enough primary care physicans. Access to quality health care should be a right of all citizens, regardless of race, color, creed or income status.

Consumers want comprehensive health care benefits without deductibles and co-insurance. Some 40 national organizations representing labor, including The United Steelworkers and National Council of Senior Citizens, farmers and consumers are convinced that only a National Health Security Bill meets these precepts.

At this point, I would like to list some ideas, suggestions, and questions which I hope will provoke some thought in developing a statewide comprehensive health plan to meet the health needs of Pennsylvania Citizens.

Non-profit group HMO's, such as the Allegheny County Group Health Plan, should be strongly supported and encouraged to expand and given financial assistance.

Consumers should have freedom of choice, including chiropractic services. Patients want to avoid high out-of-pocket costs for uncovered services when illness strikes. More emphasis and expansion of preventive care programs for older people should be considered, such as blood pressure, diabetes, and heart testing at Senior Citizens' centers.

Routine physicals at least every 6 months should be a part of any insurance plan with no extra cost to the consumer.

More medical students should be encouraged to practice in geriatrics.

Nutrition Programs and Meals-on-Wheels Programs should be expanded.

There should be a system of intermediate care facilities in our communities (Neighborhood clinics).

Our system of transportation to get the handicapped to health services needs improved and expanded.

Homemaker and social care services should be developed to help care for chronically ill and the homebound.

A Family Practice Plan being developed by McKeesport Hospital should be considered by other hospitals, and Health Maintenance Organizations.

Too many of our students, including the most brilliant, are barred from medical schools. Medical Service Academies similar to West Point and Annapolis, should be established to produce physicians and others to take care of the Nation's health needs.

A hospital is a public resource and should be treated as such.

There are very few, if any, consumer representatives on area hospital Boards of Trustees. It should be mandatory that some representation come from consumers, labor or senior citizen organizations.

M.D.'s should spend more time with their patients.

There is a lack of communication between patient and doctor. (Attached is an item from the Pittsburgh Post Gazette by Dr. Steinchron on this matter.)

Pharmacies should advertise prices of prescription drugs. M.D.'s should write out prescription plainly, and understandable, so that patients know what they are taking. Avail themselves of the best price.

The doctor should prescribe by Generic name whenever possible.

Public Law 63, Section 490-5, should be amended by the legislature which would lawfully permit a pharmacist to substitute the generic equivalent for a trade name medicine. (Attached is a detailed explanation on this matter.)

To cite an example, *Resperine*, the *generic name* for treatment of high blood pressure, costs the druggist $2.50 per thousand, and are sold to the consumer for $1.29 for 100 pills, 25mgs. strength. However, if prescribed by the *brand name, Serpasil,* the price charged is usually up to $7.50 and higher for 100 pills 25mgs. strength. (Attached is a resolution on this matter recently adopted by the U.S.W. District 15 Pensioners Association and other affiliates of the National Council of Senior Citizens.)

Legislation should be enacted to provide stiff penalties, including fine and jail sentence for deliberate overcharges under Medicare and other insurance plans.

For the benefit of our Senior Citizens, a toll free line should be made available for calls to Blue Cross-Blue Shield.

Better yet, a branch office of Blue Cross-Blue Shield should be located in the Mon-Yough Area.

Kane Hospital has a waiting list of up to 2 months and more. An additional facility similar to Kane should be built in the eastern part of the county.

In closing, I want to thank you for this opportunity. I am hopeful for the future that out of these hearings will come a better system to care for the health needs of the people regardless of race, creed, color, or income status.

If there are any questions, I would be glad to respond.

IN MEMORY OF A GREAT AND COURAGEOUS MAN OF GOD, JOSZEF CARDINAL MINDSZENTY

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. KEMP. Mr. Speaker, it is with great sadness that the world has received word of the death of Cardinal Mindszenty.

Joszef Cardinal Mindszenty was born in the small town of Mindszenty, Hungary, in 1892. He was ordained in 1915 at the age of 23, and changed his name to Mindszenty in 1940. In March of 1944, he was named bishop of Veszprem. That fall he was arrested by the Nazi-controlled Hungarian government.

When victorious allied forces effected his release in 1945, Pope Pius XII appointed him archbishop of Esztergom, which automatically made him prince primate of Hungary. He retained this title until his death, even though Pope Paul VI formally announced his removal as primate of Hungary on February 5, 1974, after Cardinal Mindszenty refused to resign.

On December 26, 1948, Cardinal Mindszenty was arrested again by the Nazi occupiers of Hungary, and sentenced to death after a mock trial. His sentence was commuted to life imprisonment, and he spent almost 8 years in solitary confinement until he was freed by the Hungarian Freedom Fighters in the short-lived war for independence in 1956. He fled to the top-floor apartment in the American Embassy in Budapest, where he lived for 15 years in self-imposed confinement despite repeated tries by the Vatican and the American Government to leave Hungary.

Cardinal Mindszenty steadfastly maintained that, as he served the Hungarian people as prince primate of their church, he would not leave his flock. He vowed to remain in his homeland until he was completely cleared of all charges by the Hungarian government. "Cardinal Mindszenty cannot abdicate," he said repeatedly. He finally agreed to leave his native land under extreme pressure and a communique that indicated that his presence in the American Embassy was becoming an embarrassment to the United States in its efforts toward détente with the Communist government.

Mr. Speaker, Joszef Cardinal Mindszenty was truly one of the giants of our time. In his unceasing efforts to combat the evils of communism and its total annihilation of individual freedom, Cardinal Mindszenty was a beacon of hope for Hungarians and freedom loving people everywhere. In submitting to the tortures of his Communist oppressors without surrendering his duty to his native countrymen, he singlehandedly led the Hungarian people in their drive for independence throughout three decades of occupation.

Mr. Speaker, I rise in tribute today to the memory of a great man who put God and country before his life. May he always be remembered for his heroic self-sacrifice, for his total opposition to tyranny, and for his courageous fight for the preservation of liberty for Hungarians and for all mankind. One of the great honors of my congressional career was receiving from the Cardinal himself, his "Mindszenty medal" as a "fighter for freedom." I pray that we carry on his great work.

THREE MORE DEAD EAGLES LINKED TO POISONING

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. DINGELL. Mr. Speaker, pursuant to permission granted I insert into the CONGRESSIONAL RECORD an article that appeared in the Rocky Mountain News, Colo., on April 23, 1975, regarding the deaths of three eagles.

The article is as follows:

THREE MORE DEAD EAGLES LINKED TO POISONING

(By Jack Olsen, Jr.)

Three more dead eagles have been found along a stretch of the Colorado River southwest of Rifle, bringing to eight the number believed killed by poison-laced baits put out to kill coyotes.

Spokesmen for the U.S. Fish and Wildlife Service and the Colorado Division of Wildlife, which are investigating the deaths, said

Tuesday they feared the toll could soar, as more intensive searches are mounted.

The six bald and two golden eagles—four of which were confirmed to have died of doses of thallium sulfate, a notorious predator poison—were found in hit-and-miss searches by a few persons canoing down the river or walking its banks between Rifle and Grand Valley, about 160 air miles west of Denver.

Four years ago, the nationally publicized search of Jackson Canyon, Wyo., near Casper, began similarly. Seven eagles, poisoned by thallium sulfate, were discovered. Then, when area conservationists and wildlife officers combed the area, they turned up at least 16 more in a three-week period. They also came upon several antelope carcasses impregnated with thallium sulfate.

The six bald eagles found dead along the Colorado River constitute roughly 1 per cent of the bald eagles believed in Colorado at this time of the year.

The state's population of balds is wholly migratory. No active bald eagle nests, called aeries, have been confirmed in Colorado in two decades, according to Colorado raptor biologist Jerry Craig. There is a good chance the recently killed eagles included a mated pair who were refurbishing an old nest in a cottonwood tree on an island in the Colorado River near Rulison.

A wildlife conservation officer, Gene Byrne, said he had watched the pair periodically, but they disappeared recently. He said he would canoe to the island Thursday or Friday to search for possible carcasses.

Marvin Smith, the state's wildlife supervisor in the Glenwood Springs area, said "more than one" ranch was being investigated. Several dead animals believed used as poison baits were spotted in aerial searches of the river area, and some where taken to the federal Wildlife Research Center in Denver for analysis. But no significant amounts of thallium sulfate were found.

The poison has a peculiar status. It has been banned from interstate commerce and from commercial application in Colorado and most other states. Its primary manufacturer, the American Smelting & Refining Co. of Denver, stopped selling it for predator control several years ago.

But ranchers who had stored large quantities of the potent powder can still use it on their own land, according to Dennis Burchett, chief of the pesticides section of the Colorado Department of Agriculture. That doesn't lessen culpability for killing eagles with it, however.

The U.S. Fish and Wildlife Service's top agent in the Utah-Colorado region, James Hogue, has been assigned to the case, and he and the Colorado Division of Wildlife hope to prosecute the person or persons who put out the poison, on private land or not.

The Bald Eagle Protection Act provides a $2,500 reward to persons giving information about eagle killers. Investigating about eagle killers.

"Right now we want whoever put them out to stop it before more eagles are killed," Smith said. He added that there was no telling how many eagles had died already. Most bald eagles who ate the tainted carrion probably returned to the river area to die, he said. "But there's no telling how far away the goldens went before dying."

Eagles range over hundreds of square miles a day.

Nathaniel P. Reed, assistant secretary of the U.S. Interior Department, who is in charge of the nation's wildlife resources, has taken a personal interest in the eagle deaths, and, according to local federal investigators, has asked for a detailed search of the Colorado River area where the carcasses were found.

Smith said that during the past three years "from 12 to 16" other eagles were found, most of them poisoned with thallium, in the same area.

The six bald eagles killed probably were all that inhabited a several-mile stretch of the river. Bald eagles are notorious loners. Colorado has as dense a concentration of them as any of the 48 contiguous states—about one eagle for each 2.4 square miles in certain parts of northwest Colorado.

National Audubon Society activists have charted the number of eagles along the Colorado and other rivers, Smith said, "I got a call last night from a woman who said that six bad eagles were all there were in her entire patrol area from Aspen to Silt (roughly 60 miles)."

BERNARD H. RIDDER, A GIANT OF JOURNALISM, ENRICHED THE PRESS AND DEMOCRACY

HON. JOSEPH E. KARTH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. KARTH. Mr. Speaker, a giant of American journalism has been lost to the Nation's press and our democratic institutions.

Bernard H. Ridder, chairman emeritus of Ridder Publications, Inc., died on May 5 at the age of 92 after a lifetime of major contributions to the strengthening of the free press in our country and its prestige at home and abroad.

The nationwide Ridder organization either owned or had substantial interests in 19 daily newspapers in 10 States at the time of a merger late last year with the Knight Newspapers. The 35 newspaper chain with publications in 17 States has since been known as Knight-Ridder Newspapers, Inc.

I have written to Mr. Ridder's family that—

> American journalism will be the permanent beneficiary of his pioneering work and thought. He has enriched our national life and democratic institutions and thus made our country a better place to live for this generation and generations to come.

William G. Sumner, editor of the St. Paul Dispatch, one of the most distinguished newspapers in the Knight-Ridder group, has written a valedictory to Bernard Ridder that is a moving and memorable tribute. I submit this column for inclusion in the RECORD:

LESSONS FOR THE LIVING IN A MAN'S DEATH

(By William G. Sumner)

Bernard H. Ridder, former publisher of this newspaper and most recently the president emeritus of Ridder Publications, would not I suspect, have wanted any black borders or sackcloth and ashes to attend his passing.

I began to know him a bit when he was retired and just past 80, and never having had to undergo a scalding by him—this in the tradition of the old-time publisher—was able to observe him with some detachment and growing admiration.

He had a sense of humor based on a keen sense of realism and of the absurd, so much so that should there be an attempt to dampen towels and handkerchiefs at this moment one would almost jump at the ringing of the telephone.

One would expect something such as this: "Mr. Sumner, I would rather be in Philadelphia."

So this isn't your instant obituary, but a series of impressions about an interesting man who as much as anyone I have known could offer some clues about active and healthy old age. I don't mind using this last, for I think the term "golden ager" would have been offensive to him.

Not everyone is so blessed with such apparent good health past the age of 90, but then I am inclined to think that it was the zest for things—his latest, but not sole interest, was the writing of poetry—along with his sense of humor and his concern for the state, the Nation and the world that kept his pump going at a great rate.

His favorite mot, when congratulated on being 85, 87, 90, was not an original but it was a statement he liked:

"It is better than the alternative."

I always worked for his son, Bernie (B. H. Ridder Jr.), and "B.H." scrupulously observed his position and mine, which kept me out of the middle of things. But there could be exceptions, and they usually came as questions, probably by telephone.

"Don't you think you are being a little rough on Eugene McCarthy?"

This was in 1968. B. H. was a dedicated "dove" on the subject of Vietnam, and McCarthy was his candidate. To me, McCarthy was a bright but cynical man whose wisdom in foreign policy had come late and whose laziness as a Minnesota Senator was scandalous, which called for an answer such as:

"Perhaps so. I'll read the article again."

That would be all. When he reads something of yours that pleased him, of course, he was delighted and told you so.

I cannot begin to tell you all of his interests, but I get back to my theory of longevity again and feel that it must be the continual pursuit of various interests that makes for a later life free of senility and one of reasonably good health.

There was the garden. There was photography, he was an expert. There was chess and, as I have noted, poetry. On Monday mornings, in the fall, there were the Vikings to be analyzed. Without mercy, at times.

He was an enthusiastic and expert traveler. Interestingly, his travel reports improved, in my opinion, as he grew older. He had a good eye for human interest and events and an easy way of recording them. A professional, I thought.

That B. H. was not universally loved in this city, is no secret to be hushed at this hour, but no one of strong conviction really desires adulation from all parts and, as is said, in truth, a man can be judged by both his friends and his enemies.

I think that B. H. comes ahead on this score, and it is another good lesson for those interested in the preservation of their mental health: that is, do and say what you think is right and you will not be crippled by anxiety.

There will be some who would say that B. H. was in a better position than most to so indulge himself, but I wonder. He hired—and occasionally fired, I am told—some pretty strong-willed men, and those who stood up to be counted either prospered here or elsewhere. He loved his newspaper; he loved his community, although not so much in winter that in his later years a stay in Florida could seem disloyal.

B. H. was a bonafide character, an honest-to-God individualist, and I am

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glad I knew him however briefly. Many, you see, could write this more in depth. Fortunately, I have the space, I hope he would have approved.

A PRAYER IN THANKSGIVING FOR THE LIFE OF OTTO LOWE

HON. THOMAS N. DOWNING

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. DOWNING. Mr. Speaker, on April 16, 1975, Otto Lowe died. He had many friends on Capitol Hill whose memory of him will not soon fade. He was a lawyer by profession, but most of us knew him as an informed advocate of the produce and railroad industries. Otto was one of those fine persons whom we occasionally meet in Government life who made our own lives more complete. I would like to include in the RECORD the very elegant words of his former law partner, Arthur B. "Tim" Hanson, spoken at the funeral service:

A PRAYER IN THANKSGIVING FOR THE LIFE OF OTTO LOWE

Today we are gathered here to honor a gentle man and a gentleman. There has never been anyone who felt the sun and shadows of this earth who was more fully a gentle man and a gentleman.

These characteristics of Otto made his presence known to all who were associated with him in the practice of law, in his beloved institution of the College of William and Mary in Virginia, and most of all to his beloved son Otto, Jr. who is here with us today, as we remember this man's touch upon us all.

What I wish to speak of here to you is not what he meant to me, from when we first met at the College in 1936, for which I shall always thank God, but what he has meant to his family and to many thousands of people both at the College of William and Mary, at the State House in Virginia, and on Capitol Hill here in the Federal Congress.

Otto was the youngest of eleven children born just before the turn of the century. His family, like many in the South, had been impoverished by the War between the States. All they had left was the land upon which they lived. Yet some light burned in the youngest son which made the desire for an education a burning torch within.

Toward the end of World War I, Otto served briefly as a Private in the U.S. Army and then came to Williamsburg to seek admission to the College of William and Mary under the guidance of Dr. J. A. C. Chandler. This man had a profound influence over Otto's life, as he did over many during the 1920s and early 30s. Otto had no funds, but Dr. Chandler recognized in him the qualities which became evident to so many in later life.

The fact that he was an outstanding athlete and a youngster who epitomized clean living had influence on Dr. Chandler's decision to admit Otto to the College on a full scholarship.

He excelled on the baseball team of which he was Captain in 1921–22, and on the football team where he was an outstanding guard in 1920–21. He excelled in the classroom where he earned his Phi Beta Kappa, and he excelled as a student leader where his fellow students elected him President of the men's student body in 1922–23. He also was elected to Omicron Delta Kappa and the FHC Society, the most ancient collegiate fraternity in America.

His baseball coach in those days was James G. Driver, a distinguished citizen of Williamsburg, who is still alive and who was an Olympic coach in 1936. Mr. Driver described Otto as "the individual who epitomizes the scholar-athlete". He has written his will leaving his entire estate to the establishment of a scholarship fund in honor of Otto Lowe to be awarded to that individual at the College of William and Mary playing baseball and exemplifying to the highest degree scholarly pursuits and athletic ability as done by Otto Lowe.

Otto has served the institution of the College of William and Mary throughout his adult life. From 1924 to 1933, he was one of the alumni who served on the Athletic Committee and assisted Dr. Chandler in maintaining the program at the College. He was a member of the Board of Visitors of the College, appointed by the Governor of Virginia from 1942 to 1950. He served on the Board of the Society of the Alumni and he received the Alumni Medallion for service and loyalty to the College in 1959.

He was elected to the William and Mary Sports Hall of Fame in 1969, and he received the Degree of Doctor of Law and Taxation in 1964 in recognition of his great service in that field.

From the foregoing, we can all see that this man gave much of himself to others.

He was admitted to the practice of law in Virginia in 1923, and from that date until his passing on April 16, 1975, Otto participated in the profession which he illuminated with honor and devotion.

In his professional life, he participated in the war crimes trials following World War II, where as a Special Assistant to the Attorney General he assisted United States Special Prosecutors in Tokyo in the Trial of Tojo and other Japanese war criminals.

He was also a member of the Virginia Constitutional Convention in 1945 and for some twenty-five years served as Of Counsel to the law firm of Hanson, O'Brien, Birney, Stickle & Butler and its predecessor firms.

He was a member of the Bars of the highest Courts in Virginia, the District of Columbia and of the Bar of the Supreme Court of the United States.

All of the foregoing serves once again to illustrate the depth of this person.

Let us now, however, come to the true love of his life. Otto Lowe, Jr., his only progeny. The father wanted everything good for his son.

The torch of scholarship was passed from father to son. Young Otto emerged as an outstanding scholar. He completed his years at the Episcopal High School in Alexandria, Virginia, and then followed in his father's footsteps at William and Mary.

I know of nothing that made anyone happier than Otto glorying in the success of his son. I know of no one more supportive in times of difficulty and in times of triumph than this man to his son. And when Otto, Jr., and Patricia began to raise their fine family, no one drew more comfort from four wonderful grandchildren than did Otto.

When his beloved wife, Bere, passed away tragically nearly a year ago, the sustaining thought in Otto's mind was his son and daughter-in-law and his grandchildren.

But, now let us look to the key to the man spiritually. His generosity of spirit, his abiding faith in his fellowman, his gentle humor, and his persistent desire to assist those whom he loved have been marked by countless evidences throughout his long and fruitful life. No hard-luck story was too insignificant, no pain too small for Otto not to try to assist. He was a warm, bright friend.

We thank you, O God, for that special gift of gentleness in him which enabled him to see the best in all those whose lives he touched, to be an inspiration to all who knew him, a person to turn to for counsel, a sensitive listener, a shoulder to lean on. We thank you, O God, for all the qualities of spirit that strengthened by your good spirit made him the person that he was and is and ever shall be to his family and friends.

Those gathered here today are amongst those who knew and loved him for those same qualities which enabled him to endure suffering without surrender and sickness without defeat, through Jesus Christ, Our Lord, Amen.

WASHINGTON REPORT: CONTROLLING THE BUDGET

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. HAMILTON. Mr. Speaker, the Budget and Impoundment Control Act approved last July is providing improved methods to determine national spending and taxing policies and overall budget priorities.

This process, which involves the adoption of concurrent resolutions on the budget and includes a timetable for other congressional actions on the budget, is mandatory for fiscal year 1977—October 1, 1976 to September 30, 1977—but the Congress is trying to go through as much of the procedure as it can for fiscal 1976, at a time when Federal spending policy and the deficit is a crucial issue. Because of our economic problems this is not a comfortable year to begin the new system, but the very difficulty of these problems this year may make it a good time for the Congress to confront its new responsibility. It is painful, but not intolerable, to begin the new process when the United States is in the midst of its worst economic crisis since the Great Depression of the 1930's. My conviction is that the new budget procedure opens the way to a new kind of congressional influence on the Nation's economic affairs.

The most important action affecting the economy taken by the Congress each year is to determine total income, total spending, and the size of the deficit or surplus. Until recently, the Congress has always considered tax spending bills separately and has not concerned itself with the impact of a deficit or a surplus on the economy. This procedure permitted the Congress to vote for popular Federal programs without explicitly voting for the deficits the programs created. By dealing with the Federal budget one appropriations bill at a time and without any effort to relate an individual bill to the impact of overall budget policy, it was difficult for the Congress to approach economic policy coherently and to set consistent spending and taxing policies. The Congress was always guided by the President's budget. The President would send his budget to Capitol Hill, where it was divided into separate pieces and parceled out to numerous committees. The budget never came back together again until the President put out the final figures.

Under the Budget Control Act, the Congress gains a real measure of budgetary and economic policy control, which it shares with the President. The act requires that Congress accept responsibility for the budget as a whole, including the size of the deficit, rather than just passing a series of spending bills

and letting the President worry about the impact of the Federal budget on the economy.

Under the new procedures, by April 15 of each year the House and Senate Budget Committees will report out tax and spending targets of their own. The two Houses of Congress will vote on these target resolutions, reconcile their differences in conference, and, as the law requires, agree on a single target resolution by May 15 of each year. Congress will then have the summer to pass its traditional spending bills for the various sectors of the Government. In September the Budget Committees will add up the spending bills. If they add up to more than the spending target, Congress will either have to cut them back or go on record as favoring a spending total and deficit level higher than the target they initially set. This week the House and the Senate adopted preliminary resolutions setting basic targets for spending, revenues, and the resulting deficits for use in development of authorizing, spending, and tax legislation. In the fall, a final binding resolution will be passed, making adjustments for new developments.

Even though the process is just beginning, it is clear that some benefits are flowing from it. It imposes a discipline on both the House and Senate, and it requires the Congress to develop its own overall budgetary targets and ceilings to guide and determine congressional action on the budget. Also, the Congress will have better information on which to base its budgetary decisions than it has had in the past. This improved information means that the President's budget is going to be examined with much greater scrutiny. One example of the results of that scrutiny is the discovery that the Pentagon was adding on an inflation factor of 15 percent to the budget this year, which was stunningly high in light of the current rate of a little more than 7 percent. The Budget Act establishes new mechanisms for catching the mistakes, misrepresentations, and exaggerations of any President's budget and spotting the real points at issue.

The significance of these new procedures is that they will help to force budget decisions into the open, right the imbalance in budgetary decisionmaking between the executive branch and the Congress, and make the congressional budgetary process more comprehensive and effective. The budgetary control machinery is just getting started and has much yet to accomplish. It is, nevertheless, a prime example of the kind of reform that is needed to make the Federal Government function more effectively.

MARY McGRORY WINS THE PULITZER PRIZE

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. BOLAND. Mr. Speaker, today's paper reports the happy news that Mary McGrory, longtime columnist for the Washington Star, has been awarded the Pulitzer Prize for commentary in journalism. As one who has read her columns for as long as she has written them, I would like to add a few words of praise to the many which will no doubt be spoken about her accomplishments.

Mary was cited by the Pulitzer Committee in particular for her columns dealing with former President Nixon's last year in the White House. Those columns deserve the praise they have received, but her very first columns dealing with the Army-McCarthy hearings dealt with their subject with as much acerbity, wit, and grittiness as any she has written since. In short, Mary McGrory's real excellence lies in the formidable consistency with which she seems to ferret out the truths behind the news of the day. Over a period spanning 20 years—from the Korean war to the end of the war in Southeast Asia—I have found her commentary such as to offer, in my humble opinion, a high standard for other journalists. As she continues in that role today, she manages to impress even those who disagree with her. In this town, that is a high accomplishment indeed.

Mr. Speaker, I could add further encomiums to this gifted writer, but I will conclude with the very best evidence that these tributes are not lightly given. Today's McGrory column in the Star leaves little doubt in my mind as to why she was selected for the Pulitzer Prize. It should only have come sooner.

SO WHAT HAPPENED, AMERICA?

(By Mary McGrory)

The Irish poet, William Butler Yeats, put his finger on the trouble a long time ago. In his great poem, "Easter 1916," he foresaw the national nervous breakdown that has attended the arrival of the Vietnamese refugees to our shores:

"Too long a sacrifice can make a stone of the heart."

It remained for the young governor of Arkansas, David Pryor, to bring it up to date when the first wretched platoons arrived.

"If you for some reason encounter some who are less than friendly," he told them at Fort Smith, "I hope you will understand that they are people who, like yourselves, have met unknown circumstances, and you will understand how to deal with them."

His remarks were translated for the weary travelers into Vietnamese. If the words did not get through, maybe the music did. In the absence of the President, who considering the magnitude of the hostility and spite which greeted the refugees, should have been there, Pryor was doing his best.

The young governor had been galvanized into action by the vindictiveness of his people. One Fort Smith resident observed, for example, that, considering the disparity of the temperature between Saigon and Arkansas, the visitors "might all die of pneumonia."

Once again, Vietnam has shoved into the nation's face the question: What kind of people are we?

The response this time has been roughly what it was when we were confronted with the My Lai massacre. We avoid the question. When Lt. William L. Calley was convicted of the murders of babies and women and old men, the nation rose up and said it was not so. We defended the myth. We do not shoot children at point-blank range. We give them candy.

And now we are asked once again who we are, and the crazed answer is given, from right and left. We are a nation of hawks who would have fought into the next century to save the South Vietnamese from communism but who don't want them in the next block. And we are a nation of doves who said we would accept any consequence of stopping the war except, it seems, to find room for its most unattractive victims here.

It is not just Arkansas which has fled from the sight of what we did. In Portland, Maine, a local television station, WGAN, conducted a poll on the question of whether we should let adult South Vietnamese enter the country. The results were 85 in favor and 1,018 opposed. That from people who three weeks ago were breaking down the doors to adopt their babies.

America is responding to its first defeat. It is responding to 10 years of lies from its government. It is blaming the victims. These little people who could not be distinguished from their and our adversaries, these hapless souls who destroyed our country psychically as we destroyed their country physically, are coming here living reminders of their failure and ours.

President Ford has reminded us that we are a nation of immigrants. He has cited us Emma Lazarus' great lines about "your tired, your poor, your huddled masses yearning to breathe free." He should tell us what follows: "The wretched refuse of your teeming shores."

That good anti-war liberal, Elizabeth Holtzman, D-N.Y., pressed the head of the Immigration and Naturalization Service, Gen. Leonard Chapman on the question of screening out the "criminal" element from the incoming thousands. Would he finger the torturers, the Tiger Cage guards, the war profiteers from the applicants.

To his credit, Gen. Chapman bit the bullet. It is the hard fact, the inexorable fact, he said, that there were such among those coming in.

And that is the fact we must all swallow. The more "criminal" they are, the more eligible they are. They are our people. Gen. Ky, the admirer of Adolph Hitler, must be admitted. And the lesser fry must come, too. They were Oliver Twist; we were Fagin. We corrupted them, as they corrupted us.

There is no escape. They are not, perhaps by the thousands, exploiters or monsters who abused their own for gain.

Economics is only part of it. Their numbers are not so great as to menace the unemployed or the welfare recipients.

What they threaten to do to us is to bring the war home to us in the most unbearable, ineradicable way. Whatever hall we look down in the next years, we will see the grinning ghost of the mad folly, of our Vietnam delusion.

Yeats was right and so was Gov. Pryor. The heart is of stone, but the responsibility is clear and inescapable. We did this. We must pay the price.

LION OF THE YEAR

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. JONES of Tennessee. Mr. Speaker, I would like to take the opportunity today, to commend Mr. Dave Martin, of Humboldt, Tenn., on being named "Lion of the Year."

Mr. Martin, president of the West Tennessee Strawberry Festival, was named District 12 L "Lion of the Year" at the Humboldt, Tenn., Lions Club meeting on Tuesday, April 22, 1975.

Dave is a sales representative with the

Federal Chemical Corp. in Humboldt, and has been a member of the Lions Club since July 1963.

He is one of Humboldt's leading citizens and I ask that the following newspaper article be inserted in today's RECORD. The article appeared in the April 24, 1975, Humboldt, Tenn., Courier-Chronicle:

Lion of the Year

Dave Martin, President of the West Tennessee Strawberry Festival and a sales representative with Federal Chemical Company here, has been named District 12 L "Lion of the Year."

The announcement, was made Tuesday night after District officials had selected Martin from the other club nominees in the district.

Martin was named Humboldt's Lion of the Year in February of this year.

Lion Martin joined the Humboldt Lions Club in July 1963 and served as President during 1966–67. Other club offices he has held are Third Vice President, Second Vice President, First Vice President, and Director. In 1971 he moved to Brentwood, Tennessee where he organized the Brentwood Lions Club and served as its Charter President. Transferring back to the Humboldt Lions Club in 1972 he has since served on the Convention, Membership, and Constitution and By Laws Committees. He served as Cabinet Secretary of District 12L in 1970–71.

Lion Martin was born in Junction, Illinois and received his early education at Shawnee Town, Ill. He and his wife June have two married daughters and four grandchildren. He has been employed by Federal Chemical Company for twenty-five years and is a sales representative for the company. He is also a Mason.

He is a member of the First Baptist Church, is a deacon and vice chairman of the deacons committee. He is also chairman of the finance committee and is teacher of the Young Men's Sunday School Class.

In other civic activities Lion Martin served as General Chairman of the Humboldt Strawberry Festival in 1974, and is currently serving as President of the 1975 Humboldt Strawberry Festival Association. In this capacity as President he is the executive officer presiding over more than forty different committees comprised of several hundred people. The entire city, citizenship and industry, are involved in this annual festival and celebration requiring many months of planning and work that culminate in a week long calendar of events during the month of May. Among the events are two giant parades with bands and floats representing many cities, colleges, schools, and organizations. There is a Tennessee Walking Horse Show, Bowling Tournament, Golf Tournament, Festival Beauty Revue, Governor's Luncheon, Street Dance, Farm Products Show, Carnival and Band Contests.

During 1974–75 in Lions Club activities, Lion Martin is serving as a member of the Board of Directors of Mid-South Lion Sight Service located at Methodist Hospital in Memphis, Tennessee. This organization, of which the Humboldt Lions Club is a member, is owned and operated by Lions Clubs in West Tennessee, Eastern Arkansas, and North Mississippi. Its function is to provide specialized eye care and surgery to indigent persons.

He is also serving as a member of the District Governors Cabinet and is Chairman of the District 121 Youth Exchange Committee. In this capacity Lion Martin corresponded with Lions Club Youth Exchange Chairman in Stellenbosch, Cape Province, South Africa and arranged for the visit of Brian Kenneth Schreuder, a native of Bellville, South Africa, to the Humboldt Lions Club in early December. He was also a guest of other area Lions Clubs during his visit.

DOMINICK V. DANIELS SPEAKS OUT ON NATIONAL CRIME PROBLEM

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. MINISH. Mr. Speaker, on Friday, April 25, our distinguished colleague and my close friend, DOMINICK V. DANIELS, addressed the Women's Grand Jury Association of Hudson County. The subject of Congressman DANIELS' speech was the growing problem of crime and the steps that he thought were necessary to get this problem under control.

Mr. Speaker, I was struck by the coincidence of Congressman DANIELS' hard-hitting speech on crime and the speech that the President delivered on the same subject that very afternoon. Not only the timing, but the tenor of both of these speeches underscores the fact that our crime problem has reached the point where we must respond if we are to protect the rights of the law-abiding citizens of this Nation.

Mr. Speaker, I know that my colleagues will be interested in seeing what our distinguished colleague, Mr. DANIELS, has to say about the subject of crime and the steps needed to bring this problem under control.

Mr. Speaker, I include the excellent speech of our colleague, Mr. DOMINICK DANIELS, at this point in my remarks:

REMARKS OF CONGRESSMAN DOMINICK V. DANIELS BEFORE THE WOMENS' GRAND JURY ASSOCIATION OF HUDSON COUNTY, APRIL 25, 1975.

Mrs. Spiegelthal, members of the Women's Grand Jury Association of Hudson County, honored guests, ladies and gentlemen.

Tonight, I would like to talk to you lovely ladies and your guests about a problem that is not very pretty, in fact, it is an ugly problem that is growing like a cancer in the center of every community. It is the problem of crime.

I am sure you are concerned as I am about the rising incidence of violent crime, and the growing number of children who commit murder, armed robbery and even rape. I think we have to act now to review our system of criminal justice—including juvenile justice. Government has an absolute duty to protect its citizens against the predations of violent criminals—be they young or mature.

As urban residents, you are all too aware that violent crime has reached epidemic proportions in our Nation's cities.

The Federal Bureau of Investigation's latest figures indicate that the rate of serious crime—murder, forcible rape, robbery, aggravated assault, burglary, larceny and auto theft—was 17 percent higher in 1974 than it was in 1973. This represents the greatest increase since the Bureau began collecting these statistics 42 years ago.

Since 1960, the crime rate has increased nearly 200 percent. This is a shocking figure for a society that spends millions of dollars each year on crime prevention and detection. The most alarming aspect of these statistics is the kinds of crime that are on the increase—violent crimes that are occurring with increasing frequency on the Nation's city streets and in suburban neighborhoods.

Not too many years ago, the majority of murders were crimes of passion committed within the family circle. This is no longer true. Today we are seeing an increase in the number of violent crimes in which the perpetrator and the victim were total strangers.

We have all heard shocking stories about senseless murder committed on our cities' streets—

Old people killed in robberies that net the killers only small change;

Businessmen killed in robbery attempts even when they offer no resistance and try to cooperate;

People killed for no reason at all—except for the fact that they happened to be in the wrong place at the wrong time.

These shocking incidents have resulted in a seige mentality in many urban dwellers. They have also drained the confidence of the American people in their own system of law and justice. Crime has destroyed the sense of trust and confidence that is so necessary in a friendly and neighborly community.

Crime has drawn boundaries of fear around people who have traditionally prized their mobility. We don't feel safe on the streets at night, and many of us don't even feel safe in our own homes. We fear for our children; we fear for our friends and neighbors; we fear for ourselves.

This fear threatens our society in insidious ways. Frightened people are far more likely to attack the very laws that protect them—laws and constitutional provisions that offer our best hope for a free society.

You and I have a great respect for the law. I have devoted my entire life to it. I am not ready to abandon my confidence in the law and its ability to protect you and me. I do not favor an armed standoff between citizens. I do not want to see our Nation's cities turned into armed camps. We cannot allow those who have no respect for society to reduce us to that level.

I know there are some people who are cynical about the law. Some of their cynicism is well-founded.

The criminal justice system in the United States has become slow and inefficient. Innocent people get lost in its labyrinth, while the guilty—well-practiced as they are in negotiating its twists and turns—make their way through it without punishment, or with a minimal punishment that bears no relation to the seriousness of the crime that has been committed.

A study conducted recently in one major American city reveals the glaring deficiencies of the system that was originally designed to protect us. Unfortunately, that system now shields many who deserve to be removed from society.

In the city that was studied, only 4 percent of the persons arrested for a felony were actually convicted of that felony. Even fewer went to prison.

FBI statistics show that there are only 19 arrests for every 100 serious crimes reported. Recent research by the Law Enforcement Assistance Administration indicates that in some categories of crime, many occurrences are never even reported to the police by the victims.

The deterrent value of punishment is minimal when the criminal knows there is little likelihood of being caught and punished—and punished severely for serious crimes.

The deterrent power of the criminal law depends upon the swiftness and certainty with which punishment follows the crime. Swift and certain prosecution and imprisonment for the serious offender will not only prevent him from claiming new victims—it will also have a deterrent effect on others.

We are spending a lot of money to improve police effectiveness. There have been noticeable improvements in many cities in police apprehension of criminals. Other cities still have a long way to go. However, our quest to

make the streets safe once more must not depend solely upon increasing our police manpower and supplying our policemen with more sophisticated tools for apprehending criminals. This will help—but it will not solve the entire problem. What good will it do to catch every criminal if we simply release him again with a mere slap on the wrist and an admonition to "go forward and sin no more"?

We must overhaul our criminal justice system so that it protects society against the predations of the criminal. This overhaul must include a long hard look at the juvenile delinquent who commits murder and mayhem.

Society is not served when dangerous felons are allowed to plea bargain their way to freedom.

Society is not served when judges fail to impose sentences that reflect the severity of the crime.

Society is not served when dangerous offenders are free to prey upon law-abiding citizens—free to prowl the streets while they are out and awaiting trial.

Society is not served when deviates and criminal psycopaths are released after minimal terms in prison or mental institutions.

Society can start being served right in the courtroom. Judges must be more alert to the violent criminals who come before them. They must weigh each case carefully before allowing the violent criminal to plead to a lesser, non-violent crime.

I also believe we must restore the death penalty. The House and Senate are currently working on a major revision of the Federal Criminal Code which will restore the death penalty for Federal crimes of treason, sabatoge, espionage and murder under certain circumstances.

I am also strongly in favor of revising our juvenile justice system to reflect the new realities that we face.

Youngsters are committing serious crimes—and committing them repeatedly. In New York City, one third of all violent felonies are committed by boys and girls under the age of 16. 75 percent of juvenile offenders are arrested more than once in their lives. Many of these juveniles are psychologically damaged individuals who will repeat patterns of violence until they reach an age where they can be removed from society through long prison terms.

I know that those of you who are mothers probably shrink from the thought of treating the youthful offender like an adult. Let's not let our emotions and sentimentality blind us to one very important fact: there is nothing cute and helpless about a sixteen year old kid at the end of a smoking gun.

We must identify those juveniles who are intent on a life of crime and violence. A youngster who can kill, rape, rob and assault without remorse or compunction should not be free to prey upon society. These juveniles should be tried and sentenced on the same basis as an adult offender. They should have a trial by jury, and they should have the guarantee of good counsel. But they should not be allowed to escape punishment again and again. They should not be allowed to terrorize law-abiding citizens.

Let's try to help the youngster who has some potential for rehabilitation. The first-time offender should receive our special attention. He or she may just need a decent job or some good counseling to be set straight. Let's begin to differentiate between the juvenile who has the potential to become a useful citizen and the juvenile who is little more than an animal.

Let's remember that murder, rape, armed robbery and assault are not acceptable expressions of youthful exuberance. They are serious and violent crimes which offend the sensibilities of all civilized men and women. These crimes cannot be condoned on the basis of age alone.

There is one more thing that we must do to start making the streets safe for the law-abiding citizen.

We must achieve better control of handguns.

I know this is an emotional issue, and I do not intend to debate the pros and cons of the issue with you tonight. Handguns have become instruments of terror in the nation's cities. They have become the common denominator of much of the violence that besets us.

There were 10,000 handgun murders in the United States last year. There were 100,000 aggravated assaults committed with firearms and more than a quarter of a million armed robberies. In England and Wales combined last year, there were only 35 murders committed with guns. What made the difference? A tough and effective handgun control law.

The Attorney General of the United States has proposed an interesting plan that would prohibit handgun possession outside the home or business only in those cities whose gun-related crime rate was much higher than the national average. Under the criteria developed by the Justice Department, Jersey City would fall under this plan. I think this proposal deserves our thoughtful consideration. Here is a fair and reasonable way to get this horrible problem under control. I plan to study it carefully, as well as other proposals that are being drafted regarding handgun control. I am willing to take a little heat from the gun lobby to make the streets safe for law-abiding citizens. I hope that I can count on your support in this effort.

I would like to close tonight on a hopeful note. Our national crime problem is serious—but it is solvable. We have to roll up our sleeves and get tough with those who prey upon society. We can be fair—but we must be firm. Our Nation's cities must put out a sign at the edge of town—criminals not wanted here. We can put out this sign by supporting our police in their work, supporting legislators who will work for the enactment of no-nonsense laws that will deter crime, and by demanding that judges and prosecutors have as much concern about the rights of law-abiding citizens as they have about the rights of criminals.

I know that the Women's Grand Jury Association of Hudson County will take an active role in this effort. You can be sure that I will be working, too, to make America a safer place in which to live.

THE DEATH OF JOSEF CARDINAL MINDSZENTY

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. CRANE. Mr. Speaker, the death of Josef Cardinal Mindszenty at the age of 83 is one which grieves men and women throughout the world. All those who believe in freedom and in individual dignity have lost a friend and valiant fighter. The future may well find that he was one of the few saints produced in this era of so much violence and terror. In the midst of the tyrannies of nazism and communism which overran his Hungarian homeland, Josef Mindszenty remained true to his own principles. That he was brutally tortured and endured almost half a lifetime in prison is only further testimony to his integrity and fortitude.

While lesser men made their deals with the representatives of a modern barbarism, Mindszenty would not. The future cardinal was born Jozsef Pehm in Mindszent, Hungary. Ordained a priest in 1915, he was imprisoned by every authoritarian regime which has controlled Hungary in the intervening years.

In 1933, Hitler seized power in Germany and Nazi influence began to increase. The Nazis initiated a campaign to persuade Hungarians of German descent to discard their Hungarian names and replace them with German names. The name of Cardinal Mindszenty was already German—Joszef Pehm. It was at this time—in defiance of the Nazis—that he changed his name to the Hungarian. Thus, he took the name of his native village and became Mindszenty.

When the Nazi puppet government of Hungary ordered the Jews to be confined in ghettos, Mindszenty protested vigorously in a pastoral letter. He ordered that church buildings under his jurisdiction be used to hide as many Jews as possible, although the penalty for doing so was death. It was because of his efforts that the majority of Jews in Budapest were saved. Cardinal Mindszenty ended up in a Nazi prison as a result.

In the spring of 1945 the Soviet Army occupied Hungary and on September 16, 1945, Pope Pius XII appointed Mindszenty Archbishop of Esztergom and Primate of Hungary. The Communist-dominated government took more and more control of the economy and interfered in church activities and education. Cardinal Mindszenty fought them every step of the way. He became a symbol of Hungarian liberty and the Communists felt it necessary to destroy him.

Imprisoned by the Communists in 1949, he saw a few short days of freedom during the Hungarian Revolution of 1956 and then escaped to the American Embassy where he spent the next 15 years. Thus, he suffered nearly 25 years imprisonment—and his only "crime" was his belief in freedom and in the church.

More recently, in a period of alleged détente, Cardinal Mindszenty was persuaded by the Vatican to leave Hungary. He left against his will and wrote his memoirs, which described in great detail his life-long battle against tyranny. Because he continued to tell the world the truth about communism he angered the Vatican hierarchy just as he had earlier angered the Nazi and Communist secular authorities. On November 1, 1973. Mindszenty was ordered to relinquish the office of archbishop, On February 5, 1974, "precisely on the 25th anniversary of my show trial," he writes in his memoirs, his removal from that office was publicly announced. The final break came because of his insistence to publish the memoirs.

Josef Mindszenty ends his memoirs by noting that:

> This is the path I traveled to the end, and this is how I arrive at complete and total exile.

Writing in the Swiss Review of World Affairs, Alfred Cattani has summed up the Mindszenty affair this way:

> This restless spirit continues to struggle in his old age, and an ironic fate has decreed that his latest opponent be that very Church to which he dedicated his life in innocent faith and which now subjects him to profound anguish of the soul. No longer pained

by the physical tortures once inflicted on him by secular totalitarian powers, the very meaning of this man's existence, which has been so full of sacrifice and self-denial, is now threatened by the calculating tactics of the Curia. Seen from this standpoint, Josef Cardinal Mindszenty's resistance takes on a new dimension of its own.

Now this noble spirit who was an embarrassment to the tyrants, to the compromisers, to the church itself, has gone. We will miss him and we can only hope that God whom he worshipped so well, will provide us with men like Josef Mindszenty again so that there can continue to be some hope that good will prevail over evil in this imperfect world. When men look back to this time for examples of virtue, principle, and steadfastness, the name of Cardinal Mindszenty will quickly jump to mind. We will miss him more than we can know in this moment of grief at his passing.

NUCLEAR REACTOR PROGRAM

HON. SIDNEY R. YATES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. YATES. Mr. Speaker, during the debate on the second supplemental appropriations bill, I inserted in the RECORD a critique of the nuclear reactor program which had been prepared by David Dinsmore Comey of the organization known as Business and Professional People for the Public Interest. Inasmuch as Mr. Comey's remarks were in measure critical of the position taken by Dr. Ralph E. Lapp and Dr. Hans A. Bethe, I am attaching copies of letters which I have received in reply by Dr. Ralph E. Lapp and Dr. Hans A. Bethe in order that the record may be complete:

ALEXANDRIA, VA.,
April 25, 1975.

Hon. SIDNEY YATES,
House of Representatives,
Washington, D.C.

DEAR SIDNEY: I note from your remarks in the *Congressional Record* for April 15th that you inserted a letter from David Comey dealing in part with the Bethe energy statement released earlier this year.

Since I had a hand in this statement and since I am referenced incorrectly by David Comey, I thought you might like to get some facts about this statement.

1. It is true that I participated in preparing the Bethe statement, but let me assure you that I did not write it. Anyone who knows Dr. Bethe will agree that my role could not have been more than that of typist-amanuensis.

2. Let me assure you that I did not solicit signatures for the statement. Dr. Bethe was the only person who did this. Thus, when Mr. Comey writes ". . . Lapp approached almost 300 scientists who refused to sign." I suggest you ask him the source of his information.

3. Knowing Dr. Bethe, I am sure that every person who signed the statement did receive a copy of the statement. In fact, I acknowledege that with my own fingers I typed the envelopes to relieve Dr. Bethe of this chore. Believe me, I'm incapable of typing 100, let alone 300 envelopes.

4. Mr. Comey asserts that he ". . . could produce a much more impressive list of scientists who believe that the nuclear power program ought to be scrapped." I think he will have to turn astronaut and visit another planet to accomplish such a feat.

I am not commenting on the remainder of Mr. Comey's letter, but I suggest that you inquire into his technical qualifications and take what he writes with a kilogram of salt.

Sincerely,

R. E. LAPP,

P.S.—I hope that you will be good enough to insert this letter into the *Congr. Rec.*

CORNELL UNIVERSITY,
LABORATORY OF NUCLEAR STUDIES,
Ithaca, N.Y., April 25, 1975.

Hon. SIDNEY YATES,
U.S. House of Representatives,
Washington, D.C.

MY DEAR MR. YATES: In a telephone conversation with Dr Ralph Lapp I learned that Mr. Comey has written a letter which was inserted into the Congressional Record in which he claimed that the Energy statement which I issued at a press conference on 16 January had been sent to 300 scientists, most of whom refused to sign it. This claim is completely contrary to the facts.

Enclosed I am sending you a copy of a letter I received from Mr. Ralph Nader, and my answer to him which explains all the details related to that press statement. I hope this will be useful to you.

Yours sincerely,

HANS A. BETHE.

WASHINGTON, D.C.,
April 15, 1975.

Dr. HANS A. BETHE,
Laboratory of Nuclear Studies, Cornell University, Ithaca, N.Y.

DEAR DR. BETHE: This letter is a request for information concerning the statement that was released in January on behalf of 32 scientists.

We understand that you circulated a draft statement to a number of scientists, together with an invitation for them to sign. We would appreciate it if you would identify the scientists who declined to sign the statement that was released. For those persons who declined to sign the statement, could you generally describe what aspect of the statement they disagreed with and what other comments, if any, they made regarding the statement?

We have learned, moreover, that Dr. Victor Weisskopf, listed as a signatory to the statement, has denied that he signed or even saw the statement that you released, purportedly on his behalf. Would you please explain how it came about that Dr. Weisskopf's name was included in the list that you made public? Would you also say what action, if any, you took to inform those using the statement that Dr. Weisskopf's name was improperly included?

Your responses to these questions are needed to help clarify the unfortunate ambiguities surrounding the January statement. Inasmuch as the statement will be discussed in testimony that I am preparing for a Congressional hearing on April 28, I would appreciate receiving your reply in advance of that date.

Thank you very much for your consideration of this request.

Sincerely yours,

RALPH NADER.

CORNELL UNIVERSITY,
LABORATORY OF NUCLEAR STUDIES,
Ithaca, N.Y., April 23, 1975.

Mr. RALPH NADER,
Washington, D.C.

DEAR MR. NADER: Your letter of April 15 was received by me today, after returning from a prolonged journey.

You are correct that I circulated a draft statement to a number of scientists, together wtih an invitation for them to sign. I will not identify the scientists who declined to sign or did not respond. However, I will describe the comments of the six scientists who declined.

Only two of the six actually disagreed with the intent of my statement. One of them expressed his concern about proliferation of nuclear weapons, and thought that the use of nuclear power would accelerate that spread. The other had been a consultant to the AEC in the late 1950s and was disturbed by the mode of operation of that agency.

A third scientist thought that a statement of a group like ours should be more general, about on the line of the advertisement sponsored by Mr. Peter Peterson in the *New York Times* of December 26. The three other scientists agreed with the intent of my message, but felt that because of their official positions, or membership in some committees, it would be improper for them to sign.

Dr. Victor Weisskopf indeed does not wish to be listed as a signatory to our statement. I had sent him the first draft and he had expressed some disagreement with some details. Responding also to criticism from some other prospective signatories, I changed these passages in a manner which I thought was responsive to Dr. Weisskopf's objections. He could not be reached because he was out of the country. Since I thought that I had in a general way taken care of his objections I listed him as a signatory. This was an error on my part. Dr. Weisskopf has informed the scientific public, and many other readers, by publishing his denial in the April issue of the *Bulletin of the Atomic Scientists.*

After we published the statement, several prominent scientists called or wrote me to tell me that they wished their names had been included among the signatories.

Yours truly,

HANS A. BETHE.

ART BUCHWALD ON THE REFUGEES

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. BINGHAM. Mr. Speaker, in his column of May 6, Art Buchwald could find nothing humorous in the indications of American hostility to the refugees from Vietnam. Instead he wrote with obviously deep feeling, urging America to live up to its finest traditions, as follows:

LOOK WEST, MISS LIBERTY, AND SHINE YOUR LIGHT

(By Art Buchwald)

The Statue of Liberty was gazing toward Europe when I tapped her on her shoulder. "Ma'am," I said, "if you look the other way, we have about 130,000 Vietnamese refugees coming in from Guam and the Philippines. I thought you might hold your torch high and light the way for them."

The statue seemed irritated. "We have too many people in this country now. What am I going to do with 130,000 Orientals?"

"The same thing you did with everybody else. Welcome them. They're tired and they're poor and they are yearning to breathe free."

"And what about jobs? Who is going to support them?" she said petulantly.

"You never worried about that before," I said. "Whoever came to this country eventually found jobs, and almost all of them made very good citizens. There is no reason to think the Vietnamese will be different. After all, you are the mother of exiles."

"Times have changed," she growled. "The American people are not that thrilled about having a bunch of refugees dumped on them. Who is going to feed them? How many will go on welfare? How do we know their kids won't get in trouble in the streets? We have enough problems in this country without asking for more."

"But," I pleaded, "we're responsible for them being refugees. We screwed up a country like it's never been screwed up before. We supported their corrupt governments, loaded them down with weapons they couldn't use, defoliated their rice paddies and wrecked their families.

"We left the country in a mess. The least we can do is take in whatever huddled masses escaped to our teeming shore."

"That's easy for you to say," the Statue of Liberty replied, "but we have to think of Americans first. They don't want any more foreigners in this country."

"But most of our fathers and grandfathers and great-grandfathers were foreigners. You've welcomed them all. Tell me the truth. Do you have anything against Orientals?"

"I don't personally. But you know how some people are. The Vietnamese have different habits, and they're from another culture. They just don't fit in. Besides I'm supposed to welcome the homeless from Europe. That's why I'm looking in that direction."

"These people need refuge," I protested. "Their lives are in ruins. Remember a few weeks ago when they flew in orphans from Vietnam and Cambodia? Nobody seemed to object to that?"

"It's not the same thing," the statue said. "You can adopt orphans. But what can you do with refugees?"

"Help them find homes, jobs, make them citizens."

"It's out of the question. It isn't our fault they lost the war. Look, no one minds one or two Vietnamese in a community. But you're talking about thousands. They'll stick out like a sore thumb. The unions would never stand for it."

"Please don't turn your back on them," I begged. "If somebody just said, 'Welcome. We're glad you came,' most Americans would go along with it. The American people gripe a lot, but they'll do the right thing if somebody leads them. If you could shine your torch toward the Golden Gate bridge, perhaps the people will be ashamed of the way they've behaved."

The Statue of Liberty turned slowly. There was a tear in her eye. "I've been here so long I almost forgot why I was holding this lamp. Where did you say I should shine my torch?"

"Over there. Hold it as high as you can and point it toward the West so every American can see it. That's it. Now repeat after me, "Send these, the homeless, tempest-tost to me, I lift my lamp beside the golden door.' "

TARIFFS, DUTIES AND THE U.S. INTERNATIONAL TRADE COMMISSION

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. HUGHES. Mr. Speaker, this morning I testified in general disagreement with proposed tariff concessions and duty free preferences at hearings called by the U.S. International Trade Commission in Camden, N.J.

As a word of commendation, the Commission deserves the utmost praise for its decision to leave the sheltered confines of Washington, D.C., and venture out into the field to obtain the widest possible comment from industry, labor, public officials, and other interested citizens.

Camden, I believe, was the 20th of 21 planned field hearings.

Field hearings dilute the power and influence of special interest groups and provide a forum to those unable to travel to Washington or maintain a high-powered lobbyist here.

The Commission hearings are enormously important because they very well may lead to decisions that will have an immediate and lasting impact on jobs not only in New Jersey but across the country.

The Commission is considering tariff concessions on 6,800 articles and the extension of duty free imports to as many as 115 nations. I explained that in my opinion our State's fragile economy hard hit by the recession could not accommodate such drastic steps.

Frankly, I don't want to see jobs become south Jersey's greatest export.

I recommended to the Commission that it go forward and complete its consideration of the proposals before it, file its July 14 report to the President, but tie any implementation to a drop in the unemployment rate and a growth in American industrial capacity.

To do otherwise would devastate textile, glass, and other industries particularly threatened by low-cost labor-produced foreign-made goods.

With your permission, Mr. Speaker, I include in the RECORD my statement on Wednesday, May 7, to the U.S. International Trade Commission hearing held in Camden, N.J.:

STATEMENT OF HON. WILLIAM J. HUGHES

Thank you for this opportunity to discuss today the probable impact on certain segments of the economy, with emphasis on my South Jersey constituency, of the two questions before this Commission.

Namely, the proposed tariff concessions on some 6,800 articles under consideration and the generalized system of preferences for duty free imports on about 3,100 articles to as many as 92 nations designated as eligible by the President.

I can't help but notice that the entire list of Organization of Petroleum Exporting Countries, of which we on the Eastern Seaboard have had some disagreements on oil pricing policies, seek recognition among a smaller list of 23 nations for preferences.

I would hope, whatever the final determination of these hearings, that the Commission recommend to the President that he not wave the Title 5 provision of the Trade Act for the OPEC nations and insist that the anti-boycott pledges be signed as a precondition for any agreements.

Obviously this Commission does not need to be reminded of the enormity of its task. The Trade Act imposes a July 14 deadline and the General Agreement on Tariff and Trade (GATT) negotiations are just around the corner in Geneva this fall.

My statement would not be complete if I did not express my concern at this point that perhaps, for a change, government might be moving a bit too fast. I will expand on this observation a little later in my presentation.

First, a commendation. This Commission is to be highly praised for going out into the field to expand its hearings to a total of 21 cities.

This will contribute enormously to the value of your effort by obtaining the widest possible comment from industry, labor, public officials and others who have a vital stake in the recommendations you make.

Field hearings dilute the power and influence of special interest groups and provide a forum to those unable to travel to Washington or maintain a high-powered lobbyist there.

These hearings are important since the constraints under which you labor make it essential that the Commission compile and analyze as much data as quickly as practical.

I am troubled, nonetheless, to hear the word "adequate" substituted for the word "thorough." We desperately need a thorough assessment of probable economic impact prior to Commission recommendations.

I submit that many industries in my district as well as throughout New Jersey and the nation may not survive an "adequate" assessment. This is not merely a play on words. With 8 million Americans out of work and another million or more out of hope, this nation needs a better than adequate assessment of the domestic impact of a further loosening of trade restrictions.

THE SECOND DISTRICT

My congressional district, the second, is New Jersey's largest geographically and in population, comprising nearly a third of the state and more than 550,000 permanent residents.

April figures have advanced the national rate of unemployment to 8.9 percent. That rate has consistently been two to three percentage points higher throughout New Jersey and greater still in South Jersey.

This is due in some measure to the seasonal nature of some jobs, but speaks as well to the large numbers associated with construction and manufacturing. Unemployment in my district exceeds 20 percent in some areas and has gone as high as 80 percent in several of the construction trades.

Bleak as these statistics are, foreign imports are not yet, and I underscore yet, the principal cause of unemployment.

However some of the largest employers in South Jersey are particularly susceptible to competition from low-paying labor produced imports and stand to suffer irreparably from significant overseas competition.

For example, approximately 17,000 New Jerseyans work in the glass container industry alone—about 8,500 in six plants in my area. The recession has claimed 5,000 jobs in this industry and at least a fair percentage can be traced to increased competition from foreign imports.

Glass containers are included in your list of tariff concessions and as probable export items from Mexico, Colombia, Hong Kong, Taiwan and other nations should they be afforded duty free preference.

The relaxation of these trade barriers would have devastating consequences in my district in an industry and in an area where unemployment is already intolerably high.

An American firm has recently opened a glass container plant in Colombia with exports going to U.S. markets. In a duty free situation, like-minded multinational corporations could do serious and permanent damage to this vital industry.

I don't want to see jobs become South Jersey's largest export.

We only have to look to the recent past in Mexico to see how that nation, in concert with multinational firms took advantage of a loophole in the U.S. Tariff Schedules, to eliminate thousands of U.S. jobs by opening 500 new Mexican plants that in many cases were literally just across the border.

OVERSEAS INVESTMENT

Other inducements to invest overseas have also weakened our industrial base at home, contributing to high unemployment.

U.S. tax laws which permit firms to credit their taxes paid overseas against income taxes in this country as well as deferring taxes on profits abroad until they were brought home—if ever—are taking their toll.

In passing the tax reduction legislation last March the Congress limited these credits and deferrals relating to overseas oil and gas investments. In my opinion we need to further restrict these encouragements to invest away from home in other carefully selected areas where significant numbers of domestic jobs are at stake.

More importantly, we should not take steps which would accelerate foreign investment at a cost of jobs here.

In addition to glass containers my district has three plants specializing in laboratory glass products—two located in Cumberland County and another in Atlantic. They would unquestionably attract import rivals under the provisions permitting the President to reduce tariffs by as much as 60 percent.

This raises a question which I hope this Commission will address. Why is this particular item being considered in view of the amendment offered by U.S. Sen. Robert Byrd and accepted in the Trade Act? The amendment in question, as I understand it, specifically precludes import sensitive semi-manufactured glass and manufactured glass under the generalized system of preferences.

CHINA AND TEXTILES

I can not hope in the limited time this morning to survey all industries which almost certainly stand to be adversely effected by the related actions you are weighting. Two others must be emphasized.

Ninety-six percent of all china is now imported into the U.S. One major employer in my district, Lenox China of Atlantic County, has managed to survive despite this unfavorable climate. Further concessions would almost certainly mean the loss of hundreds of jobs at that firm alone in a part of South Jersey particularly hard-hit by the recession.

So, too, has been the fate of the textile manufacturing industry—an important but marginally operating business.

At its peak, textile manufacturing plants numbered more than 130 and employed nearly 10,000 people from Trenton south. We are now down to 95 plants providing jobs for 7,500 workers in the manufacture of women's coats, suits and other outer garments. The manufacture of children's apparel ceased.

Every surviving textile business is undermined by cheap imports, with the exception of those few firms fortunate enough to be sustained by contracts for military clothing.

In sum, I simply don't believe that our economy can accommodate such drastic import concessions as have been suggested. For 40 years the U.S. has been an international leader in cutting tariffs and permitting duty free imports.

But until our economy begins to show signs of recovery, I would offer the following recommendations:

That negotiations go forward on proposed tariff concessions in Geneva but that implementation be tied to a drop in the unemployment rate and a growth in industrial capacity. Other nations already take such steps to protect their industries.

That the Commission continue to carefully monitor imports of industrial goods and urge the President to exercise his powers under the Trade Act of 1974 to set quotas in segments of the economy where U.S. production has fallen off.

Tariff reductions and duty free status should only be offered during our recovery period after the closest of monitoring and on a nation-by-nation and article-by-article basis with periodic reviews.

For the Congress' part, I foresee the need to limit the foreign tax credit and provisions for the deferral of tax payments on foreign-earned profits which has been an open invitation for U.S.-based multinational corporations to expand overseas.

American capital and technological investment in other nations should be curtailed. There has been nearly a ten to one advantage in royalties and fees paid for American technology which is ultimately felt in terms of low-cost imports.

Finally, I endorse as essential a recommendation first made by the AFL–CIO that Congress repeal Sections 806.30 and 807 of the Tariff Code through which Mexico and other countries have circumvented tariff restrictions by assembling parts or components shipped from the U.S. and re-imported as a final product with tariff forgiveness. In seven years, this loophole has seen a growth from $20 million to $1 billion in Mexico alone with a subsequent significant loss in American jobs and productivity.

I would be delighted to discuss with the Commission any of the concerns which I bring here this morning or to respond to any questions within or beyond the scope of my remarks.

Thank you.

COMMISSARIES THREATENED BY BUDGET AX

HON. BILL NICHOLS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. NICHOLS. Mr. Speaker, the Investigating Subcommittee of the House Armed Services Committee began hearings today on a series of bills designed to continue the operation of the military commissary services both for active duty and retired military personnel and their families. I am extremely concerned that the Department of Defense has not included in their budget request necessary moneys to operate our military commissaries and I consider the deletion from the budget request of these moneys a serious breech of contract to those who have served the country.

We are also slowly chipping away at the benefits which this Government promised retired military personnel as an inducement to make the military a career. Today, there are several million retired enlisted men and officers who have spent 20 years and more serving our country in uniform. We promised these men and women medical care, commissary privilege, a good retirement plan, and dangled other carrots in their faces to entice them into a military career.

But other men are also considered retired and these are the men who are 100 percent disabled from the field of battle. Many of these men are blind, have lost limbs, or are in some way severely disabled. These men also receive Government supports which are in some cases their whole means of a livelihood.

This Congress has been asked by the President to cut from the military budget $250 million in funds used to pay the staff and personnel of more than 270 commissaries. Presently these facilities are providing our retired military persons savings of up to 20 percent on their food bills. For some of these families this is a difference between a balanced monthly budget or seeking monetary assistance from relief agencies.

If the money for the commissaries is denied by this Congress, the Federal Government will be reneging on a commitment made to many Americans. It would be a shame and a crime for us not to fulfill commitments made in recruiting persons for military service and I seriously doubt that the Members of this body would stand for private industry doing the same. To better emphasize my point I hope that Members take the time to read the following article "Commissaries Threatened by Budget Axe." We need to take a close look at this budget and realize that we have made these commitments to our people. We must fulfill these commitments.

The article follows:

[From VFW magazine]

COMMISSARIES THREATENED BY BUDGET AXE

(By Howard Silber)

To use his own words, Sam Swenson was transformed "in a fraction of a second from a reasonably self-sufficient person into one who can never again be really independent."

It happened in January, 1966, when Sam was a noncommissioned officer in the 1st Infantry Division in Vietnam. He was leading a patrol through the carnage of a frequently-fought-over rubber plantation northwest of Saigon. A sniper—Viet Cong or North Vietnamese, he'll never know which—trained an automatic rifle squarely in the middle of Sam's back.

The sniper made a slight error, Sam believes. Instead of hitting him midway between the shoulder blades, the bullet smashed into the lower back, shattering the spine and condemning Sam to a wheelchair for the rest of his days.

Months later, Sam left Fitzsimmons General Hospital in Denver and returned to his home town near Sioux City, Ia., to rejoin his wife, June, and their two small children and to find a new life.

Before he began his Army service Sam knew best the rich farmlands of western Iowa. The bullet that pulverized an inch or two of his spine and made him a paraplegic also shattered his boyhood dream of becoming a farmer and livestock feeder.

There is a dream today. But it is for his two sons, James and Stanley. He would like them to do what he never will. That dream is becoming clouded by circumstance. Sam is discouraged.

Sam Swenson isn't the real name of the ex-sergeant. He shared his thoughts with his V.F.W. comrades, but asked to protect the identity of his family.

"It isn't a big thing, but it's personal with me," he explained. "I don't think my problems have to be public knowledge."

Sam is deeply troubled by the Department of Defense and White House Office of Management and Budget proposal to withdraw the overall tax support of the military commissary system. Based on the volume of mail that has deluged Capitol Hill in recent weeks, his views are shared by many other veterans and several million active duty and retired military personnel.

The plan presented to Congress in President Gerald R. Ford's proposed budget for the fiscal year beginning July 1, 1975, is for the 277 commissaries scattered about the 50 states to become 50% self-supporting by October, 1976, and entirely self-supporting by the following October.

At present, tax subsidy amounting to about $250 million a year enables the commissaries to offer food and related goods to retired and active duty military personnel, their dependents and widows and to veterans with 100% disability ratings at substantial savings. Average prices at commissaries reportedly are more than 20% lower than day-to-day costs in supermarkets outside the gates of military bases.

Spokesmen for the retail food industry say that without the tax subsidy, which includes salaries of clerks and other employees

along with commissary building costs, the military markets would present little price competition to the civilian supermarket.

Charles Monasee, of Omaha, Nebr., president of Hinky Dinky, a Midwestern retail food chain, and a former career Air Force officer, put it this way:

"There is no way the military can operate markets with the efficiency that private enterprise requires. Whatever advantages that would remain in the commissary syatem would be swept away by the inefficiencies necessitated by bureaucratic red tape and the absence of initiative we sometimes see in military organizations.

"The commissaries might retain the advantage of geographic convenience to people on military bases. That would be about all."

There would be no convenience to June and Sam Swenson who drive their station wagon some 125 miles to Offutt Air Force Base south of Omaha every four weeks. They stock up with meat and pantry staples, spending nearly $200, and return to their home with most of a month's larder.

Without the cost saving of $40 or more, there would be no reason for the Swensons to make the trip.

"When I first realized how badly I'd been hit," said Sam, "I consoled myself with the belief that Uncle Sam was never going to let me down. There was no use kidding myself—there was no way I could make it alone, no matter how much I wanted to. I figured I'd have to have help for the rest of my life and my country would give me that help.

"Now I'm not so sure. There's talk about closing the VA hospitals and there is an actual plan to deprive me of those commissary benefits."

Sam supplements his pension by solicting magazine subscriptions over the telephone and by typing term papers for college students. June works several nights a week as a telephone operator.

"The money we save at the commissary is mighty important to us," Sam declared. "Sure, we could survive without the commissary. But it would be more difficult, especially the way prices are today.

"What bothers me most, though, would be the betrayal of me and a lot of other people. We were promised the advantages of the commissary."

Millions of others who enjoy military commissary privileges express the same feeling. And there seems to be considerable sympathy for their attitude in Congress.

The commissary system was born of necessity.

In the Revolutionary War, civilian merchants known at sutlers were among the most enterprising of camp followers, selling food, whiskey, tobacco and other items to troops. Sutlers even supplied the Army itself during the Revolution and the War of 1812.

It was all very official until 1825, when Congress authorized the sale of "subsistence merchandise" at Army posts "remote from markets."

Sutler stores at frontier forts were both saloons and general stores, supplying trappers, freighters, people moving west on wagon trains and sometimes ranchers along with soldiers and their families.

Many sutlers were profiteers. They gouged the soldiers, encouraged them to drink heavily, extended excessive credit and then collected through liens on their pay.

The acute need to protect the military from the profiteering practices and to assure a reasonably constant supply of goods was called to the attention of Congress by the War Department in 1866. Congress abolished the sutler system and directed what is now the Army Quartermaster Corps to procure and sell at cost a line of subsistence supplies to military families.

Commissaries became supermarkets after World War II. It was similar to the transformation of the corner grocery into the big, modern food-selling establishment.

A principal difference was that the commissary did not become a veritable department store in the manner of some civilian supermarkets. The commissaries offer food, paper goods, cleaning products, cigarettes, health and beauty aids and a few other non-food products.

The goods are sold at cost plus a small surcharge to cover expenses of paper bags and some overhead items that are not tax-supported.

The proposal to remove tax support from domestic commissaries and to confine the subsidy for overseas commissaries to the transportation of goods is explained by the Pentagon as purely for economy—to save $250 million a year in the salaries of some 25,000 commissary employees and the cost of the 2,500 military personnel who are assigned to commissary duty.

In addition to affecting the veteran with a 100% disability, the change would create new hardships for many retired military personnel and for enlisted men and women on active duty.

Sixty-seven percent of the men and women presently in uniform are in the lower enlisted grades and receive less than $7,000 a year in pay and allowances.

Approximately 1 million are military retirees. The average among them retired as a staff sergeant or third-class petty officer and receive marginal pensions.

The majority of retirees settled in communities in which military hospitals and commissaries were available. They use the commissaries.

"Those commissary savings are a matter of economic life or death to a lot of retired people," said Russell Musick, Past Commander of the V.F.W. Department of South Dakota, who retired from the Army in 1961 as a chief warrant officer.

Musick shops regularly at the Ellsworth Air Force Base commissary, about 11 miles from his home in Rapid City. Approximately 1,500 similar retiree families live in Rapid City; a community of about 45,000.

"It is hard to guess how some of them would get along without the commissary advantages we now have," he said. "A lot of them have developed their life-style around the savings. So have active duty people.

"Those advantages were pledged to us when we entered the service and when we elected to make the service our career."

Charles Monasee, the Midwest Supermarket chain president, sees the commissaries in their present form as strongly competitive to the private sector food industry.

Nevertheless, he describes the plan to withdraw the tax subsidy as "a gross rip-off, a violation of faith."

Support for the retention of the commissary system in its present form comes from numerous other sectors, with some surprising divergence of backround.

As a project of the Fund for Peace, the Washington-based Center for Defense Information is dedicated to sharply reduced military spending. But its director, retired Adm. Gene R. LaRocque, describes the proposal to end the tax subsidy as "penny-wise and pound-foolish."

LaRocque told the *V.F.W. Magazine* in an interview the commissary system "is an inexpensive way to maintain morale, to provide fair treatment of the loyal and patriotic members of the armed services and to maintain a high quality in the military."

The V.F.W. was among the first to do battle against the proposed change in the commissary system. Commander-in-Chief John J. Stang personally expressed opposition to Sen. John Stennis (Miss.) and Rep. Melvin Price (Ill.), chairmen of the two Armed Services Committees.

And the strong opposition of the V.F.W. has been made known to other members of Congress.

Said Commander-in-Chief Stang:

""On this issue, as on all others, your V.F.W. will keep the faith with those who have borne the battle, their widows and their orphans."

CHANGES NEEDED IN RAILROAD REGULATION

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. GRADISON. Mr. Speaker, later this year Congress will be called upon to accept or reject a massive Federal rescue plan for bankrupt eastern and midwestern railroads. The U.S. Railroad Association, which was delegated the responsibility for design of a restructuring plan by the Regional Rail Reorganization Act of 1973, issued its preliminary system plan in February, and is now working on a final system plan. The final system plan is due to be submitted to Congress by July 26 and Congress will then have 60 days in which to act, modify, approve, or reject the plan.

It is apparent that whatever final plan is agreed upon, large amounts of Federal money will be involved. The USRA in its preliminary system plan estimates that it will take about $3 billion over the next 10 years to implement the plan.

Unfortunately, it looks as if the USRA has been overly optimistic in assessing the need for Federal subsidies to carry out their plan. The Rail Services Planning Office has studied the USRA plan and has issued its own report critical of the USRA for what it believes are overly optimistic financial projections contained in the USRA report. The USRA estimates that ConRail, the Government-backed corporation which will take over most of the operations of the bankrupt railroads, will be able to break even by 1978 and operate at a profit thereafter. The RSPO has pointed out that this result depends on making very optimistic assumptions about revenues and costs and on using an accounting system which will present ConRail data in a favorable way.

If more realistic assumptions and more conventional accounting techniques are employed, the need for Federal subsidies will be even greater than the huge figures estimated by USRA.

Before Congress commits itself to paying all the bills for restructuring the bankrupt railroads, I believe we must look at why these railroads got into such a mess in the first place and why other railroads besides the bankrupts are having serious problems right now. If we approve a rescue plan without addressing fundamental problems, we will be in effect, pouring huge sums of the taxpayers' money down the drain and we will be committing ourselves to permanent and massive subsidies to keep ConRail operating.

There is also a very good chance that the Penn Central situation will recur before too long in another part of the country if we do not attack the basic

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problems of the system. We already have a preview of this in the situation with the Rock Island Railroad. Whatever the final costs of the USRA plan turn out to be, these could be multiplied several times over as similar rescue plans are needed in other parts of the country.

In looking for fundamental problems which have weakened the Nation's railroads, one is very obvious. This is the inefficient and detrimental way in which the railroads have been regulated by the Interstate Commerce Commission.

ICC policies have prevented the railroads from setting rates so as to attract business and meet competition from other modes of transportation. In one case, Southern Railway Co. in 1961 proposed a new rate for hauling grain which was substantially below then prevailing rates. Southern was able to offer the new rate because it had developed a new type of gondola car which allowed considerable cost savings. The ICC opposed the lower rates and Southern had to fight the ICC for 4 years and eventually take the case to the Supreme Court before it was allowed to implement the rates. ICC rate policies have also discouraged the railroads from taking full advantage of the advances in containerization which other modes of transportation have adopted so effectively.

The ICC has been detrimental to the industry through unwarranted delays in considering merger proposals. The best example is the Rock Island Railroad case where it took the ICC almost 12 years to render a decision while the Rock Island was slowly going bankrupt at the same time the ICC was delaying action on the case.

The railroads and the country cannot afford to continue with these same old-fashioned regulatory procedures. The question of regulatory reform has been studied again and again and every study has come to the same conclusion: our regulatory procedures are outmoded and economically damaging. It is now time to change these procedures.

Legislation to reform the ICC should be passed prior to approval of a final system plan for the bankrupt railroads. In this way, we will make success more likely for the restructuring plan and minimize the possibilities of the present situation recurring in another part of the country. I do not believe we can justify asking the Nation's taxpayers to put up more than $3 billion to bail out the bankrupt railroads unless we first take steps to reform the ICC.

At a minimum, the following changes should be made in ICC procedures:

First. Railroads should be given much greater flexibility to raise and lower rates. When the ICC was set up in 1887, the public needed protection against the railroads which were the only means of transportation in many areas. Today, other modes of transportation compete with railroads and this limits the railroads' monopoly power.

Second. New procedures must be established to insure prompt consideration of merger proposals.

Third. Railroads must be allowed to institute new types of services to take advantage of advances in technology without getting tied up in a lot of red-tape with the ICC. Railroads should also not be required to subsidize services which have become unprofitable. If continuation of such services is in the public interest, then Federal, State, or local governments should provide the subsidies, not the railroads themselves.

Excessive Government regulation has been a major cause of the problems that railroads have experienced in recent years. Instead of trying to cure these problems by throwing more money at them, we should first change the regulatory system that helped create these problems.

CONGRESS MUST REASSERT ACADEMIC FREEDOM OF LOCAL CITIZENS

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. HAGEDORN. Mr. Speaker, local citizens in communities across America are looking to Congress for help in reasserting their authority over their own local schools.

The academic freedom of these citizens—their right to decide what is taught in schools, and how—has been largely destroyed because the Federal Government's aggressive promotion of certain education policies and school materials, along with sizable Federal subsidies, is forcing local school choices and decisions that citizens themselves would not make.

Local citizens are helpless against the massive power and resources of the Federal Government as it manipulates local school policies.

One of the most flagrant examples of this problem recently brought to our attention is the National Science Foundation's aggressive promotion and marketing at taxpayers' expense of certain school curriculum materials. Many of these school materials, particularly in the social studies area, are very controversial and have caused heated opposition in local communities throughout the country.

One such course, "Man: A Course of Study," also known as MACOS, is an especially objectionable program used with 10-year-olds in fifth grade classrooms. The central human subject of the course is the Netsilik Eskimo subculture, whose lifestyle condones barbaric practices such as cannibalism, killing the weak and helpless, wife swapping, and other immoral behavior. The MACOS program is designed to make children tolerant of such practices in different cultures, and by extension to question their own values and social attitudes.

MACOS was developed with more than $5 million from NSF, and is being promoted and marketed with NSF support and funding.

An amendment to NSF's 1976 budget authorization, which would have stopped this Federal interference in local school curriculum choices, was proposed by our colleague, JOHN CONLAN of Arizona, when the House passed the NSF bill on April 9. The amendment was narrowly defeated by a 196 to 215 recorded vote. I was proud to vote for that amendment, which I believe would have passed if more Members realized the danger to local school autonomy posed by NSF curriculum promotion activities.

I understand that a similar amendment banning NSF promotion and marketing of school materials will be offered when the Senate considers the NSF budget authorization within the next week or so. I hope such a provision is part of the final bill Congress approves for the President's signature.

An excellent article outlining the facts behind the National Science Foundation's MACOS controversy is included in the current issue of Human Events. I would like to share that article, along with its accompanying rollcall vote on the Conlan amendment, at this point in the RECORD.

MACOS: PUPILS BRAINWASHED WITH FEDERAL FUNDS

(By J. F. Baldacchino, Jr.)

Democratic Rep. James W. Symington of Missouri is making no secret these days of his desire to succeed his father, Stuart Symington (D.-Mo.), as a Missouri senator when the elder Symington retires next year. But if the people of that "Bible belt" state come to understand Rep. Symington's key role in defeating a recent amendment by Rep. John Conlan (R.-Ariz.) to the National Science Foundation authorization bill, he may experience difficulty getting himself elected dog catcher in Missouri, much less United States senator.

Conlan's amendment, which was rejected on a close 215-to-196 vote (see rollcall, page 6), was designed to prevent further use of NSF funds for the promotion or marketing of controversial courses in the nation's public schools—courses that manipulate unsuspecting school children into rejecting long-established moral values and even go so far as to rationalize infanticide, killing of the aged and wife-swapping.

What prompted the Conlan amendment was the National Science Foundation's spending of over $7 million to develop and promote a social studies course for 10-year-olds called "Man: A Course of Study," or MACOS.

After this course was developed by a group called the Educational Development Center, Inc., (EDC) at a cost to the taxpayers of over $6.5 million, it was considered so outrageously controversial that fully 50 commercial publishers refused to touch it. In order to make MACOS commercially available, therefore, the NSF entered into a dubious arrangement whereby it agreed to allow an off-beat publishing outfit known as Curriculum Development Associates, Inc., (CDA) an 80 per cent discount on royalties owed to the government.

The resulting savings—in effect, federal subsidies—enabled CDA to undercut prices to the nation's public school systems for more conventional, non-subsidized course alternatives published by the more reputable textbook firms. Much of these subsidies, moreover, have gone into a high-pressure promotion campaign to persuade school administrators to adopt MACOS for use in their school systems.

Thanks in no small part to these federal subsidies, then, MACOS is now being used in an estimated 1,700 elementary schools, in nearly every state in the Union; and many parents do not even realize their children are being subjected to it.

Materials for MACOS, which include numerous books, films, records, pamphlets and other teaching aids, are full of references to adultery, cannibalism, infanticide, killing of old people, trial marriages, wife-swapping, murder and other behavior practiced by the Netsilik Eskimos studied as part of the course.

The idea, drummed into fifth-grade children day after day, is that such practices are considered all right by the Eskimo culture and, by extension, should be looked upon with tolerance by ours. And this is what bothers parents and other critics of this program. It is not that students should not be exposed to knowledge of other cultures, but there is some question as to whether children should be exposed to such harsh realities at this young stage of their development. In the view of many, this kind of material might better be reserved for college-level anthropology courses.

Even worse, if children are going to be expected to this kind of behavior in other cultures, it should be made clear to them that such activities should by no means be considered acceptable or morally upstanding. Yet the purpose of MACOS, as its educator supporters readily admit, is precisely to get children to question this society's most cherished values.

The alarming result, as Susan Marshner demonstrates in a study to be published shortly by the Washington-based Heritage Foundation, is that children come to believe "that there are no moral absolutes. To say that it is not possible to use a set of moral values to arrive at answers to problems assumes the truth of situation ethics and relativism."

In short, MACOS teaches children that nothing is sacred. Not the religious beliefs taught them by their parents. Not Western civilization. Not their country. Nothing, except perhaps the "anything-goes" beliefs of the course's leftist developers, Jerome S. Bruner and B. F. Skinner, whose book Beyond Freedom and Dignity showed in stark relief his affinity for changing human values through psychological conditioning.

Here are direct quotes from some of the written materials provided elementary school children as part of their MACOS training:

Adultery and wife-swapping. "Husbands have a very free hand in their married life and it is considered to be quite in order for them to have intercourse with any woman whenever there is an opportunity." (The Netsilik Eskimos, MACOS Vol. I, p. 117).

"Two men who become song partners . . . are so closely bound together that they can exchange wives if they choose." (A Journey to the Arctic, MACOS Booklet 18, p. 38).

Cannibalism. "The wife knew that the spirits had said her husband should eat her, but she was so exhausted that it made no impression on her. She did not care. It was only when he began to feel her, when it occurred to him to stick his fingers in her side to feel if there was flesh on her, that she suddenly felt a terrible fear; so she, who had never been afraid of dying, now tried to escape. With her feeble strength she ran for her life, and then it was as if Tuneq saw her only as a quarry that was about to escape him; he ran after her and stabbed her to death. After that, he lived on her, and he collected her bones in a heap over by the side of the platform for the purpose of fulfilling the taboo rule required of all who die." (The Netsilik Eskimos, Volume 1, pp. 97–98).

Divorce and trial marriage. "Divorce is common as long as there are no children, and there are women who go through seven or eight trial marriages before they finally settle down." (The Netsilik Eskimos, Volume I, p. 115).

Female infanticide. "I talked to several Netsilik women in one camp about the children they had. One had borne 11 children—four boys and seven girls, of which four girls had been allowed to die at birth." (A Journey to the Arctic, MACOS Booklet 18, pp. 24–25).

Murder. "As time went on, the old woman grew angry, for she too wanted a husband. She envied her daughter more and more, until one day when Kiviok was out hunting caribou, she killed her. She pulled the young smooth skin from her daughter's face and hand, and with it she covered her wrinkled old face and her bony hands. When Kiviok returned, the mother went to greet him as her daughter always did." (The Many Lives of Kiviok, MACOS Booklet 25, pp. 11–12).

Senilicide. "When we spoke of Eskimo murder, Father Henry told me about a man now at Committee Bay who had come to him one day, and, after the usual tea and silence, had said to him suddenly: 'I took the old woman out on the ice today.' It was his own mother that he had driven out and set down at sea to freeze to death.

"He was fond of her, he explained. He had always been kind to her. But she was too old, she was no longer good for anything; so blind, she couldn't even find the porch to crawl into the igloo. So, on a day of blizzard, the whole family agreeing, he had taken her out, and they had struck camp and gone off, leaving her to die." (Old Kigtak, MACOS Volume 7, p. 18).

The children are far from being passive observers in this program. On the contrary, they are required to grapple with some of the most difficult of moral questions. In addition, they are made to participate in psychological games involving surveillance of the actions of their fellow pupils and of their parents' conduct of family life.

MACOS has been denounced by the renowned New York clinical psychologist Dr. Rhoda Lorand, for 25 years a practitioner of psychotherapy for children and young adolescents and also a professor at Long Island University.

Said Dr. Lorand: "The program not only forces the children to be preoccupied with infanticide and senilicide as well as the gory details of animal slaughter, it also aims at making the children accepting of these practices. Further, the children are forced to identify with the customs through role-playing, even of Eskimo myths.

"In the enactment of one myth, a child about whom I was told, was required to play the role of the elderly grandmother who clings to a boat which is about to leave her behind to die. Another child was assigned the role of her offspring who chops off the grandmother's fingers so that she cannot delay their departure."

Dr. Armand DiFrancesco, a family physician in Buffalo, N.Y., says MACOS has caused emotional traumas and psychological disturbances for several young children he has personally treated:

"I first became interested in this course of study when a young 12-year-old girl from a nearby city was referred to me because of severe anxiety, and insomnia, and school phobia, and who began to have sexual obsessive thoughts. In therapy, I have learned that this was brought about by the teachings and by the stories as recounted in the MACOS program.

"I subsequently had occasion to have two other cases of children who developed anxiety and conflicts as a result of some of the things that were taught in this program that were in conflict with some of their religious beliefs and teachings at home."

But as if MACOS were not doing enough harm, EDC is now moving forward under a new grant approved on January 10 of this year to promote and market a sequel to MACOS for high schools called "Exploring Human Nature."

Prior to receipt of the January 10 grant, EDC had already developed "Exploring Human Nature" at a cost to the government of nearly $2.5 million. The January 10 grant has nothing to do with developing the course. That has already been accomplished. This year's grant is strictly for use in developing and maintaining a high-powered system whose main purpose it will be to get MACOS, "Exploring Human Nature" and several other social-value-modification courses accepted by local school systems.

Here, as described by Rep. Conlan, are some of the specific goals of EDC that were accepted as the basis for NSF grant No. PES 75–01635, which was approved and funded as of Jan. 10, 1975:

"The marketing strategy announced in the NSF-approved EDC grant proposal included establishing key target regions and localities throughout the U.S. as a first step towards implementing "Exploring Human Nature in every U.S. high school. They include: Connecticut, Delaware, Florida, Georgia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, Washington, and the District of Columbia.

"NSF funding for 'Exploring Human Nature' under its 1975 grant provides for a series of promotion conferences to train local school administrators and teachers in the EDC social studies philosophy over the next 18 months."

And what is the purpose of all of this frantic organizing at taxpayers' expense? Why, to implement "Exploring Human Nature," MACOS, and related EDC curricula with NSF funding in a *minimum* of 1,900 additional classrooms in 500 school districts in 50 states. And this is to be accomplished by next year.

But that is just the beginning. "In addition," said Conlan, "Education Development Center received NSF approval in its grant prospectus to:

"Lobby for 'Exploring Human Nature,' 'Man: A Course of Study' and other EDC/NSF social science courses among federal, state and local agencies which provide support services and financial assistance to local school districts and employ personnel who help local school districts introduce new curriculum programs. . . ."

In short, NSF is funding efforts by backers of these radical school courses to wring further government grants from other agencies at both the federal and state levels.

Moreover, while this year's grant to EDC was $95,993, which is relatively modest by NSF's standards, Conlan counted up commitments in the 1975 grant of more than $1,275,000 for a third year's promotion campaign for these courses, to begin either in late 1976 or early 1977.

And adding insult to injury, the EDC promotion plan funded by this year's NSF grant actually requires each promotion team in the growing EDC educator network to apply for yearly NSF grants for their own activities for an indeterminate number of years into the future.

To understand the significance of this funding pyramid structure, it should be put in the perspective of recent educational developments in this country. In contrast to the early days of American public schooling when parents prescribed what the schools should teach and how, in recent years parents have been virtually shut out from decisions relating to the schools that teach their children.

As Dr. Onalee McGraw, coordinator for the National Coalition for Children, recently testified before a congressional subcommittee, the parents' "inherent right to decide how schools can best serve the educational needs of their children has been usurped by a highly powerful organization of educators and the National Education Association."

Members of this elitist group of educators, said Dr. McGraw, have widely stated that, in their view, parents are inadequate for child-raising. "They further view the home as an inadequate, unhealthy, and even pernicious source of character formation. They have thus established themselves as models for children's standards and behavior, in place of the children's own parents and relatives."

This belief has become orthodoxy among the educationist establishment in the United States today. And by using NSF funding for the promotion of their views, they are rapidly extending their grip into the various school districts nationwide. Only if Congress puts a stop to NSF funding of promotion activities for courses such as MACOS can this erosion of parental control of the public schools be slowed.

By requiring Congress to give specific approval before NSF could promote or market any commercially available curriculum program, the Conlan amendment would have helped Congress to put educational policy back in the hands of parents where it rightfully belongs.

Still another amendment which could prove helpful in this regard is the Bauman amendment, which passed the House by a close 212-to-199 margin on April 9 (see rollcall, HUMAN EVENTS, April 26, 1975, page 15). This amendment, which may run into difficulty in the Senate, gives Congress a 30-day opportunity to reject any grant proposal approved by NSF and could thereby give the people's elected representatives in Congress an opportunity to nip future dangerous programs such as MACOS in the bud.

Yet Rep. Symington insisted that he saw no need for either of these proposals and, indeed, led the opposition to the Conlan amendment. He could live to regret it in next year's Missouri Senate race.

The National Science Foundation authorization measure now resides in the Senate Committee on Labor and Public Welfare, chaired by Sen. Harrison A. Williams Jr. (D-N.J.). As the bill came out of Sen. Edward M. Kennedy's Special Subcommittee on the National Science Foundation, neither the Bauman amendment nor the Conlan amendment is included in the Senate version of the bill. It is all but certain, however, that both the Bauman amendment and a modified version of the Conlan amendment—one that would flatly prohibit use of NSF funds for promotion of curriculum materials—will be offered on the Senate side, either at the committee stage or when the measure reaches the Senate floor.

ROLLCALL: NATIONAL SCIENCE FOUNDATION MARKETING OF CURRICULUM PROGRAMS

On April 9, 1975, the House by a narrow margin—196 to 215—rejected a bid by Rep. John Conlan (R.-Ariz.) to require specific congressional approval of National Science Foundation funding for implementing or marketing course or curriculum programs or materials (see story above). Following is the rollcall on the Conlan amendment (a nay vote is against congressional oversight of such controversial material as "Man: A Course of Studies"):

DEMOCRATS FOR: 89

Addabbo, Alexander, Andrews (N.C.), Annunzio, Barrett, Bennett, Bevill, Biaggi, Boggs, Breaux, Brinkley, Burleson (Tex.), Byron, Casey, Chappell, Daniel, Dan, Davis, Delaney, Dent, Derrick, Downing, Evans (Ind.), Ford (Tenn.), Fountain, Fulton, Gaydos, Ginn, Gonzalez, Haley, Hays (Ohio), Hebert, Hefner, Henderson, Hightower, Holland, Howe, Hubbard, Hungate, Ichord, Jenrette, Jones (N.C.), Jones (Tenn.), Kazen, Levitas, Lloyd (Tenn.), Long (La.), and McDonald.

McKay, Mahon, Mann, Mathis, Mazzoli, Melcher, Minish, Montgomery, Mottl, Murphy (Ill.), Murphy (N.Y.), Murtha, Natcher, Nichols, Passman, Patten, Pickle, Randall, Roe, Rose, Runnels, Russo, Satterfield, Shipley, Slack, Staggers, Steed, Stephens, Stratton, Sullivan, Taylor (N.C.), Traxler, Waggonner, White, Whitten, Wilson, C. (Tex.), Wolff, Wright, Yatron, Young (Tex.), Zablocki, and Zeferetti.

REPUBLICANS FOR: 107

Abdnor, Andrews (N.D.), Archer, Armstrong, Ashbrook, Bafalis, Bauman, Beard (Tenn.), Bell, Broomfield, Brown (Ohio), Broyhill, Buchanan, Burgener, Burke (Fla.), Butler, Carter, Cederberg, Clancy, Clausen, Don, Clawson, Del, Cleveland, Cohen, Collins (Tex.), Conlan, Crane, Daniel, Robert, Devine, Dickinson, Duncan (Tenn.), Edwards (Ala.), Emery, Eshleman, Fish, Forsythe, Goldwater, Goodling, Gradison, Grassley, Guyer, Hagedorn Hammerschmidt, Hansen, Harsha, Hillis, Hinshaw, Holt, Horton, Hutchinson, Hyde, Jeffords, Johnson (Colo.), and Johnson (Pa.).

Kasten, Kelly, Kemp, Ketchum, Kindness, Lagomarsino, Latta, Lent, Lott, Lujan, McCollister, McKinney, Madigan, Martin, Michel, Miller (Ohio), Mitchell (N.Y.), Moore, Moorhead (Calif.), Myers (Ind.), Myers (Pa.), O'Brien, Pressler, Quillen, Railsback, Regula, Rinaldo, Robinson, Rousselot, Schneebeli, Schulze, Sebelius, Shriver, Shuster, Skubitz, Smith (Neb.), Snyder, Spence, Steelman, Symms, Talcott, Taylor (Mo.), Thone, Treen, Vander Jagt, Walsh, Wampler, Whitehurst, Wilson, Bob, Winn, Wydler, Wylie, Young (Alaska), and Young (Fla.).

DEMOCRATS AGAINST: 182

Abzug, Adams, Ambro, Anderson (Calif.), Aspin, Badillo, Baldus, Baucus, Beard (R.I.), Bedell, Bergland, Bingham, Blanchard, Blouin, Bolling, Bonker, Bowen, Brademas, Breckenridge, Brodhead, Brooks, Brown lison (Mo.), Burton, John, Burton, Phillip, (Calif.), Burke (Calif.), Burke (Mass.), Bur- Carney, Carr, Chisholm, Clay, Collins (Ill.), Corman, Cornell, Cotter, D'Amours, Daniels, Dominick, Danielson, de la Garza, Dellums, Diggs, and Dingell.

Dodd, Downey, Drinan, Duncan (Ore.), Early, Eckhardt, Edgar, Edwards (Calif.), Eilberg, Evans (Colo.), Evins (Tenn.), Fascell, Fisher, Fithian, Flood, Florio, Flowers, Foley, Ford (Mich.), Fraser, Fuqua, Gibbons, Green, Hall, Hamilton, Hanley, Hannaford, Harkin, Harrington, Harris, Hawkins, Hayes (Ind.), Hechler (W. Va.), Helstoski, Hicks, Holtzman, Howard, Hughes, Jacobs, Johnson (Calif.), Jones (Ala.), Jones (Okla.), Jordan, Karth, Kastenmeier, Keys, Koch, Krebs, Kreuger, and LaFalce.

Leggett, Lehman, Litton, Lloyd (Calif.), Long (Md.), McCormack, McFall, McHugh, Macdonald, Madden, Maguire, Meeds, Metcalfe, Meyner, Mezvinsky, Mikva, Milford, Miller (Calif.), Mineta, Mitchell (Md.), Moakley, Moffett, Moorhead (Pa.), Morgan, Moss, Neal, Nedzi, Nix, Nolan, Nowak, Oberstar, Obey, O'Hara, O'Neill, Ottinger, Patterson (Calif.), Pepper, Perkins, Pike, Poage, Preyer, Price, Rees, Reuss, Richmond, Riegle, Risenhoover, Roberts, Rodino, and Rogers.

Roncalio, Rooney, Rosenthal, Rostenkowski, Roush, Roybal, Ryan, St Germain, Santini, Sarbanes, Scheuer, Schroeder, Seiberling, Sharp, Sikes, Simon, Sisk, Smith (Iowa), Solarz, Spellman, Stanton, James V., Stark, Stokes, Studds, Symington, Teague, Thompson, Thornton, Tsongas, Ullman, Van Deerlin, Vander Veen, Vanik, Vigorito, Waxman, Weaver, Wilson, C. (Calif.), Wirth, Yates, and Young (Ga.).

REPUBLICANS AGAINST: 33

Anderson (Ill.), Biester, Brown (Mich.), Cochran, Conable, Conte, Coughlin, Derwinski, du Pont, Erlenborn, Fenwick, Findley, Frenzel, Frey, Gilman, Gude, Hastings, Heckler (Mass.), Heinz, Jarman, McClory, McCloskey, McDade, Mosher, Peyser, Pritchard, Quie, Ruppe, Sarasin, Stanton, J. William, Steiger (Wis.), Whalen, and Wiggins.

Not Voting: 21.

LAND USE: WHAT'S IN STORE FOR AGRICULTURE

HON. ALAN STEELMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. STEELMAN. Mr. Speaker, in the past, urbanization of farmland has not had an overall impact on farm production, because, through irrigation and application of fertilizer, we have been able to transform relatively poor land into productive cropland. But, the recent world food crisis and rising domestic costs for farm products have heightened awareness of the fact that our supply of prime agricultural land is limited.

The statistics on urban encroachment into the countryside are sobering: between 1960 and 1970, over 2,000 acres of rural land was urbanized every day. Each year, 350,000 acres of farmland is lost to urban development—much of it prime agricultural land. For instance, since 1935 farm acreage in Maryland has declined from 6.30 million acres to 2.5 million acres in 1974, and the number of farms has declined from 44,000 to 15,000. Once urbanized, farmland is almost irretrievably removed from the Nation's agricultural system.

We can no longer afford to be complacent about the loss of rich farmland to development. Just 5 years ago, only 330 million acres of land were cultivated in this country, and the Federal Government was paying farmers to keep land out of production. Last year, virtually all of the Nation's 470 million acres of cropland were in production. In addition, the costs of transformation is likely to increase in the future, as the quality of potential land available for conversion to cropland declines.

Under the prevailing system in which urbanization occurs, even the most highly productive farmland may not be able to compete with the economics of urbanization. The dynamics of development are such that land values and property taxes in urbanizing areas may rise to the point where it is really impossible to maintain a farm operation.

The Bureau of Reclamation has estimated that the initial cost of bringing new cropland into production is $1,000 an acre. This estimate is likely to change as the cost of irrigation projects and fertilizer escalates. In addition to these costs, farmers must also adopt new costly farming practices and buy new types of equipment to attain the goals and regulations imposed by environmental protection laws. Needless to say, these factors will send food prices soaring. Thus, if we are to insure an adequate supply of food at reasonable costs in the future, it is apparent that we as a nation must commit ourselves to policies which minimize indiscriminate urbanization of prime food and fiber producing land. An important step in this direction would be the enactment of H.R. 3510, the Land Use and Resource Conservation Act of 1975.

One of the purposes of this bill would be to aid States in developing policies and procedures to identify prime food and

fiber producing lands, and to promote their continued use and productivity to meet long range food and fiber requirements.

On March 18, 1975, Assistant Secretary Long, USDA, testified before the House Interior Committee, Subcommittee on Energy and the Environment, as to the Department's position on H.R. 3510. During his questioning by members of the subcommittee, Secretary Long acknowledged "that there has been no department or national policy on prime land, its preservation and maintenance."

This came as a great shock for one who had always assumed that the Department of Agriculture had up-to-date information on prime land, where it is, what was happening to it, and what suggestion ought to be considered in order to maintain these lands. Now, knowing that the USDA does not have this information, makes it all the more vital that H.R. 3510 is enacted so as to encourage the State and local governments, with a broad base of citizen participation, to develop the specific policies and procedures they want for promoting the continued productivity of these types of land.

A good example of the need for a comprehensive State-local plan for agricultural lands as envisioned in H.R. 3510, is the scenario of Suffolk County. In Suffolk County, on the edge of the sprawling metropolitan area formed by New York City and its neighboring Nassau County suburbs, the land is perfect for developers. Fortunately, Suffolk, which has 40,000 acres of New York's most productive cropland, has decided in the absence of any meaningful State plan, to keep the developers from obliterating Suffolk's rural character. Their plan is to purchase the farmer's right to sell his acreage to developers. Although this concept has gained in popularity in other counties, there remains the doubt that this single plan will work in all the States.

Therefore, H.R. 3510 would be in furtherance of initiatives already being taken by some States and local governments to protect farmland and farmers from the consequences of indiscriminate urban sprawl. Presently, in much of the country, urbanization proceeds in a leapfrog pattern—in which new development is placed in relatively rural areas thus extending the urban fringe into the countryside. The bill would help through giving States an idea of some type of procedures to assess proposals for large scale development projects, and growth-generating key facilities. In addition, the States and ultimately the farmer, would be helped by a process which would coordinate Federal programs and make these programs and projects consistent with the overall State programs and policies.

I feel strongly that the rural community needs to participate fully and effectively in the future planning and development of the rural areas in particular as well as America in general. Combine these elements with such provisions as no Federal role in the review of the substance of any State's plan, no sanctions, and a voluntary State grant-in-aid program and you have a modern, enlightened approach to land use planning whereby the States and local government with public participation make the decisions about the types of use for their land. H.R. 3510 gives the farmer and forester this opportunity which will hopefully lead to sound planning which is an essential element to our future growth.

I commend to my colleagues' attention the following article from Time magazine:

SAVING THE FARMS

Every year about 350,000 acres of farm land on the fringes of America's suburbs—an area roughly half the size of Rhode Island—are taken out of crops and put into buildings. Though the loss may seem insignificant in a nation with 470 million acres of cropland, there is a hitch. Much of the lost acreage is top-quality farm land, rich soil that the U.S. should keep as a major resource. But to save such land for farming has been almost impossible. Buying it outright is too expensive. Zoning it for agricultural use only can often be illegal. The U.S. Constitution forbids any action that lowers land values (in this case by banning any sort of development) without "just compensation."

But there is a middle way, one now being tested in Suffolk County on the eastern end of Long Island. Famous for the Hamptons, a string of summer resort communities along the Atlantic Ocean beaches, Suffolk has 40,000 acres of cropland that has made it the most productive farm county in New York State. The land is also perfect for developers—pancake flat and on the edge of the sprawling metropolitan area formed by New York City and its neighboring Nassau County suburbs. To keep the developers from obliterating Suffolk's rural character, the citizens of the county have decided to try something new: buying not the farm land but the farmer's right to sell his acreage to developers. That will cost money, but not as much as buying the land outright. If a farm is worth, say, $6,000 per acre to a developer but only $1,500 per acre to a farmer, the county will pay the difference—$4,500—for the "development rights." In return, farmers who join the program must agree to keep the land in farms forever.

TOO RADICAL

The scheme is mainly the work of County Executive John Klein, 43, who began his campaign to save what he calls "New York City's breadbasket" right after being elected in 1971. His first step was to set up a twelve-man committee of farmers and charge it with finding a way to keep the farm lands. John Talmage, 45, a farmer in Riverhead, suggested the development-rights formula. The idea seemed so radical, he recalls, that "I thought it was not salable."

But Klein bought it and resold it to the county legislature, which voted $60 million in 30-year bonds to acquire development rights. The cost will be borne by local residents, whose taxes will rise a few cents a year. Yet Suffolk's citizens have generally supported the bond issue because they stand to gain from preserving the farms. Some of those who will benefit:

1) Year-round residents will keep their low tax base. At first, some Suffolk County residents subscribed to the popular myth that new subdivisions, by bringing in more taxpayers, would lower per capita taxes. But Klein proved that in Nassau County rapid development actually caused a rise in local taxes, which were needed for costly new roads, schools and other services.

2) Summer homeowners, drawn to the area by the attractive landscape, will continue to enjoy the unspoiled look that well-farmed, wide-open fields provide.

3) Farmers will have their taxes stabilized. As elsewhere, taxes in Suffolk are figured on the land's "highest and best use"—*i.e.*, its value to developers. Local governments now give farmers a break by assessing their land at what Klein candidly describes as "illegally low preferential rates." But such treatment cannot continue indefinitely, he says. Nor can the county help when federal and state inheritance taxes, which are based on the land's full value, come due. Under the development-rights scheme, however, all taxes will be reckoned only on the land's agricultural value. Beyond the tax advantage, says Water Mill Farmer Tom Halsey, "I still keep my pride in ownership. I am still able to build farm buildings on my land. And with the money that I can get from selling my development rights, I might even be able to buy more farm land."

That left only one question. How many of the county's farmers—a notably independent lot—would choose to sell their development rights? This winter Suffolk invited farmers to join the program. The response was overwhelming: 361 property owners offered the county rights to 17,800 acres for some $117 million. Klein has established a committee to select the best buys for Suffolk's $60 million. He plans to ask the legislature to authorize another $15 million bond issue next year, but already he feels vindicated. "Suffolk is a microcosm of the U.S.," he says. "If the development-rights program can work here, it can work anywhere."

SENIOR CITIZENS AND THE ECONOMY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. DOWNEY. Mr. Speaker, on March 3, I held a day-long public hearing in my district on senior citizens and the economy. I heard testimony from more than 2 dozen witnesses, including heads of senior citizen organizations, agency directors, and some very outspoken individuals representing themselves. The hearing room was packed with interested older Americans anxious to be heard by their Congressman as well as by the various public officials who were also in attendance.

Mrs. Elisabeth Taibbi is the director of the Suffolk County Office of the Aging. Her office is funded under the Triple A provision of the Older Americans Act creating area administrations on aging. In her testimony she discusses some of the administrative problems facing agencies set up to help the elderly as well as some of the specific issues that affect them directly. I insert Mrs. Taibbi's testimony in the RECORD:

TESTIMONY OF ELISABETH TAIBBI

I would like to call our next witness, Elisabeth Taibbi, from the Suffolk County Office of the Aging. I might add that Mrs. Taibbi was one of my former colleagues on the Suffolk County Leigslature.

Mrs. TAIBBI. Congressman Downey, Mrs. Morris:

I would like to thank you for the opportunity to participate in this discussion regarding the debilitating impact of the economy-related problems that Suffolk's senior population has been struggling with most nobly. The escalating problems they face are varied and many, and the light at the end of the tunnel seems to get dimmer with the uncertainty they face on a daily basis. The poetic promise that once might have sustained us all, "Grow old with me, the best is yet to be", no longer applies and cannot apply unless and until the complexities of the many issues confronting the elderly receive the intense consideration and earnest understanding of the entire population, especially those of us charged with the responsibility for the well-being of our senior citizen population.

It is not enough for Legislative Committees on Aging, be they local, state or federal, to implement needed legislation if they do not take into consideration the ripple effects of proposed legislation of other legislative committees. The ideal can be achieved by establishing a continuing dialogue between flow-chart related groups. Other legislative standing committees must be made aware of the necessity of including in their dialogue those areas of concern which, on the surface, may not be recognized as having a direct impact on the elderly. The vicious cycle of government giving with one hand and taking it back with the other because of conflicting legislation, must be broken.

Lack of adequate income is the most pressing problem facing older persons today. While we could enumerate the well known and widely publicized spiraling costs of basic essentials and the despair this generates among the elderly, within the time frame of this hearing, of necessity, I will have to limit my presentation to answering your specific inquiries.

Your main inquiries seem to be the assessment of current programs and suggested changes.

Supplemental Security Income Program, better known as S.S.I., was established as a federally funded income maintenance program effective January 1, 1974, replacing Public Assistance for the Aging, Blind and Disabled, and it is going down for the third time under the weight of inadequate and unrealistic guidelines that are generating much confusion and controversy about federal and state responsibilities.

The CHAIRMAN. If you want to go on to how the County has helped, that would be fine.

Mrs. TAIBBI. On the positive side, our office has received a one-year model project grant which enabled us to provide an SSI Coordinator whose primary function is to meet with the elderly singly and in groups and explain the eligibility requirements to them. With the welcome assistance of volunteers, he has literally gone out into the marketplace, actively seeking out senior citizens who are not aware of their possible eligibility. Final determinations of eligibility are, of course, made by the local Social Security Offices.

I submit for your review this twenty-page report, which I will call Exhibit 1, compiled by the Temporary Committee to Monitor SSI which comes out of the New York State Office for the Aging, a dedicated, knowledgeable volunteer group. Suffolk County is fortunate to be represented by Mrs. Helen Gould, Executive Director of the Suffolk Community Council. Her membership recommendation was submitted by our office to the New York State Office for the Aging. Hopefully, you will seriously consider the recommended changes and encourage the appropriate officials within your sphere of jurisdiction to take immediate action to improve SSI.

Next on our list of answers to your questions is Social Security. Of immediate concern is the projected five per cent ceiling on increases rather than the anticipated eight and a half per cent.

Federal funding through the New York State Office for the Aging is provided to our office under Title III and Title VII of the Older Americans Act, as amended, and I will leave you a copy of some of our programs.

Some of the recommendations for changes include but are not limited to—and I would like to read from a response we made to the Honorable Frank Church, the Chairman of the U.S. Senate Special Committee on Aging.

Would you clarify for me are you now a member of this committee?

The CHAIRMAN. I am not a member of the Senate Committee. I am a member of the House Committee on Aging.

Mrs. TAIBBI. I thought this was a committee composed of both.

The CHAIRMAN. There is one in the Senate and one in the House.

Mrs. TAIBBI. I would like to take excerpts from this letter.

I thanked him for the opportunity and so forth.

"Hopefully, our remarks will serve to provide you and your valued committee with what we feel has been sadly lacking. Mainly, the local input from the ground up rather than the reverse which seems to be the policy in effect at this time."

The CHAIRMAN. Let me suggest that you give us a copy of the letter without reading it. We can use it in the body of the record.

I have one question that I find interesting, and I was not aware that the County has a SSI Coordinator whose function is to find people who are eligible for SSI. I have a feeling there are many people in the County who are eligible who are not aware of their eligibility. Can you give me an idea of the effectiveness of your coordinator in getting people?

Mrs. TAIBBI. He has addressed himself to the various clubs that he can possibly get to, organizations that are related to senior citizens, and he has been very well received. What has been more effective is going out into the supermarkets, also. He has developed a brochure with the eligibility requirements.

The CHAIRMAN. How large is his staff?

Mrs. TAIBBI. He is the person.

The CHAIRMAN. He is the person?

Mrs. TAIBBI. That is all we are permitted. Of course with the help of the rest of our staff.

The CHAIRMAN. Would it be appropriate in an area like this, the outreach, to provide additional staff so that you would have additional coordinators? Would this help you?

Mrs. TAIBBI. Most probably it would. I think the important thing with SSI is to get more money into the program.

The CHAIRMAN. That we have heard today on several occasions. I'm sure we will hear it again. There is no question that we need more money.

Mrs. TAIBBI. Even when we find people who are eligible, the guidelines were very cloudy. For instance, one woman sold a car that was a gas eater to get one that was more economical. When they deducted the allowance for her car, she no longer qualified.

The CHAIRMAN. We would be interested in knowing, if you could provide it for me later on, the effectiveness of the SSI Coordinators in terms of numbers of increased people you have been able to put on SSI.

Mrs. TAIBBI. He has been compiling as much data as he can. We will get some feedback and this is what we are working on now.

One of the programs I would like to address myself to is Title VII which is a Nutrition Program. I think it's one government funding program where they can see the benefits of the funding. It's a visible program. Of course, the outcry is there is never enough money to reach the people that we would like to. What is happening with Title VII is we are turning into community centers, really. There has been many, many beautiful side effects of it. They are just not coming to eat and run. People are giving of themselves and participating in the program. They are teaching each other to read and write in some cases. They are teaching each other. They are using their live's experiences to help one another.

I would like to tell you the story of one man who was never able to write his name. Now he keeps ruled paper that he can now write his name on. This doesn't show up in any guideline of eligibility.

I think Title VII should be expanded if at all possible.

The CHAIRMAN. The administration is not expanding it. They are asking for a cutback for Title VII. So we have a lot of work in Congress just to maintain the authorized levels of funding without increasing it. I think this should be increased as well.

Mrs. TAIBBI. Under the current guidance of our federal and state coordinators, we were able to start three new centers.

It went so well that the County of Suffolk committed itself to keep them going by hook or crook.

I hope you will have time to have more of these hearings. We can all use some constructive criticism. I don't have any criticism at the moment.

The CHAIRMAN. I haven't been there long enough.

Mrs. TAIBBI. The Suffolk County Office for the Aging is pleased to present you with a copy of the Senior Citizen Journal "Taproot", the first published literary effort of a small group of resourceful and talented Suffolk County Seniors. Their creative ability should do much to perpetuate their life experiences from which all generations can benefit.

The CHAIRMAN. Thank you for coming here today, Elisabeth.

THE VIETNAMESE REFUGEES: A PLEA FOR ELEMENTARY DECENCY

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. CRANE. Mr. Speaker, Americans who are proud of our Nation's history as a refuge for the weak and oppressed of all nations, faiths, and races can only view the enmity with which the refugees from South Vietnam are being greeted by many of our fellow countrymen with sorrow and grief.

For Members of Congress to propose resolutions sending these men and women who were willing to risk everything for freedom back to the tyranny of ironclad Communist rule is shocking. For individual American families to express hostility, often in racial terms, for these victims of Communist aggression is something which shames our history.

Fortunately, all of the voices who are speaking are not expressing such coldness of heart and lack of compassion for those who are less fortunate than we who live in the world's richest and most comfortable Nation.

Two reporters who spent time in Vietnam, Michael T. Malloy and Wesley Pruden, Jr., recently expressed their own dismay at the negative response of so many Americans to the suffering of the Vietnamese refugees.

Mr. Malloy noted that it is really too late for a plea for elementary decency:

> It became too late for that, of course, when the last Americans scrambled on the getaway helicopters in Saigon while Congress still haggled over whether to help anyone at all. So now this essay is only a plea that we accept the victims of our policies with something better than the mean and selfish spirit they have inspired so far. The refugees have lost their homes and country because they supported the United States. . . . Too many Americans have responded with selfish hysteria over the impact their tiny numbers might make on our 80 million job economy. . . . There seems to be a powerful and unworthy desire here to blame our victims for our failures.

In his analysis, Mr. Pruden noted that:

> Senator Frank Church of Idaho, who hadn't done very much to prevent a massacre, helpfully promised that Congress would investigate if there was one. Senator George McGovern of South Dskota said he thought all the Vietnamese, "even the babies," ought to stay in Vietnam. . . . But we mustn't blame our leaders too much. That they are merely pandering to the American spirit is hardly to be doubted. . . . It was enough to snap the patience of any Christian and patriot.

Our performance in South Vietnam, the abandonment of our commitments, our acquiescence in permitting aggression to succeed, can never be reversed. As a result, our word is suspect throughout the world. But, as Mr. Malloy notes:

> The refugees offer our last opportunity to save even a small shred of American honor and self-respect before we close that shameful chapter of our history.

I wish to share with my colleagues these two thoughtful and heartfelt articles by Michael T. Malloy and Wesley Pruden, Jr., which appeared in the National Observer of May 10, 1975, and insert them into the RECORD at this time:

A PLEA FOR ELEMENTARY DECENCY . . .

(By Michael T. Malloy)

It was on New Year's Day of 1965 or 1966, so long ago I can't remember, that Gen. William Westmoreland, our military proconsul in Vietnam, summoned some reporters to a briefing and said something I can't forget: "This is the year the peasants get off the fence."

Well, they didn't get much choice. On the wrong side of the fence it was a war of Old Testament ferocity. We burned the homes, killed the buffalo, and poisoned crops with herbicides. War against animal, vegetable, and man.

We drafted them the same way too. All the Vietnamese had to go into somebody's army sooner or later, but the way the armies were entwined, they had a choice:

They could join the Viet Cong and be hunted like animals, without shoes, food, or a fire at night. They could abandon their families to poverty and maybe imprisonment or death. Shaking with malaria they could hide in the jungle until the most intense bombing in history tore them apart.

Or they could join our army, and go to war with air support above them and boots on their feet. They would get rice, medicine, and regular pay; their families would have some security behind the government's barbwire. If they were wounded, a helicopter might even take them to a hospital.

So there were an awful lot of Vietnamese, millions of them, who in one way or another served us in Vietnam. Served *us!* There have always been good reasons for getting out of Vietnam, but certainly not the perverse justification of recent months that *we* had done enough for *them*.

The Vietnamese never matched the American public and Congress in enthusiasm (now conveniently forgotten) for the war we made them fight. It was Kennedy's war, McNamara's war, Johnson's war, Nixon's war, but hardly their war. Even the generals and cabinet ministers knew they were pawns of the Americans, playing roles we created with our interventions of 1954 and 1965. Willing pawns, some of them, but still pawns. Our leaders used to say as much; we wanted Asians to fight Asians to keep the Chinese or somebody from landing on the beaches of Hawaii. Remember that stuff?

They served us much better than we had a right to expect, a quarter million dead against only 46,000 Americans sacrificed to our fantasies about "Asian communism with its headquarters in Peking." (Remember that too?) So one would think, when we tired of our fantasies, that we would at least rescue the survivors of our policy from the disaster it has brought them.

These victims are typified for me by some fishermen that we armed long ago to patrol the coast in wooden junks with red eyes painted on the bows. We gave them a typical choice. If they joined us, they got paid. If they didn't, they went hungry, because a good good catch meant getting to the fishing grounds before dawn, and now we bombed the boats that moved at night. Encouraged by their American advisers, who thought it was cute, our armed fishermen tattooed each other with the words "SAT CONG." It means "kill Communists," and they must live the rest of their lives in a Communist country with that upon their chests.

"Seduced and abandoned" is how a Cambodian leader described what we had done when the Americans ran away from his country in the other debacle of the past month. This was literally true for tens of thousands of Vietnamese girls who had to choose, at a painfully young age, between the hell of the refugee camps and the big money of the Yankee ghettos. It was more subtly true of the despised political leaders and war profiteers who have had to choose since youth or childhood between American largess and suffering or death with the other side. We won their "hearts and minds" with a golden carrot and a lethal stick, and the failings we blame for their collapse were rooted in our policy.

So these Observations started out as a plea for America to show the elementary decency that France, Holland, and Britain exhibited toward their native followers when they were driven from their colonies, for the same asylum that our own country offered Cubans and Hungarians when generosity was still a marked American trait.

It became too late for that, of course, when the last Americans scrambled on the getaway helicopters in Saigon while Congress still haggled over whether to help anyone at all. So now this essay is only a plea that we accept the victims of our policies with something better than the mean and selfish spirit they have inspired so far. The refugees have lost their homes and country because they supported the United States, either through conviction or the power of our carrot and our stick. Too many Americans have responded with selfish hysteria over the impact their tiny numbers might make on our 80-million-job economy, or the unlikely prospect that they will bring exotic germs that somehow skipped the millions of Americans who have come back from Vietnam in the past. There seems to be a powerful and unworthy desire here to blame our victims for our failures.

Perhaps our churches, communities, and we ourselves will awaken soon to the fact we owe these people help and kindness instead of sour toleration or worse. We owe it to ourselves too. Our 25 years in Vietnam have brought nothing but disgrace on ourselves, our leaders, and our armed forces. The refugees offer our last opportunity to save even a small shred of American honor and self-respect before we close that shameful chapter of our history.

BUT NOT FROM OUR LEADERS

(By Wesley Pruden, Jr.)

The last of the Americans finally left Saigon, tails tucked between their legs, while the Marines used rifle butts and clubs to beat to bloody pulp the fingers of our old friends and allies trying to climb the fence around our embassy in Saigon. They wanted to leave with us, to collect on the promises repeated so often over the decade that we would stand steadfast with them. So much for an American promise.

The Communists could hardly arrive soon enough for some of the hysterical old men in the Congress, who worried and fretted that if the Americans didn't run soon we might be forced to bring out a lot of refugees with us, mostly the women and children of men who had taken us at our word.

On learning that one of the refugee reception centers would be established in his state, aging Sen. John L. McClellan of Arkansas, one of the great humanitarians of our age, insisted that American generosity and charity was excessive and he for one, by God, intended to raise some questions about why the Ford Administration wanted to spend $327 million for humanitarian assistance. McClellan likes to spend his money on better things; he was one of the Senate's fiercest hawks when the skies were full of sun and B–52s.

McClellan wasn't alone in his concern for his constituents' nickel and dimes, of course. Sen. Roberft C. Byrd of West Virginia, the assistant Democratic leader, worried about "some very practical considerations" in saving the lives of all those people who thought they were our friends, like "cultural differences" and "unemployment." He was right, of course. The Vietnamese just wouldn't fit in at the Kennedy Center, where there is hardly ever a concert of Vietnamese music, and if there is any consideration more important than one affecting an American's pocketbook, God himself would like to hear about it.

Sen. Frank Church of Idaho, who hadn't done very much to prevent a massacre, helpfully promised that Congress would investigate if there was one. Sen. George McGovern of South Dakota said he thought all the Vietnamese, "even the babies," ought to stay in Vietnam. They would be better off there, he said, charitably.

But we mustn't blame our leaders too much. That they are merely pandering to the American spirit is hardly to be doubted. "The South Vietnamese are co-operating beautifully," said a young Seabee cook spooning out rice and beans at a refugee camp on Guam. "But the Americans are a pain. They get into line and insist on a steak and a baked potato."

It was enough to snap the patience of any Christian and patriot. You would think that the Vietnamese, after all we have done for them, would have stood fast in Saigon, where they belong, and died with a little grace and with not so much loud screaming. Now *that* would be the American way.

CONGRESS' "INACTION" ON WAR

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. FRASER. Mr. Speaker, Senator TOM EAGLETON has written an excellent essay on the House of Representative's failure to support the conference report on H.R. 6096, the Vietnam Humanitarian Assistance and Evacuation Act.

Some said that the events prior to the

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House consideration of the Senate-approved conference report proved that the bill was not needed, and that, although the President used armed forces to bring out both South Vietnamese and Americans, the issue was moot.

As I pointed out in the floor debate, that conclusion worries me. It is like saying that when the President used armed forces in Cambodia without congressional authority, it proved he did not need it. That is not a very satisfactory way to leave the effort that we are trying to make in Congress to share with the President the decisions on the use of combat forces abroad.

There is a substantial question as to whether the President's use of those forces was lawful or unlawful. My judgment is that it was unlawful. Nobody argued on the floor April 23 when we passed the committee bill that the President had the authority to use armed forces to bring out South Vietnamese but he went ahead and did it anyway.

Now a case could be made that at least both Houses had voted on a measure authorizing it; but, clearly, we had not completed action. There was no law when the President acted.

I would have liked to wind up this matter by leaving the record for the future that the President did what was in the bill approved by the conference, and did no more and that we completed action and even though he acted before the bill was law, nevertheless, we worked together to define the limit of the President's authority.

So I share Senator EAGLETON's view that:

> Congress has again failed to act in a forthright and timely manner to proscribe a Presidential war-making initiative. By its inaction, and by its refusal even to provide expost facto authorization for the Vietnam evacuation. Congress has once again shirked its constitutional duty.

I recommend Senator EAGLETON's Tuesday, May 6, New York Times essay to my colleagues:

CONGRESS' "INACTION" ON WAR

(By THOMAS F. EAGLETON)

WASHINGTON.—On Jan. 5, 1957 President Dwight D. Eisenhower, concerned about possible Communist advances in the Middle East, addresed a joint session of Congress to request authority to use military force, if needed, in the region.

Congressional liberals, feeling that the United States was best served by a strong and flexible President, were suspicious of the request. They moved in the Senate to strike the word "authorized" from the draft of the White House resolution and, when the resolution passed, it read part "if the President determines the necessity thereof, the United States is prepared to use armed forces."

The Middle East resolution was considered a great liberal victory in 1957. It also represented a virtual renunciation of Congress' constitutional duty to authorize—and proscribe—the use of American forces in a war.

In the Congressional handling of the recent Vietnam evacuation, history has repeated itself.

On April 10, 1975, President Ford requested "clarification" of his legal authority to use United States forces in South Vietnam to rescue American and foreign nationals. Clarification was needed.

I share the view of many constitutional scholars that the President, as Commander in Chief, possesses an inherent right to rescue endangered Americans. However, there is no precedent to support an inherent right to use United States forces to rescue foreign nationals.

The President's request presented an important opportunity to proscribe by law the use of force for the Vietnam evacuation. More important, Congress had the chance to resurrect the concept, advanced by the Founding Fathers, that the executive and Congress would participate together in decisions potentially involving war.

But Congress fumbled the ball. When the President was forced by events to order the evacuation from South Vietnam on April 29, the House of Representatives had not yet completed the final stage in enacting the necessary legislation. Two days later, when the House finally had the opportunity to express Congressional will and intent, the House voted overwelmingly not to act.

This unfortunate decision raises grave questions about the willingness of Congress to fulfill its constitutional responsibilities. The President obviously had no authority to use the United States forces to rescue foreign nationals in Vietnam. Yet our forces evacuated thousands of Vietnamese. Asked to explain, President Ford tried to justify his action on "moral" rather than legal grounds. Yet Congress let the precedent stand. Future Presidents might now conclude that the Commander in Chief had an inherent right to do what Mr. Ford did.

The failure of the war-powers resolution to specify those emergency situations wherein the President may unilaterally commit United States forces to battle has left the war powers of Congress and the President as vague as ever.

Lacking such a statutory definition, power accrues to the branch that invokes it. And, once again, in rescuing foreign nationals from Vietnam the President has invoked powers the Founders did not grant the Presidency.

The President can move all too quickly to usurp Congressional powers. He has only to order troops into battle. Congress, on the other hand, can only impose its will through the legislative process.

That is the tragedy of the House's recent action. On the verge of reimposing itself in the decision-making process, Congress rejected the opportunity to legislate.

From the beginning the debate over the President's request for "clarification" was marked by distrust of the executive branch, fear of military reinvolvement in Vietnam, and a conspicuous lack of confidence that a law, however tightly drafted, would be faithfully executed. In the end, liberals, long disenchanted by the imperial Presidency they helped create, unintentionally threw their considerable weight in the direction of Presidential omnipotence.

To avoid the remotest of possibilities—that President Ford would send forces back into Vietnam despite his written promise not to—Congress chose to leave a precedent for unilateral and unrestricted Presidential rescue authority.

White House references to "moral" justification and the pleasure Congress seems to derive in abrogating its constitutional responsibilities should alarm those who see the rule of law as America's primary source of strength.

Congress has again failed to act in a forthright and timely manner to proscribe a Presidential war-making initiative. By its inaction, and by its refusal even to provide expost facto authorization for the Vietnam evacuation, Congress has once again shirked its constitutional duty.

"IS IT ENOUGH TO ROLL WITH THE TIMES," AN ESSAY BY ROBERT A. GOLDWIN

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. BRADEMAS. Mr. Speaker, I believe that Members of Congress will read with interest the following thoughtful essay, "Is It Enough to Roll With the Times," published in the May 1973 issue of Change magazine.

Mr. Goldwin is Special Assistant to President Ford and is a former dean of St. John's College, Annapolis, Md.

The essay to which I refer follows:

IS IT ENOUGH TO ROLL WITH THE TIMES?

(By Robert A. Goldwin)

Many private institutions of higher education around the country are in danger. Not all will be saved, and perhaps not all deserve to be saved. There are low-quality schools just as there are low-quality businesses. We have no obligation to save them simply because they exist.

But many thriving institutions that deserve to continue are threatened. They are doing a fine job educationally, but they are caught in a financial squeeze, with no way to reduce rising costs or increase revenues significantly. Raising tuition doesn't bring in more revenue, for each time tuition goes up, the enrollment goes down, or the amount that must be given away in student aid goes up. Schools are bad businesses, whether public or private, not usually because of mismanagement but because of the nature of the enterprise. They lose money on every customer, and they can go bankrupt either from too few students or too many students. Even a very good college is a very bad business. That has always been true.

It is such colleges, thriving but threatened, I worry about. Low enrollment is not their chief problem. Even with full enrollments, they may go under. Efforts to save them, and preferably to keep them private, are a national necessity. There is no basis for arguing that private schools are inherently better than public schools. Examples to the contrary abound. Anyone can name state universities and colleges that rank as the finest in the nation and the world. It is now inevitable that public institutions will be dominant, and therefore diversity is a national necessity. Diversity in the way we support schools tends to give us a healthy diversity in the forms of education. In an imperfect society such as ours, uniformity of education throughout the nation could be dangerous. In an imperfect society, diversity is a positive good. Ardent supporters of public higher education knows the importance of sustaining private higher education.

Diversity is a familiar argument, and a sound one, for sustaining a mixture of private and public educational institutions. But let me suggest another, perhaps less familiar argument: There are public elements and private elements in different kinds of education, striving toward different educational goals. Vocational or career education programs are designed to give the student salable skills and enable him to find a useful are needed to keep our economy going, and job. The public has an interest because skills so there is a public reason to provide such training. But the student's new skills are his exclusively, to sell as he chooses. This private aspect gives him a private reason to pay for

the training. We get the benefit of his skills; he gets the income for himself.

Another element of education might be called civic education. One important function of schools is development of an understanding of government and of the rights and duties of citizens. Especially in a democratic republic such as ours, citizens must be skilled in understanding the powers of government, and how those powers must be limited if our fundamental rights are to be secured. We are in danger if our many governments do too much or too little, and the only way to find the moderate middle ground is through education.

The public has a very great stake in this task of civic education. If one is skilled in good citizenship, fellow citizens benefit at least as much. Is it the business of colleges to train good citizens? I think it is, at a higher and more discerning level than in grade schools, which means a more questioning and challenging level. Undergraduates should inquire into the nature of the American government, its past, its present, its future—not as in graduate programs, from the detached viewpoint of the political scientist or the professional historian, but from the viewpoint of the concerned citizen who is part of a living community facing problems.

There is a third element of education that is harder to name and that cannot easily be classified in terms of the benefits—who gets them or what they are. Some call these studies valueless. I call them invaluable. I mean those skills called the liberal arts. We don't often think of liberal studies as connected with skills, but in fact the liberal skills are the highest and hardest skills.

There is a story that Euclid was giving a first geometry lesson to a young man, demonstrating the first theorem of geometry, the construction of an equilateral triangle. When he finished, the young man asked, "But Euclid, what shall I gain by learning such things?"

Now consider how Euclid might have answered. He might have said, "Learn this and the theorems that follow, and when you get to the end of the first book of only 47 theorems, you will learn the Pythagorean theorem, which depends on this first theorem. And with that Pythagorean theorem you will have the basis of physics, and vectors of forces, and be able to design a bridge that will not fall down when the chariots cross. And with that theorem you will have the basis of trigonometry, which you can use to survey your next real estate purchase. That theorem also starts you on an understanding of irrational numbers, a great advance in number theory." Euclid might have said all of that—and more—to explain the practical benefits that could flow, and have flowed, from atudying his first theorem.

Instead, Euclid turned to another in the group and said, "Give this man a coin since he must show a profit for everything he learns."

Why should he have given such a scornful response to that question? My guess is that Euclid was greatly disappointed in the young man because he did not see at once that mathematics is a liberal skill, in addition to being a powerful practical skill. Eucil hoped that the young man's heart would be gladdened, his spirit enlivened, his soul lifted, his mind expanded at the first experience of geometrical proof.

We call such studies "the humanities," because when we engage in them we discover something extraordinary about ourselves. We discover how exciting being human can be. We find we can develop very special skills that imitate the Creator himself, for we too can make new worlds, not out of nothing, but with nothing more than a pencil, a straight edge, and a mind. Such humanistic skills are also called liberal because they free us from

in the service. Nearly 43 percent said they

let us soar as free men and women in the realm of the mind.

In a recent speech, Terrel H. Bell, U.S. Commissioner of Education, gave some advice to the leaders of small private colleges, from a different point of view that mine. He very properly said first that as U.S. Education Commissioner he had no right to tell anyone how to run his college. In fact, he said, there is a low against it. But he did feel that he had a personal responsibility to speak out candidly and exercise some leadership. I, of course, write on the same basis, expressing my own opinion, seeking to contribute to thinking on this vital question.

His message was that private colleges must "roll with the times" if they are to survive. The college that devotes itself "totally and unequivocally to the liberal arts today is just kidding itself." There is a "duty to provide our students also with salable skills. We are facing the worst economic situation that this country has seen since the end of World War II, with an unemployment rate of over 8 percent. To send young men and women into today's world armed only with Aristotle, Freud, and Hemingway is like sending a lamb into the lion's den. It is to delude them as well as ourselves. But if we give young men and women a useful skill, we give them not only the means to earn a good living, but also the opportunity to do something constructive and useful for society. Moreover, these graduates will experience some of those valuable qualities that come with meaningful work—self-respect, self-confidence, independence."

At first glance it would seem that Commissioner Bell means that the study of liberal arts is a useless luxury we cannot afford in hard times. But I don't think that is his meaning. I think he is criticizing those who send students into the world of work without skills. There are, unfortunately, schools in which students do not develop useful skills, especially skills of analytical thinking and experimenting and calculating. I agree that it is unfair to students, and to all of us, just as Commissioner Bell says, to leave them to seek jobs in such an unprepared state.

But there is a problem in speaking of "salable skills." What skills are salable? Right now, skills for making automobiles are not highly salable, but they have been for decades and might be again. Skills in teaching are not now as salable as they were during the past 20 years, and the population charts indicate they may not be soon again. Home construction skills are another example of varying salability, as the job market fluctuates.

The first difficulty, then, is that if one wants to build a curriculum exclusively on what is salable, one will have to make the courses very short and change them very often, in order to keep up with the rapid changes in the job market. But will not the effort be in vain? In very few things can we be sure of future salability, and in a society where people are free to study what they want, and work where they want, and invest as they want, there is no way to keep supply and demand in labor in perfect accord.

A school that devotes itself totally and unequivocally to salable skills, especially in a time of high unemployment, sending young men and women into the world armed with only a narrow range of skills, is also sending lambs into the lion's den. If those people gain nothing more from their studies than supposedly salable skills, and can't make the sale because of changes in the job market, they have been cheated. But if those skills were more than salable, if study made them better citizens and made them happier to be human beings, they have not been cheated. They will find some kind of job soon enough. It might even turn out that those humanizing and liberating skills are salable. Flexibility, an ability to change and learn new things, is a valuable skill. People who have learned how to learn can learn outside of school. That is where most of us have learned to do what we do, not in school. Learning to learn is one of the highest liberal skills.

There is more to living than earning a living, but many earn good livings by the liberal skills of analyzing, experimenting, discussing, reading, and writing. Skills that are always in demand are those of a mind trained to think and imagine and express itself.

When the confidence of some is shaken, and many are confused about the direction the nation ought to follow in a new world situation, then civic education is more important than ever. And when the foundations of Western civilization are being challenged, and resolution seems to falter because many people are not sure what we are defending and how we ought to defend it, then it seems to me we ought not to abandon liberal studies, but rather the reverse: We ought to redouble our commitment to that study, as if our lives depended on it.

Any college worthy of itself must set its sights higher than to "roll with the times." It must strive to make the times roll our way. And only if we understand our time and try to shape it and make it conform to what is right and best, are we doing what we are capable of doing. Perhaps that is the right way to deal with the times—with daring and class and style—as befits a truly great people.

We have always known that America made no sense as just another nation, as just one more power in the long historical parade. We have always known that we must stand for something special, or we don't stand at all. Without such a special commitment to liberty and justice for all, can America survive except perhaps under the most severe sort of dictatorship? What else can hold together such a vast and diverse territory and people? Liberal studies of human nature and the nature of things in general are not luxuries for us, but matters of life and death, and certainly a matter of our political liberty, which should be as dear to us as our lives.

WHAT HAS BEEN GIVEN CAN ALSO BE TAKEN BACK?

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. WON PAT. Mr. Speaker, a recent survey of nearly 7,000 wives conducted in the February 1975, issue of Ladycom, a bi-monthly magazine distributed to 300,000 military wives, has brought to light a number of significant facts and valuable opinions. The President's proposal, supported by the Department of Defense, to make all military commissaries self-sustaining by October 1976, has caused great concern in our military community, as you might expect. I would like to share with my colleagues some of the survey's pertinent information relative to this subject in the hope of making available the other side of the coin in this issue.

Approximately three-quarters of the 6,898 respondents to this survey believe that the present 20 to 25 percent savings at military commissaries are a definite inducement to their husbands to remain in the service. Nearly 43 percent said they believe an increase in the prices that would inevitably result from self-sustaining commissaries would be significant enough to cause their husbands to consider leaving the service. Only one-third indicated the loss of savings would not affect their husbands' careers. Notable in these statistics is the fact that 20 percent of those responding to the survey were wives of field and flag grade officers, men who had already invested considerable time in their military careers, while 59.7 percent of the respondents were in the E–4 to E–9 group.

Department of Defense officials estimate that savings to military shoppers once commissaries have become self-supporting would be approximately 4 percent. Of those surveyed by Ladycom, 73.5 percent insisted that the present savings now positively influence a higher retention rate. Of these, 78.7 percent are enlisted personnel in the E–1 to E–3 group and 75.6 percent are in the E–4 to E–6 grouping. It is quite evident from these statistics that the lower a man's rating and pay and the less time he has in the service, the more important commissary savings are and the greater the inducement to remain in the military service. In an era of the Volunteer Army this fact certainly has significant implications.

Commissary patronage reflects further information: 96 percent of active duty families and 91.5 percent of retired families do 75 percent of their shopping in the commissaries; 49.7 perecnt of the E–1 to E–3 personnel do all their shopping there. Also revealing is the fact that the field and flag grade officer families are the groups which will most often shop outside the military commissaries in civilian supermarkets. In effect, those personnel with more rank and pay are more inclined not to use the commissary system.

Many military personnel feel that the present effort to reduce commissary costs by making them self-supporting is but another example of decreasing military benefits in an inflationary society.

Ninety-three and three-tenths percent said they interpret the President's proposal as a harbinger of future reductions in their benefits. They cite the already implemented reductions in CHAMPUS benefits, elimination of reenlistment bonuses, proficiency and superior performance pay, and the decreasing supply of doctors and dentists needed to supply expensive services.

Advocates of the plan to make commissaries self-sustaining argue that military personnel have received significant increases in pay during the last years. Respondents, however, claim that this compensation often adds up to more on paper than it does in the serviceman's wallet, especially in the area of housing. Base housing, a benefit included by DOD as part of the regular military compensation, is often not available to the lower-ranking enlisted family. Off-base housing and the increased rates of utilities more often than not cost far more than the $138.60 allowance rated by the enlisted man.

I have stated publicly to my constituents and officials of the Defense Department that the withdrawal of military benefits promised upon enlistment is not an equitable solution to the problems of our defense economy. The men and women of the Armed Forces are the backbone of our military defenses, frequently separated from their families, frequently making as many as 34 housing moves in 19 years of service, frequently exposing themselves to personal danger. Yet in so many issues relative to fiscal matters they are the first ones to be asked to bite the bullet. One may draw whatever implications he sees in these statistics; but the survey does indicate the opinions of many military personnel. In my mind it also brings to light the extremely important and grassroots feelings of our service men and women. These opinions deserve to be taken into the greatest consideration by those in whose power it is, in effect, to take back the very incentives and benefits that once were so influential in persuading a man or woman to choose a career in the U.S. Armed Forces.

THE DEATH OF KENNETH B. KEATING

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. ADDABBO. Mr. Speaker, the death of Ambassador Kenneth B. Keating yesterday at 74 is a sad loss for the Nation as well as for those of us who knew and worked with him so well during his service in the House and the Senate..

Ken Keating served his Nation well during 12 years in the House, 6 years in the Senate, and in two ambassadorial posts in India and Israel.

Particularly in these last few years as Ambassador to Israel during years of intense crisis, Mr. Keating proved himself again to be a vital key in the search for peace.

But those of us who worked closely with Mr. Keating knew him to be a wise and gentle man of uncommon grace whose life was devoted to public service. We have lost a good friend.

Perhaps as well as anything else, today's Washington Post summarizes Mr. Keating's public career. I insert it in the RECORD. And I would like to join with those others in the House who extend to Mrs. Keating and to his daughter our sympathy for their loss.

The article follows:

AMBASSADOR, SENATOR, JUDGE: KENNETH B. KEATING DIES AT 74

(By Jean R. Hailey)

Kenneth B. Keating, 74, U.S. ambassador to Israel, former U.S. ambassador to India and former U.S. senator from New York, died yesterday in New York.

H has been admitted to the Harkness Pavilion Hospital of the Columbia Presbyterian Medical Center April 17 after he was stricken with what was described at the time as "the mildest form of a heart attack."

Ambassador Keating, who had served in Israel since August, 1973, suffered the attack at the hospital while visiting his daughter, Judith K. Howe, who had undergone minor surgery.

He had been recalled to this country last month to participate in talks on the reassessment of American policy in the Middle East.

Ambassador Keating was a popular figure in Israel.

While serving as ambassador to India from 1969 to 1972, Ambassador Keating was equally popular in that country, while relations between India and this country worsened steadily.

Actually, Ambassador Keating was at odds with the Nixon Administration over its policies toward India and Pakistan during the war in Bangladesh in 1971, when this country opposed the Bangladesh independence movement, while India supported the Bangladesh rebels in their attempt to separate from Pakistan.

A year later, however, Ambassador Keating left his post to work for the re-election of former President Nixon.

He said then that he felt Mr. Nixon wanted to improve relations between the two countries and also that he was impressed by the diplomatic initiatives that Mr. Nixon had taken with China and the Soviet Union.

Ambassador Keating, considered a liberal Republican, had served New York as a U.S. representative for 12 years, beginning in 1946. During the last two years, he was ranking Republican member of the House Judiciary Committee.

In 1958, although reluctant, he was persuaded to run for the Senate on an underdog ticket headed by now Vice President Nelson A. Rockefeller, who was seeking New York's governorship. Both won upset victories.

Ambassador Keating's service in Congress ended in 1964, when he was defeated for re-election to his Senate seat by the late Robert F. Kennedy.

He waged what was probably one of the hardest campaigns in his political career, but he took a calculated chance. He withheld support of Sen. Barry Goldwater of Arizona, a conservative running for president on the Republican ticket, and waged his own campaign independent of the national ticket.

During his years in Congress, Ambassador Keating, who had been told more than once that he truly looked like a senator, had been a champion of civil rights, immigration and congressional reform, draft law revisions, crime and narcotics legislation, and a GOP version of health care for the aged under Social Security.

He became best known, however, for his criticism of the Kennedy Administration's handling of the 1962 Cuban arms buildup and subsequent missile crisis.

In a Senate speech on Aug. 31, 1962, he said that Russian ships had landed 1,200 troops in Cuba earlier that month.

In another Senate speech on Oct. 10, 1962, the then Sen. Keating said that construction had already begun on at least six sites in Cuba for launching of intermediate tactical missiles, which could reach either the Panama Canal or the U.S. heartland.

Twelve days later, President John F. Kennedy admitted in a nationwide television address that Russian missiles had been detected in Cuba and declared the quarantine that resulted in the eventual removal of the missiles.

Ambassador Keating never revealed the sources of the information he had received.

In the following statement, President Ford said of Ambassador Keating:

"Ken Keating was an outstanding public servant and an old and valued friend. . . With the conclusion of his congressional years, Ken began another distinguished career, this time as a diplomat, ably representing America as ambassador to both India and Israel . . .

"As U.S. representative to Tel Aviv for the past two years, Ambassador Keating has played a key role in the formulation and execution of our policies in the Middle East. He was known by both Americans and Israelis for his statesmanship, his gentle grace and his commitment to peace."

Yesterday, Israeli Ambassador Simcha Dinitz, in a cable to Ambassador Keating's wife in New York, expressed his country's deep sorrow and described Ambassador Keating as a distinguished servant of his country.

Vice President Rockefeller issued the following statement:

"Our nation has lost a great American. I have lost a dear friend.

"With courage in wartime, with effectiveness in both the House and Senate, with justice on the bench of the highest court of New York State, with diplomatic acumen in India and Israel, Ambassador Keating served this nation and its people brilliantly and tirelessly. His death at this time is a particular loss because of the key roll he had been playing in the search for peace in the Middle East."

Secretary of State Henry Kissinger praised Ambassador Keating as a "valued colleague in search for peace in the Middle East. This country has lost a great public servant."

Sen. Jacob K. Javits (R-N.Y.), who had worked closely with Ambassador Keating in the Senate, said:

"The most distinguished career of a highly patriotic New Yorker has ended. Few men have been permitted so broad a range of public service—congressman, senator, judge and ambassador. His service in Israel for the United States was a source of security and reassurance to Israel's people and to millions of Americans."

"He was a man of good humor, good intent, who conducted himself with dignity," said Senate Majority Leader Mike Mansfield (D-Mont.).

Born in Lima, N.Y., Ambassador Keating was a graduate of Genesee Wesleyan Seminary in Lima and of the University of Rochester. He received his law degree from Harvard and began practicing law in Rochester in 1923, maintaining that practice until 1949.

After his defeat for re-election to the Senate and until his appointment to the diplomatic post in India, Ambassador Keating served as an associate justice of the New York Court of Appeals.

He was a veteran of both World Wars, serving with the Army as a sergeant in World War I and being recalled to duty as a major in World War II.

He saw duty in the China-Burma-India theater, received numerous decorations including the Legion of Merit with Oak Leaf Cluster and the Order of the British Empire, and received a reserve brigadier general's commission in 1948.

Ambassador Keating, who held honorary degrees from 12 colleges and universities, was a member of numerous organizations, including the American and New York Bar Associations, the American Legion, Veterans of Foreign Wars, Reserve Officers Association, Kiwanis and the Masons.

In addition to his daughter, of Short Hills, N.J., he is survived by his second wife, the former Mary Pitcairn Davis, whom he married last June.

LINGERING QUESTIONS FROM THE END OF THE WAR

HON. EDWARD G. BIESTER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. BIESTER. Mr. Speaker, the end of the war in Vietnam has left some questions unanswered. Much debate has already taken place about the action of Congress with regard to Presidential authority to conduct the evacuation of non-Americans from Vietnam, and of the future of Vietnamese refugees who have begun to arrive in the United States. I believe the comments of the distinguished Senator from Missouri (Mr. EAGLETON) about congressional responsibilities on war-making powers deserve very careful consideration by the House. I also submit for the RECORD an editorial on "Vietnamese Refugees" from the Sunday Times Advertiser of Trenton, N.J.:

[From the New York Times, May 6, 1975]

CONGRESS'S "INACTION" ON WAR

(By THOMAS F. EAGLETON)

WASHINGTON.—On Jan. 5, 1957, President Dwight D. Eisenhower, concerned about possible Communist advances in the Middle East, addressed a joint session of Congress to request authority to use military force, if needed, in the region.

Congressional liberals, feeling that the United States was best served by a strong and flexible President, were suspicious of the request. They moved in the Senate to strike the word "authorized" from the draft of the White House resolution and, when the resolution passed, it read part "if the President determines the necessity thereof, the United States is prepared to use armed forces."

The Middle East resolution was considered a great liberal victory in 1957. It also represented a virtual renunciation of Congress's constitutional duty to authorize—and proscribe—the use of American forces in a war.

In the Congressional handling of the recent Vietnam evacuation, history has repeated itself.

On April 10, 1975, President Ford requested "clarification" of his legal authority to use United States forces in South Vietnam to rescue American and foreign nationals. Clarification was needed.

I share the view of many constitutional scholars that the President, as Commander in Chief, possesses an inherent right to rescue endangered Americans. However, there is no precedent to support an inherent right to use United States forces to rescue foreign nationals.

The President's request presented an important opportunity to proscribe by law the use of force for the Vietnam evacuation. More important, Congress had the chance to resurrect the concept, advanced by the Founding Fathers, that the executive and Congress would participate together in decisions potentially involving war.

But Congress fumbled the ball. When the President was forced by events to order the evacuation from South Vietnam on April 29, the House of Representatives had not yet completed the final stage in enacting the necessary legislation. Two days later, when the House finally had the opportunity to express Congressional will and intent, the House voted overwhelmingly not to act.

This unfortunate decision raises grave questions about the willingness of Congress to fulfill its constitutional responsibilities. The President obviously had no authority to use the United States forces to rescue foreign nationals in Vietnam. Yet our forces evacuated thousands of Vietnamese. Asked to explain, President Ford tried to justify his action on "moral" rather than legal grounds. Yet Congress let the precedent stand. Future Presidents might now conclude that the Commander in Chief had an inherent right to do what Mr. Ford did.

The failure of the war-powers resolution to specify those emergency situations wherein the President may unilaterally commit United States forces to battle has left the war powers of Congress and the President as vague as ever.

Lacking such a statutory definition, power accrues to the branch that invokes it. And, once again, in rescuing foreign nationals from Vietnam the President has invoked powers the Founders did not grant the Presidency.

The President can move all too quickly to usurp Congressional powers. He has only to order troops into battle. Congress, on the other hand, can only impose its will through the legislative process.

That is the tragedy of the House's recent action. On the verge of reimposing itself in the decision-making process, Congress rejected the opportunity to legislate.

From the beginning the debate over the President's request for "clarification" was marked by distrust of the executive branch, fear of military reinvolvement in Vietnam, and a conspicuous lack of confidence that a law, however tightly drafted, would be faithfully executed. In the end, liberals, long disenchanted by the imperial Presidency they helped create, unintentionally threw their considerable weight in the direction of Presidential omnipotence.

To avoid the remotest of possibilities—that President Ford would send forces back into Vietnam despite his written promise not to—Congress chose to leave a precedent for unilateral and unrestricted Presidential rescue authority.

White House reference to "moral" justification and the pleasure Congress seems to derive in abrogating its constitutional responsibilities should alarm those who see the rule of law as America's primary source of strength.

Congress has again failed to act in a forthright and timely manner to proscribe a Presidential war-making initiative. By its inaction, and by its refusal even to provide expost facto authorization for the Vietnam evacuation, Congress has once again shirked its constitutional duty.

[From the Trenton Sunday Times Advertiser, May 4, 1975]

VIETNAMESE REFUGEES

The American presence is gone from Ho Chi Minh City, formerly Saigon, but the relief that Americans of every persuasion felt at the end of this unhappy adventure is not yet full and complete. The ghost of a lost cause is still very much alive and haunts our government and our people.

Past mistakes in Vietnam were much in evidence on Capitol Hill last week, when the House of Representatives rejected a bill that would have authorized $327 million for the relief of Vietnamese refugees and the use of troops to evacuate those fleeing the Communist triumph.

The provision on troops is, of course, an after-the-fact sanction that is no longer needed. It is a measure of the congressional disillusion remaining from Vietnam that a majority of House members would not accept President Ford's assurance that the troop authorization would not be used. The memory of another President's deception in gaining congressional approval of the Tonkin Gulf resolution, an earlier authorization for using our military power, is still strong.

It should be no major problem to draft a straight refugee relief bill on which Congress can act this week. But it would be foolish to pretend the Vietnamese refugees are being warmly welcomed by all Americans. An undercurrent of opposition is coming to the surface.

There is, indeed, scant evidence that the evacuation of Vietnamese fleeing the Communist victors was handled with any rational forethought or orderly procedure assuring that those accepted are worthy or have any claim on this country. Nor, apparently, was much thought given to which Vietnamese can make a successful adjustment to this alien culture.

UMI

It's quite possible that among the 120,000 refugees are corrupt generals, absconding businessmen and torturers of their own people. But the numbers also includes Vietnamese relatives of American citizens and patriotic Vietnamese who allied themselves to our effort in Indochina out of honest conviction and thereby put their lives and fortunes in danger.

The refugees are, unfortunately for us all, arriving in a country beset by unemployment and economic malaise, and the problem of finding work to enable the newest immigrants become self-sufficient troubles many Americans. Moreover, Vietnamese are being flown into this country at government expense while young Americans who exiled themselves in protest to the war are still excluded. Those with relatives in Communist-controlled countries of Europe who are unable to gain entrance also have a valid objection.

All of these considerations not withstanding, Congress should promptly pass an appropriate refugee relief measure. It is too late to distinguish between the worthy and the unworthy among the refugees. Besides those related to Americans, many will undoubtedly contribute to the strength and diversity of the United States, as have many of the 40,000 Hungarian refugees of the 1950's, the 675,000 Cuban refugees of the 1960's, and the millions more from every land who have come here during our 199 years.

The present numbers, in fact, are not large, only about 25 percent of the legal immigrants admitted each year and probably fewer than those who enter illegally. After the dust has settled, some Vietnamese may decide voluntarily to return to their own country or other parts of Asia. Much depends upon the skill of the Ford administration in recovering from the hasty, unplanned evacuation. The refugee problem will not assume inflated proportions if there is proper dispersal and effective use of the volunteer agencies and individuals ready and willing to help.

It would be the final stain on American honor if we closed the door on refugees from a country upon which we visited so much destruction and disruption over 25 years.

REPORT OF SUBCOMMITTEE TO REVIEW THE LIQUID METAL FAST BREEDER REACTOR

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

STATUS OF NUCLEAR POWER

Mr. McCORMACK. Mr. Speaker, on May 6, 1975, Mr. William Lee, senior vice president of Duke Power Co., presented an excellent briefing to the ad hoc subcommittee of the Joint Committee on Atomic Energy on the present status of civilian nuclear power. It was shown that today's nuclear powerplants were built because they represented the best energy supply alternative, particularly in that they provided the lowest cost energy to consumers, no penalty to shareholders' earnings, reliability comparable to fossil-fueled plants of the same size and vintage, and safe and environmentally acceptable operation. Now that these plants are providing up to 9 percent of U.S. electrical generating capacity they have essentially met these promises with the exception of shareholders' earnings, in that the high capital costs of nuclear plants and delays by regulatory bodies in reflecting these costs in utilities rate bases have resulted in lower earnings. On the other hand, very substantial savings to consumers have been achieved on the order of $750 million in 1974, due primarily to the lower operating and fuel costs of nuclear power plants.

Mr. Lee also presented a comparison of the operating availability and capacity factors of nuclear- and fossil-fueled plants over the 10-year period 1964–73. It was shown that nuclear plant availability was 78.8 percent as opposed to 72.9 percent for fossil-fueled plants. Similarly, the average nuclear capacity factor over this period was 64.2 percent, as compared to 59.5 percent for fossil plants. More currently, in the last half of 1974, fossil plant availability exceeded that of nuclear plants, 76.1 percent to 71.5 percent. The turnaround was due to the large number of nuclear plants coming online in 1974, and the maturing of fossil plants. However, nuclear plant capacity factors still exceeded those of fossil plants in this period, 61.8 percent to 57.3 percent.

Looking to the future, it was shown that by 1980, 100 nuclear powerplants are expected to be online representing a nuclear capacity 135 percent greater than that available today. The flow-through savings to consumers are expected to reach $3.5 billion, or $7 per capita. A substantial savings in oil consumption will also result, on the order of 750,000 barrels per day. An even more substantial increase in the use of coal will also be achieved.

Mr. Lee reported that the most significant near-term problems which might affect the achievement of these goals are financing, licensing difficulties, and delays from intervention. Other problems, considered solvable by the utility industry, are availabality of manpower, shop capacity and materials, quality assurance, and availability for the long term. The areas of enrichment, reprocessing, waste disposal, safeguards, Price-Anderson, and public acceptance all require continued attention.

In summary, it was reported that the use of nuclear power has resulted in very substantial savings to consumers, and that nuclear plant reliability experience has been more than satisfactory in comparison to fossil-fueled plants. Further, the future of nuclear power, while faced with some problems, is bright and of substantial benefit to the Nation. In this respect, Mr. Lee reported the breeder is needed and must be the next step in national energy production, so as to achieve maximum utilization of our limited uranium resources.

CLINCH RIVER BREEDER DEMONSTRATION PROJECT

Mr. Wallace B. Behnke, executive vice president of Commonwealth Edison Co., gave the ad hoc subcommittee an excellent briefing on the Clinch River breeder reactor, a demonstration project in the LMFBR program. In his briefing, Mr. Behnke discussed the following topics:

Why utilities are interested in the LMFBR.

Chronology of utility involvement leading to the Clinch River project.

Description of the Clinch River project.

Status of the Clinch River project.

Near-term milestones of the Clinch River project.

Mr. Behnke said the utilities favor the LMFBR because they project that it will provide power at a lower cost, provide electricity with less environmental impact in such areas as land use for fuel mining, and preserve the nuclear option over the long term. Preserving the nuclear option is important because in Mr. Behnke's mind there is no question that the country must turn to nuclear power and coal to meet its long-term, electric power generation needs.

Mr. Behnke presented the following chronology of utility involvement in the Clinch River project:

CHRONOLOGY OF UTILITY

1965–1970: The Edison Electric Institute conducted studies on the feasibility of the breeder concept. These studies and studies done in other countries concluded that a large scale demonstration of the LMFBR was needed.

1967: Electric utility industry conducted

1969: Congress authorized AEC to embark on a two-phase approach for the LMFBR Demonstration Plant. The first phase, the Project Definition Phase, permitted all participants to better understand and define the technical and economic characteristics of the demonstration plant. The second phase, the Definitive Cooperative Arrangement Phase, involves the design, construction and operation of the demonstration plant.

1971: AEC established the Senior Utility Steering Committee and the Senior Utility Technical Advisory Panel to seek advice and assistance in obtaining support from the electric utility industry. Over 700 utilities pledged $257 million in 10 equal annual installments.

1971: AEC requested proposals from utility groups to own the demonstration plant.

1971: President issued energy message calling for LMFBR demonstration by 1980.

1972: In January, the AEC accepted the joint proposal of Commonwealth Edison and the Tennessee Valley Authority as the basis for negotiation on a Government utility arrangement. In March, Project Management Corporation and Breeder Reactor Corporation were formed to represent the utility organizations. Also in March, proposals were solicited from the reactor manufacturer participants in the Project Definition Phase and qualified architect engineer firms.

In November, Westinghouse was selected to be lead reactor manufacturer with Atomics International and General Electric as supporting reactor manufacturers.

In December, Burns and Roe was selected as the architect engineer.

1973: Principal Project Agreements between participants were signed.

Mr. Behnke described the Clinch River project in terms of its objectives, urgency, and plant description. He said the project's objectives were to:

(1) provide needed experience in the areas of engineering, construction and operation; (2) confirm assumptions on the environmental, reliability, maintenance and safety aspects; (3) confirm projections that the breeder will be an economic producer of electricity; and (4) build an integrated LMFBR supply industry.

Mr. Behnke feels it is urgently necessary to proceed with the Clinch River project and the breeder program for the following reasons:

To maximize savings to the consumers which he estimates as $76 billion if the breeder is commercially available by 1989. He projected that the savings would be reduced to $43 billion if commercial introduction is delayed until 1999.

To reduce the environmental impact of electrical production resulting from factors such as fuel mining.

To keep the breeder on the critical path to development in case of schedule slippages.

To minimize the impact of inflation on cost.

The Clinch River project will be a 380-megawatt electric plant. The site is presently undeveloped. Work cannot begin on the site until authorization is received from the Nuclear Regulatory Commission.

In his comments on the present status of the Clinch River project, Mr. Behnke said a construction permit and a limited work authorization from NRC have been applied for and the preliminary safety analysis report has been sent to NRC.

Mr. Behnke enumerated the following near term milestones for the Clinch River project:

June 1975: Sign revised project agreements.

July 1975: Award construction contract.

September 1975: Relocate staff to Oak Ridge.

November 1975: Receive limited work authorization and start site work.

January 1977: Start construction work.

1982: Put plant on line.

PUBLIC WORKS JOBS—NO SOLUTION TO ECONOMIC PROBLEMS

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. ARCHER. Mr. Speaker, the House of Representatives may soon consider H.R. 5247, a bill to provide up to $5 billion for public works projects. The best way to provide new and permanent jobs in a free enterprise economy is to encourage businesses through our tax system to create new investment capital, to increase productivity, and to expand business facilities. It is not a desirable approach for the Federal Government to spending billions of dollars to establish temporary jobs in our economy which do little for our economic growth in the long-range view and add to our present inflationary problems caused by excessive Government spending.

I recently had the opportunity to submit my views on H.R. 5247 to the Public Works and Transportation Committee and would like to enter my testimony in the CONGRESSIONAL RECORD:

TESTIMONY

(BY HON. BILL ARCHER)

I am delighted to have the opportunity to present my views on H.R. 5247, a bill which would authorize up to $5 billion for local public works projects. I am in agreement with the sentiment behind the bill—reducing unemployment—but I believe that the approach taken by this bill will serve in the long run to exacerbate the underlying cause of the problem.

The problem is that jobs in the private sector have been shrinking mightily over the past several quarters. Business has been experiencing a slowdown, and the job market has been correspondingly reduced. Public sector jobs are considered by most as a stop-gap measure until the private sector can recover. However, the truth is that the private sector slowdown cannot reverse itself through federal deficit spending.

For far too many years Congress has been spending more money than it takes in. The projected deficit for FY 1976 has been put by some at $80 billion and could very well go over $100 billion. Whatever the actual deficit will be, this bill would raise it another five billion. To finance that deficit, the federal government borrows from the private money market, leaving that much less available for most of the private sector to borrow—to expand business, to buy appliances or other consumer items, to improve or buy homes—all of which would create and maintain private sector jobs. It is not difficult to understand what we are doing to our country's economic fiber through this practice.

Clearly this House must put its own economic practices in order, reducing expenditures so that they are in line with income, and eliminating the raid on private sector resources. All of us, of course, would like to see the many worthy programs that are brought to our attention funded fully and appropriately. It is always difficult to allocate limited resources. Yet we must if we are to conduct ourselves responsibly. We simply cannot continue to spend more than we have. If the private sector monies had not been increasingly crowded out by the large volume of federal borrowing necessary to finance a deficit budget, I am convinced that our private sector economy would not be in quite the straits it is today.

In addition to my objections to the overall approach of this bill, I find Section 8 of the proposed bill particularly inflationary. That section incorporates the provisions of the Davis-Bacon Act, an act which should have been repealed long ago.

The original purpose of the Davis-Bacon Act was to discourage non-local contractors and labor from depressing local wage rates in the construction industry. It was passed in the days before minimum wage laws, unemployment benefits and welfare. Today the Fair Labor Standards Act provides protection against depressing the wage floor, and the effect of the Davis-Bacon Act has been to establish artificially high wage rates thus creating an inflationary impact on the local and national economy. One reason for this is that the Department of Labor, rather than the localities, determines what the prevailing wages of the locality are with the result that in practice the Department simply adopts the union rate of the nearest large city. Senator Fannin has noted that "the people of San Luis Valley of southern Colorado had to pay 2½ times what they should have to construct a community center because the Department of Labor decreed that Denver wage rates should apply. . . . Similarly, Las Vegas wage rates have been applied to Federally-assisted projects in rural Utah and Arizona."

Other specific criticisms include:

a) Use of inaccurate data or prevailing union rates discriminates against the area's non-union bidders.

b) Judicial review of rates determined by the Department of Labor is not permitted, even when the determination is believed to be inconsistent with the actual local rates.

c) The Act's administration results in an inflationary push with a ripple effect in other sectors in the economy.

d) Taxpayers' money is wasted.

The GAO has stated that federally financed projects have "obtained less construction per dollar" than private builders, but even those costs have been increased by the Act. Walter Heller, Hendrik S. Houthakker and others have criticized this Act's inflationary effect. Government contracts, like all others, should be exposed to the full benefits of natural market forces. This Act should be repealed without delay, and its incorporation has no place in any bill concerned with inflation and jobs, and the recovery of our free market economy.

YOUTH ADVISORY COUNCIL

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. BROWN of Ohio. Mr. Speaker, the Youth Advisory Council in the Seventh Ohio District has again reported to me on its studies of various issues during the school year. As in the past, I found these reports to be very well done and quite helpful to me.

It is encouraging to see such enthusiastic involvement in the system by high school age youth. In order that others may benefit from their work, I place in the RECORD at this point the bill on long-range financing of public broadcasting which was produced by the committee from Greene County and Mad River Township of Montgomery County.

LONG-RANGE FINANCING OF PUBLIC BROADCASTING—GREENE COUNTY-MAD RIVER TOWNSHIP COMMITTEE

H.R. —

A bill to amend Sections 396 and 397 of the Communications Act of 1934 to provide long-range public financing for the Corporation of Public Broadcasting

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Broadcasting Financing Act of 1975".

SECTION 1. The Communications Act of 1934 is amended by inserting after paragraph (2) of Section 396(k) the following:

(3) There is hereby established in the Treasury a fund which shall be known as the "Public Broadcasting Fund" which shall be administered by the Secretary of the Treasury. During the five year period commencing October 1, 1976 and ending September 30, 1981, it is authorized to be appropriated to this Fund, an amount equal to 40 percent of the total amount of non-Federal financial support received by public broadcasting entities during the fiscal year preceding each such fiscal year. These appropriations, however, shall not exceed $88,000,000 for the first fiscal year ending September 30, 1977; $103,000,000 for the fiscal year ending September 30, 1978; $121,000,000 for the fiscal year ending September 30, 1979; $140,000,000 for the fiscal year ending September 30, 1980; or $160,000,000 for the fiscal year ending September 30, 1981.

(4) The said funds shall be used solely for the expenses of the Corporation. Moneys appropriated to this fund from the Treasury shall remain available until expended. The Corporation shall determine the amount of non-Federal financial support received by public broadcasting entities during the fiscal year preceding each such fiscal year, and shall certify such amount to the Secretary of the Treasury. Upon receipt of such certification, the Secretary of the Treasury shall disburse from the Public Broadcasting Fund

to the Corporation the amount appropriated to the Fund for such fiscal year pursuant to the provisions of subsection (3).

(5) The Corporation shall reserve for distribution among the licensees and permittees of noncommercial educational broadcast stations (that are on the air) an amount equal to not less than 50 percent of the funds disbursed to the Corporation from the Public Broadcasting Fund in each fiscal year in which the amount disbursed is $88,000,000 or more but less than $121,000,000; not less than 55 percent in each fiscal year in which the amount disbursed is $121,000,000 or more but less than $160,000,000; and not less than 60 percent in each fiscal year in which the amount disbursed is $160,000,000.

(6) The Corporation shall, after consultation with licensees and permittees of noncommercial educational broadcast stations (that are on the air), establish, and review annually, criteria and conditions regarding the distribution of funds reserved to paragraph (5).

(7) The total amount of funds shall be divided into two portions, one to be distributed among radio stations and one to be distributed among television stations to each licensee and permittee of a non-commercial educational television station (that is on the air). The balance of the portion reserved for television stations and the total portion reserved for radio stations shall be distributed to licensees and permittees of such stations in accordance with eligibility criteria that promote the public interest in noncommercial educational broadcasting and on the basis of a formula designed to:

(a) provide for the financial needs and requirements of stations in relation to the communities and audiences such stations undertake to serve,

(b) maintain existing, and stimulate new sources of non-Federal financial support for stations by providing incentives for increases in such support, and

(c) assume that each eligible licensee and permittee of a noncommercial educational radio station receives a basic grant.

(8) No distribution of funds shall exceed in any fiscal year 50 percent of a licensee's or permittee's total non-Federal financial support during the fiscal year preceding the fiscal year in which such distribution is made, unless, however the station is less than 2 years old from the day of licensing or permittance day then for:

(a) radio stations this limit shall not exceed 55 percent of a licensee's or permitee's total non-Federal financial support and

(b) television stations this limit shall not exceed 60 percent of a licensee's or permittee's total non-Federal financial support.

(9) Funds distributed may be used at the discretion of stations for purposes of educational television and radio programming, including the use of nonbroadcast communications technologies for educational television or radio programming purposes.

SEC. 2. Subsection 396(l) of the Communications Act of 1934 is amended by inserting after the word "appropriate" the following sentence: The officers and directors of the Corporation shall be available to testify annually before appropriate committees of the Congress with respect to such report and with respect to the report of any audit made by the Comptroller General.

SEC. 3. Section 397 of the Communications Act of 1934 is amended by inserting, after paragraph (9), the following:

(10) The term "non-Federal financial support" means the total value of cash and the fair market value of property and services (except for personal services of volunteers) received—

(a) as gifts, grants, bequests, donations, or other contributions for the construction or operation of noncommercial educational broadcast stations, or for the production, acquisition, distribution, or dissemination of educational television or radio programs, and related activities, from any source other than (1) the United States or any agency or establishment thereof, or (2) any public broadcasting entity; or

(b) as gifts, grants, donations, contributions, or payments from any State, any agency or political subdivision of a State, or any educational institution, for the construction or operation of noncommercial educational broadcast stations or for the production, acquisition, distribution, or dissemination of educational television or materials respecting the provision of educational or instructional television or radio programs.

(11) The term "public broadcasting entity" means the Corporation, any licensee or permittee of a noncommercial educational broadcast station, or any nonprofit institution engaged primarily in the production, acquisition, distribution, or dissemination of educational television and radio programs.

Following discussion, with no amendments, the bill was adopted by the full Council by a vote of 32-2.

GREENE COUNTY AND MAD RIVER TOWNSHIP COMMITTEE MEMBERS

Carroll High School, Jerry Lackey, 826 Morse Ave., Dayton, 45420.

Xenia High School, Sue Barborak, 138 Robert Lane, Xenia 45385.

Bellbrook High School, Rick Powell, 4200 Bellemeade Rd., Bellbrook 45305.

Fairborn Baker High School, Anne Plathe 1351 Timberwyck Ct., Fairborn 45324.

Stebbins High School, Roger McCoy, 5323 Underwood Rd., Dayton 45431.

Beavercreek High School, Wendall Bauman, 2386 Red Apple Dr., Dayton 45431.

Greene Vocational School, Daniel Castillo, 38 Umstead, Wright Patterson AFB, 45433.

Yellow Springs High School, Dan Hardman, 1375 Cory St., Yellow Springs 45387.

Fairborn Park Hills High School, Julia Jennings, 1616 Flick Dr., Fairborn 45324.

Greenview High School, Michelle Thompson, 6771 U.S. 35 East, Jamestown 45335.

Cedarville High School, Allan Weber, 411 Walnut, Cedarville 45314.

LAND USE PLANNING AND THE ECONOMY

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. BROWN of California. Mr. Speaker, the issue of land use planning is one that has generated much interest. As the Committee on Interior and Insular Affairs continues its consideration of the Land-Use Planning and Resource Conservation Act of 1975, I believe it is important for every Member of Congress to recognize the relationship of this legislation to the overriding economic issues facing the Nation.

It is for this reason that I would like to insert in the RECORD an article from the May 6 issue of the Los Angeles Times which was authored by the ranking minority member of the Subcommittee on Energy and Environment. I believe our colleague from Texas (Mr. STEELMAN) has very aptly explained the relationship of land use planning to the economy.

I commend this article to my colleagues:

The article follows:

ONE MORE TRY AT LAND USE PLANNING

(By Alan Steelman)

There is now broad agreement among government and business groups that the United States needs some sort of land-use-planning legislation. Even the Administration, which opposes the land-use bill currently before Congress, does so on economic rather than philosophical grounds.

This new agreement is possible because our traditional concept of America as a land of limitless open space has at last given away to recognition of a simple point: Our nation is a finite geographic region. It stretches from the Atlantic to the Pacific, and from Canada to Mexico and, barring some staggering event, will continue to do so for a long while. Population may explode and cities may sprawl, but the physical boundaries in which those events occur cannot expand one square inch.

Yet the United States is currently using land more intensively than ever before, with little or no thought to the consequences. This intense and unplanned use has led not only to an increasing concentration of our nation's population in urban areas (estimates are that 75% of the people live on about 1½% of the land), but also to a growing consumption of natural resources.

In short, we can no longer operate on the assumption that American land is limitless. We have achieved material progress, sure—but we have created problems which now demand sober reflection and solution. It is obvious that the United States requires a system to plan the use of our land.

But how do we do this without violating other basic rights to property? In my view, we must reassert the traditional concept of property rights: proper balance between the rights of real property owners and those of society as a whole. Some citizens, of course, will argue that property rights are absolute by tradition, but this definition has never been adopted in the United States.

Even as early as 1700, forms of land regulation were used to protect the public health and safety, as well as aesthetic values. And over the years, restrictions have been placed on the use of private property, justified as benefiting soicety as a whole. What emerges is the concept that no citizen has the right to use his land in such a way as to create a nuisance to his fellows or to endanger the health, safety or welfare of the general public.

Landowners, then, are short-term guardians of a valuable, nonrenewable resource. While we must always be concerned with due process and constitutional rights, we must also realize our responsibility to use land wisely and to pass it on to future generations in as wholesome a condition as possible. This, in fact, is the underlying philosophy of any land-use-planning bill worth its salt.

On a working level, such legislation should meet these criteria:

First and foremost, it should establish a comprehensive planning process that would enable states, in concert with city and county governments, to make land-use decisions of greater than local scope. Thus, a state would make its voice heard in decisions affecting the siting of power plants, highways, airports and other large-scale developments, but not of individual housing developments.

Land-use-planning legislation should provide that plans of individual states be free of substantial federal review; that is, the federal government would act only to ensure that each state establishes a process for orderly planning, and then leave specific decisions to that state.

There should be some sort of requirement that federal and federally assisted programs and projects—whether on federal or nonfederal lands—be consistent with state land-use programs.

Combine these fundamental elements with

procedures to assure speedy consideration of development proposals (including rules of procedure on fair hearings, public records and elimination of duplicative hearings and permits), and you have a modern enlightened approach to land-use planning.

Early this year, I introduced a bill with Rep. Morris K. Udall (D-Ariz.), chairman of the subcommittee on energy and the environment, that would utilize such an approach. (It differs from the land-use bill rejected by the 93rd Congress in that it provides a much more limited federal role in a state's land-use-planning program.)

Briefly, our bill would provide federal money to establish state land-planning agencies, review existing state and local planning programs, and fund a complete and accurate study of resources and land capabilities throughout the United States.

The prospects for passage are good. One reason is the new composition of Congress, especially the House. Among returning congressmen, it is estimated that land-use supporters outnumber those opposed, 183 to 155. New members should increase the margin.

The bill has also drawn support from a wide range of trade and public-interest groups—not just the League of Women Voters but the Mortgage Bankers Assn., the National Parking Assn., and the National Realty Committee and the National Grange.

Yet, despite this broad base of support, a new obstacle has appeared in the form of White House opposition. The Ford Administration support the principles of land-use planning, but argues that because of America's present economic difficulties, a moratorium must be placed on all new federal spending.

During recent hearings, however, Administration witnesses suggested support might be forthcoming if the economy turns around or if some type of compromise on funding can be reached.

My answer to the Administration's economic objections to the bill is simply this: Unplanned growth has a fiscal impact on taxpayers through the loss of prime agricultural land, not to mention billions of dollars spent to save decaying cities and to finance public-works programs. Such remedial expenditures, the inevitable product of chaotic and unchecked growth, are infinitely more costly and wasteful than any planning apparatus.

The evidence is in, and the facts are clear: Our land is being misused and mistreated. Certainly, we can survive in some fashion as a nation without land-use planning. But if we give federal impetus to our state and local governments for better planning, we shall not only survive but also continue to grow in an orderly and prosperous fashion.

UKRAINIAN QUARTERLY CELEBRATES 30TH ANNIVERSARY

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. DERWINSKI. Mr. Speaker, several months ago the 30th anniversary of the internationally renowned journal, the Ukrainian Quarterly, was observed in a number of ceremonies in New York City and elsewhere. The quarterly is a journal of East European and Asian affairs and is ranked with our best institutions analyzing the Soviet Union and Communist developments generally. The current issue of the quarterly is a special 30th anniversary one, and an informative and analytic section of the journal is the commentary on Soviet society and Ukrainian and non-Russian developments written by Dr. Lev E. Dobriansky of Georgetown University. Because of its timeliness regarding our present policy toward the Soviet Union and its critical viewpoints, I commend this section to the reading of our Members:

UKRAINICA IN AMERICAN AND FOREIGN PERIODICALS

"UKRAINIAN INJUSTICE"

(An editorial. The New York Times, New York, Sept. 12, 1974)

This excellent editorial in one of our outstanding newspaper organs centers attention on Valentyn Moroz and Leonid I. Plyushch. The two Ukrainian intellectuals and dissidents are serving prison terms in the USSR for their advocacy of basic human and national rights. The editorial's tone is set in the very first paragraph where the editors state, "the Soviet authorities in Moscow still find themselves stymied by the tenacity of the dissident nationalist movement in the Ukraine, second most populous republic of the Soviet Union."

Several striking points appear in the editorial. One, for example, is the checkered history of Ukrainian nationalism in the twentieth century. As the editors observe, "In recent years, however, it has gained influential champions among the other dissident groups of Moscow and Leningrad." Also, the symbolic significance of both Moroz and Plyusch for Ukrainian nationalism is heavily stressed.

The fact that both Ukrainian intellectuals are not as well known as they should be in the West may be cause for Moscow to ignore the pleas of diverse groups in their behalf. On this, the editors make the point that "Moscow's policymakers should not be deluded into waiting until some specific outrage against the two Ukrainians makes the protest genuinely universal." Factually, by the time of the Vladivostok sub-summit the name of Moroz rang in authoritative Soviet ears.

"SOLZHENITSYN ADMITS TO UKRAINIAN LINEAGE"

(A report. Svoboda, The Ukrainian Weekly Section, Jersey City, N.J., Aug. 31, 1974)

Solzhenitsyn, the prime Russian dissident now in exile, is reported in this main Ukrainian American organ as having attested to his partial Ukrainian background. The admission came in a response to an invitation issued by the Ukranian Free University in Munich to participate in summer courses offered by the university. Because of his pressing commitments, Solzhenitsyn gratefully declined but expressed his admiration for Ukrainian culture and history.

As he put it, "I am deeply moved by your invitation. Ukrainian culture, life and hopes are not foreign to me. My beloved grandfather (the only one I ever knew) was Ukrainian, and his wife was half-Ukrainian." He continued, "In my youth I constantly heard about the Ukrainian cause. Also, I shared with Ukrainians some of the most trying years of my life—I befriended many of them." These few passages are sufficient to indicate the scope of the famous Russian novelist's feelings for his Ukrainian background and for Ukrainians generally.

"THE GENOCIDE CONVENTION"

(A report by Senator Proxmire, CONGRESSIONAL RECORD, Washington, D.C., Aug. 13, 1974)

For years the persevering Senator from Wisconsin has hammered away at the urgent need for the ratification of the Genocide Convention. It is now some 23 years that our Government has been considering this matter. The Ukrainian Congress Committee of America was one of the first organizations to testify in support of the convention. In fact, its president, Dr. Lev E. Dobriansky of Georgetown University, worked closely with Dr. Raphael Lemkin, the originator of the genocide concept, in the years of 1949–51 for the passage of the treaty in the U.S. Senate.

The Senator explicitly states in this report: "Mr. President, many concerned groups have been strong supporters of the Genocide Convention. During the 1970 and 1971 hearings, the following organizations presented favorable testimony: The American Civil Liberties Union, Ad Hoc Committee on the Human Rights and Genocide Treaties, New York State Bar Association Committee on International Law, Ukrainian Congress Committee of America, and the U.S. Constitution Council." As the Senator knows, action by the UCCA is a persistent, ongoing one. After a quarter of a century, it still works hard on the matter.

"A COOL DEBUT FOR UKRAINIAN ICE SHOW"

(A report by Michael Iachetta. *Daily News*, New York, Sept. 5, 1974)

A favorable, detailed account is given of the Ukrainian Festival on Ice in New York. The Kiev-based ensemble, with its lavishly costumed production, evidently staged a very impressive and moving performance. The multi-faceted presentation ran for three hours studded with acrobatics and tumbling, folk dancing and ballet, and over 100 skilled skaters.

In part, the writer observes that "the evening was like many a classically great Russian novel—overly long, overly ambitious, overly plotted and overly populated with extraneous characters, yet impossible to put down." Direct overtones of this mischaracterization were conveyed in the show itself.

"UKRAINIANS HONOR ONE OF OWN"

(A report, *The Pittsburgh Press*, Pittsburgh, Pa., Nov. 25, 1974)

A comprehensive report is presented here of the numerous contributions made by Michael Komichak to American understanding of the Ukrainian heritage. A Pittsburgh radio personality for many years, Mr. Komichak was honored as the Ukrainian Technological Society's "Man of the Year" at the Pittsburgh Athletic Association. He has been assistant general manager, chief engineer and on-air personality at WPIT–AM and FM radio.

The honored recipient also served for many years as secretary of the Captive Nations Committee of Allegheny County. In addition to maintaining two Ukrainian programs on the air, he contributed heavily to the settlement of Ukrainian displaced persons after World War II, raised money for construction of the American Museum of Immigration near the Statue of Liberty, and engaged in countless projects promoting Ukrainian ethnicity. The bestowed honor was well deserved.

"WHILE DIPLOMATS SMILE, SOVIETS ARE IMPRISONED IN STALINIST MADNESS"

(An article by Roman Rakhmanny. *The Gazette*, Montreal, Canada, Apr. 13, 1974)

With his usual keen perceptiveness and analysis, this Canadian writer dwells in general on dissidence in the Soviet Union and in particular on the Moroz case. He clearly points out the two-tiered tactics of the Kremlin with regard to its treatment of dissidents. As he states it, "While Solzhenitsyn, for a change, was going up on an escalator to be spirited out of the Soviet Union, many Soviet citizens were riding the escalators which were bringing them down to prisons, asylums for the insane, hard labor camps, or the districts of 'voluntary settlement' in remote regions of the Kremlin empire."

Case after case of selective imprisonment has been collected and established by both Amnesty International and the United Nations' Human Rights Commission. The writer singles out the case of Valentyn Moroz, which he at the time of this article regarded as a "neglected plight." Factually, it was far from being neglected, for the fruits of the cumulative efforts made then and after showed by the end of the year. Briefly, as an adjunct to the trade issue, the human rights pressure must be maintained to bring to an end the crimes being committed by both Kosygin and Brezhnev.

"SAKHAROV HITS SOVIET MARXISM"

(An article by Hedrick Smith, The Washington Star-News, Washington, D.C., Apr. 15, 1974)

A thorough account is given here on the latest politico-economic stance taken by the prominent Russian scientist and dissident, Andrei D. Sakharov. With the most significant implications for Ukraine and the other non-Russian republics in the USSR, Sakharov's statement conjoins with the earlier one issued by Alexander I. Solzhenitsyn. It calls on the Soviet leadership to renounce Marxism as its ideology and give up hegemony over Eastern Europe and over the non-Russian republics within the Soviet Union.

The 4,000 word statement differs in several respects from the earlier Solzhenitsyn one. It does not share the novelist's fear of a major war with Red China. It also views Marxist ideology only as a "convenient facade" for the Moscow leadership, with Soviet society afflicted at large by "ideological indifference." Sakharov, in addition, challenges the novelist's views regarding Russia's unpreparedness for democracy and his advocacy of Great Russian nationalism, patriotism, and the development of Siberia.

Clearly, at this stage the significance of both Sakharov and Solzhenitsyn is seen in two dominant facts. One is the fairness and objectivity both have shown toward the freedom of the non-Russian republics in the USSR. No prominent Russians in the past have taken this position. The other fact is that their common views on Marxian ideology and the "satellites" both within and outside the USSR have long been advocated by captive nations' adherents in the United States. The conformity of views and perspectives is uncanny.

"SOVIET NATIONALITIES POLICY AND DISSENT IN THE UKRAINE"

(An article by Bohdan R. Bociurkiw. *The World Today*. The Roybal Institute of International Affairs, London, England, May 1974)

The writer of this analytical article is a professor of political science at Carleton University in Ottawa. He is a specialist on Soviet affairs, and in this piece traces the nationalities policy pursued by Moscow since the Bolshevik Revolution. In a provactive manner he begins by quoting the Secretary General of the Communist Party, Leonid Ilyich Brezhnev, who on the 50th anniversary of the Soviet Union, in December 1972, declared that the nationalities question in the USSR "has been resolved completely, resolved definitely and irrevocably."

Filled with countless salient facts, the article proves the statement to be "grossly premature." Methodically, the piece develops Moscow's policy toward the non-Russian nations and conclusively shows that behind quasi-Marxist semantics Moscow seeks integration through Russification. The subsequent sections of the article highlight Ukrainian dissent. Dzyuba's protest, and the growing repressions in Ukraine to this day. As the author correctly concludes, "In the years to come, the nationalities question, far from reaching its solution, is likely to become an even more explosive issue in Soviet domestic politics and a source of greater internal instability for the Soviet system."

"RUSK BIDS U.S., SOVIET TRIM MISSILES TO 500"

(A report by Jeffrey Antevil, *Daily News*, New York, Sept. 19, 1974.)

The importance of this report is found not so much in Dean Rusk's observations on nuclear weapons but rather on the so-called captive nations question. The former Secretary of State testified before the Senate Foreign Relations Committee on the subject of detente. His testimony supported Kissinger and opposed Senator Jackson on the matter of linking trade with the human rights issue.

Still believing the Soviet Union to be a "nation," Rusk observed, "It might even be desirable to repeal such things as the captive nations resolution—which would break the Soviet into some doben independent nations." This he regards as a further decrease in "polemic and ideological" rhetoric between the U.S. and Soviet governments. In short, by principle, Mr. Rusk has no qualms about the Soviet Russian Empire and the colonialist domination over captive nations. What a pallid contrast to the principled characters of Sakharov and Solzhenitsyn!

"MESSAGE TO BREZHNEV"

(A release from Senator Henry M. Jackson, *News Agency*, Washington, D.C., Sept. 10, 1974)

Senator Jackson of Washington made a personal appeal to the Communist Party leader, Leonid I. Brezhnev, in behalf of Valentyn Moroz. In his message the Senator commenced, "I would like to call your personal attention to the urgent situation of Valentyn Moroz, the Ukrainian historian who is near death after more than two months of a hunger strike and undertaken in desperate protest against the extreme conditions of his imprisonment." The Senator mentions the closed trial that Moroz had.

The message continued in part, "I want to convey to you my own grave concern and that of so many American citizens—among them thousands of Americans of Ukrainian descent who are justly proud of their great heritage and who feel a special kinship with their fellow Ukrainians—for the fate of Valentyn Moroz." The stirring message from this champion of human rights had its effect.

"TEXTBOOK EVALUATION REPORT"

(A report by Nicholas G. Bohatiuk, *Textbook Evaluation Committee of America's Future*, New Rochelle, N.Y.)

The book under review in this report is titled *The Soviet Union and Eastern Europe*, authored by professor Henry W. Morton of Queens College and published by Macmillan. The reviewer is a professor of economics at LeMoyne College in Syracuse. The quality of the work is revealed in the very first paragraph where the reviewer states, "there begins an endless confusion of terms such as Russia, Rusisan people, Communist Russians, Soviet, Soviet people, Soviet peoples, Soviet Rusisa (the terms that must not be used synonymously because of their different meanings—the error so frequently committed by our communications media, our political leaders and even our professors of Soviet affairs) and this quite consistently followed throughout the whole book."

Specifically and methodically, this report/article substantiates the above overall evaluation. For example, the author holds the book with its title as primarily concerned in the historical period before 1917 "with the Russians and their ancestors." To which the reviewer quite properly raises the question "Why only the Rusians who constitute about 50 percent of the Soviet population?" They were even less in the pre-'17 period. A review of chapter by chapter shows glaring and unpardonable errors of like kind. The net finding is expressed in the last sentence: "Any conscious and serious scholar of Soviet affairs should be better informed about the true situation there."

"FREEDOM FOR THE UKRAINIAN PEOPLE"

(A statement by Representative EDWARD KOCH. CONGRESSIONAL RECORD, Washington, D.C., Oct. 16, 1974)

This prominent New York Congressman has consistently addressed the Members in the House of Representatives on the freedom aspirations of the Ukrainian people. In his account here he expressly states, "Mr. Speaker, on September 29, 1974, I marched with thousands of Ukrainian Americans and those who are not Ukrainian, such as myself, in support of human rights for Ukrainians in the Soviet Union." The Congressman is referring to the National Manifestation in Defense of Human Rights in Ukraine which was held in Bryant Park in New York City.

In his remarks the Congressman further observes, "The Soviet Union is engaging in cultural genocide against many of the captive nations now in the U.S.S.R. It is also engaging in the physical destruction of those who dissent." He mentions the two Ukrainian intellectuals and dissenters, Valentyn Moroz and Leonid Plyushch. Appended to his address are the resolutions of the rally and the text of a night letter to Senator Jackson and others opposing agreements on the trade act without provisions for general emigration from the USSR and the release of Moroz and Plyushch.

"URGES VATICAN TO PROD SOVIET"

(A report from Vatican City. *New York Post*, New York, Oct. 3, 1974)

At the fourth world synod of bishops the Ukrainian Cardinal Josyf Slipyj charged the Roman Catholic Church of a lack of concern regarding conditions in the USSR. According to this report, he particularly pointed to Moscow's imprisonment and harsh treatment of dissidents in that empire-state. He also stressed the continuing exile of priests to Siberia or the psychiatric wards.

The Cardinal is quoted as saying "It is our duty to condemn every injustice which violates freedom of faith, conscience, reason and opinion." He continued, "We must demand the liberation of those who are kept in custody and of those who are detained without cause in so-called psychiatric prisons." Pointedly, he raised in his address the question, "If the Holy Church neglects these people, who will be able to vindicate divine and human justice?" By all evidence, the Vatican has not voiced itself on this subject as many of its proponents have anticipated.

"UKRAINIANS ARRIVE—ON SKATES"

(An article by David Anable, Christian Science Monitor, Boston, Mass., Sept. 16, 1974)

"Watch out, North America, the Ukrainians have come . . . on skates" is the way this writer begins his observations of the Ukrainian Festival on Ice." No sooner said, the next few comments take a somewhat unfavorable turn, and throughout the piece the writer exudes doubtful reservations. He even raises the question, "Who is the show aimed at?"

In contrast to other more favorable critiques this one views the premiere as "just a trifle heavy for an American taste, sharpened by the slick fascinations of such audience-catchers as 'Ice Follies' and 'Holiday on Ice.'" Along with others, the writer is confused as to whether the performance is Ukrainian or Russian. For him "Russian romanticism" capped about a dozen balletic climaxes. The writer concludes, "Whether the same mix will carry the company through its full two-month tour as a commercial proposition remains a moot point." It appears that not all can be satisfied.

"72 HUNGRY DAYS IN A SOVIET JAIL"

(A report, New York Post, New York, Sept. 11, 1974)

At the time of this report dissident historian Valentyn Moroz had endured 72 days of a hunger strike, one which actually continued into December. The report relates the flood of phone calls made from New York to Vladmir prison where the young dissident has been incarcerated and reported near death. It goes on to give a condensed account of his sentencing in November 1970 and the solitary confinement to which he was subjected.

Mrs. Moroz is quoted at length regarding the condition of her hubsand. "He declared to me he would begin a hunger strike demanding to be transferred to a labor camp, to be in the open among people." For some time she had been denied permission to visit her husband. Her repeated requests to have a private physician examine him have also been denied. In view of subsequent developments it is expected that Moroz will at least be released from solitary confinement and may be shipped out of the Soviet Union itself.

"REMEMBERING KEELHAUL"

(A column by Smith Hempstone, Washington Star-News, Washington, D.C., Jan. 16, 1974)

Solzhenitsyn's new book *The Gulag Archipelago*, 1918–1956, virtually indicts both Roosevelt and Churchill for condemning millions of Russians, Ukrainians, Cossacks and others to execution or imprisonment by agreeing at Yalta to their forcible repatriation. The phenomenon has come to be known as "Operation Keelhaul." This keen analysis describes the repatriation of some 6 to 7 million so-called "Soviet nationals" during the period of 1945–47.

Unfortunately, the article is not sufficiently descriptive of the many different nationals that were repatriated under coercion. Ukrainians, Georgians, Byelorussians, Kalmuks and others are scarcely mentioned. Solzhenitsyn has described this indelible stain on the honor of the West to the "systematic shortsightedness and stupidity" of Roosevelt and Churchill. The suit on Operation Keelhaul is still before the federal appellate court in Washington, seeking the declassification of official papers on the matter.

"PERSECUTION OF CHRISTIANS IN UKRAINE AND THE U.S.S.R."

(An article by Victor Borowsky. *Christian Crusade Weekly*, Tulsa, Oklahoma, Aug. 1974)

The unrelenting persecution of Christians in the USSR by mutant Soviet bears rather than the lions of the past is emphasized in this article written by a Detroit attorney. The persecution is enacted through a variety of tactics, such as torture, dismissal from employment, exile, commitment to mental institutions, murder and concentration camp confinement.

Among other specified cases, the writer cites the May 2, 1973 atrocity in the Kharkiv area of Ukraine. About 1500 young Ukrainian baptists convened in a forest near Kharkiv for an Easter Worship Service after being denied the church or hall by the authorities. When the service began, Soviet militia forces moved in and brutally molested hundreds in the gathering. Case after case is cited, all to show the gross hypocrisy of a regime which rants about "freedom of religion."

"THE RUTHLESS CZAR OF ALL THE RUSSIAS"

(A book review by Roman Rakhmanny. *The Montreal Star*, Montreal, Canada, Nov. 16, 1974)

This prolific Canadian writer reviews in this piece Ronald Kingley's book *Joseph Stalin: Man and Legend*. The review is quite favorable and in itself makes for delightful reading. Quotes used by the writer are enough to indicate the character of Stalin as so well portrayed by the book's author. Quoting Vasyl Symonenko, one of the earliest Ukrainian dissenters, "Stalin, of course, did not ascend the pedestal, nor did people place him there. He clawed his way up by treachery and wickedness. He clawed his way up arrogantly and bloodily, like all butchers. . ."

Some of the strong points in the book are emphasized, such as Stalin's fence-sitting at the time of the October revolution, his dealings with the Czarist secret police Okhrana, and his tyrannical regime. Trotsky is aptly quoted, "Stalin seeks to strike, not at the ideas of his opponent, but at his skull." As the reviewer well points out, "The acceptance of Stalin's deadening legacy by Kremlin leaders only proves that in putting together his 'empire of human cogs' (as Valentyn Moroz has it) Stalin recruited many willing mechanics."

VIETNAM REFUGEES AND AMERICAN OBLIGATIONS

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. OBEY. Mr. Speaker, the Vietnam war has been a long one and I know people are tired of it. I am tired of it, too. I have been tired of it for years and I have opposed defense budgets and foreign aid budgets because they have contained money to continue our involvement in that war.

But we are not children. We are adults and as adults we must face the hard fact of life that we cannot escape responsibility for our actions. There are those who, at least temporarily, are trying to do just that. In part I can understand why. We would all like to put thoughts of Vietnam behind us. But I am frankly appalled that some of those who in past years were so enthusiastic in their support for America's involvement in the Vietnam war are now trying to ignore a responsibility to the human refuse which that war has produced—and I use that word in its saddest sense. I am also frankly chagrined that some others who have in the past opposed that war, at least in part on moral grounds, would not now recognize the moral imperative represented by Vietnamese refugees seeking a place in this country.

No one can claim that every refugee entering this country is a kind, sweet, and desirable person but there are many innocent victims of that war who are now seeking refuge in this country. And as Mary McGrory, the Washington Star's newest Pulitzer Prize winner, said in her column last night, we cannot take out our frustration about the war on its victims.

There is no disgrace in America's turning away finally from the course of war in Vietnam, but there would be a supreme disgrace in our turning away from the consequences of our past actions in that war. Because we are a moral and decent people, we must accept these refugees who have no other place to go. I wish that were not true, but it is.

I congratulate the President for stating that fact squarely in his press conference last night. I congratulate the AFL–CIO Executive Council and the American Jewish Committee for taking that same position and I include at this time the stunningly truthful and poignant column written by Mary McGrory in last night's Washington Star and also the thoughtful editorial of the previous day by the New York Times.

[From the Washington Star, May 6, 1975]

SO WHAT HAPPENED, AMERICA?

(By Mary McGrory)

The Irish poet, William Butler Yeats put his finger on the trouble a long time ago. In his great poem, "Easter 1916," he foresaw the national nervous breakdown that has attended the arrival of the Vietnamese refugees to our shores:

"Too long a sacrifice can make a stone of the heart."

It remained for the young governor of Arkansas, David Pryor, to bring it up to date when the first wretched platoons arrived.

"If you for some reason encounter some who are less than friendly," he told them at Fort Smith, "I hope you will understand that they are people who, like yourselves, have met unknown circumstances, and you will understand how to deal with them."

His remarks were translated for the weary travelers into Vietnamese. If the words did not get through, maybe the music did. In the absence of the President, who considering the magnitude of the hostility and spite which greeted the refugees, should have been there, Pryor was doing his best.

The young governor had been galvanized into action by the vindictiveness of his people. One Fort Smith resident observed, for example, that, considering the disparity of the temperature between Saigon and Arkansas, the visitors "might all die of pneumonia."

Once again, Vietnam has shoved into the nation's face the question: What kind of people are we?

The response this time has been roughly what it was when we were confronted with the My Lai massacre. We avoid the question. When Lt. William L. Calley was convicted of the murders of babies and women and old men, the nation rose up and said it was not so. We defended the myth. We do not shoot children at point-blank range. We give them candy.

And now we are asked once again who we are, and the crazed answer is given, from right to left. We are a nation of hawks who would have fought into the next century to save the South Vietnamese from communism but who don't want them in the next block. And we are a nation of doves who said we would accept any consequence of stopping the war except, it seems, to find room for its most unattractive victims here.

It is not just Arkansas which has fled from the sight of what we did. In Portland, Maine, a local television station, WGAN, conducted a poll on the question of whether we should let adult South Vietnamese enter the country. The results were 85 in favor and 1,018 opposed. That from people who three weeks ago were breaking down the doors to adopt their babies.

America is responding to its first defeat. It is responding to 10 years of lies from its government. It is blaming the victims. These little people who could not be distinguished from their and our adversaries, these hapless souls who destroyed our country psychically as we destroyed their country physically, are coming here, living reminders of their failure and ours.

President Ford has reminded us that we are a nation of immigrants. He has cited us Emma Lazarus' great lines about "your tired, your poor, your huddled masses yearning to breathe free." He should tell us what follows: "The wretched refuse of your teeming shores."

That good anti-war liberal, Elizabeth Holtzman, D-N.Y., pressed the head of the Immigration and Naturalization Service, Gen. Leonard Chapman on the question of screening out the "criminal" element from the incoming thousands. Would he finger the torturers, the Tiger Cage guards, the war profiteers from the applicants?

To his credit, Gen. Chapman bit the bullet. It is the hard fact, the inexorable fact, he said, that there were such among those coming in.

And that is the fact we must all swallow. The more "criminal" they are, the more eligible they are. They are our people. Gen. Ky, the admirer of Adolph Hitler, must be admitted. And the lesser fry must come, too. They were Oliver Twist; we were Fagin. We corrupted them, as they corrupted us.

There is no escape. They are not, perhaps by the thousands, exploiters or monsters who abused their own for gain.

Economics is only part of it. Their numbers are not so great as to menace the unemployed or the welfare recipient.

What they threaten to do to us is to bring the war home to us in the most unbearable, ineradicable way. Whatever hall we look down in the next years, we will see the grinning ghost of the mad folly, of our Vietnam delusion.

Yeats was right and so was Gov. Pryor. The heart is of stone, but the responsibility is clear and inescapable. We did this. We must pay the price.

[From the New York Times, May 5, 1975]

"We Have No Choice"

The antagonistic response of some Americans in and out of Congress to the prospect of granting refuge in the United States to 150,000 Vietnamese seeking asylum here recalls the worst days of McCarranism a quarter century ago. At that time, the late Senator McCarran of Nevada became the odious symbol for all that was ungenerous in the American attitude toward the admission of political and other refugees after World War II. A recrudescent McCarranism is the last thing Americans should want to see today.

The most immediate and obvious way for the Congress to demonstrate that Americans have not lost their moral sense as a result of the Vietnamese tragedy is to grant President Ford's urgent request for sufficient funds to meet the expenses of transporting, housing and resettling those Vietnamese refugees who have managed to escape to this country. Senators Javits of New York and Pell of Rhode Island are sponsoring a bill to provide the requisite funds; the ultimate shame of American involvement in the Vietnam war would be the hesitation—or, worse yet, refusal—to accept this much responsibility.

In fact, one of the few shreds of glory that the United States has been able to retrieve from the closing days—or years—of the Vietnam war consists of the success of the tremendous air and sea lift that rescued so many thousands of Vietnamese who had been associated in one way or another with the American involvement.

The attitude expressed by a few public officials—including Governor Brown of California—and many private citizens to the effect that the influx of Vietnamese is unwelcome because they will take needed jobs from Americans may be understandable but it is unwarranted. As Representative Morris Udall of Arizona has sensibly pointed out, the incoming Vietnamese will comprise a miniscule fraction of the labor force (certainly not more than one-tenth of 1 per cent); they total less than half the number of immigrants normally admitted to the United States annually; they are less than one-fifth the number of Cubans who came here after the Castro revolution. "We have no choice," says Mr. Udall, "except to take them in."

He is right, on the grounds of humanitarianism, of decency and of political freedom—and as much for our own self-respect as for the Vietnamese.

EARLY STORAGE PROGRAM: STRATEGIC PETROLEUM RESERVES

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. FRASER. Mr. Speaker, a strategic petroleum storage program is the most effective, near-term strategy against both a wartime and peace time supply disruption. The mere existence of a national strategic oil reserve would serve as a deterrent to future embargoes and would increase the flexibility of U.S. policymakers. If we start now, in 5 to 6 years we will have enough oil in storage to enable us, with modest emergency precautions, to withstand an embargo without economic hardship for 6 to 8 months.

The National Petroleum Council—NPC—completed a study of emergency preparedness against a disruption of foreign oil supply. The Council reported that a strategic petroleum storage program should be established and that "efforts to implement such a program should begin immediately because of the long construction leadtimes involved." The NPC has followed up with an analysis and specific recommendations on how a storage program would work. This implementation report should be available early next month.

The Project Independence Report also strongly recommends strategic petroleum storage and points out the favorable cost/benefit ratio for oil stockpiles. If another embargo should occur, the economy would save $3 to $5 for each $1 cost of storage.

The Federal Energy Administration has in the works a comprehensive long-range plan—LRP—as well as an early storage program—ESP. This early storage program could give us 150 million barrels of storage by 1978. A recent FEA paper, "Strategic Petroleum Storage Program Plan and Objectives,'" emphasizes that because of long construction leadtimes, implementation of an early storage program should begin as soon as possible and should not wait for completion of the long-range plan.

Excerpts from the FEA paper appear below:

Strategic Petroleum Storage Program Plan and Objectives

I. NEED FOR STRATEGIC STORAGE

The Administration's decision to undertake a large-scale (1.3 billion barrels) oil storage program is based upon the continued need for foreign energy resources, the unreliability of such sources (which are subject to disruption for political and economic reasons), the lack of an adequate standby production capacity and consideration of the protection which a security storage program would afford the country. The 1973–74 embargo, which reduced our projected imports about 2.5 million barrels per day, resulted in a GNP loss of between $10–20 billion and substantially contributed to inflation and unemployment. Emergency petroleum supplies, used in conjunction with demand restraint and allocation programs, could have substantially lessened this impact if available.

* * * * *

No matter what reasonable actions we take to increase domestic supplies and to conserve energy, analysis indicates that imports will be at least four to five million barrels per day by 1985 if prices remain at or near present levels. A one billion barrel civilian reserve would provide three million barrels a day for domestic allocation in the event of an embargo of one year's duration. The remainder could be dealt with through imposition of various emergency conservation and allocation measures. National defense would be guaranteed an additional 300 million barrels during a crisis by means of a military strategic reserve.

Standby production capacity, to be utilized only in an emergency situation, would not provide a sufficient amount of crude to limit the economic effects of an embargo. For example, it is estimated that Naval Petroleum Reserve No. 1 [Elk Hills], with estimated reserves in excess of one billion barrels, could only produce at the rate of 300,000 barrels per day, while our projected imports were reduced by over 2.5 million barrels per day during the 1973–74 embargo. Further, the cost of developing and maintaining new standby production capacity is substantial—not only in capital and resource requirements—but it also increases our dependence on imports if domestic production remains unutilized. Our balance of payments problems would increase because of the continued use of higher priced imported crude.

While a program of the magnitude outlined in Titles I and II [of the Administration's Bill] will take many years to fully implement, it is essential that we begin immediately. Even in the early stages of the program, as facilities are being acquired and stocks are being built up, the Nation will have protection not now enjoyed.

One of the principal advantages of a stockpile program is its flexibility. The target size of the stockpile can be adjusted as we reassess our vulnerability to imported supplies, and also if the schedule and level of domestic production lags behind projections. We would also be in a position to take advantage of variations in the price of oil.

Finally, the International Emergency Program (IEP) specifies that we must maintain reserves sufficient to maintain current consumption without imports for 60 days (later to be increased to 90). While according to the IEP definitions, our reserves are currently far in excess of requirements (approximately 120 days), the amount of reserves we could actually draw down in an emergency situation without seriously impairing the operation of our refinery/distribution system is quite limited. However, strategic reserves in excess of IEP requirements are valuable in that the IEP Treaty specifically allows their use in place of the specified demand restraint measures when imports are reduced by seven percent.

II. BACKGROUND

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1. *Salt Dome Cavities.*

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Salt dome cavities or existing salt cavern storage provides a potentially economic method of providing sufficient capacity for a strategic reserve system.

Large salt dome formations are located near the Gulf Coast, either inland or offshore. The major limitations in the preparation of leached salt dome cavities are the availability of fresh water to dissolve the salt (salt water can also be used if available), the time required to leach cavities in the salt formations, and the environmental constraints in disposing of the brine solution either in the sea or in subsurface salt water acquifiers. It is estimated that it would take three to four years before we can begin to fill salt dome storage facilities adequate for large-scale storage. Salt cavities are much less expensive to construct and maintain than steel tanks. Estimates place the cost at about $1 per barrel for construction and less than 1c a barrel per year to maintain, as compared to $4 to $5 per barrel for a steel tank construction and 10c for maintenance.

There is no doubt about the feasibility of salt dome storage facilities. In both France and Germany, large amounts of crude oil are currently being stored in salt domes and additional facilities are being prepared. Even in the United States, large amounts of petroleum products are currently being stored in salt domes.

An additional advantage of salt dome storage is related to these geographic locations. The facilities would be located in the Gulf Coast, where they could be integrated into the existing pipeline and refinery distribution system. They would also complement the two proposed offshore supertanker ports currently under consideration by Congress (Loop and Seadock).

2. *Other Possible Storage Facilities.* As it will probably take three to four years before we can start filling newly prepared salt dome storage facilities, it is desirable to examine what other type facilities might be available in the short term. These include:

a. *Dry Salt Mines.* We have identified dry salt mines in Louisiana which could possibly be converted to crude storage at an economic cost.

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B. *The President's Proposed Legislation.*

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2. *Relationship with Naval Petroleum Reserves.*—Titles I and II of the President's Energy Independence Act are closely related. Title I authorizes the development of the Naval Petroleum Reserve (primarily Elk Hills in California with reserves well over one billion barrels of oil). Development of Elk Hills would accomplish four objectives. First, in the short term (two to three years), it would increase domestic production by approximately 300,000 barrels per day, thus reducing our reliance on foreign imports by that amount. Second, the funds from the sale of the oil and/or oil itself would be used to replenish DOD's prepositioned war reserves and peace time operating stocks (probably less than 20 million barrels). Third, the proceeds from the sale of oil would be used to explore and develop NPR–4 on the North Slope of Alaska, which could produce as much as two million barrels of oil per day by the early 1980's. Fourth, the oil itself or the proceeds from its sale will be used to establish both the Civilian and Military Strategic Petroleum Reserves. This would involve the purchase and construction of storage and related facilities (pipelines, pumps, roadways, etc.) and the actual filling of the reserves. It could be accomplished by actually transferring NPR–1 oil to storage, switching with other oil which could be more easily put into storage, or purchasing petroleum or petroleum products on the open market.

Thus, the development of the Naval Petroleum Reserves is an integral part of the implementation of the Strategic Reserve System. It provides the flexibility to implement the program in the quickest and most cost effective manner. While the Military and Civilian Reserves are authorized in separate titles, both programs will be completely integrated. The Department of Defense will be involved in the planning of the Civilian System and those federal agencies responsible for planning the Civilian System will be involved in the planning of the Military System.

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D. *Results of Current Analysis.*

While definitive answers to questions such as, what the stockpile should consist of and how large it should be, types of storage facilities and their locations, costs and environmental assessment, must await the preparation of the President's report, we can give some preliminary conclusions based upon current analysis.

1. Storage will be predominantly of crude oil stored in caverns leached in salt domes near the Gulf Coast. Some product storage may be required to offset (a) the time it will take to develop crude storage, and (b) the time it will take to refine stored crude into products and transport them to the consumers.

2. We should be able to provide a limited amount of non-salt dome storage capacity in the short-term (mines, tanks, etc.) while some salt facilities are being prepared.

3. Salt dome cavern storage is among the least expensive methods, and those located in the Gulf Coast area could be readily integrated into the Nation's transportation and refinery network. There is ample technology both here and abroad to support such an undertaking.

4. The limited experience in France indicates some mines can be converted at less cost than new salt cavities.

5. The Federal Government will most likely own major underground storage facilities and the crude oil stored in them. To the extent products are stored, they would probably be owned by the private importers and refiners.

III. THE PROGRAM PLAN ALSO INSURES THAT NO MAJOR ACTIONS WOULD BE TAKEN BEFORE CONSULTING THE APPROPRIATE COMMITTEES IN CONGRESS

A. *Program Elements.* The program plan will consist of three major elements which will be pursued concurrently, as shown in Exhibit 1. The program elements are:

1. *The Long-Range Plan (LRP).* The LRP is a comprehensive plan developed to fully satisfy the legislative requirements of Title II, addressing such issues as quantities, sources, and mix of petroleum to be stored; time tables, cost; ownership, types and location to facilities; and environmental impacts.

2. *The Early Storage Program (ESP).* The ESP is directed at determining the capability to bring into being within a few years a first increment of storage capacity. It will focus on selecting small number of means for storage offering the best prospect of achieving that objective, and developing an adequate information base which would allow us to proceed with lease, purchase, or construction of these storage facilities. It will examine potential storage both (a) within the concept of a government owned storage facility, either underground or above ground, and (b) within the concept of directing the maintenance of a greater storage of crude or petroleum product by privately owned importers.

* * * * *

Work would be started as quickly as possible on all three major program elements. There would be a continuous cross-flow of information as necessary between these three elements as shown in Exhibit 1. This would be particularly true of the relationship between the Long-Term Plan and Early Storage Program analyses, as is illustrated in Exhibit 2.

As shown, there would be a single survey and data collection effort for both program elements. Then with the selection of a few candidate sites, the Early Storage Program would very quickly be oriented toward specific site analysis and engineering, cost and schedule estimates and environmental assessments. The Long-Term Plan would involve broader scope assessments of a greater number of potential sites and facilities aimed toward (a) determining the ultimate goal of quantity and type of storage to be provided, and (b) defining and evaluating practicable alternative approaches which could be followed for providing the required Reserve capability.

B. *Program Schedule (Exhibit 2).* The schedule of the various program elements is shown in Exhibit 2. (Graph not printed in Record.)

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IV. CONCLUSION

The last embargo and the previous experience of our allies is concluding evidence that there is a pressing need for a Strategic Storage Program. Oil storage is insurance to protect our economy in the event of an oil disruption or embargo. It is essential that a reserve be provided at a minimum cost to the Nation, that the cost of this reserve be equitably distributed, and that no region or locality or industry share an undue burden.

It is impossible to predict when or if there will be an oil interruption, how large it will be, nor its duration. Further, if we do nothing, our vulnerability to interruption will increase over the next several years as our imports grow and, even with the President's program, by 1985 we will be importing four to five million barrels per day. Therefore, it is essential that the initial increments of the storage program be implemented in the most expeditious manner. Program objectives are to provide some measure of insurance as soon as possible, and in the long term provide the maximum insurance, at minimum cost. The program plan would provide for an Early Storage Program while conducting the longer range studies. Due to the long lead times involved in the acquisition and construction of facilities, it is essential that the implementation begin before the final results are in hand.

MARY McGRORY WINS PULITZER PRIZE

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. EDWARDS of California. Mr. Speaker, at this time I would like to extend my sincerest congratulations to Mary McGrory of the Washington Star, on her Pulitzer Prize. Ms. McGrory is certainly a most outstanding journalist and well deserving of this high honor. Her columns demonstrate a remarkable perceptiveness and talent in writing about the news. I am very proud to know Ms. McGrory personally, and am pleased to have this opportunity to express my deep admiration of her work.

Following is an article about Ms. McGrory which I feel captures the essence of this exceptional reporter. I am also including an example of a recent column which speaks for itself why Mary McGrory has been awarded the Pulitzer Prize.

The article follows:

A Reporter at Her Primitive Best

(By Duncan Spencer)

Into the newsroom of The Star, a place as romantic as a parking garage, as evocative as a hospital waiting room, marches Miss Mary McGrory, quick step.

Mary is usually in tatters after a day on Capitol Hill. Her brow is furrowed with thought, her jaw working on a wad of gum, her hands shaking for a sit-down cigarette—her hands have been bothering her hair. But the step is quick and athletic, her legs carry her along a familiar route to a familiar corner..

Her steps have taken her past sleepy building guards, into a metal box of an elevator that stinks of sour roto ink, along a tiled corridor as lonely and nameless as an empty mine shaft, to the lighted, noisy, newsroom, the place of her daily struggle.

Everyone here knows Mary hates to write. The floor of her tiny cubicle is covered with evidences of the difficulty of these attempts. One of the National desk editors gives her a small graham cracker, each day—something to look forward to in the hour of need. She will come out, agitated and tense, asking for a cigarette. Nothing ever seems to diminish the number of false starts or the quivering of the hands, or the effort.

By these rigorous means, she produces a prodigy of copy; it's not easy for her, and it takes days that are seldom shorter than 12

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hours. They call her a columnist, but this is not quite it: She's a reporter. She has never been known not to leg a story. She doesn't write tips, scoops, rumors: She writes what she sees, what she hears, sometimes what people tell her; she writes what is on their faces, what their clothes or their pace show—knowing with the sureness of good nerves what clues are given by the surface.

She has been asked why, for heaven's sake, she doesn't do it like the famous columnists—with staffs to research and make telephone calls, or why she doesn't get into the political prognostication business or the inside sources business, or any of the other realms of theater in the Washington journalistic world. The question is easy for her to answer: "I can't do it any other way," she says. "I have to see, I have to hear. I'm primitive, I guess. I don't want anyone else doing my listening and watching for me."

Also she has been asked why she has never married. In the town where many respect her, some fear her, and a few hate her with hysterical venom, she is alone with her work, her intoxication with words and faces, some gardening behind her park-edge Northwest Washington apartment, and charity work with a Catholic orphanage. "I never married," she says, "because the right man never asked." That is the end of the subject.

Mary McG., as she has come to sign herself, is a reporter and a writer. She doesn't do television. She doesn't do speeches: Occasionally, she will give a lecture in the newsroom to her colleagues. It is on the subject of quiet. It is a request for quiet. She will stamp out of her cubicle with a false smile on her face. "Say, gentlemen," she will say in the soft Boston alto voice. "Would you mind? Would you just mind holding this meeting somewhere else?"

This is something of the state-of-the-art of McGrory in 1975. It is the year in which Mary McG. bought her first car. The learning to drive was traumatic. The little nerves between the hand and the eye only function well on a Royal; on the wheel their skill is gone. "I belong in another century," she would explain after a half-hour parking job.

But '74 was the McGrory year, the year that her anathema, Richard Nixon, met his come-uppance, that the war ended, that she had been right and right and right so many times that it seemed almost annoying—because Miss McGrory does not hide her elation in a victory, her tears in defeat.

Besides the fact that she hates to write and that it's hard for her—a fact that never shows for an instant on the surface of the graceful, spare prose, the one fair copy that didn't end in the wastebasket—everyone also knows that she came from Boston, where she learned about words listening to the poetry of Irish conversation.

She would have been another brainy Radcliffe girl before World War II, but she didn't get a scholarship, and her family couldn't afford it: she went to college at Emmanuel, a small all-women's school. She became a secretary and didn't even get close to the keyboard of a typewriter as an author until she was made secretary to the book review editor of the Boston Herald-Traveler, an ironic fact because the paper, like The Star, was an afternoon paper that suffered reverses. She fought to become a book reviewer, and can't remember the first piece she saw published.

In six years, she wrote nothing but reviews, and the now-famous dog pieces, which were, as she says, stories about dogs. At last, because of the good offices of a friendly Herald editor, she got a reviewer's job, at the age of 29, at the Evening Star. It was 1947. She was, she remembers, "delirious."

No one then, and no one now, pays any attention to the writers of Sunday book reviews. The formation of her style, so careful, word-conscious, so much more like story writing, with a beginning, middle and end, than the usual top-heavy news writing, was noticed only by a few.

One McGrory story that likes to be told is how Scotty Reston offered her a job at the New York Times with the understanding that she cover the switch board in the morning. She declined.

One day in 1954, Newbold Noyes, the blue-blooded and boyish former editor of The Star, came into the book review section of the newspaper's editorial office. These were the last days in the "old building" at the corner of 11th Street downtown. With him, he carried two cold bottles of root beer, for he was bound on a mission of some import, and like a proper emissary, was carrying a gift: He wanted to persuade her to cover the Army-McCarthy hearings.

Mary jumped at the chance, but promptly flopped: she wrote a story like a newspaper reporter. Noyes told her it was no good. That she shouldn't do it that way. He gave her advise that would only work once: "Write it like a letter to your favorite aunt," he is said to have said, though who knows, over the years, how whatever he did actually say has been polished and sharpened?

The story matters because of what followed: Mary took off with the hearings, writing news stories combined with pointed descriptions of conversations, attitudes, faces, bodies, dramas that made pictures and were her style.

The rest is better known—a steadily increasing readership, a regular column syndication in some 50 papers and even that unknown thing: an office at The Star. The office is a gray fiberboard box with a window with a bullet hole in it (not political foes, it's thought, but a youthful B-B gun), two telephones, and a changing assortment of posters, anchored by an ugly and incomprehensible Italian traffic poster that says enigmatically "facilitate passing . . . if you wish to arrive."

Yesterday there were flowers on the black plastic window ledge, carefully placed there by Elizabeth Cleland, Miss McGrory's assistant (and ironically, a book reviewer herself).

The author was seated by the window, in her study, as it were. She was not talking to sources or drinking champagne. She was preparing the next day's copy. Already, the imperfect starts were drifting to the floor like autumn leaves. She was smoking Marlboros, and people were interrupting with congratulations about the grand, at-long-last Pulitzer Prize that has come to her. At least, she was not falsely diffident.

"I saw an article in a journalism magazine once," she said. "It was called 'Who Wants the Pulitzer Prize?' The answer is that I do. The answer is, did Beverley Sills want to sing at the Met? C'mon, who are you kidding?"

There were more flowers from Star publisher Joe Allbritton (they were yellow roses—from Texas, Allbritton said). He called it the "brightest day this year" for the paper, and Mary, who has boasted she never made a speech, thanked all those who had helped her, all the way from Allbritton ("without whom we might all be meeting at the Chicken Hut") to entrance door guard Clarence Harris ("who takes me to my car every night and more than anyone is responsible for my continued existence.").

Then she drank champagne. She had not even entered the Pulitzer competition this year, she said. Instead, her entry was made by a trio of colleagues, Elizabeth Cleland, 1974 Pulitzer winner James Polk, and Star National Editor John Cassady. "It was the scrapbook that won," Miss McG. said.

So What Happened, America?

(By Mary McGrory)

The Irish poet, William Butler Yeats put his finger on the trouble a long time ago. In his great poem, "Easter 1916," he foresaw the national nervous breakdown that has attended the arrival of the Vietnamese refugees to our shores:

"Too long a sacrifice can make a stone of the heart."

It remained for the young governor of Arkansas, David Pryor, to bring it up to date when the first wretched platoons arrived.

"If you for some reason encounter some who are less than friendly," he told them at Fort Smith, "I hope you will understand that they are people who, like yourselves, have met unknown circumstances, and you will understand how to deal with them."

His remarks were translated for the weary travelers into Vietnamese. If the words did not get through, maybe the music did. In the absence of the President, who considering the magnitude of the hostility and spite which greeted the refugees, should have been there, Pryor was doing his best.

The young governor had been galvanized into action by the vindictiveness of his people. One Fort Smith resident observed, for example, that, considering the disparity of the temperature between Saigon and Arkansas, the visitors "might all die of pneumonia."

Once again, Vietnam has shoved into the nation's face the question: What kind of people are we?

The response this time has been roughly what it was when we were confronted with the My Lai massacre. We avoid the question. When Lt. William L. Calley was convicted of the murders of babies and women and old men, the nation rose up and said it was not so. We defended the myth. We do not shoot children at point-blank range. We give them candy.

And now we are asked once again who we are, and the crazed answer is given, from right and left. We are a nation of hawks who would have fought into the next century to save the South Vietnamese from communism but who don't want them in the next block. And we are a nation of doves who said we would accept any consequence of stopping the war except, it seems, to find room for its most unattractive victims here.

It is not just Arkansas which has fled from the sight of what we did. In Portland, Maine, a local television station, WGAN, conducted a poll on the question of whether we should let adult South Vietnamese enter the country. The results were 85 in favor and 1,018 opposed. That from people who three weeks ago were breaking down the doors to adopt their babies.

America is responding to its first defeat. It is responding to 10 years of lies from its government. It is blaming the victims. These little people who could not be distinguished from their and our adversaries, these hapless souls who destroyed our country psychically as we destroyed their country physically, are coming here, living reminders of their failure and ours.

President Ford has reminded us that we are a nation of immigrants. He has cited us Emma Lazarus' great lines about "your tired, your poor, your huddled masses yearning to breathe free." He should tell us what follows: "The wretched refuse of your teeming shores."

That good anti-war liberal, Elizabeth Holtzman, D-N.Y., pressed the head of the Immigration and Naturalization Service, Gen. Leonard Chapman on the question of screening out the "criminal" element from the incoming thousands. Would he finger the torturers, the Tiger Cage guards, the war profiteers from the applicants.

To his credit, Gen. Chapman bit the bullet. It is the hard fact, the inexorable fact, he said, that there were such among those coming in.

And that is the fact we must all swallow. The more "criminal" they are, the more eligible they are. They are our people. Gen. Ky, the admirer of Adolph Hitler, must be admitted. And the lesser fry must come, too. They were Oliver Twist; we were Fagin. We corrupted them, as they corrupted us.

There is no escape. They are not, perhaps by the thousands, exploiters or monsters who abused their own for gain.

Economics is only part of it. Their numbers are not so great as to menace the unemployed or the welfare recipients.

What they threaten to do to us is to bring the war home to us in the most unbearable, ineradicable way. Whatever hall we look down in the next years, we will see the grinning ghost of the mad folly, of our Vietnam delusion.

Yeats was right and so was Gov. Pryor. The heart is of stone, but the responsibility is clear and inescapable. We did this. We must pay the price.

THE LESSONS OF VIETNAM

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. HARRINGTON. Mr. Speaker, in his press conference last night President Ford expressed a strong wish to avoid any retrospective examination of our involvement in Vietnam, insisting that such an inquiry would "only be divisive and not helpful."

I totally disagree. If we fail to examine our history, we will fail to learn its lessons and will thereby doom ourselves to repetition. Henry Steele Commager, in an incisive article appearing in Sunday's Boston Globe, has drawn some important conclusions from America's Vietnam experience. I include his observations in the RECORD at this time for the attention of my colleagues.

The text follows:

The Lessons of Vietnam

(By Henry Steele Commager)

Can we learn anything from the collapse of our 10-year war in Vietnam, our 20-year involvement in the internal affairs of Southeast Asia? Nothing, perhaps, that we should not have known by instinct, if not by history—for that intervention was contrary to all of our traditions, our standards, our principles.

Yet nations, like people, are reluctant to learn from their mistakes. It took Britain a long time to profit from the lesson of the American Revolution; it took Spain even longer to give up the dream of a world empire; it took the Germans two wars and two defeats, not one, to learn to forswear military conquests as the road to glory.

We are a practical people, not, on the whole, burdened down by the weight of history. The South, after 1865, did create the myth of the Old South, and of the Lost Cause. But however much it indulged itself in romanticism, it did not refuse to accept the verdict of Appomattox. Can Americans of this generation be equally realistic about the verdict of Phnom Penh and Saigon?

What are some of the lessons we should draw from this chapter of our history?

First, the lesson that we are not God, and that we have not been designated by Providence to arrange the affairs of the rest of the globe. We have neither the obligation nor the right to intervene in the internal struggles of people throughout the world, nor do we have the wisdom or the expertise to undertake ventures of this nature. If there is to be intervention on behalf of law, or of liberty, it must come from the United Nations, not from one member of that body arrogating to itself judgment and powers to intervene.

Second, the lesson—clear enough to those who could read history—that we are not an Asian power and that, in the nature of things, we cannot be. Because we border on the Pacific all the way from Alaska to the border of Southern California, because Hawaii is an American state, and because we have special ties to the Philippines, we are a Pacific power. But being a Pacific power no more justifies our intervening in the affairs of Asia than the fact the Soviet Union and China are Pacific powers justifies them in intervening in the affairs of America.

Third, the lesson that we should not attempt to solve world problems on our own, but should enlist the cooperation of the United Nations and its subordinate organizations, and the regional powers, in attempts at settling disputes between or within nations. This is what we have done in the past, in our relations with the states of Latin America; it is what we have done in our intervention in the crisis of the Middle East today.

We were in part responsible for creating the United Nations: we have largely ignored it. We were wholly responsible for creating SEATO: it has almost wholly ignored us—and rightly so, for we attempted to use it for private and dangerous purposes. We do have a moral and practical obligation to help preserve the peace of the world; that obligation is not to be fulfilled by the mindless application of military power.

Fourth, the lesson that there are no simple military solutions to the problems that confront the world today—problems rooted in ethnic or religious differences, in deep ideological conflicts, in overpopulation or in the scarcity of resources or economic and industrial backwardness. The instinct of the military is for force; to bomb the enemy back to the Stone Age, as Gen. LeMay urged, to dwell on more B52s as Gen. Westmoreland recommended, to "destroy it (the village, the country) in order to save it," as one American officer advised.

Never has it been more clear—not even after the dismissal of Gen. McClellan, not even after the dismissal of Gen. MacArthur—than in these last years, that war is too serious a matter to be left to the generals. Certainly in our kind of society, the military is the least effective of all agencies for imposing freedom or democracy on other people.

Since 1945 the United States has spent something like $1700 billion on defense, and spokesmen for the Pentagon—whose arguments are faithfully echoed by President Ford—assure us that if we are to be safe we must spend more and more. But we are in fact no more secure now than we were at the beginning of the process. One hundred and sixty billion dollars did not enable us to bring freedom or democracy to Vietnam or Cambodia—quite the contrary; ten times the sum will not advance freedom and democracy generally throughout the globe. If we fritter away not only our financial but our political, our scientific and our moral resources on futile enterprise like that in Southeast Asia, we shall end up in fiscal, political and moral bankruptcy.

Fifth, the lesson that we should not permit government or military to take refuge in secrecy, or defeat—qualities which characterize the conduct of foreign and of military affairs in the United States for the last 12 years. Congress, and the American people, were deceived about the secret war in Laos, deceived about the trumped up affair of Tonkin Bay, deceived about the progress of the war in Vietnam, deceived about these methods of warfare that violated international law—the use of herbicides, of napalm, the bombing of helpless villages, massacres such as those at My Lai.

The people were deceived by one President in the campaign of '64 and another in the campaign of '68 and by idle promises in the campaign of '72. They were deceived by the secret bombing of Cambodia, they were deceived at the very end by a President who solemnly denied the existence of any secret understanding between President Nixon and Thieu—a deception unveiled by Thieu himself.

The prophecies of deception were, to be sure, not confined to Southeast Asia; they were global. One reason for the shambles of American foreign policy today is clearly that the Congress was not permitted to exercise its constitutional function of participating in the conduct of foreign affairs, nor the American people their constitutional rights to know what their government was up to.

Six, the lesson that we should not spread our resources thin. We cannot intervene successfully in the affairs of Southeast Asia, India, the Middle East, and the Caribbean. It is not merely that we do not have the military or financial resources for such intervention; more important, we do not have the intellectual or moral resources.

The record of much of our foreign policy in the past quarter century is like the record in Vietnam—a record of incompetence and blundering. This is perhaps another way of saying that we have not, over this long stretch of years, defined our long-range objectives. From the decision to drop the Atomic Bomb on two Japanese cities in 1945 to the Christmas bombing of Vietnam in 1972 we chose the immediate rather than the ultimate goals.

During all these years we invoked considerations of "national interest" and "national security" without ever being clear what either was, or required. No wonder we ended up supporting tyrannical, military, and totalitarian regimes throughout the globe—the generals in Brazil, the reactionaries in Santo Domingo, the colonels in Brazil, the French in Vietnam, and then Diem and Ky and Thieu, Chiang Kai-shek in Taiwan, and the Pakistanis in their conflict with India.

The ultimate inconsistency here was to wage war in Vietnam in order to stop the triumphant progress of Chinese communism, than to embrace Communist China but persist in the war. . . . All of this was somehow supposed to strengthen national security and to advance freedom throughout the world. Instead it dissipated American resources and deeply impaired the cause of freedom.

Seven, the lesson that we should emancipate ourselves from our self-imposed obsession with ideology and return to our traditional respect for reality. No one can deny that after a Communist takeover of Czechoslovakia and the Berlin blockage the Cold War was inevitable, but it is difficult to find justification for extending the Cold War to China, or for clinging for 20 years to the conviction that Chiang Kai-shek in Taiwan somehow represented the real China.

The Cold War soon became an obsession and eventually Americans imprisoned themselves in that obsession. Thus the almost demented notion that somehow American security depended on a "free" Vietnam; thus the adamant resistance for 20 years, to the admission of Red China to the United Nation, thus the readiness to embrace almost any regime anywhere on the globe so long as it flew the flag of anti-Communism. Perhaps now, at last, we can free ourselves of the misperception that there are two worlds, one free—represented by the United States—and one represented by Russia and China, and return to that common sense which dictated American policies for over a century and a half of recognizing realities rather than ideologies.

Eight, the lesson of the limits of power. In 1945 we strolled the world like a colossus. We had won the war (we conveniently forgot

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the Russian contribution), we had restored a free Europe after the war, we set up the United Nations and launched the Marshall Plan and put NATO in motion; we, and we alone, had the atomic weapons and with them we could control the affairs of the world.

We knew that we were a virtuous people, our purposes noble, our hearts pure and our vision unclouded, and we assumed that we had a moral right to impose our will upon the world. The next quarter century taught us the lesson that so many other powers had learned in the past—the lesson of the limits of power.

Perhaps now we shall be content to take our place with many others among the nations of the world, to set our own house in order, to cooperate through international agencies in advancing the prosperity of others and less fortunate nations, to share with great powers like the Soviet Union and China and India—and in the not distant future—Japan and the Arab states, Mexico and Brazil, in the governance of world affairs. Surely a nation conscious of the limits of power is stronger, and healthier, than one that indulges itself in the arrogance of power.

Two final lessons emerge from Vietnam—lessons which we shall fail to learn at our cost. The first of these is that the great problems that confront all the peoples on the globe must be solved by reason, not by force, by cooperation, not by competition, by confidence, not by fear. This is a lesson which all nations must learn if they are to survive.

If learned it will spell the end of those national animosities, those ideological hostilities, those racial and ethnic and religious antipathies, which have made a shambles of history for the past millenium. This dictates the tenth and perhaps the most important of all the lessons—lessons drawn not only from the Vietnam experience, but from the national and ideological quarrels of the past four years.

It is this: We must now recognize that all major problems are global, that none can be solved by any one nation, or even by a small group of nations. No one nation can deal with the problems of population, of waning resources and energy, pollution of land and air and water, of nuclear power and nuclear hazards, of the resources under the water and in the stratosphere, of world health, world law, world arms control, world peace.

Once we recognize this we have come face to face with a new world and a new world philosophy. There will have to be an abatement of traditional nationalism, limitations on the rights of individuals, corporations, or even nations to dispose at will of the resources of the globe, and regulation of many of those activities which affect the lives of men and women everywhere on earth.

We have seen, in the past generations, that no one power, however great, can impose its will on the world or even on a small segment of that world. We must realize that in the future all the nations and peoples of the world will have to combine to save mankind from annihilation.

THE UNITED STATES, THE ARABS, AND THE U.N.

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. BINGHAM—

The United States must find appropriate ways to persuade the Arabs that it is unacceptable for them to destroy the U.N. system for their political convenience.

That is the conclusion and the theme of an excellent column in the Washington Post of April 18 by Stephen Rosenfeld. It states a principle which our State Department so far fails to comprehend.

The article follows:

[From the Washington Post, Apr. 18, 1975]

THE UNITED STATES AND THE U.N.

(By Stephen S. Rosenfeld)

At this moment when the United States is looking to demonstrate the continuity of its foreign policy in areas and forums outside Vietnam, the unhappy but unblinkable prospect is that American participation in the United Nations system appears to be not far from the end of the line.

This is the clear thrust of two congressional votes whose implications have been only dimly apprehended in the general political community.

In the first of these votes last December, the Congress wrote the United States out of participation in UNESCO so long as the cultural agency's politicization—represented by its egregious discrimination against Israel—goes on. Significantly, the vote was engineered not by the conservatives who've long been muttering "get the U.S. out of the U.N. and the U.N. out of the U.S.," but by Sen. Clifford Case (R-N.J.) and Rep. Jonathan Bingham (D-N.Y.), two politicians commonly identified as liberal internationalists.

The danger here arises from the fact that the Arab diplomatic strategy which provoked the UNESCO crisis remains operative. As the Egyptian foreign minister said on March 24, "It is inevitable to escalate the campaign of isolating and rejecting Israel from the international community and the United Nations."

Too few people have yet grasped the fact that the Arabs have made the U.N. system hostage to their grievance against Israel. But whatever one thinks of the merits of the Arab-Israeli dispute, there is no absolute defense for the Arabs' readiness to undermine the U.N. system for their own political purposes.

For there is little doubt but that the Congress will react to further abuses by suspending American participation in the affected U.N. agency or body. That is the unequivocal meaning of the vote on UNESCO. The next place to look for trouble is the World Health Organization assembly in May. After that, a special session of the General Assembly is to meet in August.

The second germane congressional action is the vote last month on money for the voluntary agencies. The administration sought $153 million. The exertions of Sen. Gale McGee (D-Wyo.) and Rep. Don Fraser (D-Minn.) produced an authorization of $165 million, most of the extra for the U.N. Development Program and UNICEF. But in appropriations, Daniel Inouye (D-Hawaii) cut the Senate figure to $140 million and Otto Passman (D-La.) cut the House figure to $115 million. On the key floor vote to restore the full request, the tally was an overwhelming 65 to 28 against. The conference appropriated $125 million.

Again the new congressional coalition was in evidence. Voting to shrink the budget were traditionally conservatives plus a covey of traditional liberals. The spirit of the vote was essentially irritation verging on anger at the general performance of the Third World, both in that bloc's various positions at the U.N. and in its reluctance to take political or financial responsibility for such damaging blows to poor countries' economies as the oil-price increases.

Given the likely persistence of Third World attitudes, it is only prudent to assume that the Congress will continue to take out American frustrations in its votes on the budgets of the voluntary agencies. The more these attitudes persist, in fact, the harder it becomes for the forces of enlightened international engagement to make and carry the case for the U.N.

For those concerned to keep American participation alive and viable in the U.N. system in these new conditions, a more careful and discrete policy is probably indicated.

The United States should, as it has already begun to do, try to focus the U.N. and its agencies more on specific doable tasks and less on political issues of a sort which invite posturing. This is no time to expect the U.N. to take on new operational burdens especially in the politically volatile "soft" issues of food, environment and the like, the so-called interdependence issues on which Third World ideological juices run strongly.

The executive branch should, again as it has already begun to do, accept as a political reality that the Congress requires evidence that the President is responding forthrightly to the sharp winds out of the Third World. The response can take the form of upholding the American position vigorously when it is attacked or of steering important American business into other international channels where there is a better chance of effectiveness. It is quite proper, for instance, that the energy talks have been taking place outside the U.N.

Finally, the United States must find appropriate ways to persuade the Arabs that it is unacceptable for them to destroy the U.N. system for their political convenience. The only conceivable rationale for maintaining a U.N. is to ensure that there is one place on this globe, if only one, where some minimal standards of fairness are applied. For every other purpose, some other functional organization will do.

CONGRESSMAN HEINZ SUPPORTS EXPANDED IN-HOME HEALTH CARE SERVICES

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. HEINZ. Mr. Speaker, medicare, enacted in 1966, came as a blessing for millions of elderly Americans and for their families. It helped assure adequate health benefits for a segment of the population for whom soaring costs were rapidly pushing health care out of reach.

But valuable as medicare is, it still only covers about 42 percent of health care costs of the elderly. In fact, inflationary pressures and gaps in coverage have steadily eroded medicare coverage. By 1972, the average elderly American paid $276 from his own pocket for medical care. In 1966, prior to enactment of medicare, the average out-of-pocket expense was $234 per year, 18 percent less than the 1966 level. So, Mr. Speaker, health costs for the elderly have risen to the point where average personal expenditures by the elderly exceed premedicare levels.

All this provides ample testimony of the pressing need to control rapidly rising costs in the health care sector. I believe it argues forcefully for providing health care to the elderly—and perhaps others as well—in that setting which will provide the best opportunity for succsesful treatment at the most reasonable

cost. One such means is home health care programs.

A recent article in the Pittsburgh Post-Gazette, entitled "Care for Aged at Home, Not in Nursing Homes," explained well the logic of home health care. Not only is such care more convenient to the elderly patient, but it saves both the patient and the Government money. It does so by reducing the days spent under expensive hospital care, and by avoiding the provision of services by specialists when other health professionals can do the job as well.

As the article indicates, greater Federal emphasis on home health care is needed if we are to promote nationwide this cost-effective mode of care. Only strong Federal leadership will induce health insurance companies and Blue Cross affiliates to offer coverage of home health services.

I insert the Post-Gazette article, "Care for Aged at Home, Not in Nursing Homes," in the RECORD at this point:

CARE FOR AGED AT HOME, NOT IN NURSING HOMES

(By Grace Proven)

Unless we're witness to a heartbreaking condition, few of us think about the lonely, the aging, the helpless.

Concern for those whose welfare depends on "outsiders" is the plea of Mrs. Florence Moore, executive director of the National Council for Homemaker-Health Aide Services.

Mrs. Moore, in Pittsburgh to address the Visiting Nurse Association of Allegheny County, an affiliate of the council, cited trends in her field.

"In the early days of this country," she said, "people didn't need in-home services. There were extended families—grandparents, aunts, uncles and cousins to look after one who needed help.

"As society becomes more urbanized, the family group diminishes and the communities must develop new services."

The council Mrs. Moore heads was founded just after the turn of the century as a substitute-mother service. When the mother in a home was ill or deceased, a trained homemaker was sent to manage the household and release the father to earn a living.

Now, in-home service is more for the aged who are unable to care for themselves, their homes or each other. It helps the ill to return from a hospital more quickly or prevents them from having to go at all.

"The Visiting Nurse Association is just for the sick and the elderly," Mrs. Moore said. "There are other homemaker agencies in Pennsylvania such as Meals on Wheels, Friendly Visitors, Telephone Reassurance and transportation and shopping services to supplement the work of the Visiting Nurses.

"But we're way behind Europe in in-home services. However, there is an increasing awareness. There are a number of bills in Congress which increase emphasis on in-home services. But we won't have the growth we need until the bills are passed and funds are made available.

"Federal legislation tends to move the decision making on such services back to state and local levels. This means local citizens must be more alert to the quality of the services, the needs of their neighbors and the services themselves."

Mrs. Moore believes it would be unnecessary for many older people to go into nursing homes if more of the young and healthy took an interest in their plight.

"Insurance companies and Blue Cross are just beginning to recognize the need for coverage of such services," she said.

"Both the American Medical Asosciation and its auxiliary are strong supporters of the National Council whose role is to promote the development of quality in-home service across the country."

Mrs. Moore joined the council in 1969 as associate director. A Canadian by birth, she married an American, John H. Moore, in 1959, and made her home on this side of the border.

She had lived on a farm in Manitoba—prairie country, she called it. Her husband had grown up on a farm in Ohio.

Both are in social work in New York City where they live in an apartment five days a week.

But on weekends, they take off for their second home: a 300-acre farm in Pine Plains, N.Y., about 100 miles from the city. There they raise beef cattle.

At the moment, they have about 200 head. They expect about 80 calves to be born soon.

"We're going to need a midwife for those calves," Mrs. Moore said.

Unfortunately, her agencies provide services only for human beings.

MY MOST CHERISHED FREEDOM CONTEST

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. MOFFETT. Mr. Speaker, I would like to insert for the RECORD an essay which recently won the Freedom Essay Contest held by the Chic Miller's Atwood Chevrolet Co. of Bristol, Conn. The essay, written by Linda D'Aprile of Forestville, Conn., speaks movingly of such fundamental principles as freedom of speech, individual autonomy, and self-determination. An explanation of the contest and the essay itself follow:

MY MOST CHERISHED FREEDOM CONTEST

"Chic" Miller of Chic Miller's Atwood Chevrolet Co. launched an essay contest in Bristol, Conn. aimed at commemorating this country's Bicentennial and helping the local high school band get to Disney World. Previously the band had won, in competition, an invitation to play in Disney World April 12th and was attempting to raise the necessary funds for the trip, $12,000.

Mr. Miller offered to donate $1.00 to the band's trip for every entry he received with a uniting contribution of $2,000. In addition he offered a cash prize of $200 to the person writing the best essay. Everything was done in 2's tieing into the 200th anniversary of the country.

The contest open to anyone living in the Bristol area, was based on the writing of a 100 words of less essay entitled "My Most Cherised Freedom". The contest opened February 22nd, 1975 and closed March 22nd 1975. Entries were judged by a panel of three local civic citizens—The president of the Chamber of Commerce, the president of Hadassah and the president of the Boy Scout Council.

Two thousand flyers advertising the contest were printed gratis by Al's Press, a local printing company. Both the local newspaper, the Bristol Press and the local radio station, WBIS gave the contest excellent publicity. In fact the local newspaper from week to week kept residents informed of how many dollars had been contributed to the band's fund for Disney World. The Chamber of Commerce endorsed the project and hired Mrs. Lois Graham to oversee the details of the contest. Citywide support of the project was gratifying.

Essays were received from brownie and cub scout troops, from high school and college students, from entire families and many many senior citizens. **Total entries received** exceeded 2000. The greater percentage of entrants wrote that their most cherished freedom was freedom of speech. Either by voice or by pen they felt that freedom of speech was truly a great gift from our founding fathers. The very young expressed their thoughts uniquely as indicated by the enclosed essay.

Winner of the contest was a Bristol girl working her way through college in Boston, Mass. and she was delighted to receive the $200 cash prize. The 72 band members plus chaperones chartered the buses for Disney World and the whole city of Bristol was thrilled and excited that the band was able to accept the invitation to Orlando, Florida.

MY MOST CHERISHED FREEDOM

(By Linda D'Aprile)

The most esteemed freedom I have is the ability to live as a unique human being with a sense of dignity and individuality. I have the unequaled right to pursue my ambitions and become the self-fulfilled person that I want to be. Fortunately I am able to accomplish my endeavors because I live in a great country that gives me the chance to be a complete person. I can live as I wish, say what I will, and be who I am. I am an individual, a woman, an American, but most of all, I am me.

EVELYN DUBROW TEACHES THE LEGISLATIVE PROCESS AT HARVARD

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. BRADEMAS. Mr. Speaker, one of the most highly respected legislative representatives in Washington is Evelyn Dubrow of the International Ladies' Garment Workers' Union.

Miss Dubrow is currently a fellow of the Institute of Politics of the John Fitzgerald Kennedy School of Government at Harvard University and is giving the seminar at the institute this term on the role of labor in government through the legislative process.

I insert at this point in the RECORD an article about Miss Dubrow's fellowship at Harvard as published in the April 25, 1975, issue of the Harvard Gazette.

The article follows:

FEET FIT? FACTS STRAIGHT? THEN GET SET FOR LOBBYING, SAYS EVELYN DUBROW

Many lobbyists might be surprised to learn that what they need more than anything else is a good pair of feet. The traditional trio of the lobbyist's trade—booze, bucks, and broads—are nothing compared to lively legwork on two fit feet.

These observations, and others, were made in a *Gazette* interview with Evelyn Dubrow, a Fellow of the Institute of Politics of the John F. Kennedy School of Government, and the Washington lobbyist of the International

Ladies' Garment Workers' Union (ILGWU), who is giving the seminar, "Labor's Participation in Government Through the Legislative Process" at the Institute this term.

Miss Dubrow has been the ILGWU's legislative representative in Washington for the past 18 years and is now widely regarded as the dean of women lobbyists in the nation's capital. She is a five-foot, 110-pound, red-haired woman in her fifties who has been reminding people of an unleashed keg of explosives ever since a Passaic, New Jersey, police commissioner nicknamed her "Dynamite" in the 1930's.

One of the chief misconceptions Miss Dubrow has found it necessary to correct at Harvard and elsewhere is "the notion that women lobbyists are members of the world's oldest profession."

Although ancient, lobbying is hardly the oldest of professions. The term, coined in this country, according to the Oxford English Dictionary, in 1863, refers to the lobbies or anterooms of state legislatures, where special interest groups sought to influence legislators' votes. The privilege was often abused, and Washington's 2,000 lobbyists are now required by law to register. About 80 percent of the nation's top 1,000 companies have Washington lobbyists who usually hold the title, as does Miss Dubrow, of "legislative representative."

Miss Dubrow says five basic rules govern her lobbying efforts and she recommends these guidelines to anyone dealing with elected officials. (1) Always be polite. (2) Never pressure a politician to make a commitment on the spot. (3) Be brief and to the point. (She will invariably buttonhole a member of Congress with the brief and to-the-point opener, "Senator, I wonder if I could have three minutes.") (4) Be prepared to follow through with more facts if necessary. (5) Always thank a legislator who helps you out.

"Courtesy saves time," Miss Dubrow says, "A good share of a lobbyist's time is spent sitting or standing around waiting for answers. That time is never wasted if you are polite and helpful to the legislator's staff while you're waiting to see the member of Congress.

"They'll ask you lots of questions. You must admit it if you don't know the answers, though. Say you don't know but you'll find out. You also have to avoid outrageous statements. Anything said merely for effect is a waste of a Congressman's and lobbyist's time.

Sitting in her Institute of Politics study in an impeccably tailored light grey pants suit ("Well, of course," she will reply to any compliment concerning her wardrobe, "with my constituents, I certainly should be well-dressed, don't you think?") Miss Dubrow continues her rapid-fire delivery of facts and findings gleaned from 32 years in the labor movement.

"The most effective woman on the Hill," says Rep. Thomas P. ("Tip") O'Neill (D-Mass.), adding, "She can give whip counts [i.e., nose counts on upcoming votes] as good as any I've seen. She's like having a couple of extra staff people."

A graduate of New York University who majored in journalism, Miss Dubrow worked briefly on an Italian newspaper before joining the labor movement as executive secretary and organizer for the Textile Workers Union in New Jersey.

"I instantly felt right at home in labor," she says now, "since my father, a carpenter, had been a dues-paying socialist, a Jewish immigrant from Russia; and my mother, who had also immigrated from Russia, was a lifelong suffragette, as was my older sister. I was the baby and my family always encouraged me to do whatever work I believed in. There was never any thought given along the lines that I oughtn't to do something simply because I was a woman.

"I've been lucky," she continued, "in my choice of family and my choice of employers, I've always had men employers who have never discriminated against me because of my sex. I chose them carefully because I could never work for someone who wasn't able to respect the work I could do. And I could never work for industry.

"I get emotional about my work. I have to really believe in the bills I am advocating. When I have any doubts about a measure, I know I am less effective than when I know it is right."

What measures have given Miss Dubrow her greatest satisfaction? Without hesitation, she says, "That no one in this country works for less than $2.50 an hour. That in 1938 the minimum wage was 25 cents an hour.

"And bills concerned with day care for children of workers. Eighty percent of my 450,000 constituents in the ILGWU are women and they need day care centers for their children. The centers must not be warehouses, but rather, nutritional, recreational, educational and mental health centers, as well.

"And consumer education. I was one of the founders of the Consumer Federation of America, and I think the movement is very important for everyone."

What qualities of her own does Miss Dubrow think have contributed to her effectiveness in Washington on behalf of her union?

"First and foremost," she begins. Pause. "My good feet. I have my feet checked every three weeks by a podiatrist.

CONSUMER PROTECTION AGENCY: A FUTURE HEADACHE FOR AMERICA'S BUSINESSMEN?

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. ASHBROOK. Mr. Speaker, America's businessmen are being buried under a torrent of Government paperwork, Federal forms and bureaucratic regulations. In large measure this stems from the emergence and growth of a host of new Federal agencies. Within the last 5 years Congress has created such bureaucratic monstrosities as the Occupational Safety and Health Administration, OSHA, the Environmental Protection Agency, EPA, and the Equal Employment Opportunity Commission, EEOC.

Moreover, no end is in sight. The next headache for our Nation's businessmen may well be a federally financed Consumer Protection Agency.

During the last session of Congress the House of Representatives passed legislation creating such an agency. It died, however, when proponents were unable to break a Senate filibuster against the bill. Another effort to establish a Consumer Protection Agency is underway in the 94th Congress.

If this effort is successful, the result will be even more Government control of private business. The CPA would be granted broad powers over business and industry, as well as some power over other Federal agencies.

A major problem area would be the CPA's almost unlimited ability to obtain access to information. The legislation killed in the previous Congress would have given the CPA authority to send interrogatories to businessmen on virtually any topic.

Knowing the Government's penchant for paperwork, it is easy to imagine what interrogatories prepared by the CPA would look like. Businessmen already have to spend too much of their time filling out Federal forms. Congress should be devising ways to cut the paperwork burden rather than adding to it.

There is, however, another important reason for opposing the interrogatories. The CPA could use this information-gathering power to conduct its own inquiry when no Federal agency proceedings are pending against a business. Such a Government invasion of private business cannot be justified.

American businessmen do not need another watchdog agency looking over their shoulders. They are already harassed by too many Government bureaucrats as is. I urge the Congress not to add another layer of bureaucracy on to the backs of our businessmen.

Following is the text of an article from the March 22 edition of the Washington Star:

WATCH OUT FOR THE WATCHDOG

Legislation to create a Consumer Protection Agency—that super-bureau that is supposed to save all of us from flim-flams and shoddy but expensive merchandise—is before Congress again, seemingly more vigorous than it was last year when it fell before a filibuster led by Senator James Allen of Alabama.

There is no more justification for it this year than last. But with Congress more tilted toward the liberal side as a result of the November election and with the Senate having made it easier to cut off filibusters, the chances are higher than 50–50 that this bureaucratic monstrosity will be unloaded on the taxpayers, in the name of consumerism.

The new agency would be given a mandate to stick its finger into any governmental operation that "may substantially affect the interest of consumers"—which is to say, just about everything. The administrator of such an agency would be one of the most powerful persons in government. We already can see him sending off legal staff, investigators and paper shufflers of various sorts to nose around all over town. The probability is very high that this new agency would seen dwarf most other governmental units, as to size of both staff and budget.

About the only justification we can think of for creating the new agency is that it would provide some jobs for the growing lists of unemployed. The problem is that once the economy gets straightened out, the taxpayers still would be saddled with it; the chances of ever getting rid of a government agency are almost nil.

What this legislation would do is add another "watchdog" agency to a federal government that already is up to its ears in watchdog agencies. If the existing watchdogs were doing their jobs, we wouldn't need another. If Congress really wants to look out for the consumers' interest, it ought to see that the watchdogs we've already got earn their keep.

SENATE—*Thursday, May 8, 1975*

(Legislative day of Monday, April 21, 1975)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by Hon. FLOYD K. HASKELL, a Senator from the State of Colorado.

PRAYER

The Chaplain, the Reverend L. R. Elson, D.D., offered the following prayer:

Almighty God, as we are made one people in prayer, so make us one in our dedication and our work. Guide the Government of this Nation that it may ever make it as hard as possible to do wrong and as easy as possible to do right. May we love Thee with our whole heart and mind and soul and strength. And may we love our neighbors whom we do not see as sincerely as the neighbor we do see. In our day to day labor, guide us by the eternal truths of the Holy Bible and by Thy revelation in Thy Son, Jesus Christ, in whose name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 8, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. FLOYD K. HASKELL, a Senator from the State of Colorado, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. HASKELL thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Wednesday, May 7, 1975, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nominations on the calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nominations on the Executive Calendar will be stated.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

The legislative clerk read the nomination of Theodore Cooper, of Maryland, to be an Assistant Secretary of Health, Education, and Welfare.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

NATIONAL INSTITUTE OF EDUCATION

The legislative clerk read the nomination of Harold L. Hodgkinson, of California, to be Director of the National Institute of Education.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

NATIONAL INSTITUTES OF HEALTH

The legislative clerk read the nomination of Donald Sharp Fredrickson, of Maryland, to be Director of the National Institutes of Health.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

NATIONAL COUNCIL ON EDUCATIONAL RESEARCH

The legislative clerk read the nomination of Edward E. Booher, of New Jersey, to be a member of the National Council on Educational Research.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

NATIONAL SCIENCE FOUNDATION

The legislative clerk read the nomination of Richard C. Atkinson, of California, to be Deputy Director of the National Science Foundation.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

ADVISORY COUNCIL ON WOMEN'S EDUCATIONAL PROGRAMS

The legislative clerk proceeded to read sundry nominations in the Advisory Council on Women's Educational Programs.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of measures on the calendar, beginning with Calendar No. 99 and continuing through Calendar No. 103.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

GENERAL FEDERATION OF WOMEN'S CLUBS

The bill (S. 240) to amend the act entitled "An act granting a charter to the General Federation of Women's Clubs", was considered, ordered to be engrossed for a third reading read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act entitled "An Act granting a charter to the General Federation of Women's Clubs", approved March 3, 1901, as amended by an Act approved April 28, 1904, as amended by an Act approved June 7, 1934, be, and the same are hereby, amended to read as follows:

"SEC. 2. That the said corporation is authorized to acquire, by devise, bequest, or otherwise, hold, purchase, and convey such real and personal estate as shall or may be required for the purpose of its incorporation with authority in said corporation, should it be by it deemed necessary so to do, to mortgage or otherwise encumber the real estate which it may hereafter own or acquire and may give therefor such evidences of indebtedness as such corporation may decide upon.".

NATIONAL INDIAN DAY

The joint resolution (S.J. Res. 44) authorizing the President to proclaim September 28, 1975, as National Indian Day, was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, is as follows:

Whereas American Indians have made important contributions to the cultural and social history of the Nation; and

Whereas American Indians are now assuming a greater role in the economic life of the Nation; and

Whereas it is appropriate to extend recognition to American Indians for their achievements as citizens of the Nation: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating September 28, 1975, as "National Indian Day", and calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

NEWSPAPER WEEK AND NEWSPAPER CARRIER DAY

The joint resolution (S.J. Res. 46) authorizing and requesting the President to issue a proclamation designating October 5–11, 1975, as "Newspaper Week" and also designating October 11, 1975, as "Newspaper Carrier Day," was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating October 5–11, 1975, as "Newspaper Week", and also designating October 11, 1975, as "Newspaper Carrier Day", and calling upon the people of the United States to observe such week and such day with appropriate ceremonies and activities.

NATIONAL HUNTING AND FISHING DAY

The Senate proceeded to consider the joint resolution (S.J. Res. 34) asking the President of the United States to declare the fourth Saturday of each September "National Hunting and Fishing Day," which had been reported from the Committee on the Judiciary with amendments on page 2, in line 4, strike out "each"; and on page 2, in line 4, after "September" insert "1975".

The amendments were agreed to.

The joint resolution, as amended, was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, is as follows:

Whereas in the congestion and the complexities, the tensions and frustrations of today's life, the need for outdoor recreation—the opportunity to "get away from it all"—has become of crucial importance; and

Whereas there are few pursuits providing a better chance for healthy exercise, peaceful solitude, and appreciation of the great outdoors than hunting and fishing; and

Whereas this is evident in the fact that more than fifteen million hunting licenses and twenty-four million fishing licenses were issued in 1970; and

Whereas this income provides a' rich source of funds for fish and wildlife conservation and management and for the salvation, preservation, and propagation of vanishing species; and

Whereas hunters and anglers traditionally have led in the effort to preserve our natural resources; and

Whereas outdoor sportsmen also have led in the promotion of proper respect for private as well as public property, of courtesy in the field and forest, and in boating and firearm safety programs; and

Whereas there is no present national recognition of the many and worthwhile contributions of the American hunter and angler: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States declare the fourth Saturday of September 1975, as "National Hunting and Fishing Day" to provide that deserved national recognition, to recognize the esthetic, health, and recreational virtues of hunting and fishing, to dramatize the continued need for gun and boat safety, and to rededicate ourselves to the conservation and respectful use of our wildlife and natural resources.

The title was amended so as to read: "Joint resolution asking the President of the United States to declare the fourth Saturday of September 1975 as 'National Hunting and Fishing Day.'."

NATIONAL SHUT-IN DAY

The Senate proceeded to consider the joint resolution (S.J. Res. 79) to authorize "National Shut-In Day" which had been reported from the Committee on the Judiciary with an amendment on page 1, in line 5, strike out "of each year" and insert in lieu thereof "1975", so as to make the joint resolution read:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and requested to issue a proclamation designating the first Sunday in June 1975, as "National Shut-In Day" and calling upon the people of the United States to observe such day by visiting at least one shut-in person on this special day if possible, and by participating in other appropriate ceremonies and activities.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent to transfer my time to the distinguished Senator from California (Mr. CRANSTON) and the distinguished Senator from Alabama (Mr. ALLEN).

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SENATE RESOLUTION 148—SUBMISSION OF A RESOLUTION TO WELCOME THE LATEST REFUGEES TO OUR SHORES

Mr. CRANSTON. Mr. President, I will send to the desk a resolution which Senator ALLEN and I are submitting. We will ask that it be held at the desk and will ask for its immediate consideration. Although we will not actually seek a vote at this moment, we will ask unanimous consent that it may be brought up at 2:30 this afternoon and voted upon at 3 o'clock.

Senator ALLEN and I very often find ourselves on opposite sides of issues, on voting and on various matters we may be considering on the floor of the Senate. For example, in the pending matter before the Senate—the consumer protection bill—he is the commanding general on one side, and I am an aide-de-camp to the commanding general, the Senator from Connecticut (Mr. RIBICOFF), on the other side. But there are times when Senator ALLEN and I find ourselves in agreement. That is the way the Senate works: there are times when people differ, and times when they agree.

Today, he and I are in agreement on what I think is probably the most emotional and most important issue before the American people at this time. It is an issue on which there is a good deal of bitter disagreement. But I believe the American people can and will unite overwhelmingly on the issue, once they have thought it through. To do less than what we hope the Senate will do by approving this resolution would, I believe, increase the cynicism of those young people who think that though our country has great proclamations and slogans, our government often proceeds to do the opposite.

I hope, also, that if the Senate adopts this resolution, as I believe it will, we will strengthen greatly the inner fiber of America and reaffirm what hopefully America really stands for, both here at home and in the world.

The resolution speaks for itself. I will read it, and that is all I will say at this particular moment:

S. RES. 148

Whereas, ours is a nation of immigrants and descendants of immigrants, many of whom fled from tyranny and bloodshed in their native lands where they were scorned, hated and hunted, and

Whereas, they came here because they knew they could find in America safety, freedom and opportunity, and

Whereas, they found all those things and more, for they also found America to be a land of compassion as well as affluence, magnanimity as well as wealth, and

Whereas, Americans welcomed these fellow, less-fortunate human beings not only for their sake but for our own, knowing that they strengthened our national vitality, constantly renewing the diversity and richness of our lives and the pluralism and dynamism of our society, and

Whereas, this periodic influx of refugees and exiles can serve to keep us humble, saving us from the sins of arrogance, pride and self-righteousness by reminding us of our origins, of the misery that abounds elsewhere in the world, and of the destiny that may also befall us should we betray our heritage, now therefore

Be it resolved, That the Senate reaffirms that the Statue of Liberty is, as Emma Lazarus called her, the Mother of Exiles; that the Senate reaffirms that the lesson of the parable of the Good Samaritan lives on in the minds and hearts of the American people and is a part of their character; and that the Senate welcomes warmly the latest exiles to our shores—the refugees from South Vietnam and Cambodia.

Mr. President, I send the resolution to the desk and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The resolution will be stated.

The legislative clerk proceeded to read the resolution.

Mr. CRANSTON. Mr. President, since I have just read the resolution, I ask unanimous consent that the reading be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I ask unanimous consent—this has been discussed with the leadership on both sides—that at 2:30 p.m. today, this resolution be laid before the Senate and that the vote on the resolution occur at 3 p.m.

today, after which the Senate will return to the consideration of the unfinished business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Does the Senator from Michigan seek recognition?

Mr. GRIFFIN. No, Mr. President.

The ACTING PRESIDENT pro tempore.. Under the previous order, the Senator from South Dakota is recognized for not to exceed 15 minutes.

HUMANITARIAN AND RESETTLEMENT ASSISTANCE TO REFUGEES FROM INDOCHINA

Mr. ABOUREZK. Mr. President, the bill which I am introducing today to provide resettlement and humanitarian assistance to refugees from Indochina, differs in at least four ways from the bills already introduced.

First. The bill would limit the administration's aid request to $127,000,000 for a period of 3 months following the date of enactment of this bill.

Second. This legislation would require that at the end of the 2 months, the administration report to Congress exactly how they are spending the refugee funds, how much more they need, and exactly why they need it. It requires a plan by the administration.

Third. It would provide funds to any Vietnamese or Cambodian refugee who has had a change of heart and who wishes to return to his or her homeland.

Finally, the bill would set a 1-year moratorium on all hiring by any U.S. intelligence agency or the Department of Defense of refugees who participated in the Operation Phoenix program.

The administration is using the figure of $507 million, in addition to the $98 million already appropriated for the Vietnamese refugees. The bills already introduced, however, provide for unlimited and open-ended funding for the President's program. If we accept about 130,000 refugees as the reports now state—and incidentally, I might add, Mr. President, that just yesterday, the administration announced its intention to increase its parole authority to 150,000—the sum requested by the administration breaks down to approximately $4,000 per person, or $16,000 for a family of four—which is a great deal more than needy Americans receive from any Government agency and infinitely more than we proposed in the farm bill which the President found "inflationary." Furthermore, we have preliminary reports that a large percentage of these refugees speak English and have American sponsors who have pledged to be responsible for them.

Because of our involvement and complicity in the war, it would be unfair and certainly errant to turn our backs on these people now that our involvement has ended. We ought to help the legitimate refugees, just as we have helped the hundreds of thousands of refugees from other parts of the world in years passed. What we ought not to do is to commit ourselves unnecessarily to a plan which is based on emotionalism and hastily prepared plans and statistics. There is no logical reason why this Congress must commit itself all the way through 1977 to decisions made within a few days' time. It is highly unusual for Congress to commit itself this far in advance, especially in a case such as this where many questions regarding the future are still unanswered. The State Department, for example, has indicated that a few refugees have indicated that they would like to return to their homeland. There may be more, and it should be the responsibility, of the U.S. Government to provide this kind of assistance to refugees as well.

The administration has failed to compile adequate data on the refugees and continues to provide inadequate and sketchy reports to Congress as to their progress. But more important are the administration's appeals on behalf of refugees which in effect cover up for its behavior during the final shabby chapter of our involvement in Vietnam. Even though the fall of the Thieu government was seen as inevitable, the administration, through the Embassy in Saigon, did not prepare for an orderly evacuation as did our allied governments. Instead, it spread confusion and panic, well reported by CBS' Ed Bradley. Many of these refugees could have remained in Vietnam, as Senator McGOVERN has so cogently explained, had a clear policy been followed by the administration. But just as we bungled into Vietnam, so we seem to have bungled out of it, ruining lives and upsetting possibilities for future reconciliation with the Vietnamese people.

This administration has turned its back on humanitarian aid for American farmers by vetoing Congress farm bill, by trying to extort additional money from the poor and elderly for food stamps, and by labeling various other congressional proposals to help Americans inflationary. This administration turned its back on refugees from fascism and barbarism in Chile and other countries; it shows little interest in stopping or protesting the widsepread use of torture practiced by several of our so-called allies. The very people who dropped millions of tons of bombs on Vietnam, many of them hitting civilian targets in the north and south, those same policymakers who defoliated the countryside and pushed hundreds of thousands of Vietnamese from their villages, now call on Congress to pass a so-called humanitarian aid measure.

We are offering humanitarian aid to thousands of trained political assassins who operated the Phoenix program, for Vietnamese who corrupted their own society using American money, food, and equipment; for prostitutes, bar girls, pimps, and other undesirables; but we have refused asylum in this country for people who have tried to live honestly in other countries, but could not do so because of the antihumanitarian policies of some other governments, most of who obtain support from our Government. I am speaking of Soviet Jews, Palestinian refugees, refugees from Brazil, Chile, and other nations.

The same President who says that young Americans must earn their way back to the United States from Canada has denounced other American citizens who question admission of Vietnamese refugees.

We did not evacuate only those Vietnamese who were supposedly marked for death. We did not have such a list. Instead our Embassy spread panic among many sectors of the Vietnamese and, therefore, induced more to flee than might have done so under a more responsible policy. I call the administration to answer for its handling of this situation. I do not think that allocating more money in the way the administration suggests will solve anything.

Before we vote on appropriations of this magnitude and for this length of time, we ought to let the dust settle and emotions come down. I think it is about time we combined a little thought with our generous inclinations. Instead of continuing to bungle and bumble along, following the contradictory and capricious whims of the administration and other officials, that we rethink and replan our policy.

This bill is designed to do that, Mr. President. It provides the amount of money which the President has requested, but for a more rational time period. Circumstances and subsequent needs are bound to change within the next 2 months. I am convinced that Congress will be in a much better position to make further decisions and commitments after we have had the benefit of hindsight in 2 months' time.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1684

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "The Vietnam and Cambodia Refugee Resettlement Assistance Act."

SEC. 2. For the purposes of this Act the term "refugee" shall be defined by section 2(b)(3) of the Migration and Refugee Assistance Act of 1962, as amended.

SEC. 3. There is authorized to be appropriated $127,000,000 for a period of no more than ninety days for assistance to refugees from South Vietnam and Cambodia for the following purposes:

(a) for the construction and maintenance of refugee staging areas and processing facilities;

(b) for the processing and care of refugees, including food, medical care, clothing and shelter;

(c) for resettlement costs of volunteer agencies;

(d) for social services, welfare, Medicaid, bilingual and vocational education and public health;

(e) for transportation to third countries of refugees who need and desire such assistance;

(f) for transportation to Vietnam and Cambodia of refugees who wish to return to their homeland.

SEC. 4. (a) At the end of a period of sixty days following the date of enactment of this Act the President shall report to the appropriate Committees of Congress regarding the specific uses of the funds authorized by this Act, the need for additional funds should he deem such funds necessary and the specific purpose for which such additional funds are requested;

(b) At the end of the time period specified in Section 4(a) of this Act the President shall submit a report to the appropriate Committees of Congress containing all pertinent data regarding the occupations and backgrounds of the refugees;

(c) Prior to the expiration of the time period specified in Section 3 of this Act, the Congress shall consider the amount of additional funds to be used for the purposes of this Act and the duration of time in which such additional funds may be expended.

SEC. 5. (a) Upon the enactment of this Act, there shall be a one year moratorium on all hiring of refugees from South Vietnam who participated in the Operation Phoenix Program by any intelligence agency of the United States government or by the Department of Defense;

(b) In addition to the information required by Section 4(b) of this Act, the President shall submit a report to the appropriate Committees of the Congress containing all pertinent information relative to refugees from South Vietnam who participated in the Operation Phoenix Program.

Mr. ABOUREZK. I yield back the remainder of my time.

Mr. GRIFFIN. Will the Senator from South Dakota yield for a question?

Mr. ABOUREZK. I am happy to yield to the distinguished Senator from Michigan.

Mr. GRIFFIN. Under the bill he has just introduced, am I correct in assuming that there would be numbers of refugees who would not want to go back to South Vietnam because of concern about being killed, but, under the bill, would he be required to go back?

Mr. ABOUREZK. No, this bill does not require refugees to go anywhere.

Mr. GRIFFIN. Did not the Senator's bill——

Mr. ABOUREZK. If I might answer the Senator's question——

Mr. GRIFFIN. Did not his bill exclude——

Mr. ABOUREZK. Does the Senator wish me to answer the question or not?

Mr. GRIFFIN. I am asking, does not the bill——

Mr. ABOUREZK. I do not wish to yield further.

I yield back the remainder of my time, Mr. President.

Mr. GRIFFIN. May I be recognized, Mr. President?

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements therein limited to 5 minutes.

The Senator from Michigan is recognized.

HUMANITARIAN AND RESETTLEMENT ASSISTANCE TO REFUGEES FROM INDOCHINA

Mr. GRIFFIN. I was seeking to get an answer to the question whether the bill introduced by the Senator from South Dakota would preclude some of the South Vietnamese refugees from staying, and which ones. There was reference to those who had been associated with particular projects or activities, as I recall. I assume that those particular refugees could not stay and would have to go back.

I assume that because of their association with such projects or activities, those refugees might find themselves high on the death list of the Communist rulers in Vietnam. I wonder if I am mistaken?

Mr. ABOUREZK. Is the Senator asking me to respond to that?

Mr. GRIFFIN. I shall be glad to yield.

Mr. ABOUREZK. Will the Senator yield enough time for a response?

Mr. GRIFFIN. Absolutely.

Mr. ABOUREZK. The bill does not establish any qualifications for admission of refugees. This bill provides that, instead of granting the administration an open-ended commitment for unlimited sums of money to resettle refugees, they come back in 2 months' time with a plan. It requires that the administration return with a plan that will inform Congress exactly what it intends to do with the money and how it intends to resettle the refugees. It also requires a report on what is to be done with the thousands of hired political assassins in the Phoenix program who are reported to be among the refugees. It also sets a moratorium on the hiring of these people by U.S. intelligence agencies and the Defense Department.

Mr. GRIFFIN. But it would be the intention and contemplation of the Senator from South Dakota that he would oppose any plan that did not exclude and send out those refugees to whom he has made reference; is that right?

Mr. ABOUREZK. Let me inform the Senator of my position, if that is what he is asking.

Mr. GRIFFIN. Yes, I am trying to find out.

Mr. ABOUREZK. All right. I will be happy to tell him.

Although the bill which I have just introduced does not deal with this, I would oppose the admission into this country of any hired political assassin if I know that is what he is. I do not want to allow the possibility of hired political assassins coming into the United States and choosing American citizens as their next targets.

Does the Senator from Michigan want that?

Mr. GRIFFIN. No. I thoroughly agree, insofar as anyone can be identified in that category.

Mr. ABOUREZK. I am glad that the Senator agrees with me.

Mr. GRIFFIN. Now let us talk about the South Vietnamese refugees who happened to work in the office of the U.S. Army or the CIA, and suppose the Army or the CIA may have engaged in certain military activities with which the Senator from South Dakota may not approve and did not approve.

As I understand the Senator's explanation he would send those refugees back. He would not characterize those people as hired political assassins, would he?

Mr. ABOUREZK. Neither my speech nor my bill deals with sending anybody back.

Mr. GRIFFIN. There was reference to some associated with a Phoenix project. I wonder what the Senator meant by that?

Mr. ABOUREZK. Those are the political assassins, the people associated with the program whose objective was to assassinate opponents of President Thieu.

Mr. GRIFFIN. The Senator also made reference to defoliation.

Mr. ABOUREZK. Yes.

Mr. GRIFFIN. Was he referring to any South Vietnamese who worked for a U.S. agency that had anything to do with that project, also?

Mr. ABOUREZK. No, I did not include that category.

Mr. GRIFFIN. I thought the Senator did make reference to that.

Mr. ABOUREZK. I referred to defoliation in terms of the administration now asking for humanitarian aid. The same policymakers who wanted to defoliate the whole countryside in Vietnam are now talking about humanitarianism.

Mr. GRIFFIN. How many South Vietnamese refugees does the Senator think might be required to return to Vietnam?

Mr. ABOUREZK. I am not advocating anyone's return to Vietnam unless that is their desire. I do oppose the admission of undesirables such as Operation Phoenix employees, and there has been no official report as to their total numbers. We had a hearing yesterday in the Judiciary Committee and received testimony by Ambassador Brown, who was unable to provide that information. He does not know how many people are involved.

As soon as I find out, I will be happy to share that information with the Senator from Michigan.

Mr. GRIFFIN. I wonder if the Senator is going to vote for the resolution of the Senator from California (Mr. CRANSTON) and the Senator from Alabama (Mr. ALLEN) this afternoon?

Mr. ABOUREZK. I am not familiar with the resolution.

Mr. GRIFFIN. It says:

> Be it resolved that the Senate reaffirms that the Statute of Liberty is, as Emma Lazarus called her, the Mother of Exiles; that the Senate reaffirms that the lesson of the parable of the Good Samaritan lives on in the minds and hearts of the American people and is a part of their character; and that the Senate welcomes warmly the latest exiles to our shores—the refugees from South Vietnam and Cambodia.

Mr. ABOUREZK. I would vote for it with certain reservations as to which exiles we are permitting into this country.

Mr. CRANSTON. Will the Senator yield?

Mr. GRIFFIN. The Senator from South Dakota has time.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

The Chair recognizes the Senator from California.

Mr. CRANSTON. I would like to read an extract from this morning's Washington Post that I think is relevant to the debate that has just been occurring.

It is an item headed "Panel Speeds Refugee Funds." It is a compilation of what occurred in the House Committee on the Judiciary yesterday. Then it states:

> Miss Holtzman also offered an amendment that would have required refugees to sign an affidavit swearing that they had not participated in the persecution of any person because of race, religion, national origin or political opinion.
>
> The amendment was designed to exclude from the United States war criminals and other Vietnamese who had engaged in other acts of torture or mistreatment of other persons.
>
> It would have left a refugee open to perjury charges if the affidavit contained any false statements and also would have subjected such a refugee to deportation.
>
> Miss Holtzman withdrew the amendment, however, after receiving assurances from Deputy Immigration and Naturalization Service Commissioner, James F. Greene that the service would require all refugees to sign such an affidavit.

It seems to me, Mr. President, that since the Immigration Service will require such an affidavit, adequate protections will be provided in connection with the concern raised by the Senator from South Dakota.

Mr. GRIFFIN. I would just like to make clear that I do not disagree with everything, of course, that the Senator from South Dakota has said.

Mr. ABOUREZK. I appreciate that.

Mr. GRIFFIN. We ought to be interested and concerned about who these refugees are; and we ought to take a good look at them. I am not so sure that just having each one sign an affidavit should be adequate proof of anyone's character. But, on the other hand, if as Senators we are to mean what we say in adopting the resolution to be voted on today, I hope we will follow through and implement it in the same spirit. I am disturbed by some of the connotations and I think the further explanations of the Senator from South Dakota have certainly narrowed the import of what I thought he said, and I am glad to have his explanation.

I thank the Senator from South Dakota.

Mr. CRANSTON. Mr. President, will the Senator yield to me?

Mr. ABOUREZK. The Senator has the floor.

Mr. CRANSTON. I just wish to say that I recognize that someone who has done some of the terrible things that some people in South Vietnam apparently did would, of course, not hesitate to sign the sort of affidavit that the Immigration Service will require. But that is not the end of the matter. Signing such a document exposes them to charges of perjury and to expulsion from our land if it turns out that they were not telling the truth. It leaves an opportunity to deal with the sort of problem that the Senator from South Dakota has discussed. I certainly share some of the concerns that led the Senator to make the point that he made.

Mr. ABOUREZK. Mr. President, if the Senator will yield, I am disturbed about the entire refugee policy of the administration.

First of all, I think a great many people left South Vietnam who need not have left, people who left because our Embassy in Saigon contributed to the panic for years by telling the South Vietnamese that they would all be killed. They warned of an imminent bloodbath. But the news reports coming out of Saigon, at least up to date, have shown no evidence of a bloodbath.

I am not going to delude myself that the lives of some of the former top officials in Saigon are not going to be jeopardized. But for the administration to encourage thousands of Vietnamese people to leave in their boats and sampans to avoid a bloodbath is wrong.

For all of my adult life, I have felt compassion for refugees from other countries. But the compassion now shown by the administration is selective. Why should we go through with an open-ended plan for resettlement before we have all of the facts?

I am proposing that we come back in a couple of months and see what the plan for resettlement is, how many people are affected, and what categories they are. If they are chronic alcoholics, for example, how will they be treated?

We have a great difficulty providing treatment to the Indian people for alcoholism due to a severe lack of funds. We cannot even get enough money for the Indian Health Service to operate properly. Why now, do we see this humanitarian urge on the part of the administration to Vietnamese, when they have denied the same kind of assistance to our own citizens?

I reject the implication that I am advocating sending anybody back to his death. I never voted for one cent for the death that occurred in Vietnam, and I am not arguing for anyone to be sent back to Indochina against his will. But I do not want professional killers coming to this country with a philosophy that might do great damage to the people of this country.

The ACTING PRESIDENT pro tempore. Is there further morning business?

Mr. GRIFFIN. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The Senator from Connecticut.

AMERICA MUST OPEN ITS DOORS

Mr. RIBICOFF. Mr. President, I have been troubled deeply by news reports of widespread hostility from the public to America's acceptance of refugees from Vietnam and Cambodia.

I have read and heard that America has turned its back on these refugees. That Americans are petty, selfish, and spiteful. I have been told Americans oppose these refugees out of latent racism. That we as a nation are trying to escape realities and responsibilities.

I believe none of this. To date I feel we have heard only from a small minority of people.

Now I believe we will hear from a real America. From God-fearing, hard-working people who understand that we are mankind's one true melting pot—a nation of immigrants. These people will not turn their backs or their hearts away from these needy refugees.

Already, the tide is turning. I commend President Ford for his stand on behalf of these refugees. I am pleased that national organizations like the American Jewish Committee are supporting the opening of America's doors to these refugees.

We all should applaud the courageous stand of the AFL–CIO executive committee and its president, George Meany, on behalf of its refugees. Although they more than anyone else are aware that this Nation is crippled by an 8.9 percent unemployment rate, they also realize that America cannot close the door on its heritage.

State Department and relief officials also report that they now are flooded with offers of jobs, job training, temporary homes, and financial assistance for refugees.

Now it is time for Congress to do its share. Although I have been a long-time opponent of the war in Southeast Asia, I feel the time for recrimination is past. We have brought our servicemen home. We have evacuated our American civilians from Vietnam and Cambodia.

Now it is time to pay the final bill. We must approve legislation providing humanitarian and resettlement assistance for the refugees.

Our Nation spent an estimated $150 billion during our military involvement in Southeast Asia. The least we can do now is provide the necessary money to help the victims of our involvement resettle.

We owe these people the chance to start anew in the land of the free. It is a moral obligation. Much of the opposition to these refugees, I believe, has been caused by misinformation.

We are talking about less than 150,000 people. About 30,000 household heads who will need jobs. They are to be spread across the country to cut down on the economic impact to any one area.

Many of you have read reports that there are undesirables among the hoards of refugees making their way to this Nation. While this may be true, checks now show that the majority are potentially good, solid citizens. The U.S. Immigration and Naturalization Service says it is running security checks on all these people to weed out the bad. I would encourage them to do so, but we must make sure that we do not allow a few bad apples in the basket to turn public opinion against the entire group.

Most are hard-working, honorable people who belong to highly religious and closely knit families. Many speak English. Goodly numbers are professional people with a great deal of education. They are journalists, doctors, lawyers, trade unionists, engineers, and businessmen. They are the kind of people that most Americans now live next door to.

They are people who, I am sure, will some day make great contributions to an American society they so much want to join. If anyone wishes to challenge this, I proudly point to two other nationalities that have achieved great success after suffering terrible misfortunes. They are the Hungarians and Cubans and I have firsthand experience of both groups.

As Governor of Connecticut, I established a State committee to handle Hungarian refugee resettlement in 1957. My State took a considerable number of the 38,000 Hungarian refugees and it proved a great success story. These people overcame language and cultural difficulties to become an integral part of the United States.

As Secretary of Health, Education, and Welfare, I was sent to Florida by President Kennedy to set up a program for Cuba's fleeing refugees. More than 650,000 Cubans now have made their way to this country. And figures show that 8

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out of 10 are fully self-supporting. Most of those who are not belong to the aged or disabled category.

I am sure that records also would prove that the taxes collected from Hungarian and Cuban refugees who are now citizens more than pay this Nation back for its initial investment in them.

When President Kennedy sent me to Florida, he told me that this Nation had a moral obligation to help the Cuban refugees. Today, although we already have many burdens to bear, this Nation has a new moral obligation that must be met.

Freedom-loving people the world over are watching to see if we will meet our responsibility to these people who have been displaced.

Common decency calls out for us to help these people. Until we do, I cannot see how Americans can rest comfortably while these unfortunate people huddle in tents at night to fight the cold air.

I am positive that Congress and the American people will support President Ford on the Vietnam refugee problem and its solution.

A timely article by Stephen Fuzesi in the New York Times entitled, "The New Land," now is most appropriate. It places the problems of the Vietnamese refugees in their proper perspective. I ask unanimous consent that it be printed in the Record at this point.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Times, May 8, 1975]

The New Land

(By Stephen Fuzesi, Jr.)

Though I was only eight years old at the time, I will never forget the tears in my father's eyes as we crossed the Hungarian border one cold November night in 1956. My brother, a little over a year old, slept in a blanket strapped to his back. Mother held dad's hand and mine. We had just walked twenty miles searching for the border.

Having helped us crawl across the remains of the bombed bridge at Andau, my dad turned back, staring for a moment across the snow-dotted Hungarian countryside. Then looking straight at me, he said: "If we can't live in Hungary, America is the country to live in. You and your brother will have the opportunity to live and work and believe freely. It is sad that our little Hungary should lose two such fine young men." We walked quickly the 100 yards or so to Austria.

It would be incorrect to draw parallels between the Vietnam war and the Hungarian revolution. It does seem fair to note though that the vast majority of Vietnamese who have left their homeland have done so, much like us, with tears not smiles. They left relying on the opportunity to begin a new life in the United States.

It would seem a mistake to deny that opportunity now. The Vietnamese refugees, among them tens of thousands of innocent and politically unaware and uninvolved children, should not be made to bear the backlash of popular disgust with our foreign-policy failures in Indochina, reflected in further Congressional rejection of requests for appropriations to fund resettlement.

The 40,000 Hungarian refugees who have come to the United States since 1956, and the 675,000 Cubans who have followed, as the millions of immigrants who preceded them, all have been absorbed in our culture, economy and political life. Even if 150,000 Vietnamese refugees were resettled in the United States, this would represent only slightly more than one-third of the total number of immigrants admitted legally to the United States each year since 1968, and less than 3 per cent of the immigrants admitted in the decade 1960 to 1970. In 1960, at the beginning of the Cuban immigration, the United States was suffering from the highest level of unemployment of that decade. And while an exact total of Government expenditures for activities related to Vietnam, beginning with our involvement in the 1950's, would be impossible to calculate, the $507-million that President Ford has asked from Congress for resettlement and transport would clearly be less than 1 per cent of the total, and less than 2 per cent of the $30 billion expended in the peak year of 1968.

Statesmen and scholars, as well as all of us, will search our experience in Vietnam for lessons and morals. One focus of this review will certainly be the meaning of an American commitment to an ally. The foreign-policy impact and realignment of policies as well as treaties and relationships with the United States provoked by such an evaluation will vary, perhaps country by country. Commitment, to have any value, must mean at least that we will open our doors to refugees from a country with which we had been allied in a cause that met defeat.

Leaving one's homeland, family and friends, and the culture in which one feels natural, is a sad occasion chosen by few in search of opportunity and suffered by millions of victims of international politics.

Perhaps some leave solely in the pursuit of a more comfortable life. For Vietnamese, from a war-torn country, is that so unforgivable?

The masses who seek refuge after a war leave with children clinging to their arms. They seek opportunity—but opportunity for their children to live a life in peace, in a country whose people have a tradition of evaluating men for what they do, not for where they were born; a tradition of respecting individuals not on the basis of their name, or the color of their skin, but on their character and decency.

It has been almost twenty years since we came to the United States, over ten since I have become a citizen. My dad's first job, although he had advanced degrees in chemistry and law, was that of a janitor in a General Motors factory. Earlier this year, I reviewed, as legal counsel, the $600-million check that underwriters were delivering to General Motors Corporation as the closing for the largest public offering of industrial-debt securities in American history. I am honored to have tasted of the opportunity my dad had noted during our last moment in Hungary.

As I have watched televised news of Vietnamese refugee children scattered in camps, my memory has often wandered back to 1956 and our arrival at Camp Kilmer, N.J. I have remembered the taste of my first bite of creamy American-style chocolate ice cream I hope that each Vietnamese refugee will some day have the opportunity, should he seek admittance to the United States, to relish that same sweet flavor. It would be a mistake consistent with a history of bad judgments to deny that opportunity, but not a fitting end to our 25-year involvement in Vietnam.

The ACTING PRESIDENT pro tempore. Is there further morning business?

Mr. RIBICOFF. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. Haskell) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON THE ADMINISTRATION OF THE RAILROAD SAFETY ACT—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. Haskell) laid before the Senate a message from the President of the United States transmitting the fourth annual report on the administration of the Railroad Safety Act, which, with the accompanying report, was referred to the Committee on Commerce. The message is as follows:

To the Congress of the United States:

I transmit herewith the Fourth Annual Report on administration of the Railroad Safety Act of 1970 (84 Stat. 971, 45 U.S.C. 421 et. seq.) as required by that Act. This report has been prepared in accordance with Section 211 of the Act, and covers the period January 1, 1974, through December 31, 1974.

Gerald R. Ford.

The White House, *May 8, 1975.*

PROPOSED RESCISSION AND DEFERRAL—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore laid before the Senate a message from the President of the United States reporting one new proposed rescission and one new deferral, and a supplementary report revising a deferral report, which, with the accompanying papers, was referred jointly, pursuant to the order of January 30, 1975, to the Committee on Appropriations, the Committee on the Budget, the Committee on Armed Services, the Committee on Commerce, and the Committee on Labor and Public Welfare. The message is as follows:

To the Congress of the United States:

I herewith report one new proposed rescission and one new deferral as required by the Congressional Budget and Impoundment Control Act of 1974. In addition, I am transmitting one supplementary report which revises a deferral report made to the Congress in a previous special message. The details of the rescission and deferral reports are attached.

The proposed rescission would affect two programs of the Community Services Administration that duplicate several programs currently operating at Federal,

State and local levels. The two deferrals are routine in nature and do not affect program levels in either case.

I urge the Congress to act promptly on this rescission and other rescission proposals now pending.

Gerald R. Ford.

The White House, *May 8, 1975.*

MESSAGES FROM THE HOUSE

At 10:30 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the bill (S. 1236) to extend and amend the Emergency Livestock Credit Act of 1974, and for other purposes, with amendments in which it requests the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the enrolled bill (H.R. 25) to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes.

The enrolled bill was subsequently signed by the Acting President pro tempore (Mr. Metcalf).

At 3:15 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 4114. An act to amend the Public Health Service Act to revise and extend the National Health Service Corps program; and

H.R. 4115. An act to amend title VIII of the Public Health Service Act to revise and extend the programs of assistance under that title for nurse training.

The message also announced that the House has agreed to the following concurrent resolutions in which it requests the concurrence of the Senate:

H. Con. Res. 177. A concurrent resolution providing for the printing as a House document a revised edition of the publication entitled "History of the United States House of Representatives"; and

H. Con. Res. 178. A concurrent resolution to authorize the printing of the hearing on amnesty.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CANNON, from the Committee on Armed Services, with amendments:

S. 182. A bill to authorize the appointment of Alexander P. Butterfield to the retired list of the Regular Air Force, and for other purposes (Together with dissenting views) (Rept. No. 94–110).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

Daniel E. Wherry, of Nebraska, to be U.S. attorney for the district of Nebraska;

Len E. Blaylock, of Arkansas, to be U.S. marshal for the eastern district of Arkansas;

Jervis S. Finney, of Maryland, to be U.S. attorney for the district of Maryland;

Rex E. Lee, of Utah, to be an Assistant Attorney General;

John T. San Agustin, of Guam, to be U.S. marshal for the district of Guam; and

Emmett G. Wyche, of Louisiana, to be U.S. marshal for the western district of Louisiana.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. EASTLAND, from the Committee on the Judiciary:

William H. Stafford, Jr., of Florida, to be U.S. district judge for the northern district of Florida.

HOUSE BILLS REFERRED

The following bills were read twice by their titles and referred as indicated:

H.R. 4114. An act to amend the Public Health Service Act to revise and extend the National Health Service Corps program; and

H.R. 4115. An act to amend title VIII of the Public Health Service Act to revise and extend the programs of assistance under that title for nurse training; to the Committee on Labor and Public Welfare.

HOUSE CONCURRENT RESOLUTIONS REFERRED

The following concurrent resolutions were referred as indicated:

H. Con. Res. 177. A concurrent resolution providing for the printing as a House document a revised edition of the publication entitled "History of the United States House of Representatives;" and

H. Con. Res. 178. A concurrent resolution to authorize the printing of the hearing on amnesty; to the Committee on Rules and Administration.

INTRODUCTION OF BILLS AND JOINT RESOLUTION

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. ABOUREZK:

S. 1684. A bill to provide resettlement assistance to refugees from Cambodia and Vietnam, and for other purposes. Referred to the Committee on Foreign Relations.

By Mr. RIBICOFF:

S. 1685. A bill to amend section 218 of the Social Security Act to require that States having agreements entered into thereunder will continue to make social security payments and reports on a calendar-quarter basis. Referred to the Committee on Finance.

By Mr. YOUNG (for himself and Mr. Burdick):

S. 1686. A bill to authorize the Secretary of the Interior to engage in a feasibility investigation of potential resource development. Referred to the Committee on Interior and Insular Affairs.

By Mr. JACKSON (for himself and Mr. Fannin) (by request):

S. 1687. A bill to provide for the addition of certain lands in the State of Alaska to the National Park, National Wildlife Refuge, National Forest, and the Wild and Scenic Rivers Systems, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

S. 1688. A bill to designate certain public lands and waters in the State of Alaska for national conservation purposes to be administered as units of the National Park System, the National Wildlife Refuge System, National Wild and Scenic Rivers System, and the National Forest System. Referred to Committee on Interior and Insular Affairs.

S. 1689. A bill to amend the Pennsylvania Avenue Development Corporation Act of 1972 (Public Law 92–578), as amended. Referred to the Committee on Interior and Insular Affairs.

By Mr. SPARKMAN:

S. 1690. A bill for the relief of Celedonio M. Gapasin and his wife, Dely P. Gapasin. Referred to the Committee on the Judiciary.

By Mr. TAFT:

S. 1691. A bill to amend the Internal Revenue Code of 1954 to relieve employers of 50 or less employees from the requirement of paying or depositing certain employment taxes more often than once each quarter. Referred to the Committee on Finance.

By Mr. PROXMIRE (for himself and Mr. Schweiker):

S. 1692. A bill to amend the Federal Food, Drug, and Cosmetic Act to establish certain limitations respecting the authority of the Secretary of Health, Education, and Welfare to regulate vitamins and minerals under that act, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. MAGNUSON (for himself and Mr. Pearson) (by request):

S. 1693. A bill to amend certain provisions of the Communications Satellite Act of 1962, as amended. Referred to the Committee on Commerce.

By Mr. LONG (for himself and Mr. Talmadge):

S. 1694. A bill to amend Public Law 93–233 to extend for an additional 12 months (through June 30, 1976) the existing provisions of law with respect to eligibility of supplemental security income recipients to participate in the food stamp program. Referred to the Committee on Finance.

By Mr. NELSON (for himself, Mr. Javits, Mr. Kennedy, Mr. Randolph, Mr. Pell, Mr. Williams, Mr. Cranston, Mr. Mondale, and Mr. Humphrey):

S. 1695. A bill to extend and improve programs authorized by the Emergency Jobs and Unemployment Assistance Act of 1974, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. HATFIELD (for himself, Mr. Sparkman, Mr. Thurmond, Mr. Javits, Mr. Case, Mr. Cranston, Mr. Mansfield, Mr. Brooke, Mr. Buckley, Mr. Weicker, Mr. Ribicoff, Mr. Garn, Mr. Pell, Mr. Randolph, Mr. Laxalt, and Mr. Percy):

S. 1696. A bill to authorize amounts available but not committed for military assistance to South Vietnam and Cambodia to be used for humanitarian assistance for refugees from South Vietnam and Cambodia. Considered and passed.

By Mr. FONG:

S. 1697. A bill to clarify existing authority for the employment of personnel and the procurement of services by the President and the Vice President, and for other purposes. Referred to the Committee on Post Office and Civil Service.

By Mr. KENNEDY:

S. 1698. A bill to amend the Internal Revenue Code of 1954 to disallow the business expense tax deduction for first-class air travel in excess of the coach fare for such travel and for other expenses. Referred to the Committee on Finance.

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STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ABOUREZK:

S. 1684. A bill to provide resettlement assistance to refugees from Cambodia and Vietnam, and for other purposes. Referred to the Committee on Foreign Relations.

(The remarks of Mr. Abourezk and other Senators on the introduction of the above bill are printed earlier in the Record.)

By Mr. RIBICOFF:

S. 1685. A bill to amend section 218 of the Social Security Act to require that States having agreements entered into thereunder will continue to make social security payments and reports on a calendar-quarter basis. Referred to the Committee on Finance.

Mr. RIBICOFF. Mr. President, today I am introducing legislation to prohibit HEW from making a change in social security regulations which could cost the State of Connecticut $700,000 and would result in a loss of as much as $250,000 in revenues to the towns and cities in Connecticut.

Under present social security law, States and localities which withhold social security taxes from employees' wages, have to send these contributions to the Federal Government on a quarterly basis.

HEW now proposes that these moneys be sent in to Washington on a monthly basis.

This change would only create more redtape for every town in Connecticut. Furthermore, the towns and the State would be deprived of the short-term income they receive from investing this money.

In the case of the State, the proposed speedup of payment to social security would result in a loss of $700,000 in short-term investment income.

In the case of the towns and cities in Connecticut, a recent test survey made by J. Edward Caldwell, the comptroller of the State of Connecticut, disclosed that the 13 towns surveyed would suffer a loss of $100,000 each year of short-term investment income. The survey projected a possible loss of up to $250,000 in income for all local governments in the State.

It makes no sense to add to the burdens which our State and local governmental units face.

The State of Connecticut at the present time is remitting about $40 million annually to the United States, representing withholdings from over 43,000 State employees. Some $30 million is being sent to Washington from the local level, representing withholdings from 45,000 employees.

Increasing the paperwork burden on these State and local governments for this number of employees will be a heavy burden.

My bill simply maintains the present quarterly remittance procedure. It will not result in the loss of any money to the Social Security System.

I hope HEW will not approve its proposal to go to a monthly system. In order to safeguard our State and its municipalities I hope Congress will approve my legislation which would require contributions of social security withholdings to be made to the Federal Government on a quarterly rather than on a monthly basis.

By Mr. JACKSON (for himself and Mr. Fannin) (by request):

S. 1687. A bill to provide for the addition of certain lands in the State of Alaska to the National Park, National Wildlife Refuge, National Forest, and Wild and Scenic Rivers Systems, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

S. 1688. A bill to designate certain public lands and waters in the State of Alaska for national conservation purposes to be administered as units of the National Park System, the National Wildlife Refuge System, National Wild and Scenic Rivers System, and the National Forest System. Referred to the committee on Interior and Insular Affairs.

NATIONAL INTEREST LANDS LEGISLATION

Mr. JACKSON. Mr. President, I am introducing for appropriate reference two measures concerning one of the most significant land use issues ever to confront the Congress—the use of millions of acres of some of this country's finest public lands. Both these measures would designate vast areas of Alaska as components of the National Park, Wildlife Refuge, Wild and Scenic River, and Forest Systems.

This legislation arises from certain provisions in the Alaska Native Claims Settlement Act. The Settlement Act, the result of extensive deliberations by the Senate Interior Committee during the 1960's and early 1970's, embodies the recognition that the settlement of Native claims must be accompanied by careful planning and management of the remaining public lands in Alaska if the haphazard and ill-advised development which occurred in the land rushes associated with earlier disposals of public lands—lands which possess unqiue wild-particular, there was a strong feeling that a process must be established to preserve the so-called national interest lands—lands which possess unique wildlife, wilderness, scenic, scientific, cultural and historical values of national—even international—significance.

Therefore, in addition to settling Native claims to Alaska land by payments in land—40 million acres—and funds—$462.5 million from the general fund of the Treasury and $500 million from mineral revenues from lands conveyed to Alaska under the Statehood Act and Federal lands other than the Naval Petroleum Reserve No. 4—the Settlement Act also contains two provisions establishing a procedure for the identification and protection of national interest lands. Section 17(d)(1) of the act authorizes the Secretary of the Interior to withdraw such public domain lands as he deems advisable to insure that the general public interest in them is properly protected. Section 17(d)(2) of the act authorizes the Secretary to withdraw up to 80 million acres of public domain land to be studied for possible addition to the national park, forest, wildlife refuge, and wild and scenic rivers systems. The same paragraph also requires that all legislative proposals which arising from such studies which would place areas in the four systems be submitted to the Congress by December 18, 1973, and provides a 5-year period for Congress to act following receipt of the legislation. During this period land withdrawn under section 17(d)(2) would not be subject to appropriation under the public land laws.

In September 1972, the Secretary of the Interior withdrew 79 million acres under the authority of section 17(d)(2) and 47 million acres under section 17(d)(1). Also withdrawn were 112 million acres to serve as a "pool" from which the Natives are to select their 40 million acres. Finally, the Secretary withdrew a 4.5 million acre utility corridor for a possible gas pipeline adjoining the Arctic National Wildlife Range.

A year later, the Secretary submitted his national interest lands legislative proposal (S. 2917) which my colleague from Arizona, the distinguished ranking minority member of the Interior Committee (Mr. Fannin), and I introduced by request on January 30, 1974. The first measure I introduce today for Senator Fannin and myself (by request) is identical to S. 2917. If enacted, this administration bill would more than double the National Park and Wildlife Refuge Systems. In particular, the measure proposes to enlarge two existing national parks and to create nine new parks for a total addition of 32.26 million acres to the National Park System, which now embraces approximately 30 million acres. It would also create nine new wildlife refuges, adding 31.59 million acres to the National Wildlife Refuge System, which now contains 30.4 million acres. Three new National Forest System areas totalling 18.8 million acres would be established. The following new components of the wild and scenic rivers system would be designated: six rivers entirely within national wildlife refuge areas, one within both a park and a refuge, four entirely within national forest areas, and four—totalling .82 million acres—on public domain lands. The total area encompassed by the administration's proposal is 83.47 million acres.

Also on January 30, 1974, I introduced (by request) a second measure (S. 2918) representing the efforts of several conservation, environmental, and citizen public interest groups. Senator Fannin and I are again today introducing (by request) this bill. In this measure, the conservation community recommends 27.5 million acres more for the National Park System than does the administration in its bill, and an extra 11.6 million acres for wildlife refuges. The total land involved in this proposal is 106 million acres.

Also before the Congress last year was a bill in the House of Representatives which proposed to set aside 133.5 million acres in Alaska for wildlife refuges. In addition, I expect that the State may wish to submit its own proposal and the Native community, among other parties, may decide to send forward its own suggested national interest land legislation.

Finally, prior to, contemporaneously with, and subsequent to Congress efforts to select the national interest lands for inclusion in the four systems, land selection rights will be exercised by the Natives—more than 40 million acres principally under the Settlement Act—and the State—over 104 million acres principally under the Statehood Act.

Mr. President, the purpose of my introducing the two bills today and of my plans to introduce other significant d–2 land proposals should they come forward is to insure that the Congress is fully apprised of all the alternatives proposed by the various parties most concerned about, familiar with, and potentially affected by the national interest lands selection process. Consideration of all proposals is the best method I know to insure that we make the best possible decisions in the legislation we finally enact.

Second, I believe it is imperative that all potential national interest lands be identified by placing the various proposals in the public realm so that no party—the Congress, the Interior Department, the State of Alaska, or the Native community—can, by pleading ignorance, take actions concerning those lands which would alter their ownership, their status, or their values so as to effectively eliminate them from congressional consideration without prior notification of Congress. The whole question of the interim management of the national interest lands has been of particular concern to me. Management decisions which could adversely affect congressional prerogatives in selecting the national interest lands for addition to the four systems should not be made in the absence of advance consultation with Congress. On numerous occassions I have sought assurances from the Secretary of the Interior that such consultation will be undertaken. I have failed to receive a satisfactory response. I will continue to press for such a commitment because a whole range of potential interim decisions could be made which would clearly foreclose legislative opportunities presently available to the Congress.

Mr. President, I propose to ask the committee to address this legislation early this Congress, despite the 5-year period in which we have to act. I do so because of the enormity of the task involved. This legislation cuts across the jurisdiction of most of the committee's subcommittees. Four of the five national systems involved—wildlife refuge, forest, wild and scenic, and national resource lands—are within the purview of the Environment and Land Resources Subcommittee. The park system is within the jurisdiction of the Parks and Recreation Subcommittee. Protection of Native interest would be under the auspices of the Indian Affair Subcommittee. And the numerous fuels development and transportation issues are the subject of the Minerals, Materials, and Fuels Subcommittee.

I would like to have printed at the conclusion of my remarks a brief memorandum prepared by committee staff which demonstrates the wide variety of issues related to the national interest lands. As this memorandum suggests the national interest lands legislation provides enough issues to require the attention of the Members and staff of each subcommittee for a lengthy period. However, as the issues are inextricably interwoven, the legislation cannot be broken down and assigned in portions to the various subcommittees.

I, therefore, propose to place these bills in the full committee and to begin the hearing process as soon as the committee's schedule permits this summer. I believe it is important that we gain an understanding of the likely growth patterns in Alaska and the various interests' concerns relating to those patterns before we consider the individual proposals and undertake the task of fixing lines on maps. I anticipate a general hearing early this summer. An understanding of the issues should be followed by an acquaintance with the land itself. Presently, the committee is planning to seek this knowledge in a field trip to Alaska in August. Upon our return, in the fall we would begin the intensive hearings process necessary to acquaint ourselves with the details concerning each area contained in the legislative proposals.

Mr. President, with the enactment of the Alaska Statehood Act and the Alaska Native Claims Settlement Act the Congress took the first steps in a process of extreme importance to the history of this Nation—the process of completing three centuries of westward expansion. With final enactment of national interest lands legislation, America's last frontier will be closed. We must consider this legislation with the care and diligence which is merited by its historical importance.

Mr. President, I ask unanimous consent that there be printed in the Record at the conclusion of my remarks the letter of the Secretary of the Interior transmitting the administration bill and a letter from the Executive Director of the Sierra Club concerning the conservationists' proposal.

There being no objection, the material was ordered to be printed in the Record, as follows:

Issues Relating to Alaska Lands Legislation

(Prepared by the Staff of the Senate Committee on Interior and Insular Affairs)

SHAPING ALASKA

All of the issues discussed below may be subsumed under that described as "shaping Alaska". Over the next five years, Congressional selection of the d–2 lands for inclusion in the four systems, together with Native selection of 40 million acres as partial settlement of their land claims, and State selection of 103 million acres under the Statehood Act will result in the closing of America's "last frontier". Decisions on what land is selected, to whom it is to belong, and what uses are to be permitted upon it will virtually dictate the shape of Alaska's future and the economic pursuits and life styles of its citizens. The Committee will be forced to undertake a unique role—not the traditional role of simply determining the boundaries of a certain park or forest but rather one of conducting a full-fledged planning exercise for areas much larger than most States. Unlike most State planning exercises, this planning must be done without a planning staff and with the unsettling knowledge that it will, in fact, be implemented.

FOUR SYSTEMS DECISIONS

The three legislative proposals introduced last Congress call for designation of from 32.26 million acres to 59.76 million acres (Administration's and citizens' bill, respectively) of national parks (existing system totals 30 million acres); from 31.59 million acres to 43.19 million acres to 133.5 million acres (Administration's, citizen's, and Dingell's bill, respectively) of wildlife refuges (existing system totals 30.4 million acres), from 3 million acres to 18 million acres (citizen's and Administration's bills, respectively) to the national forests, and less than a million acres in the Wild and Scenic Rivers System.

* * * * *

ADMINISTRATION

In the past, the Congress has found it necessary to enact special legislation for Alaska with provisions reflecting the unique conditions of that State (e.g., the homestead law for Alaska). At a minimum, the Committee will experience a number of requests for special legislative exemptions from the general administrative provisions for the four systems, such as the allowance of subsistence hunting and certain forms of mining in the national parks. The Committee may also wish to consider the advisability of creating an entirely new national system.

WILDERNESS

The National Wilderness Preservation System is a unique national system in that it is always associated with another system. Components of the system may be established in national parks, forests, or wildlife refuges. (Should the National Resource Lands Management Act be enacted in this Congress, wilderness will also be established on the public domain lands under the Bureau of Land Management. Lands in Alaska not selected for the four systems or by the State or Natives will remain as BLM lands.) As wilderness areas can only be established within the other systems, the legislative proposals attempt to establish the other systems first and do not designate any wilderness. The Committee will have to establish the ground rules for consideration of wilderness proposals.

TRANSPORTATION CORRIDORS

Under section 17(b) of the Settlement Act, the Secretary of the Interior is authorized to reserve public easements in patents conveyed to the Natives. The purpose of this provision was to assure access across Native lands for travel and recreation purposes and, more importantly, to provide for transportation of fuels and minerals extracted from Alaska's interior.

Selections of lands by Native village corporations were to be completed by December 18, 1974; whereas, Native regional corporations are to complete land selections by December 18, 1975. Easements are presently being written into the patents for selected land. Several controversies surround these easements, most notable of which is the decision to take linear easements rather than access point easements along certain bodies of water.

However, in relation to the d–2 lands, most controversial are the BLM transportation and utility corridor easement proposals contained in the BLM's October 1974 document "Multimodal Transportation and Utility Corridor Systems in Alaska: A Preliminary, Conceptual Analysis". This report explores potential corridor easements not only across Native lands but also across d–2 lands. In a preliminary Committee hearing on the document last month, the significance of this proposal was made manifest. Its effect on consideration of wilderness (which must remain roadless) is obvious; however, its impact on the four systems and such

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management problems as wildlife management, tourist density, etc. is also significant.

NATIVE STATE LAND SELECTION

In January 1972, one month after the Settlement Act was signed, the State of Alaska made a surprise selection of its remaining entitlement under the Statehood Act: 77 million acres. Two months later, the Secretary made his 79 million acre d–2 lands withdrawal and many portions of this withdrawal overlapped the State's January selections. The State filed suit against the d–2 withdrawals in April 1972. Five months later, in September 1972, Secretary Morton and Governor Egan announced a settlement of the lawsuit in which the State relinquished approximately 35 million acres of its 77 million acre January selections and Interior made some of the land within its March d–2 withdrawals available for State selection and changed other March d–2 withdrawals to d–1 withdrawals (d–1 withdrawals allow metalliferous mining and discretionary State selection). These two actions involved a change of status of a total of 14 million acres.

However, there are still significant conflicts between State selected lands and lands proposed for the four systems particularly with respect to lands proposed in the citizens' proposal. These conflicts became clear when this summer, the State requested patent to the 42 million acres which were identified in January 1972, and not relinquished as part of the out-of-court settlement. The Department is presently conducting the necessary patenting procedures.

The State has a right to select a total of approximately 103 million acres of land and thus has approximately 30 million acres yet to select. The Natives have selection rights to approximately 42 million acres.

Many of the selections already made conflict with each other and it is assumed that new conflicts will arise. Resolution of competitive claims based on rights created by the Congress will be a delicate matter.

NAVAL PETROLEUM RESERVE 4

Naval Petroleum Reserve No. 4 comprises 23 million acres of Federal lands on the North Slope of Alaska. There is intense interest by the oil industry and the Administration is opening the Reserve to exploration and development by private industry. Congress has provided greatly increased funds for exploration by the Navy during the last two years. Legislative proposals designed to accomplish this undoubtedly will be considered by the 94th Congress. Future development of Petroleum 4 will have a significant impact on proposed parks and transportation corridors.

ALASKA OUTER CONTINENTAL SHELF DEVELOPMENT

The Interior Department's proposed OCS four-year leasing program includes proposed sales in the Gulf of Alaska, Bering Strait and the Arctic Ocean. Any significant development would have substantial onshore impacts which must be considered in land use planning for Alaska.

PROPOSED NATURAL GAS LINE SYSTEM

The Interior Department and the Federal Power Commission are considering two proposed natural gas pipeline systems from Alaska's North Slope to the "lower 48". The system proposed by the Arctic Gas Pipeline Company would provide for the construction from Prudhoe Bay across the Arctic National Wildlife Range to the Alaska-Canada border. This system would re-enter the United States in Idaho and Montana. One branch line would run to California. The other would run east through the Dakotas and Northern Illinois all the way to western Pennsylvania.

The system proposed by the El Paso Natural Gas Company would run by pipeline from Prudhoe Bay to a southern Alaska port. The gas would then be liquefied and shipped to California for distribution. Congressional authorization of one or both lines (similar to the Trans Alaska oil pipeline legislation) will undoubtedly be proposed and probably will be necessary.

COAL DEVELOPMENT

Alaska contains vast coal reserves. The Japanese have expressed considerable interest in development of Alaskan coal for export to Japan. Potential coal developments must be considered.

DEEPWATER PORTS

One or more deepwater ports may be proposed off the coast of Alaska under the authority of the Deepwater Port Act of 1974. These are required onshore facilities. Potential sites should be recognized in land use planning.

U.S. DEPARTMENT OF THE INTERIOR,
Office of the Secretary,
Washington, D.C., March 21, 1975.

Hon. NELSON ROCKEFELLER,
President of the Senate,
Washington, D.C.
Hon. CARL ALBERT,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. PRESIDENT: and DEAR MR. SPEAKER: On December 17, 1973 this Department transmitted to the 93rd Congress a bill "To provide for the addition of certain lands in the State of Alaska to the National Park, National Wildlife Refuge, National Forest, and the Wild and Scenic Rivers Systems, and for other purposes." This bill was transmitted pursuant to section 17(d)(2) of the Alaska Native Claims Settlement Act (ANCSA) (P.L. 92–203) and was introduced in the House and Senate as H.R. 12336 and S. 2917 respectively. No action was taken in the 93rd Congress on these bills.

The Alaska Native Claims Settlement Act extinguished all aboriginal claims to land in Alaska and in return provided the Natives with a land settlement of 40 million acres and a monetary settlement of nearly a billion dollars.

In addition, section 17(d)(1) of ANCSA authorized the Secretary of the Interior to withdraw such public domain lands as he thought advisable to ensure that the public interest in them is properly protected.

Section 17(d)(2) of the Act authorized the Secretary to withdraw up to 80 million acres of land to be studied for possible addition to the National Park, Forest, Wildlife Refuge, and Wild and Scenic Rivers Systems. Section 17(d)(2) also required all legislative proposals coming from such studies to be submitted to the Congress within two years, by December 18, 1973, and provided that Congress would have five years to act following receipt of the legislation. During this period lands in those proposals withdrawn under 17(d)(2) would not be subject to appropriation under the public land laws. S. 2917 and H.R. 12336 in the 93rd Congress constituted the legislative proposals pursuant to that authority.

Our proposal, entitled the "Alaska Conservation Act", will dedicate 83.47 million acres to conservation purposes. The proposal would allocate the total acreage among four distinct management systems: 32.26 million acres to the National Park System, 31.59 million acres to the National Wildlife Refuge System, 18.80 million acres to the National Forest System, and 0.82 million acres to the National Wild and Scenic Rivers System. These potential additions to the "Four Systems" are outstanding in their variety of ecosystems, their spectacular beauty, and their undisturbed integrity.

Attachment.

The Department is prepared to offer any assistance which is necessary to facilitate congressional consideration of this proposal. I believe that we can achieve an effective partnership which will insure the broad overview necessary for a proposal of this scope and complexity. In this regard, I would respectfully suggest that we arrange for the members and staff of the appropriate committees to receive preliminary, generalized briefings in advance of committee hearings. Accordingly, I have asked the Department's Legislative Counsel, Ken M. Brown, to coordinate such an effort in his additional capacity as Chairman of the Working Group of the Department's Alaska Task Force.

Field trips to various locations in Alaska will undoubtedly be an integral part of the congressional deliberations on this proposal. We welcome the opportunity to provide technical assistance to members and their staff who wish to make such trips. We would, however, request their indulgence in arranging such visits: logistical problems and weather conditions in Alaska sometimes create unique transportation problems. We would appreciate congressional efforts to afford us ample notice of travel so that we can make appropriate staff available in Alaska as well as attempt to alleviate these problems.

I look forward to close cooperation between the Congress and the Department in making this proposal a reality. If we adopt a systematic, unified approach to the conservation of Alaska's abundant resources, we cannot fail to leave future generations an environmental legacy without peer. Early enactment by the 94th Congress would be convincing evidence of our Nation's devotion to the preservation of this wondrous frontier environment. Accordingly, I urge that this proposal be reintroduced, that it be referred to the appropriate committee and that it be enacted.

Sincerely yours,
ROGERS C. B. MORTON,
Secretary of the Interior.

SIERRA CLUB,
Washington, D.C., April 17, 1975.

Hon. HENRY M. JACKSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JACKSON: We understand that you will soon be introducing legislation regarding the dedication of federal lands in Alaska as National Parks, Wildlife Refuges, Forests, and Wild and Scenic Rivers. Since we would like you to introduce a bill basically supported by the conservation community, we hereby request that you reintroduce S. 2918 from the 93rd Congress at the time you re-introduce the Administration's recommendations, S. 2917.

A number of national and Alaskan conservation groups have met and are continuing to work together in revising our proposals. Since there has been only one summer season for field work since the Administration made its recommendations public, it will take our groups collectively some additional time to finalize our proposals. The changes in our proposals will involve in certain cases both acreage adjustments and management designations. We will also define management criteria in greater specificity. We would very much like to present our revised proposals to you when completed.

The Sierra Club as well as several other national citizen environmental groups have placed a very high priority on the Alaskan d-2 project. We urge you as chairman to commence Committee consideration of the Alaskan d-2 matter as soon as possible. We appreciate your commitment and leadership on this issue.

Yours truly,
MICHAEL MCCLOSKEY,
Executive Director.

By Mr. JACKSON (for himself and Mr. FANNIN) (by request):

S. 1689. A bill to amend the Pennsylvania Avenue Development Corporation Act of 1972 (Public Law 92–578), as

amended. Referred to the Committee on Interior and Insular Affairs.

Mr. JACKSON. Mr. President, by request, I send to the desk on behalf of myself and the Senator from Arizona (Mr. FANNIN) a bill to amend the Pennsylvania Avenue Development Corporation Act of 1972 (Public Law 92–578), as amended.

Mr. President, this draft legislation was submitted and recommended by Pennsylvania Avenue Development Corp., and I ask unanimous consent that the letter of explanation by the chairman be printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD as follows:

WASHINGTON, D.C.,
April 7, 1975.

Hon. NELSON A. ROCKEFELLER,
President, U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Transmitted herewith for referral to the appropriate Committee is a draft bill prepared by the Pennsylvania Avenue Development Corporation "To amend the Pennsylvania Avenue Development Corporation Act of 1972 (Public Law 92–578), as amended". The proposed legislation is designed to authorize appropriations for the operating and administrative expenses of the Corporation for fiscal year 1976, the budget transition period of July 1 through September 30, 1976, and for the succeeding four fiscal years.

The Pennsylvania Avenue Development Corporation was established by Act of Congress on October 27, 1972 to plan and redevelop Pennsylvania Avenue and its northern environs between the Capitol and the White House. The Corporation completed the preparation of a comprehensive development plan and transmitted it to the Senate and the House of Representatives on November 19, 1974. The enabling Act provides that the Corporation may proceed with implementation if neither the House nor the Senate passes a resolution in opposition to the plan within sixty legislative days after transmittal. The period of Congressional review of the Pennsylvania Avenue Plan has almost expired, with no unfavorable action having been taken by either House.

The President's budget for fiscal year 1976 contains an appropriations request of $1,256,000 for the salaries and expenses of the Corporation. However, the authorization provision in the Corporation's enabling Act is currently insufficient to cover the budget request for the forthcoming fiscal year.

The draft bill would amend the section 17 of the Pennsylvania Avenue Development Corporation Act of 1972 to authorize appropriations necessary for operation and administration of the Corporation, for fiscal year 1976 and for several succeeding fiscal periods.

For the reasons stated above, prompt favorable consideration of the enclosed draft bill is requested.

The Office of Management and Budget has advised that, there is no objection to the submission of this draft legislation and that its enactment would be in accord with the program of the President.

Sincerely,
E. R. QUESADA,
Chairman.

By Mr. TAFT:

S. 1691. A bill to amend the Internal Revenue Code of 1954 to relieve employers of 50 or less employees from the requirement of paying or depositing certain employment taxes more often than once each quarter. Referred to the Committee on Finance.

Mr. TAFT. Mr. President, in the spring of 1971, I received a letter from a constituent who is a small businessman. He complained that frequent deposits of social security taxes and income taxes withheld from employees presented a great burden in paperwork for the small businessman. He indicated that these reports necessitated a disproportionately large expense for auditors and accountants, and he inquired why small businessmen could not make their deposits on a quarterly basis.

I wrote to the Secretary of the Treasury and asked if this change could be made by administrative regulation. I was informed that it could, but that the Treasury's policy was against making a change.

Thereafter, on May 18, 1971, I introduced S. 1890, which provides that employers having 50 or less employees shall not be required to make their deposits more often than once a quarter.

On November 22, 1971, when offered as an amendment on the floor of the Senate, this measure was adopted. However, it was dropped in conference on the Revenue Act of 1971.

Today the small businessman is pressured on many sides. While the entire economy is suffering substantially from recession and past inflation, it is common knowledge that small businessmen suffer disproportionately during periods of economic stress. Even in better economic times, the rate of small business failures indicates that the road of the small businessman is not an easy one.

In the Senate we have a Select Committee on Small Business and it generally expresses great concern for the problems which the small businessman must face. How ironic it is, therefore, that we have compounded his burdens with unnecessary paperwork and redtape. I refer specifically to the deposits which are required to be made by our small businessmen for FICA taxes and income tax withholdings. At the present time, the actual tax returns are to be filed quarterly. Deposits, however, generally must be made more frequently in accordance with rules published by the Internal Revenue Service. These rules require no deposits prior to the end of the quarter if tax liability is less than $200, a tax deposit by the 15th day after any month in which undeposited cumulative tax liability reaches $200 or more, and deposits within three banking days after any of four dates per month if undeposited cumulative tax liability has reached $2,000 or more.

It is the frequency of these deposits which creates an enormous bookkeeping problem and a great deal of overhead and paperwork for the small businessman. For large firms which have computerized data processing, frequent deposits are no problem. But for the small businessman of America, the frequency of these deposits results in a great deal of administrative expense. Any small business with more than one or two employees probably has to file deposits monthly, while any small business with more than about five employees probably has to file additional deposits perhaps numerous additional deposits.

It is estimated by the Small Business Administration that 94 percent of all businesses in America have 50 or fewer employees. My bill would simply provide that businesses having 50 or fewer employees could not be required to make their FICA and income tax withholding deposits more than once a quarter.

Let me emphasize that this bill would in no way affect these businesses' financial obligations and would not reduce the amount which they must remit to the Federal Government. The bill would simply reduce the amount of redtape, bookkeeping, and clerical expense with which they are now confronted. This bill should also reduce administrative expenses on the part of the Federal Government.

In mid-1971, The National Federation of Independent Businesses conducted a nationwide survey of independent businessmen to determine whether they favored the approach taken in this legislation. That survey indicated that 74 percent of the Nation's independent businesses favor this measure. I ask unanimous consent to have printed at this point in the RECORD the figures indicating the support of this bill on a State-by-State basis.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

STATE BREAKOOWN FIGURES—RELIEVE EMPLOYERS OF UP TO 50 PERSONS OF HAVING TO DEPOSIT TAXES MORE THAN ONCE A QUARTER

State	Percent in favor	Percent against	Percent undecided
Alabama	80	15	5
Aaska	71	25	4
Arizona	69	26	5
Arkansas	72	23	5
California	71	24	5
Colorado	71	24	5
Connecticut	69	26	5
Delaware	80	18	2
Florida	69	25	6
Georgia	80	18	2
Hawaii	71	25	4
Idaho	83	14	3
Illinois	72	24	4
Indiana	75	20	5
Iowa	70	25	5
Kansas	73	22	5
Kentucky	75	18	7
Louisiana	80	16	4
Maine	68	25	7
Maryland	75	19	6
Massachusetts	74	23	3
Michigan	73	22	5
Minnesota	74	21	5
Mississippi	79	16	5
Missouri	74	19	7
Montana	75	19	6
Nebraska	79	16	5
Nevada	73	24	3
New Hampshire	74	22	4
New Jersey	71	24	5
New Mexico	70	25	5
New York	73	22	5
North Carolina	77	20	3
North Dakota	79	17	4
Ohio	74	20	6
Oklahoma	76	19	5
Oregon	72	25	3
Pennsylvania	75	22	3
Rhode Island	67	33	----------
South Carolina	79	16	5
South Dakota	72	22	6
Tennessee	77	19	4
Texas	75	21	4
Utah	78	17	5
Vermont	72	24	4
Virginia	75	22	3
Washington	75	21	4
Washington, D.C.	71	29	----------
West Virginia	82	16	2
Wisconsin	73	22	5
Wyoming	71	24	5

Mr. TAFT. I have been informed that a similar survey in 1972 indicated an even wider margin of small businessman support for the bill—77 percent for and 20 percent against.

Mr. President, I ask unanimous consent to have this bill printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1691

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 6302 of the Internal Revenue Code of 1954 (relating to mode or time of collection) is amended by adding at the end thereof the following new subsection:

"(d) Collection of Certain Employment Taxes From Employers of 50 or Less Employees.—Payment or deposit of—

"(1) taxes deducted under section 3112 from wages paid by an employer during a calendar quarter.

"(2) taxes imposed under section 3111 on wages paid by such employer during such calendar quarter, and

"(3) taxes deducted and withheld under section 3402 upon wages paid by such employer during such calendar quarter,

shall not be required more than one time, if at all times during the preceding calendar quarter such employer had 50 or less individuals in his employ."

(b) The amendment made by subsection (a) shall take effect on the first day of the first calendar quarter beginning more than 30 days after the date of the enactment of this Act.

By Mr. PROXMIRE (for himself and Mr. Schweiker):

S. 1692. A bill to amend the Federal Food, Drug, and Cosmetic Act to establish certain limitations respecting the authority of the Secretary of Health, Education, and Welfare to regulate vitamins and minerals under that act, and for other purposes. Referred to the Committee on Labor and Public Welfare.

REVISED VITAMIN BILL

Mr. PROXMIRE. Mr. President, for a period extending back for a decade the Food and Drug Administration has been attempting to regulate safe vitamins and minerals as dangerous drugs. This has created an unstable, unsettling, and difficult situation for the vitamin manufacturers, the vitamin retailers, and for thousands of consumers who routinely use vitamins and minerals as a supplement to their diet.

Basically the Food and Drug Administration tried to say through new regulations that any vitamin or mineral sold in quantities in excess of 150 percent of the so-called U.S. recommended daily allowance—an FDA standard based on the Food and Nutrition Board's recommended daily dietary allowance—was a drug. In addition the FDA attempted to limit the combinations in which vitamins and minerals could be sold, and they further attempted to change the definition—by regulation—of foods for special dietary uses which had been in the regulations for 35 years.

All of this was done with a fervor and zealousness on the part of the FDA which was highly disturbing to the public. Essentially the situation is that there is a wide difference of opinion among scientists over the value of vitamins and minerals. What the FDA did was to come down squarely on the side of one group—the orthodox nutritionists.

This would not be alarming except for one fact. The FDA was not just expressing an opinion on these matters. They were using the viewpoint, opinion, or bias of one set of scientists as against another set of scientists as the standard to enforce the criminal law. In other words, if you disagreed with the FDA, you could go to jail. This was too much, and as a result we have been attempting to get remedial legislation which would settle this matter once and for all.

THE 1974 BILL

Last year in the Senate we passed the Proxmire-Schweiker bill by an 81 to 10 vote. Essentially this bill treated vitamins as foods—which they are—and limited the ability of the FDA to treat them as drugs.

The House, on the other hand, had a different bill which, in addition to granting some of the conditions in the Senate bill, went well beyond it. In particular, the House insisted on giving the Food and Drug Administration authority over the advertising of vitamins and minerals if they were restricted in their ability to regulate vitamins and minerals as drugs.

COMPROMISE BILL

In 1975, the Senator from Pennsylvania (Mr. Schweiker) and I introduced a new vitamin bill which has 39 sponsors. It was similar to but not identical with last year's Senate bill.

The situation soon became very clear. We could pass our bill again in the Senate by an overwhelming margin, but we could not get it passed in the House over the opposition of the House committee. Similarly, the House could pass its bill but we had the ability in the Senate to defeat it.

Therefore, early in the year the Congressman from Florida (Mr. Rogers) recognizing the nature of the standoff, proposed to us that we attempt to work out a bill which we could all support and which we could pass in both the House and the Senate and get this matter settled once and for all. We agreed to try and our staffs have been meeting once or twice a week since early in the year.

We now have a bill, which I am introducing today with the Senator from Pennsylvania (Mr. Schweiker). We have jointly agreed to this bill we believe we can pass. Further, we think this bill is both in the interests of the vitamin industry and in the interests of the public and the consumer.

MAJOR PROVISIONS

Here are its major provisions.

Essentially the bill is a compact. In return for treating vitamins essentially as foods—or not as drugs—we provide power to the FDA to regulate their advertising. That is the compromise and the quid pro quo.

And since vitamins—with only a few exceptions—are not only nutritional but also harmless, there is both logic in refusing to allow the FDA to limit them and in allowing the advertising to be regulated.

First, the bill provides that the Food and Drug Administration may not limit the potency of vitamins; that is, whether they are sold in 1 milligram or 500 milligram or any other amounts.

Second, the Food and Drug Administration may not limit the combinations of vitamins and minerals.

Third, the FDA may not classify any vitamin or mineral as a drug on the basis of potency, or on any other basis except two:

First, if a therapeutic claim is made in its labeling; that is, if it is represented for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man, or

Second, if it is toxic or is habit forming or is taken by syringe through the vein, or in some other clearly drug condition.

Fourth, if one reads this language clearly, in its advertising—but not in its labeling unless it is found to be safe and efficacious by the FDA—one may make a true therapeutic claim for a vitamin.

Fifth, the old language of the law that a vitamin could become a drug on the basis that it was "intended"—either by the seller or consumer—for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man, no longer applies.

Only if it is represented in its labeling for such purposes could it now be classified as a drug. And since such claims are not new made on the labels of vitamins, this requirement does not essentially change the status quo.

Sixth, the bill expressly states that none of the authority the FDA now has to regulate adulterated foods, food additives, or drugs is affected by the provisions of the bill in any way other than that expressly and explicitly stated.

Seventh, the bill states that the provisions limiting the FDA shall not apply to vitamins, minerals, and other ingredients of food which are "represented" for use by children or pregnant or lactating women.

Under the most recent appellate court decision on vitamins, in my view the Secretary or the FDA would be required in these circumstances to base their limitations on potencies or combinations on some very objective evidence or hard fact that the amounts or combinations could in fact have some harmful effect or potential harmful effect. In other words, because of the court decision the FDA could not be as arbitrary in setting these standards as they were in the past by stating that vitamins in excess of 150 percent of the FDA's were drugs, or in limiting combinations.

Eighth, the bill contains a definition of a food for special dietary use which restores much of what the FDA tried to delete in their new regulations. A food for special dietary use, first of all, is one which contains any natural or synthetic vitamin or mineral and which is intended for ingestion in tablet, capsule, or liquid form, or if it is not in such form, if it does not simulate or is not represented as a conventional food.

The purpose of this section is to make certain the provisions of the bill apply to vitamins and minerals in all of their forms—tablets, flakes, capsules, et cetera, but that the provisions do not apply to conventional foods such as breakfast foods in flake form, et cetera.

In addition the new definition states clearly that the term "special dietary use" includes foods which supply a special dietary need that exists by reason of "* * * a physical, physiological, pathological, or other condition, including but not limited to the condition of disease, convalescense, pregnancy, lactation, infancy, allergic hypersensitivity to food, underweight, overweight, or the need to control the intake of sodium."

The key words here are "pathological" and "disease" which the FDA deleted in their new definition of vitamins and minerals but which we clearly, by law, include in the definition.

ADVERTISING AND LABELING PROVISIONS

The bill provides that section 201 of the Food and Drug Act is amended by inserting "advertising" after "labeling" each time it occurs. What this means is that advertising is included with labeling as matter which may cause food to be misbranded.

However, the penalties are limited to violations in which there is an "intent" to defraud or mislead. Mere innocent violations are not subject to the penalties.

Furthermore, the remedy of "seizure" of the product for a violation of the advertising provisions is defined in considerable detail so that it would apply to the retailers of vitamins and minerals only in these situations where the advertising is disseminated in the establishment, or under the direction of the owner or operator, or where he paid for the costs of the advertising and where the owner or operator used the advertising in his store to promote the sale of the food itself.

We intend that all the first amendment and other constitutional guarantees of free speech and press shall apply.

Finally, there is a provision which limits the labeling so that they may not list any ingredients on the label which are not vitamins or minerals except as a part of a list of all the ingredients in the food. In addition, prominence may not be given to any ingredient which is not a vitamin or mineral. What this section means is that while the vitamin or mineral may be given prominence on the label the nonvitamins and minerals such as rose hips or rhutin may not be given emphasis on the label. The nonvitamin or mineral ingredient, however, can most certainly be listed on the label, but it may not be given prominence or emphasized.

The bill also provides that the Secretary should consult with the Federal Trade Commission before initiating any action under the advertising provision in order to avoid duplication.

CONCLUSION

Mr. President, I believe that overall this is a good bill. It is without question the very best bill we can introduce and get passed into law.

It certainly goes a very long way in limiting the FDA's power to regulate safe vitamins and minerals. At the same time it protects the public by giving the FDA power over advertising and to treat advertising essentially as labeling with certain important exceptions.

We are introducing it today so that we may get a bill and get a bill this year. I believe that is now possible where it was impossible before.

This bill is being introduced simultaneously in the House and Senate. The Congressman from Florida (Mr. Rogers) will be offering a section-by-section analysis of the bill coupled with his statement.

Mr. President, I ask unanimous consent that this bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1692

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. (a) (1) Chapter IV of the Federal Food, Drug, and Cosmetic Act is amended by adding after section 410 (21 U.S.C. 349) the following new section:

"VITAMINS AND MINERALS

"Sec. 411. (a) (1) Except as provided in paragraph (2)—

"(A) the Secretary may not establish maximum limits on the potency of any synthetic or natural vitamin or mineral within a food to which this section applies;

"(B) the Secretary may not classify any vitamin or mineral as a drug on the basis of the potency of the vitamin or mineral or on any other basis other than the fact that—

"(i) the vitamin or mineral is represented (as determined by the Secretary by regulation) in its labeling for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man; or

"(ii) a condition (including toxicity) which—

"(I) is described in section 503(b) (1), and

"(II) requires that a drug be dispensed only upon prescription,

exists with respect to the vitamin or mineral; and

"(C) the Secretary may not limit the combination or number of any synthetic or natural—

"(i) vitamin,

"(ii) mineral, or

"(iii) other ingredient of food.

within a food to which this section applies.

"(2) (A) Paragraph (1) does not limit the Secretary in the exercise of his authority under and in accordance with—

"(i) section 402, 406, or 409, or chapter V, or

"(ii) any other provision of this Act except to the extent that the authority under such other provision is to be exercised to take an action specifically prohibited by subparagraph (A), (B), or (C) of such paragraph.

"(B) Paragraph (1) shall not apply in the case of a vitamin, mineral, or other ingredient of food which the Secretary determines by regulation is represented for use by children or pregnant or lactating women. For purposes of this subparagraph, the term 'children' means individuals who are under the age of twelve years.

"(b) (1) A food to which this section applies shall not be deemed under section 403 to be misbranded solely because its label bears, in accordance with section 403(i) (2), all the ingredients in the food.

"(2) The labeling for any food to which this section applies may not—

"(A) list its ingredients which are not vitamins or minerals (i) except as a part of a list of all the ingredients of such food, and (ii) unless such ingredients are listed in accordance with an applicable regulation promulgated under section 403(j), or

"(B) give prominence to or emphasize ingredients which are not vitamins or minerals.

"(c) (1) For purposes of subsections (a) and (b) of this section, the term 'food to which this section applies' means a food for humans which is a food for special dietary use—

"(A) which is or contains any natural or synthetic vitamin or mineral, and

"(B) which—

"(i) as determined by the Secretary by regulation is intended for ingestion in tablet, capsule, or liquid form, or

"(ii) if not intended for ingestion in such a form, does not simulate or is not represented as conventional food (as defined by the Secretary by regulation).

"(2) For purposes of paragraph (1) (B) (i), a food shall be considered as intended for ingestion in liquid form only if, as determined by the Secretary by regulation, it is formulated in a fluid carrier and it is intended for ingestion in daily quantities measured in drops or similar small units of measure."

(2) Section 201(f) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(f)) is amended (A) by inserting "(1)" after "(f)", (B) by redesignating clauses (1), (2), and (3) as clauses (A), (B), and (C), respectively, and (C) by adding immediately after such section the following:

"(2) The term 'special dietary use' as applied to food used by man means a particular use for which a food purports or is represented to be used, including but not limited to the following:

"(A) Supplying a special dietary need that exists by reason of a physical, physiological, pathological, or other condition, including but not limited to the condition of disease, convalescence, pregnancy, lactation, infancy, allergic hypersensitivity to food, underweight, overweight, or the need to control the intake of sodium.

"(B) Supplying a vitamin, mineral, or other ingredient for use by man to supplement his diet by increasing the total dietary intake.

"(C) Supplying a special dietary need by reason of being a food for use as the sole item of the diet.".

(b) The Secretary of Health, Education, and Welfare shall amend any regulation promulgated under the Federal Food, Drug, and Cosmetic Act which is inconsistent with section 411 of such Act, (as added by subsection (a)) and such amendments shall be promulgated in accordance with section 553 of title 5, United States Code.

Sec. 2. (a) (1) Section 403(a) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 343(a)) is amended (A) by inserting "(1)" after "If", and (B) by inserting before the period at the end a comma and the following: "or (2) in the case of a food to which section 411 applies, its advertising is false or misleading in a material respect or its labeling is in violation of section 411(b) (2)".

(2) (A) Section 201(n) of such Act is amended by inserting "or advertising" after "labeling" each time it occurs.

(B) Section 303 of such Act is amended by adding at the end the following new subsection:

"(d) No person shall be subject to the penalties of subsection (a) of this section for a violation of section 301 involving misbranded food if the violation exists solely because the food is misbranded under section 403(a) (2) because of its advertising, and no person shall be subject to the penalties of subsection (b) of this section for such a violation unless the violation is committed with the intent to defraud or mislead.".

(C) Section 304(a) of such Act (21 U.S.C. 334(a)) is amended by adding after paragraph (2) the following new paragraph:

UMI

"(3)(A) Except as provided in subparagraph (B), no libel for condemnation may be instituted under paragraph (1) or (2) against any food which—

"(i) is misbranded under section 403(a)(2) because of its advertising, and

"(ii) is being held for sale to the ultimate consumer in an establishment other than an establishment owned or operated by a manufacturer, packer, or distributor of the food.

"(B) A libel for condemnation may be instituted under paragraph (1) or (2) against a food described in subparagraph (A) if—

"(i)(I) the food's advertising which resulted in the food being misbranded under section 403(a)(2) was disseminated in the establishment in which the food is being held for sale to the ultimate consumer,

"(II) such advertising was disseminated by, or under the direction of, the owner or operator of such establishment, or

"(III) all or part of the cost of such advertising was paid by such owner or operator; and

"(ii) the owner or operator of such establishment used such advertising in the establishment to promote the sale of the food.".

(b) Chapter VII of such Act is amended by adding after section 706 (21 U.S.C. 376) the following new section:

"ADVERTISING OF CERTAIN FOODS

"Sec. 707. Before initiating any action under chapter III with respect to any food to which section 411 applies and which is deemed to be misbranded under section 403(a)(2) because of its advertising, the Secretary shall consult with the Federal Trade Commission and, for the purpose of avoiding unnecessary duplication, coordinate such action with any action taken or proposed to be taken by the Commission under the Federal Trade Commission Act.".

(c) The amendments made by subsection (a) shall take effect one hundred and eighty days after the date of the enactment of this Act.

Mr. SCHWEIKER. Mr. President, I am pleased to join my distinguished colleague, Mr. Proxmire, today in introducing this bill designed to prevent the Food and Drug Administration from controlling the sale of vitamin and mineral supplements solely on the basis of their potency. This new bill clearly states that the Commissioner of the Food and Drug Administration cannot regulate vitamins and minerals as over-the-counter drugs or as prescription drugs just because their potency may exceed some arbitrary standard, such as 150 percent of the RDA. Furthermore, it clearly states that the Commissioner may not limit the sale of combinations of vitamins and minerals.

During the 93d Congress I was a cosponsor of S. 2801, and earlier this year, I cosponsored S. 548. Both bills were designed to provide the Food and Drug Administration with guidance on how Congress intends that the sale of safe vitamin and mineral supplements be controlled. Unlike S. 2801 and S. 548, this new bill we are introducing today is also being introduced by the distinguished chairman of the House Health and Environment Subcommittee, Congressman Paul Rogers.

Although Congressman Rogers and I have previously differed over the extent of FDA's authority to control the sale of vitamins and minerals, I am pleased that during the past 3 months, through continual contact among our staffs and us, Congressman Rogers, Senator Proxmire, and I have been able to write a bill which has gained wide acceptance among those who have been involved in this problem over the past several years.

Mr. President, the scope of this bill we are introducing today is greatly expanded over that which Senator Proxmire and I introduced in January of this year. This new bill contains provisions giving the Food and Drug Administration concurrent jurisdiction over the control of advertising used to promote the sale of vitamins and minerals. It is with great reluctance that I have agreed to any bill expanding FDA's authority over an industry which it has apparently condemned in the past. However, in order to make it abundantly clear that the FDA does not have authority to regulate or control the sale of vitamin and mineral supplements, I have agreed to give FDA authority over advertising material. I hope these proposed advertising regulations will be implemented fairly and carefully so that they will be in the best interest of the consuming public.

As ranking Republican on the Senate Health Subcommittee and as a member of the Select Committee on Nutrition and Human Needs, I have been closely involved with the study and improvement of our Nation's health care system. I have introduced legislation to provide funding for teaching applied nutritional education in medical schools and dental schools. Furthermore, I sponsored a bill to require mandatory nutritional labeling of all food commodities months prior to FDA's initial issuance of voluntary nutritional labeling regulations.

Since the FDA originally published their proposed regulations to regulate the sale of vitamins and minerals, I have been greatly concerned over the impact of this decision. Testimony before my committees has centered on the lack of sound nutritional education in the medical profession, and I have questioned the wisdom of making vitamins and minerals either over-the-counter drugs or prescription drugs at some later date when the only person who can prescribe such "drugs" may not have received any formal education in applied nutrition.

Mr. President, legislation which Senator Proxmire and I have introduced in the past has generated a tremendous amount of interest and support. As you will recall, S. 2801 passed the Senate by an 81 to 10 margin as an amendment to the Health Manpower Act last year. Unfortunately, the conference committee did not complete its work on the bill, and it died with the adjournment of the 93d Congress.

I am hopeful this bill will be acceptable to the Members of this distinguished body and am optimistic it can be sent to the President for signature during the current session.

By Mr. MAGNUSON (for himself and Mr. Pearson) (by request):

S. 1693. A bill to amend certain provisions of the Communications Satellite Act of 1962, as amended. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce by request, for appropriate reference, a bill, to amend certain provisions of the Communications Satellite Act of 1962, as amended, and ask unanimous consent that the statement of need, letter of transmittal and text of the bill be printed in the Record.

There being no objection, the bill and material was ordered to be printed in the Record, as follows:

S. 1693

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "International Satellite Communications Act of 1975."

Sec. 101. Section 201(a) of the Communications Satellite Act of 1962, as amended, is amended as follows:

(a) The following paragraph is inserted after paragraph (7): "(8) aid in the planning and development of additional communications satellite systems which are developed pursuant to any agreement, understanding, or other arrangement between the United States and foreign countries; and in conjunction therewith, provide for continuous review of all phases of the development and operation of such systems, coordinate the activities of government agencies with responsibilities in the field of telecommunication, and carry out the functions set forth in subsections (a)(4) through (a)(7) of this section with respect to such systems and with respect to the corporation or any other communications common carrier or other entity which participates in the establishment, ownership, or operation of such systems."

Sec. 102. Section 201(c) of the Communications Satellite Act of 1962, as amended, is amended as follows:

(a) Section 201(c)(8) is deleted.

(b) Sections 201(c)(9), (c)(10), and (c)(11) are redesignated 201(c)(8), (c)(9) and (c)(10) respectively.

Sec. 103. Section 301 of the Communications Satellite Act of 1962, as amended, is amended by striking the words "to the District of Columbia Business Corporation Act." and substituting therefor the words "to the laws governing corporations in the jurisdiction within the United States in which it is incorporated."

Sec. 104. Section 303(a) of the Communications Satellite Act of 1962, as amended, is amended as follows:

(a) by striking all except the last three sentences of Section 303(a) and substituting therefor the words "The corporation shall have a board of directors who shall be elected annually by the stockholders. All board members shall be citizens of the United States, and one board member shall be elected annually by the board to serve as chairman; *Provided, however,* That effective one year after this Act takes effect no directors incumbent shall be eligible to hold office as members of the board unless elected in accordance with this section."

(b) by striking, in the antepenultimate sentence of Section 303(a), the words "Subject to the foregoing limitations, the" and substituting therefor the word "The".

(c) by striking, in the antepenultimate and penultimate sentences of Section 303(a), the words "under section 27(d) of the District of Columbia Business Corporation Act (D.C. Code, sec. 29–911(d)). The articles of incorporation of the corporation" and substituting therefor a comma followed by the word "and, in the manner prescribed by the laws governing corporations in the jurisdiction in which the corporation is incorporated,".

(d) by striking, in the penultimate sentence of Section 303(a), the words "of not less than 66⅔ per centum".

(e) by striking, in the last sentence of

Section 303(a), the words "section 36 of District of Columbia Business Corporation Act (D.C. Code, sec. 29–916(d)," and substituting therefor the words "the law of any State or of the District of Columbia,".

Sec. 105. Section 304 of the Communications Satellite Act of 1962, as amended, is amended as follows:

(a) by adding in Section 304(a) the words "with or" before "without par value".

(b) by striking the second sentence in Section 304(b)(2).

(c) by striking in Section 304(b)(2) the number "50" and substituting therefor "5".

(d) by striking in the third sentence of Section 304(b)(2) the words "after the initial issue is completed" and substituting therefor "after the effective date of this Act".

(e) by striking in Section 304(d) the words "which are held by holders other than authorized carrier".

(f) by striking the present language of Section 304(e) and substituting therefor the words "Any record holder of the stock of the corporation, without regard to the percentage of stock so held, shall have the right to examine, in person, or by agent or attorney, at any reasonable time or times, for any proper purpose, the corporation's record of shareholders and to make extracts therefrom."

Sec. 106. Section 305 of the Communications Satellite Act of 1962, as amended, is amended as follows:

(a) The following is added after Section 305(b)(5):

"(c) Nothing herein shall be deemed to vest in the corporation the exclusive right to establish, own or operate communications satellite systems or associated equipment and facilities separate from those used in conjunction with the global system referred to in Section 102(a) of this Act, nor to preclude the corporation from establishing, owning or operating such facilities."

(b) Section 305(c) is redesignated as 305(d) and is amended by striking the words "District of Columbia Business Corporation Act." and substituting therefor the words "laws of the jurisdiction in which it is incorporated."

Sec. 107. Section 402 of the Communications Satellite Act of 1962, as amended, is amended as follows:

(a) by striking the words "the corporation" following the word "Whenever" in the first sentence of Section 402 and substituting therefor the words "any communications common carrier or other entity which participates in the establishment, ownership and operation of a communications satellite system which is developed pursuant to an agreement, understanding or other arrangement between the United States and foreign countries".

(b) by striking the words "authorized by this Act" in the first sentence of Section 402 and substituting therefor the words "related to such system".

(c) by striking the word "corporation" following the words "advise the" in the first sentence of Section 402 and substituting therefor the words "carrier or other entity".

(d) by striking the word "corporation" in the second sentence of Section 402 and substituting therefor the words "carrier or other entity".

(e) by striking the word "corporation" in the third sentence of Section 402 and substituting therefor the words "carrier or other entity".

Sec. 108. Section 403(c) of the Communications Satellite Act of 1962, as amended, is amended by inserting the words "or other entities" after the words "communications common carriers".

Sec. 109. Section 404(a) of the Communications Satellite Act of 1962, as amended, is amended as follows:

(a) by striking the word "and" after the words "objectives of this Act" and substituting therefor a comma; and

(b) by striking the period at the end of Section 404(a) and substituting therefor the words "and, where appropriate, a summary of activities and accomplishments with respect to communications satellite systems referred to in Section 201(a)(8)."

Office of
Telecommunications Policy,
Washington, D.C., April 25, 1975.

The Vice President,
U.S. Senate,
Washington, D.C.

Dear Mr. Vice President: Enclosed for the consideration of the Congress is a draft bill to amend the Communications Satellite Act of 1962. These amendments are designed to update the Act to reflect current conditions in international satellite communications; they do not change the basic policy premises underlying the original legislation.

In 1962, there were a number of technical and operational uncertainties regarding the creation of the Communications Satellite Corporation (Comsat) to serve as the chosen instrument of the United States in a global system. These uncertainties gave rise to the inclusion of several special provisions in the Act relating to Comsat's ownership and the conduct of its affairs, provisions not normally associated with a private communications common carrier enterprise. With the successful establishment of the International Telecommunications Satellite Organization (INTELSAT) global communications satellite system and the emergence of Comsat as an established and mature corporation, it is appropriate to remove a number of these special provisions.

COMMON CARRIER OWNERSHIP

The need for operational expertise and technical know-how in the establishment of Comsat led to special provisions for participation by other common carriers in Comsat's financing and management. The need for this expertise has diminished, however, as Comsat has gained operating experience over the years. Moreover, most of the carriers for various reasons have now sold their interests in Comsat so that the special carrier ownership provisions are no longer relevant. The proposed bill would eliminate the special class of Comsat stock reserved for common carriers, reduce the aggregate amount of Comsat's outstanding shares that may be held by such carriers from 50 percent to 5 percent, and eliminate the special provision for common carrier directors on Comsat's board.

PRESIDENTIAL DIRECTORS

The present Act requires Comsat's Board of Directors to include three directors appointed by the President. The proposed bill would eliminate this requirement. While public interest considerations may have justified this special class of directors during the initial years of the Corporation's development, this requirement no longer appears warranted. As a communications common carrier, Comsat is subject to regulation by the Federal Communications Commission and as the U.S. participant in INTELSAT, is subject to Executive Branch oversight. Thus, public interest considerations are adequately protected without retaining a special class of Presidentially-appointed directors.

FCC AUTHORITY OVER COMSAT FINANCING

The amendments would also repeal the provision requiring Comsat to obtain FCC approval prior to obtaining additional capital. The FCC does not exercise similar financial control over other common carriers, and the technological and operational uncertainties which originally warranted this departure from normal procedures are no longer present. This change would, of course, leave intact current FCC procedures regarding the licensing of Comsat's facilities and regulation of its common carrier activities.

CORPORATE SITUS AND PAR VALUE STOCK

The amendments would permit Comsat to incorporate in jurisdictions other than the District of Columbia and would allow the Corporation to issue stock having par value. These changes will afford Comsat the same flexibility as any other common carrier in decisions regarding place of incorporation and par valuation of stock.

NEW INTERNATIONAL SATELLITE SYSTEMS

In addition to updating the Act as discussed above, the amendments also deal with the possible emergence of specialized international satellite systems that would be separate from the INTELSAT system. Discussions have been taking place among various foreign governments and the United States regarding the possibility of implementing such specialized systems for aeronautical and maritime communications purposes.

One amendment would make explicit that Comsat could participate in any such new international systems, on a non-exclusive basis, thus legislatively affirming an FCC rule-making decision to the same effect in the context of domestic satellite systems.

Another relates to the clarification of the Executive Branch role in the planning, implementation and operation of new international satellite systems that are developed pursuant to intergovernmental agreements to which the United States is a party. Specifically, the Presidential responsibilities set forth in Section 201(a)(1) through 201(a)(7) of the present Act, and the State Department role specified in Section 402 of the Act, would be made applicable to such systems. Presidential oversight and coordination would assure that international arrangements and operational procedures with respect to these new systems are responsive to the national interest and consistent with the foreign policy objectives and commitments of the United States.

The Office of Management and Budget advises that the enactment of the proposed legislation would be consistent with the program of the President.

A similar letter is being sent to the Speaker of the House of Representatives:

Sincerely,

John Eger,
Acting Director.

SECTION-BY-SECTION ANALYSIS OF THE "INTERNATIONAL SATELLITE COMMUNICATIONS ACT OF 1975"

Section 101. Subsections 201(a)(1) through 201(a)(7) of the Communications Satellite Act of 1962 provide for Executive Branch involvement in the organization, implementation and development of the global communications satellite system (INTELSAT). Additional international systems, separate from the INTELSAT system, are permitted under Section 102(d) of the Act, if required to meet unique governmental needs or if otherwise required by the national interest. Discussions have been taking place among various foreign governments and the United States regarding the possibility of creating new specialized systems for aeronautical and maritime communications purposes.

As was the case with INTELSAT, the organization, implementation and operation of these systems would require a high level of government-to-government cooperation and accord; the foreign policy implications of systems serving the interests of a large number of countries call for clearly defined Executive Branch responsibility. Accordingly, a new subsection is added to Section 201(a) whereby the Executive Branch would aid in the planning, development, coordination and review of additional international communications satellite systems that are developed and operated pursuant to intergovernmental agreements to which the United States is a party. Presidential oversight and coordination will assure that institutional arrangements and operational procedures are responsive to the national interest and consistent with the foreign policy objectives and commitments of the United States. Responsibilities similar to those vested in the Executive Branch with respect to Comsat as the U.S. participant in INTELSAT are extended to include any communications common carrier or other entity (*e.g.*, a consortium of U.S. users, a private non-carrier corporation, etc.) which serves as the U.S. participant in any new international systems that are developed and operate pursuant to intergovernmental agreements to which the U.S. is a party.

Section 102. Section 201(c)(8), which requires Comsat to receive authorization from the Federal Communications Commission prior to the issuance of any debt or equity securities, is repealed. The need for such close regulation of Comsat's financing, originally warranted by the uncertainties and business risks associated with an unprecedented venture, no longer exists. The FCC does not possess similar authority over the equity and debt of any other communications common carrier. This amendment would in no way affect normal FCC procedures with respect to licensing of facilities and regulation of Comsat's common carrier activities.

Section 103. Section 301 is amended to eliminate the requirement of incorporation in the District of Columbia, thus giving Comsat the same flexibility as any other common carrier regarding selection of its place of incorporation.

Section 104. Section 303(a) is amended to eliminate Presidentially-appointed and common-carrier elected directors. The factors which originally warranted such representation on the Comsat board of directors, *i.e.*, the need to provide formally for common carrier experience on the Board and the need for close governmental guidance, are no longer present, and the continued provision for such representation serves no meaningful purpose now that Comsat is a mature, viable commercial enterprise. The effect of this amendment would be to treat Comsat in the same manner as any other communications common carrier is treated with respect to its board of directors.

The deletion of the reference in Section 303(a) to the District of Columbia Business Corporation Act is a consequent editorial change resulting from the amendment to Section 301.

Section 303(a) is also amended to delete the requirement of a 66⅔ vote for amendment to Comsat's articles of incorporation. This requirement was originally included in the Act because a vote of that percentage was required under the District of Columbia Business Corporation Act. Elimination of this requirement is appropriate in view of the amendment permitting Comsat to incorporate in another jurisdiction, which may have a different statutory voting requirement.

Section 105. Section 302(a) is amended to permit Comsat to issue stock having par value. This affords the corporation the same flexibility as any other common carrier in determining whether to issue stock with or without par value and thereby obtain comparable tax treatment. Other Congressionally-created stock corporations modeled after Comsat are not subject to the no par stock requirement.

Section 304(b)(2) is amended to eliminate a special class of stock for common carriers and reduce the aggregate amount of shares that may be held by such carriers from 50 percent to 5 percent of Comsat's outstanding shares. With the passage of time the carriers, for various reasons, have sold their stock and no longer have any significant ownership interest in the corporation. The requirement that shares should be reserved for such carriers in any future issue no longer serves any practical purpose. The proposed 5 percent ceiling is sufficient to accommodate present carrier holdings and any foreseeable purchases by independent carriers.

The amendment of Section 304(d) is a consequent editorial change.

Section 304(e) is amended to eliminate reference to the District of Columbia Business Corporation Act, while retaining the substantive shareholder inspection rights that were intended by the 1962 Act.

Section 106. The right of Comsat to participate in satellite systems that are separate from the INTELSAT system is clarified in new Section 305(c). In addition, this section makes it clear that Comsat does not have exclusive statutory authority to operate such additional systems. Both of these points were implicit in the original Act, as interpreted by the FCC, and this section affirms the Commission's conclusions.

Section 305(c) is redesignated as Section 305(d). The amendment of this section is a consequent editorial change resulting from the amendment of Section 301 relating to the District of Columbia Business Corporation Act.

Section 107. As a result of this amendment, the State Department role specified in Section 402 of the Act is made applicable to new international satellite systems that are developed and operate pursuant to intergovernmental agreements to which the United States is a party. This amendment complements the addition of Section 201(c)(8) regarding the Executive Branch role in the planning, implementation and operation of these new international satellite systems.

Section 108. The amendment to Section 403(c) is a consequent editorial change resulting from the addition of Section 201(a)(8).

Section 109. The amendment to Section 404(a) requires the President to transmit to the Congress a summary of activities and accomplishments regarding additional international communications satellite systems which are encompassed by Section 201(a)(8).

TITLE I—SHORT TITLE, DECLARATION OF POLICY AND DEFINITIONS

SHORT TITLE: DECLARATION OF POLICY AND PURPOSE

SEC. 102. (a) The Congress hereby declares that it is the policy of the United States to establish, in conjunction and in cooperation with other countries, as expeditiously as practicable a commercial communications satellite system, as part of an improved global communications network, which will be responsive to public needs and national objectives, which will serve the communication needs of the United States and other countries, and which will contribute to world peace and understanding.

(b) The new and expanded telecommunication services are to be made available as promptly as possible and are to be extended to provide global coverage at the earliest practicable date. In effectuating this program, care and attention will be directed toward providing such services to economically less developed countries and areas as well as those more highly developed, toward efficient and economical use of the electromagnetic frequency spectrum, and toward the reflection of the benefits of this new technology in both quality of services and charges for such services.

(c) In order to facilitate this development and to provide for the widest possible participation by private enterprise, United States participation in the global system shall be in the form of a private corporation, subject to appropriate governmental regulation. It is the intent of Congress that all authorized users shall have nondiscriminatory access to the system; that maximum competition be maintained in the provision of equipment and services utilized by the system; that the corporation created under this Act be so organized and operated as to maintain and strengthen competition in the provision of communications services to the public; and that the activities of the corporation created under this Act and of the persons or companies participating in the ownership of the corporation shall be consistent with the national antitrust laws.

(d) It is not the intent of Congress by this Act to preclude the use of the communications satellite system for domestic communication services where consistent with the provisions of this Act nor to preclude the creation of additional communications satellite systems, if required to meet unique governmental needs or if otherwise required in the national interest.

DEFINITIONS

SEC. 103. As used in this Act, and unless the context otherwise requires—

(1) the term "communications satellite system" refers to a system of communications satellites in space whose purpose is to relay telecommunication information between satellite terminal stations, together with such associated equipment and facilities for tracking, guidance, control, and command functions as are not part of the generalized launching, tracking, control, and command facilities for all space purposes;

(2) the term "satellite terminal station" refers to a complex of communication equipment located on the earth's surface, operationally connected with one or more terrestrial communications systems, and capable of transmitting telecommunications to or receiving telecommunications from a communications satellite system.

(3) the term "communications satellite" means an earth satellite which is intentionally used to relay telecommunication information;

(4) the term "associated equipment and facilities" refers to facilities other than satellite terminal stations and communications satellites, to be constructed and operated for the primary purpose of a communications satellite system,, whether for administration and management, for research and development, or for direct support of space operations;

(5) term "research and development" refers to the conception, design, and first creation of experimental or prototype operational devices for the operation of a communications satellite system, including the assembly of separate components into a working whole, as distinguished from the term "production" which relates to the construction of such devices to fixed specifications compatible with repetitive duplication for operational applications; and

(6) the term "telecommunication" means any transmission, emission or reception of signs, signals, writings, images, and sounds or intelligence of any nature by wire, radio optical, or other electromagnetic systems

(7) the term "communications common carrier" has the same meaning as the term "common carrier" has when used in the Communications Act of 1934, as amended, and in addition includes, but only for purposes of sections 303 and 304, any individual, partnership, association, joint-stock company, trust, corporation, or other entity

which owns or controls, directly or indirectly, or is under direct or indirect common control with, any such carrier; and the term "authorized carrier", except as otherwise provided for purposes of section 304 by section 304(b)(1), means a communications common carrier which has been authorized by the Federal Communications Commission under the Communications Act of 1934, as amended, to provide services by means of communications satellites;

(8) the term "corporation" means the corporation authorized by title III of this Act;

(9) the term "Administration" means the National Aeronautics and Space Administration; and

(10) the term "Commission" means the Federal Communications Commission.

TITLE II—FEDERAL COORDINATION, PLANNING, AND REGULATION

IMPLEMENTATION OF POLICY

SEC. 201. In order to achieve the objectives and to carry out the purposes of this Act—

(a) the President shall—

(1) aid in the planning and development and foster the execution of a national program for the establishment and operation, as expeditiously as possible, of a commercial communications satellite system;

(2) provide for continuous review of all phases of the development and operation of such a system, including the activities of a communications satellite corporation authorized under title III of this Act;

(3) coordinate the activities of governmental agencies with responsibilities in the field of telecommunication, so as to insure that there is full and effective compliance at all times with the policies set forth in this Act;

(4) exercise such supervision over relationships of the corporation with foreign governments or entities or with international bodies as may be appropriate to assure that such relationships shall be consistent with the national interest and foreign policy of the United States;

(5) insure that timely arrangements are made under which there can be foreign participation in the establishment and use of a communications satellite system;

(6) take all necessary steps to insure the availability and appropriate utilization of the communications satellite system for general governmental purposes except where a separate communications satellite system is required to meet unique governmental needs, or is otherwise required in the national interest; and

(7) so exercise his authority as to help attain coordinated and efficient use of the electromagnetic spectrum and the technical compatibility of the system with existing communications facilities both in the United States and abroad;

(8) aid in the planning and development of additional communications satellite systems which are developed pursuant to any agreement, understanding, or other arrangement between the United States and foreign countries; and in conjunction therewith, provide for continuous review of all phases of the development and operation of such systems, coordinate the activities of governmental agencies with responsibilities in the field of telecommunication, and carry out the functions set forth in subsections (a)(4) through (a)(7) of this section with respect to such systems and with respect to the corporation or any other communications common carrier or other entity which participates in the establishment, ownership, or operation of such systems."

(b) the National Aeronautics and Space Administration shall—

(1) advise the Commission on technical characteristics of the communications satellite system;

(2) cooperate with the corporation in research and development to the extent deemed appropriate by the Administration in the public interest;

(3) assist the corporation in the conduct of its research and development program by furnishing to the corporation, when requested, on a reimbursable basis, such satellite launching and associated services as the Administration deems necessary for the most expeditious and economical development of the communications satellite system;

(4) consult with the corporation with respect to the technical characteristics of the communications satellite system;

(5) furnish to the corporation, on request and on a reimbursable basis, satellite launching and associated services required for the establishment, operation, and maintenance of the communications satellite system approved by the Commission; and

(6) to the extent feasible, furnish other services, on a reimbursable basis, to the corporation in connection with the establishment and operation of the system.

(c) the Federal Communications Commission, in its administration of the provisions of the Communications Act of 1934, as amended, and as supplemented by this Act, shall—

(1) insure effective competition, including the use of competitive bidding where appropriate, in the procurement by the corporation and communications common carriers of apparatus, equipment, and services required for the establishment and operation of the communications satellite system and satellite terminal stations; and the Commission shall consult with the Small Business Administration and solicit its recommendations on measures and procedures which will insure that small business concerns are given an equitable opportunity to share in the procurement program of the corporation for property and services, including but not limited to research, development, construction, maintenance, and repair.

(2) Insure that all present and future authorized carriers shall have nondiscriminatory use of, and equitable access to, the communications satellite system and satellite terminal stations under just and reasonable charges, classifications, practices, regulations, and other terms and conditions and regulate the manner in which available facilities of the system and stations are allocated among such users thereof;

(3) in any case where the Secretary of State, after obtaining the advice of the Administration as to technical feasibility, has advised that commercial communications to a particular foreign point by means of the communications satellite system and satellite terminal stations should be established in the national interest, institute forthwith appropriate proceedings under section 214(d) of the Communications Act of 1934, as amended, to require the establishment of such communication by the corporation and the apppropriate common carrier or carriers;

(4) insure that facilities of the communications satellite system and satellite terminal stations are technically compatible and interconnected operationally with each other and with existing communications facilities;

(5) prescribe such accounting regulations and systems and engage in such ratemaking procedures as will insure that any economies made possible by a communications satellite system are appropriately reflected in rates for public communication services;

(6) approve technical characteristics of the operational communications satellite system to be employed by the corporation and of the satellite terminal stations; and

(7) grant appropriate authorizations for the construction and operation of each satellite terminal station, either to the corporation or to one or more authorized carriers or to the corporation and one or more such carriers jointly, as will best serve the public interest, convenience, and necessity. In determining the public interest, convenience, and necessity the Commission shall authorize the construction and operation of such stations by communications common carriers or the corporation, without preference to either;

(8) insure that no substantial additions are made by the corporation or carriers with respect to facilities of the system or satellite terminal stations unless such additions are required by the public interest, convenience, and necessity;

(9) require, in accordance with the procedural requirements of section 214 of the Communications Act of 1934, as amended, that additions be made by the corporation or carriers with respect to facilities of the system or satellite terminal stations where such additions would serve the public interest, convenience, and necessity; and

(10) make rules and regulations to carry out the provisions of this Act.

TITLE III—CREATION OF A COMMUNICATIONS SATELLITE CORPORATION

CREATION OF CORPORATION

SEC. 301. There is hereby authorized to be created a communications satellite corporation for profit which will not be an agency or establishment of the United States Government. The corporation shall be subject to the provisions of this Act and, to the extent consistent with this Act, to the laws governing corporations in the jurisdiction within the United States in which it is incorporated. The right to repeal, alter, or amend this Act at any time is expressly reserved.

PROCESS OF ORGANIZATION

SEC. 302. The President of the United States shall appoint incorporators, by and with the advice and consent of the Senate, who shall serve as the initial board of directors until the first annual meeting of stockholders or until their successors are elected and qualified. Such incorporators shall arrange for an initial stock offering and take whatever other actions are necessary to establish the corporation, including the filing of articles of incorporation, as approved by the President.

SEC. 303. (a) The corporation shall have a board of directors who shall be elected annually by the stockholders. All board members shall be citizens of the United States, and one board member shall be elected annually by the board to serve as chairman: *Provided, however*, that effective one year after this Act takes effect no directors incumbent shall be eligible to hold office as members of the board unless elected in accordance with this section. The articles of incorporation of the corporation shall provide for cumulative voting, and, in the manner prescribed by the laws governing corporations in the jurisdiction in which the corporation is incorporated, may be amended, altered, changed or repealed by a vote of the outstanding shares of the voting capital stock of the corporation owned by stockholders who are communications common carriers and by stockholders who are not communications common carriers, voting together, if such vote complies with all other requirements of this chapter and of the articles of incorporation of the corporation with respect to the amendment, alteration, change, or repeal of such articles. The corporation may adopt such bylaws as shall, notwithstanding the provisions of the law of any State or of the District of Columbia, provide for the continued ability of the board to transact business under such circumstances of national emergency as the President of the United States, or the officer designated by him, may determine, would not permit a prompt meeting of a majority of the board to transact business.

(b) The corporation shall have a president, and such other officers as may be named and

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appointed by the board, at rates of compensation fixed by the board, and serving at the pleasure of the board. No individual other than a citizen of the United States may be an officer of the corporation. No officer of the corporation shall receive any salary from any source other than the corporation during the period of his employment by the corporation.

FINANCING OF THE CORPORATION

SEC. 304. (a) The corporation is authorized to issue and have outstanding, in such amounts as it shall determine, shares of capital stock, with or without par value, which shall carry voting rights and be eligible for dividends. The shares of such stock initially offered shall be sold at a price not in excess of $100 for each share and in a manner to encourage the widest distribution to the American public. Subject to the provisions of subsections (b) and (d) of this section, shares of stock offered under this subsection may be issued to and held by any person.

(b)(1) For the purposes of this section the term "authorized carrier" shall mean a communications common carrier which is specifically authorized or which is a member of a class of carriers authorized by the Commission to own shares of stock in the corporation upon a finding that such ownership will be consistent with the public interest, convenience, and necessity.

(2) Only those communications common carriers which are authorized carriers shall own shares of stock in the corporation at any time, and no other communications common carrier shall own shares either directly or indirectly through subsidiaries or affiliated companies, nominees, or any persons subject to its direction or control. At no time after the effective date of this Act shall the aggregate of the shares of voting stock of the corporation owned by authorized carriers directly or indirectly through subsidiaries or affiliated companies, nominees, or any persons subject to their direction or control exceed 5 per centum of such shares issued and outstanding.

(3) At no time shall any stockholder who is not an authorized carrier or any syndicate or affiliated group of such stockholders, own more than 10 per centum of the shares of voting stock of the corporation issued and outstanding.

(c) The corporation is authorized to issue, in addition to the stock authorized by subsection (a) of this section, nonvoting securities, bonds, debentures, and other certificates of indebtedness as it may determine. Such nonvoting securities, bonds, debentures, or other certificates of indebtedness of the corporation as a communications common carrier may own shall be eligible for inclusion in the rate base of the carrier to the extent allowed by the Commission. The voting stock of the corporation shall not be eligible for inclusion in the rate base of the carrier.

(d) Not more than an aggregate of 20 per centum of the shares of stock of the corporation authorized by subsection (a) of this section which are held by holders other than authorized carriers may be held by persons of the classes described in paragraphs (1), (2), (3), (4), and (5) of section 310(a) of the Communications Act of 1934, as amended (47 U.S.C. 310).

(e) Any record holder of the stock of the corporation, without regard to the percentage of stock so held, shall have the right to examine, in person, or by agent or attorney, at any reasonable time or times, for any proper purpose, the corporation's record of shareholders and to make extracts therefrom.

(f) Upon application to the Commission by any authorized carrier and after notice and hearing, the Commission may compel any other authorized carrier which owns shares of stock in the corporation to transfer to the applicant, for a fair and reasonable consideration, a number of such shares as the Commission determines will advance the public interest and the purposes of this Act. In its determination with respect to ownership of shares of stock in the corporation, the Commission, whenever consistent with the public interest, shall promote the widest possible distribution of stock among the authorized carriers.

PURPOSES AND POWERS OF THE CORPORATION

SEC. 305. (a) In order to achieve the objectives and to carry out the purposes of this Act, the corporation is authorized to—

(1) plan, initiate, construct, own, manage, and operate itself or in conjunction with foreign governments or business entities a commercial communications satellite system;

(2) furnish, for hire, channels of communication to United States communications common carriers and to other authorized entities, foreign and domestic; and

(3) own and operate satellite terminal stations when licensed by the Commission under section 201(c)(7).

(b) Included in the activities authorized to the corporation for accomplishment of the purposes indicated in subsection (a) of this section, are, among others not specifically named—

(1) to conduct or contract for research and development related to its mission;

(2) to acquire the physical facilities, equipment and devices necessary to its operations, including communications satellites and associated equipment and facilities, whether by construction, purchase, or gift;

(3) to purchase satellite launching and related services from the United States Government;

(4) to contract with authorized users, including the United States Government, for the services of the communications satellite system; and

(5) to develop plans for the technical specifications of all elements of the communications satellite system.

(c) Nothing herein shall be deemed to vest in the corporation the exclusive right to establish, own or operate communications satellite systems or associated equipment and facilities separate from those used in conjunction with the global system referred to in Section 102(a) of this Act, nor to preclude the corporation from establishing, owning or operating such facilities.

(d) To carry out the foregoing purposes, the corporation shall have the usual powers conferred upon a stock corporation by the laws of the jurisdiction in which it is incorporated.

TITLE IV—MISCELLANEOUS

APPLICABILITY OF COMMUNICATIONS ACT OF 1934

SEC. 401. The corporation shall be deemed to be a common carrier within the meaning of section 3(b) of the Communications Act of 1934, as amended, and as such shall be fully subject to the provisions of title II and title III of that Act. The provision of satellite terminal station facilities by one communication common carrier to one or more other communications common carriers shall be deemed to be a common carrier activity fully subject to the Communications Act. Whenever the application of the provisions of this Act shall be inconsistent with the application of the provisions of the Communications Act, the provisions of this Act shall govern.

NOTICE OF FOREIGN BUSINESS NEGOTIATIONS

SEC. 402. Whenever any communications common carrier or other entity which participates in the establishment, ownership, and operation of a communications satellite system which is developed pursuant to any agreement, understanding or other arrangement between the United States and foreign countries shall enter into business negotiations with respect to facilities, operations, or services related to such system with any international or foreign entity, it shall notify the Department of State of the negotiations, and the Department of State shall advise the corporation carrier or other entity of relevant foreign policy considerations. Throughout such negotiations the carrier or other entity may request the Department of State to assist in the negotiations, and the Department shall render such assistance as may be appropriate.

SANCTIONS

SEC. 403. (a) If the corporation created pursuant to this Act shall engage in or adhere to any action, practices, or policies inconsistent with the policy and purposes declared in section 102 of this Act, or if the corporation or any other person shall violate any provision of this Act, or shall obstruct or interfere with any activities authorized by this Act, or shall refuse, fail, or neglect to discharge his duties and responsibilities under this Act, or shall threaten any such violation, obstruction, interference, refusal, failure, or neglect, the district court of the United States for any district in which such corporation or other person resides or may be found shall have jurisdiction, except as otherwise prohibited by law, upon petition of the Attorney General of the United States, to grant such equitable relief as may be necessary or appropriate to prevent or terminate such conduct or threat.

(b) Nothing contained in this section shall be construed as relieving any person of any punishment, liability, or sanction which may be imposed otherwise than under this Act.

(c) It shall be the duty of the corporation and all communications common carriers or other entities to comply, insofar as applicable, with all provisions of this Act and all rules and regulations promulgated thereunder.

REPORTS TO THE CONGRESS

SEC. 404. (a) The President shall transmit to the Congress in January of each year a report which shall include a comprehensive description of the activities and accomplishments during the preceding calendar year under the national program referred to in section 201(a)(1), together with an evaluation of such activities and accomplishments in terms of the attainment of the objectives of this Act, and any recommendations for additional legislative or other action which the President may consider necessary or desirable for the attainment of such objectives, and, where appropriate, a summary of activities and accomplishments with respect to communications satellite systems referred to in section 201(a)(8).

(b) The corporation shall transmit to the President and the Congress, annually and at such other times as it deems desirable, a comprehensive and detailed report of its operations, activities, and accomplishments under this Act.

(c) The Commission shall transmit to the Congress, annually and at such other times as it deems desirable, (i) a report of its activities and actions on anticompetitive practices as they apply to the communications satellite programs; (ii) an evaluation of such activities and actions taken by it within the scope of its authority with a view to recommending such additional legislation which the Commission may consider necessary in the public interest; and (iii) an evaluation of the capital structure of the corporation so as to assure the Congress that such structure is consistent with the most efficient and economical operation of the corporation.

By Mr. LONG (for himself and
Mr. TALMADGE):

S. 1694. A bill to amend Public Law 93–233 to extend for an additional 12

months—through June 30, 1976—the existing provisions of law with respect to eligibility of supplemental security income recipients to participate in the food stamp program. Referred to the Committee on Finance.

Mr. LONG. Mr. President, in most States, needy aged, blind, and disabled people who qualify for benefits under the supplemental security income—SSI—program are also eligible to participate in the food stamp program. This food stamp eligibility of SSI recipients is based, however, on a temporary provision of law which expires on June 30, 1975. The bill I am introducing today will extend that provision for an additional 12 months to June 30, 1976. Without such legislation, thousands of needy aged, blind, and disabled persons will, in effect, suffer a cut in income in that they will no longer be eligible to receive food stamps.

In addition to cutting off benefits to many needy aged, blind, and disabled, the expiration of the current temporary law would result in administrative complications which many State welfare agencies believe would paralyze their operations. This is so because unless we postpone it, the law which will take effect July 1, 1975, will require that each aged, blind, and disabled applicant for food stamps be evaluated under the terms and conditions of the State programs of aid to the aged, blind, and disabled which were repealed at the end of 1973 upon the inauguration of the new SSI program. This evaluation would be necessary to determine whether or not each individual's situation in a given month is more or less favorable under the current programs than under the former programs. Only those who are found to have suffered a reduction in total income would be made eligible for food stamps.

A third problem which arises if the current temporary provision is allowed to expire affects the so-called "cash out" States in which aged, blind, and disabled SSI beneficiaries do not now qualify for food stamps. These States have instead elected to raise the cash benefits they pay to supplement the SSI program in order to offset the elimination of food stamp eligibility. In these States, there is in effect a Federal subsidy paid to the State government to compensate it for providing cash benefits in lieu of food stamps. These States have found that the aged, blind, and disabled are better served by the existing cash-out provisions than they would be by a return to food stamp eligibility. These current cash-out provisions, however, would be undermined by the expiration of the current temporary law.

It would, of course, be desirable to find a permanent solution to this question of the relationship between food stamps and SSI. At the end of 1973, the Committee on Finance did propose such a solution and it was agreed to by the Senate. This solution was included in the bill H.R. 3153 along with a number of other meritorious Senate amendments, but that bill died without becoming law, because the conferees on the part of the House of Representatives were unwilling to meet with the Senate conferees. The most that we could get the House to agree to was the adoption of a temporary measure. Because the temporary provision is due to expire at the end of next month, I believe that the proper course at this point is to propose a further 1-year extension of the current provision, which does appear to be working satisfactorily. Such action will assure that needy aged, blind, and disabled SSI recipients will not have to fear a sudden cutoff of their food stamps.

By Mr. NELSON (for himself, Mr.
JAVITS, Mr. KENNEDY, Mr.
RANDOLPH, Mr. PELL, Mr. WILLIAMS, Mr. CRANSTON, Mr. MONDALE, and Mr. HUMPHREY):

S. 1695. A bill to extend and improve programs authorized by the Emergency Jobs and Unemployment Assistance Act of 1974, and for other purposes. Referred to the Committee on Labor and Public Welfare.

EMERGENCY JOBS AND UNEMPLOYMENT ASSISTANCE AMENDMENTS OF 1975

Mr. NELSON. Mr. President, I am introducing legislation today to extend and improve the public service employment program and the unemployment assistance program passed by Congress last December in the Emergency Jobs and Unemployment Assistance Act of 1974. That act which added a new title VI to the Comprehensive Employment and Training Act of 1973—CETA—authorized $2.5 billion to fund public service jobs during fiscal year 1975. It also provided up to 6 months of unemployment assistance for unemployed workers not otherwise eligible for such assistance under any State or Federal unemployment compensation law.

The bill I am introducing today would extend the authorization for public service jobs through fiscal year 1977, at the same time increasing the annual authorization to $5 billion when the nationwide unemployment rate is over 7 percent. This would support about 550,000 public service jobs for the unemployed. If the unemployment rate declines below that level, funds could be obligated up to a limit of $3.5 billion when unemployment recedes below 7 percent for 3 consecutive months; or $2 million when unemployment recedes below 6 percent; or $500 million when unemployment recedes below 5 percent. No further funds could be obligated if unemployment falls below 4½ percent.

The bill also eases the problems faced by State and local governments responsible for hiring public service employees by amending the current law to provide that up to 10 percent of the additional funds may be used to provide supplies and equipment necessary to the creation of productive jobs for these jobholders.

In addition, the measure I am introducing today would extend the authorization for the special unemployment benefits program for 1 year beyond its current cutoff date of December 31, 1975, and would lengthen the potential duration of assistance to the individual unemployed worker, from the current maximum of 26 weeks to a maximum of 52 weeks. This latter amendment would make the emergency program for unemployed workers not covered under existing program comparable to that for workers who are insured who can now receive up to a year of benefits.

Mr. President, the central role of Government in helping the Nation move toward economic recovery is no longer denied by any substantial body of economic or political opinion. Most people now recognize the urgency of vigorous governmental action to stimulate the economy through fiscal and monetary measures, including tax cuts and increased aid for depressed areas of economic activity, such as housing. Congress has already passed a sizable tax cut and is moving expeditiously to provide such further aid as the economy requires.

But there is another aspect of the role of government in our society that is of equal significance. That is the simple fact that government itself is the largest employer in our Nation. Federal, State, and local governments together employ almost 20 percent of the Nation's work force. Some 15 million individuals are on government payrolls, 12 million of them employed by State and local governments. Government taken as a whole is much larger than any industry in the Nation.

As such, the government has a special responsibility, as well as the capability, in a time of unemployment crisis to provde jobs as well as tax breaks. Public service employment cannot be the only answer to our economic woes. But it has shown itself to be a swift, effective countercyclical tool that must be expanded as the recession deepens.

Mr. President, last December 12, the Senate passed by a vote of 79 to 13 a bill providing an authorization of $4 billion for public service employment. At that time, the unemployment rate stood at 6.5 percent. Six million people were officially listed as unemployed.

Despite its overwhelming support for a $4 billion authorization, the Senate compromised with the House at that time and agreed to an authorization level for title VI of $2.5 billion for fiscal year 1975; $875 million of that was appropriated immediately to get the expanded public jobs program under way.

The current program provides Federal funds to State and local governments to enable them to hire unemployed workers. The State and local governments act as prime sponsors to choose the jobs for these workers. There are 433 prime sponsors. Cities and counties of over 100,000 population are eligible to be prime sponsors but many have joined together in consortiums. The State prime sponsors serve the balance of a State, but most of them pass funds on to smaller cities and counties. They must aim to maintain an average annual wage of $7,800 per worker, and must give preferred consideration for the jobs to the long-term unemployed, including those who have exhausted unemployment compensation. At least 90 percent of the funds must be spent directly on wages or fringe benefits such as health insurance, but most prime sponsors have used less than the 10 percent for administrative expenses, and in fact close to 95 percent goes for

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wages and employment benefits to the jobholders.

The Department of Labor has already been compiling statistics on the speed and efficacy of public service employment hiring under title VI. These facts and figures bear out the claim of swift effectiveness for this program.

By the end of January, for example, barely 1 month after the ink had dried on the title VI authorization and appropriation bills, more than 43,000 workers had been hired across the Nation. By the end of February, nearly 35,000 more unemployed workers had been added to such jobs, and another 26,000 were added in March for a total of nearly 104,000 new hires.

In addition to these new hires under title VI, approximately 32,000 new public service employees were added in January, 34,000 in February and 22,000 in March pursuant to previous appropriations under title II of CETA, bringing that total to nearly 144,000.

Finally, over 40,000 workers were being funded as of the end of March pursuant to fiscal year 1975 appropriations under CETA transitional provisions relating to the Emergency Employment Act of 1971, and over 9,000 had been hired using the general manpower revenue sharing funds available under title I of CETA. The most recent available data, therefore, shows a combined total of nearly 297,000 public service employees actually on board as of the end of March with funds thus far appropriated, with over 192,000 of those workers hired since the Emergency Jobs Act was enacted in December.

The additional $1.625 billion that remains to be appropriated under title VI has already been requested by the President and is included in an Emergency Employment Appropriations Act that has passed both the House and Senate. This appropriations bill is currently in conference to iron out a few differences, but the amount for public service employment is the same in both bills. While some of those funds will be used to sustain and continue support for existing public service employees whose funding may expire in the middle of this year, additional hires with these funds are expected to push the overall total to more than 330,000 under all existing authority. To increase the total number of jobs above that level, it will be necessary for Congress to pass additional authorizing legislation, as I am proposing today.

Last fall, when the unemployment rate was below 6 percent, Arthur Burns, the conservative economist who is chairman of the Federal Reserve Board, advocated a program to provide 800,000 public service jobs for the unemployed—more than double the number of jobs provided under the existing authorization.

Clearly, our current effort is insufficient. At 8.9 percent unemployment, over 8.2 million workers are unemployed—or over 2 million more than when the Senate voted last December to authorize a $4 billion program. And unemployment is traditionally the last major segment of the economy to recover from a severe recession, lagging months—or even years—behind other segments.

The National Commission for Manpower Policy, a presidentially appointed Commission created by the Comprehensive Employment and Training Act of 1973, issued its first "Interim Report to Congress" at the end of February. In that report, in a section it called "The Specter of Unemployment," the Commission warned us that an 8-percent rate of unemployment conceals an impact even more serious than many of us realize. For although 7½ million workers may be unemployed at any given time with unemployment at 8 percent, the Commission noted that—

> Possibly up to some 20 million individuals may experience a period of unemployment at some time during the year and that perhaps as many as 4½ million of these may be out of work for at least 6 months or more.

The Commission concludes its section on "The Specter of Unemployment" by pointing out that—

> The American people are no longer willing to permit their government to do little to stem the ravages that unemployment brings in its wake. If the government ignores the demands of the public in general, and the inner city frustrations in particular, it will do so at a tremendous cost to our social fabric.

Many analysts believe that a million new jobs can be usefully created in communities throughout the Nation at the rate of unemployment we are experiencing today. They believe these jobs will serve the dual purpose of putting the unemployed to work and of providing public services which are needed in local communities.

The Joint Economic Committee, for example, has called for a public employment program that would fund a total of 1½ million jobs at 8 percent unemployment, and an additional half million jobs if unemployment goes to 9 percent before the end of this year.

The Joint Economic Committee's report said:

> A greatly expanded program of emergency public service employment appears to be the quickest way to reduce unemployment to more bearable levels.

The committee has made its proposal with the expressed support of many prominent economists, including Walter Heller, who said:

> At the moment, the forces that will turn us around are not clearly in sight . . . and there is little to arrest and reverse the economy's sickening slide.

Heller told Congress, claiming that—

> Traditional standards (of legislative action) won't do in the face of the current economic emergency, it would be economically and socially imprudent not to undertake . . . the expansion of the emergency public service jobs program, as well as other stimulating measures.

America is probably not heading for a nationwide depression today. Most economists believe the recession will be severe, but do not think we are in great danger of slipping into a depression like that of the 1930's.

But calling this economic slump a recession, instead of a depression, does not make it any better for blue collar workers, whose double-digit unemployment went from 6.3 percent last April to 13 percent this April; or for autoworkers, with an unemployment rate of nearly 18 percent; or construction laborers, with over 19 percent unemployed.

Nor does calling it a recession, instead of a depression, give the full story of the human deprivation that lies behind the unemployment statistics. In addition to the 8.2 million "officially" unemployed workers, for example, we find there are more than 1 million workers who are so discouraged they have simply given up looking for a job, as well as nearly 4 million workers who are working part time, because they are unable to find full time employment.

And calling it a recession, instead of a depression, does not negate the plain economic fact that recessions traditionally reserve their cruelest punishment for the unemployed, since the rate of unemployment rarely shows any signs of improvement until many months after the rest of the economy has "bottomed out" and started back up the road to recovery.

The national unemployment rate has averaged more than 6 percent for only 2 years—1958 and 1961—since the great depression. Is it any wonder that the Nation was shocked, on February 3, when the President submitted a budget which projected unemployment above 6 percent for the next 5 years?

The administration's recognition of the economic realities continues to come too little and too late. The people of this Nation cannot be expected to accept economic policies which assume that such disastrous levels of unemployment will continue for half a decade.

The question must not be whether our Government is going to act in the face of such dire predictions, but how—and how quickly.

Nations like Sweden and Germany declare States of national emergency when their unemployment rates rise above 3 percent.

We are put to shame in this country by Sweden, for example, which spends 7 percent of its entire budget on manpower programs. If the United States spent 7 percent of the Federal budget on employment and training programs, that would be more than $25 billion.

Compare that to this year's Federal budget for employment and training programs of nearly $6 billion, less than 2 percent of the total budget of the U.S. Government.

While no economic analyst today recommends that we spend $25 billion on recession oriented employment and training programs, we do need a significant increase in the current program in order to promote economic recovery.

The $5 billion authorization level I am proposing today will not bring the total number of public service jobs to the 1 million job level many have suggested for this program. I believe it is a realistic level, however, in light of the recent tax cut, the Federal deficit and the other spending programs that are being proposed.

But we should bear in mind that even the creation of 1 million such jobs would still fall far short of approaching the 3 million jobs the WPA provided at its peak, or the yearly average of 2 million

jobs the WPA provided from 1935 through 1942.

Forty-one years ago—in 1934 in the middle of the depression—there were more than 11 million Americans in the ranks of the unemployed. But the Federal Government that year created jobs for half of those unemployed, providing employment for over 6 million persons in work relief programs, including the Works Progress Administration, the Civilian Conservation Corps, and the National Youth Administration.

Ninety-five percent of the WPA projects were initiated by State and local governments, with the remainder initiated by Federal agencies. Half the unemployed workers they hired were from the relief rolls and half from the ranks of the unemployed not on relief. WPA workers served meals to the poor and elderly; they made clothing; they constructed and repaired roads, buildings, bridges, airports, and recreation facilities; they painted murals and wrote books; and they did hundreds of other things.

Certain programs were geared to specific groups among the unemployed. The National Youth Administration, for example, provided mostly part-time jobs for an average of 150,000 to 190,000 in-school and out-of-school youth between 1935 and 1940. The Civilian Conservation Corps, a much larger program, provided jobs for an annual average of 250,000 to 300,000 unemployed youths to build trails, roads, cabins, firebreaks, and to do other conservation work in the country's national parks and forests. Their legacy is still very much a part of our lives today, along with the legacy of the many millions of others the Government put to work during that last great unemployment crisis.

Apart from the psychological confidence that is provided by the governmental creation of jobs, an expanded public service employment program will enable local governments to meet many unfilled needs. Those needs include the repair and rehabilitation of our inner-city schools, housing, and parks; and the provision of increased police and fire protection, public transportation, and sanitation and health care in poverty areas and for the elderly.

Early information concerning the mix of jobs funded under title VI indicate that current public service employees include engineers, librarians, typists, maintenance men, firemen, juvenile officers, and teachers. The following percent distribution appears to be developing for current jobs:

Type of job and percent of total

Law enforcement	12
Education	11
Public works and transportation	23
Health and hospitals	6
Environmental quality	5
Fire protection	1
Parks and recreation	7
Social services	5
Other miscellaneous	30

The State manpower council in my home State of Wisconsin, for example, plans to use public employment funds to put jobholders to work on the winterization of homes to make them more energy-efficient. By making minor repairs, closing up cracks and leaks, and installing insulation, public service jobholders who would otherwise be unemployed are put to work doing the necessary labor to improve the conditions in a substantial number of older houses. Clearly, everything that can be done to conserve heat provides a substantial payoff in reduced fuel costs for the poor and the elderly. The President's Manpower Policy Commission has pointed to the winterization of homes as one example of the type of valuable services which can be provided by public service jobholders.

America must get its economic house in order. While we struggle to stabilize our economy, it is imperative that we alleviate the real personal plight of our unemployed workers.

We must never forget that unemployment rates are more than statistics. Unemployed persons are human resources who can do their part in the Nation's rebuilding process.

When a man or woman becomes unemployed, often the first thing he or she does is to fix up the home, doing the odd jobs and repairs there never seems to be time for when the employment situation is better.

America has a lot of odd jobs and repairs that need to be done, and this is the time to do them—by putting people back to work performing valuable public services. There are thousands of small jobs America needs done today, especially in poverty areas and for the elderly poor. We can and must use the skills of our unemployed workers to do them.

In addition to extending and increasing the public service employment program, this bill also amends title II of the December act, which created a special unemployment assistance program for workers not covered under any other State or Federal unemployment compensation law.

As it is currently drafted, title II provides up to 26 weeks of assistance to unemployed workers whose previous employment was not covered under any existing State or Federal unemployment compensation laws, provided such workers meet the quantitative wage and employment qualifications of their applicable State law and would not otherwise be disqualified under that law.

This title was intended to extend temporary emergency coverage to these workers for the duration of this unemployment crisis and, after a slow start, more than 200,000 unemployed workers are currently participating in the program.

Since it is clear that the current crisis is going to last well beyond the December 31, 1975, expiration date of this title, one amendment I propose extends the authorization an additional year, expiring December 31, 1976, with no benefits to be paid after March 31, 1977. I would emphasize that, in spite of this extension, this amendment is no more meant to take the place of long-overdue meaningful reform of the entire unemployment insurance system than was the original program passed in December.

In addition to extending the life of the program, my amendment would also bring the total assistance available to workers covered under title II more into equality with the assistance available to unemployed workers covered under other State and Federal systems. Accordingly, my proposed amendment would make workers covered under title II eligible for the same duration of assistance as a worker covered under current State and Federal regular, extended and supplemental programs, up to a maximum of 52 weeks.

Finally, the proposed amendment clarifies the existing law in an important way by writing into the law the clear intention of Congress that previously self-employed workers be eligible for assistance under this title. Although title II as written extends coverage in plain language to any unemployed individual "not eligible for compensation under any State or Federal unemployment compensation law," with no provision excluding any such individual from coverage under its provisions, the Department of Labor has promulgated regulations effectively excluding previously self-employed individuals. Although some self-employed individuals currently come under the aegis of existing State laws, especially if they have employees of their own outside of their immediate family, there are many such workers, such as sole proprietors, who would not be covered in some States. Since these individuals are often worse off in a severe recession than wage and salary workers, there is no intention on the part of Congress to deny them assistance when they become unemployed, and this inequity in the Department's interpretation must be corrected.

I ask unanimous consent that the bill and a summary be printed in the Record following these remarks.

There being no objection, the bill and summary were ordered to be printed in the Record, as follows:

S. 1695

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Jobs and Unemployment Assistance Amendments of 1975".

EXTENSION OF AUTHORIZATION FOR EMERGENCY JOBS PROGRAMS

Sec. 2. Section 601 of the Comprehensive Employment and Training Act of 1973 (as amended by the Emergency Jobs and Unemployment Assistance Act of 1974) is amended by inserting after "Sec. 601." the subsection designation "(a)" and by adding the following new subsection:

"(b) There are authorized to be appropriated $5,000,000,000 for fiscal year 1976, and such sums as may be necessary for fiscal year 1977, for carrying out the provisions of this title. Amounts so appropriated shall be available for obligation whenever the national rate of unemployment exceeds 4½ per centum for three consecutive months, except that no further amounts shall be available for obligation in excess of the annual sum of—

"(1) $3,500,000,000 after the national rate of unemployment has receded below 7 per centum for three consecutive months; or

"(2) $2,000,000,000 after the national rate of unemployment has receded below 6 per centum for three consecutive months; or

"(3) $500,000,000 after the national rate

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of unemployment has receded below 5 per centum for three consecutive months.

"(c) For purposes of this section, the term 'national rate of unemployment' means the seasonally adjusted national rate of unemploment as determined monthly by the Bureau of Labor Statistics of the Department of Labor."

SUPPLIES AND EQUIPMENT

SEC. 3. (a) Section 203(b) and 602(b) of the Comprehensive Employment and Training Act of 1973 are each amended by striking out "90 per centum" and inserting in lieu thereof "85 per centum".

(b) Section 208(a)(7) of such Act is amended by striking out "no funds" and inserting in lieu thereof "not to exceed 10 per centum of the financial assistance provided to each eligible applicant carrying out programs", and by inserting before the semicolon "directly related to carrying out jobs created with assistance under this title".

TECHNICAL AMENDMENTS

SEC. 4. (a) Section 204(c) of the Comprehensive Employment Training Act of 1973 is amended to read as follows:

"(c) As used in this Act, an 'area of substantial unemployment' means any area which is of sufficient size and scope to sustain a public service employment program and which had a rate of unemployment averaging 6.5 per centum or more for any period of three consecutive months during the most recent twelve months for which satisfactory data is available preceding such determination."

(b) Section 701 of such Act is amended by inserting at the end thereof the following new subsection:

"(c) In making the determinations required by section 103(a)(2)(B), section 202(a), and paragraphs (A), (B), and (C) of section 603(a)(2) of this Act, for the purpose of allocating financial assistance among prime sponsors and program agents, the Secretary shall use data for that period of three consecutive months for which the qualifying areas served by each prime sponsor and program agent had the highest average number of unemployed persons during the most recent twelve months for which satisfactory data is available preceding such allocations. Such determinations shall be made as soon as practicable after appropriations to be so allocated are made."

(c) The second sentence of section 103(f) of the Comprehensive Employment and Training Act of 1973 is amended by striking out "in the preceding fiscal year" and inserting in lieu thereof "for fiscal year 1974".

PROCEDURES FOR REALLOCATION OF FUNDS

SEC. 5. Section 606 of the Comprehensive Employment and Training Act of 1973 is amended as follows: (1) the first sentence thereof is amended by inserting "or title II of this Act" after "under this title", (2) and the last sentence thereof is amended to read as follows: "In reallocating any such funds, the Secretary shall give first priority to reallocating such funds for use within the same area to another eligible applicant within the jurisdiction of which such area is located, and shall give priority in reallocating any remaining funds to other areas within the same State."

EXTENSION OF SPECIAL UNEMPLOYMENT ASSISTANCE

SEC. 6. (a) Section 206 of the Emergency Jobs and Unemployment Assistance Act of 1974 (Public Law 93–567) is amended—

(1) after "regular" by inserting a comma and "extended, or supplemental";

(2) after "applicable State unemployment compensation law" by inserting a comma and "the Federal-State Extended Unemployment Compensation Act of 1970, and the Emergency Unemployment Assistance Act of 1974"; and

(3) by striking out "twenty-six" and inserting in lieu thereof "fifty-two".

(b) Section 208 of such Act is amended by striking out "March 31, 1976" and inserting in lieu thereof "March 31, 1977" and by striking out "December 31, 1975" and inserting in lieu thereof "December 31, 1976".

CLARIFYING AMENDMENTS

SEC. 7. (a) Paragraph (1) of section 203 of the Emergency Jobs and Unemployment Assistance Act of 1974 (Public Law 93–567) is amended by inserting before "shall be treated" a comma and the following: "including self-employment and any remuneration therefrom,".

(b) Subsection (a) of section 205 of such Act is amended by inserting before "shall be treated" a comma and the following: "including self-employment and any remuneration therefrom,".

(c) Section 206 of such Act is amended by inserting before "shall be treated" a comma and the following: "including self-employment and any remuneration therefrom".

SUMMARY OF PROPOSED EMERGENCY JOBS AMENDMENTS OF 1975

(By Senator GAYLORD NELSON)

The proposed legislation extends the authorization for public service employment programs under Title VI of the Comprehensive Employment and Training Act through fiscal years 1976 and 1977. The current law's $2.5 billion authorization would be increased to $5 billion for fiscal year 1976 and such sums as may be necessary for fiscal year 1977, except that funds could not be obligated in excess of $3.5 billion when the national unemployment rate recedes below 7 percent, $2 billion when unemployment recedes below 6 percent, and $500 million when unemployment recedes below 5 percent. No further funds could be obligated after unempolyment recedes below 4½ percent.

The bill would remove the prohibition on using Federal funds made available for public service empolyment programs for supplies and equipment, by amending the current law to permit such use of funds up to 10 percent of program expenditures.

The bill also extends the special unemployment benefits program under Title II of the Emergency Jobs and Unemployment Assistance Act of 1974, providing benefits comparable to unempolyment insurance for those workers not eligible under regular State and Federal unemployment compensation laws. The bill would extend the maximum duration of benefits from the current law's limitation of 26 weeks to a maximum of 52 weeks. The bill also extends for one additional year the current law's cut-off date for further applicants (from December 31, 1975, until December 31, 1976).

Mr. WILLIAMS. Mr. President, I am pleased to be cosponsor today, along with Senator NELSON, on legislation designed to continue an expanded program of public service jobs and to provide improvements to the Comprehensive Employment and Training Act of 1973—CETA—and the Special Employment Assistance Act of 1974.

There is little question today that we are facing a serious economic situation. Industrial production fell 1 percent in March and was down 12.1 percent from a year ago. This decline of production has resulted in a sharp drop in industry's operating rate. According to the Federal Reserve Board, only 68.3 percent of the productive capacity of manufacturing industries was utilized in the first quarter of 1975, a decline of 18 percent since the recession started. The Federal Reserve Board has also reported a drop of 24 percent in the operating rate of the major materials industries in the same period—from 94.5 percent to 70.7 percent.

With great amounts of idle plants and machines and high interest rates, business is cutting back investment in new productive capacity—hitting the machinery industries and heavy construction. An 8½-percent drop in the real volume of business investment is expected by the Commerce Department this year, and the actual decline may be much steeper.

Higher interest payments and falling tax revenues are squeezing State and local governments—resulting in layoffs of public employees and cutbacks in programs to improve public facilities and services.

The drop in consumer buying power has been so great that the $24 billion tax cut will offset only a small part. The buying power of the average worker's weekly take-home pay in March was down 4.8 percent from a year ago and down 10.8 percent from the peak reached in October 1972. It would now require an increase of $65 billion in after-tax personal income merely to bring the per capita purchasing power of the American people back to where it was in the summer of 1973, before the recession started.

This depressed state of the economy is underscored even more graphically by the dramatic rise in unemployment. Last week, the Bureau of Labor Statistics released figures which once again reflect an increased national unemployment rate. The United States was plagued with 8.9 percent unemployment for the month of April. This figure represents 8,176,000 Americans who were jobless and in need of some form of financial assistance. In my own State of New Jersey, this figure was even higher—12.1 percent. The legislative task involved in coping realistically with the needs of this many people is staggering.

The unemployment figures continued to affect the major groups of employees throughout the Nation. Unemployment rates were 20.4 percent among teenagers, 19.3 percent among construction workers, 17.2 percent among the unskilled, 14.9 percent among the semiskilled, 14.6 percent among blacks, 14.6 percent among the 20- to 24-year-olds, and 12.2 percent among factory workers. The unemployment rate among black teenagers was 40.2 percent. Among heads of households, the unemployment rate was up to 6 percent in April, double that rate of a year ago. Jobless rates in construction and manufacturing were at alltime recorded highs. The number of those unemployed for 15 weeks or more jumped to 2.4 million, with nearly a million jobless for 6 or more continuing months.

In the face of these kinds of figures, it is becoming increasingly important that the Congress act quickly to alleviate this intolerable situation. While there are avenues open to us, through a variety of countercyclical, job-creating programs, one of the most important issues is to provide immediate relief now while some of the other programs continue to be developed and refined. The program of

emergency public service jobs, which we established through our amendments to CETA in December of 1974, is one of the most effective of these programs. The bill which we are introducing today is designed to extend through fiscal year 1976 and 1977 this authorization for emergency public service jobs.

I have also for some time been deeply concerned about the increasingly large volume of complaints which I have received from prime sponsors and employers under the CETA programs. These complaints make it obvious to me that existing provisions in the law and their implementing regulations governing the expenditure of Federal public assistance funds have created many problems and much frustration among program administrators.

The bill which we are introducing today will remove the prohibition on using Federal funds made available under the public service jobs program for supplies and equipment. We have successfully created the emergency public service jobs program to hire large numbers of our unemployed workers, but we have continued the original prohibitions of CETA which did not allow any of these funds to be used for capital equipment. While this prohibition is perfectly valid under ordinary application of the public service jobs program, with vastly increased hiring and already strained local budgets, many public employers cannot obtain enough equipment for all the workers for whom they now have jobs.

To compound the frustration, local governments are faced with a rigid timetable in which to either spend their share of the Federal revenue or lose it entirely. Our bill today removes the blanket restriction and allows local sponsors to allocate up to 10 percent of their expenditures for capital equipment.

But no matter how effectively or how broadly we implement our public service jobs program, with the vast numbers of unemployed already looking for work, there will never be enough public service jobs to provide work for all these persons. There are thousands of workers who have now exhausted their extended unemployment benefits which we provided in the Emergency Jobs and Unemployment Assistance Act. Their prospects for returning to work soon are dim. With the job market dwindling and more layoffs forecast, these individuals will be forced to turn to welfare to provide for themselves and their families. It is a deplorable and degrading situation which must not be allowed to prevail. Our bill will extend from 26 to 52 the maximum number of weeks to which workers are entitled to receive these extended unemployment benefits.

Mr. President, I would like to commend my colleague, Senator NELSON, for his continuing efforts to improve the lot of our country's workers by his tireless work as chairman of the Subcommittee on Employment, Poverty, and Migratory Labor. His work has always reflected his great concern for improving not only the general economic conditions for all of our workers, but also his interest in many specific areas to improve their general welfare. His concern is well reflected in this bill today, Mr. President, and I urge the Senate to act quickly for its adoption when we report this measure back to the Senate after the committee has had an opportunity to consider it.

Mr. JAVITS. Mr. President, as evidenced by the intolerably high, and still rising, rate of unemployment, the jobs crisis in the Nation remains the most serious problem before us. I, therefore, join today with Senator NELSON, chairman of the Subcommittee on Employment, Poverty, and Migratory Labor, in introducing the Emergency Jobs Amendments of 1975, a bill to extend the authorization of appropriations for the emergency jobs program under title VI of the Comprehensive Employment and Training Act of 1973, and to extend from 26 to 52 weeks the duration of unemployment benefits under the special unemployment assistance program.

Previously, on February 7, 1975, I introduced, with Senator WILLIAMS, the chairman of the Committee on Labor and Public Welfare, and 15 other Senators, including Senator NELSON, S. 609, the Emergency Public Service Employment Extension Act of 1975, which would also extend the authorization of appropriations under title VI of the Comprehensive Employment and Training Act of 1973. In addition, on February 20, 1975, I introduced, along with 21 other Senators, S. 767, also extending the duration of benefits available under the special unemployment assistance program.

The bill introduced today by Senator NELSON would set a public service jobs program authorization level of $5 billion for fiscal year 1976 and such sums as may be necessary for fiscal year 1977. As a temporary countercyclical measure, it would authorize in 1977 up to $3.5 billion to be made available when the unemployment rate recedes below 7 percent for 3 consecutive months; $2.0 billion when the rate recedes below 6 percent; and $500 million when it recedes below 5 percent. The stated goal in S. 609 is to provide 1 million jobs—at $7,800 per year per job. This still remains the objective. One of the questions to be considered by the Committee on Labor and Public Welfare is the level of unemployment at which emergency public service jobs programs should be implemented on a large scale. I believe we will find that 6 percent unemployment, as already established in the public service jobs program, is an adequate trigger level.

I am also pleased that this bill provides for an extension of the duration of benefits under the special unemployment assistance program which was enacted last December, as a part of the Emergency Jobs and Unemployment Assistance Act of 1974. This program, for the first time, brought us to almost universal coverage of the work force, which remains one of the most urgently needed reforms of permanent Federal-State unemployment insurance programs.

The Congress has shown great wisdom in continuing individuals on unemployment compensation during this emergency period rather than forcing unemployed workers into the welfare system. This approach has been right both in terms of providing at least minimal protection to unemployed workers and their families, and in terms of its stimulus to the general economy which we need to respond adequately to this recession-depression. Nearly $20 billion in unemployment compensation benefits will flow to individual workers during this year.

By incorporating in the tax reduction bill my amendment to provide unemployment benefits up to a total of 65 weeks, Congress has effectively asserted its initiative on income protection for those worst affected by the present state of our economy. Although payments were limited to the period ending June 30, 1975, I am confident that both the House and the Senate will soon act to extend this program through next year. The administration has come to similar conclusions, and has submitted legislation along the lines of the measures I introduced in February 1975.

Hearings to be held in the next 2 weeks by the Subcommittee on Employment, Poverty, and Migratory Labor should portray the urgent need for implementation of the legislation that has been proposed in these three bills.

The need for emergency measures such as those we have proposed need not be reiterated. The steady rise of unemployment is well-known to us all. The national unemployment rate for April was 8.9 percent with 8.2 million persons out of work. In my own State of New York, the unemployment rate for March, the latest figures available, was 10.2 percent with 775,000 unemployed. New York City is suffering from a rate of 11.5 percent unemployment with 372,600 unemployed, and the city of Buffalo is at the 14.7-percent level with 81,700 persons unemployed.

Mr. President, the urgent need for legislation to enable the country to be productive and to give those looking for work the opportunity to get it, is the highest priority of our country. These emergency measures must be enacted promptly to deal with the severe crisis.

This morning the Washington Post carried an excellent editorial supporting the urgent need for Federal action on public service jobs and unemployment compensation. Mr. President, I ask unanimous consent that it be included at the end of my remarks.

There being no objection, it is so ordered to be printed in the RECORD, as follows:

THE RECESSION IS OVER?

"I think we're at the end of the recession" President Ford told his press conference on Tuesday. He did not mean, unfortunately, that the unemployment rate is about to start briskly downward or that the long awaited revival of those two weathervane industries, automobiles and housing, is under way. Mr. Ford meant only to say, presumably, that the long and unexpectedly severe slide in production and jobs seems to be ending. Later this year production will probably begin to rise, but it does not necessarily follow that unemployment will diminish very promptly. That disparity is going to make life difficult for both the President and Congress over the next two years.

The administration fears, above all, that Congress is going to embark on a frantic splurge of spending. Both parties will con-

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front growing pressure to sacrifice every other consideration to a desperate attempt to crank up the economy and generate new jobs before the next election. That is why Mr. Ford went out of his way—in the course of answering a question about his chances of winning that election—to celebrate a bit prematurely the end of the recession.

But Congress has been proceeding with caution and sophistication. It enacted a substantially larger tax cut than Mr. Ford had asked in his budget last February, but the budget was based on forecasts that considerably underestimated the dimensions of the recession. In view of the shocking level of unemployment currently, the highest since the end of the Depression in 1941, it has to be said that Congress managed to keep its balance remarkably well.

The first emergency appears to have passed, with the end of the winter's precipitous decline. The question now is the management of a return to atable growth. The administration has substantially overstated the immediate dangers of a large budget deficit in the coming year. But there is a genuine threat of renewed inflation and instability in the period around 1977. The economy needs the stimulus of spending now, but it has to be spending of a kind that turns itself off when production begins to climb steeply.

With 8.2 million people looking for work, it becomes tempting to argue that any remedy, applied on any scale, can only help. That, unfortunately, is not true. Many of the traditional countermeasures—public works appropriations, for example—begin to produce actual jobs only very slowly and tend to take full effect late in the cycle when the economy no longer needs their help. Unemployment compensation is an illustration of the most effective kind of antidote to recession. It puts purchasing power into a worker's pocket when he is laid off, and it cuts itself off automatically when he goes back on the job.

Over the past several months the federal government has put in place a variety of programs to life employment. Amidst the gloom of the present statistics, it is useful to remember that most of these programs—the rebates on last year's income taxes, the cuts in this year's taxes, Social Security payment increases, released highway construction money—have not yet had time to take effect.

The President is doubtless right in saying that the economy will begin to show "some improvement" in the second half of this year. But the unemployment rate is not likely to respond very quickly. One reason is the steady growth of the American labor force. Now 94 million people, it is rising at a rate of about 2 million a year. The economy, in other words, has to create more than 2 million additional jobs a year before it begins to cut the unemployment rate.

The process of putting people back to work is going to be slow, difficult and sometimes disheartening. It would be very easy for either the administration or Congress, under the pressure of the coming election, to react to its frustrations by stoking up another unmanageable and perilous boom like 1973. But the country has presumably learned something from 1973, which followed Mr. Nixon's 1972 determination to create a climate of lush prosperity for his re-election campaign. The wisest course for economic policy now begins with great concern for the people most seriously hurt by the recession. That means very generous unemployment compensation and funds for public service employment. But the key distinction lies between funds that turn themselves off when conditions improve and those that keep pouring out regardless of conditions.

From the recession of 1970 the country slid, by a combination of bad luck and bad management, into the great inflation of 1973–74. Then the inflation toppled over into the severe and damaging recession of 1975. The accustomed methods of fiscal management have not proved totally successful, you might say, in recent years. The challenge now is to help people who are out of work today, without generating another tide of inflation in 1977.

By Mr. KENNEDY:

S. 1698. A bill to amend the Internal Revenue Code of 1954 to disallow the business expense tax deduction for first-class air travel in excess of the coach fare for such travel and for other purposes. Referred to the Committee on Finance.

REPEAL OF THE BUSINESS TAX DEDUCTION FOR FIRST-CLASS AIR TRAVEL

Mr. KENNEDY. Mr. President, I send to the desk a bill to amend the Internal Revenue Code, and I ask for its appropriate referral.

The purpose of this bill is to eliminate one of the least justifiable loopholes in the Internal Revenue Code, the deduction allowed for first-class air travel as an ordinary and necessary business expense. The revenue gain from the change is substantial—is estimated at $280 million for 1975, rising to $431 million in 1978. The change would become effective on the date of enactment of the legislation.

Over the years, the business deduction for travel and entertainment expenses has been a continuing source of controversy, confusion, and injustice in the tax laws. For years, the ordinary taxpayer has been a silent partner at many business functions. With the marginal corporate tax rate at 48 percent, the corporation receives a 48-cent tax subsidy for every dollar of deductible business expense.

In effect, the ordinary taxpayer picks up half the tab for every business expense that qualifies as a tax deduction. Every time the waiter brings the bill at the end of a martini business lunch or four-course dinner or evening entertainment, the corporate host pays half the bill himself, but he sticks the taxpayer with the other half. And every year, the Federal Government shells out hundreds of millions, perhaps billions of dollars in tax expenditures to maintain this extravagant executive lifestyle.

My hope is that in our forthcoming action on tax reform this year, Congress will deal in detail with the many difficult aspects of the business deduction for travel and entertainment expenses. The ordinary and necessary cost of doing business is a legitimate tax deduction, and many deductions now being taken are obviously legitimate. But many others are not, and I suspect that a thorough scrutiny by Congress will reveal that in many areas, the definition of "ordinary and necessary" has been stretched beyond the breaking point.

Whatever the complexity of other aspects of the business expense deduction, there is one aspect of which we ought to be able to act quickly—and that is to eliminate the deduction for first class air travel. Especially in this time of deep recession, there is no justification for a loophole in the tax laws that requires the hard-pressed average taxpayer to subsidize the comforts of first-class airfare for traveling executives.

Specifically, the bill I am introducing would disallow as a business tax deduction the difference between first class air fare and coach air fare. The deduction for coach fare is legitimate and would continue to be allowed. It is a legitimate business decision to travel by air as opposed to train or car or bus or ship. But once the decision is made to travel by commercial airline, the business objective is achieved by traveling in coach class. The executive will travel on the same flight. He will arrive at the same time and in the same place. This is all that is required to implement the valid business decision, and it is all that should be allowed as a business tax deduction.

The additional cost of first class air travel is a luxury item and should not be deductible. If the executive decides to travel first class as opposed to coach class, the extra expense is a premium incurred for personal consumption reasons, rather than for a legitimate business purpose. As a general rule, expenditures for personal consumption are not deductible under the tax laws. Therefore, the differences between first class fare and coach fare should be disallowed as a business deduction.

The disallowance of the first class component of air fare as a tax deduction does not lead to the conclusion that the executive must choose the cheapest possible form of transportation. There may be valid reasons for choosing faster air travel rather than slower transportation by other means. Similarly, it does not follow that the executive must use the cheapest form of lodging when he is away from home. A number of business factors, such as proximity to the work to be transacted, might justify using more expensive hotel accommodations.

Nor does the bill deny the tax deduction for business trips by private plane. The use of private planes can be justified as a proper business decision, involving factors such as greater flexibility in scheduling and the ability to fly to places not serviced by commercial airlines. Thus, separate considerations apply to the question of deductions by corporations for the substantial costs of maintaining private planes. It is doubtful that the decision to buy and use a private plane will be seriously affected by the availability or not of the tax deduction for first-class air fare. Even if the business use of the private plane is deductible, the corporation will still be bearing half the large cost of using the private plane.

If the bill is enacted, it would follow under the present tax laws that the difference between first-class fare and coach fare would be taxable as income for the executive, if the corporation continues to provide first-class air travel. As I have stated, the difference in the two fares is essentially a personal consumption expenditure made for the benefit of the executive. Under present rules, the payment of such consumption items by a corporation would result in taxable income to the executive.

As the following table indicates, the revenue gain from enactment of this legislation will be substantial. The figures are based on CAB estimates of first-class business travel by U.S. citizens, both internationally and domestically, using the following assumptions: 75 percent of first-class travel is business travel; no air traffic growth or fare increases through 1978; and a continuation of the present 48 percent corporate tax rate. Under these assumptions, the bill will produce the following revenue gains in 1975 and future years:

	Million
1975	$280
1976	342
1977	414
1978	431

In this period of deep concern over the size of the Federal deficit, the substantial revenues gained by this tax reform will be especially welcome. As the recent Senate and House debates over the budget resolution have demonstrated, the achievement of significant revenue-raising tax reforms this year may well be the key to success by Congress in undertaking vital additional antirecession programs.

Also, to the extent that this legislation reduces the demand for first class seats and increases the demand for coach class seats, the air traveling public will be the beneficiary. Since a first class seat occupies the space of about one and a half coach seats, the total number of available aircraft seats should increase, with obvious benefits for peak period travelers, who often now must travel in an unwanted first class seat, because all coach seats are filled. In these and other ways, the bill may lead to development of lower cost air transportation, so that citizens will benefit not only as taxpayers, but as air travelers as well.

But the principal justification for this tax reform is the clear demand for greater equity in our tax laws. The enormous annual Federal tax subsidy for first class air travel is unjustified and undeserved, and it should be ended now.

Mr. President, I ask unanimous consent that the text of the bill may be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1698

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

DISALLOWANCE OF FIRST CLASS AIR TRAVEL AS A BUSINESS EXPENSE TAX DEDUCTION

SEC. 1. Section 162 of the Internal Revenue Code of 1954 (relating to trade or business expenses) is amended—

(a) by redesignating subsection (h) as subsection (i); and

(b) by inserting immediately after subsection (g) the following new subsection:

"(h) First Class Air Travel Expenses.—Notwithstanding the provisions of this section or section 212 (relating to expenses for production of income), no deduction shall be allowed for any expense paid or incurred for the transportation of any person by commercial airplane in excess of an amount which is equal to the retail price of a coach class fare ticket for such person on the same airline to the same destination at the same time of day and at the same time of year, as determined by the Civil Aeronautics Board and reported to the Secretary or his delegate."

EFFECTIVE DATE

SEC. 2. The amendments made by section 1 shall apply with respect to transportation by airplane that begins after the date of enactment of this Act.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 985

At the request of Mr. PELL, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of S. 985, the Social Security Recipients Fairness Act.

S. 1507

At the request of Mr. BENTSEN, the Senator from Wyoming (Mr. MCGEE) and the Senator from Arizona (Mr. FANNIN) were added as cosponsors of S. 1507, a bill to amend title 38, United States Code, to provide for a salary increase not to exceed 25 percent for qualified physicians, dentists, and nurses in the Veterans' Administration's Department of Medicine and Surgery.

S. 1539

At the request of Mr. KENNEDY, the Senator from Rhode Island (Mr. PELL) and the Senator from Minnesota (Mr. MONDALE) were added as cosponsors of S. 1539, a bill to authorize appropriations for the National Science Foundation for the fiscal year 1976.

S. 1623

At the request of Mr. MANSFIELD (for Mr. NELSON), the Senator from Tennessee (Mr. BROCK) and the Senator from Massachusetts (Mr. BROOKE) were added as cosponsors of S. 1623, a bill to direct the Secretary of Labor to change the name of the Wholesale Price Index to the Basic Price Index.

S. 1625

At the request of Mr. HATHAWAY, the Senator from Maine (Mr. MUSKIE) was added as a cosponsor of S. 1625, a bill to extend and revise the State and Local Fiscal Assistance Act of 1972.

SENATE RESOLUTION 131

At the request of Mr. STONE, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of Senate Resolution 131, to oppose the lifting of sanctions against Cuba and to request the advice and consent of the Senate prior to any proposed change in our Cuba policy.

SENATE RESOLUTION 149—SUBMISSION OF A RESOLUTION DISAPPROVING DEFERRAL OF BUDGET AUTHORITY

(Referred to the Committee on Appropriations, the Committee on the Budget, the Committee on Interior and Insular Affairs, jointly, pursuant to the order of January 30, 1975.)

Mr. MONTOYA submitted the following resolution:

S. RES. 149

Resolved, That the Senate disapproves the proposed deferral of budget authority for initiation of construction of the new Acoma-Laguna Canoncito hospital at Acomita, New Mexico, which deferral (D 75–153) was set forth in the President's message to the Congress of April 18, 1975, transmitted under authority of section 1013 of the Congressional Budget and Impoundment Control Act of 1974.

Mr. MONTOYA. Mr. President, I am today introducing a resolution disapproving of deferral D 75–153 which proposes the deferral of budget authority for the initiation of construction of the new Acoma-Laguna Canoncito Hospital at Acomita, N. Mex.

The hospital, for which $340,000 in planning funds were provided in 1972 by the Congress, is a 40-bed facility designed to serve the needs of the Pueblos of Acoma and Laguna and the Navajo community of Canoncito. At present, there is no existing in-patient facility serving these peoples. Medical care is provided on a part-time basis at an out-patient clinic. The distances and language barriers resulting from this situation have created a barrier to the needed program of comprehensive health care. The planned facility will serve as a focal point of a total health care program. General medical and obstetric care as well as a full range of in-patient and specialty clinics will be provided. By 1985, the out-patient workload is estimated to amount to 18,000 Indian and 5,000 non-Indian visits per year.

The Indian Health Service has requested funds to complete this hospital in both fiscal years 1975 and 1976, but in both instances the request was struck from the President's budget by OMB. The hospital is high on IHS's priority list. I am very hopeful that the Congress will appropriate for fiscal year 1976 the additional $5,555,000 needed to complete it. I think it would be wise, therefore, to go ahead and get this project started.

SENATE RESOLUTION 150—SUBMISSION OF A RESOLUTION URGING A WHITE HOUSE CONFERENCE ON MEDICAL MALPRACTICE INSURANCE

(Referred to the Committee on Labor and Public Welfare.)

Mr. FANNIN. Mr. President, the resolution I am introducing today is intended to express my conviction that the problems associated with the medical malpractice insurance crisis can no longer be ignored. The recent reports of physicians and other specialty health care personnel refusing to practice and the voluntary retirement of others because of the high costs of medical malpractice insurance threatens not only the welfare of current patients but the capacity of the health care system itself to meet its objectives.

Clearly, the cost of medical malpractice insurance has become a serious problem. According to Congressman JAMES F. HASTINGS:

> In 1960, the Secretary's Medical Malpractice Commission estimated the cost of professional liability coverage at $60 million. In 1970, the figure was approximately $300 million.

Today, estimates are that liability costs are closer to over $1 billion. In terms of specific costs to providers, Congressman HASTINGS reported that—

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> Between 1960 and 1970, malpractice insurance premiums for dentists rose 115%, for hospitals, 262%; for physicians other than surgeons, 540.8%; and for surgeons, 949.2%.

In dollars, the increases have been substantial. For example, an orthopedic surgeon in Houston, Tex., paid $711, 5 years ago for malpractice insurance but will pay $6,772 today. For "high risk" practitioners the costs could exceed $10,000 and in some cases, $60,000. Under these conditions many physicians are simply being stretched beyond financial reason to meet the cost of these premiums. As a result some physicians are discouraged about practicing and this is producing a situation in which the health care needs of our citizens are being jeopardized.

In addition, the consumer, whether a patient or not is having to bear the costs associated with medical malpractice insurance problems. The high incidence of malpractice suits has made it necessary for the health care provider to utilize tests and examinations which may be marginally important but necessary in the event a suit is filed. These efforts at "defensive medicine" as it is termed can only lead to higher health insurance premiums and other costs. Dr. Roger Egeberg, special assistant to Secretary Weinberger, estimates that $4.5 billion is attributable to the malpractice problem nationwide. Dr. Egeberg further states:

> Ten years ago a hospital paid 10 cents per bed for malpractice insurance. Now it is up to at least $2 and in some hospitals, as high as $10.

Mr. President, the current costs of medical malpractice insurance to physicians, hospitals, and to consumers are facts known to all of us. What is not known is the solution and a solution is critically necessary if we are to avoid any paralysis in our health care delivery system. The debate over the reasons for increased costs of medical malpractice insurance involve fundamental issues affecting both our health care system and our legal institutions. Because these issues are fundamental, as well as being complex, solutions will be difficult, if not resisted. But the current reality of discouraged physicians confronting excessive costs for malpractice insurance requires some solution.

While stopgap measures have been enacted in some States the situation is far from stable and in fact could become even worse. What is needed, in my opinion, is a national forum through which the affected groups and institutions can join in common purpose to identify the immediate problem and then set in motion those endeavors which, hopefully, will guarantee a solution of some permanence.

In addition, this forum could be utilized to build a lasting framework for dealing with the larger issues associated with medical malpractice itself. While I recognize that solutions to the medical malpractice insurance problem are primarily a State matter, and should remain so, there is nevertheless a need to utilize a national mechanism for promoting unity and for pooling essential knowledge that States could use in pursuing a solution appropriate to each State.

Mr. President, a White House Conference on Medical Malpractice Insurance would be the logical forum to provide a national focus on this problem. Just as the White House has served to provide a forum on countless other occasions to discuss issues of national importance, so could it serve in a similar capacity in this case. By utilizing his good offices, the President could immediately provide sorely needed leadership in resolving this serious crisis.

I am aware of the fact that the issue of medical malpractice insurance has not gone unnoticed. A Conference on Medical Malpractice sponsored by Congressman HASTINGS was held earlier this year; Secretary Weinberger has been meeting with representatives of insurance providers and health care personnel; and congressional committees have been holding hearings on this issue. Nevertheless, despite these efforts there is a clear and compelling need for a forum, national in scope, in which those affected can gather to discuss the immediate problem and to determine a course of action. While the Conference initiated by Congressman HASTINGS set the stage for effectively dramatizing the emergence of this serious problem, the use of congressional hearings and secretarial meetings have been inadequate in dealing with the current problem. A White House conference, on the other hand, can be designed to produce maximum results through broad participation and Presidential leadership. Neither congressional hearings nor the limited scope of secretarial involvement can produce the necessary climate conducive to positive action and resolution.

Mr. President, in the spirit of mediation and conciliation of severe problems of public distress, the President of the United States could, through a Conference on Medical Malpractice Insurance, dramatize the need for unity, solution, and understanding. Presidential involvement could give us an unequaled opportunity to find solutions so that the health care needs of our citizens are not jeopardized. Without doubt this is the appropriate time for such a conference and the White House is the appropriate place. If we fail to appreciate the magnitude of this crisis now, the problem may overwhelm us with the result that our reaction may produce an inappropriate response at best or a Federal mandate at worst. To avoid that possibility a White House conference could provide the necessary conditions for producing a solution acceptable to all concerned.

Mr. President, I want to urge the President to consider this suggestion in the spirit of sincerity and deep concern for the survival of our health care delivery system. We simply cannot allow medical malpractice insurance to impair the ability of physicians and hospitals to deliver health care services to our citizens. I urge my colleagues to join with me in supporting the need for a White House Conference on Medical Malpractice Insurance. Surely, such a conference could provide a positive hope to providers and patients alike, that this problem is a major priority worthy of Federal interest and cooperative assistance.

Mr. President, I ask unanimous consent to have printed in full, at this point, the text of my resolution.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

S. RES. 150

Whereas medical malpractice insurance rates have increased substantially; and

Whereas many physicians are finding it difficult to maintain their medical practices because of such rates; and

Whereas patients and health care consumers are confronting limitations in health care services due to malpractice insurance problems; and

Whereas the effect of high malpractice health insurance could adversely affect the future of health care manpower, and the capacity of our health care system to meet our health care needs; and

Whereas the need for immediate cooperation between and among those affected by the problems of medical malpractice insurance is clear; now therefore be it

Resolved, That it is the sense of the Senate that the President of the United States should convene a White House Conference on Medical Malpractice within the next ninety days.

SEC. 2. The President should extend invitations to representatives of health care providers, bar associations, State and local governments, the insurance industry, the Federal Government, the Congress, consumer organizations, and other appropriate individuals and groups, to discuss the nature and scope of the medical malpractice insurance crisis, and to determine possible solutions to that crisis.

SEC. 3. The Secretary of the Senate is directed to transmit this resolution to the President who is requested to report to the Senate his response to this resolution.

SENATE CONCURRENT RESOLUTION 37—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO THE PROBLEMS OF POLLUTION AND ENERGY SHORTAGES

(Referred to the Committee on Commerce.)

Mr. HUGH SCOTT submitted the following concurrent resolution:

S. CON. RES. 37

Whereas, the price and availability of petroleum products for future needs is under serious question; and

Whereas, the types of passenger vehicles currently used for transportation in cities and suburbs are unnecessarily large, noisy, and inefficient in consumption of petroleum products; and

Whereas, energy efficiency in vehicles must be improved to consume scarce resources; and

Whereas, systems of public transportation will not be able fully to meet all the needs of the urban, suburban and rural populations of the United States:

Now, therefore, be it resolved by the Senate (the House of Representatives concurring), That there be instituted a program of research to develop a passenger car more efficient than existing alternatives for inter and intra-city use, and that such a research program be directed toward the following objectives:

1. The vehicle should be sufficiently small to facilitate easy storage and parking. Its design should be adequate to be safe and comfortable for different traveling conditions. The model should have comfortable

seating for four passengers, a net weight of no more than 1500 pounds, an engine of 50 horsepower or equivalent power output, and capacity to operate at peak economy while traveling at a maximum speed of 50 miles per hour with four occupants.

2. The vehicle should perform consistent with environmental protection and energy conservation standards currently in effect.

SEC. 2. That research and development on the vehicle be performed and/or directed by the Department of Transportation, with the Secretary of Transportation having authority to direct the development of this vehicle and request justifiable authorizations and appropriations.

SEC. 3. That all ideas and/or patents be licensed to any domestic automobile manufacturer who would commercially build such a vehicle.

SEC. 4. That the Secretary of Transportation report to the Congress in January and July of each year on the progress of the research.

Mr. HUGH SCOTT. Mr. President, the events of the past 18 months have focused our attention on the problems of energy shortage and pollution. However, comparatively little effort has been devoted to finding long-term solutions which would lessen our dependence on finite oil supplies and at the same time improve the quality of life in our cities by reducing automobile noise and pollution. So today, I am introducing a resolution to develop a prototype automobile that would deal more efficiently with these problems. It is not possible entirely to replace the car by public transportation systems, although further development in this field could greatly reduce our reliance on imported oil.

Unfortunately, only the automobile can satisfactorily meet the individual's need for personal transport, particularly in the rural areas of the country where there will never be adequate mass transportation. We must, therefore, devote our attention to developing a vehicle which combines the unique advantages of the automobile with qualities that it has previously lacked, qualities such as silence and fuel economy.

Just this week, Secretary of Transportation William T. Coleman chided American auto manufacturers for failing to produce gas-saving models to compete with foreign imports.

The car I envision need not necessarily be powered by an internal combustion engine, or indeed by an engine which uses petroleum products. Currently a promising form of power is electricity. Such a car would weigh not more than 1,500 pounds, would have a top speed of 50 miles per hour and would accommodate four people in comfort. These specifications are by no means impractical, in fact, we should demand them because other countries already manufacture cars which include some of the features I have mentioned. A car of this sort would contribute greatly to the quality of life, particularly in our cities. It would help to eliminate the noise and fumes that poison our streets. Equally important is that by reducing our consumption of gasoline it would help to eliminate oil imports.

In 1973, we paid $4 billion for imported oil; in 1974 the bill came to $24 billion. Everyone is aware of the disastrous and inflationary effects of this price jump on our economy.

Mr. President, the development of a car of this sort is urgently needed. It is obviously in the public interest to do everything possible to expedite its design and production. I, therefore, propose that its design and development should be directed by the Department of Transportation, and that the Secretary of Transportation should be authorized to request the necessary appropriations. When the vehicle has been developed, the plans and patents should be made freely available to any domestic automobile manufacturer who would build it.

The price and availability of energy is crucial to our well-being. In the past, oil was cheap and plentiful. We could afford to waste it by driving cars that were unnecessarily large and wasteful. But those days are gone, and we must learn to adapt ourselves to our changed situation. I urge my colleagues to approve this measure for it will improve our environment and promote economic recovery.

AMENDMENTS SUBMITTED FOR PRINTING

CONSUMER PROTECTION ACT OF 1975—S. 200

AMENDMENT NO. 409

(Ordered to be printed and to lie on the table.)

Mr. SPARKMAN submitted an amendment intended to be proposed by him to the bill (S. 200) to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes.

AMENDMENT NO. 410

(Ordered to be printed and to lie on the table.)

Mr. McCLURE (for himself, Mr. LAXALT, Mr. HANSEN, Mr. GARN, Mr. THURMOND, Mr. EAGLETON, Mr. CHURCH, Mr. DOLE, Mr. HELMS, Mr. BUCKLEY, Mr. SCHWEIKER, Mr. McGEE, Mr. STEVENS, Mr. HRUSKA, Mr. BARTLETT, Mr. GOLDWATER, and Mr. DOMENICI) submitted an amendment intended to be proposed by them jointly to the bill (S. 200), supra.

Mr. McCLURE. Mr. President, today I am offering an amendment which would exempt firearms and ammunition from the authority of the Agency for Consumer Advocacy.

S. 200 purports to set up an agency that will represent the interest of the consumer. Repeatedly, I have attempted to get a definition of just who is the consumer? In most instances, a definition is difficult at best. But in one case involving a "consumer" controversy—the definition is clear. In the current controversy over the Consumer Product Safety Commission's court-ordered consideration of a ban on handgun ammunition, the question was clearly and finally answered.

The consumers in this case are the millions of Americans who daily purchase handgun ammunition for lawful and constitutional purposes—for sport or for protection in their homes or places of business. The CPSC request for comments on the ammunition ban proposal has been answered—answered by consumers of handgun ammunition. Tens of thousands—no hundreds of thousands—of these consumers have expressed themselves in vehement opposition to any ban of the product they consume. The Commission has been inundated by protests from consumers of handgun ammunition. I personally handed over to the CPSC mail and petitions with well over 20,000 signatures of citizens—mostly from my State—who wrote in total opposition to a government agency "protecting" them by banning a product they use. They clearly see that this so-called service will destroy their rights to own and use firearms—legitimate rights guaranteed by the Constitution.

The ratio of mail on the issue to my office was 20,000-plus against the ban to none for it. None of my constituents—not one—said he favored consideration of any ammunition ban. And if there was ever a mandate from consumers—the men and women who purchase and use a consumer product—this is it.

My amendment will prevent this same kind of misuse of power under the guise of consumer protection by another Federal agency—the proposed Agency for Consumer Advocacy. The consumers read the situation well, because this attempt to force the CPSC to ban ammunition is nothing more than an attempt to force back-door gun control.

The controversy over any CPSC consideration of an ammunition ban is vitally important because it indicates the kind of activity that will likely occur under a massive bureaucratic structure that the legislation currently being considered establishes. During consideration of the bill establishing the Consumer Product Safety Commission, the Congress defeated amendments on the House floor that specifically would have given the Commission power to deal with or consider firearms ammunition under its purview. Congressman BINGHAM who wants the CPSC to consider a ban stated in the CONGRESSIONAL RECORD last year the following:

> I recall standing in the well of the House on September 20th, 1972. . . . The amendment I offered that day, to bring handguns under the purview of the Commission, failed.

Congressman JOHN DINGELL and others in the House at that time made it very clear that the intent of Congress was that any aspect of firearms or firearm use was to be exempted from the act. The legislative history was clear. Further, the Commission itself last year denied petitions urging a ban because it presumably felt that it was not in their authority to do so. Then the Federal Court stepped in ordering the Commission to consider a ban. This was a bad judgment in my opinion, but it certainly points to the need for Congress to make it clear by statute that the Agency for Consumer Advocacy does not have the authority over firearms or firearms ammunition. The Consumer Product Safety Commission itself wants their authority defined and Congress is currently dealing with legislation to clarify the Commission's authority in this case once and for all.

Mr. President, as I have explained, there is at least one area in which definition of consumer is easy. While we all

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have to purchase food and clothing we do not all have to purchase firearms. Those people who choose to do so are relatively visible and vocal. They have already come forward and identified themselves and told us how they visualize being "protected" from items which they use for sport or protection. Thousands of my fellow Idahoans signed letters and petitions insisting that forcing them to accept this sort of protection would be doing them no favor. No one expected the CPSC to be involved in gun control but here it is by court order and hundreds of thousands of men and women rejected this call for "protection" by notifying the Commission to let them alone. Here, for once, is the clearly identified consumer telling his Government to stay out of his affairs.

With my amendment there can be no opportunity for the proposed Agency for Consumer Advocacy to mistake the intent of Congress with regard to its authority over firearms and firearms ammunition. Plainly it will not be its function.

AMENDMENTS NOS. 411 AND 412

(Ordered to be printed and to lie on the table.)

Mr. STEVENS submitted two amendments intended to be proposed by him to the bill (S. 200), supra.

NOTICE OF HEARINGS

Mr. NELSON. Mr. President, I announce to Senators and other interested persons that hearings on the extension and expansion of the Emergency Jobs and Unemployment Assistance Act of 1974 will be held by the Senate Subcommittee on Employment, Poverty, and Migratory Labor on Monday, May 19, and Tuesday, May 20. The hearings will begin at 10 a.m. each day in room 4232, Dirksen Senate Office Building. Interested persons who wish to testify or who wish to submit testimony to be included in the record should contact Richard Johnson or Larry Gage, of the subcommittee staff, at 224–3968.

NOTICE OF HEARINGS BEFORE THE JOINT COMMITTEE ON DEFENSE PRODUCTION

Mr. PROXMIRE. Mr. President, on May 22 and May 23 the Joint Committee on Defense Production will be holding hearings on the defense priorities system, a program established in furtherance of the objectives of the Defense Production Act of 1950, as amended. These hearings will be the first in a series aimed at reviewing programs authorized by the act. The committee will examine the administration and operation of the defense priorities system and the special priorities assistance program.

The hearings will begin at 10 a.m. on May 22 and May 23 in room 5302 of the Dirksen Senate Office Building.

Witnesses scheduled to testify are: Gen. Leslie W. Bray, Jr., Director of Preparedness, GSA; Hon. Tilton H. Dobbin, Assistant Secretary of Commerce for Domestic and International Business; Mr. Richard W. Gutmann, Director, Procurement and Systems Acquisition Division, GAO; and Hon. Jacques Gansler, Deputy Assistant Secretary of Defense for Materiel Acquisition.

NOTICE OF HEARINGS

Mr. MATHIAS. Mr. President, the Subcommittee on Separation of Powers of the Senate Judiciary Committee will hold a hearing to assess the administrative procedure and judicial review provisions incorporated in our energy legislation.

This hearing will be held on June 3, 1975, in room 6226 of the Dirksen Senate Office Building, beginning at 10 a.m.

All persons who wish to testify or submit a statement for inclusion in the record should contact either the subcommittee or Quincy Rodgers, minority counsel, Subcommittee on Separation of Powers, 224–4654.

NOTICE OF HEARINGS

Mr. MATHIAS. Mr. President, the procedures which now govern the operations of the Federal Energy Administration were established as the result of an amendment prepared by myself and the former Senator from North Carolina, Mr. Ervin. The Congress is currently considering increasing the authority of that Agency. I believe it is important that we look at the administrative procedures and provisions for judicial review now in effect to see how they are operating and to see whether any improvements might be made.

On June 3, the Subcommittee on Separation of Powers will hold hearings to assess the administrative procedure and judicial review provisions incorporated in our current and proposed energy legislation. It is essential for Congress to reviw the performance of the FEA to insure that the impact and burdens that necessarily will befall certain sectors of our Nation—as we attempt to lessen and regulate our energy consumption—are minimized and equitably distributed.

The purpose of the hearings is not to look into the substance of our energy policy; such questions have been under constant review by others. Rather, the hearings will deal with questions concerning the administrative procedures employed by the FEA.

These procedures are the direct result of hearings held by the subcommittee in October 1973, on procedural problems of the now-defunct Cost of Living Council. Eighteen months have now elapsed since I chaired those oversight hearings before the Subcommittee on Separation of Powers on the procedural and due process problems that arose with the implementation of the wage/price program. As a result of these hearings, we were able to identify a number of areas that demanded congressional attention, among them: Inadequacy of notice of actions taken by an agency; general unavailability of guidelines and standards upon which the agency bases its rulings; lack of clear-cut precedential value of agency actions; inconsistencies in agency decisions; unconscionable delays associated with agency actions; failure of an agency to consider things that might have been taken into account if there had been proper opportunity for input into the agency.

The end product of our hearings was legislation designed to insure the fair administration of agency powers—and to provide for accountability of action and due process in agency proceedings. The substantive area of regulation, energy, was only partly related to wage/price control. But the procedural problems which we foresaw were the same.

The attention now devoted to the formulation of substantive energy legislation demands that we look again at the procedural safeguards that we hoped would alleviate the problems that arose in conjunction with the Cost of Living Council. Energy intervention on the scale permitted by the Federal Energy Administration Act of 1974, FEA Act, the Standby Energy Authorities Act (S. 622), as well as the Emergency Petroleum Allocation Act of 1973 (EPAA) is certain to have an impact upon the traditional values of due process of law and the accountability of Government for its actions unless those values are vigorously preserved.

All too often the true intent behind the imposition of administrative procedures becomes clouded by agency warnings that some provisions are impracticable and others impose too great a burden. It is crucial to remember that administrative procedures are not arbitrary sanctions imposed upon agencies designed to make the administration of agency functions more difficult. Rather, such procedures are a congressional attempt to insure the merger, and not the divergence, of public and private interests. No agency will long retain or deserve popular support if its decisions are not arrived at by a process which appears open, fair, consistent, thorough, rational, enforceable, and necessary.

NOTICE OF HEARING

Mr. SPARKMAN. Mr. President, the Committee on Foreign Relations will hold a public hearing on Monday, May 12, 1975, at 10 a.m., in room 4221, Dirksen Senate Office Building, on legislation to aid refugees from Indochina.

Any persons wishing to testify on this subject should contact Mr. Norvill Jones of the committee staff.

ADDITIONAL STATEMENTS

CONCORDE

Mr. BUCKLEY. Mr. President, I am deeply troubled by the applications of British Airways and Air France, requesting that the Federal Aviation Administration amend its operating specifications to permit limited regular commercial service of the Concorde into and out of JFK and Dulles International Airports. The proposed entrance of the Concorde has caused grave concern to my constituents in the Nassau/Suffolk County area and indeed, to concerned environmentalists throughout the Nation.

I do not see any compelling reason for

subjecting thousands of our people to daily aggravation and setting aside our own laws protecting the environment just so that a few hundred persons per day can save a few hours crossing the Atlantic.

Mr. President, I ask unanimous consent to have printed in the Record a statement which I made before the FAA in a regional hearing held in Flushing, New York, on April 18, 1975.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Testimony by Senator James L. Buckley

I wish to thank the Federal Aviation Administration and the members present here today for enabling me to testify. In addition, I would especially thank the citizens of Queens and Nassau counties, who have written and called to express their strenuous objection to the proposed flights of the Concorde into Kennedy International Airport.

Americans living in the vicinity of airports here and elsewhere around the country, have long and tirelessly worked to reduce aircraft noise to tolerable levels through federal legislation and operation restrictions at the local level. If I may sum up their attitude in one phrase, it is: "Enough is enough!" I concur.

I urge that the Concorde not be allowed to land at JFK until it can meet the existing environmental limitations which apply to subsonic aircraft.

It is proposed that Concorde be allowed to fly in and out of JFK four times per day—at least for starters. According to the 1973 FAA statistics, the average number of daily flight operations at JFK is 1046, and these operations take place twenty-four hours a day. At present, 375,000 people are exposed to what the FAA deems "acceptable" noise levels, in the impacted area of approximately six square miles. 50,500 are exposed to "unacceptable" levels. The presence of only four Concorde flights in and out of JFK per day would extend the impacted area to approximately seven square miles, and would raise the total number of people exposed to "acceptable" noise levels to 379,500, and the number exposed to "unacceptable" noise levels to 53,100.

It is somehow being suggested that as the number of people exposed to unacceptable noise levels would be increased by less than 6% the proposal is somehow tolerable. I say that it is intolerable to ask 2,600 residents of Queens and Nassau to put up with these higher levels of noise day in and day out just so that a few hundred travelers per day can shave three or four hours from the time it takes them to cross the Atlantic. I don't know what kind of calculations the EPA undertook in coming up with its tradeoff of cost and benefits; but it is clear they should go back to the drawing board.

Another important aspects to consider is the vibration-causing content of noise generated by aircraft operations. Already my constituents in the impacted areas are extremely disturbed by household rattle caused by dishes, pictures, lamps, etc. vibrating against their supporting surfaces. As stated earlier, they are subjected to this irritating disruption of their private possessions twenty-four hours a day. Cold weather tests of the Concorde have shown that vibration was as much as five times greater for Concorde than for subsonic long-range aircraft. Again, why should 2,500 New Yorkers be asked to put up with this additional disturbance so that a few hundred passengers per day can claim the satisfaction of a supersonic flight?

Finally, there are the still unresolved environmental factors. According to the FAA's draft Environmental Impact Statement, four flights per day would increase total aircraft emission pollution at JFK by 4.39% daily. One Concorde emits 804 pounds of carbon monoxide per landing/takeoff cycle as opposed to 202 pounds for a B–707 or 187 pounds for the B–747. Later, the emission of NO_x accumulates in the stratosphere, further adding to the problem of ozone reduction about which we still have insufficient information. There is reason to believe that ozone reduction can lead to a numerical increase in cases of fatal and nonfatal skin cancer. Other pollutants that would increase would be sulfur dioxide and others that can have an adverse effect on such climactic variables as temperature, wind and rainfall, with an impact on agricultural productivity, especially in farming areas with a marginally short growing season.

It can be argued that the proposed increases in pollutants would be marginal. I suggest, however, that this not a time to be stepping backwards on environmental standards in order to accommodate the marginal convenience of a small number of travelers when we are already being asked to relax those standards in our utilities and other major users of fuel so that we may begin to reduce our unhealthy degree of dependence on foreign sources of oil. The latter involves major economic and political considerations that environmentalists must take into the balance in determining the rate at which we move forward to our ultimate goals for clean air and pure water. The former case clearly fails to justify any relaxations.

We are reminded that Britain and France waived their own environmental limitations pursuant to Annex Roman-16 of the Chicago Convention in order to permit the entrance of American-made 747s in to Heathrow and Orley. They did so, however, with the sure knowledge that we had the means to make the 747 quieter than existing aircraft within two years, and their own carriers were as anxious as ours to begin exploiting the operational economies of these huge aircraft. Furthermore, the use of the jumbo aircraft did not add to the problem of air pollution, nor did it introduce commercial flying into a new arena, the stratosphere, in which atmospheric mechanics are still too little known.

In the case of the Concorde, we have no guarantees that the noise levels can be reduced in the near future, and we are faced with the continuing problems of increased levels of pollution and their still little-known impact on the upper atmosphere.

The French and the British, in other words, could reasonably argue that the long-range benefits to very large numbers of daily air travelers would offset the temporary increase in noise levels that local residents would be asked to put up with. We are dealing here with an entirely different situation.

It is also argued that a refusal to accommodate British Airways and Air France would be an act of discrimination that would serve to scuttle a foreign commercial venture. I disagree. We are merely insisting that foreign aircraft be asked to meet the same standards that we are imposing on our own. No one in the business world has the right to expect a foreign nation to make special exceptions in statutes or regulations that are designed to protect the health and well-being of their own citizens. Nor can it be charged that we are retaliating against the French and the British because they have stolen a technological march on us because they are in a position to fly commercially an aircraft more advanced than any we have in service. The evidence is quite to the contrary. It is clear from the entire record of Congressional concerns for the environment that we are not prepared to compromise our safeguards irrespective of what nation manufactures the equipment or flies it.

As I have stated many times before, I believe that those who would introduce SSTs into commercial aviation have the burden of establishing that no new environmental hazards will be created and that existing standards will be met. Only then should we be prepared to open the door to their commercial use.

I can see no overriding public interest that would justify a change of policy at this time.

In this instance, I find myself agreeing with the great American humorist, Ogden Nash who wrote: "There has been a lot of progress during my lifetime, but I'm afraid its heading in the wrong direction."

All of this the citizens here today realize far better than I. They can testify more eloquently to the detrimental effects which a constant bombardment of noise has had upon their daily lives.

Hopefully and with a great deal of effort, we can turn the tide. We as citizens, as representatives of the Federal Aviation Administration, and as legislators can work for genuine progress that does not demand that we sacrifice the quality of life.

This is a matter I intend to pursue as ranking Republican on the Environmental Pollution Subcommittee of the Senate Committee on Public Works, which has jurisdiction over the Environmental Noise Control Act of 1972. I will urge that hearings be held in which members of the affected public can testify. We need the opportunity to carefully examine this and a variety of issues relating to aircraft noise abatement and control. Such an examination would better enable us to judge the effectiveness which the Environmental Noise Control Act of 1972 has or has not had.

THE PROBLEMS OF ALCOHOL ABUSE

Mr. HOLLINGS. Mr. President, I am taking this opportunity to enclose for the Record a paper presented by Col. Arthur Datnoff of the South Carolina Commission on Alcohol and Drug Abuse to the armed services section of the Alcohol and Drug Problems Association last December in San Francisco.

The paper outlines the success and potential of mutual cooperation between military and civilian programs dealing with the problems of alcohol abuse. The progress made in South Carolina is encouraging and I hope to see this approach continue and spread to other sections of the country.

I ask unanimous consent that the paper be printed in the Reord.

There being no objection, the paper was ordered to be printed in the Record, as follows:

Military-Civilian Cooperation in South Carolina

(By Arthur R. Datnoff, Col. U.S. Army, retired)

In the 12 month period from December 1970 to December 1971, a series of four major developments in the alcohol abuse field was recognized by the S.C. Commission on Alcohol & Drug Abuse as offering an unusual opportunity to combine the forces being generated into a powerful attack on alcohol abuse, alcoholism and problem drinking in South Carolina.

Development No. 1 was the emergence of the industrial approach to alcoholism. Reports by the National Council on Alcoholism, the Department of HEW and the National Institute on Alcohol Abuse and Alcoholism indicated that while psychologists, psychiatrists and state mental institutions were re-

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alizing a 30% success rate in dealing with alcoholism; while Alcoholics Anonymous was estimated to have a 40–50% success rate in motivating the achievement and maintenance of sobriety; businesses and industries were claiming 60–80% success in restoring their alcohol-troubled employees to productivity and responsibility. The businessman's nerve that runs from his heart, straight to his pocketbook, has been pinched, and he had learned a way to relieve the pain of alcoholism's economic costs. Leaders of organized labor and business leaders learned "tough love," and "hard nosed" confrontation were both constructive and effective in protecting the investment in, and well being of, skilled and valued employees.

Development #2 was PL 91–616, the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970. That law established the National Institute on Alcohol Abuse and Alcoholism and its Occupational Branch charged with the responsibility to promote programs in business, industry, state and local government throughout the country.

The third development was the publication and distribution of a letter by the U.S. Civil Service Commission directing the implementation of alcoholism programs by each U.S. Department and Agency having federal civilian employees.

Development #4 occurred on September 28, 1971, with the enactment of PL 92–129, directing the Secretary of Defense to implement drug and alcohol programs for all of the Armed Forces of the United States.

The S.C. Commission on Alcohol and Drug Abuse recognized the interrelationships in these significant developments in South that next to the textile industry, National Defense was the biggest "industry" in South Carolina. Added together, the active duty military and their dependents, civilians employed on military installations and the military retired community, approximate 10% of the state's population. In the greater Charleston area, they represent about 30% of the population, and in Beaufort County, S.C., they total more than 50% of that county's population.

Defense related personnel work on their installations during the day, but are merged into, and are generally indistinguishable from the civilian community after normal working hours. They reside in the community, drive on its streets and highways, attend its churches and schools, shop in its stores and markets, use its entertainment and recreational facilities.

The Commission knew that if it could negotiate a "marriage" with the military installations in South Carolina, then highly successful programs could evolve to the benefit of the military installation, the local community and the entire state. In this marriage, the Commission would contribute its wealth of 15 years of experience, its trained personnel, its helping resources and other assets; the military commands contributed their organized, structured, responsive and disciplined capabilities to the partnership. Such a combined, coordinated military-civilian attack promised great success. Neither could separately afford the luxury of separate facilities, or training and maintaining enough professionals in an already sparse field, without first jointly maximizing the use of existing information, education, training, prevention and rehabilitation capabilities. By combining and sharing, the state would extend its services to all of its residents; and the military would gain civilian sources of help as a supplement, or alternative, to their own on-base programs. Success in the military program would inevitable benefit the entire community.

The concept of the military-civilian cooperative effort was approved and funded by NIAAA; and when the Department of Defense issued its directive on March 1, 1972, the S.C. Commission on Alcohol and Drug Abuse was already preparing to offer the military commands in S.C. every assistance of civilian alcohol authorities toward reaching the objectives in the Defense Department's alcohol abuse programs. When the offer was made, each command accepted, and promised the closest cooperation and collaboration.

The need for such cooperation was strongly reinforced by findings in a study commissioned by the Department of Defense and conducted by the Human Resources Research Organization (HumRRO). HumRRO interviewed 36,000 troops, of all services, around the world and submitted their report on March 1972.

The objective of the coordinated military/civilian program was to provide for prevention, referral, rehabilitation, identification, treatment and control of alcohol related problems through information, training, education and research among active duty military, DOD civilian employees, retired military and military dependents.

The Project Director would work with civilian agencies and their military counterparts, seeking common ground for coordinated efforts. He would have no authority over any program in either community, but would have considerable responsibility as the focal point and coordinator in initiating and developing information, education and training programs for coordinated efforts in identification, treatment, rehabilitation and control of alcohol abuse problems. We began with Ft. Jackson which lies within the city limits of Columbia. In August 1972 we briefed the Commanding General, his major subordinate commanders and staff and won approval to proceed. On September 5, 1972, the Commanding General of Ft. Jackson and the Director of the S.C. Commission on Alcohol and Drug Abuse signed a joint document establishing the "Ft. Jackson-Columbia Metropolitan Area, Military-Civilian Steering Committee on Problem Drinking," specifying its purpose, objectives, specific functions and organization.

This Committee met every two weeks until it had developed its first joint project. Since then it has met monthly and has had 30 meetings to date. There are 11 members, all of whom are intimately involved with alcohol and drug problems. There are no prestige members. The military members were: Director of Personnel, Chairman (a full Colonel); the Hospital Commander (a full Colonel); a Brigade Commander (full Colonel); Deputy Civilian Personnel Officer; Director, Alcohol & Drug Program (Major). The civilian members were: Directors of the Mid-Carolina Council on Alcoholism; Richland County ASAP; Direct Services Project, S.C. Commission on Alcohol & Drug Abuse; a representative of the Columbia Area Mental Health Center and the Director of the Military Industrial Alcoholism Program (myself) serving as Secretary.

Our first project was a 4-hour Information/Education Program with required attendance by all commissioned officers, key non-commissioned officers and all civilians employed in supervisory positions. It is a 4-part program in which Part 1 explains alcoholism, its nature, and why it is an illness, disease or condition which is treatable. Part 2 deals with the signs, symptoms and behavior that facilitate identification of the problem drinker; Part 3 presents a detailed explanation of each helping resource in the civilian community, and Part 4 provides an explanation of the military alcohol abuse and alcoholism program at Ft. Jackson. 86 classes were held from February through November 1974 with a total of 1,811 attendees.

A few months ago, in September, the Commanding General of Ft. Jackson sent letters to 53 addressee represented on the Federal Executive Council in Columbia, inviting their supervisory personnel to attend the Ft. Jackson course. Most of the recent civilian attendees are from these agencies. This action by Ft. Jackson is particularly meaningful and timely in light of the recently released report of the Committee on Government Operations, severely criticizing the poor implementation of "Occupational Alcoholism Programs for Federal Employees."

Our 4-hour course attempts to deal with that most important issue of attitudes toward problem drinkers and alcoholism. Official policy statements notwithstanding, it remains an uphill battle to persuade key individuals that alcoholism is a disease or illness which can and should be treated, rather than moral and spiritual misconduct which should be stigmatized, punished and used to justify dismissal from the service.

We know from surveys conducted 6 months after course completion that attitudes are changing, supervisors are being motivated and that things are happening. 67% of those responding to the survey have either attempted to deal with a problem drinker/alcoholic or have taken the initiative and engaged with others in discussions about problem drinking. 67% of those responding represents 40% of all who attended the course, so we can conclude that a broad base of interested people willing to support the program is progressively developing.

Proof positive that things are happening is the growth in the numbers of military related clients receiving assistance for their alcohol problems. In 1972 Ft. Jackson had 108 cases, while MICCA had 20, for a total of 128. In 1973, the first full year of our program, Ft. Jackson had 198 clients (176% increase), while MICCA had 87 clients (335% increase). This year's data indicates the 1973 figures were equalled in October. So we can project a continued increase for 1974.

But perhaps the most significant development of all is the extent to which military and civilian counterparts, once introduced, acquainted and confident of each others' sincerity and professional qualifications, have generated new and cooperative projects. Some of these are: exchange of speakers (military to community/civilians to Ft. Jackson); exchange of films and literature; brochure racks (racks and literature provided by civilians/siting and servicing by the military); community services seminar (quarterly) and social services seminar (periodic); ASAP Law Enforcement seminar; Central Midlands Planning Council (4 county—state has 10 regions); MICCA Board of Directors; Richland County Council; ASAP information and breathalyzer; ATS school; ADDIC (quarterly joint meeting with Steering Committee); Southeastern School of Alcohol Studies. And lastly, in August of this year, Ft. Jackson employed its first full time civilian alcohol program coordinator; it quietly changed its "Alcohol & Drug Center" to the "Personal Assistance & Counselling Center," and the Mid-Carolina Council on Alcoholism obtained funds for a full-time person to take over my functions with Ft. Jackson, freeing me to pursue the project in other parts of the state.

In October 1973 we launched a similar military/civilian cooperative program in Beaufort, S.C., where military and related personnel constitute more than half the county's population. Other than Alcoholics Anonymous, this was the first such planned program in that county.

The Commanding General, Marine Corps Recruit Depot, Commanding Officer, Marine Corps Air Station and the Commander, Naval Hospital, jointly approved the concept; each signed a document establishing a military-civilian Steering Committee on Problem Drinking and each collaborated in a joint order initiating an Information-Education course similar to that we had established at Ft. Jackson.

The Steering Committee of 13 members has representatives from each of the military and naval activities. The civilian members represent Beaufort Co. Commission on Alcohol & Drug Abuse; the Coastal Empire Mental Health Center; Vocational Rehabilitation Office in Beaufort; Beaufort-Jasper Comprehensive Health Services, Inc.; Coastal Regional Office of the S.C. Commission on Alcohol & Drug Abuse; Columbia Office of the S.C. Commission.

We began our Information-Education course on January 22, 1974. From January to November 12, 40 classes were conducted with a total of 847 persons attending. The Marines also invited their civilian neighbors to attend the Tuesday classes. City and County officials, educators, the judiciary, law enforcement personnel, the chiefs and key staff members of social and health servicing agencies are included.

In June this year the first on-post AA chapter in its history was established at the Parris Island Marine Corps Recruit Depot. It was a "closed" group for 6 months. Last month, they felt secure enough and confident enough to begin having "open" meetings. This speaks well for its trust in the Command.

Before our program began, Parris Island had " a dozen or so" referrals in 1973. Now the Alcohol & Drug Abuse Control Officer says he averages about 2 calls a day from problemed persons or supervisors seeking advice.

A Marine Corps LTC, retiring this month, has been selected as director of the 1-year Beaufort Co. Commission on Alcohol & Drug Abuse. This will be a tremendous spur to cementing military-civilian cooperation. With the support and endorsement of the Military-Civilian Steering Committee, Beaufort last month received $25,000 from the State Commission on Alcohol & Drug Abuse to establish a Crisis Intervention Hotline and another $13,000 to start an Alcohol Safety Action Program to deal with driving under the influence.

While good things are beginning to happen, there are ever present problems. We know that just as in the private sector, the successful implementation of any substance abuse program depends largely on the personal convictions of individuals up and down the chain of command—that without command commitment, involvement and support, the program is in trouble.

Another problem is that in many cases, military personnel are assigned to the alcohol abuse program as an additional duty. Of these, many are "putting in their time," but don't really have their hearts in the work. Command and staff personnel are often so busy with their myriad duties that their contribution to the alcohol abuse program becomes more a function of personal conviction than a function of official responsibilities.

Moreover, the high mobility of military personnel, instability in military assignments, budget problems and chronic fluctuations between authorized spaces and bodies to fill them generate turbulence in the program, disrupt its long-term requirements and afford those opposed to the program a chance to "outlast" the system.

In a military-civilian cooperative program the civilian partner can help mitigate some of these problems. Because they have been actively engaged in the attack against alcoholism many more years than their military counterparts, civilians have highly qualified professionals dedicating full time and attention to the issues. These civilian agencies and staffs are relatively stabilized and can contribute the continuity that is so essential to the progressive strengthening and growth of the installation program.

On the matter of general and specialized treatment facilities, the military services have made great progress in just a few years, but in many locations civilian facilities still offer the widest variety of potentially successful helping resources.

To summarize the benefits of this program:

(1) Each community reinforces the other. Neither has an endless supply of resources. There are shortages in money, trained personnel and treatment facilities. A cooperative program helps to overcome some of these shortages and provides opportunities for military and civilian to work together in determning how to spend dollars.

(2) It provides an unusual opportunity for state alcohol & drug authorities to reach a significant part of its population which works on federal property but lives in great part in the civilian community.

(3) It demonstrates to military families the sincere interest and concern of the civilian community, thus facilitating the transition to civilian helping agencies upon separation or retirement.

(4) It provides an alternative source of treatment for those who seek help but refuse to turn themselves in to military facilities.

(5) More acceptable provisions can be made for female problem drinkers.

(6) A broader spectrum of treatment options is made available.

(7) Because of their full time attention to the issues, civilian professionals can contribute to a continuing and extensive exchange of ideas and experiences.

Finally, let me cite a joint regulation of the Army, Navy, Air Force, Marine Corps and Defense Supply Agency, published 1 August 1973 dealing with "Motor Vehicle Traffic Supervision." Under this innocuous title, these armed services have essentially adopted the Alcohol Safety Action Project and have opened the doors wide to military-civilian cooperation. Listen to these quotes which are virtually directive in nature: "Coordinate with national, regional and state traffic officials and agencies, including active participation in conferences and workshops. . . ." "Cooperate with and support programs of state and regional highway traffic safety organizations"—"Where possible, actively support and participate in Alcohol Safety Action Projects in neighboring civil communities."—"Where civil authorities conduct remedial driver training courses, local arrangements may be made for installation personnel to attend these courses in lieu of courses conducted on military installations."

It seems to me the Armed Forces want to join us in the attack on alcohol and drug abuse. Why don't we do a better job of enlisting them in the good fight?

CRISIS IN MEDICAL MALPRACTICE FIELD

Mr. **LAXALT.** Mr. President, as many of my colleagues are aware, an incipient crisis in the medical malpractice field is currently the subject of considerable national attention. For the past 10 years there has been a dramatic upturn in the number and size of malpractice claims being filed against health care providers with the result being that there are only half a dozen companies which carry malpractice insurance. And I am informed that it is now questionable whether any of these will be doing business in 2 or 3 years unless the situation improves.

Many private insurers have dropped their malpractice insurance coverage claiming that it is a profitless business. They point to statistics showing that 10 years ago about 6,000 malpractice claims were filed per year; in 1970 this number climbed to approximately 11,000, while today it is estimated that anywhere from 15,000 to 20,000 such claims will be opened. With the incidence of claims balloning, 1 out of every 5 doctors can now expect to be sued during his career, and 1 out of every 7 physicians in some high risk specialties and suit-prone localities can expect to be sued each year. The average settlement or court judgment has grown by 13 to 14 percent each year.

Mr. President, all of us in Congress should recognize that the increased incidence of malpractice suits may have, or already has had, an extremely detrimental effect on the practice of medicine and the quality of medical care in this country. It is conceivable that medical providers, hypersensitized to the possibility of being sued, could practice "defensive medicine." Providers are being forced to protect themselves by taking excessive precautions in the treatment of patients—this is, they may undertreat patients, foregoing treatments and procedures which carry higher risk of injury in favor of more secure alternatives which could prove less beneficial in the long run—for the sake of building a strong defense in any claims that may result. In addition, the threat of malpractice suits has led to an inefficient use of manpower.

Physicians and hospitals—sometimes liable for injuries negligently caused by nurses, paraprofessionals, and other health personnel—are naturally reluctant to permit those personnel to perform any services which carry a risk of injury to the patient. As a result, these people are underutilized, being prohibited from administering treatment which they are fully trained and qualified to handle.

This problem reached crisis proportions in my State of Nevada at the end of last month, Mr. President. A major malpractice insurer went out of this business and, for a time, it appeared that many physicians would be forced to stop practicing. The Nevada State Legislature acted swiftly, however, and passed legislation which set up a quasi-governmental "Nevada Essential Insurance Association" to form an assigned risk insurance pool and write malpractice policies with all the State insurers participating. This commendably resourceful and quick response by the State government prevented the possibility of an immediate breakdown in Nevada's medical care system. However, I am informed that though the pool insurance is available the insurance rates remain high. Consequently, the health care providers in our area are not entirely satisfied and, of course, the long-range national problem has not been alleviated; the private malpractice insurance market continues to deteriorate while the volume of law suits does not promise to subside. We in the Senate, a national body, have a responsibility to study the problem and suggest courses of remedial action.

Several bills to provide for a national program of medical injury compensation insurance have been referred to the Committee on Labor and Public Welfare, of which I am a member.

Mr. President, all of us realize that

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something must be done before the small number of companies in the private insurance market who still do write malpractice insurance shrinks further and before the astronomical rates climb even higher. Any bill which comes to the Congress for consideration must be complete and equitable if it is to solve the problem without creating new ones. I believe that if we concentrate our attention on this very serious matter, good legislation can be written for consideration during this Congress. I urge my colleagues to address themselves to this issue immediately.

STATEMENT BY JORGE MAS CANOSA BEFORE THE SUBCOMMITTEE ON INTERNATIONAL TRADE OF THE HOUSE OF REPRESENTATIVES

Mr. STONE. Mr. President, I ask unanimous consent that a statement made today before the Subcommittee on International Trade and Commerce of the House Committee on International Relations, together with the exhibits attached, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT BY JORGE MAS CANOSA

Mr. Chairman and distinguished members of the Committee:

It is a privilege and an honor for me to testify before this Committee in behalf of my fellow citizens and the cause of free Cuba.

I was notified only last Thursday of this appearance before this Committee. In spite of this short notice, I would try to bring to your attention providing facts, principles and specific examples that will support the position taken by the Cuban people in exile, contrary to the resumption of trade and diplomatic relations with the communist tyranny of Cuba. In this testimony, I have tried, and I think I have succeeded, to set aside all emotional involvement or traumatic experiences that, as a Cuban refugee, I have suffered during the last sixteen years.

Therefore, my objections to such trade and diplomatic relations are based on cold facts that I would try to prove in this testimony.

TRADE BETWEEN THE UNITED STATES AND CUBA

Early and throughout 1960, the Fidel Castro regime illegally confiscated, according to the Foreign Claims Settlement Commission, more than 1.8 billion dollars from United States citizens without any compensation.

Furthermore, over 2.5 billion dollars were illegally confiscated from Cuban nationals who up to 1960 owned business enterprises. As a result of this policy, Cuba, which was one of the most prosperous and richest nations of the Western Hemisphere, became one of the poorest nations. For more than fourteen years, and up to now, every Cuban citizen is forced to live under a very strict rationing that, in the opinion of many experts, is even worse than the one that was in effect last century when Cuba was still a colony of Spain.

To resume any commercial trade with the Castro regime will, in effect, legitimate the illegal confiscation of U.S. properties that has put such heavy burden on the United States tax payers. It will also encourage other nations throughout the world to take American properties without paying due compensation. It will also show to those nations that a waiting period of sixteen years or more—after confiscating illegally such property—is enough to claim and obtain free and clear title to those properties.

Furthermore, as an additional trophy for that illegal confiscation, those nations will receive the benefits of profitable trading with their former confiscation victims.

It should be clear to all American investors and businessmen, that the nature of the economic system under a Communist regime is absolutely contrary to the essence of free enterprise. It has been reiterated by Castro in one of his recent speeches, that Cuba will never tolerate the right to own any private property, not only by Cubans but by any foreign businessmen. Since the right of possessing private property to earn a reasonable profit are the basic fundamentals of any free enterprise, I ask myself, on what basis can American businessmen establish any commercial relations with the Communist tyranny of Cuba?

I also would like to bring to the attention of this Committee that the economic interest as well as the improvement of better living conditions for the Cuban people is always second to the egocentric political ambitions of Fidel Castro. When Cuba was enduring one of the most deeply economic crises of its history, Castro further reduced the quota of sugar to the Cuban people (the irony, coming from one of the largest producers of sugar in the world) in order to send more sugar to the government of his good friend and ally, Salvador Allende, in Chile. During that same period of time, Castro was sending sugar and other Cuban goods, which the Cuban nationals were deprived of, to the government of North Viet Nam. The same happened when Peru suffered the tragedy of the earthquake. It has even been proved the economic support that the guerrilla fighters on Portugal's African colonies, have received from the Castro regime during the same critical time of shortage in Cuba.

There is no reason to believe that Castro would ever sacrifice his political ambitions for the well-being of the Cuban people, not even if the United States decides to establish commercial trade with his regime. What would probably happen—if the latter materializes—is that American enterprises will be subsidizing Communist causes around the world through the Communist tyranny of Cuba. American businessmen should not dream about the potential market that Cuba might represent to them. Cuba is the most formidable and strategic political and military base the Soviet Union has outside its territory in the whole world. Russia has lent to the Castro regime billions of dollars under the most favorable conditions, not only eliminating any interest charge, but deferring payment of principal to start in the year of 2001.

Let's suppose Russia decides to withdraw its costly economic support to Cuba. Would the American taxpayer be willing to take Russia's place, at this time of great economic crisis, and bare this heavy burden in behalf of one of U.S. worst enemies?

The dependency of Cuban economy to the USSR is so deep that it would be senseless to assume that because of the resumption of U.S. commercial trade with Castro, the Cuban regime will be able to obtain any grade of independence from the Soviet Union in the future.

Any economic aid that the United States government might give to the Cuban regime is a waste of time and money. The failure of the economy in Cuba is due to the nature of the system itself. Under very strict rationing of goods and without any incentive to produce, the Cuban people refuse, by all means, to cooperate in working diligently in behalf of such a system. The following facts will prove such a statement: Sugar is the basic industry of Cuba. All sugar production before Castro was restricted, due to international agreements. The last ten sugar crops before Castro, with a duration of approximately 120 days grinding season, produced an average of 5.8 million tons of sugar. After Castro, without the above restriction, and despite the fact that lately all efforts of the Cuban government have been aimed to increase the capacity of the sugar mills, the fact is that the average crop of sugar has decreased to 5.3 million tons. This is even worse if you take into consideration that the lower production required an average of more than six months of grinding season. What is the reason behind that fact? One and only one. The lack of cooperation of the Cuban people.

The absurd prices that American housewives have been paying for sugar in the local markets, are due mainly to the fact that Castro is purposely withholding information on the amount of every year's sugar crop in Cuba to panic the world market and make the American consumers "pay through the nose" and help to increase the inflationary trend of this country's economy.

While the production of sugar in Cuba decreases, the demand of this commodity is increasing at the rate of 3% per year in the world market. This situation could have been avoided, in the opinion of sugar experts, if Cuba had remained free. The most conservative estimates, indicate that in the latter case Cuba would have been producing around 8 million tons of sugar per year, thus, avoiding the incredible prices that the American consumers are still paying in local markets.

If the United States government, among other considerations, has entertained the idea that by resuming commercial trade with the Castro regime, the Cuban people would obtain some benefit from this measure, I must call the attention that this would not happen.

This is substantiated by the fact that last year, sugar reached its highest price in history, yet not one single Cuban national received any benefit from this increase. It only goes to prove once more, that the Castro regime, recipient of that "bonanza", does not pass unto its people any benefits at all.

As a Cuban, I think I have established that no benefit will ever be obtained by my fellow citizens in case of a resumption of commercial trade between United States and communist Cuba.

Now, as representatives of the American people, I believe you should ask yourselves a very vital question: Is the resumption of Cuban-American, commercial trade to the best interest of the United States?

Castro has received economic assistance from countries such as Argentina (1.2 billion dollars), Japan, France, Spain and other countries. Credits have been extended by these countries at low interest rates and with long term payment facilities. American business will have to better those credit terms in order to enter the Cuban market.

I respectfully ask the Members of this Committee: Is the United States government or American business willing to extend new credits to this type of debtor who took 1.8 billion dollars from U.S. citizens without due compensation? Are you Americans willing to lay the groundwork for another confiscation plot?

It is a well known fact that the lack of hard currency by the Castro regime, forces it to request and rely on long term credits or barter trades.

What products does the United States need from Castro? Sugar? Nickel?—the great majority of these are already committed to the USSR in exchange for the generous aid and assistance, and the special protection afforded Cuba for the survival of its present regime.

The main reason for the economic assistance that Cuba is receiving from the USSR is better explained by former Premier Nikita Khrushchev, who in his Memoirs expressed the following:

"The USSR extracted from the U.S. a promise that Cuba would not be invaded. This assurance, established the political stability of Cuba, helped, from an economic point of view, to consolidate the regime and in this manner allow Comrade Castro to receive economic assistance".

This statement from Nikita Khrushchev proved that the main motivation for the USSR to give Cuba such tremendous economic assistance is to protect Cuba as its most important political beachhead in the Western Hemisphere.

While this is the basic reason for Russia's economic policy toward Cuba; the United States policy cannot be of the same nature for obvious reasons: Castro is an ally of the Soviet Union. Castro is an enemy of the United States. How then, can the United States better the terms of the Russian and Cuban trade and at the same time obtain benefits for American industries without supporting the political establishment in Cuba whose aims are to continue the task of diminishing all political and economical influence of the U.S. in Latin America and in other parts of the world.

Last, but not least, Mr. Chairman and distinguished Members of the Committee, let's not deceive ourselves. Castro's ambition is to achieve the moral capitulation of the United States in behalf of his communist regime. If the U.S. Government resumes trade with Cuba, Castro will no doubt claim: That the U.S. has been wrong for the past 15 years; that communist Cuba throughout these years has been the victim of "Yankee Imperialism" and that the Cuban Revolution has emerged victorious from its struggle for justice.

Let's deprive him of that opportunity!

Let's not play into Castro's hands!, and

Let's stay away from what will be a senseless adventure from which the worst consequences can only be expected.

UNITED STATES DIPLOMATIC RELATIONS WITH COMMUNIST CUBA

After Castro came to power in Cuba, the United States started to encourage Cuban nationals to leave their country and seek refuge in American soil.

A chain of events concluded in the interruption of diplomatic relations between the United States and communist Cuba. A year later, freedom loving Cubans, with the support of the United States, invaded the Island, in an effort to liberate their country. That tragic episode in the United States military history is better known as the "BAY OF PIGS FIASCO".

EXPULSION OF CUBA FROM THE ORGANIZATION OF AMERICAN STATES (O.A.S.)

In January, 1962, in a meeting of the Foreign Relations Ministers, held at Punta del Este, Uruguay, the Castro regime was expelled from the Organization of American States, because of the "incompatibility of its regime with the principles of the Charter of the OAS".

We would like to emphasize that the U.S. is bound by that resolution and we also want to call your attention that the nature of the Castro regime has not changed and still maintains those same principles that were the reason for its expulsion.

BREAKING OF DIPLOMATIC AND COMMERCIAL RELATIONS WITH CUBA

On July, 1964, at the Ninth Conference of Foreign Relations Minister held at Washington, D.C., convene under the Inter-American Treaty of Reciprocal Assistance, a resolution was passed calling on all Member nations to break diplomatic and commercial relations with the Castro regime because of its interference with the internal affairs of other nations of the Hemisphere.

The circumstances which prevailed at that time are still in effect today. Even after the above resolution was passed by the O.A.S., the Castro regime persisted in carrying out its subversive activities. "Che" Guevara, one of the most important leaders of the Cuban revolution, together with a number of Majors and Captains of Castro's Army, was killed by the Bolivian Army while trying to take over that country and establish a communist regime similar to Cuba's.

Furthermore, other Members of the Cuban Armed Forces were imprisoned or killed while trying to subvert or overthrow the government of such countries as: Panama, Dominican Republic, Guatemala, Nicaragua, Venezuela, Colombia, Ecuador, Peru, Chile, Paraguay, Uruguay, Argentina and Brazil.

As recently as November of 1974, "Background Notes" on Cuba, distributed by the U.S. Department to the Latin American Embassies stated that: "Castro and other top Cuban leaders have continued publicly to reaffirm their commitment to support revolution abroad". (See Addendum "A")

But these attempts of subversion are not limited to our Hemisphere. It has been proven that the Cuban communist government has also sent Military Technicians and weapons as far as North Viet-Nam, Syria, Portugal's African colonies, where Major Rodriguez Peralta, of the Cuban Army was captured and sent to a Lisbon prison.

We could spend hours and hours giving this Committee specific information about Castro's intervention in the affairs of other nations, but let Castro himself tell us about his plans in his last two speeches.

On March 20, 1975, less than two months ago, speaking at Hotel Atlantico in Santa Maria del Mar, at a closing meeting of the Coordination Bureau of the Non-Aligned countries, Fidel Castro proclaimed, once more, his all out support to North Viet-Nam in its aggression against South Viet-Nam; he also encouraged North Korea in its struggle for the reunification of both Koreas, and the subversive groups of Brazil, Chile and Nicaragua.

Recently, on Wednesday, April 9, 1975, at the City of Cienfuegos, Cuba, during the visit of Forbes Burnham, Prime Minister of Guayana, Castro promised to support the terrorist activities of the Palestinian Front and the subversive groups of South Africa, Chile and Brazil.

Thus, it is clear that Castro is not trying or has ever tried to hide these facts, which he proclaims with much pride, as he continues to aid and support all communist subversion groups throughout the world.

Moreover, the resumption of diplomatic and commercial relations with the Castro regime would show other nations of the world that opportunism, blackmail, confiscation, extortion, execution of all dissenters, constant insults, exportation of subversive actions and violations of all the rules and laws of a civilized world can be condoned after a reasonable lapse of time when the pragmatism of detente overcomes the legal and moral principles on which the free world has been able to survive up to the present time.

A LAW OF THE LAND: U.S. PUBLIC LAW 87–733

There is presently in force in the United States a Law concerning the Marxist-Lenninist regime in Cuba.

It is Public Law 87–733 of October 3, 1962 which is well known to all Members of this Committee, and whose repeal has been requested.

This Law *must* be maintained by all means, if the United States is to preserve its leadership among the democratic nations of the world and also because of the following reasons:

First: In order to have legal basis to prevent the aggressive and subversive activities of Castro in the Western Hemisphere, Asia and Africa.

Second: In order to prevent a potential danger to the security of the United States in view of the Soviet Union encroachment throughout the world, as demonstrated by its Naval Maneuvers mentioned in an information from The Miami Herald in its Thursday, May 1st, 1975 edition dealing with a mock nuclear attack against the United States and which reveals the largest world wide Naval exercises in the history of the Soviet Union and how significantly Cuba was utilized as a very important base of operations. (See Addendum B).

There always remain, Mr. Chairman, the question of the Port of Cienfuegos being used as a Soviet Nuclear Submarine base.

Thus, Public Law 87–733 of 1962 is a ready legal instrument to cope with the situations quoted above, and therefore should be maintained as a safeguard for the security of this country.

We shall never forget that on several occasions the U.S. Department of Defense has declared that Cuba is—after the United States—the strongest military power in the Western Hemisphere.

Third: The repeal of Public Law 87–733 of 1962, will be the final crushing blow to the already cool relations between the Cubans in Exile and the United States government.

The Cubans were abandoned at the Bay of Pigs invasion—all promises of support and aid broken—and finally our people have seen, that what was a patriotic deed in the early 60's is today a felony deserving persecution and imprisonment by the same institutions which used to give us aid and support in our struggle for freedom and independence.

LACK OF U.S. LEADERSHIP

All recent events, including the hearing of this Committee, indicate that in the long struggle between the United States and Fidel Castro, the latter apparently is going to emerge victorious.

The relaxation of U.S. policy toward Cuba—strongly backed by the Soviet Union—is another signal of how U.S. leadership is deteriorating throughout Latin America.

The abandonment of the freedom loving people of Indochina in 1975—as already happened to the freedom loving Cubans in the Bay of Pigs invasion in 1961—has evidenced to the Latin American countries that the United States government is no longer a reliable ally.

The weakness and contradictions found in the U.S. foreign policy has created a vacuum of leadership in the Western Hemisphere.

Thus many Latin American nations are reassessing their policies and are now seeking an easing of their relations with the Castro regime. They are trying to borrow time for their own survival, due to the fact that they no longer feel protected and secure with their alliance with the United States. So, they are now looking for a way to deter any aggression from Communist Cuba. This is today a world-wide political trend affecting countries such as the Philippines, Thailand, etc.

Those are, Mr. Chairman, the real reasons why many Latin American countries have decided to re-establish diplomatic relations with Cuba, and not as the State Department claims, that it is because the Cuban government is not interfering any more in their internal affairs.

There always remains, Mr. Chairman, the question of human rights in Cuba. For more than 15 years "Cuban political prisoners have been enduring the most cruel, inhumane and degrading imprisonment".

From the International Jurist Commission in 1962, in their study entitled "Cuba and the Empire of Law". Such inhumane imprisonment is characterized by gross violations of human rights based on the practice of the institutionalized terror and community hate affecting tens of thousands of men and women.

These facts are: murder; physical and mental torture; insufficient and revolting food; denial of visiting rights; refusal to deliver food and mail from relatives; imposition of political indoctrination and forced labour; arbitrary re-sentencing of prisoners who have already served their sentences for having refused to accept political indoctrination and forced labour and as a means to extend, illegally and indefinitely, their term of imprisonment; re-arrest of those released for the most trivial of reasons, true or invented; and for the released, great difficulties in finding work or obstruction to their departure from the country; solitary confinement in windowless cells where prisoners become sick and die without having seen daylight in many years; subjection to biologic and psychologic experiments; beatings with sticks, canes, chains, sables and bayonets, and the imposition of degrading measures such as complete nudity.

This situation and these facts have been repeatedly denounced by international organizations as the Inter-american Human Rights Commission of the Organization of American States. (See Addendum C).

Other International organizations as the International Commission of Jurists, the Inter-american Press Association, the International Rescue Committee, the International League for the Rights of Men and Amnesty International have demonstrated their concern over the human rights situation in Cuba, but neither one of them have been able to succeed in stopping the Fidel Castro regime from the inhuman and cruel treatment to their political prisoners.

I wonder, Mr. Chairman, that in light of recent trips to Cuba of distinguished members of the Senate, including a sympathizer of Fidel Castro, the honorable Senator George McGovern, if any of those visitors have requested from Fidel Castro to visit any of the 150 jails or concentration camps spread throughout the Island, or has asked Fidel Castro or any one of his representatives for the following facts:

Thirty-five women prisoners who have refused the "rehabilitation" (marxist-leninist political indoctrination) are kept in one of the labor camps called "Nuevo Amanecer". They are: Leonor Olivera, Leopoldina Grau-Alsina (Polita, niece of former President Dr. Grau-San Martin), Fidelina Suarez, Nercida Polo, Ester Castellanos, Aleja Sanchez Piloto, Berta Alemán, Maria Amalia Fernandez, Felicia Guillermina Garcia, Georgina Cid, Nilda Diaz, Ana Bustamante, Dolores Correoso, Xiomara Wong (the Japanese), Elda Denys Albertina O'Farrill, Esther Campos, Clara Alonso, Caridad Cabrera, Aracely Rodriguez, Zoila Avila (la niña), Dora Delgado, America Quesada, Ofelia Rodriguez, Maria Magdalena Alvarez, Teresa Bastanzuri, Sara Carranza, Maria Garcia Rangel, Miriam Ortega, Mercedes Peña, Lucrecia Sanchez and Ana Lazara Rodriguez.

Of the above mentioned women, we know that Aleja Sanchez Piloto, age 50, suffers progressive and deforming arthrosis as well as a bucal growth. Sara Carranza is almost blind. Dolores Corroso has an operation of the ovaries and Zoila Avila (la niña) is mentally disturbed. Due to lack of medical assistance, almost all have lost their teeth, suffer avitaminosis, ovaric problems due to a traumatic menopause as a result of lack of medicines as well as the mental anguish and physical tortures endured.

These women especially the ones who have been imprisoned for over ten years, show signs of an extremely advanced geriatric development, especially in their visual organs.

Six of these women were recently transferred to La Cabaña, prison for men, among them, Miriam Ortega, who is semi-invalid and also lost an eye as a result of a beating.

Among the prisoners at La Cabaña, we wish to mention a few sick and invalid men: Federico Hernandez Gonzalez, cerebral ataxia; Francisco Lopez Perez, age 70, cancer of the throat and unable to speak; Alfonso de Armas Orozco, cancer of the stomach; Tony Cuesta, blind and mutilated; Antonio Dominguez-Hernandez, and Ramon Garcia Salcedo are almost blind and have a type of toxoplasmosis which they acquired through germs in bat manure they handled at labor camp, Abel Nieves-Morales, with only one kidney and a testicle that has to be removed, Alfredo Izaguirre, journalist, with hepatic cirrhosis; Dr. Abelardo Codinach, age 72, spinal cancer; Andres Vargas-Gomez, grandson of Generalissimo Maximo Gomez, hero of the War of Independence and Pablo Castellanos, journalist, with cardiac infarcts, chronic hypertension, duodenal ulcer and asthma. Additionally, Manuel Romeu Fernandez, Juan Miguel Coello Moreno, Rigoberto Pereda Lopez, Gerardo Martiatu Daniel, Heriberto Leon Ruiz, Rene Ramos Angulo, Jose Agustin Gonzalez Savio and Beato Guerra Piñero. Vargas-Gomez has one infected kidney; the other was amputated.

Also at La Cabaña, there are innumerable men who upon completion of their terms have been arbitrarily resentenced to new periods of confinement because they have refused to accept hard labor, which implies the admission of marxist-leninist indoctrination-thus, rehabilitation.

Among these are: Roberto Cardes Valdes, Pablo Arenal Piñon, Julio Rodriguez Lamelas, Pablo Castellanos Caballero, Angel Luis Bicet, Segundo de la O, Elejalde Cepero, Manuel Hernandez Gomez, Eddy Carrera Vallina, Federico Rodriguez Avila Santiago Diaz Perez, Luis Felipe Sabatela Pardo, Reinaldo Cordero and many more. A detailed list with more names, cause, number, ages, etc. will be provided upon request. Former Majors of the Rebel Army, Huber Matos, Eloy Gutierrez-Menoyo and Cesar Paez, as well as labor leader Lauro Blanco and student leader and intellectual Jorge Valls remain isolated and suffering the consequences of repeated beatings. Matos and Blanco were savagely beaten at El Principe several months ago because they refused to accept a bodily search completely naked.

To complete this brief information on La Cabaña, the following men are suffering polyneuritis and are semi-invalid as a result of the most brutal and recent repressive action: Rolando de Vera Mendez, Oscar Rodriguez Terrero, Pedro Batista, Fernando Gomez Fonseca, Israel Dominguez Rodriguez and Armando Valladares Perez. Authorities responsible for this savage aggression on June 24, last decided that the 44 men who refused to accept communist indocrination be deprived of the meager food they received as well as any aspirins or other medicines. In short, he declared them in hunger strike. Following an international scandal, which we started and the totality of Cuban exiles seconded, inside and outside the United States, the savage measure was stopped on August 12th, 1974. The men who resulted with polyneuritis are in urgent need of a special treatment to enable them to walk again.

At the Prison of Boniato, Oriente Province, a great number of prisoners in two of the five wards are starving away to death, living in Cells that are 5 x 10 feet, two men per cell, with steel-planked doors and windows, not seeing the sunlight for years. (If the Congressmen so desire, we will provide you with a list of the prisoners who have died in prison from 1959 through early 1974).

CONCLUSION

As you can see, Mr. Chairman and distinguished Members of this Committee, we do object to the resumption of diplomatic and commercial relations with the Castro regime based on three fundamental reasons:

1) It will be a violation of treaties and resolutions approved by the Organization of American States as well as of Public Law 87–733 of 1962.

2) It will be a decisive blow to the cause of Democracy in the Western Hemisphere, as United States surrenders to the Castro Regime the traditional principles on which this nation was founded.

3) It will be a violation of all moral principles by resuming relations with a regime labeled properly by the International Commission of Jurists as the most "cruel, inhumane and degrading known to America."

Cuba, Mr. Chairman, is going to be free, and Cuba is going to be free through the patriotic efforts of the Cubans themselves, with or without the help or understanding of this great nation.

In the Cuban issue, you are facing a grave decision. We hope and pray that in these critical times you will have the courage and wisdom that will lead you to take the positive steps which are so desperately needed in order to save mankind from Communist enslavery.

Thank you very much.

Addendum "A"

Background Notes—Cuba.
Department of State,
November 1974.

Foreign Relations

Shortly after the fall of Batista, the determination to "export" Cuban revolutionary techniques and experience, especially to other Latin American countries, became a major element of Cuba's foreign policy. This development, along with the avowedly Marxist-Leninist character of Cuba's Government and its alignment with the Soviet Union, led in January 1962 to its exclusion from active participation in the Organization of American States (OAS).

In July 1964 the Ninth Meeting of Consultation of Foreign Ministers of the American Republics condemned Cuba for aggression and intervention in Venezuela and resolved that OAS member states should: (1) have no diplomatic and consular relations with Cuba and (2) suspend all trade and sea transportation, with certain exceptions for humanitarian reasons, until the Permanent Council of the OAS determines by two-thirds vote that Cuba has ceased to pose a danger to the peace and security of the hemisphere. This decision was reaffirmed by the OAS in September 1967.

Cuba's interventionist activities in the internal affairs of other countries became more selective after the failure by Ernesto "Che" Guevara, Castro's fellow-revolutionary, to mount a rural insurgency in Bolivia in October 1967. However, Castro and other top Cuban leaders have continued publicly to reaffirm their commitment to support revolution abroad, although failures have forced them to be less dogmatic in their insistence on the Cuban model as the only way to mount a revolution.

Other major elements of the foreign policy of Castro have been his hostility toward the United States and his dependence on the Soviet Union for economic and military assistance.

Addendum "B"

[From the Miami Herald, May 1, 1975]

Soviet Navy Conducts Mock Nuclear Attack

(By Jack Anderson)

Intercepted messages and reconnaissance reports reveal that the gigantic month-long Soviet naval exercise, just concluded, was a mock nuclear attack on the United States.

Other ominous intelligence reports compiled by the Central Intelligence Agency, Defense Intelligence Agency and State Department show that the Russians also are constructing supersophisticated, bomb-proof underground installations around Moscow.

These awesome activities have American intelligence analysts gravely perplexed. "We live with the possibility of nuclear war every day," one top intelligence official told us. "But no one really believes it will ever happen. Now here are the Russians actually practicing for such a thing. It's really scary."

Our sources caution, however, against jumping to any conclusion about the developments in Russia. The Soviets, they say, show no indication that they are abandoning the détente with the United States. On the contrary, the dismissal of Kremlin hardliner Alexander Shelepin, according to intelligence analyses, suggests that Moscow still wants friendly relations with the West.

More ships were involved in the mock nuclear attack than have ever been deployed in Soviet naval history. Not even the United States, with all its allies, has ever held such large-scale maneuvers.

Over 220 Russian vessels participated in the worldwide exercises, including the most powerful cruisers, destroyers and submarines in the Russian fleet.

They sailed from their home ports into the Atlantic and Pacific oceans, the North Sea, the Indian ocean and the Mediterranean and zeroed in on American sea lanes.

Soviet battle groups, playing the role of U.S. warships, were dispatched throughout the seven seas. Then, longrange Russian reconnaisance aircraft located and intercepted them.

Significantly, some of the Soviet planes operated out of bases in Cuba, Guinea, East Africa and the Soviet Union itself. The use of Cuba as a military base, some sources pointed out, comes close to violating the Monroe Doctrine.

Throughout the exercise, Soviet planes and ships engaged in simulated attacks.

The scenario they used, the intercepted messages show, was a nuclear war. And the compelling drama began with a simulated Soviet nuclear attack on the United States.

Official spokesmen refused to confirm that the spectacular exercise was a mock nuclear war. But our sources say they are worried about Russian sensibilities.

Around Moscow, meanwhile, the Kremlin is building a reported 27 subterranean facilities which are designed, say our sources, to be used as command centers in the event of nuclear war.

The United States also has underground command posts, but they are far inferior to the sophisticated Soviet centers.

Some of the subterranean shelters are marked by acres of antennae and are referred to by U.S. analysts as "antennae farms." Some of the antennae are for low-frequency communications, which will enable the Soviets to stay in touch with their submarines.

Addenum "C"

Resolution of the Inter-American Commission on Human Rights

RESOLUTION ON CASE NO. 1604 (CUBA) THE INTER-AMERICAN COMMISSION ON HUMAN RIGHTS

Whereas: That by communication of October 14, 1965, the following was denounced:

"Reports have shown that Pedro Luis Boitel, former President of the Student Body of the School of Engineering of the University of Havana, who in 1959 ran in the elections for President of the University Students Federation, is about to die.

"We beg of you to take the steps necessary to approach the Havana Government Representatives to obtain that Pedro Luis Boitel be included among the sick Cubans that are authorized to leave Cuba";

That according to the faculty conferred upon it by Article 9 (bis) of its Statute, this Commission requested from the Government of Cuba, by note of April 28, 1966, the corresponding information, transcribing the pertinent parts of the aforementioned communication, in compliance with the manner established in Articles 42(1) and 44 of its By-laws;

That the Government of Cuba did not reply to this request, in spite of the urgency and graveness of the facts listed in the denouncement;

That during its twentieth period of sessions (December of 1968), the Commission noted that the Cuban Government had not yet provided the reports requested and, having elapsed the 180 days prescribed in Article 51 of the By-laws, it agreed, in accordance with Clause 1) of said article, to presume that the facts denounced were true;

That by note of February 14, 1969, the Government of Cuba was advised of the agreement reached during the twentieth period of sessions, and stating likewise that the Commission assumed that the corresponding authorities of that government had taken the measures necessary to stop the conditions to which Pedro Luis Boitel was subjected, since they were in violation of the American Declaration of the Rights and Duties of Man;

That again in this instance, the Government of Cuba did not answer said note;

That in view of the fact that, continuously, communications or claims were received from individuals and entities, including Mr. Pedro Luis Boitel himself, exposing the pitiful conditions in which he and other political prisoners remained imprisoned in Cuba, the Commission agreed, during its twenty-second period of sessions (November of 1969), to reopen the examination of this and other cases and address, by note of December 22, 1969, the then Council of American States, to declared:

"At present, the Commission, through numerous denouncements and various testimonies to which value is granted, has been informed of the extremely grave situation that has been created for the political prisoners in that country, which are counted by tens of thousands."

That as was stated in said note:

"According to said denouncements and testimonies, following infliction upon these prisoners, especially those at 'La Cabaña', of inhumane, cruel, and degrading treatment, a hunger strike was staged during 36 days several months ago, which strike ended with the death of several and endangered the lives of many more. In a desperate reaction from the political prisoners, started at 'La Cabaña', with the slogan of "deportation or death" (abiding by the offer made by the United States Government that they would welcome those who were expelled from the Island), action spread throughout other prisons in similar movements. The reply from the Cuban Government came to be, from reports in possession of this Commission, overemphasizing the cruelty of treatment beyond the limits of toleration by these citizens. We have also received denouncements as to the suppression of medical assistance, supply of medication and adequate clothing as well as the minimal food required; the imposition of forced labor, and all types of physical and moral tortures, to the extreme of simulated executions. But not only have these political prisoners been subjected to these inadmissible treatments, but their mothers and wives have also been subjected to all types of vexations and moral tortures, having been forced to humiliating bodily examinations, denying them all communication with their imprisoned relatives, even going to the cruelty—during the hunger strike at 'La Cabaña—of announcing publicly to the women gathered outside the prison the new deaths occurred, but withholding the names of the dead prisoners."

That, likewise, the November 22, 1969 communication made it known that:

"According to news that the Commission has on hand, this process of worsening of living conditions among Cuban political prisoners is still in escalation, with the resulting imminent danger of death for many of them. Specifically in connection with the facts with which this note deals, the Commission requested information from the Government of Cuba by cablegrams dated the 18th and the 23rd of October, 1969, which, to date, have not merited an answer."

That, finally, in said note it was stated to the then Council of the Organization that:

"Moved by deep humanitarian considerations, the Commission has felt it necessary to advise urgently the Council of the Organization in connection with these extremely grave facts so that they be known by all member States, and also in the hope that the Council, having more ample and varied resources for action, as well as the government represented therein, may dictate efficient formulae for the protection of so many human beings who are exposed to the risk of imminent death."

That, on May 15, 1972, it was denounced before the Commission that Mr. Pedro Luis Boitel, still imprisoned at the so-called 'Castillo del Principe', in Havana, was in critical health due to the tortures and cruelties to which he was still being subjected.

That, again, the Commission, exercising the faculty granted by Article 9 (bis) of its Statute, requested from the Government of Cuba, by note dated May 24, 1972, the corresponding information, transcribing the pertinent parts of the afore-mentioned communication, in the manner prescribed by Articles 42(1) and 44 of its By-laws;

That on the 28th instant, the Commission received a communication stating that Mr. Pedro Luis Boitel had died in prison, following eleven years of confinement, as the result of the tortures inflicted upon him;

That again in this instance, and in compliance with its By-laws, the Commission reiterated, by note dated June 6, 1972 to the Government of Cuba, its request for the information on this case which that government deemed pertinent;

That the Commission, in its twenty-ninth period of sessions (October of 1972), in compliance with Article 9 (bis) c) of its Statute, agreed to set forth the observations which it deems appropriate relative to this case in the annual report which is to be submitted to the General Assembly of the Organization;

That neither the formulation of such observations nor, in general, the competence of this Commission to know of the denouncements regarding the violations of human rights committed in Cuban territory, finds impediments in the measures adopted by the Organization of American States with respect to the present regime of that country, since it has not started off the mechanism for denouncements set forth in Article 148 of the Organization Charter, due to which this Commission has the duty to keep abreast of these denouncements.

That in view of the systematic silence adopted by the present Government of Cuba in the face of the numerous communications received from this Commission, it would serve no practical objective to issue recommendations of the types set forth by Articles 9, Clause b); and 9 (bis), Clause b) of the Statute. It does not impede, however, that the Commission makes known to the Assembly the judgement deserved by the facts denounced;

Resolves:

1. To make it known to the Assembly that the facts denounced in communication No. 1604, imputable to the Government of Cuba,

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constitute an extremely grave case of violation of the right to life, to freedom, to safety and integrity of the person, consecrated in Article I of the American Declaration of the Rights and Duties of Man.

2. To forward the text of this Resolution to the Assembly, to the Government of Cuba and to the claimants.

ORGANIZATION OF AMERICAN STATES,
INTER-AMERICAN COMMISSION ON
HUMAN RIGHTS.

RESOLUTION ON CASE 1721 (Cuba)

Whereas: The following was denounced in a communication of August 5, 1971:

"In El Principe Castle, Sixth Section, there is a group of ten men, political prisoners, who have been totally isolated from the other inmates since December 19, 1970.

Their names are: Eloy Gutiérrez Menoyo, Hubert Matos, Pedro Luie Boitel, César Paez, T. Lamas, A. Gamis, L. Blanco, J. Pujal, J. Valls and O. Figueroa.

The majority of these ten men were kept in the Guanajay Prison and on December 18, they were ordered to collect their few and wretched belongings and were kept totally incommunicado until the next day when they were transferred to El Principe Castle and confined in the Sixth Section.

Since then (exactly seven and a half months ago), the only contact these men have had with other persons is on visiting days, once a month, when one or two relatives are allowed inside the prison. The visit lasts for one or two hours and it is conducted in private (not in the place intended for visits) and nobody else is allowed to see them, nor can they see anybody else.

They are allowed to use a tiny patio measuring approximately 3 by 10 meters, enclosed on all four sides by huge whitewashed walls which, despite their height, allow the passage of a little sunshine from 12 to 3 p.m.";

In exercise of the authority granted it by article 9 (bis) of its Statute, the Commission requested the Government of Cuba, in a note of November 17, 1971, to provide information on the matter and transmitted to it, at the same time, the pertinent parts of the above-mentioned communication, in the manner established in articles 42(1) and 44 of its Regulations;

At its twenty-ninth session (October 1972) the Commission noted that the Government of Cuba had not yet furnished the information requested and that the 160-day period specified in article 51 of its Regulations had elapsed;

Article 51 of the Regulations reads as follows:

"1. The occurrence of the events on which information has been requested will be presumed to be confirmed if the Government referred to has not supplied such information within 180 days of the request, provided always, that the invalidity of the events denounced is not shown by other elements of proof.

2. The Commission may make an extension to the term of 180 days in cases in which it finds it justified";

Neither the formulation of such observations nor, in general, the competence of this Commission to take cognizance of denunciations regarding violations of human rights committed in the territory of Cuba is barred by the measures adopted by the Organization of American States with respect to the present government of that country, since that government has not denounced the Charter of the Organization as provided for in Article 148 of the Charter, for which reason it is the duty of this Commission to continue to take cognizance of these denunciations;

In view of the systematic silence of the present Government of Cuba in the face of the numerous communications received from this Commission, it would serve no practical purpose to make recommendations to that government of the type envisaged in articles 9 paragraph b) and 9 (bis) paragraph b) of the Statute. However, this does not prevent the Commission from making known to the Assembly the judgments merited by the events denounced.

THE INTER-AMERICAN COMMISSION ON HUMAN RIGHTS

Resolves:

1. To consider confirmed, through application of article 51 of the Regulations, the occurrence of the events denounced in the communication of August 5, 1971.

2. To make known to the Assembly that the events in question constitute a very serious violation of the right to liberty and personal security, set forth in Article I of the American Declaration of the Rights and Duties of Man, and that such events are imputable to the Government of Cuba.

3. To transmit the text of this resolution to the Government of Cuba and to the claimants.

ORGANIZATION OF AMERICAN STATES,
INTER-AMERICAN COMMISSION ON
HUMAN RIGHTS.

RESOLUTION ON CASE 1726 (CUBA)

Whereas: A communication of October 10, 1971, alleged that, in the jail of the town of Manacas, Province of Las Villas, Cuba, Mr. Oriol Acosta y Garcia, a political prisoner, had been murdered in his cell by guards on August 5, 1971 and other prisoners had been wounded;

Pursuant to the authority conferred upon it by article 9 (bis) of its Statute, this Commission requested the Government of Cuba, by note of March 26, 1972, to provide information on the matter and transmitted to it, at the same time, the pertinent parts of the aforementioned communication, in the manner established in articles 42 (1) and 44 of its Regulations;

At its twenty-ninth session (October 1972), the Commission noted that the Government of Cuba had not yet furnished the information requested and that the 180-day period specified in its Regulations had elapsed;

Article 51 of the Regulations reads as follows:

"1. The occurrence of the events on which information has been requested will be presumed to be confirmed if the Government referred to has not supplied such information within 180 days of the request, provided always, that the invalidity of the events denounced is not shown by other elements of proof.

"2. The Commission may make an extension to the term of 180 days in cases in which it finds it justified";

Neither the formulation of such observations nor, in general, the competence of this Commission to take cognizance of denunciations regarding violations of human rights committed in the territory of Cuba is barred by the measures adopted by the Organization of American States with respect to the present government of that country, since that government has not denounced the Charter of the Organization, as provided for in Article 148 of the Charter, for which reason it is the duty of this Commission to continue to take cognizance of these denunciations;

In view of the systematic silence of the present Government of Cuba in the face of the numerous communications received from this Commission, it would serve no practical purpose to make recommendations to that government of the type envisaged in articles 9 paragraph b) and 9 (bis) paragraph b) of the Statute. However, this does not prevent the Commission from making known to the Assembly the judgments merited by the events denounced, the Inter-American Commission on Human Rights.

Resolves:

1. To consider confirmed, through application of article 51 of the Regulations, the occurrence of the events denounced in the communication of October 10, 1971, and that such events are imputable to be Government of Cuba.

2. To make known to the Assembly that the events described in case 1726 constitute a very serious case of violation of the right to life, liberty and personal security, set forth in Article I of the American Declaration of the Rights and Duties of Man.

3. To transmit the text of this resolution to the Government Cuba and to the claimants.

THE DEATH OF CARDINAL MINDSZENTY

Mr. BUCKLEY. Mr. President, the death of Josef Cardinal Mindszenty leaves an enormous, unfillable void among the champions of freedom. He fought the twin tyrannies of our cruel century—Nazi, Fascism, and Communism—with a courage and determination and fortitude that seem to be sadly lacking in the Western World today.

It is a sad irony that Cardinal Mindszenty's death should come at a time when millions of innocent victims in Southeast Asia have recently been given over to the same kind of totalitarian rule against which he fought so long and so bravely.

In the terms the world recognizes, he died without power and in defeat. But he never heeded the siren call of worldly power. He chose a different—and a better—path. He left us a great legacy.

No matter what the fasionable ideas of the time may say, no matter how "diplomatic" acquiescence to dictators may seem, there is only one answer to tyranny and that is the answer he gave: a magnificent, unyielding no.

Mr. President, I request unanimous consent that remarks I made on February 19, 1974, regarding Josef Cardinal Mindszenty's heroic struggle for freedom, be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

[From the CONGRESSIONAL RECORD, Feb. 19, 1974]

MINDSZENTY: CROWN OF THORNS, CROWN OF GLORY

Mr. President, there are men and women throughout history who, because of their character and nobility of spirit, attain a kind of glory that makes them symbols of courage, patriotism, and perseverance. Such a man is Josef Cardinal Mindszenty of Hungary. As you know, he has been living in Vienna, in exile from his beloved Hungary, since 1971. The Washington Post, February 6, 1974, reported that this great man has been dismissed by Pope Paul VI as primate of Hungary. The decision is, of course, one made strictly within the Roman Catholic Church and I shall not comment the decision as such. But I would like to say a few words about what this action will be seen to mean in terms of Cardinal Mindszenty's long, heroic fight against tyranny.

It would seem that we have come to the end of an era, for the name of Mindszenty has for many many years, symbolized to the world the unyielding, uncompromising, splendid defiance of Nazi and Communist tyranny. We do not know the reaction of the Communist rulers of Hungary to Cardinal Mindszenty's dismissal. But it is not unreasonable to suspect that in the corridors of power in Budapest those who came to power wading through the blood of their

countrymen in the late 1940's and in 1956 are breathing sighs of relief. It is not simply Mindszenty the man who caused them so much trouble, but what he represented: the refusal based on principle to cooperate in the enslavement of one's countrymen.

There are those who say that the kind of anticommunism represented by Cardinal Mindszenty is no longer fashionable, that it is a "relic" of the "cold war." I do not share this view. When the history of this cruel century is finally written, when men and women can look back with some perspective on the modern totalitarian age in Europe, I am confident that Mindszenty's majestic fortitude will be seen as one of the few truly honorable acts of our time. The Post article described Cardinal Mindszenty's anticommunism as "fiery." That is, I believe, a well-chosen word, for what Cardinal Mindszenty has done, since 1948, when the Communists tortured and beat and drugged him in order to make him "confess" to a nonexistent crime, until today, is to enflame the hearts of all those who love freedom and to light a torch of liberty that not even the spohisticated barbarism of communism could extinguish. I wish the political leaders of the West had such a fire inside their hearts and minds.

The Pope, in writing to Cardinal Mindszenty, said that his years of resistance were a "crown of thorns." This is no doubt true, but what a magnificent crown it is, what a crown of honor, what a crown of glory.

Josef Cardinal Mindszenty may have been dismissed; he will never be forgotten.

PLUTONIUM PROLIFERATION

Mr. RIBICOFF. Mr. President, the inherent hazards of plutonium are of growing concern to all Americans because of its dual role as a potential fuel for nuclear power reactors and as a basic material for atomic bombs.

Current projections for the growth of the nuclear power industry indicate that by the year 2000, reactors in the United States may be producing as much as 1 million pounds of plutonium a year; the worldwide figure may be as high as 2 million pounds. Approximately 20 pounds of plutonium is sufficient to fabricate a crude nuclear device capable of killing up to 100,000 people in a densely populated area, according to Dr. Theodore Taylor and other nuclear weapons experts.

Last year, I introduced and managed the Energy Reorganization Act, which abolished the Atomic Energy Commission and divided its regulatory and promotional functions between two new independent agencies. There is a high-level safeguards office in the new Nuclear Regulatory Commission to deal with the difficult problem of safeguarding plutonium against theft by would-be terrorist bombmakers.

At present, most of the plutonium generated by commercial reactors is still contained in highly radioactive and, therefore, inaccessible, spent reactor fuel. The plutonium hazard will be upon us at such time as reprocessing of plutonium from spent fuel begins. Plutonium reprocessing has been delayed by technical difficulties being encountered in the nuclear industry, as well as by environmental impact studies now being made by the Commission. If it is eventually approved, safeguards must be strict enough to prevent theft or diversion of even the smallest amounts. Development of the breeder reactor, which will generate more plutonium than it consumes, will complicate the safeguards problem even further.

Mr. President, a recent series of three articles in the Washington Star by Jon Fialka provides an excellent summary of all aspects of the plutonium issue. I ask unanimous consent that these articles, which appeared on April 23–25, be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Star-News,
Apr. 23, 1975]

PRIVATE PLUTONIUM BUSINESS IS BRINGING BIG MONEY TO THE SOUTH

By John Fialka

BARNWELL, S.C.—Sometime next year, if the planners of the nation's private nuclear power industry have their way, the rhythm of this quiet Southern town will be changed in a profound way.

Heavily armored trucks will be pulling out of a massive plant being built just outside of town, carrying in fortified, specially ventilated compartments one of the strangest, most dangerous elements known to man.

State, local and perhaps federal police will track the movements of the trucks around the clock and across the nation because they will be carrying plutonium oxide—the stuff that atomic bombs are made of.

Barnwell is about to become the center of the plutonium business in the United States. It is strange business, involving some of the most complex and dangerous technology man must employ as he increasingly calls upon science to help satisfy his daily needs.

It also is a business that currently has federal planners tied in knots. At this point they are not sure of the legality of almost anything involved in the business which, at the outset, will involve the recycling of plutonium from the spent fuel of the nation's nuclear powered electric utilities.

How will the recovered plutonium be guarded? The federal Nuclear Regulatory Commission (NRC) is not sure whether federal, state, local or private police will do the job.

How will it be transported? Federal planners have thought about armored trains, trucks, even helicopters, but no definite policy has evolved.

Where will it be shipped? Many experts believe that it should not be shipped at all. It should be removed from spent fuel and reassembled into new fuel components on the same site, they have argued.

While federal planners have been studying that one, private industry planners have been working on a supply network that will take the raw plutonium for thousands of miles—into almost every area of the country—before it is remanufactured. Even after the plutonium is put into new fuel assemblies, those components will have to be guarded on their trip to the nuclear power plant.

Will an industry that recycles plutonium have an adverse impact on the environment? Federal planners are mulling over that one, too.

Where will the huge quantities of radioactive wastes that are derived from the process be stored? There is no official answer here, either. You might say, said one NRC spokesman, "that everything is up for grabs at the moment."

Nothing is up for grabs in Barnwell. The backers of the "Barnwell Nuclear Fuel Plant" have already put down $250 million worth of cement and uniquely sophisticated equipment on the belief that they will be allowed to recycle plutonium beginning next year. They have signed up $250 million worth of business, fuel processing contracts with nuclear power plants across the nation. They have the state of South Carolina and the residents of Barnwell solidly behind them. They want the plant open.

"We just fear if there's not a license for this some day soon, the big boys behind it with the money might just want to quit," says Rodman Lemon, the mayor of Barnwell, pop. 7,000. "Everybody," asserts Lemon, "is just as happy as a lark with the plant."

The "big boys" with the money are two corporations, Allied Chemical and General Atomic. Allied Chemical has a diversified chemical business. General Atomic is a partnership of two oil companies that have gone into nuclear power—Gulf and Royal Dutch Shell.

They are gambling that private industry can successfully take over the final, complex and most dangerous step of the Atomic Energy Commission's old scenario of turning over all aspects of nuclear power to private industry.

The plutonium business, if Allied-General and other industry backers have their way, will be located primarily in the South and will begin developing momentum in the next five years. If the industry is correct in its planning, it will represent a massive influx of money. Many nuclear proponents argue that plutonium will be the basic fuel of the nation's energy future.

"This is a credit to capitalism in this country that they're willing to take a risk like that," exulted Stanley Ahrends, an official of the Federal Energy Research and Development Administration (ERDA), which has taken over the AEC's former role as the promoter of the use of nuclear power by private utilities.

The basic energy producing component of a nuclear power plant is called a fuel assembly. It is a square bundle of about 200 hollow metal rods filled with pellets of uranium dioxide, a lead-like powder. The bundle is usually about 8 inches square and 14 feet long.

The fuel assembly is to the nuclear reactor what a penlight cell is to a massive flashlight. It takes 200 fuel assemblies to make enough heat in the core of a nuclear power plant to generate the steam needed to make electricity. At the end of a year, about one third of the assemblies become exhausted and must be replaced with fresh ones.

At the moment, used fuel assemblies are a kind of embarrassment to the nuclear industry. There are, according to a new study by ERDA, 927 metric tons of spent fuel sitting around in various storage basins and nobody knows quite what to do with it. At least 10 nuclear plants have run out of room in their storage facilities, which are usually swimming pool-like installations that use water as a radiation shield.

New fuel assemblies cost about $300,000 and, in theory, the used ones are still worth $100,000 because of the strange alchemy brought about by the chain reaction. Part of the original charge of uranium has been split into a host of lighter elements, all of them noxious, radioactive and many that are heat-producing. The list includes iodine, cobalt, krypton, tritium, strontium and cesium.

But some of the uranium has refused to split; instead it has absorbed neutrons, turning itself into a new and heavier metal—plutonium 239. This is the valuable part because plutonium is what scientists call fissile material. Like the uranium isotope U-235 that began the chain reaction when the fuel assembly was new, plutonium can be used to start a new one. It also can be fashioned into bombs and has been the primary material used in the nation's nuclear weapons program.

Thus, if someone could figure out a way to extract the plutonium from the hot, radioactive spent fuel assemblies, he would be dealing in something that is more valuthan gold. Westinghouse, one of a growing constellation of company that are closely watching the development of the Barnwell plant, has estimated, for instance, that plutonium recycled into new fuel assemblies would be worth about $237 an ounce.

"We talk big money in this business," admits Allied-General's Robert I. Newman, a tall man with a graying crew cut who has been in charge of the Barnwell plant's development since 1969. That year, in a complicated real estate transaction, a chunk of land was severed from the AEC's sprawling Savannah River complex and sold to Barnwell County. The county then resold part of it to Newman's company.

Newman's is no small ambition. At this point the only organization that has demonstrated the capability of recovering plutonium on a major scale in the western hemisphere is the U.S. government. The government's Savannah River plant, for instance, produced much of the plutonium used in the nation's weapons programs.

The production of plutonium at Savannah River took place on a massive scale without a major incident or substantial disturbance to the environment. (The only tangible problem resulting from the process is some 20 million gallons of radioactive wastes that the government is storing in tanks on the Savannah reservation until someone determines a safe way to dispose of them.)

The track record of private companies that have attempted the process, however, is not so good. A company called Nuclear Fuel Services opened a plutonium reprocessing plant at West Valley, N.Y., in the late 1960s. After some operating problems and considerable difficulty with radioactive wastes leaking into the environment, however, that plant closed in 1971 for "modifications" and expansion. It is not supposed to open again until 1979.

Then the General Electric Co. put $64 million into a plant at Morris, Ill., that was supposed to be a radical improvement on the process of recycling plutonium.

That plant was supposed to go into production in 1970, but after five postponements and considerable agony, GE has admitted that the facility may never produce plutonium because of design errors.

GE, according to a report it submitted to the AEC, found the process would be extremely messy and dangerous. After two years of testing, the company admitted that most of the process would have to be done remotely, because of the radioactivity. Operated remotely, however, much of the plant's machinery would have a tendency to break down, requiring nonremote repairs. As GE described the process to the AEC, it amounted to a kind of nuclear "Catch-22":

"The failure rate of equipment experienced during testing in the past two years indicates that the time operating efficiency of the present plant will be extremely low because of the anticipated small percentage of the time when all equipment would be simultaneously operating correctly. . . ."

Faced with the possibility that between $90 million and $130 million more may be needed to redesign the Morris plant. GE is suggesting that the nuclear industry simply keep storing used fuel assemblies until some time when simpler methods of recovery are invented.

The GE experience, however, did not daunt Allied-General. Its plant would be the third one to attempt plutonium recycling. When and if it begins operation, it will be the fifth largest plutonium production facility in the world and the largest in private hands.

Putting the plant near Savannah was, Newman admits, a way to avoid a battle with environmental and civic groups that might be wary of the process elsewhere. The plant's neighbors have watched the Savannah River operation for years. Many of them have worked there and they are not afraid of the word plutonium.

"And they know they've lived the good life here. People haven't been popping up with cancer and all these sorts of things. They know the precautions that have been taken to protect the environment, the public and the workers," Newman said recently as he showed a visitor through the facility.

The first thing that might suggest to a visitor that this is no ordinary Southern factory is a machine with a mirror on its face. There is a slot under the mirror. To get past the machine, which has a television camera behind the mirror, you must stick the proper identification card in the slot.

There are similar machines throughout the plant area. The information they collect is fed to a computer programed to know where every employe is at any given time.

An intruder or an employe in the wrong area, according to Newman, would be instantly spotted. Unseen operators watching him through the computer and via television would be able to trigger locks on the doors of whatever room he is in, keeping him there until the plant's sizeable armed security force arrives.

The fuel assemblies, he explains, would be brought in by truck in containers resembling giant vacuum bottles. This part of the fuel cycle is believed to be theft proof because the assemblies are extremely hot and radioactive.

Inside the plant, behind 5-foot-thick cement walls, the assemblies are removed by giant cranes and stored in deep pools of water where the process is begun under the scrutiny of television cameras.

The cover of water, some 60 feet of it, serves as a coolant and a barrier to radioactivity until a batch of assemblies is deemed ready for recycling. Then a moving belt takes the assembly into a sealed room where a huge, specially designed shearing machine chews the assembly into pieces approximately three inches long.

The pieces are then dropped into vats of nitric acid which dissolve them, turning what was a fuel assembly into a kind of nuclear soup from which plutonium nitrate, a liquid, is extracted. All of this is done by remote equipment, manned by operators who watch through windows that are 3 feet thick, two sheets of thick glass separated by a tank of transparent oil that absorbs radiation.

At this point and in all stages beyond this the plutonium must be very carefully handled because it could "go critical" or begin a chain reaction leading to a nuclear explosion if certain errors are made. Much attention must be paid to the geometry or configuration of the nitrate solution.

For example, if it is stored in wide tanks there is a chance the liquid could go critical. So the storage tanks at Barnwell are only 2¼ inches thick. Before shipment, the liquid is changed into a powder, plutonium oxide, which is believed to be a safer form, although it too can go critical in certain configurations.

Newman is proud of his plant, which he says is more conservatively designed and contains more redundant safety features than any of the other private plants.

Driving a green Volkswagen with a bumper sticker that says "Nuclear Energy Means Clean Air." Newman has driven all over the state explaining the process to various civic, political and school groups. (Although Allied-General admits the facility will emit radioactive, gaseous isotopes including tritium and krypton from its 329-foot stack, Newman usually explains that the dosage to a person standing next to the facility's perimeter fence would be less than the equivalent of one chest X-ray per year.)

He has squabbled repeatedly with Townsend Belser Jr., a Columbia, S.C., lawyer who also has a degree in chemical engineering. Belser has been the leader of a small but determined group of environmentalists that has battled the project since 1970.

"Folks here just pat you on the back and say, 'I don't know what you're doing, but you're doing a good job,'" Belser told a reporter.

"We will have the whole recycling industry right here and I don't want even one of these things in my state."

Newman has also battled against the environmental heavyweights from Washington, the National Resources Defense Council (NRDC), which brought in expert scientists and lawyers to point up possible health dangers posed by Barnwell.

The NRDC has argued that the AEC should never have promoted private plutonium recycling, but went ahead anyway, either from "blind faith in the technology it has fostered or from callous promotion of the bureaucratic and industrial interests of the nuclear power complex. . . ."

But Newman has done his job well, even his environmental opponents admit that he has won over state, county and local officials and has the devoted backing of the Barnwell community, which is looking forward to the 700 jobs the plant will create.

It is at the federal level that the Barnwell plant still has its problems, most of which revolve around what will happen to the plutonium once it leaves the plant.

Through a complex process, the plutonium will be converted from a liquid to a powder for shipment. Allied-General envisions shipment to at least five facilities that are under construction or in the planning stage. There, the plutonium would be installed as pellets in new fuel assemblies which then would be returned to the utilities which sent the spent assemblies to Barnwell.

One would be operated by Westinghouse at nearby Anderson, S.C. Another is being considered by GE at Wilmington, N.C. A third would be run by Babcock & Wilcox Co. at Lynchburg, Va. A fourth is operated by Kerr McGee at Cimarron, Okla., and a fifth recipient would be a plant planned by Exxon Nuclear Corp. at Richland, Wash.

It is the widespread distribution pattern that disturbs most of Barnwell's critics. At any point in transit a cargo could be hijacked and it is possible for the hijackers to turn the cargo into a nuclear weapon.

Ideally, both the reprocessing facility and the fabrication plant could be located next to each other, on a site federal planners euphemistically refer to as a "nuclear park."

The NRC is working on this scheme but, as one government expert admitted, it may be too late because the industry is already "all over the map."

Just how easy it would be to make Barnwell's output into a bomb is a matter of considerable dispute. Newman asserts that it will be in the form of a powder that is "tough as hell to dissolve. It's a son-of-a-gun to dissolve and you've got to dissolve it in order to do anything with it."

Newman also argues that any would-be hijacker would have to be a "martyr" because the plutonium his plant will produce would be more radioactive than the weapons-grade plutonium produced by the government.

Terrorist groups, he asserts, could use dynamite, LSD or other chemical substances to terrorize a community more effectively than it could with Barnwell plutonium. Furthermore, he asserts, it would be impolitic for terrorists to use nuclear weapons because they are usually trying to attract public sympathy.

Dr. Ted Taylor, the former bomb designer for the AEC who has recently focused considerable criticism on the lack of security around nuclear facilities, disagrees strongly.

A terrorist who wanted to risk the radiation of "quite a few chest X-rays," he asserts, could make a bomb out of the type of plutonium oxide powder produced at Barnwell. Taylor argues that Newman's assertion that the powder would have to be dissolved and returned to the plutonium's metallic form in order to manufacture a bomb is "categorically not true."

"You can use plutonium oxide as is and I can prove that with 18 documents."

The relative degrees of apprehension the two men have is evident in the form of transportation they would like to see used. Allied-General, Newman explains, will operate sort of like a "dry cleaner." It will not take title to the fuel assemblies and may not have the responsibility of shipment after the process is finished.

Nevertheless, he says, the company has been working on plans for a special trailer truck which would have a driver's compartment that is "hardened against armed attack." The plutonium would be loaded into four 3,500-pound containers, each carrying about 32 kilograms.

The truck would have a crew of two men and would be in constant radio contact with police. The containers are, he points out, "not the kind of thing you throw into the trunk of your car."

Taylor, who says that a bomb could be made out of as little as 5 to 10 kilograms of plutonium, would rather see a special armored train that would carry the plutonium in lead casks that weigh 100 tons.

"It should be possible to design the shipment vehicle and communications system so no one could get into the plutonium no matter what they do." An armored train, he believes, could resist terrorists with high speed drills and high explosives for several hours while authorities could assemble "heavy security forces" to bring to the scene. Trains, he points out, are relatively immobile if hijacked because they must go down a fixed track for a certain distance before they could be diverted. Given the enormous value of the plutonium, the cost of such measures, he asserts, would be very low.

Taylor is also attracted by the idea of using helicopters, which, he argues, would be even more difficult to attack. (Unlike other critics of nuclear power, Taylor believes that the technical problems involved are solvable. "All of the technology is achievable, it's the political point of whether the government will take the effort to have the proper security that may be the problem," he says.)

NRC planners are known to be exploring these scenarios as well as others along with the possibility that the entire process of shipment would be guarded by federal security forces.

Neither Newman or Taylor are worried about the security aspects of the massive quanities of radio-active wastes that would be amassed at Barnwell. They are, in nuclear jargon, "self protecting." In fact, no one would want to handle them for thousands of years. (One of the few South Carolina critics of Barnwell argued at one hearing that the facility would be like "unleashing a thousand immortal rabid bats upon the world.")

The federal government, however, is worried because there currently is no permanent storage facility for it. Newman assumes that the material will, ultimately, be shipped out to an ERDA storage site somewhere in the West on special, insulated trains.

Change is coming to Barnwell. Some industry enthusiasts believe that the plutonium business may become one of the dominant industries of the South.

For an agricultural town that started industrializing with a zipper factory after World War II, the evolution of technology in 30 years here has been stunning.

Still, the residents here maintain they can accept the change, even the krypton and tritium that will be injected into their pristine air and, even with the procession of armored trucks or trains or helicopters that will head away from their newest industrial acquisition to all corners of the nation.

"We're happy with the plant and most unhappy with people who go to bat against it," asserts Mayor Lemon, who operates a peach orchard. Lemon has visited the Barnwell facility twice and each time he has come away impressed with Newman's description of its overlapping system of safety devices.

"I'm sure I run a more dangerous business than they do," Lemon told a reporter.

[From the Washington Star-News, Apr. 24, 1975]

NEW REACTOR WILL BREED PLUTONIUM—AND POSSIBLY TROUBLE

(By John Fialka)

OAK RIDGE, TENN.—Sometime around the turn of the century, according to a local legend, an eccentric man named John Hendrix staggered out of the woods here after 40 days and 40 nights of meditation.

He told his neighbors, the handful of poor tobacco farmers who once lived here, that he had a vision that this place might some day be "filled with great buildings and factories."

"They will be building things, and there will be a great noise and confusion and the earth will shake," Hendrix is reported to have said, adding that the product of the factories would be used to win "the greatest war that will ever be."

When Hendrix died in 1915 he was regarded as a madman.

In 1943 the federal government came in and bought 94 square miles of East Tennessee farmland, fenced it off, and, in tightest secrecy, built several factories.

One of them was half a mile long. It contained a highly complicated process called gaseous diffusion. This plant produced the nation's first Uranium-235, the strange metal that incinerated Hiroshima. Oak Ridge made the basic ingredient of the first atomic bomb.

And John Hendrix was promoted posthumously, from a madman to a prophet.

This year, if Hendrix were still alive, he might come running out of the woods again. This time he would say that Oak Ridge will soon become the site of another huge plant. This would produce another strange metal—plutonium—that will be powerful and plentiful enough to fill the nation's electric power needs for a thousand years.

This time, however, Oak Ridgers would be waiting for Hendrix. Right, they would say. You are absolutely right. Most everybody in this city of 30,000, a city spawned by the bomb, already believes that. Local merchants are hungry for some new action.

The federal government and a consortium of the nation's electric utilities and nuclear equipment manufacturers are about to give it to them. They are in the process of spending $1.7 billion here to build something called the Clinch River Breeder Reactor.

The difference between this plant and current nuclear reactors that generate electricity throughout the nation will be that this facility will not only generate electricity, it will multiply or "breed" plutonium at the same time.

The federal Energy Research and Development Administration (ERDA) and the private nuclear power industry believe that the Clinch River breeder will be the prototype for the power plant of the future. It will, they say, launch the nation on a plutonium-based energy system because plutonium can be fabricated into fuel assemblies that can provide the heat source for generations of nuclear power plants.

One of the problems with this scenario is that plutonium, unlike the uranium-based fuel of most current nuclear plants, can also be fashioned into an atomic bomb. If the breeder works, according to one estimate, it will raise the amount of plutonium in private hands from about half a metric ton in 1971 to something like 720 metric tons by the year 2000.

A small mountain of plutonium will have been created by the offspring of the Clinch River plant and parts of it will be moving through thousands of communities as the fuel is fabricated and shipped to power plants all over the nation. It will have to be guarded at every step along the way.

Another problem is that the government has had difficulty figuring out how much the breeder development program will cost. It began with a $3.3 billion estimate, which is about three times the cost of the Manhattan Project, which produced the atomic bomb. Now ERDA has revised that upward to $8.8 billion, which makes it, along with the Apollo moon landing program, one of the most costly non-defense federal research projects in history.

All of this has made Congress feel uneasy. Most congressmen, like most people, can tell you what the Apollo money was spent for, but their eyes glaze over during explanations of the breeder.

Currently, at least three major committees, the General Accounting Office and several other agencies are investigating the breeder program, weighing its risks and its costs. Much of the rhetoric being generated in this process has given the impression that the breeder program is still in the proposal stage.

As any Oak Ridger can tell you, it is not. The hardware is already being purchased for the Clinch River plant, and this fall they will be digging a big hole in the ground here for the foundations.

The plutonium business is thriving here, without causing a local stir, in much the same way that a plutonium recycling facility being built near Barnwell, S.C., has been accepted by the local community. People who live near Barnwell have grown up in the shadow of the AEC's huge Savannah River plant, which produced much of the plutonium for the nation's hydrogen-bomb program.

Oak Ridgers have seen bomb-grade uranium-235 move out of the Oak Ridge diffusion plant since 1944. Around 15,000 of them have worked in various AEC facilities here. They are, in a way that no other community can be, perculiarly unafraid.

"I have confidence in the (breeder) process," says Tom Hill, president of a group of merchants called the Roane-Onderson Economic Council. The group has spent over $80,000 lobbying for Oak Ridge to become the breeder site and is pushing for two other plutonium-related businesses to locate here.

"When you live with neighbors who have run these facilities and you get to know them, you realize the kind of people they are you develop more confidence than when you simply read and hear the scare stories that people like (consumer advocate Ralph) Nader put out," says Hill, who is also publisher of this city's newspaper, the "Oak Ridger."

Nader has charged that the breeder is "maniacal." And the Natural Resources Defense Council (NRDC), which is leading an assault by environmental groups on the whole breeder program, has charged that a decision to go ahead with the breeder program "is literally a decision for all people and all time" and should only be made "with the most compelling justification."

Part of this controversy swirls around the very nature of plutonium itself. The principal isotope is Pu-239, a metal. It is a man-made element, first discovered in 1940. It is highly radioactive with a half life of 24,000 years. That means that the plutonium devices will still have half its radioactive potency 24,000 years from now.

Thomas B. Cochran, a nuclear physicist who works for NRDC, asserts it is "perhaps the most toxic substance known. One millionth of a gram has been shown capable of producing cancer in animals."

Because a chunk of pure Pu-239 the size of a softball could be fashioned into a powerful nuclear bomb, Cochran and others have argued that guarding all the plutonium that is made in a breeder program would "place an intolerable strain on our society and its institutions."

Indeed the government has had difficulty keeping track of its own stocks of plutonium. From time to time there have been incidents called, in the acronym-riddled nuclear jargon, MUFS, for material unaccounted for.

Hundreds of pounds of plutonium have already disappeared, most of it, according to the government, in the form of metal shavings and other particles given off by normal manufacturing processes. Some of it has gone home on the clothes of employes who work in plutonium fabrication plants. However, none of the MUFS is known to have been the starting point for the manufacture of a clandestine bomb.

Industry has approached plutonium from another, much more sanguine viewpoint. Westinghouse, which is the lead reactor manufacturer working on the Clinch River breeder, has written several tracts on the subject.

First, Westinghouse objects to people calling plutonium the most toxic substance known to man. "This superlative is undeserved; certain mushrooms or botulin are more toxic than plutonium."

Moreover, while very little is known about the safety devices that would be needed to handle tons of botulin toxin, or to transport truckloads of poisonous mushrooms throughout the country, Westinghouse argues that "probably more is understood about plutonium than any other toxic substance," because the government has been working with it in various weapons programs since the early 1940s.

As for making bombs out of plutonium, Westinghouse and other industry proponents have argued that the simplicity of doing this has been overstated. "Weekend cabinet makers know that the trail from concept to reality is strewn with many obstacles. Bomb-making is infinitely more exacting than cabinet-making," asserts Westinghouse.

ERDA officials, while they share the industry's enthusiasm for the breeder, have taken sort of a fatalistic, middle ground in this argument.

Last week, Thomas A. Nemzek, director of ERDA's division of reactor research, complained that a statement by a Nader group that one tablespoon of Pu-239, if dispersed in the atmosphere, would be enough to give 200 million people lung cancer was "misleading" and untrue.

If it were true, said Nemzek, "then I suggest we should all relax. The testing of nuclear weapons has in the past dispersed approximately 5 tons of plutonium in the atmosphere."

"Each person in this audience, Nemzek told an assembly of scientists, "in the U.S., and I suspect in the world, has plutonium particles in his or her lungs."

While admitting that there are some risks in going to a plutonium-based energy system, ERDA and its predecessor, the AEC, have always argued that the United States cannot afford not to assume the risks.

This double negative argument is laced throughout all of the voluminous environmental statements about the breeder and can be found in most officials' speeches. Plutonium is not defined in terms of its dangers, but in terms of its stupendous potency for delivering relatively cheap power.

One pound of plutonium, according to the government, is the equivalent of 3 million pounds of coal or 275,000 gallons of oil, roughly about 25 railroad cars full. While we are running out of oil and uranium, the argument goes, plutonium stocks can be multiplied in breeders to serve as a reliable power source, insensitive to world supply problems, for hundreds of years.

(Breeders will create plutonium from huge stocks of uranium tailings, or U–238, which are left over from the process of separating U–238 from its more unstable and therefore more valuable brother U–235. The are believed to be enough U–238 tailings to last for centuries.)

The generation of breeder plants that proponents have in mind will really be the second phase of the plutonium business. The first phase is still struggling to get off the ground.

The average nuclear power plant now in operation creates a little plutonium in its fuel core as the chain reaction that produces heat transforms uranium fuel into various radioactive byproducts. However, they are not said to "breed" because more atoms of U–235, the ingredient that causes the chain reaction, are destroyed than new plutonium atoms are created. The ratio is something like 10 U–235 atoms destroyed to make 6 plutonium atoms.

Still, the plutonium could be separated from the other wastes and recycled into new fuel components, and the nuclear industry has been trying to do this since the late 1960s without much success. A new plutonium recycling plant, the Barnwell facility, is expected to make another attempt this year. If it succeeds, then quantities of plutonium will begin moving from spent fuel storage facilities to Barnwell to fuel reassembly plants, which are scattered throughout the nation, and finally, back to the nuclear power plant.

But this business in recycled plutonium would be only a fraction of the plutonium business that would be created by breeders. With breeders turning out as many as 14 atoms of plutonium for each 10 atoms of fuel they use up, the amount of plutonium moving through the nation will be multiplied two or three times. Several more Barnwell-type facilities would have to be built, probably in various parts of the nation.

New security problems created by this new business would, however, be substantial. Fuel shipments to the current generation of nuclear plants contain only about 4 percent U-235, or weapons grade material. Making a bomb out of this fuel is believed to be impossible, so security precautions are generally lax. Fuel shipments to breeders, however, would contain about 70 percent plutonium-239.

Thih risk, however, will be gladly accepted by Oak Ridge, according to Hill. His council of local merchants helped persuade the AEC to locate the breeder in Oak Ridge when the agency tentatively had decided on another site.

* * * * *

And so Hill's Roane-Anderson group has been trying to entice other plutonium enterprises to Oak Ridge, preferably those operated by private industry on a taxable basis. (Roane County and Anderson County, the two counties within which Oak Ridge rests, have also asked for federal impact aid.)

EXXON, the giant oil company, has been interested in building a plutonium recycling plant in Oak Ridge and is currently negotiating with ERDA over a parcel of government land. That would mean another $350 million worth of the plutonium business for Oak Ridge.

Then the government or industry will probably need another recycling plant to reprocess the fuel from the breeder (which can't be handled in ordinary recycling plants) and Hill and his fellow merchants hope that that facility will also find a home in Oak Ridge. That would be, perhaps, another $100 million worth of the business.

Some day then, if the nation is able to solve the many problems presented by the visions of a plutonium-based energy system, Oak Ridge may come to be known as the Saudi Arabia of plutonium. That would not bother Hill and his fellow merchants. They argue there is plenty of room for growth.

There are limits, however, to the amount of changes they will accept. Last winter, Congress Joint Committee on Atomic Energy was looking for a way to honor retiring Rep. Chet Holifield, D-Calif., a man who, probably more than any other, has labored on behalf of turning nuclear power over to private industry.

Committee aides finally hit on the idea of changing the name of the Oak Ridge National Laboratory, an ERDA facility, to the Holifield National Laboratory. Congress, which usually follows the committee's lead on nuclear matters without objection, passed a bill on the subject.

And one day Oak Ridge woke up to find that one of its most prized facilities was named Holifield. The laboratory is regarded as a landmark, a reminder of the days of the Manhattan Project and the government's other successful early ventures into the nuclear age.

"The people were shocked," recalls Hill. "They were hurt and they were angered. They felt that Oak Ridge was a name that had great significance, that it had a lot of meaning, that it had historical connotations. Nobody has anything against Holifield, it's the principle of the thing."

And so Oak Ridgers are now forming behind their congresswoman, Rep. Marilyn Lloyd, D-Tenn., who has sponsored a bill to change the laboratory back to Oak Ridge.

The bill's rationale is rather simple, according to Rep. Lloyd: Since it was Holifield who supplied much of the driving legislative force behind the breeder, why not name the breeder after him?

So it could be that, one day soon, Oak Ridge will become the site of the "Chet Holifield Breeder Reactor."

[From the Washington Star, Apr. 25, 1975]

NUCLEAR POWER EXPERTS' NEW WORRY: "THE POOF"

(By John Fialka)

OAK RIDGE, TENN.—There is an intense debate going on here—much of it confined to scientific circles—over the question of, as one nuclear power industry official put it, "What to do about the poof."

The "poof" question is something fairly new to the consortium of government and nuclear industry officials who have been striving for decades to harness the atom for peaceful purposes and turn the technology over to private industry.

It is a new question because conventional nuclear power plants, it is believed, could not experience a nuclear explosion, even if the most horrendous imaginable accidents all occurred in series under the roof of the same plant.

Not so with a new kind of nuclear power plant soon to be constructed here. There is a chance, perhaps slight, that it could be the scene of a nuclear explosion if the right human error happened or if certain equipment failed.

But the people who are going to build this new plant, the Clinch River Breeder Reactor, are quick to caution outsiders that the possible explosion will not be a big nuclear explosion, it will be only a little one, if it happens at all.

"And let's be sure that when we're talking about explosions we're talking about poofs not bangs," Peter Van Nort, a 37-year-old engineer who is heading something called

the Project Management Corp., reminds a reporter.

Just how big the poof will be and what it will do to the plant and surrounding environs has become a major question that has delayed the construction of the breeder facility, which is being touted by the federal Energy Research and Development Administration (ERDA) as the prototype of a whole generation of new power plants, which will use and multiply plutonium as a new base of power for the nation's electrical energy system.

Some say the poof might be the equivalent of only a few hundred tons of TNT, something that might only rattle windows (if nuclear power plants had windows) or put a dent on the fuel core, the steel-clad heart of a nuclear reactor.

Others worry that the poof might be the equivalent of a few thousand pounds of TNT. That, they theorize, might be enough to blow a hole in the plant's exterior wall or enough to turn the fuel core into a molten ball that would melt its way through the plant's foundation. There, somewhere under the plant, according to the most pessimistic theorists, the glob of molten fuel could cause a second explosion that would be substantially larger than a poof.

They worry because breeder reactors will be fueled with plutonium, a man-made heavy metal which, in certain configurations, has the capacity to "go critical" or to begin a rapid chain reaction that generates heat and, ultimately, an explosion unless it is controlled.

The debate over the poof has become so intense that it now threatens to end the combine of federal agencies, private utilities and nuclear equipment manufacturers which banded together in 1973 to build the Clinch River Breeder.

The private companies are threatening to leave if the federal government forces them to install a $25 million device called a "core catcher," a kind of cement-and-steel safety net that would be positioned under the plant to catch and disperse the molten core before it could generate something beyond poof magnitude.

If private industry left, according to Stanly Ahrends, an ERDA official who has recently been put in charge of streamlining and reorganizing the Clinch River plant's managerial setup, that would be a disaster, because the federal government has been trying since 1968 to tailor the breeder program to the needs of the private power industry, an effort that may eventually cost taxpayers a total of $8.8 billion.

"We're not just building this to be building it for the government, we're building it for commercialization," Ahends asserts.

While the government may not be building Clinch River for itself, it is increasingly winding up in the position of paying most of an enormous cost overrun experienced by the project. This development has also put a growing strain on the breeder program.

As originally devised, the program would have been controlled by private industry. A group of 737 electric utility systems representing 80 percent of the nation's power capacity got together in an entity called the Breeder Reactor Corporation (BRC). They and several nuclear equipment manufacturers, including General Electric and Westinghouse, promised to put up $277 million.

The AEC agreed to put up $422 million as the government's share of the cost. In addition, it agreed to absorb additional costs, if any. This last part has caused the problem, for the cost estimate of the Clinch River breeder has now risen to $1.736 billion without counting the core catcher.

The industry money was to be funneled through the BRC into the Project Management Company (PMC), which in turn would let contracts and manage the construction of the facility. PMC was directed by a committee with representatives from the Commonwealth Edison Co. of Illinois and the Tennessee Valley Authority (TVA), two members of the BRC which have had the most experience with nuclear power plants. AEC and, subsequently, ERDA, also had a voice on the committee, but the government's voice was a minority.

(Technically, the TVA is a federal corporation, but it has generally tended to act as though it were private industry in breeder-related matters. "The TVA almost violently objects to being considered a federal agency," commented one participant in committee disputes that have arisen.)

Even the machinery to be used in the breeder was chosen to make the private industry feel at home with the concept. In 1968 the government was looking at eight different breeder concepts. Some generated their own fuel and remanufactured it right on the same site, obviating the need to transport dangerous materials.

The AEC chose a device which would require fuel assemblies, bundles of rods containing powdered plutonium. And the fuel assemblies would have to be manufactured in special offsite plants, many of which are being contemplated by major energy companies. Environmentalists charged that the breeder selected was selected because industry favored the "razor blade business," the concept that plants always would need to buy new fuel assemblies.

Industry and the AEC asserted however, that the device they picked was the best one because its fuel system would be much like the one the nuclear industry was already used to.

The selective device, the one that will be the prototype for dozens if not hundreds of commercial reactors, will not use pressurized water as a heat transfer mechanism and coolant as current reactors do, but it will use a molten metal, liquid sodium, which can carry much higher temperatures to the boilers that generate steam for electricity.

While it is heating the liquid sodium, the fuel core of a breeder reactor will also be throwing off fast moving atomic particles, called neutrons, into a "blanket" of Uranium-238, which surrounds the fuel core. The neutrons will change the uranium into plutonium, thereby creating new fuel for additional reactors.

The reaction will be faster and hotter than in current plants. If the coolant system malfunctions or if control rods which are used to slow down the reaction are not called into play quick enough, there is the possibility that the fuel assemblies may begin to melt.

If the fuel assemblies, which are mostly plutonium-239, begin to melt, then the carefully designed geometry of the fuel core will change, giving rise to the possibility of the poof.

After that, all sorts of things could happen, according to various experts who have studied the problem. Most of the studies have been done by the Nuclear Regulatory Commission (NRC), which is the federal regulatory agency that must issue a license to the Clinch River breeder.

One study indicates that if the liquid sodium pipes begin leaking, that could be almost as troublesome as the poof. Liquid sodium has a tendency to eat through cement, creating substantial quantities of hydrogen in the process. The hydrogen would have the capacity for creating another poof.

The vision of the molten fuel core descending into the cement floor of the plant, perhaps aided by leaking liquid sodium, persuaded NRC planners to begin seriously considering some kind of core catcher. One design would be sort of a cement and metal spatter board that would spread out the molten core, keeping it flat and not round, which is believed to be the most dangerous shape for plutonium. Another would be a big chamber full of pebbles or small rocks that would absorb heat from the core, helping to control the reaction.

Industry, which had been watching the costs of the breeder soar, objected strenuously to the core catcher idea. Higher costs, they said, would persuade utilities not to buy breeders. BRC objected. So did PMC and TVA.

According to Van Nort, the executive officer of PMC, the debate took up about five months last year. It ended when NRC rejected a "safety philosophy" prepared by PMC which did not include a core catcher. PMC was ordered to prepare two sets of construction plans, one with a core catcher and one without.

All along, according to Van Nort, he and other industry officials argued that the accident was improbable and would be prevented by redundant control rod and coolant systems.

"As a plant gets further along, the pressure increases to get things done," he explained. "Regulatory people became more and more concerned about this. They wanted assurance of the mitigation of a big, uh, of a poof."

This pressure, along with the soaring cost estimates ultimately caused a kind of "poof" in the BRC–AEC–PMC–TVA organizing structure for building the plant.

"It was not the best organizational set up in the world," commented one knowledgeable Oak Ridger.

Last month ERDA assumed direct managerial control over the whole program. BRC and PMC are still in it, but their role has been changed to more of a consultant's role. They are currently working on a contract that will allow industry to terminate its contributions to the Clinch River breeder if the NRC insists on a core catcher.

According to ERDA's Ahrends, ERDA is preparing to go it alone if it comes to that, but he'd rather it didn't. By next fall he hopes ERDA can settle the question by assembling enough data to convince NRC that the poof is not a "credible accident."

"We are in this with the utilities as part of a cooperative commercial effort. If that fails we've kind of missed our overall objective anyway. We want to keep them (the utilities) with them in terms of financial participation. We could probably do it without them, but the financial participation keeps them interested."

Perhaps the strongest stand on this has been taken by Westinghouse, which will put together the breeder reactor. "Our best analysis indicates there would not be an explosion," said Dr. Jorn Yasinsky, manager of advanced systems of the advanced reactor division of Westinghouse.

"However," he added, "if certain things were to occur which we don't feel could occur, the explosion would not be enough to rupture the head of the vessel." (The reactor vessel contains the fuel core and the liquid sodium.)

Furthermore, he said, Westinghouse hopes the NRC will not accept "the dangerous precedent of adding anything any critic would feel is necessary."

Germany, one of a number of European countries experimenting with breeders, recently ordered the installation of a core catcher. Yasinsky said the German designers agreed to accept "anything their regulatory people feel is necessary without quarreling because they are afraid it (the quarreling) will slow down the program."

"There are those who are doing anything they can to cut off the breeder program," Yasinsky told a reporter. "Once they see you have put it (the core catcher) in, now they would say since you put it in you will have

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to prove that it will work. Then you would need a core meltdown."

"Now, nobody in their right mind would want to initiate a core meltdown," Yasinsky added. "Do I test the sprinkler system in a skyscraper by turning on the sprinkler system after setting a fire?"

FINANCIAL REPORT OF SENATOR CASE

Mr. CASE. Mr. President, I ask unanimous consent to have printed in the RECORD the following combined statement for my wife and myself of our assets and liabilities at the end of 1974 and our income for that year. This is our 13th such report:

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

FINANCIAL STATEMENT OF SENATOR AND MRS. CLIFFORD P. CASE

ASSETS

Cash in checking and savings accounts (after provision for Federal income tax for 1974), approximately $54,000.

Life insurance policies with the following insurers (currently providing for death benefits totaling $138,500):

U.S. Group Life Insurance.
Aetna Life Insurance Co.
Connecticut General Life Insurance Co.
Connecticut Mutual Life Insurance Co.
Travelers Insurance Co.
Continental Assurance Co.
Equitable Life Assurance Society.
Provident Mutual Life Insurance Co. of Philadelphia.

Cash surrender value, $54,940.

Retirement contract with Federal Employees Retirement System (providing for single life annuity effective January 3, 1979 of $33,996 per annum). Senator Case's own contribution to the fund total, without interest, $51,273.

Annuity contracts with Teachers Insurance and Annuity Association and College Retirement Equities Fund. As at 12/31/74 these contracts (estimated to provide a life annuity—10-Year Guaranteed Period—effective January 1979 of $1,591) had an accumulation value of $11,222.

Securities as listed in Schedule A, $361,827.

House in Washington, D.C. (original cost plus capital expenditures), $65,900.

Tangible personal property in Rahway and Washington, estimated, $15,000.

LIABILITIES

None.

INCOME IN 1974

Senate salary and allowances, $42,582, less estimated expenses allowable as income tax deductions of $5,295 (actual expenses considerably exceed this figure), $37,287.

Dividends and interest on above securities and account, $22,498.

Net loss on sales of property, $1,641.

SCHEDULE A: SECURITIES

Bonds and debentures of the following, at cost (aggregate market value somewhat lower): $96,293.

American Telephone & Telegraph Co., $12,000.
Cincinnati Gas & Electric Co., $4,000.
Consolidated Edison Co. of New York, $5,000.
Consumers Power Co., $5,000.
General Motors Acceptance Corp., $17,000.
Mountain States Tel. & Tel. Co., $5,000.
N.J. Bell Tel. Co., $22,000.
N.Y. City Debentures, $10,000.
South Western Bell Tel. Co., $5,000.
Toledo Edison Co., $5,000.
U.S. Treasury Bills, $10,000.

Stocks (Common, unless otherwise noted) at market: $265,534.

CORPORATION AND NO. OF SHARES

American Natural Gas Co., 200.
Chubb Corp., 1,000.
Consolidated Edison Co. of New York, $5 Pfd., 50.
DuPont, 40.
General Electric Co., 340.
General Motors Corp., 420.
Household Finance Corp., 550.
International Business Machines Corp., 160.
Investors Mutual, Inc., 2,760.
Kenilworth State Bank, 32.
Marine Midland Corp., 563.
Merck & Company, Inc., 400.
Morgan, J. P., 44.
National Community Bank, Rutherford, 600.
Reynolds Industries, 100.
Tri-Continental Corp., 1,851.
Tri-Continental, $2,50 Pfd., 1,000.
United Counties Trust Co., 1,305.
Warner-Lambert Pharmaceutical Co., 600.

DECLARATION OF THE COUNCIL OF FREE CZECHOSLOVAKIA ON THE OCCASION OF THE 30TH ANNIVERSARY OF THE END OF THE SECOND WORLD WAR IN EUROPE

Mr. NELSON. Mr. President, today is the 30th anniversary of the end of the Second World War in Europe. On the occasion of this event, the Council of Free Czechoslovakia has issued a declaration directed to the Congress of the United States. The University of Wisconsin is fortunate to have as a professor one of the signers of this declaration, Mr. Mojmir Povolny, who is also the Chairman of the Executive Committee of the Council of Free Czechoslovakia.

Mr. President, in the belief that this thoughtful statement deserves the attention of the Senate, I ask unanimous consent that the declaration be printed in the RECORD.

There being no objection, the declaration was ordered to be printed in the RECORD, as follows:

DECLARATION OF THE COUNCIL OF FREE CZECHOSLOVAKIA ON THE OCCASION OF THE 30TH ANNIVERSARY OF THE END OF THE SECOND WORLD WAR IN EUROPE

We address the Congress of the United States on the occasion of the 30th anniversary of the end of the Second World War in Europe in order to express the gratitude of the Czechoslovak people, who cannot speak freely for themselves, to the American people for the United States magnanimous and selfless part in the liberation of their country from Nazi rule.

This greatest sacrifice of life and wealth that men have ever asked of themselves was possibly only because it was asked in the name of the most noble ideal that men can seek in this world—in the name of human rights and freedoms.

In the Atlantic Charter of August 12, 1941, President Roosevelt and Prime Minister Churchill spoke of the right of all people to choose their own government. The United Nations Declaration of January 1, 1942, of which the Czechoslovak Government in Exile was a signatory, subscribed unequivocably to the principles of the Atlantic Charter and committed all its signatories to the defense of "life, liberty, independence and religious freedom, . . . human rights and justice in their own lands as well as in other lands." Finally, the three Great Allied Powers—the United States of America, the United Kingdom, and the U.S.S.R.—pledged themselves at Yalta in February 1945 in a Declaration on Liberated Europe "to concert during the temporary period of instability in the liberated Europe the policies of their Governments in assisting the Peoples of Europe liberated from the domination of Nazi Germany, and the people of the former Axis satellite states, to solve by democratic means their pressing political and economic problems." Referring to the principles of the Atlantic Charter, they assured the liberated peoples of Europe of restoration of their sovereign rights and self-government and of their assistance in the formation of "interim governmental authorities broadly representative of all democratic elements." Most importantly, however, the three Great Allied Powers pledged these authorities and themselves to "the earliest establishment possible through free elections of Governments responsive to the will of the people."

At no time in its long history was the whole of Europe as ripe for the universal implementation of human rights and freedoms as it was in the spring of 1945. The experience of its people with Fascism, Nazism, and different small dictatorships and autocracies and their defeat on the battlefield crushed the psychological as well as the social and economic foundations of these systems and regimes built on oppression and exploitation. Even though exhausted and badly damaged by the war, the old Europe was young again and filled with hope in the future, convinced that the long civil war of its nations has been finally and definitely decided in favor of individual freedom, social equality, economic justice, and national self-determination. But three years after the signing of the armistice in Reims this splendid dream was in ruins.

While the compliance of the United States and its Western Allies with the sacred principles and commitments for which they had fought in the Second World War transformed the prewar colonial world into a family of independent and sovereign peoples, the struggle of the liberated peoples in Czechoslovakia and in the other Central and East European states for the implementation within their territories of the Atlantic Charter and of the United Nations and Yalta Declarations went downhill from the day the Nazi occupiers were displaced by the Soviet Army. Step by step, country by country, the Soviet Union and the local Communist parties associated with it deprived the peoples of Czechoslovakia and of the other Central and East European countries of their rights and freedoms, which they hoped to enjoy and for which they too paid their price on the battlefield, in the underground, and in concentration camps, and subjected them to their own exclusive control. In the very part of Europe where the Second World War had started in defense of the right of small states to govern themselves and of the right of their peoples to live in freedom and dignity, a new colonial empire was born. Today, thirty years later, none of the Central and East European states is governed by a government issued from free elections, responsive to the will of the people, and respecting their rights and freedoms.

For almost thirty years these rights and freedoms have been no more than articles in the Communist Czechoslovakia's constitution and in the constitutions of all the other Central and East European states, as if their Communist rulers wished to add humiliating insult to the injuries which they keep inflicting on their subjects. Nevertheless, for the peoples of Central and Eastern Europe human rights and freedoms, those noble goals of all men who had sacrificed so much for them in the Second World War, have remained an end to which they have never ceased to aspire. They rose in East Germany in 1953, rebelled in Poland and fought in Hungary in 1956, changed the face

of Czechoslovakia, even if for a short while only, in 1968, and struck again in Poland in 1970. Time and again they have tried to demonstrate against unbelievable odds that nowhere in Central and Eastern Europe was there any higher principle or pragmatic justification for the destruction of human rights and freedoms, unless one is prepared to accept the dictatorship of the Communist *apparatchiki* as the greatest fortune and supreme good that a nation can experience.

Nobody can doubt today thirty years after the end of the Second World War that for the Czechoslovak people and for all the nations of Central and Eastern Europe the issue of human rights and freedoms is the first item on the unfinished agenda of that great conflict. Moreover, the principal source of our world's malady lies in the lack of these rights and freedoms in the Communist states and in the oppression of the Central and East European peoples which breeds misunderstanding, suspicion, fear, and insecurity. All rapproachement between the West and the East has always faltered on the original Soviet breach of their solemn commitment made during the Second World War.

There is a great danger that the West, too, may forget its own pledge and sacrifice it on the altar of detente. The West will not, however, get a stable and reciprocally beneficial detente, unless it is a detente based on the universal implementation of human rights and freedoms. There is also a great danger that should the United States and the West abandon their commitment, they might destroy their own soul.

We are, however, convinced that an inspired use of American principles and resources can bring back to life and fruition the noble ideals and pledges for which the American people had so much sacrificed in the Second World War and which remain also on their unfinished agenda.

HOW TO RESUME HEALTHY ECONOMIC GROWTH: A PRESCRIPTION

Mr. GARN. Mr. President, Americans are currently facing some very tough and extremely vital problems whose resolutions could determine whether we will remain the strongest country in the free world and will continue to enjoy a high standard of living and opportunity for personal growth and achievement.

In an address to a meeting of the American Statistical Association in New York on April 17 of this year entitled "How To Resume Healthy Economic Growth: A Prescription," James J. O'Leary, vice chairman, U.S. Trust Co., discusses how America can solve the two major problems facing it today—inflation and recession. Dr. O'Leary reasons that the solution to these problems requires an end to the totally unacceptable current rate of inflation while easing us out of the recession without repeating the public policy mistakes which got is into the mess we are now in.

Dr. O'Leary points out that although inflation is not a simple process, it is easy to oversimplify its explanation. The fundamental causes of inflation during the past decade have been excessive demands by the consumer, business, and government, fueled by large Federal deficits and overly easy credit—all aimed at keeping the economy fully empolyed and growing vigorously. Dr. O'Leary fears that unless we bring the high rate of inflation down to a much lower level and hold it there, we will face a threat that our private enterprise and market economy will be destroyed and that economic and political freedom will be reduced if not seriously jeopardized.

Three suggestions are made as to what our public policy should be during the years ahead:

Take effective steps to bring the recession to an end by encouraging a business recovery and rising employment. Heavy unemployment takes a terrible toll in human dignity and we must take steps to not only rebuild public confidence in the marketplace but to rebuild public confidence in its own capabilities;

In bringing an end to the recession, we must remember that it was spawned by the inflation; and so

Government policy must strive for a balance between encouraging a renewed expansion of business and rising employment, on the one hand, and persisting in the effort to reduce the inflation rate and to restore reasonable price stability in the long run, too.

As for fiscal policy, Dr. O'Leary would encourage business recovery while maintaining the fight against inflation. Therefore the actions taken for fiscal stimulus must be temporary and should be terminated when the economy is in the process of recovery and no longer needs the stimulus. He warns against a wave of new Federal expenditure programs which will make it difficult if not impossible to bring the budget back into balance as the economy moves to full recovery from the recession.

Next, Dr. O'Leary warns against giving Congress the power to dictate monetary policy by citing the fact that Congress and the Presidency have committed terrible excesses in the field of fiscal policy. He feels it would be dangerous to entrust monetary policy to an arena dominated by politics.

Dr. O'Leary also discusses the policies that we should follow related to housing, energy, and productivity. One of the major goals we need to accomplish as far as the last category is concerned is to return from our recent public policy of consumption to America's historical ethic which encourages a high rate of real savings and capital formation along with rapid technological growth.

Mr. President, the emblem of my State of Utah is the beehive representing the industry of the honeybee. The Utah pioneers picked this as their emblem because they knew it would take a great amount of industry to make the desert in which they had to settle, bloom. Those who have visited Utah know that despite dire predictions by people who knew the Utah desert, the pioneers accomplished their goal and their descendents now live in a beautiful State because of the industry and hard work of their ancestors in the face of difficult problems. I know that the American people, through their industry, faith and striving for a goal of a stable economy can overcome the difficult problems they face today.

Mr. President, I ask unanimous consent that the text of Dr. O'Leary's address be printed in the RECORD so that others may read this well thought out prescription for a healthy economic growth.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

HOW TO RESUME HEALTHY ECONOMIC GROWTH: A PRESCRIPTION

(Address by James J. O'Leary)

Just a year ago we were in the midst of a rise to "double-digit inflation", the severest liquidity crunch in United States history which drove interest rates up to record levels, and another round of decline in the value of the dollar in foreign exchange markets. It is not surprising that in such a climate there was complete consensus that Government policy had to be directed to bringing down the inflation rate. There was difference of opinion about what was causing the double-digit inflation and what measures were needed to bring it under control, but virtually everyone—economists, the Administration, the Congress, business and the consumer—agreed that it would be disastrous if inflation were not curbed.

By early last autumn, however, the U.S. economy began to fall into the most serious recession of the post-World War II period. To a large degree the recession was the natural outgrowth of the inflation and the steps taken to combat it. The "Summit Conferences" of last autumn, called by President Ford to advise him on how to fight inflation, were forced by events to shift the emphasis from fighting inflation to combatting the recession. One measure of the suddenness of the change in public policy emphasis is that whereas a year ago the consensus was in favor of a balanced budget, most economists today accept the need for a Federal deficit and debate only as to how large it should be and how much of it should come from tax cuts versus expenditure increases.

No one with an ounce of human kindness likes serious unemployment and a decline of output, so that we would all agree that Government policy must now be directed to containing the increases of unemployment and to alleviating its ill effects. But my great concern today is that we are already in the process of repeating the public policy mistakes which got us into the "mess" we are now in—I mean of course that in an effort to produce economic recovery and "full employment" again we are putting into place fiscal and monetary policies which threaten to bring on a new round of severe inflation. My guess is that, despite the declining inflation rate of recent months, the expectation that a high rate of inflation will persist in the years ahead is just as strong today as it has ever been.

Our public policies being employed today to fight inflation and recession need perspective and balance. We must avoid the mistakes which we have kept making during the past decade or longer. We must refrain, in our eagerness to bring about a business recovery, from overreacting in the direction of highly expansionary policies, and even worse staying with such policies after they are no longer needed.

In my discussion today of "How To Resume Healthy Economic Growth: a Prescription", I am planning to cover the following: (1) The forces behind the rising tide of inflation during the past decade—and the consequences; (2) Fiscal policy; (3) Monetary policy; (4) Energy policy; (5) Housing policy; and (6) Measures to stimulate increased productivity and expansion and modernization of productive capacity.

THE FORCES BEHIND THE RISING TIDE OF INFLATION DURING THE PAST DECADES—AND THE CONSEQUENCES

As we move to expansionary fiscal and monetary measures to cure the recession and to promote recovery, it is helpful to recall briefly the forces behind the rising tide of inflation during the past decade and the consequences of that inflation. Since 1964 the consumer price index has risen 59 percent.

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The rate of increase jumped from 1.7 percent in 1965 to nearly 6 percent in 1970, and then after receding briefly in 1971 and 1972, it leaped to nearly 11 percent in 1974.

Inflation is not a simple process so that it is easy to oversimplify its explanation. In my view, the basic thrust of inflation during the past decade came from excessive demands in the economy fueled by chronic large Federal deficits and, too often, overly easy credit policy. During the past decade we have had Federal deficits on a national income accounts basis in eight years (the exceptions were 1965 and 1969 in which surpluses of $1.2 billion and $8.1 billion, respectively, were realized) totaling $84 billion. In practically all of this period the unemployment rate was quite low so that the economy was vulnerable to excessive demands. We went through successive bursts of "demand-pull" inflation followed by periods of "cost-push" inflation as labor exerted pressure for large increases in compensation to keep up with the rising cost-of-living.

There is no doubt that the escalation of the Vietnam War was an important factor in the inflation in that it contributed to the budget deficits and to the excessive rates of monetary expansion. Just as in all wars, the output of war materials increased civilian incomes without adding to the supply of goods and services for civilian consumption. In 1974, of course, the jump to "double-digit" inflation was importantly the result of the quadrupling of the price of oil by the OPEC cartel as well as by the rash of price increases after wage-price controls were ended.

In the climate of the past decade there is no doubt that sheer market power by labor and business played a major part in the inflation. Nor is there any doubt that the "Santa Claus expectations" which the Government has encouraged has helped to reduce the willingness of people to work hard, and that this has lowered productivity in our economy and has thus made us more vulnerable to inflation.

But, come back to the fundamentals of our inflation during the past decade—excessive demands by the consumer, business, and Government, fueled by large Federal deficits and easy credit—all aimed at keeping the economy fully employed and growing vigorously. These were the basic forces behind our inflation.

The experience of the past decade makes it clear that a high rate of inflation brings on disastrous consequences. It causes high interest rates because it inflates loan demands and forces a restrictive credit policy. It leads to extreme volatility in the financial markets and is bearish for the prices of common stocks. It is no exaggeration to say that a high inflation rate erodes the sounddess of the commercial banking system and undermines the viability of the bond and mortgage markets. Moreover, the rising tide of inflation during the past dacade has destroyed the fixed exchange rate system established at Bretton Woods and has forced the world onto floating exchange rates. It has caused a serious devaluation of the dollar.

The rising tide of inflation during the past decade has brought on a "stop-go" pattern of behavior of our economy. It cuts the real purchasing power of most of our people, especially after taxes, and weakens public confidence. Consumer resistance to inflated prices for automobiles and other durable goods, as well as housing, is a powerful force for recession.

A high rate of inflation leads inevitably to political and social tensions and makes our country vulnerable to disorderly political and social change. We are now seeing how inflation undermines the effectiveness of our state and local government units.

These are but some of the consequences of the high rate of inflation which have developed in America. They force me to conclude that unless we can succeed in bringing the inflation rate down to a much lower level and in holding it there, we face the threat that our private enterprise and market economy will be destroyed and that economic and political freedom will be reduced if not seriously jeopardized.

So, as I face the question of what our public policy should be this year and in the years ahead, I take the following position:

(1) We must, of course, take effective steps to bring the recession to an end and to encourage a business recovery and rising employment. We must recognize that the shocks to public confidence in recent years have been great and that there is a real danger of a deep and prolonged recession. Heavy unemployment takes a terrible toll in human dignity and it has very serious political dangers in itself.

(2) But, we must keep our eye on the fact that the recession was spawned by the inflation, and we must avoid overreacting in fiscal and monetary and other policies to the point that we bring on another wave of demand-pull inflation.

(3) The balance in Government policy between encouraging a renewed expansion of business and rising employment, on the one hand, and persisting in the effort to reduce the inflation rate and to restore reasonable price stability for the longer run may be very difficult, if not impossible, to achieve, but we must strive for it. I am hopeful that we can achieve that balance and find the way back to price stability and healthy economic growth in the years ahead. In what follows I shall try to outline the public policy path we should follow to return to healthy economic growth.

FISCAL POLICY

First, what can be said about fiscal policy? We are now in the process of incurring a staggering Federal deficit for fiscal 1976. The Administration is urging that it not exceed $60 billion and the House and Senate Budget Committees have come up with $69.6 billion and $73.3 billion respectively as the appropriate deficits, given the state of the economy. My guess is that, assuming the normal political processes and the severity of the recession, the Federal deficit for fiscal 1976 is apt to be larger than any of these figures.

Given the depth and sharpness of the recession, the Federal deficit is to an important degree, of course, the result of the shortfall of personal income and corporate profits tax revenues. But in the short run, at least, it will also be the product of the deliberate action taken by the Congress to cut personal and corporate tax revenues by an estimated $23 billion. I am enough of a Keynesian to approve a sizeable tax cut in the face of the sharp recession, particularly since it is clear that the effect of the inflation has been to inflate money incomes and to shift many taxpayers into higher personal income tax brackets while their real incomes have not risen proportionately. But I think that the $16 billion tax reduction package recommended by the Administration—both as to amount and content—was to be preferred over the $23 billion program of tax reductions passed by the Congress. The bill which emerged from the Congress was a "Christmas tree" in many respects, but it was not as bad as I expected considering the political forces at play.

It is difficult to make the judgment as to how much fiscal stimulus the economy should have at this time. My own judgment is that the Federal deficit should be held closer to the $60 billion figure being urged by the Administration than the $73 billion figure set by the Senate Budget Committee. We can already see corrective forces at work which are leading to a bottoming out of the recession by summer. From the standpoint of winning the fight against inflation, it is desirable that the business recovery, as it occurs, be gradual rather than vigorous. So, I feel that there is real danger that the deficit will be too large and that it will be too stimulative. Since I place such a high premium on bringing inflation under control, I would prefer to err on the side of too little fiscal stimulus rather than too much. Moreover, the recognition that there will be a huge Federal deficit, and that it may balloon to an astronomical figure, has in itself already had some perverse effects. It has kept the expectation of a very high inflation rate alive in spite of the recent decline in inflation and it has undoubtedly been an important factor in the further deterioration this year in the foreign exchange value of the dollar. Beyond that, in recent weeks the fear that the huge Treasury financing may crowd private borrowers out of the market has been a major factor in pushing up corporate bond yields and other long-term interest rates. So, there are many reasons for being careful about how high the deficit goes.

As a general very significant principle, it is highly important that the fiscal stimulus take the form of an action which is temporary and which can be terminated when the economy is in process of recovery and no longer needs the stimulus. This is why the idea of a one-shot personal income tax rebate has so much to commend it. If the economy does not need a special stimulus in 1976, the rebate need not be repeated. The danger is that measures involving a substantial increase in Federal expenditures will be put in place this year and that the rise in Federal expenditures will continue on top of increasing expenditures in the private sectors of the economy as business recovery develops. My fear is that, in addition to the tax reduction bill, Congress will now launch new Federal expenditure programs which will raise the deficit in fiscal 1976 beyond the $60–70 billion level and that these expenditure programs will carry over into fiscal 1977 and contribute to another large Federal deficit on top of an increase in private spending by consumers and business as the economy recovers. This is the syndrome we have been in for the past decade and which we must free ourselves from if the enterprise system is to survive. We do need a large stimulus in fiscal 1975, but it must take such a form that it can be removed or reduced when it is no longer needed and when it would only serve to provoke a new round of demand-pull inflation. The tax rebate serves this purpose admirably. We must avoid piling on new Federal expenditure programs this year which will make it difficult if not impossible to bring the budget back into balance as the economy moves to full recovery.

It is too early to appraise the potential of the new Senate-House Budget Committee procedures for making the Federal budget an instrument for encouraging reasonable price stability and healthy economic growth rather than an engine of inflation. But I think these new procedures are a promising development and I am hopeful that they will help to avoid the fiscal excesses which have contributed so much to the escalation of inflation which we have experienced in the past decade.

MONETARY POLICY

Turning now to monetary policy, it is fashionable today to be critical of Federal Reserve policy decisions during the past decade.

Criticism mounted in the first quarter of this year as it appeared from the low rate of expansion of the monetary aggregates that the monetary authorities were not doing their part toward encouraging a business recovery. With the benefit of 20/20 hindsight, we would all agree that the Federal Reserve authorities have made some serious mistakes during the past decade and that they have contributed to the inflation syndrome in which we find ourselves. Usually

the authorities were forced into excessively expansionary policies because they had no alternative but to help accommodate the financing of Federal deficits in the commercial banking system.

In thinking about the appropriate monetary policy for the near term or the long term, the monetarists argue that the wisest course for the Fed to follow would be to provide for a steady increase in the rate of monetary expansion, say at 6 percent, and that the authorities should avoid trying to vary the rate of monetary expansion in line with forecasts of the economy which often prove wrong. I find it very difficult to accept this simplistic formula. For one thing, it would be unwise, in my view, for the monetary authorities to rely on any one of the existing monetary aggregates. What is "money supply" in our economy today? Certainly M_1 is not a good measure because of the high average short-term interest rates of the past several years there is a downward bias on non-interest-bearing demand deposits. I have similar reservations about the precise relevancy of the other current measures of money, even when they include time deposits and certificates of deposit. The simple fact is that in today's economy money has to be defined much more broadly than M_1 or M_2 and the appropriate definition probably varies over the business cycle. It seems to me also that the Fed has to pay attention to the behavior of interest rates as well as to the measurements of money. Early this year short-term rates were falling sharply, partly because of the decline in private loan demand but also importantly because of Federal Reserve policy measures. At the same time the rate of expansion of M_1 was very low so that the monetarists were complaining that the Fed was persisting in a restrictive credit policy and contributing to the recession. Suddenly, the annual rate of increase of M_1 in the past two months has jumped to nearly 13 percent so that the monetarists probably will begin to worry that the Fed is moving to an excessive expansionary credit stance. But, at the same time, short-term interest rates have recently leveled out and until recently we had a collapse in bond prices which led to a sharp rise of corporate bond yields. This would seem to me to suggest that the Fed is not doing enough to ease credit and that it should be pushing hard to encourage a further drop of short-term rates and a renewed decline of corporate bond yields. If the Fed should adopt this policy, the rate of increase in M_1 could move much higher and would soon raise a hue and cry from the monetarists. I think that the current situation illustrates the futility of relying on any one simplistic measure to guide policy. It also illustrates why the Fed must not be bound by any rigid formula but must have the flexibility to determine policy in the light of an overall view of the monetary aggregates and interest rates and in the light of other public policy measures and developments in the economy.

Concerning current Federal Reserve policy, the monetary authorities have an obligation to urge that an excessive Federal deficit be voided in fiscal 1976 and that steps in particular be taken to avoid big increases in expenditure programs which will cause another huge deficit in fiscal 1977. The authorities have this obligation because the commercial banks will be expected to buy a major portion of the Federal deficits and the Fed will be expected to provide the banks with the reserves needed to facilitate their acquisition of Government securities.

I have been encouraged by the way the monetary authorities have persisted in their emphasis upon carrying through in the fight against inflation as a secular phenomenon, while at the same time recognizing the need for and implementing a relaxation of credit to encourage a recovery of business. I must confess, however, that I am worried about the recent flattening out of short-term rates and the upward bulge of corporate bond yields. The latter may be correcting itself, but I fear that there has been a rather profound change in capital market psychology which will make it difficult to bring long-term corporate bond yields down very much from current levels. The big factor in this changed psychology has been the rise of the expected Federal deficit to the $80–100 billion level and the fear that such a deficit will cause a rise of short- and long-term rates and crowd out private borrowers. The scare talk about this has hurt market psychology. Also, I think that the Fed has let the market become convinced that it has gone as far as it can in pushing down short-term rates. From the standpoint of the business recovery, it seems to me that it would be very harmful if short rates bottomed out at current levels and it would be especially hurtful if they proceeded to move upward. Also, I feel rather uncomfortable with the prospect that corporate bond yields may hold at the present high levels. The Treasury can help this situation by avoiding new large issues of long-term Government bonds in this market climate. Moreover, consistent with maintaining a proper balance between fighting inflation and fighting business recession, I think that the Federal Reserve can safely push further toward lower short-term rates and hopefully toward encouraging lower long-term rates.

But the monetary policy balance is a delicate one and I certainly applaud the Fed's resolve not to overdo credit ease in this cyclical swing at the cost of contributing uiltimately to a new wave of inflation. My judgment, however, is that the monetary authorities can still safely put the weight of their policy toward encouraging business recovery and that it is too early to be putting on the credit brakes for fear of a new round of inflation. At the same time, however, past experience tells us that the Fed tends to stay too long with credit ease so that in the interest of getting back on the path of healthy growth it will be better this time around for the monetary authorities to err on the side of being too early in applying the brakes rather than too late.

One last word on monetary policy. In my view, the political threat to the independence of the Federal Reserve is the greatest today since the creation of the system. It would be tragic if Congress were to gain the power to dictate monetary policy in this country. We have only to look at the terrible excesses which Congress and the Presidency have committed in the field of fiscal policy to realize how dangerous it would be if politics dominated our monetary policy. During the past sixty years the Federal Reserve, despite its imperfections, has been the great reliable force working for price stability and healthy growth. If we are to have any hope of getting back to a healthy economy, we must have a capable and independent Federal Reserve System

ENERGY POLICY

Time does not permit me to discuss energy policy except very briefly to set forth some general principles. Clearly, however, if we desire to return to healthy economic growth with reasonable price stability we must pursue a public policy which will ensure a sufficient energy supply to satisfy our economic growth requirements and in doing so we must free ourselves from the OPEC control of our energy supply.

The Administration energy program has much to commend it. I am glad, however, that Congress has slowed up in pursuing the matter because almost any action at the moment on the energy front probably would complicate the task of reducing the inflation rate and at the same time encouraging an economic recovery. But we obviously cannot delay for long in moving ahead with a comprehensive and effective energy policy.

Energy policy must, of course, have a long-run character to it. As I see it, it must rely mainly on private profit incentives with Government policy setting the framework for these incentives. The mechanism must be the market pricing system rather than Government rationing or allocation. The policy must permit the price of all sources of energy to reflect market forces and not to be held at artificially low levels. At the same time, however, if energy producers are to be encouraged to make the long-term investment commitments needed to produce new supplies, they must have assurance of a "floor price" of oil to avoid the danger that OPEC would from time to time cut prices temporarily to injure the economic viability of U.S. producers.

We have, of course, been extremely wasteful in our use of energy, so that it is highly essential that incentives be provided to encourage a more efficient use of energy in transportation, industry, and in our homes. My own feeling is that the greatest saving can be made by using the tax and price mechanism to discourage the wasteful use of gasoline in automobiles.

Regardless of how important it is to increase the reliable output of energy, we must do so—and I think we can do so—within the framework of proper environmental standards.

HOUSING POLICY

With respect to housing, the thrust of public policy today is that greater availability of home mortgage credit at lower financing costs will bring about a recovery of housing this year and next and help the economy to recover. At the same time, however, it is generally recognized that the inflated costs of land and housing have greatly limited effective demand so that sheer availability of credit will not have the stimulative effect at this time that it has had in past cycles. To some extent deflationary forces will help to strengthen effective demand for housing. The Administration and Congress are struggling with the problem of stimulating effective demand but the prescription usually involves Government subsidy measures which quickly run into the broader problem of keeping Federal spending under control. Frankly, in the interest of a gradual recovery of the economy, it may be salutory that housing not rebound too vigorously.

For the longer pull, I have the feeling that national housing policy needs a thorough rethinking and overhaul. A great deal of our policy has been "jerry-built" over the past quarter century and has been the result of a succession of ad hoc measures to meet particular problems of the moment.

We seem to have come to the end of the line in terms of reducing the down payment and lengthening the amortization period for home mortgage loans as a means of facilitating effective demand for housing. Total needs for housing in this country remain great, but the problem is how to meet these needs without launching huge new Government subsidy programs which will increase the difficulty of bringing inflation under control. The inflation of the past decade has perhaps left its worst legacy in the housing field.

POLICIES NEEDED TO STIMULATE INCREASED PRODUCTIVITY AND EXPANSION AND MODERNIZATION OF PRODUCTIVE CAPACITY

When we think about policies needed to restore reasonable price stability and healthy economic growth, nothing is more important in my view than a whole series of policies needed to stimulate increased productivity and expansion and modernization of our nation's industrial capacity. Evidence of this is the fact that during the past decade the trend of productivity in the private nonfarm economy has declined at a disturbing rate. During the past ten years the average annual increase in output per man-hour was

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less than 2 percent, compared with nearly 3 percent in the previous decade. This must stem in large part from inadequate investment by business firms in new and more modern plant and equipment, which in turn is in my judgment the product of the fact that business profits have fallen increasingly short of the amounts needed to finance the growth and modernization of our industrial plant.

Historically the U.S. economy has enjoyed a fairly vigorous growth and rising living standards because until comparatively recently the public policy and general economic climate have been favorable to a high rate of real saving and capital formation as well as rapid technological change. But in recent years our public policy has shifted priorities much too strongly toward consumption and away from capital formation. In my view, we sorely need to redress the balance. We need to reinstitute policies to stimulate increased productivity and expansion and modernization of productive capacity. This is the way, along with appropriate fiscal and monetary policies, to return to reasonable price stability, healthy economic growth, and rising living standards.

First, we urgently need policy measures to rstore adequate business profits and to strengthen the ability of business to obtain sufficient equity capital either through retained earnings or the sale of stock, or both. There is a great deal of confusion and misunderstanding today about business profits. Actually, in any *real* sense corporate profitability has been rather abysmal. Last year, for example, the estimated pre-tax profits of all non-financial corporations from their domestic operations were 16 percent higher than in 1973 and 46 perecnt higher than in 1972. The predominant factor in this rise, however, was a huge increase in inventory profits. This arises from the fact that the accounting practices of many corporations still do not allow for the fact that inventories used up in production must be replaced at higher prices during a period of inflation. As a result, costs of operation have been understated and illusory profits have been created that are being taxed by the Government. Excluding the illusory inventory profits, the after-tax domestic profits of non-financial corporations did not rise last year. Rather, they fell by 20 percent and were lower than 8 or 10 years earlier, when the current dollar value of the output of these corporations was about one-half what it is today.

Last year the after-tax profits of non-financial business firms—adjusted for inventory gains—were no larger than the amount of dividends these firms paid to their stockholders. Even worse, when provision is made for the fact that depreciation schedules for fixed capital are also based on historical rather than replacement costs, and thus contribute yet another illusory element to book profits, these firms really paid out more in dividends than they earned from current production.

This decline in the profitability of business firms has hurt the financial strength of corporations. When their profits were more adequate, our business firms were able to finance much of their capital investment from internal sources rather than from borrowed funds. However, dependence upon borrowed funds has been rising steadily for more than a decade. In the past five years, funds borrowed in the money and capital markets by all non-financial corporations averaged nearly 70 percent of the amounts raised internally, and in 1974 their borrowings exceeded their internal funds. This growing reliance on borrowed funds has cause a sharp increase in the amount of debt owed by business firms relative to their equity positions. In 1950 total debt liabilities of manufacturing corporations amounted to less than half of the book value of stockholders' equity. Today the size of total debt and equity of manufacturing corporations is just about equal. Moreover, a large part of the indebtedness accumulated by business firms has been in the form of short-term debts, and these, in turn, have grown more rapidly than holdings of current assets. The liquidity position of non-financial businesses has accordingly been weakened.

These are very disturbing trends. They indicate that if we are to lay a base for the expansion and modernization of productive capacity in the years ahead we must create a public policy climate in which business firms can successfully raise the required equity capital and reverse the trend toward overloading firms with debt. In my view this problem should be attacked on a number of fronts, such as follows:

1. The corporate profits tax rate should be reduced.

2. The depreciation guidelines should be realigned to permit business firms to account for depreciation on a replacement cost basis rather than on a historical cost basis.

3. The investment tax credit should be mintained indefinitely on a liberal enough basis to encourage capital spending.

4. The double taxation of corporate earnings—at the corporate level and at the dividend end with individuals—should be eliminated.

5. The capital gains tax rate should be reduced with the length of time stocks are held.

6. In the area of energy, special tax incentives should be employed to encourage exploration and development.

7. The above suggestions especially apply to the public utilities, as well as to industrial firms, and in addition ways must be found to make the state regulatory authorities more responsive to the earnings requirements of the regulated firms.

Beyond this, we are going to require tremendous amounts of saving in the years ahead to finance healthy economic growth at reasonable interest rates. Measures such as those suggested above will help to encourage saving in equity form, both by business firms themselves and by investors. The reduction in the inflation rate to a reasonable level, if we can achieve it, will itself help to encourage the required saving. A balanced Federal budget—or hopefully even some surpluses—will aid in making funds available to the private sectors of the economy. Beyond this, we may well need special tax incentives to encourage saving by individuals in all types of financial institutions.

I suppose these various suggestions do not seem to have political feasibility. But it seems to me that they are absolutely essential if we are to succeed in restoring reasonable price stability and healthy economic growth.

CONCLUDING COMMENTS

The American economy—indeed our political economy—is at its most crucial point in history. The current recession is giving us the chance to restore reasonable price stability and healthy economic growth. If we fail to cash in on this chance—and if we let political opportunism carry us back to the old inflation syndrome—we are risking the destruction of the enterprise system and the economic freedoms which have served us so well throughout our history.

THE GENOCIDE CONVENTION: AN INTERNATIONAL CONCERN

Mr. PROXMIRE. Mr. President, I have spoken out in favor of the Genocide Convention on many occasions, referring to it as an issue of international concern, one that transcends religious beliefs and crosses political lines. One of the best appeals for the Convention's ratification along these same lines is perhaps that of the late Gabriela Mistral, the famous Chilean poet who won the Nobel Prize for literature in 1945.

> With amazing regularity genocide has repeated itself throughout history. Despite all advances in our civilization the twentieth century must unfortunately be considered as one of the most guilty of the crime of genocide. Losses of life and culture have been staggering. But deep in his heart man cherishes a fervent yearning for justice and love; among small nations and minorities the craving for security is particularly alive. The success of the Genocide Convention today and its greater success tomorrow can be traced to the fact that it responds to necessities and desires of a universal nature. The word Genocide carries in itself a moral judgment over an evil in which every feeling man and woman concurs.

In light of this statement and many others in the same vein, although perhaps not quite so eloquent, how can we as a nation not lend our support to the treaty? It seems to me our moral obligation to our own people as well as the greater community of nations. As a country which has always stood in support of human rights, how can we pass up this chance to set the stage for the establishment of a universal code of moral ethics through international law? It is a small commitment which will reap huge benefits.

LAW DAY ADDRESS BY THE ATTORNEY GENERAL

Mr. HRUSKA. Mr. President, the University of Nebraska at Lincoln was honored on May 1 to have the Attorney General of the United States, Edmund H. Levi, as its guest for Law Day activities.

The Attorney General dedicated the magnificent, new college of law building on the university east campus and was awarded an honorary doctor of laws degree for his "distinguished career in the service of his community, his university, and his Nation."

At a law day dinner sponsored by the university and the Lincoln Bar Association, the Attorney General addressed some of the problems of our system of justice. He also had this to say about the law:

> Throughout the history of Anglo-American law there has been a debate over the meaning of justice and its relationship with the law. The two have been seen as, in some ways, distinct. Justice has many forms. Justice is one of the virtues, to be sure, but in some sense it is all of the human virtues viewed collectively. Justice is the name we give our values, and as such it is the source all members of the legal profession must draw upon.
>
> The lawyer's job is to translate these values into rules. It is to make those rules consistent one with the other in a craftsmanlike manner. It is to try to clarify the ambiguity of words, to use language in the service of values. The legislator has an enormous responsibility in this regard. The effort by Senator Hruska and his staff to revise the federal criminal code demonstrates how that responsibility can be met. Consider the reason why the revision was undertaken.
>
> Over the years the federal criminal law has expanded and changed—partly because Congress has passed new laws and partly because courts, responding to the arguments of private individuals and their attorneys along with those of prosecutors, have interpreted the words written by Congress and set the principled limitations within which Congress could act. The accretion of judicial decisions, and by private parties, has made the criminal laws unduly complicated, redundant in some instances and flatly contradictory in others.

We should not despair, the Attorney General points out, because our society is one that constantly strives for perfection, but rarely attains it. He points out that this effort is one that is wholesome:

> It is not necessarily a reproach that our society has not fulfilled all its aspirations. In many ways we have progressed far beyond the dreams of the founders who set our law into motion—in our size and numbers, in the distribution of material advantages, in the access to education and in the cultivation of the arts. In many ways our aspirations have changed and will continue to change. Even the good society—perhaps because it is good—cannot ever be wholly satisfied. Indeed the good society must have ideals beyond its attainment. A vital responsibility and the joy of the lawyer to try to solve them.

Mr. President, so that my colleagues may benefit from all of the thoughts expressed by the Attorney General on this subject, I ask unanimous consent that his remarks on May 1 in Lincoln, Nebr., be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HRUSKA. Mr. Levi's presence in Lincoln served to enhance the importance of the dedication of the new law building at the University of Nebraska. As Henry Grether, Jr., dean of the college of law said:

> The dedication of the new Law Building is the culmination of years of hard work and planning by many people. It is especially appropriate that the dedication should occur on Law Day 1975, as the Nation begins to look back at our past two hundred years and the look forward to the future two hundred. During those past two hundred years the role of law and the lawyer has been a prominent one and there is every reason to believe that that role will expand even more in the future.

Mr. President, I was proud to be present at this dedication. I know the faculty, students, and alumni will be pleased with the fine facilities of the new law building.

[Exhibit 1]

Law Day Address by Hon. Edward H. Levi

This is a special day for law and for the legal profession. The day has added meaning for the Nebraska bar and the University of Nebraska-Lincoln College of Law. You have dedicated a new law school building to the service of the profession, a building where new attorneys will be introduced to what Sir Edward Coke called "the artificial Reason and Judgment of the law." And as they master it, they will become members of a proud and great profession.

But Law Day is not solely a celebration of the legal profession. It is intended for our entire society because law by its virtues and by its defects affects all of us—the powerful and the weak, the learned and the unlearned. We recognize this universality of the law when we speak of the sovereignty of the rule of law under which we all live.

The law which is sovereign is not complete, and it is not perfect. If we measure law by justice, we find it wanting, for we know there are many injustices. Also there is great cynicism about the law now, as there has been at other times. Some see it as merely an instrument in the hands of the powerful for accomplishing their personal aims. Even if we think of law as a noble instrument of society for maintaining civility, we must pause at lack of success. Crime rates, a measure of our lack of civility, have been continuously on the rise. The Federal Bureau of Investigation's latest figures show that the rate of serious crimes—murder, forcible rape, robbery, aggravated assault, burglary, larceny, and auto theft—was 17 percent higher in 1974 than in 1973. The Bureau has been keeping those figures for 42 years, and it has never computed a greater annual increase than that. The FBI figures do not tell the whole story of crime, and the whole story is by no means more pleasing. A study by the Law Enforcement Assistance Administration has indicated that much crime still goes unreported; that is, it does not even appear in the figures I have cited. And the statistics do not accurately reflect the growing fear the increasing crime rate has inspired.

Of course, the law is imperfect. It is made by man. It reflects his failings, his human weaknesses. But it also reflects his powers and wisdom. It is made by man, and it must contend with the forces man sets against it. It must contend with our conflicting desires and ambitions for power and material goods. It exists in a human society where each man does not necessarily judge correctly in his own cause, where resources for which men compete cannot satisfy them all, where factionalism is probably the inevitable price of diversity.

It is not necessarily a reproach that our society has not fulfilled all its aspirations. In many ways we have progressed far beyond the dreams of the founders who set our law into motion—in our size and numbers, in the distribution of material advantages, in the access to education and in the cultivation of the arts. In many ways our aspirations have changed and will continue to change. Even the good society—perhaps because it is good—cannot ever be wholly satisfied. Indeed the good society must have ideals beyond its attainment. A vital society inevitably has problems which must be solved. It is the responsibility and the joy of the lawyer to try to solve them.

Our society and its law have difficult problems to face today. Not the least of the problems is the increasing resort to the law to settle differences among individuals and organizations once resolved by informal relations of trust and comity. The courts clog with lawsuits brought either because people don't believe they can make their grievance known any other way or because they don't want to give up a single chip in the process of bargaining for an advantageous settlement of their claim. The lawsuit is no longer the last resort. For those who think they are powerless in the face of impersonal and indifferent institutions, the lawsuit is the only resort. And for those who are well-schooled in the resolution of disputes, the lawsuit is a method, not so much for having a tribunal resolve an issue as for forcing a resolution out of court.

As the system of civil justice has become cluttered, the criminal justice system has fallen into incredible disrepair. The burden of increasing crime has put pressures upon the system which it is incapable of supporting. Criminals have learned to use the inefficiency of the system to their own advantage and the result is grave. An unpublished study conducted in one major American city showed that only four per cent of the persons arrested for a felony were actually convicted of that felony. Even fewer ever went to prison. FBI statistics show that there are only 19 arrests for every 100 serious crimes reported. The lesson for potential criminals in this is clear: that they can use the law's weakness to avoid being punished. The deterrent force of the law falters upon that lesson. The crime problem spirals upon itself. If the criminal justice system weakens the deterrent force of the law, then there is more crime. And that extra crime puts its burden directly back on the already overwhelmed system.

The law has also outgrown many of its traditional categories as we have called upon it to solve complex, technological problems. For example, while once the law of nuisance served as the bulwark of environmental protection, today its easy maxims are not nearly enough. The law is now called upon to discover what may harm us, strike a subtle balance of harms and benefits, and recognize that the conduct of any one of us may be trivial individually but devastating in the aggregate. The law must concern itself with events so great as an accidental burn-out at a nuclear power plant and so small as the tiny bursts of vapor from the nozzles of aerosol cans. Of course, the law has always been general, has always applied to the great and the small. But the burden put upon our law by scientific knowledge about the consequences of our acts and the technological advances that raise ever more complicated questions of control cause some to yearn for the return of innocence. They might wish for the return of an era in which the threat to our environment might again be as obvious as a chimney belching black smoke now seems to us. But that era will not return. Rather what we must now reach for is a much more delicate balance of interest.

There are problems, indeed, and it is because of these problems, not in spite of them, that the rule of law is so central in maintaining progress. For the rule of law requires that we meet these problems by applying to them our deepest human values. What then is the rule of law?

It is often said upon solemn occasions such as this that ours is a system of laws and not of men. The idea of the rule of law developed in the Middle Ages in an otherworldly context that could distinguish laws from men. In the 13th century in England Bracton argued that since a universal law rules the world, even kings and rulers were subject to the law. British history gave content to Bracton's abstract argument, and by the 16th century the medieval idea that a universal law governed the world supported the growing belief in the supremacy of the common law.

That belief is really quite extraordinary. Its development was hardly irresistible. Lord Coke himself resisted it while Attorney General only to advance it powerfully when he became a judge. On a Sunday late in 1608 in Whitehall Palace Coke, then Chief Justice of Common Pleas, stood before King James I as the King assured him that the King would "ever protect the common law." But Coke replied, you will recall, "The common law protecteth the King," and James flew into a rage, calling Coke's argument traitorous for it set law above the monarch. By Coke's own report, the King proclaimed that since the law was founded upon reason, the King's reason could be the final source of law. To that Coke replied that the King had natural reason as well as any man but that "his Majesty was not learned in the Laws of his Realm of England; and abuses which concern the Life, or Inheritance, or Goods, or Fortunes of his Subjects are not to be decided by natural Reason but by the artificial Reason and Judgment of the Law, which requires long Study and Experience before a man can attain to the cognizance of it."

The King's reply was explosive. He threatened to strike the Chief Justice, and Coke fell prostrate before the King's majestic wrath.

But the next day, from the Bench, Lord Coke issued an order under his seal which again asserted the supremacy of the common law.

Over time Coke's views as to the supremacy of law prevailed and even the Crown's prerogatives became so circumscribed by Parliamentary and judicial limitations that those which remained could only be described as existing as an aspect of the common law exercised by the Crown only because the law allowed it. What does the rule of law mean today? It cannot mean that the law operates independently of men. It must mean that there is some common center of agreement that informs the conduct of all men who work with the law. Sometimes the rule of law is taken to prohibit discretion in the application of government power. But the law works through words, and words themselves invite discretion in their application. The rule of law, if it means anything in this regard, refers to the disciplined application of words or ideas to the situations they are called upon to influence. No rule is automatic in its application. To a greater or lesser degree the step of determination is always required.

As I said at the outset, the idea of the sovereignty of the rule of law recognizes the universality of the law's effect. It also recognizes the universality of the manner in which law develops. Law is not only the product of lawyers. The whole society uses and interprets the law. And because of that, the law expresses something deep and important about the values we hold as a people. It expresses our strongest commitments and the highest aspirations. Law is not everything in society. The law is only one of a number of institutions through which we express ourselves and which in turn influence us, maintain our customs and change our habits. Thus law takes a place along with family structures, religious beliefs, the expressions of art and the explanations of science. Law embodies the values common to many of those institutions. Law, as the custodian of the historic rights mankind has developed for itself, must never be regarded as the tool of the power of the moment.

The public, the press, the academic community, the artists, all by their assertions and conduct inform and develop the law. As new human values and ideas make their way into common acceptance, they also make their way into the law which translates them into words by which common conduct may be governed. By guiding common conduct, by speaking in words, the law has its own power to educate, to alter commonly held views, to shape the thinking of the public whose thinking in turn shapes the law.

As the law is the custodian of historical value, the legal profession has a special role as the trustee of the law. But what is the nature of the legal profession? It has many different roles.

If one reaches back into legal history the difference between courts and legislatures was much less marked than it is today. Parliament still functions as a high court, a reminder of the time when the distinct functions of legislatures and courts were seen as one. Today the courts and the legislatures operate quite differently, representing separate aspects of the legal system. Nevertheless, the distinction between judging and legislating is quite old. Even though legislatures do sometimes merely restate the law and even though judges sometimes change it, there is a central difference between applying the law as a judge and changing it in the public interest as a legislator. The legislators are guided, of course, by their vision of the Constitution's meaning and by a sense of duty to lead and to speak for their constituents as the constituents would speak were they present to be informed by debate in the public forum. The question of change is before the legislator and the fashioning of the public will must be their goal. Legislatures in large part are the forum for public involvement in its most immediate, changing and diverse form.

Courts recently have on occasion been places of high public drama, and modern procedures allow great diversity of interest to be represented in cases which would at one time have included only the two primary parties in dispute. Still the courts have a different goal than legislatures. Theirs is not primarily to shape the public will although they do this somewhat. And they must display a different sort of reasoning to support their judgment. The power of judges to resolve disputes and speak the law depends in large part upon the unique tone in which they render their judgments. More than any other lawgivers, they derive their power from the acquiescence of others in their judgments. Confronted with the duty of resolving a particular dispute based upon a particular set of facts, the judges must meet the duty by applying resonant rules of general and lasting application so that their decisions will be seen as legitimate. Thus they determine finally the rule of law as it applies among the parties before it, but they state the law knowing that their statement will bear heavily in resolution of future disputes. Though the courts use the language of principle, principles change over time as society reassesses its values and comes to accept new ways of looking at its problems.

Because they phrase their judgments in terms of the reasoned application of principle, too often what courts say has been mistaken for the single voice of the law. Lately the practice has been to go to the judges when legislators and officials of the executive branch fail to live up to their responsibilities. The apportionment of legislators, the operation of public schools, even the conduct of the war in Vietnam have all been brought to courts by those who would have the judges state the single rule of law. Sometimes the judges have wisely declined to comment. Sometimes they have not. In any case, the appeal to the judges as the only spokesmen of justice results from a failure to recognize the more subtle nature of the rule of law in this nation.

Throughout the history of Anglo-American law there has been a debate over the meaning of justice and its relationship with the law. The two have been seen as, in some ways, distinct. Justice has many forms. Justice is one of the virtues, to be sure, but in some sense it is all of the human virtues viewed collectively. Justice is the name we give our values, and as such it is the source all members of the legal profession must draw upon.

The lawyer's job is to translate these values into rules. It is to make those rules consistent one with the other in a craftsmanlike manner. It is to try to clarify the ambiguity of words, to use language in the service of values. The legislator has an enormous responsibility in this regard. The effort by Senator Hruska and his staff to revise the federal criminal code demonstrates how that responsibility can be met. Consider the reason why the revision was undertaken.

Over the years the federal criminal law has expanded and changed—partly because Congress has passed new laws and partly because courts, responding to the arguments of private individuals and their attorneys along with those of prosecutors, have interpreted the words written by Congress and set the principled limitations within which Congress could act. The accretion of judicial decisions, congressional statements and patterns of practice by the executive and by private parties, has made the criminal laws unduly complicated, redundant in some instances and flatly contradictory in others.

Senator Hruska has been a leader in the response to the need for revision. It is in part a technical job—fitting the pieces of the code together that they might be consistent and bear a reasonable relationship one with another. But it has been more than a technical task. It has been an effort to go deep into the reservoir of our values and take the measure of the rules that are supposed to embody them. It has been an effort to translate values into law. It has been an example of the highest calling of the legal profession.

It is an enormous responsibility a lawyer bears—to face the most complex and demanding problems that our society faces, to treat them dispassionately but not without feeling, to work with words which demand constant interpretation. Yet it is also his pleasure to do so. It is what distinguishes him from others in the system of law he shares with everyone.

The purpose of this day is to honor the law, and the purpose of the law is to try to create the conditions for the just society, for the continual re-examination of our values and the way they are reflected in our actions. It is to the aspirations of the law that, whatever its inevitable current failings and weakness, we may rightly and unhesitatingly pay tribute today.

AN INNOVATIVE PROPOSAL ON ASSISTANCE FOR INDOCHINA

Mr. **HUMPHREY**. Mr. President, many compelling and innovative proposals come from the American people. Recently, while visiting in the city of Minneapolis, I was presented a paper by one of our most distinguished citizens, Mr. Anton G. Hanson of Minneapolis, Minn.

I call to the attention of my colleagues the proposal of Mr. Hanson entitled "A Joint Partnership." Mr. Anton Hanson suggests that the United States invite China, the Soviet Union, and Germany to join in a partnership development program to help the people of Vietnam, Cambodia, Laos, and Thailand.

To some, this program may seem far-reaching and idealistic but in all candor it is the sort of creative thinking that this Nation needs and that the world longs for. I take the liberty of bringing it to the attention of the Senate because I do believe that the old lines of foreign policy need to be re-examined. We must think in terms of development and not in terms of confrontation. We must use our resources in nation-building and not in the destructive instruments of war. My old friend Anton Hanson has the courage to speak out for sharing, building, developing, and peace. It is this kind of devotion and patriotism that commands the respect of all of us. I ask unanimous consent that the proposal entitled "Joint Partnership Programs" as developed and presented by Mr. Anton Hanson of Minneapolis be printed in the RECORD.

There being no objection, the proposal was ordered to be printed in the RECORD, as follows:

JOINT PARTNERSHIP PROGRAMS

5521 WOODLAWN BLVD.,
Minneapolis, Minn.

According to the newspapers and television programs S.E. Asia has a lot of problems yet to be solved.

We suggest the United States invite China, Russia and Germany to join us in a partnership development program (2 communist and 2 capitalist countries) to help the people of depressed countries such as Vietnam, Cambodia, Laos and Thailand. A meeting of some of the top men and women of the four partner countries should be held in Geneva, Switzerland as soon as possible to set up a World Advisory and Development Board which could get started immediately on the problems. Combining our knowledge and resources could greatly accelerate this vitally needed aid to these countries.

Food, farm machinery, seed and the necessary manpower to teach and help them set up good food producing programs should be sent as soon as possible; also chickens, cattle, sheep, etc. so they can start raising large herds.

Building materials, tools and manpower to start large housing programs should be sent. They could be helped build sawmills, sash and door factories, prefab housing factories, cement plants and concrete factories to make large slabs for apartment, commercial and industrial buildings and shopping centers.

We should help them build and staff several vocational schools so the people could learn to be more self-sufficient.

We also recommend that every country involved in this venture, including the four partnership program members, sign an agreement stating they will not start any wars against each other or any other country, but will work together for WORLD PEACE and progress for all. Policing and world order should be handled through and by the United Nations. Disputes which cannot be settled by discussion should be referred to and handled by the United Nations Court in Switzerland.

Money for these programs could be taken from the defense budgets of Russia, China, Germany and the U.S. as this will be a vigorous war against hunger and poverty and the beginning of a new way of life for the whole world with no need for large armies. If these four countries each put as many men and women necessary and 20% of their one year defense funds to work on this joint development program a great deal could be accomplished in a short time.

We could further help these countries by:

1. Putting on industrial fairs each year—something like our state fairs—in some central area where all these countries could display their arts and crafts, industrial machinery, farm products, cattle, etc. This would help increase their self-esteem and mutual understanding.

2. Sending athletic coaches to train the youth in all types of sports so they can have good, friendly competition between themselves, their countries and other countries and all get to know each other better. Along with the coaches we should send some people to help build the necessary athletic fields and swimming pools; also some of the world's top, most diplomatic, athletes could visit these countries and help train and build enthusiasm among the youth.

3. Medical centers could be set up, maintained and staffed by the four partnership countries to help the people regain their health and learn better ways to keep healthy and combat diseases.

All help should be given to everyone with no discrimination as to race, religion or politics.

We will all learn to know and understand each other better and reach our goals much sooner by working together combining our knowledge and abilities.

Let's get started with this most important project of providing food, housing, and guaranteed world peace. Food for all and hope for all the people who so desperately need it right now!

ANTON G. HANSON.

PROJECT ISEED

Mr. **TAFT**. Mr. President, at the outset of this Congress, Senator PROXMIRE and I sent to our colleague in the Senate information on the "International Symposium on Entrepreneurship and Enterprise Development"—Project ISEED.

As we stated previously, the purpose of the symposium is to help improve the skills of persons and organizations who are trying to assist and encourage the development of new small companies. The conference, which will be held from June 15–19 in Cincinnati, will focus on what can be done to help small business development. It now has the endorsement of nearly every national and international economic development agency.

As the symposium date draws near, it seems appropriate to again bring information on Project ISEED to the attention of all Members of Congress and their staffs. In addition to the material which follows my statement, additional information can be obtained by contacting my office.

The health and vitality of new and smaller businesses is crucial to the health of the economic systems in the United States and many countries. We should all support efforts designed to further this end.

I ask unanimous consent to have printed in the RECORD an explanatory paper on ISEED.

There being no objection, the paper was ordered to be printed in the RECORD, as follows:

PROJECT ISEED

WHAT IS ISEED?

The International Symposium on Entrepreneurship and Enterprise Development (Project ISEED) is an international conference for persons and organizations who assist, stimulate and nurture the enterprise development process.

During the four days of ISEED, discussions will be focused on identifying and evaluating efforts to foster the enterpreneurial process.

ISEED will feature about fifty leading authorities from around the world who will have prepared "talking papers" as a basis for discussion. These authorities will include:

Educators currently teaching in this field,

Venture capitalists, financiers, and bankers active with new ventures,

Representatives of government agencies concerned with new approaches to economic development,

Corporate specialists pursuing internal or external entrepreneurial activities, and

Representatives from foundations supporting innovative economic development programs.

Proceedings of ISEED will be published, including a summary of papers, discussions and proposals, and a list of attendees.

ISEED will be immediately followed by a two-day "demonstration" seminar, showing one approach to encouraging and assisting entrepreneurs. A week of special programs, including field trips, visits to newly formed companies, and specific discussion groups, is being planned for the week following ISEED.

WHEN AND WHERE?

ISEED will be held during the period from June 15–27, 1975.

June 15–19 ISEED, Cincinnati, Ohio, U.S.A.

June 20–22 Weekend Enterpreneurship Seminar, Cleveland, Ohio, U.S.A.

June 23–27 Special Programs, various U.S. locations.

WHY ISEED?

A. *The Value of Local Entrepreneurship*—

Local enterprise creation and growth is a key element in regional economic development—anywhere. As a complement to government projects and large company branch plants, indigenous entrepreneurship offers:

Local leadership attuned to the needs and resources of the community.

Local innovation develops enterprises to maintain and expand the economic competitiveness of the region.

Economic sovereignty—local leadership and management facilitates retention of capital profits in the region for further economic growth.

The creation and preservation of employment and income for lower-income persons in depressed areas.

B. *Why ISEED Is Needed Now*—

Interest is high and growing in many countries to develop programs to assist and encourage the development of new indigenous businesses.

Some recent assistance efforts, especially those concerned with identifying and educating entrepreneurs, are proving effective in helping newly formed companies to grow.

Practitioners working to assist the entrepreneurial process are widely scattered and little-known to each other.

There is duplication of expended efforts, repetition of programs with little promise, and lack of awareness of many programs that are working.

The published results of projects and experiments are not assembled and disseminated in any organized fashion, or housed in a centrally known location for study, evaluation and possible use by others.

C. How ISEED Will Help Those Assisting The Entrepreneurial Process—

ISEED will help accelerate the forms of cooperation and communications in this emerging field by:

Identifying an international group of qualified and experienced workers in entrepreneurship.

Improving the awareness of various types of assistance efforts that are being undertaken.

Establishing a better understanding of the current "state-of-the-art" of entrepreneurship stimulation and assistance programs.

Improving lines of communications among workers in this field, and also among them and others who are developing an active interest in entrepreneurship.

Publishing results of the Symposium in a form useful for participants intercommunication and follow-up. Copies of these materials will be assigned to the Enterpreneurship Library at The Center For Venture Management, Milwaukee, to be made available worldwide as resource documents.

Being the initiating event leading toward a new era of communication and cooperation among individuals and institutions concerned with fostering the enterprise development process.

D. Goals—

We would hope that four to five year from now there will be a discernable increase in the number of new ventures formed in those countries who sent participants to the ISEED Conference in 1975.

We would hope that in the two to three years following the 1975 initial conference the conferees will be able to increase efforts and effectiveness because of what they learned about successful and unsuccessful techniques and conditions from fellow conferees at this 1975 conference.

We would hope that in the year following this conference there would be an increased awareness of information and persons with resources among the attendees at ISEED.

WHO SHOULD ATTEND ISEED?

ISEED is the first major international conference designed exclusively for individuals and organizations concerned with development of entrepreneurs and new ventures. The conference provides a significant opportunity for practitioners in the field to interact with colleagues throughout the world. The cross-pollination of the international practitioners will provide enrichment of the entrepreneurial process through the world. ISEED should be particularly significant to:

Government agencies of all countries providing programs and assistance to small businesses for regional economic development on a domestic and international basis.

Institutional and investment financiers providing the financial stimulus to new venture situations.

Development bankers providing financial resources to regional economic development.

Corporate venture specialists developing new venture bases within the environment of existing organizations.

Venture capitalists/individual investors actively participating in the funding and development of new enterprises.

Foundations providing financial and technical resources for regional economic development, and supporting research related to entrepreneurial activities.

Educators/Administrators involved in the design and implementation of research, curricula, special programs and courses related to the development of entrepreneurs and new enterprise.

Professionals, including consultants, attorneys, accountants and others counseling and providing guidance services to new venture situations, and to other organizations/institutions aiding in regional economic development.

(Note: ISEED is not a conference for entrepreneurs themselves. It is designed for professionals/practitioners serving the entrepreneurial process.)

THE AIRLINE MUTUAL AID PACT

Mr. TUNNEY. Mr. President, as a member of the Subcommittee on Aviation on the Senate Commerce Committee, I have been long concerned with the effect of the Airline Mutual Aid Pact upon members of the public who rely upon the airlines for their travel needs.

I listened to and studied at some length testimony taken by the Aviation Subcommittee to abolish the Airline Mutual Aid Pact, and I support passage of legislation which will do so. My review of the arguments on both sides has convinced me that the pact as presently implemented is deeply detrimental to the interests of the traveling public.

The history demonstrates that the pact has been responsible for increasing the length of strikes in the airline industry. Before the pact came into existence, the average industry strike lasted 15 days. This compared favorably with a national average strike duration of 19.7 days in 1958, the year the pact was first established. During the first 3 years of the pact, the average duration of airline strikes rose to 23 days. When changes in the pact were made so as to substantially increase payments received by struck carriers, the average strike period in the industry rose to 102 days. The national average was only 25.3 days during the same period.

Mr. President, it is poor transportation policy and worse labor relations policy to permit arrangements which upset the balance of bargaining power and generate long and costly strikes. The basic labor policy of this Nation has always been to promote rough equality of bargaining power and to require good-faith bargaining by both sides. The pact undermines this policy by making strikes relatively costless for the airlines. Indeed, in some cases, the pact makes it possible for an airline to profit from a strike. Profits are fine, but not when they are gained at the expense of the general public, employees, and stockholders of other airlines.

Action should be taken by Congress soon to eliminate what is in essence an unfair labor practice.

OUR NATION'S ENERGY PROBLEMS

Mr. DOMENICI. Mr. President, our Nation was struck a severe blow with the 1973 Arab nation oil embargo. As a result, we have become more energy conscious and are alert to the fact that we do not have limitless supplies of energy. If we are to learn from the past, it is imperative that we move forward on a strong national energy policy of our domestic fuel resources.

My State of New Mexico has been a leading energy exporter of natural gas, uranium, and other fuel resources, and like other energy producing States faces great economic inequities for its product. A case in point, is the exportation of crude oil. Seventy-eight percent of our crude oil is sent out of State, however, under the two-tier price system, the price for that oil is half the amount of foreign oil. We can justly be called an energy colony, receiving smaller revenues for our precious energy resources.

Mr. President, I ask unanimous consent to have printed in the RECORD a speech delivered by New Mexico State Senator Philip "Bob" Grant who has addressed himself to this major problem. His remarks were delivered before the New Mexico Academy of Science Seminar in Los Alamos, N. Mex.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

NEW MEXICO'S LEGISLATIVE RESPONSE TO OUR NATION'S ENERGY PROBLEMS

(By Philip R. Grant, Jr.)

Just 20 short years ago, the United States was a net exporter of oil, and natural gas was simply a nuisance associated with oil production that had to be flared into the atmosphere in order to be disposed of! Now, our country must import at extravagant prices almost half of the oil it consumes. And natural gas has become such a precious commodity that there isn't enough of it to go around at any price.

Despite sharply increased drilling and higher prices for the raw product in the past two years, proved recoverable reserves of crude oil in the U.S. declined from 35.3 billion barrels in 1973 to 34.25 billion barrels at the end of 1974. Reserves of natural gas declined by 13 trillion cubic feet—an amount greater than all the established reserves in New Mexico—to 237 trillion cubic feet during 1974. The United States' share of total known world-wide crude oil reserves dropped to less than 6%, including Alaska. And, most unfortunate of all, there are still skeptics who believe the fuel crisis in the United States was something contrived by the oil companies!

How did we get there and what are we going to do about it? Certainly, few things in the history of our nation have been so suddenly thrust on the American people which demand solutions as the indigenous Energy Crisis. And, there are about as many solutions proposed as there are instant experts to propose them. Some 25 years ago, with crude oil selling for $2.65 a barrel and virtually all of America's economy tied to oil and its products, our national leadership made a conscious decision to encourage American oil companys to explore for foreign oil. If successful, they were assured a market in the United States. Within a very few years they succeeded beyond anyone's imagination in establishing hundreds of billions of barrels of reserves in the Middle East which could be produced for less than twelve cents a barrel.

This oil found a ready market in the populous east coast at prices as low as $1.00 a barrel. For 25 years, industry was encouraged to switch from coal to cheap, and apparently endless supplies of non-polluting foreign oil and then abundant domestic natural gas. During that 25 year period, with oil and gas as its servant, the United States enjoyed phenomenal growth, and unprecedented prosperity. All of this came to a sudden halt in the fall of 1973 when the OPEC nations placed an embargo on their oil to our country. From an easy assumption of an everlasting abundance of petroleum, we suddenly learned that for the first time in our history we were dependent upon others for our well-being. When the valves were turned on again we found ourselves paying $26 billion a year to others for a product we were used to paying no more than $3 billion for, and glad to get it at any price.

Our domestic oil industry, which had languished in the wake of cheap foreign crude, had received a raise in the price of its product from $2.65 a barrel in 1950 to a remarkable $3.17 at the beginning of 1973. Our total capital requirements in 1972 for the oil we used was in the neighborhood of $14 billion. Unfortunately, when the oil crisis came, we couldn't snap our fingers and increase our own production. From a high of over 5,000 wildcat exploratory wells drilled each year in the late 50's in the United States, industry had dropped to a level of around 1600 by 1970. The lack of exploration during this period created a genuine shortage of drilling rigs, oil field pipe and supplies, and trained oil exploration and development people in the industry, as any geologist seeking employment during this period can testify. With absolute maximum production from existing fields and wells established in 1973 and 1974, domestic production peaked out at about 9.5 million barrels a day last year.

Today, the maximum amount of oil this country is capable of producing is less than 8.4 million barrels a day. Obviously, the domestic oil industry needs a tremendous amount of venture capital for exploratory and development drilling, an assurance of reasonable prices for the product they are rapidly depleting, freedom from unreasonable and punitive governmental actions, time, skill, and a lot of luck to turn the bleak picture around while the country develops alternate sources of fuel energy.

However, look at what has happened in just the past 16 months. Congress passed a so-called emergency tax act removing the depletion allowance for major operators entirely and, in the case of independents, limiting it to 65% of their net income from all sources. This effectively removed an important source of funds needed by the industry for exploration and discourages outside investors who in the past have been major sources of risk capital. Federal regulations limit the price received by producers of "old" oil—that production established prior to 1973—which constitutes 73% of domestic production, to $5.25 a barrel, some 40% of what our Arabian friends receive. They are now contemplating rolling back the price on

"new" oil from the free market price of about $12 a barrel. The Federal Power Commission has long regulated the price received for interstate gas at a level far below what is necessary to encourage new exploration.

The controlled price of interstate gas is now at a ceiling of 51 cents per thousand cubic feet, up from 26 cents a year ago, while the free market price of uncontrolled intrastate gas is at a level ranging between $1 and $2 a thousand cubic feet. So far congress has been irrational and contradictory in its dealings with the oil and gas industry. It has started a policy that says that the companies must expand domestic energy supplies in order to reduce dependence on imports while offering little incentive to do so, and initiating a number of punitive measures that are at best irresponsible and potentially disastrous in their consequences to the nation's energy posture.

What has all this to do with New Mexico's legislative response to these problems? Recognizing the fragmented efforts and lack of direction at the national level, the state has taken numerous statutory steps to preserve for the maximum benefit of its citizens whatever initiatives remain in the development and utilization of its natural resources. Ranking 49th or 50th in per-capita income, the state, like any business entity, must capitalize on those resources—natural or otherwise—which offer the most opportunity for its citizens to progress economically, while it still has those resources.

New Mexico ranks fourth in the nation in the production of natural gas and sixth in oil production. However, 89% of our gas is exported from the state at controlled interstate rates which are approximately one-third the average free market, intrastate rate. 78% of our crude oil is sent to other states for processing and use, and under the "two-tier" price structure maintained by the federal government, we must sell our oil for about half the price imported oil brings. In effect, we are subsidizing the rest of the nation at the expense of depleting those finite resources we are fortunate to have now, but not, perhaps, in the future. Not only are we producing these products at an artificially low price, we receive virtually nothing in terms of whatever value added taxes would be available if these materials were converted into finished products within our boundaries.

If, for instance, oil and gas prices were freed to seek their actual value in the marketplace, our tax revenues alone would increase from about $175 million a year, presently 38% of the state's revenues, to at least $350 million. If, again, those industries which make use of these products had to come to New Mexico to obtain them, instead of our being mandated to export them for another state's financial benefit, the economic advantage to New Mexico in terms of employment and tax revenues is obvious.

Further, if those states desiring to use our coal resources to generate their electricity or create their artificial gas want these benefits at the expense of our environment, they should be prepared to trade or barter something we can use, such as water, for them.

The state of New Mexico is not saying "no" to cooperation with other states in the use of its resources. It does deem specious, however, the argument of consuming states that it is economic blackmail to attempt to raise the price or reserve for indigenous use these valuable, irreplaceable resources. We offer in return that the past availability and artificially low price of these fossil fuels is precisely why their states have enjoyed a far better standard of living than ours.

Some of the initiatives taken to preserve the state's rights for the benefit of its citizens began in 1972 when New Mexico declared that, at its option, it could take its royalty on oil and gas produced on state lands in production instead of cash. In 1973, prior to the impact of the middle east embargo, the state took two far reaching steps.

First, it determined by statute that, "The state has a continuing option to purchase at any time and from time to time, at the market price prevailing in the area on the date of purchase, all or part of any minerals that may be produced from the lands covered by this lease." In effect, this gives the state the right to purchase 100% of the oil and gas produced on state leases, after the effective date of the act. State leases currently produce 45% of New Mexico's oil and 21% of its gas.

Second, the legislature created a "Permanent Severance Tax Fund," which mandated that all revenues from the severance tax on extracted minerals be deposited in a special fund instead of being commingled with general fund revenues, and that only the interest earned by the investment of this fund could be appropriated. Concurrently, we raised the severance tax from 2.5% of the value of production to 3.75%. Of course, we had no knowledge that by the end of the year oil and gas revenues would virtually double, as would our tax revenues from this source.

By 1974, in the middle of the "Energy Crunch," acknowledging that the nation would spend billions of dollars for research and development of alternate sources of energy, and recognizing that one of the other primary resources we had in our state was the concentration of scientific and technical personnel in our federal laboratories and universities, the legislature appropriated $2 million from the interest earned on the severance tax permanent fund. The $2 million was appropriated to our universities to initiate energy research and development projects of merit and potential benefit to the state and had the effect of "gearing up" our research potential for the availability of federal dollars, estimated to be over $2.2 billion a year, which the recently created Federal Energy Research and Dvelopment Administration will spend next fiscal year. Some $1.6 million has already been allocated to the state's researchers, who are now working on 42 projects in all energy areas, and attracting national attention with their initiatives.

The 1975 legislature continued the funding at a $2 million dollar level for energy research and development and also enacted perhaps the most comprehensive and sophisticated Energy Act of any state in the union. The new Energy Resources Board of seven members yet to be appointed by the Governor has immense power. If specifically authorized by the legislature it could build fuel and power production, pipeline, transmission and manufacturing facilities. It will maintain a continuing inventory of all energy reserves and potential power sources. It will administer the research and development effort, and will develop a statewide plan for the siting, production and refining of fuel and power of all kinds. It places the existing Oil and Gas Conservation Commission under the Energy Board and has subpoena power to, if necessary, examine industry records and contracts. It has jurisdiction in the energy area on state, federal, Indian, and private lands which are not specifically delegated to others. And it is mandated to interact with Congress and federal agencies to preserve and protect New Mexico's interests in all energy matters.

The legislature also created this year an interim legislative Energy Committee which already, on an ad-hoc basis, has organized and is meeting with legislators, state officials, and federal energy agency heads representing the five major oil and gas producing states of Texas, Oklahoma, Louisiana, Arkansas and New Mexico to formulate plans for the orderly and beneficial use of these states' fuel resources, currently supplying over 60% of the nation's domestic energy fuel requirements. Our state is also a member of the 11 state Rocky Mountain Energy Producing States, of which our Governor is Chairman. Obviously, some 15 states with common interests in energy development and utilization speak with far more power and authority to Congress and federal agencies than a single state could alone.

Many of us believe, then, that we have reacted with rational initiatives to cope with the nation's energy problems. The future, however, will determine how appropriate and timely these actions are.

WORLD FOOD CONFERENCE FOLLOWUP

Mr. HUMPHREY. Mr. President, on May 1, the Subcommittee on Foreign Agricultural Policy of the Senate Committee on Agriculture and Forestry held a hearing to review progress on the work which has taken place to implement the proposals of the World Food Conference, held in Rome in November, 1974.

We received testimony from the Department of State, the Agency for International Development, and the Department of Agriculture. It is clear to me that progress has been made in implementing the resolutions of the World Food Conference; however, a great deal of work remains to be done. We, for example, have only begun the process of negotiating a world food reserve, and there is a great split within the administration as to how this program is to be arranged and managed.

One of the conclusions which I have reached, as a result of this hearing, is that the United Nations agencies will be instrumental in any successful endeavors in following up the World Food Conference. It is somewhat unfortunate that the prospect of improved food supplies during the coming year has reduced the urgency with which nations, including our own, have looked on this problem in recent weeks. I hope that the urgency and the priority of this problem will not be lost upon the policymakers within our Government.

Mr. President, I ask unanimous consent that my statement at the hearing be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUBERT H. HUMPHREY—HEARING ON THE WORLD FOOD CONFERENCE FOLLOW-UP, SUBCOMMITTEE ON FOREIGN AGRICULTURAL POLICY, SENATE COMMITTEE ON AGRICULTURE AND FORESTRY, MAY 1, 1975

Today we are here to review the progress on the proposals recommended by the World Food Conference.

It has been six months since the Conference convened in Rome. In my report on the World Food Conference entitled, "Hunger and Diplomacy," I stated that "the strength of the commitment made by the United States and the other nations of the world in Rome last November will only be measured in the coming months."

Ambassador Edwin Martin, Vice-Chairman of the U.S. delegation to the World Food Conference, also remarked shortly after the Conference that "we may not have to wait

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more than six months to be able to judge the (World Food) Conference a failure." And while the full judgment on the success of the World Food Conference may not become apparent until many years into the future, the attitude and progress in implementing the recommendations of the Conference reveal much about the serious intent of the nations of the world to actively address the issue of world food security.

Section 55 of the Foreign Assistance Act of 1974 called upon the President to proceed with the implementation of the resolutions and recommendations adopted by the World Food Conference, and to report on the progress in this regard by April 29. We have before us this report and shall include it in its entirety in the record of this proceeding.

The Preparatory Committee for the World Food Conference was able to reach a general consensus on three points.

First, the Preparatory Committee felt that increasing food production in the developing world should be given first priority in the attention of the Conference.

Second, the Committee agreed that increasing food production would require substantial new resources.

Third, the preparatory group called for greater integration of development assistance to insure the most efficient application of resources available to such assistance.

The Conference went far to outline a strategy for increasing food production. Measures designed to increase the availability of farm inputs, provide for integrated rural development, intensify agricultural research and to adjust national policies to promote agricultural development were recommended by the delegates to the Rome Conference.

The World Food Conference recommended that new funds be designated to draw more resources to the problem of increasing food production. Yet, it is still unclear whether developed nations are willing to commit new resources to multilateral development assistance. For the part of the United States, we are not even sending high-level representation to the first meeting to create an International Fund for Agricultural Development to be held May 5–6. Such representation can only convey a lack of real American interest in such a fund and, without high-level U.S. interest, little progress can be expected to encourage other nations to shoulder a larger share of the burden for development assistance.

The most glaring disappointment of the expectations of the preparatory work was the failure to create arrangements for better integration and coordination of agricultural development assistance. The Secretariat of the World Food Conference recommended the creation of a World Food Authority to oversee all aspects of agricultural assistance efforts.

However, multilateral institutions and governments were unwilling to take steps which would diminish their authority over the flow of development assistance. After the World Food Authority was sufficiently diluted to meet such objections, what remained was a World Food Council with little more than advisory powers. As long as each U.N. agency, with responsibilities relating to food, is responsible only to their governing council, little has been changed, and the inefficiency and duplication which led to the call for better integration will continue to waste resources available to assist the developing world to increase its food production.

The prospects for the Consultative Group on Food Production and Investment appear more promising. If the question of leadership of this organization can be resolved, this agency could provide a useful function by coordinating the policy and flow of investment in agricultural production. Yet, still to be overcome is a question of acceptance by the developing world and an uncertain relationship to other international institutions.

Another major initiative to which the World Food Conference responded was the proposal to establish an international system of food stockpiles. The Reserves Coordination group has met several times in London, under the wing of the International Wheat Council, but has made little progress to further define a reserve scheme. In fact, the United States has not even developed a clear position on the mechanism of an international system of reserves.

With the prospects for an improved supply situation, most other nations are just not going to commit themselves to build grain inventories when they are not yet convinced that the United States will not hold their reserves for them. And we may do so again, not as a result of design but as a result of our unwillingness to develop a clear policy.

Six months ago, consuming nations had been burned by the drawdown of stocks. They might have been encouraged to pick up a share of the burden for carrying world cereal stocks. But we have dawdled and this sense of urgency was diminished by the improving supply situation. So the U.S. may—depending on the weather in the coming months—again be back in the boat as world grainery and residual supplier. I am afraid our policy makers and policy markers around the world will have to be burned once or twice again before we take reserves seriously.

It is clear to me that our own policy makers are seriously split over this issue.

The most important component of our efforts to address future food security is the political will of national governments. It means little to pass loftily worded resolutions unless nations are ready to deal seriously and substantively with present and potential food problems. The test, then, of political will is the commitment to action to bring the recommendations of the World Food Conference into being.

We can still insure that the million of man-hours and dollars which went into the World Food Conference are not lost. It takes only a commitment to action at the highest levels of government. And it takes our government to lead the way.

Let us move forward with the implementations of the proposals of the World Food Conference. The task could not be more important to the food security of the generations that will follow ours.

FINANCIAL STATEMENT OF SENATOR STAFFORD

Mr. STAFFORD. Mr. President, today I place in the Record a statement of my financial holdings, along with a summary of my 1974 Federal income tax return.

The financial statement shows that my wife, Helen, and I had net assets of $296,200 on May 2, 1975, when the evaluation was made. That total is about $700 less than the total of our assets a year ago.

The statement I am making public lists details of our holdings, including bank accounts, cash value of life insurance, real and personal property we own, and stocks and bonds.

Virtually all of the stocks and bonds listed were owned by us before I entered public office, and there has been little change in our financial condition since I entered politics in Vermont 21 years ago.

The summary of our joint Federal tax return shows that my wife and I had a gross income last year of almost $55,600. Of that total, $42,500 came from my salary as a U.S. Senator. Our taxable income for the year was slightly less than $41,000—a small increase over a year ago.

We paid $12,583 in Federal income taxes for the year, and almost $3,300 in Vermont State income taxes. Both our Federal and State income tax bills were higher this year than last.

I am making copies of this financial statement available to newspapers, radio stations and other news services in Vermont, as I did last year.

I am doing this because I remain convinced that those who serve in Government, as well as Government itself, must be as open and candid as possible with the public.

I believe one of the reasons for public suspicion of government and politics is that so much of our activity takes place away from public view.

The best way to enable Americans to judge whether their Government and their officials are acting properly is to provide full disclosure of all interests of Government and of those who make decisions in government.

Thus, I invite all Vermonters—and all other Americans—who are interested to examine my financial holdings and to match those holdings with my record as a public official.

I plan to make a similar financial report on the public record each year for the remainder of my time in public office.

I ask unanimous consent that the financial statement and the Federal income tax return summary referred to above be printed in the Record.

There being no objection, the financial statement was ordered to be printed in the Record, as follows:

Statement of Financial Condition of Senator and Mrs. Robert T. Stafford as of May 2, 1975

Bellows Falls Trust Co	$5,000.00
Burlington Savings Bank	5,000.00
The Howard Bank	5,000.00
Rutland Savings Bank	5,000.00
Burlington Federal Savings & Loan	5,000.00
Total	$25,000.00

CHECKING ACCOUNTS

Riggs National Bank	
First Virginia Bank	
The Howard Bank	
Total	4,996.00

LIFE INSURANCE

(Cash Value)

Travelers Insurance Co	1,130.00
MONY	4,790.00
NYLIC	1,337.00
NYLIC	1,337.00
NSLI	None
NYLIO	3,325.00
Connecticut General	3,355.00
Total	15,274.00

REAL ESTATE

64 Litchfield Avenue, Rutland, Vt.	50,000.00
27 Howard Avenue, Rutland, Vt	30,000.00
Total	80,000.00

ADDITIONAL PROPERTY

Real Estate—House, 3541 Devon Drive, Falls Church, Va	60,000.00
Law Library and Office Furniture, 27 South Main Street, Rutland, Vt.	2,000.00
Contribution to Federal Retirement, (as of 4–30–75)	36,901.87
Boat and two cars	14,000.00
Personal Property	20,000.00
Total	132,901.87

BONDS

Grace Line	650.00
Grace Line	650.00
Total	1,300.00

STOCKS

Name and shares:	*Value*
American Finance System—50 @ 4⅝	$231.25
A.&T. & T.—100 @ 49⅝	4,962.50
Bankers Trust of N.Y.—16 @ 36¼	580.00
Bellows Falls Trust—80 @ 60	4,800.00
Book of the Month—50 @ 16½	825.00
Cluett Peabody—20 @ 5⅜	107.50
Con. Edison of N.Y.—100 @ 12¼	1,225.00
Exxon—10 @ 83½	835.00
Gillette Co—20 @ 31¼	625.00
Greyhound—20 @ 11⅛	225.50
Hayes Albion—11 @ 9⅝	105.87
Hayes Industries—1 @ 9⅝	9.62
Hayes Industries—10 @ 9⅝	96.25
The Howard Bank—545 @ 12	6,540.00
International Harvester—20 @ 26⅞	537.50
Manufacturers Hanover Trust—364 @ 36	13,104.00
Manufacturers Hanover Trust—64 @ 36	2,304.00
Manufacturers Hanover Trust—100 @ 36	3,600.00
Manufacturers Hanover Trust—100 @ 36	3,600.00
Manufacturers Hanover Trust—100 @ 36	3,600.00
Monsanto—40 @ 60½	2,780.00
NL Industries—40 @ 15½	620.00
National Distillers—20 @ 14⅞	297.50
National Distillers—20 @ 14⅞	297.50
Outboard Marine—20 @ 20⅝	432.50
Standard Brands—10 @ 66	660.00
Texaco—40 @ 25⅝	1,025.00
Vendo—10 @ 7⅜	73.75
Total	54,097.24

LIAIBILITIES

Eastern Liberty Federal Savings and Loan Assn., Washington, D.C. (as of 12–31–74) first mortgage on house at 3541 Devon Drive, Falls Church, Va	$13,179.27
The Howard Bank, Rutland, Vt	4,200.00
Total	17,379.27

RECAPITULATION

Total Assets	313,569.13
Total Liabilities	17,379.27
Net Assets	296,189.66

Robert T. and Helen K. Stafford—Summary of 1974 Joint Federal Income Tax Return

Income:	
Salary	$42,500.00
Dividends	3,151.63
Interest	1,304,19
Other	8,629.94
Total income	55,585.76
Adjustment to income:	
Allowable Congressional Expenses Not Reimbursed	4,508.82
Total adjustments to income	4,508.82
Adjusted gross income	51,076.94
Itemized deductions:	
Medical	150.00
Taxes	6,966.62
Interest	965.10
Contributions	431.00
Miscellaneous	140.00
Total deductions	8,652.72
Exemptions claimed (2)	1,500.00
Taxable income	40,924.22
Federal income tax due and paid	12,583.62

H.R. 4700 AND THE OZONE PROBELM

Mr. MOSS. Mr. President, on Monday, May 5, I reported for the Committee on Aeronautical and Space Sciences, the NASA fiscal year 1976 authorization bill, H.R. 4700. The committee added a new section 8 to that bill which directs and authorizes NASA to carry out a comprehensive program of research, technology, and monitoring of the phenomena of the upper atmosphere. The purpose of that program is to provide a better understanding of the chemical and physical processes of that part of our environment.

Mr. President, during the past year there has been considerable concern expressed in the scientific community and by the public about the contamination of the stratosphere by such chemicals as nitrogen oxides, the chlorofluoromethanes and methyl bromide. The fear is that such chemicals through a catalytic cyclical process destroy ozone in the stratosphere permitting more ultraviolet radiation to reach the Earth. Since ultraviolet radiation is inimical to life, the concern is genuine and it is an important problem with which the Federal Government must be concerned.

Pursuant to that problem, earlier this year I introduced S. 851. It is the substantive provisions of this bill that have been incorporated into the committee's section 8 amendment to H.R. 4700.

There is general agreement among the scientists, the industry, and the public that there is much that needs to be learned about the upper atmosphere and that it is important to proceed immediately with a program such as provided for by the committee's amendment. Consequently, this proposed legislation received wide support.

The committee's recommended section 8 to H.R. 4700 does not prejudge the regulatory issues. Its sole purpose is to provide the information necessary so that regulation of man's activities with respect to the stratospheric ozone can be done logically and intelligently.

Mr. President, I ask unanimous consent that four representative letters supporting the amendment be printed in the Record.

There being no objection, the letters were ordered to be printed in the Record, as follows:

Washington, D.C., *May 1, 1975.*

Hon. Frank E. Moss,
Chairman, Senate Committee on Aeronautical and Space Sciences, Washington, D.C.

Dear Ted: Thank you for your letter concerning the additional funds for research, development and monitoring of the physical and chemical properties of the upper atmosphere to be carried out by NASA. I understand that the additional $7 million for FY 1976 and $4 million for the transition quarter have now been approved by your committee.

I will, of course, be glad to support this when it comes up on the floor.

Sincerely,

Clifford P. Case,
U.S. Senator.

Seaquist Valve Co.,
Cary, Ill., April 24, 1975.

Re Senate Bill 851.
Hon. Frank E. Moss,
Chairman, Committee on Aeronautical and Space Sciences, Washington, D.C.

Dear Senator Moss: I am writing this letter to you in support of your efforts under Senate Bill No. 851 to instigate in-depth studies of the atmosphere as it relates to the potential effect on the ozone layer of fluorocarbon compounds. As I am sure you have found in your research on this bill, the problem is a very complex situation.

Certainly the data presented indicates that study is needed to determine what effect modern use of all chemicals upon our atmosphere. However, the data also shows that the problem is not merely one of fluorocarbons, but of many other items and specifically that of chlorine.

Fluorocarbon gas, as you know, is only one of many sources of chlorine in the atmosphere; and therefore, the study should include all potential sources of chlorine as well as any other chemicals which may cause deleterious effect to the ozone layer.

Most experts agree that there is certainly no imminent danger and there is time, therefore, to study the situation completely before taking precipitous action. I am sure you will find all of the resources of industry will be behind any government effort to study this potential problem.

Sincerely yours,

Ervin J. LeCoque,
President.

Space Science Laboratory, Center for Research in Aeronomy,
Utah State University,
Logan, Utah, April 30, 1975.

Hon. Frank Moss,
U.S. Senate,
Washington, D.C.

Sir: Please accept my compliments on your bill S. 851. It is most gratifying in these times of shrinking emphasis on research to see some realization by our government that research in the area of understanding our environment and the controlling processes is most important. This bill wisely states the problem in general terms rather than falling into the trap of so many that attack only the one problem heard in the latest loud cries, such as the freon-ozone problem.

In our atmospheric studies here at Utah State University we have become acutely aware of the need to place increased emphases on all facets of aeronamic research: monitoring, modelling, and predictive studies. As recognized in your bill, this program also involves the development of new technology in order to appropriately measure the parameters critical to the upper atmospheric balance.

If there are ways our team can assist you in your endeavors, we would be most happy to do so.

Sincerely,

K. D. Baker,
Director.

Fullerton, Calif., *April 21, 1975.*

Senator Frank Moss,
Committee on Aeronautical and Space Sciences, Washington, D.C.

Dear Senator Moss: I have recently received from your Committee a copy of the transcript of your hearing on Planetary Science and the Earth's Upper Atmosphere as

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well as your news release detailing your support of NASA's plans to use the Orbiting Astronomical Observatory to monitor the level of chlorine in the Earth's atmosphere.

I would like to commend you for the insight and imagination you have shown in your Committee's hearings and your position. It sometimes seems that too many of our Senators can do no more than wring their hands when confronted with problems of this seriousness and magnitude. Your performance has demonstrated that you are a pleasant exception to the rest. If all the congressional committees were as productive as yours, the condition of our country would be much improved.

In addition, I would like to express to you my admiration for your continuing support of the Space Transportation System of which the Space Shuttle is an important part. There is no doubt in my mind that the benefits reaped will demonstrate that the investment was a wise one.

Again, thank you for your perception and hard work. The people of the United States owe you a great debt.

Sincerely,

DWIGHT L. WOOLHOUSE.

GRAIN-FED VERSUS GRASS-FED BEEF PRODUCTION

Mr. DOMENICI. Mr. President, in my remarks on May 6, I discussed several of the misconceptions currently making the rounds about beef production and grain. One of the most widely discussed of these issues is the assertion that beef production is a wasteful use of food-producing resources. Naturally, this issue stems from the fact that a large percentage of the steers and heifers slaughtered are finished on rations that include large amounts of grain.

The critics of feeding grain to livestock often overlook two very important factors. First, the animals being fed grain are only finished on those rations and are dependent upon forages and other roughages before entering the feedlot; and second, that only a small percentage of all cattle and calves are being fed grain at any given time.

On January 1, 1975, only 9 percent of the total beef cattle and calf inventory were being fed grain rations. This illustrates the point that only a small percentage of the total inventory are being fed grain at any given time. Also, if we make allowances for the weight an animal gains before entering the feedlot and for the cattle who are never placed on feed, we find that only 30 to 35 percent of the annual beef production since 1965 can be contributed to beef produced while cattle are being fed grain.

One of the principal points of confusion about beef production has to do with the amount of grain used to produce a pound of steer or a pound of beef. In a recent paper by USDA Agricultural Economist James E. Nix, the author gives the following example of a typical feeding period for a 1,050-pound steer:

> To illustrate the amount of grain consumed by grain-fed beef, the placement of a 600 pound feeder steer in a feed-lot and the selling of this steer at 1,050 pounds is used as an example. It is often quoted that it takes x pounds of feed to produce y pounds of beef, for example, 10 pounds of feed per pound of beef, when producing grain-fed beef. This is sometimes construed to mean that it would take over 10,000 pounds of grain to produce a 1,050 pound fat steer. This is a gross overestimate of the grain actually fed. It is likely that roughages accounted for almost all of the ration prior to placement in the feedlot. Furthermore, grain normally accounts for about 65 percent of the feedlot ration. Therefore, of the 10 pounds of feed fed per pound of beef, only 6.6 pounds would be grain. The other 3.5 pounds normally consist of about 0.5 pounds of other concentrates and 3 pounds of roughages. The amount of grain fed to the 1,050 pound fat steer would more likely be about 2,900 pounds (6.5 pounds of grain for each of the 450 pounds of weight added in the feedlot or less than 3 pounds of grain per pound of liveweight at slaughter).

It can be seen from this example that up to a weight of 600 pounds or more, a steer, as well as its mother, may have had no grain. He would have been receiving grass, forage or crop byproducts. On a birth to market basis, the 1,050-pound steer coming out of a feedlot generally would eat no more than 3 pounds of grain per pound of animal, and it could be less.

I should also note here that there are marked economic and other advantages from finishing cattle on grain-containing rations. Not only does it help in producing more truly flavorful beef, it also has shortened the production period and greatly increased the amount of beef available. Our total beef production is up without a correspondingly large increase in beef cows partly because of the pounds of meat added in the feedlots as compared with cattle marketed directly off grass.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GRAIN-FED VERSUS GRASS-FED BEEF

(By James E. Nix, agricultural economist, Commodity Economics Division, ERS)

ABSTRACT

The poor 1974 U.S. corn crop caused sharp rises in feed prices and many changes were made in beef production. Large numbers of cattle were forced to slaughter because of short feed supplies and nongrain-fed beef slaughter increased. World food shortages prompted much discussion about beef production being a wasteful use of food producing resources. Quantities of grain consumed by beef cattle per pound of beef produced are, however, less than that assumed by many.

Keywords: Beef production, grass-fed, forages, feed grains, feed process.

The poor 1974 U.S. feed grain crop and the World Food Conference in Rome brought world food needs to the forefront of the U.S. **news media and provoked much discussion about way to alleviate food shortages. The beef cattle industry has emerged as the center of attention in many of these discussions. Many assertions have been made about the cost and possibility of producing various types of beef, and about beef production being a wasteful use of food producing resources. Some rather drastic changes in feed supplies and costs have reversed past trends in the beef cattle industry during the past several months. This article reviews the current situation and puts forth some ideas about the direction beef cattle production might take in the future.**

PAST TRENDS AND CURRENT SITUATION

The trend toward marketing a larger percentage of the beef cattle as grain-fed beef continued until 1974. This shift to a larger and larger proportion of fed cattle developed during a period of adequate supplies of feed grains as evidenced by the relatively low feed grain prices that prevailed, and ending feed grain stocks that were averaging about 25 percent of the year's production. Furthermore, cattle prices remained relatively stable compared with recent fluctuations, while trending upward for several years prior to 1972.

Some of the more significant events which led to the present situation began to take place in 1972. During 1972, feeder cattle prices started to rise sharply and continued to rise into 1973, reaching a peak about mid-**year. This sharp rise in feeder cattle prices was prompted by earlier low grain prices, profits in the cattle feeding industry, an influx of outside capital that led to a rapid expansion of commercial feedlot capacity.**

Feedlots with a capacity of 1,000 head or more accounted for about 1 percent of all feedlots in 1968 and 1.4 percent in 1973. These feedlots, however, increased their share of total fed cattle marketings from about 47 percent in 1968 to almost 65 percent in 1973. During this rapid expansion of feedlot capacity, cattle feeders bid up feeder cattle prices which prompted further increases in the cow herd. Although fat cattle prices also rose, the increase did not match that for feeder catle and some rather large negative price margins developed by mid-to late-1973. This left many feeders with substantial losses. Since mid-1973, however, feeder cattle prices have declined considerably to their present low levels and the price margin has been reversed to a positive price margin the past several months.

Beginning in mid-1972, feed grain prices also started to increase from the low levels of the previous decade. The sharp upward surge in feed grain exports was a major factor in these price increases. Then in 1974, a devastating blow was dealt the cattle industry when extremely poor growing conditions drastically reduced the 1974 corn crop and also reduced forage supplies. Feed grain prices rose sharply and losses to cattle feeders increased. Cattle feeders reacted by reducing feedlot placements substantially, particularly in the commercial feeding areas, and many who had invested capital earlier now withdrew, aggravating the decline in feeding activity and leaving record large numbers of cattle outside of feedlot to compete for a reduced and limited supply of forage. The reduced demand for feeders and reduced feed supplies forced many animals from the pastures and ranges to slaughter, resulting in an increase in the slaughter of animals that had received little or no grain feeding and decreases in slaughter of grain-fed beef.

These events, coupled with the current perplexing situation of the beef industry, have led to the expression of varied opinions about beef production. Some topics relevant to the beef production situation and some ideas about future beef production are reviewed below.

BEEF PRODUCTION-GRAIN AND/OR GRASS-FED

A common issue, and one that has been widely discussed, is that beef production is a wasteful use of food producing resources. This issue stems from the fact that a large percentage of the steers and heifers slaughtered are finished on rations that include large amounts of grain. A contributing factor to this issue is a misunderstanding about the number of animals being fed the grain rations at any given time. On January 1, 1975, about 10.2 million cattle were in feedlots and being fed the grain rations. This represented about 9 percent of the total beef cattle and calf inventory which was estimated to be 116.5 million head.

Therefore, the weakness of the issue that beef production is a wasteful use of food

producing resources stems from the fact that (1) the animals being fed rations that are largely grain are only finished on these rations and are dependent on forages and other roughages prior to being placed in feedlots and (2) that only a small percent of all cattle and calves are being fed the grain rations at any given time. True, over 70 percent of total cattle slaughter was fed cattle for several years prior to 1974, but this has recently dropped to about 60 percent. After making allowances for the weight an animal gains prior to being placed on feed in the feedlot and the beef produced by animals such as cull beef cows and grass-fed beef that are never placed on feed, the total pounds of beef produced while cattle are being fed the feedlot grain ration have accounted for about 30 to 35 percent of the annual beef production since 1965.

To illustrate the amount of grain consumed by grain-fed beef, the placement of a 600 pound feeder steer in a feedlot and the selling of this steer at 1,050 pounds is used as an example. It is often quoted that it takes x pounds of feed to produce y pounds of beef, for example, 10 pounds of feed per pound of beef, when producing grain-fed beef. This is sometimes construed to mean that it would take over 10,000 pounds of grain to produce a 1,050 pound fat steer. This is a gross overestimate of the grain actually fed. It is likely that roughages accounted for almost all of the ration prior to placement in the feedlot. Furthermore, grain normally accounts for about 65 percent of the feedlot ration.

Therefore, of the 10 pounds of feed fed per pound of beef, only 6.5 pounds would be grain. The other 3.5 pounds normally consist of about 0.5 pounds of other concentrates and 3 pounds of roughages. The amount of grain fed to the 1,050 pound fat steer would more likely be about 2,900 pounds (6.5 pounds of grain for each of the 450 pounds of weight added in the feedlot or less than 3 pounds of grain per pound of liveweight at slaughter).

Table 1 shows an estimate of the grain consumed by beef cattle and swine for the crop years 1965/66 through 1973/74. These data show that swine consume more corn than beef cattle, and also that total grain consumed by swine is over 90 percent of the amount consumed by all beef cattle, even though pork production is only about 60 percent of beef production. Translated into pounds of grain consumed per pound of carcass weight meat produced, an upward trend is observed for beef. These data do indicate, however, that the amount of grain consumed by beef cattle per pound of beef produced has declined during the recent grain shortage. The upward trend in pounds of grain consumed per pound of beef produced is the result of longer feeding periods and not that beef cattle are becoming less efficient users of grain.

The preliminary estimates of gross livestock production for the 1973/74 crop year show that pounds of grain consumed per pound of carcass weight beef and pork produced are 4.1 and 6.3, respectively. The pounds of grain consumed per pound of retail weight beef and pork produced during this same period were 5.6 and 8.4, respectively. These data show that the amount of grain consumed per pound of beef produced is much less than that which is often quoted. They also show that fewer pounds of grain are used to produce a pound of beef than to produce a pound of pork because a substantial quantity of the beef marketed represents weight gains from roughages.

An examination of the supply and utilization of feed grains since 1965 shows that feed grains used for livestock feed increased steadily during a period of relatively low prices and high carryover for feed grains which ended about 1972. In this period relatively low priced fertilizer and fuel were important factors in the level of grain production. As feed grain supplies decreased and prices increased during the past few years, the amount of grain fed to livestock declined, table 2.

Roughages are a large and important part of beef cattle rations. Only small quantities of grain are normally fed to beef cattle outside of feedlots. In the 1972/73 crop year, a period when almost 97 percent of the steers and heifers slaughtered were finished on grain rations, roughages accounted for almost 75 percent of the total feed consumption of beef cattle. For cattle on feed in the 1972/73 period, almost 28 percent of the feed consumed was roughages and for other beef cattle can convert to food for humans are inedible by humans. If not utilized by cattle most of these roughages—which produce millions of pounds of meat—would be wasted. Furthermore, much of the land used for producing roughages is not suitable for grain production. A brief review of the U.S. land resources and some of the major land uses can provide some insight into this situation.

In 1969, about 57 percent (1,283 million acres) of the U.S. land area was used for agricultural purposes. Major uses of this 1,283 million acres were: cropland, 472 million acres (37 percent); grassland pasture and range, 604 million acres (47 percent); woodland grazed, 198 million acres (15 percent); and farmsteads and farm roads, 9 million acres (1 percent). Almost 19 percent (88 million acres) of the cropland was used for pasture, table 4.

Part of the 802 million acres being used for grassland pasture and range and as woodland grazed could be converted to cropland. Under current and past cost-price relationships, however, this has not been a feasible alternative for most of this land. Therefore, the situation that has evolved is one that includes not only the 604 million acres of grassland pasture and range plus 198 million acres of woodland grazed, but also the use of 88 million acres of cropland for pasture.

In the quest to alleviate world food shortages, feasible productive capabilities of most of the grassland pasture and range and woodland grazed other than the production of forages for cattle is quite limited. Forage yields of the land devoted to forage production ranges from woodland grazing which is the least productive to cropland pasture, the most productive and also that which is most competitive with other crop production.

A Forest-Range Task Force Study (5), which estimated the acreage of land in the forest-range environment and the forage produced on this land, gives some indication of the amount of forage produced on lands with almost no feasible grain production potential. This study shows that in 1970 about 835 million acres of the 1.2 billion acres of land in the forest-range environment in the conterminous U.S. were grazed by livestock and that it produced 213.1 million animal unit months (AUM's) of grazing.

Even though a sizable portion of the beef cattle ration comes from roughages and even though there is a large production of roughages from land with little other feasible production alternatives, production of present day quantities and qualities of beef would be difficult without some grain feeding. To maintain the production of beef approximating current supplies for any extended period would require a big increase in roughage production, more than is presently feasible. Droughts, such as occurred in 1974 and reduced roughage supplies, would cause more severe disruptions in the cattle market than have occurred under present conditions if forages were the sole source of cattle feed.

Costs for roughage production, like most other agricultural production costs, have soared during the past year. For some time a portion of the roughage produced in various regions of the U.S. has been viewed as a relatively cheap source of feed. This is roughage produced in the more arid regions of the U.S. and on land which has little other production potential. The potential for increasing the productivity of roughages on this land is very limited or quite expensive. The greatest potential for increasing roughage production with current feasible technology is in the more humid regions. Increased production in the humid regions, however, is highly dependent on increased rates of fertilization, particularly nitrogen, which has become very costly.

Due to the soaring cost of producing roughages and the increased cost of other inputs, the cost of producing grass-fed beef has increased considerably. For many producers these costs have increased to where the cost of producing grass-fed beef is about as high, if not higher, than that for producing grain-fed beef at current grain prices. Because of the large supply of beef and short supply of feeds—grains and roughages, cattlemen have been forced to sell beef at prices much below total production costs. After current inventories of cattle are reduced, cattlemen are not likely to continue to produce grass-fed beef for prices like they have been receiving recently, unless production costs decline. Grass-fed beef is being marketed today at somewhat lower prices under such names as grass-fed, forage-fed, nonfed, and baby beef. The availability of this beef is the result of (1) the excess inventory of cattle and (2) the short feed supplies.

FUTURE BEEF PRODUCTION

As in the past, the type of beef produced and the kind of feeds used to produce it will be dictated by economics. If grain prices are cheap relative to other sources of feed, then more grain will be used. If grain prices are high, the amount of grain fed will be reduced, as it has recently.

Beef cattle, because they are ruminants, can use roughages which man and other monogastric animals cannot. Currently large quantities of roughages are produced in the U.S. and with technological advancements the production of roughages will likely increase, particularly on land not suitable for grain production. Grains will continue to be an important part of the beef cattle ration because of the more rapid gains obtained from feeding grain and because more pounds of meat can be produced from an acre of grain than from an acre of roughage. Also, grain feeding makes an excellent product out of a good one.

There are also many byproducts of grain production such as straw and corn stalks that can be utilized by ruminant animals. Salvaging of crop residues are potential sources of large quantities of feed for beef cattle (3). Technological advancements will likely make these and other byproducts more feasible sources of feed in the future.

The switch to slaughtering more nongrain-fed steers and heifers that has occurred in 1974 and 1975 is probably a temporary situation. Numerous factors, which in themselves are temporary, led to this situation. The extremely poor growing conditions for feed grains and forages in many regions of the U.S., together with relatively large exports of feed grains, substantially reduced feed supplies during 1974 and caused feed prices to increase sharply. This, coupled with a record large cattle inventory, forced many cattle to market earlier than they would have under usual conditions. Many of these cattle went to market as grass-fed steers and heifers rather than being finished on grain.

This situation is expected to change in the future and nearly all of the steers and heifers will again be finished on grain. The grain feeding period may be reduced from that which was common in the early 1970's because of several factors, including the new grade changes to become effective in April

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1975. Part of any reduction in the feeding period will probably be the result of placing heavier cattle on feed. Another part of the reduction could come from slaughtering animals at somewhat lighter weights. Reductions in slaughter weights would, however, reduce the pounds of beef produced per brood cow and a given number of cows would produce less total beef.

Feed grain production is also expected to increase in the future. A study conducted by ERS in 1973 (4) estimated that the U.S. has the capacity under favorable conditions to substantially increase feed grain production in the next 10 years. If realized, this increased feed grain production will lead to more grain-fed beef being produced in the future. The time required to change the current situation from one of reducing the percentage of steers and heifers being finished on grain to increasing the percentage will be strongly influenced by the size of this year's feed grain crop.

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TABLE 1.—GRAIN CONSUMED, MEAT PRODUCED, AND GRAIN CONSUMED PER POUND OF MEAT PRODUCED FOR BEEF AND PORK, 1965-1973

	Unit	Crop year beginning Oct. 1								
		1965	1966	1967	1968	1969	1970	1971	1972	[1] 1973
Grain consumed by cattle on feed:										
Corn	1,000 ton	10,539	12,020	14,656	17,038	18,925	18,167	22,150	24,761	22,871
Sorghum	do	8,486	8,789	8,141	10,318	10,459	11,866	12,072	11,750	9,663
Other	do	2,995	3,259	4,335	6,197	7,912	8,125	9,002	5,396	3,142
Total	do	22,020	24,068	27,132	33,553	37,296	38,158	43,224	41,907	35,676
Other beef cattle:										
Corn	do	4,594	4,931	5,047	5,084	5,669	5,655	6,008	8,320	
Sorghum	do	791	850	877	882	697	1,097	1,107	1,028	1,194
Other	do	1,235	1,336	1,421	1,433	1,843	1,756	1,727	1,651	1,194
Total	do	6,620	7,117	7,345	7,399	8,209	8,508	8,842	9,744	10,708
All beef cattle:										
Corn	do	15,133	16,951	19,703	22,122	24,594	23,822	28,158	31,826	31,191
Sorghum	do	9,277	9,639	9,018	11,200	11,156	12,963	13,179	12,778	10,857
Other	do	4,230	4,595	5,756	7,630	9,755	9,881	10,729	7,047	4,336
Total	do	28,640	31,185	34,477	40,952	45,505	46,666	52,066	51,651	46,384
Swine:										
Corn	do	35,309	38,502	40,522	39,140	38,834	39,541	39,592	43,205	40,024
Sorghum	do	1,646	1,501	1,134	1,256	1,473	1,522	1,334	606	1,079
Other	do	3,602	3,465	2,812	2,711	2,989	4,234	4,380	3,451	2,137
Total	do	40,557	43,468	44,468	43,107	43,296	45,297	45,306	47,062	43,240
Meat produced:										
Fed beef	Million pound	12,796	13,964	14,527	15,211	16,532	16,569	17,112	16,851	16,374
Other beef	do	6,772	6,282	6,067	5,738	5,128	5,417	4,963	4,501	6,279
Total beef	do	19,568	20,246	20,594	20,949	21,660	21,986	22,075	21,352	22,653
Pork	do	10,909	12,424	12,903	13,218	12,830	14,882	13,951	12,913	13,677
Grain consumed per pound of meat produced:										
Fed beef	Pound	3.4	3.4	3.7	4.4	4.5	4.6	5.1	5.0	4.4
Other beef	do	2.0	2.3	2.4	2.6	3.2	3.1	3.6	4.3	3.4
Total beef	do	2.9	3.1	3.3	3.9	4.2	4.2	4.7	4.8	4.1
Pork	do	7.4	7.0	6.9	6.5	6.7	6.1	6.5	7.3	6.3

[1] Preliminary. Source: Grain consumption: 1965–1970 [1]; 1971–73 unpublished updates to [1]. Beef production: Fed and other are unpublished estimates prepared by CED–ERS staff. Total beef and pork [7].

TABLE 2.—ACREAGE, SUPPLY, AND UTILIZATION OF FEED GRAINS, 1965–74

	Unit	Crop year beginning Oct. 1									
		1965	1966	1967	1968	1969	1970	1971	1972	1973 [1]	1974 [2]
Acreage planted	Million, acres	116.4	117.2	120.9	116.7	115.3	118.8	128.0	115.1	121.4	122.6
Acreage harvested	do	96.1	97.9	101.0	97.3	95.5	99.3	106.3	94.0	102.4	100.7
Supply:											
Beginning stock	Million ton	54.8	42.1	37.2	48.5	50.2	48.6	33.2	48.4	32.4	22.2
Production	do	158.0	159.0	178.9	170.5	177.4	160.1	207.7	199.9	205.0	165.1
Imports	do	.3	.3	.3	.3	.4	.4	.5	.4	.2	.5
Total	do	213.1	201.4	216.4	219.3	228.0	209.1	142.4	248.7	237.6	187.8
Utilization:											
Livestock feed	Dollar	126.8	126.9	128.9	134.7	141.8	138.9	149.0	156.2	153.5	123.3
Food, seed, and industry	do	15.1	15.3	15.7	16.0	16.4	16.3	16.7	17.0	17.5	18.1
Total domestic	do	141.9	142.2	144.6	150.7	158.2	155.2	165.7	173.2	171.0	141.4
Exports	do	29.1	22.0	23.3	18.4	21.2	20.7	27.3	43.1	44.4	33.7
Total	do	171.0	164.2	167.9	169.1	179.4	175.9	193.0	216.3	215.4	175.1
Ending stock	do	42.1	37.2	48.5	50.2	48.6	33.2	48.4	32.4	22.2	12.7
Season average corn price received by farmers	Dollar per bushel	1.16	1.24	1.03	1.08	1.15	1.33	1.08	1.57	2.55	3.51

[1] Preliminary.

[2] Estimated.

Source: [6].

TABLE 3.—BEEF CATTLE FEED CONSUMPTION (CORN EQUIVALENT UNITS) BY TYPE OF FEED AND PERCENT EACH TYPE IS OF TOTAL, 1965–73

	Crop year beginning Oct. 1								
	1965	1966	1967	1968	1969	1970	1971	1972	[1] 1973
In thousands of tons:									
Cattle on feed:									
Feed grains	20,988	23,021	26,151	32,229	35,989	36,789	41,817	40,605	39,656
Other concentrates	5,161	4,617	4,051	4,305	4,741	5,653	4,979	5,157	3,714
Roughages	11,147	12,638	13,453	13,991	16,013	15,974	16,958	17,608	18,106
All feed	37,296	40,276	43,655	50,525	56,743	58,416	63,754	63,370	61,476
Other beef cattle:									
Feed grains	6,620	7,117	7,345	7,399	8,209	8,508	8,842	9,744	10,708
Other concentrates	3,417	3,035	3,049	3,246	3,525	3,850	3,989	3,716	2,349
Roughages	119,959	120,900	125,614	125,308	135,575	136,896	146,551	155,780	162,547
All feed	129,996	131,052	136,008	135,953	147,309	149,254	159,382	169,240	175,604
In percent:									
Cattle on feed:									
Feed grains	56.3	57.2	59.9	63.8	63.4	63.0	65.6	64.1	64.5
Other concentrates	13.8	11.9	9.3	8.5	8.4	9.7	7.8	8.1	6.0
Roughages	29.9	31.3	30.8	27.7	28.2	27.3	26.6	27.8	29.5
All feed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Other beef cattle:									
Feed grains	5.1	5.4	5.4	5.4	5.6	5.7	5.5	5.8	6.1
Other concentrates	2.6	2.3	2.2	2.4	2.4	2.6	2.5	2.2	1.3
Roughages	92.3	92.3	92.4	92.2	92.0	91.7	92.0	92.0	92.6
All feed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

[1] Preliminary.

Source: 1965–70 [1]; 1971–73 unpublished updates to [1].

TABLE 4.—MAJOR AGRICULTURAL AND NONAGRICULTURAL USES OF LAND IN FARMS AND LAND NOT IN FARMS, 1969

[In millions of acres]

Land use	Land in farms	Land not in farms	Total
Agricultural uses of land:			
Cropland	472		472
Cropland used for crops	(333)		(333)
Soil improvement crops and idle cropland	(51)		(51)
Cropland pasture	(88)		(88)
Grassland pasture and range	452	152	604
Woodland grazed	62	136	198
Farmsteads, farm roads	9		9
Total agricultural land	995	288	1,283
Nonagricultural uses of land:			
Forest land not grazed	50	475	525
Special uses		169	169
Urban and other built-up areas		(61)	(61)
Primarily for recreation and wildlife		(81)	(81)
Public installations and facilities		(27)	(27)
Other land	19	268	287
Total nonagricultural land	69	912	981
Total land areas	1,064	1,200	2,264

Source: [2]

EMERGENCY FARM BILL VETO

Mr. HUMPHREY. Mr. President, the Joint Economic Committee held two days of hearings on the agriculture situation on April 11 and April 25.

I recently commented on some of the testimony from April 11 on the Senate floor. It is an understatement to say that witnesses at this hearing were alarmed over the prospects of a veto of the emergency farm bill. There was testimony on meetings called to encourage reduced plantings because of inadequate present loan and target price support levels. There was testimony that the administration was leading farmers into producing all-out, while not endorsing a level of price supports to protect farmers from bankruptcy if a bumper crop resulted.

It was clear that widespread dissatisfaction existed at that time with administration policies designed to force farmers to bear all the price risks of all-out production.

The emergency farm bill has now been vetoed. I am very concerned that the veto will spur a massive reduction in planting intentions. However, it is my sincere hope that farmers will await efforts by Congress to override the veto before giving vent to their dissatisfaction with administration policy in general, and the veto in particular.

I must confess that I do not expect my hopes to be realized in this regard, nor do our State agriculture policy makers who daily work with farmers. In testimony before the JEC on April 25, Mr. Jon Wefald, Minnesota Commissioner of Agriculture, stated:

> I have been to many meetings of farmers in the Midwest in the past months. I spoke to five thousand farmers in the State of Iowa; and when you get five thousand farmers in Iowa or anywhere together, you can rest assured they are concerned.
>
> I talked to two thousand farmers in Minnesota, and they are concerned. I talked to a thousand dairy farmers six weeks ago in Foley, Minnesota.
>
> The meetings that I have been to in the past month concern farmers who told me they think the only alternative is to cut back on production in 1975 because they are very concerned about the price they are going to get for their production in 1975; and this is what a family farmer told me.

Mr. President, we take our farmers for granted. Consistently over the years, we maintained a "cheap food" policy, a policy designed primarily to benefit our balance of payments by encouraging exports. As noted by Mr. Wefald:

> Over the last 25 years we have had a cheap food policy in America. We have an articulated policy of having farmers and ranchers go all out and produce, produce, produce, and getting less and less of a return.
>
> Let me give you an example. In 1947 total net farm income was $17.1 billion—$17.1 billion. Now, isn't it interesting that it is not until 1972 that we topped that? Now, the Secretary just indicated in 1972 we went up to about $17.5 billion. Now, isn't it incredible, from 1947 until 1972 there is no year in there where we come close to 1947. And, as a matter of fact, it's clear that from the early 1950's on there was all-out production with no programs, and a cheap food policy, and farm income down, down, down.

But cheap food has not meant low retail food prices because the middleman's cut has increased every year like clockwork. In fact, farmers now receive only 39 cents of every consumer retail food dollar.

We must begin to treat our farmers like any other major production sector, for, as Jon Wefald puts it:

> You would get the idea, reading the newspapers in this country that the key to full production and full employment in America is to have General Motors sell more cars, and that somehow the key to American economy is General Motors, and Ford, and Chrysler; and that could not be further from the truth.
>
> There is no one here, I am sure, that is not for a fair return to General Motors and all the other automobile corporations. But for anybody to speak directly or imply that the key to America's prosperity is to have big automobile companies sell more cars, they are missing the whole point. General Motors' total assets are about $77 million. In farming, we have the nation's largest industry, $500 billion, seven to eight times greater than General Motors, and then we have the press, the newspapers and everybody else spending every day, and every week, and every month on the automobile industry; and they think that American agriculture, which is worth over $500 billion, should go into all-out production, producing 6 billion bushels of corn, 2 billion bushels of wheat, 1.5 billion bushels or soybeans without any consideration at the end of the road for a fair rate of investment.
>
> Now, here we are arguing about the loan

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target date for 1975. Now, Senator Humphrey, the loan on corn in your target bill is $1.87 for corn, and it's $2.50 for wheat. And a lot of people are saying, "Well, this is too much, this is going to be inflationary."

Now wait a minute, in 1947 corn averaged in America $2.38 a bushel, in 1947! Now, the loan rate that we are talking about on wheat is $2.50. In 1947, wheat sold for $2.50.

That is right. The emergency farm bill which President Ford vetoed would have left the farmer with corn and wheat prices where they were in 1947—28 years ago. Despite a tripling of production costs and a many-fold rise in debt, the loan levels in the farm bill—which the administration said were too high—are equal to 1947 price levels.

It is astounding. We would never ask any corporation to set prices today at 1947 levels. Yet, for farmers, the administration refuses even that. It refuses to protect farmers by establishing temporary floor levels at 1947 price levels.

The House of Representatives, and then the Senate, will shortly seek to override this veto. President Ford has challenged the Congress to override his veto. And we should do so.

We should override the veto primarily to insure that we get that all-out commodity production called for by the administration. Equally important, however, is that a veto override will show that Congress is ready to bear the responsibility for government policies, even as the administration ducks that same responsibility.

A DISSENTING OPINION ON THE SURFACE MINING CONTROL AND RECLAMATION ACT OF 1975

Mr. BARTLETT. Mr. President, I am opposed to enactment of H.R. 25, which was passed by a voice vote last Monday, not because it requires reclamation but because it unnecessarily goes beyond that. It is a land use bill which would cause a loss of current coal production and the locking-up of our coal reserves even in areas where the land can be properly reclaimed. This legislation is inappropriate at a time when our national objectives of energy independence, reducing unemployment, stemming our balance-of-payments deficits, and lowering inflation should have the highest priorities.

Both the administration's and Congress' energy programs call for at least a doubling of coal production by 1985. If this does not occur, it will not be possible to reduce our increasing dependence on foreign oil to solve the consequent inflationary and financial problems which afflict our Nation.

The Surface Mining Control and Reclamation Act of 1975 will not permit this objective to be achieved. It will cause a loss of current coal production estimated at between 40 and 162 million tons per year. This is 7 to 27 percent of all annual U.S. production of coal and 14 to 54 percent of all strip production.

The bill will result in a locking-up of 11 to 72 billion tons of coal reserves because of provisions which effectively preclude mining. This represents 8 to 52 percent of the total known strippable reserves of 137 billion tons.

There is no way the goal of Congress and the administration to double coal output by 1985 can be met if this legislation is passed.

Because each ton of coal is approximately equivalent to 4.3 barrels of oil, shutting in 40 million tons per year of coal production—the minimum estimate for lost production—will require the additional and unnecessary importation of 172 million barrels of oil, worth approximately $2.2 billion at today's oil prices. This aggravation of our balance-of-payments situation, which is the inevitable end result of H.R. 25, is enough, in itself, to warrant a vote against the bill.

However, both the Interior Department and the FEA estimate that 9,000 to 36,000 jobs will be lost because of the shut-in production. Similarly, a tremendous number of jobs will not be developed due to the locking-up of future reserves. Considering, the current record unemployment in this Nation and the state of our economy, passage of a bill with these impacts is inconsistent with all of our stated national objectives.

The fact that the Senate version of this legislation included an unemployment provision, which was opposed by the administration and not accepted by the conference committee, attests to my conclusions that this legislation will cause loss of current and future production, loss of jobs, and increased dependence on foreign oil.

In the minority views accompanying S. 7, Senator FANNIN and I asked several questions. I quote from those minority views:

> The Congress in the last session and again in this current session has moved forward to preempt state laws governing reclamation of strip mined land. Why does Congress feel this need when 32 States already require reclamation of surface mined land and of these, 25 have updated or enacted new laws since 1970? Their laws are tailored to meet the peculiar and specific climatic, geological, geographic and other conditions which vary from state to state. Is the land not really being reclaimed under state enforcement? Where is the evil? Are some, which do, failing to combat their problems? What necessitates a federal law?

Before voting to accept this conference report, each of my colleagues should consider these questions thoughtfully. Is there a need for this legislation? In my opinion, there is not.

Has the conference report really solved any of the basic issues which are critical to this Nation? Based on the way I interpret this bill, it has not.

We need increased coal production. It is wrong to pass legislation which will inevitably cause less production.

We require a reduction in the volume of imported oil and a lessening in the huge outflow of dollars to foreign nations, but H.R. 25 means greater oil imports. We will strengthen the position of the OPEC cartel by passing this bill.

The current unemployment situation is desperately urgent. Yet this Congress is about to pass legislation which will worsen our unemployment problems.

Notwithstanding the claims of the proponents of this legislation, this bill will cause lost production of coal. Each of my colleagues should understand that this is not a surface mining reclamation bill as its name implies. It is not a bill which will allow mining provided the land can be reclaimed. It is a land-use bill designed to preclude mining in as many instances as possible. This conclusion is apparent throughout the legislation, from the surface owner consent provisions to the sections which effectively prohibit mining on alluvial valley floors.

Our Nation does not deserve this kind of legislation. I urge the President to veto it. Through continuing efforts to properly inform the Congress of the real ramifications of this legislation, it may be possible to prevent its disastrous effects from becoming realities.

TWENTY-FIFTH ANNIVERSARY OF THE NATIONAL SCIENCE FOUNDATION ACT

Mr. MAGNUSON. Mr. President, nearly 30 years ago I introduced in this Chamber a bill calling for the establishment of a new Federal agency to support basic research and education in the sciences. In November 1944, President Franklin D. Roosevelt, looking ahead to the end of World War II, called on Dr. Vannevar Bush, Director of the Office of Scientific Research and Development, to recommend ways to use scientific knowledge and techniques developed during the war "for the improvement of the national health, the creation of new enterprises bringing new jobs, and the betterment of the national standard of living." The famous report resulting from that request, "Science—The Endless Frontier," was released to the public by President Harry S. Truman on July 19, 1945. On the same day I introduced S. 1285, the National Research Foundation Act of 1945. This bill embodied the principal recommendations of Dr. Bush's report.

I shall not recount the long, and sometimes acrimonious, legislative struggle over the next 5 years, which led finally to the passage of S. 247, the National Science Foundation Act. This act was signed by President Truman on May 10, 1950, while he was traveling by train through the States of Idaho, Oregon, and Washington. I was privileged to join him that evening in Washington State and to take satisfaction in the final success of the long effort.

This year the National Science Foundation is celebrating its 25th anniversary. I extend my hearty congratulations to its Director, Dr. H. Guyford Stever, the National Science Board, and the Foundation's able and dedicated staff. I am proud to have sponsored the legislation that created this important independent agency.

Recalling the debates on the Science Foundation legislation, I remember a colloquy I engaged in on the floor with the distinguished Senator from Wisconsin, Alexander Wiley, in which I said:

> I assure the Senator that if he votes for the bill, at some time in the future he can look with pride on the fact that by his vote he did something for the welfare of our country, because it could be one of the most important undertakings Congress has embarked upon for the welfare of the country in two or three decades.

I believe that the record of the National Science Foundation and its promise of future service to the Nation justify that prediction. Through its grants for basic research, the Foundation has helped expand and deepen our understanding of the nature of life, of the Earth and the universe, and of man's relations to his fellows. Through its educational programs, the Foundation has greatly improved the teaching of science in our schools and colleges and provided an opportunity for talented young people to achieve their ambition to become scientists. And increasingly in recent years the Foundation has facilitated the application of science and technology to national and international problems.

I am sure my fellow Senators will wish to join me in saluting the National Science Foundation on the occasion of its 25th birthday.

MARIHUANA DECRIMINALIZATION—SMALL PRIVATE USE

Mr. JAVITS. Mr. President, as the Senate knows, S. 1450 which I introduced together with Senators CRANSTON, BROOKE, and NELSON would remove Federal criminal penalties for the possession of up to 1 ounce of marihuana. The legislation is modeled after the Oregon law which authorizes the imposition of a civil fine not to exceed $100.

Two recent editorial comments on our bill appeared in the Washington Post and Buffalo Courier Express. These comments are the latest in a growing number of positive expressions from private organizations, the communications media, and public officials throughout the country supporting the concept of decriminalization. I urge the Senate to examine these points of view.

Mr. President, I ask unanimous consent that the text of both editorials be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

DECRIMINALIZING USE OF MARIHUANA

Recently introduced federal legislation to decriminalize the use and possession of small amounts of marihuana seems to be a reasonable attempt to deal with a highly controversial problem. Under the measure, sponsored by Sen. Jacob K. Javits, R-N.Y., among others, it would no longer be a criminal offense for a person to possess up to one ounce of the drug providing it was for private use. The bill would substitute for any existing federal criminal penalty a system of civil fines up to $100.

We agree with Sen. Javits that the existing penalties for the use of marihuana are disproportionate to the degree of mental and physical risk involved. Marihuana cannot be said to be harmless, but it probably is not physically addictive and many experts consider it to be a relatively benign drug. Further, marihuana use is so widespread (an estimated 13 million users in the United States), with penalties varying widely from state to state, that the existing federal law clearly is not a deterrent.

Sen. Javits makes a proper distinction between legalization of marihuana, which would sanction the sale, as well as the use, of the drug, a change to which the senator is opposed, and decriminalization, under which law enforcement would continue to be focused on the trafficker. The criminal penalties for sale of the drug would remain unchanged.

The decriminalization approach has attracted increasing support among medical, legal and other groups over recent years (Gov. Carey reportedly is considering recommending such a shift for New York State). While we have some reservations—for example, it is acknowledged that some marihuana users, even though a small minority, progress to the use of more potent drugs—we support the idea of eliminating the disproportionately harsh penalties for modest marihuana usage. At the same time, however, we would hope that research into the long-term use of the drug would continue, so that serious ill effects could be detected and laws amended to reflect them.

[From the Washington Post, April 19, 1975]

A "CEASE-FIRE" ON MARIHUANA

It is now estimated that 13 million Americans are regular users of marijuana and that at least 30 million have at some time experimented with the substance. About 35 years ago, when marijuana was identified by federal bureaucrats as a "killer weed," about 50,000 Americans were thought to use it. The result of its identification as a menace was that the Congress and the states made it either a felony or a misdemeanor to possess or sell it. The evidence now is that there may indeed be medically sound reasons for avoiding the use of marijuana, but none of those reasons justifies the severe criminal sanctions that exist in the federal criminal code and in those of most of the states.

In the last several years, that situation has been remedied in several states and more each year are amending their codes in face of the legal anomaly that now exists. Few would argue that marijuana is more of a health hazard than cigarettes or alcohol, yet more than 400,000 citizens a year are arrested for possession of marijuana, and some of them do more than a year in prison for their offense. Oregon has ended that anomaly, and California, Colorado, Minnesota and Alaska are about to follow suit in this legislative season. Maine, Massachusetts and New York are reconsidering their laws.

The question now facing the Congress is what should happen at the federal level. As matters now stand, possession of an ounce of marijuana is a federal misdemeanor carrying a penalty of one year in jail and a maximum fine of $5,000. A bipartisan group in the Senate, led by Jacob Javits of New York and including Edward Brooke of Massachusetts, Gaylord Nelson of Wisconsin and Alan Cranston of California, have introduced a bill intended to remedy the current situation. It would replace current severe penalties with something called a "civil fine" and it would not exceed $100. The penalties for sale of the substance as a profitable transaction would remain intact. Only simple possession and "not for profit" would be covered by the bill.

The senators said when they introduced the new legislation that the criminal penalties for possession "are so disproportionate to the degree of mental and physical risk involved that there can be no longer any justification for their imposition." They further argue that use is so pervasive, and the arrest pattern so capricious, "that fair and impartial enforcement and prosecution are impossible."

The sentiment of the legislation is laudable, but as a solution it is hazy. If, indeed, the sponsors believe the substance is relatively "benign," as they put it, then why a penalty at all? And why a penalty that is almost unknown in our legal system. There is virtually nothing else, with the possible exception of the customs code, that recognizes a "civil fine." The legislation would create a new category of offender and a new remedy for society, the "civil offender" and the "civil fine" as punishment. Yet, that is what several of the states are now doing, and what is proposed at the federal level.

The simple answer to the question of why this route is being taken out of the marijuana morass is that it is thought to be the only politically practical one. As one proponent put it, "This is a 'cease-fire' proposal. As it now stands, 400,000 smokers a year are being arrested and stuck with criminal records. Even though this bill is not the long-range answer, at least it will stop young people from going to jail." In short, this new proposal is a compromise intended to lift the criminal sanction, without taking the logical steps that will surely follow and ultimately lead to the day when marijuana is properly controlled through taxation and standards for quality, strength and age of legal usage. In the meanwhile, the Congress will argue over passage of a vague concept called "decriminalization," which is the same as saying there is half a crime. The half of the crime called "use" would no longer exist. The half called "sale" would continue as before to be a crime. If this bill is passed, it will be interesting to see how the courts view such a hybrid notion, but it appears to be the best the sponsors believe they can do. Given today's climate of opinion, they are probably right.

NATIONAL MARINE FISHERIES SERVICE INSPECTION PROGRAM

Mr. MAGNUSON. Mr. President, as chairman of the Commerce Committee, I maintain a continuing interest in programs being developed on behalf of the American consumer. Many of these programs are initiated by industry itself, of course, and many others are initiated by Government. I would like to point out one program which was recently initiated as a cooperative effort by both. It involves the Federal inspection of seafood packaged for sale in the United States.

I believe that if American consumers were polled on the question, the majority would indicate an assumption that packaged seafood receives the same degree of Federal inspection as that provided for meat and poultry. That is not the case. Although packaged meat and poultry have long been controlled by compulsory continuous Federal inspection—that involves the constant presence of Federal inspectors—seafood has not. Federal standards for seafood wholesomeness and packaging sanitation procedures, of course, do exist. For some time, there has been discussion over the merits of extending compulsory Federal inspection to include the packaging of seafood.

That discussion may ebb if the voluntary inspection program offered to the seafood industry by the National Marine Fisheries Service operating under a memorandum of agreement between the Department of Commerce and the De-

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partment of Health, Education, and Welfare continues to gain momentum. It provides for full-time inplant Federal inspection of seafood being packaged for sale in the United States. The NMFS operates the voluntary program under standards even broader than those imposed by the FDA and participating companies pay for the service through special assessments. But, once the volunteering packer has met Federal standards and is operating under the inspection program, it is allowed to carry a seal on its product verifying that it was "Packed Under Federal Inspection." This will provide assurance to consumers that the seafood is wholesome, of good quality, and properly labeled.

Recently, the Van Camp Sea Food Co. of San Diego, Calif., became the first tuna canner to join the program and its Chicken of the Sea brand tuna currently carries the Federal inspection seal. This is a very encouraging beginning.

Eventually, it is to be hoped, all members of the seafood packing community will be participating in the voluntary inspection program. This program stands as an exemplary model of how industry and Government can work together in the public interest.

HAZARDS TO PUBLIC SAFETY OF WAR POWERS RESOLUTION AND OTHER ACTS OF CONGRESS

Mr. GOLDWATER. Mr. President, on April 3, U.S. naval vessels entered the territorial waters of South Vietnam at the direction of President Ford to assist in an international humanitarian relief mission that resulted in the evacuation of many thousands of foreign citizens from Danang and other imperiled Vietnamese seaports. On April 11, President Ford singlehandedly ordered the rescue of some 100 Americans, 160 Cambodians, and 35 third-country nationals from Phnom Penh. Finally, on April 29, President Ford directed the airlift by U.S. Marines and naval units which successfully evacuated all Americans from Saigon, including approximately 1,400 Americans and 5,500 South Vietnamese and third-country nationals.

Recent laws of Congress were a hazard to the success of each of these courageous and wise operations. The laws of Congress were an impediment to safety of American citizens. The laws of Congress have cast a cloud of doubt over the legality of the President's actions that may remain unresolved throughout history. These same laws have weakened the ability of the United States to remain a respected and believed power able to exercise its historic prerogatives across the world.

These recent humanitarian rescue missions by President Ford were accomplished in spite of a maze of difficult legal questions erected by recent laws of Congress. For example, there is the war powers resolution. This resolution spells out in section 2(c) that the President possesses constitutional power to introduce the Armed Forces "into hostilities" or into situations where their "imminent involvement in hostilities is clearly indicated" only, and I emphasize the word "only," when Congress has provided a declaration of war or specific statutory authority or where there is "a national emergency created by attack upon the United States, its territories or possessions, or its Armed Forces."

Does the word "only" mean "only"? If so, it appears that President Ford's recent actions were illegal under this provision of law.

The provision does not state that troops can be introduced to "protect U.S. citizens abroad." But some of the sponsors of the war powers resolution claim that the law does not mean what its provisions say. It means what they say it means. This is their device for making any exceptions that may be required by unexpected situations that arise to cast doubt on the wisdom of the original law. Thus, they say that there is an implied exception to the war powers resolution which allows the President to use the Armed Forces in the protection of American citizens.

Very well, assuming that the sponsors of the law can make amendments to it by legislative history discussed in the Halls of Congress, what about the withdrawal of foreign nationals? Does the implied exception, if any, which permits the evacuation of American citizens stretch far enough to confer authority upon the President to rescue endangered foreign nationals?

In the Cambodian evacuation, it appears more foreign nationals were flown out by the U.S. military than were American citizens. A contingent of 350 Marines in full combat gear participated in the operation, standing guard in the area where the helicopters landed. Twenty U.S. warplanes patrolled the skies and two helicopter gunships escorted the fleet. No casualties were incurred, but a 75 mm. recoilless rifle round and four rockets hit the landing field.

Was this situation a "hostility" or an "imminent" hostility? Phnom Penh was beseiged by attacking Communist forces and there was firing on U.S. forces. If this constitutes the involvement of the American military "in hostilities," then it could be prohibited not only by the war powers resolution, but by section 806 of Public Law 93–155 and section 13 of Public Law 93–126. Each law provides that "no funds heretofore or hereafter appropriated may be obligated or expended to finance the involvement of U.S. military forces in hostilities in or over or from off the shores of North Vietnam, South Vietnam, Laos, or Cambodia, unless specifically authorized by the Congress."

These laws apply on their face not only to funds represented by those laws alone, but specifically cover any funds "heretofore or hereafter appropriated" by any law.

How can the President contend that the Cambodian evacuation did not involve the employment of U.S. military forces in hostilities? Can he fairly raise an exception not identified in these laws themselves because the operation was an emergency rescue mission of brief duration whose original primary objective was to protect endangered Americans and in the process of which he chose on moral grounds to allow the humanitarian evacuation of a limited number of foreign nationals?

Perhaps he can, absent any legislative history showing that such an exception should not be implied. But the question gives pause. It could cause delay in starting up an urgently needed emergency mission. Unless it was carried off as a complete success, the questions would have left the President vulnerable to critics whose hindsight is always better than their foresight.

But there are more questions. In the Danang relief mission, U.S. naval vessels with embarked helicopters and combat-equipped Marines, picked up foreign national refugees and some U.S. citizens from the coast of South Vietnam and transported them to safer areas. Unquestionably, the vast majority of persons helped were not Americans. At the time the military situation in Vietnam was worsening, with South Vietnam giving up additional provinces and the capital of Hue to the Communists.

Was this a military operation in Vietnam? If so, it was prohibited by section 30 of the Foreign Assistance Act of 1973. This law provides:

> No funds authorized or appropriated under *this* or *any other* law may be expended to finance military or paramilitary operations by the United States in or over Vietnam, Laos, or Cambodia.

Although military units were involved and these forces were equipped for combat, can it be said that a relief operation is not a "military" operation? Can it be argued that an operation in the territorial waters and along the coast of South Vietnam is not an operation "in" Vietnam? Perhaps, but once again the President is placed at his own peril in making such an interpretation of the law.

During the final removal of Americans from South Vietnam, there was a direct and imminent threat to the remaining U.S. citizens and their dependents in and around Saigon. A fleet of some 70 helicopters protected by U.S. fighter aircraft had to be utilized in order to carry out the final evacuation. In one instance, American planes suppressed North Vietnamese antiaircraft artillery that was firing upon evacuation helicopters. About 865 marines were involved in the operation. At least two U.S. marines and two pilots were killed in the final days. The ground security forces returned fire during the operation.

Was this "combat activity"? If so, it was apparently prohibited by at least four acts of Congress. The 1974 and 1975 Department of Defense Appropriations Acts each prohibit any of the funds therein appropriated from being obligated or expended "to finance directly or indirectly combat activities by U.S. military forces in or over or from off the shores of North Vietnam, South Vietnam, Laos, or Cambodia." Section 108 of the continuing resolution enacted July 1, 1973, provides that—

> On or after August 15, 1973, no funds herein or heretofore appropriated may be obligated or expended to finance directly or indirectly combat activities by United States military forces in or over or from off the shores of North Vietnam, South Vietnam, Laos or Cambodia.

Finally, section 307 of the Second Supplemental Appropriations Act of 1973 states that none of the funds appropriated under that act or "heretofore appropriated under any other act" may be expended after August 15, 1973, "to support directly or indirectly combat activities in or over Cambodia, Laos, North Vietnam, and South Vietnam or off the shores of Cambodia, Laos, North Vietnam, and South Vietnam by U.S. forces."

Perhaps none of the funds appropriated by any of these four laws and not even any funds appropriated previous to those laws were used in any way during the final evacuation. Perhaps none of the equipment, ammunition, clothing, and so forth, were supplied by any funds appropriated under all these laws. Perhaps, but again it takes bold and decisive action by the President willing to assume the responsibility for his own interpretation of those laws to order the action that he did.

There is another question raised by these laws that did not occur during the evacuations, but very well could have. The answer to this question may be crucial to the safety of the United States and its citizens at some time in the future. This question is raised by the belief of the sponsors of the war powers resolution that Congress can put a halt to an emergency rescue operation at any time even though it involves the protection of U.S. citizens.

For example, on April 23, I engaged in a colloquy over the pending evacuation authority with the senior Senator from New York (Mr. JAVITS). While admitting that the President "has an unchallenged right, under the Constitution, to use the Armed Forces of the United States to rescue Americans from a war zone," the Senator from New York declared that—

> Those forces, when so used, remain accountable to the Country through both he and the Congress, so that we may have some control over what happens with respect to their use, and so that *the whole thing may be called off* if it goes beyond what we think is a fair measure of use for their purpose. (Emphasis added.)

If what my friend from New York says is true, then it means that Congress can tell the President 1 day, or 1 hour, after he initiates a humanitarian rescue mission to protect American citizens that he must call the whole thing off. If Congress fears the operation could involve some risk which outweighs the safety of the number of Americans immediately involved, it can direct the President to abandon those Americans.

This contingency, which I truly hope will never happen, could occur under section 5(c) of the war powers resolution which provides that American forces engaged in hostilities outside the United States without a declaration of war or specific statutory authorization "shall be removed by the President if the Congress so directs by concurrent resolution."

Mr. President, congressional measures of this type could cripple not only the President, but through him, the United States at some time of great need for immediate and decisive action: The very fact that one might argue that the President now stands in violation of the law points up the dangerous position in which we have placed our country, our citizens, and our President.

Mr. President, congressional measures of this type have already crippled the power of the Secretary of State in dealing with foreign friends, enemies, and potential enemies. These foreign nations now know that the United States cannot go to war in a meaningful way without the approval of the Congress. They also know that the will of the Congress can be bent to a large extent by the attitude of the American press and media and, from every evidence so far, these tools have been most effective in slowing down America's ability to maintain its place in the world. With the growing danger caused by a mounting isolationist feeling in this country, the addition of the War Powers Act can, in my opinion, reduce us rather rapidly to a power of a much reduced stature in the world in a position from which we could not effectively negotiate or operate to maintain the interests of America, Americans, and our freedom.

Mr. President, I intend to continue discussing the war powers resolution and similar laws from time to time in the continuing hope that we might get it before the American people for consideration of a proper solution through a constitutional amendment.

SECRETARY-GENERAL WALDHEIM'S REMARKS BEFORE THE CHICAGO COUNCIL ON FOREIGN RELATIONS

Mr. HUMPHREY. Mr. President, the Chicago Council on Foreign Relations had the good fortune on April 23 to host U.N. Secretary-General Kurt Waldheim.

In his address before the Council, Mr. Waldheim cogently offered an inspired world view. I believe it merits not only our attention, but truly our aspiration.

Mr. Waldheim argues that, in the long run, peace will not be served by a balance of power and the arms race it entails, nor by a widening division between the rich and poor, the powerful and less-developed countries.

We are ultimately, in the term of Wendell Willkie that he repeats, "One World." For the "principal problems of our time," Mr. Waldheim explains, "all have a world dimension," and therefore they require international communication, global strategies, and multilateral remedies. As Mr. Waldheim states:

> Only through the interdependence of all nations can the independence of each be assured.

Is there any solution on the horizon? Mr. Waldheim asks, "Why not the United Nations?" And so do I.

Mr. President, I ask unanimous consent that Mr. Waldheim's wise remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

TEXT OF SPEECH BY SECRETARY-GENERAL KURT WALDHEIM TO CHICAGO COUNCIL ON FOREIGN RELATIONS, APRIL 23, 1975

It was a great pleasure for me to receive and to be able to accept the invitation of the Chicago Council on Foreign Relations. The long history and outstanding record at this Council are well-known to us at the United Nations, and indeed to all who are actively involved in world affairs.

I need not elaborate before this body on the symbolic power of the name Stevenson among all who cherish the cause of peace in the world. I might say—in connexion with the generous introduction I have just received—that Adlai Stevenson once remarked that a speaker was entitled to enjoy a flattering introduction—just so long as he didn't inhale. I believe Ambassador Stevenson also observed that a speech does not have to be eternal to be immortal. This wise advice is not heeded as often as many of us would wish.

You have reason to take pride in the fact that Senator Percy was a member of the United States delegation to the last General Assembly. Those of us who labour in the vineyards of the United Nations know him to be a strong advocate of the principles of world organizations in general and of the United Nations in particular. Senator Percy has demonstrated that friendship for the United Nations is best manifested not by uninformed praise but by highly knowledgeable and constructive criticism and evaluation. And what the United Nations needs even more than money—which we have little enough of—is constructive criticism rather than destructive criticism—which we have too much of. The United Nations will not be served or saved either by indiscriminate praise or indiscriminate criticism.

My compliments, in fact, to Mayor Daley and Governor Walker—and, indeed, to the people of Illinois—on the historic contribution this State has made to the cause of world organization over the years. There is a fiction that this area has been something akin to a stronghold of isolation. I must say I personally have seen little evidence of it—whether with respect to my reception here tonight, or to the calibre of the statesmen who have come from Illinois, or to the kind of support the citizens of Illinois have given to the quest for a peaceful world.

There is much talk these days of a new surge of isolationism. I am not sure that the correct word is "isolationism". What I have seen leads me to believe that what is happening—and I am thinking not just of a particular country but of almost every part of the world—what is happening is that there is a new mood of withdrawal. People are not turning away from ideas of world interdependence. What they are turning away from are outmoded and unworkable ways of trying to deal with the world.

If I sense correctly the trend now emerging, I would describe it as a renunciation of the idea that peace can be achieved through a balance-of-power or through superior stockpiles of weapons which, if used, would produce a world holocaust. These ideas belong to the past and cannot be used to build the future.

I repeat: People are not withdrawing from the idea of peace through world order. They are not giving up their hopes for a world of justice under law. They are not abandoning their dream that this frail planet of ours can be managed in the human interest, or that we can leave to the next generation a world in which human beings do not have to kill or be killed.

People are not giving up on these ideas—and, I might add—neither am I.

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I had no difficulty in agreeing with President Ford when he said the other day at Notre Dame that we cannot live in a compartmentalized globe but that we must return to the concept of One World. He was referring, obviously, to the term used so effectively by Wendell Willkie. It was a little more than thirty years ago that Wendell Willkie wrote his book "One World". I can think of no more useful way of returning to fundamentals on our quest for peace than by rediscovering the power and validity of what he was trying to tell us.

I am not troubled by the simplicity of Willkie's message, Truth doesn't have to be complicated to be persuasive. What Willkie was saying was that the world's nations have come to the end of the road in which they traditionally sought peace by being more powerful than their opponents. He was trying to tell us that the world has become too small for big wars; that any war, anywhere, in fact, is a danger to the entire community of human beings. He was trying to persuade us that new approaches were necessary based on the concept of world institutions that could deal with world problems.

He correctly anticipated that the principal problems of our time would all have a world dimension and that no nation would be able to solve them unilaterally. And it is clear to me that he would doubt that a bilateral approach alone would be adequate to the kind of problems confronting the human race today.

It is presumptuous, of course, for any person to say what someone who died thirty years ago would say about any present day situation—but Willkie's writings seem to me to be clear on the point that he felt world peace could be achieved and maintained only through a world order.

I don't say there is no place for bilateralism in the building of a peaceful world. If bilateralism means joint leadership in strengthening the principles of world organization; if it means joint action in creating a stage for the fullest possible interdependence among nations; if it means common efforts in behalf of a strengthened United Nations that can act effectively in the human interest—if it means any or all of these things, then that kind of bilateralism will earn the gratitude of every human being on earth.

I do not despair about the future of the United Nations or the prospects of world peace in general. The events of recent years and months have produced widespread apprehension, confusion, and uncertainty. Yet I believe the time is right for new beginnings.

It has been demonstrated—at great cost—that we have to create effective means for keeping the peace and for serving the cause of justice.

It has been demonstrated that the arms race will not create enlarged security for anyone caught up in it. It will create greater insecurity and a long slide into inflation and depression.

It has been demonstrated that the attempt to stay on top of the international game through a balance of power leads to a greater unsettled condition of the nations that are caught up in it.

Since the old notions and old approaches don't work, where do we look?

The moral of the story seems clear:

Why not try the United Nations?

I contend that the United Nations, with all its weaknesses and limitations, is still the world's best hope for peace.

I contend that such weaknesses and limitations as exist will not be eliminated by spurning or bypassing the United Nations but by working to make the United Nations better.

I contend that the United Nations will never work properly if the nations regard it as an adjunct to their unilateral foreign policies rather than as the mechanism for building common peace.

To do this, everyone is going to have to give up a little. What we will get in return is a genuine basis for a durable peace.

The United Nation's is still an unfinished organism. No one knows this better than I do.

Some problems are structural.

Some problems are organizational.

Some problems are functional.

Some problems are philosophical.

But none of these problems are insoluble.

I can't think of any weaknesses or limitation involving the United Nations that can't be solved if enough nations regard the cause of a fully functional United Nations as the underlying and unifying objective of their foreign policies.

Basic changes are occurring with great rapidity. If we understand these changes and see the United Nations as a resolving mechanism, we need not feel overwhelmed or discouraged.

At the height of the Cold War it was believed that the world was in danger of becoming divided into two ideological and mutually hostile groups. Today there is the peril that it may become divided into two economically separate and mutually hostile groups—the rich and the poor. The gap between these groups is not narrowing. The poor are becoming poorer. They are also becoming more populous. Three billion people now live in the less developed regions of the world. 60 per cent of these people are under 25 years of age. Their life expectancy is 25 per cent lower than in the developed world.

The result is not just a massive imbalance of economic resources, but a massive imbalance in living standards and of opportunity.

It may be argued that it has been ever thus. But today there are new problems of scale and scope which give a blazing intensity to this old division between rich and poor. In 1925, the world's population was under two billion. Today it is now almost four billion. If present trends continue, it will be eight billion by the year 2000.

How will the future citizens of our planet be fed, housed, and educated? How will they be employed? Unless we begin to manage our planet now in the common good, the generations just ahead will be born in poverty and spend their lives in poverty.

The economic division of the world into two camps, the affluent minority and the poor majority, has already been sharply reflected at the United Nations, and most significantly at the last General Assembly. This had results which surprised and in some cases dismayed the developed countires, not least among them the United States.

Irrespective of the merits of particular actions by the majority, the significance of what happened last year must not be ignored or misjudged. What happened showed that the poor nations are tired of being poor, are losing patience and demanding action.

The oil crisis and the following developments are certainly a warning in this regard.

If we see these warnings in the perspective of a world that has become a single geographic community, we must recognize that we can lose no time in undertaking collective global action. The nation-state remains the principal instrument for acting on changing world conditions; but the scale and nature of the problems themselves have made purely national approaches obsolete. We need global strategies and guidelines within which the national governments will operate.

What are our chances for achieving such strategies and guidelines?

I believe those chances are good in direct proportion to the willingness of people to act in their common interest.

I see nothing irreconcilable between the surge of nationalism and the new need for interdependent and even contractual ways of living inside a world community.

The ability of nations to preside over their own cultures and institutions will be strengthened, not weakened, by the acceptance of common objectives in their world relationships.

No country will be able to sustain the costs and pressures of unilateralism, of which the arms race is the most conspicuous manifestation.

Only as a workable form of common world security is created will it be possible for the finest experience of nationalism to take place.

Only through the interdependence of all nations can the independence of each nation be assured.

The United Nations offers a practical basis for such interdependence.

The United Nations, in the words of the Charter, is "a centre for harmonizing the actions of nations". But the gap between declarations of internationalism and its implementation has been widening. As Adlai Stevenson put it so characteristically, "making peace is not merely a matter of nations looking at each other, but of their looking together in the same direction".

One of the greatest fallacies in much of the thinking about the United Nations is to believe there can be a separation between "political" questions and "economic and social" questions.

The United Nations is a highly political organization. We in the Secretariat are dependent upon the creation of the political will before we can act. I am frequently troubled by the realization that this fundamental point is so poorly understood.

Naturally, the Secretary-General does not sit idly by and passively wait for political will to be mysteriously created. It is his task to help shape that political will, to take advantage of changing situation, and to guide contending parties into effective negotiations. But the Secretary-General often finds that his main job is to find ways of coping with the existing limitations and weaknesses of the United Nations itself. Repeatedly serious issues that are brought before the Secretary-General are those that are not resolved by the General Assembly or the Security Council.

While I do not object to this part of my job you will certainly understand the enormous difficulties with which I am then faced.

When people ask—as they often do—what is "the United Nations" doing about a particular question, they reflect the common misapprehension that there is a single entity called "the United Nations" which has supranational powers. There is also often a misunderstanding about the role and position of the Secretary-General himself. I am constantly urged to intervene in a very wide variety of matters as though the Secretary-General can disregard the limitations imposed upon him by the Charter and the political realities of a world of sovereign States. In such cases a great deal can often be done, and is done, through quiet diplomacy, which must remain confidential if it is to be effective. Nothing would destroy the usefulness of the Secretary-General's role more swiftly and effectively than his taking sides in highly complex political situations in disregard of the authority and policies of member-governments. This does not mean inactivity on his part. It means that he must act at the same time on the basis of the principles of the Charter and in full awareness of the political realities. It is not always easy to reconcile these two essential conditions.

The creation of trust and confidence is a long business. Months, even years, of such efforts can be lost overnight by one action, however well-intentioned, which is seen as constituting interference without authority in the internal affairs of a nation.

We must not forget, however, that the United Nations has not been exactly inactive or irrelevant. The United Nations had had considerable success in developing techniques of peace-keeping during the past 25 years. It has proved that, in many situations, it can exercise an important moderating influence, not only in limiting or forestalling conflict, but also in providing a framework within which the settlement of basic and difficult problems between States can be pursued.

Obviously, the effective involvement of the United Nations in conflict situations requires the consent of the parties concerned and their willingness to co-operate with the world Organization. Despite the fundamental problems of the Middle East, I think it fair to say that the United Nations through the efforts of the Security Council, through its various peace-keeping efforts, and through various forms of mediation and good offices, has done a great deal to preserve peace in an area where the danger of a world conflict is ever present.

For reasons beyond the control of the Organization, the United Nations has not been effectively involved at any time in the problems of Indo-China. In fact, during the long period of conflict, the search for a political solution has taken place outside the framework of the United Nations. I should like to say a word, however, about the efforts we are now making in the very tragic situation prevailing in that part of the world.

The Secretary-General was invited to participate in the International Conference on Vietnam in Paris in February 1973. In my statement to that Conference I said that the United Nations stood ready to assume its responsibilities wherever and whenever it was called upon to offer useful and realistic assistance. I also said that, should the Governments of the area so desire, the United Nations and its family of organizations could play a significant role in receiving, co-ordinating, and channelling international relief and rehabilitation assistance to the Governments and peoples of the region. Such assistance would be provided without discrimination of any kind.

Ever since that time, the United Nations has been operating on the same basis—providing humanitarian assistance wherever and whenever requested. It has persevered in this task despite a military situation which obviously makes it much more difficult to help the victims of the war. In light of the most recent developments, I appealed on 31 March to all concerned to do everything possible to relieve the plight of innocent persons, including those who have been displaced. I requested the governing authorities on both sides to do their utmost to limit the suffering of innocent people. I also appealed to Governments and individuals everywhere for increased humanitarian assistance to help alleviate the misery of the millions of human beings who find themselves in tragic circumstances.

We have set up special machinery at the United Nations Headquarters to co-ordinate the already considerable response to this appeal and to maximize the effectiveness of the humanitarian effort. At the present time, two programmes of the United Nations system—the United Nations Children's Fund and the Office of the High Commissioner for Refugees, which already had programmes of humanitarian assistance on both sides of the conflict in Indo-China—are carrying the main burden of humanitarian assistance, and their operations are being intensified.

On 17 April, in a further appeal, I indicated that, in the immediate phase we should set a target figure of $100 million in order to meet essential requirements.

It seems to me that in the interests of providing the maximum assistance to all of those afflicted by the deteriorating situation in Indo-China, this approach is the one most likely to be effective. It goes without saying that I shall continue through whatever channels are available to me to make the facilities of the United Nations available to all of the parties to the conflict, if they wish to make use of them, for the purposes of putting an end to the conflict and alleviating the vast human suffering which it has caused. Communication and understanding are vital in such a situation. For this reason I am making the utmost effort to establish and maintain contact with all parties in this great human tragedy.

There are other things that can be done on a day-to-day basis to help the United Nations, even as it is, to do a better job in fulfilling its original purpose. First, there must be a heightened understanding of the urgent importance of using its machinery for negotiation and preventive diplomacy before conflict erupts. To use it as a court of last resort when all else has failed, or to use it merely as an international relief operation at the end of the day, is to discard the most important potentiality for peace and stability.

As has been said, great conflicts may arise from small events but never from small causes. While we grapple with immediate problems of peace and war, in Indo-China, in Cyprus, and in the Middle East, we must also look ahead. We must try to discern the serious potential causes of future unrest and discord, and think not simply in national terms but in global ones as well. While mankind is divided by economic inequities, it will be divided by political divisions, and there can be no real stability or real co-operation to work together to meet the awesome challenges which confront us all.

The United Nations, being a human institution, is fallible. There can be collective foolishness as well as collective wisdom. There have been, and will be in the future, disappointments, setbacks, and frustrations. But these must not make us despair, or lose heart and faith. In the thirtieth year of the life of this unique human experiment, we must never forget that we are looking at the world as it is. But we are also, in a very real sense, looking at ourselves. Are we to seize the opportunities which lie before us, taking full advantage of the lessons of the past, or are we to turn aside from the realities of the world—and from looking at ourselves as we really are?

I cannot give you the answer. The choice is stark and clear. I would like to remind you of what Adlai Stevenson, when Governor of Illinois, said: "This is not the time for superficial solutions and everlasting elocution, nor for frantic boast and foolish word . . . What counts now is not just what we are against, but what we are for. Who leads us is less important than what leads us—what convictions, what courage, what faith".

This Republic, now approaching its Bicentennial, survived great difficulties and dangers through the hard work and idealism of tens of millions of unknown Americans dedicated to the ideals of the Declaration of Independence. Similarly, the United Nations can succeed or fail not only through the work of Governments but through dedication to the ideals of the Charter of countless millions throughout the world. But we shall only succeed if we continue, despite all obstacles and frustrations, to believe that those goals are attainable, and to work towards them with all our convictions and understanding.

THE NATION'S AGRICULTURAL COMMUNITY

Mr. FORD. Mr. President, now that the Emergency Agriculture Act of 1975 has been vetoed by President Ford, many of us are seeking ways to renew our efforts in giving support to the Nation's agricultural community.

A policy must be forwarded to prevent further economic disruption to a segment of our business society which is growing smaller in numbers each year.

And that business society—the farm community—must have its confidence restored.

There is a glaring omission of confidence for good reason. Farmers consider the administration and the Secretary of Agriculture in adversary roles. This is fully reflected by my communication from those engaged in agriculture. Unless there is strong congressional leadership, in a practical, orderly manner, the very backbone of agriculture—the farm family—will cease to exist.

In a few words, an editorial published this morning in the Lexington Herald, describes quite well our position, but more importantly our duty.

Mr. President, I ask unanimous consent that this brief commentary be printed in the Record, and I compliment the editor, Mr. Don Mills, for the wisdom expressed.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Congress Must Make New Farm Policy

President Gerald Ford's veto of the emergency farm aid bill was motivated, he says, by concern for both farmers and consumers.

By vetoing the bill, Mr. Ford assures us, he is saving money and helping to keep the cost of food and other agricultural products down. To pay more subsidies would, he added, be a return to already discredited policies. But the sad situation most American farmers now face is proof plenty that the polices (or nonpolicies) of Mr. Ford and Agriculture Secretary Earl Butz are themselves discredited.

The American farm economy is rapidly approaching a crisis. Before 1972, when the Nixon administration finished dismantling the old system of agricultural supports and controls, the farm economy at least kept things running. Farmers and consumers grumbled, but there were no actual shortages and productivity increased regularly.

The Nixon-Butz-Ford approach has changed all of this. Butz seems proud of the free-market status of our agricultural markets, but the abilities of foreign nations to buy our essential goods with no apparent restrictions has caused havoc which is apparent to everyone.

The fact is that the risks in farming, which were formerly shared by the federal government, now rest entirely with the farmers and consumers. Mr. Ford seems incapable of grasping the simple fact that Earl Butz and his troglyditic notions about the marketplace are exposing both farmers and consumers to the whims of not only weather and production but also of foreign nations' needs.

It is now up to Congress to reconstruct a farm policy for America. That policy must recognize that the government, as representative of both farmers and consumers, has an obligation to take some of the risk now being borne by those groups.

AGRICULTURAL EXTENSION SERVICE CENTENNIAL BANQUET

Mr. HUMPHREY. Mr. President, I recently had the privilege and honor to participate in the 100th anniversary of

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the Agricultural Extension Service and the 90th anniversary of the Minnesota Agricultural Experiment Station.

It was indeed an honor to point out the great productivity of our American agricultural machine and the major role which research has played in this record.

I indicated that from the earliest days of our country's history—beginning with Thomas Jefferson's interest in improved rice varieties—our Nation's farmers were constantly on the lookout for ways of ever increasing their production.

I pointed out some of the significant landmark legislation such as the Land Grant College Act of 1862, the Hatch Act of 1887, and the 1914 Smith-Lever Act.

I also pointed out some of the accomplishments of the experiment station at the University of Minnesota itself, such as new dwarf wheat varieties, which are currently yielding about 5 bushels more per acre than the traditional varieties. The Minnesota station also has developed new soybean varieties, and crop losses have been reduced by work which has been carried out on various plant diseases.

I indicated that in the coming years, we would need to turn our research attention to the conservation of energy on our farms. I have already introduced legislation, S. 1482, to begin this process.

At the international level, we must begin to make a stronger effort to find ways to increase the productivity of the small farmer. There are a network of international research institutes already in existence which can and must give a greater priority to this task.

Our American land grant universities can play a major role in stimulating increased production on the part of small farmers in the developing countries. They have a wealth of experience which can be adapted to meet this need.

In the future, we will need to select our priorities with greater care, so that the maximum benefits can be obtained. Agricultural research is a matter of the utmost importance in the future of our Nation and the world.

Mr. President, I ask unanimous consent that the text of my prepared address be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

Address by Senator Hubert H. Humphrey

It is a pleasure and an honor to participate with you in this great event, commemorating the 100th anniversary of agricultural experiment stations in the nation and the 90th anniversary of the Minnesota Agricultural Experiment Station.

For too many years, the great productivity of our agricultural heartland has been taken for granted. Now, all that has changed. Our people have begun to realize the importance and the great complexity of our agricultural system.

The word has gone forth, and the Rome World Food Conference, in particular, highlighted the world's need for ever-increasing supplies of food.

The role of the United States in preventing food deficits of 100 million tons by 1985 in the developing countries is of critical importance. If the world is to have increased food security in the years ahead, the United States can and must play a central role.

One of the important keys to expanding the food supplies in the future is a high level of investment in agricultural research.

Agricultural research has been important since the early days of our country. We are aware of Thomas Jefferson's interest in looking for improved rice varieties, experimenting with crop rotation and soil fertility, and developing a formula for a lower resistance moldboard plow.

From the earliest days of our country, the dissemination of agricultural information was important in spreading new ideas. In 1784, the South Carolina Agricultural Society was formed, and in 1785 the Philadelphia Society for Promoting Agriculture was founded.

The Department of Agriculture was established by President Lincoln in 1862, the first Commissioner of Agriculture, Isaac Newton, reported to the President that "the essential conditions, it seems to me, are—peace; a continued and increasing demand for agricultural products, both at home and abroad; and an increased respect for labor; a more thorough knowledge and practice of agriculture as an art and science; and, finally, a more thorough education of our farmers in the physical sciences, in political economy, in taste, in general reading . . . but as there is no royal road to agriculture, neither is there to knowledge. The latter must be acquired by long mental husbandry, but like that of the soil, it yields many solid pleasures. . . ."

In 1862 the Land Grant College Act was passed. These institutions, or "people's colleges" were established to provide practical education and knowledge for the people.

In 1887 the Hatch Act was enacted to create state agriculture experiment stations. This program vastly increased the efficiency of agriculture research and the adaptive research required for specific geographic areas.

In 1914 the Smith-Lever Act was passed, creating the Federal Extension Service, to disseminate the research results to farmers.

These steps were of critical importance in laying the groundwork for our rapid expansion in food production. In the past three decades, the average yields of corn have gone up by about three-fold, wheat yields have doubled, and milk production per cow also has doubled.

Work at the University of Minnesota has led to the development of a new semi-dwarf wheat variety, which is yielding about 5 bushels per acre more than the earlier varieties.

In practical terms, planting this new variety on 1.6 million acres in 1974 meant 460 million more loaves of bread than would have been available with the traditional varieties.

This experiment station has also developed new soybean varieties, with a higher protein yield. It is anticipated that the extra yield from 2 million acres, planted with the new varieties, will meet the protein requirements of an additional 1 million people for a year.

Research on plant diseases such as stem and leaf rust as well as fungi has resulted in considerable savings of grains which otherwise would have been lost.

A new source of oats genes has been identified by Dr. Kenneth J. Frey, which indicates that yields of oats could be increased by 25 to 30 percent. This would be a major contribution in addressing the world's food requirements.

In the years ahead, we will need to pay far greater attention to our agriculture research priorities. And we will need to identify and fund those activities demonstrating the greatest potential.

I have introduced the Agricultural Energy Research Act of 1975 to deal with another important area of agricultural research, the uses of energy in the field of agriculture.

As we all know, agriculture is a great user of energy and energy products. In recent years, we have come to realize the vital connection between agricultural production and petroleum products.

The conservation of petroleum products, while keeping up our agricultural output, will be a major concern in the years ahead.

This effort will require a careful examination, relating energy costs and amounts to levels of agricultural production.

I also have recommended that we give high priority attention to soybean research, since its "fixation process" holds great promise as a way of conserving nitrogen fertilizer.

I have pointed out the importance of carrying out intensified research on weather trends, so that we can have greater predictability in the future concerning food availabilities.

In addition to improved research itself, we need to develop an improved worldwide agricultural information system, which would provide current data on food availabilities and food production. This system would share vital information and maximize the availabilities of the world's food productive system.

While paying greater attention to our domestic research priorities, we also must look carefully at agricultural research in the developing world. Far greater stress must be placed on tropical research, and particularly increasing the output of the small farmer.

It is generally agreed that a major effort must be made to increase the productivity of the small farmer. But to date, most research has been designed to benefit the large-scale farmer.

The small farmer has not been able to make the investment necessary for the new seed varieties, fertilizer and irrigation. The International Rice Research Institute, located in the Philippines, has begun to pay more careful attention to finding ways of assisting the small farmer.

We must recognize the risk involved for the small farmer in changing his pattern of production.

And a related problem has been that governments have not been responsive to the needs of small farmers. It is always easier to provide services for a few established farmers than a multitude of small, struggling peasants.

The existing network of international agricultural research centers across the world need to relate their programs to the needs and realities of the small farmer, whether it be in potatoes, rice, corn, or wheat. Approaches must be developed which involve minimal investment and limited risk for the small farmer.

I have introduced legislation in the Senate to bring our land grant universities more actively into the agricultural production effort in the developing countries.

At our recent food aid hearings in the Senate. It was pointed out that in the United States the land grant universities played a major role in expanding U.S. food production and bringing new information to our family farmers.

I believe that the land grant universities can play the same role in devising relevant programs to increase food production in the developing countries.

We should not encourage a developing country to prematurely adopt our own sophisticated research and production practices. We should encourage those practices which are realistic and can be adopted by small farmers on a wide-scale basis.

We have been able to observe that, both at home and abroad, the "trickle-down" approach just does not work. We need to encourage a system of development which promotes change and improvement through the "percolation" process.

By "percolation" we mean working with the small farmers and having the benefits bubble upward. The problem with the "trickle-down" approach is that most of the benefits stay near the top.

Last year we rewrote the foreign aid legislation along these lines, but we need to do more in moving in this direction.

A major lesson to keep in mind is that agricultural research is not a sterile or dull topic which should be of interest only to the professional. It involves understanding agricultural policies and the entire production process.

We can, and we certainly will continue to provide food aid to meet the world's food needs. But we also must look for ways of expanding the world's agricultural production.

In remarks before the World Food Conference, Secretary of State Kissinger stated, "(The United States) regards our good fortune and strength in the field of food production as a global trust. We recognize the responsibilities we bear by virtue of our extraordinary productivity, our advanced technology, and our tradition of assistance."

I most strongly support this commitment. The United States has an opportunity and a challenge which can only be described as awesome.

Those connected with the Minnesota Experiment Station and its outstanding accomplishments are to be congratulated on this occasion.

I wish you continued success in the future. You are certainly among the best of our nation's hunger fighters.

PORTUGAL

Mr. KENNEDY. Mr. President, nearly 2 weeks ago, elections for a constituent assembly were held in Portugal. Despite nearly 50 years without free elections, the Portuguese people voted in overwhelming numbers, in an orderly fashion, showing seriousness of intent. This in itself is a major achievement.

The verdict of the Portuguese people is clear: they seek to establish a government in the mainstream of Western social democracy, gathering strength from the consent of the governed. This is a vindication of the hopes that many of us have placed in the Portuguese people in the year since the fall of the Caetano government, and the beginning of Portugal's democratic experiment and decolonialization in Africa.

Before the elections, the Armed Forces Movement secured agreement from the major parties that it would remain in effective control of the Portuguese Government for the next 3 to 5 years. Yet it is my hope that the results of these elections will guide the Armed Forces Movement as it considers its own role and policies in the weeks and months ahead.

I join other Americans in reaffirming support for democratic efforts in Portugal, such as the elections held on April 25. Provided that the will of the people as expressed in these elections plays an important part in the evolution of Portuguese political institutions, that country will have a real chance to regain its rightful position in Western Europe, and among the nations of the world.

I ask unanimous consent that a recent editorial from the Boston Globe be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Boston Globe, Apr. 30, 1975]

The Surprising Portuguese

Those surprising people, the Portuguese, have done it again. The West held its breath when the old dictatorship was replaced a year ago and a traditionalist, largely Catholic regime was replaced by a new guard. It was easy to imagine then, as many did, that the country might head into a period of bloodshed and anarchy and that the swing to the left might go all the way.

But no such thing happened. Order prevailed and change came steadily but gradually. Then, last month, an apparent rightist coup was followed by a left-wing takeover by the Portuguese Armed Forces Movement which nationalized several major industries and outlawed parties at both ends of the political spectrum.

Last week, when Portugal held its first election since that takeover, there was again fear that the leftward trend might continue since the Communists had managed to insinuate themselves into many branches of government, the schools and the media. There had also been a strong effort on the part of the radicals to persuade the voters to cast blank ballots as a demonstration of their support of the AFM, which holds the governmental reins.

But 92 percent of the voters went to the polls and no more than seven percent of them cast blank ballots. The Communists got only 12 percent of the vote, a solid and humiliating defeat for them. The more moderate Socialists and Popular Democrats got 38 and 27 percent, respectively, which constituted a victory for the liberals and conservatives and indicated that there was no national desire for a swing from one political extreme to the other.

The power of the Portuguese Assembly is still limited by agreement and military rule is guaranteed for another five years. But certainly the military will be forced to consider the election returns and act accordingly.

In the meantime the United States, which in recent years has to often made a mess of other peoples' revolutions, should continue to keep its hand off Portugal's domestic affairs but be prepared to cooperate with this country which is so rich in history and culture but so poor economically. Certainly we now have all the proof we need that it would be in our interests to help out this old European friend.

ORVILLE FREEMAN ADDRESSES THE INTERNATIONAL ECONOMIC CHALLENGE

Mr. HUMPHREY. Mr. President, I wish to share with my colleagues a very thoughtful address given by former Secretary of Agriculture Orville L. Freeman before the Chicago World Trade Conference.

Mr. Freeman's remarks, entitled, "The Underdeveloped Nations: Victims and Victors of Commodity Price Increases," explores the complex and changing relationship between the developing and developed world.

Mr. Freeman points out that there are developing countries which have benefited from sharply increased commodity prices and, at the same time, there are 100 million more illiterate people than there were 25 years ago, and 1 billion people who are hungry.

Particularly noteworthy is Mr. Freeman's challenge to international companies in the agribusiness sector to direct their capital, technology, and management capabilities to the problem of increasing the productivity of the small farmer in the developing nations.

Mr. President, I commend this article to the attention of my colleagues. I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Underdeveloped Nations: Victims—and Victors—of Commodity Price Increases

(By Orville L. Freeman)

The topic I was asked to address is: "The Underdeveloped Nations: Victims of Commodity Price Increases." But the world moves so quickly now, and the magnitude of change is so great, that what was a single, clear concern only yesterday can become a many-faceted problem almost overnight, demanding complex responses and, most important, new solutions.

It is my proposition that the underdeveloped countries are no longer victims only—although this is still true in many ways as well. What complicates the world picture is that they have also become, in some areas, victors, with the ability to negotiate from a position of strength, and with demands, deeply felt and not always rational, that they are in a position to enforce.

What we need—we of the politically and economically developed world—are responses that cope adequately and fairly with both aspects of the situation, for their sake and for ours. I believe the need is urgent, and I intend to outline here a number of responses that seem to be both responsible and possible—now.

Let me address myself first to the new problem of the underdeveloped countries as victors. The position is, of course, illustrated most clearly by OPEC, the cartel of the oil-producing countries, which in a time span of less than two years succeeded in quintupling the price of oil, and keeping it there, while other raw materials (copper, aluminum rubber, soybeans, and cotton to name just a few) also rose steeply but then fell back in response to the forces of the market.

The lesson the underdeveloped countries lerned from this is painfully obvious. The lesson is that banding together to suit their own interests, whatever the effects on others, brings economic results and political power that they have not been able to win in decades, even centuries of pleading or reasoning.

This recognition on the part of the underdeveloped nations has already produced two important new trends in the world's balance of power: one economic, the other political. In the economic sphere, the underdeveloped countries that produce other commodities the world needs or wants, look at OPEC's success and are determined to copy the pattern—with OPEC financing. In the political sphere, there is a new, united front of what is now generally called the third world, confronting the developed countries, directly and in every international forum, not with requests but with demands, demands that are becoming increasingly vehement.

This new political clout with its economic ramifications found its first, cohesive expression at the United Nations where it was articulated by the President of Algeria, Mr. Boumediene, who called quite bluntly for nothing less than a new world economic order. It was followed up by another UN document, tagged, not quite accurately, "The Charter of Economic Rights and Duties of States." It focuses on what the developing nations see as their rights rather than what they hold to be their duties—with Mexican

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President Echeverria as its main proponent. The document formulates, in fact, what underdeveloped countries shoud demand of the developed world, both its public sector and its private sector.

These documents, in a number of versions, have become the credo of the developing world, echoed everywhere with varying degrees of intensity but with unmistakable, increasingly unyielding insistence and in a tone that is becoming disturbingly shrill.

In a world that is more troubled, challenged, and finds its institutions more critically threatened by disruption and even anarchy than at any time since World War II, this widely spread, strongly and emotionally supported demand to re-order economic relations between the peoples of the world is, it seems to me, a clear signal. The message beamed at us is, that unless we understand the demand and visibly move toward a different kind of economic alignment, the threat of dislocation and disruption for all is deadly serious. It is serious because billions of people are involved, with millions among them emotionally motivated to extremes of action if they can see no sign of change.

There are those who say: "so what?" Demands from the less affluent part of the world or, for that matter, from the less affluent segments of the population even in the most economically advanced countries, are not new. It was always so. Those who "have not" are envious and make demands on those who "have." People who argue from that corner go on to say that, of course, we want to have a more equitable world with a fairer sharing of the world's goods, but this takes time and it takes an increase of productivity to create the necessary resources to pass down the line. This argument holds that, while our intentions are good and fair, there is really very little in terms of quick or abrupt action that makes any sense. The argument concludes that the world, rather than responding to the rising crescendo of demands with its dramatic gestures, had best ignore these unreasonable and meaningless noises and go about its business of seeking solid improvement for all over the long term.

Until recently, this line of thought, based fundamentally on an analysis of the power and ability of the developing world, with its deep, all-around dependence on the more advanced nations, represented reality. To state it simply and bluntly, the basic assumption was that, in the last analysis, there is nothing the developing world can do about converting its demands into pressures to which the advanced nations must respond.

It is my contention that this is no longer true. Power shifts in recent years—in fact, in recent months and even weeks—have been such that I, for one, am beginning to feel a real, almost desperate urgency. As I stand before you today, it is my considered judgment that, if the developed world fails to respond in reasonable measure to the calls for a new economic order—and does so in fairly short and highly visible order—major disruptions could occur which, combined with other fundamental dislocations now taking place in the world, could tear to shreds, in this decade of the seventies, civilization as we know it.

This, then, is how I see the essence and meaning of one side of the coin: The underdeveloped countries as victors. But there is another side, and it is a very valid one still: The underdeveloped countries as victims.

The fact is that a quarter century of unprecedented economic growth and achievement in which world output rose from $1 trillion to $3 and even close to $4 trillion—as it has done since the end of World War II—still left a major part of mankind destitute.

I need not take much time to spell out to you the miserable circumstances under which at least one billion persons still live. In these days of instant mass communication you have all seen on your TV sets just what this entails and what it looks like. My point here, today, is that while it is bad enough that idleness, undernourishment, disease and hunger are still the lot of more than a quarter of the world's people; it is even worse—and more dangerous—that there has been little improvement, and even retrogression, for the great masses of the less developed world in these infinitely productive and highly prosperous 25 years.

To illustrate: there are 100 million more illiterate persons in the world today than there were twenty-five years ago. One out of five human beings in the less developed world is unemployed or underemployed. In two and a half decades, two thirds of the world's population has increased its per capita income less than one dollar a year. A billion people are hungry. Abject poverty of this kind is not—cannot be permitted to be—an abstraction. It is a daily pain, a weekly grief, a year-round despair. And a permanent fuse for a worldwide explosion.

That a billion people suffer abject poverty on our rich and productive planet is, I hold, morally intolerable and realistically dangerous. It is the great moral and revolutionary issue of the second half of this century, supplanting the issue of colonialism that haunted the first half of the century. And it is, if anything, more imperative and more explosive than was colonialism in its time.

As an issue, it stirs not only the developing world. Some of the best young people in the advanced nations, including, I dare say, the children of many of us right here, are deeply committed to the cause of an economic order they perceive as more just, more equitable, and finally more constructive. It is not easy to gainsay some of their arguments and much of their commitment.

With both danger and dedication, menace and morality demanding a new orientation and calling for imaginative and immediate problem solving, let me propose to you some contributions I would like to make to the problems at hand. I would divide them into what must be done by the public sector, on a government-to-government basis, and what can be done by the private sector where we find, in the first rank, the kind of people and the kind of companies represented right here today.

Let me start with the public sector. As I see it, the basic situation now shapes up roughtly as follows.

Many of the underdeveloped countries are important producers of raw materials. These countries feel, and with some merit, that raw material producers and tillers of the soil have been treated badly in the course of history. They feel that the benefits of their resources and their labor have gone primarily to the processors and the marketers, leaving them with only small rewards for their effort and the riches of their soil. To them this is the history of colonialism write large, in the letters of their economies as nations and as individuals. Now they are demanding what they see as a reasonable price for their raw materials, feeling that only in this way can they get hold of the capital they need to reshape their economies and improve the well-being of their people.

The industrial world, on the other hand, has, in the very recent past, faced surging price increases that have proven highly disruptive and is likely to face another cycle of the same phenomenon if, as we all hope and trust, the industrial world's economies are turned around and head for a new period of growth.

It should then be in the interest of all concerned to try and work out some kind of agreement, some kind of international arrangement that will ensure to the producers a fair minimum price for their raw materials and for the consumers a price that will not escalate to extraordinary and harmful levels. What I am proposing, at least in general terms, are international commodity arrangements to cover not only petroleum, the most urgent raw material at stake, but also other commodities, including minerals and major agricultural products. I know there are those—probably even among us here—who will throw up their arms in horror at this intrusion on the market as arbiter, and will consider such an arrangement an invasion and a distortion of liberal, free enterprise, profit-incentivized economies. I would strongly argue that this is not the case; that what we are mounting is, in fact, a rescue operation of our system and our way of life. And I would point out that laissezfaire as an economic and even a social doctrine has been substantially modified in every industrial economy of the world, and for good reason.

I think that international commodity arrangements could be negotiated that would maximize the play of the market as the most efficient allocator of resources, and could enhance the function of price and profit to incentivize production. Such arrangements, by setting ceilings and floors, could at the same time keep price fluctuations within bearable bounds, for producer and consumer alike. These arrangements would thus be in the evident interest of the industrial world, which needs the raw materials, and the developing world, which needs to sell them.

I won't try here to spell out in detail just how this can be done. In fact, I don't know: nobody does. But I do know that it is clearly not beyond the wit of man to devise a system and a set of techniques that can make such arrangements work.

It is true that to date the history of efforts to establish smoothly functioning international commodity agreements has not been a great success. At best, they have worked spottily, or for emergency purposes only. But I would maintain that there has never yet been a concentrated effort to make them work and that such an attempt might well turn out to be not only workable at this time but would, I believe, also set a completely new tone in the current global confrontation between the industrial world and the developing world, between statism of one kind or another and free enterprise.

Personally, what I have seen of the developing world and its leaders—and I have seen a great deal of both—leads me to believe that the developing world would be prepared to come aboard the free enterprise system if it had the assurance that, within that system, it could look forward to a fair piece of the action rather than being overwhelmed in a market that claims to be open and free but is, in fact, quite often restricted and distorted by concentrations of power.

While negotiations proceed to hammer out such arrangements, bringing long-term security of income to the producing countries with which they can restructure their economies, short and medium-term action is required from the rich countries, which now include the OPEC countries as well as the industrial world. Such action calls for commitment by the industrial countries to increase their assistance, particularly in transferring technology and know-how to the third world, and capital to those economically most underprivileged nations that are now subsumed under the appellation "the fourth world." The needed capital infusion can be shared by the members of OPEC who have, in fact, been extraordinarily generous already with their surplus income. While this generosity may be propelled in part by political goals—and, as some argue, by the strange situation that secure and lucrative outlets for these mammoth surplus funds are not easy to come by—the fact remains that the OPEC countries have channelled close to 10% of their zooming oil income into bilateral or multilaterial aid.

In addition to efforts by governments—long-term, medium-term and short-term, offering immediate aid in a number of forms and concentrating on institution-building of a basic nature—there is a large role in my scenario for the private sector and, most particularly, the multinational corporation.

In the main, the developing countries until now have received only minor or secondary attention from the multinational corporation in investment decisions. This is understandable because frequently the investment climate in these countries carries a high environmental risk; the markets are limited; and investment decisions must meet sound return-on-capital criteria. Nevertheless, I would urge that at this time international companies give renewed and careful attention to searching out the opportunities in the developing world that do meet bottom line criteria. I am personally convinced that the world is full of bankable projects and that, generally speaking, international companies have not really searched them out. It is, I believe, in the interest of the international companies to track down these bankable projects because, if they want to operate in a relatively free, open, worldwide environment, such an environment must exist in the developing world as well as in the industrial countries. And the only way to make certain this happens is to involve the people of the developing world in growing economies of their own, by giving them a stake in the private sector, through the transfer of technology and the managerial knowhow they must have if they are to progress and which the international company is uniquely suited to transmit.

This audience does not need from me a full-blown exposition of why and how the multinational corporation is an unparalleled and unmatchable agent of economic growth. Let me just stress in this context that the distinctive contribution that the multinational corporation can make is not so much the mere transfer of resources, but the compound impact of moving those resources of capital, technology and management skills as a package of productive factors, tailored to the needs of a given opportunity or project. The multinational company in a sense invents opportunities and, through its vision and its knowledge, creates projects by focusing resources of capital and technology where nothing existed before.

This is quite different from the employment of experts and technicians in purely technical assistance programs. As all of you here know, and in many instances from direct experience, it is a classic instance of the whole being considerably more than the sum of its parts. The complementary capability of efficient utilization that comes with the complete package of productive factors geared to the competitive needs of a given opportunity or project is crucial. The support service of head office staff and research, of access to procurement channels, financing and marketing outlets, and the ability to mobilize and deploy resources of every kind around the world are all ingredients of the package that make possible a unique contribution by the multinational corporation. Finally, of course, the multinational corporation makes it possible for host country nationals to learn the realities with which they will finally have to live, and in which their country has to survive economically in the competitive world market place. And in this process there is no substitute for the crucible of experience, which only the multinational company can provide.

If you will permit me another personal reference, my own experience, both as a Cabinet member in two US Administrations and in my present capacity as president of Business International, has brought me into direct contact with many of the developing countries and their political as well as their business leaders. I would like to share with you a recognition that may sound startling but derives directly from that experience. It is that, despite increasingly demanding rules of the game stipulated by host countries, in spite of the occasional outright harassment, and certainly in spite of the vituperative rhetoric attacking multinational companies in public forums, the basic fact, the cornfield fact, is that most developing nations want international companies to operate in their countries. Admittedly, the welcome mat they put out is bristly. Nevertheless, most of the political leadership in the third world, and the fourth world, recognizes that it needs help at this stage of development. The political framework varies from country to country, but not only my own experience but surely that of many of you here has shown that there are many ways to work out arrangements satisfactory to both the multinational company and the host country, if the will to do so exists on both sides. Multinational enterprises in manufacturing, in agribusiness, in services and in finance, have demonstrated extraordinary adaptibility and resourcefulness. And, with few exceptions, political leaders in the developing world, however vociferous in public fulminations against outside investment and domination, are quite realistic and flexible when capital, technology and knowhow can be made available to meet local needs in a politically defused package.

Let me, finally illustrate my point in an area with which I have had a particularly close association over the years and which, I believe, is indeed basic to the well-being of mankind. I refer, of course, to agriculture.

When we look down the perspective of human history, no country in the world, with the exception perhaps of a few city states, has gone forward to satisfactory growth and economic progress, and a sustainable rise in the living standards and the well-being of its people, without a sound agricultural base, and without continually improving agricultural activity. This is true even in a highly developed economy like our own.

In the developing world today, 80% of the people still live on the land. This is where we find the potential purchasing power for industry. This is where we find the great mass of the people. And unless the well-being of these largely poverty-stricken masses of people is improved, there is little real prospect of significant economic growth for anyone.

Despite an important increase in the production of food and fibre in the developing countries over the last decade, sparked by what has been called, somewhat loosely, "the green revolution," the core problem in world agriculture has not yet been met. That core problem is the productivity of small farmers, the little cultivators in the developing countries everywhere, but in particular in those countries that have the most massive concentration of populations. These concentrations are, for the most part, in what today we call the fourth world: the subcontinent of Asia, many parts of Africa and some parts of Latin America.

If these large segments of the world are to avoid mass starvation, famine on a scale so vast as to haunt our conscience and threaten our stability and, in the last extension, our way of life, something must be done to bring agricultural knowhow to the small cultivators in these countries.

This is extraordinarily difficult to do, for a host of reasons. However, I do believe that international companies—in this instance the big agribusiness firms—have the special capacity that is needed to transfer technology in an effective way to small producers, wherever they are. These proudcers can be reached, and to good effect. They live now on the very precipice of existence; their holdings are often miniscule; their access to modern agricultural technology and knowhow and to the inputs necessary to increase their yields is limited or non-existent. Most important perhaps, the realistic situation is that, given the inputs, these small cultivators could triple and quadruple their yield, thereby achieving four parallel goals, each one of them highly desirable. Let me list them. These small cultivators could, given the requisite help, transform their own misery into relative well-being; they could create in that process a vast new market for industry and services, thus stimulating broad-based economic development; these two factors separately, and in tandem, would result in a third desirable goal, more social cohesion and political stability for these developing countries.

Finally, such action would have a far-reaching salutory effect on the entire world; it would increase absolute production at the most fundamental level and thereby contribute substantially to alleviating what I believe is the basic cause of the worldwide inflation that has been plaguing us for the past couple of years and will, I predict, come back to plague us again unless something drastic is done about it. I refer here to the pernicious inflation that has swept the world and which, in my opinion, is not due to the blackmail of the oil embargo or even the quintupling of oil prices, but to a more fundamental cause: the classic cause of supply insufficient to meet demand. In the simplest, most brutal terms, these are the economics of the world as I see them: four billion people on this planet want to eat; and as things stand now, there is not enough food to go around.

It is my conviction that international companies in the agribusiness sector can make a major contribution to cutting this Gordian knot. They could set up efficient producing core units of appropriate size, which would enter into cooperative arrangements with small producers in the vicinity: a kind of contract farming—as we have it, working successfully, in some places in the U.S.—which would entail the core unit making available to the small cultivators all the necessary inputs, including credit, technology and knowhow; helping them to clear the soil; aiding them at harvest time; using their labor on occasions; and moving their produce into processing and marketing.

To do this takes imagination and effort on the part of the international firms; sound policies on the part of the developing countries' leadership; and capital which I know is short in today's world. Except, that is, for the OPEC countries. And it is my conviction that triangular arrangements can be worked out that will put together OPEC money, company expertise, and policy support—including perhaps equity participation—from the developing countries where projects of the kind I have outlined are so clearly, so desperatley needed.

If my suggestions appear too specific, too concrete to the more abstract and comprehensive of our world planners, I would like to point out that all policy has a base as well as a sweep, and that starting from the ground up is not a bad way to get things accomplished. It has served us well in this country. I believe—and cretainly hope—that many of you here feel the same way. So I would ask you to consider seriously—and actively—my basic propositions: 1) It is a small, increasingly inter-dependent planet we now share with four billion other persons; no part of it can go it along. 2) If we believe that our liberal, free enterprise system can best serve mankind, it is incumbent upon us to demonstrate by deed as well as word that the developing world can get its own piece of the action and that its prospects for the future are best served not by pushing for increasingly acrimonious confrontation and, quite possibly, chaos, but by working with us to create a better world for all.

CUBA

Mr. KENNEDY. Mr. Speaker, the Organization of American States opens its general assembly session today here in Washington. Along with my colleagues, I join in welcoming this gathering and, at the same time, urging an initiative by our own delegation on the Cuba issue.

As I have in the past, I urge the President to instruct the U.S. delegation to take this opportunity to put substance behind the rhetoric of the new dialog. Now is the moment for the United States to respond favorably to the movement already initiated by Venezuela, Colombia, Mexico, Peru, and others for the removal of the 11-year-old sanctions against Cuba.

The sanctions against Cuba clearly have failed in their purposes. Their justification—as shown by the majority vote to remove them in Quito last November—no longer exists. If we are to show that we recognize the changed realities in the hemisphere, we should declare ourselves publicly in favor of removing the sanctions. How this should be done is provided for in resolutions already put forward in the OAS to permit each nation to determine for itself—without regard for the 1964 actions—whether to restore diplomatic and economic relations with Cuba. For nearly half of the OAS members, this matter is moot, since they already have re-established economic and diplomatic relations. For several others, the vote at Quito was an expression of their view that the time had come to turn away from the past and to end the isolation of Cuba.

An end to the sanctions, after shifting the question from a two-thirds to a majority vote, may come without our full and public support. But, if so, I feel we would see a further deterioration of our relations in the hemisphere—relations which many observers believe have declined following Quito, following the enactment of a discriminatory provision in the Trade Reform Act of 1974, and following the on-again, off-again planning of a trip by the Secretary of State to Latin America.

Public support for an end to Cuba sanctions, permitting bilateral relations of OAS nations with Cuba to evolve naturally, would represent a substantial step forward in U.S. efforts to remove obstacles to improved relations with other nations in the hemisphere.

I, therefore, welcome yesterday's statement by Assistant Secretary of State William Rogers, indicating that the United States would support a majority vote on the sanctions question. I hope there will be further movement when the time comes for a vote on the sanctions themselves. I hope the United States will change from a position of abstention to one of support.

Once the sanctions are removed, I hope that the United States will follow the lead of nations like Venezuela, Colombia, and Peru in ending the embargo and negotiating a further normalization in our relations with Cuba. I have already introduced legislation in the Congress that would accomplish that purpose.

Clearly, bilateral relations with Cuba involve the issue of human rights in that country, including questions of emigration, of family visits and of political prisoners. But the fact is that our policy of isolating Cuba has in no way helped to resolve those matters; and the possibility exists that an end to our policy of hostility may be a key factor in seeing an improvement in this critical area of human rights.

I therefore call upon the President to reaffirm our support for a change from a two-thirds to a majority vote in considering sanctions; and to place the United States, publicly and formally, on record in support of the removal of sanctions by the OAS, to put an end to the Cold War era in the Western Hemisphere.

CESAR CHAVEZ: A PROFILE OF LEADERSHIP

Mr. PERCY. Mr. President, Cesar Chavez, leader of the United Farm Workers Union, has begun a national campaign to rekindle public interest in the plight of the migrant farmworker.

Chavez is believed by many who know him to be a dedicated, compassionate and persistent leader, a man who has toiled for years in behalf of his fellow farmworkers. During the past decade he and his followers have made considerable progress in improving wages and working conditions for migrant laborers.

Other unions share in the representation of farmworkers. I believe all workers should have the opportunity to choose their union affiliation in secret elections. But in the fight for justice and equality for farmworkers, I believe Cesar Chavez has set an example of leadership.

Cesar Chavez is said to live by a simple yet compelling creed: "Tell the truth and don't make promises you can't keep." He has abundant faith in his cause and persistent patience in its pursuit. His only goal is to see his fellow workers "live like Americans."

Mr. President, Cesar Chavez is a fascinating public figure. Chavez himself has said that the success of a cause often demands focus on a person rather than an issue. But we must not allow the glare of the spotlight to obscure what appears to be the true qualities of this man and the rightness of his cause.

Mr. President, the May 4, 1975, edition of the Washington Post featured a comprehensive profile of Cesar Chavez written by the gifted journalist Sally Quinn. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 4, 1975]

INDEFATIGABLE CESAR CHAVEZ: TRYING FOR A COMEBACK

(By Sally Quinn)

There is a theory, popular in some quarters, that Cesar Chavez is a saint.

Cesar Chavez rolls his eyes heavenward when he hears this and smiles his funny little shy smile.

But he doesn't demur.

"Well, you know," he says in his Mexican accent, "there is a b-i-i-ig difference between being a saint and being an angel. Saints are known for being tough and stubborn . . . I am very stubborn," he admits. "But not angels, that has to be understood."

Saints, he explains, aren't always good either. "I am," he confesses, "an awful sinner."

Things happen to saints these days that didn't happen in the time of Peter and Paul. Like people asking for their autographs, having their pictures taken with them, interviewing them on TV, inviting them to make speeches and asking them for personal objects to raffle off at celebrity auctions.

When Cesar Chavez, leader of the United Farm Workers Union, first started trying to help farm workers in California nearly 20 years ago he was just another grape picker, dirt poor, without much hope of ever being anything but an impoverished migrant.

When he first came to New York City to try to raise money for his cause, now known simply as "La Causa," things were hard.

"In the early days," he says, "we used to stay in subways at night. We had no friends. We'd go to a restaurant and drink coffee all night. That was back in the mid-'60s.

"Not only did we not have any friends then, but no one knew who we were, and a lot of people were suspicious. We look back and have some fun thinking about it, but that life was not fun. It's much easier these days."

Chavez was born March 31, 1927, and though poor his family owned a tiny farm near Yuma, Ariz. But during the Depression they lost the farm and joined the ranks of thousands of migrants who followed the crops from Arizona to California.

He spent his youth in labor camps, attended 30 elementary schools and finished, barely able to read, with a seventh grade education.

His father became involved in union activities and at 19 Cesar Chavez joined the National Agricultural Workers Union, then left to join the Navy, serving from 1944–46 in the South Pacific at the tail-end of the war. He came back as a migrant laborer, and it wasn't until Saul Alinsky, the liberal activist from Chicago, sent his man Fred Ross to California, that Chavez began getting active himself. Ross picked him as a potential leader, and together they set up the California Community Service Organization where Chavez stayed until 1962. That year the CSO convention voted down his proposal that they create a farm workers union so Chavez quit, took his $1,200 savings out of the bank and started the National Farm Workers Association.

Chavez has big, soulful, even mournful eyes, like a puppy begging not to be spanked. He also has a tiny twinkle and the corners of his mouth turn up ever so slightly when he's talking, as though he's about to tell you he's just teasing. He has a reticent, self-conscious manner in front of people which makes him seem uncomfortable with a lot of attention. And, he has a toughness, a grimness about him that gives credence to his role as leader of the Farm Workers Union.

He has a teasing personality. Sometimes it's difficult to tell whether he is serious or joking. Dolores Huerta, the vice president of the union, says he used to have a much better sense of humor. "He used to be a real riot, he was always laughing," she said. "That was

before things got so serious. Now he has to work with a lot of big egos and things aren't so funny."

Finally, there is about him a certain indefinable spiritual quality, which draws one to him. He radiates a sense of security and calmness, a sort of "Now that Cesar is here everything will be all right" feeling. That is his charisma, his draw—and it is powerful.

Talking to Chavez one gets the impression that he is exactly what his image is. That he is, in a profound way, one dimensional. That to probe deeper one would discover nothing more about him, no secret quirks, idiosyncracies, weird habits, nothing, in fact, beyond what he seems. He says that he always tells the truth exactly the way it is and that is completely believable. When he answers questions the answers are straight, simple and uncomplicated. His devout Catholicism may account for an almost naive sincerity. Then too, it could be that for Chavez it's just too complicated to lie Strangely enough, one's curiosity about him is satisfied very quickly and his appeal to others becomes more interesting. It has got to be his simple honesty that draws people to him. An honesty so rare in American leaders today.

It's one of the things that bothers people about Chavez, a constant complaint, that feeling that he is "just too good to be true."

Reporters, always eager to decanonize national heroes, have struggled in vain to find something, anything, wrong with Cesar Chavez. Many, who have been covering him for years, will reluctantly admit that he is totally clean. "He doesn't even beat his wife," despaired one. "And there's no gimmick there either."

These days Chavez stays with friends wherever he goes, has plenty to eat—when he's not fasting—and finds himself, more often than not, in plush auditoriums and elegant Park Avenue drawing rooms raising money for La Causa. In fact, he has developed a cause that never seems to die, that just keeps on going, buoyed by money from rich liberals and by his own compelling personality which is indeed saintly to many who see him only as a media culture hero.

Oh, sure, the Farm Workers have their ups and downs, often subject to the whimsy of the rich and fashionable, and the popular causes of the hour. But Chavez, for some reason, keeps bouncing back just when everybody has him down for the count.

He was big in the mid and late '60s, he and his cause had been embraced by then Sen. Robert Kennedy and the full prestige of the Kennedy family was behind La Causa. As a Chavez supporter remembers, "every kid on every California campus wanted to run up to Delano (the scene of a major Chavez-led strike against some 30 growers) and carry a picket sign. That doesn't happen anymore. That resource has dried up."

Chavez was at his pinnacle in the summer of 1969 when thousands of consumers across the country joined his boycott. Then New York Democrat Andrew Stein gave a huge fund-raiser for the Farm Workers at his Long Island estate. Anne Ford Uzielli was chairman, Charlotte Ford Niarchos was on the committee, as were composer Richard Adler, the Carter Burdens, writer George Plimpton, Ethel Kennedy and Gloria Steinem. "This is no chic gathering," commented Steinem at the time. But it was. "We just hope they'll get interested in making this something they give to and continue to give to," Steinem said.

Well, it looked for a while as if they were going to stay interested. But then the beautiful people got sidetracked by the Black Panthers and the Indians and poverty and prisoners and—oh, there were just so many diversions. The Farm Workers, it appeared, were a lost cause with that group anyway. Syndicated columnist Nicholas von Hoffman sounded the death knell for Chavez in December, 1970, when he wrote:

"You've nobody but yourself to blame if you let Cesar Chavez spoil your Christmas. He's out of date and unfashionable, but not long enough over the hill to be camp. You can forget about him and not let him make you feel guilty.

"In case you've already forgotten, Chavez was the Mexican who caused the furor over the grapes. That was a couple of years ago when greasers were in and they were throwing society benefits for their cause at Newport and Fisher's Island, when radical chic was at its height and you had to be bleeding over some sobby cause—Every day a new minority was in vogue and it was poo on the establishment, but that's out. Who talks about hunger anymore?"

But Chavez won his union contracts from the growers, got nearly 350 of them, representing about 60,000 workers, and no longer needed the East Coast liberals. With their money and his perseverance, along with that of his followers, he had triumphed . . . for a while.

Then the International Brotherhood of Teamsters moved in, renegotiated and took away most of his workers, leaving Chavez with only 15 contracts and about 15,000 workers.

Then the press started writing that his movement was dead, a cause of a past era. This upset him.

So Cesar Chavez is making a comeback. In the fine American tradition of Judy Garland, Frank Sinatra, Muhammad Ali and Ruby Keeler, he's back on the ascent, back from his Farm Workers' hideway in La Paz, Calif., near Bakersfield, back in Hollywood and New York at fund-raisers, back in the news.

His detractors will say that the setbacks he has encountered with the Teamsters stem from the fact that he is a poor organizer and that he has never been able to translate the Farm Workers into a viable organization.

On the other hand, Chavez followers including some politically wise, note that the governor of California, Jerry Brown, is a big Chavez supporter, that the movement is still strong and healthy, that he still has an incredible network of contacts, lots of powerful support and that it is impossible to do a balance sheet on him because of his continuing pursuit of new ideas, new issues and strategies.

For example, a propaganda film put out by the Farm Workers, "Fighting for Our Lives," which will be shown here next Saturday, is sponsored by, among others, Ethel Kennedy, Sen. Edward Kennedy (D-Mass.), George Meany, Sen. Walter Mondale (D-Minn.), and Mayor Walter Washington.

And he's aiming higher than ever. He has proclaimed an International Farm Workers week which was kicked off by a fashionable party Thursday night at El Corso in Manhattan.

Even Pope Paul has gotten in the act, promising to raise funds in Europe for the Farm Workers. And Chavez himself has undertaken a major 40-city fund-raising and publicity tour of the country from spring until fall; the first major tour he's done since 1969 when he went out for 4½ months.

Those who know Chavez well say that his appeal to people of all kinds is that he is "a real person, a genuine person, very humble. He's never pretended to be a demagogue or even a great leader," says a Chavez fan. "The qualities attributed to him are attributed by other people. I've never met anyone who didn't like him as a person."

It is this person, whether he is what people think him to be or not who has become an image, the focus for a whole movement. Without Cesar Chavez and his impact as a personality the movement might have foundered long ago. But this is hard to take for someone who is touted by his admirers as a saint.

Saints aren't supposed to be superstars.

At George Washington University recently Chavez led a rally urging students to boycott non-UFW iceberg lettuce and table grapes and Gallo wines. "When in doubt, boycott," he said in his low key way when someone asked what they could eat. "We have only one contract for grapes left," he said. "Our bird is on the boxes. And you can eat cabbage, escarole, Boston, and bibb lettuce and romaine, although some of the growers are now planting romaine."

He told them the boycott will continue until UFW's demand for free, secret ballot elections among America's farm workers is granted.

The students loved him, they clapped and screamed and sang "This Land is Your Land," and then converged on this little (5-feet-6) man when he came off the stage. They worshipfully asked for his autographs in their Chavez T-shirts and boycott armbands, posed for pictures with him, told him how they admired him or just stood and stared in awe.

Cesar Chavez is a superstar.

It makes him nervous. He talks about it later, surrounded by a group of followers.

"I guess I can do better for the cause," he says, "because I can get the press, and it will help the boycott. It's the American thing, you know. You can't focus on an issue. You have to focus on a person."

He is at once puzzled and realistic about the publicity that he engenders. It is without question his most valuable weapon and he knows it, yet he views being interviewed or speaking as though he were being offered as some sort of sacrifice.

"But the publicity," he grimaces, "I don't know how to deal with it yet.

"Every time you give an interview it takes a little bit of your soul." He ponders, starts a sentence several times, falls silent, buries his head in his hands. "It's a very difficult thing to verbalize. It's like personally every time you come before the public a little bit of you goes away with them and the more public you become the more it takes away. You don't ever really cope with it."

He lapses into a philosophical silence for a moment, then says, "This is all a passing thing. Some day there won't be this. We won't be in the public eye, and I will become anonymous very quickly.

"You have to be so careful of not getting a false impression of who you are or what you're all about," he says. "Luckily for me my family won't let me. They treat me just like an ordinary guy, nothing special, you know. They are not impressed with the publicity so that's a good guard.

"But there is definitely a problem. And it can be so frightening, all this publicity, being a celebrity. We often say, we didn't want all these things, we just wanted to start a union."

He flinches when asked if there are Chavez groupies. "What?" he says. "Oh, I suppose you mean farm workers. Well, once in a while. Its' downright embarrassing. And then people write and ask for some personal object to auction off. I always want to help . . ." his voice trails off limply, "but I don't want to send my socks." What he does do, he says, is send out autographed pictures of himself. "I don't mind that," he admits, "especially to the kids. And," he ventures brightly, "somebody did name a college after me."

He is not, he says, at ease when he speaks to groups and he laughs at the idea, shaking his head back and forth. "That would be the goal. But I have done it a million times, yet nothing is as difficult as that. I can do very well when it is one-to-one."

In interviews Cesar Chavez often brings up what is referred to with loathing by farm workers as "el cortito," or the short hoe which requires a person to bend over to do the work. "El cortito, the short hoe," Chavez once was quoted as saying, "probably the most crucifying work of all, degrading, the most vicious exploitation of the human body.

"I would rather go to the fields," he says, "and work with the short handled hoe than speak in front of people. Speaking has cost me a lot of sleepless nights."

Speaking however is his primary method of getting publicity, support and money from the rich and beautiful. And the rich and beautiful simply adore Cesar Chavez. It has even been unkindly suggested that they essentially couldn't care less about the strike.

That they only care for chic causes and use whatever cause will provide them with the most social mileage until they run across something with more pizzazz.

For some reason Chavez seems to have "It" for the liberal luminaries. They just can't stay away from him.

Does he feel he is being used for the amusement of the bored, the wealthy and the politicians? He stumbles a bit trying to explain, very, very carefully why he and his movement appeal to them.

"Well," he says, "a movement attracts a cross-section of people. One day we're in Hollywood with the movie industry, the next day we're in Portland with workers, the next day in Denver with the Chicanos. I would hate to say bad things about some of these people, to tell you that they are using me. That would be prejudicing them. It would be an awful thing, a sinful thing to do. I think the rich people support me out of conviction."

A pained, somewhat pleading look crosses his face as he says, "I don't hear the gossip, though. When I go to these parties people I talk to are concerned. Some are even very knowledgeable. And we haven't really had that many parties." He rushes on to explain.

"One of the things to keep in mind is that we're dealing with something very special here besides people's rights. We are very close to all of you because every time you eat something you've got to think of the people who produce the food you're eating even though you may not think of it consciously. The food is touched by human hands, and a lot of sacrifice is entailed. Food has a very powerful force."

The real reason Chavez believes the beautiful people hang in there with him is this: "We're asking them a very concerete thing. It's clear. To boycott. They can do what we ask, and it doesn't cost them any money or any time. They can continue their normal lives, and it's not that difficult.

"We really don't know why they keep supporting us, probably because of the persistence and the energy of the people in the movement, but we just pray to God that it continues that way.

"Part of the support comes from people seeing that we are willing to sacrifice. But the communications are unbelievable. Every newscast there is a new issue, and people go from one to the other. Focusing is difficult. The good thing is that the nature of the American people is being for the underdog. The problem is getting the message across."

Getting the message across depends on the press, and Chavez long ago learned how to deal with the media. Consequently, he has few complaints.

"I'm stubborn, I don't get discouraged. There isn't anything else I'd rather do. This movement has to be joyous."

Even the deaths of two strikers in the summer of 1973 in California didn't get him down. "Of course we go through hell," he says. "But it's not like saying, 'what's the use.' It's the awful pain of knowing someone was lost because of an unjust system. But these people are the martyrs, they keep the movement going. It solidifies and strengthens the resolve."

Though he has to be guarded continuously and has had threats made on his own life, he says he is not afraid. "I've never been. I couldn't work. I don't mean to sound like a fatalist but if it happens, it happens. I'm so much in love with what I'm doing. How can I be afraid? Love and fear don't coexist. My faith keeps me going. And love is limitless. My wife, Helen, keeps telling me that."

He begins to sound more saintly by the minute.

But sincerely so.

He says he couldn't keep going without his wife, who has given him eight children, who relinquishes him to La Causa unselfishly. He makes her sound saintly too.

"It's impossible unless you have a wife like Helen. If she weren't the way she is, I couldn't do it."

"In the morning I say my prayers hoping to do my best but at night I lie in bed and think of all those sins of omission, all the people I could have helped. I have great expectations of doing things but life is so short."

Chavez says his tactics and strategies have not changed since he started the movement. "Tell the truth and don't make promises you can't keep." But the followers have changed. For instances he has lost the fervent young people who rallied so passionately to his cause in the late '60s, a valuable and publicity-getting crowd. He says in the early days people used to laugh at his nonviolent tactics but now they applaud them.

And then, of course, there are his famous fasts, not to be confused with hunger strikes, he explains.

"Fasting is to win people over not by compulsion but by example." He held two public fasts, one 24 days, the other 25. The first one was in Delano in 1968 when people were getting impatient for something to happen. "I had to rekindle their commitment, that special weapon, patience. It helped, and they were able to get themselves together. It inspired them to make sacrifices too."

Doesn't he get hungry fasting?

"Yes," he smiles. "For the first few days. But this is my third day of another fast," he says. Chavez is a health food addict and he fasts for six to eight days every 12 weeks or so "for my diet and my spirit. I'm 48 years old and did you see me come upstairs?" (he sprinted four flights in seconds) he asks proudly. "Everybody else was huffing and puffing."

Chavez has never had a vacation and says he wouldn't know what to do with himself. "I have to be working. If you like what you do you don't have to get away from it."

He says his big problem is his sense of humor." It's so low key most people miss it. And I'm very difficult to work with. I demand that people try. I work and work and work, and they can't keep up and they get upset. But I can't stand to see people not working, Oooooooh." He gets visibly excited.

"I try to tolerate it but to come into an office and see someone reading a newspaper, oooooooh," he hisses again, even more disturbed now. "I can tolerate it."

Richard Chavez, who is two years younger than his brother, Cesar, is quite candid about his feelings for him. "He's a good person," he says. "Sometimes too good. But he's not so good to be a brother to. He expects too much of people. He demands that people keep up with him. He sets the example but nobody can keep up with him."

Chavez says that there are no sacrifices too great to make for his cause and that whatever they are he gets back in satisfaction. "Very few people have something they really believe in." Material things means nothing to him, he insists, "But Helen talks about it more than I do." His last paycheck was in 1961. He lives, as do the other workers, on a commune and each receives $5 a week. The funds raised by him go directly to the union coffers.

What Chavez hopes for is to see the day when the farm workers "live like Americans. Then they can help others, help until it hurts them, until they have to sacrifice. That's the only way it counts."

Will he ever give up? "Before this I worked for 17 years and everything we touched turned to dust. Will I ever give up? No."

FATHER HESBURGH'S DITCHLEY FOUNDATION LECTURE

Mr. KENNEDY. Mr. President, last September, Rev. Theodore M. Hesburgh, the distinguished president of Notre Dame University, delivered the Ditchley Foundation Lecture in Ditchley Park, England, in which he addressed the issue of the growing interdependence among nations of the world. In this eloquent lecture, "The Problems and Opportunities on a Very Interdependent Planet," Father Hesburgh points out the need for worldwide cooperation between the stronger, richer nations of the world and those who have fewer natural and financial resources. Cooperation in such areas as restraint on arms proliferation, environmental protection, and health care is essential if our goal of world peace is to be achieved.

Father Hesburgh recognized the vast amount of good will ready to be mobilized in the pursuit of world unity. This good will is gaining ground now, as increasing numbers of Americans open their doors to the Vietnamese and Cambodian orphans and refugees. Father Hesburgh's suggestions for world unity are provocative and noteworthy. He shares a common goal, as Robert Kennedy once said, to seek a newer world, where justice and equity are the prelude to peace.

Mr. President, I ask unanimous consent that Father Hesburgh's address may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE PROBLEMS AND OPPORTUNITIES ON A VERY INTERDEPENDENT PLANET

(Ditchley Foundation Lecture delivered by Rev. Theodore M. Hesburgh, C.S.C., President, University of Notre Dame, at Ditchley Park, Oxfordshire, England, on September 20, 1974)

One of the greatest intellectual and moral needs of mankind is to find a workable rationale for continuity in times of change. We cannot live in peace and progress in a world of abrupt and sudden and cataclysmic change if, at the same time, our era is characterized in the words of Peter Drucker, as an Age of Discontinuity.

The workable rationale I suggest for conceptualizing continuity in change is bound up in the notion of interdependence. It is a notion relatively new in our world lexicon, but suddenly it has appeared in almost every recent article or book one reads on world politics or economics. Interdependence is involved in every current discussion of world development, trade, or monetary policy. No one even attempts to analyze or prescribe for the present world problems of food or fuel or environment without focusing on the

concept of interdependence. It haunts the current détente between the great powers, the search for lasting peace in the Middle East. Where mention of it is lacking at times, say in the sad situation in North Ireland, it may in reality be the hidden agenda of an ultimate solution.

Even the poets allude to it: "No man is an island"—the inspiring theme of John Donne.

Interdependence is a thought and a theme that runs counter to many of our shibboleths of the past: nationalism, ethnocentrism, rugged individualism, empire, cold war, East and West with never the twain meeting, declarations of independence. How did interdependence so suddenly emerge as an idea whose time has come? Partially, I believe, it came as a response to new and unprecedented challenges that have burst upon the world scene in recent years. More fundamentally, it represents a kind of modern Copernican revolution that involves a new way of looking at our world. I have been impressed by the fact that this new look is a fallout of the Space Age, whose most important result was not close-up pictures of the moon, but a new look at the world from afar. There it whirls in the black void of space, blue and brown, flecked with white clouds, in the words of Lady Jackson, Barbara Ward, our "Spaceship Earth."

In the past, our vision of the earth was dominated, even in the age of exploration, as a world of immense distances, of infinite resources, "the treasures of the Indies and of Cathay," of widely different varieties of mankind, flora and fauna, in a word, a world of immensity and variety and difference.

Now, when asked what impressed him most in viewing the earth from the moon, one astronaut said: "I could put up my thumb and blot out the whole earth". Viewed as a small spacecraft, the passengers as crew, it is not a large step to understand their interdependence in all they do, living together interdependently on a planet with limited resources and growing needs. In fact, there are few serious human problems today whose impact and significance are not global, requiring, therefore, a global solution as well. I offer a small list: war and peace, human development, population, food, energy, unemployment, trade and commerce, communications, crime, arms control, drugs, environment, literacy, the use of the seas, the resources of the seabed, atomic technology, monetary systems, agriculture, air and sea transport, health.

In every one of these items, global considerations are needed to describe their full reality, and in each of them, we have a concrete example of the modern interdependence of nations and mankind globally. In the past, each of these problems or opportunities would have been viewed solely in the national or local perspective. Today, any local or national response to any one of these realities would be both inadequate and largely useless.

For example, in the area of world peace, recent months have seen us all focused on the Middle East. The land involved in the Arab-Israeli conflict was miniscule, some few miles of barren sand wastes in the Sinai and some rocky hills on the Golan Heights. In the distant past, this war would have been a largely local struggle. This year, it involved billions of dollars of the most sophisticated military equipment, provided to each side by the two mightiest military powers on earth. The tensions it generated risked sparking a global conflict and did, indeed, precipitate an oil embargo which, in turn, threatened the whole Atlantic Alliance, nearly ruined Japan's economic miracle, dislocated fuel prices to an extent that will involve massive shifts in world capital balances, aggravated the emerging fertilizer and food crises worldwide, possibly will mean massive starvation in the developing world and consequent political and economic chaos among the Third World's billions of peoples. The geography involved was only a few hundred square miles of poor land, but the repercussions were worldwide and of almost cataclysmic proportions. The earth will be reverberating from these crises for years yet to come. All of these concatenated developments both illustrate and are illuminated by the notion of interdependence.

It was the same notion of interdependence that inspired last Summer's United Nations Conference on (The Law of) the Seas in Caracas, the Conference on Population during August in Romania, and the upcoming November Conference on Food in Rome. Interdependence was also a key theme of the recent United Nations Santiago Conference on Trade and Development and the Stockholm Conference on Environment in 1972.

As is the case of other great seminal ideas, this notion of interdependence is useful only if translated into the world of reality, to help understand real problems, to elaborate realistic solutions, to change mentalities and cast world views into a more meaningful perspective for a better world. We do, in fact, have an interdependent world. What is needed is to recognize the fact and shape world policy accordingly.

For this reason, it would be helpful for the purposes of this discussion to translate global interdependence into terms of a specific and urgent modern problem which, like all other such problems, both illustrates the reality of interdependence in a graphic way and provides a frame of reference in which to demonstrate how interdependence at work can bring hope to an otherwise hopeless situation. In turn, this exercise involves a totally new perspective for life on Spaceship Earth, a perspective that is applicable to other global problems.

I would like to focus now on the global food problem, not because it is the most important problem facing mankind—man does not live by bread alone—but because it is present, urgent, and itself interdependent upon other global problems, such as human rights, development, population, fuel, pollution, agriculture, trade, monetary balances, and a host of others relating totally to the future of life on this planet.

The food situation on this planet has never been more precarious than at present. Food was, of course, the almost total concern for primitive man, so much so that early man is characterized as a hunter or a gatherer, but never before has the whole matter of sufficient food for survival been cast in such monumental world proportions as at present. Food demand is up 50% since twenty years ago, while world food stocks as of last Summer stood at 27 days of world needs, compared to a 95-day world supply available fifteen years ago. Climate has complicated the situation. With some perceptible cooling in the Northern polar latitudes due to the expansion of the circumpolar vortex, there has occurred a series of floods in the United States, Pakistan, the Philippines, and Japan, with unusual drought conditions North and South of the equatorial line from Nicaragua through the Sahelian belt of Sub-Sahara Africa through the Wallo region of Ethiopia and into India's Maharashtra Province and China's Yangtze valley.

This climatic change has had a disastrous effect on food production. Last year, I visited some of the Sahelian countries in Africa where the Sahara Desert is moving South at about 30 miles a year. In the refugee camps around Nouakshott, Timbuktu, and Gao, one sees hundreds of thousands of Tuaregs who have lost all of their herds and are despondently dependent on a minimal amount of rice, wheat, and corn flown in daily on military air lifts. It is like attempting to feed an elephant with a teaspoon. In those incredibly torrid and sandy spots, one sees the face of hungry desperation and realizes that human suffering transcends the grim statistics. People starve and die, not numbers.

As this is happening in the underdeveloped world, we in the developed world are consuming almost a ton of food grains annually per person while the poorest barely subsist on 400 pounds a year. We only consume 150 pounds of our grain directly as bread and pastry products, the rest going into the production of meat, milk, and eggs. The poor consume all of the grain directly in bread, chapattis, and tortillas. Affluence has doubled meat consumption during the past twenty years in America and Canada. Since it takes seven pounds of grain to produce one pound of beef, more grains are fed to animals in America than is consumed directly in the poor nations, thus further complicating the food crisis. Now the face of interdependence begins to appear. For example, a quarter of a pound less of beef a week per person in the United States would free over ten million tons of wheat a year for a hungry world, and contribute to American health, too, with the lowering of cholesterol intake.

Only three countries are exporting substantial amounts of grain today, the United States, Canada, and Australia, who together export about 100 million tons. One might pray that the climatic changes will not further affect these breadbaskets of the world as they have Russia. The Russian wheat deal with America forced prices up threefold, even before the oil shortage. In the past, America kept about 60 million acres of farmland in reserve, mainly to stabilize prices. Now it is all in cultivation.

At this point last year, the oil crisis arrived. As a further indication of interdependence, we had an immediate fertilizer crisis. Several developments are worthy of mention. Japan, the supplier of one-third of the fertilizer to South Asia, had to decide during the oil shortage to concentrate on producing autos for export or fertilizer. Autos won. The United States was in the middle of a price control program and quietly, to maintain lower prices at home, last October put an embargo on new export contracts for fertilizer. To complete the picture, one must realize that while oil and natural gas convert to nitrogenous fertilizer on a one-to-one basis, a pound of fertilizer used with the new genetic strains of food grains converts to ten pounds of grain in the developing countries.

As a result of these interdependent developments, India, for example, is almost a million tons short of fertilizer this year, which translates into a shortfall of ten million tons of grain. While this is happening, three times more fertilizer than India needs is being used on lawns, golf courses, and, ironically, cemeteries. In the underdeveloped nations, always short of capital, increased fuel and food prices will cost an extra $15 billion this year, just about twice the amount of the total assistance ($8 billion) they receive annually from all sources.

In the past, interdependence was seen in political terms as the Third World wooed by the Western and Socialist countries with various assistance schemes. Now that detente has arrived among the great powers, that motivation must be replaced by a new sense of interdependence. Some call for self-interest since we are moving into an age of shortage of industrial materials that mostly come from the Third World, oil being only the tip of the shortage iceberg. Now the banana countries, the copper producers, the bauxite group are beginning to follow the Organization of Petroleum Ex-

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porting Countries' example in forming cartels to raise prices, so they can pay for their spiraling costs of fuel and food.

These interdependent developments have given rise to a new category among the 115 countries of the Third World, namely the 35 to 40 countries who have nothing with which to bargain, neither raw materials nor industrial potential, countries such as India, Bangladesh, Sri Lanka, and Pakistan, the Sahelian countries of Africa, and some Caribbean nations. This is the new, so-called Fourth World, comprising almost a billion people who will go under without an additional three billion in aid this year.

Norman Borlaug, winner of the Nobel Prize, recently returned from India where he saw farmers with containers waiting not hours, but days, for non-existing fuel with which to operate their well pumps. Without this pumped water, their crops died. For us in the developed world, the fuel shortage meant inconvenience. For those in the Fourth World, it means death.

If we viewed the world as truly interdependent, and all men as brothers, we would not allow this to happen. Some will say there is not enough money to help, but this rings false in a world that spends over $200 billion for armaments each year. Others will say that the Organization of Petroleum Exporting Countries should help, and indeed they should, but we must approach the whole problem globally, not piece-meal.

What would interdependence suggest to aid this dire food and fuel disaster for the Fourth World? We might begin by recognizing that the United States, Canada, and Australia are in the same relationship to the devastated Fourth World vis-a-vis food, as the Organization of Petroleum Exporting Countries are regarding fuel. The Organization of Petroleum Exporting Countries will have at least a $50 billion surplus of income over import costs this year and the food grain producing countries will have—even in the case of a possible United States over-all deficit—greatly increased income from the export of higher priced food.

The least that either group could do in a truly humane and interdependent world would be to make a concessional grant of food and fuel to these countries of the Fourth World which are put into a life-and-death position by the tripling of prices for food and fuel. A long range solution would, of course, be to aid these countries to become more self-sufficient in their own food production, despite the drought. Plans are available for this, but again the capital would have to come from recycling the excess profits of the surplus countries, if the world was truly seen as interdependent. The alternative is to watch a billion people die of slow starvation. Such recycling would not only avert that tragedy, but would also help solve the serious imbalance that threatens the world's banking, monetary, and trading systems.

I have illustrated the notion of interdependence mainly by using the current food crisis, but I might just as well have spoken of population, almost half of whose net annual world addition comes from five countries, mainly in the Fourth World category—India, China, Bangladesh, Indonesia, Pakistan. I could have spoken of trade dominated by the 24 nations in the Organization of Economic Cooperation and Development which consume two-thirds of the World Product of $4.6 trillion dollars, despite the fact that trade is nine times more important to the developing countries than aid, if one looks at the sheer dollar volume. I could have illustrated the notion of interdependence, or the lack of it in practice, by a broader look at the use of the seas which cover 70% of the earth's surface.

It is the developed countries mainly that have the technology to use these seas and their pelagic floors efficiently for shipping, for fishing (often to excess with the extinction of useful species), for the production of off-shore oil, for the harvesting of minerals, such as manganese nodules containing copper and lead, as well as manganese. It should amply illustrate interdependence if I mention seeing a beautiful Caribbean beach, a small island's only real physical asset, ruined by a developed nation's tanker, voiding the remnants of Arab oil offshore while flushing its tanks. It reminded me of the prophet Nathan's example to King David about the rich man killing his poor neighbor's only ewe-lamb to feed a guest.

Finally, I might have illustrated interdependence, or again the lack of it in reality, by observing that when the International Monetary Fund created a new trade mechanism of $10 billion, called Special Drawing Rights, nearly three-quarters of it went to the twenty-five industrialized member countries, leaving little over a quarter of the new monetary assets for the ninety remaining non-industrial developing nations who are in desperate need of new capital. Several Arab States, although members of the International Monetary Fund, do not participate in the Special Drawing Rights system.

Each one of these items could be developed at length to illumine and illustrate the need for a greater measure of real interdependence among the inhabitants of a shrinking planet with growing needs. Absent such considerations in any present workable form—even though discussions are finally in progress on all of these subjects—I do not find it surprising that many thoughtful earth dwellers are losing heart.

In the face of such dismal discontinuities on the world scene, we are witnessing a whole spate of pessimistic and doomsday predictions. I assume you are acquainted with the thrust of the "Club of Rome's" computer study that predicts either zero to minus growth or worldwide catastrophe, politically, economically, socially. A much discussed recent study in America, "An Inquiry into the Human Prospect" by Robert L. Heilbroner, asks in the very first paragraph, "Is there hope for man?" and, by and large, the answer throughout the book is "No". His second opening paragraph puts the case fairly well: "In another era such a question might have raised thoughts of man's ultimate salvation or damnation. But today the brooding doubts that it arouses have to do with life on earth, now, and in the relatively few generations that constitute the limit of our capacity to imagine the future. For the question asks whether we can imagine the future other than as a continuation of the darkness, cruelty, and disorder of the past: worse, whether we do not foresee in the human prospect a deterioration of things, even an impending catastrophe of fearful dimensions". (p 13).

At this point, I need not repeat to this audience the recent prediction of C. P. Snow that before long, we of the West will be watching millions of people engaging in food riots and dying on television before our eyes.

I have not indulged in this discussion of food and interrelated problems to scare the audience, but to underline the proposition with which I began, namely that we must urgently develop a new *Weltanschauung*, a world perspective based upon the interdependence of all mankind on this relatively small spacecraft with very finite life resources. I am not a prophet of gloom and doom. Neither am I a Micawber who believes that somehow everything will get better and turn out for the right. It will get better, I believe, but only if we change profoundly, only if interdependence passes from an idea to a fruitful and operative reality in the political, economic, and social life of the whole planet.

We in the West began this century, theologically speaking, with strong Pelagian tendencies. With the scientific and technological revolutions spurring us on, we believed that we could do all things of ourselves, on our own selfish and insensitive terms, whatever the consequences to others. We created, in short order as history runs, a world of incredible global discontinuities and injustices. For example, one could always sense racial prejudices, but today billions of people are automatically and uncontrollably suffering geographic prejudice. If a child is born in the North, he or she faces an ever-lengthening life characterized by increasing health, education, economic and social well-being. If born in most of the Southern parts of our globe, he or she will face a short life, illness, illiteracy, hunger, abominable housing, hopelessness. We in the Northern part of this globe worry about overproducing Ph.D.'s; many children in the Southern Hemisphere never enter a school. We speak of heart and kidney transplants; they never see a doctor from birth to death. Half the children already born in the poorest countries will die before the age of five. We are often overfed and overweight; they are undernourished from birth, often suffering brain damage therefrom.

We speak often of second homes; they live in cardboard or mud and wattle huts. We travel anywhere on earth, now supersonically, in hours; they are trapped for a miserable lifetime in urban or rural slums. We spend more annually on foolish armaments, devilishly devised to destroy life, than they have annually available to maintain life.

And yet, we all are fellow travelers aboard a common spacecraft, ever more intimately interdependent. The decision of an Arab sheik, a Japanese industrialist, an American governmental bureaucrat leaves them without irrigation water and fertilizer and, consequently, without food. A decision between the great powers to end the cold war removes the one foolish reason that motivated a substantial part of the aid they received—so aid starts diminishing drastically just when the need is greatest. For example, this year, in a fit of pique against the actions of the Oil Producing Exporting Countries, our House of Representatives overwhelmingly refused the replenishment promised to the International Development Association. Our Senate later repaired the damage and the House was then persuaded to change its selfish view. Our food program for overseas was cut two-thirds with most of the remaining third going to Indochina, Korea, and Israel where military considerations dominate. Our Secretary of Agriculture does not want to replenish world food stocks, because with a good harvest, we can more profitably sell food grains on the world market. I speak of these dismal facts in my own country because I know it best. The picture here in Europe is hardly better, if one is looking for a global spirit of human interdependence instead of nationalistic selfishness. America still did more than closer Europe nations in providing and transporting food to starving Africans, about 600,000 metric tons of food grains at a cost of $150,000,000. America, of course, has a long tradition of humanitarian aid.

After several generations of foolish Pelagian optimism had created this present cruel world scene, we are now, in the face of worldwide crises—inflation, shortages, unemployment, pollution, trade imbalances, etc.—seeing a new swing to pessimism, again theologically a recrudescence of Manichaeism, that sees man as essentially evil and capable mainly of destroying himself and his world. Again, Heilbroner expresses this position well towards the end of his book on the human prospect:

"If I nonetheless publish these thoughts, with all their potential mischeviousness, it is for two reasons. The first is that the weakest part of the humanitarian outlook, both philosophically and pragmatically, has been its inability or unwillingness to come to grips with certain obdurate human characteristics. As a result, we find buried within 'humanist' appeals a conception of human nature that is often as reactionary, in the sense of ascribing an inherent element of evil to man, as that of the most unthinking conservative.

"My second reason for advancing these views relates to the first. I have tried to take the measure of man as a creature of his socio-economic arrangements and his political bonds. It may be that from some other perspective the prospect for collective human adaptation would seem brighter. But from the vantage point of this book, a failure to recognize the limitations and difficulties of our capacities for response would only build an architecture of hope on false beliefs". (Ibid., pp. 123–4)

One is always in danger of oversimplifying when casting world views in definite categories, but I think that whether or not one likes the theological characterizations of Pelagianism and Manichaeism, there is little doubt that pessimism rather than optimism is the order of the day. If I had to characterize my own position, it would be one of Christian and cautious optimism. Theologically, I have good reasons for Christian optimism. It is my reading of the unwillingness of the affluent and powerful of this world to change, to begin to think interdependently, that makes me cautious. It is my hope that if we develop a new world view, really understand our current situation on this troubled planet, we will begin to create a better world as the new millennium approaches.

Rather than think of ourselves as, in Heilbroner's worlds, "creatures of our socio-economic arrangements and political bonds", I would hope that we might indeed create new interdependent worldwide socio-economic relations, and new political ones, too. Rather than simply looking at the difficulties and limitations of our capacities for response, I would prefer to look at the new opportunities and creative responses that interdependence would suggest. Human ingenuity in the face of crisis has been one of mankind's greatest glories. I am not blind to the evil and greed in man, but there is, with God's grace—something almost never mentioned in these studies—an enormous reserve of good will to be mobilized. However, I also believe that God's grace both proceeds and follows upon some effort of our own to create a new world where justice and equity are the prelude to peace. I pray daily for this grace.

Sometimes a picture is worth a million words. Take the view of the earth from the moon, which reduces the size of our spacecraft. Instead of 3.6 billion people, difficult to imagine, think of a crew of five persons, each representing a segment of humanity. The person representing us and our world, mostly Judeo-Christian, white, Western, affluent, has the use of 80% of the available life resources and amenities aboard our spacecraft. The other four crew members must share the 20% that is left. The situation, though inequitous and unjust, is still deteriorating. Our crew man is increasing his share to 90% at the moment, leaving 2½ % for each of the other crew members.

Now I ask you—given the fundamental interdependence of a spacecraft's crew—can you imagine much lasting peace or order or good life aboard this spacecraft? The other crew members are not just uneasy and frustrated, they are outraged, as well as hungry and hopeless, since one person also seems to have the only lethal weapon aboards. If our person, we ourselves, do not begin to perceive the utter injustice of the situation, and begin to organize the use of these finite resources in a more just fashion, he will ultimately, inevitably be overwhelmed by some manner of violence. It is no chance affair that one of the most troubled nations of all has just developed an atomic bomb.

My thesis is that we have every theological, philosophical, and humane imperative to change, to respond, and we can find creative ways of doing so. And we must, if we wish peace, as well as survival. I have been heartened by the words of Faulkner in receiving the Nobel Prize for literature: "Man will not simply endure; he will prevail". But mankind will not automatically prevail.

At this juncture, I believe I should advance some concrete proposals so that you do not think me a utopian dreamer or impractical theologian. My proposals are necessarily in shorthand. They are spelled out at greater length in my book, "The Humane Imperative" to be published this month by the Yale University Press.

First, for interdependence to become a central concern in the Western World, somehow it must be related to the key theological and philosophical principles that characterize our culture today.

1. Theologically, we might begin answering the question of Cain in the book of Genesis: "Am I my brother's keeper?" I hope we answer "Yes", especially since our Lord gave us a most specific mandate: "Whatsoever you do for these, My least brethren, you do for *Me*". No discontinuity here and no question who are our least brethren in today's world. The choices are simple and stark: greed or altruism, hatred or love, growing discontinuities or new development, in a word, war or peace.

Beyond these specific imperatives, it seems to me that the movement to ecumenism in our times, new understanding between and among Christians of various Christian churches first, and then a broader religious understanding between Christians and non-Christians, is a most important underpinning for unity among the great majority of earth dwellers who believe in God—first the sons of Abraham: Muslims, Jews, and Christians, and then the other great religions of the world: Hindus, Confucianists, Buddhists, Shintos, animists, and others. Nothing cements world dwellers together so much as belief in a supreme being who has established a moral order binding on all of us who believe in Him, whatever we call Him. The disregard of that moral order today is at the root of our problems.

2. Philosophically, the unity of mankind is best manifested in our times by a new commitment to human dignity and human rights, to be observed always and everywhere. The United Nations Universal Declaration of Human Rights, spelled out twenty-five years ago under the leadership of Eleanor Roosevelt and Rene Cassin, was indeed a high mark of declaration that in our day must be ever more matched by reality—even though all will admit we are yet far from the mark. Interpendence will be meaningless until we show in practice that justice to men and women and children everywhere is our goal, and injustice anywhere by anyone will meet with condemnation by the human community. We are far from achieving this goal, but at least I take it that we have agreed on the road map.

3. The material realities of food, housing, and health are important because they provide the indispensable material context within which human dignity may be a reality and not a travesty. As one who has worked for more than a decade with the Rockefeller Foundation on the Green Revolution, I can assure you that the world can feed itself if it really decides to do so. Population growth will have to level off because the net addition of 70 million people a year puts an intolerable burden on possible and probable agricultural productivity advances. Actually, every developed country controls its population, so that development and population strategies must go hand-in-hand. But this can be done if mankind determines to do it. Actually, it is much less difficult than putting a man on the moon and we have done that.

4. There are more illiterate today than twenty years ago. But during these years, we have developed technologies that now make it possible to teach everyone in the world—using the best teachers and the latest teaching techniques. This involves synchronous satellites, miniaturized data banks, computers, television, miniaturized atomic energy, Xerography, and various other techniques. But all are at hand. We have only to use them to create a university of the world. I use university here in its broadest sense: comprising access to the vast storehouse of human knowledge, science, and art through literacy and, in addition, access to all those practical arts and sciences and technologies that are indispensable to mankind's total human and personal development. I believe we are suffering worldwide urbanization today with all its dire human miseries, because the rural areas are so isolated and deathly dull. A university of the world through worldwide free television could change this, just as your university without walls has enriched the lives and the possibilities of so many of your people.

5. The political organization of the world would seem nonsensical to anyone visiting us from outer space. As Lord Franks said many years ago, our present problem is not East and West, but North and South. I would suggest a tri-regional global North-South configuration for future development. The three North-South regions would be the Orient, Europe, including Russia and its satellites, the Middle East and Africa, and, thirdly, the Western Hemisphere. The Northern components of these three regions, in my projection, would be interested in developing the resources South of them—the developed teamed up with the underdeveloped, the strong strengthening the weak with an infusion of capital and technology with the multinational corporations perhaps being most helpful in the process.

I should perhaps add a somewhat oversimplified, but necessary footnote on my mention of the multinational corporations as an engine for world development, since they are viewed quite negatively and with great suspicion by many developing nations today. In fact, multinationals, or transnationals as they are sometimes called, are an impressive interdependent reality in today's world, although some think that they highlight dependency verging on exploitation and political interference at times. Of the 100 largest economic entities in the world, 58 are sovereign nations and 42 are multinational corporations. General Motors is larger

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than Switzerland, Pakistan, or South Africa. The combined sales of the multinationals top $400 billion, more than ten per cent of the global gross national product and still growing. While most of the multinationals' investment is in industrial countries, a growing amount is in developing nations. For example, of the United States multinationals' cumulative direct overseas investment of $94 billion, $17 billion were invested in Latin America.

One should admit that the experience of multinationals in developing countries has been mixed, both positive and negative, depending on the company and the country. It is quite possible now to devise a tentative set of conditions that would clearly make the multinational corporation an engine of development, an agent of social justice in an interdependent world, even greater than country-to-country relationships, since the multinational has greater freedom of action and greater mobility, sometimes even greater vision.

First, the multinational has capital and technological expertise that the developing country desperately needs and could pay for out of new profits.

Secondly, the multinational can pick the best developing country for a given product and assure good markets for its delivery and sale.

Thirdly, the multinational could assure at least 51% ownership of the local enterprise in the developing country. This is also the best insurance against nationalization and expropriation.

Fourthly, the multinational could develop a new developing-country technology that is labor intensive rather than capital intensive, and could train nationals for every level of work and management.

Lastly, multinationals could also consider regional development and work for agricultural, as well as industrial, progress.

If these five conditions were observed, both the multinational and the host developing country would prosper together.

To return now to my tri-regional perspective, I would not see this as impeding normal East-West trade relationships, but at least each region would deal with the other totally and from a position of strength. In the political order, certainly this tri-regional arrangement would be better than the present foolish situation in the United Nations with almost 150 nations as large as China and as small as Gambia, each with an equal vote. Each of the three regions would come together economically easier than politically, but eventually a tri-regional political alignment, however loose, would be more rational, especially in liberating for regional and world development the enormous financial and technological resources now wasted on foolish armaments.

6. The greatest enemy to all of these proposals is nationalism, a kind of historical insanity that deeply afflicts us all. Rather than fight nationalism lodged so deeply in our bones, I would prefer to bypass it. What I am suggesting is that each human being be given the option of dual citizenship. All are, in fact, citizens of the country in which they were born. Why not give everyone the additional option, in this largely interdependent world, of opting for dual citizenship—world citizenship, in addition to national citizenship.

Everyone opting for world citizenship would have to produce some evidence of their dedication to world justice and peace, some perception of the interdependence of all mankind on spaceship earth today. I think all of us will be surprised to see how many of the younger generation will opt for dual citizenship and work for global justice. This expectation, I trust not vain, is one of my main reasons for personal hope today and for world peace tomorrow.

WITNESS LIST AND DISCUSSION QUESTIONS ANNOUNCED FOR HEARINGS ON "SOLAR ENERGY: HOW MUCH? HOW MUCH FROM SMALL BUSINESS? HOW SOON? WHY NOT MORE? WHY NOT SOONER?"

Mr. NELSON. Mr. President, as I announced on April 25—Record, page 11892—the Senate Small Business Committee will open hearings on May 13 and 14 on energy research and development and small business.

These first 2 days in what we expect to be a series of hearings continuing intermittently over the next several months will be concerned with solar energy and small business.

The May 13 session will be in room 318 and the May 14 session in room 457 of the Russell Senate Office Building. The May 13 session will begin at 9:30 a.m. and the May 14 session at 10 a.m.

Senator McIntyre, chairman of the Subcommittee on Government Regulation, and Senator Hathaway, chairman of the Subcommittee on Government Procurement, will alternate with me in chairing these full committee hearings.

On May 13 our witnesses will be Dr. Jerry D. Plunkett, president, Materials Consultants, Inc., 2150 South Josephine Street, Denver, Calo. 80210; James R. Piper, president, Piper Hydro, Inc., 2895 East La Palma, Anaheim, Calif. 92806; and Barney Menditch, president, General Heating Engineering Co., 5919 Central Ace., Capitol Heights, Md. 20027 accompanied by James Norris, executive director, National Environmental Systems Contractors Association.

On May 14, our witnesses will be from the Energy Research and Development Administration, ERDA, the Department of Housing and Urban Development, HUD, and the Federal Energy Administration, FEA. ERDA's testimony will be presented by Dr. John M. Teem, Assistant Administrator for Solar, Geothermal, and Advanced Energy Systems. The witness from HUD is still to be designated. The FEA will be represented by Donald B. Craven, Acting Assistant Administrator for Energy Resources and Development.

On both days, the committee has invited the Small Business Administration and the National Science Foundation—as well as ERDA, FEA, and HUD—to have well-informed representatives in attendance. They will also be afforded an opportunity to comment orally or in writing, or both, on the testimony of the witnesses from the private sector, and on the list of questions which we have circulated as a focus for discussion at these hearings. (See exhibit 1.)

THE QUESTIONS PRESENTED

Our questions, among other things, seek to elicit testimony from the small business community on any deficiencies in Federal programs for solar research, development and demonstration, and in efforts to assure small business participation therein. Our private sector witnesses have indicated that they will offer some constructive criticism.

While our formal list includes, thus far, some 16 questions for committee study, the burden and thrust of all of them may be stated very briefly, in just five short questions:

How much solar energy can be converted to human use?

How much can be provided by small business?

How soon can we get it?

Why not more?

Why not sooner?

It is necessary to ask the last two questions because the answers that we have been given to the first three over the past two decades, and until very recently, have been, respectively:

Not much.

Not much.

Not soon.

In fact, a recent article on solar energy in the New York Times magazine was entitled, "But Not Soon." (See exhibit 3.)

But doubts are growing about that conclusion. An even more recent article in Ramparts magazine, for example, was entitled, "Solar Energy Now." (See exhibit 4.)

And the official estimates of the percentage of our national energy needs that can be provided by solar technologies have started to go up rather rapidly.

ESTIMATES ON THE RISE

Here are a few examples. In late 1972, the joint solar energy panel of the National Science Foundation, NSF, and the National Aeronautics and Space Administration, NASA, estimated that by the year 2000 wind energy conversion—one of the oldest, simplest and most promising solar energy technologies—would be providing 1 percent of our electricity. In early 1975, the NSF was reported in the New York Times magazine to believe that 25 percent of our electricity would be wind-generated by 2000.

The NSF/NASA solar panel estimated in 1972 that photovoltaic electricity—generation by solar electric cells of the same general nature as those used now on spacecraft—would account for under 3 percent of our electricity needs in 2000. But NSF, by early 1975, was estimating the photovoltaic percentage in 2000 to be over 9.

Electricity generation by harnessing ocean thermal differences was estimated by the NSF/NASA panel of 1972 to be the source of 1 percent of our total electricity budget in 2000. But NSF this year has raised that estimate to over 16 percent.

HEATING AND COOLING OF BUILDINGS

As promising as are the prospects for harnessing the Sun and wind to generate our electricity, even more promising for the short-term future is the prospect of widespread heating and cooling of our

homes, offices and factories by drawing off the Sun's energy simply and directly.

Currently we spend from one-fourth to one-third of our national energy budget—depending on which expert you are reading—to heat and cool our buildings. This sector is as large an energy user—end energy waster—as the transportation sector; some say it is larger.

According to the Energy Research and Development Administration's—ERDA's—recent interim report on a national plan for heating and cooling—

> The installation of solar heating and cooling systems on only one percent of the buildings in the United States would save the equivalent of about 30 million barrels of oil annually.

In 1974, the General Electric Co., after making a half-million-dollar study financed with public funds from the NSF, estimated that only 1.6 percent of all national energy requirements for building heating and cooling could be met by solar systems by 2000. Westinghouse Corp. and TRW, Inc., makers of similar studies on identical grants, thought it might be 3.04 percent and 3.56 percent, respectively. With a 25-percent tax credit incentive, TRW thought the solar contribution could reach 5.77 percent of all building heating and cooling energy by 2000.

But NSF, early this year, estimated that we could be approaching 4 percent by 1985—some 15 years earlier than the year Westinghouse thought we could top 3 percent and GE thought we would still be under 2 percent.

TABLE COMPARES ESTIMATES

To assist me in comparing quickly and easily the wide variety of estimates that have been made of U.S. energy consumption in future years, and of possible solar energy contributions to the national energy budget, committee and my own staff members have put some of the estimates in tabular form. All of the percentage estimates I have just mentioned, and many more, are in the table. (See exhibit 2.)

All estimates have been converted to a single measuring unit of energy consumption: quads per year. A quad is 1 quadrillion—10^{15}—British thermal units, Btu.

In 1974, our consumption of energy, for all purposes and from all sources, was about 75 quads. In 1970 it was 67.4. In 1960 it was 44.6. In 1900, this country consumed, for the entire year, only about 9.6 quads.

The annual capacity of the Trans-Alaska Pipeline, when it is completed, will be 3.4 quads. Our current oil imports from OPEC countries amount to 12.86 quads per year.

According to the table the staff has prepared, recent estimates of total national energy consumption in the year 1980 range from 82 to 113 quads. For 1990 the estimates run from 102 to 148 quads, and for the year 2000 from 124 to 201.

The table shows some of the estimates of total energy consumption and of solar energy contributions in various future years in each of the five energy sectors, designated by roman numerals I through V, as follows:

I. U.S. total energy consumption. Only one solar estimate for 1 future year is presented: the Joint Committee on Atomic Energy's 1973 projection of 2.1 quads in 2000—1.2 percent of that committee's estimate of total energy consumption that year.

II. U.S. total heating and cooling of buildings—residential and commercial. According to most of the estimates, this sector is going to increase in total quads consumed but diminish as a percentage of all energy consumption. The table shows a wide range of possibilities, from the Federal Energy Administration's "accelerated development" projection of 1.4 percent solar by 1980 to General Electric's projection of a mere 0.327 percent by 1985—5 years later—and only 1.6 percent by 2000.

III. U.S. generation of electricity. The NSF/NASA solar energy panel is shown to have estimated in 1972 that electricity generation will grow as a percentage of all energy consumed, and various estimates show solar technologies—five major varieties—contributing measurably to quite significant percentages of the total generation by 2000, but no earlier.

IV. U.S. total gaseous fuel consumption. Solar energy can be used to make gaseous fuels. These technologies could be accounting for 1 percent of all gaseous fuel consumption by 1985 and for 10 to 22 percent by 2000.

V. U.S. total liquid fuel consumption. Only one estimate is shown—that of the 1972 NSF/NASA solar panel report—showing that each of two solar energy technologies might contribute 1 percent of the Nation's total liquid fuel in the year 2000.

It is my hope that this table will be widely used—but also that it will be corrected if and as necessary, improved and amplified during the forthcoming hearings. The committee will especially welcome additional line-item entries for the table from other identified, published estimates.

SMALL BUSINESS SHUNTED ASIDE

It is interesting, Mr. President, that when the NSF wanted studies made of the feasibility of widespread solar heating and cooling of buildings, it turned to three very large companies, Westinghouse, General Electric, and TRW. Each of those companies received a one-half-million dollar grant of Federal funds to conduct the study.

It is also interesting that those three companies' estimates were so varied, so low, and so stretched out into the future.

Small business concerns have been offering complete solar home heating systems in small numbers for years, and many claim they need only better publicity from their Government to offer those systems in large quantities. Complete home hot water systems powered by the sun are in use at this moment by the tens of thousands all over the world. The technology has been fully commercial in this country since the early part of this century, although it declined sharply in market share with the advent of cheap natural gas.

What the Senate Small Business Committee has been hearing from the small business pioneers of solar energy development is that, until very recently, solar energy has been ignored and underrated by the American people and their Government. Now that, at long last, solar energy is "in," it is the small business pioneers that are being ignored and underrated.

The Senator from New Hampshire (Mr. McIntyre), who will be joining me in the conduct of these hearings, has recently spoken out eloquently on both of these points.

In a remarkable speech to the Exchequer Club on February 19, Senator McIntyre stated that the industrialized world's dependence on oil had become a form of enslavement that weakened the national security of every country that has permitted itself to become so enslaved. He went on:

> I believe that this enslavement—coupled with a blind refusal to research and develop clean, renewable, alternative energy resources—must, indeed, be one of the most calamitous errors in human judgment since time began.

The text of that speech, by the way, was inserted in the Congressional Record of February 26 at page 4440 by the Senator from Minnesota (Mr. Humphrey) and is well worth reading in full.

On April 30, Senator McIntyre made a short statement in the Senate—Record, page 12523—criticized a front-page story in the April edition of the FEA's newsletter for citizens, the "Energy Reporter." The article was captioned, "Solar Energy in the Home" and contained this statement:

> The Most Expensive Route: It could cost that family an initial investment of up to $120,000 for photovoltaic cells to provide their home with . . . electriicty.

The Senator from New Hampshire observed, correctly and with some quite proper indignation, that this—

> . . . scarcely informs the public of what it can do to install solar heating and cooling equipment in houses.
>
> Clearly this story does not tell the average citizen that he can go out and buy a solar home heating unit that will cut his home heating costs by a substantial amount and cost him under $5,000. No place in the story, for instance, is the current ability of solar home heating equipment manufacturers mentioned.

One major goal of the hearings that begin next week will be to clarify the immediate and the very early future potential for solar home heating and cooling, as well as the longer-term prospects. Estimates of the numbers of small business concerns that are able and willing to install turnkey systems right now, and evaluations of their varied offerings, differ considerably. We shall try, at the least, to make a record that includes the leading estimates, lists and evaluations, and to understand the reasons for the differences that appear.

OUR MOST ABUNDANT ENERGY RESOURCE

Whatever confusion may exist about the details of products, technologies and companies, however, one thing is clear and unarguable at the very beginning of these hearings: Solar energy is our most abundant energy resource. That has been known for a long time. In 1949, President Truman created the President's Materials Policy Commission—the Paley Commission. In June 1952, that commission issued its justly famed, five-volume final report, "Resources for Freedom." In chapter 15 of volume IV, the commission discussed "The Possibilities of Solar Energy." This statement appears:

> The area of the United States is about 2 billion acres, on which there falls, in an average year, sunlight with an energy content equal to that of about 1,900 billion tons of bituminous coal. The input to the energy system of the United States in 1947 was equivalent to about 1,300 million tons of bituminous coal. So, the United States supply of solar energy is about 1,500 times the present requirement.

In the unit used in the table mentioned earlier, the quad, the total U.S. annual insolation—the term used to describe energy intake from the sun—is 49,400 quads. That is almost 700 times the total amount of energy used in the United States in 1974 and about 250 times the high-side estimates of total U.S. energy consumption in 2000. So, by developing ways to convert to human use just one-half of 1 percent of the total solar energy that reaches the surface of the United States every year, we could provide 3½ times today's total U.S. energy requirements and more than 100 percent of the higher estimates of national energy requirements in the year 2000.

In 1952, the year the Paley Commission report was issued, this country had not yet done any significant work or made any significant expenditure to deal with the forthcoming depletion of oil—which the report predicted—by either the nuclear or solar routes. Both options were open to us and the Paley Commission recommended that both be vigorously pursued.

Certainly now, if not then, solar energy would seem to have been—and to be—the more hopeful of the two routes. It is, therefore, one of the mysteries as well as the tragedies of history that, in the fiscal years 1954–74 inclusive, approximately $5 billion in public funds, plus vast private investment, were spent in research, development and demonstration of the nuclear option, and virtually nothing on the solar option.

A recent FEA press release—numbered E–75–1000 and dated March 29, 1975—tells us that in the 19-month period from July 1973 through January 1975—

> To push solar energy development, 14 Federal agencies have sponsored 171 solar projects at a cost of 25.2 million dollars.

Before 1973, it is doubtful that all Federal expenditures on solar energy development had reached a total of $1 million. That $25.2 million, 19-month expenditure on solar energy by 14 agencies—in the mid 1970's—may be compared with a $36.7 million expenditure on fission energy and a $1.8 million expenditure on fusion energy by Federal agencies in fiscal 1954 alone. Of course, the annual spending on nuclear energy went up by leaps and bounds in subsequent years.

In the light of hindsight, at least, the juxtaposition of these nuclear and solar development expenditures seems to exhibit a kind of collective national unwisdom.

Consider also this: The $5 billion public expenditure on the nuclear option has resulted in fission generation plants that now account for about 6 percent of all our electricity. The atom as a source of electricity jumped from zero to 6 percent in less than 20 years. Why, then, are General Electric and Westinghouse, whose technology and industrial strengths helped make that happen, estimating that, in 25 years, starting now, this country will be capable of developing solar home heating and cooling, a far simpler technology than nuclear fission, to the level of only 1 to 3 percent?

The suspicion is almost unavoidable that these and other absurdly low estimates of the solar contribution during the next 25 years are projections not of what the estimates think this country could do, if it put forward anything like the commitment of money and effort that was made for nuclear energy or Moon shots, but rather what they hope is the most the country will do. Not because doing so little is in the best interests of the great majority of Americans, but because doing more would possibly threaten existing investment in older technologies.

Such threat may in fact be present in any rapid development of solar energy technologies; but the task of policy makers in the Government and the private sector alike should be to find ways to make transition as painless as possible, not to arrest or unduly delay a transition that is already long overdue.

It is to provide a forum for consideration of all these issues and concerns—especially the concerns of the small business pioneers in the solar and other alternative energy technologies—that the Small Business Committee hearings are being convened.

Mr. President, I ask unanimous consent that the following exhibits referred to in this statement may be printed in the RECORD.

Exhibit 1. List of questions to be considered at hearings of the Small Business Committee on solar energy and small business.

Exhibit 2. Table—including footnotes, conversion table, definition and comparisons—entitled "Estimates of U.S. Energy Consumption, Total and by Function, and of Solar Energy Contributions, by Technology, 1980–2020."

Exhibit 3. Article by Michael Harwood, "But Not Soon," from the New York Times Magazine, March 16, 1975, page 42.

Exhibit 4. Article by Tome Zeman, "Solar Power Now," from Ramparts magazine, April 1975, page 21, including a short bibliography appended to the article.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXHIBIT 1

QUESTIONS ON SOLAR ENERGY

1. Why have the estimates varied so widely—and been so low—on the contribution that solar energy might make, by the years 1985 and 2000, to the Nation's total energy budget?

2. Why has the Federal Governmet spent so little, and spent it so late, on the development of solar energy, in comparison to expenditures for support of other forms of energy?

3. What contributions to solar energy development have been and may be made by small business?

4. Now that Federal expenditures for solar research, development and demonstration are increasing, what steps are being taken by the various agencies to recognize the contributions and protect the positions of the small business pioneers of solar energy?

5. What amounts and percentages of Federal research, development and demonstration expenditures in the solar energy field have been channeled to small business, to big business, to large universities, to small universities and colleges, and to non-profit organizations other than universities in recent years? What changes in any of the important percentage shares are contemplated in the next fiscal year or years?

6. What are the prospects for greatly accelerating the pace of solar energy development and greatly increasing the percentage of our total energy budget that will be met by solar energy within the next decade?

7. What is the maximum percentage contribution that solar energy could make to the total national energy budget by 1980, 1990, 2000 and 2020? To heating and cooling of buildings? To electricity generation?

8. What types and dollar levels of Federal expenditure would be necessary to attain these maximum percentage levels of solar energy contribution?

9. What are the arguments for and against *maximizing* the solar energy contribution to the total energy budget?

10. What can small businesses do differently and better than large businesses in furtherance of the development of solar energy?

11. Are there documented cases in which small businesses in the solar energy field have been threatened, intimidated, purchased or otherwise suppressed by utilities or large businesses?

12. How can communications on solar energy subjects be improved between the Government and small business?

13. Should there be small business set-asides for the solar demonstration programs?

14. Have technology transfer and technology utilization activities and programs of the Federal Government been useful to small business and designed for maximum benefit to small business?

15. How might the Congress improve the relevant legislation or its own oversight activity in the area of solar energy development?

16. What criteria and accomplishments should the Congress use to judge the success of Federal Government programs intended to foster solar energy development and small business participation in that development?

EXHIBIT 2

ESTIMATES OF U.S. ENERGY CONSUMPTION, TOTAL AND BY FUNCTION, AND OF SOLAR ENERGY CONTRIBUTIONS, BY TECHNOLOGY, 1980–2020

[In quads* per year (and in percentages of totals of estimated consumption)]

Energy consumption and solar contribution estimates	1980	1985	1990	2000	2020
I. U.S. TOTAL ENERGY CONSUMPTION					
1. Consumption of energy from all sources, for all uses, as estimated by—					
(a) Federal Energy Administration[1]	82.2	94.1	112		
(b) Ford Foundation Energy Project[2]		92	102	124	
(c) NSF/NASA[3]	91	117	128	177	300
(d) Joint Committee on Atomic Energy[4]	91.5	127	133	180	
(e) National Petroleum Council[5]		127	148	201	
(f) Dupree-West[6]	96	116	136	192	
(g) TRW[7]	94	114	128	155	
(h) Westinghouse[8]	104				
(i) Shell Oil Co.[9]	101	121	141		
(j) Stanford Research Institute[10]	113.2	142.9			
(k) Council on Environmental Quality[11]	97	123.7			
2. Contribution of solar energy to total energy consumption, as estimated by—					
(a) Joint Committee on Atomic Energy[4]				2.1	
(Percentage of estimated U.S. total)				(1.2)	
II. U.S. TOTAL HEATING AND COOLING OF BUILDINGS (RESIDENTIAL AND COMMERCIAL)					
1. Consumption of energy from all sources for heating and cooling, as estimated by—					
(a) Federal Energy Administration[1]	21.5	25.5			
(Percentage of estimated U.S. total energy for all purposes)	(26.2)	(27.1)			
(b) Ford Foundation Energy Project[2]		32		36.2	
(Percentage of estimated U.S. total energy for all purposes)		(35)		(29.2)	
(c) NSF/NASA[3]	17			21	30
(Percentage of estimated U.S. total energy for all purposes)	(15)			(12)	(10)
(d) Joint Committee on Atomic Energy[4]	21		30.7		
(Percentage of estimated U.S. total energy for all purposes)	(22.9)		(23.1)		
2. Contribution of solar energy to heating and cooling of buildings, as estimated by—					
(a) Federal Energy Administration, under "accelerated development"[1]	.3	.6	1.5		
(Percentage of estimated heating and cooling energy)	(1.4)	(2.35)	(?)		
(Percentage of estimated U.S. total energy for all purposes)	(.37)	(.64)	(1.3)		
(b) NSF/NASA[3]				2.1	10.5
(Percentage of estimated heating and cooling energy)				(5.8)	(35)
(Percentage of estimated U.S. total energy for all purposes)				(1.69)	(?)
(c) NSF[13]		[13a].94			
(Percentage of estimated heating and cooling energy)		(3.68)			
(Percentage of estimated U.S. total energy for all purposes)		(1.0)			
(d) Westinghouse[8]	.0006	.1	.3	1.1	3.8
(Percentage of estimated heating and cooling energy)	(.003)	(.39)	(?)	(3.04)	(?)
(Percentage of estimated U.S. total energy for all purposes)	(.0007)	(.106)	(.27)	(.89)	(?)
(e) TRW: no incentives[7]				1.29	
(Percentage of estimated heating and cooling energy)				(3.56)	
(Percentage of estimated U.S. total energy for all purposes)				(1.04)	
TRW: 25 percent tax credit incentive[7]				2.09	
(Percentage of estimated heating and cooling energy)				(5.77)	
(Percentage of estimated U.S. total energy for all purposes)				(1.69)	
(f) Energy Research and Development Administration[12]	.021	.21			
(Percentage of estimated heating and cooling energy)	(.1)	(.83)			
(Percentage of estimated U.S. total energy for all purposes)	(.026)	(.23)			
(g) General Electric Co.[12]		.08	.2	.6	
(Percentage of estimated heating and cooling energy)		(.32)	(?)	(1.6)	
(Percentage of estimated U.S. total energy for all purposes)		(.09)	(.2)	(.5)	
(h) Joint Committee on Atomic Energy[4]				2.1	
(Percentage of estimated heating and cooling energy)				(?)	
(Percentage of estimated U.S. total energy for all purposes)				(1.2)	
III. U.S. GENERATION OF ELECTRICITY					
1. Total U.S. electricity generation, by all methods, as estimated by—					
(a) NSF/NASA[3]	37			76	160
(Percentage of estimated U.S. total energy of all types)	(31.6)			(42.9)	(53.3)
2. Contribution of solar energy to electricity generation, five technologies:					
(a) Thermal conversion, as estimated by—					
(1) Federal Energy Administration[14]				1.3	
(Percentage of estimate total electrical energy)				(1.71)	
(Percentage of U.S. total energy of all types)				(.73)	
(2) NSF/NASA[3]				.76	8
(Percentage of estimate total electrical energy)				(1)	(5)
(Percentage of U.S. total energy of all types)				(.43)	(2.67)
(3) NSF[15]				(?)	
(Percentage of estimate total electrical energy)				(1)	
(Percentage of U.S. total energy of all types)					
(b) Photovoltaic, all forms, as estimated by—					
(1) NSF/NASA[3]				2.26	42.5
(Percentage of estimated total electrical energy)				(2.97)	(26.6)
Percentage of U.S. total energy of all types)				(1.27)	(14.17)
(2) NSF[15]				(?)	
(Percentage of estimated total electrical energy)				(9.3)	
(Percentage of U.S. total energy of all types)				(4)	
(3) Federal Energy Administration "Business As Usual" estimate[14]	.03			1.7	
(Percentage of estimated total electrical energy)	(.07)			(2.3)	
(Percentage of U.S. total energy of all types)	(.02)			(1.1)	
(c) Wind energy conversion, as estimated by—					
(1) NSF/NASA[3]				.76	16
(Percentage of estimated total electrical energy)				(1)	(10)
(Percentage of U.S. total energy of all types)				(.43)	(5.3)
(2) NSF[16]				(?)	
(Percentage of estimated total electrical energy)				(25)	
(Percentage of U.S. total energy of all types)				(6)	
(d) Ocean thermal difference, as estimated by—					
(1) NSF/NASA[3]				.76	16
Percentage of estimated total electrical energy)				(1)	(10)
Percentage of U.S. total energy of all types)				(.43)	(5.3)
(2) NSF[16]				(?)	
(Percentage of estimated total electrical energy)				(16.6)	
(Percentage of U.S. total energy of all types)				(4)	
(e) Combustion of organic matter, as estimated by—					
(1) NSF/NASA[3]				.76	16
(Percentage of estimated total electrical energy)				(1)	(10)
(Percentage of U.S. total energy of all types)				(.43)	(5.3)
IV. U.S. TOTAL GASEOUS FUEL CONSUMPTION					
1. Consumption of gaseous fuel from all sources, for all uses, as estimated by—					
(a) NSF/NASA[3]	27			31	40
(Percentage of estimated U.S. total energy for all purposes)	(23)			(17.5)	(13.3)
2. Contribution of solar energy to gaseous fuel production (methane bioconversion), as estimated by—					
(a) NSF/NASA[3]	.27			3.1	12.3
(Percentage of estimated total gaseous fuel)	(1)			(10)	(30)
(Percentage of U.S. total energy of all types)	(.23)			(1.8)	(4)
(b) NSF[15]				(?)	
(Percentage of estimated total gaseous fuel)				(22)	
(Percentage of U.S. total energy of all types)				(4)	

Footnotes at end of table.

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ESTIMATES OF U.S. ENERGY CONSUMPTION, TOTAL AND BY FUNCTION, AND OF SOLAR ENERGY CONTRIBUTIONS, BY TECHNOLOGY, 1980–2020

[In quads * per year (and in percentages of totals of estimated consumption)]

Energy consumption and solar contribution estimates	1980	1985	1990	2000	2020
V. U.S. TOTAL LIQUID FUEL CONSUMPTION					
1. Consumption of liquid fuel of all types, from all sources, as estimated by—					
(a) NSF/NASA[3]		50	--------	63	8
(Percentage of estimated U.S. total energy for all purposes)		(42.7)	--------	(35.6)	(26.6)
2. Contribution of solar energy to liquid Fuel production, 2 technologies;					
(a) Chemical reduction, as estimated by—					
(1) NSF/NASA[3]				.63	8
(Percentage of estimated total liquid fuel)				(1)	(0)
(Percentage of U.S. total energy of all types)				(.36)	(2.7)
(b) Pyrolisis, as estimated by—					
(1) NSF/NASA[3]				.63	8
(Percentage of estimated total liquid fuel)				(1)	(10)
(Percentage of U.S. total energy of all types)				(.36)	(2.7)

FOOTNOTES

*1 quad equals 10^{15} (1 quadrillion) British thermal units (Btu).

? —The question mark symbol is used when the cited source provided either an energy unit figure or a percentage figure but did not provide a basis for calculating the other figure.

[1] Federal Energy Administration, "Project Independence Report," November 1974, "Conservation" scenario, at oil price of $11/bbl.

[2] Ford Foundation Energy Policy Project, "A Time to Choose," "Technical Fix" scenario November 1974.

[3] National Science Foundation/National Aeronautics and Space Administration Solar Energy Panel, "Solar Energy As a National Energy Resource," December 1972.

[4] Joint Committee on Atomic Energy, "Understanding the 'National Energy Dilemma'," 1973, Foldout "N".

[5] Ibid., citing National Petroleum Council "intermediate" scenario.

[6] Walter G. Dupree, Jr., and James A. West, "United States Energy Through the Year 2000," U.S. Department of the Interior, December 1972.

[7] TRW Corp., "Solar Heating and Cooling of Buildings, Phase O Report," May 1974.

[8] Westinghouse Corp., "Solar Heating and Cooling of Buildings, Phase O Report," May 1974.

[9] Shell Oil Co., cited on p. 60 of "The End of the Energy Crisis," Mitchell, Hutchins, Inc., May 1974.

[10] Stanford Research Institute, "World Energy," November 1972.

[11] Council on Environmental Quality, "Energy and Environment: Electric Power," August 1973.

[12] Energy Research and Development Administration, "National Plan for Solar Heating & Cooling Interim Report," March 1975.

[13] General Electric Co., "Solar Heating and Cooling of Buildings, Phase O Report," May 1974.

[14] Joint Committee on Atomic Energy, note 4, supra, Fold-out "O".

[15] National Science Foundation, as cited in "But Not Soon," The New York Times Magazine, Mar. 16, 1975.

[15a] Number of quads calculated from cited source's statement of percentage only, using as 100 percent the FEA total energy estimate of 94.1 quads, note 1, supra.

[16] Federal Energy Administration, "Final Task Force Report on Solar Energy," "Project Independence," November 1974.

Source: Data derived, in part by arithmetic conversions of statistics stated in various different units, from the sources cited in footnotes 1 through 16. Table concept and design by Ray Watts, Senate Small Business Committee. Data collection and arithmetic conversions by Jeff Angus, staff of Senator Gaylord Nelson.

CONVERSION TABLE (DEFINITION, COMPARISONS)

1 British thermal unit (Btu)=the amount of heat energy required to raise the temperature of 1 pound of water 1° F.
1 Btu=1,055 joules=252 small calories.
1 barrel (bbl) of oil=5,800,000 Btu=6,119,000,000 joules.
1 kilowatt hour (kWh)=3,142 Btu.
1 cubic foot of natural gas=1,000 Btu.
1 ton of coal=26,000,000 Btu.
1 quad=10^{15} Btu.
1 quad=172,414,000 bbl of oil.
1 quad=472,044 bbl of oil per day for a year.
1 quad=1 trillion cu. ft. of natural gas.
1 quad=293,083,200,000 kWh.
1 quad=38,461,580 tons of coal=105,302 tons coal per day for a year.
1 quad=the capacity of the Alaska Pipeline for 108 days.
3.4 quads=the capacity of the Alaska Pipeline for a year.
1 quad=the energy spent by a subcompact car going 181 billion miles.
1 quad=the energy spent by a luxury car going 71 billion miles.

EXHIBIT 3

[From the New York Times Magazine, Mar. 16, 1975]

ENERGY FROM OUR STAR WILL COMPETE WITH OIL, NATURAL GAS, COAL, AND URANIUM—BUT NOT SOON

(By Michael Harwood)

Solar power has suddenly become respectable. Only a few years ago it was treated in the United States as a subject for eco-freaks, too futuristic to deserve more than a polite smile; now thousands of people in universities, industries and Government are investigating such schemes as covering large sections of the Southwest desert with heat collectors, building strings of enormous windmills on the Great Plains or offshore, and generating electricity in space at orbiting power stations whose size would be measured in square miles. Some are even tempted to predict that one day all the world's energy needs will be supplied by the plentiful light and heat of the sun, so that the only plumes of smoke in the sky will come from wood fires on the hearth, and energy will no longer be a cause for international conflict or domestic debate.

A lovely thought; very seductive. In fact, because of the energy fix we're in, the prospect is so attractive that it has tended to obscure the truth—that such a world is a long way off, however much we may like the idea. At the moment, says Congressman Mike McCormack of Washington, chairman of the Energy Subcommittee of the House Committee on Science and Astronautics, Americans are behaving like a man waking up in a drunk tank on Sunday morning. The fellow opens one eye, sees where he is, and shuts the eye again, hoping that some magic will spirit him away from the reality of his situation. There is no magic for him in his fix, and there is none for us in ours. But, says McCormack impatiently, our fix has already produced "all kinds of people who hadn't the slightest notion what solar energy was about who would stand up and make wild statements about having solar energy solve our energy crisis immediately, and then they would sit down and forget what they had said and do nothing whatsoever about it. It has been and is our position that solar energy is an emerging technology and can be developed in an orderly manner."

The scientists know how to do much of what they believe can be done with solar power. The technologies involved are conceptually quite simple. Now we have to move from the "can-do" point to the economical mass-production stage, and that takes time.

The process has begun. The Federal Government is spending sizable—though far from awesome—amounts to support solar-power work. In fiscal 1975, it will spend $50-million, up from $13.1-million in fiscal 1974 and an average of $100,000 per year from 1950 to 1970. And two bills designed by Congressman McCormack and passed by Congress last year provide more funds. The Solar Heating and Cooling Demonstration Act calls for $60-million to be spent over the next five years, and the Solar Energy Research, Development and Demonstration Act declares the Federal Government's intent to spend at least $75-million on solar power in fiscal 1976. These amounts are not yet in the same ballpark with the amounts being spent on nuclear breeder-reactor development ($499-million in fiscal 1975) and fusion ($165-million). But they are getting there.

And the whole field is beginning to look like an infant industry. Major firms are thinking in terms of solar-power product lines, and the first of these are already on the market. Consumers are showing interest; solar-power experts who have worked for years in peaceful obscurity now find themselves bombarded with mail and telephone calls from potential customers for equipment. They find the new interest encouraging—even if many of these potential customers, like the rest of the American public, have only a vague idea of the scope and the current status of solar-power equipment.

The term solar power today encompasses a great deal more than most people think. Actually, it may be appropriately applied to no fewer than six different technologies. It may be confusing to hear energy experts apply the label of solar power to such seemingly disparate activities as generating electricity with windmills, burning wood and producing methane gas from cow manure, but it can be justified. Each year, the sun pours 3,600 quintillion British thermal units (B.T.U.'s) of energy upon the earth. That is about 18,000 times the amount needed to meet the world's annual demand for mechanical energy and heating. In space, before the sunlight is diffused by the earth's atmosphere, it carries a great deal more energy than that. As it approaches the earth, it stirs the atmosphere, creating winds. It strikes the earth's surface, warms it and makes plants grow, energizing the cycle of living, dying and decaying that supports man's existence. At many points in that process the energy can be tapped to fuel our electric power systems, warm and cool our homes, drive our industries. The six technologies, therefore, involve different ways to make use of the sun's energy.

SOLAR HEATING AND COOLING

The most developed application of solar power so far involves the heating of buildings and the heating of wash water. Use of solar power for cooling is only a few steps behind. The process is simple enough. The sun's heat can be caught and held in thermal collectors—panels set up on or near a building and tilted to face the daily path of the sun across the sky. Typically, one of these collectors consists of piping mounted on a flat rectangular surface, all of it painted a dull black (black absorbs heat) and then surrounded by a deep frame to support one or two shielding sheets of glass, which will trap the heat the way a greenhouse does. Air or water or some other liquid (for instance,

an antifreeze mixture where the outside temperature is likely to drop below freezing at night) is piped through the collectors, where it picks up the heat, and is then carried in pipes to a storage unit. The unit can use water, chemicals, rocks, even mud for storing the delivered heat; its purpose is to make the collected warmth last well beyond the time when the sun is shining. This heat can then be distributed to the building through air ducts with the help of a fan, or through pipes, as hot water, or be used to power air-conditioning equipment (refrigerators and absorption air-conditioners need heat to run). Basic versions of this system have been used for years in various parts of the world—for example, Japan, Israel and Australia, as well as California and Florida—largely to heat wash water. A few homes today get most of their space heating this way.

Since the process depends on essentially familiar equipment, the heating and cooling of buildings with the sun is attracting a good deal of attention. Over the last two years, the consulting firm of Arthur D. Little, Inc, Cambridge, Mass., has put together a consortium of 90 major companies in Europe, Japan and the United States to finance a cooperative analysis of the commercial possibilities. Last summer, Congress passed the Solar Heating and Cooling Demonstration Act—Mike McCormack's bill—which provided for the National Aeronautics and Space Administration and the Department of Housing and Urban Development to work on a wide range of development projects and practical applications for residential and commercial buildings. The project is expected, within three years, to show the value of solar-heating technology, and within five years to develop and demonstrate combined heating and cooling systems.

This kind of Federal Government interest has made industry prick up its ears and start sniffing the air. During the American Society of Mechanical Engineers' annual meeting in New York in November, the group's solar-energy division and the University of Maryland's department of mechanical engineering offered two and a half days of sessions on solar heating and cooling; three years ago, the sessions could have been in a hotel bedroom, but this time, they filled a ballroom. In 1974, PPG Industries Inc. (Pittsburgh Plate Glass) and Revere Copper & Brass Inc. each came on the market with solar-heat collecting panels. Several smaller firms are selling whole systems and even whole houses. A few large school buildings—in Minneapolis, Minn., South Boston, Mass., Warrenton, Va., and Baltimore, Md.—have been fitted with experimental solar collecting panels, and plans for equipping major new buildings with the panels are multiplying. Arthur D. Little's vice president Peter E. Glaser, who heads the solar study, predicts that solar heating and cooling will be clearly shown to be practical within the schedule set forth by Congress, and as early as 1985 will have grown into a billion-dollar industry in the United States, accounting for 1 per cent of the national energy market. The National Science Foundation, which until recently was the leading Federal agency in this field,* expects that if an accelerated program of study and application is followed, this technology could be meeting most of the heating and cooling demands of 12 per cent of the nation's buildings in the year 2000.

WIND ENERGY CONVERSION

Commercially competitive products to derive usable power from the wind are also possible within five years. It may seem strange that they are not available already, because man has been tapping wind energy for centuries; the earliest windmill written about was built—a fine bit of historical irony—in Iran in the seventh century A.D., and wind-energy machines have been used since to mill corn, pump water and even, in this century, to make fairly large amounts of electricity. A few wind generators are now produced in the United States, and other equipment can be imported from abroad. Last year, Grumman Aircraft Corporation bought the rights to a windmill design developed at Princeton University and began to study it, along with other designs, looking for a marketable item. The problem now is that windmill systems cost too much. The power that comes in over utility lines now costs the consumer anywhere from 2 cents to 8 cents a kilowatt-hour including any fuel-adjustment "tax." The Solar Wind Company of East Holden, Me., which distributes wind-power equipment, estimates that if you buy one of the home systems now available and figure on amortizing the capital costs over a period of 15 years, the power you get out of it will cost 10 to 25 cents a kilowatt-hour, depending on the equipment you buy and the local wind conditions. That may already be attractive if you have a grudge against your local utility or if you are building a new home a considerable distance from existing utility lines. You might decide to forgo the high cost of stringing in a line and spend the money instead on a wind turbine, the tower to mount it on, the storage batteries to supply a steady amount of power and the equipment for transferring the wind-generated power to the batteries.

The wind-system costs could be cut somewhat by improving the efficiency of the equipment, but not by much. "If you took a good windmill of today," says Louis V. Divone, program manager for wind-energy systems at the Energy Research and Development Administration, "and got it theoretically perfect, you would improve its performance only by about 20 per cent." Efficiency could be improved by simplifying the machinery, making it lighter and stronger, reducing the likelihood of breakdowns, insuring the long life that makes a system economic, and then mass-producing it.

No one foresees any overwhelming difficulty in achieving this. Eventually many homes may have their own wind turbines—to produce power and perhaps to drive "wind furnaces" for heating. It is possible that platoons of huge wind machines will march across the Great Plains and float at anchor off the Northeast coast and the Aleutians, areas of consistent strong winds. The floating generators could produce large blocks of electric power that could be cabled ashore directly or else, in an electrolytic process, used to separate hydrogen gas from sea water. The hydrogen could then be piped or shipped ashore for burning in generating plants or fuel cells. If the technology is pushed, according to the National Science Foundation, the United States might by the year 2000 be generating about one-fourth of the electric power it will need with windmills. This amount would equal half the electricity we use today and would meet 6 per cent of our total energy needs at the turn of the century.

BIOCONVERSION

It is possible to grow crops—a basic result of sunlight on the planet—specifically for burning to produce power. These can include trees, sugar cane, marine plants, many things. Plant products can be heated in a vacuum (the method is called "pyrolysis") to make gas and oil—"fossil fuels"—thereby cutting a few million years off nature's schedule for doing the same job. Or, after plant products have passed through some initial process—a natural one, as in the digestive tracts of animals and humans, or a mechanical one, as in production of paper—they can be burned as fuel. (Dry cow dung has been used that way in India for centuries, and the buffalo-chip fire warmed many an American plainsman in the last century.) These materials can also be converted to gas, oil or a solid fuel; so can the waste food in your garbage pail.

The development of economically viable bioconversion systems seems likely in the near future. The National Science Foundation believes that pilot plants should now be built and tested for several bioconversion approaches, including direct combustion of vegetation as well as the burning or converting to methane and methyl alcohol of vegetable wastes, municipal refuse, sewage and wastes from animal feedlots. The Environmental Protection Agency has been backing a demonstration project in St. Louis, where the Union Electric Company feeds burnable solid wastes—shredded—into a boiler furnace along with coal; the process has been so successful that Union Electric is now moving to enlarge it to handle most of the solid waste produced in the seven-county St. Louis area.

Similar systems are being built in Chicago; Ames, Iowa; Bridgeport and New Britain, Conn. A number of other cities are planning to follow suit. The environmental agency is also helping finance two pyrolysis demonstration plants, in Baltimore and San Diego. The Baltimore facility, which will make gas for firing steam plants to heat and cool downtown buildings, is finished and will start up early this year; the San Diego plant, which will make oil for sale to a utility, is scheduled to be ready in two years. Under an accelerated implementation program, bioconversion might be providing as much as 8 per cent of the nation's energy by the year 2000, according to the National Science Foundation.

PHOTOVOLTAICS

Solar-cell collectors have produced the electricity for all our space satellites. They consist mainly of pieces of semiconductor—a material whose ability to conduct electricity is somewhere between that of copper wire and that of an insulator such as rubber or porcelain. A semiconductor can be specially treated so that when light strikes it a voltage is created—the so-called photovoltaic effect. This current can then be stored in batteries or used directly. At the moment, photovoltaic technology is economical only for remote applications—powering satellites or certain navigation lights and telephones. There are relatively cheap semiconductors available, but they deteriorate quickly and must be replaced frequently.

Silicon solar cells, which have a virtually infinite life, are exceedingly expensive to make at the moment, and the method used to make them does not lend itself well to mass production. A home could today be powered with 1,000 square feet of long-life solar cells, but it would cost $300,000 to buy them. However, Tyco Laboratories in Waltham, Mass., has developed a way of producing—in the laboratory—silicon solar cells in the form of fine ribbon as thin as a human hair, and that appears to point toward a mass-production technique that will lower

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* The foundation has just relinquished its responsibility for supporting the development and demonstration of existing solar-power technologies to the recently created Energy Research and Development Administration, and will concentrate instead on encouraging research into new approaches. It is still not entirely clear, however, who in Washington will be in charge of overseeing solar-power development. It appears that nominal responsibility will pass to the Energy Research and Development Administration, which will also absorb a good deal of the National Aeronautic and Space Administration's role, but that the Office of Management and Budget—which holds the Federal purse strings—will play a crucial part, by reflecting the Administration's attitude toward solar power.

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the costs dramatically. Mobil Oil Corporation thinks the Tyco process is so promising that it has joined forces with Tyco to develop the technique and will spend up to $30-million on it between now and the end of 1981. If that or some other research effort pays off, the National Science Foundation projects that the first demonstration plants could be operating by 1985, and that by the year 2000, 4 per cent of the nation's energy demands could be met by this technology.

The foundation is concentrating on terrestrial uses for solar cells, but Peter Glaser of Arthur D. Little has proposed putting huge solar-cell collectors—arrays six miles long and two and a half miles across—into orbit and beaming the power they generate back to earth on microwaves. This is not really Buck Rogers stuff; everything that goes into such a system has been shown to work. It is "futuristic," however, because of its scale, and because the collectors would have to be constructed in space, with the help of a new generation of space vehicles. But Glaser believes that the first of these orbiting power stations could be supplying electricity before the turn of the century.

OCEAN THERMAL DIFFERENCES

Half of those 3,600 quintillion B.T.U.'s that reach the earth each year land in the tropics. Since the tropics are largely ocean, most of the heat is soaked up and stored in the surface water of the sea. It is possible to tap that energy, too, by using the stored heat alongside "stored cold"—water pumped up from the cooler depths. The proposed mechanism is extremely simple: An electricity-generating turbine is turned by the force of some fluid that becomes a gas and expands when it is warmed to the relatively low temperature of the surface seawater. Propane will do that, for example. So will ammonia. Then the gas is condensed back to a fluid by cooler water pumped up from the depths of the ocean and the fluid is cycled back to be evaporated again.

The ocean-thermal-differences idea is almost a hundred years old, having first been conceptualized in 1881 by the French physicist Arsene d'Arsonval. An experimental model was tested in the twenties, but nothing similar has been built since then. Nonetheless, William E. Heronemus, a University of Massachusetts professor who has done extensive research in both wind-power and ocean-thermal technology, believes that if we wanted to, we could have the first commercial-sized ocean-thermal-differences power plant in place and making electricity in the Gulf Stream off Florida within six to eight years. The National Science Foundation, which is funding two industry studies of the concept, suggests that the process may take a decade, but that by the turn of the century strings of these plants in the Gulf Stream could be making 260 million kilowatts of electricity. A good deal of that power would probably be used to electrolyze water to produce hydrogen gas. The hydrogen could then be piped ashore over long distances or shipped in containers. In all, the foundation estimates, the process could be supplying about 4 percent of the nation's energy in the year 2000.

SOLAR THERMAL CONVERSION

Still another way to make large amounts of electricity from sunlight is to trap the heat in vast arrays of collectors, and make steam with that heat to turn turbines. Or other vast arrays—of mirrors—could be used to focus the sun's heat on a boiler, set atop a tall "power tower," again to make steam and thus electricity. This is a space-taker, requiring on the average a square mile of land covered with collectors or mirrors for every 25,000 kilowatts of electricity produced; but it is estimated that if 10,000 square miles—about 10 per cent—of the super-sunny California-Arizona desert were planted with this sort of collecting and generating equipment, solar thermal conversion alone could produce more than twice the electricity generated today in the United States. By the year 2000, solar thermal-conversion installations won't be anywhere near that extensive, but they might be making some 80 million kilowatts—a lot of kilowatts, and a meaningful contribution to the power needs of the American Southwest, though still less than 1 per cent of the nation's expected energy demand. Researchers are also giving a good deal of attention to what they call "total energy systems," in which solar thermal-conversion plants would generate electric power for military bases, shopping centers, industries, perhaps whole communities; the leftover heat—of which there would be plenty—would then be used to warm and cool buildings and run certain kinds of equipment, instead of being thrown away into the atmosphere.

If the development of each of these technologies were to proceed at a rapid pace, and if all the other circumstances remain favorable (particularly if oil supplies remain short and high-priced), we might see some power produced with each of them 10 years from now, and in 25 years be meeting about one-fourth of our energy needs with solar power. The likelihood, of course, is that things won't work out that well. Progress will probably be a good deal slower and have a smaller impact on our energy situation at the end of the century.

Why no more, and why no faster? There is a raft of reasons. The first of them is money. "Even if they all did get through [the research and development programs] on schedule," says Lloyd Herwig, director of Advanced Solar Energy Research and Technology for the National Science Foundation, "there's no way that you can implement all six at the maximum rate, because it takes a hell of a lot of capital for each one."

The second—despite the fact that we already know how to do most of what we want to do—is technological. There could be no better friend of solar power than James J. MacKenzie of the Union of Concerned Scientists, a member of the Joint Scientific Staff of the Massachusetts and National Audubon Societies; yet Dr. MacKenzie declared recently that if someone came knocking on his door today and offered to put a solar heating system on his home for $2,000—a low cost he could make up in about six years with saved fuel bills—"I'd tell him to go jump in the lake, because I wouldn't believe him." To convince Dr. MacKenzie as a homeowner, it would take "a thorough economic and engineering study of the system's performance over a period of at least one or preferably two heating seasons. You've got to know these things work, that they work not for weeks but for years." When the homeowner or builder can buy the solar-heating equipment for a reasonable price at Sears, Roebuck, and it comes with warranties, a service contract and a guarantee of available replacement parts for everything, then it will sell, and in principle the same rule applies to all the solar-power technologies. For their part, the major manufacturers have to be convinced, too; they've got reputations—and other product lines—to protect. And that kind of progress takes time.

Wouldn't more Government money help? Some, but it wouldn't solve everything. "There is a concept," says A. I. Mlavsky, the Tyco executive who heads the Mobil-Tyco photovoltaic project,—"it's engrained in the American ethos—that if you put enough guys and enough money to work on something, you can do anything. It's baloney. It'll work on certain kinds of things. It worked for the Manhattan Project. But they finished up with two bombs. That was enough to finish the war. If they had wanted to make 10,000 of those things, each as alike as peas in a pod, it would have taken another 10 or 20 years."

Besides financial and technical hurdles, there are others. Primary among them is competition with other energy sources, notably petroleum, natural gas, coal and nuclear power. The search for more efficient ways to use them will continue to divide the resources available for energy development, including the dollars of consumers long accustomed to these traditional sources. And there will no doubt be a lot of competition among the various solar technologies themselves. The next 25 to 30 years will probably see something like the first boom decades of the automobile, when hundreds of companies came into being to make hundreds of different kinds of cars—gas buggies, streamers, electrics. It was an unsettled shake-out period, and solar power will probably go through the same kind of process.

Since setting up a new power network is a tricky undertaking, there will also be logistical problems. Where do you put what kind of equipment to make the most efficient use of the sun's energy? There are certain areas in the United States where hydropower provides plenty of cheap energy, and it will be some time before even the best of the solar technologies are cheaper; other places simply don't have a lot of sunlight in the periods when they need the most heating; everywhere, the sun is on the other side of the earth half the time; the wind is fickle in a great many areas and highly consistent in others. At least in the beginning, solar power systems will have to be backed up with conventional systems.

And of course there are the human factors. Just as the automobile caused a transformation of society, so would the need to adapt to solar energy on a huge scale, and such social transformations do not occur without strain. Even the environmental movement, long a champion of solar power, will have some adjustments to make. How about covering 10,000 square miles of the great American desert with mirrors and power towers? And do you want a wind-energy farm in your neighborhood—a hundred shiny wind turbines sitting there, whistling away? These would not be the weather-beaten gray structures of the picture books; instead, they could be huge machines sitting on towers "bigger than oil derricks," as Mike McCormack put it.

And so, if solar power is clearly on its way to becoming some sort of reality, the most immediate problem may be that it will be oversold. "The solar field is a young field," cautions Tyco's Mlavsky. "It's neophytic. It's receiving a lot of attention. It will not provide major solutions to our energy problems in a short time, and those—including myself—who sometimes get sucked into thinking that it will are wrong. It shouldn't be expected to produce a major impact on our energy economics in a period of just a few years, because nothing else we do moves that fast either. And if in 20 or 25 years—by the turn of the century—we can be replacing, with solar energy, a significant fraction of the energy now made by conventional sources, we'll have done a hell of a job."

(Exhibit 4)

[From Ramparts, April 1975]

Solar Power Now

(By Tom Zeman)

Few people pay any special attention to the home of Chuck and Jan Ward in Davis, California. And at first glance, it's not apparent why anyone should. The Wards live in a ranch-style home in a recently developed suburban area of this college town, and their house looks a great deal like others on the block. But the nine window-like panels discretely designed into a dormer on the roof remind the careful observer that there is something very unusual and exciting happening in this particular house. Those panels represent an important new departure in this country's struggle over a national energy policy: the arrival of direct solar energy as a practical, economically feasible way of providing heat for the average American home.

The advantages of direct use of the sun's energy are obvious and decisive. At a time when the nation is on the brink of a trillion dollar commitment to massive development of fossil fuel and nuclear power, carrying with it the gravest environmental and social implications, solar power—combined with a serious energy conservation program—offers us an infinitely more attractive alternative. Solar energy is not only safe and environmentally clean; it is also inexhaustible and free. Not even Exxon, not even OPEC, will ever own the sun.

The solarpower/conservation approach also offers the most practical remedy to the short-term energy crunch over the coming decade because it is technologically the simplest. In contrast, practical, *safe* nuclear energy is a long way off. A nuclear power plant takes a decade to build and license. Uranium supplies in this country are running short, prices for building and fueling nuclear power plants have doubled and tripled since 1970, and perfection of the first generation of nuclear reactors, let alone the as yet untried breeder reactors, is far away. One business magazine, *Forbes*, recently warned that America's increasing dependence on foreign uranium supplies could lead to the formation of a "uranium OPEC" which would do to the price of nuclear power what the oil producers have done to the price of oil. (Similarly, it takes about eight years to put an offshore oil well into production.)

By contrast, a serious solar power/conservation program could be applied immediately and begin cutting into demand for other forms of energy by the end of the decade. While the nuclear reactor program remains bogged down in scandals over safety standards, solar technology has been extensively tested and proved. Solar water heating did a booming business in Florida, the southwest, and California during the first half of the century, and it died out only in the Fifties when natural gas was temporarily cheap and plentiful. In the last two decades, tens of thousands of solar heating units have been manufactured and installed in Israel, Japan, and elsewhere. In parts of Australia, solar water heating is now required by law.

Other, more sophisticated applications of solar power do indeed require considerable research and development before they can be put into practice. But that should not obscure the fact that present day solar technology, such as the Wards employ in their home, is ready to be implemented now.

But without a word of public debate, the solar/conservation strategy has been shunted aside by the energy policymakers in favor of an accelerated nuclear/fossil fuel program. The R & D budget recently proposed by the new Energy Research and Development Agency (successor to the AEC) tells part of the story. The vast majority of the budget—over two billion dollars worth—is devoted to nuclear energy, including weapons development (ominously the biggest single item in the national energy budget), uranium enrichment, and reactor development. Next comes funding for coal, then petroleum, then oil shale. Finally, with a mere 1.5 percent of the ERDA budget, comes solar research. The $57 million dollar solar program is just a fraction of the accelerated solar development budget proposed by the National Science Foundation, and is actually $10 million short of the "minimal" solar program described by the NSF.

But the ERDA budget is no more than a reflection of the overall national budget for energy development—a budget which, according to Chase Manhattan Bank, will run well over a trillion dollars between 1970 and 1985. As the oil company advertisements never tire of telling us, the vast bulk of research and development of new energy sources will come not from public tax moneys, but from private corporate profits over whose disposition only the boards of directors have any say. A sign of the extent to which national energy policy has become hostage to corporate balance sheets was the recent abandonment by the Ford Administration of its modest proposal to tax windfall oil profits after the oil companies threatened to curtail their new investments. When the trillion dollar investment decisions have already been left to the energy industry to make, it should be no surprise that federal R & D priorities simply follow suit. And the leading suit for the big decisionmakers, such as Exxon, General Electric, Westinghouse, and the utilities, is certainly not the rapid development of a free, limitless supply of energy provided by the sun.

What all this amounts to is an abdication of any meaningful public control over national energy policy in general, and a deferral, for the "foreseeable future," as a GE spokesman put it, of serious development of available solar technology in particular. The lopsided numbers in the ERDA budget tell us that perhaps the most fateful decision of the last quarter of the century has been made for us, and we have not even been told, let alone consulted.

TAKING WRONG TURNS

Direct use of solar energy has a long history, stretching back to the second century before Christ when the Romans used solar reflectors to set enemy ships on fire. A solar powered steam engine was featured at the Paris world exposition almost a century ago. The National Petroleum Institute, hardly the chief proponent of the solar/conservation strategy, admits that, "Had it not been for an abundance of fossil fuels . . . we might today have a 'Solar Energy Economy' just as effective and efficient as our 'Fossil Fuel Economy.'" Well supplied by fossil fuels, Americans have tended to relegate direct use of solar energy to the realm of science fiction. But it is now apparent that fossil fuels are not unlimited, and that the fossil fuel economy is neither effective nor efficient; in fact, it is collapsing. What is less apparent to most people is that our present energy system sounds and works more like science fiction than any alternative we could possibly invent. We take for granted the incredibly circuitous process of discovering, extracting, refining, transporting packaging and burning long-fossilized plant life in order to obtain geologically concentrated doses of the same solar energy that shines down upon us, every day and everywhere.

To be sure, this Rube Goldberg system of putting the sun's energy to work performed quite well for a century or so, but the awkwardness of the system has finally caught up with us. First, we've been using this stored up energy much faster than nature can manage to concentrate it for us: fossilization takes a long time, and nature's cupboard is beginning to look bare. Second, we can't even use efficiently all the fossilized sunlight we have been releasing so indiscriminately. The better part of that solar energy which has been accumulating under the earth over the lifetime of the planet is being returned to the environment in a geological instant, as *wasted* heat—resulting in serious thermal pollution (not to mention all the other more familiar pollution problems caused by burning fossil fuel). It has become obvious that the financial, environmental, and social costs of such a roundabout system of utilizing the sun's energy have become too much to bear.

Nuclear power plants were once heralded as the answer to the nation's future energy needs. But it turns out that the nuclear cure is worse than the fossil fuel disease. Uranium for the present generation of reactors is running in even shorter supply than fossil fuels. The "breeder reactor," which is supposed to produce more fuel than it consumes, is still on the drawing board and is likely to stay there for a long time. But what is worse, the reactor program has been beset by a series of scandals surrounding the safety of the plants (see Ramparts, August 1974). A great many of the plants now in operation have been shut down to investigate mysterious cracks in the pipes carrying coolant to the nuclear core. So far, the back-up core cooling system, which is suposed to prevent disaster in case the main system fails, has itself failed to operate properly in the only tests made. And even if that system could be made to work, it would still not put to rest legitimate fears of a core "meltdown" which could result in tens of thousands of deaths. Although there would be no mushroom cloud explosion, the release of deadly radioactive materials would be disastrous.

In addition, nuclear power plants release *more* waste heat to the environment than do fossil fuel plants, thus *accelerating* thermal pollution. And nuclear power plants leave another legacy, one far more dangerous than even the worst effects of fossil fuel plants—intensely radioactive waste products, often seething with their own heat, which will remain a severe threat for thousands of years. Our present technology has no idea how to neutralize these wastes: they can only be stored, and watched continually. Even proponents of nuclear power, such as Dr. Alvin Weinberg, formerly head of the AEC's Oak Ridge Laboratories and now with Project Independence, admit that *just guarding these wastes* against accident or sabotage will require a "commitment to a permanent social order" and the creation of a "nuclear priesthood" that must dedicate itself to thousands of years of uninterrupted service.

SOLAR POWER NOW

The obvious alternative to the fossil fuel and nuclear nightmares is to cut across the long, complicated process of photosynthesis, fossilization, extraction, combustion, and all the intermediate steps, and simply utilize the sun's free and plentiful energy directly. About 5000 times as much energy shines down on this country every year than even the most extravagant predictions tell us we'll need in the year 2000. The problem is learning how to concentrate and store it for our own purposes. As the energy industries are quick to point out, large-scale centralized production of solar-generated electricity is not yet feasible. But that is not really the point. We could use solar energy *now*, using decentralized solar collection equipment—in houses, apartment buildings, farms, offices, even factories—to cut deeply into the supplies of fossil fuel and electricity the energy industries must now provide.

The most promising way of doing this in the long run is the photovoltaic cell, which converts sunlight into electrical energy. The cells work—they are used on orbiting satellites to provide electrical energy. But at the moment they are about ten times too expensive for widespread terrestrial use. Bringing down the cost of solar cells, to meet the whole spectrum of energy needs, would constitute a major revolution in energy technology. It ought to be the nation's primary research and development commitment, ahead of new weapons systems, nuclear reactors, and the like. Instead, solar cell technology will receive about as much money all next year as the reactor program spends every *day*.

But there's no reason to wait for the solar cell in order to start using the sun to provide energy in the form we most instinctively turn to it for: warmth. Most homes

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and other buildings built in this country today are constructed as if to spite the weather outside. They require heating on even the sunniest winter day and cooling during most of the summer, due mainly to poor design. A number of modern office buildings lack even that miraculous energy-saving device, the window that opens. New York's World Trade Center, built with permanently closed windows, is heated with lights that cannot be turned off; in the summer its air conditioners must work *against* the lights.

Americans use more energy for room and water heating than they do to power their automobiles. With a serious commitment to the solar/conservation energy strategy, most of this demand could be permanently eliminated within a few years. The first step in such a program would be to reinsulate old homes and revamp building codes for new homes to cut the need for heating and cooling energy. According to a recent study published by the American Institute of Architects, a program of improving the design of new buildings and refitting old buildings with better insulation could cut energy consumption by 25 percent in older buildings and by 50 percent in newly-designed buildings. Improvements would include better insulation, storm windows and doors, and windows that make the best use of the sun's warmth in the winter while not making the building too hot in the summer.

These figures alone are impressive, but just building to use the sun rather than to fight it is not quite enough. By using simple solar heat collecting technology, combined with insulation, we can cut energy consumption in older buildings by 50 percent and in new buildings by 80 percent.

The main component of this technology is the solar collector, a glass-covered pan of water that sits on the roof of a house. The collector works on two very simple principles. Think how hot it can get standing behind a sunlit window on even the coldest winter's day from the radiant heat of the sun. Then think of how a swimming pool or a lake remains warm even after the sun has set if it has been sufficiently heated by the sun during the day. These two principles explain how the flat-plate solar collector works. It is a six-foot by four-foot flat pan or a system of pipes painted black (to absorb as much heat as possible) covered by a sheet of glass and some insulating material. Place it on your roof facing south on a sunny, or even a hazy day, and run some water (or other fluid) through it. In a very short time the fluid will become remarkably hot. Run the hot fluid into your hot water heater and/or your room heating system and provide a well-insulated tank to store the fluid for use at night and on cloudy days. There are many permutations and variations on this scheme but that, essentially, is all there is to it (see above).

In many areas you will need a conventional back-up system to provide heat during long periods of bad weather (more than 2 or 3 sunless days in a row). But in most parts of the country, an array of solar collecting units will meet most of a family's energy needs—including hot water, room heating, and air conditioning (which constitute about 75 percent of a household's energy needs). Here is how such a system could work:

Water Heating: This is the simplest use of the solar collector. You run the water directly through the collector and then divert it into an insulated storage tank (though you will want a storage tank larger than your present hot water heater). Or you may prefer a "closed system," in which the collector fluid runs out of the collector, passes through a heat coil in a water-heating tank (which heats the water in the tank by convection) and then goes back up into the collector. According to Dr. Donald Aiken of California State University at San Jose, a solar water heater can be added to a home for about $500—a one-time expense.

Room Heating: The principle is the same as the solar water heater. The collector could be used to provide hot water for steam heating. Or air could be blown over the coils heated by the collector as in a standard hot air furnace. In the Ward house in Davis, a third system is used: water from the collector is run under the cement floor of the house and heat radiates through the floor.

There are other solar heating systems. Dr. George Lof of Denver, Colorado, has been living in a solar-heated house for 15 years, in which air it heated directly by passing it through the collectors. Another variation is the "passive" solar heating and cooling system used by Harold Hay in his house in Atascadero, California, and by Jonathan Hammond in his own home in Davis, and a home he is presently building in Winters, California. A passive system uses a mass of water, placed either along the south wall of the house or on the roof. The water absorbs and stores heat during the sunniest parts of the day, which keeps the house comfortably cool in hot weather, and it radiates the heat back into the house at night. The passive system is not as versatile as the collector system, but it is simpler, and in some climates can do the job just as well.

At present, a solar collector heating system costs from $3000 to $6000. But the price should be reduced considerably once the system is mass produced. Pittsburgh Plate Glass is the only company manufacturing collectors on a large scale, but most people working in solar energy say their price for the collectors ($6 or more per square foot) is far too expensive.

Air Conditioning: There hasn't been as much experimenting with solar-powered air conditioning as there has been with space and especially water heating. But the technology is readily available. How can heat from the sun cool a room? The principle is the same as that used in gas refrigerators and air conditioners. The gas flame, (or in the case of solar power, a coil from the collector) heats up ammonia within the system. In the process of cooling, the ammonia absorbs heat from the surrounding area.

Electrical Generation: Most of the work being done in this field is with photovoltaic cells, which are still too expensive. But Sandy Parsons, an inventor in Richmond, California, has invented a device which converts the heat from a standard solar collector into electrical energy. He is now in the process of patenting it, and says that with a few refinements it will be able to supply electricity economically to a household with the use of rooftop collectors.

The main problem with solar collectors is their initial cost. But since the sunlight is inexhaustible and free, solar heating is already cheaper in the long run than electrical heating—even where the solar system requires a conventional back-up system for long periods of bad weather. Natural gas is temporarily the cheapest fuel for heating. But natural gas supplies are running low, and unless the nation quickly begins to convert to solar energy, we will have no other choice but to rely increasingly on electricity. As anyone who pays a heating bill in an all-electric home knows, this is not the answer. For every unit of usable electric energy received in a home, three times that amount is wasted in the generating plant and over the transmission lines. Even more than the automobile, electric home heating, so widely advertised in the Sixties, is leading us towards a national energy famine. If, on the other hand, we switch to the solar/conservation strategy, we should be able to stretch natural gas supplies to meet the small auxiliary requirements for heating and cooling in the foreseeable future. We would see a drastic *reduction* in heating and cooling energy requirements within a decade, while actually making homes and office buildings *more* comfortable.

PROFIT AND LOSS

Dr. H. Guyford Stever, chairman of the National Science Foundation, recently told an audience that solar energy systems "would come along before society is ready to solve the economic issues surrounding it." And already that prophecy has come true. As long as we pay for the nation's energy program through utility bills and at the gasoline pump, rather than in the form of taxation, energy policy will remain in the hands of the oil and utility companies which dispose of that money. And as long as that is the case, these companies will play out the fossil fuel/nuclear option for all it is worth, despite the consequences, before they seriously consider investing in solar energy.

Even the emerging solar energy industry, about which there has been much talk lately, is controlled by those same reluctant interests. Arthur D. Little Incorporated, a consulting firm that has been trying to organize a solar energy industry, is also a consultant to Northeastern Utilities, and advised them to go heavily into nuclear energy. A good deal of federal money for solar energy development has gone to Westinghouse and General Electric, the two major nuclear reactor builders, both of whom are waiting for their multi-million dollar investments in nuclear power plants to show profit. Not surprisingly, GE's researchers found that "additional research is needed before solar heating/cooling systems become commercially viable" (which would surely surprise the tens of thousands of people around the world who rely on solar heating devices), and that "nuclear power and coal offer the most feasible means to meet energy needs for the foreseeable future."

The oil industry is also interested in making sure that the foreseeable future does not include rapid solar energy development. As Senator James Abourezk warned in a speech last year, "While the AEC is trying to deceive the public into thinking that solar energy is 'way down the road' and 'decades away,' Exxon, Gulf, and Shell have bought up solar power companies [and are] doing whatever is necessary to make that prophecy come true." Spokesmen for the solar industry have complained that they just need some start-up money in order to put solar collectors into mass production. The industry may well succeed in getting the money from the federal government, but they apparently will not get it from the record profits of their oil industry parent companies.

There are a number of pioneering individuals, genuinely interested in implementing the solar/conservation strategy for themselves, such as Mike Corbet, who built the Ward house, and Professor Richard Davis at the College of the Atlantic in Bar Harbor, Maine. Corbet went to the federal government for financial aid and Davis, who is building his own solar and wind-powered house, went to Washington with an idea to construct a community of solar homes accessible for all to observe. Both were turned down (though Corbet did receive an FHA mortgage for the Ward house). Both concluded that "there's no money for the little guy" in solar energy work. (Corbet also reports that the bank which had previously financed his other, more conventional building projects, refused to give him a loan on the solar house because of the "risk." The people who bought the solar house built by Jonathan Hammond in Winters, California, report having similar financing problems.)

In short, nearly all of the funding available for energy research has been tied up, one way or another, by those who have the most to gain by the fossil fuel/nuclear strategy. A number of bills in Congress and in state legislatures providing for miscellaneous loans and tax incentives for solar energy are steps in the right direction, but they are not nearly enough. Solar collectors, as well as better insulation, require sizeable initial investments, building by building. Although they eventually more than pay for themselves in terms of reduced energy consumption, not many people can afford that initial cost. As a result, for the foreseeable future, the solar collector industry seems likely to stay small, the technology overpriced—a fuel-saving convenience for the rich, who least need it. (Solar collectors are already in use to heat home swimming pools, and a development of expensive private homes in Ohio is being built with solar heating equipment). Unless national energy policy is changed to make that initial investment possible for more people, solar heating and cooling, no matter how attractive, will continue to play a marginal role in solving the "energy crunch."

And as the Energy Research and Development Agency budget intimates, we cannot expect much help from the federal energy bureaucracy. The replacement of the old scandal-wracked Atomic Energy Commission, with its heavy pro-nuclear bias, by the new, supposedly more balanced ERDA, has turned out to be little more than a face-lift. Of the 92,000 employees of ERDA, 91,000 come from the old AEC. At their first hearings on solar energy development, ERDA representatives told an outraged House Science and Technology Committee that plans to implement a five-year, $60 million Congressional mandate to demonstrate the feasibility of solar heating and cooling called for only $2 million in spending the first year. And rather than install several thousand solar heating units, as the Congressional sponsors of the project had contemplated, ERDA now says that it will install only about one thousand units over the entire five-year project. The AEC by any other name still has uranium fever.

And while Congress may grumble about the pace of solar development, few members have any stomach for questioning national energy priorities as a whole. For example, Congressman Mike McCormack, a comparatively strong supporter of solar research, recently expressed fear that "excessive optimism" about solar energy could hamper the nation's "nuclear energy program" (as indeed it should). An aide to McCormack suggested that while Congress may add five or ten million dollars to ERDA's solar budget, there was no chance that it would come near the accelerated solar research budget proposed by the National Science Foundation. Even an effort by Congressman Charles A. Vanik of Ohio to insert a solar energy utilization clause in an energy conservation bill passed last year was defeated. The occasional efforts in Congress to promote solar energy *could* point to the beginning of a coherent national energy policy, or at least to a serious debate on what that policy should be. But as things stand, the few pieces of solar energy legislation will probably remain isolated, token efforts. "The oil lobby hasn't opposed solar energy legislation so far because they don't see it as a threat," said a Vanick aide.

PLANNING FOR THE INEVITABLE

ERDA, GE, and the rest of the present energy policymaking machine seem intent on forestalling the solar/conservation solution. But the reality of houses like Chuck and Jan Ward's will not disappear. Nor will the disturbing questions disappear about the viability of the fossil fuel/nuclear course that has been presented to us as a *fait accompli*. Those questions have been asked in the form of increasing public concern about the wisdom of the nuclear reactor program, a concern that was expressed by the recent nuclear power moratorium proclaimed by the new governor of New York. They are raised in the persistent concern about the "windfall profits" of the oil industry. And they were raised with scholarly eloquence by Professor William E. Heronemus of the School of Engineering at the University of Massachusetts in a paper for the Center for the Study of Democratic Institutions:

"The willingness, indeed the demonstrated compulsion of modern man to live off fossil fuel energy capital while refusing to concern himself about the near-term depletion of that capital is a puzzling phenomenon. And the current refusal to acknowledge and convert to his use the great abundance of incoming energy bestowed upon him each day, simply by virtue of his being a captive part of the solar system, is equally puzzling. The espousal of "economics" which show that it is more beneficial to deplete finite resources than it is to invest in systems for the conversion of renewable solar energy needs some discussion. Is the current concept of economics too closely tied to a time constant that is too small? Are we wise in permitting day-to-day marketplace economics to rule solar energy processes as uneconomic?"

In fact, what should amaze us is that the fossil fuel/nuclear strategy, with its manifold economic, social, and environmental absurdities, could be considered economic at all. For instance, the American Institute of Architects points out that in the next 15 years $415 billion will be required to produce wasted energy alone. It goes to show that having a trillion dollars to play with can make anything look plausible. Certainly, if a fraction of the trillion dollars, and the materials and labor power it represents, were transferred from the fossil fuel/nuclear development program to a serious solar/conservation effort, there is no question as to which program would prove more sound.

The first step in such a program would be, of course, to take the investment capital, and with it the decision-making power, away from the corporations, and open the issue of national energy policy to genuine public debate. If this were done, the alternatives to the environmentally and socially bleak prospects offered us by the fossil fuel/nuclear strategy would become startlingly clear and attractive.

Research and development of new solar technologies would move from last to first place on the national priority list. We would see dramatic results fairly quickly. In a staff report suppressed by AEC Chairman Dixy Lee Ray, it was reported that with sufficient research, the photovoltaic cell which turns sunlight into electricity would become practical by 1985. There are a number of plans, some for decentralized and some for large-scale projects, for converting sunlight as well as wind-power into electricity.

In the meantime, there would be plenty of other work to do. Industrial processes and the transportation system would have to be made more efficient. In the home and in other buildings, the full potential of combining better design with solar collector technology, with an assist from windpower, could be realized increasingly over the next several years.

The kind of comprehensive planning this would require, and what it would yield, is discussed in detail in an "Energy Conservation and Solar Utilization Ordinance" recently proposed by a group of environmentalists to the city council of Davis, California. For example, to allow for solar collectors, three-dimensional zoning would be required in order to ensure that no building would block another's sunlight. The proposal argues that a series of ordinances installing bicycle paths, narrowing the width of streets and encouraging the planting of trees (all of which would help keep neighborhoods cooler in summer), and regulating the glazing and direction of windows, size of roof overhangs, color of rooftops (white roofs stay cooler), and insulation, would cut heating and cooling requirements for a typical new house in Davis by 50 percent. And if solar heating and cooling equipment were installed, the new house would use only 7 percent of the heating and cooling energy required by the average Davis house today.

The Davis group emphasizes that different plans would be necessary for different microclimates. Each town would have to come up with an energy conservation ordinance best suited to its own needs. And what emerges, as the Davis group concludes, "is not the harsh and austere program some would imagine necessary to achieve substantial energy savings, but rather a more efficient way of planning so that people going about their daily lives simply need less energy."

And, as an important part of the implementation of the solar/conservation strategy, a combination of mandatory requirements (as in Australia) and public subsidy could make the installation of solar collectors and insulation in most buildings feasible in less than a decade. As the Davis group points out, the cost of insulating 30,000 homes is already cheaper than the cost of building new power plants to generate the heat wasted by those homes. Eliminating most of the huge energy requirements for heating and cooling—an amount greater than the total required energy for all American automobiles—is not a bad goal to shoot for by 1985 (especially in combination with other energy-saving projects like a revamping of the transportation system). It would not mean suddenly unplugging all the conventional power plants. But it *would* mean an end to the manic building of ever-bigger, more dangerous, and environmentally more destructive power plants to supply increasing heating and cooling needs. It would put an end to the awful vision of 24,000 nuclear power plants, all producing lethal radioactive wastes, that the Club of Rome says the world will need to supply its energy needs in the year 2000.

We need not allow Exxon, GE and friends to make for us what is possibly the single most important decision of this era. The alternatives are there, as people like the Wards are quietly demonstrating. It is *our* dollars that pay for the energy industry's nuclear/fossil fuel program. We can, if we want to, use those same dollars to make our own choice.

Going to the Source

A wide range of books and articles are available on solar power, energy conservation, and other forms of alternative energy. Books of particular interest are:

Direct Use of the Sun's Energy, by Farrington Daniels, Ballantine, $1.95.

Energy for Survival: Alternative to Extinction, by Wilson Clark, Doubleday, $12.50.

Energy Primer: Solar, Water, Wind and Biofuels, edited by R. Merrill, Portola Institute.

Project Independence: Solar Energy, U.S. Government Printing House, $6.20 (contact Superintendent of Documents).

Solar Energy Handbook, by Henry Landa, FICOA, $9.00.

The Coming Age of Solar Energy, by D. S. Halacy, Avon, $1.95.

Many more titles can be found by looking under energy (solar, wind, etc.) in *Books in Print* and the *Readers Guide to Periodical Literature*, available in any library.

Friends of the Earth, based in Washington

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D.C., and San Francisco, California, have a wide range of information on solar energy, energy conservation, etc.

Senators Mike Gravel (Alaska) and James Abourezk (South Dakota) are strong proponents of solar energy. Their staff people put out newsletters, and are very helpful in providing information.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

CONSUMER PROTECTION ACT OF 1975

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of S. 200, which the clerk will report.

The assistant legislative clerk read as follows:

> A bill (S. 200) to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes.

The Senate resumed the consideration of the bill.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Alabama (Mr. ALLEN) is recognized.

The pending question is the amendment of the Senator from Washington.

Mr. ALLEN. Mr. President, we have before us an amendment of the distinguished Senator from Washington (Mr. MAGNUSON) that would insert in the bill an exemption from coverage by the bill of "any agency action in the Federal Communications Commission with respect to renewal of any radio or television broadcasting license."

"If the amendment is adopted, it would nullify the action of the committee which knocked this exemption out of the bill.

To retrace the course of the bill, the committee knocked out the exemption of proceedings before the FCC on renewal applications for radio and TV licenses. As the bill now stands, the committee amendments having been adopted and the bill treated as original text, the bill presently gives no exemption in this area.

The amendment of the Senator from Washington now pending would restore that exemption.

The distinguished Senator from Connecticut (Mr. WEICKER) offered an amendment in the committee to remove all exemptions of every sort from the bill. That question was divided and, hence, the separate vote on the FCC exemption.

During the debate there have been two theories set forth by Senators as to why there should be no exemptions for proceedings before the FCC on the matter of renewal of licenses. The Senator from Connecticut (Mr. WEICKER) says that this is a good bill and he supports it. He wants all agency proceedings to have the benefit of being under possible jurisdiction of the Agency for Consumer Advocacy in any proceedings before any Federal agency. In other words, cover everybody because this is a good bill.

The distinguished Senator from Virginia (Mr. WILLIAM L. SCOTT), on the other hand, contended that this was a bad bill.

The Senator from Alabama agrees with the Senator from Virginia (Mr. WILLIAM L. SCOTT) in making this statement. He says that it is a bad bill; that since it is bad, all proceedings before all Federal agencies should be covered, or, in the instant case, the proceedings before the FCC on the matter of renewal of licenses should be covered; because, if it is bad, the work of all agencies should be required to carry this burden, this onus. I have to subscribe to the thinking of the distinguished Senator from Virginia (Mr. WILLIAM L. SCOTT) in this connection. But the separate theories lead to the very same conclusion, that the exemptions should not be allowed.

Mr. President, I do not want to see jurisdiction given to this newly created agency as to intervening in any proceedings before any Federal agency. Certainly, if there were a bill seeking to put the proceedings before the FCC under the ACA or the CPA—whatever it might be called—I would strongly oppose that. I do not want to put anybody under it, because it is unnecessary. It is just another echelon of Federal bureaucracy, and I do not want to see anybody harassed by this agency.

I say that if the existing regulatory agencies are not doing a good job, abolish them, or put in new members. Do not just set up a new agency to police the work of regulatory agencies. Get to the root cause of the difficulty.

In that connection, I approve of the President's plan to reform the existing Federal regulatory agencies to remove some of the red tape, some of the regulations, to cut through all this red tape and get to the heart of the problem.

Mr. MORGAN. Mr. President, will the Senator yield?

Mr. ALLEN. Yes, I am delighted to yield.

Mr. MORGAN. I understand, of course, that it is the Senator's feeling that the agency should not be created and that it would create another level of bureaucracy for regulatory agencies. I think the Senator knows that I am not entirely in accord with that conclusion. I believe there is room for consumer advocacy in the Federal Government.

Long ago, as attorney general of North Carolina, I served as a consumer advocate before the Utilities Commission. Whenever power companies and telephone companies sought increases and when they came before those quasijudicial bodies with their lawyers, their accountants, and their economists to present their side of the case, I served as a consumer advocate, to present the opposing point of view, to the end that when the utilities commission reached its decision, it was a decision based on all the evidence that could be adduced.

Will the Senator agree that if we are going to have a consumer advocate on the Federal level who would represent in given cases the consuming public's point of view before any regulatory agency, it would be fair that they should be privileged to represent the consuming public before the Federal Communications Commission when a television station seeks to renew its license? In other words, if the consumer advocate is permitted to appear before the Federal Power Comsion, will the Senator tell me why it would not be fair for that advocate also to represent the consuming public's point of view before the Federal Power Commission in a license renewal?

Mr. ALLEN. Taking into account that I do not want to see any of these proceedings turned over to an ACA administrator or a CPA administrator, I feel that the burden should be shared by all the agencies; and if it is good for one it would be good for another. I do not want to see it apply to anybody.

Mr. MORGAN. We used to say down home that what is sauce for the goose is sauce for the gander.

Mr. ALLEN. That expression has been heard in Alabama, too, I might say.

Mr. MORGAN. Perhaps I can give an illustration. Suppose we have a television station in a given area of the Senator's State or my State which enjoys a very special franchise, granted to it by the people of the United States, to occupy the airwaves on a given frequency. The same people of the United States, through its Government, limit the station's competition. The Senator from Alabama and I could not go into that community, in the same area, and establish a competing television station. Because a lack of competition is guaranteed to it by the Federal Government, that station has a certain responsibility to the public. Suppose that station neglects that responsibility. It does very little public service programing, and it limits its programing to just those programs that would bring in revenue.

Suppose, for example, it fails to cover the positions of political candidates seeking public office, because they are not able to pay $1,000 for a 10-second spot.

Then the station seeks a license renewal. Would it not be encumbent upon a consumer advocate—if this bill is passed—having received substantial information that this station was not meeting its public service obligations, to present those facts to the FCC, so that when the latter did rule on the license petition, it would have the advantage of and access to that knowledge? Would that not be reasonable?

Mr. ALLEN. I say again to the distinguished Senator from North Carolina—and I am sorry that he is not following in the footsteps of his distinguished predecessor, Senator Sam J. Ervin, Jr., who led the fight against the creation of this CPA agency—that I am mindful of his remarks and contention here with respect to this exemption.

I state again that I do not want to see the CPA harassing TV and radio stations in the matter of applications for renewal of licenses before the FCC. I do not want to see the matter of applications before the FCC covered by legislation. But I do take the position, as enunciated by the distinguished Senator from North Carolina, that if we are going to have the bill—and I say that we do not need the bill and we should not have the bill—it would seem to me to be fair to cover everybody alike. I believe there would be a good chance that if it covered everybody alike, the bill might not be enacted.

The other major exemption here is with respect to big labor and big business in their negotiations. The labor representatives have stated that if labor is covered by the bill, they are going to be against it.

I might mention that before the Committee on Government Operations, Mr. Nader, who opposes this exemption, appeared to testify, and I asked him why it was, since he had helped shape this legislation, an exemption was given in the matter of application for renewal of TV and radio licenses. This is what he said, appearing on page 124 of the hearings on this bill:

> That exemption was inserted in the bill because there are television stations and radio stations all over America who are organized through the National Association of Broadcasters who have great influence, particularly over some Senators of the Senate Commerce Committee.

I do not know whom he had reference to there on the Senate Committee on Commerce that the broadcasters have great influence over. I do not vouch for the accuracy of his statement; I am merely stating what the No. 1 consumer activist in the country is saying as to why this exemption was placed in the bill.

I might indicate my view that I do not want to see these radio or television stations harassed by consumer activists, or CPA for that matter. I supported, on the floor, the extension to 5 years, from the present 3 years, of the length of license for radio and TV stations. I do not want to see them harassed.

Mr. MORGAN. Will the Senator yield on that point?

Mr. ALLEN. I am happy to yield.

Mr. MORGAN. I was trying to get the Senator to inform me of some of the arguments that were presented in the committee, because I was not privileged to be there, and I see no one else is clamoring for the floor. First, let me preface my remarks by saying that, while I recognize that in some areas, perhaps Mr. Nader has served a purpose, I, for one, do not consider Mr. Nader to be the No. 1 consumer advocate in the country.

Mr. ALLEN. I said "activist."

Mr. MORGAN. I shall concede that he would claim that position.

Mr. ALLEN. I am willing to concede it to him.

Mr. MORGAN. Is the Senator telling me that that is the reason that was given in the committee for eliminating the broadcast community from the provisions of this bill, simply because they had influence over a number of Senators and that the bill might not pass if it were left in?

Mr. ALLEN. Well, I read what Mr. Nader had to say in the committee. He seemed to think it was a political decision whether to include them or not.

Mr. MORGAN. Again, I recognize the Senator's opposition to the entire bill——

Mr. ALLEN. And that includes coverage of the FCC procedures as well.

Mr. MORGAN. Assuming that that is true, did the Senator hear any convincing arguments in the committee as to why the communications area should not be included if others were going to be included?

Mr. ALLEN. Mainly, the contention was given that these proceedings have no marketplace transaction involved. That is what the consumer advocate proposed to represent. Of course, all matters—safety, health, interests of the consumer—are involved. But the fallacy of their statement that no marketplace transaction is involved is seen in the fact that the bill does still cover, and there is no effort to knock this out, the matter of original applications for licenses for radio and TV. They are covered, so how could they say that there is a marketplace transaction with respect to original applications and no marketplace transaction as to renewal applications? It seems that the argument has been exposed as being absolutely fallacious—it would seem to the Senator from Alabama.

Mr. MORGAN. Recognizing again the difference in our viewpoints under the original bill, would it be a fair conclusion to make that the reason there is an effort to exclude the communications community from the bill is solely political?

Mr. ALLEN. Well, I shall let the Senator form his own conclusion, but I would cite the statement of Mr. Nader to that effect.

I wish to resume this colloquy in just a moment, but first I ask unanimous consent, Mr. President, that I might yield to the distinguished assistant majority leader for 2 minutes for a unanimous-consent request and ask that, at the conclusion of that time, the floor be restored to me for the continuation of my first speech on this subject.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF THE RAIL PASSENGER SERVICE ACT

Mr. ROBERT C. BYRD. I thank the distinguished Senator from Alabama for his courtesy.

Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 4975.

The PRESIDING OFFICER (Mr. GLENN). The bill will be stated by title.

> A bill (H.R. 4975) to amend the Rail Passenger Service Act to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes.

Mr. ALLEN. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. ALLEN. What is involved in this bill?

Mr. ROBERT C. BYRD. I cannot explain, except to say that this measure was cleared on both sides of the aisle and it was my understanding that it could be passed by unanimous consent.

Mr. ALLEN. Mr. President, at the end of the 2 minutes, I should like to have the floor back. I have consistently opposed further federalization and Federal subsidy of the bankrupt roads of the Northeast. I wish to have an opportunity to check on this before I agree to its passage.

The PRESIDING OFFICER. Does the Senator from Alabama object?

Mr. ALLEN. I object to its immediate consideration.

Mr. ROBERT C. BYRD. Very well.

Mr. President, may I say that I plead to error in not clearing this with the Senator, because, now that I have called it up and he made reference to his opposition, I realize that I should have spoken to him about it, because he has——

Mr. ALLEN. There is no necessity for that, but the Senator does know my opposition to the Penn Central bailout.

Mr. ROBERT C. BYRD. Yes.

Mr. ALLEN. It was stated on the floor that to rebuild the bankrupt roads, it would take around $5 billion or $6 billion, and I am just wondering if this is another segment of that tremendous sum of money.

Mr. ROBERT C. BYRD. I know of the Senator's previous position on this matter, and I should have discussed it further with him.

Mr. ALLEN. The Senator from Alabama does not feel that way about it.

The PRESIDING OFFICER. Does the Senator wish the bill returned to the calendar?

Mr. ROBERT C. BYRD. Yes.

The PRESIDING OFFICER. Without objection, it will be returned to the calendar.

TIME LIMITATION AGREEMENT—H.R. 4700

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as the NASA authorization, H.R. 4700, is called up and made the pending business before the Senate, there be a limitation for debate thereon of 1 hour, with a limitation of 30 minutes on any amendment, 20 minutes on any debatable motion or appeal or a point of order, in the event the Chair should submit such to the Senate, and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the unanimous-consent agreement is as follows:

> MAY 8, 1975.
>
> *Ordered*, That when the Senate proceed to the consideration of H.R. 4700 (Order No. 98), an act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes, debate on any amendment shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill, and that debate on any debatable motion, appeal, or point of order that is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment, motion, or point of order, the time in opposition thereto shall be controlled by the Minority Leader or his designee: *Provided further*, That no amendment that is not ger-

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mane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill, debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the Majority and Minority Leaders, or their designees: *Provided*, That the said Leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

ORDER FOR CONSIDERATION OF H.R. 4700 ON MONDAY AND FOR RESUMPTION OF CONSIDERATION OF S. 200

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of morning business on Monday the Senate proceed to the consideration of H.R. 4700, the NASA authorization, and that upon the disposition of that measure the Senate resume consideration of the unfinished business, S. 200.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield me 1 additional minute?

Mr. ALLEN. Yes, I am delighted to yield the Senator 1 additional minute.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum on the basis that the Senator from Alabama requested.

Mr. ALLEN. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSUMER PROTECTION ACT OF 1975

The Senate continued with the consideration of the bill (S. 200) to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the vote on the Cranston resolution today the vote occur on the Magnuson amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank the Senator from Alabama.

Mr. ALLEN. I thank the Senator from West Virginia.

Mr. President, on the point raised by the distinguished Senator from North Carolina, I have some prepared remarks that I wish to make with respect to the bill and the pending amendment, but I feel that colloquy with the distinguished Senator from North Carolina will be helpful for the RECORD.

It seems to the Senator from Alabama that the distinguished Senator from North Carolina adopts the theory of the Senator from Connecticut (Mr. WEICKER) with respect to this bill.

There are two conflicting theories with respect to the amendment. The Senator from Connecticut (Mr. WEICKER) says that this is a good bill and everybody ought to be covered; whereas the Senator from Virginia (Mr. WILLIAM L. SCOTT) has said it is a bad bill but since it is a bad bill an exemption should not be given to special interests—and that is what is involved here—but that all should bear the burden alike.

So, I assume the Senator from North Carolina adopts the reasoning of the Senator from Connecticut (Mr. WEICKER) that this is a good bill and everybody ought to be covered by it. Is that correct?

Mr. MORGAN. I say to the Senator from Alabama that I adopt the position that it is a good bill. If it is a good bill—and I believe it is—there is no reason why it should not be applicable to all segments of industry and of the economy.

I could give an illustration. Let us assume for the sake of illustration that the Virginia Electric Power Co. in North Carolina files a petition with the Federal Power Commission seeking to increase rates charged to municipalities. The Virginia Electric Power Co. serves a number of municipalities in northeastern North Carolina. As they come before the Federal Power Commission this necessarily places that Commission in what I would term a quasi-judicial capacity. They have to weigh the evidence, weigh the facts, and arrive at a decision.

Of course, here is the Virginia Electric Power Co. with all of its attorneys, economists, and accountants. They come before the Federal Power Commission. They say: "Here are the facts. Here is why we need a rate increase."

The individual small towns in northeastern North Carolina cannot afford to employ a $50,000 consultant or an economist here in Washington. It is an area of specialty.

If we are going to have it—and I grant that the Senator from Alabama does not agree that we should have it—but if we are going to have it, here is where a consumer advocate could come in with his expertise and play the adversary role and present the contradictory facts, and so forth, so that the Federal Power Commission could have access to both sides before arriving at its opinion.

In addition, the Federal Power Commission would not be placed in a position of sitting as judge and prosecutor at the same time.

Assume that this is true.

Now let us go to the Federal Communications Commission. You have a TV station that occupies a very valuable broadcast frequency. Of course, it is required by law to render a certain amount of public service, because of that special privilege that it enjoys. It comes before the Federal Communications Commission for renewal of its license. It comes with all of the expert attorneys. Here again, as the Senator knows, is an area of the law that there are very few experts in. So it comes with its attorneys and its witnesses to seek a renewal of its license.

The Federal Communications Commission has to accept at face value what this particular TV station says or it has to act as prosecutor and go out and see if it can gather up some evidence which seems to me to place the Federal Communications Commission in an untenable position. It is acting sort of as judge and prosecutor.

It seems to me that if it is fair to do it to the power company it would be just as logical for the consumer advocate to gather up what complaints or evidence it might have from the listeners and viewers in that listening area and to make a decision as to whether or not there is sufficient evidence to raise a question as to its public service, and then bring it in.

It would not be feasible for me or a dozen of us who happen to feel very strongly that it is not rendering a public service to employ attorneys and experts, because we would not have the time and money.

I am saying to the Senator that I feel very strongly that if we are going to subject the power companies, the telephone companies, and the business world as a whole to this procedure, I see no reason under the sun why we should not subject the broadcast community to the same procedure.

If I had to voice an opinion I would say it would be more important because, after all, they effect and mold public opinion, which has so much to do with the conduct of the affairs of this Nation.

If I might digress, with the Senator's permission just a moment to say to the Senator and to those few who might be listening how important the broadcast and print media are to the affairs of Government.

I was very much interested in the President's request for humanitarian and military aid to Vietnam. During the weeks preceding the vote on the floor of the Senate, I was very much concerned about the hearings held by the Foreign Relations Committee, but as the Senator well knows those hearings were in executive session so the public was not privy to the information that was heard inside of the hearing room.

Two weeks ago Monday we came into the Senate to participate in that debate, and just before I arrived a very small committee report was placed on my desk, which contained little more than the bill itself and very little record, I assume because so much of the information before the Foreign Relations Committee was sensitive.

I sat here all morning and listened to the debate. I listened to the distinguished chairman of the Committee on Foreign Relations make his presentation. I listened to a number of our other colleagues make presentations.

But I say to the Senator that at no time during the morning were there more than 7 Senators on the floor of the Senate, and during the entire debate on the bill proper there were no more than 10 different Senators.

So I have to assume that the remaining Senators cast their votes based upon the information and the impressions that they had gained from the news media.

Mr. ALLEN. It might be a good idea

to have this CPA prod the Senate a little bit, then, might it not?

Mr. MORGAN. It might very well, I say with deference to the Senator.

But I say if we are going to allow that much, it seems to me, they certainly should be subjected to close scrutiny as to whether or not they are fulfilling their obligation of public service they are required to fulfill in return for the special privileges that they enjoy.

I was wondering if the Senator has heard any arguments for the exemption of the broadcast media from the provisions of this bill that he would consider persuasive, if he were going to vote for the bill itself?

Mr. ALLEN. If I were going to vote for the bill I would want to include everybody, and for defensive tactics, I would want to have everybody included so that we could get some help from that area because, as I pointed out, big labor has said they are going to be against the bill if they are included, and there is an amendment coming up later on that.

I would say if the proceeding before the FCC on renewal of licenses is kept in the bill, we have some very fine friends there because Mr. Nader, in his testimony, pointed out that this decision not to include them was a political decision.

Mr. MORGAN. Senator, it has been a long time since I asked a hypothetical question in court, and I doubt if I could meet the qualifications, but if I could ask the Senator, assuming for the sake of this discussion the Senator felt the bill was a good bill——

Mr. ALLEN. Well, that would sure be a violent assumption, I will state to the Senator.

Mr. MORGAN. I grant the Senator that. But assuming that is true, can he see any logical reason why the broadcast media should not be included within the provisions of the bill?

Mr. ALLEN. If it is to cover any of the regulatory agencies it ought to cover them all. I think the solution is not having another echelon of Federal bureaucracy, more redtape, more expense, more regulation; I think the solution is reform of our regulatory agencies.

The President has called for that. I have a bill in to that effect which is before the Government Operations Committee, and I am hopeful we can get it out, and I believe that is the better way to reach this because if the regulatory agencies are botching their work, if they are doing a poor job, if their regulations are out of date, if they cause so much confusion, so much delay, we need to either reform the agencies, abolish the agencies, or find new heads of the agencies. That is the opinion of the Senator from Alabama.

Mr. MORGAN. On that point, I concede that we need some changes in the regulatory agencies, and I concede that we need to eliminate some of them. But is it really fair to the public or to the regulated industries to have an agency such as the Federal Power Commission sit as judge and prosecutor at the same time? Does not the Senator think it would be fairer to have an independent agency to present the opposing point of view from the industry so that then they could act more as an impartial and fair judge than it would be for the very agency that has got to pass on the issue to have to prosecute, too?

Mr. ALLEN. Well, I have never favored having any Federal agency serve as judge, jury and prosecutor. Another amendment that the Senator from Connecticut (Mr. WEICKER) is going to offer is going to put the proceedings before the National Labor Relations Board under the same thing, the negotiations between big labor and big business.

The answer has been given that they do not need ACA to help big labor and big business reach an agreement, so there is no occasion for a CPA or ACA administrator. But they overlook the fact that the public interest is involved, the consumer is involved, and why they should not be covered is similar to the situation with respect to FCC. So I am not in favor of any of these exemptions.

Of course, the National Security Council, things of that sort, things having to do with the security of our Nation, I would certainly not be in favor of having CPA nosing around in that.

Mr. MORGAN. I would agree with the Senator there.

But the Senator says he is not in favor of any regulatory agencies serving as judge, jury, and prosecutor. Let us go back to the Federal Power Commission which sets the wholesale rates that a power company charges to a municipality or to an REA group.

If the power company comes in and presents its case for a rate increase, unless we have this consumer agency, is there anyone else to present the opposing point of view unless the Federal Power Commission does it itself?

Mr. ALLEN. Well, the Federal Power Commission, I assume, are themselves experts in this area, and they have a tremendous staff to assist them in coming to a decision.

Mr. MORGAN. Does not the Senator agree, though, that it puts the Federal Power Commission and its staff in somewhat of a position of having a conflict of interest?

Mr. ALLEN. No, I do not think so. I think they are supposed to have the public interest at heart.

Mr. MORGAN. I know.

Mr. ALLEN. And I assume they do have it.

Mr. MORGAN. But, Senator, if the Federal Power Commission employs a staff or supervises a staff that is going to go out and seek the information and evidence that might contradict the power company, and present it before the Power Commission, it seems to me that it puts them in an awkward position to rule against what their staff says, because if they rule against the recommendations of their staff then they are expressing a lack of confidence in their own staff.

Mr. ALLEN. Well, I would think they would be acting through their staff. I think there would not be any conflict there that I can see.

Mr. MORGAN. If I may, Senator, pursue it further——

Mr. ALLEN. Yes.

Mr. MORGAN. And I will cut this off if I see someone else wishes the floor, and I will say to the Senator I will be presiding for the next hour and I will be interested in listening to his prepared remarks.

The North Carolina Utilities Commission has the responsibility of setting rates charged by the various utilities. It has a staff it employs which assists it in the day-to-day regulation of utilities. In the regulatory process it is necessary for them to deal with it on a day-to-day basis.

When a power company comes in seeking a rate increase, it seems to me that it puts that staff in an untenable position to have to oppose, first of all, the executives of a power company with whom they are dealing daily. You know, you build relationships; you learn to place trust sometimes—maybe erroneously—when you get to know somebody; but, certainly, if that staff goes out and brings in information and presents it to their bosses who are sitting as judges at that time, it seems to me the commissioners have got to either accept recommendations of their staff or be left in a position of expressing a lack of confidence in them.

Mr. ALLEN. At that point, I might say that it has been brought out here on the floor that 39 States have their own State consumer protection agencies and I would certainly not object if the good people of the State of North Carolina, acting through their duly constituted representatives in the legislature or in the Governor's office, would set up a local CPA.

That is the way I think it ought to be handled. If it is handled on a local basis, I would have no objection whatsoever.

Mr. MORGAN. I would say to the Senator, as attorney general of North Carolina, I did that.

Mr. ALLEN. That is fine, I am glad the Senator did.

I would like to see this operated on a local basis.

Mr. MORGAN. I would say to the Senator——

Mr. ALLEN. Maybe the hand of Washington, deciding what is best for the consumer, deciding what the consumer interest is, sometimes without regard to what the public interest is. I think it is an underlying interest and greater than the consumer's interest, and I think that is the public interest.

Mr. MORGAN. Well, I would say to the Senator that I did it in North Carolina. I did it before the utilities commission, with regard to rate requests by telephone companies, by power companies, by transportation companies, and so forth.

I also did it before the insurance commissioner, who sets the rates charged by insurance companies. I did it before the milk commission, on all regulatory agencies.

I would say that when I started doing

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it in 1969 that the industry was extremely skeptical, but before I left office the president of Carolina Power & Light Co., came to me and said that it was the finest thing that had happened in the State. He said that if he could not prove by competent evidence that he was entitled to a rate increase, he did not think he was entitled to it.

But the difficulty is that as attorney general of North Carolina I could not undertake to represent the consumers of my State before the Federal regulatory agency.

I grant that we did on a number of occasions. For instance, I appeared before the Federal Power Commission on a number of instances in opposition to proposed rate increases to municipalities, but I could not undertake that on a national basis, because I was not equipped to do it.

Before the Federal Power Commission, we had a question of natural gas coming into North Carolina that affected not only North Carolina but Arkansas and other States, and I was not in a position to serve as consumer advocate, because to do so I would have had to move my one expert to Washington.

So as a result, we employed a Washington law firm at what I consider a very high fee. It seemed to me that this was a role that the consumer advocate could play on a national level.

As I understand, and I would ask the Senator who sat on the Judiciary Committee if I am correct, this bill prohibits the consumer advocate from intervening before State and local regulatory agencies, does it not?

Mr. ALLEN. Unless invited to do so, yes.

Mr. MORGAN. Unless invited.

Mr. ALLEN. Right.

Mr. MORGAN. So unless it is invited by a State or local regulatory body, this, in effect, would be doing on the Federal level what I as attorney general, attempted to do in North Carolina.

Mr. ALLEN. Well, if that is the way the Senator views it, that is fine. I understand the Senator is for the bill and he is against the amendment. I am glad that we have an area of agreement, that we are both against the amendment. We are against the amendment for different reasons.

I am against the amendment, because I feel that the whole bill is bad, that it ought not apply to anybody, but I feel that misery loves company and if it applies to regulatory agencies generally, there should not be a special interest exemption such as the bill has. It has two tremendous areas of special interest exemptions.

I might ask the distinguished Senator while we are talking about it, how does the Senator feel about the exemption of big labor and big business in their negotiations, how does the Senator stand on that?

Mr. MORGAN. I would say to the Senator that I am just as opposed to exempting labor and management from the provisions of this bill as I am of exempting the broadcast media or as I would be to exempting the power companies and telephone companies.

Mr. ALLEN. That is fine. I am glad to hear the Senator say that.

To sum up our positions in the matter, I believe that both of us want to see everybody included in the bill and then the Senator from North Carolina is going to vote for the bill and the Senator from Alabama is going to vote against the bill. I believe that would correctly——

Mr. RIBICOFF. Will the Senator yield, will both Senators yield for clarification?

Mr. ALLEN. Yes.

Mr. RIBICOFF. I have been following this with interest, and for clarification, the distinguished Senator from North Carolina asked concerning intervention in local and State matters.

Mr. ALLEN. Yes.

Mr. RIBICOFF. I would like to call attention to section 6(g) on page 88 of the report:

> (g) The Administrator is not authorized to intervene in proceedings or actions before State or local agencies and courts.

Section (h):

> (h) Nothing in this section shall be construed to prohibit the Administrator from communicating with, providing information to, or providing assistance requested by any Federal, State, or local agencies and courts at any time and in any manner consistent with law or agency rules.

At one time, the first time the consumer protection bill was before us, there were provisions for grants to the States, and for direct intervention by the consumer agency in State and local agency and judicial proceedings, but as we went along that was deleted. It has been our thinking that on local matters, State and local agencies should generally handle their own problems, but they should be able to come to the ACA for information that they may have.

But I do not conceive of this agency particularly getting involved in purely State or local matters. I think they are going to have enough big problems to handle and their budget will be limited. I would be very reluctant to see the Federal agency get involved very much in local or State matters.

Mr. ALLEN. I understood the Senator to say that on request of the local agencies they could render assistance, is that correct?

Mr. RIBICOFF. Render assistance. I look at that as informational.

Mr. ALLEN. I see.

Mr. RIBICOFF. I do not look to them to send staff, or get involved in court proceedings, or even administrative proceedings.

The Senator from Alabama may recall that a number of representatives, I think a representative of Governor Dukakis of Massachusetts, and other attorneys general, came in and wanted the Federal agency to get involved, but the committee rejected the intervention or participation of this agency into State proceedings.

I just wanted to clarify the record on my thinking, because there was a colloquy taking place between the two distinguished Senators. I just wanted to clarify it.

Mr. ALLEN. Yes. I am glad to have the Senator make this explanation.

Quoting again from page 88 of the report:

> (h) Nothing in this section shall be construed to prohibit the Administrator from communicating with, providing information to, or providing assistance requested by any Federal, State, or local agencies and courts at any time and in any manner consistent with law or agency rules.

So there is an area there, I fear, that the agency might possibly render more than just the giving of information.

Mr. RIBICOFF. Well, I am glad to have the legislative history included in our colloquy because as I would read (h) and (g) it is not my conception that this agency is going to really get involved in State and local matters.

I look forward to information they may have that they have accumulated, that could be made available, but I do not believe that this Federal agency should generally get involved in local or State matters.

Mr. ALLEN. I am glad to hear the Senator say that he would not feel, even at the request of a Governor or a State regulatory agency, that the Federal agency could intervene in any proceeding before a State regulatory agency.

Mr. RIBICOFF. On page 29 of the report it states:

> Section 6(g) specifically prohibits the ACA from formally intervening in proceedings or actions before State or local agencies and courts.
>
> However, section 6(h) specifically affirms the Administrator's authority to communicate with, provide information to, or provide assistance requested by any Federal, State, or local agencies and courts at any time and in any manner consistent with law. The nature, form and extent of such communication, presentations, and submissions will be determined by the particular situation although it must be in a manner consistent with other law. It is anticipated that the Administrator will consult with Federal, State and local agencies and courts on a wide variety of matters. In addition to providing such agencies and courts with information and technical services, the ACA will be able to express its views in an appropriate manner, such as an amicus curiae, on particular matters currently under consideration by such agencies or courts.

To me, I do not see it getting involved, and it is not my personal intention nor, I believe, the committee's, that they should get deeply involved in any State or local problems except providing information and technical assistance that they may have within the agency. I would be very disappointed if I found the ACA going into the State of Connecticut, North Carolina, or Alabama with local fights or local problems. That is not the job that I conceive this agency performing.

Mr. ALLEN. Does the Senator think, then, after having read the sections, that the committee report goes beyond the reading of the sections themselves? I refer specifically to the last sentence of the explanation of section 6(h), appearing on page 29:

> In addition to providing such agencies and courts with information and technical services, the ACA will be able to express its views in an appropriate manner—

Well, that is mighty close to intervening—

> such as an amicus curiae, in particular matters currently under consideration by such agencies or courts.

That is the nearest thing in the world to being an intervention. It is intervention as amicus curiae. Does the Senator feel that this report language goes beyond the language of the bill?

Mr. RIBICOFF. I do not contemplate that it should get involved in legal proceedings outside of making its position information known.

Mr. ALLEN. An amicus curiae brief is pretty well intervening, is it not?

Mr. RIBICOFF. I would expect amicus curiate to be used where information is asked for. As manager of this bill, looking to the legislative history for the future, this is the interpretation that I place on it, which I believe would take precedence over any doubts in the language of the report.

Mr. MORGAN. Will the Senator yield for a moment on that?

I wonder if the Senator would have any objection if somewhere along the line we offered some clarifying amendments to make this clear. I feel very strongly for the bill, but I also feel very strongly that the people in the State are better able to represent the interest of the consumer in that State. I do not think the Senator and I would transcend this line because we both respect State government. I am afraid too often bureaucrats do not.

Mr. RIBICOFF. May I say here that if the Senator's staff will meet with Senator Allen's staff and my staff, we can agree upon an amendment to clarify. The Senator can offer that amendment somewhere during the proceedings. I would check with Senator Percy, but personally I would be willing to accept such an amendment to clarify this.

Mr. ALLEN. I thank the Senator.

Mr. McCLURE. Will the Senator yield?

Mr. ALLEN. I want to pursue this for a moment.

The Senator does feel that there can be a construction on the report language that does go beyond the language of the bill itself?

Mr. RIBICOFF. Under those circumstances I am willing to accept the clarifying amendment from the Senator from North Carolina.

Mr. ALLEN. I thank the Senator.

Mr. McCLURE. Will the Senator from Alabama yield?

Mr. ALLEN. I am delighted to yield.

Mr. McCLURE. I am happy this matter came up. A matter which I raised in my own office among my staff is that the language of 6(g) is not as broad as perhaps it might be, and the language in 6(h), both of which appear on the bottom of page 17 and the top of page 18 in the bill, is perhaps too broad in the exceptions granted for the proceedings.

I note that the Senator, as sponsor of the bill and manager of the bill, has indicated that it was not his perception, and he did not believe that it was the committee's perception, that the ACA should become involved in proceedings before State regulatory agencies.

Mr. RIBICOFF. If the Senator will yield further, this was an amendment put into the bill by Senators Percy and Metcalf. I do believe that I would have an obligation to discuss it with Senators Percy and Metcalf. There will be time in the next few days, I would imagine, to straighten this out. We will notify Senator Percy and Senator Metcalf of the questions raised.

I will also indicate my perception of what this means. I will personally ask Senator Percy and Senator Metcalf to cooperate with the Senator from Alabama and see if we can clarify this.

Mr. ALLEN. I thank the Senator.

Mr. McCLURE. Will the Senator yield further on that point?

Mr. ALLEN. I yield.

Mr. McCLURE. I believe when we look at the language of both sections 6(g) and 6(h) that in the amending process it is perhaps possible to define the limitation or the extent of participation more closely than has been done here. I am happy that it appears we are able to do that. I hope we are able to do it. I have an amendment prepared which goes to that issue. I will be glad to work with the Senator from Alabama and the Senator from North Carolina, and any others who are interested in this matter, trying to more carefully proscribe the actions.

I will give one example of the concern I have under subsection (h). While I believe it is clear that the intention is that they shall provide that information and assistance upon request, that they should be given that authority, I am not certain that the language or the construction of the language necessarily is confined to their responding to a request by the court or the agency. They might be able to act on their own to provide that information. I do not think that is the intention of the committee, if I understand this colloquy correctly. I believe we can define the language to clearly state that.

Mr. RIBICOFF. If the Senator from Alabama will yield further, just talking for myself it is not my intention, and it never has been, to have the ACA get involved in purely local and State problems. In doing so, the whole concept of interstate commerce, the concept of what a Federal agency is as it relates to the State, would be destroyed. I believe there is enough to be done at the Federal level and enough to be done at the State and local levels. I do not want to place the burden of local and State problems on the shoulders of this Federal agency. The distinguished Senator from North Carolina, as an attorney general of North Carolina, has really been one of the most knowledgeable men and also one of the leaders in the role of the State to protect the consumer. He is very well qualified in understanding the differential.

I would hope that the States and localities would assume their responsibility on purely State and local matters. Heavens knows there are enough problems on the State level and there are enough problems on the Federal level. I do not want to see the ACA administrator get involved in all the local problems that we have in the 50 States and the innumerable localities.

I am sure that, with the thoughtful guidance of the Senator from North Carolina, we can work out an amendment that will satisfy all of those who have taken part in this colloquy, but I do feel I have an obligation to call this to the attention of both Senator Percy and Senator Metcalf. I will specifically request that they meet with the Senator from North Carolina.

Mr. ALLEN. I thank the Senator. The Senator is always very fair in all matters having to do with the procedure on a bill.

Mr. MORGAN. I thank the Senator from Connecticut.

If the Senator from Alabama will yield for one more moment, before I assume the Chair, would it be an unreasonable conclusion to draw from our discussions and from what the Senator from Alabama has read from the report that those who would exempt the broadcast media from the provisions of this law intend to do so on the ground that it might enhance the chances of the bill passing, and that the Senator's reason for including it would be that it might enhance the chances of the bill being defeated?

Mr. ALLEN. That conclusion could be reached. I assume that the Senator has reached that conclusion.

I do not believe that the Senator from Alabama is as enthusiastic in his opposition to the amendment as is the Senator from North Carolina. We have different reasons for opposing it.

I feel that if these special interest exemptions could be knocked out, the bill would not pass. That is the judgment of the Senator from Alabama. He wants to defeat the bill.

I thank the distinguished Senator for his very valuable contribution to this colloquy.

Mr. President, why is this exemption so cynical? Because, as the New York Times has said:

> The records of the National Labor Relations Board and the courts abound in cases in which unions on their own or in collusion with employers disregard the public interest, pushing up prices or limiting competition. That the proposed agency for Consumer Advocacy should not have the same freedom to speak for consumers in such situations that it would have in matters affecting business is indefensible on its face.

I have examined the history of these ACA proposals over the last few years, as those who have read my views in the report on S. 200 must realize. I found that, from the inception of the ACA concept—it was formerly the CPA—it was recognized that Federal involvement in labor disputes and agreements had a major impact on the interests of consumers. And, it was specifically intended that the ACA should make a contribution by getting involved in those areas.

Big labor gave its unqualified endorsement to these early ACA proposals. They did, that is, until it was pointed out to

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the AFL–CIO associate general counsel in the 92d Congress that proceedings of the National Labor Relations Board, and the Federal Mediation and Conciliation Service were covered.

Thus, in the 92d Congress, when our Government Operations Committee later reported out an ACA bill in 1972, the bill was silent on the labor issue. But, the report on that bill gratuitously stated that NLRB proceedings are "beyond the jurisdiction" of the ACA. How that conclusion was arrived at was a mystery. Our revered former colleague, Senator Sam J. Ervin, however, noticed this attempted rearrangement of the legislative history, and proved that such proceedings were clearly covered by that bill.

Then, in the 93d Congress, with the exemption cat out of the bag, the Senate ACA bill was reported with a partial exemption for labor. The exemption prohibited the ACA from using its advocacy rights in labor disputes—but allowed the ACA to gather and disseminate information about such matters.

Now, in the 94th Congress, the labor advocates have grown bolder and more demanding. Or, in the view of the New York Times, they have grown more cynical. Now, there is a complete exemption for labor disputes in this ACA bill.

The ACA cannot advocate on labor issues.

The ACA cannot investigate labor issues.

The ACA cannot disseminate information concerning labor issues.

Insofar as the ACA is concerned, labor issues do not exist.

We are asked by the advocates of this special labor exemption to believe, despite numerous Supreme Court rulings that labor disputes are public interest matters greatly affecting consumers, that Federal adjudications of labor disputes are private matters; that there is neither a public interest nor a consumer interest involved in such disputes. This will seem strange to the consumers of Puerto Rico or of Hawaii who remember being cut off from access to many of the necessaries of life by a dock strike.

Indeed, all consumers may wonder why the President invokes an 80–day cooling off period when a national railroad strike is threatened. Why, they may ask, should a President be permitted to involve himself in such private matters?

Those of us who question this exemption are asked to forget that the National Labor Relations Act, which establishes the National Labor Relations Board and the Federal Mediation and Conciliation Service, expressly states that labor disputes and labor agreements can and do burden interstate commerce to the point of restraining availability of consumer goods and affecting their prices.

We are asked to forget what the New York Times has reminded us of—that the records of the NLRB abound in cases in which unions on their own or in collusion with employers disregard the public interest, pushing up prices or limiting competition.

Pushing up prices, we are told, has "no appreciable relationship to any marketplace transaction."

Limiting competition, we are told, has "no appreciable relationship to any marketplace transaction."

Cutting off access to the market, we are told, has "no appreciable relationship to any marketplace transaction."

Is it any wonder that, as the New York Times tells us, for the Senate to submit to coercion in this exemption would be politics at its most cynical?

That is a pretty broad statement, I do not always agree with the editorials of the New York Times. I disagree more often than I agree with their editorials. I agree with this one.

Is is any wonder that, as the New York Times tells us, for the Senate to submit to coercion in this exemption would be politics at its most cynical?

In other words, we have two special interest exemptions here in order to pass this bill. I suppose it will be conceded that if these exemptions were stricken, if it were made to apply to everybody, the bill would not pass. So, to save the bill, to get this agency created, the drafters of the bill grant two tremendous loopholes, two tremendous areas, of noncoverage. The New York Times says that is cynical action on the part of the Senate.

I do not favor the creation of this agency. I do not want it to apply to labor-management disputes. I do not want it to apply to the FCC in the matter of application for renewal of TV or radio licenses. I do not believe it is necessary. I believe it is just another addition to any already bloated Federal bureaucracy. But I say that if this is an idea whose time has come, as the proponents of the measure say, let us put everybody under it. Let us see then if it will be an idea whose time has come, or whether it will fall of its own weight.

Everybody seems to be for it as long as it does not trouble them. Anybody who gets covered by it immediately becomes an opponent. I should like to see these special interest exemptions eliminated, put everybody on the same basis. Equal protection of the law—we hear all that said cynically, and then they proceed to do just what they want to, grant two tremendous special interest exemptions in order to pass the bill.

I do not believe in playing ball that way. If it is a good idea, if it is something that is in the public interest, if it is something that is in the interest of the consumer, let us make it applicable to all proceedings before all Federal agencies. What could be wrong with that? But to grant these two special interest exemptions is certainly not in the public interest, as the Senator from Alabama sees it.

Mr. President, I ask unanimous consent that I may suggest the absence of a quorum and, when the proceedings under the quorum call have been rescinded, that the floor be restored to the Senator from Alabama, with the resumption of his remarks constituting a continuation of his first speech.

The PRESIDING OFFICER (Mr. Morgan). If there is no objection, the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, there is another cynical exemption in this bill. But, to find it, we must read the majority report accompanying S. 200, for the exemption cannot be found in S. 200 itself. As introduced, this bill stated:

> This Act shall not apply . . . to any agency action in the Federal Communications Commission with respect to the renewal of any radio or television broadcasting license. . . .

This provision was controversial, because television viewers, and radio listeners are consumers, and they are as much in need of protection as any others.

In committee, this controversial provision was stricken on a rollcall vote. A reader of the original committee report on S. 200 could not have known this because the vote and its true subject matter were not shown. I am gratified, however, that a corrected report has been printed to comply with the clear requirement of the Legislative Reorganization Act of 1946. The star print records the vote that clearly removed this exemption.

But, more importantly, and more cynically, the new report continues to allege that FCC license renewals were removed from the bill for the reason that it "was the committee's judgment that a broad, across-the-board exemption should not be explicitly provided for in the act."

Inexplicably, the report continues—and I read from page 46 of the Star Print—

> The Committee's decision not to include the provision should not be interpreted, however, as expressing an intent that the Act's definition of consumer interest be interpreted in such a way to include license renewal proceedings.

This is simply an incredible attempt to rewrite history, as the transcript of the markup session will clearly prove.

This raises no less a question than who is legislating. Is the committee staff to be permitted, by creating nonexisting motives to senatorial action, to undo the action of the peoples' elected representatives?

When the Senators on the committee vote to remove a special interest provision, can the special interests have it put back through the committee staff? The Senator from Alabama has reviewed the Rules of the Senate and can find no provision giving the staff of my committee a veto over senatorial committee action. This action is simply unconscionable. It is an example of the type of twisted advocacy we can expect from an ACA.

This Senator was present. This Senator participated in committee discussion. This Senator voted on this provision. When he did so he was not informed by the committee staff that his vote was a useless act. He was not told by the committee staff that they would decide after the vote whether or not they would allow his vote and the votes of Senator Chiles, Senator Nunn, Senator Brock, and Senator Weicker to be effective.

The report continues, and I quote again—

> In license renewal proceedings, generally, the issues contested involve questions of free speech, fairness in broadcasting, equal time provisions, racial discrimination, and other aspects of the broadcasters obligation to serve the public adequately. Such issues do not relate to marketplace transactions, and since there is no commercial transaction involved between a licensee and a consumer, there is no direct consumer interest involved in the license renewal proceeding.

That is the argument that was made in the committee prior to the vote to remove the exemption. It is not an argument advanced by anyone who voted to remove the exemption. That was not the majority view. That is the view that was stated and voted down in committee.

It is also not the view of the courts. The right of public participation in FCC license renewal proceedings is founded on the landmark Church of Christ cases. It is instructive to review the series of cases which made up the public challenge to license renewal there, and to examine the court rationale for allowing standing to the challenging group of consumers. I now read an excerpt from the opinion of the court at 359 F 2d at 1004–1005:

> (U)nless the listeners—the broadcast consumers—can be heard, there may be no one to bring programing deficiencies or offensive overcommercialization to the attention of the Commission in an effective manner. By process of elimination those 'consumers' willing to shoulder the burdensome and costly processes of intervention in a Commission proceeding are likely to be the only ones 'having a sufficient interest' to challenge a renewal application. The late Edmond Cahn addressed himself to this problem in its broadest aspects when he said, 'Some consumers need bread; others need Shakespeare; others need their rightful place in the national society—what they all need is processors of law who will consider the people's needs more significant than administrative convenience.

That opinion, incidentally, was written by then Circuit Judge Warren Burger. I submit that the present Chief Justice's view of the law is more authoritative than that of some anonymous committee staff person who considers a Senate committee vote of no consequence.

That court also appears to have been swayed by the estimate that viewers—the consumers—at that time, nine years ago, had a $40 billion investment in TV sets—not to mention radios. It appears to me that 40-billion-dollars-plus represents a sizable marketplace interest of consumers. If any interests of consumers are to be advocated by an ACA, I do not know how a more-than-40-billion-dollar interest can be ignored.

Of course, if we are to believe the insidious special interest language in the committee report, we must assume that TV sets are no longer bought in the marketplace. Or, perhaps, that TV broadcast licenses have no relation to the programs appearing on TV sets. Or, perhaps, that consumers buy TV sets as piece of furniture, and never turn them on. Or that TV commercials do not exist.

When Mr. Ralph Nader testified on S. 200, I asked him if there was a consumer interest in granting licenses and renewals of licenses to TV and radio stations. He said there was, and he agreed to endorse an amendment to remove the FCC license renewal exemption from S. 200. I sometimes do not agree with Mr. Nader, but I think it is clear that when he says TV viewers are consumers he speaks with more authority than whoever is responsible for the special interest language in the majority report which overturns the vote of five duly elected U.S. Senators.

We have thus far been discussing exemptions—both overt and covert exemptions. There is in this nefarious bill yet another type of novel exemption. This is an exemption by inclusion.

In the definition section of S. 200, the term "consumers" is defined. Within that definition it is given that, and I quote:

> "Consumer" means any individual who uses, purchases, acquires, attempts to purchase or acquire, or is offered or furnished any real or personal property, tangible or intangible goods, services, or credit for . . . agricultural . . . purposes.

By this provision, it was intended that individual farmers are to have their interests protected by the ACA. Now, these are hard times for the American farmer. And I would like to see him get all the help he can. However, I do not think that the ACA is the kind of friend farmers—or anyone else—need right now. Some other time, maybe, but not just now.

In my judgment, the Agency for Consumer Advocacy would be greatly influenced by consumer activist organizations such as those which take expensive full page ads in the Washington Post drumming up support for ACA legislation. The farmer as a consumer will not find himself getting much representation from any such ACA. But, the farmer as a farmer will have to contend with an ACA attempting to reduce the price of food and fiber—a reduction which will run counter to the farmers' interest as a producer of our basic commodities.

The prestigious farm publication, the Progressive Farmer, cogently and accurately discussed the representation farmers could expect from an ACA shortly after last year's debate on similar legislation. The magazine stated:

> Originally, farm programs were to be one of the major targets of the proposed new agency. But when it became apparent that the ACA bill was dying in the Senate (in 1974) its proponents appeared to back away from their opposition to such programs. They offered to amend the bill's application to agriculture. First, they would amend the bill's definition of consumers to include working farmers. With its awesome authority such an agency could be a powerful advocate of farmer interests. But think a minute, what friend of agriculture would want a powerful group of consumer activists . . . as the farmer's strongest advocate in Washington? It would be too much like appointing a weasel to protect the interests of a coop of chickens.
>
> In a conflict between farm income and consumer food supply, it is a good bet an administrator of an agency set up to protect consumers would decide the issue against farm producers.

S. 200 allegedly exempts farmers from attack by including them as beneficiaries of this super advocate. The cynical approach this bill takes for farmers would be like making George Meany the lobbyist for the U.S. Chamber of Commerce.

In the coming days, I would like to discuss the need for regulatory reform. The sponsors of this legislation seek to improve the performance of the Federal bureaucracy as it affects consumers. While we can agree on the need for improving the performance of Federal agencies, we have philosophical differences concerning how this objective should be achieved. Whereas the supporters of S. 200 believe that creating a new Federal agency will inspire the existing Federal agencies into an improved performance, I maintain that this approach will not achieve the end sought.

What is needed is not a new super Federal agency.

What is not needed is an additional bureaucratic layer to sugarcoat the existing bureaucracy.

What is needed is reform of the existing Federal agencies so that their performance will be improved; so that they will achieve what the Congress which created them desired that they achieve.

Fattening the Federal bureaucracy simply will not work. Proper streamlining of the existing bureaucracy will result in increased performance, with reduced Federal drag on the taxpayer, and added responsiveness to resolving the problems that Government should resolve for the people.

Mr. President, there are so many things wrong with S. 200. I hope we have an opportunity to discuss some more of these in the coming days. On another occasion I would like to talk about some of the things that are wrong with what has been left in the bill. For today, I just wanted to discuss what is wrong with some of the things that have been left out of this bill—cynically and seemingly deliberately left out.

As this debate on S. 200 progresses, however, I ask all Senators to consider seriously whether we should, as a first order of business, amend section 1 so that we may forever refer to this proposal as what it is, the Exemption Protection Act of 1975.

Mr. President, at this time I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BARTLETT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Morgan). Without objection, it is so ordered.

Mr. BARTLETT. I yield to the Senator from West Virginia.

Mr. ROBERT C. BYRD. I thank the Senator for yielding.

ORDER FOR ROLLCALL VOTES TO OCCUR BEGINNING AT 2:30 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the rollcall vote which was to occur today at 3 p.m. on the resolution by Mr. Allen and Mr. Cranston occur at 2:30

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p.m. instead, and that the vote on the amendment by Mr. MAGNUSON occur immediately thereafter; of course, with the understanding that if there is an amendment to the Magnuson amendment, that the amendment would be allowed to come in for a vote prior to the vote on the Magnuson amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRIFFIN. Will the Senator from West Virginia yield for a suggestion?

Mr. ROBERT C. BYRD. Yes.

Mr. GRIFFIN. I suppose that it is possible, although perhaps it will not happen, that there could be an amendment or amendments to the Cranston resolution.

There could also, as the Senator from West Virginia has indicated, be an amendment or amendments to the Magnuson amendment.

Would the Senator want to perhaps provide that following the first vote in that regard that the other votes, back to back, would be 10-minute votes?

Mr. ROBERT C. BYRD, Yes, I so request.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 11 A.M. ON MONDAY, MAY 12, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 11 a.m. on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PERIOD FOR ROUTINE MORNING BUSINESS ON MONDAY, MAY 12, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized on Monday, there be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements limited therein to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR WEICKER TODAY AND FOR VOTE ON WEICKER AMENDMENT AT 4 P.M. ON MONDAY, MAY 12, 1975.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the vote on the Magnuson amendment today, the distinguished Senator from Connecticut (Mr. WEICKER) be recognized to call up an amendment, and that a vote occur on the Weicker amendment on Monday at 4 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER THAT NO ROLLCALL VOTES OCCUR PRIOR TO 4 P.M. ON MONDAY, MAY 12, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be no rollcall votes on Monday prior to the hour of 4 o'clock p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ROLLCALL VOTES ON THE NASA AUTHORIZATION BILL, IF ORDERED, TO OCCUR IMMEDIATELY FOLLOWING VOTE ON THE WEICKER AMENDMENT ON MONDAY, MAY 12, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that if rollcall votes are ordered on the NASA authorization bill or amendments thereto on Monday, they occur in proper sequence, but immediately following the vote on the Weicker amendment at 4 o'clock p.m. on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR 30 MINUTES OF DEBATE ON CRANSTON RESOLUTION TO BEGIN TODAY AT THE HOUR OF 2 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be 30 minutes allowed for debate on the Cranston resolution today, such debate to begin at the hour of 2 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER THAT THE 1 HOUR UNDER RULE XXII BEGIN RUNNING ON TUESDAY, MAY 13, 1975, AT 2 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the 1 hour under rule XXII on the motion to invoke cloture begin running on Tuesday at the hour of 2 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. This would mean, Mr. President, that at 3 p.m. the automatic quorum call would occur, to be followed immediately by the automatic rollcall vote.

Mr. GRIFFIN. Will the Senator yield? I have another suggestion for the majority whip.

Mr. ROBERT C. BYRD. Yes.

Mr. GRIFFIN. Can we get the agreement now that all amendments at the desk at the time of the vote on cloture will be considered as having been read and qualified under the rule?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all amendments at the desk at the time the vote begins on the motion to invoke cloture on Tuesday next be considered as having met the reading requirement under the rule.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

CONSUMER PROTECTION ACT OF 1975

The Senate continued with the consideration of the bill (S. 200) to establish an independent Consumer Agency to protect and serve the interest of consumers, and for other purposes.

CLOTURE MOTION

Mr. RIBICOFF. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The legislative clerk read as follows:

Cloture Motion

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon S. 200, the Consumer Protection Act of 1975.

Abraham Ribicoff, Jacob K. Javits, Quentin N. Burdick, Walter D. Huddleston, Charles H. Percy, Lowell P. Weicker, Jr., Warren G. Magnuson, Gale W. McGee, Thomas F. Eagleton.

Mike Mansfield, Edward M. Kennedy, Edmund S. Muskie, Alan Cranston, Thomas J. McIntyre, Henry M. Jackson, James Abourezk, Wendell H. Ford, Harrison A. Williams, Jr., Robert C. Byrd.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that during consideration of the pending legislation George Shanks, of my staff, be granted privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARTLETT. Mr. President, the provisions of the legislation to create an Agency for Consumer Advocacy has an implication that the existing agencies are not representing all the people of this country, all the consumers, and certainly every citizen is a consumer.

I think it is important to realize that in representing all the people, an agency is going to be representing consumers of varying points of view. But I am afraid that there is an implication in this legislation that the points of view of all consumers can be represented.

If an agency or administration does not do a balanced job of representing the varying points of view of its citizens, and certainly respecting the point of view of the minority, then, of course, it can be replaced in the ballot box. A new President, new heads of agencies and departments would follow, and a different approach to representing varying points of view would take place.

I think it is silly to think that any agency can represent everyone's point of view.

Ideally, agencies should represent interested parties by listening to the varying points of view and the weighing of them very judiciously.

Those who are proposing a bigger government here, should point out that with an increase in the bureaucracy there will be an erosion of freedom of the individual.

It is just not possible to add another layer of bureaucratic control which is going to result in the United States versus the United States and which is certainly going to be disruptive within the bureaucracy as well as without, reducing the freedoms of the individual.

I believe it raises the question of who is a consumer. A consumer, in my opinion, is every single citizen of this country. We know that consumers have varying points of view. For example, I know that some consumers want to have available to them, with every purchase that they makes, the lowest possible price that can be achieved, period. And if a controlled price is more than a free market price, they want the lowest possible price.

If they are thinking about the supplies of the particular item, they are going to be aware that, with a very low price, they are also going to be working toward shortages of that particular item.

On the other hand, there are those consumers who want to pay the fairest price possible which will also bring on sufficient supplies to replace the item that is consumed, and perhaps, if there is a shortage, to maximize the forces of the market to increase domestic supplies to the maximum.

This is a different point of view, and these points of view are represented in this body today. The different points of view are perhaps represented in many, many ways, but certainly in two striking ways, by the elected representatives of the people from the various States in the two houses of Congress.

One is a representation of individuals and sometimes groups who have certain complaints about regulations that are formed resulting from specific legislation, or from specific administrative acts of various agencies. The representative of a district or State may very well feel that the case in question deserves his checking with the proper department head, Cabinet officer, or whoever it may be, to make certain that the law is properly enforced and administered, and that the rights of individuals who may be in a minority position are properly handled.

The representative of the people in this body also will frequently differ with other Members of the body in representing their citizens, who are consumers, regarding legislation. I believe every Member of the body is at one time or another in the minority vote. So each person realizes that there are questions and viewpoints on which he has strong opinions which are in the minority.

I believe that the proposed Consumer Advocacy Act will tend to be divisive because it is going to have the tendency to represent one consumer over another, and not, in my mind, to advocate a balanced position of representing all consumers. It is going to represent a consumer point of view, and this point of view would probably be the majority point of view. So there is going to be a strengthening of the majority position in interpreting the laws that are passed by the majority and tending to violate the points of view and perhaps even the rights of the minority.

Certainly, the new agency created would be interpreting the acts of Congress, interpreting the laws signed by the President, and interpreting the intent of Congress from a point of view that is bound to be prejudiced and is bound to be, in most cases, representing the majority viewpoint while entirely neglecting the minority.

We hear a lot about protection. Certainly the big city hoodlums offer all kinds of protection with little concern for the wishes of the protectee.

I believe that the Members of Congress will be abdicating their responsibilities as representatives of all the people of varying points of view if they see fit to pass this legislation. There will not be the balanced position that I think is taken with Democratic and Republican administrations alike in the administration of the various and many bills which have been passed for the protection of the consumer, and for the interests of the citizens of this Nation.

There should always be, in the passage of this type of legislation, an interest paid to the desires and the point of view of the minority. I believe in the administration, whether it be Democratic or Republican, there is a very conscious realization that there is another point of view that should be considered. I am afraid that this point of view is going to lose some of its advocacy with the passage of this bill.

I am concerned, too, that some pressure groups are not always objective in their purposes. Certainly, most pressure groups are organized for a particular purpose. I am aware that many and perhaps most of those purposes are worthy. But sometimes a stated purpose can be a camouflage for another purpose, a coverup. I believe that quite often some are dedicated to a single aim, perhaps with little concern of how others may be affected.

Sometimes there is an effort to use something such as consumer protection as a smokescreen to hide the real purpose.

While this agency is operating as another layer of bureaucracy in our Government, as another agency, it can be very constructive to a balanced approach.

Certainly there are those who have a point of view, in my opinion, which is contrary to the best interests of private enterprise. This could become—and I do not know that it will—a goal—under the so-called best interests of the consumer—of such an agency.

I am concerned that there is not going to be the responsiveness of this agency to the very opinions and desires of the citizens of this country, those who would be in the majority on a particular consumer question and those who would be in the minority, who would disagree. I think it is vital to keep alive the kind of government we have which goes out of its way to have a check and balance to represent the point of view of the minority on any particular question.

I believe that if we pass this legislation today or tomorrow and it becomes law, that those who are supporting it will be abdicating a very important role they play in representing their citizenry, in representing their consumers.

This Government agency could very well favor the majority consumer point of view over the minority consumer point of view.

I believe that this could be extremely divisive among citizens, as well as very divisive and confusing within the bureaucracy itself.

Normally, with an administration, there is a certain point of view of representing American citizens that tends to be a part of the total effort of all the various departments and agencies of that administration, reflecting the votes of the previous election. It might be that this particular consumer agency would not be in tune or in line with that point of view which would be a reflection of the majority wishes of the citizens of this country.

So we must realize that a very big measure of freedom will be withdrawn from individual actions with the addition of this agency—more red tape, more brakes put on individual initiative in business and free enterprise. There will be more false starts and less opportunities to innovate, to have a differing point of view put into effect, to compete in the market place of opposing points of view.

So, Mr. President, I call upon my colleagues in the Senate to reason very carefully concerning this important measure and to decide whether or not they are giving up some of their responsibilities, as representatives of the people, by supporting it. I believe that a vote for this measure by a Member of Congress, by a Member of this body, is a vote to back away from the responsibilities that a Senator has.

Mr. President, I know that Senators agree with me that no Member of the Senate adds more to the value of debate of important issues than the Senator from Alabama (Mr. ALLEN). The Senator from Alabama makes some cogent points on the legislation to create a Federal Agency for Consumer Advocacy that are highlighted in a column by Baxter Omohundro in the Florence Times-Tri-Cities Daily, of May 4, 1975.

Mr. President, I ask unanimous consent that the article may be printed in the RECORD in its entirety so that Senators may consider his sound logic.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Allen Sees Conflicts in Consumer Bill

(By Baxter Omohundro)

In a little-noticed dissent, Alabama's Sen. James B. Allen has taken measured and emphatic exception to a bill aimed at creation of a federal Agency for Consumer Advocacy.

Allen spelled out his objections to the bill and the sprawling bureaucracy it would create in a report issued last month by the Senate Committee on Government Operations, of which he is a member.

The Alabamian points out that the bill's objectives are most noble: To centralize the federal government's consumer advocacy. Such activities now are scattered among scores of bureaus, agencies, offices and commissions throughout the federal establishment.

Many of these, as Allen and proponents of the bill point out, are cast in the dual and conflicting role of representing both the consumer and the interests with which the consumer must deal. A prime example is the Agriculture Department, which is supposed to represent both farmers and the people who use their products.

Calling it a "pitiful, flightless thing," Allen contends the proposed Agency for Consumer Advocacy not only would not solve these problems but would create more. Some examples:

Funding for the first three years of the agency has been estimated at $60 million, adding yet another burden to consumers at tax time.

The bill forbids the agency from taking cognizance of labor disputes, even those frequently having direct and heavy impact on consumers.

The agency would have the power to obtain and publish the trade secrets submitted by business to various regulatory agencies for review. The confidentiality of such information is protected under existing law.

Creation of the agency would create "federal guerrilla warfare" by pitting one federal agency against another and resulting in court battles to determine whc speaks for the government.

If consumers cannot afford the time or money to appear before existing regulatory agencies, it's doubtful they'd be able to do so before the proposed agency.

The agency would further contribute to inflation by adding to the current "serious overregulation of commerce."

In the torrent of information flowing daily from the nation's capital, Allen's views received scant attention at the time or even later.

Yet one of the points made in his dissent merits detailed examination by the Senators and news media executives who are pressing for a federal "shield law."

The shield law, being vigorously pushed by Sen. Alan Cranston of California, is aimed at guaranteeing reporters greater protection for the confidentiality of their news sources so that they may better inform consumers of matters directly affecting them.

Allen believes the proposed Agency for Consumer Advocacy could "demand names of sources or other material accepted in confidence" by the news media, since these are not exempted from the scope of the agency's powers.

If Allen is correct, the consumer advocacy act would be directly in conflict with the shield law, and the result surely would be long and tedious litigation during which provisions of both legislation would be, for all intents and purposes, moot.

Mr. GARN. Mr. President, the Senate is currently deliberating what I consider to be another Government monstrosity in its worst form—the Agency for Consumer Advocacy. The American people need less Federal Government, not more. As a recent editorial in the Salt Lake Tribune points out "the idea of imposing another Federal bureaucracy on the already overcrowded consumer protection endeavor is as faulty today as it was 14 years ago" when consumer protection legislation was first introduced.

Consumers do not need another agency to protect them from the existing ones. ACA attempts to do this. I ask unanimous consent that the Tribune editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Salt Lake Tribune, Apr. 30, 1975]

No Need for Super Bureaucracy To Protect U.S. Consumers

Ever since 1961 when the late Sen. Estes Kefauver, D-Tenn., introduced a bill to establish a Department of Consumers, proponents of a giant consumer advocate agency have been at work. But the idea of imposing another federal bureaucracy on the already overcrowded consumer protection endeavor is as faulty today as it was 14 years ago.

Legislation now in Congress, though as yet not approved by either chamber, would create an all-powerful Consumer Protection Agency (CPA) charged with representing the "consumer" before other federal bureaus (already laboring in the public's behalf) as well as carrying on a host of other busy work.

On the surface the CPA idea seems to have some merit. But a closer examination of the proposed legislation and existing agencies in the consumer protection field dispels the superficial attraction.

Among the federal agencies dedicated wholly or in part to protecting the consumer are the Office of Consumer Affairs, Consumer Product Safety Commission, Federal Trade Commission, Food and Drug Administration, General Services Administration, Agricultural Marketing Service and the Animal and Plant Health Inspection Service.

Proponents of the CPA are asking consumers—which under the proposed legislation's definition of a consumer includes everybody—to believe that these and other existing federal, state and local consumer police have failed miserably.

At the very least it is implied that a super-protector must be created to ride herd on the established guardians. But the record does not justify such an assumption. Old line agencies have by no means been perfect but neither have they been the massive failures CPA sponsors would have the public believe.

CPA backers also lean heavily on the premise that most American businessmen are out to bilk their customers in one way or another. Here again the record shows a good deal of chicanery by producers and distributors but nowhere near a level to warrant establishment of a new federal agency with authority so all-encompassing that more mischief than benefit would probably result.

Despite what the advocates of a CPA say, American consumers are not the helpless victims of unscrupulous producers. Some areas of protection should be shored up and others require more staff to implement their regulations. But the need for a super-agency in the consumer field simply has not been demonstrated.

Those in Congress and out who are bent on bringing another bureaucracy to Washington in the name of the poor, sitting duck consumer, would do better to direct their energies toward improving the functions of those watchdogs already on the premises.

Mr. FANNIN. Mr. President, I rise in opposition to S. 200, the Consumer Protection Act of 1975.

In this period of economic crisis, energy crisis, and various international crises, we are called upon to again consider a bill which has been almost continually before us throughout my service in the Senate. True, we continue to change the name, but the purpose, powers, and administration remain the same. It has been called a Cabinet-level Department of Consumer Affairs; the Office of Consumer Affairs in the Executive Office of the President; a Consumer Protection Division in the Department of Justice; the independent Consumer Protection Agency; and now the Agency for Consumer Advocacy—ACA.

Advocates of the bill argue that consumer interests are not now properly protected by the Federal Government, even though some 33 agencies and departments now operate more than 1,000 consumer-related programs.

The contention is that these agencies too frequently pursue regulatory paths more favorable to business than to consumers. If that is really the problem, Congress should insist that the present agencies do their jobs properly. That would be a responsible, efficient, economical approach. It is irresponsible for Congress to add another level of bureaucracy to an already burgeoning Federal bureaucracy.

During the last decade, Congress has reacted to consumer protection demands by enacting many new, laws creating new Federal agencies. To mention a few of the better known agencies over which the new agency would become a super-agency; National Commission for Product Safety; Fair Packaging and Labeling Act; Product Safety Administration; Occupational Safety and Health Administration; Interstate Land Sales Act; Truth in Lending Act; the Environmental Protection Agency; the Clean Air Act; the Ban and Warning on Cigarette Advertising; the Radiation Control Act; the Federal Energy Office; Interstate Protection System for Wholesome Meat, and the Legal Services Act.

Earlier created, but recently more active and effective, we have: the Food and Drug Administration; the Federal Trade Commission; the Federal Communications Commission; and the Security & Exchange Commission.

Mr. President, speaking as a consumer, I sometimes feel already overprotected.

I wish I could have added the National Labor Relations Board and the Mediation and Conciliation Service, but this year and last year, agencies dealing with labor and unions are specifically exempted, presumably because this bill could not possibly pass without the support of big labor. Yet I can think of nothing which hurts the consumer more than the increased costs if not unavailability of products than a secondary boycott, a jurisdictional strike or a recognition strike.

Arizona growers of lettuce and grapes, for example, have had recurring national boycotts of retail stores selling such products not picked and handled by Chavez' union.

The Mediation and Conciliation Service performs a highly useful service in bringing the employers and unions together to settle a strike or potential strike. Of course, that service has no power to order either side to increase an offer or reduce a demand. However, their sole purpose is to assist the parties in reaching a contract. There is never any thought on the part of the mediator about the increased cost to the consumer if the settlement reached is too high and can only result in increased cost to the consumer. And that is too often the result. While there is no actual pressure on the employer, he is bargaining in a Federal office and a Federal employee is telling him that he will have to increase his offer substantially or he, the mediator, cannot sell it to the union.

Mr. President, the exemption of labor is a fatal defect in this bill. If we are going to exempt some Government agencies, I would place those concerned with the research and development of new sources of energy high on the list. Here we have a real emergency, one that should

not be delayed by the intervention of the Administrator of the Agency for Consumer Advocacy. We all remember the protracted delays in starting the Alaska pipeline. I shudder to think how much further delay there may have been had this proposed Agency been in existence at that time.

Mr. President, the committee report estimates a 3-year cost of $60 million. I wish I could believe that to be a realistic figure. But I envision more and more supplemental requests for greatly increased funds and the employment of every lawyer in the country who wants to get on a governmental payroll. I have just looked at a table on page 330 of the executive budget for fiscal 1976. The first column sets forth the actual amounts spent in 1974. The fourth column provides a 1976 estimate. With the exception of Defense and Aeronautics and Space, all call for increases. Mr. President, this is no time to create new expensive agencies.

Consider a specific example of a recently created regulatory agency selected at random. The Occupational Health and Safety Administration started operation in April of 1971. For the year 1972, its first full year of operation, OSHA spent $35,884,000 and employed between 1,500 and 1,600 employees. Its present request for fiscal 1976 is $116 million and 2,170 Federal, full-time, employees.

Mr. President, I am concerned about the logic behind our considering the Consumer Protection Act of 1975 as proposed in S. 200. Who is it that is asking for another sprawling bureaucracy?

In making decisions as elected representatives, we are all supposed to take the lead from the people of our States. I have not had any mail from home saying there is a need for such an agency. My constituents do not write and ask me to create another board, bureau, commission—much less an agency to oversee the actions of other agencies.

But, they do write to complain about the high cost of Government, and to object to the loss of freedom, extra work, and expense caused by the Government agencies. The people of my State are tired of expensive, handholding Government bureaucracies, and they rightly do not understand why Members of Congress seem to think they need them.

Mr. President, S. 200 is based on the assumption that a single agency can act as an advocate for "consumers" as a class. The fact is that there are as many consumers as there are citizens, and their interests are as diverse as one can imagine. It is folly to think that any one Federal agency could possibly represent them all. Since it is impossible to represent the diverse interests of all consumers, it will inevitably develop that CPA will represent some consumers while other consumers will be left unrepresented. Consumers whose interests differ from those of the dominant consumer lobby of the moment will be left unrepresented. Their tax dollars will be spent to support the opposing position.

Mr. President, the consumer agency as it is now proposed, will have no immediate impact on any of these day-to-day consumer problems. Rather it will be involved in every complex and lengthy Federal administrative proceedings and court appeals involving such things as antitrust cases, rate settings, drug approvals and a plethora of other complicated matters which may take months or even years to resolve. We all complain about overcharges for unneeded automotive repairs, the prepaid merchandise that never arrives, the dishonest used car salesman and the unhonored guarantee. Let no one be deceived that the proposed agency will solve those irritating problems. It is much more effective to direct one's complaint to the Better Business Bureau that exists in almost every city.

Mr. President, the bill provides for the appointment of an Administrator for a term of 4 years. All functions and powers of the Agency are vested in the Administrator. He appoints a general counsel and may appoint five Assistant Administrators. The function of the Administrator is to represent the interests of consumers before Federal agencies and Federal courts. "Interest of consumers" is defined to include any health, safety, or economic concern of consumers.

Section 3(a) provides that "the Administrator may be removed by the President for inefficiency, neglect of duty, or malfeasance in office." I foresee trouble here. This language ties the hand of the President to an unreasonable degree. The bill gives the Administrator practically unlimited powers and then insulates him from removal.

We are told that the agency will have no regulatory powers. As a practical matter, this is a ridiculous statement. Consider an example. The Consumer Protection Agency or Product Safety Agency, after investigation, has found the new product safe and of no danger to public health. The Administrator for Consumer Advocacy does not agree. He condemns the product in a press conference or a mere statement to a reporter that he will take it all the way to the Supreme Court. The public reaction forces the retailer to take the product off the shelf and the manufacturer to go out of business. This is regulation.

Mr. President, I have a final question: Who regulates or investigates the Administrator? I suggest that under this bill such task can only be performed by the Administrator.

Mr. President, the Arizona Republic on April 1, 1975, carried an excellent editorial pointing out some of the shortcomings and the deceptions in this proposed legislation. I ask unanimous consent to have this editorial printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Phony Consumer Bill

Such an alluring name.

"The Agency for Consumer Advocacy."

It instantly conjures up the image of Washington finally doing battle at the side of hard-pressed American homemakers.

Unfortunately, such is not the case of S. 200, a legislative perennial of the U.S. Senate.

Apparently, most Americans realize that. A survey just completed by the Opinion Research Corp. finds that 75 per cent of 2,038 American voters are opposed to creation of the $20-million-a-year new bureaucracy.

But this gives members of the Senate no pause in their fervor to father the ACA. Some are bound and determined to use tax funds to give Ralph Nader his own plaything.

Aside from creating another bureaucracy of dubious need, the fault of S. 200 is that it prohibits the agency by exemptions from intervening in matters which are causing most consumers the most grief.

While the new bureaucracy can intervene in relicensing procedures before the Federal Communications Commission, it is prohibited from intervening before the National Labor Relations Board.

The NLRB is where disputed agreements between labor and management land. And the NLRB can settle matters involving worker productivity, job access and therefore prices of virtually every service or product in the American marketplace.

The Senate's prohibition clearly was done at the command of organized labor, which for years has been elevated into privileged standing with members of Congress who wallow in labor contributions.

A test of the Senate's willingness to serve consumers—a willingness which at this point is phony—would be to write a bill giving ACA a mandate to attack costs created artificially by government itself, and which fall on the consumer.

What of the Federal Energy Administration, whose energy policies and allocation schemes forced up fuel prices?

What of the Federal Power Commission, which refuses to deregulate natural gas prices, and thus creates shortages and higher prices of the consumer?

What of the Civil Aeronautics Board, which fixes prices and restricts competition, thus forcing up consumer costs?

What of the Environmental Protection Agency, whose multibillion-dollar blunder in auto emission control standards has failed to end pollution, but forced up consumer prices on cars.

What of the Senate and House themselves and the cascade of legislation they write which cannot demonstrably provide anything for the consumer—except higher prices?

Senators who support ACA are playing games with the voter. It is a window-dressing bill which implies help for the consumer, but does nothing of the sort.

The American taxpayer, already told that his share of the national debt just went up again, doesn't need another $20 million-a-year agency, especially one which protects the sacred cows who really are adding the costs

Mr. BARTLETT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. Bumpers). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Bumpers). Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, I move that the Senate stand in recess until 1:45 p.m.

The motion was agreed to and, at 1:11 p.m., the Senate recessed until 1:45 p.m., whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. Bumpers).

The PRESIDING OFFICER. The Chair in its capacity as Senator from

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Arkansas suggests the absence of a quorum, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR—SENATE RESOLUTION 148

Mr. CRANSTON. Mr. President, I ask unanimous consent that Bill Jackson and Murray Flander of my staff may have the privilege of the floor during the consideration of the resolution which is about to come before the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

WELCOME TO THE LATEST REFUGEES TO OUR SHORES

The PRESIDING OFFICER. The hour being 2 p.m., under the previous consent order, Senate Resolution 148 is ready for immediate consideration, with debate therein limited to 30 minutes.

The resolution will be stated by title.

The legislative clerk read as follows:

> A resolution (S. Res. 148) to welcome the latest refugees to our shores.

Mr. CRANSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PERCY). Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the names of the following Senators be added as cosponsors of the refugee resolution. I am delighted that one of them is the minority leader, Senator HUGH SCOTT; also, Senator RIBICOFF and Senator WEICKER. I am particularly delighted that the name of Senator BUMPERS is on this list, because many of the refugees are now going to Fort Chaffee in Arkansas. Other cosponsors are Senator CHILES and Senator STONE, the Senators from Florida, where Eglin Air Force Base is located. Florida, like California, is a staging area for the refugees. The other Senators are Senator GOLDWATER, Senator MORGAN, Senator MONDALE, Senator MCINTYRE, Senator GARN, and Senator BUCKLEY.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUGH SCOTT. Mr. President, are we a mean-spirited nation of racists or—as I firmly believe—are we a people of compassion, proud of a heritage built upon the diversity of our origins?

I ask this because I was appalled to learn today of an ugly incident which occurred this week to a friend of one of my staff members.

This young woman, who happens to be of oriental descent, was approached by a woman she did not know while she was shopping. The other woman said nothing but spat upon her and walked away. The young woman was terribly distressed, as well she might be.

She has been in this country for several years. She is of Thai descent and she looks forward to becoming an American citizen next year.

Mr. President, the strength of our country is in opening our doors and our hearts to the peoples of many lands who believe, as I do, that America is the land of freedom and opportunity. Let us not debase our strength or degrade our heritage by ugly incidents such as this. Rather, let us reach out our hands to those who look to America as the great and welcoming Nation she is.

We have no refugee problem; we have a problem only if we allow our hearts and our minds to become refugees from compassion and forgetful that the roots of this land are mature and strong. From many cultures, we have forged one people, proud of each other, proud of the nationhood we have wrought.

As Elizabeth Barrett Browning wrote:

> Happy are all free peoples, too strong to be dispossessed;
> But blessed are those among nations who dare to be strong for the rest.

We have greatly dared. We have not always won. But in the willingness to bear burdens, we have dared to dare.

There are lessons to be learned, new and better answers to be found.

This great people will find them.

Mr. President, I am pleased that the media is beginning to speak out in support of U.S. efforts to aid the Vietnamese refugees. As a New York Times editorial so aptly stated:

> They deserve to be cherished as fellow human beings and given a welcoming hand as new Americans.

Mr. President, I ask unanimous consent that this editorial from the New York Times, as well as an editorial from the Philadelphia Inquirer, be inserted at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

"DENYING OUR HERITAGE"

President Ford was fully justified in his press conference last night to express his concern at the querulous and uncharitable reaction of too many Americans to the plight of the Vietnamese refugees. His statement on the desirability of admitting them to the United States ought to be read by every American. Mr. Ford's request for $507 million to assist the resettlement of approximately 130,000 Vietnamese over the next two years is a reasonable and honorable response to a tragic human situation. The United States can do nothing else.

Those citizens who are unemployed or who are financially pinched by inflation and high taxes have understandable fears that the nation is taking on yet another burden while their problems remain unsolved. But those fears are based on a misconception of the facts.

About 60 per cent of the refugees are children, while many others are elderly persons too old to enter the job market. Thus, only 30,000 of the Vietnamese refugees are heads of households and likely to seek work. Of these, many are doctors, lawyers and businessmen who can readily find places for themselves in American life and contribute needed skills.

What is harder than the fears of the unemployed to explain and justify is the antagonism of many members of Congress, including well-known liberals, and other leaders of opinion throughout the country. Several liberal members of the House of Representatives seem not to be aware that the war in Vietnam is over.

No nation is eager to welcome criminals, prostitutes, war profiteers, or practitioners of political torture. But it grossly distorts the whole nature of the refugee problem to focus on the tiny minority of persons who might deserve one or another of those terms of opprobium, or to exaggerate their number. There is no possible way to make a just determination about the political or moral character of individual refugees.

If some Vietnamese engaged in dirty work, they usually had American advisers or were financed by American money. In some respects it was a dirty war. But now that it has all ended badly, it would be the ultimate disgrace for Americans to turn their backs and adopt a holier-than-thou attitude toward those Vietnamese who aligned themselves with the American war effort in their country.

It is likewise blatantly contradictory to play upon fears that the Vietnamese may take away jobs or end up on welfare rolls and at the same time argue that many of them are too rich to deserve help.

Most of these refugees have lost all of their worldly possessions. Many are separated from loved ones. All have lost their country, a lasting sorrow that perhaps only other migrants and exiles can fully comprehend. They deserve to be cherished as fellow human beings and given a welcoming hand as new Americans.

George Meany, president of the A.F.L.-C.I.O., has pledged the labor movement's help—even in this time of economic adversity—to assist the Vietnamese refugees to find jobs. "The United States has an inescapable moral responsibility," Mr. Meany observed. "We are a nation of immigrants. Rejecting them would be denying our heritage and the history of this country as a haven for the oppressed."

No matter what one may have thought about the rights and wrongs of the Vietnam war, those words express the true American tradition.

[From the Philadelphia Inquirer, May 7, 1975]

FORD PLEA FOR REFUGEES IS IN THE AMERICAN TRADITION

President Ford has asked Congress for $507 million to finance the evacuation and resettlement of refugees who fled the Communist takeovers of South Vietnam and Cambodia. The bill, referred to the House Judiciary Committee, does not contain the authorization for the use of American troops which resulted in a House rejection of his earlier request last week.

It is, thus, a "clean" bill to handle a dirty situation, and Congress should act promptly to provide.

That doesn't mean that Congress shouldn't ask questions or require some kind of screening program for the refugees. In the chaos of the evacuation, many deserving Vietnamese were left behind while others managed to buy their way out of the country—sometimes by paying off Americans.

There is no reason why, as a number of congressmen declared at a Judiciary subcommittee hearing on the subject, the refugees who can afford to pay their own way shouldn't be required to do so. Nor is there any reason why, as Rep. William Cohen of Maine said,

American companies shouldn't reimburse the Defense Department for expenses of evacuating their American and Vietnamese personnel.

Still, it is disturbing to note the intensity of some of the opposition to the refugees. "In my opinion," declared Rep. Elizabeth Holtzman of New York, "persons engaged in stealing American funds, who operated tiger cages and assassinated people, are undesirable." Well, one can hardly argue with that, but that is not the immediate issue.

The U.S. Government now estimates that about 140,000 refugees will seek asylum in this country. If their ranks include some few corrupt generals and avaricious businessmen who did well financially out of America's misguided attempt to do good, the vast majority of refugees are people who invested their lives in a cause, a lost cause, that they believed in and that the American government supported.

Most of them are decent people, as deserving of our aid and compassion as the Cubans who fled Castro in the Sixties and the Hungarians who fled Russian tanks in the Fifties, and to whom America opened its doors.

Yet the issue is not what kind of people they are but what kind of people we are. Like President Ford, we cannot believe that Americans will turn their backs on their own tradition of giving asylum to political refugees.

THE NEW LAND

(By Stephen Fuzesi Jr.)

Though I was only eight years old at the time, I will never forget the tears in my father's eyes as we crossed the Hungarian border one cold November night in 1956. My brother, a little over a year old, slept in a blanket strapped to his back. Mother held dad's hand and mine. We had just walked twenty miles searching for the border.

Having helped us crawl across the remains of the bombed bridge at Andau, my dad turned back staring for a moment across the snow-dotted Hungarian countryside. Then looking straight at me, he said: "If we can't live in Hungary, America is the country to live in. You and your brother will have the opportunity to live and work and believe freely. It is sad that our little Hungary should lose two such fine young men" We walked quickly the 100 yards or so to Austria.

It would be incorrect to draw parallels between the Vietnam war and the Hungarian revolution. It does seem fair to note though that the vast majority of Vietnamese who have left their homeland have done so, much like us, with tears not smiles. They left relying on the opportunity to begin a new life in the United States.

It would seem a mistake to deny that opportunity now. The Vietnamese refugees, among them tens of thousands of innocent and politically unaware and uninvolved children, should not be made to bear the backlash of popular disgust with our foreign-policy failures in Indochina, reflected in further Congressional rejection of requests for appropriations to fund resettlement.

The 40,000 Hungarian refugees who have come to the United States since 1956, and the 675,000 Cubans who have followed, as the millions of immigrants who preceded them, have all been absorbed in our culture, economy and political life. Even if 150,000 Vietnamese refugees were resettled in the United States, this would represent only slightly more than one-third of the total number of immigrants admitted legally to the United States each year since 1968, and less than 3 per cent of the immigrants admitted in the decade 1960 to 1970. In 1960, at the beginning of the Cuban immigration, the United States was suffering from the highest level of unemployment of that decade. And while an exact total of Government expenditures for activities related to Vietnam, beginning with our involvement in the 1950's, would be impossible to calculate, the $507-million that President Ford has asked from Congress for resettlement and transport would clearly be less than 1 per cent of the total, and less than 2 per cent of the $30 billion expended in the peak year of 1968.

Statesmen and scholars, as well as all of us, will search our experience in Vietnam for lessons and morals. One focus of this review will certainly be the meaning of an American commitment to an ally. The foreign-policy impact and realignment of policies as well as treaties and relationships with the United States provoked by such an evaluation will vary, perhaps country by country. Commitment, to have any value, must mean at least that we will open our doors to refugees from a country with which we had been allied in a cause that met defeat.

Leaving one's homeland, family and friends, and the culture in which one feels natural, is a sad occasion chosen by few in search of opportunity and suffered by millions of victims of international politics.

Perhaps some leave solely in the pursuit of a more comfortable life. For Vietnamese, from a war-torn country, is that so unforgiveable?

The masses who seek refuge after a war leave with children clinging to their arms. They seek opportunity—but opportunity for their children to live a life in peace, in a country whose people have a tradition of evaluating men for what they do, not for where they were born; a tradition of respecting individuals not on the basis of their name, or the color of their skin, but on their character and decency.

It has been almost twenty years since we came to the United States, over ten since I have become a citizen. My dad's first job, although he had advanced degrees in chemistry and law, was that of a janitor in a General Motors factory. Earlier this year, I reviewed, as legal counsel, the $600-million check that underwriters were delivering to General Motors Corporation at the closing for the largest public offering of industrial-debt securities in American history. I am honored to have tasted of the opportunity my dad had noted during our last moment in Hungary.

As I have watched televised news of Vietnamese refugee children scattered in camps, my memory has often wandered back to 1956 and our arrival at Camp Kilmer, N.J. I have remembered the taste of my first bite of creamy American-style chocolate ice cream. I hope that each Vietnamese refugee will some day have the opportunity, should he seek admittance to the United States, to relish that same sweet flavor. It would be a mistake consistent with a history of bad judgments to deny that opportunity, but not a fitting end to our 25-year involvement in Vietnam.

Mr. CRANSTON. Mr. President, those of us who are fortunate enough to have been entrusted by the people with the power to lead them must now exercise a special vision. It is not enough to have learned the lessons of our national past; we must now chart the truly honorable course of America's future. Our leadership must be forceful, humane, and unyielding.

There is not one among us in this solemn Chamber who does not sense the moral peril of this moment. All who sit here share the burden of recalling to all Americans the compassionately dynamic words and deeds upon which this great Nation was founded. And all of us share the critical responsibility to hold our Nation to the course set by men of decency and honor some 200 years before us.

Shakespeare wrote that some are born great, some achieve greatness, and some have greatness thrust upon them. Among nations, America is all of those. The moment before us will put us to the test. And we will meet it well.

Mr. President, the resolution which Senator ALLEN and I have introduced is, in a sense, based on three texts: our political heritage, symbolized by the Lazarus poem which appears on the Statue of Liberty and is referred to in the resolution; our Judaic-Christian religious heritage, summarized by the parable of the Good Samaritan in the Bible; and our laws, specifically the 1968 protocol on refugees.

Inscribed on a tablet in the pedestal of the Statue of Liberty is a poem by Emma Lazarus titled "The New Colossus." It reads:

> Not like the brazen giant of Greek fame,
> With conquering limbs astride from land to land:
> Here at our sea-washed, sunset gates shall stand
> A mighty woman with a torch, whose flame is the imprisoned lightning, and her name Mother of Exiles.
> From her beacon-hand glows world-wide welcome:
> Her mild eyes command
> The air bridged harbor that twin cities frame.
> "Keep ancient lands, your storied pomp!" cries she with silent lips.
> "Give me your tired, your poor, your huddled masses yearning to breathe free,
> The wretched refuse of your teeming shore.
> Send these, the homeless, tempest-tost to me, I lift my lamp beside the golden door!"

I now read, from the Bible, the parable of the Good Samaritan, which is referred to in the text of the pending resolution:

> And Jesus answering said, A certain *man* went down from Jerusalem to Jericho, and fell among thieves, which stripped him of his raiment, and wounded *him*, and departed, leaving *him* half dead.
>
> And by chance there came down a certain priest that way: and when he saw him, he passed by on the other side.
>
> And likewise a Levite, when he was at the place, came and looked *on him*, and passed by on the other side.
>
> But a certain Samaritan, as he journeyed, came where he was: and when he saw him, he had compassion *on him*,
>
> And went to *him*, and bound up his wounds, pouring in oil and wine, and set him on his own beast, and brought him to an inn, and took care of him.
>
> And on the morrow when he departed, he took out two pence, and gave *them* to the host, and said unto him, Take care of him; and whatsoever thou spendest more, when I come again, I will repay thee.
>
> Which now of these three, thinkest thou, was neighbour unto him that fell among the thieves?
>
> And he said, He that shewed mercy on him. Then said Jesus unto him, Go, and do thou likewise.

I wish to stress that what we are seeking to do for these refugees ties in with our obligations to the United Nations. I believe that most Americans, long before this resolution was introduced today, were of a similar mind and were determined to do what must be done: to provide a hospitable welcome to the refugees from Southeast Asia and to aid them in finding a new life among us.

Mr. CHILES. Will the Senator yield?

Mr. CRANSTON. Yes; if the Senator will just let me add one point. There were some who were doubtful, some uncertain, some who were hostile in their first statements. I do not believe that hostility reflected a broad view or a carefully thought out view, and I am confident that virtually all Americans, when they reflect upon our heritage and upon the principles of our country, will agree with the sense of this resolution when they have thought it through. I have no doubt about the welcome that America will provide to these refugees.

I am delighted to yield to my colleague from Florida, who represents a State which, like California, has had previous experiences with refugees and which, again like California, will receive refugees from Southeast Asia. I am delighted that he joined as a cosponsor of this resolution.

Mr. CHILES. I thank the distinguished Senator from California and I congratulate the distinguished Senator from California, along with the Senator from Alabama and the others who are supporting and cosponsoring this resolution. I think it is timely, I think it is very important. I agree with the Senator from California that the vast majority of people in this country do support the premise of this resolution and support the fact that we are a country that has been made up, virtually, of refugees. All of us—unless, I guess, we can call ourselves American Indians—were sort of refugees to this country at some time ourselves. I think that part of our problem, of course, is that we are in a situation where we have a time of recession and a time of high unemployment, and because of that, many of us are concerned and many of us are kind of afraid now and have started thinking about that, rather than the overall premise of, really, what built our country, the responsibility that we have.

I look at the matter and I think I overreacted to it initially. I felt compelled to make some statement a few days ago, myself, because of my overreaction to it. When I started thinking—and I have found many other people who said this, too—of the fact that we lost 55,000 of our young men's lives in Vietnam because we were trying to protect the ability of a country to choose its own way and to choose freedom, and that we spent $156 billion of the money of this country in order to protect that, for us to say at this stage that we are now not going to support those bare 100,000 or so who chose freedom, who elected to come to freedom rather than stay as that country falls, that would bring me to where I could not look in the eyes of a mother or father who had lost a son, or the eyes of anyone else in this country who had supported the sacrifice that we did when we thought we were there for the right purpose.

We certainly were not after any gain for ourselves. We were trying to protect and allow that country to be able to choose its own destiny. Now, for those people who have elected to leave, certainly, we can take care of them.

I think, also, of over 400,000 Cuban refugees my State took, they have assimilated themselves into the community, not without hardship to some of the people that were native to Florida before the Cubans came, but on the whole, they have done an excellent job. They have added to my State. They have added to our community. They have furnished a new growth and a new enthusiasm and they are great Americans. They are becoming citizens daily, and they are adding strength, I think, and fiber to our country. When we think now of the numbers that we are talking about here scattered across the country, I do not think we are going to be able to find their presence or find any problem.

I think the Senator's resolution is excellent, because I think it sets the spirit and the tone in which we should approach this matter.

I say that while there were some problems in my State originally, and we were one of the States selected for these refugees, I could not have been prouder of my State when I saw the Niceville High School band and the dignitaries and everyone else who was on hand to greet the refugees when they came to Eglin Air Force Base. They have been met warmly and with open hands, and Florida will continue to show that kind of spirit for them. Our Governor was one of the first to recognize our responsibility in the leadership role we should play here, and he has gone out of his way to make them welcome.

I think that we need to realize, even though we have some problems in the country today, that those problems are not going to go away, because we try to close our doors here. What we need to do is regain that spirit that made this country great. That is how we will deal with our problems. I congratulate the Senator for his resolution.

Mr. CRANSTON. I thank the Senator for a very eloquent statement. It is my hope that for those who are uncertain about what their feelings ought to be and what our actions should be in regard to the refugees, the sort of leadership that the Senate can now provide in statements like that will help those who have not thought it through to think it through and to respond to the current situation, as America has always responded to such situations.

I am delighted to yield to my colleague from New York.

Mr. JAVITS. I thank the Senator.

Mr. President, I first compliment Senator CRANSTON and Senator ALLEN on this initiative. It is precisely the same feeling that prompted me, together with Senator PELL, over the weekend, to announce that we would introduce—and we have introduced—the necessary implementing legislation to make this promise a reality. I think it is a very proper opening, as the Senator from Florida (Mr. CHILES), I think, has said very well, for implementing action in the way of the necessary authorization.

I was sorry that the other body did not see fit to deal with the conference report on the evacuation and humanitarian aid as we did. I hope that that chapter is closed and forgotten. I can understand it, though I do not agree.

We are now on to the new situation which urgently requires this resolution to set the tone, as Senator CHILES has said, in implementing legislation which I hope we will accelerate in point of time.

I think it is uniquely fitting that these expressions come from California and Florida, which have had experience with this kind of migration, as well as from my own State, which received a great number of displaced persons after World War II and a great many of the freedom fighters.

The signal which should not go out from America, after the debacle of the Vietnam war, is that we are either isolationists or heartless. Yet that is the grave danger from both events, what occurred in Phnom Penh and Saigon and what has now occurred in some voices raised inhospitably as far as the refugees are concerned.

As has been properly said, on the economic front it is a drop in the bucket to take 30,000 or 40,000 heads of families, most of whom will prove to be extremely useful citizens. While we have almost 9 million unemployed, we have 81 million who are employed. I think America's heart can find a place for the 30,000 or 40,000 as we are finding places today for a few hundred thousands of normal immigrants who come into the United States under our immigration laws.

Mr. President, I would greatly appreciate it, in the same spirit in which Senator PELL and I have introduced our bill, if the Senator from California would ask unanimous consent to join me as a party to this splendid resolution, which will be extremely helpful in setting us straight with the world and with our own consciences, and also forming the proper backdrop for early action which is urgently needed upon the necessary implementing legislation.

Mr. CRANSTON. I thank the Senator.

Mr. President, I ask unanimous consent that the name of the Senator from New York be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. I thank the Senator from New York very much. Let me say he has provided the leadership, the real meat and potatoes, on the crucial matter of funds for aid to these refugees. If that could have moved as fast as such matters seldom can move, there would not have been the need for this resolution, and I applaud him for it.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. CRANSTON. I promised to yield first to the other Senator from New York, and I yield him 1 minute.

Mr. BUCKLEY. Mr. President, I thank my friend from California, and I want to join others in commending him for his leadership in this enormously fine statement. I read it with care. It says everything that needs to be said.

We are a country that is proud of its tradition of opening our gates to the oppressed and to the helpless. Certainly it

is hard to imagine people more helpless than those who have been forced to leave their own country under such terrible conditions.

I believe that Americans will find, as time goes on, these people will become extremely productive citizens, and we will be proud of the hand of friendship and welcome that we are extending to them if this resolution is agreed to.

I thank the Senator.

Mr. LEAHY. Mr. President, will the Senator yield?

Mr. CRANSTON. I thank the Senator very much.

I yield to the Senator from Vermont.

Mr. LEAHY. Mr. President, as one whose maternal grandparents immigrated to the State of Vermont from Italy and paternal great-great-grandparents, from Ireland, I strongly support the resolution that is before the Senate.

I have stated time and time again in deliberations in the Committee on Armed Services and in other forums that this country of 220 million people had involved itself in a tragic and I feel needless war for years. Now that the war is ended, we have a moral obligation not to close the door on displaced and fleeing refugees of that conflict, but to show the same kind of welcome and help that we have shown in a very proud tradition through the years of our history.

Mr. CRANSTON. Mr. President, I thank the Senator.

Mr. President, I ask unanimous consent that the name of the Senator from Vermont (Mr. LEAHY) be added as a cosponsor of the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. CRANSTON. Mr. President, I am delighted to yield 1 minute to the Senator from Arizona.

Mr. GOLDWATER. I ask unanimous consent that the Senator from California add my name as a cosponsor of his resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. I commend him on his gesture, which I think is totally typical of him.

As I told my friend this morning, I often wonder where I would be today had the attitude that we suspect on the part of some Americans prevailed in this country when my Polish-Jewish grandfather brought his English wife to our shores, and eventually we got Scotch and Irish out of our mother's side. I rather think I like it better the way it is than the way it might have been. So I congratulate the Senator.

Mr. CRANSTON. I thank the Senator from Arizona very much. I yield the Senator from Oregon 1 minute.

Mr. HATFIELD. I thank the Senator.

Mr. President, I join the Senator from California in support of this very eloquent statement of principle. I would like to give notice at this point that I feel it is incumbent on us not only to make a statement of principle, but then to implement it, especially in the light of the fact that the money available for refugees will be running out by tomorrow or this weekend.

I have had a statement from the Defense Department that a part of the half billion dollars we provided for military assistance to Southeast Asia is still available and unallocated. Therefore, I shall offer, after the passage of this resolution, and ask for its immediate consideration, a bill asking that money be made available for continued support of refugees until they can be relocated and Senator JAVITS' and Senator PELL's bill can be considered in the Committee on Foreign Relations.

The funds available are now about $17 million in unobligated funds from $130 million of retrievable funds now in the Defense Department, and upon our initial inquiry we found no objection to having those moneys made available for purposes of support of refugees.

I thank the Senator from California.

Mr. CRANSTON. I thank the Senator from Oregon, and I applaud his leadership in this regard.

I yield 1 minute to the Senator from Arkansas.

Mr. BUMPERS. Mr. President, I thank the Senator from California for this very fine and appropriate resolution.

The State of Arkansas is the home of Fort Chaffee, where the vast majority of the refugees will be processed. My home in Arkansas is less than 2 miles from Fort Chaffee, and I was very pleased with the reception that all of the people in the area, many of whom I know personally, gave the refugees. The Governor of the State and the city fathers from the neighboring city of Fort Smith turned out to greet them, and I went there last Saturday myself to visit with the refugees and inspect the procedures and processes being used. I was not only pleased with the progress, but with the sensitivity and the dignity with which these refugees were being treated.

I will say that the apprehensions of the people of this country are understandable. All of us have heard from those objecting to the reception of the refugees. But I think we should take note that most of that is a reflection of apprehension and concern about the unknown. I think that the vast majority of the people in this country, on more sober reflection, will welcome the adoption of this resolution by this body, and I am very pleased to be a cosponsor.

Mr. CRANSTON. I thank the Senator. I yield 2 minutes, if there are 2 minutes remaining, to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator has 1 minute remaining.

Mr. MONDALE. I thank the Senator. I strongly join in support of the pending resolution.

Today, together with 27 other Senators, I signed a letter addressed to the Honorable JOHN B. SPARKMAN, chairman of the Committee on Foreign Relations, and to the Honorable JOHN L. MCCLELLAN, chairman of the Committee on Appropriations, expressing the hope that we could immediately grant relief for these refugees. I am glad to see that the Senate is obviously about to adopt a resolution that is in accord with that position. I think that is consistent with American tradition, it is consistent with our Judeo-Christian ethic, and I am glad we are making it clear that we are that kind of nation.

I wish to make a second point. I have spent some time reading my mail and going over some of the communications that I have received in opposition to the entry of these evacuees. I think I know what they are saying. Most of them are really objecting to what they think is a double standard. They are willing to be open and warmhearted with the evacuees coming from Vietnam, but they are wondering about their own unemployed. They are wondering about the lack of housing for Americans.

I would like to see the same sense of humanitarianism shown as well to some of our own citizens.

Mr. President, earlier this week public attention was focused almost exclusively on those who, for economic or other reasons, expressed fear and opposition to the influx of refugees from Vietnam.

At a time when 8 million Americans are unemployed, when we are facing a budget deficit of $70 billion, and when many domestic needs are still unmet, these concerns are understandable.

Nevertheless, the picture some have attempted to paint of 150,000 Vietnamese pushing Americans out of work or vying with the unemployed for jobs is grossly exaggerated. Official estimates place the number of refugees needing employment at 30,000. This is a small percentage of our total work force of 94 million; and in an economy as large and diverse as ours, there need be little, if any, impact when these individuals are dispersed throughout the country.

When the facts are understood, I am confident that many critics of the refugee relief efforts will join in welcoming a people who have so much to contribute to the strength and vitality of our Nation. To his credit, President Ford has persisted in seeking the understanding and support of the American people for this effort.

Now there is clear evidence that the tide is turning.

Yesterday, a subcommittee of the House Judiciary Committee approved an authorization to pay evacuation and resettlement costs for South Vietnamese refugees. This evening the bill will be considered by the full Judiciary Committee.

The resolution which is before the Senate at this time and the joint letter to the Foreign Relations and Appropriations Committees testify to the growing support in the Senate for action to ease the plight of those whose lives have been shattered by the fall of South Vietnam and Cambodia.

There will naturally be problems in connection with refugee assistance programs. Nevertheless, as we said in the joint letter today:

> These problems should not be permitted to obscure the larger issue of whether the United States is prepared to act with the same generosity and goodwill we have always shown toward those seeking freedom from oppression. To do less would be to underestimate the strength and character of the American people and to dishonor the highest traditions of our nation.

UMI

Mr. President, I agree very strongly with the intent of the Cranston-Allen resolution, and I urge its prompt and overwhelming approval by the Senate.

As evidence of the support for such action, I ask unanimous consent that the joint letter I mentioned earlier and an editorial from the New York Times be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MAY 8, 1975.

Hon. JOHN J. SPARKMAN,
Chairman, Senate Foreign Relations Committee, Dirksen Senate Office Building.

DEAR MR. CHAIRMAN: Within the next few days the Committees on Appropriations and Foreign Relations will be considering the question of aid for refugees of the Vietnam war.

We feel it is unfortunate that the climate for consideration of this important issue is being shaped by the fears of some who are exaggerating the costs and ignoring the responsibilities of the United States in providing help to the victims of the war.

We believe and think that the President is right in asserting that the overwhelming majority of Americans feel an obligation toward those who have been forced to flee their homes, in many cases because of their loyalty toward the United States.

It would be a tragedy if our response to the plight of the refugees was determined by a few vocal opponents while the majority remained silent in their support for the refugees. In the eyes of other nations, we might be wrongly perceived as a people who were unwilling to make even this small sacrifice to help our friends.

We recognize that the Committee will want to carefully examine the dollar amount that has been requested by the White House. There may be other problems associated with resettlement, including the necessity of assuring that no undue burdens are placed on individual states and communities. Many Governors and local officials have already contacted the White House to express their willingness to cooperate in placement efforts.

Furthermore, a maximum effort should be made by our government to enlist the help of other countries in providing aid and asylum to refugees who would be willing to live elsewhere.

Nevertheless, these problems should not be permitted to obscure the larger issue of whether the United States is prepared to act with the same generosity and goodwill we have always shown toward those seeking freedom from oppression. To do less would be to underestimate the strength and character of the American people and to dishonor the highest traditions of our nation.

We are confident that when faced with this choice, the Senate will overwhelmingly approve the legislation necessary to find homes, jobs and a fresh start for those whose lives have been shattered by the fall of South Vietnam. We urge your full support in this effort.

Sincerely,

Walter F. Mondale, Hiram L. Fong, Philip A. Hart, Dale Bumpers, Robert B. Morgan, Bob Packwood, Adlai E. Stevenson, John V. Tunney, and Dewey F. Bartlett.

John C. Culver, Thomas J. McIntyre, Henry M. Jackson, William D. Hathaway, Daniel K. Inouye, Edmund S. Muskie, E. J. Jake Garn, Robert Stafford, and James Buckley.

William V. Roth, Dick Clark, Abraham A. Ribicoff, Patrick J. Leahy, Hubert H. Humphrey, Gaylord Nelson, Alan Cranston, Carl Curtis, and Lowell P. Weicker, Jr.

Denying Our Heritage

President Ford was fully justified in his press conference last night to express his concern at the querulous and uncharitable reaction of too many Americans to the plight of the Vietnamese refugees. His statement on the desirability of admitting them to the United States ought to be read by every American. Mr. Ford's request for $507 million to assist the resettlement of approximately 130,000 Vietnamese over the next two years is a reasonable and honorable response to a tragic human situation. The United States can do nothing less.

Those citizens who are unemployed or who are financially pinched by inflation and high taxes have understandable fears that the nation is taking on yet another burden while their problems remain unsolved. But those fears are based on a misconception of the facts.

About 60 per cent of the refugees are children, while many others are elderly persons too old to enter the job market. Thus, only 30,000 of the Vietnamese refugees are heads of households and likely to seek work. Of these, many are doctors, lawyers and businessmen who can readily find places for themselves in American life and contribute needed skills.

What is harder than the fears of the unemployed to explain and justify is the antagonism of many members of Congress, including well-known liberals, and other leaders of opinion throughout the country. Several liberal members of the House of Representatives seem not to be aware that the war in Vietnam is over.

No nation is eager to welcome criminals, prostitutes, war profiteers, or practitioners of political torture. But it grossly distorts the whole nature of the refugee problem to focus on the tiny minority of persons who might deserve one or another of those terms of opprobrium, or to exaggerate their number. There is no possible way to make a just determination about the political or moral character of individual refguees.

If some Vietnamese engaged in dirty work, they usually had American advisers or were financed by American money. In some respects it was a dirty war. But now that it has all ended badly, it would be the ultimate disgrace for Americans to turn their backs and adopt a holier-than-thou attitude toward those Vietnamese who aligned themselves with the American war effort in their country.

It is likewise blatantly contradictory to play upon fears that the Vietnamese may take away jobs or end up on welfare rolls and at the same time argue that many of them are too rich to deserve help.

Most of these refugees have lost all of their worldly possessions. Many are separated from loved ones. All have lost their country, a lasting sorrow that perhaps only other migrants and exiles can fully comprehend. They deserve to be cherished as fellow human beings and given a welcoming hand as new Americans.

George Meany, president of the A.F.L.-C.I.O., has pledged the labor movement's help—even in this time of economic adversity—to assist the Vietnamese refugees to find jobs. "The United States has an inescapable moral responsibility," Mr. Meany observed. "We are a nation of immigrants. Rejecting them would be denying our heritage and the history of this country as a haven for the oppressed."

No matter what one may have thought about the rights and wrongs of the Vietnam war, those words express the true American tradition.

Mr. HRUSKA. Mr. President, I support the recent actions by President Ford to extend to the refugees of the South Vietnamese tragedy the friendly and helping hand of America, and to speak on behalf of Senate Resolution 148, introduced by the Senator from California (Mr. CRANSTON).

Twice before, I have had the privilege to participate, both personally and officially, as a member of the Committee on the Judiciary, in activities to help large groups of refugees. I refer to the plight of the brave Hungarian "Freedom Fighters" and to the problems of the refugees who escaped from the repression in Cuba. These people, like the South Vietnamese of today, were forced to flee their homes because of the brutal force of communism. They came to this country with few possessions. But they carried one which could not be taken from them—the human spirit. Mr. President, they did not ask for America's charity. They sought America's opportunity.

They settled, worked hard, prospered, and have made many outstanding contributions to this country—their new home.

This is all that the refugees from South Vietnam seek—an opportunity to start their lives over again in an atmosphere of freedom where a man can voice his opinions, provide for his family, and follow his religious beliefs free from the fear of persecution, imprisonment, or death.

Mr. President, in these respects they are no different than those who have come before them.

The plight of any refugee is not a happy one. He is confused and bewildered from past experiences and anxiously awaiting the promise of the future. I have visited the international refugee camps in Austria where refugees from Eastern Europe await passage to new homes in strange lands. It is an experience that many of our ancestors shared.

Motivated by the same desire for freedom that I witnessed in Austria at the International Refugee Center, the South Vietnamese who have experienced so much hardship and sorrow in the last four decades, will be most welcome additions to our land.

In recent days we have read and heard about opposition to the President's action in welcoming these refugees to our country. That opposition does not, however, speak for America. They are only a few who have forgotten their own origins.

The real voice of America is still symbolized by the Statute of Liberty in New York Harbor welcoming all who seek refuge and comfort on our shores.

As we begin the celebration of our 200th anniversary of the establishment of our Nation's own freedom, let us—as representatives of the American people—welcome the newest refugees to our land.

Mr. HATHAWAY. Mr. President, there is considerable opposition shaping up in this Nation toward the acceptance of Vietnamese refugees seeking asylum and a new life here. For many years we offered our blood and money to win the hearts and minds of the Vietnamese people. What a travesty it will be if we now turn our backs on the victims of that effort, and deny them the opportunity for freedom here when we gave so much to win it for them there.

I have read several articles in the past few days on this problem, but no others so direct as one by syndicated columnist, Art Buchwald, and one by Washington Post columnist, David Broder. I commend these columnists for using their writing skills to such good purpose, and wish to share with my colleagues the two columns.

I ask unanimous consent to have the articles printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

Paying Our Moral Accounts

By David S. Broder

The Vietnam refugee controversy suggests a new rule for American foreign policy: Don't bloody up countries whose vanquished you will not accept. No refugees, no bombing, in short.

It is not much of a policy, but if the refugee reaction measures the political and moral condition of this country, it may be the best we can do.

This reporter saw the wave of anti-refugee sentiment beginning to form two weeks ago in the classroom of a community college in Southern California. Many of the students in the introductory political science course were themselves no more than a generation or two from the immigration office, working to acquire an education in the classic American pattern.

But that morning, the Los Angeles Times had headlined a local official's scare-warning that half-a-million Vietnamese might be on their way to California, and the students peppered the visitor from Washington with questions:

Who's going to pay for this? Why should they come here, when we're having a hard time finding jobs as it is? Aren't they just running out on their own country, buying a ticket to Uncle Sucker's welfare state?

The questions went on until the teacher, who happened to be a black woman, cut them off with the remark that she was "ashamed" her students seemed to have forgotten this country's tradition as a place of refuge for the victims of wars and tyrannies.

Her rebuke was just about as ineffective as President Ford's remonstrance ten days later to the House of Representatives, when it refused to vote the $327 million he had requested for refugee aid.

The members of Congress, of course, had other reasons for their action, they said. They were disturbed by language in the same bill allowing President Ford to use American forces to assist the evacuation of Americans and some South Vietnamese from the overrun country.

The language had been written before Saigon's surrender; the evacuation was complete; and Mr. Ford gave his written assurance he would not send American troops back into Vietnam. But members of Congress love acts of retroactive vigilance, and they refused to pass the bill.

Democrats who were trying belatedly to make amends for Lyndon Johnson's misuse of the Gulf of Tonkin resolution joined forces with conservative Republicans who feared some of the money might find its way into Communist hands. Together they turned against the refugees—those inconvenient reminders of the failure of past policies.

The mail from home, most members of Congress report, has been like the conversation in the California classroom—strongly anti-refugee. And congressmen get re-elected by finding statesmanlike reasons to justify their constituents' strongest emotional biases.

In this case, there is a certain latent racism overlaid with a pervasive desire to escape the responsibilities and the realities of the outside world. Americans resent being told that they have obligations beyond the borders. When some of those obligations attempt to cross the border, the inclination is to resist.

Add that to the Congress' pervasive cynicism about presidential utterances and you have the sour sentiment that surface in the vote against the refugees.

Rep. John B. Anderson of Illinois tried, in the House debate, to invoke the impact of the unforgettable film "of those hundreds—yes, thousands—of people, who, in their desperate rush and bid for freedom, were literally clawing at the embassy walls in an effort to get through in time to be helicoptered to safety. . . ."

"We do owe some moral responsibility, some humanitarian obligation to those people," the Rockford Republican said, "and I am willing to accept the pledged word of the President of the United States" that the funds would be used to aid the refugees, not to restart the American war in Vietnam.

But Anderson's words were as futile as the California school-teacher's. And so America emerges as the kind of country that will send a half-million men to a small nation, finance seven years of bombing and burning and battle, shattering the economy and the social order, and then balk at accepting in return 150,000 peaceful refugees into a society of 210 million.

Sometime, somehow, we have to start balancing the moral accounts. And for a start, we might try the no refugees—no bombing rule.

Look West, Miss Liberty, and Shine Your Light

(By Art Buchwald)

The Statue of Liberty was gazing toward Europe when I tapped her on her shoulder. "Ma'am," I said, "if you look the other way, we have about 130,000 Vietnamese refugees coming in from Guam and the Philippines. I thought you might hold your torch high and light the way for them."

The statue seemed irritated. "We have too many people in this country now. What am I going to do with 130,000 Orientals?"

"The same thing you did with everybody else. Welcome them. They're tired and they're poor and they are yearning to breathe free."

"And what about jobs? Who is going to support them?" she said petulantly.

"You never worried about that before," I said. "Whoever came to this country eventually found jobs, and almost all of them made very good citizens. There is no reason to think the Vietnamese will be different. After all, you are the mother of exiles."

"Times have changed," she growled. "The American people are not that thrilled about having a bunch of refugees dumped on them. Who is going to feed them? How many will go on welfare? How do we know their kids won't get in trouble in the streets? We have enough problems in this country without asking for more."

"But," I pleaded, "we're responsible for them being refugees. We screwed up a country like it's never been screwed up before. We supported their corrupt governments, loaded them down with weapons they couldn't use, defoliated their rice paddies and wrecked their families.

"We left the country in a mess. The least we can do is take in whatever huddled masses escaped to our teeming shore."

"That's easy for you to say," the Statue of Liberty replied, "but we have to think of Americans first. They don't want any more foreigners in this country."

"But most of our fathers and grandfathers and greatgrandfathers were foreigners. You've welcomed them all. Tell me the truth. Do you have anything against Orientals?"

"I don't personally. But you know how some people are. The Vietnamese have different habits, and they're from another culture. They just don't fit in. Besides I'm supposed to welcome the homeless from Europe. That's why I'm looking in that direction."

"These people need refuge," I protested. "Their lives are in ruins. Remember a few weeks ago when they flew in orphans from Vietnam and Cambodia? Nobody seemed to object to that."

"It's not the same thing," the statute said. "You can adopt orphans. But what can you do with refugees?"

"Help them find homes, jobs, make them citizens."

"It's out of the question. It isn't our fault they lost the war. Look, no one minds one or two Vietnamese in a community. But you're talking about thousands. They'll stick out like a sore thumb. The unions would never stand for it."

"Please don't turn your back on them," I begged. "If somebody just said, "Welcome. We're glad you came," most Americans would go along with it. The American people gripe a lot, but they'll do the right thing if somebody leads them. If you could shine your torch toward the Golden Gate bridge, perhaps the people will be ashamed of the way they've behaved."

The Statue of Liberty turned slowly. There was a tear in her eye. "I've been here so long I almost forgot why I was holding this lamp. Where did you say I should shine my torch?"

"Over there. Hold it as high as you can and point it toward the West so every American can see it. That's it. Now repeat after me, 'Send these, the homeless, tempest-tost to me, I lift my lamp beside the golden door.' "

THE VIETNAMESE REFUGEE ISSUE

Mr. HUMPHREY. Mr. President, I have been personally puzzled and disturbed by the public's generally adverse reaction to the sudden influx of Vietnamese refugees. We have traditionally been a compassionate country—and I hope that, even in the face of tough realities, we can remain one.

Whatever the roots of this reaction, and however unappealing, I believe that Congress has a responsibility to recognize and understand them. On May 3, the Washington Post did us a service by providing an informed and subtle commentary on this profound sociological matter. I commend it to my colleagues' attention and ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Enmity to Refugees Puzzling—Reaction Unlike That for Cubans, Hungarians

(By William Greider)

The sudden burst of passion was like a last poisonous convulsion from the finished war in Vietnam—so ugly and out of character with an American past when refugees were welcome.

"Gooks, go home," the placard in Arkansas said. Elsewhere, the message was less crude, but the same. Public officials whined about the cost. Members of Congress received letters of protest. The Gallup Poll reported that a majority of Americans would not welcome the Vietnamese refugees, 54 to 36 per cent.

"It's very troubling," said David Reisman, the Harvard sociologist and student of the American character. "Americans are full of self-pity. We are all justifying our grievances

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by striking out at others. The national mood is poisonous and dangerous and this is one symptom—striking out at helpless refugees whose number is infinitesimal."

What happened to change public attitudes so much? No one can say for certain, of course, and there is some hope among thoughtful observers that this first burst of hostility toward the Vietnamese refugees will quickly fade, replaced by a more generous mood. In the Florida town of Niceville yesterday, some citizens were hanging up "Welcome" banners—embarrassed by their own nasty comments reported in the press the day before.

This is the same country, after all, which absorbed 400,000 displaced persons from Eastern Europe after World War II. It took in 200,000 more East Germans who were fleeing from a Communist government in the early 1950s. It celebrated, almost euphorically, the arrival of 40,000 Hungarians—"freedom fighters" in the anti-Soviet uprising of 1956. During the last 15 years, America has absorbed, at great expense, more than 675,000 refugees from Castro's Cuba.

The difference in 1975 is potent. The long and costly war is over, the U.S. ally utterly defeated. Now a total of 55,000 refugees from South Vietnam have been declared eligible for admission and 70,000 more will soon be added.

The speculative explanations range from a latent racism aimed at Orientals, suddenly brought out by the sorry climax in Vietnam, to more complicated theories about public frustration.

"Obviously, people are different with non-white races," said Amitai Etzioni, director of Columbia University's Center for Policy Research. "It's widely suggested that we would not have dropped the atomic bomb on a white country. People in California have often talked in the past about being overrun by the 'yellow hordes.' The color line has often affected how Americans feel about things."

Yet, every year without fanfare or controversy, Asian nations—China, the Philippines, India—are leading sources of immigrants. So the resentment must involve something deeper than the "mere gook" syndrome, the GI slang which soldiers sardonically used to explain the casual killing of Asians in the war.

The frustration may be political, a pent-up disgust with the war, with its high cost, even with the ally whom America tried to help.

"The major thing," said Nathan Glazer, co-author of "Beyond the Melting Pot," "is the change in the way people see America's role in the world. With the Hungarians and the Cubans, it was 'fighting communism' and people supported that in the 1950s and the early 1960s. Now they've given up on that view. . . . I don't think we feel on the same side politically as the South Vietnamese. The press has been so hostile to them—they've been described as corrupt, so unable to defend themselves."

Reisman sees a peculiar coming together in the public resentment—the working-class and the upper-income elite, both hostile toward the South Vietnamese for difference reasons.

"The middle Americans, ordinary working people, don't like war and sacrifice, they don't like 'wogs,' as the British would say," Reisman said. "The educated of the antiwar movement, especially the young, always had an extraordinary callousness toward the South Vietnamese.

"So we have middle America which never accepts 'furriners' anway, then we have the enlightened America which neither has sympathy for nor knowledge of South Vietnamese, which regards them all as corrupt carpetbaggers."

Charles Gordon, former general counsel of the Immigration and Naturalization Service, who helped manage those earlier surges of refugees, thinks the American people this time were overwhelmed by events—the press of the recession and its unemployment, the sudden collapse of Saigon, then the on-rush of immigrants.

"People just haven't had a chance to digest this," Gordon said. "They're facing nearly 10 per cent unemployment in this country and then the State Department is talking about hundreds of millions in relief. We thought we'd gotten out of Vietnam, now we're suddenly faced with all this. I think this is a reaction to the whole episode—we got ourselves in such a mess and now there's this."

When Americans rallied to help the Hungarians nearly 20 years ago, the country was genuinely united in the belief that the Hungarians' doomed struggle for independence was a heroic cause. Universities and cities made a great show of helping the refugees to resettle, to find jobs and homes.

Chalmers Johnson, an Asian scholar at the University of California, said he was having dinner the other night with a Berkeley faculty colleague who was one of those Hungarian refugees. "He said it just scared the crap out of him to read what was being said about the refugees now and he hoped that Americans never found themselves in the same position," Johnson remarked.

Ironically, Johnson noted: "From everything we know about this population, this is one of the most attractive group of immigrants we are ever likely to get."

Orientals, generally, have the highest educational attainment of ethnic minorities and these Vietnamese, coming largely from the city of Saigon, will be "much more sophisticated in terms of linguistic ability and education than the Asian immigrants overall, most of whom, after all, were working population," Johnson said.

Furthermore, he suspects that the Vietnamese immigrants, contrary to popular impressions, will include a lot of schoolteachers and clerks, women and children and elderly—instead of a concentration of corrupt war profiteers and police thugs.

"This reaction may change," Johnson said, "when we know more about them. The press has suggested that they are all cutthroats from the Phoenix program, whereas most of them are likely to be, as in the Cuban and Hungarian situations, intellectuals and teachers."

Etzioni, likewise, thinks the initial shocked reaction of Americans will pass, that six months from now the refugees will be absorbed without special dislocations and the public will forget it was upset.

"The media is a cause of this reaction as much as anything," the Colombia sociologist said. "If somebody steps on my toe for a moment, I say ouch and soon forget about it. But if somebody takes a picture of it, I feel much worse."

Glazer also thinks that the American society will ultimately accept the Vietnamese newcomers, just as it has so many others before them, without any genuine pain or dislocation.

"I hope the hostility is a kind of abstract one," Glazer said, "and that we won't see it taken out on a personal level. I don't think we will, I hope not."

SENATOR RANDOLPH URGES CONGRESS AND THE UNITED NATIONS TO PROVIDE AID TO VIETNAM REFUGEES—BELIEVES FUNDS APPROPRIATED BE THOROUGHLY DOCUMENTED

Mr. RANDOLPH. Mr. President, I am gratified that the Senator from California (Mr. CRANSTON) and the Senator from Alabama (Mr. ALLEN) bring this resolution before the Senate to focus attention on the critical and complex issue of Vietnamese refugees. I am a cosponsor of the measure.

The determination of the response of our Nation to the refugee situation presents a perplexing problem which calls for reasoned and thorough discussion, keeping in mind our economic difficulties and the heritage of this country. It is essential that we refrain from emotionally charged and hasty judgments. They will serve no purpose and will only polarize the thinking of our citizenry and the views of elected and appointed officials.

I strongly feel that this problem carries a clear moral obligation for the United States to actively seek a solution for the placement and the care of refugees, including resettlement in this Nation and, hopefully, in other countries of the world. It may be simplistic but in my view if the United States can spend billions of dollars supporting wars which in degree have devastated populations then certainly we can afford to spend some millions of dollars to assist refugees resulting from these actions.

In my work in the Senate, through the Committee on Public Works and the Committee on Labor and Public Welfare, I have strongly supported measures to create jobs for unemployed workers and to strengthen our industrial and business base. My efforts toward these vital objectives will be continued. Nevertheless, I cannot ignore the plight of the thousands of refugees who are either in this country from Southeast Asia or have arrived in the Western Pacific. The overwhelming majority are frightened, helpless, and destitute individuals and families.

These persons are already in this country or are being moved toward our shores under the direction of the U.S. Government. We must also recognize that these individuals are fleeing a government which they fear. Theirs is a fear for health, safety and life and in large part the basis for this fear has been generated by the actions of the United States in promoting and supporting the efforts of a people in opposition to the Vietcong, the North Vietnamese and Communist forces during the Indochina conflicts.

It is the responsibility of the Congress and the administration to insure that any funds requested—and moneys appropriated—be thoroughly documented and justified. There is the urgent obligation also to insist on an effective screening process and placement program which will not impose an undue burden on any State or locality in our Nation. The Congress must demand that these objectives are met and if they require a slowing of the pace of the movement of persons of the refugee centers, then this must be done.

Mr. President, there is one very critical facet of the refugee situation that I continue to view with great alarm and disappointment. On April 1, I urged the President of the United States to appeal to the United Nations for a cooperative international program to assist refugees and displaced persons in South Vietnam and to commit the United States to such a cooperative effort. This message was sent to the President prior to the fall of South Vietnam. I am sure that many other Members of this body expressed similar views to our Chief Executive. Regrettably, there is no indication that the President or the Secretary of State has responded affirmatively and, hopefully, in an effective manner to secure the participation of the United Nations in solving this problem. There have been muted urgings and muted expressions of concern on the part of the officials of the U.N. though the Secretary-General has not responded to this situation in the manner that one would anticipate of such an international body. However, I am convinced that movement within and by the U.N. with the cooperation of the United States will not be achieved through diplomatic niceties. The President and the Secretary of State must publicly, clearly, and forcefully endeavor to initiate affirmative activities through this international organization.

Our current policy as it relates to the U.N. appears to be predicated on the prejudgment that the U.N.'s response will be negative. If such is the case, I can only categorize the inaction of the President and the Secretary of State as deeply disappointing. At the same time, the Secretary-General, Kurt Waldheim, is clearly ducking the refugee issue presumably based on a hesitancy to possibly offend the sensibilities of the Communist countries. His performance at this critical time in history is disheartening.

I again appeal in the most urgent way to the President and to the Secretary-General of the U.N. to act vigorously and affirmatively in the development of a cooperative international effort to share the responsibility of placement and care of the Vietnamese refugees.

Mr. ROBERT C. BYRD. Mr. President, there is no doubt in my mind that the vast majority of the Vietnamese refugees will prove to be good citizens, and that, like waves of immigrants who came to our shores before them, they will eventually make valuable contributions to the United States. Yet, there are certain facets of the current situation that concern me; and I believe the emotionalism that has greeted the arrival of the refugees should be tempered by serious reflection and thought.

The evacuation process itself was, in my opinion, delayed and drawn out to the point where the lives of Americans in South Vietnam were unnecessarily endangered. We should have moved quicker in bringing home our citizens from that embattled country; and had we moved sooner, the evacuation of the South Vietnamese who truly needed asylum in America could have been accomplished without the confusion and chaos that marked the final hours in Saigon.

For example, we were originally told that about 80,000 South Vietnamese would be evacuated; then we were told 117,000 would be brought out. But by the time the final figure is tabulated, by the time those escaping helter-skelter on the flotilla of sampans are included, the number could be over 150,000—with many left behind who were included on the original lists of those who desperately needed to escape.

Part of the problem—a large part of the problem—was of our own making. Instead of evacuating those whose lives would be endangered under Communist rule and then leaving for the United States, our ships stayed off the shore of South Vietnam and took aboard anyone ingenious enough to find a way to reach them.

As a result, among the refugees already in the United States or waiting on Guam, there are many who not only would be safe in their own country, but who also may not qualify for immigration to our country.

Newspapers have carried numerous stories of prostitutes who managed to escape, and title 8, United States Code, section 1182, specifically prohibits "aliens who are prostitutes or who engage in prostitution" from entering the United States. The same prohibition applies to persons guilty of crimes of "moral turpitude," which would seem to cover those high-ranking South Vietnamese Government officials involved in the corruption that played such a large part in the downfall of their country.

I have been informed that, partially because of the emergency nature of the situation, all the refugees could be allowed into the United States for 2 years. However, at the end of those 2 years, they would have to apply for permanent visas; and at that time, some would be denied residence here.

That eventuality leads to this question: If we are going to exclude some of the refugees in 2 years, why not make the current screening process thorough enough to exclude them now? By closing our eyes to the fact that not all the refugees may deserve admittance to the United States, we are merely postponing a potentially serious problem. And worse, we are doing a disservice to the majority of the refugees who truly need asylum here, and who are anxious to begin their lives as productive residents of America.

Vietnam was a tragic and painful experience for the United States. We lost over 56,000 men, and invested over $150 billion. It is also tragic and painful for the South Vietnamese refugees. Many of them lost all their wordly possessions, and all have lost their country.

I want very much to help those who need our help, but I doubt if we are helping them by providing a blanket asylum that may cover some South Vietnamese who exploited their own countrymen and their American allies during the war—and whose personal conduct is held in disrepute equally by Americans and South Vietnamese.

The United States has always welcomed the oppressed peoples of the world, and it will continue to do so. But let us guard against having our humanitarian tradition abused by any who should not be included in the numbers of deserving refugees.

The PRESIDING OFFICER. The hour of 2:30 having arrived, the question is on agreeing to the resolution of the Senator from California.

Mr. CRANSTON. Mr. President, I ask unanimous consent that I may have 30 seconds to speak for our colleague the Senator from Alabama (Mr. ALLEN).

I just want to say JIM ALLEN wanted to be here. He was required to testify before a committee and could not be in the Chamber. I want to thank him for his wonderful cooperation. He participated in the drafting of the resolution, and his contribution gave me great strength, and I thank the Senator for that.

Mr. ALLEN subsequently said: Mr. President, the time for the vote on Senate Resolution 148 by the distinguished senior Senator from California (Mr. CRANSTON) and the junior Senator from Alabama was originally set for 3 o'clock. Thereafter to accommodate other Senators, the time was set at 2:30, and the Senator from Alabama had already made a commitment to testify before the Post Office Committee against the postcard registration bill, and he was detained during that testimony and was unable to be on the floor prior to the rollcall vote on Senate Resolution No. 148, the resolution having to do with the Vietnam and Cambodian refugees.

Along with the leadership of the distinguished Senator from California (Mr. CRANSTON), the Senator from Alabama was one of the cosponsors of the resolution, and at this time I ask unanimous consent that the name of the Senator from Oklahoma (Mr. BARTLETT), the Senator from Nebraska (Mr. CURTIS), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from Delaware (Mr. BIDEN), be added as cosponsors of the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN subsequently said: Mr. President, I had intended to make brief remarks in support of Senate Resolution 148, and not having been able to be present at that time I would like to state that on May 1 I was asked by a newspaper reporter for one of the Alabama newspapers what I felt about the bringing of Vietnamese and Cambodian refugees to this country. My answer at that time was:

> Well, naturally, I'm sorry that we are presented with the problem, and I have mixed feelings about it. These people will be a burden for a time and they will take some jobs. But let's look at the positive side. Many are members of families of Americans; many worked with the U.S. in Vietnam and we are obligated to them; some will take work that many Americans would reject. But, overall, I feel that I must, in my thinking, apply the lesson taught by Jesus in the parable of the Good Samaritan. If we do this, I have no doubt God will bless America for its charitable and generous impulses and actions.

This thought along with similar compassionate and humanitarian thoughts were expressed in the resolution referred to, offered personally by the distinguished senior Senator from California (Mr. CRANSTON).

Mr. President, I might say that I feel that this resolution may possibly be somewhat ahead of, shall I say, superficial public opinion. But I feel that it is not ahead of the basic, fundamental, charitable, compassionate and humanitarian instincts, and beliefs of the American people.

I hope that this resolution, which has been passed by a vote of 91 to 1 here in

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the Senate, will help shape public opinion in the direction of adopting a humane, compassionate, considerate outlook, and viewpoint with respect to these sad and tragic refugees from cruelty and tyranny across the seas.

I feel that it is only fitting and proper that we do receive these refugees. I am delighted that the Senate by this almost unanimous vote has acted in this fashion.

Mr. President, I think that these sense of the Senate resolutions, that we pass in the Senate from time to time, are most meaningful when there is a rollcall vote because frequently something will be put in as a sense of the Senate resolution, two or three Senators are on the floor, possibly only one in addition to the Presiding Officer—as is the case at this time—and it is sometimes easy to get a sense of the Senate resolution passed and it might not be the true sense of the Senate.

So I think that rollcall votes should be taken on all sense of the Senate resolutions and I am delighted that in this case the vote was 91 for to only 1 against.

Mr. CRANSTON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The hour of 2:30 having arrived, under the previous unanimous-consent order, the Senate will proceed to a vote on the resolution of the Senator from California.

The question is on agreeing to the resolution. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, may we have order.

The PRESIDING OFFICER. The Senate will be in order.

The legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Idaho (Mr. CHURCH), the Senator from Indiana (Mr. HARTKE), the Senator from Colorado (Mr. HASKELL), are necessarily absent.

I further announce that the Senator from South Dakota (Mr. MCGOVERN), is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BROCK), the Senator from Kansas (Mr. PEARSON), are necessarily absent.

I further announce that, if present and voting, the Senator from Tennessee (Mr. BROCK), would vote "yea."

The result was announced—yeas 91, nays 1, as follows:

[Rollcall Vote No. 168 Leg.]

YEAS—91

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Biden
Brooke
Buckley
Bumpers
Burdick
Byrd,
Harry F., Jr.
Byrd, Robert C.
Case
Chiles
Clark
Cranston
Culver
Curtis
Dole
Domenici
Eagleton
Eastland
Fannin
Fong
Ford
Garn
Glenn
Goldwater
Gravel
Griffin
Hansen
Hart, Gary W.
Hart, Philip A.
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—1

Scott, William L.

NOT VOTING—7

Brock
Cannon
Church
Hartke
Haskell
McGovern
Pearson

So the resolution (S. Res. 148) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 148

Whereas, ours is a nation of immigrants and descendants of immigrants, many of whom fled from tyranny and bloodshed in their native lands where they were scorned, hated and hunted, and

Whereas, they came here because they knew they could find in America safety, freedom and opportunity, and

Whereas, they found all those things and more, for they also found America to be a land of compassion as well as affluence, magnanimity as well as wealth, and

Whereas, Americans welcomed these fellow, less-fortunate human beings not only for their sake but for our own, knowing that they strengthened our national vitality, constantly renewing the diversity and richness of our lives and the pluralism and dynamism of our society, and

Whereas, this periodic influx of refugees and exiles can serve to keep us humble, saving us from the sins of arrogance, pride and self-righteousness by reminding us of our origins, of the misery that abounds elsewhere in the world, and of the destiny that may also befall us should we betray our heritage, now therefore

Be it resolved that the Senate reaffirms that the Statue of Liberty is, as Emma Lazarus called her, the Mother of Exiles; that the Senate reaffirms that the lesson of the parable of the Good Samaritan lives on in the minds and hearts of the American people and is a part of their character; and that the Senate welcomes warmly the latest exiles to our shores—the refugees from South Vietnam and Cambodia.

CONSUMER PROTECTION ACT OF 1975

The Senate continued with the consideration of the bill (S. 200) to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes.

The PRESIDING OFFICER. Pursuant to the previous order, the Senate will proceed immediately to vote on an amendment of the Senator from Washington (Mr. MAGNUSON) to S. 200.

The yeas and nays have been ordered.

Mr. GRIFFIN. Mr. President, may we have order?

Mr. MAGNUSON. Mr. President, the pending business to be voted on is my amendment to exempt broadcasting licenses for 3 years from this bill. Is that correct?

The PRESIDING OFFICER. That is correct.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER (Mr. STEVENS). Will the Senators please take their seats?

The clerk will suspend.

Will the Senators please be in order so the Senators who are here can hear their name being called and the clerk can hear the response?

The assistant legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Idaho (Mr. CHURCH), and the Senator from Indiana (Mr. HARTKE) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. MCGOVERN) is absent on official business.

I further announce that, if present and voting, the Senator from Idaho (Mr. CHURCH) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BROCK), and the Senator from Kansas (Mr. PEARSON) are necessarily absent.

I further announce that, if present and voting, the Senator from Tennessee (Mr. BROCK) would vote "yea."

The result was announced—yeas 69, nays 21, as follows:

[Rollcall Vote No. 169 Leg.]

YEAS—69

Abourezk
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Biden
Brooke
Burdick
Byrd,
Harry F., Jr.
Byrd, Robert C.
Case
Clark
Cranston
Culver
Curtis
Dole
Domenici
Eagleton
Eastland
Fannin
Ford
Garn
Goldwater
Gravel
Hansen
Hart, Gary W.
Hatfield
Hruska
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Long
Magnuson
Mansfield
Mathias
McGee
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Talmadge
Thurmond
Tower
Tunney
Young

NAYS—21

Allen
Buckley
Bumpers
Chiles
Fong
Glenn
Griffin
Hart, Philip A.
Haskell
Hathaway
Hollings
Leahy
McClellan
McClure
Morgan
Nunn
Roth
Scott,
William L.
Stone
Weicker
Williams

ANSWERED "PRESENT"—3

Helms
Huddleston
Taft

NOT VOTING—6

Brock
Cannon
Church
Hartke
McGovern
Pearson

So Mr. MAGNUSON's amendment was agreed to.

Mr. MAGNUSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. RIBICOFF. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 342

The PRESIDING OFFICER. Pursuant to the previous order, the Senator from Connecticut (Mr. WEICKER) is recognized for the purpose of calling up an amendment.

Mr. WEICKER. Mr. President, I call up my amendment No. 342.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> On page 36, beginning with the comma on line 20, strike out through line 4 on page 37 and insert in lieu thereof a period.

Mr. WEICKER. Mr. President, I ask unanimous consent that my amendment become the pending business on Monday and that I be recognized at that time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, reserving the right to object, is this the amendment that would strike the exemption in the bill that applies to labor organizations, labor-management relations?

Mr. WEICKER. That is correct.

Mr. GRIFFIN. I thank the Senator.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that Mr. Frank Gorham, of Senator DOMENICI's staff, have the privilege of the floor during further consideration of S. 200.

The PRESIDING OFFICER. Without objection, it is so ordered.

HUMANITARIAN ASSISTANCE FOR REFUGEES FROM SOUTH VIETNAM AND CAMBODIA

Mr. HATFIELD. Mr. President, I have sent to the desk a bill, and I ask unanimous consent that it be made the pending business and be considered immediately.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon?

There being no objection, the Senate proceeded to consider the bill (S. 1696) to authorize amounts available but not committed for military assistance to South Vietnam and Cambodia to be used for humanitarian assistance for refugees from South Vietnam and Cambodia, which was read the first time by title and the second time at length.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the names of the following Senators be listed as cosponsors of the bill: Senator SPARKMAN, Senator THURMOND, Senator JAVITS, Senator CASE, Senator CRANSTON, Senator MANSFIELD, Senator BROOKE, Senator BUCKLEY, Senator WEICKER, Senator RIBICOFF, and Senator GARN.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I am today introducing a bill which will provide initial, humanitarian assistance for the Vietnamese refugees in this country, without costing the American taxpayer additional funds. Let me indicate at the outset of my remarks that I do not believe this bill will be sufficient to meet the total needs of these people, but it will provide assistance while Congress debates the question of additional aid.

This legislation provides that unobligated funds authorized and appropriated by Congress for military purposes in South Vietnam in this fiscal year, will immediately be made available to the President for the humanitarian assistance of those who fled that country. I have been told that $17 million of appropriated funds for the military assistance program to South Vietnam remains unobligated. This $17 million can be put to immediate use to aid these refugees.

In addition, it is estimated that from between $100 and $130 million remains in the pipeline. It is not known what percentage of these funds are retrievable, but the Department of Defense is working now to compile that information, and to restore these funds to the Treasury. I am told that precise figures will be forthcoming.

There is, then, the potential of $147 million that can be made available if this legislation passes Congress. Even should the available funds be substantially less than is hoped, those that are retrievable will substantially ease the plight of the refugees while debate continues in Congress over the $507 million request by President Ford. Again I stress that this bill provides no further expenditure of funds beyond that which the Congress has already allowed. Given the lack of money now available for the relief of these refugees, and given the dangerous delays that may occur as Congress debates added assistance, I urge my colleagues to pass this legislation with every haste.

Let me make a further observation, Mr. President. I have been carefully watching in recent weeks the national reaction against providing additional assistance for the 120,000 refugees who have come to American shores from the desolation of Vietnam, and I am saddened by that reaction. The nightmare of that agonizing war will apparently not leave us, nor will the hate that it spawned be easily extinguished. The war in Vietnam has nurtured a fear and desperation of its own, which now threatens to consume us.

For those who counted the human casualties of Vietnam only in statistics of human death, or in the billions of dollars spent, or in the innocents that were murdered at My Lai, Hue or a thousand nameless villages throughout Southeast Asia, I believe their judgments to be incomplete. It is apparent that much more died in the jungles and swamps of Indochina; lost too was a sense of decency, of common compassion, that may prove the most costly casualty of the Vietnam war.

The question is asked, "What kind of people are we?" and the answers pour in: We are a tired people, battered by the memory of war we should not have waged; we are a beaten people; we are a people scorned and so we feel the need to respond with equal hatreds and silent curses. "Not one cent for those yellow people," I am told, and the hollow message echoes across a nation whose people are weary and angry, wanting only to forget.

But we cannot forget. I can accept their weariness, because I too am weary of the tragedies of this war, I can accept their anger, which is born of fear and confusion surrounding our failures in Vietnam. But we cannot forget or ignore these people, nor have we the moral right to turn our back on their suffering, for they will, if prevailing opinion has its way, simply die a slow and quiet death.

There is a solution, but it cannot be found in this initial reaction of panic. We must reach beyond the maelstrom of fear and desperation that now surrounds us. We must somehow grab hold of our reason, our compassion and our humanity. If we abandon these qualities now, we have lost far more than a war; we have lost control of ourselves. If we refuse to forgive these people for following the power of America, however deeply misguided, then we cannot ever hope to forgive ourselves. And without such forgiveness we are indeed a beaten people.

If we are a people of moral principles then let us live those principles, surrounded as we may be by the gravest difficulties at home. It is in the darkest hours that we can attain the brightest achievements and thereby regain a sense of dignity where now there exists only a feeling of loss, fear and hopelessness. We must listen quietly to an understanding far older and far wiser than our own. As the prophet has said.

> For if you truly amend your ways, and your doings, if you truly execute justice one with another, if you do not appress the alien, the fatherless of the widow, or shed innocent blood, and if you do not go after other gods to your own hurt, then I will let you dwell in the land that I gave your fathers forever.

Mr. President, there can be no compromise, in our treatment of these refugees from war. For those who would insist that we have no obligation to them, that we cannot afford to help in the reconstruction of their lives, I can only respond: There is no alternative. We either assist them now, or we allow these children and their parents to die without food, without shelter, and without hope. I could not believe more strongly that to deny them this compassion would be the final tragedy of Vietnam; a tragedy that would haunt both ourselves and our children. By refusing assistance we can only further the nightmare of despair that is, and will always be, symbolized by Vietnam.

The assimilation of these Vietnamese refugees into our culture will not irrevocably harm our economy. Such fears are unnecessary. Those eligible for work represent less than one-tenth of 1 percent of the labor force that is now unemployed. Nor at this time is it practical that these Vietnamese can be returned to their homeland. Perhaps in the future, and if they so choose, the international situation will allow for their return. But that is not feasible at this time, and we should recognize that fact.

The bill I am introducing today will provide, I believe, a basis on which the assistance and relocation of these people can proceed. It is money that has already been authorized and appropriated by Congress. It is money that has been directed for the use of war, and that can now be redirected toward the purpose of peace. It will cost the taxpayer nothing more, and its dividends will be substantial. And yet, it will not be enough. I want to make clear that I support requests for additional funds.

It must be remembered, by those who fought for so many years to end the waste and suffering this country endured during the Vietnam era, that far greater sums than have now been requested for humanitarian assistance would have been requested of this Congress if the war had continued. It must be remembered that we would have been asked for $5 billion in the next 3 years.

While we were militarily engaged in Vietnam we spent over $150 billion, the equivalent of $500 million every 10 days. These funds only furthered a pointless and bloody slaughter. Now a small portion of these moneys can be directed toward healing the sick and promoting, rather than destroying, human life.

Many citizens have expressed very real concerns over the fact that these moneys will be spent at the sacrifice of those who need it most, our senior citizens, our poor, our jobless, and our hungry. I can only indicate to those who are concerned that I will not be a party to such a sacrifice, nor do I believe that a sacrifice is necessary. This Nation remains strong enough to help those of its citizens who suffer, and that strength will grow. We have now ended our involvement in a war that cost us heavily in lives and treasure; we can now proceed with programs aimed at easing the strain on our economy with that burden having been lifted.

Let me stress, Mr. President, my belief that these people are now a part of us, and they should be treated with the courtesy we would extend to any countryman. We are fundamentally responsible for their plight, for they are the cultural fragments of a society which we chose as a battlefield between the forces of the free and Communist world. The fact that some believed from the beginning that that choice was a catastrophic mistake, in no way lessens this Nation's obligation to them. Their cause was our cause, and their future is now interwoven with our own.

Mr. President, let me finally say that I understand the worries and fears of the people of this Nation. We are faced with immense difficulties that weigh heavily on everyone. In some ways, we are all frightened.

But in fear let us not destroy our decency, and in anger let us not lose sight of our purpose. As Thomas Merton has written:

> We can learn to love them even in their sin, as God has loved them. If we can love the men we cannot trust, and if we can to some extent share the burden of their sin by identifying ourselves with them, then perhaps there is some hope of a kind of peace on earth, based not on the wisdom and the manipulations of men but on the inscrutable mercy of God. For only love—which means humility—can exorcise the fear which is at the root of all war.

I understand the difficult decisions that are facing my colleagues, and this Nation. Yet, I ask that we allow these people a simple chance at life. Perhaps, in such allowance, we shall finally find a peace within ourselves.

Mr. President, basically, what we have here is an implementation of the Cranston resolution, which was passed by an almost unanimous vote of the Senate, which stated a very noble and a very apropriate ideal as to the attitude and the sentiment of the Senate toward the refugees. I think, to look at the situation of the moment, we have to recognize that the money for the refugees will be running out by tomorrow. The Senate will not be in session until Monday. The Senate bill, which is the Javits-Pell proposal to deal with the refugee problem, will be taken up for expeditious hearings before the Committee on Foreign Relations on Tuesday. But between now and then, and perhaps even following Tuesday, we shall have to have resources to care for those refugees who are already here.

I have checked with the Department of Defense and I have ascertained that there are about $17 million of unobligated funds which have been appropriated by Congress under the $700 million Military Assistance Act. There is an ditonal $100 to $130 million in what we refer to in budgetary nomenclature as retrievable funds. The proposal that we now have before us is merely an authorization to utilize such unexpended and available funds under the Military Assistance Act, which we have already appropriated, for the use of the refugees and to care for the refugees until we can set up a basic program to be funded at a later date.

Mr. President, I ask unanimous consent that Senator Pell be made a cosponsor of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, we have alerted the White House, we have alerted the National Security Council, we have alerted the Department of State, we have discussed it with the Department of Defense, and in the initial reactions of the people with whom we have discussed this proposal, we have found no objections.

I say further that I have checked this with the chairman of the Committee on Appropriations, the ranking minority member of the Committee on Appropriations, the chairman of the Committee on Foreign Relations and the ranking minority member, the chairman of the Senate Committee on Armed Services and the ranking minority member. I have checked it with the leadership of the Senate, and we have not found objections. I think it does provide us with the interim resources necessary to care for these refugees until Congress can fully debate and discuss the question as to the final and more permanent disposition of this problem.

Mr. MANSFIELD. Will the Senator allow me to proceed when he is through?

Mr. HATFIELD. I shall be very happy to yield to the distinguished majority leader. Before I do so, Mr. President, I ask unanimous consent that the Senator from West Virginia (Mr. Randolph) be listed as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, as so often happens, I find myself on the side of the distinguished senior Senator from Oregon. That goes back for a number of years. Once again, he has come up with a solution to a difficulty which I had intended to discuss at the time the Cranston-Allen amendment was being debated, but during that period, I had a conversation with the distinguished Senator from Oregon (Mr. Hatfield). He indicated to me what he had in mind and I wholeheartedly approve of this approach, because it ties in, in part, with some remarks I am about to make.

I am delighted that the Senate, this afternoon, almost unanimously approved the Cranston-Allen amendment. I am delighted to report to the Senate that the Committee on Foreign Relations, instead of initiating hearings on the President's request for $507 million on Tuesday, will meet instead on Monday morning, and therefore, the committee did indicate its interest and its desire to get along. But we should not move too fast. That is the reason why I think it is most important that the proposal offered by the Senator from Oregon be given immediate consideration: Because something has to be done to fill in the stopgap which will occur at the end of this week and, at the same time, will allow the appropriate committees a time to look into this matter, not hastily but cautiously and carefully, so that we will be sure of what we are undertaking.

Mr. President, on Tuesday last, the President expressed a deep concern for the Vietnamese refugees who have arrived in the United States or are on the way. He recognized a profound moral obligation on the part of this Nation to these 120,000 or more people. I can understand and appreciate the President's concern. Although I opposed the U.S. military involvement in Vietnam from the outset, it seems to me that the President is acting in accord with a national obligation in urging the Nation not to blot out the plight of these unfortunates in a recoil from the overwhelming tragedy of the Vietnamese war. Whether or not it was the proper course to encourage these Vietnamese—and Cambodians, I might say—to build up a dependency on us in the first place is moot. The fact is that the executive branch, with congressional acquiescence, did permit this to happen in the pursuit of the war. We cannot now slough off the consequences without doing violence to our finest traditions.

The administration has indicated that the funds which have been transferred from the foreign aid program to sustain the relief of the refugees to date are just about exhausted, as the Senator from Oregon indicated earlier. Congress is now asked to appropriate $500 million to continue the effort. I trust that this request will be given careful and serious consideration. Time for thought and deliberation are essential if we are to understand what we are about in this situation and how best to handle it.

To be sure, the Vietnamese refugees must be fed and clothed and housed in the meantime. In a government spending $300 billion a year, however, I must say in all candor that I would find it little short of amazing if there were not a few million uncommitted dollars to carry on the relief work a little longer, to the end that Congress may have adequate time to design appropriate legislation.

The distinguished Senator from Oregon (Mr. Hatfield) was thinking along the same lines.

Perhaps the President can draw several million dollars from the current Defense Department budget of $85 billion to cover the short time it will take to consider the refugee program fully.

Again, the distinguished Senator from Oregon has gone to the source and found out where there is something in excess of $100 million available. After all, contingent defense needs for Indochina for which, I should think, past appropriations have provided have been changed drastically by recent events. If the President lacks legal authority to transfer such funds to take care of the refugees, what may be needed in the first instance on an urgent basis from Congress is a grant of authority to make such transfers.

In the meantime, it is my hope and expectation that the Senate will move expeditiously on the President's broader request for $500 million for refugee assistance. In my judgment, however, this is a larger question than merely housing, feeding and shunting thousands of people around the United States.

We need to look beyond the immediate tasks. It is entirely possible, for example, that other countries may be prepared to welcome some of these people and offer them better opportunities than can be found here. In view of the sudden collapse of the previous government in South Vietnam, moreover, it is entirely possible that many refugees left Vietnam in panic, even though they may not have been personally endangered. Indeed, there are reports that some were compelled by superiors to leave, as, for example, Vietnamese Air Force support personnel who were required to fly to Thailand.

Another group was one which wound up in Guam. Reports indicate that a wave of homesickness and second thoughts is passing through the refugee camps—a natural reaction.

In any event, any Vietnamese wishing to move to another country or to return to Vietnam should be given, in my judgment, not only that opportunity but every reasonable financial assistance not only for transportation but for resettlement and rehabilitation. To make this possible, a suitable general understanding must be reached with other governments and, notably, at an appropriate time, the successor government in Saigon and Phnom Penh. I trust that this possibility will be fully examined by the committees considering the administration's request for appropriations. Perhaps, it will be necessary to enlarge the authority which the President sesks in the refugee bill. It may be that what will be needed is a somewhat larger appropriation than has been sought for the refugees, with the understanding that a substantial part of the total will be reserved for a program of resettlement and rehabilitation in their homeland. What would be involved here, of course, is working out arrangements with the new government in Saigon and the engagement in the work of a mutually acceptable private international body, such as the International Red Cross. I must emphasize, too, that I am referring to those refugees who, voluntarily, wish to return but their number may be far greater than is now apparent, provided there are appropriate safeguards.

I reiterate, too, that while the legislation is being devised, if necessary, a special grant of authority to the President should be sought which would permit him to transfer some unobligated funds from elsewhere in the budget, perhaps, from the Defense Department to sustain the refugees, to the end that Congress will have adequate time to consider the principal measure fully.

I commend the distinguished Senator from Oregon on finding these possibilities and for being able to present to the Senate a proposal which should prevent any lapse in taking care of these refugees throughout this country and on American islands in the Pacific, and thereby allowing the committee, which will start hearings on Monday morning, to go into this carefully, cautiously, and thoroughly, and in that way to make absolutely certain of what we are doing.

The Senator, I think, has done the Nation a service.

Mr. HATFIELD. Mr. President, I thank the Senator from Montana, our very distinguished majority leader. He has in a typical statesmanlike way put his finger in the most eloquent and concise manner upon a point of importance, when he speaks to the fact that we need the time for careful consideration of this matter without removing the sense of urgency that exists.

He, also very properly, places his finger on another point, and that is that we are in the process of computing and calculating these unexpended funds. We do not have a precise figure, but it is important to empower the President to utilize what funds are deemed as authorized, available and uncommitted funds. That is why we used the language in this bill that we used, which is simply to authorize the President to utilize available military assistance funds for humanitarian purposes in assisting refugees from South Vietnam and Cambodia.

So I underscore those two points that the distinguished majority leader has commented on today.

The fact remains that we must now have our sister body, the House of Representatives, take similar action. The President of the United States would then be required, if affirmative action is taken by both bodies, to sign the bill into law.

All of this does give us, then, the lead time necessary to get some more precise figures on what funds are available in the Military Assistance Act.

I ask unanimous consent, Mr. President, to add the name of the Senator from Nevada (Mr. Laxalt) as cosponsor of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I think it is wonderful that America is finally rolling on what should have appealed to its conscience originally. In this way we give a most eloquent rebuttal to those who would for a moment think that we are heartless or turning our backs on our own heritage as a Nation of immigrants and as a Nation willing, in the name of our own tradition and Constitution, to receive those who are in danger of persecution on political, religious, or other grounds of which we would thoroughly approve.

I am deeply gratified that my bill with Senator Pell has touched off this spate of initiatives, thoughtfulness, and investigation which has produced such fine results on the part of Senator Cranston and Senator Hatfield. I join the majority leader in saying they have rendered a very distinct service to the Nation in doing and enabling us to do what needs to be done immediately leading to the consideration of the basic legislation which has been introduced by me with Senator Pell.

I thank the majority leader, who is always so modest, for taking it as a personal duty to accelerate to the maximum extent possible the moment for hearings on the bill for the definitive authorization which can lead to the definitive appropriations. I join with him also in the feeling that we have not and will not lose our sense of balance.

There may be some who wish to return; and perhaps even we, notwithstanding our situation in Southeast Asia, may provide appropriate auspices by which that may be encompassed.

No one wishes to override the concerns of any American about this situation. We have adequate screening processes. We have been in Vietnam for a long time, unhappily for us. We know a lot about what goes on there and the people who are there, and, of course, those processes will be gone through in an appropriate way.

Finally, this is and should be a multinational responsibility. We should call upon other countries to do their fair share. Those were exactly the words used, and I was a party to it myself, years ago with respect to the displaced persons in Europe.

But the important thing is that America's conscience has now stimulated the necessary action in the Senate of the United States. I am confident that it will be met reciprocally in the House of Representatives. That is all to the good.

The message must go out to the world, Mr. President, that we are not isolationists and that we are not heartless. We have not lost our reason because of this reversal. America still remains the America that has inspired so much faith, so much idealism in the hundreds of millions of oppressed and depressed peoples in the world.

For my part, Mr. President, I pledge myself—and I know I speak for Senator Pell—to go forward with the utmost

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diligence and speed in the effort to construct a bill which will be acceptable to the Senate, which will give the President the necessary basic authority to proceed with this resettlement effort.

While we have taken interim measures here today, or will have when we pass Senator HATFIELD's bill, which I hope we will do very shortly, we all understand that the pattern of legislation must be the frame of reference within which this matter will proceed. That is the key point. We can do one makeshift thing or another for a few days, perhaps, or even a week or two, but we cannot wait much longer than that.

The President has already stuck his neck out a mile in taking Vietnamese off of the mainland of Asia and in expending money which was not necessarily ever intended for these particular purposes.

It needs to be regularized, as well as the general activities to resettle these refugees, both in our own interests, so that acknowledged and accepted national policy, with the necessary money, may not be replaced by fears and concerns which are both inappropriate and unnecessary.

So I express my gratitude to Senator HATFIELD, as I did to Senator CRANSTON, for the fine work which shows that we, too, can operate as a team, that we are not all individual prima donnas, but that a line of action having been inaugurated, there are very constructive lateral supports for it such as those on which we are acting today by Senator CRANSTON and Senator HATFIELD.

Finally again I thank our majority leader, MIKE MANSFIELD, for his deep feeling of conscience which has enabled us to accelerate materially the timetable of the Foreign Relations Committee; and my thanks to Senator SPARKMAN and Senator CASE, our chairman and ranking member, who have cooperated in that effort.

I thank the Chair.

Mr. HATFIELD. Mr. President, I wish to express my appreciation to the Senator from New York for his comments and for setting this action into the context that he did, because I would like to underscore, too, that this is but an interim measure, interim action. This does not solve the problem, and it will be necessary for the Senator from New York and the distinguished majority leader, who are members of the Foreign Relations Committee, to carry on to bring forth the solution, the ultimate solution, to this problem.

I would also indicate, to make sure the record is complete, the Pentagon has informed us that it may even be necessary for a period of time to elapse should this become law, hopefully by the weekend, to retrieve some of these funds that are in the pipeline or from a budgetary point of view to extrapolate the funds from the other funds in the Defense Department budget.

I am hopeful that bureaucratic procedures will not necessarily impede the action that is indicated by this kind of a bill, and the urgency of meeting the needs of the refugees as they exist today. I am hopeful that the Pentagon will give its full support and full cooperation to the purposes outlined in this bill, and thus give the President power, empower the President, to act as he must.

I again want to thank my colleagues, particularly the Senator from Montana and the Senator from New York, for their assistance in this action at this time.

Mr. PERCY. Mr. President, will the Senator yield?

Mr. HATFIELD. I am happy to yield to the Senator from Illinois.

Mr. PERCY. I would very much appreciate being added as a cosponsor.

Mr. HATFIELD. Mr. President, I ask unanimous consent that Senator PERCY be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. I should simply like to express my deep appreciation to Senator HATFIELD for this bill. We have all been subjected to tremendous mail pressure, but I do not think we really, other than wanting to look at it to see what public opinion is—that does not influence our judgment. I still get more letters every day, today and yesterday and the day before, on just the issue of gun control than on this issue. 250 letters this week coming on this issue are not overly impressive, and I do not think it represents really the feeling of the American people whatsoever.

We should do what we need to do to take care of this situation and to be the kind of a nation and the kind of a people that will be in the perspective of history proud of our actions.

I think the distinguished Senator has added tremendously in contributing to this measure.

Mr. HATFIELD. The Senator from Illinois has spoken most graciously, and I want to thank him for his cosponsorship and for his comments.

Mr. KENNEDY. Mr. President, I rise in support of this effort which will provide emergency relief toward the swift resettlement of Vietnamese refugees in the United States.

Yesterday I was told by representatives of the administration that current funds are running out which have so far been used to provide transportation and logistical support to move the refugees into resettlement camps in the United States. So far, the administration has expended $98 million. However, by this weekend these funds will be exhausted. In order to meet the urgent needs arising each day, it is necessary that the administration and the Congress move forward quickly to insure that the voluntary agencies which are currently beginning to assume responsibility for the Vietnamese refugees have our necessary support.

The Congress is not expected to approve authorization legislation until next week. In the meantime, thousands of refugees are piling into camps throughout the country.

Until final legislation is approved, it is imperative that the efforts of the voluntary agencies can continue. They require money—and it is upon our shoulders here in Congress to guarantee they have our full support.

As chairman of the Subcommittee on Refugees, I am keenly sensitive to the very special problems which the refugees face upon their arrival. Let us therefore move to lighten their burden and approve this legislation. We can do not less to end their suffering and bring a new purpose to their lives than by meeting the challenge of their arrival.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 1696

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That any amounts available for military assistance for South Vietnam and Cambodia but not committed are authorized to be used as the President may direct for humanitarian assistance for refugees from South Vietnam and Cambodia.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. JAVITS. I move to lay that motion on the table.

Mr. MANSFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR COMMITTEES TO FILE REPORTS UNTIL 5 P.M., MAY 9, 1975

Mr. MANSFIELD. Mr. President, I ask unanimous consent that committees may have permission to file reports from the close of business today until 5 p.m., tomorrow, May 9, 1975.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSUMER PROTECTION ACT OF 1975

The Senate continued with the consideration of the bill (S. 200) to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes.

Mr. ALLEN. Mr. President, the matter under discussion is Senate bill 200 and the pending amendment is the amendment of the distinguished Senator from Connecticut (Mr. WEICKER).

I have many things I would like to say on this subject, but it seems to be the will of the Senate that we recess at this time.

I hoped that a number of Senators

would be on hand to listen to arguments with respect to the bill, but that is not the case and the leadership has expressed a desire that at the time of our recess today we recess over to Monday at 11 a.m.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will next convene on Monday, May 12, at 11 a.m., following a recess. At the conclusion of routine morning business, H.R. 4700, the NASA authorization bill, will be taken up under a time agreement. Rollcall votes may occur on amendments thereto and on final passage, but no rollcall vote will occur before 4 o'clock p.m. At 4 o'clock p.m., a rollcall vote will occur on the Weicker amendment to S. 200, the Consumer Protection Agency bill. Any other votes ordered prior to 4 p.m., will occur following the rollcall vote on the Weicker amendment.

RECESS UNTIL 11 A.M. MONDAY, MAY 12, 1975

Mr. ALLEN. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 11 a.m. on Monday.

The motion was agreed to; and at 3:45 p.m. the Senate recessed until Monday, May 12, 1975, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate May 8, 1975:

DEPARTMENT OF TRANSPORTATION

John Hart Ely, of Massachusetts, to be General Counsel of the Department of Transportation, vice Rodney Eugene Eyster, resigned.

FARM CREDIT ADMINISTRATION

The following-named persons to be members of the Federal Farm Credit Board, Farm Credit Administration, for terms expiring March 31, 1981:

Ralph N. Austin, of Colorado, vice James H. Dean, term expired.

David C. Waldrop, of South Carolina, vice T. Carroll Atkinson, Jr., term expired.

IN THE AIR FORCE

The following Air National Guard of the United States officers for promotion in the Reserve of the Air Force under the provisions of section 593(a), title 10 of the United States Code, as amended:

LINE OF THE AIR FORCE

To be lieutenant colonel

Maj. James M. Archer, 400–40–4514.
Maj. Charles R. Barnes, 315–32–2506.
Maj. Ervin J. Bedker, 362–34–1368.
Maj. Robert O. Boardman, 122–28–9037
Maj. Jerrold W. Brown, 271–30–0588.
Maj. Carl T. Butterworth, 221–24–3156.
Maj. Jerry Edwards, 484–44–2183.
Maj. Marion D. Garrett, 247–54–3849.
Maj. James N. Holcomb, 416–38–6406.
Maj. Floyd F. Honea, 457–40–6263.
Maj. Bernard W. Hurlock, 578–36–7621.
Maj. Robert A. Lawrence, 403–32–1327.
Maj. Donald E. Lynd, 274–32–8347.
Maj. Virgil A. Maxwell, 482–32–6396.
Maj. Joseph R. McCabe, 079–26–3961.
Maj. William R. Moor, 408–46–4140.
Maj. Reginald Parsons, 464–44–9996.
Maj. George C. Poravas, 026–26–7664.
Maj. Robert F. Ranzenbach, 532–32–0987.
Maj. James D. Recco, 232–50–6455.
Maj. James W. Thomas, 453–36–5514.
Maj. Frank F. Tinley, Jr., 255–58–8510.
Maj. Wilfred S. Unverricht, 544–30–3338.
Maj. Charles E. Williams, 317–24–2385.

MEDICAL CORPS

Maj. John S. Burrell, 410–56–6851.
Maj. Ivyl W. Wells, 518–44–5198.

IN THE NAVY

The following-named officers of the U.S. Navy for temporary promotion to the grade of lieutenant (junior grade) in the line and staff corps, as indicated, subject to qualification therefor as provided by law:

LINE

Abretski, Paul R.
Allen, Duke D.
Allum, Arthur E.
Altman, Kenneth B., Jr.
Anderson, Edward W.
Ascione, Raymond A.
Avenson, Jerome H.
Axelrod, William H.
Bacon, William F.
Bagley, Raymond C.
Ballas, Jim W.
Barber, Theodore Jr.
Bassett, William T.
Bates, William A., Jr.
Beardin, Larry D.
Beck, Donald D.
Beck, Harold R.
Becker, William E.
Beer, Bill E.
Bence, Ronald P.
Bolton, Frederick A.
Borno, Louis M., Jr.
Boyar, John A.
Brittain, William G., Jr.
Brown, Tommy A.
Brownhill, Lloyd D.
Buchanan, Robert W.
Burgess, Thomas C.
Burns, Daniel P.
Busch, Danny G.
Calhoun, Jimmy R.
Campo, Milton P.
Carroll, Charles E.
Chapman, Davey S.
Christensen, Erick T.
Coffman, Bert U.
Collins, Richard W.
Combs, Russell W.
Combs, Charles R.
Coupland, Steve J.
Cousins, Jack W.
Craigie, George S., Jr.
Crooks, Dennis J.
Curry, Raymond M.
Dalton, Merrill A.
Dean, Alvin E.
Decker, Charles E.
Deese, David S.
DeLong, Richard C.
Demarco, Jimmy W.
Deneen, Brian M.
Dewald, Bruce F.
Dickson, Lee A.
Dilick, Gregory F.
Dossey, Melvin L.
Dragone, Joseph A., Jr.
Dukes, Donald C.
Earnest, William G.
Eckler, Burton F., Jr.
Evans, Gary W.
Fahner, Richard B.
Fehrs, Thomas L.
Finley, Charles C.
Fitzhugh, Gary L.
Fleet, George B.
Fleming, Robert E.
Fox, Ronald G.
Froemel, Anthony F.
Gaffrey, James T.
Gebbie, Larry A.
Giusti, Gerald J.
Glover, Andrew L.
Godfrey, Thomas J.
Goforth, George T.
Gordon, Harry J., III.
Gravely, Robert O.
Greene, Montie R.
Griggs, Edward C.
Gunn, Terrell L.
Gustin, Bruce A., III.
Hahn, Kurt R.
Hammerle, Gerald T.
Harmer, Donald W.
Hartfield, Daniel T.
Hartsock, Thomas P.
Hawk, Bruce L.
Hawkins, Robert F.
Haworth, James R.
Henderson, Harold D.
Hicks, Edward K.
Holcomb, William K.
Holzworth, James E.
Howard, Frank W.
Hubbard, Calvin E.
Hudgens, Robert T.
Hudson, Thomas G.
Huff, David G.
Hull, Roger L.
Hunter, Thomas D.
Hyatt, Jerry O.
Jackson, Bernard T.
Jacobs, Thomas E.
James, Richard H.
Johnson, James W.
Johnson, Paul R., Jr.
Johnson, Paul W.
Jones, Preston L.
Josey, Laverne
Joyner, Thomas F.
Kale, James E.
Keesling, Robert A.
Kilmer, Harold B., Jr.
Knapik, Paul P., Jr.
Knight, Cletius D.
Knueppel, Wolfgang W.
Krueger, Lloyd E.
Lambert, Carlton D.
Lambing, Edward W.
Lancharic, James V.
Landick Richard E., Jr.
Langenohl, Frederick C.
Laporte, Charles R.
Laughland, Ronald W.
Leal, Pedro G.
Lose, Jay D., Sr.
Lovejoy, Paul G.
Lovett, Harry L.
Lovett, Joel D.
Lundby, Neil W.
Lutes, Jack
MacDonald, Donald J.
Mancini, Dante R.
Mares, Joe N.
Marsh, William H.
Marshall, Rudy F.
Martin, John P.
Martin, Kenneth R.
McAvinia, Thomas F.
McBrayer, Gary D.
McCollum, James W.
McCoy, Charles K.
McDermott, Kenneth R.
McDowell, Gary E.
McGowan, Kenneth A.
McKinzie, Joe E.
McManus, Floyd L.
Mercy, Richard A.
Miller, Edward L.
Mitchell, Kenneth R.
Moilanen, Thomas E.
Mone, Frederick P.
Montoya, Kenneth E.
Moore, Donald R.
Moore, Gilbert J.
Mott, Charles W.
Neal, Robert A.
Nice, Dan E., Jr.
O'Neal, Loren L.
Orlekoski, Michael G.
Othus, Ross Bradley
Parks, James F.
Parsons, Walter P.
Paulsen, Howard N.
Pease, Milton L.
Peay, Larry G.
Petty, William M.
Pfadenhauer, John J., Jr.
Pierce, Billie J.
Poffinbarger, James C.
Porter, David P.
Porter, Robert L.
Power, Jerry R.
Price, Earl J.
Priolo, Gary P.
Rand, Benjamin W.
Ray, Harold L.
Reeves, Thomas E.
Rhine, Russell L.
Richards, Jack, Jr.
Roach, Frank E., Jr.
Robinson, James E.
Robinson, Robert L.
Robinson, Warren E.
Roper, Thomas W.
Ruth, Jack L.
Ruybal, George N.
Salinas, Amando S.
Sanders, Thomas A.
Schroeder, Kenneth R.
Sciuto, John J.
Seal, Warren G.
Seaman, James R.
Shamburger, William A.
Sheehan, Leroy E.
Shipley, Thomas E.
Smallwood, James V.
Smith, Howard P.
Smith, John F.
Solak, Lawrence E.
Sontag, Alvin J.
Sprangler, Ralph G.
Spatt, Frank R.
Spears, Buddy W.
Stegeman, Ronald A.
Steverson, Gerald H.
Stewart, James H.
Stimpson, Gerald N.
Stowe, Abraham R.
Sutton, Frank C.
Sweeney, Robert L.
Talley, James A., Jr.
Tarantino, John F.
Tavares, Michael H.
Tegethoff, Dennis D.
Thompson, Stelio G.
Urben, Bruce L.
Vaden, Don R.
Valade, Gerald R.
Vanness, Henry A.
Vannoy, Richard T., II
Ventgen, Robert J.
Walker, Charles R.
Wetmore, Walter G.
White, Frank H., Jr.
Wiggins, James D.
Wiley, John E.
Williams, Comer L.
Williams, George B.
Wise, Herbert F.
Wollam, Neil R.
Wood, James W.
Wood, Kenneth H.
Yoneda, Minoru M.
Young, Donald R.
Zetsch, Kurt J., Jr.

SUPPLY CORPS

Anderson, Howard J.
Cannon, Jamie R.
Curry, Dennis S.
Fortier, Ormond L.
Link, Spencer F.
Santonil, Rosendo T.
Simoneaux, Ramon J.
Smith, Theodore L.

CIVIL ENGINEER CORPS

Shank, John

MEDICAL SERVICE CORPS

Ansley, Bobby G.
Berube, Richard P.
Brent, William H.
Briere, Gerald P.
Brown, Harold T., Jr.
Caton, Gene A.
Cox, Tommy W.
Crank, Harold L.
Cunningham, David W.
Dillard, James B., Jr.
Eichelberg, Wallace C.
Farnham, Willard H.
Finn, Robert F. M.
Gervais, David R.
Ghent, Ernest R.
Hazzard, Charles A.
Heltsley, John R.
Jones, Robert G.
Jones, Rudolph
Langston, Carl C.
Meskill, Gerard V.
Mohler, Dennis L.
Morris, Donald L.
Murphree, Garry W.
Norris, Henry H., Jr.
Nunn, Thomas D., Jr.
Olson, Peter K.
Olson, Steven D.
Pate, George
Peters, Vernon M.
Pierce, Charles R.
Radmore, Kenneth J., Jr.
Ruby, Perry M., Jr.
Smedley, Fulton J.
Tyson, Gary D.
Webb, John R., Jr.

The following named officers of the United States Navy for permanent promotion to the grade of lieutenant (junior grade) in the line and staff corps, as indicated, subject to qualification therefor as provided by law:

LINE

Aarnes, Richard L.
Ackley, Victor H.
Adams, Andrew R.
Adams, George F., Jr.
Adams, Jerry C.
Agostini, John M.
Ainsley, William L., III
Akers, Carl W.
Albert, Lawrence R.
Albin, David E.
Aldridge, Billy D.
Allen, Kristin L.
Allen, William R.
Allin, Robert W.

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Allison, John S., Jr.
Anderson, Eric L.
Anderson, John H., Jr.
Anderson, Kenneth G.
Anderson, Larry E.
Anderson, Patricia K.
Andrew, Stewart R.
Andrews, Kenton G.
Angelo, James W.
Antonik, Berthold L. B.
Appelgate, James M.
Archibald, Gary T.
Arnold, Robert B.
Ash, Michael C.
Ashbridge, George, IV
Ashim, Larry D.
Askey, Charles B.
Attoe, Kenneth A.
Atwell, Cynthia T.
Aukland, Bruce M.
Ault, Jon F.
Austin, Kenneth B., Jr.
Axtell, Stephen P.
Ayres, Kermit A.
Baas, Daniel L.
Babbitt, James C., Jr.
Babin, Ordale P., Jr.
Baczenas, Robert C.
Baer, Howard F., Jr.
Bagley, Edward G., III
Bailey, Claudia L.
Bailey, Jack N.
Bailey, William C.
Bailly, Richard M.
Baird, Robert K.
Baker, Neil D.
Baker, Richard C.
Bal, Eugene, III
Ballweber, William A.
Bang, Paul G.
Banks, Willie B., Jr.
Barber, David H.
Bard, Ralph M.
Barlow, Ronald D.
Barnett, Stewart R., III
Barnhill, Arizona W.
Barnes, Leslie W.
Barnett, Peter G.
Barthell, Walter C.
Bartz, Glen O.
Bates, Richard S.
Baugh, Dale E.
Bean, Jerry W.
Beard, Jeffrey R.
Beason, John C.
Beaver, Robert J.
Bechem, Anthony J.
Beck, George H.
Becker, Paul R.
Beede, Albert F.
Beelman, Ronald J.
Been, Richard G.
Beene, Ronald O.
Beers, William R.
Behringer, Stephen E.
Beirne, Vincent J.
Beiter, Michael W.
Belcher, John C.
Bell, John B.
Beloncik, Chris J.
Benefield, Robert B.
Benham, Webster L., III
Benson, James E.
Benton, William D.
Berard, Raymond W.
Berdinka, Mitchell, J
Berg, Robert J.
Bernander, Paul R.
Berriman, John W.
Berry, Gale V.
Berry, George Z.
Berto, David S.
Bertram, David L.
Besal, Robert E.
Beutell, Timothy O.
Bever, Daryl L.
Biby, Dennis K.
Biedermann, Robert J.
Bienhoff, Paul A.
Bills, Steven H.
Bisceglia, Stephen V.
Bishop, Edward S.
Bishop, Phillip A.
Bishop, Theodore A.
Black, Gene C.
Blackman, Richard A.
Blaine, William K.
Blakely, James M.
Blakey, Blake V., Jr.
Blanchard, Robert K.
Blanding, Jonathan H.
Blanton, William D., Jr.
Blevins, Timothy R.
Blomeke, Hugh D.
Blosser, John D.
Blume, Russell E.
Blunt, James M.
Blunt, Paul F.
Bobo, William, Jr.
Bodson, Gerard R.
Boeshaar, Richard T.
Bolin, Phil W.
Bollen, Anthony K.
Bond, Robert M.
Bondy, Robert E., III
Bones, John D., III
Boniface, William S.
Booker, Robert W.
Boost, Walter G.
Boroff, Jeffrey L.
Boswell, Daniel M.
Bouch, Timothy W.
Bower, Michael J.
Bowlin, James A.
Boy, David C., III
Boyd, James W.
Boyd, William L.
Boyer, Pelham G.
Boyle, Jerome P.
Bozeman, Virgil, III
Bradley, James W.
Brady, Bernard G.
Brady, Edward D.
Brady, Joseph B.
Brandenburg, Edward J.
Branson, James L.
Braseth, Peter C.
Breiner, Thomas L.
Brennan, Michael F.
Brewer, Charles G.
Brewer, Craig W.
Bridewell, Bruce M.
Bridge, Jonathan J.
Bridgeford, Joseph V.
Briggs, Fred M., III
Brilla, Richard C.
Brown, David K.
Brown, Glenn T.
Brown, Guy H.
Brown, Jesse H.
Brown, Kelley A.
Brown, Larry A.
Brown, Peter G.
Brownsberger, Nicholas M.
Broyles, James W.
Bruce, Robert J.
Brucker, Blaine R.
Bruckner, Charles J., Jr.
Brumbaugh, David L.
Bruner, Todd T. W.
Bruns, Richard M.
Bryant, Michael L.
Buker, Gary E.
Bullough, Bruce L.
Burdette, Allen L., II
Burdge, Richard J., Jr.
Buresh, Jon A.
Burke, Thomas S.
Burkhart, Larry W.
Burnett, Douglas R.
Burnham, Robert L.
Burr, Gerald L.
Burroughs, Bruce D.
Burton, Fred E.
Buschmann, Roger L.
Butler, James P.
Butler, Lester E., Jr.
Byham, Richard J.
Byrd, John T.
Cahill, Edwin J.
Cahoon, David C.
Calcaterra, Frank S.
Caldwell, Daniel E., Jr.
Caldwell, John W.
Caldwell, Timothy D.
Callahan, Stephen F.
Cambre, James R.
Cameron, Gerald P.
Campbell, Barry L.
Campbell, Linda A.
Campbell, Richard L., Jr.
Campbell, Richard P.
Candalor, Michael B.
Cannan, Robert W.
Cantell, Scott T.
Cantwell, William J., Jr.
Card, Loren P.
Carle, Mark V.
Carlson, Donald J.
Carmichael, John S.
Caroll, William A.
Carrier, Guy J.
Caskey, Henry D., Jr.
Cassano, Anthony J., Jr.
Cassidy, Kevin G.
Castleman, Lexie C.
Cattanach, Robert E., Jr.
Cealgio, Lawrence B.
Cereghino, Stephen J.
Chabot, Robert E.
Chalker, John E.
Chambliss, Kevin V.
Chandler, Richard W.
Chapin, Lee A.
Chapman, Robert G.
Chesneau, Lee S.
Chiasson, Richard A.
Childers, Robert B.
Christensen, Steven D.
Christianson, Donald T.
Chung, William G.
Cincotta, Paul E.
Clancy, Dion F.
Clark, James S.
Clark, Michael A.
Clarkin, Thomas R., Jr.
Clawson, Michael J.
Clawson, Stephen H.
Clayman, William D.
Clayton, Irving B., III.
Clifford, John D.
Clutter, Michael D.
Clyne, Edith R.
Coffey, Jeffrey G.
Goggins, Andrew O., Jr.
Cohrs, Fred L.
Coleman, Alfred B., Jr.
Coleman, David S.
Coleman, James H.
Coleman, Joe T., Jr.
Coleman, Robert O.
Collins, Harold M.
Collins, Kevin R.
Collins, William W.
Combs, Osie V., Jr.
Condon, Robert W.
Connair, Thomas P.
Connelly, Thomas J., Jr.
Conner, Hilton L., Jr.
Connolly, Paul M.
Conover, Charles D., Jr.
Converse, Thomas I.
Cook, Hal L.
Cook, Robert B., Jr.
Cook, William E., Jr.
Cook, William J.
Coonan, Robert P.
Cooper, Charles C., Jr.
Cooper, Michael R.
Cooper, Robert J.
Corcoran, Thomas C.
Corson, Craig W.
Cosgrove, Douglas F.
Cosgrove, Patrick E.
Costigan, Kenneth M.
Cover, Craig H.
Covington, Richard B.
Coward, Thomas W.
Coyle, Gary L.
Cozine, Susan L. P.
Crabtree, Joseph H., Jr.
Craig, Michael C.
Crall, Max R.
Crane, Dennis J.
Crawford, Bertram M., Jr.
Crawford, Gary R.
Crawford, John T.
Crawford, Mary P.
Crawford, Thomas F., III
Creamer, Charles G.
Crim, Mark A.
Crimmins, Dennis P., II
Crinklaw, Douglas L., Jr.
Cronauer, Harold T., Jr.
Crook, Kevin P.
Cross, Raymond S.
Crossen, James R.
Crossland, Edward E.
Crouse, David L.
Crowell, Charles D.
Crowell, Michael A.
Crowley, Dennis E.
Cummings, Darryl P.
Cummings, John A.
Cunningham, James P.
Cunningham, Richard M.
Curcio, Samuel R., Jr.
Curley, Timothy J.
Curnutt, Randall C.
Curtsinger, Delbert A.
Curtin, Thomas
Cymerman, Zbigniew A.
Dabney, Stephen F.
Dabritz, David E.
Dahlquist, Paul W.
Dalby, Brian S.
Daley, Michael J.
Dalonzo, John M.
Dalton, Mary A.
Daley, Joseph T., III
Danco, Thomas R.
Dankert, David M.
Dapser, Wayne R.
Darling, Ralph E.
Darnell, Wayne C.
Darton, Terry H.
Darwin, George R.
Daughtry, Douglas S.
Daum, Bryan E.
Davenport, Mark J.
Davidsson, Jeffrey J.
Davis, Dan A.
Davis, Eric S.
Davis, Nelson C.
Davis, Robert M.
Davis, Rodney M.
Daywalt, Theodore L.
Deacon, Thomas G.
Deal, Rocklun A.
Dean, Dennis R.
Debutts, Harry A., II
Deering, Ronald D.
Defors, Michael J.
Degolian, William D.
Deibler, Michael J.
Deken, James D.
Demain, William R.
Dempsey, Perry W.
Dengler, Robert J.
Dennis, David A.
Dentler, John C.
Depoix, Christopher P.
Derbyshire, James W.
Derget, John P.
Deschauer, John J., Jr.
Deschene, David J.
Deuley, Thomas P.
Devillier, Julian P.
Devin, James D.
Devlin, John C.
Devore, George K.
Devries, Robert D.
Dewalt, Arnold S.
Dickson, James B.
Dietrich, Leif L.
Digeorge, Frank P., III
Dilgren, Glen A.
Dillingham, John L.
Dillon, John M.
Dohse, John F.
Dolan, Robert E.
Dom, Stuart N.
Dominick, George C.
Donahue, John R.
Donihi, Burleson M.
Donlan, Joseph A.
Donohue, Richard H.
Donovan, Michael D.
Doo, Harry Y. C. K.
Doran, Milton D., Jr.
Dorticos, Raul H.
Dose, Walter S., Jr.,
Doshier, Alan J.
Dougherty, Barry L.
Dowd, Vincent P.
Doyel, Roger T.
Doyle, Michael T.
Doyle, Patrick R.
Drake, Thomas J.
Drawneck, Richard A.
Dreiling, David L.
Drews, Robert A.
Dreyer, Donald R.
Driscoll, Joseph F.
Drobnak, Peter M.
Drumm, Donald K.
Drummond, Thomas F.
Dubina, Daniel E.
Dudek, David P.
Duffett, Neale A.
Duncan, Richard R.
Dunkley William F., Jr.
Dunlap, Billy W.
Dunn, David A.
Dunn, James P., Jr.
Dunne, Patrick W.
Dunning, John A.
Dye, John D.
Dziedzic, Thomas J.
Dzura, John M.
Eads, Robert S.
Earwaker, John S., III
Easton, William R., Jr.
Ebeling, Charles W., II
Edelstein, Daniel N.
Edmonds, Justin D.
Edwards, Mark J.
Edwards, Scott W.
Eichel, Laurence A.
Eiland, Garland B., Jr.
Eisenhuth, Joseph P.
Elberling, Lance E.
Elfervig, Leonard R., II
Elliker, John S., Jr.
Ellis, Jimmy L.
Ellis, Mark E.
Ellis, Robert B.
Ellison, Carl E.
Elsen, Paul D.
Emmert, Mark A.
Endicott, David C.
Engelhardt, Bruce B.
Englund, Richard T.
Epley, John D.
Erazo, Luis R.
Erbele, Douglas J.
Ersek, David A.
Evans, Gary G.
Evans, Ted R.
Everett, James L., IV
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Ewart, Uson Y.
Falkey, Mark S.
Fargo, Dennis K.
Farthing, James W., II
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Farwell, Bruce K.
Fayle, Patrick A.
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Fennessey, Donald B.
Ferguson, Kevin J.
Ferguson, Margaret A.
Fifer, Louis G.
Filanowicz, Robert W.
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Firth, David J.
Fischbeck, Jeffrey A.
Fischer, Stephen M.
Fisher, Calvin
Fisher, John W.
Fite, Christine E.
Flanigan, Richard J.
Flatt, Dean M.
Fleming, Daniel E.
Foley, George B.
Fondren, Steven V.
Fosse, Roger W.
Foster, Thomas H., II
Foti, Stephen G.
Fouke, Ronald L.
Fox, Donald C.
Frahler, Donald A.
Franklin, Richard A.
Franklin, Roland M.
Fraser, Powell A., Jr.
Fratello, Thomas J.
Frederick, Stephen E.
Fredrickson, James M.
Freeland, Newton F., Jr.
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Frenzel, Brian D.
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Frieden, Charles O.
Friedman, Leonard
Froehling, Judith
Fulham, Thomas A., Jr.
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Funk, Duane H.
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Gallup, Frederick S., III
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Games, Lila L.
Gant, Gregon L.
Ganzer, Keith J.
Garden, George C., Jr.
Gardner, Thomas L.
Garrick, Francis L.
Garrish, James W.
Garry, William J.
Gastrock, Martin D., Jr.
Gavett, Wallace L., Jr.
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Gear, Bud S.
Gebeaux, Margrette C.
Geddes, Stephen S.
Gehrke, Lee E.
Gentilhomme, Claude P.
Geopfarth, Robert N.
Gersuk, Donald J.
Getzlaff, Darryll J.
Giannotti, Bruce B.
Giarra, Paul S.
Gibbons, David H.
Gift, Wendell J., II
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Gilchrist, David M., Jr.

Gill, Timothy J.
Gillmor, William S., Jr.
Gilmer, Ernest V., Jr.
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Givens, Joel D.
Glass, Joseph W.
Glenn, Michael
Glennon, Raymond M.
Glick, Dean F.
Glick, Robert C.
Gloor, Louis O.
Glover, Ronald B.
Goad, Steven R.
Goddard, James R., Jr.
Godwin, Michael G.
Goldsby, Richard E.
Goldstein, Robert J.
Goldthwaite, George B., Jr.
Golisch, James A., Jr.
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Good, Mark I
Goodwin, Thomas J.
Goodwin, William V.
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Gorris, Frederick D.
Gossett, Jeffrey L.
Goudy, Thomas C.
Goyer, James L., III
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Grant, Geoffrey E.
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Gray, Richard H.
Greaser, Donald C.
Green, James D.
Greene, Kerry D.
Gregory, Erik S.
Gregory, William H.
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Griffith, Robert D.
Grimes, Gary C.
Gritzke, Arnold R.
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Grover, Henry L.
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Grubbs, Kenneth K.
Grube, Alan L.
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Grutzmacher, Ralph E.
Guebert, David R.
Guglietti, Albert D.
Guiles, Richard H.
Gutekunst, Richard M.
Gutierriz, Kathleen C.
Haagensen, Brian C.
Haas, David J.
Hackett, William F.
Hadley, Karl A.
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Hall, Gwendolyn F.
Hall, Harold L., Jr.
Hall, James D.
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Hallihan, Timothy J.
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Hamelin, Gregory R.
Hamilton, David W.
Hammar, Kevin D.
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Hample, Oscar L., III
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Hansell, Dennis R.
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Hardin, John T.
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Hargrave, Douglas F., Jr.
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Harlow, William R., Jr.
Harmon, Sidney W.
Harper, Allen D., III
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Harris, Craig H.
Harris, Robert R.
Harrison, Robert W.
Harrisonbrown Dorothy S.
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Harrop, John K.
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Hayes, Michael E.
Heagney, Mary G.
Hearding, David W.
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Heatley, Charles J., III
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Hedrick, Michael K.
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Hemphill, Gregory L.
Henrich, Robert P.
Henry, Christopher R.
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Hermann, Rory M.
Herring, Jeff F.
Herzog, John M.
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Hesser, Neal P.
Hett, Harley W.
Hewitt, Robert A., Jr.
Heyworth, Gordon
Hiers, Preston H.
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Hill, Billy P.
Hill, Clarence E.
Hill, Ronald L.
Hinckley, Cynthia
Hines, James M.
Hinson, Larry A.
Hipp, Larkin D.
Hirsh, Gerald R.
Hirst, William C., Jr.
Hitras, Henry R., II
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Hodson, Brian J.
Hoffman, Dennis E.
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Hogen, David J.
Hogue, Wayne D.
Holden, Timothy A.
Holdstein, Wallace W.
Holesinger, Daniel L.
Holland, Howard M.
Holley, Paul E., Jr.
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Holmes, Robert D.
Holt, John B.
Holz, Lloyd N.
Hoover, James D.
Hopkins, Robert L.
Hopper, James H., II
Hopper, William F.
Horne, Bennett F., Jr.
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Hostetter, Damon R.
Horstmann, Richard F.
Horstmeyer, Robert J.
Houck, Charles M.
Housel, Mark A.
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Howard, George R.
Howard, John F.
Howard, Walter G., Jr.
Howe, Robert H.
Hrenko, John, Jr.
Huban, Kevin M.
Huck, Leonard W., Jr.
Huck, Paul E.
Huddleston, Colin C.
Hudson, Suellen A.
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Hughes, William R.
Humble, Alan D.
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Hutfless, Michael J.
Hyland, Joel T.
Iaia, John T.
Ill, Frederick E., Jr.
Ingalsbe, Stephen R.
Ingle, William C., Jr.
Ingram, Walter E.
Ives, Kenneth M.
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Jackson, Andrew H.
Jackson, Andrew J., Jr.
Jackson, Eric B.
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Jacobsen, Walter L.
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James, Robert B.
Jamison, Christopher P.
Jaquess, Garrison W.
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Jarrett, Stephen M.
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Jenness, William A.
Jennings, Joe C., Jr.
Jewell, Keith A.
Jewett, Charles E.
John, Edmund K.
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Johns, Stephen B.
Johnsen, Martin W.
Johnson, Arthur G.
Johnson, Arthur L.
Johnson, Glenn L.
Johnson, Johnny W.
Johnson, Larry C.
Johnson, Mark G.
Johnson, Michael D.
Johnson, Ralph W., III
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Jolly, David B.
Jones, Edward L.
Jones, Glenn E.
Jones, Granville P.
Jones, Lawrence E.
Jones, Richard M.
Jones, Thomas H.
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Jones, Thomas R.
Jordan, Timothy G.
Jorgensen, Paul C.
Joseph, Alfred M.
Joslin, William D., Jr.
Joyner, Michael C.
Judd, Thomas M.
Kaden, Glenn L.
Kallin, Peter L.
Kalstad, Kendall W.
Kane, John M.
Kaplan, Leonard, II
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Kasianchuk, Walter J.
Kassner, Michael E.
Kaufman, Delbert R.
Kaye, Theodore L.
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Keefe, Daniel S.
Keegan, Joseph W.
Keenan, John J., Jr.
Kehoe, James W., Jr.
Keim, James F.
Keith, Douglas W.
Keith, Michael G.
Keithly, Thomas M.
Kelly, Clifford P.
Kelly, Mark C.
Kelly, Verland R., Jr.
Kelson, Jesse J.
Kemp, Curtis A.
Kemple, Steven J.
Kennedy, Kristopher M.
Kennedy, Terence S.
Kennedy, William G.
Kenney, Paul S.
Kenning, James A.
Kessler, James M.
Kessler, Paul K., Jr.
Kessler, Stephen F.
Kester, Lawrence V.
Kibler, Adrian E., Jr.
Kidrick, James G.
Kieling, Jared T.
Kilgore, George K.
Kilmartin, Mark D.
Kindel, George F.
King, David F.
King, Manton A.
Kinney, Thomas P.
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Kirk, Bruce R.
Kirker, Karen J.
Kirkland, Douglas I.
Kissling, Robert F., Jr.
Klein, James M.
Klein, Larry R.
Klein, Phillip D.
Klein, Saul D.
Klein, Terrance J.
Klima, James R.
Klinker, Patrick J.
Klueber, Christopher L.
Knight, John R.
Knight, Robert M.
Knight, William B.
Knos, Carl T.
Koch, Raymond W.
Koelemay, Maurice M.
Kohler, Gene M.
Konopa, Steven J.
Konya, Bruce R.
Kopacz, Anthony J.
Koski, Carlos I.
Koss, Andrew J.
Kraft, Alan R.
Kraker, Lawrence L.
Kreeger, Theodore W.
Kren, John J.
Krogstad, Roger E.
Krohn, Raymond L.
Krupski, Paul J.
Kubo, Lawrence H.
Kuczler, Frank J., Jr.
Kuhn, Richard E.
Kujat, Edward J.
Kull, Frederick J., Jr.
Kulp, Lawrence E., Jr.
Labelle, James J.
Laforce, Don C.
Lakis, Nicholas P., Jr.
Lamkin, Harry B., III
Landrum, Stephen M.
Lane, Douglas S.
Lane, Gregory B.
Langenheim, John L.
Lanning, Ronald D.
Lapointe, Jean B.
Largess, Dennis N.
Larkin, Robert L.
Larsen, William P., III
Larson, Thomas G.
Larue, Stephen L.
Lasken, John C.
Laughead, David C.
Laughter, Selwyn S.
Lavalley, David L.
Lawrence, David E., Jr.
Lawson, Karl T.
Leard, Ernest L.
Leclair, Daniel V.
Ledbetter, Wayne D.
Lee, Patrick D.
Lee, Richard P.
Leggett, John G.
Leib, Robert C.
Leidel, John S., Jr.
Lemmelin, Leopold H.
Lemmon, John M.
Lenc, Stanley P.
Leonard, Raymond E., III
Leonard, William A., Jr.
Leverette, Glen
Levi, Jonathan A.
Lewandowski, Lawrence A.
Lewis, Paul S.
Libera, Daniel C.
Lichtenberg, Robert D., Jr.
Liggett, Robert D.
Likens, Dallas D.
Lillard, Michael L.
Lillard, William A., III
Lilly, Stuart C.
Lind, David J.
Lindner, Robert W.
Lindsay, Mark S.
Lindsay, Peter R.
Lindstrom, Jerry D.
Lipsey, Mark D.
Little, Michael M.
Livesay, Steven A.
Llewellyn, David J.
Loeffler, Robert D.
Loftus, Thomas A., III
Logue, Stephen J.
Lohsen, Mark A.
Long, Stephen T.
Long, William H., Jr.
Loomis, Andrew F.
Love, John B.
Love, Patrick S.
Lovvorn, Terry J.
Luce, Randal S.
Luebs, William A.
Luoto, Gary S.
Lynch, Vincent J.
Lyons, Patrick W.
Lyons, Thomas W.
Lyons, William A.
MacBean, Thomas P.
Machovina, William M.
Mack, Stanley J.
Macklin, Richard G.
Mackown, Raymond M.
Maclean, Bruce K.
Macon, Richard T.
MacPherson, Robert A.
Madden, Robert S.
Main, Glenn A.
Maixner, Michael R.
Makin, John P.
Makings, Dean M.
Malloy, Paul F.
Mann, Gary D.
Manning, Walter W.
Mansfield, Phillip S.
Manvel, John T., Jr.
Marecic, Terrence J.
Markevicz, John W.
Marlin, Robert D.
Marra, Kenneth J.
Marrs, Alton D.
Marshall, Lawrence D.
Martello, Keith W.
Martin, Anthony D.
Martin, Colin L.
Martin, William C.
Mason, Bruce D.
Mason, James R.
Mason, Lee C., II
Mastagni, Daniel S.
Mastin, Robert L., Jr.
Mathews, Kirk A.
Mathis, Don W.
Matthews, John M., Jr.
Matthews, William ~~T.~~
Mavar, John A.
Maxson, Phillip J.
Maxwell, Walter R., III
May, Bruce B.
Mayes, Larry L.
McArthur, James D., Jr.
McCabe, Sally J.
McCarty, James D.
McCarville, Patrick A.
McClanahan, Michel W.
McCloskey, John D.
McCollum, John W.
McCort, Daniel R.
McCrae, James A.
McCrory, Stephen L.
McCurdy, Russell A.
McCutchen, John M.
McDevitt, Rodney P.
McElmurry, Brian L.
McElroy, Daniel W.
McElroy, Kevin J.
McEvoy, Michael K.
McFetridge, George W., Jr.
McGee, Martin H.
McGinn, Leo F., Jr.
McGrail, John M.
McGrath, Joseph J.
McGraw, William L.
McIver, Richard R.
McKay, Rayburn L.
McKinney, Michael
McKinnon, Arthur
McLane, Robert L.
McLaughlin, John P.
McLoughlin, William R.
McMican, William J.
McMillan, Patricia A.
McNary, Kathleen L.
McVay, Breathitt R., Jr.
McWilliams, Hugh N.
Meade, Gary A.
Mears, George H.
Mease, Frank B.
Meek, Terry L.
Melley, William A., Jr.
Melle, Anthony J., Jr.
Mello, Charles F.
Melnicoff, Mark A.
Mendillo, Mark
Mendygral, Steven J.
Merschoff, Ellis W.
Merwine, Charles W.
Metheny, Floy L.
Meyer, Daniel H.
Meyer, John G.
Meyer, Lloyd J.
Meyers, John E.
Meyett, Robert S.
Miars, Thomas E.

Michael, Kirk B.
Michalske, Ralph R.
Mikhalevsky, Peter N.
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Miller, Allen C., Jr.
Miller, David R.
Miller, Dennis W., Jr.
Miller, Gregory P.
Miller, Robert A.
Miller, Wayne J.
Mills, Donald M.
Mills, Jack B.
Mills, Walter L., Jr.
Milo, Michael J.
Minder, Lawrence C.
Minnis, Richard D.
Minton, Johnny E.
Miskelly, Elizabeth T.
Misko, Louis D.
Mitani, Michael K.
Mitchell, Alfred W.
Mitchum, Robert W.
Moffatt, William G.
Moffitt, Michel L.
Molochko, Gerald A.
Molteni, Christopher R.
Monahan, Robert P.
Monahan, Timothy P.
Monkhouse, Michael W.
Montgomery, James H.
Moody, William V.
Moon, Eugene L.
Moon, Robert L.
Moore, Robert C.
Moore, William T, III
Morandi, Theodore R.
Morgan, Floyd J.
Morgan, John G., Jr.
Morgan, Kelly B.
Morral, Dennis G.
Morreale, Bruce V.
Morris, William D.
Morrison, Donald S.
Morrissey, Martin L.
Morrissey, Penny M.
Mortimer, Thomas R.
Morton, Robert G.
Moseley, James R.
Moser, Sammy L.
Mosher, Steven W.
Moss, Charles M.
Mote, Erle N.
Moyer, Jeffrey K.
Muller, Robert J.
Mullican, James N.
Murdock, Jerry
Murphy, George J., III
Murphy, Lewis F.
Murphy, Peter J.
Musselman, Robert P., Jr.
Musselman, Warren E.
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Myers, Rodney A.
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Natter, James A.
Naughton, Michael J.
Naylor, William M.
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Needham, William D.
Neihart, Charles W., Jr.
Nellis, John D., Jr.
Nelson, Duane L.
Nelson, Jeffrey R.
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Nesbitt, Allan P., III
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Nestor, Don A.
Neuman, Stephen L.
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New, George F.
Newlan, Ronald S.
Newton, Danny R.
Nichols, Todd C.
Nickodem, Peter W.
Nielsen, Jack S.
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Nocon, Eduardo C.
Nolen, Ulysses I.
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Nupp, James L.
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Orender, Bernard R.
Orr, Paul L., Jr.
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Osborne, Kip R.
Ostendorf, Robert E., Jr.
Ostrander, Thomas W.
Ostrow, Andrew A.
Ott, Andrew A.
Otto, David T.
Ozehoski, Edward M.
Pache, Eugene P.
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Palmer, George W.
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Parrish, Joseph V.
Passmore, Robert O.
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Patterson, James H.
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Perry, Joseph L., Jr.
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Peters, Kenneth W.
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Petrea, Howard A., Jr.
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Pfeiffer, Frank G.
Pfister, Russell J.
Phelps, Laurence M. III
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Pickett, Mark A.
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Piecuch, John L.
Pieper, Richard W.
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Pistochini, Mark D.
Pledger, James E.
Plovanich, Stephen W.
Poe, Ronald D.
Poland, Marc M.
Pope, Richard P.
Porritt, Richard H., Jr.
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Porter, John S.
Porterfield, Richard B.
Posey, Allen M., Jr.
Pottschmidt, Fred C.
Power, Timothy H.
Powers, George L.
Powers, Thomas J.
Powers, William H.
Poy, Russell H.
Preisel, John H., Jr.
Preston, Randall D.
Price, Michael J.
Price, Michael K.
Price, William R., III
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Pring, Brian L.
Prokasky, Stephen S.
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Pruden, Glenn R.
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Puccini, Bruce A. J.
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Ray, James R.
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Repeta, Thomas J.
Reppard, David B.
Reuter, David G.
Reymann, Charles B.
Reynolds, Thomas F., Jr.
Rheam, Gary M.
Rhiddlehoover, Suzanne
Rhoades, William A.
Rhodes, Jesse C.
Rhodes, Thomas W., Jr.
Rice, Elijah E.
Rice, Michael L.
Rice, Randall L.
Rich, Robert T.
Richard, Michael P.
Richardson, Steven D.
Richardson, William R
Riche, Christopher R.
Richman, Jane L.
Rigot, William L., Jr.
Riley, Patrick O.
Riordan, Katherine L.
Rizy, David J.
Roark, Louis K.
Robb, James A.
Roberge, John S.
Roberts, Warren L.
Robertson, Michael D.
Robertson, Norbert W.
Robie, Charles R.
Robinson, Nancy L.
Robison, Richard A.
Robinson, Steven N.
Roderick, Willard P.
Rodjom, Thomas J.
Rodriguez, Glenn R.
Roesky, Robert J., Jr.
Rogers, George C., Jr.
Rogers, Suzanne B.
Rogers, William A., Jr.
Rohrer, Alan D.
Rolich, Paul W.
Roller, James P.
Roman, Theodore R., Jr.
Rood, Homer J.
Ross, David J.
Ross, Stephen C.
Rothwell, Jeffrey A.
Rothwell, John H.
Rothwell, Peter S.
Rotondo, Michael J.
Rough, James R.
Roukema, William E.
Roulstone, Douglas R.
Round, William H.
Rowland, Curtis A.
Rubel, William R.
Rucker, Steven W.
Ruggiero, Joseph G., Jr.
Ruggles, Thomas G.
Ruhl, Philip C.
Rule, Richard W.
Rummer, David B.
Ruschmeier, Stephen J.
Rush, Douglas K.
Russell, Glenn H.
Russell, Joan M.
Russell, Roy W.
Russell, William D.
Rust, William W., III
Ryan, Jeffrey B.
Ryan, Mary K.
Ryskamp, Robert H.
Sabin, Stephen C.
Sabo, William J.
Saboski, Timothy A.
Salamon, James A.
Salscheider, Kurt M.
Salyer, Jack G.
Salzer, Thomas B.
Sandvig, William W.
Sands, Robert W.
Sanford, Gregory B.
Santino, John B.
Sare, Michael J.
Sarraino, Michael
Saunders, Robert P.
Saunders, William C.
Savage, Charles L., III
Savitsky, Adam, J.
Scarbrough, James E., Jr.
Schaad, Frederick G.
Schaffer, John E.
Schalk, John E.
Schey, Stephen L.
Schlehr, Christopher G.
Schlieper, Fred J.
Schluderberg, Larry E.
Schmidt, Colman A.
Schmidt, Wesley H., Jr.
Schmucker, Thomas J.
Schneegas, David A.
Schneider, David F.
Schork, John Forrest
Schrade, Donald E.
Schramm, Mark S.
Schubert, Jerry L.
Schultz, Randall C.
Schwab, Claude R.
Schwaller, Charles D., II
Schwenke, George W.
Schwieger, Terry R.
Schwinghammer, William E.
Scott, Bruce B.
Scott, Robert J.
Scudder, Stephen V.
Seckinger, David N.
Sedivy, Dean G.
Seeley, James R.
Seiss, William A.
Semko, Fred A.
Sensat, Robert J.
Shalles, Siegeried L.
Shanline, Stephen J.
Sharp, Larry R.
Shaw, Daniel N.
Shay, Jon V.
Shealy, Wilson O., Jr.
Shearer, Geoffrey L.
Sheller, Jon
Shemanski, Clem J., Jr.
Shemella, Paul
Shepard, Jonathan M.
Sheppard, David E.
Sheppard, William L., Jr.
Sherman, Vining A., Jr.
Shibuya, Allen I.
Shields, Robert B.
Shields, Robert G.
Shilling, William A.
Shipman, Mary C.
Shipman, Terry C.
Shoemaker, James E.
Short, Marshall S.
Shubert, Charles R.
Shurtleff, William H., IV
Sieve, Glennon L.
Sievera, Edward E.
Signor, Philip W., III
Silcox, John H., Jr.
Silkaitis, Lawrence A.
Silvers, Richard A.
Simmons, Gordon B.
Simpaon, Charles C., III
Simpson, Charles E.
Simpson, Jeffrey P.
Simpson, William M., Jr.
Sisa, Steven A.
Sise, Michael J.
Skiano, Ralph D.
Skolds, John L.
Skrzat, Richard P.
Sleeper, Arthur B.
Slocumb, Dennis A., Jr.
Smethurst, Marilyn I.
Smith, Bradley P.
Smith, Charles H.
Smith, Earl M.
Smith, Edward S., Jr.
Smith, Gray W.
Smith, Gregory C.
Smith, James A.
Smith, Janvier K.
Smith, Jeffrey F.
Smith, Kenneth R.
Smith, Leigh R.
Smith, Robert D., Jr.
Smith, Robert E.
Smith, Robert G.
Smith, Robert S. K.
Smith, Ronald C.
Snead, Leonard A., III
Snow, Murray C.
Snyder, Thomas E.
Snyder, William L.
Soballe, David M.
Soha, Walter M., Jr.
Somadelis, Michael G.
Sonn, Bruce E.
Sorg, Robert E.
Soroka, Steven L.
Soule, Douglas J.
Sowers, James R.
Spahr, Robert L.
Speed, Austin H., III
Speights, William D.
Spence, Maurice F.
Spencer, Kenneth G.
Spoerry, Dale E.
Spradlin, Charles W., Jr.
Stabler, Lemuel C., III
Staebler, Robert P.
Stahl, Gerald W., Jr.
Stamand, Richard A. J.
Stanfield, David M.
Stanton, Donald C.
Stark, Thomas A.
Starr, Philip J.
Staton, Ronald B.
Steele, Howard L., III
Steele, Peter W.
Steele, Scott L.
Steinbacher, Daniel J.
Stender, Mark K.
Stenroos, Joseph R.
Stephen, Alexander C.
Sterner, Robert C.
Stevens, Don T.
Stevens, William R.
Stevenson, Michael S.
Stevenson, Susan M.
Stewart, James R.
Steward, John R., Jr.
Stewart, Michael A.
Stewart, Melvin L.
Stickler, Christopher A.
Stine, Jeffrey L.
Stocks, Alton L.
Stockton, Herbert H.
Stoehr, Dale E.
Stone, Jeffrey M.
Storez, Robert A.
Strange, William B., III
Strawbridge, Carl N.
Stringer, George F., III
Stringer, Richard H.
Strohmeyer, George F.
Strube, David C.
Stuart, Gary L.
Stupfer, Bruce W.
Sueirro, Allen M.
Sullivan, William T.
Sumner, Gary B.
Sumner, Robert L.
Suplicki, Edward P.
Sutter, John L.
Sutton, David B.
Swailes, John H.
Swanson, Jhan C.
Swanson, Richard N.
Swedenborg, Thomas M.
Swift, Lloyd F. K.
Swisher, William A.
Switzer, David R.
Szigety, Allen J.
Szoka, Michael A.
Talbot, Gerald L., Jr.
Tammes, Bradley S.
Tarantino, Terry A.
Tarnoff, Steven A.
Teitsworth, Dennis L.
Teller, Robert W., Jr.
Tennyson, Nicholas J.
Teply, John F.

Terhar, Louis F.
Terry, Kenneth S.
Tetlow, Thomas G.
Thanig, Dale J.
Thielemann, George W.
Thies, Denzil D.
Thoma, John O.
Thomas, Henry D.
Thomas, Jeffrey H.
Thomas, John A.
Thomas, John R.
Thompson, Clark F.
Thompson, Ronald T.
Thompson, Walter R.
Thomson, Alan D.
Thorne, Silas O., III
Tierney, Michael R.
Tillberg, Arthur R.
Tillson, Joseph L., Jr.
Timony, John F.
Tindle, John R.
Titus, Frank A., II
Tobiason, Erik A.
Tofalo, Michael R.
Tolk, Lloyd A.
Tomaszeski, Steven J.
Tomlin, Edwin L.
Tompkins, James M.
Toney, James H.
Torelli, Nicholas M., Jr.
Torgerson, Jordan L.
Torgesen, Joseph E.
Tornatore, Gary P.
Tornatore, William P.
Torres, Joseph F., Jr.
Townes, John W., III
Traverso, Timothy J.
Travis, Cecil L., Jr.
Traynham, Wayne O.
Treeman, Michael W.
Trenta, Richard F.
Tribelhorn, Ronald W.
Troxell, Richard K.
Troxler, Kirk A.
Trudeau, Michael D.
Turkowski, Robert W.
Tussey, David A.
Tuttle, Jackson C., II
Uebelherr, Michael F.
Ulrich, Henry G., III
Underwood, Arthur R., III
Uricoli, Eugene F.
Vandyke, Gary P.
Vandyke, Raymond W.
Vanderhoof, Lauren B.
Vanmaele, John E.
Vanorsdel, Robert F.
Vanscholk, Douglas R.
Vanvliet, James A.
Varakin, Walter A., Jr.
Vaughn, David R.
Veatch, James M.
Veldstra, Daniel R.
Vessely, Robert P.
Vetter, Thomas G.
Vincent, Michael P.
Vislocky, Daniel
Voelker, George E.
Vogan, Charles S., Jr.
Vogt, Michael C.
Volpe, Joseph M., Jr.
Voltz, Scott L.
Voros, Charles D.
Voter, James C.
Wachter, Christopher M.
Wadington, Clair A.
Wagner, Wayne L.
Wainionpaa, John W.
Walderhaug, John A.
Walker, James L., III
Wall, James L.
Walla, David L.
Wallace Edward C.
Wallace, Harry R., Jr.
Wallace, James R.
Wallace, John
Wallmark, Walter W.
Walsh, Dennis P.
Walter, Bruce E.
Walters, James A.
Waltman, William R.
Ward, David A.
Wardlaw, William E.
Ware, Jerry S.
Warner, Bruce E.
Warren, Jerry L.
Warren, Joe N.
Warrea, Edward C.
Wasserman, William L.
Waters, Cecil L.
Watt, Alexander Y., Jr.
Watwood, William B.
Weatherspoon, Stephen S.
Weber, Donald B.
Wechselberger, Jacob F.
Weigand, Charles A.
Weigand, Charles J.
Weis, Timothy J.
Weise, Stephen P.
Weiss, David R.
Welch, John K.
Wellington, Bruce D.
Wells, William I.
Welsh, Joseph L.
Wenneson, Gregory J.
Werner, James A.
Wessel, Kenneth J.
West, Paul K.
Wetterlin, Harold J.
Whalen, Gregory T.
Wheeler, Dennis R.
Wheeler, Philip H.
Wheeler, William G.
Whelan, Stephen J.
White, Donald G.
White, George W.
White, James W.
White, John C.
White, Joseph W.
White, Judson H., Jr.
White, Kimber L.
White, Philip J.
White, Richard M.
White, William T.
Whitehead, Oliver W.
Whitehill, Archie R.
Whitford, Dennis J.
Whittaker, James A.
Wick, Peter A.
Wiestling, Stephen H.
Wigge, Conrad J., III
Wilcox, Galen D.
Wilfong, Dallas G., III
Wilhelmy, Mark D.
Wilkie, Steven C.
Wilkinson, Joseph B., Jr.
Willats, Steven J.
Williams, David M.
Williams, Lee K.
Williams, Robert E., Jr.
Williams, Russell L.
Williamson, Richard C.
Willis, Clarence C.
Willis, Leland S., III
Wilson, Daniel M.
Wilson, Steven E.
Wilson, Steven P.
Wilus, Michael S.
Winde, Ronald H., III
Windrow, John L.
Wingert, Neil S.
Winney, Justin W., Jr
Winterstein, Thomas A.
Wismer, Stephen J.
Wisner, Gary D.
Wohlford, Gerald D.
Wolwode, Michael J.
Wolf, Dallas M.
Wolfe, Thomas P.
Womer, Rodney K.
Wood, Charles A.
Wooldridge, Michael R.
Worley, Dennis L.
Worth, James R.
Worthington, John R.
Worthington, Ralph L. Jr.
Wray, Robert S.
Wright, Oliver L., III
Wright, Robert J.
Wyse, Frederick C.
Yancy, Joseph C., Jr.
Yard, Richard G., Jr.
Yarrows, Edward P.
Yates, Christopher B.,
Yates, Mitchael E.
Young, Charles S. B.
Young, Gordon A.
Young, Philip W.
Young, Timothy J.
Youngblood, Cathey A
Yount, Gregory G.
Yourth, Ronald D.
Zagrabbe, Ralph C.
Zeigler, Howell C.
Zimmerman, Kenneth R.
Zorbas, Frederick C.
Zuber, James D., Jr.

SUPPLY CORPS

Ace, Drexel M., Jr.
Albright, Keith R.
Alderman, Elliot L.
Alexander Oran T.
Anderson, James S.
Ansley, Robert E., Jr.
Argue, Arthur C., III
Assad, Shay D.
Atkinson, Eric J.
Awtrey, Warren
Baltazar, Wilfred, Jr.
Bent, Randal T.
Bonner, Alonzo B., Jr.
Borden, William G.
Bouts, Larry D.
Boyer, James C.
Boyle, John E.
Brown, David A.
Bullock, David R.
Cafaro, Patrick R.
Capron, Donald L.
Casey, John J. Jr.
Castle, Christopher H.
Cavanaugh, John H.
Champlin, William G., Jr.
Condon, Kevin E.
Costello, Mark E.
Croll, John M.
Crowley, Indy C.
Crozier, Terry S.
Cummings, Patrick W.
Curtin, Michael F.
David, Robert E.
Delaurentis, Michael J.
Dickerson, Daniel J.
Eller, Jeffrey M.
Epstein, David S.
Erickson, Steven C.
Feltes, Dale J.
Flanagan, John F., Jr.
Flowers, John M., Jr.
Folland, Clifford W.
Foraker, Millard W.
Fowler, James M.
Frazier, Robert B.
Fredericks, Kenneth D.
Ginman, Richard T.
Grady, Patrick J.
Grant, Charles W.
Guerard, Franklin P.
Haller, Brian Q.
Hammond, Richard C., Jr.
Hannaford, Philip S.
Hanson, Peter G.
Hayes, Bryan F.
Hayes, John R.
Hayes, Reginald S.
Helms, Douglas M.
Henderson, Harold E.
Hill, Gordon R.
Hodges, John P.
Honsinger, Larry E.
Hubbard, Mark A.
Hurley, Joseph F., Jr.
Hutcheson, Rex J.
Jamrisko, Steven F.
Jennings, William E., III.
Johnson, Johnnie, III.
Johnson, Mitchell C.
Johnson, Robert B., II.
Johnson, William E.
Jones, David C.
Joslin, Richard M.
Kaiser, Richard S., Jr.
Kamen, Roger D.
Kave, Roger L.
Keeton, Ronald J.
Kimble, Lawrence C.
King, Sammy L.
King, Wallace V.
Kirk, John R.
Knight, David J.
Koehler, Jay B.
Kratzer, Victor E.
Leather, John E.
Lee, Larry D.
Leroy, Osborn.
Lippert, Thomas R.
Long, Wayne R.
Lorenza, Mark C.
Lottes, William R., II.
Lowndes, Rawlins.
Mayo, Thomas J.
McGoun, Elton George, Jr.
Mellard, Charles W., Jr.
Michalczyk, Michael E.
Mifler, Felton
Miller, Robert F.
Miller, Roy E., III
Moessner, Frederick W.
Mokodean, Mark M.
Moore, Darrell L.
Morse, Lawrence J.
Murphy, Timothy R.
Netro, William R.
Nielsen, Gerald T.
O'Connell, Matthew P.
Owen, Wayne A.
Palmer, William A., Jr.
Peart, Douglas T.
Pecuch, Ramon.
Perry, Gordon C.
Petry, Gerard K.
Pine, William C., Jr.
Pixa, Rand R.
Richardson, Albert C.
Richardson, Howard V., III.
Ritchey, Raymond A.
Rorex, Thomas A.
Rosenzweig, David A.
Rossi, Philip R.
Rossley, Thomas W.
Rowe, Gerald M.
Rowland, Frank M., Jr.
Sample, Thomas C.
Scheer, Robert H.
Schnell, Martin J.
Schopelin, William, II
Schrader, Thomas D.
Scott, Murray J.
Seebeck, Robert N.
Shaw, Ronnie J.
Silver, Irving.
Simmons, John R.
Skipper, Carol L.
Solis, Armando R.
Stoddard, Jeffrey R.
Stone, Daniel H.
Strong, David K.
Strunk, Lawrence W.
St. Thomas, Stephen F.
Swanson, Graydon N.
Swanson, James L.
Tandy, Daniel F.
Tarleton, George L.
Teipel, Mark A.
Thompson, John E.
Thurston, Kevin P.
Tornes, Linda M.
Vandernoot, Craig M.
Vinagre, Eduardo G.
Vinson, Charles M.
Vorhoff, Robert W.
Wadsworth, David B.
Walters, James S.
Wathen, Michael A.
Watts, Ralph S.
Weigand, John R.
Wenslaff, William A.
Whiteside, Steven L.
Wilcox, Thomas A.
Williams, David B.
Wilson, Arthur R.
Wilson, George W.
Wright, Dennis L.
Yates, David S.
Young, William A.
Zackrison, Peter C.
Zulak, Barbara

CIVIL ENGINEER CORPS

Anderson, Lee L., Jr.
Augustin, James H., Jr.
Ball, Owen K., Jr.
Barrows, William C.
Berg, Eric R.
Checkovich, James K.
Chin, Gene H.
Clements, Neal W., Jr.
Cornell, Wayne L.
Costello, Donald H., Jr.
Doyle, John R.
Dun, Richard A.
Farmer, Ronald B.
Fritchen, David R.
Gault, Alan C., Jr.
Gebhardt, Gregory W.
George, David R.
Goddard, Nelson G.
Gorden, David W.
Halwachs, James E.
Hanes, Samuel H., Jr.
Hering, Alfred G.
Hutchins, Donald B.
Irvine, Jac D.
Keane, William P.
Keifer, John M.
Kendall, James B.
Kranz, David W.
Krochalis, Richard F.
Litherland, Paul S.
Longo, Paul D.
Malarchik, Nicholas A.
McKay, Kenneth P.
Miller, Steven R.
Murphy, Bernard F., Jr.
Myers, George W., Jr.
Newton, Clifford C.
Nylen, Sven T., III
Peterson, Edward H.
Praskievicz, Michael W.
Pylant, Linward R.
Ramsey, Ova W.
Schneider, Charles H.
Smith, Loren W.
Sollenberger, Lee A.
Stotmeister, Kevin S.
Vandyk, Peter M.
Watkins, Paul W.
Wight, Norman R.
Yaroschak, Paul J., Jr.
Ybanez, Robert E.
Zook, Michael J.

MEDICAL SERVICE CORPS

Benny, Judith A.
Brickeen, Jerry W.
Carroll, Robert M.
Davidson, Dennis M.
Day, Charles S.
Gammarano, Peter V., Jr.
Gibson, George E., Jr.
Hargett, David A.
Harmon, Layton O.
Higgins, Janet L.
Langston, Carl C., Jr.
Lemmerman, Donald J.
Lockhart, Ralph A.
Maskulak, Michael J.
McCaig, Joe M.
McGann, Dennis M.
Moses, William R.
Mullin, Jimmie J.
Oldham, Richard T.
Olson, Steven D.
Peterson, John C.
Renfro, Mary A.
Siddle, David L.
Simas, Amance R.
Todd, Michael L.
Turocy, Regis H.
Ward, Ernest D.
Wheeler, David L.

NURSE CORPS

Arlov, Christine S.
Barlow, Judy L.
Broad, John R.
Burns, Kathryn P.
Butchy, Linda S.
Cappiello, Joseph L., Jr.
Chojnowski, Eileen K.
Cornelius, Mary G.
Cronin, Mary A.
Day, Lynn B.
Day, Marilyn A.
Donahue, Mary H.
Eilers, Barbara G.
Ellis, Jo C.
Eversole, Donna R.
Field, Marion G., Jr.
Gryniewski, Margaret K.
Hagen, Karen P.
Hamer, Terry L.
Haviland, Rebecca J.
Hopper, Janet H.
Jackson, Royal H.
Kanurick, Ronald G.
Kidgell, Patrick F.
Korns, Barbara J.
Lescavage, Nancy
Lind, Nancy K.
Loftus, Margaret M.
Lück, Reginald L.
Malloy, Suzanne E.
McCulley Patrick M.
Mocre, Judith C.
Morsillo, Sigrun M.
O'Connell, Linda G.
Oswald, Gregory S.
Paul, Linda J.
Ratigan, Thomas R.
Richard, Shirley M.
Richburg, William E.
Robins, Margaret M.
Robinson, Leslie E.
Shaia, Evelyn R.
Smiley, Janice S.
Sutton, James W.
Trent, James E.
Trinkwalder, Janet C.
Walgren, Kenneth D.
Wallace, Thomas W.
Ward, Kathyrn M.
Wells, Mary E.

Wenner, Linda J.
Wierzbowski, Daniel S.
Wilkins, Karen L.

In the Marine Corps

The following-named male officers of the Marine Corps for permanent appointment to the grade of colonel:

George N. Bell
Allan H. Bloom
Bernard B. Brause, Jr.
Talman C. Budd II
Charles D. Bujan
Ernest W. Buschhaus
Frank C. Chace, Jr.
Stanley A. Challgren
Arthur B. Colbert
Eugene S. Courson
John E. Crandell
Robert W. Creighton
Warren G. Cretney
Duane D. Crews, Jr.
Chester P. Dereng
David K. Dickey
Merritt W. Dinnage
Wales S. Dixon, Jr.
John W. Dresely
Thomas J. Dumont
Randall W. Duphiney
George M. Edmondson, Jr.
David L. Elam
Bob W. Farley
Louis I. Fein
Walter D. Fillmore
John R. Fridell
Gerald F. Gallagher
Marvin T. Garrison
Louis Gasparine, Jr.
Clarence U. Gebsen
Thomas T. Glidden
James L. Harrison
Donald C. Heim
William E. House, Jr.
William D. Hubbard
James Jaross
Edward C. Johnson
Robert W. Jones
Conrad A. Jorgenson
Raymond C. Kargol
Louis K. Keck
Simon J. Kittler
John K. Knope
Charles H. Knowles
Walter R. Ledbetter, Jr.
Prentice A. Lindsay
Earle D. Litzenberger
Joseph J. Louder
Joseph A. Mallery, Jr.
Frederick A. Mathews
Oliver G. McDonald
Kent A. McFerren
Robert D. Miller
Donald C. Morgan
Dennis J. Murphy
Duane F. Newton
Bruce F. Ogden
Richard L. Palmer
Eugene E. Paro, Jr.
Frank E. Petersen, Jr.
Bayard S. Pickett
Clifford E. Reese
Francis Riney
Robert O. Ritts
Joseph S. Rosenthal
Bruce B. Rutherford
Patrick J. Saxton
Harry E. Sexton
Speed F. Shea
James R. Sherman
Joseph Sleger, Jr.
Charles V. Smillie, Jr.
Thomas M. Stokes, Jr.
Herbert R. Tiede
Dwight R. Timmons, Jr.
Robert J. Weiss
Kenneth H. Wilcox
Robert C. Wise
Charles D. Wood

The following-named woman officer of the Marine Corps for permanent appointment to the grade of colonel:

Roberta N. Patrick

The following-named officers of the Marine Corps Reserve for permanent appointment to the grade of colonel:

John W. Black
William Cunningham
Thomas M. Dandrea
Charles G. Frederick
Thomas R. Johnson
Donald G. Keast
Paul F. Maginnis

CONFIRMATIONS

Executive nominations confirmed by the Senate May 8, 1975:

Department of Health, Education, and Welfare

Theodore Cooper, of Maryland, to be an Assistant Secretary of Health, Education, and Welfare.

National Institute of Education

Harold L. Hodgkinson, of California, to be Director of the National Institute of Education.

National Institutes of Health

Donald Sharp Fredrickson, of Maryland, to be Director of the National Institutes of Health.

National Council on Educational Research

Edward E. Booher, of New Jersey, to be a member of the National Council on Educational Research for the remainder of the term expiring June 11, 1976.

National Science Foundation

Richard C. Atkinson, of California, to be Deputy Director of the National Science Foundation.

Advisory Council on Women's Educational Programs

The following-named persons to be members of the Advisory Council on Women's Educational Programs for the terms indicated:

For a term of 1 year:

Benjamin DeMott, of Massachusetts.
Marsha Jean Darling, of North Carolina.
Jon W. Fuller, of Michigan.
Margaret B. Harty, of Texas.
Holly Knox, of the District of Columbia.
Irene E. Portillo, of California.

For a term of 2 years:

M. Anne Campbell, of Nebraska.
Joanne M. Carlson, of Oregon.
Bernice Sandler, of Maryland.
Gerald E. Weaver, of Mississippi.
Sister M. Joyce Rowland, of Minnesota.

For a term of 3 years:

Mary L. Allen, of Kansas.
Ernest L. Boyer, of New York.
Katherine K. Burgum, of North Dakota.
Theresa Aragon de Shepro, of Washington.
Mary Beth Peters, of Pennsylvania.
Agnes M. Dill, of New Mexico.

(The above nominations were approved subject to the nominations' commitments to respond to requests to appear and testify before and duly constituted committee of the Senate.)

HOUSE OF REPRESENTATIVES—*Thursday, May 8, 1975*

The House met at 12 o'clock noon.

The Rev. Clarence E. Budke, Immanuel Lutheran Church, Preston, Md., offered the following prayer:

O Lord God, Heavenly Father, as we today recall the ascension of Your Son into heaven, may our hearts also be lifted up, that we might see in Your Son Your love, and our hope and salvation. Open our hearts to receive in faith the forgiveness which we need from Thee; the wisdom and strength to do Thy will; and then, Lord, give the assurance of Thy presence with us. Help us each day to seek Thy direction and loving guidance, that the work of this beloved Nation, which Thou hast placed within our hands, might indeed be done through us, to the well-being of men, and to Thine honor and glory. We pray in the name of Jesus Christ, our Lord. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Heiting, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed resolutions of the following titles:

S. Res. 52

Resolved, That the Senate disapproves the proposed deferral of budget authority for continuing research to develop a nuclear-powered artificial heart, which deferral (D75–115) was set forth in the President'a message to the Congress of November 26, 1974, transmitted under authority of section 1013 of the Impoundment Control Act of 1974.

S. Res. 75

Resolved, That the Senate expresses its disapproval of proposed deferral D75–117, as set forth in the message of November 26, 1974, which was transmitted to the Congress by the President under section 1013 of the Impoundment Control Act of 1974.

S. Res. 76

Resolved, That the Senate expresses its disapproval of proposed deferral D75–116, as set forth in the message of November 26, 1974, which was transmitted to the Congress by the President under section 1013 of the Impoundment Control Act of 1974.

S. Res. 77

Resolved, That the Senate expresses its disapproval of proposed deferral D75–114, as set forth in the message of November 26, 1974, which was transmitted to the Congress by the President under section 1013 of the Impoundment Control Act of 1974.

S. Res. 78

Resolved, That the Senate expresses its disapproval of proposed deferral D75–113, as set forth in the message of November 26, 1974, which was transmitted to the Congress by the President under section 1013 of the Impoundment Control Act of 1974.

S. Res. 79

Resolved, That the Senate expresses its disapproval of proposed deferral D75–112, as set forth in the message of November 26, 1974, which was transmitted to the Congress by the President under section 1013 of the Impoundment Control Act of 1974.

S. Res. 80

Resolved, That the Senate expresses its disapproval of proposed deferral D75–111, as set forth in the message of November 26, 1974, which was transmitted to the Congress by the President under section 1013 of the Impoundment Control Act of 1974.

THE REVEREND CLARENCE E. BUDKE

(Mr. BAUMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAUMAN. Mr. Speaker, the opening prayer was offered today by the Reverend Clarence E. Budke, pastor of Immanuel Lutheran Church in Preston, Md.

It is a privilege to introduce Reverend Budke to the House and to express my appreciation to our Chaplain, Dr. Latch, for his warmth in welcoming this outstanding clergyman to our chambers.

Reverend Budke's career of service has had a remarkable diversity, rendering Christian service all across the world. He was born in Monson Township, Traverse County, Minn., educated in the local one-room schoolhouse, and graduated from high school in Morris, Minn. He served his country in infantry and airborne divisions from 1944 to 1947.

Returning from military service, Reverend Budke attended Gustavus Adolphus College in St. Peter, Minn., receiving a B.A. in biology. He then served as a teacher in British North Borneo, and later as an evangelistic/educational missionary in Tanganyika.

Returning from his missionary work, Mr. Budke attended St. Olaf College in Northfield, Minn., and Concordia Theological Seminary in Springfield, Ill. He was ordained into the ministry of the Lutheran Church-Missouri Synod on July 3, 1960, and served as pastor of St. John's Lutheran Church until 1962.

In 1962 Reverend Budke was again called overseas, this time to New Guinea, where he served as evangelistic missionary in the Muritaka and Lyaimi areas of the Western Highlands, until 1967. From 1968 to 1971 he was chaplain and teacher at St. Paul's High School in Pausa in the same district of New Guinea. In 1971 he returned to the United States and completed his clinical pastoral education at Midway Hospital, St. Paul, and the University of Minnesota Hospital in Minneapolis. He has been pastor at Immanuel Lutheran Church in Preston since March 1972.

Reverend Budke married his wife Ruth in 1952 in Jesselton, British North Borneo. The Budkes have three children, Susan, Elizabeth, and Timothy.

I am proud to introduce this distinguished clergyman of such richness and diversity of experience to the House, and I know we will all benefit from the sincerity and thoughtfulness of his prayer today.

AMENDING HOUSING AND COMMUNITY DEVELOPMENT ACT

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I am today introducing legislation to amend title I of the Housing and Community Development Act of 1974 for the purpose of assuring that at least 5 percent of the funds allocated under section 106 of the act is distributed to units of general local government other than metropolitan cities and urban counties.

The need for amending legislation of this type became apparent earlier this year when it developed that funds intended for these smaller communities were being gobbled up by the central cities and counties within SMSA's, whose applications HUD has been obliged to consider first.

At the time the 1974 act was passed, estimates were made as to the number of such governmental units that would be eligible, but the estimates proved to be seriously understated. As a result, there was nothing left for the smaller communities.

Last month, I joined with the gentleman from Massachusetts (Mr. Boland) and others, in supporting a stopgap measure which passed the House, and provided some $54 million in fiscal year 1975 for these communities. But the problem will recur again next year unless remedial legislation is passed, and it is to avoid that circumstance that I offer this bill today.

This legislation sets a floor for the smaller communities. In that way, local planners will be able to develop their proposals in a sensible and rational way, knowing that there will be funds for good ideas.

If the community grant program for fiscal year 1976 is funded at the level proposed by the administration, my bill would mean that $108 would be guaranteed for this purpose.

In no way does this bill mean that the smaller communities might not be eligible for more than 5 percent of the funds. Indeed, over the long haul, the current law plans for the phaseout of the hold harmless provisions which has tied HUD's hands in allocating money to them, but the bill is needed because for the next few years it is the only way to guarantee the smaller communities their fair share.

I want to point out, too, that this bill does not represent an increase in total spending. This approach is not going to cost the taxpayers more money. It is simply going to see to it that their money is spent more fairly.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that pursuant to the authority granted him on Wednesday, May 7, 1975, he did, on that day, sign the following enrolled bill of the House:

H.R. 25. An act to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes.

PROPOSED RESCISSION AND DEFERRAL—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94–139)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

I herewith report one new proposed rescission and one new deferral as required by the Congressional Budget and Impoundment Control Act of 1974. In addition, I am transmitting one supplementary report which revises a deferral report made to the Congress in a previous special message. The details of the rescission and deferral reports are attached.

The proposed rescission would affect two programs of the Community Services Administration that, duplicate several programs currently operating at Federal, State, and local levels. The two deferrals are routine in nature and do not affect program levels in either case.

I urge the Congress to act promptly on this rescission and other rescission proposals now pending.

Gerald R. Ford.

The White House, *May 8, 1975.*

FOURTH ANNUAL REPORT ON ADMINISTRATION OF RAILROAD SAFETY ACT OF 1970—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read, and together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce:

To the Congress of the United States:

I transmit herewith the Fourth Annual Report on administration of the Railroad Safety Act of 1970 (84 Stat. 971, 45 U.S.C. 421 et. seq.) as required by that Act. This report has been prepared in accordance with Section 211 of the Act, and covers the period January 1, 1974 through December 31, 1974.

Gerald R. Ford.

The White House, *May 8, 1975.*

COMMEMORATION ON JUNE 12 OF FLAG DAY

Mr. McFALL. Mr. Speaker, Saturday, June 14, 1975, will mark the 198th anniversary of Flag Day. For many years the House has commemorated Flag Day here in the House Chamber by appropriate ceremonies.

Inasmuch as June 14 falls on Saturday this year, I ask unanimous consent that it may be in order at any time on Thursday, June 12, 1975, for the Speaker to declare a recess for the purpose of observing and commemorating Flag Day in such manner as the Speaker may deem appropriate.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

DESIGNATION AS MEMBERS OF COMMITTEE TO MAKE ARRANGEMENTS FOR FLAG DAY

The SPEAKER. The Chair will state for the information of the House that, after consultation with the distinguished minority leader, the Chair has informally designated the following Members to constitute a committee to make the necessary arrangements for appropriate ceremonies in connection with the unanimous-consent agreement just adopted: the gentleman from Alabama, Mr. Nichols; the gentleman from Oklahoma, Mr. Risenhoover; the gentleman from Illinois, Mr. Madigan; and the gentleman from Pennsylvania, Mr. Myers.

UMI

PROVIDING FOR CONSIDERATION OF H.R. 6209, PROHIBITION OF VARIABLE INTEREST RATE MORTGAGES BY FEDERALLY CHARTERED SAVINGS AND LOAN ASSOCIATIONS

Mr. YOUNG of Georgia. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 446 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 446

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6209) to prohibit the Federal Home Loan Bank Board from permitting Federal savings and loan associations to offer loans secured by one to four homes or dwellings with variable interest rates. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking, Currency and Housing, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Georgia (Mr. Young) is recognized for 1 hour.

Mr. YOUNG of Georgia. Mr. Speaker, I yield the usual 30 minutes for the minority to the distinguished gentleman from Ohio (Mr. Latta), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 446 provides for an open rule with 1 hour of general debate on H.R. 6209, a bill prohibiting variable interest rate mortgages.

On February 14, 1975, the Federal Home Loan Bank Board proposed regulations that would permit Federal savings and loan associations to offer loans secured by one- to four-family homes or dwelling units with variable interest rates. The proposal also provided for a 90-day comment period to allow congressional hearings and, absent congressional action such as approval of this bill, the proposed regulations could become effective on May 15, 1975.

H.R. 6209 would prohibit the federally chartered savings and loan associations from offering loans with variable interest rates. VRM's are a type of mortgage instrument which would probably lead to tougher underwriting standards and would basically shift the risk from the lender to the borrower and would tend to discriminate against the low- and moderate-income families, the unemployed, and minority groups. At a time when unemployment is at the highest rate since 1941 and the housing industry is suffering its worse economic depression, VRM's would not be likely to attract the already hesitant consumer and would therefore further damage the housing industry.

Mr. Speaker, I yield to the gentleman from Ohio (Mr. Latta).

Mr. LATTA. Mr. Speaker, as has been ably explained by the gentleman from Georgia (Mr. Young), this rule provides for 1 hour of general debate. The bill will be open to all germane amendments. There are no waivers of points of order in the rule.

While the rule is not controversial, the bill generated a good deal of discussion in the Rules Committee. The committee bill was reported from the Committee on Banking, Currency and Housing by a vote of 20 to 13.

The purpose of the bill is to prohibit federally chartered savings and loan associations from offering loans with variable interest rates on one to four family dwelling units. A variable interest rate loan is a loan where the contract permits the interest rate to vary over time.

There are five different sets of minority, additional or supplemental views in the committee report.

And in the Rules Committee, it was made clear that a substitute will be offered on the floor today, which will allow the use of variable rate mortgages by federally chartered savings and loan associations in certain situations in States where State chartered savings and loan associations are allowed to offer such mortgages.

Mr. YOUNG of Georgia. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. WYLIE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 392, nays 0, answered "present" 4, not voting 37, as follows:

[Roll No. 191]

YEAS—392

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis
Delaney
Dent
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Eilberg
Emery
English
Esch
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gilman
Ginn
Goldwater
Goodling
Grassley
Green
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Henderson
Hicks
Hillis
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Passman
Patman
Patten
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rees
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Ryan
St Germain
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Symms
Talcott
Taylor, N.C.
Teague
Thone
Thornton
Traxler
Treen
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—0

ANSWERED "PRESENT"—4

Abdnor
Symington
Thompson
Tsongas

NOT VOTING—37

Anderson, Ill.
Bedell
Clawson, Del
Collins, Ill.
de la Garza
Dellums
Edwards, Calif.
Erlenborn
Eshleman
Gibbons
Gonzalez
Gradison
Gude
Hastings
Hébert
Helstoski
Hightower
Hinshaw
Kemp
Landrum
Lent
McCollister
Macdonald
Mink
Mollohan
Mosher
Murphy, N.Y.
O'Brien
Rangel
Risenhoover
Russo
Santini
Shipley
Sullivan
Taylor, Mo.
Vander Jagt
Wilson, Charles, Tex.

So the resolution was agreed to.

The Clerk annóunced the following pairs:

Mr. Hébert with Mr. Anderson of Delaware.

Mr. Murphy of New York with Mr. Hinshaw.

Mr. Risenhoover with Mr. Gradison.

Mr. Russo with Mr. Bedell.

Mr. de la Garza with Mr. Gude.

Mr. Edwards of California with Mr. Del Clawson.

Mr. Gibbons with Mr. O'Brien.

Mr. Macdonald with Mr. Erlenborn.

Mrs. Sullivan with Mr. Taylor of Missouri.

Mr. Shipley with Mrs. Eshleman.

Mr. Santini with Mr. Mosher.

Mr. Rangel with Mr. Vander Jagt.

Mr. Charles Wilson of Texas with Mr. Landrum.

Mrs. Mink with Mr. Helstoski.

Mr. Mollohan with Mr. Gonzalez.

Mr. Dellums with Mr. Lent.

Mr. Hightower with Mr. Hastings.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERMISSION TO FILE CONFERENCE REPORT ON HOUSE CONCURRENT RESOLUTION 218, THE FIRST BUDGET RESOLUTION FOR FISCAL YEAR 1976, BY MIDNIGHT, FRIDAY, MAY 9, 1975

Mr. ADAMS. Mr. Speaker, I ask unanimous consent that the conference report on House Concurrent Resolution 218, the first budget resolution for fiscal year 1976, may be filed by midnight, Friday, May 9, 1975.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

PROHIBITION OF VARIABLE INTEREST RATE MORTGAGES BY FEDERALLY CHARTERED SAVINGS AND LOAN ASSOCIATIONS

Mr. REUSS. Mr. Speakér, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6209) to prohibit the Federal Home Loan Bank Board from permitting Federal savings and loan associations to offer loans secured by one to four homes or dwellings with variable interest rates.

The SPEAKER. The question is on the motion offered by the gentleman from Wisconsin (Mr. Reuss).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6209), with Mr. Burlison of Missouri in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Wisconsin (Mr. Reuss) will be recognized for 30 minutes, and the gentleman from Pennsylvania (Mr. Johnson) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. Reuss).

Mr. REUSS. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, we know the crisis in the homebuilding industry today, and the growing uncertainty and lack of confidence among consumers due to the devastating effect of inflation and unemployment.

We have been endeavoring to take legislative steps to assist homeownership and to prevent the prospect of increasing foreclosures. Today we are considering legislation which, if not enacted, could well lead to a decrease in the demand for mortgages and the desirability of homeownership.

H.R. 6209 is needed to prohibit the Federal Home Loan Bank Board from implementing its regulatory proposal opening the door for Federal savings and loan associations to make variable rate mortgages. Shifting the burden of interest rate increases from lenders to borrowers, could cause further uncertainty among consumers.

The Banking Committee is undertaking a major review of the Nation's financial institutions and their regulation by the Federal Government. There is a compelling need to conduct a comprehensive review of how our financial institutions function in today's economy, and how well they serve the needs of all Americans.

The subject of one of the five major study areas will be the relationship between banks and thrift institutions. An integral part of this subject will include Regulation Q considerations, one of the most important factors in our discussion of variable rate mortgages. We must take a hard look at the problem of enabling the consumer-saver to receive a greater return on his investment, and at how to insure stability in the volume of funds available for home mortgage financing.

Variable rate mortgages may well be revealed by our study as part of the solution for the problems of our lending institutions. Meanwhile, H.R. 6209 is needed to preserve the status quo pending the study.

Mr. Chairman, I yield such time as he may consume to the gentleman from Rhode Island (Mr. St Germain).

Mr. ST GERMAIN. Mr. Chairman and members of the committee, regardless of future technical discussion of what variable interest rate mortgages are, even if we could adequately define them, I want to make it perfectly clear that what we are talking about today is the consumer-saver and borrower, the average American workingman and woman, and the American dream to some day own a home.

The entire rationale for a variable rate mortgage is that it will enable the lending institution to provide more funds for housing and permit the consumer-saver to receive a higher rate of interest on his savings. While I fully recognize the difficulties being experienced increasingly by savings and loan associations, an approach of this nature, dealing only with a part of the overall problem, must not, and I emphasize must not, be permitted until the problem of enabling the saver-depositor to receive a greater return on his investment is faced squarely. This means that any discussion of variable rate mortgages of necessity must include consideration of regulation Q.

The authority granted Federal financial regulatory agencies under regulation Q to set interest rate ceilings on time and savings deposits dates back to 1966. Since that time Congress has considered rate control authority on a number of occasions and given it a "temporary" extension. In each instance, Congress concluded that temporary rate control authority must be continued if stability in the volume of funds available for home mortgage financing was to be maintained and the soundness and solvency of financial institutions insured, by the prevention of costly rate wars between banks and thrift institutions.

Mr. Chairman, what then are we talking about today? If we permit our Nation's thrift institutions to transfer the burden of inflation, which has increased their costs, on to the consumer-borrower without eliminating regulation Q which limits the amount of interest paid to savers—are we not permitting the lending institution to have the best of both worlds? By passing on their increased costs and not permitting the saver-depositor to receive a greater return—we do nothing other than to guarantee that the lender will maximize his profits.

The variable rate mortgage is analogous to the fuel adjustment charges so many of us are familiar with. The costs keep going up and we cannot anticipate when, if ever, the price will come down. The same has been more than true with interest rates.

Can anyone deny that over the past 25 years mortgage rates have gone from 4 percent to 11 percent. True, there have been slight variations downward, but in no way can they be viewed as having any significant impact in offsetting the upward push. Looking at the money market rates for new conventional housing from 1965 through March 1974, according to the Federal Reserve, is as follows:

	Percent
1965	5.83
1968	7.12
1969	7.99
1970	8.52
1971	7.75
1972	7.64
1973	8.30
March 1974	9.47

In fact, it is interesting to note that the realtors handbook today starts at 6 percent. When, I ask, will we ever see the day when the interest rate decreases by a significant amount?

In England, they have had the variable rate mortgage for over 40 years. After studying their experiences with the VRM we find that the interest rate has gone up by leaps and bounds—it now is 12 percent—the Government has had to impose a miniregulation Q, limiting the amount of interest paid to small savers, and, as a result, today England has a nation of renters, rather than homeowners. Is this what we have to look forward to with a variable rate mortgage?

Going back to the proponents for the VRM, that is the industry and the Federal Home Loan Bank Board, why will they not support the elimination of regulation Q? In fact, they cannot or will not tell us when the saver will be able to look forward to an increased rate on his deposit.

Mr. Chairman, while the proponents admit that the VRM is not a panacea to the problems facing their industry, they agree "it will help them do beter." I ask you how will it help the consumer to do better? I am convinced that the variable rate mortgage will have no advantage or benefit for anyone other than the lender.

Recognizing that today we have nearly 10 million Americans unemployed, facing the prospect of losing their homes, we in the Congress are endeavoring to take every legislative step possible to assist the home borrower facing great uncertainty due to circumstances beyond his control, through the forbearance bill, the emergency middle income housing bill—both of which are now in conference. These same people, if a variable rate mortgage had been in effect the past 2 years, would be faced with increasing monthly mortgage payments, further compounding their difficulties today.

Make no mistake about it, we are a long way from solving our Nation's skyrocketing inflation and unemployment problems. Coming from a State where the unemployment rate is now 18 percent, I can speak with great credibility as to the personal crisis and hardship involved.

Recognizing the critical impact of the variable rate mortgage proposal on consumers already facing great uncertainties, why are we here today? In January of this year four of the largest saving and loans in the Nation, ranking 1st, 2d, 6th, and 10th nationally, ranging in asset size from $1.5 billion to $5.4 billion, announced their intention to offer variable rate mortgages. Coincidentally, all four institutions are located in the State of California and represent 40 percent of the industry in that State. A Wall Street Journal article dated January 13, 1975, describing the event noted, and I quote:

> It still isn't clear how the California public will react to this new assault on fixed rate mortgages. But it is apparent that the move caught many industry officials by surprise, primarily because the S. & L.'s involved acted so suddenly and so quietly. The move apparently began last Monday when Gilbraltar Savings quietly switched to a variable-rate lending policy without announcement. That same night, Maurice Mann, President of the San Francisco Federal Home Loan Bank, called an "informal meeting" with about 10 of the State's largest S. & L.'s. There Anthony Frank, chairman of Citizens Savings, presented a memorandum on Citizens' plan to start offering variable rates this week. The subject of variable rates was discussed thoroughly, although Mr. Mann says the meeting was "in no way" specifically called to discuss them.

The article goes on to quote the president of Financial Federation, a saving and loan holding company, consisting of 11 associations operating some 40 offices throughout California, who also appeared to testify during our subcommittee's hearings, as stating:

> Right now home buyers are content with knowing what they're going to pay. It's mostly psychological. But this variable rate thing could divide the industry into two groups (Fixed-vs-variable-rate lenders).

Subsequent to the action taken in January by the four California S. & L.'s the Federal Home Loan Bank Board on February 6 promulgated its proposed variable rate mortgage regulation, published in the Federal Register, February 14, providing for a 90-day comment period to permit congressional hearings. Absent action by the Congress, the proposed regulation could become effective on May 15 at the option of the FHLBB.

Mr. Chairman, the bill we have before us today is the result of 3 days of extensive hearings by the Subcommittee on Financial Institutions Supervision, Regulation and Insurance which on 2 days extended well into the evening. Among the 19 witnesses who testified before the subcommittee were all major labor, consumer and civil rights organizations who were unanimous in their opposition to the bank board's proposal.

The opponents to the variable rate mortgage proposal include: the AFL–CIO, the steelworkers, the communication workers, the Consumer Federation of America, Ralph Nader's public interest research group, the NAACP, the Center for National Policy Review, the Center for Urban Ethnic Affairs, the Housing Training Information Center, the Mortgage Bankers Association of America, the National Association of Home Builders, the National Task Force on Credit Policy—a California-based consumer organization—and the Department of Consumer Affairs in the State of California.

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The Chairman of the Federal Home Loan Bank Board stated during the subcommittee hearings that the Board does not intend to determine what the interest rate index should be, only it "must be beyond lender control" and have "a proven history of moving up and down with money markets generally." This could mean that the index used to determine the interest rate on a VRM could vary from one lending institution to another in the same community. The inability of the Bank Board to determine an index that could be easily understood by the consumer borrower and the inability of the average borrower to assess the interest rate risk of various indexing schemes—which factors are likely to have the most impact on one index over another in the future influencing the likelihood of an increase in the monthly mortgage payments—as I stated earlier will create greater confusion and uncertainty among prospective home borrowers.

THE OPTION—WILL FIXED AND VARIABLE RATE MORTGAGES CO-EXIST?

During testimony before the subcommittee, Chairman Bomar stated that the Board "does not intend to" and "should not mandate a fixed rate mortgage," but that "it should be left to the marketplace to decide what is most acceptable." Additionally, he referred to one State-chartered savings and loan in California which has used the VRM exclusively since 1970—Guardian—as "evidence that VRM's can work successfully with proper safeguards"; to date 75 percent of its mortgage portfolio is VRM. This same savings and loan was referred to by a California-based consumer group—National Task Force on Credit Policy—in their statement in opposition to the VRM proposal, quoting the executive vice president as follows:

> The reason for Guardian's success in adopting VRM's was that we didn't give our loan people or the borrower a choice. It simplified the selling job tremendously.

This reinforces my belief and that of a majority of the committee for VRM's to be successful from the lender's point of view, it must be offered exclusively, thus denying the borrower any real choice.

Additionally, the Bank Board would not mandate what the differential should be, however, the Chairman of the Bank Board stated during testimony that it should be dictated by whatever amount it took to convince borrowers to select the VRM—page 291. Chairman Bomar also admitted that the fixed rate option could be "gotten around by making the terms so onerous as to really make it no option at all,"—page 299.

To those who continue to argue that the consumer should have an "option," a choice, have any of you ever heard of a borrower who asked for a variable rate mortgage, except perhaps for tax shelter purposes? It is a fiction to talk about the prospective home borrower bargaining his way to a better loan offer. The lender has all the options, not the borrower.

EFFECTS UPON UNDERWRITING PRACTICES

The Chairman of the Federal Home Loan Bank Board also testified during subcommittee hearings that the VRM would lead to tougher underwriting standards and that it does have a "tremendous disadvantage"—page 254—because payments can go up, creating an additional element of uncertainty.

Because savings and loans would take into account the likelihood of interest rate increases necessitating an increase in the monthly payment, savings and loans would be looking to make loans only to families they perceive as being upwardly mobile. The more conservative and restrictive underwriting practices that would result would have a sharp discriminatory effect against racial minorities, women, the elderly, and people who seek loans in older neighborhoods. In fact, the Chairman of the FHLBB admitted that the VRM proposal "does not go to the very legitimate needs of the low-income borrowers or the underlying problems of our cities. . . ."—page 253.

If thrift institutions making VRM loans will not be able to lend to the

average American working man and woman, then who will? Do we in fact need another type of institution to meet the growing and unmet needs of middle America?

The variable rate mortgage proposal is clearly ill-advised; in that it fails to provide adequate consumer safeguards. It benefits only the lender by permitting him to pass on his increased costs to the consumer-borrower while not allowing the consumer-saver to receive a greater return on his deposit.

H.R. 6209 is needed to prevent this cruel hoax on the consumer. I urge the passage of H.R. 6209 to prohibit Federal—not State—savings and loans from issuing variable rate mortgages, one of the most important consumer issues likely to come before this Congress.

Mr. JOHNSON of Pennsylvania. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. Rousselot), the ranking minority member of the subcommittee.

(Mr. ROUSSELOT asked and was given permission to revise and extend his remarks.)

Mr. ROUSSELOT. Mr. Chairman, I rise in support of the Rees substitute, which is designed to permit federally-chartered thrift institutions to offer variable rate mortgages in a limited number of States—namely, those States, including California, in which as of the date of enactment State-chartered thrift institutions are offering such loans. This substitute will enable federally-chartered institutions to stand on an equal competitive footing with State-chartered institutions and to demonstrate the soundness of the variable rate mortgage concept.

The benefits of variable rate loans were discussed at length in correspondence between Gov. W. M. Harding of the Farm Credit Administration and Chairman Reuss. Governor Harding commented on the effect which another bill, H.R. 5532 would have had on FCA programs, but his comments on variable rate loans are very pertinent, and I am therefore inserting a copy of this correspondence, and of a covering letter from Governor Harding to me, for inclusion at this point in the Record. Especially interesting is the Governor's statement that—

> During the recent period of high interest rates, the success of the Farm Credit System is attributed to the success of the variable rate program.

There are several additional points which should be carefully considered as we debate the future of the VRM:

First. The use of variable rate mortgages would gradually end the irrational and inequitable subsidy of some borrowers by other borrowers, the subsidy of borrowers generally by small savers, and the artificial incentive of mortgagors paying low fixed interest rates to withdraw from the housing market at all times except when credit is loose.

Second. All of the major provisions which we could devise to protect the consumer are present or accounted for. Most important of these is paragraph (b)(i), which provides that the association "* * * shall also make available on reasonable terms and conditions to the borrower a mortgage loan at a fixed interest rate." Frankly, I do not see how a borrower can go wrong. Even if he later decides that he made a mistake, under (b)(vii) he "is permitted to prepay * * * in whole or in part without a prepayment charge within 90 days of notification of any increase * * * above the initial interest rate."

Third. Finally, I cannot emphasize too strongly that the overall level of interest rates will not go up or down because of our action on this bill. The root cause of high rates is inflation, which in turn has been caused by the irresponsible fiscal and monetary policies of the Federal Government. We will not restore stable prices and interest rates until we change our own spending practices here in the Congress. Meanwhile, I see no reason whatever to deny to hard-pressed thrift institutions and consumers, the victims of inflation, a mechanism which may be helpful to them in insuring a stable flow of housing credit at market rates.

I believe that our substitute represents a well-balanced vehicle for providing a fair test of the acceptability of the variable rate mortgage in the marketplace, and I strongly urge my colleagues to support it.

The text of the correspondence with Governor Harding follows:

FARM CREDIT ADMINISTRATION,
Washington, D.C., April 11, 1975.

Hon. John H. Rousselot,
House of Representatives,
Washington, D.C.

Dear Mr. Rousselot: Enclosed is a copy of my letter to Honorable Henry S. Reuss, Chairman of the House Banking, Currency and Housing Committee, regarding the variable interest rate and the Farm Credit System. This has been written because of the recent discussion in one of your subcommittees on the subject of variable interest rates and because your committee has before it H.R. 5532. If H.R. 5532 is enacted in its present form, it would prohibit further use of a variable interest rate program in the Farm Credit System.

The Farm Credit System has successfully used the variable interest rate for nearly 20 years. Its use was specifically authorized by Congress in the Farm Credit Act in 1971 after a thorough review of the record.

We believe that to prohibit Farm Credit institutions from continued use of the variable interest rate would be to the detriment of farmers and ranchers, as well as of consumers who must depend upon agriculture for adequate production of food and fiber.

My enclosed letter describes this in more detail.

Sincerely,

W. M. Harding,
Governor.

FARM CREDIT ADMINISTRATION,
Washington, D.C., April 11, 1975.

Hon. Henry S. Reuss,
Chairman, Banking, Currency and Housing Committee, House of Representatives, Washington, D.C.

Dear Mr. Chairman: The Federal Farm Credit Board, in its capacity as policymaking body for the Farm Credit System, has instructed me to inform you of its opposition to H.R. 5532 which would prohibit variable interest rates.

The Farm Credit System provides credit and closely related services to farmers, ranchers, producers and harvesters of aquatic products, agricultural and aquatic cooperatives, rural homeowners, and certain businesses which perform essential on-farm services to farmers.

The System is composed of 12 Federal land banks which make long term loans on farm and rural real estate through 552 Federal land bank associations, 12 Federal intermediate credit banks which provide short and intermediate term loan funds to 433 production credit associations and other financing institutions, and 13 banks for cooperatives which extend credit to agricultural and aquatic cooperatives.

Member-borrowers own all the capital stock in the Federal land bank associations and production credit associations. The associations, in turn, own the capital stock of their respective banks. Similarly, borrowing cooperatives own all the stock in the banks for cooperatives. Nearly one million farmers and 4,000 cooperatives are involved in this ownership.

All units of the System operate under the Farm Credit Act of 1971, PL 92–181, and are supervised and examined according to that law and in the public interest by the Farm Credit Administration.

During the year ended December 31, 1974, the System provided $27.5 billion in credit or approximately 46 percent of that portion of the capital flow used by U.S. agriculture which was debt financed.

As the supervisory agency for this major agricultural lending group, we are convinced that enactment of H.R. 5532 would increase the cost of credit to agricultural producers and, consequently, would result in an increase in the cost of farm and ranch products to consumers.

The authority to make loans with variable interest rates, which is a basic part of the Farm Credit Act of 1971, has proved to be an effective means of providing the borrower-owners of the System with ample credit at a minimum cost. The availability of adequate credit is, in fact, dependent on the System's ability to lend at variable rates because it makes possible the acquisition of funds in the Nation's capital markets at competitive rates. It is precisely this ability that enables the System to provide agriculture with the billions of dollars in non-Government credit needed to help produce critically needed food and fiber.

It is important to understand that nearly all of the System's loan funds are obtained through the sale of securities in the capital markets. The System has no other source of funds and, therefore, must be competitive in those markets. The Farm Credit banks and associations cannot accept or create deposits.

The variable interest rate program has been used in the Farm Credit System for about 20 years. The banks for cooperatives and production credit associations were the earliest users. The Federal land banks started with an elementary type variable interest rate program in September of 1963. This has evolved to the present method of operation whereby most loan contracts are written with variable interest rate provisions. Though some fixed rate land bank loans remain in the banks' portfolios, 77 percent of their $14.5 billion in loans outstanding have variable rates.

The variable rate programs have been particularly important during the past several years during which liquidity problems affected many lending institutions because they allowed the System to adapt to rapidly rising money costs and meet agriculture's increased credit needs. Similarly, the variable rate rural home mortgage program of the Federal land banks aids in meeting the increasing need for funds of that type. Loans

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made from the beginning of the program in mid-1972 rose to more than $400 million by the end of 1974 benefiting more than 10,000 rural homeowners.

Securities sold by the Farm Credit banks typically have shorter maturities than their loan portfolios. This requires debt to be refunded frequently. If the banks did not generate cash flow sufficient to meet the interest rate demands of the market, loans would have to be financed by other methods. During the recent period of high interest rates, the success of the Farm Credit System is attributed to the success of the variable interest rate program.

Even though interest rate programs established by the boards of directors of the Farm Credit banks are subject to the approval of the Farm Credit Administration, the borrower-ownership aspect of the System provides great incentive for these boards to provide the lowest cost funds possible.

Interest rates of the Farm Credit banks are not directly linked to any index system. However, the bank boards usually set rates high enough to cover the cost of money, to provide for operating expenses and loan losses, and to allow for some accumulation of equity capital for future growth. Rates may be changed at any time by action of the boards of directors of the institutions based on these factors. Rates may decrease under the variable rate provisions and often have during the many years of use in the System. The borrowers are protected from abuse by the cooperative nature of the System and the supervision exercised by the Farm Credit Administration. Furthermore, excess earnings are paid to borrowers as dividends or patronage refunds. Borrowers also have the option of prepaying their loans at any time without penalty.

While H.R. 5532 is apparently designed to be applied primarily to savings and loan associations, the language of the bill goes far beyond that limited scope. For example, Section 2 of the bill states, "For the purposes of this Act, the term 'federally related mortgage loan' includes any loan which . . . is made in whole or in part by any lender which is regulated by any agency of the Federal Government." The Farm Credit Administration is an independent agency of the Federal Government, and it regulates the Farm Credit institutions. Consequently, even though there is no Federal money in the Farm Credit System and neither its loans nor its securities carry any Government guarantee, its banks and associations would be adversely affected by the Act if it were considered to apply to them.

The objective of the Farm Credit System is to enhance the income and well being of its borrowers through the extension of sound, adequate and constructive credit. This permanent and dependable source of credit is absolutely essential if this Nation is to produce food and fiber vital to the economy and to life itself. The System must continually provide credit to all sectors of the agricultural economy, through loans both large and small to credit-worthy enterprises, and in good times and bad. If it is to continue to fill this important mission, it is of utmost importance that the variable interest rate programs that have served the System and its borrowers so well continue.

We urge the committee to reject H.R. 5532 in the national interest.

Sincerely,

W. M. Harding,
Governor.

Mr. JOHNSON of Pennsylvania. Mr. Chairman, I yield 6 minutes to the gentleman from Ohio (Mr. Wylie).

Mr. WYLIE. Mr. Chairman, I thank the gentleman from Pennsylvania for yielding me this time, and I rise in reluctant opposition to the bill before the House today because I have great admiration and respect for the gentleman from Rhode Island (Mr. St Germain), the chairman of the subcommittee. As a matter of fact, I think he is one of the most knowledgeable men in Congress on this subject. I have found this to be an extremely difficult issue for me to decide on how I will vote.

First of all, when the gentleman from Texas (Mr. Patman) introduced his original variable rate mortgage bill, I reasoned that variable rate mortgages ought to be prohibited, because how can the ordinary layman who invests in a home know what his mortgage rate might be later on, or how long the term of mortgage might be increased? And I thought that the person who is unsophisticated in finances might go into a savings and loan office and the savings and loan officer would only offer the prospective borrower a variable rate mortgage which would include the option to increase or decrease the interest rate over the period of the loan.

And I listened to the testimony of the various witnesses from labor groups, the AFL–CIO and various consumer groups, who expressed fear that the unwary applicant for a mortgage would be pressed into a situation where he would never really know what his monthly mortgage payment might be.

The representatives of the Federal Home Loan Bank Board who came before our committee reminded me of the fact that the Congress of the United States has expressed a national interest in housing and has a national commitment to housing and homeowners help through a series of statutes which established the Federal Home Loan Bank Board and, indeed, the thrift institution concept as we know it today.

Today—and I just checked a little while ago—a Federal savings and loan must invest at least 75 percent of its investment money in homes or in home ownership.

State savings and loans are not under that same restriction, and in most States, State savings and loans do not invest anywhere near that much in housing.

Additionally, I was reminded that last fall the Federal Government was offering Treasury bills for as much as 9.5 percent on a short-term basis, 90 days that is, and other forms of investment were made available to the investor and to the saver. The result was that there was a record amount of withdrawals from savings and loans, and little money coming into the savings and loans. This process of money flowing to other investments with higher yields is described by economists as disintermediation. Last August the savings and loans experienced the greatest period of disintermediation ever. In order to try to help them out, the Federal Home Loan Bank Board suggested that Federal savings and loans be permitted to offer variable rate mortgages with variable interest rate loans so that they would be encouraged to make loans on a long-term basis and could compete in the marketplace for investment money at the same time.

It seems to me that Federal savings and loans ought to be able to compete with State savings and loans, as I suggested a little earlier; and I am going to support, at the proper time, the Rees substitute, just as the gentleman from California (Mr. Rousselot) has suggested that he is going to support it, because it would allow the Federal savings and loans to compete, in effect, with the State savings and loans, as I have suggested. The Rees substitute would permit the Federal savings and loans in those States where State savings and loans can offer variable rate mortgages to offer them on an optional basis. The borrower would not have to accept a variable rate mortgage, but the borrower would have the option of taking the variable rate mortgage, and that is the whole thrust of the substitute, which I want to impress on the Membership of the House here at the present time.

There is no mandate that a Federal savings and loan would have to offer a variable rate mortgage or a variable interest rate loan. Rather, the option would be granted in those States where State savings and loans have that option at the present time.

The gentleman from New Jersey has indicated that the variable rate mortgage concept is so bad that we ought to turn it down here today, but I would suggest to the gentleman and to other Members on the floor of the House that if it is so bad, why do 17 States in the United States offer the variable rate mortgage at the present time?

It seems to me that we ought to permit the Federal savings and loans to operate on an experimental basis in those States where the State savings and loans have that option. At the proper time I will support the middle-ground Rees substitute, on which I had some input which will give the borrower a choice of either a variable or fixed rate mortgage in those States where the same is permitted by State law and that if it is adopted, that we support the bill; but if it is not adopted, that I think we vote the bill down.

Mr. JOHNSON of Pennsylvania. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan (Mr. Brown).

Mr. BROWN of Michigan. Mr. Chairman, I think it would be well to commence my remarks by reflecting upon the remarks of the chairman of the subcommittee, the gentleman from Rhode Island, especially his conclusion when he said that this very possibly might be the biggest piece of consumer legislation to be considered this year.

Looking around the Chamber I would suggest that if this is the biggest piece of consumer interest legislation that we will consider this year, then the consumer is in real deep trouble. I would like the Record to reflect that there are probably fewer than 50 Members on the floor.

I would suggest to my colleagues, Mr. Chairman, that the arguments made by the gentleman from Rhode Island (Mr. St Germain), the chairman of the subcommittee, if not met by the Rees substitute, are specious at best. Ninety percent of the objections to the offering of variable rate mortgages that have been voiced by consumer groups are met

by the Rees substitute. But what is a vote for this bill? This bill would prohibit the use of variable interest rate mortgages by federally chartered savings and loan and other thrift institutions. In denying the use of variable interest rate mortgages, a vote for this bill is a vote against freedom of choice.

A vote for this bill, I suggest, is a vote for a front-end load because no one who is familiar with lending practices of institutions, no one disagrees that today, on a fixed rate mortgage, you are picking up the hedge of the institution on inflation. Borrowers are paying a higher interest rate on a fixed rate mortgage today than that money should really cost us today, because there is no way that an institution can protect against an increasing cost of money and recoup the devaluation of principal repayments except by charging a higher interest rate at the time a mortgage is written. Whereas with a variable interest rate mortgage the institution can fairly and properly charge one what money should cost us today, because there is going to be the opportunity for upward escalation, up to two points in the Rees substitute, at most, but there is that chance if inflation demands it.

I would suggest to the Members that if they are truly interested in the rights and concerns of the consumers, if they truly are, that there is only one way to vote on this legislation; and that is against the committee bill and in favor of the Rees substitute.

Frankly, I do not feel that the Rees substitute goes far enough. It limits the authority to those States that are presently offering variable interest rate mortgages in State-chartered institutions. I think it ought to be available in all States except where the State specifically prohibits variable interest rate mortgages.

The Rees substitute so limits the authority and contains so many protections, I do not see how anyone can vote against it.

If the Members favor freedom of choice, if they do not like the front-end load, if these things are important to them, and they should be, and if they are interested in the consumer, then they ought to vote for the Rees substitute.

Mr. Chairman, I would ask my colleagues if, in the course of the remarks of the gentleman from Rhode Island, they heard any recitation about the terrible price gouging that has gone on where variable interest rate mortgages are offered? Of course not, nor did they hear about consumers being exploited where variable interest rate mortgages are offered.

Then why deny to me, and I repeat, why deny to me that right? If I am a person who has some upward economic mobility, why require me to engage in a fixed rate mortgage, at a rate that hedges against inflation, when I could have that mortgage today at a lower rate and pay maybe a slightly higher rate later when my upward economic mobility makes it easier for me to make those payments? Why? Why am I discriminated against? Why can I not have that choice? Why are we in the Congress going to say I cannot have that choice—I cannot have the choice between a fixed rate mortgage and a variable interest rate mortgage?

The CHAIRMAN. The time of the gentleman has expired.

Mr. JOHNSON of Pennsylvania. I yield 1 additional minute to the gentleman from Michigan.

Mr. BROWN of Michigan. In conclusion I would like to say to my colleagues it is very difficult for me to understand how many of my colleagues, if not most, who support cost-of-living escalators in labor contracts where the escalator only goes up and never comes down, can oppose the flexibility of a variable rate mortgage, where the rate can come down as well as go up.

I suggest to my colleagues, Mr. Chairman, that the Rees substitute contains all of the necessary consumer protections and that it should be supported, and I urge its adoption.

Mr. ST GERMAIN. Mr. Chairman, I yield 4 minutes to the gentlewoman from Maryland (Mrs. Spellman).

Mrs. SPELLMAN. Mr. Chairman, I rise in strong support of H.R. 6209 to prohibit the Federal Home Loan Bank Board from permitting Federal savings and loan associations to offer variable interest rate mortgage loans.

It is abundantly clear from our debate today that variable rate mortgages clearly are not in the best interest of the consumer and industry proponents cannot give us any assurance that VRM's will in fact provide more funds for housing. They say it will help them do better; however, they will not say when their depositors will be able to receive a fair rate of return on their savings. Therefore, when we talk about the advantages of the variable rate mortgage proposal, we are obviously talking about advantages to the lender, not the borrower.

The benefits resulting from the VRM amount to the ability of the lending institution to shift the risk of interest rate increases to the borrower, which could easily cause a $50 or more increase in the monthly payment of principal and interest even during the early years of the mortgage. Shifting the risk would cause greater uncertainty in family budget planning and a danger of individual financial hardship and crisis, and possibly even the loss of the home. It is the height of irony that we should be considering a proposal of this nature, having such an adverse effect on prospective homeowners, while at the same time the conferees on the Emergency Middle Income Housing Act and the Foreclosure Bill will be meeting again in conference today. If there was ever an instance of the right hand not knowing what the left hand was doing, then certainly this is a classic example. In the absence of H.R. 6209, we would in effect be promoting the likelihood of foreclosure and decreasing the desirability of homeownership.

Additionally, Mr. Chairman, because savings and loans would take into account the likelihood of interest rate increases necessitating an increase in the monthly payment, savings and loans would be looking to make loans only to families they perceive as being upwardly mobile. The more conservative and restrictive underwriting practices that would result would have a sharp discriminatory effect against racial minorities, women, the elderly, and people who seek loans in older neighborhoods.

Mr. Chairman, I feel strongly that in the absence of H.R. 6209, variable rate mortgages will open up new opportunities for exploitation of borrowers by lenders, because borrowers do not possess the proper knowledge to assess the interest rate risk.

These problems, Mr. Chairman, are fundamental and cannot be cured by adding a few more "consumer safeguards." One proposed "safeguard" would be to require lenders to offer a fixed rate option to borrowers. But we know this is a sham. Even the Chairman of the Federal Home Loan Bank Board has admitted that a mandatory "option" could easily be subverted by savings and loan associations, by offering an abnormally high interest rate on the fixed rate loan, or by changing other terms, so that the fixed rate option would not be a practical option at all.

Mr. Chairman, since the Federal Home Loan Bank Board has indicated its intention to move ahead with its proposal unless affirmative action is taken by the Congress to stop it, passage of H.R. 6209 without amendments is an urgent priority.

I do not know how the gentleman does his arithmetic but I can assure him that my 6-percent mortgage provides for a lesser rate than today's 9-percent mortgage.

Mr. ROUSSELOT. Mr. Chairman, will the gentlewoman yield at that point?

Mrs. SPELLMAN. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate the gentlewoman yielding since she mentioned my name. My point was if the variable interest rate mortgage concept had been in effect today the borrower would now have his interest rate declining in today's market. The gentlewoman has mentioned a 6-percent mortgage rate. It has been quite a few years since any 6-percent mortgages have been issued, as the gentlewoman knows. So I wish to make the point again, because I know the gentlewoman wishes to be fair, that if we had a variable rate right now, those who had obtained mortgages last year at high rates, under the Rees substitute would have now been given a reduction from the interest rates included in their mortgages of last year.

Mr. ST GERMAIN. Mr. Chairman, I yield 4 minutes to the Delegate from the District of Columbia.

Mr. FAUNTROY. Mr. Chairman. I rise in support of the bill as reported by the committee because I believe that it is imperative that this Congress act to prevent the Federal Home Loan Bank Board from permitting the implementation of variable rate mortgages by Federal saving and loan associations.

Variable rates would feed the fires of the inflationary psychology that we must

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break. Many people, encouraged by proposals such as the one promulgated by the FHLBB, are beginning to believe that the price for all goods, services, and commodities must always continue to rise in cost to them. I, for one, do not accept that fact. There is no crueler tax than the tax of inflation that destroys the incomes of the elderly, of those who lack a great deal of upward mobility in our society, of the young who are just starting life on their own and who want to build some real equity in their largest purchase, their home. Mortgage money, like any other commodity, while it will be subjected to the vicissitudes of the marketplace, must be kept as stable as possible. It is enough that taxes and utilities continue to rise.

Proponents of the VRM's, of course, argue that such a proposal would end the disintermediation that accompanies change in the interest rate structure. Your committee in 3 days of hearings did not find one iota of evidence that would be supportive of that claim. Indeed, I am inclined to believe that if we found anything at all, it would be that the impact upon a saver was minimal, the administrative costs to an institution substantial, and the need for removal of interest rate ceilings, better known as "regulation Q." I need not note again for this House that removal of the interest rate ceilings would precipitate another round of "wild-card certificates" whose last experience demonstrated amply for everyone that a lack of interest rate ceilings tends to exacerbate disintermediation effects.

This Congress, and more particularly your Committee on Banking, Currency and Housing, has long worked to make it possible for every American to realize a dream that is unique to this country—the ownership of his own home. Yet before your subcommittee, the FHLBB witnesses as well as industry proponents, stated that a move toward VRM's would increase underwriting standards. The implication for working class families and minority groups is that they would be, generally, less eligible for loans than they are presently. To permit VRM's would be to act counter to everything that this and previous Congresses have done for low- and moderate-income homeownership.

Variable mortgage rates shift the risk of inflation and monetary demands, as that demand is reflected in interest rate changes, away from the lender to the borrower who is least able to afford it and least able to analyze the risk. At present, the borrower has few options in borrowing for a mortgage. The contract is a "boilerplate," the rate is offered on a "take or leave basis" and the mortgage or deed or trust, if that is the mechanism used, is searched, examined, and held for the benefit of the lender. It can hardly be said that the present arrangement is good since prepayment penalties and new closing costs are often imposed for the acquisition of a new, lower rate. Yet, for all of our present problems, the monthly rate of payment, once budgeted by a family, is a relatively fixed and controlled expenditure. Under VRM's, this would change. For a $30,000, 30-year VRM, the change could be as much as an additional $52 per month increase in payment.

In many cases, this would be greater than the property taxes paid on a house with a $30,000 mortgage. In the Washington area, it would be about equal to the costs of taxes. In other terms, it is about equal to 2 or more additional months of payments per year. It is unreasonable to permit this kind of uncontrolled expense to be borne by a home buyer without giving him some substantial benefit. There is no substantial benefit which accrues to a homeowner under a VRM.

I know that it will be argued that rates can go down as well as go up. I must presume that those who make that argument fail to realize that one can obtain a new mortgage at a lower rate on his own at present. While this present arrangement has some problems, I believe that we can enact some appropriate legislation which would control prepayment penalties to a reasonable rate as well as the second set of closing costs. This kind of an arrangement would offer the borrower the protection he needs when he borrows at high rates, it would tend to exert a downward pressure upon interest rates and inflation, and it could, with appropriate drafting, protect a lenders' portfolio in an acceptable manner for all parties.

I would like to also point out, Mr. Chairman, that in terms of long term investments such as are made by pension funds, insurance companies, and investment trusts, the considerations are not only of yield, but they are of the stability of that yield. I should also point out that to the extent that there is a liquidity problem in our mortgage lending institutions, the answer lies in reexamining our secondary markets and by providing certain consumer lending powers to thrift institutions that will increase their short term liquidity without substantially modifying their portfolio and institutional misson.

In conclusion, Mr. Chairman, I again urge passage of the committee bill and without amendment except to the extent that they may have been urged by the committee itself.

Mr. JOHNSON of Pennsylvania. Mr. Chairman, we have no further requests for time, but I reserve the balance of my time.

Mr. ST GERMAIN. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Louisiana (Mrs. Boggs).

Mrs. BOGGS. Mr. Chairman, I rise in support of H.R. 6209 which, by prohibiting the offering of variable interest rate mortgage contracts as recently proposed by the Federal Home Loan Bank Board, will protect the beleaguered consumer from the prospect of increased mortgage payment costs during eras of rampant inflation.

On April 16, after 3 days of extremely comprehensive hearings, on April 8, 9, and 10 chaired by our distinguished colleague from Rhode Island, Fernand St Germain, I joined with 22 of my colleagues on the House Banking, Currency and Housing Committee as a cosponsor of the original prohibition legislation which is before the House today.

We are all deeply aware of and concerned over the emergency situation involving our homebuilding industry today. We have been working tirelessly on a host of measures designed to bring relief to this industry and its suppliers. As the homebuilding industry suffers, the problems confronting our thrift institutions have intensified to the point where immediate action must be taken if an ample supply of mortgage credit is to remain available at reasonable rates. A number of steps will indeed be required to bring relief, Mr. Chairman, but the introduction of variable rate mortgages is not one of them. These instruments are pure and simple anticonsumer which prompts me to remind my many good friends in the thrift industry that without loyal support from the public at large which they have enjoyed for so many years, they simply cannot survive in an increasingly hostile competitive economic environment ravaged by the cruel forces of inflation.

Thus, Mr. Chairman, I urge the immediate adoption of H.R. 6209 accompanied by a restatement of our commitment to continue our search for real and permanent solutions that place consumer interests first.

Mr. ST GERMAIN. Mr. Chairman, I yield such time as he may consume to the gentleman fom Pennsylvania (Mr. Barrett), the chairman of the Housing and Community Development Subcommittee.

Mr. BARRETT. Mr. Chairman, I rise in strong support of H.R. 6209, a bill to prohibit the Federal Home Loan Bank Board from authorizing the issuance of variable interest rate mortgages by federally chartered savings and loan associations. I urge that my colleagues adopt the bill as reported from committee rejecting any and all amendments.

I am firmly convinced that a system of variable interest rate mortgages would reduce the opportunities of fixed- and moderate-income persons for homeownership. Monthly payments would be subject to unpredictable changes and mortgage lenders could be expected to be reluctant to extend mortgage credit to those whose ability to meet rising mortgage payments is limited.

The establishment of variable rate mortgages would further impede economic recovery, for as I see it, interest rates would end up going in one direction—namely up. I am convinced that the VRM would not stimulate the housing industry, to the contrary it would retard homebuilding. The consumer-buyer who is the borrower would be reluctant to obligate himself to the uncertainty of the amount of future mortgage payments.

I recognize the problems facing savings and loan associations and the cyclical flow of funds; however, the use of the VRM is not the answer to that problem. It seems to me greater use must be made

of the secondary mortgage market. In this regard I believe it would be well for the Federal Home Loan Mortgage Corporation, commonly referred to as Freddie Mac, to operate as a secondary market maker in mortgages, instead of as an investor as presently appears. By this I mean that Freddie Mac could, when rates and costs are going up, buy low-yield loans at par from the savings and loans. This would enable the savings and loans to continue to make loans at reasonable rates rather than the exorbitant rates necessary when they are forced to borrow at high interest rates.

Mr. Chairman, again let me express my strong support for the bill before us and urge that the House adopt the bill by an overwhelming majority so that the consumers will know we have their best interest at heart.

Mr. ST GERMAIN. Mr. Chairman, I yield the balance of my time to the gentleman from California (Mr. Rees).

Mr. REES. Mr. Chairman, I think most of us in the past year have had builders come to our offices and we have had members of the building trades come to our offices and we have had members of savings and loan institutions come to our offices and they tell us one thing. They say that the housing market is flat.

In my county in Los Angeles, unemployment in the building trades is 30 percent. They are not building houses. One of the reasons they are not building houses is that the mortgage rate on a new a house is something like 9½ percent and they have to pay points on top of that. A potential home buyer right well think, "Well, I want to buy a house, but I am not going to commit myself for the next 25 years for a 9½ percent loan, so I am not going to buy that house." As a result of fixed mortgage rates, we have this problem of a cyclical industry, the housing industry.

When long-term interest rates are high, housing starts are down and unemployment is up. When interest rates are low, housing starts go up and employment in the building trades goes up also. So when we discuss the concept of a variable interest rate, we are discussing the concept of taking the peak out of this cyclical building industry. A person will not buy a house today because the interest rates are too high and they do not want to get tied into that for the next 25 years. With a variable rate of interest, an individual would borrow money at 9½ percent. Lets assume that next year we have a good recovery. Let us assume long-term interest rates go down to 8 or 7½ percent. Under this legislation that mortgage rate would have to go down adjusting to the market rates for mortgages at that time, so the person who buys at a high rate has the opportunity to ride that rate down.

What about the person that buys at 6 percent? Now, these rates have not been around for awhile; but if they buy at 6 percent, it cannot go up more than one-fourth of 1 percent in any one 6-month period and there is a 2 percent cap; but a person that buys at 6 percent decides they do not want the variable rates on the loan under this legislation, under the Rees substitute, the borrower has the option of either using a fixed-rate mortgage or a variable rate mortgage. The borrower has that choice. It is the choice of what the borrower's needs are and what the borrower's resources are.

The Rees substitute provides that the Home Loan Bank Board cannot allow for variable interest rate mortgages for 2 years except in those States that now issue variable interest rate mortgages. The Rees substitute would give us a 2-year trial period to allow variable interest rate mortgages to be used in those States where variable interest rate mortgages are now in effect.

We have a situation in California where the State associations represent 60 percent of association assets. The Federal associations represent 40 percent. The State associations are now going very heavily into variable interest rate mortgages, and the Federals cannot do so under the bill before us.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. JOHNSON of Pennsylvania. Mr. Chairman, I yield 6 minutes to the gentleman from California (Mr. Rees).

Mr. REES. We now have a disparity in terms of competitive inequity in the State of California because the Federals cannot compete with the States, and the States are heavily into variable interest rate mortgages. The Rees substitute states that the borrower has the option of either a fixed rate interest mortgage or a variable interest rate mortgage. The consumer has freedom of choice.

The substitute provides that an increase or decrease in that rate cannot occur more than once every 6 months, and that increase or decrease cannot be any more than one-quarter of 1 percent in that 6-month period. It provides that a mortgage cannot go up any more than 2 percent during the life of the mortgage. That is a 2-percent cap. If there is an 8-percent mortgage and the rates went to 12 percent, that mortgage could not go past 10 percent.

It also provides that it is mandatory that the mortgage interest rates goes down on the mortgage when the market rate goes down, but it is not mandatory that those rates have to go up when market interest rates rise. It also provides that once the person has a fixed interest rate mortgage, there cannot be any change in the interest rate for 1 year. If the person does not like the interest rate going up, then that person has the right of prepayment without any prepayment charge.

Mr. Chairman, I think this substitute protects the consumer and certainly takes care of the complaints of the consumer groups.

Mr. J. WILLIAM STANTON. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Ohio.

Mr. J. WILLIAM STANTON. Mr. Chairman, I appreciate the gentleman yielding to me because after reading and studying his substitute, I anticipate voting for it. If it does fail, I am going to vote for this bill on final passage.

I want to make clear, if the gentleman in the well will anticipate, a couple of points. First of all, in his State of California, I think the gentleman said the State-chartered institutions allow this. His bill allows the Federal institutions to do so.

Mr. REES. Yes.

Mr. J. WILLIAM STANTON. Question No. 2, the gentleman made the point that today if he were in California and he had an opportunity to get a 9½-percent loan or a lower variable interest mortgage, he would take a variable interest rate mortgage because the permanent rate is near an all time high interest rate. He would not have done it at 6 percent, but today he would like to have that option. Is that correct?

Mr. REES. Yes, I would have that option.

Mr. J. WILLIAM STANTON. I think the gentleman's points cover adequately the situation, and to a very limited extent allows us to experiment on the subject of variable interest rate mortgages. I am totally against the opening up of it. I fundamentally and basically support the premise of H.R. 6209 for the simple reason that nobody as yet has conceived any mechanism to assure when these interest rates go down, so we need more experimentation.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Chairman, I thank the gentleman from California for yielding to me. The gentleman from California (Mr. Rees) and the gentleman from Ohio (Mr. J. William Stanton) have just made a point I would like to emphasize and on which I think the opponents have lost sight.

They have assumed in their argument under this bill that interest would always go up. Two years ago, I had to borrow some money, and the only way I could borrow it was on a variable interest rate basis. I might say that since I borrowed that money 2 years ago, my interest rates have come down twice, so that I am the beneficiary of a variable interest rate loan.

I say to the gentleman that I think he made a good point a little while ago, and I wanted to emphasize it with the Members who are here.

Mr. REES. I appreciate the gentleman's remarks and also the remarks of the gentleman from Ohio (Mr. J. William Stanton).

There are nine States which today allow the issuance of variable interest mortgages by their State associations. This amendment would only allow these nine States to have variable interest mortgages in the Federal system. It is very restrictive. There is also extensive consumer protection language in here to protect the consumer and to give the consumer the right of freedom of choice.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. I thank the gentleman for yielding.

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Since 1970 the interest rate has increased three times and decreased once. The other point that I think the gentleman should make in his remarks is that when people are going in and there is an option offered, there is a differential. In other words, the variable ordinarily is ¼ or ½ percent less than the fixed-rate mortgage; is that not correct?

Mr. REES. Of course, there would be a differential because there are two different types of mortgages.

Mr. ST GERMAIN. The reason I mention it is that in this debate the gentleman is using the same interest rate for both.

Mr. REES. No. The interest rate is variable, and there are two different kinds of mortgages.

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from California.

Mr. SISK. I thank the gentleman for yielding.

Mr. Chairman, did I understand the gentleman to say that there is a cap on the maximum increase? In other words, if I secured a loan at 8 percent and the rates moved up, regardless of how high they went, at no point, 20 years, 25 years, would I pay above 10 percent?

Mr. REES. That is right.

Mr. SISK. That is an absolute cap of 2 percent above whatever rate I borrowed at, whether 6 or 8 percent?

Mr. REES. There is a mandatory 2-percent cap.

Mr. ST GERMAIN. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois (Mr. Annunzio).

Mr. ANNUNZIO. Mr. Chairman, as one of the 23 members of the House Banking, Currency and Housing Committee who cosponsored legislation on April 16, prohibiting the offering of variable rate mortgages by Federal savings and loan associations, I am delighted to rise in support of H.R. 6209.

I have the privilege of serving as the ranking majority member of the Subcommittee on Financial Institutions Supervision, Regulations, and Insurance chaired by our most distinguished colleague from Rhode Island, Fernand J. St Germain. I wish to commend the chairman for the rapid manner in which he met the latest threat to the consumer by his bringing H.R. 6209 to the floor today. The hearings on April 8, 9, and 10, extending well into the evenings, were among the most comprehensive hearings dealing with a single issue ever held. His skill and dexterity in drawing out all of the issues involved clearly led to an understanding as to the anticonsumer thrust of the Bank Board's proposal and as such we are dealing with the wrong issue at the wrong time if we are to continue the search for long-range solutions to the problems that have once again brought our homebuilding industry and the thrift industry to the brink of disaster.

I take a back seat to no one in my support of the savings and loan industry, but I say to my friends in the industry that without the support of the public we represent and they seek to serve as customers they cannot survive in today's competitive environment. When I review the testimony of every major consumer organization and virtually every major labor union, including that of my good friend, Bob Georgine, president, Building and Construction Trades Department, AFL–CIO, and find that the people are vigorously opposed and understandably so, I say to the industry and to the Bank Board we want to help, but remember you only exist to serve the public—your proposal as it exists today, for whatever advantage it may have for the industry, is blatently anticonsumer.

Mr. Chairman, I urge the immediate adoption of H.R. 6209.

Mr. JOHNSON of Pennsylvania. Mr. Chairman, I yield 3 minutes to the gentleman from Colorado (Mr. Johnson).

Mr. JOHNSON of Colorado. Mr. Chairman, if I could have the attention of the gentleman from California (Mr. Rees) I would like to ask some questions.

As I have been studying this program, I have been trying to answer some of these questions and I cannot find answers to them; so I would like to address them to the gentleman in the well.

First, what has been the experience in California with the interest rates on the variable rate mortgage as opposed to the fixed rate mortgage? Which ones are higher at the present time? And do they vary when interest rates go down?

Right now interest rates are very high, and when they go down is there any difference between what the gentleman defines as fixed rate and variable rate?

Mr. REES. Under the California statute, the savings and loan commissioner sets the rate, and the rate is an average money market rate and, therefore, the Commissioner in a 6-month period set a new rate. And under the California statute, if the rate goes down, that must be given back to the consumer as a lower mortgage payment.

Mr. JOHNSON of Colorado. I understand that, but at the present time, when you are issuing a mortgage, which goes at the highest rate, the fixed rate or variable rate, or is there a difference?

Mr. REES. I would suspect that if one went in to borrow funds that the fixed rate mortgage would be a quarter or a half percent higher, because obviously it is a fixed rate and the institutions would prefer a variable so that they could adjust the cycle.

Mr. JOHNSON of Colorado. So at the present time, when interest rates are high, if one takes out a mortgage right now, the variable rate is a half to a quarter lower than the fixed rate?

Mr. REES. After considering my previous answer I think that as a potential homebuyer it would be best for me to have a variable mortgage because the chances are the rate will go down. Therefore, varible rates would probably be higher.

Mr. JOHNSON of Colorado. I would think so, too, but I wanted to know what the experience was.

Mr. REES. I really do not know the experience in California because large use of variables began only this year. Logically, it would seem that the variable rate would be a little higher than the fixed rate.

Mr. JOHNSON of Colorado. Can the gentleman state whether or not, from his experience in California, he found that by the use of the variable rate it tends to keep moneys in the local savings and loans and stabilizes the home building rate?

Mr. REES. I cannot tell the gentleman that, because previous to about January of this year, only one association, in Oxnard, Calif., used the variable. Now the major associations in the State are going into variables, and there has not been time, really, to get the set pattern.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. Yes, I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I wish to make one point with respect to the California experience. Under the gentleman from California's substitute, certain penalties are automatically eliminated that people now pay in a fixed-rate mortgage, especially if the borrower cash the mortgage out ahead of the termination date. That is an important item. With a fixed-rate mortgage contract, if one cashes out because he sells his house, he pays a penalty. Under the substitute of the gentleman from California (Mr. Rees), no penalty can be charged under the variable interest rate mortgage, and that, many times, that penalty can be a substantial amount.

Mr. LEGGETT. Mr. Chairman, variable-rate mortgages are something the country needs about as badly as we needed the Vietnam war.

Variable rates make no sense whatever. We have already found that banking is probably the most recession-proof, inflation-proof industry in the Nation. When a recession comes, the amortization from existent loans keeps rolling in regardless. When inflation strikes, banks simply jack up their interest rates. If deposits fall, banks just jack up their interest rates further, or stop giving loans altogether.

In general, it is nearly a sure-win, no-lose situation. Banks get the short end only when inflation and interest rates escalate sharply after a loan is given. But this happens only after a period of many years. For example, a bank is today losing money on a 5-percent mortgage given in 1960. But in the interim, it has been receiving payments which for many years were made up almost entirely of interest. So the total picture on this loan is far from one of loss; rather, it is merely a case of a small proportion of the profits being paid back.

In an effort to give itself totally loss-protected conditions, the industry now is offering loans on which it can raise the interest at a later date if prevailing rates go up. Rates can also be lowered, but this is true in any case because most loans can be prepaid and refinanced if prevailing rates decline.

The Banking and Currency Committee has, very properly, reported a bill to outlaw this pernicious practice, and to keep the balance from turning against the consumer even more severely than is the case at present. I support this move, I support the bill, I commend the committee for it, and I urge the House to pass it overwhelmingly, and I oppose amendments conforming and yielding to State practice including the State of California.

Mr. EVANS of Indiana. Mr. Chairman, one of the strongest arguments against the variable rate mortgage is that it would tend to increase inflationary pressures in the housing market. If the VRM were widely accepted, representing a large number of mortgages, during a period of inflation it would become a cost-push factor. The effective cost of a given house would be increased during periods of tight credit.

As the Members have heard, the Federal Home Loan Bank Board has proposed a set of regulations on variable rate mortgages supposedly designed to help the housing industry. Under the proposed regulation, lenders would be free to increase payments when interest rates rose generally in the economy. Thus, the contract which the homebuyer signs with the lender would be open-ended and the borrower would have no way of knowing what his monthly payments might be in the future. Uncertainty over the rates would probably deter would-be homebuyers.

I strongly believe that the variable rate mortgage would be disastrous for the consumer and would not assist savings and loan associations and other home lending institutions during periods of rising interest rates.

The Federal Home Loan Bank Board says under its proposal that interest rates would only be raised 2½ percent over the life of the mortgage. Therefore, an 8-percent increase could go up only to 10½ percent. Although it does not sound like such a large increase, it is actually 30 percent more than that of the 8-percent interest rate. This will certainly hit hardest at elderly groups and low- and moderate-income families who may be least prepared to bear the costs of such an increase. In addition, at a time of increasing prices, the burden of paying additional costs on a home will cause workers to demand higher salaries and wages to keep up with inflationary conditions.

A further implication of VRM's is their impact on lending eligibility standards. It is quite possible that lenders will become even more reluctant than they currently are to make loans to people with relatively fixed incomes. In addition to judging the credit-worthiness of the borrower at the time the loan is made, they will be judging his ability to pay larger monthly payments in the future. This could easily result in even greater isolation of low- and moderate-income families from the home ownership market.

Mr. FRENZEL. Mr. Chairman, I support the Rees amendment to H.R. 6209. The distinguished gentleman from California (Mr. Rees) has correctly identified a terrible problem for his State will occur if this bill is passed. His amendment provides suitable safeguards for potential homeowners, particularly with respect to the option of accepting either a variable or fixed rate mortgage loan.

If the Rees amendment fails, I believe the bill, H.R. 6209, ought to be defeated. I do not believe variable rate mortgages will lead the housing industry into the promised land, but where they are preferred by borrower and lender, they may help overcome shortages of mortgage funds.

It is surely reasonable to set limitations and conditions on variable mortgages, but it seems to me unreasonable to ban them altogether. It is one thing to protect a home buyer from unfair costs. It is quite another thing—as we are doing here—to give him so much unwanted protection that he cannot buy a home when he wants to do so.

Another bad feature of this bill is that it is just another temporary band aid on a pretty bloody financial system. This Congress and this committee has not met its responsibility to review and restructure that system. Each new band aid is just another bit of evidence of congressional dereliction. It would not be so bad if we had tried and failed. But we haven't even tried. Until the committee gives financial system reform a try, this body should reject further band aids unless they are a matter of emergency. There is no emergency here.

I hope the Rees amendment is passed, and, if not, I shall oppose the bill.

Mr. BADILLO. Mr. Chairman, I believe that the Federal Home Loan Bank Board's proposed regulations authorizing variable interest rate mortgages for structures with one to four dwelling units is badly timed and ill conceived. Consequently, I am pleased to support H.R. 6209, a measure prohibiting the writing of such mortgages by federally chartered thrift institutions in the absence of explicit congressional action.

All of us deplore the severely depressed state of the housing industry and are anxious to do everything possible to alleviate the plight of potential homebuyers and unemployed construction workers alike. But the implementation, by regulation, of variable interest rate mortgages at this time will not result in easier to obtain mortgages or an increased number of construction jobs. On the contrary. By generating higher interest rates and concomitantly mandating higher income limits, it will serve to further reduce the percentage of our population who can expect their dream of homeownership to become a reality.

In promulgating the regulations, the Board utilized the argument that authority, for federally chartered savings and loans to write mortgages with variable interest rates will result in increased equity for small investors, who make up the bulk of savings and loan depositors, by assuring a higher return on their investment. And, by making thrift institution deposits more competitive as investments, assure a steadier flow of funds into the mortgage market. Thus, the argument goes, the repeated boom or bust cycles so detrimental to the housing industry will be eliminated.

Quite apart from the fact that experience in other countries, such as Canada and Great Britain which utilize VMR's, indicates that they do not eliminate boom and bust cycles, the Board's argument is fallacious because it proposes to accomplish these objectives without effecting any immediate changes in regulation Q that governs the level of interest paid by thrift institutions to their depositors. Nor is the Board ready, at this time, to supply a target date for changing regulation Q requirements. Yet, without such changes there can be no increase in interest rates, no consequent growth in the number of depositors, and any increase in mortgage funds will have to come from borrowers who will be forced to pay higher interest rates on their loans.

In addition, variable interest rate mortgages carry with them the strong likelihood of increased payment levels throughout the life of the mortgage. This fact, according to Chairman Bomar's testimony, will result in tougher underwriting requirements because—

> . . . potential homebuyers should have the capacity to absorb an additional incidence of increase of payments.

Translated, this means that homeownership will become the exclusive prerogative of those deemed to be highly upward mobile—and will become increasingly difficult to attain for minority group members and women who tend to hold lower paying jobs with less job security. It will also limit the availability of mortgages for those members of the labor force whose job outlook does not include prospects of steady advancement and/or transfer into managerial positions. Thus the proposed regulations would serve as an instrument for enhancing and entrenching already existing economic discrimination.

Mr. Chairman, the last things we need right now are higher interest rates and more stringent income requirements. Today's New York Times contains some frightening statistics. According to data quoted by the paper, the average price of a new home has now reached $41,300, while that of a previously owned one is up to $35,600. To assume financial obligations of such proportions, the Times claims that families wishing to enter the housing market must have incomes of not less than $23,300. This requirement, it goes on to say, makes homeownership an impossibility for five out of six families.

I am convinced that any changes in our mortgage writing practices must be made within the framework of an overall reform of our financial institutions and review of our monetary policies. We are experiencing a tight money market and may have to look for ways to increase the supply of our available cash. One possible way to do this would be to examine some of the drains on our money supply.

Statistics indicate that short-term foreign investment by American banks has been increasing dramatically over the past years. In 1971 short-term claims by American banks against foreigners totaled $13.2 billion. In 1972 the amount was up to $15.5 billion, in 1973 $20.7 billion. By December 1974 it has reached a startling $38.4 billion. Long-term investment in this area has not grown as rapidly, but has been increasing steadily over the past several years. I hope that the Committee on Banking, Currency and Housing will examine this situation during its planned review of our financial institutions.

Mr. Chairman, I urge my colleagues on both sides of the aisle to support H.R. 6209.

Mr. ASHLEY. Mr. Chairman, I am not convinced that H.R. 6209 is in the best interests of the consumer, and therefore, I cannot support this bill. I believe that more thinking needs to be done about the implications of variable mortgage interest rates from the vantage point of the consumer. By consumer I mean both the home buyer and the person who puts his excess funds in a savings account. If a variable rate option can increase the availability of mortgage money during tight credit periods, then consumers who need to borrow mortgage funds during these periods will benefit. So will the consumers whose savings could be retained by thrift institutions through higher contract rates.

It makes a lot of sense to me to offer an option to home buyers of a fixed rate or variable rate mortgage and let them choose the method best suited to their current and future needs. However, I am not at all sure that a fair dual system can be implemented nationwide without some trial and error experience.

Accordingly, I will vote for the amendment to H.R. 6209 to be offered by Mr. REES which would permit a dual system in those few States which permit State chartered thrift institutions to make variable rate mortgages. It seems to me that in States where there is a substantial nonfederally chartered lending industry with variable rate authority, the federally chartered institutions are put in a serious noncompetitive position. I think then, that the Rees amendment will provide both a good test of a dual system and at the same time put State and Federal thrifts in an equal position.

Mr. REES. Mr. Chairman, I rise to speak in favor of the amendment.

Mr. Chairman, I ask for support for this amendment because I would like to make sure that Congress reviews the variable interest rate mortgage. We cannot have a situation in this country where a great many States allow a variable interest rate mortgage in their State associations—and this is happening in my own State of California—while the Federal savings and loans do not have the same right. There must be some opportunity to evaluate whether a variable interest rate mortgage is good or bad.

I think a 2-year period is an adequate evaluation time. What the amendment of the gentleman from Ohio does is to say that variable interest rate mortgages are prohibited in Federal institutions for 2 years, and that there will be a time schedule for those of us in the Banking and Currency Committee to find out whether, indeed, variable interest rate mortgages work or do not work.

If we have a flat prohibition, which is the way the bill reads now, we might never get around to dealing with variable interest rates, and we might actually have a situation where Federal associations opt out of the Federal system in favor of State regulation so that they can get variable interest rate mortgages. I think our committee has to have a time period for reviewing VRM's. I think this 2-year time period is very wise, and I would ask for support for the amendment.

Mr. MYERS of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Pennsylvania.

Mr. MYERS of Pennsylvania. Mr. Chairman, there has been a lot of criticism today to the effect that the consumer is not intelligent enough to choose the proper loan program. Even if we agree with that premise, which I do not, does the gentleman think the consumer in the States where variable interest rates are allowed would know any better whether to go into bank A or bank B because one has variable interest rates and the other one does not?

Mr. REES. I think the consumer, in my State and in all the States, is wise when it comes to purchasing a home. It is the largest investment he will ever make, and of course he is going to search for the best deal he can get. The State associations are coming out with full page ads advertising the variable interest rate mortgage. That is why I think we have to have a 2-year period to review this.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding section 5(a) of the Home Owners' Loan Act (12 U.S.C. 1964) nor any other provision of any law of the United States, the Federal Home Loan Bank Board shall not authorize, by rule, regulation, or otherwise, a Federal association to offer loans secured by one to four homes or dwellings with variable interest rates. The Federal Home Loan Bank Board may not do so unless and until Congress specifically, by law, authorizes such variable interest rates.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: On the first page, line 8, strike out "dwellings" and insert in lieu thereof "dwelling units".

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. ST GERMAIN

Mr. ST GERMAIN. Mr. Chairman, I offer a technical amendment.

The Clerk read as follows:

Amendment offered by Mr. ST GERMAIN: Page 1, line 4, strike out "12 U.S.C. 1964" and insert in lieu thereof "12 U.S.C. 1464".

The CHAIRMAN. The question is on the amendment offered by the gentleman from Rhode Island (Mr. ST GERMAIN).

The amendment was agreed to.

AMENDMENT IN THE NATURE OF A SUBSTITUTE BY MR. REES

Mr. REES. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. REES: Strike all after the enacting clause and add:

"The Federal Home Loan Bank Board is prohibited from authorizing by rule, regulation or otherwise any Federal savings and loan association from making a variable interest rate mortgage loan on any one-to-four family dwelling unit occupied or to be occupied by the borrower for two years after enactment of this law, except as follows:

"(a) The variable interest rate mortgage loan is on a dwelling unit located in a state where building and loan or savings and loan associations chartered or organized under the laws of such state are, on the date of enactment of this act, offering such loans; and

"(b) The terms of the variable interest rate mortgage loan satisfy the following standards and such additional standards as the Board may prescribe:

"(i) Any such association shall also make available on reasonable terms and conditions to the borrower a mortgage loan at a fixed interest rate.

"(ii) The rate of interest on a variable interest rate mortgage loan shall change not more often than once during any semi-annual period and at least six months shall elapse between any two such changes.

"(iii) Any increase in the interest rate on a variable interest rate mortgage loan shall not exceed one-fourth of one percent in any semi-annual period, nor shall any such rate be increased more than ½ of one percent at any one time not withstanding the waiver of any previously authorized increases by the lender.

"(iv) Total increases in the interest rate on a variable interest rate mortgage loan shall not exceed the initial rate over the term of the loan by more than two percent.

"(v) The rate of interest on a variable interest rate mortgage loan shall not change except in accordance with standards prescribed by the Board under this paragraph (b); however, such association must decrease the rate of interest in accordance with such prescribed standards but has the option of increasing the rate in accordance with such prescribed standards.

"(vi) The rate of interest on a variable interest rate mortgage loan shall not change until after a year following the operative date of the mortgage.

"(vii) The borrower is permitted to prepay the variable interest rate mortgage in whole or in part without a prepayment charge within 90 days of notification of any increase in the rate of interest above the initial interest rate.

"(viii) The borrower must be given 60 days advance notification of any increase in the rate of interest on a variable interest rate mortgage loan."

Mr. REES (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. ROUSSELOT. Mr. Chairman, reserving the right to object, I think that this amendment, in itself, contains some of the adequate protections for the consumer that some of my colleagues are concerned about, and I believe we should read it so that it is clearly understood that nobody can then claim that certain protections are not there, which actually are in the amendment in the nature of a substitute.

Therefore, I object, Mr. Chairman.

The CHAIRMAN. Objection is heard.

The Clerk will continue to read.

The Clerk concluded reading the amendment in the nature of a substitute.

Mr. KAZEN. Mr. Chairman, will the gentleman yield for a question?

Mr. REES. I yield to the gentleman from Texas.

Mr. KAZEN. As I understand it, this bill will allow the savings and loan institutions of California, where the State-chartered institutions now have variable interest rates, to do the same for the federally chartered institutions. Am I right in that?

Mr. REES. It would.

Mr. KAZEN. That solves the problem in California, but what happens to a State where the State-chartered institutions are not allowed to use variable interest rates, would this legislation then allow the federally chartered institutions to have a variable rate, or does this put the State-chartered institutions at a disadvantage?

Mr. REES. No.

Mr. KAZEN. In other words, this would settle the problem in California, but it would create a special problem in other States.

Mr. REES. The language in this amendment specifically prohibits the use of variable interest rate mortgages in those States which do not now, at this time, issue or approve of variable interest rate mortgages. There is an absolute across-the-board prohibition, so the amendment would only affect the nine States that now issue variable interest rate mortgages.

Mr. KAZEN. One further question, if the gentleman will yield further: If in the future a State legislature would allow its State institutions to charge variable interest rates, or to go to the variable interest rate concept, would the federally chartered institutions in that State at that time be able to go through the same process?

Mr. REES. The way this amendment is drafted in its present form, the answer would be "no." But this is a 2-year prohibition, so if the Texas State legislature decided that its State institutions could use variable interest rate mortgages, the Federals would then have to wait until after the expiration of this act.

Mr. KAZEN. There would not be an automatic trigger?

Mr. REES. No, there is no automatic trigger.

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Illinois.

Mr. SIMON. I have one other question: I have read the committee report and I do not find the answer to this: What is the practical experience, up to this point, as to the impact on the consumer by the variable interest rate mortgage compared to the standard, or fixed interest rate mortgage?

Mr. REES. The problem is that we really do not have a meaningful test of this in the United States. The purpose of this act is to give us 2 years to at least assess the effect of the variable interest rates in the States that now use it.

I can give the gentleman a statement from the Farm Credit Administration which has been using variable interest rates now for 20 years. It states that:

> The fixed interest rate mortgages have proven to be an effective means of providing borrowing owners of the system with ample credit at a minimum cost. The availability of adequate credit is, in fact, dependent upon the system's ability to lend at various rates because it makes possible the acquisition of funds in the nation's capital market at commercial rates.

This is the experience of the Farmers Home Loan Administration during the past 20 years.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. I thank the gentleman for yielding.

Let us make one thing clear. In the case of the Farm Credit Administration the borrowers own the institution. In other words, the borrowers are the owners. They also have a dividend paid to them if there is any profit over and beyond what it costs them in the marketplace. The borrowers set their own rate. Is that not correct?

Mr. REES. And it is a variable rate.

Mr. ST GERMAIN. If the gentleman will yield further, yes, but the borrowers set their own rate, and receive a dividend back.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

In a Federal mutual savings and loan it is owned by the savings and loan, the people who have savings accounts, and through the board of directors they control the situation. So to use the argument there is no control over Federal savings and loans, of course, is not true. In the Farm Credit Administration the experience has been all favorable.

As a matter of fact, the Farm Credit Administration, as the gentleman from California has stated, has had a good experience. They have been able to meet the challenge of the credit crunch in the Farm Credit Administration because they have a variable interest rate. They have been able to overcome the problem.

So the gentleman from Illinois' question is answered by the fact that there have been 20 years of experience in the Farm Credit Administration. It has been all excellent, and especially in a time of a money crunch, which is the reason why the gentleman from California is offering his substitute.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. REES was allowed to proceed for 5 additional minutes.)

Mr. REES. Mr. Chairman, I do not plan to take the 5 minutes, but let me explain very simply what the substitute does. It provides that for the next 2 years the Home Loan Bank Board shall not approve the use of variable interest mortgages in the United States, with the exception of those States whose systems allow the use of variable rate mortgages and where variable rate mortgages are in fact being used. There are nine such states, according to the Home Loan Bank Board——

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Ohio.

Mr. WYLIE. I thank the gentleman for yielding.

I would like to amend that statement. I just checked before noon with the Federal Home Loan Bank Board, and they say that now 17 States permit State savings and loans to offer variable rate mortgages.

Mr. REES. There were nine last Tuesday. I am glad they decided to check again. We now have 17 States. I will start with nine. There are California, Iowa, Louisiana, Kansas, Nebraska, New Hampshire, Ohio, Washington, and Wisconsin. These represent the only States which for the next 2 years can utilize variable rate mortgages. Most of the Rees substitute consists of restrictions, or the use of VRM's to protect the consumer.

No. 1, the consumer has the right to have either a fixed mortgage or a variable mortgage.

No. 2, the rate cannot be changed any more than once every 6 months.

No. 3, that change cannot be more than one-quarter of 1 percent.

No. 4, under no circumstances could the rate go over 2 percent of what the original mortgage rate was.

No. 5, the association has to pass through any decrease but is not required to pass through an increase.

No. 6, there is a 1-year period after the person has the mortgage during which there cannot be any increase at all.

No. 7, the borrower has 90 days after notice of prepayment of his mortgage without paying any prepayment charge; and

No. 8, there is a 60-day notice to the borrower about a proposed increase or a decrease in the rate.

I think this explains the substitute. It is very simple. It allows the Federals to compete for the next 2 years in those States where we now have variables and then sets up a series of criteria to protect the consumer.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. I thank the gentleman for yielding.

To follow through on the answer to the question of the gentleman from Illinois, who I think very properly raised the question as to what is the experience on this subject, the Farmers Credit Administration informs the committee by letter that they have had this in effect for 20 years and they offer both the variable interest rate and the fixed rate to their customers, and that 77 percent of the portfolio now have the variable interest rate-type mortgages.

They have been in business for 20 years. I do not think the people in this Congress think the farmers are stupid. They are not. They are good, strong business people just as anybody else. They know a good deal when they see one. So 77 percent of the Farmers Credit Administration portfolio is in variable interest rates because they know those interest rates can come down when the interest rates are declining and they want to take advantage of that type of mortgage rate.

Obviously when the interest rates are

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way down at 6 percent, as the gentlewoman from Maryland said, they would ask for a fixed rate and they do. So I think the answer to the gentleman's question is the experience is clearly there.

Mr. HANNAFORD. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from California (Mr. HANNAFORD).

Mr. HANNAFORD. Mr. Chairman, I commend the gentleman from California (Mr. REES) for his amendment. I do want to speak in support of it.

Is not the very reason we have interest payment because of the interest risk. Is that not right?

Mr. REES. Yes.

Mr. HANNAFORD. And the fact is that the lending institution is required to take a long-term risk, so it seems to me that would be a compulsion for the lending institution to add onto its cushion in order to sustain that long-term risk, especially in times of an extremely unstable dollar such as we have had around lately.

Mr. REES. The gentleman is correct. Let me give one example. We poured a great deal of money into the savings and loan institutions last year during the tight money period. Unfortunately a good portion of that was invested in the Federal funds market, invested at rates like 13 and 14 and 15 percent, and it was not being put into housing because the rates there were 9 to 10 percent. People were not buying because the cost of money was too high. So not all the money we appropriated for the Home Loan Bank Board and other institutions to stimulate housing was going to housing.

Mr. HANNAFORD. I thank the gentleman.

Mr. WYLIE. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Rees substitute.

Mr. Chairman, the gentleman from California mentioned earlier in his talk that there were 9 States in which is it possible to offer variable interest rate mortgages. In checking with the Federal Home Loan Bank Board I obtained a list of those States in which variable rate mortgages are now possible and I thought maybe I would read them for the Members present so they will know that without the Rees substitute there would in fact be discrimination against a Federal savings and loan institution in these 17 States, and that the State savings and loan institutions would indeed have a competitive advantage, which I do not think is in the interest of housing or housing legislation. Those States are as follows: Maine, New Hampshire, Pennsylvania, Ohio, Kentucky, Indiana, Wisconsin, Iowa, Nebraska, Kansas, Colorado, Louisiana, California, Hawaii, Washington State, North Carolina and South Carolina.

As I mentioned a little while ago in general debate it was difficult for me to decide at first whether I should support this legislation which would prohibit Federal savings and loans from allowing the option of the variable rate mortgage or whether the rule which was adopted by the Federal Home Loan Bank Board should be allowed to go into effect which would permit variable rate mortgages in all 50 States.

Now, I think the Rees substitute is a logical middle ground which I can support. It would permit an experiment for 2 years in the States which are permitting State savings and loan institutions to offer variable interest rates at the present time.

One reason I am interested in the Federal savings and loans having the same competitive advantage to get money and put money into housing is because the Federal savings and loans are required by rule at the present time, today, to put at least 75 percent of their investments in housing. That is not so with respect to State savings and loans.

As a matter of fact, in Ohio the percentage of money going to housing on a percentage basis through State savings and loans is far less, I have been told, than through Federal savings and loans.

Now, judging by the theories and counter theories advanced by the proponents of the bill and the proponents of the VRM, it seems to me this is an issue on which reasonable minds can disagree; but at the same time we ought to permit this constructive alternative—and I think it is a constructive alternative—to be allowed to go into effect.

If we vote for the bill that is before us today without the Rees substitute, then we are in effect doing nothing. We are voting that nothing be done, that the Federal savings and loans cannot ever experiment on any basis.

Again, I want to emphasize that the Federal Home Loan Bank Board proposal does not mandate a Federal savings and loans to offer a variable rate mortgage. It merely provides for the offering of the variable rate mortgage on an optional basis for 2 years, on an experimental basis in those States where State savings and loans can now offer them.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I want to compliment the gentleman from Ohio on his part in working with the gentleman from California, both members of the Committee on Banking and Currency, in constructing this fine amendment, because I know the gentleman is concerned about his own State of Ohio where variable rate mortgages are allowed and he wanted to make sure that in the State of Ohio it would be possible for the Federal Savings and Loans to proceed because the State chartered institutions have that option now.

I know that the gentleman worked hard in the committee to make sure that the concept of free choice was made available to the consumers and the borrowers in his State. The gentleman is to be complimented for that effort, along with the gentleman from California.

Mr. WYLIE. Mr. Chairman, I thank the gentleman for his compliment. I suppose there is some pride of authorship in that I drafted part of the language which the gentleman from California thought appropriate and is part of his amendment.

I would just like to add that I think it is proper to suggest that the 17 States in which State savings and loans are now allowed to offer variable rate mortgages be permitted to do so on an experimental basis.

I would, therefore, suggest that we vote for the Rees substitute, and if it is adopted, then vote for the bill; if it is not, that we not support the bill.

Mr. PATTERSON of California. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Rees substitute.

Mr. Chairman, and my distinguished colleagues, H.R. 6209 would prohibit variable rate mortgages on real property by Federal savings and loan associations. It would not prohibit variable rate mortgages by State savings and loan associations, thus creating a two-tier method of financing in States where State savings and loan associations are prominent such as in my home State of California. There is a basic inequity in a bill that would not permit "equal footing" by all savings and loan associations. In effect the State savings and loans in my State, and perhaps in yours, would be in a more favored position, or if you will, in a better or more competitive market position.

The Rees substitute to H.R. 6209 would allow variable interest rate mortgage loans in those States in which a State chartered savings and loan association is authorized under State law to make such loans, thus eliminating the inequity in H.R. 6209. Furthermore, the Rees substitute permits variable rate mortgages only within very limited and well defined parameters. For example, no variable rate mortgage may rise more than a total of 2 percent over the lifetime of the loan, nor could a variable interest rate mortgage increase more than one quarter of 1 percent for a 6-month period of time. Perhaps one of the best features of the Rees substitute is that the substitute provides for the variable interest rate or a fixed interest rate at the option of the borrower. Thus, the borrower who did not desire the variable rate could have a fixed rate of interest. In addition to these safeguards, the borrower is permitted to prepay the variable interest rate mortgage in whole or in part, without a prepayment charge within 90 days of notification of any increase in the rate of interest above the initial interest rate.

Mr. Chairman, some of the arguments against allowing the variable rate mortgage have been those in the interest of consumer protection. I submit that, in fact, with the above consumer protection such as prepayment and the option to choose a fixed rate of mortgage, the consumer is protected more by allowing him to select the type of mortgage which he desires. The variable rate mortgage will in fact benefit the consumer. It will provide a more stable flow of funds into the housing market and thus avoid the peaks and valleys which are created in the housing industry by too much building when interest rates are low and too little building when interest rates are high. The variable rate mortgage will provide a more stable environment and will end the current situation which forces new borrowers to subsidize the lower interest rates of previous years.

To take one example, a young couple would more easily qualify for a variable rate mortgage than a fixed rate mortgage

simply because the initial interest rate on a variable rate mortgage would be lower. [Obviously, if the variable rate mortgage were not lower any party would select the fixed mortgage rate.] Assuming that the variable rate mortgage would be lower initially, and therefore subject to change, the young couple would be better able to afford any increase in the interest rate up to the maximum of 2 percent as their income increased.

Finally, Mr. Chairman, I suggest that the concern over the variable rate mortgage is a fear that interest rates may rise as a result of allowing savings and loans to increase rates. The real question of course is, is this really true? No one really know. The only way to find out whether a fixed rate or a variable rate will provide a better service to the consumer is to try one. I submit that an experiment should take place in California and other States having State chartered savings and loans where the State now permits variable rate mortgages, to determine whether the consumer is better protected in the States which permit the variable rate mortgage or in the States which prohibit the variable rate mortgage.

The Rees substitute offers the chance to test these variable and fixed rate combinations in a few States for the next few years. Then the Congress can legislate the standards on the basis of this experience rather than on speculation. Over the next 2 years we could compare the States with and without the VRM to see if it does what the proponents say, or if it does what its critics predict, and therefore act accordingly.

In summary, Mr. Chairman, let me say that the variable rate mortgage experiment can do no harm and it may do some good. I know that many Members do not come from States that permit variable rate mortgages and I ask them to be considerate of the States where we do permit such variable rates and vote for the California experiment.

Thank you, Mr. Chairman.

Mr. RHODES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Rees substitute, and applaud this diligent bipartisan effort. I understand that both sides of the aisle have worked hard to develop a solution which is fair and equitable to both the people and the thrift institutions in the individual States.

We are all aware of the problems in the housing industry. Housing starts are down and many families are unable to obtain financing to purchase homes. The committee bill completely prohibits variable rate mortgages. I believe this is a narrow and short sighted approach which denies the right of self-determination on this issue to the States.

We have always developed new approaches and business techniques to sustain our growing economy. At a time when we need a shot in the arm, it seems unreasonable to shut the door on one method which may help families finance homes.

The Rees substitute does not prohibit variable interest rate mortgages. It merely allows federally chartered thrift institutions to offer them if State chartered savings and loans are offering them. In addition, there are broad provisions for consumer protection in the substitute to prevent abuse.

I believe it is important that Congress allow the States and the financial community the flexibility necessary to develop new and fresh approaches to our mortgage problems. We should not arbitrarily shut the door on any possible benefits from variable interest mortgage rates.

Mr. Chairman, I urge the Members to adopt this bipartisan approach contained in the Rees substitute.

Mr. ST GERMAIN. The Home Loan Bank Board, when it first published its regulations—which, incidentally, are a whole lot different than this substitute—in the preface, referred to benefits to the depositor; in other words, increased interest rates to the depositor. They in fact did nothing for the saver. Does not the gentleman feel that if we are to go for a variable, we should ask the savings institutions to increase the rates they are going to pay the depositors?

Mr. RHODES. Of course, I am not familiar with all of the provisions of the gentleman's bill, and I did not realize that rates to depositors was a subject of the bill at all. I have been under the impression that this had to do with mortgage rates.

Mr. ST GERMAIN. This is tied in together.

Mr. RHODES. That may be, in the gentleman's mind; but they are not necessarily.

Mr. ST GERMAIN. Is the gentleman aware of the fact that the home builders, the building and construction trades, the AFL–CIO, are all in opposition to this? They do not feel it will produce more housing?

Mr. RHODES. I am sure the gentleman from Rhode Island realizes that this is not the first time that I have seen myself in opposition to some of the entities that the gentleman has mentioned.

If we allow Federal institutions to have variable interest rates, in States where the law allows State institutions to have them, it will be beneficial to everyone. For instance, because of the recent history of the rise and fall of interest rates, a prudent mortgagee must put an x factor in any mortgage rate he charges on the basis that before 20 or 25 years have elapsed the rate of interest will probably have risen. If the Rees substitute wins, mortgagees will not have to put an x factor in. I think that it is quite probable we will find actual interest rates going down if the Rees substitute is accepted.

I respected the gentleman's abilities and I respect his opinions. I do not find myself in agreement at this particular time.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. RHODES. I will be glad to yield to the gentleman from California.

Mr. ROUSSELOT. The question which the gentleman from Rhode Island is concerned about is clearly answered in the Rees substitute. He put the criteria in that substitute, and that is why so many of us are supporting it on this side, because it does, in fact, protect the consumer against some of the problems that the gentleman from Rhode Island was concerned about in his questioning of Mr. Bomar.

Obviously, the gentleman from Arizona is correct in saying that this Rees substitute provides the kind of built-in protection for the consumer and, most important, gives him a free choice to pick either the fixed-rate mortgage type instrument or the variable interest rate. If he feels he does not want to get a 10-percent mortgage for 30 years or 20 years, that he will be protected, so that when the rates come down, his rates will go down.

Mr. RHODES. Is the gentleman saying that in the committee bill that there is a provision for an increase in interest rates for depositors in thrift institutions?

Mr. ROUSSELOT. No. Regulation Q was not addressed in the bill by the gentleman from Rhode Island, the one he is supporting. That issue, of whether we will keep or not keep regulation Q will, of course, be addressed in the Financial Institutions Act.

Mr. HANNAFORD. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Rees amendment in the nature of a substitute, a bill to prohibit the use of variable interest rate mortgages by federally chartered savings and loan associations.

Quite simply this amendment would permit States the right to choose, for a limited period of time, variable interest rate mortgage.

California is one of nine States which has chosen to allow by law State-chartered institutions to use VIRM's.

However, should this amendment fail and some States be denied the option to use VIRM's in federally chartered institutions, then the State-chartered institutions would have a competitive advantage over the Federal institution.

I believe unanimously with the other California members of the Banking and Currency Committee that variable rates will help to stabilize the housing industry by equalizing in time the availability of mortgage money.

During the committee hearings we heard testimony concerning the cyclical factors effecting the housing industry. Mortgage rates must be able to adapt to this oscillation.

A fixed mortgage rate rests upon a reasonableness in the stability of the dollar. But when we have an inflation in mortgage rates as we have had lately, lending institutions, forced into a long-term mortgage, hedge their bets against future inflation. This drives rates up to the point of prohibited levels and probably costs consumers more in the long run.

Consequently, the Government has reacted, as we are now, by artificially reducing interest rates for housing through Government subsidy.

The use of VIRM's would allow the housing and financial institutions to adapt more equitably with the changing economic conditions by minimizing the "boom and bust" cycles we have experienced.

We need of course to protect the consumer in this new process. One only need to examine the very specific guidelines written into this amendment to see that

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the consumer is well protected should he elect to use this new method of home financing. Furthermore, in the long run variable rates are better for the consumer because they are more equitable to all consumers whereas presently some consumers get a windfall at the bottom of the interest slide that must be unfairly subsidized by those few who purchase homes at relative credit scarcity. Who can deny the inequity for the young people in today's housing market having to subsidize the 5-percent mortgage rate that I acquired two decades ago by paying nearly twice the interest rates I pay.

Mr. Speaker, California is in a unique position because of the disparity in competition as between State and Federal institutions. The Federal Home Loan Bank Board sought to alleviate this inequity by its proposed regulations for variable rate mortgage. To deny the farsightedness of the FHLBB by prohibiting the use of variable rate mortgage would be unfortunate. But should Congress take this action it is important that we adopt the Rees amendment.

I urge you to support this amendment so that we can have a pilot program in California for a limited duration to test the thesis the California members of the committee unanimously endorse.

Mr. SCHULZE. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Rees amendment in the nature of a substitute.

Mr. Chairman, it has been said by some that in the United States we are approaching the time when everything that is not compulsory is prohibited. The bill under consideration today, which would prohibit the Federal Home Loan Bank Board from permitting savings and loan associations from offering home loans with variable interest rates, is another example of the Federal Government restricting our options. Federal spending in recent years is responsible for a huge deficit and an inflated currency and, therefore, I support the substitute bill which will increase the alternatives of both the borrower and the lender during "tight" money periods which are a direct result of Federal fiscal irresponsibility.

The variable rate mortgage is nothing new. Seventeen of our fifty States currently permit State-chartered institutions to offer such mortgages. In addition, variables have long been used for commercial construction loans and for home loans made by the Farm Credit Administration.

One of the arguments frequently heard from critics of the VRM is that the average home buyer would be forced out of the market because he could not afford the increase in rates possible with the variable rate mortgage. I suggest that nothing could be more harmful to the consumer, to the housing and construction industries, and to the economy than the lack of any mortgage money at all. The availability of mortgage money has been virtually nonexistent during three extended periods in the last 9 years. With VRM's, such credit famines would be minimized.

Critics are also quick to point out that the interest rates on such mortgages would have risen during recent years, but they fail to add that with money rates now falling the interest cost on a VRM issued last fall at the going rate would probably drop a full percentage point by the end of 1975.

Let us take a look at how the variable rate mortgage works. Mr. Johnson takes a $30,000, 30-year mortgage at an initial interest rate of 8½ percent. His monthly payment is $231. Six months later, interest rates have dropped sharply and Mr. Johnson's mortgage interest rate is adjusted to 8 percent. His monthly payment falls to $220. At the end of a year, interest rates have risen again, but not enough to permit a minimum one-quarter-percent change in Mr. Johnson's rate. His payment is still $220. Six months later, a fast rise in interest rates clears the way for a three-quarter-percent boost in Mr. Johnson's rate to 8¾ percent. Now Mr. Johnson has three alternatives. He may accept the increased monthly rate of $236, he may accept the increase and extend his mortgage for an additional 5 years, or he may shop for another lender and pay off his present mortgage without penalty.

Mr. Chairman, I have confidence in our American consumer and in his ability to shop for the type of mortgage which best suits his needs—provided he has a choice. By supporting this substitute bill, which will offer the American consumer the opportunity to select a variable rate mortgage, I am offering him freedom of choice consistent with our free market system.

Mr. HAYES of Indiana. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the Rees amendment in the nature of a substitute.

Mr. Chairman and members of the committee, I have listened with great interest to my brethren on the other side of the aisle and, of course, I want to compliment my own subcommittee chairman on International Trade, the gentleman from California, for his ability to deal with some very difficult circumstances here today. The gentleman has done a fine job in the committee with it, and I compliment the gentleman.

However, I think that the substitute that we are considering now, and some of the debate that we have already heard, ignores two or three extremely important and fundamental issues.

Mr. Chairman, it somewhat surprises me to hear the eminent leader of the minority side and to hear others, discussing the problems of the consumer in being able to get loans in tight money markets, particularly when at the same time we have debated here in the Chamber the use of a very valuable tool to the Federal Reserve Board, and that is the ability to make money tight, the ability to decrease the demand for consumer credit, and particularly for credit that would fund home buying or home building.

Where are we really, in fact? What are the really fundamental issues that we are talking about? Is it in fact consumerism? I think that is a fundamental issue.

There has been discussion from both sides of the aisle with some good differences of opinion, as to whether or not this is a consumer-oriented substitute or not. But it seems to me that we had better look at the history of this kind of loan and determine whether or not it is really financially sound, and whether or not it makes sense in terms of the kind of goals that the Federal Reserve Board has set for itself in manging interest rates in this country, and whether we want to, for all time, wipe away their ability to properly manage those interest rates.

By 1970, all of those Members who have been involved in Congress in financial affairs know that virtually every long-term loan of any length was already written in such a way that the borrowers' interest rates fluctuated. Residential lending was about the only exception to that. We have, of course, the State exceptions, as has been pointed out.

We did have in Indiana, my own State, for example, the ability to vary the term—not the interest rate, but the term variation is a very sophisticated device. Agriculture has used it for a long time, and I think it is up to us to decide whether or not we want to expand a very sophisticated instrument to the consumer in general and count on their ability to handle it using this substitute.

Term lending, as most of us who are considered conservative monetarists would know, is something that has expanded very, very dramatically, and we also know that as a result bank loans have become the primary source for capital, and we have left the public financial market. We have experienced that very dramatically in terms of funding, for example, rail passenger service to the tune of $1,012,000,000 the other day and abolishing the investment committee of Amtrak. We do not use that any more. We depend on term loans.

Since the introduction of variable interest rates, term borrowers have had no interest at all, absolutely no interest, in paying any attention to the interest rate at any given moment. If one goes to his bank and he says, "The interest rate is high today; I do not think I want to borrow," the banker, who is a money salesman, as bankers have become in this country, says, "You know, if you think it is high today, wait until tomorrow. You might as well borrow now."

"By the way, if Mr. Burns gets involved in this interest rate market and it goes down, we have got ourselves a bargain. So there is no use putting if off until tomorrow. Go ahead and borrow high. It is going to fluctuate. One might as well dive in on it."

What he is pointing out is the simple fact that using a variable instrument we can defeat the monetary tools that the Federal Reserve has used hoping to dampen down the demand for money. The Lord only knows—and that includes the good gentleman from California now on his feet—that when we debated the resolution on the Federal Reserve, when we debated whether or not Congress should take hold and interest itself in controlling the activities of the Fed and gain information about what the Fed does, I was on the side of finding out what the Fed actually does and asserting the congressional will. And I think, if I heard myself not being reflected too incorrectly

during those hearings, that we had with Mr. Burns testifying, that most of the minority side of the aisle were going to be certain that we as a Congress were not going to involve ourselves in destroying the independence of the Fed or modify or seriously damage any of its tools to work with interest rates.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. HAYES of Indiana was allowed to proceed for 2 additional minutes.)

Mr. HAYES of Indiana. In any event, as we went to our money salesman after expansion of this tool, this variable interest rate mortgage began to be more and more used. I think we found ourselves in a position where bank loans, according to the statistics, were growing about 2 percent a month every month for the first half of 1974, on an annual rate of more than 20 percent, in spite of the highest interest rates in the country. Consequently, variables something we had better look at very, very closely in terms of all very finely tuned mechanisms within the money economy and determine whether we really want to wipe it out for this period of time.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. HAYES of Indiana. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

Just for previous history, I supported last year the concept of our General Accounting Office's doing an annual audit.

Mr. HAYES of Indiana. I do not know if I could.

Mr. ROUSSELOT. But at any rate, the gentleman mentioned experience on this subject on the farmers and their ability to comprehend the instrument where it was suggested it be made available. I am sure he is aware the Farm Credit Administration has had this program for 20 years, and presently 77 percent of their portfolio is in a variable rate mortgage.

Mr. HAYES of Indiana. Right.

Mr. ROUSSELOT. And that it has been a successful instrument made available on a free choice basis, so I am sure the gentleman's cause for concern is partially answered by that experience.

I appreciate the gentleman's yielding.

Mr. HAYES of Indiana. It is partially answered, but only partially.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. HAYES of Indiana. I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. I thank the gentleman for yielding.

Let us get this straight. The Farmers Credit Administration has had variables that are nowhere near what we are talking about, nor are they similar, only since 1963. I quote from a letter from them to me dated May 2:

> A single sheet showing the history of changes in interest billing rates of Federal Land Banks' farm loans. These were fixed rates through 1963.

In addition, the Farm Credit Administration loans we are talking about here are loans wherein the borrowers own the institution.

They set their own rates. The rates are not set at the will of who knows who and where and in what context.

Mr. HAYES of Indiana. Mr. Chairman, I have one further point to make. The other principle involved is whether or not we would accept devices such as the Rees substitute suggested and set limits on ourselves here in Congress, a 2-year limit, before we allow our creature, the Home Loan Bank Board, to proceed administratively. I think the proper answer is not to accept such time limitations. We should proceed on the basis of our own oversight jurisdiction and on the basis of our deliberations in the committee. We can gather and analyze information available in the world of finance concerning lending instruments, the types of institutions making loans, and proceed on our own to do our congressionally mandated job.

Mrs. BURKE of California. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Rees substitute.

Mr. Chairman, I would just make a statement in support of the Rees substitute. It is very true the money markets vary from one location to another. In some places the banks do provide the basic home financing and there are some States where the savings and loan industry has been the only one that has made available moneys for home purchases.

In California we had a very distressing experience. The banks would not make home loans and in many instances the savings and loans did not participate in areas with high minority concentrations. In some studies made we found where savings and loans did make loans there was a higher interest rate and higher points were charged and in many instances the loans were not competitive. But in recent years we have had another experience. There was a total withdrawal of financing of homes and multiple units within those areas with high minority concentrations.

The only way that this complete cutoff of money was broken in California in recent years was by a change in the method of allocating loans as well as competition. We found for one thing that with the variable rate more savings and loans were willing to come into the areas, there was more competition and more savings and loans expanded their portfolios. But the variable interest rate at least broke loose more of the money that was totally dried up until a few years ago. It was impossible to get a loan on a multifamily unit in a minority area until very recently.

Every community has to go by its own experience and by its own financial conditions, but in those areas where they at least have made some attempt to use variable interest rates they have done it successfully, why should we prevent them from trying to solve their problem by using a variable interest rate method when it has been shown that this is a definite means of making money available to all consumers?

Mr. BROWN of Michigan. Mr. Chairman, will the gentlewoman yield?

Mrs. BURKE of California. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. Mr. Chairman, I commend the gentlewoman for her remarks. They have been most cogent. She has played a role in the California legislature in this field. I think her discussion of the competitive situation has been accurate. Here we are providing institutions may have the fixed rate but they now compete as far as the variable rates.

Mrs. BURKE of California. Every borrower and owner will not necessarily be the kind of person who will be best served by the variable rate but the fact is if we do have a choice between the variable interest rate and another rate, and if it is being proposed that we would have a lower rate as a choice if we take a variable rate, then I think we should have a right to make that choice. This is a choice people should be allowed to make because unfortunately many of the present instruments that are in effect in California provide for an escalation up of interest but not escalation down.

So that we need some method of making sure that the person is not just subject to an escalation up when they have signed and agreed in their loan documents to be bound by that escalation.

Mr. ROUSSELOT. Mr. Chairman, will the gentlewoman yield?

Mrs. BURKE of California. I yield to my colleague, the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, the gentlewoman is familiar with the protection to the consumer of our colleague, the gentleman from California. Does the gentlewoman believe that the consumer is adequately protected under the gentleman's substitute, because the institution must indicate whether it is a fixed rate variable rate and that they are protected in making sure what they are getting?

Mrs. BURKE of California. Right, and this is the important thing, because in many instances in the past in California people thought they had the protection when the interest rates went up, but there was no way they could go down.

Mr. ST GERMAIN. Mr. Chairman, will the gentlewoman yield?

Mrs. BURKE of California. I yield to the gentleman.

Mr. ST GERMAIN. The California regulations that were established in 1970 provide for the decrease.

Mrs. BURKE of California. That is right.

Mr. ST GERMAIN. And the one institution that is operating exclusively under the variable for 5 years is Guardian of Oxford, Calif. There have been three increases and one decrease during that period. I cannot see how the gentlewoman can state there is not a provision for decrease today in California.

Mrs. BURKE of California. I said there were many people who had entered into instruments before 1970 that did not——

Mr. ST GERMAIN. Those were not under the variable rate contract.

Mrs. BURKE of California. No, it was not a variable. It was only an increase without the provision for a decrease, until there was a provision to establish the variable. Does the gentleman follow me? I thank the gentleman.

Mrs. SPELLMAN. Mr. Chairman, I

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move to strike the requisite number of words. and I rise in opposition to the Rees substitute amendment.

Mr. Chairman, I have heard discussions here today that really are extremely puzzling to me. My colleague from California has stated that the variable interest rate would stimulate the housing industry, that the Rees amendment would make it possible for more people to be buying houses. I find that very difficult to understand.

Homeowners would obviously be hurt by the cost of mortgage rate increases. For example, if the rates were to rise from—and I go back to when I got my mortgage—6 to 8 percent, in the third year of a $30,000, 25-year mortgage, the additional cost to the borrower would be $9,000. For the average homeowner who is unskilled in financial matters of this magnitude, it is quite conceivable that he could commit himself to an obligation under a variable rate mortgage which in the future could escalate beyond his means to pay. As a result, there would be much pressure for Federal intervention to absorb the liability, rather than to allow a large number of foreclosures.

I want to point out that a consumer who realizes that the monthly mortgage payment could well increase by $50 a month within 2½ years is unlikely to assume such an obligation. We all know that young people buying homes today are buying at costs which coincide with the very optimum of their ability to pay. They would be most concerned about mortgaging themselves to pay even more in the future. The fixed rate is what makes it possible for them to buy their homes. So even those who, because of pressures on them to do so, elect to take the variable rate mortgage, would face that substantial burden of being unable to plan a budget in a way that would insure that they could meet not only the increased mortgage obligation, but the higher real estate taxes which go into effect when inflation raises property assessments.

I do also want to make this point: We have no assurance that the fixed rate mortgage would be offered in an attractive manner. What is to guarantee that there will really be a choice? What is to guarantee that lenders will not weigh all the options in favor of the variable rates? Offering the variable rate mortgage as an option to the potential homeowner would not be acceptable if the fixed rate option would be offered in such an unattractive manner that it could not be considered a practicable alternative.

I am very much concerned that the increased profits to lenders in States which under this amendment would be eligible for variable mortgage rates, would force money out of my State and out of many other States, with the result that our housing mortgage moneys would disappear.

I must, therefore, strongly oppose the Rees amendment.

Mr. REES. Mr. Chairman, will the gentlewoman yield?

Mrs. SPELLMAN. I yield to the gentleman from California.

Mr. REES. The language specifically states that they shall be reasonable terms. This is language that would be interpreted by the Home Loan Bank Board. What we are trying to do here is to give a person the option, and it depends directly on a person's financial status and what they think their future earnings will be.

They can make a choice of either fixed or variable rate. If they make a choice of either fixed or variable rate, there also might be another alternative, which is not to increase the monthly payment but to extend the length of the mortgage.

The average mortgage in the United States is turned around about every 8 years, so that would be picked up with the extra sale of the House after that average 8-year period, so it would not be an additional burden.

What we are talking about is merely a choice. Is it better not to buy a house when rates are high, or is it better to buy when rates are high with a variable rate mortgage? I think it is better that we put people in houses now and stimulate the industry.

Mr. ST GERMAIN. Mr. Chairman, will the gentlewoman yield?

Mrs. SPELLMAN. I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. Mr. Chairman, on that question of reasonable experience, who determines what is reasonable, the buyer, who is totally a captive of the lender or real estate agent, who is totally unable to judge the reasonableness of such sales offer and hence totally susceptible to the supersalesmanship the lender has? As far as extending the term is concerned, we could extend that to infinity, yes, but we will never ever pay for the home. Our great, great, great grandchildren still will not own that home because they will be paying interest on it.

Mr. JOHNSON of Pennsylvania. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Rees amendment.

Mr. Chairman, I support the Rees amendment which will permit federally chartered savings and loans to offer variable interest rate mortgages in those States which allow State-chartered savings and loans to offer variable rate mortgages for two very good reasons.

The first reason is because the bill insists that the creditor offer the loan applicant, along with a variable rate mortgage, a fixed interest rate or conventional mortgage. Thus, the loan applicant has the option, depending upon his financial situation, to select either variable or fixed rates of interest. If he or she is upwardly mobile, they may well desire a variable rate—starting with a lower rate of interest than offered with the conventional mortgage knowing that if the interest rate increases their salary increases will more than compensate for any such increases in the interest rate.

This is very much a consumer oriented piece of legislation. We are giving consumers the option of choosing whichever mortgage vehicle suits their particular needs the best.

The man or woman on a more or less fixed income, who sees that for the next few years his income is fairly stable, will not be in a position to make increasingly larger payments. He or she will want to choose the fixed or conventional mortgage. The important thing here is that we are providing the means for consumers to make a free choice.

The second favorable feature of the Rees amendment, in my judgment, is the right of prepayment without any penalty. This is a further safeguard in the consumers' favor. It means that any person who has opted for a variable rate mortgage can, if faced with a rising market and only if the lender determines to raise the interest rate, prepay his entire mortgage. He or she may have paid his mortgage off down to the point where he may want to borrow the money elsewhere, such as from family, and pay off the remaining balance.

I think people are getting sick and tired of Washington telling them what they can or cannot do. The substitute offers the freedom for some self-determination State by State. If you believe in States rights, if you believe in self-determination, support the substitute.

I agree that people want Congress, when it acts, to say what it means leaving less discretion to agencies to write the rules. The substitute speaks directly to this, outlining the consumer safeguards which must be included in regulations governing the use of VRM's.

Obviously, this legislation is not a panacea for the home mortgage industry, but no single piece of legislation has ever proven to be a panacea. This is an attempt by Congress to set down very specific guidelines so that the Federal savings and loans can offer variable rate mortgages under very controlled conditions.

America has grown, prospered, and led the world through experimentation and innovation. Let us not celebrate our Bicentennial cringing in the corner afraid to try something new. I recommend a vote for the substitute bill.

Mr. MYERS of Pennsylvania. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to engage the gentlewoman from Maryland in colloquy.

During her presentation, as I sat here and listened to it, I got the impression that the gentlewoman opposes this amendment, because she believes the motivations of lending institutions are generally geared toward forcing foreclosures rather than having successful loans. I will put this question to her, because the gentlewoman indicated that there is pressure for borrowers to accept one program or another. Is it not, in fact, much more important for a lending institution to have a reputation of granting successful loans? If this is so, the lending institution would be interested in having borrowers able to pay back the loan. Lending institutions would probably suggest, based on the borrowers' income pattern, and the current money market, one program or another but would certainly not be able to force the borrower to accept.

Does the gentlewoman not think that a lending institution would suggest a variable rate to help the borrower when the market was 9¾ percent because of the possibility of it going down?

Mrs. SPELLMAN. Of course, the lenders want to have successful mortgages, and that is exactly why they would not lend to people who do not have upward mobility—and I am speaking of minority groups now, who are the ones who would be the first ones to suffer, because they would not have the potential for the escalating incomes which would enable them to pay increasing rates. There is no question that there would be discrimination against such people. Today in a fixed rate market they have difficulty in borrowing. In a variable rate market, they would not have a chance.

Mr. MYERS of Pennsylvania. I would like to say that the gentlewoman from California just answered from a case history in California exactly the opposite of your assumptions.

I would say, if I were listening to the colloquy, that I would have to accept the information from someone who came from the State which had experienced the real effect of having put this legislation through, rather than someone who is speculating on what might happen.

Mrs. SPELLMAN. To carry that analogy through, I would point out to those who are saying this amendment would stimulate the building industry, that I would have to accept the advice of the building industry that this would be disadvantageous to home builders. To those who claim that this amendment will protect the consumer, I would point out that I would have to accept the advice of the consumer groups. It appears very obvious to me that this has to be a ripoff on the consumer and this has to be a way of closing off the building industry. I am just following the gentleman's guidance in reaching conclusions.

Mr. MYERS of Pennsylvania. In conclusion, I would like to say I do not think the motivations of lending institutions are to create foreclosure. Furthermore, I know of very few cases where our enacting legislation to remove the right of choice for the general citizenry is the best path. I think the lending institutions would use their influence to suggest how someone could successfully pay back a loan that they are getting through that institution, and I think we should provide that choice.

Mr. ST GERMAIN. Mr. Chairman, I rise in opposition to the substitute amendment offered by Mr. Rees.

Mr. Chairman, I think it is rather comical that this substitute seeks to accomplish that which the Home Loan Bank Board has been unable to do in over 6 years. The Board first proposed regulations in 1969 on variables and, according to their testimony, have studied the variables since that time. They came up in 1972 with some regulations subsequently withdrawn. They returned in 1975 and published them in the Federal Register for comment.

And now we have before us a substitute which again differs from what the Home Loan Bank Board has proposed and differs from the statute and regulations in effect in the State of California.

Hence the necessity for H.R. 6209. It should be abundantly clear that the variable concept, which, according to all of the consumer witnesses and labor witnesses who appeared, is nothing more or less than a ripoff on the consumer and a guarantee of a bottom-line profit for the lending institutions, is still not well thought out.

Therefore, H.R. 6209 prohibits the issuance by federally chartered institutions of variable rate mortgages and lets the Congress decide how relief should be given to the savings and loan industry in a manner that is fair to the consumer. I defy anyone on the floor of this House—anyone—to state that they can out-do me when it comes to support of the thrift institutions of this Nation, because my belief in their importance in providing mortgage money for the average-income American, the workingman, is well known by my colleagues. I have supported them time after time after time. But now and then we get to an instance where they can be wrong. In this instance, we are here because four of the Nation's largest associations, all State-chartered in California, decided in February they were going for the variables. They are stock associations, profit-making associations. There is nothing wrong with a profit, but by the same token, why should this action in California motivate, implement, or force the Congress to say, "All right, we are going to lie down and play dead. We are going to go along with the variable because they want them in California"? That is a judgment we in Congress shall make for the Nation in the public interest.

As to which States are covered, even the gentleman from California (Mr. REES) will agree that there was a list yesterday and there was a different list this morning. The Home Loan Bank Board does not even know, after 6 years of study, which States do not allow variables and whether these variables are variables in the term only or whether they are variables in the rate only or whether they are escalator clauses that we are talking about.

The sum total of all of this is, my colleagues, that this substitute seeks, after a couple of days, to come up with an answer that the Home Loan Bank Board has not been able to do in 6 years.

This substitute does not address itself to what the differential would be. Should there not be a limit or should we go along with what Chairman Bomar said and agree that the differential, that is, the difference between what the fixed rate mortgage would be and the variable would be, should be as much as is required to convince the borrower to accept the variable option because he or she would say to himself or herself, "There is no way I can compare these two because of the difference in the initial rate"?

Let us look at Guardian of California: Three increases and one decrease since 1970. They forbore in a number of instances on their last increase because they know full well it would then have gone over beyond what the fixed rate was in that same market area.

People talk about confusion as to indices. This substitute does not help us out on the index. We can have 12 savings and loans on the street, each one of them geared to a different index. How can anyone expect the poor borrower to determine which institution and which index he or she should select?

Mr. Chairman, I ask for the defeat of the Rees substitute.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from California (Mr. REES).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. ST GERMAIN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 167, noes 232, answered "present" 3, not voting 31, as follows:

[Roll No. 192]

AYES—167

Abdnor
Alexander
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Ashley
Bafalis
Bauman
Beard, Tenn.
Bell
Biester
Bowen
Breckinridge
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Burgener
Burke, Calif.
Burke, Fla.
Butler
Byron
Clancy
Clausen, Don H.
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Conte
Corman
Coughlin
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Danielson
Devine
Dickinson
Dodd
Duncan, Oreg.
Duncan, Tenn.
du Pont
Edwards, Ala.
Edwards, Calif.
Emery
English
Erlenborn
Fenwick
Findley
Flynt
Forsythe
Frenzel
Frey
Giaimo
Ginn
Goldwater
Goodling
Grassley
Gude
Guyer
Hagedorn
Haley
Hannaford
Hansen
Hébert
Heckler, Mass.
Hefner
Heinz
Henderson
Hillis
Holt
Hutchinson
Hyde
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Okla.
Kasten
Kelly
Kemp
Ketchum
Kindness
Krebs
Lagomarsino
Latta
Levitas
Litton
Lloyd, Calif.
Lott
Lujan
McClory
McCloskey
McDade
McDonald
McEwen
McHugh
McKinney
Madigan
Martin
Mathis
Melcher
Michel
Miller, Calif.
Miller, Ohio
Mills
Mineta
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Myers, Pa.
Passman
Patterson, Calif.
Pattison, N.Y.
Pettis
Pressler
Pritchard
Quie
Quillen
Randall
Rees
Regula
Rhodes
Rinaldo
Robinson
Roncalio
Rose
Rousselot
Ruppe
Ryan
Sarasin
Satterfield
Scheuer
Schneebeli
Schulze
Sebelius
Shriver
Shuster
Sisk
Smith, Iowa
Smith, Nebr.
Stanton, J. William
Stark
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stuckey
Symms
Talcott
Taylor, N.C.
Thone
Thornton
Treen
Waggonner
Wampler
Whalen
Whitehurst
Wiggins
Wilson, Bob
Wydler
Wylie
Young, Alaska
Young, Fla.
Zablocki

NOES—232

Abzug
Adams
Addabbo
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bennett
Bergland
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Buchanan
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carr
Carter
Casey
Chappell
Chisholm
Clay
Collins, Ill.
Conyers
Cornell
Cotter
D'Amours
Daniels, Dominick V.
Davis
Delaney
Dellums
Dent
Derrick
Derwinski
Diggs
Dingell
Downey
Downing
Drinan
Early
Eckhardt
Edgar
Eilberg
Esch
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fish
Fisher
Fithian
Flood
Florio
Flowers
Ford, Mich.
Ford, Tenn.
Fountain
Fraser
Fulton
Fuqua
Gaydos
Gilman
Green
Hall
Hamilton
Hammerschmidt
Hanley
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Helstoski
Hicks
Holland
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Keys
Koch
Krueger
LaFalce
Leggett
Lehman
Lloyd, Tenn.
Long, La.
Long, Md.
McCormack
McFall
McKay
Macdonald
Madden
Maguire
Mahon
Mann
Matsunaga
Mazzoli
Meeds
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patman
Patten
Perkins
Peyser
Pickle
Pike
Poage
Preyer
Price
Railsback
Reuss
Richmond
Roberts
Rodino
Roe
Rogers
Rooney
Rosenthal
Rostenkowski
Roush
Roybal
St Germain
Santini
Sarbanes
Schroeder
Seiberling
Sharp
Simon
Skubitz
Slack
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, James V.
Steed
Stokes
Stratton
Studds
Symington
Teague
Thompson
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waxman
Weaver
White
Whitten
Wilson, Charles H., Calif.
Wirth
Wolff
Wright
Yates
Yatron
Young, Ga.
Young, Tex.
Zeferetti

ANSWERED "PRESENT"—3

Pepper
Walsh
Winn

NOT VOTING—31

Anderson, Ill.
Bedell
Cederberg
Clawson, Del
de la Garza
Eshleman
Foley
Gibbons
Gonzalez
Gradison
Hastings
Hightower
Hinshaw
Landrum
Lent
McCollister
Mink
Mollohan
Mosher
O'Brien
Rangel
Riegle
Risenhoover
Runnels
Russo
Shipley
Sikes
Sullivan
Taylor, Mo.
Vander Jagt
Wilson, Charles, Tex.

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. J. WILLIAM STANTON

Mr. J. WILLIAM STANTON. Mr. Chairman, I offer an amendment.

The clerk read as follows:

Amendment offered by Mr. J. WILLIAM STANTON: Add the following after the word "rates" on line 8: "The prohibition authorized by this act shall expire on June 30, 1977."

Mr. STEIGER of Arizona. Mr. Chairman, will the gentleman yield?

Mr. J. WILLIAM STANTON. I yield to the gentleman from Arizona.

(By unanimous consent Mr. STEIGER of Arizona was allowed to speak out of order.)

HIJACKING IN THE CAPITOL

Mr. STEIGER of Arizona. Mr. Chairman, I think the House should be aware that right here in this Capitol of the United States there is a rather startling event taking place, the first hijacking, at least, that I know of. If we will, the hostage is the President's nomination for the Secretary of the Interiorship, Mr. Stan Hathaway. The price is the intimidation of the President of the United States so as to force him not to veto the strip mining bill. I thought the House should be aware of this and I am certain that the Senate will come to its senses and the House will rise to this outrage and insist that orderly process continues.

Mr. J. WILLIAM STANTON. Mr. Chairman, when the Clerk read this amendment, I inadvertently had put in there that it was an amendment on line 10. Actually, it is an amendment to line 8.

Mr. Chairman, I ask unanimous consent to change that from line 10 to line 8.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. J. WILLIAM STANTON. Mr. Chairman, the House has worked its will in regard to the subject of variable interest rates. I had stated in general debate that I certainly planned to support this legislation, regardless of the fact that the Rees amendment passed or did not pass; but what we have done is worked our will to this extent by telling the Home Loan Bank Board that at the present time under the present legislation as it now exists that for all time we have ruled out the subject of variable rate interest consideration.

I believe that the Rees amendment was profound and worth our consideration, due to the fact that some 17 States of the Union now have passed or have on the books regulations allowing variable rate interest consideration. If in the future some of these States would implement them the way California does, then I believe that some day, some time, this House would want to take another look at the step we took today, if only for the fact to meet, assemble and review it and say, "All right, we will extend this for another year or 2 years."

So what my amendment does is to limit the consideration, the vote on this bill which we are about to take, for 2 years, establish a reconsideration date as of June 30, 1977.

I think it is a reasonable amendment and I urge the favorable consideration of the House.

Mr. ST GERMAIN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have a great deal of respect and regard for my colleague from Ohio. He offers the amendment with good intentions. However, we have just defeated a 2-year bill similar to this. It was defeated in committee, and the substitute was just now defeated.

What we are saying is, we are going to prohibit it for 2 years, and at the end of that time we can work this exercise all over again. I say, let us defeat this amendment and put in a prohibition. We have a study underway to go into the overall picture of financial institutions, and variable interest rates will be considered in connection with that study. If the Home Loan Bank Board and the industry want to come up and look for a variable interest rate, let them have the burden of proof. Why should we, the Congress, be led around by the industry?

Let us be the ones who make the decisions without prescribing any time. For this reason, I say we should defeat the amendment and leave the power with the Congress.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. J. WILLIAM STANTON).

The question was taken; and the Chairman announced the noes appeared to have it.

RECORDED VOTE

Mr. J. WILLIAM STANTON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 164, noes 231, answered "present" 3, not voting 35, as follows:

[Roll No. 193]

AYES—164

Abdnor
Alexander
Andrews, N.C.
Archer
Armstrong
Ashbrook
Ashley
AuCoin
Bafalis
Baucus
Bauman
Beard, Tenn.
Bell
Biester
Boland
Bowen
Breckinridge
Brown, Mich.
Brown, Ohio
Broyhill
Burgener
Burke, Calif.
Burke, Fla.
Butler
Carter
Clancy
Clausen, Don H.
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Coughlin
Crane
Daniel, Robert W., Jr.
Danielson
Derwinski
Devine
Dickinson
Downing
Duncan, Oreg.
du Pont
Edwards, Ala.
Emery
English
Erlenborn
Esch
Evans, Ind.
Fenwick
Findley
Fish
Fithian
Flynt
Forsythe
Frenzel
Frey
Giaimo
Gilman
Ginn
Goldwater
Goodling
Grassley
Gude
Guyer
Hagedorn
Haley
Hamilton
Hammerschmidt
Hannaford
Hansen
Hechler, W. Va.
Heinz
Hillis
Holt
Horton
Hutchinson
Hyde
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Kasten
Kelly
Kemp
Ketchum
Kindness
Krebs
Lagomarsino
Levitas
Litton
Lloyd, Calif.
Long, Md.
Lott
McClory
McCloskey
McDade
McDonald
McEwen
McKinney
Martin
Mathis
Michel
Miller, Ohio
Mitchell, N.Y.

Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Myers, Ind.
Myers, Pa.
Passman
Pattison, N.Y.
Pettis
Pritchard
Quie
Quillen
Railsback
Rees
Regula
Rhodes
Robinson
Rose
Roush
Rousselot
Ruppe
Sarasin
Scheuer
Schneebeli
Schulze
Sebelius
Seiberling
Sharp
Shriver
Shuster
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Stanton, J. William
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Symington
Symms
Talcott
Thone
Treen
Ullman
Wampler
Whalen
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wolff
Wydler
Wylie
Young, Alaska
Young, Fla.

NOES—231

Abzug
Adams
Addabbo
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Aspin
Badillo
Baldus
Barrett
Beard, R.I.
Bennett
Bergland
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Bolling
Bonker
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Buchanan
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Casey
Chappell
Chisholm
Clay
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
D'Amours
Daniel, Dan
Daniels, Dominick V.
Davis
Delaney
Dellums
Dent
Derrick
Diggs
Dingell
Dodd
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Evans, Colo.
Evins, Tenn.
Fascell
Fisher
Flood
Florio
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fraser
Fulton
Fuqua
Gaydos
Green
Hall
Hanley
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Holland
Holtzman
Howard
Howe
Hubbard
Hughes
Hungate
Ichord
Jacobs
Jeffords
Jenrette
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Keys
Koch
Krueger
LaFalce
Latta
Leggett
Lehman
Lloyd, Tenn.
Long, La.
Lujan
McCormack
McFall
McKay
Macdonald
Madden
Maguire
Mahon
Mann
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mills
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patman
Patten
Patterson, Calif.
Perkins
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Reuss
Richmond
Rinaldo
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rosenthal
Rostenkowski
Roybal
Ryan
St Germain
Santini
Sarbanes
Satterfield
Schroeder
Solarz
Spellman
Spence
Staggers
Stanton, James V.
Stark
Stokes
Stratton
Stuckey
Studds
Taylor, N.C.
Teague
Thompson
Thornton
Traxler
Tsongas
Udall
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner
Waxman
Weaver
White
Wilson, Charles H., Calif.
Wirth
Wright
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

ANSWERED "PRESENT"—3

Pepper
Walsh
Winn

NOT VOTING—35

Anderson, Ill.
Bedell
Broomfield
Cederberg
Clawson, Del
de la Garza
Eshleman
Gibbons
Gonzalez
Gradison
Hastings
Hightower
Hinshaw
Landrum
Lent
McCollister
McHugh
Madigan
Mink
Mollohan
Mosher
O'Brien
Randall
Rangel
Riegle
Risenhoover
Runnels
Russo
Shipley
Sikes
Steed
Sullivan
Taylor, Mo.
Vander Jagt
Wilson, Charles, Tex.

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. If there are no further amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BURLISON of Missouri, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6209) to prohibit the Federal Home Loan Bank Board from permitting Federal savings and loan associations to offer loans secured by one to four homes or dwellings with variable interest rates, pursuant to House Resolution 446, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. BROWN of Michigan. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 291, nays 104, answered "present" 3, not voting 35, as follows:

[Roll No. 194]

YEAS—291

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Beard, R.I.
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Brinkley
Brooks
Brown, Calif.
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carr
Carter
Casey
Chappell
Chisholm
Clay
Cochran
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniels, Dominick V.
Danielson
Davis
Delaney
Dellums
Dent
Derrick
Derwinski
Diggs
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
English
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fish
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fraser
Fulton
Fuqua
Gaydos
Gilman
Ginn
Green
Gude
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Keys
Koch
Krebs
LaFalce
Latta
Leggett
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McCormack
McDade
McFall
McKay
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Passman
Patman
Patten
Perkins
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Railsback
Reuss
Richmond
Rinaldo
Roberts
Rodino
Roe
Rogers
Rooney
Rosenthal
Rostenkowski
Roush
Roybal
Ryan
St Germain
Santini
Sarbanes
Scheuer
Schroeder
Sebelius
Seiberling
Sharp
Shriver
Simon
Sisk
Skubitz
Slack
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Stokes
Stratton
Stuckey
Studds
Symington
Teague
Thompson
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vanik
Vigorito
Waggonner
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wilson, Charles H., Calif.
Wirth
Wolff
Wright
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—104

Abdnor
Archer
Armstrong
Ashbrook
Ashley
Bauman
Beard, Tenn.
Breckinridge
Brown, Mich.
Brown, Ohio
Broyhill
Burgener
Butler
Byron
Clancy
Clausen, Don H.
Cleveland
Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Devine
Dickinson
Edwards, Ala.
Erlenborn
Esch
Fascell
Fenwick
Findley
Flynt
Forsythe
Frenzel
Frey
Giaimo
Goldwater
Goodling
Grassley
Guyer
Hagedorn
Haley
Hansen
Holland
Holt
Hutchinson
Hyde
Jarman
Johnson, Colo.
Johnson, Pa.
Kasten
Kelly
Kemp
Ketchum
Kindness
Krueger
Lagomarsino
McClory
McCloskey
McDonald
McEwen
McKinney
Martin
Michel
Moore
Moorhead, Calif.
Myers, Ind.
Myers, Pa.
Patterson, Calif.
Pattison, N.Y.
Pettis
Quie
Quillen
Rees
Regula
Rhodes
Robinson
Roncalio
Rose
Rousselot
Ruppe
Sarasin
Satterfield
Schneebeli
Schulze
Shuster
Smith, Iowa
Smith, Nebr.
Steiger, Ariz.
Steiger, Wis.
Stephens
Symms
Talcott
Taylor, N.C.
Thone
Treen

Vander Veen
Wampler
Wiggins
Wilson, Bob
Wydler
Wylie
Young, Alaska
Young, Fla.

ANSWERED "PRESENT"—3

Pepper
Walsh
Winn

NOT VOTING—35

Anderson, Ill.
Bedell
Brodhead
Broomfield
Cederberg
Clawson, Del
de la Garza
Eshleman
Gibbons
Gonzalez
Gradison
Hastings
Hefner
Hightower
Hinshaw
Landrum
Lent
McCollister
McHugh
Mink
Mollohan
Mosher
O'Brien
Randall
Rangel
Riegle
Risenhoover
Runnels
Russo
Shipley
Sikes
Sullivan
Taylor, Mo.
Vander Jagt
Wilson,
Charles, Tex.

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mrs. Sullivan for, with Mr. Risenhoover against.

Mr. Russo for, with Mr. Gradison against.

Until further notice:

Mr. Rangel with Mr. Randall.

Mr. Riegle with Mr. Vander Jagt.

Mr. de la Garza, with Mr. O'Brien.

Mr. Sikes with Mr. Gonzalez.

Mr. Charles Wilson of Texas with Mr. McCollister.

Mr. Shipley with Mr. Taylor of Missouri.

Mr. Hefner with Mr. Runnels.

Mr. Cederberg with Mr. Landrum.

Mr. Eshleman with Mr. Hastings.

Mr. Lent with Mr. McHugh.

Mr. Broomfield with Mr. Bedell.

Mrs. Mink with Mr. Hinshaw.

Mr. Mollohan with Mr. Anderson of Illinois.

Mr. Hightower with Mr. Gibbons.

Mr. Brodhead with Mr. Del Clawson.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. OBERSTAR. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the bill H.R. 6209, passed by the House today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

LEGISLATIVE PROGRAM FOR FRIDAY, MAY, 9, 1975 AND FOR THE WEEK OF MAY 12, 1975

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, I take this time to inquire of the distinguished majority leader if he is in a position to announce the program for the balance of the week and for next week.

Mr. O'NEILL. Mr. Speaker, if the distinguished minority leader will yield, I will be happy to do so.

Mr. RHODES. I yield to the distinguished majority leader.

Mr. O'NEILL. Mr. Speaker, there is no further legislative business for today. There will be a pro forma session tomorrow. The purpose of the pro forma session tomorrow is to allow the Committee on Ways and Means to file a clean bill on the energy issue tomorrow in order that they may be able to act on it Monday in committee. We hope to act on it before we go home for our grassroots inspection at Memorial Day.

The program for the week of May 12, 1975, is as follows:

Monday is District day, and there are no bills; H.R. 6575, fourth budget rescission bill for fiscal year 1975; H.R. 3902, maritime authorization, open rule, 1 hour of debate.

On Tuesday, H.R. 4296, agriculture target prices, vote on veto override; H.R. 5357, tourist travel authorization, open rule, 1 hour of debate.

Wednesday and the balance of the week, H.R. 6755, Indochina Migration and Refugee Assistance Act;

H.R. ———, refugee assistance appropriations bill, subject to authorization having been passed by the House, and a rule must be granted;

H. Con. Res. 218, first concurrent resolution on the budget for fiscal year 1976. This is a conference report with 5 hours general debate.

H.R. 4925, Health Revenue Sharing and Health Services Act, subject to a rule being granted;

H.R. 6674, Defense authorization, subject a rule being granted, general debate only on Thursday. We anticipate this will be on Thursday.

Conference reports may be brought up at any time.

Any further program will be announced later.

We may ask on Wednesday to go into session on Thursday morning at 10 o'clock so that Congress may adjourn at a reasonable hour on Thursday.

REQUEST FOR ADJOURNMENT FROM FRIDAY, MAY 9, 1975, TO MONDAY, MAY 12, 1975

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns tomorrow, it adjourn to meet on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman.

Mr. SYMMS. Is the gentleman saying that we will not be in session a week from tomorrow, as near as he can tell?

Mr. O'NEILL. No, there is no plan for a session on Friday, a week from tomorrow.

Mr. SYMMS. I thank the gentleman very much.

PERMISSION FOR COMMITTEE ON THE JUDICIARY TO FILE REPORT ON H.R. 6755

Mr. EILBERG. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have until midnight tonight to file a report on H.R. 6755, to enable the United States to render assistance to or on behalf of certain migrants or refugees.

The SPEAKER pro tempore. In there objection to the request of the gentleman from Pennsylvania?

There was no objection.

MAY 10: THE 200TH ANNIVERSARY OF THE CONVENING OF THE SECOND CONTINENTAL CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 25 minutes.

Mr. KEMP. Mr. Speaker, May 10 marks the 200th anniversary of the reconvening of the Continental Congress in Philadelphia—the seating of the Second Continental Congress.

It was this Continental Congress which resolved to put the colonies in a state of defense, to raise an army, and to unanimously place George Washington of Virginia at its head as Commander in Chief.

It was this Congress which adopted John Dickinson's Olive Branch Petition, asking for a peaceful settlement of differences, which rejected the British Prime Minister, Lord North's, Conciliation Plan, and which in turn had George III reject theirs—the Olive Branch Petition.

It was this Congress which sent emissaries to France and Spain to garner support for the cause of independence.

It was this Congress which, upon the motion of Richard Henry Lee of Virginia and the second of John Adams of Massachusetts—not the best of friends or the closest of associates, moved:

> . . . That these United Colonies are, and of right ought to be, free and independent States, that they are absolved from all allegiance to the British Crown, and that all political connection between them and the State of Great Britain is, and ought to be, totally dissolved.
>
> * * * * *
>
> That a plan of confederation be prepared and transmitted to the respective Colonies for their consideration and approbation.

And, it was this Continental Congress which wrote upon the pages of history this Nation's Declaration of Independence and simultaneously restated fundamental liberties in these immortal words:

> When in the Course of human events, it becomes necessary for one people to dissolve the political bands which have connected them with another, and to assume among the powers of the earth, the separate and equal station to which the Laws of Nature and of Nature's God entitle them, a decent respect to the opinions of mankind requires that they should declare the causes which impel them to the separation.—We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness.—That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed.—That whenever any Form of Government becomes destructive of these ends, it is the Right of the People to alter or to abolish it, and to institute new Government, laying its foundation on such principles and organizing its powers in such form, as to them shall seem most likely to effect their Safety and Happiness. Prudence, indeed, will dictate that Governments long established should not be changed for light and transient causes; and accordingly all experience hath shown, that mankind are more disposed to suffer, while evils are sufferable, than to right themselves by abolishing the forms to which they are accustomed. But when a long train of abuses and usurpations, pursuing invariably the same Object evinces a design to reduce them under absolute Despotism, it is their right, it is their duty, to throw off such Government, and to provide new Guards for their future security.—Such has been the patient sufferance of these Colonies; and such is now the necessity which constrains them to alter their former Systems of Government.

It is appropriate that this Congress—our own—recognize the achievements of that Second Continental Congress, those who led it, those who comprised it, and those who gave it encouragement.

This Continental Congress was concerned somewhat less than 7 months after the adjournment of the First. The date of its convening had been established by the First Continental Congress, to be reconvened if the measures it had voted upon—entering into nonimportation, nonconsumption, and nonexportation agreements and associations, preparing an address to the people of Great Britain, and preparing a "loyal address" to the King—had not been successful in attaining a reconciliation.

The Delegates reelected the venerable Peyton Randolph of Virginia—who had served as Speaker all but the last 4 days of the First Continental Congress—as their Speaker. His declining health permitted him to serve but 14 days, and though he passed the Speaker's gavel to the young John Hancock of Massachusetts on May 24, he continued involved in Philadelphia until his death on October 22.

Events began to unfold rapidly but cautiously.

On May 15 the Congress resolved to put the Colonies in a state of defense, and on May 29, it issued an address to the people of Canada, asking them to join the Colonies as "fellow sufferers."

Then, on May 31, the first formal resolves denying outright the authority and power of the Crown and establishing autonomous local authority were adopted. Known as the Mecklenberg Resolves, they were adopted in Charlotte Town—now Charlotte, N.C. Among other provisions, this crucial first step toward an irrevocable policy of independence, resolved:

> That all Commissions, civil and military, heretofore granted by the Crown, to be exercised in these Colonies, are null and void, and the Constitution of each particular Colony wholly suspended.
>
> That the Provincial Congress of each Province, under the Direction of the Great Continental Congress, is invested with all legislative and executive Powers within their respective Provinces; and that no other Legislative or Executive does or can exist, at this Time, in any of these Colonies.
>
> As all former Laws are now suspended in this Province, and the Congress have not yet provided others, we judge it necessary, for the better Preservation of good Order, to form certain Rules and Regulations for the internal Government of this County, until Laws shall be provided for us by the Congress.

Between June 14 and 17 the Congress debated, then resolved, whether or not to raise men for the New England army in the middle Colonies—Pennsylvania, Maryland, and Virginia. Upon their resolution to so do, the Congress voted unanimously to appoint George Washington of Virginia as the Commander-in-Chief of the forces—to be known as the Continental Army. On June 22 Congress voted $2 million in funds to support the Army with the 12 "Confederated Colonies" to share the burden according to population. Parenthetically, there were, at this point, only 12 Colonies because George had not yet sent official representation to the Congress.

During this period, military movements had commenced in earnest. On May 10 Benedict Arnold and Ethan Allen lead a small force to the capture of Fort Ticonderoga in its crucial emplacement between Lake George and Lake Champlain in New York State. Two days later this force captured Crown Point north of Fort Ticonderoga and on May 16 proceeded into Canada along the St. John's River.

But, there were reverses. On June 17 the British captured the Charlestown peninsula and the north bank of the Charles River above Boston after the battles of Breed's Hill and Bunker Hill. It was here that the entrenched colonials fought back wave after wave of the best the British had to offer, and those British losses have been characterized by historians as "enormous" for that day and time. It was here that the famed patriot and physician Joseph Warren perished, and it was here that the colonial commander, Israel Putnam, ran back and forth across his own lines, giving the order, "Don't fire until you see the whites of their eyes."

On July 3 George Washington took command of the 14,500 troops at Cambridge.

At this point the colonies pursued two divergent courses of action simultaneously—one designed to assure military victory if total war proved inevitable and one designed to permit reconciliation if the Crown and Colonies could come to agreement on essential points. In modern parlance, we would refer to this maneuver as preparing for war and for the possibility of détente simultaneously—which makes a great deal of both common and strategic sense.

Both courses were carried into effect by John Dickinson, the Delegate and attorney from Pennsylvania, who was to eventually become both the President of Delaware in 1781, the President of Pennsylvania in 1781–85, and one of the most important framers of the Federal Constitution in 1787.

On July 5 on Dickinson's motion, the Congress approved the "Olive Branch Petition" to George III, asking for a peaceful settlement of differences and setting forth the colonists' views on the crisis and possible avenues of action for reconciliation.

The next day, July 6, again on Dickinson's motion one in which a young Delegate from Virginia, Thomas Jefferson, had had a major hand in writing—the Congress adopted the famous "declaration of the causes and necessities of taking up arms" resolution. This resolution restated the essence of the previous day's resolution—that the Colonies did not desire independence, but then went on to state in the strongest of terms that they would not yield to enslavement.

This declaration is regarded as one of the most important documents in American history. It is well worth our remembering today some of its more salient provisions:

> We have counted the cost of this contest and find nothing so dreadful as voluntary slavery. Honor, justice, and humanity forbid us tamely to surrender that freedom which we received from our gallant ancestors, and which our innocent posterity have a right to receive from us. We cannot endure the infamy and guilt of resigning succeeding generations to that wretchedness which inevitably awaits them, if we basely entail hereditary bondage upon them.
>
> Our cause is just. Our union is perfect. Our internal resources are great; and, if necessary, foreign assistance is undoubtedly attainable. We gratefully acknowledge, as signal instances of the divine favor toward us, that His providence would not permit us to be called into this severe controversy until we were grown up to our present strength, had been previously exercised in war-like operation, and possessed of the means of defending ourselves. With hearts fortified with these animating reflections, we most solemnly, before God and the world, declare that, exerting the utmost energy of those powers which our beneficent Creator has graciously bestowed upon us, the arms we have been compelled by our enemies to assume, we will, in defiance of every hazard, with unabating firmness and perseverance, employ for the preservation of our liberties; being with one mind resolved to die free men rather than live slaves. . . .
>
> In our own native land, in defense of the freedom that is our birthright and which we ever enjoyed till the late violation of it, for the protection of our property acquired solely by the honest industry of our forefathers and ourselves, against violence actually offered, we have taken up arms. We shall lay them down when hostilities shall cease on the part of the aggressors and all danger of their being renewed shall be removed, and not before.

The Declaration raised for the first time a hint that the Colonies might receive foreign support against Britain—an attempt at giving additional leverage to their negotiating position.

On July 31 the Congress rejected the Conciliation Plan offered by Lord North, the British prime minister whose policies had brought about initially much of the disgruntlement in the colonies with British rule. The Congress thereupon recessed to return to their respective colonies for further consultations on the status of events—"feeling the pulse of the people."

On September 12 the Congress reconvened with all 13 Colonies represented.

On October 13 the Delegates began debate on authorizing a navy and two battalions of marines. With the news reaching them on November 9 that on August 23 George III had rejected the Olive Branch Petition and had declared the colonies in an open state of rebellion, the Congress approved the formation of the Navy and the equipping of the marines on November 10. During the debate of November 9 and 10—upon hearing from England of the unalterable course now before them—they resolved to conduct future proceedings in secrecy "under the ties of virtue, honor, and love of his country."

On November 29 the Delegates appointed a committee to establish formal contact with "our friends abroad," voting likewise the funds for its activities.

On December 6 the Delegates answered officially the latest communication from the Crown, reaffirming loyalty to that Crown but refusing allegiance to the Parliament.

Throughout the month the pace of events quickened.

French agents appeared to express French interests in trade with the Colonies, suggesting the possibility of aid in war against England. Two days before Christmas a royal proclamation, attempting again to regulate the affairs of the Colonies by economic coercion, closed those Colonies to all trade as of March 1, 1776.

Military ventures were marked by success; then by failure. After an expedition led by Brig. Gen. Richard Montgomery captured Montreal on November 13, Benedict Arnold and 1,100 volunteers, joined by Montgomery, attacked Quebec. The campaign was a disaster, with Montgomery being killed, and Arnold was wounded and effective command rendered impossible. During this same period the first American submarine, *American Turtle*, was constructed with great hope for a technological breakthrough in naval warfare, but its attempts to blow up a British frigate in New York Harbor were unsuccessful.

America's growth and progress was not tied exclusively to its independence and war efforts.

Great industrial and social progress was being made, too. The first surgical textbook written in America, "Remarks on the Treatment of Wounds and Fractures," was authored by John Jones, the personal physician to both Benjamin Franklin and George Washington. The first daily newspaper in America, the Pennsylvania Evening Post, was published by Benjamin Towne, and by year's end there were 37 newspapers in the Colonies. It is interesting to note their editorial postures: 23 sided with the patriots, 7 were Loyalist, and 7 were neutral. And, in spite of restrictions imposed by Britain in 1750, colonial manufacture had increased rapidly. By 1775 the Colonies were producing one-seventh of the world's iron supply.

By year's end the Second Continental Congress remained in session. Events were to take, within a few days, a strengthened turn toward creation of additional public support for the patriots' stance in defense of fundamental liberties. That rising tide of support was to be buoyed by the publication on January 10, 1776, of Thomas Paine's "Common Sense."

I intend to deal with the events of 1776 in subsequent remarks, but I think it wise to stop here to analyze briefly the lessons which ought to be gleaned from the events of 1775.

The approval in North Carolina of the Mecklenburg Resolves is important, especially to our system of government, because it shows quite clearly the ability of local citizens to have a profound impact on the course of national events and of local authority to govern themselves. The citizens of Charlotte did not wait until word came to them from higher authority as to what course of action was right and what they ought to do. They did not have to wait until Philadelphia gave them "the word" on what to do. They acted on their own initiative, and it was a successful effort.

The inevitable consequence of excessive taxation had run its course, too. The colonists, especially the middle class, had been heavily taxed to support the Crown and its minions, taxes on circulating documents—the Stamp Act, taxes on tea, taxes on wine. It had been heavily regulated, too—prohibitions on aspects of both import and export trade. In retrospect, what we see is a colonial corollary to the modern phenomenon of "transfer payments." Whereas, in our day, the middle class is carrying on its back the tax load to sustain the lower- and lower-middle-income groups—the productive supporting the essentially nonproductive, in their day it was the middle class, too, carrying the tax load—in that instance to sustain the essentially nonproductive English aristocracy. That burden could be borne only so far, without bringing about either economic collapse or turmoil—depression or revolution.

At a time like today, when nearly 40 percent of the average American family's income is paid in taxes—Federal, State, and local income taxes, sales taxes, estate taxes, gift taxes, transfer taxes, real estate taxes, gasoline taxes, and so forth—one should be deeply concerned about its effects—as I am—on both economic prosperity and the future of individual liberty.

LEGISLATION TO RELIEVE UNEMPLOYMENT THROUGH PUBLIC WORKS PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ROSTENKOWSKI) is recognized for 5 minutes.

Mr. ROSTENKOWSKI. Mr. Speaker, I am today introducing legislation designed to enable localities to undertake much needed public works programs and relieve the high levels of unemployment within the construction and building trade industries. The effect on my own city of Chicago would be great, allowing the city to undertake projects which would otherwise have to be deferred while providing employment of our citizens.

This bill establishes a $5 billion Federal grants-in-aid program for State and local governments for construction, repair, or other improvements of public facilities. These grants-in-aid are to be made available to public facilities projects which promise rapid implementation and the reduction of unemployment. These might include construction, remodeling and repair of police and fire stations, health centers, community service centers, and street resurfacing. These types of projects are necessarily labor intensive and enjoy quick startup.

I commend the chairman of the Committee on Public Works and Transportation, BOB JONES of Alabama, who originated this much-needed legislation. I know that his fine committee will expeditiously move this legislation to the floor.

In introducing this legislation, I am joined by an impressive list of colleagues. This is exactly the kind of support that will show the American people the degree of congressional unity toward solving our economic problems.

STATEMENTS OF EMINENT SCIENTISTS ON SAFETY OF NUCLEAR POWER—CONTINUED DEVELOPMENT AND USE OF NUCLEAR POWER URGED AS ESSENTIAL IN THE PUBLIC INTEREST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. EVINS) is recognized for 15 minutes.

Mr. EVINS of Tennessee. Mr. Speaker, there has been much public debate on the advantages and disadvantages of nuclear power, and in this connection I want to summarize results of research and available information from eminent scientists and others, which indicate that nuclear powerplants are indeed safe, will in fact diminish pollution of our environment, and further, that at this time of energy crisis nuclear power is the only real alternative to conventional electric power generation.

While nuclear power continues to come under attack by various individuals and groups, the great body of available evidence is that nuclear powerplants are safe and needed. The major thrust of opposition argument revolves around the issue of the safety of nuclear plants. Before going into detail on the fine and indeed exemplary track record of nuclear safety, I would like to point out the stark reality that, for the foreseeable future, our Nation's options in providing energy are limited.

America is consuming its oil and natural gas at an extremely rapid rate. Recent studies indicate that our oil and natural gas reserves are less abundant than many experts had calculated.

Our Nation's long-range programs now in the research and development stage will ultimately pay off handsomely in terms of providing energy for our Nation. However, the most enthusiastic supporters of programs such as controlled thermonuclear fusion—another effort to develop a new source of power from nuclear energy—state that the payoff, in terms of providing significant amounts of power to the American people, is in the distant future. Therefore, existing nuclear power technology must play a major role in alleviating the present crisis because the need is pressing, the need is now and in the immediate future—and nuclear energy is the only alternative to fossil fuel-produced energy within the foreseeable future.

Testimony before the Subcommittee on Public Works Appropriations, which I am honored to serve as chairman, indicates that today some 53 nuclear powerplants are in operation and providing 7 percent of the Nation's total installed electrical generating capacity.

An additional 73 nuclear powerplants are under construction and 107 other such plants on order or in the planning stage.

Testimony before my subcommittee has shown that there have been no radiation accidents involving the public as a result of the operation of nuclear powerplants over three decades and during the more than 200 commercial reactor-years of operation in this country.

The substantial majority of the scientific community supports nuclear power as the only current practical alternative power source to fossil fuels.

A recent statement signed by 32 prominent scientists, including 10 Nobel Prize winners, concluded:

> We can see no reasonable alternative to an increased use of nuclear power to satisfy our energy needs.

This statement also included these comments:

> The U.S. choice is not coal or uranium: we need both . . . However, we see the primary use of solid fuels, especially of uranium, as a source of electricity . . . There are many interesting proposals for alternative energy sources which deserve vigorous research effort, but none of them is likely to contribute significantly to our energy supply in this century . . .
>
> The safety of civilian nuclear power has been under public surveillance without parallel in the history of technology. As in any new technology, there is a learning period. Contrary to the acare publicity given to some minor mistakes that have occurred, no appreciable amount of radioactive material has escaped from any commercial U.S. reactor . . .
>
> The separation of the Atomic Energy Commission into the Energy Research and Development Administration (ERDA) and the Nuclear Regulatory Commission (NRC) provides added reassurance for realistic management of potential risks and benefits. On any scaler the benefits of clean, inexpensive and inexhaustible domestic fuel far outweigh the possible risks.

Six other nuclear scientists in a position paper issued last year stated:

> Rigorous examination of the present risks, costs and impact of all electric power sources leads us to conclude that nuclear power is more than acceptable; it is preferable.

These scientists, who included Dr. Ian A. Forbes, chairman of the Department of Nuclear Engineering, Lowell Technological Institute, Lowell, Mass., reached these conclusions:

> 1. During normal operation, nuclear plants pose less risk to public health than coal- or oil-fired electric plants.
>
> 2. The risk to the public, for the worst hypothetical accidents for both nuclear and fossil plants, is less than most of the risks society has historically accepted.
>
> 3. The overall impact of nuclear plants on land, air and water is far less than that of coal-fired plants and comparable to that of the oil-fired plants.
>
> 4. Nuclear plants are much more economical . . . than contemporary large fossil plants.

Dr. Ralph Lapp, noted scientist and author, said in a recent statement:

> I oppose the nuclear moratorium on the ground that no substantial case has been advanced to indict the reactor systems on safety contentions and because opponents of nuclear power have made utterly unrealistic suggestions for alternative sources of energy.

At my request William Anders, Chairman of the recently created Nuclear Regulatory Commission, provided his views on nuclear safety.

He said:

> When nuclear power plants are built and operated in accordance with the rigid regulatory requirements of the Federal Government—and it is the job of the Nuclear Regulatory Commission to assure this—the public can be confident the plants are safe.
>
> We consider that the excellent safety record of the industry has been fostered by the substantial safety margins which have been required and provided in the design and operation of the plants.
>
> At this relatively early stage in commercial experience with nuclear power, it is our view that these margins should be preserved, and we are determined to do just that.

Most of us know that Adm. Hyman Rickover, one of the world's foremost authorities on nuclear energy, is the father of the nuclear submarine. In addition to this historic achievement, however, Admiral Rickover in the naval reactors program developed the technology for the light water power reactors which are used in today's nuclear powerplants.

And some Americans do not know and understand that this program of naval reactors demonstrated the safety of the practical application of nuclear energy 20 years ago. This program put 130 light water reactors into operation on more than 110 nuclear-powered warships.

And, I repeat, for 20 years these nuclear powered ships have sailed throughout the world in complete safety as far as the nuclear reactors are concerned. These ships have logged more than 1,250 reactor-years of operation and have never had a reactor accident.

This is the sound and demonstrated technology and record of safety that laid the foundation for the use of nuclear reactors as instruments for the production of electric power as a part of the program of peacetime application of the atom.

Not incidentally, Admiral Rickover was also responsible for developing and building the first nuclear power station in the world at Shippingport, Pa. This plant has operated since 1957—for more than 18 years—without any reactor accident and without endangering the health and safety of the local citizens.

Certainly this remarkable record demonstrates that power reactors are one of the safest major technical innovations ever developed.

Other testimony before my subcommittee supports the proposition that more radiation may be received from a chest or dental X-ray; the workings of a watch; or a flight from New York to California at 10,000 feet, than would be received if one were a security guard patrolling a nuclear powerplant 12 hours a day for 1 year by walking around the plant.

As a matter of fact, the International Atomic Energy Agency has reached this conclusion:

> Nuclear energy, far from being a major contributor to the pollution of the environment, will in fact diminish pollution as it replaces other sources of electric power such as coal and oil.

Andrew P. Hull, in an article in the magazine Nuclear Safety, stated:

> Nuclear plants produce less air pollution relative to applicable standards than do their fossil-fuel cousins. The concentrations of radioactivity in the liquid effluents from nuclear reactor plants are controllable at levels well below radiation protection standards and pose little threat to the environment.

Many scientists have pointed out—and documented—the fact that the release of radioactivity from nuclear energy is a small fraction of that naturally present in the environment.

A National Academy of Sciences report stated that the radiation from nuclear power was a fraction of the radiation emitted from natural background—natural minerals, rocks, trees, and other sources.

According to R. Philip Hammond, an authority on nuclear reactors:

> The nuclear industry is without exception the safest in the world in which to be employed, and unclear hazards are far better understood than are thousands of widely used chemical and biological agents, or of common energy sources such as coal.

As nuclear power assumes a greater share of power generation in our country, the level of pollution from power production will fall in direct proportion.

And nuclear powerplants are cheaper to operate than fossil fuel powerplants.

The Atomic Industrial Forum's Ad Hoc Committee recently reported that a 1,000 megawatt nuclear powerplant has an annual fuel savings of approximately $26 million—each year—over a similar-sized coal-fired plant.

Therefore, this report concludes, while nuclear plants are more expensive to build than conventional generating plants, the difference in cost can be recovered in 4 years of nuclear operation because of the economy of operation of nuclear plants.

The present level of energy costs is of course, extremely high—a moratorium on nuclear power construction would force them significantly higher.

In 1974 the Atomic Energy Commission commissioned an exhaustive study on nuclear plant safety. The director of the study was Prof. Norman C. Rasmussen of the department of nuclear engineering of the Massachusetts Institute of Technology.

This study concluded that—

> The risks to the public from potential accidents in nuclear power plants are very small.

The report put at 300,000,000 to 1 the chances of a resident living near a nuclear powerplant being killed from a reactor accident in any one year—and estimated the odds on an injury from a nuclear plant in any one year are one chance in 150,000,000.

The possibility of an accident involving 1,000 or more fatalities was estimated at 1 in 1,000,000—the same probability that a meteor would strike a population center and cause 1,000 fatalities.

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There are a number of such comparisons—see attached table—but they all add up to the conclusion that the chances of a nuclear accident are exceedingly remote and the probability of disasters from conventional sources—airplanes, fire, explosions, and toxic gas—incomparably higher.

The table follows:

RISK OF FATALITY BY VARIOUS CAUSES

Accidant type	Total number	Individual chance per year
Motor vehicle	55,791	1 in 4,000.
Falls	17,827	1 in 10,000.
Fires and hot substances	7,451	1 in 25,000.
Drowning	6,181	1 in 30,000.
Firearms	2,309	1 in 100,000.
Air travel	1,778	1 in 100,000.
Falling objects	1,271	1 in 160,000.
Electrocution	1,148	1 in 160,000.
Lightning	160	1 in 2,000,000.
Tornadoes	91	1 in 2,500,000.
Hurricanes	93	1 in 2,500,000.
All accidents	111,992	1 in 1,600.
Nuclear reactor accidents (100 plants)		1 in 300,000,000.

As a matter of fact the probability of 1,000 casualties from an earthquake are 1 in 50 years, while the probability of a nuclear plant accident causing such fatalities is 1 in 1 million years, the Rasmussen report concludes.

This report further points out that there have been no nuclear accidents to date, and that as the technology progresses and more experience gained in safety, the probability of accidents decreases even further.

Mr. Robert D. Partridge, executive vice president and general manager of the National Rural Electric Cooperative Association, in a recent newsletter summarized the importance of nuclear powerplants in this way:

> 1. Nuclear is a highly competitive power source.
> 2. Nuclear power is clean and safe.
> 3. There is no alternative.

This was a point strongly emphasized by the 32 eminent scientists in their statement on energy—that the production of electric energy by the nuclear power technology is urgently needed to accommodate the increasing demands for electric power which double every 10 years.

The further development of this power potential is required by our overall energy demands and the need for fuel conservation.

These scientists say that the urgency of the need for expedited development of nuclear plants boils down to this:

The Nation must have a rapidly increasing supply of electricity, and nuclear plants provide the only feasible alternative at this time to fossil-fuel plants—and they are cheaper to operate.

Intensive research is continuing in many fields—but at this time the nuclear technology is the only economic power-producing alternative to fossil-fuel and hydropower plants that has proved practical. Billions of dollars have been spent on research and development of nuclear technology, and to abandon nuclear power after its successful development and safe operation over three decades would be wasteful in the extreme and tragic.

As the 32 scientists said in their manifesto of January 16 last:

> Nuclear power has its critics, but we believe they lack perspective as to the feasibility of non-nuclear power sources and the gravity of the fuel crisis.

The gravity of the fuel crisis is the overriding and compelling factor—energy must be provided and nuclear power is assisting in providing this energy and will assume a greater and greater share of this burden and responsibility as the technology is refined and further developed.

IMPACT OF A MORATORIUM

Critics of nuclear power who call for a moratorium on nuclear powerplants never mention the impact their actions would have on the consumer and the Nation. Last year at hearings before the Public Works Subcommittee, which I serve as chairman, I asked Chairman Dixy Lee Ray of the former Atomic Energy Commission what the impact of a moratorium on nuclear power would be. Although this testimony was some months ago, I think it is useful to cite this testimony. She stated, in part:

> As mentioned, at the beginning of March we have 177 nuclear plants under construction, on order, or announced. This is in addition to the 42 plants that are operating.
>
> These plants represent a total of about 186,000 megawatts of electricity.
>
> That amount is more than 40 percent of the total of the U.S. electrical generating capacity on line in 1973 and that amount is equivalent to the generation of electric power which would be provided by 6.3 million barrels of oil per day.
>
> The expenses on these plants to date represent an investment of more than $12 billion. Electricity rates would rise by about $1 billion, if there were a moratorium, to cover payment on principal plus interest for each year that the plants were held up by a moratorium.
>
> In addition, contract cancellations and mothballing costs totaling many millions of dollars would need to be paid to component suppliers because of contract forfeitures. Close to 100,000 skilled and unskilled construction workers would have to be terminated, as would several thousand engineers and scientists. A nuclear plant moratorium would also impact on plant component suppliers and fuel cycle firms which would need to reduce their operations or close down, resulting in further unemployment and economic costs.
>
> At the present time there are 33 nuclear powerplants that are under review for their operating licenses. In other words, these are plants where construction has been completed.
>
> These plants represent 31,000 megawatts which would more than double the output of the 42 nuclear plants now operating. If those 33 plants were to be precluded from operating, the fastest means of replacing the needed power probably would be through the use of gas turbines or internal combustion units. A crash program might bring such units on line in 2 years at the earliest, with an increased capital cost which would be from 90 to 100 dollars a kilowatt or about $100 million per 1,000 megawatt plant.
>
> In addition to the increase in capital costs, there would be fuel costs which would be about $168 million more per year than each nuclear plant which was replaced. Diesel fuel cost 26.4 mills per kilowatt hour. Nuclear power costs 2.4 mills. In other words, nuclear is about one-tenth of the cost of diesel. Base load coal-fired plants would be less expensive but coal costs are also rising, and those plants would take a long time to bring on line.
>
> In the longer term the continuation of a moratorium would lead to either massive energy short-falls or greatly increased use of coal or oil to provide the required energy.
>
> For example, the nuclear power forcasted to be on the grid in 1985 would require, if these plants were not nuclear, the equivalent of 8.7 million barrels of oil per day. To import that amount at today's prices would adversely affect our balance of trade by an increment of $32 billion for that year alone.

ENERGY SELF-SUFFICIENCY

America's large and expanding reliance on imports for sources of energy was dramatically exposed during the Arab oil embargo. The results of that embargo—unemployment in various industries, the threat to natural security, soaring costs for fuel, the potential of a severe economic impact if the embargo was prolonged for an extensive time—have led to the emergence of a goal of attaining energy self-sufficiency for the Nation. While witnesses who have appeared before the Public Works Subcommittee on Appropriations have testified that the goal of self-sufficiency by 1980 was overly optimistic, they all supported the concept of the policy and urged that America proceed at a rapid pace to attain the goal.

The continued and expanded development of nuclear power is absolutely essential if we are to attain a reasonable level of energy self-sufficiency. A 1,000-megawatt nuclear plant operating for 1 year at 70 percent of capacity would produce 6,130,000 megawatt hours. The equivalent fossil fuel requirements for 1 year are as follows:

Oil, 11 million barrels.

Natural gas, 62 billion cubic feet.

Coal, 2 million tons.

OPPOSITION TO ENERGY DEVELOPMENT COULD HAVE SERIOUS CONSEQUENCES

Surely disagreements about the many complex issues involved in energy are inevitable and it is healthy to bring the issues out and have them discussed and analyzed. However, some seem to be guided by a one-word philosophy—"Oppose." These critics oppose hydropower because they do not want dams built, they oppose coal plants for environmental reasons, they oppose nuclear plants on safety grounds. They draw up their lawsuits to block the construction of an electrical powerplant while they sit in high-rise office buildings enjoying the conveniences of elevators, heating, lighting and air-conditioning, all powered by electricity.

The era of low-priced, abundant energy which played such an important role in making America the most prosperous Nation in history appears at an end. However, we must make certain that scarcity of energy does not become a permanent fact of American life. Those who are intent on blocking nuclear power and other forms of energy would cause even higher power rates to become a permanent fact of American life.

As indicated earlier, nuclear power has been developed over a period of three decades, and the State of Tennessee with its AEC plants at Oak Ridge and TVA power has been in the vanguard of this advance.

Nuclear power is widely accepted in Tennessee, although there has been some recent criticism with respect to the location of a TVA nuclear powerplant near Hartsville in Trousdale County.

Much of this criticism, however, appears directed at the plan by the Tennessee Valley Authority to acquire substantial good farmland for the plant and also against the impact which the plant may have on local governments with respect to increased demands for services brought on by the addition of an influx of population.

Proponents of the plant, in response to charges of dangers from radiation, point to the Atomic Energy Commission facilities at Oak Ridge where nuclear research, development and production have been in progress for some 30 years.

The Atomic Energy Commission has selected Oak Ridge for location of the liquid metal fast breeder reactor—LMFBR—demonstration plant, which is expected to develop nuclear technology further.

TVA has undertaken the largest single commitment of any single utility in this Nation to nuclear power generation to—as TVA officials put it—"assure the region a dependable supply of electricity during the coming decade."

The first TVA nuclear powerplant went into commercial operation in August of last year at the Browns Ferry Plant in northern Alabama—two units are now installed and a third unit is scheduled for operation in early 1976.

Six additional units are under construction, two each at the Sequoyah and Watts Bar plants in East Tennessee and at Bellefonte in North Alabama. Four units are proposed for the Hartsville site in Tennessee.

In total, TVA's nuclear commitment between now and 1984 involves 17 reactor units at 7 plants—with a combined generating capacity of more than 21 million kilowatts which is greatly needed because of the energy crisis.

These units will virtually double the TVA electric power system—from some 24 million kilowatts to some 47 million kilowatts between now and 1984 when almost half of TVA's total capacity will be nuclear.

Experience has shown that the operation of these nuclear plants in the Tennessee Valley is far cheaper than coal-burning plants. The first unit at Browns Ferry operated at about $7 million less for the first year than did steam plants producing the same amount of power. These are substantial savings and will be much larger, of course, when TVA's full complement of 17 reactor units are in operation in the public interest.

THINGS ACCOMPLISHED THE NAYSAYERS SAID COULD NEVER BE DONE

The harnessing of the atom for the production of power is a major scientific breakthrough—indeed, there were those who predicted that this practical application of nuclear energy could never be accomplished.

Now that the major breakthrough has been achieved, there are those who insist that nuclear production of power should be abandoned as impractical and unsafe.

It was brought to my attention recently that the Library of Congress has compiled a research paper on examples of dire predictions and negative comments on such scientific achievements as the electric light, the telephone, the telegraph, the harnessing of electricity, the gasoline engine, the steam engine locomotive, the airplane, rockets and ballistics missiles, the technique of inoculation in the field of medicine, and many others.

The gist of these negative comments is that these things could never happen—or if they were developed would have no practical application or would be destructive and of no benefit to the public. Today they are all necessities.

Henry Ford, for example, was told by his superiors to devote himself to some useful pursuit and stop tinkering around with his useless gasoline engine.

It was charged that locomotive engines could never be practical because the "boilers would burst and blow passengers to atoms."

It was charged that airplanes could never work because a propeller could never be developed to pull a plane and if one were developed, there would be no way to stop the aircraft.

Even after the invention of the airplane, an astronomer said the idea of big planes flying across oceans with hundreds of people was "visionary."

Thomas A. Edison's work on the electric light bulb was ridiculed as "unworthy of practical or scientific men"—and this by a committee of the British Parliament.

It was charged that the use of smallpox vaccine derived from cows would cause the recipient to develop a "cow-like face."

It was argued, even after the invention of firearms, that the bow and arrow were still superior weapons.

More recently there were long technical explanations by some few scientists on why the intercontinental ballistics missile could never be developed—and rocketry was called too far-fetched to be considered.

The inventor of the radio tube was actually tried in court on a charge of fraud for intimating in his stock prospectus that a voice could be transmitted across the Atlantic Ocean.

It was argued that the poisoned air from locomotives would kill birds, burn up houses along the track, make horses extinct, eliminate highway travel and drive hotels and inns out of business—and a locomotive was too heavy to move, anyway.

And a leading official of the British Navy once said that it would be "absolutely impossible" to steer a ship driven by a propeller.

More recently—in contemporary times—there were those who said this Nation could never develop the atom for any purpose.

And others scoffed at the idea that the United States could put men on the Moon and return them safely to Earth.

The development of worthwhile scientific research projects requires time—and more time is required to develop the practical application of a scientific discovery.

However, nuclear power plants are on line and working successfully. Evidence supports their safety—safety in research and development, safety in construction and safety in operation. Nuclear power is the needed and demonstrated alternative for power during the energy crisis and for the future, in the public interest.

Mr. RONCALIO. Mr. Speaker, will the gentleman yield?

Mr. EVINS of Tennessee. I am pleased to yield to my distinguished friend who is a member of the Joint Committee on Atomic Energy.

Mr. RONCALIO. Mr. Speaker, I thank the gentleman in the well for the excellent presentation and for providing a few more facts in the current dialogue on Capitol Hill with respect to the nuclear powerplant safety issue. I am pleased to join with the gentleman in this business of this legislature.

I should like to call attention to the fact that last February 5 the Joint Committee on Atomic Energy, with the full membership present, held 4 days of hearings on nuclear regulatory commissions' actions requiring safety inspections as a result of the so-called shutdowns of the nuclear powerplants last year which triggered this present furor and which has now come to the Hill. These hearings contain every charge and we had representative witnesses such as Daniel F. Ford, executive director of the Union of Concerned Scientists. They had the opportunity to appear and their arguments were soundly and technically refuted with the exhibits at the hearing.

I have 25 remaining copies of these hearings. My office will gladly send one to anyone who wants the truth regarding nuclear power safety. The Joint Committee on Atomic Energy has several hundred additional copies. These hearings are available without cost while they last. They were the result of joint hearings on the Senate Committee on Government Operations, chaired by the Senator from Connecticut, Mr. Ribicoff, and the Joint Committee on Atomic Energy, chaired by the Senator from Rhode Island, Mr. John Pastore.

My colleague, the gentleman from Washington (Mr. McCormack) will have more to add to this discussion.

Mr. EVINS of Tennessee. Mr. Speaker, I yield to the gentleman from Washington (Mr. McCormack), a recognized authority on nuclear power and, indeed, a scientist himself.

Mr. McCORMACK. Mr. Speaker, I want to congratulate the gentleman from Tennessee (Mr. Evins) for his statement. I think it is most important at this time.

I would like to concur and associate myself with his statements, and add several of my own.

I could not help but think, as the gentleman spoke of the list of scared bunnies who have, through history, said "it could not be done," through to the story of one thing that happened when X-rays were first discovered and announced to the world. This was during the Victorian Age. There were immediately people selling X-ray proof underwear to the Victorian ladies, on the theory there would be X-ray machines for Peeping Toms who could stand along the streets and "undress the ladies" by seeing through their clothes with these new and mysterious X-rays. So they were selling X-ray proof underwear. This is about the level of some of the statements we are hearing today against nuclear energy.

Today, in the Joint Economic Committee, chaired by the gentleman from Missouri (Mr. Bolling). and the Senator

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from Minnesota (Mr. HUMPHREY), Mr. Ralph Nader stated, according to the news wire and a member of the committee who were present that—

> The reactor could experience an accident known as the "core disruptive accident".
>
> In everyday language, this technical euphemism means that the breeder can blow up.

Mr. Speaker, this is categorically untrue, and Mr. Nader knows it is categorically untrue. He knew it when he said it. Unfortunately, however, Members are being deluged with this kind of nonsense as they attempt to deal with the important energy issues facing us.

The fact is, Mr. Speaker, as we try to plan an energy policy for this Nation, and as we try to look forward to 1985, if we establish a spartan conservation program and cut our energy consumption by the equivalent of 6.5 million barrels of oil, and set out on an aggressive program for exploration and drilling for petroleum and natural gas, onshore and offshore; and attempt to double our coal production, and develop all the hydro sites we are going to develop; and get the 221 nuclear plants that are in operation, on order or under construction, we must still import more oil than we are today. If we do not provide the equivalent of 48 to 50 million barrels of oil a day in 1985, the impact will be unemployment of 900,000 jobs for each million barrels of oil by which we fall short. Those 221 nuclear plants will produce the equivalent of the energy produced by 6½ million barrels per day—our total imports. And that is equivalent to about 6 million Americans employed—or unemployed if the energy is not provided.

So what we get down to, Mr. Speaker, is this: There are those who would sabotage our nuclear energy program by spreading false stories about its safety, and try to frighten Congress and the American people into an irrational state so that the nuclear program will be weakened or abandoned. What they are really doing is laying the groundwork for massive unemployment in this country. The simple facts are that if we are going to have economic stability and employment for American workers, we must have more energy. It is just as essential as steel or chemicals or concrete. This Nation's economic stability depends upon developing all sources of energy, including coal and nuclear energy.

So may I take this opportunity to again congratulate the gentleman in the well. The people of Tennessee are indeed fortunate to be represented by Congressman JOE EVINS, a man of outstanding integrity, foresight, responsibility, and courage.

Mr. EVINS of Tennessee. I thank my distinguished colleague for his comments. Some lack perspective in this matter, but not the gentleman from Washington.

THE AMERICAN ATTITUDE TOWARD REFUGEES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. STEELMAN) is recognized for 5 minutes.

Mr. STEELMAN. Mr. Speaker, I am bewildered and disappointed by the attitude some Americans are displaying toward the Vietnamese refugees.

I cannot believe there are some who want to turn their backs on a people whose lands were stormed and their fields and villages bombed, and their spirit, economy, and social order destroyed. I cannot believe there are some who wish to close our doors to those people who stood beside us in a united commitment against tyranny and oppression.

Our military obligation may be over but our responsibilities are not. True responsibility goes beyond guns and ammunition and planes.

Our challenge calls us to extend a new chance, a new opportunity. Such has been our tradition. We have never refused people fleeing persecution, hardship, or oppression.

We opened our doors for the Irish during the great potato famine, Armenians running from Moslem aggression, European Jews trying to escape the reign of Hitler. We welcomed nearly a half a million people after World War II. Between 1953 and 1956 we provided new homes for 189,000 Eastern Europeans.

After the uprising in Hungary we accepted over 30,000 Hungarians. And during the past 16 years we have assimilated some 675,000 Cubans who fled Communist Cuba.

We are a nation of immigrants and refugees, a "melting pot" of many nationalities. From our Founding Fathers to the present our families have been, at one time or another, immigrant families. Not all of them had jobs. Not all of them could speak or understand English.

But our families came here and the immigrant families before them took them in.

We are now asked to welcome 150,000 people. And if this is a burden it is a minor one for a country of 210 million.

To those who say our economy cannot take it, I ask are we a haven from oppression only when it is comfortable to be, only when it is convenient? Many of these people fled sure execution. It is a small contribution we can make to life and humanity.

Most of the refugees are women and children, and those 35,000 able to work will have jobs either in private jobs or Government-supported programs.

We are completing the history of a painful period for both Vietnamese and Americans. If this is indeed the land of the free, then I believe the final chapter will not be filled with anger, apathy, and neglect. If we are to continue as the leader of the free world, if our tradition of providing new opportunities is to endure, then our strength, our courage, and our responsibility must continue after all the battles are over. At this point in the RECORD I include an article from the Washington Post:

PAYING OUR MORAL ACCOUNTS

(By David S. Broder)

The Vietnam refugee controversy suggests a new rule for American foreign policy: Don't bloody up countries whose vanquished you will not accept. No refugees, no bombing, in short.

It is not much of a policy, but if the refugee reaction measures the political and moral condition of this country, it may be the best we can do.

This reporter saw the wave of anti-refugee sentiment beginning to form two weeks ago in the classroom of a community college in Southern California. Many of the students in the introductory political science course were themselves no more than a generation or two from the immigration office, working to acquire an education in the classic American pattern.

But that morning, the Los Angeles Times had headlined a local official's scare-warning that half-a-million Vietnamese might be on their way to California, and the students peppered the visitor from Washington with questions:

Who's going to pay for this? Why should they come here, when we're having a hard time finding jobs as it is? Aren't they just running out on their own country, buying a ticket to Uncle Sucker's welfare state?

The questions went on until the teacher, who happened to be a black woman, cut them off with a remark that she was "ashamed" her students seemed to have forgotten this country's tradition as a place of refuge for the victims of wars and tyrannies.

Her rebuke was just about as ineffective as President Ford's remonstrance ten days later to the House of Representatives, when it refused to vote the $327 million he had requested for refugee aid.

The members of Congress, of course, had other reasons for their action, they said. They were disturbed by language in the same bill allowing President Ford to use American forces to assist the evacuation of Americans and some South Vietnamese from the overrun country.

The language had been written before Saigon's surrender; the evacuation was complete; and Mr. Ford gave his written assurance he would not send American troops back into Vietnam. But members of Congress love acts of retroactive vigilance, and they refused to pass the bill.

Democrats who were trying belatedly to make amends for Lyndon Johnson's misuse of the Gulf of Tonkin resolution joined forces with conservative Republicans who feared some of the money might find its way into Communist hands. Together, they turned against the refugees—those inconvenient reminders of the failure of past policies.

The mail from home, most members of Congress report, has been like the conversation in the California classroom—strongly anti-refugee. And congressmen get re-elected by finding statesmanlike reasons to justify their constituents' strongest emotional biases.

In this case, there is a certain latent racism overlaid with a pervasive desire to escape the responsibilities and the realities of the outside world. Americans resent being told that they have obligations beyond the borders. When some of those obligations attempt to cross the border, the inclination is to resist.

Add that to the Congress' pervasive synicism about presidential utterances and you have the sour sentiment that surfaced in the vote against the refugees.

Rep. John B. Anderson of Illinois tried, in the House debate, to invoke the impact of the unforgettable film "of those hundreds—yes, thousands—of people, who, in their desperate rush and bid for freedom, were literally clawing at the embassy walls in an effort to get through in time to be helicoptered to safety. . . ."

"We do owe some moral responsibility, some humanitarian obligation to those people," the Rockford Republican said, "and I am willing to accept the pledged word of the President of the United States" that the funds would be used to aid the refugees, not to restart the American war in Vietnam.

But Anderson's words were as futile as the California school-teacher's. And so America

emerges as the kind of country that will send a half-million men to a small nation, finance seven years of bombing and burning and battle, shattering the economy and the social order, and then balk at accepting in return 150,000 peaceful refugees into a society of 210 million.

Sometime, somehow, we have to start balancing the moral accounts. And for a start, we might try the no refugees—no bombing rule.

CONDOMINIUM ABUSE INVESTIGATION HALTED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. LEHMAN) is recognized for 5 minutes.

Mr. LEHMAN. Mr. Speaker, last week I joined the chairman of the Commerce, Consumer, and Monetary Affairs Subcommittee, Representative BEN ROSENTHAL, on his panel to listen to the Federal Trade Commission's official justification for the termination of its 1½-year investigation into condominium abuses. I have had a particular interest in this investigation, as many of my constituents live in condominiums and are subject to the abuses the Commission was supposedly exploring. While the Commission spokesmen preferred to describe their action as a "suspension," the word "termination," more adequately defines the Commission's policy. The unalterable fact is, that the Commissioners stopped the investigation cold. On a secret vote taken March 24, the FTC Commissioners cut the funding for this project and transferred the bulk of the investigation to the Department of Housing and Urban Development. This jurisdictional shift is tantamount to squashing the entire FTC's staff investigation into past condominium sales abuses. The HUD study, while beneficial, will only recommend preventitive legislation for future problems, whereas the FTC can litigate on behalf of the consumer to remedy or correct existing conditions that so many of these unit owners are locked into—going back several years.

No testimony was presented at the hearings that convinced me that the FTC was not getting its "bang for the buck." On the contrary, the staff of the Bureau of Consumer Protection argued rather vigorously to press on with the investigation and to bring several test cases, and, were in fact, preparing to take depositions of witnesses in Florida in anticipation of court action when the word came down.

Mr. Speaker, very few can fully appreciate the impact this decision will have on the people, obviously, the FTC does not care. I am speaking now of those condominium residents who cannot get out from under the long-term leases that are attached to recreation and common facilities in a condominium. For nearly 2 years now, condominium owners have been cruelly deceived by the FTC into relying on their good faith and promises that the Commission was favorably disposed, and actively pursuing a course of action that could ultimately result in a judgment that would cancel these 99-year leases. Instead the Commission raised a lot of false hopes—and failed to deliver. It is extremely disheartening to see a Federal agency that was expressly established to protect the innocent consumer from unfair sales practices, to act in such an irresponsible and callous manner.

Mr. Speaker, the Commission testified that it relied solely on its mailbag for obtaining complaints from condominium owners. Since that appears to be their only contact with the people who are most affected by this decision, I have encouraged my constituents in condominiums through their respective association representatives to fill those mailbags with letters, cards, and telegrams expressing their individual concern with the Commission's action. For my part, I intend to pursue this matter in whatever way possible until such time as the FTC reverses itself. One thing is clear: The Commissioners' decision must not be allowed to stand. At this point, I would like to include a copy of a Miami Herald editorial that expresses, I am sure, the feelings of frustration and exasperation that many of these condominium residents are now experiencing:

[From the Miami Herald, May 7, 1975]

FTC BETRAYS PUBLIC ON CONDOS

The thousands of condominium buyers who have been defrauded by unscrupulous builders learned to their dismay last week that they won't be getting any help from the Federal Trade Commission. It secretly decided against pursuing its investigation after hearing only developers as witnesses.

The problem would be well under the rug were it not for a hearing held in public by a House subcommittee headed by Benjamin S. Rosenthal of New York, who has much knowledge and interest in the subject. Both he and Dade Congressman William Lehman challenged the FTC philosophy, which was reflected in a remark by one official who said of condominium owners: "They were grown people who should have known what they were doing."

The conclusion that adults don't need consumer protection smacks heavily of the outmoded concept of "caveat emptor" and ignores the fact that dozens of federal regulatory agencies are working daily to keep grownups out of trouble. The Securities and Exchange Commission, for one, recognizes that people even affluent enough to buy stocks need protection from slicksters.

The agency's excuse for abandoning the investigation was that it was not "cost effective," that the $50,000 allocated for it next year could better be spent on other projects. Yet two million families live in condominiums (250,000 in Florida) and many of them are of modest means or elderly or both. No similar concern about cost effectiveness was expressed for the $350,000 investigation which the FTC plans to launch next year on fake furs, or one on plant labeling which cost $32,000.

Failure of the FTC to take the leadership in effecting reform of condominium abuses also will hamper the states in carrying out their own programs, as an official from Florida testified.

The problem of regulatory agencies failing to regulate is an old one in Washington, but it is time the harsh light of exposure is turned inward on these agencies so that their basic philosophy and machinery can be reformed to meet the real needs of the public.

FOOLISH PLEASURE NEW FLORIDA SPORTS HERO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FUQUA) is recognized for 5 minutes.

Mr. FUQUA. Mr. Speaker, Floridians today have a new sports hero.

He is Foolish Pleasure, that magnificent horse who entered horse racing's circle of immortals when he won what many consider to be the greatest of all thoroughbred races, the Kentucky Derby.

The reason Floridians are so proud is because Foolish Pleasure is a Floridian, born and bred in the Sunshine State, and I am doubly proud because the farm which produced him is in my congressional district.

Foolish Pleasure was born on 200-acre Waldemar Farms near Williston, in Levy County, Fla. He has tremendous bloodlines; his father, What A Pleasure, the son of Bold Ruler, and his mother, Fool Me Not, the daughter of Tom Fool.

Waldemar Farms is owned by the Sams Family of Indianapolis, Ind., and they have every reason to be proud of this accomplishment.

Foolish Pleasure was purchased by John L. Greer of Knoxville, Tenn., and has been trained by LeRoy Jolley. They obviously chose a magnificent animal to wear their colors.

Saturday week, Foolish Pleasure is scheduled to enter the gate at the Preakness in Baltimore, Md. Whatever the outcome, he is already established as a legend in the annals of Florida sports.

CHEMICAL WARFARE AND BIOLOGICAL DEFENSE PROGRAMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. HICKS) is recognized for 5 minutes.

Mr. HICKS. Mr. Speaker, the Defense Department has provided me with a detailed breakdown of their CBW research and development requests for fiscal year 1976 and the 3-month transition period, designated fiscal year 197T. I am placing these figures into the RECORD for Members of Congress and for the general public who wish to know more about developments in this field. Previous year appropriations are included for purposes of comparison.

The figures for research and development show steady increases over the past 2 years to the requested level of $48 million for fiscal year 1976. The fiscal year 1976 R. & D. request would lower the offensive R. & D. share to approximately 35 percent of the total. In past years, offensive R. & D. has accounted for more than 40 percent of the total funds allocated. Defense Department witnesses have told us to expect a continued lowering of the offensive R. & D. share as increased efforts are placed on defensive techniques and systems. That a lowered offensive R. & D. profile will actually result seems somewhat doubtful in view of the requested accelerated development of binary chemical munitions.

The Pentagon's hope is to eventually replace our entire CW inventory with binaries. Binary munitions are a new concept which separate the nerve gas components, making the munitions safer to

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stockpile and transport. But a production go-ahead on binaries brings with it a wide range of problems which must be weighed against potential advantages.

The first problem is one of money: it will reportedly cost approximately $2 billion to detoxify existing stocks and to replace them with the full panoply of binary munitions. Other problems deal with our diplomatic efforts to effectively prohibit the use of chemical weapons. A decision to go forward with another generation of nerve gas weapons may well adversely effect the negotiations now going forward in Geneva to curb the possibility of chemical warfare. While not much movement appears to have taken place over the past year in these negotiations, they are not moribund. Defense planners in the Soviet Union might well seize upon our beginning production of an entire new offensive system to increase their offensive CW capabilities. Of course, it is always possible that the Soviets may forge ahead in this field regardless of what we do.

In weighing the advantages and disadvantages of binaries last year, the Congress voted to not go ahead with the production line for this new generation of nerve gas weapons. The same decision will have to be faced this year: the fiscal year 1976 R. & D. request places three binary nerve gas munitions into engineering development. Work on the Army's 155 millimeter and 8-inch rounds is being funded under program element 64610A, Lethal Chemical Munitions. A joint Navy/Air Force air delivered binary bomb, the Bigeye, is also going into engineering development under program element 64604N, Chemical Warfare Weapons. Accelerated development on the 8-inch round during fiscal year 197T is the reason why CW offensive R. & D. once again goes above the 40 percent mark.

The Bigeye binary bomb project points out one of the major weaknesses in the Pentagon's fiscal year 1976 R. & D. request: Despite testimony to the effect that the Defense Department recognizes the need to upgrade our defensive CBW capabilities, very little is actually being done in this regard. With the request for Bigeye the Navy and Air Force are asking for a munition which they are ill prepared to use. While it is true that both services look to the Army as the lead service for CBW developments, there is almost nothing in their own budgets to prepare for the unique problems they might face if they eventually receive a procurement authorization for programs now in research and development.

The most critical funding in the area of CBW is not within H.R. 6674, the defense procurement authorization bill: An $8.8 million request to go forward with a production line for binary munitions is contained only within the fiscal year 1976 defense appropriations bill. Engineering development programs discussed here will be ready for production lines in the near future; the 155-millimeter shell, which is furthest along in development, is the first binary nerve gas munition in need of a production line.

I include the following:

Program element and title	Fiscal year— 1974	1975	1976	197T
61102A—Defensive systems CW/BW	1.60	1.15	1.40	0.38
62619A—Chemical combat support [1]	2.27	2.15	2.53	.61
62620A—Chemical munitions technology [2]	1.53	1.36	1.95	.47
62710A—Defense against chemical agents	7.64	9.12	11.71	2.83
62711A—Defense against biological agents	1.57	1.51	1.53	.35
62718A—General chemical investigations [1]	4.10	4.77	5.92	1.52
63607A—Army small arms program [2]	.28	.42		
63608A—Weapons and ammunition [2]	.19		.54	.28
63614A—Incapacitating chemical munitions concepts [2]	.39	.81	.54	
63615A—Lethal chemical munitions concepts [2]	1.62	.37	.96	.96
63720A—Biological defense material concepts	1.96	1.21		
63721A—Chemical defensive material concepts	1.10	2.93	6.89	1.62
64601A—Infantry support weapons systems [2]	.14	.13		
64609A—Riot control agent system	.83	125	1.11	.38
64610A—Lethal chemical munitions [2]	2.22	3.23	3.53	1.45
64613A—Incapacitating chemical munitions [2]	.20	.99		
64724A—Biological defensive material		.51	4.33	.81
64725A—Chemical defensive material	2.03	2.02	1.88	
65710A—Joint chemical/biological contact point and test			.77	.22
NAVY				
62764N—Chemical/biological defense technology	.15	.15	.15	.05
64604N—Biological warfare/chemical warfare weapons [2]			1.60	.35
64506N—BR/CW countermeasures			.53	.13
AIR FORCE				
64601F—Chemical/biological defense equipment	.50	.65	.55	.11
Total:				
R. & D	30.32	33.73	48.42	12.52
Offensive	12.94	14.23	16.80	5.64
Defensive	17.38	19.50	30.85	6.88
Percent offensive	43	42	35	45

[1] Program element activity can be applied to offensive or defensive purposes.

[2] Offensive CW R. & D.

Note: Figures may not add due to rounding.

CHEMICAL WARFARE-BIOLOGICAL DEFENSE PROGRAMS

Category and program element	Title	Fiscal year— 1974	1975	1976	197T
Chemical weapons:					
Incap. systems:					
6.46.13	Incap chemical mun	0			
6.36.14	Incap chemical mun concepts	0.39	0.08	0.54	
6.26.20	Chem munitions technology	.73	.61	.74	0.18
Lethal systems:					
6.46.10	Lethal chem munitions	2.22	3.23	3.53	1.45
6.36.15	Lethal chem mun. concepts	1.62	.37	.95	.96
6.26.20	Chem munitions technology	.87	.99	1.21	.48
Total weapons program		5.83	5.28	6.97	3.07
Chemical-biological defense:					
Chemical defense:					
6.47.25	Chem def materiel	2.03	2.02	1.88	
6.37.21	Chem def matl concepts	1.10	2.93	6.89	1.62
6.27.10	Def against chem agents	7.64	9.12	11.71	2.83
Biological Defense:					
6.47.24	Biological def matl		.51	4.33	.81
6.37.20	Biological def concepts	1.96	1.21		
6.27.11	Def against bio agents	1.57	1.51	1.53	.35
Total		14.30	17.30	26.34	5.61
Combat support:					
Riot Control agents:					
6.46.09	Riot control agent sys	.83	.25	1.11	.38
6.36.07 (D455)	Army small arms program	.28	.42	0	0
6.26.19	Chem combat support	1.45	.98	1.54	.37
Flame:					
6.46.01 (D191/DF98)	Infantry sup wpns sys	.14	.13	0	0
6.36.08 (DE82/71)	Wpns and ammunition	.19		.54	.28
6.26.19 (AO65)	Chem combat support	.52	.71	1.00	.24
Total		3.41	2.49	4.19	1.27
Vegetation control 6.26.19 (AD28)	Chem combat support	.40	.46	0	0
Technological Base 6.27.18	Gen chem invest	4.10	4.77	5.92	1.52
Joint CB contact point/test 6.57.10	Joint CB contact point/test	0	0	.77	.22
Basic research 6.11.02A	Def systems CW/BW	1.60	1.15	1.40	.38
Total		29.64	31.45	45.59	12.07

LAFAYETTE LAKE PROJECT: PART II

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. Fithian) is recognized for 10 minutes.

Mr. FITHIAN. Mr. Speaker, several distinguished citizens recently testified before the Appropriations Subcommittee on Public Works, chaired by our distinguished colleague, Joe Evins of Tennessee.

Two of these speakers, Mr. Hubert Yount and Mr. David C. Pfendler, presented expert testimony on the Lafayette Lake project in Tippecanoe County. These distinguished gentlemen analyzed the economic and recreational aspects of the project and further commented on the need for floor control and future water resources.

For nearly 18 years, the community has been divided and disrupted by indecision about the project. Having made the decision to proceed on the project, we can now go forth in an orderly manner to develop Lafayette Lake in ways that benefit the entire community.

I want to take this opportunity to place the remarks of Mr. Yount and Mr. Pfendler in the Congressional Record for the benefit of my colleagues. I would also like to include the written statement submitted by Mr. Leroy Ade, a farmer, who lives along the Wabash River and who is vitally concerned about importance of Lafayette Lake as a means of flood control for the Wabash River Valley.

These are the following statements:

Testimony of Hubert D. Yount, Lafayette Lake

Mr. Chairman and Committee Members: I am Hubert Yount, Realtor and Appraiser and I am serving my third year as Chairman of Community Development Committee for the Chamber of Commerce of Lafayette, Indiana. I have been in my present business for the past twenty-five years. My purpose here today is to influence you and your committee in approving the appropriation requested by Congressman Fithian for the Lafayette Lake Project.

I, personally am in favor of the Lake as is our Chamber of Commerce, City of Lafayette and West Lafayette. I would like to direct most of my testimony to what I feel are the economic impact on our community and also on the tax base which seems to be very derogatory in the minds of some people in our community.

My first remarks are in regard to some 10,300 acres of cropland that may be removed from production, and the impact it would have on food production. This 10,300 acres which would be taken out of cropland would include recreation land acquisition as well as pool area. The cropland acquisition would be about 57% of the project. This cropland is primarily corn, soybeans, hay and winter wheat. I am familiar with this land and have viewed it on many occasions.

The Corps of Engineers in 1971 indicated that the cropland had a productivity of approximately $104 per acre. I think we should recognize that those figures would be adjusted upwardly today with respect to the fact that maybe the cropland has not increased in yield, but that the dollars received for that crop might be more. Much of this land is not what we would consider to be primary farm land. It is marginal farm land, not as highly productive as we might find in our plain lands. This is reflected by the $104 per acre figure they use. The loss of revenue in this area would be approximately $1,200,000. The Corps of Engineers report that our production down the river from protected flood land would be increased by about $1,050.000.00 a year, and that Tippecanoe County production would be increased about $150,000.00 a year. Therefore, we don't have the loss of production the opposition is claiming, and furthermore I believe the Corps to be conservative in the estimated increase in production.

There will be approximately twenty four miles of stream land that is affected by the pool or a total of about thirty miles in the completed project. Much of the land adjacent to the stream is not farm land, but pastureland.

In 1964 to 1969 the number of farms in Tippecanoe County increased, however, the size of them decreased. We apparently have more urban farmers today than before that time. Many of these landowners are not necessarily making their sole living from their farms. They have other jobs and are what we refer to as urban farmers. I don't believe the financial loss to them is going to be as great as it might appear. It is true, we will not have the products they produce from that land, but this can be supplemented by better farm management in the surrounding area and especially in the controlled flood area.

The value of our land has increased over the average of about 6% a year. This has been true until the past 18 months. The past 18 months has blown these figures to bits. But, if we take that curve and look beyond the next 5 or 10 years, I think we will find that it will average itself out, because farm prices are now beginning to level off. I make this point because the Corp of Engineers in their 1971 report stated that the average value of cropland in the Lafayette Lake area was about $700 per acre, but to be fair, I believe today the figure would be nearer $1,000 per acre. This will increase the cost of land acquisition. Based on the 1971 report of $700 per acre, the average farmer in that area was getting a yield of between 5% to 5.4% return on his investment.

I would like to point out that today you can take those funds and probably put them into other projects and get a bigger return than that. I would hope that his returns would be up but I doubt it since the costs have gone up. I might point out that in that area 49.4% of it in 1971 was urban area. So when we talk about impact of farms it is not that great you might say. We do have 375 families and commercial units that would be relocated as a result of this. . . . according to all the reports that I can read and find. In relocating these people and these businesses we are going to say we are taking our home that has been here all of our life and we should not be uprooted. Our experience in the real estate business is that today in our mobile society that most of the people living in that reservoir and I say most not all, would probably in the next 5 to 8 years voluntarily move anyway. As a result of this we have a minority group who would probably remain there the rest of their life. However, I question this minority group if very many of them would remain there because today with the old family doctor gone and are unable to get medical services in our home we find in the real estate business that most of these people when they become elderly are unable to get a doctor to come visit the home they try to move closer to medical facilities which means they usually move into either a small town or into the city where they can get to a hospital or clinic. It is much easier for them to get care. We believe that some of the people who believe they would be there for a lifetime may not remain there. They wouldn't agree with us today but I think later on they would.

Let's talk about land potential development that might occur and I would like to refer back to the Corps of Engineers report which they stated there were approximately 305 acres in their 1971 report probably privately owned land that would be potentially good development ground. This would be as they broke it down three particular types of property. One is a lakefront of 125 acres. This is land which are separated from the shoreline by joint use land only. Then they refer to a lakeview of 100 acres. Those lands contiguous to the category of but lacking direct access to the shoreline. The third category was lake associated of 80 acres. Those lands contiguous to the category. but lacking direct access to shoreline.

Now, let's take a look at those. The average value out there is $700, the assessed valuation on most of the farmland in that area today is based about $100 an acre assessed value which gives it a true reflected value of $300 to $350 an acre. This is below the market value and it is quite true. It does not conform with our assessing manuals. The Corps reported that if this land was to be developed without the lake and they projected that you could get 4 lots per acre and you would have a valuation of about $4,000 per acre based on current prices. This is in 1971. I would like to disagree with the Corps' report. They would say that the current conditions without the lake they would be able to develop that with 4 lots per acre. The minimum requirements for private water and sewage systems with the State Board of Health is 18,000 square feet, so therefore, let's use 2 per acre. I am doing this to make a point and also they use some lot values going back to the highest category of the lake front being approximately $9,000 value. This would give us an $18,000 per acre value. Let's put this into assessed value. This means more. If we were to sell one of those lake fronts and add into the tax load, we would be talking about probably $1,500 assessment on the tax rose or $3,000 per acre for that 125 acres. If we move to the next category which is the lake view fronts, we would be dealing with probably 200 lots with $1,200 valuation. Then moving to the 80 acres we would be talking about $1,000.

We are talking about total assessed valuations of three categories at $775,000 on land only in Tippecanoe County alone, before the assessment of improvements for another $3,875,000.00, plus personal assessment of $2,350,000.00. The engineer's report in 1971 had $3,893,000.00 removed from the tax rolls for a tax base of $245,000.00.

I would like to point out that 305 acres alone if it were to be developed in the future will produce $439,400.00 taxes at our current tax rate. The above is just an example of the development that occurs regularly around lake projects and in addition to this many businesses will spring up.

In my opinion, the tax basis is a very small thing and before the project is completed at the end of five years, we would have more than recovered three times our loss in tax base.

I would like to point to one other thing at this point. The impact on the economy in this community would be tremendous. Let's talk about the Tippecanoe School corporation because Perry Township is the township that is affected by this and Perry township is in the Tippecanoe Corporation. It would necessitate the relocating of some students, but it would not involve many. Primarily elementary and junior high, some high school but a minimum. As I understand the school system can handle this. The tax base in TSC school corp. would increase tremendously as a result of this and should result in lower taxation for those people. I would like to point out that there is also the fact that the water reservoir use for future water supply is a very important thing to us. I think if you would familiarize yourself to the Kokomo problem now of water shortages, that you could very well be reaching us sooner than you think. I cannot help but believe that the impact on the community here in the first year of the construction of this which is in excess of $5 million to this community and over the first 5 years would result in over $23 million in income to people in this community. This is not centered right here in Lafayette but is the community surrounding the county. Based on this factor of 1971 I am sure it would be much higher with today's inflationary problems. But if you look at this it cannot help but be a tremendous impact on the relationship of livability in your district, Mr. Congressman.

I would like to also point out at this time if we go further down the project, you might say in the 10th year, five years after the reservoir has been completed, the Corp of Engineers of 1971 projected the income would be a $1,333,000. Based on that alone and not considering the inflationary things I think you would find it to be a very instrumental thing when the impact of this community is like we have here. We are a rapid growing community and we are going to continue to grow and I refuse to believe that the $60 million or $100 million, whichever it might be cost, is a bad investment, but an investment in the future.

No proposal submitted at the hearing is adequate to be considered as an alternative to the Lafayette Lake. The so called alternative plan most mentioned fails in all aspects to meet the needs of the community. Great emphasis was placed during the hearings about the increased cost of the Lake project, but little or no comment was made about similar increases in the value of benefits.

We believe that you should immediately make every effort possible to appropriate the necessary funds requested by Congressman Fithian to move ahead as rapidly on the Lafayette Lake project.

STATEMENT BY DAVID C. PFENDLER, WEST LAFAYETTE, IND.

Mr. Chairman, I am David C. Pfendler, member of the Wabash Valley Interstate Commission, former Associate Dean of Agriculture of Purdue University, and a long time resident of the Lafayette community.

The Wabash River in the area of Lafayette, Indiana, suffered 150 years of abuse and deterioration. As recently as ten years ago, the river immediately below Lafayette was little more than a series of cesspools with dissolved oxygen readings as low as zero during low flow periods. Since the construction of Missenewa, Salamonie and Huntington Lakes above Lafayette, flood crests have been reduced by about two and one-half feet, low flow has been increased by about one foot, and dissolved oxygen content has remained above 80% saturation during the low flood period. The beauty and viability of the river have been substantially increased.

Lafayette Lake is a key to the integrated development of the basin because of its capability of storing and later releasing over 300,000 acre feet of water. It will reduce the flood crest at Lafayette by eighteen inches and thereby greatly reduce flood hazard in the many thousands of productive acres farmed in the Wabash bottoms below Lafayette. The critical nature of world food supplies mandates the reduction of flood hazard to the vast stretch of productive land in the Wabash bottoms.

Lafayette is now one of the most rapidly growing industrial, university and civic centers in Indiana. The lake will provide high quality water for industrial, domestic and agricultural uses.

Local citizens and university students now need badly the outdoor recreation facilities that will be provided.

Lafayette Lake has an unusual capability for the construction of marsh and shallow water areas desperately needed by migratory water fowl and shore birds as refuge and nesting sites. It will provide sanctuary for song birds, game birds and native animals.

Hiking trails through plantations of wild flowers and native plants are planned.

Lafayette Lake has an immense potential to improve the environment, enhance the quality of life for the region and reduce the hazard to farm crops in the basin below Lafayette.

We have delayed too long. The lake site should be developed as soon as possible.

MAY 7, 1975.

To: House and Senate Appropriations Subcommittee.

MR. CHAIRMAN: I am Leroy Ade, 8526 Division Road, West Lafayette, Indiana. Farming is my only occupation, and I own and operate a farm along the Wabash River below Lafayette.

My interest in the Lafayette Lake is flood control of the Wabash River. I feel control of the Wabash would allow us to control the water table, which has dropped noticeably in the past several years, and would lead to a higher grain productivity. This higher productivity would not only affect me and others in this area who have river bottom land, but also those in areas farther down the river. A few examples should explain my point.

In the past, say 15–20 years, well water could be found at 40 ft. But now the water table has dropped so much that it now requires a well of about 160 ft. to get water. This has come about because of shedding and draining water too fast from our fields by tiling and open ditches. Although it is necessary to drain fields quickly to allow more time to work the fields, flood control would allow us to regulate the water table.

A higher productivity could be obtained by controlling the Wabash from flooding. I own farmable acreage along the river and have lost crops to flooding in the past. In the late 1950's, we lost crops in two consecutive years from flooding. I haven't lost a crop in the past 10 years because the Wabash has become more stabilized. I feel the three water shed dams farther up the river have caused this stabilization and the addition of another dam will benefit even more.

The control of the water table and the higher productivity are two very good reasons for the construction of this dam. I feel the community will reap many benefits from the dam.

LEROY ADE.

WEST LAFAYETTE, IND.

BLOWING THE WHISTLE ON SHIPROCK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. MEZVINSKY) is recognized for 15 minutes.

Mr. MEZVINSKY. Mr. Speaker, for almost 6 months, I have been actively involved in investigating the circumstances surrounding the firing of two nurses, apparently for protesting health conditions, at Shiprock Indian Health Service Hospital. In noting substandard conditions and inadequate care, Valerie Koster and Sandra Kramer managed to spotlight the scandalous conditions at Shiprock and focus attention on an outrageous situation. They contacted me, among other congressmen, and were subsequently fired.

I enclose several news stories outlining these events that were written by Clark Mollenhoff of the Des Moines Register. These articles graphically illustrate the price that HEW intended to exact for this criticism.

Perhaps most alarming were the blatant attempts to suppress corroboration of their charges. Dr. Fred Townsend, in defending the nurses and verifying their description of conditions at Shiprock, was subjected to an immediate reprimand. In a letter tersely phrased and amounting simply to a veiled intimidation, the Service Unit Director, Dr. Luverne Husen, put Dr. Townsend on notice that his continued participation might be met with more drastic action.

I include this letter and Dr. Townsend's letter to us which very articulately raises the serious questions that these blatant efforts at intimidation have failed to suppress. It quite properly concludes that "it's a wonder we haven't killed someone."

For my part, I have the same concern. Certainly Congress must ask the questions raised by Dr. Townsend, as well as by Valerie Koster and Sandra Kramer. I have seen more than enough to convince me that HEW must be confronted with these charges and I ask the House Government Operations Subcommittee on Intergovernmental Relations and Human Resources to investigate the situation at Shiprock. The article follows:

[From the Des Moines Register, Apr. 20, 1975]

IOWAN PROTESTS CARE OF INDIANS, LOSES JOB

(By Clark Mollenhoff)

WASHINGTON, D.C.—An Iowa-born nurse is being fired from her government job for protesting that the medical care for Navajo Indians is "inadequate" at the Shiprock Indian Health Service Hospital.

Valerie Koster, 23, of Davenport, last week told the story of a six-month ordeal at the hands of "a medical gestapo" after she lodged what the Washington office of the Indian Health Service now admits were "legitimate complaints."

"I wouldn't have believed that something like this could happen to a government employe who makes accurate complaints within the chain of command and to Congress," the registered nurse said in an interview.

Ms. Koster and another nurse, Sandra Kramer, 29, of Annapolis, Md., are officially listed as "absent without leave" from assignments in the Indian Health Service while a subcommittee prepares to investigate their case.

KENNEDY INVESTIGATION

The Koster-Kramer experience with the Indian Health Service will be one of several cases explored by Senator Edward Kennedy (Dem., Mass.) in an investigation by his judiciary subcommittee on administrative practices.

The subcommittee is mainly interested in alleged lack of due process of law in the efforts to demote and then fire the two nurses "for publicly criticizing their agency . . . (and) superiors."

And the subcommittee is also interested in learning why the Civil Service Commission office in Dallas, Tex., accepted without investigation the word of Dr. Marlene E. Haffner, area director of the Navajo Area Indian Health Service, and Dr. LuVerne Husen, the service unit director of the shiprock Indian Health Service Hospital in Shiprock, N.M.

INTERESTED IN TESTIMONY

Senator James Abourezk (Dem., S.D.), is interested in testimony from Ms. Koster and

Ms. Kramer on the quality of the health services being given in the Shiprock Indian Hospital. A staff member of Abourezk's interior subcommittee on Indian affairs interviewed the two nurses last week.

Ms. Koster placed number one in her 1970 graduating class at Central High School in Davenport. She is the daughter of Mrs. Henry Koster, a piano teacher.

The two nurses credit the letters of Senator Dick Clark (Dem., Ia.) and Representative Edward Mezvinsky (Dem., Ia.) with getting the kind of focus on their case that held up their discharge and will give them a chance to win over what they called "the Gestapo system at Shiprock."

AGREES WITH NURSES

H. V. Chadwick, the deputy director of the Indian Health Service in Washington, agrees with the two nurses on these important points:

The inadequate health care that they complained about is a condition that the Indian Health Service admits exists, despite some futile efforts to get corrective action.

Dr. Marlene Haffner "was flatly wrong" in the notices she posted that Indian Health Service employes could be fired, and would be fired, for complaining to Congress.

There was a lack of due process of law in failing to properly notify the two nurses of the charges against them and to afford them proper help in connection with the appeals of Ms. Kramer's demotion and the later firings of Ms. Koster and Ms. Kramer.

But Chadwick said that "it is better to go slow about resolving these problems than to do them hurriedly." Chadwick admitted knowing of the case "for four or five months," and allowing the disciplinary actions to go forward against the two nurses.

The story of the ordeal started last September, when the two nurses reported for duty at Shiprock. It was the first job as a registered nurse for Ms. Koster, a graduate of the University of Illinois Nursing School in Chicago.

Ms. Kramer had graduated from Union Memorial Hospital in Baltimore in 1969 and had worked at several hospitals before taking the GS–7 federal position (about $10,000 a year) in Indian Health Service.

"INADEQUATE CARE"

The two say that they eventualy noted dirty conditions around the buildings and evidence of "inadequate care" for Indian patients, talked about it among themselves. and in October went to the director of nursing, Beverly Smith.

Receiving no adequate response from Ms. Smith, their immediate supervisor, and no improvement, they went to Dr. Lu Verne Husen, the service unit director at the hospital, to protest the lack of proper supervision, lack of proper communications and lack of leadership in correcting the situation.

Again there was no response. So. Ms. Koster wrote a letter to the area director, Dr. Marlene Haffner, at Windowrock, Ariz., spelling out details of the unsanitary conditions in the hospital compound and that the focus of hospital activity "is on filling out forms, doing the least possible work with the least possible effort and just getting by."

The letter, also signed by Ms. Kramer, stated that lack of proper communications among the hospital staff members permitted no continuity of health care.

There was no response from Dr. Haffner, so the two nurses sent a copy of the letter to the Navajo Times and to several senators and congressmen, including Clark and Mezvinsky.

LETTER PRINTED

The Navajo Times printed the letter Dec. 5, 1974, and followed it with an editorial on the conditions in the Indian Health Service Hospital.

On Dec. 10, the two nurses were summoned to Windowrock to meet with Dr. Haffner, who denied inadequacies of medical treatment but refused to discuss specifics. She informed the nurses that they could be disciplined for making public statements critical of their agency, superiors or fellow employes. She declared that when they became government employes they lost their right to contact their senators and congressmen.

On Dec. 12, they were called to Dr. Husen's office and Ms. Kramer was informed that the promotion she was slated to receive the next day would not become effective.

After futilely seeking assistance as to how to file a grievance. Ms. Kramer and Ms. Koster finally obtained help from the Office of Equal Opportunity.

WRITTEN NOTICE

On Jan. 13, Ms. Kramer filed a grievance, and the same day Dr. Haffner and Dr. Husen gave written notice to the two nurses that they were to be fired. They received that notice in the main on Jan. 17 and were unable to obtain even a general statement on the grounds for their discharge.

The Dallas Civil Service office ruled that the firing "was not a retaliation" which would have been illegal, but was a firing for cause. But this "cause" still was not revealed to the two nurses.

Later, as a result of the protests of Senator Clark, Senator Joseph Montoya (Dem., N.M.), Representative Mezvinsky, and Representative Marjorie Holt (Rep., Md.), the Indian Health Service ordered a rescinding of the firing.

But it was not until after Apr. 1 that the nurses were . . . general charges that had been filed against them—alleged use of profanity, carelessness of dress and insufficient attention to duty.

Even as of Friday, they had been unable to obtain any specific details on the persons making the charges or the time and place of the alleged acts.

THREATENED ACTION

At the same time, Dr. Haffner and Dr. Husen have threatened disciplinary action against any Indian Health Service doctors, nurses or other employees who engage in public support of either Ms. Koster or Ms. Kramer.

Dr. Fred Townsend, a general medical officer in charge of the outpatient division, has said he received a written reprimand from Dr. Husen and threats of disciplinary action if he persisted in defense of the girls.

A copy of that letter has been requested by Mezvinsky's office to document what appears to be a violation of the law against such reprisals.

. . . The notice, signed by Dr. Haffner, was captioned: "High Court Upholds Firings." The first two paragraphs erroneously stated:

"The Supreme Court has ruled that federal and postal employes may be fired for publicly criticizing their agency, superiors or fellow employes.

"Regarding the right to a hearing and appeal in firing cases, the Supreme Court's decision leaves standing the present system whereby employes do have the right to a hearing and appeal, but only after they have been removed from their jobs."

POINT OMITTED

Ms. Kramer said last week that Dr. Haffner's statement on the Supreme Court ruling "left out the very important point that government employes may be fired for *falsely or improperly* criticizing their agency, superiors or fellow employes."

[From the Des Moines Register, May 4, 1975]

INJUSTICE AT HEW

(By Clark Mollenhoff)

WASHINGTON, D.C.—The Department of Health, Education and Welfare (HEW) is misusing the Freedom of Information Act to deny due process to two nurses the Indian Health Service is trying to fire.

Enough information has been admitted by the Indian Health Service to show the lack of due process without even getting into the merits of the decision to fire the nurses—Sandra Kramer of Annapolis, Md., and Valerie Koster of Davenport, Ia.

Dr. Marlene Haffner, area director of the Indian Health Service, approved the firing last January a few weeks after the nurses had written to their congressmen to complain of "substandard" medical care at the Indian Hospital at Shiprock, N.M.

A few weeks earlier, Dr. Haffner warned the nurses that as government employes they had no right to petition their congressmen, and that criticism of their superiors or the agency was grounds for firing or demotion.

FIRED AFTER PETITION

When nurse Kramer filed a grievance petition to protest a demotion, both nurses were fired for what Dr. Haffner calls "unwarranted disruption of the work force and conduct unbecoming of Indian Health Service employees."

The January firing was to have been effective Feb. 1, but it has been delayed by congressional protest because the nurses have been unable to obtain the details of the charges against them.

They appealed to the Civil Service Commission regional office in Dallas, Tex., but the Dallas office upheld Dr. Haffner on her assurance that "in January, documentation was received in the form of written statements prepared by employes at the Shiprock service unit" to support the charges.

FOUND NO FAULT

The two nurses said that Mrs. Beverly Smith, the director of nursing at the Shiprock hospital, had told them she found no fault with their work or their conduct on the job, and had initiated no charges against them. She had, in fact, recommended Ms. Kramer for promotion in December to head nurse in the pediatric division of the hospital, a raise of $2,000 over the $10,000-a-year job she held.

Dr. William Townsend, who headed the outpatient department at Shiprock, has obtained the names of 40 employees at the Indian Health Service Hospital to protest the firings.

The two nurses brought action under the Freedom of Information Act to obtain details of the charges and the names of those Dr. Haffner said had given written statements supporting the charges.

Russell M. Roberts, HEW's Freedom of Information officer, denied the nurses' request, saying "I must . . . deny access to the documents regarding statements given by individuals. These documents are intra-agency communications consisting entirely of internal memoranda, and to release them would constitute a clearly unwarranted invasion of personal privacy, and are therefore, exempt from disclosure under the Freedom of Information Act."

To make the HEW actions more untenable, Henry V. Chadwick, deputy director of the Indian Health Service, admits the following:

The nurses' complaints of substandard conditions at the hospital were accurate.

They made their complaints within Indian Health Service channels before making their criticism public, and they had every right to complain to congressmen.

It was improper and perhaps a violation of law for Dr. Haffner to take actions that amounted to intimidation of the two nurses or those who supported them.

But with all of those admissions, Chadwick says neither he nor Dr. Emery Johnson, director of the Indian Health Service, has investigated possible law violations by Dr. Haf-

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fner, nor directed that the charges be dropped, nor that the accusers be named.

SERIOUS HEW CHALLENGE

Through months of delays, what began as a dispute over charges that Navajo Indians received "substandard care" has escalated into a serious challenge to the competency and fairness of HEW's procedures.

The fact that the problem has been permitted to grow raises questions about whether HEW Secretary Caspar Weinberger is as good an administrator as he is reputed to be. Weinberger's Freedom of Information officer is responsible for the last gross misuse of the Freedom of Information Act to cover up what appears to be violations of the law.

If Secretary Weinberger doesn't know, why doesn't he?

[From the Des Moines Register, May 8, 1975]

HEW: OFFICIAL "MISUSE" IN CHARGE AGAINST NURSES

(By Clark Mollenhoff)

WASHINGTON, D.C.—The Department of Health, Education and Welfare (HEW) said Wednesday the Indian Health Service had "misused" the Freedom of Information Act in its refusal to inform two nurses of charges against them and the names of their accusers.

The decision to overrule the Indian Health Service and Russell M. Roberts, HEW's Freedom of Information officer, was made by Lewis M. Helms, assistant secretary of HEW, said Theodore Cooper, deputy assistant for health.

IOWA NURSE

The decision ends a three-month effort by the nurses—Valerie Koster of Davenport, Ia., and Sandra Kramer of Annapolis, Md.—to find the names of the persons who it is alleged will support charges that they were "a disruptive force" at the Indian Health Service Hospital at Shiprock, N.M.

They were ordered fired by Dr. Marlene Haffner, the area director of the Indian Health Service, a few weeks after they had written to congressmen and senators with criticism of the insanitary conditions and substandard care the Navajo Indians were receiving at the Shiprock Hospital.

Before ordering the nurses fired, Dr. Haffner demoted Ms. Kramer because she had written to members of Congress and made a copy of the complaints available to the Navajo Times.

When Ms. Kramer filed a formal protest against the firing, Dr. Haffner ordered both nurses discharged on general grounds that they had been responsible for "unwarranted disruption of the work force and conduct unbecoming of Indian Health Service employes."

NO WORK COMPLAINT

Mrs. Beverly Smith, the supervisory nurse in the hospital, told the nurses she found no complaint with their work and had made no complaint about their conduct. The two nurses had filed for a bill of particulars of the charges against them and the names of their accusers.

Dr. Haffner's refusal to file more than generalized charges was upheld by the Civil Service Commission office in Dallas, Tex., and more recently by Roberts, the HEW Freedom of Information officer.

The nurses had appealed to the office of HEW Secretary Caspar Weinberger after failing to convince Indian Health Service Director Dr. Emery Johnson and deputy director H. V. Chadwick that simple due process of law made it necessary for the Indian Health Service to name their accusers.

Helms said the withholding of the names of the accusers had been "a misuse" of the Freedom of Information Act, and the appeal of the Indian Health Service decision was a proper functioning of the act.

NO JURISDICTION

Helms said that his office does not have jurisdiction over the charges Dr. Haffner filed against the two nurses and that will be handled within the jurisdiction of others."

Representative Edward Mezvinsky (Dem., Ia.), one of the congressmen who had complained about the withholding of information from the girls, said he wished "to commend" Helms on the decision.

"It is in keeping with the way a Freedom of Information Act should be operated," Mezvinsky said. "It was inexcusable that the Indian Health Service and the Freedom of Information officer were using that law to justify withholding information."

"SHOULD DISMISS CHARGE"

"Unless there is more to this than the Indian Health Service has produced, they should dismiss the charges, reinstate the nurses, and take some type of disciplinary action against those responsible for unconscionable intimidation," Mezvinsky said.

"There are laws on the books intended to prohibit such intimidation of government employes who are simply doing their job."

DEPARTMENT OF HEALTH, EDUCATION,
AND WELFARE, PUBLIC HEALTH
SERVICE,

January 27, 1975.

MEMORANDUM

To: Fred Townsend, M.D.
From: Service Unit Director.

On January 24, 1975 you involved yourself in personnel matters of this Service Unit You publicly stated that two nurses whose employment had been terminated for disruption of operations of the hospital should be retained. To clarify your position in this matter, I ask the following questions:

1. Is it acceptable for a registered nurse to leave a body in a sitting position for several hours until rigor mortis sets in?
2. Is it acceptable for a registered nurse to lie?
3. Why did you turn a Primary Care Conference held on January 23, 1975, into a forum to attack nursing supervisors in this hospital?
4. Why did you sign a sick leave excuse during the month of December for one of the nurses involved when there was no objective evidence that she was in fact ill?

I want your response to these questions within 48 hours.

LUVERNE A. HUSEN, M.D.,
Service Unit Director.

APRIL 30, 1975.

Please forgive me for being so tardy with the letter we discussed in our phone conversation, but I wanted very much to enclose a few remarks about my view of the situation beyond that immediately surrounding Miss Valerie Koster, R.N. Regarding the letter itself, I was surprised and somewhat offended at its tone. Dr. Husen and I have always been on good terms and remain so to this day. Question #3 involves a conference the minutes of which are on file in Dr. Husen's office and which show the charges suggested in the letter are false. Question #4 suggests an improper motive for an action based on my clinical impression—an impression frequently formed by many physicians without "objective evidence." I can't understand how Dr. Husen could ask such a question. There has been no further discussion of this matter between Dr. Husen and myself since he received my reply on 1/27/75.

The personal relationship between Misses Koster and Kramer and myself has not been close. I became involved only because it appeared to be an "administrative frame-up" to dispose of vocal critics. A similar incidence had occurred to another RN (Janice Batchelder) in September 1973, and I felt strongly that this was the wrong approach. *Some* of the charges made by the original letter are clearly true. Why is there such an effort made to cover them up? Great strides have been made in the last twenty years in up-grading health care delivery to the Navajo. The I.H.S. has much of which to boast without a doubt. But because the situation was so poor at the beginning, there is still a lot of work remaining to bring the system into equality with non-Indian populations. Why don't we advertise our short-comings and display our need for funds and personnel? Why can't we reward the innovators and original thoughts? For the last 22 months, I have seen little but stifling suppression here.

More people than Misses Koster and Kramer have been involved. Hospital morale is poor. There has been a chronic problem with complaints surrounding a nursing administrator whom many here would like to see replaced. A recent report filed at the Navajo Area I.H.S. Directors Office gives what I consider a very accurate and objective account of the overall situation. A site visit was done by a team from the University of New Mexico headed by William H. Weise, M.D. on 3/5/75. Please obtain a copy of his report and pertinent correspondence concerning it from Dr. V. Alton Dohner, M.D., the assistant director of the N.A.I.H.S. at Window Rock, Arizona.

The situation is complex for an outsider to understand and yet, difficult for the insider to see objectively. There are traces of resentment by the Navajo toward white supervisors and signs of overlooking substandard performance because one "can't suspect more from the uneducated Navajo." Working conditions are poor with the whole place at times looking like a county hospital emergency room. A few nurses rushing between seriously ill patients and every nurse I know on the staff has made medication errors. It's a wonder we haven't killed someone. Complaints are received by administrators with a nod of the head and some irrelevant remark about "I remember when. . . . " Nothing positive is ever done to relieve the staffing problem in the nursing units or to respond to criticism of nursing administration. . . . I hope you have read sympathetically this letter and feel a little of the fire and frustration I have felt. Will you help our bureaucratic government respond to their human need?

Most sincerely,
FREDERICK A. TOWNSEND, M.D.

JEOPARDY ASSESSMENT—THE NEED FOR REVIEW

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 10 minutes.

Mr. VANIK. Mr. Speaker, the American people are now entering into the celebration of the 200th anniversary of the Nation's rebellion against a tyrannical and despotic king. As a result of that revolution, the American people adopted a Bill of Rights to protect themselves from any future abuse of power by the central government. Among the articles in the Bill of Rights are the fourth and fifth amendments to the Constitution which read, in part:

> The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no warrants shall issue, but upon probable cause, supported by oath or affirmation. . . .
>
> No person . . . shall be deprived of life, liberty, or property, without due process of law . . .

Despite these nearly 200-year-old rights, there is an agency of the Federal Government which has the power to seize property—even the wristwatch off a citizen's hand—without a warrant, without a court order, without due process of law. This power was given to the Nation's tax collectors during the Civil War and reaffirmed in the Revenue Acts of the 1920's. While the power is seldom used—perhaps 500 times a year—it is a club in hands of the IRS that is often used as a threat against the citizen.

As we approach the 200th anniversary of the American Revolution against improper and despotic government, I urge that we reconsider this power of tax seizure.

WHAT IS JEOPARDY ASSESSMENT?

The sudden enforced collection of delinquent taxes by the IRS is known as jeopardy assessment. In theory, this awesome power to levy and seize personal assets without the need for a court order or judicial review is required only as a final weapon against those who design to escape or flee from payment of their tax and thus "jeopardize" the collection of the Government's revenue.

It is true that in some cases, the regular assessment procedures may be too slow to protect the Government's ability to collect duly owed revenue. It is also true, however, that there is a terrible potential for abuse in the present method of imposing jeopardy assessments.

Mr. Speaker, I believe that there are cases in which the jeopardy assessment power is being abused. Experts have labeled it a "gestapo tactic," and a sort of "legalized blackmail." Judge Brown of the fifth circuit court went so far as to say that it was a "weapon with atomic potentialities in the arsenal of the tax gatherer."

I believe that the Congress must take a close look at what jeopardy assessment actually entails and resolve to eliminate the obviously improper procedures it permits.

There is no question that summary assessment is a unique and sweeping power for a Federal agency. As Michael Peale, Jr., a tax lawyer in Pennsylvania pointed out in an article in the May, 1974 issue of Taxes:

> Section 6861 provides that if the Secretary or his delegate "believes" that the assessment or collection of a deficiency in income, estate, or gift taxes, may be jeopardized by delay, he can immediately assess the deficiency. Neither the statute nor the provisions provide any guidelines concerning the basis upon which the Secretary or his delegate must rest his belief.

This view is supported in an article by Michael Gould, a former Special Assistant to the Attorney General, Tax Division, and official of the IRS Office of General Counsel, which appeared in the publication of the 18th Institute on Federal Taxation at New York University:

> The statute does not specify that the Secretary, or his delegate, must make a determination that the collection or the assessment of the tax might be jeopardized nor does it require that the Secretary, or his delegate, give any reason why he believes that the assessment or collection would be jeopardized by delay.

Congress itself is occasionally aware of the magnitude of this provision. In 1953 the Senate Finance Committee report stated—

> Under existing law, if the Bureau of the Internal Revenue believes that ultimate collection of a tax is in danger, it may make a so-called jeopardy assessment. This is an arbitrary assessment designed to get control of available assets of a taxpayer . . .

THE DANGERS OF JEOPARDY ASSESSMENT

The issue today is twofold: It is one of inherent power, and one of potential abuse. Recently, jeopardy assessment has only been used against 450 to 550 taxpayers per year. Large numbers of taxpayers are not directly affected by this collection tool. But there are strong indications that IRS personnel frequently threaten taxpayers with jeopardy assessment. It is absolute power, it is a power that goes to the heads of bureaucrats, and leads to an arrogance of power and a violation of citizen rights throughout the tax system. The existence of this power, whether used frequently or not, tends to corrupt the entire approach of the IRS toward the American taxpayer. It may be a seldom used power, but it is a breach in the wall of rights which the American citizen believes he has and indeed should have under the protection of the Constitution.

Under jeopardy assessment, the IRS has the ability to take possession and control of the entirety of a man's assets. There are presently no structural barriers to prevent wanton assessments and seizures by over-pressured, and as a result, over zealous collection agents. There are no checks and balances to the system. No court of law much determine whether or not the Service does indeed have a case. In this sense, it is a violation of the very types of rights established by the Magna Carta 750 years ago.

The only protection afforded the taxpayer against abuse of the summary assessment procedure is the Service's own policy limitations. The only statement which I can find in Service manuals which deals with limitations, however, is a brief and very innocuous paragraph which reads:

> Jeopardy assessments should be used sparingly and care should be taken to avoid excessive and unreasonable assessments.

Yet, as the Ways and Means Committee's Subcommittee on Internal Revenue Taxation was quick to point out in the 85th Congress:

> A frequent complaint is that jeopardy assessments are being used in specific instances for punitive and not revenue purposes . . . That these instances are not in accordance with the prescribed policy of the national office is not a sufficient answer, when vital rights and dignities of individuals are being violated.

These policy limitations are binding only so long as the IRS chooses to follow them. When we consider that the consequences of a jeopardy assessment almost always result in what the Georgetown Law Journal in 1955 labeled, an "unalterable change of life for the individual," we must come to the realization that we cannot permit this "sovereign stranglehold" to continue.

Two basic issues concerning jeopardy assessments have been presented to the courts. It appears that in many cases summary assessment procedures do not conform with due process and may, in fact, be completely contradictory to the fifth and fourteenth amendments. In a recent case against the IRS, a taxpayer has argued:

> (1) that the summary assessment and seizure procedure necessarily imposes a hardship on the taxpayer,
>
> (2) that because the procedure followed by the Service does not permit a prompt post-seizure hearing following the seizure of a taxpayer's property, the procedure is violative of the requirements of due process; for there exists no compelling governmental interest to justify the long delay . . . (*Phillips* v. *Commissioner of IRS*, 283 U.S. 589, 51 S. Ct. 608, 1931)
>
> (3) the procedure followed by the Service circumvents the procedural safeguards . . . and thus makes it possible for the taxpayers property to be [taken] without due process of law. (*Rambo* v. *U.S.*, 492 F. 2d 1060, 6th Cir., 1974)
>
> (4) the necessity for the taxpayer to endure this tremendous delay between summary assessment . . . and access to a judicial forum to contest the Service's actions renders this procedure violative of the Due Process Clauses of the Fifth and Fourteenth Amendments to the United States Constitution. (*Phillips*, supra)

The IRS claims that the power of jeopardy assessment is essential to the effective administration of the collection of revenue. I am not suggesting that this power be eliminated, rather I believe that judicial review of IRS assessments is in order. Just as law enforcement officials must obtain a search warrant by providing the bench with some sort of substantive proof of need, so the IRS should justify its position.

INEFFECTIVE SAFEGUARDS

The agency asserts that there are presently adequate safeguards to the system. The Congress would be wise to evaluate these safeguards. The taxpayer has four basic options. First, he can post bond with the District Director equal in amount to the assessment. Second, he can attempt to convince the District Director that there is no substantive reason for jeopardy. Third, he can come to some sort of agreement with the Director to insure eventual payment of the deficiency; or finally, he can seek judicial relief.

It would be wise, however, to keep in mind the pertinent statement offered by the article, "Jeopardy Assessment, the Sovereign's Stranglehold" which appeared in the 1967 Georgetown Law Journal:

> Jeopardy assessments are most often levied upon those whose assets allegedly do not cover their liabilities, and they may result in the freezing of assets with the following effect: Real threat to the asset's continued existence, prevention of posting to the asset's contained existence, prevention of posting of the necessary bond, impossibility of adequate defense, and eventual loss of property at a forced sale.

Section 6863 enables the taxpayer to post bond to stay the collection of the assessment. However, this option is an illusory one since a taxpayer has no available funds to post bond if all his assets have been confiscated. No bonsdman will be willing to put forth the necessary moneys, since his collateral would be in serious doubt. All this led a fifth district court to declare in Kimmel against Tomlinson that the right to post bond was "meaningless and actually a mockery."

Section 6861(g) gives the taxpayer the opportunity to call for a conference with the District Director if he feels that the tax is not really in jeopardy. It should be noted that there are no provisions for a formal hearing. Abatement of assessment is an almost impossible task as the taxpayer is asking the man who made the decision in the first place to change his mind. The possibility of a reversal is at best remote. What it boils down to is that the taxpayer must persuade the Director that he was wrong.

Part-payment plans to insure payment of a tax deficiency are frequently worked out in the Director's office. However, they occur solely at the discretion of the Director and thus are, at least, a stop-gap measure. It should be apparent by now that the individual has no remedy to assessment administratively. Can he find judicial relief?

INADEQUATE JUDICIAL PROTECTION

John Wahl, Jr. in the "Assessment and Collection of Federal Income Taxes," 3 Miami Law Quarterly 209, 214 (1949) presents the great need for quick and efficient access to the courts:

> The need for speedy access to a judicial forum is underscored by the fact the assessment in a jeopardy proceeding is a completely arbitrary act performed by the Commissioner of the IRS or his delegate without prior judicial review. The possibility for overassessment is great. Given that this awesome power is reposed in the hands of one man, every opportunity must be made to allow the taxpayer access to a judicial forum as expeditiously as possible. Access is essential both to add regularity to the Commissioner's action and to protect the rights of the taxpayer.

It should be noted that a jeopardy assessed taxpayer who seeks to use the courts will find that he cannot sue to stop assessments since no suit for the purpose of restraining the assessment or collection of any tax shall be maintained in any court. Historically the courts have been loathe to restrain the collection of tax moneys and have refused injunctions to plaintiffs who claimed that assessment was an illegal action—Hannewinkle against Georgetown—or that it was an unconstitutional act—Heywood against City of Buffalo. None of this however has discouraged thousands of Americans from filing suits seeking equitable relief. Indeed the fact that a few injunctions have been accepted by the courts has been attributed to the "tenacity of the American taxpayer." Thus far there has been no regular system of judicial relief available to the individual. Administratively he is stifled. It is exactly this tenuous position that makes the power of jeopardy assessment such a monumental one. In the ultimate question of the rights of the individual versus the rights of the Government's agencies, the individual had so far lost.

We must resolve to change this flagrant inequity. During the coming weeks, I will discuss several legislative solutions to the major constitutional problems which I have described in this speech. Changes are imperative to protect the rights of individuals while maintaining the efficiency of the tax system.

FREEDOM AND INDEPENDENCE IN SOUTHERN AFRICA

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Illinois (Mr. METCALFE) is recognized for 30 minutes.

Mr. METCALFE. Mr. Speaker, from April 7 to 10, the Organization of African Unity—OAU—held an extraordinary session in Dar es Salaam, Tanzania, in which the participating heads of state and foreign ministers discussed the rapidly changing situation in southern Africa. The recent successes of the national liberation movements in Guinea-Bissau, Mozambique, and Angola, the growing weakness of the illegal government in Rhodesia, and the growing isolation of the Republic of South Africa from its neighbors and from the world, as exemplified by its ouster from the last United Nations General Assembly session, had brought about the need to reevaluate black Africa's posture toward southern Africa. The declaration issued by the OAU at Dar es Salaam is a realistic and restrained statement of black Africa's goals. Those goals are completely consistent with traditional American goals of justice and equality for oppressed peoples and with stated American policy, as enunciated by both the State Department and the White House, toward that area of the world. The OAU's goals are:

An end to the inhuman system of apartheid in South Africa;

An end to South Africa's illegal occupation of Namibia, a halt to South Africa's plans to segment and "Bantustanize" Namibia, and full national independence for Namibia;

An end to the illegal government in Rhodesia and the institution of majority rule in that country.

The black African nations have shown that they are willing to enter into a dialog with the minority-rule governments of southern Africa. Their objective is lasting peace and stability in the area. At a recent state dinner at the White House, the Honorable Dr. Kenneth D. Kaunda, President of Zambia, stated to President Ford and those assembled that:

> We do not want to fight a war to win freedom and full national independence in Southern Africa. Africa wants to achieve these objectives by peaceful means, i.e., through negotiations. Our declaration to give high priority to peaceful methods to resolve the current crisis is a conscious decision. We feel it to be our moral duty to avoid bloodshed where we can. We are determined to fulfill this obligation but not at any price, not at the price of freedom and justice.

Dr. Kaunda's statement shows the OAU's strong desire to achieve freedom and justice in southern Africa through peaceful means. However, his statement also shows that the OAU is determined to meet force with force if, as Dr. Kaunda also stated:

> The road to peaceful change is closed by the stone walls of racial bigotry and force of arms by minority regimes.

In order to insure that the tremendous potential for violent conflict in southern Africa, a potential born of a peoples' desire to throw off the yoke of oppression and racism, is not realized, it is imperative that the United States follow the lead of the OAU and reassess its own policies in southern Africa. It is time for this country to back up its stated desire for peace and equality in the area with positive actions, especially at the United Nations. Among other actions, this country must faithfully abide by the U.N. sanctions against the illegal government in Rhodesia. This country must also press for the implementation of U.N. Security Council Resolution 366, which calls for the Republic of South Africa to withdraw from Namibia. Also, this country must halt actions which provide support for the apartheid government in the Republic of South Africa, and take those positive actions which would facilitate the attainment of full justice for all residents of that country.

The end of hostilities in Indochina has brought about an agonizing, but necessary, reappraisal of U.S. policies and actions, not only in Asia but throughout the world. It is vitally important that Africa is not ignored in such a reappraisal. The growing interdependence of the world economic order dictates that resource-rich Africa not be ignored. Also, the desire to avoid violent conflict in southern Africa dictates that Africa not be ignored. Since Congress has begun to realize that it cannot sit idly by and leave the making of foreign policy exclusively to the executive branch, it is the responsibility of Congress to offer guidance regarding other areas of the world, especially Indochina.

Too often, Congress has acted on foreign policy only when a crisis has occurred. I believe, however, that it is good policy to avoid a crisis before it happens. This is why the United States must work with the OAU and all other nations who are seeking peaceful solutions to the problems of oppression and racism in southern Africa. Therefore, I am introducing a concurrent resolution which expresses the sense of the Congress that the United States endorse the OAU declaration regarding southern Africa and work with that organization in achieving the common goals of peace and freedom in the area. My resolution also calls for complete compliance with the United Nations sanctions against the illegal government in Rhodesia and support for U.N. Security Council Resolution 366.

Mr. Speaker, at this point, I would like to insert into the RECORD the remarks made by Dr. Kaunda at the White House. I am also inserting an editorial from the New York Times of April 25, 1975 regarding Dr. Kaunda's remarks. I believe that Dr. Kaunda's remarks will help clarify for my colleagues what U.S. policy toward southern Africa should be.

The remarks and editorial follow:

Remarks Made by His Excellency Dr. Kenneth D. Kaunda

I first want to express my deep appreciation and gratitude for inviting me to visit Washington D.C. I also thank you, the Government and the people of the United States for their warm welcome and kind hospitality given to my wife and I and the entire Zambian delegation.

We are happy to be in Washington, D.C. It is a very brief visit, but since we come for specific objectives, it is not the duration that matters, but the results. So far, we have done a lot. We find we have a lot in common on vital issues affecting mankind. Our discussions have been characterized by a spirit of frankness and cordiality. This spirit coupled by the definition of areas of urgent action should move the U.S. and Africa closer towards the attainment of our common objectives.

We come to America with a clear purpose. We simply want to be understood. We seek American understanding of Africa's objectives and America's fullest support in the attainment of these objectives.

The relations between Zambia and the U.S. cause me no concern because they are cordial although there is room for improvement through more sound co-operation.

What gives Zambia and Africa great cause for concern is America's policy toward Africa or is it the lack of it—which, of course, can mean the same thing. For I have been told of U.N. tricks in which an abstention in a vote can be a vote for or against. A no-policy position may not be a neutral position, indicative of passive posture, but a deliberate act of policy to support the status quo or to influence events in one direction or the other at a particular time. We have in recent years been most anxious about the nature and degree of the United States participation in building conditions for genuine peace based on human equity, human dignity, freedom and justice for all particularly in southern Africa.

You will forgive us, Mr. President, for our candour if we reaffirmed, on this occasion, our dismay at the fact that America has not fulfilled our expectations.

Our dismay arises from a number of factors. We are agreed that peace is central to all human endeavours. Our struggle for independence was designed to build peace, and, thank God, our people have enjoyed internal peace. We are agreed that we must help strengthen peace wherever it is threatened.

There has been no peace in southern Africa for a very long time even if there was no war as such. The absence of war does not necessarily mean peace. Peace is something much deeper than that. The threat of escalation of violence is now real. It is our duty to avoid such an escalation. We want to build peace in place of violence, racial harmony in place of disharmony, prosperity in place of economic stagnation, security in place of insecurity now digging every family everyday.

To build genuine peace in southern Africa, we must recognise with honesty the *root causes* of the existing conflict.

First: Colonialism in Rhodesia and Namibia. The existence of a rebel regime in Rhodesia has since compounded that problem.

Second: Apartheid and racial domination in South Africa. Over the last few years, a number of catalytic factors have given strength to these forces of evil. External economic and strategic interests have nourished colonial and apartheid regimes.

Realism and moral conscience dictate that those who believe in peace must join hands in promoting conditions for peace. We cannot declare our commitment to peace and yet strengthen forces which stand in the way to the attainment of that peace.

The era of colonialism has ended. Apartheid cannot endure the test of time. Our obligation is that these evil systems end peacefully. To achieve our aim, we need America's total commitment to action consistent with that aim.

So far, American policy let alone action has been low keyed. This has given psychological comfort to the forces of evil.

We become even more dismayed when the current posture of America towards Africa is set against the background of her historic performance in late 50's and early 60's. We cannot but recall:

America that did not wait for and march in step with colonial powers, but rather boldly marched ahead with the colonial people in their struggle to fulfill their aspirations.

An America undaunted by the strong forces of reaction against the wind of change, whose nationals helped teach the colonial settlers about the evils of racial discrimination.

An America whose Assistant Secretary for Africa Affairs "Soapy" Williams, could be slapped in the face by a white reactionary on our soil and yet, undaunted still smile, still stand by American principles of freedom, justice and national independence based on majority rule. Yes, the reactionaries hated Americans for "spoiling the natives," for helping to dismantle colonialism.

What has happened to that America? Have the principles changed? the aspirations of the oppressed have not changed. In desperation their anger has exploded their patience. Their resolve to fight if peaceful negotiations are impossible is borne out by history. So their struggle has now received the baptism of fire, victories in Mozambique and Angola have given them added inspiration. Africa has no reason not to support the liberation movements.

Can America still end only with declaration of support for the principles of freedom and racila justice? This will not be enough, Southern Africa is poised for a dangerous armed conflict. Peace is at stake. The conflict with disastrous consequences can be averted but there is not much time. Urgent action is required.

At this time, America cannot realistically wait and see what administering powers will do or to pledge to support their efforts when none are in plan. America must heed the call of the oppressed. America, once an apostle in decolonisation, must not be a mere discipline of those which promise but never perform and thus give strength to evils of colonialism and apartheid.

If we want peace we must end the era of inertia—in Rhodesia and Namibia and vigorously work for ending apartheid. America must now be in the vanguard of democratic revolution in southern Africa. This is not the first time we make this appeal. It is Africa's constant plea.

Now Africa has taken an unequivocal stand on decolonisation. We do not want to fight a war to win freedom and full national independence in southern Africa. Africa wants to achieve these objectives by peaceful means, i.e. through negotiations. Our declaration to give high priority to peaceful methods to resolve the current crisis is a conscious decision. We feel it to be our moral duty to avoid bloodshed where we can. We are determined to fulfill this obligation but not at any price, not at the price of freedom and justice. No.

Africa has made it clear that if the road to peaceful change is closed by the stone walls of racial bigotry and force of arms by minority regimes then we are equally duty-bound to take the inescapable alternative. The oppressed people have a right to answer force with force and Africa and all her friends in the world will support them. Liberation movements fought fascist Portugal. We supported them. They won. Now we must turn to Rhodesia and Namibia.

Can America stand and be counted in implementing the Dar-es-Salaam strategy adopted by Africa. In Dar-es-Salaam early this month Africa reaffirmed its commitment to a peaceful solution to the crisis in southern Africa as a first priority. Our strategy opens even new doors to peaceful change if those caught up in the crisis seek honourable exit. Here is a chance in a century to achieve peace based on human equality and human dignity without further violence.

We call upon America to support our efforts in achieving majority rule in Rhodesia and Namibia immediately, and the ending of apartheid in South Africa. If we are committed to peace, then let us join hands in building peace by removing factors underlying the current crisis.

If the oppressed peoples fail to achieve these noble ends by peaceful means we call upon America, not to give any support to the oppressors. Even now we call upon America to desist from direct and indirect support to minority regimes. For this puts America in direct conflict with the interests of Africa i.e. peace, deeply rooted in human dignity and equality and freedom without discrimination.

We have recently demonstrated our readiness to make peaceful change possible in Mozambique and Angola. We are equally committed to assist the oppressed if they should convince us that the road to peaceful change is closed and armed struggle is the only alternative.

The rebels in Rhodesia, assisted by South African troops have committed some of the worst atrocities on the continent. Africa cannot allow them to continue and we urge America not to allow them to continue. Victory for the majority is a matter of time. Let us, therefore, make it as painless as possible to those who have dominated their fellowmen for years.

Mr. President, we wish America to understand our aims and objectives. We are not fighting whites, we are fighting an evil and brutal system. On this there must be no compromise. America should also understand our strategy. We want to achieve our objectives by peaceful methods first and foremost. Africa is ready to try this approach with patience and exhaust all possible tactics. For peace is too precious for all of us, but our patience and the patience of the oppressed has its limits.

Mr. President, we are here only for a short time. We have no other mission except to take the opportunity of the visit to put Africa's stand. We want to avoid confrontation, but let us not be pushed into it.

Once again on behalf of my wife and my compatriots and indeed on my own behalf I thank you for this warm welcome and hospitality. This is indeed a memorable visit, memorable because it has been fruitful and it coincides with the launching, only yesterday, of your bicentenary celebrations. We congratulate the people of the United States for their anti-colonialist struggle of their founding fathers.

Finally, I take the opportunity of inviting you, Mr. President and Mrs. Ford, to pay a visit to Zambia. We will be happy to receive you in our country at anytime convenient to you.

I now invite you ladies and gentlemen to join me and my wife in this toast:

To the President and Mrs. Ford.

[From the New York Times, Apr. 25, 1975]

Warning of Racial War

President Kenneth Kaunda of Zambia used an unusual vehicle—a toast to President Ford at a state dinner in the White House, which is excerpted on the opposite page—to underscore the message he had brought to Washington in behalf of black Africa; racial war lies ahead in southern Africa and the United States must exert

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itself positively and energetically to help avert such a catastrophe.

It is clear that Dr. Kaunda, customarily one of the most polite and considerate of statesmen, resorted to this unorthodox approach becaues he felt the need to give a desperate urgency to his efforts to drive home to his hosts the dimensions and implications of the southern African crisis. There had been few indications prior to his visit that the Administration was lending any serious consideration to the question.

Government officials insist that the United States commitment to self-determination and majority rule in Rhodesia and Namibia (South-West Africa) and its abhorrence of apartheid in South Africa remain clear and undiluted. But black Africans believe they see ample evidence that Washington in recent years has moved deliberately into what Dr. Kaunda called a "no-policy position," the effect of which is to bolster white rule in southern Africa.

At the end of his visit, Dr. Kaunda said he had been "encouraged" by his talks with Mr. Ford and Secretary Kissinger and expressed hope that "what we have agreed upon will be supported by the American public." If the Zambian leader has even nudged the Administration into an overdue review of policy at a time of profound change in southern Africa, his visit will have been worthwhile.

When he defended the controversial choice of Nathaniel Davis to be Assistant Secretary of State for African Affairs in February, Mr. Kissinger told African governments that Mr. Davis had been selected "in order to give new impetus and inspiration to our African policy." That was what Dr. Kaunda was still asking for during his Washington visit.

HOME HEALTH CARE—PART XII

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Koch) is recognized for 30 minutes.

Mr. KOCH. Mr. Speaker, together with 84 House cosponsors I have introduced H.R. 4772 and H.R. 4774, the National Home Health Care Act of 1975. The bill has been given equally strong support in the Senate where it has been introduced as S. 1163 by Senators Frank Moss and Frank Church, respective chairmen of the Senate of the Senate Subcommittee on Long-Term Care and Committee on Aging, Hugh Scott, Senate minority leader, and Senators Williams, Domenici, and Tunney.

To discuss the need for home health care and the public support this proposal is receiving, it is my intention to place statements by myself and others commenting on the legislation in the Record several times a week. Today, I am submitting for the Record the text of a statement I made on April 11, 1975, before the New York State Assembly Committee on Health on the subject of home health care and the National Home Health Care Act of 1975.

This is the 12th statement in the series:

STATEMENT OF REPRESENTATIVE EDWARD I. KOCH BEFORE NEW YORK STATE ASSEMBLY COMMITTEE ON HEALTH, APRIL 11, 1975

Mr. Chairman, I am most appreciative of your invitation to appear before the Health Committee today as it directs its attention to issues in the delivery of Home Health Care to the elderly and disabled. Important as the investigations of the Senate Subcommittee on Long Term Care, the Moreland Commission, and the Special Prosecutor, to name only a few, are in documenting corruption, incompetence and deficiencies in nursing home care, a parallel area deserves equal if not greater attention: alternatives to existing programs of long term care in our state and nation. In that respect, the importance of your inquiry here today cannot be understated. If it is unrealistic to expect self regulation by the nursing home industry, I believe it is also unrealistic to expect alternative forms of care to emerge without active intervention by federal, state and local governments. I commend the Committee for its prescience in launching this study into the home health care delivery concept. I believe it represents the future of health care for the elderly and disabled of our nation.

Care of the elderly and disabled in our country has correctly been termed "a failure in public policy." The federal commitment to long term institutional care amounts to more than 50% of the nation's $7.5 Billion nursing home bill. Yet, thousands of senior citizens do not receive the care they need; thousands others are in facilities inappropriate to their needs; and countless others suffer the traumas of institutionalization because viable alternatives are non-existent. The bill of particulars against federal health policy is a long one; let me illustrate only a few of the major weaknesses in our policy and program.

An H.E.W. study estimates that between 14%–24% of the nation's 1,070,000 nursing home patients are "unnecessarily maintained" in institutions for lack of alternative means of care. The great paradox is that social welfare programs pay too little per month to enable the elderly to remain at home—a national average of $310.00 a month under social security for a retired couple—but will readily pay the $15,000 to $20,000 per year, or $1,500 per month or $50.00 per day it costs to place *one* person in a nursing home. In too many cases such care whether long term or short term cannot be medically justified.

Medicaid and Medicare expenditures for nursing home care have grown at an astronomical rate. So too, not surprisingly, has the size of the nursing home industry: the number of facilities, size of staff and patient population. Both growth rates have been insensitive to cost effectiveness, criteria for determining the need for institutionalization and control. Nationally, between 1960 and 1970, nursing home facilities increased by 140%, beds by 232%, patients by 210%, employees by 405% and expenditures for care by 464%. Measured from 1960–1970, total expenditures increased about 1,400%. New York State has not escaped either boom. An estimated $1.4 billion has been invested in construction of proprietary facilities with 40,000 beds, 100% of it reimbursable by federal, state and local governments. The predictable has resulted: the availability of beds now exceeds demand. The Federation of Jewish Philanthropies estimates that New York State has an ample supply of nursing home beds to satisfy the demand (even at current inflated utilization rates) for the next 15 years.

This misallocation of resources by federal and state policies is further compounded by a kind of Gresham's law in which high skill-high cost services drive out lower skill-less costly ones in our system of health care for the elderly. Medicaid and Medicare spend over $20 billion of public funds annually, 67% of which goes for doctor's bills, drugs and hospital treatments. 32% of the funds pay for nursing home care. Only .3% is devoted to the primary alternative system of care: home health care.

Home Health Care, the provision of medical, social and other supportive services to persons in their homes through community based programs, cannot represent a viable alternative to long term institutional care until this misallocation of resources is corrected. This redirection in policy and reallocation of resources is best accomplished through federal legislation. Hence, I have introduced the Home Health Care Act of 1975 (HR4772). Over 70 Members of Congress have joined me on the bill, including Senators Moss and Scott.

My bill eliminates provisions in the Medicaid and Medicare laws which restrict the benefits a patient may receive at home and introduces a long overdue element of consumer choice. It provides the option—under Medicaid or Medicare—of home health care and correlative services, visits by physicians, nurses and para-professionals; assistance with household tasks, shopping, walking; and transportation to doctor's visits, senior citizen's centers and nutrition centers. In addition, the legislation authorizes subsidies for rent payment or private home costs, especially in cases where the recipient might otherwise have to be institutionalized.

The legislation contains a number of other important provisions. I want to draw attention to them because I believe they are suggestive of the direction New York State should move in making home health care a fully reimbursable complement of Medicaid.

Allows Medicaid and Medicare payments to hospitals and nursing homes for providing home health care—in addition to expanding the range of reimbursable home health and correlative services offered by traditional home health providers.

Increases from 100 to 200 per spell of illness, the number of home health visits following hospitalization which are covered under Part A of Medicare and eliminates altogether the present limit (100 per calendar year) on the number of additional home health care visits which are covered under Part B. The number of home health care visits covered under Medicaid is left up to the State involved, as it is under present law; but the coverage of at least *some* home health care visits is made mandatory for the first time.

Requires an initial and then at least two times each year, review of the need for and level of an individual's home health care by a flexible three member panel of health care providers: among them social workers, nurses, physicians and psychoanalysts. If the panel determines that home health care or nursing home care has been rendered without justification, it may recommend on behalf of the Secretary of H.E.W. that a physician's eligibility for Medicaid and Medicare reimbursement be suspended.

Establishes a home health care ombudsman in the Department of Health, Education and Welfare with responsibility for program oversight including receiving, handling and expediting the resolution of complaints of home health patients.

Permits additional home health services to patients—whose cost is reimbursable—such as physical therapy, nutritional guidance, family and personal counseling, as well as necessary medical equipment including hospital beds, wheelchairs etc.

Insures that no individual under Medicaid or Medicare receives more home health care benefits than he or she would have if they were institutionalized.

Requires the adult child of a person receiving nursing home or home health care to make a contribution toward the cost of the beneficiary's care to the extent of 5% of their child's taxable income. This means that a family of four with an income of $15,000 using the standard deduction would pay $500 . . . 5% of their $10,000 in taxable income. An individual with taxable income of less than $7,000 and a family less than $9,000 would pay less than 5% with low income persons paying nothing at all. The delivery of home health care is in no way conditional on the payment of the children; nor can the contribution exceed the cost of care.

Just as parents have certain responsibilities for the care of their children, as legislated last year under the social service amendments, I believe that this obligation also extends from an adult to his or her elderly or diasabled parent. It is a responsibility I believe public policy should encourage, but, because I also realize that this section will cause controversy and because the goal of aiding home health care is too important to delay another year, I have introduced an alternate version of the bill which deletes this provision, but which is otherwise identical with the bill I have outlined above.

The implementation of a national home health care program will impose new requirements for trained personnel with a variety of skill levels on both the public and private sector. In anticipation of these needs, I have introduced a package of companion bills which would: Offer grants to medical schools establishing departments of geriatrics and continuing education programs in geriatrics for physicians (H.R. 4777 and H.R. 4778); provide inservice-training for nursing home personnel (H.R. 4776); provide grants to colleges and universities to assist them in training nurse practicioners (H.R. 4779); provide funds for the training of veterans with paramedical experience as medical assistants in nursing homes and home health care programs (H.R. 4780).

Much of the interest in home health care as an alternative to nursing homes stems from its cost saving features. To maintain persons in non-institutional community setting will cost the government far less per patient than institutionalization does now. Reports by the G.A.O., the Senate Select Committee on Aging and a number of academic and profesional researchers demonstrate that the typical home health care program will cost between $180 and $600 per month. The aggregate cost will depend on controllable cost variables including: the complexity and intensity of services; case turnover and caseload; costs of administration, supervision and overhead. To my knowledge, only one state has had extensive experience testing community based alternatives to nursing homes: Massachusetts. Accepting as reliable Massachusett's estimates of the per case cost of home health agencies and the percentage of nursing home patients who can live in their own homes with supportive services, the aggregate cost breaks down as follows: For the 10,000 nursing home patients in Massachusetts who are assumed to be capable of home based care—a total cost of $19,200,000 annually . . . compared to the estimated $40,000,000 cost of nursing home care for the same population.

There are more compelling reasons, however, for the adoption of a public policy which supports community living over institutional living than financial considerations and cost savings. The process of aging is not only biological, it is also sociogenic. We too often limit our response to the debilities of growing old to medical therapy alone, neglecting the sensitivities of the elderly and the disabled: their associations with neighbors and family, their roots in a community, their pastimes. These are sensitivities, I might add, that when ignored can often be a greater factor in biological decline than disease itself. In this respect, I firmly believe that competent home health care may be more prolonging of live, conducive to rehabilitation and return to productive social roles than institutionalization. In a more fundamental sense, I believe that the maintenance of the elderly and disabled in non-institutional community settings is more consistent with the privacy, dignity and peace of mind to which they are entitled, than institutional care can ever be.

HUMANITARIAN FUNDS SHOULD BE ADMINISTERED WISELY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. Bedell) is recognized for 5 minutes.

Mr. BEDELL. Mr. Speaker, direct U.S. involvement in Vietnam and Cambodia is over, but our obligation to the people of those war torn nations is not.

In the past, I have expressed my support for humanitarian assistance for the victims of the war and its destruction. I feel very strongly that we should help the Vietnamese and Cambodian people who are in distress—both those who chose to remain in their homelands and those who chose to flee to other countries.

At the same time, however, I also believe that we must insure that the money appropriated for humanitarian and refugee assistance is administered wisely and is spent for the proper purposes. It is for this reason that I have proposed that humanitarian assistance for those in need in Vietnam and Cambodia be channeled solely through international organizations and private relief organizations. It is also for this reason that I urge close congressional supervision of refugee resettlement assistance.

President Ford has asked Congress to provide $507 million—over $14,000 per family—in assistance for Vietnamese and Cambodian refugees. This figure is in addition to the $98 million already obligated which has been diverted for Indochina refugee assistance. The bills already introduced, and currently under consideration in the Senate and House Judiciary Committees, both contain open-ended authorization for the President's refugee resettlement program. I agree with the aim of this program, but I am very concerned about the approach to its implementation. I believe that resettlement aid should be provided. However, I do not believe that we should rush headlong into this venture. Instead, we should examine each item on the basis of its individual merits, and proceed to implement the resettlement assistance program in a rational, businesslike manner, The lack of planning and foresight which characterized our whole Indochina adventure, by both Democratic and Republican administrations, from start to finish, must not be repeated.

I am thus introducing legislation that would provide $127 million, one quarter of President Ford's request, for refugee assistance for 3 months. At the end of a period of 60 days following the date of enactment of the act, the President would be required to come to Congress to explain and justify his resettlement program. He would have to show how the administration is spending the resettlement assistance funds and indicate how much more they need and exactly why they need it. The Congress would then have 30 days to consider and act upon the administration's request for additional resettlement funds before the initial 90-day authorization period elapsed.

The bill also stipulates the purposes for which the refugee settlement assistance funds may be expended. These purposes include all the general categories requested by the President, except for reimbursement to the Department of Defense for the cost of evacuating refugees from Vietnam and Cambodia.

It also provides that funds be made available for transportation for Vietnamese and Cambodian refugees who voluntarily choose to return to their homeland.

Finally, the bill imposes a 1-year moratorium on the hiring of refugees who participated in the Operation Phoenix program by any intelligence agency of the U.S. Government or by the Department of Defense.

I propose this legislation to aid Vietnamese and Cambodian refugees as one who long opposed U.S. intervention in the Indochina conflict. In my view, our whole Indochina policy was bankrupt from the start and, in fact, was based on false historical premises.

Nevertheless, the wisdom of our long and painful involvement in Vietnam is not the issue here. The issue today is the tens of thousands of refugees who are in need of assistance. Denying help to these individuals will not make them or their problems disappear. Steamrolling through an open-ended authorization for a long term and loosely defined refugee resettlement assistance program based on hastily prepared statistics is not the answer either. I urge that the administration work with the Congress in structuring the substance and scope of a meaningful and responsible resettlement assistance program. The legislation I am introducing today is designed to serve that end.

The text of the bill follows:

H.R. 6849

A bill to provide resettlement assistance for Vietnamese and Cambodian refugees, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as, "The Vietnam and Cambodia Refugee Resettlement Assistant Act."

Sec. 2. For the purposes of this Act the term "refugee" shall be defined by section 2(b)(3) of the Migration and Refugee Assistance Act of 1962, as amended.

Sec. 3. There is authorized to be appropriated $127,000,000 for a period of no more than ninety days for assistance to refugees from Vietnam and Cambodia for the following purposes:

(a) for the construction and maintenance of refugee staging areas and processing facilities;

(b) for the processing and care of refugees, including food, medical care, clothing and shelter;

(c) for resettlement costs of volunteer agencies;

(d) for social services, welfare, medicaid, education, and public health;

(e) for transportation to third countries of refugees who desire and need such assistance;

(f) for transportation to Vietnam and Cambodia of refugees who wish to return to their homeland.

Sec. 4(a). At the end of a period of sixty days following the date of enactment of this Act, the President shall report to the appropriate committees of Congress regarding the specific uses of the funds authorized by this Act, the need for additional funds should he deem such funds necessary, and the specific purposes for which such additional funds are requested;

(b) At the end of the time period specified

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in Sec. 4(a) of this Act, the President shall submit a report to the appropriate committees of Congress containing all pertinent data regarding the occupations and backgrounds of the refugees;

(c) Prior to the expiration of the time period specified in Sec. 3 of this Act, the Congress shall consider the amount of additional funds to be used for the purposes of this Act, and the duration of time in which such additional funds may be expended.

Sec. 5(a). Upon the enactment of this Act, there shall be a one year moratorium on all hiring of refugees from Vietnam who participated in the Operation Phoenix Program by any intelligence agency of the United States Government or by the Department of Defense.

(b) In addition to the information required by Sec. 4(b), the President shall submit a report to the appropriate committees of Congress containing all pertinent information relative to the refugees from Vietnam who participated in the Operation Phoenix Program.

IRISH IMMIGRATION URGED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Wolff) is recognized for 5 minutes.

Mr. WOLFF. Mr. Speaker, I rise today in hopes of successfully completing a process begun 3 years ago by this House to end discriminatory treatment against men, women, and children from the Republic of Ireland who wish to immigrate to the United States, but who are prevented from doing so because of what I am sure is an unintentional consequence of the Immigration Act of 1965.

This House recognized in 1972 that the labor certification provisions of the 1965 act prevented not only Irish citizens, but also English, German, and Scandinavian people from leaving their homelands to seek a new life in the United States. Unfortunately, the Senate failed to follow our lead, and the law remains today what it was then—a highly discriminatory act blocking thousands of people from the lands of our forefathers from joining us on this side of the Atlantic.

In view of the utterly unrestricted immigration presently being allowed, because of the press of recent events, Mr. Speaker, I am sure that we will agree that there no longer exists any justification for continuing the restrictive practices which have discriminated against thousands of Irish and other peoples for the past decade.

While no one in this House wishes anything but well for the thousands of unfortunate Vietnamese now flowing into our land, I think that many of us have and will continue to hold severe reservations about the advisability of not screening these unfortunate people carefuly to insure that true undesirables, real criminals, are not allowed in under a cloak of genuine sympathy for their innocent fellows, who are the true victims of this war.

But, Mr. Speaker, no one has ever suggested that questions of moral propriety exist in the cast of Ireland. Indeed, the currently imposed job skill criteria files in the face of our national experience, which has been based on allowing in willing hands regardless of skills. Ours is still the land of opportunity, and to suggest that a would-be Irish immigrant does not fit some particular job classification is both contradictory to our national experience, and truly self-defeating.

Accordingly, I am today sponsoring an amendment to the Immigration Act of 1965 dealing specifically with Ireland, a land where so many Americans have their roots, and which would immediately authorize 2,000 emergency immigrant visas for the Republic of Ireland. This is necessary because the 1965 law has virtually shut-off Irish immigration except by a very few, fortunate, elite.

I know that this House will again urge upon our colleagues in the Senate that we jointly act to open the door for fuller immigration from the land which has provided children whose record is as bright as any in America.

From the mass migrations of the 1840's—also conducted without reservations on job skills and other arbitrary limitations, I should add—our Nation was enriched by the addition of men and women who became outstanding leaders on both sides of the Civil War, who became leaders of science and industry, and who in the last few years have sent distinguished Sons of Ireland to grace the White House, and the pinnacles of leadership in this House.

Irish-Americans have set a citizenship second to none in our Nation, Mr. Speaker, and I respectfully urge my colleagues today to once again move to rectify the discriminatory provisions of the Immigration Act of 1965. I have twice visited Ireland myself, and I know that when there, I am among brothers and sisters—mothers and fathers—to us. Let us open our doors to these people as they should be opened.

Thank you, Mr. Speaker. I now introduce a bill to provide two-thousand special immigration visas to nationals of the Republic of Ireland.

OVERBOOKING AIRLINE FLIGHTS: A COMMON-LAW FRAUD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Van Deerlin) is recognized for 5 minutes.

Mr. VAN DEERLIN. Mr. Speaker, the appeals court decision upholding the right of airlines to "bump" passengers holding confirmed reservations would seem to sanction what can most charitably be described as a form of common-law fraud.

Here on Capitol Hill we are all familiar with the split-second, computer-based communications used by the airlines to assure us that our seat will, in fact, be waiting when we buy a ticket.

Resourceful use of computer technology should enable the airlines to warn their customers of the possibility that a flight might be overbooked. I understand that some airlines already are doing this, through issuance of "special-status" tickets to persons at the head of a waiting list for a given flight.

With advance warning, the passenger would know he might miss the flight, and he would be able to plan accordingly.

Ralph Nader was not so fortunate 3 years ago when he booked an Allegheny Airlines flight from Washington to Hartford. Arriving at National Airport 15 minutes before the flight, with his ticket and confirmed reservation, Nader learned the flight had been oversold and that he would not be allowed to board. He later claimed in court that Allegheny made no effort to determine if there were any standbys on the plane, or other passengers who might be willing to give up their seat for him. Instead, Allegheny placed him on another flight that left an hour later and took him to Boston instead of Hartford, causing him to miss a rally sponsored by a citizens group at Storrs, Conn.

In 1973, a Federal District Court awarded Nader $25,000 in punitive damages plus $10 in actual damages for losses incurred as a result of his having been bumped from the Hartford flight. The Connecticut Action Citizen Group, sponsor of the Storrs rally, also was awarded $25,000.

In overturning this decision last week, the U.S. Court of Appeals said carriers should have the opportunity to make up for the loss of revenues caused by individuals who hold reservations but fail to show up.

I can appreciate the problem caused by the "no shows." But it hardly seems equitable to make passengers who do show up pay for the irresponsibility or selfishness of others.

Incidentally, the airline industry is on the verge of its greatest prosperity ever. Alarmed by the fuel crisis early last year, the major carriers reduced or combined flight schedules at a considerable reduction in operating costs. Most flights today carry passenger loads well above the airline's financial break-even point. Without doubt, an upturn in the economy will mean a significant improvement in their profit picture.

This hardly seems the time, therefore, to permit a great new gap to develop in our protection of the public interest.

Ralph Nader is well known and therefore has been able to attract a lot of attention for his causes—particularly on an occasion when he himself was an aggrieved party.

There are plenty of Americans who are inconvenienced, just as Mr. Nader was. In 1972, 83,000 passengers were bumped. In 1973, the figure was 75,000—hardly a glittering record of service.

No doubt many of these individuals were just as frustrated as Mr. Nader, but few of them would have the motivation or resources to take the carriers to court.

If we let the carriers get away with this—even allow the courts to sanctify the totally inexcusable "bumping" practice—we may ourselves be accomplices in perpetration of a fraud: selling tickets for seats on an airplane that may already be occupied. It does not matter whether there is an intent to defraud, since the

end result is the same for the unhappy passenger.

Maybe next, we should legalize those efforts to sell the Brooklyn Bridge.

ALASKA NATIONAL PUBLIC LANDS CONSERVATION ACT INTRODUCED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alaska (Mr. Young) is recognized for 10 minutes.

Mr. YOUNG of Alaska. Mr. Speaker, yesterday I introduced the "Alaska National Public Lands Conservation Act." Under this bill Alaska will be permitted to serve, as it has in the past, as a provider of natural resources, wildlife, and scenic beauty. At the same time the utilization of certain of Alaska's mineral and energy resources, so much in need at the present time, will be allowed.

Mr. Speaker, when Congress passed the Alaska Native Claims Settlement Act in 1971—ANCSA—Public Law 92-203—many issues vital to the future of Alaska and her citizens were resolved. All aboriginal claims to land in the State were extinguished and a process was set in motion to enable the Alaskan Native people to obtain title to 40 million acres of land and a monetary settlement of close to a billion dollars. The extinguishment of the Native claims allows the State to complete the selection of its 103.5 million acre entitlement under the Alaska Statehood Act. ANCSA also created a joint Federal-State Land Use Planning Commission for Alaska. The Commission has compiled the most comprehensive inventory of resources ever undertaken on a land mass of this size. It has solicited, through extensive hearing, information from the people of Alaska and elsewhere regarding the present and future uses of Alaskan land and resources. The testimony from these hearings, publications, and the specific recommendations submitted by the Commission have been utilized in developing the bill I am introducing today.

Section 17(d)(2) of ANCSA directed the Secretary of the Interior to withdraw up to 80 million acres of land from appropriation under the public land laws and to submit recommendations for its inclusion in the National Forest, Park, Refuge and Wild and Scenic River Systems in the State of Alaska. The Secretary submitted these proposals on December 17, 1973. Congress has, under the terms of ANCSA, up to 5 years to act upon these recommendations. Final environmental impact statements on the Secretary's proposals have recently been released. These statements contain a good deal of information about the resources in the areas covered by the Secretary's proposals and in surrounding lands. I have studied these documents and the Secretary's proposals. I find that I am in agreement with his classifications in some areas, but the classifications in my bill differ from the Secretary's insignificant ways.

Under the Secretary's proposals by far the greater portion of the land would be placed in a single use category, thus prohibiting responsible use and needed development of Alaskan resources in some of our most highly mineralized areas. The current crises in energy and resources have underscored the need to reserve future options in the use of Alaskan resources to a greater extent than the Secretary's proposals would allow.

There is no question that there should be an extensive network of national parks in the State of Alaska, and my bill provides for inclusion of over 15 million acres of land in this system. I have, however, included the majority of the land in multiple use systems in order to allow development of our natural resources as called for by State and national interests. The fact that land is placed in a multiple use category, such as a national forest, does not, of course, mean that the natural beauty of the area or the wildlife resources will be destroyed. Multiple use and sustained yield management concepts permit utilization of available resources in an environmentally sound manner. Although multiple uses are permitted, they are not mandated. Our options, however, are preserved. In making this proposal I have considered the current and, in so far as possible, future needs of our Nation as well as the Secretary's recommendations, public comment, and the Land Use Planning Commission reports.

In addition to my recommendations for categorization of land as national park, wild and scenic river, national forest land, along with existing wildlife refuges, I am proposing four areas to be managed jointly by the Federal Government and the State of Alaska. The management agency, the Alaska Scenic Reserve, would be jointly administered by Federal and State appointees. It would have jurisdiction over areas where the diversity of resources and the variety of existing uses call for a more direct State involvement than is to be had within the existing systems.

NATIONAL PARKS

Alaska is a land of great diversity, high scenic beauty, outstanding wildlife, scenic, historic and archeological interest. Within the National Park System we already have represented much of this beauty—at Mount McKinley the highest peak in the North American Continent; at Glacier Bay National Monument our standing representation of coastal fiords and glaciers; at Katmai National Monument the geologic spectacle of results of a major volcanic eruption in 1914.

To complete the National Park System in Alaska, I propose, and in this my proposal agrees with that of the Secretary, 8.64 million acres of the spectacular Wrangell-St. Elias Mountain Ranges containing an area of what is often referred to as America's mountain kingdom. This area includes the Malaspina Glacier, the largest piedmont glacier on the North American Continent, and other lowland areas suitable for visitor use and interpretation. I have also included 3.24 million acres at Gates of the Arctic, our standing wilderness scenery in the Central Brooks Range; a 1.4 million-acre addition to Mount McKinley Park; the Kobuk sand dunes and possibly the most outstanding archeological area in all of Alaska at Cape Krusenstern. Also included is the Aniakchak Caldera, a unique geological feature on the Alaska Peninsula. These additions to the National Park System totaling 13.93 million acres—greater than the combined size of Maryland and Massachusetts—should preserve for all time representative areas of Alaska of key national interest to all Americans.

NATIONAL FORESTS

The extensive forests of the interior are well represented in this proposal. Included are over 28 million acres in six new national forests and nine small additions to the Chugach National Forest in Southcentral Alaska. The national forests contain a wide variety of resources, principally wildlife, timber, energy sources, minerals, outdoor recreation, water, and some grazing and agricultural potential.

The new proposals are: The Porcupine Forest of 5.5 million acres in east-central Alaska, chiefly valuable for its oil and gas, timber and waterfowl resources; the Fortymile, 4.5 million acres in area, valuable for minerals, tourism, rivers, and recreation; the Wrangell Mountains, 5.5 million acres, combining highly scenic qualities with rich ore bodies, outstanding wildlife and recreation values; the Yukon, 5.4 million acres of timber, wildlife, minerals, and agriculture values; the Kuskokwim, an area of 4.48 million acres with values similar to the Yukon; and Lake Clark, 2.61 million acres valued for recreation, fisheries, wildlife, and minerals. These diverse systems of multiple resources are logical and valuable additions to the National Forest System.

SCENIC RIVERS

Three scenic rivers are proposed: Birch Creek, Beaver Creek, and the Unalakleet River. This 42 miles of primitive waterways and their 500,000 acres of adjacent watersheds would be managed by the Bureau of Land Management for the scenic and recreational enjoyment of present and future generations.

ALASKA SCENIC RESERVE SYSTEM

Finally, in the Federal-State management system, I propose over 22 million acres, 7.59 of which are located in the Noatak River Valley in northwestern Alaska; 1.68 in the Denali area, south of Mount McKinley; and 2 million acres in the Iliamna area, between Cook Inlet and Bristol Bay in southwestern Alaska and 3.76 million acres in the Arctic area to the southwest of the existing Arctic National Wildlife Range. These areas would be managed to meet the needs of local residents who depend on the resources of the area while protecting the National interest in both resource use and environmental quality.

Mr. Speaker, Alaska is renowned as a breeding place for migratory waterfowl and sea birds. Accordingly, I propose four major wildlife areas be included in the Alaskan Scenic Reserve. These areas of key sea bird nesting areas on islands and along the coast. The five waterfowl refuges, contiguous to the existing refuge system in Alaska, along

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with key wetlands contained in the proposed national parks and national forests, will encompass and protect all of the primary highly productive waterfowl areas on Federal lands in Alaska. These wildlife areas are Yukon Delta, 2.69 million acres; Yukon Flats, 2.21 million acres; Innoka, 1.84 million acres; coastal, 0.7 million acres, and Selawik, 1.70 million acres. These five regions, alone, provide over 7 million ducks and geese to the Nation's flyways.

Mr. Speaker, I ask that this bill be referred to the appropriate committee and hope that it will be given favorable consideration. This bill is based on careful study of the Secretary's recommendations, and, as indicated, public testimony and detailed reports as well as the needs of the State and the Nation. I offer this bill as most truly representaive of the needs not only of Alaskans, but of all Americans.

Mr. Speaker, I include the text of the bill at this point in the RECORD:

H.R. 6848

A bill to designate certain public lands and waters in the State of Alaska for national conservation purposes and to provide for the benefit, use, and enjoyment by present and future generations of certain public lands containing forested, geological, scenic, historic, scientific, cultural, recreational, and wildlife areas in the State of Alaska, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act be cited as the "Alaska National Public Lands Conservation Act".

SEC. 2. It is the purpose of this Act to:

(a) ascertain that Alaska's National Public Lands will be permitted to serve, as they have in the past as a national provider of natural resources, including wildlife, forestry and scenic beauty. At the same time, this Act will assure the future utilization of Alaska's mineral and energy resources. This Act will also insure access, vitally necessary, for the transportation of resources across these vast expanses of Alaska's public lands.

(b) provide designation of major significant areas of public land possessing a variety of resources which can best serve our nation by management under the principles of multiple-use sustained yield practices in an environmentally sound manner as units of the National Forest System.

(c) reserve for the benefit, use and inspiration of present and future generations certain National Public Lands that contain nationally significant natural, scenic, historic, geological scientific, wilderness, cultural, recreational, and wildlife values which will be declared units of the Alaska Scenic Reserve National Park System and National Wild and Scenic Rivers System.

(d) establish an Alaska Scenic Reserve comprised of certain public lands in the State of Alaska and administered by an Alaska Scenic Reserve Service. These lands, administered jointly by Federal and State appointees, are areas containing a diversity of resources and where a variety of existing uses call for a more direct state involvement than is to be had within the existing management systems.

(e) provide for a multimodal transportation and utility corridor system intended for the systematic transport of resources. This network identifies transportation routes for resources which are of national and statewide significance.

TITLE I—ESTABLISHMENT OF ALASKA SCENIC RESERVE

ESTABLISHMENT OF SERVICE

SEC. 101. There is hereby established as an independent establishment in the executive branch the Alaska Scenic Reserve Service (hereinafter in this title referred to as the "Service").

FUNCTIONS OF SERVICE

SEC. 102. The Service shall administer, manage, and protect, in accordance with the provisions of this title and other applicable Federal law, the public lands and waters which are designated as components of the Alaska Scenic Reserve.

ADMINISTRATION OF SERVICE

SEC. 103. (a) The Service shall be administered by two Co-Directors, one to be appointed by the President, by and with the advice and consent of the Senate, and one to be appointed by the Governor of Alaska.

(b) The Co-Directors shall each be entitled to receive the daily equivalent of the annual rate of basic pay in effect from time to time for Level V of the Executive Schedule.

(c) The Co-Directors may appoint and fix the pay of such personnel as may be necessary to carry out the functions of the Service and may make such other expenditures and have such powers as may be appropriate.

ALASKA SCENIC RESERVE

SEC. 104. (a) Lands and waters within the Alaska Scenic Reserve shall be used for recreational purposes, timber leasing, and for such other purposes not inconsistent with applicable Federal law, as the Co-Directors shall by regulation prescribe. Such regulations shall provide that activities carried out within any part of the Alaska Scenic Reserve shall further the highest and best use of that part, and shall promote and insure harmony between development of the lands and waters and the recreational and other uses to which such land and waters could be put.

(b) No regulation ahall be prescribed under this section unless both Co-Directors concur.

(c) No regulation prescribed under this section shall take effect before the date 30 days after the date on which a public hearing was held with respect to such regulation in the State of Alaska. No such public hearing shall be held before the date 30 days after notice of such hearing has been given through publication in the Federal Register and in the newspaper of general circulation in the area or areas in the vicinity of affected lands.

TITLE II—DESIGNATION OF AREAS

ALASKA SCENIC RESERVE

SEC. 201. (a) Subject to all valid existing rights, the following public lands in the State of Alaska are withdrawn from all forms of entry or application under the public land laws of the United States and shall be established as components of the Alaska Scenic Reserve to be administered by the Alaska Scenic Reserve Service in accordance with title I of this Act:

(1) approximately 2.85 million acres to be known as the Iliamna Reserve, described in subsection (b),

(2) approximately 7.59 million acres to be known as the Noatak Valley Reserve, described in subsection (c),

(3) approximately 1.68 million acres to be known as the Denali Reserve, described in subsection (d), and

(4) approximately 3.76 million acres to be known as the Arctic Reserve, described in subsection (e).

(5) approximately 1.84 million acres described in subsection (b), to be known as the Innoko Reserve,

(6) approximately 1.70 million acres described in subsection (c), to be known as the Selawik Wildlife Reserve,

(7) approximately 2.64 million acres, described in subsection (d), to be known as the Yukon Delta Reserve,

(8) approximately 2.21 million acres described in subsection (e), to be known as the Yukon Flats Reserve, and

(9) approximately .07 million acres described in subsection (f), to be known as the Coastal National Reserve.

A map of each such Reserve shall be on file and available for public inspection in the offices of the Alaska Scenic Reserve Service, and as soon as practicable after the date of enactment of this Act, such map and a legal description of each such Reserve shall be filed with the Committees on Interior and Insular Affairs of the Senate and the House of Representatives, and such description shall have the same force and effect as if included in this Act. Correction of any clerical or typographical errors in such map and description may be made.

(b) The Iliamna Reserve referred to in subsection (a)(1) includes lands described as follows:

Beginning at the southeast corner of T. 13 S., R. 33 W., Seward Base and Meridian; thence westerly to the east line of T. 14 S., R. 35 W.; thence southerly to the south line of T. 14 S., R. 35 W.; thence westerly to the east line of T 15 S., R. 43 W.; thence southerly to the south line of T. 15 S., R. 43 W.; thence westerly to the west line of T. 15 S., R. 43 W.; thence southerly to the south line of T. 16 S., R. 44 W.; thence easterly to the east shore line of Kvichak Bay thence northerly, westerly, and southerly along the mean high tide line to a point of intersection with the west line of T. 16 S., R. 54 W., thence northerly to the north line of T. 13 S., R. 54 W., thence easterly to the west line of T. 12 S., R. 53 W.; thence northerly to the north line of T. 5 S., R. 53 W.; thence easterly to the west line of T. 4 S., R. 52 W.; thence northerly to the north line of T. 4 S., R. 52 W.; thence easterly to the west line of T. 3 S., R. 50 W.; thence northerly to the north line of T. 1 S., R. 50 W.; thence easterly to the east line of T. 1 S., R. 45 W.; thence southerly to the north line of R. 5 S., R. 45 W.; thence westerly to the west line of T. 4 S., R. 39 W.; thence northerly to the north line of T. 4 S., R. 39 W.; thence easterly to the west line of T. 3 S., R. 38 W.; thence northerly to the north line of T. 1 S., R. 38 W.; thence easterly to the west line of T. 1 N., R. 36 W.; thence northerly to the north line of T. 4 N., R. 36 W.; thence easterly to the east line of T. 4 N., R. 36 W.: thence southerly to the north line of T. 1 N., R. 35 W.; thence easterly to the east line of T. 1 N., R. 30 W.; thence southerly to the north line of T. 2 S., R. 29 W.; thence easterly to the east line of T. 2 S., R. 26 W.; thence southerly to the south line of T. 4 S., R. 26 W.; thence westerly to the east line of T. 5 S., R. 27 W.; thence southerly to the south line of T. 6 S., R. 27 W.; thence westerly to the east line of T. 7 S., R. 30 W.; thence southerly to the south line of T. 8 S., R. 30 W.; thence westerly to the east line of T. 9 S., R. 31 W.; thence southerly to the south line of T. 12 S., R. 31 W.; thence westerly to the east line of T. 13 S., R. 33 W.; thence southerly to the point of beginning; excluding all valid existing rights and future rights or claims authorized under law.

(c) The Noatak Valley Reserve referred to in subsection (a) (2) includes lands described as follows:

Beginning at the southeast corner of T. 29 U., R. 13 E., Kateel River Base and Meridian; thence westerly to the east line of T. 28 N., R. 12 E.; thence southerly to the south line of T. 28 N., R. 12 E.; thence westerly to the east line of T. 27 N., R. 10 E.; thence southerly to the south line of T. 27 N., R. 10 E.; thence westerly to the east line of T. 26 N., R. 7 E.; thence southerly to the south line of T. 24 N., R. 7 E.; thence westerly to the mid-line of T. 23 N.; R. 6 E.; thence

southerly to the south line of T. 23 N., R. 6 E.; thence westerly to the west line of T. 23 N., R. 5 E.; thence northerly to the south line of T. 25 N., R. 4 E.; thence westerly to the west line of T. 25 N., R. 2 E.; thence northerly to the south line of T. 27 N., R. 1 E.; thence westerly to the mid-line of T. 27 N., R. 3 W.; thence northerly to the south line of T. 28 N., R. 3 W.; thence westerly to the west line of T. 28 N., R. 3W.; thence northerly to the mid-line of T. 28 N., R. 4 W.; thence westerly to the west line of T. 28 N., R. 4 W.; thence northerly to the south line of T. 29 N., R. 5 W.; thence westerly to 160 degrees longitude, West of Greenwich; thence southerly to the south line of T. 28 N., R. 6 W.; thence westerly to the mid-line of T. 27 N., R. 7 W.; thence southerly to the mid-point of T. 27 N., R. 7 W.; thence westerly to the west line of T. 27 N., R. 7 W.; thence southerly to the south line of T. 22 N., R. 7 W.; thence easterly to the mid-line of T. 21 N., R. 7 W.; thence southerly to the south line of T. 21 N., R. 7 W.; thence westerly to the east line of T. 20 N., R. 11 W.; thence southerly to the south line of T. 20 N., R. 11 W.; thence westerly to the west line of T. 20 N., R. 13 W.; thence northerly to the south line of T. 22 N., R. 14 W.; thence westerly to the west line of T. 22 N., R. 17 W.; thence northerly to the north line of T. 24 N., R. 17 W.; thence easterly to the west line of T. 25 N., R. 16 W.; thence northerly to the south line of T. 28 N., R. 17 W.; thence westerly to the west line of T. 28 N., R. 21 W.; thence northerly to the north line of T. 28 N., R. 21 W.; thence easterly to the west line of T. 29 N., R. 20 W.; thence northerly to the north line of T. 29 N., R. 20 W.; thence easterly to the west line of T. 30 N., R. 19 W.; thence northerly to the north line of T. 30 N., R. 19 W.; thence easterly to the west line of T. 31 N., R. 18 W.; thence northerly to the north line of T. 34 N., R. 18 W.; thence easterly to the west line of T. 12 S., R. 45 W., Umiat Base and Meridian; thence northerly to the north line of T. 12 S., R. 45 W.; thence easterly to the west ine of T. 11 S., R. 44 W.; thence northerly to the north line of T. 11 S., R. 44 W.; thence easterly to the southwest boundary of the Naval Petroleum Reserve No. 4; thence easterly along the boundary of Naval Petroleum Reserve No. 4 to the east line of T. 30 N., R. 13 E., Kateel River Base and Meridian; thence southerly to the point of beginning; exclusive of all valid existing rights and any future rights or claims authorized under law.

(d) The Denali Reserve referred to in subsection (a) (3) includes land described as follows:

Beginning at the northeast corner of T. 33 N., R. 5 W., Seward Meridian; thence southerly to the south line of T. 32 N., R. 5 W.; thence westerly to the east line of T. 31 N., R. 6 W.; thence southerly to the south line of T. 26 N., R. 19 W.; thence northerly to the west line of the east one-fourth T. 29 N., R. 9 W.; thence southerly to the south line of the north one-half T. 29 N., R. 9 W.; thence west to the east line of T. 29 N., R. 10 W.; thence southerly to the south line of T. 29 N., R. 10 W.; thence westerly to the west line of T. 28 N., R. 11 W.; thence northerly to the south line of T. 29 N., R. 12 W.; thence westerly to the east line of T. 28 N., R. 14 W.; thence southerly to the south line of T. 26 N., R. 14 W.; thence westerly to the west line of T. 26 N., R. 19 W.; thence northerly to the one-half township line of T. 28 N., R. 19 W.; thence northeasterly to the west line of T. 29 N., R. 18 W.; thence northerly to the south line of T. 30 N., R. 18 W.; thence westerly to the east line of T. 30 N., R. 16 W.; thence northerly to the north line of T. 30 N., R. 16 W.; thence northeasterly to the one-half township line of T. 31 N., R. 15 W.; thence northerly to the south line of T. 22 S., R. 24 W., Fairbanks Base and Meridian; thence easterly to the intersection of the south line of T. 22 S., R. 23 W. and the boundary of Mt. McKinley National Park; thence southerly to the southwest corner of the Park Boundary; thence northeasterly along the Park Boundary to its intersection with the east line of T. 18 S., R. 10 W.; thence southerly to the south line of T. 18 S., R. 10 W.; thence westerly to the east line of T. 18 S., R. 11 W.; thence southwesterly to the southeast corner of T. 20 S., R. 13 W.; thence westerly to the east one-half township line of T. 21 S., R. 13 W.; thence southerly to south line of T. 22 S., R. 13 W.; thence westerly to the point of beginning.

(e) The Arctic Reserve referred to in subsection (a)(4) includes lands described as follows:

WEST UNIT

Beginning at a point on the north line at T. 37 N., R. 17 E., Fairbanks Base and Meridian, at the point of its intersection with the east line of T. 16 S., R. 35 E., Umiat Base Line and Meridian, also on the western boundary line of the wtihdrawn Utility Corridor; thence southerly to the north line of T. 36 N., R. 17 E.; thence westerly to the east line of T. 36 N., R. 16 E.; thence southerly to the south line of T. 33 N., R. 16 E., also the north boundary of the proposed Porcupine National Forest; thence westerly to the east boundary line of the former Venietie Indian Reservation; thence northerly along this line to its intersection with the south line of T. 16 S., R. 30 E., Umiat Base Line and Meridian; thence northerly to the south line of T. 12 S., R. 30 E.; thence westerly to the east line of T. 13 S., R. 25 E.; thence southerly to the south line of T. 16 S., R. 25 E.; thence westerly to the point of intersection with the east line of T. 37 N., R. 6 W., Fairbanks Base Line and Meridian; thence southerly to the north line of T. 36 N., R. 6 E.; thence westerly to the east line of T. 36 N., R. 5 E.; thence southerly to the south line of T. 35 N., R. 5 E.; thence westerly to the west line of T. 35 N., R. 5 E.; thence northerly to the south line of T. 36 N., R. 4 E.; thence westerly to the west line of T. 36 N., R. 3 E.; thence northerly to the south line of T. 37 N., R. 2 E.; thence westerly to the west line of the eastern one-half, T. 37 N., R. 2 E.; thence northerly to the intersection with the south line of T. 16 S., R. 21 E., Umiat Base Line and Meridian; thence northerly to the south line of the northern one-half of T. 16 S., R. 21 E.; thence westerly to the west line of T. 16 S., R. 21 E.; thence northerly to the south line of T. 13 S., R. 20 E.; thence westerly to the west line of T. 13 S., R. 19 E.; thence northerly to the south line of T. 4 S., R. 19 E.; thence easterly to the east line of T. 4 S., R. 22 E.; thence southerly to the north line of T. 5 S., R. 23 E.; thence easterly to the east line of T. 5 S., R. 23 E.; thence southerly to the north line of T. 6 S., R. 24 E.; thence easterly to the east line of west one-half of T. 6 S., R. 25 E., also being the boundary of the Utility Corridor; thence following the western boundary of this corridor in a southerly direction to the point of beginning.

EAST UNIT

Beginning at a point at the intersection of the International Boundary Line, Longitude 141 degrees, 00 minutes and the north line of T. 37 N., R. 30 E.; Fairbanks Base Line and Meridian; thence southerly to the intersection with the north boundary of the Utility Corridor; thence following this Utility Corridor border in a westerly direction to the intersection with the south line of T. 16 S., R. 38 E.; Umiat Base Line and Meridian; thence westerly to the intersection with the southern boundary of the Arctic National Wildlife Refuge; thence along the boundary northeasterly and easterly to the intersection with the International Boundary line; thence southerly to the point of beginning.

(f) The lands referred to in subsection (a) (5) as the Innoko National Reserve are described as follows:

Beginning at a point at the northeast corner of T. 33 N., R. 45 W., Seward Base and Meridian; thence southerly to the south line of T. 33 N., R. 45 W.; thence westerly to the east line of T. 32 N., R. 46 W.; thence southerly to the south line of T. 32 N., R. 46 W.; thence westerly to the west line of T. 32 N., R. 47 W.; thence northerly to the south line of T. 33 N., R. 47 W.; thence westerly to the west line of T. 33 N., R. 47 W.; thence northerly to the north line of T. 33 N., R. 48 W.; thence westerly to the east line of T. 33 N., R. 51 W.; thence southerly to the south line of T. 33 N., R. 51 W.; thence westerly to the west line of T. 33 N., R. 53 W.; thence northerly to the north line of T. 33 N., R. 53 W.; Seward Base and Meridian; thence northerly to the north line of T. 28 S., R. 3 W., Kateel River Base and Meridian; thence easterly to the west line of T. 27 S., R. 1 W; thence northerly to the north line of T. 25 S., R. 1 W.; thence easterly to the west line of T. 24 S., R. 2 E.; thence northerly to the north line of T. 20 S., R. 2 E.; thence easterly to the west line of T. 19 S, R. 4 E.; thence northerly to the north line of T. 18 S., R. 4 E.; thence easterly to the east line of T. 18 S., R. 8 E.; thence southerly to the north line of T. 21 S., R. 9 E.; thence easterly to the east line of T. 21 S., R. 9 E.; thence southerly to the south line of T. 22 S., R. 9 E.; thence westerly to the west line of T. 23 S., R. 5 E.; thence southerly to the north line of T. 24 S., R. 6 E.; thence easterly to the east line of T. 24 S., R. 6 E.; thence southerly to the south line of T. 28 S., R. 6 E.; thence westerly to the point of beginning.

(h) The lands referred to in subsection (a)(6) as the Selawik National Reserve are described as follows:

Beginning at a point at the southeast corner of T. 11 N., R. 4 E.; thence westerly to the east line of T. 10 N., R. 2 W.; thence southerly to the south line of T. 9 N., R. 2 W.; thence westerly to the west line of T. 9 N., R. 4 W.; thence northerly to the north line of T. 12 N., R. 4 W.; thence easterly to the west line of T. 13 N., R. 3 W.; thence northerly to the south line of T. 17 N., R. 4 W.; thence westerly to the west line of T. 17 N., R. 5 W.; thence northerly to the intersection with the southern bank of the Kobuk River; thence following this bank in a northeasterly direction to the east line of T. 20 N., R. 2 W., also the eastern boundary of the proposed Kobuk Dunes National Monument; thence southerly and easterly along this common boundary to the east line of T. 18 N., R. 2 E.; thence southerly to the north line of T. 17 N., R. 3 E.; thence easterly to the east line of T. 17 N., R. 4 E.; thence southerly to the point of beginning.

(i) The lands referred to in subsection (a)(7) as the Yukon Delta Reserve are described as follows:

WEST UNIT

Beginning at a point at the southeast corner of T. 15 N., R. 64 W.; thence westerly to the west line of T. 14 N., R. 67 W.; thence southerly to the south line of T. 13 N., R. 67 W.; thence westerly to the east line of T. 12 N., R. 70 W.; thence southerly to the south line of T. 12 N., R. 70 W.; thence westerly to the west line of T. 12 N., R. 75 W.; thence northerly to the south line of T. 13 N., R. 76 W.; thence westerly to the west line of T. 13 N., R. 76 W.; thence northerly to the south line of T. 16 N., R. 77 W.; thence westerly to the west line of T. 16 N., R. 81 W.; thence northerly to the south line of T. 17 N., R. 82 W.; thence westerly to the west line of T. 17 N., R. 82 W.; thence northerly to the south line of T. 19 N., R. 83 W.; thence westerly to the west line of T. 19 N., R. 84 W.; thence northerly to the north line of T. 20 N., R. 84 W.; thence easterly to the west line of T. 21 N., R. 83 W.; thence northerly to the south line of T. 23 N., R. 84 W.; thence westerly to the west line of T. 23 N., R. 85 W.; thence northerly to the south line of T. 25 N., R. 86 W.; thence westerly to the west line of T. 25 'N., R. 86 W.; thence northerly to the north line of T. 25 N., R. 86 W.; thence easterly to the east line of T. 25 N., R. 83 W.; thence southerly to the north line of T. 20 N., R. 82 W.; thence easterly to the east line of T. 20 N., R. 79 W.; thence southerly to the north line of T. 19 N., R. 78 W.; thence easterly to the east line of T. 19 N., R. 77 W.; thence southerly to the north line of T. 18 N., R. 76 W.; thence easterly to the east line of T. 18 N., R. 72 W.; thence southerly to the north line of T. 16 N., R. 71 W.; thence easterly to the east line of T. 16 N., R. 71 W.; thence southerly to the north line of T. 14 N., R. 70 W.; thence easterly to the west line of T. 15 N., R. 66 W.; thence northerly to the north line of T. 17 N., R. 66 W.; thence easterly to the east line of T. 17 N., R. 64 W.; thence southerly to the point of beginning.

EAST UNIT

Beginning at a point at the southeast corner of T. 20 N., R. 60 W.; thence westerly to the west line of T. 20 N., R. 63 W.; thence northerly to the south line of T. 21 N., R. 64 W.; thence westerly to the west line of T. 21 N., R. 64 W.; thence northerly to the north line of T. 24 N., R. 64 W.; thence easterly to the east line of T. 24 N., R. 63 W.; thence southerly to the north line of T. 22 N., R. 62 W.; thence easterly to the east line of T. 22 N., R. 61 W.; thence southerly to the north line of T. 21 N., R. 60 W.; thence easterly to the east line of T. 21 N., R. 60 W.; thence southerly to the point of beginning.

(j) The lands referred to in subsection (a)(8) as the Yukon Flats Reserve are described as follows:

Beginning at a point at the southwest corner of T. 14 N., R. 15 E.; thence westerly to the east line T. 13 N., R. 5 W.; thence southerly to the south line T. 13 N., R. 5 W.; thence westerly to the east line T. 12 N., R. 8 W.; thence southerly to the south line T. 12 N., R. 8 W.; thence westerly to the west line T. 12 N., R. 8 W.; thence northerly to the south line T. 13 N., R. 9 W.; thence westerly to the west line of T. 13 N., R. 9 W.; thence northerly to the south line T. 14 N., R. 10 W.; thence westerly to the SW corner T. 14 N., R. 10 W.; thence northerly to the north line T. 17 N., R. 10 W.; thence eastwardly to the west line T. 18 N., R. 9 W.; thence northerly to the north line of T. 18 N., R. 9 W.; thence easterly to the west line T. 19 N., R. 6 W.; thence northerly to the north line T. 19 N., R. 6 W.; thence easterly to the west line T. 20 N., R. 1 W.; thence northerly to the north line T. 20 N., R. 1 W.: thence easterly to the west line T. 21 N., R. 4 E.; thence northerly to the intersection with the SW boundary of the former Venietie Indian Reserve and the west line of T. 26 N., R. 4 E.; thence southerly and northeasterly along the boundary of the Venietie Indian Reservation to the intersection with the north line of T. 22 N., R. 10 E.; then easterly, southerly, southwesterly and southeasterly along the common boundary with the proposed Porcupine National Forest to the east line of T. 14 N., R. 15 E.; thence southerly to the point of beginning.

(k) The lands referred to in subsection (a)(10) as the Coastal National Reserve are described as follows:

A series of approximately 1,800 land areas composed of islands, islets, rocks, pinnacles, and cliffs distributed along approximately 1,500 miles of Alaska coastline from Cape Lisburne in the Chukchi Sea to the Gulf of Alaska which includes the following named areas:

Chukchi Sea NWR: Cape Lisburn, Cape Thompson.

Bearing Sea NW: Fairway Rock, Sledge Island, Bluff, Egg Island.

Shumagin Islands NWR: Sankin Island, Egg Island, Amagat Island, Umga Island, Sozavarika Island, Sandman Reefs, Jude Island, Kennoys Island, Bay Point, Round Island, Sea Lion Rocks, High Island, The Haystacks, Karpa Island, Bird Island, Near Island, Twins, Koniuji Island, Mitrofania Group, Atkulik, Chignigak Bay.

Kodiak NWR: Kodiak Island Group.

Barren Islands NWR: Rock Islands, Latax Rocks.

Pye Islands NWR: Pye Island Group, Lower Aialik Peninsula.

Chiswell Island NWR: Chiswell Island, Lower Harris Island.

NATIONAL PARKS

SEC. 202. (a) Subject to all valid existing rights, the following public lands in the State of Alaska are reserved and withdrawn from all forms of entry or application under the public land laws of the United States and established as components of the national park system for the benefit and enjoyment of the people, to be administered by the National Park Service in accordance with the provisions of laws applicable to such system:

(1) approximately .44 million acre described in subsection (b), to be known as the Aniakechak Caldera National Park,

(3) approximately .15 million acre described in subsection (c), to be known as the Cape Krusenstern National Monument,

(3) approximately .15 million acres described in subsection (d), to be known as the Kobuk Dimes National Monument,

(4) approximately 6.63 million acres described in subsection (e), to be known as the Wrangell-St. Elias National Park, and

(5) approximately 3.24 million acres described in subsection (f) to be known as the Gates of the Arctic National Park.

A map of each such park and monument shall be on file and available for public inspection in the offices of the National Park Service, Department of the Interior, and as soon as practicable after the date of enactment of this Act, such map and a legal description of each such park and monument shall be filed with the Committees on Interior and Insular Affairs of the Senate and the House of Representatives, and such description shall have the same force and effect as if included in this Act. Correction of any clerical or typographical errors in such map and description may be made.

(b) The lands referred to in subsection (a)(1) as the Aniakchak Caldera National Park are described as follows:

Beginning at the northeast corner of T. 37 S., R. 51 W., Seward Meridian; thence southerly to the intersection of the east line of T. 39 S., R. 51 W., and the Pacific Ocean; thence southwest along the seashore to its intersection with the east line of T. 41 S., R. 54 W.: thence northerly to the south line of T. 40 S., R. 54 W.; thence westerly to the west line of T. 40 S., R. 55 W.; thence northerly to the ½ township line of T. 40 S., R. 56 W.: thence westerly to the west line of T. 40 S., R. 56 W.; thence northerly to the north line of T 37 S., R. 56 W.: thence easterly to the east line of T. 36 S., R. 54 W.: thence northerly to the north line of T. 36 N., R. 54 W.: thence easterly to the east line of T. 36 S., R. 52 W.: thence southerly to the north line of T. 37 S., R. 52 W.; thence easterly to the point of beginning.

(c) The lands referred to in subsection (a)(2) as the Cape Krusenstern National Monument are described as follows:

Beginning at the northeast corner of T. 19 N., R. 21 E. Kateel River Meridian; thence southerly along the east line of T. 19 N. to its intersection with the Chukchi Sea; thence along the shoreline to its intersection with the north line of T. 24 N., R. 24W.; thence easterly to the east line of T. 24 N., R. 23 W.; thence southerly to the north line of T. 21 N., R. 22 W.; thence easterly to the east line of T. 21 N., R. 22 E.; thence southerly to the north line of T. 19 N., R. 21 W.; thence southerly to the point of beginning.

(d) The lands referred to in subsection (a)(3) as the Kobuk Dunes National Monument are described as follows:

Beginning at a point at the southeast corner of T. 19 N., R. 2 E.; thence westerly to the west line of T. 19 N., R. 1 W.; thence northerly to the intersection of the west line of T. 21 N., R. 1 W., with the Kobuk River; thence easterly along the Kobuk River to its intersection with the east line of T. 20 N., R. 1 E.; thence southerly to the point of beginning.

(e) The lands referred to in subsection (a)(4) as the Wrangell-St. Elias National Park are described as follows:

Beginning at a point at 60 degrees north latitude on the International Boundary between the United States and Canada; thence westerly to the mean high tide line in the Gulf of Alaska; thence following the coast in a westerly direction to 141 degrees longitude, west of Greenwich; thence northerly to the south line of T. 19 S., R 25 E., Copper River Base and Meridian; thence westerly to the east line of T. 20 S., R. 23 E.; thence southerly to the mean high tide line on the Gulf of Alaska; thence northwesterly to the southwest corner of T. 21 S., R. 23 E.; thence westerly to the west line of T. 21 S., R. 22 E.; thence northerly to the south line of T. 20 S., R. 21 E.; thence westerly to the west line of T. 20 S., R. 21 E.; thence northerly to the south line of T. 19 S., R. 20 E; thence westerly to the west line of T 19 S., R. 19 E.; thence northerly to the south line of T. 17 S., R. 18 E; thence westerly to the east line of T. 18 S., R. 16 E.; thence southerly to the south line of T. 18 S., R. 16 E.; thence westerly to the east line of T. 18 S., R. 11½ E.; thence southerly to the south line of T. 19 S., R. 11½ E.; thence westerly to the west line of T. 19 S., R. 10 E.; thence northerly to the south line of T. 15 S., R. 9 E.; thence northeasterly along the watershed divide to Mt. Hawkins; thence continuing northeasterly along the divide between the Bremner River and the Tana River; thence continuing northeasterly along the divide between the Chitina and Tana River to the south line of T. 8 S., R. 14 E.; thence northeasterly to the intersection of the Chitina River and the south line of T. 7 S., R. 14 E.; thence easterly to the east line of T. 7 S., R. 14 E.; thence northerly to the north line of T. 6 S., R. 14 E.; thence northeasterly along the watershed divide to Nikolai Pass; thence northwesterly along the divide to the south line of T. 1 S., R. 13 E.; thence westerly to the west line of T. 1 S., R. 10½ E.; thence northerly to the intersection with the Nabesna Glacier; thence northwesterly along the glacier's edge to its intersection with the east line of T. 1 N., R. 8 E.; thence southwesterly to the southeast corner of T. 1 S., R. 7 E.; thence westerly to the west line of T. 1 S., R. 4 E.; thence northerly to the north line of T. 6 N., R. 4 E.; thence westerly to the west line of T. 7 N., R. 7 E.; thence northerly to the north line of T. 8 N., R. 7 E.; thence westerly to the west line of T. 8 N., R. 12½ E.; thence southerly to the north line of T. 6 N., R. 12 E.; thence easterly to the east line of T. 6 N., R 12 E.; thence southerly to the north line of T. 4 N., R. 13 E.; thence easterly to the west line of T. 4 N., R. 14½ E.; thence southerly to the north line of T. 3 N., R. 14 E.; thence easterly to the west line of T. 3 N., R. 17 E.; thence southerly to the north line of T. 2 N., R. 18 E.; thence easterly to the west line of T. 2 N., R. 18 E.; thence southerly to the north line of T. 2 N., R. 19 E.; thence easterly to the International Boundary; thence southerly, easterly, and southerly along the International Boundary to the point of beginning.

(f) The lands described in subsection (a)(5) as the Gates of the Arctic National Park are described as follows:

WEST UNIT

Beginning at a point on the southeast corner of T. 15 N., R. 20 E., Kateel River Base and Meridian; thence westerly to the west line of T. 15 N., R. 15 E.; thence northerly to the south line of T. 17 N., R. 14 E.; thence westerly to the north line of T. 17 N., R. 14 E.; thence northerly to the north line of T. 17 N., R. 14 E.; thence easterly to the west line of T. 18 N., R. 15 E.; thence northerly to the north line of T. 18 N., R. 15 E.; thence easterly to the east line of T. 18 N., R. 15 E.; thence southerly to the north line of T. 17 N., R. 16 E.; thence easterly to the west line of T. 18 N., R. 19 E.; thence northerly to the south line of T. 22 N., R. 18 E.; thence westerly to the west line of T. 22 N., R. 17 E.; thence northerly to the intersection with the line of latitude of 68 degrees, 00 minutes; thence easterly along the latitude line to the east line of T. 30 N., R. 25 E.; thence southerly to the south line of T. 31 N., R. 24 W., Fairbanks Base and Meridian; thence easterly to the one-half township line of T. 30 N., R. 24 W.; thence southerly to the one-half township line of T. 29 N., R. 24 W.; thence westerly to the one-half township of T. 22 N., R. 25 E., Kateel River Base and Meridian; thence southerly to the south line of T. 22 N., R. 25 E.; thence westerly to the east line of T. 21 N., R. 23 E.; thence southerly to the south line of T. 21 N., R. 23 E.; thence westerly to the one-half township line of T. 20 N., R. 23 E.; thence southerly to the north line of T. 19 N., R. 23 E.; thence westerly to the east line of T. 19 N., R. 22 E.; thence southerly to the north line of T. 18 N., R. 22 E.; thence westerly to the east line of T. 17 N., R. 20 E.; thence southerly to the point of beginning.

EAST UNIT

Beginning at a point on the southeast corner of T. 34 N., R. 12 W., Fairbanks Meridian; thence westerly to the west line of T. 34 N., R. 15 W.; thence northerly to the north line of T. 15 S., R. 5 E., Umiat Meridian; thence easterly to the east line of T. 15 S., R. 9 E.; thence southerly to the south line of T. 16 S., R. 9 E; thence westerly to the west line of T 36 N., R. 12 W., Fairbanks Meridian; thence southerly to the point of beginning.

(g) Subject to valid existing rights there is added to Mt. McKinley National Park the lands described as follows:

Beginning at a point at the northeast corner of T. 11 S., R. 9 W.; thence southerly to the south line of T. 11 S., R. 9 W.; thence westerly to the east line of T. 12 S., R. 12 W.; thence southerly to the point of intersection of the east line of T. 13 S., R. 12 W., and the northern boundary of Mt. McKinley National Park; thence westerly and southerly along the boundary of Mt. McKinley National Park to a point of intersection with the south line of T. 22 S., R. 23 W.; thence westerly to the west line of T. 22 S., R. 25 W.; thence northerly to the north line of T. 17 N, R. 25 W.; thence easterly to the west line of T. 16 S., R. 24 W.; thence northerly to the north line of T. 16 S., R. 24 W.; thence easterly to the west line of T. 15 S., R. 22 W.; thence northerly to the north line of T. 15 S., R. 22 W.; thence easterly to the west line of T 14 S., R. 21 W.; thence northerly to the north line of T. 14 S., R. 21 W.; thence easterly to the west line of T. 13 S., R. 19 W; thence northerly to the north line of T. 13 S., R. 19 W.; thence easterly to the west line of T. 12 S., R. 17 W.; thence northerly to the north line of T. 12 S., R. 17 W.; thence easterly to the one-half township line of T. 11 S., R. 17 W.; thence northerly to the north line of T. 11 S., R. 17 W.; thence easterly to the point of beginning.

NATIONAL FORESTS

SEC. 203. (a) Subject to all valid existing rights, the following public lands in the State of Alaska are withdrawn from all forms of entry or application under the public land laws of the United States and established as national forests to be administered by the Secretary of Agriculture in accordance with the laws applicable to the national forests:

(1) approximately 5.5 million acres described in subsection (b), to be known as the Porcupine National Forest,

(2) approximately 5.5 million acres described in subsection (c), to be known as the Wrangell Mountain National Forest,

(3) approximately 5.4 million acres described in subsection (d), to be known as the Yukon National Forest,

(4) approximately 4.5 million acres described in subsection (e), to be known as the Fortymile National Forest,

(5) approximately 4.48 million acres described in subsection (f), to be known as the Kuskokwim National Forest,

(6) approximately 2.61 million acres described in subsection (g), to be known as the Lake Clark National Forest, and

(7) approximately .32 million acres described in subsection (h), to be known as the Chugach National Forest Addition.

A map of each such national forest shall be on file and available for public inspection in the offices of the Department of Agriculture, and as soon as practicable after the date of enactment of this Act, such map and a legal description of each such national forest shall be filed with the Committees on Interior and Insular Affairs of the Senate and the House of Representatives, and such description shall have the same force and effect as if included in this Act. Correction of any clerical or typograpical errors in such map and description may be made.

(b) The lands referred to in subsection (a)(1) as the Porcupine National Forest are described as follows:

Beginning at the southeast corner T. 13 N., R. 23 E.; thence westerly to the west line T. 13 N., R. 20 E.; thence northerly to the south line T. 15 N., R. 19 E.; thence westerly to the west line of the east one-half T. 15 N., R. 15 E.; thence northerly to the south line of the north one-half T. 15 N., R. 15 E.; thence westerly to the west line T. 15 N., R. 15 E.; thence northerly to the south line T. 16 N., R. 14 E.; thence westerly to the west line of the east one-half T. 16 N., R. 14 E.; thence northerly to the south line of the north one-half T. 16 N., R. 14 E.; thence westerly to the west line T. 16 N., R. 14 E.; thence northerly to the south line T. 17 N., R. 13 E.; thence westerly to the west line of the east one-half T. 17 W., R. 13 E.; thence northerly to the south line T. 18 N., R. 13 E.; thence westerly to the west line T. 18 N. R. 13 E.; thence northerly to the intersection with the south bank of the Yukon River; thence northwesterly along the south bank of the Yukon River to the intersection with the west line of the east one-half of T. 20, N, R. 11 E.; thence northerly to the north line of T. 21 N., R. 11 E.; thence easterly to the intersection with the north bank of the Porcupine River; thence northeasterly along the north bank of the Porcupine River to the intersection with west line of T. 22 N., R. 14 E.; thence northerly to the south line of T. 23 N.; R. 13 E.; thence westerly to the intersection with the boundary of the former Venietie Indian Reservation; thence northerly along that boundary to the intersection with the north line of T. 32 N., R. 12 E.; thence easterly to International Boundary, Longitude 141 degrees, 00 minutes; thence southerly along that boundary to the junction of the south line of T. 29 N., R. 30 E.; thence westerly to the east line of T. 28 N., R. 28 E.; thence southerly to the south line of T. 25 N., R. 28 E.; thence westerly to the east line T. 24 N., R. 26 E.; thence southerly to the south line T. 15 N., R. 26 E.; thence westerly to the east line of T. 14 N., R. 23 E.; thence southerly to the point of beginning.

(c) The lands referred to in subsection (a)(2) as the Wrangell Mountain National Forest are described as follows:

SOUTH UNIT

Beginning at a point at the southeast corner of T. 15 S., R. 9 E., on the common boundary with the Wrangell-St. Elias National Park; thence westerly to the west line of T. 15 S., R. 4 E.; thence northwesterly to the east line of T. 14 S., R. 1 E.; thence northerly to the south line of T. 12 S., R. 1 E.; thence westerly to the west line of T. 12 S., R. 1 E.; thence northerly to the south line of T. 11 S., R. 1 W.; thence westerly to the west line of T. 11 S., R. 1 W.; thence northerly to the north line of T. 9 S., R. 1 W.; thence easterly to the west line of T. 8 S., R. 1 E.; thence northerly to the north line of T. 8 S., R. 1 E.; thence easterly to the west line of T. 7 S., R. 2 S.; thence northerly to the north line of T. 6 S., R. 2 E.; thence easterly to the west line of T. 5 S., R. 3 E.; thence northerly to the north line of T. 5 S., R. 3 E.; thence easterly to the east line of T. 5 S., R. 3 E.; thence southerly to the north line of T. 7 S., R. 4 E.; thence easterly to the west line of T. 6 S., R. 8 E.; thence northerly to the south line of T. 1 S., R. 7 E.; thence northeasterly, southeasterly, southerly and westerly along the common boundary of the proposed Wrangell-St. Elias National Park to the point of beginning.

NORTH UNIT

Beginning at a point of intersection of the International Boundary, Latitude 141 degrees, 00 minutes, and the south line of T. 2 N., R. 24 E.; a common boundary with the proposed Wrangell-St. Elias National Park; thence westerly and northwesterly along this boundary to the southwest corner of T. 9 N., R. 11 E.; thence northerly to the north line of T. 10 N., R. 11 E.; thence easterly to the boundary of former Tetlin Indian Reservation; thence southerly, easterly and northeasterly along this boundary to its intersection with the north line of T. 11 N., R. 17 E.; thence easterly to the west line of T. 12 N., R. 22 E.; thence northerly to the south line of T. 14., R. 21 E.; thence westerly to the west line of T. 14 N., R. 21 E.; thence northerly to the north line of T. 14 N., R. 21 E.; thence easterly to the International Boundary; thence southerly to the point of beginning.

(d) The lands referred to in subsection (a)(3) as the Yukon National Forest are described as follows:

NORTH UNIT

Beginning at a point at the southeast corner of T. 6 S., R. 18 E. of the Kateel River Base and meridian; thence westerly to the west line of T. 6 S., R. 9 E.; thence northerly to the south line of T. 4 S., R. 8 E.; thence westerly to the west line of T. 4 S., R. 6 E.; thence northerly to the north line of T. 3 N., R. 6 E.; thence easterly to the east line of T. 3 N., R. 9 E.; thence southerly to the north line of T. 1 S., R. 10 E.; thence easterly to the west line of T. 1 N., R. 15 E.; thence northerly to the south line of T. 5 N., R. 14 E.; thence westerly to the west line of T. 5 N., R. 14 E.; thence northerly to the north line of T. 6 N., R. 14 E.; thence easterly to the west line of T. 7 N., R. 16 E.; thence northerly to the north line of T. 7 N., R. 16 E.; thence easterly to the east line of T. 7 N., R. 17 E.; thence southerly to the north line of T. 5 N., R. 18 E.; thence easterly to the east line of T. 5 N., R. 22 E.; thence

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southerly to the south line of T. 4 N., R. 22 E.; thence westerly to the west line of T. 3 N., R. 19 E.; thence southerly to the south line of T. 5 S., R. 19 E.; thence westerly to the east line of T. 6 S., R. 18 E.; thence southerly to the point of beginning.

SOUTH UNIT

Beginning at a point at the southeast corner of T. 16 S., R. 29 E. Kateel River Base and Meridian; thence southerly to the south line of T. 17 S., R. 29 E.; thence westerly to the east line of T. 18 S., R. 25 E.; thence southerly to the south line of T. 18 S., R. 25 E.; thence westerly to the east line of T. 19 S., R. 22 E.; thence southerly to the south line of T. 19 S., R. 22 E.; thence westerly to the west line of T. 19 S., R. 22 E.; thence northerly to the south line of T. 11 S., R. 21 E.; thence westerly to the west line of T. 11 S., R. 21 E.; thence northerly to the north line of T. 6 S., R. 21 E.; thence easterly to the east line of T. 6 S., R. 23 E.; thence southerly to the north line of T. 7 S., R. 24 E.; thence easterly to the west line of T. 6 S., R. 27 E.; thence northerly to the north line of T. 4 S., R. 27 E.; thence easterly to the east line of T. 4 S., R. 28 E.; thence southerly to the south line of T. 4 S., R. 28 E.; thence westerly to the east line of T. 5 S., R. 28 E.; thence southerly to the north line of T. 6 S., R. 29 E.; thence easterly to the east boundary of the Kateel River Meridian; thence southerly to the north line of T. 5 S., R. 27 W., Fairbanks Meridian; thence easterly to the east line of T. 55, R. 27 W.; thence southerly to the south line of T. 8 S., R. 27 W.: thence westerly to the west boundary of the Fairbanks Meridian; thence southwesterly to the point of beginning.

(e) The lands referred to in subsection (a)(4) as the Fortymile National Forest are described as follows:

SOUTH UNIT

Beginning at a point on the south line of T. 15 N., R. 23 E., at its intersection with the International Boundary, Copper River Base Line and Meridian; thence westerly to the west line of T. 15 N., R. 21 E.; thence northerly to the north line of T. 16 N., R. 21 E.; thence westerly to the west line of T. 17 N., R. 17 E.; thence northerly to the south line of T. 2 N., R. 16 E.; thence westerly to the west line of T. 22 N., R. 14 E.; thence northerly to the south line of T. 25 N., R. 14 E.; thence easterly to the west line of T. 25 N., R. 14 E.; thence northerly to the north line of T. 25 N., R. 14 E.; thence easterly to the west line of T. 26 N., R. 15 E.; thence northerly to a point on the south line of T. 8 S., R. 26 W., Fairbanks Base Line and Meridian; thence westerly to the west line of T. 8 S., R. 26 E.; thence northerly to the north line of T. 8 S., R. 26 E.; thence easterly to the east line of T. 8 S., R. 26 E., thence northerly to the north line of T. 6 S., R. 27 E.; thence easterly to the east line of T. 6 S., R. 30 E.; thence southerly to the south line of T. 7 S., R. 30 E.; thence easterly to a point on the north line of T. 8 S., R. 34 E., at its intersection with the International Boundary line; thence southerly along said boundary line to the point of beginning.

WEST UNIT

Beginning at the southeast corner of T. 25 N., R. 10 E.; thence westerly to the intersection of the 144 degrees meridian of longitude with the south line of T. 25 N., R. 7 E., thence northerly to the north line of T. 26 N., R. 7 E.; thence easterly to the east line of T. 26 N., R. 10 E.; thence southerly to the point of beginning.

NORTH UNIT

Beginning at a point at the northeast corner of T. 5 S.: R. 23 E.; thence southerly to the south line of T. 5 S., R. 23 E.; thence westerly to the one-half township line of T. 6 S., R. 23 E.; thence southerly to the south line of T. 6 S., R. 23 E.; thence westerly to the east line of T. 7 S., R. 22 E.; thence southerly to the one-half township line of T. 7 S., R. 22 E.; thence westerly to the east line of T. 7 S., R. 21 E.; thence southerly to the south line of T. 7 S., R. 21 E.; thence westerly to the west line of T. 7 S., R. 21 E.; thence northerly to the south line of T. 4 S., R. 20 E.; thence westerly to the west line of T. 4 S., R. 20 E.; thence northerly to the half-township line of T. 4 S., R. 19 E.; thence westerly to the west line of T. 4 S., R. 19 E.; thence northerly to the north line of T. 4 S., R. 19 E.; thence westerly to the midpoint of the north line of T. 4 S., R. 18 E.; thence northerly to the Fairbanks Base Line at a point on the north line of T. 1 S., R. 18 E.; thence easterly to the midpoint of the south line of T. 1 N., R. 18 E.; thence northerly to the center of T. 3 N., R. 18 E.; thence westerly to the east line of T. 3 N., R. 18 E.; thence northerly to the north line of T. 3 N.; R. 18 E.; thence easterly to the east line of T. 3 N., R. 19 E.; thence northerly to the north line of T. 4 N., R. 20 E.; thence easterly to the midpoint line of the south line of T. 5 N., R. 20 E.; thence northerly to the north line of T. 5 N., R. 20 E.; thence westerly to the west line of T. 6 N., R. 20 E.; thence northerly to the south line of T. 7 N., R. 19 E.; thence westerly to the west line of T. 7 N., R. 19 E.; thence northerly to the south line of T. 8 N., R. 18 E.; thence westerly to the west line of T. 8 N., R. 18 E.; thence northerly to the south line of T. 9 N., R. 17 E.; thence westerly to the west line of T. 9 N., R. 17 E.; thence northerly to the north line of T. 9 N., R. 17 E.; thence easterly to the east line of T. 9 N., R. 18 E.; thence southerly to the north line of T. 8 N., R. 20 E.; thence easterly to the east line of T. 8 N., R. 20 E.; thence southerly to the north line of T. 7 N., R. 21 E.; thence easterly to the east line of T. 7 N., R. 28 E.; thence southerly to the north line of T. 5 N., R. 29 E.; thence easterly to the east line of T. 5 N., R. 30 E.; thence southerly to the north line of T. 4 N., R. 31 E.; thence easterly to the east line of T. 4 N., R. 31 E.; thence southerly to the north line of T. 3 N., R. 32 E.; thence easterly to the International Boundary; thence southerly to the south line of T. 3 N., R. 33 E.; thence westerly to the west line of T. 3 N., R. 29 E.; thence northerly to the south line of T. 4 N., R. 28 E.; thence westerly to the west line of T. 4 N., R. 28 E.; thence northerly to the south line of T. 4 N., R. 27 E.; thence westerly to the east line of T. 4 N., R. 25 E.; thence southerly to the south line of T. 2 S., R. 25 E.; thence westerly to the east line of T. 3 S., R. 24 E.; thence southerly to the one-half line of T. 3 S., R. 24 E.; thence westerly to the east line of T. 3 S., R. 23 E.; thence southerly to the south line of T. 4 S., R. 23 E.; thence westerly to the point of beginning.

RIVER UNITS

A corridor not to exceed an average width of two miles on either side of the river on the following units:

MIDDLEFORK UNIT

Beginning at a point on the Middlefork of the Fortymile River at its intersection with the north line of T. 6 S., R. 29E., Fairbanks Base Line and Meridian; thence in a northwesterly, westerly and southwesterly direction to the point of the river intersection with the north line of T. 26 N., R. 9 E., Copper River Base Line and Meridian.

JOSEPH CREEK UNIT

Beginning at a point at the confluence of Joseph Creek with the Middlefork of the Fortymile River; thence northwesterly to the point of river intersection with the west line of T. 5 S., R. 22 W., Fairbanks Base Line and Meridian.

SLATE CREEK UNIT

Beginning at the point of confluence of Slate Creek with Champion Creek; thence northwesterly to the point of Creek intersection with the west line of T. 3 S., R. 27 E., Fairbanks Base Line and Meridian.

FORTYMILE UNIT

Beginning at a point of intersection of the Fortymile River with the International Boundary, Longitude 141 degrees 00 minutes; thence westerly to the point of river intersection with the east line of T. 7 S., R. 30 E., Fairbanks Base Line and Meridian.

O'BRIEN CREEK UNIT

Beginning at the point of confluence of O'Brien Creek with the Fortymile River; thence northeasterly to the point of confluence of King Creek with Liberty Fork, Fairbanks Base Line and Meridian.

(f) The lands referred to in subsection (a) as the Kuskokwim National Forest are described as follows:

Beginning at a point at the northeast corner of T. 33 N., R. 20 W., Seward Base Line and Meridian; thence westerly to the east line of T. 33 N., R. 25 W.; thence southerly to the south line of T. 31 N., R. 25 W.; thence westerly to the east line of T. 30 N., R. 26 W.; thence southerly to the south line of T. 29 N., R. 26 W.; thence westerly to the east line of T. 28 N., R. 27 W.; thence southerly to the south line of T. 27 N., R. 27 W.; thence westerly to the east line of T. 26 N., R. 29 W.; thence southerly to the south line of T. 26 N., R. 29 W.; thence westerly to the east line of T. 25 N., R. 30 W.; thence southerly to the south line of T. 25 N., R. 30 W.; thence westerly to the east line of T. 24 N., R. 37 W.; thence southerly to the south line of T. 23 N., R. 37 W.; thence westerly to the west line of T. 23 N., R. 39 W.; thence northerly to the north line of T. 24 N., R. 39 W.; thence easterly to the west line of T. 25 N., R. 38 W.; thence northerly to the north line of T. 33 N., R. 38 W.; thence easterly to the intersection with the west line of T. 28 S., R. 13 E., Kateel River Base Line and Meridian; thence, proceeding from this intersection northerly to the north line of T. 26 S., R. 13 E.; thence easterly to the west line of T. 25 S., R. 20 E.; thence northerly to the north line of T. 25 S., R. 25 E.; thence easterly to the west line of T. 24 S., R. 26 E.; thence northerly to the north line of T. 22 S., R. 26 E.; thence easterly to the west line of T. 21 S., R. 27 E.; thence northerly to the north line of T. 21 S., R. 27 E.; thence easterly to the west line of T. 20 S., R. 28 E.; thence northerly to the north line of T. 20 S., R. 28 E.; thence easterly to the east line of T. 20 S., R. 30 E.; thence northerly to the intersection with the north line of T. 13 S., R. 28 W., Fairbanks Base Line and Meridian; thence, proceeding from this intersection easterly to the west line of T. 12 S., R. 26 W.; thence northerly to the north line of T. 10 S., R. 26 W.; thence easterly to the east line of T. 10 S., R. 22 W.; thence southerly to the north line of T. 12 S., R. 21 W.; thence easterly to the west line of T. 11 S., R. 20 W.; thence northerly to the north line of T. 11 S., R. 20 W.; thence easterly to the intersection with the northwestern boundary of the proposed Addition to Mount McKinley National Park; thence proceeding in a southeasterly and southerly direction along this common boundary to the intersection with the south line T. 21 S., R. 26 W.; thence westerly to the west line of T. 21 S., R. 28 W.; thence southerly to the point of beginning.

(g) The lands referred to in subsection (a)(6) as the Lake Clark National Forest are described as follows:

Beginning at a point at the southeast corner of T. 2 S., R. 20 W. of the Seward Base and Meridian; thence westerly to the east line of T. 3 S., R. 22 W.; thence southerly to the south line of T. 3 S., R. 22 W.; thence westerly to the west line of T. 3 S., R. 22 W.; thence northerly to the south line of T. 2 S., R. 23 W.; thence westerly to the west line of T. 2 S., R. 23 W.; thence northerly to the south line of T. 3 N., R. 24 W.; thence westerly to the west line of T. 3 N., R. 27 W.; thence northerly to the south line of T. 4 N., R. 28 W.; thence westerly to the west line of T. 4 N., R. 29 W.; thence northerly to the north line of T. 6 N., R. 29 W.; thence easterly to the west line of T. 7 N., R. 28 W.; thence northerly to the north line of T. 8 N., R. 28 W.; thence easterly to the west line of T. 9 N., R. 27 W.; thence northerly to the north line to T. 11 N., R. 27 W.; thence easterly to the west line of T. 12 N., R. 26 W.; thence northerly to the north line of T. 13 N., R. 26 W.; thence easterly to the west line of T. 14 N., R. 24 W.; thence northerly to the north line of T. 14 N., R. 24 W.; thence easterly to the west line of T. 15 N., R. 23 W.; thence northerly to the north line of T. 16 N., R. 23 W.; thence easterly to the east line of T. 16 N., R. 21 W.; thence southerly to the north line of T. 9 N., R. 20 W.; thence easterly to the east line of T. 9 N., R. 17 W.; thence southerly to the one-half tp. line of T. 9 N., R. 17 W.; thence westerly to the east line of T. 9 N., R. 18 W.; thence southerly to the north line of T. 8 N., R. 18 W.; thence westerly to the west line of T. 8 N., R. 20 W.; thence southerly to the one-half tp. line of T. 8 N., R. 20 W.; thence easterly to the one-half tp. line of T. 8 N., R. 18 W.; thence southerly to the north line of T. 5 N., R. 18 W.; thence westerly to the east line of T. 5 N., R. 18 W.; thence southerly to the north line of T. 4 N., R. 18 W.; thence easterly to the one-half tp. line of T. 4 N., R. 18 W.; thence southerly to the north line of T. 3 N., R. 18 W.; thence easterly to the mean high tide line of Cook Inlet; thence southerly along the mean high tide line of Tuxedni Bay-Cook Inlet (excluding the Native Selection lands) to the point of beginning.

(h) The lands referred to in subsection (a)(7) as the Chugach National Forest Addition are described as follows:

Beginning at a point at the southeast corner of T. 1 S., R. 2 W.; thence westerly to the east line of T. 2 S., R. 3 W.; thence southerly to the south line of T. 2 S., R. 3 W.; thence westerly to the east line of T. 3 S., R. 4 W.; thence southerly to the south line of T. 3 S., R. 4 W.; thence westerly to the east line to T. 4 S., R. 5 W.; thence southerly to the south line of T. 4 S., R. 5 W.; thence westerly to the east line of T. 5 S., R. 6 W.; thence southerly to the south line of T. 5 S., R. 6 W.; thence westerly to the boundary of the Chugach National Forest; thence northerly and easterly along the Forest boundary to its intersection with the east line of T. 1 N., R. 2 W.; thence southerly to the point of beginning.

WILD AND SCENIC RIVERS

SEC. 204. (a) Section 3(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1274(a)) is amended by adding the following new paragraphs at the end thereof:

"(11) Birch Creek, Alaska.—The segment from the intersection with the north line of T. 9 N., R. 16 E. to the headwaters.

"(12) Beaver Creek, Alaska.—The segment from the intersection with the north line of T. 13 N., R. 7 E. to the headwaters.

"(13) Unalakleet, Alaska.—The segment from the intersection with the east line of T. 15 S., P. 4 W. to the entrance into Norton Sound."

(b) Section 3 of such Act is amended by adding at the end thereof the following new subsection:

"(c) Subsection (b) of this section shall not apply to the rivers enumerated in paragraphs (11) through (13) of subsection (a). Such rivers shall be classified, designated, and administered as scenic river areas within the meaning of section 2(b) and a plan shall be prepared by the Secretary of the Interior for necessary developments in connection with such administration. The detailed boundaries of such river areas shall be established by the Secretary of the Interior but in each case such areas shall be comprised of a corridor which would average not more than 2 miles on either side of the river such that the acreage of each such area is as follows:

(1) Birch Creek, .2 million acres;

(2) Beaver Creek, .2 million acres, and

(3) Unalakleet, .1 million acres.

HUNTING

SEC. 205. Notwithstanding any provision of law to the contrary, hunting and subsistence hunting in any area described in this title shall be governed by the laws and regulations of the State of Alaska.

TITLE III—MULTIMODAL TRANSPORTATION AND UTILITY CORRIDOR SYSTEM

SUSPENSION OF DESIGNATION

SEC. 301. (a) Land proposed to be included within corridors 1, 2, 6. 4 (excluding the protion west of the intersection of 4 and 11) 11, 13. 27 and 34 described in the Primary Corridor System Report (dated October 1, 1974) of the Bureau of Land Management and depicted on maps on file in the State Office of the Bureau of Land Management at 555 Cordova Street, Anchorage, Alaska. These lands shall not be designated as part of any system under Title II of this Act or withdrawn and transferred to State, Native, or private ownership. All corridors reserved in this section shall be 300 feet wide.

(b) After notice, hearing, and compliance with all other applicable laws, the Secretary of the Interior shall designate the corridors referred to in subsection (a) for use for transportation or utility purposes or for other reasonable purposes. On January 1, 2001, any land described in subsection (a) which the Secretary determines not to be necessary for such purposes shall become part of the Alaska Scenic Reserve, national park, national wildlife refuge, national forest, or scenic river area which the Secretary determines to be most proximate to such land. Until such time as a designation is made under the first sentence of this subsection, no restriction shall be placed on any right of access or other rights of owners of adjacent and surrounding lands, except that no poroperty rights shall accure to any person on or after the date of enactment of this Act.

(c) In any case in which and described in subsection (a) would be transferred, but for such subsection (a) under the Alaska Native Claims Settlement Act to a native corporation or village, an equivalent acreage of land which is, to the extent possible, contiguous to the land not transferred by reason of subsection (a) shall be transferred to such corporation or village.

THE WALL STREET JOURNAL DISCOVERS THE NATIONAL RIVER ACADEMY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 5 minutes.

Mr. ALEXANDER. Mr. Speaker, a few short years ago the National River Academy began to meet the sophisticated training of river navigation by applying the bootstrap principle notwithstanding overwhelming discouragement from most quarters that without the Federal Government it could not succeed. Slowly and deliberately it has gained recognition in this Nation and among many foreign countries interested in river commerce as the leading educational institution in the world today on inland waterways transportation. I was especially pleased to read the story in today's Wall Street Journal which recognizes the contribution which the National River Academy of the United States of America is making to the inland waterways industry. I commend it to my colleagues:

NOW, BOAT PILOTS ARE "LEARNING THE RIVER" STRICTLY BY THE BOOK—MARK TWAIN WOULD SHUDDER, BUT TO GET A LICENSE, CADETS GO TO CLASSES AT AN ACADEMY

(By Robert L. Simison)

ABOARD THE MARK EASTIN—Squinting and frowning slightly, Donny M. Ferguson leans forward in the pilot's chair as he carefully manipulates the towboat's rudder bars to push its 15-barge tow under the Shawneetown, Ill., bridge. Responding to the pilot's warning to watch out for rocks, he makes one last adjustment, then squares the boat's rudders. The Mark Eastin passes another obstacle on her trip up the swirling, muddy Ohio River.

Mr. Ferguson, who three years ago was flying executive charter jets for $15,000 a year, is one of the first graduates of the new National River Academy. Now, as a steersman, he is gaining the final experience that will land him his coveted license as riverboat pilot.

As long as anyone can remember, riverboat pilots have "learned the river" exactly as Mark Twain did more than a century ago, picking up the secrets of the profession slowly over four or five years from experienced pilots. But faced with a shortage of pilots in the rapidly expanding industry, towing companies are turning to formal, faster training for pilots. Five years ago, a group of 14 companies involved in the river industry founded the nonprofit National River Academy, the first and only of its kind. The cadet program began two years ago.

NEW WAYS SUPPLANT THE OLD

"The old way of learning by doing is no good anymore," says Pierre R. Becker, a retired U.S. Navy captain who is superintendent of the academy. One development that hastened this conclusion was passage of a 1972 federal law requiring licensing of towboat operators on the nation's 23,000 miles of inland waterways.

The new academy, located on the banks of the Mississippi 10 miles downstream from Helena, Ark., offers prospective riverboat pilots a 22-month course consisting of two-month sessions studying at the academy alternating with equal stints working on some of the nation's 4,000 towboats. They get training in basic deckhand work (cable throwing, tank-barge handling), as well as engineering, navigation, maritime law and actual piloting. Graduates qualify for second-class operators' licenses as steersmen, which, after a one to two-year stint, lead to pilot's certificates. Cadets pay $1,250 tuition a year; sponsoring companies ante up an additional $2,700. For this, they also get their room and board.

The river, of course, is home to many of the academy's cadets, and coming here to expand their knowledge and expertise is a natural step. "I guess that river water is in my blood," drawls Henry Cummings, 19, of Biloxi, Miss., who figures his family has about 150 years of tradition on the Mississippi.

But the academy is also attracting to the river those who probably wouldn't endure the customary three years as a deckhand to get a shot at becoming a pilot. Paul Swenson, for one, was a custom-home builder in Woodstock, N.Y., before joining the class that will graduate next August. "I like fresh air and working outside, and this is a lot more stable," the 24-year-old cadet says.

TICKET TO STEADY WORK

Another who plans to use his academy training to change careers is Stephen H. Turner, a Gretna, La., mechanical engineer. He plans to leave an American Bureau of Shipping job as a $15,000-a-year structural analyst to enroll in the school this May. "I got tired of working in an office, watching the boats go by on the river," explains Mr. Turner, who is 31 and has a wife and child.

Most cadets see the river pilot's license as a ticket to a steady, well-paying job that is more interesting than most. Indeed, there is continuing demand for their skills. Capt. Becker estimates more than 300 new pilots are needed each year—far more than the 20 to 30 the academy turns out. Experienced pilots are paid $15,000 to $25,000 a year, plus free room and board on the boats. Mr. Ferguson, the former charter pilot, says, "I dearly love aviation, but I'd gone about as far as I could as a jet pilot, and there wasn't any job security there." As a steersman, he makes $10,000 a year, compared with an estimated $20,000 if he had continued flying. He is confident, however, that in the long run he'll earn more and have more permanent work on the river.

While the new school has won praise from cadets and towboat companies, some veteran rivermen remain skeptical. "You can't make a pilot at a school," one old hand says with a snort.

For romantics who visualize the riverboat pilot's life as a continuing travelogue of lazy waters, beautiful scenery and picturesque people, the hard facts of life come as a sobering surprise. For one thing, piloting requires vast knowledge of the river and considerable finesse. The Eastin, herself 178 feet long and 43 feet wide, normally pushes a "tow" of 15 barges lashed together to form an unwieldy vessel 1,000 feet long and 105 feet wide. Spring storms can turn the usually tranquil river into a swollen, rolling flood that can propel the ponderous vessels downstream at a treacherous 15 miles an hour. At such times, pilots have little chance to correct even minor errors. "There are moments of stark, raving terror," Mr. Ferguson admits.

The profession also demands a special devotion. Rivermen normally work 30 days at a time, then take 15 to 30 days off. Mr. Ferguson, on an unusually long stint, is in his 33rd day of working six hours on and six off. He won't get off the boat for 15 more days, the time it takes the boat to travel up to Louisville and back down to Paducah, Ky. "It wears on you," admits Mr. Ferguson as he wearily sips a cup of coffee during the midnight-to-6 a.m. watch.

There are some amenities, however. The Eastin's full-time cook (the only woman among the 14-member crew), prepares three sumptuous meals a day. "The food's always good on the river," says a grimly, grinning deckhand gobbling a hunk of strawberry shortcake. Except for the ague-like shudder that the Eastin's 5,600-horsepower diesels constantly send through the decks, the living quarters might well be on dry land. Mr. Ferguson sleeps in a bed and showers with hot water.

Relaxation along the way is confined mostly to watching television and reading Western novels. The Eastin's captain, Jay Supple, often ducks out of the pilothouse to join off-duty deckhands in a game of stud poker. And of course, the ever-changing scenery provides another diversion. On this trip, however, all that can be seen in a monotonous expanse of brown water broken only by treetops and isolated houses.

"There's a lot of boredom, and I'm too old to find all this romantic," concludes the 31-year-old Mr. Ferguson. "But I believe I made a wise decision."

HAPPY BIRTHDAY, SPEAKER ALBERT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. CARNEY) is recognized for 5 minutes.

Mr. CARNEY. Mr. Speaker, today we honor the prestigious and honorable Speaker of the House, CARL B. ALBERT.

Speaker ALBERT was born May 10, 1908, on a farm near McAlester, Okla. He was the oldest of five children of his humble and hardworking parents, Ernest Homer and Leona Ann Albert.

Speaker ALBERT attended the University of Oklahoma, graduating with a B.A. in government in 1931, after distinguishing himself as a member of Phi Beta Kappa and Kappa Alpha, president of the university student senate, and winner of a nationwide oratorical competition. From 1931 to 1934, he was a Rhodes scholar at Oxford University in England, where he graduated with a B.A. and B.C.L. in law.

He served in the Army in the Pacific theater in World War II, holding the rank of colonel, and also practiced law before his election to Congress.

Elected to the 80th Congress, Speaker ALBERT has represented the Third Congressional District of Oklahoma continuously since 1947, and has served in the House of Representatives longer than any other Oklahoman. He served as House majority whip from the 84th Congress through the first session of the 87th, and then as House majority leader from January 1962 until chosen Speaker. On January 21, 1971, CARL ALBERT was elected 46th Speaker of the U.S. House of Representatives.

At this time, I would like to commend the record of the Speaker on the occasion of his 67th birthday, and to express my admiration for his notable performance in office. Since entering this body some 28 years ago, he has won recognition as a practical man of affairs, an expert organizer, and, above all else, a man of his word. Throughout his long and distinguished career, Speaker ALBERT has admirably represented the best interests of both his district and his country in the House of Representatives.

PRESIDENT HARRY S. TRUMAN: THE RIGHT TO HEALTH CARE

(Mr. YOUNG of Georgia asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. YOUNG of Georgia. Mr. Speaker, 30 years ago President Harry S. Truman recommended to the Congress a comprehensive health program to assure the right to "health security for all, regardless of residence, station, or race—everywhere in the United States."

President Truman's program was not adopted, partly because of a misleading attack on the plan as "socialized medicine." As Mr. Truman said:

> What I am recommending is *not* socialized medicine. Socialized medicine means that all doctors work as employees of government. . . . No such system is here proposed.

Thirty years later, Congress is still considering legislation which is similar to President Truman's health care program, including a bill (H.R. 6283) which I introduced. And in some quarters the inaccurate label of "socialized medicine" is attached to this legislation. My bill respects the professionalism and preserves the freedom of physicians. The real issue is the right of all people in this Nation to health care, and the establishment of a health care delivery system that works.

Mr. Speaker, I submit for the RECORD the special message to the Congress from President Harry S. Truman on November 19, 1945, recommending a comprehensive health program:

SPECIAL MESSAGE TO THE CONGRESS RECOMMENDING A COMPREHENSIVE HEALTH PROGRAM, NOVEMBER 19, 1945

To the Congress of the United States:

In my message to the Congress of September 6, 1945, there were enumerated in a proposed Economic Bill of Rights certain rights which ought to be assured to every American citizen.

One of them was: "The right to adequate medical care and the opportunity to achieve and enjoy good health." Another was the "right to adequate protection from the economic fears of . . . sickness. . . ."

Millions of our citizens do not now have a full measure of opportunity to achieve and enjoy good health. Millions do not now have protection or security against the economic effects of sickness. The time has arrived for action to help them attain that opportunity and that protection.

The people of the United States received a shock when the medical examinations conducted by the Selective Service System revealed the widespread physical and mental incapacity among the young people of our nation. We had had prior warnings from eminent medical authorities and from investigating committees. The statistics of the last war had shown the same condition. But the Selective Service System has brought it forcibly to our attention recently—in terms which all of us can understand.

As of April 1, 1945, nearly 5,000,000 male registrants between the ages of 18 and 37 had been examined and classified as unfit for military service. The number of those rejected for military service was about 30 percent of all those examined. The percentage of rejection was lower in the younger age groups, and higher in the higher age groups, reaching as high as 49 percent for registrants between the ages of 34 and 37.

In addition, after actual induction, about a million and a half men had to be discharged from the Army and Navy for physical or mental disability, exclusive of wounds; and an equal number had to be treated in the Armed Forces for diseases or defects which existed before induction.

Among the young women who applied for admission to the Women's Army Corps there was similar disability. Over one-third of those examined were rejected for physical or mental reasons.

These men and women who were rejected for military service are not necessarily incapable of civilian work. It is plain, however, that they have illnesses and defects that handicap them, reduce their working capacity, or shorten their lives.

It is not so important to search the past in order to fix the blame for these conditions. It is more important to resolve now that no American child shall come to adult life with diseases or defects which can be prevented or corrected at an early age.

Medicine has made great strides in this generation—especially during the last four years. We owe much to the skill and devotion of the medical profession. In spite of great scientific progress, however, each year we lose many more persons from preventable and premature deaths than we lost in battle or from war injuries during the entire war.

We are proud of past reductions in our death rates. But these reductions have come

principally from public health and other community services. We have been less effective in making available to all of our people the benefits of medical progress in the care and treatment of individuals.

In the past, the benefits of modern medical science have not been enjoyed by our citizens with any degree of equality. Nor are they today. Nor will they be in the future—unless government is bold enough to do something about it.

People with low or moderate incomes do not get the same medical attention as those with high incomes. The poor have more sickness, but they get less medical care. People who live in rural areas do not get the same amount or quality of medical attention as those who live in our cities.

Our new Economic Bill of Rights should mean health security for all, regardless of residence, station, or race—everywhere in the United States.

We should resolve now that the health of this Nation is a national concern; that financial barriers in the way of attaining health shall be removed; that the health of all its citizens deserves the help of all the Nation.

There are five basic problems which we must attack vigorously if we would reach the health objectives of our Economic Bill of Rights.

1. The first has to do with the number and distribution of doctors and hospitals. One of the most important requirements for adequate health service is professional personnel—doctors, dentists, public health and hospital administrators, nurses and other experts.

The United States has been fortunate with respect to physicians. In proportion to population it has more than any large country in the world, and they are well trained for their calling. It is not enough, however, that we have them in sufficient numbers. They should be located where their services are needed. In this respect we are not so fortunate.

The distribution of physicians in the United States has been grossly uneven and unsatisfactory. Some communities have had enough or even too many; others have had too few. Year by year the number in our rural areas has been diminishing. Indeed, in 1940, there were 31 counties in the United States, each with more than a thousand inhabitants, in which there was not a single practicing physician. The situation with respect to dentists was even worse.

One important reason for this disparity is that in some communities there are no adequate facilities for the practice of medicine. Another reason—closely allied with the first—is that the earning capacity of the people in some communities makes it difficult if not impossible for doctors who practice there to make a living.

The demobilization of 60,000 doctors, and of the tens of thousands of other professional personnel in the Armed Forces is now proceeding on a large scale. Unfortunately, unless we act rapidly, we may expect to see them concentrate in the places with greater financial resources and avoid other places, making the inequalities even greater than before the war.

Demobilized doctors cannot be assigned. They must be attracted. In order to be attracted, they must be able to see ahead of them professional opportunities and economic assurances.

Inequalities in the distribution of medical personnel are matched by inequalities in hospitals, clinics and health centers to take proper care of the people of the United States.

About 1,200 counties, 40 percent of the total in the country, with some 15,000,000 people, have either no local hospital, or none that meets even the minimum standards of national professional associations.

The deficiencies are especially severe in rural and semirural areas and in those cities where changes in population have placed great strains on community facilities.

I want to emphasize, however, that the basic problem in this field cannot be solved merely by building facilities. They have to be staffed; and the communities have to be able to pay for the services. Otherwise the new facilities will be little used.

2. The second basic problem is the need for development of public health services and maternal and child care. The Congress can be justifiably proud of its share in making recent accomplishments possible. Public health and maternal and child health programs already have made important contributions to national health. But large needs remain. Great areas of our country are still without these services. This is especially true among our rural areas; but it is true also in far too many urban communities.

Although local public health departments are now maintained by some 18,000 counties and other local units, many of these have only skeleton organizations, and approximately 40,000,000 citizens of the United States still live in communities lacking full-time local public health service. At the recent rate of progress in developing such service, it would take more than a hundred years to cover the whole Nation.

If we agree that the national health must be improved, our cities, towns and farming communities must be made healthful places in which to live through provision of safe water systems, sewage disposal plants and sanitary facilities. Our streams and rivers must be safeguarded against pollution. In addition to building a sanitary environment for ourselves and for our children, we must provide those services which prevent disease and promote health.

Services for expectant mothers and for infants, care of crippled or otherwise physically handicapped children and inoculation for the prevention of communicable diseases are accepted public health functions. So too are many kinds of personal services such as the diagnosis and treatment of widespread infections like tuberculosis and venereal disease. A large part of the population today lacks many or all of these services.

Our success in the traditional public health sphere is made plain by the conquest over many communicable diseases. Typhoid fever, smallpox, and diphtheria—diseases for which there are effective controls—have become comparatively rare. We must make the same gains in reducing our maternal and infant mortality, in controlling tuberculosis, venereal disease, malaria, and other major threats to life and health. We are only beginning to realize our potentialities in achieving physical well-being for all our people.

3. The third basic problem concerns medical research and professional education.

We have long recognized that we cannot be content with what is already known about health or disease. We must learn and understand more about health and how to prevent and cure disease.

Research—well directed and continuously supported—can do much to develop ways to reduce those diseases of body and mind which now cause most sickness, disability, and premature death—diseases of the heart, kidneys and arteries, rheumatism, cancer, diseases of childbirth, infancy and childhood, respiratory diseases and tuberculosis. And research can do much toward teaching us how to keep well and how to prolong healthy human life.

Cancer is among the leading causes of death. It is responsible for over 160,000 recorded deaths a year, and should receive special attention. Though we already have the National Cancer Institute of the Public Health Service, we need still more coordinated research on the cause, prevention and cure of this disease. We need more financial support for research and to establish special clinics and hospitals for diagnosis and treatment of the disease especially in its early stages. We need to train more physicians for the highly specialized services so essential for effective control of cancer.

There is also special need for research on mental diseases and abnormalities. We have done pitifully little about mental illnesses. Accurate statistics are lacking, but there is no doubt that there are at least two million persons in the United States who are mentally ill, and that as many as ten million will probably need hospitalization for mental illness for some period in the course of their lifetime. A great many of these persons would be helped by proper care. Mental cases occupy more than one-half of the hospital beds, at a cost of about 500 million dollars per year—practically all of it coming out of taxpayers' money. Each year there are 125,000 new mental cases admitted to institutions. We need more mental-disease hospitals, more out-patient clinics. We need more services for early diagnosis, and especially we need much more research to learn how to prevent mental breakdown. Also, we must have many more trained and qualified doctors in this field.

It is clear that we have not done enough in peace-time for medical research and education in view of our enormous resources and our national interest in health progress. The money invested in research pays enormous dividends. If any one doubts this, let him think of penicillin, plasma, DDT powder, and new rehabilitation techniques.

4. The fourth problem has to do with the high cost of individual medical care. The principal reason why people do not receive the care they need is that they cannot afford to pay for it on an individual basis at the time they need it. This is true not only for needy persons. It is also true for a large proportion of normally self-supporting persons.

In the aggregate, all health services—from public health agencies, physicians, hospitals, dentists, nurses and laboratories—absorb only about 4 percent of the national income. We can afford to spend more for health.

But four percent is only an average. It is cold comfort in individual cases. Individual families pay their individual costs, and not average costs. They may be hit by sickness that calls for many times the average cost—in extreme cases for more than their annual income. When this happens they may come face to face with economic disaster. Many families, fearful of expense, delay calling the doctor long beyond the time when medical care would do the most good.

For some persons with very low income or no income at all we now use taxpayers' money in the form of free services, free clinics, and public hospitals. Tax-supported, free medical care for needy persons, however, is insufficient in most of our cities and in nearly all of our rural areas. This deficiency cannot be met by private charity or the kindness of individual physicians.

Each of us knows doctors who work through endless days and nights, never expecting to be paid for their services because many of their patients are unable to pay. Often the physician spends not only his time and effort, but even part of the fees he has collected from patients able to pay, in order to buy medical supplies for those who cannot afford them. I am sure that there are thousands of such physicians throughout our country. They cannot, and should not, be expected to carry so heavy a load.

5. The fifth problem has to do with loss of earnings when sickness strikes. Sickness not only brings doctor bills; it also cuts off income.

On an average day, there are about 7 million persons so disabled by sickness or injury that they cannot go about their usual tasks. Of these, about 3¼ millions are per-

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sons who, if they were not disabled, would be working or seeking employment. More than one-half of these disabled workers have already been disabled for six months; many of them will continue to be disabled for years, and some for the remainder of their lives.

Every year, four or five hundred million working days are lost from productive employment because of illness and accident among those working or looking for work—about forty times the number of days lost because of strikes on the average during the ten years before the war. About nine-tenths of this enormous loss is due to illness and accident that is not directly connected with employment, and is therefore not covered by workmen's compensation laws.

These then are the five important problems which must be solved, if we hope to attain our objective of adequate medical care, good health, and protection from the economic fears of sickness and disability.

To meet these problems, I recommend that the Congress adopt a comprehensive and modern health program for the Nation, consisting of five major parts—each of which contributes to all the others.

FIRST: CONSTRUCTION OF HOSPITALS AND RELATED FACILITIES

The Federal Government should provide financial and other assistance for the construction of needed hospitals, health centers and other medical, health, and rehabilitation facilities. With the help of Federal funds, it should be possible to meet deficiencies in hospital and health facilities so that modern services—for both prevention and cure—can be accessible to all the people. Federal financial aid should be available not only to build new facilities where needed, but also to enlarge or modernize those we now have.

In carrying out this program, there should be a clear division of responsibilities between the States and the Federal Government. The States, localities and the Federal Government should share in the financial responsibilities. The Federal Government should not construct or operate these hospitals. It should, however, lay down minimum national standards for construction and operation, and should make sure that Federal funds are allocated to those areas and projects where Federal aid is needed most. In approving state plans and individual projects, and in fixing the national standards, the Federal agency should have the help of a strictly advisory body that includes both public and professional members.

Adequate emphasis should be given to facilities that are particularly useful for prevention of diseases—mental as well as physical—and to the coordination of various kinds of facilities. It should be possible to go a long way toward knitting together facilities for prevention with facilities for cure, the large hospitals of medical centers with the smaller institutions of surrounding areas, the facilities for the civilian population with the facilities for veterans.

The general policy of Federal-State partnership which has done so much to provide the magnificent highways of the United States can be adapted to the construction of hospitals in the communities which need them.

SECOND: EXPANSION OF PUBLIC HEALTH, MATERNAL AND CHILD HEALTH SERVICES

Our programs for public health and related services should be enlarged and strengthened. The present Federal-State cooperative health programs deal with general public health work, tuberculosis and venereal disease control, maternal and child health services, and services for crippled children.

These programs were especially developed in the ten years before the war, and have been extended in some areas during the war. They have already made important contributions to national health, but they have not yet reached a large proportion of our rural areas, and, in many cities, they are only partially developed.

No area in the Nation should continue to be without the services of a full-time health officer and other essential personnel. No area should be without essential public health services or sanitation facilities. No area should be without community health services such as maternal and child health care.

Hospitals, clinics and health centers must be built to meet the needs of the total population, and must make adequate provision for the safe birth of every baby, and for the health protection of infants and children.

Present laws relating to general public health, and to maternal and child health, have built a solid foundation of Federal cooperation with the States in administering community health services. The emergency maternity and infant care program for the wives and infants of servicemen—a great wartime service authorized by the Congress—has materially increased the experience of every State health agency, and has provided much-needed care. So too have other wartime programs such as venereal disease control, industrial hygiene, malaria control, tuberculosis control and other services offered in war essential communities.

The Federal Government should cooperate by more generous grants to the States than are provided under present laws for public health services and for maternal and child health care. The program should continue to be partly financed by the States themselves, and should be administered by the States. Federal grants should be in proportion to State and local expenditures, and should also vary in accordance with the financial ability of the respective States.

The health of American children, like their education, should be recognized as a definite public responsibility.

In the conquest of many diseases prevention is even more important than cure. A well-rounded national health program should, therefore, include systematic and widespread health and physical education and examinations, beginning with the youngest children and extending into community organizations. Medical and dental examinations of school children are now inadequate. A preventive health program, to be successful, must discover defects as early as possible. We should, therefore, see to it that our health programs are pushed most vigorously with the youngest section of the population.

Of course, Federal aid for community health services—for general public health and for mothers and children—should complement and not duplicate prepaid medical services for individuals, proposed by the fourth recommendation of this message.

THIRD: MEDICAL EDUCATION AND RESEARCH

The Federal Government should undertake a broad program to strengthen professional education in medical and related fields, and to encourage and support medical research.

Professional education should be strengthened where necessary through Federal grants-in-aid to public and to non-profit private institutions. Medical research, also, should be encouraged and supported in the Federal agencies and by grants-in-aid to public and non-profit private agencies.

In my message to the Congress of September 6, 1945, I made various recommendations for a general Federal research program. Medical research—dealing with the broad fields of physical and mental illnesses—should be made effective in part through that general program and in part through specific provisions within the scope of a national health program.

Federal aid to promote and support research in medicine, public health and allied fields is an essential part of a general research program to be administered by a central Federal research agency. Federal aid for medical research and education is also an essential part of any national health program, if it is to meet its responsibilities for high grade medical services and for continuing progress. Coordination of the two programs is obviously necessary to assure efficient use of Federal funds. Legislation covering medical research in a national health program should provide for such coordination.

FOURTH: PREPAYMENT OF MEDICAL COSTS

Everyone should have ready access to all necessary medical, hospital and related services.

I recommend solving the basic problem by distributing the costs through expansion of our existing compulsory social insurance system. This is not socialized medicine.

Everyone who carries fire insurance knows how the law of averages is made to work so as to spread the risk, and to benefit the insured who actually suffers the loss. If instead of the costs of sickness being paid only by those who get sick, all the people—sick and well—were required to pay premiums into an insurance fund, the pool of funds thus created would enable all who do fall sick to be adequately served without overburdening anyone. That is the principle upon which all forms of insurance are based.

During the past fifteen years, hospital insurance plans have taught many Americans this magic of averages. Voluntary health insurance plans have been expanding during recent years; but their rate of growth does not justify the belief that they will meet more than a fraction of our people's needs. Only about 3% or 4% of our population now have insurance providing comprehensive medical care.

A system of required prepayment would not only spread the costs of medical care, it would also prevent much serious disease. Since medical bills would be paid by the insurance fund, doctors would more often be consulted when the first signs of disease occur instead of when the disease has become serious. Modern hospital, specialist and laboratory services, as needed, would also become available to all, and would improve the quality and adequacy of care. Prepayment of medical care would go a long way toward furnishing insurance against disease itself, as well as against medical bills.

Such a system of prepayment should cover medical, hospital, nursing and laboratory services. It should also cover dental care—as fully and for as many of the population as the available professional personnel and the financial resources of the system permit.

The ability of our people to pay for adequate medical care will be increased if, while they are well, they pay regularly into a common health fund, instead of paying sporadically and unevenly when they are sick. This health fund should be built up nationally, in order to establish the broadest and most stable basis for spreading the costs of illness, and assure adequate financial support for doctors and hospitals everywhere. If we were to rely on state-by-state action only, many years would elapse before we had any general coverage. Meanwhile health service would continue to be grossly uneven, and disease would continue to cross state boundary lines.

Medical services are personal. Therefore the nation-wide system must be highly decentralized in administration. The local administrative unit must be the keystone of the system so as to provide for local services and adaptation to local needs and conditions. Locally as well as nationally, policy and administration should be guided by advisory committees in which the public and the medical professions are represented.

Subject to national standards, methods and rates of paying doctors and hospitals

should be adjusted locally. All such rates for doctors should be adequate, and should be appropriately adjusted upward for those who are qualified specialists.

People should remain free to choose their own physicians and hospitals. The removal of financial barriers between patient and doctor would enlarge the present freedom of choice. The legal requirement on the population to contribute involves no compulsion over the doctor's freedom to decide what services his patients needs. People will remain free to obtain and pay for medical service outside of the health insurance system if they desire, even though they are members of the system; just as they are free to send their children to private instead of to public schools, although they must pay taxes for public schools.

Likewise physicians should remain free to accept or reject patients. They must be allowed to decide for themselves whether they wish to participate in the health insurance system full time, part time, or not at all. A physician may have some patients who are in the system and some who are not. Physicians must be permitted to be represented through organizaltons of their own choosing, and to decide whether to carry on in individual practice or to join with other doctors in group practice in hospitals or in clinics.

Our voluntary hospitals and our city, county and state general hospitals, in the same way, must be free to participate in the system of whatever extent they wish. In any case they must continue to retain their administrative independence.

Voluntary organizations which provide health services that meet reasonable standards of quality should be entitled to furnish services under the insurance system and to be reimbursed for them. Voluntary cooperative organizations concerned with paying doctors, hospitals or others for health services, but not providing services directly, should be entitled to participate if they can contribute to the efficiency and economy of the system.

None of this is really new. The American people are the most insurance-minded people in the world. They will not be frightened off from health insurance because some people have misnamed it "socialized medicine."

I repeat—what I am recommending is *not* socialized medicine.

Socialized medicine means that all doctors work as employees of government. The American people want no such system. No such system is here proposed.

Under the plan I suggest, our people would continue to get medical and hospital services just as they do now—on the basis of their own voluntary decisions and choices. Our doctors and hospitals would continue to deal with disease with the same professional freedom as now. There would, however, be this all-important difference: whether or not patients get the services they need would not depend on how much they can afford to pay at the time.

I am in favor of the broadest possible coverage for this insurance system. I believe that all persons who work for a living and their dependents should be covered under such an insurance plan. This would include wage and salary earners, those in business for themselves, professional persons, farmers, agricultural labor, domestic employees, government employees and employees of non-profit institutions and their families.

In addition, needy persons and other groups should be covered through appropriate premiums paid for them by public agencies. Increased Federal funds should also be made available by the Congress under the public assistance programs to reimburse the States for part of such premiums, as well as for direct expenditures made by the States in paying for medical services provided by doctors, hospitals and other agencies to needy persons.

Premiums for present social insurance benefits are calculated on the first $3,000 of earnings in a year. It might be well to have all such premiums, including those for health, calculated on a somewhat higher amount such as $3,600.

A broad program of prepayment for medical care would need total amounts approximately equal to 4% of such earnings. The people of the United States have been spending, on the average, nearly this percentage of their incomes for sickness care. How much of the total fund should come from the insurance premiums and how much from general revenues is a matter for the Congress to decide.

The plan which I have suggested would be sufficient to pay most doctors more than the best they have received in peacetime years. The payments of the doctors' bills would be guaranteed, and the doctors would be spared the annoyance and uncertainty of collecting fees from individual patients. The same assurance would apply to hospitals, dentists and nurses for the services they render.

Federal aid in the construction of hospitals will be futile unless there is current purchasing power so that people can use these hospitals. Doctors cannot be drawn to sections which need them without some assurance that they can make a living. Only a nation-wide spreading of sickness costs can supply such sections with sure and sufficient purchasing power to maintain enough physicians and hospitals.

We are a rich nation and can afford many things. But ill-health which can be prevented or cured is one thing we cannot afford.

FIFTH: PROTECTION AGAINST LOSS OF WAGES FROM SICKNESS AND DISABILITY

What I have discussed heretofore has been a program for improving and spreading the health services and facilities of the Nation, and providing an efficient and less burdensome system of paying for them.

But no matter what we do, sickness will of course come to many. Sickness brings with it loss of wages.

Therefore, as a fifth element of a comprehensive health program, the workers of the Nation and their families should be protected against loss of earnings because of illness. A comprehensive health program must include the payment of benefits to replace at least part of the earnings that are lost during the period of sickness and longterm disability. This protection can be readily and conveniently provided through expansion of our present social insurance system, with appropriate adjustment of premiums.

Insurance against loss of wages from sickness and disability deals wtih cash benefits, rather than with services. It has to be coordinated with the other cash benefits under existing social insurance systems. Such coordination should be effected when other social security measures are reexamined. I shall bring this subject again to the attention of the Congress in a separate message on social security.

I strongly urge that the Congress give careful consideration to this program of health legislation now.

Many millions of our veterans, accustomed in the armed forces to the best of medical and hospital care, will no longer be eligible for such care as a matter of right except for their service-connected disabilities. They deserve continued adequate and comprehensive health service. And their dependents deserve it too.

By preventing illness, by assuring access to needed community and personal health services, by promoting medical research, and by protecting our people against the loss caused by sickness, we shall strengthen our national health, our national defense, and our economic productivity. We shall increase the professional and economic opportunities of our physicians, dentists and nurses. We shall increase the effectiveness of our hospital and public health agencies. We shall bring new security to our people.

We need to do this especially at this time because of the return to civilian life of many doctors, dentists and nurses, particularly young men and women.

Appreciation of modern achievements in medicine and public health has created widespread demand that they be fully applied and universally available. By meeting that demand we shall strengthen the Nation to meet future economic and social problems; and we shall make a most important contribution toward freedom from want in our land.

HARRY S TRUMAN.

CHEMICAL WARFARE POLICY—A CROSSROADS

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, we are now at a crossroads in our policy on chemical warfare. We face the choice of either renouncing chemical warfare and moving seriously toward a treaty, or replacing our present stockpiles either with a new binary weapon system or by updating existing munitions.

Dr. Matthew Meselson, formerly a consultant to the U.S. Arms Control and Disarmament Agency, and professor of biochemistry at Harvard University, has written an article on this subject in Arms Control Today, April 1975. I would like to share his thinking with the Members:

WHAT POLICY FOR NERVE GAS?

(By Matthew Meselson)

During World War II Germany produced, but did not use, a new super-toxic class of lethal chemicals, the nerve gases. During the 1950s and 1960s the United States produced thousands of tons of nerve gas and stockpiled nerve gas weapons designed for tactical battlefield use. These are stored mainly in the continental U.S., with a lesser quantity deployed in Europe, in the Federal Republic of Germany. We have no reliable estimate of the size or the composition of the Soviet poison gas stockpile, although the U.S.S.R. and a number of other countries could readily produce nerve gas.

Lethal chemicals are generally considered to be weapons of mass destruction. For example, under not uncommon meteorological conditions a single light bomber could deliver enough nerve gas to cause a high percentage of fatalities over a downwind area of several square miles. But despite the potential of nerve gas and certain other lethal chemicals for inflicting mass casualties, quite effective protection can be provided for combat troops, in the form of modern gas masks, protective clothing, vehicle air conditioners, and other equipment. Although an initial resort to nerve gas would inflict heavy casualties on military units if caught off guard, its subsequent use against troops with modern protective equipment would be much less effective, a fact of potential importance for chemical arms control.

EDGING TOWARD CHEMICAL ARMS CONTROL

The principal treaty dealing with chemical weapons is the Geneva Protocol of 1925. All militarily important nations are parties, including the members of NATO, the Warsaw Pact, and the People's Republic of China.

After nearly fifty years of alternating controversy and inattention, the United States has finally become a party to the Protocol, following its ratification by President Ford on January 22, 1975, with the undivided support of the Senate. The Protocol is, in effect, a no-first-use agreement. It *does not* prohibit stockpiling of chemical weapons or reprisal in kind against a violator. However, the U.S. and U.S.S.R. as parties to the Biological Weapons Convention of 1972 have undertaken, under Article IX, to negotiate effective measures for prohibiting the development, production and possession of chemical weapons of war. At Moscow in July, 1974, President Nixon and Secretary Brezhnev declared their agreement to consider a joint initiative at the Conference of the Committee on Disarmament (CCD) in Geneva to obtain an international convention eliminating the most lethal chemical weapons. This was reaffirmed by President Ford and Secretary Brezhnev at Vladivostok last November. However, no such initiative has yet been made nor has the United States put forward any proposals of its own.

AND AWAY FROM IT

Meanwhile the Department of Defense has renewed its request, voted down in the House of Representatives last year, for funds to build a facility to produce a new generation of nerve gas weapons, safer to handle and store, called binaries. Only $8.8 million is being sought for the new facility but over the course of several years it would cost approximately $1,000 million to produce binary nerve gas weapons to replace the existing stockpile and perhaps three quarters of a billion more to dispose of the latter. For two years the Defense Department has testified before Congress in favor of binaries, while the Director of the U.S. Arms Control and Disarmament Agency has testified against. The case for buying binaries is not that they are more effective on the battlefield—in fact they are not. Rather, the arguments for and against them are largely psychological and political. Advocates consider that their safety features will overcome public opposition to transportation and forward deployment of nerve gas weapons. Critics argue that a major new round of chemical weapons procurement will spoil chances for negotiating a chemical arms control treaty and will stimulate the international proliferation of chemical weapons.

U.S. POLICY AT A CROSSROADS

While the dispute over binaries has occupied center stage the present situation represents a crossroads of a more fundamental nature. Broadly defined, the choice is between (1) replacement of the existing stockpile with binaries or at least the retention of the current inventory, possibly with some modifications to suit newer types of aircraft and artillery or, (2) renunication of lethal chemical weapons, either through international agreement or unilaterally, seeking a treaty afterwards.

It is not maintained that chemical weapons are needed to deter war itself. Our conventional and nuclear forces serve that role. Neither do senior officials consider that we would have any important incentive to be the first to attack with gas should major war occur. Stated U.S. policy has long been not to start poison gas warfare, a doctrine further solidified by U.S. ratification of the Geneva Protocol. Rather, it is argued that the prospect of retaliation in kind would contribute importantly to deterring the Soviets from using the nerve gas that they must be assumed to possess and that, if such deterence fails, our retaliation could enable us to defend Europe without necessitating immediate resort to nuclear weapons. The rationale for these beliefs rests not on the direct casualty-producing capability of nerve gas, which would be minimized by the use of protective equipment, but rather on the reduction in fighting efficiency that results from wearing masks and suits and taking other protective measures. It is contended that the ability to retaliate in kind in the combat zone and in rear support areas would allow us to impose on the Soviets the same protective posture they impose on us, greatly reducing the advantages to them of any protracted use of gas. However, it must be admitted that our retaliatory capability does nothing to reduce the advantage to the Soviets inherent in the initial casualties and confusion that could be inflicted by a surprise attack on our forces.

But technical military considerations aside, the case for having nerve gas rests on psychological assumptions that go to the heart of NATO defense doctrine. Would our nerve gas deter Soviet first use or would it instead encourage them to think at a desperate moment that they might use nerve gas to break a battlefield deadlock without provoking a nuclear response? And if NATO is attacked with nerve gas, would our retaliation in kind help to gain time and promote the sanity needed to terminate hostilities? Or would it so complicate the calculations of both sides as to preclude the clarity of analysis and communication needed to stop a war short of all-out nuclear exchange? Indeed, must not nuclear weapons inevitably come rapidly into play in response to any determined Soviet thrust into Europe, thereby completely overshadowing the question of gas warfare?

SETTING THE EXAMPLE

It is generally agreed that in addition to the cost in resources, there are other costs of stockpiling nerve gas and having an active nerve gas program. Today, no nuclear nation is thought to have stockpiled nerve gas weapons. It is very much in our interest to preserve this situation. Our great wealth allows us to expend enormous quantities of conventional munitions in tactical war and to maintain large strategic and tactical nuclear forces. Very few countries even approach this capability. However, nerve gas weapons have the potential of wide area coverage at relatively low cost. Their proliferation would greatly enhance the capability of smaller countries and perhaps even of dissident paramilitary groups for threat, harassment, and destruction. The United States and the Soviet Union set the pace and direction of military developments throughout the world. The more interest we display in nerve gas weapons, the more we pioneer their technology and invest in them, the more lesser military powers are likely to question their case for refraining from acquiring nerve gas weapons of their own.

On a different level of concern, the rapid and accelerating advancement of biochemistry and the biological sciences is inevitably leading to a profound ability to manipulate life processes for good or ill. Over the long run, it may be very important to create an international consensus that such knowledge is not to be exploited for military purposes. The possession of nerve gas weapons maintains institutional commitments to such exploitation. In contrast, if nerve gas can be eliminated we would be free to create an atmosphere in which our increasing knowledge of life processes is directed solely to man's benefit and in which research is conducted under the more or less open public scrutiny that is probably necessary to ensure such beneficial use.

TRIBUTE TO OLDER AMERICANS

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, May 1975, has been designated by the President as "Older Americans Month."

In this period we are privileged to comply with the Great Commandment, "Honor thy father and thy mother," for our older Americans are, in fact, the fathers and mothers of our generation.

Who more than they deserve our honor and our tribute?

They have brought forth our generation. They have made for our generation a great and beautiful land with an inspiring history and tradition offering not only material but great spiritual blessings.

They have provided great institutions, affording and protecting the freedom that we enjoy under our Constitution, and our American way of life.

They have kept our land free of aggression and conquest so that we enjoy the rich heritage of liberty and personal dignity.

These fathers and mothers—our elderly of today—not only brought us into this beautiful land of ours, but they cared for us in our infancy. They nurtured us to strength and maturity.

They gave us education. They helped us to enjoy the blessings of a family and to find our place in the community and in our country to become a part—a meaningful part—of our time and generation.

They have in general provided the moral climate and the standards for our generation; fixed our family and national objectives, aims and aspirations—set the standards, as it were, of our time.

They have in general created the wealth which is our national inheritance and made possible the good life that we enjoy.

While helping us to enjoy material blessings, they have also taught us, as Justice Oliver Wendell Holmes once said in a memorial address:

> Life can still be lifted into poetry and lit with spiritual charm.

Is it not appropriate then that we keep the Commandment to honor our fathers and mothers who have done so much for us?

Now that they have moved from the flood of life into its eddies, its quiet waters, surely we are not to forsake them or cease to give them the loving care which they may require. Do we not owe them the tender duty to see that they receive the special care their long-burdened bodies may require and that they enjoy the friendship and comradeship and association with others which would dispel the pall of loneliness which may otherwise fall upon them?

Are they not deserving of adequate nutrition to sustain their aging bodies? And cannot we make provision which will assure that they shall not want?

Are they not entitled to live in some place they are proud to call home, be it a residence, apartment, or the house of another?

These are some of the questions that a generation wishing to honor its elders—its fathers and mothers—should ask itself in this month of May which is dedicated to older Americans.

Now the Earth is bursting with the

beauty of spring. The lovely flowers in their beauty and glory are glowing everywhere, attesting that nature has again emerged from the cycle of winter into a new exhilaration of life.

We cannot make the elderly young again if we would, but we can bring a sense of spring to their hearts. We can freshen their spirits. We can inspire their minds at this season in May with a new sense of belonging—a new sense of importance, a new happiness.

The most beautiful flower we could give to them would be the rose of love that costs nothing. And there are many such flowers in every heart which could be given in great profusion without impoverishing the giver.

Let us then so enrich the lives and increase the happiness of our fathers and mothers—our older Americans—that they will truly be able to say with poet Browning:

> Grow old along with me!
> The best is yet to be,
> The last of life for which the first was made.
> Our times are in his hand.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Gradison (at the request of Mr. Rhodes), on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Evins of Tennessee, for 15 minutes, today.

(The following Members (at the request of Mr. Myers of Pennsylvania) to revise and extend their remarks and include extraneous material:)

Mr. Cleveland, for 10 minutes, today.
Mr. Steelman, for 5 minutes, today.
Mr. Derwinski, for 5 minutes, today.
Mr. Young of Alaska, for 10 minutes, today.

(The following Members (at the request of Mr. Oberstar) to revise and extend their remarks and include extraneous material:)

Mr. Lehman, for 5 minutes, today.
Mr. Gonzalez, for 5 minutes, today.
Mr. Fuqua, for 5 minutes, today.
Mr. Hicks, for 5 minutes, today.
Mr. Fithian, for 10 minutes, today.
Mr. Mezvinsky, for 15 minutes, today.
Mr. Vanik, for 10 minutes, today.
Mr. Metcalfe, for 30 minutes, today.
Mr, Koch, for 30 minutes, today.
Mr. Bedell, for 5 minutes, today.
Mr. Wolff, for 5 minutes, today.
Mr. Van Deerlin, for 5 minutes, today.
Mr. Alexander, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Michel, and to include extraneous matter.

Mr. Young of Georgia, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $834.

Mr. Young of Alaska, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $1,756.50.

(The following Members (at the request of Mr. Myers of Pennsylvania) and to include extraneous material:)

Mr. Bell.
Mr. Sarasin.
Mr. Steelman.
Mr. Robinson.
Mr. Moore in three instances.
Mr. Brown of Ohio.
Mr. Archer in two instances.
Mr. Symms.
Mr. Emery.
Mr. Rousselot.
Mr. Sebelius.
Mr. Steiger of Arizona.
Mr. Regula.
Mr. McDade.
Mr. Broomfield in two instances.
Mr. Peyser in two instances.
Mr. Whitehurst.
Mr. Forsythe.
Mr. McEwen.
Mr. Bob Wilson in two instances.
Mr. Whalen.
Mr. Esch.
Mr. Don H. Clausen.
Mr. Ashbrook.
Mr. Derwinski in two instances.

(The following Members (at the request of Mr. Oberstar) and to include extraneous matter:)

Mr. Rosenthal.
Mr. Blanchard in two instances.
Mr. Minish.
Mr. Ryan.
Mr. Murphy of New York.
Mr. Bonker in two instances.
Mr. Gonzalez in three instances.
Mr. Anderson of California in three instances.
Mr. McDonald of Georgia in three instances.
Mr. Evans of Indiana.
Mr. Koch in three instances.
Mr. Carr in two instances.
Mr. Teague in two instances.
Mr. Hamilton.
Mr. Roe in two instances.
Mr. Young of Georgia.
Mr. Helstoski.
Mr. Delaney.
Mr. Wolff in 10 instances.
Mr. Downey in three instances.
Mr. Simon in two instances.
Mr. Won Pat.
Mr. Maguire.
Mr. Carney.
Mr. Gaydos.

ENROLLED BILL SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 25. An act to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes.

ADJOURNMENT

Mr. OBERSTAR. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 21 minutes p.m.) the House adjourned until tomorrow, Friday, May 9, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

974. A letter from the Executive Secretary of the Department of Health, Education, and Welfare, transmitting notice of proposed rulemaking concerning certification with respect to open meetings by local educational agencies in certain programs under section 812 of the Elementary and Secondary Education Act of 1965, as amended, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

975. A letter from the Assistant Secretary of State for Congressional Relations, transmitting the text of a proposed agreement between the Governments of the United States and India regarding the consolidation and rescheduling of certain debts owed to the United States, pursuant to section 4 of the Foreign Assistance Act of 1974 (Public Law 93–333); to the Committee on International Relations.

976. A letter from the Comptroller, Defense Security Assistance Agency, transmitting a quarterly report on foreign military sales direct credit and guaranty agreements, pursuant to section 36(a) (3) and (4) of the Foreign Military Sales Act, as amended (22 U.S.C. 2776(a)); to the Committee on International Relations.

977. A letter from the Acting Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to extend the National Health Service Corps and for other purposes; to the Committee on Interstate and Foreign Commerce.

978. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation under the authority of section 244(a)(1) of the Immigration and Nationality Act, as amended, together with a list of the persons involved, pursuant to section 244(c) of the act (8 U.S.C. 1254(c)); to the Committee on the Judiciary.

979. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation under the authority of section 244(a)(2) of the Immigration and Nationality Act, as amended, together with a list of the persons involved, pursuant to section 244(c) of the act (8 U.S.C. 1254(c)); to the Committee on the Judiciary.

Received From the Comptroller General

980. A letter from the Comptroller General of the United States, transmitting a report on the overseas donation program carried out under title II of the Agricultural Trade Development and Assistance Act (Public Law 480); jointly, to the Committees on Government Operations, Agriculture, and International Relations.

931. A letter from the Comptroller General of the United States, transmitting a report that the United States should recover full costs of reimbursable satellite launches; jointly, to the Committees on Government Operations, Armed Services, and Science and Technology.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. EDWARDS of California: Committee on the Judiciary:

H.R. 6219. A bill to amend the Voting Rights Act of 1965 to extend certain provisions for an additional 10 years, to make permanent the ban against certain prerequisites to voting, and for other purposes; with amendment (Rept. No. 94–196). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALEXANDER:

H.R. 6818. A bill to provide funds for wages of employees of certain insolvent railroads under the Comprehensive Employment and Training Act of 1973; to the Committee on Education and Labor.

By Mr. BROOMFIELD:

H.R. 6819. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

By Mr. DON H. CLAUSEN:

H.R. 6820. A bill to prohibit the export of timber harvested from public lands of the United States including lands within the National Forest System created from the public domain located west of the 100th meridian, and for other purposes; jointly to the Committees on International Relations and Interior and Insular Affairs.

By Mr. CLEVELAND (for himself, Mr. Wright, Mr. Bedell, Mr. Bevill, Mr. Brown of Michigan, Mr. Duncan of Oregon, Mr. Edgar, Mr. Ford of Tennessee, Mr. Fuqua, Mr. Gaydos, Mr. Howard, Mr. Hyde, Mr. LaFalce, Mrs. Lloyd of Tennessee, Mr. McCollister, Mr. Matsunaga, Mr. Mazzoli, Mr. Miller of California, Mr. Preyer, Mr. Richmond, Mr. Ryan, Mr. Simon, Mr. Steiger of Wisconsin, and Mr. Talcott):

H.R. 6821. A bill to amend title II of the Federal Water Pollution Control Act to provide for State certification; to the Committee on Public Works and Transportation.

By Mr. CORMAN (for himself, Mr. Brodhead, Mr. Moffett, Mr. Nowak, Mr. Traxler, and Mr. Yates):

H.R. 6822. A bill to create a national system of health security; to the Committee on Waya and Means.

By Mr. FORSYTHE:

H.R. 6823. A bill to amend the Social Security Act to provide for inclusion of the services of licensed (registered) nurses under medicare and medicaid; to the Committee on Ways and Means.

By Mr. HANNAFORD:

H.R. 6824. A bill to amend title 38, United States Code, to establish the per annum fullpay scale for certain personnel of the Department of Medicine and Surgery of the Veterans' Administration; to make a career in the Department of Medicine and Surgery more attractive, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. HARSHA:

H.R. 6825. A bill to amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. JACOBS:

H.R. 6826. A bill to amend the Internal Revenue Code of 1954 to provide that a portion of an individual's wages, salary, or other income shall be exempt from levy to enforce the payment of Federal taxes; to the Committee on Ways and Means.

By Mr. KOCH (for himself, Mr. Mitchell of Maryland, Mr. Beard of Rhode Island, Mr. Scheuer, and Ms. Holtzman):

H.R. 6827. A bill to provide for the payment by the United States of attorneys fees and other costs of the accused in criminal cases where the ultimate disposition is other than a conviction; to the Committee on the Judiciary.

By Mr. KOCH (for himself, Mr. Del Clawson, and Mr. Rosenthal):

H.R. 6828. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

By Mr. KOCH (for himself, Mr. Beard of Rhode Island, Mr. Phillip Burton, Mr. Eilberg, Mr. Harrington, Mr. Ottinger, Mr. Rees, Mr. Rosenthal, Mr. Scheuer, Ms. Spellman, Mr. Gilman, and Mr. Mikva):

H.R. 6829. A bill to modify the restrictions contained in section 170(e) of the Internal Revenue Code in the case of certain contributions of literary, musical, or artistic composition, or similar property; to the Committee on Ways and Means.

By Mr. KOCH (for himself, Mr. Beard of Rhode Island, Mr. Phillip Burton, Mr. Eilberg, Mr. Gilman, Mr. Harrington, Mr. Ottinger, Mr. Rees, Mr. Rosenthal, Mr. Scheuer, Ms. Spellman, Mr. Drinan, Mr. Mann, and Mr. Jenrette):

H.R. 6830. A bill to amend the Internal Revenue Code of 1954 to provide that the 4-percent excise tax on the net investment income of a private foundation shall not apply to a private foundation organized and operated exclusively as a library, museum, or similar educational institution; to the Committee on Ways and Means.

By Mr. MEZVINSKY (for himself and Mr. Frey):

H.R. 6831. A bill to provide a program of income tax counseling for elderly individuals; to the Committee on Ways and Means.

By Mr. MICHEL:

H.R. 6832. A bill to amend title I of the Housing and Community Development Act of 1974 for the purpose of assuring that a certain percentage of the funds allocated under section 106 of such act is distributed to units of general local government, other than metropolitan cities and urban counties, and to States for use in metropolitan areas; to the Committee on Banking, Currency and Housing.

By Mr. MITCHELL of Maryland (for himself, Mr. Conyers, Mr. Nix, Mr. Ottinger, Mr. Metcalfe, Mr. Dellums, Mr. Harrington, Mr. Ford of Tennessee, Ms. Holtzman, Mr. Rangel, Mr. Corman, Ms. Collins of Illinois, and Mr. Rooney):

H.R. 6833. A bill to amend the Small Business Act to impose a moratorium on the repayment of principal and interest on certain loans made by the Small Business Administration for a period of 2 years or until such time as the President determines that the United States is no longer in a period of economic recession; to the Committee on Small Business.

By Mr. MYERS of Pennsylvania (for himself, Mr. Simon, Mr. Coughlin, Mr. Nedzi, Mr. Collins of Texas, Mr. McDonald of Georgia, Mr. Ashley, Mr. Winn, Mr. Talcott, Mr. Schneebeli, Mr. D'Amours, Mr. Krueger, Mr. Solarz, Mr. Kemp, Mr. Thone, Mr. Dickinson, Mr. Howe, Mr. Downey of New York, Mrs. Lloyd of Tennessee, Mrs. Holt, Mr. McHugh, Mr. Harrington, Mr. Fuqua, Mr. Abdnor, and Mr. Robinson):

H.R. 6834. A bill to amend title 39, United States Code, to prohibit certain franked mailings by Members of the Congress and certain officers of the United States, other than mailings related to the closing of their official business, after such Members or officers have left office; to the Committee on Post Office and Civil Service.

By Mr. MYERS of Indiana:

H.R. 6835. A bill to amend title II of the Social Security Act to increase the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted each year without any deductions from benefits thereunder, and to revise the method for determining such amount; to the Committee on Ways and Means.

By Mr. NIX:

H.R. 6836. A bill to coordinate State and local government budget-related actions with Federal Government efforts to stimulate economic recovery by establishing a system of emergency support grants to State and local governments; to the Committee on Government Operations.

By Mr. PEYSER:

H.R. 6837. A bill to provide emergency financial assistance to assure that there are adequate levels of police and fire personnel to provide for the public safety of citizens residing in areas which have been forced, due to severe financial hardship, to lay off public safety officers; to the Committee on Education and Labor.

By Mr. RICHMOND (for himself, Ms. Schroeder, Mr. Eilberg, Mr. Anderson of California, Mr. Fraser, Mr. Bowen, Mr. Maguire, Mr. Wolff, Mr. Addabbo, Mr. Litton, Ms. Holtzman, Mr. Scheuer, Mr. Barrett, Mr. Seiberling, Mr. Bingham, Mr. Carney, Mr. Beard of Rhode Island, and Mr. Downey of New York):

H.R. 6838. A bill to amend the Food Stamp Act of 1964 to provide for improved and more extensive means of distributing food stamp informational materials, to improve the application procedure for food stamp applicants and to provide special assistance in areas of high unemployment; to the Committee on Agriculture.

By Mr. RINALDO:

H.R. 6839. A bill to establish a Joint Committee on International Policy of the House of Representatives and Senate of the United States; to the Committee on Rules.

By Mr. RODINO:

H.R. 6840. A bill to revise and extend the Public Health Service Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL:

H.R. 6841. A bill to terminate age discrimination in employment; to the Committee on Education and Labor.

By Mr. ROSTENKOWSKI (for himself, Mr. Jones of Alabama, Mr. Roe, Mr. O'Neill, Mr. McFall, Mr. Wright, Mr. Johnson of California, Mr. Roberts, Mr. McCormack, Ms. Abzug, Mr. Breaux, Mr. Studds, Mr. Holland, Mr. Howe, Mr. Oberstar, Mr. Nowak, and Mrs. Lloyd of Tennessee):

H.R. 6842. A bill to authorize a local public works capital development and investment

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program; to the Committee on Public Works and Transportation.

By Mr. SEIBERLING (for himself, Mrs. Mink, Mr. Won Pat, Mr. de Lugo, Mr. Carr, Mr. Tsongas, Ms. Abzug, Mr. Bell, Mr. Dingell, Mr. Gude, Mr. Rees, Mr. Ryan, Mr. Stark, and Mr. Studds):

H.R. 6843. A bill to provide for the management, protection, and development of the national resource lands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. VAN DEERLIN (for himself, Mr. Metcalfe, and Mr. McCollister):

H.R. 6844. A bill to amend the Consumer Product Safety Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WHITEHURST (for himself and Mr. Snyder):

H.R. 6845. A bill to direct the Secretary of Defense to continue to operate and maintain the commissary stores of the agencies of the Department of Defense; to the Committee on Armed Services.

By Mr. WOLFF:

H.R. 6846. A bill to authorize the emergency issuance of 2,000 special immigrant visas to nationals of Ireland; to the Committee on the Judiciary.

By Mr. WRIGHT:

H.R. 6847. A bill to amend the Federal Aviation Act of 1958 to insure the availability of air transportation to consumers at the lowest reasonable cost, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. YOUNG of Alaska:

H.R. 6848. A bill to designate certain public lands and waters in the State of Alaska for national conservation purposes and to provide for the benefit, use, and enjoyment by present and future generations of certain public lands containing forested, geological, scenic, historic, scientific, cultural, recreation, and wildlife areas in the State of Alaska, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BEDELL (for himself and Mr. Mineta):

H.R. 6849. A bill to provide resettlement assistance for Vietnamese and Cambodian refugees and for other purposes; jointly to the Committees on the Judiciary, and International Relations.

By Mr. FULTON (for himself Mr. Corman, Mr. Rangel, and Mr. Stark):

H.R. 6850. A bill to amend Public Law 93–233 to extend for an additional 12 months (until July 1, 1976) the eligibility of supplemental security income recipients for food stamps; to the Committee on Ways and Means.

By Mr. OBERSTAR:

H.R. 6851. A bill to increase the retired pay of certain members of the former Lighthouse Service; to the Committee on Merchant Marine and Fisheries.

By Mr. BELL:

H.J. Res. 448. Joint resolution to save the great whales from extinction by amending the Fishermen's Protective Act of 1967 to impose an embargo on the products of all foreign enterprises engaged in commercial whaling; jointly to the Committees on Merchant Marine and Fisheries, and Ways and Means.

By Mr. BLOUIN:

H.J. Res. 449. Joint resolution proposing an amendment to the Constitution of the United States to provide an alternate procedure for the ratification by popular referendum of future proposed amendments to the Constitution; to the Committee on the Judiciary.

By Mr. COLLINS of Texas (for himself, Mr. Pickle, and Mr. Waggonner):

H. Con. Res. 271. Concurrent resolution recommending voluntary agreements between the Government and industry for the development of passive restraint systems in automobiles until these systems have been proven effective; to the Committee on Interstate and Foreign Commerce.

By Mr. METCALFE:

H. Con. Res. 272. Concurrent resolution concerning U.S. policy with respect to southern Africa; to the Committee on International Relations.

By Mr. OTTINGER:

H. Con. Res. 273. Concurrent resolution expressing the sense of the Congress with respect to the United Nations position concerning the discharge by pressurized cans of fluorocarbon compounds into the atmosphere; to the Committee on International Relations.

By Mr. ARCHER:

H. Res. 447. Resolution to provide that adjustments of certain allowances to Members, officers, and standing committees of the House of Representatives made by the Committee on House Administration shall not take effect unless such adjustments are approved by the House of Representatives: to the Committee on House Administration.

By Mr. ASHBROOK:

H. Res. 448. Resolution creating a select committee to conduct an investigation and study of executions, abductions, and other denials of basic human right in Southeast Asia by Communist forces against civilians, military personnel, police, and others; to the Committee on Rules.

By Mr. DON H. CLAUSEN:

H. Res. 449. Resolution to declare U.S. sovereignty and jurisdiction over the Panama Canal Zone; to the Committee on International Relations.

By Mr. RODINO:

H. Res. 450. Resolution establishing a select committee to study the problem of U.S. servicemen missing in action in Southeast Asia; to the Committee on Rules.

By Mr. WON PAT:

H. Res. 451. Resolution expressing the sense of the House of Representatives with respect to the Cambodian and Vietnamese refugees; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII,

130. The SPEAKER presented a memorial of the Legislature of the State of Texas, relative to the use of natural gas for irrigation purposes; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mrs. BOGGS:

H.R. 6852. A bill for the relief of John T. Knight; to the Committee on the Judiciary.

By Mr. FLOWERS:

H.R. 6853. A bill for the relief of Mr. Chin-Pao Shao; to the Committee on the Judiciary.

By Mr. KOCH:

H.R. 6854. A bill for the relief of Israel Wald; to the Committee on the Judiciary.

By Mr. SYMINGTON:

H.R. 6855. A bill for the relief of Mrs. Hope Namgyal; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

121. The SPEAKER presented a petition of Clifford Barrister, New York, N.Y., relative to redress of grievances, which was referred to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

"SEND THESE, THE HOMELESS, TEMPEST-TOSSED, TO ME"

HON. ANDREW J. HINSHAW

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. HINSHAW. Mr. Speaker, under the leave to extend my remarks in the Record, I include the following article which was published in the Blade Tribune on Monday, April 28, 1975, Thomas F. Missett, publisher:

FLEEING VIETNAMESE OUR FRIENDS

The urgency of evacuation of both American citizens from South Vietnam, and Vietnamese whose lives are endangered by the advance of the Communist northern forces, has not given the administration time to announce a settled policy on how the South Vietnamese refugees will be cared for in this country.

There is some degree of consternation in California over the fact that a large number of refugees will be landing through the ports of Los Angeles and San Francisco, and fear expressed that the refugees will become a burden on the state.

California officials make the case that the care of the refugees is properly that of the whole United States and that all fifty states should participate in the program.

State Secretary of Health and Welfare, Mario G. Obledao, has wired the commanding officer of Travis Air Force Base asking that no more refugees be scheduled to California until such action be cleared with Secretary of State Henry Kissinger. A wire was also sent to Kissinger.

We think the excitement in California over the refugee problem to be a little hysterical and almost un-American.

The Vietnamese fleeing to this country are coming here in fear of their lives because they have either worked for or had been friendly with the Americans in their country, or they have been in a position to advocate the things that we stood for in Vietnam.

They are in their present position because they were friends of ours.

It is ungrateful for us to start questioning what is going to become of them and worrying about their impact. It is almost as if we were reluctant to rescue a neighbor from his burning home, until such time as he had given us assurance that he would not be coming to live with us.

The number of refugees to be received and cared for has not yet been confirmed. Estimates vary from 50,000 to almost three times that many.

Florida took care of more Cuban refugees than this, with Miami and Dade county being the principal area for receiving the Cubans who fled.

Most all of us are descended from people who left their homeland to seek a better life in America. And our nation has been enriched by the many national strains which now make up our population.

English, Irish, Scotch, Welsh, Germans, Dutch, Scandinavians, Poles, Italians all were refugees to America from one condition or other in their native land, which made it desirable for them to leave.

Few, however, fled under the threat to their lives which is the case with many of the South Vietnamese.

There will be problems with these people, but they will eventually be relocated throughout the United States it is certain. But geographically it would be remarkable if they were disembarked in Omaha, Nebraska or Canton, Ohio.

These people are refugees in great part because of us and our involvement in their country. It is ungrateful and utterly inhumane to hinder their access to this country, merely because it will be temporarily unsettling to some regions.

We might consider the inscription on the Statue of Liberty in New York Harbor, the first thing that many of our ancestors saw as they came to the United States:

"Give me your tired, your poor, your huddled masses,
The yearning to breathe free, wretched refuse of your teeming shore,
Send these, the homeless, tempest-tossed to me:
I will lift my lamp beside the golden door."

ON DUBCEK AND CZECHOSLOVAKIA

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. KOCH. Mr. Speaker, tomorrow marks the 30th anniversary of the liberation of Czechoslovakia from fascism. Recently, the New York Times reported that the Government of Czechoslovakia extended a proposal to Alexander Dubcek, the deposed Communist party leader, to leave the country. Mr. Dubcek was ousted as Communist party leader in 1968 after his liberalizing policies resulted in the Soviet-led invasion of Czechoslovakia. Mr. Dubcek's notice of expulsion was issued after a series of his articles appeared in the West criticizing what he views as a lack of political and personal freedom in his country.

If Soviet-run Czechoslovakia continues to pursue this policy of expelling rather than imprisoning its political dissenters—in much the same manner that the Soviet Union ousted Nobel Prize winner Aleksandr Solzhenitsyn from Russia last year—then there is hope that political prisoners who are presently being held by the Czechoslovakian Government would be allowed to leave the country. I have written to the Czechoslovakian Ambassador, Dr. Dusan Spacil, requesting the release of Mr. Antonin Rusek and Mr. Jiri Muller, who were imprisoned by the Czechoslovakian Government for their dissident behavior and attempts at "ideological subversion." I have also written to the State Department urging their supporting efforts to obtain the release of these two prisoners.

On Sunday, April 13, the New York Times printed the first of a three-part series of excerpts from Alexander Dubcek's letter of protest written to the Federal Assembly and the Slovak National Council. The letter was made available to the New York Times by the Czechoslovak Socialist Opposition Abroad, which attests to its authenticity. In the letter, Mr. Dubcek denounces the government's use of surveillance and harassment, and strongly criticizes party policies and practices that have developed since the Soviet-led invasion of five Warsaw Pact countries on August 20–21, 1968, of Czechoslovakia. It is fitting that on the 30th anniversary of the liberation of Czechoslovakia from Nazi rule, I reprint here excerpts from Mr. Dubcek's letter with the hope that Czechoslovakia will once again be a free country. The letter is appended:

[From the New York Times Apr. 13, 1975]

ON DUBCEK AND CZECHOSLOVAKIA

At May 1 and [Slovak National Rising] anniversary celebrations, and on other occasions our party leaders justly demand freedom for the Chilean patriots. But how is one to judge such appeals considering the things happening in a Socialist state under Communist leadership, aimed at other Communists, internationalists and patriots of their own country and party? They are part of the method of governing a system of personal power and are being carried out against hundreds of thousands of Communists with the aim of strengthening and confirming old practices, already condemned by the party and the Communist movement, which have caused the Communist movement so much harm in the past.

During the post-August, 1968, period,[1] under the pretext of struggle against counter-revolution from a sectarian position, advantage was taken of the situation that had arisen to liquidate the official policy of the Central Committee of the Communist party of Czechoslovakia (C.C. of the C.P.), the Government and the National Front. This led to the victimization of not only ex-functionaries of the party, Government, National Assembly, revolutionary trade-union movement, the youth movement, women's movement, antifascist federations, cultural and artistic and other bodies comprising the National Front, but also of hundreds of thousands of rank-and-file members of the party and the said organizations.

Furthermore, the official line of the present party leadership still threatens their social existence and civil rights. Officially this is called systematic implementation of the party's leading role and restoration of its standing and influence in society.

Certain sections of the state security organs are misused for the conduct of illegal activities, and forces within those organs are attempting to seize sole control of political and public life. That is why these components of armed power feel called upon again to direct their activities against the "enemy" inside the party. That is why surveillance webs have been spun and informants have been planted not only where I work but throughout our society.

This hinders the activity and the education and political work of the party, stultifying its main function, which is replaced by rule based on coercion. This is much simpler and at the same time extremely harmful to Socialism, not only in Czechoslovakia. Corruption inevitably spreads in a party deprived of the possibility of open discussion and of regular and effective control of even its highest offices.

Fear for their means of existence leads a great number of members to endorse decisions they do not agree with. Duplicity becomes general. An atmosphere of suspicion, fear, hypocrisy and police-informing is created. In that kind of situation it is impossible to obtain a democratic majority in the party, and therefore it must lack drive toward progessive development.

We have gained enough experience to grasp that Marxism-Leninism is not a blind dogma, a textbook and a primer, in which the same prescription and procedure is given for every Communist party irrespective of where it is, what stage of development it has reached, and in what historical and economic situation it finds itself. We know that Marxism-Leninism is in itself a guide for the activity of each particular Communist party, even if it has generally valid maxims and principles.

I mention this because it is hard for me to bear being lumped together with party traitors because I, like so many others, differed with the present party leadership in our view of the implementation of party policy at a given stage of development and the method of solving difficulties and surmounting obstacles.

Under conditions of Socialist power and Socialist development—especially in view of today's level of development and of the history of our working-class and Socialist movement—agreement with party politics and determination of its correctness in the party and society cannot and may not be obtained by force, especially armed force.

It is totally inadmissible to achieve this by calling in "aid" from the outside, as happened in August 1968.

The enforced dismissal from the industrial and cultural spheres of large numbers of qualified people who have expressed and continue to express a different opinion from the leadership will continue to cause immense damage. The creative intelligentsia are the hardest hit; the hands of those who can create and write are tied. The greatest threat to means of existence concerns those capable of creating socially committed works. I think that the working class and its leading role has been morally affected. I should like to be mistaken when I say that the working class, as the most important component and nominal bearer of power in a Socialist state, feels that it is being thoroughly manipulated. It has been deprived of what it regarded as progressive and has had a different conception forced upon it. Worker participation in public affairs and administration has been reduced to a minimum insofar as it exists at all.

In my view the most serious consequence of the present policy is the fact that the people have been deprived of the possibility of discussing party policy without fear, i.e., freely, and thus of making decisions about matters affecting society.

I am forced to conclude that the present party line has been successfully implemented, social values have been successfully destroyed, but none of the conflicts that led to the crisis in the party and society in the sixties (before 1968) has been solved.

[The party's development has been set back] not only to the stage prior to 1968, but to a situation the like of which has not been seen during the whole of its history. Since April, 1969, the party, having failed to solve the existing crisis, has fallen into an even deeper crisis the seriousness of whose consequences it has not yet fully appreciated.

I understand now more than ever that the system of personal power is an amalgamation of political, ideological, organizational,

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[1] The period after the invasion of Czechoslovakia by five Warsaw Pact countries, led by the Soviet Union, on Aug. 20–21, 1968, to end the liberal regime of Alexander Dubcek and pave the way for a return to more orthodox socialism. The incursion was later justified by the Soviet leader Leonid I. Brezhnev as the duty of socialist states to intervene to protect their system against revisionism. This policy of limited sovereignty became known as the Brezhnev Doctrine.

cadre and other instruments and measures wielded primarily from a position of power. It is not enough to agree with this analysis: It is necessary to consciously overcome this system, to thwart it through legal norms, prevent its perpetuation and existence; we tried to do this partly. This method is incompatible with Marxism-Leninism. What is important is not so much the individuals and personalities who put this system into operation under the pretext of protecting orthodox Leninism, threatened by various "improvers," although this factor is by no means negligible. It is crucial that the very concept behind this method of governing, based, among other things, on manipulating the masses into obedience and discipline "in order that Socialism may not be threatened," be destroyed theoretically, organizationally and politically.

I have written about my political reflections and views also to show that I am not a case for the state security forces. What I have written here is not and cannot be a subject for political agitation at chance meetings with workers in the state forests commission or in the streets, or with the friends I run into sometimes when swimming at Senec, or when I go to see my relatives or the grave of my parents and brother at Uhrovec, as the surveillance officers who have spun so many webs around me clearly imagine.

If they want to know my views, they are here at their disposal; it is partly due to them that I have expressed myself. The main content of this letter is intended to show more clearly that my "guilt" (and not mine alone) consists of a different evaluation of our development than the one expressed in the ["Lessons From the Crisis Period of 1968–69"[2]] and a different view of the necessity to overcome the lasting and deepening crisis in the party and in society than that held by the present leadership of the party.

I reject the injustice shown toward me and comrades who think the same way, including even the use of the security organs. (In their defense it would perhaps be more correct to say that they are misused.) It is worth mentioning that the President of the Republic had the habit of placing transistor radios at the windows before opening any discussions. This requires no comment and speaks for itself.

CONGRESSMAN WHALEN SALUTES CHET ROUSH AS AN OUTSTANDING SUPERINTENDENT OF SCHOOLS

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. WHALEN. Mr. Speaker, I rise on this occasion to pay tribute to one of the pillars of the city of Kettering, Ohio, Chester A. Roush.

Chet Roush is retiring as the superintendent of the Kettering City School District, the post he has occupied for the past 16 years. It is with no reservation whatsoever that I single him out as an outstanding superintendent of schools. That the Kettering School District is without a doubt one of the finest in Ohio and the Nation is a direct reflection of the dedication, imagination, and professionalism of this excellent man. I have known him for a long time and am honored to have his friendship.

Among all of the many good things that come to mind in describing Chet Roush, the one that perhaps sums him up best is that he is a gentleman in the fullest sense of the word. To know him is to realize that he is a kind, warm, considerate human being. This trait, together with his many other attributes, makes him what many of us believe to be the ideal superintendent.

Chet has been engaged in the profession of education for 35 years. He began teaching in 1940 after graduating from Holbrook College with a B.S. degree. His first assignment was as a teacher and coach in the Salt Creek High School in Circleville, Ohio. World War II intervened and he went into the U.S. Army Air Force for 4 years, rising to the rank of captain.

Leaving the service, he returned to Ohio and moved to the greater Dayton area as a teacher and coach at Randolph High School in Englewood. Chet entered the Kettering system in 1948, went back to Englewood for 2 years in 1952 and in 1954 become a permanent part of the Kettering educational operation. During this period, he continued to educate himself and obtain an M.S. degree in 1952 and also pursued further graduate work.

Chet's honors are understandably numerous. He was one of 25 American educators who made a month-long study of schools in the Soviet Union. Chet is past president of the Western Ohio Principals and Superintendents Round Table, was chairman of the State Board of Education Advisory Committee on title II of the Elementary and Secondary Education Act, was a member of the State Board of Education Advisory Committee on statewide educational television programs and was vice president and president of the Ohio Association of School Administrators. He also is past president of the Kettering Rotary Club, was selected as the Kettering Man of the Year by the Kettering Kiwanis Club in 1968 and was named the Ohio University Father of the Year in November 1968.

Chet Roush and his wonderful wife, Dottie, are warmly regarded and deeply respected by the citizens of Kettering. I am very pleased to be able to add my sentiments to the many that already have been and will be expressed about them between now and the end of August. We honor them for their contribution to the community. We wish them well in the years ahead.

MOVEMENT ON CYPRUS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. ROSENTHAL. Mr. Speaker, the New York Times today summarizes the status of the Cyprus negotiations: discussions continue but no sign of compromise comes from Turkey which controls both the talks and the situation on the island by its predominant military presence there.

Until this stalemate ends, there is no chance, in my view, of ending or modifying the military aid ban on Turkey which is now part of the permanent aid law. It is up to Turkey to move now so that the June 5 negotiations in Vienna can resume on a positive basis.

The Times editorial follows:

CYPRUS REOPENING

The results of the first round of Cyprus talks under United Nations auspices have been but modest: an agreement "in principle" of the Greek and Turkish Cypriote representative to reopen the Nicosia airport, which has been closed since the fighting last summer, and a decision to set up a committee of experts—three from each community—to study the powers and functions of a new federal government for the island.

The two sides are at least engaged in serious discussion of the critical issues—their first direct contacts since the Turkish Cypriotes unilaterally proclaimed their "autonomous federated state" in February. They have agreed to resume negotiations with U.N. Secretary General Waldheim in Vienna in one month, by which time the group of experts is expected to have some proposals on governmental structure for their consideration.

What was disappointing about this first round was the absence of any goodwill gesture by Turkey, whose army still occupies 40 per cent of Cyprus. There have been no troop reductions, no territorial withdrawals, not even permission for some Greek Cypriote refugees to return to their homes in the northern part of the island. Slight concessions in these areas could have improved enormously the climate for negotiation and agreement in both Cyprus and Greece.

The Greek Cypriotes, with Athens' backing, have gone a long way to meet Turkish demands for a bicommunal federal state in which the Turkish Cypriotes, who comprise less than a fifth of the population, would control more than 20 per cent of the territory and nearly half the island's existing economic assets. Turkey might have shown its appreciation for these concessions with some of her own.

Even after all the setbacks of the last year, there is little doubt that, left to themselves, Glafcos Clerides and Rauf Denktash, the chief negotiators, could work out a just solution for the island. The trouble is that Mr. Denktash is held on a short leash by Ankara; and the biggest question still is whether Turkey genuinely desires a Cyprus settlement.

FAIR AIRLINE FARES

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. MINISH. Mr. Speaker, recently Station WPIX–TV of New York City presented an editorial citing the unreasonable costs incurred by persons flying between Washington, D.C., and the New York metropolitan area.

It incisively points out that Federal regulation of interstate air travel can, and in this case does, help to set artificially high ticket prices, thus unfairly burdening the flying public.

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[2] "Lessons, From The Crisis Period of 1968–69," a document adopted by the Central Committee of the Czechoslovak party on Dec. 11, 1970, sought to justify the 1968 intervention and condemned the Dubcek reforms and all liberalization tendencies of Czechoslovak Communism.

I include this editorial comment in the Record, so that my colleagues may be made aware of the flagrant abuse of the public trust perpetrated by the Civil Aeronautics Board's misguided policies:

FAIR AIRLINE FARES

In New York, a person getting on an airliner for a two hundred fifteen mile trip to Washington needs a ticket that costs $33.00. In Los Angeles, a person getting on an airliner for a three hundred forty mile trip to San Francisco needs a ticket that costs $18.00. The planes, the service and the flying times are all essentially the same. So, you ask, why the difference in cost.

Well, the difference is that the New York to Washington flight crosses state borders, and in so doing subjects the airline to the ticket pricing regulations of the federal government. The Los Angeles to San Francisco flight is all within the state of California, so the federal government doesn't get involved in setting the fare, that's f-a-r-e. If you think that isn't fair, that's f-a-i-r, you have a lot of company, including the President of the United States.

The White House has estimated that federal airline regulations cost the American people at least one billion dollars a year, and has announced that it will propose legislation which would end most of the government's involvement in the nation's airlines except for federal safety standards, which would remain unchanged. At the present time, the federal government sets the rates, decides which airlines can fly where and requires that the airlines maintain their routes even if they are unprofitable.

The people who favor the proposed legislation believe that while government involvement may have been necessary in the early days of aviation, the industry is now mature enough to regulate itself, and should be allowed to decide on routes and compete with one another on the price.

On the other hand, the people who oppose the White House plan, and interestingly, that includes most of the airlines, believe it would lead to chaos. They point to the fact that air fares are lower now than they were in 1938, and believe that the carriers would seriously disrupt national air service by simply closing down unprofitable lines.

After considering the matter, the Management of WPIX favors the White House plan. We believe that competition between the airlines would not only lower the cost of air travel, but improve service as well. We believe that the free market should set the price of air travel.

WOMAN FOR CONSTITUTIONAL GOVERNMENT OPPOSE FEDERAL LAND USE REGULATIONS

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. ROUSSELOT. Mr. Speaker, a national women's group, the Woman for Constitutional Government, passed a resolution on November 15, 1974 opposing the imposition by the Federal Government of land use regulations.

This resolution was passed at the 36 State group's national convention which was held in Sherman Oaks, Calif., and it passed unanimously.

As the Members of this body will recall, several weeks ago I placed in the Record the resolutions adopted by another national women's group—the National Association of Pro America—and also included among their resolutions was one opposing Federal control of the use of land in our Nation. It is very important that we as the elected representatives of the people keep ourselves informed on the views of the citizens, and these two national women's groups are good examples of how many of the people feel about land use controls imposed at the Federal level.

In my opinion, the House acted wisely when it rejected the Federal land use bill in the last Congress. I hope that we will continue to recognize that such a proposal would violate the protection of private property rights that are guaranteed to every American in the Constitution.

The full text of the resolution adopted by the Woman for Constitutional Government follows, and I urge all of my colleagues to read it carefully:

LAND-USE PLANNING ACT

Whereas under Article 10 of the Bill of Rights, Congress has no authority over non-Federal land; and

Whereas non-Federal lands are reserved to the States and the people under our Constitution; and

Whereas seizure of land is a danger of dictatorial government, and

Whereas the adoption of Land Use Policy and Planning Assistance plans would enable the government to seize property under private ownership and violate the rights of individuals to own and control private property; and

Whereas compliance with this legislation is purported to be voluntary, but has also been demonstrated to be tyrannical.

Therefore, be it resolved: That Woman for Constitutional Government oppose this legislation as violations upon State and private ownership rights.

Motion was made by Mrs. John Faulk, Jr., seconded by Mrs. Mary D. Cain, and passed unanimously November 15, 1974.

TRIBUTE TO EDWARD D. MORGAN

HON. LEO J. RYAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. RYAN. Mr. Speaker, on May 22, 1975, the friends and associates of Edward D. Morgan will pay tribute to this man of education with a testimonial dinner. For the past 18 years, Dr. Morgan has served with dedication and distinction as superintendent of the Jefferson Union High School District. His outstanding leadership has been a source of inspiration to all those who have served with him. Under his guidance these men and women have worked to change the classrooms into vibrant centers of human experiences.

Superintendent Morgan has worked his entire life preparing our youth to face the challenges of tomorrow. He began his professional career in 1937 as a teacher with the Oakdale Union High School District. He soon took on the responsibilities of dean of boys and vice principal. Then in 1941 Dr. Morgan began a new phase in his career and became an administrator, district superintendent of the William Union High School District. World War II came and Dr. Morgan, along with thousands of other Americans, joined the Armed Forces to serve our country.

After this 4 year departure from his work, Dr. Morgan returned and became the superintendent of the Dinuba Joint Union High School and Elementary School District. Finally in 1956 he moved to the position where we find him today, superintendent of the Jefferson Union High School District.

Mr. Morgan's work continues beyond his duties as superintendent. He holds membership in many professional educational associations; the American Association of School Administrators, the Association of California School Administrators, to name a few.

Mr. Speaker, those of us in government, as well as the public, owe a debt to those educational personnel, like Dr. Morgan, who realize that their job is not simply to get the students to memorize facts, but rather to prepare today's youth to live and function within our society, and develop within these individuals the desire, incentive, and ability to make this world a better place to live.

I know that Dr. Morgan's influence will never stop and will be felt in future generations.

THE CASE AGAINST COLLEGE

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. GAYDOS. Mr. Speaker, we have before us in Washington a bill which would provide $2.2 billion for higher education in the coming year, or $228 million more than currently is being spent. Should this increase be voted?

We in Congress are well aware of the rising debate in the country as to the wisdom of pouring more and more money into higher education when thousands of degree holders already are finding job markets oversupplied.

Caroline Bird, a best-selling author, has a book out now, "The Case Against College," in which she purports to show by facts and figures that higher education, for many, is a poor investment and that a youth would be better off financially if he or she put college costs in a lump sum in a savings bank and went to work at once.

Miss Bird's figures are convincing providing monetary reward is the chief aim of higher education. I dispute this. College, in my judgment, is a means not only of preparing the student for a meaningful job, if one can be found, but also of producing a more well-rounded person, one able to live a full, intelligent and interesting life.

We are fortunate in having opened the way to higher education to most young people who desire it. With governmental grants, student aid loans, and various scholarships provided by the private sector, foundations and the schools themselves, most every young American can develop his or her potential to the fullest.

I am glad of this because, no matter what the state of the current job market, we are creating a nation with a high percentage of educated people—citizens, indeed, capable of discharging thoughtfully the immense obligations of a democratic society. This to me is assurance of a good national future and a better life in time for everyone.

It would be a disaster, in my mind, to have this trend arrested or the present educational opportunities diminished by a failure of the Federal Government to do its part. Congress must find the precise point where programs of higher education meet the long-range need and see that they are maintained there.

THE RETIREMENT OF HUGH J. CONNER

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. McDADE. Mr. Speaker, the radio broadcasting industry in northeastern Pennsylvania is about to lose one of its most active and popular personalities with the news that Hugh J. Conner will retire as station manager at Radio WEJL in Scranton effective on May 9.

Hugh Conner is one of Scranton's foremost radio personalities and he is also one of Scranton's most notable citizens. Hugh's career and the success of WEJL have gone hand in hand since he first joined WEJL as staff announcer 27 years ago.

Since that time he has moved up the ladder to program director, sales manager, and finally general manager, a position he has held for the past 9 years.

His activities in the communications field have won him statewide recognition. Hugh has served the Pennsylvania Broadcasters Association, as first vice president, member of its board of directors, and convention chairman for its annual statewide convention.

Closer to home, Hugh has embodied the concept that radio communications and public service go hand in hand. He has given his time and talents to every charitable and civic improvement organization imaginable including service as a member of the board of directors of the Scranton Red Cross, Lackawanna United Fund, American Cancer Society, Heart Association, the University of Scranton's Purple Club, the Young Musicians Society, and countless other organizations that have contributed much to the civic and charitable resources of the city of Scranton.

In 1967 Hugh was appointed by former Governor Shafer as sectional chairman of a 14-county area study on vocational rehabilitation. Hugh has also developed a reputation as one of the area's outstanding toastmasters, MC's, and authorities on radio programing and production.

I know the Members of Congress will want to join me today in acknowledging Hugh Conner's retirement from the broadcasting industry and to wish him and his lovely wife, Mary, and their family years of continued good health and happiness.

LEE HAMILTON'S APRIL 23 WASHINGTON REPORT, "ENERGY"

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. HAMILTON, Mr. Speaker, under leave to extend my remarks in the Record, I include my April 23 Washington report, "Energy":

ENERGY

The development of an effective and equitable energy policy is one of the top priorities facing the 94th Congress.

There is basic agreement between the President and the Congress that the problem is how to cut back oil imports to reduce the growing control oil producing countries have over our economy and security. We now import about 40% of the oil we use, and at present rates of production and demand the percentage will rise to 50% by 1980. In 1970 we paid $3 billion for imported oil. Last year we paid $24 billion. That means, not only a massive outflow of dollars, but a loss of business and jobs. It also means that the United States becomes more vulnerable to pressure from the oil exporting nations.

Just about everyone in the Administration and the Congress has been involved in developing an energy plan. More than 500 energy bills have been introduced in Congress so far this year. The goal of all of the major energy proposals is to reduce energy consumption and to expand domestic production in order to lessen U.S. dependence on foreign sources. However, the timing and methods used to achieve these goals vary.

The President, whose plan basically is to reduce energy consumption by increasing the price of fuel, recommends an increase in oil import fees, a $2 excise tax on domestic crude oil, and decontrol of domestic oil prices. He supports the deregulation of natural gas price, coupled with an excise tax on natural gas, and a windfall profits tax if domestic prices are decontrolled. He also recommends the development of the naval petroleum reserves, continuation of the leasing policy for outer continental shelf areas, conversion of electric power plants from oil to coal, enactment of a less-restrictive strip mining bill, a relaxation of clean air standards, and emergency standby authority.

Critics of the President's proposal complain that it would add to inflation, and the President's own economists admit that it would add two percentage points to the inflation rate. They also say that the President's plan is more than the economy can bear this year until it works its way out of the recession.

Ways and Means Committee Chairman Ullman has recommended import quotas on petroleum and a 7 cents per gallon retail gasoline tax beginning in 1976 and rising in stages to 37 cents by April 1980. He also proposes an income tax credit which would completely offset the tax on 9 gallons a week, and the creation of a ten-year energy trust fund created by revenue from the gasoline tax to finance energy research. He supports an excise tax on cars based on miles per gallon, an import licensing system using a sealed-bid public auction, and a windfall profits tax on oil companies. He also recommends incentives for conversion from petroleum and natural gas to coal and other energy sources. The President thinks that the plan proposed by Congressman Ullman would not cut imports of oil sharply enough, and that his plan concentrates too heavily on reducing gasoline consumption rather than the consumption of all fuels.

One group of Congressmen wants government controls retained and prices rolled back, rather than having prices rise. They would curb oil imports directly by fixing quotas which would cut the amount of fuel available in the country. The problem is how to adjust to reduced supply and how to handle the government intervention in the economy it entails.

The major controversy about energy policy centers around the suggested increase in the retail gasoline tax, but there are plenty of other areas of disagreement, including whether or not to impose oil import quotas, the extent to which the President should have broad emergency standby power to deal with future energy shortages, how tough to be on the automobile industry to improve fuel efficiency in new cars, and to what extent we should deregulate the federal interstate price controls on natural gas.

In developing an energy policy, the Congress has no easy choices. Everyone wants to save energy, but everyone wants someone else to do the saving. I agree that in order to reduce national vulnerability to economic disruption, dependence on foreign oil must be reduced. I support the enactment of a comprehensive energy program to curb energy waste and reduce its consumption in a manner which will not make worse either inflation or recession. The energy program should take effect only gradually, allowing persons, families, and businesses time to adjust. Emphasis must be placed on conservation now, and every effort must be made to expand domestic supply of energy.

I would hope to be able to avoid rationing by a program designed to decrease the amount of foreign oil at the approximate rate that conservation, conversion, and alternate supply programs result in decreased consumption of foreign oil. Special consideration would have to be made for farming and other essential pursuits. I do not consider it desirable to increase the cost of the basic amount of gasoline that drivers need. I do consider it necessary to make automobiles more efficient in use of gasoline and to make buildings less wasteful of energy, and to educate the public on the need for, and the means of achieving, energy conservation.

HAPPY BIRTHDAY SPEAKER ALBERT

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. CARNEY. Mr. Speaker, today we honor the prestigious and honorable Speaker of the House, Carl B. Albert.

Speaker Albert was born May 10, 1908, on a farm near McAlester, Okla. He was the oldest of five children of his humble and hard-working parents, Ernest Homer and Leona Ann Albert.

Speaker Albert attended the University of Oklahoma, graduating with a B.A. in government in 1931, after distinguishing himself as a member of Phi Beta Kappa and Kappa Alpha, president of the university student senate, and winner of a nationwide oratorical competition. From 1931 to 1934, he was a Rhodes scholar at Oxford University in England, where he graduated with a B.A. and B.C.L. in law.

He served in the Army in the Pacific theater in World War II, holding the rank of colonel, and also practiced law before his election to Congress.

Elected to the 80th Congress, Speaker ALBERT has represented the Third Congressional District of Oklahoma continuously since 1947, and has served in the House of Representatives longer than any other Oklahoman. He served as House majority whip from the 84th Congress through the first session of the 87th, and then as House majority leader from January 1962 until chosen Speaker. On January 21, 1971, CARL ALBERT was elected 46th Speaker of the U.S. House of Representatives.

At this time, I would like to commend the record of the Speaker on the occasion of his 67th birthday, and to express my admiration for his notable performance in office. Since entering this body some 28 years ago, he has won recognition as a practical man of affairs, an expert organizer, and, above all else, a man of his word. Throughout his long and distinguished career, Speaker ALBERT has admirably represented the best interests of both his district and his country in the House of Representatives.

THE SITUATION OF THE HUNGARIANS IN ROMANIA

HON. JAMES J. DELANEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. DELANEY. Mr. Speaker, between 1965 and 1968 my distinguished colleague from New Jersey (Mr. PATTEN) and many others have protested the treatment of the citizens of Hungarian ethnic background in Romania. Forty-eight of my colleagues and I also addressed a common letter to then Secretary of State Dean Rusk on this issue.

For years we remained silent awaiting an improvement in the living and cultural conditions of this largest national minority in Europe. Unfortunately, after a period of stabilization between 1968 and 1972, a new repressive cycle started in 1974.

Hungarians in Romania were once again finding it almost impossible to settle and earn a living without some official interference. In addition, Hungarian churches, private archives, and libraries were being confiscated while the school system suppressed the very being of Hungarian language and culture.

These complaints are manifold and increasing. They are significant, however, in view of the President's recent request to Congress to grant Romania the most-favored-nation clause under the trade agreement of April 5, 1975. I suggest, Mr. Speaker, we must be careful to remind the administration that we should not extend major economic concessions to Romania without raising the issue of national and political discrimination against the almost 3 million Hungarians in Romania.

"THE REFUGEE REACTION: SICK HEARTS AND MINDS"

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. MICHEL. Mr. Speaker, in the last several days there has been much discussion, a great deal of it profoundly distressing, about the plight of the thousands of refugees from South Vietnam who are now in our country.

The distressing part of the discussion has been coming from certain segments of the population, aided and abetted, very unfortunately, by a number of national leaders, particularly within the Congress.

It is my sincere conviction that the American people as a whole do not share the sentiments of some of the hotheads who have been shouting that these people are not welcome here. Indeed, I was gratified to learn yesterday that the State Department has been literally flooded with calls from citizens asking how they can help the refugees, and in many instances specifically offering employment, housing and other assistance to them.

That is the American spirit, the true American spirit. For we are not only a Nation of immigrants, we are a Nation of compassion.

Now is not the time to repeal the Statue of Liberty, nor to offer schemes for deporting these people, schemes reminiscent of the racist "back to Africa" efforts directed at blacks years ago.

I am proud of America, proud of our heritage, proud to say that we have been, and I believe will continue to be, a refuge for the oppressed peoples of the world.

Congress must do its part in that effort, and rise above the rantings of a few who seem to feel that because they disagreed with the Vietnam policy of administrations of both parties they can turn their backs on the human beings who have suffered the most from the Vietnam war.

I was proud to read a very statesmanlike editorial in my hometown newspaper, the Peoria Journal Star this week, and I include this editorial, written by Associate Editor Tom Pugh, in the RECORD.

I also include in the RECORD an article which appeared in the Chicago Tribune, by the political writer Mike Killian. This article uses a heavy dose of sarcasm to make the same point, and very effectively at that. The articles follow:

[From the Peoria (Ill.) Journal Star, May 2, 1975]

THE REFUGEE REACTION: SICK HEARTS AND MINDS

There has been something sick about the reactions some Americans have been making to the Vietnamese refugee situation.

One Peorian telephoned the Journal Star a couple of weeks ago to shout that he hoped that the first plane-load of Vietnamese orphans would be shot down. I wonder how he felt the next day when one such plane filled with children did crash.

I also wonder whether the syndicated cartoonists who have caricatured the refugees from Vietnam as torturers, deserters, thieves, and prostitutes are going to feel when they look back on their sick production during the last days of Saigon.

The negative comments gathered by the Associated Press from politicians and some unidentified citizens in California, Florida, and Arkansas where receiving camps have been set up at military bases were shocking illustrations of selfishness and bigotry.

How different the America we are living in today seems from the America which opened its arms to the refugees from the crushed Hungarian revolution in 1956!

In the face of so much cynicism about "Operation New Life"—that's what Vietnamese resettlement program is being called—it may be useful to look back to "Operation Safe Haven"—the name which was applied to the Hungarian refugee program.

Here in Peoria the news of the Christmas season of 1956 was dominated by story after story about the extraordinary efforts which the local citizenry was making to help a plane-load of 77 Hungarian refugees who landed at the Greater Peoria Airport on Dec. 13.

There had been, prior to that arrival, a virtual contest between Peoria and other cities in America over who would get the first plane-loads of those "freedom fighters" who had fled from the Russian tanks which crushed what had been the first revolution against a Communist regime.

Four hundred people had crowded into the LaSalle Room of the Hotel Pere Marquette on Dec. 1 to hear Father Edward O'Rourke, then a priest from Champaign and now the bishop of Peoria, open a meeting to organize the Hungarian Emergency Resettlement Committee with these words:

"I think one of the bright spots of this dark mid-century which has seen so many tragedies will be that people like you have opened your homes and your hearts to people you do not know at all."

If Peorians ever responded with more compassion than they did then, it was before my time. Those 77 refugees from Communist brutality spent their first weeks living at Jefferson Hotel (it was first-class then). Food, clothing, interpreters, and jobs came to them from the hearts and pocketbooks of Peorians.

Will a similar voluntary response be made across America to the needs of today's refugees from Vietnam? It's too early to tell, but the first reactions of the people and politicians in other parts of the country do not hold much promise.

What is the difference between the Hungarians who had to flee Communism in 1956 and the Vietnamese who had to flee this week? And what is the difference between the hearts and minds of Americans of 1956 and Americans of today?

It would take a book to answer those questions, and much of that book would be a history of what happened to us and the Vietnamese we urged to resist Communism and tried so hard to help for so long.

The end of that book can't be written, because the story isn't over. How it comes out will depend upon what Americans do in the days ahead in respect to the Vietnamese refugees who need help.

If the recriminations which began with their evacuations continue and more of us do not respond with compassion, 1975 will be a darker spot in American history than it need to be.

[From the Chicago Tribune, May 5, 1975]

TO LIVE IN AMERICA BE A REAL AMERICAN

(By Michael Kilian)

Seeing the generous American spirit in action is enough to warm the cockles of the heart.

To about 212 degrees Fahrenheit.

Consider the response of so many of our glorious elected leaders to the decision to allow between 50,000 and 70,000 South Vietnamese refugees to immigrate to the United States.

You would have thought the South Vietnamese were black welfare mothers trying to crash the Daughters of the American Revolution.

A proposed resolution welcoming the refugees was resolutely voted down by a margin of 7 to 1 in the Seattle city council. Other politicians in such enlightened provinces as California yelled and screamed about how the South Viets would bring in strange jungle diseases and take away American jobs.

Instead of congratulating President Ford and the Pentagon on their last-minute rescue of some 6,000 refugees from the People's Liberation beheading squads, the carping liberals on Capitol Hill complained that Ford violated their precious War Powers Act in doing so.

What are a few heads when it comes to the sanctity of liberal legislation? Besides, most of those refugees really aren't "people," but merely members of the South Vietnamese middle class.

Such hypocritical knavery is to be expected of elected leaders, especially those on Capitol Hill. But I wondered if they truly reflected the attitudes of the millions of average Americans who have made our country what it is today.

To find out, I set forth with a tape recorder. To get a truly representative response, I also borrowed my neighbor, Mad Marvin's time machine. Here is the transcript:

Q. Mr. Lopez, are you opposed to the immigration of South Vietnamese refugees to the United States?

A. Sure, man. They just gonna bring in diseases and take away our jobs. We got a recession here and we oughta take care of our own first. I got it bad enough makin' payments on my motorcycle. Why they want to come to America, anyway? Why don't they stay in their own place?

Q. Mrs. Bernstein, are you opposed to the immigration of Cuban refugees to the United States?

A. Yes! They'll come in here with their cigar leaves and ruin Miami. They don't even speak English. If they don't like that Castro of theirs, that's their problem.

Q. Mr. Antonelli, are you opposed to the immigration of Jewish war refugees to the United States?

A. You betcha. We fight the war for them; what more do they want? I didn't build no concentration camps. They just come in and take our businesses. I work hard for what I got. Send them to Palestine where they belong.

Q. Mrs. Kosinski, are you opposed to letting more Italian immigrants into the United States?

A. I am. I am. They shiftless and gangsters and smell up the neighborhood with their cooking. We got a nice neighborhood. We work hard for our houses in steel mill. No Italians!

Q. Mr. Kelly, are you opposed to letting Polish refugees immigrate to the United States?

A. Sure, that I am. They may be Catholic, but they don't speak English. They don't know how to vote. 'Twasn't easy for us, you know. We're not going to give up what's ours to any Poles.

Q. Mr. Haynesworth, are you opposed to allowing Irish immigrants into the United States?

A. What, those drunken bog-trotters? They need not apply. We didn't cause their potato famine. If they have no potatoes, let them drink whisky. But not here. America for the Americans.

Q. Chief Running Fox, are you opposed to letting English immigrants settle in America?

A. Me opposed. No English. America for Americans.

THE 25TH ANNIVERSARY OF THE NSF ACT

HON. MARVIN L. ESCH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. ESCH. Mr. Speaker, the 25th anniversary of the establishment of the National Science Foundation on May 10, 1950, is an occasion deserving our notice and expression of congratulations.

This independent agency, which supports fundamental research in the natural and social sciences and, since 1968, the application of scientific knowledge and techniques to national problems, has extended our understanding of natural forces and our ability to deal with them, and it has enriched our culture. The Foundation has also exerted a strong and beneficial influence on science education, from the elementary grades through the postdoctoral level. Even before the Soviets launched their first sputnik in October 1957, and thereby caused national anxiety about the condition of our science instruction, the Foundation was initiating significant reforms in the content of school curriculums and improving the capabilities of science teachers through summer institutes.

The Foundation has always emphasized quality—in research and education—and it has fostered the growth of quality by encouraging merit wherever it could be found. To insure a healthy academic base for American science, the Foundation has invested heavily in the improvement of colleges and universities, seeking to increase the number of centers of scientific excellence in both graduate and undergradute education throughout the Nation. It is improving educational opportunities for ethnic minorities, and it is trying to remove some of the obstacles to careers in science for women. Increasingly, the foundation is encouraging experimental projects that give promise of major change and improvement in science education.

The National Science Foundation has been fortunate in having had stability in its leadership and having had four distinguished science administrators to direct the agency's course. The late Dr. Alan T. Waterman headed the Foundation from its establishment until 1963. Dr. Leland J. Haworth led the NSF from 1963 until 1969. From then until 1972, Dr. William D. McElroy served as Director.

Dr. H. Guyford Stever, the fourth and present Director of the National Science Foundation since 1972, and his able, hard-working staff, deserve our thanks for their advancement of science and science education and they merit our encouragement as they build on the notable achievements of the past quarter century.

FEEDING THE BEAR

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. McDONALD of Georgia. Mr. Speaker, we are admonished by signs in our Western parks not to feed the bears. Presumably feeding encourages the bears, who may then prey on their feeders.

Such is not the case, however, with respect to the bear to end all bears: The Soviet Union, who has preyed upon and devoured more nations and people than any other aggressor in history. Yet the larger its appetite, the greater we are admonished to increase the nourishment.

President Ford in his "state of the world" speech on April 10, simultaneously requested funds to defend South Vietnam from the bear's cubs in North Vietnam, and to remove the few remaining trade barriers preventing full, enriched nourishment of the mother bear.

The latest meal, a grand dessert to top off the main course, was reported by the Wall Street Journal on April 25 just as the moans of the latest victims were dying away in South Vietnam: Our State Department had just allowed the shipment of uranium to the Soviet Union.

The article follows:

[From the Wall Street Journal, Apr. 25, 1975]

UNITED STATES QUIETLY ALLOWS URANIUM SHIPMENTS TO SOVIET UNION FOR PROCESSING INTO FUEL

(By Barry Kramer)

WASHINGTON.—The United States alone is unable to meet the long-range needs of foreign nations for nuclear fuel. For political and commercial reasons, it has bowed to the inevitable—and is quietly allowing the shipment of American uranium to the Soviet Union for processing into fuel for power stations in other countries.

The cold war had prevented such shipments since the dawn of the atomic age. But the government recently decided that sending American uranium to the Russians for processing would "not be inimical to the common defense and security" of the U.S. and its allies.

So said a letter from the State Department last week informing the Nuclear Regulatory Commission that it could approve a license sought by Edlow International Co., Washington, D.C., to export 1.4 million pounds of uranium oxide, or yellow cake, milled from uranium ore dug from mines in Wyoming and New Mexico. The yellow cake is to be transformed into uranium hexaflouride in the United Kingdom, and the hexaflouride gas will be processed in Soviet enrichment facilities into pellets rich in uranium 235. This isotope provides the power for nuclear electric plants and for the atomic bomb. The ultimate customer is West Germany's Kraftwerk Union AG, the nuclear unit of Siemens AG.

U.S. OKAY IS NECESSARY

The Edlow shipment is the first publicly announced case in which U.S. uranium was permitted to go to the Soviet Union for enrichment. But industry sources say at least one other shipment, by Transnuclear Inc., White Plains, N.Y., is destined for the Soviet Union. The shipment is still in Britain.

A spokesman for Transnuclear, privately owned by French, West German and U.S. interests, confirms that last August it shipped about 400,000 pounds of U.S. yellow cake to British Nuclear Fuels Ltd. of the United Kingdom to be transformed into uranium hexafluoride. The place of enrichment was unspecified on the export license, but industry sources outside Transnuclear say it is the Soviet Union.

A Nuclear Regulatory Commission spokesman says Transnuclear hasn't asked for permission to have the uranium enriched in the U.S.S.R., but that such permission, if asked, would probably be granted. The eventual customer is the Italian utility, Agip S.p.A.

Under the Atomic Energy Act, it's illegal for American companies to produce nuclear material outside the U.S. unless the Nuclear Regulatory Commission approves. Requests to deal with Communist countries are passed on by the NRC to the State Department and other agencies, which must determine whether the deals are in the national interest.

Also, under the U.S. agreement with the European nuclear community, Euratom, the U.S. must approve any such export of nuclear material from Euratom countries. The U.S. has routinely been approving of contracts by European nations to send non-U.S. uranium into the U.S.S.R. to be enriched. Approval also was granted for the Edlow shipment of U.S. uranium to Russia.

In fact, the growing number of Western enrichment contracts with the Soviets was the major reason the U.S. abandoned its ban on allowing U.S. uranium into Russia.

It's also clear from the change in policy that the U.S. no longer fears that the Soviet Union would steal American uranium if it got its hands on it. "If the Soviets are prepared to enrich uranium for civil use in the West, then you must conclude that they have produced all the enriched material they need," says a State Department official. Next to the U.S., the Soviets have the largest nuclear stockpile, and both nations already have an atomic overkill capacity, he adds.

After enriching uranium for a French utility in 1971, the Soviet Union announced in 1973 that it would do so for any Western nation that asked. So far, France, Italy, West Germany, Belgium, Sweden, Spain, Austria and the United Kingdom have signed long-term enrichment contracts with the Soviets. Other contracts are being negotiated. Finland was already a customer.

The signed contracts cover more than 27 million so-called separative work units spread over several years, enough fuel to operate 225 thousand-megawatt power plants for one year. It's estimated that Europe now gets 40% of its nuclear fuel through the Soviet Union and the rest from the U.S. (By comparison, total U.S. enrichment capacity is about 17 million separative units.)

THE JAMMED AMERICAN PIPELINE

The Soviets are believed to operate an enrichment facility in Siberia, northwest of Lake Baikal, using power from the giant Bratsk hydroelectric dam. Experts estimate that the facility produces 8,000 to 10,000 metric tons of separative work a year, about the same as each of the three enrichment plants operated by the U.S. Energy Research and Development Administration (ERDA, which with the NRC perform the functions of the former Atomic Energy Commission).

Like the U.S., the Soviets apparently have built up their nuclear-weapons stocks to such an extent that the enrichment facility is largely free to process nuclear fuel.

But unlike the Soviets', U.S. facilities are heavily committed to supplying nuclear plants here and abroad. The Russians' nuclear energy program is a small fraction of the size of the U.S.'s. As of last June 30, the U.S. stopped accepting new long-term contracts from utilities for nuclear fuel processing in the knowledge that the three ERDA facilities will be fully committed by the early 1980s.

Several U.S. companies are considering commercial nuclear enrichment ventures. But because of the difficulties currently faced by utilities in obtaining finances, no commitments have been made.

In Europe, the multibillion-dollar Eurodif project, whose main participants are France, Iran, Italy, Spain and Belgium, expects to be enriching nuclear fuel at an annual rate of 10.8 million separative work units by the early 1980s, and discussions are being held about a second plant. Urenco Ltd., owned by government and commercial interests in Great Britain, the Netherlands and West Germany, also operates two large pilot plants that produce 75,000 separative work units, and hopes to increase production to two million by 1980 and 10 million by 1985.

EUROPEANS AND U.S. RELIABILITY

Elsewhere, South Africans say they intend to get into the business, too, utilizing that country's large stores of uranium ore.

The desire of European nations to diversify the sources of their enriched uranium fuel is both practical and political. There's confusion about U.S. plans to increase production. The Arab oil embargo also has shown the need for multiple sources of fuel.

Distrust of U.S. reliability in supplying nuclear fuel can be seen in the way Europeans bristled recently when NRC commissioners announced that they would personally review all "significant" shipments of nuclear materials abroad while they revamped commission safety requirements. The Europeans reacted angrily to what they considered a temporary ban on shipments, even though the NRC said the review would only mean a slight delay in some shipments.

"Such a decision, taken without prior consultation . . . is liable to threaten the orderly development of the (European Economic) Community's nuclear programs and gives rise to serious concern regarding the security of supply from the U.S.," Henri Simonet of the EEC said in a harshly worded cable to the U.S.'s ERDA.

Some countries, either because of political alignment or proximity to the Soviets, must deal with them. So if a U.S. nuclear-energy company wants to do business with these countries, it must have the option to go to the Soviet Union for enrichment services, State Department sources point out.

RUSSIAN DEALS: THE REASONS

American companies began approaching government officials several years ago with that in mind. At least one company, General Electric, held discussions with the Russians two or three years ago, according to industry sources. (GE officials couldn't confirm the contact, but they note that the company isn't any longer in the enrichment business; so to them at least the question is moot.) To compete with foreign companies offering their customers enrichment services in the U.S.S.R., American companies have told the State Department they, too, must be able to offer the options. Cost alone isn't a major factor, though the price charged by the Russians is slightly less than that charged in the West.

Another reason to turn to the Russians is to maintain a balance of trade. West Germany, for instance, U.S. experts say, exports far more to the Soviet Union than it imports, and has apparently sought enrichment contracts in an effort to correct the trade imbalance. ("After all," comments one U.S. official, "there's only so many wooden dolls they can buy from the Soviet Union.")

So far, the Soviets have required their Western customers to supply their own uranium yellow cake. Countries that have asked for enriched Soviet uranium have been turned down. "The assumption is that they're hoarding their own uranium, or perhaps they just have outdated laws on the books like we had," says one State Department official.

SPACE DATA AVAILABLE TO SOLVE PROBLEMS

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. TEAGUE. Mr. Speaker, to benefit the general public, a large amount of useful practical information is available from the space program. NASA has operated for a number of years an Office of Technology Utilization. This office, although modest in size, is benefiting businessmen throughout our country with new capabilities for new products, product improvements, and manufacturing technology derived from our national space program. A recent article in Small Business magazine by Mr. Mark Stevens describes in brief the significant progress being made in the technology utilization program. I commend the reading of this article to my colleagues as an important source of information and benefit to the general public. The article follows:

SPACE DATA AVAILABLE TO SOLVE PROBLEMS

(By Mark Stevens)

Thousands of small businesses are profiting from a unique service of the National Aeronautics and Space Administration. Known as Technology Utilization, the service links space technology with the needs of private enterprise.

A vast pool of information developed by space program scientists is being put to work to solve America's business problems. Technical experts work together with entrepreneurs to seek commercial applications for scientific innovations. The idea is to seek broader uses for space-related research data.

Already in full swing, the TU program has been applied to a wide range of business operations from pollution controls to manufacturing processes.

Major features of the TU program are:

Technical briefs: Information developed in NASA labs or by government contractors is made available to businessmen through the Tech-Brief Program. The briefs are summaries of technical innovations published to inform entrepreneurs of new technology.

The Tech-Brief program, which is free, simply keeps entrepreneurs up to date on the full range of formation on the more promising concepts, write to NASA, for in-depth reports, test results, and research materials. Small firms account for 55 per cent of the 18,000 companies on the Tech-Brief mailing list. Owner-managers may be put on the list by writing on company letterhead to Jeffrey Hamilton, NASA, Washington, D.C. 20546.

Industrial Application Centers: Designed as a customized technical service for the nation's business community, Industrial Application Centers help companies tackle specific problems. By tapping NASA's computerized data base, even the smallest firms can move on to greater efficiency and profit.

The centers service client companies by programming computers to seek solutions to business problems. Company managers work with experts to define and isolate operating deficiencies, to tap NASA data files for corrective measures and to implement new procedures based on superior technology. The centers operate as independent, non-profit organizations under contract to NASA. Since the majority of companies are small firms, charges tend to be modest.

Making contact with an Industrial Application Center is simple enough. Regional centers are operated across the nation by the Universities of Connecticut, Pittsburgh, Indiana, New Mexico, Southern California and by the State of California. Owner-managers should write to the nearest center to set up an initial interview.

Patent licensing workshops: Traveling across the nation, groups of NASA experts teach local entrepreneurs how to apply for NASA patents. Holding special workshops for the business community, spokesmen promote NASA's 3000 available patents and explain the techniques of private licensing. In addition, workshops for minority-owned firms are held in cooperation with the Commerce Department's Office of Minority Business Development. Details on workshop dates and locations may be obtained from NASA, Technology Utilization Department, Washington, D.C. 20546.

CONCERN FOR WELFARE OF ANIMALS

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. WHITEHURST. Mr. Speaker, the Washington Post of Thursday, May 8, carried a brief but effective article by Ms. Laura A. Kiernan which emphasizes the need for prompt action on legislation such as H.R. 1152, to amend the Animal Welfare Act of 1970 to provide adequate protection for animals in transit and in terminals of common carriers.

Dedicated people such as the volunteers from the Washington Humane Society and their counterparts in Philadelphia and elsewhere are a tremendous help, but they cannot do it alone. I hope that meaningful legislation in this area can be enacted in the near future, and I am inserting the article at this point in the RECORD for the benefit of my colleagues and others who share my concern:

NO-FRILLS FLIGHTS FATAL TO ANIMALS

(By Laura A. Kiernan)

For the past three years volunteers from the Washington Humane Society have spent several evenings a week at Washington National Airport caring for animals they claim were shipped to the airport either sick or in crates so small they couldn't move and lacked adequate food, water and air.

In addition, over more than 10 years, the society has catalogued more than 100 serious cases in which they say animals were subjected to cruel treatment because of the way they were crated for shipping.

Once, 12 baby raccoons arrived in a crate no bigger than a shoebox, according to volunteer Fay Brisk. A hound shipped from Missouri bled to death after his tail was injured because his crate was too small, she said. Two puppies died of malnutrition and dehydration after a four day trip to Washington without food or water, Miss Brisk said.

Yesterday, the U.S. attorney's office in Alexandria said it intends to step up its prosecution of those who ship animals through National and Dulles airports in violation of Virginia law that prohibits cruelty to animals.

U.S. Attorney William B. Cummings released a list of guidelines that prohibit shipping animals in crates that are too small, or without provisions for food, water and sufficient air.

Animals must be healthy when they are shipped and crates must be safe and strong enough to withstand travel, Cummings said.

The penalty for a violation is $1,000 fine or one year in prison or both.

GREEK INDEPENDENCE AND AMERICAN HISTORY

HON. ANDREW YOUNG

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. YOUNG of Georgia. Mr. Speaker, as we approach the 200th anniversary of the founding of our Republic, it is important to remember the significant contributions made by other cultures and countries to this Nation's historical growth. We are reminded that America is representative of many peoples whose national origins have lent important values to the emergence of our unique cultural spirit.

I submit for my colleagues' interest an article written by a Greek-American constituent who expresses this sentiment with historical insight:

GREEK INDEPENDENCE AND THE SPIRIT OF 1776

(By C. G. Alexandrides)

In commemorating the 154th anniversary of the Greek War of Independence, which in 1821 shook the world of status quo imposed by the Holy Alliance of the Powers of Europe as had the American Revolution 45 years earlier, we are cognizant of the parallelism of the two historic events. Among the staunchest philhellenes of the Greek War of Independence against the Ottoman Empire were President James Monroe and Senator Daniel Webster, who like Lord Byron, ignited with their fiery speeches the imagination of freedom-loving people everywhere for the resurgence of Greece from the hordes of Attila's descendents, who had occupied the land of democracy and freedom for nearly four centuries.

The deeply entrenched bonds of friendship between Greece and the United States can be traced to the founding of the great American republic. The authors of the American Declaration of Independence were imbued with Greek philosophy and the teachings of Socrates, Plato, and Aristotle. Among the framers of the Constitution, Thomas Jefferson and James Madison were among the students of political experiments in federalism based on the experience of the federation of Greek states such as the Achean League and the Aetolean League. The political concept of separation of powers is directly attributed to the writings of Aristotle. So much were the framers of the American Federal Constitution impressed with Greek philosophy and democracy that a motion was introduced in the First Continental Congress to adopt Greek as the official language of the newborn American republic. The motion lost by one vote from being adopted.

The interplay of the two countries is also evidenced by the request of the eminent leader of the Greek War of Independence, Adamantios Koraes to Thomas Jefferson for his views on the political system for the modern Greek state on the basis of the experience gained by the American political system.

Greek-American solidarity can be attested throughout history, particularly during the first and second World Wars. The Western democracies have not forgotten the first victory of the second World War, the defeat of Mussolini's Italy in Albania in 1940, and the heroic resistance against Hitler's Germany in northern Greece and in the valiant island of Crete. As a result Hitler's campaign against Russia was delayed by more than a month, which provided the necessary timing for Hitler's defeat at Leningrad.

The Truman Doctrine in 1948 was instrumental in the defeat of the Communist insurrection against the Greek nation.

During the Korean War the Greek expeditionary forces fought valiantly alongside the American forces for saving the Republic of Korea from Communist aggression.

American economic assistance since World War II enabled the Greek nation to rehabilitate its economy from the ruins of war.

The success of the Greek immigrant in the United States is a testimony of the similar democratic ideas which permeate Greek and American traditions. At present many Greek-Americans are in positions of leadership in business, education, and government. In politics there is a score of mayors, members of city councils, as well as the Governor of Massachusetts, and five Congressmen of Greek descent.

The present misunderstanding over the policy of the present administration on Cyprus will be dissipated in view of congressional support in favor of justice in Cyprus.

Congress, by cutting off military aid to Turkey, was consistent with its constitutional obligation to have compliance for the laws of the land, which prohibit the use of U.S. military assistance for other than defensive purposes. Indeed, the decision of Congress is consistent with UN Security Council and General Assembly resolutions calling for the immediate withdrawal of all foreign troops from Cyprus and the return of refugees to their homes. Moreover, the Congressional authorization for emergency relief for the refugees in Cyprus demonstrates the humanitarianism of Congress. It is with the moral leadership of the U.S. Congress that a solution to Cyprus will become possible; thus, restoring the traditional friendship of U.S. with Greece.

[From the Wall Street Journal, Mar. 3, 1975]

GREEK OBJECTIONS

EDITOR, The Wall Street Journal: your editorial "Congress and the Turks" (Feb. 21) stating that "Congress can take some credit for the founding of the Turkish Cypriot Republic . . ." since it came "just 10 days after the congressionally ordered end to our military aid to Turkey" is misleading and unfounded.

Congress, by cutting off military aid to Turkey, was consistent with its constitutional obligation to have compliance for the laws of the land. The Foreign Assistance Act of 1961, Section 505(d) requires that U.S. military aid be used for defensive purposes. Under this act, "the use of U.S. military assistance for other than defensive purposes is barred by law," according to the legal opinion of the Library of Congress.

President Nixon and his Secretary of State Kissinger, preoccupied with Watergate and related matters, did not bother to warn the Turkish government in spite of

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repeated recommendations of the American Ambassador to Athens. The lack of concern by the U.S. administration during the month-long period of preparation of assembling U.S. military equipment and supplies by the Turkish government to invade Cyprus, convinced the Turkish leadership of U.S. tacit acceptance of their aggressive intentions

Indeed, the decision of Congress is consistent with UN Security Council and General Assembly resolutions calling for the immediate withdrawal of all foreign troops from Cyprus and the return of refugees to their homes. However, Mr. Kissinger's votes in the UN and his implementation of these resolutions are two different things. This double standard by great powers sworn to uphold their obligations under the UN Charter is damaging the foundations of the UN and world peace that Mr. Kissinger is eager to preserve.

It is therefore appalling that instead of condemning the Turkish aggression in Cyprus for the "protection" of 18% of the population, when it illegally occupies 40% of the most prosperous area of the country, you "philosophize" about the Congress and the Turks.

C. G. Alexandrides,
Secretary, Congress of America Hellenic Organizations.
Atlanta.

"IT'S OURS"

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. DENT. I think we Americans have been hanging our heads for the last several weeks over something that has long been beyond our control. This situation becomes decidedly ironic in that one tends to forget, amidst all of the head hanging, that we are at present on the verge of our 200th anniversary, something for which we should be very proud indeed.

Not many governments last in a singular form for 200 years. Oh, sure, there will always be an England, and I can trace forbearers in Italy back beyond Lexington and Concord time. But governments have changed so many times all over the world and they will of course continue to change, if ancient history and/or current events are any indication. For some reason, though, our Founding Fathers hit upon a pretty good formula, comparisons being what they are.

Perhaps considerations for the flag are a bit old-fashioned, but I am one of those who revere the flag as something important to our sense of this sovereign land and its history. If we can instill the feeling embodied in this poem, a first-place award winner in the National Poetry Contest, by Josie Sever of St. Edward's School in Herminie, Pa., then we might begin recouping some of the pride in America that should be appropriate in our Bicentennial celebration:

"It's Ours"

It was Betsy Ross who made Our Flag,
She started from a tattered rag
On which she sewed thirteen stars
The people were proud and said, "it's ours."
The stars had five points in the blue
With red and white stripes it looked almost new.
It now flies high above the land.
And under it we're proud to stand.

SENIOR CITIZENS AND THE ECONOMY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. DOWNEY. Mr. Speaker, on March 3, I held a day-long public hearing in my district on senior citizens and the economy. I heard testimony from more than 2 dozen witnesses, including heads of senior citizen organizations, agency directors. The hearing room was filled with interested older Americans anxious to be heard by their Congressman as well as by the various public officials who were also in attendance.

Probably the most moving testimony taken that day was that of Mrs. Josephine Edwards, a woman receiving disability benefits. She was unable to attend the hearing because of illness, but we were able to get her words on paper. I read her testimony into the Record. Mrs. Edwards is a strong and proud woman who is battling to maintain herself and her blind and deaf sister in dignity. However, the programs we have established to help her do not seem to be adequate. I think my colleagues would benefit from reading her testimony:

Senior Citizens and the Economy

Mrs. Josephine Edwards was unable to attend today's hearing because she is confined to her bed with illness.

She wanted to testify. So we arranged to get her story down on paper.

The following is what she said:

"Mr. Downey, I am Josephine Edwards of 16 Pine Street in Central Islip, and my complaint is about me and my sister.

"We live alone. She is seventy-one years old, and I am fifty-eight. And we can't get any help. I've been in the hospital for two weeks, and I been trying to get someone to keep house for us. I called, but it doesn't do any good. You call people and sometimes they hang up on you. I'm talking about the people in Bay Shore and also in Hauppauge. They give me the runaround. You have to call this place and that place. Sometimes, I have to make four or five telephone calls trying to reach the right person to tell you what's happening. Sometimes, that person hangs up. And you just don't get nowhere. That phone bill has got to be paid by me because there's nobody else to pay it.

"I called Bay Shore and they said I needed a paper from the doctor. So I sent it in. No response from them. So I called Hauppauge and still have not gotten any response.

"And is going up on my rent. It was $200. Now it's $210. They told me to send a letter when it came from my landlord. I sent it in and have not gotten any response from that. I'm gonna try to pay it.

"I have to have medicine. Some I can get from my Medicaid card, and some I can't.

"I have a telephone. I have to pay my telephone bill. This is twenty dollars a month. Well, my electric and gas bill is forty-eight to fifty dollars a month, and I get only $184 a month on SSI. My sister gets $206 a month.

"I take care of my sister, and I want to see that she gets food, and, maybe, some clear clothes. She's blind and deaf.

"I don't want money to do anything. I ain't got nothing to do.

"I do the best I can.

"All I want is a little comfort before I die."

If we take this as a barometer of how we treat our senior citizens, I'm afraid that we aren't doing a particularly good job in caring for them.

VOTE TO SUSTAIN FARM BILL VETO

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. PEYSER. Mr. Speaker, the vote to attempt to override the President's veto of the emergency farm bill will be on Tuesday, May 13.

I urge my colleagues to sustain the veto and offer the following for their consideration. It is a speech delivered by Mr. Robert Weil of the American Cotton Shippers Association.

The speech follows:

The Cotton Loan! An Option in Disguise

The word "loan" as used in cotton legislation is a misnomer because it is not a recourse loan. Because it is non-recourse, the "loan" actually amounts to an option available to the farmer to deliver to the government at a certain price if the farmer cannot obtain a better price in the market. Otherwise, there would be no point to a non-recourse "loan".

Until a few years ago, the law provided that the farmer's option would be in effect until July 31 of the marketing year; and in actuality, this is as long as an option should continue, because, beginning in August, another crop comes on the market.

The Bill recently passed by the House and Senate contains a provision for an eighteen month "loan". The effect of this provision would extend the farmer's option to as long as two-and-a-half years after the respective crop is planted; or to as long as two years or more after the respective crop is harvested. The reason for this is that the farmer has until May 31 to enter his cotton in the "loan" and the "loan" period begins on the date the cotton is entered. Therefore, a farmer, planting his crop now for the 1975/76 season, has until May 31, 1976 to enter his crop in the "loan" and he may wait as long as December 1, 1977 to redeem the cotton to be marketed.

All during this time, the farmer has control of his cotton. He can determine how much to plant and he may, even at the time of planting, sell Futures or sell his crop forward to a buyer. From the time that he harvests the cotton in the fall of the year he can sell the actual cotton in existence or he can withhold it from the market.

Beginning at the time the cotton is planted until the time that the eighteen months expire after entry into the "loan", the government has no control over the disposition of that cotton. The cotton is "in limbo", sitting in a warehouse collecting carrying charges, creating economic waste, while the government, or even the market, are powerless.

The option for thia crop actually lasts through the planting and harvesting of two succeeding crops, so that the cumulative effect of the Bill may be that we will have layera of three crops in the "loan" at one time. The crop, having entered the "loan", will be competing with not one but two subsequent crops.

When the government finally takes over the cotton, the Bill provides that the government may offer the cotton for re-sale at not less than 115% above the target price. Suffice it to say, as a practical matter, should the market advance to that level the cotton would tend to come out of the "loan" before the government takes control. Hence, it may be assumed that any cotton which the government takes over will be at a market below the target price and, conceivably, this minimum market level may not be reached for many years.

Wherefrom then comes the support for this extreme measure?

There are a few cooperatives which, not being geared to cope with the efficient marketing utilized by private entrepreneurs, rely on the "loan" as a crutch, and these groups have consistently relied on the government to provide assistance which would compensate in one way or another for their failure to cope with the market. Individual farmers, who would be satisfied with a July 31 expiry, would naturally support a longer option even if they did not contemplate using it, simply because it is natural to seek as many options as one can get. The provisions is a bonanza for the warehouse trade, particularly warehouses closely associated with groupa of farmers, because the cotton can be stored for long periods of time—as much as two years—and the charge may be accrued for the government eventually to pay. In this respect, the "loan" is a vicious, blind subsidy to a particular business segment.

On the other hand, it is well-known in the history of cotton legislation that the "loan" has been the chief impediment to the free marketing of cotton. The entire concept of a market-oriented economy contemplates the direct entry of a crop, not only into a domestic market but also into a world market, where it will compete with synthetics at home and with many other growtha abroad. During the past decade, when the "loan" had become less of a factor, the United States has regained much of its pre-eminence in world markets, although there is much ground yet to be recaptured.

If, in the long run, the American cotton economy is to be sustained, then all impediments to the free marketing of cotton should be removed. The eighteen month "loan" will be a most serious impediment, particularly with the "loan" at a level above the world cost of production. The eighteen month "loan", along with some of the other provisions of the House and Senate Bill, would inevitably return us to the conditions of ten years ago, when cotton was produced for the "loan", the government amassed tremendous surpluses of cotton, the United States was a residual supplier to world markets and, most importantly of all, we will inevitably return to a two-price system.

VE DAY REMEMBERED

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. PICKLE. Mr. Speaker, amidst the recent turmoil and the ending of the conflict in Vietnam, I am afraid that we might be overlooking a historic event which occurred 30 years ago yesterday, involving another war. For it was on that day in 1945, that the long nightmare of World War ended in Europe.

With the signing of unconditional surrender treaty by the Nazi General Jodl at Allied Headquarters in Rheims, this terrible holocaust came to a close.

Thousands upon thousands of Americans and their allies paid the supreme price in the European theater to bring the twin-monster of Nazism and Fascism to its demise. To quote the great historian, Samuel Eliot Morison:

> Thus ended, in ruin, horror, and despair the Axis that pretended to rule the world, and the Reich which Hitler had boasted would last a thousand years.

I want to commend the CBS Television Morning News for its retrospective report yesterday morning on VE Day, and special recognition should be given to Charles Collingwood, who commented on the ceremony which he covered as a war correspondent at Rheims.

SAVING THE GREAT WHALES FROM EXTINCTION

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. BELL. Mr. Speaker, today I introduced a House joint resolution aimed at saving the world's last remaining whales from extinction. Foreign whalers, primarily from Japan and the Soviet Union, are rapidly killing off these great marine mammals.

My bill calls for an immediate embargo on the products of all foreign enterprises engaged in commercial whaling. It is specifically aimed at the Japanese and Soviet whalers. Three giant Japanese fishing companies operate pelagic whaling fleets that account for more than a third of the 38,000 whales killed each year. These companies—Taiyo Fishery Co., Nippon Suisan Kaisha Co., and Kyokuyo Co.—export large quantities of fish products to the United States, including tuna, mackerel, salmon, sardines, oysters, and crab. The Soviet Fisheries Agency, whose pelagic whaling fleet accounts for more than 40 percent of the annual whale kill, exports caviar to the United States.

By placing an embargo on these products from the offending companies, my bill could succeed in halting the whale slaughter. Only economic pressure is likely to force the whalers to end the killing. Every other form of appeal and pressure has failed so far. The Japanese and Soviets have ignored appeals from the U.S. Congress, the United Nations, and the international scientific community to halt the whale slaughter. The Japanese and Soviets have defied the quotas set by the International Whaling Commission.

The whale slaughter has been so huge—more than 2 million killed in the past 50 years—that all eight species of great whales are facing extinction. They are all on the U.S. Endangered Species List.

Because the whales are disappearing rapidly, the whaling industry is also dying. Catch Per Unit of Effort, the measure universally used by the fishing industry to determine resource levels, is dropping steadily. Unfortunately, the whalers appear to be amortizing their rusting whaling fleets at the same rate as the whales.

The economics of whaling are the economics of extinction. The food and agriculture organization, affiliated with the United Nations, made this pessimistic report last year:

> It is not realistic to presume (the whalers) will ensure either the maintenance or even the continued existence of a whale stock. It pays to exploit a resource (the whales) excessively heavily, even to extinction, and not on a sustainable basis.

Now the Japanese whalers are greedily setting their sights on the California gray whales, whose annual migration down the West Coast from Alaska to the lagoons of Baja California is a great natural spectacle. The gray whales have been protected by special international treaty for more than 30 years, but the Japanese whalers now claim the right to renew the slaughter.

More than a century ago, Herman Melville foresaw the fate of the great whales. The author of the whaling classic "Moby Dick" wrote:

> The moot point is, whether Leviathan can long endure so wide a chase and so remorseless a havoc; whether he must not at last be exterminated from the waters, and the last whale, like the last man, smoke his last pipe, and then himself evaporate in the final puff.

Jacques Cousteau, the French oceanographer, writes:

> Our century, as it turned out, was much more destructive to the whales than the period of the great romantic hunts described in the work of Herman Melville. A hundred years ago, a whaler's three-year expedition netted him 37 whales. Today, a whaler's modern weapons and fast boats give him one whale a day, and sometimes three or four.

Cousteau explains:

> The only creatures on earth that have bigger—and maybe better—brains than humans are the Cetacea, the whales and dolphins. Perhaps they could one day tell us something important, but it is unlikely that we will hear it. Because we are coldly, efficiently and economically killing them off.

The whales are the most complex animals in the ocean, just as man is on land. Both the whales and man are at the top of their ecosystems. Scientists are just beginning to learn of the complex interrelationships of marine life. The loss of the whole species could have a profound impact on the ocean ecosystem. Unless the whale slaughter is stopped soon, we may learn too late that the great whales are a vital part of life on this planet.

Next Tuesday and Wednesday, May 13 and 14, hearings on this bill and other whale-protection bills will be held before the Subcommittee on Fisheries and Wildlife Conservation and the Environment of the Merchant Marine and Fisheries Committee.

Following is the text of my bill:

H.J. Res. 448

Joint resolution to save the great whales from extinction by amending the Fishermen's Protective Act of 1967 to impose an embargo on the products of all foreign enterprises engaged in commercial whaling

Whereas whales form a resource which is of aesthetic and scientific value to mankind; and

Whereas whales live in international waters and therefore are the common interest of all mankind; and

Whereas the great whales have been overexploited by commercial whalers for many years, resulting in the commercial extinction of several species; and

Whereas the slaughtered whales are converted into petfood, fertilizer, soap, lipstick, shoe polish, mink food and lubricating oil, all products for which there are cheap, plentiful substitutes; and

Whereas the California gray whale, protected by special treaty for nearly four decades, is a great natural and scientific resource along the west coast of North America; and

Whereas the Japanese whalers now claim the right to renew the killing of the California gray whale; and

Whereas the whalers are steadily diminishing the species still hunted; and

Whereas the Congress enacted the Endangered Species Conservation Act of 1969 (80 Stat. 926, 83 Stat. 282–293) to protect endangered species; and

Whereas the Secretary of Interior in 1969 placed all eight species of great whales on the Endangered Species List; and

Whereas the Congress in 1971 adopted Senate Joint Resolution 115 and House Concurrent Resolution 381 requesting the Secretary of State to negotiate a ten-year moratorium on the commercial killing of whales; and

Whereas the Secretary of Commerce effectively banned all commercial whaling by United States nationals in December 1971; and

Whereas the Secretary of Commerce has responsibility for the protection of whales; and

Whereas the Congress enacted the Marine Mammal Protection Act of 1972 (86 Stat. 1027), which required the Secretary of Commerce, through the Secretary of State, to initiate international negotiations to develop agreements to protect all marine mammals; and

Whereas, fifty-three nations, including the United States, unanimously adopted a resolution at the June 1972 United Nations Conference on the Human Environment at Stockholm, Sweden, urging a ten-year moratorium on the commercial killing of whales; and

Whereas that call for a ten-year moratorium was confirmed at Geneva, Switzerland, in June 1973 at the first session of the United Nations Governing Council for Environmental Programs, and reconfirmed at Nairobi, Kenya, in March 1974 at the second session of the United Nations Governing Council for Environmental Programs; and

Whereas representatives of the United States have provided leadership for strong measures to protect whales, as demonstrated by a three-fourths majority vote by members of the International Whaling Commission to conserve the sperm, fin and minke whales in the international waters near the Antarctic; and

Whereas the Governments of Japan and the Union of Soviet Socialist Republics have exercised their right under the International Convention for the Regulation of Whaling to disagree with said conservation measures, thereby disregarding the views of the International Whaling Commission and the advice of its Scientific Committee; and

Whereas the Marine Mammal Commission has found that Japan and the Union of Soviet Socialist Republics have subverted the goals and diminished the effectiveness of the International Whaling Commission programs; and

Whereas the Secretary of Commerce has informed the President of the United States that Japan and the Union of Soviet Socialist Republics have violated an international fishery conservation program, and that sanctions under section 8 of the Fishermen's Protective Act of 1967 (22 U.S.C. 1978), the embargo of fishery products from offending nations, may be invoked at the President's discretion; and

Whereas the vast pelagic whaling fleets of Japan and the Union of Soviet Socialist Republics are rapidly depleting the populations of fin, sei, sperm and minke whales in international waters; and

Whereas Japan and the Union of Soviet Socialist Republics each account for more than 40% of the 38,000 whales killed each year; and

Whereas the three Japanese companies operating pelagic whaling fleets are Taiyo Fishery Co., Ltd., Nippon Suisan Kaisha, Ltd., and Kyokuyo Co., Ltd.; and

Whereas these Japanese companies export to the United States large quantities of fishery products, including tuna, salmon, mackerel, sardines, clams and crab; and

Whereas the Soviet Fisheries Agency, which operates the Soviet pelagic whaling fleet, exports fishery products to the United States, including caviar; and

Whereas these Japanese and Soviet enterprises are ruthlessly slaughtering the great whales to extinction in defiance of international and scientific opinion; Now, therefore, be it

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled, That the Fishermen's Protective Act of 1967 (22 U.S.C. 1971–1979) is amended by redesignating section 9 as section 10, and by adding immediately after section 8, the following new section:

"Sec. 9. (a) For the purposes of this section—

"(1) the term 'commercial whaling' means any use of any vessel or other seagoing craft on the high seas for the purpose of killing or capturing any whale if such whale, or any part thereof, is, will be, or is intended to be used for the production of any by-product. Such term does not include the killing or capturing of any whale primarily for subsistence purposes by members of any aboriginal community.

"(2) The term 'foreign enterprise' means—

"(A) any citizen or national of any foreign nation or instrumentality, including any corporation, partnership, or other legal entity established pursuant to the law of any such nation or instrumentality;

"(B) any agency, office, or other public or quasi-public entity of any foreign nation or instrumentality; and

"(C) any subsidiary which is partially or wholly owned by any citizen or entity referred to in subparagraph (A) or (B), regardless where the subsidiary is located.

"(3) The term 'Secretary' means the Secretary of Commerce.

"(4) The term 'whale' means any blue, fin, sei, right, bowhead, humpback, gray, Bryde's, minke, or sperm whale.

"(b) (1) Before the close of the 90-day period after the date of enactment of this section, the Secretary shall undertake and complete such investigations and other actions as may be necessary to identify any foreign enterprise engaging in commercial whaling. After such 90-day period, the Secretary shall undertake such investigations and other actions as may from time to time be necessary to identify any foreign enterprise engaging in commercial whaling. In carrying out any such investigation or other action, the Secretary may request the assistance of any other Federal agency, and such Federal agency shall, to the maximum extent practicable, so assist the Secretary. The Secretary shall reimburse any such other Federal agency for the cost incurred by that agency in assisting in such investigations or other actions.

"(2) If the Secretary, as a result of any investigation or action under paragraph (1) of this subsection, finds that any foreign enterprise is engaging in commercial whaling, he shall immediately publish the name of such enterprise in the Federal Register. Unless any foreign enterprise so named files (before the close of the 30-day period after such date of publication, and in such form and manner as shall be prescribed by the Secretary) an objection to the finding by the Secretary, such finding shall be deemed to be a determination that such enterprise is engaging in commercial whaling.

"(3) If any foreign enterprise files with the Secretary an objection pursuant to paragraph (2) of this subsection, the Secretary shall treat such objection as a request by such foreign enterprise for an agency hearing (pursuant to section 554 of title 5, United States Code) with respect to whether the foreign enterprise is engaging in commercial whaling. Such hearing shall be commenced not later than 30 days after the date on which the objection is filed.

"(4) On or after—

"(A) the close of the 30-day period referred to in paragraph (2) of this subsection, if the foreign enterprise concerned does not file an objection as provided for in that subsection, or

"(B) the date of publication in the Federal Register of notice of a determination pursuant to paragraph (3) of this subsection of commercial whaling by any foreign enterprise,

it shall be unlawful for any article produced (in whole or in part), or distributed, by such enterprise to be imported into the United States. The Secretary of the Treasury shall take such action under the customs law as may be necessary to prevent the importation of any such article.

"(5) The first sentence of paragraph (4) of this subsection shall cease to have the force and effect at any time after the Secretary finds that the foreign enterprise concerned has ceased to engage in commercial whaling.

"(c) (1) In the case of any foreign enterprise to which subsection (b) (4) applies, any action by such foreign enterprise to dismantle any vessel or other seagoing craft (including equipment) used in commercial whaling, or to convert such vessels or craft to non-whaling purposes, shall be deemed to be prima facie evidence that such enterprise has ceased to engage in commercial whaling.

"(2) Any transfer, by sale or otherwise, by the foreign enterprise concerned of any vessel, seagoing craft or any other equipment used by it in commercial whaling to any other persons, corporation, or other entity which subsequently uses such vessel, craft or other equipment in commercial whaling shall be construed, for the purposes of this section, as the engagement by the foreign enterprise concerned in commercial whaling.

"(3) If a vessel, seagoing craft or other equipment used in whaling is used by any subsequent owner in commercial whaling, full force of subsection (b) (4) shall apply to the original owner or operator."

ADDRESS THE PRESIDENT MIGHT HAVE GIVEN

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. SIMON. Mr. Speaker, 1 month ago this coming Saturday evening the President of the United States addressed Congress and the Nation on the topic of international affairs, one of the longest presidential speeches in this century.

I respect the President's sincerity. But I must also acknowledge great disappointment that his address did not launch into some new directions. I have taken the liberty of composing "The Speech That Might Have Been." I use that title fully aware that Anthony Lewis of the New York Times used the same title on a column immediately following the President's address. And I enter this "speech" on the Record and present it to my colleagues and those on the White House staff in the hope that something here may kindle an idea which can be used at some time in the future:

The Speech That Might Have Been

Mr. Vice President, Mr. Speaker, and my friends in Congress:

When I spoke to you on January 15th delivering the State of the Union Message, I said, "The state of the union is not good."

Tonight I come to you with a report that the state of the world is not good.

Right now our friends in Cambodia and South Vietnam face a difficult situation. We have shared in their tragedy and heartache. More than 56,000 American young men have been killed in South Vietnam. This nation has poured more than $150 billion in military assistance directly to South Vietnam and far more indirectly in costs of inflation and other impacts on the federal budget. The entire cost has probably totalled more than $300 billion. This war has caused an anguish of spirit that all of us recognize. No war in which this nation has been involved since the Civil War has so deeply divided our people. The scars of that division still show.

I shall not attempt to rewrite history. We have made mistakes—honest mistakes—and history will be the judge of what we did right and what we did wrong.

Now we shall do what we can to exert every pressure on those who control Cambodia and Vietnam to discourage the possibility of massive slaughter.

To those in the South of Vietnam, we will extend every possible humanitarian assistance, but we will not take actions which will prolong or encourage unnecessary bloodshed.

This tragedy which has seared this nation and divided other nations causes us to reflect on where we are and where we must go. Tonight I ask Congress to work with me in launching into new directions, in launching a new offensive for peace.

I wish that we lived in a world in which we did not need to maintain arms, but we do. Our friends abroad should not misunderstand either the attitude of this administration, the Congress, or the people of the United States. While we have made great sacrifices, the course of history in Southeast Asia has not turned as we had hoped. But we are not going to crawl into a shell; we will not abandon either our commitments or our friendships. To do so would invite international chaos. This nation will do its full share to maintain peace and stability around the world. We will remain strong, even as we remember the purpose of our strength.

We have learned some painful lessons and it is clear that we must work more closely in concert with other nations, when disputes and difficulties do arise. I wish that we lived in a world in which we did not need to maintain arms, but we must. Anyone who reflects on the defense posture of this nation and other nations understands that we must reduce the armed might of all nations and take much more substantial steps toward arms limitation agreements with the Soviet Union and with others. Using the explosive power of the bomb dropped on Hiroshima as a gauge, this nation has 615,835 times that much explosive power in nuclear weapons alone. Every Soviet strategic site has more than 30 nuclear warheads aimed at it, and every American installation of importance has many Soviet warheads aimed at it. The nuclear nations today have enough nuclear warheads to destroy the total population of the earth—and do it 27 times. A nuclear holocaust has become unthinkable. Yet if more decisive steps to control these weapons and all weapons are not taken, that possibility could become an inevitability. I ask this nation and the other nations of the world to pursue with much greater vigor their efforts to establish arms limitations.

Smaller, limited conflicts easily can lead to major wars; a minor explosion in any part of the world can lead to the disaster that none of us wishes to contemplate. For that reason I am asking Ambassador John Scali at the United Nations to request of the members of that body adoption of a resolution caling for a cut-back each year for the next five years of 20% in arms sales abroad. The U.S. now sells arms to 69 nations and provides military assistance to 51 nations. Whether the United Nations and the other arms suppliers accept or reject this initiative, the U.S. unilaterally will begin moving in that direction. During the next fiscal year we will reduce by twenty percent our weapons flow abroad—both arms aid and arms sales. We are willing to enter into agreements with the other major arms supplying nations at any time in any practical effort to reduce the flow of conventional weapons.

I am asking Secretary of State Henry Kissinger to become a special direct ambassador of the President of the U.S. to the world's trouble spots. Through his energy and great skill, the nations of the Middle East are moving toward negotiation rather than conflict. Obviously, a great deal more progress still needs to take place. In order that Dr. Kissinger may devote undiluted energies to this great mediation skill, I am asking him to devote full time to healing the world's wounds in this special capacity.

In order to make clear that the policy of the U.S. is a bipartisan policy, I will consult more frequently with members of the International Relations Committee of the House and the Foreign Relations Committee of the Senate and I will nominate as the new Secretary of State (George Ball, Mike Mansfield, Joseph Sisco, or Bradford Morse).

This nation and the other nations of the world must recognize that building a peaceful world requires sacrifice, just as it takes sacrifice to wage war. Unfortunately, either because of some quirk in mankind, or because of inadequacies of leadership—and I believe it is the latter—mankind has always been much more willing to sacrifice for war than for peace. The greatest exception to that grim record came from this nation following World War II when without precedent the American people launched a generous program of assistance, to friend and foe alike, through the Marshall Plan. But even that great example provided a relatively small economic sacrifice compared to the expenditure we were willing to make for war. That pattern of response must gradually change.

The nations of the world are as much concerned by our economic problems as they are by the difficulties in Southeast Asia. I can assure them that basically the U.S. economy is sound and that steps which I will be taking shortly will stimulate the growth of our gross national product and reduce the tragic unemployment which this nation has experienced. We will have a balanced economy and, after a year or two, we will have a balanced budget. Let no one in this nation or any other nation be deceived. If we fail to put our own economic house in order, we not only cannot be of assistance in helping to achieve world stability, we will become a cause of instability. We are in a situation which requires economic self-discipline. But I believe that the members of Congress and the people of this nation are willing to exercise that self-discipline.

Nothing could stimulate the economy of this nation and other nations more than if the poorer nations of the world could strengthen their economic muscle and become healthier trading partners in the world economy.

To those who view such leadership as futile, let them note these statistics: Between 1945 and 1975 the world's production grew from $400 billion a year to almost $4 trillion. Even when inflation and population growth are considered, this means an average doubling of income per person. But that growth has been uneven, and far too many of the world's billions have not shared in it.

The U.S. spent approximately $23 billion on the Marshall Plan and the nations which we once aided are now our strongest trading partners. Since the end of the Marshall Plan, the United States has sold $256.3 billion worth of our production to Western Europe. The U.S. today is a richer nation economically because of that Marshall Plan aid. What we conceived as charity turned into a great investment in our own economic future, an investment that has already paid off many times. The same will be true in the developing nations. The dollar return on that investment will not be as rapid, though it is of more than casual interest that in 1975 for the first time, the largest cash purchaser of wheat from the United States will be India.

And the balance of trade with India in 1975 will favor the United States by approximately $425 million.

A nation which can spend well over $150 billion to wage war in Vietnam, has the capacity to wage peace by assisting nations in desperate need. And in the process we will help ourselves.

We need not only new directions, we also need a new phrase. We have traditionally talked in terms of foreign aid, and it has the connotation of charity. In fact, what we are doing through assistance is making an investment in the economic prosperity and future of this nation as well as paying more than lip service to the concept of economic justice. I will recommend a change in the designation of the division of the department which is now known as A.I.D., a change that will carry both the concept of economic justice and American investment abroad.

I shall also recommend fundamental changes in that investment/assistance. More of it can and will be channeled through international agencies. Some portions of the international community operate with remarkable efficiency. The World Bank is a good example. But some portions of international organizations have not yet developed the maturity and expertise to deal with investment/assistance effectively. So direct investment/assistance from our country must continue. But some basic changes are needed. No other program for which Congress appropriates money has as much flexibility in it as does our foreign investment/assistance. While some flexibility must continue, too often our money has been used less effectively than it should have been. Too often political whim has been more important than need; too often we who thrive on freedom and independence have discouraged others who wished to express their freedom and independence. Open, above-board reasons for investment/assistance must replace closed-door decision making. Nations in need must find us an ally; nations who spend excessively on armaments must know that their investment/assistance will be cut; nations who work hard at internal reform to lift the lot of those least fortunate must understand that such programs have our support. Once a tentative investment/assistance formula has been arrived at, I intend to discuss it with the members of Congress and representatives of developing nations before formally submitting that formula for adoption as U.S. policy.

When I talk about investment/assistance, I do not mean only investment of money. I will ask each of the 50 states to attempt to develop a special friendship and extend a helping hand to one particular foreign nation, as many did with Latin American nations more than a decade ago. This can involve the universities of our states helping the universities in the other nations, just as the universities of other nations can help our universities. The cities in each of our states can exchange ideas and visits with the cities of another nation. Businessmen and labor leaders, teachers and farmers and physicians can exchange visits. What can be achieved is much greater understanding and sensitivity to the international situation; trade can increase; and there can be significant cultural enrichment.

Twenty-eight percent of our military expenditure since the Korean War has been made in Indochina. With that large an expenditure no longer required, we are in a position to invest more in the economic future of those both at home and abroad who have not had the opportunities they deserve. A military investment provides some jobs and economic stimulus to the country manufacturing the arms. But it does nothing for the recipient nation economically. If instead of $150 billion-plus on Southeast Asia's conflict, the United States could have spent that same amount in economic investment/assistance abroad, many nations would have healthier economies and would be buying our production—reducing substantially the unemployment which now plagues us.

The United States has gone from almost three percent of our gross national product in assistance to those in need (under the Marshall Plan) to less than one-fourth of one percent today, one of the lowest percentages among the wealthier nations of the world. It is in our best interest to reverse that diminishing response. I shall consult with the members of Congress to establish more realistic goals, goals which both our economy and world needs dictate.

And I want goals which are more than dollar measurements. I want goals which recognize certain basic human needs, and our responsibility to work with other nations in satisfying those needs. We Americans have long known in our hearts that poverty anywhere is partly our problem. We have shown this by the spectacular initiatives of the Marshall Plan, President Truman's Point Four Program, and our support of international banks and funds to speed development in the poorer countries. This deep humanitarian feeling is also reflected in the extraordinary outpouring of American contributions to international relief agencies, the Children's Fund, CARE, church programs, refugee relief, and the welcoming of foreign students.

It is time now for us to declare that we will participate as a willing partner in a generation of effort to meet the basic requirements of every human being—for life is the first and most fundamental requirement, the very basis of liberty and the pursuit of happiness.

Such an effort must go far beyond aid-as-charity, to international agreements for greater equity within countries, the management of population growth, and the transfer of resources between countries through international agencies. In a world where no one country is, or should be, in charge, each nation must be part of a new bargain for life. This nation is ready to do its part and I am appointing ——— to talk to governments and international organizations to develop a concrete plan for the definition and provision of basic human needs.

I believe that this earth has the resources to provide the basics of life to all human beings. There are obstacles—political obstacles—but they have been erected by all of us who are the family of man, and we can overcome those obstacles, if we have the will to do so.

The most fundamental need is, of course, the right to food. The dominant issue for the remainder of this century and well into the next century will be the struggle between food and population. If we are to build a future with any hope for the children of the world, that struggle must be won. There is no guarantee that a world of well-fed people will not go to war; but we can be sure that a world with a growing food gap, where some eat too well and some eat almost not at all, is a world unsafe for our children. And the two topics—food and population—are inextricably intertwined. From the beginning of time until the year 1830, the world accumulated a total of one billion people. About a century later we doubled that figure to two billion people. The official statistics now show a population of 3.97 billion people. Shortly after the year 2000—unless there is a great change—there will be eight billion people on the face of the earth. There is no easy, dramatic way to alter this pattern. But what is clear in every nation of the earth and in statistical studies between nations, is that generally as the standard of living rises, the birth rate goes down. If we want to avoid a population holocaust on the face of the earth, we must increase the standard of living in poorer nations where most now see having a large family as a means of social security.

The nations of the world must act together to meet these problems. We will have and we should have disagreements. But we can settle those disagreements either through direct negotiations, or in the halls of the United Nations, or in the International Court of Justice. The United Nations has made mistakes. But so has this nation and every other nation. The United Nations has also done some great and good and noble things and it has much greater tasks ahead of it. The growing problem of how we handle the resources and traffic on the international seas is a problem that can be handled effectively alone by the United Nations. The multinational corporations which have contributed a great deal to many countries—good and bad—also represent some major problems that often cannot be dealt with effectively by any one nation. Other examples could be given. The new directions which I am proposing tonight are not a call for retreat from international organizations. I am in fact suggesting just the opposite. And the indifference we have too often shown to world opinion and to suggestions of international bodies must pass. Right now there are 29 human rights conventions called for by international bodies which the United States has not ratified, generally through neglect rather than hostility. Where we differ on a proposal, let us state that difference in accepting or rejecting a proposed convention. But let the "spare tire" attitude we all too often have toward the United Nations, the Organization of American States, and other bodies end. These are not groups to be called upon in an emergency, but agencies in which we must join effectively with other nations in the undramatic but vital day to day work of building peace. Three decades ago the United States made the choice between a world of international order and a world of chaos. That resolve is unchanged.

When John F. Kennedy was President of the United States, he conveyed—through the Alliance for Progress, the Peace Corps, and in other ways—that the leadership and the citizens of this country cared about people everywhere.

Let people in every section of this shrinking globe understand that we still care. We will show—not by words, but by deeds—that we do. A world of peace will not be built in one giant step. But if this nation and the other nations of the world are willing to take those necessary smaller steps, future generations will reflect that, while other generations were great warriors, this generation helped to move us toward a day when people did not starve and nations did not war. Let history note that this generation of Americans helped to build a world of peace. This year, in this country, let us provide that leadership.

JOZSEF CARDINAL MINDSZENTY A TRULY GREAT MAN

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. BLANCHARD. Mr. Speaker, on Tuesday, May 6, 1975, the world suffered a great loss. For on this day, Jozsef Cardinal Mindszenty, a man who exemplified the traits of courage and bravery passed away. The free world mourns the loss of this remarkable individual.

I, too, feel this loss for I have long admired and respected this brave man and the principles he stood for. His life was one of sacrifice and dedication to principles of freedom. He was a man of integrity and fortitude. He was a man of deep faith and devotion, a fighter against tyranny.

Cardinal Mindszenty spent nearly one-third of his life in prison or in exile, fighting for a freedom he was never able to enjoy. Yet, he never compromised his ideals. He stood steadfastly behind his beliefs though they brought him undue pain and suffering. He rebelled against the forces of oppression; against fascism and communism.

Perhaps, his greatest disappointment was having to leave Hungary and being removed as primate of Hungary in 1974. It was not easy for him to leave the country and the people he loved. As he stated then, "Cardinal Mindszenty cannot abdicate."

The world has lost a heroic individual and I mourn. The world will remember a man of spirit, a man of unwavering devotion. No one could respect freedom more than Jozsef Cardinal Mindszenty.

INSURING REPAYMENT OF FOREIGN DEBTS

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. ZEFERETTI. Mr. Speaker, the United States has laid out billions upon billions of dollars on behalf of foreign governments. Today, those billions of dollars remain on our books in the form of unpaid foreign debts. In the minds of many, these debts have been written off. I feel, however, that they should be repaid to our country by those nations who incurred them. Furthermore, these repayments should be on mutually agreed-upon terms.

As of the end of the last fiscal year, we were owed $32 billion by foreign nations, exclusive of World War I debts. This is a staggering amount of money.

More unsettling, however, is the fact that in recent years, the executive branch of our Government has been entering into agreements with a number of debtor nations, resulting in the write-off of some $5 billion. This is an unacceptable policy to the overwhelming majority of Americans and to the overwhelming majority of the Congress.

The average American is very heavily taxed today. Some 10 million Americans are out of work. A combination of these two facts only serves to aggravate the fact that these Americans are left with the burden of making up the loss of revenue resulting from unpaid foreign debts. And, the burden is increased when our Government cancels delinquent debts or fails to collect others. Such attempts by the executive branch to cancel, reschedule, renegotiate, or settle any foreign debt at less than the full value of that debt should require full congressional approval.

Presently, these debts are being negotiated with little public or congressional knowledge. Yet, such debts are owed every U.S. taxpayer. These are the people who extended the loans on the reasonable assumption that they would be honored and fully repaid according to the agreed-upon terms. And, the funds themselves were lent as a result of congressional action. Therefore, any negotiations affecting these debts should allow for representation on the part of the Congress.

I feel that the behind-the-door negotiations are resulting in a massive giveaway. Therefore, what is evident is the need for congressional oversight and investigation into the matter. Legislation has been introduced in both Houses to require congressional approval for settlement of any foreign debt at less than its full value. I am pleased to have been informed that the bills have received strong bipartisan support, and to announce that I joined in cosponsoring the bill in the House and will vote for it in its present form when it reaches the floor in Congress.

I feel that more is at stake than just the settlement of previous debts. For a number of years, the executive branch of Government has been unilaterally taking actions affecting millions of Americans without consulting Congress. The area of foreign debts is an example of this kind of activity. This is a time of congressional insistence on prerogatives set aside for the legislative branch. The assertion of congressional control over these negotiations and debts is a critically important reassertion of the prerogatives of the American people.

REPORTS OF THE SEVENTH OHIO DISTRICT YOUTH ADVISORY COUNCIL

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. BROWN of Ohio. Mr. Speaker, the fourth annual Youth Advisory Council in the Seventh Ohio District has again produced some valuable studies of current national issues. These high school students from my district have reported to me on the results of the deliberations they made during the school year, with the help of expert witnesses.

So that others may benefit from the results of their work, I would like to place in the RECORD at this point, the Clark County Committee's report on sex and violence on television and the Marion-Union Counties Committee's proposed bill on the subject of tax credits for higher education:

CLARK COUNTY COMMITTEE REPORT ON THE QUESTION OF THE NEED FOR LEGISLATION TO CONTROL SEX AND VIOLENCE ON TELEVISION

The members of the Clark County Committee on the Legislation of Sex and Violence on Television have studied this issue for several months and have come to the conclusion that no legislation should be made regulating sex and violence on television. The first and foremost reason is that restriction of the media by the government violates the First Amendment to the Constitution, which protects the freedoms of speech and of the press. Such a thin line exists between censorship and restriction for the common good, that any bill concerning this would not stand up in a court of law.

Our second reason for not writing a bill is that the terms SEX and VIOLENCE can *not* be uniformly defined by anyone—including the Supreme Court—for the American public. This is because of the vast differences in the moralities and tastes of the general public throughout the country and even within a broadcast range.

No legislation can be enacted (effectively) concerning "family hours" and "adult hours" because of the different time zones. Our witnesses from WHIO, Station Manager Jack McCarthy, stated that it is financially impossible for every local station to delay all "adult" shows that originate from New York or Los Angeles that are relayed during "family hours".

Documentaries and the news present another problem for legislation. If sex and violence are presented in a factual and "tasteful" form, this doesn't make it any less harmful. Once again, we must protect the right of free speech.

This committee attempted to determine what type of relationship exists between sex and violence on television and anti-social behavior. The information we examined, such as the research project conducted by the Surgeon General's office, did not confirm that any specific type of relationship consistently exists. While some reports concluded that sex and violence is directly responsible for anti-social behavior, and equal number of reports repudiated it. Most studies, both pro and con, have concluded that television is only an *outside* stimulus that can cause anti-social behavior. Psychologists have listed many other possible factors such as stress within the family structure, uncertain moral values, increased academic demands, and a more automated, less personal society. Low income, unsuitable employment, and poor living conditions are still other causes for violent and/or anti-social behavior.

Using the last three factors as an example, we can see why it is very difficult to determine the exact cause for a violent act. If a young man from a ghetto area commits a murder while robbing a bank, is it because, 1) he watched a great number of violent programs, 2) his family has a low income, 3) his father has a "dead-end" job, or 4) he was cold last night in his unheated apartment? Thus, while television may play an important role in anti-social behavior, to place the blame entirely upon the medium when so many other factors could be involved would be incorrect. Likewise, to enact legislation on such slim evidence would also be incorrect.

This committee has several suggestions for *voluntary* legislation by local and network stations. First, we feel that the Ways and Means Committee and its subcommittees should consider the possibility of offering tax breaks to networks and advertisers who: 1) provide positive television programming, and, 2) consistently furnish ratings and/or warnings for viewers.

Second, we feel that long-term financing should be enacted for the Corporation of Public Broadcasting. This corporation's purpose, as set in the Public Broadcasting Act of 1967, is to disperse federal and private funds for cultural program production. Up until now, the Corporation's budget has been set for only one fiscal year at a time, and has varied from year to year. This has prevented the Corporation from establishing effective long-term programming.

Finally, this committee has concluded that the ultimate authority on programming belongs to the general public. All of our witnesses assured us that the public reactions are the major factors in determining programming. We strongly urge the people to *use* this power to its utmost capacity to assure them of better programming.

Following discussion, with no amendments, the full Council adopted the report of the committee by a vote of 23–0.

Clark County Committee Members:

Tecumseh High School—Nancy Fluty, 1720 Addison Rd., New Carlisle 45344.

Northeastern High School—Sue Prosser, 1312 Waltin Lane, Springfield 45503.

Northwestern High School—Kent Stewart, 3668 St. Paris Pike, Springfield 45504.

North High School—Steven Parker, 1003 Fruitland Rd., Springfied 45503.

Shawnee High School—Roger Southward, 2341 Crabill Rd., Springfield 45502.

Joint Vocational School—Mr. Chris Daulton, 1019 Cypress St., Springfied 45505.

Southeastern High School—Sarah McDonough, 5906 E. Pitchin Rd., South Charleston 45368.

Catholic Central High School—Cathy Bookser, 1220 Glenmore Dr., Springfield 45503.

Greenon High School—Jim Stephens 135 Green Valley Dr., Enon 45323.

South High School—Robyn Markley, 1557 McKinley Ave., Springfield 45505.

UMI

TAX CREDIT FOR HIGHER EDUCATION

A BILL

To provide tax credits for students seeking higher education by revising federal tax codes.

The following definitions shall apply to this bill:

Student: A person who is enrolled in an accredited educational institution.

Higher Education: Accredited colleges and universities, and technical and business schools.

Tax Credit: Amount of aid extended in the form of a credit subtracted from the amount of income taxes due to the Federal government after deductions and exemptions have been taken into account.

Educational Expenses: Tuition, fees and books.

The following persons shall be eligible for full educational tax credits: The students who have been enrolled in a higher education program for not more than ten (10) years and whose net adjusted income does not exceed $30,000 per annum. Those students (or their families if the student(s) receives full support from them) whose net adjusted income exceeds $30,000 shall have the amount of the tax credit reduced by one (1) per cent for each $1,000 in excess of the $30,000 level.

The amount of the credit shall be determined by taking 100% of the first 200 dollars of educational expenses, 50% of the next 300 dollars of educational expenses, and 15% of the next 2,000 dollars of educational expenses for each student.

The intent of the bill shall in no way be constructed as a replacement for educational grants.

Amendments:

Line 11: By a vote of 30–2 the words "and books" were added following the word "fees".

Line 15: By a vote of 31–3 the words "if the student(s) receive full support from them" were added following the word "families".

Line 20: By a vote of 28–1 the words "for each student" were added following the word "expenses".

Following the addition of amendments, the bill was adopted by the full Council by a vote of 34–1.

Marion and Union Counties Committee Members:

Marysville High School—George R. Ihnatko III, 523 Amrine-Mill Rd., Marysville 43040.

Ridgedale High School—Scott Hoffman, 1637 Irving-Shoots Rd., Morral 43337.

Fairbanks High School—Rob Wilson, R. R. #2, Box 266, Marysville 43040.

North Union High School—Mark Redmond, R. R. #3, Box 219, Richwood 43344.

Pleasant High School—Dan Jesse, 2156 Bethlehem Rd., Prospect 43342.

River Valley High School—Mary Lawrence, 150 Harding Way East, Marion 43302.

Elgin High School—Mike Mosley, 1180 Keener Ave., Marion 43302.

Marion Harding High School—Sue Courtright, 528 King Ave., Marion 43302.

Marion Catholic High School—Philip Feldman, 244 Hane Ave., Marion 43302.

POLISH CONSTITUTION DAY

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. HELSTOSKI. Mr. Speaker, the history of Poland has been one of tragedy and triumph, of domination and determination. For centuries, the Polish people have struggled to build a society free from the influence of outside governments, and a nation dedicated to the principles of freedom and dignity. Yet, even today, the Polish people stil suffer from alien interference in their lives.

Today, however, I would like to call our attention to one of the more glorious moments in Polish history, the adoption of the Constitution of Poland. On May 3, 1791, Poland adopted a constitution based on the idea that men are free and equal, and designed to establish a democratic legislature and to curtail the oppressive power of the king. One hundred and eighty-four years later, the Polish Constitution remains as a shining tribute to mankind's noblest instincts.

In conjunction with this month's celebration of Polish Constitution Day, it has been my privilege to appear before various groups interested in Polish culture and history. Thousands have joined in retelling the story of Polish Constitution Day, and today I would like to share with my colleagues an excellent account which appeared recently in the Post Eagle, a north Jersey newspaper. Written by Post Eagle columnist and associate editor E. Wilczynski, this account further underscores the importance of this famous day. Mr. Speaker, the article follows:

A COMMENTARY ON POLISH HISTORY

(By Associate Editor E. Wilczynski)

I have been receiving many letters as of late requesting that I reprint some of my earlier historical columns for use by various Polonian institutions in teaching our culture. Since many topics have been cited, I will attempt to write of them in the order of their historical significance.

During the upcoming month of May as in every May past since 1791, the adoption of the viable Constitution of Poland is celebrated. It is probably the most important landmark in the history of our Fatherland.

There happens to be an actual account of how it all happened on that fateful May 3rd, 1791, a mere 184 years ago. Since there is no doubt that it will enrich your historical understanding of Poland, I've decided to share it with you. The excerpt is from "The Last King of Poland and His Contemporaries" by R. Nisbet Bain. Here it is. . . .

"Early on May 3, 1791 an unusual commotion was observable in the streets of Warsaw. Regiments of foot and squadrons of horse soldiers were seen hastening from the barracks to the Palace where the Diet was about to assemble. They were speedily followed by civic guilds, headed by their residents, with their banners borne before them. The streets were thronged by excited, gesticulating crowds of all classes. The most disquieting rumors were afloat. Every one was in a state of febrile expectation. People whispered to each other that something great, something unusual, was about to happen, and that the fate of Poland depended upon the events of the next few hours.

"The Hall of Sessions was already full to overflowing. The galleries were thronged by women of the upper classes. The benches of the deputies were surrounded by extra parliamentary politicians and agitators. In the front of the Marshal's barrier sat Prince Joseph Poniatowski with the King's adjutant, General Golkowski. A score or so of Uhlans stood near them at attention. The throne was surrounded by numerous officers of the Royal Guard. The opponents of reform had taken their seats three times, but each of them was speedily surrounded and separated from his fellows by two or three of the confederates who never lost sight of them for a moment.

On the stroke of eleven, the King entered the Hall of Sessions preceded by the Marshal of the Diet and followed by a numerous retinue. He was greeted with loud applause. The High-Steward then struck his staff thrice to impose silence and, amidst a deep hush, Malachowski opened the session. He reminded the deputies of the disasters which had already befallen the Republic. He warned them that still more terrible disasters might momentarily be expected. Then he beckoned to the Secretary of State for Foreign Affairs to read aloud the latest dispatches from the Polish Ambassador abroad.

". . . They were serious enough certainly. From Vienna, Paris, Dresden, and the Hague came reports of Prussian intrigues aiming at a fresh partition of Poland. Still more alarming was the news from St. Petersburg. Debili, the Polish Minister at the Russian Court, reported that Catherine's official mouthpiece, the Russian Vice-Chancellor, Osterman, had said to him: 'If you Poles are eternally wrangling and quibbling among yourselves without coming to any conclusion, you will lose all your provinces and be made quite that way.' He concluded with a note of warning: 'Our divisions and disorders are only too welcome to our neighbors who will take the first opportunity of compensating themselves at our expense.' Finally, Matuszewica turned to the throne with these words: 'Such, Sire, is the political situation abroad. It behooves your Majesty and the illustrious Estates to provide for the safety of the Republic.'

"For a moment intense silence prevailed. Then an uneasy muttering was audible, in the midst of which Ignatius Potocki slowly arose. All eyes instinctively turned toward the leader of 'the Patriots' who for so long a time had been the most determined opponent of his Sovereign. In view of the danger threatening the Republic, said Potocki, there was but one thing to be done—appeal to the King for counsel. 'You, Sire,' he continued, turning toward Stanislaus, 'you, Sire, have the authority, the will, and the talents which entitle you, and you only, to render this service to the Republic. God grant us grace to forgo forever our private animosities.'

"Stanislaus immediately stood up and beckoned to all the Ministers and Senators to draw near to the throne. Then, very solemnly, he declared that after what they had just heard it was obvious that any further delay in establishing a new and stable Constitution must be fatal to Poland. I suppose,' he concluded, 'to read to you a project, carefully drawn up and earnestly recommended by many well disposed citizens.' Cries of 'The project, the project' came from every part of the House. The draft of the new Constitution was then read. It was received with shouts of 'Zgoda! Zgoda!' (Agreed! Agreed!) Malachowski, on behalf of the Diet, thereupon thanked the King for giving them the best of all possible Constitutions and begged him to confirm and strengthen 'the new contract between King and people!' by swearing to observe it there and then. The Chamber supported the petition of its Marshal with loud cries of: 'We beg! We Beg!'

". . . The Marshal very adroitly, ordered all those who were in favor of the Constitution to keep silence and all those who were not in favor of it to come forward and speak. This placed the malcontents in a very awkward position by revealing their numerical weakness, for it was now patent that they would only count upon eleven members in a House of more than two hundred. Before they could recover themselves, Zabriello, the deputy for Livonia, moved that all who loved their country should vote for the new Constitution on the spot and that his Majesty should set the example by swearing

to observe it first of all. He then left his seat and approached the throne followed by all the Ministers and Senators and the great majority of the deputies. Surrounding the King, they begged him, with enthusiasm, to wait no longer but to take the oath. The ladies in the galleries, waving their hands and fluttering their handkerchiefs, and the general public on the floor of the Chamber concurred.

Loud cries of: "Long live the King! Long live the Constitution!" resounded on every side. For the moment the Diet had ceased to be a legislative assembly and had become a huzzahing mob. The enthusiasm within the Chamber penetrated first to the corridors of the Palace and then to the crowds outside and soon all the streets and squares in Warsaw were ringing with cries of: "Long live the King! Long live the King!". In all that vast assembly the sole dissentient was the irrepressible Suchorzewski. Unable to make himself heard any longer he flung himself down in front of the throne and the mob of Senators, Ministers and Deputies trampled him under foot as they rushed forward to take the oath. The wretched man would have been trodden to death on the spot had not the gigantic deputy, Pan Kublicki, snatched him up and taken him out of the Chamber like a child, yelling and struggling to the last.

"Meanwhile, the din and tumult around the throne had become so great that Stanislaus was obliged to mount upon his chair-of-state and make signs that he would speak. Silence instantly prevailed, and the King, in a loud voice, expressed his desire to accede to the unanimous will of the Diet that he should swear to observe the new Constitution. 'Let some of you who are priests come forward, therefore, and prescribe for me a proper form of oath!' he concluded. Turski, Bishop of Cracow, and Fr. Gorzewski thereupon approached the throne, and while the former recited the proper formula the latter held a copy of the Gospels wide open in front of the King. With his hand resting firmly on the Holy Gospels, Stanislaus took the oath. The whole assembly, in an ecstasy of joy, thereupon flung their caps into the air, and, with streaming eyes, shouted: 'Long live the King! Long live the King!' After taking the oath, the King exclaimed: 'Juravi Domino et ne poentibet! I call upon all those who love their country to follow me to the Church to take the oath in common and, at the same time, to thank God for permitting me to complete so solemn and beneficial a work."

KENNETH KEATING—A FINE AMERICAN

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. SARASIN. Mr. Speaker I wish to note, with great sadness, the passing of a good friend and fine American. Kenneth Keating, who had been serving since August of 1973 as Ambassador to Israel, died on Tuesday from a heart attack suffered while visiting a hospitalized relative in New York City.

Ken Keating's distinguished career in public service began in this very House in 1946, where he was a Member for 12 years. He has also served as senator from New York, as Ambassador to India and, between these two, as an associate justice of the New York Court of Appeals. He was, in addition, awarded numerous decorations for duty in both World Wars, and in 1948 he received a commission as a reserve brigadier general.

While in Congress, Kenneth Keating distinguished himself especially in the fields of civil rights, immigration and congressional reform, health care, crime and narcotics control, and draft law revision.

I would close, Mr. Speaker, by including in the RECORD this short but apt excerpt from a statement by Vice-President ROCKEFELLER:

> With courage in wartime, with effectiveness in both the House and Senate, with justice on the bench of the highest court of New York State, with diplomatic acumen in India and Israel, Ambassador Keating served this nation brilliantly and tirelessly. His death at this time is a particular loss because of the key role he had been playing in the search for peace in the Middle East.

I join with all Americans in mourning the loss of a friend and outstanding public servant.

SENDING AMERICAN URANIUM AND COMPUTERS TO THE SOVIET UNION

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. ASHBROOK. Mr. Speaker, is the supplying of uranium to the Soviet Union by the United States in our national interest? I do not think so. However, the U.S. Department of State is allowing the shipment of American uranium to the Soviet Union. Supposedly, the uranium is to be processed by the Soviet Union into fuel for power stations in other countries. The processing results in the production of an isotope which provides power for nuclear electric plants and for atomic bombs.

According to the Wall Street Journal, the U.S. State Department says that such shipments would "not be inimical to the common defense and security" of the United States and its allies. All kinds of rationales can be put forth and are being put forth, but I for one cannot understand how such shipments of uranium can be anything but harmful to our interests. Shipping uranium to the U.S.S.R. which can be used to make atom bombs is beyond belief. How can our Government be allowing such trade?

But shipping uranium is not the only thing that is happening. It is reported that IBM has been given permission by the administration to sell 11 computers worth $10 million to the Soviet Union. Computer technology is necessary for the advanced weapon systems of today.

Even Jack Anderson has written in a recent column:

> The Soviets are at least 10 years behind in computer development. They have produced one computer of significant capacity, and it would take about 32 of them to equal one top-line U.S. computer.

It seems everybody is agreeing with what I said more than 1½ years ago:

> Advanced weapon technology relies on sophisticated computers . . . Soviet computer technology has always been years behind that of the West.

Everybody seems to agree except the administration and the U.S. Department of State.

There is still a third area in which the United States seems determined to help the Soviets. While a $300 million limit on credits from the U.S. Eximbank to the Soviets is in effect, El Paso Natural Gas is going ahead in getting American banks to finance gas exploration in the Soviet Union.

At a time that the United States is seeking to increase its own domestic energy supplies—a job that the Chase Manhattan Bank says will take billions of dollars—El Paso Natural Gas Co. is putting together a $100 million package of commercial bank financing. It is expected that the project will need more than $4 billion. As I have repeatedly asked, do we think the Soviet Union would be less willing to use as a weapon any energy dependence on them by us than the Arabs have? Do we really think that if we became dependent on Soviet energy the Soviets would not use that dependency as a political and economic weapon against us? Why are we helping the Soviets to develop their energy resources when our own country needs such development?

In the last few moments I have discussed three different things that we are providing the Soviets: Uranium, computers, and money to develop their energy resources. If the Soviet Union was a friend, this help could be understood. But the Soviets have not shown their friendliness in Indochina, the Middle East, Portugal, Cuba, nor to their own people.

They have been showing something else: The largest naval exercises ever, the development of two advanced anti-ballistic missile interceptors, and the development of a number of new ballistic missiles.

The Soviets' massive supply of North Vietnam is well-known. What is not so well known is that the Molotova military trucks which were carrying North Vietnamese soldiers and weapons were built in the Gorki plant. The Gorki plant was built by Ford in the last large expansion of U.S.-Soviet "trade" in the 1920's and 1930's. Will the uranium and computers that I have been discussing also be used against the United States or its allies?

FAIRLEIGH DICKINSON UNIVERSITY BICENTENNIAL CELEBRATION

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. MAGUIRE. Mr. Speaker, it is with pride that I insert into the CONGRESSIONAL RECORD information about a most unusual overseas Bicentennial commemoration sponsored by Fairleigh Dickinson University, New Jersey's largest inde-

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pendent higher educational institution. Fairleigh Dickinson University, one of the 10 largest private universities in the Nation, with an enrollment of more than 19,000 and alumni numbering nearly 80,000, is interested in promoting meaningful colloquy about the revolutionary period and its impact on the two nations directly involved.

Fairleigh Dickinson University is in a unique position to do this because in 1964 it acquired a permanent campus in Wroxton, England. From June 11 through June 14 of this year the university will bring together at its Wroxton campus leading scholars from the United States and England for a Bicentennial symposium aimed at reinforcing through academic dialog the close ties that have developed between the United States and England.

At a time when the world needs intelligent discourse to promote better understanding among all nations it is most appropriate that Fairleigh Dickinson University should offer this kind of Bicentennial conference. Because I am fortunate to have this university among my constitutents I include the following for inclusion in the RECORD:

FAIRLEIGH DICKINSON UNIVERSITY PLANS WROXTON BICENTENNIAL

At what will certainly be the first, and perhaps the only, American bicentennial celebration on British soil, Fairleigh Dickinson University will bring together scholars and government leaders representing both sides of the Revolution. The event is a unique four-day bicentennial symposium beginning June 11 in Wroxton, England.

The double irony of the bicentennial conference is that FDU's Wroxton campus—the first British-based higher education institution to be owned by an American university—was the ancestral home of Lord Frederick North, Prime Minister under King George III during the American Revolution.

The symposium will be a British-American retrospective examination of the Revolutionary period by distinguished historians, educators and political leaders from both countries.

Noted American historian Dr. Henry Steele Commager will discuss "The Creative Force of American Revolution." Professor Esmond Wright, director, Institute of American Studies, University of London, will speak on "The Role of the Losers."

Professor Ian Ralph Christie of University College, University of London, will talk of "British Ministerial Perspectives During the American Revolutionary Crisis, 1763–1776." Dr. Saul Padover, Distinguished Professor of American History, New School of Social Research, will speak about "Benjamin Franklin, A Man Truly for All Seasons."

Others speakers on the program are: Norman Cousins, editor and publisher of *The Saturday Review;* The Hon. Brendan T. Byrne, governor of the State of New Jersey; Chancellor J. Steven Watson, St. Andrews University, Scotland; Dr. Charles Ritcheson, cultural attache, United States Embassy, London.

The symposium, conceived by Fairleigh S. Dickinson, Jr., chairman of FDU's Board of Trustees, was designed as a unique example of Anglo-American academic cooperation, marking the close ties that have developed between Great Britain and the United States. The program is a joint effort of the Institute of Graduate International Studies at Fairleigh Dickinson University, the United Kingdom's Royal Society of Arts and the New Jersey Bicentennial Commission.

Wroxton College, on 56 picturesque acres of lawns, lakes and woodlands in the heart of the Cotswold country, is an appropriately historic and beautiful setting for such a symposium. The North family occupied what was Wroxton Abbey for almost 300 years. The abbey was the home of Frederick, Earl of Guilford, Lord North of Kirtling who was Prime Minister from 1770 to 1782. It has been left to future generations to surmise what Lord North would have said about his stately Oxfordshire mansion being used to educate the descendants of those erstwhile colonial rebels.

The present mansion was rebuilt on the foundation of a Priory of Augustinian Canons founded in 1217 by Michael Belet, a North Oxfordshire landowner who endowed the Priory with his Wroxton Manor House. In the 320 years between 1217 and 1537, England changed a great deal but Wroxton hardly at all. Very little is recorded of its history during this period. In 1537, Sir Thomas Pope, a wealthy courtier and friend of both Henry VIII and Sir Thomas More, whose family had acquired the Wroxton property, used the Priory and its then 3,000 plus acres, to endow Trinity College at Oxford University.

Although Pope had no direct heirs, he retained for the descendants of his brother John, a perpetual right to lease and live in the Priory which came to be called "The Old Abbey House," and later "Wroxton Abbey." From this act is derived the curious fact that the later Popes and the more important Norths, who were united to the Popes by marriage in the 17th century, almost alone among the greatest of English families, were not owners, but merely tenants in their "own home." For this reason, when William Henry John North, 11th Lord North, died in 1932, and his heirs decided to leave Wroxton, the Abbey reverted to Trinity College, Oxford, the rightful owner for almost 400 years. It was from Trinity College that the Abbey was acquired in 1964 by Fairleigh Dickinson University.

The University has done much to retain and add to the historic charm of the ancient homestead, while making it a place for serious academic study for both undergraduate and graduate students.

As part of the June bicentennial symposium, the University will dedicate the recently renovated carriage house of Wroxton Abbey in honor of Mr. Morris Leverton, a generous benefactor of the Wroxton Campus and of Fairleigh Dickinson University. The former carriage house will be dedicated as Morris Leverton Hall and there will be a rededication of the building previously named for Morris Leverton, in honor of his wife, Ann Leverton. Through the generosity of the Levertons, the old carriage house has been remodeled and furnished, providing additional living quarters and new dining and kitchen facilities for the campus.

It is a true symbol of the American heritage and Anglo-American cooperations that each year Fairleigh Dickinson University sends about 80 undergraduate students and 60 summer semester graduate students to its Wroxton campus to bask in the glory of British history, drama and literature. What better place to have a bicentennial symposium?

STATEMENT ON VIETNAMESE REFUGEES

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. WON PAT. Mr. Speaker, on behalf of the American people of Guam, I rise to express my deep pride in the role which our island is playing in the great humanitarian effort to rescue the thousands of South Vietnamese from almost certain death.

As possibly the whole civilized world knows, Guam has played host in the past weeks to thousands of South Vietnamese refugees. At present, there are over 40,000 refugees on the island although they are rapidly being processed to move on to other areas. It is anticipated that thousands more will be arriving there in the near future.

In the midst of the confusion and endless work surrounding the processing of the refugees, Ambassador L. Dean Brown must be commended. He and his staff as well as many military and civilian officials on Guam all deserve our support and recognition for doing a very difficult job under such circumstances.

Guam, however, is a small island with limited resources. Our ability to do more than lend a temporary helping hand is hindered by an economy which is in precipitous decline. The island already faces a rising unemployment rate and only in the past few days have we discovered that the U.S. Navy is laying off over 350 personnel at the Guam naval ship repair facility. Although I have opposed such action, both on the basis of humanitarian concern for those workers affected and because any move to reduce naval forces on Guam would, in my opinion, be disastrous for U.S. military plans in the Pacific at this point in our history, the Navy's decision only reinforces my concern over the island's economic condition.

Under these circumstances, I am deeply concerned that Guam may find itself called upon to provide permanent residence to more individuals than we can reasonably handle. In fact Governor Bordallo was forced by circumstances to declare the island of Guam in a state of emergency. Almost across the board, leaders of major American communities are resisting any influx of refugees into their areas.

While I appreciate the efforts of the U.S. officials in charge of the refugee task force, I am concerned about the impact of their decisions on an island 30 miles long and 8 miles wide. We on Guam are proud to do our share. But quite frankly, many members of the government of Guam, our legislature, private citizens, and myself are concerned that the State Department, lacking alternative destinations for the refugees may attempt to resettle disproportionately large numbers on Guam. There are undoubtedly some desirable refugees that can contribute to the well-being of the territory such as skilled and professional people as well as business entrepreneurs. Finally, it should be recognized that this is a Federal problem and its solution lies within the Federal Government. We cannot impose an undue burden on our State and territorial governments—a responsibility they are not adequately prepared to assume.

In recognition of the role which the Federal Government must play in this matter, I have earlier sponsored legislation with Representative ANDERSON of California and other Members of the House to amend the Migration and Refugee Assistance Act of 1962 to provide for assistance to the refugees from Southeast Asia. The House Judiciary Committee is presently considering a similar legislation and I look forward to early passage of such a measure by the House.

I am also today introducing a House resolution which addresses itself to the need to assure equitable placement of the Vietnamese refugees by providing language which states:

> The President should take any steps within his power to prevent the refugees from settling indisproportionate numbers in Guam or any other State or Territory of the United States.

It is my belief that America can and will produce a solution to the refugee question which will be fair to all concerned. I trust that the legislation I introduced today will be a small start toward that end. After the years of American sacrifice on behalf of democracy and liberty in South Vietnam, the resettlements of those who were displaced by recent events will be a fitting and proud end to our involvement in that tragic war.

TWO-HUNDREDTH ANNIVERSARY REENACTMENT OF THE CAPTURE OF FORT TICONDEROGA TO BE HELD MAY 10, 1975

HON. ROBERT C. McEWEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. McEWEN. Mr. Speaker, May 10, 1975, is a date of great significance to all Americans. On that date, America's first victory in the Revolution was won without firing a shot when Ethan Allen and 83 Green Mountain Boys captured Fort Ticonderoga, N.Y., from the British.

Fort Ticonderoga was strategically located on the inland waterway route between the British colonies and Canada. The fort, built by the French but taken by the British, commanded the outlet of Lake George into Lake Champlain. Solidly built on a promontory it was known as the "Gibraltar of the New World."

Allen's victory had three military results: Fort Ticonderoga, guardian of the colonies' north gate, was denied to the British; cannon from Ticonderoga enabled the Americans to drive the British out of Boston; American morale was stimulated by the victory.

Lexington and Concord are highlights of America's story, but those actions were in response to British aggression. At Fort Ticonderoga, American troops, for the first time, took the offensive against British regulars in a British stronghold. This was rebellion.

The operation began when some 230 men assembled at Hand's Cove, about 1 mile north of the promontory of Ticonderoga and across the lake from the fort, on the evining of May 9, 1775. Allen was in command but Benedict Arnold joined the group, with a commission from the Massachusetts Committee of Safety, to capture the fort. All the men had been raised by Allen, and they refused to march under another leader. Allen allowed Arnold to march at his side, but retained command.

A large scow and one small boat comprised the available transport. Allen filled these with 83 men and embarked with Arnold. The force arrived beneath the walls of the fort shortly after 3 a.m. With Allen leading, the men climbed an embankment to a breach in the south wall of the fort, opposite a wicket-gate with a sentry.

Ethan Allen overpowered the sentry, raced into the courtyard, and, with Arnold at his side, demanded the surrender of the fortress, "In the Name of the Great Jehovah and the Continental Congress." Bowing to the inevitable, the British commander, Capt. William de la Place, handed his sword to Allen. It was over in a few minutes; no one was killed. But America had achieved her first victory. There was great rejoicing, and, to quote the redoubtable Ethan:

> The sun seemed to rise with a superior lustre—and we tossed about the flowing bowl.

Two hundred years later a dramatic reenactment of that day will take place when at 3 a.m. on May 10, 1975, at Fort Ticonderoga, descendants of Ethan Allen, Benedict Arnold, and the 83 captors cross Lake Champlain before dawn and invade the fortress.

The U.S. Army's "Old Guard" 3d Infantry Fife and Drum Corps, and the Ticonderoga Fife and Drum Corps will participate in day-long festivities. Most appropriately, the reenactments and celebrations will be New York State's first Bicentennial event.

Fortunately for America, the fort stands today as it did 200 years ago because of the foresight and initiative of an individual American citizen and the continuing interest and effort of his descendants. At a time when so many may feel that if anything is to be done right, it has to be done by government, Fort Ticonderoga is a monument to the concern and dedication of individual Americans. Mr. John Pell of Ticonderoga, now heads the foundation, which has done an outstanding job in the restoration and preservation of this magnificent old fort. It was John Pell's great, great grandfather, William Ferris Pell—and the great, great, great grandfather of Senator CLAIBORNE PELL—who acquired title to this fort 155 years ago. Had it not been for the unstinting efforts and devotion of this great American family, the planned reenactment could never have come about.

Many Americans will be privileged to witness the stirring reenactment at Fort Ticonderoga on May 10. For the many millions of others who will be unable to attend, I take this means of recalling to them that on that date, 200 years before, a band of hardy Americans won the first victory in the battle for freedom in America. At this time of turmoil and deep inner doubt, let this day serve to remind all Americans that not only a rugged group of colonists, but freedom-loving people from many countries of the world, joined in winning the ultimate victory which gave to us this great Nation.

WE THE PEOPLE . . .

HON. L. A. (SKIP) BAFALIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. BAFALIS. Mr. Speaker, I would like to submit, for the review of my colleagues, the remarks of Judge Harold Smith, judge of the 20th circuit court of Florida, dealing with the Constitution of our country. I have read Judge Smith's remarks and feel that they constitute a fitting birthday remembrance for America. If we were to all keep these ideals in mind while exercising our legislative responsibilities, I feel we could do a more trustworthy job in representing our constituents—the people of this great country.

The remarks follow:

REMARKS BY JUDGE HAROLD SMITH

We the people of the United States, in order to form a more perfect Union, establish Justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity—

These words are the preamble to the Constitution of the United States. The Constitution is the outgrowth of the independence that was declared 13 years earlier on July 4th, 1776. Listen again to those words. . . .

We the people of the United States, in order to form a more perfect Union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity. . . . Let us analyze these objectives one by one.

Form a more perfect union. This union has been formed, enlarged and maintained. Many times new states were admitted until this perfect union was enlarged from the original 13 to its present union of 50 cohesive, unitary states. At one dark period in our history this union was threatened with dissolution, but after the blood of brothers was spilled and the wounds of war were healed, the Union was preserved.

Establish Justice. This is the keystone of our nation. We have established justice to the point where all men are equal under the law. No man is below the law. No man is above it. Thank God, throughout the life of our nation this great country has been a government of laws and not a government of men. It is the established laws which provide the framework by which the men who are but temporarily in charge run the country all within the guidelines and limitations of the law. Men may come and men may go but the law lives on. We may not love nor respect the particular individuals in our government at any particular time, but we must at all times respect and obey the law that controls them.

In a commencement address at Princeton University in 1835, Supreme Court Justice William Gaston said, "Rebellion against the law is in the nature of treason. The law deserves our obedience; it alone can reconcile the jarring interests of all and blend into one harmonious union the discordant materials of which society is composed." Think on those words. There are some in our nation today who have tried to place themselves above the law, and to select those laws which they choose to obey and those they chose to disobey. Yet should someone else choose to disobey the law which protects these people, these selective lawbreakers would proclaim that they were being brutalized. This point so clearly illustrates why the selectivity of obedience to the law is totally fallacious. As Justice Gaston said, "Rebellion against the law is in the nature of treason." It is that simple.

Insure domestic tranquility. This part of our Constitution is of particular significance today. Never in our history except during the Civil War has our nation been so domestically un-tranquil. This strife and unrest in our cities and universities ties directly back into what was said about respect for our laws. We are a prosperous nation, yet we have pockets of poverty. We are a peace-loving nation, yet we have a world-wide military commitment and are fighting a bloody war in Viet Nam; (now closed thank God) We are a law abiding nation in our international relations and we respect our treaty commitments, but domestically we have a menace to our tranquility in the form of the rioters, looters and arsonists in the streets, together with the subtle specter of organized Mafia-like crime. Our nation can be tranquil if we will but enforce our laws that insure this tranquility. Enforce the laws without fear or favor.

Provide for the common defense. Our nation has not only provided for the common defense but has insured that we shall be prepared to meet and overcome all our enemies, domestic and foreign. To prove the determination set out in these words, our country has fought many wars in many places. American blood has enriched the soil of many lands where our troops went forth to do battle with those who would trample on our flag. We must be equally vigilant to stifle those within our borders, calling themselves Americans who would defile and deface our flag. A Nazi or a Viet Cong owes no allegiance to this grand old emblem of liberty and justice. All Americans do. Yet some bearded, beaded, filthy, scurrilous scum proclaim their disdain for liberty by asserting and arrogating unto themselves the liberty guaranteed by the blood in that flag by defiling it. We must also provide for the common defense against these enemies of liberty.

Promote the general welfare. These words must not be construed to mean that ours is to be a welfare state. It was independence that our nation proclaimed on July 4, 1776, 199 years ago. It was independence to open up a new country. To till the soil; to tie the nation together by railroads and telegraphs. Independence to risk capital to begin new enterprises. Independence to do a days work for a day's wages. It was never intended to promote the general welfare by looking to the Government for a handout, nor to receive a bonus for laziness, sloth nor indolence. The general welfare means that all must work that none might be deprived. The key word there is WORK.

Secure the blessings of liberty to ourselves and our posterity. We have had the blessings of liberty here 199 years. It laps over us like a comforting cloak of security. It is truly a blessing, this liberty of ours. Liberty is a hard-bought thing. It didn't just happen. It cost blood and sweat and toil and tears. With the destructive forces present today, both within and without our country, it will require more blood and sweat and toil and tears to maintain it for ourselves—and more importantly, to pass it on to our posterity as a priceless heritage. A heritage that cannot be bought, but can only be earned. It will be the greatest endowment that anyone could ever receive.

So it has been our heritage of independence and liberty for nearly 200 years. So will it be forever.

Now to go back to the very beginning. We the people of the United States. Yes. All of us. North, South, East, West, rich, poor, black, white, Christian, Jew, Indian. All of us. We are the people of the United States, and we the people of the United States love this country of ours, this cradle of liberty and independence, May it endure forever.

Happy birthday America.

PART I: IN OPPOSITION TO REVERSE DISCRIMINATION

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. KOCH. Mr. Speaker, on Sunday, May 4, I attended a breakfast held by the Metropolitan New York Coordinating Council on Jewish Poverty. The purpose of the breakfast was to alert the legislators in New York to the fact that the Jewish elderly in the city of New York are not receiving their fair share of poverty funds made available by the Federal Government to deal with poverty because of the restrictions placed on the distribution of those funds by Federal law. There are two major restrictions which impact and in some cases deny assistance to those in poverty, not only Jews but a whole host of other identifiable groups. One of these artificial restrictions allocates and directs programed funds only to people living in designated poverty areas. The effect is that those who are poverty stricken and not living in a particular part of the city, perhaps being even more deserving in individual cases than others living in such designated areas, are denied funding.

A second artificial restriction is to limit certain funding programs to specified groups those classified as black, Spanish surname, Oriental, American Indian, Aleuts, and Eskimos. The effect of such designation is to leave without equal opportunity for assistance the more than 120 other national or ethnic groups, such as Italo-American, Ukrainian American, Irish American, and Jewish American to name a few, as second class citizens insofar as Federal poverty programs are concerned. How does one justify to a poverty stricken Italo-American living in Carnarise or a Ukrainian American living on First Avenue, that he or she is not eligible for Federal poverty assistance when others perhaps less poverty stricken are?

In December 1973, when I served on the Banking and Currency Committee, I sought to end what I consider to be a discriminatory practice which effectively denied direct loans to any otherwise eligible applicant if he or she were not in one of the six designated groups. I was able to muster support in the Small Business Subcommittee on which I sat to provide in the SBA legislation language which would bar discrimination based on race, creed, color, religion, sex, or national origin. The vote in subcommittee was 9 to 0 with two members voting "present," in support of my amendment. However, that vote was reversed in the full committee by a vote of 30 to 2 so that the SBA legislation now continues to allow this discriminatory practice of limiting funding to the six designated groups in certain programs.

Most recently our colleagues James Scheuer sought to impose comparable antidiscriminatory language, not related to poverty, in an amendment to the health manpower bill, H.R. 5546. His amendment would have prohibited medical schools receiving funds under the bill from according a preference in admissions to applicants based on race. He too won in subcommittee by a unanimous voice vote but the amendment was rejected in the full Interstate and Foreign Commerce Committee by a vote of 18 to 10.

Those of us who oppose quotas and preferential treatment support affirmative action programs and do not find them inconsistent with our opposition to reverse discrimination. We believe that everyone—the poor, the uneducated, and those who have heretofore suffered discrimination—should be sought out and alerted to the programs that are available and provided with an opportunity to increase and enhance their skills so as to place them on a par with others to apply to all Federal and private programs that may be available: but when they apply the criteria should be based on poverty or merit or both but never on the basis of race, religion, creed, national origin, color, or sex.

Mr. Speaker, this issue is one that must be addressed directly. Notwithstanding the attacks that will be made on those who seek to take it on, those who are opposed to discrimination in any form must oppose preferential treatment based on the factors of race, creed, color, religion, sex, or national origin. To permit discrimination in favor of anyone because of his or her being within one of these classifications is, in fact, reverse discrimination. And we must not flinch from our obligation to oppose discrimination whether it be direct or reverse.

PUBLIC LIBRARIES

HON. DAVID F. EMERY

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. EMERY. Mr. Speaker, I would like to express my respect for the free public library system. Books open many different worlds for people of all ages. Books are adventurous, mysterious, informative, and entertaining. The free public library has served as the threshold to these worlds for the American people since the early 1800's. Now the existence of the free public library has been placed in serious jeopardy with proposed Federal funding cutbacks.

My distinguished colleague from Maine, the Honorable Bill Cohen, recently spoke before the Maine Library

Association in Rockport, Maine. His speech best articulates our mutual respect for libraries and for books as an educational vehicle. If there are no objections, I would like to submit the text of Mr. Cohen's speech for the benefit of my respected colleagues of the 94th Congress.

The speech follows:

Speech by Congressman William S. Cohen

Aristotle, was once asked how much educated men were superior to those who were uneducated. "As much," the geat philosopher said, "as the living are to the dead."

Education and knowledge have been cherished goals for Americans since the Republic was established. Education has been the vehicle for social and economic advancement for millions of Americans during the past two centuries. And free public education has been a cornerstone of our political system. For, as Thomas Jefferson once said, "If you expect a nation to be ignorant and free, you expect what never was and never will be."

Education is the essential ingredient of liberty.

Consider, for example, the words of President James Garfield:

"Next in importance to freedom and justice is popular education, without which neither freedom nor justice can be permanently maintained."

Compare them with those spoken by Adolph Hitler:

"Universal Education is the most corroding and disintegrating poison that liberalism has ever invented for its own destruction."

The policy of the Fascist state or the totalitarian one is the repression of ideas and the suppression of the human spirit.

Without an educated electorate, without educated leaders, our free Government could not have persisted these past two hundred years.

In keeping with our deep commitment to education, Americans have always highly prized their books, the storehouse of their knowledge. From the earliest New Englanders, whose libraries were their dearest possessions, to Abraham Lincoln, whose devotion to books and learning helped carry him from a log cabin to the White House, Americans have placed their faith in books. Even today, with all the competition of records, radio, television and movies, the book maintains its special character. People believe in books when they believe in nothing else.

Our libraries, the proud repositories of the books that chronicle our heritage, are the prime vehicles of America's progress. Historically, when we have found our libraries not measuring up to our own exacting standards, Americans have taken the direct action necessary to improve and expand services. In recent years, our efforts have been remarkably successful.

Before the enactment of the first Library Services Act in 1956, it was estimated that 30 million Americans—then 20 percent of the population—were without the services of a library, and fifty-three million received insufficient service. As many of you will recall, Maine had adequate service for only one-third of its population. We have made tremendous progress over the last two decades. According to the American Library Association, service in Maine has increased to 84 percent of the population as of 1972. National estimates reveal that eighty-eight percent of our people have access to libraries. This figure rises to 94 percent when we consider such services as bookmobiles and books by mail, programs which have been successful in Maine.

But despite the advances we have made in developing our libraries and distributing knowledge, there are new and greater challenges facing both you, as librarians, and us in the Congress.

More and more, we as a Nation—and indeed, the whole world—are faced with an "information explosion."

We have more books, more papers, more documents of every kind, chronicling every field of human thought and endeavor. Such a wealth of information does us no good unless it is accessible to those who need it when they need it. Organizing this information is a monumental task—one we have delegated to our library system.

In the face of the growth of knowledge, the need for new books and materials has multiplied. Yet so has the cost of publishing and managing those same books and materials. The average book today costs about thirteen dollars—double its price in 1967. And the costs of construction, education, maintenance and technical manpower have continued to climb with the inflation rate, with no relief in sight.

I find it somewhat ironic.

Indeed, our country's hard economic times have doubly challenged our libraries. While inflation has been pushing costs through the ceiling, unemployment has been pushing more customers through your doors. Traditionally, hard economic times have meant better business for libraries. Today, we are witnessing a repeat of the experience of the depression era. Now, as then, adults are using the library as a source of information about the job market, as a place where they can get help in sharpening their occupational skills or in acquiring new ones, and as a virtually cost-free way of passing the time constructively and purposefully.

How are we going to meet these challenges?

Clearly, some careful long term planning is called for. Last year, during the 93d Congress, a law was passed authorizing and requesting the President to call a White House Conference on Library and Information Services, to be held not later than 1978. The stated purpose of the legislation is to develop recommendations for further improvement of the Nation's libraries and information centers. The conference can help the States and the Fedefal Government better to assess their public library needs and the resources available to try to fill those needs.

While President Ford has not yet set a date for the conference, there is an indication of his support in the fact he co-sponsored the legislation calling for the White House meeting while he was still a Congressman. Some of you have already inquired about the possibility of participating in the conference. Clearly, the time to start participating is now. I would hope that the discussions here today have placed in perspective those areas of library service which need reassessment. In the meantime, it will be up to State groups to gather basic statistical information under the direction of the National Commission on Libraries and Information Science.

But I think we all recognize that one of the greatest difficulties is financial.

This year President Ford called upon every library to "seek to improve, equalize and make more accessible its services to all." But all that takes money. And the administration budget just doesn't provide enough money to fulfill the commitment.

Last year, an important piece of legislation, the Education Amendments of 1974, was passed into law. Among its many programs, the legislation provided for the consolidation of certain education programs, including library and learning resource projects. It specified that the Commissioner of Education may make grants for the access of school library resources, textbooks and other printed instructional materials for use in public and private elementary and secondary schools; for the purchase of laboratory and other special equipment; and for testing students and strengthening guidance and counseling.

This year, the administration requested $137 million for these consolidated programs. But no money was allocated for college libraries, even though existing law authorizes basic grants of up to $5,000 to each of 2,380 institutions for maintaining and updating their library collections. (In Maine, 25 institutions stand to receive $125,000 in aid, if this mandate is fulfilled.)

In the administration budget, proposed grants under the Library Services and Construction Act were reduced by more than one half. The administration has for some time been trying to reduce this kind of library aid in favor of some new kind of Federal support to be proposed through new legislation and as part of the existing revenue sharing program. For the past two years, the administration has asked for appropriations for its new library legislation, but the Congress has yet to be provided with copies of this proposal for its consideration.

And it is worth pointing out that only one per cent of general revenue sharing funds have been spent for libraries, and that sum has reached only 14 percent of the libraries throughout the country, much of it as "replacement money" for State and local support. General revenue sharing can be helpful, but it is not an acceptable substitute for the Library Services and Construction Act as presently constituted.

So what are we going to do about libraries? I was distressed to walk into a local library recently and read a sign asking patrons to list which services provided there they could do without, because there was going to be a cutback in the budget.

To leave the future of libraries in such a state of uncertainty is unacceptable. I, for one, intend to do all I can to provide libraries with the Federal funds they need to meet current demands. I believe there is a desire now in Congress to do just that.

Just two weeks ago, for example, during National Library Week, the House approved the education division appropriations for fiscal year 1976, including substantial funds for libraries.

As reported from committee, the bill contained $194 million for library resources, some $27 million more than the budget request. During the course of debate, an amendment was offered, which I supported, which added another $15 million for library programs.

As the legislation passed the House it contained almost $52 million for public libraries, under the Library Services and Construction Act, and nearly $10 million for library resources under title II of the Higher Education Act. Finally, over $147 million was appropriated for advance funding in fiscal 1977 of the consolidated programs, including elementary and secondary libraries and instructional resources.

But you as librarians should be on notice. The supply of funds from the Federal Government, as from State and local sources, is not limitless. The continued effectiveness of our public and private libraries will depend far more on your ingenuity and creativity than it will on Federal dollars.

The present period of belt-tightening is forcing us to re-evaluate our priorities. In my view, first consideration must be given to those areas of the country that are still without adequate library resources, most of which are in rural America, many of them in Maine.

We must reaffirm our commitment not to limit our own or our children's educational opportunities. We must continue our support for libraries, the custodians of our heritage, with whatever funds we can afford and through continuing improvements in administration and efficiency. Libraries are personalized, local institutions. They must be continued in the same spirit which prevailed when they were begun.

As one of the founders of the American Library Association, John Dewey, remarked in the first issue of the Library Journal, published in 1876: "The schools teach them to read; the library must supply them with reading which will serve to educate."

That 2000-year-old invention, the book, is just as relevant today as it was then. And so it will continue to be in the automated libraries of the future. For without libraries, education is impossible. And without education, as Jefferson said, A nation cannot hope to be free.

HEW—$301 MILLION A DAY

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. ARCHER. Mr. Speaker, I have been strongly opposed to the continuing growth in the power of the Federal Government. A government which is so big to give the citizens everything is also big enough to take everything away. Advocates of big government can find no end to activities which they feel can and should involve the Federal Government. One of the most massive of the bureaucratic agencies is the Department of Health, Education, and Welfare, which spends an average of $301 million a day. The HEW empire includes more than one third of our total national budget and this agency continues to grow both in power and in expenditures. An excellent analysis of this agency and its growth appeared in the April 21, 1975, issue of U.S. News and World Report. This article should be a message to Congress that we need to take action to gain control over the growth of HEW expenditures:

$301 MILLION A DAY FOR HEW—AND NO END IN SIGHT

No Government department spends as much, nor touches as many, as Health, Education and Welfare. And few can match it for controversy.

The Department of Health, Education and Welfare celebrated its 22nd birthday on April 11 by spending 301 million dollars.

It was just an average day.

HEW spends 301 million dollars every day, 365 days a year—a whopping 109.9 billion in the year ending June 30 and perhaps 13 billion or so more than that next year.

These massive figures make HEW far and away the biggest-spending department of any government anywhere—and a prime target for President Ford as he searches for some place to trim Government expenditures.

Calling the situation "very ominous," Mr. Ford has launched what observers call the most aggressive assault ever by a Chief Executive on the constantly rising outlays at HEW.

First, in reviewing HEW's proposals for next year, the Office of Management and Budget—at the direction of the White House—turned thumbs down on almost every request for increased funds. For health services alone the final OMB mark was 485 million dollars less than the Department sought.

Mr. Ford is also attacking head-on HEW's largest programs—Social Security, public, assistance, medicare and medicaid. He has urged Congress to pass a series of legislative proposals that would curtail the natural growth of these programs by 5.7 billion dollars next year.

And finally the President has appealed to Congress to rescind, or at least defer, the spending of 1.2 billion that already had been authorized for a variety of HEW projects during the current year that ends June 30.

SHRINKPROOF BUDGET

Despite all the efforts by the White House, the prospects for slowing HEW's spending are rather dim at best.

Even if the President's program were adopted in full—a prospect regarded almost unanimously as nil—the HEW budget for next year would rise by 8.5 billion dollars over 1974–75. If, as generally predicted, none of the Administration's cutbacks is adopted spending will increase by at least 13 billion.

The seemingly inevitable growth in HEW traces back to its founding in 1953 as the tenth Cabinet department, during the Eisenhower Administration. Ever since, HEW has mushroomed in power, money and influence.

Compared with its modest beginning, when its spending amounted to less than 3 cents of every $1 of federal outlays, the HEW empire now accounts for more than one third of the total U.S. budget.

One social program after another—Social Security, medicaid, medicare and others—has been brought under the HEW umbrella. By now its activities affect the lives of every American in one way or another, from prenatal care to a payment for burial expenses.

And there is talk of taking over even more programs, such as food stamps and subsidized meals for schoolchildren, which are currently administered by the Department of Agriculture.

CHANGING ATTITUDES

What has caused such rampant growth? One HEW official makes this observation:

"In this country, welfare is no longer charity, it is a right. More and more Americans feel that their Government owes them something."

Consider these points:

Every seventh person in the U.S. now receives a monthly check directly from some HEW agency. For millions of people this is their only income.

HEW dispenses funds through 300 major programs and thousands of smaller ones. Biggest of all is Social Security, which became a part of HEW in 1963. About 31 million people receive Social Security cash benefits now, and the number of those eligible grows year by year.

The scope of HEW activities virtually defies imagination—hospitals for merchant seamen, Eskimos, American Indians: a college for the deaf; a printing house for the blind; medical assistance for the elderly and the indigent; counseling for teen-agers in trouble; a range of educational programs from prekindergarten through college, and controls in one degree or another over carpet for your floors, paint for your walls, clothing for your children and what you can or cannot eat, drink or smoke.

As one observer comments: "This is truly a case of name it and HEW is involved in it—or wants to be."

In assessing the never ending growth of their Department, HEW insiders cite Congress, lobbyists and the courts as prime factors. One high official notes: "Congressmen are intent on doing something for their constituencies and tack on another program, and we have to suffer with it. They listen intently to the lobbyists who are always asking for more.

"There is more of a lobbying effort to push new programs or get more money for HEW than there is for all the rest of the Government combined. And, of course, some of the lobbyists are right here in HEW.

"Now the courts are in the process of giving some groups the privilege of having a voice in HEW affairs. An example is the National Welfare Rights Organization, which is comparable to a union in winning benefits for its members who are on welfare."

Adding to HEW's power are 306 official advisory committees, each with a dozen or so members from outside Government who are experts in medicine, sociology, education, research and related fields.

Some of these committees—perhaps as many as 60 of them, according to one HEW official—are "after entirely too much money, power, publicity and congressional clout to further their causes, and many are out-and-out lobbyists."

This official also says that almost all of the committees, "even the quiet, effective ones," are champions of various causes and are constantly seeking new money.

One big problem in curbing HEW is that fully 95 per cent of the Department's mammoth outlays are officially regarded as "uncontrollable," dictated by laws already on the books. Spending levels can't be changed through congressional appropriations or the regular budget process.

Instead, the laws have to be amended or repealed. Mustering support for such actions is difficult at best because Congress is loath to cut benefits provided to its constituents. Such votes can prove to be political suicide.

No Government department so directly involved in the lives of so many Americans could avoid controversy. For HEW, controversy has become a way of life. Some examples:

Should cigarettes, which an agency of HEW has found dangerous to health, be banned?

How far must school districts go to eliminate racial discrimination?

If nonprescription drugs are ineffective, should they be ordered off the market?

Should colleges that grant athletic scholarships to men be forced to grant them equally to women?

Should a Government agency become an agent for consumers who claim they have been sold merchandise that is defective?

HOW HEW PARCELS OUT $110 BILLION A YEAR

	Year ending June 30, 1975 (billions)	Share of total (percent)
Income security:		
Social Security	$63.5	58
Public assistance	9.5	9
Other payments	1.1	1
Health programs	25.8	23
Education:		
Elementary, secondary and vocational aid	4.0	4
Higher education	2.1	2
Research, other purposes	.5	
Social services, manpower, other programs	3.4	3
Total	109.9	

Source: Office of Management and Budget.

At latest count HEW was involved in 8,021 court cases, either as plaintiff or defendant. Department officials expect another 5,000 cases this year and estimate that within the next year new legal actions will be running at least 11,000 annually.

Suits frequently are brought by citizens who feel the Government is meddling in their private affairs. But more often HEW is sued by those who feel they are not getting their fair share of the federal dollars available from the many welfare programs.

CIVIL RIGHTS

Racial discrimination has proved an especially ticklish area. Since it was set up in 1964, the Department's Office for Civil Rights has checked all of the nation's 16,300 local school districts and the 3,000 colleges and universities for compliance with civil-rights laws. Hospitals and nursing homes have undergone similar investigations.

The Civil Rights Office has initiated 635 court suits which have led to the cutoff, at least temporarily, of federal funds to 199 school districts. More than 700 other school districts are following desegregation plans that had to be approved by HEW. Still more districts—as many as 650—are desegregating under court orders resulting from suits filed by HEW and others.

With the racial problems still far from settled, particularly in Northern districts, HEW now finds itself involved in another bitter discrimination fight—this time over sex discrimination in high school and college athletics.

Regulations to guarantee women equality in athletics and coaching could cause schools to increase many times their expenditures on women's athletic activities. One possible result: a curtailment in the benefits for promising male athletes, such as full scholarships plus free board and room.

Framers of the plans that produced HEW in 1953 say they had no idea how big or all-pervasive the agency would become.

A conservative Republican, the late Senator Robert A. Taft, of Ohio, came up with the name for the department, according to Arthur S. Flemming, one of the early HEW Secretaries.

Mr. Taft's support was won by President Eisenhower at a time when the HEW budget was projected at less than 2 billion dollars a year and there was no suggestion that the then separate Social Security system or the host of latter-day "big Government" welfare projects would be included.

SKYROCKETING OUTLAYS

It was the addition of Social Security 10 years later that first caused the Department to zoom in size. In a single year its expenditures skyrocketed from 4.2 billion dollars to more than 20.2 billion. And it has been Social Security and medicare that have accounted for more than two thirds of the increase in HEW spending in the last decade.

Even so, other HEW outlays have risen by 26.3 billion dollars since 1965 as one program after another has been added or enlarged.

Like its spending, HEW's employment continues to grow and grow—from about 37,000 workers when it was set up to more than 143,000 now. While large, this figure is still well below some other Government departments.

About 1.1 million civilians work for the Defense Department, 705,000 for the Postal Service and 205,000 for the Veterans Administration.

Caspar W. Weinberger, a wealthy San Francisco attorney who came to the Federal Government from the staff of the then Governor of California, Ronald Reagan, in 1970, is the tenth person to serve as Secretary of HEW. He succeeded Elliot L. Richardson, now Ambassador to Britain, in 1973.

A fiscal conservative, Mr. Weinberger nevertheless supported the HEW budget requests which President Ford ordered sharply trimmed. Yet he is also known to feel that Government, including his own department, has grown despite an unorganized kind of taxpayers' resistance that has not made itself heard or felt effectively in Washington.

The Secretary, along with some others, favors replacing various programs such as Aid to Families of Dependent Children, food stamps and the Supplemental Security Income programs that provide federal aid to the blind, aged and disabled with some form of "guaranteed annual income" to welfare recipients and the "working poor."

A single payment, perhaps as a "negative income tax," it is suggested, could head off a helter-skelter expansion of HEW programs by Congress.

Yet, some officials at HEW remain skeptical of any substitute welfare program because no new scheme ever seems to replace another. Instead, the substitutes only add to the bureaucracy. Commented one insider:

"Programs continue on and on even after they've outlived their usefulness."

One frequently cited is the Hill-Burton plan first passed by Congress in 1946 to subsidize hospital construction. Now, with a surplus of hospitals in many areas, the program still is running in HEW. In late January, the House Appropriations Subcommittee overwhelmingly turned down an Administration request to rescind 291.7 million dollars in Hill-Burton funds appropriated as long ago as 1973 but still unobligated.

DUPLICATION

Even inside HEW, officials admit that the department is a "massive hodgepodge" with many duplicated services. For example, 10 complete but separate programs deal with the handicapped.

Efforts to break through red tape seem to get nowhere, in part because of infighting within the Department. Says one HEW employe: "There are bureaucratic battles on every floor. Each agency within HEW and each lobbying group supporting an agency considers itself to be the hub of the universe."

This year HEW will spend 77 billion dollars on "income maintenance" and "social services." The bulk of this is Social Security. Its outlays for health—primarily medicare and medicaid—will total some 26 billion. The various education services and subsidies will account for about 6.6 billion.

What of the future? Will this "super Department" become even larger? Almost certainly, it is widely agreed.

If expenditures rise in the next 10 years at the same rate as they did during the past decade, they will total more than 500 billion dollars in 1985.

There are many in HEW who urge the takeover of programs now lodged in other Cabinet departments, such as food stamps and subsidized school meals from Agriculture, manpower training from Labor and housing subsidies from Housing and Urban Development.

And there will be new programs. National health insurance, which has many supporters in Congress, could add billions to HEW outlays if it is adopted.

From time to time proposals are made to break up HEW into three separate Cabinet departments for health, education and welfare. But a spokesman for HEW says: "Health, education and welfare cannot be broken down because the poor can benefit from all three of these major divisions."

One high administrator observes:

"I am convinced that supporters of proposals to break up HEW are for them because they feel they could get more money for their pet projects. There is no question that we need to streamline and centralize HEW, but it should become a department of all human resources, such as 26 States already have."

What are the chances of such reform?

For now there seems little likelihood of major change. The pattern for continued growth is built into law and, as President Ford is finding out, Congress shows no inclination to alter it.

WHERE ALL THE MONEY GOES

Scarcely a family in the U.S. is untouched by one or another of HEW's diverse programs. Among those getting direct cash payments or indirect benefits—

31 million people draw Social Security.

25 million low-income individuals receive medicaid in the course of a year.

13 million aged and disabled get medicare.

11 million persons share in Aid to Families with Dependent Children.

5.5 million children benefit from federal educational programs.

5.4 million college students get federally backed loans.

4 million who are blind, aged or disabled, get Supplementary Income Security payments.

NOTE: Millions get help from two or more of these sources.

TAX REFORM PACKAGE

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. BONKER. Mr. Speaker, the following is by Archie Bunker in "All in the Family," April 14, 1973:

> GLORIA. How could you cheat on your taxes?
>
> ARCHIE. I'm just, what do you call it, exercisin' my loopholes, that's all. Like the big guys.

Mr. Speaker, when the 16th amendment to the U.S. Constitution was ratified some 60 years ago, the idea was very simple: The Congress shall have the power to lay and collect taxes on incomes from whatever source derived. All income was to be taxed fairly without fancy distinctions between labor earnings, profits from stock exchange or real estate windfalls.

What has happened since is a mockery of a system intended to be fair and equal and based on a theory of paying for Government services according to income. What began as commonsense definitions to taxable income has become a playground for lawyers and accountants whose specialty is decreasing the taxable income of their clients—corporations and wealthy individuals.

Mr. Speaker, someone recently said the Federal Tax Code is not a leaking vessel in need of a few patches, but a ship steaming in the wrong direction that must be turned around or sunk. Recent efforts at tax reform have been little more than touchup jobs for a corroded tax system, a painting over of the areas where the acid has seeped out without doing anything serious about what is wrong inside.

There has been a great deal of discussion recently about the size of the Federal deficit now tentatively set at $70 billion. Some point to excessive Government spending and the need to cut expenditures to achieve balance. More recently, we have noted that the sluggish economy and the lost receipts caused by unemployment only add to the deficit. Little is said, however, about the fact that $50 to $60 billion never reaches the Treasury because of tax expenditures. The point easily overlooked is that tax breaks—tax expenditures—are really no different than Government spending. A preference that reduces tax receipts by $1 billion is just the same as a new $1 billion spending program. The money that does not come in from one group of taxpayers must be wrung out of another. Otherwise, programs are cut, or the Federal deficit is increased.

Last week, the House of Representatives registered its support for legislation to raise $3 billion in revenues by closing tax loopholes. That is only a beginning. We could raise many billions more by reinstituting a more fair and equitable

UMI

tax system. We could realize our Federal objectives, implement our programs, and reduce the deficit at the same time simply by requiring everyone to pay their fair share.

For these reasons, I am introducing a tax reform package which will revise the tax laws affecting multinational corporations, remove numerous tax loopholes affecting the wealthy and big business, and provide for a greater effective rate in the minimum tax. I recognize that I can have the greatest impact on tax reform efforts by joining with other Members of Congress who are interested in tax reform. Therefore, I am cosponsoring proposals introduced by two distinguished members of the Ways and Means Committee, Congressman CHARLES VANIK of Ohio and Congressman JAMES CORMAN of California. I am also reintroducing a minimum tax proposal originally sponsored by Congressman BROCK ADAMS of my home State of Washington. Below is a summary of the package's salient provisions:

FOREIGN INCOME TAXES

Various tax credits and special provisions encourage many corporations to invest funds abroad rather than in our own country. Given the current outflow of American dollars and our Nation's serious unemployment problem, we must revise our tax laws so that foreign investment is no more profitable than domestic investment. To this end, I am cosponsoring the Tax Neutrality Act proposed by Congressman VANIK. This bill would:

First. Reform the foreign tax credit, thereby increasing Federal revenue by $1.7 billion a year;

Second. Eliminate the deferral of foreign earnings taxation at an annual $1 billion savings to the Treasury;

Third. Eliminate certain exceptions for lesser developed country corporations and the Western Hemisphere Trading Corporation at a tax savings of $180 million per year; and

Fourth. Eliminate the Domestic International Sales Corporation provisions, considered by many to be the most useless provisions of the Internal Revenue Code, at a yearly tax savings of $1.3 billion.

BUSINESS INCOME TAXES

I have also included a number of business tax law revisions drafted by Congressman CORMAN. One provision would repeal the investment tax credit which was recently raised from 7 to 10 percent. This credit in theory stimulates the economy by encouraging business to invest in the purchase of new equipment and machinery. In fact, this credit is often used to offset the purchase of equipment that the businesses would have had to buy anyhow. While not appreciably stimulating the economy, this subsidy—even before the 3-percent increase—was estimated to cost $6 billion in 1976.

The bill would also prohibit the use of the asset depreciation range system and provide that tax deductions for depreciation and repairs may not exceed the actual amounts recorded on business books. Incredibly, under current law, businesses may record one set of figures in their books, and a totally different—and higher—set of figures as tax deductions.

Many wealthy individuals use business deductions to, in effect, lessen their personal income taxes. Under current law, an individual, simply by incorporating his business, can deduct certain personal and family expenses that would not be deductible by the average wage earner. This bill would eliminate various tax loopholes whereby individuals have legally deducted, as corporate expenses, their families' meals and lodgings, medical and dental bills.

Also eliminated by this bill are deductions for travel expenses to certain conventions abroad, deductions for the business use of homes, the rental use of vacation homes, and the use of beach houses, ski resorts and the like as business tax shelters. The bill would, furthermore, discourage wealthy persons from investing in losing business ventures simply for tax purposes.

PERSONAL TAXES

I am also cosponsoring several proposals by Congressman CORMAN relative to the taxation of trusts and estates. Individuals with large amounts of capital can give much of it away during their lifetimes with trust agreements that avoid various income, gift, and estate taxes. For example, by giving capital to their minor children, the affluent can split their income and cut down considerably on their effective tax rate. By giving away much of their holdings during their lifetime, they avoid paying high estate taxes at death. These provisions are, for practical purposes, unavailable to middle-class Americans who do not have sufficient holdings to give away the majority of their estates during their lifetimes. They need their limited resources for the expenses of everyday living. Consequently, middle-income Americans may end up with proportionately larger estates—and larger estate taxes—at their deaths than do very wealthy Americans. This legislation would cut down on these inequities by changing the taxation of trust incomes, integrating the gift and estate tax rates, and making certain other changes in estate tax law.

Finally, this bill would provide for the taxation of dividends and interest on a current basis. The average wage earner has his taxes withheld from every paycheck. Yet, an individual who lives off dividends and interest does not have his taxes withheld on a regular basis. We can increase Federal revenues by $1 billion per year simply by applying the withholding procedures to dividend earners that we do to wage earners.

THE MINIMUM TAX

Even with the above changes in the tax law, some people may avoid taxation by maintaining preference income holdings that are exempt from Federal taxes. The 1969 Tax Reform Act imposed a minimum tax on individuals with significant preference income. Yet in 1971, 1 year after the implementation of the new minimum tax, there were still 276 people with incomes over $100,000 paying no Federal income tax; 23,889 people with preference income averaging $100,000 were paying the minimum tax at an average rate of only 4 percent.

It is evident that further changes in the minimum tax are needed if it is to have its intended effect. I am, consequently, reintroducing a proposal by Congressman BROCK ADAMS to:

First. Eliminate the $30,000 exemption in the minimum tax;

Second. Raise the rate of taxation on preference income from a flat 10 percent to one-half the normal taxation schedule; and

Third. Remove the deduction for other Federal taxes paid.

With these changes, wealthy individuals would still have some incentive to invest in those areas where a preference is deemed necessary. However, they would be required to carry a more fair share of the tax burden. And an additional $3 to $4 billion in tax revenue would result.

Mr. Speaker, I understand that the Ways and Means Committee plans to take up tax reform legislation during the summer months. It is my belief that by approving the above amendments, the Ways and Means Committee can provide additional revenues well above the $3 billion figure set by the budget resolution—without further increasing the tax burden on low- and middle-income Americans.

FINANCIAL RECORD

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. DOWNEY. Mr. Speaker, public officials at all levels of government must be prepared to offer to their constituents a full and complete financial record on a regular basis. This is not simply a matter of idle curiosity, but rather, the public has a right to know of all sources of income that may affect the public official's performance in office, and, of course, that he or she has paid a fair share of taxes. In light of recent history, I have decided that although extensive disclosure is not required under the law, I will make an annual full disclosure of my personal finances as long as I continue to hold public office.

Financial statement as of December 31, 1974, follows:

Income for 1974

Salary, Suffolk County Legislature	$16,870.00
Other income:	
a. Honoraria for speaking engagements	800.00
b. Fair rental value of county automobile—personal use	500.00
c. Suffolk County Education Tuition Refund	840.00
Total 1974 Income	19,010.00
Standard Deduction	2,000.00
Personal Exemption	750.00
1974 Taxable Income	16,260.00
Federal Income Tax Paid	3,918,40
New York State Income Tax Paid	996.00
FICA (Social Security) withheld	772.20

Statement of net worth, December 31, 1974

Assets: Personal Belongings	1,000.00
Liabilities: Personal Loan—Chase Manhattan Bank, W. Islip, N.Y.	5,000.00

I have no outside business interests, and no connection with any business entity that does business with the Federal Government, or subject to Federal regulatory agencies.

LAND USE AND RESOURCE CONSERVATION ACT OF 1975

HON. ALAN STEELMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. STEELMAN. Mr. Speaker, as most of my colleagues know, the House Interior Committee, Subcommittee on Energy and the Environment, has concluded hearings and markup on H.R. 3510, Land Use and Resource Conservation Act of 1975.

During these hearings the subcommittee heard testimony from such organizations as the National Association of Conservation Districts. the National Grange, and the National Farmers Union, in support of this legislation as a means of enhancing and protecting agricultural producing lands.

In testimony before the subcommittee, Ms. Sally Robinson of the National Audubon Society made an impressive argument in favor of the bill because of its agricultural ramifications. I commend it to my colleagues:

TESTIMONY BY SALLY ROBINSON

Mr. Chairman and Members of the Committee: My name is Sally Robinson. I am representing the National Audubon Society, an organization of over 300,000 members whose interest in sound land use planning is of long standing. We strongly support H.R. 3510, as we have supported previous land use planning measures, and urge the Committee to report land use legislation in spite of the lack of official support from the Administration.

While we recognize that the economic problems of the country are serious, we do not agree with the Administration's conclusion that this bill should not be funded because of its inflationary impact. We find the authorization for this bill modest and well-warranted when contrasted to future expenditures which will be incurred in the absence of good land use planning. I will limit my comments to one case in point, the retention of prime agricultural lands for food production.

Events of the last year have forced us to realize that land available for food production is limited. Five years ago we were able to produce sufficient agricultural goods even though 51 million acres were deliberately held idle as a result of federal programs. Last year, however, the demand for food supplies both domestically and abroad had increased so dramatically that all available acreage was returned to cultivation as American farmers were urged to maximize their production.

Yet while the need for prime agricultural land has never been greater, it is disappearing rapidly. The USDA reports a net loss of agricultural land of 1.4 million acres a year to highways, reservoirs, stripmining, energy-related activities, and urban development.

The loss to urban encroachment is particularly disturbing of two reasons. First, urbanization seldom discriminates between highly productive land and that of less agricultural value since the potential development value derives from its location rather than its quality. Second, as urbanization surrounds isolated pockets of farmland, increased pollution may lessen productivity.

We cannot expect to watch this trend continue without experiencing greater scarcity of food supplies and accompanying higher prices. A USDA study indicates the economic importance of farming on the edge of urban areas. The 17.2% of U.S. farms that are located within the 242 Standard Metropolitan Statistical Areas produce 21% of the value of the nation's agricultural products sold and account for one-third of the nation's food.

An unpublished report prepared for the Senate Agriculture Committee indicates that while much of the land lost to indiscriminate urban development is of the highest quality and therefore at a premium because of the relatively low cost of production, much of the land available to replace it is of marginal or poor quality for farming. The Bureau of Reclamation has estimated the cost of irrigation and fertilizer to bring this new cropland into production at more than $1000 an acre, and the figure is sure to go up. Even then, the new cropland may never reach the natural productivity of the land that is lost.

The National Audubon Society has been particularly concerned about one strikingly bad example of the costs of increasing production through irrigation. This is the Garrison Diversion Project, planned to irrigate 250,000 acres of farmland in northern and eastern North Dakota. The cost of the project per acre has soared to $1,375 and is still rising, but each farmer who participates will be charged only $77 an acre for his share of the construction. An article in the March issue of *Audubon* magazine describes the project's financing in greater detail and concludes that the difference between the actual costs and the farmer's payment will have to be met by a massive subsidy from the public treasury. There are many other examples of projects carried out by the Army Corps of Engineers or the Soil Conservation Service in which the cost of reclaiming a few acres is disproportionate to the value of the reclaimed land when farmed.

In addition, the pressure to bring new farmland into production is encouraging the use of short-sighted agricultural practices which threaten the long-term productive capacity of the land. In the future considerable public expenditures may be required to restore the damage. In response to the demand for food supplies, there has been a rush to put millions of dry grassland. primarily in Texas. Oklahoma and New Mexico under cultivation. In many cases a grass cover had just been successfully reestablished on these lands after the thin vegetation was stripped by poor farming practices in the years preceding the dust bowls of the '30's. A recent *New York Times* editorial reports that current failure to employ the erosion controls that have proved effective in the past has resulted in a loss of 60 million tons of topsoil from newly cultivated land in 1974 alone. The need for new cropland has also encouraged the drainage of wetlands, particularly those along the North Carolina coast, often in disregard for the fragile ecosystems that make wetlands economically important in their own right.

Rather than financing the high cost of bringing marginal land into production or restoring fragile lands damaged through poor farming practices, it seems clearly preferable to use public funds to keep prime agricultural land in production. Relatively small sums of federal money made available through grants to the states, as provided in HR 3510, would enable the states to identify these prime agricultural lands and to develop policies to protect them before they are lost through unplanned development or unretrievably committed to other uses.

Many states, concerned about the loss of farmland and the resulting loss of income from agricultural products, are developing a variety of techniques to deal with these problems. In Suffolk County, the largest farm county in New York State, the number of acres being farmed decreased from 123,346 in 1950 to only 68,000 in 1972, a drop of almost 45%. Today there are only 45,000 acres left in production. That county has adopted a plan based on public ownership of development rights. According to the plan, the farmer retains the ownership of his land and the right to farm it without losing the value it would bring if sold for potential development. Because the value of his remaining property rights decreases, his property taxes become proportionately lower, as do the inheritance taxes which heirs must pay for keeping the ownership of the land.

Similarly, New Jersey, which ranks third in the nation in fruit and vegetable production, lost more than 600,000 acres of agricultural lands to suburbs between 1950 and 1970 and now has only a million acres of farmland left. The value of agricultural products in New Jersey is $275 million a year and the total impact of farming through related employment and services is $1.5 billion. The New Jersey State Senate, after a special study of the loss of farmland, is considering a proposal similar to that of Suffolk County. If adopted, each community would set aside at least 70% of its farmland for which the development rights would be purchased by the state. Here again the farmer would not be penalized for continuing to farm. The Farm Bureau Federation has endorsed the plan.

In Maryland the farmers are banding together to ask the state to protect their land. They are seeking passage of a bill which would allow farmers who own a total of 500 acres or more among them to group together and petition their local county government to designate their farms as an agricultural district. If they are designated as a district, they agree not to sell the land to commercial interests for 20 years. Any farmer within the district can then receive a one-time only payment equal to the difference between the land's value when farmed and when sold as commercial property. As in the other states, the Maryland plan has developed in response to a critical decline in agricultural land. The number of farms there in 1935 was 44,000 with a total acreage of 6.3 million; in 1974 there were only 15,000 farms, totaling 2.5 million acres.

Other states with similar problems are considering their own systems of land banking, preferential tax assessments, or land trusts to prevent farmers from being driven off their farms against their will or from being forced to suffer financially for supplying the nation's food requirements. I mention these examples particularly to indicate the degree of initiative by farmers and involvement of local governments in this effort and to draw attention to the diversity among state solutions to the problem of disappearing agricultural lands.

In our view HR 3510 is an important step in supporting these state efforts. The bill as introduced encourages individual farmers to participate in planning for land use and supports the role of the local governments in implementing state policies. Section 303 in leaving to the states the choice of particular "policies and' procedures for identifying prime food and fiber producing lands and for promoting their continued use and productivity to meet long-range food and fiber requirements" will encourage states to adopt programs which fit their particular needs.

Finally, we think strong citizen participation is an essential part of the formulation of a state land use program. Therefore, we urge that the Committee include in HR 3510 specific language which not only describes the opportunities for citizen involvement, but also guarantees the access to information and financial resources which are necessary to make that involvement meaningful.

We thank you for this opportunity to present our views.

GOLDWATER, BRADEMAS: AVOID ISOLATIONISM

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. HAMILTON. Mr. Speaker, under leave to extend my remarks, I am including the following editorial from the Elkhart Truth, Elkhart, Ind., May 2, 1975. The editorial demonstrates that there is overwhelming bipartisan support in the Congress for continued support of our allies around the world. The editorial quotes two of our distinguished colleagues, Senator BARRY GOLDWATER and Representative JOHN BRADEMAS. I recommend it to the attention of my colleagues:

GOLDWATER, BRADEMAS: AVOID ISOLATIONISM

SEN. Barry Goldwater, R-Ariz., and Rep. John Brademas, D-3rd-Ind., politically are a "couple of light years" apart in their views.

But it's significant that each recently counseled the U.S.A. against a return to isolationism following the defeat of our ally, South Vietnam.

Goldwater warned in a TV interview that the country is returning to pre World War II policies, living in "a happy little dream house" based on detente with the Soviets. He said world leaders are questioning whether the United States ever could be trusted to fulfill its commitments. "I don't know if we have the national guts to get back the clout we have to have," he added.

"I'm reminded precisely of the days in the 1920s and 1930s when no one thought we were ever going to war again, and we're actually in worse shape internationally now than we were then," he said.

Brademas, speaking in West Germany, was less gloomy on the subject, criticizing Sec. of State Henry Kissinger for suggesting that no one again will believe America's word. But he was equally vehement about the necessity of a vigorous foreign policy.

He said that with America "freed from our preoccupation with Vietnam," the nation can direct attention "to other areas of the world which we have been neglecting but where America's vital interests clearly are at stake." He suggested U.S. foreign policy should zero in more on western European problems and NATO problems. He mentioned the "threat of a burgeoning authoritarianism of the left" in Portugal, the Greece-Turkey dispute and Italy's economic and political woes.

Brademas said he and an overwhelming majority of Democrats and Republicans in Congress favor "a vigorous NATO and a continuing commitment by the United States to support it and work within it." He said the U.S. isn't going isolationist but that the American people and their Congress "are unwilling any longer to support a universalistic interventionism that sees our national interests equally at stake everywhere."

Goldwater and Brademas disagree in large measure on foreign policy as well as domestic policy. So do many Americans. But they agree that isolationism is unrealistic, that the U.S. has vital interests in the world which must be protected for our national security. So should all Americans.

RELIEF FROM A FEDERAL HEADACHE

HON. KEITH G. SEBELIUS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. SEBELIUS. Mr. Speaker, back in 1970, Members of this body passed the Poison Prevention Packaging Act. That legislation required the use of special child resistant packaging to protect children from serious personal injury from various medicines and household substances.

I have no doubt the Food and Drug Administration or perhaps the Consumer Product Safety Commission has statistics that will support the intent of this legislation. However, I wish to call the attention of my colleagues to a letter I received from a mother of six children who in plain language and with a great deal of commonsense and concern has summed up why I feel many of the bills we pass back here are self-defeating when measured by a cost-benefit yardstick.

Before we continue at breakneck pace to protect us from ourselves, I would hope we could first reflect on the kind of advice contained in the following letter from Mrs. Kramp of Ellinwood, Kan.

I might add section 4(b) of the Poison Prevention Packaging Act does provide drugs and prescriptions within regular containers can be ordered upon special request: But, what the authors of this legislation did not stop to figure out was that faced with these Federal requirements, the container manufacturers simply stopped making regular containers. As it stands, it appears as if we will have to continue to push, shove, twist, and pry in order to get relief from this particular Federal headache:

DEAR CONGRESSMAN SEBELIUS: I am writing in regard to medicine containers, i.e., caps, lids, etc. I have spoken with my pharmacist and family doctor about these containers and have been advised regulations regarding the use of these caps, lids, etc. is enforced by the Federal Food and Drug Administration and that it was an act of Congress that brought them about. Thus, the letter to you to bring this matter to your attention.

The purpose of these caps etc. is, I realize, to make it difficult or impossible for youngsters to get into medicine that could be injurious to them. This method, from where I see it, isn't the answer. First of all, some lids I find very difficult and frustrating to open. My young children delight in showing me how they can do it.

My hands or fingers, when in a position to push, turn or squeeze and turn simply do not have the strength to do the job. My mother has the same problem and others I know with arthritis simply leave the lids off or ajar. In doing this, the purpose is defeated. These open containers are an invitation to youngsters.

When senior citizens or handicapped folks have several medicines to take they find it too frustrating to spend so much time with the lid and they either leave it off or don't take the medicine as often as prescribed. One such cap was so hard to remove, a neighbor could only remove it by placing the container on the floor, place his heel on same and with the addition of his weight, and turn of his foot, loosen the cap!

Another cap responds only when a blunt instrument is used to pry the cap off after the arrow has been lined up with the slot on the container. I have a friend of mine who had to break a lid off of some medicine for her children. Then she had an open bottle of medicine that had to be used up immediately before evaporation changed the contents!

Frankly, I think it is a shame such measures need to be taken by the U.S. Congress to safeguard the small child. As a mother of six children, active as any, ranging from 7 to 18 years, I found it no great problem to keep medicine out of their reach. It is too bad we must add to the discomfort of our senior and handicapped citizens to cover the irresponsibility of a few parents. I realize there is a problem but this is not the answer.

I hope by bringing this to your attention you might be in a position to point out there are disadvantages to a great many things you do back there and to pass these comments on to others. Thank you for your time and efforts.

THE NEW LAND

HON. RALPH S. REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. REGULA. Mr. Speaker, this morning while perusing the New York Times, I noted an article written by Stephen Fuzesi. Mr. Fuzesi, now a lawyer with a New York law firm, left his native land with his family at the age of 8, a refugee from the Hungarian revolution in 1956. His story is a poignant one and one in which Americans can take pride. I think his article is worth reading in light of the present Vietnamese and Cambodian refugee situation.

I ask for unanimous consent to insert Mr. Fuzesi's article, "The New Land," in the RECORD at this point:

THE NEW LAND

(By Stephen Fuzesi Jr.)

Though I was only eight years old at the time, I will never forget the tears in my father's eyes as we crossed the Hungarian border one cold November night in 1956. My brother, a little over a year old, slept in a blanket strapped to his back. Mother held dad's hand and mine. We had just walked twenty miles searching for the border.

Having helped us crawl across the remains of the bombed bridge at Andau, my dad turned back, staring for a moment across the snow-dotted Hungarian countryside. Then looking straight at me, he said: "If we can't live in Hungary, America is the country to live in. You and your brother will have the opportunity to live and work and believe freely. It is sad that our little Hungary should lose two such fine young men." We walked quickly the 100 yards or so to Austria.

It would be incorrect to draw parallels between the Vietnam war and the Hungarian revolution. It does seem fair to note through that the vast majority of Vietnamese who have left their homeland have done so, much like us, with tears not smiles. They left relying on the opportunity to begin a new life in the United States.

It would seem a mistake to deny that opportunity now. The Vietnamese refugees, among them tens of thousands of innocent and politically unaware and uninvolved children, should not be made to bear the backlash of popular disgust with our foreign-policy failures in Indochina, reflected in further Congressional rejection of requests for appropriations to fund resettlement.

The 40,000 Hungarian refugees who have come to the United States since 1956, and the 675,000 Cubans who have followed, as the millions of immigrants who preceded them, all have been absorbed in our culture, economy and political life. Even if 150,000 Vietnamese refugees were resettled in the United States, this would represent only slightly more than one-third of the total number of immigrants admitted legally to the United States each year since 1968, and less than 3 per cent of the immigrants admitted in the decade 1960 to 1970. In 1960, at the beginning of the Cuban immigration, the United States was suffering from the highest level of unemployment of that decade. And while an exact total of Government expenditures for activities related to Vietnam, beginning with our involvement in the 1950's, would be impossible to calculate, the $507-million that President Ford has asked from Congress for resettlement and transport would clearly be less than 1 per cent of the total, and less than 2 per cent of the $30 billion expended in the peak year of 1968.

Statesmen and scholars, as well as all of us, will search our experience in Vietnam for lessons and morals. One focus of this review will certainly be the meaning of an American commitment to an ally. The foreign-policy impact and realignment of policies as well as treaties and relationships with the United States provoked by such an evaluation will vary, perhaps country by country. Commitment, to have any value, must mean at least that we will open our doors to refugees from a country with which we had been allied in a cause that met defeat.

Leaving one's homeland, family and friends, and the culture in which one feels natural, is a sad occasion chosen by few in search of opportunity and suffered by millions of victims of international politics.

Perhaps some leave solely in the pursuit of a more comfortable life. For Vietnamese, from a war-torn country, is that so unforgiveable?

The masses who seek refuge after a war leave with children clinging to their arms. They seek opportunity—but opportunity for their children to live a life in peace, in a country whose people have a tradition of evaluating men for what they do, not for where they were born; a tradition of respecting individuals not on the basis of their name, or the color of their skin, but on their character and decency.

It has been almost twenty years since we came to the United States, over ten since I have become a citizen. My dad's first job, although he had advanced degrees in chemistry and law, was that of a janitor in a General Motors factory. Earlier this year, I reviewed, as legal counsel, the $600-million check that underwriters were delivering to General Motors Corporation at the closing for the largest public offering of industrial-debt securities in American history. I am honored to have tasted of the opportunity my dad had noted during our last moment in Hungary.

As I have watched televised news of Vietnamese refugee children scattered in camps, my memory has often wandered back to 1956 and our arrival at Camp Kilmer, N.J. I have remembered the taste of my first bite of creamy American-style chocolate ice cream. I hope that each Vietnamese refugee will some day have the opportunity, should he seek admittance to the United States, to relish that same sweet flavor. It would be a mistake consistent with a history of bad judgments to deny that opportunity, but not a fitting end to our 25-year involvement in Vietnam.

CONGRESSIONAL TRIBUTE TO THE HONORABLE JOHN J. PASQUALE OF PATERSON, N.J., OUR NATION'S SMALL BUSINESSMAN OF THE YEAR

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. ROE. Mr. Speaker, this week the people of my Eighth Congressional District and State of New Jersey applaud a distinguished citizen, outstanding business executive, and public official, leading plastics manufacturer, champion employer, good friend, and neighbor, the Honorable John J. Pasquale, whose expertise in the plastics industry, management-employee policies in his business enterprise, and business acumen, nationally and internationally, as founder and president of Liberty Machine Co., Inc., of Paterson, N.J., have earned him the highly coveted State and national award of "Small Businessman of the Year."

The distinction and honor that John Pasquale has brought to his family, his neighbors, the city of Paterson, the Eighth Congressional District, and the State of New Jersey is manifested by the excellence of the professional expertise and judgment represented in the lifetimes of varied experience in the business world embodied in the membership of the Service Corps of Retired Executives—SCORE—who wholeheartedly endorsed his nomination for this annual award of the small business community of our Nation. I share the pride of his wife, Elda, and his family in John's lifetime of achievements that have brought him success not only in his career pursuits but in the respect and admiration of all of us who have had the good fortune to know him.

Mr. Speaker, with your permission I would like to insert at this point in our historical journal of Congress, the following news story that appeared in the May 1 issue of the Paterson News, one of New Jersey's most prestigious newspapers, authored by the distinguished journalist and highly adroit news correspondent, Bert Nawyn, who most eloquently portrays the exemplary performance of John Pasquale in the small business community of America. The news article reads as follows:

Mr. Speaker, it is indeed my privilege and honor to have this opportunity to call to the attention of you and our colleagues the great contribution that John Pasquale has made to the success story of America's business community and ask that you join with me in extending our warmest greetings, felicitations, and best wishes to John for all of his good works. His standards of excellence, the quality of his leadership and sincerity of purpose have truly enriched our community, State, and Nation. We do indeed salute John J. Pasquale, our Nation's Small Businessman of the Year.

The article follows:

PLASTICS KNOW-HOW MADE A DREAM COME TRUE

(By Bert Nawyn)

He has been selected as New Jersey's Small Businessman of the Year and for John J. Pasquale, president and founder of Liberty Machine Co., Inc., 275 Fourth Ave., Paterson, the award is another step in an American dream which has come true for him.

The award will be given to Pasquale on Wednesday at the eighth annual statewide meeting of the Service Corps of the Small Businessmen's Administration in the Coachman's Inn in Cranford.

The Small Business Person of the Year Award comes to Pasquale for many reasons, including his initiative, drive, determination, perseverance, self-confidence and willingness to work long and hard and make personal sacrifice to achieve his goals.

Liberty Machine Co. does very little advertising getting almost all of its business through word-of-mouth publicity by satisfied customers, including Chrysler Corp., Goodyear Rubber and many other world renown firms.

The products of Liberty Machine Co. can be found in most South American countries and in almost all of the 50 states. Foreign exports account for 60 per cent of all sales.

Pasquale founded his company in 1946 with $1,500 in a two-car garage at 124 E. 16th St. In 1950 a plot of ground was purchased on Fourth Avenue, 75 by 100 feet, for $450 and the firm moved to new quarters. Putting up some capital to get the firm started were his brother, Anthony, and Carmen Cianci.

The struggle to get a new business on its feet, in the late 1940s, was intense. The firm had no products, no customers and no work coming in. A number of times Liberty Machine Co. was on the verge of closing its doors forever.

"Each time," Pasquale says, "it was my wife who was the prime motivator in keeping me going."

The turning point came in 1949 when Pasquale's probing and inventive mind formulated ideas which would revolutionize the sheet plastic industry. Up to that time, sheet plastics were used primarily to make unprinted, dull-looking, blemish-surfaced shower curtains.

Pasquale's intensive research convinced him that he could polish the plastics, remove the blemishes, create a patent leather look and emboss the plastics with any type of grain he wished.

Knowing that he could build a machine which could do things no other machine had ever done before, Pasquale advertised this fact throughout the plastics industry. He soon received a contract to build such a machine which proved to be an overwhelming success. The turning point had come and orders appeared for the small firm. Each machine manufactured by the firm is custom built for a specific requirement.

Liberty Machine Co. holds 17 patents in the plastics field. It was the first firm to introduce continuous embossing of calendered plastics; the first to perfect the lamination of plastics to woven cloth; the first to perfect lamination of plastics to nonwoven fabrics; the first to perfect the printing and embossing of simulated floor tile from single color to multicolor in a host of different tones and patterns; the first to heat laminated polyurethane foam to cloth, vinyls and other materials used widely for insulating purposes, and the first to laminate knitted goods to woven goods used in women's apparel.

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In 1946, Liberty Machine Co. had three employes and grossed $7,000. Today it has 35 employes and grosses in the millions. The firm builds machines which may be more than 350 feet long and sell for as much as $350,000. The plant has 30,000 square feet of working floor space, more than 2,500 feet of office space, and its own fully-equipped engineering department.

John Pasquale is an unusual employer. Every morning he greets each employe with a cheery "good morning, how are things today." All employes share in joint meetings to discuss problems related to the business. The employes rate each job that is performed, establish the base pay rate, and determine their pay increase.

Pasquale says the firm stands ready to help employes financially when the need arises. "We loan money for the purchase of a house, or a car, and deduct a weekly amount from the employes' pay check. We do not add interest charges," he explained.

The firm is run on a family-like atmosphere seldom found in any business establishment today. One employe said, "Throughout the years, no employe has ever been turned away when help was needed and not one employe has ever lost a day's pay due to lack of work."

A deeply religious man, born to poor immigrant parents who came to this country at the turn of the century, Pasquale has always had a great deal of sympathy for his fellow man, especially the poor, the disadvantaged, and the minorities. His company has been an "Equal Opportunity Employer" since its inception, which is many years before equal opportunity laws were enacted.

Pasquale is amazing not only in his business acumen but also in his civic life, which is an inspiration to many. He has given freely of his time, energy, ability, and money, not only to his employes, but to the community-at-large.

Scholarships to needy students, sponsorship of numerous athletic teams, assuming all expenses for cerebral palsy children, are just a few of the responsibilities assumed by Pasquale.

Pasquale has been president of the Paterson Board of Education, chairman of the Passaic County Welfare Board; Elk of the Year, designated by the Grand Lodge, National Organization; chairman of the board of trustees of the Passaic County Community College; chairman of the Paterson Fire and Police Commission; New Jersey State Chairman of the Association of Community College Trustees; listed in Who's Who in America; member of the board of directors of the Greater Paterson General Hospital in Wayne; Past Exalted Ruler of Elk's Paterson No. 60 Lodge; past president of the All Wags Athletic Club; and trustee of Our Lady of Lourdes R.C. Church.

Pasquale is married to the former Elda Bardone and resides in Paterson. Their only child, a daughter, Elda Barbara, is married to Robert Fontane of North Haledon. There are two grandchildren, Jon, three years, and Cristina Marie, five months.

A STATEMENT ON THE VLADIVOSTOK AGREEMENT

HON. BOB CARR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. CARR. Mr. Speaker, six nations are now nuclear powers. Twenty-four other countries may well share that distinction by 1985. Perhaps in becoming a military/nuclear establishment, we have overlooked an important point—and that is the dangerous example we have set in showing others the way to go to war.

In having introduced the world to the destructive aspects of nuclear forces, it is essential that we now assume a more responsible role by making a concerted effort to curtail the proliferation of strategic arms. The accompanying statement addresses itself to that responsibility and I insert it in the RECORD:

STATEMENT BY SANE ON THE VLADIVOSTOK AGREEMENT

For more than a generation the United States and the Soviet Union have engaged in an arms race. The cost of their military establishments since the end of World War II has attained $1.5 trillion for the United States, more than $1 trillion for the Soviet Union. A large part of this expenditure has been invested in nuclear arsenals. By mid-1974, the United States had 7,940 strategic nuclear warheads (H-bombs). The Soviet Union had 2,600 as of that date. Each H-bomb can destroy a city. These arsenals thus represent staggering overkill. When tactical nuclear weapons are added to the number of strategic bombs, the American nuclear arsenal possesses the equivalent of more than 615,000 Hiroshima-size explosions.

Through their continued nuclear competition, the United States and the Soviet Union have ignored the commitment they jointly made in the Nuclear Test Ban Treaty of 1963, namely, "the speediest possible achievement of an agreement on general and complete disarmament under strict international control". They have set a dangerous example for other nations with nuclear capacity, enshrining the concept that H-bombs guarantee international status and security. There are now six members of the nuclear club, while perhaps a dozen other nations ponder entry—on the eve of the review conference of the Non-Proliferation Treaty.

In their nuclear competition the United States and the Soviet Union have squandered material and human resources which could have been applied to the economic and social development of their own countries and of other countries grappling with the problems of hunger and poverty. Moreover, the massive expenditures lavished on complex nuclear weapons systems have added to the money supply while producing no goods or services that consumers can buy. The nuclear arms race has thus fueled and continues to fuel inflation.

THE PROVISIONS

It is against this background that the Vladivostok agreement must be examined. The agreement would set ceilings of 2,400 launchers (missiles and strategic bombers) on each side. With that ceiling, each side would be permitted to place multiple warheads (MIRV's) on 1,320 launchers. The number of missile silos would remain constant. Existing silos could be enlarged no more than 15%. The agreement would last until 1985. Originally, the negotiators stated that additional talks looking toward reductions in the agreed levels of arms, to take place after 1985, would begin no later than 1980–81. This deadline was subsequently eliminated and replaced by language calling for new negotiations as soon as possible, to take effect as soon as there is further agreement.

WHAT ARMS DEVELOPMENT WOULD BE PERMITTED?

The parties to the accord could build up to the agreed levels of launchers and MIRV's. They could replace existing missiles with larger, more advanced missiles. They could replace fixed land-based missiles with mobile missiles. The pact does not cover (and therefore does not restrict) the Soviet Backfire bomber, the U.S. FB–111 bomber, and the new shorter-range cruise missiles being developed by the United States, presumably because they are not inter-continental in range. The United States could build Trident submarines and B–1 bombers and deploy them as older models are removed.

The agreed ceilings could permit the United States to add several hundred launchers. The United States could also build up its arsenal of MIRVed launchers from 1,286 now deployed or underway to 1,320; the USSR, which now has none, could add the entire 1,320. And ceilings tend to become quotas.

By 1985, the United States could place betwen 16,500 and 22,000 strategic warheads on its launchers. The Soviet Union could deploy an estimated 10,000–14,000. For the United States, these 1985 levels would be at least twice as high as the 1974 levels. For the Soviet Union, they would be four to five times as high.

THE ADVANTAGES

In the absence of an agreement, the ceilings set by the pact, high as they are, could be exceeded and the arms race soar to even higher levels. The accord institutionalizes the concept of overall parity for all kinds of inter-continental weapons, which should make it easier to negotiate further agreements. From a political point of view, the existence of the agreement should make less tenable the argument of weapons-development advocates for more "bargaining chips" and the use of scare tactics which cite Soviet military programs or potentials.

THE DISADVANTAGES

The basic requirements for any meaningful arms agreement, at the current state of weapons development, are: (1) reversal of the nuclear arms race through significant reductions in armaments; (2) progress toward comprehensive disarmament; (3) significant reductions in military costs.

The Vladivostok agreement meets none of these requirements. There is no reduction in weaponry; there is only controlled mutual escalation to future ceilings. The fear of surprise attack will continue to be fed by the enormous growth in the number of H-bombs on both sides. The replacement of weapons within the agreed ceilings will permit the development production and deployment of vast new weapons systems.

Without reductions in stockpiles, there is no progress toward comprehensive disarmament.

The military programs permitted under the accord, particularly the sophisticated launch vehicles which carry the H-bombs, will prove enormously costly. It would cost the United States an estimated $70 billion to increase the size of its missiles and the size of its nuclear arsenal. The price of just two of the planned weapons systems, the B–1 bomber and the Trident submarine, is expected to reach $34 billion—before any additional cost overruns. On the Soviet side, the cost of MIRVing missiles which currently have no multiple warheads is estimated at $30 billion.

WHY NOT DISARMAMENT?

If rough parity is conducive to agreement, would not parity at lower levels of destructive power offer greater benefits? News leaks from within the Administration suggest that the USSR resisted major cuts, both in prior sessions and at Vladivostok. Although what occurred at the negotiating table may remain sceret it could be revealing to discover whether either side ever put forward a proposal for significantly lower ceilings.

Ceilings less than half the size of those negotiated at Vladivostok would represent a meaningful cut in arms. They would also provoke a major battle with the military, political or industrial interests on both sides which stimulate the arms race. The Vladivostok agreement satisfies these interests because it guarantees their power at least until 1985. Neither President Ford nor Secretary Brezhnev is ready for a fight with the generals and their allies. That is why, we believe, despite urgent economic reasons to reverse the arms race, no weapons are being scrapped.

THE RESPONSE OF CONGRESS AND CONCERNED CITIZENS

Because of its narrow perspective on the arms race, the Ford Administration leaves Congress and the public a number of bad options. If the Vladivostok agreeemnt is rendered in treaty form, it will require ratification by the Senate. If the Senate rejects the treaty outright, the arms race continues without restraint and relations with the Soviet Union are damaged. If the Senate attaches reservations (conditions), the latter would have to be accepted by both signatories. If the reservations are not accepted by both, the treaty is, de facto, rejected. And if the Senate ratifies the treaty as offered, it is buying flawed merchandise.

The Kennedy-Mathias-Mondale Resolution offers a constructive alternative. The Resolution expresses the "sense of the Senate that the President should make every possible effort to negotiate further arms limitation and reduction measures as part of the final accord carrying out the Vladivostok agreement."

Since the final accord is not expected until the spring of 1975, there is time to seek and achieve lower ceilings than those negotiated at Vladivostok. In addition, Congress can and should refuse to vote funds for new weapons systems.

SANE will vigorously support the Kennedy-Mathias-Mondale Resolution, as well as congressional moves to reject new weapons systems and cut the swollen military budget.

However, if these immediate efforts fail to reduce the Vladivostok ceilings before the final accord in 1975, SANE will actively oppose ratification by the Senate. We will no longer support international agreements which, in the name of restraint, result in further escalation of the arms race. Eleven years ago we embraced the Limited Nuclear Test Ban Treaty, which permitted underground nuclear testing, because we saw it as a small first step on the path toward disarmament. Today, it is clear that small steps do not begin to deal with an enormous problem. Nor will we permit appeals to the furtherance of Soviet-American detente to dim our critical view of agreements which add to the complexity of the problem. Detente will become meaningful to peoples, as distinct from governments, when and if it leads to a lifting of the burdens of the arms race.

For it is not simply a matter of endorsing or rejecting the halting step negotiated at Vladivostok by the two nations with the most massive arsenals. Rather, it is long past time for the United States and the Soviet Union to initiate a worldwide process of major arms reduction. Otherwise, more countries will "go nuclear", more precious resources will be wasted, and more fears will be spawned with each new escalation. The Big Two can begin the arms-reduction process by agreeing to lower the Vladivostok ceilings, negotiating substantial further cuts by 1985, and engaging all other nations in negotiations through a world disarmament conference and other forums.

Beyond the nuclear arsenals, vast arrays of highly destructive conventional arms also need to be scrapped. And beyond reductions of arms both nuclear and conventional lies the parallel long-term need to find alternatives to military-oriented systems of national security. The suicidal institution of war must be replaced by a new system of international security.

To achieve these goals, we urge the Administration to seek the implementation of past American pledges on behalf of comprehensive disarmament, buttressed by the Charter of Economic Rights and Duties of States which the UN General Assembly adopted on December 12, 1974: "All States have the duty to promote the achievement of general and complete disarmament under international control and to utilize the resources freed by effective disarmament measures for the economic and social development of countries, allocating a substantial portion of such resources as additional means for the development needs of developing countries.

NARCOTICS TASK FORCE

HON. SAM STEIGER

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. STEIGER of Arizona. Mr. Speaker, I want to bring to my colleagues' attention an article which appeared in the May 1975 FBI Law Enforcement Bulletin.

The article highlights the effective efforts of Yuma County, Ariz., Sheriff Travis Yancey, who organized a Yuma city-county task force to stop the heavy drug traffic into Yuma from nearby Mexico. Since it was begun 3 years ago, the program has resulted in 836 arrests, and seizures which, on the streets, would have been valued at well into the millions of dollars.

Sheriff Yancey has always been one of the finest law enforcement officials I have known, and is to be commended for this effort. In a nation of growing crime, this effort points up the success that can be achieved when there is active cooperation between Federal, State, and local law enforcement agencies. The article follows:

THE YUMA CITY-COUNTY NARCOTICS TASK FORCE

(By Travis Yancey)

Few officials in the law enforcement profession have the opportunity to start with an idea and see it develop into positive law enforcement which benefits the community as well as the law enforcement agencies which are involved.

For this to be accomplished, there must be a clearly defined problem in the community that is not being solved by the present method of operation. In Yuma, Ariz., the problem dealt with narcotics and drug traffic. Specifically, the problem was that of almost free flow of dangerous drugs from Mexico into and through the community to other parts of the Southwestern United States. One of the first questions to arise was, "Why is Yuma County one of the hottest spots along the international border for drug traffic?" The answer is to be found in the geographic location of Yuma County which offers almost unrestricted travel along approximately 100 miles of border between Mexico and our country. Seventeen miles of the border is the Colorado River. Any part of the river can be waded by men and animals, and little difficulty is encountered by motorized equipment. In addition, there are miles of desert terrain, which can be crossed by a pickup truck or four-wheel drive vehicle.

Since much of the growing of opium poppies and the manufacturing of heroin is carried on in the northwest part of Mexico, the San Luis, Sonora, area is a terminal and dispersement point of heroin and other dangerous drugs into the more heavily populated parts of California, Arizona, and other points in the United States.

TASK FORCE ORGANIZED

The individual efforts of the customs agencies, the sheriff's office, and the Yuma Police Department were unable to cope with the drug problem. After analyzing the efforts of the narcotics squads of these agencies, it was found that officers were putting in many long hours attempting to stem the flow of drug traffic into the community and that much of their effort was being duplicated by other officers working toward the same end.

To solve this problem, the decision was made to consolidate the narcotics squads of the city and county into one squad known as the Yuma City-County Narcotics Task Force, whose only duty would be to enforce drug laws.

In starting a new organization of this type, some plan of operation had to be submitted to the governing bodies of the city and county governments in order to secure the necessary financing. After submitting a rough plan to the governing boards, permission was given to go ahead with the consolidation. Help was solicited from the organization which handles Federal funds for the State of Arizona. A small grant was obtained, in 1970, to supplement existing task force funds.

Staffing of the newly created task force was the next order of business. The supervisor chosen was an individual who had a complete understanding of the objectives and a full knowledge of the job. The second in command was equally knowledgeable as to the problems and objectives. The remaining personnel was made up of the best available manpower.

All manpower, equipment, building space, utilities, and supplies had a monetary value placed upon them in order that the two participating agencies could arrive at a somewhat equal share in the cost of the new task force.

After the first year of operation, it was felt that the plan was right, however, the manpower and the equipment were insufficient. The next move was to apply for additional Federal moneys. A grant was received in the amount of $14,000 and was used for the addition of two agents to the task force. After another year of operation, the task force was again evaluated, and it was found that more agents and equipment were needed. Another Federal grant of $50,000 was received and was used for the addition of two agents, one clerk, cars, and radio equipment, The addition of the two agents brought the total to seven persons working on the task force.

The trafficking of dangerous drugs in Yuma County reached its peak during the year of 1973. Many long hours were spent by task force agents and Federal agents enforcing the drug laws along the Mexican border. Seizures of contraband were doubled from the previous year. Again, Federal moneys were solicited, and a $100,000 discretionary loan was received. With this grant, four new agents were added, as well as new equipment, including eight walkie-talkies, four new cars, and one small airplane. The task force now has 10 working agents, including the supervisor, and 1 clerk who maintains records and files and types reports.

Probably the most valuable purchase made for the task force was the aircraft. This has proven to be most effective in surveillance of vehicles after they cross into the United States with dealers attempting to make contact with their buyers. New radio equipment has given the task force complete coverage of the entire county.

The objective has not yet been achieved. It may never be achieved, but the task force is working hard toward its goal.

Cooperation among Federal, State, and local agencies is at its greatest height. Without the full cooperation of Federal and State agencies that is now enjoyed, Federal funding would have been much more difficult to obtain, and the smuggling of narcotics and drugs from Mexico into the United States would still be flourishing.

PROGRAM SUCCESS

In evaluating the full 3 years of the program, it is felt that a certain degree of success has been obtained. Seizures of dangerous drugs are becoming less frequent. One reason for the decrease in seizures can be attributed to Mexican federal officers who have increased their pressures upon the drug smuggler.

Over the past 3 years, 836 persons have been arrested for smuggling, and seizures include 13,850 pounds of marihuana, over 9 pounds of amphetamine powder, and 312,000 amphetamine and barbiturate pills. Street value of these seizures would be well into the millions of dollars. The task force has also provided the regular law enforcement officers with valuable information concerning stolen merchandise such as televisions, silverware, weapons, and cars.

The most important result of the task force operation is that vast quantities of illegal drugs and narcotics are not reaching the streets and homes in cities throughout the United States.

THE PUBLIC SAFETY EMERGENCY AID ACT OF 1975

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. PEYSER. Mr. Speaker, today I am introducing the Public Safety Emergency Aid Act of 1975. The purpose of this legislation is to meet a mounting crisis that is facing local governments today; namely, the fact that they are being forced to lay off police and fire personnel at the peril of the public safety.

Since last October, municipalities around the country have been placed in a position of severe financial hardship. Higher costs combined with decreased revenues have resulted in layoffs in all sectors of municipal government. Recognizing this critical problem, the Congress enacted the "Emergency Jobs Act" last year to help alleviate the burden and keep essential governmental services continuing.

Unfortunately, police and firemen have not been the beneficiaries of funds from this act. This is ironic, since the police and fire personnel have truly been the backbone of municipal government in this country, and now they find themselves victims of the economy with no relief available.

This is more than just an unfortunate situation for police and fire personnel, however. It is a menace to public safety and something must be done. Just recently, statistics were released indicating that serious crime has increased over 21 percent this year. Arsons have skyrocketed. Firemen around the country are reporting a tremendous increase in arsons this year.

In addition to menacing the public safety, these cutbacks are also menacing the personnel involved. If force strength is cut back, the remaining personnel are being asked to provide a greater amount of services with less resources. Police and firemen will be responding at weaker strength then is sufficient. This puts their lives in danger.

My bill amends the Comprehensive Employment and Training Act of 1973, by adding a new title "Public Safety Emergency Aid." Under this title, the Secretary of Labor would make financial assistance available to units of general local government to enable local governments to hire personnel who have been laid off, and to fill vacancies which have been created due to hiring freezes. In fact, reduction of force levels due to attrition created by these hiring freezes has been more serious to this point than actual layoffs. Half of the money provided in the bill will be allotted according to population, and half will be allotted in proportion to how severely hit a unit of general local government has been. The bill authorizes $250 million annually for 2 years.

This bill has the support of both the police and firemen associations, and I would like to particularly thank Mr. Edward Kiernan of the International Conference of Police Associations and Mr. Jack Waller of the International Association of Fire Fighters, AFL–CIO–CLC, for their assistance in helping me prepare this legislation.

The text of the bill follows:

H.R. 6837

A bill to provide emergency financial assistance to assure that there are adequate levels of police and fire personnel to provide for the public safety of citizens residing in areas which have been forced, due to severe financial hardship, to lay off public safety officers

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Safety Emergency Aid Act of 1975."

SEC. 101. The Comprehensive Employment and Training Act of 1973 is amended by redesignating title VII, and all references thereto, as title VIII, by redesignating sections 701 through 715, and all references thereto, as sections 801 through 815, respectively, and by inserting after title VI the following new title:

"TITLE VII—PUBLIC SAFETY EMERGENCY AID

"STATEMENT OF PURPOSE

"SEC. 701. It is the purpose of this title to provide emergency financial assistance to assure that there are adequate levels of police and fire personnel to provide for the public safety of citizens residing in areas which have been forced, due to severe financial hardship, to lay off public safety officers.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 702. There are authorized to be appropriated $250 million for the fiscal year ending June 30, 1976 and $250 million for the fiscal year ending September 30, 1977 for carrying out the provisions of this title. Any amounts so appropriated for such fiscal year which remain available for obligation during the succeeding fiscal year.

"FINANCIAL ASSISTANCE

"SEC. 703. (a) The Secretary shall enter into arrangements with eligible applicants in accordance with the provisions of this title in order to make financial assistance available for the purpose of providing adequate levels of public safety officers to units of general local government that are financially unable to maintain such levels without assistance as provided in this title.

"(b) The funds appropriated pursuant to this title shall be expanded by an eligible applicant solely for wages and employment benefits pursuant to this title.

"(c) As used in this title:

"(I) the term 'eligible applicant' means any unit of general local government which applies for assistance under this title and which the Secretary determines has suffered severe financial hardship, and due to this severe financial hardship has laid off, or otherwise reduced the level of public safety officers, prior to May 9, 1975, persons employed as public safety officers, so that as of May 9, 1975 there are no longer as many public safety officers employed by that unit of general local government as there were on October 15, 1974;

"(II) the term 'public safety officer' means a person serving a public agency, with compensation (excluding any reimbursement for such service) in any activity pertaining to—

"(A) the enforcement of the criminal laws, or the prevention, control, reduction, or investigation of crime; or

"(B) firefighting;

"(III) the term 'severe financial hardship' means that, with respect to a unit of general local government, notwithstanding diligent efforts on the part of the unit of general local government, it is unable to generate sufficient revenue necessary to maintain the level of governmental services that it provided during the previous calendar year and is currently or has within the last six months been laying off public safety officers.

"(d) In employing public safety officers with financial assistance provided under this title, eligible applicants shall give preferred consideration, to the maximum extent feasible, first, to those public safety officers who were laid off due to the severe financial hardship of the applicant prior to May 9, 1975, second, to those public safety officers laid off after May 9, 1975, and third, to unemployed individuals with prior experience as public safety officers, but in no event may the total number of public safety officers employed by an eligible applicant that is receiving funds under this title exceed the number employed as of October 15, 1974.

"(e) Payment of wages to persons employed pursuant to the provisions of this title shall be at the rates prevailing for public safety officers employed by the unit of general local government who perform similar functions.

"ALLOTMENT OF FUNDS

"SEC. 704(a)(1) Not less than 90 per centum of the amounts appropriated under section 702 for any fiscal year shall be allotted among eligible applicants by the Secretary in accordance with the provisions of this subsection.

"(2)(A) Fifty percent of the amount allotted under this subsection shall be allotted among eligible applicants in proportion to the reduction in the total number of public safety officers suffered by the applicant since October 15, 1974 as compared to the reduction in number of public safety officers suffered by all eligible applicants in all the States.

"(B) Fifty per centum of the amount allotted under this subsection shall be allotted among eligible applicants on the basis of population of the eligible applicants as compared with the population of all eligible applicants in all the States.

"(b) The remainder of the amount appropriated under section 702 shall be available to the Secretary for financial assistance under section 703 as the Secretary deems appropriate to carry out the purposes of this title, taking into account any change that may occur in the financial condition of a particular applicant.

"REALLOCATION OF FUNDS

"SEC. 705. The Secretary is authorized to make such reallocations as he deems appropriate of any amount of any allocation under this title to the extent that the Secretary determines that an eligible applicant will not be able to use such amount within a reasonable period of time. Any such amount may be reallocated only if the Secretary has provided thirty days' advance notice to the eligible applicant and to the Governor of the State of the proposed reallocation, during which period of time the eligible applicant and the Governor may submit comments to the Secretary. After considering any comments submitted during such period of time, the Secretary shall notify the Governor and affected eligible applicants of any decision to reallocate funds, and shall publish any decision in the Federal Register. Any such funds shall be reallocated to other areas within the same State."

INFLATION TREND DIMS OPTIMISM

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. DON H. CLAUSEN. Mr. Speaker, the Ukiah Daily Journal recently printed an editorial I believe should be read by every Member of Congress because it expresses so eloquently the economic situation we face and the role the Congress must play in our recovery through reasonable and responsible fiscal enactments.

The editorial is timely, relevant, and well written. It reflects the views now being articulated by many economic experts led by Secretary of the Treasury William Simon.

Therefore, I am inserting the text of the editorial in the RECORD for the benefit of the Members:

[From the Ukiah (Calif.) Daily Journal, May 1, 1975]

INFLATION TREND DIMS OPTIMISM

Some economists have complained to the American Society of Newspaper Editors that reporting of economic news is so laced with gloom and doom that it is undermining America's confidence in the future, thus holding back recovery from recession. Almost as they spoke, the nation's newspapers were reporting that housing starts declined again in March, and that the gross national product had dropped by 10.4 per cent in the first quarter, the steepest decline since 1946.

This was not the kind of news an optimist would have hoped for, but newsmen have to tell it like it is. We also would submit that Americans are worried less about the current pace of business as reflected in the economic indicators than they are about the prospects for more inflation in the future. Opinion polls bear out that Americans regard inflation as our No. 1 economic problem, and their confidence in that regard is affected more by the political news than the economic news, particularly what they read about tax and fiscal policies of the 94th Congress.

Congress has concentrated on efforts to stimulate the economy through tax cuts and other programs even while a consensus was developing that forces were at work within the economy pointing to a turnaround this summer. The decline in housing starts in March does not alter the fact that there is a pent-up demand for housing around the country which can trigger a resurgence in that industry if prices and interest rates can be kept within reasonable range. Despite the first-quarter decline in the GNP, the sold-down inventories in many industries are setting the stage for an increase in production which will reverse that decline.

Readers of economic news thus have grounds for optimism—or would have if Congress were as concerned about inflation as it has been about recession. While we know enough about business cycles to predict that recessions lead inevitably into recovery, we do not know for sure how an economy heading into recovery is going to behave when the government will be borrowing as much as $100 billion to pay its bills. It is the question of whether the inflationary force of such deficit financing will derail our recovery that surely accounts for much of the doubt many Americans still harbor about the immediate future.

Our estimation is that the American people have confidence in themselves and their ability to make their economic system work. We are not so sure about their confidence in the ability of their government to avoid rocking the boat with fiscal policies that aggravate the most serious problem threatening their economic system—inflation.

As breadwinners, consumers, taxpayers and investors, Americans on the whole are sophisticated enough to keep the ups and downs in the economic news in proper perspective. If the news would show that Congress has awakened to the inflationary danger in its own spending policies, then the confidence-index of the American people would surely begin an upswing?

A BILL TO AMEND THE COMMUNICATION ACT OF 1934

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. BROOMFIELD. Mr. Speaker, today I am introducing legislation to establish procedures by law for the consideration of applications for renewal of broadcast licenses, and to extend the term for such licenses from 3 to 5 years.

My colleagues will recall that both bodies passed bills of this nature during the 93d Congress, but House and Senate conferees never met to approve a final version, and the legislation died at the end of the session last December.

The great need for this legislation exists as a result of a 1971 court of appeals decision regarding broadcast license renewal procedures. In effect, this decision revoked the policy of the Federal Communications Commission to give preference to the current holder of a license over an applicant if the licensee's service has been substantial. The court ruled that the FCC did not have statutory authority in this area under the Communications Act of 1934.

As a result, every licensee is open to charges by any group who wishes to obtain a license, with the burden of proof falling on the current holder. This situation has unnecessarily disrupted the operations of many responsible broadcasters, and could have the undesirable effect of driving some of these broadcasters from the industry.

Coupled with the current 3-year term for broadcast licenses, this decision has brought a degree of instability and uncertainty to the broadcasting industry that threatens the continuity of service needed to best serve the public interest.

Three years is certainly not a long time for a station to accomplish goals such as community involvement and increased public service. In order to meet these goals, broadcasters must make long-range plans and substantial investments of both time and money. In return for these plans and investments, broadcasters should have some assurance that they will not be abruptly forced out of business. A 5-year term would allow broadcasters to become even more responsive to the public by providing that assurance, and allowing more time for planning and investment.

As I stated last year when this legislation passed the House, it is important to note that these provisions will not make it easy for irresponsible broadcasters to remain in business. They will still be subject to challenge by groups who feel they have failed to act in the best public interest. But at least it will give licensees the opportunity to stand on their previous record of service, and force challengers to prove any charges they may make.

Mr. Speaker, this bill is certainly in the best interest of not only the broadcasting industry, but the public served by this industry, as well. I am hopeful the Congress will grant it prompt and favorable consideration.

The bill follows:

H.R. 3879

To amend the Communications Act of 1934 to establish orderely procedures for the consideration of applications for renewal of broadcast licenses

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 307(d) shall be amended by striking the first two sentences and inserting the following: "No license granted for the operation of any class of station shall be for a longer term than five years and any license granted may be revoked as hereinafter provided. Upon the expiration of any license, upon application therefor, a renewal of such license may be granted from time to time for a term of not to exceed five years if the Commission finds that public interest, convenience, and necessity would be served thereby: *Provided however*, That in any hearing for the renewal of a broadcast license an applicant for renewal who is legally, financially, and technically qualified shall be awarded the grant if such applicant shows that its broadcast service during the preceding license period has reflected a good-faith effort to serve the needs and interests of its area as represented in its immediately preceding and pending license renewal applications and if it has not demonstrated a callous disregard for law or the Commission's regulations: *Provided further,* That if the renewal applicant fails to make such a showing or has demonstrated a callous disregard for law or the Commission's regulations, such failure or demonstration shall be weighed against the renewal applicant.".

REPRESENTATIVE MILLICENT FENWICK: A STAR OF THE NEW CONGRESS

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. FORSYTHE. Mr. Speaker, an article recently appeared in Parade magazine recognizing the capabilities of one of our new colleagues, the gracious Congresswoman from New Jersey, the Honorable MILLICENT FENWICK. It has been my pleasure to work with her on many of the important issues facing this Congress. I insert the article to be reprinted in the RECORD for the attention of my colleagues:

REP. MILLICENT FENWICK: A STAR OF THE NEW CONGRESS

(By Connecticut Walker)

WASHINGTON, D.C.—Mrs. Millicent Fenwick, a 65-year-old, pipe-puffing grandmother who was elected to the U.S. House of Representatives last fall, has quickly become a star of the 94th Congress freshman class.

Mrs. Fenwick is a millionaire representing New Jersey's wealthy 5th District, yet she has a long record of active concern for the poor, the elderly and the unemployed. She seems a Republican version of Eleanor Roosevelt, though the taut elegance of her looks and assertiveness of her manner are more reminiscent of Katharine Hepburn.

She made her debut last winter at the Washington Press Club's annual Congressional Dinner with a speech that sent the town's hostesses scurrying home to add her name to their guest lists. Mrs. Fenwick explained, extemporaneously, how her first day on Capitol Hill had started out badly:

"I showed up in my best outfit with a little fur hat," she said, "only to be told that hats, while appropriate as a mark of respect in the house of God, were not allowed worn on the House floor.

"But apart from such rules, which presume that anybody who is going to be good enough to get elected to Congress is a man, things are better now," she continued. "Some years ago when I was a member of the New Jersey State Assembly I was making a speech earnestly proposing an Equal Rights Amendment. After I finished, one colleague rose and with real anguish in his voice—you could tell he was addressing a subject close to his heart—said, 'I just don't like this amendment. I've always thought of women as kissable, cuddly and smelling good.'

"It was the kind of thing you really don't believe," she added. "The only answer of course was, 'That's the way I feel about men, too. I only hope for your sake that you haven't been as disappointed as often as I have.' "

Millicent Hammond Fenwick was one of three children of a successful New Jersey banker. Her mother's family, the John Stevenses, made their money through the fortuitous purchase of 500 acres along the Hudson River across from New York City. The Stevens family home is now the site of the Stevens Institute of Technology in Hoboken, N.J. Mrs. Fenwick's mother, not quite 26, went down with the Lusitania when it was torpedoed by a German sub in 1915. Millicent was 5.

She gave up formal schooling at 15, shortly after her father, Ogden Hammond, was appointed ambassador to Spain by President Calvin Collidge. "Education was not considered important for women then," she says, adding that her ultra-Victorian stepmother never encouraged her to go on to college.

TAUGHT HERSELF

So she read widely on her own, became fluent in four languages, studied philosophy briefly under Bertrand Russell, and returned to the U.S. just in time for the Depression. She modeled sporadically for Vogue and Harper's Bazaar with other steel butterflies like Clare Boothe Luce ("Clare always got to the mirror first," she recalls).

In 1938 her four-year marriage to Hugh Fenwick ended in divorce. Because the family funds had been invested badly, she went to work to support her two children and repay debts. She spent 14 years as a feature writer for Vogue, and also wrote the 1948 Vogue Book of Etiquette.

"We were brought up with a certain amount of simplicity," recalls her daughter, Mrs. Mary Reckford, herself the mother of five and a nursing school student. "We were raised to be economical and to do a great many things for ourselves long before women's lib became fashionable. Mummy herself used to save by picking up designer clothes after the Vogue models had finished with them."

"A lot of Vogue editors were then terribly involved with their children," explains Allene Talmey, who was Mrs. Fenwick's friend and boss in the '40's.

TIME TO RECUPERATE

Mrs. Fenwick left Vogue in 1952. By this time her children were grown and the family's real estate holdings had appreciated many fold. She inherited a sizable sum of money (during her 1974 Congressional campaign she reported her net worth at $5,112,637.40) and retired to the family's Bernardsville, N.J., home to wrestle with a variety of illnesses, including skin cancer from which she has now recovered.

Mrs. Fenwick resumed her activities by volunteering to aid Clifford Case in his Senate campaign in 1954. She became vice chairman of the state Republican Party, president of the county Legal Aid Society and spent four years as a member of the New Jersey Advisory Committee to the U.S. Commission on Civil Rights.

In 1969, at age 59, she concluded she "wasn't pushy enough. I was too hesitant to promote myself, and in politics if you don't no one else does." With that conclusion in mind, she won a seat in the New Jersey State Assembly.

Although Representative Fenwick hails from a section of the country where foxhunts are a more common sight than welfare offices, she has long held sympathies for the down-and-out. She was concerned about the housing problems of Newark's poor long before the riots of the '60's. She was also out in front of the consumer movement, and thus became the obvious choice of Gov. William Cahill for Director of New Jersey's Division of Consumer Affairs. She held the post in 1973 and 1974, and according to local reporters, made efficient and imaginative use of a very limited budget.

VISITS INDOCHINA

Mrs. Fenwick, like many freshman Congressmen, is busily and anxiously dividing her time between learning and legislating.

Still, she's trying hard. Among the bills she has introduced to date is one aimed at equalizing the tax burdens placed on married and single individuals, and another designed to keep the Food Stamp Program at its present funding level. She has spoken out against military aid for Vietnam and Cambodia (she visited the Indochina battlefronts in March) and criticized the Democratic caucus for killing many of last year's heralded parliamentary reforms.

Representative Fenwick usually rises at 6 a.m., grabs a quick breakfast of vitamin pills and is at her desk by 7. She doesn't often return to her rented Capitol Hill townhouse before midnight. But despite her 65 years, she says she finds the pace invigorating.

Mr. Fenwick takes a stern view on political morality. She says, "I've never known a woman in politics who has been offered a bribe. If the door of the smoke-filled room is closed, women are always on the outside. There is a general feeling that women don't understand political realities. I'm not certain whether this immunity to corruption is sexual or occupational. But I hope the spirit of awe and wonder with which we seem to approach public office doesn't change once we have more women holding government jobs."

Mrs. Fenwick's strict moral stance predates her political ventures. Explaining why her friend was chosen to write the Vogue etiquette guide, Allene Talmey says, "Millicent has always had a deep feeling for what was right. She is a most moral person. After all, people felt ethically secure with Millicent's etiquette book for 25 years."

Sometimes, according to Mrs. Fenwick's son-in-law, Kenneth Reckford, a classics professor at the University of North Carolina, "She is just too virtuous. During last year's fuel crisis, for example, she turned down the heat in her old Bernardsville home to a ridiculous 55 degrees."

TOO DANGEROUS

And in a similar burst of high-minded enthusiasm she once announced to her fellow New Jersey legislators that she was going to have her car converted to run on clean-burning propane gas. She was forced to abandon the project when she learned that she wouldn't be permitted to drive such a moving bomb through any of New York's tunnels.

If she had ever blown up her car, the spark would probably have come from her ever-present pipe. Millicent Fenwick's small briar, which she fusses with more than smokes, has been part of her life for too long to dismiss as just an attention-grabbing political gimmick. But, like Rep. Bella Abzug's wide-brimmed hats, it does serve to distinguish her from the 434 other members of the House.

THE DEFENSE BALL IS IN YOUR COURT

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. BOB WILSON. Mr. Speaker, one of our country's most distinguished military experts, Frank Gard Jameson, former head of the Navy League of America, and a consultant to many important defense industries has written an article soon to be published in the National Defense magazine.

I insert this article entitled "The Defense Ball Is in Your Court" to be included in the appendix of the RECORD as a portion of my remarks:

HONORABLE MEMBERS OF CONGRESS THE DEFENSE BALL IS IN YOUR COURT

(By Frank Gard Jameson)

"We may see April 1975 but its a certainty that none of us will live to see 1976."

"The market will penetrate the Dow 572 low and then go to 450."

"Unemployment will hit 10%."

"We should immediately take over Mexico, Venezuela and Canada by force."

Statements like this are commonplace today among our frustrated, somewhat spoiled, wasteful and worried citizens. Many of them are waiting for a man on a white horse to take over and tell them what to do so they won't have to think for themselves. They find it easier to accept discipline from someone else than practice self-discipline.

Americans have been spoiled, like many an over-indulged child. We complain about high food costs . . . and yet we feed our families on 17% of our take home pay. That is down from 19% three years ago.

At the same time, it costs Europeans 35% of their take home pay to feed their families. It costs the Chinese 80%. You can buy a good-sized chicken here and in Portugal for about $1.40. Here it represents 20 minutes work . . . in Portugal, 7 hours work.

We complain about oil costs. We threaten our best friends and customers, the Persians and Latin Americans, but we continue to drive around in automobiles twice as big as we need, one person to a car.

We build bigger parking lots in our high schools so the kids can park the million cars they don't need. We leave far more lights on in our homes and offices than we need.

I flew into southern California recently on a beautiful, clear night. I could see the lights in both Santa Barbara and San Diego . . . and all the way in between. At least 40% of those lights were not needed.

We don't seem to understand that the energy of oil is one of the greatest bargains in the world . . . even at $12.00 a barrel. It does things for us no servant or worker could do, and for a fraction of the cost.

We complain about the unemployment problem. It is true that we have more unemployment in numbers than we have had in years, but we also have more employment in total numbers than in most of our history.

Some of President Franklin Roosevelt's policies . . . that my conservative parents thought were going to ruin the country . . . look pretty good right now. Remember the CCC and the WPA. They gave people the dignity of work, not the stigma of welfare . . . which provides stored up labor in the form of money for no work.

We see the Russians building up their army, navy and air force at a feverish speed. Yet we listen to uninformed but well-meaning protesters who say we do not need new defense projects. We fail to heed our Presidents, who have access to *all* of the intelligence data, when they tell us what we need to maintain peace.

Hopefully, our Members of the House and Senate (Mendel Rivers once said this is the only insane asylum in the world run by the inmates), have taken the time to carefully analyze the Russian military threat and massive build-up of new weapon systems of all types. They are preparing for war, they will be able to fight in any of a number of ways . . . from guerrilla support of revolutionary movements to limited wars to massive weapon support of selected pawns, to full nuclear war or nuclear blackmail.

Many of our idealistic well-meaning Members of Congress understandably want better education for the hopeless, better housing for the poor and mass transit systems to conserve energy and control pollution, but they fail to realize that unfortunately we are still living in an international jungle . . . a world in which the lean, hungry, and aggressive strong nations prepare for war.

These same Congressmen would not walk alone at night on the streets of Washington, New York or Los Angeles because they know that an armed thug without principles might harm them.

Yet, they come out against military programs that have been carefully thought out to prevent war for America and the world. And they put forth no solution or recommendation of what we must do to keep the peace.

You don't stop crime by firing the police force or stop fires by shutting down the fire department.

The Congress has the awesome responsibility of deciding what and how much defense is enough. But Congress ignores the Administration, the Department of Defense and even its own committees charged with advising what its responsibilities for national defense are under Article I, section 8 of the Constitution. They have created many committees whose purpose seems to be to stop all action. Even a low-ranking committee can block legislation that the Department of Defense desperately needs.

DOD people are so busy testifying and preparing testimony that DOD is becoming hopelessly and bureaucratically overstaffed and unable to adequately pursue its original mission. Position papers must be checked and rechecked by hordes of paper shufflers who produce nothing constructive. Hearings upon hearings are held in what shamefully has become an adversary relationship between the Congress and the Department of Defense.

When our first Secretary of Defense envisioned a complete OSD staff of 140 people to set policy for the Army, Navy, and newly created Air Force, the idea was good. Now we have almost as many civilians in the DOD as we do uniformed people.

The Office of the Secretary of Defense was set up in 1947 as a policy group with operations carried out by the various services. In 1958 under President Eisenhower, it was changed to an operational group, but the Army, Navy and Air Force, were left also operational. One or the other should be operational and the other (or others) cut way back. In my opinion, the original concept was good and OSD should be cut back.

World War II has been over for thirty years and we still have 700,000 men overseas. This is happening at a time when the President is presenting an $80 billion budget deficit over the next eighteen months and our overseas balance of payments is becoming our biggest national problem alongside the preservation of freedom.

Our $4 billion military commissary system rivals the A & P, Safeway, and Sears Roebuck. Our military schools and recreation facilities . . . all needed if we have troops overseas . . . pile more and more costs on the military and national budget.

As Pogo said, "We have identified the enemy and it is us," or, "We can protect ourselves from our enemies, but not from our friends."

It is no longer a case of . . . do we, as Americans, want freedom? Of course we do. It is a question of . . . do we, as Americans, deserve freedom?

Most Americans failed to see the threats in "Das Kapital," the "Communist Manifesto," and "Mein Kampf." Few Americans even read those books. Why do we today not read the Gulag Archipelego to see how hopeless our future would be under Communist rule? An old proverb goes, "Dwell on the past and you will lose one eye." But it goes on to say, "Forget the past, and you will lose both eyes."

The Great Depression of the Thirties was bad, following a bad time in World War I. World War II was bad, and so were Korea and Vietnam. The oil crisis and current recession-depression are bad. Let's all now roll up our sleeves and do something about our country and its needs.

As Charles Edward Hunter once said, "The race is not always won by the fleet nor the battle by the strong. But if you are a wagering man, you had better count on it."

Let's start by agreeing on "how much" defense the country can afford. It seems to be about 100 billion dollars a year, the smallest percentage of our national budget or gross national product in years at a time when health, education and welfare is the highest percentage ever.

Now let those who are trained in defense matters buy those items needed to insure peace in the least expensive manner possible, "in the best interests of the government", not the cheapest equipment available.

Let's ask Congress to audit the spending and results yearly after the fact. If errors are made, chastise the defense officers. Even though we know that Monday morning quarter-backing is easier than calling the shots on game day, most defense officials would welcome that risk.

It should be clearly understood by all, but is sometimes overlooked, that a 100 billion dollar defense budget does not mean 100 billion worth of missiles, weapons, and aircraft each year. Over two-thirds of the defense budget is spent for personnel costs and only about 20 per cent is for new weapons.

When I say we should tighten our belts, work harder, spend less, stay at home more, work with government, drive smaller cars that use less gasoline, be less wasteful in all ways, many who know me well may be cynical and say that I have spilled more than many have used. They may well be right. I certainly agree that I have lived well, but I will try, and I hope we all will, to change, now that it is clear that some of those ways were wrong, more importantly because of the quadrupling of energy prices and the possible end to a free way of life, as we know it, we don't change.

I am certain that Congress will recognize that we must have many different ways to fight the many different national emergencies that may be thrust upon us. At the present time, the triad of intercontinental ballistic missiles, bombers and submarine launched ballistic missiles are not only needed for strategic defense, but need constant year by year up-grading with new and improved systems.

We also need the means of fighting conventional wars. We must never rely on nuclear force as our only course of action. The conventional forces in readiness can prevent small wars from starting and end them quickly if it is in our national interest to do so.

All this adds up to a life and casualty insurance policy for the Nation at a cost of about $500 each per person per year, even in inflated dollars. Almost all of it is spent here and taxed there and it does provide jobs and advance our technology.

We insure our automobiles and hope we don't have a wreck on the way home. We insure our home and business and hope they do not burn. We also buy insurance with our national defense budget and hope we never have to use those weapons in anger. We had pilots flying in Vietnam in airplanes older than the pilots were. Even after England was in the war and France had fallen, we approached World War II with horse drawn artillery and obsolete weapons and aircraft. I, for one, don't believe Congress will let this happen again when new carriers are only $5.00 each for every American, F–14 and F–15 fighters are 7 cents apiece and new B–1 bombers to replace the aging B–52's are 42 cents each. Mel Laird, the brilliant former Defense Secretary, has said, "Detente without defense is delusion.". . .

So, honored Members of Congress, Please don't be against virtually every major new system. Tell your constituents what you are really for, item by item, and sign your name in your newsletter stating that in your opinion your list is sufficient to meet the threat you know is there.

That's the truly honest way to do it. I would hope that if you have an error in judgment, it will be a little on the high side, because it takes much planning and ten years to develop an adequate system, and that can't be done after you are attacked.

Most of my conservative friends are wring-

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ing their hands over the structure and the so-called "threat" of the new Congress. They had better realize that these new men are in the saddle and we had better help them ride easy in it because they are molding our future.

Two of my best friends, Otis Pike and Fred Richmond, are Members of this so-called liberal, democratic, socially-minded Congress. They are adamantly against military waste but one hundred per cent for enough of the best defense products we can buy . . . but just enough, which is the tough, life and death question for our country.

They and their colleagues in Congress will, I am sure, not be against every major defense procurement that is built outside their district. And I believe they will be positively for the small premiums in dollars our national defense insurance policy needs to keep the enemy from our shore and to see that bullies and aggressors do not intimidate our friends and allies.

I am sure also that they will seek counsel from the experienced "old heads" like Eddie Hébert and Barry Goldwater, along with Tom Moorer, Lyman Lemnitzer and George Brown. They will also talk to the young sergeants, majors and lt. commanders in their districts . . . men who have fought in recent years. These men are the professionals who are ready to lay their lives down for us as so many have in our 200 year heritage! Defense is much like a dog team—only the front dog has a good view. It's up to you, honorable gentlemen.

THE PRICE OF HEALTH CARE—A FAMILY'S FUTURE?

HON. ANDREW YOUNG

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. YOUNG of Georgia. Mr. Speaker, the United States has long lagged behind the industrialized nations in the field of health care. No significant programs for personal health care were enacted prior to medicaid and medicare in the 1960's, although Congress has considered a succession of proposals over the last 30 years to alter the role of the Federal Government in providing health care to the American people.

I would hope that as this debate begins to take form in the 94th Congress, we recognize the need to attempt to formulate a national policy on health care. I personally feel that in a country with a gross national product approaching $1.5 trillion, health care ought to be a right. A healthy people is indispensable to a healthy nation. But even if this Congress can not address itself to such a broad policy question, we ought to be able at least to agree that health care should not be the cause of destruction of a family; it ought not ruin careers; it ought not cost a man his home and all of his hard-earned savings.

With the recent upsurge in unemployment, people who have lost their jobs may also lose their medical insurance, and most insured individuals can not afford catastrophic coverage.

Mr. Speaker, I recommend to my colleagues an article from the May 1, 1975, issue of the Atlanta Journal concerning the most tragic case of the Byrd family of Orlando, Fla.:

FAMILY LOSING HOME OVER LEUKEMIA BILL?

(By Ann Hellmuth)

ORLANDO.—Nine months after 4-year-old Rusty Byrd developed leukemia, doctors discovered his twin brother, Jamie, also was suffering from the often-fatal disease.

"I don't ask the purpose of these things," their father, Jerry Byrd, 29, said. "I think there is a purpose behind all suffering and difficulty. I believe this will give us an opportunity to come out better people than we went in."

Now the Byrds, facing $20,000 in medical bills, have lost a legal battle to prevent their Orlando home from being foreclosed. Circuit Judge Maurice Paul today enterd a $14,000 foreclosure judgment against Byrd and ordered his house sold at public auction May 26.

Frances Schneider, who requested the foreclosure, said she lent Byrd more than $10,000 to help with medical bills. She said she thought she was getting a second mortgage on his home but in fact it was a third mortgage.

"We borrowed the money to help pay Rusty's medical bills," said Byrd, an insurance agent who also has two daughters, ages 10 and 7. "We planned to sell our house to pay the woman back, but because of the economy we couldn't find a buyer."

Byrd said tragedy first hit the family last May.

"We love to go to the ocean and we were at the beach when I noticed Rusty wasn't as active as Jamie and his lips were pale," Byrd said.

Doctors at Shand Teaching Hospital in Gainesville diagnosed the problem as leukemia, a form of cancer which attacks the blood cells.

"He has been in and out of the hospital ever since but now is in remission," Byrd said.

He said "everything was starting to level out and we felt confident about the future" when last month he noticed an unusual bruise on Jamie's cheek.

"I got suspicious and we took him to an Orlando doctor who told us the dreadful news," Byrd added.

Byrd said he and his wife, Patty, 28, had a heartbreaking journey to Gainesville with Jamie, who chatted all the time about how he was going to be like his twin brother.

"He said, 'Gee, Daddy, I'll get to eat all my meals in bed like Rusty and I'll lose all my hair and all the girls will laugh at me in church and I'll get to ride around in a wagon with a tube in my arm'," Byrd said.

Byrd said Jamie's disease is now in remission and doctors will say only that if the boys go five years without lapses they may be cured.

"The thing that makes you angry is the helplessness of the middle income people in a situation like this," Byrd said.

CARDINAL MINDSZENTY—A GIANT IN THE FIGHT FOR FREEDOM DIES

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. McDONALD of Georgia. Mr. Speaker, the death of Cardinal Mindszenty this week left a great void in the ranks of those who oppose totalitarianism in the world. The Cardinal had the distinction of being imprisoned by both the Nazis and the Communists at different times.

However, he will be largely remembered for his stand against athiestic communism in the little Hungarian nation. His spirit stood out like a shining beacon as Soviet tanks crushed the Hungarian nation again in 1956. His selfless example of no compromise with evil was a great contrast to the inactivity of the West and in particular the United States, when the Soviet tanks rolled into Budapest.

The year 1956 was a great dividing point and never again would any of the "Captive Nations" in Eastern Europe take seriously our statements espousing freedom for all nations of the world. The U.S. weak reaction to the invasion of Hungary was among the first in a series of evasions and procrastinations in our foreign policy that are exemplified by no-win wars in Korea and Vietnam. But now the downhill slide is moving at a faster pace and no one knows where it will end. Therefore, it behooves my colleagues to think of the life of Cardinal Mindszenty and the example he set in the struggle for freedom. The story of his death as it appeared in the Washington Star on May 6, 1975, follows:

JOSEF CARDINAL MINDSZENTY, COLD WAR FOE OF REDS, DIES

VIENNA.—Josef Cardinal Mindszenty, strong-willed former primate of the Hungarian Catholic church who became a symbol of inflexible resistance in the Cold War, died here today, the Catholic Press Service reported. He was 83.

A bitter enemy of Communism, Mindszenty was a refugee in the United States mission in Budapest for nearly 15 years. Communists had tortured him and sentenced him to life imprisonment in 1949 for fighting the Red takeover of his country.

He spent 23 years of his life, except for four days, either in prison or as a refugee in the U.S. Mission, which he reluctantly left for Rome in 1971 after the Hungarian government granted him amnesty.

To be closer to his homeland, he soon moved to Vienna, where he died today. A spokesman said the former primate of Hungary underwent prostate surgery at Vienna hospital this morning and died four hours later from heart failure.

He was a symbol of life-long resistance to Nazi and Communist tyranny.

When he was only a parish priest, the short-lived Communist government of Bela Kun arrested him after World War I for opposition to the regime.

Nazis jailed him during World War II for protesting the slaughter of Hungarian Jews.

Freed by Hungarian Freedom Fighters during the 1956 uprising, he pledged "Now I will continue where I had to leave off eight years ago." But his optimism was short-lived and he fled to the U.S. Mission five days later when Soviet tanks crushed the revolt.

There he remained in self-imposed confinement, a symbol of bitter opposition to the Communist government until September, 1971, when age and failing health forced him to leave Hungary for good.

Pope Paul VI removed the cardinal as primate of Hungary and Archbishop of Esztergom on Feb. 5, 1974. Mindszenty emphatically denied that he stepped down voluntarily.

As his years in the U.S. legation passed, the gaunt churchman ceased to be a threatening martyr in Communist eyes and there was frequent speculation that a change was to be made in the cardinal's isolation.

In April 1963, for example, Pope John XXIII, who was anxious for Mindszenty to come to Rome, sent Franz Cardinal Koenig of Austria to Budapest for secret talks with the primate, reportedly to persuade him to accept amnesty terms.

On May 11, 1963, Janos Kadar, the leader of the Hungarian Communist party, hinted that he hoped to settle Hungary's disputes with the United States in return for U.S. diplomatic recognition. Kadar's regime had hinted for a long time that it wanted Mindszenty out of the country and hoped to arrange his freedom to improve relations with the West.

The United States denied knowledge of any such negotiations and said any decision for the cardinal to leave Hungary would have to be made by him. In June of 1963, he made the decision: to stay.

The following year, the Vatican and Hungary signed an agreement on church-state relations and speculation of Mindszenty's departure surged up again. But again, the cardinal decided to stay.

Then on Sept. 28, 1971, Mindszenty sadly and unceremoniously traveled to Rome, leaving his homeland for the last time. He was quoted as saying the decision to leave was "perhaps the heaviest cross of my life."

Two days later the Hungarian government announced it was suspending the remainder of the cardinal's life sentence. An agreement reportedly had been reached between the Vatican and the Hungarian government.

When Mindszenty ended his exile he was a frail 79 years old, but gaining his freedom was not a joyful occasion for him. The Catholic prelate had vowed for 22 years not to leave Hungary unless he was completely cleared of all charges.

Although some observers interpreted the Hungarian government's suspension of the sentence as an implication that the 1949 verdict has been rescinued, no retraction of charges was officially announced. Neither did the Vatican withdraw its condemnation of Hungary's treatment of the cardinal.

WHY KISSINGER MUST GO

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. MICHEL. Mr. Speaker, the editorial I should like to have printed in the RECORD today from the Saturday, May 3, edition of the Peoria Journal Star is a very good one, notwithstanding its title. True, the title is an eye-catcher, but the thrust of the content of the editorial certainly does not suggest that "Kissinger must go," but quite to the contrary should stick it out and prove to his adversaries that he has been right all along. I want to make it unmistakably clear that I personally do not subscribe to the title, but rather the content of the editorial. It just puts a few things in proper perspective and commend it to my colleagues for their thoughtful consideration:

WHY KISSINGER MUST GO

It has never been much of a secret that the meteoric rise of Henry Kissinger, and the "personalization" of foreign policy was largely the work of the news media in this country.

Nor was it any secret that they lionized Kissinger because they were hot on the Watergate trail and it was a handy device to divert "credit" for break-throughs in China, Russia, the Mideast and Vietnam from the President—where it has usually been bestowed in such circumstances.

It was necessary to make a "superman" out of "Henry" in order to submerge the constitutional architect of U.S. foreign policy at that time.

And it is necessary to destroy Kissinger now, to complete the destruction of the Nixon presidency and the triumph of the Politics of Protest—whatever it costs the nation.

Never mind the irony of Clark Clifford, the man who bossed the Pentagon while 400 to 500 U.S. soldiers were being killed every week in Vietnam, now attacking the Kissinger peace failure.

The opposition first cried "No recriminations. It is sinful to use this tragedy politically!" when they had first pulled out the rug and knew they were the logical subject for any such recriminations.

Now that they think they have found a scapegoat, however, it is no longer sinful. It is time for recriminations.

They blame the treaty and its author at this late date!

That treaty got us out and it held for two years as long as as there was a Nixon in the White House and a balanced Congress, and it became a dead letter in Hanoi after this Congress made it abundantly clear that it was a dead letter in Washington and that we wouldn't lift a finger to replace South Vietnamese munitions much less react to a major treaty violation.

The facts remain there and in every world hot spot. Until this Congress pulled the rug out from under the State department publicly on negotiations with Russia, the Middle East and Vietnam in succession, there was progress, movement in the right direction in all three.

And after this Congress made it clear that they would tear up and start over with gamesmanship on anything Kissinger negotiated, and back up nothing, all three have come unravelled—of course.

To hell with the consequences to our country, it seems, so long as it provides political leverage for me.

(Note: The above is not a new idea born of an anawer to "current events." As evidence of that, in late 1974, we suggested that if Kissinger was wise he would resign on the grounds that it is impossible to conduct foreign policy under the conditions created—and sit back and let others preside over the disasters sure to come. They have since come, right on schedule.)

HOW MANY DOMINOES WILL FALL?

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. TEAGUE. Mr. Speaker, a recent article in the Dallas Morning News asks the rhetorical question "How Many Dominoes Will Fall?" The editorial is self-explanatory and I hope every Member of Congress will read Robert E. Baskin's thoughts on the subject. It is not a new thought. The idea that once an Asian country became dominated by communism the remainder would fall "like a row of dominoes" has been echoing in these chambers since 1954.

The editorial follows:

HOW MANY DOMINOES WILL FALL?

(By Robert E. Baskin)

For a while it became fashionable in elite intellectual circles to sneer at the so-called "domino theory" on foreign affairs. It became quite a laughable subject in that realm in the late 1960s and early 1970s as the United States endeavored to save South Vietnam from Communist aggression.

We are now seeing in Southeast Asia adequate proof that the domino theory, with the fall of one country being followed by another adjacent to it, was a valid proposition.

The tragedy that is occurring in South Vietnam and Cambodia, both of which are on the verge of downfall, is impelling evidence. The loss of these two countries to North Vietnamese imperialists will be a severe blow to American prestige throughout the world.

But this is what is in prospect, and one must raise the question: Where does it go from there?

You have only to look at a map of Asia to arrive at some kind of an answer. Laos, a former part of French Indo-China, like Vietnam and Cambodia, will be ripe for the plucking. Then turn your eyes westward to Thailand, then southward to Malaysia and Singapore.

The expansionist drive of the rulers of Hanoi surely must include plans for movements against all these countries. And there must be fears rising in their capital cities about just how far this tenacious new aggressor may want to go in its bid to become a major power in Asia.

The possibilities of aggression do not end with the countries we have named. There are greater worlds to conquer.

One of the richest areas in Southeast Asia is Indonesia, which is now enjoying relatively good relations with the United States after years of flirting with the Communist world. Its economic capacity is immense, as the Japanese understood so fully when they embarked on their invasions of the late 1930s and early 1940s.

And over the horizon lies the archipelago of the Philippines, more than a thousand islands rich in resources, largely undeveloped. The Philippines, once considered a classic example of transplanted American democracy into the Far East, is now under the dictatorship of President Ferdinand Marcos.

HOW MUCH FURTHER?

Although Marcos is mainly pro-American and anti-Communist, he has been compelled in the last few years to turn his attention more to the Asian mainland than to his historic associations with the United States.

This is a time of vast change in that whole area, and no one is sure what may happen or how far the toppling of one government after another to Communist rule may go.

But there is no question that the Communists are gaining ground rapidly at the expense of American interests and American prestige.

President Ford has asked Congress for additional military and humanitarian funds to bolster what is left of South Vietnam, but Congress does not appear to be in a good mood to invest anything further in that area.

The mood of Congress these days seems to be clearly isolationist. This raises the question of whether the United States is in a mood to abdicate its responsibilities over the globe and retire behind its own borders. Does it not feel any longer the concern for the world that most presidents since Woodrow Wilson felt about a national mission?

Perhaps the people in Congress are reading the will of their constituents correctly. The nation, during its days of military involvement in Vietnam, failed to show the patience necessary for eventual victory—or even the protection of the political integrity of South Vietnam.

We grew weary of that unpopular war, and now we apparently are prepared to stand by and let South Vietnam go down the Communist drain.

How far will the domino process go?

Somewhere we have to draw a line and say to the world that we will not permit aggression beyond certain points. But right now the rest of the world has no idea of where we stand. There is confusion in Washington, and the sounds one gets from there are those of an uncertain trumpet.

Surely, the world deserves to know us better than this. And the American people need to know what they and their government intend to do in foreign affairs.

UMI

AN ACTION PLAN FOR OUR CITIES

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. KOCH. Mr. Speaker, the financial plight of New York City is a serious problem with which both the municipal and Federal governments must come to grips. The social and financial problems facing New York mirror those of all our great cities. And, by the same token, we must search for common solutions. For this reason, I would like to draw your attention to a breakfast which I attended this morning sponsored by the Municipal Labor Committee. Chaired by Victor Gotbaum, the meeting dealt very intelligently and imaginatively with the problems of New York and the Nation and stressed the role of the Federal Government in helping the Nation and New York face the challenges ahead. I agree with the recommendations of "One Million New Yorkers" and am appending the proposals for the consideration of my colleagues:

ONE MILLION NEW YORKERS

NATIONAL SOLUTIONS

The members of the Municipal Labor Committee and their families number roughly one million New Yorkers.

These are New Yorkers whose social, family and financial well-being are intricately interwoven with the well-being of New York City.

These are New Yorkers whose livelihoods are immediately affected by the fiscal condition of their city.

In addition, these are New Yorkers who walk the streets, ride the subways, attend the schools, visit the parks and libraries, in short, who measure the quality of their lives by the ability of New York City to deliver the services it should.

Today, these are one million troubled New Yorkers who now turn to their elected representatives in Congress and the Senate for solutions to the problems afflicting New York City.

New York's problems are national in origin. Inflation and unemployment are products of national maladministration. Poor from many states flock to New York City for welfare assistance. New York did not make them poor, but New York absorbs the costs of maintaining them.

We must turn to our national government for lasting assistance.

We must turn to our two Senators and eighteen representatives to join together as a continuing office. In concert, they must initiate and support legislation that will provide federal aid to New York and other major urban areas.

To date, our President and Congress have not delivered the necessary programs to remedy an economic condition that is fast growing desperate.

The New York delegation to the Senate and Congress logically could and should provide the ideas and leadership to move the federal government into an effective instrument of overdue aid to the cities of the nation.

IMMEDIATE ACTION

The Humphrey-Muskie Bill (*S. 1359*), (*H.R. 6416*).—For countercyclical assistance to states and localities offers the hope of immediate aid to states and cities beset with high unemployment. The Municipal Labor Committee urges all New York representatives in Congress to unite behind this bill to advance its chances for passage in the near future.

The Off-With-the-Left-on-With-the-Right-Hand Public Employment Conundrum.—As local governments are forced to lay off employees, federal funds are proferred to fight unemployment by allowing local governments to hire the unemployed. *Net result:* the faces are switched on the unemployment lines as newly unemployed local employees replace now newly hired recently unemployed. And—local governments replace experienced employees with inexperienced, while existing federal programs allow insufficient funds for adequate training or supervision of new employees. *Needed:* a rational approach that will allow hiring of the unemployed and prevent the necessity of firing those now employed.

Low, or No Interest Debt Service.—New York City staggers under a crushing debt service cost. The federal government traditionally has made low interest loans available to foreign governments. Why not a bill to make such loans—or no interest loans—or loan guarantees—available to New York City and other municipalities?

In 1974–75, New York City borrowed in excess of 7 billion dollars. Had interest rates been 2% lower than they were, the city would have saved 140 million dollars. Banks earning record profits in this period of recession, have received 9.4% and 9.5% interest on New York City loans, even after commercial rates had fallen below this figure. A federal presence in the lending and borrowing situation is vitally necessary to help extricate the city from perenially high debt costs.

LONGER TERM

New York City's Congressional and Senatorial representatives must fill the void that now exists in the national government. The public relations pronouncements from the administration offer no real hope to the hundreds of thousands of New York City unemployed and the hundreds of thousands of other New Yorkers who are fearful of losing their jobs.

A city in desperate need of housing finds one quarter of its construction workers unemployed.

A city where hundreds of thousands, if not more, have inadequate medical care, is unable to expand its services and train and increase the number of men and women capable of delivering health care.

A city where unemployment and tension continue to mount must contemplate reducing its police force.

A city with aging housing and deteriorating environments looks to reduce its fire and sanitation departments.

A city university system undertaking the vital and too-little-praised challenge of open admissions, becomes a fearful pressure on the city budget, while unable to realize its potential because of insufficient funding.

Times have changed considerably. The social and economic phenomena that have transformed New York City are well-known. It is time for change in the philosophy and financial practices in the management of the city.

One million New Yorkers—represented by the Municipal Labor Committee—and all New Yorkers—look to the federal government and the New York City Congressional delegation for leadership in developing a new federal presence—new federal responsibilities—to keep New York City functioning at a better level than is currently possible.

MUNICIPAL LABOR COMMITTEE.

HOUSE OF REPRESENTATIVES—*Friday, May 9, 1975*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Whosoever heareth these sayings of Mine and doeth them, I will liken him unto a wise man who built his house upon a rock.—Matthew 7: 24.

Almighty and Eternal God, as we bow in Thy presence do Thou confirm our faith in those deep foundations laid to our forefathers, lest by feverish ways, or futile works, or foolish words we find ourselves building on sand rather than on rock.

During this period of swiftly moving change when anger bursts into violence, when passion dims our minds, and when doubts blind our hearts, grant unto us to be calm and courageous in the discharge of our responsibilities. May our faith be strong and our spirits steadfast that out of the turmoil of this age may come a better day for our people and a greater day for America and our world.

In the spirit of Him who built on a rock we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 240. An act to amend the act entitled "An act granting a charter to the General Federation of Women's Clubs";

S. 1696. An act to authorize amounts available but not committed for military assistance to South Vietnam and Cambodia to be used for humanitarian assistance for refugees from South Vietnam and Cambodia.

S.J. Res. 34. Joint resolution asking the President of the United States to declare the fourth Saturday of September 1975 as "National Hunting and Fishing Day";

S.J. Res. 44. Joint resolution authorizing the President to proclaim September 28, 1975, as "National Indian Day";

S.J. Res. 46. Joint resolution authorizing and requesting the President to issue a proclamation designating October 5–11, 1975, as "Newspaper Week" and also designating October 11, 1975, as "Newspaper Carrier Day"; and

S.J. Res. 79. Joint resolution to authorize "National Shut-In Day."

PERMISSION FOR COMMITTEE ON THE JUDICIARY TO FILE REPORT ON H.R. 6755

Mr. BRADEMAS. Mr. Speaker, at the request of the chairman of the Committee on the Judiciary, I ask unanimous

consent that the Committee on the Judiciary may have until midnight tonight to file a report on H.R. 6755, the Indochina Migration and Refugee Assistance Act.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

DEATH OF JOSEPH CARDINAL MINDZENTY

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. DERWINSKI) is recognized for 5 minutes.

Mr. DERWINSKI. Mr. Speaker, I take this time to address the House on the passing of Joseph Cardinal Mindzenty, who died in exile in Vienna on Tuesday at the age of 83. He was a heroic, stalwart champion of the people of Hungary who fought against the Communist takeover of his country.

Cardinal Mindzenty was tortured and imprisoned by the Communists in 1949 when he resisted their takeover of his homeland, and as the Members will recall, he spent almost 23 years of his life either in prison or in the U.S. mission in Budapest as a refugee. The only freedom he enjoyed during those years was a brief period during the 1956 Hungarian Revolution.

Throughout his life, Cardinal Mindzenty resisted oppression. As a young parish priest, he was arrested by the Communist regime of Bela Kun, who was in power briefly following World War I in Hungary. During the Second World War, he protested the massacre of Jews and was imprisoned by the Nazis. Then in 1949, he was jailed by the Communists and freed during the 1956 revolution, only to seek refuge in the U.S. mission when the revolt was crushed by the Soviet Union. He remained there until 1971, when his health and age forced him to leave Hungary.

Although negotiations within the church and between the Vatican and the Government of Hungary led to speculation about Cardinal Mindzenty's departure several times during the 1960's, he preferred to remain in Budapest. His departure at the age of 79 was followed by an announcement of the suspension of what remained of his life sentence by the Government of Hungary. The Cardinal had vowed that he would not leave Hungary until he was cleared of all charges against him, but he was not able to achieve this aim.

Cardinal Mindzenty was born in 1892 in Csehimindszent, Hungary, one of three children of a peasant family who became a parish priest because he was unable to afford advanced education in the church. However, he rose to higher levels as a result of his outstanding work and was named primate in 1945 and elected to the College of Cardinals in 1946.

Mr. Speaker, it was my privilege to meet with Cardinal Mindzenty when he visited the United States briefly a year ago, and it was also my privilege to communicate with him during his long years of struggle on behalf of the Hungarian people.

AT GREAT FALLS

The SPEAKER. Under a previous order of the House, the gentleman from Maryland (Mr. GUDE) is recognized for 10 minutes.

Mr. GUDE. Mr. Speaker, last Friday I was privileged to welcome to the Washington area, young relay riders—some of the 400 or so who started where Paul Revere once rode and continued on, on horseback, in relay, through several States, down our new C. & O. Canal National Historical Park as it winds through Montgomery County, Md., and Washington, D.C., and then, eventually, to the Ellipse just south of the White House.

Their ride was a stirring effort to wake America to not only her history but her great future. In tribute to them, and, in addition, to remind my colleagues of the great park authorized by Congress and now being developed along the canal right-of-way, I would like to share with you my remarks to the relay riders and to the volunteers who have helped restore the old, old tavern that is alongside the canal in the vicinity of Great Falls:

REMARKS OF CONGRESSMAN GILBERT GUDE TO RIDERS IN THE NEW SPIRIT OF 1776 FOUNDATION 4H

Good afternoon, 4H riders and friends. It is great to be here with Roger W. Eisinger Jr., President of the Friends of Great Falls Tavern who has led the effort to restore this historic tavern, and Monte Bourjaily Jr., who has organized this extraordinary relay ride, in which hundreds have participated.

Welcome, riders. Those of you who have ridden here to "Wake Up America" have arrived at one of the great stories of our country—the attempt to break the Appalachian Mountains with commercial transport, and thus unite the businesses of the East Coast with what was then, just a couple of hundred years ago, the frontier West: such areas as Ohio!

Such a route west, via canal, was a dream of George Washington, whom we know as a farmer, as a great Revolutionary War leader and as President, but who was also a businessman, a capitalist, and a speculator. He invested heavily in a canal on the Virginia side of the river—and, by many of the rules of investment, he should have done well. He knew the "lay of the land", since he, as a teenager, had been hired as surveyor of the land along the western Potomac. In addition, he had fought in the Ohio campaign of the French and Indian War and knew of the difficulties in getting supplies up the river and then overland to Ohio.

But a canal, Washington felt, could bypass a few rough falls in the Potomac and make the passage west easy. He organized a group of gentry to back the effort financially, and the canal on the Virginia side of the river was started in 1785. It was a very pioneering effort for there were few men in America with any experience in canal engineering. Thirty-four years later, the effort was abandoned. The short canals had not made the river navigable and barges had been wrecked and cargoes lost.

Washington's dream, however, was revived when this canal was started on the Fourth of July in 1828. This canal was not just a series of short by-passes of river falls, but it was to be a longer, fuller system.

But on that same Fourth of July, 1828, another pioneering effort to reach the West commercially was started. Baltimore businessmen had felt threatened by Washington-anchored canal. They feared that ships might come up the Potomac to the start of the canal, rather than use Baltimore harbor.

So they determined on a daring speculation—an attempt at the first railroad west. Yes, they decided, they would beat the canal. And in less than two years, in 1830, the first 14 miles of the Baltimore & Ohio Railroad were opened to horse-drawn rail cars. Yes, horse-drawn. And the canal's barges were to be drawn by horses or teams of mules.

The routes of the two competitors converged and the two groups of businessmen were fighting over rights of way. But the canal-diggers found trouble—unexpected engineering difficulties, unexpected layers of rock—wherever they dug.

The canal did not reach Cumberland, Md., 184 miles from the start of the canal, until 1850. The railroad had beaten it by eight years. In addition, Cumberland was a stop on the first national highway west.

The C&O's backers saw the inevitable—and abandoned plans to continue 180 more miles to Pittsburgh.

The canal never made a whole lot of money but it did operate commercially until 1924, when a flood so damaged it that it was no longer a feasible commercial operation.

So today, it is a reminder of the imagination of businessmen who saw the potential of a route West—and a wry monument to the expense of having a competitor come up with a better idea.

As you ride into Washington along this historic route, you 4H-ers will indeed be waking up America to the bicentennial and to the potential of the future if, if you yourselves are awake to this nation's possibilities and your own.

If—in a very few years and within a few miles—canals were built, railroads were developed, the first national highway was created and, in addition, a steam boat was tested in the river—well, just don't believe that it can't and won't happen again.

You who seek to awake America are, yourselves, America's future. If your minds are open to the possibilities of this country, you can become involved in exciting enterprises that can dwarf this old canal. There are doors waiting to be opened in medicine, in the science and engineering of energy and, still today, in transportation. There are doors to be opened in enterprises that don't even exist and aren't even dreamed of by most of us.

A few years ago, who would have dreamed of the miracle of computers? Or Xerox? Or Polaroid? Who would have dreamed of putting a photograph or a message in a device attached to one telephone and having it come out another device on a telephone miles away? Who would have thought of relaying phone calls and television by satellite, rather than cable?

Yet all these things have blossomed into great enterprises in your own or your parents lifetimes.

Prepare for the future. Prepare for change, even while you prepare to preserve the best of the past.

When we are open to both the past and future of our Nation, we are then truly awake, excited and enthusiastic.

That is the message of this great commercial gamble from the past, this great engineering effort, this C&O Canal.

I thank you for riding here.

CLARA BARTON HOUSE

Mr. Speaker, under legislation passed by the last Congress, the Clara Barton House at Glen Echo, Md., last week was transferred to the National Park Service for preservation and protection, and for expanded use as a memorial and

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museum to Miss Barton, founder of the American Red Cross.

I am pleased to have introduced the legislation that started the action that led to today's transfer.

The home itself is an interesting place—a big, 36-room frame house overlooking the C. & O. Canal National Historical Park. But we would not be making such an effort to protect the house if it were not for its original owner, Clara Barton.

There could be no more appropriate time for paying tribute to Miss Barton than now, International Women's Year. During her lifetime, she managed to ignore, defeat, or rise above every obstacle placed in her way by discriminatory social conventions.

Clara Barton achieved success in four separate careers in an era when the only really acceptable occupation for women was marriage and motherhood. She is chiefly remembered as the "Angel of the Battlefield" and the founder of the American Red Cross, but she actually began her professional life as a teacher, when she was only 15 years old. She was successful from the start. After conducting several district schools, she organized a school for the children of workers at her brothers' mill. At first it was held in an unused windowless "picking room," but in time she had some 70 pupils and her brothers built her a regular schoolhouse, with windows.

Clara Barton's reputation as a teacher increased. In 1851 she went to Clinton, N.Y. to improve her own education at the Liberal Institute there. She studied for a year and then accepted an invitation to teach in Bordentown, N.J., in a private school.

Free public schools were rare in those days. In Bordentown the pupils paid fees which constituted the teacher's salary. There was no school for those who could not pay. Clara Barton offered to serve 3 months without pay if the town would make the school free to all. Despite strong opposition, she persuaded the school board to try the experiment. It was so successful that soon a larger schoolhouse had to be built, and an assistant teacher employed. Unfortunately, there was opposition to a woman being in charge of so large a school. The board hired a male principal and demoted Clara to his assistant. It was intolerable to Miss Barton, and she resigned.

In 1854 she went to Washington, D.C. and got a job as a copyist at the Patent Office. At that time, it was just as unusual for women to work in offices as to be school principals, and the forces of opposition began to move in. The Secretary of the Interior Department personally pressed for her removal, but Miss Barton's employer, Judge Charles Mason, was so impressed by her ability that he not only kept her on; he increased her salary. She lost her job with a change in administrations, but got it back when Lincoln was elected President.

Her war service began in April 1861, with the arrival at the Capitol of the 6th Massachusetts Regiment. She had taken as her motto: "What is nobody's business is my business," and the Civil War period had great need of just such a person. The 6th Massachusetts had had to fight its way through Baltimore to get to Washington, and many of the men had lost their baggage. Clara plunged in to help gather essential supplies for them.

After the Battle of Bull Run she was deeply touched by the stories she heard of the suffering on the field, due in part to lack of supplies. She wrote to friends and advertised in a popular Massachusetts paper for provisions for the wounded. They came pouring in, from sewing circles, church societies, and relief committees, so she rented a warehouse, collected the donations there, and established a distributing agency.

Realizing that it was during battles that supplies and nursing care were most needed, she began to plead for passes to get her through to the front lines. In those days it was unheard of for women to be allowed anywhere near the battlefield, even as nurses, but in July 1862 her persuasiveness finally won her free passage through the lines and, eventually, unlimited free transportation by train and steamboat. With Washington as her base, she worked heroically, getting her supplies to the front, distributing them, and ministering to the wounded during action. In 1863 she carried her work to the operations about Charleston, S.C. The next year, after the Battle of the Wilderness, she was at Fredericksburg, and later she served as superintendent of nurses with the Army of the James. She was not primarily a hospital nurse. Her great contribution was her ability to secure supplies for the relief of suffering and get them promptly to the places where they were needed most.

When the Civil War ended in 1865, Miss Barton secured Government authority to organize a nationwide search for missing soldiers. With a staff of 12, she searched burial records, prison lists and hospital charts. The work went on for 4 years, but meanwhile Miss Barton was in great demand as a lecturer, relating her battlefield experiences.

She was almost immediately confronted with the women's rights controversy, when a newspaper announcing her lectures claimed that listeners would not have "thrust upon them a lecture on women's rights after the style of Susan B. Anthony and her clique." Her audience dotted with veterans and widows, Clara demanded:

> Who opened the way for me, who but the detested "clique" who through years of opposition, obloquy, toil, and pain openly claimed that women had rights . . . and should have the privilege to exercise them . . .

In 1869, on her doctor's advice she took a trip to Europe, for a rest. Soon, however, she was introduced to the International Red Cross, which had been founded at the Geneva Convention of 1864, and threw herself into its relief activities during the Franco-Prussian War. For her efforts she was awarded the Iron Cross of Merit by the Emperor of Germany. She returned to America in 1873 determined to establish an American Red Cross.

The United States has been invited to participate in the Geneva Convention, but had refused on the grounds that this would constitute an "entangling alliance" contrary to the Monroe Doctrine principle of noninvolvement in European affairs. Clara Barton began a single-handed campaign to secure U.S. adoption of the Geneva Convention. She lobbied the Secretaries of State and War, members of the bar, influential Congressmen, and Presidents through three administrations. Finally, in 1882 she was successful. After 4 years of struggle an American Red Cross was established, and it was largely Miss Barton's personal achievement.

For the next 23 years she devoted herself to expanding the organization and personally supervising many of its relief activities. She spent 6 weeks on the scene at the Galveston flood at the age of 79. She represented the United States at international conferences of the Red Cross. At Geneva in 1884 she secured the adoption of the "American Amendment," extending relief activities to natural catastrophes occurring in peacetime.

Clara Barton was an extraordinary woman. She was truly liberated. She refused to be bound by the social conventions that limited women of her time. She accepted every challenge to develop herself as an individual.

She was not a reformer, in the usual sense of the word. But when she saw a practical need, she gave every ounce of her strength to remedy it. Her initiative, inflexible will, tenacity of purpose and devotion to human welfare enabled her to overcome the handicaps of discrimination against women and to do a great work.

Her life and achievements are especially relevant today. As a woman, her example inspires those who are seeking a full and equal role for women in every aspect of our society. And as a citizen whose whole life was devoted to organizing private efforts to meet urgent social needs, she is an inspiration to the volunteers of today.

Her founding of the American Red Cross has saved thousands of lives and relieved the suffering of untold millions. Americans of all generations, past and yet to come, owe her an enormous debt of gratitude.

PERSONAL STATEMENT BY MR. NOWAK

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. NOWAK) is recognized for 5 minutes.

Mr. NOWAK. Mr. Speaker, on May 7, 1975, I was detained in my office and arrived on the floor moments too late to vote on rollcall No. 188. I would like the RECORD to show that had I been present, I would have voted "yea" on House Resolution 417. providing the rule for general debate on H.R. 4114.

DEATH OF THE CVT

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, I would like to call to the attention of my col-

leagues an editorial which appeared in the May 5 Wall Street Journal entitled "Death of the CVT" which is the South Vietnamese Confederation of Trade Unions.

Typically, one of the first acts of totalitarian rulers upon taking over is to destroy the free trade labor movement. As we all know, when Hitler took over Germany, his first act was to destroy the free trade labor movement in Germany. Russia has no free trade labor movement. All of the countries under Russian domination—Lithuania, Poland, Hungary, Czechoslovakia, and the list gets longer every day—have no free trade labor movement. This is the same pattern that has been followed over the decades by dictators, and is now being followed in South Vietnam with the systematic execution of non-Communist labor union leaders and destruction of the CVT.

As a former labor leader, it comes as no surprise to me that the Communists in South Vietnam have branded CVT leaders as "class enemies" and have marked them for liquidation. The Communists are not interested in improving workers' lives, but in establishing a Communist regime. The Communists are not interested in a free trade labor movement, which means a productive and constructive society, but in removing competitors.

The slaughter is not limited to CVT leaders but includes those from all walks of life whose sympathies do not lie with the Communists. They, too, are branded "class enemies" and are also earmarked for elimination—through nonsubsistence rations, imprisonment, or execution.

Those refugees who have escaped to this country since the turn of the century to avoid arrest and execution—Hungarians, Italians, Armenians, Poles, Jews, Czechs, Lithuanians, and so many others—can attest to the so-called humanitarianism of their oppressors who have used every means imaginable—murder, torture, mass executions, gas chambers, ovens, concentration camps—to destroy the will of their victims and eventually to snuff out their lives. Indeed, it is unfortunate that many of us in this country have not come into direct contact with Communist tactics, for if we had, we would surely have a far better understanding of the unrelenting horrors of communism, and a far better appreciation of the freedom we enjoy in America.

The editorial follows:

DEATH OF THE CVT

Officials of the AFL–CIO are finding that the Communist takeover in South Vietnam is following a familiar pattern. The non-Communist labor leaders are the first to go. The official radio of the new Saigon regime reported over the weekend that the headquarters of the South Vietnamese Confederation of Trade Unions (CVT) had been seized "by 3,000 workers," that its members were ordered to join a new "revolutionary labor organization," and that the president of the CVT, Tran Quoc Buu, had been branded a "traitor."

The AFL–CIO reports that Mr. Buu and possibly 60 colleagues and their families have been rescued. (The roster is incomplete since AFL–CIO sponsored refugees are still making their way over the Pacific escape route.) But the union knows that many local CVT leaders have not been as lucky. According to mid-April accounts of CVT sources, the advancing Communist forces were systematically rounding up CVT members. In Da Nang, CVT officers were arrested and required to turn over all records. At Ban Me Thuot, former union officials were put on a nonsubsistence ration. In Binh Long and Binh Dong, CVT officers were shot. In Quang Ngai, Quang Tin, Pleiku, Kontum, Hue, Dalat and Nahtrang, CVT provincial council leaders and members have been arrested and have not been seen or heard of since.

AFL–CIO leaders have seen this happen before. Communists bitterly resent competition in representing the proletariat, especially when their rivals are more concerned with improving the workers' lives than with installing a Communist regime. And in the Communist view, the quickest way to remove such competitors is to shoot or arrest them. This experience has made American labor leaders among the strongest proponents of American asylum for South Vietnamese refugees. In a recent letter to congressional leaders, George Meany urged, "If we do not stand by these desperate people, how can we ever claim to conduct a credible foreign policy? . . .

"If the doctrine of 'detente' retains any meaning, then let it now be put to the test. Let us make it clear to the Soviet Union and China that we expect their cooperation in restraining Hanoi, and that detente will never survive the slaughter of our friends in South Vietnam."

Some Congressmen, including erstwhile liberals, seem about to embark on a sordid campaign to save American workers from competition from South Vietnamese refugees. Before they begin, they would be well-advised to heed what American labor has to say.

DECLARATION OF DAR-ES-SALAAM

The SPEAKER. Under a previous order of the House, the gentleman from Michigan (Mr. DIGGS) is recognized for 5 minutes.

Mr. DIGGS. Mr. Speaker, I would like to insert for the thoughtful consideration of my colleagues the following Declaration of Dar-es-Salaam on Southern Africa which was issued at the recent meeting of the Organization of African Unity foreign ministers:

DECLARATION OF DAR-ES-SALAAM ON SOUTHERN AFRICA

1. The Council of Ministers of the Organization of African Unity meeting in Dar-es-Salaam from April 7–10, 1975 in an Extraordinary Session has made an in-depth study of the developments in Southern Africa in general and the situation in South Africa in particular. This evaluation was made with the specific objective of devising ways and means of realising Africa's long cherished objective in the region, namely, the total liquidation of the twin evils of colonialism and racism.

2. Though OAU's position on these problems has repeatedly been made clear, the fast changing events in Southern Africa make it imperative for Africa to re-examine its strategy. Such reassessment is particularly crucial in the light of deliberate and calculated attempts by Africa's enemies to sow seeds of confusion among our ranks, and employing diversionary tactics with the view to undermining Africa's stand. It is therefore to the re-examination of Africa's strategy for, the liberation of Rhodesia and Namibia as well as the abolition of the inhuman system of apartheid in South Africa that the Ministers have devoted their Extraordinary Session in Dar-es-Salaam. And they accordingly declare as follows:

3. The decisive defeat of Portuguese colonialism by the African liberation movements and the imminent independence of Mozambique and Angola has radically altered the balance of forces in Southern Africa. The resultant fatal blow inflicted on the "Unholy Alliance" of the government in Pretoria with the Smith regime and the Portuguese colonialists has seriously undermined the geopolitical position of the South African regime. Freedom has come to the borders of South Africa and Namibia with the independence of Mozambique and Angola respectively. The buffer zones for the consolidation of colonialism and racism have ultimately crumbled.

4. Vorster's government is faced with intensified international isolation as demonstrated by the decision of the United Nations General Assembly to bar the South African delegation from taking part in the proceedings of the twenty-ninth Session.

5. Recognizing that the liberation of Angola and Mozambique brings with it a radical change in the geography of the African freedom struggle resulting in the intensification of the struggle against colonialism in Rhodesia and Namibia, South Africa has been forced to review its policies towards its client state of Rhodesia and Namibia. The apartheid regime of Vorster is therefore now engaged in new manoeuvres in an attempt to reduce, if not neutralize, the impact of the revoluntionary changes that have taken place in the region. It is desperately attempting to break its isolation and to undermine international opposition to its illegal occupation of Namibia. South Africa is trying to camouflage the reality of the obnoxious system of radical oppression in South Africa by resorting to such highly orchestrated propaganda on the removal of "petty-apartheid." The aim of Vorster's government in this exercise of white-washing apartheid is clear: to deceive world public opinion into believing that some radical changes are taking place in the Republic and thus reduce the regime's international isolation.

6. OAU's full commitment to the objective of total liberation of the continent is unequivocal and unquestionable. There can never be any surrender or compromise on this goal. But the developments in Southern Africa necessitate that the OAU re-evaluates its approach for the purpose of achieving the desired goal. Such a re-examination becomes all the more urgent by the evidence of new tactics on the part of Vorster's regime in South Africa.

7. Above all, it is of the utmost importance that such a reassessment should have as its important prerequisite the maintenance and strengthening of unity and solidarity of Africa in confronting the new situation in Southern Africa. The enemies of Africa realise that this unity is the most powerful weapon in the continent's arsenal. It is that unity and solidarity which Vorster, with his collaborators and supporters, are attempting to undermine. Therefore Africa's urgent need to close its ranks in facing South Africa's new tactics becomes self-evident.

8. There are two main areas of conflict in Southern Africa. The first is the confrontation with colonialism. The second is the conflict with the system of apartheid which has rightly been declared by the United Nations as a crime against humanity. But whether we are dealing with the struggle against colonialism in Rhodesia or illegal occupation of Namibia or racist domination in South Africa, the main opponent of Africa is the same: the South African regime and the power it wields in the three areas. Thus the Southern African problem is firstly South Africa as a colonialist power, and secondly South Africa as a racist society.

9. The OAU's objectives in Rhodesia, Namibia and South Africa have never changed. These objectives flow from Africa's commitment to achieve the total independence on the basis of majority rule with respect to the two colonial territories. Concerning South Africa, the objective has been, and still is, the ending of *apartheid* and the total elimination of racial discrimination

While the strategies and tactics in the attainment of this objective may change from one situation to another and from time to time, the objective itself is constant and non-negotiable.

10. Africans cannot, and will never acquiesce in the perpetuation of colonial and/or racist oppression in their continent. That is why any talk of *détente* with the *apartheid* regime is such nonsense that it should be treated with the contempt it deserves. What the OAU requires is dismantling the institutions of oppression and repression against the non-white people by the racist minority. Otherwise, Vorster's outcries about *détente* can only have one meaning insofar as the situation within South Africa is concerned. And this is that free and independent Africa should co-exist with apartheid and thus acquiesce in the daily humiliation, degradation, oppression and repression of the African people in South Africa.

11. The OAU has on many occasions declared its desire and willingness to promote peaceful settlement to the problems of Southern Africa including that of South Africa. The Liberation Movements themselves have a long history of non-violent struggle. It is only the obduracy, intransigence and recalcitrance of the colonialist and racist regimes that forced them to resort to the armed struggle. Yet even at the eleventh hour, Africa proclaimed the Lusaka Manifesto in order to seek once again a possible solution. That Manifesto was unambiguous in asserting the OAU's preference to achieve freedom and human dignity for our continent by peaceful means. But the OAU has also made it clear that if peaceful progress toward its objective is blocked, Africa will support the armed struggle carried out by the people of the oppressed areas. This remains the unshakeable position of the African States as has been clearly declared in the Mogadishu Declaration.

OAU'S STRATEGY AGAINST COLONIALISM

12. In recent years OAU has adopted and carried out several strategies against colonialism. When in 1969, the racist and colonial regimes ignored the Lusaka Manifesto, the OAU member States adopted the Mogadishu Declaration in 1971 calling for the intensification of the armed struggle. This was followed by the Accra Strategy of 1973 concentrating on the liberation of the Portuguese colonies. The victory over Portuguese colonialism which vindicated the Accra Strategy led Africa, this year, to adopt the Dar es Salaam Declaration by which the OAU has resolved to take advantage of the victories achieved by the freedom fighters of Mozambique, Angola, Guinea Bissau and Cape Verde, Sao Tome and Principe for the advance of the freedom march further south with particular emphasis on the liberation of Zimbabwe and Namibia. The Extraordinary Session of the Council of Ministers while unequivocally reaffirming this Declaration, wishes to highlight the following:

13. The process of decolonisation has gained such momentum as to make it irreversible. The new situation now requires the OAU to retain the initiative in its own hands and intensify, not relax, the pressures on South Africa's apartheid regime which is now operating from a position of declining strength.

14. In South Africa lies the key to the complete decolonisation of Southern Africa. Therefore, the problem of the Liberation of Southern Africa must be examined within the context of a comprehensive strategy for the total liberation of the area, whilst recognising that the specific factors in the three territories concerned—Zimbabwe, Namibia and South Africa—may cause the Liberation Movements to adopt different tactics.

(a) *Zimbabwe*

15. The OAU's objective in Zimbabwe is independence on the basis of majority rule. This can be achieved either peacefully or by violent means. Either way, the OAU will lend its unqualified support to the freedom fighters led by their nationalist movement—the African National Council. As long as the objectives of majority rule before independence is not compromised, the OAU would support all efforts made by the Zimbabwe nationalists to win independence by peaceful means. This may mean a holding of a Constitutional Conference where the nationalist forces will negotiate with the Smith regime. If that takes place, the OAU has the duty to do everything possible to assist the success of such negotiations, until and unless the Zimbabwe nationalists themselves are convinced that talks with Smith have failed. In this event, the freedom fighters will have to intensify the armed struggle with the material, financial and diplomatic assistance of independent Africa.

16. In consideration of the OAU's objectives in Zimbabwe, it is important to properly evaluate fully the role of South Africa in that territory. South Africa has troops in Zimbabwe which help to maintain white minority rule. South Africa has frustrated the efforts of the international community by being the major sanctions buster. Both in its military and economic support of the Smith regime, South Africa continues to defy opposition by independent Africa and the United Nations. The apartheid regime must forthwith withdraw its military, political, and economic support to the minority regime.

17. While the OAU accepts the task of helping in genuine negotiations in order to facilitate the transfer of power to the African majority, it must remain absolutely vigilant and undertake the necessary preparations for the intensification of the armed struggle should peaceful solution in the Zimbabwe conflict be blocked.

18. The Council of Ministers expresses its satisfaction for the declaration of the ANC on the need for strengthening UNITY amongst the people of Zimbabwe as the most powerful weapon in their armoury in the struggle for immediate majority rule, and urges them to continue with vigilance employing the double-strategy of full preparedness for intensifying the armed struggle while at the same time exploring the possibilities for peaceful change.

(b) *Namibia*

19. The OAU and the United Nations' position on the question of Namibia is unequivocal. South Africa's continued occupation of that land is illegal and all member states of the United Nations are under obligation to refrain from doing anything which implies the legality of its administration. The OAU must fulfil strictly this obligation to abstain from any action which may be construed as recognition or acceptance of South Africa's right to be in Namibia.

20. The OAU and the United Nations hold the unity and territorial integrity of Namibia sacrosanct. Both organizations are working for the independence of the territory as a whole and are totally opposed to its fragmentation. Both organizations recognise SWAPO as the sole legitimate and authentic representative of the Namibian people. Despite the specific and unanimous demand of the Security Council, South Africa has not yet agreed to undertake withdrawing from Namibia. In fact the apartheid regime has consolidated its repressive rule in the territory and proceeded with its bantustanization.

21. The Council of Ministers reiterate their conviction that the only possible solution to the problem of Namibia lies in the implementation by South Africa of Security Council Resolution No. ——— of December 17, 1974. The African States considering that the Security Council by its own decision is scheduled to convene on or about the 30th May, 1975 to consider the question of Namibia, call upon the Council to take the necessary measures including those envisaged under chapter VII of the United Nations Charter with a view to effectively overcome South Africa's defiance and contempt of the United Nations decisions. In the absence of South Africa's willingness to terminate its illegal occupation of Namibia, the OAU must assist the national liberation movement of Namibia, SWAPO, to intensify the armed struggle in Namibia. SWAPO should also be supported in every way possible.

THE OAU STRATEGY ON APARTHEID

22. As regards South Africa, both the OAU and the United Nations are dedicated to the principle of full equality for all the people of the country, irrespective of race or colour. It is impossible for free Africa to acquiesce in the denial of human equality and human dignity which is represented by the philosophy and system of apartheid. Thus the OAU like the United Nations, opposes the regime in South Africa, not because it is white, but because it rejects and fights against the principles of human equality and national self-determination.

23. The OAU has repeatedly warned that the apartheid regime constitutes a serious threat to international peace and security. This threat assumes graver proportions as the apartheid regime feel insecure. Despite Vorster's claims at the end of last year that given six months or so the world would be surprised by the changes that would be initiated from within the apartheid republic, the situation has taken a turn for the worst as evidenced by the mass trial of students, the consolidation and strengthening of the "Bantustans" and the vast increase of South Africa's military budget. Clearly, Vorster's regime is not about to depart from the doctrine of apartheid. Indeed, if anything, Vorster's measures have been designed to strengthen the security of the system of apartheid within South Africa.

24. Confronted with this unabashed determination of the apartheid regime to maintain its white supremacist system, the OAU's responsibility is clear. We must ostracize, and urge the rest of the world to ostracize, the South African regime as at present organized. The OAU must maintain the economic, political and cultural boycott of South Africa. Free Africa and the United Nations must work in concert for the extension of the boycott. We must, in brief, work for the total isolation of the South African regime. There is no justification at all for changing this policy. Nor is there anything for free Africa to talk to the leaders of the apartheid regime in connection with their policies in South Africa.

25. If and when the leaders of the apartheid regime of South Africa decide to abandon this racist policy they should initiate discussion with the Liberation Movements of South Africa. The regime should immediately and unconditionally release the nationalist leaders Nelson Mandela and lift the restriction order on R. Sobukwe as well as hundreds of other nationalist leaders who are now in South Africa's jails or under restriction orders.

26. The Council of Ministers of the Organisation of African Unity resolutely reaffirms free Africa's total rejection of apartheid and all its manifestations, including any so-called "independent homelands" within South Africa. The puppet leaders of so-called homelands should be denied invitations to visit independent African States. The Council underscores the importance of all independent African States to remain firmly united in the policy of isolating South Africa and ostracizing its apartheid regime. The Council reiterates its support to the national liberation movements of South Africa in their struggle in all its forms. It also calls for the intensification of international efforts—with the cooperation of Governments, Inter-Governmental and non-Governmental organisations for the eradication of apartheid.

27. Uprecedented opportunities and challenges prevail in Southern Africa subsequent to the collapse of the 500-year Portuguese colonialism. Free Africa is determined to capitalise on the opportunities in order to bring closer the day when every inch of African soil will be free from colonial and racist domination. While being cognizant of the fact that South Africa stands as the final major obstacle to Africa's march to liberation, the Council of Ministers reaffirm their unflinching determination to realise the freedom and independence of Rhodesia and Namibia and the total destruction of apartheid and racial discrimination in South Africa.

28. The Council of Ministers, conscious of the important contribution made by African friends and supporters all over the world in its quest for the liberation of the continent, launches a fervent appeal to them or urging them to continue and intensify their support for *solidarity* with the liberation of Zimbabwe and Namibia as well as for the ending of the inhuman system or apartheid in South Africa.

CHEMICAL AND BIOLOGICAL WARFARE—BREAKTHROUGH IN DISARMAMENT TALKS NEEDED

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, there has been a lot of talk about negotiating a treaty on chemical warfare for the past several years at the Conference of the Committee on Disarmament at Geneva, but there has not been much movement forward. Without a breakthrough in disarmament talks, these weapons could be assimilated into world arsenals.

I would like to share with the Members an excellent article on the subject written by Dr. Julian Perry Robinson, one of the foremost experts in the world on this issue, from the Bulletin of the Atomic Scientists, May 1975. In order to reduce the length of the article for printing in the RECORD, the historical and detailed discussion of the process of assimilation has been removed. The article follows:

[From the Bulletin of the Atomic Scientists, May 1975]

THE SPECIAL CASE OF CHEMICAL AND BIOLOGICAL WEAPONS

(By J. P. Perry Robinson) [*]

The joint U.S.-Soviet communique from Moscow dated July 3, 1974, contains the following passage:

> "Both sides reaffirmed their interest in an effective international agreement which would exclude from the arsenals of states such dangerous instruments of mass destruction as chemical weapons. Desiring to contribute to early progress in this direction, the USA and the USSR agreed to consider a joint initiative in the Conference of the Committee on Disarmament with respect to the conclusion, as a first step, of an international convention dealing with the most dangerous, lethal means of chemical warfare."

The reference to a "joint initiative" in the Conference of the Committee on Disarmament (CCD) might possibly be interpreted as a step forward when set against the corresponding passage in the U.S.-Soviet communique of June 25, 1973:

> "Considering the important role which an effective international agreement with respect to chemical weapons would play, the two sides agree to continue their efforts to conclude such an agreement in cooperation with other countries."

But, in fact, the grounds for optimism are not strong. It is disturbing to learn, for example, of superpower agreement on a stepwise approach to the problem—on confining the "first step" to "the most dangerous, lethal" chemicals. And then there is the fact that the decision to go for any sort of chemical treaty was still pending in Washington (and probably still is), whatever the communique may have suggested to the contrary. To the extent that the consequence of this may be an undercutting of the Defense Department's stance in the U.S. National Security Council's consideration of the matter, there are grounds for optimism. But to the extent that the communique may be public-relations rhetoric, substituting for any real superpower interest in multilateral armaments limitation, there are also grounds for pessimism.

The fact of the matter is that when the National Security Council review of chemical weapons policy got under way earlier this year, the odds were heavily weighted against a policy outcome that favored any immediate, significant step further toward chemical disarmament. The best that could be hoped for was a decision against foreclosure on the disarmament option and against endorsement of the Army's plans to embark upon a new round of chemical weapons buying. This would allow time, hopefully, for the pro-disarmament faction in Washington, such as it is, to increase its strength, and for the Socialist countries in the CCD to formulate a more defensible position on the question of international verification. All in all, therefore, the prospects for rapid progress on chemical weapons at the CCD do not look bright.

Against this background it is useful to consider the long-term implications of a failure to reach an agreement on chemical weapons and, the opposite side of the same coin, the goals that should be established as the long-term objectives of a chemical disarmament agreement.

Elsewhere I have argued that the primary function of a chemical disarmament agreement should be to constrain proliferation.[1] I take the view that the threat to international security which would arise from nerve gas proliferation would greatly exceed the threat which is currently thought to exist in those few areas of the world where nerve gas weapons are at present deployed. In a paper I presented to the 1974 Pugwash chemical warfare workshop, I explored certain of the conceivable determinants of chemical proliferation, and here I seek to define and analyze one of these determinants, namely the process of assimilation.[2]

This paper, revised and updated, has now been published under the title "The United States Binary Nerve-Gas Programme: National and International Implications," ISIO Monograph No. 10 (University of Sussex, United Kingdom). It draws from earlier published works of mine, see especially SIPRI, *The Problem of Chemical and Biological Warfare* (Vols. I, II, and V; New York: Humanities Press, 1971–1973); and *CBW, An Introduction and a Bibliography* (Los Angeles, Calif.: California State University, Center for the Study of Armament and Disarmament, 1974).

INCENTIVES FOR ASSIMILATION

The incentives that might promote the assimilation of CB weapons can also be categorized as technological and psychological. As regards the latter, CB weapons are preeminently weapons of terror. Man's fear of poison and disease appears, on historical evidence alone, to be extremely deep-rooted so that exposure to CBW agents, or the threat of exposure, may elicit very powerful responses. A potential user of CB weapons might well suppose that these responses would act in his favor. He might even value them as an instrument of strategic blackmail or deterrence. The notion of CB weapons as "the poor man's atom bomb," particularly biological weapons, has been around for many years.

The technological incentives remain much as they were during World War I, with certain additions. Bulk dissemination of CBW agents provides a means for attacking large area targets; and airborne CBW agents can penetrate into spaces protected against physical attack. These are factors of some moment today, for the great weight of tactical firepower—nuclear and non-nuclear—now available has imposed doctrines of dispersed deployment in which ground forces are scattered over wide areas. On a weight-for-weight comparison, CBW agents could be considerably more potent than almost all military casualty agents, even fissionable materials. This suggests CBW agents could compensate for quantitative manpower inferiorities. The 'biospecific' character of CB weapons, namely their capacity for leaving inanimate objects largely intact, has certain obvious attractions both at a tactical and at a strategic level. And the recent emergence of incapacitating CBW agents, ones that cause predominantly nonfatal battle casualties, could provide a means for lessening some of the political costs of using armed force—a consideration which, on the civil front, leads police forces to use tear gas. The development of antiplant and, to a lesser extent, antianimal CB weapons adds a further dimension.

PSYCHOLOGICAL CONSTRAINT

It is conceivable that if rigorous analyses were made of all the technological constraints and incentives that would govern resort to CBW in particular war scenarios, with full regard paid to the capabilities of existing CBW technology, offensive and defensive, the balance of judgment might, in some scenarios, favor use of CB weapons. This is certainly something which the advocates of CB weapons have long claimed, not least before U.S. congressional appropriations committees. The details of the analyses have, however, usually been shielded from general scrutiny by security-clearance requirements. If, nonetheless, it is assumed that the analyses have been adequately founded and their conclusions reasonable, the question still remains as to why past advocacies of CB weapons have not been more successful. What other reasons are there for the relatively low level of military interest in CBW, and could they change with time?

The factors that seem to be at work here may be thought of as the psychological constraint. Whether in fact a psychological explanation for them is to be preferred over, say, a behavioral or a sociological one is a matter for further study. The most obvious expression of the psychological constraint is seen in the attitude that CBW is in some way dishonorable, impugning military codes of professional behavior, an attitude that still seems to be widespread in military circles. A second expression of this type of constraint is seen in the legal proscriptions that are associated with CBW. Since its earliest days, the use of CB weapons has been considered peculiarly reprehensible, a view that was embodied in Roman and in Islamic law, and which is retained in a more explicit form in the modern international law of armed conflict. The central element in the present-day legal proscription is the Geneva Protocol of 1925, an international treaty to which most states are parties. The Protocol outlaws use of CB weapons, but has nothing to say about their possession.

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[*] Julian Perry Robinson, chemist, is a research fellow of the Science Policy Research Unit and of the Institute for the Study of International Organizations at the University of Sussex, England.

[1] J. P. Perry Robinson, Statement to Subcommittee on National Security Policy and Scientific Developments of the Committee on Foreign Affairs, U.S. House of Representatives, May 2, 1974. (The hearings of the Subcommittee have been published under the title *U.S. Chemical Warfare Policy*.)

[2] Robinson, "Binary Nerve Gas Weapons," paper presented to Pugwash Chemical Weapons Workshop, Helsinki, Feb. 1974; see, especially, pp. 99–42.

International law is closely bound up with public opinion, which it serves both to define and to direct. When opinion changes the law begins to weaken, but opinion on CBW seems to be as hostile as ever, despite recurrent attempts at modifying it. In the short term, these attempts have sometimes succeeded (as when the U.S. Army Chemical Warfare Service succeeded in blocking U.S. ratification of the Geneva Protocol in 1926), but opinion on CBW has always tended to revert to its former state. Considered on purely logical grounds, there is no convincing reason why CBW should be regarded as any less acceptable, or more acceptable, than other forms of warfare. There is undoubtedly an element of paradox in the degree of attention it has received from jurists. To say this is not to call into question their wisdom; rather, the irrationality of the situation, and its persistence in the face of rationalizing attempts by CBW advocates, indicates the strength of the underlying psychological and sociological factors.

LAWS OF ARMED CONFLICT

The record of international law in restraining wartime behavior is not impressive; the law has more often been the servant, not the master, of military expediency. In the case of CBW, however, the relevant law will remain a substantial restraint at least for as long as the appurtenances of CBW remain poorly assimilated by the military. More important, the law constitutes an obstacle against further assimilation.

Conversely, erosion of the law on CBW will facilitate assimilation. That is why the controversy regarding the legal status of herbicides and the sensory irritant agents, such as CS and the tear gases, has been so important. Largely as a result of their employment by the United States and allied forces in Indo-China, and subsequently by their adversaries, CS weapons are now the furthest advanced toward assimilation of all CB weapons. But the Vietnam-related efforts to reduce, through R&D, the technical and operational limitations of CS weapons, and to increase their military utility and attractions for regular combat forces, has inevitably meant a weakening of at least the technological constraint on the assimilation of all types of CB weapons. This, it should be noted was by no means an unintended consequence of the use of CS, and herbicides as well, in Vietnam.

During an interview, the U.S. Army Chief Chemical Officer was utterly explicit on this point: the Vietnam war provided a much needed opportunity for him to demonstrate the value of his wares to the Army at large, and for the Chemical Corps to secure that combat role which would enhance its status and protect it from bureaucratic repression in Washington. CS employment, chemical crop destruction and chemical defoliation were only three of many CBW proposals put forward by the Chemical Corps for the Vietnam war.

The Geneva Protocol of 1925 is the strongest available bastion against this particular process of assimilation. The fact that the United States has finally ratified it is therefore an event of the greatest importance, but it is exceedingly unfortunate that the Administration should have persisted in its view, against the advice of its jurists, that the Protocol does not cover herbicides and irritants. The Senate Foreign Relations Committee succeeded in bringing the Joint Chiefs of Staff to a compromise in the form of accepting as national policy certain restrictions on the first use of these agents. But there is a disturbing similarity between the way the restrictions are worded (no first use of irritants "except in defensive military modes to save lives") and the Pentagon's public statements about CS employment during the height of its Vietnam involvement. It is to be hoped that the Committee's further success in extracting from the Administration detailed clarifications for the public record will indeed constrain the military from future excesses. The Army's development program for its newest chemical irritant—the cycloheptatriene derivative known as EA 4923—will be watched with concern.

There is another locus of potential erosion. Since 1970, it has been the British government's position that although tear gases are covered by the Protocol, "CS and other such gases" are not. The decision to adopt this bizarre interpretation arose out of the exigencies of the situation in Northern Ireland (where CS weapons were being used), even though the Protocol is not applicable there. But since 1972, the British Army has been stockpiling weapons based on the newer, and more potent, agent CR (dibenz[*b,f*][1,4] oxazepine). The effects of CR are longer lasting than those of CS, and fall within the current U.S. definition of an incapacitating agent.

Whatever the present U.S. position may be on agent CS it does at least foreswear the first use in war of incapacitating agents. Yet, because in the British Defence Ministry's view CR is evidently subsumed within "CS and other such gases," the British government is apparently reserving the right, unless it withdraws its 1970 interpretation of the Protocol, to use incapacitating agents in war as well as the irritant agent CS.

ASSIMILATION AND CB DISARMAMENT

In 1972, after nearly four years of talks on CBW at the Conference of the Committee on Disarmament (CCD), the Biological Weapons Convention was opened for signature. It contains a commitment to negotiate further, and in good faith, for the elimination of chemical weapons. The fact that biological weapons were separated out from the CB weapons category can be understood in terms of assimilation. The practice of biological warfare is technologically more demanding than that of chemical warfare, and psychologically more disquieting.

Biological warfare agents have characteristics which are difficult to harness for offensive purposes, and which do not fit at all easily into military practice. In the case of the United States, biological weapons were the subject of an R&D program which became quite intense during the early 1960s. But, even so, not one device ever passed through acceptance trials by the U.S. Air Force, the potential user for whom they were least unsuited. The weapons seem to have come up against major technical problems, which there was no great incentive to have solved. The stockpiles and the production facilities of BW agents that were destroyed several years ago were in support of a development program that had already become moribund. Chemical weapons, in contrast, were less poorly assimilated, but the United States (and maybe other countries too) is not yet willing to forego their possession.

The suggestion here is that it is the extent to which a particular class of weapon has become assimilated which determines the prospects for its elimination via a partial disarmament agreement. The agreements on collateral measures which have been concluded so far would seem to bear this out, for they are directed against activities which the military has no particular wish to indulge in. Dispiriting though this conclusion may be, it has a practical corollary: the long-term stability of a disarmament agreement will be determined by the extent to which it brings under control the pressures toward further assimilation.

Research and development activities are an obvious source of pressure in the case of chemical weapons. There are two particular areas of concern, neither of which have yet received the attention they deserve from the CCD.

The first is that of incapacitating agent research, because it is these agents that most threaten the psychological constraint on assimilation. Until rather recently the problem did not seem to have all that much urgency, largely because of the difficulties which the R&D teams concerned were likely to have in coming up with a militarily attractive agent. The importance which the U.S. Army attached in the early 1960s to the psychochemicals SN and BZ was soon shown to be unfounded; and the inclusion of toxins within the Presidential renunciations of 1969/70 precluded the further development of PG, a staphylococcal enterotoxin formulation. But it now seems that the U.S. Army has found a new and more attractive candidate, a percutaneously-active anticholinergic glycolate code-named EA–3834. This new psychochemical, whose specific attractions remain classified, and munitions for it, are now in the terminal stages of development.

The second area of concern is that of R&D on chemical warfare protection. Since it is unlikely, and probably undesirable, that a chemical agreement could ever be negotiated that proscribed antichemical countermeasures, the supporting R&D will presumably continue. Yet it is precisely from this type of work that several of the major developments in offensive CW techniques have in the past originated.

MILITARY DOCTRINE

Since use of chemical weapons is illegal, their continued stockpiling seems to imply a scant regard for the provisions of international law. But the laws of war derive what strength they have from the sanction of reprisal, so that as a retaliatory capability the stockpiles can be given a sort of justification. The fact that they are also available for initiation of CW, law or no law, is no doubt seen as an advantage by those who value a wide range of military options. It is seen as a disadvantage, and a reason for pursuing chemical disarmament, by those who see in this ambivalence a source of international mistrust and tension.

Clearly there are parallels to be drawn here with nuclear weapons, but they should not be taken too far. States that possess nuclear weapons have by now been forced to condition themselves into at least some degree of readiness to use the weapons. So, with greater or lesser reluctance, nuclear weapons have been accepted into military doctrine and the doctrine has been modified to accommodate them. Such is not yet the case with CB weapons. There is a school of thought among strategists which holds that CBW has an important role to play as an intermediate rung on the ladder of escalation, providing a firebreak option between conventional and nuclear war. But this is a precarious rationale, for the more rungs there are, the easier will the ladder be to climb. Current British policy, for example, appears to envisage nuclear retaliation against CBW attack.

What also has to be kept in mind is the strong element of ex post facto rationalization that runs through much of military policy-making, both nuclear and non-nuclear. One of the effects of mobilizing science and technology in the service of national defense is that new weapons tend to appear before there is any obvious requirement for them. The technologies concerned have a momentum of their own, and so long as a thriving military technology is valued as an element of national security, military policy and doctrine must be elastic enough to accommodate it. This does not seem to have been an easy task in the case of CB weapons technology, which, at least in the United States, has long been outstripping military requirements; and the military authorities concerned, as distinct from the CBW advocates, have so far shown little enthusiasm for attempting it. When they have been forced to articulate a reasoned CB weapons policy, the doctrine of like-with-like deterrence has, for all its obvious shortcomings, been put forward. Time could well bring with it a very different attitude, if CB disarmament does not come about first. It is entirely conceivable that the march of progress within the R&D laboratories, and a loosening of the inhibitions about chemical and biological warfare, could promote wider assimilation of CB weapons and ultimately their acceptance as conventional weapons.

CONFERENCE REPORT ON HOUSE CONCURRENT RESOLUTION 218

Mr. ADAMS submitted the following conference report and statement on the concurrent resolution (H. Con. Res. 218) setting forth, on an aggregate basis only, the congressional budget for the U.S. Government for the fiscal year 1976:

Conference Report (H. Rept. No. 94–198)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the concurrent resolution (H. Con. Res. 218) setting forth, on an aggregate basis only, the congressional budget for the United States Government for the fiscal year 1976, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That the Congress hereby determines, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on July 1, 1975—

(1) the appropriate level of total new outlays is $367,000,000,000;

(2) the appropriate level of total new budget authority is $395,800,000,000;

(3) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $68,820,000,000;

(4) the recommended level of Federal revenues is $298,180,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $3,400,000,000; and

(5) the appropriate level of the public debt is $617,600,000,000, and the amount by which the temporary statutory limit on such debt should accordingly be increased is $86,600,000,000.

And the Senate agree to the same.

Brock Adams,
Jim Waight,
Thomas L. Ashley,
Robert N. Giaimo,
Neal Smith,
James G. O'Hara,
Sam Gibbons,
Parren J. Mitchell,
Butler Derrick,
Managers on the Part of the House.
Edmund S. Muskie,
Warren Magnuson,
Frank Moss,
W. F. Mondale,
Ernest F. Hollings,
Alan Cranston,
Henry Bellmon,
Robert Dole,
J. Glenn Beall, Jr.,
Pete V. Domenici,
Managers on the Part of the Senate.

Joint Explanatory Statement of the Committee of Conference

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the concurrent resolution (H. Con. Res. 218) setting forth, on an aggregate basis only, the congressional budget for the United States Government for the fiscal year 1976, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

OUTLAYS

The House resolution provided for total outlays in the amount of $368.213 billion. The Senate amendment provided for outlays in the amount of $365 billion. The conference report provides for total outlays in the amount of $367 billion.

BUDGET AUTHORITY

The House resolution provided for total new budget authority in the amount of $395.938 billion. The Senate amendment provided for new budget authority in the amount of $368.6 billion. The conference report provides for total new budget authority in the amount of $395.8 billion.

DEFICIT

The House resolution provided for a budget deficit in the amount of $70,032 billion. The Senate amendment provided for a deficit in the amount of $67.2 billion. The conference report provides for a budget deficit in the amount of $68.82 billion.

REVENUES

The House resolution provided for Federal revenues in the amount of $298.181 billion; and, to achieve that level, it provided that revenues should be decreased by $4.4 billion. The Senate amendment provided for Federal revenues in the amount of $297.8 billion. The conference report provides for Federal revenues in the amount of $298.180 billion; and, to achieve that level, provides that revenues should be decreased by $3.4 billion.

The conference substitute (1) accepts the House assumption that major provisions of the Tax Reduction Act scheduled to expire December 31, 1975, will be extended by the Congress, lowering revenues by $4.4 billion;

(2) accepts the House position with respect to raising additional revenues through enactment of tax reform legislation, but reduces from $3 billion to $1 billion the amount to be realized in Fiscal Year 1976; and (3) assumes that, as a result of recent tax collection experience, an additional $2 billion in revenues will be received during Fiscal Year 1976.

PUBLIC DEBT

The House resolution provided for a public debt level of $619.9 billion; and to achieve that level, provided that the temporary statutory limit on the public debt should be increased by $88.9 billion. The Senate amendment provided for a public debt level of $617.6 billion. The conference report provides for a public debt level of $617.6 billion; and that, to achieve that level, the temporary statutory limit on the public debt should be increased by $66.6 billion.

FUNCTIONAL CATEGORIES

The aggregate budget figures in the report represent the best judgment of the managers as to the appropriate levels of spending and income for fiscal 1976. That judgment could change if economic conditions change significantly between May and September, when the Senate and House Budget Committees will submit a Second Concurrent Resolution to set aggregate ceilings for fiscal 1976.

The functional category figures in this report are intended to serve as guidelines for the Congress, to explain the steps by which the conference reached the aggregate totals, and to provide a benchmark for the Second Concurrent Resolution. The estimates of the managers for budget authority and outlays in each functional category are as follows:

National defense (050)

The House Resolution assumes budget authority of $100.5 billion and outlays of $90.2 billion.

The Senate amendment assumes budget authority of $101.0 billion and outlays of $91.2 billion.

The Conference substitute assumes $100.7 billion in budget authority and $90.7 billion in outlays. This is an increase of $0.2 billion in budget authority and $0.5 billion in outlays above the House amounts and a decrease of $0.3 billion in budget authority and $0.5 billion in outlays below the Senate amounts. In arriving at these amounts, the managers considered and agreed to the following:

(a) If Congress should decide not to limit increases in defense salaries and retirement allowances, there are sufficient funds within this total to support that decision.

(b) All funds requested for military assistance to Southeast Asia were deleted from fiscal 1976 estimates, including the outlay effect of the 1975 supplemental request.

(c) The balance of the reduction are the result of revised inflation estimates, reductions in program growth, and financial adjustments.

International affairs (150)

The House Resolution assumes budget authority of $4.7 billion and outlays of $5.0 billion.

The Senate Resolution assumes budget authority of $6.0 billion and outlays of $4.9 billion.

The Conference substitute assumes $4.9 billion in budget authority and $4.9 billion in outlays.

The conference substitute allows $0.2 billion in budget authority for the Special Financing Facility and assumes that the estimate for foreign economic assistance will be reduced by $0.9 billion in budget authority and $0.4 billion in outlays below the budget as submitted.

The managers agreed to the House level for foreign economic assistance, assuming major reductions in Indochina Postwar Reconstruction. The managers also agreed that token budget authority should be provided for the Special Financing Facility to indicate the Congress anticipate a legislative proposal for this purpose.

General science, space and technology (250)

The House Resolution assumes budget authority of $4.708 billion and outlays of $4.599 billion.

The Senate amendment assumes budget authority of $4.7 billion and outlays of $4.6 billion.

The House and Senate estimates were substantially the same. The managers agreed to the Senate's figures.

Natural resources, environment and energy (300)

The House Resolution assumes budget authority of $14.1 billion and outlays of $11.5 billion.

The Senate amendment assumes budget authority of $13.4 billion and outlays of $11.7 billion.

The Conference agreed to budget authority of $13.8 billion, and outlays of $11.6 billion.

Agriculture (350)

The House Resolution assumes budget authority of $4.3 billion and outlays of $1.8 billion.

The Senate amendment assumes budget authority of $4.3 billion and outlays of $2.0 billion.

The Conference agreed to the House estimates. By this action the Conference does not either include or exclude outlays for the farm bill recently vetoed, because the conferees assume that outlays in fiscal 1976 will be minimal if that bill or a similar bill becomes law.

Commerce and transportation (400)

The House resolution assumes budget authority of $11.0 billion and outlays of $18.5 billion.

The Senate amendment assumes budget authority of $9.5 billion and outlays of $16.6 billion.

The conference substitute assumes $11.3 billion in budget authority and $17.5 billion in outlays. The estimates include a total of $0.8 billion in outlays for small business, postal service and rail rehabilitation projects now being considered by the House-Senate conference on the Emergency Empolyment Appropriations Act of 1975. The estimates also contain $3.3 billion in budget authority to continue advance highway apportionments and $6.3 billion in highway outlays. Outlays of $0.4 billion are provided for housing legislation expected to pass in fiscal 1975. Funding for other rail improvement projects recommended by the Senate is included, with $600 million in budget authority and outlays. Other items include additions to the Administration's budget of $0.2 billion in budget authority and outlays for the Washington Metro; $0.2 billion in budget authority and outlays for Postal Service subsidies; and $0.3 billion in budget authority and $0.2 billion in outlays for additional small business loans.

Community and regional development (450)

The House resolution assumes budget authority of $10.8 billion and outlays of $9.0 billion.

The Senate amendment assumes budget authority of $6.0 billion and outlays of $6.6 billion.

The conference substitute assumes $11.0 billion in budget authority and $8.65 billion in outlays.

The House resolution assumes $5.0 billion in budget authority and $2.5 billion in outlays for accelerated public works programs. The Senate amendment did not include this assumption. Since the accelerated public works program is intended to provide economic stimulus, the Conference agreed to retain the House budget authority estimate and an outlay estimate of approximately $2.1 billion to be available either for an accelerated public works program or some other appropriate stimulative program that Congress may decide to enact, such as emregncy financial assistance to state and local governments.

Education, manpower and social services (500)

The House resolution assumes budget authority of $19.0 billion and outlays of $20.4 billion.

The Senate amendment assumes budget authority of $20.7 billion and outlays of $19.4 billion.

The conferees agree to budget authority of $19.0 billion and outlays of $19.85 billion in this function. These figures assumes that all programs in this function can be funded at least at their fiscal year 1975 funding level, the regular on-going programs be increased, and that the number of public service employment jobs also be increased. The conferees reached their decision with regard to public service employment in this function, which involves a reduction in the House estimate, in view of the job-creating effect of the $0.6 billion assumed in function 400 for rail assistance.

Health (550)

The House resolution assumes budget authority of $33.1 billion and outlays of $30.7 billion.

The Senate amendment assumes budget authority of $32.6 billion and outlays of $31.0 billion.

The Conferees agreed to the House figures.

Income security (600)

The House resolution assumes budget authority of $141.3 billion and outlays of $124.9 billion.

The Senate amendment assumes budget authority of $138.5 billion and outlays of $126.1 billion.

The conferees agreed to budget authority of $140.9 billion and outlays of $125.3 billion in this function.

This total includes $0.8 billion for the extension of emergency benefits for insured unemployed for an additional 13 weeks. It also assumes savings in fiscal year 1976 through legislative and administrative improvements in programs such as food stamps, aid to families with dependent children, and social security.

The managers intend that there be no cap on benefit increases as proposed in the President's budget. The managers intend that the resolution provide sufficient funds to extend both emergency benefits for the insured unemployed and also special unemployment assistance for the uninsured unemployed.

Veterans benefits and services (700)

The House Resolution assumes budget authority of $18.0 billion and outlays of $17.5 billion.

The Senate amendment assumes budget authority of $17.6 billion and outlays of $16.9 billion.

The Conference agreed to the House assumptions of $18.0 billion in budget authority and $17.5 billion in outlays for this function. The managers on the part of the Senate agreed to these figures because of the probability that Congress will reject Administration proposals to reduce the eligibility period for veterans' readjustment benefits and to require reimbursement from private health insurers for VA health care. The Senate amendment did not assume increases in budget authority and outlays for either. The House assumed $0.7 billion in budget authority and outlays for these probable expenditures to which the conferees agreed.

Law enforcement and justice (750)

The House resolution assumes budget authority of $3.291 billion and outlays of $3.363 billion.

The Senate amendment assumes budget authority of $3.3 billion and outlays of $3.4 billion.

The Conference agreed to the House figures, rounded to the nearest tenth of a billion dollars.

General government (800)

The House resolution assumes budget authority of $3.3 billion and outlays of $3.35 billion.

The Senate amendment assumes budget authority of $3.3 billion and outlays of $3.2 billion.

The conference committee agreed to $3.3 billion in budget authority, the same as the House and Senate estimates, but to $3.3 billion in outlays, $50 million below the House assumption and $100 million above the Senate assumption.

Revenue sharing and general purpose fiscal assistance (850)

The House resolution assumes budget authority of $7.305 billion and outlays of $7.249 billion.

The Senate amendment assumes budget authority of $7.3 billion and outlays of $7.2 billion.

Essentially, the assumptions of both houses were the same for this function, but the conference committee agreed to round out the House estimate to the nearest tenth of a billion dollars.

Interest (900)

The House resolution assumes budget authority of $35.0 billion and outlays of $35.0 billion.

The Senate amendment assume budget authority of $35.3 billion and outlays of $35.3 billion.

The Conference substitute provide $35.0 billion in budget authority and outlays, the same as the House estimate and $0.3 billion lower than the Senate estimate. If interest payments are lower due to changes in the economy, the conferees agreed up to $100 million in outlays could be made available for education, manpower and social services, and for community and regional development, to be divided equally between the two functions.

Allowances

The House resolution assumes budget authority of $1.7 billion and outlays of $1.5 billion.

The Senate amendment assumes budget authority of $1.2 billion and outlays of $1.1 billion.

The Conference agreed to $1.4 billion in budget authority and $1.2 billion in outlays.

The conferees assume that the levels agreed upon are sufficient to cover civilian agency pay raises under existing law and outlays that may be required for humanitarian assistance for Indochina refugees, as well as other contingencies.

Undistributed offsetting receipts (950)

The House resolution assumes budget authority of −$16.193 billion and outlays of −$16.193 billion.

The Senate amendment assumes $16.2 billion in each case.

The conference substitute accepts the Senate estimate.

Both the House resolution and the Senate amendment assumed $4.0 billion in receipts from leases of mineral rights on the Outer Continental Shelf, rather than $8.0 billion estimated by the Administration.

BUDGET AUTHORITY AND OUTLAYS: FISCAL YEAR 1976

[In billions of dollars]

Function	Budget authority			Outlays		
	Senate	House	Conference	Senate	House	Conference
050—National defense	101.0	100.5	100.7	91.2	90.2	90.7
150—International affairs	6.0	4.7	4.9	4.9	5.0	4.9
250—General science, space, and technology	4.7	4.7	4.7	4.6	4.6	4.6
300—Natural resources, environment, and energy	13.4	14.1	13.8	11.7	11.5	11.6
350—Agriculture	4.3	4.3	4.3	2.0	1.8	1.8
400—Commerce and transportation	9.5	11.0	11.3	16.6	18.5	17.5
450—Community and regional development	6.0	10.8	11.0	6.6	9.0	8.65
500—Education, manpower and social services	20.7	19.0	19.0	19.4	20.4	19.85
550—Health	32.6	33.1	33.1	31.0	30.7	30.7
600—Income security	138.5	141.3	140.9	126.1	124.9	125.3
700—Veterans benefits and services	17.6	18.0	18.0	16.9	17.5	17.5
750—Law enforcement and justice	3.3	3.3	3.3	3.4	3.4	3.4
800—General government	3.3	3.3	3.3	3.2	3.4	3.3
850—Revenue sharing and general purpose fiscal assistance	7.3	7.3	7.3	7.2	7.2	7.2
900—Interest	35.3	35.0	35.0	35.3	35.0	35.2
Allowances	13.	1.7	1.4	1.1	1.5	1.2
950—Undistributed offsetting receipts	−16.2	−16.2	−16.2	−16.2	−16.2	−16.0
Total	388.6	395.9	395.8	365.0	368.2	367.0

Note: Details may not add to totals due to rounding.

BROCK ADAMS,
JIM WRIGHT,
THOMAS L. ASHLEY,
ROBERT N. GIAIMO,
NEAL SMITH,
JAMES G. O'HARA,
SAM GIBBONS,
PARREN J. MITCHELL,
BUTLER DERRICK,
Managers on the Part of the House.
EDMUND S. MUSKIE,
WARREN MAGNUSON,
FRANK MOSS,
W. F. MONDALE,
ERNEST F. HOLLINGS,
ALAN CRANSTON,
HENRY BELLMON,
ROBERT DOLE,
J. GLENN BEALL, Jr.,
PETE V. DOMENICI,
Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. BEDELL (at the request of Mr. O'NEILL), for Thursday, May 8, and today, on account of death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MYERS of Pennsylvania) to revise and extend their remarks and include extraneous material:)

Mr. DERWINSKI, for 5 minutes, today.

Mr. GUDE, for 10 minutes, today.

(The following Members (at the request of Mr. BRADEMAS) to revise and extend their remarks and include extraneous matter:)

Mr. NOWAK, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. METCALFE, for 5 minutes, today.

Mr. DIGGS, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. MYERS of Pennsylvania) and to include extraneous matter:)

Mr. FREY.

Mr. MYERS of Pennsylvania.

(The following Members (at the request of Mr. BRADEMAS) and to include extraneous material:)

Mr. WON PAT.

Mrs. COLLINS of Illinois.

Mr. HELSTOSKI in two instances.

Mr. EDWARDS of California.

Mr. ULLMAN in 10 instances.

Mr. ROSENTHAL.

Mr. EVANS of Indiana in 10 instances.

Mr. GONZALEZ in three instances.

Mr. ANDERSON of California in three instances.

Mr. BRADEMAS in five instances.

Mr. EVINS of Tennessee.

Mr. RODINO.

SENATE BILLS AND JOINT RESOLUTIONS REFERRED

Bills and joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 240. An act to amend the act entitled, "An act granting a charter to the General Federation of Women's Clubs"; to the Committee on the Judiciary.

S.J. Res. 34. Joint resolution asking the President of the United States to declare the fourth Saturday of September 1975 as "National Hunting and Fishing Day"; to the Committee on Post Office and Civil Service.

S.J. Res. 44. Joint resolution authorizing the President to proclaim September 28, 1975, as "National Indian Day"; to the Committee on Post Office and Civil Service.

S.J. Res. 46. Joint resolution authorizing and requesting the President to issue a proclamation designating October 5–11, 1975, as "Newspaper Week" and also designating October 11, 1975, as "Newspaper Carrier Day"; to the Committee on Post Office and Civil Service.

S.J. Res. 79. Joint resolution to authorize "National Shut-In Day"; to the Committee on Post Office and Civil Service.

BILL PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did on May 8, 1975, present to the President, for his approval, a bill of the House of the following title:

H.R. 25. An act to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes.

ADJOURNMENT

Mr. BRADEMAS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 4 minutes p.m.), under its previous order, the House adjourned until Monday, May 12, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

982. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to permit the recall to active duty of Rear Adm. J. Edward Snyder, Jr., upon retirement in a command status as the Oceanographer of the Navy; to the Committee on Armed Services.

983. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken for the Air National Guard, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

984. A letter from the Assistant Secretary of Agriculture, transmitting the fourth annual report of the National Advisory Council on Child Nutrition, pursuant to 84 Stat. 213; to the Committee on Education and Labor.

985. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting notice of proposed funding criteria and reservation of funds for the Emergency School Aid Act, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

986. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting notice of proposed regulations governing insurance premiums charged under the guaranteed student loan program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

987. A letter from the Chairman, Pennsylvania Avenue Development Corporation, transmitting the annual report of the Corporation for calendar year 1974, pursuant to section 11 of Public Law 92–578, as amended; to the Committee on Interior and Insular Affairs.

988. A letter from the Administrator, Federal Energy Administration, transmitting a report on changes in aggregate market shares of nonbranded independent petroleum marketers for each month from January 1972, through December 1974, pursuant to section 4(c)(2)(A)(1) of the Emergency Petroleum

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Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

989. A letter from the Chairman, Federal Power Commission, transmitting a copy of the publication entitled "All Electric Homes in the United States, 1974"; to the Committee on Interstate and Foreign Commerce.

990. A letter from the Chairman of the Board, United States Railway Association, transmitting a supplementary report to the preliminary system plan of the Association on the Erie Lackawanna Railway, pursuant to section 207(b)(2) of the Regional Rail Reorganization Act of 1973, as amended (89 Stat. 7); to the Committee on Interstate and Foreign Commerce.

991. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, together with a list of the persons involved, pursuant to section 212(d)(6) of the act [8 U.S.C. 1182(d)(6)]; to the Committee on the Judiciary.

992. A letter from the Chairman, Federal Maritime Commission, transmitting a draft of proposed legislation to amend sections 5, 6, 7, and 8 of the Intercoastal Shipping Act, 1933, to make public the financial reports of common carriers by water in interstate commerce and for other purposes; to the Committee on Merchant Marine and Fisheries.

993. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to modernize and simplify customs procedures, and for other purposes; to the Committee on Ways and Means.

994. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting a draft of proposed legislation to amend the Atomic Energy Act of 1954, as amended, to provide for approval of sites for production and utilization facilities, and for other purposes; to the Joint Committee on Atomic Energy.

RECEIVED FROM THE COMPTROLLER GENERAL

995. A letter from the Comptroller General of the United States, transmitting a report on the need for the Defense Department to take specific action to increase the effectiveness of technical evaluations of contractors' noncompetitive price proposals; jointly to the Committees on Government Operations, and Armed Services.

996. A letter from the Comptroller General of the United States, transmitting a report on the need for the Environmental Protection Agency to establish and implement a value analysis program to reduce the costs of waste treatment plants funded under the Federal Water Pollution Control Act Amendments of 1972; jointly, to the Committees on Government Operations, and Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. EILBERG: Committee on the Judiciary. H.R. 6755. A bill to enable the United States to render assistance to, or in behalf of, certain migrants and refugees; with amendment (Rept. No. 94197). Referred to the Committee of the Whole House on the State of the Union.

[*Pursuant to the order of the House on May 8, 1975, the following conference report was filed on May 9, 1975*]

Mr. ADAMS: Committee of Conference. Conference report on House Concurrent Resolution 218 (Rept. No. 94–198). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California (for himself, Mr. GILMAN, Mr. OTTINGER, Mr. ROYBAL, Mrs. SPELLMAN, Mr. KREBS, Mr. SEIBERLING, Mr. FRENZEL, Mr. CORMAN, Mrs. MEYNER, and Mr. MATSUNAGA):

H.R. 6856. A bill to amend the Migration and Refugee Assistance Act of 1962 to provide for assistance to refugees from Southeast Asia; to the Committee on the Judiciary.

By Mr. BRODHEAD:

H.R. 6857. A bill to amend the Securities Exchange Act of 1934 to require notification by foreign investors of proposed acquisitions of equity securities of U.S. companies, to authorize the President to prohibit any such acquisition as appropriate for the national security, to further the foreign policy, or to protect the domestic economy of the United States, to require issuers of registered securities to maintain and file with the Securities and Exchange Commission a list of the names and nationalities of the beneficial owners of their equity securities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FUQUA:

H.R. 6858. A bill to amend title XX of the Social Security Act to make it clear that Federal payments may be made thereunder for the training of personnel who are preparing for employment with State or local social services agencies as well as for the training or retraining of individuals already employed by such agencies; to the Committee on Ways and Means.

By Mr. MYERS of Pennsylvania (for himself, Mr. SCHEUER, Mr. WON PAT, Mr. BEDELL, Mr. FISHER, Mr. FRENZEL, Mr. YOUNG of Florida, Mr. GIBBONS, Mr. REES, Mr. RICHMOND, Ms. SCHROEDER, and Mr. FRASER):

H.R. 6859. A bill to amend title 39, United States Code, to prohibit certain franked mailings by Members of the Congress and certain officers of the United States, other than mailings related to the closing of their official business, after such Members or officers have left office; to the Committee on Post Office and Civil Service.

By Mr. ULLMAN:

H.R. 6860. A bill to provide a comprehensive national energy conservation and conversion program; to the Committee on Ways and Means.

By Mr. RHODES (for himself, Mr. YOUNG of Florida, Mr. HALEY, Mr. JOHNSON of California, Mr. WINN, Mr. GRADISON, Mr. REGULA, Mr. HORTON, Mr. ROE, Mr. LONG of Maryland, Mr. DAVIS, Mr. EILBERG, Mr. OTTINGER, Mrs. HOLT, Mr. FORSYTHE, Mr. SIKES, Mr. WHITEHURST, Mr. HYDE, Mr. CONTE, Mr. PRICE, Mr. BEARD of Rhode Island, Mr. QUILLEN, Mr. BAFALIS, Mr. TREEN, and Mr. WAGGONNER):

H.J. Res. 450. Joint resolution to designate the week commencing with the third Monday in February of each year as National Patriotism Week; to the Committee on Post Office and Civil Service.

MEMORIALS

Under clause 4 of rule XXII,

131. The SPEAKER presented a memorial of the Legislature of the State of Tennessee, relative to redesignating November 11 as Veterans Day; to the Committee on Post Office and Civil Service.

PETITIONS, ETC.

Under clause 1 of rule XXII,

122. The SPEAKER presented a petition of Edward E. Kubista, Owatonna, Minn., relative to unclaimed Federal grants; to the Committee on Government Operations.

EXTENSIONS OF REMARKS

RESOLUTION URGING CONGRESS TO DESIGNATE THE HOUSATONIC RIVER STUDY

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, May 9, 1975

Mr. MOFFETT. Mr. Speaker, I recently introduced legislation that would add Connecticut's Housatonic River to the list of rivers to be studied for possible inclusion in the Wild and Scenic Rivers System. I am pleased to submit, a resolution passed by the New Milford Conservation Commission which urges the passage of this legislation for the protection of this threatened river:

RESOLUTION URGING CONGRESS TO DESIGNATE THE HOUSATONIC RIVER FOR STUDY

Resolved by this—

Whereas, the Housatonic River possesses unique scenic, ecological, scientific, historic, recreational, and ther values contributing to public enjoyment, inspiration, and scientific study; and

Whereas, it is in the best interest of the citizens of the United States for the United States to take action to conserve and preserve such values for present and future generations; and

Whereas, the Housatonic River is seriously threatened by pollution and uncontrolled development; and

Whereas, time is running out on many of our great natural resources, including the Housatonic River; and

Whereas, Congress has provided a means in the Wild and Scenic Rivers Act, P.L. 90–542 to preserve and protect the Housatonic River and its unique natural attributes.

Now, therefore, be it resolved that the Congress of the United States is urged to designate the Housatonic River between the Massachusetts-Connecticut boundary and the confluence of the Shepaug River for study for inclusion in the national system of "Wild and Scenic Rivers" by amending Section 5(a) of P.L. 90–542. We favor all steps necessary to assure the Housatonic River's preservation and protection henceforth.

ENERGY LEGISLATION

HON. AL ULLMAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Friday, May 9, 1975

Mr. ULLMAN. Mr. Speaker, as you know, we have been working long, hard days in the Ways and Means Committee to draft legislation which will properly and equitably address the extremely serious energy situation our Nation faces. Because of the great interest in this matter and the need for Members to examine in detail our proposals, I am including the text of the revised energy bill in the RECORD. The text follows:

H.R. 6860

A bill to provide a comprehensive national energy conservation and conversion program

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Energy Conservation and Conversion Act of 1975".

SEC. 2. TABLE OF CONTENTS.

Sec. 1. Short title.
Sec. 2. Table of contents.
Sec. 3. Amendment of 1954 Code.

TITLE I—IMPORT TREATMENT OF OIL

Sec. 101. Statement of purpose.

PART I—QUOTAS

Sec. 111. Imposition of quantitative restrictions.
Sec. 112. Establishment of import licensing system.

PART II—DUTIES

Sec. 121. Rates of duty on oil.

PART III—ADMINISTRATIVE AND MISCELLANEOUS PROVISIONS

Sec. 131. Import restrictions and rates of duty to be reflected in the Tariff Schedules of the United States.
Sec. 132. Annual reports.
Sec. 133. Definitions.

PART IV—OFFICE OF PETROLEUM IMPORT LICENSING AND PURCHASING

Sec. 141. Establishment of office.
Sec. 142. Functions of the Deputy Administrator.
Sec. 143. Conforming amendment.

PART V—AUTHORITY FOR FEDERAL PURCHASE AND SALE OF IMPORTS OF OIL

Sec. 151. Presidential determination of need for Federal purchase and sale of oil imports.
Sec. 152. Plan for system for the Federal purchase and sale of oil imports.
Sec. 153. Congressional action with respect to proposed plans.

TITLE II—GASOLINE CONSERVATION PROGRAM

PART I—ENERGY CONSERVATION TAXES

Sec. 211. Gasoline conservation tax.
Sec. 212. Special motor vehicles fuels conservation taxes.
Sec. 213. Floor stocks taxes; technical and conforming amendments.

PART II—CREDITS, ETC., RELATING TO ENERGY CONSERVATION TAXES

Sec. 221. Credit for personal use of gasoline.
Sec. 222. Credit for use of gasoline and special fuels in businesses or in work-related travel.
Sec. 223. Repayment of gasoline and special fuels conservation taxes in case of certain uses.

PART III—MISCELLANEOUS

Sec. 231. Technical amendments with respect to certain trust funds.

TITLE III—OTHER ENERGY CONSERVATION PROGRAMS

PART I—AUTOMOBILE FUEL EFFICIENCY TAX

Sec. 311. Automobile fuel efficiency tax.

PART II—INTERCITY BUSES, RADIAL TIRES, AND REFINED OIL

Sec. 321. Repeal of excise tax on buses used in intercity public transportation.
Sec. 322. Repeal of excise tax on radial tires.
Sec. 323. Rerefined lubricating oil.

PART III—TAX INCENTIVES FOR CERTAIN ENERGY-RELATED IMPROVEMENTS OF BUILDINGS

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TITLE V—ENCOURAGING BUSINESS CONVERSION FOR GREATER ENERGY SAVINGS

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Sec. 521. Amortization of qualified energy use property.
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PART III—TAX CREDIT CHANGES RELATING TO ENERGY CONSERVATION

Sec. 531. Changes in investment credit relating to insulation, solar energy, and air conditioning.
Sec. 532. Generating facilities powered by petroleum and petroleum products.
Sec. 533. Recycling tax credit.

SEC. 3. AMENDMENT OF 1954 CODE.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

TITLE I—IMPORT TREATMENT OF OIL

SEC. 101. STATEMENT OF PURPOSE.

The purpose of this title is—

(1) to reduce the dependence of the United States on foreign oil by imposing restrictions on imports of oil so as to reduce such imports as rapidly as practicable without contributing to serious economic dislocation,

(2) to decrease imports of oil so that not later than 1985 the amount of such imports should not exceed 25 percent of the amount of domestic oil consumption, and

(3) to place the United States, as soon as practicable, in a position to deal with any oil embargo by foreign nations through a combination of any strategic reserve for oil which may be provided by law, other available sources of oil, and economies in the domestic consumption of oil which may be effectuated.

The purpose of this title is to be certain that oil conservation which is obtained under this Act results in the reduction of oil imports and not in the reduction of domestic oil production.

PART I—QUOTAS

SEC. 111. IMPOSITION OF QUANTITATIVE RESTRICTIONS.

(a) QUANTITATIVE RESTRICTIONS.—Except as otherwise provided in this section, the maximum average daily quantity of petroleum and petroleum products which may be imported into the United States shall be determined in accordance with the following table:

Calendar year:	Maximum average daily number of barrels (in millions)
1975	6.0
1976	6.0
1977	6.5
1978	6.0
1979	5.5
1980 and thereafter	5.5

In the case of the calendar year 1975, this subsection shall apply only with respect to articles entered or withdrawn from warehouse for consumption on or after the first day on which the import licensing system established under section 112 takes effect.

(b) AUTHORITY TO VARY SCHEDULE.—

(1) IN GENERAL.—Whenever the President determines that, by reason of variations in domestic consumption caused by economic factors or the weather, by reason of delays in obtaining domestic production of oil or in achieving oil conservation goals, or by reason of other similar factors, it is in the national interest to vary the average daily quantity of oil which may be imported during any period, he shall appropriately modify the figure set forth in subsection (a) applicable to such period.

(2) LIMITATION.—Any modification under this subsection for any period may not change the maximum average daily number of barrels of petroleum and petroleum products which may be imported into the United States during any calendar year to a quantity which is above or below the figure for such calendar year set forth in subsection (a) by more than—

(A) in the case of 1975, 1976, or 1977, 1,000,000 barrels a day,

(B) in the case of 1978 or 1979, 1,500,000 barrels a day, or

(C) in the case of a calendar year after 1979, 2,000,000 barrels a day.

(c) SAVINGS IN DOMESTIC CONSUMPTION TO BE REFLECTED IN REDUCTIONS IN IMPORTS.—The President shall establish quantitative restrictions lower than the quantitative restrictions set forth in subsection (a) to the extent necessary to ensure that savings in United States consumption of oil will be fully reflected by at least equivalent reductions in the imports of oil.

(d) PETROCHEMICAL FEEDSTOCKS.—For purposes of the quantitative restrictions imposed pursuant to this section, petrochemical feedstocks shall not be counted against the maximum average daily number of barrels of petroleum and petroleum products which may be imported into the United States.

(e) NEEDS OF GEOGRAPHICAL AREAS AND INDUSTRIES FOR PARTICULAR PRODUCTS TO BE TAKEN INTO ACCOUNT.—The President shall divide any quantitative restrictions imposed pursuant to this section for any period among petroleum and petroleum products where such division is necessary to avoid substantial adverse impact on the various economic and health needs of geographical areas and industries within the United States.

(f) CERTAIN DISTILLATE AND RESIDUAL FUEL OILS IMPORTED FOR USE AS FUEL.—

(1) MINIMUM QUANTITIES IMPORTED BEFORE 1978.—Nothing in this section shall prevent the importation into the United States for

use as fuel (other than for the propulsion of motor vehicles) of distillate fuel oil and residual fuel oil (provided for in item 475.05 or 475.10 of the Tariff Schedules of the United States) in average daily quantities which are equal to 2,000,000 barrels per day in the years 1975, 1976, and 1977, of which not more than 400,000 barrels per day in any such year may be for such distillate fuel oil.

(2) Coordination with subsection (a).—Any quantities of distillate fuel oil and residual fuel oil referred to in paragraph (1) which are imported into the United States during any calendar year before 1978 and which are not greater than the applicable minimum quantities set forth in paragraph (1) shall be charged against the quantitative restrictions set forth in subsection (a) which apply for such year.

(g) Application of Quantitative Restrictions.—No quantitative restriction imposed pursuant to this section shall apply with respect to any quantity of oil which is imported into the United States during any period for storage in any strategic reserve for oil which may be provided by law.

(h) Quarterly Review of Quantitative Restrictions.—Not less frequently than once each calendar quarter, the President shall review the quantitative restrictions established by subsection (a) and any modifications made pursuant to subsections (b) and (c).

(i) Proclaiming of Quantitative Restrictions, Certifications.—

(1) Quarterly proclamation of quantitative restrictions.—Before the beginning of each calendar quarter, the President shall proclaim the aggregate quantities of petroleum and petroleum products which under subsection (a) may be imported into the United States during such calendar quarter (as modified pursuant to subsections (b) and (c)).

(2) Certification.—The President shall certify any modification made under subsection (b) or (c) to the Secretary of the Treasury and to the Deputy Administrator for Petroleum Import Licensing and Purchasing.

(j) Administration.—The Secretary of the Treasury shall take such actions under the customs laws of the United States as may be necessary and appropriate to ensure that the aggregate quantities of oil imported into the United States during any period do not exceed the quantities established by subsection (a) as modified pursuant to subsections (b) and (c).

Sec. 112. Establishment of Import Licensing System

(a) In General.—Before December 31, 1975, the President shall establish an import licensing system for petroleum and petroleum products which are imported into the United States. Import licenses issued under this subsection shall be distributed on the basis of public auctions in which bidding is by sealed bids, and such licenses shall be fully marketable.

(b) Separate Licenses for Small Refiners and Independent Marketers.—

Sec. 112. Establishment of Import Licensing System

(A) The President shall establish a separate import licensing system for small refiners and independent marketers of petroleum or petroleum products. Except as provided in subparagraph (B), import licenses issued under this subsection shall be distributed on the basis of public auctions in which bidding is by sealed bids. Import licenses issued under this subsection shall not be marketable; except that, under the circumstances and to the extent provided by regulations, they may be resold to the Deputy Administrator for Petroleum Import Licensing and Purchasing.

(B) In any case in which any small refiner or independent marketer establishes to the satisfaction of the Deputy Administrator for Petroleum Import Licensing and Purchasing—

(i) that he has made reasonable efforts to secure the import licenses necessary to carry out his business at its regular level of operation but has not been able to secure such licenses, or

(ii) that the destruction of, or damage to, any of his business facilities or any other emergency situation requires that he be issued import licenses in order to continue his business operation,

the Deputy Administrator may issue one or more import licenses to such refiner or marketer. The price for import licenses issued under this subparagraph shall be the average price for import licenses established at public auctions conducted pursuant to subsection (a).

(2) Small refiner and independent marketer defined.—For purposes of this section—

(A) Small refiner.—The term "small refiner" means a refiner whose total refinery capacity (including the refinery capacity of any person who controls, is controlled by, or is under common control with such refiner) does not exceed 50,000 barrels per day.

(B) The term "independent marketer" means a person who is engaged in the marketing or distributing of refined petroleum products, but who (i) is not a refiner, and (ii) is not a person who controls, is controlled by, is under common control with, or is affiliated with a refiner (other than by means of a supply contract).

(c) Procedures for Licensing System.—

(1) In general.—The Administrator of the Federal Energy Administration shall establish procedures for the administration of this section through the promulgation of regulations.

(2) Regulations for subsections (a) and (b).—The regulations promulgated under this section with respect to subsections (a) and (b) shall include provisions authorizing the Deputy Administrator for Petroleum Import Licensing and Purchasing—

(A) to schedule frequent auctions during each calendar quarter;

(B) to require that the bidding be for small units, but to permit persons to bid for a number of units;

(C) to establish a maximum limit on the number of units which may be acquired by related persons during any period;

(D) to establish a time limit on the period during which the rights under any import license may be exercised;

(E) to reject bids—

(i) where there is evidence of collusion as to the bidding or as to failure to bid, or

(ii) where such bids are substantially below the market price which exists for the resale of import license;

(F) to deal with identical high bids for any unit by rejecting all bids, by awarding the unit to the high bidder who has acquired fewer units during a specified period than any other high bidder, or otherwise; and

(G) to bar from acquiring or using import license issued pursuant to subsection (a) or (b) persons convicted of committting any felony or misdemeanor under the laws of the United States governing oil imports, oil allocations, or price controls on oil, and to provide procedures for removing such bar in appropriate cases.

(3) Additional regulations for subsection (b).—In addition to the regulations referred to in paragraph (2), the regulation promulgated under this section shall include provisions—

(A) to ensure that small refiners and independent marketers applying for import licenses under subsection (b) are bona fide refiners or bona fide marketers who have established distribution channels, and

(B) to limit import licenses under subsection (b) to such additional amounts of petroleum or any petroleum product as may be necessary to ensure that—

(i) any small refiner can operate his refineries at capacity; and

(ii) any independent marketer can adequately supply his regular distribution channels.

(d) President May Require User of Import Licenses To Report Country of Origin.—If the President finds such action to be necessary or appropriate to the national interest, the President may require each person importing petroleum or a petroleum product into the United States under an import license issued pursuant to this section to report to the Deputy Administrator for Petroleum Import Licensing and Purchasing the foreign country of which such petroleum or petroleum product is a product.

(e) Refineries Located in the Possessions, Etc.—The President shall take such steps as may be necessary to ensure that refineries located in the territories and possessions of the United States and foreign trade zones of the United States will participate in all appropriate aspects of the provisions of this title upon terms not less favorable than those accorded to refineries and importers of petroleum products located in the customs territory of the United States. Nothing in this subsection shall be treated as removing any quantitative restriction of duty imposed by or pursuant to this title.

Part II—Duties

Sec. 121. Rates of Duty on Oil.

(a) Statutory Rates of Duty.—Effective with respect to articles entered or withdrawn from warehouse for consumption on or after the 60th day after the date of the enactment of this Act—

(1) the rate of duty with respect to petroleum shall be 2 percent ad valorem; and

(2) the rate of duty with respect to any petroleum product described in section 133 (a)(3) shall be 5 percent ad valorem.

Such rates of duty shall replace the rates of duty heretofore provided by, or pursuant to, law.

(b) Authority To Adjust Rates of Duty.—Subject to limitations set forth in subsections (c) and (d), the President may make, from time to time, such adjustments in the rates of duty established by subsection (a), and in the rates of duty resulting from adjustment under this subsection, as he finds are necessary to carry out the purposes of this Act in the light of overall considerations of the national interest; except that the President may not make any adjustment under this subsection before the close of the 2-year period beginning on the date of the enactment of ths Act which results in a rate of duty of more than 5 percent ad valorem on any distillate fuel oil or residual fuel oil (provided for in item 475.05 or 475.10 of the Tariff Schedules of the United States) imported for use as fuel (other than for the propulsion of motor vehicles).

(c) Limitations on Adjustments.—No adjustment made under subsection (b) to any rate of duty may result in a rate of duty which—

(1) is more than the higher of 10 percent ad valorem or $1 a barrel, or

(2) is less than 2 percent ad valorem.

(d) Adjustments Increasing Rates of Duty.—

(1) Submission of any proposed increase in duty to the congress.—The President shall transmit to the House of Representatives and to the Senate on the same day, and to each House while it is in session, a document setting forth any adjustment which he proposes to make under subsection (b) which increases any rate of duty.

(2) Taking effect of any such increase.—No adjustment proposed to be made under subsection (b) which increases any rate of duty may take effect sooner than the close of the 60th day after the day on which the document relating to such adjustment is delivered to Congress under paragraph (1).

(e) Proclaiming of Adjustments to Rates of Duty.—Subject to the provisions of section (d), the President shall proclaim any adjustment to any rate of duty made by him under subsection (b).

(f) Coordination With Other Laws.—

(1)(A) Section 232(b) of the Trade Expansion Act of 1962 (relating to national security) is amended by adding at the end thereof the following new sentence: "Nothing in this subsection shall be deemed to authorize the Presidnt, after the date of the enactment of this sentence, to adjust imports of petroleum and petroleum products; except that the President may adjust imports of petroleum and petroleum products during any period in which—

"(1) the Congress declares war,

"(2) United States Armed Forces are introduced into hostilities pursuant to specific statutory authorization,

"(3) a national emergency is created by attack upon the United States, its territories or possessions, or its Armed Forces, or

"(4) United States Armed Forces are introduced into such hostilities, situations, or places, or are enlarged in any foreign nation, under circumstances which require a report by the President to the Congress pursuant to section 4(a) of the War Powers Resolution (50 U.S.C. 1453(a)),

but any adjustment made pursuant to this exception shall not apply with respect to articles entered or withdrawn from warehouse for consumption on or after the 60th day after the closing date of the hostilities concerned."

(B) Effective with respect to articles entered or withdrawn from warehouse for consumption on or after the 60th day after the date of the enactment of this Act, no adjustment action taken under section 232 (b) of the Trade Expansion Act of 1962 before such date of enactment shall have any force or effect with respect to petroleum or any petroleum product.

(2) Section 101 of the Trade Act of 1974 shall not apply to any rate of duty established by, or to any adjustment of any rate of duty made under, this section.

(3) Petroleum and petroleum products shall not be designated by the President as eligible articles for purposes of title V of the Trade Act of 1974.

Part III—Administrative and Miscellaneous Provisions

Sec. 131. Import Restrictions and Rates of Duty To Be Reflected in the Tariff Schedules of the United States.

The President shall by proclamation establish a new part 4 in the Appendix of the Tariff Schedules of the United States (19 U.S.C. 1202) and shall reflect therein any quantitative restriction established by part I and any rate of duty established by part II and any modification of any quantitative restriction and adjustment to any rate of duty made by him under part I or II.

Sec. 132. Annual Reports.

On or before March 15, 1976, and on or before March 15 of each year thereafter, the President shall make a full and complete report to the Congress on the operation of this Act. Each such report shall include full and complete information with respect to the economies in the domestic consumption of oil which have been effectuated, the increases in domestic production of oil which have taken place, the factors taken into account in making any modification under subsection (b) or (c) of section 111, and any other information which may be appropriate in assessing the way in which the provisions of this Act are being administered.

Sec. 133. Definitions.

(a) In General.—For purposes of this title—

(1) The term "oil" means petroleum and petroleum products.

(2) The term "petroleum" means crude petroleum provided for in item 475.05 or 475.10 of the Tariff Schedules of the United States.

(3) The term "petroleum product" means any article provided for in part 10 of schedule 4 of the Tariff Schedules of the United States, other than petroleum, natural gas provided for under item 475.15, greases provided for under item 475.55 or 475.60, and mixtures of hydrocarbons in other than liquid form provided for under item 475.70.

(b) Additional Articles May Be Treated as Petroleum Products for Purposes of Quantitative Restrictions.—For purposes of this title (other than section 121), the term "petroleum products" may include, but only if the President proclaims such inclusion to be necessary to carry out the purposes of this Act, one or more of the following articles:

(1) Coal tar articles (benzene, cumene, toluene, and xylene) provided for under item 401.10, 401.26, 401.72, or 401. 74 of such Schedules.

(2) Mixtures, consisting wholly of two or more of the coal tar articles referred to in paragraph (1), provided for under item 401.80.

(3) Hydrocarbons provided for under item 429.50 or 429.52.

PART IV—OFFICE OF PETROLEUM IMPORT LICENSING AND PURCHASING

Sec. 141. Establishment of Office.

(a) In General.—There is hereby established within the Federal Energy Administration the Office of Petroleum Import Licensing and Purchasing (hereinafter in this title referred to as the "Office").

(b) Administration.—The Office shall be headed by a Deputy Administrator for Petroleum Import Licensing and Purchasing (hereinafter in this title referred to as the "Deputy Administrator") who, in the performance of his duties under this title, shall be under the supervision of the Administrator of the General Energy Administration.

Sec. 142. Functions of the Deputy Adminministrator.

The Deputy Administrator shall—

(1) administer the import licensing system established under section 112; and

(2) administer the provisions of part V (relating to the Federal purchase and sale of imports of petroleum and petroleum products).

Sec. 143. Conforming Amendment.

Section 4(c) of the Federal Energy Administration Act of 1974 is amended to read as follows:

"(c) There shall be in the Administration three Deputy Administrators (one of whom shall be the Deputy Administrator for Petroleum Import Licensing and Purchasing), who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive compensation at the rate prescribed for offices and positions at level III of the Executive Schedule (5 U.S.C. 5314)."

Part V—Authority for Federal Purchase and Sale of Imports of Oil

Sec. 151. Presidential Determination of Need for Federal Purchase and Sale of Oil Imports.

Whenever the President determines that the goals of reducing United States dependency on imports of petroleum and petroleum products and the securing of adequate supplies of such imports at reasonable and stable prices will be promoted through the implementation of a system under which all, or a portion, of such imports will be purchased or otherwise acquired, and sold, by the Office, he may, subject to the provisions of this part, implement such a system.

Sec. 152. Plan for System for the Federal Purchase and Sale of Oil Imports.

(a) In General.—If the President determines that the system referred to in section 151 should be implemented, he shall, acting through the Deputy Administrator, prepare and submit to the Congress a plan for the establishment and administration of such system, together with the text of any Executive order or regulation proposed to be issued to implement such plan.

(b) Plan Objectives.—The plan required to be prepared under subsection (a) shall include such provisions as are necessary and appropriate to achieve the following objectives:

(1) The Office, subject to such quantitative restrictions as may be imposed pursuant to section 111, shall purchase petroleum and petroleum products for importation into the United States at the lowest prices obtainable on the basis of competitive bidding; except that the President may direct, after taking into account the need for obtaining petroleum and petroleum products from secure foreign sources and such other factors as he deems appropriate to the national interest, that quantities of petroleum and petroleum products be purchased or otherwise acquired by the Office through other means, including—

(A) negotiated purchaser from any foreign country; and

(B) exchange of United States products for petroleum or petroleum products of any foreign country.

(2) The Office shall sell petroleum and petroleum products purchased or otherwise acquired by it to private and public persons and entities within the United States in such manner, and under such terms and conditions, as it deems necessary and appropriate.

(3) The plan shall be phased into full operation in such such stages, and over such period of time, as the President determines to be necessary to ensure that the Office will efficiently perform its functions under the plan with a minimum of disruption to existing market mechanisms.

(4) The plan may provide for the orderly phasing out of all or part of the import licensing system established under section 112.

Sec. 153. Congressional Action With Respect to Proposed Plans.

(a) Implementation of Plans Subject to Congressional Disapproval.—

(1) In general.—Any plan prepared by the President pursuant to section 152 shall take effect if (and only if)—

(A) the President transmits to the House of Representatives and to the Senate a copy of the plan (together with the text of any Executive order or regulation proposed to be issued to implement such plan); and

(B) before the close of the first period of 30 calendar days of continuous session of the Congress after the date on which the copy of the plan referred to in subparagraph (A) is delivered to the House of Representatives and to the Senate, neither the House of Representatives nor the Senate adopts by an affirmative vote of the majority of those present and voting in that House a resolution of disapproval.

(2) Computation of 30-day period.—For purposes of paragraph (1)(B) of this subsection—

(A) continuity of session is broken only by an adjournment of Congress sine die; and

(B) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the 30-day period.

(3) Resolution of disapproval.—For purposes of this section, the term "resolution of disapproval" means only a resolution of either House of Congress, the matter after the resolving clause of which is as follows: "That the ———— does not favor the taking effect of the proposed plan prepared pursuant to section 152 of the Energy Conservation and Conversion Act of 1975, transmitted to the Congress by the President on ————", the first blank space therein being filled with the name of the resolving House and the second blank space therein being filled with the day and year.

(b) Procedure in Each House—

(1) A resolution of disapproval in the House of Representatives shall be referred to the Committee on Ways and Means. A resolution of disapproval in the Senate shall be referred to the Committee on Finance.

(2)(A) If the committee to which a resolution of disapproval has been referred has not reported it at the end of 7 calendar days after its introduction, it is in order to move either to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of any other resolution of disapproval which has been referred to the committee.

(B) A motion to discharge may be made only by an individual favoring the resolution, is highly privileged (except that it may not be made after the committee has reported a resolution of disapproval), and debate thereon shall be limited to not more than 1 hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(C) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution of disapproval.

(3)(A) When the committee has reported, or has been discharged from further consideration of, a resolution of disapproval, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(B) Debate on the resolution of disapproval shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit, the resolution is not in order, and it is not in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

(4)(A) Motions to postpone, made with respect to the discharge from committee or the consideration of a resolution of disapproval, and motions to proceed to the consideration of other business, shall be decided without debate.

(B) Appeals from the decisions of the Chair relating to the application of the rules of the House of Representatives or the Senate, as the case may be, to the procedure relating to any resolution of disapproval shall be decided without debate.

(5) Whenever the President transmits copies of any proposed plan to the Congress, a copy of each plan shall be delivered to each House of Congress on the same day and shall be delivered to the Clerk of the House of Representatives if the House is not in session and to the Secretary of the Senate if the Senate is not in session.

(6) This subsection is enacted by the Congress—

(A) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions of disapproval described in subsection (a)(3); and they supersede other rules only to the extent that they are inconsistent therewith; and

(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedures of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

TITLE II—GASOLINE CONSERVATION PROGRAM

Part I—Energy Conservation Taxes

Sec. 211. Gasoline Conservation Tax.

(a) General Rule.—Part III of subchapter A of chapter 32 (relating to petroleum products) is amended by redesignating subparts B and C as subparts C and D, respectively, and by inserting after subpart A the following new subpart:

"Subpart B—Gasoline Conservation Tax

"Sec. 4086. Imposition of Tax.

"(a) General Rule.—

"(1) Imposition of 3 cents a gallon tax.—In addition to any tax imposed by section 4081, there is hereby imposed on gasoline sold by the producer or importer thereof, or by any producer of gasoline, a tax of 3 cents a gallon.

"(2) Tax to be deposited in trust fund.—For provisions for depositing amounts of the tax imposed by this section in the Energy Conservation and Conversion Trust Fund, see section 411(b) of the Energy Conservation and Conversion Act of 1975.

"(b) Increase in Rate if Conservation Goals Are Not Realized.—

"(1) Determination of domestic consumption.—Not later than January 31, of 1977, and of each year thereafter on January 1 of which the rate of tax imposed by this section is less than 23 cents a gallon, the Administrator of the Federal Energy Administration (hereinafter in this subsection referred to as the 'Administrator') shall make and publish in the Federal Register—

"(A) a determination of whether the domestic consumption of gasoline for the preceding calendar year exceeds the domestic consumption of gasoline for 1973, and

"(B) if it does, the percentage by which such consumption for the preceding calendar year exceeds such consumption for 1973.

"(2) Increase in rate.—If a determination under paragraph (1) yields a percentage which calls for a rate of tax under paragraph (3) which is greater than the rate of tax in effect on January 1 of the calendar year in which such determination is made, then, effective on April 15 of such year, the rate of the tax imposed by this section shall be increased to the rate of tax provided by paragraph (3).

"(3) Tax table.—

If the domestic consumption of gasoline for the calendar year preceding the year in which the determination is made exceeds the domestic consumption of gasoline for 1973 by a percentage which is—	The total tax imposed by this section shall be the following cents per gallon—
More than 0, but not more than 1	8
More than 1, but not more than 2	13
More than 2, but not more than 3	18
More than 3	23

"(4) Domestic consumption defined.—For purposes of this subsection, the term 'domestic consumption of gasoline' means the average daily usage of gasoline occurring within the United States."

(b) Effective Date.—The amendments made by subsection (a) shall take effect on January 1, 1976.

Sec. 212. Special Motor Vehicles Fuels Conservation Taxes.

(a) In General.—Chapter 31 (relating to retailers excise taxes) is amended by redesignating subchapter F as subchapter G and by inserting after subchapter E the following new subchapter:

"Subchapter F—Special Motor Fuels Conservation Taxes.

"Sec. 4051. Imposition of Taxes.

"(a) Special Motor Fuels.—In addition to any tax imposed by section 4041(b), there is hereby imposed a tax of 3 cents a gallon upon benzol, benzene, naphtha, liquefied petroleum gas, casing head and natural gasoline, or any other liquid (other than kerosene, gas oil, or fuel oil, or any product taxable under section 4041(a) or 4086)—

"(1) sold by any person to an owner, lessee, or other operator of a motor vehicle or motorboat for use as a fuel in such motor vehicle or motorboat; or

"(2) used by any person as a fuel in a motor vehicle or motorboat, unless there was a taxable sale of such liquid under this section.

"(b) Noncommercial Aviation.—In addition to any tax imposed by section 4041(c), there is hereby imposed a tax of 3 cents a gallon upon any liquid (other than any product taxable under section 4086)—

"(1) sold by any person to an owner, lessee, or other operator of an aircraft, for use as a fuel in such aircraft in noncommercial aviation (as defined in section 4041 (c)(4)); or

"(2) used by any person as a fuel in an aircraft in noncommercial aviation (as so defined), unless there was a taxable sale of such liquid under this section.

"(c) Increase in Rate.—If the rate of tax imposed by section 4086 is increased under subsection (b) of such section, then, effective on the date of such increase, the rate of the taxes imposed by subsections (a) and (b) of this section shall be the increased rate effective under section 4086(b).

"(d) Exemptions.—Under regulations prescribed by the Secretary or his delegate, no tax shall be imposed by this section on any liquid sold for use or used—

"(1) on a farm for farming purposes, as determined in accordance with paragraphs (1), (2), and (3) of section 6420(c), or

"(2) as supplies for vessels or aircraft (within the meaning of section 4221(d)(3)).

"(e) Registration.—If any liquid is sold by any person for use as a fuel in an aircraft, it shall be presumed, for purposes of subsection (b), that the tax imposed by such subsection applies to the sale of such liquid unless the purchaser is registered in such manner (and furnishes such information in respect of the use of the liquid) as the Secretary or his delegate shall by regulations prescribe."

(b) Effective Date.—The amendments made by subsection (a) shall take effect on January 1, 1976, except that no tax shall be imposed under section 4051 of the Internal Revenue Code of 1954 (as added by subsection (a)) with respect to the use by any person of any fuel sold to such person before January 1, 1976, if such sale would have been taxable under such section 4051 if it had occurred on January 1, 1976.

Sec. 213. Floor Stocks Taxes: Technical and Conforming Amendments.

(a) Floor Stocks Taxes.—

(1) In general.—Subsection (a) of section 4226 (relating to floor stocks taxes) is amended to read as follows:

"(a) Gasoline Conservation Tax.—

"(1) Imposition of tax.—On gasoline (as defined in section 4082(b)) which, on a gasoline tax increase date, is held by a dealer for sale, there is hereby imposed a floor stocks tax at a rate equal to the difference between (i) the tax (if any) imposed by section 4086 on the sale of such gasoline by the producer or importer, and (ii) the tax which would have been imposed by such section on such sale if that sale had occurred on such gasoline tax increase date. The tax imposed by this subparagraph shall not apply to gasoline in retail stocks held at the place where intended to be sold at retail, nor to gasoline held for sale by a producer or importer of gasoline.

"(2) Gasoline tax increase date defined.—For purposes of this section, the term 'gasoline tax increase date' means January 1, 1976, and any other day on which the rate of the tax imposed by section 4086 exceeds the rate of such tax in effect on the preceding day."

(2) Due date of taxes.—Subsection (d) of such section 4226 is amended to read as follows:

"(d) Due Date of Taxes.—Any tax imposed by subsection (a) shall be paid at such time, not less than 90 days after the gasoline tax increase date in respect of which such tax was imposed, as may be prescribed by the Secretary or his delegate."

(b) Denial of Certain Exemptions and Refunds.—

(1) Section 4056 is amended by striking out "under this chapter" and inserting in lieu thereof "under section 4041".

(2) Subsection (a) of section 4221 (relating to certain tax-free sales) is amended by adding at the end thereof the following new sentence: "Paragraph (2) shall not apply to the tax imposed by section 486."

(3) Section 4293 is amended by inserting after "chapters 31 and 32" the following: (other than section 4051 or 4086)".

(4) Paragraph (6)(C) of section 4221(d) (relating to use in further manufacture) and paragraph (3)(F) of section 6416(b) (relating to tax-paid articles used for further manufacture, etc.) are each amended by striking out "section 4081" and inserting in lieu thereof "section 4081 or 4086".

(c) Allowance of Refunds in Case of Certain Uses.—Paragraph (2) of section 6416(b) (relating to tax payments considered overpayments in case of specified uses and resales) is amended—

(1) by inserting after "section 4041 (a)(1) or (b)(1)" the following: "or section 4051", and

(2) by adding at the end thereof the following new sentence:

"Subparagraph (A) shall not apply to any tax paid under section 4086 or 4051."

(d) Technical and Conforming Amendments.—

(1) The table of subchapters for chapter 31 is amended by striking out the last item and inserting in lieu thereof:

"Subchapter F. Special motor fuels conservation taxes.

"Subchapter G. Special provisions applicable to retailers tax."

(2) The table of subparts for part III of subchapter A of chapter 32 is amended by striking out the last two items and inserting in lieu thereof the following:

"Subpart B. Gasoline conservation tax.

"Subpart C. Lubricating oil.

"Subpart D. Special provisions applicable to petroleum products."

(3) Subsections (a) and (b) of section 4082 are each amended by striking out "in this subpart" and inserting in lieu thereof "in this subpart and subpart B".

(4) Section 4083 is amended by striking out "section 4081" and inserting in lieu thereof "section 4081 or 4086".

(5) Section 4101 is amended by striking out "section 4081 or section 4091" and inserting in lieu thereof "section 4081, 4086, or 4091".

(6) Section 4226 is amended by striking out subsection (e).

(e) Effective Date.—The amendments made by this section shall take effect on January 1, 1976.

Part II—Credits, etc., Relating to Energy Conservation Taxes

Sec. 221. Credit for Personal Use of Gasoline.

(a) In General.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowable) is amended by inserting after section 44 the following new section:

"Sec. 44A. Personal Use of Gasoline.

"(a) General Rule.—In the case of a taxpayer who is a qualified individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of the allowances to which the individual is entitled for each month in such year. The allowance for any month in the taxable year shall be an amount equal to—

"(1) so much of the rate of tax in effect for such month under section 4086 (relating to gasoline conservation tax) as exceeds 3 cents a gallon, multiplied by

"(2) 40.

"(b) Qualified Individual Defined.—For purposes of this section, an individual is a qualified individual if, as of the close of the taxable year, such individual—

"(1) has attained the age of 16, and

"(2) resides in the United States.

"(c) Trusts and Estates.—A trust or estate shall not be entitled to the credit allowed under subsection (a).

"(d) Special Rule for Rate Changes in Middle of Month.—In the case of any month in which there is an increase in the rate of tax imposed by section 4086, the rate of such tax in effect for such month, for purposes of subsection (a), shall be deemed to be one-half of the sum of the rate of such tax in effect on the first day of such month plus the rate of such tax in effect on the last day of such month."

(b) Refund To Be Made Where Credit Exceeds Liability for Tax.—Section 6401(b) (relating to excessive credits) is amended—

(1) by inserting "44A (relating to personal use of gasoline)," before "and 667(b)"; and

(2) by striking out "and 43" and inserting in lieu thereof "43, and 44A".

(c) Withholding Tax.—Subsection (a) of section 3402 (relating to income tax collected at source) is amended to read as follows:

"(a) Requirement of Withholding.—Except as otherwise provided in this section, every employer making payment of wages shall deduct and withhold upon such wages a tax determined in accordance with tables prescribed by the Secretary or his delegate. The tables so prescribed shall be the same as the tables contained in this subsection as in effect on the day before the date of the enactment of the Energy Conservation and Conversion Act of 1975; except that, if there is any increase under section 4086(b) in the rate of the tax imposed by section 4086, the amounts set forth as amounts of income tax to be withheld shall reflect the credit allowable under section 44A by reason of such increase. Any tables prescribed by reason of an increase in the rate of tax under section 4086 shall only apply with respect to wages paid on and after the effective date of such increase. For purposes of applying such tables, the term 'the amount of wages' means the amount by which the wages exceed the number of withholding exemptions claimed, multiplied by the amount of one such exemption as shown in the table in subsection (b)(1)."

(d) Clerical Amendment.—The table of sections for such subpart A is amended by inserting after the item relating to section 44 the following:

"Sec. 44A. Personal use of gasoline."

(e) Effective Dates.—The amendments made by subsections (a), (b), and (d) shall apply to taxable years ending after December 31, 1976.

Sec. 222. Credit for Use of Gasoline and Special Fuels in Businesses or in Work-Related Travel.

(a) In General.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowable) is amended by inserting after section 44A the following new section:

"Sec. 44B. Use of Gasoline and Special Fuels in Business or in Work-Related Travel.

"(a) General Rule.—In the case of a taxpayer who is engaged in a trade or business or who has work-related travel, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

"(1) the trade or business allowances to which the taxpayer is entitled for such taxable year under subsection (b), plus

"(2) the work-related travel allowances to which the taxpayer is entitled for such taxable year under subsection (c).

"(b) Trade or Business Allowances.

"(1) In general.—For purposes of subsection (a), the taxpayer shall be entitled to a trade or business allowance for each month in the taxable year, and such allowance shall be equal to ½ of the sum of—

"(A) the product of—

"(i) the number of gallons of gasoline used during such month in a trade or business, multiplied by

"(ii) so much of the rate of tax in effect under section 4086 for the month in which such gasoline was purchased by the taxpayer as exceeds 3 cents per gallon; plus

"(B) so much of the tax imposed by section 4051 on the sale to such taxpayer of fuel used during such month in a trade or business as was imposed at a rate in excess of 3 cents a gallon.

"(2) Use for certain purposes.—Paragraph (1) shall not apply to any gasoline or other fuels used on a farm for farming purposes (within the meaning of section 6420 (c)), used as supplies for vessels or aircraft (within the meaning of section 4221(d)(3)) or used in a taxicab (as defined in section 6429(c)(2)(B)) while engaged in furnishing qualified taxicab services (as defined in section 6429(c)(2)(A)).

"(c) Work-Related Travel Allowances.—

"(1) In general.—For purposes of subsection (a), the taxpayer shall be entitled to a work-related travel allowance for each month of the taxable year, and such allowance shall be equal to ½ of the product of—

"(A) the number of gallons, in excess of 25, of gasoline or special fuels on which tax was imposed by section 4086 or 4051 which

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were purchased by the taxpayer and which were used by the taxpayer during such month in work-related travel, multiplied by

"(B) so much of the rate of tax in effect under sections 4086 and 4051 for such month as exceeds 3 cents per gallon.

"(2) Work-related travel.—For purposes of this subsection, the term 'work-related travel' means—

"(A) travel between the individual's principal residence and any post of duty in a qualified industry pursuant to employment in such qualified industry, and

"(B) travel to a new principal post of duty in a qualified industry if such new principal post of duty is at least 20 miles from the individual's former principal post of duty in a qualified industry.

"(3) Qualified industry.—For purposes of this subsection, the term 'qualified industry' means any industry which ordinarily provides individuals, employed in such industry, employment at a number of different posts of duty throughout the year.

"(d) Special Rule for Rate Change in Middle of Month.—In the case of any month in which there is an increase in the rate of the taxes imposed by sections 4086 and 4051, the rate of such taxes in effect for such month, for purposes of subsections (b) and (c), shall be deemed to be one-half of the sum of the rate of such taxes in effect on the first day of such month plus the rate of such taxes in effect on the last day of such month."

(b) Coordination With Trade or Business Deduction.—Section 162 (relating to trade or business expenses) is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

"(h) Coordination of Deduction With Certain Provisions Relating to Energy Conservation Taxes.—

"(1) Section 44B credit.—The amount which, but for this paragraph, would be allowable as a deduction under this section for amounts paid or incurred for gasoline or other fuels subject to tax under section 4086 or 4051 shall be reduced by the amount of any credit allowable under section 44B with respect to such gasoline or other fuels.

"(2) Repayment in case of use by taxicabs.—The amount which, but for this paragraph, would be allowable as a deduction under this section for amounts paid or incurred for gasoline or other fuels which are subject to tax under section 4086 or 4051 and which are used in any taxicab (as defined in section 6429(c)(2)(B)) while engaged in furnishing qualified taxicab services (as defined in section 6429(c)(2)(A)) shall be reduced by so much of the tax which was imposed by section 4086 or 4051 on such gasoline or other fuels as was imposed at a rate in excess of 3 cents a gallon."

(c) Refund To Be Made Where Credit Exceeds Liability for Tax.—Section 6401(b) (relating to excessive credits) is amended—

(1) by inserting "44B (relating to use of gasoline and special fuels in businesses or in work-related travel)," before "and 667(b)"; and

(2) by striking out "and 44A" and inserting in lieu thereof "44A, and 44B".

(d) Clerical Amendment.—The table of sections for such subpart A is amended by inserting after the item relating to section 44A the following:

"Sec. 44B. Use of gasoline and special fuels in business and/or in work-related travel."

(e) Effective Date.—The amendments made by this section shall apply to taxable years ending after December 31, 1976.

Sec. 223. Repayment of Gasoline and Special Fuels Conservation Taxes In Case of Certain Uses.

(a) General Rule.—Subchapter B of chapter 65 (relating to rules of special application for abatements, credits, and refunds) is amended by adding at the end thereof the following new section:

"Sec. 6429. Repayment of Gasoline and Special Fuels Conservation Taxes In Case of Certain Uses.

"(a) Use for Farming Purposes.—

"(1) In general.—Except as provided in subsection (g), if any gasoline on which tax was imposed by section 4066 or any other fuel on the sale of which a tax was imposed by section 4051 is used by any purchaser of such gasoline or fuel on a farm for farming purposes (within the meaning of section 6420(c)), the Secretary or his delegate shall pay (without interest) to such purchaser an amount equal to the sum of—

"(A) the product of—

"(i) the number of gallons of gasoline so used; multiplied by

"(ii) the rate of the tax imposed by section 4086 in effect for the month in which such gasoline was purchased; plus

"(B) the amount of the tax imposed by section 4051 on the sale to such purchaser of the other fuel so used.

"(2) Special rule.—If gasoline on which tax was imposed under section 4086, or any other fuel on the sale of which tax was imposed under section 4051, is used on a farm by any person other than the owner, tenant, or operator of such farm, such owner, tenant, or operator shall be treated as the user and purchaser of such gasoline or other fuel.

"(b) Local Transit Purposes.—

"(1) In General.—Except as provided in subsection (g), if any gasoline on which tax was imposed by section 4086 or any other fuel on the sale of which a tax was imposed by section 4051 is used by any purchaser of such gasoline or fuel during any calendar quarter in vehicles while engaged in furnishing scheduled common carrier public passenger land transportation service along regular routes, the Secretary or his delegate shall pay (without interest) to such purchaser an amount equal to ½ of the product of—

"(A) 3 cents multiplied by the number of gallons of gasoline and other fuel so used; multiplied by

"(B) the percentage which such purchaser's commuter fare revenue derived from such scheduled service during such calendar quarter was of his total passenger fare revenue derived from such scheduled service during such calendar quarter.

"(2) Limitation.—This subsection shall apply with respect to gasoline or fuel used by any purchaser during any calendar quarter only if at least 60 percent of the total passenger fare revenue derived during such calendar quarter by such purchaser from scheduled service described in paragraph (1) was attributable to commuter fare revenue derived during such quarter by such purchaser from such scheduled service.

"(3) Commuter fare revenue.—For purposes of this subsection, the term 'commuter fare revenue' has the meaning given to such term by section 6421(d)(2).

"(c) Use in Certain Taxicabs.—

"(1) In general.—Except as provided in subsection (g), if any gasoline on which tax was imposed by section 4086 or any fuel on the sale of which a tax was imposed by section 4051 is used by any purchaser of such gasoline or fuel in a taxicab while engaged in furnishing qualified taxicab services, the Secretary or his delegate shall pay (without interest) to such purchaser an amount equal to ¾ of the sum of—

"(A) the product of—

"(i) the number of gallons of gasoline so used, multiplied by

"(ii) so much of the rate of tax in effect under section 4086 for the month in which such gasoline was purchased by the user as exceeds 3 cents per gallon; plus

"(B) so much of the tax imposed by section 4051 on the sale to such taxpayer of the fuel (other than gasoline) referred to in paragraph (1) as was imposed at a rate in excess of 3 cents a gallon.

"(2) Definitions.—For purposes of this subsection—

"(A) Qualified taxicab services.—The term 'qualified taxicab services' means the furnishing of nonscheduled passenger land transportation for a fixed fare by a taxicab which is operated by a person who—

"(i) is licensed to engage in the trade or business of furnishing such transportation by a Federal, State, or local authority having jurisdiction over a substantial portion of such transportation furnished by such person; and

"(ii) is not prohibited under the laws, regulations, or procedures of such Federal, State, or local authority from furnishing (with the consent of the passengers) shared transportation.

"(B) Taxicab.—The term 'taxicab' means any land vehicle the passenger capacity of which is less than 10 adult passengers, including the driver.

"(3) Special rule.—The amount of any payment under this subsection to any person shall not be included in the gross income of such person.

"(d) Special Rules and Definition.—

"(1) Exempt sales.—No amount shall be payable under this section with respect to any gasoline or special fuel which the Secretary or his delegate determines was exempt from the tax imposed by section 4086 or 4051, as the case may be.

"(2) Gasoline.—The term 'gasoline' has the meaning given to such term by section 4082(b).

"(3) Special rule for rate change in middle of month.—In the case of any month in which there is an increase in the rate of tax imposed by section 4086, the rate of such tax in effect for such month, for purposes of subsections (a) and (c), shall be deemed to be one-half of the sum of the rate of such tax in effect on the first day of such month plus the rate of such tax in effect on the last day of such month."

"(e) Time for Filing Claims; Period Covered.—

"(1) General rule.—Except as provided by paragraph (2), not more than one claim may be filed under subsection (a), (b), or (c) by any person with respect to gasoline or any other fuel used during his taxable year. No claim shall be allowed under this section with respect to gasoline or any other fuel used by such person during any taxable year unless filed by such person not later than the time prescribed by law for filing a claim for credit or refund of overpayment of income tax for such taxable year. For purposes of this subsection, a person's taxable year shall be his taxable year for purposes of subtitle A.

(2) Exception.—If $1,000 or more is payable under this section to any person with respect to gasoline or any other fuel used during any of the first three quarters of any taxable year ending after the date on which an increase in the rate of tax under section 4086 first takes effect under subsection (b) of such section, a claim may be filed under this section by such person with respect to gasoline or any other fuel used during such quarter. No claim filed under this subparagraph shall be allowed unless filed on or before the last day of the first quarter following the quarter for which the claim is filed.

"(f) Applicable Laws.—

"(1) In general.—All provisions of law, including penalties, applicable in respect of the tax imposed by section 4051 or 4086 shall, insofar as applicable and not inconsistent with this section, apply in respect of the payments provided for in this section to the same extent as if such payments constituted refunds or overpayments of the tax so imposed.

"(2) Examinations of books and witnesses.—For the purpose of ascertaining the correctness of any claim made under this section, or the correctness of any payment made in respect of any such claim, the Secretary or his delegate shall have the authority granted by paragraphs (1), (2), and (3) of section 7602 (relating to examination of books and witnesses) as if the claimant were the person liable for tax.

"(g) Income Tax Credit in Lieu of Payment.—

"(1) Persons not subject to income tax.—Payment shall be made under this section only to—

"(A) the United States or an agency or instrumentality thereof, a State, a political subdivision of a State, or an agency or instrumentality of one or more States or political subdivisions, or

"(B) an organization exempt from tax under section 501(a) (other than an organization required to make a return of the tax imposed under subtitle A for its taxable year).

"(2) Allowance of credit against income tax.—For allowance of credit against the tax imposed by subtitle A for certain uses of gasoline and other fuels, see section 39.

"(h) Regulations.—The Secretary or his delegate may by regulations prescribe the conditions, not inconsistent with the provisions of this section, under which payments may be made under this section.

"(i) Cross References.—

"(1) For civil penalty for excessive claims under this section, see section 6675.

"(2) For fraud penalties, etc., see chapter 75 (section 7201 and following, relating to crimes, other offenses, and forfeitures)."

(b) Allowance of Credit for Certain Uses.—

(1) In general.—Subsection (a) of section 38 (relating to certain uses of gasoline, special fuels, and lubricating oil) is amended by striking out "and" at the end of paragraph (3), by striking out the period at the end of paragraph (4) and inserting in lieu thereof ", and", and by adding after paragraph (4) the following new paragraph:

"(5) under section 6429 with respect to gasoline and special fuels used during the taxable year (determined without regard to section 6429(g))."

(2) Technical amendment.—Subsection (c) of section 39 is amended by striking out "or 6427" and inserting in lieu thereof "6427, or 6429" and by striking out "or 6427(f)" and inserting in lieu thereof "6427(f), or 6429(g)".

(c) Technical and Conforming Amendments.—

(1) The table of sections for subchapter B of chapter 65 is amended by adding at the end thereof the following new item:

"Sec. 6429. Repayment of gasoline and special fuels conservation taxes in case of certain uses."

(2) Section 6206 is amended—

(A) by striking out "AND 6427" in the section heading and inserting in lieu thereof "6427, AND 6429";

(B) by striking out "or 6427" each place it appears and inserting in lieu thereof "6427, or 6429"; and

(C) by inserting after "under section 6427)" the following: ", or by section 4051 or 4086 (with respect to payments under section 6429)".

(3) Section 6675 is amended—

(A) by striking out "or" after "highway motor vehicle)," in subsection (a);

(B) by inserting after "fuels not used for taxable purposes)" in subsection (a) the following: ", or 6429 (relating to repayment of gasoline and special fuels conseravtion taxes in case of certain uses)"; and

(C) by striking out "or 6427" in subsection (b) and inserting in lieu thereof "6427, or 6429".

(4) Sections 7210, 7603, and 7604(b) are each amended by inserting "6429(f)(2)," after "6427(e)(2),".

(5) Section 7604(c)(2) is amended by inserting "6429(f)(2)," after "6427(e)(2),".

(6) Section 7605(a) is amended—

(A) by striking out "6427(e)(2)" the first place it appears and inserting in lieu thereof "6427(e)(2), 6429(f)(2)"; and

(B) by striking out "or 6427(e)(2)" and inserting in lieu thereof "6427(e)(2), or 6429(f)(2)".

(d) Effective Dates.—

(I) For subsections (a) and (c). The amendments made by subsections (a) and (c) shall take effect on January 1, 1976.

(2) For subsection (b).—The amendments made by subsection (b) shall apply to taxable years ending atfer January 1, 1976.

Part III—Miscellaneous

Sec. 231. Technical Amendments With Respect to Certain Trust Funds.

(a) Airport and Airway Trust Fund.—Paragraph (3) of section 208(f) of the Airport and Airway Revenue Act of 1970 (49 U.S.C. 1742) is amended by adding at the end thereof the following new sentence: "This paragraph shall not apply to amounts equivalent to the credits so allowed to the extent that the credits so allowed are estimated by the Secretary of the Treasury to be attributable to the tax imposed by section 4086 of such Code (relating to gasoline conservation tax) or section 4051 of such Code (relating to special fuels conservation tax.")

(b) Highway Trust Fund.—

(1) Paragraph (1) of section 209(a) of the Highway Revenue Act of 1956 is amended—

(A) by inserting "and" at the end of subparagraph (F).

(B) by striking out subparagraph (G).

(C) by redesignating subparagraph (H) as subparagraph (G), and

(D) by striking out "subparagraph (H)" in the last sentence and inserting in lieu thereof "subparagraph (G)".

(2) Paragraph (6) of section 209(f) of such Act is amended by adding at the end thereof the following new sentence: "This paragraph shall not apply to amounts equivalent to the credits so allowed to the extent that the credits so allowed are estimated by the Secretary of the Treasury to be attributable to the tax imposed by section 4086 of such Code (relating to gasoline conservation tax) or section 4051 of such Code (relating to special fuels conservation tax).

(c) Effective Date.—The amendments made by this section shall take effect on January 1, 1976.

TITLE III—OTHER ENERGY CONSERVATION PROGRAMS

Part I—Automobile Fuel Efficiency Tax

Sec. 311. Automobile Fuel Efficiency Tax

(a) General Rule.—Part I of subchapter A of chapter 32 (relating to motor vehicle excise taxes) is amended by adding at the end thereof the following new section:

"Sec. 4064. Automobile Fuel Efficiency Tax

"(a) Imposition of Tax.—If the fuel mileage rating of any manufacturer or importer for the model year 1978, 1979, or 1980 is below the fuel mileage standard for that model year provided by subection (b), a tax is hereby imposed on each automobile produced by such manufactuer (or imported by such importer) during such model year which has a fuel mileage rating below the fuel mileage standard provided by subsection (b) for that model year. The tax imposed by this section shall be paid by the manufacturer or the importer, as the case may be.

"(b) Fuel Mileage Standard.—For purposes of this section—

"For the model year—	"The fuel mileage standard (in miles per gallon) is—
1978	18
1979	19
1980	20

"(c) Amount of Tax.—

"(1) In general.—In the case of any automobile subject to tax under this section, the amount of such tax shall be the applicable percentage of the price for which such automobile (including parts and accessories, other than radial tires, sold on or in connection therewith or with the sale thereof) is sold by the manufacturer or importer.

"(2) Applicable percentage.—For purposes of this section, the applicable percentage shall be the percentage (for the model year in which the automobile is produced or imported, as the case may be) determined in accordance with the following table:

	The percentage is—		
	1978 model year	1979 model year	1980 model year
If the fuel mileage rating (in miles per gallon) is:			
20 or more	0	0	0
19 or more but less than 20	0	0	2
18 or more but less than 19	0	2	3
17 or more but less than 18	2	3	4
16 or more but less than 17	3	4	5
15 or more but less than 16	4	5	6
Less than 15	5	6	7

"(d) Recommendations for Model Years After 1980.—Before March 15, 1978, the Administrator of the Federal Energy Administration shall submit to the Congress a report as to whether the fuel mileage standard for 1980 is attainable by the automobile manufacturers subject to the tax, and recommendations—

"(1) as to whether the tax imposed by this section shall be continued beyond the model year 1980, and

"(2) if such tax is continued—

"(A) any modifications the Administrator believes should be made in such tax, and

"(B) what the fuel mileage standard should be for model years after 1980.

"(e) Determination of Automobile Fuel Mileage Rating.—

(1) Determination of rating.—

"(A) In general.—The fuel mileage rating of every automobile which may be subject to tax under this section shall be the fuel mileage rating, for the class of automobiles in which such automobile falls, determined by the Secretary or his delegate. The determination of such rating for any class of automobiles shall be based on a composite mileage resulting from the testing of such class of automobiles, conducted in accordance with procedures established under paragraph (4). Such determination shall be published in the Federal Register.

"(B) Review of determination.—Within 30 days after the fuel mileage rating of any class of automobiles has been published under subparagraph (A), the manufacturer or importer of such class of automobiles may file a petition in the United States Court of Appeals for the District of Columbia for judicial review of such determination. Upon the filing of such petition, the court shall have jurisdiction to review such determination in accordance with chapter 7 of title 5, United States Code, and to grant appropriate relief as provided in such chapter.

"(2) Interagency cooperation.—In order to avoid unnecessary expense and duplication, the Secretary or his delegate shall make such arrangements or agreements for cooperation or mutual assistance in the performance of his functions under this section and the functions of any department, agency, or establishment of the United States, as he may find practicable and consistent with law. The Secretary or his delegate may have access to and utilize, on a reimbursable or other basis, information, facilities, or services of any department, agency, or establishment of the United States; and each such department, agency, or establishment shall cooperate with the Secretary or his delegate and, to the extent permitted by law, provide such information, facilities, or services as he may request.

"(3) Fuel mileage rating.—The term 'fuel mileage rating' means, with respect to any class of automobiles, the number of miles which an automobile in such class can be expected to travel for each gallon of fuel which it consumes.

"(4) Procedure for determining fuel mileage ratings.—The Secretary or his delegate shall, by regulations, establish procedures for conducting tests to determine the fuel mileage ratings of automobiles which may be subject to tax under this section. Under such regulations the Secretary or his delegate shall establish separate classes of automobiles which may be based upon—

"(A) the manufacturer (or division of the manufacturer) of the automobiles;

"(B) the engine family of the automobiles (which takes into account the type of engine, fuel induction system, and emission control system);

"(C) the type of transmission of such automobiles;

"(D) whether or not the automobiles have air conditioners;

"(E) whether or not the automobiles are station wagons; and

"(F) the inertia weight of the automobiles.

For purposes of subparagraph (F), the inertia weight shall be taken into account in categories of 250-pound increments for automobiles which have inertia weights under 3,000 pounds, and in categories of 500-pound increments for automobiles which have inertia weights of 3,000 pounds or more.

"(f) Determination of Fuel Mileage Rating for Each Manufacturer or Importer.—

"(1) Manufacturer.—The fuel mileage rating of any manufacturer for any model year shall be based on all automobiles produced by such manufacturer in the United States or Canada during such model year.

"(2) Importer.—The fuel mileage rating of any importer for any model year shall be based on all new automobiles imported into the United States during such model year which were produced (outside the United States and Canada) by the manufacturer who produced the automobiles imported by such importer. If there is more than one such manufacturer, the importer shall have a separate fuel mileage rating with respect to the automobiles of each such manufacturer.

"(3) Special rules.—For purposes of this subsection—

"(A) Persons who manufacture and import.—A person who is both a manufacturer and an importer shall be treated—

"(i) as a manufacturer with respect to automobiles described in paragraph (1), and

"(ii) as an importer with respect to automobiles described in paragraph (2).

"(B) Certain imports from Canada.—A person who is not a manufacturer with respect to automobiles described in paragraph (1) but who imports automobiles from Canada shall be treated as an importer with respect to such automobiles.

"(C) Production in United States or Canada.—An automobile is produced in the United States or Canada if at least 50 percent of the cost to the manufacturer of such automobile is attributable to value added in the United States or Canada.

"(D) Treatment of certain exports and imports and sales for further manufacture.—An automobile otherwise taken into account under paragraph (1) shall not be taken into account under such paragraph (1)—

"(i) if it is sold to any person before the close of the model year in which it is produced for use in further manufacture,

"(ii) if it is exported from the United States before the close of the model year in which it is produced, or

"(iii) in the case of an automobile the production of which is completed in Canada, unless it is imported into the United States before the close of the model year in which it is produced.

"(E) Persons under common control.—All persons who control, are controlled by, or are under common control with any person shall be treated as one person.

"(g) Definitions and Special Rules.—For purposes of this section—

"(1) Automobile.—The term 'automobile' means—

"(A) any passenger automobile (within the meaning of such term as used in section 4061(b)(2)), or

"(B) any automobile truck or bus which has a gross vehicle weight of 6,000 pounds or less (as determined under regulations prescribed by the Secretary or his delegate),

which uses gasoline or diesel fuel as a fuel for propulsion.

"(2) Model year.—The term 'model year' means, with reference to any calendar year, the manufacturer's annual production period (as determined by the Secretary or his delegate) which includes January 1 of such calendar year. If the manufacturer has no annual production period, the term 'model year' means the calendar year.

"(3) Manufacturer.—The term 'manufacturer' includes a producer.

"(4) Radial tire.—The term 'radial tire' has the meaning given to such term by section 4072(d).

"(5) Mathematical calculations.—In determining any fuel mileage rating under subsection (e) or (f), the total number of automobiles to be taken into account for that determination is to be divided by a sum of terms, each term of which is a fraction created by dividing—

"(A) the number of automobiles within each group to be taken into account, by

"(B) the fuel mileage rating for the automobiles within such group rounded to the nearest 1/10 of a mile per gallon.

"(6) Changes in emissions standards.—If there is any change (whether by law or by administrative action) from the Federal emissions standards which apply to automobiles produced on May 1, 1975, the Secretary or his delegate shall determine by rule (in accordance with section 553 of title 5, United States Code) and publish in the Federal Register—

"(A) the extent (if any) to which such change reduces fuel mileage, and

"(B) the modifications in the fuel mileage standard set forth in subsection (a)(2), and in the mileage brackets of the table set forth in subsection (a)(3), which are necessary to reflect the reduction in fuel mileage resulting from such change.

Any modifications published under this paragraph shall have the force and effect of law and shall apply to all automobiles produced or imported to which the changed emissions standards apply as if such modifications were contained in this section.

"(h) Exemptions.—Under regulations prescribed by the Secretary or his delegate, for purposes of this section the term 'automobile' does not include—

"(1) an ambulance, hearse, or combination ambulance-hearse,

"(2) any bus which is to be used predominantly by the purchaser in mass transportation services in urban areas, or

"(3) any bus sold to any person for use exclusively in transporting students and employees of schools operated by State or local governments or by nonprofit educational organizations (within the meaning of section 4221(d)(5)).

For purposes of paragraph (3), incidental use of a bus in providing transportation for State or local government or a nonprofit organization described in section 501(c) which is exempt from tax under section 501(a) shall be disregarded.

"(i) Application of Certain Sections.—Sections 4221 and 4293 shall not apply to the tax imposed by this section, and section 4216(b) shall apply in determining the constructive sales price of any automobile taxable under this section."

(b) Technical and Clerical Amendments.—

(1) The table of sections for part I of subchapter A of chapter 32 is amended by adding at the end thereof the following new item:

"Sec. 406. Automobile fuel efficiency tax."

(2) Section 6161(b)(1) (relating to extensions of time for paying tax) is amended by inserting after "or 43," the following: "or by section 4064,". The second sentence of such section 6161(b) is amended by inserting after "chapter 43." the following: "or by section 4064 of chapter 32,".

(3) Section 6201(d) (cross reference) is amended by striking out "and chapter 4 taxes" and inserting in lieu thereof the following: "chapter 43, and section 4064 taxes".

(4) Section 6211 (defining deficiency) is amended—

(A) by striking out so much of subsection (a) as precedes paragraph (1) and inserting in lieu thereof the following:

"(a) In General.—For purposes of this title in the case of income, estate, and gift taxes imposed by subtitles A and B and excise taxes imposed by section 4064 or by chapters 42 and 43, the term 'deficiency' means the amount by which the tax imposed by subtitle A or B, by section 4064, or by chapter 42 or 43, exceeds the excess of—"; and

(B) by inserting after "or B" in subsection (b)(2) the following: ", section 4064,".

(5) Section 6212 (relating to notice of deficiency) is amended—

(A) by inserting after "or B" in subsection (a) the following: ", section 4604,";

(B) by inserting after "chapter 12" each place it appears in subsection (b)(1) the following: ", section 4064,";

(C) by striking out "taxes imposed by chapter 42" in the heading of subsection (b)(1) and inserting in lieu thereof "certain excise taxes";

(D) by striking out "or of chapter 42 tax" in subsection (c)(1) and inserting in lieu thereof "of chapter 42 tax"; and

(E) by inserting after "to which such petition relates" the following: ", or of section 4064 tax with respect to the calendar year to which such petition relates".

(6) Section 6213 (relating to restrictions applicable to deficiencies and petition to Tax Court) is amended by inserting after "or B" in subsection (a) the following ", section 4064,".

(7) Section 6214(d) (relating to final decisions of Tax Court) is amended by inserting after "this chapter," the following: "section 4064".

(8) Section 6344(a)(1) (relating to cross references) is amended by inserting before "chapter 42" the following: "section 4064 or".

(9) Section 6512 (relating to limitations in case of petition to Tax Court) is amended—

(A) by striking out "or 43" each place it appears therein and inserting in lieu thereof ", 43", and

(B) by inserting after "to which such petition relates" the following: ", or of section 4064 tax with respect to the calendar year to which such petition relates".

(10) Section 6601(d) (relating to interest on underpayment, nonpayment, or extensions of time for payment of tax) is amended by striking out in the heading thereof "Chapter 42 or 43" and inserting in lieu thereof "Certain Excise".

(11) Section 7422(e) (relating to civil actions for refund) is amended by inserting before "chapter 42" the following: "section 4064 or".

Part II—Intercity Buses, Radial Tires, and Rerefined Oil

Sec. 321. Repeal of Excise Tax on Buses Used in Intercity Public Transportation.

(a) General Rule.—Paragraph (6) of section 4063 (relating to exemption from excise tax for local transit buses) is amended to read as follows:

"(6) Public transportation buses.—The tax imposed under section 4061(a) shall not apply in the case of automobile bus chassis or automobile bus bodies which are to be used predominantly by the purchaser in public passenger transportation service."

(b) Effective Date.—

(1) In general.—The amendment made by subsection (a) shall apply with respect to articles sold on or after the date of the enactment of this Act.

(2) When sold.—For purposes of paragraph (1), an article shall not be considered sold before the date of the enactment of this Act unless possession or right to possession passes to the purchaser before such date.

(3) Transitional rule for leases, installment contracts, etc.—In the case of—

(A) a lease,

(B) a contract for the sale of an article where it is provided that the price shall be paid by installments and title to the article sold does not pass until a future date notwithstanding partial payment by installments,

(C) a conditional sale, or

(D) a chattel mortgage arrangement wherein it is provided that the sale price shall be paid in installments,

entered into before the date of the enactment of this Act, payments made on or after such date with respect to the article leased or sold shall, for purposes of paragraph (1), be considered as payments made with respect to an article sold on or after such date, if the lessor or vendor establishes that the amount of payments payable on or after such date with respect to such article has been reduced by an amount equal to that portion of the tax applicable with respect to the lease or sale of such article which is due and payable on or after such date. If the lessor or vendor does not establish that the payments have been so reduced, they shall be treated as payments made with respect to an article sold before the date of the enactment of this Act.

Sec. 322. Repeal of Excise Tax on Radial Tires.

(a) Repeal of Tax on New Radial Tires.—Section 4073 (relating to exemptions from tax on tires and tubes) is amended by adding at the end thereof the following new subsection:

"(d) Radial Tires.—The tax imposed by section 4071 shall not apply to radial tires."

(b) Repeal of Tax on Tread Rubber Used To Retread or Recap Radial Tires.—Subsection (c) of section 4073 (relating to exemption from tax on tread rubber in certain cases) is amended by striking out "such person" and all that follows and inserting in lieu thereof the following: "such person—

"(1) in the recapping or retreading of radial tires, or

"(2) otherwise than in the recapping or retreading of tires of the types used on highway vehicles."

(c) Definition of Radial Tire.—Section 4072 (relating to definitions) is amended by adding at the end thereof the following new subsection:

"(d) Radial Tire.—For purposes of this part, the term 'radial tire' means a tire of the type used on highway vehicles in which the ply cords which extend to the beads of such tire are laid at substantially 90 degrees to the center line of the tire's tread."

(4) Technical Amendment.—Subparagraph (L) of section 6416(b)(2) (relating to specified uses and resales) is amended to read as follows:

"(L) in the case of tread rubber in respect of which tax was paid under section 4071(a)(4), used or sold for use (i) in recapping or retreading radial tires (as defined in section 4072(d)) or (ii) otherwise than in the recapping or retreading of tires of the type used on highway vehicles (as defined in section 4072(c)), unless credit or refund of such tax is allowable under subsection (b)(3);

(e) Effective Date.—

(1) In general.—The amendments made by this section shall apply with respect to sales of radial tires (as defined in section 4072(d) of the Internal Revenue Code of 1954), and tread rubber (as defined in section 4072(b) of such Code), after March 17, 1975.

(2) Floor stocks refunds.—Section 6412(a) (relating to floor stocks refunds) is amended by inserting immediately before paragraph (2) the following new paragraph:

"(1) Radial tires.—Where before March 18, 1975, any radial tire (as defined in section 4072(d)) subject to the tax imposed by section 4071(a) has been sold by the manufacturer, producer, or importer and on such date is held by a dealer and has not been used and is intended for sale, there shall be credited or refunded (without interest) to the manufacturer, producer, or importer an amount equal to the tax paid by such manufacturer, producer, or importer on his sale of such tire if claim for such credit or refund is filed with the Secretary or his delegate on or before December 31, 1975, based upon a request submitted to the manufacturer, producer, or importer before October 1, 1975, by the dealer who held such tire in respect of which the credit or refund is claimed, and, on or before December 31, 1975, reimbursement has been made to such dealer by such manufacturer, producer, or importer for the tax on such tire or written consent has been obtained from such dealer to allowance of such credit or refund."

Sec. 323. Refined Lubricating Oil.

(a) In General.—Section 4093 (relating to exemption of sales to producers) is amended to read as follows:

"Sec. 4093. Exemptions.

"(a) Sales to Manufacturers or Producers for Resale.—Under regulations prescribed by the Secretary or his delegate, no tax shall be imposed by section 4091 on lubricating oils sold to a manufacturer or producer of lubricating oils for resale by him.

"(b) Use in Producing Rerefined Oil.—

"(1) Sales to refiners.—Under regulations prescribed by the Secretary or his delegate, no tax shall be imposed by section 4091 on lubricating oil sold for use in mixing with used or waste lubricating oil which has been cleaned, renovated, or rerefined. Any person to whom lubricating oil is sold tax-free under this paragraph shall be treated as the producer of such lubricating oil.

"(2) Use in producing rerefined oil.—Under regulations prescribed by the Secretary or his delegate, no tax shall be imposed by section 4091 on lubricating oil used in producing rerefined oil to the extent that the amount of such lubricating oil does not exceed 55 percent of such rerefined oil.

"(3) Rerefined oil defined.—For purposes of this subsection, the term 'rerefined oil' means oil 25 percent or more of which is used or waste lubricating oil which has been cleaned, renovated, or rerefined."

(b) Conforming Amendment.—Section 4092(a) is amended by striking out "4093" and inserting in lieu thereof "4093(a)".

(c) Clerical Amendment.—The table of sections for subpart B of part III of subchapter A of chapter 32 is amended by striking out the item relating to section 4093 and inserting in lieu thereof the following:

"Sec. 4093. Exemptions."

(d) Effective Date.—The amendments made by this section shall apply to sales after March 17, 1975.

Part III—Tax Incentives for Certain Energy-Related Improvements of Buildings

Sec. 331. Insulation of Principal Residence.

(a) General Rule.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowable) is amended by inserting immediately before section 45 the following new section:

"Sec. 44C. Insulation of Principal Residence.

"(a) General Rule.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 30 percent of the qualified insulation expenditures paid by the taxpayer during the taxable year with respect to any residence to the extent that such expenditures do not exceed $500.

"(b) Limitations.—

"(1) Application with other credits.—The credit allowed by subsection (a) shall not exceed the amount of the tax imposed by this chapter for the taxable year reduced by the sum of the credits allowable under—

"(A) section 33 (relating to foreign tax credit),

"(B) section 37 (relating to retirement income),

"(C) section 38 (relating to investment in certain depreciable property and purchases of certain recyclable waste),

"(D) section 40 (relating to expenses of work incentive programs),

"(E) section 41 (relating to contributions to candidates for public office),

"(F) section 42 (relating to credit for personal exemptions), and

"(G) section 44 (relating to purchase of new principal residence).

"(2) Prior expenditures taken into account.—If—

"(A) the taxpayer made qualified insulation expenditures with respect to any residence in any prior taxable year, or

"(B) any prior occupant of any residence made qualified insulation expenditures with respect to such residence.

then subsection (a) shall be applied with respect to such residence for the taxable year by reducing (but not below zero) the $500 amount contained in such subsection by the aggregate of the expenditures described in subparagraphs (A) and (B).

"(3) Verification.—No credit shall be allowed under subsection (a) with respect to any qualified insulation expenditures unless such expenditures are verified in such manner as the Secretary or his delegate shall prescribe by regulations.

"(c) Definitions and Special Rules.—For purposes of this section—

"(1) Qualified insulation expenditures.—The term 'qualified insulation expenditures' means any amount paid by an individual for any installation (other than pursuant to a reconstruction of the dwelling unit) which occurs after March 17, 1975, and before January 1, 1976, of insulation in any dwelling unit which—

"(A) at the time of such installation is used by the individual as his principal residence; and

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"(B) is in existence on March 17, 1975, and used on such date by one or more individuals as a residence.

Such term shall only include amounts paid for the original installation of any insulation in a dwelling unit.

"(2) INSULATION.—The term 'insulation' means any insulation, storm (or thermal) window or door, or any other similar item—

"(A) which is specifically and primarily designed to reduce, when installed in or on a building, the heat loss or gain of such building,

"(B) the original use of which commences with the taxpayer,

"(C) which has a useful life to the taxpayer of at least 3 years, and

"(D) which meets such performance standards as the Secretary or his delegate may prescribe by regulations after consultation with the Administrator of the Federal Energy Administration and the Secretary of Housing and Urban Development.

"(3) JOINT OCCUPANCY.—In the case of any dwelling unit which is jointly occupied and is used during any calendar year as a principal residence, by two or more individuals—

"(A) the amount of the credit allowable under subsection (a) (after applying subsection (b)(2)) with respect to any qualified insulation expenditures paid during such calendar year by any of such individuals with respect to such dwelling unit shall be determined by treating all of such individuals as one taxpayer whose taxable year such calendar year; and

"(B) each of such individuals shall be allowed a credit under subsection (a) for the taxable year in which such calendar year ends (subject to the limitation of subsection (b)(1)) in an amount which bears the same ratio to the amount determined under subparagraph (A) as the amount paid by such individual during such calendar year for such expenditures bears to the aggregate of the amounts paid by all of such individuals during such calendar year for such expenditures.

"(4) TENANT-STOCKHOLDER IN COOPERATIVE HOUSING CORPORATION.—In the case of an individual who holds stock as a tenant-stockholder (as defined in section 216) in a cooperative housing corporation (as defined in such section), such individual—

"(A) shall be treated as owning the dwelling unit which he is entitled to occupy as such stockholder; and

"(B) shall be treated as having paid his tenant-stockholder's proportionate share (as defined in section 216(b)(3)) of any qualified insulation expenditures paid by such corporation.

"(d) REDUCTION OF BASIS.—The basis of any property shall not be increased by the amount of any qualified insulation expenditures made with respect to such property to the extent of the amount of any credit allowed under this section with respect to such expenditures.

"(e) TERMINATION.—This section shall not apply to any amount paid after December 31, 1977."

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) The table of sections for such subpart A is amended by inserting immediately before the item relating to section 45 the following new item:

"Sec. 44C. Insulation of principal residence."

(2) Section 56(a)(2) (relating to imposition of minimum tax) is amended by striking out "and" at the end of clause (vi), by striking out "; and" at the end of clause (vii) and inserting in lieu thereof ", and", and by inserting after clause (vii) the following new clause:

"(viii) section 44C (relating to insulation of principal residence); and".

(3) Section 56(c)(1) (relating to tax carryovers) is amended by striking out "and" at the end of subparagraph (F), by striking out "exceed" at the end of subparagraph (G) and inserting in lieu thereof "and", and by inserting after subparagraph (G) the following new subparagraph:

"(II) section 44C (relating to insulation of principal residence), exceed".

(4) Subsection (a) of section 1016 (relating to adjustments to basis) is amended by striking out the period at the end of paragraph (22) and inserting in lieu thereof a semicolon and by inserting after paragraph (22) the following new paragraph:

"(23) to the extent provided in section 44C(d), in the case of property with respect to which a credit has been allowed under section 44C."

(5) Section 6096(b) (relating to designation of income tax payment to Presidential Election Campaign Fund) is amended by striking out "and 44" and inserting in lieu thereof "44, and 44C".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amount paid after March 17, 1975, in taxable years ending after such date.

SEC. 332. RESIDENTIAL SOLAR ENERGY EQUIPMENT.

(a) GENERAL RULE.—Subpart A of chapter IV of subchapter A of chapter 1 (relating to credits allowable) is amended by inserting immediately before section 45 the following new section:

"SEC. 44D. RESIDENTIAL SOLAR ENERGY EQUIPMENT.

"(a) GENERAL RULE.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

"(1) 40 percent of the qualified solar energy equipment expenditures paid by the taxpayer during the taxable year with respect to any residence to the extent that such expenditures do not exceed $1,000, plus

"(2) 20 percent of the qualified solar energy equipment expenditures paid by the taxpayer during the taxable year with respect to such residence to the extent that such expenditures exceed $1,000 but do not exceed $2,000.

"(b) LIMITATIONS.—

"(1) APPLICATION WITH OTHER CREDITS.—The credit allowed by subsection (a) shall not exceed the amount of the tax imposed by this chapter for the taxable year reduced by the sum of the credits allowable under—

"(A) section 33 (relating to foreign tax credit),

"(B) section 37 (relating to retirement income),

"(C) section 38 (relating to investment in certain depreciable property and purchases of certain recyclable waste),

"(D) section 40 (relating to expenses of work incentive programs),

"(E) section 41 (relating to contributions to candidates for public office),

"(F) section 42 (relating to credit for personal exemptions),

"(G) section 44 (relating to purchase of new principal residence), and

"(H) section 44C (relating to insulation of principal residence).

"(2) PRIOR EXPENDITURES TAKEN INTO ACCOUNT.—If—

"(A) the taxpayer made qualified solar energy equipment expenidtures with respect to any residence in any prior taxable year, or

"(B) any prior owner of such residence made qualified solar energy equipment expenditures with respect to such residence, then subsection (a) shall be applied with respect to such residence for the taxable year by reducing (but not below zero) the dollar amounts contained in such subsection by the aggregate of the expenditures described in subparagraphs (A) and (B).

"(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) QUALIFIED SOLAR ENERGY EQUIPMENT EXPENDITURES.—The term 'qualified solar energy expenditures' means any amount paid by an individual for any installation which occurs after March 17, 1975, and before January 1, 1981, of solar energy equipment, in any dwelling unit which at the time of such installation is owned by the individual and used by him as his principal residence (within the meaning of section 1034).

"(2) SOLAR ENERGY EQUIPMENT.—The term 'solar energy equipment' means equipment—

"(A) which, when installed in or on a building—

"(i) uses solar energy to heat or cool such building or provide hot water for use within such building; and

"(ii) meets the definitive performance criteria prescribed by the Secretary of Housing and Urban Development under the Solar Heating and Cooling Demonstration Act of 1974;

"(B) the original use of which commences with the taxpayer; and

"(C) which has a useful life of at least 3 years.

"(3) JOINT OWNERSHIP.—In the case of any building which is jointly owned, and is used during any calendar year as a principal residence, by two or more individuals—

"(A) the amount of the credit allowable under subsection (a) (after applying subsection (b)(2)) with respect to any qualified solar energy equipment expenditures paid during such calendar year by any of such individuals with respect to such building shall be determined by treating all of such individuals as one taxpayer whose taxable year is such calendar year; and

"(B) each of such individuals shall be allowed a credit under subsection (a) for the taxable year in which such calendar year ends (subject to the limitation of subsection (b)(1)) in an amount which bears the same ratio to the amount determined under subparagraph (A) as the amount paid by such individual during such calendar year for such expenditures bears to the aggregate of the amounts paid by all of such individuals during such calendar year for such expenditures.

"(4) TENANT-STOCKHOLDER IN COOPERATIVE HOUSING CORPORATION.—In the case of an individual who holds stock as a tenant-stockholder (as defined in section 216) in a cooperative housing corporation (as defined in such section), such individual—

"(A) shall be treated as owning the dwelling unit which he is entitled to occupy as such stockholder; and

"(B) shall be treated as having paid his tenant-stockholder's proportionate share (as defined in section 216(b)(3)) of any qualified solar energy equipment expenditures paid by such corporation.

"(d) REDUCTION OF BASIS.—The basis of any property shall not be increased by the amount of any qualified solar energy equipment expenditures made with respect to such property to the extent of the amount of any credit allowed under this section with respect to such expenditures.

"(e) TERMINATION.—This section shall not apply to any amount paid after December 31, 1980."

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) The table of sections for such subpart A is amended by inserting before the item relating to section 45 the following:

"Sec. 44D. Residential solar energy equipment."

(2) Section 56(a)(2) (relating to imposition of minimum tax) is amended by striking out "and" at the end of clause (vii), by striking out "; and" at the end of clause (viii) and inserting in lieu thereof ", and", and by inserting after clause (viii) the following new clause:

"(ix) section 44D (relating to residential solar energy equipment); and".

(3) Section 56(c)(1) (relating to tax carryovers) is amended by striking out "and" at the end of subparagraph (C), by striking out "exceed" at the end of subparagraph (H) and inserting in lieu thereof "and", and by inserting after subparagraph (H) the following new subparagraph:

"(I) section 44D (relating to residential solar energy equipment), exceed".

(4) Subsection (a) of section 1016 (relating to adjustments to basis) is amended by striking out the period at the end of paragraph (23) and inserting in lieu thereof a semicolon and by inserting after paragraph (23) the following new paragraph:

"(24) to the extent provided in section 44D(d), in the case of property with respect to which a credit has been allowed under section 44D."

(5) Section 6096(b) (relating to designation of income tax payment to Presidential Election Campaign Fund) is amended by striking out "and 44C" and inserting in lieu thereof "44C, and 44D".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid after March 17, 1975, in taxable years ending after such date.

TITLE IV—ENERGY CONSERVATION AND CONVERSION TRUST FUND

SEC. 411. ESTABLISHMENT OF ENERGY CONSERVATION AND CONVERSION TRUST FUND.

(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the "Energy Conservation and Conversion Trust Fund" (hereinafter in this title referred to as the "Trust Fund"), consisting of such amounts as may be appropriated or credited to the Trust Fund as provided in this section.

(b) TRANSFER TO TRUST FUND OF AMOUNTS EQUIVALENT TO CERTAIN TAXES.—

(1) IN GENERAL.—There are hereby appropriated to the Trust Fund amounts determined by the Secretary of the Treasury (hereinafter in this title referred to as the "Secretary") to be equivalent to the following amounts received in the Treasury before October 1, 1985:

(A) the amount of the taxes under—

(i) section 4086 of the Internal Revenue Code of 1954 (relating to gasoline conservation tax),

(ii) section 4051 of such Code (relating to special motor fuels conservation taxes),

(iii) section 4064 of such Code (relating to automobile fuel efficiency tax),

(iv) section 4991 (relating to tax on certain business uses of petroleum and petroleum products), and

(v) section 4226(a) of such Code (relating to floor stocks taxes),

reduced by the amount of the credits allowable under such Code which are properly chargeable against the amount of such taxes appropriated by this paragraph;

(B) the duties under section 121 of this Act (relating to rates of duty on oil); and

(C) to the extent provided by any law enacted after the date of the enactment of this Act, proceeds to the United States from oil and gas properties in which the United States has an interest.

(2) METHOD OF TRANSFER.—The amounts appropriated by paragraph (1) shall be transferred at least quarterly from the general fund of the Treasury to the Trust Fund on the basis of estimates made by the Secretary of the amounts referred to in paragraph (1) received in the Treasury. Proper adjustments shall be made in the amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

(c) ANNUAL CEILING ON AMOUNTS WHICH MAY BE PLACED IN TRUST FUND.—The amount appropriated by subsection (b)(1) for any fiscal year shall not exceed—

(1) in the case of any fiscal year ending on or before September 30, 1983, $5,000,000,000; and

(2) in the case of the fiscal year ending September 30, 1984, $2,500,000,000.

No amount shall be appropriated to the Trust Fund after September 30, 1984. Any amount which, but for this subsection, would be appropriated to the Trust Fund shall remain in the general fund of the Treasury.

(d) OVERALL LIMITATION ON AMOUNT IN THE TRUST FUND.—

(1) IN GENERAL.—If at any time during a fiscal year ending on or after September 30, 1984, the Secretary determines that the amount in the Trust Fund which is not obligated for expenditure exceeds $10,000,000,000, the Secretary shall transfer the amount of such excess to the general fund of the Treasury.

(2) FISCAL YEAR 1985.—If at any time during the fiscal year ending on September 30, 1985, the Secretary determines that the amount in the Trust Fund which is not obligated for expenditure exceeds $5,000,000,000, the Secretary shall transfer the amount of such excess to the general fund of the Treasury.

(e) MANAGEMENT OF TRUST FUND.—

(1) REPORT.—It shall be the duty of the Secretary to hold the Trust Fund, and to report to the Congress each year on the financial condition and the results of the operations of the Trust Fund during the preceding fiscal year and on its expected condition and operations during the next 5 fiscal years. Such report shall be printed as a House document of the session of the Congress to which the report is made.

(2) INVESTMENT.—

(A) IN GENERAL.—It shall be the duty of the Secretary to invest such portion of the Trust Fund as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose, such obligations may be acquired (i) on original issue at the issue price, or (ii) by purchase of outstanding obligations at the market price.

(B) SALE OF OBLIGATIONS.—Any obligation acquired by the Trust Fund may be sold by the Secretary at the market price.

(C) INTEREST ON CERTAIN PROCEEDS.—The interest on, and the proceeds from the sale or redemption of, any obligations held in the Trust Fund shall be credited to and form a part of the Trust Fund.

(f) TERMINATION.—The Secretary shall transfer from the Trust Fund into the general fund of the Treasury any amount in the Trust Fund on October 1, 1985, which is not obligated for expenditure.

SEC. 412. EXPENDITURES FROM TRUST FUNDS FOR ENERGY PROJECTS AND PROGRAMS.

(a) IN GENERAL.—Amounts in the Trust Fund shall be available, as provided by appropriation Acts, for making expenditures before October 1, 1985, for purposes of conserving energy resources and expanding energy supplies through—

(1) basic and applied research programs related to new energy technologies, including (but not limited to)—

(A) solar energy,

(B) geothermal energy,

(C) advanced transportation power systems,

(D) environmental impact (and human safety),

(E) energy conversion,

(F) energy transmission,

(G) energy conservation,

(H) synthetic fuels from fossil sources,

(I) utilization of solid waste,

(J) fusion, and

(K) an engine for an efficient pollution-free automobile;

(2) development and demonstration of new energy technologies, including (but not limited to)—

(A) coal liquefaction and gasification demonstration projects,

(B) aid for powerplant conversions to coal,

(C) loans or subsidies for solid waste energy conversion plants (including production of methane gas from organic wastes),

(D) loans or subsidies for shale oil production,

(E) price guarantees on long-term purchase contracts for other new energy sources,

(F) strip mining reclamation and mine safety programs,

(G) engines for efficient pollution-free automobiles,

(H) loans and subsidies relating to solar energy systems, and

(I) demonstration and development of hot water heating systems, or space heating and cooling systems, for home use;

(3) programs relating to the development of energy resources from properties (including offshore properties) in which the United States has an interest, including (but not limited to)—

(A) geothermal energy development, and

(B) energy related environmental protection programs and research; and

(4) research projects, or capital expenditures for demonstration projects, relating to local and regional transportation systems, including (but not limited to)—

(A) mass transit by bus,

(B) fixed guideway mass transit,

(C) commuter rail transportation,

(D) intercity rail passenger service,

(E) mass transit terminal facilities,

(F) mass transit operational facilities, and

(G) exclusive or preferential bus lanes.

Nothing in this subsection shall be deemed to authorize any program, project, or other activity not otherwise authorized by law. Amounts required for purposes of this subsection shall be included in the appropriation requests of those Federal agencies authorized to carry out the program, project, or activity.

(b) PROGRAM EVALUATION CRITERIA, ETC.—Not later than 270 days after the date of the enactment of this Act, the Energy Conservation and Conversion Trust Fund Review Board shall—

(1) develop criteria for evaluating the programs, projects, and activities referred to in paragraphs (1), (2), (3), and (4) of subsection (a),

(2) evaluate potential programs, projects, and activities on the basis of such criteria, and

(3) submit to the Congress a report containing the criteria developed under paragraph (1) together with the Board's recommendations for the proportion of the Trust Fund which should be available for expenditure for each fiscal year for programs, projects, and activities referred to in each paragraph of subsection (a).

SEC. 413. ENERGY CONSTRUCTION AND CONVERSION TRUST FUND REVIEW BOARD.

(a) ESTABLISHMENT OF BOARD.—There is hereby established a review board to be known as the "Energy Conservation and Conversion Trust Fund Review Board" (hereinafter in this section referred to as the "Board").

(b) MEMBERSHIP.—

(1) NUMBER AND APPOINTMENT.—

(A) IN GENERAL.—The Board shall be composed of five members appointed by the President by and with the advice and consent of the Senate.

(B) LIMITATIONS.—An individual may not be appointed as a member of the Board if—

(i) at any time during the 5-year period

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ending on the date of his nomination such individual held interests in one or more energy related industries and the aggregate fair market value of such interests exceeded $2,500; or

(ii) for any taxable year beginning or ending during such 5-year period such individual received or accrued gross income in excess of $10,000 from one or more energy related industries.

Any individual who after appointment as a member acquires any interest in, or receives or accrues any income from, an energy related industry may not thereafter hold such position. For purposes of this paragraph, an individual shall be deemed to hold any interest held by such individual's spouse or by any child of the individual who has not attained 18 years of age.

(C) Energy related industry.—For purposes of this paragraph, the term "energy related industry" means an industry engaged in the trade or business of—

(i) the generation, transmission, distribution, or sale of electrical or other energy,

(ii) the production, transmission, distribution, or sale of oil or gas, or primary products of oil and gas,

(iii) production, importation, distribution, or sale of motor vehicles, or

(iv) the furnishing or sale of transportation.

(2) Terms.—

(A) Except as provided in subparagraphs (B) and (C), members shall be appointed for terms of 5 years.

(B) Of the members first appointed—

(i) one shall be appointed for a term of 1 year,

(ii) one shall be appointed for a term of 2 years,

(iii) one shall be appointed for a term of 3 years,

(iv) one shall be appointed for a term of 4 years, and

(v) one shall be appointed for a term of 5 years,

as designated by the President at the time of appointment.

(C) Any member appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. A member may serve after the expiration of his term until his successor has taken office.

(3) Pay and travel expenses.—

(A) Except as provided in subparagraph (B), members of the Board shall each be entitled to receive $100 for each day (including traveltime) during which they are engaged in the actual performance of duties vested in the Board.

(B) Members of the Board who are full-time officers or employees of the United States or Members of Congress shall receive no additional pay on account of their service on the Board.

(C) While away from their homes or regular places of business in the performance of services for the Board, members of the Board shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5 of the United States Code.

(4) Chairman.—The Chairman of the Board shall be elected by the members of the Board.

(c) Duties.—The Board shall review the expenditures made from the Trust Fund under section 412 and report to the Congress each year regarding expenditures so made during the preceding fiscal year. Such report shall contain evaluations of the programs and projects for which such expenditures were made, and such recommendations for such changes as the Board considers necessary to ensure that future expenditures made from the Trust Fund best carry out the purposes of this title.

(d) Staff.—The Board shall appoint such employees as it deems necessary. Such employees shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the civil service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates.

(e) Appropriation Authorization.—There are authorized to be appropriated from time to time such sums as may be necessary to carry out the purposes of this section.

TITLE V—ENCOURAGING BUSINESS CONVERSION FOR GREATER ENERGY SAVING

Part I—Business Use of Petroleum and Petroleum Products

Sec. 511. Excise Tax on Business Use of Petroleum and Petroleum Products.

(a) In General.—Subtitle D (relating to miscellaneous excise taxes) is amended by adding at the end thereof the following new chapter:

"CHAPTER 45—TAX ON BUSINESS USE OF PETROLEUM AND PETROLEUM PRODUCTS

"Sec. 4991. Imposition of tax.
"Sec. 4992. Definitions and special rules.

"Sec. 4991. Imposition of Tax.

"(a) In General.—There is hereby imposed a tax on each taxable use of a taxable petroleum or petroleum product.

"(b) Amount of Tax.—The amount of the tax imposed by subsection (a) shall be—

"(1) For natural gas.—In the case of natural gas—

"If the taxable use occurs during calendar year	The tax per 1,000 cubic feet is:
1977	4 cents.
1978	8 cents.
1979	12 cents.
1980 or thereafter	18 cents.

"(2) For crude oil and other petroleum products.—In the case of crude oil and other petroleum products—

"If the taxable use occurs during calendar year	The tax per barrel is:
1977	17 cents.
1978	33 cents.
1979	50 cents.
1980	67 cents.
1981	83 cents.
1982 or thereafter	$1.

"(c) Liability for Tax.—The tax imposed by this section shall be paid by the user.

"Sec. 4992. Definitions and Special Rules.

"(a) Taxable Use.—

"(1) In general.—For purposes of this chapter, the term 'taxable use' means any use as a fuel in a trade or business other than a use described in paragraph (2).

"(2) Certain uses excepted.—For purposes of this chapter, the term 'taxable use' does not include any use as a fuel—

"(A) in a vehicle, vessel, or aircraft,

"(B) in an apartment, hotel, motel, or other residential facility,

"(C) for the extraction of a mineral to the extent such extraction constitutes mining within the meaning of section 613(c),

"(D) on a farm for farming purposes (determined in a manner similar to that provided by section 6420(c)),

"(E) in a facility (used in a trade or business described in section 46(c)(3)(B)(i)) for the generation of electrical power if—

"(i) such facility is acquired by the user before January 1, 1976,

"(ii) the physical construction, reconstruction, or erection of such facility by the user is begun before January 1, 1976, or

"(iii) such facility is constructed, reconstructed, or erected for the user, or acquired by the user, pursuant to a contract which is on December 31, 1975, and at all times thereafter, binding on the user, and

"(F) by an organization described in section 501(c)(3) which is exempt from tax under section 501(a) other than in an unrelated trade or business (as defined in section 513).

Subparagraph (E) shall not apply to any use after December 31, 1981.

"(b) Taxable Petroleum or Petroleum Product.—For purposes of this chapter, the term 'taxable petroleum or petroleum product' means any petroleum or petroleum product other than gasoline (as defined in section 4982(b)).

"(c) Petroleum and Petroleum Products.—For purposes of this chapter, the term 'petroleum or petroleum products' includes natural gas."

(b) Clerical Amendment.—The table of chapters for subtitle D is amended by adding at the end thereof the following:

"Chapter 45. Tax on business use of petroleum and petroleum products."

(c) Report by the Administrator of the Federal Energy Administration.—

(1) In general.—The Administrator of the Federal Energy Administration (hereinafter in this subsection referred to as the "Administrator") shall conduct a study of the uses of petroleum or petroleum products (including natural gas) to identify—

(A) the industries or industrial processes where there is no economically feasible alternative to the use of petroleum or petroleum products,

(B) the areas of the country where conversion to the use of fuels other than petroleum or petroleum products is not feasible because of Federal, State, or local laws relating to pollution, and

(C) all other factors bearing on uses which should be exempted from the application of section 4991 of the Internal Revenue Code of 1954.

(2) Report.—Not later than June 1, 1976, the Administrator shall submit to Congress a report of his findings under the study conducted under paragraph (1), together with such recommendations as he may deem advisable.

(d) Effective Date.—The amendments made by subsections (a) and (b) shall apply to petroleum and petroleum products (as defined in section 4992(c) of the Internal Revenue Code of 1954) used after December 31, 1976.

Part II—Amortization for Certain Energy-Related Property

Sec. 521. Amortization of Qualified Energy Use Property.

Part VI of subchapter B of chapter 1 (relating to itemized deductions for individuals and corporations) is amended by adding at the end thereof the following new section:

"Sec. 189. Amortization of Qualified Energy Use Property.

"(a) Allowance of Deduction.—Every person, at his election, shall be entitled to a deduction with respect to the amortization of any qualified energy use property (as defined in subsection (b)), based on a period of 60 months.

"(b) Qualified Energy Use Property.—For purposes of this section—

"(1) Qualified energy use property.—The term 'qualified energy use property' means—

"(A) qualified waste equipment,

"(B) qualified shale oil conversion equipment,

"(C) qualified coal processing equipment, or

"(D) a qualified coal pipeline.

"(2) Qualified waste equipment.—The term 'qualified waste equipment' means any machinery or equipment (of a character subject to the allowance for depreciation)—

"(A) necessary to permit the use of waste as a fuel in a facility burning a combination of waste and oil as its principal fuel (including unloading equipment, feeding systems, and refuse-firing ports for waste fuels),

"(B) used to process waste into a fuel, or

"(C) used to sort and prepare solid waste for recycling or used for recycling solid waste.

"(3) Qualified shale oil conversion equipment.—The term 'qualified shale oil conversion equipment' means any machinery or equipment (of a character subject to the allowance for depreciation) necessary—

"(A) to reach the oil shale,

"(B) to extract the oil shale, or

"(C) to convert the oil shale into oil or gas.

"(4) Qualified coal processing equipment.—The term 'qualified coal processing equipment' means any machinery or equipment (of a character subject to the allowance for depreciation) for processing coal into a liquid or gaseous state.

"(5) Qualified coal pipeline.—The term 'qualified coal pipeline' means a coal slurry pipeline or any other pipeline (of a character subject to the allowance for depreciation) for the transportation of coal from the mine or other gathering point.

"(6) Coal includes lignite.—The term 'coal' includes lignite.

"(c) Amount of Deduction.—The amortization for any qualified energy use property shall be an amount, with respect to each month of the 60-month period within the taxable year, equal to the adjusted basis of the qualified energy use property at the end of such month divided by the number of months (including the month for which the deduction is computed) remaining in the period. Such adjusted basis at the end of the month shall be computed without regard to the amortization deduction for such month. The amortization deduction provided by this section with respect to any qualified energy use property for any month shall be in lieu of the depreciation deduction with respect to such property for such month provided by section 167. The 60-month period shall begin, as to any qualified energy use property, at the election of the taxpayer, with the month following the month in which such property was placed in service or with the succeeding taxable year.

"(d) Special Rules for Adjusted Basis.—

"(1) For purposes of this section, the adjusted basis of any qualified energy use property with respect to which an election has been made under subsection (e) shall not be increased for amounts chargeable to capital account for additions or improvements after the amortization period has begun.

"(2) The depreciation deduction provided by section 167 shall, notwithstanding subsection (c), be allowed with respect to the portion of the adjusted basis which is not taken into account in applying this section.

"(e) Election of Amortization.—The election of the taxpayer to take the amortization deduction, and the election to begin the 60-month period with the month following the month in which the qualified energy use property is placed in service or with the taxable year succeeding the taxable year in which such property is placed in service, shall be made by filing with the Secretary or his delegate, in such manner, in such form, and within such time as the Secretary or his delegate may by regulations prescribe, a statement of such election.

"(f) Termination of Election.—

"(1) By the Taxpayer.—A taxpayer which has elected under subsection (e) to take the amortization deduction with respect to any qualified energy use property may, at any time after making such election, discontinue the amortization deduction with respect to the remainder of the amortization period, such discontinuance to begin as of the beginning of any month specified by the taxpayer in a notice in writing filed with the Secretary or his delegate before the beginning of such month. The depreciation deduction provided under section 167 shall be allowed, beginning with the first month as to which the amortization deduction does not apply, and the taxpayer shall not be entitled to any further amortization deduction under this section with respect to such property.

"(2) Constructive termination.—If at any time during the amortization period any qualified energy use property ceases to meet the requirements of subsection (b) or becomes property with respect to which an amortization deduction under this section is not allowable by reason of subsection (g), the taxpayer shall be deemed to have terminated under paragraph (1) his election under this section. Such termination shall be effective beginning with the month in which such cessation occurs or in which a lease exists which causes disallowance under subsection (g).

"(g) Noncorporate Lessors.—No amortization deduction shall be allowed under this section with respect to any property of which a person which is not a corporation is the lessor. In the case of property of which a partnership is the lessor, the amortization deduction otherwise allowable under this section with respect to such property to any partner which is a corporation shall be allowed notwithstanding the preceding sentence and subsection (f)(2). For purposes of this subsection, an electing small business corporation (as defined in section 1371) shall be treated as a person which is not a corporation.

"(h) Life Tenant and Remainderman.—In the case of any qualified energy use property held by one person for life with remainder to another person, the deduction under this section shall be computed as if the life tenant were the absolute owner of the property and shall be allowable to the life tenant.

"(i) Application of Section.—

"(1) In general.—Except as provided in paragraph (2), the amortization deduction provided by this section shall apply to that portion of the basis which is attributable to construction, reconstruction, or erection after March 17, 1975, with respect to property which is placed in service after such date and before January 1, 1981.

"(2) Pre-1981 portion.—In the case of property constructed, reconstructed, or erected by the taxpayer, or for the taxpayer pursuant to a contract which is binding on the taxpayer on January 1, 1981, and at all times thereafter, which is placed in service on or after January 1, 1981, the amortization deduction provided by this section shall apply to that portion of the basis which is attributable to construction, reconstruction, or erection before January 1, 1981.

"(j) Cross Reference.—

"For treatment of certain gain derived from the disposition of property the adjusted basis of which is determined with regard to this section, see section 1245."

Sec. 522. Amortization of Qualified Railroad Equipment.

Part VI of subchapter B of chapter 1 (relating to itemized deductions of individuals and corporations) is amended by adding at the end thereof the following new section:

"Sec. 190. Amortization of Qualified Railroad Equipment.

"(a) Allowance of Deduction.—Every person, at his election, shall be entitled to a deduction with respect to the amortization of any qualified railroad equipment (as defined in subsection (b)), based on a period of 60 months.

"(b) Qualified Railroad Equipment Defined.—

"(1) In general.—For purposes of this section, the term 'qualified railroad equipment' means equipment described in paragraph (2) of this subsection used by a common carrier engaged in the furnishing or sale of transportation by railroad and subject to the jurisdiction of the Interstate Commerce Commission if—

"(A) such equipment is—

"(i) used by a domestic common carrier by railroad, or

"(ii) owned and used by a car line company or a switching or terminal company at least 95 percent of whose stock is owned by one or more domestic common carriers by railroad, and

"(B) the original use of such equipment commences with the taxpayer after December 31, 1974.

"(2) Equipment.—The equipment referred to in paragraph (1) of this subsection is tangible property which is of a character subject to the allowance for depreciation provided in section 167 (not including a building or its structural components) if such property—

"(A) is used as an integral part of—

"(i) a communications, signal, or traffic control system;

"(ii) a rolling stock classification yard; or

"(iii) a facility for loading and unloading trailers and containers on and from railroad flatcars; or

"(B) is an improvement or betterment in track account.

"(c) Amount of Deduction.—The amortization deduction for any qualified railroad equipment shall be an amount, with respect to each month of the 60-month period within the taxable year, equal to the adjusted basis of the qualified railroad equipment at the end of such month divided by the number of months (including the month for which the deduction is computed) remaining in the period. Such adjusted basis at the end of the month shall be computed without regard to the amortization deduction for such month. The amortization deduction provided by this section with respect to any qualified railroad equipment for any month shall be in lieu of the depreciation deduction with respect to such equipment for such month provided by section 167. The 60-month period shall begin, as to any qualified railroad equipment, at the election of the taxpayer, with the month following the month in which such equipment was placed in service or with the succeeding taxable year.

"(d) Special Rules.—

"(1) Adjusted basis.—

"(A) For purposes of this section, the adjusted basis of any qualified railroad equipment with respect to which an election has been made under subsection (e) shall not be increased for amounts chargeable to capital account for additions or improvements after the amortization period has begun.

"(B) Costs incurred in connection with a used unit of railroad equipment which are properly chargeable to a capital account shall be treated as a separate unit of railroad equipment for purposes of this section.

"(C) The depreciation deduction provided by section 167 shall, notwithstanding subsection (c), be allowed with respect to the

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portion of the adjusted basis which is not taken into account in applying this section.

"(2) Method of Accounting for Date Placed in Service.—For purposes of subsections (a) and (e) in the case of qualified railroad equipment placed in service after December 31, 1974, and before January 1, 1980, the taxpayer may elect to begin the 60-month period with the date when such equipment is treated as having been placed in service under a method of accounting for acquisitions and retirements of property which—

"(A) prescribes a date when property is placed in service, and

"(B) is consistently followed by the taxpayer.

"(e) Election of Amortization.—The election of the taxpayer to take the amortization deduction, and the election to begin the 60-month period with the month following the month in which the qualified railroad equipment is placed in service or with the taxable year succeeding the taxable year in which such equipment is placed in service, shall be made by filing with the Secretary or his delegate, in such manner, in such form, and within such time as the Secretary or his delegate may by regulations prescribe, a statement of such election.

"(f) Termination of Election.—

"(1) By the taxpayer.—A taxpayer which has elected under subsection (e) to take the amortization deduction with respect to any qualified railroad equipment may, at any time after making such election, discontinue the amortization deduction with respect to the remainder of the amortization period, such discontinuance to begin as of the beginning of any month specified by the taxpayer in a notice in writing filed with the Secretary or his delegate before the beginning of such month. The depreciation deduction provided under section 167 shall be allowed, beginning with the first month as to which the amortization deduction does not apply, and the taxpayer shall not be entitled to any further amortization deduction under this section with respect to such equipment.

"(2) Constructive termination.—If at any time during the amortization period any qualified railroad equipment ceases to meet the requirements of subsection (d)(1) or becomes property with respect to which an amortization deduction under this section is not allowable by reason of subsection (g), the taxpayer shall be deemed to have terminated under paragraph (1) his election under this section. Such termination shall be effective beginning with the month in which such cessation occurs or in which the lease exists which causes disallowance.

"(g) Noncorporate Lessors.—No amortization deduction shall be allowed under this section with respect to any property of which a person which is not a corporation is the lessor. In the case of property of which a partnership is the lessor, the amortization deduction otherwise allowable under this section with respect to such property to any partner which is a corporation shall be allowed notwithstanding the preceding sentence and subsection (f)(2). For purposes of this subsection, an electing small business corporation (as defined in section 1371) shall be treated as a person which is not a corporation.

"(h) Life Tenant and Remainderman.—In the case of any qualified railroad equipment held by one person for life with remainder to another person, the deduction under this section shall be computed as if the life tenant were the absolute owner of the equipment and shall be allowable to the life tenant.

"(i) Application of Section.—This section shall apply to qualified railroad equipment placed in service after December 31, 1974, and before January 1, 1980.

"(j) Cross Reference.—

"For treatment of certain gain derived from the disposition of property the adjusted basis of which is determined with regard to this section, see section 1245."

Sec. 523. Amendments Relating to Amortization of Certain Railroad Rolling Stock.

(a) Extension of Period During Which Railroad Rolling Stock May Qualify for 5-Year Amortization.—Section 184(e) (relating to amortization of railroad rolling stock) is amended—

(1) by striking out "1976" in paragraph (1) and inserting in lieu thereof "1980", and

(2) by striking out "January 1, 1976" in paragraph (7) and inserting in lieu thereof "January 1, 1980".

(b) Certain Coal Cars and Railroad Ferry Vessels.—Subsection (d) of section 184 (defining qualified railroad rolling stock) is amended to read as follows:

"Qualified Railroad Rolling Stock.—Except as provided in subsection (e)(4), the term 'qualified railroad rolling stock' means, for purposes of this section—

"(1) rolling stock of the type used by a common carrier engaged in the furnishing or sale of transportation by railroad and subject to the jurisdiction of the Interstate Commerce Commission if—

"(A) such rolling stock is—

"(i) used by a domestic common carrier by railroad on a full-time basis, or on a part-time basis if its only additional use is an incidental use by a Canadian or Mexican common carrier by railroad on a per diem basis, or

"(ii) owned and used by a switching or terminal company all of whose stock is owned by one or more domestic common carriers by railroad, and

"(B) the original use of such rolling stock commences with taxpayer after December 31, 1968;

"(2) any railroad rolling stock not described in paragraph (1)—

"(A) which is a car used by the taxpayer predominantly in the hauling within the United States of coal which is used (other than for resale) by the taxpayer in his trade or business, and

"(B) the original use of which commences with the taxpayer after May 7, 1975; and

"(3) any vessel—

"(A) which is used predominantly by the taxpayer in hauling railroad rolling stock between terminals located within the United States, and

"(B) the original use of which commences with the taxpayer after May 7, 1975."

(c) Denial of Amortization to Noncorporate Lessors.—

(1) In general.—Section 184 is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

"(g) Noncorporate Lessors.—No amortization deduction shall be allowed under this section with respect to any property of which a person which is not a corporation is the lessor. In the case of property of which a partnership is the lessor, the amortization deduction otherwise allowable under this section with respect to such property to any partner which is a corporation shall be allowed notwithstanding the preceding sentence and subsection (e)(6). For purposes of this subsection, an electing small business corporation (as defined in section 1371) shall be treated as a person which is not a corporation."

(2) Constructive termination.—Paragraph (6) of section 184(e) is amended by striking out "subsection (d)(1)" and inserting in lieu thereof "subsection (d) or becomes property with respect to which an amortization deduction under this section is not allowable by reason of subsection (g)".

(d) Effective Date.—The amendments made by this section shall apply to property placed in service by the taxpayer after May 7, 1975.

Sec. 524. Technical and Conforming Amendments.

(a) Coordination With Investment Credit.—

(1) In general.—Paragraph (8) of section 48(a) (defining section 38 property) is amended by striking out "184,".

(2) Useful life.—The second sentence of section 46(c)(2) (defining applicable percentage for purposes of determining qualified investment) is amended by striking out the period at the end thereof and inserting in lieu thereof "(or, if the taxpayer has elected an amortization deduction with respect to the property, the amortization period)."

(3) Effective date.—The amendments made by this subsection shall apply to property placed in service after March 17, 1975.

(b) Conforming Amendments.—

(1) Section 642(f) (relating to amortization deduction for estates and trusts) is amended by striking out "and 188" and inserting in lieu thereof "188, 189, and 190".

(2) Section 1082(a)(2)(B) (relating to basis in certain exchanges) is amended by striking out "or 188" and inserting in lieu thereof "188, 189, or 190".

(3) Section 1245(a) (relating to gain from dispositions of certain depreciable property) is amended by striking out "or 188" each place it appears in paragraph (2) and inserting in lieu thereof "188, or 189".

(c) Clerical Amendments.—The table of sections for part VI of subchapter B of chapter 1 is amended by adding at the end thereof the following:

"Sec. 189. Amortization of qualified energy use property.

"Sec. 190. Amortization of qualified railroad equipment."

Part III—Tax Credit Changes Relating to Energy Conservation

Sec. 531. Changes in Investment Credit Relating to Insulation, Solar Energy, and Air Conditioning.

(a) Insulation and Solar Energy.—Section 48 (relating to definitions and special rules for purposes of the investment credit) is amended by redesignating subsection (k) as subsection (l) and by adding after subsection (j) the following new subsection:

"(k) Temporary Rules for Insulation and Solar Energy.—

"(1) Treatment of section 38 property.—Any—

"(A) insulation installed (other than pursuant to a reconstruction of the building) after March 17, 1975, and before January 1, 1978, in a structure which was in existence on March 17, 1975, and was used on such date in a trade or business (or held for the production of income) or

"(B) solar energy equipment installed after March 17, 1975, and before January 1, 1981,

shall be treated as section 38 property.

"(2) Lodging rule not to apply.—For purposes of this subsection, paragraph (3) of subsection (a) (relating to property used for lodging) shall not apply.

"(3) Definitions.—For purposes of this subsection—

"(A) Insulation.—The term 'insulation' has the meaning given to such term by section 44C(c)(2).

"(B) Solar energy equipment.—The term 'solar energy equipment' has the meaning given to sucha term by section 44D(c)(2).

"(4) Termination.—This subsection shall not apply to—

"(A) amounts paid or incurred with respect to insulation after December 31, 1977, or

"(B) amounts paid or incurred with respect to solar energy equipment after December 31, 1980."

(b) Air Conditioning, Space Heaters, Etc.—Subparagraph (A) of section 48(a)(1) (defining section 38 property) is amended to read as follows:

"(A) tangible personal property (other than an air conditioning or heating unit), or".

(c) Effective Dates.—

(1) The amendments made by subsection (a) shall apply to amounts paid or incurred after March 17, 1975.

(2) The amendment made by subsection (b) shall apply to property placed in service after the date of the enactment of this Act.

Sec. 532. Generating Facilities Powered by Petroleum and Petroleum Products.

(a) In General.—Paragraph (1) of section 48(a) (defining section 38 property) is amended by adding at the end thereof the following new sentence: "Such term does not include any electrical generating property fueled by petroleum or petroleum products (including natural gas)."

(b) Effective Date.—

(1) In general.—The amendment made by subsection (a) shall apply to property which is placed in service after April 17, 1975.

(2) Binding contracts.—The amendment made by subsection (a) shall not apply to property which is constructed, reconstructed, erected, or acquired pursuant to a contract which was, on April 17, 1975, and at all times thereafter, binding on the taxpayer.

(3) Plant facility rule.—

(A) General rule.—If—

(i) pursuant to a plan of the taxpayer in existence on April 17, 1975 (which plan was not substantially modified at any time after such date and before the taxpayer placed the plant facility in service), the taxpayer has constructed, reconstructed, or erected a plant facility, and either

(ii) the construction, reconstruction, or erection of such plant facility was commenced by the taxpayer before April 18, 1975, or

(iii) more than 50 percent of the aggregate adjusted basis of all the property of a character subject to the allowance for depreciation making up such plant facility is attributable to either property the construction, reconstruction, or erection of which was begun by the taxpayer before April 18, 1975, or property the acquisition of which by the taxpayer occurred before such date, then the amendment made by subsection (a) shall not apply to all property comprising such plant facility. For purposes of clause (iii) of the preceding sentence, the rules of paragraphs (2) and (4) shall be applied.

(B) Plant facility defined.—For purposes of this paragraph, the term "plant facility" means a facility which does not include any building (or of which buildings constitute an insignificant portion) and which is—

(i) a self-contained, single operating unit or processing operation,

(ii) located on a single site, and

(iii) identified, on April 17, 1975, in the purchasing and internal financial plans of the taxpayer as a single unitary project.

(C) Commencement of construction.—For purposes of subparagraph (A)(ii), the construction, reconstruction, or erection of a plant facility shall not be considered to have commenced until construction, reconstruction, or erection has commenced at the site of such plant facility. The preceding sentence shall not appy if the site of such plant facility is not located on land.

(4) Machinery or equipment rule.—The amendment made by subsection (a) shall not apply to any piece of machinery or equipment—

(A) more than 50 percent of the parts and components of which (determined on the basis of cost) were held by the taxpayer on April 17, 1975, or are acquired by the taxpayer pursuant to a binding contract which was in effect on such date (and all times thereafter), for inclusion or use in such piece of machinery or equipment, and

(B) the cost of the parts and components of which is not an insignificant portion of the total cost.

(c) Qualified Progress Expenditures.—Nothing in the amendment made by subsection (a) shall be construed to deny any investment credit for qualified progress expenditures described in section 46(d) of the Internal Revenue Code of 1954 for any taxable year beginning before April 17, 1975.

Sec. 533. Recycling Tax Credit.

(a) Allowance of Credit.—Paragraph (1) of section 46(a) (relating to amount of credit) (as amended by section 301(a) of the Tax Reduction Act of 1975) is amended by adding at the end thereof the following new subparagraph:

"(E) Amount for qualified recycling purchase.—The amount of the credit allowed by section 38 for the taxable year shall be the sum of—

"(i) the amount determined under the preceding provisions of this paragraph, plus

"(ii) an amount equal to the percent set forth in subparagraph (A) of the qualified recycling purchase (as defined in subsection (g)).

For purposes of clause (ii), paragraph (2)(C) shall be applied by substituting '100 percent' for '50 percent'.

(b) Qualified Recycling Purchase Defined.—Section 46 is amended by adding at the end thereof the following new subsection:

"(g) Qualified Recycling Purchase.—

"(1) In general.—For purposes of this subpart, the term 'qualified recycling purchase' means, with respect to any taxable year, the applicable percentage of the amount paid or incurred by the taxpayer to purchase any class of postconsumer solid waste materials (as defined in section 48(l)) which were recycled within the United States by the taxpayer during the taxable year. In the case of any taxpayer, such term does not include amounts paid or incurred during the taxable year for any class of postconsumer solid waste materials if a substantial portion of the materials resulting from the recycling by the taxpayer during such year of such class is exported from the United States.

"(2) Applicable percentage.—For purposes of paragraph (1), the applicable percentage shall be 100 percent reduced by the price adjustment percent determined under paragraph (3) for the calendar quarter in which the amount was paid or incurred.

"(3) Price adjustment percent.—For purposes of paragraph (2), the price adjustment percent for any calendar quarter for any class of postconsumer solid waste materials shall be the percent, if any, by which—

"(A) the price index (prepared by the Department of Labor) for such class for the computation quarter, exceeds

"(B) 200 percent of the average of the price indexes for such class for the base period, increased to reflect the increase (if any) in the Consumer Price Index prepared by the Department of Labor for the computation quarter over the average of such indexes for the base period.

The price adjustment percent for each calendar quarter for each class of postconsumer solid waste materials shall be determined by the Secretary or his delegate and published in the Federal Register.

"(4) Definitions for purposes of paragraph (3).—For purposes of paragraph (3)—

"(A) Base period.—The term 'base period' means the calendar years 1971 through 1973.

"(B) Computation quarter.—The term 'computation quarter' means, with respect to any calendar quarter, the most recent preceding calendar quarter for which the price index for the class of postconsumer solid waste materials is available.

"(5) Recycle defined.—For purposes of this subsection, the term 'recycle' means to subject to a treatment which alters the composition or physical properties of a material. Such term does not include a process consisting merely of sorting, shredding, stripping, compressing, and packing for storage and shipment.

"(6) Purchase.—For purposes of this subsection, the term 'purchase' has the meaning assigned to such term by seciton 179(d)(2)."

(b) Post-Consumer Solid Waste Materials Defined.—Section 48 (relating to definitions and special rules for purposes of the investment credit) is amended by redesignating subsection (l) as subsection (m) and by inserting after subsection (k) the following new subsection:

"(l) Special Rules Relating to Recycling.—

"(1) Post-consumer solid waste materials defined.—For purposes of this subpart, the term 'post-consumer solid waste materials' means glass, paper, textiles, nonferrous metals (other than precious metals and other than copper base scrap), or ferrous metals which have been used by an ultimate consumer, but only if such person cannot reuse the waste material in such further manufacture and only if neither such person nor any related person is engaged in the manufacture of such materisl or in the processing of such waste material. The term 'post-consumer solid waste materials' does not include any material which becomes a component part of property which is section 38 property in the hands of the taxpayer who recycles such material.

"(2) Limitation to 15 percent of qualified investment in recycling equipment.—The aggregate amount of the credit allowed under section 38 by reason of section 46(a)(1)(E)(ii) for any taxable year shall not exceed—

"(A) 15 percent of the aggregate qualified investment (determined under subsections (c) and (d) of section 46) in machinery or equipment for recycling post-consumer solid waste materials properly attributable to periods after the date of the enactment of this paragraph and before the close of such txable year, reduced by

"(B) the aggregate amount of the credit allowed under section 38 by reason of section 46(a)(1)(E)(ii) for prior taxable years.

For purposes of subparagraph (A), qualified investment shall be taken into account only if it is attributable to periods before January 1, 1984. To the extent that any amount is not allowable for any taxable year solely by reason of the first sentence of this paragraph, such amount shall be treated as arising in the next succeeding taxable year.

"(3) Subchapter S corporations; estates and trusts.—For purposes of this subpart, rules similar to the rules set forth in subsections (e) and (f) shall apply with respect to qualified recycling purchases."

(c) Clerical, Etc., Amendments.—

(1) The heading for section 38 is amended to read as follows:

"Sec. 38. Investment in Certain Depreciable Property and Purchases of Certain Recyclable Waste."

(2) The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by striking out the item relating to section 38 and inserting in lieu thereof the following:

"Sec. 38. Investment in certain depreciable property and purchases of certain recyclable waste."

(3) The heading of subpart V of part IV of subchapter A of chapter 1 is amended to read as follows:

"Subpart B—Rules for Computing Credit for Investment in Certain Depreciable Property and Purchases of Certain Recyclable Waste".

(4) The table of subparts for such part IV is amended by striking out the item relating to subpart B and inserting in lieu thereof the following:

"Subpart B. Rules for computing credit for investment in certain depreciable property and purchases of certain recyclable waste."

(d) Effective Date.—

(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall apply to amounts paid or incured after December 31, 1975, in taxable years ending after December 31, 1975.

(2) Termination of provisions.—The amendments made by this section shall not apply to amounts paid or incurred after December 31, 1980, by the taxpayer to purchase postconsumer solid waste materials, and no credit shall be allowable under section 38 by reason of section 46(a)(1)(E)(ii) for any taxable year ending after December 31, 1983.

REPRESENTATIVE MILLICENT FENWICK: "A STAR OF THE FRESHMAN CLASS"

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, May 9, 1975

Mr. EVINS of Tennessee. Mr. Speaker, in a recent issue of Parade magazine an article praises Representative Millicent Fenwick as a "star of the new Congress."

Certainly I share this view and I am delighted that Mrs. Fenwick was chosen as the first woman to serve as a member of the House Small Business Committee, which I am honored to serve as chairman.

Mrs. Fenwick is charming, talented, able, and articulate and I know she will contribute much to the work of our committee and the 94th Congress.

Mrs. Fenwick also serves on the Banking, Currency and Housing Committee.

Because of the interest of my colleagues in Mrs. Fenwick and because of the interest of the American people, I place in the Record herewith the article from Parade.

The article follows:

Representative Millicent Fenwick: A Star of the New Congress

By Connecticut Walker

Washington, D.C.—Mrs. Millicent Fenwick, a 65-year-old, pipe-puffing grandmother who was elected to the U.S. House of Representatives last fall, has quickly become a star of the 94th Congress freshman class.

Mrs. Fenwick is a millionaire representing New Jersey's wealthy 5th District, yet she has a long record of active concern for the poor, the elderly and the unemployed. She seems a Republican version of Eleanor Roosevelt, though the taut elegance of her looks and assertiveness of her manner are more reminiscent of Katharine Hepburn.

She made her debut last winter at the Washington Press Club's annual Congressional Dinner with a speech that sent the town's hostesses scurrying home to add her name to their guest lists. Mrs. Fenwick explained, extemporaneously, how her first day on Capitol Hill had started out badly:

"I showed up in my best outfit with a little fur hat," she said, "only to be told that hats, while appropriate as a mark of respect in the house of God, were not allowed worn on the House floor.

"But apart from such rules, which presume that anybody who is going to be good enough to get elected to Congress is a man, things are better now," she continued. "Some years ago when I was a member of the New Jersey State Assembly I was making a speech earnestly proposing an Equal Rights Amendment. After I finished, one colleague rose and with real anguish in his voice—you could tell he was addressing a subject close to his heart—said, 'I just don't like this amendment. I've always thought of women as kissable, cuddly and smelling good.'

"It was the kind of thing you really don't believe," she added. "The only answer of course was, 'That's the way I feel about men, too. I only hope for your sake that you haven't been as disappointed as often as I have.' "

Millicent Hammond Fenwick was one of three children of a successful New Jersey banker. Her mother's family, the John Stevenses, made their money through the fortuitous purchase of 500 acres along the Hudson River across from New York City. The Stevens family home is now the site of the Stevens Institute of Technology in Hoboken, N.J. Mrs. Fenwick's mother, not quite 26, went down with the Lusitania when it was torpedoed by a German sub in 1915. Millicent was 5.

She gave up formal schooling at 15, shortly after her father, Ogden Hammond, was appointed ambassador to Spain by President Calvin Coolidge. "Education was not considered important for women then," she says, adding that her ultra-Victorian stepmother never encouraged her to go on to college.

TAUGHT HERSELF

So she read widely on her own, became fluent in four languages, studied philosophy briefly under Bertrand Russell, and returned to the U.S. just in time for the Depression. She modeled sporadically for Vogue and Harper's Bazaar with other steel butterflies like Clare Boothe Luce ("Clare always got to the mirror first," she recalls).

In 1938 her four-year marriage to Hugh Fenwick ended in divorce. Because the family funds had been invested badly, she went to work to support her two children and repay debts. She spent 14 years as a feature writer for Vogue, and also wrote the 1948 Vogue Book of Etiquette.

"We were brought up with a certain amount of simplicity," recalls her daughter, Mrs. Mary Reckford, herself the mother of five and a nursing school student. "We were raised to be economical and to do a great many things for ourselves long before women's lib became fashionable. Mummy herself used to save by picking up designer clothes after the *Vogue* models had finished with them."

"A lot of *Vogue* editors were then terribly involved with their children," explains Allene Talmey, who was Mrs. Fenwick's friend and boss in the '40's.

TIME TO RECUPERATE

Mrs. Fenwick left *Vogue* in 1952. By this time her children were grown and the family's real estate holdings had appreciated many fold. She inherited a sizable sum of money (during her 1974 Congressional campaign she reported her net worth at $5,112,637.40) and retired to the family's Bernardsville, N.J., home to wrestle with a variety of illnesses, including skin cancer from which she has now recovered.

Mrs. Fenwick resumed her activities by volunteering to aid Clifford Case in his Senate campaign in 1954. She became vice chairman of the state Republican Party, president of the county Legal Aid Society and spent four years as a member of the New Jersey Advisory Committee to the U.S. Commission on Civil Rights.

In 1969, at age 59, she concluded she "wasn't pushy enough. I was too hesitant to promote myself, and in politics if you don't no one else does." With that conclusion in mind, she won a seat in the New Jersey State Assembly.

Although Representative Fenwick hails from a section of the country where foxhunts are a more common sight than welfare offices, she has long held sympathies for the down-and-out. She was concerned about the housing problems of Newark's poor long before the riots of the '60's. She was also out in front of the consumer movement, and thus became the obvious choice of Gov. William Cahill for Director of New Jersey's Division of Consumer Affairs. She held the post in 1973 and 1974, and according to local reporters, made efficient and imaginative use of a very limited budget.

VISITS INDOCHINA

Mrs. Fenwick, like many freshman Congressmen, is busily and anxiously dividing her time between learning and legislating.

Still, she's trying hard. Among the bills she has introduced to date is one aimed at equalizing the tax burdens placed on married and single individuals, and another designed to keep the Food Stamp Program at its present funding level. She has spoken out against military aid for Vietnam and Cambodia (she visited the Indochina battlefronts in March) and criticized the Democratic caucus for killing many of last year's heralded parliamentary reforms.

Representative Fenwick usually rises at 6 a.m., grabs a quick breakfast of vitamin pills and is at her desk by 7. She doesn't often return to her rented Capitol Hill townhouse before midnight. But despite her 65 years, she says she finds the pace invigorating.

Mrs. Fenwick takes a stern view on political morality. She says, "I've never known a woman in politics who has been offered a bribe. If the door of the smoke-filled room is closed, women are always on the outside. There is a general feeling that women don't understand political realities. I'm not certain whether this immunity to corruption is sexual or occupational. But I hope the spirit of awe and wonder with which we seem to approach public office doesn't change once we have more women holding government jobs."

Mrs. Fenwick's strict moral stance predates her political ventures. Explaining why her friend was chosen to write the Vogue etiquette guide, Allene Talmey says, "Millicent has always had a deep feeling for what was right. She is a most moral person. After all, people felt ethically secure with Millicent's etiquette book for 25 years."

Sometimes, according to Mrs. Fenwick's son-in-law, Kenneth Reckford, a classics professor at the University of North Carolina, "She is just too virtuous. During last year's fuel crisis, for example, she turned down the heat in her old Bernardsville home to a ridiculous 55 degrees."

TOO DANGEROUS

And in a similar burst of high-minded enthusiasm she once announced to her fellow New Jersey legislators that she was going to have her car converted to run on clean-burning propane gas. She was forced to abandon the project when she learned that she wouldn't be permitted to drive such a moving bomb through any of New York's tunnels.

If she ever had blown up her car, the spark would probably have come from her ever-present pipe. Millicent Fenwick's small briar, which she fusses with more than smokes, has been part of her life for too long to dismiss as just an attention-grabbing political gimmick. But, like Rep. Bella Abzug's wide brimmed hats, it does serve to distinguish her from the 434 other members of the House.

KNOWING AND KNOWING

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, May 9, 1975

Mr. MOFFETT. Mr. Speaker, the 1974 amendments to the Freedom of Information Act took effect on February 19, 1975. These amendments significantly increase citizen access to Government information and, therefore, represent an important step toward a truly knowledgeable public. At this point in the Record, I would like to submit an article by Theodore Jacobs from the March 8, 1975, issue of the New York Times. This article provides an excellent summary of the effects of the 1974 amendments:

Knowing and Knowing

(By Theodore J. Jacobs)

Washington.—With an estimated six billion files, the Federal Government is the largest single creator and collector of information in the world.

These include the widely known Federal Bureau of Investigation and Central Intelligence Agency files as well as a vast storehouse of information on almost every type of product and service the Government purchases, safety reports on products the Government regulates, and compliance reports on the laws administered. Also included is the written record of official communication and action, the bureaucracy's constant effort to analyze, justify, and interpret its policy.

Does the public have a right to know what the Government knows? Does it have the right to the data upon which official decision-making is based? The law—the Freedom of Information Act—says yes. That law was first enacted in 1966 and recently strengthened over President Ford's veto.

It declares that all Government documents, with certain specific exceptions, must be made available to the public. The 1974 amendments, which took effect Feb. 19, were designed to clarify the all-important exceptions and to deal with the bureaucratic delays and abuses that had made the act more loophole than law.

Responding to a request under the act, the State Department formally made public on Thursday transcripts of background briefings that Secretary of State Kissinger had given reporters.

When the act was passed, it was hoped that it would be used primarily by journalists to obtain information from what seemed to be a congenitally secretive Government. But the demands of daily deadlines and the costs of extended litigation soon made it clear that the press could often be diverted by a determined bureaucracy.

It took an eighteen-month court battle before the F.B.I. disclosed documents of its surveillance and counterintelligence program.

When finally released in the post-Watergate fallout, they exposed a pattern of activities against domestic dissident groups, including such "new left" and "black militant" groups as the organization then headed by the Rev. Dr. Martin Luther King Jr.

It was also expected that the original act would be used by citizen and consumer groups to tap the rich lode of safety and products-test information accumulated by Federal agencies. In case after case, bureaucratic self-interest impeded public access to the data.

But perhaps the most compelling failure of the previous act was the Supreme Court's interpretation in a case brought by Congresswoman Patsy Mink to obtain a report on underground nuclear testing. The report had been refused on the grounds of national security, and the United States Supreme Court held, in effect, that if an agency marks a document "secret" then the court may not determine if it was properly classified, but must abide by the agency's ruling.

Since most Government offices having even a remote connection with national security routinely mark everything in sight as classified, the obvious purpose of the law was thwarted. This is now remedied by the 1974 amendments, which make it clear that the courts have a duty to determine whether a claim of national security is justified and may review the information itself to see if it is properly classified.

Another major problem with the old Freedom of Information Act, remedied by the 1974 amendments, was the over-reliance on the exemption for "investigative files compiled for law enforcement purposes."

The clear intent of this exemption was to protect the kind of investigative material that would expose police sources or violate civil liberties.

In practice, however, whole blocks of files often dealing with closed cases decades old were declared to be investigatory and thus immune from public scrutiny.

Under this exemption, the report on the cover-up of the My Lai incident and the bullet that allegedly killed President Kennedy were held to be exempt although no prosecutions were then pending.

Now, under the new amendments, law enforcement files such as those kept by the F.B.I. would have to be furnished on request unless disclosure would interfere with a pending proceeding, violate an individual's privacy, or compromise a confidential source or investigatory technique.

Agencies are now required to publish indexes of materials to help the public know what the files may contain, they must process requests for information within ten working days, and they may charge only the direct costs of search and duplication.

Finally, agency personnel may be disciplined for arbitrary or capricious conduct, and the Government may be required to pay attorney's fees and other litigation costs in cases in which the complainant prevails.

No wonder that virtually every agency recommended a veto, and that President Ford did veto the bill only months after promising an open Administration in his first public statement as President.

PEOPLE ARE HELPING PEOPLE

HON. GARY A. MYERS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 9, 1975

Mr. MYERS of Pennsylvania. Mr. Speaker, once again, Mr. Speaker, I call to the attention of the House the fact that in the 25th District of Pennsylvania, people are helping people.

This time it is a group in Beaver County, in my district, the Beaver County Branch of the Pennsylvania Association for the Blind, in Beaver Falls. They are helping 215 people. One group known as the "Dotters" are braillists, making readable-to-the-blind books on a variety of subjects. I commend the devoted individuals in Beaver Falls, good people helping people who need to be helped because life has given them less than a full measure of their birthright.

STATEMENT ON THE SITUATION OF HUNGARIANS IN ROMANIA

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, May 9, 1975

Mr. HELSTOSKI. Mr. Speaker, during the 1960's, questions concerning the repression of Hungarians in Transylvania—Romania—were of vital concern to many Members of Congress. Since that time, we have been waiting in vain for what we hoped would be a partial remedy of the longstanding grievances of nearly 2.5 million Romanian citizens of Hungarian ethnic background.

The grievances we mentioned in our letter to Secretary of State Dean Rusk in 1966 still plague these people. They are still discriminated against in the areas of housing and employment; Hungarian university graduates are still systematically scattered into purely Romanian areas; and the Hungarian regions of the country still suffer from economic neglect.

The Szekely-area of southeastern Transylvania, for example, has some of the most scenic mountain areas in the world. Yet while other areas in the Old Romanian Kingdom have benefited immensely from heavy economic investment and development, the Szekely-area, one of the world's most potentially lucrative tourist resorts, remains undeveloped.

Hungarian citizens have lived in Transylvania for nearly 1,000 years and have made many valuable political and cultural contributions to the province, yet their hopes for a better society remain unfulfilled. Moreover, I am sorry to report, their plight has taken a turn for the worse during the past year.

New unfavorable developments have taken place in the areas of culture and education. The majority of vocational, economic, scientific and other specialized high schools have been completely Romanized. Entrance examinations for high schools or vocational high schools now must be taken in Romanian. With the exception of a few scattered courses, only Hungarian language and literature classes are taught in the Hungarian tongue.

In addition, Hungarian churches have been particularly hard hit by the recently enacted law dealing with national cultural treasures. According to reports, all historical records and art objects have been transferred into state administration archives and museums. Discussing this situation last March, the Washington Star noted that—

> A church which cannot document its past and historical role will not have much of a future.

The Star went on to report:

> During recent weeks government officials have combed through the archives and libraries of some 20 Hungarian Reformed churches in northwestern Romania and reportedly confiscated material by truckload.

As a result, researchers in the years ahead may no longer have access to church records and libraries. Almost as distressing is the fact that the Romanian Parliament admitted in October 1974, that there were not enough qualified archivists available to classify the confiscated material.

Mr. Speaker, last month, President Ford submitted a proclamation to the Congress giving Romania the status of a most favored nation. Before granting this status however, we must ask the administration to raise the issue of continued oppression of the Hungarian minority with the Romanian Government, so that we do not reward these oppressors with important economic concessions.

CONGRESSIONAL PROBE OF UNITED STATES-ARAB MISSILE SALE NEEDED

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, May 9, 1975

Mr. ROSENTHAL. Mr. Speaker, the administration's decision announced this week to sell Jordan a $100 million Hawk air defense system is further evidence of the utter incoherence and inconsistency of American policy in the Middle East.

I have written to Representative Dante B. Fascell, chairman of the International Relations Subcommittee on International Political and Military Affirs, requesting immedite hearings on this country's arms sales policy in the Middle East.

Despite Israel's urgent need for weapons to restore the balance of forces in the Middle East, and the position of the United States as Israel's only major source of such arms, less than 21 percent of the arms sales to the Middle East so far this fiscal year were made to Israel.

The other 80 percent of the arms are going to Israel's neighbors and nations that have sworn enmity for Israel. This kind of policy invites tragedy.

The Ford administration's current so-called reassessment of its Mideast policy is a thinly veiled disguise for a program of punishing Israel for the failure of American diplomacy in arriving at a Middle East settlement.

Such a program runs counter to every expression of popular opinion in the United States which unswervingly favors a strong American commitment to Israel. This approach is calculated to lead to military, political, and economic disaster.

The argument that if the United States doesn't sell missiles to Jordan someone else will is callous and without foundation. Evidence of this can be seen in the statement of Jordan's King Hussein that he never seriously considered looking anywhere else for a surface-to-air missile system.

The United States is the world's premier arms merchant, selling more than twice as many arms as its closest competitor, the Soviet Union. This status has not helped the United States prevent wars among its arms customers, as evidenced by the recent Greece-Turkey and India-Pakistan wars.

History is full of evidence of the tragic consequences of a massive buildup of arms in a tension-filled international situation. In our indiscriminate sales to the Middle East countries, we are begging a repetition.

My letter to Chairman Fascell follows:

May 8, 1975.

Hon. Dante B. Fascell,
Chairman, Subcommittee on International Political and Military Affairs, Committee on International Relations, House of Representatives, Washington, D.C.

Dear Dante: The recently announced decision of the Administration to sell a modern $100 million Hawk air defense system to Jordan is further evidence of the utter incoherence and inconsistency of American policy in the Middle East. I am convinced more than ever that the so-called reassessment of United States policy in the Middle East is a thinly veiled disguise for a program of punishing Israel for the failure of American diplomacy in arriving at a Middle East settlement. Such a program runs counter to every expression of popular opinion in the United States which unswervingly favors a strong American commitment to Israel. Moreover, this approach is calculated to lead to military, political and economic disaster. I respectfully urge that the Political and Military Affairs Subcommittee of the International Relations Committee hold immediate hearings on the American arms sales policy in the Middle East.

In the first seven months of fiscal 1975, the United States contracted to sell $3.6 billion worth of weapons to Middle East countries. This constitutes almost 80% of American arms sold to all foreign states during this period. Despite Israel's urgent need for weapons to restore the balance of forces in the Middle East, and the position of the United States as Israel's only major source of such arms, less than 21% of the arms sales to the Middle East were made to Israel. Iran and Saudi Arabia, themselves potential opponents in a Persian Gulf conflict, contracted for over 75% of this total. Iran ordered $1.7 billion worth, chiefly 80 Navy F–14 jet fighters; Saudi Arabia contracted for $1.05 billion, including $750 million for 60 F–5 jet fighters; and Kuwait, which bought only $18.1 million worth of weapons in fiscal 1974, ordered new equipment costing $333.1 million. One of these sales, a $77 million contract to train Saudi troops to protect oilfields, has already been the subject of an excellent hearing held by the Subcommittee.

History is full of evidence of the tragic consequences of a massive build-up of arms in a tension-filled international situation. World War I is the most dramatic example but the two wars this decade between India and Pakistan and the recent Cyprus crisis are equally persuasive examples. In these latter situations, the combatants all used U.S.-made weapons. In our indiscriminate sales to the Middle East countries, we are begging a repetition.

None of the arguments advanced for the massive areawide sales to Middle East countries survives close scrutiny. Secretary Schlesinger on February 23 defended these sales as encouraging "close relationships" between the United States and these states, and giving this country" a degree of influence" in the Middle East. Yet close relationships did not prevent Turkey from ignoring the terms on which we supplied arms to it and intervening militarily in Cyprus. Nor did our influence prevent the wars on the Subcontinent. Whatever influence such sales of arms do give is of little consequence when the purchaser decides its national interest is best served by the use of these arms.

Moreover, the callous argument that if we do not sell them the arms, someone else will, is equally suspect. With respect to the Hawk sale itself, King Hussein is reported as saying Jordan never seriously considered looking anywhere but the United States for its surface-to-air missile system. Indeed, the United States is the world's premier arms merchant. We sell more than twice as many arms as the Soviet Union, our closest competitor. As the impact of the cutoff of weapons deliveries to Turkey makes clear, the armed forces of many states are unable easily to accommodate arms other than those of United States manufacture.

We cannot deceive ourselves as to the consequences of our arms sale program. At Lt. Gen. H. M. Fish (USAF) testified before the Subcommittee on March 20, the politics is a paramount consideration in each arms sale decision. The Defense Department may arrange the mechanics of each sale, but it has long been recognized that the State Department decides whether the sale furthers United States foreign policy.

In this context, the sale of the Hawk missiles to Jordan together with the whole United States military sales program in the Middle East demands careful Congressional review. The public must be assured that this critical area has received a full evaluation, and that the seemingly arbitrary and dangerous arms sales program in the Middle East not only reflects a reasoned policy but is in the best interests of the United States and world peace.

I respectfully request that hearings be promptly convened to investigate American military sales to the Middle East.

Sincerely yours,

Benjamin S. Rosenthal,
Member of Congress.

REVISED NOTICE OF HEARINGS OF THE SUBCOMMITTEE ON CIVIL AND CONSTITUTIONAL RIGHTS OF THE HOUSE COMMITTEE ON THE JUDICIARY

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 9, 1975

Mr. EDWARDS of California. Mr. Speaker, I wish to revise the schedule of a public hearing to be held by the Subcommittee on Civil and Constitutional Rights of the House Committee on the Judiciary on May 14, 1975 at 10 a.m. in room 2237 of Rayburn House Office Building on H.R. 61, a bill to provide for the security, accuracy and confidentiality of criminal justice information and to protect the privacy of individuals to whom such information relates and for other purposes. This hearing has been postponed to May 20, 1975 at 10 a.m. in room 2237 of the Rayburn House Office Building. The witness will be the Department of Justice.

In addition, another hearing is scheduled on the criminal justice information systems bills, H.R. 61 and H.R. 62, on May 22, 1975 at 10 a.m. in room 2237 of the Rayburn House Office Building. The witness will be the Law Enforcement Assistance Administration of the Department of Justice.

Those who wish to testify or submit a statement for the record should contact the Subcommittee on Civil and Constitutional Rights of the House Committee on the Judiciary in room 407 of the House Annex Building, 225–1680.

THE ULTIMATE POVERTY

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Friday, May 9, 1975

Mr. WON PAT. Mr. Speaker, I am anxious to share with my colleagues an article from the first issue of what promises to be an interesting and informative magazine, Action, the participation magazine.

The present status of our national parks is most certainly a dilemma, a constant struggle to preserve what nature has so magnificently wrought in the face of rampant commercialism and private gain. If this dilemma is left unresolved, if this struggle is not decisively won, then like so many of nature's other creations, our national parks will become an endangered species. If our trees and forests, our streams and rivers, our mountains and hilltops are not protected from the insidious spread of our concrete jungles and the abuse of man, then surely all our people will succumb to the ultimate poverty.

I call upon my colleagues to pledge themselves as protectors and public defenders of our national parks. As public servants we are responsible not only for the control of pollution, but more importantly for the preservation of that which has not yet been polluted, either by chemicals or the greed of man. It is my hope that the following article will awaken anew these responsibilities:

The National Parks Dilemma

(By Peter Stephano)

Firelight flickered on the faces of the men as they sat discussing the possibilities for developing the magnificent mountains, valleys, and lakes surrounding them. It was 1870. The place was what is now Yellowstone National Park. The Washburn-Langford-Dorne expedition had set out to explore the headwaters of the Yellowstone River—and once and for all either substantiate or disprove the tall tales they'd heard about the incredible Yellowstone Country.

Unexpectedly, the stories were absolutely true, and the explorers were overwhelmed by what they saw. Now they speculated as to how they might gain personal wealth from their adventure: "Let's each stake a claim to a portion of it, build hotels, then promote expensive tours," said one. Another was for "fencing off the place as a playground for the wealthy." But the third advanced the idea that they disregard selfish thoughts, and get at once to Washington and ask Congress to declare the land "as a public park or pleasuring ground for the benefit and enjoyment of the people." In that day, the concept was truly revolutionary, but they all agreed to the course. Two years later, through their efforts, President Ulysses S. Grant signed the bill authorizing Yellowstone as the first National Park—the first in the United States, and in the world.

As the great-grandfather of National Parks, Yellowstone fostered a tradition of preservation that grew and grew, until today the units of the National Park System number nearly 300. Surprisingly, the choices that sparked the mountain valley discussion of 1870—private profit or public park—are the same that face us now.

Today, our National Parks are more popular than ever. Why? Perhaps seeing and sensing the varied majesty of America through her parks reestablishes a sense of pride and belonging in a country constantly on the move. Too, the National Parks have made efforts over the years to accommodate the needs and demands of a growing number of visitors, developing facilities at a pace that barely manages to keep up. But intertwined between the parks' popularity, the preservation ethic, and the growing demand for more facilities, is the root of a dilemma that now casts a pall upon our National Park heritage.

In its enabling act of 1916, the National Park Service is given the express legal duty "to conserve the scenery and natural and historic objects and the wildlife therein and to provide for the enjoyment of the same in such a manner and by such means as will leave them unimpaired for the enjoyment of future generations." Yet, as it has come to be, park enjoyment and park conservation may no longer be compatible. If visitor enjoyment requires more facilities—motels, modern campgrounds, restaurants, service stations, and gift shops—then conservation must give way. And likewise, if conservation is to be uppermost, development must not only cease in the National Parks, but pull back, and facilities be removed as they become obsolete.

One solution to the popularity/conservation problem is to restrict or otherwise control the number of people able to visit a National Park at any one time. As one observer of the dilemma has phrased it: "However unpalatable regulatory controls may be to most Americans, the alternatives would seem equally displeasing: either eventual destruction of some of the most striking landscapes on the continent or complete prohibition of direct citizen contact with those environments." For all practical purposes, either alternative would mean no parks.

But there are other remedies, each dealing with one or several of the five "rights" most Americans have come to expect in the National Park System. Some are drastic, some less so; each, however, has merit.

Nearly unlimited access, the idea that you should be able to go anywhere in the parks, by any means of transportation, will necessarily have to be amended. Here, experts agree, the solution is to remove the automobile. In the more popular parks like Yosemite, Yellowstone, Glacier, and Acadia, an increasing amount of private auto traffic has created bumper-to-bumper situations during peak periods. Two years ago, the National Park Service took a great step toward relieving congestion in Yosemite by prohibiting cars in the main valley and providing an efficient mini-bus system. With free fare, frequent schedules, and no worries of traffic congestion, the little buses are not only successful but popular. A similar mass transit system, operating with the same results, is in the nation's capital. Farsighted planners think mass transit is the answer for 12 other parks, where fragile ecosystems are being threatened by cars. They envision "gateway centers" situated at the perimeter of a park, where visitors leave their cars to be shuttled efficiently and economically to and through what they came to see. Such a system would allow passengers to get off wherever they want, wander at will, then be picked up later at one of numerous "stops." Mass transit systems would do away with the need for expanded road systems, parking, and traffic enforcement.

Access involves another major conflict—public use versus conservation. Should certain delicately balanced areas of a National Park be "off limits" because use of the land will eventually upset its ecology and change its natural state? There are such areas now, designated as wilderness, where only hikers and horseback riders are allowed. At present several dozen additional areas are being considered for wilderness preserves. The problem faced by federal planners is two-fold: restricting access to more acreage encourages crowded conditions elsewhere, and also limits the number of wilderness visitors to those willing and able to get there on foot or by horseback—a form of discrimination. Would the vast majority of park visitors be content with viewing only those wonders which are easy to reach, and leaving the relentless wilderness to others with more stamina?

Availability of the National Parks to every American is crucial, if the founding concept of parks for the people is to be forever valid. But already many Americans are denied true enjoyment in various ways—through overcrowded conditions, limited park seasons, and by the very fact that some of the National Parks are so far away from the urban centers where most Americans live.

Lack of funds is a problem, too. Money for the Parks does not come from entrance fees, but from Congress. National Park entrance fees go directly into the Land and Water Conservation Fund, administered by the Bureau of Outdoor Recreation. Eventually, some money is returned to the Park Service for land purchase, but fees cannot be used for Park administration. Thus, the additional $2½ billion estimated to meet current needs, plus the billions more for the future, must, by law, come from Congress. Should the Parks Service have to stand in the long appropriations line awaiting their share of limited tax dollars, or should there be another way to assure the expansion and protection of our Park heritage?

More parks, of course, is another solution to providing a restful, outdoor experience for more Americans. To do this, the original concept guiding the National Parks will have to change. The idea that a National Park must surround some breathtaking work of nature or irreplaceable aspect of history is beginning to be reshaped to include recreation land areas adjacent to cities, and cultural parks. Wolf Trap Farm Park for the Performing Arts, in Vienna, Virginia, is the first example of a cultural park. During the summer season all kinds of performing arts are presented—from opera to bluegrass music—for every kind of person. Everything takes place in an open-air park where blankets are spread on the grass during the performances. Wolf Trap's popularity is attested by the more than half a million people who attended last season. Urban area recreational parks are underway in New York City and on the bay at San Francisco. And new types of parks called "preserves," have been established in the Big Thicket area of eastern Texas and in the Big Cypress Swamp of Florida. The possibility of acquiring National Park lands in the prairies of Kansas is also being talked about. And, 35 million acres of Alaska land already in federal hands could become National Park System units.

One often-sounded objection to these proposals is that, except for Alaska, the suggested parks are much less spectacular than the existing "gems." And with the National Park Service already underbudgeted, how could they handle yet more parks? An alternative to providing more full-scale National Parks is to open land already under management by the Department of Agriculture and Bureau of Land Management for recreational use—many National Forests surrounding present parks far exceed them in size and are ideal for camping and hiking. The trouble is, would people still not stream to the more visually impressive National Parks?

Recreation itself contributes to the preservation problem in our National Parks. Should they be, as some people think, national resort playgrounds? Unfortunately, many of our parks approaching nearly a century of popularity have taken on a resort atmosphere—often the result of concessioner influence on local park management and a perhaps misguided devotion to giving people what they want. National Parks were creatd to give every citizen the opportunity for a high level experience with nature. Forms of recreation that detract from that, environmentalists argue, should be banned, for they are detrimental to the life of a park. Each unit of the National Park System is different, though, and lends itself to differing types of recreation.

With proper planning, National Parks not identical in purpose and quality could be used for only those types of recreation fundamental to the type of land they represent. People wishing to spend their vacation canoeing or fishing, for example, would be able to choose the National Park best suited for their interest. It is important now that we realize National Parks cannot be all things to all people—or our parks may turn out to mean little to anyone.

Extensive *accommodations* for National Park visitors are less necessary today than they were 50 or 100 years ago when travel was more of an inconvenience. Now, if you like, you can drive through most National Parks in a day or less, and daily trips in and out of a park are a common occurrence. Because visitors are so mobile, massive resort facilities and developments could just as well be located outside National Parks. The Park Service is restricted to low-key development, in order that the National Parks be "carefully protected from man's influence." Can National Parks be preserved if bulldozers are at work carving out motel sites?

Visitor services and *facilities* such as restaurants, service stations, and gift shops have proliferated in many of the National Parks. Are these structures with their luxury motifs or tinseled appearance suitable for a cherished public resource? A report filed by a Congressional subcommittee visiting Yellowstone in 1885 contained the following impression: "The Park should so far as possible be spared the vandalism of improvement. Its great and only charms are in the display of the wonderful forces of nature . . ."

If the future brings mass transportation to the parks, visitors will be shuttled to and from them without reliance upon concessioner facilities to support their travels, as we now require with the automobile as our primary means of transportation.

However, before any of these solutions can even make a start, there must be cooperation on a large scale. The power of major corporations involved in National Park concessions must be tempered so their interests do not jeopardize the preservation of the parks. The National Park Service must meet with others whose concern and livelihood revolve around the National Parks—local citizens, businessmen, and government officials. National Parks tend to dominate the economy of a region, therefore future planning and development must be on the same regional basis. Service centers have to be situated and constructed so they won't impair the environment or mar the natural beauty of adjacent parklands.

SUBCOMMITTEE ON CRIME TO HEAR MEMBERS OF CONGRESS AND FIREARMS EXPERTS ON AMENDMENTS TO THE GUN CONTROL ACT OF 1968

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, May 9, 1975

Mr. CONYERS. Mr. Speaker, I am pleased to announce that the Subcommittee on Crime of the House Committee on the Judiciary will continue hearings this week on legislation which would amend title 18 of the United States Code concerning firearms. So far, the subcommittee has conducted 11 hearings on more than 45 bills covering this subject and on the effectiveness of the Gun Control Act of 1968.

On Wednesday, May 14, the subcommittee will hear testimony from Members of Congress beginning at 10 a.m. in 2237 Rayburn House Office Building. On Thursday, May 15, the subcommittee will hear testimony from Franklin E. Zimring, a professor of law at the University of Chicago and a noted expert on the Federal firearms laws. This hearing will be held in 2141 Rayburn House Office Building beginning at 10 a.m.

Those wishing to testify or to submit a statement for the RECORD should address their requests to the Committee on the Judiciary, 2137 Rayburn House Office Building, Washington, D.C. 20515.

JOZSEF CARDINAL MINDSZENTY

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, May 9, 1975

Mr. HELSTOSKI. Mr. Speaker, Jozsef Cardinal Mindszenty, a man whose name was synonymous with the highest of human virtues, died in Vienna May 6 at the age of 83. The legacy of Cardinal Mindszenty, however, will live on forever in the hearts and spirits of all who believed in freedom and dignity.

Confronted by oppressors throughout his life, Cardinal Mindszenty never gave up, even when he was jailed. He continued to fight back, becoming more determined and stronger with each temporary setback. He risked his life continually in support of his beliefs, and was unyielding in his resistance to Nazism and communism.

Mr. Speaker, I can honestly say that few men have sacrificed more in the spirit of patriotism and liberty. Not only was his life an inspiration to the members of his own religious community, but the legend of Cardinal Mindszenty served as an inspiration to all who believed in the goodness of humanity.

People throughout the Nation and the world have lost a good friend. His life was so rich and varied, that it would be impossible for me to recount his many achievements in detail. Nevertheless, Mr. Speaker, I would like to share with my colleagues an article which does provide further insight into the significance of the Cardinal's life. The article, which appeared May 7 in the Washington Post, follows:

JOZSEF CARDINAL MINDSZENTY DIES IN EXILE AT 83

(By Marjorie Hyer)

Jozsef Cardinal Mindszenty, a symbol throughout the world of implacable resistance to communism, died yesterday in Vienna at the age of 83.

The fiery cardinal died of heart failure about four hours after undergoing prostate surgery in a Vienna hospital.

Although the prelate died in exile from his beloved Hungary, he maintained until his death that he held authority as spiritual head of the Roman Catholic Church in that country.

"Cardinal Mindszenty cannot abdicate," he declared on Feb. 5, 1974, after the Vatican publicly and formally announced his removal as primate of Hungary.

Nearly one-third of his lifetime was spent in prison or in exile as the result of his opposition both to the Nazi occupiers of his homeland and to communism.

Ironically, as militant anticommunism gave way to detente in world affairs, the church for which he had suffered so much and the country he looked to as the defender of his political views combined to send him into exile.

Cardinal Mindszenty was arrested the day after Christmas, 1948, and after a show trial the following year, was sentenced to death. The sentence was later commuted to life imprisonment. He spent most of his time in solitary confinement.

He was freed by the freedom fighters during the short-lived anti-Communist revolution of 1956. He took refuge in the American embassy in Budapest, and for 15 years lived there in a top-floor apartment.

As the cold war eased, the presence of the cardinal on American territory became an increasing embarrassment to the United States. State Department officials worried over diplomatic complications developing from a serious illness or accident.

There were also reports that his bitter anti-Communist stance and his consistent criticism of the United States for its failure to support the 1956 freedom fighters of Hungary made him less than the most welcome guest.

Over the years, the Vatican sought to negotiate several face-saving formulas to facilitate his departure. But the cardinal steadfastly maintained that as prince primate of the church in Hungary, he had taken an oath not to abandon his flock and that as a patriot he had a duty to remain—technically at least—in his homeland.

In the embassy, he offered mass regularly and on Sundays both embassy personnel and outsiders would attend. He had access to a library and publications from the outside world and also had his own private study.

The Catholic Church in the United States paid for the cost of his food and medical care from funds of the American bishops during his 15-year stay.

In April 1963, Pope John XXIII sent Franz Cardinal Koenig of Austria to Budapest for secret talks with Cardinal Mindszenty. The Austrian prelate was unsuccessful in seeking to persuade his Hungarian counterpart to leave Budapest.

Pope Paul was more successful in persuading the Hungarian primate that his continued presence in the embassy and the circumstances of it were a continuing embarrassment to Rome and an obstacle in developing a new working relationship between the Vatican and the Communist-dominated nation.

In his "Memoirs," recently published in this country, Cardinal Mindszenty reveals that in 1971 he queried President Nixon about remaining in the U.S. Embassy.

In a reply that "arrived with unexpected speediness,' the Cardinal wrote, the American President "recommended that I bow to my fate."

"Despite the courtesy of the tone, I realized from the President's letter that from now on I would actually be an unwanted guest in the Embassy," he wrote.

"I therefore had only the alternative of leaving the embassy and by that act, surrendering to the political police, or leaving the country for the West, as the pope desired."

He chose the latter, settling in a three-room apartment in the gray atone Pazmaneum Building in Vienna, which housed Hungarian seminarians studying in the Austrian capital.

It was there he set about writing his "Memoirs."

The bitterest blow came Feb. 5, 1974, when the Vatican formally announced his removal as primate of Hungary, after he had refused to resign.

"Cardinal Mindszenty cannot abidicate," he said then, and repeated the words in the closing chapter of his book.

"This is the path I traveled to the end," he concluded in the "Memoirs," "and this is how I arrived at complete and total exile."

In the years since he left Budapest, the aged cardinal traveled widely in addition to writing his "Memoirs."

If he was no longer primate of Hungary in the eyes of the official church, Hungarian emigrants wherever he traveled acclaimed him as their own.

Wherever he appeared during the two trips he made to the United States, Hungarian-Americans brought their children to him to be confirmed in mass ceremonies and jammed the services and events planned for him.

During his visit in Washington just a little more than a year ago, the faithful came from as far as Ohio. They welcomed him with flowers and flags wherever he went, pressed crucifixes upon him to be blessed and called him "a martyr and a living saint."

He told audiences he had come to the United States "to express our gratitude for all the American help and support in Hungary's cause" and made no mention of the bitterness of his later years.

But even on a mission of thanks, he managed to stir controversy when he rejected an honorary degree and canceled a planned visit to the University of Santa Clara. The Jesuit-operated school had named to its board of regents Rep. Don Edwards, who was under fire from prolife groups for his stand on antiabortion legislation.

He also took on the Vatican in some of his speaking tours.

In an appearance at the Frankfurt Book Fair last October, planned to publicize his "Memoirs," he attacked the Vatican policy of detente with Communist regimes.

He charged that detente had weakened the church, as he had claimed repeatedly since 1947. "I think I am better informed than the pope's advisers in view of my personal experience," he said.

Born Jozsef Pehm in the western Hungarian town of Mindszenty on March 29, 1892, he was ordained in 1915 and changed his name to Mindszenty in 1940. He served as a relatively obscure parish priest until March, 1944, when he became bishop of Veszprem.

Six days earlier, Nazi forces had taken over the government of Hungary and he was arrested the following autumn.

Victorious Allied forces effected his release in 1945 and he was appointed archbishop of Esztergom by Pope Pius XII. The position automatically made him primate of Hungary.

Vatican sources said that despite the pope's differences with the aged cardinal, Pope Paul was deeply moved by his death.

The pontiff had sent his nuncio in Vienna, Msgr. Opilio Rossi, to the cardinal's bedside with a personal message and blessing when he learned of the scheduled surgery.

President Ford yesterday described Cardinal Mindszenty as a man of "courage, integrity and unfailing faith. In his long life he fought against tyranny wherever he encountered it," the President said.

"There was a heroic quality about him that marked this man as a crusader for liberty as well as a man of spiritual contemplation."

THE GREAT ORLANDO PROPERTY SALE

HON. LOUIS FREY, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 9, 1975

Mr. FREY. Mr. Speaker, I would like to call the attention of my colleagues and the American people to the positive actions taken by Orange, Seminole, and Osceola Counties in Florida to attract industry to our area and to win jobs for our people.

The businessmen in this tricounty area through the Orlando Area Chamber of Commerce, decided to do something about our present economic situation. The chamber devised "The Great Orlando Property Sale," putting in one package all of the substantial discounts, rebates and cost reductions offered by both industrial and residential property owners.

And then the chamber persuaded other developers and owners to offer similar concessions so that this 6-week sale became truly an orderly and comprehensively planned program. The concessions offered have been so significant that companies considering opening plants in Florida—or families thinking about moving to our State—have been encouraged to do so now because property prices are low. The sale extended from March 14 to April 30.

I am delighted to report there were 197 solid inquiries. The breakdown is as follows: 96 for homes; 31 for condominiums; 29 for apartments; 2 from people interested in starting new businesses; 6 interested in purchasing apartment complexes; 3 for other investments; 10 general inquiries about homes for retirement, land development, et cetera, as well as 20 from companies.

It is interesting to note that even if only 7 of the 20 interested companies locate in the area they would hire up to 6,000 people and occupy about 1 million square feet of existing plant space.

The 197 inquiries came from 18 States located throughout the country, although most came from the East and Midwest.

Mr. Speaker, this is the kind of old-fashioned, vigorous, imaginative self-help action which made this country great, and I suggest that other cities around the country might want to consider the Great Orlando Property Sale as an aid to the generation of business and jobs.

On March 14, the Wall Street Journal contained an article on this event and I would like to insert this article at this point:

BARGAIN BUILDINGS.—THEY ARE HAVING A SALE IN ORLANDO, FLA., AREA, AND WHAT THEY ARE SELLING IS—WELL, ORLANDO

(By Neil Maxwell)

ORLANDO, FLA.—If it helped in Detroit, why not here?

The problem may not be exactly the same, but it is still a matter of rampant overproduction and bloated inventories. Instead of cars, the oversupply is of homes, apartments, condominiums, offices, factories and warehousea.

So, starting today, this central Florida area is offering six weeka of rebates, discounts, price cuts and sales gimmicks in an effort to clear the real-estate shelves of slow-moving items. Many bargains were available before today, but there will be even more over the next six weeks. The big sale is the brainchild of the Orlando Area Chamber of Commerce.

Last year this area, like many places in the U.S. was hit by a recession. But Orlando had double trouble: It was also hit by a serious drop in the important tourist business. Tourism slumped because of the fuel scare that followed the Arab embargo; when tourism slumped, so did the rest of the local economy.

Suddenly the area realized that it was seriously overbuilt. It had been seriously overbuilt anyway; the tourist-business drop and its impact simply hastened the realization. The tourists are back now, but the vacancies remain.

"I guess we sort of got caught up in a euphoria with Disney World coming in" about 15 miles southwest of downtown Orlando, says A. R. Timberman Jr., the chamber of commerce's expert in economic development. "We went from 5,800 motel units to 28,000 units almost overnight, and the euphoria permeated every other field. We were building apartments and condominiums like there was no tomorrow."

TOO BUSY TO THINK

Robert N. Gardner, an executive at Condev Corp., a real-estate developer, says, "We were so busy building apartments that everybody was unaware that a lot of the people renting the apartments were construction workera who were coming in to build more new apartments. Nobody knew what anybody else was doing, and the real-estate development trusts were throwing money in every direction."

Mr. Timberman of the chamber of commerce says that things were booming so much that efforts to attract new industry were hurt. "General Tire," he says, "was talking seriously about putting a plant here. We were No. 1 on their list. But they decided not to because they didn't think they could hire enough people to staff it." With the unemployment rate up to 10% now from 3% then, at least finding workers would be no trouble now.

Mayor Carl Langford is an optimist. He calls the big push starting today a "going-into-business sale." In politics, he says, one learns that there are no problems, only opportunities. He adds, "We are faced with some indescribable opportunities."

Whatever you call them, vacancies are undeniably in abundance, as a compilation by the chamber shows:

Condominiums—There are 8,088 in the area, and 5,033 of them, or an eight-year supply at reecnt growth rates, are vacant.

Apartments—In large complexes (more than 40 units) there are 28,894 apartments, and 7,818, a two-year supply, are vacant. And that doesn't count 8,388 others that are under construction or, at last report, scheduled to be built.

Homes—There is no accurate count of those up for sale, but Robert G. Gardner, director of the Home Builders Association of Mid-Florida, says that if a thousand new families arrived in the Orlando area tomorrow, they could all move into new homes. Prices, dealers say, are off 10% to 20% from a year ago, and often below cost. For the six-week sale, some real-estate men are offering extras such as a solar water-heater at no charge, and some brokers are cutting their commissions to 3% from 5%.

Industrial space—About 3.5 million square feet of floor space is available, much of it being discounted between 5% and 10% for the big sale. Before the sale, such space was leasing for $1 to $1.60 a square foot, a drop

UMI

of 20% from boom times. In 1970 there were 12 industrial parks with 6,738 acres; now there are 25 with 18,489 acres, a 174% increase in acreage. Most factories and warehouses here are in industrial parks.

Office space—About 1.5 million square feet of floor space is available, a three-year supply. Some was leasing for less than $5 a square foot before the sale. For the next six weeks, all seven major office parks are offering 5% to 10% reductions off pre-sale prices.

HAVE A FREE RIDE

Renters of industrial and office space like to avoid talking about prices because of a lot of variables, but David Lamsens, vice president of Orlando Central Park, an industrial and office park, says he is going along with 5% to 10% discounts. He adds, "If a prospect comes to me in response to this campaign, when he walks in that door and I quote him a price he's going to know he's got a bargain."

And if he takes the bargain, Mr. Lamsens adds, the park will rebate any plane fare and motel expenses.

J. Blair Culpepper, president of Winter Park Savings and Loan, says he'll do more: "If somebody is interested in moving his business here, we send a representative with a map to talk about where to buy a home, where the school is, how far it is to the grocery, and where he has to go to ride horseback." And with a lot of money available for lending, Winter Park Savings and Loans will shave interest rates on mortgages in some cases, Mr. Culpepper says.

If someone wants an apartment instead of a home, he too can find bargains during the sale. Mr. Gardner of Condev, for example, says that new rentals at some Condev projects are being cut as much as $25 a month. At Orient Woods, a two-bedroom, two-bath unit that was $210 a month is now $185.

Condev had already lowered some condominium prices 20%. "In addition," Mr. Gardner says, "we're paying the maintenance fee (about $33 a month) for the first year. We're also guaranteeing (during the sale) that we'll buy the unit back if the man loses his job during the first year and we'll buy it back unconditionally in the second year."

BAD IN THE LONG RUN?

Bargains have been widespread here for many months now. A two-bedroom one-bath condominium that was priced at $22,900 a year ago is priced at $20,000 now, Mr. Gardner says. Other bargains in the area frighten real-estate managers, who are convinced the good buys will turn out to be disastrous for apartment operators.

With occupancy rates as low as 5% at some projects, "giveaway programs" are being offered "in a last-ditch effort to forestall the lender from closing the door," says Anthony J. Nicholson, the head of the apartment managers' association.

He says some renters have taken to moving from one apartment to another simply to take advantage of the "giveaways," and it isn't hard to see why: A new tenant at Aloma Arms All American Apartments, for example, pays only $17.76 a month rent for the first two months, then gets a rebate of a $25 U.S. savings bond for the third and fourth months.

He might, however, find the offer at the four projects operated by IFCO Ltd. even more attractive: New renters pay only $15.95 a month for the first three months instead of the regular rent of $135 to $170. Besides, the expense of moving to his new apartment will be paid for him; when he arrives, he'll find his refrigerator filled with food; and he is assured that if he loses his job his rent will be deferred for a month, with easy payments later.

Such offers, Mr. Nicholson says, are causing a lot of apartment hopping (it's hard to enforce a lease in Florida, he says) and are "causing a lot of consternation to existing tenants," when can't take advantage of the offers.

Hopping is a problem at office parks, too. At Crane's Roost, a fairly new park, broker Gaston L. DeGailler says 70% of his leasing activity involves tenants who already have space and are shopping around for something cheaper.

A similar tactic is being used by homeowners, real-estate men say. "Look at the number of homes for rent in the classifieds," says Mr. Nicholson of the apartment managers' association. "People are moving into cheap apartments and renting their homes out to save money."

FTC CHARGES INTERLOCKING DIRECTORSHIPS VIOLATE RULES OF COMPETITION

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, May 9, 1975

Mr. EVINS of Tennessee. Mr. Speaker, section 8 of the Clayton Act prohibits interlocking corporate directorships—an individual cannot serve as a director of two competing companies.

Recently the Federal Trade Commission charged that 12 oil and natural gas companies were in violation of the Clayton Act and section 5 of the FTC Act—the interlocking directorships were discontinued by consent order.

The FTC found that seven persons served on the boards of directors of these companies which supposedly are in direct competition. The Commission stated in each case that the elimination of competition by agreement between the companies would restrain competition or tend to create monopoly in the energy field.

Specifically, the FTC found the following:

Horace A. Shepard of Cleveland, Ohio served on the board of the Standard Oil Co. of Ohio and also on the board of Diamond Shamrock Corp. In 1972, Sohio had sales and operating revenues of more than $1.4 billion and Diamond Shamrock's sales and revenues totaled more than $617 million for the same year.

William B. Moses of Boston served on the board of Amerada Hess Corp. and also on the board of the Newmont Mining Corp. In 1972 Amerada Hess had revenues of approximately $1 billion and Newmont Mining revenues totaled $272 million.

Alfred C. Gassell, Jr., of Houston, and Franz Schneider of New York City served on the boards of El Paso Natural Gas and Transcontinental Gas Pipe Line Corp. In 1972 El Paso had revenues of approximately $1.1 billion and Transcontinental had revenues of $482 million.

Willard M. Johnson of Houston served on the board of Dixilyn Corp., and also the Austral Oil Co., Inc. In 1973 Dixilyn had revenues of approximately $12 million, while in 1972 Austral had revenues also of approximately $12 million.

Paul A. Conley of New York City served on the boards of General American Oil Co. of Texas and Pauley Petroleum, Inc. In 1972 General had revenues of approximately $58 million, and Pauley Petroleum had revenues of approximately $28 million the same year.

Dean A. McGee of Oklahoma City served on the board of Kerr-McGee Corp. and also the Oklahoma Natural Gas Co. In 1972 revenues to Kerr-McGee totaled in excess of $679 million. Oklahoma Natural Gas had revenues the same year of $133 million.

In each of these cases, the individuals have resigned from one of the directorships previously held.

Last month the FTC announced it had accepted agreements from each of the corporations involved which contained consent orders prohibiting illegal director interlocks among competitors in the energy industry.

The concentration of economic power into the hands of the few is a threat to our free enterprise system and American democracy. Certainly, Mr. Speaker, every effort must be made to promote more competition in the energy area. A free market is essential if this Nation is to achieve its energy goals. I commend the Federal Trade Commission for its action and I hope that others who may serve in similar interlocking directorships will take note.

Because of the interest of the American people in this most important subject, I place herewith in the RECORD a copy of a press release from the FTC of April 22 and an FTC analysis of the proposed consent orders.

These materials follow:

[Federal Trade Commission News]

TWELVE FTC CONSENT ORDERS BAN INTERLOCKING DIRECTORATES: PUBLIC COMMENT INVITED

The Federal Trade Commission announced today that it has by unanimous vote accepted 12 agreements containing consent orders prohibiting illegal director interlocka among competitors in the energy industry.

Cited in the Agreements are:

Standard Oil Company (Ohio), 101 Prospect Ave., Cleveland, Ohio, Diamond Shamrock Corp., 1100 Superior Ave., Cleveland, and Horace A. Shepard, a director of both. (File No. 741 0027)

Amerada Hess Corp., 51 W. 51st St., New York City, Newmont Mining Corp., 300 Park Ave., New York City, and William B. Moses, Jr., a director of both. (File No. 741 0030)

El Paso Natural Gas Co., 2727 Allen Parkway, American General Bldg., Houston, Tex., TransContinental Gas Pipe Line Corp., 3100 Travis St., Houston, and Alfred C. Glassell, Jr., and Franz Schneider, directors of both. (File No. 741 0031)

Dixilyn Corp., 1012 First City National Bank Bldg., Houston, Austral Oil Co., Inc., 2700 Exxon Bldg., Houston, and Willard M. Johnson, a director of both. (File No. 741 0035)

General American Oil Company of Texas, Meadows Bldg., Dallas, Tex., Pauley Petroleum, Inc., 10000 Santa Monica Blvd., Los Angeles, Calif. and Paul A. Conley, a director of both. (File No. 741 0036)

Kerr-McGee Corp., Kerr-McGee Center, Oklahoma City, Okla., Oklahoma Natural Gas Co., 624 S. Boston Ave., Tulsa, Okla., and Dean A. McGee, a director of both. (File No. 741 0037)

The complaints that led to these consent orders, announced by the Commission on June 27, 1974, alleged that:

Sohio and Diamond are competitors of each other with respect to the exploration, production, refining, transportation and sale of crude petroleum and natural gas.

Amerada and Newmont are competitors of each other with respect to the exploration, production, refining and sale of crude petroleum and natural gas.

El Paso and Transcontinental are competitors of each other with respect to the exploration, production, processing and sale of natural gas.

Dixilyn and Austral are competitors of each other with respect to the exploration, production and sale of crude petroleum and natural gas.

General and Pauley are competitors of each other with respect to the exploration, production and sale of crude petroleum and natural gas.

Kerr-McGee and Oklahoma Natural Gas are competitors of each other with respect to the exploration, production and sale of natural gas.

These director interlocks allegedly violate Section 5 of the FTC Act, and also Section 8 of the Clayton Act, which forbids any person to hold directorships in two competing companies where either one has capital, surplus and undivided profits aggregating more than $1 million.

In addition to prohibiting common directors between the subject companies, the consent orders require the respondents to establish a corporate procedure designed to detect the existence of interlocks. The orders also require respondents for a period of five years, to obtain statements from both current and prospective directors which disclose the name, business, and location of operations of each other corporation on whose board of directors they serve.

The complaint and consent orders will remain on the public record from April 22, 1975 through June 20, 1975. Comments from the public received during this period will become part of the public record. The FTC may withdraw its acceptance of the agreements after further consideration. An analysis of the consent orders may be obtained from Legal and Public Records, Federal Trade Commission, Washington, D.C. 20580 (Telephone No. (202) 962-5214).

ANALYSIS OF THE PROPOSED CONSENT ORDERS TO AID PUBLIC CONSENT

The Federal Trade Commission has accepted agreements to proposed consent orders from:

The Standard Oil Company, et al., Dkt.

Amerada Hess Corp., et al., Dkt.

El Paso Natural Gas Co., et al., Dkt.

Dixilyn Corp., et al., Dkt.

General American Oil Company of Texas, Dkt.

Kerr-McGee Corp., et al., Dkt.

The proposed consent orders were placed on the public record for sixty (60) days for reception of comments by interested parties and the public. Comments received during this period will become part of the public record. After sixty (60) days, the Commission will again review the agreements and the comments received and will decide whether it should withdraw from the agreements or make final the agreements proposed orders.

On June 27, 1974, the Commission announced its intention to issue complaints against 12 energy companies and seven individual directors for alleged violations of Section 8 of the Clayton Act and Section 5 of the Federal Trade Commission Act.

Section 8 of the Clayton Act prohibits a person from serving simultaneously as a director of two or more corporations, if by virtue of their business and location of operation they are competitors and provided that one of the corporations has capital, surplus, and undivided profits exceeding $1 million.

During the course of consent negotiations, all of the individual directors in these companion cases resigned from the board of at least one of the subject corporations, thereby terminating the interlocks.

The consent orders in these companion cases have uniform provisions. Common directors between the subject companies are prohibited. Furthermore, the orders compel the respondents to establish a corporate procedure designed to detect the existence of interlocks. More specifically, the orders require that for a five-year period the respondents must obtain statements from both current and prospective directors which disclose the name, business, and location of operations of each other corporation on whose board of directors they serve. If a di-
Finally, the orders require that each re-
rector or prospective director fails to submit such a statement, or if the statement on its face reveals, or a reasonably diligent investigation of the facts set forth in the statement would reveal, the possible existence of an interlock in the areas of corporate activity described in the order, the respondents must remove the director from its board or have him resign from the other company's board or, in the case of prospective directors, must not place the individual on its board unless the interlock is eliminated via resignation. spondent submit to the Commission, within sixty (60) days after service of the final order, copies of the statements received from their current directors.

In sum, these orders represent an effort by the Commission to encourage corporations to establish meaningful internal procedures which are designed to ferret out and eliminate or avoid illegal interlocks.

The purpose of this analysis is to facilitate public comment on the proposed orders and it is not intended to constitute an official interpretation of the agreements and proposed orders or to modify in any way their terms.

HOUSE OF REPRESENTATIVES—*Monday, May 12, 1975*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Send out Thy light and Thy truth: let them lead me.—Psalms 43: 3.

Eternal God, in the glowing beauty of springtime and the glorious beginning of another day we come to Thee praying that the power of Thy presence and the light of Thy love may come to new life within us as we bow before Thee.

Thou hast called us to live our lives and to do our work in a frustrated yet fruitful age. So by Thy grace—

"We would live ever in the light,
We would work ever for the right,
We would serve Thee with all our might,
Therefore, to Thee we come."

So may it be now as we go to work this day. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Heiting, one of his secretaries, who also informed the House that on May 9, 1975, the President approved and signed a joint resolution of the House of the following title:

H.J. Res. 242. Joint resolution to authorize and request the President to issue a proclamation designating the calendar week beginning May 12, 1975, as "National Historic Preservation Week."

USDA DAIRY ACTION

(Mr. WAMPLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WAMPLER. Mr. Speaker, last Friday I received notice of an important and I hope significant action by the U.S. Department of Agriculture in regard to dairy price supports during the balance of the 1975-76 marketing year.

Let me read the text of the letter Secretary of Agriculture Earl Butz sent to me:

DEAR BILL: This is to inform you that it is our intenton to make a semiannual review of the dairy price support situation in the year ahead. If it appears necessary and advisable to make price support adjustments in order to secure the supply of milk, as defined in the law, it is our intention to do so. This is permissible under the law, even though the law mandates only annual adjustments.

May I assure you that we want to do everything possible to maintain both a healthy and profitable dairy industry within the framework of an expanding market.

Sincerely yours,

EARL L. BUTZ.

As I am sure everyone knows, the vetoed farm bill upon which we will vote tomorrow mandates quarterly adjustments in dairy price supports under a formula which reflects certain production costs.

While I supported the vetoed bill in the past, I doubt that the House will override that veto. Thus, I am encouraged to learn that Secretary Butz will on his own initiative set up a formal semiannual review procedure this year.

I want to commend the Secretary for this decision and I hope that, when he examines the compelling evidence that dairy farmers do indeed need a reasonable boost in their price supports, he will take the appropriate and needed action.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO HAVE UNTIL MIDNIGHT TO FILE CONFERENCE REPORT ON H.R. 4481

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a conference report on the bill (H.R. 4481) making emergency employment appropriations for the fiscal year ending June 30, 1975, and for other purposes.

The SPEAKER. Is there objection to

UMI

the request of the gentleman from Texas?

There was no objection.

CONFERENCE REPORT (H. REPT. No. 94–201)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4481) "making emergency employment appropriations for the fiscal year ending June 30, 1975, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 14, 16, 17, 18, 31, 44 and 45.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 11, 13, 28, 29, 30, 32, 41, 42, 43, 46, 47, 51, 53, 54, 55, 56, 59, 60 and 62, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$23,066,000"; and the Senate agree to the same.

Amendment numbered 5:

That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert $26,880,000; and the Senate agree to the same.

Amendment numbered 7:

That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert $13,900,000; and the Senate agree to the same.

Amendment numbered 10:

That the House recede from its disagreement to the amendment of the Senate numbered 10. and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert $7,500,000; and the Senate agree to the same.

Amendment numbered 15:

That the House receded from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert $19,500,000; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$17,676,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

"Salaries and Expenses

"For an additional amount for "Salaries and expenses", $3,000,000, to remain available until October 31, 1975, of which $2,000,000 shall be for the National Endowment for the Arts and $1,000,000 shall be for the National Endowment for the Humanities."

And the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$458,050,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$30,000,000"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"RELATED AGENCIES

"Community Services Administration

"Community Services Program

For carrying out activities authorized by section 222(a)(13) of the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2701, et seq.) $15,300,000."

And the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment, as follows: In lieu of the sum named by said amendment insert "$81,625,000"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows: In lieu of the sum named by said amendment insert "$1,750,000"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment, as follows: In lieu of the sum named by said amendment insert "$21,000,000"; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment insert: "five hundred and twenty nine"; and the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,050,000"; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment amended to read as follows:

"UNITED STATES POSTAL SERVICE

"Payment to the Postal Service Fund

"For an additional amount for "Payment to the Postal Service Fund", pursuant to 39 U.S.C. 2004, $100,000,000."

And the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert: ", to remain available until September 30, 1976"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"The aggregate amount made available in the Treasury, Postal Service and General Government Appropriation Act, 1975, for real property management and related activities is increased to $1,429,847,800 and the amount provided in such Act in excess of which revenues, collections and other sums accruing to the fund (excluding reimbursements pursuant to 40 U.S.C. 490(f)(6)) shall be deposited in miscellaneous receipts is increased to $1,508,847,800."

And the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 2, 4, 6, 8, 9, 12, 23, 24, 25, 26, 33, 34, 35, 36, 37, 58 and 61.

GEORGE MAHON,
JAMIE L. WHITTEN,
ROBERT L. SIKES,
OTTO PASSMAN,
JOE L. EVINS,
EDWARD P. BOLAND,
DANIEL J. FLOOD,
TOM STEED,
JOHN M. SLACK,
JOHN J. MCFALL,
SIDNEY R. YATES,
SILVIO O. CONTE,
(except amendment 61),
Managers on the Part of the House.

JOHN L. MCCLELLAN,
WARREN G. MAGNUSON,
JOHN C. STENNIS,
JOHN O. PASTORE,
ROBERT C. BYRD,
JOSEPH M. MONTOYA,
BIRCH BAYH,
MILTON R. YOUNG,
CLIFFORD P. CASE,
EDWARD W. BROOKE,
MARK O. HATFIELD,
CHARLES MCC. MATHIAS, Jr.,
TED STEVENS,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE ON CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4481) making emergency appropriations for the fiscal year ending June 30, 1975, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

CHAPTER II

Environmental Protection Agency

Abatement and Control

Amendment No. 1: Appropriates $175,000 for administering the waste treatment grant program as proposed by the Senate instead of $350,000 as proposed by the House.

CHAPTER III

Department of the Interior

Bureau of Land Management

Amendment No. 2: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides that the appropriation for management of lands and resources shall remain available until October 31, 1975.

United States Fish and Wildlife Service

Amendment No. 3: Appropriates $23,066,000 for construction and anadromous fish instead of $21,496,000 as proposed by the House and $24,647,000 as proposed by the Senate. The managers on the part of the House and the Senate are in agreement that the funds provided in this appropriation include urgently needed rehabilitation work at the Leetown National Fish Hatchery, West Virginia.

National Park Service

Amendment No. 4: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides that the appropriation for operation of the national park system shall remain available until October 31, 1975.

Amendment No. 5: Appropriates $26,880,000 for planning and construction instead of $22,100,000 as proposed by the House and $29,361,000 as proposed by the Senate. The managers on the part of the House and Senate are in agreement that within the total amount provided, $2,300,000 shall be available to assist the towns of Harpers Ferry and Bolivar, West Virginia in the construction of a sewage system and treatment plant.

Amendment No. 6: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides that $2,300,000 in the appropriation for planning and construction be available to assist in constructing a sewage system and treatment plant in cooperation with the towns of Harpers Ferry and Bolivar, West Virginia, to serve such towns and the Harpers Ferry National Historical Park.

Amendment No. 7: Appropriates $13,900,000 for road construction (liquidation of contract authority) instead of $12,700,000 as proposed by the House and $14,650,000 as proposed by the Senate. The increase over the amount provided by the House includes $450,000 for continued planning and construction for Section 3–C of the Natchez Trace Parkway, Mississippi.

Geological Survey

Amendment No. 8: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment which provides $750,000 for surveys, investigations, and research, instead of $1,500,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Mining Enforcement and Safety Administration

Amendment No. 9: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment which provides $1,250,000 for salaries and expenses instead of $2,775,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate. The funds provided include $400,000 for construction of general purpose space requirements at Princeton, West Virginia; $250,000 for construction of general purpose space requirements at Pineville, West Virginia; and $600,000 for an illumination laboratory at Beckley, West Virginia.

Bureau of Indian Affairs

Amendment No. 10: Appropriates $7,500,000 for operation of Indian programs instead of $5,000,000 as proposed by the House and $10,000,000 as proposed by the Senate. The $2,500,000 increase over the amount proposed by the House is for Indian housing construction and rehabilitation.

Amendment No. 11: Provides that funds included in the appropriation for operation of Indian programs shall remain available until October 31, 1975, as proposed by the Senate.

RELATED AGENCIES

Department of Agriculture

Forest Service

Amendment No. 12: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides that the appropriation for forest protection and utilization shall remain available until October 31, 1975.

Amendment No. 13: Appropriates $56,580,000 for forest land management as proposed by the Senate instead of $56,080,000 as proposed by the House.

Amendment No. 14: Deletes the appropriation for forest research which was proposed by the Senate.

Amendment No. 15: Appropriates $19,500,000 for construction and land acquisition instead of $18,000,000 as proposed by the House and $21,000,000 as proposed by the Senate.

Amendment No. 16: Appropriates $10,000,000 for the Youth Conservation Corps as proposed by the House instead of $15,000,000 as proposed by the Senate.

Amendment No. 17: Provides that $5,000,000 of the appropriation for the Youth Conservation Corps shall be available to the Secretary of the Interior as proposed by the House instead of $7,500,000 as proposed by the Senate.

Amendment No. 18: Provides that $5,000,000 of the appropriation for the Youth Conservation Corps shall be available to the Secretary of Agriculture as proposed by the House instead of $7,500,000 as proposed by the Senate.

Department of Health, Education and Welfare

Indian Health Service

Amendment No. 19: Appropriates $17,676,000 for Indian health facilities instead of $12,574,000 as proposed by the House and $22,453,000 as proposed by the Senate. This appropriation will provide $3,676,000 for maintenance and repair of facilities and $14,000,000 for sanitation systems. The managers on the part of the House and the Senate are in agreement that $724,000 of this appropriation shall be available for staff housing at the Lame Deer Health Clinic, Montana.

National Foundation on the Arts and the Humanities

Amendment No. 20: Appropriates $3,000,000 for salaries and expenses instead of $5,000,000 as proposed by the Senate. The amount provided includes $2,000,000 for the National Endowment for the Arts and $1,000,000 for the National Endowment for the Humanities.

CHAPTER IV

Department of Labor

Manpower Administration

Amendment No. 21: Appropriates $458,050,000 for "Comprehensive manpower assistance", instead of $412,700,000 as proposed by the House and $502,300,000 as proposed by the Senate. The increase over the amount proposed by the House includes $43,650,000 for the summer youth employment program and $1,700,000 for the summer youth transportation program.

The Department is expected to distribute funds for the summer youth employment program according to the formula under Title I of the Comprehensive Employment and Training Act, adjusted to insure that no area receives less enrollment opportunities from this source than were provided for the summer of 1974. The Department shall not require prime sponsors to provide matching funds for any part of these supplemental summer youth employment funds.

Amendment No. 22: Appropriates $30,000,000 for "Community service employment for older Americans" instead of $24,000,000 as proposed by the House and $36,000,000 as proposed by the Senate.

Amendment No. 23: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment which provides that notwithstanding any other provision in law, amounts contained herein, together with amounts heretofore appropriated for "Community service employment for older Americans" may be expended to continue projects now being conducted as part of the National Operation Mainstream program authorized by title III of the Comprehensive Employment and Training Act of 1973 (Public Law 93–203).

Department of Health, Education and Welfare

Health Services Administration

Amendment No. 24: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment which adds a new paragraph for "Health services", authorizing the Secretary of Health, Education, and Welfare to hire and assign not to exceed 146 additional health professionals to serve in the National Health Service Corps.

Office of Education

Amendment No. 25: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which inserts language under "Higher education", providing that any amounts appropriated for basic opportunity grants for the fiscal year ending June 30, 1974, which are in excess of the amount required to meet the payment schedule announced for the academic year 1974–75, shall remain available for payments under the payment schedule announced for the academic year 1975–76.

Social and Rehabilitation Service

Amendment No. 26: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment, which appropriates $70,000,000 for "Work incentives" as proposed by both the House and the Senate, and revises the appropriation language to provide that the funds may be used for payments to States for the current fiscal year and for any period in the prior fiscal year provided the prior fiscal year expenditures are claimed on quarterly statements of expenditures received by the Secretary of Health, Education, and Welfare prior to February 1, 1976.

RELATED AGENCIES

Community Services Administration

Amendment No. 27: Appropriates $15,300,000 for "Community services program", instead of $39,000,000 proposed by the Senate. The House bill provided no appropriations for this purpose. The entire amount agreed upon by the conferees is to be used for the summer youth recreation program. The conferees are agreed that appropriations for the emergency energy conservation services program and the national summer youth sports program will be included in the Second Supplemental Appropriations Bill (H.R. 5899).

CHAPTER V

Department of Defense—Civil

Department of the Army

Corps of Engineers—Civil

Construction, General

Amendment No. 28: Appropriates $226,350,000 as proposed by the Senate instead of $58,055,000 as proposed by the House.

The conferees are agreed that recreation development at completed projects authorized prior to 1965 should be 100% Federally financed.

The funds appropriated under this heading are to be allocated as shown in the following tabulation.

CORPS OF ENGINEERS, FISCAL YEAR 1975—CONSTRUCTION, GENERAL

State, project, and conference	*allowance*
Alabama:	
(R) John Hollis Bankhead lock and dam	$100,000
(MP) Jones Bluff lock and dam	4,000,000
(N) Tennessee-Tombigbee Waterway, Ala. and Miss	10,000,000
Alaska:	
(FC) Chena River Lakes, Fairbanks	10,000,000

CORPS OF ENGINEERS, FISCAL YEAR 1975—CONSTRUCTION, GENERAL—continued

State, project, and conference	*allowance*
(MP) Snettisham	5,000,000
Arizona:	
(FC) Phoenix and vicinity, including New River (stage 1)	500,000
Arkansas:	
(FC) De Queen Lake	300,000
(FC) Dierks Lake	150,000
(FC) Gillham Lake	900,000
(N) McClellan-Kerr Arkansas River Navigation System, Arkansas and Oklahoma: Navigation locks and dams	1,200,000
(N) Quachita and Black Rivers, Ark. and La	1,000,000
(MP) Ozark lock and dam	300,000
(FC) Red River levees and bank stabilization below Denison Dam, Ark., La., and Tex	2,000,000
California:	
(FC) Buchanan Dam—H. V. Eastman Lake	250,000
(BE) Imperial Beach	150,000
(FC) Lytle and Warm Creeks	3,000,000
(MP) New Melones Lake	1,500,000
(FC) Sacramento River bank protection	400,000
(N) San Diego Harbor	2,000,000
Colorado:	
(FC) Bear Creek Lake	2,200,000
(FC) Chatfield Lake	2,700,000
Connecticut:	
(FC) Danbury	1,000,000
Delaware:	
(N) Inland waterway, Delaware River to Chesapeake Bay (Chesapeake and Delaware Canal), pt. II, Delaware and Maryland	1,000,000
Georgia:	
(MP) Carters Lake	400,000
(MP) Richard B. Russell (Trotters Shoals) Dam and Lake, Ga., and S.C	2,300,000
(N) Savannah Harbor (40 feet widening and deepening)	500,000
(N) Savannah Harbor (sediment basin)	350,000
(MP) West Point Lake, Ala. and Ga.	2,400,000
Hawaii:	
(FC) Kaneohe-Kailua area	3,000,000
Idaho:	
(MP) Dworshak Dam and Reservoir	200,000
(FC) Ririe Lake	2,000,000
Illinois:	
(FC) Carlyle Lake	500,000
(FC) Harrisonville and Ivy Landing—Drainage and levee district No. 2	1,800,000
(N) Illinois Waterway, Calumet-Sag modification, pt. I; Illinois and Indiana	1,000,000
(N) Kaskaskia River navigation	1,000,000
(N) Lock and dam 53 (temporary lock), Illinois and Kentucky	1,800,000
(N) Mississippi River between Ohio and Missouri Rivers, Ill. and Mo. (a) Chain of Rocks	800,000
(FC) Rock Island	100,000
(N) Smithland locks and dam, Illinois and Kentucky	8,600,000
Indiana:	
(FC) Evansville	250,000
(FC) Mason J. Niblack levee (pumping facilities)	200,000
(N) Newburgh locks and dam, Indiana and Kentucky	3,500,000
(FC) Patoka Lake	1,000,000
(N) Uniontown locks and dam, Indiana and Kentucky	3,000,000
Iowa:	
(FC) Clinton	1,000,000
(FC) Marshalltown	1,000,000
(FC) Missouri River levee system, Iowa, Kansas, Missouri, and Nebraska	1,000,000
Iowa—Continued	
(N) Missouri River, Sioux City to mouth, Iowa, Kansas, Missouri, and Nebraska	5,000,000
(FC) Saylorville Lake	5,000,000
(FC) Waterloo	5,000,000
Kansas:	
(FC) Big Hill Lake	300,000
(FC) Clinton Lake	2,800,000
(FC) El Dorado Lake	3,000,000
(FC) Hillsdale Lake	4,000,000
(FC) Kansas City, Kansas River (1962 mod)	600,000
Kentucky:	
(FC) Carr Fork Lake	500,000
(FC) Cave Run Lake	1,000,000
(FC) Paintsville Lake	500,000
(FC) Taylorsville Lake	900,000
(FC) Yatesville Lake	3,000,000
Louisiana:	
(N) Overton-Red River Waterway (lower 31 miles only)	1,000,000
(N) Red River emergency bank protection	3,000,000
(N) Red River Waterway, Mississippi River to Shreveport, La	2,000,000
Maryland:	
(FC) Bloomington Lake, Md. and W. Va	10,000,000
Massachusetts:	
(FC) Charles River Dam	3,000,000
(N) Weymouth Fore and Town Rivers	2,100,000
Michigan:	
(FC) River Rouge	1,000,000
Minnesota:	
(FC) Mankato and North Mankato	2,000,000
Missouri:	
(MP) Harry S. Truman Dam and Reservoir	4,500,000
(FC) Long Branch Lake	900,000
(FC) Smithville Lake	4,000,000
Montana:	
(MP) Libby Dam-Lake Koocanusa	7,000,000
Nebraska:	
(MP) Gavins Point Dam Lewis and Clark Lake (relocation of Niobrara, Nebr.), Nebr. and S. Dak	2,000,000
New Jersey:	
(FC) South Orange	1,000,000
New Mexico:	
(FC) Cochiti Lake	2,500,000
(FC) Los Esteros Lake	500,000
New York:	
(BE) Fire Island Inlet to Jones Inlet	600,000
(N) New York Harbor (anchorages	4,000,000
(FC) Yonkers	300,000
North Carolina:	
(FC) B. Everett Jordan Dam and Lake	2,500,000
(FC) Falls Lake	500,000
North Dakota:	
(FC) Minot	2,500,000
Ohio:	
(FC) Alum Creek Lake	1,000,000
(FC) Caesar Creek Lake	1,000,000
(N) Willow Island locks and dam, Ohio and West Virginia	1,000,000
Oklahoma:	
(FC) Clayton Lake	2,000,000
(FC) Copan Lake	3,000,000
(FC) Hugo Lake	2,000,000
(FC) Kaw Lake	4,000,000
(FC) Optima Lake	500,000
(FC) Skiatook Lake	500,000
Oregon:	
(MP) Bonneville lock and dam (2d powerhouse), Oregon and Washington	600,000
(N) Columbia and lower Willamette Rivers (40-foot project), Oregon and Washington	200,000
(MP) Cougar Lake	200,000
(FC) Elk Creek Lake	1,000,000
(FC) Lower Columbia River bank protection, Oregon, Washington	800,000
(MP) McNary lock and dam, Oregon and Washington	500,000
(FC) Seappoose Drainage District	1,200,000
(FC) Willamette River Basin bank protection	1,000,000
Pennsylvania:	
(FC) Blue Marsh Lake	2,000,000
(FC) Cowanesque Lake	4,500,000
(BE) Presque Isle Peninsula	300,000
(FC) Raystown Lake	2,000,000
(FC) Tioga-Hammond Lakes	3,000,000
(FC) Tyrone	500,000
Tennessee:	
(MP) Cordell Hull Dam and Reservoir	500,000
Texas:	
(FC) Lavon Lake modification and east fork channel improvement	400,000
(FC) San Antonio Channel improvement	650,000
(FC) San Gabriel River	4,000,000
Virginia:	
(FC) Fourmile Run, City of Alexandria, and Arlington County	2,000,000
(FC) Gathright Lake	2,000,000
Washington:	
(MP) Chief Joseph Dam, Rufus Woods Lake (additional units)	10,000,000
(MP) Ice Harbor lock and dam, Lake Sacajawea (additional units)	500,000
(MP) Lower Granite lock and dam	2,200,000
(FC) Wahkaikum County Consolidated Diking District No. 1	200,000
West Virginia:	
(FC) Burnsville Lake	2,200,000
(FC) R. D. Bailey Lake	2,200,000
Miscellaneous:	
Shoreline erosion control demonstration (sec. 54)	1,000,000
Streambank erosion control evaluation and demonstration (sec. 32)	8,000,000
(FC) Small flood control projects not requiring specific legislation (sec. 205)	6,000,000
(N) Small navigation projects not requiring specific legislation costing up to $1,000,000 (sec. 107)	2,500,000
(FC) Emergency streambank and shoreline protection (Sec. 14)	3,000,000
Recreation facilities, at completed projects	1,000,000
Reduction for anticipated savings and slippages	−25,650,000
Grand total, construction, general	226,350,000

Flood Control, Mississippi River and Tributaries

Amendment No. 29: Appropriates $25,000,000 as proposed by the Senate.

Operation and Maintenance, General

Amendment No. 30: Appropriates $22,405,000 as proposed by the Senate instead of $48,000,000 as proposed by the House.

Department of the Interior

Bureau of Reclamation

General Investigations

Amendment No. 31: Deletes appropriation proposed by the Senate.

Construction and Rehabilitation

Amendment No. 32: Appropriates $42,920,000 as proposed by the Senate instead of $9,600,000 as proposed by the House.

Upper Colorado River Storage Project

Amendment No. 33: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment to appropriate $2,450,000 to remain available until expended.

Colorado River Basin Project

Amendment No. 34: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment to appropriate $10,400,000, to remain available until expended, of which $8,000,000 is for liquidation of contract authority.

Operation and Maintenance

Amendment No. 35: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment to have the funds appropriated for operation and maintenance to remain available until expended.

Loan Program

Amendment No. 36: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment to appropriate $1,600,000 to remain available until expended.

CHAPTER VI

Department of Commerce

Economic Development Administration

Job Opportunities Program

Amendment No. 37: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment transferring $1,000,000 to the Regional Action Planning Commissions, to remain available until expended, instead of $3,000,000 as proposed by the Senate. These funds are provided to support the Mountain Plains Project through the Old West Commission.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Economic Development Assistance Programs

Amendment No. 36: Appropriates $81,625,000 instead of $163,250,000 as proposed by the Senate. The conferees are agreed that this amount shall be distributed as follows: $34,500,000 for direct and supplementary grants for public works under Title I of the Public Works and Economic Development Act of 1965, as amended; $29,000,000 for business loans and guarantees under Title II of that Act; and $18,125,000 for economic adjustment assistance programs under Title IX of the Act.

Administration of Economic Development Assistance Programs

Amendment No. 39: Appropriates $1,750,000 instead of $3,500,000 as proposed by the Senate.

Regional Action Planning Commissions

Regional Development Programs

Amendment No. 40: Appropriates $21,000,000 instead of $42,000,000 as proposed by the Senate. This amount will provide $3,000,000 to each of the seven Regional Commissions.

RELATED AGENCIES

Small Business Administration

Business Loan and Investment Fund

Amendments Nos. 41 and 42: Earmark $10,000,000 for the handicapped loan program authorized by Section 7(h) of the Small Business Act, as proposed by the Senate.

CHAPTER VII

Department of the Treasury

Federal Law Enforcement Training Center

Amendment No. 43: Appropriates $250,000 for salaries and expenses as proposed by the Senate instead of $3,500,000 as proposed by the House.

U.S. Customs Service

Amendment No. 44: Authorizes purchase of six hundred eighty seven passenger motor vehicles as proposed by the House instead of four hundred and sixty as proposed by the Senate.

Amendment No. 45: Appropriates $52,900,000 for salaries and expenses as proposed by the House instead of $24,300,000 as proposed by the Senate.

Internal Revenue Service

Accounts, Collection, and Taxpayer Service

Amendment No. 46: Deletes language proposed by the House authorizing purchase of fifty passenger motor vehicles, as proposed by the Senate.

Compliance

Amendment No. 47: Authorizes purchase of one hundred passenger motor vehicles as proposed by the Senate instead of fifty as proposed by the House.

United States Secret Service

Amendment No. 48: Authorizes purchase of five hundred twenty-nine passenger motor vehicles instead of six hundred and forty-one as proposed by the House and four hundred and seventeen as proposed by the Senate.

Amendment No. 49: Appropriates $5,050,000 for salaries and expenses instead of $6,500,000 as proposed by the House and $3,600,000 as proposed by the Senate.

United States Postal Service

Amendment No. 50: Appropriates $100,000,000 to the Postal Service Fund instead of $900,000,000 as proposed by the House. The Senate had deleted all funds for the Postal Service. The conferees are agreed that the funds provided are to be available only for the Postal Service's "Small facility program."

INDEPENDENT AGENCIES

General Services Administration

Federal Buildings Fund

Amendment No. 51: Deletes language proposed by the House and inserts language proposed by the Senate to make funds available until expended for construction of seven specified border facilities.

Amendment No. 52: Deletes language proposed by the Senate to make funds for Alterations and Major Repairs available until expended, and inserts in lieu thereof language making such funds available until September 30, 1976.

Amendment No. 53: Appropriates $75,000,000 for Real Property Operations as proposed by the Senate instead of $100,000,000 as proposed by the House.

Amendment No. 54: Inserts language proposed by the Senate to make funds for Real Property Operations available until September 30, 1976.

Amendment No. 55: Provides that in addition to the aggregate amount made available in the Independent Agencies Appropriations Act, 1975, for real property operations, $75,000,000 shall be available for such purposes as proposed by the Senate instead of $100,000,000 as proposed by the House.

Amendment No. 56: Provides that the limitation on the aggregate amount made available for real property operations shall be increased to $426,000,000 as proposed by the Senate instead of $451,000,000 as proposed by the House.

Amendment No. 57: Inserts language proposed by the Senate of a technical nature concerning limitations on the Federal Buildings Fund after adjustment of the amounts by the conferees.

Amendment No. 58: Reported in technical disagreement. The Managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate eliminating the requirement for repayment with interest of amounts appropriated to this fund.

General Supply Fund

Amendment No. 59: Authorizes the purchase of eighteen thousand eight hundred and sixty-four passenger motor vehicles, trucks and trailers as proposed by the Senate instead of eighty thousand as proposed by the House.

Amendment No. 60: Appropriates $66,100,000 for the purchase of vehicles as proposed by the Senate instead of $280,000,000 as proposed by the House.

CHAPTER VIII

Department of Transportation

Amendment No. 61: Reported in disagreement. The managers on the part of the House will offer a motion to insist on their disagreement to the amendment of the Senate numbered 61 which would provide $700,000,000 to the Federal Railroad Administration.

Amendment No. 62. Inserts heading as proposed by the Senate.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1975 recommended by the committee of conference with comparisons to the fiscal year 1975 budget estimate, and the House and Senate bills for 1975 follow:

Budget estimates of new (obligational) authority, fiscal year 1975	$2,042,700,000
House bill, fiscal year 1975	5,373,474,000
Senate bill, fiscal year 1975	5,504,535,000
Conference agreement	[1] 4,729,146,000
Conference agreement compared with:	
Budget estimates of new (obligational) authority, fiscal year 1975	+2,686,446,000
House bill, fiscal year 1975	−644,328,000
Senate bill, fiscal year 1975	−775,389,000

[1] In addition, conference agreement includes $485,000,000 in direct and loan guarantees and $92,362,000 in appropriations to liquidate contract authority. The conference total does not include $700,000,000 proposed by the Senate for rail transportation improvement which is reported in disagreement.

George Mahon,
Jamie L. Whitten,
Robert L. Sikes,
Otto Passman,
Joe L. Evins,
Edward P. Boland,
Daniel J. Flood,
Tom Steed,
John M. Slack,
John J. McFall,
Sidney R. Yates,
Silvio O. Conte,
(except amendment 61),
Managers on the Part of the House.

John L. McClellan,
Warren G. Magnuson,
John C. Stennis,
John C. Pastore,
Robert C. Byrd,
Joseph M. Montoya,
Birch Bayh,
Milton R. Young,
Clifford P. Case,
Edward W. Brooke,
Mark O. Hatfield,
Charles McC. Mathias, Jr.,
Ted Stevens,
Managers on the Part of the Senate.

BREEDER REACTOR PROGRAM HEARING

(Mr. McCORMACK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCORMACK. Mr. Speaker, on last Wednesday, May 7, the Joint Committee on Atomic Energy's Subcommittee on Review of the National Breeder Reactor Program held a public hearing to explore and clarify the position of the Environmental Protection Agency regarding the Energy Research and Development Administration proposed final environmental statement on the liquid metal fast breeder reactor program.

The subcommittee had the benefit of testimony by the Honorable Russell E. Train, Administrator of the Environmental Protection Agency, and the views of the Honorable Frank G. Zarb, Administrator of the Federal Energy Administration, presented by Mr. John Hill, FEA Deputy Administrator.

EPA Administrator Russell Train corrected misleading stories which appeared in the press several days before which implied that EPA was recommending a delay in the nuclear breeder program. Mr. Train reaffirmed his support and the support of EPA of the Clinch River Liquid Metal Fast Breeder Reactor and emphasized that EPA has made no recommendation for any delay in commercialization of the breeder program. Mr. Train did review the EPA comments on the breeder program pointing out that using low energy demand projections, a delay in the program "might be accommodated." A more detailed report of this hearing is included in my Extension of Remarks in today's Record.

Mr. Hill reviewed the energy demand projections of the FEA and stated the administration's view that the breeder is needed to preclude a possible uranium shortage within a few decades and in order that the public will fully benefit from additional low cost and environmentally clean nuclear generated electricity. Mr. Hill further stated that it was Mr. Zarb's view that the breeder demonstration program should not be delayed.

I was pleased that the following subcommittee members were able to participate in the hearing: Senator Pastore and Case, Congressmen Price, Young, and Horton.

CONSTRUCTION OF FACILITIES AT DIEGO GARCIA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94–140)

The SPEAKER laid before the House the following message from the President of the United States; which was read and referred to the Committee on Armed Services and ordered to be printed:

To the Congress of the United States:

In accordance with Section 613(a)(1)(A) of the Military Construction Authorization Act, 1975, (Public Law 93–552), I have evaluated all the military and foreign policy implications regarding the need for United States facilities at Diego Garcia. On the basis of this evaluation and in accordance with Section 613(a)(1)(B), I hereby certify that the construction of such facilities is essential to the national interest of the United States.

Gerald R. Ford.

The White House, *May 12, 1975.*

PERMISSION FOR COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO FILE REPORTS ON H.R. 4073 AND H.R. 5247

Mr. ROE. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation have until midnight tonight, May 12, 1975, to file reports on the following bills: H.R. 4073, the Appalachian Regional Development Act Amendments of 1975; and H.R. 5247, to authorize a local public works capital development and investment program.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON RETIREMENT AND EMPLOYEE BENEFITS, HOUSE POST OFFICE AND CIVIL SERVICE COMMITTEE, TO SIT DURING 5-MINUTE RULE THIS AFTERNOON

Mr. WHITE. Mr. Speaker, I ask unanimous consent that the Subcommittee on Retirement, and Employee Benefits, House Post Office and Civil Service Committee, be permitted to sit during consideration of legislation under the 5-minute rule this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR SPEAKER TO DECLARE A RECESS ON THURSDAY, MAY 22, 1975, FOR THE PURPOSE OF RECEIVING FORMER MEMBERS OF THE HOUSE OF REPRESENTATIVES

Mr. McFALL. Mr. Speaker, I ask unanimous consent that it be in order for the Speaker to declare a recess on Thursday, May 22, 1975, subject to the call of the Chair, for the purpose of receiving in this Chamber former Members of the House of Representatives.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

CALL OF THE HOUSE

Mr. MONTGOMERY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 195]

Andrews, N.C.
Aspin
Badillo
Bell
Biaggi
Bingham
Boland
Bolling
Brademas
Breaux
Brinkley
Burke, Calif.
Chappell
Chisholm
Clausen, Don H.
Clawson, Del
Collins, Ill.
Conlan
Conyers
Delaney
Diggs
Dodd
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Esch
Ford, Mich.
Ford, Tenn.
Giaimo
Gilman
Hammerschmidt
Harrington
Harris
Hastings
Hawkins
Hayes, Ind.
Hébert
Hinshaw
Horton
Jarman
Jenrette
Jones, Ala.
Kemp
Long, La.
McEwen
McHugh
Macdonald
Madden
Mann
Mills
Mollohan
Mosher
Neal
Nix
O'Neill
Ottinger
Patterson, Calif.
Pepper
Peyser
Pike
Rees
Rhodes
Risenhoover
Rousselot
Scheuer
Shipley
Staggers
Symington
Teague
Udall
Vander Jagt
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Young, Tex.
Zeferetti

The SPEAKER. On this rollcall 356 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FOURTH BUDGET RESCISSION BILL FOR FISCAL YEAR 1975

Mr. MAHON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6573) to rescind certain budget authority recommended in the message of the President of April 18, 1975 (H. Doc. 94–109), transmitted pursuant to the Impoundment Control Act of 1974; and, pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 1 hour, the time to be divided equally between the gentleman from Illinois (Mr. Michel) and myself.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. Mahon).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6573), with Mr. McCormack in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Texas (Mr. Mahon) will be recognized for 30 minutes, and the gentleman from Illinois (Mr. Michel) will be recognized for 30 minutes.

The Chair now recognizes the gentleman from Texas.

Mr. MAHON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would make reference to the Budget Control Act of 1974, and I would refer to the fact that as a result of the Budget Control Act of 1974, the Congress in 1974 enacted one rescission bill. This is the third rescission bill to be considered by the 94th Congress. It provides for a rescission of $17 million out of requested rescissions totaling $238 million.

We are handling in the Appropriations Committee the rescission bills in the same way as we do supplemental bills. The subcommittees conduct the hearings, present their findings and recommendations to the full committee, and the full committee takes action. That is what has resulted in the bill before us today.

The subcommittee considering this matter is the subcommittee headed by the gentleman from Pennsylvania (Mr. Flood), and the issues and matters involved in the proposed rescissions are under the jurisdiction of that subcommittee. I am not going to take any further time, because it is the proper responsibility of the gentleman from Pennsylvania to discuss that situation and present it more fully to the House.

Mr. Chairman, I will yield now to the chairman of the subcommittee, the gentleman from Pennsylvania (Mr. Flood) such time as he may require.

Mr. FLOOD. Mr. Chairman, this is the third rescission bill to be reported by the Committee on Appropriations during the 94th Congress under the provisions of title X of the new Congressional Budget and Impoundment Control Act of 1974. There was one rescission bill during the 93d Congress—H.R. 17505.

The Presidential message of April 8, 1975, contains four rescissions which have not been acted on by the Congress. These are the only rescissions pending before the House. The committee is recommending approval of three rescissions and is recommending that one not be approved.

The estimated total budget authority recommended to be rescinded in the bill is $17,873,000. This is $220,450,000 less than the amount proposed by the President, and this amount will have to be made available for obligation the day after the expiration of the 45-day period prescribed by law. Outlay reductions will total $1,623,000 over 1975 and 1976.

The $220,450,000 that the committee is not recommending for rescission will support nursing school assistance, health teaching facilities construction, and assistance to public health and allied health students. Specifically, the funds will support:

First. Nursing capitation grants to 980 institutions;

Second. Financial distress grants to aid 60 nursing schools;

Third. Nursing traineeships to approximately 3,000 students;

Fourth. Grants to 18 schools of public health and traineeship assistance for 344 students;

Fifth. Traineeship assistance to 5,050 allied health students; and

Sixth. Seventy construction projects to health teaching institutions.

All of these programs represent ongoing activities which are currently funded under the continuing resolution at the fiscal year 1974 level. The committee rejected this rescission because it was impressed with the need to expand the skills and functions of nurses and to provide increased utilization of paraprofessional manpower. Nurses and paraprofessionals will clearly be needed to meet the rising demand for health services, which will increase more rapidly once national health insurance is instituted, and to provide less expensive health care through this type of lower cost personnel. It is clear that these programs require continued support if the health manpower needs of this country are to be met.

The three items recommended for approval involve funds for evaluation of health service programs, construction of community mental health centers and planning of medical facilities in the District of Columbia.

The committee held extensive hearings on each of these items and I can assure you that the approval of these rescissions will not adversely affect the ongoing activities of these programs.

With respect to the rescission of funds for construction of community mental health centers, you must keep in mind that a balance of $27,144,000 remains available from prior year appropriations for this activity. This balance will support 125 construction projects and, according to the testimony presented by departmental witnesses, will be sufficient to meet the construction needs of the program for fiscal year 1975. The committee intends to carefully review the future construction needs of the community mental health center program as soon as new authorizing legislation is enacted.

We are also recommending approval of the rescission of $2,000,000 of funds appropriated in fiscal year 1972 for planning of hospital construction in the District of Columbia under the D.C. Medical Facilities Act. That authorizing legislation has expired and all construction funds appropriated pursuant to that act have been allocated to various hospitals within the District of Columbia. Thus, the planning phase has long been completed and there is no longer a need for these funds.

The third item we are recommending for rescission is $1,623,000 in evaluation money that was to be used for evaluation of health services programs. You must keep in mind that the Department of Health, Education, and Welfare will spend $5,500,000 in 1975 to evaluate its health services programs. The presentation by departmental witnesses revealed that even if we were to release these funds, the department would not be able to obligate the funds by June 30. Another point that you must keep in mind is that the rescission of these funds will not affect ongoing evaluation projects.

I urge you to pass this bill as reported.

Mr. MICHEL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I just want to say that I concur in the recommendations that our committee brings to the floor today, as to the acceptance of the $17.9 million of the rescissions recommended out of a total of $238.3 million proposed.

I would just amplify very briefly the remarks of my distinguished subcommittee chairman, the gentleman from Pennsylvania (Mr. Flood), having to do with those items for which we did not agree to rescind that $220,450,000 .

HEW's justification for these rescissions centered around the third categorical emphasis for training programs, which are no longer warranted and thus should be phased out. However, this position seems to be contrary to the position taken by the House when it passed last December the Health Manpower Act of 1974. Although the House and Senate passed health manpower bills, they did not schedule a conference prior to adjournment of the 93d Congress.

The Members will recall that the Committee on Interstate and Foreign Commerce has already reported out and the House has passed a nurse training bill which retains the categorical emphasis. Furthermore, the committee is preparing to report out the health provisions of the bill which will also retain categorical health manpower training programs. Thus, it would appear to be clearly the intent of Congress that these listed programs not be phased out.

I cannot say that this Member is altogether in accord with this particular view, but if that is the will of the majority, then it is quite obvious that this is what is going to take place, and these rescissions are not in order.

I must say, quite frankly, that I was rather disturbed at the caliber of the testimony that was given to our subcommittee in support of the rescissions on this item. I actually had to admonish the witnesses, even to the extent of inquiring as to whether they were here asking for a rescission or asking for us to actually spend the money. I do not think, frankly, that Members of Congress ought to be put through the hoop on rescissions for which the justification is so weak. We certainly need better testimony to justify our position when we make our case to Members.

Mr. Chairman, I say again that I support what the committee is recommending, the $17.9 million of rescissions, and denying the $220,450,000 for health resources as the subcommittee chairman has already pointed out, covers the following items:

Nursing capitation grants to 980 institutions—$34.3 million;

Financial distress grants to aid 60 nursing schools—$4.8 million;

Nursing traineeships to approximately 3,000 students—$13 million;

Grants to Schools of Public Health—$20.5 million;

Allied health grants to assist junior colleges and universities, for curriculum improvement and expansion of enrollment; traineeships and special projects—$33 million; and

Health teaching facilities construction—$114,000,000.

I support the $17.9 million in rescis-

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sions because I believe them to be justified for the reasons described as follows.

The committee recommends rescinding for Health Services $1.6 million. This amount was for evaluation studies of the community health center—$1.08 million and family planning programs—$543,000.

The rescission is recommended because the money is for new projects and insufficient time remains in the fiscal year to properly develop evaluation contracts and to advertise for proposals from interested parties. The money, in other words, could not be obligated by June 30, 1975.

A total of $5.5 million is currently being spent by the Health Service Administration for evaluation studies, so there will be no reduction in current commitments. Nor will there be any reduction in services to recipients of family planning and community health center medical care, since the rescission funds were specifically earmarked for evaluation activities.

For alcohol, drug abuse, and mental health the committee recommends a $14.25 million rescission.

This amount was for construction grants for community mental health centers.

The rescission is recommended because there is no authorizing legislation and because a total of $27.1 million will still be available to meet the costs of 125 construction projects in fiscal year 1975. Of this amount, only about $9.7 million has been obligated to date, and the dollar value of grant applications currently in-House and under review total only about $11 million. If the funds are not rescinded, in other words, HEW will have to seek new applications and fund them in fiscal year 1976.

The committee recommends rescinding $2 million for medical facilities construction.

This money was appropriated in 1972 under authority of the D.C. Medical Facility Act—since expired—for the planning of future hospital construction projects.

The rescission is recommended because all construction funds under the expired act have been allocated. because no applications are pending, and because an HEW study has found that the District of Columbia has sufficient hospital beds to meet its needs.

Since the moneys were intended under the act for planning, it would not be in accord with the law to allocated them for construction.

Mr. DRINAN. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I will be happy to yield to the gentleman from Massachusetts.

Mr. DRINAN. Mr. Chairman, I commend the gentleman for his comment.

I was particularly disturbed to learn that the testimony recommending these rescissions was so poor.

I wonder whether the gentleman would support an addition to the Impoundment Act that I have proposed that says that during the 45 days in which Congress is considering a proposed rescission, the administration could not decline or refuse to obligate the funds. Under the present law these funds are now held up, these funds proposed for rescission. There is no logical or coherent reason for holding them up, yet these funds cannot or will not be obligated by the administration until June 2, at the end of the 45 days.

I wonder whether the distinguished gentleman would want to comment on the bill which I have filed, which now has at least 67 cosponsors that amends the Impoundment and Budget Control Act to say that the administration may not withhold funds proposed for rescission during the 45 days in which the Congress may act to approve or disapprove the President's proposal.

Mr. MICHEL. Mr. Chairman, in response to the inquiry of the gentleman from Massachusetts, I do not know that I would go that far. I am not altogether sure that 45 days makes all that much difference. This is one of those items which we can single out as being peculiarly different from some of those others that have been presented to us.

I would like to see a better testing period used during the remainder of this year before we made any real significant recommendation to alter or amend the original Budget Control Act, because I do not know that, in the absence of it operating for an entire year, that we really have a good standard of measurement. I do retain an open mind on this subject. I think we would all be better off to do so.

Mr. DRINAN. Mr. Chairman, if the gentleman will yield further, in the previous set of rescissions, some $351 million for medical research was involved. I can say from the ovehwhelming evidence in Massachusetts, and in my own congressional district, that the withholding of those funds for 45 days, which actually amounted to more than 60 days, severely hurt the three major medical schools in Greater Boston, and severely inhibited the ongoing progress of much of the research for which the $351 million was intended.

I am quite certain it was the original intention of the Impoundment Act not to allow these funds to be impounded for the 45 days, but that the original intent, as demonstrated overwhelmingly by the Senate particularly, and also by the House, was to have the administration continue to expand those appropriated funds during the period of 45 days that the Congress considers the validity of a proposed rescission.

I thank the gentleman for yielding.

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I am happy to yield to the gentleman from New York.

Mr. WYDLER. Mr. Chairman, as I understand it, this is the third rescission bill the House has considered, and that we are actually approving for rescission about 7 or 8 percent, I have not figured it out exactly.

Would the gentleman from Illinois have the figures for the totals that the President has recommended to date for rescission, and what the percentage is of the amounts that the House has actually approved?

Mr. MICHEL. Mr. Chairman, in response to the inquiry of the gentleman from New York, I am not altogether sure, but if my memory serves me correctly, as of this date the Committee on Appropriations has considered 87 rescissions, of which 85 were transmitted as rescissions by the President, and two were reclassified as rescissions by the Comptroller General.

The committee recommended to the House that 28 rescissions be approved in whole, and 12 rescissions in part; 47 rescissions were recommended to be disapproved.

So then the total rescissions considered by the committee would have reduced budget authority by $3,119,000,000. The committee's recommendations have resulted in a reduction of only $285 million. Accordingly, the committee's recommendations have increased by $2,834,000,000, the 1975 budget authority to be made available for obligation.

Still pending and not yet considered is Rescission 75–87, totaling $28 million for emergency food and medical services, and youth recreation and sports program, House Document 94–139.

I would have to say to the gentleman that, on balance, this is, of course, a very poor record so far as the acceptance on the part of the Congresses is concerned for the total number of rescissions recommended to us.

Mr. WYDLER. If the gentleman will yield still further, it looks to me as though the House is approving about 5, 6, or 7 percent of the money that is being recommended to be rescinded. Is that right?

Mr. MICHEL. That is correct, and that is not a very good record, particularly in view of matching that against the President's original proposal.

But I would say again, in all fairness both downtown and up here on the Hill. I think we need a little longer period for this Budget Control Act to function so as to see just how well it will work.

I would say again, I think any administration, whether it is ours or the administration of the other side, ought to be given an opportunity to at least propose rescissions if they want to alter direction or change their priorities.

So while the gentleman from Massachusetts (Mr. Drinan) made the suggestion that we do away altogether with that 45-day period, I think we need that timetable to pressure the Congress to act positively or affirmatively one way or another. In the absence of it, there would be no sense of urgency nor would the checking mechanism that we thought we were building into the Budget Control Act, have a chance to operate. I would like to see it given a longer period of checkout time before we made any substantive changes in the act.

Mr. WYDLER. I thank the gentleman.

Mr. FORD of Tennessee. Mr. Chairman, I rise in support H.R. 6573, the fourth budget rescission bill. The Appropriations Committee, and in particular, the Subcommittee on the Departments of Labor, and Health, Education, and Welfare, has carefully evaluated the budget reductions proposed by President

Ford. The committee concluded that the medical needs of the people of this country are our number one priority and I give my full support to this conclusion.

This legislation recommends that a total of $17,873,000 of budget authority be rescinded. These funds were originally authorized for capital improvement projects and a new health services evaluation program. Rescission of the moneys recommended in this bill would result in outlay reductions of $1,623,000 over 1975 and 1976. These are cuts that we can and should make in an effort to reduce our budget deficit.

However, as the committee advises, we must not permit sorely needed funding for health manpower programs to be rescinded. It has long been my firm belief that every American is entitled to receive the best medical care available. If the members of this body approve the rescission of $220,450,000 for health resources advocated by the administration, it will be a step down in quality medical care at a time when the demand for such care is stepping up. Furthermore, the need for medical services will be even greater with the enactment of a national health insurance program.

This proposed rescisson of funds for the health manpower programs would take away Federal support for medical facilities construction, nursing school assistance, and public health activities. This is not the place to "tighten our belts."

It is unconscionable that President Ford can request the rescission of $220.5 million for health manpower programs and later this week or early next week ask us to authorize the expenditure of over $26 billion for the procurement and research and development of new weapons system. How can any of us here today deny to the people of this country adequate medical care, saving slightly more than $200 million, while we purchase billions in aircraft missiles and other instruments of war?

Mr. Chairman, I for one, will not condone this set of misguided priorities. We must keep our responsibility for the health and welfare of this Nation's citizens foremost in our minds. I urge my colleagues to join with me in support of the fourth budget rescission bill, and thereby, making an effort to guarantee the good health of the people of the United States.

Mr. CONTE. Mr. Chairman, I rise in support of this bill to rescind some $17.9 million in 1975 budget authority.

As a member of the Labor-HEW Appropriations Subcommittee, I heard the testimony on behalf of these rescissions and I believe that this bill is the best we can do. We have approved three of the administration's four proposed rescissions, and I hope that my colleagues will concur with the judgment of the committee.

This bill approves the rescission of $1,623,000 for health services evaluation. These funds were to be used for new evaluation projects. This year the Health Services Administration will spend about $5.5 million for evaluation projects, so this rescission will not result in a reduction in commitment levels for 1975.

The bill also contains approval for the rescission of $14,250,000 for community mental health center construction. As my colleagues know, I have long been a proponent of the community mental health center program, and would certainly not condone any action which would harm the tremendous work being carried out by this program.

It was made clear in our hearings that sufficient money is available in carryover from previous years to meet the construction needs of this program for 1975. With $27 million available, grant applications to date have totaled only about $10 million. So I believe that we can safely rescind this $14.2 million.

Under D.C. medical facilities, we found that all funds for actual construction under the D.C. Medical Facility Act have already been allocated, so the $2 million rescission will not affect this program.

The rescission which was not approved by the committee, $220.4 million for health resources, was of course the largest part of the President's recission proposal.

The testimony presented to our committee indicated that the rescission could not be justified on the basis of need or reason, and represented an attempt to overturn congressional actions previously taken in the health manpower area.

If we had evidence to show that there was an abundancy of health care personnel, then I would be among the first to call for a reevaluation and restructuring of our Federal health manpower programs.

But in fact, the evidence clearly shows a continuing need for more nurses and other health workers. These people are critically needed to meet the increasing demand for affordable health services.

Once a national health insurance program is enacted, this need will become even greater. It would be a serious mistake, Mr. Chairman, to cut off Federal support for nursing, allied, and public health training programs. For that reason, I do not believe that the health resources rescission should be approved.

In short, Mr. Chairman, this bill contains rescissions which can be responsibly made without harming ongoing programs. It is a good bill, and I urge my colleagues to adopt it.

Mr. ROYBAL. Mr. Chairman, I rise in support of H.R. 6573, the fourth budget rescission bill, 1975.

On April 18, the President recommended to Congress a proposed rescission of four health programs, in the amount of $283.3 million. The proposed rescission would reduce grants to nursing students and to financially distressed nursing schools, would cut back money for construction of health teaching facilities, and would decrease funding of student assistance for public health and allied health programs.

After careful consideration, the Labor-HEW Subcommittee and the full Appropriations Committee have recommended to this House that $220.45 million of the proposed rescission be disapproved, and that $17.8 million be accepted. In making its recommendation, the Appropriations Committee foresaw that the eventual passage of national health insurance will create a tremendous need for trained medical and paramedical personnel. Thus, the proposed rescission would cripple our capacity to provide the number of trained medical personnel we will need in a few years. In addition, there are areas in this country which lack a sufficient number of trained nurses. The committee has concluded that the proposed rescission would perpetuate this system of inadequate health care in small and rural communities.

I urge my colleagues to follow the recommendation of the Appropriations Committee and vote against the proposed rescission, so that we can insure the availability of a sufficient number of trained medical personnel to meet our present and future health care needs.

Mr. MICHEL. Mr. Chairman, I have no more requests for time.

Mr. MAHON. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

HEALTH RESOURCES ADMINISTRATION

MEDICAL FACILITIES CONSTRUCTION

The unobligated balance of funds appropriated for grants under this head in the Department of Health, Education, and Welfare Appropriation Act, 1972, pursuant to the authority of the District of Columbia Medical Facilities Construction Act of 1968 (Public Law 90–457) is rescinded in the amount of $2,000,000.

AMENDMENT OFFERED BY MR. SYMMS

Mr. SYMMS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Symms: On page 3, after line 8, add the following new section:

"HEALTH RESOURCES

"Appropriations provided for "Health resources" for fiscal year 1975 in Public Law 93–324, as amended, are rescinded in the amount of $220,450,000."

Mr. SYMMS. Mr. Chairman, I offer this amendment more or less to make the point that the gentleman from New York (Mr. Wydler) just brought out, that the administration brings rescissions down here, and this one is approximately in the neighborhood of $240 million, and we rescind $17 million and say that we are saving money for the taxpayers. It seems apparent to me, with HEW spending well in excess of $100 billion a year, that somewhere out of that budget they could save $220 million or $15 million here and there without doing violence to their bureaucratic fiefdom.

Just for one example—and I will not belabor this point to the House—just on the nurses training, for the period 1960 to 1972, the number of nurses enrolled in training programs rose from 119,000 to 213,000. These increases demonstrate both the general attractiveness of the nursing profession to substantial numbers of the Nation's youth and the responsiveness of the Nation's labor market, and the responsiveness of the nursing labor market to the demand for persons with these requirements and training.

Furthermore, nursing is an undergraduate field, and nursing students should look to the general aid programs made available through the Office of Health

Education, and Welfare. Apparently, education grants and student assistance programs were not available when the nurse training authorizations were first adopted. Now they are available, and they should be used to support nursing students, as well as those in the undergraduate fields.

I will not go on into many of the other areas in this rescission, but I think the point should be made that we in the Congress are not going to, by voting for the benefit of the health, education, and welfare of the United States, depreciate the value of our currency by printing more fiat money.

The Chairman of the Federal Reserve Board just last week announced that he was going to monetize the debt by 7½ to 8 percent annually to cover the debts created by Congress. In my opinion he probably, when push comes to shove, double that figure. This bill means we are going to have $220 million more of nonbudget authority monetized into our currency. It simply means we are going to have a depreciation of the value of our money, more inflation, and start the cycle all over again.

So I think it behooves the Congress to recognize that if we vote on these rescission acts, we really are not standing up to what the Budget Act intended in 1972 and 1973 when it was passed. We were going to strive to get back some kind of semblance of a balanced budget, and actions like this today are not acting responsibly under the Budget Act. We are darned if we vote "yes" and darned if we vote "no".

Mr. Chairman, I yield back the balance of my time.

Mr. FLOOD. Mr. Chairman, I rise in opposition to the amendment.

As a matter of fact these are funds, as I mentioned in my earlier remarks, provided under the 1975 continuing resolution.

I repeat this for the purpose of emphasis. There is a tremendous need for paraprofessional manpower, all types and kinds of paraprofessional manpower and not just nurses alone. We need them all very much.

These are ongoing programs. These programs are not something somebody thought up overnight. They are going on right now all across the Nation. I had enumerated the institutions and training schools in which these programs are going on. As was just mentioned, it was last week that this House by an overwhelming vote passed the Nurse Training Act. Do the Members not remember? These are ongoing programs and this is just 1 week later. It is hard to believe.

And by all means, let me tell the Members this. Never turn your back on a nurse. Do not do that. That is the worst thing in the world to do. Imagine asking for something like that.

This is the situation. These are ongoing programs for the development of all types and kinds of paramedics. We have the 980 capitation grants for nursing schools alone, and financial distress grants to 60 nursing schools, and nursing traineeships to over 3,000 students. By the way there are 18 grants to schools of public health. There are also traineeships in public health. These are to give assistance to some 344 students. There are 5,000 traineeships to students in allied health programs. Finally, there are 70 construction grants for health teaching institutions and not just for nurses.

So because of all these circumstances I suggest the amendment be defeated.

Mr. MAHON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I think approval of this amendment would be very unwise at this time for the reasons that have been set forth by the gentleman from Pennsylvania.

I ask for a vote in opposition to the amendment offered by the gentleman from Idaho.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho (Mr. Symms).

The amendment was rejected.

Mr. MAHON. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House without amendment, with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. McCormack, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration the bill (H.R. 6573) to rescind certain budget authority recommended in the message of the President of April 18, 1975 (H. Doc. 94-109), transmitted pursuant to the Impoundment Control Act of 1974, had directed him to report the bill back to the House with the recommendation that the bill do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 379, nays 1, not voting 53, as follows:

[Roll No. 196]

YEAS—379

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
AuCoin
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Bonker
Bowen
Breckinridge
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chisholm
Clancy
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Conable
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis
de la Garza
Dellums
Dent
Derrick
Derwinski
Devine
Dickinson
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Tenn.
du Pont
Early
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harris
Harsha
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Holtzman
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McFall
McKay
McKinney
Macdonald
Madigan
Maguire
Mahon
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Passman
Patman
Patten
Pattison, N.Y.
Perkins
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.

Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Zablocki

NAYS—1

Collins, Tex.

NOT VOTING—53

Andrews, N.C.
Aspin
Badillo
Bell
Boland
Bolling
Brademas
Breaux
Brinkley
Chappell
Clawson, Del
Collins, Ill.
Conlan
Delaney
Diggs
Duncan, Oreg.
Edgar
Emery
Flynt
Ford, Mich.
Harrington
Hastings
Hawkins
Hinshaw
Horton
Jarman
Jones, Ala.
Kemp
Long, La.
McEwen
McHugh
Madden
Mann
Mikva
Mollohan
Mosher
Moss
Neal
Ottinger
Patterson, Calif.
Pepper
Peyser
Rees
Risenhoover
Rousselot
Scheuer
Shipley
Symington
Udall
Vander Jagt
Wilson, Charles H., Calif.
Young, Tex,
Zeferetti

So the bill was passed.

The Clerk announced the following pairs:

Mr. Brademas with Mr. Andrews of North Carolina.

Mr. Mollohan with Mrs. Collins of Illinois.

Mr. Symington with Mr. Mann.

Mr. Charles H. Wilson of California with Mr. Risenhoover.

Mr. Pepper with Mr. Brinkley.

Mr. Mikva with Mr. Neal.

Mr. Duncan of Oregon with Mr. Hinshaw.

Mr. Ford of Michigan with Mr. Horton.

Mr. Hawkins with Mr. Peyser.

Mr. Aspin with Mr. Jarman.

Mr. Breaux with Mr. Rousselot.

Mr. Badillo with Mr. Edgar.

Mr. Delaney with Mr. Mosher.

Mr. Jones of Alabama with Mr. Vander Jagt.

Mr. Madden with Mr. Bell.

Mr. Chappell with Mr. Kemp.

Mr. Patterson of California with Mr. McEwen.

Mr. McHugh with Mr. Shipley.

Mr. Zeferetti with Mr. Boland.

Mr. Hastings with Mr. Del Clawson.

Mr. Diggs with Mr. Flynt.

Mr. Conlan with Mr. Harrington.

Mr. Long of Louisiana with Mr. Rees.

Mr. Moss with Mr. Ottinger.

Mr. Scheuer with Mr. Udall.

Mr. Young of Texas with Mr. Emery.

The result of the vote was announced as above recorded.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extent their remarks on the appropriation rescission bill just passed, and that I be permitted to include extraneous material.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

MARITIME AUTHORIZATION—FISCAL YEAR 1976

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules and on behalf of my colleague, the gentleman from Texas (Mr. Young), I call up House Resolution 444 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 444

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R 3902) to authorize appropriations for the fiscal years 1976 and 1977 for certain maritime programs of the Department of Commerce, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Merchant Marine and Fisheries now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, and all points of order against sections 3 and 4 of said substitute for failure to comply with the provisions of clause 7, rule XVI are hereby waived. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After the passage of H.R. 3902, it shall be in order in the House to take from the Speaker's table the bill S. 1542 and to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof the provisions contained in H.R. 3902 as passed by the House.

The SPEAKER. The gentleman from California (Mr. Sisk) is recognized for 1 hour.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from Mississippi (Mr. Lott), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 444 makes in order the consideration of H.R. 3902, a bill authorizing appropriations for certain programs in the Maritime Administration for fiscal year 1976. House Resolution 444 provides for an open rule with 1 hour of general debate.

House Resolution 444 provides that it shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Merchant Marine and Fisheries now printed in the bill as an original bill for the purpose of amendment under the 5-minute rule. All points of order against sections 3 and 4 of the substitute for failure to comply with the provisions of clause 7, rule XVI of the Rules of the House of Representatives—the germaneness requirement—are waived.

House Resolution 444 provides that after the passage of H.R. 3902, it shall be in order in the House to take from the Speaker's table the bill S. 1542 and to move to strike out all after the enacting clause of S. 1542 and insert in lieu thereof the provisions contained in H.R. 3902 as passed by the House.

H.R. 3902 makes a total authorization of $589,718,000 for fiscal year 1976. The authorization includes amounts for acquisition, construction and reconditioning of vessels, for payment of obligations incurred for operating-differential subsidies, for necessary expenses for research and development activities, for reserve fleet expenses, for maritime training at the Merchant Marine Academy and for financial assistance to State marine schools.

H.R. 3902 also increases the statutory ceiling of title XI guarantee programs from $5 billion to $7 billion.

Mr. Speaker, the Committee on Merchant Marine and Fisheries reported this bill by a unanimous vote. I urge the adoption of House Resolution 444 in order that we may discuss, debate, and pass H.R. 3902.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the distinguished gentleman from California (Mr. Sisk), has outlined the conditions of this rule, House Resolution 444, as well as the provisions of H.R. 3902, the maritime authorization for fiscal year 1976. Nonetheless, I would like to briefly mention a few general points about the rule and the bill at this time.

H.R. 3902 makes the following authorizations:

First, $240 million for the acquisition, construction, or reconstruction of vessels and construction-differential subsidy and cost of national defense features incident to the construction, reconstruction, or reconditioning of ships.

Second, $315.9 million for the payment of obligations incurred for operating-differential subsidy;

Third, $12.2 million for research and development activity expenses;

Fourth, $4.2 million for reserve fleet expenses;

Fifth, $11.5 million for maritime training at the Merchant Marine Academy at Kings Point, N.Y.; and

Sixth, $5.8 million for financial assistance to State maritime schools.

In addition to the amounts authorized above, there are also authorizations of such additional supplemental amounts for fiscal 1976 as may be necessary for increases in salary, retirement, or other employee benefits and for increases in costs for public utilities, food service, and other expenses of the Merchant Marine Academy.

Finally, H.R. 3902 proposes to raise the Government guaranteed loan and mortgage ceiling from $5 billion to $7 billion to aid in construction of U.S.-flag vessels, and it increases from $600 to $1,200 the amount the Secretary of Commerce may pay to a Merchant Marine Academy or college per academic year per student.

The rule, House Resolution 444, under

which the maritime authorization is to be considered is open with 1 hour of general debate. In order to preserve the normal amending process, the rule provides that the committee substitute will be in order as an original bill for the purpose of amendment. Points of order are waived against sections in the bill relating to increases in the Government guaranteed loan ceiling and the merchant marine student payments for failure to comply with the provisions of clause 7, rule XVI of the House pretaining to germane amendments. To expedite going to conference, this allows that it be in order to substitute the House language in the Senate-passed bill, No. S. 1542.

The Senate by unanimous consent passed their maritime authorization bill on April 29. It has a total cost estimate of $542.6 million, whereas the House bill contains a $589.7 million cost figure, or a $46.1 million variance. The major differences lie in the amount of funds authorized for acquisition, construction, or reconstruction of vessels and financial assistance to State marine schools.

Mr. Speaker, enactment of H.R. 3902 and the subsequent expenditure of appropriations for shipbuilding, ship operation, and related activities will undoubtedly have a stimulative impact on the national economy. Failure to pass the bill will result in severe curtailment of shipbuilding and a corresponding decline in shipyard employment.

Therefore, I urge the acceptance of this rule, House Resolution 444, as recommended by the authorizing committee so that we may proceed to consider and pass the maritime authorization for fiscal year 1976.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

I notice that this rule does provide on page 2 for the substitution of the Senate bill, which in effect would have the House passing the Senate bill in the final instance. Does this in any way waive the future rights of Members of the House to pose points of order against anything that may come over from the other body in the way of nongermane amendments, or any provisions that ordinarily could be attacked by a point of order?

Mr. LOTT. My understanding is that it would not in any way waive your rights as far as points of order.

Mr. BAUMAN. If the gentleman will yield further, so that if the other body added amendments in the conference we could still raise questions on the floor of the House about nongermane amendments that came out of the conference?

Mr. LOTT. That is my understanding; yes, sir.

Mr. BAUMAN. I thank the gentleman.

Mr. LOTT. Mr. Speaker, again, this is very important legislation that is badly needed at this time when our merchant fleet needs to be continued to be updated and improved. I would like to urge the acceptance of the rule, House Resolution 444.

Mr. Speaker, I reserve the balance of my time.

Mr. SISK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. PRESSLER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 379, nays 2, not voting 52, as follows:

[Roll No. 197]

YEAS—379

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
AuCoin
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Bolling
Bonker
Bowen
Breckinridge
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chisholm
Clancy
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis
de la Garza
Dellums
Dent
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Tenn.
du Pont
Early
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
English
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Tenn.
Forsythe
Fraser
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harris
Harsha
Hayes, Ind.
Hays, Ohio
Hébert
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Holtzman
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McFall
McKay
McKinney
Macdonald
Madigan
Maguire
Mahon
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Passman
Patman
Patten
Pattison, N.Y.
Perkins
Pettis
Pickle
Pike
Poage
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Roncallo
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Zablocki

NAYS—2

Hechler, W. Va.
Pressler

NOT VOTING—52

Andrews, N.C.
Aspin
Badillo
Bell
Boland
Brademas
Breaux
Brinkley
Burton, John
Chappell
Clawson, Del
Collins, Ill.
Conlan
Delaney
Duncan, Oreg.
Edgar
Emery
Esch
Ford, Mich.
Fountain
Frenzel
Harrington
Hastings
Hawkins
Hinshaw
Horton
Jarman
Jones, Ala.
Kemp
McEwen
McHugh
Madden
Mann
Mikva
Mollohan
Mosher
Moss
Neal
Ottinger
Patterson, Calif.
Pepper
Peyser
Rees
Risenhoover
Rousselot
Shipley
Symington
Udall
Vander Jagt
Wilson, Charles H., Calif.
Young, Tex.
Zeferetti

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Brademas with Mr. Ottinger.

Mr. Delaney with Mr. Bell.

Mr. Pepper with Mr. Andrews of North Carolina.

Mr. Shipley with Mr. Esch.

Mr. Charles H. Wilson of California with Mr. Boland.

Mr. Zeferetti with Mr. Del Clausen.

Mr. Mollohan with Mr. Duncan of Oregon.

Mr. Badillo with Mr. Hastings.

Mr. John Burton with Mrs. Collins of Illinois.

Mr. Chappell with Mr. Kemp.

Mr. Hawkins with Mr. Aspin.

Mr. Ford of Michigan with Mr. Edgar.

Mr. Moss with Mr. McEwen.

Mr. Young of Texas with Mr. Conlan.

Mr. Mikva with Mr. Mosher.

Mr. Brinkley with Mr. Emery.

Mr. Breaux with Mr. Neal.

Mr. Fountain with Mr. Frenzel.

Mr. Risenhoover with Mr. Patterson of California.

Mr. Jones of Alabama with Mr. Horton.

Mr. Madden with Mr. McHugh.

Mr. Mann with Mr. Peyser.

Mr. Harrington with Mr. Rees.

Mr. Symington with Mr. Vander Jagt.

Mr. Udall with Mr. Jarman.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. DOWNING of Virginia. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3902) to authorize appropriations for the fiscal years 1976 and 1977 for certain maritime programs of the Department of Commerce, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Virginia.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 3902, with Mr. MOAKLEY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Virginia (Mr. DOWNING) will be recognized for 30 minutes, and the gentleman from Michigan (Mr. RUPPE) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Virginia.

Mr. DOWNING of Virginia. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise to urge the passage of H.R. 3902, a bill to authorize appropriations for fiscal year 1976 for certain maritime programs of the Department of Commerce, to increase the statutory ceiling of the title XI guarantee program from $5 to $7 billion, and to increase the subsistence allowance for students at the State marine schools from $600 to $1,200 a year.

The bill will authorize funds for the Maritime Administration in the total amount of $589,718,000 to be apportioned as follows:

Construction subsidy	$240,000,000
Operating subsidy	315,936,000
Research and development	12,232.,000
National defense reserve fleet	4,242,000
Federal Maritime Academy	11,500,000
State marine schools	5,808,000

As introduced, the bill would have authorized appropriations for the fiscal years 1976 and 1977. The Budget Act requires that the fiscal year 1976 authorization request be reported by May 15 of this year. As the fiscal year 1977 authorization request does not have to be reported until May 15 of next year, the committee concluded that it would not be prudent to report it at this time, and amended the bill accordingly. Additional hearings will be held on the 1977 authorization request next year.

With respect to construction subsidy, the administration requested $245 million, which, together with carryover funds, would provide a total program level of $250,750,000. Your committee amended section 1(a) to reduce this amount to $240 million in order to accommodate any Budget Act problems that could arise from the committee amendment to section 1(f), and pursuant to section 2 of the bill.

The proposed construction subsidy program level will remain at $250,750,000, due to an increased amount carried forward from previous years, and is scheduled to be used to fund the conversion of two vessels and the construction of 14 vessels: 1 roll-on/roll-off vessel, 4 large and 1 small containerships, 2 LNG vessels, 3 ore/bulk/oil vessels, and 3 bulk carriers.

As my colleagues will recall, the Merchant Marine Act of 1970 set forth guidelines for the gradual reduction of the construction subsidy level to 35 percent in fiscal year 1976, and thereafter. I am pleased to be able to inform the Members that in every instance these guidelines have been met. Prior to the Merchant Marine Act of 1970, the construction subsidy level was over 50 percent, whereas, it will be 35 percent for fiscal year 1976.

Your committee favorably reported the administration's fiscal year 1976 request of $315,936,000 for operating subsidy. These funds will be used to pay about 20 percent of the U.S. operating costs of 179 general cargo vessels, six passenger and passenger/cargo vessels, and 16 bulk vessels. The requested amount represents an increase of $73.1 million over fiscal year 1975, resulting from: First, $8.3 million for the addition of certain subsidized vessels; second, $16.2 million for cost escalation; and third, $48.6 million for the acceleration of prior year payments.

Your committee favorably reported the administration's fiscal year 1976 request of $12,232,000 for research and development activities—a decrease of $13.7 million from the previous year. The $12.2 million will be augmented by funds carried forward to fund a total program level of $20 million. As you know, the objective of the research and development program is to find ways to make the U.S.-flag merchant fleet and the U.S. shipbuilding industry more efficient and competitive. In fiscal year 1976, the program will generally concentrate on the licensing of nuclear ships, efforts in automated ship systems, satellite navigation and communications, energy-saving ship machinery and operations procedure, and maintenance of the computeraided operations research facility.

Your committee favorably reported the administration's fiscal year 1976 request of $4,242,000 for reserve fleet expenses—an increase of $500,000 over the previous year. These funds would be used for the continued preservation of 147 merchant ships in the three reserve fleet sites, as well as vessels scheduled for scrapping. As you know, the objective of the program is to maintain viable ships under preservation to supplement the active fleet in times of war or national emergency.

Your committee favorably reported the administration's fiscal year 1976 authorization request of $11.5 million for the Merchant Marine Academy at Kings Point, N.Y., where U.S. citizens are trained to become merchant marine officers. This is an increase of $982,000 over the previous year. These funds would be used for the operation of the Academy and support the continued modernization of the 30-year-old facility.

With respect to financial assistance to the State marine schools, where U.S. citizens are trained to become merchant marine officers, the administration requested $4,708,000 for fiscal year 1976—an increase of $1,735,000 over fiscal year 1975, to be used primarily for the installation of pollution abatement devices in four of the training ships. Your committee amended section 1(f), increasing this amount $1.1 million to $5,808,000, in order to fund the committee amendment set forth in section 4 of the bill.

Mr. Chairman, your committee favorably reported section 2 of H.R. 3902, without amendment. This section would authorize additional supplemental amounts for fiscal year 1976 for the activities specified in section 1 of the bill, to the extent necessary for increases in salaries, pay, retirement, other employee benefits authorized by law, and for uncontrollable cost increases in public utilities, food service, and other expenses of the Federal Academy. The purpose of this section is to avoid amending the fiscal year 1976 Authorization Act if supplemental appropriations for 1976 are sought for this purpose.

Section 3 of H.R. 3902, a committee amendment, would amend section 1103 (f) of the Merchant Marine Act of 1936, to increase the statutory ceiling of the title XI guarantee program from $5 to $7 billion. As you know, the title XI guarantee program stimulates shipbuilding by encouraging private financing of ship construction through mortgage and loan guarantees. The industry witnesses testified that if the title XI ceiling was not increased, private capital would not be available to build the vessels contemplated by the construction subsidy program of the authorization request, much less nonsubsidized construction in American shipyards that is financed by means of the title XI guarantee program.

The program is self-sustaining as a premium is paid for the guarantee. At the present time there is about $60 million in excess premiums that are available should defaults occur. Total guarantees and commitments are expected to reach $4.9 billion by June 30, 1975, and it is anticipated that the statutory ceiling will be exceeded in fiscal year 1976. The increase in the title XI ceiling from $5 to $7 billion would involve no additional cost to the Federal Government.

Mr. Chairman, section 4 of H.R. 3902, is also a committee amendment. It would amend section 6(a) of the Maritime Academy Act of 1958 to increase the subsistence allowance for students at the

State marine schools from $600 to $1,200 a year. This amendment is in accordance with one of the recommendations of the Ad Hoc Committee on Maritime Education and Training which has just concluded an indepth study of current maritime training in the United States.

H.R. 3902, as amended, was reported out of committee unanimously and has the strong support of the Merchant Marine and Fisheries Committee. However, as about 5 years have passed since the hearings on the legislation enacted as the Merchant Marine Act of 1970, the committee is of the view that it is time for exhaustive oversight hearings with respect to the various Government aids to the U.S.-flag merchant marine administered by the Maritime Administration. The need for such hearings was one of the reasons your committee did not pass on the fiscal year 1977 authorization request at this time. These hearings are scheduled to commence next week.

In conclusion, let me reiterate that H.R. 3902, as amended by your committee, is a meritorious piece of legislation, was reported unanimously, and deserves the strong support of the House.

Mr. Chairman, there are Members on both sides of the aisle who wish to speak in support of H.R. 3902.

Mr. Chairman, it is my pleasure to yield such time as she may consume to the distinguished chairman of the full committee, the gentlewoman from Missouri (Mrs. SULLIVAN).

Mrs. SULLIVAN. Mr. Chairman, I rise to join the distinguished chairman of the Merchant Marine Subcommittee in urging the support of the Members of the House for H.R. 3902, the authorization of appropriations for the Maritime Administration for fiscal year 1976.

The subcommittee chairman has gone into great detail with respect to the various elements of H.R. 3902 and I know there are Members on both sides of the aisle who would like to speak in support of this worthwhile piece of legislation, so I will be brief. I would, however, like to comment on several aspects of the U.S.-flag merchant fleet and I would like to say that I am in full support of H.R. 3902, which is the necessary funding for various programs of the Maritime Administration.

This bill is appropriate because it provides funds for the construction and operating subsidy programs, for research and development, and for such items as the National Defense Reserve Fleet, and the maritime schools. If we wish to keep the American flag on the high seas, then it is necessary to support this bill and to provide the funding support for the Maritime Administration to carry on its programs.

Unfortunately the maritime industry is subject to great fluctuations which make it cyclical in nature. As with our general economic picture, the maritime industry seems to be in a downturn. Cargo carryings in the liner segments of the industry have been excellent in the last several years but appear to be slackening off this year.

As is well known, the bottom has fallen out of the world tanker market, with the consequent adverse impact on the U.S.-flag tanker segment. At the present time there are approximately 30 U.S.-flag tankers laid up, at an aggregate of about 1.1 million deadweight tons. This not only affects the operators of these vessels, but the men who crew them, and the shipyards. The excess tanker capacity resulting from the downturn in the tanker market has caused a number of cancellations of tanker orders, as well as the layup of vessels. Naturally, this affects the shipyards. Two of our yards have been seriously hurt and one of them, Todd Shipyard, recently received a $22.5 million loan from EDA in the Department of Commerce to help it through this difficult period. There has been a heavy layoff of employees in the Seatrain yard in Brooklyn, where two 225,000-deadweight-ton tankers are under construction. One vessel is approximately 80 percent completed and the other ship about 30 percent complete. At the present time, the administration is wrestling with this problem in an attempt to see what can be done with respect to these two partially finished tankers.

The prospects with respect to the world tanker market and the U.S.-flag tanker segment are bleak and we cannot expect a turnaround in the near future. Something must be done as to U.S.-flag tankers in layup and, in this connection, it is my understanding that the administration is also giving consideration to this pressing problem.

Of course, it was our feeling that the bill providing that a percentage of oil imported into the United States be carried in U.S.-flag tankers, which was vetoed by the President last January, would have been a big help with regard to the current unfortunate tanker situation. The funding in the present authorization bill, of course, does not relate to the problems I have just discussed by these matters cannot be considered in isolation and are part of the fabric of the entire maritime industry and should be dealt with in a coordinated manner.

The total figure authorized in H.R. 3902 is $589,718,000. Of this total figure, $240 million is requested for construction-differential subsidy. The Maritime Administration's program calls for 14 ships to be contracted for in fiscal 1976—3 liquefied natural gas carriers, LNG's; 4 ore-bulk-oil ships, OBO's; 3 bulk carriers; and 4 container ships. The ship construction program over the last several years has dealt almost exclusively in the area of energy carrying vessels. In light of the present circumstances, it is noted that the present mix of vessels to be constructed is partially energy vessels and partially dry bulk carriers and containerships, which are operated in the liner segment.

With respect to construction subsidy, the Merchant Marine Act of 1970 set out guidelines for the gradual reduction of the construction-differential subsidy level to 35 percent in fiscal year 1976 and thereafter. In fiscal year 1975, the CDS level was reduced from 39 percent to 37 percent. When the Merchant Marine Act of 1970 was enacted, the CDS level was 50 percent, so there has been a dramatic reduction in the percentage of subsidies paid for the construction of vessels in U.S. shipyards. I am happy to report that the shipyards have been able to meet these percentage reductions set out in the 1970 act and from fiscal year 1976 on, the subsidy level will be 35 percent.

I would also like to note that subsidy rates for LNG carriers are as low as 16.5 percent and this is due to the high cost of constructing this very sophisticated type of vessel in foreign yards. Due to such factors as monetary fluctuations and increased wages paid to workers in foreign yards, the gap between ship construction between U.S. and foreign shipyards is narrowing.

The Committee on Merchant Marine and Fisheries amended H.R. 3902, as inwhich would amend section 1103(f) of the Merchant Marine Act of 1936, as amended, to increase the statutory ceiling of the title XI mortgage insurance guarantee program from $5 to $7 billion.

Pursuant to title XI of the Merchant Marine Act of 1936, as amended, the Government is authorized to guarantee loans and mortgages made by private lending institutions to U.S. citizens in order to aid in the construction or reconstruction of U.S.-flag vessels. The title XI mortgage guarantee program is administered by the Maritime Administration in the Department of Commerce. The evidence at the hearings on this legislation indicated that without this increase in the ceiling for the title XI mortgage insurance, the necessary private capital would not be available for building the vessels contemplated by the construction-differential subsidy program set out in the authorization request, much less nonsubsidized construction in American shipyards that is financed by means of the title XI guarantee program.

The administration sent up a dual fiscal year 1976 and fiscal year 1977 maritime authorization program. The committee severed these 2 fiscal year programs and reported out only the fiscal year 1976 program and will act on the fiscal year 1977 program later on this year, or early next year.

I can assure the Members of the House that the provisions of H.R. 3902 were given careful scrutiny in the hearings and markup process and that the maritime industry supports this legislation, which was reported unanimously out of committee after full and careful consideration of the entire record.

I strongly urge the Members of the House to support H.R. 3902.

Mr. DOWNING of Virginia. Mr. Chairman, I reserve the balance of my time.

Mr. RUPPE. Mr. Chairman, I yield myself such time as I desire.

Mr. Chairman, I rise in support of the bill H.R. 3902. In authorizing over a half billion dollars of direct subsidies to the American shipping and shipbuilding industries, it basically continues the maritime program which began with passage of the Merchant Marine Act of 1970.

There have, in my opinion, been a

number of accomplishments under the 1970 program. Before the act, construction subsidies generally provided over 50 percent of the cost of vessel construction. The 1970 act required that this rate decline in scheduled yearly increments toward a 1976 goal of 35 percent. That goal has been met, and in fact the construction subsidies have averaged 3.8 percentage points lower than the annual subsidy rate ceilings which were set forth in the 1970 act. In some cases the subsidy rate has actually fallen to as low as 16 percent.

Moreover, since the 1970 act the tonnage of the U.S.-flag fleet has been increased by about 11 percent, the average age of the fleet has decreased by 18 percent, and today's ships are an average of 35-percent larger than those in service before 1970. Construction activity in U.S. shipyards has been high and the Alaskan oil trade holds promise for future U.S. tanker operations.

Of particular importance to those of us who represent districts near the Great Lakes is that U.S.-flag service has once again come to the Great Lakes. Through the Merchant Marine Act of 1970 it was established that the Great Lakes would be and henceforth is the Nation's fourth seacoast, but before that time its great potential as an active participant in national shipping programs had largely been unrealized.

However, the authorization bill for last year required that a regional office for the Great Lakes be established within the Maritime Administration—and I might say for the particular and direct purpose of stimulating foreign trade activity in that area of the United States—and a site for that office is in the process of being selected at the present time. The establishment of such an office will help insure that at the staff level, where so many critical decisions are made on a day-to-day basis, there will be personnel who are knowledgeable with regard to the many unique aspects of Great Lakes transportation.

More importantly, the Maritime Administration just last month signed an operating Great Lakes subsidy contract with Lykes Lines Steamship Co. establishing American-flag service between the Great Lakes and Europe. Lykes ships have already loaded cargo at Great Lakes ports. In addition, applications are pending with Prairie Shipping and American Heavylift Co. to build and to operate ships for the Great Lakes foreign trade. These are promising new developments and will be extremely helpful in revitalizing this segment of our shipping industry.

While there have been numerous accomplishments under the 1970 act, our merchant marine continues to face severe problems today. I am not sure, frankly, that the present maritime program adequately addresses them.

For example, a major tanker building program began with the 1970 act. Now world tanker rates are about 5 percent of what they were just 18 months ago, and, consequently, about 22 percent of the American tanker fleet is laid up, and construction contracts in a number of U.S. shipyards are being canceled. In addition, despite large subsidy payments under the 1970 act, between 1969 and 1974 the percentage of U.S. foreign commerce carried in American ships in terms of value actually declined from 19.2 to 18.9 percent.

I would recognize, however, that the 1969 figures are probably skewed and out of proportion because so much American cargo at that time was being carried to Vietnam.

I believe, Mr. Chairman, we have a responsibility this year to make a determination of just what role in American policy the merchant marine must play and what percentage of American cargoes, what percentage of general cargo, liner freight, oil, and other commodities should be carried in American bottoms. Our maritime policy, such as it has been, in my opinion has been far too fragmented, with the construction as well as the operation segments of the industry viewed separately and not necessarily with the thrust of implementing overall American foreign policy, trade, and energy goals.

I am hopeful the oversight hearings of this committee which will begin in the next 2 weeks will mark the beginning of a truly national maritime policy.

We are at a critical juncture now in our maritime program. The Merchant Marine Subcommittee is in the process of scheduling comprehensive oversight hearings to review the program. Those hearings will begin on May 22. We expect to explore in detail how the program can be improved and we hope to offer constructive suggestions for change.

While this review is going on I think it is important however to support the existing program and I ask all Members to join me in supporting this legislation.

Mr. Chairman, I yield 10 minutes to my colleague, the gentleman from California (Mr. MCCLOSKEY), the ranking minority member of the subcommittee.

Mr. McCLOSKEY. Mr. Chairman, I would like to indicate my support for this bill and also to briefly touch on some of the reservations which have been expressed by several colleagues and by some segments of the public and to explain why we urge support of this bill at this time in spite of these reservations.

Mr. Chairman, the maritime subsidy program enacted in 1970 obviously deserves comprehensive review at this time. We are in an era of careful reexamination of the major programs and policies which this country conducts, not only with respect to the national defense prosture on which the maritime subsidy program is grounded, but also with respect to our international trade policies and our international food policies. As the recent CIA report pointed out, within the next 10 years the United States may be the primary exporter of grains and supplier of foods to much of the rest of the world. Most of this trade will be transported by ships.

We also face a reexamination of our national energy policy with the impact of that policy on offshore drilling, oil imports and the exportation of science and technological gains in the fields of maritime commerce, fishing, and deep-seabed exploration.

Against these reexaminations of national policy in defense, international trade, energy and agriculture, it is absolutely essential that we reexamine our maritime subsidy policy, to redetermine what portion of the jigsaw puzzle of our total national policies our maritime policy should represent.

I am pleased that the chairman of the full committee and the chairman of the subcommittee have agreed we will now undertake, commencing next week or the week following the recess, the first thorough and comprehensive reevaluation of our overall maritime program and policy since we enacted the 1970 act.

Viewing our obligation to proceed with an orderly and timely authorization of the programs this Congress must authorize each year, and the need for speed in that area, it seems to me appropriate we authorize the maritime bill today but also that we assure the public and other Members of this body that we are initiating a thorough reexamination, and that before we come to the House again for next year's authorization we will have completed a full review of this entire program.

With that caveat, I am glad to join in recommending passage of this bill.

Mr. DOWNING of Virginia. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. BIAGGI).

Mr. BIAGGI. Mr. Chairman, I rise in support of this bill to authorize various maritime programs within the Department of Commerce. I want to commend the chairman of the Merchant Marine Subcommittee (Mr. DOWNING) for his excellent work on the bill. I think we can all be particularly proud that we have reported out a bill that provides only for the most essential programs. The committee has trimmed an additional $3.8 million from the original administration request.

Since passage of the landmark Merchant Marine Act of 1970, the U.S. Merchant Marine has experienced a revival. By the end of this decade, this country will have one of the most efficient and modern merchant fleets in the world.

This bill continues the commitment, established by Congress in 1970 to the construction of new merchant vessels in U.S. shipyards, providing thousands of jobs for American shipbuilders. It also continues our payment of operating differential subsidies and our Federal research and development programs.

To man this new generation of ships, we will need highly trained and educated merchant marine officers. The Federal Merchant Marine Academy at Kings Point continues to provide the basic supply of officers for the merchant marine. The State maritime schools complement this effort and continue to enjoy the strong support of Congress and the administration. The Calhoun Marine Engineers Beneficial Association School in

UMI

Baltimore, Md., adds further to our Nation's supply of trained personnel to man our ships. That school is entirely funded by the union itself, an outstanding demonstration of their commitment to a vital merchant marine. Their President Jesse Calhoun, the namesake of the school, has been an outstanding leader and spokesman for the need to revitalize and expand our merchant fleet. He is to be commended for his efforts.

I am proud to have in my district the State University of New York Maritime College at Fort Schuyler. The school is celebrating its 100th anniversary and is the oldest school of its kind in the country. Its graduates are found throughout the merchant marine and in the shore-related industries. Many of the graduates are working in the maritime field in the U.S. Government.

Cadets at the SUNY Maritime College and the other five State schools receive a Federal subsidy of $600 per year. Originally authorized by the Maritime Academies Act of 1958, that amount was intended to cover the greater portion of a cadet's cost at school. Today, with the high rates of inflation in the last 20 years, it barely covers the cost of uniforms and books.

During committee consideration of the bill, my amendment to increase this subsidy to $1,200 was adopted. This amount was recommended by the Select Subcommittee on Maritime Education and Training, which conducted extensive hearings and investigations during the last Congress. That report, which has been adopted by the Merchant Marine Subcommittee, recommended early action on this increase in the subsidy.

The report said in part:

> "The Maritime Administration's Supply and Demand Study has projected a shortage of licensed officers by the end of this decade . . . Acute shortages of licensed officers during periods of peak demand in the past—notably during war time—would indicate the desirability of maintaining a flexible source of supply of such personnel . . . Today's high technology vessels require the skills of individuals of superior ability. While it is necessary to establish ceilings on the number of officers, it is also imperative to attract sufficiently qualified students into our schools . . . In furtherance of this objective, it is, therefore, recommended that the annual subsistence allowance from the Maritime Administration to the students at the State Maritime academies be increased from $600 to $1,200.

I am pleased that we are acting expeditiously on the recommendations of the select subcommittee and hope the other body will concur with this action.

I urge approval of this bill. The recent events in the world today indicate our growing need to be independent of other nations in all we do. The international commerce of the United States is vital to our strength as a world leader. If we continue to remain dependent on other nations to carry our goods and to bring our essential raw materials to this country, we will be at the mercy of foreign powers in times of emergencies. A strong, vital, and modern merchant marine, manned by highly trained and well-educated officers, is essential to this country. That is what this bill is about and that is what it will do.

Mr. LEGGETT. Mr. Chairman, this bill takes care of a number of programs vital to our continuing maritime strength, and all of them are worthy. I would like to take my time to call attention to just one of these provisions, which I consider vital.

The 1975 maritime authorization bill authorizes an increase in the subsidy paid to cadets in State maritime academies from $600 to $1,200 per year. I know that this sounds like a large percentage increase, but the facts surrounding this increase serve to put it in a little better perspective.

First, this subsidy was set at its current level in 1958. As you are no doubt aware all costs have risen steeply since then, and the costs of higher education have risen more precipitously than most. Using 1967 as a base of 100, the 1958 CPI was 86.6; the current CPI is well above 150. This, as I said, is the aggregate; costs in education have risen even faster.

Even with this increase, the ratio of State to Federal contributions to these academies will still be about 2 to 1; in other words, States will continue to carry the bulk of the financial burden associated with these schools. Considering the substantial Federal benefit that derives from the trained manpower pool that these institutions provide, I do not believe that a one-third Federal financial contribution is out of line.

Then, there is the matter of what we get for our money. The people we graduate from our State maritime academies are better trained than ever before. In California we are moving toward full academic accreditation as a scholastically sound 4-year institution. A substantial amount of theoretical training in the more complex ocean sciences, such as oceanography and marine biology, is now being offered. The 1975 graduate of a State maritime academy is far more sophisticated than his 1958 counterpart, and can function in a much wider range of tasks.

Mr. Chairman, this subsidy increase is long overdue. I am greatly pleased that my Committee on Merchant Marine and Fisheries has initiated it, and I hope it receives the strong support of the House.

Mr. OBERSTAR. Mr. Chairman, I am pleased to join my colleagues on both sides of the aisle in strong support of H.R. 3902, a bill to authorize appropriations for fiscal year 1976 for certain maritime programs of the Department of Commerce, and for other purposes.

One of the purposes was a Committee Amendment that added a section 3 to the bill. Section 3 would amend section 1103 (f) of the Merchant Marine Act of 1936 to increase the statutory ceiling of the title XI guarantee program from $5 to $7 billion. This amendment is crucial if the new maritime program provided by the Merchant Marine Act of 1970 is to be carried forward in an orderly manner.

Pursuant to title XI of the Merchant Marine Act of 1936, the Government is authorized to guarantee loans and mortgages made by private lending institutions to U.S. citizens in order to aid in the construction of U.S.-flag vessels. The title XI guarantee program is administered by the Maritime Administration of the Department of Commerce.

During the hearings on H.R. 3902, Secretary Blackwell testified that the title XI guarantee program has been a very successful program, and as of January 1, 1975, guarantees in force and commitments totalled $4.1 billion with pending applications for mortgage guarantees amounting to $2.8 billion. Total guarantees and commitments are expected to reach $4.9 billion by June 30, 1975, and the statutory ceiling of $5 billion should be exceeded during fiscal year 1976.

Although title XI was not a part of the authorization bill, as introduced, industry witnesses strongly recommended that the proposed legislation be amended to increase the title XI authority of the Maritime Administration from $5 billion to $8 billion. Without such an increase, private capital would not be available to build the vessels contemplated by the construction subsidy program of the authorization request, much less nonsubsidized construction in American shipyards that is financed by means of the title XI guarantee program. The committee was also informed by one American company that they were having a $35 million oil-drilling vessel constructed in Japan and that they might have built this vessel in the United States if the Maritime Administration could have assured them that title XI financing would be available.

The committee requested additional information from the Maritime Administration and the Office of Management and Budget. The Office of Management and Budget indicated that it was requiring a comprehensive review of the title XI program by the Department of Commerce, and that it would not object to raising the ceiling since any future controls over the program would not depend on the statutory ceiling for enforcement. With respect to the response of the Maritime Administration, the committee was generally not satisfied and intends to thoroughly explore the title XI guarantee program as part of the exhaustive oversight hearings currently planned for the near future. However, in view of the immediate need for an increase in title XI authority, the committee amended the bill to increase the program ceiling from $5 to $7 billion.

Mr. Chairman, I strongly urge the House to support H.R. 3902, with this very vital amendment.

Mr. DOWNING of Virginia. Mr. Chairman, I have no further requests for time.

Mr. RUPPE. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. Pursuant to the rule, the Clerk will now read the amendment in the nature of a substitute reported in the bill as an original bill for purposes of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That funds are hereby authorized to be appropriated without fiscal year limitation as the appropriation Act may provide for the use of the Department of Commerce, for the fiscal year 1976, as follows:

(a) acquisition, construction, or reconstruction of vessels and construction-differential subsidy and cost of national defense features incident to the construction, reconstruction, or reconditioning of ships, $240,000,000;

(b) payment of obligations incurred for operating-differential subsidy, $315,936,000;

(c) expenses necessary for research and development activities, $12,232,000;

(d) reserve fleet expenses, $4,242,000;

(e) maritime training at the Merchant Marine Academy at Kings Point, New York, $11,500,000; and

(f) financial assistance to State marine schools, $5,808,000.

Sec. 2. In addition to the amounts authorized by section 1 of this Act, there are authorized to be appropriated for the fiscal year 1976 such additional supplemental amounts for the activities for which appropriations are authorized under section 1 of this Act as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law, and for increased costs for public utilities, food service, and other expenses of the Merchant Marine Academy at Kings Point, New York.

Sec. 3. Section 1103(f) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1273(f)), is amended by striking the figure "$5,000,000,000", and inserting in lieu thereof the figure "$7,000,000,000".

Sec. 4. Section 6(a) of the Maritime Academy Act of 1958, as amended (46 U.S.C. 1385(a)), is amended by striking the figure "$600", and inserting in lieu thereof "$1,200".

Mr. DOWNING of Virginia (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the Record and open to amendment at at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. MYERS of Pennsylvania. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to ask some questions of the subcommittee chairman. We are talking about increasing our subsidies to ships which will be used on the Great Lakes, it is my understanding that the justification for the subsidies that we get into in this maritime program are largely on the basis that domestic shipbuilders cannot compete with foreign shipbuilders, because our ships have certain requirements as far as safety and as far as protection against environmental spills. If we increase our activity on the Great Lakes, is this, in fact, part of the program that we are devoting a significant amount of these subsidies to guarantee we are not going to increase the hazards of polluting those areas?

Mr. DOWNING of Virginia. Mr. Chairman, if I understand the gentleman correctly, he mentioned subsidies for the Great Lakes. As we heard previously, the Lykes Steamship Lines has a subsidy for several ports on the Great Lakes.

Did I hear the gentleman say that it would increase the hazards?

Mr. MYERS of Pennsylvania. It is my understanding that the reason we get into the program of subsidizing shipbuilding in large part is because we build ships which have features built into them which make them safer, to make them less potential for spillage, or for accidents, which can cause environmental problems. Is this correct?

Mr. DOWNING of Virginia. No; that is not altogether correct. It is true we have to put national defense features on them. We have to comply with environmental standards; but the main purpose of the subsidies is to compete with foreign flag lines. The foreign ships operate with less for labor, materials and so forth. In order for us to compete with them on an even scale, we have to have a subsidy to bring us up to their level. The subsidy was as much as 55 percent, but through the Maritime Act of 1970 we have reduced that down to 35 percent today.

Mr. MYERS of Pennsylvania. That justifies the operation of the subsidy, but what about the subsidy for construction?

Mr. DOWNING of Virginia. The same thing holds true for the construction subsidy, but here again, it used to be that the Japanese could construct a ship for about one-half of what we could construct a ship in this country, but now their costs are going up. Their lifestyles are coming up, so they are coming up slowly to meet our costs; but it is a long way off.

Mr. MYERS of Pennsylvania. Is it correct that no operating subsidies go to any domestic shipping from domestic ports to domestic ports of import?

Mr. DOWNING of Virginia. The gentleman is talking about domestic port to port?

Mr. MYERS of Pennsylvania. Yes.

Mr. DOWNING of Virginia. It is not subsidized.

Mr. MYERS of Pennsylvania. One further question. Who determines the size and the nature of the reserve fleet being subsidized on the basis of national defense; who participates in that decision?

Mr. DOWNING of Virginia. Offhand—and I would correct this later if I am wrong—it would be controlled by the Department of Defense and the Department of Commerce through its Maritime Administration.

Mr. MYERS of Pennsylvania. I thank the gentleman.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Moakley, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration. the bill (H.R. 3902) to authorize appropriations for the fiscal years 1976 and 1977 for certain maritime programs of the Department of Commerce, and for other purposes, pursuant to House Resolution 444, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. DICKINSON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 328, nays 59, not voting 46, as follows:

[Roll No. 198]

YEAS—328

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Archer
Ashbrook
Ashley
AuCoin
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Breckinridge
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Casey
Cederberg
Chisholm
Clancy
Clausen, Don H.
Clay
Cochran
Cohen
Conte
Corman
Cornell
Cotter
Coughlin
D'Amoura
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis
de la Garza
Dellums
Dent
Derrick
Derwinski
Dickinson
Diggs
Dingell
Downey
Downing
Duncan, Tenn.
du Pont
Early
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evana, Ind.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowera
Flynt
Foley
Ford, Tenn.
Forsythe
Fraser
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbona
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Green
Gude
Guyer
Haley
Hall
Hsnley
Hannaford
Harkin
Harrington
Harsha
Hays, Ohio
Hébert
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Howard
Hubbard
Hungate
Hyde
Ichord
Jeffords
Jenrette
Johnson, Calif.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kazen
Ketchum
Kindness
Koch
Krebs
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
McClory
McCloskey
McCollister
McDade
McFall
McKinney
Macdonald
Madigan
Maguire
Mahon
Mathis
Matsunaga
Mazzoli
Meeda
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Natcher
Nedzi
Nichola
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Passman
Patman
Patten
Pattison, N.Y.
Perkins
Pettis
Pickle
Pike
Poage
Preyer
Price
Pritchard
Quillen
Railsback
Randall
Rangel
Rees
Regula

Reuss
Richmond
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schulze
Seiberling
Sharp
Shriver
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steiger, Wis.
Stephens
Stratton
Stuckey
Studds
Sullivan
Talcott
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
White
Whitehurst
Whitten
Wilson, Bob
Wilson, Charles, Tex.
Wirth
Wolff
Wright
Wydler
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex,
Zablocki

NAYS—59

Abdnor
Armstrong
Beard, Tenn.
Bedell
Brown, Mich.
Broyhill
Carter
Cleveland
Collins, Tex.
Conable
Conyers
Crane
Devine
Drinan
Evans, Colo.
Fenwick
Fountain
Frenzel
Gradison
Grassley
Hagedorn
Hamilton
Hammerschmidt
Hansen
Harris
Hayes, Ind.
Hechler, W. Va.
Holtzman
Howe
Hughes
Hutchinson
Jacobs
Johnson, Colo.
Kastenmeier
Kelly
Keys
Krueger
Lujan
McDonald
McKay
Martin
Mottl
Myers, Pa.
Pressler
Quie
Rhodes
Riegle
Schroeder
Sebelius
Shuster
Steelman
Steiger, Ariz.
Symms
Taylor, Mo.
Vanik
Whalen
Winn
Wylie
Yates

NOT VOTING—46

Andrews, N.C.
Aspin
Badillo
Bell
Brademas
Breaux
Brinkley
Chappell
Clawson, Del
Collins, Ill.
Conlan
Delaney
Dodd
Duncan, Oreg.
Edgar
Ford, Mich.
Hastings
Hawkins
Hinshaw
Horton
Jarman
Jones, Ala.
Kemp
McCormack
McEwen
McHugh
Madden
Mann
Mikva
Mollohan
Mosher
Neal
O'Brien
Patterson, Calif.
Pepper
Peyser
Risenhoover
Roncalio
Rousselot
Shipley
Stokes
Symington
Vander Jagt
Wiggins
Wilson, Charles H., Calif.
Zeferetti

So the bill was passed.

The Clerk announced the following pairs:

Mr. Brademas with Mr. Andrews of North Carolina.

Mr. Mollohan with Mrs. Collins of Illinois.

Mr. Symington with Mr. Mann.

Mr. Charles H. Wilson of California with Mr. Risenhoover.

Mr. Pepper with Mr. Brinkley.

Mr. Mikva with Mr. Neal.

Mr. Duncan of Oregon with Mr. Hinshaw.

Mr. Ford of Michigan with Mr. Horton.

Mr. Hawkins with Mr. Peyser.

Mr. Aspin with Mr. Jarman.

Mr. Breaux with Mr. Rousselot.

Mr. Badillo with Mr. Edgar.

Mr. Delaney with Mr. Mosher.

Mr. Jones of Alabama with Mr. Vander Jagt.

Mr. Madden with Mr. Bell.

Mr. Chappell with Mr. Kemp.

Mr. Patterson of California with Mr. McEwen.

Mr. McHugh with Mr. Shipley.

Mr. Zeferetti with Mr. Conlan.

Mr. Hastings with Mr. Dodd.

Mr. McCormack with Mr. O'Brien.

Mr. Roncalio with Mr. Stokes.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill to authorize appropriations for the fiscal year 1976 for certain maritime programs of the Department of Commerce, and for other purposes."

A motion to reconsider was laid on the table.

Mr. DOWNING of Virginia. Mr. Speaker, pursuant to House Resolution 444, I move to take from the Speaker's table the Senate bill S. 1542, and to strike out all after the enacting clause of said Senate bill, and insert in lieu thereof the provisions of H.R. 3902 as passed by the House.

The motion was agreed to.

The House amendment to the Senate bill reads as follows:

Strike out all after the enacting clause, and insert:

That funds are hereby authorized to be appropriated without fiscal year limitation as the appropriation Act may provide for the use of the Department of Commerce, for the fiscal year 1976, as follows:

(a) acquisition, construction, or reconstruction of vessels and construction-differential subsidy and cost of national defense features incident to the construction, reconstruction, or reconditioning of ships, $240,000,000;

(b) payment of obligations incurred for operating-differential subsidy, $316,936,000;

(c) expenses necessary for research and development activities, $12,232,000;

(d) reserve fleet expenses, $4,242,000;

(e) maritime training at the Merchant Marine Academy at Kings Point, New York, $11,500,000; and

(f) financial assistance to State marine schools, $5,808,000.

SEC. 2. In addition to the amounts authorized by section 1 of this Act, there are authorized to be appropriated for the fiscal year 1976 such additional supplemental amounts for the activities for which appropriations are authorized under section 1 of this Act as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law, and for increased costs for public utilities, food service, and other expenses of the Merchant Marine Academy at Kings Point, New York.

SEC. 3. Section 1103(f) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1273 (f)), is amended by striking the figure "$5,000,000,000", and inserting in lieu thereof the figure "$7,000,000,000".

SEC. 4. Section 6(a) of the Maritime Academy Act of 1958, as amended (46 U.S.C. 1385 (a)), is amended by striking the figure "$600", and inserting in lieu thereof "$1,200".

The Senate bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 3902) was laid on the table.

GENERAL LEAVE

Mr. DOWNING of Virginia. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection

PERSONAL STATEMENT

Mr. MIKVA. Mr. Speaker, I was unavoidably detained on official business on the last three rollcalls. Had I been present on rollcalls Nos. 196, 197, and 198, I would have voted "aye."

PERSONAL STATEMENT

Mr. FOUNTAIN. Mr. Speaker, on the vote on House Resolution 444, I was on the floor, placed my card in the electronic voting device, thought I was recorded, and when the count was taken, I looked again at my name and discovered that I was not recorded. I just want the RECORD to show that had I been recorded, I would have voted "aye" on House Resolution 444.

VIETNAM 1975

(Mr. MYERS of Indiana asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. MYERS of Indiana. Mr. Speaker, those people who opposed our involvement in helping South Vietnam fight communism were extremely vocal a few years ago. Many of us have noted how silent they have been as the Communists were murdering and plundering South Vietnam. A friend of mine has written his views on this. I share with you this fine article:

VIETNAM 1975

(Submitted by Pastor R. L. Shotts, Fremont Street Baptist Church, Crawfordsville, Ind.)

Where are the Vietnam Peace Marchers today? Where are those demonstrators who worked so hard to get the United States out of Vietnam, or at least to stop the U.S. from bombing those "poor little, defenseless" Communists in North Vietnam? Where are those letter-writing Communist sympathizers who wrote so much for peace, saying that the U.S. was the aggressor and that those "peace-loving" leaders of Hanoi were just defending themselves and their people from the imperialistic onslaughts of the capitalistic despots in Washington, D.C.? Where are those who said our servicemen, who are held as prisoners of war by the Communists would be released, if we got out? Where indeed are those who have done nothing about the 1,500 men who are still unaccounted for by the North Vietnamese? Where are those who could not in their wildest dreams even imagine that the Communists could ruthlessly shoot down women and children and even bury many alive in trench-like graves as they did outside the city of Hue?

Wherever they are, they should be hiding their faces in shame, weeping over their sins, and anxiously seeking God's mercy and forgiveness, and if not that, they should be instantaneously transported to flee in terror with the thousands upon thousands of dads and moms and little children from the cities like Pleiku, Kontum, Hue, and even Da Nang who are right at this moment running for their very lives from the Communist butchers that delight in hanging the dismembered pieces of innocent girls and boys out for display to enforce the subjection of the population.

If the "peace crowd" should not like that medicine so well, perhaps it would be enough to have them visit in the 50,000 homes where the best of America's manhood lived, where there is an empty place now, because a boy died defending places like Pleiku or Kontum,

and where there are dads and moms or wives who wonder why such a sacrifice was made for nothing! or who wonder why those same cities which were bought with the precious blood of boys like their own, are now betrayed into the murderous hands of brute beasts who now laugh with demonic glee at the wicked, selfish, merciless, and traitorous U.S. politicians who bowed to the whims of a few spineless, thoughtless, brain washed peace-niks who thought that the devouring dragon of Communism could be satisfied with a crust of bread, when all the while that Marxian monster has had his greedy carnivorous eyes fixed on the very hand that is now feeding him.

A MORATORIUM ON COAL LEASES WITHOUT STRIP MINING REGULATION

(Mr. MELCHER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MELCHER. Mr. Speaker, I am today introducing a measure for myself, Mr. EVANS, and others, providing for a moratorium on all Federal coal leasing until legislation has been signed by the President to assure reclamation of the land after the coal is stripped.

The measure is identical to a bill being introduced in the Senate by Senators METCALF, JACKSON, MANSFIELD, and HASKELL, and set for hearing May 21 in the Senate Interior Committee if the surface mining legislation is not approved by the President.

We are taking this step to make it clear to the administration that if the President vetoes the strip mining bill, Congress expects to move speedily on this moratorium act, and that no leasing should be undertaken, in the absence of regulatory legislation, at least until Congress has had time to consider this moratorium bill.

There are many precedents for the executive branch withholding action on matters which might be affected by legislation pending in the Congress.

The strip mining bill, H.R. 25, which Congress has sent to the White House has met some of the President's objections to the measure which the Congress passed last year.

However, some energy companies urge the President to veto the bill with arguments that are about as valid as the American Bakers Association's spurious warning against $1 a loaf bread last year when wheat prices were rising.

Congress is responsible under the Constitution for our public lands. It must not stand by idly while they are devastated. Consequently, I feel that we should have this measure ready to guide the administration and to enact very quickly if H.R. 25 is vetoed and the veto is not overridden.

I intend later to join with Senator METCALF in offering legislation which will require all surface coal mining operations on Federal lands to conform to the requirements of title V of H.R. 25 to prevent environmental damage by operations under Federal leases which have already been issued. I had intended to include such a provision in this moratorium measure but, because the President may yet sign H.R. 25 making such a moratorium unnecessary, the problem of bringing ongoing operations under regulation obviously should be dealt with separately.

THE FEDERAL RESERVE IS A VERY GENEROUS EMPLOYER—WITH OUR TAX MONEY, ANOTHER GOOD REASON TO PASS BILL TO AUDIT FEDERAL RESERVE SYSTEM

The SPEAKER pro tempore (Mr. McFALL). Under a previous order of the House, the gentleman from Texas (Mr. PATMAN) is recognized for 15 minutes.

Mr. PATMAN. Mr. Speaker, while the working people of this country suffer through one economic crisis after another, the Federal agency which is largely responsible for our boom and bust cycles—the Federal Reserve System—isolates its own employees from the harsh effects of its policies.

You can look high and low throughout the Federal Government—and I am sure, State and local governments—and you will not find more beneficent rewards given to employees.

For example, there are 12 Federal Reserve district banks. Each has a president. Mr. Speaker, each of these 12 men earns more than any elected Member of the House or the Senate. And seven of them earn as much or more than any Cabinet Secretary in the Federal Government.

PENSION PLAN 100 PERCENT EMPLOYER-FUNDED

Mr. Speaker, most Federal employees are eligible to voluntarily participate in a Federal pension plan. The bulk of these contributions are made by Federal employees with a percentage being picked up after a required number of years by the Federal Government.

But, the Federal Reserve does not bother its employees by asking them to make any contributions. The Federal Reserve very generously—with our tax money—funds 100 percent of its employees' pension plan.

THE FED'S BONANZA—THE EMPLOYEES THRIFT PLAN

But perhaps the nicest thing the Federal Reserve does for its employees is its thrift plan—unique among all Federal agencies.

For 36 years, the employees of the Federal Reserve contributed money to an annuity account program. By January 1, 1970, the employees funds plus interest, added up to $45 million.

Beginning in 1970, a new plan—the thrift plan—was inaugurated using the $45 million plus a new scheme. For every dollar that an employee contributed to the thrift plan, the Federal Reserve System puts 25 cents into the plan with a limit of $750 per year per employee on what the Federal Reserve will contribute to the plan.

There are currently 19,229 employees of the Federal Reserve System who are members of the thrift plan. And the generous employer has contributed $10,195,814 of our tax dollars to the current $92,443,097 kitty.

The money in the thrift plan is invested in a variety of ways. Approximately 80 percent of the assets were invested with the Equitable Life Assurance Society in a contract which guaranteed an annual return of 8 percent for the plan through December 31, 1974.

Now where in the United States was an investor guaranteed such a generous return on an investment? In 1974, the remaining 20 percent of the fund's assets are invested with various mutual funds, the Prudential Life Insurance Co., and the commingled pension trust fund of the Morgan Guaranty Trust Co.

Was this $10 million appropriated? Did the U.S. Congress review and approve the investment in this private moneymaking scheme? No, we did not. And we did not because of the unique funding of this mammoth Federal agency.

The Federal Reserve finances its far-flung operations out of a slush fund created by almost $6 billion in interest on a portfolio of Government securities which now exceeds $93 billion. These are bonds and other securities in the portfolio of the Federal Open Market Committee in the New York Federal Reserve Bank and they represent obligations which have been paid for once but which have not been cancelled.

CONGRESS HAS A CHANCE TO AUDIT THESE FUNDS

Mr. Speaker, next Wednesday, May 14, the Domestic Monetary Policy Subcommittee of the Banking, Currency and Housing Committee will meet to mark up H.R. 4316, a bill to authorize and direct the GAO to conduct a full-scale audit of the Federal Reserve System. It is my hope that this bill will move quickly through the committee and the full House and the U.S. Senate.

RABBI DAVID SHAPIRO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. BURKE) is recognized for 15 minutes.

Mr. BURKE of Florida. Mr. Speaker, tomorrow Dr. David Shapiro, the rabbi of Temple Sinai, Hollywood, Fla., will give the invocation prayer opening our session of the House of Representatives. It is my pleasure, as his Congressman and as his friend, to welcome him, and I want my colleagues to know this extraordinary man.

There was no temple, no rabbi, and Torah in Hollywood, Fla., until the fall of 1940 when the High Holy Days brought together a handful of residents who shared the common bond of Judaism to pray together in the spirit of ritualism so customary to their faith. At that time, there were only 3,400 people in my city of Hollywood, Fla., and there were only 10 or 15 Jewish families.

Rabbi Shapiro was not among the 1940 group who founded Temple Sinai, but he and his wife Leila came to this temple in 1953. In 1959 he was given a lifetime contract. Today, Rabbi Shapiro's Temple Sinai has grown to more than 750 families, and the city of Hollywood has four other temples in addition to Temple Sinai—Temple Beth Shalom, Temple

Beth El, Temple Israel, and Temple Solel.

Rabbi Shapiro was born in Jerusalem in December of 1907. His father, grandfather, and great-grandfather on both his mother's and father's side of the family were rabbis. He was ordained in 1938, after graduating from New York University and being admitted to the New York bar.

In addition to his work in Hollywood, Rabbi Shapiro is a national vice president of the Zionist Organization of America. He is a past president of the southeast region of the Zionist Organization of America; and several other organizations including the Miami Rabbinical Association, Greater Hollywood Clergy Association, and the Broward Board of Rabbis.

It is with great personal pleasure that I welcome Rabbi Shapiro to the city of Washington, D.C., because of my affection for him and because we both came to Hollywood when it was mostly unpopulated.

Over the years I have grown to know him through his work in the community, and through the positive impact he has had as one of the great spiritual leaders of Florida.

Rabbi Shapiro is now the senior minister of the Greater Hollywood Area in terms of service. The years have gone by quickly, but before more pass, I want to take the time now to commend Rabbi Shapiro, for what he has done for Florida and for all the people of Hollywood. Many people may not know the change in events brought about by his wise counsel and good judgment, but some men, and Rabbi Shapiro is one, are destined to leave much deeper tracks in the sands of time than others. It is my fervent hope that it will be millenniums before his footprints are erased from the minds of the people he has served—his deeds I know will linger on and will never be forgotten.

I do, however, want my colleagues to know that Rabbi Shapiro's accomplishments are numerous and that he is truly a pillar of spiritual strength and a great servant of his God, the pursuit of truth, and a stalwart worker for the future of the State of Israel.

RESOLUTION TO STUDY CIRCUMSTANCES OF DEATHS AND ASSASSINATION ATTEMPTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. Gonzalez) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, today I reintroduced my resolution which, if approved by the House, would create in the House a select committee of seven members for the purpose of studying the circumstances surrounding the deaths of President John F. Kennedy, U.S. Senator Robert F. Kennedy, and Dr. Martin Luther King, and the attempted assassination of Gov. George Wallace.

I first introduced this proposal, as House Resolution 204, on February 19, and today I am reintroducing it on behalf of 28 cosponsors, who are, as follows:

George Brown, Yvonne Brathwaite Burke, William M. Ketchum, Edward R. Roybal, and Charles H. Wilson, all of California; Stuart McKinney and Anthony Toby Moffett of Connecticut; Walter E. Fauntroy, District of Columbia; Antonio Borja Won Pat, Guam; Andrew Young, Georgia; Robert Carr, Michigan; Bella Abzug, Mario Biaggi, Herman Badillo, Shirley Chisholm, Thomas J. Downey, Edward I. Koch, John M. Murphy, Richard L. Ottinger, and Benjamin S. Rosenthal, all of New York; Paul Tsongas, Massachusetts; James J. Florio and Henry Helstoski of New Jersey; Stephen L. Neal, North Carolina; Louis Stokes, Ohio; Larry Pressler, South Dakota; Harold Ford, Tennessee, and Parren Mitchell, Maryland.

Mr. Speaker, it is time that the circumstances surrounding these assassinations and the near-murder of Wallace be thoroughly investigated, and that they be assessed in terms of what effects they had on the history and the national political life of this country.

It is not just a matter of finding out who, if anyone else, was involved in these killings, although this would certainly be important. What we need to know more than anything is why they happened, and how we can prevent such events from happening again.

While there has been an increasing widespread interest in restudying the assassination of President Kennedy, I would not want to limit our study to just this assassination. If we create an investigative committee in Congress, we should go ahead and do what we need to do in respect to these other assassinations at the same time, without further delay.

It is time that the Congress took action to try to find the answers to the many unresolved questions, and what these assassinations were really all about.

SUPPORT GROWS FOR REPEAL OF TRUCK WEIGHT INCREASES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Koch) is recognized for 5 minutes.

Mr. KOCH. Mr. Speaker, together with 52 cosponsors, I have introduced H.R. 1867, legislation reducing the allowable weight of trucks to their level of August 20, 1974. It was on that date that, because of the safety and highway maintenance costs, the House voted, 252 to 159, to remove a proposed increase in truck weights from the Federal Mass Transportation Assistance Act.

Unfortunately, a similar weight increase was included 2 months later under suspension of the rules, thereby precluding amendments, as part of the Federal Aid Highway Act.

My legislation would bring truck weights down to the safer, less costly level at which they have stood for 16 years, before they were hit and run over by the truck lobby.

The American Society of Civil Engineers has been active in the fight to guarantee highway safety by keeping truck weights at safe, reasonable levels. I am including for the information of my colleagues the following position paper and policy statement adopted by the ASCE on October 19, 1974.

The paper and statement follow:

American Society of Civil Engineers—Sizes and Weights of Vehicles

(Policy adopted by Board of Direction, Oct. 30, 1974)

Many of our bridges and pavements are now in poor condition and inadequate for the loads they are carrying. A complete inventory of all our bridges is necessary and they must be rated for allowable carrying capacity. States, counties and municipalities must develop programs for maintaining, rehabilitating and upgrading their structures and roads. An evaluation of the costs of future bridge and highway maintenance is necessary and an equitable manner of funding must be devised.

Increases in vehicle size and/or weight limits should not be permitted until existing structures have been inspected, the effects of increased vehicle sizes and weights on bridges, pavements and underground structures evaluated, and appropriate improvement programs and capacity postings are implemented.

American Society of Civil Engineers—Sizes and Weights of Vehicles

(Position paper adopted by the Board of Direction, Oct. 19, 1974)

On December 15, 1967, the nation's attention was focused upon the tragic collapse of the "Silver Bridge" over the Ohio River at Point Pleasant, West Virginia. Forty-six lives were lost in this accident which caused concern and apprehension regarding the safety of our country's highway bridges. Ironically, at about the time of the collapse, the powerful trucking industry was lobbying in Congress for legislation to permit larger and heavier trucks on the nation's highways. The "Silver Bridge" collapse created an unfavorable climate of opinion for such legislation and the trucking lobby temporarily relaxed its pressure on Congress. Because the matter of permitting heavier, wider and longer vehicles on our roads, streets, highways and bridges has such serious implications in regard to public safety and the public purse, the Structures Group Executive Committee of the Metropolitan Section, American Society of Civil Engineers, has prepared this paper on this important question. As its name implies, the Structures Group consists of engineers trained especially in structural engineering, most of whom are engaged in the design of bridges and other structures.

BACKGROUND

For years, the trucking industry has advocated legislation to permit the use of heavier and larger trucks on the nation's highways. Partly because of the collapse of the "Silver Bridge" and President Johnson's order for emergency bridge inspections, together with public concern about bridge safety, action on such legislation was temporarily postponed. However, in March 1968, the issue was again raised when the Department of Transportation backed the proposal for increases in allowable truck sizes and weights on our Interstate highways. At that time, a bill (S. 2658) to permit such increases was introduced by Senator Magnuson (D-Wash.), but no action was taken on it.

In 1969, the Federal Highway Administrator testified in support of legislation permitting increased vehicle weight and width limits, but asked for a three-year delay to allow time for developing new safety standards and to study the effects of such increases on the Interstate highway system. As reported by Engineering News Record on September 11, 1969, the cost of upgrading the

Interstate system to accommodate the larger vehicles was estimated by the Federal Highway Administration to be $300 million. This seemingly low figure ($10,000 per mile) has been a point of contention among many engineers. A consultant was retained by the Highway Research Board to study the economic effects of changing the regulations to permit larger and heavier vehicles.

At present, the results of this study have not been made public and no further vehicular weight bills have been introduced or are now awaiting action by the Congress. However, with the recent passage of the "Wider Bus Bill" (H.R. 4354) by the House and the recent revelation that almost 89,000 of the nation's 563,000 bridges are in critical condition, the concern of engineers with the safety of our highways and highway structures has become even more pronounced.

Approximately half of the States have statutory limits for axle loads in excess of those allowed on the Interstate system. Yet, with few exceptions, our highways and bridges are designed in compliance with Interstate system standards and to a great extent these excess loads are the cause for the accelerated deterioration we witness today.

The discussions and Congressional hearings to date have been concerned primarily with the effects on the Interstate highway system, a very small percentage of the total length of streets, roads, and highways in our country. Where AASHO design load limits are still adhered to, how will the heavier vehicles affect our already overtaxed bridges and roads that are under the jurisdiction of State, county, and city administrations after these vehicles exit from the Interstate highway system? For example, some 400,000 bridges exist in our country which were built prior to 1935. They were designed for lighter vehicles than those presently in use. They cannot be expected to sustain the heavier truck loadings proposed without extensive, and expensive, strengthening—where this is in fact at all possible. Many structures will have to be replaced. What will be the effect of heavier vehicles on the complex underground utility systems which are often located close to the street surfaces in our towns and cities? As an illustration, the underground systems of New York City comprise some 62,000 miles of major electrical lines, about 7,800 miles of gas mains, and some 50 miles of steam mains, not to mention water mains, sewers, telephone lines, subways, and other services. Many of these services are old, especially the gas and water mains, and could be damaged by heavier traffic loadings. These questions concern the public welfare and have not been adequately studied. The fact that there are 89,000 bridges in critical condition, with 24,000 of these on the Federal-aid highway system, makes it even more imperative that we comprehensively examine our system and determine the effect of heavier loadings. In what follows, the effect of the proposed increases in allowable vehicle weights on bridges will be explored in more detail.

CONDITION OF EXISTING BRIDGES IN THE UNITED STATES

Shortly after the "Silver Bridge" collapse, President Johnson established the Task Force on Bridge Safety which had a committee charged with conducting a national study on the safety of bridges. This committee, chaired by Administrator Bridwell, issued a report in 1969 on the status of bridge safety and included a bridge inventory. A questionnaire was sent to Federal, State, county, and city agencies, as well as toll road authorities and railroads, requesting information on the status of their bridge inspection programs and inventory data of bridge components. From the response to this questionnaire, and studies by the Office of Planning of the Department of Transportation, it was determined that 407,000 bridges exist that were built prior to 1935, of which 353,000 are located on county, secondary and rural roads. A total of some 563,000 highway bridges presently exist in the country.

As mentioned before, President Johnson's Task Force encouraged the States to inspect bridges under their jurisdiction. Although most States reported in 1968 that they would meet the completion deadline of January 1, 1970 for bridge inspection, in fact they did not. Therefore, the deadline was extended to July 1, 1972 for consideration under Federal replacement funding and in any case all bridges must now be inspected by July 1, 1973. Furthermore, because of lack of funding, some county and city bridges may not receive in-depth inspection. These structures seldom receive adequate maintenance and many are in poor condition.

A frightening aspect of the condition of our bridges is that many deteriorated portions of structures are not readily visible. Examples of the hidden problems are the deteriorated structural reinforced concrete bridge slabs covered by wearing surfaces, minute cracks in steel structures which are possible sources of fatigue failures, and the reduction in cross section of metallic members caused by hidden corrosion. The major maintenance and safety problem is probably the deterioration of our bridge decks. Of the three principal defects usually encountered—cracking, scaling, and spalling—the latter is the most serious and the most difficult to control. Spalling is usually caused by salt solutions which permeate through small cracks and pores in the concrete and corrode the reinforcing steel, thereby weakening the bond between the steel and the concrete. The weakened deck then becomes progressively more susceptible to failure under truck loading. To subject our bridges to heavier loading, before the spalling problem is solved, would be extremely dangerous to the riding public. It should be noted that the tendency over the past 20 years, with the advent of composite construction has been to make lighter, more flexible structures and thinner concrete decks. This more recent type of construction appears to show evidence of accelerated deterioration on many of our bridges. The true physical condition of our bridges must be determined before the effects of heavier truck loadings can realistically be evaluated.

MAINTENANCE COST

The cost of maintaining our modern highway system and the older county and rural systems is a critical problem confronting State and highway officials. The budget squeeze experienced by most agencies, the greater demand for services, and inflation are major factors affecting the ability to maintain highways adequately. It has been estimated that between 1973 and 1985 it will cost $6 billion per year to maintain roads and streets. Significantly, the annual cost of maintaining the 43,000-mile-long Interstate highway system when completed is estimated at $6,400 per mile. Highway departments have only recently realized the tremendous maintenance programs they face. At one time, 10 to 15 percent of their budgets were allocated for maintenance. Today, the highway departments spend about 30 percent. The amount may be considerably higher, if the proposed heavier truck loadings are approved.

CONCLUSIONS

Many of our bridges and pavements are now in poor condition and inadequate for the loads they are carrying, much less for the larger and heavier vehicles proposed. We need a complete inventory of all our bridges; they must be rated for allowable carrying capacity. States, counties and municipalities must develop programs for maintaining, rehabilitating and upgrading their structures and roads. An evaluation of the real costs of future bridge and highway maintenance is necessary and an equitable manner of funding must be devised.

Though many factors will affect the decision to permit larger vehicles on our roads, from an engineering point of view no increase in vehicle size or weight should be permitted until existing structures are put in order and the true effects of increased vehicle size and weights on bridges, pavements, and underground utilities are evaluated.

THE LATE KENNETH B. KEATING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Solarz) is recognized for 5 minutes.

Mr. SOLARZ. Mr. Speaker, I wish to note the passing of an outstanding American statesman, Kenneth B. Keating, whose death has saddened the Nation, and New Yorkers in particular.

Mr. Keating served in the House for 12 years, the Senate for 6 years, and as Ambassador to India and Israel. While in the Congress, he fought for civil rights, health care, draft law revisions, crime and narcotics laws, and congressional reform.

Throughout his distinguished career, Kenneth Keating was a friend to Israel. His most recent appointment, as the Ambassador to that nation, came at a time when the political situation in Israel necessitated an envoy with qualities of leadership and dedication. Ambassador Keating was such a man. Until his untimely death, he ably represented our country's interests in Israel and was a voice of reason in the Middle East.

Kenneth Keating was a highly respected public servant whose lifelong dedication to equal justice and peace will be long remembered by all Americans.

FRED DAY HONORED BY SOUTH CAROLINA REHABILITATION ASSOCIATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Carolina (Mr. Davis) is recognized for 5 minutes.

Mr. DAVIS. Mr. Speaker, I would like to call to the attention of my colleagues a most inspiring story about a friend of mine who works here in Washington. Mr. Fred Day, a project management analyst with the U.S. Postal Service, was a schoolmate of mine in Charleston, S.C. In fact, as president of the student body when I was in the 8th grade, it was Fred who really awakened my interest in politics. Fred has held jobs with the Navy Department, the State Department, and has completed a year of law school. Fred has a problem a little different from the average Government worker, because he is handicapped. He was a sophomore in college when his car crashed. Doctors at first thought he would not live, but he did. He was in the hospital for a year, lost the use of his legs and his arms, but never his will to get better and lead a useful life. With his own determination

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and help from the South Carolina Rehabilitation Association, Fred earned his college degree and completed a year of law school. He was very candid about dropping out of law school saying:

> I went about as far as I could get without being able to hold a pencil in my hand.

Fred later had several operations to strengthen his arms enough to even be able to write. Then he went looking for work. It was 3 years before he was able to land a temporary position with the Navy Department typing Government purchase contracts. Fred added:

> I had never typed a lick before that job, but I was soon doing 36 words a minute using one pencil and one finger.

Fred came to Washington in 1967 to work for the State Department. He also had two Navy jobs, and in 1972 joined the Postal Service.

On Thursday, May 15, Fred Day will journey to Columbia, S.C., to be honored as the outstanding handicapped individual of the year by the South Carolina Rehabilitation Association. I cannot think of any one individual who deserves an award more. Fred Day has met adversity—and vanquished it. He has experienced handicaps—and overcome them. He continues to be a source of inspiration to all who know this remarkable man. I count myself lucky to be among his friends.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. MILLER) is recognized for 5 minutes.

PROTECTION FOR WILD LANDS

Mr. MILLER of California. Mr. Speaker, today I have introduced legislation that will protect some of our country's most spectacular wild lands—the 15,000-acre Mineral King Valley, located in the southern Sierra Nevada Mountains in my home State of California.

This legislation would incorporate the unusually scenic and ecologically sensitive Mineral King Valley into the Sequoia National Park, thus blocking a proposed year-round resort development by the Walt Disney Corp.

The controversy surrounding Mineral King goes back to the days of John Muir. For 50 years the conservationists have sought to include the area in the Sequoia National Park. The valley floor, at 7,800 feet elevation, offers striking views of Sierra summits, and abounds with streams and many varieties of wild flowers and trees. It also serves as an important trail head for trips into the surrounding wilderness.

If current plans come to fruition the Disney Corp. will construct a massive multi-million dollar resort in an area long recognized by Congress as a national game refuge. The forest service's decision to allow the Disney development complete with hotels and parking space lots and all the problems of air and water pollution is ample evidence that they are not qualified to manage Mineral King.

Many conservationists join me in the belief that the National Park Service and the Department of the Interior would be better stewards of this great natural area.

This bill has been introduced a number of times in the past, but never with as much support as this year. I am proud to have 65 Members of this House as cosponsors of the Mineral King bill, including a majority of my own California colleagues and 14 members of the Interior and Insular Affairs Committee.

THE INDIANA DUNES NATIONAL LAKESHORE PARK: THE NEED FOR FAIR AND EQUITABLE COMPROMISE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. FITHIAN) is recognized for 30 minutes.

Mr. FITHIAN. Mr. Speaker, I ask this opportunity to discuss the need to expand the Indiana Dunes National Lakeshore Park by 4,595 acres as proposed in my bill H.R. 5241. On Friday, May 9, I was pleased and privileged to testify before the National Parks and Recreation Subcommittee of the Interior and Insular Affairs Committee, chaired by the distinguished ROY TAYLOR of North Carolina.

The committee will be taking a field trip on May 23 and 24 and hopefully will mark up the bill in early June. Since the committee is moving with great dispatch on the Indiana Dunes bill, I would like to take this opportunity to share my comments and concerns about park expansion with my colleagues in the House. I include the statements at this point in the CONGRESSIONAL RECORD:

TESTIMONY OF CONGRESSMAN FLOYD J. FITHIAN

Mr. Chairman, it is indeed a pleasure and an honor to testify before this distinguished committee and to represent thousands of Hoosiers who desire to preserve and expand the Indiana Dunes National Lakeshore Park. I am proposing a bill today to expand the park by 4,595 acres with the objective of including the remaining natural areas, especially the undisturbed dunes and wetlands, which would substantially enhance the purpose of the Lakeshore. Other areas have been added as buffers to protect the existing parklands.

I want to compliment this committee and the Congress for its past efforts in establishing the original park in 1966. Your vision has led to the creation of an important urban national park. Your continued interest in this park is a clear indication of your dedication and concern for the development and protection of one of our most important natural resources—our national parks.

In addition, I want to thank Congressman Edward Roush for his diligent dedication to the preservation of the Indiana Dunes National Lakeshore Park. His heroic efforts have played an important role in the creation and development of this great natural resource. Every Hoosier and indeed, every American, owes Congressman Roush a debt of gratitude for his efforts to preserve the best natural and environmental areas of northern Indiana. To Congressman Ray J. Madden and John Brademas, I would like to extend my deep appreciation for their continued fight to create and expand the park.

The concern about the proposed expansion of the Indiana Dunes National Lakeshore Park has led to differing opinions about the amount of acreage to be added to the park. Congressman Edward Roush has reintroduced a bill (H.R. 4926) that calls for 5474 acres. I recently received a letter from Governor Otis Bowen, dated April 28, 1975, (and have enclosed this letter for your convenience). This letter requests certain modifications in H.R. 5241. The Governor's proposal calls for 4,293 acres (counting the II–A section as part of the park). The differences between the Roush and Bowen proposals is therefore, less than 1200 acres. To achieve a compromise between these proposals, I have introduced H.R. 5241 which is 879 acres less than the Roush Bill (a reduction of 16.3 percent), and 302 acres more than Governor Bowen's proposal. This compromise bill is a carefully weighed proposal which attempts to provide adequate park expansion without thwarting industrial growth and development. I urge that this subcommittee, the full committee and the Congress adopt this piece of legislation.

The question of park extension is a diverse and complex issue that deeply affects the lives of thousands of Americans, not only in the First, Second, and Third Congressional districts of Indiana, but throughout the Midwest and the Nation. The proposed expansion of the Lakeshore Park caused considerable anguish among the residents of northern Indiana. It has divided the community for too long. The time has come to resolve this dilemma through a compromise that is in the best interest of the entire community.

The bill which I introduced today is a compromise between the environmentalist concern for maximum expansion and industrial concern for a very reduced expansion. Too often the community has viewed this issue of park expansion as one of only park expansion or industrial development. This is not an all-or-nothing proposal. The time has come to reconcile these differences in a final solution that will be fair and equitable to everyone. We can and we must have both park expansion and industrial growth.

The average American working family deserves, in fact, demands, that sufficient recreational areas be available for their use and enjoyment. This region also needs, especally at this critical time, an expansion of jobs and factories. Industrial expansion is needed today to meet the economic demands of tomorrow. Nothing in this bill is designed to hamper, obstruct, or delay industrial growth in northern Indiana. The average American family needs both jobs and recreational areas.

This bill that I am introducing today will be the final page in the history of park expansion. Once the legislative process has run its course, and a park expansion bill has been enacted, this Congressman would not support any additional legislation that would reopen the issue of park expansion. The wounds must be healed so that the communities of northern Indiana can turn their attention and energies to other problems, such as the task of economic recovery, tax reorientation, and park development. The important task of park development looms ahead as a challenge for all concerned citizens. It is absolutely necessary that the park be developed in a way that it can be utilized by thousands of Americans.

My staff and I have conferred with Congressmen Roush, Madden, and Brademas, as well as other Congressmen from Indiana and other Midwestern States. I have discussed these problems with various individuals, groups, and agencies on numerous occasions and have held public hearings in Chesterton, Indiana, on January 31 and February 1, 1975. The response to these hearings in Chesterton and the amount of public participation in the decision-making process has strengthened my faith in the basic principles of participatory democracy. After considering all the multiple factors involved in this complex issue, I have reached a conclusion which I think is fair and just, and

I hope, acceptable, to the broadest possible spectrum of the American people.

Mr. Chairman, I would like to take this opportunity to explain the major differences that exist between the bill recently introduced by Congressman Edward Roush—renumbered H.R. 4926 and this bill.

First, I propose to delete the portion of the eastern arm of the Little Calumet River—east of the existing national park—that lies between the Penn Central Railroad crossing and the Blue Heron Preserve. This area was deleted because the river at this point is ditched and channelized, and therefore of minimal natural value. In my view the inclusion of this area would have unnecessarily infringed on the homeowners and property owners along this section of the Little Calumet River. They did not favor this section's inclusion in the National Lakeshore—usually referred to as section IV–B. The Blue Heron Preserve, however, is of such importance that it should be included in the National Lakeshore. The river bottom lands west of the Penn Central Railroad crossing to the existing eastern boundary of the national park should also be included in the park because of their natural value.

Second, much of the area along the Little Calumet River west of highway 149 should be removed from the park expansion in this area. I propose that the western-most boundary of the park be established at the section line that marks the boundary between Portage and Burns Harbor Corporate limits, a point on the river just below Shadyside. The remaining section of the Little Calumet River and of Salt Creek area should be deleted. These deleted sections contained insufficient natural features. In fact, most of these sections are ditched and channelized.

Within the section that has been included in the park, I propose that a 250-foot section be deleted where Bethlehem Steel could then construct the necessary rights-of-access that are needed for industrial expansion. The Secretary of the Interior, however, would acquire a right of public access—a strip of land 100 feet wide, 50 feet from the center of the stream on each side—across Bethlehem's property. This right of public access would allow hiking trails along the river and also link two sections of the park.

These deletions in section IB–C would allow Bethlehem Steel Corp. to have access to their lands east and west of Salt Creek and south of the Little Calumet. Bethlem's master plan of development recently designed specific crossings of the Little Calumet and Salt Creek, and these areas were deleted to allow Bethlehem room for industrial expansion on lands purchased years ago for the purpose and to guarantee access to these lands. Nothing in this bill would prohibit or curtail the necessary industrial expansion that Bethlehem has discussed. The major difficulty that Bethlehem will have in the development of these lands in the Little Calumet area is the natural terrain. These problems, however, would be present regardless of whether or not a national park existed in the region.

Third, within section II–A—the so-called NIPSCO Greenbelt—I propose that the north-south arm of the section, an area about 300 feet wide and 2,500 feet long be deleted from the fee acquisition area of the Roush Bill. The Secretary of the Interior, however, ahould purchase a scenic easement to protect the dunes, the trees, and the wetlands. This easement would allow the Secretary to protect the natural area already in the national park and eliminate any pollution problems in the area. The southeastern portion of the II–A section was included because it also creates a buffer between the existing park and the NIPSCO property. No park development is anticipated in this area. Nothing would bring park users closer than they are already.

The boundary lines of this section were drawn to allow NIPSCO the flexibility of enlarging its substation in the southern portion of its property without any conflict from the park.

Under the conditions of the scenic easement, NIPSCO retains control of the land, has full authority over the area, and has the right to evacuate people in case of a nuclear disaster. The scenic easement area of about 24 acres is part of the minimum exclusion area for the Bailly Station. Since NIPSCO would retain the legal rights to this land, there should be no conflict between the expansion of the park and the potential construction of the Bailly Station. On March 17, 1975. I received a letter from Mr. A. Giambusso, Director, Division of Reactor Licensing, Office of Nuclear Reactor Regulation, which commented on this matter. In part, he said that "if this parcel of section II–A land was not included in the expansion of the National Lakeshore and NIPSCO retained ownership of it, there would be no impact on the licensing status of the Bailly Station since the boundaries of the Station's exclusion area would remain the same as proposed by NIPSCO in the application and subsequently approved by the Commission." Most importantly it was necessary to assure that a decision to build or not to build the Bailly Nuclear Plant could still be made without having any interference from this park expansion bill.

Nothing in H.R. 5241 should be used to inadvertently delay or curtail the development of the nuclear plant. The nuclear plant and the park expansion are two totally separate issues that should not be intertwined. The nuclear plant issue is presently in the courts and the decision will be made there.

Concerning the pollution problem in II–A, I would like to review a recent U.S. Geological Survey that assessed the water quality within the present boundaries of the National Lakeshore. Certain data and findings relate directly to Unit II–A and indicate that NIPSCO's on-site coal ash handling and disposal pose a substantial threat to the Cowles Bog area.

This survey was undertaken by the U.S.G.S. in mid-1973 with the objectives of establishing a base-line of the chemical and bacterial quality of the water in the National Lakeshore, the development of a general geohydrologic description of the area from which ground water supplies can be developed, and lastly, recommendations for future water quality monitoring to be used in the management and protection of the area.

Although some of the sampling sites were located near the NIPSCO greenbelt, the study was not specifically designed and did not necessarily give us all the answers to questions which have come up more recently related to the threat of dewatering at the proposed nuclear site or inclusion of the greenbelt in the Lakeshore. I would, however, like to share with the committee some of the findings of this report.

One sampling point tested the drainage area included NIPSCO's ash dumping site in the southeasterly portion of Unit II–A. The company uses ash to fill a wetland bounded on the north and east by their sand dike abutting the National Lakeshore boundary. Test data taken in 1973 and 1974 from a ditch around the east end of the dike showed discharges of somewhat warmer temperature, higher sodium chloride (salt) levels and more basic pH readings than other points draining into the acidic wetlands of Cowles Bog from the north and west. While the text of the report states that the chemical quality of the surface water at this point is similar to the quality of streams (as distinguished from the more acidic nature of bogs) elsewhere in the Lakeshore, there is no basis to assume that even this will continue to be the case in the future. We are fortunate indeed that after three years of the projected twenty year use of this dump site, the pollution situation is not worse.

More immediate adverse effects have been felt "upstream" in the company's ash handling process, due to ground water seepage and direct discharges from ash settling ponds into the interdunal pond system lying in both Unit II–A and the present area of the National Lakeshore. Despite the proximity to the industrial complex, the east-west arm of the "Greenbelt" is a most attractive natural area. The Geological Survey report documents the direct discharge of overflow water from the fourth and final ash pond into interdunal pond "B" between May, 1969, and November, 1971. Furthermore as of early 1974 there was a 6.6 foot water level difference between the ash ponds and pond B, enough for subsurface water seepage. The Geological Survey was unable to quantify the exact volume of seepage. However, the report's conclusion drawn from test data was that the water in interdunal pond B, a body of water largely within the *present* boundaries of the National Lakeshore, is more similar to that of the company ash ponds than to the remainder of the interdunal pond complex. Several pollution indices substantiated this conclusion, such as specific conductance, bicarbonate ratios and aulfate levels.

There is an indication of underground water seepage from the ash ponds in the south section of Section II–A around sites 19, 20, and 20(a).

Another drainage area sampled in this area which is affected by human activity is Site 25, a culvert outlet from Bethlehem Steel property. The water discharged into the Lakeshore is of much higher temperature than normal water. In addition, definite problems with specific conductance and chemical quality are indicated. Recently Bethlehem officials told EPA officials that cooling and process water from Continental Can Plant and the Bethlehem East Office building as well as parking lot runoff water flowed into the culvert that empties into the existing Lakeshore Park via NIPSCO's land.

Not specifically addressed by the report is an apparent pollution source from the existing NIPSCO fossil power plant, wherefrom a pipe discharges into a pond which is partially on NIPSCO land (in the greenbelt) and partially on the National Lakeshore. An oily residue is visible around the pipe which would appear to be a source of potential pollution of the western portion of the Lakeshore, although not necessarily of Cowles Bog.

With the boundaries I have proposed on the map with Section 12 of the text of by bill, I have attempted, in the spirit of compromise, to assure that the National Lakeshore as a governmental institution will not interfere with responsible industrial development beyond its boundaries. The same ground rules must apply both ways. In spite of the funds spent for dikes and other remedial measures, it is documented that ash handling and disposal at the Bailly plant has not been carried out without cost to nearby public lands. I propose, therefore, that the remaining wetlands in this vicinity be placed under public ownership.

Fourth, I propose that only 38 acres of the original 201 acres in section I–B East be retained in the park. These acres included the high dune section in the northeastern part of I–B East and Left's Coho landing area. These retained acres are of the greatest natural value. The inclusion of the fishing landing will provide the park with a diversified recreational program, and the National Park Service will be strongly encouraged to utilize this area for boating and fishing. The rest of I–B East will be deleted so that the area could be utilized for potential industrial development or satellite plants. A compromise on I–B East will preserve the best of the Dunelands and still allow sufficient land for industrial growth. Some additional lands south of and adjacent to I–B East could be condemned by local government entities, such as the Portage Development Corporation, and turned over to Midwest Steel for further development. I am not suggesting this course of action, but merely pointing out the various options open to Midwest if it seeks to further expand its lands for satellite industries.

Fifth, the toughest decision concerned the portion known as I–C. It was a difficult decision because the arguments and needs of both Midwest Steel and the park expansion groups were so compelling. The bottom part of I–C was substantially reduced as compared to the Roush bill because it was of minimal value. Some of it has been sand-mined and leveled. In addition, this area would provide much-needed land for the establishment of an industrial park. It is a logical extension of an area that presently contains two structures, one of which is the American Can Co. It might be possible to locate an office building in this area or just south of highway 12.

Since the sludge lagoons are essential to the continued productivity of the finishing plant, they will be left out of the park. If at a later time technology advances to the point where Midwest no longer needs the sludge pools or desires to sell them to the Lakeshore Park, the Secretary of the Interior will be authorized to purchase them. The transfer of this area would be contingent upon the willingness of Midwest to sell the land to the park.

The area west of the sludge pools contains one of the best examples of high dunes of any land to be added to the park. In addition, it is a unique area in which teachers, students, and those concerned with environmental education can trace the entire history of duneland development. A small beach will also be added to the park.

The Secretary will construct a safety fence between the sludge pools and the high dune area at the time that the land is purchased, so that all steps are taken to protect the public usage in this area, and to provide safety in the area where visitors come in close proximity to the sludge pools.

Recently Midwest Steel announced a $1.2 billion plant expansion program that would provide 4,000 construction jobs and 2,500 steelmaking jobs. Porter County and northern Indiana need this kind of industrial expansion. Since this expansion is planned east of the present steel finishing plant, and none of this area is scheduled to be included in the National Lakeshore, there will be no conflict between industrial growth and park expansion.

Sixth, I am proposing the section I–A East be divided in such a way that the northern section be included in the Lakeshore and the southern portion be deleted from the proposed Roush bill. The northern portion includes several examples of dunes and blowouts, a truly natural area. In addition, this area is also close to the new proposed bathhouse (at West Beach) that is called for in the park development plans. It, therefore, will serve as an additional buffer between the national park and the town of Ogden Dunes. About fifty lots and homes in the southern portion will be available for development within the town of Ogden Dunes. It is hoped that these additional acres will help broaden the tax base for the community and assist it in providing much needed services.

The opinion in the town was divided. The town board voted 5 to 0 for exclusion but the park board voted 3 to 1 for inclusion of the land. Since there appears to be no consensus of opinion in the town, as compared with the near unanimous support in Beverly Shores, I sought to divide the area in a way which preserves the most natural dune area for the park and allows residential development at the same time.

Seventh, the property owners and home owners within the existing park and in the area to be added to the National Lakeshore by this expansion bill will have several choices available to them. They will not be required or forced to sell their property. If they decide to sell their home, they will be required to give the Park Service the right of first refusal. If the Park Service refuses to meet their price, the homeowner can sell his or her property to any willing purchaser. This does not compel the homeowner to sell to the Park Service, but only affords the Secretary of the Interior the first right to refuse to purchase.

Any homeowner can select a leaseback or a right-of-use and occupancy for any length of time up to a period of 25 years. The homeowner, therefore, could select a leaseback of 5, 10, or 25 years, or any length of time up to a maximum of 25 years.

Under my proposed bill, a life tenancy would be established for residents in the original park and in the newly added sections of the Lakeshore. This life tenancy provides that any owner or owners of improved property who have reached the age of majority may retain the right-of-use and occupancy for as long as he or she and his or her spouse may live. Homeowners are not required to take a life tenancy, but will have this option available to them if they desire it. It is hoped that residents will find this proposal attractive.

The option of the owner or owners of improved property to select or choose either a life tenancy or a leaseback of up to 25 years will be terminated 5 years after the enactment of this act. Thus, all the owners will have to make up their minds on these two options within a period of 5 years. This 5-year limit provides adequate time for the owners to select a course of action and will have the additional management value to the National Park Service of knowing within 5 years what options have been exercised.

If the owner or owners of improved property decide not to exercise their option of either life tenancy or a leaseback within 5 years, they maintain the option to refuse to sell their property to the National Park Service. If, at any later date, a homeowner desires to sell his or her property, he is still required to offer the National Park Service the first chance to purchase it. If for any reason the National Park Service refuses the homeowner's asking price, that homeowner is free to sell his property to any willing purchaser at the same price it was offered to the Government.

In the past some homeowners who have a right of use and occupancy have not paid their taxes. It would be a great advantage to Porter County if it was assured of receiving the proper amount of tax receipts. Under this bill, nonpayment of property taxes, validly assessed, on any retained right of use and occupancy shall be grounds for the termination of these rights by the Secretary of the Interior. If they do not pay their taxes, they should lose the right to live in the Lakeshore Park. Everyone should abide by the law of the land. Because a person happens to reside in a national park, is not an acceptable excuse for nonpayment of taxes.

Eighth, many of the industries in the area have raised questions about the impact of park expansion on the environmental pollution standards, especially the air and water quality regulations. Nothing, and I repeat, nothing in this bill imposes either new standards or raises existing EPA standards on air and water quality regulations. The various industrial units must conform to the EPA standards at the Federal, State, and local level whether or not the national lakeshore park is expanded.

Ninth, this bill requires that the Secretary submit a written report to the Committee on Interior and Insular Affairs and Appropriations Committee within 1 year, including a detailed plan for acquisition of land, and stresses that it is the intent of Congress that the Secretary should substantially complete the land acquisition program within 6 years. We must move forward at a rapid pace to insure that we have a park for future generations. We need to turn our attention to the development aspect of the national park so that the average family can utilize the recreational advantages of the Indiana Dunes National Lakeshore Park. To facilitate the development of the park, the bill also requires the Secretary of the Interior to develop a master plan for park development by December 31, 1977.

Tenth, section 11 of this new bill allows for the continuation of easements for specified purposes within rights-of-way now owned by NIPSCO, two railroads and the Gary-Hobart Water Company. While the established interest of these companies would clearly be protected by this language, it should be recognized that the Secretary has the authority to pre-empt activities not specified in the bill. For example, construction of a railroad yard is not part of a line haul rail operations; nor is the need for high voltage electrical transmission facilities a license to dispose of industrial waste within such a corridor.

Another portion of section 11 would allow the above groups to widen its existing easement and rights-of-way with the permission of the Secretary. Nothing in this bill is designed to hamper or hinder the existing NIPSCO facilities. In addition, if section II–A is added to the park as proposed in H.R. 5241, NIPSCO would be allowed the continued use of its transmission lines and weather tower and other facilities by the creation of an easement within this section.

Eleventh, I also suggest that about 60 acres be added to the park that are not included in the Roush Bill, so that some contiguous duneland be added and that the boundary of the Little Calumet be shaped to conform with the map contour lines that designate the river bed.

Mr. Chairman, these eleven differences between the proposed Roush Bill (H.R. 4296) and the bill which I have introduced are the component parts of a carefully worked out compromise designed to allow both desirable park expansion and the growth of industry. Industrial expansion is needed to stimulate a sagging economy which has plunged to its worst level since the Great Depression.

I would like to address myself to the "Beverly Shores Island" which both Congressman Roush and I have included in our bills. Recently, Governor Otis Bowen has announced he no longer opposes the addition of Beverly Shores to the Lakeshore. At present, Beverly Shores is an "island" completely surrounded by the existing National Lakeshore Park. This area is an excellent example of Indiana duneland and is of such important natural value that it should be included in the park. It has the potential to be a high user area, and could accommodate thousands of people.

If Beverly Shores is not included in the national park, it will create serious management problems for the National Park Service in future years. Many professional park service employees have told us privately that it is only a question of time before a decision to add Beverly Shores to the park must be made. Why wait ten or twenty or thirty years before making this inevitable decision? Why allow the forces of inflation to multiply the cost of acquisition and cost the American taxpayers more money in the long run? With foresight and courage, we can make the right decision at this time and place.

In addition to the difficult management problems that would be caused by not adding Beverly Shores to the park, the National Park Service, and therefore the Federal Government would be forced to assume a substantial amount of the costs of police and fire protection, sanitation removal, safety regulations and traffic control resulting from the visitor usage of the existing park and beach in front of Beverly Shores. These costs would accrue to the Federal Government without any corresponding advantage of using the acreage within the "Beverly Shores Island." In essence, the National Park Service would pick up the costs without any of the benefits.

Within the last four years, the problems of beach erosion have become so acute that homes along the beach are actually threatened with destruction. Although many factors are responsible for this condition, the Army Corps of Engineers recently acknowledged in their lengthy study on the *Preliminary Interim Feasibility Report: Indiana Shoreline Erosion* that the breakwater and harbor structures at Michigan City were approximately 50 percent responsible for the increased erosion in front of Beverly Shores.

To correct this erosion problem along the Lake Michigan shoreline, the Army Corps of Engineers has offered many alternatives. One of these proposals calls for the construction of a low, continuous off-shore breakwater in the Beverly Shores area. Over a 12 year period, this project, if built, would cost the taxpayers $52,385,000 or the cost of the entire 4,595 acre addition that is proposed in H.R. 5241. These inordinate costs must be avoided in all cases.

Although something must be done on a temporary basis to preserve the threatened homes in the Beverly Shores area, at least until these areas go into the national park in the 1980's, the long range solution should not include an expensive Army Corps' project that costs the average working family millions of tax dollars. There will be public expenditures for erosion control, but these expenditures must be kept at a bare minimum. For all of these reasons, it makes fiscal sense to put Beverly Shores in the Indiana Dunes National Lakeshore Park.

In addition, the people of Beverly Shores desire to be added to the National Lakeshore. It is estimated by the Beverly Shores Residents Association that nearly 85 percent of the homeowners support inclusion in the National Lakeshore as evidenced by a survey of the residents. Since the people clearly have indicated their approval for inclusion, I feel this area should be added to the park.

I would like to express my deep concern for the inclusion of II–B, located at the southwestern corner of Dunes State Park, north of the Penn Central Railroad, which is supported by Congressman Roush, Governor Bowen, and the National Park Service. This land area is surrounded on all four sides by parkland and should be included in the lakeshore. There are a few homes in the area, but because they are located on low, wetlands, the septic tank systems do not work properly due to the high water table. The area is drained by a stream known as Markowitz Ditch which flows northward through the Dunes State Park and empties into Lake Michigan.

The Local Drainage Board wants to dredge this stream. This would transport raw septic tank effluent directly into the State Park Beach area. This pollution would effect the Dune Creek, the beach, and the ecological development in the area of the National Park and Cowles Bog. Pollution control needed at the State Park would cost the State a considerable sum, and there is no need to waste the taxpayer's money to develop this area. I have received letters from Francis T. Mayo, Regional Administrator (Region V) of the Environmental Protection Agency (dated March 11, 1972), Nathaniel P. Reed, Asst. Secretary of Interior (dated April 2, 1975), and Governor Otis Bowen (March 19, 1975), supporting the proposition that Markowitz Ditch not be constructed.

The area of II–B should be added to the park at the first opportunity. I strongly urge that the National Park Service place this area near the top of its priority, and move quickly to resettle the homeowners in the area. Everyone needs to take prompt and effective action to prevent the construction of Markowitz Ditch in this area.

I would now like to speak to sections of this park expansion bill that are outside the boundaries of Indiana's Second District. Since some of the area scheduled for inclusion in the National Lakeshore is located in Congressman Madden's First District and John Brademas' Third District, I have discussed these areas with them. Both Congressman Madden and Congressman Brademas have strongly supported the inclusion of their areas in the Indiana Dunes National Lakeshore Park. I greatly appreciated the advice and counsel of these two very distinguished colleagues and at their recommendations have included the areas within Lake and LaPorte Counties in this park expansion bill.

Since the main purpose of these hearings was to examine new evidence and analyze the differences between the Roush bill (H.R. 4926) and my bill (H.R. 5241), I have decided not to repeat the arguments for areas which we both agree should be included in the Lakeshore. Congressman Roush admirably discussed these portions of the Lakeshore in his testimony last year before the subcommittee.

Since there are twenty-three pieces or sections of the proposed park expansion bill, I would like to take this opportunity to identify the acreage in each section and note the correction of previous mathematical errors—not involving any map change—I include the following chart:

FITHIAN LAKESHORE PROPOSAL

Units	As calculated for H.R. 3571/S820	Acreage changes—Correction of previous errors (not involving any map change)	Fithian revisions	Net area
I–A (East)	66		−24	42
I–A (West)	92			92
I–B (East)	701	+86	−163	38
I–B (West)				586
I–C	158	+16	−76	98
I–D	420			420
I–E	302	+28		330
I–F	295			295
II–A	102	+7		109
II–B	140			140
II–C	20		+60	80
II–D	126			126
II–E	168			168
II–F	49			49
III–A	652			652
II–B	18	+12		30
III–C	68			68
IV–A	391			391
IV–B	636		−495	141
IV–C	343		−181	162
IV	150			150
VI–A	86	[1] +12		98
VI–B	345	[1] −15		330
Total	5,328	+146	−879	4,595

[1] Minor boundary corrections recommended by Congressmen Roush and Madden, Nov. 22, 1974.

For several years, there have been continuous delays in the acquisition of the land and development of recreational facilities of the park itself. The Congress is in no way responsible for this problem. The National Park Service has proposed inadequate funding and Office of Management and Budget disposes of these requests. I believe this accounts at least in part for the diminutive requests over the last five years.

We must move forward on the acquisition of land and the development of the park, and several sections of this bill attempt to expedite these matters. Our nation, is faced with a deep recession, several million unemployed and an unemployment rate of about 8.9 percent. Indiana unemployment rate is 10.2 percent and several parts of the state exceed these figures. The building trades, for example, have unemployment that runs between 25 and 35 in Lake and Porter counties. We must put people back to work and stimulate economic growth and development. Quick action on parkland acquisition and development will go a long way toward achieving the goals of jobs expansion and economic development.

During a time of economic crisis, the overall costs of a project are important to everyone. The National Park Service estimated that the costs of the entire Roush bill was $56.5 million. The subcommittee staff last year recomputed these figures by subtracting the leaseback payments to the government (1 percent per year), and reduced the cost of the bill to $53.16 million. If H.R. 5241 is adopted, the acreage deleted from the Roush bill could be further reduced by between $2.7 and 4 million. It is important, however, to note that the need to preserve this extraordinary natural area must be started immediately. The costs to the American people will be more than repaid by the preservation of one of the greatest treasures left in this nation. It is a small cost to pay for this unique area.

The Indiana Dunes is a unique combination of geographical and botanical features, a land of diverse wildlife and natural beauty, and a place of unique ecological history and outdoor recreation. It is a place where four major climatic zones of North America meet. The Dunes is a delicate balance of sandy beaches, high dunes, and blowouts, a place of Arctic Jackpine, desert cactus, and wetland ferns, as well as prairie grasses and flowers. These natural areas must be preserved at this time before they are destroyed forever. They are truly irreplaceable.

The Indiana Dunes National Lakeshore Park is uniquely located in a large metropolitan area. There are now almost 10 million people living within a one hundred mile radius of the lakeshore, a comfortable, economical, and energy-saving drive for thousands of vacationers. In dedicating the National Lakeshore in 1972, Interior Secretary Rogers C. B. Morton declared it "is one of the crown jewels of the program . . . a triumph of man's desire for beauty and open space." He went on to say that it could provide "outdoor recreation and environmental education opportunities for some 87,000 visitors daily." With the rapidly expanding population in northwestern Indiana, the need for outdoor recreation will only increase in the foreseeable future. To meet the demands of future generations, we must have the courage to move ahead toward the preservation of the Indiana Dunes.

Mr. Chairman, this expansion bill is necessary to protect the natural uniqueness of the remaining dunes, wetlands, and our natural areas. I have personally walked over, driven through, and flown over every section that is being placed in this park. We owe it to ourselves and future generations to take the initiative at this time and place, to preserve these areas for posterity. Our children and their children's children will strongly support the steps we take today. Will future generations look back at our decision and point to the dunes, and say that we missed a great opportunity to preserve a unique natural area for all time and that we failed in our duties of leadership with which the American people have entrusted us, or will they say that we had the foresight, and determination to preserve these dunelands for posterity? Mr. Chairman, the decision is ours and ours alone to make, and I earnestly plead that we have the courage to make the right decision. I am confident this bill is the right decision.

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OFFICE OF THE GOVERNOR,
Indianapolic, Ind., April 28, 1975.

Hon. FLOYD FITHIAN,
Representative, Second District,
Washington, D.C.

DEAR REPRESENTATIVE FITHIAN: This letter is a follow-up to our telephone conversation of April 28, 1975, concerning your bill (H.R. 5241) for expansion of the Indiana Dunes National Lakeshore.

I am most appreciative of the time and energy which you have devoted to the drafting of this bill and to the consideration which you have given to the position of the State of Indiana as presented during the course of the Congressional hearings in 1974.

I have reviewed your bill with John Hillenbrand, Joe Cloud and several other members of my staff. As a result of that analysis and in consideration of some relatively recent events in the area, I would like to bring to your attention the following few points which I believe are of prime importance, and earnestly solicit your sincere consideration of them.

1. We recommend deletion of that small area indicated on your map (626–91.003A) as Area 1–B East, involving the area known as Lefty's Coho Landing. Our reasoning is twofold: (a) Acquisition would result in government operating of a service that is now being supplied by private enterprise, and (b) there is now in process of final review prior to submittal to the Congress a report by the Corps of Engineers for improvement of Burns Ditch and the westerly arm of the Little Calumet River for the purposes of flood control and recreational navigation. The plan envisioned in this report would make very substantial provisions for marinas and other facilities for recreational and fishing boats. It would also involve substantial channel enlargement on Burns Ditch and the Little Calumet. I have endorsed this report on behalf of the State because of the fact that the project area has perhaps the most dangerous flood problem in the State, as well as a dire need for recreational boating facilities. In summary then, it would appear wise to leave this area out of the Lakeshore since it will produce more public benefit in connection with the Corps' project.

2. recommended deletion of Area 1–C in its entirety. We recognize that you have proposed a substantial reduction in this area and have carefully noted your remarks in the Congressional Record of March 20, 1975, with respect thereto. However, we believe that, on balance, the potential long-range industrial needs, which are so vital to the economy of this area, and our inability to predict these needs with precision, dictate that we must make reasonable provisions therefore. It is significant, we believe, that this industrial area, extending from Ogden Dunes easterly to the NIPSCO property, is very probably the only area left for Lakeshore industry.

3. We recommend that Area III–B be deleted. Of particular significance is the recent Federal Court decision denying construction of the Bailey Nuclear Power Plant. This being the case, it would appear that NIPSCO will need this area for development of additional generating facilities as an adjunct to its Michigan City plant.

4. We recommend that part of Area IV–C which lies west of Highway 149, be deleted. Our concern here is the long-range needs of industry as compared to a short reach of a relatively insignificant stream. It would still provide for inclusion of the portion of the stream that lies east of Highway 149.

5. We recommend that Area II–A for which your bill proposes partial acquisition in fee and partial acquisition of a scenic easement all be handled on a scenic easement basis with provisions for electric transmission lines to be located thereon. We fear that with the demise of the Bailey Nuclear Plant and with the recent announcement of major additional steel plants expansions in the area, the problem of adequate electrical energy is going to become very critical indeed. In addition, we understand that a recent study by the U.S. Geological Survey reports that NIPSCO is not polluting any interdunal ponds by its ash storage operation.

These revisions would, in our judgment, result in a land acquisition proposal which would add substantially to the Lakeshore and the recreational opportunities which it will afford and still allow reasonable opportunity for that economic development which is so vital to our people.

Aside from the matter of the actual lands to be required, I should like to relate to you the following two matters of great importance to Indiana:

A. The first of these relates to that part of Area II–B located at the southwestern corner of Dunes State Park, north of the Penn Central Railroad. The relatively small number of homes in this area are located on low, wet ground and the septic tank systems do not work properly because of the high water table. The area is drained by a stream known as Markowitz Ditch, which flows northerly through Dunes State Park to empty into Lake Michigan through the State Park Beach.

Local efforts have been under way for several years in a Drainage Board proceeding to dredge this stream, with the anticipated result being the more efficient transport of raw septic tank effluent directly to the State Park Beach. The State has so far taken legal action to forestall this project, but may eventually be overridden.

The acquisition of the area, as proposed in your bill, would provide a permanent solution to this problem, *but only* if your proposed landowners option of a life tenancy or some lesser period of years is *not allowed* for this particular area. We would, therefore, urge that your bill provide for early and outright acquisition of this area, with no provision for continued occupancy.

B. The second matter relates only to the subject matter of Section 11 of Congressman Roush's bill, which provides that all artificial accretions to the beach automatically become the property of the United States. The bed of Lake Michigan is owned by the State of Indiana and we believe that the above provision is unconstitutional in that it would result in the taking of property without compensation.

I raise this matter only to express the hope that such a provision will not subsequently be incorporated in your bill.

I must apologize for the length of these remarks, but did want to convey to you our position and logic with respect to these relatively few points.

I would request your favorable consideration of these recommendations because I believe they would result in a proposal which could be accepted by all interests involved.

Kindest personal regards,

OTIS R. BOWEN, M.D.,
Governor.

THE HIGH-PRICED OFFICIALS OF THE FEDERAL RESERVE SYSTEM

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, today many Americans may have difficulty getting a job—much less being able to make their budgets stretch to cover the basic necessities but the big boys at the Federal Reserve continue to bask in the glories of rising salaries.

The Federal Reserve district banks have limited functions, but their chief officers continue to be some of the highest paid public officials anywhere in the world.

All 12 of the Federal Reserve district bank presidents draw salaries larger—some of them more than double—than the compensation paid Members of the U.S. Congress.

In fact, Mr. Speaker, 7 of the 12 men are at salary levels above those set for members of the President's Cabinet.

In the nine districts for which there is comparison data available, salaries of these Federal Reserve bank presidents increased more than 15 percent between 1971 and 1974.

Of course, Mr. Speaker, these increases have taken place without the benefit of congressional appropriations and without any audits from the General Accounting Office checking on any of the activities which these high-priced officers presumably supervise. It is my intention to call attention to other spending excesses in the Federal Reserve System in coming weeks. Already, 109 Members of the House of Representatives are cosponsoring legislation to require an audit of the entire Federal Reserve System so that the Congress may know more about these questions and more about the total operation of the Federal Reserve System. We hope to have this audit legislation on the floor in the very near future.

Mr. Speaker, I want to place in the RECORD the list of the salaries for the 12 Federal Reserve district bank presidents:

Bank	1974 salary	1971 salary	Percent increase
New York	$90,000	$90,000	
Chicago	76,000	67,500	13
San Francisco	75,000	(1)	
Kansas City	65,000	56,000	16
St. Louis	64,000	56,000	14
Boston	60,250	50,000	21
Atlanta	60,000	51,000	18
Dallas	59,000	48,000	23
Cleveland	58,650	(1)	
Minneapolis	56,500	(1)	
Philadelphia	55,000	45,000	22
Richmond	50,000	41,000	22

[1] Employed after June 3, 1971.

Source: December 19, 1974, letter from Dr. Arthur Burns.

HOME HEALTH CARE—PART XIII

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, together with 85 House cosponsors I have introduced H.R. 4772 and H.R. 4774, the National Home Health Care Act of 1975. The bill has been given equally strong support in the Senate where it has been introduced as S. 1163 by Senators FRANK MOSS and FRANK CHURCH, respective chairmen of the Senate Subcommittee on Long Term Care and Committee on Aging, HUGH SCOTT, Senate minority leader, and Senators WILLIAMS, DOMENICI, and TUNNEY.

To discuss the need for home health care and the public support this proposal is receiving, it is my intention to place statements in the RECORD several times a week by experts and lay persons commenting on the legislation.

This is the 13th in the series:

NEW YORK, N.Y.,
March 18, 1975.

Representative EDWARD KOCH,
House of Representatives,
Washington, D.C.

MY DEAR MR. KOCH: Let me express vigorous support for the bills you introduced which would provide home health care for the elderly as an alternative to nursing home care. Having worked in the program in New York City which offered such services I know that they can make life not only bearable but happy for aging people. They function most effectively, I believe, when they are affiliated with a team from a local hospital, and are based in a center which is equipped to send out hot meals—"meals on wheels." Social worker services should also be part of the program.

I enclose a description and report on what was, I believe, a very effective program.

May your bills enjoy the support and success they deserve.

Sincerely yours,

TERESA GLOSTER.

REPORT ON THE COMMUNICATIONS PROGRAM

This report summarizes the activities and results of three years beginning in February, 1972, when the Communicator Program was first funded by the Astor Foundation. The program's staff, initially ten communicators all over 65 years of age, and a supervisor, remained almost unchanged through the years, except for the death of one communicator and the withdrawal of another because of serious family illness. Additional workers have been added to replace them. Three communicators are Spanish-speaking, and another speaks French, German and various Slavic languages. These language skills have been helpful both in attracting clients to the center and in serving them more effectively.

The aim of the communicator program was twofold—an outreach effort to locate isolated seniors and draw them into more active participation in the life of the community and a provision for certain kinds of service for the infirm and the homebound. Our services include shopping and paying of bills and rent, escort to hospitals and doctors' offices, and delivery of hot lunches to the homebound. Inevitably, as outreach succeeded and the communicators came to be known and trusted, our assistance has been asked in a variety of difficult situations. Thus we have arranged for medical care on both an emergency and long-term basis, working closely with the emergency services at St. Vincent's Hospital, with the Visiting Nurse Service in assisting the convalescent, and with St. Vincent's Chelsea Village program in caring for those who have been without medical attention. Through lunch delivery, telephone calls and close affiliation with our own Telephone Reassurance Program, elderly men and women are monitored daily, and medical aid has been secured in more than a dozen cases where a crisis had developed.

By maintaining close contact with the social workers of our neighborhood hospitals the daily problems of both in-patients and out-patients are worked on jointly, and we continue to write to and visit patients when they are hospitalized. We call the hospitals daily to ascertain the condition of those members who are patients. Assistance in securing housekeeping services, either through DSS or other agencies, application for or renewal of Medicaid, help in securing adjustment of hospital or utility bills are areas of concern to seniors in general, but especially to those who are ill. Our own social worker has been of constant and invaluable assistance.

Through outreach and cooperation with community agencies, our nutrition program has come to be well known, and hot lunches are delivered each day regardless of inclement weather to approximately fifty homebound men and women in the square mile of our territory, (14th to 34th Streets, and Sixth Avenue west to the Hudson). Some who are permanently homebound have been served for almost three years—Mrs. B. crippled and bed-bound with arthritis is such a case—and some are served during longer or shorter periods of convalescence. More than two hundred individuals have been served during the three years we have operated. Many others who are able to reach the center either by themselves or through use of the center bus, enjoy breakfast and lunch in our dining room. This number has grown both because of our efforts and by virtue of the publicity which attended the establishment of numerous senior lunch programs under Title VII grants.

By means of a mini-bus provided by Title VI funds a schedule of transport for seniors to and from the center has been organized, and individual escort to hospitals and doctors' offices is arranged. Both scheduling and escort are responsibilities of the communicators. Approximately twenty-five handicapped seniors use the bus each day, of whom an average of four are using it for medical visits. About forty-eight persons use the bus regularly to keep medical appointments.

Another major purpose for which the bus is used, and another concern of seniors is the process of applying for certification and recertification of SSI benefits. Prior to January, 1874, seniors whose incomes were very low were provided with supplemental assistance through the Welfare Department and through Food Stamps. Many seniors were helped with lost or missing checks, calls and visits to Welfare offices and, in the case of the homebound, visits in the role of representation. When SSI was inaugurated a major campaign was undertaken to explain its provisions, and to alert seniors to the necessity of applying early. Close to two hundred have been escorted to make application, and in recent months to be recertified.

A major aspect of our service has come to be that of acting as advocate for seniors who are bewildered by the exhaustive and voluminous application forms, baffled by the effort to assemble necessary documents, confused by the thronged offices, frustrated by the long hours of waiting, and unnerved by interviewers who are not always courteous. We have come to consider this service as advocate no less vital than the provision of food and medical care. Without such guidance and support elderly people will often simply give up and cease to make any effective efforts to secure their rights or their living.

Often the inadequacy of living quarters, poorly maintained, lacking in light or necessary services, add to the burdens of the struggling elderly. Applicants for public housing must often wait years, and sometimes fail ultimately to secure apartments. In at least a dozen cases we have been able to assemble strong enough evidence to secure needed apartments.

Through our outreach program direct contact was made with approximately 1000 seniors, and with all churches and social agencies in the Chelsea area, and including close association with hospitals and senior residential institutions. In carrying out this work it became apparent that a real bond could be established only by repeated visits and by enlisting interest in a variety of genuine senior problems. The emphasis has been social, stressing neighborliness, but it has been educational and social as well. Thus we brought information on recreational activities at the center, as well as the summer farm vacations, and delivered personal invitations to communicator teas. We distributed flyers on special hospital campaigns for hearing and glaucoma testing. We worked with the local health center which set up demonstration sessions on vegetable preparation and prepared consumer information leaflets.

In the field of social action we alerted citizens to the importance of writing to their representatives on issues of health insurance and increase in social security benefits, as well as other issues ranging from housing to tax reform. Some thousands of letters were written and mailed through our efforts. As many as ten or twelve visits were made to the same homes, and by degrees a feeling of trust was established which led these seniors to discuss their own needs and request assistance.

The success of this outreach is marked by the increased attendance at the center, and the calls for help from neighbors and friends of those we visited, as well as the people themselves. It is gratifying that a beginning we made in bringing to the center some seniors who had serious problems with vision has now been developed by our social worker into a group which meets weekly. Teas we held for Spanish-speaking seniors have grown into a large and active club under the guidance of a Spanish-speaking program worker. The more imaginative the approaches are, the more people will be drawn into participation. Those who have withdrawn need to be made aware again of the wide variety of possibilities still open to them, and the stimulus to be found in sociability.

Through patience and concern we have tried to offer friendship as well as tangible aid. An elderly gentleman who is a poet and essayist presented a reading of his own poetry at a communicators' tea, and later was helped to arrange the giving of his papers to his university.

A member of the center who writes and paints with rare enthusiasm has given us a series of personal letters to deliver with meals to the homebound, and recently members of the center newspaper, (Fulton Senior Voice), have asked us to carry their publication too. An approach which is personal and individual evokes the warmest response and brings into play the client's own capabilities and powers. Our communicators have embodied this understanding in their work and have given courage as well as compassionate care. Exclusive of lunch delivery, in a typical month 215 home visits were made and 154 seniors were helped who visited the center.

There is a growing awareness that our present society fails to provide to the young and the aging—those forms of assistance in life's crucial transitional stages which primitive societies once offered. For the aging and retired in our world today, there is the loneliness born of separation from fellow workers, from children who have grown and moved away, and often from friends also; the reduction of income leading frequently into poverty; and the medical problems of advancing age.

Added to these stresses is the bewilderment of coping with life in a period where bureaucratic impositions become constantly more invasive and more threatening. Elderly people must deal with social security offices to secure checks and report when they are lost, with SSI certification, with Medicare and Medicaid (where cards are issued monthly and only the card of the current month is valid), with half-fare applications, rent exemptions and clinic appointments. For all these agencies they must carry at all times the appropriate card, and know what to do when it is lost or fails to arrive. In many of these areas there are dates and deadlines to remember, and for some there is the additional barrier of language. We believe that the Communicator Program has helped Chelsea seniors to view the world as a friendlier, more hospitable place.

We offer one case in point, to add to those in earlier reports:

Mrs. G came to us on a cold day, poorly dressed, wearing sneakers and obviously hungry. She had lost her husband a month before and had no source of income. She could not pay her room rent and the landlady was naturally anxious. Mrs. G was so numbed by her condition that it was difficult to elicit even a single word from her. She could not remember where exactly she had been born in rural Maine, nor where she had attended school. She had no marriage or birth certificate, no voting record or any other way of establishing her age or identity, had no social security card, having done domestic work before she was married. Without definite proof of age she could not qualify for SSI. By dint of repeated efforts and visits to the Welfare Department we were able to establish her claim to Medicaid and DSS benefits. She visits us now once a month, registered and voted in the last election, and seems to be restored so that she can function with independence and assurance.

REPORT ON WIRETAPPING AND ELECTRONIC SURVEILLANCE

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, New York State is the Empire State and we are proud when it leads the way as it has in a whole host of areas. However, I am sorry to report that we are in the lead in one area that I wish we were not—to wit, that of wiretapping and electronic surveillance. As appears by the appended article by Nelson Seitel, secretary of the New York Law Journal, 30 percent of all wiretaps and electronics surveillance in the Nation were authorized for prosecutors in New York City in 1974. Would that we were last and not first in this field. The article follows:

[From the New York Law Journal, May 7, 1975]

NEW YORK CITY LED IN NATION'S WIRETAPPING, BUGGING IN 1974

(By Nelson Seitel)

Thirty per cent of all wiretaps and electronic surveillance sanctioned by judges in the twenty-two jurisdictions where such intercepts by state and local law enforcement agencies are permitted were authorized by prosecutors in New York City in 1974, according to a report filed with Congress by the Administrative Office of the United States Courts.

STATISTICS FOR CITY

The total number of such orders in New York City was 191. In 1973 the number was 202. The decline in New York City was consistent with a decrease from 1973 in wiretapping and bugging in all 24 jurisdictions, including the federal system and the District of Columbia.

In 1974, 728 intercept applications were granted by Federal and state judges, a decline of 16 per cent from the 864 application approved in 1973. Federal orders declined by 7 per cent, from 130 in 1973 to 121 in 1974, while state court authorizations decreased 17 per cent from 734 in 1973 to 607 in 1974.

NEW YORK LEADS

As in 1973, as among all states that permit oral and wire intercepts, state judges in New York granted the greatest number of such applications. In 1974, the 305 applications granted by New York judges represented 50 per cent of all state court authorizations, even though the actual number of grants declined from the 334 approved in 1973. Also second with 138 authorizations approved in 1973, New Jersey ranked second with 138 authorizations in 1974 as against 215 in 1973.

The number of authorizations in New York City and the arrests and convictions resulting from such intercepts is set forth in the following table:

County	Orders	Arrests	Convictions
Bronx	42	90	2
Kings	57	210	3
New York	19	48	3
Queens	26	119	3
Richmond	15	14	3
Special prosecutor Nadjari	32	25	0
Totals	191	506	14

Following are statistics for counties in this region adjacent to New York City:

County	Orders	Arrests	Convictions
Nassau	21	29	0
Suffolk	15	44	15
Westchester	19	98	3
Total	55	171	18

Since arrests, trials and convictions resulting from interceptions frequently do not occur in the same year as the approval of applications to intercept, those statistics are subject to modification in the years ahead. For example, the intercept statistics in New York City for 1973 show 226 arrests by local officials and sixteen by Federal agencies, resulting in twenty-three convictions in the state courts and fourteen in the federal courts. However, a supplemental report to the 1973 intercept authorizations for New York City shows twenty-seven additional arrests and seven additional convictions in 1974, resulting from 1973 intercept installations.

$181,000 WIRETAP

The simple most expensive intercept installation among those approved in any jurisdiction was maintained and operated by Special State Prosecutor Maurice Nadjari. This installation, whose application cited bribery and receipt of stolen goods, was maintained for 173 days in 1974 at a cost of $161,673. It resulted in 18,455 intercepts, involving 726 persons, with only ninety-eight intercepts described as "incriminating" by the Office of the Special Prosecutor. As of the close of 1974, no arrests or convictions were reported as a result of the intercepts.

This contrasts, for example, with Kings County whose total installations produced 3,012 intercepts of which 2,246 were described by District Attorney Eugene Gold as "incriminating," and whose average cost of installation was $10,338. The average cost per installation throughout the nation was $8,000.

The contrast in the statistics as between the office of Mr. Nadjari and other law enforcement agencies is indicated by the special nature of the responsibilities of the Special Prosecutor's office.

TAPS ON GAMBLERS

A majority of the applications for intercept orders in all jurisdictions cite gambling as the principal crime under investigation, with narcotics next. Of thirty-two applications by Mr. Nadjari's office, twenty-nine cited bribery as the principal offense.

The report of the Administrative Office of the United States Court was filed in accordance with the requirement of the Omnibus Crime Control and Safe Streets Act of 1968, which sets forth the procedure for legally sanctioned wiretapping and electronic surveillance. The report for 1974 is the seventh annual report filed by the administrative office.

THE AMERICAN JEWISH COMMITTEE SPEAKS OUT IN BEHALF OF INDOCHINESE REFUGEES

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I am concerned about the faction, composed of widely differing groups, voicing opposition to asylum and assistance to Indochinese refugees. This is a time when all of us, who still believe that America should be a haven to the homeless and politically. exiled, must speak out. For this reason, I am especially encouraged by the statement adopted by the American Jewish Committee at its 69th annual meeting in New York City on May 3. I wholeheartedly agree with the sentiments expressed in the statement, which I am appending for the interest of my colleagues:

THE AMEICAN JEWISH COMMITTEE STATEMENT ON INDO-CHINA REFUGEES

The American Jewish Committee views with profound concern the human tragedy that has unfolded in Indo-China, where the horrors of war, and social and political upheaval have once again claimed the innocent as victim. As an organization with a longstanding commitment to the principle of fundamental human rights for all people and to humanitarian relief wherever it is needed, we urge the United Nations to call upon the present governmental authorities in Indo-China to respect the right of every person to leave and to seek asylum and resettlement in the country of their choice. This basic human right is clearly enunciated in the Universal Declaration of Human Rights which guarantees to everyone "the right to leave any country, including their own," and in other international agreements.

We further urge the United Nations to call upon these governments to protect the peoples within their jurisdiction from reprisals and to admit a United Nations committee of impartial observers into the area.

We commend the United States Government for receiving those refugees of Indo-China who have sought admission as immigrants. We hope that our government will continue to follow its traditional policy of granting such rights under the appropriate provisions of our existing immigration statutes. And we also call upon other governments to open their doors to the new refugees.

We welcome the recently announced United States program to facilitate absorption of the new immigrants in a fair and compassionate manner and call upon our government to assist the agencies currently engaged in relief and humanitarian efforts in Indo-China.

We are confident that Americans will respond generously to those agencies' appeals for assistance. And we join with men and women of good will everywhere in the fervent desire for an end to the war and suffering in Indo-China and with it, true peace and reconciliation in the area.

THE MALPRACTICE INSURANCE CRISIS: A PROPOSAL FOR FEDERAL ACTION

(Mr. ROGERS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ROGERS. Mr. Speaker, I would like to call to the attention of my colleagues a recent article published in the May 1 edition of Hospitals, the Journal of the American Hospital Association.

The article, "The Malpractice Insurance Crisis: A Proposal for Federal Action," written by JIM HASTINGS, a member of my Subcommittee on Health and the Environment, presents an excellent overview of the medical malpractice dilemma.

As you may recall, Mr. HASTINGS sponsored earlier this year, with the cooperation of the American Group Practice Association, a national conference on medical malpractice and he has introduced H.R. 6100, the Medical Malpractice Claims Settlement Assistance Act.

The article by Mr. HASTINGS follows:

THE MALPRACTICE INSURANCE CRISIS: A PROPOSAL FOR FEDERAL ACTION

(By James F. Hastings)

The nation's hospitals are once again taking the rap for the medical system's latest emergency—medical malpractice insurance. The current crisis over the availability and cost of professional liability insurance was no news for hospital administrators who have been trying to accommodate hundreds of thousands of dollars worth of additional premium charges in institutional budgets.

My own state of New York is one of the most seriously affected. Premiums have jumped dramatically throughout the state, adding an additional $50 to each patient's average hospital stay of 7 to 10 days. One 549-bed hospital in Buffalo now pays $118 per bed; the requested increase is 758 percent to $1,013.32 per bed. At the other end of the state in New York City, a 398-bed teaching hospital now pays $101.92 per bed and has been served notice of a premium increase of 1,297 percent—$1,425.04 per bed!

The causes are well understood by hospitals; increases in the technological components and in the complexity of the practice of medicine, rising patient expectations, strained patient-provider relationships, expanded use of the judicial system as an alternative for provider accountability, and the lengthy time span between adverse medical occurrences and settlement of malpractice claims.

TREMENDOUS PRESSURE CREATED

This is resulting in tremendous pressure on a medical system that is already strained to capacity because of rapid technological developments, increasing patient demands, and increased government intervention.

In fact, the suggestion has been made quite seriously that medical malpractice is becoming an uninsurable risk. Inability to predict the ratio of expected claims against premiums to anticipate loss experience is being likened to the risk of natural disasters.

Providers, viewing every patient contract as a possible medical injury claim, are practicing defensive medicine—ordering extra and often unnecessary tests, procedures, and consultations as protection against a malpractice claim—at a cost of billions of dollars a year to the nation's consumers who in the end must pay for it all—the medical care (including defensive medicine), the cost of the provider's malpractice insurance as reflected in fees, and the cost of any necessary legal action. Actually, in the long run, it may be easier and more equitable to insure the nation's medical care consumers against malpractice rather than to continue under the present system. This possibility and others will have to be evaluated carefully when the Congress finally develops a national health insurance program.

As a member of the House subcommittee on health, I would like to share with you some observations and concepts relating to the dilemma of a federal response to the medical malpractice insurance emergency.

EXPERTS EXAMINE PROBLEM

Recently I was fortunate, through the cooperation and participation of the American Group Practice Association (representing about 14,000 physcians and dentists of various specialties practicing in group settings), to convene a National Conference on Medical Malpractice. The conference drew together expert representation from key interest groups, including the American Hospital Association, as well as from state and federal government. During the two-day forum, liability insurance for medical professionals was examined from every perspective—the provider's, the insurer's, the patient's and the lawyer's. State and federal intervention was discussed, including reinsurance, joint underwriting, no-fault compensation, arbitration, and quality control and licensure standards.

While many possible approaches were debated, there was no apparent consensus on a federal role. Actually, a strong state solution was preferred, meaning that each state, depending on the severity of the problem and the uniqueness of its own medical/legal complex, could determine the best course of action.

It is evident that those affected by the medical malpractice insurance crisis want to be certain that the federal government, especially the Congress, is acutely aware of their problem. But they are extremely cautious about broad federal intervention. The prevailing attitude seems to be, "Don't get involved, but don't go too far away!"

The Congress, while recognizing the need for caution in this complex area, must at the same time act responsibly to avert the eventuality of a nationwide medical malpractice insurance crisis and attempt to ensure the availability of reasonably priced quality medical care.

TEMPORARY PROGRAM NEEDED

The Congress should move swiftly—but judiciously—to enact a *temporary* program to deal symptomatically with the current medical malpractice insurance crisis, and at the same time it should initiate efforts to cope with the long-range problem. In terms of developing public policy, the Congress has a tendency to "shoot from the hip." It prefers easily drawn issues and instant solutions. I believe that the plethora of random, fragmented federal categorical programs in the health area illustrates my point. But *there is no readily apparent universal solution*. There are, however, reasonable actions that can be taken to offer an alternative to emergency situations and activities that must be undertaken in order to determine responsible and effective long-term public policy.

The Congress should attempt to make available temporary backup assistance on a voluntary basis as an option to states while other initiatives are undertaken to deal with the problem on a permanent basis.

I am now developing such a proposal, to be introduced in the House before the end of April. It does embody some concepts of reinsurance and arbitration already articulated in Senate legislation, but in addition proposes other activities necessary to meet long-run needs.

The "Medical Malpractice Claims Settlement Assistance Act" would utilize a temporary program of voluntary federal reinsurance for coverage over $200,000 to ensure the continued availability of medical liability insurance within those states that would qualify. In order to become eligible, states would need to establish programs of arbitration of all medical malpractice disputes. Although it would be required that all medical malpractice claims would be arbitrated before judicial recourse was sought, either party could reject the settlement; however, the decision would be admissible as evidence in any court action. Scheduling of attorney's contingent fees would be required so that the percentage of the fee would decrease as the size of the award increased.

In addition, however, the states would be required to limit the statute of limitation to two years from the time of an alleged medical malpractice occurrence for an adult and from birth until eight years of age for a minor. The states' medical professional licensing boards also would be required to establish statewide patient grievance mechanisms so that consumers could register concerns relating to individual medical practitioners. Under the law, the statistical data on all such incidents would be reported quarterly to the secretary of HEW. Finally, the states would be required to make awards on an annuity basis where feasible as a means of reducing the occurrence of windfall settlements.

JOINT RISK CONTROL

Most important, my proposal would require as a condition for receiving Medicare payments the establishment of risk control programs in all health care institutions and facilities. Such programs, established individually or jointly with other institutions, would be required to intercede directly in actual or potential malpractice situations, functioning as patient grievance mechanisms.

The grievance mechanisms undertaken by individual institutions or groups of institutions are intended to identify and prevent procedures and situations that could cause medical malpractice injury incidents, alleviate patient grievances that could lead to malpractice claims, and where necessary, bring about equitable settlements in the early stages of such incidents.

In addition, education programs would be required for staffs and patients alike so that all will be aware of the existence and function of patient grievance mechanisms and risk control. The law would require that statistical data on medical injury incidents within institutions be maintained and reported quarterly to the Secretary of HEW. The Secretary would then be required to analyze this information and make public reports concerning trends in malpractice incidents so that these situations could be recognized and prevented or corrective measures taken.

The effort here, as in arbitration, is to encourage a solution to every malpractice incident as close as possible to the point of occurrence and in the least complicated manner possible. Since over 70 percent of all medical malpractice incidents occur in health care institutions, a nationwide risk control program is essential, I believe.

FEDERAL LEVEL PROGRAM

At the federal level, in addition to providing reinsurance coverage, strong initiatives must be taken to deal with the development of more permanent and equitable solutions. For example, what will be the impact of national health insurance on medical malpractice claims? Under what conditions would medical no-fault compensation be possible? What is an appropriate quality and licensing role, if any, for the federal government? What is the effect of medical malpractice claims on federal health programs? Can statewide demonstrations of alternative legal compensation systems be effectively initiated? Research and demonstration projects to answer these questions must be undertaken as proposed under my scheme—but results must be forthcoming in the next three to five years if the information is to be utilized to determine effective and appropriate congressional responses.

I fully support the concept of solving the problem where possible without federal intervention. However, it is the responsibility of the Congress to ensure the availability of an emergency alternative should any state not be able to meet the crisis of availability and cost of medical malpractice insurance.

Also, it is essential that immediate steps be taken in every health care facility to do something about the underlying causes of medical injury and to seek solutions and alternatives prior to the initiation of a malpractice claim.

ABOUT THE AUTHOR

Rep. James F. Hastings (R-NY), prominent among members of Congress who are now taking steps to resolve the critical problems of medical malpractice insurance, was the primary sponsor in March of this year of the National Conference on Medical Malpractice, which was aimed at identifying the nature and dimensions of the issue. His bill, the Medical Malpractice Claims Settlement Assistance Act, which he describes in an exclusive article in this issue of *Hospitals J. A. H. A.*, not only reflects his growing involvement with the nation's health problems, but also supports his philosophy that a national health policy must be developed in the immediate future.

At 49, Representative Hastings is in the forefront of bipartisan legislative policy and is gaining prominence as a sponsor of legislation of major importance to the nation's health affairs. His proposal for medical malpractice insurance is viewed by many on Capitol Hill as yet another outstanding example of his growing concern for the problems of the nation's complex health care system.

The Congressman is well known for his sponsorship of legislation that would help to coordinate the health care system, with minimal federal control over its numerous components. He made news on Capitol Hill last year for his compromise proposal to create health maintenance organizations, finally adopted by the Congress and considered by the Administration and many health professionals to be among the most sweeping health care programs to be enacted by the 93rd Congress.

He also was a primary author of the National Health Planning and Resources Development Act of 1974 and supported the continuation of major health programs that, without congressional action, would have expired in early summer of 1973.

Such legislative action would seem to mark Representative Hastings as a proponent of extensive federal involvement in health affairs. Paradoxically, however, his history as national legislator, dating from when he was first elected to Congress in November 1968, after six years in the New York State Legislature (three as an assemblyman and three as a senator), shows that he has consistently emphasized the need for legislation to reduce the proliferation of federal programs and to strengthen local and state resources for the delivery and administration of health care services. Moreover, he has steadfastly opposed all increases in federal spending that would exacerbate inflation and has been an arch critic of legislative proposals that would amplify bureaucratic authority in Washington, D.C. He has been active in seeking to reform the nation's welfare system and to coordinate rural health care and health care for the elderly through local resources, providing federal assistance where he considers it necessary.

Congressman Hastings serves on the House Interstate and Foreign Commerce Committee and its Subcommittee on Public Health and Environment, more popularly known as the Rogers Committee because it is chaired by Rep. Paul Rogers (D-FL). Consequently, Representative Hastings is currently involved in health legislation of high congressional priority; in addition to medical malpractice insurance, for example, his committee work includes such issues as national health insurance, the control of medical devices, and health insurance for the unemployed.

Representative Hastings serves on the 27-member Republican Policy Committee, a leadership group that serves as an advisory body to all Republican members of the Congress and plans the party's overall legislative program. He is also a member of the newly created House Budget Committee, which is expected to have a powerful role in determining federal spending, and of the House Subcommittee on Transportation and Commerce. As a former member of the House Republican Task Force on Election Reform and the House Administration Committee, he has had responsibility for reviewing the nation's electoral system and is known for his efforts in pressing for campaign reform. Of special interest to hospitals was his appointment last year to the House/Senate Conference Committee that dealt with legislation on the nation's energy crisis. Congressman Hastings also has earned a reputation as a fighter against illegal drug traffic and drug abuse.

CHEMICAL WARFARE

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, on April 28—pages 12074–12075—I included in the RECORD an historical discussion of chemical warfare as the first of several articles by biochemist Dr. Robert Jones. Today I would like to submit the second article from New Scientist, April 24, 1975, in which the biochemist indicates that intensive research having failed to produce the "ideal" chemical agent for riot control, we must conclude that such a solution, as well as being counter-productive politically, is scientifically unattainable. The article follows:

CHEMICAL WARFARE—THE PEACETIME LEGACY

(By Dr. Robert Jones)

The end of the 1914–18 war witnessed an abrupt stoppage of the manufacture of poisonous gases, and a running-down of most associated research. In the United States, however, a small group of people resisted, fighting hard to keep their jobs. Their fight was successful, and the Chemical Warfare Service was retained within the U.S. Army.

The arguments that were used against the disbandment of the Service were chiefly two in number. The first insisted that the use of gas constituted a much more humane means of waging war than guns and explosives. Earlier, this line of reasoning had been pressed by an American naval strategist attending the Hague Conference in 1899, who argued that to be tender about asphyxiating men with gas was not demonstrably humane while it remained acceptable to blow the bottom out of a warship, plunging hundreds of men to their deaths by drowning.

The facile corollary of this argument—that the effects of gas are neither grossly unpleasant nor irreversible—was excusable up to 1914–18, but certainly not beyond. The first tenet was soon dispatched, when experience revealed that most war gases relied for their action on violent disabling effects. I retain a vivid boyhood memory of accidentally inhaling chloropicrin in high concentration. The physiological onslaught was immediate and intense. My lungs felt constricted as though held in massive vicelike pincers; the urge to cough was overwhelming, but each yielding to the impulse intensified the desire to do so over and over again. The temptation to cough had to be fiercely resisted before recovery took place.

PERMANENT LUNG DAMAGE

The discovery that a substantial number of war gases could produce permanent lung damage resulted from investigations in the U.S. mainly carried out by Major Milton Winternitz and his associates during the latter part of the war. Substances inducing this effect were termed lung injurants, and cause cell death (necrosis) along parts of the respiratory tract. Fibrous deposits of scar tissue develop at sites of tissue repair in the lungs themselves. Once the damage has healed, sudden increases in blood pressure, such as might be caused by exertion or struggling, lead to further bleeding in these areas, and more repair.

The vicious circle established thereby intensifies the injury with the passage of time. Chlorine, phosgene, and chloropicrin in appropriate amounts cause injuries of this nature. Winternitz and Captain Robert Lambert concluded: "A soldier that has recovered from the acute effects of gassing should be regarded as an individual with damaged lungs, and should avoid muscular effort or other practices . . . which might lead to increased blood pressure" (Pathology of War Gas Poisoning, Yale University Press, 1920). Also in the U.S., A. S. Warthin and C. V. Weller had reached similar conclusions with regard to mustard gas. "We wish to call attention . . . to the fact that the severely gassed soldier presents definite problems for his future . . . both from the standpoint of pensions and life insurance. We believe that severe gassing must be regarded as a factor lessening the expectancy of life" (Medical Aspects of Mustard Gas Poisoning, Henry Kimpton, 1919). Warthin and Weller were right to emphasize the severity of gassing; superficial exposures probably caused little or no permanent harm, regardless of the nature of the chemical agent.

Nevertheless, the champions of chemical warfare were busy with their pens. For example, J. E. Zanetti and Amos Fries wrote "Most military writers agree that chemical warfare is an effective and human weapon . . ." (Encyclopaedia Britannica, 1929). In a singularly impassioned defence of chemical warfare, E. B. Vedder switched from impersonal presentation to address his readers directly. "Do you think that the bayonet is more humane than gas? Men are trained to stick it in the belly and twist it around, thus causing painful injury and almost certain death after prolonged agony. Are high explosives and shrapnel humane? Think of the torn and mangled bodies" (Medical Aspects of Chemical Warfare, Williams and Wilkins, 1925). Displayed on the opposite page is a vivid photograph of a completely unrecognizable face, ripped apart by the impact of a bullet; the wounded soldier survived. Astonishingly, other parts of the book contain detailed accounts of the chronic as well as the immediate physiological and toxic effects of various poisonous gases. It remains the height of ingenuousness to stress the capacity of explosives, bullets and shrapnel to cause painful, disfiguring, or lethal injury while ignoring the insidious but very real damage produced by extensive gassing, injuries that in life were never overtly visible. The logic of the matter militates far more heavily in favour of pacifism than an extension of chemical warfare.

Statistics have been used to support the thesis that war gases are more humane than conventional means of waging war. The Americans in particular were fond of this line of reasoning. The final report of the Surgeon General of the U.S. Army stated that some 27 percent of all American casualties in the First World War were due to gassing, but only 2 percent of these were fatal. Of the remaining 73 percent of battle casualties, 24 percent died.

However, America entered the war towards the end of hostilities, by which time personal defensive measures against most poisonous gases had been vastly improved. Indeed, for this very reason the proportion of deaths caused by gas as opposed to other offensive means tended to fall during the course of the war. The report also claimed that gassing seldom caused any permanent

after effects, but whether routine medical examination was sufficiently sophisticated to reveal the nature and extent of injury discussed above is a moot point. Damage caused by lung injurants also became worse in time—a factor which could not possibly be taken into account so close to the event.

HALDANE'S CALLINICUS

Not all the advocacy stemmed from vested interests. In 1925, Kegan Paul published J. B. S. Haldane's Callinicus; a Defence of Chemical Warfare. This slim volume was based on a lecture given before a group of tourists in the previous year. In the war Haldane had been seriously wounded by an Allied bomb, and evidently had disliked the experience. The text is a highly entertaining classic, riddled with caustic swipes at the ignorance and obtuseness of various establishment figures. These people, not all of them anonymous, are held up to merciless ridicule, not just on account of their total lack of scientific background, but also because inflexible social attitudes as well as sheer ignorance often caused them to make erroneous decisions for which many innocents paid with their lives:

Haldane had little use for chlorine and phosgene, which he categorised as being almost as obsolete as muzzle-loading cannon. He did, however, bravely submit to chlorine in valuable attempts to improve the effectiveness of respirators. Haldane claimed to be not much worse as a result, but he and others who participated in the experiments were able to regulate the dosage by quitting the chamber when their lungs became unduly irritable. This illustrates well the problem of relating voluntary controlled exposure of humans in the laboratory to the obligatory, totally uncontrolled conditions of the field. The sublethal doses received by the subjects may well have been much lower in relative terms than those given to animals in the American experiments described above.

Mustard gas, however, could cause nonlethal casualties as well as preventing the occupation of ground, and was therefore firmly advocated by the author. The latter use presaged the American military policy of "area denial" in Vietnam, by which sections of terrain were carpeted with CS, specially siliconised to prevent premature hydrolysis under hot moist conditions. By incorrectly stating that mustard gas was discovered in 1886, Haldane revealed his unfamilarity with the literature; in referring to its properties, he omitted to mention the highly disturbing, lethal consequences of skin contact, described in the same paper of 1886. In man, the compound certainly incapacitates, with horrifying effectiveness; had he read the immediate postwar literature, there can be little doubt that this gifted and perceptive man would have re-examined his conclusions with great care.

The second argument advanced by the Chemical Warfare Service concerned the peacetime use of chemicals in riot situations. Civil and industrial unrest has endangered life in the past, while threats to property occur more often. The case was pressed for a humane, non-toxic substance of high irritant and lachrymatory power to be used for crowd control. It so happened that just such a substance appeared to be already known. Carl Graebe had synthesised $_1$-chloroacetophenone in 1871, and described the "stinging smell" of the white crystals. The intention to employ the compound on the battlefield had been thwarted only by technical difficulties of manufacture; these were resolved just too late for its application in the field. Like CS, then, $_1$-chloroacetophenone (code symbol CN) never suffered from the opprobrium of having been used in the war. The substance was given the name tear gas, a term sufficiently forceful to describe its function, yet sufficiently homely not to provoke undue alarm.

In this way, tear gas passed into the armoury of the riot police, where it remained for several decades. In 1970, a report (EATR 4474) of the biological assessment of Mk IV Chemical Mace emanated from Edgewood Arsenal in Maryland. Mace is an aerosol preparation containing mostly freons, a group of highly volatile substances widely used as refrigerants. In addition, Mace contains a small proportion of paraffins, with 1.2 percent tear gas as the active agent. The authors of the report concluded that prolonged contact with the eye could produce scarring and opacity of the cornea, and that contact with parts of the respiratory tract could cause patches of local necrosis. The conditions employed in these studies were extreme, but deaths have occurred from the use of tear gas in confined spaces. That descriptions of further similar cases were not published owing to insufficient information remains a strong possibility. It is perhaps significant that the report was not made until after CS had been adopted for use by the military authorities in the U.S. Up to a few years ago, small tear gas sprays for civilian and police use were on sale in all but a few states of America. Over a month ago, an inquiry as to whether the Mace formulation had been replaced or not produced no reply from the manufacturer.

SEARCH FOR CN ALTERNATIVE

Recognising the problems associated with handling the reins of authority over to indigenous authorities, the British government commissioned Porton in the 1950s to search for alternatives to CN. The concept is a powerfully irritating, non-toxic gas is frequently encountered in works by military authorities, but the request underlined the suspicion that the ideal substance had stubbornly resisted identification for several decades. When so much intensive searching has failed to produce the complete answer to riot control by chemical means, the conclusion must be drawn that the solution is probably no more real than the Philosopher's Stone, and that the return from further searching is unlikely to justify the expense.

Porton's answer to the request was CS, first used in the United Kingdom at Londonderry in August, 1969. This journal has devoted much space to CS; one major anxiety, regarding the possible relevance of chronic lung conditions in monkeys exposed to low sublethal doses, still remains (New Scientist, vol 57, p 61). Even the Himsworth Committee recognised that heavy exposures could, in extreme circumstances, cause fatalities. In his recent book, Riot Control (Royal United Services Institute), Anthony Deane-Drummond mentioned the problems of residual contamination and lack of selectivity associated with the use of airborne irritants in heavily built-up areas. Once again, the answer appears to be just around the corner: "A new development known as CR is said to be completely safe, more easily soluble in water and more effective. Only minute concentrations are required to produce a nettle stinging sensation on bare skin and intense pain on contact with the eyes."

The psysiological effects of powerful irritants and lachrymators may produce temporary incapacitation, but madden and infuriate the sufferer. Haldane wrote of the effects of arsenical sternutators of the Adamsite type in the field. "These symptoms are accompanied by the most appalling mental distress and misery. Some soldiers poisoned by these substances had to be prevented from committing suicide; others temporarily went raving mad, and tried to burrow into the ground . . ." Indeed, a more effective way of alienating people from authority, whether military or police, is difficult to conceive. The British Army, on arrival in Ulster at the start of the present troubles, was greeted with open arms by a Catholic populace terrified by militant Protestants, to whom the judiciary was sympathetically disposed. The Army was equipped with CS devices, and was perfectly prepared to employ them. The extremists grasped their opportunity with both hands.

FULMINATING RESENTMENT

In retrospect, it is difficult to escape the conclusion that the circumstances were deliberately and callously exploited by the IRA. who, by staging frequent provocative confrontations between the civil and military sides, deliberately set out to create situations in which the extensive firing of riot control weapons irreversibly drove a bitter wedge of fulminating resentment between the Catholic population and the military presence. Once this aim had been achieved, the damage was done. The confrontations could gradually be faded out; tactics were changed to the selective slaughter of soldiers by trained marksmen, in the knowledge that an antagonised sectarian population could be relied upon to provide the murderers in their midst with support, succour, and above all, indispensable cover from detection. In other words, the tactical deployment of riot control agents, far from achieving pacification and control, worked effectively to produce the reverse effect.

Chemical riot control is an offshoot of chemical warfare, and the symbiotic relationship between the two cannot be ignored. There is no way of knowing what ramifications a discovery in one field will have on the other. For example, CS was developed at Porton "for subduing or controlling agitated or aggressive people, such as lawbreakers by means of chemical agents . . ." (British Patent 967 660). Yet the Americans went on to use CS in area denial, and to flush Vietcong suspects from trenches, tunnels, and dugouts and expose them to gunfire.

BINARY WEAPONS

The existence of a cadre of qualified men, committed to chemical warfare and established within the armed forces, as in the US, remains an effective guarantee of continued progress not only in research and development, but also as a source of duplicity in political and diplomatic dealings. For instance, in the US special "binary weapons" have been devised by the Defense Department. Binaries consist of comparatively innocuous chemical intermediates separated off from each other within a munition (New Scientist, vol 58, p 34). At delivery, the intermediates are made to mix, reacting to form a poison such as nerve gas. In this way, the objections to the stockpiling of chemical warfare agents that are likely to be incorporated into any agreement emanating from the current talks on chemical disarmament in Geneva could be flagrantly breached in spirit. Indeed, because two bottles of chemical intermediates sitting on a laboratory shelf could theoretically be regarded as a binary weapon, the talks are in real danger of foundering, simply because of the huge difficulties of describing binaries or their precursors in terms that do not reduce to comic absurdity.

The symbiotic relationship provides governments with the temptation to "bend the rules." As well as the problem of binaries, Congress and the US Administration have only just resolved the question of whether or not tear gases and herbicides are covered by the Geneva Protocol of 1925. A UN resolution of 1969 should have clarified the situation for the Administration, in affirming that the protocol covers the use of all chemical agents in war. No doubt short-term military gains achieved by the massive deployment of defoliants and CS in the Vietnamese conflict account for the reluctance of the Administration to accede to Congress. Sadly,

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a compromise has been reached; substances are now held to be outside the Protocol, but they would only be brought into combat if the other side introduced them first.

A further example is provided by the perverse reclassification of CS as a "smoke" by the British government in 1970, despite the fact that the word smoke occurs not once in the original patent specification (see New Scientist, vol 46, p 579). Recent U.S. ratification of the Protocol is unfortunately conditional, saving the face of the British government. One day the path must be free for a complete reassessment of the entire question of chemical riot control, scientifically, socially, and politically. If this should occur, the prejudices and pressures of vested interests must be carefully identified lest, important issues become obscured.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Risenhoover (at the request of Mr. O'Neill), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Patman, for 15 minutes today, and to include extraneous matter, at the end of other special orders.

(The following Members (at the request of Mr. Pressler) to revise and extend their remarks and include extraneous matter:)

Mr. Burke of Florida, for 15 minutes, today.

Mr. Don H. Clausen, for 20 minutes, today.

Mr. Edwards of Alabama, for 5 minutes, today.

(The following Members (at the request of Mr. Russo) to revise and extend their remarks and include extraneous material:)

Mr. Thompson, for 15 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Diggs, for 5 minutes, today.

Mr. Koch, for 5 minutes, today.

Mr. Danielson, for 15 minutes, today.

Mr. Solarz, for 5 minutes, today.

Mr. Davis, for 5 minutes, today.

Mr. Miller of California, for 5 minutes, today.

Mr. Bingham, for 10 minutes, today.

Mr. Vanik, for 5 minutes, today.

Mr. Fithian, for 30 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. McCormack, to extend his remarks in two instances today.

(The following Members (at the request of Mr. Pressler) and to include extraneous matter:)

Mr. Crane in two instances.

Mr. Anderson of Illinois in three instances.

Mr. Martin.

Mr. Young of Alaska.

Mr. Ashbrook in two instances.

Mr. Heinz.

Mr. Wylie.

Mr. Goodling in two instances.

Mr. Findley in two instances.

Mr. Shuster.

Mr. Edwards of Alabama.

Mr. Peyser.

(The following Members (at the request of Mr. Russo) and to include extraneous material:)

Mr. Solarz.

Mr. McCormack.

Mr. Anderson of California in three instances.

Mr. Kastenmeier.

Mr. Gonzalez in three instances.

Mr. Annunzio in six instances.

Mr. Bolling.

Mr. Rosenthal in 10 instances.

Mr. Eilberg in 10 instances.

Mr. Miller of California in two instances.

Mr. Lloyd of California.

Mr. Seiberling in 10 instances.

Mr. Evins of Tennessee in two instances.

Mr. Jacobs.

Mr. Evans of Indiana.

Mr. Brademas in 10 instances.

Mr. Dodd.

Mr. Florio.

Mr. Stark in three instances.

Mr. Harrington.

Mr. Koch in four instances.

Mr. Rodino.

Mr. de la Garza.

Mr. Harris.

Mr. Mitchell of Maryland.

Mr. Bedell.

Mr. Hubbard.

ADJOURNMENT

Mr. RUSSO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 33 minutes p.m.), the House adjourned until tomorrow, Tuesday, May 13, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

997. A letter from the President of the United States, transmitting a proposed budget amendment for fiscal year 1976 for the General Services Administration (H. Doc. No. 94–141); to the Committee on Appropriations and ordered to be printed.

998. A letter from the President of the United States, transmitting notice of his intention to exercise his authority under section 614(a) of the Foreign Assistance Act of 1961, as amended, to waive the restriction of section 620(m) of the act as it applies to security assistance to Spain for fiscal year 1975, pursuant to section 652 of the act (H. Doc. No. 94–142); to the Committee on International Relations and ordered to be printed.

999. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting notice of proposed criteria for the funding of applications for foreign language and area studies centers, pursuant to section 431(d) (1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

1000. A letter from the Acting Secretary of the Interior, transmitting a proposed plan for the use and distribution of the Northern Tonto Apache judgment funds awarded in docket 22-J before the Indian Claims Commission, pursuant to section 2(a) of Public Law 93–134; to the Committee on Interior and Insular Affairs.

1001. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements other than treaties entered into by the United States, pursuant to section 112(b) of Public Law 92–403; to the Committee on International Relations.

1002. A letter from the Acting Secretary of Commerce, transmitting the annual report of the Maritime Administration for fiscal year 1974; to the Committee on Merchant Marine and Fisheries.

1003. A letter from the Secretary of Transportation, transmitting a report on negotiated contracts for experimental, developmental, test or research work, or for industrial mobilization in the interest of the national defense, covering the 6 months ended March 31, 1975, pursuant to 10 U.S.C. 2304(e); jointly to the Committees on Armed Services, and Merchant Marine and Fisheries.

REPORTS ON COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Pursuant to the order of the House on the following report was filed on May 10, 1975.]

Mr. PRICE: Committee on Armed Services. H.R. 6674. A bill to authorize appropriations during the fiscal year 1976, and the period beginning July 1, 1976, and ending September 30, 1976, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes; with amendment (Rept. No. 94–199). Referred to the Committee of the Whole House on the State of the Union.

[Submitted May 12, 1975]

Mr. FRASER: Committee on International Relations. S. 818. An act to authorize U.S. payments to the United Nations for expenses of the United Nations peacekeeping forces in the Middle East, and for other purposes; (Rept. No. 94–200). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAHON: Committee of Conference. Conference report on H.R. 4481; (Rept. No. 94–201). Ordered to be printed.

Mr. JONES of Alabama: Committee on Public Works and Transportation. H.R. 4073. A bill to extend the Appalachian Regional Development Act of 1965 for an additional 2 fiscal-year period; with amendment (Rept. No. 94–202). Referred to the Committee of the While House on the State of the Union.

Mr. JONES of Alabama: Committee on Public Works and Transportation. H.R. 5247. A bill to authorize a local public works capital development and investment program; with amendment (Rept. No. 94–203). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BEARD of Rhode Island:

H.R. 6861. A bill to require States to enforce guarantees of rights of patients in facilities providing inpatient care and treatment for mental illness, mental retardation, alcohol or drug abuse, or a similar condition; to the Committee on Interstate and Foreign Commerce.

By Mrs. BURKE of California (for herself, Mr. Jones of Alabama, Mr. Roe, Mr. Wright, Mr. Johnson of California, Mr. Roberts, Mr. McCormack, Ms. Abzug, Mr. Breaux, Mr. Studds, Mr. Holland, Mr. Howe, Mr. Oberstar, Mr. Nowak, and Mrs. Lloyd of Tennessee):

H.R. 6862. A bill to authorize a local public works capital development and investment program; to the Committee on Public Works and Transportation.

By Mrs. CHISHOLM (for herself, Mr. Badillo, Mr. Biaggi, Mr. Bell, Mr. Benitez, Mr. Meeds, Mr. Miller of California, Mrs. Mink, Mr. Mineta, Mr. Perkins, Mr. Peyser, Mr. Pressler, Mr. Quie, and Mr. Roybal):

H.R. 6863. A bill to amend the Vocational Education Act of 1963 with respect to bilingual vocational training; to the Committee on Education and Labor.

By Mr. COCHRAN:

H.R. 6864. A bill to regulate lobbying of the legislative and executive branches of the Federal Government; jointly to the Committees on the Judiciary, and Standards of Official Conduct.

By Mr. CONTE:

H.R. 6865. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

By Mr. CORMAN (for himself and Mr. Ford of Tennessee):

H.R. 6866. A bill to broaden the income tax base, provide equity among taxpayers, and to otherwise reform the income, estate, and gift tax provisions; to the Committee on Ways and Means.

By Mr. CORNELL (for himself and Mr. Won Pat):

H.R. 6867. A bill to encourage greater participation in Federal elections by designating election day a national holiday; to the Committee on Post Office and Civil Service.

By Mr. CORNELL (for himself, Mr. Beard of Rhode Island, Mr. Bedell, Mrs. Burke of California, Mrs. Chisholm, Mrs. Collins of Illinois, Mr. Conyers, Mr. D'Amours, Mr. Fithian, Mr. Ford of Tennessee, Mr. Fraser, Mr. Frenzel, Mr. Harkin, Mr. Harrington, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Mazzoli, Mr. Metcalfe, Mr. Mottl, Mr. Richmond, Mr. Rosenthal, Mr. Scheuer, Mr. Seiberling, Mr. Stark, and Mr. Charles Wilson of Texas):

H.R. 6868. A bill to encourage greater participation in Federal elections by designating election day a national holiday; to the Committee on Post Office and Civil Service.

By Mr. FISH:

H.R. 6869. A bill to stimulate new residential construction by amending the Internal Revenue Code of 1954 to allow a deduction for individuals who deposit savings in mortgage lending accounts; to the Committee on Ways and Means.

By Mr. FISH (for himself, Ms. Abzug, Mr. Bedell, Mr. Blouin, Mr. Bonker, Mrs. Chisholm, Mr. Dellums, Mr. Edgar, Mrs. Fenwick, Mr. Harkin, Mr. Hechler of West Virginia, Mr. Mezvinsky, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Moffett, Mr. Mottl, Mr. Pattison of New York, Mr. Rodino, Mr. Rosenthal, Mr. Roybal, Mr. Seiberling, and Mr. Weaver):

H.R. 6870. A bill to terminate the granting of construction licenses of nuclear fission powerplants in the United States pending action by the Congress following a comprehensive 5-year study of the nuclear fuel cycle, with particular reference to its safety and environmental hazards, to be conducted by the Office of Technology Assessment, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. GINN (for himself, Mr. Adams, Mr. Aspin, Mr. Bafalis, Mr. Blouin, Mr. Bowen, Mr. Broyhill, Mr. Carter, Mr. Cornell, Mr. Davis, Mr. Dickinson, Mr. Foley, Mr. Frey, Mr. Fulton, Mr. Hungate, Mr. Mann, Mrs. Mink, Mr. Pressler, Mr. Preyer, Mr. Symington, Mr. Wirth, and Mr. Young of Alaska):

H.R. 6871. A bill to amend the Federal Water Pollution Control Act; to the Committee on Public Works and Transportation.

By Mr. HEINZ:

H.R. 6872. A bill to amend title 39, United States Code, to provide that certain State conservation publications shall qualify for second-class mail rates; to the Committee on Post Office and Civil Service.

By Mr. HINSHAW:

H.R. 6873. A bill appropriating funds for the San Luis Rey River project, Calif.; to the Committee on Appropriations.

By Mr. JOHNSON of California (for himself and Mr. Lujan):

H.R. 6874. A bill to amend the Small Reclamation Projects Act of 1956, as amended; to the Committee on Interior and Insular Affairs.

By Mr. KOCH:

H.R. 6875. A bill to provide amnesty to persons who, because of their principled objection to service in the Armed Forces of the United States, failed or refused to register for the draft or who refused induction or failed to be inducted into the Armed Forces or who were absent without official leave from the Armed Forces during the period from August 4, 1964, to March 28, 1973, and for other purposes; to the Committee on the Judiciary.

By Mr. KOCH (for himself and Mr. Solarz):

H.R. 6876. A bill to amend certain provisions of the Controlled Substances Act relating to marihuana; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself and Mr. Waxman):

H.R. 6877. A bill to provide for an immediate 15 percent cost-of-living increase in social security benefits; to the Committee on Ways and Means.

By Mr. McDADE:

H.R. 6878. A bill to amend title 23 of the United States Code to add 28 miles to the Interstate System and provide for the inclusion of a critical north-south highway corridor; to the Committee on Public Works and Transportation.

By Mr. MELCHER:

H.R. 6879. A bill authorizing the President to proclaim the fourth Friday in September of every year as Native American Indian Day; to the Committee on Post Office and Civil Service.

By Mr. MELCHER (for himself and Mr. Evans of Colorado):

H.R. 6880. A bill to suspend the Secretary of the Interior's authority to lease Federal coal lands; to the Committee on Interior and Insular Affairs.

By Mr. MEZVINSKY:

H.R. 6881. A bill to extend the number of months of educational benefits for veterans and certain other eligible persons and to include graduate study; to the Committee on Veterans' Affairs.

By Mr. MILLER of California (for himself, Mr. Taylor of North Carolina, Mr. Phillip Burton, Mrs. Mink, Mr. Meeds, Mr. Carr, Mr. Bingham, Mr. Seiberling, Mr. de Lugo, Mr. Weaver, Mr. Won Pat, Mr. Tsongas, Mr. Udall, Mr. Roncalio, Mr. Moakley, Mr. Vander Jagt, Mr. Vanik, Mr. Mitchell of Maryland, Mr. Coughlin, Mr. Brown of California, Mr. Rosenthal, Mr. Harrington, Mr. Bob Wilson, Mr. Helstoski, and Mr. Ryan):

H.R. 6882. A bill to enlarge the Sequoia National Park in the State of California; to the Committee on Interior and Insular Affairs.

By Mr. MILLER of California (for himself, Mr. Leggett, Mr. Stark, Mr. Hechler of West Virginia, Mr. Riegle, Mr. Danielson, Mr. Roybal, Mr. Moss, Mr. Richmond, Mr. Dellums, Mr. Ottinger, Mr. Roe, Mr. Moffett, Mr. John L. Burton, Mr. Harris, Mr. Van Deerlin, Mr. Badillo, Mr. Conyers, Mr. Beard of Rhode Island, Mr. Dingell, Mr. Rodino, Mr. Hannaford, Mr. Edwards of California, Mr. Studds, and and Mr. Downey of New York):

H.R. 6883. A bill to enlarge the Sequoia National Park in the State of California; to the Committee on Interior and Insular Affairs.

By Mr. MILLER of California (for himself, Mr. Mineta, Ms. Abzug, Mr. Anderson of California, Mr. Young of Georgia, Mr. Bonker, Mr. Ford of Michigan, Mr. Corman, Mr. Rees, Mr. Pattison of New York, Mrs. Schroeder, Mrs. Burke of California, Mr. Solarz, Mr. Waxman, Mr. Jacobs, Ms. Holtzman, Mr. Blouin, Mr. Zeferetti, Mr. Bell and Mr. Jenrette):

H.R. 6884. A bill to enlarge the Sequoia National Park in the State of California; to the Committee on Interior and Insular Affairs.

By Mr. O'NEILL (for himself, Mr. Sarasin, Mr. Downey of New York, Mr. Howe, Mr. Hannaford, Ms. Abzug, Mr. Moorhead of Pennsylvania, Mr. Ottinger, Mr. Bevill, Mr. Diggs, and Mr. Rooney):

H.R. 6885. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, to provide for the disposal of surplus real property to States and their political subdivisions, agencies, and instrumentalities for economic development purposes; to the Committee on Government Operations.

By Mr. PRITCHARD:

H.R. 6886. A bill to amend the Federal Aviation Act of 1958 to authorize reduced-rate transportation for elderly people on a space-available basis; to the Committee on Public Works and Transportation.

By Mr. PRITCHARD (for himself, Mr. Meeds, Mr. Adams, Mr. Baucus, Mr. Bonker, Mr. Hicks, Mr. McCormack, Mr. Melcher, and Mr. Symms):

H.R. 6887. A bill to authorize a study for the purpose of determining the feasibility and desirability of designating the Pacific Northwest Trail as a national scenic trail; to the Committee on Interior and Insular Affairs.

By Mr. RAILSBACK:

H.R. 6888. A bill to provide for additional sentences for commission of a felony with use of a firearm; to the Committee on the Judiciary.

By Mr. RUPPE (for himself and Mr. Zablocki):

H.R. 6889. A bill to provide for establishment of the Father Marquette National Memorial near Saint Ignace, Mich., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mrs. SCHROEDER (for herself, Mr. Aspin, Mr. Carr, Mr. Dellums, Mr. Downey of New York, and Mr. Lloyd of California).

H.R. 6890. A bill to authorize appropriations during the fiscal year 1976, and the period beginning July 1, 1976, and ending September 30, 1976, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loans and for other purposes; to the Committee on Armed Services.

By Mr. STEPHENS:

H.R. 6891. A bill to maximize the availability of information on commercial bank credit uses; to the Committee on Banking, Currency and Housing.

By Mr. WHITEHURST (for himself, Mr. Robert W. Daniel, Jr., Mr. Fisher, Mr. Gude, Mrs. Holt, Mr. Preyer, Mr. Satterfield, Mr. Harris, and Mrs. Spellman):

H.R. 6892. A bill to designate certain lands in the Shenandoah National Park, Va., as wilderness; to the Committee on Interior and Insular Affairs.

By Mr. DOMINICK V. DANIELS:

H. Con. Res. 274. Concurrent resolution expressing the sense of Congress concerning recognition by the European Security Conference of the Soviet Union's occupation of Estonia, Latvia, and Lithuania; to the Committee on International Relations.

By Mr. HUNGATE (for himself, Mr. Hannaford, Mr. Roybal, Mr. Murphy of New York, Mr. McKinney, and Mr. Dominick V. Daniels):

H. Con Res. 275. Concurrent resolution urging review of the United Nations Charter; to the Committee on International Relations.

By Mr. JOHN L. BURTON (for himself, Ms. Abzug, Mr. Simon, Mr. Vigorito, Mr. Ketchum, Mr. Metcalfe, Mr. Gradison, Mr. Miller of California, Mr. Hughes, Mr. Charles H. Wilson of California, Mr. Roe, Mrs. Mink, Mr. Edwards of California, Mr. Stark, Mrs. Lloyd of Tennessee, Mr. Roybal, Mr. LaFalce, Mr. Long of Maryland, Mr. Davis, Mr. Krebs, Mr. Robinson, Mr. Harrington, Mr. Boland, Mr. Beard of Rhode Island, and Mr. Anderson of California):

H. Res. 452. Resolution to amend the Rules of the House of Representatives to provide that the House may not consider any bill or other similar measure unless copies of the bill or other measure are available to Members at least 4 hours before such consideration; to the Committee on Rules.

By Mr. JOHN L. BURTON (for himself, Mr. Bedell, Mr. Frenzel, Ms. Holtzman, Mrs. Collins of Illinois, Mr. Blanchard, Mr. Myers of Pennsylvania, Mr. Coughlin, Mr. Cleveland, Mr. Andrews of North Carolina, Mrs. Heckler of Massachusetts, Mr. Ford of Tennessee, Mr. Solarz, Mrs. Meyner, Mr. Chappell, Mr. Kelly, Mr. Mitchell of New York, Mrs. Burke of California, Mr. Baucus, Mr. Neal, Mr. Edgar, and Mr. Riegle):

H. Res. 453. Resolution to amend the Rules of the House of Representatives to provide that the House may not consider any bill or other similar measure unless copies of the bill or other measure are available to Members at least 4 hours before such consideration; to the Committee on Rules.

By Mr. DOMINICK V. DANIELS:

H. Res. 454. Resolution concerning the safety and freedom of Valentyn Moroz, Ukrainian historian; to the Committee on International Relations.

By Mr. GONZALEZ (for himself, Ms. Abzug, Mr. Badillo, Mr. Biaggi, Mr. Brown of California, Ms. Burke of California, Mr. Carr, Ms. Chisholm, Mr. Downey of New York, Mr. Fauntroy, Mr. Florio, Mr. Ford of Tennessee, Mr. Helstoski, Mr. Ketchum, Mr. Koch, and Mr. McKinney):

H. Res. 455. Resolution creating a select committee to conduct an investigation and study of the circumstances surrounding the deaths of John F. Kennedy, Robert F. Kennedy, and Martin Luther King, and the attempted assassination of George Wallace; to the Committee on Rules.

By Mr. GONZALEZ (for himself, Mr. Mitchell of Maryland, Mr. Moffett, Mr. Murphy of New York, Mr. Neal, Mr. Ottinger, Mr. Pressler, Mr. Rosenthal, Mr. Royal, Mr. Stokes, Mr. Tsongas, Mr. Charles H. Wilson of California, Mr. Won Pat, and Mr. Young of Georgia):

H. Res. 456. Resolution creating a select committee to conduct an investigation and study of the circumstances surrounding the deaths of John F. Kennedy, Robert F. Kennedy, and Martin Luther King, and the attempted assassination of George Wallace; to the Committee on Rules.

By Mr. HARRIS:

H. Res. 457. Resolution providing that the House of Representatives should not approve funds for the renovation, remodeling, or capital improvement of the correctional facilities at Lorton, Va., of the District of Columbia Department of Corrections, and for other purposes; to the Committee on the District of Columbia.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

132. By the SPEAKER: Memorial of the General Assembly of the State of North Carolina, relative to removal of the manmade barriers to the physically handicapped; to the Committee on Public Works and Transportation.

133. Also, memorial of the Legislature of the State of California, relative to veterans' cemeteries; to the Committee on Veterans' Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. WHITEHURST introduced a bill (H.R. 6893) for the relief of Lt. Col. Charles D. Seymour, which was referred to the Committee on the Judiciary.

SENATE—*Monday, May 12, 1975*

(Legislative day of Monday, April 21, 1975)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by Hon. James Abourezk, a Senator from the State of South Dakota.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Lord, Thou hast been our dwelling place in all generations.

Before the mountains were brought forth, or ever Thou hadst formed the Earth and the world, even from everlasting to everlasting Thou art God.—Psalms 90: 1, 2.

O God, whose presence outlasts time and eternity and whose kingdom is both in time and beyond time, make us to know that our true dwelling is with Thee. Make us one with Thee that in thought, word, and deed we may serve the present age and leave behind a better world.

May goodness and mercy follow us "all the days of our lives that we may dwell in the house of the Lord forever." Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Eastland).

The assistant legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., May 12, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. James Abourezk, a Senator from the State of South Dakota, to perform the duties of the Chair during my absence.

James O. Eastland,
President pro tempore.

Mr. ABOUREZK thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Thursday, May 8, 1975, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nominations on the Executive Calendar will be stated.

THE JUDICIARY

The assistant legislative clerk read the nomination of William H. Stafford, Jr., of Florida, to be U.S. district judge for the northern district of Florida.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF JUSTICE

The assistant legislative clerk proceeded to read sundry nominations in the Department of Justice.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(All nominations confirmed today are printed at the end of the Senate proceedings.)

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

THE U.S. ENERGY SITUATION

Mr. MANSFIELD. Mr. President, in the May 12, 1975, issue of U.S. News & World Report, Federal Energy Administrator, Frank Zarb, was quoted as saying that the U.S. energy situation is worse today than it was before the 1973 Arab embargo.

> We are now vulnerable to the extent that 38 percent of our supply comes from abroad and this soon will rise to 40 percent.

He also said that—

> Everything is going the wrong way.

Mr. President, a great deal of rhetoric is being given to the need for reducing the Nation's dependence upon foreign fuels but very little in the way of substance is being done to properly develop our own vast coal resources to solve the dilemma.

President Ford has presented to Congress a proposal; and Congress, in effect, has asked for a delay in the implementation of certain aspects of that proposal. The President has gone more than halfway to try to cooperate with Congress; but Congress, up to this time, has not been able to develop a program which would be of sufficient accommodation to bridge the gap between the administration and the legislative branch of the Government. The ball is in our court. The time is getting short. The responsibility is ours.

There is an energy system that offers a solution. MHD—magnetohydrodynamic—electric power generation will convert coal to electrical energy, and do so in a manner 50 percent more efficient than the most advanced conventional fossil-fueled-power plant. When compared to a nuclear power plant, MHD's efficiency is even greater. It has been shown that the MHD generator will operate with stack emissions well below the pollution standards established by the Environmental Protection Agency. The system will require much less or no cooling water, thus greatly decreasing or eliminating thermal pollution.

The question properly arises as to why the United States is not actively pursuing a program to develop this technology. Let us review the record. From 1969 through 1972, Congress appropriated funds each year for the development of MHD. Repeatedly during that period, distinguished scientists in the field of MHD appeared before various congressional committees urging and justifying an accelerated MHD program. Senator Metcalf and I endorsed their positions and called for an aggressive program. Unfortunately, the response of the Office of Coal Research, which has recently been integrated into the Energy Research and Development Administration, was minimal. In late 1973, Congress, through the efforts of the distinguished chairman of the Appropriations Committee, appropriated $2 million to the University of Tennessee. The Office of Coal Research delayed 1 year before authorizing the funds to that University—which, incidentally, I thoroughly approve. The Energy Appropriations Act of 1975 called for the immediate design of an MHD engineering test facility and provided for additional research on MHD techniques and applications at the Montana College of Mineral Science and Technology and other units of the Montana University system. Five million dollars was appropriated for both purposes. It was not until April of this year that ERDA authorized $1.6 million to the Montana Energy and MHD Research and Development Institute, Inc., to initiate research at the schools. No action was taken on the engineering test facility.

Consequently, Senator Metcalf and I sponsored an amendment, adopted in Public Law 93–404, mandating the design of an MHD engineering test facility. This law of August 31, 1974, specifies that there will be undertaken "immediately the design and planning of an engineering test facility to be located in Montana which will be large enough so as to provide a legitimate engineering basis which when achieved will enable the immediate construction of a commercial scale MHD plant—500 megawatts electrical or above—for possible operation in the mid-1980's."

As of this date, procurement procedures to comply with this legislation have not been initiated. I note that the administration has requested only $13,700,000 for MHD in fiscal year 1976. This is not in keeping with the intent of the law which establishes the mid-1980's as a target date for an MHD demonstration plant and demonstrates a continued lack of response to the will of the Congress and a sense of urgency concerning the situation which Mr. Zarb described.

The Soviet Union has not procrastinated in the development of this important technology. The Washington Post reported on May 28, 1975, that the Soviet U–25 pilot plant, "produced 12.4 megawatts of power—enough to supply the demands of 100,000 Muscovites—for half an hour." According to the article, the Soviets are so convinced that the development program will be successful that they have committed themselves to building a 1 million kilowatt by 1981.

The story continues;

> The Soviet's lead in the field is embarrassing, because U.S. scientists first proved the system's feasibility.

The fact is, Mr. President, that the first successful operation of an MHD generator took place at the AVCO Everett Research Laboratory in Everett, Mass., in 1959. The Washington Post quotes an ERDA official as saying that the Soviet success represents, "a very significant step forward—they are five years ahead of us in this area."

Mr. President, the responsibility for allowing the United States to fall behind in this important technology lies solely with those within the Government who have the responsibility under the law to develop MHD power generation. Unfortunately, in spite of ERDA's acknowledgement of the Soviet success and the promise of MHD, I see little indication at this time that there are definite plans for an aggressive program which would make MHD available to this Nation in the mid-1980's as called for by the law.

According to the plan outlined in a document prepared by ERDA called, MHD Power Development Program, the design of the engineering test facility will not begin until February 1976. Why the delay? Why not now?

Senator Metcalf and I have introduced an amendment to S. 598, the authorization of appropriations to the Energy Research and Development Administration for fiscal year 1976. This amendment, if approved, will authorize $50 million for research and development during fiscal year 1976. It will establish a division for MHD within ERDA and calls for an accelerated program that has as its goal commercial MHD power generation before 1990. Given the attitude of some members within the bureaucracy toward MHD, I am convinced that this language is essential if MHD is to achieve its proper role in the U.S. energy industry, unless it is planned to depend upon foreign sources for MHD generators as well as other fuels.

I take this opportunity to express my gratitude to my colleagues, the distinguished minority leader, Hugh Scott, the Senator from Massachusetts (Mr. Brooke), the Senator from Indiana (Mr. Bayh), and the Senator from Tennessee (Mr. Baker), who have shown an active interest in the MHD program.

If the United States is to match the achievements of the Soviet Union, all appropriate resources of this Nation must be brought to bear upon this program. The MHD activities in Tennessee, Ohio, Massachusetts, Illinois, California, Pennsylvania, and elsewhere must be accelerated and expanded. The effort should bear on both open and closed-cycle MHD power generation. We must develop new centers for MHD power generation where appropriate. The Montana College of Mineral Science and Technology in Butte is recognized internationally as an outstanding institution with capabilities that can make a significant contribution to the development of MHD. Montana State University at Bozeman has had an MHD program for several years, as has the University of Tennessee.

Mr. President, if the United States is to reduce significantly its dependence upon foreign fuel sources, it eventually must turn to coal. In doing so, however, we must be sure that this resource, vast and abundant as it is, will be carefully mined and used as efficiently as possible. The coal-producing States such as Montana must not be exploited in the process of providing minerals to the Nation, as has too often been the case. Our Western States must play a significant role in the development of the technologies which will utilize the coal extracted from their soil.

I was pleased to learn recently that the Administrator of the Energy Research and Development Administration is now giving personal attention to the development of MHD and has assigned his science adviser the responsibility for insuring that the will of the Congress and appropriate legislation is carried out. I am hopeful that the indecision and delay which he inherited are at an end, and we will see MHD take its rightful place in the Nation's effort to achieve energy independence.

Mr. President, I ask unanimous consent that the article from U.S. News & World Report entitled, "Worse Than Before the Arab Embargo," and the article from the March 28 issue of the Washington Post entitled, "Soviets Use Rocket Engine To Produce Cheap Electricity" be printed at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

ENERGY CRISIS: "WORSE THAN BEFORE THE ARAB EMBARGO"

(Interview with Frank G. Zarb, Chief, Federal Energy Administration)

(Now that the President has delayed a key part of his energy plan, what's next? Why can't he and Congress agree? For a fresh size-up of the problem, U.S. News & World Report went to the nation's "energy czar.")

Q. Mr. Zarb, what has happened to the energy crisis? There seems to be no shortage of gasoline or any other fuel in the United States.

A. The crisis, when you look at the facts, is worse than before the Arab oil embargo of 1973–74. The short supplies and inconvenience of that period brought into focus the real sickness—a heavy dependence on foreign oil that has continued to grow. We are now vulnerable to the extent that 38 per cent of our supply comes from abroad and this soon will rise to 40 per cent. Another embargo, which we could have at any time, would be more crippling than the first.

Beyond that, we are price-hostage to the cartel of producing nations who already have used their power to increase our payments for foreign oil from 3 billion dollars in 1970 to 25 billion dollars in 1975.

Q. Why do you expect imports of oil to rise?

A. Because production in this country is declining, and at the same time demand is rising. Imports make up the difference. Everything is going the wrong way. Domestic production of crude oil and condensate is now declining at the rate of 6 to 8 per cent a year. From 1973 to 1974, it fell from 9.2 million barrels a day to 8.76 million barrels a day. Meanwhile, imports have been rising and will be at around 6.7 million barrels a day by the end of this year, particularly if we have an economic recovery in the last half of 1975.

Q. In recent weeks, oil imports have been dropping sharply, sometimes even below 5 million barrels per day. Is it possible the problem of imports is going to solve itself?

A. It would certainly make my job a lot easier if America's import problem could solve itself. But the fact is that the drop in imports we have experienced in the first three months of 1975 will not last as the economy recovers from recession. The more the economy prospers, the more oil we'll need—and with domestic oil production declining, we'll have to turn to foreign suppliers.

Q. Is the President giving up on his effort to cut imports by raising the fee on foreign oil?

A. No, he has only delayed it. Last Wednesday, April 30, the President announced he would delay imposition of the second-dollar import fee for up to 30 days to give Congress time to develop energy legislation that is acceptable to him. At the same time, he announced that over the next 25 months he will gradually phase out price controls on "old" oil, the two thirds of our domestic production those controls now cover. The increase in the domestic price up to the free-market level will have the double benefit of reducing demand and stimulating new domestic production. Both factors will make vital contributions to the national goal of reducing our dependence on imported crude oil.

Q. How much of the oil that the U.S. imports comes from Arab countries?

A. About 2 million barrels a day. Some of that comes indirectly, by which I mean Arab crude oil is refined in a third country before it comes on to the U.S. as a refined product.

But the thing people lose sight of is that most of our imports do come from the cartel called OPEC [Organization of Petroleum Exporting Countries]. And all of the imported oil comes in at OPEC prices. The Canadians—though they are good friends—are charging us the OPEC rate or higher, and they've told us that the million barrels a day they've been sending us will be reduced until in five years no oil will come to the U.S. from Canada.

Q. Why is production in the U.S. declining when the price of new oil has jumped up to $11 a barrel or more, and drilling has increased rapidly?

A. The added drilling in response to higher prices has met with mixed results. Some new oil has been found, but there have been an awful lot of dry holes. The real potential for meanginful finds are the North Slope of Alaska and the outer continental shelf. We are not developing either of those sources at a fast enough pace.

Secondary and tertiary recovery methods to get more oil from existing reserves require heavy investment. Any additional flow from older wells has to be treated as "old" oil and sold at the controlled price of $5.25 a barrel. One of the reasons we are seeking decontrol of oil prices is to encourage more investment in old fields.

In all this, there are long lead times involved. It will take from three to six years to have any real impact on additional supply.

Q. How great is the danger that the Arabs will use the oil weapon against the U.S. again, invoking another embargo?

A. I don't think they would hesitate if they feel it is necessary to achieve their goals in the Mideast.

Q. Does President Ford have plans to meet the emergency that a new embargo would create?

A. One of the first things the President asked me to do when I took office was to reassess our emergency standby plans to make any changes that I felt were needed. We now have on the shelf a fairly complete program for reacting to an embargo.

The first step would be immediate implementation of a State-by-State fuel-allocation plan with fairer distribution than we had the first time around. We learned enough to make allocation more equitable.

The most extreme step, if necessary, would be gasoline rationing. We have a plan for that, which could be fully operational within 90 days.

Q. Your plan would be designed to protect major industrial users of oil—

A. Yes, our major goal would be to minimize unemployment because of the shortage.

Keep in mind that in the next embargo, cutting back on fuel use would be more difficult, because business and industry have continued many of their energy-conservation practices developed in the last crisis. So the next round of an embargo would be more difficult to deal with.

Q. Would there again be long lines at gas stations?

A. There would be less of that than at the outset of the last embargo. We've learned a lot more about the distribution system. All of the hardship, for example, would not be visited on the East Coast and a few other States. But I couldn't give a guarantee that there will be no long gas lines. And if we wait until 1977 and do nothing, we'll be importing another million and a half barrels a day, mostly from the Mideast. If supply is then cut off, the economic impacts would be many times worse than last time.

Q. Short of an embargo, do you see any way to get Americans to reduce their use of gasoline and other fuels?

A. The answer is to increase the value (price) of oil and gasoline in our economy. Then individuals and businesses will make the investment and consumption decisions that will lead to wise conservation of energy.

What we have to achieve is a new energy ethic. We need the homeowner to decide to install storm windows, insulate his attic, replace that inefficient old heating or cooling system. We need the motorist to see real savings in a smaller, lighter car. We need the industrialist to think in terms of ordering equipment that is energy efficient, even though its initial cost may be greater.

If we can do that and multiply it time after time, day in and day out, then we will achieve sound energy conservation. This is the heart of the conservation portion of President Ford's energy plan.

Q. How much would the price of gasoline and other fuels have to be raised to accomplish these things?

A. An average of 10 cents a gallon. The President proposes to do this by putting higher fees on imported oil and by decontrolling "old" oil produced in this country. There would be a windfall-profits tax with "plow-back features" to recapture excessive gains to oil companies through decontrol of "old" oil.

As a practical matter, we plan to load more of the price increase on gasoline, making it go up by something close to 15 cents a gallon. Other fuels would increase by between 6 to 8 cents a gallon.

Q. Why not put the entire load on gasoline, increasing the tax enough that people will cut out nonessential driving, join car pools, ride the bus, and so on?

A. There are two problems with that kind of gasoline tax. One is that it puts the whole burden of conservation on one product. Gasoline is 40 per cent of the crude-oil barrel. So you would be ignoring the other 60 per cent. Secondly, a heavy gas tax is geographically unfair. People in Wyoming and California depend much more heavily on the automobile than they do in New York City or Boston.

Q. Mr. Zarb, why can't Mr. Ford and Congress get together on an energy plan?

A. I'm hopeful that they can. There are many points of agreement. Let me list some of them:

Immediate development of naval petroleum reserves—Elk Hills in California and the big one in Alaska. Acceleration of drilling on the outer continental shelf with necessary protection for the environment. More incentive for production from existing wells through secondary and tertiary recovery methods. Expanded drilling for natural gas, stimulation of coal production, assisting the financially troubled utilities.

On the conservation side, we all agree that there should be incentive to conserve oil, tax credits for insulating homes, labeling of appliances for energy efficiency, and much more efficient autos.

There is not much disagreement on principles—the debate is on procedures and how fast to move. We in the Administration insist that by the end of 1977 this country must be using 2 million barrels of oil a day less than would be consumed if nothing is done. But there is growing sentiment in Congress, particularly on the Senate side, that we shouldn't try for that goal, and should let imports increase over the next two or three years. That's a major area of disagreement.

Q. Is there a danger, as some in Congress contend, that cutting imports will make the recession worse?

A. We don't think so. Our program—in terms of impact on the economy—would be neutral except for the one-time effect on the cost-of-living index.

The President has three principles on which he will not compromise:

The first is that we must start now to limit oil imports, so that we do not come to the end of 1977 even more vulnerable to an embargo or other emergency than we are now.

The second is that we have to put in place now those measures which will give us energy invulnerability by 1985.

The third principle is that we will be as fair as possible to different segments of the society and to the various geographic areas of the country.

Q. The Senate has passed, by a vote of 60 to 25, what is called a "comprehensive energy bill." Does it offer grounds for compromise?

A. Nobody in the Senate would say with a straight face that the bill is "comprehensive." It started as a bill on which we had worked with Congress for months as an emergency standby measure that would give the President needed authority in case of another embargo. Just before the bill went to the floor, there was a Title II added to it which nobody in the Administration had seen. It has a set of measures which, added all together, wouldn't amount to a barrel of savings in oil. Nobody is taking Title II of that bill seriously.

Q. Treasury Secretary William E. Simon says oil prices will come down—the only question is when. Do you agree?

A. Secretary Simon's view is that a combination of slack in economic activity around the world and new discoveries of oil outside the cartel countries is creating a surplus that will force prices down.

My view is that we're going to see a world economic recovery which, if sustained for any length of time, will mean heavier demand for oil. Beyond that, if I were part of the cartel and had a limited resource of a valuable product in the ground, my objective would be to make that resource last as long as possible and to maximize my revenue from it. I would find very little logic in a scheme that would price the product down so I could sell more and use it up more quickly at smaller revenue.

Q. The conference in Paris that was to lead to a bargaining session between the oil cartel and the importing nations collapsed without agreement. Do you favor trying again to arrange such a meeting?

A. I think it's aways useful to talk to one another across the table. But I also think the oil-consuming nations—U.S., Western Europe, Japan—should speak with one voice. If we can go to the bargaining table and show that we have taken steps to limit our imports, and bring on our own new energy supplies, we should be able to get terms favorable to us. But if we continue on our merry way of importing more and more oil, we will be in a very weak bargaining position.

Q. The Europeans appear to have done more than the U.S. to limit their oil imports—

A. That is true. We have a long way to go if we are to assume leadership in energy conservation. Europeans have increased the cost of energy. Gasoline in Paris, for example, costs $2.40 a gallon.

Q. If President Ford is determined to cut down on oil imports, why doesn't he use the authority he has to impose quotas on foreign oil?

A. Let's assume that he did that, starting with a cutback of 200,000 barrels a day in imports and increasing that in following months until we have reduced the flow of oil from abroad by 1 million barrels a day.

What are we doing? We're actually creating a shortage. The cartel isn't doing it. It would be a self-imposed embargo. My responsibilities would make me the biggest gun in town with that kind of a program. There are thousands of ways that oil is used in our economy, and I would be called upon to decide which ones get priority. But Government just is not suited to make those kinds of economic decisions, and make them fairly.

I can remember during the embargo running from the New Jersey congressional delegation to the Florida delegation, because one was saying the tourist business should be curtailed and the other was saying that tourists were the lifeblood of its economy.

If we did impose quotas and create a shortage, I predict the plan would fall of its own weight within six to eight months. It's one thing for the cartel to create hardship, but quite another for our own Government to do it. Savings must come from the demand end, not imposed on the supply end.

Q. Would having the oil-exporting countries submit sealed bids to a U.S. Government buying agency break the high prices—lead to competition and price shaving?

A. I seriously doubt it. If we turned importing over to the Federal Government as a sole buyer, that would drive members of the cartel even closer together than they presently are. There's nothing to preclude the cartel from having a conference and agreeing, "O.K., gentlemen, from now on there's going to be one envelope—one bid," and there wouldn't be anything we could do about it.

Q. What has happened to Project Independence, which is designed to enable the U.S. to get along without foreign oil?

A. It is moving ahead. We are pressing for more offshore drilling for oil and natural gas. There is agreement that we should develop the naval petroleum reserves in California and Alaska. The Alaska pipeline is under construction and will start supplying oil to the "Lower 48" States in 1977.

Research and development of coal gasification and liquefaction is under way. More atomic power is being installed, although this must move faster. We have the beginnings of an oil-shale program, and geothermal energy is being expanded. If we keep all these things on schedule, this country can have energy invulnerability by 1985.

Q. What is your definition of energy invulnerability?

A. By 1985, we will be consuming between 21 and 22 million barrels of oil a day compared to around 17 million now—assuming that conservation measures are implemented. If we don't do the things I have outlined under Project Independence, we will be importing 12 million barrels of oil a day by 1985. If we do carry through on all these projects, we can cut imports to about 4 million barrels a day. If we have in place by then the planned national strategic reserve of petroleum in storage, that will give us a year's supply at the rate of 3 million barrels a day, and make America invulnerable to an embargo or other emergency that would cut of foreign oil. It would also give us price leverage with the oil cartel.

Q. How much is all this going to cost?

A. We estimate the expenditure over the next 10 years will come to between 600 and 800 billion dollars. Some will come from the Government, but most of it will be private-sector money.

That may seem like a lot to pay for energy invulnerability, but it is a necessary investment to protect our security as a free nation.

SOVIETS USE ROCKET ENGINE TO PRODUCE CHEAP ELECTRICITY

(By Robert Toth)

Moscow, March 27.—Soviet scientists said today that they have succeeded in using a rocket-type engine and gigantic magnets to produce large amounts of cleaner, cheaper electricity.

The system, first proved feasible in the United States, is called magneto-hydrodynamics. In principle, the new type of power plant will be a rocket on its side with a great magnet around its exhaust. The system, which has no moving parts, will burn less fuel and produce less pollution than other generating methods.

Soviet scientists said today that their pilot plant produced 12.4 megawatts of power—enough to supply the demands of 100,000 Muscovites—for half an hour last week.

It was the first time the system had been used to produce that much power for that long, and constituted "a very significant step forward that should make some heads turn back home," according to William Jackson, a U.S. Energy Research and Development Agency official visiting here.

"They are five years ahead of us in this area," he added. "This field is one of the cooperative programs between the two countries in science and technology where we stand to gain at least as much as and probably more than we give."

The full promise of magneto-hydrodynamics is some distance from being realized, and it could still prove a failure, one American scientist said. But the odds now are for success. The Soviets are sufficiently convinced to be committed to building a 1,000-megawatt plant by 1981.

The Soviets lead in the field is embarassing, because U.S. scientists first proved the system's feasibility.

UMI

"The pioneering work done in America," said Soviet program chief Alexander Sheindlin, "was made possible by U.S. rocket technology."

"If I may be critical," he told the first group of American journalists to visit his facility, "there was exaggerated interest and support in your country for nuclear electricity in the early 1960s, and all plans for developing fossil fuel power were cut drastically.

"It was not easy for us to stay in the field in isolation, but we were sure of the correctness of the approach and continued it," he added.

The Soviets, according to U.S. estimates, have put 10 to 20 times more money into the field—$150 million to $300 million—since 1960. The current U.S. budget for magnetohydrodynamics is $12.5 million, but only four years ago it was less than $1 million, Jackson.

In 1832, Michael Faraday first theorized that electricity could be generated by passing a charged gas through a magnetic field. Before World War II some experiments were conducted in the United States. But it was not unitl 1959, at Avco Laboratories headed by Adrian Kantrowitz, that such power production was proved feasible.

The Soviet plant burns natural gas with oxygen-enriched air at 4,600 degrees Fahrenheit. About 120 pounds of matter is exhausted every second, a flow rate comparable to that of the U.S. Jupiter missile that launched America's first earth satellite.

A potassium compound is injected into the exhaust to create a plasma of positive and negative particles. The stream passes between the poles of a great magnet, where the charges separate onto electrodes and create great voltages.

In the two most significant tests so far—producing 12.4 megawatts for half an hour and 4 megawatts for 100 hours—the electricity was sent into the Moscow system to be used, Sheindlin said.

The efficiency of converting fuel to power has not been great so far—only a few percent, Americans estimated—but it should rise. It must rise, in fact, if magneto-hydrodynamics is to be successful.

Theoretically, conversion can be as high as 60 percent with the new method. The Soviets are expecting at least 50 percent in their new plant. In comparison with conventional steam turbine plants, those using oil or coal for fuel are at most 40 percent efficient, and those using nuclear fuel 33 percent.

"As conservation of fuel becomes more and more important," Jackson said, "this improved efficiency is very significant indeed." Even using coal instead of gas, as American planners intend, the higher temperatures used in the new process mean much cleaner burning of fuel and less effluent to contaminate the environment.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania.

Mr. HUGH SCOTT. Mr. President, if I may be recognized on my own time, I wish to underscore and endorse the statement just made by the distinguished majority leader in support of an amendment to S. 598, the authorization for appropriations to ERDA for 1976. As he has noted, this amendment, if approved, would authorize $50 million to R. & D. for fiscal year 1976 and establish a definition for MHD within ERDA calling for an accelerated program to make possible commercial MHD power generation before 1990.

I think this action is essential to be sure that the agency understands the urgency of the program, the importance of the program, and the possibilities inherent in the production of an alternative means of producing energy with less pollution and enormous future benefits to the United States.

The General Electric Co. has been conducting experiments at Valley Forge, Pa., under the closed-cycle mode and they have given me a chance to become somewhat familiar with their experiments in the same field.

I am glad that the Administrator of ERDA is giving this his personal attention and that his science advisers has been alerted to make sure that the will of Congress, under appropriate legislation, is carried out.

I think that we cannot afford any sort of delays in this program, any more than we can afford delays in the R. & D. programs involving the diminishing of coal, the development of other alternative methods of energy, such as solar energy, thermal energy, shale oil usage, coal conversions, and so on, together with conservation measures in which Congress and the President will simply have to convince themselves that they will cooperate personally with each other. If they do not, it is most unpleasant to contemplate where we will be in the future when confronted, as we may well be again, by future boycotts. I am entirely in support of these proposals of the distinguished majority leader.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 30 minutes, with statements therein limited to 5 minutes.

SENATE RESOLUTION 151—SUBMISSION OF A RESOLUTION PROVIDING FOR THE INSTALLATION AND USE OF ELECTRONIC VOTING EQUIPMENT IN THE SENATE CHAMBER

Mr. ROBERT C. BYRD. Mr. President, more than 100 years ago, Thomas Edison was granted a patent for his "Electrographic Vote Recorder," an electronic device which enabled legislators to vote electronically, saving time and increasing efficiency.

In 1913, Champ Clark, then Speaker of the House of Representatives, exhibited interest in the idea of the House's utilizing modern technology in the form of electronic voting. In fact, a resolution was introduced in the 63d Congress proposing that the House investigate the practicality and advisability of installing an electronic voting system. When this proposal was reported favorably by a subcommittee, a subsequent resolution was introduced in 1914 authorizing the House to purchase and install such a system. After much favorable testimony, the chairman of the then Committee on Accounts attempted to call this resolution to the floor, but was prevented from doing so.

In 1916, when once again the House was considering an electronic voting system, and when once again this proposal had received a favorable committee report, one of the arguments against electronic voting, recorded as minority views in the committee report, was that the House did not need to speed up its work, since it was the Senate that was habitually late in its completion of the legislative agenda.

Starting in 1916 with the State of Wisconsin, and continuing to the present day, numerous State legislatures have adopted and implemented electronic voting systems.

In passing the Legislative Reorganization Act of 1970, the House adopted an amendment providing for an electronic voting system in its Chamber. The House's system was installed and became operational in 1973 at the commencement of the 93d Congress. It is my understanding that the results are quite favorable. Much time is saved in the House because votes can now be completed in 15 minutes, despite its membership of 435. This is approximately the same amount of time that a rollcall vote presently consumes in the Senate with our membership of 100. Undoubtedly, an electronic voting system in the Senate would result in substantial time savings.

I cannot imagine there is a Senator who stands opposed to such time savings, particularly in light of our busy schedules and the large number of rollcall votes taken in the Senate. For example, in the last Congress 1,138 rollcall votes occurred in the Senate.

If an electronic voting system would have saved 10 minutes on each rollcall vote, the Senate would have saved 11,380 minutes, approximately 180 hours; and 180 hours is equal to 30 6-hour days per session consumed in the calling of the roll on rollcall votes alone.

The mechanical details of how such an electronic voting system would operate need to be worked out. It is my hope that we can produce a system, after consulting with the technological experts, that will enable the Senate to be more efficient and will allow each of us to serve both the Senate and our constituents more fully.

I am submitting a resolution today which will attempt to reach that objective. It will be referred to the Committee on Rules and Administration, and to the Subcommittee on Rules, of which I am chairman, and it will be my intention to conduct early hearings on the resolution, just as soon as we can clear away some of the other matters that are presently before the committee.

I send the resolution to the desk and ask that it be printed in the Record.

The ACTING PRESIDENT pro tempore. The resolution will be received and appropriately referred; and, without objection, the resolution will be printed in accordance with the Senator's request.

The resolution, which was referred to the Committee on Rules and Administration, is as follows:

S. Res. 151

Resolved, That (a) the Committee on Rules and Administration is authorized and directed to provide for the installation of electronic voting equipment in the Senate Chamber.

(b) The expenses incurred in carrying out the provisions of subsection (a) shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

Sec. 2. Rule V of the Standing Rules of the Senate is amended by adding at the end thereof the following new paragraph:

"4. Notwithstanding the provisions of paragraph 2, unless otherwise ordered, the presence of a quorum shall be ascertained by electronic device, and the Secretary shall enter in the Journal and publish in the Congressional Record the names of those Senators recorded as present in the same manner as if the roll had been called under paragraph 2. Unless otherwise ordered, Senators shall have not less than fifteen minutes to have their presence recorded by electronic device."

Sec. 3. Rule XII of the Standing Rules of the Senate is amended by adding at the end thereof the following new paragraph:

"4. Notwithstanding the provisions of paragraph 1, unless otherwise ordered, when the yeas and nays are ordered the names of Senators voting shall be recorded by electronic device, except when a vote is required to be determined by yeas and nays under the Constitution of the United States. The Secretary shall enter in the Journal and publish in the Congressional Record the names of those Senators recorded as voting in the affirmative, of those Senators recorded as voting in the negative, of those Senators not recorded as voting, in the same manner as if the names of Senators had been called under paragraph 1. Unless otherwise ordered, Senators shall have not less than fifteen minutes to have their vote recorded by electronic device."

Sec. 4. The amendments to the Standing Rules of the Senate made by sections 2 and 3 shall take effect on the date specified by the Committee on Rules and Administration in a report submitted to the Senate, after the committee determines that the electronic voting equipment installed pursuant to the provisions of the first section of this resolution is ready and suitable for use.

PROPOSED EXPANSION OF LORTON REFORMATORY

Mr. HARRY F. BYRD, JR. Mr. President, last week, the people of Fairfax County, Va., were shocked to learn that District of Columbia Mayor Washington had sent a proposal to the District of Columbia City Council to expend $55 million for massive renovation and expansion of the District of Columbia criminal correctional facility at Lorton, Va., in Fairfax County.

The people of Fairfax County were understandably shocked because their representatives on the board of supervisors have been negotiating the question of Lorton with District of Columbia officials for 2 years, and only this January were told that there was no viable Lorton improvement proposal pending.

Yet, the Fairfax County Board of Supervisors has not even received the courtesy of any communication from District of Columbia officials regarding the just announced $55 million Lorton plan.

Chairman Jean R. Packard, of the Fairfax County Board of Supervisors, upon reading the news story, said:

> "It is unconscionable for Mayor Washington to propose spending an outrageous $55 million in tax monies to perpetuate such an institution within another jurisdiction."

I agree.

Why should not the District of Columbia house its convicted criminals in the District of Columbia? Why should they be housed in Virginia?

Obviously, the District of Columbia has problems with regard to the handling of its convicted criminals. But there is no reason to perpetrate and perpetuate those problems on the citizens of Fairfax County.

Fairfax County is on record favoring the ultimate phasing out of the District of Columbia correctional facility at Lorton and that no funds should be expended which would delay the final removal of this facility from Fairfax County.

I support this proposal of Fairfax County.

Springfield Supervisor Jack Herrity, who has long favored the removal of Lorton from Fairfax County, proposed legal action to enjoin the District of Columbia from spending the tax funds at the Lorton facility.

Fairfax County is initiating suit against the District of Columbia in this regard.

Fairfax County officials are convinced that the District of Columbia is either unwilling or unable to negotiate an acceptable solution to the Lorton problem—one that worsens daily as lax administration of the criminal facility results in escapes which endanger the lives and property of Virginia citizens.

Yet the District of Columbia, in an outrageous proposal, wants to spend $55 million in tax moneys—on a facility in Fairfax County that the county not only does not want but is seeking to remove.

It is unprecedented for one local jurisdiction to have its prison facility for hardened criminals within the borders of another State. It is unconscionable for such a situation to continue against the will of the offended State.

I have today written the chairman of the Senate's District of Columbia Committee, regarding this deplorable situation. I have requested that his committee give this matter its careful and immediate attention and that public hearings be conducted, if necessary, with ample opportunity for the people of Fairfax County, and their officials, to present their case for the removal of the District of Columbia Lorton facility from Fairfax County.

The Gazette, of Alexandria, Va., on May 7, and the Fairfax Journal on May 8, published articles which outlined the county's concern over the District of Columbia's $55 million Lorton proposal. I ask unanimous consent to have both articles printed in the Record at this point so that my colleagues may have a better opportunity to better understand Fairfax County's reasonable position in this matter, together with my letter to the Senator from Missouri (Mr. Eagleton) as chairman of the Committee on the District of Columbia, dated May 12, 1975.

There being no objection, the articles and the letter were ordered to be printed in the Record, as follows:

[From the Fairfax Journal, May 8, 1975]

Herrity To Request Lorton Fund Cutoff

Springfield Supervisor John Herrity says he will ask the Board of Supervisors to request withdrawal of federal funding for the District's Lorton improvement program next week.

Congress granted $55 million in federal funds for the renovation several years ago. Since then, the District government appropriated $10 million of that sum for the city jail improvement.

Herrity said he wants the Board to seek support for withdrawal of the $45 million remaining from the Northern Virginia Congressional delegation.

Board Chairman Jean Packard said this week the expenditure of the entire $55 million on the District's prison, located in Fairfax, is "unconscionable" and "outrageous." Some $10 million of the total cost of the program will be paid out of Washington tax money.

In early 1975, the supervisors voted to sue Washington for removal of the prison in five years. The county attorney's office and a private attorney are in the process of drawing up the papers, which will include a petition for a preliminary injunction. The injunction would seek to force Washington to construct security measures, such as more guard towers and lights, as soon as possible.

After a December prisoner takeover at Lorton in which three prisoners escaped and kidnapped a Fairfax resident, concern for safety by residents and supervisors grew. The Board had been in the process of negotiating an agreement on security measures and fire and rescue services before the December incident.

"It is unconscionable for Mayor (Walter) Washington to propose spending an outrageous $55 million in tax monies to perpetuate such an institution within another jurisdiction," said Mrs. Packard.

"The bulk of this money should be spent to construct new and adequate facilities within the District to solve their long range problems rather than forcing them down the throats of Fairfax County residents who have no control over the operation."

Herrity also said he will ask the Board to halt the District's plans for renovation of Lorton by seeing if the county land use laws will prevent the program. The renovation includes plans for building new facilities. The actual prison population will be reduced from 2,100 to 1,900, according to a spokeswoman for Mayor Washington.

[From the Alexandria (Va.) Gazette
May 7, 1975]

Packard Asks Legislators To Aid in Lorton Fight

(By William E. Black)

Chairman Jean R. Packard of the Fairfax County Board of Supervisors today called on Northern Virginia's legislative delegation for help in stopping the expenditure of $55 million on the Lorton Reformatory.

"I asked them to use whatever influence they could to make sure these funds will be spent within the District and not in Fairfax County," said Mrs. Packard. "I'm sure the other members of the board will go along with whatever legal means is necessary to stop the District of Columbia government from increasing the problems at Lorton by spending more money."

Springfield Supervisor Jack Herrity said he agreed with Chairman Packard.

"We've got to take legal action. Probably we should ask that the District government be enjoined from spending these funds until

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our current lawsuit over the matter is settled," said Herrity.

Lorton is a prison facility that holds prisoners sentenced from District of Columbia courts. The prison has been a point of controversy for several years since it is operated outside the confines of its own jurisdiction.

Mayor Walter E. Washington and the District government have earmarked $55 million in the coming year's budget to modernize the facility and improve security.

"But we don't want that," said Mrs. Packard. "We want the facility moved out of Fairfax County as soon as possible and if the district government goes ahead and spends another $55 million on it, then we'll just have a more difficult time later on getting rid of it."

Mrs. Packard said Fairfax County officials are sick and tired of getting "nothing but lip service from District government officials over the Lorton situation.

"It's time they realize we want them to operate their jail system within their own borders," said Mrs. Packard. "The people of Fairfax County are just fed up with Lorton."

May 12, 1975.

Hon. Thomas F. Eagleton,
Chairman, District of Columbia Committee,
U.S. Senate.

My Dear Mr. Chairman: For two years now, officials of Fairfax County, Virginia, have attempted to negotiate with the District of Columbia Government, a reasonable solution to the problem of the location of the District of Columbia correctional facility within Fairfax County at Lorton.

The apparent futility of these negotiations was underscored last week, when District of Columbia Mayor Washington, without prior consultation with Fairfax County, proposed to expend $55 million in tax funds, to upgrade and expand the District of Columbia's Lorton prison.

I am informed that most of the $55 million will come from previously authorized but unspent federal tax funds.

This $55 million proposal for a massive renovation and expansion of the Lorton prison facility, is strenuously opposed by Fairfax County.

Additionally, Fairfax County, in January, asked the District of Columbia to examine:

(1) Whether or not land is available in the District of Columbia for either a complex similar to Lorton, or for several community-based facilities.

(2) Type of community-based facilities needed to replace Lorton.

(3) Timing for the phase-out of the Lorton complex.

(4) The economic feasibility of a phaseout.

To date, these points remain unanswered.

The existence of a local jurisdiction's prison facilities within the borders of another state and against that state's will, is unprecedented and unconscionable.

A resolution of this controversy must be achieved.

I request your committee to give this matter careful and immediate attention, with a view toward holding public hearings to afford the citizens of my state every opportunity to express their concerns and proposed solutions.

With best wishes, I am
Sincerely,

——— ———.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. Abourezk) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

U.S. FACILITIES AT DIEGO GARCIA—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. Abourezk), laid before the Senate the following message from the President of the United States regarding the need for U.S. facilities at Diego Garcia, which was referred to the Committee on Armed Services:

To the Congress of the United States:

In accordance with section 613(a)(1)(A) of the Military Construction Authorization Act, 1975 (Public Law 93–552), I have evaluated all the military and foreign policy implications regarding the need for United States facilities at Diego Garcia. On the basis of this evaluation and in accordance with section 613(a)(1)(B), I hereby certify that the construction of such facilities is essential to the national interest of the United States.

Gerald R. Ford.

The White House, *May 12, 1975.*

MESSAGE FROM THE HOUSE

At 11:02 a.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House had passed the bill (H.R. 6209) to prohibit the Federal Home Loan Bank Board from permitting Federal savings and loan associations to offer loans secured by one to four homes or dwellings with variable interest rates, in which it requests the concurrence of the Senate.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. Abourezk) laid before the Senate the following letters, which were referred as indicated:

Proposed Appropriation Language Change To Increase Limitation on Travel for Staff of the Vice President—(S. Doc. 94–51)

A communication from the President of the United States transmitting a proposed appropriation language change for the fiscal year 1975 increasing by $10,000 the limitation on travel for staff of the Vice President (with accompanying papers); to the Committee on Appropriations, and ordered to be printed.

Proposed Supplemental Appropriation for the General Services Administration—S. Doc. 94–52)

A communication from the President of the United States transmitting a proposed supplemental appropriation in the amount of $65 million for the fiscal year 1975 for the General Services Administration (with accompanying papers); to the Committee on Appropriations, and ordered to be printed.

Report of the Secretary of Agriculture and the Secretary of Housing and Urban Development

A letter from the Secretary of Agriculture and the Secretary of Housing and Urban Development transmitting, pursuant to law, the annual report on financial and technical assistance provided by their departments in fiscal year 1974 for nonmetropolitan planning districts (with an accompanying report); to the Committee on Agriculture and Forestry.

Report of the Comptroller General

A letter from the Comptroller General of the United States stating that a final report on the program administered by the Food and Nutrition Service of the Department of Agriculture will be submitted to Congress on or about November 1, 1975; to the Committee on Agriculture and Forestry.

Approval of Loan by the Rural Electrification Administration

A letter from the Acting Administrator of the Rural Electrification Administration reporting, pursuant to law, on the approval of a commitment to guarantee a non-REA loan in the amount of $10 million to Associated Electric Cooperative, Inc., of Springfield, Missouri; to the Committee on Appropriations.

Soil Survey by the Department of the Interior

A letter from the Deputy Assistant Secretary of the Interior transmitting, pursuant to law, a copy of a memorandum from the Bureau of Reclamation showing the basis of a certification of a soil survey and land classification of the lands in the Llamo Unit, Rio Arriba Division, San Juan-Chama Project (with accompany papers); to the Committee on Appropriations.

Report of the Export-Import Bank

A letter from the President and Chairman of the Export-Import Bank of the United States transmitting, pursuant to law, a report on loan, guarantee and insurance transactions supported by Eximbank during March 1975 (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

Report of the Department of State

A letter from the Assistant Secretary of State transmitting, pursuant to law, a report showing assistance related funds obligated for Cambodia, Laos, and Vietnam during the third quarter of fiscal year 1975 (with an accompanying report); to the Committee on Foreign Relations.

Report of the Comptroller General

A letter from the Comptroller General to the United States transmitting, pursuant to law, a report entitled "The United States Should Recover Full Costs of Reimbursable Satellite Launches" (with an accompanying report); to the Committee on Government Operations.

Proposed Research Projects by the Department of the Interior

Seven letters from the Deputy Assistant Secretary of the Interior transmitting, pursuant to law, proposed contract for research projects (with accompanying papers); to the Committee on Interior and Insular Affairs.

Proposed Plan for the Use and Distribution of Judgment Funds

A letter from the Deputy Under Secretary of the Interior transmitting, pursuant to law, a proposed plan for the use and distribution of judgment funds awarded to the Stillaguamish Tribe of Indians in docket No. 207 before the Indian Claims Commission (with accompanying papers); to the Committee on Interior and Insular Affairs.

Report of the Commissioner of the Court of Claims

A letter from the Chief Commissioner of the United States Court of Claims transmitting, pursuant to law, a report concerning the allowance of claims for attorneys' fees in certain proceedings (with an accompanying report); to the Committee on Interior and Insular Affairs.

Reports of the Immigration and Naturalization Service

Four letters from the Commissioner of the Immigration and Naturalization Service transmitting, pursuant to law, reports concerning visa petitions, orders suspending deportation together with a list of persons involved, and orders in which authority in behalf of certain aliens was exercised (with accompanying papers); to the Committee on the Judiciary.

Proposed Rulemaking by the Department of Health, Education, and Welfare

A letter from the Executive Secretary to the Department of Health, Education, and Welfare transmitting, pursuant to law, a copy of a Notice of Proposed Rulemaking—Certification with Respect to Open Meetings by Local Educational Agencies in Certain Programs (with accompanying papers); to the Committee on Labor and Public Welfare.

Proposed Legislation by the Department of Health, Education, and Welfare

A letter from the Acting Secretary of the Department of Health, Education, and Welfare transmitting a draft of proposed legislation to extend appropriations authorizations for communicable disease and other control programs, and for other purposes (with accompanying papers); to the Committee on Labor and Public Welfare.

A letter from the Acting Secretary of the Department of Health, Education, and Welfare transmitting a draft of proposed legislation to extend the National Health Service Corps and for other purposes (with accompanying papers); to the Committee on Labor and Public Welfare.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. Abourezk):

Resolutions of the Senate of the Commonwealth of Massachusetts in support for the demonstration and march on Washington; to the Committee on the Judiciary:

"Resolutions of Support for the April Twenty-Six, Nineteen Hundred and Seventy-five Demonstration on Washington, D.C.

"Whereas, The Commonwealth of Massachusetts has the highest official unemployment rate of any state in the United States; and

"Whereas, Social services are being cut in response to the growing economic crisis; and

"Whereas, The Industrial Union Department of the AFL–CIO along with the National Coalition to Fight Inflation and Unemployment have called a Demonstration and March on Washington on April twenty-six, nineteen hundred and seventy-five to demand jobs; now, therefore, be it

"*Resolved,* That the Massachusetts Senate supports the April twenty-six March and Rally in Washington, D.C. for jobs; and be it further

"*Resolved,* That the Massachusetts Senate calls for an emergency session of the Congress of the United States to guarantee jobs or income for all: to extend unemployment benefits for the duration of joblessness to all including first job seekers; to develop immediate public works and service jobs, in socially needed areas, not in defense or military projects, for millions of unemployed and a crash summer jobs program for three million youth, all at union wages; to reinstate all cut backs; provide cost of living raises; to bar discrimination on basis of race, national origin, sex or age in all programs; and further to provide free food from federal stocks to those in need; stop evictions, repossessions and utility shutoffs; pass the Health Security Bill; slash the military budget; and tax the rich and the corporations; and be it further

"*Resolved,* That copies of these resolutions be transmitted forthwith by the Secretary of the Commonwealth to the President of the United States, to the presiding officer of each branch of Congress and to the members thereof from the Commonwealth."

Senate Resolution No. 22 of the Senate of the State of Colorado; to the Committee on Interior and Insular Affairs:

"Senate Resolution No. 22

"Whereas, Former Wyoming Governor Stan Hathaway has been nominated by President Ford to be his Secretary of the Interior, and the confirmation of this nomination is presently being debated by the United States Senate; and

"Whereas, The next Secretary of the Interior will be taking command of the nation's vast natural resources at a critical time when he will have to guide development of the nation's critically needed energy resources and also be responsible for conservation of federal lands, water, and wildlife; and

"Whereas, Many of the choices concerning energy development and natural resource conservation facing the next Secretary of the Interior will involve lands in the Western United States; and

"Whereas, Stan Hathaway is western bred and reared and understands the problems of Colorado and the west; and

"Whereas, Stan Hathaway has been a disguished public servant as a lawyer, prosecutor, and two-term Governor of Wyoming; and

"Whereas, Stan Hathaway proved himself to be a most able administrator during his stay as Governor, as he entered office during a period of economic stagnation and left during a period of prosperity; and

"Whereas, An examination of Stan Hathaway's record find him to have approached the difficult balance between true environmental concerns and economic development with imagination, fairness, and integrity; now, therefore, be it

"*Resolved by the Senate of the Fiftieth General Assembly of the State of Colorado:* That the General Assembly of the State of Colorado adds its name to the growing bipartisan list in support of the confirmation by the United States Senate of Stan Hathaway as Secretary of the Interior. Be it

"*Further Resolved,* That copies of this resolution be sent to the members of the United States Senate and to the members of the Congress of the United States from the State of Colorado."

House Resolution No. 196 of the House of Representatives of the State of Hawaii; to the Committee on Finance:

"House Resolution 196 Requesting Investigation of Social Security Inequities and Revision of System

"Whereas, if a woman dies before retirement age, nearly all the money she paid into the Social Security system over the years may have been for naught and may result in the payment of one insubstantial lump sum payment to her widower; and

"Whereas, it is possible for a widower to qualify for benefits on what his deceased wife has put into the system only if he is able to prove that he has been dependent on her for at least one-half of his support; and

"Whereas, on the other hand, a widow at 65 years or under 65 years with at least one minor child automatically collects on her deceased husband's Social Security; and

"Whereas, the Social Security Act, in essence, discriminates against men since they will not derive the same benefits as a woman in the event her husband dies; and

"Whereas, there are 33 million working women in the United States who contribute 9 billion dollars a year into the Social Security system and yet the Act all but ignores the vast number of women today who help support their families and the system itself; and

"Whereas, most working women could purchase a life insurance policy with a face value amount in excess of $25,000 with the amount they pay annually into the system; and

"Whereas, within the public employment sector the alternate state or county retirement systems are certainly less discriminatory than the antiquated Social Security Act; and

"Whereas, there must be equal rights under the Social Security Act or there should be an option to choose another means of financing retirement; now, therefore, be it

"*Resolved,* by the House of Representatives of the Eighth Legislature of the State of Hawaii, Regular Session of 1975, that the Congress is urged to investigate the inequities within the Social Security Act and revise the Social Security system; and be it

"*Further Resolved,* that copies of this Resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, the Chairman of the United States Senate Committee on Finance, the Chairman of the United States House Committee on Ways and Means, and all members of the Hawaii congressional delegation."

Resolution No. 42 adopted by the General Assembly of North Carolina; to the Committee on Foreign Relations:

"House Joint Resolution 494

"A joint resolution memorializing the President of the United States to establish a task force to determine the status of American service personnel and civilians listed as missing in action as a result of military participation in Indo-China and memorializing the Congress of the United States to take such action as may be necessary to make an honorable determination of the fate of the MIA's

"Whereas, it is now some two years since the signing of the Paris Peace Agreement, and there are still 1300 MIA's (persons listed as Missing in Action) to be released or accounted for in Southeast Asia; and

"Whereas, the Paris Peace Agreement was guaranteed by the countries of Iran, Russia, the Peoples Democratic Republic of China, France, England, the Peoples Republic of Indonesia, the Peoples Republic of Hungary, and the Peoples Republic of Poland; and

"Whereas, an honorable determination of the fate of all United States servicemen and civilians missing in Southeast Asia is a continuing obligation of the Government of the United States; Now, therefore, be it

"*Resolved* by the House of Representatives, the Senate concurring:

"Section 1. That the General Assembly of North Carolina respectfully request the President of the United States to establish and appoint immediately a Task Force to determine the status of American servicemen and civilians who are listed as missing in action as a result of our military participation in the Indo-China area.

"Sec. 2. That the General Assembly of North Carolina respectfully request that the appropriate committees of the Congress of

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the United States hold hearings and take such action as may be necessary to make an honorable determination of the fate of the American servicemen and civilians who are listed as missing in action in the Indo-China area.

"Sec. 3. That the Secretary of State of the State of North Carolina send copies of this resolution to President Gerald R. Ford, Secretary of State Henry A. Kissinger, the presiding officer of each branch of the Congress of the United States, to the members of Congress from North Carolina, and to the chief executive officer of each country serving as a guarantor of the Paris Peace Agreement.

"Sec. 4. This resolution shall be effective upon ratification.

"In the General Assembly read three times and ratified, this the 23rd day of April, 1975."

A petition for a redress of grievances from citizen of Gays Mills, Wisconsin; to the Committee on Government Operations.

A petition for a redress of grievances from a citizen of Ellicott City, Maryland; to the Committee on Government Operations.

REPORTS OF COMMITTEE SUBMITTED DURING ADJOURNMENT

Under authority of the order of the Senate of March 8, 1975, the following reports of committees were submitted:

On May 9, 1975:

By Mr. KENNEDY, from the Committee on Labor and Public Welfare, with amendments:

S. 1539. A bill to authorize appropriations for activities of the National Science Foundation, and for other purposes (Rept. No. 94–111).

By Mr. KENNEDY, from the Committee on Labor and Public Welfare, without recommendation:

H.R. 4723. An act authorizing appropriations to the National Science Foundation for fiscal year 1976 (Rept. No. 94–112).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MOSS, from the Committee on Commerce, without amendment:

S. 1509. A bill to prohibit pyramid sales transactions, and for other purposes (Rept. No. 94–114).

By Mr. McCLELLAN, from the Committee on the Judiciary, without amendment:

S. 719. A bill granting a renewal of patent numbered 92.187 relating to the badge of the Sons of the American Legion (Rept. No. 94–115).

S. 720. A bill granting a renewal of patent numbered 54,296 relating to the badge of the American Legion (Rept. No. 94–116).

S. 721. A bill granting a renewal of patent numbered 55,398 relating to the badge of the American Legion Auxiliary (Rept. No. 94–117).

By Mr. MAGNUSON, from the Committee on Commerce, without amendment:

S.J. Res. 59. A joint resolution authorizing the President to invite the States of the Union and foreign nations to participate in the International Petroleum Exposition to be held at Tulsa, Okla., from May 16, 1976, through May 22, 1976 (Rept. No. 94–118).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

Mr. MOSS. Mr. President, as in executive session, I report favorably sundry nominations on the National Oceanic and Atmospheric Administration which have previously appeared in the CONGRESSIONAL RECORD and, to save the expense of printing them on the Executive Calendar, I ask unanimous consent that they lie on the Secretary's desk for the information of Senators.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD on April 7, 1975, at the end of the Senate proceedings.)

HOUSE BILL REFERRED

The bill (H.R. 6209) to prohibit the Federal Home Loan Bank Board from permitting Federal savings and loan associations to offer loans secured by one to four homes or dwellings with variable interest rates was read twice by its title and referred to the Committee on Banking, Housing, and Urban Affairs.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. MANSFIELD:

S. 1699. A bill for the relief of Mrs. Hope Namgyal. Referred to the Committee on the Judiciary.

By Mr. STENNIS:

S. 1700. A bill for the relief of Katherine Whiteman Jackson. Referred to the Committee on the Judiciary.

By Mr. SCHWEIKER:

S. 1701. A bill to authorize the modification of the beach erosion control project for Presque Isle Peninsula, Pa. Referred to the Committee on Public Works.

By Mr. STONE (for himself and Mr. THURMOND):

S. 1702. A bill to authorize equalization of the retired pay of certain members and former members of the uniformed services. Referred to the Committee on Armed Services.

By Mr. METCALF (for himself, Mr. JACKSON, Mr. MANSFIELD, Mr. ABOUREZK, and Mr. HASKELL):

S. 1703. A bill to suspend the Secretary of the Interior's authority to lease Federal coal lands. Referred to the Committee on Interior and Insular Affairs.

By Mr. RANDOLPH (for himself, Mr. GRAVEL, Mr. WILLIAMS, and Mr. HUMPHREY):

S. 1704. A bill to authorize a local public works capital development and investment program. Referred to the Committee on Public Works.

By Mr. MAGNUSON (for himself and Mr. PEARSON) (by request):

S. 1705. A bill to amend the Federal Railroad Safety Act of 1970 to authorize additional appropriations. Referred to the Committee on Commerce.

By Mr. BROCK:

S. 1706. A bill to amend the Trade Act of 1974 in order to authorize the President to designate any of certain countries as eligible for the tariff preferences extended to developing countries under title V of such Act if the President determines that such designation is in the national economic interest. Referred to the Committee on Finance.

By Mr. HUGH SCOTT:

S. 1707. A bill to authorize the Secretary of the Army to preserve, restore, interpret and maintain historical property located on Federal lands under his control and jurisdiction. Referred to the Committee on Interior and Insular Affairs.

By Mr. MATHIAS:

S. 1708. A bill to provide for the promotion of health education and preventive health services, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. BAKER (for himself, Mr. BROCK, Mr. TOWER, and Mr. BENTSEN):

S. 1709. A bill for the relief of Dr. Lawrence Chin Bong Chan. Referred to the Committee on the Judiciary.

By Mr. BEALL:

S. 1710. A bill to repeal the requirement of section 3306 of title 5, United States Code, relating to apportionment of appointments in the civil service in the District of Columbia among the States. Referred to the Committee on Post Office and Civil Service.

By Mr. CRANSTON (for himself, Mr. HARTKE, Mr. RANDOLPH, Mr. HANSEN, Mr. THURMOND, Mr. STAFFORD, and Mr. WILLIAMS):

S. 1711. A bill to amend title 38, United States Code, to provide special pay and other improvements designed to enhance the recruitment and retention of physicians, dentists, nursing personnel, and other health care personnel in the Department of Medicine and Surgery of the Veterans' Administration, and for other purposes. Referred to the Committee on Veterans' Affairs.

By Mr. HATFIELD:

S. 1712. A bill to authorize the issuance of gold commemorative coins bearing the seal or symbol of the American Revolution Bicentennial Administration. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. STEVENS:

S. 1713. A bill for the relief of Mr. Kaota Maki. Referred to the Committee on the Judiciary.

By Mr. JAVITS (for himself and Mr. WILLIAMS):

S. 1714. A bill to amend the Public Health Service Act to provide for the screening and counseling of Americans with respect to Tay-Sachs disease; and

S. 1715. A bill to amend the Public Health Service Act to establish a national program with respect to genetic diseases. Referred to the Committee on Labor and Public Welfare.

By Mr. PASTORE (for himself and Mr. BAKER):

S. 1716. A bill to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, and for other purposes.

By Mr. PASTORE (for himself and Mr. BAKER) (by request):

S. 1717. A bill to amend the Atomic Energy Act of 1954, as amended, to provide for approval of sites for production and utilization facilities, and for other purposes. Referred to the Joint Committee on Atomic Energy.

By Mr. DOLE:

S. 1718. A bill to amend chapter 61 of title 18, United States Code, relating to lotteries. Referred to the Committee on the Judiciary.

By Mr. MAGNUSON (for himself, Mr. HOLLINGS, and Mr. PELL):

S.J. Res. 81. A joint resolution to regulate commerce by prohibiting the importation into the United States of any fish or fish products by any foreign enterprise which engages in commercial whaling activities, and for other purposes. Referred to the Committee on Commerce and the Committee on Finance, jointly, by unanimous consent.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SCHWEIKER:

S. 1701. A bill to authorize the modification of the beach erosion control project for Presque Isle Peninsula, Erie, Pa. Referred to the Committee on Public Works.

Mr. SCHWEIKER. Mr. President, today I am introducing legislation to authorize construction of permanent offshore breakwaters to protect the Presque Isle Peninsula in Erie County, Pa.

The "Peninsula," as this area is locally refererd to, serves as a protective arm for Erie's developing seaport and industrial installations. Furthermore, this area serves as a recreational site, not only for the surrounding community, but also for tourists from Pittsburgh, Cleveland, Buffalo, Youngstown, and other nearby areas.

Mr. President, every time there is a storm in this section of Lake Erie part of the "Peninsula" virtually disappears. Within the past several weeks, the high winds which caused extensive damage in the Washington, D.C., area, caused equally extensive damage to Presque Isle. And unfortunately, this damage can become practically irreversible if permitted to continue.

In 1971, the Federal Government stopped its beach erosion control project at Presque Isle, and it was finally resumed only this year as the result of my amendment to the 1974 Water Resources Act, which authorized $3.5 million for the project over a 5-year period.

However, to date only temporary corrective measures have been proposed and funded. My bill today will provide $14,857,000 to construct permanent offshore breakwaters, which will go a long way toward eliminating the need for the frequent, costly sand nourishment programs which are required now in order to protect the beachfront from total destruction.

On April 1, 1975 the Chief of Engineers, Army Corps of Engineers, issued a proposed report recommending that approximately 5.5 miles of lake frontage be protected by five sections of offshore rubblemound breakwaters located at areas susceptible to critical erosion. This proposed plan also includes an annual redistribution of sand collected behind the breakwaters and replenishment of materials lost to offshore processes.

Although the total estimated cost of this needed project is $21,203,000, $6,346,000 will come from non-Federal sources and the Federal share will be only $14,857,000. Moreover, the Army Corps of Engineers has estimated the annual benefits at $3,459,000, and the cost/benefit ratio is 2.0. In addition, it is my understanding that even though the corps has recommended offshore breakwaters as the solution to the Presque Isle erosion problem, its engineers will continue to study alternative proposals to determine their desirability and cost effectiveness as this project develops.

Mr. President, I commend the corps for their efforts in this area and particularly the Buffalo district office which developed this plan.

I ask unanimous consent that the full text of my bill to authorize the construction of a permanent solution to the Presque Isle erosion problem be printed in the RECORD following my statement.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1701

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the modification of the beach erosion control project for Presque Isle Peninsula, Erie, Pennsylvania, recommended in the report of the Board of Engineers for Rivers and Harbors, Department of the Army, dated August 2, 1974, is authorized to be carried out in accordance with such recommendations.

SEC. 2. There is authorized to be appropriated not to exceed $14,857,000 to carry out the provisions of this Act.

By Mr. STONE (for himself and Mr. THURMOND):

S. 1702. A bill to authorize equalization of the retired pay of certain members and former members of the uniformed services. Referred to the Committee on Armed Services.

Mr. STONE. Mr. President, today I introduce for myself and the distinguished senior Senator from South Carolina (Mr. THURMOND) legislation which would equalize the retired pay of certain members and former members of uniformed services with the base pay rate in effect October 1, 1974.

I believe that the severe injustice that has been imposed upon retired members of the uniformed services should be ended immediately. The retirement system that was in effect until 1958 allowed retired benefits to keep pace with increases in active duty base pay by providing for automatic recomputation. Since the suspension of this system in 1958, there have been 12 increases in the active duty base pay. The resultant effect of eliminating the automatic recomputation of retirement pay has been to create large disparities in the amount of retired benefits available to military retirees with the same rank and number of years of service. Unfortunately, the oldest retirees, who are in the greatest need of retired benefits, are presently receiving benefits that are in many cases 50 percent less than their younger counterparts. I believe that a sense of equity demands that we provide equal benefits for equal service.

This bill would provide a one-time recomputation based upon the pay rates in effect October 1, 1974. This increase in retirement benefits would be effective immediately for all military retirees who are 65 years or older and for those who are at least 30 percent disabled. Other retirees would be eligible for the recomputation of their benefits upon reaching age 65.

During the past 3 years the Senate has overwhelmingly approved legislation introduced by my distinguished colleague, the senior Senator from Indiana (Mr. HARTKE), that would have provided a one-time recomputation at age 60. However, the House of Representatives, citing the excessive cost of recomputation, has refused to consider this proposal. While I fully support recomputation at age 60, I believe that my bill, given the present economic situation and the reluctance of the House of Representatives to consider the more generous proposal approved by the Senate, provides an acceptable compromise.

My proposal attempts to effectively balance the cost of recomputation and the benefit to retirees by setting the effective age at 65. The first-year cost of this legislation would be $285 million—a reduction of about $188 million from the cost of recomputation at age 60. At the same time this proposal will provide considerable benefits to the disabled and older retirees who are in the greatest need of immediate aid. It is my hope that this bill will be viewed as an acceptable compromise by the present critics of recomputation and receive the immediate attention this problem deserves.

Mr. President, in closing I want to once again emphasize that I am submitting this proposal in an effort to compromise with those who are in favor of the principal and fairness of recomputation but are unable to support the enactment of recomputation age 60 because of its high cost. Should the House of Representatives indicate any willingness to support recomputation at age 60, I can assure you that I will strongly support this more generous provision.

By Mr. METCALF (for himself, Mr. JACKSON, Mr. MANSFIELD, Mr. ABOUREZK, and Mr. HASKELL):

S. 1703. A bill to suspend the Secretary of the Interior's authority to lease Federal coal lands. Referred to the Committee on Interior and Insular Affairs.

NO FEDERAL COAL LEASING UNTIL STRIP MINE LAW ENACTED

Mr. METCALF. Mr. President, I am introducing today a bill to suspend the Secretary of the Interior's authority to lease Federal coal lands until a Federal statute regulating surface coal mining on all lands in the United States has been enacted. Last week, the Congress sent to the President, H.R. 25, the Surface Mining Control and Reclamation Act of 1975. That bill made many of the changes requested by the President after he pocket-vetoed the surface mining legislation enacted by the 93d Congress.

Despite the fact that Congress has met the President more than halfway in enacting H.R. 25, the coal industry and particularly the oil companies who are beginning to take over the coal business—continue to urge the President to veto the bill. If H.R. 25 does not become law, I believe the Congress must prevent the further leasing of any Federal coal until a national surface coal mining bill satisfactory to the Congress has been enacted. It is these Federal coal deposits which the large energy companies are seeking to control and strip mine. The Constitution gives the Congress special responsibilities for the public lands. Thus, it is incumbent upon the Congress to protect these lands.

Chairman JACKSON has agreed to put this bill on the committee agenda for markup on May 21. Thus, if H.R. 25 does

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not become law, the bill will be ready for Senate approval during the first week of June. I am sure that the House will give it prompt attention.

Mr. President, the Interior Committee has completed its hearings on S. 391, the Federal Coal Leasing Amendments Act of 1975. Markup will begin soon.

I intend to offer an amendment to S. 391, which would require all surface coal mining operations on Federal lands to conform with the requirements of title V of H.R. 25. Thus, even if a national bill is not enacted, we will assure that surface coal mining of Federal coal adheres to the standards approved by the overwhelming majority of the Congress.

By Mr. RANDOLPH (for himself, Mr. GRAVEL, Mr. WILLIIMS, and Mr. HUMPHREY):

S. 1704. A bill to authorize a local public works capital development and investment program. Referred to the Committee on Public Works.

Mr. RANDOLPH. Mr. President, I am gratified at the recognition of the value of public works construction programs as a vital tool in combating the economic recession that continues to take its toll in our country. Many of the proposals that have been advocated to stimulate economic recovery are based on the creation of jobs by developing needed public facilities.

In other years, when the United States was stricken with economic slowdowns, public works activities have proven valuable in placing people to work in useful endeavors. The facilities which were created during these times of stress stand today as monuments to the validity of this approach. Communities throughout America today use roads, public buildings, water and sewer systems, and other facilities that came into being as we sought to revitalize our national economy.

It is, therefore, understandable that the Congress is considering several approaches to utilizing public works programs during another period of economic stress. The measure I introduce today embodies one such approach. It is a modified version of H.R. 5247, the Local Public Works Capital Development and Investment Act of 1975, now being considered by the House of Representatives.

There has been considerable interest in H.R. 5247 since it was proposed in the House. My introduction of a companion bill in the Senate is done so that this body also may examine its provisions. It raises issues that must be thoroughly considered as we develop our response to a continuing unsatisfactory economic situation.

Such consideration will begin on May 21 and 22 when our Subcommittee on Economic Development, under the able chairmanship of Senator MONTOYA, will conduct hearings on antirecession proposals. The subcommittee also will have before it S. 1587 which I introduced with Senator MONTOYA on April 29. This bill would expand the programs of the Economic Development Administration, an established agency with functioning programs, to permit the acceleration of construction activities.

Both bills will be before the subcommittee at that time. This will enable members to focus on the problem and the alternatives for its solution. If we are to properly develop responsive legislation that will aid in restoring health to our ailing economy we must review all of the options. The legislation I introduce today expands this ability.

By Mr. MAGNUSON (for himself and Mr. PEARSON) (by request):

S. 1705. A bill to amend the Federal Railroad Safety Act of 1970 to authorize additional appropriations. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce by request, for appropriate reference, a bill to amend the Federal Railroad Safety Act of 1970 to authorize additional appropriations, and ask unanimous consent that the letter of transmittal be printed in the RECORD with the text of the bill.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 1705

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That section 212 of the Federal Railroad Safety Act of 1970 (45 U.S.C. 441) is amended by striking the section and inserting in substitution the following:

"Sec. 212. Authorization for Appropriations.—

"There are authorized to be appropriated to the Secretary such sums as may be necessary to carry out the provisions of this title."

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., April 24, 1975.

Hon. NELSON A. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a proposed bill "to amend the Federal Railroad Safety Act of 1970 to authorize additional appropriations."

This bill would authorize a flexible and permanent authorization for the Department's rail safety program. Not quite a year has elapsed since the Department submitted its last request to authorize additional appropriations to finance the administration of the Federal Railroad Safety Act of 1970 ("Act"). Just over three months have elapsed since enactment of the Transportation Safety Act of 1974 (P.L. 93–633) which, among other things, extended authorization for appropriations under Title II of the Act through FY 1975. The one year extension necessitates this request for further authorization for appropriations.

The responsibility for rail safety is a continuing task. Section 202 of the Rail Safety Improvement Act of 1974 (Title II of P.L. 93–633) provides:

"The Congress finds that more effective realization of the purposes of the Federal Railroad Safety Act of 1970 requires that Act to be amended to mandate comprehensive analysis and evaluation of the rail safety program, to increase the amount and percentage of available resources for inspection, investigation, and enforcement, and to increase the enforcement powers of the Secretary of Transportation."

Pursuant to this declaration of policy the Federal Railroad Administration (FRA) is continuing to expand its regulatory and enforcement efforts. The FRA has recently revised its Accident Reports regulations to improve its analysis of the level of rail safety. New safety rules have been proposed with respect to passenger train visibility. The FRA has established a Railroad Operating Rules Advisory Committee to study the impact of operating rules, signal systems and human factors on the relative level of rail safety. Further, the state participation program under section 206 of the Act has been substantially inplemented with respect to the initial standards promulgated under the Act.

The importance of the railroad industry as a transporter of freight and passengers requires permanent authorization for appropriations to meet the continuing responsibility for railroad safety. In contrast the lack of permanent authority for appropriations creates unnecessary administrative burdens in planning our rail safety program. Piecemeal extensions of authority for appropriations are not necessary to permit Congressional oversight in this area as this may be undertaken anytime.

The proposed legislation will not serve to adversely impact the environment nor will it have an inflationary impact on the economy.

The Office of Management and Budget advises that from the standpoint of the President's program there is no objection to the submission of this proposed bill to the Congress.

Sincerely,

WILLIAM T. COLEMAN, Jr.

By Mr. BROCK:

S. 1706. A bill to amend the Trade Act of 1974 in order to authorize the President to designate any of certain countries as eligible for the tariff preferences extended to developing countries under title V of such act if the President determines that such designation is in the national economic interest. Referred to the Committee on Finance.

Mr. BROCK. Mr. President, today I am introducing a bill to amend the Trade Act of 1974 to allow certain friends of this country to become eligible for trade preferences as long as they do not participate in embargoes and other discriminatory acts against the United States

In the wake of the oil embargo of 1974, the Finance Committee inserted a provision to exclude members of the Organization of Petroleum Exporting Countries from certain trade preferences. Unfortunately, this provision placed restrictions on some countries that, although members of OPEC, did not participate in the oil embargo. This has caused a severe strain in relations with such friends of ours as Venezuela, Ecuador, Indonesia, and Nigeria. Although members of OPEC, these countries did not participate in the oil embargo. If they had, the effect of that embargo on this country would have been worse than it was, and I do not think our memories are so short as not to recall that tragic experience. Venezuela alone, accounts for approximately one-third of our imported oil.

The inclusion of Venezuela and Ecuador in the trade bill restriction has been particularly disturbing. This has been a major cause of deteriorating relations between the United States and Latin America. At a time when our foreign relations in Southeast Asia and the Middle East can best be described as "tenuous," it seems particularly disturbing that relations with old, close neighbors in this hemisphere should be strained.

Mr. President, to better understand the background on this whole problem, especially that with the Latin American countries, I ask unanimous consent that the following article in the March 2, 1975, edition of the Washingon Star be printed in the RECORD at this point. The author of this article is William D. Rogers, Assistant Secretary of State for Inter-American Affairs.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TRADE ACT STIRS FUSS

(By William D. Rogers)

Latin America and the United States share a mutual interest in liberalizing world trade. The Trade Act of 1974 now makes it possible for us to do something.

Positive elements of the Act for U.S.-Latin American Relations are: (1) the establishment of a generalized system of U.S. tariff preferences, and (2) the delegation of authority for the United States to bargain for a general lowering of the trade barriers around the world. These are major steps forward.

But the Latin Americans reacted to the act as it was finally passed by charging that it was "economic coercion." In particular, they objected to the minor provision of the act which apparently excludes countries that are members of the Organization of Petroleum Exporting Countries (OPEC) from participation in the U.S. preferences.

The exclusion had an out-sized impact in Latin American capitals, even before the full text of the act was available. The reaction culminated in the postponement of the meeting of the Latin American foreign ministers with Secretary Kissinger, which had been scheduled for March in Buenos Aires.

Why the Latin American reaction? And is the Trade Act on balance beneficial to Latin America? Why The Trade Act In The First Place?

In the early 1970's, the administration decided it would ask Congress for broad legislative authority to embark upon a new round of multilateral trade negotiations. The administration took this step in the face of growing strains on the international economic system, and the pressures on countries beset with economic difficulties to erect added barriers to the free flow of international trade.

The gains of past trade liberalization in lowering tariff barriers were being jeopardized by increasing resort to quota restrictions and other nontariff barriers. As a nation with a major interest in a global trading system, the United States might divert these worldwide protectionist forces by triggering a new multilateral negotiating process.

The administration presented its trade legislation to the U.S. Congress in early 1973. In September of that year, over 100 countries met in Tokyo and formally agreed to enter into the new round of trade negotiations which the proposed legislation contemplated. The Tokyo Declaration took apecial note of the trade interests of the developing countries, promising them additional benefits and making tropical products, which are of key importance to many developing countries, a special and priority item in the negotiations.

The two-year effort to pass the bill culminated in congressional approval of the Trade Act on the final working day of the last Congress, in December, 1974. Had the legislation not been approved, the administration would, as a minimum, have faced prolonged delay in obtaining legislation from a new Congress. The legislative process would have begun all over again. Delay, in turn, would have served the interests of those in this country who wanted protectionist legislation. And abroad, such a delay would have intensified pressures on other governments to adopt restrictive trade measures to meet the stresses of global inflation and recession.

So, faced with the choice between an imperfect Trade Act and no act at all, President Ford accepted the legislative mandate Congress had given him to put the weight of the United States into the balance of a freer international trading system.

Latin America will benefit both directly and indirectly from the Trade Act. Of particular direct importance to all developing countries and especially to Latin America was the inclusion in the act of authority to implement a system of generalized tariff preferences for developing countries.

The preference system will provide substantial benefits for Latin America. When implemented this fall, tariffs will be totally eliminated on a wide range of manufactured and semi-manufactured goods and selected agricultural and primary products when they are imported into the U.S. from designated Latin American or other developing nations.

Based on 1972 trade figures, more than $750 million of present U.S. imports from Latin America are expected to become eligible for duty-free treatment. Given the growth in U.S.-Latin American trade since 1972, the value of trade in these products is in all likelihood much higher today. The preferences can also provide a special benefit for the development and growth of exports from new industries in Latin America.

Although the direct benefits of preferences will be valuable, the multilateral trade negotiations, which are now getting underway in Geneva, will be even more important to the developing countries. Because of the principle of "most-favored-nation" in the negotiations, developing countries will share in the lowering of tariffs on individual products which will be negotiated. The tariff-cutting authority in the Trade Act is the largest, in percentage terms, that has ever been delegated to U.S. negotiators.

However, non-tariff barriers are also a formidable obstacle to many potential LDC exports. The reduction of such barriers is one of the principal objectives of the current trade negotiations.

In addition, the U.S. intends to seek some new rules on international trade practices. These rules could include a multilateral import safeguard system. This would prescribe actions that countries may take—and may not take—when they find their industries threatened by large-scale imports. Such a system could be important to developing countries, which need assurances that their newly developed manufactured exports will not be frozen out of developed country markets.

The U.S. also hopes to negotiate an international code on export subsidies and countervailing duties. These have been a source of friction between the U.S. and other countries, including those of Latin America.

On the other hand, the Latin American countries themselves realize that in order to be successful they will have to make contributions to the negotiations consistent with their own development objectives as agreed in the Tokyo Declaration.

The Geneva negotiations afford the developing countries a unique opportunity to review and rationalize their own systems of import controls, and trading practices.

In short, the trade negotiations in Geneva will help keep the world trading system open during a period of intense international strain, and prevent a recurrence of the widespread "beggar thy neighbor" policies which aggravated the 1930's.

A wide range of benefits can accrue to Latin American and other countries involved in the world trading system under the authorities contained in the act. There are, however, some aspects of this legislation which the Latin Americans took as discriminatory and coercive.

In particular, they objected to provisions which apparently exclude from participation in preferences countries that are members of the Organization of Petroleum Exporting Countries (OPEC).

They also opposed provisions barring nations who join other arrangements to withhold vital commodities from international trade, or raise commodity prices, in a way that causes serious disruption of the world economy.

Under present circumstances no commodity arrangements of foregin countries other than the OPEC system constitutes a basis for exclusion of its members from preferences. The OPEC exclusion, in sort, is the important one.

What is in that provision which triggered the reaction in Latin America?

The OPEC exclusion was added by the Senate during the final months of its consideration of the Trade Bill. The addition reflected congressional concern with the damage to the international economy from the 1973–74 embargo by several Arab oil exporting countries and the subsequent dramatic increases in the price of oil mandated by the members of OPEC.

The first and strongest Latin American critics of the Trade Act were Venezuela and Ecuador, the Latin American members of OPEC. Subsequently other Latin American countries joined in. In the end, the act was the subject of a solemn, four-day debate in the Permanent Council of the Organization of American States. All the Latin American nations present—even including several oil importers whose balance of payments has been severely affected by the increase in energy prices—voted for the OAS resolution condemning the act.

The criticism and the OAS resolution, reinforced by traditional Latin American solidarity when confronting the U.S., caused Argentina, the host for the next meeting of the U.S. and Latin American foreign ministers, and in consultation with the other countries including the U.S., to postpone the scheduled March meeting until such time as the difficulties relating to the Trade Act had been cured.

The administration, including President Ford and the Secretary of State, opposed the rigidities of the legislation—and particularly cited those portions of the legislation excluding oil exporting OPEC countries from preferences in the U.S. market.

Secretary Kissinger and I both testified against that provision in our appearances before congressional committees, before the bill was enacted. We warned Latin America would react negatively. And the administration is still pledged to work in a spirit of cooperation with the Congress to see if the difficulty can be resolved this session. Indeed, I note that proposed amendments to the Trade Act aimed at amelioratiing the problem have already been introduced by Senators Bentsen, Kennedy, and Brock and Rep. Harrington.

Furthermore, the immediate problem for Venezuela and Ecuador, in being excluded from U.S. preferences, should be viewed with perspective. Even without preferences, over 99 percent by value of Venezuelan and 91 percent of Ecuadorean exports to the U.S. are already duty-free; even if both countries were entitled to the preferences the rest of Latin America will have, only 1 percent of Venezuela's and 9 percent of Ecuador's shipments to this country would be advantaged.

But if on the surface the OPEC exclusion is not really terribly significant now in dollars and cents terms, in the background is the widespread fear in Latin America the protectionist tendencies in the U.S. may be growing. The U.S. market is of prime importance to Latin America, both as a source of imports and a market for exports. Trade with the U.S. accounts for 35 to 40 percent of all Latin American international trade. This has created among the Latin American governments a special sensitivity to U.S. trade policies and a special apprehension that the OPEC provision is merely a warning of worse to come.

The U.S. remains the largest and most easily accessible market in the world, with over 60 percent of our imports from Latin America entering duty-free, and with an average tariff level of 8 percent on the remainder. Latin America is our third most important trading area, behind Canada and the European Community, and approximately equal

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to Japan. A principal source of imported petroleum, tropical products, minerals, and an increasing source of manufactured goods, imports from Latin America totaled approximately $17 billion last year.

Mutual dependence—interdependence—gives the U.S. and Latin America a common interest in the success of efforts to liberalize trade. The U.S. is the world's largest and most freely accessible market. We intend to continue. We will, in the process of the negotiations, make maximum use of our tariff negotiating authority to grant concessions on products of special interest to the developing countries. And we expect to continue our close consultation with the Latin Americans as the multilateral trade negotiations unfold, and to shape our own negotiating positions with Latin American trading interests very much in mind.

All this would have been impossible without the Trade Act. The initial reaction in Latin America was understandable—but the real significance of the act was badly obscured in the process. We expect that, as the possibilities for world trade liberalization at Geneva begin to emerge, we will see a more balanced appreciation of the act develop in this Hemisphere—and a growing interest in international cooperation to expand world trade as well.

Mr. BROCK. Mr. President, I would like to point out that similar legislation has been submitted in the House of Representatives by my colleague, WILLIAM J. GREEN of Pennsylvania. Mr. GREEN is chairman of the Trade Subcommittee of the Committee on Ways and Means. As cosponsors, he has the distinguished chairman of the Ways and Means Committee, Mr. ULLMAN, the ranking minority member of the Ways and Means Committee, Mr. SCHNEEBELI and the ranking minority member of the Trade Subcommittee, Mr. CONABLE. At this past weekend's meeting of Foreign Ministers of the Organization of American States, Secretary of State Henry Kissinger also endorsed this proposal.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1706

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the last paragraph of section 502(b) of the Trade Act of 1974 is amended to read as follows:

"Paragraphs (2), (4), (5), and (6) shall not prevent the designation of any country as a beneficiary developing country under this section if the President determines that such designation will be in the national economic interest of the United States and reports such determination to the Congress with his reasons therefor; except that the President may not make any such determination with respect to any country to which paragraph (2) applies if such country has participated, or is participating, in any action the effect of which is to withhold supplies of any vital commodity resources from international trade.".

By Mr. HUGH SCOTT:

S. 1707. A bill to authorize the Secretary of the Army to preserve, restore, interpret, and maintain historical property located on Federal lands under his control and jurisdiction. Referred to the Committee on Interior and Insular Affairs.

Mr. HUGH SCOTT. Mr. President, on this first day of National Historic Preservation Week I am pleased to introduce a bill to give the Secretary of the Army general authority to preserve and maintain significant historic structures and other objects of antiquity which are located at civil works projects developed and maintained by the Corps of Engineers.

Executive Order 11593 implements several important acts of Congress with respect to preservation of our Nation's historic resources. This order directs the agencies to initiate measures and procedures to insure the maintenance, through preservations, rehabilitation, or restoration of federally owned properties included in the National Register of Historic Places.

It is important to note that neither the order nor the preservation laws provide clear-cut authority for agencies such as the Corps of Engineers to expend funds to insure that these important resources are maintained and made available for the benefit and inspiration of the people.

In my Commonwealth of Pennsylvania survives the nationally registered Gruber Wagon Works which is located in an area of Berks County scheduled for inundation by the Corps of Engineers Blue Marsh Lake project. Since 1970 the corps has been seeking the financial means necessary to effect the rescue of the wagon works. Under the Reservoir Salvage Act of 1960, as amended, there is a limitation of 1 percent of the project cost—$430,000—for salvaging all historic resources in the Blue Marsh Lake area. The cost of relocating the Gruber Wagon Works and its contents, intact, to a nearby park where it would be maintained and operated by the Parks and Recreation Boards of Berks County, would be nearly $922,000 or $492,000 more than the amount allocated for salvaging all historic resources in the project area.

It seems somewhat incongruous that a major Federal agency has been made responsible for historic and cultural resources located on lands under its jurisdiction, but lacks the authority to expend funds to insure the preservation of America's historic vestiges.

I urge my colleagues to join me in correcting this "cart before the horse" situation.

Mr. President, National Historic Preservation Week, May 12–18, focuses on the meaning of and reasons for preserving our American heritage. What better time to appreciate the need to retain evidence of our past and to commit ourselves as custodians of its treasures?

I ask unanimous consent that the text of my bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1707

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That upon being entered into the National Register of Historic Places, any building, structure, site, or other object of historical significance located on federally owned lands at any water resources development project under the jurisdiction, control, and management of the Secretary of the Army may be preserved, restored, interpreted and maintained for the inspiration and benefit of the people by the Secretary with funds appropriated for the purpose of this Act.

SEC. 2. There are authorized to be appropriated such amounts as are necessary to carry out the provisions of this Act.

By Mr. MATHIAS:

S. 1708. A bill to provide for the promotion of health education and preventive health services, and for other purposes. Referred to the Committee on Labor and Public Welfare.

Mr. MATHIAS. Mr. President, recently, the Senate Health Subcommittee has been holding hearings on two bills introduced by Senators KENNEDY and JAVITS which set forth mechanisms to develop a national strategy for health education, health promotion, and preventive medicine. Today, I introduce a bill of my own, the Health Education and Preventive Health Services Act. The purpose of my legislation is to promote the coordination of HEW's health education and preventive health services programs aimed at preventing disease, disability, premature death, and unnecessary health problems. This bill will establish an office of health education and preventive health services to be headed by a Deputy Assistant Secretary in HEW to serve as a primary focus within the Federal Government on matters pertaining to health education and preventive health services.

At the present time, the health education field is fragmented and divided, a situation we can ill-afford. HEW has told the Congress that more than $80 million is being spent on purposes related to health education by HEW agencies alone. The Congress, itself, has enacted over 30 different legislative authorities under which health education is mandated to HEW programs encompassing such divergent areas as over-the-counter drug education and alcoholism prevention. Presently, most of these programs go off on their own with their individual health education programs. Unfortunately, only two agencies thus far have agreed to pool their resources to deal with common educational problems: The Center for Disease Control in Atlanta and the National Cancer Institute which have joined in supporting community health programs to educate the public about cancer, and the CDC and the Office of Education which have agreed to work with the National Congress of Parents and Teachers on Comprehensive Health Education.

But our principal task should be the coordination of all the resources in existence in both HEW and other Federal agencies, and to focus and combine them to serve common health educational objectives. And, I think that such an effort forged at the Federal level and linked with private sources such as voluntary agencies, professional organizations, civic associations, and academic institutions can and will produce health education programs that will reach out and touch the people who need them.

Perhaps I can give an example of the kind of results we get from our fragmented system. Today, five different HEW agencies conduct five separate health education programs, all of which are directed at one high-risk segment of our population: low-income women. One

agency goes after them with a smoking program. Since low birth weight of their children relates to poor nutrition, another comes at them with a nutrition program. Yet a third tries to sell them on family planning in competition with the fourth that preaches to them about the evils of venereal disease. On top of all this, in comes the fifth to warn them about high blood pressure. Under the bill I have introduced, the Office of Health Education and Preventive Health Services would be able to identify and develop health education programs aimed at high-risk population groups as an alternative to the proliferation of categorical health education programs which often strike only glancing blows at the target.

So, if the Congress can reach an agreement on a strategy to achieve effective programs of prevention and education to promote better health, not only will we be well on the way toward relieving human suffering, but we might also have a major impact on the reduction of expenditures for treatment and rehabilitation.

Mr. President, I ask unanimous consent that the text of the Health Education and Preventive Health Services Act be printed in the RECORD at this time.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1708

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Health Education and Preservation Health Services Act".

FINDINGS AND PURPOSES

SEC. 2. It is the purpose of this Act—

(1) to promote the coordination of health education and preventive health services programs and activities conducted by the Department of Health, Education, and Welfare aimed at preventing disease, disability, premature death, and undesirable and unnecessary health events;

(2) to improve administrative, operational supervision and the collaborative efforts of a wide range of separate Federal programs having purposes related to health education and preventive health services;

(3) to enable public and nonprofit private entities to plan and develop comprehensive programs in health education and preventive health;

(4) to evaluate and improve the effectiveness of Federal health education and preventive health programs; and

(5) to establish an Office of Health Education and Preventive Health Services in the Department of Health, Education and Welfare as a primary focus within the Federal Government on matters pertaining to health education and preventive health services, through which the Secretary of Health, Education, and Welfare (hereafter in this Act referred to as the "Secretary") shall carry out the purposes of this Act.

OFFICE OF HEALTH EDUCATION AND PREVENTIVE HEALTH SERVICES

SEC. 3. (a) There is established within the Department of Health, Education, and Welfare an Office of Health Education and Preventive Health Services Programs to be directed by a Deputy Assistant Secretary for Health Education. The Deputy Assistant Secretary for Health Education shall be appointed by the Secretary and shall report directly to the Assistant Secretary for Health.

(b) The Secretary is authorized to provide the Office of Health Education and Preventive Health Programs with such full-time professional and clerical staff and with the services of such consultants as may be necessary for it to carry out its duties and functions.

FUNCTIONS OF THE DEPUTY ASSISTANT SECRETARY FOR HEALTH EDUCATION

SEC. 4. It shall be the function of the Office of Health Education and Preventive Health Services Programs—

(1) to coordinate and be responsible for the evaluation of Department of Health, Education, and Welfare programs and activities related to health education and preventive health programs and; to make periodic reports to the Secretary;

(2) to administer and be responsible for all health education and preventive health services programs carried on directly by the Department of Health, Education, and Welfare or supported by the Department through grants to, contracts with, entities and individuals;

(3) to provide a liaison with the activities carried on by other agencies and instrumentalities of the Federal Government relating to health education and preventive health services programs;

(4) to act as a clearinghouse for information pertaining to health education for use by all interested persons and public and private entities; and

(5) to develop and recommend priorities for health education activities, taking into account priority health problems high risk target populations, and alternative methods of communications including the media, school curricula, and programs at the community level.

PLANS AND REPORTS

SEC. E. (a) Not later than 6 months after the date of the enactment of this Act the Secretary shall make a report to the Congress setting forth a plan, to be carried out over a period of 3 years, for extension of health education programs and preventive health services to meet the special health needs of the various economic geographic and agricultural groups and populations and for carrying out the other purposes set forth in this Act and in other applicable Federal laws.

(b) Such a plan shall, at a minimum, indicate on a phased basis:

(1) the numbers of individuals to be served by health education and preventive health programs under the Public Health Service Act and other Federal laws for which the Secretary has responsibility, the types of information and educational materials to be developed under such laws and how they will be made available;

(2) an estimate of the costs and personnel requirements needed to meet these objectives;

(3) the steps to be taken to establish a systematic reporting system capable of yielding comprehensive data on which service figures and programs evaluation for the Department of Health, Education, and Welfare shall be based.

(c) On or before January 1, 1976 and on or before each January thereafter for a period of 3 years, the Secretary shall submit to the Congress a report which shall—

(1) compare results achieved during the preceding fiscal year with the objectives established for such year under the plan;

(2) indicate steps being taken to achieve the objective during the remaining fiscal years of the plan and any revisions necessary to meet these objectives;

(3) make recommendations with respect to any additional legislative or administrative action necessary or desirable in carrying out the plan.

AUTHORIZATION OF APPROPRIATIONS

SEC. 6. There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

By Mr. BEALL:

S. 1710. A bill to repeal the requirements of section 3306 of title 5, United States Code, relating to apportionment of appointments in the civil service in the District of Columbia among the States. Referred to the Committee on Post Office and Civil Service.

Mr. BEALL. Mr. President, I am today introducing legislation to eliminate the requirement of apportionment of appointments in the Federal service in the District of Columbia.

Just as the Congress has the responsibility to enact new laws to benefit its citizens, so, too, does it have the responsibility of repealing those statutes on the books which have completely outlived their usefulness. The provisions found in section 3306 of title 5 of the United States Code relating to the apportionment of Federal employees by States certainly fit that latter situation.

Both the Civil Service Commission and the General Accounting Office have expressed the need for repeal of these provisions, and thus I am hopeful that the Congress will act expeditiously on this legislation so that we do not continue a policy of discrimination against those citizens who happen to live in States which have exceeded their employment quotas.

The Civil Service Act of 1883 provided that appointments to the competitive Civil Service in the District of Columbia be apportioned on the basis of population among the States, territories, and possessions of the United States, and the District of Columbia. The law was further expanded by Executive Order 9830 dated February 14, 1947, which extended the requirement to headquarter jobs in the entire Washington metropolitan area.

The purpose of the law was to prevent the awarding of Federal jobs in the Washington, D.C., area to those office seekers who took up residence in the National Capital Area for the expressed purpose of gaining a political "plum." In those early, experimental days of the merit system, it was considered important to provide a positive device to keep the large block of competitive civil service jobs as accessible as possible to that part of the Nation's populous isolated from the Capitol by distance and poor transportation facilities.

Experience, however, has shown that apportionment has not worked out as was intended, and in fact has worked as a great disservice to highly qualified potential employees of the Federal Government who have the professional misfortune of living in areas which have exceeded their Federal employment quotas.

Certainly, the conditions that led to the adoption of the present law have changed dramatically. Now, fewer than one-seventh of the jobs in the competitive civil service are located in Washington, D.C. With growing decentralization, the nature of field jobs has also changed drastically. Much policy formulation and decisionmaking is currently being carried out in Federal offices across the country and high-paying, responsible positions are found in every State.

Another change that has taken place since 1883 is the fact that to an ever

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greater extent, headquarter jobs are being filled by employees already working in field offices. This is largely because of the greater mobility in our work force, a greater need for field experience at the headquarter level, and a growth in the number of responsible field jobs providing the desired experience.

Civil Service Commission records show 41 States and territories currently in arrears of their allotted apportionment and 15 States and territories, including the metropolitan area of the District of Columbia, in excess of their apportionment quotas. This imbalance has remained virtually unchanged for the last 25 years or more. Apportionment simply has not made a significant difference in the number of persons from States perennially in arrears who take employment in Washington, D.C. To a considerable extent, this is because the residents in States in arrears who want Federal jobs, find they can get them in their own States without having to uproot themselves and their families to move to Washington.

However, this does not mean that residents of States in arrears do not participate fully in Federal employment or that they would participate any less if there was no apportionment requirement at all. As a matter of fact, the percentage of total Federal employment in most States does tend to correspond to their percentage of the total U.S. population. For example, California, though it is in arrears for apportionment purposes, nevertheless has some 300.000 Federal jobs within the State. In contrast, about half the States in excess of their quotas actually have fewer Federal employees within their borders than the population would call for if all Federal jobs were equally distributed according to State population. Additionally, the effect of the apportionment requirement on the Federal highway process has been very minimal.

At the present time, there are about 340,000 Federal jobs in the Washington, D.C. area. Of that number, less than 50,000 are under the State-quota system. This is due to the fact that many Federal civilian positions and individuals by law are not subject to apportionment requirements and that the law allows the requirement to be waived for certain individuals and positions. Apportionment applies only to appointment in competitive positions in the headquarters offices of agencies in the Washington metropolitan area. Excluded are appointments to the accepted service—that is, all civil service positions not in the competitive service. Moreover, all veterans and other eligible for veterans preference are excepted from apportionment under 5 U.S.C. 3306. This exception is derived from the Veterans' Preference Act of 1944. The Civil Service Commission estimates that approximately 50 percent of all Federal appointees are veterans. Thus, by law, a sizable number of civilian positions and job applicants are not subject to apportionment.

Finally, the Civil Service Commission has also established exceptions, such as clerk, stenographers, typists, scientific and professional personnel because of shortages in those areas, and also has excepted all GS-13 and above because of the desire to consider all qualified applicants for jobs at these higher grade levels.

Another reason why comparable representation has not been achieved is the continuing reluctance of job applicants from distant States to move to the Washington area. In a 1973 GAO study, responding agencies indicated that there was a distinct unwillingness by applicants to relocate in Washington. One agency noted that 30 percent of its out-of-town applicants declined positions for this reason. Such factors as the high cost of living in the Washington area and the District's crime problem were given as reasons for such reluctance.

Perhaps one reason why Congress has failed over the years to remove this outmoded statute from our books is the fact that, percentagewise, so few positions are included in the State quota system. However, this fact is of no consolation to those citizens who are rejected for Federal employment because of this unwarranted situation. In fact, my interest in this whole situation began as a result of having one of my constituents rejected for Federal employment because of this law.

In responding to my letter on behalf of this constituent, the Civil Service Commission said:

> Experience in administering the apportionment requirement in Section 3306 has convinced us that it is an outmoded, ineffective, and cumbersome device that acts as a barrier to full equal employment opportunity and has no place in a modern, streamlined federal merit system. However, until such time as the law is repealed, we must continue to execute it, which means, discriminating against the citizens of Maryland and the citizens of all states that exceed their quotas of departmental jobs in the Washington, D.C., Metropolitan area.

The Civil Service Commission has repeatedly urged the repeal of this legislation. In a recent letter to me, the Commission states:

> The Commission feels that repeal of apportionment is amply justified because in concept and in operation it is contrary to the fundamental principles of the merit system. Under apportionment, candidates who are only marginally qualified but who are from states in arrears receive consideration for departmental positions before exceptionally well qualified candidates from states in excess of their apportionment quotas. This is offensive to the principles on which our competitive Civil Service system rests.

Repeal of the apportionment requirement has also been advocated by the General Accounting Office, the investigative arm of the Congress. In a report to the Congress, released on November 30, 1973, the Comptroller General said:

> We believe the apportionment requirement should be eliminated so that agencies and departments will no longer be required to comply with a requirement that has outlived its usefulness. Even to the small percentage of appointments to which apportionment was applied, comparable representation has not resulted. The nationwide competitive examinations and rotation policies of agencies, to a large extent, have probably served the original purpose of the apportionment requirement.

Mr. President, the current apportionment requirement is an outmoded, ineffective and cumbersome device that acts as a barrier to full equal employment opportunities. It is difficult to administer, and has absolutely no place in modern, streamlined Federal merit system. I urge the Congress to act swiftly and favorably on my legislation.

Mr. President, I ask unanimous consent that an article by Mike Causey in the May 8, 1975, Washington Post entitled, "Quotas Keep Thousands off Payroll," be included in the RECORD at the end of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

QUOTAS KEEP THOUSANDS OFF PAYROLL

(By Mike Causey)

> Hundreds of Washington area residents, as well as Pennsylvanians and North Carolinians and persons from 12 other states are turned away from certain federal jobs here each year because an 1883 law says they come from the wrong place. The statute, which Congress has consistently refused to change, allots a specific number of the executive branch's civil service jobs here to residents of 56 states and territories on the basis of population. It is one of those laws that few people know exists, until they get a rejection slip from their government because of it.
>
> Federal officials have asked that the quota system be abolished because it makes for unbelievable, and hypocritical, administrative practices. Since it exempts veterans, the quota system also discriminates against women, since few of them are veterans.
>
> At the moment there are 339,857 federal jobs here (not counting clandestine operations of the CIA and National Security Agency). Of that number, about 290,000 are in the executive branch of government, and of that number, precisely 48,964 are under the state-quota system.
>
> Those 48,964 jobs range from typists to administrators, and the quotas are unevenly distributed across the more than 100 agencies here. Most would-be federal employees don't know whether they are competing for a job inside or outside the state quota system, unless they get turned down for being from a state that is in excess of its quota.
>
> States that already have more than their share of people in government quota jobs here are, in no particular order:
>
> Minnesota, just over its limit of 904 quota spots; Massachusetts, Iowa, Kansas, North Dakota, North Carolina, Vermont, Pennsylvania, Maine, Nebraska, South Dakota, West Virginia, Maryland, Virginia and the District of Columbia. Many citizens of those states have been turned down for government jobs this year, if they are quota jobs, because too many friends got here ahead of them.
>
> Best states to be from, in the quota competition, are California, which has only 654 persons under the regulation and a quota of 4,739; Michigan, 473 in a quota of 2,108, then Wisconsin, Georgia, Indiana, Florida, Texas and The Commonwealth of Puerto Rico. None of the six quota jobs assigned to American Samoa, the Virgin Islands' 15 or Guam's 20 slots are filled, and there are only 7 Alaskans where Congress has made room for 72.
>
> The quota system does not mean that all those jobs are begging for residents of states that are in arrears. But under the mixed-up quota system, which Congress created when it set up the civil service system, the commitment is there. It would serve the Senate and House right if members were deluged with requests from out-of-work constituents, demanding immediate employment here.

By Mr. CRANSTON (for himself, Mr. HARTKE, Mr. RANDOLPH, Mr. HANSEN, Mr. THURMOND, Mr. STAFFORD, and Mr. WILLIAMS):

S. 1711. A bill to amend title 38, United States Code, to provide special pay and other improvements designed to enhance the recruitment and retention of physicians, dentists, nursing personnel, and other health care personnel in the Department of Medicine and Surgery of the Veterans' Administration, and for other purposes. Referred to the Committee on Veterans' Affairs.

S. 1711: VETERANS' ADMINISTRATION PHYSICIAN PAY COMPARABILITY ACT OF 1975

Mr. CRANSTON. Mr. President, I am pleased to introduce the proposed Veterans' Administration Physician Pay Comparability Act of 1975. Joining with me are the distinguished chairman of the Committee on Veterans' Affairs (Mr. HARTKE) and my friend from West Virginia (Mr. RANDOLPH), as well as the three ranking minority members of the committee (Mr. HANSEN, Mr. THURMOND, and Mr. STAFFORD), and the distinguished Senator from New Jersey (Mr. WILLIAMS).

PURPOSE OF THE BILL

This bill seeks to redress the major problems the Veterans' Administration faces in recruiting and retaining physicians, dentists, nurses, physicians' assistants, dental therapists, licensed vocational nurses, and nursing assistants.

As chairman of the Subcommittee on Health and Hospitals of the Veterans' Affairs Committee, I have been deeply concerned over the Veterans' Administration's difficulty in recruiting and retaining highly skilled health professionals for a career in the Department of Medicine and Surgery, and have taken a number of legislative steps to alleviate this difficulty over the past 6 years.

I have sought to make a health career in the VA more attractive by: First, strengthening and expanding the affiliations between VA hospitals and health training institutions; second, proposing and obtaining large increases in research and medical care appropriations, and third, authoring new laws—Public Law's 93-82 and 82-541—expanding the mission of the VA Department of Medicine and Surgery to emphasize training of health care personnel to meet national needs, providing for overtime and premium pay for VA registered nurses, and, probably most importantly, broadening the statutory authorities under which the VA provides medical care so that VA medicine is more comparable to modern medical practice in terms of the provision of ambulatory care, home health care, and treatment of the veteran's family where it is important to the treatment of the veteran.

PROVISIONS OF S. 2354 AS PASSED BY THE 92D CONGRESS

The legislation which was enacted as Public Law 93-82 had been introduced in the 92d Congress first as S. 2354. Mr. President, I would like to point out that S. 2354 as it was passed by the Senate unanimously on May 4, 1972, contained many of the provisions which are in the legislation—specifically in section 5—we are introducing today. At that time, S. 2354 proposed to revise the Department of Medicine and Surgery personnel authorities to enable the VA to compete more effectively for scarce health professionals. Among these revisions, S. 2354 would have authorized the VA to pay special salary differentials for posts that are difficult to fill, and to peg general salaries geographically to an index community hospital.

In addition, S. 2354, as passed by the Senate in the 92d Congress, would have placed physicians' assistants and dental therapists directly within the title 38 personnel system using the nurse schedule. S. 2354 also, in an effort to enhance the recruitment and retention of licensed vocational or practical nurses and nursing assistants in the VA, would have authorized that the same differential and premium pay rates being provided for VA title 38 nurses be made available to licensed vocational nurses and nursing assistants.

All these provisions, which are included in the bill we are introducing today, were dropped in discussions with the House in reaching an agreement between House-passed and Senate-passed legislation. The experience of the last few years has again made it clear that these provisions are badly needed in order to enable the VA to compete effectively for health care personnel, and convinces me to reintroduce these provisions as a part of this bill providing an incentive pay bonus designed to enhance the recruitment and retention of VA physicians.

I emphasize, Mr. President, that the serious problems for the Department of Medicine and Surgery occasioned by the present statutory provisions in so far as licensed vocational nurses, licensed practical nurses, nursing assistants and physicians' assistants are concerned—all of which we have sought to address in section 5 of the bill we are introducing—were highlighted by the VA Chief Medical Director, Dr. John D. Chase, as part of his testimony on VA physician pay comparability legislation before the Hospitals Subcommittee of the House Veterans' Affairs Committee on April 28, 1975.

One VA personnel provision which was in S. 2354 and retained in the agreement made with the House and then retained in the finally enacted Public Law 93-82—which I introduced as S. 59, the Veterans Health Care Expansion Act of 1973—authorized higher pay grades for all title 38 employees. The benefits of this legislation, however, are not available to those personnel in the higher schedules due to the $36,000 ceiling imposed on all Federal employee salaries, which Congress last year decided not to raise.

COMPARABILITY OF PAY PROVISIONS OR PHYSICIANS

This ceiling on Federal salaries, Mr. President, has had the most deleterious impact on physicians in the Veterans' Administration where 40 percent of the physicians are reimbursed at the top ceiling level. Some of these professionals have been at this top ceiling level for as many as 5 years. This freeze is particularly burdensome in times of rapidly escalating increases in the cost of living.

Mr. President, the proposed Veterans' Administration Physician Pay Comparability Act of 1975 represents an interim step in the process of creating a permanent solution to the problem of adequate Federal pay schedules for physicians. The bill specifically addresses the inequity which currently exists for physicians in the VA's Department of Medicine and Surgery—known as DM&S.

THE UNIFORMED SERVICES: DEFENSE DEPARTMENT AND PUBLIC HEALTH SERVICE

The inability of the Federal agencies to reimburse physicians at a level which would enable those agencies to attract quality physicians to a career in their institutions first became apparent 4 or 5 years ago. With the ending of the physician draft in the armed services, the uniformed services were faced with a critical shortage of physicians to serve the needs of their members, and little hope of recruiting these needed professionals for career service. To meet this urgent situation, the Department of Defense submitted legislation, first in 1972, to provide special pay to medical officers after 2 years of service and to authorize a variable incentive pay for physicians of up to $15,000 a year depending on the severity of the shortage in the particular physician's specialty.

The 93d Congress completed action on this legislation in April 1974, and on May 6, 1974, the President signed it into law. As enacted, Public Law 93-274 provided for monthly special pay for physicians and for dentists in both the Department of Defense and in the Public Health Service. In addition, physicians in the uniformed services of the Department of Defense and the Public Health Service became entitled to special incentive pay—commonly called a "bonus" or "V.I.P.", which stands for variable incentive pay—of up to $13,500 on a yearly basis upon execution of a written agreement to complete a specified number of years of continuous active duty.

Mr. President, with the enactment of this legislation, and regulations issued thereunder effective September 5, 1974, the physicians employed in the VA Department of Medicine and Surgery no longer had pay comparability with the physicians in the two other major Federal health-care-providing agencies. In addition, while the VA system of hospitals and clinics offers many attractions and inducements to the physician beyond those offered by the Department of Defense and the Public Health Service—in terms of professional challenges in patient care, medical research, and in teaching—comparable positions in teaching hospitals in the community offer significantly greater financial rewards than VA service, as do faculty appointments at medical schools.

SALARIES OF VA PHYSICIANS

A comparison of the incomes of VA physicians, uniformed services physicians, and non-Federal physicians, shows that the current $36,000 salary ceiling on VA professionals is substantially lower than the top salary in the other two categories; the highest paid uniformed services physicians earn $55,594; and 15.8 percent of non-Federal physicians net over $71,000 annually.

Data regarding average net income for physicians in the United States show that the average net income for non-Federal physicians is $49,415; for physicians in group practice; about $52,000; in strict full-time academic medicine, $37,600, including fringe benefits estimated at 17.5 percent; in academic geographic full-time medicine, $38,650, in-

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cluding fringe benefits estimated at 17.5 percent; in military medicine, $37,355; and in the VA, $31,000.

It should also be noted in connection with the $37,355 military physician's average net income that over 75 percent have less than 12 years of professional experience, based on Army statistics. For those with over 12 years experience, the average salary is $43,039. The average salary after 12 years experience in the VA is $36,000 or less; for physicians in the private sector, it is $46,538.

ALARMING TREND TOWARD VA RELIANCE ON PART-TIME AND FOREIGN MEDICAL GRADUATE PHYSICIANS

Mr. President, one of the major findings of the special survey report by the VA Chief Medical Director on the level of the quality of patient care at Veterans' Administration hospitals and clinics, undertaken at the request of the President in 1974, was the serious problem of recruitment and retention of qualified health professionals. That report by the VA's present Chief Medical Director, Dr. John D. Chase, stated:

> If improved remuneration is not forthcoming in the next few months, we are convinced that the VA's ability to recruit well-qualified physicians will be seriously impaired and there will be an acceleration of resignations and conversions to part-time employment for economic reasons.

This prediction has proven to be very accurate indeed, Mr. President. Current data show that while overall employment of physicians in the Veterans' Administration has increased by 35 percent over the past 6 years, those who are serving full time represent only a 7 percent increase, while those who are serving part time represent an increase of 174 percent. From July of 1972 through September of 1975, 732 additional physicians were recruited. Of these, 93 percent, or 680, agreed to serve only part time.

Mr. President, this rapid increase in the number of VA physicians who are serving part time presents a most damaging trend which must be reserved.

Moreover, the 183 full-time physician increment achieved between 1972 and 1974 tells the story of another serious threat to the quality of patient care in VA hospitals. On the surface, this increase of 183 physicians appears salutory. However, in actuality it represents a disturbing trend toward dependence on the foreign medical graduate. Within the last 2 years, the number of physicians employed by the Veterans' Administration who graduated from U.S. medical schools has decreased by 122, while the number of VA physicians who are graduates of foreign medical schools has increased by 305.

Mr. President, I ask unanimous consent that charts graphically setting forth the increase in the percentage of physicians serving part time and the breakdown of foreign medical graduates among the physicians serving full time in the larger VA hospitals be printed in the Record at this point.

There being no objection, the tables were ordered to be printed in the Record, as follows:

(Three graphs submitted are not printed in the Record.)

INSERT 1, NO. 4

VA DEPARTMENT OF MEDICINE AND SURGERY—FMG IN TOTAL PHYSICIAN POPULATION

	Total physician by category	FMG	Percent FMG	Percent FMG in VA
All physicians	356,534	68,009	19.1	31
Internal medicine	64,257	12,666	19.7	23
Surgery	76,672	12,147	15.8	25
Psychiatry	26,843	6,510	24.3	33
Pathology	12,290	4,197	34.1	47

Source: Data from AMA—Dec. 31, 1972.

INSERT 1, NO. 5

VA DEPARTMENT OF MEDICINE AND SURGERY, FULL-TIME PHYSICIANS—FMG AS PERCENT OF FULL-TIME STAFF

[Includes only hospitals where FMG representation is 50 percent or more]

Facility	Total	1972 FMG	Percent	Total	1974 FMG	Percent
Fort Howard	14	7	50.0	14	12	85.7
Beckley	12	8	75.0	11	9	81.8
Downey (P)	28	15	53.6	40	30	75.0
Castle Point	18	13	72.2	23	17	73.9
Lyons (P)	33	25	75.8	35	25	71.4
Dayton	40	25	62.5	40	26	65.0
Fort Wayne	12	8	66.7	14	9	64.3
Chillicothe (P)	18	11	61.1	19	12	63.2
Bronx	72	41	56.9	74	43	58.1
Chicago (WS)	82	45	54.9	71	41	57.7
Huntington	18	6	33.3	18	10	55.6
Miami	43	19	44.2	40	22	55.0
Danville	30	14	46.7	31	17	54.8
Erie	11	4	36.4	11	6	54.5
Buffalo	49	23	46.9	57	31	54.4
Leavenworth	35	12	34.3	35	19	54.3
Marion, (IN)	13	6	46.2	13	7	53.8
Bedford (P)	23	13	56.5	26	14	53.8
Manchester	18	7	38.9	19	10	52.6
Cleveland	62	30	48.4	73	37	50.7
Albany	45	15	33.3	46	23	50.0
Hampton	40	18	45.0	42	21	50.0
Salem	45	12	26.7	52	26	50.0
Wilmington	27	10	37.0	28	14	50.0
Fort Lyon (P)	8	3	37.5	10	5	50.0
Total	796	390		842	486	

Note: 1972, 796; 1974, 842 equals 46 increase FTE. 1972, 390; 1974, 486 equals 96 (FMG) increase FTE.

Mr. CRANSTON. Mr. President, the VA's ability to recruit physicians has been seriously impaired by its inability to offer competitive salaries. Although many physicians looking for an academic career do give serious consideration to employment in a VA hospital affiliated with a medical school, data compiled recently on the reasons physicians offered positions in VA hospitals are declining such offers reveal that in the majority of the cases, salary was indicated as the major reason for rejecting the offer. Almost 1,200 physicians who were offered full-time positions in VA hospitals in calender year 1974 in either the psychiatric service or the general medical and surgical service declined the offer. Approximately 58 percent of those who declined positions offered in the psychiatric service declined because the salary was too low, and approximately 67 percent of those who declined positions offered in the general medical and surgical service also declined because the salary was too low.

Mr. President, I ask unanimous consent that a chart indicating the reasons for rejection of VA 1974 employment offers by physicians be printed in the Record at this point.

There being no objection, the table was ordered to be printed in the Record, as follows:

VA DEPARTMENT OF MEDICINE AND SURGERY—DECLINATION OF BONA FIDE OFFERS, JAN. 1, 1974–DEC. 31, 1974

	Reason for declination				
	Total number	Salary too low	Other known reasons	Reasons unknown	Percent rejection because salary too low
Hospital:					
Psychiatric	152	88	47	17	57.9
G.M. & S	1,043	698	208	137	66.9
Total	1,195	786	255	154	65.8
Domiciliary	0	0	0	0	0
Outpatient clinics	14	8	3	3	57.1
Systemwide	1,209	794	258	157	65.7

Mr. CRANSTON. Mr. President, the actual dollar difference which prompted these refusals averaged out to $13,548 and is clearly indicated in a chart which, Mr. President, I ask unanimous consent be printed in the Record at this point.

There being no objection, the table was ordered to be printed in the Record, as follows:

VA DEPARTMENT OF MEDICINE AND SURGERY—IMPACT OF SALARY ON RECRUITMENT AND RETENTION (JULY 1, 1974 TO MAR. 31, 1975)

	Total	Board-certified	Nonboard-certified	Average VA salary offer	Average minimum requirement	Average difference
Full-time physicians terminating VA employment	279	139	140	$31,437	$44,085	$12,64
Full-time physicians converting to part-time	153	94	59	33,370	47,134	13,76
Non-VA physicians rejecting bona-fide offers of VA full-time employment	422	276	146	31,455	44,243	12,78
New appointments to part-time status who rejected full-time positions	294	171	123	29,721	45,102	15,38

Note: The overall average differance between the VA offer and stated minimum requirement was $13,548.

Source: Special survey of VA hospitals, includes data from all but 3 hospitals.

Mr. CRANSTON. Mr. President, the chief medical director's special task force report on recruitment and retention of professionals made several recommendations with regard to alleviating the physician shortage in the VA Department of Medicine and Surgery. The first priority was given to enacting legislation which would provide incentive pay for physicians, give retirement credit for time spent in medical school, and authorize sabbaticals for physicians under certain circumstances.

Given the urgency of the physician retention problem at the moment, I believe legislation should be enacted immediately to provide a significant degree of pay comparability with other Federal agencies and with the community to forestall any mass exodus of physicians from the Veterans' Administration. The legislation I am introducing today does not contain the other two provisions which I am still considering. It does provide for special pay for physicians in the form of a yearly variable incentive bonus based directly on that provided the medical officers in the uniformed services under section 313 of title 37.

INCORPORATION OF EXISTING UNIFORMED SERVICES INCENTIVE PAY LEGISLATION

Mr. President, we have chosen to draft the bill so as to provide the greatest possible amount of comparability between the authority to be provided to the Administrator of Veterans' Affairs and the authority available to the Secretary of Defense and the Secretary of HEW under section 313 of title 37, United States Code.

It is our view that it is desirable to try to place the VA Department of Medicine and Surgery on a competitive level with the uniformed services insofar as recruitment and retention of physicians is concerned. We concluded that the best way to accomplish this would be to incorporate by reference the section 313 provisions and to direct the Administrator to exercise them in a manner not inconsistent with conditions of employment in the VA or with other provisions in the bill.

There are two other reasons, Mr. President, why we have chosen this incorporation-by-reference approach. First, we wanted to provide the VA with authority to enter into agreements for up to 3 years of service with VA physicians in return for which they would be eligible to receive the special pay for each such year.

This agreement is the predicate for the exercise of the section 313 authority, and, according to the April 30, 1975, health personnel task force report, entitled "Initial Report on Variable Incentive Pay for Medical Officers," by the Office of the Assistant Secretary of Defense—Health and Environment—submitted pursuant to Public Law 92–274, the military has thus far found the procedure of entering into such agreements to be a highly desirable recruitment-and-retention device.

The Defense Department report states that through March of this year, fiscal year 1975 medical officer volunteers are up 400 percent from a comparable period in fiscal year 1974—from 84 to 337; whereas losses were down by over 30 percent—2,278 out of 11,189, for a loss rate of 20 percent through February 1975, as compared to 3,415 out of 12,857 in fiscal year 1973 end-strength, for a loss rate of 27 percent.

Moreover, the DOD report shows that 54 percent of all military medical officers entering into variable-incentive pay agreements elected—and I stress the word "elected"—to do so for more than 1 year. Specifically, fully 33 percent chose to do so for the full 4 years.

Second, we chose the incorporation-by-reference method in order to insure that the VA's new authority to provide special pay to its physicians would endure as long as the section 313 authority was available to the uniformed services. We believe that the VA should have its authority automatically extended if and when the Congress decides to extend the section 313 authorities beyond their present June 30, 1976, termination date.

Finally, in this connection, Mr. President, I wish to stress that under our bill no physician would be required to enter into any agreement for more than 1 year in order to receive the special-pay bonus. There would be no coercion. There would be no undermining of the VA career system, as some seem to fear. If a physician wished to have more security than a straight 1-year bonus of up to $13,500 would provide—with no assurance of any such additional remuneration beyond 1 year—the physician would have the option under our bill of entering into an agreement for 2, 3, or 4 years of service within the Department of Medicine and Surgery.

The physician could, of course, still voluntarily terminate his employment or be terminated by the VA for grounds of misconduct, pursuant to the applicable statutory and regulatory procedures and standards. Mr. President, the section-by-section analysis of the legislation, which I will enter into the Record at the conclusion of my remarks, provides a detailed discussion of the provisions in our bill as they relate to section 313 of title 37, and I wish to refer my colleagues to that discussion for further information.

SPECIAL PAY PROVISIONS

Mr. President, the special incentive pay provided for in our bill would be authorized for any physician—full-time or part-time—employed in the VA Department of Medicine and Surgery.

However, the legislation specifies that the maximum amount of the special pay—$13,500—would be provided the Chief Medical Director, the Deputy Chief Medical Director, and the Associate Chief Medical Director—the top three officers in the Department of Medicine and Surgery.

Two types of special pay are established: base special pay and additional special pay.

Base special pay. The bill differentiates the level of base special pay allowable to full-time—other than the top three D.M. & S. officers—as against part-time physicians. In the case of full-time physicians, they would be entitled to base special pay at 45 percent of the $13,500 maximum amount, or $6,075.

In the case of part-time physicians, there are two different measures for the amount of their base special pay bonus. First, a part-time VA physician whose part-time service is required by the nature of the VA's medical needs in a particular area—rather than being determined for the convenience of the physician himself—is entitled to the full $6,075 bonus the same as a full-time VA physician.

In the case of a part-time VA physician whose part-time service is for the physician's convenience, base special pay is limited to an amount not to exceed 30 percent of the $13,500 maximum amount, or $4,050. The disparity of $2,025 in base special pay is intended to encourage physicians to accept a full-time VA DM&S appointment. Although the greatest amount of base special pay to which a regular part-time physician would thus be entitled would be the $4,050, this amount could be adjusted downward by the Veterans' Administration, in accordance with regulations, based on the number of hours worked or other factors. This situation should be distinguished from the case of additional special pay, where a pro rata reduction is required to be made, as opposed to being left discretionary with the VA as in the case of the base special pay for most part-time physicians.

It should also be noted, Mr. President, that the hospital director who is a physician would receive the $6,075 base special pay applicable to full-time physicians. I recognize, Mr. President, that there will be some dispute about the inclusion of a special pay bonus for physician hospital directors when that bonus will not be available to nonphysician hospital directors.

However, I believe that substantial inequities would be created if we were to exclude the physician hospital directors. There are 42 of them—although 6 hold dual positions as Chiefs of Staff and thus could readily convert to Chief of Staff positions solely, thereby qualifying for special pay if it were denied to physician hospital directors—and a number of them have come up through the system and been "promoted" from Service Chief or Chief of Staff.

I do not believe, Mr. President, that the nonphysician hospital directors, and we have some fine ones in California, would choose to deny physician hospital directors the benefit of this bonus just because it could not be extended, under the terms of section 313 of title 37, to nonphysicians. In this regard also, I think it is noteworthy that physician hospital directors are presently denied the benefit of having their salaries augmented by schools for carrying out faculty responsibilities—a decision, of course, for the medical school to make—a monetary benefit worth anywhere from $1,000 to $20,000 and averaging about $3,000 a year. For them to accept remuneration from the medical school would be a violation of Federal conflict-of-interest laws since the hospital director is responsible for contractual relations, in a number of respects, with affiliated medical schools.

Thus, I believe that to deny the physician hospital director this base special pay benefit would be to compound further an inequity.

Moreover, I am not aware that the VA has experienced particular difficulty recruiting lay hospital directors under the $36,000 ceiling.

Additional special pay: Over and above the amount of base special pay, there would be additional special pay, the amount of which would be determined by the VA after taking into account the scarcity of the medical specialty, the tenure, the education, and the responsibilities of the physician involved and the need for his services in the geographical area to which he is to be assigned. This additional special pay would be available to both part-time and full-time physicians, and in the case of the part-time physician would be pro-

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rated based on the proportion of full-time service provided.

Governmentwide health care personnel study: In addition, Mr. President, the bill provides that the Director of the Office of Management and Budget, after consulting with the Administrator of Veterans' Affairs, the Secretary of Defense, the Secretary of Health, Education, and Welfare, the Chairman of the Civil Service Commission, and the heads of other appropriate Federal agencies, shall submit by March 1, 1976, a report proposing a permanent legislative solution to the problem of attracting and retaining highly qualified physicians and other health care personnel for service in the Veterans' Administration, in other non-uniformed Federal service, and in the uniformed services—the military and the Public Health Service. This report, along with a justification for the proposal, is to be submitted to the appropriate House and Senate committees. The administration has already begun this study, and the March 1, 1976, date, therefore, should be reasonable.

I believe that the other priority recommendations of the Special Task Force with regard to physician recruitment and retention—urging retirement credit for the years spent in training and sabbaticals for professionals who meet certain conditions—merit careful consideration.

However, with the current critical lack of pay comparability for VA physicians, I believe the lack of a variable incentive pay bonus is by far the largest factor impairing VA physician recruitment and retention. The other benefits suggested by the special task force should be thoroughly studied and weighed in terms of their utility and effectiveness as part of a more permanent legislative solution governing pay for health professionals in the Federal service. I would hope that the Office of Management and Budget would include consideration of these two issues in developing the report mandated by section 4(b) of the proposed Veterans' Administration Physician Pay Comparability Act of 1975.

Mr. President, the legislation would also direct that this permanent legislative solution not confine its scope only to physicians, but include all health care personnel as well.

RECRUITMENT AND RETENTION OF OTHER HEALTH PERSONNEL

Physicians' assistants and dental therapists: Any system providing the high quality and wide range of health care the Veterans' Administration provides must rely on a highly trained interdisciplinary staff. Each member of this health care team plays a critical role in the treatment of every veteran served. Although the recruitment of physicians is essential, another major shortage area in the Veterans' Administration system of hospitals and clinics is the highly trained paraprofessional such as the physicians' assistant and dental therapist, as well as the all-important licensed vocational or practical nurse and the nursing assistant. In many locations, the VA has had great difficulty in competing with the community for the skills of these personnel.

Mr. President, the basis for this inability to compete is the restrictiveness of civil service pay schedules. In the case of the physicians' assistant, for example, the civil service position classification permits an entry salary of about $10,000 with little potential for advancement. This compares with a beginning salary of $12,500 to $15,000 in the community.

It is incongruous that the Veterans' Administration which has led the Nation in the development and training of this innovative and extremely effective paraprofessional is unable to profit from its own efforts—efforts they were mandated to expand by several provisions of Public Law 93–82. Although the VA has participated in the training of about 1,800 physicians' assistants, it has never had more than 85 employed at any one time. I do not foresee any reclassification of these positions by the Civil Service Commission within the next few years. Indeed, the Civil Service Commission on April 10, 1975, refused to do just that.

In order to permit the Veterans' Administration to utilize these invaluable individuals—many of them veterans who received their inital training during their military service—the legislation we are introducing today places physicians assistants and dental therapists within the title 38 personnel system utilizing the salary schedule for nurses.

The flexibility of the title 38 system should provide the maximum opportunity to adjust the varying roles and responsibilities developed for these paraprofessionals to the appropriate grade and pay levels, using the nurse schedule.

The bill in addition, authorizes the premium and overtime pay currently authorized for title 38 nurses, to be paid to physicians assistants and dental therapists as well.

Licensed vocational nurses and nursing assistants: Mr. President, the vast majority of nursing personnel—those who are not registered nurses—are, like physicians' assistants, governed by Civil Service Commission classifications. Under those rules, both the licensed vocational or practical nurse and the nursing assistant are covered by the same classification schedule.

The licensed vocational nurse has received formal training, completing a course of study approved by the State and has passed a State-approved written examination making the l.v.n.; or l.p.n. eligible for State licensure. The VA requires practical nurses to be licensed if they are to be retained beyond a probationary period.

The use of the same entry grade and schedule for both categories of personnel has created a serious morale problem which the VA Department of Medicine and Surgery has solved only partially by attempting to utilize a higher entering grade for the l.v.n. or l.p.n. based upon comparability studies for specific communities. However, approval for such a higher entering grade must come from the Civil Service Commission and to date has been granted in only four geographical areas.

In the case of nursing assistants, Mr. President, the Veterans' Administration encourages them to undertake career training as licensed vocational nurses. However, the level of pay offered nursing assistants—entry level of GS–2—offers few inducements for the nursing assistant to remain in that classification during training, when salaries of wage board employees in VA hospitals are substantially greater. The nursing assistant is attracted to these wage board positions—such as a position in the laundry facility, the engineering division, or the housekeeping department—which pay a much higher salary than that allowed a GS–2.

I have long believed that there is a natural career ladder which can be identified and developed starting with the nursing assistant, through the licensed vocational or practical nurse to the registered nurse, and beyond.

Public Law 93–82 directed the Department of Medicine and Surgery to provide for maximum opportunities for lateral mobility and career advancement for all health care personnel, with particular emphasis on continuing education and arrangements for obtaining academic credit for such on-the-job training. The VA has followed through conscientiously on this mandate and has developed a strong training program for nursing assistants, as well as for physicians' assistants, as I mentioned earlier.

A beginning to a closer coordination of the career development programs in the nursing fields is achieved through the bill's provision making the overtime and premium pay provisions which are applicable to title 38 nurses, also applicable to licensed vocational nurses and nursing assistants, in lieu of the present title 5 provisions now applicable to them. This would constitute a change in overtime and premium pay under the general schedule for these personnel in five respects: First, the bill would make applicable the more liberal 4-hour rule for night shifts; second, it would provide for overtime pay during Sundays at 175 percent rather than 150 percent; third, it would provide for overtime pay on holidays at 200 percent rather than 150 percent; fourth, it would apply the 15 minute pre-overtime rule; and fifth, it would provide for on-call pay.

To counter the difficulties posed in recruiting licensed vocational nurses and nursing assistants, the Chief Medical Director's Special Survey Report recommended that authority be given the VA to establish, on a geographical basis, a higher minimum and wider range of salary rates for these nontitle 38 nursing personnel. This recommendation was given high priority among the recommendations of that survey and action was urged in the current—then the 93d—Congress.

The legislation we are introducing today, Mr. President, incorporates this recommendation, and also makes it applicable to dentists, title 38 nurses, physicians' assistants, and dental therapists.

This is in line with the Special Survey Report recommendation that dentists, nurses, and nurse anesthetists should be removed from the restrictions of the salary ceilings imposed throughout the Federal Government.

The bill thus authorizes the Administrator of Veterans' Affairs, whenever he finds such action necessary to recruit or retain the services of such health care personnel, to increase the maximum rate of pay authorized under title 38 or title 5, on a geographical basis, both for a grade and within a grade in order to provide pay commensurate with competitive pay practices or to meet staffing requirements at geographically remote facilities.

With this authority, the Veterans' Administration will be in a position to compete more favorably for the services of health care personnel throughout the Nation.

Mr. President, as I indicated earlier, Dr. Chase in his April 28, 1975, testimony before the House Subcommittee described the physician recruitment and retention problem as well as these problems regarding other health care personnel. Mr. President, I ask unanimous consent that excerpts from his testimony be printed at this point in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM TESTIMONY OF DR. JOHN D. CHASE, VA CHIEF MEDICAL DIRECTOR, APRIL 28, 1975: HOUSE SUBCOMMITTEE ON HOSPITALS, COMMITTEE ON VETERANS AFFAIRS

First, I will describe for you the nature of our problem in the recruitment and retention of professional staff, with emphasis on physicians—the most critical aspect of this problem today. Second, I will discuss the problems we have with regard to licensed practical nurses and nursing assistants—a matter characterized in the Quality of Care report as a priority issue second only to that regarding recruitment and retention of physicians. Third, I will cover the Physicians' Assistants program in the VA, and fourth, the problems we are having in regard to pay differentials for certain categories of medical support personnel.

The preliminary report of the Quality of Care Survey stressed a finding that VA's Department of Medicine and Surgery was then in a non-competitive salary position for the recruitment and retention of physicians and observed that the situation was becoming progressively more severe. The final report went into this matter in greater detail and included the report, with recommendations, of a special Task Force on Recruitment and Retention.

The Task Force's summary remarks opened with this statement:

"The most critical problem confronting the Department of Medicine and Surgery is the recruitment and retention of an adequate staff of well qualified personnel essential to providing high quality health care. The most urgent of these needs focuses on the physician . . ."

The validity of this statement has intensified with the passing months.

Today, of all the problems in the area of patient care, the gravest threat to VA's ability to deliver the quality of care expected of us is our inability to offer competitive salaries to our physicians.

We have gathered an unarguable data base regarding the incomes of physicians in non-VA settings. This includes the incomes of physicians in other Federal medical systems. There are marked, even drastic disparities between what VA can pay its physicians and what comparably qualified physicians are earning elsewhere.

We also have gathered information on what these disparities have meant to our system, over the past year or two, in terms of rejections of offers of employment, of resignations from our system, and of movement within our system from full-time to part-time employment. And, while it is more difficult to measure, I can assure you that there is a serious and growing morale problem among our remaining physicians. This is reflected in our contacts with VA hospitals and clinic and in our correspondence.

I am not talking about shortage-category specialists alone but about physicians across the board. Of course, our traditional problem of attracting certain specialists has become even more acute. For examples: 44 of our Chiefs of Psychiatry positions are either vacant or filled on a part-time basis; 67 of our Chiefs of Laboratory positions are either vacant or filled by part-time pathologists or pathologists on a consultant or contract basis; 71 of our Chiefs of Radiology positions are either vacant or filled on a part-time or contract basis; and we are in need of a full-time Chief of Anesthesiology at approximately one-half of our hospitals.

As important as these figures are, I think our primary message is told better as follows: last year, of all bonafide offers of employment to physicians, we had a 66% rejection rate on the basis of salary; in the past two years, the percentage of Foreign Medical Graduates in our physician work force has moved from 26% to almost 32%, in the past five years, the number of individual physicians has increased by 34%, but our complement of part-time physicians has jumped by 174%, while the number of full-time physicians went up only 7%! One measure of quality of physician performance is his or her ability to gain academic rank in a medical school. In the past year, the number of VA physicians gaining this distinction has dropped from 51% to 40%.

We must reverse this trend of high-calibre physicians in all categories either leaving, or refusing employment in our health care facilities. It is a matter of extreme urgency that a solution be found that will make VA's salary structure for physicians competitive at least with the salaries payable to comparably qualified physicians in the other Federal health care systems, namely those in the Department of Defense and the U.S. Public Health Service.

I have had prepared a series of charts dealing with this issue and I would like to go over these with you in a moment.

First, though, I will cover the other matters referred to earlier. While the physicians' salary problem is the one of greatest immediacy, our other concerns regarding salary also bear on good patient care.

The licensed practical nurse is employed following a formal period of training provided by institutions, many of which are affiliated with the VA. Upon certification, the trainee is licensed as a practical nurse, but upon entry into our system, must be employed under the identical classification schedule as the nursing assistant. From an operational standpoint, the LPN is expected to assume greater responsibilities than the nursing assistant and on the basis of their training, to exercise higher levels of judgment within the team concept of patient care. The use of a single schedule for both categories has created a morale problem for the Department of Medicine and Surgery. The interim solution for the inequity has been the utilization of a higher entering grade for the LPN based upon comparability studies for specific communities.

This provision, however, is administered by the Civil Service Commission and to date, we have been successful in only four geographic areas. Also, this solution is marginally satisfactory at best, because the current classification series for these employees cannot be effectively utilized as a separate and discrete career ladder.

VA's repeated attempts to establish a separate series for the LPN—through Civil Service Commission review—have been unsuccessful. Concerning this, I would like to submit for the record copies of the latest exchange of correspondence on this subject between our Administrator and the Chairman of the Commission.

(Correspondence is inserted at the end of this testimony.)

Despite this recent turndown, I assure you that we will continue our efforts with the Commission to establish a separate classification schedule for LPNs and, in the interim, to petition the Commission for higher entry rates on the basis of geographic surveys.

The other problem we have in this regard, and one which was addressed by the special Task Force on Recruitment and Retention, concerns our nursing assistants primarily. This is due to the differing mechanisms of Wage Board employment and the Civil Service General Schedule employment. The latter applies in the case of nursing assistants and, in a number of localities, our nursing assistants are being attracted away from this career into other VA hospital employment such as the Wage Board positions in our housekeeping departments, food and laundry facilities, and engineering divisions. We are continuing to examine this problem with the objective of defining in greater detail the impact of administrative solutions, rather than a legislative remedy focused on a single employee group such as that proposed by the Task Force.

The physician-assistant program has been one of the most productive and usefully innovative developments in American health care delivery. The physician-assistant is a trained para-professional who has undergone two years of academic training, preparing himself to provide direct assistance to patients by the accumulation of data from the patient and to relate findings in the history and physical examination to the need for further study. Some physician-assistants may, under supervision, undertake certain technical procedures and may provide a critical role of professional assistance from the operating theater to the nursing home care unit. The VA has assisted in the educational program for this level of trainee at 29 locations and has expended $248,127 for this purpose in FY 1975.

The VA has conducted in-depth investigation on the effectiveness, cost efficiency and patient acceptability of the physician-assistant as a health care worker. In all regards, this program has proven to be extremely worthwhile as an additive measure by which health care can be provided. With our interest in the program, the VA provided leadership in establishing a mechanism for Federal employment. The problem which I surface to you today is that to date we have been unsuccessful in establishing a classification schedule at an appropriate level of reimbursement.

This has resulted in the fact that, while the VA has participated in the training of approximately 1800 PAs, we have been successful in recruiting and retaining very few. The most we have had in our system at any one time is the current figure of 85.

The basic entry salary we are permitted to offer is $10,520, or GS 7, step one. Meanwhile, PAs can enter employment in the private sector at salaries ranging from $12,500 to $15,000.

Concerning this problem, we will continue and intensify our efforts to establish for PAs in the Federal sector a classification schedule with higher entry levels. We are actively at work drawing together revised and more comprehensive statements of standards and qualifications for this purpose.

Lastly, I wish to point out that the provisions of Public Law 93–82, which authorized certain much needed pay differentials for our nurses—who are required to perform standby, night, weekend, and holiday duty—has given rise to complaints both within nursing service and from other categories of health care personnel. These new provisions for premium pay create inequities between categories, as well as administrative problems within nursing service, as the new provisions are applied. We will be working with the Congress to develop technical correction to resolve these difficulties. . . .

MARCH 10, 1975.

Hon. ROBERT B. HAMPTON,
Chairman, Civil Service Commission,
Washington, D.C.

DEAR MR. HAMPTON: Since 1968 the VA has been convinced that licensed practical nurses

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should be in an occupational series separate from nursing assistants. On a number of occasions we have presented our case to the Civil Service Commission, but each time the Commission has determined that there were insufficient differences in the basic duties to warrant establishment of a separate series. We maintain that there are significant differences between the two occupations. The differences are reflected in the knowledge requirements, as evidenced by licensure, the higher performance expectations for the LPN, and the responsibilities assumed by the LPN.

Licensed practical nurses participate in the planning, implementation, and evaluation of nursing care in all settings where nursing takes place. They perform with greater depth and effectiveness in the use of judgment and application of health care teaching. They exercise skill in interpersonal relationships, in motivation, communication, and evaluation of the condition of the patients. They carry out their assignments with a great degree of independence, conferring with a professional nurse only occasionally for complex procedures regarding patients' conditions or unit management. In instances where there is a shortage of professional nurses, an LPN will be placed in charge of a unit provided professional nurse assistance is readily available.

We believe that the higher level of knowledge possessed by the LPM affects the manner in which duties are performed in much the same way that a professional education permits a medical technologist to differ from a medical technician in series and grade level. Although we do not intend to equate the LPN with the professional level, the current philosophy of medical care in the VA requires LPN's to perform at the first level of the nursing profession—a level significantly different from that of nursing assistants. The LPN effectively bridges the gap between the professional nurse and the non-professional nursing assistant, and is the only nonprofessional position in the VA, other than Dental Hygienist, that requires a license.

The separation of these occupational groups is not a phenomenon peculiar to the VA. In the private sector, the LPN is also recognized as the first level of nursing, and is compensated accordingly. The American Nursing Association and the National League of Nursing recognize the LPN as an integral part of nursing and support practical nursing service and practical nursing education.

In conjunction with our conviction that separate occupational series should be established, we believe that GS–4 should be the entrance level for LPN's. They require only a short period of orientation to hospital policies and procedures before they are expected to perform the full scope of patient care duties which are described in the Civil Service classification standard at the GS–4 level. Therefore, we consider it inequitable to require LPN graduates to be employed at the GS–3 level.

We are enclosing a proposed qualification standard which incorporates a suggested approach to developing an appropriate qualification standard for these positions. This draft provides for entry at the GS–4 level based upon successful completion of a State approved written examination for Licensed Practical/Vocational nurses and current licensure to practice as a licensed practical/vocational nurse in a State or territory of the United States or in the District of Columbia. In addition, one year of LPN/LVN experience is required at the GS–5 level and two years at the GS–6. We believe this draft provides an appropriate vehicle for determining qualifications of individuals who function at the LPN/LVN skill level as members of the health care team.

The need for changes in the employment policies of LPN's has been affirmed by the Department of Medicine and Surgery Task Force study conducted last summer at the direction of the President, and reported in House Committee Print No. 163, 93d Congress, 2nd Session. It was determined by the Task Force, in which I concurred, that the improvement of recruitment and retention of LPN's is vital to the fostering of quality patient care in our hospitals.

Sincerely,

RICHARD L. ROUDEBUSH,
Administrator.

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., April 10, 1975:

Hon. RICHARD L. ROUDEBUSH,
Administrator,
Veterans' Administration,
Washington, D.C.

DEAR MR. ROUDEBUSH: This is in response to your letter of March 10, 1975, concerning your proposal to place Licensed Practical Nurses in an occupational series separate from Nursing Assistants and to recognize grade GS–4 as the entrance level for the Licensed Practical Nurse with no additional experience.

We fully appreciate the importance of providing better care to veterans and the crucial role that successful recruitment and retention of qualified personnel play in meeting that objective. We conducted an occupational study of the Nursing Assistant Series, GS–621, fairly recently and during that study we analyzed the work of Licensed Practical Nurses (LPN's) as well as that of Nursing Assistants.

In the Federal service as a whole, we found no consistent and clear distinction between the work assigned to and performed by LPN's and that assigned to and performed by nursing assistants. The major exception is that in some medical facilities, LPN's are authorized to administer medications and nursing assistants are not. As a matter of policy this is true in VA hospitals. However, in other Federal medical facilities, nursing assistants and LPN's both administer medications.

With due allowance for variations in individual positions, our findings were that (a) duties assigned to and performed by Licensed Practical Nurses are also assigned to and performed by Nursing Assistants, and (b) the knowledges, skills and abilities required for successful performance of these duties can be gained through various kinds of experience and training.

Aware of the VA interest in a separate series for LPN's, we explored the problem in depth. Our judgment was that to establish a separate occupation reserved only for LPN's who have completed a specified period of training, passed a test and paid licensing fees, even though others without those credentials are qualified to perform the work, would violate the spirit of the merit system by blocking some employees from work they are fully qualified to perform and, in some cases, are now performing.

Your letter urges establishment of a GS–4 entrance level for LPN's. A grade GS–4 entrance level is not justified for these positions based on the length and level of the LPN training. One year of training is qualifying at grade GS–3 for various medical support and other aid and technician occupations. Two or more years of training or education are required to qualify at the GS–4 level for nurse, dental hygienist, medical radiology technician, and many other types of technical support positions. To single out LPN's for a different entry level pattern would obviously create inequities.

In our judgment, the issue of the entrance level for LPN's is primarily a pay problem. We suggest approaching it from that point of view. Section 5303 of Title 5, U.S. Code, was enacted for this purpose. Under this legislation, higher salaries are now authorized for LPN's in VA Hospitals in the New York, Chicago, Boston, and West Haven, Connecticut. We are now considering a request for special rates for LPN's for the VA Hospital in Allen Park, Michigan. We will continue to use this pay flexibility when warranted to help the VA recruit and retain qualified LPN's.

I want to assure you that we share your interest in the need for effective measures to meet the vital manpower requirements in the health care field. This interest and concern has been uppermost in our minds as we prepared this reply to your request.

Sincerely yours,

ROBERT E. HAMPTON,
Chairman.

COMPENSATORY TIME OFF FOR NURSES

Mr. CRANSTON. Mr. President, another VA personnel problem has arisen recently as a result of a provision added by Public Law 93–82. This provision in section 4107(e)(5) does not permit compensatory time off in lieu of pay for overtime work. This prohibition was added to the law at the request of representatives of nurses in order to preclude any situation where, in order to save money, a nurse was pressured to take compensatory time off rather than receive overtime pay.

However, the need for such a prohibition is no longer present. Instead, we find the following situation. In some cases, nurses will be called in on an emergency basis to work outside their normal working hours and are then required to go directly into their regular working day because of the prohibition on compensatory time off. If the nurse then decides not to continue working into the regular tour of duty, leave must be charged for any period of absence from duty. Many nurses would prefer receiving compensatory time off in lieu of the overtime or premium pay in such a situation.

In order to permit this option, the legislation we are introducing today permits a nurse, only where a purely voluntary request is made in writing, to receive compensatory time off in such cases.

COST ESTIMATE

Mr. President, it is estimated that the first full-year costs of this legislation total $69 million. Of this amount the first-year costs of the proposed special-pay-for-physicians provisions are estimated at $63 million, and the costs of the other provisions—placing physician's assistants and dental therapists in the title 38 schedule, and authorizing overtime and premium pay for licensed vocational or practical nurses, nursing assistants, physicians' assistants, and dental therapists, identical to that provided title 38 nurses—are estimated to total $6 million.

I would like to bring to the attention of my colleagues, Mr. President, the fact that in the VA's official legislative report to the House committee and in Dr. Chase's testimony, both submitted on April 28, 1975, the Administration stated:

> Its support of legislation to provide VA physicians a variable incentive bonus pay provision which provides comparable pay adjustment to that available to physicians in the uniformed services, . . . this legislative authority . . . [to] be effective July 1, 1975, and terminate on June 30, 1976, which is identical to the concluding date for Public Law 93–274.

The VA's initial informal estimate of the cost of this provision was $74 million. As a result of our providing for $2,000 less base special pay for most part-time VA physicians, the costs have been reduced to $63 million for this special pay program.

CONCLUSION

Mr. President, the Veterans' Administration medical care system has grown through the years, and has become a system capable of providing high quality medical care to our Nation's veterans.

Statutory limitations on its ability to provide a broad range of health services to eligible veterans have been largely removed in recent years primarily through enactment of Public Law 93–82, the Veterans Health Care Expansion Act of 1973, one of the first major pieces of legislation to be reported from the Veterans' Affairs Committee established in the 92d Congress. I believe it is essential that we build upon the foundation laid by that public law for a health system "second to none," by providing the VA with the authorities it badly requires in order to attract and keep on board the health care personnel needed to administer the program.

Mr. President, the Health and Hospitals Subcommittee will hold hearings on the Veterans Administration Physician Pay Comparability Act of 1975 and related legislation on May 22 and 23, 1975, at 9:30 a.m. Dr. Chase will lead off the testimony on the first morning. After we have had an opportunity to hear from the Administration, veterans organizations, health care personnel, and other individuals and organizations wishing to comment on this legislation, I would hope to bring the bill through committee and to the floor next month.

Mr. President, I ask unanimous consent that a section-by-section analysis of the proposed legislation followed by the full text of the bill be printed in the RECORD at this point.

There being no objection, the analysis and the bill were ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS OF PROPOSED VETERANS' ADMINISTRATION PHYSICIAN PAY COMPARABILITY ACT OF 1975

Section 1. Provides that this Act may be cited as the "Veterans' Administration Physician Pay Comparability Act of 1975".

Section 2. Makes a series of amendments to present section 4107 of title 38, United States Code, (specifying grades and pay scales) designed to (1) place the salaries of the three top officials of the Department of Medicine and Surgery (DM&S) within title 38 rather than in the Executive Schedule in title 5, United States Code, as at present; and (2) provide for the payment to VA physicians of a variable incentive bonus which provides pay adjustment comparable to that available to physicians in the uniformed services (military and public health service), as provided for in section 313 of title 37, United States Code, as amended by Public Law 93–274, the Special Pay Structure Relating to Medical Officers of the Uniformed Services Act. The Administration indicated its support for such pay adjustment provisions on page 6 of its April 28, 1975, report on H.R. 1545 and related bills to the House Committee on Veterans' Affairs.

Clause (1). Amends subsection (a) by deleting, in light of the amendment made in clause (2) of this section and in section 3 of the bill, the language which denotes that the pay scale of the Chief Medical Director and Deputy Chief Director are not provided for in the "section 4103 schedule".

Clause (2). Amends subsection (a) by striking out the present reference to the salary of the Associate Deputy Chief Medical Director (specified to be at the annual rate provided in section 5316 of title 5 for positions in level V of the Executive Schedule) and substitutes for that reference designations of salary level for the Chief Medical Director ($49,700), Deputy Chief Medical Director ($48,500), and Associate Deputy Chief Medical Director ($47,300). The salaries of these three top officers of DM&S are currently set by the Executive Schedule as follows: $40,000 for the Chief Medical Director; $38,000 for the Deputy Chief Medical Director; and $36,000 for the Associate Deputy Chief Medical Director. All of the positions at executive level III are filled by Presidential appointment by and with advice and consent of the Senate; the same is true of virtually all the positions at executive levels IV and V as well. In contrast, the three top DM&S officers are non-partisan officials appointed for four-year statutory terms of service by the Administrator of Veterans' Affairs, not by the President.

The $49,700 pay level proposed for the Chief Medical Director in the bill derives from the executive level III salary proposed by the President on February 4, as part of a three-year adjustment plan for the Executive Schedule salaries (Appendix to the Budget for Fiscal year 1975, page 1030); the salaries of the Deputy Chief Medical Director and Associate Deputy Chief Medical Director are set at $1,200 and $2,400 lower, respectively, slightly higher than the executive III and IV levels proposed by the President at that time in order to bring the salary of the Associate Deputy Chief Medical Director to a higher level than that presently set forth for Assistant Chief Medical Directors ($46,336) as presently set forth in the "section 4103 schedule" in present section 4107(b).

It should be noted that all of the salaries in the "section 4103 schedule," to the extent that they exceed $36,000, are governed by the limitation in present subsection (d) applying the $36,000 ceiling set forth in section 5308 of title 5, United States Code. Since this same ceiling would thus, under the amendments in clause (2), apply to the salaries of the Chief Medical Director and reducing them by $4,000 to $2,000, respectively—which would be unfair to the incumbents of that office (particularly insofar as Civil Service retirement credit is concerned)—section 6(b)(1) of the bill would add a "grandfather" provision entitling the incumbents of the three top DM&S offices to the salaries they were receiving prior to these salaries being placed in the "section 4103 schedule."

Clause (3). Amends present subsection (c) to add a necessary reference to the special pay provided for in the amendment made by clause (4) of the bill.

Clause (4). Amends present subsection (d), which makes applicable to the "section 4103 schedule" the pay limitations set forth in section 5308 of title 5 (the $36,000 annual salary limitation), by providing for an exception to that ceiling with respect to special pay (under the new paragraph (2) added to the present section 4107 by this clause) for certain physicians employed in the Veterans Administration Department of Medicine and Surgery. A new paragraph (2) is added to present subsection (d) as follows:

New section 4107(d)(2): Provides that, notwithstanding the annual salary ceiling limitation, the Administrator is authorized and directed to utilize the special pay provisions in section 313 of title 37, United States Code, as added by section 1(4) of Public Law 93–274, in order to provide, in addition to any other pay or allowances to which such individual is entitled, special pay, in the nature of a variable incentive bonus, to any physician employed in DM&S. The Administrator is required to prescribe his own regulations governing the provision of such special pay, and, in prescribing such regulations, he is not bound by the regulations prescribed under that law by the Secretary of Defense or the Secretary of Health, Education, and Welfare (HEW). In effect, the provisions of section 313 of title 37 would be incorporated by reference into title 38, except "to the extent that the provisions of such section are clearly inapplicable to conditions of employment in the Veterans Administration or not consistent with the provisions of" the new paragraph (2).

The full text of Public Law 93–274, section 1(4) of which adds a new section 313 to title 37, United States Code, is as follows:

PUBLIC LAW 93–274

An act to amend chapter 5 of title 37, United States Code, to revise the special pay structure relating to medical officers of the uniformed services

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 5 of title 37, United States Code, is amended as follows:

(1) Section 302 is amended to read as follows and the item in the chapter analysis is amended to correspond with the revised catchline:

"§ 302. Special pay: physicians

"An officer of the Army or Navy in the Medical Corps, an officer of the Air Force who is designated as a medical officer, or a medical officer of the Public Health Service, who is on active duty for a period of at least one year is entitled, in addition to any other pay or allowances to which he is entitled, to special pay at the following rates—

"(1) $100 a month for each month of active duty if he has not completed two years of active duty in a category named in this section; or

"(2) $350 a month for each month of active duty if he has completed at least two years of active duty in a category named in this section.

The amounts set forth in this section may not be included in computing the amount of an increase in pay authorized by any other provision of this title or in computing retired pay or severance pay.".

(2) The following new section is added after section 302a and a corresponding item is inserted in the chapter analysis:

"§ 302b. Special pay: dentists

"An officer of the Army or Navy in the Dental Corps, an officer of the Air Force who is designated as a dental officer, or a dental officer of the Public Health Service, who is on active duty for a period of at least one year is entitled, in addition to any other pay or allowances to which he is entitled, to special pay at the following rates—

"(1) $100 a month for each month of active duty if he has not completed two years of active duty in the Dental Corps or as a dental officer;

"(2) $150 a month for each month of active duty if he has completed at least two years of active duty in the Dental Corps or as a dental officer;

"(3) $250 a month for each month of active duty if he has completed at least six years of active duty in the Dental Corps or as a dental officer; or

"(4) $350 a month for each month of active duty if he has completed at least ten years of active duty in the Dental Corps or as a dental officer.

The amounts set forth in this section may not be included in computing the amount of an increase in pay authorized by any other provision of this title or in computing retired pay or severance pay.".

(3) That portion of the first sentence of section 311(a) preceding clause (1) is amended to read as follows:

"(a) Under regulations to be prescribed by the Secretary of Defense or by the Secretary of Health, Education, and Welfare, as appropriate, an officer of the Army or Navy in the Medical Corps above the pay grade of O–6, an

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officer of the Air Force who is designated as a medical officer and is above the pay grade of O–6, a medical officer of the Public Health Service above the pay grade of O–6, an officer of the Army or Navy in the Dental Corps, an officer of the Air Force who is designated as a dental officer, or a dental officer of the Public Health Service who—".

(4) By adding the following new section after section 312a and by inserting a corresponding item in the chapter analysis:

"§ 313. Special pay: medical officers who execute active duty agreements

"(a) Under regulations prescribed by the Secretary of Defense or by the Secretary of Health, Education, and Welfare, as appropriate, and approved by the President, an officer of the Army or Navy in the Medical Corps, an officer of the Air Force who is designated as a medical officer, or a medical officer of the Public Health Service, who—

"(1) is below the pay grade of O–7;

"(2) is designated as being qualified in a critical specialty by the Secretary concerned;

"(3) is determined by a board composed of officers in the medical profession under criteria prescribed by the Secretary concerned to be qualified to enter into an active duty agreement for a specified number of years;

"(4) is not serving an initial active duty obligation of four years or less or is not serving the first four years of an initial active duty obligation of more than four years;

"(5) is not undergoing intern or initial residency training; and

"(6) executes a written active duty agreement under which he will receive incentive pay for completing a specified number of years of continuous active duty subsequent to executing such an agreement;

may, upon acceptance of the written agreement by the Secretary concerned, or his designee, and in addition to any other pay or allowances to which he is entitled, be paid an amount not to exceed $13,500 for each year of the active duty agreement. Upon acceptance of the agreement by the Secretary concerned, or his designee, and subject to subsections (b) and (c) of this section, the total amount payable becomes fixed and may be paid in annual, semiannual, or monthly installments, or in a lump sum after completion of the period of active duty specified in the agreement, as prescribed by the Secretary concerned.

"(b) Under regulations prescribed by the Secretary of Defense, the Secretary concerned, or his designee, may terminate, at any time, an officer's entitlement to the special pay authorized by this section. In that event, the officer is entitled to be paid only for the fractional part of the period of active duty that he served, and he may be required to refund any amount he received in excess of that entitlement.

"(c) Under regulations prescribed by the Secretary of Defense or by the Secretary of Health, Education, and Welfare, as appropriate, an officer who has received payment under this section and who voluntarily, or because of his misconduct, fails to complete the total number of years of active duty specified in the written agreement shall be required to refund the amount receive that exceeds his entitlement under those regulations. If an officer has received less incentive pay than he is entitled to under those regulations at the time of his separation from active duty, he shall be entitled to receive the additional amount due him.

"(d) This section does not alter or modify any other service obligation of an officer. Completion of the agreed period of active duty, or other termination of an agreement, under this section does not entitle an officer to be separated from the service, if he has any other service obligation.

"(e) The Secretary of Defense and the Secretary of Health, Education, and Welfare shall each submit a written report each year to the Committees on Armed Services of the Senate and House of Representatives regarding the operation of the special pay program authorized by this section. The report shall be on a fiscal year basis and shall contain—

"(1) a review of the program for the fiscal year in which the report is submitted; and

"(2) the plan for the program for the succeeding fiscal year. This report shall be submitted not later than April 30 of each year, beginning in 1975.".

SEC. 2. The amendments made by this Act become effective on the first day of the first calendar month following the date of enactment. Except for the provisions of section 313 of title 37, United States Code, as added by section 1(4) of this Act, which will expire on June 30, 1976, the authority for the special pay provided by this Act shall, unless otherwise extended by Congress, expire on June 30, 1977.

Approved May 6, 1974.

LEGISLATIVE HISTORY

House reports: No. 93–883 (Comm. on Armed Services) and No. 93–984 (Comm. of Conference).

Senate Report No. 93–656 (Comm. on Armed Services).

CONGRESSIONAL RECORD:

Vol. 119 (1973): Dec. 20, considered and passed Senate.

Vol. 120 (1974): Apr. 2, considered and passed House, amended. Apr. 23, House and Senate agreed to conference report.

The Department of Defense Directive (No. 1340.11) of September 12, 1974, implementing section 313 is as follows (note that the VA need not adopt the same regulations to exercise the section 313 authority for VA physicians):

DEPARTMENT OF DEFENSE DIRECTIVE

Subject: Variable incentive pay for medical officers.

References:

(a) Section 313 of title 37, U.C. Code

(b) Section 205 of title 37, U.S. Code

(c) DoD Directive 1340.8, "Continuation Pay for Medical and Dental Corps Officers," (under revision)

(d) DoD Directive 5154.13, "Procedures for the Approval of Regulations Pertaining to Military Pay and Allowances," May 1, 1958

(e) DoD Instruction 7110.1 "Guidance for Preparation of Budget Estimates, Operating Budgets, Financial Plans and Apportionment Requests, and Related Support Material," August 23, 1968

I. PURPOSE

This Directive establishes Department of Defense policies governing the payment of variable incentive pay to medical officers under reference (a).

II. DEFINITIONS

A. Medical Officers. An officer on active duty in one of the following categories:

An officer in the U.S. Army who is in the Medical Corps;

An officer in the U.S. Navy who is in the Medical Corps;

An officer in the U.S. Air Force who is designated as a medical officer.

B. Critical Specialty. Categories of medical officers in which the supply of qualified personnel is, or is projected to be, inadequate to meet military service requirements as designed by the Secretary of the appropriate Military Department and approved by the Secretary of Defense.

C. Initial Active Duty Obligation. The first obligation to serve on active duty for a specified period of time imposed on medical officers by a statute other than section 313 of title 37, U.S. Code (reference (a)), by contract or agreement, or by a regulation issued by the Secretary of Defense or the Secretary of a Military Department. Those officers who entered on active duty, other than under a special procurement program, on or after July 2, 1973, will not be considered as having an initial active duty obligation, and shall not incur such an obligation solely as the result of the commissioning process.

D. Long-Term Medical Training Obligation. An obligation incurred by an individual as a result of participating in military funded medical training of one school year or more. This medical training will include both that received in preparation for commissioning as a medical officer, as well as that received subsequent to commissioning as a medical officer.

E. Initial Residency. An initial residency shall be construed to be that period of time in residency training prior to formal completion of the officer's first residency.

III. POLICIES AND RESPONSIBILITIES

A. Variable incentive pay shall be used as a responsible management tool with respect to officers qualified in critical specialties by:

1. Paying a bonus to medical officers based on current shortages, and projected shortages.

2. Fostering utilization policies so that medical officers will be assigned in accordance with their critical skills, career patterns, and the contingencies and requirements of the individual Military Departments.

B. To be eligible for variable incentive pay, a medical officer must:

1. Be in pay grade O–3, O–4, O–5, or O–6; and

2. Not be serving as an intern or in initial residency program while on active duty; and

3. Have no disqualifying active duty obligation.

C. A disqualifying active duty obligation is an obligation to enter or remain on active duty incurred as a result of:

1. An initial active duty obligation of 4 years or less, or the first 4 years of an initial active duty obligation of more than 4 years.

2. An agreement entered into by an officer in a Reserve component to enter active duty after completion of a period of professional education and training (e.g., Berry Plan, Reserve Officers Training Corps Program, Senior Medical Student Program, Armed Forces Health Professions Scholarship Program).

3. Participation in an educational program in which the officer was on active duty during the period of the time he attended the professional school that qualified him as a medical officer. Disqualification for this training will not exceed the first 4 years of an initial active duty obligation.

4. An agreement entered into under the continuation pay program for medical officers. Officers receiving continuation pay who otherwise are eligible to receive variable incentive pay may repay the prorated unearned amount of continuation pay and thereby be eligible immediately to receive variable incentive pay.

D. Except for those programs in which participation in intern or residency training is specifically prohibited by statute or regulation from being creditable toward satisfying an initial active duty obligation, a period of time spent in intern or initial residency training while on active duty may be creditable in satisfying an initial active duty obligation.

E. Officers who are eligible for variable incentive pay will be placed in one of the following categories in accordance with subsection I., below:

1. An officer qualified in a designated critical specialty whose professional qualifications or demonstrated performance, in relation to his Military Department's need for such officers, indicates that a premium should be placed on his procurement or retention in the active service.

2. An officer qualified in a designated critical specialty whose professional qualifications or demonstrated performance indicates that no premium should be placed on his procurement or continued active service.

F. Officers qualified in a designated critical specialty who are placed in category 1., above, may be offered an active duty agreement of 1, 2, 3, or 4 years, as indicated in

the table in H., below, except that an officer may not be offered an agreement for a number of years greater than that remaining to a mandatory retirement. Officers in II. D. with existing service obligations as a result of extended medical training funded by the military will receive reduced amounts as indicated for obligated officers in the table in H., below. An officer who is placed in category 2., above, may not be offered any active duty agreement under the variable incentive pay program.

G. If an officer who enters an active duty agreement subsequently enters intern or initial residency training, or enters a civilian education program in excess of 100 days other than subspecialty or medical fellowship training, he must voluntarily terminate his active duty agreement under this Directive prior to entry into such program. Recoupment in such instances will be on a pro rata basis.

H. Except officers with service obligations in F., above, entitlements shall be determined by the years of service computed in accordance with section 205, title 37, U.S. Code (reference (b)) and the length of the active duty agreement. The annual amount of variable incentive pay to which a medical officer is entitled under the provisions of this Directive is shown in the following table:

MEDICAL OFFICERS VARIABLE INCENTIVE PAY ENTITLEMENT

[In dollars per year]

Years of service computed under sec. 205, title 37, U.S. Code	Length of active duty agreement			
	1 yr	2 yr	3 yr	4 yr
4 through 13	$12,000	$12,500	$13,000	$13,500
14 through 19	11,500	12,000	12,500	13,000
20 through 25	11,000	11,300	11,600	12,000
26 or more	10,000	10,300	10,600	11,000
Obligated officers	9,000	9,000	9,000	9,000

I. The Secretaries of the Military Departments, or their designees, shall select the medical officers under their jurisdiction subject to limitations in E. and H., above, who will be entitled to variable incentive pay from officers qualified in a designated critical specialty who:

1. Are determined by a board of medical officers to be qualified to enter into active duty agreement for a specified number of years; and

2. Execute a written active duty agreement containing the terms of entitlement to variable incentive pay.

J. Upon acceptance of a written agreement by the Secretary of the appropriate Military Department, or his designee, and subject to K. and L., below, the total amount payable under the agreement becomes fixed and may be paid immediately upon signing the agreement in equal annual, semiannual, or monthly installments; or in a lump sum after completion of the period of the active duty specified in the agreement, at the option of the officer concerned.

K. The Secretary of the Military Department, or his designee, may terminate a medical officer's entitlement to variable incentive pay, at any time, upon a determination by a board composed of medical officers, that the officer's performance has deteriorated to a level at which no premium should be placed on his continued service. In the event of such termination of entitlement, the officer shall be entitled to be paid only for the proportionate part of the period of active duty that he served under the agreement, and he shall refund any amount he received in excess of that entitlement.

L. A medical officer who has received payment under this section and who voluntarily, or because of his misconduct, fails to complete the total number of years of active duty specified in the written agreement shall be required to refund the amount received that exceeds his entitlement, as prescribed below, except as provided in G., above. However, such termination of his agreement will not entitle him to be separated from the service, and any such separation shall be governed by other appropriate regulations and policies. If an officer has received less incentive pay than he is entitled to under this directive at the time of his separation from active duty, he shall be entitled to receive the additional amount due him.

PERCENT OF TOTAL AGREEMENT SUM TO WHICH AN OFFICER WHO VOLUNTARILY TERMINATES HIS AGREEMENT IS ENTITLED

Length of agreement	Number of years completed under agreement				
	Less than 1	1	2	3	4
4 yr	0	15	40	70	100
3 yr	0	22	60	100	
2 yr	0	35	100		
1 yr	0	100			

M. If a medical officer dies or is retired for disability while serving an active duty agreement, his entitlement shall be the proportionate part of the period of active duty that he served under the agreement. Any amount he received in excess of that entitlement shall be recouped by the Government unless the Secretary of Defense, or his designee, determines that recoupment of the excess would not be in the best interest of the Government.

N. A medical officer may be transferred from one critical skill to another and eligibility reconfirmed by the Selection Board with the approval of the Secretary of the Military Department concerned, or his designee.

O. The Secretaries of the Military Departments shall:

1. Include the costs of the program in budget estimates for military personnel appropriations under the provisions of DoD Instruction 7110.1 (reference (e)).

2. Submit proposed implementing instructions for review by the military Pay and Allowances Committee in accordance with DoD Instruction 7110.1 (reference (e)).

3. Submit statistical data and analyses as requested by the Assistant Secretary of Defense (Health and Environment) for preparation of the annual report to the Congress on this program. This information requirement is assigned RCS DD–H&E(A) 1353.

4. Recommend changes in the variable incentive pay program to the Secretary of Defense through the Assistant Secretary of Defense (Health and Environment).

P. The Assistant Secretary of Defense (Health and Environment) shall:

1. Monitor and evaluate Military Department programs to ensure effective use of program funds, making recommendations to the Military Departments and, when necessary, to the Secretary of Defense in respect to individual programs.

2. Prepare the annual reports pertaining to this program as required by the Congress.

3. Issue DoD instructions, as required, to carry out the purpose of this Directive.

IV. EFFECTIVE DATE AND IMPLEMENTATION

This Directive is effective September 5, 1974. Six copies of implementing instructions shall be forwarded to the Assistant Secretary of Defense (Health and Environment) within 60 days.

Applicable section 313 provisions: Thus, the following provisions of section 313 *would* be applicable to the utilization of the authorities in that section by the Administrator—reading the references to the "Secretary" to refer to the "Administrator" and the references to an "officer" to refer to a "physician employed in the Department of Medicine and Surgery" under the provisions of the new paragraph (2): (1) most of the provisions of subsection (a) (namely, providing for determination of medical qualifications for appointment by a board composed of medical officers; precluding provision of special pay to physicians undergoing intern or initial residency training; requiring execution of a written agreement to serve a specified number of years of continuous service in return for receiving special pay during that period; setting a maximum of $13,500 for such special pay for each year of service under agreement; and providing for payment of the special pay in annual, semi-annual, or monthly installments, or in a lump sum); and (2) all of the provisions of subsections (b) and (c) (authorizing termination at any time of a physician's entitlement to the special pay pursuant to regulations, and, in such event, requiring the repayment of any special pay to which a terminated physician would be entitled for any period that he had not actually served; providing that a physician receiving special pay who voluntarily, or because of misconduct, failed to complete the total number of years specified in the written agreement would (A) be required to refund the amount received in excess of his entitlement, as prescribed in regulations, or (B) would be entitled to receive any additional special pay to which he was entitled but had not received at the time of such termination).

Non-applicability of section 313 provisions: The following provisions of section 313 would *not* be applicable to utilization of the section 313 authorities by the Administrator: (1) clause (1) of subsection (a) (requiring pay below the grade 0–7, a pay grade not applicable to the Veterans Administration; (2) clause (2) of subsection (a) (requiring service in a designated critical specialty, which is modified by the ensuing provisions of the new paragraph (2)); (3) clause (4) of subsection (a) (exempting those serving initial active duty obligation periods of up to four years, since there is no obligation for service in the Veterans Administration; and (4) subsection (e) (requiring an annual report, which would be rendered nugatory by the virtually identical annual report requirement set forth in section 4(a) of the bill).

Additional special pay provisions applicable to VA: The new paragraph (2) specifies certain additional requirements and conditions governing the exercise of the Administrator's authority to utilize the section 313 authorities. First, it requires him to use those authorities to pay the maximum amount of special pay ($13,500) to the three top officials of DM&S, bringing the annual salaries for these three under title 38 to $49,500 (except that the salaries of the incumbents of those positions on June 30, 1975, would, by virtue of the grandfather clause in section 6(b) of the bill, receive $53,500 in the case of the Chief Medical Director and $51,500 in the case of the Deputy Chief Medical Director).

Second, it establishes two types of special pay: (1) base special pay which is a minimum amount to which each VA physician is entitled either under law or under the VA's regulations; and (2) additional special pay which may be paid at the Administrator's discretion in light of certain specified factors.

Base special pay: Base special pay in the amount of 45 percent ($6,075) of the maximum special pay amount will be paid to (i) all full-time physicians employed in DM&S (bringing the average such salary to approximately $37,000 and the maximum such salary to approximately $42,000) and (ii) all those part-time physicians in the Department of Medicine and Surgery whose service on a less-than-full-time basis is due to the medical needs of DM&S rather than their own preference, that is, for the convenience of the government (for example, a neurosurgeon whose time can be productively utilized only on a half-time basis by the VA at a particular hospital). As to part-time physicians in DM&S whose part-time service is for their convenience (as described above), provision

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is made for base special pay of up to 30% ($4,050) of the maximum special pay amount, which amount could be adjusted downward by the VA, in accordance with its regulations, based on the number of hours worked or other factors. Thus, there would be an automatic differential of $2,025 between base special pay for full-time and part-time service.

It should be noted that under these provisions, physicians who serve as VA hospital directors (approximately 42 of 171) would be entitled to the base special pay bonus of $6,075.

Additional special pay: In addition to the amounts of base special pay, described above, the Administrator is given discretion to pay an amount of additional special pay to VA physicians based upon specified factors. The amount of such additional special pay could not exceed $7,425 in the case of a full-time physician or $9,450 (multiplied by the proportion of full-time service actually performed) in the case of a part-time physician. In determining the amount of any additional special pay to be provided, the Administrator is directed to consider the scarcity of the medical specialty, the tenure, the education, and the responsibilities of the physician involved and the need for services in the geographical area to which it is proposed to assign such physician. Finally, the additional special pay provided to a part-time physician is required to be prorated based on the proportion of full-time that he serves.

Under the provision, the Administrator's authority to exercise the section 313 authorities would expire on the date on which section 313 itself expires. Thus, the Administrator's authority to enter into an agreement with a VA physician would expire on June 30, 1976—the present expiration date of section 313 established by section 2 of Public Law 93–274. Any such agreement entered into by the Administrator prior to the June 30, 1976, or any such extended, expiration date, would continue to be valid for its duration.

New Section 4107(d)(3): Provides that any additional compensation (base special pay and additional special pay) paid pursuant to the new paragraph (2) added to present section 4107(d) by the bill, will not count for purposes of computing certain benefits under title 5, United States Code (lump-sum leave payments, severance pay, and other benefits relating to amounts of basic compensation). An identical provision is contained in paragraph (9) of present section 4107(e), with respect to the overtime and premium pay benefits applicable to VA nurses appointed under title 38. Enactment of this special pay provision would probably entail a first full-year cost of approximately $63 million.

Section 3. Amends title 5, United States Code, in order to make conforming changes required by section 2 (1) and (2) of the bill, by deleting from the list of those positions designated as Executive Schedule levels III and IV, respectively, the positions of Chief Medical Director and Deputy Chief Medical Director in the Department of Medicine and Surgery of the Veterans Administration.

Section 4. Subsection (a). Requires the Administrator of Veterans' Affairs to submit an annual report to the Senate and House Committees on Veterans' Affairs regarding the operation of the special pay program, authorized by new paragraph (2) added to present section 4107(d) by section 2(4) of the bill, setting forth a review of the implementation of the program to date and any plans for the program for the succeeding fiscal year. This report is to be submitted not later than April 30 each year. This reporting requirement is virtually identical to that of subsection (e) of section 313 of title 37, United States Code, with respect to the section 313 special pay program authorized by that section, as added by Public Law 93–274.

Subsection (b). Directs the Director of the Office of Management and Budget, after consultation with the Administrator of Veterans' Affairs, the Secretary of Defense, the Secretary of HEW, the Chairman of the Civil Service Commission, and the heads of other appropriate Federal departments and agencies, to submit to the appropriate Congressional Committees, not later than March 1, 1976, a report proposing a permanent legislative solution to the problem of attracting and retaining the services of highly qualified physicians and other health care personnel in the Veterans Administration, in other non-uniformed Federal service, and in the uniformed services, along with the justification for such a proposal. This proposal: to the maximum extent feasible, is to provide for uniform pay, allowances, and benefits for all such physicians and personnel. The Administration has already begun such a study, presently scheduled to be completed by the end of 1975, and the Chief Medical Director has pledged to participate actively in this study. It is hoped that an acceptable proposal will be forthcoming to replace the existing section 313 of title 37 special pay program, which is presently scheduled to expire on June 30, 1976.

Section 5. Amends chapter 73 of title 38 for four purposes:

(1) to provide for the appointment under the title 38 DM&S personnel system of physicians' assistants and dental therapists utilizing the nurse pay schedule;

(2) to provide for the payment of overtime and premium pay presently payable to title 38 nurses to licensed practical nurses, licensed vocational nurses, and nursing assistants employed by the Veterans Administration under the General Schedule (as well as to physicians' and dental therapists).

(3) to provide for voluntarily requested compensatory time for VA nurses in lieu of overtime and premium pay; and

(4) to give the Administrator of Veterans' Affairs authority, presently residing in the Civil Service Commission and most narrowly exercised, to increase within grade the maximum pay rates authorized for DM&S dentists, nurses, physicians' assistants, dental therapists, and VA nursing personnel when necessary to meet competitive pay practices or staffing requirements.

All of these provisions, except for (3), above, were in S. 2354 as passed by the Senate in the 92d Congress.

Subsection (a). Amends clause (1) of present section 4104 (authorizing appointment of additional health professional personnel) to include physicians' assistants and dental therapists in that clause specifically.

Subsection (b). Amends present section 4105 (specifying qualifications of appointees) to include appropriate references to physicians' assistants and dental therapists in subsections (a) and (b) of that section. The Administrator is charged with setting the qualifications and experience for these new positions by the amendent made to present section 4104 by subsection (a) of this section of the bill.

Subsection (c). Adds at the end of present section 4106 (regarding periods of appointments and promotions) a new subsection (f) including by reference physicians' assistants and dental therapists under the provisions of that section.

Subsection (d). Clause (1). Amends paragraph (5) (presently prohibiting compensatory time off in lieu of overtime and premium pay for nurses) to permit such compensatory time off to be granted upon the voluntary written request of the nurse in question. This provision would entail a minor cost savings.

Clause (2). Adds at the end subsection (e) of present section 4107 (specifying overtime and premium pay for nurses) a new paragraph (10) to make the premium pay and overtime provisions in that subsection applicable to licensed vocational nurses, licensed practical nurses, and nursing assistants, in lieu of the present title 5, United States Code, provisions now applicable to them.

This would constitute a change in overtime and premium pay under the General Schedule for these personnel in the following respects: (1) make applicable the more liberal 4-hour rule for night shifts; (2) pay overtime during Sundays at 175% rather than 150%; (3) pay overtime for holidays at 200% rather than 150%; (4) apply the 15 minute pre-overtime rule; and (5) provide for on-call pay. Enactment of this provision would probably entail a first full-year cost of approximately $5.4 million.

Clause (3). Inserts at the end of present section 4107 two new subsections as follows:

New section 4107(f): Entitles physicians' assistants and dental therapists to compensation under the Nurse Schedule grade titles and related pay ranges and to additional pay on the same basis as provided for nurses in paragraphs (2) through (8) of subsection (e) of section 4107. Enactment of this provision would probably entail a first full-year cost of $.6 million (estimating a $2,000 higher entry salary and a quadrupling of the present number (85) of physicians' assistants presently employed by the VA).

New Section 4107(g): Directs the Administrator to raise the pay to the maximum permissible levels within grade for certain VA health care professionals and nursing personnel when needed to recruit a scarce speciality due to high-paying competition or the remoteness of the VA facility. There is similar Government-wide authority reposing in the Civil Service Commission. Enactment of this provision will probably not entail any significant additional expenditures.

Subsection (e). Amends present section 4108 (regarding the setting of hours and conditions of work for physicians, dentists, and nurses) to add physicians' assistants and dental therapists under the provisions of this section.

Section 6. Subsection (a). Provides that the provisions of the bill, except as specified in subsection (b) of section 6, shall become effective on July 1, 1975. Principally, this means that the special pay provisions in section 2(4) would become effective on July 1, 1975.

Subsection (b). Paragraph (1). Provides a "grandfather" clause for the salaries payable to the incumbents of the position of Chief Medical Director and Deputy Chief Director, respectively, so that their annual salaries will not be reduced to $36,000 by virtue of placing the designation of their salary levels in the "section 4103 schedule" in title 38. This "grandfather" clause is further explained under the discussion of section 2(4), above.

Paragraph (2). Provides that the amendments made by subsections (d) and (e) of section 5 of the bill (relating generally to pay and other matters with respect to physicians' assistants, dental therapists, licensed vocational and licensed practical nurses and nursing assistants) shall become effective beginning the first pay period following 30 days after the date of enactment of the bill.

S. 1711

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Veterans' Administration Physician Pay Comparability Act of 1975".

Sec. 2. Section 4107 of title 38, United States Code, is amended by—

(1) striking out the comma and "other

than the Chief Medical Director and Deputy Chief Medical Director," after "title" in the first sentence of subsection (a);

(2) striking out in subsection (a) the following: "Associate Deputy Chief Medical Director, at the annual rate provided in section 5316 of title 5 for positions in level V of the Executive Schedule."

and inserting in lieu thereof the following:

"Chief Medical Director, $49,700.

"Deputy Chief Medical Director, $48,500.

"Associate Deputy Chief Medical Director, $47,300.";

(3) inserting "and special pay" after "salary rate" each place it appears in subsection (c); and

(4) striking out "The" at the beginning of subsection (d) and inserting in lieu thereof "(1) Except as provided in paragraph (2) of this subsection,"; and by adding at the end of such subsection a new paragraph as follows:

"(2) Notwithstanding the provisions of paragraph (1) of this subsection or any other provision of law, in order to obtain and retain the services of highly qualified and scarce specialty physicians in the Department of Medicine and Surgery, the Administrator, pursuant to regulations which he shall prescribe (without regard to any regulations prescribed by the Secretary of Defense or the Secretary of Health, Education, and Welfare) is authorized and directed to exercise the authority contained in section 313 of title 37, except to the extent that the provisions of such section are clearly not applicable to conditions of employment in the Veterans' Administration or not consistent with the provisions of this paragraph, for the purpose of providing, in addition to any other pay or allowance to which such individual is entitled, special pay, in the nature of a variable incentive bonus, to any physician employed in the Department of Medicine and Surgery. The Administrator shall exercise the authority contained in such section so as to provide—

(A) the maximum amount of such special pay to the Chief Medical Director, Deputy Chief Medical Director, and Associate Deputy Chief Medical Director in the Department of Medicine and Surgery;

(B) base special pay of 45 per centum of such maximum amount to any (i) full-time physician, or (ii) part-time physician as to whom the Chief Medical Director determines, in accordance with such regulations, that the medical needs of such Department in such geographical area or medical specialty require only such less-than-full-time employment arrangement; or

(C) base special pay of not more than 30 per centum of such maximum amount to any part-time physician in the Department of Medicine and Surgery as to whom the Chief Medical Director has not made the determination described in clause (B) of this sentence.

The Administrator may, in accordance with such regulations, also exercise the authority contained in such section in order to provide, in addition to the base special pay provided for in clause (B) or (C) of the preceding sentence, additional special pay in consideration of the scarcity of the medical specialty, tenure, education, and responsibilities of the physician involved and the geographical area in question, but, in the case of a part-time physician, the amount of such additional special pay shall be adjusted in proportion to the proportion of full-time employment which the part-time employment of such physician constitutes. The authority provided to the Administrator in this paragraph shall expire on the date on which the authority in such section 313 expires.

"(3) Any additional compensation paid pursuant to paragraph (2) of this subsection shall not be considered as basic compensation for the purposes of subchapter VI and section 5595 of subchapter IX of chapter 55, chapter 81, 83, or 87 of title 5, or other benefits based on basic compensation.".

Sec. 3. Title 5, United States Code, is amended by—

(1) striking out in section 5314 the following:

"(38) Chief Medical Director in the Department of Medicine and Surgery, Veterans' Administration."; and

(2) striking out in section 5315 the following:

"(31) Deputy Chief Medical Director in the Department of Medicine and Surgery, Veterans' Administration.".

Sec. 4. (a) The Administrator of Veterans' Affairs shall submit a report each year to the Committees on Veterans' Affairs of the Senate and House of Representatives regarding the operation of the special pay program authorized by section 4107(d)(2) of title 38, United States Code, as amended by section 2(4) of this Act. The report shall be on a fiscal year basis and shall contain—

(1) a review of the program to date for the fiscal year for which the report is submitted; and

(2) any plans for the program for the succeeding fiscal year.

This report shall be submitted not later than April 30 of each year.

(b) The Director of the Office of Management and Budget, after consultation with the Administrator of Veterans' Affairs, the Secretary of Defense, the Secretary of Health, Education, and Welfare, the Chairman of the Civil Service Commission, and the heads of other appropriate Federal departments and agencies, shall submit to the appropriate committees of the Senate and House of Representatives not later than March 1, 1976, a report proposing a permanent legislative solution to the problem of attracting and retaining the services of highly qualified physicians and other health care personnel in the Veterans' Administration, other nonuniformed Federal service, and the uniformed services, along with a justification for such proposal. Such proposal shall, to the maximum extent feasible, provide for uniform pay, allowances, and benefits for all such physicians and personnel.

Sec. 5. Chapter 73 of title 38, United States Code, is amended as follows:

(a) Clause (1) of section 4104 is amended to read as follows:

"(1) Physicians, dentists, nurses, physicians' assistants, and dental therapists;".

(b) Section 4105 is amended by—

(1) inserting at the end of subsection (a) a new paragraph as follows:

"(8) Physicians' assistants and dental therapists shall have such medical or dental and technical qualifications and experience as the Administrator shall prescribe."; and

(2) striking out in subsection (b) "or nurse" and inserting in lieu thereof "nurse, physicians' assistant, or dental therapist".

(c) Section 4106 is amended by adding at the end thereof the following new subsection:

"(f) The provisions of this section shall apply to physicians assistants and dental therapists..

(d) Section 4107 is amended by—

(1) striking out the period at the end of the third sentence of paragraph (5) of subsection (e) and inserting in lieu thereof a comma and "except as voluntarily requested in writing by the nurse in question";

(2) adding at the end of subsection (e) the following new paragraph:

"(10) The provisions of this subsection shall apply, in lieu of the provisions of sections 5542, 5543, 5545 (a) and (b), and 5546 of title 5 with respect to any licensed practical nurse, licensed vocational nurse, or nursing assistant employed by the Department of Medicine and Surgery."; and

(3) inserting at the end thereof the following new subsections:

"(f) Under standards which the Administrator shall prescribe in regulations, physicians' assistants and dental therapists shall be compensated by use of Nurse Schedule grade titles and related pay ranges and shall be entitled to additional pay on the same basis as provided for nurses in paragraphs (2) through (8) of subsection (e) of this section.

"(g) When he finds such action to be necessary in order to obtain or retain the services of dentists, nurses, physicians' assistants, dental therapists, licensed practical or vocational nurses, or nursing assistants, to provide hospital care and medical services for veterans, the Administrator, notwithstanding any other provision of law, shall increase the maximum rates of pay authorized under this chapter or title 5, on a nationwide, local, or other geographical basis, for one or more grades or for one or more medical or dental fields within the grades, to provide pay commensurate with competitive pay practices or to meet staffing requirements at geographically remote facilities. Any such increase in the maximum rate for any grade may not exceed in corresponding amount, the amount provided for in the statutory range for that grade. nor exceed the rate established for Assistant Chief Medical Director under the 'section 4103 schedule' set forth in subsection (a) of this section.".

(e) Section 4108 is amended by—

(1) striking out in the language preceding clause (1) in subsection (a) "and nurses" and inserting in lieu thereof a comma and "nurses, physicians' assistants, and dental therapists"; and

(2) striking out "or nurse" in the same language in such subsection and in clause (6) (B) thereof and inserting in lieu thereof in each case "nurse, physicians' assistant, or dental therapist."

Sec. 6. (a) Except as provided in subsection (b), the amendments made by this Act shall become effective on July 1, 1975.

(b)(1) The amendments to the "section 4103 schedule" in section 4107 of title 38, United States Code, made by clauses (1), (2), and (3) of section 2 of this Act shall not serve to reduce the per annum salary rate payable thereunder to persons serving as Chief Medical Director, or Deputy Chief Medical Director on the day before the date of enactment of this Act.

(2) The amendments made by subsections (d) and (e) of section 5 of this Act shall become effective beginning the first pay period following thirty days after the date of enactment of this Act.

By Mr. HATFIELD:

S. 1712. A bill to authorize the issuance of gold commemorative coins bearing the seal or symbol of the American Revolution Bicentennial Administration. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. HATFIELD. Mr. President, today I am introducing a bill directing the Secretary of the Treasury to issue a gold commemorative coin in recognition of the two hundredth anniversary of the American Revolution. The concept of this bill is the same as in my bill passed by the Senate as an amendment during the 93d Congress, but deleted in a conference committee. Economic and monetary developments since that time make the gold commemorative coin even more desirable. If Congress acts promptly, there still is time to issue the coin during the Bicentennial year.

While gold has sometimes been associated with greed and violence in man's history, its durability, malleability and attractiveness have given it a unique role among those material things which are sought after and valued. One of the first metals to be used for money, some 3,500 years ago, gold still exercises considerable influence on monetary matters. While my objective is not to restore gold to a central monetary function, we should understand that the desire for at least some gold in the system of money is legitimate and desirable. The interest in gold coins at the present time may be attributed in part to waning confidence in political systems. As George Bernard Shaw pointed out:

> You have to choose between trusting to the natural stability of gold and the honesty and intelligence of the members of the government. And, with due respect to these gentlemen, I advise you . . . to vote for gold.

Those who recall the discussions of my proposal in 1973 will remember that the Treasury Department opposed it, a position which was instrumental in the opposition which developed in the Senate Committee on Banking, Housing and Urban Affairs and which influenced the conferees in deleting my amendment from the Par Value Modification Act. At that time, the Treasury Department asserted that the issuing of a gold coin, even in limited amounts, would be contrary to the U.S. "long-standing policy against the minting of gold coins."

In reality, the monetary function of gold has always been limited and I do not advocate a change in this restricted role. While gold has been used in coins for thousands of years, not until the gold discoveries of the last half of the 19th century was there enough gold for it to be used extensively. Ninety percent of the gold supply has been processed since 1850. Prior to that time, the practice had developed of using paper currencies representing gold held on deposit. Great Britain officially tied its paper currency to gold in 1816 and the United States did so in 1900. During the 20th century, a complex international monetary system developed to meet the needs of an expanded commercial network. The trend has been shifting away from using gold as the key support for money systems. This trend climaxed in 1971, with the demise of the system of basing exchanges on the dollar, convertable to gold at $35 an ounce.

When the Treasury Department opposed the commemorative gold coin in 1971, there still was an implicit loyalty to the special place of gold as a guarantor of the value of a paper currency. We have now had 4 years with gold serving only as an unofficial monetary reserve and the fears of collapse have not come to pass. The past year has been a difficult one economically with both inflation and recession, but still there has been relative stability in the monetary system.

The present situation is this: Gold is now recognized to be of only peripheral importance in our monetary system, we have legalized the ownership of gold in the United States, and now we need not fear the minting of an occasional gold coin for commemorative purposes. When Congress directed the discontinuance of the minting of gold coins in 1934, substantial amounts of gold were circulating in the form of $5, $10, and $20 coins. My proposal is for a coin of a larger denomination, not to be a part of the commonly circulating coins. The precedent for such use of gold coins is seen in the "quarter eagle" gold coins issued in 1926 to commemorate the Sesquicentennial of American Independence. Some 200,000 of these coins were issued, with a face value of $2.50. Similar commemorative coins, but struck in silver, were the "peace dollar" of 1922 and Centennial dollars of 1876, copies of the Continental dollars of 100 years before.

One of the major recent changes in the policy of the Treasury Department toward gold was the decision to auction gold bars in January of this year, a few days after gold ownership became legal for Americans. Apparently this move was intended to head off the possible loss in balance of payments if large numbers of Americans bought gold from foreign sources. Also, there was a desire to sell gold in a controlled situation, calling attention to the presumed hazards of speculating in the metal. Actually, no gold rush occurred in January, at least toward the gold bars offered by the Government. Few could afford the 400-ounce minimum purchase and the attraction of gold ownership was not great enough to overcome the problems of owning gold bars: the storage and assay fees, insurance costs, and additional purchase costs which might reach 20 percent of the value. So, only 750,000 ounces were purchased on January 6, of the 2 million ounces offered.

A more accurate measure of the interest in gold ownership is provided by the steady development of demand for gold coins being issued by foreign governments, some of them minted privately in the United States. If the Treasury Department is concerned about our balance of payments, then the issuance of an American gold coin would be far more effective than the auctioning of bars. A full-page advertisement in the Wall Street Journal recently offered the new $100 gold coin minted by Barbados. Since this is the first such gold coin in the history of Barbados, it appears to be aimed primarily at the American market, including collectors and people who simply want to own gold in a convenient form. The Barbados coin was produced on the strength of the response to the "Balboa" gold coin of Panama. The Franklin Mint in Philadelphia, producers of both coins, sold 3,000 of the Balboas on the first day of issue. Add to these the gold coins being sold or planned for production by South Africa, Jamaica, the Bahamas, Austria, the United Kingdom, Hungary, and Mexico and you have a potential drain of American dollars in search of this sensible mode of owning gold. Most of the coins available from other countries sell for a figure higher than their face value because of the "numismatic value." This does not mean that only collectors purchase them, but that they are issued in limited quantities and the demand exceeds the supply.

Two years ago, when my gold coin bill was under consideration, Congress also was acting to authorize the inclusion of Bicentennial designations on our regular silver-layered coins. Proof sets of these were sold earlier this year and general circulation is scheduled for July. I certainly support this type of commemoration, but do not regard it as a substitute for the striking of a one-time, unique coin in memory of the Nation's founding.

Congress also has authorized the Bicentennial administration to issue commemorative medals in bronze, silver, and gold. Again, this is very fitting, but does not satisfy the demand being exploited by the foreign gold coins. A medal is sought after and valued by only a small group of collectors who understand their market potential. Coins, on the other hand, carry a face value and have a familiarity to all of us. While they also become subject to increases in value because of scarcity and demand, they are not the exclusive domain of specialists.

Mr. President, the bill I present today is intended to provide for the minting of a coin which would be of sufficient beauty and value to symbolize our pride in the first 200 years of development. Gold not only attaches value to the past but promises endurance into the future, for hopefully another 200 years.

Two years ago the Committee on Banking, Housing and Urban Affairs reported out a bill which would authorize, but not direct the minting of a gold coin. Since the Treasury Department was then opposed to the concept, I successfully worked for stronger language on the Senate floor. The committee felt the Secretary of the Treasury must consider a gold coin only if it was clear that this would not interfere with the domestic gold market and the international monetary system. As I have indicated, developments since that time make it clear that a gold coin would not have an adverse affect. Gold ownership has been legalized and the Treasury Department has already acted to release a limited quantity of gold reserve. Moreover, the minor role of gold in the world money markets has become stable.

The bill I offer today has been drawn up in very general terms, to avoid disagreements over details of purity, face value and the volume of coins to be issued. All of these elements were specified in my bill in the last Congress, but it was disappointing that some Senators debated these details while failing to acknowledge the soundness of the idea. From the input of experts to the committee and the total legislative history of the bill, the Secretary of the Treasury will have sufficient guidance in producing an acceptable coin. My previous bill designated a $25 coin, but the increase in the price of gold since then would make such a coin unacceptably small. The coin would now need to have a face value of $50 or even $100, to be of attractive size. The foreign coins are being sold in this range with ample demand resulting. Most of those who feel strongly about owning gold could afford to buy at least one such coin.

The number of coins issued could be established in the context of available gold reserves and expected demand. In my last bill, I specified 60 million $25 coins, which would have required 7.5 million ounces of gold, 2.5 percent of the reserves at that time. The number minted should not be so small as to restrict purchase to a favored few, but at the same time this should be a limited issuance. This is only fair to those who

buy for numismatic value. It also assumes the distribution of only a fixed percentage of the reserves for the sake of those who feel these are still important in our monetary system.

The purity of the coin and other such details should also be left to the Treasury Department and Bureau of the Mint, drawing upon the intent established in the congressional deliberation. Collectors prefer a relatively pure coin of .900 fineness if possible. My last bill designated .670 fineness. I am more concerned about the adoption of the idea than any particular version of it. Once purity is determined, it is a technical decision on what type of alloy to employ. This should not be a matter of congressional mandate.

The bill specifies that the coin will be regarded as legal tender. This is necessary if it is to be a coin, rather than a commemorative medal. Of course, a $50 or $100 coin is not going to be carried around for routine purchases. It will be retained as a special possession, without the difficulties of owning gold bars or the special skill required for dealing in gold futures. While any item of considerable value can be counterfeited, coins are less subject to copying than bars. We have become accustomed to examining coins for the marks of genuineness, while a bar requires a professional assay at the time of each transaction.

Finally, I would like to point out that this is clearly a matter for a congressional decision. While some officials in the Bureau of the Mint have indicated support for a gold coin, it is not for them to make the decision. They have given assurances that a gold coin of beauty can be produced and that it can be completed by July, 1976 if authorized in the near future. Nor is it up to the Secretary of the Treasury and his staff to decide for or against a gold coin. There have been hints that the Department may not oppose a gold coin as it did in 1973, but their opposition or support should not be central in the decision by Congress.

All of us want the Bicentennial observances to be as meaningful and varied as possible. No one type of observance will appeal to everyone. For some, one of the most significant things they could do to remember the achieving of independence would be to obtain something of enduring value and beauty. We owe it to generations ahead to provide such a symbolic item in the form of a gold coin.

By Mr. JAVITS (for himself and Mr. Williams):

S. 1714. A bill to amend the Public Health Service Act to provide for the screening and counseling of Americans with respect to Tay-Sachs disease; and

S. 1715. A bill to amend the Public Health Service Act to establish a national program with respect to genetic diseases. Referred to the Committee on Labor and Public Welfare.

Mr. JAVITS. Mr. President, I introduce today, with Senator Williams, the National Genetic Diseases Act and the National Tay-Sachs Disease Screening and Counseling Act. The two bills, when taken together with the sickle cell and Cooley's anemia bills introduced by Senator Kennedy, will enable the Congress to act effectively with respect to the genetic disease field.

We can either continue the disease-of-the-month syndrome—a separate bill for each disease—or recognize the commonality of our mutual goals—genetic disease is a major unsolved health problem, 15 million Americans suffer from a genetic disorder—and act effectively.

That is what I seek to achieve (and I feel Senator Williams, too) by introducing two separate bills. The Tay-Sachs bill provides the opportunity to pass piecemeal legislation and proliferate as the need arises. The genetics bill establishes the need for overall support for the problem.

TAY-SACHS DISEASE

The Tay-Sachs measure—similar to the bill which I first introduced with Senator Williams in the 93d Congress—responds to a tragic, debilitating, deadly genetic disease. It is patterned upon the legislative approach taken in existing law respecting other genetic blood disorder programs—sickle cell anemia and Cooley's anemia. It authorizes $3 million for the one-time establishment of voluntary Tay-Sachs disease screening program and the development of appropriate public information for it. I ask unanimous consent that the text of the bill and my introductory remarks in support of the bill in the 93d Congress be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

GENETIC DISEASES

Mr. JAVITS. Mr. President, I believe we should seek to establish one total program directed toward genetic diseases in preference to having individual diseases singled out.

Should we next press for a separate bill for dysautonomia? This is a devastating disease of the nervous system, with symptoms reading like a Pandora's box of cruel punishments, and I know we would all be sympathetic to the problem.

While a number of genetic diseases are restricted primarily to members of certain ethnic groups—which can simplify the determination of the target population for screening procedures—we must not assume that screening and counseling are that simple. We have much to learn about the reaction of people being told they are carriers of a disease trait—heterozygotes—and then learning about their ensuing reproductive choices. Increased participation by various social and behavioral scientists is essential to such programs.

Even more critical is the concern that when a person is seen in such a single disease program that we neglect their other health problems which might have a genetic component.

What logic is there for having the person of Jewish origin considered solely for Tay-Sachs disease, or a black person solely for sickle cell anemia? Studies have shown that a significant proportion of patients with coronary heart disease have a genetic abnormality of lipoprotein metabolism; should they not be counseled with respect to such problems? Or if coronary patients have hypertension and diabetes as risk factors, which are strongly genetically determined, should they not be counseled with respect to such health problems?

The time has come to have a total national program directed toward all genetic diseases in preference to having an individual disease singled out for special attention. We should no longer proceed on a disease-by-disease basis. We should attack the larger scientific problem of thousands of diseases with a genetic component.

To launch a national commitment to find solutions to genetic diseases the bill provides:

First. The establishment of an identifiable administrative unit within the Department of Health, Education, and Welfare to focus and coordinate genetic research and the other fragmented activities respecting genetic diseases. I am confident the hearing testimony will determine where in HEW, within the National Institutes of Health, this should occur.

Second. $75 million over 3 years for (a) grants and contracts to establish and operate voluntary genetic testing and counseling programs and (b) develop public information programs relating to diagnosis, treatment, and counseling of genetic diseases.

Third. $300 million over 3 years for grants and contracts for research and research training to understand the diagnosis, treatment, and control of genetic diseases; special programs to train genetic counselors and other health professionals; develop programs to educate practicing physicians, health professionals, and the public about the nature of genetic processes, the inheritance patterns, and the means, methods, and facilities available to diagnose, control, counsel, and treat genetic diseases; and develop counseling and testing programs for the diagnosis, control and treatment of genetic diseases.

Fourth. The establishment of a National Advisory Commission to study ethical, legal and social aspects of genetic diseases in relation to scientific and technological advances in genetics and their implications for individuals and society.

The bill has the support of the National Genetics Foundation, and other interested groups, and I ask unanimous consent that the full text of the bill and the full text of communications from interested groups be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. JAVITS. Mr. President, the diversified support for the approach taken by this bill is reflected by some of the quotes from their communications, to wit:

Nobel Laureate James D. Watson:

> All the proposed provisions in your proposed bill I can enthusiastically support.

National Society for the Prevention of Blindness:

> The National Genetic Diseases Act is wholeheartedly supported by the National Society for the Prevention of Blindness.

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Institute of Cancer Research at Columbia University's College of Physicians and Surgeons:

> It will obviate the great disadvantages of funding for each genetic disease separately. . . . This approach is clearly superior to the fragmented attempts that have thus far dominated the efforts at funding this area of medical research.

Massachusetts Department of Public Health:

> My sincere appreciation . . . for very wisely proposing that federal funds be made available in many areas of genetic disease.

National Retinitis Pigmentosa Foundation:

> Thank you for taking the initiative to sponsor the National Genetic Diseases Act.

Cystic Fibrosis Foundation:

> We have studied the bill thoroughly, and are pleased at its scope and thoroughness.

Department of Pediatrics, New York University Medical Center:

> The bill that you have introduced shows proper foresight without cumbersome restrictions.

It is not my intention to indicate opposition to the sickle cell or Cooley's anemia bill. I am sympathetic to their goal. Indeed, the "National Tay-Sachs Disease Screening and Counseling Act" follows that same disease-by-disease approach.

Rather, the rationale taken in the total problem approach by the "National Genetic Diseases Act" is to be considered another option to which my colleagues may be persuaded.

Scientists estimate that every human being carries from 6 to 10 defective genes which could be expressed as serious or lethal illness in future children. They conservatively estimate that 15 million Americans suffer from a genetic disorder. One of every three admissions to a children's hospital is for a genetic problem; a recent study showed 40 percent of infant mortality due to genetic illness; 25 percent of all beds in institutions for the handicapped are for those confined with a hereditary defect. Approximately 2,000 genetic diseases have already been identified. Some, such as mongolism, cystic fibrosis, muscular dystrophy, Huntington's chorea, are well known but not recognized by the average individual as being hereditary. Many forms of blindness, deafness, retardation, crippling disorders are passed through the genes from generation to generation. Furthermore, genetic components are also strongly implicated in some of man's most common afflictions such as diabetes, high blood pressure, schizophrenia, heart disease, and some forms of cancer.

Today over 50 genetic disorders can be detected before birth. More than 60 metabolic diseases like PKU are amenable to treatment. We have carrier tests for 60 diseases which can identify the healthy individual who may be carrying a defective gene that could produce disease in future offspring.

There are striking advances in detection, prevention and treatment; but for the vast majority of genetic disorders there is no available therapy. In these cases the new discipline of genetic counseling can inform families of the pattern of transmission of a hereditary disease; of the risks of recurrence of the disease in the family; and what the burdens of this recurrence would mean in practical terms of their everyday living.

Genetics is the fastest growing specialty in medicine. With advances already made and new ones at the laboratory level rapidly developing, this discipline holds a realistic promise for prevention of disease. Yet, our system for the delivery of genetic care is inadequate to meet the needs of the public.

However, the delivery of care and prevention in genetics is not possible without research at the fundamental level. Because a genetic defect in a human being occurs at the moment the egg and sperm unite to form a new life, advances in our understanding at the cellular level can be rapidly translated for the benefit of the individual suffering from or carrying a genetic disease. There are no shortcuts in disease prevention. Investigations at the molecular level are essential before treatment and prevention can be found.

Unless the investment is made in genetic research, the taxpayers' dollars will continue to be poured into programs of medical and custodial care for patients with chronic illness of genetic origin.

I would like to call your attention to the cost of genetic disease in just one institution. At a residential center for the retarded serving the Greater New York area, the institution's director estimated that 28 percent of his 5,000 patients have retardation due to a genetic cause. These are the patients most likely to be profoundly retarded and requiring the greatest care. The cost of maintaining these patients with genetic retardation in just this one institution is over $8 million for 1 year. This center presents a microcosm of the patient population as a whole and can be multiplied by the 316 such institutions throughout the United States.

Furthermore, it should be noted that as efforts are being made to provide care for the mild and moderately retarded within the community rather than in a residential setting, it is the severely retarded, the genetically damaged, who will increasingly comprise the bulk of the institutionalized population.

Contrast the economics when preventive genetic medicine is involved. In New York City, approximately 10 infants with PKU are identified each year and placed on the dietary regimen which enables them to develop normal intelligence and become productive citizens. Without this program and the scientific advance it delivers, these 10 New Yorkers would almost certainly spend their lives in an institution for the retarded at a cost of $2½ million, a figure 20 times the cost of prevention. Furthermore, these 10 PKU's with treatment will probably pay out over $¾ million in taxes* to the Federal Government during their working years. Yet even such cogent economic arguments pale when we consider the lifetime of sorrow and burden that these families have been spared.

We are all aware of the problem of heart disease in this country, but how many realize that one of the most important risk factors for heart attacks—elevated levels of cholesterol and triglycerides in the blood—can be the result of a genetic abnormality, and furthermore that at least 5 percent of the adult population suffers from this genetic defect which leads to early heart attack. In terms of manpower and economic productivity, the predisposing effect of abnormal genes for premature heart disease becomes particularly striking when we consider young men under 45, in the prime of life; this genetic defect accounts for 44 percent of the heart attacks in this age group.

The loss in earnings over a lifetime from disability due to this genetic form of heart disease is estimated to be $92 million, and loss in earnings due to premature death is estimated to be approximately $2 billion.

I have endeavored to point up the scope of the problem as well as the enormous economic burden hereditary disease places upon families and on government. As concerned legislators trying to make the most prudent decisions for our citizens, we understand that it is not possible to measure the emotional trauma and tragic uncertainty facing families with hereditary disease. The stigma and guilt associated with these diseases further complicate efforts to survey genetic problems as our culture unfortunately measures the quality of life in terms of physical perfection and mental well-being.

Perhaps we need to pose the following question: Is society ready to invest in new genetic research leading to treatment and prevention of disease, or does it prefer to spend the taxpayers' dollars required to maintain millions of our citizens while they spend their lives in a state of chronic genetic illness?

I think you will agree that if we examine this question in both fiscal and human terms, there is every justification for investing the taxpayers' dollars in genetics, as proposed in the bill.

Exhibit 1

[93d Congress, first session]

Mr. Javits. Mr. President, the bill I introduce today, the National Tay-Sachs Disease Screening and Counseling Act, for myself, Senator Williams, and Senators Kennedy, Schweiker, Abourezk, Beall, Biden, Brooke, Cranston, Dominick, Hathaway, Hart, Hollings, Hughes, Humphrey, Mathias, Mondale, Percy, Randolph, Ribicoff, Stafford, Stevens, Stevenson, Taft, and Tunney seeks to protect the health and welfare of all citizens by establishing a national program for the diagnosis, control, and prevention of Tay-Sachs disease.

Tay-Sachs disease is a killer disease of children who are born seemingly healthy and normal. The children gradually are debilitated, showing early clinical signs of the illness at 9 months and losing more and more functions controlled by the central nervous system, such as sight, control of swallowing, et cetera. They have frequent convulsions and as consequence of their increasingly severe illness, require chronic hospitalization for average periods of 2 years before they die. All these events are caused by the lack of the enzyme whose function is to help metabolize brain fats. When the enzyme is missing, the intermediate unmetabolizable fats accumulate in the nerve cells and destroy them. At present, there are no known means to reverse this process in the afflicted children.

In 1969, a major breakthrough in medical history occurred. It was demonstrated that the absence of a newly discovered enzyme, Hexosaminidase—called Hex-A for short—was the specific cause of Tay-Sachs disease. Previous studies had shown that the till-then unknown enzyme—controlled by a recessive gene—was lacking in 1 in 30 American citizens of Eastern European Jewish origin—who constitute 90 percent of the U.S. Jewish population—and 1 in 300 of the general American population.

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*Based on $1,762, average 1971 individual income tax, to be paid from age 21–65.

The discovery of the missing enzyme made it possible to pinpoint specifically the identification of adults of child-bearing age as being "carriers". These individuals having the "carrier state" are themselves healthy, but if two happen to marry, one-quarter of their children run the risk of having Tay-Sachs disease.

Further developments have made it possible through relatively harmless procedures to identify a fetus intrauterinely in the very earliest weeks of pregnancy as having Tay-Sachs disease. In 1971, the Kingsbrook Jewish Medical Center corroborated the validity of such an intrauterine diagnosis and this validity has been massively substantiated since that time.

S. 2068. A bill to amend the Public Health Service Act to provide for the screening and counseling of Americans with respect to Tay-Sachs disease. Referred to the Committee on Labor and Public Welfare.

There are three reasons why Tay-Sachs disease is very conducive to mass screening programs:

First, it affects a definite population group;

Second, its carriers can be identified by a simple blood test which measures the presence or absence of a crucial enzyme; and

Third, an affected fetus can be detected in the uterus, through the process of amniocentesis, in which a small amount of the fluid around the unborn child is removed.

These mass screenings have already had success in preventing a number of births of children with Tay-Sachs disease and have led to widespread demand in communities across the Nation for such carrier detection programs to prevent Tay-Sachs disease and to insure that a couple who are both carriers can choose to have as many healthy children as they want despite their having the "carrier state." While there is still no cure, there now exists the practical and proved possibility of preventing 90 percent of cases of Tay-Sachs disease in the United States and thus, in effect, the control of the disease, the freeing of scarce chronic-disease hospital beds and services for other illnesses, and the avoidance of now unnecessary social and emotional trauma to families who would have had children with Tay-Sachs disease. In addition, the transfer of skills, knowledge, models, and technologies to about 30 other related disorders are fringe benefits of tremendous value.

The practical application of this research has led to model mass screening projects to identify the "carrier state" in the population at high risk for Tay-Sachs disease—American Jews of Eastern Europe descent—and followup intrauterine monitoring of early pregnancy where both parents have the "carrier state."

In terms of cost-benefit analysis alone, about 100 "bed-years" per year are now necessary for Tay-Sachs disease in the American Jewish population of about 6 million. The cost in health care per year for each bed is about $55,000. The total dollar cost per year now equals $5,500,000—100 times $55,000. A decade of costs amounts to $55 million. Through widespread effective mass screening of at-risk individuals of child-bearing age—18 to 42—and follow-up genetic counseling, most of these costs, unnecessary deaths, and familial suffering can be eliminated. It would be a most humane and beneficial service to a now threatened sector of the American population for the Federal Government to demonstrate an effective preventive public health effort.

The Federal Government has been funding Tay-Sachs research through a series of programs. One and a half million has been spent for grant and projects specifically aimed at Tay-Sachs. An additional $3 million has been invested in related research.

The major provisions of this bill are:

First, the Secretary is authorized to make grants and contracts to establish voluntary Tay-Sachs screening and counseling programs—primarily through other existing health programs—and to develop appropriate public information programs.

Second, $3 million is authorized for 1 year to stimulate the development of the program and to formulate the required educational materials.

It is important to note that this is a one-time Federal expenditure. The program thereafter will be self-sustaining, the costs defrayed by the minimal payments of those voluntarily taking the test.

Third, the bill sets out the specific requirements for grant eligibility, patterned upon other existing genetic blood disorder programs as established in law.

Fourth, participation in the Tay-Sachs disease screening and counseling programs is all on a voluntary basis.

Limited demonstration program experience has shown that to be effective, mass screening needs the greater awareness of the medical community, the education and mobilization of lay and religious Jewish organizations, and the help of the media. Legislation to prevent Tay-Sachs disease in the United States, has the support of the National Tay-Sachs and Allied Diseases Association—which has provided important leadership in this important struggle—and of all groups concerned with effective, preventive public health programs.

S. 1714

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Tay-Sachs Disease Screening and Counseling Act".

FINDINGS AND DECLARATION OF PURPOSE

Sec. 2. (a) The Congress finds and declares—

(1) that Tay-Sachs disease is a debilitating, inheritable disease that has affected thousands of citizens of the United States;

(2) that Tay-Sachs disease is a deadly and tragic burden which is likely to strike one-fourth of the children born to parents both of whom are Tay-Sachs disease carriers;

(3) that efforts with respect to Tay-Sachs disease must be directed toward the education, screening, and counseling of carriers of Tay-Sachs disease;

(4) that simple and inexpensive screening tests have been devised which identify those who have the disease or are Tay-Sachs disease carriers;

(5) that programs with respect to Tay-Sachs disease must be based entirely upon voluntary cooperation of the individuals involved;

(6) that the application of methods of screening and counseling with respect to Tay-Sachs disease deserves the highest priority; and

(7) that the establishment of Tay-Sachs disease education, screening, and counseling programs will be cost beneficial, in the amount of $55,000,000 within the next decade, to the American public.

(b) In order to preserve and protect the health and welfare of all citizens, it is the purpose of this Act to establish a national program for voluntary Tay-Sachs disease screening and counseling.

AMENDMENT TO THE PUBLIC HEALTH SERVICE ACT

Sec. 3. The Public Health Service Act (42 U.S.C. 201) is amended by adding after part B of title XI the following new part:

"Part C—Tay-Sachs Disease Programs

"TAY-SACHS DISEASE SCREENING AND COUNSELING PROGRAMS AND INFORMATION AND EDUCATION PROGRAMS

"Sec. 1121. (a)(1) The Secretary may make grants to public and nonprofit entities, and may enter into contracts with public and private entities, for projects for the establishment and operation of voluntary Tay-Sachs disease screening and counselling programs, primarily through other existing health programs.

"(2) The Secretary shall carry out a program to develop information and educational materials relating to Tay-Sachs disease and to disseminate such information and materials to persons providing health care and to the public generally. The Secretary may carry out such program through grants to public and nonprofit private entities or contracts with public and private entities and individuals.

"(b)(1) For the purpose of making payments pursuant to grants and contracts under subsection (a)(1) there are authorized to be appropriated $2,500,000 for the fiscal year ending June 30, 1976.

"(2) For the purpose of making payments pursuant to grants and contracts under subsection (a)(2) there are authorized to be appropriated $500,000 for the fiscal year ending June 30, 1976.

"VOLUNTARY PARTICIPATION

"Sec. 1122. The participation by any individual in any program or portion thereof under this part shall be wholly voluntary and shall not be a prerequisite to eligibility for receipt of any other service or assistance from, or to participation in, any other program.

"APPLICATIONS; ADMINISTRATION OF GRANT AND CONTRACT PROGRAMS

"Sec. 1123. (a) A grant under this part may be made upon application to the Secretary at such time, in such manner, containing and accompanied by such information, as the Secretary deems necessary. Each applicant shall—

"(1) provide that the programs and activities for which assistance under this part is sought will be administered by or under the supervision of the applicant;

"(2) provide for strict confidentiality of all test results, medical records, and other information regarding screening or counseling, except for (A) such information as the patient (or his guardian) consents to be released; or (B) statistical data compiled without reference to the identity of any such patient;

"(3) provide for appropriate community representation in the development and operation of any program funded by a grant under this part;

"(4) in the case of an application for a grant under section 1120(a)(1), provide assurances satisfactory to the Secretary that (A) the screening and counselling services to be provided under the program for which the application is made will be directed first to the blood relatives of known Tay-Sachs disease victims; and second to the high-risk population groups in which Tay-Sachs disease occurs with greatest frequency and especially to those persons in these groups who are entering their childbearing years; and (B) appropriate arrangements have been made to provide genetic counselling to persons found to be Tay-Sachs carriers;

"(5) set forth such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this part; and

"(6) provide for making such reports in such form and containing such information as the Secretary may reasonably require.

"(b) In making any grant or contract under this part, the Secretary shall (1) take into account the number of persons to be served by the program supported by such grant or contract and the extent to which

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rapid and effective use will be made of funds under the grant or contract; and (2) give priority to programs operating in areas which the Secretary determines have the greatest number of persons in need of the screening and counseling services provided under such programs.

"REPORTS

"SEC. 1124. (a) The Secretary shall prepare and submit to the President for transmittal to the Congress as soon as practicable after the enactment of this part, but no later than one year after such enactment, a comprehensive report on the administration of this part.

"(b) The report required by this section shall contain such recommendations for additional legislation as the Secretary deems necessary.".

EXHIBIT 2

S. 1715

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "National Genetic Diseases Act".

FINDING AND DECLARATION OF PURPOSE

SEC. 2. (a) Congress finds and declares that—

(1) genetic diseases tragically affect more than twelve million Americans;

(2) many are severely handicapping and debilitating and result in tragic physical, emotional, and financial burden on the individuals, their families, and society;

(3) existing testing and counseling services are inadequate and need increased participation by social and behavioral scientists;

(4) defining specific genetic factors in diseases that afflict millions of Americans but for which the genetic relationship requires better definition is a critical element in improved health care;

(5) reducing the burden of genetic diseases deserves a high priority in Federal health legislation and will be cost beneficial to the American public.

(b) In order to preserve and protect the health and welfare of all citizens, it is the purpose of this Act to establish a national program to provide for basic and applied research, research training, testing, counseling, information, and education programs with respect to genetic diseases, including, but not limited to sickle cell anemia, Cooley's anemia, Tay-Sachs disease, cystic fibrosis, dysautonomia, hemophilia, retinitis pigmentosa, Huntington's chorea, and muscular dystrophy.

AMENDMENT TO THE PUBLIC HEALTH SERVICE ACT

SEC. 3. The Public Health Service Act (42 U.S.C. 201) is amended by deleting "TITLE XI—GENETIC BLOOD DISORDERS" and inserting the following:

"TITLE XI—GENETIC DISEASES

"TESTING AND COUNSELING PROGRAMS AND INFORMATION AND EDUCATION PROGRAMS

"SEC. 1101. (a)(1) The Secretary through an identifiable administrative unit within the Department of Health, Education, and Welfare, may make grants to public and nonprofit private entities, and may enter into contracts with public and private entities, for projects for the establishment and operation of voluntary genetic testing and counseling programs, primarily through other existing health programs.

"(2) The Secretary shall carry out through an identifiable administrative unit within the Department of Health, Education, and Welfare, a program to develop information and educational materials relating to genetic diseases and to disseminate such information and materials to persons providing health care, to teachers and students, and to the public generally in order to most rapidly make available the latest advances in the diagnosis treatment, and counseling of genetic diseases. The Secretary may carry out such program through such an identifiable administrative unit, through grants to public and nonprofit entities or contracts with public and private entities and individuals.

"(b) For the purpose of makng payments pursuant to grants and contracts under this section, there are authorized to be appropriated $20,000,000 for the fiscal year ending June 30, 1976, $25,000,000 for the fiscal year ending June 30, 1977, and $30,000,000 for the fiscal year ending June 30, 1978.

"PROJECT GRANTS AND CONTRACTS

"SEC. 1102. (a) The Secretary may make grants to public and nonprofit private entities, and may enter into contracts with public and private entities and individuals, for projects for (1) basic research, including lower organisms, applied research, and research training leading to the understanding, diagnosis, treatment, and control of genetic diseases, (2) planning, establishing, demonstrating, or developing special programs related to training genetic counselors, social and behavioral scientists, and other health professionals, (3) the development of programs to educate practicing physicians, other health professionals, and the public regarding the nature of genetic processes, the inheritance patterns, and the means, methods, and facilities available to diagnose, control, counsel, and treat genetic diseases, and (4) the development of counseling and testing programs and other programs for the diagnosis, control, and treatment of genetic diseases.

"(b) For the purpose of making payments pursuant to grants and contracts under this section, there are authorized to be appropriated $80,000,000 for the fiscal year ending June 30, 1976, $100,000,000 for the fiscal year ending June 30, 1977, and $120,000,000 for the fiscal year ending June 30, 1978.

"VOLUNTARY PARTICIPATION

"SEC. 1103. The participation by any individual in any program or portion thereof under this part shall be wholly voluntary and shall not be a prerequisite to eligibility for or receipt of any other service or assistance from, or to participation in, in any other program.

"APPLICATIONS; ADMINISTRATION OF GRANTS AND CONTRACT PROGRAMS

"SEC. 1104. (a) A grant under this part may be made upon application to the Secretary at such time, in such manner, containing and accompanied by such information, as the Secretary deems necessary. Each applicant shall:

"(1) provide that the programs and activities for which assistance under this part is sought will be administered by or under the supervision of the applicant;

"(2) provide for strict confidentiality of all test results, medical records, and other information regarding testing, diagnosis, counseling, or treatment of any person treated except for (A) such information as the patient (or his guardian) gives informed consent to be released; or (B) statistical data compiled without reference to the identity of any such patient;

"(3) provide for community representation where appropriate in the development and operation of voluntary genetic testing or counseling programs funded by a grant under this part;

"(4) in the case of an applicant for a grant for the delivery of services under section 1101(a)(1), provide assurances satisfactory to the Secretary that (A) the services for community-wide testing and counseling to be provided under the program for which the application is made will take into consideration widely prevalent diseases with a genetic component, high-risk population groups in which certain genetic diseases occur, and where appropriate will be directed especially but not exclusively to persons who are entering their child-producing years, and (B) appropriate arrangements have been made to provide counseling to persons found to have a genetic disease or to those who carry a gene or chromosome which may cause a deleterious effect in his offspring;

"(5) set forth fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting of Federal funds paid to the applicant under this part; and

"(6) provide for making such reports in such form and containing such information as the Secretary may reasonably require.

"(b) In making any grant or contract for communitywide services and counseling under this part, the Secretary shall (1) take into account the number of persons to be served by the program supported by such grant or contract and the extent to which rapid and effective use will be made of funds under the grant or contract; and (2) give priority to programs operating in areas which the Secretary determines have the greatest number of persons to benefit from and in need of the services provided under such programs.

"PUBLIC HEALTH SERVICE FACILITIES

"SEC. 1105. The Secretary shall establish a program within the Public Health Service to provide for voluntary genetic testing, diagnosis, counseling, and treatment. Such programs shall be made available through facilities of the Public Health Service to any person requesting testing, counseling, and treatment, and shall provide appropriate publicity of the availability and voluntary nature of such programs.

"REPORTS

"SEC. 1106. (a) The Secretary shall prepare and submit to the President for transmittal to the Congress on or before April 1 of each year a comprehensive report on the administration of this part.

"(b) The report required by this section shall contain such recomendations for additional legislation as the Secretary deems necessary.

"ESTABLISHMENT OF COMMISSION

"SEC. 1107. There is hereby established a National Advisory Commission on Ethical, Legal, and Social Aspects, of Genetic Diseases (hereinafter referred to as the 'Commission').

"MEMBERSHIP

"SEC. 1108. (a) The Commission shall be composed of fifteen members to be appointed by the President from the general public and from individuals from among the fields of genetics, medicine, law, theology, social science, philosophy, economics, humanities, health administration, government, and public affairs.

"(b) Any vacancy in the Commission shall not affect its powers.

"(c) The President shall designate one of the members to serve as Chairman and one to serve as Vice Chairman of the Commission.

"(d) Eight members of the Commission shall constitute a quorum.

"DUTIES OF THE COMMISSION

"SEC. 1109. (a) The Commission shall undetake a comprehensive investigation and study of the ethical, social, and legal implications of genetics research, training, screening, testing, diagnosis, treatment, counseling, prevention, and education programs, which shall include, without being limited to—

"(1) analysis and evaluation of scientific and technological advances in genetics, current and projected;

"(2) analysis and evaluation of the implications of such advances for individuals, for family members, and for society;

"(3) analysis and evaluation through the use of seminars and public hearings and other appropriate means, of public understanding of and attitudes toward such implications;

"(4) analysis and evaluation of implications for public policy of such findings as are made with respect to scientific advances in genetics and public attitudes.

"(b) The Commission shall make maximum feasible use of related investigations and studies conducted by public and private agencies.

"(c) The Commission shall transmit to the President and to the Congress an annual report, containing detailed statements of the findings of the Commission, together with its recommendations, including such recommendations for action by public and private bodies and individuals as it deems advisable.

"POWERS OF THE COMMISSION

"SEC. 1110. (a) The Commission or, on the authorization of the Commission, any subcommittee or members thereof, may, for the purpose of carrying out the provisions of this Act, hold such hearings, take such testimony, and sit and act at such times and places as the Commission deems advisable. Any member authorized by the Commission may administer oaths or affirmations to witnesses appearing before the Commission or any subcommittee or members thereof.

"(b) Each department, agency, and instrumentality of the executive branch of the Government, including independent agencies, is authorized and directed, to the extent permitted by law, to furnish to the Commission, upon request made by the Chairman or Vice Chairman, such information as the Commission deems necessary to carry out its functions under this Act.

"(c) Subject to such rules and regulations as may be adopted by the Commission, the Chairman shall have the power to—

"(1) appoint and fix the compensation of an executive director, and such additional staff personnel as he deems necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of such title, and

"(2) procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, but at rates not to exceed $100 a day for individuals.

"(d) The Commission is authorized to enter into contracts with Federal or State agencies, private firms, institutions, and individuals for the conduct of research or surveys, the preparation of reports, and other activities necessary to the discharge of its duties.

"COMPENSATION OF MEMBERS

"SEC. 1111. Members of the Commission shall receive compensation at the rate of $100 per day for each day they are engaged in the performance of their duties as members of the Commission and shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties as members of the Commission.".

COLD SPRING HARBOR LABORATORY,
Cold Spring Harbor, N.Y., March 26, 1975.
Hon. JACOB K. JAVITS,
U.S. Senator,
Washington, D.C.

DEAR SENATOR JAVITS: I am writing you in connection with the National Genetic Diseases Act, the consideration of which you are seeking the support of your colleagues in the Senate.

As each year passes, we more and more realize the genetic component of many of our most important afflictions. So it makes increasingly great sense to see that as a nation we step up our research to lower unnecessary human exposure to mutagenic agents, as well as provide the experimental data that may help those individuals afflicted with genetic disorders. So all the proposed provisions in your proposed bill I can enthusiastically support.

In addition, strong consideration should be given to the formal establishment of a National Genetics Institute within the existing National Institutes of Health. By this step dependable support for genetics research and counciling would automatically be considered each fiscal year. Now genetics per se does not have a real home within the NIH, and while the Institute of General Medical Science has attempted to provide firm support for genetics, its always too vulnerable position within the NIH framework makes them often unequal to our National needs.

Yours sincerely,

J. D. WATSON,
Director, Professor of Molecular Biology, Harvard University.

INSTITUTE OF CANCER RESEARCH,
New York, N.Y., Feb. 25, 1975.
Hon. JACOB K. JAVITS,
U.S. Senator, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR JAVITS: Dr. Arthur G. Steinberg, Chairman of the Medical Advisory Board of the National Genetics Foundation, Inc., was kind enough to send me a copy of the bill called the "National Genetic Diseases Act" that you and your colleagues intend to introduce into the Senate.

I have read this bill and am in enthusiastic accord with its intent to provide support for the advancement of human genetics and its application as a science to human disease. If passed, it will obviate the great disadvantages of funding for each genetic disease separately. Your bill covers the entire area of genetic disorders from research to the dissemination of information about genetic disease to professional and to the public. This approach is clearly superior to the fragmented attempts that have thus far dominated the efforts at funding this area of medical research.

You and your colleagues are to be commended for your foresight and wisdom.

Sincerely yours,

S. SPIEGELMAN,
Director, Institute of Cancer Research, Professor of Human Genetics and Development.

CYSTIC FIBROSIS FOUNDATION,
Atlanta, Ga., April 11, 1975.
Senator JACOB JAVITS,
Committee on Labor and Public Welfare,
U.S. Senate,
Washington, D.C.
Attn: Jay Cutler.

DEAR SENATOR JAVITS: Thank you for giving us the opportunity to review your proposed genetics bill, and for asking us to comment on it.

We have studied the bill thoroughly, and are pleased at its scope and thoroughness. Of course, there are many issues that are raised by this proposed legislation which will be worked out in the hearings and in the markup on the bill. We would be pleased to discuss with you or your staff, prior to hearings if you desire, some of the concerns that we have.

Also, it will be necessary for us to request the physicians and researchers who work with us to review this legislation and to get their views. In fact, we have already begun this process, but because this issue demands considerable thought, we do not feel that we can give you a definitive review of the legislation at this time.

Please be assured of our continuing desire to be as helpful as possible to you in this vital program. We shall remain alert to any requests for data, testimony and other relevant material which our organization and our medical-scientific experts can provide.

Yours sincerely,

ROBERT D. MCCREERY,
President.

THE NATIONAL HEMOPHILIA FOUNDATION,
New York, N.Y., April 30, 1975.
Senator JACOB K. JAVITS,
U.S. Senate, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR JAVITS: We have learned that you recently have introduced an amendment to the Public Health Service Act entitled "The National Genetics Disease Act".

The National Hemophilia Foundation supports in principle the intent of this legislation, since hemophilia, commonly known as "The Bleeder's Disease" is not only a genetic disease, but also has one of the highest mutation rates known, with approximately one-third of the cases occurring in families with no known history of the disease. Besides being a chronic disease that will last a lifetime, treatment for hemophilia very often reaches financially catastrophic proportions.

Our Foundation would appreciate the opportunity to testify when hearings on this legislation are held to present our viewpoint.

Sincerely yours,

GEORGE J. THEOBALD, Jr.,
Executive Director.

MASSACHUSETTS DEPARTMENT OF PUBLIC HEALTH,
Jamaica Plain, Mass., March 6, 1975.
Hon. JACOB K. JAVITS,
U.S. Senator, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR JAVITS: Dr. Arthur Steinburg, Chairman of the Medical Advisory Board of the National Genetics Foundation, Inc., has been kind enough to send for my information a copy of a bill that you have submitted to the Senate that would establish a national program with respect to genetic diseases. I would like to take this opportunity to express to you my sincere appreciation for your interest in this vitally important area and for very wisely proposing that federal funds be made available in many areas of genetic disease so that not only can these diseases be detected on a much broader scale than is now possible but so that research and other studies can be accomplished that are very much needed today.

In many respects, Senator Javits, I believe this bill is a good one. However, there are two areas which I would like to point out to you as being quite troubling to me in relation to the wording in the bill. The first area relates to page 2, lines 16 through 19 in which specific genetic diseases are named: I and my colleagues fear that this may result in a funding pattern which will focus on the diseases named, perhaps to the exclusion of many other equally important genetic diseases, despite the fact that the wording in your bill implies that funding should not be limited to those diseases named. I would prefer that the broad field of genetic diseases be perhaps more generally defined and that the term "inborn errors of metabolism" be included in this definition. I do not quite see the need for naming specific diseases. My second criticism is perhaps a bit more pertinent to the existent situation in relation to screening and study of genetic disease. This criticism relates to the emphasis on page 3 and in particular on page 5 to "voluntary" programs. This presents a rather significant dilemma to many groups, many individuals, and many states now involved in genetic screening. I refer to screening for phenylketonuria (PKU) that is now rather widespread which is mandated by state law in most states and therefore, I assume, would be excluded from funding within your proposed bill. In fact, your own state of New York has the most inclusive mandated law of any state. You may be aware that in New York a recently passed law mandates genetic screening not only for phenylketonuria but for several other diseases including sickle cell anemia, maple syrup urine disease, homocystinuria, histidinemia, galactosemia

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and I believe Cooley's anemia. I would imagine that all such screening and study for these diseases in New York would be excluded from funding within your proposed bill. Would this not be true? I would suggest that your bill be changed to include funding for programs of genetic screening and study which are not only voluntary but which are mandated for good reason in many areas.

I very much look forward to your comments on my letter. If you so desire, I would be glad to enlarge my thoughts and ideas in regard to genetic disease screening and study, an area in which I and my colleagues have had a great deal of experience here in Massachusetts over the last several years.

Thank you very much.

Sincerely,

Harvey L. Levy, M.D.,
Massachusetts Metabolic Disorders Screening Program.

The University of Michigan
Medical School,
Ann Arbor, Mich., March 3, 1975.

Hon. Jacob K. Javits,
Russell Senate Office Building,
Washington, D.C.

Dear Senator Javits: As one who has in the past been quite critical of the trend towards Special Acts directed towards specific genetic disorders, I am now writing to endorse the approach incorporated into the "National Genetic Disease Act," which I understand you will be introducing in the Senate this month. It seems clear to many of us in the field that a much more organized approach to the problem of genetic disease is indicated than has obtained in the past, and this bill would certainly make that possible.

Sincerely yours,

James V. Neel, M.D.,
Lee R. Dice University Professor of Human Genetics.

February 25, 1975.

Hon. Jacob K. Javits,
U.S. Senator,
Russell Senate Office Building,
Washington, D.C.

Dear Senator Javits: Dr. Arthur G. Steinberg, Chairman of the Medical Advisory Board of the National Genetics Foundation, Inc., was kind enough to send me a copy of the bill called the "National Genetic Diseases Act" that you and your colleagues intend to introduce into the Senate.

I have read this bill and am in enthusiastic accord with its intent to provide support for the advancement of human genetics and its application as a science to human disease. If passed, it will obviate the great disadvantages of funding for each genetic disease separately. Your bill covers the entire area of genetic disorders from research to the dissemination of information about genetic disease to professional and to the public. This approach is clearly superior to the fragmented attempts that have thus far dominated the efforts at funding this area of medical research.

You and your colleagues are to be commended for your foresight and wisdom.

Sincerely yours,

S. Spiegelman,
Director, Institute of Cancer Research, Professor of Human Genetics and Development.

Stanford University Medical Center,
Stanford, Calif., February 25, 1975.

Hon. Jacob K. Javits,
U.S. Senator,
Russell Senate Office Building,
Washington, D.C.

Dear Senator: I have seen a draft of your bill to establish a national program for genetic disease. I strongly support this effort especially the provision for basic research including lower organisms. This research is absolutely vital not only for prevention and treatment of genetic diseases but for cancer and degenerative diseases as well. No investment could be more fruitful for the long term economic and spiritual well being of all the people.

Sincerely,

Arthur Kornberg,
Professor of Biochemistry, Nobel Laureate in Medicine, 1959.

New York University
Medical Center,
New York, N.Y., March 6, 1975.

Hon. Jacob K. Javits,
U.S. Senator,
Russell Senate Office Building,
Washington, D.C.

Dear Senator Javits: I am writing to express my support for the bill to establish a national program with respect to genetic diseases. The bill that you have introduced shows proper foresight without cumbersome restrictions. If enacted, it should be of considerable assistance to the medical community to increase the fund of necessary information and to make available that knowledge that we already possess.

Sincerely,

Joseph Dancis, M.D.,
Professor and Chairman.

National Retinitis
Pigmentosa Foundation, Inc.,
Baltimore, Md., April 15,1975.

Hon. Jacob K. Javits,
Russell Senate Building,
Washington, D.C.

Dear Senator Javits: On behalf of the National Retinitis Pigmentosa Foundation, I wish to thank you for taking the initiative to sponsor the National Genetic Diseases Act. It was extremely encouraging to receive a copy of the draft of this bill because funding available for genetic research has always been minimal. Even the National Institutes of Health award very small grants in this field.

The National RP Foundation was organized three years ago to find the cause, treatment, and cure for retinitis pigmentosa and allied retinal degenerative diseases. Only fragmented research was done prior to the establishment of the Foundation, and since that time research has become coordinated and expanded. In addition to this achievement the first multi-disciplined laboratory for the study of retinal degenerations has been built, equipped, and staffed by a grant from the RP Foundation at the Massachusetts Eye and Ear Infirmary. Unfortunately, research into this genetic disease or any other genetic disease is very expensive. Even our funds are limited, which means that we cannot presently meet the financial requests to accomplish all the research needed to attack these diseases. It is for this reason I am enthusiastic about the potential which your bill offers.

It is estimated that over 100,000 Americans are afflicted with retinitis pigmentosa; and with one out of every eighty persons carrying this gene, the numbers will continue to increase if an answer is not found within the next five years. Retinal degenerative diseases is one of the many genetic disorders affecting persons in this country. Every American has something to gain through the enactment of this bill.

The draft of your bill on page 2, lists various genetic diseases. However, because of the present estimated number of persons afflicted and the high risks of being a carrier, I believe that retinal degenerative diseases should also be included.

The National RP Foundation has thirty-one affiliated chapters organized throughout the United States. These chapters and the thousands of RP sufferers associated with each are ready to provide letters of endorsement, testimonials, or anything else you believe is needed to help strengthen support for your bill.

Don't hestitate to call on us.

Sincerely,

Bernard Berman,
President.

Harold B. Van Maren, M.D., Inc.,
Albany, Calif., May 20, 1974.

Senator Jacob Javits,
U.S. Senate Office Building,
Washington, D.C.

Dear Senator Javits: In my capacity as a member of the Policy Committee of the Genetic Counseling Program at the University of California, Berkeley, I had occasion last week to see a copy of your proposed bill on genetic diseases.

I was extremely pleased to read this bill, as legislation in the area of genetic diseases is critically needed. Please accept my heartfelt congratulations for having authored this bill.

I would very much appreciate receiving a copy of this bill, and I would be interested to know whether or not Congress will vote on it before the end of the current fiscal year.

Thank you for considering this request.

Yours sincerely,

Thomas L. Clark, M.S.W.

National Society for the
Prevention of Blindness,
New York, N.Y., March 13, 1975.

Hon. Jacob K. Javits,
U.S. Senator,
Russell Senate Office Building,
Washington, D.C.

Dear Senator Javits: The proposed bill which you are sponsoring to establish a national program with respect to genetic diseases—the National Genetic Diseases Act—is wholeheartedly supported by the National Society for the Prevention of Blindness.

Defects of vision of congenital origin, primarily hereditary, are a prime concern of the National Society. Available statistics on blindness indicate that approximately 15% of all new cases each year are due to ocular conditions with a prenatal origin. Some 85% of these are hereditary; the remainder are due to unknown prenatal factors.

Studies which the Society has conducted periodically since the early 1930's of school age blind children have shown that substantial progress has been made in the reduction of blindness due to known causes—infectious diseases, injuries. The rate of occurrence of blindness due to prenatal influence, however, has remained consistently high over the years. In the most recent study, for the 1968–1969 school year, this cause was responsible for 50% of the cases; 83% were hereditary in origin. The rate of blindness from prenatal factors has averaged about 11.0 per 100,000 pupils enrolled but showed an increase to 16.3 in 1958–1969. A further increase to a rate of 19.6 per 100,000 was observed in the 1968–1969 study. Obviously very little progress is being made in preventing blindness from this cause—the most important in children.

In regard to the bill itself, we would like to see the following changes:

1) On page 2 [Sec. 2. (b)] the addition to the listing (lines 17–19) of "defects of vision of hereditary and congenital origin." This would include retinitis pigmentosa, other retinal degenerations, and other structural anomalies.

2) Provide for the establishment and maintenance of registries of persons with the various conditions which are of genetic origin in order to determine prevalence and incidence and to identify cases for study purposes.

3) Delete or define the term "widely prevalent" [page 6, line 12, Sec. 1104. (a)(4)]. Some conditions such as defects of vision probably would not be considered "widely prevalent" since they do not occur in large numbers, i.e. are not high incidence conditions, but the victim is sentenced to a lifetime of serious vision impairment, if not total blindness. Rather than "prevalence" it might be more appropriate to consider the

seriousness, or potential seriousness, of the resulting impairment or handicapping conditions.

The National Society for the Prevention of Blindness welcomes the added stimulus which the National Genetic Diseases Act would provide for public and professional education, research, detection and community services—the means by which the National Society strives to prevent blindness—and the focus it would give on the one area where little progress is being made.

We wish you success with this bill.

Sincerely,

Virginia S. Boyce,
Executive Director.

American Society
of Human Genetics,
April 23, 1975.

Re: Genetics Omnibus Bill to be known as the "National Genetic Diseases Act."

Hon. Jacob K. Javits,
U.S. Senator,
Russell Senate Office Building,
Washington, D.C.

Dear Senator Javits: I am writing on behalf of the Board of Directors and the Social Issues Committee of the American Society of Human Genetics to endorse the general principles and aims of the above bill, particularly and so far as the passage of such legislation would assist in the development of a national program, to provide for research, training and education with respect to genetic disease generally, and would thus help to bring some order into these programs.

A number of members had reservations or questions relating to specific aspects of this legislation and will no doubt be in touch with you directly.

The following individual members concur with this endorsation:

Board of Directors of the American Society of Genetics:

Eloise R. Giblett, M.D., King County Central Blood Bank.

Barton Childs, M.D., Johns Hopkins University/Hospital.

Barbara Bowman, Ph.D., University of Texas.

Victor A. McKusick, M.D., Johns Hopkins University/Hospital.

Arno G. Motulsky, M.D., University of Washington.

Luigi Cavalli Sforza, M.D., Stanford University.

David E. Commings, M.D., City of Hope Medical Centre.

Charles J. Epstein, M.D., University of California Medical Centre.

Philip J. Fialkow, M.D., University of Washington.

Herbert A. Lubs, M.D., University of Colorado Medical Centre.

James R. Miller, Ph.D., University of British Columbia.

Leon E. Rosenberg, M.D., Yale University.

John L. Hamerton, D.Sc., University of Manitoba.

Social Issues Committee of the American Society of Genetics:

F. Clarke Fraser, M.D., McGill University.

James V. Neel, Ph.D., University of Michigan.

J. Philip Welch, Ph.D., Dalhousie University.

Ernest B. Hook, M.D., Albany Medical College.

William J. Mellman, M.D., University of Pennsylvania.

Margery W. Shaw, M.D., M. D. Anderson Hospital.

John M. Opitz, M.D., University of Wisconsin.

Yours sincerely,

John L. Hamerton, D.Sc.,
President.

National Ataxia Foundation, Inc.,
Minneapolis, Minn., March 6, 1975.

Ruth Y. Berini,
Executive Director,
National Genetics Foundation,
New York, N.Y.

Dear Ms. Berini: Dr. Dean Johnson has forwarded a letter from you dated February 28th along with his enthusiasm and support for the proposed piece of legislation to establish a national program for genetic diseases.

I have read the draft of the proposed piece of legislation and have found it a promising step in reaching a common goal.

These notes should therefore serve as formal support for the proposed "National Genetic Diseases Act" from the National Ataxia Foundation.

Of course, we stand ready to assist you further if we can.

Congratulations on your effort.

Sincerely,

David R. Klassen,
Exccutive Director.

By Mr. MAGNUSON (for himself, Mr. Hollings, and Mr. Pell):

Senate Joint Resolution 81. A joint resolution to regulate commerce by prohibiting the importation into the United States of any fish or fish products by any foreign enterprise which engages in commercial whaling activities, and for other purposes. Referred to the Committee on Commerce and the Committee on Finance, jointly, by unanimous consent.

Mr. MAGNUSON. Mr. President, I introduce for appropriate referral a joint resolution to regulate commerce by prohibiting importation into the United States of any fish or fish products of any foreign enterprise which engages in commerical whaling activities.

Mr. President, the actions of Congress in passing the Marine Mammal Protection Act, the Endangered Species Act, and resolutions requesting the Secretary of State to call for a 10-year international moratorium on the commercial killing of whales are all being flouted by the intransigence of the commercial whalers—primarily the Japanese and Soviet fleets.

As evidence of continuing whaling efforts, I point to an article which appeared in the April 21 issue of the San Diego Tribune reporting that one of the three major Japanese fishing and whaling companies is seeking to kill the California Gray whales in the sanctuary provided for them by the Mexican Government off Baja, Calif. Such a likelihood calls for a strong legislative response putting commercial whalers on notice that the Congress and the people of the United States will not tolerate the continued decimation of the great whales and that we will use every resource at our command to prevent destruction of the California Gray and other whale species.

The bill I introduce today would prohibit importation into the United States of any fish or fish products produced by a company which engages in commercial whaling. Large quantities of fish are exported annually to the United States by the three major Japanese companies which engage in both fishing and whaling. In 1973 fish products imported from Japan into our country amounted to $117,500,000. Whaling is being carried out by a joint venture of these major Japanese companies capitalized at $33 million. An embargo of the tuna, salmon, mackerel, sardines, clams, and crab exported by these companies can be expected to bring a prompt end to their whaling.

This resolution further provides that whaling equipment must be dismantled or converted to non-whaling purposes in order to end the embargo against the products of any company affected. In this way, continuation of whaling by sales of vessels and gear would be prevented.

Mr. President, we cannot rely on the International Whaling Commission to prevent whales from going down the road to extinction. At the June 1974 meeting of the International Whaling Commission—IWC—the U.S. proposal for a 10-year moratorium on all commercial whaling was virtually shelved. Instead, it was replaced by the so-called Australian amendment calling for a selective moratorium on each species which has fallen below the maximum sustainable yield level. This action accomplished nothing to conserve whale stocks for this past Antarctic whaling season, but merely set the stage for a "showdown" this year in the IWC. The sides will be drawn on the question of the definition of maximum sustainable yield, and, according to Sidney Holt, FAO fisheries biologist and one of the foremost experts on whale stocks, all of the major commercial species are below maximum sustainable yield. But maximum sustainable yield levels for all whale stocks are determined by the IWC's Scientific Committee which has been described as "an ad hoc group traditionally comprising scientists employed by or sympathetic to the whaling industry, and dependent mainly on predigested statistics made available by the Japanese industry."

Further, the whaling nations retain the treaty right to object to any decision taken by the IWC and go on killing whales.

While whales are unique, there is nothing unique about either the "objection privilege" in the IWC Convention, nor the attitude of the Japanese and Soviet delegations. Both are typical. The large Japanese whaling companies are, in fact, also among the nation's largest fishing companies. These are exactly the companies which are decimating fish stocks off the coast of Alaska and have motivated me to press for the establishment of a 200-mile fishery zone off our shores. The owners of these companies who sit in the delegation and dominate Japanese policy at the IWC, are among the same owners who sit in the International North Pacific Fisheries Convention delegation and dominate Japanese policy there. Some of these same men even appeared on the Japanese delegation to the Plenipotentiary Conference To Conclude a Convention on Trade in Certain Species in Wildlife to again obstruct the development of an adequate convention.

When dealing with such men, it is absolutely futile to merely "talk a good fight." If our delegations must go to London to the IWC meeting, or to Tokyo for INPFC or to ICNAF armed only with words, their missions are hopeless. We can only prevent the eclipse of domestic American fisheries, and the "commercial extinction" of the great whales, by developing deterrents which cannot be ignored. We must be able to demonstrate to the destructive interests in the one language they will heed—the language of dollars, pounds, yen, and rubles—that it will no longer be to their advantage, short term or otherwise, to destroy marine resources in which Americans have a vital interest.

The American public, if one can assess the national mood from the mounting volume of mail, from the intense response of citizens groups, and from the fact that a citizens' boycott against Japan and the Soviet Union is gaining support, are exasperated with the appeasement of foreign rapacity. Most Americans are—as I am—tired of our continued genuflection to outdated agreements and protocols, and of shopworn talk about "a spirit of cooperation" while the havoc continues. Most Americans realize, as do most of us in this Chamber, that this tragic destruction of vital resources is occurring in the absence of a really firm American response, and that we can stop it if we will. I submit that it is time to do so.

I ask unanimous consent that the article from the San Diego Tribune and one from the Christian Science Monitor, as well as the joint resolution be printed in the RECORD.

There being no objection, the articles and joint resolution were ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor, Feb. 27, 1975]

NEW THREAT TO GRAY WHALES

(By David Winder)

REDONDO BEACH, CALIF.—The annual migration of spouting Pacific gray whales from the plankton-rich waters of Alaska to their mating grounds off the Baja California coast may soon be another footnote for the history books.

Unless, that is, Japanese and Russian whaling fleets are persuaded to halt their hunts in the northern Pacific this summer.

"The Japanese are now tooling up to go after them," says Bemi de Bus of the American Cetacean Society.

Mrs. de Bus was referring to the proposal to the International Whaling Commission by Japanese whaling fleets that "harvesting" of the gray whales be resumed.

Since both Japan and the Soviet Union have ignored whale-taking quotas set by the International Whaling Commission and United Nations call for a 10-year moratorium on whaling, conservationists expect the worst.

They fear that all the work done by a 1938 international moratorium on gray whale killing, rescuing the animal from near extinction, may be undone. The gray whale, down to 1,000 at one time, now numbers between 10,000 and 15,000.

To forestall this, U.S. Representative Alphonzo Bell (R) of California has introduced a bill in Congress that would empower the President to embargo all products from whaling nations. (A similar but unsuccessful move was made last year.)

Representative Bell also will introduce a second bill calling for an immediate embargo of all fishery products exported to the U.S. by the offending Japanese and Soviet whaling companies.

"HAVE TO GET TOUGH"

"We have to get tough. Otherwise we'll get nothing through and our whales will be extinct," said the Santa Monica-bay area congressman.

"People got upset about the shooting of coyotes, of wild horses, of mountain lions. If we bring out the seriousness of the situation I see no reason [why] Congress can't do something about it."

Conservation groups like the National Audubon Society, the National Wildlife Federation, and the Sierra Club, which have urged a boycott of Japanese and Soviet goods, are concerned that the gray whale may become a much an endangered species as the blue whale.

The blue whale, the largest creature ever known to live on earth, now survives in such few numbers that scientists think it may now be past the point of saving. The humpback, bowhead, and right whales all have been driven to virtual extinction while the numbers of remaining fin, sei, sperm, and minke whales are rapidly dropping.

IMPORT BANNED

The U.S. has banned all commercial whaling and the importation of any whale products, and placed all eight of the great whales on the endangered species.

The Soviets use whale meat to feed minks and sables on Siberian fur farms, and sperm whale oil serves as a lubricant for its intercontinental missiles.

The Japanese have argued that whale meat is vital to Japan, but Representative Bell's office insists that whale meat constitutes just 1 percent of the total protein in the Japanese diet.

[From the San Diego Tribune, Apr. 21, 1975]

JAPAN FIRM SEEKS BAJA WHALING RIGHTS

(By John Farina)

Japanese whaling interests are checking into the possibility of commercially harvesting gray whales off the Baja California coast.

However, the Mexican Fish Commission in San Diego said permission would probably not be granted by the Mexican government.

Gray whales have been under protection since 1946, and Mexico has given sanctuary status to Baja California's Scammon's Lagoon, where the whales give birth to their young after annual migrations from Alaska. The whales are a tourist attraction as they swim off the San Diego coast.

The proposal to harvest gray whales off the Mexican coast has been made by the Los Angeles office of Y.M. Pacific Co., a Japanese firm, representing the Taiyo Co., of Japan, that country's leading whaling firm.

Under the proposal, Japanese whaling ships and processing vessels would establish offshore stations to harvest whales on a regular basis.

Motosuki Yuri, of the Y.M. Pacific Co., said he is "aware that whaling is a very sensitive issue," and that "it will not be easy to get permission from the Mexican government."

Yuri has contacted a number of persons involved in Pacific fisheries for information, including Dr. Carl Hubbs, professor of biology emeritus at Cripps Institution of Oceanography.

"The Japanese are proposing to bring up the matter in June before the International Whaling Commission, to reestablish whaling for the gray whales in Baja California," said Hubbs.

Yuri said Mexican fishery cooperatives in Baja California want whales harvested again, "because the whales cause some interference with fishing operations."

The gray whales were last hunted off Baja California in the 1930s by Norwegian, Dutch and U.S. whaling firms, said Hubbs. Their population has been estimated at 15,000.

Hubbs, an authority on whales, has sent a letter to the Mexican government recommending against the Japanese proposal.

Amin Zarur Menez, chief of the Mexican Fisheries Commission in San Diego, also objects to the proposal. He is attending the Law of the Sea Conference in Geneva.

"Mr. Yuri contacted Mr. Zarur and was told that it is against Mexican law to harvest whales off Baja California, and that it is doubtful that the government would permit it," said Porfirio A. Romay, of the fish commission office. "The Mexican government wants to preserve the whales as a precious natural resource."

S. J. Res. 81

Whereas the whales which inhabit international waters are of great scientific and asthetic interest to mankind and are the common property of the world community;

Whereas many whale species have been exploited to the point of commercial extinction yet the whaling fleets of some nations continue to capture and steadily diminish fin, sei, sperm and minke whales converting their catch into petfood, fertilizer, soap, lipstick, shoe polish, mink food and lubricating oil for which cheap and plentiful substitutes exist;

Whereas the Congress in 1971 adopted resolutions requesting the Secretary of State to seek a ten-year moratorium on commercial whaling, and in June, 1972, fifty-three nations adopted a resolution at the U.N. Conference on the Human Environment urging such a moratorium;

Whereas the United States government has evidenced its concern over the declining whale population by placing all eight species of great whales on its endangered species list pursuant to the Endangered Species Conservation Act of 1969, by banning all commercial whaling by citizens of the United States, and by providing strong leadership in the International Whaling Commission for effective measures to protect whales;

Whereas the International Convention for the Regulation of Whaling, despite a majority vote by member-nations on measures to conserve whale populations based on the advice of its Scientific Committee, allows a nation whose citizens actually engage in whaling to disagree and not observe such measures;

Whereas the U.S. Marine Mammal Commission has found that Japan and the Soviet Union have subverted the goals and diminished the effectiveness of the International Whaling Commission programs, and the Secretary of Commerce has informed the President that these nations are violating an international fishery conservation program for which sanctions under the Fishermen's Protective Act of 1967 involving the embargo of fish and fish products from the offending nations may be invoked at his discretion;

Whereas the whaling fleets of Japan and the Soviet Union continue to deplete the populations of fin, sei, sperm and minke whales by their whaling activities in international waters and thereby together account for more than 80 percent of the approximately 38,000 whales killed each year;

Whereas the Japanese companies which operate whaling fleets, Taiyo Fishery Company, Nippon Suisan Kaisha, and Kyokuyo Company, also export to the United States large quantities of fishery products, including tuna, salmon, mackerel, sardines, clams and crab;

Whereas the Soviet Fisheries Agency, which operates the Soviet whaling fleet, also exports fishery products to the United States, including caviar; and

Whereas a more effective method of bringing an end to whaling practices throughout the world is needed to protect whales from extinction; Now therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purpose of this Joint Resolution the term—

(1) "commercial whaling" means the catching, taking, harvesting, or attempted catching, taking, or harvesting of any species of whale for commercial purposes, and any

activity at sea in support of such actual or attempted catching, taking, or harvesting; the term does not include whaling primarily for subsistence purposes by members of any aboriginal community;

(2) "foreign enterprise" means (A) any citizen or national of any foreign nation, or any corporation, partnership, or other association organized under the laws of any foreign nation; (B) any agency, office, or other public or quasi-public entity of any foreign nation; and (C) any subsidiary owned, in whole or in part, or subject to the direct or indirect control of any such citizen or entity, regardless of where the subsidiary is located;

(3) "Secretary" means the Secretary of Commerce;

(4) "whale" means any species of whale including, but not limited to, blue, fin, sei, right, bowhead, humpback, gray, Bryde's, minke, or sperm.

SEC. 2. (a) Not later than 90 days after the date of enactment of this Joint Resolution and from time to time thereafter, the Secretary shall initiate and complete such investigations and other actions as may be necessary to identify any foreign enterprise engaged in commercial whaling. In carrying out any such investigation or other action, the Secretary may request the assistance of any other Federal agency, and such agency shall, to the maximum extent practicable, render such assistance to the Secretary. The Secretary shall reimburse any such agency for costs incurred in assisting such investigations or other actions.

(b) Upon finding that any foreign enterprise is engaged in commercial whaling, the Secretary shall immediately publish the name and location of such enterprise in the Federal Register. Such finding shall be a final determination that such enterprise is engaged in commercial whaling unless such enterprise, not later than 30 days after the date of such publication, files an objection to the finding of the Secretary. Upon receiving any objection, the Secretary shall treat such objection as a request by such foreign enterprise for a hearing. Such hearing shall be commenced not later than 30 days after the date on which the objection was received and shall be conducted in accordance with the provisions of section 554 of title 5, United States Code.

(c) After a final determination by the Secretary that any foreign enterprise is engaged in commercial whaling, it shall be unlawful for any fish or fish products produced, owned, or distributed by such enterprise to be imported into the United States. The Secretary of the Treasury shall take such action under the customs laws as may be necessary to prevent the importation of any such fish or fish products.

(d) If the Secretary subsequently determines that any such foreign enterprise determined to be engaged in commercial whaling has ceased to be so engaged, subsection (c) of this section shall no longer apply. It shall be the burden of such foreign enterprise to prove to the Secretary that it has ceased commercial whaling: *Provided,* That any sale or other transfer of any vessel or other equipment by such enterprise shall not be considered as evidence that such enterprise has ceased whaling if such vessel or other equipment is capable of being used or will be used in commercial whaling.

SEC. 3. The Secretary is authorized to issue, and may from time to time amend, regulations to carry out the purposes and provisions of this Joint Resolution.

Mr. MAGNUSON subsequently said: Mr. President, I ask unanimous consent that the joint resolution I introduced earlier be refered jointly to the Committees on Commerce and Finance.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 613

At the request of Mr. HATFIELD, the Senator from Montana (Mr. METCALF) and the Senator from Illinois (Mr. PERCY) were added as cosponsors of S. 613, a bill to prohibit the introduction into interstate commerce of nonreturnable beverage containers, and for other purposes.

S. 1197

At the request of Mr. TUNNEY, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of S. 1197, the Plutonium Recovery Control Act of 1975.

S. 1268

At the request of Mr. METCALF, the Senator from New Jersey (Mr. CASE), the Senator from Minnesota (Mr. MONDALE), and the Senator from Rhode Island (Mr. PELL) were added as cosponsors of S. 1268, a bill to establish congressional policy direction for the administration and management of the National Wildlife Refuge System; to establish the "National Wildlife Refuge Service"; to provide authority for study, review and establishment of additional units of the National Wildlife Refuge System.

S. 1293

At the request of Mr. METCALF, the Senator from New Jersey (Mr. CASE), the Senator from Minnesota (Mr. MONDALE), and the Senator from Rhode Island (Mr. PELL) were added as cosponsors of S. 1293, a bill to establish the Charles M. Russell National Wildlife Range; the Charles Sheldon National Wildlife Range; and the Kofa National Wildlife Refuge as part of the National Wildlife Refuge System, and for other purposes.

S. 1372

At the request of Mr. ROBERT C. BYRD, the Senator from Alabama (Mr. SPARKMAN) was added as a cosponsor of S. 1372, to require the Secretary of Health, Education, and Welfare to adhere to present quarterly reporting of social security contributions.

S. 1406

At the reqeust of Mr. MONTOYA, the Senator from Arizona (Mr. FANNIN) and the Senator from New Hampshire (Mr. MCINTYRE) were added as cosponsors of S. 1406, a bill to amend title 38 of the United States Code to provide that veterans' pensions and compensation will not be reduced as a result of certain increases in monthly social security benefits.

S. 1475

At the request of Mr. PROXMIRE, the Senator from Maine (Mr. HATHAWAY) was added as a cosponsor of S. 1475, the Credit Union Financial Institutions Act Amendments of 1975.

S. 1593

At the reqeust of Mr. CRANSTON, the Senator from Idaho (Mr. CHURCH), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Hawaii (Mr. INOUYE), and the Senator from Rhode Island (Mr. PELL) were added as cosponsors of the bill (S. 1593) to amend the Public Health Service Act to promote the health and welfare of children in need of adoption by facilitating their placement, and for other purposes.

S. 1618

At the request of Mr. ABOUREZK, the Senator from California (Mr. CRANSTON), the Senator from North Carolina (Mr. MORGAN), the Senator from Kansas (Mr. DOLE), and the Senator from Ohio (Mr. TAFT) were added as cosponsors of S. 1618) a bill to provide for the establishment of an American Folklife Center in the Library of Congress, and for other purposes.

S. 1623

At the request of Mr. MANSFIELD (for Mr. NELSON), the Senator from Iowa (Mr. CLARK) was added as a cosponsor of S. 1623, a bill to direct the Secretary of Labor to change the name of the Wholesale Price Index to the Basic Price Index.

S. 1628

At the request of Mr. PROXMIRE, the Senator from California (Mr. CRANSTON) was added as a cosponsor of S. 1628, a bill to repeal the Military Selective Service Act.

SENATE JOINT RESOLUTION 49

At the request of Mr. BAYH, the Senator from Arizona (Mr. FANNIN) was added as a cosponsor of Senate Joint Resolution 49 to amend the joint resolution entitled "Joint resolution to codify and emphasize existing rules and customs pertaining to the display and use of the flag of the United States of America."

AMENDMENTS SUBMITTED FOR PRINTING

CONSUMER PROTECTION ACT OF 1975—S. 200

AMENDMENTS NOS. 413 THROUGH 416

(Ordered to be printed and to lie on the table.)

Mr. McCLURE submitted four amendments intended to be proposed by him to the bill (S. 200) to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes.

AMENDMENTS NOS. 417 AND 418

(Ordered to be printed and to lie on the table.)

Mr. HELMS submitted two amendments intended to be proposed by him to the bill (S. 200), supra.

AMENDMENTS NOS. 419 THROUGH 428

(Ordered to be printed and to lie on the table.)

Mr. BROCK submitted 10 amendments intended to be proposed by him to the bill (S. 200), supra.

AMENDMENTS NOS. 430, 431, AND 432

(Ordered to be printed and to lie on the table.)

Mr. HRUSKA submitted three amendments intended to be proposed by him to the bill (S. 200), supra.

Mr. HRUSKA. Mr. President, I am introducing an amendment to S. 200, which would provide that any measure having the effect of restricting, limiting, regulating or conditioning the manufacture, sale, possession, or use of firearms, ammunition, or any components of ammunition, including black powder and gun powder, shall only be vested by specific and express legislation enacted by the Congress.

UMI

My amendment would go beyond that of the amendment offered by the Senator from Idaho in that it would require positive legislative action by the Congress before any measure, including the pending bill, can confer authority to regulate the sale or manufacture of firearms or firearm ammunition, or ammunition, or ammunition components. Absent affirmative action by the Congress, any regulatory action by any Federal agency in this area, notwithstanding existing law, would be exercised contrary to express statutory authority and the intent of the Congress.

The amendment is not a frivolous one, nor is it without substantial merit. The Consumer Product Safety Commission, established by the Congress in May, 1973, has recently become involved in the regulation of handgun ammunition. Its involvement is fraught with difficulty and controversy, and at the present time is subject to judicial interpretation and administrative review. Let me briefly summarize the status of this matter.

In June 1974 the Consumer Product Safety Commission received a petition from the Committee for Handgun Control, Inc., to ban the sale of handgun ammunition to the general public. The Commission decided on September 5, 1974, to deny the petition on the grounds that it did not have technical jurisdiction over handgun ammunition. In denying the petition of the Committee for Handgun Control, Inc., the Commission stated:

> Nevertheless, the Commission does not believe that Congress, in establishing the Commission and transferring to it the authority to administer the FHSA, intended to confer upon the Commission the authority to ban handgun bullets as requested by and for the reasons cited by the petitioner. This belief is based upon a careful review of the provisions of the Federal Hazardous Substances Act and its legislative history. The practical effect of the requested ban on handgun bullets, if successful, would be a virtual ban of handguns. There is clearly no authority under any act which the Commission administers to regulate handguns.

U.S. District Judge Flannery, overruled this decision and held, on December 19, 1974, that the Commission must consider the petition on its merits. (See *Committee for Handgun Control, Inc.* v. *Consumer Product Safety Commission, et al.*, civil action No. 74–1387 (D.O.C.)). In reaching his decision Judge Flannery allowed that:

> If the Commission remains convinced that Congress would object to the Consumer Product Safety Commission giving consideration to the merits of plaintiff's petition, the proper course is for the Commission to seek clarification from Congress. (supra)

In addition, the Office of General Counsel, Consumer Production Safety Commission, in responding to a request by the Commission for a memorandum on the question of handgun bullets as a "hazardous substance," recommended that the Commission decide that it has jurisdiction over handgun bullets. The Commission, however, meeting on September 6, 1974, rejected that recommendation and stated that in its view, Congress had not "intended" to confer upon the Commission the authority to ban handgun bullets as hazardous substances.

As I have indicated, however, Judge Flannery rejected the Commission's finding and looked to a "plain reading of the statute" test to decide against the Commission. He also ruled that the Commission reconsider the petition on its merits. To comply, the Commission, on February 14, 1975, published the petition in the Federal Register and solicited written comments from all interested persons and groups for a period of 60 days. In the period between February 14 and April 15, 1975, the Commission was inundated with letters and comments from respectable citizens who registered their opposition to the court's decision on handgun ammunition regulation. I know this is true because I have received hundreds of letters and postcards expressing opposition to the decision and also copies of letters sent to the Commission. I am sure that many of my colleagues in the Senate have received similar letters, both in number and in opposition to this ruling.

Mr. President, subsequent to Judge Flannery's December 19 ruling, Congressman John D. Dingell, of Michigan, Senator Ted Stevens, of Alaska, and the National Rifle Association, filed motions with the court seeking to intervene as parties to the action. The Consumer Product Safety Commission did not file papers concerning these motions.

Additional motions filed by the three parties included those which would have had the court vacate the order that the Commission undertake a consideration of the merits of the petition. The motions to intervene were denied on February 14, 1975, by Judge Flannery. The motions to vacate were not considered since the intervention was denied.

In addition, a number of bills have been introduced in the Congress to prohibit the Consumer Product Safety Commission from restricting the sale or manufacture of firearms or ammunition. These bills included S. 143, sponsored by the Senator from Idaho, Mr. McClure, and S. 1007, sponsored by the Senator from Kansas, Mr. Dole. Each of these measures prohibits the Consumer Product Safety Commission from issuing any regulations or orders restricting the sale or manufacture of firearms, firearm ammunition or ammunition.

Mr. President, I want to register strong opposition to the rulings of Judge Flannery that: first, the Consumer Product Safety Commission has jurisdiction and authority to ban handgun bullets: and second, that Congress has failed to express its clear intent not to confer this authority on the Consumer Product Safety Commission by enactment of the Consumer Product Safety Act—Public Law 92–573. It is only through a tortured interpretation of the statutory provisions and legislative history that Judge Flannery reaches these conclusions.

OBJECTION TO THE COURT'S RULING

With regard to the first finding of Judge Flannery that the Consumer Product Safety Commission has jurisdiction over handgun bullets, I must respectfully object to that conclusion. In his opinion, Judge Flannery pursues the following line of reasoning to reach his result. First, under the Federal Hazardous Substances Act—Public Law 86–613—specifically 15 U.S.C. 1261(f)(1)(A), a hazardous substance is defined as:

> (a)ny substance or mixture of substances which . . . (v) is flammable or combustible, or (vi) generates pressure through decomposition, heat, or other means, if such substance or mixture of substances may cause substantial personal injury or substantial illness during or as a proximate result of any customary or reasonably foreseeable handling or use, including reasonably foreseeable ingestion by children. (15 U.S.C. 1261(f)(1)(A)).

Utilizing section 1262 of the Hazardous Substances Act, the court then concludes that the administrator of the Act, formerly the Secretary of Health, Education, and Welfare but now the Consumer Product Safety Commission, has authority to determine which substances meet the definition of "hazardous substance" pursuant to the statute.

The court then proceeded to reason that the administrator of the act, on his own initiative, investigated the question of whether small-arms ammunition as a hazardous substance, and determined that it did. He then issued a regulation to the effect that a narrow labeling requirement was in order containing the usual name of the ammunition, a warning regarding the danger to children, and the name and place of business of the manufacturer. This regulation is still in effect. [See 16 C.F.R. 1500.83(a)(6).]

The court finally sums up its line of reasoning thusly:

> Hence, it is without dispute that small-arms ammunition does constitute a hazardous substance with the Act's definition and that the administrator of the Act has jurisdiction to regulate the hazardous substance.

In short, the court concluded that because the general definition of "hazardous substance" under the Federal Hazardous Substances Act appears to include handgun ammunition, and the administrator also decided it did, issued a regulation under the labeling requirement authority and then, in fact, the Consumer Production Safety Commission has jurisdiction.

Mr. President, it is my contention that the Consumer Product Safety Commission Act expressly exempts firearms and firearm ammunition from the jurisdiction of the Consumer Product Safety Commission. Section 3(a)(1)(E) of the Consumer Product Safety Act (P.L. 92–573) states:

> . . . any article which, if sold by the manufacturer, producer, or importer, would be subject to the tax imposed by section 4181 of the Internal Revenue Code of 1954 (determined without regard to any exemptions from such tax provided by section 4182 or 4221, or any other provision of such Code), or any component of any such article.

Furthermore, section 4181 of 26 U.S.C. provides as follows:

> § 4181. Imposition of tax.
>
> There is hereby imposed upon the sale by the manufacturer, producer, or importer of the following articles a tax equivalent to the specified percent of the price for which so sold:
>
> Articles taxable at 10 percent—Pistols; and Revolvers.
>
> Articles taxable at 11 percent—Firearms (other than pistols and revolvers); Shells, and cartridges.
>
> (Aug. 16, 1954, ch. 736, 68A Stat. 490.)

Mr. President, it seems clear to me that the items contained in section 4181 of the Internal Revenue Code are, indeed, exempt from the jurisdiction of the Consumer Product Safety Commission. Unfortunately, Judge Flannery did not take occasion to address these statutory provisions in his written opinion. It is because of these conflicting and almost, far-reaching conclusions by the court that I have introduced my amendment.

LEGISLATIVE INTENT THUS BEEN EXPRESSED

In addition, Mr. President, I cannot agree with the judgment of Judge Flannery that the Congress has not expressed itself with regard to the applicability of the Consumer Product Safety Act to firearms or firearm ammunition.

Legislative intent is not then an item to be considered separate and apart from the language of the statute in determining the meaning of the statute in determining the meaning of the statute as to jurisdiction or anything else. Among the aids used to determine proper statutory construction of statutes are: statements at committee hearings, legislative debates—where the statements reflect a common agreement among the legislators; and legislative action on a proposed amendment.

Among the most telling of actions in the legislative history of the Consumer Product Safety Act surrounds an amendment offered in the House of Representatives by Mr. Bingham of New York. The purpose of his amendment was to restore to the bill the coverage of firearms and ammunition.

Mr. Moss of California, a principal sponsor of the bill, spoke in opposition to the amendment because "neither the Committee on Interstate and Foreign Commerce nor the special Commission on Consumer Product Safety made any kind of an inquiry into firearms." He also stated that:

> I do not believe we should here attempt to mislead the public. I am afraid that is what would happen if we were to suddenly have a firearms act without any kind of history as to what we intended. I believe it is an important enough subject to be dealt with as a separate subject. (Congressional Record, at H. 31406, September 20, 1972.)

Congressman Wiggins also opposed the amendment, stressing that if it were passed:

> What we (would) have, no more or less, is a gun control bill by administrative rule rather than by act of Congress. (Supra, at H. 31406)

Congressman Randall concluded the debate just prior to the rejection of the Bingham amendment with this observation:

> We all know, of course, that the Consumer Product Safety Commission created by this bill will have the power and authority to lay down standards as to what products are safe and what products are hazardous. If the amendment of the gentleman from New York should pass, there would be nothing to keep the Commission from declaring that all guns of any and every type, and ammunition of all sorts, are dangerous and hazardous products and thereby achieve through indirection what the antigun lobby has never been able to enact directly—their avowed objective to outlaw all guns and ammunition. (Supra, at H. 31407.)

Mr. President, Congress may take on to itself regulatory authority over a particular area of Federal concern, and where Congress has occupied the field, there is no place for supplementary much less conflicting requirement. Congress expressed an intention to preempt decisionmaking with respect to a ban on ammunition as evidenced in the Gun Control Act of 1968. That legislation responded to widespread national concern that existing Federal control was inadequate, recognizing the use of firearms in violent crimes increased. The House Judiciary Committee was persuaded that "the proposed legislation imposes much needed restrictions on interstate firearms traffic and at the same time not interfere with legitimate recreational and self-protection uses of firearms by law-abiding citizens."

CONCLUSION

In summary, Mr. President, based on the questionable interpretation of the statutory provisions surrounding handguns and handgun ammunition jurisdiction by the Consumer Product Safety Commission, and the expression of legislative intent of the Congress in this area, I feel compelled to offer my amendment. I urge my colleagues to review the points I have outlined today and weigh them in their consideration of my amendment.

Mr. President, I ask unanimous consent that the text of the amendment be printed at this point of the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

> On page 42, between lines 7 and 8, insert the following:
>
> "(c) Notwithstanding any other provision of law, authority and jurisdiction to restrict, limit, regulate or condition, or any measure having the effect of restricting, limiting, regulating or conditioning the manufacture, sale, possession, or use of firearms, ammunition, or any components of ammunition, including (without limitation) black powder and gun powder, shall be vested only upon and by legislation expressly and specifically providing for its applicability to such firearms, ammunition, or any component of ammunition, including (without limitation) black powder and gun powder."

Mr. **HRUSKA**. Mr. President, the amendments to S. 200, which I am proposing would insure the retention of the longstanding general rule that all litigation of the Federal Government be supervised and directed by the Department of Justice.

S. 200 in its present form would permit the Administrator of the Consumer Advocacy Agency to select and designate the attorneys by whom he would be represented in court.

This is a most serious departure from the manner which Government agencies presently handle their litigation. The procedure, which has been followed since the earliest days of this country, and which was codified over 100 years ago is that the conduct of litigation in which the United States, an agency, or officer thereof is a party or is interested, is reserved to officials of the Department of Justice under the direction of the Attorney General.

Mr. President, the pending legislation, S. 200, raises the important issue of who should have control of Government litigation. Should control be fragmented, as this bill seems to advocate, into highly contradictory and expense-competing factions? I think not, Mr. President. Such division of the control of litigation would lead to much duplication of effort, resulting in increased costs, and to much confusion as to Government policy.

Mr. President, historically only a very few Government agencies have been granted authority to appear in court. In this instance, I do not think it wise to grant further exception to the rule of a single Government litigating authority.

The public—consumers, taxpayers, and the citizens, all 215 million of them—are entitled to a government that will speak and contend for a united national policy, one which will be understandable and clear, one which will not place undue, unnecessary burdens or needless expenditure of taxpayers' funds, time, or general disposition.

The general public—including all citizens, consumers, taxpayers, and those in fact who are governed—has a right to be protected from the confusion, chaos, frustration, and uncertainty which would come about if there is abandoned the authority and direction now generally vested in the Department of Justice for Government litigation.

That is to say, the spreading out to numerous agencies and bureaus of Government the capability of engaging in innumerable court contests—any of which would have parts of Government contending against other parts of Government—at great expense in time, in court resources, and in expense.

Caught in the middle of most such trials would be the ones for whose benefit such governmental agencies are allegedly created and sustained; namely, those who are governed, all 215 million of them.

Mr. President, four basic major policy reasons for central litigation direction and supervision by the Department of Justice can be summed up as follows:

First. To present a uniform position on important legal issues to the court. Litigation through a proliferation of Government agencies would necessarily result in divergence, confusion, and a greater burden of litigation. We know that in the past client agencies have taken positions diametrically opposed to each other, and the real function and goal has been to resolve the conflicts so that the Government would speak with once voice in the courtroom.

Second. To select test cases which will present the Government's viewpoint in the best possible light. Without the Department of Justice to cull out cases which would be poor vehicles for judicial attention, it might take years to secure correct judicial rulings on key issues.

Third. To secure a greater objectivity in the filing and handling of cases. Agencies are affected litigants. They cannot always be trusted to view a case in proper perspective, having in mind national policy considerations.

Fourth. To achieve better rapport with the courts. The judges know and trust the Department lawyers who are in their courtrooms week in and week out and many have openly expressed their desire to have Government cases presented by Government attorneys. By having the trial work handled by regularly assigned Department of Justice lawyers, the court, if displeased or concerned, knows that he can express himself to the U.S. attorney whom he knows—not to a name in Washington, D.C.

In conclusion, I say that to make the executive power effective and to permit the Government to take an express uniform policy position, there should be centralized control of litigation policy within the executive branch. Such centralized control of Government litigation is important to avoid inconsistencies or incompatibilities in the position the Government takes for the Federal courts.

In addition, it is important—and this view is expressed in legislative history over the last 2 decades or more—that the positions to be taken by a single agency on questions of general concern to the Federal Government and all of its agencies reflect the overall interests of the entire Federal Government and the public and not just the interests of the particular agency as it see it.

It is for these reasons that I urge that the amendments which I have proposed be adopted.

Mr. President, I have submtited two amendments on this subject. I ask unanimous consent that the text of both be printed at this point in the RECORD.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

AMENDMENT

On page 15, line 2, insert the following: before the words "the Administrator" insert the following: "the Attorney General at the request of"

On page 15, line 6, strike the word "The" and insert in lieu thereof the following: "The Attorney General at the request of the"

On page 15, line 13, strike the word "initiating" and insert in lieu thereof the following: "requesting the Attorney General to initiate"

On page 15, line 20, strike the word "Administrator" and insert in lieu thereof the words, "Attorney General"

On page 15, line 24 strike the words "Administrator's right" and insert in lieu thereof the following: "the right of the Agency for Consumer Advocacy."

On page 16, line 3, strike the word "Administrator's" and insert in lieu thereof the words "Attorney General's"

On page 16, line 5 and 6, strike the word "Administrator" and insert in lieu thereof the words "Attorney General"

On page 16, line 9, strike the word "he" and insert in lieu thereof the words "the Administrator"

On page 16, line 13, strike the word "The" and insert in lieu thereof the following: "The Attorney General at the request of the"

On page 16, line 19, strike the word "Administrator" and insert in lieu thereof the words "Attorney General"

On page 17, strike lines 6, 7, and 8, inserting in lieu thereof the following:

"(e) The prosecution and defense of litigation arising under this act shall be conducted under the supervision and control of the Attorney General"

On page 41, line 12, following the word "may" insert the following: "request the Attorney General to"

On page 41, line 14, strike the word "he" and insert in lieu thereof the words "Attorney General"

On page 41, line 20, strike the word "Administrator" and insert in lieu thereof the words "Agency for Consumer Advocacy"

On page 41, lines 24, strike the word "Administrator" and insert in lieu thereof the words "Agency for Consumer Advocacy"

AMENDMENT

On page 42, line 15, add the following:

(c) Notwithstanding any other provisions of this or any other act, the prosecution and defense of litigation under this act shall be conducted under the supervision and control of the Attorney General.

AMENDMENT NO. 433

(Ordered to be printed and to lie on the table.)

Mr. PEARSON. Mr. President, I submit today an amendment in the nature of a substittue to S. 200, the Consumer Protection Act of 1975. I ask unanimous consent that the full text of my amendment be printed in the RECORD immediately following these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PEARSON. Mr. President, over the years I have supported the proposal embodied in S. 200. I believe the procedures and processes of the Federal Government would be much improved if effective consumer advocacy were a reality, not merely a promise.

I have supported the Consumer Protection Act and have respected the enormous amount of work that has gone into its development. I acknowledge the diligent efforts of Representatives, Senators, and staff who have made the Consumer Protection Act a household word. I commend the selfless dedication of the public-spirited individuals who have labored for public acceptance of the ACA concept.

I must confess, however, that two aspects of S. 200 have troubled me over the years:

First, the "superagency" envisioned in S. 200 could not develop internally the expertise required to represent effectively consumers in the incredibly complex proceedings of Federal agency action. The separate Agency for Consumer Advocacy has the advantage of independence but the liability of nonspecialization in discharging the assigned duties.

Second, the Administrator of ACA, under section 10 of S. 200, has more powers in collecting information concerning the private sector's activities than the agencies responsible, in the first instance, for effective regulation. S. 200 misplaces the wide-ranging authority to subpena and interrogate big business with respect to marketplace activities. If the "information gathering" capacity of the ACA under S. 200 is needed at all, it should be extended directly to those agency heads primarily responsible for the oversight and regulation of big business, not to their statutory conscience, or alter ego ACA.

Mr. President, those who authored the bulk of my substitute amendment, in all candor, are those same Senators who have labored for so long to establish an effective consumer voice within the Government. This substitute is only an adaptation of S. 200, using language with which all Senators are familiar. It merely addresses those two concerns which I have expressed in the following way.

It establishes "Offices of Consumer Counsel" within each of the 24 major Federal agencies and departments. Each office would be independent. Each consumer counsel would be subject to the Senate's advice and consent power. Each office would have those prerogatives of the Administrator under S. 200—with the major exception of the proposed "information gathering power" of the Administrator to which I have referred.

Under the substitute amendment, each consumer counsel would have the opportunity to become a specialist on the affairs of his department or agency. His proposed budget would be submitted directly to Congress—the upper limit on appropriations for each office of consumer counsel would be $500,000 per annum. Thus, the total maximum cost of my substitute would be $12 million per year, compared to the proposed $20 million for the ACA.

Mr. President, I believe the Senate should address itself to the two major issues which this substitute amendment raises: First, whether independent consumer counsels within the various agencies can more effectively represent consumer interests. And second, whether consumer advocates should have more power to elicit information about major private sector enterprises than the agency established for this purpose in the first instance.

At the appropriate time, I intend to ask my colleagues to address these two issues, and to decide between the single "independent" Agency for Consumer Advocacy, on the one hand; and 24 specialized "Offices of Consumer Counsel," with comparable independence and substantially similar statutory powers, on the other:

AMENDMENT No. 433

Strike all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "Consumer Protection Act of 1975".

STATEMENT OF FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds that the interests of consumers are inadequately represented and protected within the Federal Government; that regulations have been adopted and policies have been promulgated by the Federal Government without first securing available information as to the potential costs and benefits of such regulations and policies; and that vigorous representation and protection of the interests of consumers are essential to the fair and efficient functioning of a free market economy. As a result of this lack of effective representation before and within Federal agencies and courts, consumers suffer economic harm and other adverse consequences in the course of acquiring and using goods, services, and credit available in the marketplace.

(b) The Congress therefore declares that—

(1) Effective consumer advocacy before and within Federal agencies would help such agencies to exercise more fully and effectively their statutory responsibilities, in a manner consistent with the public interests and with effective and responsive government. It is the purpose of this Act to protect and promote the interests of the people of the United States, as consumers of goods and services that are made available through commerce, by establishing independent Offices of Consumer Counsel within the executive branch and certain agencies of the Federal Government.

(2) It shall be the purpose of each Office of Consumer Counsel to represent the interests of consumers before and within the Federal agency of which it is a part and before the Federal courts in matters relating to such agency; to receive and transmit consumer complaints; to develop and disseminate information of interest to consumers; and to perform other functions to protect and promote the interests of consumers. In the exercise of its functions, powers, and duties, each such Office shall be independent of all other offices and officers of the agency of which it is a part.

(3) It is the purpose of this Act to promote the protection of consumers with respect to—

(A) safety, quality, purity, potency, healthfulness, durability, performance, repairability, effectiveness, dependability, availability, and cost of any real or personal property or tangible or intangible goods, services, or credit;

(B) preservation of consumer choice and a competitive market;

(C) prevention of unfair or deceptive trade practices;

(D) maintenance of truthfulness and fairness in the advertising, promotion, and sale by a producer, distributor, lender, retailer, or other supplier of such property, goods, services, and credit;

(E) provision of full, accurate, and clear instructions, warnings, and other information by any such supplier concerning such property, goods, services, and credit;

(F) protection of the legal rights and remedies of consumers; and

(G) provision of estimates of the costs and benefits of programs and activities established by regulations and laws of the Federal Government.

DEFINITIONS

SEC. 3. As used in this Act, unless the context otherwise requires—

(1) "agency action' 'includes the whole or any part of an agency "rule," "order," "license," "sanction," or "relief" (as defined in section 551 of title 5, United States Code), or the equivalent thereof, the denial thereof, or the failure to act;

(2) "agency activity" means any agency process, or phase thereof, conducted pursuant to any authority or responsibility under law;.;

(3) "agency proceeding" means agency "rulemaking", "adjudication", or "licensing" (as defined in section 551 of title 5, United States Code);

(4) "commerce" means trade, traffic, commerce, or transportation, within the jurisdiction of the United States, (A) between a place in a State and any place outside of such State, or (B) which affects trade, traffice, commerce, or transportation described in clause (A);

(5) "consumer" means any individual who uses, purchases, acquires, attempts to purchase or acquire, or is offered or furnished any real or personal property, tangible or intangible goods, services, or credits for personal, family, agricultural, or household purposes;

(6) "Consumer Counsel" means, with respect to a Federal agency, as defined in this section, the officer who is appointed pursuant to this Act to represent the interest of consumers in accordance with this Act;

(7) "Federal agency" or "agency" means the Departments of Agriculture, Defense, Commerce, Health, Education, and Welfare, Housing and Urban Development, Interior, Justice, Labor, Transportation, and Treasury, the Civil Aeronautics Board, the Consumer Product Safety Commission, the Energy Research and Development Administration, the Environmental Protection Agency, the Federal Communications Commission, the Federal Energy Administration, the Federal Maritime Commission, the Federal Power Commission, the Federal Trade Commission, the Interstate Commerce Commission, the National Aeronautics and Space Administration, the National Transportation Safety Board, the Securities and Exchange Commission, and the Small Business Administration;

(8) "Federal court" means any court of the United States, including the Supreme Court of the United States, any United States court of appeals, any United States district court established under chapter 5 of title 28, United States Code, the District Court of Guam, the District Court of the United States Customs Court, the United States Court of Customs and Patent Appeals, the United States Tax Court, and the United States Court of Claims;

(9) "interest of consumers" means any health, safety, or economic concern of consumers involving real or personal property, tangible or intangible goods, services, or credit, or the advertising or other description thereof, which is or may become the subject of any business, trade, commercial, or marketplace offer or transaction affecting commerce, or which may be related to any term or condition of such offer or transaction. Such offer or transaction need not involve the payment or promise of a consideration;

(10) "participation" includes any form of submission;

(11) "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Canal Zone, Guam, American Samoa, and the Trust Territory of the Pacific Islands; and

(12) "submission" means participation through the presentation or communication of relevant evidence, documents, arguments, or other information.

ESTABLISHMENT

SEC. 4. There is hereby established within each Federal agency an independent Office of Consumer Counsel. Each such Office shall be directed and administered by a Consumer Counsel. Each Consumer Counsel shall be appointed by the President, by and with the advice and consent of the Senate, for a term not to exceed four years and shall be compensated at a rate not in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of title 5, United States Code. Each Consumer Counsel shall be an individual who, by reason of training, experience, and attainments, is qualified to represent effectively and independently the interests of consumers. Upon the expiration of his term, each Consumer Counsel shall continue in office until he is reappointed or until his successor is appointed and qualifies. A Consumer Counsel may be removed by the President for neglect of duty or malfeasance in office.

POWERS AND DUTIES OF CONSUMER COUNCIL

SEC. 5. (a) Each Consumer Counsel shall be responsible for the exercise of the powers and the discharge of the duties of the Office, and shall have the authority to direct and supervise all personnel and activities thereof.

(b) In addition to any other authority conferred upon him by this Act, each Consumer Counsel may, in carrying out his functions under this Act and to the extent funds are appropriated—

(1) select, appoint, employ, and fix the compensation (subject to the civil service and classification laws) of such officers and employees as are necessary to carry out the provisions of this Act, and shall prescribe the authority and duties of such officers and employees;

(2) employ experts and consultants, in accordance with section 3109 of title 5, United States Code. Each Consumer Counsel may compensate individuals so employed for each day (including travel time) at rates not in excess of the maximum rate of pay for Grade GS–18, as provided in section 5332 of title 5, United States Code, and may, while such experts and consultants are so serving away from their homes or regular place of business, pay them travel expenses and per diem in lieu of subsistance at rates authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently;

(3) promulgate, in accordance with the applicable provisions of the Administrative Procedure Act, title 5, United States Code, such rules, regulations, and procedures as may be necessary to carry out the provisions of this Act, and to assure fairness to all persons affected by the actions of the Office, and to delegate authority for the performance of any function to any officer or employee under his direction and supervision;

(4) utilize, with their consent, the services, personnel, and facilities of State, regional, local, and private agencies and instrumentalities;

(5) accept voluntary and uncompensated services, notwithstanding the provisions of section 3679 (b) of the Revised Statutes (31 U.S.C. 665(b));

(6) conduct conferences and hearings and otherwise secure data and expression of opinion;

(7) accept unconditional gifts or donations of services, money or property, real, personal, or mixed, tangible or intangible;

(8) designate representatives to serve or assist on such committees as he may determine to be necessary to maintain effective liaison with other Offices of Consumer Counsel and with State and local agencies carrying out programs and activities related to the interests of consumers;

(9) appoint such advisory committees as he deems necessary or appropriate to assist him with respect to his functions under this Act. Each Consumer Counsel may compensate the members of any such advisory committees (other than those who are regularly employed by the Federal Government) in the manner provided under paragraph (2) of this subsection. All meetings of such committees shall be open to the public, and interested persons shall be permitted to attend, appear before, or file statements with any such committee, subject to such reasonable rules or regulations as the Consumer Counsel involved may prescribe; and

(10) perform such other administrative activities as may be necessary for the effective fulfillment of his duties and functions.

(c) Each Consumer Counsel shall prepare and submit a monthly report, on the activities of his Office of Consumer Counsel, to the head of the Federal agency of which such Office is a part, and he shall prepare and submit to the President and to the Congress simultaneously, not later than April 1 of each year beginning April 1, 1976, an annual report on such activities. Each such annual report shall include a description and analysis of—

(1) the activities of his Office, including its representation of the interests of consumers;

(2) the relevant Federal agency actions and Federal court decisions affecting the interests of consumers;

(3) the appropriation by Congress for the Office, the distribution of appropriated funds for the current fiscal year, and a general estimate of the resource requirements of the Office for each of the next three fiscal years; and

(4) the extent of participation by consumers in the activities of his Office, and the effectiveness of the representation of

consumers before the agency of which his Office is a part.

(d) Each office and officer of the agency of which an Office of Consumer Counsel is a part shall provide such Office with such information and data as the Consumer Counsel requests, except as provided in section 11 of this Act. The budget requests and budget estimates of each Office of Consumer Counsel shall be submitted by the agency of which it is a part directly to the Congress, and moneys appropriated for the use of such an Office shall not be used by the agency of which it is a part for any other purpose.

OFFICE FUNCTIONS

SEC. 6. Each Consumer Counsel shall—

(1) represent the interests of consumers within and before the agency of which his office is a part and before the courts, to the extent authorized by this Act;

(2) conduct and support research, and studies, to the extent authorized by section 10 of this Act;

(3) submit recommendations annually to the appropriate committees of the Congress and the head of the agency of which his Office is a part, on measures to improve the operation of such agency and of the Federal Government in general in the protection and promotion of the interests of consumers, including, but not limited to, any reorganization recommendations;

(4) receive, transmit to appropriate officials, and make publicly available consumer complaints, to the extent authorized in section 8 of this Act;

(5) conduct conferences, surveys, and investigations, including economic surveys, concerning the needs, interests, and problems of consumers: *Provided*, That such conferences, surveys, or investigations are not duplicative in significant degree of similar activities conducted by other Federal officials or agencies;

(6) cooperate with State and local governments and encourage private enterprise in the promotion and protection of the interests of consumers;

(7) keep the appropriate committees of Congress fully and currently informed of all the activities of his Office, when asked or on his own initiative;

(8) encourage the adoption and expansion of effective consumer education programs;

(9) encourage the application and use of new technology, including patents and inventions, for the promotion and protection of the interests of consumers;

(10) encourage the development of informal dispute settlement procedures involving consumers;

(11) encourage meaningful participation by consumers in the activities of his Office;

(12) publish information and material obtained and developed in carrying out his responsibilities under this Act, including, but not limited to, a consumer register of matters that may be useful to consumers; and

(13) perform such other related activities as he deems necessary for the effective fulfillment of his duties and functions.

REPRESENTATION OF CONSUMERS

SEC. 7 (a) (1) Whcnever a Consumer determines that the result of a relevant proceeding or activity of the agency of which his Office is a part may substantially affect an interest of consumers, he may as of right intervene as a party or otherwise participate for the purpose of representing an interest of consumers, as provided in paragraph (2) of this subsection. The Consumer Counsel shall refrain from intervening in any proceeding as a party, unless he determines that such intervention is necessary to represent adequately an interest of consumers. The Consumer Counsel shall comply with the relevant Federal agency statutes and rules of procedure of general applicability governing the timing of intervention or participation in such proceeding or activity and, upon intervening or participating therein, shall comply with laws and agency rules of procedure of general applicability governing the conduct thereof. The intervention or participation of a Consumer Counsel in any proceeding or activity in accordance with this subsection shall not affect the obligation of the Federal agency conducting such proceeding or activity to assure procedural fairness to all participants.

(2) Whenever a Consumer Counsel determines, with respect to the agency of which his Office is a part, that the result of any relevant Federal agency proceeding—

(A) which is subject to the provisions of section 533, 554, 556, or 557 of title 5, United States Code;

(B) which involves a hearing pursuant to the administrative procedural requirements of any other statute, regulation, or practice;

(C) which is conducted on the record after opportunity for an agency hearing; or

(D) which provides for public notice and opportunity for comment;

may substantially affect an interest of consumers, he may as of right intervene as a party or otherwise participate for the purpose of representing an interest of consumers in such proceeding.

(b) At such time as a Consumer Counsel determines to intervene or participate in a proceeding under subsection (a) (2) of this section, he shall issue publicly a written statement setting forth his findings under subsection (a) (1) of this section and stating concisely the specific interest of consumers to be protected. Upon intervening or participating, he shall file a copy of such statement in the proceeding.

(c) To the extent that any person, if aggrieved, would by law have such right, a Consumer Counsel shall have the right, in accordance with the following provisions of this subsection, to initiate or participate in any Federal court proceeding that involves an action of the agency of which his office is a part;

(1) A Consumer Counsel may, as of right, and in the manner prescribed by law, initiate a civil action in a Federal court for the review of a relevant Federal agency action that the Consumer Counsel determines may substantially affect an interest of consumers. If the applicable Consumer Counsel did not intervene or otherwise participate in such Federal agency proceeding or activity out of which such agency action arose, the Consumer Counsel, before initiating a proceeding to obtain judicial review, shall petition such agency for rehearing or reconsideration thereof, if the statutes or rules governing such agency specifically authorize rehearing or reconsideration. Such a petition shall be filed within 60 days after the Federal agency action involved, or within such longer period as may be allowed by applicable procedures. The Consumer Counsel may initiate a judicial review proceeding immediately if the Federal agency does not finally act upon such a petition within 60 days after the filing thereof, or at such earlier time as may be necessary to preserve the Consumer Counsel's right to obtain effective judicial review of the Federal agency action. If the applicable Consumer Counsel did not intervene or otherwise participate in the relevant Federal agency proceeding or activity, the court shall determine whether the Consumer Counsel's initiation of a judicial proceeding pursuant to this subsection would impede the interests of justice. When the Consumer Counsel initiates a judicial proceeding arising out of a relevant agency proceeding or activity in which he did not intervene or otherwise participate, he shall file a statement setting forth the reasons for such failure, for the court's consideration in connection with its determination as to whether the initiation of such a proceeding would impede the interests of justice

(2) A Consumer Counsel may, as of right, and in the manner prescribed by law, intervene or otherwise participate in any civil action in a Federal court if such civil action involves the review or enforcement of an action of the agency of whch his Office is a part, if he determines that such civil action may substantially affect an interest of consumers.

(3) The initiation, or other participation of, by a Consumer Counsel in a judicial proceeding pursuant to this subsection shall not alter or affect the scope of review otherwise applicable to the agency action involved.

(d) Whenever a Consumer Counsel determines it to be in the interest of consumers, he may request the relevant Federal agency to initiate a judicial proceeding for review, or to take such other action, as may be authorized by law with respect to such agency. If such Federal agency fails to take the action requested, it shall promptly notify the Consumer Counsel of its reasons therefor, and such notification shall be a matter of public record.

(e) Appearances by an Office of Consumer Counsel under this Act shall be in its own name and shall be made by qualified representatives designated by the respective Consumer Counsel.

(f) In any Federal agency proceeding in which a Consumer Counsel is intervening or participating pursuant to subsection (a) (2) of this section, such Consumer Counsel is authorized to request such Federal agency to issue, and such agency shall issue, such orders as are authorized pursuant to its statutory powers for the copying of documents, papers, and records, for the summoning of witnesses and the production of books and papers, and for the submission of information in writing. Such orders shall only be issued by a Federal agency upon a statement or showing by the Consumer Counsel of general relevance and reasonable scope of the evidence sought, if such a statement or showing is required by the general rules of procedure of such agency.

(g) A Consumer Counsel is not authorized to intervene in proceedings or actions before State or local agencies and courts.

(i) Each Federal agency shall review its rules of procedure of general applicability, and, after consultation with its Consumer Counsel, shall issue any additional rules which may be necessary to provide for such Consumer Counsel's orderly intervention or participation, in accordance with this section, in its proceedings and activities which may substantally affect the interests of consumers.

(j) Each Consumer Counsel is authorized to represent an interest of consumers which is presented to him for his consideration upon petition in writing by a substantial number of persons or by any organization which includes a substantial number of persons. Each Consumer Counsel shall notify the principal sponsors of any such petition, within a reasonable time after receipt of any such petition, of the action taken or intended to be taken by him with respect to the interest of consumers presented in such petition. If a Consumer Counsel declines or is unable to represent such interest, he shall notify such sponsors and shall state his reasons therefor.

CONSUMER COMPLAINTS

SEC. 8. (a) Whenever a Consumer Counsel receives from any person any complaint or other information which discloses—

(1) an apparent violation of law, agency rule or order, or a judgment, decree, or order of a Federal court relating to an interest of consumers; or

(2) a commercial, trade, or other practice which is detrimental to an interest of consumers;

he shall, unless he determines that such complaint or information is frivolous or outside

the jurisdiction of the agency of which his Office is a part, promptly transmit such complaint or information to the Federal official which has the authority to enforce any relevant law or to take appropriate action. Each Federal agency shall keep its Consumer Counsel informed to the greatest practicable extent of any action which it is taking on complaints transmitted by him.

(b) Each Consumer Counsel shall promptly notify producers, distributors, retailers, lenders, or suppliers of goods, services and credit of all complaints of any significance concerning them received or developed under this section, unless such Consumer Counsel determines that to do so is likely to prejudice or impede an action, investigation, or prosecution concerning an alleged violation of law.

(c) Each Consumer Counsel shall maintain a public document room for public inspection and copying (without charge or at a reasonable charge, not to exceed cost), containing an up-to-date listing of all consumer complaints or any significance which he has received, arranged in meaningful and useful categories, together with annotations of actions taken in response thereto. Unless a Consumer Counsel, for good cause, determines not to make any specific complaint available, complaints listed shall be made available for public inspection and copying: *Provided*, That—

(1) the party complained against has had a reasonable time to comment on such complaint and such comment, when received, is displayed together with the complaint;

(2) the Federal official to whom the complaint has been referred has had a reasonable time to notify the Consumer Counsel what action, if any, he intends to take with respect to the complaint; and

(3) no unsigned complaints shall be placed in the public document room.

CONSUMER INFORMATION AND SERVICES

SEC. 9. (a) In order to carry out the purposes of this Act each Consumer Counsel shall develop on his own initiative, and shall, subject to the other provisions of this Act, gather from other offices and officers of the agency of which his Office is a part and from any other source, and shall disseminate to the public (in such manner, at such times, and in such form as he determines to be most effective), information, statistics, and other data, including, but not limited to, any matter over which his agency has jurisdiction concerning—

(1) the functions and duties of his Office;

(2) consumer products and services;

(3) problems encountered by consumers generally or conditions, situations, developments, or practices which may adversely affect consumers; and

(4) notices of hearings, proposed and final rules and orders, and other pertinent activities of the agency of which his Office is a part that affect consumers.

(b) All Federal agencies which possess information which would be useful to consumers are authorized and directed to cooperate with their respective Consumer Counsels in making such information available to the public.

STUDIES

SEC. 10. Each Consumer Counsel is authorized to conduct, support, and assist research, studies, plans, investigations, conferences, and surveys concerning the interests of consumers: *Provided*, That such activities are not duplicative of other efforts of the respective agencies.

ACCESS TO INFORMATION

SEC. 11. (a) Upon written request by its Consumer Counsel, each Federal agency is authorized and directed to furnish or allow access to all documents, papers, and records in its possession which such Consumer Counsel deems necessary for the performance of his functions and to furnish at cost copies of specified documents, papers, and records. Notwithstanding this subsection, a Federal agency may deny its Consumer Counsel access to and copies of—

(1) information classified in the interest of national defense or national security by an individual authorized to classify such information under applicable Executive order or statutes, and restricted data whose dissemination is controlled pursuant to the Atomic Energy Act (42 U.S.C. 2011 et seq.);

(2) personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy;

(3) information which such Federal agency is expressly prohibited by law from disclosing to another Federal agency, including, but not limited to, such expressly prohibited information contained in or related to examination, operating, or condition reports concerning any individual financial institution prepared by, on behalf of, or for the use of an agency responsible for regulations or supervision of financial institutions;

(4) information which would disclose the financial condition of individuals who are customers of financial institutions; and

(5) trade secrets and commercial or financial information described in section 552(b) (4) of title 5, United States Code—

(A) obtained prior to the effective date of this Act by such Federal agency, if the agency had agreed to treat and has treated such information as privileged or confidential and states in writing to the Consumer Counsel that, taking into account the nature of the assurances given, the character of the information requested, and the purpose, as stated by the Consumer Counsel, for which access is sought, to permit such access would constitute a breach of faith by the agency; or

(B) obtained subsequent to the effective date of this Act by the Federal agency, if the agency has agreed in writing as a condition of receipt to treat such information as privileged or confidential, on the basis of its reasonable determination set forth in writing that such information was not obtainable without such an agreement and that failure to obtain such information would seriously impair performance of the agency's function.

(b) Before granting a Consumer Counsel access to trade secrets and commercial or financial information described in section 552(b) (4) of title 5, United States Code, the agency shall notify the person who provided such information of its intention to do so and the reasons therefor, and shall, notwithstanding section 18(b) of this Act, afford him a reasonable opportunity, not to exceed 10 days, to comment or seek injunctive relief. Where access to information is denied to its Consumer Counsel by a Federal agency pursuant to this subsection, the head of the agency and the Consumer Counsel shall seek to find a means of providing the information in such other form, or under such conditions, as will meet the agency's objections.

LIMITATIONS ON DISCLOSURE

SEC. 12. (a) Except as provided in this sec- Code, shall govern the release of information tion, section 552 of title 5, United States by a Consumer Counsel or any employee or agent of his office.

(b) No officer or employee of an Office of Consumer Counsel shall disclose to the public any information which was received solely from its Federal agency when such agency has notified the Consumer Counsel that the information is within the exceptions stated in section 552(b) of title 5, United States Code, and the Federal agency has determined that the information should not be made available to the public; except that if such Federal agency has specified that such information may be disclosed in a particular form or manner, such information may be disclosed in such form or manner.

(c) The following additional provisions shall govern the release of information by a Consumer Counsel pursuant to any authority conferred by this Act, except information released through the presentation of evidence in a Federal agency or court proceeding pursuant to section 7 of this Act:

(1) A Consumer Counsel, in releasing information concerning consumer products and services, shall determine that (A) such information, so far as practicable, is accurate, and (B) no part of such information is prohibited from disclosure by law. A Consumer Counsel shall comply with any notice by his Federal agency pursuant to section 11(b) of this Act that such information should not be made available to the public or should be disclosed only in a particular form or manner.

(2) In the dissemination of any test results or other information which directly or indirectly disclose product names, it shall be made clear that (A) not all products of a competitive nature have been tested, if such is the case, and (B) there is no intent or purpose to rate products tested over those not tested or to imply that those tested are superior, inferior, or preferable in quality over those not tested.

(3) Notice of all changes in, or any additional information which would affect the fairness of information previously disseminated to the public shall be promptly disseminated in a similar manner.

(4) Where the release of information may cause substantial injury to the reputation or good will of a person, the Consumer Counsel shall notify such person of the information to be released and afford him a reasonable opportunity, not to exceed 10 days, to comment or seek injunctive relief, unless immediate release is necessary to protect the health or safety of the public. The district courts of the United States shall have jurisdiction over any action brought for injunctive relief under this subsection, or under section 11(a) (5) of this Act.

NOTICE

SEC. 13. Each Federal agency considering any action which may substantially affect an interest of consumers shall, upon request by its Consumer Counsel, notify him of any proceeding or activity at such time as public notice is given.

SAVING PROVISION

SEC. 14. Nothing in this Act shall be construed to limit the right of any consumer or group or class of consumers to initiate, intervene in, or otherwise participate in any Federal agency or court proceeding or activity, nor to require any petition or notification to the appropriate Consumer Counsel as a condition precedent to the exercise of such right, nor to relieve any Federal agency or court of any obligation, or affect its discretion, to permit intervention or participation by a consumer or group or class of consumers in any proceeding or activity.

EXEMPTIONS

SEC. 15. (a) This Act shall not apply to the Central Intelligence Agency, the Federal Bureau of Investigation, or the National Security Agency, the national security or intelligence functions (including related procurement) of the Departments of State and Defense (including the Departments of the Army, Navy, and Air Force), the military weapons program of the Energy Research and Development Administration, and the broadcast license renewal proceedings of the Federal Communications Commission.

AUTHORIZATION OF APPROPRIATIONS

SEC. 16. For purposes of this Act, existing appropriated funds should be utilized to the greatest extent possible. However, there are authorized to be appropriated such sums as are necessary, not to exceed $500,000 for each Office of Consumer Counsel for the fiscal year ending June 30, 1976, $125,000 for the

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fiscal year transition period from July 1, 1976 through September 30, 1976, and $500,000 for the fiscal year ending September 30, 1977.

EVALUATION BY THE COMPTROLLER GENERAL

SEC. 17. (a) The Comptroller General of the United States shall audit, review, and evaluate the implementation of the provisions of this Act.

(b) Not less than 30 months nor more than 36 months after the effective date of this Act, the Comptroller General shall prepare and submit to the Congress a report on his study conducted pursuant to subsection (a) of this section, which shall contain, but not be limited to, the following:

(1) an evaluation of the effectiveness of consumer representation activities authorized by this Act;

(2) an evaluation of the effect of the activities of the Consumer Counsels on the efficiency, effectiveness, and procedural fairness of affected Federal agencies in carrying out their assigned functions and duties;

(3) recommendations concerning any legislation he deems necessary, and the reasons therefor, for improving the implementation of the objectives as set forth in section 2 of this Act.

(e) Restrictions and prohibitions under this Act applicable to the use or public dissemination of information by Consumer Counsels shall apply with equal force and effect to the General Accounting Office in carrying out its functions under this section.

MISCELLANEOUS PROVISIONS

SEC. 18. (a) Nothing in this Act should be construed to limit the discretion of any Federal agency or court, within its authority, including a court's authority under rule 24 of the Federal Rules of Civil Procedure, to grant a Consumer Counsel additional participation in any proceeding or activity, to the extent that such additional participation may not be as of right, or to provide additional notice to the respective Consumer Counsel concerning any agency proceeding or activity.

(b)(1) No act or omission by any Consumer Counsel or any Federal agency relating to such Consumer Counsel's authority under sections 7 (a), (d), (f), (i), and (j), 8, 9, 12, and 13 of this Act shall affect the validity of an agency action or be subject to judicial review: *Provided*, That—

(A) a Consumer Counsel may obtain judicial review to enforce his authority under sections 7 (a), (d), (f), (i), and (j), 9 and 13 of this Act: *Provided further*, That he may obtain judicial review of his Federal agency determination under section 7(f) of this Act only after final action by such agency and only to the extent that such determination affected the validity of such action;

(B) a party to any agency proceeding or a participant in any agency activity in which its Consumer Counsel intervened or participated may, where judicial review of the final agency action is otherwise accorded by law, obtain judicial review following such final agency action on the ground that the Consumer Counsel's intervention or participation resulted in prejudicial error to such party or participant based on the record viewed as a whole; and

(C) any person who is substantially and adversely affected by any action taken by a Consumer Counsel pursuant to section 7(f), 9(a), or 12 of this Act may obtain judicial review, unless the court determines that such judicial review would be detrimental to the interests of justice.

(2) For the purposes of this subsection, a determination by a Consumer Counsel that any proceeding or activity of the agency of which his office is a part may substantially affect an interest of consumers or that his intervention in any proceeding is necessary to represent adequately an interest of consumers shall be deemed not to be a final agency action.

PUBLIC PARTICIPATION

SEC. 19. (a) After reviewing its statutory authority and rules of procedure, relevant agency and judicial decisions, and other relevant provisions of law, each Federal agency shall issue appropriate interpretations, guidelines, standards, or criteria, and rules of procedure, to the extent that such rules are appropriate and are not already in effect, relating to the rights of individuals who may be affected by agency action to—

(1) petition the agency for action;

(2) receive notice of agency proceedings;

(3) file official complaints (if appropriate) with the agency;

(4) obtain information from the agency; and

(5) participate in agency proceedings for the purpose of representing their interests.

Such interpretations, guidelines, standards, criteria, and rules of procedure shall be published in proposed and final form in the Federal Register.

(b) Each Federal agency shall take all reasonable measures to reduce or waive, where appropriate, procedural requirements for individuals for whom such requirements would be financially burdensome, or which would impede or prevent effective participation in agency proceedings.

(c) Any rules of procedure issued by any Federal agency pursuant to this section shall be published in a form and disseminated in a manner that is designed to inform, and that is able to be understood by, the general public.

COST AND BENEFIT ASSESSMENT STATEMENTS

SEC. 20. (a) In furtherance of the purpose and policy of section 2(b)(3) of this Act, and except as otherwise provided in this Act, each Federal agency which is authorized to promulgate rules (as defined in section 551(4) of title 5, United States Code) shall prepare a cost and benefit assessment statement with respect to any rules to which section 553(b) of title 5, United States Code, is applicable, and which are likely to have a substantial economic impact. Each such statement shall be short and concise, and, together with such supporting documentation as the agency in its discretion determines to be necessary or appropriate, shall consist of the following three elements:

(1) estimated costs, that are foreseeable as a result of the effective implementation of such rule;

(2) estimated benefits, that are foreseeable as a result of the effective implementation of such rule; and

(3) the apparent relationship, if any, between such costs and benefits.

To the extent deemed practicable by the agency responsible for its preparation, each cost and benefit assessment statement shall indicate in an appendix the assumptions, if any, which were made by it regarding the means, or alternative means, and attendant costs of compliance with the proposed rule, including any manufacturer's costs and consumer costs reflected in the price of any product affected by such rule.

(b) With respect to any proposed rule subject to the requirements of subsection (a), each Federal Register notice of proposed rulemaking shall request interested persons to submit to the applicable agency, in writing, comments, materials, data, information, and other presentations relevant to the preparation of the required cost and benefits assessment statement.

(c) Each agency shall, to the extent it deems necessary or appropriate, seek to obtain comments, materials, data, information, and presentations relevant to the costs and benefits, if any, likely to ensue from effective implementation of any proposed rule, within the time prescribed for consideration of the proposed rule, from other Federal agencies and persons. No extension of time for comment shall be granted solely for the purpose of receiving any such presentations with respect to such benefits.

(d) Each person who contends that effective implementation of a proposed rule will result in increased or decreased costs, may furnish to the applicable agency the information upon which he based such assertion, and which is in his possession, is known to him, or is subject to his control. Such information shall be furnished to the agency in such form, manner, and detail as such agency in its discretion prescribes. Whenever any relevant information, which an applicable agency deems necessary or appropriate to the preparation of a cost and benefit assessment statement, is or may be in the possession or control of a person who may be directly affected by the proposed rule, such agency is authorized to request such relevant information as reasonably described by it, and such person shall furnish such relevant information promptly to such agency. Such request for information shall be enforceable by appropriate orders by any court of the United States. Such information as is furnished shall be considered a statement for purposes of section 1001 of title 18, United States Code.

(e) A cost and benefit assessment statement prepared pursuant to subsection (a) shall be first published at the end of the year in which it was prepared in the Federal Register in a report which shall contain all cost and benefit assessment statements applicable to rules promulgated during the preceding 12 months. All relevant information developed or received by the applicable agency in connection with the preparation of such statement shall be available to all interested persons, subject to the provisions of section 552 of title 5, United States Code.

(f) The President, or his designee, shall issue, pursuant to the provisions of this subsection, (1) regulations providing guidelines for Federal agencies as to the nature and content of any cost and benefit assessment statement required by subsection (a) of this section and (2) regulations which shall insure that any agency shall be able to obtain information deemed by it to be necessary or appropriate to the preparation of any such cost and benefit assessment statement. Such regulations shall be issued by the President upon the recommendations submitted to the President by the Director of the Office of Management and Budget and the Comptroller General of the United States. In issuing or modifying any regulations implementing this section, the President shall proceed in accordance with the procedures prescribed by subsections (b) and (c) of the new section inserted by section 202, Public Law 93–637 (88 Stat. 2193; 15 U.S.C. 57 (a), (b), (c)). The President shall provide public notice of proposed rulemaking to implement this subsection within 60 days of the effective date of this Act. After issuance of any regulations implementing this section, the President shall transmit them to the Congress, together with all recommendations submitted to the President pursuant to this subsection. Such regulations shall take effect 90 legislative days after such transmittal to the Congress by the President, unless either House of Congress by resolution of disapproval, pursuant to procedures established by chapter 35, title 44, United States Code, and by section 1017 of the Congressional Budget and Impoundment Control Act of 1974 (31 U.S.C. 1407), disapproves such regulations.

(g) No Federal officer or agency shall submit proposed legislation to the Congress which is likely, if enacted, to have a substantial economic impact, unless such legislation is accompanied by a cost and benefit

assessment statement. The statement required by this subsection shall be prepared in accordance with the provisions of subsection (a) of this section. The requirements of this subsection may be postponed upon the request of a committee of Congress having jurisdiction over such legislative proposal, for a period not to exceed 30 days from the date of submission to the Congress of such legislation.

(h) In addition to the definitions in section 3 of this Act, the following definitions shall apply with respect to the provisions of this section:

(1) "benefit" includes any direct or indirect, tangible or intangible, gain or advantage which the agency, in its discretion, deems proximately related to the promulgation of a proposed regulation or the enactment of the proposed legislation. The term shall include such nonquantifiable benefits as the agency identifies and describes. Benefits may include the costs that would be likely to result from the agency's failure to act, but which are likely to be avoided by the agency's action;

(2) "cost" includes any direct or indirect expense, including component costs of production and supply, and any loss, penalty, or disadvantage which the agency, in its discretion, deems proximately related to the promulgation of a proposed regulation, or the enactment of proposed legislation. The term shall include such nonquantifiable costs as the agency identifies and describes;

(3) the term "legislation" or "law" means a statute of the United States or any amendment thereto; and

(4) the term "rule" means "rule" as defined by section 441(4) of title 5, United States Code.

(i) The Comptroller General of the United States shall monitor and evaluate the implementation of this section. In addition to any other reports or studies made by the Comptroller General relating to this section, he shall, three years after the effective date of this section, conduct a comprehensive review of this section including an evaluation of the advantages and disadvantages of cost and benefit assessment statements and of the nature and extent of Federal agency compliance with this section. The Comptroller General shall prepare and submit to the Congress and to the Congressional Office of the Budget a report based on such study and review. Such report shall include, but need not be limited to, his recommendations as to the necessity or advisability of the provisions of this section, and of the need to amend subsection (k), or any other provision, of this section.

(j) No court shall have the jurisdiction to review, or enforce or shall review, or enforce and, except for the general review of the effectiveness of this section provided for in subsection (i); no officer or agency of the United States, other than the agency responsible for the preparation of a cost and benefit assessment statement and the duly authorized committees of the Congress, shall have the authority to review, or enforce or shall review, or enforce, in any way the compliance of any cost and benefit assessment statement with this section, or, except where the agency preparing such a statement seeks to enforce in court its request for information, the compliance, by such agency with any other requirement of this section, including the manner or process by which such statement is prepared: *Provided*, That a Federal court may, upon the request of any interested person, review and enforce compliance with the provisions of this subsection.

(k) The requirements of this section shall supersede the requirements of any existing executive order or law imposing any economic. cost-benefit, inflationary, or other similar impact assessment requirement. No requirement of this section shall alter or supersede any Federal agency statutory requirement, regulation, or lawful practice which such agency determines to be inconsistent with any of the requirements of this section. Further, no agency shall be required to prepare and issue a cost and benefit assessment statement required by this section, if information which would be contained in such statement is encompassed within another statement required by law to be prepared in connection with the promulgation of the applicable rule.

(l) The provisions of this section shall become effective upon the effective date of implementing regulations submitted by the President under subsection (g) of this section.

EFFECTIVE DATE

SEC. 26. (a) This Act, other than section 20 of this Act, shall take effect 90 calendar days following the date on which this Act is enacted, or on such earlier date as the President shall prescribe and publish in the Federal Register.

(b) Notwithstanding subsection (a) of this section, any of the officers provided for in this Act may be appointed in the manner provided for in this Act at any time after the date of the enactment of this Act.

SEPARABILITY

SEC. 22. If any provision of this Act is declared unconstitutional or the applicability thereof to any person or circumstance is held invalid, the constitutionality and effectiveness of the remainder of this Act and the applicability thereof to any persons and circumstances shall not be affected thereby.

Amend the title to read: "A bill to establish an independent Consumer Counsel within certain Federal agencies in order to protect and serve the interests of consumers, and for other purposes."

AMENDMENT NO. 434

(Ordered to be printed and to lie on the table.)

Mr. BROCK. Mr. President, the purpose of my amendment is to add to the exemptions already contained in S. 200, the drug regulatory functions performed by the Food and Drug Administration under existing law.

Mr. President, before a drug can be brought to market it must go through some of the most extensive testing and evaluation that can be imagined. Nowhere in the Federal Government do we have a process of consideration and evaluation which can be compared to the safety and efficacy requirements which have to be met by a drug intended for human consumption. Further, a drug is not an ordinary consumer product. In the case of prescription drugs, they must first be prescribed by a physician and supplied by a pharmacist before they ever reach the hands of a consumer.

There is already clear evidence that the number of new and lifesaving drugs being brought to market in the United States has been dropping off and that innovation is being stifled by the regulatory maze which must be negotiated by anyone wishing to introduce a new drug. Adding the additional complicating factors created by S. 200 will compound present difficulties in a way which I believe is not in the best interests of consumers or of the public health generally.

Mr. President, I hope my amendment will be accepted without further discussion in order to prevent Federal intervention in an area which will not serve the general welfare.

AMENDMENT NO. 435

(Ordered to be printed and to lie on the table.)

Mr. DOLE. Mr. President, it is my intention to call up, during the consideration of S. 200, an amendment to clarify the working relationship of any future Consumer Advocacy Agency with already established executive offices having similar responsibilities.

Specifically, this amendment would require that the ACA coordinate its activities with those of consumer divisions within other Federal departments and agencies. In that way, we could avoid some of the duplication of effort and waste of man-hours which is so prevalent in this massive bureaucracy of ours.

While the sponsors of the bill might contend that such a mutuality of purpose among governmental units with "consumer interest" labels is implicit throughout the legislation, I think those of us who have reservations about a new independent bureaucracy are entitled to that reassurance in actual language form. That is, this is not something we can take for granted.

There is good reason to be concerned, also, that without the "coordination" stipulation, competition—and even adversity—are likely to develop between the ACA and another element of the Federal organization having supposedly a common, if not identical objective: that of protecting consumers. Accordingly, we should act to incorporate into the law this provision to forestall such an undesirable intragovernmental conflict.

If we are truly seeking to represent consumers, we must do so in a way that will foster cooperation and unanimity throughout the rather spansive proconsumer community at the executive level. It is my hope that the adoption of this amendment will contribute to that pursuit.

Mr. President, I ask unanimous consent that the text of the coordination activities amendment which I will offer be printed in the RECORD for the benefit of my colleagues.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 435

On page 12, line 23, strike out the word "and".

On page 12, between lines 23 and 24, insert the following new paragraph:

"(15) coordinate its activities with the activities of other executive departments and agencies with respect to consumers; and".

On page 12, line 24, strike out "(15)" and insert in lieu thereof "(16)".

AMENDMENT NO. 436

(Ordered to be printed and to lie on the table.)

DELAY OF EFFECTIVE DATE

Mr. DOLE. Mr. President, today I am submitting an amendment to delay the effective date of S. 200 until January 1, 1976, and to provide for a more gradual funding of the new agency.

It is the belief of the junior Senator from Kansas that if this amendment were adopted, it would greatly improve the likelihood that this bill will be enacted. It seems to the Senator from Kansas that the position of a majority of

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the Members of the Senate and possibly of the House of Representatives and the position of the White House have become clear. We must now take a hard look at what happens to this legislation if it is passed by Congress, vetoed, and sent back to the Senate to make a determination of whether or not the veto will be sustained or overridden.

STRAINED BUDGET

On April 17, the President directed a letter to the chairman of the Senate Government Operations Committee concerning the consumer protection bill. In that letter the President expressed his concern about the additional costs of this legislation and the difficulty of adding this new expense at a time when we are trying to reduce the size and cost of Government.

I share the President's concern about the cost of Government, the dangers to the economy of the tremendous amount of Federal spending, and the incredible size of the Federal deficit are very real.

As a member of the Budget Committee, I am very conscious of the size of this deficit and the difficulties of even holding it where it is not to mention the possibility of trying to reduce it.

So the Senator from Kansas feels that Congress in its efforts to restore the economy and provide responsible Government should be greatly concerned about adding new costs to the Federal budget. While the moneys authorized for expenditure under this bill are relatively small, the addition of this and many other bills add up to a very great amount of money which I am greatly concerned the budget cannot stand at this point.

The amendment I am submitting would help hold down this addition of Federal spending. It would delay the substantial increases in Federal spending until fiscal year 1977 when, according to economic forecasts, the economy and the budget will be in much better condition to cover the additional costs of this bill.

EFFECTIVE BILL NOT REDUCED

While the initial funding for the first 9 months of this legislation would be essentially cut in half by this amendment, I understand that it would not have a greatly detrimental impact upon consumer representation. That is because as I have been advised, it requires about 1 year for an organization of this size to get staffed up, organized, and in operating condition. Since the $7 million provided for the first 9 months of this program would allow the Agency to hire personnel and begin preliminary operations, this would be accomplished just in time for the Agency to begin full operations with $15 million for the first full fiscal year of operation.

In addition, the amendment provides for $20,000,000 for fiscal year 1978 and $25,000,000 for fiscal year 1979.

Mr. President, I feel strongly that this amendment, if adopted, will greatly increase the likelihood that this legislation would be enacted into law.

I ask unanimous consent that the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 436

On page 39, line 7, strike out all of Section 19 and insert in lieu thereof the following:

"SEC. 19. There are authorized to be appropriated to carry out the provisions of this Act, except section 24, not to exceed $7,000,000 for the period between January 1, 1976, and September 30, 1976, not to exceed $15,000,000 for the fiscal year ending September 30, 1977, not to exceed $20,000,000 for the fiscal year ending September 30, 1978, and not to exceed $25,000,000 for the fiscal year ending September 30, 1979. Any subsequent legislation to authorize appropriations under this Act for the fiscal year beginning on October 1, 1979, shall be referred in the Senate to the Committee on Government Operations and to the Committee on Commerce."

On page 51, line 25, strike out "ninety calendar days following the date on which this Act is enacted," and insert in lieu thereof "on January 1, 1976,".

AMENDMENT NO. 437

(Ordered to be printed and to lie on the table.)

APPROPRIATION REPORT AMENDMENT

Mr. DOLE. Mr. President, the amendment I propose to S. 200 would require the Directors of the Congressional Budget Office and the Office of Management and Budget to report annually to Congress the estimated amount of funds to be allocated each year to any office representing consumers in any Government agency other than the Agency for Consumer Advocacy. The amendment further requires that these estimates will be included in any committee report accompanying any appropriations bill for the ACA.

This provision will enable the Congress to determine precisely how much money the Government is allocating to consumer protection each fiscal year. By monitoring total Government spending for consumer programs, Congress will be able to gage more accurately the efficiency of all such programs. Moreover, these annual reports will be of benefit to the congressional budget committees in analyzing expenditures in the various functional categories of Federal spending.

Mr. President, this amendment will demonstrate further the determination of the Congress to provide fiscally responsible programs to assist consumers throughout the Government.

I ask unanimous consent that the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 437

"BUDGET REPORTS

"SEC. 25. (a) The Director of the Office of Management and Budget and the Director of the Congressional Budget Office shall each transmit annually to the Congress a report containing an estimate of the amount of funds expected to be allocated for each fiscal year to any Office representing consumer interests located within any department or agency other than the Agency for Consumer Advocacy.

"(b) Such estimate shall be included in any committee report accompanying any bill making appropriations for the agency for consumer advocacy.".

On page 51, line 24, strike out "25" and insert in lieu thereof "26".

On page 52, line 11, strike out "26" and insert in lieu thereof "27".

AMENDMENT NO. 438

(Ordered to be printed and to lie on the table.)

LABOR AMENDMENT

Mr. DOLE. Mr. President, the vote on the amendment of the Senator from Connecticut we have taken today shows a great deal of concern in the Senate that the so-called labor exemption in section 16 of S. 200 does, in fact, exempt Federal activities and proceedings in which a very substantial interest of consumers is affected, and in which the Agency for Consumer Advocacy should participate on behalf of consumers. At the same time, this vote shows that a majority of the Senate supports the intent of this exemption to exclude ACA intervention in private labor management negotiations.

It is the understanding of the Senator from Kansas that the labor exemption presently in S. 200 exempts all activities and proceedings of the National Labor Relations Board and the Federal Mediation and Conciliation Service. The Senator from Kansas has been advised by a great number of persons both in the private sector and in government that there are many areas under the NLRB and the FMCS that have a substantial consumer interest in which the ACA should participate.

It is the strong feeling of the Senator from Kansas that we should exempt private labor management negotiations just as we are exempting under S. 200 all other private negotiations in any other sector of the economy. At the same time, it is my feeling that we should not exempt Federal activities or proceedings where the Administrator of ACA could represent the interests of consumers in a meaningful and substantial manner.

I believe we can exempt private labor management negotiations while leaving open the possibility for ACA to participate in those Federal activities or proceedings relating to labor management problems that have an interest to consumers. To accomplish that, I am submitting this amendment today.

As the senior Senator from New York has stated, under the intervention rules of S. 200, the Agency for Consumer Advocacy could only participate in a Federal activity or proceeding where the Agency can show a specific interest of consumers to be protected. In many activities and proceedings of the NLRB and the FMCS, the Federal role is simply to facilitate the conduct of private negotiations. Since these activities are strictly limited to private negotiations and have no bearing on the actual terms of the negotiation which may or may not have an effect on consumers, the ACA would not be able to participate in these activities even without the existing labor exemption in S. 200.

However, as I mentioned earlier, there is substantial evidence that some activities and proceedings by NLRB and FMCS do affect the terms of labor disputes. One example that may be cited in this area is the area of NLRB proceedings to determine if a labor union activity is a secondary-product boycott which would be illegal. Since the outcome of such a proceeding would have a very direct impact upon consumers, it is my feeling that the ACA should not be restricted from participating in this proceeding if it can make the required showing.

The effect of secondary boycotts has been well documented. The Developing Labor Law by the American Bar Association is a recent publication that documents such an effect.

Another area of Federal activity relating to labor management negotiations that affects consumers is the Davis-Bacon Act proceedings of the NLRB to determine minimum wage rates on Government contracts. The effects of these proceedings have been documented by the University of Pennsylvania study of the Davis-Bacon Act which was published recently.

Mr. President, it is my feeling that the amendment I am proposing today meets the objectives of those Senators supporting the so-called labor exemption in S. 200. That objective, which many others of us support, is to exempt private negotiations. At the same time, the amendment I have proposed would allow the Agency for Consumer Advocacy to represent consumers in those areas where it can adequately show that a substantial consumer interest is affected by a Federal agency proceeding or activity.

Mr. President, I request unanimous consent that the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 438

Beginning on page 36, line 22, strike through page 37, line 4 and insert in lieu thereof the following: "or to any private labor management negotiation or any Federal agency proceeding or activity with respect thereto that does not affect the terms of such negotiations.".

AMENDMENT OF THE FOOD STAMP ACT—S. 1662

AMENDMENT NO. 429

(Ordered to be printed and referred to the Committee on Agriculture and Forestry.)

Mr. DOLE (for himself, Mr. MCGOVERN, Mr. HUGH SCOTT, Mr. CLARK, and Mr. PHILIP A. HART) submitted an amendment intended to be proposed by them jointly to the bill (S. 1662) to amend the Food Stamp Act of 1964.

NOTICE OF HEARING

Mr. ALLEN. Mr. President, the Subcommittee on Agricultural Research and General Legislation of the Committee on Agriculture and Forestry will hold a hearing Tuesday, May 20, on S. 1629, to extend the Federal Insecticide, Fungicide, and Rodenticide Act for 2 years. The hearing will be in room 324, Russell Office Building, beginning at 9 a.m. Oral presentations will be limited to 10 minutes with the privilege of filing longer statements. Anyone wishing to testify should contact the committee clerk as soon as possible.

NOTICE OF HEARINGS

Mr. JACKSON. Mr. President, in accordance with the rules of the Senate Interior and Insular Affairs Committee, I wish to advise my colleagues and the public that the following hearings have been scheduled before the committee for the next 2 weeks:

May 13—Energy Research and Water Resources Subcommittee: 10 A.M., room 3110, business meeting. Markup on S. 598, ERDA authorization bill.

May 14—Full Committee: 10 A.M., room 3110, business meeting. Pending calendar business.

May 15—Environmental and Land Resources Subcommittee: 10 A.M., room 3110, hearing. S. 507, National Resources Lands Management Act, and S. 1292, a bill re national land resources management.

May 16—Full Committee: 10 A.M., room 3110, hearing. S. 131, S. 685, S. 1469, S. 1501, to amend the Alaska Native Land Claims Settlement Act.

May 19—Full Committee and Nat'l. Fuels and Energy Policy Study: 10 A.M., room 3110, hearing. Oversight hearing on FEA programs.

May 20—Environmental and Land Resources Subcommittee: 10 A.M., room 3110, hearing. S. 392, Great Bear Wilderness area in Montana; S. 226, to designate the Aldo Leopold Wilderness; S. 74, Sheep Mt. Wilderness area; S. 1391, Snow Mt. Wilderness area.

May 21—Full Committee: 10 A.M., room 3110, business meeting. Pending calendar business.

May 22—Energy Research and Water Resources Subcommittee: 10 A.M., room 3110, hearing. Oversight hearing on San Juan Chama Project.

NOTICE OF HEARINGS ON S. 1450

Mr. BAYH. Mr. President, I wish to announce that the Subcommittee to Investigate Juvenile Delinquency, Committee on the Judiciary, has scheduled a hearing on S. 1450, which amends the Controlled Substances Act relating to the personal and private possession of small amounts of marihuana.

Throughout the subcommittee's 4-year investigation of drug traffic and abuse I noted with concern the growing number of arrests for marihuana possession. Arrests have increased from 188,682 in 1970 to 420,700 in 1973. It may go as high as 500,000 for 1974. This is not nearly as dramatic as the 1,000 percent increase between 1965–1970 from 18,815 to 188,682, but it is rather astonishing that this 3-year increase of 232,018 is more than 12 times the total marihuana arrests just 10 years ago.

Additionally, the number of marihuana arrests as a percentage of all drug arrests has increased substantially. In 1970 these arrests amounted to 45.4 percent of total drug arrests. During the 1970–1973 period 1,127,389 of the total 2,063,900 drug arrests were for marihuana. And in 1973, the most recent year for which records are available, 67 percent of all drug arrests were for marihuana.

The majority of those arrested are otherwise law abiding young people in possession of small amounts of marihuana. In fact, a Presidential Commission found that the vast majority of users are essentially indistinguishable from their nonuser peers by any criteria other than its use.

During these last 4 years, I have likewise been especially concerned about the ever-escalating level of serious crime. The recently released FBI Report on the trends in crime for 1974 presents a frightening picture of the rising tide of criminal activity in America. Serious crime in the United States rose 17 percent last year, the highest annual increase since the FBI began collecting data 43 years ago. In fact, the increase for the final quarter of 1974 had reached 19 percent. The suburban increase for last year was 20 percent while crime in rural areas increased by 21 percent. In smaller communities—under 10,000—crime increased by 24 percent last year while robbery alone went up 30 percent.

The rising tide of serious crimes inevitably raises the question of whether we are properly allocating our crime fighting resources and aggressively pursuing the arrest and criminal prosecution of the 13 million American users of marihuana. It is estimated that the prosecution of these cases costs $600 million annually.

In 1969 and 1970 the subcommittee considered the adequacy of penalties for marihuana with the result that the new Controlled Substances Act provided that simple possession or distribution of a small amount of marihuana for no remuneration were both designated misdemeanors, not felonies, punishable by up to 1 year in jail and/or up to a $5,000 fine.

It was the view of many Members that the sanctions should be further reduced. Some suggested that the sanction be eliminated for such conduct.

In order to permit a thorough assessment of these issues the subcommittee recommended the creation of a Presidential Commission. The Congress agreed and provided for the establishment of the Commission on Marihuana and Drug Abuse in part F of the Controlled Substances Act.

This body known as the Shafer Commission, after its distinguished chairman, conducted an in-depth study of the issues and concluded that marihuana was not dangerous enough to the user or the general public for its private possession and use to remain a criminal offense.

In the last several years a growing list of organizations and individuals have endorsed the Shafer Commission recommendations, including the following:

American Bar Association.

Consumer Union, publishers of Consumer Reports.

National Conference of Commissioners on Uniform State Laws.

American Public Health Association.

National Advisory Commission on Criminal Justice Standards and Goals.

National Council of Churches.

The Governing Board of the American Medical Association.

National Education Association.

B'nai B'rith.

Canadian Commission of Inquiry into the Non-Medical use of Drugs (Le Dain Commission).

San Francisco Committee on Crime.

Mayor's Advisory Committee on Narcotics Addiction (Washington, D.C.)

John Finlator, retired Deputy Director, Bureau of Narcotics and Dangerous Drugs, U.S. Department of Justice.

William F. Buckley, Jr., syndicated

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columnist, author, TV host, and editor of National Review.

James J. Kilpatrick, syndicated columnist, Washington Evening Star.

In the Senate several subcommittees have developed records regarding the impact of marihuana abuse. The Subcommittee on Alcoholism and Narcotics, of the Committee on Labor and Public Welfare has very effectively identified the qualities of marihuana as they impact on the public health and welfare. The Subcommittee on Internal Security, of the Committee on the Judiciary, has assessed the impact of marihuana use on United States security and as Robert DuPont, Director of the Special Action Office of Drug Abuse Prevention, recently said of its work,

> I think Senator EASTLAND is to be commended for his efforts to consolidate many of these new studies and to bring them to the attention of the American people.

The subject of our hearing, S. 1450, introduced by Senators JAVITS, BROOKE, CRANSTON and NELSON, reflects the general recommendation of the Shafer Presidential Commission. It adopts an approach similar to that undertaken by the State of Oregon which abolished criminal penalties for simple possession of marihuana and substituted a civil fine of up to $100 for possession and nonprofit transfers of up to 1 ounce of marihuana. Criminal penalties for sale of the drug for profit would remain intact. Thus, this approach maintains a policy of discouragement toward marihuana use while recognizing the current inappropriate use of law enforcement resources and the destructive impact of criminal records for such common conduct. This approach is often referred to as decriminalization.

Although more can be learned about the Oregon experience, one recent study found that after the first year there was no increase in the number of users and a majority of Oregonians approve the new law. In an interview this week with writer Thomas Love of the Washington Star, Oregon Attorney General, Lee Johnson, said that rather than decrease the respect for law among young people the new approach has probably increased it. He said,

> It has given them [young people] a feeling that government is more receptive to changes which have taken place. I think it's probably created more respect for government as a whole.

Similar measures are being considered by more than 20 State legislatures.

Are taxpayers, who are primarily and understandably interested in the protection of property and safety of person, most effectively served by the investment of $600 million in marihuana possession cases?

Is the public interest served by arresting annually 500,000, mostly young people, for simple possession of small amounts of marihuana and thereby assuring that they are inhibited for life—in their education and careers—by the unrelenting stigma of a criminal record?

Is the public getting the highest return on their tax dollars in the national effort to curb drug traffic and drug-related crime when two-thirds of all drug arrests are for predominantly simple marihuana possession?

I am inclined to think not.

In view of the failure to curb violent crime, I believe it is time to seriously reassess our priorities relative to the limited resources available to the Nation's severely overburdened criminal justice agencies.

I have invited the Attorney General and other legal experts, including Mr. Keith Stroup, director of the National Organization for the Reform of Marihuana Laws, to participate in the subcommittee's assessment of the measure's impact and whether it will accomplish its intended objectives.

The hearing is scheduled for Wednesday, May 14, 1975, at 10:00 a.m. in room 6202, Dirksen Office Building, Washington, D.C.

Anyone interested in the investigation who desires to submit information regarding this issue, or a statement for the record, should contact John M. Rector, staff director and chief counsel of the subcommittee, U.S. Senate, A504, Washington, D.C. 20510, phone number (202) 224-2951.

FIELD HEARINGS—FUTURE DIRECTIONS IN SOCIAL SECURITY

Mr. CHURCH. Mr. President, the Senate Special Committee on Aging will continue its hearings on "Future Directions in Social Security" this month in California and Iowa.

At the suggestion of Senator TUNNEY, the committee will consider the impact of cost-of-living increases upon older persons primarily dependent on social security for retirement income. On May 15, the committee will meet in San Francisco—site to be announced—at 2 p.m. On May 16, testimony will begin at 9:30 a.m., in Patriotic Hall, 1816 South Figueroa Street, Los Angeles.

Senator CLARK will conduct hearings on a similar theme in Des Moines, Iowa, on May 19, at a place and hour to be announced.

NOTICE OF HEARINGS: MAJOR SYSTEMS ACQUISITION; AIR COMBAT FIGHTER PROGRAMS

Mr. CHILES. Mr. President, I wish to announce that the Government Operations Subcommittee on Federal Spending Practices and Efficiency is about to begin a major set of hearings into the acquisition of major systems by executive agencies, both defense and civilian.

Major systems acqusition programs—everything from bombers, tanks and fighters to space, energy and subway systems—have become a central phenomenon in the way this Government goes about applying technology to meet public needs. Their significance to agency missions is unsurpassed by any other activity. Their dollar value is staggering.

In the Defense Department alone, nearly $150 billion worth of major svstem acquisition programs are underway. There is presently no way to tell how to tell how many civil systems are in progress, but their financial impact may be of even more concern. A recent survey by the the General Accounting Office on a selected sample revealed cost overruns on civil systems at $57 billion.

REFORM PACKAGE

The focus of the hearings will be the reform proposals put forward by the Commission on Government Procurement, a copy of which can be obtained by contacting the subcommittee's office at 224-0211.

The set of 12 recommendations form a framework for controlling these major programs with Government-wide applicability.

The reforms call for giving Congress a clearer, more reasoned voice in controlling acquisition programs, for reinstituting effective competition; for collaring interagency rivalries over roles and missions; and, in their net result, eliminating the buy-ins, bail-outs and succession of cost overruns and performance underruns.

I ask unanimous consent that a descriptive summary of the reform proposals be printed at the end of my remarks along with an analysis from the Bureau of National Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE BRANCH POSITIONS

Mr. CHILES. The subcommittee has been driving for executive branch implementation of the reforms for over a year now. An interagency steering group delivered its position to the Office of Management and Budget with general policy endorsements from the Department of Defense, National Aeronautics and Space Administration, Atomic Energy Commission—now ERDA—the Department of Transportation, and the National Science Foundation.

The responsibility for a final administration position and implementation now rests with the Office of Federal Procurement Policy under OMB.

Their commitments will be forthcoming during next month's hearings. Should they be less than necessary, I believe legislation may be appropriate.

In his annual posture statement, Secretary Schlesinger took the following position:

> One of the most important areas of the Commission's report deals with the acquisition of major systems. There are twelve recommendations in this area dealing with such subjects as needs and goals for new acquisition programs, exploring alternate systems, maintaining competition, limiting premature system commitments, withholding production approval until reconfirmation of the need and successful testing, and delegating decision authority to the operating agency components except for key milestone decisions to be made by the agency head. We support all of the recommendations with minor modifications and we are now working with other interested agencies on the development of an executive branch position on them. These recommendations generally reflect existing Department of Defense policies and procedures; thus we do not foresee any significant difficulties in implementing them within the Department of Defense.

GENERAL ACCOUNTING OFFICE REVIEW

In its latest monitoring report on executive branch progress, GAO found the proposed positions generally weak on all 12 reform recommendations.

I ask unanimous consent that excerpts from the GAO report, "Executive Branch Action on Recommendations of the Commission on Government Procurement," B-160725, March 17, 1975, be printed in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

AIR COMBAT FIGHTER PROGRAMS

Hearings will begin Tuesday, May 20, with a case investigation into the Air Force and Navy air combat fighter programs. I believe these recent acquisition efforts will provide an illuminating case study in what is right and what is wrong with our system acquisition procedures and how our reform proposals would affect the way of doing business.

HEARING AND WITNESSES

The exact schedule of hearing dates and witnesses has not yet been finalized, but the following initial witnesses will appear May 20:

Dr. Malcolm R. Currie, Director, Defense Research and Engineering.

Lt. Gen. William S. Evans, Deputy Chief of Staff for Development, Department of the Air Force.

Vice Adm. D. W. Houser, Deputy Chief of Naval Operations for Air Warfare.

In addition, the subcommittee plans to receive testimony from:

David Packard, chairman of the board, Hewlett-Packard.

Clarence L. Johnson, senior advisor, Lockheed Aircraft Corp.

Dr. Richard Delauer, executive vice president, TRW Inc.

Oliver Boileau, president, Boeing Aerospace Co.

Thomas Jones, president and chairman of the board, Northrop Corp.

Elmer B. Staats, Comptroller General of the United States—GAO.

Robert Perry, senior research staff, the Rand Corp.

Associations: Aerospace Industries Association, Electronics Industries Association, National Security Industrial Association.

Anyone who wishes to submit testimony or receive further information should contact the subcommittee staff director, Mr. Les Fettig, at 224-0211.

FEDERAL CONTRACTS REPORT—SUMMARY NUMBER 565, JANUARY 27, 1975

Proposals To Improve Major Systems Acquisition Examined: An FCR Analysis surveys the current controversy over how to improve the Federal Government's acquisition process for major systems, precipitated by the complex recommendations in this area by the Commission on Government Procurement. Battle lines have been formed for, against, and around the Commission recommendations, with the situation made even more complicated by the Commission's action in rejecting the proposals of its own study group. Ranged in various postures are adherents of the official Commission recommendations and of the study group recommendations; the executive branch (meaning primarily the Pentagon); the General Accounting Office, which labels the executive branch's tentative position so far on the Commission recommendations "nonresponsive;" defense industry; and, watchfully waiting, the Congress. It is suggested that major sticking points include the addition of time and cost to the acquisition process if the Commission recommendations were implemented, with their emphasis on accountability for decision making; while attractive to Congress and the GAO, this represents a liability as far as the operating agencies are concerned.

THE ACQUISITION OF MAJOR SYSTEMS: WHICH PATH OUT OF THE WILDERNESS?

The formally advertised Government contract has distinct and unmistakable characteristics. It is usually fixed price in form, and its specifications are drawn with great particularity. The regulations governing the preparation and award of these contracts have been in effect for many years. They are faithfully followed without deviation by procurement officials in an effort to assure that full and free competition is obtained and the award is made to the most responsible and responsive bidder. In this context, the parties deal at arm's length, without any significant degree of interdependence.

In contrast—indeed, at the opposite end of the scale—is the negotiated contract for major systems acquisition. Unlike its formally advertised counterpart, the systems acquisition contract is usually of the cost-reimbursement type; it seeks to advance the state of the art; it involves vast sums of money in a massive engineering and technological effort. And, it poses great problems both in Government and in industry where the parties grope for ways to manage these efforts.

A hallmark of systems acquisition is that it has been the subject of controversy for over two decades. This is so because these contracts represent a staggering commitment of national resources; they are subject to searching Congressional scrutiny; and they are often beset with unforeseen demands for additional monies that are caustically described by the critics as cost overruns and by the proponents of the systems contract as cost growth.

The Commission on Government Procurement, in its Volume 2, Part C, "Acquisition of Major Systems," called for an integrated "systems approach" to solving major systems acquisition problems by:

Establishing a framework for conducting and controlling acquisition programs to highlight the key decisions for all involved organizations—Congress, agency heads, agency components, and the private sector;

Defining the role each organization is to play in order to exercise its proper level of responsibility and control over acquisition programs; and

Giving visibility to Congress and agency heads to exercise their responsibilities by providing them with the information needed to make key program decisions and commitments.

The Procurement Commission stated that its "integrated view" makes its recommendations applicable for acquisition programs of all agencies. The Commission took the bold position that its recommended actions would establish effective control over system acquisition programs—what they are supposed to do and how much the nation is willing to pay for them—before these things are decided, allegedly by default.

The Commission made twelve important recommendations. In summary form they are as follows:

Recommendation No. 1—"Needs and Goals for New Acquisition Programs": Start new programs with agency head statements of needs and goals that have been reconciled with overall agency capabilities and resources.

Recommendation No. 2—"Congressional Review of Needs and Goals": Begin Congressional budget proceedings with an annual review of agency missions, capabilities, deficiencies, and the need and goals for the programs as a basis for reviewing agency budgets.

Recommendation No. 3—"Exploring Alternative Systems". Support the general fields of knowledge that are related to an agency's assigned responsibilities by funding private and government sector sources to do basic and applied research, proof of concept work, and exploratory system development. Restrict subsystem development until a system candidate is identified to meet an operational need.

Recommendation No. 4—"Creating New Systems"; Create alternative systems by soliciting industry proposals with a statement of need, time, cost and capability goals, with each contractor free to propose technical approaches, subsystem, and main design features.

Recommendation No.. 5—"Congressional Review of System Exploration": Finance the exploration of alternative systems by agency development budgets, agency mission areas.

Recommendation No. 6—"Meaningful Competition": Maintain competition by contractors exploring alternative systems by annual fixed level awards, agency advice to contractors to develop performance, and to assist tests to be performed and tradeoffs to be made. Balance industry efforts by Governmental monitoring of developmental efforts.

Recommendation No. 7—"Choosing a Preferred System": Limit premature commitments. Choose contractors based on relative technical progress, provide contractors with operational test conditions, mission performance criteria, and lifetime ownership cost factors and establish firm dates for operational use.

Recommendation No. 8—"Programs that Cannot be Based on Competitive Demonstration": Obtain agency head approval using a strong centralized program office.

Recommendation No. 9—"System Implementation": Withhold agency approval and Congressional commitments until there has been a competitive demonstration that the system is operational, thus providing assurance against an evolved monopoly situation with only a single system and contractor to cope with an agency need.

Recommendation No. 10—"Contract Procedures": Use contracting as an important tool of system acquisition, not as a substitute for management of acquisition programs.

Recommendation No. 11—"Policy Unification": Unify policy-making and monitoring responsibilities for major system acquisitions with emphasis given to organization and decision making roles.

Recommendation No. 12—"Delegations of Authority": Delegate authority for all technical and program decisions to the operating agency components, except for the key agency head decisions relating to approvals for mission need and goals, alternative systems, preferred systems and full production release.

The results and implications expected by the Commission to be obtained from these recommendations are that there will be a different emphasis on the role of the participating agencies, and that Congress will become a more effective and informed check and balance in system acquisition. So, too, agency heads are given the opportunity to make early decisions on program needs and coordinate the responsibilities of agency components. Yet, within this framework, agency components are given full flexibility to explore alternative systems within agreed upon limits. And, significantly, contractors enter a competitive arena that gives awards to those innovative suppliers who create and demonstrate the best systems.

Even though well meaning criticism may be directed against the Commission's recommendations, the proposals should be recognized as a coherent analysis of all the major issues in systems acquisition; indeed, a concerted, if not a brilliant, effort to pull the threads together into a single pattern.

If the Commission's recommendations are found lacking, it is because they failed to state some of their premises and rationale. The Commission Report in this area should have explicitly stated that science and technology are progressive disciplines. But the world they explore is not necessarily a progressing system of endless resources and enduring stability. It is the utilization of finite resources in a complex world that must be addressed.

A brief review of existing system programs in an inflationary period shows that this is the backdrop for the Commission's proposals. In addition to the well known system acquisition programs in the Defense Department, there are HUD's Model Cities programs, DOT's rapid transit and AMTRAK projects, NASA's Skylab and Space Transportation system, the Postal Service's mail handling facilities, and prospective environmental monitoring systems for the Environmental Protection Agency.

Despite the fact that the Commission in this area has given greater stature and scope to system acquisition than prior studies, this Report and its twelve recommendations were conceived in conflict, and that tension continues to pervade the implementation of its system acquisition formulae.

Study group rejected

In the case of major system acquisitions, the Commission rejected its Study Group's report and accepted an internal staff study that defined an acquisition process based upon decisions openly arrived at by organizations and officials with well defined responsibilities.

The Study Group, unlike the Commission, emphasized the overriding presence of uncertainty in systems acquisitions. It stated that its recommendations "if accepted, would necessitate implementation by the Congress, the Executive Office of the President and individual Executive Branch departments and agencies." Moreover, it stated that "a prime purpose" of its effort, "is to propose the adoption of principles and policies that will induce significant change in the environment for, understanding of, and attitudes toward major systems acquisition."

Lastly, the Study Group emphasized "frugality" in the finest sense of the word, while the Commission, in a subtle, but distinct difference, implicitly moved toward the effective control of resources and their prudent expenditure.

John A. O'Hara, Director of Contract Policy and Planning for The Boeing Company, who served on the Commission's Study Group on major systems acquisition, has raised some important questions concerning the effect of the Commission's recommendations. He has observed that the Commission's insistence upon the adoption of all its recommendations as a package could leave as many problems as the previous "piecemeal approach" rejected by the Commission.

The "systems approach", in his view, would add organizations and procedures and stretch out decision time, with more organizations checking on other organizations and more opportunities over longer periods of time for government decisions to impact on development and acquisition. (470 FCR A–18)

His observation takes on added weight when the Commission's ideas are measured against DOD Directive 5000.1. Like 5000.1, the Commission endorses a sequential approach and emphasizes the need for proof through prototypes before major resources are committed. Both the Commission and 5000.1 reflect the hard lessons of the 60's, that is, moving into production before development has been completed.

While the acceptance of sequential development is a common ground, it may be that the Commission's emphasis on Congressional involvement, and the introduction of several major test and evaluation phases, underline the flaw brought out by O'Hara that, unless safeguards are provided, the Commission's views all surely add to the time and cost of systems acquisition.

In retrospect, it may also be said that the Commission might better have underscored the importance of prototyping and its relation to risk assumptions by industry and government. C. L. (Kelly) Johnson, the leader of Lockheed's famed "Skunk Works", in a speech before the Federal Bar Association—BNA Western Briefing Conference in October 1972, gave this perspective to the problem of time, risk and cost in systems acquisition:

"We have amply proven over many years these two points:

"(1) No one in the world can beat us in the matter of pure production when we know exactly what we are going to produce.

"(2) No one in the world can make a bigger, more expensive mess of things than when we go into production before we really know what to produce!

"The use of prototyping is designed to allow us to take greater technical risks in less time and at less cost than more normal approaches. If it doesn't do this, forget it!"

Also to be considered are thoughtful studies completed since the Commission ended its task, such as that of the Logistics Management Institute ("The Development of Requirements for Major Weapon Systems," see 554 FCR A–8), which suggests a whole different emphasis—on the development of proven subsystems first, before moving ahead to the development of whole new systems.

Proposals continue to cause tension

And Interagency Steering Group (ISG) has drafted a proposed executive branch position on the Commission's recommendations—a proposal that has elicited criticism from the General Accounting Office, from industry, and from some Government participants as well. On the industry side the Council of Defense and Space Industry Associations (CODSIA) commented:

"In broadest perspective, industry supports the two underlying concepts reflected in the Commission's report. The first is that there should be an integrated system approach to the acquisition of major systems. The second is that there are basic policies which can be commonly applied by each agency in its implementation of the acquisition process. In examining the ISG proposed Executive Branch position however, we cannot support its position on these concepts.

"As we understand it, ISG's overall position, as expressed in its cover letter, is to concur in the specific recommendations, subject to several modifications, but only for use as a 'general frame of reference' by each agency in developing its own approach. ISG advocates against the establishment of a basic policy by either the Executive Branch or Congress. Industry disagrees with the ISG position in this regard. We believe that a sound system approach can be formulated, that a basic policy foundation should be formalized, and that the establishment of such a policy should be paramount in the official Executive Branch position. On the other hand, we agree completely with the ISG position that rigid application of procedural detail is undesirable.

"As we got deeper into our analysis, we found it increasingly difficult to support the idea that all 12 recommendations must be adopted as an exclusive package. Indeed, some recommendations have already been or are in the process of implementation, and several others seem to lend themselves to improvements in their own right." (548 FCR A–1) (Emphasis added).

The GAO, for its part, considers the executive branch implementation of the Commission Report, as stated by the ISG, to be "nonresponsive" (534, FCR A–9). The GAO has criticized the ISG task force proposal for paying lip service to the Procurement Commission recommendations. GAO objects to the ISG's notion to leave implementation up to each agency, and it adopts the view of a General Services Administration study, that it is difficult to perceive how the agencies will implement the ISG's views.

In particular, its point of disagreement with the ISG is that the Commission's recommendations should be implemented as a package, whereas the ISG seems to think this is not a desirable course of action.

The punchline for the GAO position is this: "In view of the Interagency Steering Group's general position and the absence of any expressed intent to develop implementation for the twelve [Commission] recommendations, GAO believes the proposed executive branch position is on the whole nonresponsive."

The GAO criticism of the ISG position seems overly strong, given the importance of the subject. On the other hand, it must be that the GAO appreciates that from its vantage point, as the Congress' auditor, the Commission's recommendations with their emphasis on visibility of decision making, in sequence, by identifiable officials and organizations is, indeed, an asset when the audit function is to be performed.

The reluctance of the ISG, however, to implement the Commission's recommendations may have occurred for several reasons. First, as to systems acquisition, there is always more than one way to develop every type of product. Secondly, it may be desirable, at least within the Defense Department, to follow the decision making procedures set forth in DOD Dir. 5000.1 rather than supersede them with the Commission's recommendations that concentrate more decisions at the agency head level.

Going further, however, the Commission's recommendations mean, as a practical matter, clear accountability for decision making. The Commission has downgraded the significance of contractual problems. Its reforms are directed to agency procedures and, in turn, the agencies' relations with Congress. ISG implementation of system acquisition procedures may continue to move slowly, several others seem to lend themselves to until it is clear that the agencies, and the Congress, can join hands and walk through the door of "accountability" together.

CODSIA, in the letter of August 1974 cited above, expressed the belief that there are certain fundamental problems current in the acquisition process that have contributed to the "credibility gap" with Congress and the public which must be addressed in any new policy—areas which include the following:

"Source selection policy and practices leading to unrealistic R&D contracts (including technical leveling, cost auctions and premature fixed price arrangements).

"The need for better understanding by competing contractors of the government's requirements (including program objectives, design-to-cost objectives, priorities among system performance characteristics, and proposal evaluation criteria).

"RFP inadequacies (including excessive and overly rigid requirements, trade-off inflexibility, and inflexible 'model contracts').

"The relationship between IR&D and contracted B&P (and their proper roles in maintaining competition and technical leadership).

"The lack of cost realism in general, inadequate estimates and resultant consequences (including budgets, proposals and contracts).

"The tendency to minimize the existence and significance of technical uncertainties."

Ironically, these criticisms, since they are so often made, strike a responsive chord, and provide a viable underpinning for giving the most intensive consideration to what the Commission has said on the subject of weapon system acquisition. (The first public forum for such consideration may be the Senate Government Operations Committee's Subcommittee on Federal Procurement, under Senator Lawton Chiles (D-Fla), who was a member of the Commission.

Although it is not expressed in so many words by the Commission, it has, in making its recommendations, focused its attention on the problems of cost and credibility where mission needs and performance are concerned. Under its scheme this question is raised in the first instance: Do we have the resources for this project, when balanced against other national priorities. If we have an affirmative vote, then the Congress and the public know, under the Commission's plan, that there exist agency procedures for decision making, for competition and for accountability.

The Commission approach seeks to avoid program growth by default, or the expenditure of resources for unnecessary projects. Undoubtedly, so-called "real world" considerations are sometimes a bar to these objectives, but the Commission has given us a path to follow if we want to avoid the continuing dilemma of cost restraints for system acquisition programs and Congressional criticism coupled with public dissatisfaction based, in part, upon a lack of credibility for the program's need and its planned performance.

Excerpts From GAO Report B–160725, March 17, 1975

Executive Branch positions and implementing actions on Commission recommendations as of January 1, 1975,

Part C—Acquisition of Major Systems:

OVERVIEW ON PART C RECOMMENDATIONS

Rather than looking at the systems acquisition process in disconnected pieces, the Commission took an integrated view of the total process using a "systems approach" to identify and recommend solutions to problems underlying systems acquisition. It linked 12 interrelated recommendations to a structural framework applicable to acquisition programs of all agencies. The recommendations were not designed to be applied selectively but rather to work together to control the whole.

Interagency group position

In April 1973 the executive branch assigned responsibility to an interagency group, led by DOD, for developing a policy position on the 12 Part C recommendations. Implementation was to be dealt with in a second phase after establishing an official position on the recommendations. In January 1974 the interagency group presented a report to the executive branch on these recommendations. It proposed that the executive branch generally concur in, and each agency adopt, the policy intent of these 12 recommendations, subject to reservations and modifications contained in discussions of the individual recommendations. The group said that the policy framework postulated by the recommendations represents a valuable reference against which all agencies, each in its own context, can continuously examine its system acquisition activity. The group concluded that those recommendations on improved executive/legislative branch relationships offer the greatest potential for improving the system acquisition process and strongly urged that individual agencies explore their implementation with counterparts in OMB and the Congress.

Official agency and industry comments

In March 1974, GSA transmitted the interagency group report to executive agencies for their official comment and subsequently to industry associations for comment. Official agency views basically endorsed or repeated positions of their interagency group members. Other agencies were doubtful that their programs would qualify as major system acquisitions. The Council of Defense and Space Industry Associations (CODSIA) said industry supports the two underlying concepts reflected in the Commission's report that:

1. There should be an integrated system approach to the acquisition of major systems.

2. There are basic policies which can be commonly applied by each agency in its implementation of the acquisition process.

It stressed the need for a total integrated systems acquisition policy for the Federal Government and felt that a formal policy should be paramount in the executive branch position. CODSIA's major reservation about the Commission recommendations was the "unknowns of implementation", including ambiguities and diversity of interpretation. Further, CODSIA referred to problem areas identified in past industry reports which it thought must be considered before CODSIA could concur in any new policy. These problem areas included (1) source selection policy and practices leading to technical leveling, cost auctions, and premature fixed-price arrangements, (2) inflexible requirements in requests for proposals, and (3) the need for better understanding of Government requirements, design-to-cost objectives, and priorities among system performance characteristics (note a).

GAO comments

In its July 1974 report, GAO commented that the greater portion of the interagency group's report prepared by the lead agency (DOD) represented, on the whole, an excellent treatment and interpretation of the Commission recommendations. The GAO report questioned some of the proposed modifications to the Commission recommendations, interpretations of a few, and various claims that the recommendations were already being implemented. Sections of the interagency group's report prepared by the participating civilian agencies (NASA, AEC, DOT, NSF) assumed either that the Commission recommendations applied solely to the DOD environment or that policies of the civilian agencies already incorporated the "spirit" of the recommendations. Civilian agency comments in the interagency report, such as those presented by AEC, did not appear to recognize that the basic steps for acquisition embodied in the recommendations have application to any combination of public and private sector contracting relationships. GAO reviewed its current findings with a key member of the interagency group. He commented that, although the interagency group was only required to develop a policy position, individual members of the group chose to comment on implementation. In his opinion, these comments were premature and in some instances inaccurate. He emphasized that, in the interest of getting on with the next step of developing implementation actions, the group's earlier comments on this subject should be disregarded.

GSA referral to OFPP

In January 1975 GSA referred these recommendations to OFPP for decision, along with its analysis of the agency, private sector, and GAO comments. The GSA referral to OFPP outlined two comphehensive alternative approaches to developing agency implementing actions.

1. The first approach would be for OFPP to request the concerned agencies to translate the interagency group's treatment of C series recommendations into implementation actions. Such actions would be cross-indexed to the appropriate C recommendations. The implementing actions would then be reviewed by an interagency group formed by OFPP and led by DOD to determine their responsiveness to the Commission recommendations and to determine whether additional implementation or Government-wide policy statements were necessary. On congressional budget matters, the implementing actions would include procedures to be recommended to the Congress and OMB. GSA pointed out that, since AEC is being assimilated by the Energy Research and Development Agency (ERDA), its earlier comments questioning whether the Commission recommendations were applicable to AEC are no longer valid.

2. The second approach suggested by GSA would involve two steps. In the first step, DOD would develop a model of operational implementation consisting of broad acquisition policies, organizational changes, other implementation impacts, and a diagram of the acquisition cycle. This model would be used by all concerned agencies in the second step to develop proposed implementation. As in the case of the first alternative, an interagency group would then be formed by OFPP and led by DOD to review and validate final actions necessary to implement the recommendations.

Senate inquiry

The Chairman of the Senate subcommittee on Federal procurement sent a letter to the Director of Defense Research and Engineering last summer noting the compatibility of recommendations C–1 through C–12 with DOD's recently issued R&D principles and inquiring about DOD's plans for implementation. The Director replied on July 31, 1974, that, as soon as an executive branch position was established on the recommendations, "effective implementation" would be the next step. In December 1974 hearing to confirm the OFPP Administrator, the Subcommittee inquired as to when this executive branch position would be established. The Administrator was reluctant to furnish a date at the hearings but agreed to furnish some milestones in January 1975. He told the subcommittee that he had had a number of exploratory meetings with agency and industry people, that the basic philosophy and rationale behind the recommendations were accepted by practically everyone, but that there was not yet a clear understanding of the implementation problems.

Conclusion

Because 2 years have elapsed since the Commission made its recommendations, and in view of the vast sums in each year's Federal budget for acquiring major national systems, GAO suggests that OFPP and the executive branch give priority attention to developing policies and implementation actions on these recommendations. As indicated in GAO's individual comments that follow, modifications of some substance have been proposed by the interagency group to elements of Commission recommendations C–3 through C–6. Areas warranting special management attention are discussed under recommendations C–3 and C–4 (proposed modifications) and under recommendations C–11 and C–12 (interpretation of implementation).

GAO Comments on Responsiveness of Executive Branch Actions

LEGEND

[R] Position fully responsive
[I] Position not yet fully established

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[a] Actually, the Commission accumulated substantial data on each of the problem areas on which CODSIA wants resolutions before agreeing to a new systems acquisition policy. The areas were discussed in the Commission report text of Part C, "Acquisition of Major Systems", and were considered in developing the Commission's final recommendations. For example, technical transfusion that leads to both technical leveling among competing contractors and cost auctions is discouraged by Commission recommendations C–4, C–5, and C–6, permitting each competing contractor to differentiate in his proposed technological solution and to be responsible for his own independent technical and business judgments. If a unique feature proposed by a losing contractor would enhance the winning contractor's technological solution, this feature would *not* be transfused by the agency; rather, the winning contractor would simply procure the feature directly from the losing contractor who designed it. The key decision would be system selection, not source selection, and this decision would be based on the agency's evaluation of the best combination of mission performance and long-term cost—not amounts proposed by contractors for initial development or production.

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UMI

SPECIAL MANAGEMENT ATTENTION NEEDED

[PR] Position partially responsive

[NR] Position nonresponsive

[X] Position established, evaluation deferred

[IX] Position not yet established

RECOMMENDATION 1

[I] Interagency group proposed executive branch adoption of this recommendation for preceding new programs with statements of needs and goals that are independent of any system product and reconciled to agency capabilities, deficiencies, and long-term resources. It recognized that under current procedures most annual budget submissions to the Congress are oriented toward hardware rather than to mission problems. The group said adoption of the recommendation was subject to (1) each agency's agreeing with other OMB and congressional counterparts on definition and identification of "missions" and (2) recognition of the limitations in long-range mission projections of capabilities, deficiencies, and cost. The group said implementation of this recommendation "would force more direct and very early agency consideration and decision on the tentative allocations of resources against identified mission deficiencies (within agencies) as well as against other identified national needs and goals (by Congress)." It observed that, while existing procedures could be refined to adopt this recommendation, such action "must be *consistent and integrated* with actions resulting from the other eleven recommendations." (underlining supplied) The GSA staff analysis, accompanying the January 1975 referral of this recommendation to OFPP suggested that agencies proceed with the development of responsive implementation plans and that the agencies cite the types of procedures they would recommend for the Congress and OMB.

RECOMMENDATION 2

[I] Interagency group proposed executive branch adoption of this recommendation for annual congressional budget review of new program needs and goals within the context of agency missions, capabilities, and deficiencies. This would fundamentally change how the Congress now receives, reviews, and authorizes agency budgets. The group recognized that "current procedures * * * may have to be expanded or realigned * * *. Satisfactory implementation procedures, as required, should be worked out by each agency with its OMB and congressional counterparts." It said "this approach would provide to Congress a comprehensive review of agency needs and goals at a higher level of consideration than normally occurs during detailed budget hearings. The information needs of Congress for this purpose are recognized and should be supported. Continued improvements in the dialogue between the agencies and the Congress and a better understanding by the Congress of agency needs and goals in the acquisition of major systems is a highly desirable objective."

It should be noted that the Congress has taken an initial step in this direction with the enactment of Public Law 93–344, the new Congressional Budget and Impoundment Control Act. The act will require the President to begin presenting in the late 1970s a top-down budget organized by national needs, agency missions, and basic programs to accomplish these missions (Title VI, Sec. 601 (i)). The GSA staff analysis accompanying referral of the recommendation to OFPP in January 1975 suggested that, since there is a general consensus to accept the recommendation, the proposed agency implementation action should proceed as discussed under C–1, considering as well the role of Congress and OMB.

RECOMMENDATION 3

[IX] Interagency group proposed executive branch adoption of this recommendation for supporting mission-oriented, technology-based activities except for the restriction on subsystem development. It acknowledged that the prudent course was to pursue subsystem development with a system goal in mind but also to seek use of proven hardware and commonality so that a subsystem could be used in more than one system. Since a major thrust of the Commission's inter-related C series recommendations is to encourage competitive system concepts and preliminary designs that incorporate *existing* subsystems to the extent they enhance the supplier's competitive position, GAO questions whether there is a real difference between the interagency group and Commission positions. Carrying *new* subsystems too far into final development cuts off competition for alternative approaches and designs and can lead to acquisition before a need for that system has been established. Prespecified subsystems constrain the system designer's latitude and restrict competition. GAO believes the group's modification is therefore inappropriate. The GSA staff analysis, accompanying referral of this recommendation to OFPP in January 1975 suggests that agencies be asked to develop implementation so that differences between the interagency group and Commission intent can be assessed.

RECOMMENDATION 4

[IX] Interagency group agreed with the thrust of this recommendation to stimulate greater innovation and create a broad range of alternative system solutions from which to select those most deserving of further development. It concluded that the general approach recommended by the Commission should be pursued when a significant departure from existing hardware is desired and when true innovation should be stimulated. GAO questions whether the need for innovation can be predetermined particularly in view of the Commission's expressed concern about stretching old technology to exorbitant cost levels.

The group raised two potential problems of administration. It assumed "that the very process of stimulating innovation will stimulate concepts and development effort which will be progressing or maturing at perhaps widely differing rates. The practical problem then emerges of evaluating the several competing efforts at a given point in time and rendering equitable judgments and decisions as to which should be continued, accelerated, slowed down, etc." GAO believes this problem is not new. To the extent that agencies have previously created system alternatives, agencies have always been faced with the practical problem of making difficult choices between various concepts and technical approaches with differing degrees of development effort and completion dates—choices that were based primarily on paper analyses. This Commission recommendation simply puts more emphasis, first, on creating system alternatives and, second, on extending into an exploratory development and testing phase those alternatives deserving consideration. The aim of the Commission was to inject private enterprise competition into consideration of alternatives and to acquire better information in terms of hardware development and test results from which to choose a system design solution. It would seem therefore, that the Commission's recommendation would reduce the problem of dealing with different system solutions and improve system design choices.

[IX] The second problem of administration raised by the group was whether the agency component head could personally review and select system candidates to be sponsored with agency funding. To overcome this problem the Commission suggested using a team of experts from inside and outside the agency, with the agency component head approving only the candidates to be funded.

The interagency group modified one part of the recommendation which allows for industry participation from other than major companies and deleted the Commission criteria for determining eligibility of smaller firms. The purpose of this part of the recommendation is to allow small groups of talented engineers, whether from large or small companies, to create concepts and develop hardware. If a smaller company competes successfully, it could then form an association with a reputable manufacturer to produce the system or could grow on the basis of competitive merit and eventually do its own production. The traditional practice of requiring potential contractors that make proposals to possess production capabilities which may or may not be needed has limited competition and resulted in agencies sponsoring only large companies (who were once small firms). The Commission wanted to reduce the barriers for new entries and strengthen the competitive forces in industry. For these reasons, GAO believes that recommendation C–4 should not be modified as proposed. The GSA staff analysis accompanying referral of this recommendation to OFPP in January 1975 suggests that agency implementation be initiated and the proposed modification be resolved during that phase.

RECOMMENDATION 5

[I] Interagency group proposed executive branch adoption of this recommendation for budgeting and financing exploratory development of competing system candidates for a new mission before a commitment is made to a specific solution. It recognized that the recommendation is basically sound and that satisfactory implementation procedures must be worked out by each agency and its OMB and congressional committee counterparts. The group said that NASA's R&D budget is mission-oriented but that other agency budget requests are more oriented to program hardware requirements.

The group modified the Commission recommendation by substituting "agency component" for "agency" in two places. The GSA staff analysis observed that: "The rationale for * * * modifications * * * isn't explained * * *. While these modifications would not appear to affect the thrust of the intent of the recommendation, it has been observed that allowing agency components to propose their own development budgets, etc. could result in unjustified duplicative and overlapping development efforts (e.g. interservice rivalry). In order to fully appreciate and assess the differences in the ISG's [interagency group] and Commission's wording of the recommendation, we would suggest that agencies be requested to develop proposed implementation." GSA noted also that, in the case of C–2, implementation of this recommendation will be influenced by provisions of the new Congressional Budget and Impoundment Control Act requiring the President's annual budget to be organized by national needs, missions and basic programs to accomplish these missions.

RECOMMENDATION 6

[I] Interagency group proposed executive branch adoption of this recommendation to sustain competitive system design efforts into hardware development and test stages, on the basis that more meaningful competition would result in better systems being obtained more quickly and economically. The group concluded that the undesirable acquisition environment and results described in the Commission's report were largely due to two underlying problems: (1) premature system definitions and (2) the workings of the congressional authorization and appropriation process which contribute to premature system definition. The Group suggested two modifications. It prefers the terminology "funding design contractors at planned levels" because the Commission's terminology, "fixed level awards," is not in current use and thus not well understood, and it does not want to adopt the idea of a fixed dollar ceiling. The Commission report indicates that

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fixed dollar ceilings could and should be used because relatively short periods of incremental performance were envisioned at the beginning of new programs and because it is necessary to provide cost control during these early highly competitive efforts. The Group's other modifications removed the requirement that onsite agency operational inputs would be made to the competing contractors on an advisory basis and substituted "encouraging appropriate interaction between agency representatives with relevant operational experience and a contractor as necessary in developing performance and other requirements for each candidate system as tests and tradeoffs are made". In support of this modification, the interagency group presented an interesting discussion on the difficult line that agency representatives must walk between providing assistance to a contractor on one hand and conferring an unfair competitive advantage to him on the other hand. The GSA staff analysis accompanying referral of the recommendation to OFPP in January 1975, accepts the interagency group's rationale for these two modifications but points out that, as in other cases, development of actual implementation will demonstrate the extent of compliance with the intent of the Commission's recommendation.

RECOMMENDATION 7

[I] Interagency group proposed executive branch adoption of this recommendation for competitive demonstration of candidate systems on the basis that the recommendation is "desirable, and should be pursued by various agencies more consciously than is perhaps currently the case." The group concurred with the Commission finding "that the choice of a system and the writing of its requirements often occur too early in the R&D process before meaningful exploration of technical alternatives has taken place" (note a). It observed that changes made by agencies to use competitive system demonstrations will require improvements to the budget-funding process, which depends on congressional action. The GSA staff analysis accompanying referral of the recommendation to OFPP in January 1975 noted the general consensus on this recommendation and suggested that implementation be initiated.

The group clarified one part of this recommendation to show that lifetime ownership costs would be only one factor in choosing preferred systems. It expressed concern over agency ability to estimate future system operating and maintenance costs because of the unavailability of such data from current cost accounting systems. The Commission report indicates that it was not seeking either precise projections in this area or prior systems' cost accounting data but, rather comparative approximations based on *actual* field data collected from development and operational test phases of candidate systems.

RECOMMENDATION 8

[I] Interagency group proposed executive branch adoption of this alternative noncompetitive acquisition strategy, recognizing that competitive demonstration of system solutions is not always feasible and that multibillion dollar acquisition programs of great urgency are more effectively managed by a strong centralized program office. As GAO noted in its July 1974 report, the group did not discuss the Commission criteria which severely limits the use of this single-source acquisition strategy to rare exceptions: those programs of great urgency and massive physical and financial magnitude. GSA's staff analysis, accompanying referral of this recommendation to OFPP in January 1975 suggested that agencies, in developing their proposed implementation, include criteria for using the noncompetitive systems acquisition approach.

RECOMMENDATION 9

[I] Interagency group proposed executive branch adoption of this recommendation, noting that the strongest support for adoption comes from DOD. DOD pointed out that the basic part of the recommendation—to withhold agency and congressional approval of full production until a newly developed system has been operationally tested and the need reconfirmed—is satisfied by requirements specified in DOD Directives 5000.1 and 5000.3, the latter being approved almost simultaneously with publication of the Commission report, and by section 506 of Public Law 92–156. With respect to establishment of independent operational test and evaluation activities in each agency, DOD said that the Army and Navy have complied fully and that, as a result of a recent decision, the Air Force intends to follow suit. Further discussion was provided on current efforts to strengthen testing capabilities, including additional funding, better test plans, and improved targets, instrumentation, and data analysis.

Group members of two civilian agencies, however, argued against individual parts of the recommendation as not literally applying to their situations. For example, DOT said its components do not have a large enough operation to warrant each having a separate test and evaluation activity. GAO believes the Commission was emphasizing the need for an independent operational test of a newly developed system rather than necessarily directing how each agency should organize to accomplish this objective. GAO suggested in its July 1974 report that a more positive response by civilian agencies is possible if they focus on the basic intent and principles imbodied in the recommendation (note a). The GSA staff analysis provided to OFPP in January 1975 suggested that, in view of the general executive branch consensus to adopt the recommendation, the next step would be for agencies to develop and submit responsive implementation plans.

RECOMMENDATION 10

[I] Interagency group proposed executive branch adoption of this recommendation (it deleted three insignificant words). It recognized that the recommendation is designed to unburden the administrative and management processes associated with major system acquisitions and that, with such changes as competitive prototyping, new and simplified contract clauses could minimize contracting and administrative complexities for both Government and contractor officials. It said the degree of simplification would be governed by public accountability restrictions, but recognized that, if earlier steps in the acquisition process are well done, simpler final development and production contracts can be developed and extensive Government controls and detailed interaction with the contractors can be reduced. With respect to priced production options, the interagency group said the key is prudent use within an incremental acquisition approach that emphasizes competitive prototyping. The group alleged that "agencies are practicing, where appropriate, the policies advocated * * *." The GAO July 1974 report noted that this conclusion was not supported by citing implementing documents or examples of actual practice. The GSA staff analysis accompanying the referral of this recommendation to OFPP in January 1975 suggested that the next step would be for the agencies to develop responsive implementation documents and/or examples of actual practice.

RECOMMENDATION 11

[IX] Interagency group proposed executive branch adoption of this recommendation, pointing out that "several agencies have recognized the need for unified policymaking and monitoring responsibilities for major system acquisitions and have organized to assure that business and technical considerations are applied in an integrated fashion." The group said acquisition review councils within DOT (TSARC) and DOD (DSARC) "offer such a means." The group volunteered its opinion that the agencies have implemented the substance of the recommendation to the extent practical and advantageous to do so. It said additional management entities will not necessarily improve the management system. While agency top management review councils do meet a few times during the life of a program, GAO believes that the Commission recommendation calls for more day-to-day interaction and integration of technical and business management aspects of agency head and components system policy and monitoring functions. The Commission report seems clear that fewer management entities were envisioned, not more (see vol. 2, Part C, pp. 172–176). The Commission acknowledged the existence of the various acquisition review councils when making its recommendation. Its concern was that those review councils still leave in place the separation of system technical and business policy functions and decisionmaking which, in turn, perpetuate management layering, staff reviews, coordinating points, and paperwork down through an immense organizational structure. The interagency group report seems to interpret the recommendation in such a manner as to maintain the status quo. The GSA staff analysis accompanying referral of this recommendation to OFPP in January 1975 suggested that in "developing implementing actions the agencies should examine their existing structures with a view towards the Commission's intent of minimizing management layering and the possible unifying of technical and business policy and monitoring activities at agency and component headquarters levels."

RECOMMENDATION 12

[IX] Interagency group proposed executive branch adoption of this recommendation for agency head decisions on four key turning points in new acquisition programs—approving (1) mission need and acquisition goals, (2) alternative systems for competitive demonstration, (3) preferred system for final development, and (4) full production release. However, it added that "the several agencies [represented on the interagency group] have developed and implemented policies and procedures designed to accomplish the objectives of the Recommendation". The group recognized that the production decision is not applicable to some AEC and DOT components.

The Commission matched the key decisions in its recommended systems acquisition framework against the key decisions currently in use by some agencies and found similarities in the back-end of the process and substantial differences in the front-end of the process (see Part C, p. 142). For example, under the delegation authorized in DOD Directive 5000.1 (note b), new programs do not have to be exposed to the agency head until long after their need has been established and several years effort expended by the agency component toward one technological solution. The effect is to (1) limit agency head and congressional visibility on decisions that start new programs and explore alternatives and (2) restrict private enterprise competition to the design details and cost of one given agency solution. (See also note a under discussion of recommendation C–7.) The Commission went to great lengths to point out that

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[a] A member of the interagency group advised GAO that if the group had dropped the words "in each agency component" from the recommendation, this could have forestalled civil agency objections.

[b] As recently amplified by Department of Defense Instruction 5000.2, dated January 21, 1975.

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the earlier decision points, although involving only minor expenditures, are fundamental to agency head/congressional control, as well as to the rational evolution of major programs. As recommendation C–12 provides the key decisions for the overall systems acquisition framework, and as these decisions are embodied in other Part C recommendations already accepted by the interagency group, GAO believes that implementation of C–12 should receive the highest consideration. The GSA staff analysis accompanying referral of this recommendation to OFPP in January 1975 noted the absence of documentation supporting the group's claim of implementation. It suggested that agencies be asked to develop responsive implementing actions and/or examples of actual practice.

ADDITIONAL STATEMENTS

PARTNERSHIP IN THE PACIFIC AFTER VIETNAM

Mr. MANSFIELD. Mr. President, for the second time in 2 years, the Prime Minister of Australia, the Honorable E. G. Whitlam, Q.C., M.P., visited the United States, conferred with President Ford, and again addressed the National Press Club in this city. As always, what Prime Minister Whitlam had to say was worth listening to, worth reading, and worth thinking about.

The Prime Minister is noted for his candor and for his facing up to the realities of situations which confront his country and his area of the Pacific and Indian Oceans. It is always a pleasure to have a statesman of the character of Mr. Whitlam visit this country, explain his positions, and forthrightly answer questions which have an effect on both our countries' relations. He is big enough to admit errors, as in South Vietnam, but he is big enough also to place the past behind him, face up to the realities of the present, and plan for the future.

Mr. President, I ask unanimous consent that this speech by one of the outstanding statesmen of the Pacific be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

PARTNERSHIP IN THE PACIFIC AFTER VIETNAM

(Speech by the Prime Minister of Australia, the Honorable E. G. Whitlam, Q.C., M.P., to the National Press Club, Washington, May 8, 1975)

It is not quite two years ago since I last had the honour of addressing this National Press Club. In that time, as practitioners of our respective professions, we have all had to cope with tremendous events and tremendous changes occurring with unexampled speed. It was therefore with some little trepidation that I retrieved the remarks I last made to you to see how they stood the test of time. I find, however, that the very first point I made has been amply confirmed in a way few of us could have guessed in July 1973. I said then that I was honoured to address representatives of the world's greatest and most free press in the world's greatest and most free democracy, and that the strength of each was the strength of both. If this democracy had been less free the constitutional upheaval of 1974 would not have occurred. If this democracy had been less strong it could scarcely have survived so traumatic an encounter. So in accepting your invitation for a second time, I again pay tribute to the manifest and enduring strength of the democracy of the United States, of which the press is so fundamental a part.

In the wake of the remarkable events in Indo-China, all of us—leaders in my calling, commentators in yours—are in process of reassessing basic policies and relations. For the United States in particular, this is bound to be a difficult and perhaps a painful process. In that reappraisal the last thing the Government or people of the United States need are sermons and homilies from foreigners. Certainly, you don't need them from an Australian. It is true that I happen to lead a political party which strongly opposed the intervention in Indo-China; it is also true that I am the Prime Minister of a nation which for many years supported the intervention and encouraged the escalation of the war. Whatever recriminations we might have at home, it is no role for an Australian Prime Minister to lecture the United States.

It is, however, very necessary that we should prevent the creation of new myths about what went wrong. And to do that it is necessary to look at past mistakes—mistakes in which both countries shared. The great danger is that in an atmosphere of deep emotion and recrimination engendered by the suddenness of events in Indo-China, we should fasten upon explanations and self-justifications and over-simplifications which would ensure a return to, a repetition of, the great mistakes of the past. We have, in particular, to resist the same sort of myths which developed after the revolution in China. Those myths, those distortions of reality, perverted our relations with China for more than a generation. They led directly to the debacle in Indo-China.

We should have no truck with any new variation of the "stab in the back" theory—that the war in Vietnam was lost not in Saigon but here in Washington. The truth is that the United States did not "lose" Vietnam, anymore than she "lost" China. Vietnam was not America's to lose. What was defeated was not the United States and her allies but a policy of foreign intervention which was bound to fail. There was no time in the past thirty years when such a policy could have succeeded. The tragedy for us all, but above all for the people of Indo-China, is that a policy so manifestly doomed from the beginning should have been carried through for so long. It was never true that the honour and prestige of the United States and her allies were bound up with the survival of the Saigon regime, any more than it was ever true that the honour, or prestige, or security of the United States were bound up with the fate of Chiang Kai-Shek.

When I spoke to you last I spoke of the "second opportunity" we had gained because of the moves towards reconciliation with China and with the signing of the Paris Agreement in January 1973. I said: "For twenty years I have been appalled at the damage we of the West have done to ourselves and to other peoples by our western ideological pre-occupations, particularly in South East Asia. We are not going to be readily forgiven for throwing away the chance we had for a settlement in Indo-China in 1954 after Korea, after Geneva. We have now been given a second chance. It must not be thrown away." Unfortunately my hopes, the hopes of the world, were not fulfilled after January 1973. The gross breaches of the Paris Agreements by both sides—political breaches, military breaches—made it inevitable that the final settlement in Indo-China would be reached by the arbitrament of war.

Yet in the wider sense that second opportunity, that second chance of which I spoke, still remains. The question now is: What are to be our relations and our conduct towards Vietnam—whether there be one government of Vietnam or two? Are we to treat Vietnam after 1975 as we treated China after 1949? Through fear or frustration, because of our failure to impose the will of the West on Indo-China, are we to treat Vietnam as the new pariah, the new untouchable among nations? No one supposes that it is going to be a simple or easy task to establish meaningful relations with Vietnam, a Vietnam emerging from thirty years of civil war prolonged and deepened by foreign intervention. It is going to be one of the most difficult tasks for statesmanship, for the countries in our region and for the United States.

Two hundred years ago—on 22 March 1775—Edmund Burke said: "Magnanimity in politics is not seldom the truest wisdom." It was his great speech on conciliation with America. He was advising another mighty nation which was about to suffer humiliation at the hands of another small band of revolutionaries—not because that nation was wicked or weak but because it was committed to policies doomed to fail. Magnanimity in the face of failure is much more difficult than magnanimity in victory. The present prosperity of West Germany and Japan attests America's unparalleled magnanimity in victory. The other, more difficult, response lies ahead—in Indo-China.

This is very much a time for a realistic assessment of our strengths and opportunities—and for a good deal of confidence in those strengths and opportunities. There are those who feel that because American policy suffered a defeat in Vietnam, we should be pessimistic about American policy elsewhere, and ignore American achievements elsewhere. Dangerous and difficult as the Middle East problem undoubtedly is, taking as it is for western statesmanship, it should not blind us to the wider stability and security achieved in the world during the past two decades. Who would deny that the world is a safer place today than it was in the aftermath of World War II? Who would deny—remembering Berlin, remembering Greece, remembering Korea, remembering Cuba—that the threats to peace today are less menacing than those posed by the critical flashpoints and monolithic confrontations of a decade or a generation ago? I hope we shall keep a sense of perspective and reality in these matters, keeping in mind the real progress we have made towards a safer world, and not allow ourselves to be panicked or dismayed by lesser problems than those we have surmounted before.

In the specific matter of Vietnam, I am not going to be panicked by an outcome achieved militarily in 1975 which might have come about politically in 1954. I am intent upon reaching a modus vivendi—as meaningful, constructive relationship—with Vietnam in 1975, as we would assuredly have had to do some time between 1954 and 1975, and as with such needless and damaging delay we have done with China. I asserted in Canberra that it was never material to the security of Australia who ruled in Saigon. I assert in Washington that it was never material to America's security who ruled in Saigon.

It is not, however, by focussing exclusively upon Vietnam or even upon Indo-China that we can get the true perspective of our real strengths and opportunities in the region—Australia's opportunities, or America's strengths. There can be no suggestion of wanting to shrug off the events in Indo-China. On the contrary there are great lessons to be learnt. Nonetheless, let's cooly assess both the present and the future.

If we look at the Pacific Basin area what do we find? The most developed and some of the strongest of the dozen or so most significant nations upon or around the four Pacific continents of Asia, Australia, North America and South America, are flourishing democracies. The United States' most important friends in this vast area, countries like Canada, Mexico, New Zealand, Australia and above all, Japan, have never been stronger—stronger in themselves, stronger in their basic friendship towards the United States. The Asian nations—Indonesia, the Philippines, Thailand, Malaysia, Singapore—are

working closely and successfully together to promote their common interests in a natural and viable regional grouping. These countries happen to be those cast by the theorists in the role of the dominoes. Not one of them will give any thanks for being cast in such a role. Each of them will work in its own way to accommodate itself to the new political realities in South East Asia. Each recognises that it is primarily its own internal strength and resilience which will safeguard it against external threats. Each recognises that the prime guarantee of national integrity and security lies in developing the forms of government best suited to itself and ensuring that government is in tune with national needs and popular aspirations.

There is a further cause for confidence. On the Pacific side of the Asian region, Malaysia, Singapore, New Zealand, Australia, Fiji, Western Samoa and Tonga, and on the Indian Ocean side, India, Sri Lanka and Bangladesh, are all members of the Commonwealth of Nations. I have been meeting their leaders in Jamaica this week. In this remarkable association of nations not one Head of Government is Communist, yet not one head of Government was plunged into despair because of the events in Indo-China. In our communique issued on Tuesday the nations of the Commonwealth said this: "Heads of Government welcomed the end of the prolonged conflict in Indo-China, urged countries in a position to do so to contribute to international assistance for the urgent tasks of rehabilitation and reconstruction and looked forward to the new governments of the region playing their full part in the community of nations." No panic here, no desperation! Yet, as as I point out, many nations of the Commonwealth are the very nations who are supposed to be the likely victims of the falling dominoes. The truth is that all of us have great problems of one kind or another. Yet each of us is basically confident of surmounting those problems in our own way. Nor was there throughout our meeting in Jamaica any disposition to knock the United States, to recriminate against her or to suggest that the United States will not be a good ally or a trustworthy friend. Indeed, with the war in Vietnam over, many nations—and Australia is one—will have even greater confidence in America as an ally, for we know that American resolve, American capacity, American resources will no longer be weakened or dissipated in a fruitless cause.

President Ford wase entirely justified in remarking two weeks ago, that because the United States' policy had not succeeded everywhere it should not be assumed it had succeeded nowhere. The policy failed in Indo-China because it was foredoomed to failure; the policy succeeded in Japan and in Europe because it had the necessary ingredients of success—a realistic appreciation of America's own interests and the interests of the people of Japan and Western Europe. It failed in Indo-China because the policy there was based neither on America's true interests nor on anything that was possible or relevant as far as the interests or aspirations of the peoples of Indo-China were concerned. But the great aims of American policy can now continue undiminished and undeterred, free of the impediments and distractions and distortions of Indo-China.

The great thrust of that policy rests upon the détente with the Soviet Union and with associating China in a wider détente. Nothing that has happened in Indo-China would warrant the United States being deflected from that great goal. For the essential meaning of detente is simply the prevention of world war, or world nuclear war. It is precisely because this is the highest risk that mankind has ever faced—the destruction of civilisation itself—that this is the highest goal a nation could ever set for itself.

I view with concern and contempt efforts made by some in countries like Australia and the United States to downgrade or denigrate the efforts being made towards détente. No one asserts that the present partial detente really solves the great question of preserving world peace. But to go back now, to retreat from the agreements and undertakings already reached, however slight, however tentative, is to retreat toward ultimate disaster. I do not assert that detente as it now exists is complete. But I do assert that it must be made complete if any of us are to survive. We can begin by ensuring that regions of the world still largely untouched by great power rivalry continue to remain free of it. In that connection, Australia has lent her voice to the maintenance of a zone of peace in the Indian Ocean. All of us who support such proposals, all of us who support detente, know that the difficulties in the way of achieving detente are daunting indeed. But certainly, upon our success or failure turns the future of mankind. And it is because of this that the United States remains the true leader of the world and, as much as she used to be, "the last, best hope of the world". For it is to the United States that the West chiefly looks for meaningful leadership in that direction. If detente is to succeed, it will continue to require American initiatives, American courage, American leadership.

For many years to come, people like us, Americans, Australians, politicians, journalists, will be examining in arguments, in articles, in speeches, in books, what happened in Indo-China. This is as it should be; for so great a disaster, so great a mistake, so great suffering, cannot be easily dismissed or ever forgotten. We shall all have to live with it for the rest of our lives. Yet even so, we have spoke to the future. In the two years since I last spoke to you America has undergone a vast domestic, as well as a vast international, catharsis. With those profound traumas behind you, with their bitterness and misery being purged away, what better time to profit by experience and build on the true strengths of American democracy and American idealism? Here is an opportunity—not just for America but for all of us—to end our long preoccupation with military alignments in Asia, our ideological confrontations, our cold war hangups, and open a new chapter in Western co-operation. Let the deeper issues of poverty, overpopulation and maldistribution of the world's wealth assume their proper importance in our hearts and minds. These are the real problems of Asia. These are the real problems of the world. These, I trust, will be the real concerns of the United States. With your great tradition of moral leadership, your unexampled generosity, your vision, your energy, your sheer zest for accomplishment, you will find new inspiration in this task—a task in which Australia will be a ready and a willing partner.

BUREAUCRACY AND THE FREE ENTERPRISE SYSTEM

Mr. FANNIN. Mr. President, when one looks at the vast number of Federal agencies and regulations imposed on American business it is a wonder that our economy is functioning at all. Each time the Congress adds another layer of bureaucracy, and each time an established bureaucracy decides to expand its own powers, another step is taken to stifle the free enterprise system.

At this very time, when we should be deregulating industry in order to revitalize it, the Congress is debating establishment of yet another agency which would serve to hinder economic development and penalize American consumers in the name of consumer protection.

Overregulation is the cause of many of the troubles we have today in our economy. We should be discussing doing away with much of this regulation, not adding to it.

Mr. President, the Phoenix Gazette on May 2, 1975, carried an excellent editorial pointing out that President Ford's proposal to get Federal regulatory agencies off the back of our business would be a major step toward economic recovery. I ask unanimous consent to have this editorial printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

STIFLING THE STIFLERS

Of all the efforts to lead the American economy to recovery, one of the most worthy being pursued by President Ford is his campaign to get the dead weight of the federal regulatory agencies off the nation's back.

Mr. Ford is calling commissioners of the 10 major independent agencies to a White House meeting soon to urge them to pay more attention to the inflationary impact of their regulatory decisions. He is also pressing Congress to eliminate regulatory functions that are costing the people more than they provide in benefits.

At the same time, Mr. Ford is reasserting his opposition to the proposed consumer advocacy agency pending in Congress, which he rightly points out will merely add yet another layer of bureaucracy to the already overburdened system.

In his speech to the U.S. Chamber of Commerce this week, Mr. Ford declared that the entire 90-year-old federal regulatory system "abounds in contradictions and excesses" that stifle productivity and adds "billions of unnecessary dollars to business and consumer costs every year." Yea, verily.

The malign effect of over-regulation is particularly evident in the rail, truck and air transportation fields. Moving at a pace that makes a turtle look like a roadrunner by comparison, the Interstate Commerce Commission, for example, permits changes in rate structures long after they are needed. To help overcome this ill effect, Mr. Ford is proposing to allow the railroads to raise or lower rates within specified limits without ICC approval. This is a small step in the right direction.

Another form of bureaucratic regulation being piled on the overburdened economy is the one designed to be of social benefit. This includes regulations on job safety, the environment and consumer protection. In many cases, the social gains are turning out to be not worth the economic costs.

Among the other economic relief measures being pushed by Mr. Ford is the one calling for legislation to end "fair trade" laws that permit states to allow manufacturers to dictate retail prices. Mr. Ford says these depression era laws cost consumers an estimated $2 billion a year.

Mr. Ford deserves commendation and support in his efforts to stifle the stiflers of the economy that the bureaucratic regulators have become.

CONGRESSIONAL BUDGET DETERMINATION

Mr. MUSKIE. Mr. President, last Friday the Senate and House Budget Committees concluded their conference on the first concurrent resolution on the budget and filed a conference report and statement of managers in each House. The Budget Act requires that this first concurrent resolution on the budget be adopted by May 15, which is Thursday of this week. Inasmuch as the House requested the conference and the Senate agreed to it, the Senate is required under normal procedures to act first on the conference report. We are advised that the schedule of the House of Representatives will be accommodated if we are able to dispose of this conference report in the Senate on Wednesday, May 14. Therefore, in consultation with the majority and minority leaders, we have requested that the Senate take up the matter of the conference report on House Concurrent Resolution 218, the first concurrent resolution on the budget, early Wednesday so that the House can complete action on the same day.

ENERGY SELF-SUFFICIENCY

Mr. GOLDWATER. Mr. President, last Saturday the Mutual Broadcasting System reinstituted the Reporters Roundup program by interviewing my colleague from Arizona, Senator PAUL FANNIN, regarding energy issues.

As ranking minority member on the Senate Interior Committee, my good friend from Arizona is extremely knowledgeable on this subject. Robert F. Hurleigh served as moderator of the program, and questions were asked by Lou Hiner, the capable correspondent for the Phoenix Gazette, and Edgar A. Poe, a Washington correspondent who represents the New Orleans Times-Picayune.

Mr. President, this discussion points up the failure of Congress to come to grips with the real issues in the energy crisis. We cannot solve our energy problems by strangling the energy industries as Congress seems intent on doing. I compliment the network for reviving this useful and stimulating public opinion and information program, and in order to bring this interesting discussion before a wide reading audience, I ask unanimous consent that the transcript of the broadcast be printed in the RECORD.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

SENATOR FANNIN IS QUESTIONED ON "ENERGY SELF-SUFFICIENCY" AND RELATED MATTERS ON REPORTERS ROUNDUP

(Mutual Broadcasting System)

Guest: Senator Paul J. Fannin (R.-Arizona).

Reporters: Lou Hiner, Phoenix Gazette; Edgar A. Poe, New Orleans Times-Picayune.

Moderator: Robert F. Hurleigh, Mutual Broadcasting System.

Our guest on Reporters Roundup is Senator Paul J. Fannin, Republican of Arizona. Senator Fannin was a three-term governor of his state and chairman of the Western Conference of Governors and three terms as a member of the Executive Committee of the National Governors' Conference. He has been a member of the Senate since 1964, and serves on the Finance Committee and Interior and Insular Affairs Committee.

Our reporters are Lou Hiner, Washington Correspondent for the *Phoenix Gazette* and Edgar A. Poe, Washington Correspondent for the New Orleans *Times-Picayune*. We'll begin questioning Sen. Fannin in just one minute.

Well, Edgar Poe, why don't you start with the first question.

POE. Thank you. Senator, the United States is faced with a mighty challenge of achieving *energy self sufficiency*, or suffer the worst possible economic possibilities. What are the immediate priorities in an effort to obtain this lofty goal of self sufficiency?

FANNIN. Our immediate priority is to develop what we have in abundance and that is to develop our coal reserves and to be sure that they are utilized to the greatest benefit possible. We can do that if we are determined to carry through. Now, of course, we do have the problem of imported fuels and it's costing us twenty-five billion dollars a year. This is a crisis to our economy, whereas people feel that they have fuel available when they go into the gasoline station—they are not worried about it. But, at the same time, we do have the—a serious problem as far as the economy is concerned.

POE. Senator, to replace this foreign oil and you say our nation needs to use more coal. To do that will we have to have a lot—or some amendments to the Clean Air Act?

FANNIN. Yes, it will require amendments. I do not feel they will be severe. They will not detrimentally affect the atmosphere at the living level. I think it can be done and still attain the goal that we have and satisfy the people that really understand what we are up against. I know that many feel that this would be detrimental to environment. I do not feel that way. I think it can be done very beneficially without harm to the environment.

POE: Should more power plants be converted to coal now?

FANNIN. It is absolutely essential. When we realize that 30% of all the natural gas that's being utilized today is being used for development of electricity, we can see what a chore there is ahead of us. These plants, in most instances, must be changed. I know that's a terrible task, but it can be done and must be done.

POE. Let me ask one more in that area, Senator. Some of the coal industry people say if we double coal output—the country must recruit and train 125,000 more miners. Can private industry recruit and train this needed manpower, do you think?

FANNIN. I feel they can. I do realize that the increase is going to be in the area of the West—where it will be strip-mining. A great deal of the increase will come from strip-mining. This requires fewer people, but at the same time it requires a tremendous amount of equipment and will be of benefit to our economy in many, many ways. I feel it must be done, we do have new devices for underground mining—this also requires manpower as far as manufacturing's concerned. But, that's all for the good, so I feel in the overall, we can look forward to some very beneficial results from the new exploration and development that we will have in mining.

HURLEIGH. Lou Hiner.

HINER. Senator, since November of 1973, the American people have been told that the energy crisis is for real and there's been a sense of urgency to act on this crisis. Yet, the Congress four years ago passed the National Fuels and Energy Study Act which was supposed to produce policy to help solve the energy problem. So far, we've got the study after four years, but we don't have the policy. Would you discuss why there's been such a delay?

FANNIN. Unfortunately, there has been too much partisan politics involved. We have not gone forward with the programs that have been recommended by the Administration, the programs that have been recommended in the Congress. We have fought back and forth, unfortunately there was a consideration that we were going to be in such a position that we had to go to rationing. We fought that down. We had other problems that were before us that caused us serious trouble, but we have had too much partisanship—there's to much campaigning on the basis of the energy problem of our nation and I think it must stop.

HINER. Along that line, the President's warned that—more or less, warned the members of Congress that it's—even though it's politically popular, they've introduced a lot of ineffective legislation, there's something like 500 bills on energy in this session alone and it's spread among 26 different committees in the House and the Senate. Can you kind of discuss this as one of the complications?

FANNIN. Yes, it is one of the complications, because these bills are so misunderstood. When you tell someone that you are going to roll back their cost of fuel, it's very popular, but it's unrealistic, if they're going to have fuel available to them when it is needed. Consequently, I feel that if we could decontrol, we'd be in a very much better position. That is proven by what has happened on natural gas. Here we brought the natural gas under government regulations quite some years ago, and we have seen natural gas take the place of the utilization of coal and oil and now we have less coal being used for our energy program than we had a decade ago. At that time it was about 23%—of our energy was developed by coal—now it's down to 18%, and of course, we're running out of natural gas. It's a very valuable fuel and until it's decontrolled, we're going to have a hard time getting additional supplies because it costs money to bring in that natural gas and the company cannot afford, at present interstate prices, to drill and run the lines that are necessary for the pickup of that gas.

HINER. Do you agree with Senate Democratic Leader Mansfield—set a timetable at the end of this month for the passage of the energy bill?

FANNIN. When we're talking about an energy bill, I feel that we should have a good energy bill and I would hope that we could have it this month. We do not have a good energy bill before us at this time. We have some recommendations and the President has taken a step, I think, to decontrol—that he has recommended for some time and is now—take it at 4% a month—is a good measure. I think it will help immeasurably in meeting the problems that we have in that regard.

HINER. The Democrats, Senator, say that they will fight this extension and so forth—of removing the controls.

FANNIN. That's right and they have fought the removing of the controls, in fact, they've been trying to roll back the prices continuously.

POE. Senator, 17% of our domestic production of oil is now coming from offshore. Most of this off of Louisiana. Along the Eastern seaboard, quite a few of the officials and many private industry people are opposing the development of off-shore oil. Do you think we must develop this oil in order to provide our energy?

FANNIN. It's absolutely essential that we develop offshore oil. We do have, of course an undeterminable amount of offshore oil available, but there are records that prove that it's of considerable amount—sufficient enough to take care of many of the needs of different areas of our country. I am very much in favor of developing offshore oil. I know that the methods they have today have been proven. In the last five years, we've had four oil leaks that have amounted to over 250 gallons and that with the thousands of different programs they've had underway.

HURLEIGH. Senator, would you say, along that same line, that there is a bit of politics

also being played in the delay for the approval of offshore oil drilling?

FANNIN. Yes, there is—considerable politics. The environmentalists, of course, are very much involved. I am sure that if they would just be reasonable about it and would take into consideration the penalty they're paying, because after all, if we can get natural gas from offshore, it would be a great help to our environment. If we had more natural gas, it could displace some of the other fuels. Now, that's problematical that we could get that amount, but it certainly would be very helpful in that regard so, in many areas, we could use natural gas. The shortest supply of natural gas is on the East Coast where we think that there is considerable amount of gas available offshore.

HURLEIGH. And, is it not on the East Coast, particularly, say from Virginia Cape on north, that there is the largest need or the greatest need for this oil energy?

FANNIN. Yes, it so happens that the reserves seem to be in the area where there is the greatest need and of course that would save the shipments of oil and we have a greater amount of damage to the waters of the ocean by the vessels that carry oil than we do from the standpoint of the oil wells themselves.

HURLEIGH. How about pipelines?

FANNIN. And, of course, the pipelines—we find that the—that's one program that's been carried through that's very much misunderstood. We do have a problem as far as the environment is concerned along the coastal areas, but I do feel that that can be handled very well and that if they do have a way in which they can compensate the coastal cities, and this is under the program that has been recommended, I think that can be taken care of very easily.

HINER. Senator, there seems to be some confusion as to just how much we have in the way of gas and oil reserves under the surface of both the land and the sea. These estimates run from 15-years to 60-years supply. What's your general feeling as to how much is available?

FANNIN. Of course, we do have reserves that are far beyond what we thought just a few years ago, because we now have secondary and tertiary recovery. In many of those wells that were pumped out some time ago, we can recover twice as much as was recovered the first instance. And, this is something we must take into consideration. It is estimated that we have between 50 and 60 billion barrels that can be made available through the secondary and tertiary recovery and this, of course, is the oil that we're counting on.

HURLEIGH. Let me interrupt, Senator Fannin, and we'll continue the questions in just one minute.

POE. Senator Fannin, under present law various states share 37½% in all yields from minerals. That is oil and gas and coal and timber and other things from federal lands in those respective states. There is no law that would reimburse states that have offshore production and where those states provide many services, like schools, roads, hospitals and libraries and police protection for their offshore workers—thousands of offshore workers. Would you favor legislation that would reimburse—say, the coastal states or the various states—for some of the production that comes off their states—that comes off their shores—would you reimburse them for the services that they provide?

FANNIN. Well, I think there should be a formula that would be fair and equitable to take care of that need. And, I realize there is a need and that the need also exists in other than just the coastal states—but, certainly, I agree with you that there is a burden that is a responsibility of the companies that are producing that oil and those that are receiving the benefits. So, I do feel that something should be done.

HINER. Senator Fannin, your Democratic colleague from Arizona, Morris Udall, who's running for president, last week came up with his energy program. The chief feature of it was to divest the major oil companies of certain operations limiting each one to say producing the oil or retailing the oil—such things as that. Isn't this more or less going to lead to nationalization of the oil industry, or would you care to comment on the Udall plan?

FANNIN. It is my great fear that this could lead to nationalization of the oil industry and be very damaging, not only to the oil industry, but to the consumer in paying much higher prices. I do not feel that the Federal government can operate the industry on the same basis that it operates under the free market system. I believe in the free enterprise system and I'm sure this will work. It is working now, very advantageously. When we realize that most of the oil wells that have been drilled around this world have been drilled by American companies—about 80% of them. So, I feel that we can depend and must depend on our own oil industry. We cannot afford to leave our oil industry out of any of the features of our energy picture. They have the ability, they have the funds to go forward. I do feel that we need to have some control—as far as the controls are concerned—I think we need an excess profits tax. I think we need a plow-back system. I do feel that we must force the oil companies to either pay a high excess profits tax or put the money back in to exploration.

HINER. Do you think they're making too much money?

FANNIN. Well, of course, I know that there was a lot of misleading information—I do think, in some cases, that we should have had an excess profits tax in force and that we should have had a plow-back provision before. We tried to get those provisions into legislation, but we were unable to do so. Now, of course, we're suffering and I am still hopeful that we can do that.

POE. Senator, do you find that some sentiment in Congress to nationalize the oil and gas industries—do you find that some members favor that already?

FANNIN. Unfortunately, we do have some members that favor—that do favor nationalization. I don't think they understand the oil industry. They do not understand the tremendous investment involved, the great risk that is involved and I'm sure that a little experience with the Federal government trying to run these operations would bring disaster as a result.

HURLEIGH. Well, Senator, if there were nationalization of the oil companies, would that not mean that they would then be political entities, so to speak. Just like the Post Office Department has been in the past and does that not mean that when this happens, that when a blow or a dry hole or those other disappointments in the oil industry come to pass, that the individual who was in charge of it—the director, that person and the administration in power at that time—would have to take some of the blame, would they not?

FANNIN. Absolutely, and I'm sure that this would be a political issue. There'd be a lot of coverups and there would be a lot of misinformation given. We have seen that, of course, in the operation of some of our Federal facilities, such as the Post Office. And, I think that's a good example of how we cannot place an industry that the public is so dependent upon—the energy industry—into a Federal program.

HINER. I would like to broaden into another field just for a moment and that is, Senator, I note that you are interested in finding new sources of energy, such as geothermal and solar. Isn't this going to be a terribly costly and time-consuming project?

FANNIN. We have several programs going forward. For instance on geothermal, we have both a man-made geothermal program, the Pacer program, that's being investigated very thoroughly now, where they put off nuclear blasts in an underground cavern and generate their own steam. We also have other systems that I think have been very successful. Of course, we have the huge success at Geyserville in California where they are developing now about 450 megawatts which takes care of more than half the power that is used in the city of San Francisco and now, of course, we have new developments that I think are going to go forward very rapidly as far as solar energy is concerned. And this is in the field of the generation of electricity—not just utilized on the home—although I do think the home units can be utilized for supplemental heating and cooling and also for the water heating and be very successful.

HURLEIGH. I'm sorry, gentlemen, but our time is up. Our thanks to Senator Paul J. Fannin, Republican of Arizona, and to our reporters, Mr. Lou Hiner of the *Phoenix Gazette* and Mr. Edgar A. Poe of the New Orleans *Times-Picayune*. We'll tell you about next week's guest in just one minute.

THE TORCH AT THE END OF THE TUNNEL

Mr. CHURCH. Mr. President, this Nation of immigrants needs to be reminded of its heritage, the open door. How many of us would be here today if earlier generations of Americans had chosen to deny us access to these shores?

America, it is true, has paid a dreadful price for its misadventure in Indochina. Our final payment must take the form of accepting and providing for the Vietnamese refugees who fled with the last Americans to leave Saigon. The alternative would have been to have left them bobbing in the sea. The price of past error has been high. But we cannot, in good conscience, escape this final payment.

Wit and insight often go hand in hand. An example is the benevolent satirist, Art Buchwald, who, in a recent column published in the Washington Post, holds our feet to the fire under the melting pot, making us acknowledge our heritage. He shames us by showing that not even the Statue of Liberty, with her back turned away from the Pacific, harbors an iron heart.

Mr. President, I ask unanimous consent that the column be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 6, 1975]

LOOK WEST, MISS LIBERTY, AND SHINE YOUR LIGHT . . .

(By Art Buchwald)

The Statue of Liberty was gazing toward Europe when I tapped her on her shoulder. "Ma'am," I said, "if you look the other way, we have about 130,000 Vietnamese refugees coming in from Guam and the Philippines. I thought you might hold your torch high and light the way for them."

The statue seemed irritated. "We have too many people in this country now. What am I going to do with 130,000 Orientals?"

"The same thing you did with everybody else. Welcome them. They're tired and they're poor and they are yearning to breathe free."

"And what about jobs? Who is going to support them?" she said petulantly.

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"You never worried about that before," I said. "Whoever came to this country eventually found jobs, and almost all of them made very good citizens. There is no reason to think the Vietnamese will be different. After all, you are the mother of exiles."

"Times have changed," she growled. "The American people are not that thrilled about having a bunch of refugees dumped on them. Who is going to feed them? How many will go on welfare? How do we know their kids won't get in trouble in the streets? We have enough problems in this country without asking for more."

"But," I pleaded, "we're responsible for them being refugees. We screwed up a country like it's never been screwed up before. We supported their corrupt governments, loaded them down with weapons they couldn't use, defoliated their rice paddies and wrecked their families."

"We left the country in a mess. The least we can do is take in whatever huddled masses escaped to our teeming shore."

"That's easy for you to say," the Statue of Liberty replied, "but we have to think of Americans first. They don't want any more foreigners in this country."

"But most of our fathers and grandfathers and great-grandfathers were foreigners. You've welcomed them all. Tell me the truth. Do you have anything against Orientals?"

"I don't personally. But you know how some people are. The Vietnamese have different habits, and they're from another culture. They just don't fit in. Besides I'm supposed to welcome the homeless from Europe. That's why I'm looking in that direction."

"These people need refuge," I protested. "Their lives are in ruins. Remember a few weeks ago when they flew in orphans from Vietnam and Cambodia? Nobody seemed to object to that."

"It's not the same thing," the statue said. "You can adopt orphans. But what can you do with refugees?"

"Help them find homes, jobs, make them citizens."

"It's out of the question. It isn't our fault they lost the war. Look, no one minds one or two Vietnamese in a community. But you're talking about thousands. They'll stick out like a sore thumb. The unions would never stand for it."

"Please don't turn your back on them," I begged. "If somebody just said, "Welcome. We're glad you came," most Americans would go along with it. The American people gripe a lot, but they'll do the right thing if somebody leads them. If you could shine your torch toward the Golden Gate Bridge, perhaps the people will be ashamed of the way they've behaved."

The Statue of Liberty turned slowly. There was a tear in her eye. "I've been here so long I almost forgot why I was holding this lamp. Where did you say I should shine my torch?"

"Over there. Hold it as high as you can and point it toward the West so every American can see it. That's it. Now repeat after me, 'Send these, the homeless, tempest-tost to me, I lift my lamp beside the golden door.'"

PRIVACY LEGISLATION: A GOP HALLMARK

Mr. HUGH SCOTT. Mr. President, the current edition of "First Monday," the publication of the Republican National Committee, has an article detailing Republican initiatives in the privacy field which I think deserves the attention of my colleagues. I was pleased to note that its author, Marc Rosenberg, is a former intern of mine and a constituent from Cheltenham, Pa.

I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Privacy Legislation: A GOP Hallmark

(Note.—The author, Marc H. Rosenberg, is the legislative assistant to a Midwest Republican Congressman. Previously, he was a writer for the Legislative Digest and served as Director of the Washington Campus News Service.)

Republicans have quietly moved to the forefront of Congressional efforts to guarantee citizens' rights-to-privacy. In doing so, they are not seeking any special publicity, but are working behind the scenes to assert traditional Republican beliefs in the importance of the individual and the personal rights enumerated in the Constitution.

The GOP has taken more than its share of lumps as a result of Watergate and the more recent accusations of abuse in various domestic intelligence activities which are alleged to have actually taken place during the Johnson years.

The truth of the matter is that in recent years the impetus for most new laws to protect rights-to-privacy has come primarily from Republican Members of Congress. GOP Congressmen and Senators have actively spearheaded efforts to provide greater confidentiality of school records, to prevent abuse of IRS information and authority, and to place tighter controls on federal surveillance activities.

Last year, students and parents were cheered by passage of the Family and Educational Privacy Act, which is better known as the Buckley Amendment to the Elementary and Secondary Education Act. It was authored by Sen. James Buckley of New York.

This new law gives students over 18 and parents of minor students access to most files kept on students by their schools, but denies access to unauthorized third parties. The law was prompted by a number of documented horror stories wherein damaging, sometimes erroneous, information was leaked from school files while students and parents were denied access to those same files.

The Buckley amendment corrects this situation, restoring proper priorities for the confidentiality of school records. The law went into effect early this year, less than a year after it was first proposed.

The Educational Privacy Act was one of 12 specific proposals that were either initiated or endorsed in a report issued last August by the House Republican Task Force on Privacy. Other issues addressed in the report include: government surveillance; juvenile and criminal arrest records; computer data banks; and standard universal identification numbers.

"A LANDMARK"

The Task Force consisted of 13 Republican Congressmen, chaired by Barry Goldwater, Jr. Its recommendations were unanimously endorsed by the Republican Research Committee, on behalf of all Republicans in the House of Representatives. In a cover letter attached to the final Task Force report, the chairman of the Research Committee, Congressman Lou Frey Jr. of Florida, said, "The recommendations are a landmark in the area of individual rights. Nowhere (else) has the total question of privacy been so well or thoughtfully covered. . . . These recommendations and the follow-up legislative efforts will insure that the 1984 envisioned by George Orwell will remain only fiction."

During public hearings in March of this year, the House Judiciary Subcommittee on Civil Liberties praised the Task Force report as being the most comprehensive document of its kind. They commended Congressman Goldwater and his colleagues for their efforts.

Last year, Congressman Goldwater also distinguished himself in the privacy area by being the prime sponsor of the Goldwater-Koch Comprehensive Privacy Act. This new law guarantees citizens access to most files kept on them by the federal government and provides a mechanism for correcting or deleting inaccurate information. At the same time, the law prohibits improper dissemination of information found in these federal files.

In other areas, Sen. Lowell Weicker of Connecticut is leading efforts to guarantee the confidentiality of federal tax returns and to prevent any future abuse of the Internal Revenue Service's audit powers. The Senator says, "Clearly, only those legitimate authorities concerned with proper functions of tax administration or law enforcement should be allowed access to tax returns." Chances appear very good that the Weicker proposals will be approved by the 94th Congress.

New York Rep. Jack Kemp has proposed legislation to help safeguard the privacy of personal medical records. He explains, "The adequacy of safeguards to assure protection of the right of privacy as to individual medical records is a matter of growing concern. The proliferation of automated data systems, within both government and the private sectors, has focused particular attention on . . . these protections and, generally, has found them inadequate." Consequently, Congressman Kemp has introduced the proposed Medical Records Privacy Act.

MOST IMPORTANT

In this current session of Congress, probably the single most important piece of privacy legislation is the proposed Bill of Rights Procedures Act, which was developed by Maryland Sen. Charles Mathias and Rep. Charles Mosher of Ohio.

This legislation would require federal agents to obtain court orders before they could conduct any surveillance on any private citizens. It would greatly enhance the protections granted by the First, Fourth and Fourteenth Amendments and would plug up many loopholes in existing laws.

This past February, Mathias and Mosher testified before the House Subcommittee on Civil Liberties, which is holding extensive hearings on the Bill of Rights Procedures Act.

They warned that "American citizens today, in many instances, are becoming virtually paranoid about government surveillance." They noted that this can have a "chilling effect" on the public. This phenomenon is described as citizens being intimidated by the fear that improper surveillance is taking place, so that they can avoid participating in certain political activities or other lawful exercises of their Constitutional rights.

At the outset of the hearings, Subcommittee chairman, Democrat Robert Kastenmeier of Wisconsin, noted that 62 Congressmen had joined as cosponsors of the Bill of Rights Procedures Act. The cosponsors were evenly divided, 31 from each party, representing the whole spectrum of political philosophies and coming from every part of the country.

The House Judiciary Committee is continuing hearings on the Mathias-Mosher privacy bill and indications are that it will receive a favorable recommendation. There is a very good chance that the bill will be put before the House for a vote this summer.

The Senate Judiciary Committee has promised to consider the Bill of Rights Procedures Act in hearings to be held later this year. A rival bill has been introduced by Senators Kennedy and Nelson, but experts in the privacy field openly state that the Mathias-Mosher bill is clearly the superior piece of legislation. To date, the Bill of Rights Procedures Act has been endorsed by groups as di-

verse as the Republican Task Force on Privacy, the *Washington Star-News*, the *New York Times*, the *Akron Beacon Journal* and the National Newspaper Association.

Throughout the statements of these legislators there runs a common theme: Involvement in the privacy issue is not a new-found interest for Republicans. Rather, the commitment to the individual's rights-of-privacy is in the finest traditions of the Republican Party. These Congressmen and Senators all feel that the GOP has a history of commitment to championing the rights and freedoms of the private citizen. Their efforts today are merely the newest chapters in a long story.

NURSING HOME REFORM: 48 BILLS TOWARD A NATIONAL POLICY WITH RESPECT TO THE INFIRM ELDERLY

Mr. MOSS. Mr. President, I have served as chairman of the Subcommittee on Long-Term Care of the Senate Special Committee on Aging since 1963. Early hearings by our subcommittee lead to the enactment of Federal minimum standards for nursing homes participating in the medicare and medicaid programs. In 1969, we began our current series of hearings, "Trends in Long-Term Care" designed to gather facts and to test the implementation and enforcement of the so-called Moss amendments of 1967. Last November we issued the first of a 12-volume report on nursing home problems with subsequent reports or supporting papers following at monthly intervals. I would like to emphasize that these reports and the recommendations we made in them are based on 25 hearings since 1969 and more than 3,000 pages of testimony.

The recommendations in our reports fall into two categories: new legislation and suggestions urging the enforcement of existing legislation by the Department of Health, Education, and Welfare. Until very recently, the Department's record in terms of implementing congressional nursing home reforms and in terms of enforcing standards was characterized by neglect and indifference. Of late, I believe I sense a new attitude in HEW, but only time will tell if it results in genuine reform. I have some specific suggestions:

First. HEW must begin to enforce the laws and regulations which prohibit nursing home operators from dominating State boards which license nursing home administrators. Operators dominate the boards in 15 States at the present time.

Second. HEW must begin to enforce section 242 of Public Law 92–603 which sets out criminal penalties of $10,000 fine, a year in jail or both for fraud or misrepresentation of a material fact in conjunction with payment for services under medicare or medicaid.

Third. HEW should implement changes the Congress made in 1972 requiring operators to disclose indirect as well as direct ownership interests in nursing homes.

Fourth. HEW must alter existing regulations to allow older Americans to have access to the home health services they need. At the present time less than 1 percent of medicare's total $12 billion expenditures pay for home health care and 2.5 million elderly are going without the care they need.

As I noted, in addition to urging HEW to take action under existing law, I have introduced a 48-bill nursing home reform package. The first 12 bills were introduced on March 12, and cosponsored in the House of Representatives by Congressman Ed Koch. The remaining 36 bills were introduced on April 29 with Congressman Claude Pepper, chairman of the Subcommittee on Health Maintenance and Long-Term Care of the House Committee on Aging, acting as House sponsor along with Ed Koch who is the prime cosponsor. My bills fall essentially into seven categories as follows:

A. BILLS DESIGNED TO MAKE LONG-TERM CARE MORE READILY AVAILABLE TO ALL OLDER AMERICANS

S. 1552, to provide nursing home coverage under medicare without requiring prior hospitalization, by establishing a second level of care—intermediate care, by requiring standards for intermediate care facilities and by providing such services under medicare. Intermediate care services are presently authorized under medicaid but not under medicare.

S. 1553, to amend the Internal Revenue Code to allow a family to deduct as a "medical expense" payments made by such family for nursing home care received by a relative.

S. 1554, to provide for a modfication of the medicare reimbursement formula to allow small hospitals in rural areas with chronic low occupancy to provide long-term care but only in those areas where there are no appropriate nursing home beds available.

S. 1555, to allow the use of supplementary security income payments plus state supplementary payments to house residents in shelter care facilities which meet certain Federal minimum standards.

S. 1161, to authorize an experimental program to subsidize families to care for their elderly in their own homes.

S. 1162, to authorize payment for day care under medicare.

S. 1163, to expand home health services authorized under medicare and medicaid. This bill originated with Congressman Edward I. Koch of New York.

S. 1165, to authorize funding for "campuses for the elderly"—a nursing home, home for the aged, congregate living facility, hospital and senior citizens center located on one site.

B. BILLS TO CREATE NEW MINIMUM FEDERAL STANDARDS FOR NURSING HOMES PARTICIPATING IN MEDICARE AND/OR MEDICAID

S. 1556, to require physician visits to patients in skilled nursing facilities at least once every 30 days.

S. 1557, to require skilled nursing facilities under title 18 and 19 to have registered nurse coverage 24 hours per day, 7 days per week effective January 1, 1978.

S. 1558, to require that only licensed personnel—registered nurses or licensed practical nurses—are authorized to set up and distribute medications in skilled nursing homes.

S. 1559, requiring skilled nursing facilities to place responsibility for medical care in a medical director and/or a nurse practitioner trained in geriatrics.

S. 1560, to require HEW to promulgate minimum ratios for nursing personnel to patients and for supervisory nurses to total nurses and further requiring that there should be no less than 2.25 hours of nursing care per patient per day for skilled nursing care.

S. 1561, to require skilled nursing homes to provide medically related social services.

S. 1562, to require admission contracts between the nursing home and patients paid for by medicaid and to prohibit life care contracts.

S. 1563, to require the upgrading of fire safety standards for nursing home by requiring compliance with the 23d edition, 1973, of the Life Safety Code instead of the 21st edition, 1967, presently mandated by law.

S. 1564, to require the posting of a nursing home's license, medicare/medicaid certification, a description of the services provided by the facility, a list of the owners and staff of the facility, a patient's bill of rights and other pertinent information.

S. 1565, to require nursing home administrators of facilities participating in medicare and medicaid to treat epidemic diseases, accidents and significant changes in patient condition.

S. 1164, to require nursing home participating in Federal programs to file CPA audited cost and financial statements and to provide penalties for fraud or misrepresentation.

S. 1166, to require full and complete ownership disclosure of every nursing home interest with penalties for misrepresentation of a material fact.

C. BILLS TO IMPROVE NURSING HOME INSPECTION, ENFORCEMENT AND AUDITING PROCEDURES

S. 1566, to require State inspection of public and private skilled nursing and intermediate care facilities at least once every 90 days and to require State enforcement of the rights of patients in such facilities. This bill originates with Congressman Ed Beard.

S. 1567, to first, require that State plans to provide care for the aged, blind and disabled be approved by both the State's legislative and executive branch; second, require such plan to be posted and available to the public; third, require the Secretary of HEW annually to evaluate each State's compliance and administration of its plan, to publish State performance ratings and when necessary and after appropriate hearing, cut off funds to States not complying with their own plan; and fourth, authorize any title 19 recipient or a class of such recipients to bring a suit of specific performance against a State which substantially fails to comply with the provisions of its State plan.

S. 1568, to require HEW to establish a rating system for nursing homes participating in Federal programs as a guide to consumers.

S. 1569, to require States to establish

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ombudsman programs to investigate nursing home complaints and represent consumer interests.

S. 1570, to establish the Office of Inspector General in the Department of Health, Education, and Welfare to invesitgate medicare and medicaid fraud and to report to the Congress.

S. 1571, to make unlawful the offer or receipt of money or other consideration for the referral of clients, patients or customers under medicare and medicaid.

S. 1572, to require strict controls for the handling of patient's accounts and personal expense funds.

S. 1573, to make unlawful the solicitation or receipt of charges to a medicaid recipient over and above the rates established by the States and soliciting or receiving any gift, money, donation or other consideration as a precondition of admitting a patient to a long-term care facility.

S. 1574, to require minimum qualifications for surveyors inspecting nursing homes under medicare and medicaid.

S. 1575, to require that forms submitted for payment by providers participating in the medicare and medicaid programs carry warnings of the criminal penalties under the law for fraud, kickbacks or misrepresentation of a material fact.

S. 1576, to continue 100-percent Federal financing of the cost of State inspections provided that the States enact new enforcement tools as an alternative to license revocation including but not limited to citation systems and protective custodianship.

S. 1577, to provide 100-percent Federal funding of the audits of medicare and medicaid facilities conducted by State personnel.

S. 1578, to create a cadre of Federal inspectors to conduct spot checks of medicare and medicaid facilities to test the quality of state inspection procedures.

S. 1579, to authorize medicare/medicaid recipients individually, or as a class, to bring suit for specific performance against a long-term care facility for violation of its provider agreement.

D. BILLS INTENDED TO PROVIDE ACCOUNTABILITY AND FINANCIAL INCENTIVES IN FAVOR OF GOOD CARE IN NURSING HOME REIMBURSEMENT

S. 1580, to authorize the States to allow financial incentives for good care as a component of their cost-related reimbursement of nursing homes participating in the medicaid program.

S. 1581, first, to increase Federal responsibility for inspection and certification of nursing homes under medicare and medicaid; second, clarify conditions under which States can withhold Federal funds; third, require audited prospective cost-related reimbursement for nursing homes with cost pegged to what a prudent buyer would spend for such services; fourth. require ownership disclosure of any nursing home interest including real estate as well as any operating interests; fifth, require the disclosure of interest in nursing home supply companies and prohibit reimbursement to suppliers in whom the nursing home operator has a substantial interest; and, sixth, broadening the scope of medicare and medicaid nursing home benefits to provide assessment of patient's medical, psychological, and social needs. This bill originates with Congressman **Ed Koch**.

E. BILLS TO HELP NURSING HOME UPGRADE

S. 1582, to provide for the making of direct loans for the construction, and rehabilitation of nursing homes owned and operated by churches and other nonprofit agencies.

S. 1583, to authorize grants for the planning, development, construction and rehabilitation of nursing homes in black and minority communities.

S. 1584, to authorize interest subsidy payments to assist nursing homes in repair and renovation in order to comply with Federal standards.

F. BILLS TO PROVIDE TRAINING IN GERIATRICS AND THE NEEDS OF NURSING HOME PATIENTS FOR PHYSICIANS, NURSES, AIDES, AND ORDERLIES

S. 1585, to authorize the Secretary of HEW to enter into contracts with, or make grants to, colleges and universities to provide graduate programs for nurses in geriatrics and gerontology.

S. 1156, to provide funds to schools of medicine to help establish departments of geriatrics.

S. 1157, to provide continuing education programs in geriatrics for physicians.

S. 1158, to train medical corpsmen, discharged from the armed services, in the field of geriatrics and in the needs of nursing home patients.

S. 1159, to provide for the training of physician's assistants trained in geriatrics to serve in nursing homes.

S. 1160, to provide for the training of nurse practitioners in geriatrics in order that they may provide primary care in nursing homes.

S. 1155, to provide funds to schools of nursing to provide in-service training programs for nursing home aides and orderlies.

G. MISCELLANEOUS

Senate Joint Resolution 75, to establish the sense of the Congress that the President call a White House Conference on Long-Term Care in 1976 and authorizing $500,000 for this purpose.

S. 1586, to make it an unfair labor practice to discharge an employee because he testifies before any committee of the Congress.

Mr. President, I should like to clarify the obvious. The bills with lower numbers were introduced on March 12, the remainder on April 29. I would like to add further that S. 1155 and S. 1160 which provide funds for the training of nursing home personnel and for the training of nurse practitioners to serve in nursing homes, respectively, were added as amendments to S. 66, the Nurse Training Act, which passed the Senate on April 10, 1975. In addition to these bills, I have cosponsored six bills introduced by Senator **Charles Percy** aimed at nursing home reform and Senate Resolution 113 introduced by Senator **Frank Church**, chairman of the Committee on Aging. The Church proposal would establish the sense of the Senate that HEW establish a central clearinghouse and information center to help coordinate ongoing nursing home investigations. I believe all of these proposals are important. I urge prompt consideration by the committees having legislative jurisdiction. I hope that these measures can be promptly enacted to bring about some improvement in the quality of life for our Nation's infirm elderly.

REQUESTED CHANGE OF NAME OF AIRFIELD AT U.S. MARINE CORPS AIR STATION AT BEAUFORT, S.C.

Mr. THURMOND. Mr. President, on April 29, 1975, the General Assembly of the State of South Carolina adopted a concurrent resolution requesting that the airfield at the U.S. Marine Corps Air Station, Beaufort, S.C., be named in honor of the late Maj. Gen. Lewie Griffith Merrit, U.S. Marine Corps.

General Merritt, a native of South Carolina, passed away on March 24, 1974, after many years of dedicated and distinguished service to our country and to the State of South Carolina. Following his retirement from the U.S. Marine Corps in 1947, and a law practice for 2 years, General Merritt served as director of the South Carolina Legislative Council until his second retirement from public service in 1967.

General Merritt was one of our Nation's most outstanding military and civilian leaders. He was commissioned as a second lieutenant in the Marine Corps when he graduated from the Citadel in 1917. He served in World War I and in World War II. He pioneered marine aviation, and he was the first American shot down in World War II. When General Merritt retired from the Marine Corps, he commanded the largest Marine base in the United States at Cherry Point, N.C.

Mr. President, on behalf of the South Carolina General Assembly, it is a pleasure for my distinguished colleague from South Carolina, Senator **Hollings**, and me to endorse this request and to recommend strongly that the Department of the Navy and the U.S. Marine Corps name the airfield at the Marine Corps Air Station at Beaufort, S.C., the Lewie Griffith Merritt Airfield in honor of the late Maj. Gen. Lewie Griffith Merritt, U.S. Marine Corps, retired, a distinguished American and South Carolinian. On behalf of myself and the junior Senator from South Carolina, Mr. **Hollings**, I ask unanimous consent that the concurrent resolution adopted by the General Assembly of the State of South Carolina be printed in the Record.

There being no objection, the concurrent resolution was ordered to be printed in the Record, as follows:

H. 2396

A concurrent resolution requesting that the airfield at the Marine Corps Air Station, Beaufort, South Carolina, be named in honor of Major General Lewie Griffith Merritt (USMC, retired)

Whereas, Major General Lewie Griffith Merritt (USMC–ret.), who ended a distinguished thirty-year career with the Marine Corps only to begin an able career of public service as Director of the Legislative Council of the South Carolina General Assembly, died March 24, 1974. He was a native of Ridge Spring in Saluda County, South Carolina, but resided in West Columbia in Lexington County since retiring from the Marine Corps in 1947. General Merritt was graduated from The Citadel in 1917 with a commission as Second Lieutenant in the Marine Corps and was promoted to captain during World War I before he was old enough to vote. He served in Santo Domingo and as an infantry officer in France during World War I. Following the war he was graduated from the Naval Aviation Training School at Pensacola, Florida; the Air Corps Tactical School, Langley Field, Virginia; and from the Command and General Staff School at Fort Leavenworth, Kansas. He also served aboard the U.S.S. New Mexico. He was later in command of Aircraft Two, Fleet Marine Force Naval Air Station, San Diego, California. General Merritt was a pioneer in marine aviation and was the first American shot down by enemy forces in the European Theater during World War II. He became a brigadier general in 1942 and later in the war he commanded the Fourth Marine Air Wing in the Central Pacific. After World War II, General Merritt took part in the President's Strategic Bombing Survey special study of United States assaults against Japanese defenses and was one of the first aviators to use dive bombing. He received the Bronze Star with combat V and the Legion of Merit for exceptionally outstanding performance of duty to country. From the end of World War II until his retirement from the Marine Corps in 1947 as a major general. General Merritt commanded the largest Marine Air Base in the United States at Cherry Point, North Carolina. In 1928 General Merritt earned a law degree from George Washington University so, upon retirement, he practiced law in West Columbia until he was appointed in 1949 as first director of the newly created South Carolina Legislative Council. He took on the added duties of Code Commissioner in 1954 when that constitutional office was combined with the Legislative Council and served in both capacities until his retirement in 1967; and

Whereas, during General Merritt's varied career he advised governors, military leaders and public officials at all levels and received tributes from the prominent personages in each of the public pursuits which touched his many vocations. For all of his seventy-six years he was a busy, devoted and dedicated man. However, he was first and foremost a military man trained and honed in the tradition of discipline and loyalty and he impressed these values upon all of his endeavors, embellishing them with his personality, courage and determination; and

Whereas, it seems only appropriate that the airfield at the Marine Corps Air Station, Beaufort, South Carolina, be named in honor of this illustrious South Carolinian, dedicated military man and public servant. Now, therefore, be it

Resolved by the House of Representatives, the Senate concurring: That the Commandant of the United States Marine Corps is hereby requested to name the airfield at the Marine Corps Air Station, Beaufort, South Carolina, the Lewie Griffith Merritt Airfield in honor of Major General Lewie Griffith Merritt (USMC–ret.). Be is further

Resolved That copies of this resolution be forwarded to the Commandant of the United States Marine Corps, each member of the South Carolina Congressional Delegation and the Chairman of the House and Senate Armed Services Committees.

KEEPING THE PEOPLE IN THE DARK

Mr. CHURCH. Mr. President, I am unfamiliar with the Pat Riley who recently wrote a letter to the editor of the Washington Post, but I am painfully familiar with that writer's complaint about the pattern of secrecy which has crippled the Nation's faith in its Government. That complaint is my own as well.

I am also familiar with the truth of the letter's assertion that:

> Secrecy seems to be the byword of American leaders. They now worry in public that other nations will not trust "us" to uphold commitments—they who did not trust the American people enough to reveal what commitments were made in our name.

Mr. President, this letter is an eloquent plea for America's leaders to show enough faith in the people to tell them the truth. We should all read it, and I ask unanimous consent that it be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Accepting the Consequences for Secret Policies

I'm no expert on Vietnam. I stopped reading everything about the war seven or eight years ago; then I stopped reading everything from beginning to end. Finally, headlines seemed enough.

It is true that something doesn't have to be new to be news; reporters had an obligation to those who wanted to know the latest horrible details.

But many of us sickened of the endless recital of the same stories from the same places: hills taken and abandoned and retaken, villages plundered and burned, reciprocated atrocities, the Thursday evening weekly body counts. We could no longer bear to hear of American-sired children rejected, of women turned to prostitution, of an army turned to drugs, graft, black markets, fragging, wasting.

We saw the war in pictures. But how many pictures does it take of weeping women and dismembered bodies, of fragile old people hobbling to keep up with a rag-tag band of refugees, of the blank stare of dead babies, of wounded soldiers clinging to the skids of helicopters?

We knew the war through our friends and relatives. For fun we saved our Christmas tree for the return of a Marine; the needles had all fallen off when we learned there was to be no homecoming. We watched as the friend of our earliest childhood was lowered into his grave; with great ceremony, his mother was presented a folded flag in his stead. We read alumni notes in our high school and college papers to see who of our classmates had fallen; remember how proud Howie was of the ROTC precision drill team? Clack, snap, bayonneted rifles tossed and twirled with frightening accuracy; his own couldn't save him from a mine.

No, I'm no expert. I probably should have read "The Best and The Brightest" or "Fire in the Lake" or the Pentagon Papers—but I didn't. I cannot trace the convoluted intricacies of this conflict.

With the exception of Thieu and Ky and Diem, I'd be hard pressed to name a Vietnamese leader. For that matter, how many of us can distinguish between the brothers Bundy and Rostow or know whether James Schlesinger is related to Arthur? Does Thailand border Vietnam? Where is Burma?

Our leaders told us "If you only knew, you would understand." But they wouldn't tell us what we didn't know. And when we finally learned, at least some of it through other means, we still didn't understand.

I remember walking out of a department store right before Christmas in 1967 and a man pressing upon me, for "just a small contribution," a button which said, "I'm Proud to be an American." I put out my hand as if to ward him off and turned quickly. The enormity of it all crashed in upon me. I wasn't proud.

And now, we are told it is all our fault. If only I, through my duly elected representatives, had authorized more money, more arms, more men, we could have "won"—the slow and tortuous disintegration of a demination could have been forestalled.

Blame, blame, who's got the blame? The North Vietnamese or the South? Americans? Chinese? Russians? French? Let's trace it back to Australopithicus—for what event or series of events stands alone, isolated from those that came before or after it?

I am tired, just plain tried of being held accountable for events over which I have no control, and moreover, don't want to control. I am no smarter, no stronger, nor more divinely guided than the ordinary citizens of any nation. To be represented as somehow superior demeans both me and them—and dooms both of us to failure; me because too much is asked, them because too little.

I am tired of a foreign policy, crafted in an era of aristocrats and kings, which rests on the methods of tyrants and dictators rather than on democratic principles. (If the leaders of other nations demand secrecy, let them fight secret wars among themselves. Leave the rest of us out of it.)

Too often, though, secrecy seems to be the by-word of American leaders. They now worry in public that other nations will not trust "us" to uphold commitments—they who did not trust the American people enough to reveal what commitments were made in our name.

After all, we are not experts; we wouldn't understand.

Mine is but one voice, perhaps representative of many, that cries out not just to be heard but to be told. Explain it to me. Use simple words. Give me facts uncluttered by euphemisms. Are our leaders so inarticulate that they distrust their persuasive powers? Or is their argument so weak that it cannot bear scrutiny?

I don't have to be an expert to make a judgment—when I am told. If we the people err, we are mature enough to accept the consequences. But we are under no obligation to defend our leaders from the consequences of misguided policies conceived and executed in secrecy.

Pat Riley.

Washington.

NATIONAL MEDICAL LABORATORY WEEK

Mr. JAVITS. Mr. President, I recently joined in introducing a joint resolution (S.J. Res. 50) to provide for the annual proclamation of National Medical Laboratory Week. This resolution was intended to recognize the daily service of thousands of men and women in the medical laboratories who seek to advance quality in our health care services.

I am pleased to announce that two additional national professional organizations representing the various scientific and technical disciplines involved in laboratory medicine—the American Association of Clinical Chemists and the Academy of Clinical Laboratory Physicians and Scientists—have endorsed this week of recognition.

Mr. President, the American Association of Clinical Chemists and the Academy of Clinical Laboratory Physicians and Scientists are composed of members involved in the professional practice of

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one or more of the subdivisions of laboratory medicine.

WHEN AIR MAIL HAD ITS DAY IN WYOMING

Mr. McGEE. Mr. President, watching television coverage of the first refugee flights out of South Vietnam and the gutsy heroic actions of those jet pilots who were able to get their crafts off the ground despite all adversity reminded me of the struggles the history of aviation tells us about. The first struggle, of course, was to get a flying machine into the air.

Ironically, a few days ago I spotted an article which appeared in the Empire news magazine of the Denver Post that tells the tale of the pioneers in mail service by air. These men were truly heroes as told by free-lance writer Vera Saban of Greybull, Wyo., in an article entitled, "When Air Mail Had Its Day in Wyoming." It should make interesting reading for Members of the Senate and all those who hold those early pioneers of aviation close to their hearts.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Empire Magazine, May 4, 1975]

WHEN AIR MAIL HAD ITS DAY IN WYOMING

(By Vera Saban)

"It's an interesting age in which we live," wrote a Rawlins, Wyo., newspaperman in May 1938 during National Air Mail Week. His enthusiasm stemmed from an airplane trip he had taken over southwestern Wyoming to demonstrate the efficiency and speed of mail by air. The newsman predicted a great future for flying.

By that time the airplane was well into adolescence. Planes had been utilized in a limited way in World War I, and Charles A. Lindbergh had made his historic flight over the Atlantic. But after that biplanes seemed destined for games, barnstorming acrobatics and five-dollar rides. Fairgoers throughout the country often saw two or three of the little planes, piloted by leather-booted aviators, figures of romance to girls and of daring to boys.

But aviation rapidly matured and went commercial.

When New York to San Francisco air mail was inaugurated in September 1920, Cheyenne and Rock Springs, Wyo., were two of the 14 stops on the transcontinental route. At first there was no night flying, but in February 1921 this was begun on an experimental basis. This beacons provided for the pilots were large bonfires, set every 50 miles between Chicago and Cheyenne.

In the summer of 1920 the Chamber of Commerce of Casper, Wyo., attempted to get air mail from that city to Cheyenne and Denver, connecting with the transcontinental service. But the town did not succeed; it was several years before Casper had the convenience of air mail.

In the 1920s and early '30s there was confusion and overlapping of jurisdiction in mail delivery by air. Even after the Air Mail Act of 1934 was enacted, defects still plagued legislation. In 1938 the Civil Aeronautics Act was passed, which, it was hoped, would solve the problems. Perhaps the new act inspired the proclamation of National Air Mail Week, which was May 15 to 21, 1938, the 20th anniversary of America's first air mail experiment. Such an observance would require cooperation of all postmasters and communities. In Wyoming, Postmaster W. G. Haas of Cheyenne was appointed state air mail chairman. He immediately gave the project proper publicity, with plans to reach more than 50 cities and towns.

Newspapers in Wyoming publicized the proposal, urging their readers to take advantage of this chance to demonstrate their interest in air mail.

It was hoped that every community in Wyoming would have air mail service at least one day during Air Mail Week. Since many towns had no airstrips, it would take more than enthusiasm to fulfill that hope.

James D. Morton of Douglas, a well-known businessman and aviation enthusiast, was interested. J. Kirk Baldwin, state treasurer and president of the Cheyenne Flying Service, and Fred Wahl of Mountain Airways Corporation of Rawlins, promised to cooperate. Soon, enough qualified pilots volunteered their services without pay.

To add interest to the project, each post office was permitted to use a special stamp, called a cachet, to imprint mail leaving that post office by air. Local artists designed these cachets, showing something of local or historical importance characteristic of the town.

An air mail stamp cost 6 cents. Before Air Mail Day, various postmasters received mail from all over the United States and some foreign countries containing letters to be marked with the local cachets.

The state was divided into 10 star air mail routes, with four runs dipping into Colorado, Idaho, Montana and South Dakota. Eleven pilots were recruited, each authorized to make a flight on an assigned route, with a suggested route schedule.

Air Mail Day in Wyoming was May 19, but adverse weather conditions and other hazards hampered most of the pilots. Fulfilling the creed of the postman wasn't easy.

One plane of Baldwin's Cheyenne Flying Service, assigned to cover the northeastern portion of the state, nosed over upon landing in Newcastle as the plane was too large for the small field. Pilot Earl Campbell escaped injury, but the plane was out of commission. After another plane, sent from Cheyenne to pick up Campbell's mail, was grounded by bad flying conditions at Hat Creek, the mail was sent to Cheyenne by truck.

Pilot Lawrence Flahart of the Cheyenne Flying Service completed his scheduled route, the southeastern portion of the state, as did F. N. Gill of the Star Valley-Jackson area to the west.

Niobrara County had mail picked up at every post office. The pilot, Everett Hogan, had to make two emergency landings because of hail and rain; yet, he completed his run, ending at Lusk. Eleven thousand pieces of mail—250 pounds—went through the Lusk post office but was sent to Cheyenne by truck since it had been scheduled for pickup by the Newcastle plane.

Heavy rain and snow squalls forced postponement of four flights: The Cody-to-Billings run with Bill Monday and Fred Tunnell as pilots; Big Horn Basin at Casper, Eddie Mileski as pilot; the Douglas area, James Morton as pilot, and Sundance to Spearfish, S.D. Improved flying conditions made these flights possible the next day.

Fred Wahl of Mountain Airways Corporation of Rawlins was considered top man of the project. He successfully negotiated his flight, covering the southwestern portion of the state, over rainsoaked plateaus and snow-covered mountains. He had two passengers (one was the Rawlins newsman). Details of his flight give us a picture of similar conditions met by other pilots.

Wahl flew a five-place Ryan, B 1 model with a J5 engine capable of cruising at 110 m.p.h. He left Rawlins at 9 a.m. in a blinding snow storm, keeping the Ryan low to avoid icing conditions. He followed the highway west to Wamsutter. There the skies cleared a bit and he gained altitude, heading for Pinedale to the northwest, his first scheduled stop. The terrain below showed the result of much rain. Knowing the landing at Pinedale would be on a meadow, Wahl and his two passengers conjectured as to the depth of the mud.

In two hours they sighted Pinedale, the mountainous country more than 7,000 feet in elevation. They located the temporary landing field by the presence of some people and a number of cars. They made a perfect three-point landing at Pinedale's temporary landing strip; about 75 local residents welcomed their arrival. After the mail pouch was delivered and the outgoing one accepted, Wahl discovered a flat tire on the tail wheel. Making the repair cost them an hour.

Twelve minutes after takeoff they sighted Daniel, where the very small landing area was marked by sagebrush fires. Most townsfolk were there to greet the mail plane.

Turning south, Wahl headed for Big Piney, an hour's flight from Daniel. Due there at 11:30, they were now late. They located the landing field some distance from town with no trouble. Only about 15 persons welcomed the plane. Others, disappointed because the plane was late, had gone home for lunch.

After a quick mail exchange, the plane headed southwest for Kemmerer, arriving at an improvised field in 45 minutes. About 75 people were on hand.

From Kemmerer they reached Evanston, in the extreme southwest corner of the state, in 25 minutes. Landing was difficult on a short, narrow hilltop runway with a stiff wind blowing, but the Ryan made it on the second try.

Here a crowd of 125 persons awaited their air mail. On a mail truck the postmaster had mounted an American flag and tacked up a poster announcing Air Mail Week.

Forty-six minutes later the Ryan reached Green River, 100 miles to the east, where 200 residents had gathered. Ten minutes after takeoff from Green River they approached Rock Springs. Here they had a smooth landing at Rock Springs' modern airport, which had two large hangars and equipment for servicing planes.

They reached Rawlins to the east in one hour to complete the circle, arriving at 5:15 p.m. (90 minutes late). Considering the hazards, it was a worthy achievement.

When Wahl left Rawlins that morning he had carried 28 pounds of air mail for delivery. He returned with 60 pounds. The Ryan covered approximately 550 miles.

Ted Hill of Mountain Airways flew a southern route. He left Rawlins at 12:15 p.m. in his Travelair, making his first scheduled landing at Baggs. Craig, Colo., was on his route, but he was forced to cancel that stop because the landing field was under water.

Learning that he had to land on a small field at Encampent, Hill returned to Rawlins and exchanged the Travelair for a Kinner Bird, which was better able to take off and land on short strips. He flew the Bird to Saratoga, leaving mail, then to Encampment to discover that the landing strip was a bean field. But he succeeded in landing, picking up mail and leaving. Returning to Saratoga, he picked up the outgoing mail. Then he flew back to Rawlins, arriving on schedule at 3:45 p.m. with 11 pounds of mail.

All air mail collected at Rawlins was flown by Wahl that evening to Cheyenne, with stops at Medicine Bow and Laramie. At Cheyenne the mail was picked up by the 9 o'clock eastbound and westbound transcontinental planes.

Thus it was proved that air mail for Wyoming was a possibility, if not an immediate probability. And those who own letters stamped with May 19, 1938, cachets can feel pride and nostalgia.

The science and aeronautics has come a long way since that time, but most towns in Wyoming still don't have daily air mail—even though intrepid flyers showed that it could be done, even under adverse circumstances.

THE DEATH OF MAJ. GEN. THOMAS A. LANE

Mr. THURMOND. Mr. President, on Sunday, April 20, the Nation lost an able leader and an ardent patriot. Maj. Gen. Thomas A. Lane, who had distinguished himself in a remarkable variety of pursuits, died at the age of 68. I had the privilege to know General Lane personally, and even to be a close neighbor of his for a number of years. As a token of my abiding friendship and my high regard for his character and accomplishments, I rise now to pay him a few words of tribute.

An engineer by education and an Army officer by profession, General Lane was nevertheless known as a public official and a writer. From 1954 to 1957, he was a member of the Board of Commissioners that used to govern the District of Columbia. While serving on this board, he took a special interest in education and developed a program of reforms designed to make the District of Columbia educational system more efficient and economical. These reforms attracted a great deal of attention, but they proved to be too visionary for the times. Now, however, a number of his ideas are being revived, including his proposal of special classes for gifted students.

General Lane began his writing career in 1962 after his retirement from the Army. Always a hard worker, he became a prolific writer as well. In scarcely more than a dozen years he produced four books on government and politics and innumerable newspaper columns that appeared regularly in papers across the country. In all his writings, he emphasized America's responsibilities as the leader of the free world and spoke out for a strong national defense and vigorous opposition to Communist tyranny. His works were widely read and well-respected, and I for one often found enlightenment in his ideas and inspiration in his eloquence. His voice, sane and pragmatic yet filled with love of country, will be sorely missed in the political counsels of the Nation.

I have spoken of General Lane's prowess as a writer and a public official. However, we must not forget that for most of his adult life he was a soldier, and an exemplary one. His military career alone would have brought him eminence and distinction. He graduated from West Point, where he also, at a later date, served on the faculty. During World War II, he compiled a notable record under Gen. Douglas MacArthur in the Pacific. After his term as District of Columbia Commissioner, he held the command of Fort Leonard Wood in Missouri. Not surprisingly, when he retired from the Army in 1962, his military attainments were recognized and rewarded with the Distinguished Service Medal with oak leaf cluster.

Among other important posts that General Lane held are the presidency of Americans for Constitutional Action, a directorship of the U.S. Strategic Institute, and the editorship-in-chief of The Strategic Review. Clearly, his death is a tragic loss not only to his friends and family but to numerous organizations and individuals who depended on his advice and assistance. Nevertheless, Mr. President, we can all take comfort in the outstanding example of public service that he leaves behind. The memory of his ability, his industry, and his patriotism will live on, prompting all who came in contact with him to greater effort and achievement on behalf of our country. Thus, even after his death his beneficial influence will continue, and the Nation will not be completely deprived of the exceptional and various talents that have meant so much to it already.

Mr. President, General Lane wrote a number of thought-provoking columns about the dilemma of Vietnam, the last of which was written only 12 days before his death. In order that my colleagues may have the benefit of these incisive accounts, I ask unanimous consent that five of the columns be printed in the RECORD at the conclusion of my remarks. I also ask unanimous consent that six of the numerous newspaper articles and editorials which appeared around the country about his death be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WHY THE JOINT CHIEFS OF STAFF SHOULD RESIGN

(By Thomas A. Lane)

In a monarchy, the duty of soldiers is easy. They obey the king. But in a government of laws, where the powers of officials are defined by their positions, the relationships are different. Men then owe obedience not to a man but to the law. That is why officials of the executive branch take an oath of office not to the President but to the Constitution.

Support of the Constitution of course requires respect for the presidential position and authority. But this is a limited obligation, not the sum of the official's obligation to the Constitution. All officials, from the President down, are cooperating according to law in fulfilling the purposes of the Constitution.

What is the relationship between the President and the Joint Chiefs of Staff? He is in law their Commander in Chief. As long as he acts within the powers of his office, they must accept his decisions wholeheartedly and carry out his orders with enthusiasm, regardless of their personal views. There can be no question about this obligation.

Assume, however, that the President has closeted himself with political advisers who persuade him to make military decisions which waste the lives of your fighting men. Obviously, senior military leaders have an obligation to take such matters to the President personally and not to accept these decisions from the Secretary of Defense.

If the President persists in his course, what can the military leaders do? These are matters of judgment and those who retain their official positions have no recourse but to accept and support the presidential decision.

Every American is first a citizen and only secondarily an official. He has obligations to the nation which define and circumscribe what he may do in his official position. The Nuremberg trials attempted to say this, but they did the job very badly because they polluted justice with vengeance.

Our Joint Chiefs of Staff have reached the pinnacle of professional military leadership. The country looks to them for expertise on war.

If, therefore, a president embarks on a course which one of these leaders sees as seriously damaging to our country, his responsibility as a citizen supersedes his obligation as an official of government. He must resign his office and inform the people.

No other course is possible. It would be dishonorable to oppose the President's decision except to his face or to sit passively in office giving apparent assent to the decline of the Republic.

This is the stage we have reached in Vietnam. Professional recommendations for the prosecution of the war have been brushed aside. Our men are fighting the enemy in frontal jungle warfare and are denied the normal recourse of attack upon the enemy line of communications. Our flyers were exposed to hazardous missions for meager achievement while being denied targets which would hurt the enemy.

These restraints exact an indefensible cost in blood. They are imposed not for substantial reasons but on pretexts which anyone versed in the art of war will readily recognize as superficial and misconceived.

The leader sensitive to his duty cannot allow any rationalization of civilian control to extenuate such wasteful slaughter of his men. He must resign his office and carry to the people in calm, dispassionate voice his judgment of the presidential error. Only the people can change the policy.

Perhaps he will fail. That consideration is immaterial. It is his duty to try.

VIETNAM: PRELUDE TO WAR

WASHINGTON.—The Vietnam War has been obscured by myths of government propaganda designed to conceal the true course of United States policy from the American people. To treat the history and strategy of the war in some continuity and length, I shall in three successive columns present an analysis of U.S. policy in Vietnam. This first column will treat the prelude to war.

It is a myth that the people of South Vietnam have been at war continuously since World War II. It is a myth that President Johnson is following a policy inaugurated by Presidents Truman and Eisenhower. It is a myth that the bitter and costly fighting in South Vietnam is the ordinary consequence of guerrilla warfare, jungle terrain and the strength of the Viet Cong. These are myths created to pacify the American people.

World War II toppled France as a world power and destroyed its prestige in Southeast Asia. The Vietnamese people expected France to give independence to Vietnam as the United States had given independence to the Philippines. Instead, France tried to restore its colonial authority.

Within the Viet Minh independence movement, Ho Chi Minh assassinated the non-communist leadership and established firm communist control while preserving a facade of nationalism. The Emperor Bao Dai accepted the French restoration. Thus, Vietnamese patriots were torn between those who accepted communist leadership as the only

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means of achieving independence and those who rejected the communist leadership as a greater evil than French colonialism and therefore supported the Emperor.

Ngo Dinh Diem, Vietnam's greatest popular leader, rejected both alternatives. He would not support the French restoration in the absence of a programmed independence which the French refused to grant. He would not support the communist-led rebellion of the Viet Minh. He went to the United States in voluntary exile.

The Viet Minh war was resolved in 1954 with the division of the country and the cession of North Vietnam to Ho Chi Minh. French policy had preferred to lose North Vietnam to communism rather than grant independence in freedom to the whole country.

In the crisis of 1954, Ngo Dinh Diem was recalled to serve as Premier of Vietnam shortly before the Geneva settlement was reached. He rejected that settlement. He believed that if France had granted independence to Vietnam, even after the disaster at Dienbienphu, the people would have rallied to the free government and abandoned the Viet Minh.

In the next six years, Ngo Dinh Diem wrought a modern miracle of national leadership equalled in this century only by the achievement of Kemal Ataturk in creating modern Turkey after World War I. Diem took a country in chaos, with prospects as dismal as those of our America at Valley Forge. He eliminated private armies and vice monopolies which had been tolerated by the French. He expelled the French Mission and obtained an American Military Mission to train his Armed Forces. He resettled 800,000 refugees from North Vietnam. By popular vote, he deposed the Emperor, established a republic and became the first President of South Vietnam. He enacted far-reaching land reform programs, restored industry and agriculture to a prosperous state.

Under President Diem, South Vietnam enjoyed six years of peace. In 1960, the country was a model of successful resistance to communism by a state which had been on the verge of collapse. Then United States policy changed.

Under Presidents Truman and Eisenhower, U.S. foreign policy had been shaped by the Truman doctrine. This doctrine defined the basis for our policy and presence in Southeast Asia.

President Kennedy repudiated the Truman doctrine. He adopted what may be accurately described as the Rostow reversal. Rostow argued that the nuclear age required an end to the cold war and rapprochment with the Soviet Union. He and his associated intellectuals alleged that the Truman doctrine had projected U.S. power up to the perimeter of the Soviet world and that this American presence was the cause of Soviet hostility and belligerence.

The new Kennedy policy called for the withdrawal of U.S. power from the perimeter of the free world, the liquidation of points of conflict and the cultivation of friendly relations with the communist powers. Under the influence of this policy, President Kennedy fumbled at the Bay of Pigs, withdrew from Laos, accepted the communist seizure of East Berlin and allowed the Soviet intrusion of power into Cuba which created the missile crisis of 1962. The new policy provoked the escalating war in Vietnam.

VIETNAM: THE STRATEGY OF CONQUEST

(By Thomas A. Lane)

WASHINGTON.—(This is the second of three columns on U.S. policy in Vietnam.) When Vietnam was divided in 1954, it appeared that South Vietnam would soon be overcome by internal subversion. That probability was defeated by the masterful leadership of Ngo Dinh Diem. Ho Chi Minh would have to summon a greater effort to conquer South Vietnam.

The geography of Vietnam was unfavorable for direct attack. The thirty mile border between North and South was too short to provide an avenue for invasion. South Vietnam must be approached by moving into Laos and attacking the country across its long western border. Ho Chi Minh's first step was therefore to secure a line of communications through eastern Laos.

By 1957, Ho had consolidated his grip on North Vietnam. He began his campaign in Laos by moving the Pathet Lao against the Plaines des Jarres airfield. He required the airfield to support a build-up of North Vietnamese forces in Laos.

Ho's attack on the Plaines des Jarres was stopped by John Foster Dulles. The U.S. Secretary of State is reported to have called the Soviet Ambassador to his office and stated in effect: "Mr. Ambassador, will you please tell Premier Khrushchev that if he doesn't stop that aggression in Laos, I'll cause more trouble for him in eastern Europe than he can possibly handle. Thank you. Good day."

Then John Foster Dulles died, and there was no one else in the Eisenhower Administration who could cope with the communists. Ho Chi Minh resumed his attack and by the end of the Eisenhower incumbency was in full control of eastern Laos.

When President Kennedy agreed in 1961 to the neutralization of Laos, he gave Ho Chi Minh the secure corridor through eastern Laos required for the attack on South Vietnam. Moreover, he exposed Cambodia to the full impact of communist power. Prince Sihanouk was forced to allow communist use of Cambodia for the attack on South Vietnam. Thus, South Vietnam was opened up to communist attack over the whole length of its 800 mile western border. Ho was poised for war.

President Kennedy apparently did not foresee this consequence of U.S. withdrawal from Laos. He seemed to think that his decision affected only Laos and that South Vietnam would remain secure. He sent Vice President Johnson to Saigon to reassure President Diem.

As the communist attack on South Vietnam mounted in magnitude and intensity, President Kennedy supported the defense with increased military assistance. He enlarged the U.S. Mission from 650 in 1961 to 15,000 in 1963.

In 1962, President Diem proposed to attack the North Vietnamese forces and bases in eastern Laos in order to stop the attacks on South Vietnam. President Kennedy prohibited the action on the theory that it would expand the war. This profoundly erroneous decision was and remains the crucial mistake of United States policy in Vietnam. It is the central error of the Johnson policy today.

This decision, allowing sanctuary to the North Vietnamese forces in Laos and Cambodia, rendered the defense of South Vietnam impossible. Two million American soldiers cannot defend the 800 mile western border of South Vietnam from communist attack under this condition.

The air bombardment of North Vietnam is a retaliatory measure which does not alter the decisive effect of the ground sanctuary allowed the enemy in Laos and Cambodia. The denial to our ground forces of their capacity to destroy the enemy line of communications renders the defense of South Vietnam impossible. It is this prohibition and not the nature of guerrilla warfare which condemns our forces to fighting bitter, frontal warfare in the jungles of South Vietnam.

Our superior ground forces can prevent large enemy forces from holding positions in South Vietnam. They cannot, however, prevent enemy forces based in the sanctuary areas from attacking undefended or lightly defended villages and continuing the Viet Cong terror. It is therefore impossible to pacify South Vietnam.

While the United States continues to deny South Vietnam its right clearly defined in international law to attack the Viet Cong forces in Laos and Cambodia, the people of South Vietnam are exposed to unending terror. This U.S. policy assures Ho Chi Minh that he must in the end prevail. This policy accommodates and supports the communist strategy of conquest.

VIETNAM: THE PRICE OF PEACE

(By Thomas A. Lane)

WASHINGTON.—(This is the last of three columns on U.S. policy in Vietnam.) The Kennedy policy reversal of 1961 was neither new nor constructive. It was a relapse into the reconciliation fantasy of 1933, the alliance illusion of World War II and the spirit of Camp David. It demonstrated the remarkable persistence of error which had brought on disaster to the free world. It indicated that the American political society is incapable of facing up to the reality of struggle.

Of course President Kennedy sought peace. All Americans hoped for peace. But to lull your people into a false sense of security through endless disarmament talks and uninspected nuclear treaties while the aggressor relentlessly presses his campaign of terror and subversion against the free world is to give aid and comfort to the enemy. Such a policy whets the conqueror's appetite and confirms his confidence in ultimate victory.

In 1963, President Kennedy overthrew President Diem in order to estabish a government which would share power with the Viet Cong and enable the United States to withdraw. Within 90 days, his puppets were overthrown as South Vietnam rejected the Kennedy formula for surrender. President Johnson has sustained South Vietnam's resistance but he has not turned away from the Kennedy foreign policy.

This continuation of the Kennedy foreign policy through six years of mounting failure has weakened the United States both morally and physically while exalting the power and prestige of the communist rulers in the society of nations. No man can escape truth by fleeing from it.

Our leaders are incapable of initiating constructive measures to counter Soviet aggression while conciliation of the Soviet Union remains the dominant drive of U.S. foreign policy. The United States must turn from fantasies of peace to the reality of conflict before it can act prudently to restore peace.

Communist propaganda insinuates into our free society the fear that facing up to struggle will provoke war. Rational men know, however, that facing up to struggle is the only avenue to peace. Self-deception is the road to war.

Yet, the avoidance of conflict has become so controlling a rule of U.S. policy that gradual surrender is accepted doctrine. In Laos, the 1962 settlement provided for withdrawal of U.S. and North Vietnam forces. US. forces have been withdrawn but the North Vietnam forces remain. Simple honesty requires the United States to denounce this treaty and return its forces to Laos until North Vietnam complies with the treaty provisions. Otherwise, treaties made by the United States are mere camouflage for surrender. Today, the United States dishonors its obligations in Laos.

The Kennedy foreign policy rules out every prudent action, every consideration of honor and self-respect, which entails conflict with the communist world. And yet, we are not

ready for naked defeat, so we suffer a brutal war under conditions which can lead only to gradual surrender.

For political reasons, the surrender must be gradual. In disarmament negotiations at Geneva, we have retreated from position after position, finally negotiating the uninspected nuclear treaties which the Soviet Union demanded. In Vietnam, we have moved steadily toward acceptance of the communist ultimatum. Ho Chi Minh is confident that President Johnson must finally accept, as Senator Robert Kennedy has already done, the admission of Viet Cong representation to the government of South Vietnam and the withdrawal of U.S. forces.

How soon will the American people be ready to administer this coup de grace to the people of South Vietnam? At that moment, President Johnson will administer it. His foreign policy cannot contemplate the alternative of defeating the communist military forces.

When the communists believe that the United States will respond forcefully to smash aggression, as they seem to be persuaded in West Berlin, they do not initiate the aggression at all. In Vietnam, we need only a change of foreign policy to end the war. A reorientation to communist reality such as President Truman made in 1947 is imperative today as it was then. When that change of foreign policy is made, U.S. power will be used to prevent war and peace will soon be restored to Vietnam.

POLICY REVIEW URGENT

By Thomas A. Lane

Since the collapse of the facade of U.S. policy in Southeast Asia, the termites have been coming out of the woodwork. They proclaim that no review of policy should be made at this time. The worst defeat in U.S. history should be accepted complacently. ABC TV even brought George Ball out of the misty past of the Kennedy administration to repeat the bad advice he gave to President Kennedy.

President Eisenhower, in forming a Southeast Asia Treaty Organization, and in providing military support for South Vietnam, Laos and Cambodia extended the Truman Doctrine of repelling communist aggression. Thus the United States was strongly positioned in support of its client states against any aggression to be waged by North Vietnam, the client state of Red China and the Soviet Union. While President Eisenhower maintained this posture, with some deviation, from 1954 to 1960, the U.S. client states were secure and there was no significant military conflict.

With the advent of the Kennedy administration new policies were adopted. Policymakers now argued that the road to peace lay in direct negotiation with the Soviet Union. They urged the settlement of outstanding differences with the Soviet Union by negotiation and the development of trade, and cooperation. As a meter of this thesis, Under Secretary of State George Ball urged the termination of the U.S. commitment in Southeast Asia. In response to his and other recommendations President Kennedy overthrew the government of President Diem and installed a new Junta headed by General Big Minh, who would attempt to negotiate a coalition government with the communists.

I refer to the facades of U.S. policy as the public position in support of South Vietnam and of repelling the aggression from the North while the real policy was to sacrifice Southeast Asia on the altar of trade with Red China and the Soviet Union. The facade was a story to deceive the American people while our merchant princes pressed our pursuit of profits.

Thus the entire war in Vietnam was a disaster waged by administrations which did not want to fight it; administrations which the communists could with assurance press on the battlefield, at the conference table and with propaganda to withdraw from the struggle. Had the United States adhered resolutely to the doctrine of repelling communist aggression and used its superior military power effectively, there would have been no war in Vietnam. The associated States of Laos and Cambodia would also have remained secure.

To say at this point, after this disastrous and costly experience, that a review of U.S. foreign policy is not in order is to flimflam the American people into acceptance of the worst of policy. Policy review is urgently needed to produce a drastic change in U.S. foreign policy.

The United States is today pursuing trade with our declared enemies without due regard for considerations of national security and U.S. survival. The drive for profits is dominating policy to the exclusion of a prudent address to the enemy. The people must demand new policy which places national security above all profit-making.

[From the (D.C.) Washington Star, April 22, 1975]

GEN. THOMAS LANE DIES; EX-D.C. COMMISSIONER

Army Maj. Gen. Thomas A. Lane, 68, author, engineer and former D.C. engineer commissioner, died of cancer on Sunday at Walter Reed Hospital. He lived on Kellogg Drive in McLean.

A native of Roslindale, Mass., Lane graduated from the U.S. Military Academy at West Point and received a masters degree from Massachusetts Institue of Technology. He served with the Army Corps of Engineers in the U.S. and the Panama Canal Zone, taught civil engineering and military history at West Point and also taught graduate school at the Air University at Maxwell Air Force Base.

During World War II, Lane served under Gen. Douglas MacArthur in the Southwest Pacific. After the war, he attended the National War College. From 1954 to 1957 he was engineer commissioner on the board of commissioners that governed the District.

Lane was an outspoken and controversial figure during his term as commissioner and his views, particularly on education, repeatedly made headlines.

In response to demands for more teachers and schools to correct school deficiencies exposed by integration, Lane countered with a proposal for revamping the public school system. He claimed that District schools would be able to get along with larger classes and fewer teachers if the city's pupils were tested and regraded according to ability. He said this would entail large-scale demotion and advancement of pupils as well as strict adherence to high standard of achievement, with expulsion of unruly pupils.

The proposal drew some praise, but more criticism. Another Lane suggestion, to re-institute separate high schools for boys and girls, met a similar fate, but he was the first here to propose hiring teacher aides who are now used throughout the system.

Lane Commanded Ft. Leonard Wood and served as president of the Mississippi River Commission before retiring in 1962 to begin a writing career.

He wrote a syndicated column that appeared in the St. Louis Globe-Democrat and other newspapers across the nation. His books include The Leadership of President Kennedy, The War for the World, America on Trial: The War for Vietnam and The Breakdown of the Old Politics. He also became known here as the author of frequent letters to the editors of newspapers on a variety of topics.

He was a former president of Americans for Constitutional Action, a director of the United States Strategic Institute and editor-in-chief of Strategic review, the institute's quarterly publication.

Lane received the Distinguished Service Medal with Oak Leaf Cluster for Army service. He was a member of the American Society of Civil Engineers and an honorary member of the Washington Society of Engineers.

He leaves his wife, Jean; a daughter, Mrs. Julie Rasmussen of Friendly, Md., a son, Capt. Thomas Lane of Fort Rucker, Ala.; two sisters, Julia Walsh and Mary Lane of Roslindale, Mass.; two brothers, Jeremiah Lane of Fairfax and Gen. John Lane of Falls Church, and four grandchildren. Another son, 2nd Lt. Michael S., drowned during an Army training exercise in Florida in 1960.

A funeral mass will be said at 10:30 a.m. tomorrow at St. John's Catholic Church, 6420 Linway Terr., McLean. Burial will be Thursday at West Point.

The family suggests that expressions of sympathy be in the form of contributions to the Catholic Relief Services for Vietnam Refuges.

[From the Washington Post, April 23, 1975]

THOMAS A. LANE, EX-D.C. COMMISSIONER, DIES

Retired Army Maj. Gen. Thomas A. Lane, 68, engineer commissioner for the District of Columbia from 1954 to 1957, died of cancer Sunday at Walter Reed Hospital.

After his retirement from military service in 1962, he returned to the Washington area, where he had lived since, devoting most of his time to writing.

Unlike some Army officers who found assignment to the governing three-man D.C. Board of Commissioners a hardship duty and of little interest, Gen. Lane threw himself into the city's problems with gusto.

He brought with him a military reputation as a "no nonsense" officer who could and would cut through red tape.

He maintained that reputation during his tenure here. He was outspoken and didn't hesitate to step on a few toes. As a result, he was considered one of the most controversial commissioners the District had had in many years.

At the same time, his sincerity and ability were not questioned. He started as a friendly commissioner and never lost that touch.

Even before he took the job of engineer commissioner on Dec. 10, 1954, the then Col. Lane visited the District Building, shaking hands.

"I'm Col. Lane. We'll probably be talking to each other a lot," he said to secretaries, department heads and aides. He kept his word.

The Board of Commissioners consisted of two civilians, appointed by the President, and an officer appointed from the Army Corps of Engineers.

The primary responsibility of the latter was to direct the city's highway planning and public works program.

Col. Lane, who became a brigadier general while serving as a commissioner, found himself in a hotbed of controversy in both these areas.

There was a running fued with the old Capital Transit Co. and a prolonged transit strike in 1955. Pro and con argumentts were of long standing on whether to build another bridge across the Potomac River or to tunnel underneath it.

A planned 10-year public works program was having difficulty getting off the ground.

Gen. Lane emphatically favored the bridge. It was built and is now known as the Roosevelt Bridge.

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He was a vigorous advocate of the District's right to build highways and other public works with minimum of participation by the federal government. This put him at frequent odds with federal planners.

At one point, Gen. Lane stepped out of his particular area to speak out on what he called an unmanageable problem of educational lags in the District schools.

He minced no words when he said that many pupils, ordinarily those who attended segregated Negro schools before the court-ordered desegregation in 1954, were lagging behind standards for their grades.

Gen Lane suggested a mass demotion of pupils and brought down the wrath of many community leaders upon his head. While his proposal was not carried through, a program was developed to correct many of the things he had spoken about.

Many of the things he advocated, including the bridge and improved school programs, came to pass.

The transit strike was ended shortly after he became commissioner. Some years later, the city's streetcars were phased out and public transportation was entirely by bus, which he favored.

The Southwest area was redeveloped. A 15-member citizen's review committee was established to push public works.

He considered District representation in Congress and home rule vital to the city's welfare.

When he left office in July, 1957, he called his term as commissioner an "interesting and constructive experience. I am indebted to the citizens of the District of Columbia and the suburbs for their hospitable and courteous consideration of me at all times."

Gen. Lane was born in Revere, Mass., and graduated from West Point in 1928, ranking third in a class of 261.

In 1929, he was assigned to an engineer battalion at Ft. Belvoir and went with the unit to Nicaragua, where it was on canal survey duty until 1931.

Returning to this country, he attended Massachusetts Institute of Technology, receiving a bachelor's degree in civil engineering.

He returned to Ft. Belvoir to attend the engineer school in 1932–33, and then was assigned to the Memphis district of the Corps of Engineers, where he participated in an economic survey of the drought-stricken areas of the Southwest.

After further duty at Ft. Belvoir in 1935, Gen. Lane returned to West Point as an instructor in engineering and military history.

He saw duty in the Panama Canal Zone, and in 1941–42 served with the 30th Engineer Topographic Battalion at Ft. Belvoir. He trained Army aviation engineer battalions on airfield construction then went to the Southwest Pacific with the headquarters engineer staff.

There he supervised construction operations in the field and was awarded the Distinguished Service Medal.

He entered Japan with the Occupation Forces in 1945, then came back to Washington to serve on a Joint Operations Review Board, convened to write amphibious doctrine for the military services.

From 1946 to 1948, Gen. Lane was chief of the logistics division of the Air Command and Staff School Air University at Maxwell Field, Ala.

He spent the next two years as district engineer of the Little Rock District, saw two more years as district engineer in Okinawa, working on a new construction program for that island, and came back to Washington to attend the National War College.

Prior to his appointment as District commissioner, he was assistant to the chief of engineers for policy planning in Washington and engineer of Army field forces at Ft. Monroe, Va.

Gen. Lane became commander of Ft. Leonard Wood, Missouri, one of the Army's basic training centers, after his assignment as commissioner here, and was promoted to major general.

His final assignment before retirement from the military on July 1, 1962, was that of president of the Mississippi River Commission. He received an Oak Leaf Cluster to his Distinguished Service Medal.

He became a syndicated columnist on public affairs and served as a military analyst. From 1965 through 1969, he was president of Americans for Constitutional Action.

He was director of the United States Strategic Institute and editor-in-chief of its quarterly publication, Strategic Review.

Gen. Lane had written a number of books, including "The Leadership of President Kennedy," "The War for the World," "America on Trial: The War for Vietnam" and "The Breakdown of the Old Politics."

He was a member of the American Society of Civil Engineers and an honorary member of the Washington Society of Engineers.

He is survived by his wife, Jean Lane, of the home, 6157 Kellogg Dr., McLean; a daughter, Julie Rasmussen, of Friendly, Md.; a son, Army Capt. Thomas Lane, of Ft. Rucker, Ala.; two brothers, Jeremiah Lane, of Fairfax, and retired Army Gen. John Lane, of Falls Church; two sisters, Julia Walsh and Mary Lane, of Roslindale, Mass., and four grandchildren.

The family suggests that expressions of sympathy be in the form of contribution to the Catholic Relief Services for Vietnam Refugees.

[From the Wanderer, St. Paul, Minn., May 1, 1975]

GENERAL LANE DIES

Retired Army Major General Thomas A. Lane, 68, whose syndicated columns have appeared in this newspaper for almost 14 years, died of cancer, Sunday, April 20th, at Walter Reed Hospital in Washington, D.C.

Gen. Lane was born in Revere, Mass., in 1906. His father, Thomas Andrew, and his mother, Julia Fitzpatrick, were both Irish immigrants from County Cork. Gen. Lane received his early education in the public schools of Revere and Boston, where his academic ability and leadership qualities already earned him distinction. In 1928, he graduated from the U.S. Military Academy at West Point, ranking third in a class of 261.

Commissioned as a second lieutenant in the Corps of Engineers, he was assigned in 1929 to a battalion at Fort Belvoir and went with the unit to Nicaragua, where he was on Canal survey duty until 1931.

Returning to this Country, he attended the Massachusetts Institute of Technology, receiving a Bachelor's Degree in Civil Engineering. He returned to Fort Belvoir to attend the engineer school in 1932 to 1933, and then was assigned to the Memphis District of the Corps of Engineers, where he participated in an economic survey of the drought-stricken areas of the Southwest.

After further duty at Fort Belvoir in 1935, General Lane returned to West Point as an instructor in engineering and military history.

He saw duty in the Panama Canal Zone, and from 1941 to 1942 served with the 30th Engineer Topographic Battalion at Fort Belvoir. He trained army aviation engineer battalions on airfield construction, then went to the Southest Pacific with the headquarters engineer staff of General Douglas MacArthur.

There he supervised construction operations in the field and was awarded the Distinguished Service Medal.

He entered Japan with MacArthur's occupation forces in 1945, then came back to Washington to serve on the Joint Operations Review Board, convened to write amphibious doctrine for the military services.

From 1946 to 1948, Gen. Lane was chief of the Logistics Division of the Air Command and Staff School Air University at Maxwell Field, Ala.

He spent the next two years as district engineer of the Little Rock District, saw two more years as district engineer in Okinawa, working on a new instruction program for that island and came back to Washington to attend the National War College, from which he graduated in 1953.

At the same time, Gen. Lane was assistant to the Chief of Engineers for policy-planning in Washington and engineer of army field services at Fort Monroe, Virginia.

In 1954, Gen. Lane was called to serve as engineer commissioner of the District of Columbia. In this office he shared with two fellow commissioners the administration of the government of the District of Columbia and served concurrently as a member of the Public Utilities Commission of the District of Columbia and of the National Capital Planning Commission. These duties gave him breadth of experience in practical government which few men attain.

Unlike some army officers, who found assignments to the three-man District of Columbia Board of Commissioners a hardship duty and of little interest, Gen. Lane threw himself into the city's problems with gusto, according to the *Washington Post*. He brought with him a military reputation as a "no nonsense" officer who could and would cut through red tape.

He maintained that reputation during his tenure in the District. He was outspoken and, according to *The Post,* didn't hesitate to step on a few toes. As a result he was considered one of the most controversial commissioners the District had had in many years.

The Board of Commissioners consisted of two civilians, appointed by the President, and an officer appointed from the Army Corps of Engineers. The primary responsibility of the latter was to direct the city's Highway Planning and Public Works program. Colonel Lane who became a brigadier general while serving as a commissioner, found himself in a hotbed of controversy. There was a running feud with the old Capital Transit Company and they prolonged the transit strike in 1955. Pro and con arguments were of long-standing on whether to build another bridge across the Potomac River or tunnel underneath it. A planned ten-year public program was having difficulty getting off the ground. Gen. Lane emphatically favored the bridge. It was built and is now known as the Roosevelt Bridge.

General was a vigorous advocate of the District's right to build highways and other public work with minimum participation by the Federal government. This put him at frequent odds with Federal planners.

At one point, Gen. Lane stepped out of his particular area to speak out on what he called an unmanageable problem of educational lags in the District's schools. He minced no words when he said that many pupils, primarily those who attended segregated Black school before the court ordered desegregation in 1954, were lagging behind standards for their grades. Gen. Lane suggested a mass demotion of pupils and brought down the wrath of many community leaders upon his head. While his proposal was not carried through, a program was developed to correct many of the things he had spoken about.

Gen. Lane considered District representation to Congress and home rule vital to the city's welfare. When he left office in July, 1967, he called his term as commissioner an "interesting and constructive experience. I am indebted to the citizens of the District of Columbia and the suburbs for their hospitable and courteous consideration of me at all time."

Gen. Lane's next assignment was as commander of Fort Leonard Wood, Mo., one of the U.S. Army's basic training centers. There he carried a responsibility for training American youth in their first military service and for administering a command of 30,000 military personnel. For this he was promoted to major general.

His final assignment before retirement from the military on July 1st, 1962, was that of president of the Mississippi River Commission, in charge of Federal flood control and navigation work from Missouri to the Gulf of Mexico. He received an Oak Leaf Cluster to his Distinguished Service Medal.

Gen. Lane was retired from active duty at his own request in 1962, a time when President Kennedy was in the midst of an ill-considered drive to "manage" (many observers said "muzzle") the military. Gen. Lane took advantage of his post-retirement freedom of expression in a way unique in modern U.S. history. The retired soldier began an influential second career as a syndicated columnist on public affairs with the *St. Louis Globe Democrat* and many other major newspapers. In 1963, Gen. Lane devoted 14 of his columns to the subject of Vietnam, on which he was one of the few American observers to appreciate the military intelligence and political probity of Ngo Dinh Diem. The value of his journalistic work in that year alone can be compared only to that of Marguerite Higgins.

From 1965 through 1969, he was president of Americans for Constitutional Action. He was director of the U.S. Strategic Institute and editor-in-chief of its quarterly publication, *Strategic Review.*

In addition to his weekly column, Gen. Lane found time to produce four books. The first of these was *The Leadership of President Kennedy* (Caxton Printers, Ltd., 1965), which remains invaluable both for its critique of Kennedy's pan-politicism and for its strategic military judgments regarding the Bay of Pigs, the Berlin Wall, the Congo, Laos, and South Vietnam. Especially noteworthy is the chapter titled "Managing the Military," which contains some of the finest statements on the problems of military subordination to civilian leadership, the role of the Joint Chiefs of Staff, and the structure of the defense department, to be found in recent writing.

Gen. Lane's second book was *War for the World,* a strategic overview of cold-war problems. Next came *America on Trial: The War for Vietnam* (Arlington House, 1971), which is especially distinguished for its acute appraisal of the crippling influence of British diplomacy on American strategy in Southeast Asia. His final book turns from foreign affairs to America's domestic crisis of social disillusionment: *The Breakdown of the Old Politics.*

Gen. Lane is survived by his wife, Jean Lane, of 6157 Kellogg Drive, McLean, Va.; a daughter, Julie Rasmussen, of Friendly, Md.; a son, Army Captain Thomas Lane of Fort Rucker, Ala.; two brothers, two sisters; and four grandchildren.

The family suggests that expressions of sympathy be in the form of contributions to the Catholic Relief Services for Vietnam Refugees, 350 Fifth Ave., New York, N.Y. 10001.

[From the Wanderer, St. Paul, Minn., May 1, 1975]

THOMAS A. LANE—CHRISTIAN, PATRIOT, GENTLEMAN

We were privileged to know Tom Lane as a friend and advisor for more than a decade. His almost year-long battle with cancer was characteristic of the manner in which he lived his life. Few people were aware of the pain that ravaged him—for he continued, in his column and elsewhere, to articulate his concerns about developments in the Country and the Church both of which he loved and revered with the ardor of a Christian and a patriot. Even as death beckoned, Tom Lane wrote with urgency about the need for our government to review and redirect its disastrous foreign policy which has led most recently to the horrible tragedy in Southeast Asia (see last week's *Wanderer*, p. 4).

The inroads of Marxist and modernist thought within the Church troubled him deeply and he was ever prepared to turn his keen and analytical mind to these developments. Tom Lane was especially effective in demonstrating the intellectual deficiencies in the arguments advanced by certain churchmen in areas of secular life. Even in the sharpest exchanges, he always maintained a cool composure and his adversaries to a man recognized him as a Christian gentleman.

We at *The Wanderer* will miss Tom Lane, especially at this year's Forum and succeeding ones. His addresses at the Forum as well as his presiding at the annual Forum awards banquet were part of the Forum tradition.

In death as well as in life, Tom Lane remains an exemplary figure—Christian, patriot, gentleman. We salute him; and extend to his wife Jean and his son and daughter our deepest sympathy. We pray Almighty God may receive him into paradise with the words, "Well done, thcu good and faithful servant."

[From the News Tribune, Jefferson City, Mo. April 27, 1975]

THOMAS A. LANE

Although the death of Retired Army Maj. Gen. Thomas A. Lane has ended a brilliant career as a military officer and political columnist, his courageous efforts to build a strong and moral America will not be forgotten.

Gen. Lane, who served as commanding general of Ft. Leonard Wood, retired from military service on July 1, 1962. He later became a nationally syndicated political columnist, and his efforts were published by the News Tribune on a regular basis until he died of cancer last Sunday at Walter Reed Hospital.

Gen. Lane, 68, had a long and distinguished career in the U.S. Army. He was graduated from West Point in 1928, ranking third in a class of 261.

During World War II he received the distinguished Service Medal for his efforts in commanding military construction projects in the Southwest Pacific area. An engineer, Gen. Lane served as commanding general of Ft. Leonard Wood, Mo., during the early 1960s.

Early in his career, Gen. Lane was an engineering and military history instructor at West Point. After serving as Army district engineer at several places around the world, he came back to Washington to attend the National War College. He also was assigned to the governing three man Board of Commissioners for the District of Columbia.

From 1965 to 1969, Gen. Lane served as president of Americans for Constitutional Action. He was director of the United States Strategic Institute and editor-in-chief of its quarterly publication, Strategic Review.

Gen. Lane had written several books. They included "The War for the World," "The Leadership of President Kennedy," "America on Trial: The War for Vietnam," and "The Breakdown of the Old Politics."

Gen. Lane was an effective and courageous spokesman for the American dream of peace and freedom through strength and justice.

He blamed the liberals in both Democratic and Republican administrations for bad advice in dealing with communist aggression.

In his last column he wrote: "Had the United States adhered resolutely to the doctrine of repelling communist aggression and used its superior military power effectively, there would have been no war in Vietnam. The associated nations of Laos and Cambodia also would have remained secure."

The United States has lost a leader who believed in America's basic values of truth, justice and freedom. Gen. Lane wanted to conserve those values in order to build a better America.

[From the News, Lynchburg, Va., Apr. 26, 1975]

MAJ. GEN. THOMAS A. LANE (1907–75)

One of the strongest voices for the preservation of traditional American and *human* principles has been silenced by death. No more will the readers of this page, or any other, be enlightened and encouraged by Maj. Gen. Thomas A. Lane. General Lane died Sunday in Walter Reed Hospital in Washington of cancer. He was 68.

Although we have called attention to it in years past, we wonder if those who read General Lane realized what a distinguished military and civilian career he compiled. A native of Revere, Mass., he graduated from West Point in 1928, third in a class of 261. He earned a bachelor's degree in civil engineering from Massachusetts Institute of Technology, and served as an instructor in engineering and military history at West Point.

From 1954 to 1957 he served as engineer commissioner for the District of Columbia, one of the most efficient and outspoken ever to hold that post. He brought with him a reputation as a "no nonsense" officer who could and would cut through red tape, and he proved the reputation over and over again. He was one of the first to speak out on the unmanageable problems of educational lags in the Washington, D.C. schools, and many of the things he advocated, came to pass—although he often brought down the wrath of community leaders on his head. Time proved him right, as it did so often throughout his career.

He served brilliantly in many engineering posts overseas and was outstanding in training Army aviation engineering battalions on airfield construction in World War II. He was awarded the Distinguished Service Medal for his service in the South Pacific. He was a former chief of the logistics division of the Air Command and Staff School at the Air University at Maxwell Field, Ala.

Upon his retirement from the service, General Lane became a syndicated columnist, and from 1965 to 1969 was president of Americans for Constitutional Action. He also was director of the United States Strategic Institute and editor-in-chief of its quarterly publication, Strategic Review.

General Lane wrote a number of books including "The Leadership of President Kennedy," "The War for the World," "America on Trial: The War for Vietnam," and "The Breakdown of the Old Politics."

He will write no more, but his words will live beyond him, and time, as it so often proved in his lifetime, will show that he was right and his equivocating critics wrong. Perhaps "critics" is the wrong word, because few dared to take issue with his documented, logical and reasoned arguments in defense of America and human freedom. At this period in our history, we can ill afford to lose such a man.

LOWELL WEICKER ON FOREIGN POLICY

Mr. RIBICOFF. Mr. President, Senator LOWELL WEICKER appeared before the Associated Press members in Bridgeport, Conn., on May 8, 1975. He commented on two aspects of our foreign policy. The points he makes in his usual forthright way are worthy of consideration by our colleagues.

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I ask unanimous consent that his comments be printed in the RECORD.

There being no objection, the comments were ordered to be printed in the RECORD, as follows:

COMMENTS OF SENATOR LOWELL WEICKER

For a few minutes this evening, I would like to comment on two aspects of our foreign policy image as recently cast by President Ford and Secretary Kissinger.

One is specific—the reassessment of our Mid-East policy as regards Israel.

The second, general—that foreign policy must of patriotic necessity be bipartisan.

An understanding of history places me in sharp disagreement with both these tenets. Since this is one of the few times you of the Connecticut A.P. and I get together for face-to-face dialogue, I shan't be long—far preferring a "Q & A" format.

First as to Israel.

World War II with its unparalleled media coverage gave the world a first-hand look at the horror, death, and anxiety that has pursued the Jewish people for two thousand years. No longer was terror a matter of conjecture or, perhaps to be believed, perhaps not, story telling.

It was staring from the eyes of corpses, living and dead, in Auschwitz, Buchenwald, and Treblinka, brought to us in the starkness of black-and-white photographs and newsreels.

Hitler had called it the Jewish problem but the world became as one on the problems of the Jews. It decided on Israel—not because of oil or a cold war—but because a home for the Jew enabled the world to face itself once again in the mirror of history.

Much has transpired in terms of events since 1948. Cold wars, oil embargoes, realignments of power. And lately the temporary disappointment of a Kissinger mission that came unglued just as success seemed imminent.

Unglued is not failure, however. Dr. Kissinger constructed the cradle of peace, if not the end product. That is to his credit, not embarrassment. What stands to no one's credit is a personally emotional reassessment of a national commitment, as valid today as when made. Israel was created by world conscience in incorruption—I'll not be part of her diplomatically expedient destruction. Therefore, I cannot in conscience or historical recollection support the Ford administration's reassessment of our relations with Israel.

Lastly, as to the matter of foreign policy debate stopping at the water's edge, if the money stops, if the personnel stop, if the commitments stop, only then should debates stop. Foreign policy must always be an issue for challenge in this country. And as with every other issue, it should be resolved by majorities, not minorities wrapped in the flag.

When the U.S. has gone wide of the mark, it's because we've abandoned collective judgments for the say so of one or two men. This has been especially so in foreign policy. We will always make mistakes. That's nothing to cry about. What is pitiful is silence. Inaction doesn't need codification in the name of bi-partisanship.

The turbulence of decision-making is far preferable to the sullen anger of being had. The leaders of America are her people. No one has done better.

SOUND NATIONAL ENERGY POLICIES

Mr. FANNIN. Mr. President, for more than 4 years, now, committees of the Senate and of the House of Representatives have been considering energy proposals. And, except for the long-delayed passage of the Trans-Alaska Pipeline Act of 1973, and the creation of the Energy Research and Development Administration last year, we are no closer to establishing sound, national energy policies than we were when the search began.

Like the grasshopper in Aesop's fable, we have been fidding away precious time, while the winter of crisis comes ever nearer. Unfortunately, however, unlike the grasshopper, we do not have a sympathetic and diligent ant we can rely on to put us up through the bleak energy winter ahead.

Why we have not been able to move more expeditiously in so critical a matter, I simply do not understand. But I do know this: The American people—our constituents—are getting very restless. They are tired of the continuing congressional delay, in the face of growing energy, economic, and environmental problems.

From the east coast to the Far West, from the public and the press, we hear demands for action, not delay. Let me cite just two examples of commentary which recently appeared in the Nation's press.

The San Diego Union, in a recent editorial, stated:

> In three years or so it [the trans-Alaska pipeline] will begin to deliver oil to the United States of America. It will be welcome, but it will not be enough. A year and a half ago, when the Arab oil embargo disrupted our oil supply, the United States of America imported 17 per cent of its oil. The total now has reached 40 per cent and is growing. An increasing amount of the oil comes from the politically unstable Middle East. . . . The need for a crash program to develop the full energy potential of the United States cannot wait another day.

And, from across the country, the Boston Herald-American editorialized:

> The disagreeable fact is that America is just as vulnerable to another oil embargo today as it was a year ago. This is what contributes to the nagging realization that except for the six long years of delay in the start of the Alaskan pipeline, resulting from political and environmental opposition at times bordering on the irrational, the United States would already be . . . closer to its goal of national independence from foreign sources of petroleum. The costly price we have already paid for that momentary aberration stands as a warning of the lengths we must be prepared to go in the future to avoid similar threats to our welfare and security as a nation. The Alaskan pipeline, in view of what has happened in the past two years, must be treasured now as the nation's lifeline.

It is interesting to note that these two commentaries appeared in areas being considered for new-frontier Outer Continental Shelf leasing schedules—southern California and the New England coast. These are two of the regions that would be most affected under an expanded OCS exploration and development program. It is encouraging to me that these two great newspapers clearly recognize the consequences of unnecessary delay in the development of our domestic energy resources. They are urging that we learn from the lesson of the trans-Alaska pipeline delay, and not repeat that lesson.

It would appear that these newspapers—as well as more and more Americans—have become aware of the direct relationship between economic recovery and available energy. I submit that it is time for us in the Congress to become equally aware, and to act accordingly.

According to reliable estimates, the dollar outflow from the United States in 1974—directly attributable to foreign oil imports—reached a staggering $25 billion. That sum was a major contributor to the overall balance-of-payments deficit of about $18 billion last year . . . a deficit which drained badly needed dollars from our already depressed economy. And I submit that our Nation—great though she may be—cannot long tolerate such a drain on our currency.

We must act now—while a little time remains—to launch an all-out effort to find and produce our Nation's vast energy resources. We must begin now to expand the search for new petroleum reserves on land and in our Outer Continental Shelf areas. Delay is neither necessary nor acceptable.

I am dismayed to find that there still are some in this body who seem unprepared to accept the realities of our energy needs. They would substitute delay for action, and prolong our dependence on imported oil—despite the consequences to our Nation, our workers and our taxpayers.

Indeed, there is accumulating evidence that the public we represent sees the issue more clearly than do we here in Washington. They are ahead of us in their recognition that the energy resources on our Outer Continental Shelf should be developed—now.

This assertion is made advisedly. I have seen the results of 12 separate opinion polls—conducted in various areas along the east coast—where it is generally thought that the public has been averse to offshore drilling. Every one of the polls shows a surprising majority in favor of prompt development of the OCS. The lowest percentage favoring OCS development in these surveys was 50 percent: the highest was 92 percent.

It is important to note these are not polls conducted by or in any way sponsored by the oil companies. They were conducted by State legislators—including some who themselves oppose offshore drilling—and by Members of Congress. Moreover, I have seen no recent surveys which indicate public opposition to OCS drilling—not one.

Mr. President, I ask unanimous consent to have printed in the RECORD certain documentation of these opinion surveys.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DOCUMENTATION OF SEVERAL SURVEYS ON OCS DRILLING

1. State—Connecticut:

Who sponsored the poll—U.S. Representative William L. Cotter, 1st District, Connecticut.

When was poll taken—Early 1974.

Number of respondents—Over 10,000.

"By margins of 64% to 69% respectively, respondents favored drilling for oil off the New England coast and construction of refineries on the Connecticut shore."

Source: "From Washington: Bill Cotter Reports," news letter from sponsor to constituents dated May 1974.

2. State—Connecticut:

Who sponsored the poll—Hon. Astrid T. Hanzalek, Connecticut State Legislature.

When was poll taken—1974.

Number of respondents—See below.

"Should Connecticut attempt to supply some of its own energy requirements by permitting offshore drilling for oil or gas?"

Yes: 938, No: 422.

3. State—Maine:

Who sponsored the poll—Maine National Bank on WGAN–TV.

When was poll taken—See below.

Number of respondents—See below.

(a) April 4, 1975—"Should offshore drilling for oil be allowed in Maine?" Yes: 517, No: 267.

(b) April 11, 1975—"Do you favor offshore exploration for oil along the New England coast?" Yes: 456, No: 101.

Source: "Maine Opinion Tabulation Response," news release by WGAN–TV, mid-April 1975.

4. *State—Maryland:*

Who sponsored the poll—U.S. Senator J. Glenn Beall, Maryland.

When was poll taken—Late January 1975.

Number of respondents—119,250.

"14.5 per cent oppose offshore oil exploration along the Atlantic coast, while an overwhelming 85.5 per cent favor such exploration. These statistics are even more dramatic in Maryland's lower shore counties of Somerset and Wicomico where 84 per cent favor offshore oil exploration while 16 per cent oppose such action in both counties. And in the Ocean City resort county of Worcester, 70 per cent favor the exploration while 30 per cent oppose. . . ."

Source: "News from Senator J. Glenn Beall, Jr., Maryland: Beall Tabulates Questionnaire Returns," news release from sponsor, March 6, 1975.

5. *State—Maryland:*

Who sponsored the poll—U.S. Representative Robert E. Bauman 1st District, Maryland.

When was poll taken—February 1974.

Number of respondents—12,135.

"Would you favor oil exploration in the Atlantic Ocean off the Delmarva coast if adequate safeguards against spills are imposed by law?" Yes: 79%, No: 14%, Undecided: 6%.

Source: "District-Wide Poll Results—First Congressional District, Maryland Rep. Robert E. Bauman," news release issued by sponsor, late April 1974.

6. *State—New York:*

Who sponsored the poll—U.S. Representative John W. Wydler 5th District, New York.

When was poll taken—Spring 1974.

Number of respondents—Unknown.

"Offshore oil drilling—Do you favor oil drilling off the Atlantic coast?" Yes: 57.01% No: 30.38% Undecided: 12.61%.

Source: Reprint of article in "Congressional Record" of remarks of Congressman Wydler on June 24, 1974.

7. *State—New York:*

Who sponsored the poll—New York State Senator Caesar Trunzo 3rd N.Y. State Senatorial District.

When was poll taken—Spring 1974.

Number of respondents—Unknown.

"Should we allow offshore drilling for oil off Long Island?"

Yes: 51.9%, No: 35.8%, Undecided: 12.3%.

Source: "Legislative Report from Senator Caesar Trunzo, Third Senatorial District" (N.Y.), Spring 1974.

8. *State—New York:*

Who sponsored the poll—New York State Senator John R. Dunne 6th N.Y. State Senatorial District.

When was poll taken—January 1974.

Number of respondents—Over 7,000.

"To help alleviate the energy crisis would you support offshore oil drilling in the Atlantic Ocean off Long Island?" Yes: 64%.

Source: "State Senator John R. Dunne, Legislative Report, 6th District—Nassau County," news release, June 1974.

9. *State—New York:*

Who sponsored the poll—New York State Senator Norman J. Levy 8th N.Y. State Senatorial District.

When was poll taken—Fall 1973.

Number of respondents—Over 10,000.

"Do you support offshore oil drilling in the Atlantic Ocean off Long Island?" Yes: 60%, No: 37%, No Reply: 3%.

Source: "Albany Report from Senator Norman J. Levy, 8th Senatorial District," February 1974.

10. *State—New York:*

Who sponsored the poll—New York State Assemblyman Arthur J. Kremer 20th District, Nassau County, N.Y.

When was poll taken—Summer 1974.

Number of respondents—Unknown.

"Do you favor the issuance of permits for offshore oil drilling in the Atlantic Ocean near Long Island?"

Yes: 50.2%, No: 49.8%.

Source: Letter from N.Y. State Assemblyman Kremer to constituents, dated October 1974.

11. *State—New York:*

Who sponsored the poll—New York State Assemblyman Perry B. Duryea 1st District, Suffolk County, N.Y.

When was poll taken—January 1975.

Number of respondents—More than 2,000.

"Of the more than 2,000 responses to the questionnaire, 61 per cent favored offshore drilling while 27 per cent were against the proposal and 12 per cent undecided."

Source: "Suffolk County's East End Residents Want Offshore Drilling," news release by sponsor dated February 4, 1975.

12. *State—South Carolina:*

Who sponsored the poll—U.S. Representative Floyd Spence 2nd District, South Carolina.

When was poll taken—Summer 1974.

Number of respondents—Unknown.

"Energy—Which of the following steps would you be willing to take to ease energy shortages: (e) Offshore drilling for oil." Yes: 92%, No: 8%.

Source: "Washington Report from Your Congressman Floyd Spence," news letter to constituents dated September 1974.

Mr. FANNIN. Mr. President, I again repeat: There is no need for further delay. The public we represent is looking to us to act—and to act positively.

American offshore petroleum technology is the finest in the world. The expertise of U.S. oil companies in exploring for, locating, and developing undersea petroleum resources is recognized on every continent. And it has been that technology and expertise—by private industry governed by marketplace economics—that has located the major crude oil and natural gas reserves of the free world. Is it not time we permitted American oilmen to do the same in our own offshore frontier areas? Is it not time we took positive action to help free this Nation from the bondage of energy dependence on foreign nations?

The price of continued delay is even now being measured in lost jobs, closed factories, lengthening welfare lines. There is not enough natural gas to go around; and other fuels are hard pressed to make up the difference. That natural gas shortage is the direct result of past and present governmental meddling in the marketplace—where the consumer should have the right to select the fuel he wants, and pay for it at a price that will encourage the discovery and production of replacement reserves. But for more than 20 long and fruitless years, the Government—not by an act of the Congress, but by judicial misinterpretation—has followed a deliberate and shortsighted policy of prohibiting a fair rate of return on interstate natural gas.

By the same token, however, the Congress—for an equal length of time—has failed to rectify the court-imposed inequities. And still we delay. And the unemployment lines continue to grow.

How can we expect this vicious cycle to end unless we—the duly elected legislators of this Nation—take action? How are we going to explain the economic blinders we have been wearing—blinders that shut out the cries of the unemployed, who desperately need and want jobs, jobs only sufficient energy supplies can create?

We must not submit to the political blackmail of delay in expanding our domestic energy supplies. We must have the courage and the will to move decisively forward in opening new areas of the Outer Continental Shelf to exploration and development by the people who have proved they can find and produce oil and gas if given the chance to do so. We must take the initiative and return the fuels marketplace to the consumer, where it rightfully belongs, by removing controls on the price of domestic natural gas and crude oil. And we must restore confidence in the people that their Government is capable of action, when action is so critically needed.

There is no longer any place in today's energy scenario for delay. Time is running out for the grasshopper. The energy winter is approaching, and only prompt action can avoid a crisis far worse than the shortages of winter 1973–74. And I call on the Congress to put down the fiddle and pick up the plow. The citizens, the workers, the taxpayers of this Nation deserve no less a response.

MILES COLLEGE, BIRMINGHAM, ALA., FUND DRIVE

Mr. ALLEN. Mr. President, in these days of tragedy, economic distress, and continuing threats to world peace, it is encouraging and enlightening to hear of events which show that Americans know how to work together in solving problems and in helping one another toward the better life.

Such an event is unfolding now in Birmingham, Ala.

In 1905, Miles College was founded in Birmingham to provide higher educational opportunities for black students in the metropolitan area. The college has, through the years, been supported by the people of Birmingham and of Alabama, and today Miles is an accredited member of the Southern Association of Colleges and Schools with an enrollment of 1,275 men and women and a 30-acre campus with 18 buildings.

Serving the Birmingham metropolitan area are five colleges, three junior colleges, two universities, a law school, and a number of business and trade schools. One of these is Birmingham-Southern College which consistently through the years has been listed as one

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of the finest liberal arts colleges in the United States. In recent years, Birmingham-Southern has grown beyond the facilities it has occupied, and it is now furthering plans to occupy a brand new campus, and its present 170-acre campus, including its fine buildings, is being offered to Miles College to assist that school's necessary expansion. Of the $14 million needed to make the purchase, Miles College must raise $9,500,000 from local and outside sources.

Mr. President, although a fund drive has just gotten under way, the business community of Birmingham has already raised $3.5 million toward this purchase, and has thrown its considerable efforts and influence into the drive for another $6 million. The driving forces behind this Birmingham effort include the heads of some of the most prestigious industries and businesses in the city, and I have confidence that these leaders will succeed because the word "failure" is not in their vocabulary.

In the Sunday, May 4, 1975, issue of the Birmingham News appeared a news story "By Businessmen: Miles College Fund Raised," reporting the Miles expansion efforts. And as part of the fund raising effort, a brochure entitled "More Miles for Your Money," has been printed detailing in brief the hopes and aspirations which are part of the continuing growth of Miles College.

Mr. President, I ask unanimous consent that the newspaper article and the brochure be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BY BUSINESSSMEN—MILES COLLEGE FUND RAISED

A group of Birmingham businessmen has raised $3.5 million for Miles College toward its purchase of the Birmingham-Southern College campus and also have pledged to help Dr. W. Clyde Williams, Miles president in the national drive to raise an additional $6 million.

This is the first time that a group of businessmen in a deep South community has agreed to support financially a predominately black institution in a multi-million dollar capital fund drive.

Included in the group are: John Woods, president, Alabama Bancorporation; Cecil Bauer, president, South Central Bell; John Jemison, president, Jemison Investment Co.; Clinton Milstead, vice president for community relations, U.S. Steel; Frank Samford Jr., chairman of the board, Liberty National Life Insurance Co.; Crawford Johnson, president, Coca Cola Bottling Co. of Birmingham; A. G. Gaston, president, A. G. Gaston Enterprises; and Vincent Townsend, vice president and assistant to the publisher, The Birmingham News.

Birmingham-Southern is located on a rolling 100-acre site in Birmingham's western section and comprises dozens of classroom and administration buildings, dormitories, fraternity and faculty homes. There are about 70 undeveloped acres on the campus.

President Williams praised the work of the Birmingham businessmen and the local black community, which raised and deposited $100,000 as "good faith money" during the early stages of the negotiation. This money will be merged into the campaign fund.

MORE MILES FOR YOUR MONEY

As Birmingham Southern College furthers its plans to occupy a new campus in the imminent future, an exciting prospect is open to the City of Birmingham, its citizens, its students, and a prominent institution of higher learning . . . Miles College.

The dream is the transfer of Miles College to the Birmingham Southern campus, giving Birmingham an additional city college and giving Miles a chance to grow, expand, develop and reach toward an ever higher potential.

Dividends would be manifold . . . the creation of jobs in the operation of the school itself, expenditures of the students on food, laundry, entertainment, transportation and other related factors inherent in a community of 1200 plus.

Current surveys indicate that the Miles community . . . students, faculty and staff . . . spends nearly $9.3 million for goods and services in the Birmingham area annually. This includes:

Food	$2,142,000
Medical expenses	1,227,780
Transportation	1,014,705
Utilities	546,206

Credit purchases by members of the Miles community approximated $1,208,388 last year.

Education is "big business" itself, spending money for maintenance of buildings, campus security, utilities and capital improvements. Bringing Miles into Metropolitan Birmingham is good business.

A SPECIAL RATE OF INTEREST

Founded in 1905, Miles College has served as the principal four-year collegiate institution for black students in the greater metropolitan area.

It still maintains its original "open door" policy, granting admission to any student who holds a high school diploma or its equivalent.

Miles is committed to the education of students whose backgrounds are both academically and economically below standard "norms".

Enrollment has included culturally disadvantaged students from all over the country, though most students are from Birmingham and surrounding areas.

The present Miles campus is inadequate and overcrowded. Administration, faculty and students find themselves hampered in many progressive areas important to themselves and the community. Miles believes in "involvement." In addition to classroom instruction, cultural programs are in effect . . . a theatre group and a dance group. Miles has been instrumental in sponsoring voter registration drives and urging potential responsibility. Effort continues always to increase the number and range of opportunities in which students and community can communicate.

CURRENT DIVIDENDS

Miles has provided educational opportunities for many blacks to become outstanding citizens and leaders in their own right. The first black appointed to the Governor's cabinet is a Miles graduate. A Birmingham City Councilman, state representative and business leaders are alumni of Miles.

Since an institution's investment in the student goes far beyond his paid tuition, it is important that he continue to serve the community that nourished him. This is true of Miles students. Most remain at least within Alabama, reinvesting their knowledge and capabilities to the benefit of this city and state.

Miles has a proud record of achievement in preparing teachers, ministers, business and professional men and women. Nearly half the black teachers in the Birmingham area public schools are graduates of Miles.

Miles is an accredited member of the Southern Association of Colleges and Schools. A four-year liberal arts college, Miles presently enrolls 1,275 men and women. It occupies a 30 acre tract improved by eighteen buildings and currently valued at $3.6 million.

A distinguished history. Given superior facilities, the potential for Miles . . . and Birmingham along with it . . . seems endless.

A PROSPECTUS

Birmingham Southern College's campus will be offered for sale. Miles has an option on the property.

Acquisition of this property by Miles College is the most logical of all alternatives in long range planning. The property is valuable. Its location is central.

A student community not only needs but is ready to immediately occupy the campus.

Miles needs more room for more students in a location easily accessible to all Birmingham communities. Birmingham Southern's campus is ideal.

It offers 100 acres of developed institutional property plus 70 acres of undeveloped land.

The finest Theatre Arts building in this area would be put to immediate use.

Miles' present and projected programs could be handled adequately with room to spare for expanded enrollment and activity, including a Fine Arts department.

The administrators of Miles College have undertaken an in depth study on ways, means and feasibility of improving their present facilities on a 3-phase basis.

Studies show that a move to the Birmingham Southern campus would accomplish in three years what would otherwise require up to 15 years at an additional cost of 20 to 24 million dollars. The choice seems indisputable.

INVEST NOW

Miles can buy Birmingham Southern campus for $14,000,000 of which $3,000,000 constitutes a HUD loan to be assumed by Miles.

Of the remaining $11,000,000, financing is proposed as follows:

From local support if Miles raises $6,000,000 from outside sources	$3,500,000
Gifts from district black churches	500,000
Proceeds from present holdings	1,000,000
Private and foundation sources	6,000,000

Miles is requesting challenge grants from major foundations, corporations and individuals in the amount of $6,000,000.

There is no better investment than education that expands opportunity, raises economic levels, lowers unemployment and changes standards of living. Everyone who invests in the future of Miles College is buying a great metropolitan education center. Because of its "open" policies, not only the black community but all other races may share in its benefits. Miles can become a truly interracial, broad spectrum city college.

An investment in Miles is a wise investment in the future of a growing Birmingham and an influential Alabama.

Support the Miles College Fund Drive.

SHOW THEM BY DOING

Mr. HUGH SCOTT. Mr. President, the American free enterprise system represents the backbone of our strength, both nationally and internationally. A recent editorial in the Philadelphia Inquirer emphasizes our need to maintain the tradition of free enterprise. I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SHOW THEM BY DOING

At a time when American foreign policy is on the threshold of agonizing re-evaluation as a result of the debacle in Southeast Asia,

Daniel P. Moynihan has given a timely reminder about one of our country's greatest assets abroad as well as at home: the free enterprise system.

"Americans should not be ashamed of free markets and free enterprise," the former U.S. ambassador to India said in a panel discussion on foreign policy at the annual meeting of the American Jewish Committee in New York. He noted that the American people are "the party of liberty, and those who are on that side usually do better for equality."

Another panelist, editor Norman Podhoretz of Commentary magazine voiced a similar theme in defending the profit system against global critics. "The only way to attack poverty," he said, "is to promote productivity and growth."

In a world where poverty and hunger are the most tragic human problems—and Mr. Moynihan has seen much of both in India—it is well to recognize the enormous potential for good in America's economic arsenal.

With the motivation of reasonable profit, American agriculture can help feed hungry millions.

Under a competitive system of free enterprise, American industry can produce goods and services required to raise living standards in underdeveloped and impoverished nations.

Most important of all, the science and technology of American private enterprise, nourished by the profit system, can provide enduring and revolutionary improvements in the ability of less fortunate nations to combat root causes of disease and poverty and hunger—and to build a capacity of their own to sustain a healthier, reasonable prosperous and adequately fed population with agricultural and industrial know-how.

There is more to foreign policy than flexing military muscles or trying to export raw ideology. America's most potent diplomatic tool, and one that needs to be better appreciated and carefully nourished, may well be the ability of a strong free enterprise system to supply the needs and wants of peoples abroad seeking a better life.

ADDRESS OF UNITED NATIONS SECRETARY-GENERAL KURT WALDHEIM BEFORE THE CHICAGO COUNCIL ON FOREIGN RELATIONS

Mr. McGEE. Mr. President, on April 23, United Nations Secretary-General Kurt Waldheim delivered an important speech before the Chicago Council on Foreign Relations.

The importance of his remarks stems from the very eloquent, yet highly pragmatic, assessment of the United Nations and its role in the international community. As the Secretary-General points out in his remarks:

> I contend that the United Nations, with all its weaknesses and limitations, is still the world's best hope for peace.
>
> I contend that such weaknesses and limitations as exist will not be eliminated by spurning or bypassing the United Nations, but by working to make the United Nations better.
>
> I contend that the United Nations will never work properly if the nations regard it as an adjunct to their bilateral foreign policies rather than as the mechanism for building common peace.
>
> To do this, everyone is going to have to give up a little. What we get in return is a genuine basis for durable peace.

Mr. President, I concur with the Secretary-General's observations. I was particularly struck by these comments, particularly since I, myself, have been reassessing the U.S. role in the United Nations. While I believe the Secretary-General made some very poignant observations throughout his speech, I would like to focus my remarks on those I have just quoted.

In my estimation, one of the greatest failures in U.S. foreign policy has been the manner in which the United Nations has been viewed within the context of our policy deliberations. Not only this administration, but past administrations as well, have placed the U.N. far down the list of their foreign policy priorities. At present, the U.N. remains on the periphery of our foreign policy, an instrument to which we turn only when we find it convenient to do so.

Mr. President, in essence, the United Nations is reflective of our bilateral relationships around the world. We have chosen to ignore the legitimate concerns of the developing nations of Africa, Asia, and Latin America. The only forum available to these nations in which they can make their views known is the United Nations. Yet, even within this forum, we have turned a deaf ear to their concerns. Ofttimes, we find ourselves ill-prepared to deal with the political and economic problems with which we are faced within the U.N. for the very reason that we have chosen to ignore the realities which form the basis for these ofttimes legitimate grievances.

Yet, the executive branch is not the only culprit in the scenario. The Congress must also bear its share of the responsibility. Many of the so-called staunch supporters of the U.N. within the Senate have also contributed to a diminution of the effectiveness of our Nation in that international body. Scant attention is paid to the policy implications of what our actions as a legislative body portend. More and more we hear excuses as to why the U.N. has fallen into disfavor within the Congress. We have found less and less creative thinking in both the Congress and the executive branch in strengthening a positive U.S. role in the U.N. Traditional supporters of the United Nations have fallen victim to a small, but vocal, minority in this country. In effect, they have joined with the executive branch in placing the United Nations on the periphery of considerations when foreign policy issues come before the Congress.

From time to time we hear that the Congress is reasserting its role as a major force in the foreign policy decisionmaking processes of our Government. Yet, one wonders whether Congress is capable of assuming this role intelligently or responsibly.

Mr. President, I would urge my colleagues and the executive branch to put their rhetoric on the line. Eloquent speeches of support for the United Nations accomplish very little. What we do on a day-to-day basis within the context of our legislative duties and responsibilities will have a significant impact upon the effectiveness of the United Nations. This remains the only test of our commitment to the U.N. It is time we stop offering lame excuses as to why the Congress is incapable of making a positive contribution to our role in the United Nations, rather than the negative and highly destructive role we have assumed in recent months.

I ask unanimous consent that the Secretary General's speech be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

TEXT OF SPEECH BY SECRETARY-GENERAL KURT WALDHEIM TO CHICAGO COUNCIL ON FOREIGN RELATIONS

It was a great pleasure for me to receive and to be able to accept the invitation of the Chicago Council on Foreign Relations. The long history and outstanding record of this Council are well-known to us at the United Nations, and indeed to all who are actively involved in world affairs.

I need not elaborate before this body on the symbolic power of the name Stevenson among all who cherish the cause of peace in the world. I might say—in connexion with the generous introduction I have just received—that Adlai Stevenson once remarked that a speaker was entitled to enjoy a flattering introduction—just so long as he didn't inhale. I believe Ambassador Stevenson also observed that a speech doth not have to be eternal to be immortal. This wise advice is not heeded as often as many of us would wish.

You have reason to take pride in the fact that Senator Percy was a member of the United States delegation to the last General Assembly. Those of us who labour in the vineyards of the United Nations know him to be a strong advocate of the principles of world organizations in general and of the United Nations in particular. Senator Percy has demonstrated that friendship for the United Nations is best manifested not by uninformed praise but by highly knowledgeable and constructive criticism and evaluation. And what the United Nations needs even more than money—which we have little enough of—is constructive criticism rather than destructive criticism—which we have too much of. The United Nations will not be served or saved either by indiscriminate praise or indiscriminate criticism.

My compliments, in fact, to Mayor Daley and Governor Walker—and, indeed, to the people of Illinois—on the historic contribution this State has made to the cause of world organization over the years. There is a fiction that this area has been something akin to a stronghold of isolation. I must say I personally have seen little evidence of it—whether with respect to my reception here tonight, or to the calibre of the statesmen who have come from Illinois, or to the kind of support the citizens of Illinois have given to the quest for a peaceful world.

There is much talk these days of a new surge of isolationism. I am not sure that the correct word is "isolationism". What I have seen leads me to believe that what is happening—and I am thinking not just of a particular country but of almost every part of the world—what is happening is that there is a new mood of withdrawal. People are not turning away from ideas of world interdependence. What they are turning away from are outmoded and unworkable ways of trying to deal with the world.

If I sense correctly the trend now emerging, I would describe it as a renunciation of the idea that peace can be achieved through a 'balance-of-power or through superior stockpiles of weapons which, if used, would produce a world holocaust. These ideas belong to the past and cannot be used to bulid the future.

I repeat: People are *not* withdrawing from the idea of peace through world order. They are *not* giving up their hopes for a world of justice under law. They are *not* abandoning their dream that this frail planet of ours

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can be managed in the human interest, or that we can leave to the next generation a world in which human beings do not have to kill or be killed.

People are *not* giving up on these ideas—and, I might add—neither am I.

I had no difficulty in agreeing with President Ford when he said the other day at Notre Dame that we cannot live in a compartmentalized globe but that we must return to the concept of One World. He was referring, obviously, to the term used so effectively by Wendell Willkie. It was a little more than thirty years ago that Wendell Willkie wrote his book "One World". I can think of no more useful way of returning to fundamentals on our quest for peace than by rediscovering the power and validity of what he was trying to tell us.

I am not troubled by the simplicity of Willkie's message. Truth doesn't have to be complicated to be persuasive. What Wilkie was saying was that the world's nations have come to the end of the road in which they traditionally sought peace by being more powerful than their opponents. He was trying to tell us that the world has become too small for big wars; that any war, anywhere, in fact, is a danger to the entire community of human beings. He was trying to persuade us that new approaches were necessary based on the concept of world institutions that could deal with world problems.

He correctly anticipated that the principal problems of our time would all have a world dimension and that no nation would be able to solve them unilaterally. And it is clear to me that he would doubt that a bilateral approach alone would be adequate to the kind of problems confronting the human race today.

It is presumptuous, of course, for any person to say what someone who died thirty years ago would say about any present day situation—but Willkie's writings seem to me to be clear on the point that he felt world peace could be achieved and maintained only through a world order.

I don't say there is no place for bilateralism in the building of a peace world. If bilateralism means joint leadership in strengthening the principles of world organization; if it means joint action in creating a stage for the fullest possible interdependence among nations; if it means common efforts in behalf of a strengthened United Nations that can act effectively in the human interest—if it means any or all of these things, then that kind of bilateralism will earn the gratitude of every human being on earth.

I do not despair about the future of the United Nations or the prospects of world peace in general. The events of recent years and months have produced widespread apprehension, confusion, and uncertainty. Yet I believe the time is right for new beginnings.

It has been demonstrated—at great cost—that we have to create effective means for keeping the peace and for serving the cause of justice.

It has been demonstrated that the arms race will not create enlarged security for anyone caught up in it. It will create greater insecurity and a long slide into inflation and depression.

It has been demonstrated that the attempt to stay on top of the international game through a balance of power leads to a greater unsettled condition of the nations that are caught up in it.

Since the old notions and old approaches don't work, where do we look? Where do we turn? What do we do?

The moral ofthe story seems clear:

Why not try the United Nations?

I contend that the United Nations, with all its weaknesses and limitations, is still the world's best hope for peace.

I contend that such weaknesses and limitations as exist will not be eliminated by spurning or bypassing the United Nations but by working to make the United Nations better.

I contend that the United Nations will never work properly if the nations regard it as an adjunct to their unilateral foreign policies rather than as the mechanism for building common peace.

To do this, everyone is going to have to give up a little. What we will get in return is a genuine basis for a durable peace.

The United Nations is still an unfinished organism. No one knows this better than I do.

Some problems are structural.

Some problems are organizational.

Some problems are functional.

Some problems are philosophical.

But none of these problems are insoluble.

I can't think of any weaknesses or limitation involving the United Nations that can't be solved if enough nations regard the cause of a fully functional United Nations as the underlying and unifying objective of their foreign policies.

Basic changes are occurring with great rapidity. If we understand these changes and see the United Nations as a resolving mechanism, we need not feel overwhelmed or discouraged.

At the height of the Cold War it was believed that the world was in danger of becoming divided into two ideological and mutually hostile groups. Today there is the peril that it may become divided into two economically separate and mutually hostile groups—the rich and the poor. The gap between these groups is not narrowing. The poor are becoming poorer. They are also becoming more populous. Three billion people now live in the less developed regions of the world. 60 per cent of these people are under 25 years of age. Their life expectancy is 25 per cent lower than in the developed world.

The result is not just a massive imbalance of economic resources, but a massive imbalance in living standards and of opportunity.

It may be argued that it has been ever thus. But today there are new problems of scale and scope which give a blazing intensity to this old division between rich and poor. In 1925, the world's population was under two billion. Today, it is now almost four billion. If present trends continue, it will be eight billion by the year 2000.

How will the future citizens of our planet be fed, housed, and educated? How will they be employed? Unless we begin to manage our planet now in the common good, the generations just ahead will be born in poverty and spend their lives in poverty.

The economic division of the world into two camps, the affluent minority and the poor majority, has already been sharply reflected at the United Nations, and most significantly at the last General Assembly. This had results which surprised and in some cases dismayed the developed countries, not least among them the United States.

Irrespective of the merits of particular actions by the majority, the significance of what happened last year must not be ignored or misjudged. What happened showed that the poor nations are tired of being poor, are losing patience and demanding action.

The oil crisis and the following developments are certainly a warning in this regard.

If we see these warnings in the perspective of a world that has become a single geographic community, we must recognize that we can lose no time in undertaking collective global action. The nation-state remains the principal instrument for acting on changing world conditions, but the scale and nature of the problems themselves have made purely national approaches obsolete. We need global strategies and guidelines within which the national governments will operate.

What are our chances for achieving such strategies and guidelines?

I believe those chances are good in direct proportion to the willingness of people to act in their common interest.

I see nothing irreconcilable between the surge of nationalism and the new need for interdependent and even contractual ways of living inside a world community.

The ability of nations to preside over their own cultures and institutions will be strengthened, not weakened, by the acceptance of common objectives in their world relationships.

No country will be able to sustain the costs and pressures of unilateralism, of which the arms race is the most conspicuous manifestation.

Only as a workable form of common world security is created will it be possible for the finest experience of nationalism to take place.

Only through the interdependence of all nations can the independence of each nation be assured.

The United Nations offers a practical basis for such interdependence.

The United Nations, in the words of the Charter, is "a centre for harmonizing the actions of nations". But the gap between declarations of internationalism and its implementation has been widening. As Adlai Stevenson put it so characteristically, "making peace is not merely a matter of nations looking at each other, but of their looking together in the same direction".

One of the greatest fallacies in much of the thinking about the United Nations is to believe there can be a separation between "political" questions and "economic and social" questions.

The United Nations is a highly political organization. We in the Secretariat are mainly dependent upon the creation of the political will before we can act. I am frequently troubled by the realization that this fundamental point is so poorly understood.

Naturally, the Secretary-General does not sit idly by and passively wait for political will to be mysteriously created. It is his task to help shape that political will, to take advantage of changing situation, and to guide contending parties into effective negotiations. But the Secretary-General often finds that his main job is to find ways of coping with the existing limitations and weaknesses of the United Nations itself. Repeatedly serious issues that are brought before the Secretary-General are those that are not resolved by the General Assembly or the Security Council.

While I do not object to this part of my job you will certainly understand the enormous difficulties with which I am then faced.

When people ask—as they often do—what is "the United Nations" doing about a particular questions, they reflect the common misapprehension that there is a single entity called "the United Nations" which has supranational powers. There is also often a misunderstanding about the role and position of the Secretary-General himself. I am constantly urged to intervene in a very wide variety of matters as though the Secretary-General can disregard the limitations imposed upon him by the Charter and the political realities of a world of sovereign States. In such cases a great deal can often be done, and is done, through quiet diplomacy, which must remain confidential if it is to be effective. Nothing would destroy the usefulness of the Secretary-General's role more swiftly and effectively than his taking sides in highly complex political situations in disregard of the authority and policies of member-governments. This does not mean inactivity on his part. It means that he must act at the same time on the basis of the principles of the Charter and in full awareness of the political realities.

It is not always easy to reconcile these two essential conditions.

The creation of trust and confidence is a long business. Months, even years, of such efforts can be lost overnight by one action, however well-intentioned, which is seen as constituting interference without authority in the internal affairs of a nation.

We must not forget, however, that the United Nations has not been exactly inactive or irrelevant. The United Nations had had considerable success in developing techniques of peace-keeping during the past 25 years. It has proved that, in many situations, it can exercise an important moderating influence, not only in limiting or forestalling conflict, but also in providing a framework within which the settlement of basic and difficult problems between States can be pursued.

Obviously, the effective involvement of the United Nations in conflict situations requires the consent of the parties concerned and their willingness to co-operate with the world Organization. Despite the fundamental problems of the Middle East, I think it fair to say that the United Nations through the efforts of the Security Council, through its various peace-keeping efforts, and through various forms of mediation and good offices, has done a great deal to preserve peace in an area where the danger of a world conflict is ever present.

For reasons beyond the control of the Organization, the United Nations has not been effectively involved at any time in the problems of Indo-China. In fact, during the long period of conflict, the search for a political solution has taken place outside the framework of the United Nations. I should like to say a word, however, about the efforts we are now making in the very tragic situation prevailing in that part of the world.

The Secretary-General was invited to participate in the International Conference on Viet-Nam in Paris in February 1973. In my statement to that Conference I said that the United Nations stood ready to assume its responsibilities wherever and whenever it was called upon to offer useful and realistic assistance. I also said that, should the Governments of the area so desire, the United Nations and its family of organizations could play a significant role in receiving, co-ordinating, and channeling international relief and rehabilitation assistance to the Governments and people of the region. Such assistance would be provided without discrimination of any kind.

Ever since that time, the United Nations has been operating on the same basis—providing humanitarian assistance wherever and whenever requested. It has persevered in this task despite a military situation which obviously makes it much more difficult to help the victims of the war. In light of the most recent developments, I appealed on 31 March to all concerned to do everything possible to relieve the plight of innocent persons, including those who have been displaced. I requested the governing authorities on both sides to do their utmost to limit the suffering of innocent people. I also appealed to Governments and individuals everywhere for increased humanitarian assistance to help alleviate the misery of the millions of human beings who find themselves in tragic circumstances.

We have set up special machinery at the United Nations Headquarters to co-ordinate the already considerable response to this appeal and to maximize the effectiveness of the humanitarian effort. At the present time, two programmes of the United Nations system—the United Nations Children Fund and the Office of the High Commissioner for Refugees, which already had programmes of humanitarian assistance on both sides of the conflict in Indochina—are carrying the main burden of humanitarian assistance, and their operations are being intensified.

On 17 April, in a further appeal, I indicated that, in the immediate phase we should set a target of $100 million in order to meet essential requirements.

It seems to me that in the interests of providing the maximum assistance to all of those afflicted by the tragic situation in Indo-China, this approach is the one most likely to be effective. It goes without saying that I shall continue through whatever channels are available to me to make the facilities of the United Nations available to all of the parties to the conflict, if they wish to make use of them, for the purposes of putting an end to the conflict and alleviating the vast human suffering which it has caused. Communication and understanding are vital in such a situation. For this reason I am making the utmost effort to establish and maintain contact with all parties in this great human tragedy.

There are other things that can be done on a day-to-day basis to help the United Nations, even as it is, to do a better job in fulfilling its original purpose. First, there must be a heightened understanding of the urgent importance of using its machinery for negotiation and preventive diplomacy *before* conflict erupts. To use it as a court of last resort when all else has failed, or to use it merely as an international relief operation at the end of the day, is to discard the most important potentiality for peace and stability.

As has been said, great conflicts may arise from small events but never from small causes. While we grapple with immediate problems of peace and war, in Indo-China, in Cyprus, and in the Middle East, we must also look ahead. We must try to discern the serious potential causes of future unrest and discord, and think not simply in national terms but in global ones as well. While mankind is divided by economic inequities, it will be divided by political divisions, and there can be no real stability or real co-operation to work together to meet the awesome challenges which confront us all.

The United Nations, being a human institution, is fallible. There can be collective foolishness as well as collective wisdom. There have been, and will be in the future, disappointments, setbacks, and frustrations. But these must not make us despair, or lose heart and faith. In the thirtieth year of the life of this unique human experiment, we must never forget that we are looking at the world as it is. But we are also, in a very real sense, looking at ourselves. Are we to seize the opportunities which lie before us, taking full advantage of the lessons of the past, or are we to turn aside from the realities of the world—and from looking at ourselves as we really are?

I cannot give you the answer. The choice is stark and clear. I would like to remind you of what Adlai Stevenson, then Governor of Illinois, said: "This is not the time for superficial solutions and everlasting elocution, nor for frantic boast and foolish word . . . What counts now is not just what we are *against*, but what we are *for*. *Who* leads us is less important than *what* leads us—what convictions, what courage, what faith".

This Republic, now approaching its Bicentennial, survived great difficulties and dangers through the hard work and idealism of tens of millions of unknown Americans dedicated to the ideals of the Declaration of Independence. Similarly, the United Nations can succeed or fail not only through the work of Governments but through dedication to the ideals of the Charter of countless millions throughout the world. But we shall only succeed if we continue, despite all obstacles and frustrations, to believe that those goals are attainable, and to work towards them with all our conviction and understanding.

GOVERNMENT CAN DESTROY LIBERTY

Mr. FANNIN. Mr. President, it has long been evident that Government can protect people out of their freedom. In attempts to impose equality, government can destroy liberty. We are in great danger of doing this very thing in the United States.

Last April 11, the former Governor of Arizona, Jack Williams, gave an excellent speech at the Valley of the Sun Kiwanis Club in Phoenix. Governor Williams has just returned from a 16,000-mile voyage around South America where he visited a number of countries. Because of his deep interest in freedom and the political development of nations and peoples, Governor Williams took advantage of this journey to study the countries he visited and to analyze the history of this rich but turbulent continent.

Mr. President, Governor Williams makes some extremely interesting and, I believe, valid observations which pertain to the course we are following today, compared with the Inca civilization.

I ask unanimous consent that this enlightening speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SPEECH BY GOV. JACK WILLIAMS

For forms of government let fools contest, that form which governs best is best. What is the best form of government? What do we seek from our Governors? How about a society in which all who want to work did work; where no sickness went uncared for; where few crimes were committed; where no aged or infirm lacked the necessities of life; and where cooperation for the public welfare, rather than competition for profit, was the mainspring of its economy? These certainly are achievements any civilized nation of today can well envy.

Such a society existed from about 1100 to 1500 in South America and I'd like to tell you about it.

We will discuss cost, just as we should discuss the price we pay for our own government, as it seeks to accomplish almost exactly what our historical empire did.

Interwoven through this discussion will be such questions as whether freedom can destroy freedom? Whether an excess of government can destroy it? Or if you protect all men from their folly, might you not raise a nation of fools?

I shall also propose that equality and freedom are impossible to achieve, despite the fact we are striving for an egalitarian society; that the big lie is strengthened by our present form of free media. And, I shall suggest that the best form of government in all history has been the benevolent monarchy.

May I hastily add, I would not speak so boldly if I thought I were to be believed.

These speculations developed during a long leisurely freighter trip around South America, where as a result of a number of years of reading its history, I found some frightening parallels in what we face here today. This trip of some 16,000 nautical miles, enabled me to visit a number of countries, including the three remaining democracies. Revolution is the keystone to government in South America. They have always looked northward with envy at our constitutional republic; but, have never been able to achieve it.

We have had but one revolution—the war between the states. What we celebrate on the Fourth of July was not a revolution. We simply threw off the rule of King George and replaced it with our constitution.

We were 13 constitutional governments—each with rules, and law and mutual covenants between men.

Our test came during the Civil War; and now 100 years later we have started that testing again! I count from the 1960's—the greening of the second American Revolution.

In the beginning, we were a vigorous people who loved individual rights. We were yeomen, merchants, trappers, farmers, teachers, wagon masters, frontiersmen, who brought with them a number of fiercely conflicting evangelical sects.

South America was established earlier under grants from Spain and Portugal. There developed governments of big, wealthy land owners and lawyer-politicians. The army established itself as the balance wheel between the demagogue-politician who represented the have-nots against the powerful land owners. In effect, the military represented the constitution. Nor was it perfect, because in many instances the generals became tyrants, too!

Today, every nation in South America, except three, is ruled by a military junta.

It is not easy once you destroy a free government to ever restore it. Thomas Jefferson used to say, before the French Revolution, "The tree of liberty needs to be fertilized by the blood of tyrants and patriots," but, after the tragedy of the French Revolution, with the inability of the people to establish a constitution, and their recourse to the guillotine and final restoration of order through Napoleon, Jefferson kept quiet about recommending revolution every generation.

South American countries have tried time and again to establish constitutional governments and have failed. Nor could they be satisfied with monarchies. Although Brazil had a benevolent one with Dom Pedro for fifty years, but they finally exiled him.

South American countries destroyed their strongest leaders throughout history; later building monuments and statues to honor them. Bolivar, who won more victories than our George Washington, liberating a great part of South America from Spain was so shabbily treated that on his death bed, cried out: "The three greatest fools in history—Jesus Christ, Don Quixote and Bolivar."

Jose de San Martin, who liberated the south and fought epic battles over the Andes that rivaled, if not surpassed Hannibal's triumphs, was dispatched into exile in Europe. When he came home to die, and his ship anchored in the harbor, crowds so vilified him from the wharves that he never landed but returned sadly to Europe—there to die. Today, his statute and that of Bolivar are found everywhere!

In the countries ruled by military juntas, I was able to wander at will, conscious at first of young sixteen and seventeen year old uniformed soldiers standing around all public buildings and strategically placed at one block intervals in the downtown areas. They attracted my attention because they stood sometimes with carbines held waist high and finger on the trigger. Later, I didn't notice them, but took them for granted, unless they stopped us for a glance at our shore permit.

Much to the contrary in the three democracies, one was threatened by violence, bandits, muggers, guerrillas, and terrorists. As an example, let me name one of the democracies! Free elections brought Isabel Peron to power in Argentina. The authoritative National Geographic says of Argentina: "Politically inspired assassinations of labor leaders, army officers, police chiefs and university radicals occur at the rate of one a day—three to four hundred a year. Kidnappers focus on businessmen to finance terrorist campaigns. One is not safe on the streets of many of the cities of the three democracies—not unlike the same problem in our own capitol."

I am simply reporting what I saw firsthand or was told in other instances by businessmen or friends.

One former resident of Scottsdale told me to please report that Chile under its present governnment, which overthrew Allende, is doing well and that under Allende, it was not doing well. Try to get that message to the swimming Senator from Massachusetts, he added.

According to his report, Allende nationalized everything and even the bakeries had long lines because of scarcity. The women nearly drove him mad I was told by another pretty-well informed authority. These women would stand outside the presidential palace and beat on pots and pans. They almost drove him up the wall, but there was nothing he could do to stop them.

Later, after he committed suicide—although more and more the left wing media claim he was assassinated—the safe in his office was opened and in it was a list of high government officials to be assassinated on their national holiday, along with the names of the people assigned to kill them. The date was just seven days after his overthrow.

Today, the big lie can be spread around the world more quickly than at any other time in history. Radio and TV magnify what the news columns begin. We are told today that South Vietnam broke the Paris Peace Agreements. Do you believe that? But those who want to believe it, will and do. Hitler described the big lie. He almost made it work. Today, the enemies of our way of life, are making it work. Why is it that we are told again and again that our allies are bad and those who oppose them are good? Why can only those whom Russia and China support be right and everybody we support be wrong?

If freedom can destroy freedom, and an excess of government does the same thing by promulgating so many rules and regulations that no citizen feels safe against some law, what can be done?

Frankly, we've survived as a nation for almost 200 years. That's not very long. Those who read history know that centuries elapse as nations develop. Our Bi-centennial is already a source of controversy, and we well could be approaching our own eclipse through the fostering of controversy and terror—All in the name of freedom.

Historically, subjected to such events as occur today in our country (where freedom for terrorists leaves citizens concerned for their own safety), a government is changed. In fact, we have seen our government overthrown in a bloodless coup, and two non-elected officials put in office. We are watching a powerless President deal with an all-powerful Congress and press. In the future the Presidency could well survive only on favorable polls and an acquiescent Congress. But, you can't run a great power by committee or by public polls.

History shows finally a strong leader appears. If he is benevolent in his governing but strong and steadfast in his ideals, you have a government that is similar to the benevolent monarchy of history. If not, you have a tyrant who in time is deposed.

But you will have lost what you treasured most—your freedom and your republic. It is said that Benjamin Franklin at the conclusion of the Constitutional Convention was asked "What have you given us?" and replied: "A republic madam, if you can keep it."

We have kept it, but briefly, threatened by the war between the states, and today, by an excess of permissiveness that tolerates those who would destroy us. Yet, we face the inevitable dichotomy: If we believe in freedom, then must we not permit freedom? Freedom of speech, freedom of the press, freedom to assemble and protest, freedom to change our form of government, if enough wish such a change?

Well, let us examine that last freedom. How far do we go permitting an overthrow of government in the name of freedom? We all acquiesced last year when form and substance and procedure was violated in the overthrow of the hated Nixon regime. As I read South American history, I could not help but find parallels. Those coups and revolutions in South America were done with the best of intentions. Arrogant rulers who had prostituted the forms of government for their own power were removed. The "good guys" took over. Somewhere behind it all there may have been a Machiavellian design, but the people were assured that a power-mad tyrant was being removed and their interests protected.

I have proposed for your consideration the benevolent monarchy as the best form of government in history. I did not dream this up. It came from a book, Equality and Freedom, in which the author persuasively makes a point that you cannot have freedom and equality. If you have freedom, the gifted can better themselves—the unequal can win or fail. If all are forced to be equal, then none can fail.

In South America, I studied with great interest the fabled Inca Empire. It lasted only four hundred years, establishing their first permanent center in the Peruvian Valley of Cuzco. From here, they expanded in successive waves of conquest north, south, east and west, until their domains embraced a half million or so square miles and some five or six millions of inhabitants.

Why do I discuss the Inca? Well, every worker's job was assured for him and a worker assured for every job. The widows and orphans, the old and infirm, were taken care of and take care of well!

In every village there were two or three warehouses to provide for the lean years. Along the highways, located at intervals of ten to twelve miles, there were commissaries for traveling military groups. The products of all community labor were sent to these commissaries: food, wool, clothing, arms and footwear. The contents were built up over a long period of time and were sufficient to take care of the population of the district for several years.

Work was found for everyone in the Inca territory, even for the children, and as sloth was a crime against the state, it was punishable by law. There was a sense of absolute security. Magnificant highways were built across the Empire. On their highways, the Incas maintained a regular post service of human runners, four or five of whom were stationed in huts at intervals of a mile or so along the road. These messengers were especially trained for their jobs, and as the distance assigned to each man was short, messages and small parcels could be carried many miles in a single day. Fresh fish and choice tropical fruits were frequently brought from considerable distances over the mountains to Cuzco as special delicacies for the Incas' table.

The Inca historian, Garcilaso, pointed out that there were no criminals, vagabonds, nor idlers. Punishment was swift and vigorous, generally being the death penalty no matter how slight the crime, because it was said that they were not meting out punishment to fit the crime, but were calling the criminal to account for having broken the law and the Inca's personal commandments. Immediate and harsh punishment was like jerking up weeds before they could bear seed.

There were, of course, a few minor transgressions punishable not by death; but by flogging, exile or public humiliation. The Inca penal system sounds at first hearing unduly harsh, the resultant facts attested by many Spaniards who have no reason for misrepresentation clearly prove its efficacy.

Many common crimes, such as stealing, were practically unheard of among the Incas. Houses were left open day and night without the slightest fear of thieves. The white man's avarice and looting thoroughly disgusted these primitive Indians.

Interesting to learn today, under Inca rule, children as well as adults were promptly punished by the state for any breach of the law, and the father, who was held accountable, received a like punishment.

Incidentally, numerous observers circulated around keeping check upon the governors, in whose hands the law was placed, and the judges who passed the sentence. Any infraction in these quarters met with a doubly harsh sentence, for the Inca thought it was a greater crime for one held up as a superior and chosen to enforce the law to be guilty of breaking it than in the case of an ordinary citizen.

Now, what faults can we find? Here certainly was a law abiding society. Law and order were the keystone. Here there was no poor. Here there was no crime. Here everybody had a job. No unemployment. What's the catch? What did it cost for this Utopia, or Utopian-sounding paradise for the common man? Well, freedom was gone! Yet, I doubt if the Inca common man noticed it. You see, Inca religion and state were one. Think what that means. The ruler could not only say of himself, "I am the state," but could add as well, "I am a son of the god of my people and the supreme pontiff of his religion." Nowhere else in the world, except perhaps in pre-westernized Japan, where the son of heaven was both emperor and god, was such weeping authority delegated to a single individual.

Attractive as that society may sound for the common man, its idea of absolute power of the ruler is repugnant, and even more unattractive is its idea of communal agriculture and division of land, plus a doctrine of enforced cooperation.

The price of security for all was the sacrifice of human and individual rights as we have come to know them. It was sort of a caste system into which one was born and in which one died without power to alter one's station; it was a delegation of governing power from the many to the few; a changeless sequence of slowly passing days wherein mind, risk and initiative were sacrificed for the economic security and order of the whole.

Let me spend just a moment or two upon the regimentation that made all of this possible. This system began and ended with ceaseless vigilance and law. The entire population was divided into groups of ten—one squad leader and nine subordinates. Five of these groups of ten were under the direction of an even higher commander. A group of one hundred had another superior; five hundred still another; and the highest officer of all was placed over a thousand.

The squad leaders served as their groups' representative, they requested seed, wool for clothes, tools or materials, or any other necessity. Then they supervised the work.

Their third duty was to give reports on vital statistics so that proper adjustment and provisions be made available to all. The squad leader's final duty was to denounce any crime committed by a subordinate. If there was even so much as a single day's delay in doing this, the leader himself had to assume the burden of the crime in addition to bearing the guilt of his own neglect.

Interestingly enough, this system was superimposed upon their conquered provinces much as Rome did. Peace to the Incas was a relative quality. On the frontiers of their territory existed a state of perpetual war, or at least eternal vigilance, while within the heart of that great circuit life pursued a more or less tranquil course, undisturbed by the frontier conflicts which were adding constantly to the empire.

Of course, this conquest developed certain interesting ethics. The Inca was always careful to keep his enemies divided and attack them one at a time, so that victory was a foregone conclusion. Yet he never pushed advantage to an extremity, was always open to negotiations, suppressed depredations on the part of his soldiers with ruthless vigor, and took the attitude that the enemy must be spared insofar as possible saying "else it will be our loss, for everything that belongs to him now will soon be ours."

When the victory was won, the first thing the Incas did was to substitute their religion for that of the vanquished. Immediately after hostilities ceased, the fallen chief and his family were taken to Cuzco where they were treated with every courtesy and taught the language of the conquerors and indoctrinated into the Inca way of life. When the period of indoctrination was over the chief was permitted to return home, but his eldest son had to remain behind as a hostage.

The new citizens were given the same security and rights enjoyed by their conquerors. A proper disposition of land and wealth was made. If there was any inclination on the part of the inhabitants to be rebellious, the Inca did not hesitate to transfer whole districts of many thousands to other parts of the empire where they would be surrounded by loyal followers who would soon break or absorb their rebellious spirit. Through a combination of all these means—religion, language, granting of citizenship, moderation accompanied by a vigorous suppression of disloyalty—new additions to the territory were soon indistinguishable from the oldest provinces.

Well, what have I described? Is it the benevolent monarchy? And doesn't its price seem pretty high? However, I sincerely believe that thinking men and women are beginning to question the price we pay today for our government. At one time, our political parties promised about the same things. Only each proposed doing it better if elected. Prior to then, the body politic was divided by ideological differences which resulted in the Civil War. The republic won! Then, for a hundred years, we debated this and that. Free silver, manifest destiny, make the world safe for democracy, protect our friends, bear any burden—but gradually there has developed an ideological split. Ideological controversies, like religious strife, seldom find any compromise and end up in violence, terror and dissension. Under these circumstances, hatreds breed on hatreds. The extreme left and the extreme right begin terrorist activities, when political action is not quick enough.

The divisions are here today. What do these dissidents really want? As for me, I prefer freedom, but with responsibility. I prefer the republic that Ben Franklin described. I want less government. I would like a media that could be held accountable to the law as it was before the *Sullivan Times* case, when libel and slander suits were some limit to the excesses of total freedom.

I think the time is late. I believe that if we are to have ideological differences we must spell them out at the polls and settle them with the vote.

Yet, I fear that those who desire a complete change of government do not trust this system and believe violence, and terror, and revolution are the only way.

Freedom can destroy freedom, even as an excess of government can destroy it. The big lie is abroad in our world today. Either our republic is the best form of government for us or a benevolent dictator is our only hope.

The decisions of you and your wife and your peers and your willingness to make those decisions and to pay the price is the Rubicon our nation faces today. Will we cross it together or perish on this side?

CROP FORECASTING FROM SPACE

Mr. MOSS. Mr. President, one of the outstanding accomplishments of the National Aeronautics and Space Administration is developing the technology to survey the earth resources from space. The culmination of this effort is embodied in the satellites Landsat–1 and Landsat–2. A third Landsat, that will have an improved capability, is now in development.

One of the important experiments currently being carried out by the Landsat–1 and Landsat–2 and the weather satellites is the Large Crop Inventory Experiment—LACIE. The purpose of this experiment is to lay the groundwork for a worldwide information system that could make possible a more rational management of the world's food grains. The LACIE is initially confined to the wheat crop in the United States, but it is hoped that the results can be extended to other crops worldwide. Initial results of the experiment should be available by the end of this year and by 1978 it is hoped that the first operational forecasts can be made.

There is no doubt that a reliable worldwide forecasting system can have a major impact on the world's food supply, which is one of the principal problems facing mankind. A short but clear explanation of the Large Area Crop Inventory Experiment written by Dr. Allen L. Hammond was recently published in the AAAS magazine Science.

Mr. President, I ask unanimous consent that Dr. Hammond's interesting and lucid explanation of this important experiment be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CROP FORECASTING FROM SPACE: TOWARD A GLOBAL FOOD WATCH

(By Allen L. Hammond)

Every 9 days a satellite passes over a field of hard red winter wheat somewhere in Kansas, measuring the light reflected from the growing crop at four different wavelengths. The young plants are green, but later they flower and turn yellow, as each characteristic stage of growth is recorded by the scanning spectrometer aboard the spacecraft. The multispectral images, telemetered to ground stations, end up in Houston in a computer programmed to distinguish the wheat from other crops and to estimate the acreage planted to it. At the same time weather information from the target area, gathered from the national meteorological network, is used to predict the likelihood of higher or lower than normal yields from the crop. The information is combined to give an estimate of the amount of grain that will be harvested in the area later this summer.

Although still experimental and just getting under way, the operation is a prototype for what may become a global watch on the world's food supply. The hope is that it will make possible reliable estimates of production of major food crops in time to give warnings of damage from droughts, frosts, and other disasters and to prevent shortages from taking the world by surprise. At present only fragmentary data are available on upcoming world harvests, the United States being virtually the only country that publishes monthly forecasts of its production. A worldwide information system could thus make possible more rational management

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of food grains that are increasingly in short supply in much of the world.

The key question is how well such a system can be made to work, and that is the object of the current effort, known as the Large Area Crop Inventory Experiment (LACIE). It makes use of the Landsat satellites of the National Aeronautics and Space Administration (NASA) and of weather data collected by the National Oceanographic and Atmospheric Administration (NOAA). Crop estimates will be compared with those produced by the U.S. Department of Agriculture (USDA), which is also providing agricultural information to aid in constructing and applying the computer algorithms. The initial scope of the joint experiment is the wheat crop in the Great Plains of the United States; extension to other areas is to follow. Eventually, perhaps, other crops such as rice will be included.

Techniques for remote sensing of crops are not new. Numerous experiments have been done with Landsat I (formerly called the Earth Resources Technology Satellite), which was launched in 1972 (*Science*, 13 April 1973, pp. 171–173). Indeed, according to LACIE project manager R. B. MacDonald of the Johnson Space Center, in Houston, Texas, the feasibility of recognizing crops from multispectral data was established as early as 1966 with data taken from aircraft. Work at Purdue, the University of Michigan, and other laboratories resulted in knowledge of the spectral signatures of crops and method for analyzing spectral data which are the basis for the present experiment. What is novel about the LACIE project is the scale of the effort, which encompasses hundreds of thousands of square kilometers, and the attempt to automate the process so as to provide forecasts within weeks of collection of the data.

Both Landsat I and Landsat II cover the entire globe every 18 days, surveying a north-south strips of land 185 kilometers wide at each pass (Because of a dead tape recorder on Landsat I, it provides data only within range of ground stations.) The scanners on the spacecraft can detect fields as small as a few acres (1 acre = 0.004 square kilometer); actually each digital unit of a picture, or pixel, corresponds to about 1 acre, but several pixels are needed to derive usable information. When the data arrive at the Johnson Space Center, they are first processed to correct for differences in illumination caused by varying sun angles and changing atmospheric conditions, particularly haziness and moisture. The latter correction are difficult but important, since they often amount to larger changes in total radiance than the variations between one crop and another. No data at all are obtained from areas covered by clouds, which leads to gaps that complicate the analysis.

Several methods are used to extract crop information, since the project is experimental and the forecasters are still feeling their way. In one procedure, a photographic image is assembled from the data from sample parcels of land—about one in five of the 80-square-kilometer segments into which the data are grouped. Then an agricultural interpreter armed with a crop calendar for the region and a knowledge of farming practices identifies the fields in the photograph. These "training data" are then used to classify the remaining segments. Alternately, computer algorithms are used to cluster the data directly according to certain carefully developed criteria, and the fields are classified as wheat or other crops on that basis. The result, in either case, is a map of each segment and a table of the amount of land (actually the number of pixels) in each category.

As data from the next pass of the satellite come in and are processed, a correlation technique is used to compare the analysis with earlier ones, eventually building up firmer estimates. The repetitive technique also calls attention to changes in the wheat acreage, such as might be caused by farmers plowing under a portion of the crop that failed to germinate. The aggregation of estimates from each small segment gives a grand total by state or region.

A second part of the project involves forecasting how much grain will ultimately be produced from the acreage under cultivation. This is done with the aid of computerized models of the relationship between weather and crop yield. According to James McQuigg, director of NOAA's new Center for Climate and Environmental Assessment in Columbia, Missouri, such models are constructed by comparing many years of historical data on weather and yields and establishing a statistical linkage between them (a regression model). Different models are used for different parts of the wheat belt, and they allow for factors that would lead to higher yields, such as the introduction of new grain varieties or greater use of fertilizers. Weather data for the current year (beginning when the previous crop is harvested) is collected by crop district—there are about nine districts per state—and are used with the regression model to project the yields for the coming harvest.

The weather data include monthly averages of temperature, precipitation, and, in some instances, potential evapotranspiration, which serves as a measure of the stress to which the crop is being subjected. McQuigg finds that even relatively simple models are able to account for variations in yield due to weather fluctuations within a moderate range. Episodes of severe weather, such as frosts, high winds, or the heat storms that plagued parts of the Great Plains last year, are handled separately at present; experienced climatologists simply adjust the yield predictions for the affected regions on a case-by-case basis.

PRODUCTION ESTIMATES

Combining the acreage estimates and the yield forecasts for each local area and aggregating over the whole crop area gives a figure for wheat production in the coming year. The estimates can be revised monthly, at least when the system is more fully operational, as new acreage and weather information become available. The comparison of LACIE forecasts with those made by USDA on the basis of its detailed monthly surveys of selected field plots throughout the wheat growing region will serve as a means of checking and improving the accuracy of the computer algorithms.

MacDonald and other LACIE scientists are optimistic that the project will prove successful, but they are at pains to point out the preliminary nature of their present methods and the difficulties still to be overcome. A forecast at any given time, for example, must take account of the different stages of growth of wheat in different regions—harvesting of winter wheat begins in May in Texas, while the crop's second stage of growth is just getting under way in North Dakota. It is not yet certain that provision of data every 18 days (Landsat II is the only coverage now available in most areas outside the United States) will be sufficient, considering the data missed because of cloudiness. And the reliability of the computer algorithms is still to be proved. Nonetheless, MacDonald expects to have some initial results by the end of 1975 and believes that the technical feasibility of the system might be established—and the first operational forecasts made—as early as late 1978.

USDA officials are somewhat skeptical that the present satellite system will prove to be more accurate than existing methods of crop forecasting in the United States. But they are more sanguine about its prospects for overseas use, since the department's world crop estimates are based on reports by agricultural attachés and on other fragmentary, often late information. The international implications of LACIE and the operational system that may follow it are certain to be controversial. The Soviet Union and Sri Lanka, among others, have expressed concern that commercial traders could make use of information about their food production in ways that would be adverse to their national interest. Moreover, there is what a State Department official describes as "lots of concern and confusion" about the intelligence uses to which such a global system under U.S. control could be put.

There is no doubt that a reliable global forecasting system would have a major impact on grain and other food markets. (Presumably, all parties would eventually benefit from more accurate data.) The commercial and diplomatic impact would be eased, NASA officials hope, by gradually phasing satellite operations into the USDA system, with forecasts released through the present crop reporting system, which includes elaborate safeguards against premature release of information or prior access by special interests. The raw Landsat data (as distinct from analyses based on them) are available to anyone.

Earlier attempts to forecast crops with aerial data have faced verification problems because ground truth information on actual production is hard to get accurately for areas smaller than a whole state. Since LACIE encompasses many states and is to run for at least another 2 years, its forecasts can be carefully scrutinized for accuracy. If the experiment is successful, operational systems could come quickly. Landsat III, to be launched in 1978, will have a fifth multispectral channel, and NASA planners are already thinking about a new spacecraft and advanced scanners with more channels and greater resolution. The prospects are thus substantial that by the end of the decade the technological means to manage a global food watch, if not the wisdom, will be available.

ENERGY SELF-SUFFICIENCY

Mr. HANSEN. Mr. President, my esteemed friend and colleague, the senior Senator from Arizona (Mr. Fannin) is one of the most knowledgeable men in the Senate on energy matters. He is also one of the most articulate and in a recent interview on the Mutual Broadcasting System's Reporters Roundup, he answered some hard questions about U.S. energy shortages.

As the ranking minority member of the Senate Interior Committee, Paul Fannin has been in the forefront of that Committee's continuing study of national fuels and energy policy.

Very little legislation that had anything to do with increasing U.S. energy supplies has come out of the Senate Interior Committee but I can assure you it was not because of Paul Fannin.

If more Senators understood the energy problem, its causes and possible solutions, as well as Paul Fannin, we would soon reverse our continued trend toward more and more dependence on insecure foreign sources of oil.

A recent Harris poll indicates that the public is much more aware of the realities of the energy problem and what should be done about it than some Members of Congress.

The poll showed that a 46 to 31 percent plurality of the public now favors deregulation of the prices of all oil and

natural gas produced here and that a 71 to 16 percent majority opposes the Federal Government taking over the oil companies and regulating them like a Government corporation.

Mr. President, I hope more Senators will heed the Harris poll and Senator Paul Fannin's answers on energy self-sufficiency.

It is time the Senate and Congress caught up with public opinion and began correcting its past mistake of inertia and such counterproductive legislation as the depletion allowance and foreign tax provisions of the Tax Reduction Act and other bills now pending in both the Senate and House.

I ask unanimous consent that the transcript of Mutual Broadcasting System's Reporters Roundup with Senator Paul Fannin as its guest be printed in the Record.

There being no objection, the transcript was ordered to be printed in the Record, as follows:

Reporters Roundup

Reporters: Lou Hiner, Phoenix Gazette; Edgar A. Poe, New Orleans Times-Picayune.

Moderator: Robert F. Hurleigh, Mutual Broadcasting System.

Our guest on Reporters Roundup is Senator Paul J. Fannin, Republican of Arizona. Senator Fannin was a three-term governor of his state and chairman of the Western Conference of Governors and three terms as a member of the Executive Committee of the National Governors' Conference. He has been a member of the Senate since 1964, and serves on the Finance Committee and Interior and Insular Affairs Committee.

Our reporters are Lou Hiner, Washington Correspondent for the Phoenix Gazette and Edgar A. Poe, Washington Correspondent for the New Orleans Times-Picayune. We'll begin questioning Sen. Fannin in just one minute.

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Well, Edgar Poe, why don't you start with the first question.

Poe. Thank you. Senator, the United States is faced with a mighty challenge of achieving energy self sufficiency, or suffer the worst possible economic possibilities. What are the immediate priorities in an effort to obtain this lofty goal of self-sufficiency?

Fannin. Our immediate priority is to develop what we have in abundance and that is to develop our coal reserves and to be sure that they are utilized to the greatest benefit possible. We can do that if we are determined to carry through. Now, of course, we do have the problem of imported fuels and it's costing us twenty-five billion dollars a year. This is a crisis to our economy, whereas people feel that they have fuel available when they go into the gasoline station—they are not worried about it. But, at the same time, we do have the—a serious problem as far as the economy is concerned.

Poe. Senator, to replace this foreign oil and you say our nation needs to use more coal. To do that will we have to have a lot—or some amendments to the Clean Air Act?

Fannin. Yes, it will require amendments. I do feel they will be severe. They will not detrimentally effect the atmosphere at the living level. I think it can be done and still attain the goal that we have and satisfy the people that really understand what we are up against. I know that many feel that this would be detrimental to environment. I do not feel that way. I think it can be done very beneficially without harm to the environment.

Poe. Should more power plants be converted to coal now?

Fannin. It is absolutely essential. When we realize that 30% of all the natural gas that's being utilized today is being used for development of electricity, we can see what a chore there is ahead of us. These plants, in most instances, must be changed. I know that's a terrible task, but it can be done and must be done.

Poe. Let me ask one more in that area, Senator. Some of the coal industry people say if we double coal output—the country must recruit and train 125,000 more miners. Can private industry recruit and train this needed manpower, do you think?

Fannin. I feel they can. I do realize that the increase is going to be in the area of the West—where it will be strip-mining. A great deal of the increase will come from strip-mining. This requires fewer people, but at the same time it requires a tremendous amount of equipment and will be of benefit to our economy in many, many ways. I feel it must be done, we do have new devices for underground mining—this also requires manpower as far as manufacturing's concerned. But, that's all for the good, so I feel in the overall, we can look forward to some very beneficial results from the new exploration and development that we will have in mining.

Hurleigh. Lou Hiner.

Hiner. Senator, since November of 1973, the American people have been told that the energy crisis is for real and there's been a sense of urgency to act on this crisis. Yet, the Congress four years ago passed the National Fuels and Energy Study Act which was supposed to produce policy to help solve the energy problem. So far, we've got the study after four years, but we don't have the policy. Would you discuss why there's been such a delay?

Fannin. Unfortunately, there has been too much partisan politics involved. We have not gone forward with the programs that have been recommended by the Administration, the programs that have been recommended in the Congress. We have fought back and forth, unfortunately there was a consideration that we were going to be in such a position that we had to go to rationing. We fought that down. We had other problems that were before us that caused us serious trouble, but we have had too much partisanship—there's too much campaigning on the basis of the energy problem of our nation and I think it must stop.

Hiner. Along that line, the President's warned that—more or less, warned the members of Congress that it's—even though it's politically popular, they've introduced a lot of ineffective legislation, there's something like 500 bills on energy in this session alone and it's spread among 26 different committees in the House and the Senate. Can you kind of discuss this as one of the complications?

Fannin. Yes, it is one of the complications, because these bills are so misunderstood. When you tell someone that you are going to roll back their cost of fuel, it's very popular, but it's unrealistic, if they're going to have fuel available to them when it is needed. Consequently, I feel that if we could decontrol, we'd be in a very much better position. That is proven by what has happened on natural gas. Here we brought the natural gas under government regulations quite some years ago, and we have seen natural gas take the place of the utilization of coal and oil and now we have less coal being used for our energy program than we had a decade ago. At that time it was about 23%—of our energy was developed by coal—now it's down to 18%, and of course, we're running out of natural gas. It's a very valuable fuel and until it's decontrolled, we're going to have a hard time getting additional supplies because it costs money to bring in that natural gas and the company cannot afford, at present interstate prices, to drill and run the lines that are necessary for the pickup of that gas.

Hiner. Do you agree with Senate Democratic Leader Mansfield—set a timetable at the end of this month for the passage of the energy bill?

Fannin. When we're talking about an energy bill, I feel that we should have a good energy bill and I would hope that we could have it this month. We do not have a good energy bill before us at this time. We have some recommendations and the President has taken a step, I think, to decontrol—that he has recommended for some time and is now—take it at 4% a month—is a good measure. I think it will help immeasurably in meeting the problems that we have in that regard.

Hiner. The Democrats, Senator, say that they will fight this extension and so forth—of removing the controls.

Fannin. That's right and they have fought the removing of the controls, in fact, they've been trying to roll back the prices continuously.

Poe. Senator, 17% of our domestic production of oil is now coming from offshore. Most of this off of Louisiana. Along the Eastern seaboard, quite a few of the officiala and many private industry people are opposing the development of offshore oil. Do you think we must develop this oil in order to provide our energy?

Fannin. It's absolutely essential that we develop offshore oil. We do have, of course an undeterminable amount of offshore oil available, but there are records that prove that it's of considerable amount—sufficient enough to take care of many of the needs of different areas of our country. I am very much in favor of developing offshore oil. I know that the methods they have today have been proven. In the last five years, we've had four oil leaks that have amounted to over 250 gallons and that with the thousands of different programs they've had underway.

Hurleigh. Senator, would you say, along that same line, that there is a bit of politics also being played in the delay for the approval of offshore oil drilling?

Fannin. Yes, there is—considerable politics. The environmentalists, of course, are very much involved. I am sure that it they would just be reasonable about it and would take into consideration the penalty they're paying, because afterall, if we can get natural gas from offshore, it would be a great help to our environment. If we had more natural gas, it could displace some of the other fuels. Now, that's problematical that we could get that amount, but it certainly would be very helpful in that regard so, in many areas, we could use natural gas. The shortest supply of natural gas is on the East Coast where we think that there is considerable amount of gas available offshore.

Hurleigh. And, is it not on the East Coast, particularly, say from Virginia Cape on north, that there is the largest need or the greatest need for this oil energy?

Fannin. Yes, it so happens that the reserves seem to be in the area where there is the greatest need and of course that would save the shipments of oil and we have a greater amount of damage to the waters of the ocean by the vessels that carry oil than we do from the standpoint of the oil wells themselves.

Hurleigh. How about pipelines?

Fannin. And, of course, the pipelines—we find that the—that's one program that's been carried through that's very much misunderstood. We do have a problem as far as the environment is concerned along the coastal areas, but I do feel that that can be handled very well and that if they do have a way in which they can compensate the coastal cities, and this is under the program that has been

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recommended, I think that can be taken care of very easily.

Hiner. Senator, there seems to be some confusion as to just how much we have in the way of gas and oil reserves under the surface of both the land and the sea. These estimates run from 15-years to 60-years supply. What's your general feeling as to how much is available?

Fannin. Of course, we do have reserves that are far beyond what we thought just a few years ago, because we now have secondary and tertiary recovery. In many of those wells that were pumped out some time ago, we can recover twice as much as was recovered the first instance. And, this is something we must take into consideration. It is estimated that we have between 50 and 60 billion barrels that can be made available through the secondary and tertiary recovery and this, of course, is the oil that we're counting on.

Hurleigh. Let me interrupt, Senator Fanniu, and we'll continue the questions in just one minute.

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Poe. Senator Fannin, under present law various states share 37½% in all yields from minerals. That is oil and gas and coal and timber and other things from federal lands in those respective states. There is no law that would reimburse states that have offshore production and where those states provide many services, like schools, roads, hospitals and libraries and police protection for their offshore workers—thousands of offshore workers. Would you favor legislation that would reimburse—say, the coastal states or the various states—for some of the production that comes off their states—that comes off their shores—would you reimburse them for the services that they provide?

Fannin. Well, I think there should be a formula that would be fair and equitable to take care of that need. And, I realize there is a need and that the need also exists in other than just the coastal states—but, certainly, I agree with you that there is a burden that is a responsibility of the companies that are producing oil and those that are receiving the benefits. So, I do feel that something should be done.

Hiner. Senator Fannin, your Democratic colleague from Arizona, Morris Udall, who's running for president, last week came up with his energy program. The chief feature of it was to divest the major oil companies of certain operations limiting each one to say producing the oil or retailing the oil—such things as that. Isn't this more or less going to lead to nationalization of the oil industry, or would you care to comment on the Udall plan?

Fannin. It is my great fear that this could lead to nationalization of the oil industry and be very damaging, not only to the oil industry, but to the consumer in paying much higher prices. I do not feel that the Federal government can operate the industry on the same basis that it operates under the free market system. I believe in the free enterprise system and I'm sure this will work. It is working now, very advantageously. When we realize that most of the oil wells that have been drilled around this world have been drilled by American companies—about 80% of them. So, I feel that we can depend and must depend on our own oil industry. We cannot afford to leave our oil industry out of any of the features of our energy picture. They have the ability, they have the funds to go forward. I do feel that we need to have some control—as far as the controls are concerned—I think we need an excess profits tax. I think we need a plow-back system. I do feel that we must force the oil companies to either pay a high excess profits tax or put the money back in to exploration.

Hiner. Do you think they're making too much money?

Fannin. Well, of course, I know that there was a lot of misleading information—I do think, in some cases, that we should have had an excess profits tax in force and that we should have had a plow-back provision before. We tried to get those provisions into legislation, but we were unable to do so. Now, of course, we're suffering and I am still hopeful that we can do that.

Poe. Senator, do you find that some sentiment in Congress to nationalize the oil and gas industries—do you find that some members favor that already?

Fannin. Unfortunately, we do have some members that favor—that do favor nationalization. I don't think they understand the oil industry. They do not understand the tremendous investment involved, the great risk that is involved and I'm sure that a little experience with the Federal government trying to run these operations would bring disaster as a result.

Hurleigh. Well, Senator, if there were nationalization of the oil companies, would that not mean that they would then be political entities, so to speak. Just like the Post Office Department has been in the past and does that not mean that when this happens, that when a blow or a dry hole or those other disappointments in the oil industry come to pass, that the individual who was in charge of it—the director, that person and the administration in power at that time—would have to take some of the blame, would they not?

Fannin. Absolutely, and I'm sure that this would be a political issue. There'd be a lot of coverups and there would be a lot of misinformation given. We have seen that, of course, in the operation of some of our Federal facilities, such as the Post Office. And, I think that's a good example of how we cannot place an industry that the public is so dependent upon—the energy industry—into a Federal program.

Hiner. I would like to broaden into another field just for a moment and that is, Senator, I note that you are interested in finding new sources of energy, such as geothermal and solar. Isn't this going to be a terribly costly and time-consuming project?

Fannin. We have several programs going forward. For instance on geothermal, we have both a man-made geothermal program, the Pacer program, that's being investigated very thoroughly now, where they put off nuclear blasts in an underground cavern and generate their own steam. We also have other systems that I think have been very successful. Of course, we have the huge success at Geyserville in California where they are developing now about 450 megowatts which takes care of more than half the power that is used in the city of San Francisco and now, of course, we have now developments that I think are going to go forward very rapidly as far as solar energy is concerned. And this is in the field of the generation of electricity—not just utilized on the home—although I do think the home units can be utilized for supplemental heating and cooling and also for the water heating and be very successful.

Hurleigh. I'm sorry, gentlemen, but our time is up. Our thanks to Senator Paul J. Fannin, Republican of Arizona, and to our reporters, Mr. Lou Hiner of the Phoenix Gazette and Mr. Edgar A. Poe of the New Orleans Times-Picayune. We'll tell you about next week's guest in just one minute.

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Hurleigh. Our guest on Reporters' Roundup next week will be Senator Gale McGee, Democrat of Wyoming, member of the Appropriations and Foreign Relations Committees and a United States Delegate to the United Nations. We will question Senator McGee on United States Foreign Policy. This is Robert F. Hurleigh.

MARY McGRORY—THE PRIZE FOR PERSISTENT EXCELLENCE

Mr. CHURCH. Mr. President, it is rare that a reporter can win a one-shot Pulitzer Prize for one story without possessing the gift for writing many such stories. Prize-winning excellence, recognized for a single story, is hardly ever an exception to the writer's general abilities. Nonetheless, the surest sign of success for a writer whose gifts are persistent is the Pulitzer Prize for a body of work.

Mary McGrory won the Pulitzer Prize earlier this month. And hers was the highest accolade because it was not for a single article, but for the breadth of her work. Any competent writer may be able to rise to one occasion. But the truest test of consistent, on-going accomplishment is to pound sense out of the language with a typewriter day in and day out. That is what Mary McGrory has long been doing. And it was for her daily victory over a complex language, not for one breakthrough, that the Pulitzer Committee awarded her the biggest bouquet in her profession.

Her faithful readers are not surprised. They have long been awarding her their rapt attention to skillfully crafted columns which infuse cold events with human warmth.

Mr. President, Mary McGrory's home newspaper, the Wasnington Star, recently turned the tables on its most ardent advocate of looking for the humanity behind the headline and gave us the story of Mary McGrory on the day of her triumph. It is a charming insight into an intriguing writer, and I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Star, May 6, 1975]

A Reporter at Her Primitive Best

(By Duncan Spencer)

Into the newsroom of The Star, a place as romantic as a parking garage, as evocative as a hospital waiting room, marches Miss Mary McGrory, quick step.

Mary is usually in tatters after a day on Capitol Hill. Her brow is furrowed with thought, her jaw working on a wad of gum, her hands shaking for a sit-down cigarette—her hands have been bothering her hair. But the step is quick and athletic, her legs carry her along a familiar route to a familiar corner.

Her steps have taken her past sleepy building guards, into a metal box of an elevator that stinks of sour roto ink, along a tiled corridor as lonely and nameless as an empty mine shaft, to the lighted, noisy, newsroom, the place of her daily struggle.

Everyone here knows Mary hates to write. The floor of her tiny cubicle is covered with evidences of the difficulty of these attempts. One of the National desk editors gives her a small graham cracker, each day—something to look forward to in the hour of need. She will come out, agitated and tense, asking for a cigarette. Nothing ever seems to diminish the number of false starts or the quivering of the hands, or the effort.

By these rigorous means, she produces a prodigy of copy; it's not easy for her, and it takes days that are seldom shorter than 12 hours. They call her a columnist, but this is not quite it: She's a reporter. She has never been known not to leg a story. She doesn't write tips, scoops, rumors: She writes

what she sees, what she hears, sometimes what people tell her, she writes what is on their faces, what their clothes or their pace show—knowing with the sureness of good nerves what clues are given by the surface.

She has been asked why, for heaven's sake, she doesn't do it like the famous columnists—with staffs to research and make telephone calls, or why she doesn't get into the political prognostication business or the inside sources business, or any of the other realms of theater in the Washington journalistic world. The question is easy for her to answer, "I can't do it any other way," she says. "I have to see, I have to hear. I'm primitive, I guess. I don't want anyone else doing my listening and watching for me."

Also she has been asked why she has never married. In the town where many respect her, some fear her, and a few hate her with hysterical venom, she is alone with her work, her intoxication with words and faces, some gardening behind her park-edge Northwest Washington apartment, and charity work with a Catholic orphanage. "I never married," she says, "because the right man never asked." That is the end of the subject.

Mary McG., as she has come to sign herself, is a reporter and a writer. She doesn't do television. She doesn't do speeches: Occasionally, she will give a lecture in the newsroom to her colleagues. It is on the subject of quiet. It is a request for quiet. She will stamp out of her cubicle with a false smile on her face. "Say, gentlemen," she will say in the soft Boston alto voice. "Would you mind? Would you just mind holding this meeting somewhere else?"

This is something of the state-of-the-art of McGrory in 1975. It is the year in which Mary McG. bought her first car. The learning to drive was traumatic. The little nerves between the hand and the eye only function well on a Royal; on the wheel their skill is gone. "I belong in another century," she would explain after a half-hour parking job.

But '74 was the McGrory year, the year that her anathema, Richard Nixon, met his comeuppance, that the war ended, that she had been right and right and right so many times that it seemed almost annoying—because Miss McGrory does not hide her elation in a victory, her tears in defeat.

Besides the fact that she hates to write and that it's hard for her—a fact that never shows for an instant on the surface of the graceful, spare prose, the one fair copy that didn't end in the wastebasket—everyone also knows that she came from Boston, where she learned about words listening to the poetry of Irish conversation.

She would have been another brainy Radcliffe girl before World War II, but she didn't get a scholarship, and her family couldn't afford it; she went to college at Emmanuel, a small all-women's school. She became a secretary and didn't even get close to the keyboard of a typewriter as an author until she was made secretary to the book review editor of the Boston Herald-Traveler, an ironic fact because the paper, like The Star, was an afternoon paper that suffered reverses. She fought to become a book reviewer, and can't remember the first piece she saw published.

In six years, she wrote nothing but reviews and the now-famous dog pieces, which were, as she says, stories about dogs. At last, because of the good offices of a friendly Herald editor, she got a reviewer's job, at the age of 29, at the Evening Star. It was 1947. She was, she remembers, "delirious."

No one then, and no one now, pays any attention to the writers of Sunday book reviews. The formation of her style, so careful, word-conscious, so much more like story writing, with a beginning, middle and end, than the usual top-heavy news writing, was noticed only by a few.

One McGrory story that likes to be told is how Scotty Reston offered her a job at the New York Times with the understanding that she cover the switch board in the morning. She declined.

One day in 1954, Newbold Noyes, the blue-blooded and boyish former editor of The Star, came into the book review section of the newspaper's editorial office. These were the last days in the "old building" at the corner of 11th Street downtown. With him, he carried two cold bottles of root beer, for he was bound on a mission of some import, and like a proper emissary, was carrying a gift: He wanted to persuade her to cover the Army-McCarthy hearings.

Mary jumped at the chance, but promptly flopped: she wrote a story like a newspaper reporter. Noyes told her it was no good. That she shouldn't do it that way. He gave her advice that would only work once: "Write it like a letter to your favorite aunt," he is said to have said, though who knows, over the years, how whatever he did actually say has been polished and sharpened?

The story matters because of what followed: Mary took off with the hearings, writing news stories combined with pointed descriptions of conversations, attitudes, faces, bodies, dramas that made pictures and were her style.

The rest is better known—a steadily increasing readership, a regular column, syndication in some 50 papers and even that unknown thing: an office at The Star. The office is a gray fiberboard box with a window with a bullet hole in it (not political foes, it's thought, but a youthful B–B gun), two telephones, and a changing assortment of posters, anchored by an ugly and incomprehensible Italian traffic poster that says enigmatically "facilitate passing . . . if you wish to arrive."

Yesterday there were flowers on the black plastic window ledge, carefully placed there by Elizabeth Cleland, Miss McGrory's assistant (and ironically, a book reviewer herself).

The author was seated by the window, in her study, as it were. She was not talking to sources or drinking champagne. She was preparing the next day's copy. Already, the imperfect starts were drifting to the floor like autumn leaves. She was smoking Marlboros, and people were interrupting with congratulations about the grand, at-long-last Pulitzer Prize that had come to her. At least, she was not falsely diffident.

"I saw an article in a journalism magazine once," she said. "It was called 'Who Wants the Pulitzer Prize?' The answer is that I do. The answer is, did Beverly Sills want to sing at the Met? C'mon, who are you kidding?"

There were more flowers from Star publisher Joe Allbritton (they were yellow roses—from Texas, Allbritton said). He called it the "brightest day this year" for the paper, and Mary, who has boasted she never made a speech, thanked all those who had helped her, all the way from Allbritton ("without whom we might all be meeting at the Chicken Hut") to entrance door guard Clarence Harris ("who takes me to my car every night and more than anyone is responsible for my continued existence.").

Then she drank champagne. She had not even entered the Pulitzer competition this year, she said. Instead, her entry was made by a trio of colleagues, Elizabeth Cleland, 1974 Pulitzer winner James Polk, and Star National Editor John Cassady. "It was the scrapbook that won," Miss McG. said.

STATEMENT OF SENATOR CHARLES McC. MATHIAS, JR. ON BEHALF OF THEODORE COOPER, NOMINEE FOR ASSISTANT SECRETARY FOR HEALTH

Mr. MATHIAS. Mr. President, I was gratified that the Senate acted swiftly last Thursday, May 8, 1975, to confirm the nomination of Dr. Theodore Cooper as Assistant Secretary for Health in the Department of Health, Education, and Welfare. I was pleased to support Dr. Cooper's nomination by the President, and I believe the Nation will be well served by his appointment.

Mr. President, I ask unanimous consent that a statement I submitted to the Committee on Labor and Public Welfare in behalf of Dr. Cooper's nomination be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement of Senator Charles McC. Mathias, Jr. of Maryland

Mr. Chairman and members of this Committee, I deeply regret that a prior engagement will not allow me the privilege of introducing to you a most distinguished Maryland resident, Dr. Theodore Cooper, who has the honor of being nominated by the President of the United States to be the Assistant Secretary for Health in the Department of Health, Education, and Welfare.

Since February of this year, Dr. Cooper has served with great distinction as the Acting Assistant Secretary for Health. Ted Cooper's career of service to the Nation as a Commissioned Officer in the U.S. Public Health Service, however, spans a period of nearly twenty years, during which time he has gained national reputation and respect, including several high honors for his demonstrated excellence as a surgeon, educator, scientist, and health administrator. The Nation is well served by his nomination.

As America stands on the brink of entering her next 100 years, many long delayed decisions on issues affecting the health status of all Americans must be made. Chief among the several questions to be decided is whether our government should enact a program of comprehensive health care for all United States citizens. But, in this context, the Congress will have to decide several key interlocking issues which range from the need to eliminate existing financial barriers to health care for everyone to the creation of better programs to prevent illness and injuries, to a comprehensive strategy for insuring that our manpower and other health resources are utilized more efficiently and with the greatest effectiveness.

To address these issues properly, both the Congress and the Chief Executive must be able to draw upon the knowledge and experience of our Nation's Chief Health Officer to guide us in our deliberations. We will require the services of a leader in the health field who is not only a skilled professional, but also one who is humane, compassionate, sensitive and responsive to the needs of all segments of this society, regardless of how well those needs are articulated. Based upon my own association with Ted Cooper as well as the high regard with which he is held by his colleagues in the medical profession, Ted Cooper should be at the helm as we embark on this critical voyage.

Mr. Chairman, I hope that this Committee, as it considers Ted Cooper's nomination, will reach the same conclusions as I have. I look forward to the opportunity to vote in support of Dr. Cooper's nomination when it is reported to the Senate.

OBITUARY FOR SOUTH VIETNAM

Mr. CLARK. Mr. President, the last few days have brought an outpouring of assessments, reappraisals, reminisces, and reflections on the American experience in Vietnam. It is remarkable how clearly we now see what most Americans failed for years to understand. Over the years, few have expressed themselves or told us so much about Vietnam as Peter R. Kann, the Asia correspondent of the Wall Street Journal. In 1972 Mr. Kann won the Pulitzer Prize for his reporting from Vietnam.

In the May 2 issue of the Journal, there appeared a perceptive and sensitive article in which Mr. Kann shares with us a personal frame of reference within which he assesses the Vietnamese. I ask unanimous consent that Mr. Kann's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, May 2, 1975]

OBITUARY FOR SOUTH VIETNAM

By Peter R. Kann

HONG KONG.—South Vietnam, or rather the South Vietnam that I have known for seven years, has passed away.

There probably are a great many Americans who breathed a sigh of relief when they heard the end had come. There undoubtedly are some Americans who wished, for whatever reason, that South Vietnam had expired much sooner. But surely there also are some Americans who mourn the passing. I am one of them.

For me the collapse of South Vietnam was like the death of an old acquaintance. Such as I often criticized South Vietnam I don't think it deserved to die.

South Vietnam's faults and failings always were much more visible than its strengths and I, like most reporters, tended to focus at least my professional attention on what South Vietnam was doing wrong. Few societies, and certainly few small and frail ones, ever have been subjected to the degree of sustained critical attention that Vietnam was. I and a thousand other reporters dissected its every aspect, analyzed its every mistake, exposed its every flaw. This is not to say South Vietnam would have fared better or survived longer had the spotlights been turned off, but conceivably there might be a few more sympathizers at the funeral.

In the end, of course, the severest critics and profoundest pessimists proved to be right. South Vietnam may have survived longer than some pessimists expected, but it did collapse—suddenly, chaotically, completely. And, I think, tragically.

South Vietnam was, to my mind, no better but no worse than a great many other societies around the world. In at least some ways it was not so very different from our own. Obviously South Vietnam's social structure, government and army ultimately were too weak to resist the Vietnamese Communists. Less obvious is the thought that South Vietnam did manage to resist for a great many years and not always with a great deal of American help. Few nations or societies that I can think of would have struggled so long.

THE COMMUNIST "CRUSADE"

It is true that South Vietnam lacked a unifying and motivating cause that could compete with the Communist crusade. Anti-communism never was compelling or even comprehensive to most South Vietnamese. Capitalism, as represented by Honda motorbikes and other imported goodies, was not a cause that captured hearts and minds. Nationalism was a contested cause and if only because the American presence had been so great in South Vietnam the Communists seemed to be the *true* nationalists. So South Vietnam was a country without a cause. But now stop to consider: What cause would motivate you or me to fight for 25 years?

It is true that South Vietnam lacked the kind of creative, dynamic leadership that conceivably might have coaxed more spirit and sacrifice from a war-weary nation. President Nguyen van Thieu was no charismatic statesman. He was an introverted and suspicious military man who proved surprisingly adept at playing palace politics but who never truly learned to lead. But was Mr. Thieu really any less of a leader than scores of other retired generals who rule semi-developed nations around the world? I think not. He was, by his own rights, a Vietnamese patriot. And, before being too hard on failed South Vietnamese leaders, perhaps one ought to stop to list the names of truly popular and successful statesmen anywhere in the non-Communist world today. My own list could be written on a Bandaid.

It is true that South Vietnam's politicians and people never seemed able to unite, that the society seemed divisive and sounded discordant. Saigon's chaotic traffic frequently was cited as symbolizing the society's lack of order and discipline. But what non-Communist society these days can claim any great degree of political unity or social cohesion? Do we, by our values, venerate order and discipline as social goals or moral virtues? Are the best societies really those in which the trains all run on time and the people all march in step?

It is true that South Vietnam never was really democratic. Its democratic institutions, imported from America along with bombs and bulgar wheat, where more show than substance. And yet, if only because the South Vietnamese government never was very efficient, South Vietnam, unlike North Vietnam, never qualified as a totalitarian state. There were political prisoners and torture chambers and other elements of sometimes harsh authoritarianism. But there also were some limitations on the power of the president, there was fairly widespread—and not always whispered—criticism of government policies, there was a surprising diversity of individual opinion and behavior. Might South Vietnam have fared better had it been more authoritarian, more rigid and ruthless? I doubt it. But I also doubt that it would have fared better had the legislature exercised more power or had press controls been relaxed.

THE CORRUPTION ISSUE

It is true that South Vietnam was corrupt. The corruption was more widespread and more serious than simply a few fat generals salting away millions in Swiss bank accounts. The whole system was in some sense corrupt. At the lowest level it was a simple matter of government clerks supplementing meager incomes with petty bribes. At a higher level it all too often was a case of jobs being sold to men who could pay rather than given to men who could perform. At the highest levels there were some cases of outright venality. But not all, perhaps not even most, South Vietnamese officers or administrators were corrupt. It is not excusing Vietnamese corruption to point out that it exists to roughly the same degree in almost every Southeast Asian country. Nor is it excusing Asian corruption to note that few Western societies are so pure that they can cast many stones.

It is true that South Vietnamese society was inegalitarian and elitist. Its rich were too rich and its poor too poor and the disparities were all too visible. Money and position bought privileges like draft deferments and, at the end, escape. Yet the disparities in Vietnam actually were less glaring than those in a score of other American-allied states from the Philippines to Brazil. The South Vietnamese peasant, when the war was not being fought in his particular paddy, was a prosperous small farmer by Asian standards. I am not minimizing the misery of the millions who passed through refugee camps when I note that there also were some millions of small farmers who owned their own land and made a fair living from their crops. The South Vietnamese peasant, in short, was not a downtrodden serf waiting for liberation from some slave master.

It also should be said, or confessed if you will, that there were many likeable people among the elite who ruled Vietnam. Almost every reporter who spent any time in the country befriended some government official, army officer, businessman, politican—some member of that elite. These people frequently were all too remote from their own countrymen and countryside. Many were too wealthy or too Western-oriented to have much rapport with peasants or soldiers. They were not the best sort of people according to some biblical, or Buddhist, value scale. But some of them were my friends and I will miss them.

It is true that the South Vietnamese army (ARVN) in the end proved to be no match for the North Vietnamese army. The end was an inglorious six weeks of retreats, routs, chaos and collapse. Still, the ARVN was not an army of bumblers and cowards. It was an army that stood and fought with great courage and competence on a few occasions you may remember, like the siege of An Loc. It stood and fought well at a score of places whose names we have forgotten. And it stood and fought well in a thousand little engagements and in a thousand little mudwalled outposts whose names no American ever knew.

It was an army of soldiers who deserved better leadership than they got. It was an army that for years watched the Americans try to combat the Communists with every wonder of modern weaponry and which then, all too suddenly, was left to face the Communists with American-style tactics but without American-style resources. It was a Vietnamese army that perhaps never should have been Americanized and thus never would have required Vietnamization. It was an army that for years was ordered to defend every inch of Vietnamese territory and which tried, with greater or lesser success, to do just that. When suddenly it was told to abandon cities and provinces it effectively abandoned the war.

It was not an army of officers and men who tended to charge impregnable enemy positions, or who would have been willing to live for years in holes in the ground with B-52 bombers pounding the earth around them, or who would have made the long and terrible trek down the Ho Chi Minh Trail, or who went into battle motivated by the thought that their almost certain deaths would serve some noble goal. The North Vietnamese army is that kind of army, but how many others, including our own, are fashioned in that mold? The South Vietnamese army was an army of simple soldiers who, without a cause, fought on for more than two decades. Several hundred thousand of these soldiers died. More than half a million were wounded. And, in the final weeks of the war, when every American in Saigon knew the war was lost, some of these soldiers continued to fight at places like Xuan Loc and thereby bought a bit of time for the Americans and their chosen Vietnamese to escape with their lives. It was a much better army than it appeared to be at the end.

It is true that South Vietnam got a great deal of help from America and became too reliant upon us. Soviet and Chinese troops never fought in Vietnam as American troops did. For much of a decade South Vietnam was, for most practical purposes, an American colony. The U.S. army took over the war and for a time

promised to win it. The U.S. taxpayer financed Vietnam. Washington set Saigon's policies and the U.S. Embassy in Saigon largely fashioned Vietnam's politics. South Vietnam was not always a docile puppet and at times it failed to dance to American tunes. But over the years South Vietnam came to assume, indeed was led to assume, that America was its patron and protector. It was not an unreasonable assumption. Nor then was it entirely unreasonable for Vietnamese to sometimes shrug off responsibility for their own failings, to blame the U.S. for their problems, and, toward the end, when America lost heart for the war and lost interest in Vietnam, to be bitter at American and Americans.

THE VICTORS

In the end the stronger side won. The Vietnamese Communists had more strength and more stamina. They had a cause, a combination of communism and nationalism, and they pursued that cause with almost messianic motivation. They persisted against all obstacles and at times against all odds and they finally succeeded.

But the stronger side is not necessarily the better side. "Better" becomes a question of values and much as I may respect Communist strength and stamina I cannot accept that the Spartan Communist society of North Vietnam is *better* than the very imperfect South Vietnamese society that I knew.

This is an obituary for that South Vietnam. It cannot be an obituary for the country of Vietnam or even the people of Vietnam. Countries don't die. South Vietnam will continue to exist for some months or perhaps a few years with a new government, new policies, a new social system. Then it presumably will merge with North Vietnam and this enlarged Vietnam will dominate Indochina and will become a major force in Asia as a whole. It will be a nation of 40 million hardy and hardened people. It will be rich in natural resources. It will have one of the finest, maybe the finest, army in the world.

Perhaps the energies of 40 million Vietnamese will be devoted to reconstruction and economic progress. Perhaps they will be devoted to further political and military expansion. In either case Vietnam will merit, and probably command, world attention in years ahead. Some South Vietnamese enthusiastically will embrace a new system and new society. Some will have trouble adjusting but eventually will find a place in the new order. Some will be unable to accept the new order, or will be unacceptable to it. They will be discarded in one manner or another, but their children will be brought up to be part of the new society.

The new Vietnam will be powerful and successful and those are the qualities that seem to count among nations, as among men. History books tend to deal with the same themes and history thus is unlikely to look kindly on the South Vietnam that failed to survive. But this is not history. It's just an obituary for the South Vietnam that I knew.

FOURTEEN MILLION AMERICANS

Mr. HANSEN. Mr. President, the oil industry has been under attack by Congress and a good part of the eastern news media for all of the years I have been a Member of the Senate.

I have never understood just why the industry has been singled out as the "black hat" of the business community. Nor why the attacks continue at a time when this country needs more than ever a vigorous and sustained effort to find and produce the oil and gas this Nation must have to provide the jobs to end the recession and encourage economic growth.

Mr. President, kicking the oil industry around may be good politics but I wonder if those who become so carried away with the kicking realize just who they are kicking.

Frank Ikard, president of the American Petroleum Institute, in the current issue of Petroleum Today, has answered the question of "Who Owns Big Oil?"

I respectfully suggest to my colleagues that we all should consider the fact that the oil companies are owned, directly and indirectly, by 14 million Americans and I commend Frank Ikard's article to other Senators and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FOURTEEN MILLION AMERICANS

(By Frank N. Ikard)

Fourteen million people. The Congress of the United States. Fair treatment. These are the three elements in the answer to the question, "Who Owns Big Oil?"

There is a tendency around Washington to talk about oil companies as if they were something other than thinking, breathing, flesh and blood people.

The term, "big oil," is often spoken or written in a vituperative way that implies that these organizations are somehow soulless leviathans—faceless conglomerations of pipes and tanks that operate in an unreasoning, robot-like way.

Naturally, the reasoning concludes, a soulless leviathan can be subject to punitive action without hurting any real people. In fact, the implication is that the more the oil industry gets hurt, the better it is for everybody else.

A close examination of the facts shows that the opposite is true. When oil companies are singled out for legislative punishment, real people get hurt. A lot of real people.

One of the groups of real people who feel the punishment is the owners—those Americans who directly or indirectly have part of their savings invested in oil companies.

The American Petroleum Institute sponsored some research recently to find out something about these people—who they are, how many there are, and where they live. Most of them—the people who own the oil companies—are people like most of us.

As a practical matter, we could not study all of the oil companies—there are hundreds of them. Instead, we looked at the six largest. And with the technical advice of the research department of the New York Stock Exchange we accumulated the data for our estimates.

Here is what we found:

When you eliminate all duplications, there are 2.3 million Americans who own shares directly in the six largest United States oil companies. They live in every state of the Union.

Nearly six out of every ten shares of the six oil companies are owned by the 2.3 million direct shareowners.

There is an even greater number of *indirect* owners. An indirect owner would be, to give one illustration, the holder of shares in a mutual fund which in turn holds shares in one or more of the six oil companies. Once again, when all duplication was eliminated, we counted 11.8 million of these indirect owners.

The indirect owners own about one-third of the shares of the six oil companies.

CHARACTERISTICS OF SHAREOWNERS OF 6 LARGEST OIL COMPANIES

	Retired households	Employed households
Percentage of total households (percent)	46	53
1- or 2-person households (percent)	95	61
Marital status of shareowners (percent):		
Married	66	75
Widowed	24	6
Median age of shareowners (years)	70.6	52.2
Median years of education (years)	14.5	16.7
Median time common stock owned (years)	32.6	17.0
Estimated value of all common stock holdings of household members (median)	$25,000	$18,370
Median household income	$14,100	$19,600

Together the direct and the indirect owners total over 14 million people—about six and one-half percent of the entire population of the United States. Only two states, California and New York, have population greater than this group of Americans. Again, this is with all duplication eliminated.

Together these 14 million Americans own nine-tenths of the shares of these six companies.

Undoubtedly, millions of other Americans own stock in the hundreds of other oil companies, large and small.

Three other important types of owners emerged in our study. First, there are 91 colleges and universities that own shares in these six companies—more than eight million shares. Second, nearly 200 mutual insurance companies hold close to 16 million shares. Third, we estimate that about 1,000 of the 5,500 charitable and educational foundations of the United States are shareowners in these six companies.

We next took a close look at the direct shareowners. What kind of people are these 2.3 million citizens?

We found they are divided into two general categories—those who are retired and those who are employed or whose spouses are employed. More than half of all shareowners in the six companies are women.

Let's look at the retired group first. They make up about 46 percent of the total. The key facts about these retired shareowners are that they are quite mature—their average age is over 70 years—better educated than the average of the U.S. population, have moderate incomes, and have been saving for a long time in investing part of their savings in common stock.

The employed group—53 percent of the total—is, of course, a little younger, but definitely a mature group of people. Their average age is 52. To put that in perspective, the average age today of our general population in the United States is 28 years.

Educational level is high—a college degree plus some graduate work on the average. Most are white collar workers—professionals, managers, officials, and proprietors. Their family income is above average, but they are far from well-to-do. They, too, have been saving for quite a number of years and investing part of their savings in common stocks.

There are other data from our study, but these key facts make "big oil" much more personal when we look at things in terms of its owners, the typical shareholders.

The direct shareowners, both retired and still employed, show up in our study as people who did all the things that Americans of their generation were supposed to do. They studied in school, qualified for good jobs, worked hard, and saved their money.

We should not lose sight of what has been happening to these shareowners recently. The political process of the last year or so has already affected them. The last Congress, for example, considered well over 1,000 bills

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that related to energy and the oil industry. I don't know what the number will be in this Congress, but it will be large.

There has been a drumfire of allegations about oil companies for months. We have looked thoroughly into every allegation, and studied every supposed fact or event.

I don't want to suggest that every person who does a management job in the oil industry is perfect, or that under the stressful times since the Fall of 1973 there haven't been mistakes. But I can tell you that virtually all of the criticism that has emanated from Washington has been unjustified or simply wrong on the facts.

But wrong as it has been, the reckless criticism of oil companies has already eroded away part of the market value of the shares of the large oil companies.

Oil companies have been blamed for everything under the sun. Many of the accusations have included threats of some kind of legislative or administrative thrashing. Naturally this has affected investors who either have oil company shares and wonder whether to hold them, or who are considering the purchase of oil company shares.

This applies not only to the 2.3 million direct shareowners but all 14 million direct *and* indirect owners dealt with in our study. And it applies equally well to the millions of owners of the hundreds of other companies in the industry.

Legislating away the ability of a business organization to earn a fair return for its owners strips the owners of their property.

And if it can happen to oil companies, the same thing can happen to any other company in any other industry.

I don't believe that oil companies, or any business enterprise, should be immune from legislation. The economic sector of American life is subject to the will of the people. But I do believe that serious legislators and the Executive Branch of our government should question closely those who propose punitive action.

They should demand answers to the questions: What is really in the public interest? And, who will be hurt—unfairly—in the long run?

Just asking such questions will, I believe, dispose of many proposals. Others will die when the answers show them to be simply confiscation of the assets of millions of Americans.

One of the nation's primary goals is to make the country less dependent on foreign sources of oil. Such a goal involves the nation's economic health. It involves the nation's security. These are critical matters touching on our country's survival.

Reaching the goal will depend not simply on what plans the energy industries make, or what programs the government sets forth, but on the active cooperation of all groups and elements of our society. Reaching the goal will depend on all Americans, everywhere, pulling together in a single cause.

Our national mood today seems to be: "Let's get on with the energy job." And, in doing so, we must treat fairly with all concerned—taxpayers, customers, and shareowners alike.

MOST MIDDLE-INCOME FAMILIES PRICED OUT OF HOUSING MARKET

Mr. HUMPHREY. Mr. President, on Monday, April 28, the Joint Economic Committee released a study of the availability of new and existing housing for middle and lower income families. The study revealed the distressing fact that the high cost of housing has completely outstripped the ability of the average American family to purchase housing. It showed that the percentage of American families that can afford the median-priced new home had dropped 30 percent from 1973 to 1974. Similarly, the percentage of American families that can afford the median-priced existing home has declined by 33 percent in the same period. In effect, most middle-income families are being priced out of the housing markets.

The severity of this problem was pointed out in a recent editorial in the New York Times. The editorial, entitled "Shrunken Dream," refers to the Joint Economic Committee study and points out the disturbing fact that many families can no longer afford adequate housing and consequently "an appallingly large number of Americans are now housing-deprived." It suggests that national housing policy has not directly addressed this issue satisfactorily and that there is a great need for innovative and creative legislative reforms to make adequate housing available to a much larger number of American families. I commend the Times for its most insightful comments.

Mr. President, I ask unanimous consent that the New York Times editorial, "Shrunken Dream," be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[Editorial From the New York Times]

SHRUNKEN DREAM

The cost of the American dream—that rose-covered cottage or split-level ranch in suburbia—is now up to $41,300 (new) or $35,600 (used) and is unavailable to anyone with an income of less than $23,300. Since the average family's income is half of that, the average family is just out of luck.

For the more affluent family, what used to be the $35,000 "luxury" model is a routine $60,000 to $70,000. With inflation and today's high construction costs and interest rates, five out of six American families cannot afford the American dream at all.

These depressing figures come from a recent Congressional Joint Economic Committee report. The shocking message behind the figures is that the high cost of housing has finally outstripped most people's ability to pay for it. Even the currently increased availability of mortgage money has done little to stimulate sales. And the new tax law that will give 5 per cent of the purchase price of a new house as a tax reduction to move current unsold stock is no permanent solution.

The answer from builders is apparently to be a reduced, stripped-down product; a shrunken dream that will cost as much as the previous standard model. A better answer—finding ways to increase the attractiveness and livability of smaller, less costly houses on smaller lots— is often made difficult or impossible by the rigidity of existing HUD regulations and local codes.

These restrictions do not apply to mobile homes, which account for almost 28 per cent of all new housing because they are the only realistically priced dwelling units. The construction industry, which could offer far greater amenities than mobile homes with far less environmental damage, cannot even begin to compete under present rules.

The inevitable conclusion is that an appallingly large number of Americans are now housing-deprived; and virtually nothing is being done about it. Nor is anyone facing the prospect of a considerable lowering of the American standard of living and environment.

The solution is not temporary tax gimmicks for overpriced houses, but innovative design and legislative reforms. Thus far, both industry and government have failed either to define or deal with the real dimensions of the problem.

SPEECH BY GEORGE S. ECCLES, CHAIRMAN OF THE BOARD OF INTERMOUNTAIN BANK HOLDING CO.

Mr. GARN. Mr. President, discussions about the economy continue to rage, with statistics and figures being thrown about with abandon, as economic indicators fluctuate uncertainly. In this dispute, we ought, I think, give serious consideration to the analysis and advice of the practical men, to those involved in the day-to-day economic life of the country. Economic theorists are fine, but their record is not the best right now. Perhaps they can tell us what happened, and shed some light on why it happened, but it would be a hardy soul indeed who would lean heavily on the predictions of professional theoretical economists right now, after their dismal record of the last few years.

Among practical men, Mr. President, I would like to recommend to my colleagues Mr. George S. Eccles, recently appointed chairman of the board of Intermountain Bank Holding Co., the parent company of First Security Bank Corp. of Salt Lake City, Utah. In a recent speech, Mr. Eccles pointed out a number of important things we will need to keep in mind as the economy begins to recover in the next few months. The first is that "it is important to remember that the economic announcements over the next few months—most of which will be bad—refer to the past, 3 to 6 months ago." This is a valuable insight, and one that this Congress, with its tendency to concentrate on yesterday's crisis, ought to keep in mind.

Another point is the probable practical effect of the energy legislation. Mr. Eccles is aware of the adverse impact of repeal of the oil depletion allowance on oil and gas exploration. This is a point that was made repeatedly here on the floor of the Senate, but which was largely ignored.

Mr. Eccles then examines the balance of the tax rebate legislation, and finds that it will not have the stimulative impact it should have, because of direction of the rebates. Here Mr. Eccles has put his finger on a most important point, the growth of public sector spending at the expense of the private spending. He says:

> Increasing the magnitude of government-transfer payments to the nonproductive elements of the economy does not provide a solid basis for an economic recovery.

In speaking of "nonproductive" elements here, Mr. Eccles is speaking in economic terms, and not moral ones. The fact is, as he says later on:

> The new legislation is generally a continuation of the governmental policies which have promoted consumption and federal spending at the expense of saving and investment.

This is the crucial point, Mr. President, because the fact is that our present troubles are the result of a sharp decline over the last few years of levels of savings and investment. The relatively low level of reinvestment of our domestic output is, as much as anything else, responsible for the inflation of recent years, as our output has failed to keep pace with the demands of our society for consumable goods. We used inflation in an attempt to encourage more production; unfortunately, inflation merely encourages the production of fluff, or more consumables, and not the solid investment in capital goods that is needed.

Government spending policies have been in the forefront in encouraging this consumption. As Daniel Bell has pointed out recently in an extremely important article in the Public Interest, virtually all Government spending is for consumption. When the Government spends in deficit, particularly when the deficits are of the magnitude we must now contemplate, there is no way that a bidding up of prices can be avoided.

Mr. Eccles' conclusions should be examined by every Senator in the Congress, and his words memorized:

> Every spending program contained in the 1975 budget has a substantial increase listed in the 1976 budget. We have clearly pushed government spending beyond the willingness and desirability of society to pay for the programs that are being provided and contemplated. These existing and strongly supported programs already exhaust the national product over the next many years.

Mr. President, I ask unanimous consent that Mr. Eccles' speech be printed in full in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SPEECH BY GEORGE S. ECCLES

INTRODUCTION

(Following is the text of remarks by George S. Eccles, President and Chief Executive officer, First Security Corporation, Salt Lake City, Utah. The speech was delivered before three audiences, the Rotary Club of Ogden, Utah on April 16, 1975, the Boise Chapter, National Association of Accountants on April 17, 1975, and the Consumer Credit Conference, Utah Bankers Association, Salt Lake City, on April 23, 1975.)

(This printed text has been prepared at the request of a number of persons present when the speeches were made. No acknowledgement is necessary.—Public Relations Department, First Security Corporation.)

In a published speech presented on August 15, 1973—some 20 months ago—I made the following statement:

"It doesn't look as though Phase IV will be successful in holding prices down. The only thing that can correct the upward spiral is reduction in consumer buying power, and a decrease in the rate of expansion in the money supply.

"Taxes could do it—and so could a fiscal policy that reduced government spending resulting in a balanced federal budget and continued increase in the cost of money to a point where it would discourage credit expansion.

"The question is: can we slow down the boom to a more sustainable and less inflationary pace without at the same time pushing the economy into a recession?

"There is a risk that we cannot—because the business cycle history of the past generation suggests that it is difficult for the United States economy to make the transition from inflationary boom to noninflationary growth without an intervening recession. This proves that history repeats itself."

The question which I posed at that time, now has a definite answer. Once more, the transition from an inflationary boom to a condition of non-inflationary growth without an intervening recession has failed to materialize.

THE RECESSION

For nearly two centuries, from Thomas Malthus to Alan Greenspan, economics has been known as "The Dismal Science". Over the past year, with almost daily frequency, newspaper articles and television commentators have described the spiraling inflation, the energy crisis, and the recessionary cutbacks in employment, production and real business activity in such vivid terms that the economic outlook, to many people, appears dismal indeed. The constant parade of economic statistics continues to emphasize that the economy is still in the throes of a broadly-defused decline. The objective of this presentation is to assess the national economic outlook and attempt to suggest some future economic patterns which now appear most likely.

At the very outset, it is important to realize that the U.S. economy is still in a serious recession, the deepest and longest recession in the post-war period. Real Gross National Product, which measures the final value of all goods and services sold after the impact of inflation is removed, has now declined five consecutive quarters and is almost seven percent below the peak reached at the end of 1973. Over the past ten months, the rate of industrial production has slumped 12.3 percent and the rate of unemployment now stands at 8.7 percent. These are clearly recessionary numbers—make no mistake about that. Even so, it is possible to detect in the midst of all this darkness the first positive signs of the preconditions necessary for a reinvigorated economy later this year.

A GLIMPSE OF RECOVERY

The following specific trends indicating that the downward recessionary slide is slowing have appeared in the first quarter and further, more definite evidence is anticipated during this quarter.

(1) The index of leading economic indicators, a series developed to foreshadow future economic trends, rose in February for the first time in seven months. A one-month increase certainly does not form the basis for projecting a long-run trend, but on the other hand, all such trends must start one month at a time.

(2) Inventory liquidation has proceeded at a rapid pace during the first quarter. This is certainly a positive development as excessive stocks have been a major factor in prompting production cutbacks.

(3) New orders for durable goods advanced two percent in February ending a 27-percent plunge in orders from September through January.

(4) Double-digit inflation, which has been a major cause of consumer anxiety and apprehension, has—temporarily at least—been routed. Wholesale prices have declined during the last four consecutive months and inflation as measured by the consumer price index is less than half the peak annual rate of last year. Decelerated inflation will help to end the erosion of workers' real buying power that has occurred over the better part of the past two years. It also has an important psychological dividend in bolstering consumer confidence.

The combination of these and other trends as well as stimulative monetary and fiscal policies suggests that the recession will end and positive real growth will appear in the second half of the year.

Because the recession, which will undoubtedly extend through the second quarter, has been so long and so deep, the development of a V-shaped recovery rather than the U-shape is becoming a real possibility. By that I mean a much faster recovery when the bottom is reached. Production and employment have been curtailed so sharply that an abundance of idle capital and labor will provide the makings for an extra-large surge in real private spending, especially if the current inventory shakeout goes too far—as is most likely.

It must be stressed, however, that when the recovery begins, business conditions won't turn immediately easy. Many segments of the economy can be expected to decline throughout this year and probably into 1976. The feel of recession will probably become worse as we move toward recovery. In this context, the relationship between the economic forecasters and the businessmen is a little bit like the relationship between a surgeon and his patient. The surgeon is all smiles the morning after the big operation because he knows that the worst is over and that full recovery is only a matter of time. But the patient is apt to be feeling worse immediately after the operation than he did before. Economists will be relieved once the recovery is clearly under way because they will be reasonably sure that things are going to get better. But many workers and businessmen may find current conditions at their very worst, even as the economists begin smiling. It is important to remember that the economic announcements over the next few months—most of which will be bad—refer to the past, three to six months ago.

In analyzing the economic outlook and in specifically arriving at a projection of recovery in the second half of this year, particular attention must be paid to monetary and fiscal policies and foreign economic developments. These are the major discertionary elements which will affect future economic growth and to some degree determine movements in other specific sectors of the economy. I would briefly like to consider the current orientation of government economic policies and their expected impact on employment, consumer spending and inflation.

FISCAL POLICY

The major anti-recessionary initiative in fiscal policy was the passage of the $22.8 billion tax cut. The primary aspects of the legislation for individuals was a 10-percent rebate on 1974 taxes costing $8.1 billion. Most individuals will get at least $100 but nobody will get more than $200. It also includes reductions in 1975 taxes totaling $7.8 billion, including a $30-tax credit for every taxpayer and dependent, and an increase in the minimum standard deduction. This doesn't sound like much but when it is all added together it means $16 billion for individuals.

With regard to businesses, the tax bill increased the investment tax credit for two years to 10 percent from 7 percent for most businesses and 4 percent for utilities. The tax rate on the first $50,000 of corporate earnings was reduced costing the government an estimated $1.4 billion. Also included in the tax legislation was a repeal of the oil depletion allowance which allowed petroleum producers to deduct from taxable income 22 percent of their gross income from oil and gas properties up to half of their net income. Major companies would lose the write-off immediately while the depletion allowance would gradually be phased down for smaller companies. You can see how this could curtail oil and gas exploration.

Certainly the intent and basic philosophy behind the tax cut was to stimulate spending and improve confidence and expectations. This goal will undoubtedly be achieved—at least to some extent and is an important factor in the expected second-half recovery. The desire to stimulate a sagging economy, however, was combined with what might generally be termed a new welfare program, and because of the composition of the legislature, the overall stimulative impact will be much less than otherwise might have been the case. Increasing the magnitude of government-transfer payments to the nonproductive segment of the economy does not provide a solid basis for an economic recovery.

Probably the biggest tax break to business was the increase in the investment tax credit. The majority of this tax reduction, however, applies only to investment in new machinery. The stimulative impact of such a proposal is rather difficult to visualize as many industries currently have significant amounts of unused capacity. There was no incentive provided in the tax bill to encourage industry to activate the tremendous inventory of existing plant and equipment, now idle.

A much more effective and directly stimulative approach would have been a significant reduction in the corporate profit tax. The new legislation is generally a continuation of the governmental policies which have promoted consumption and federal spending at the expense of savings and investment.

In reality there has been a serious deterioration in corporate profits since the mid-1960's. Many people believe that most corporations are raking in money by the barrelful, and indeed, reported profits in the past year or two have been much higher than 10 years ago. But to a large extent, those high profits are an optical illusion created by the interplay of outmoded accounting practices and inflation represented by inventory profits and unrealistic depreciation charges. Depreciation of old plants won't supply the funds to replace them at today's costs. When those effects are removed, the figures show that aggregate after-tax profits have dropped by 50 percent since 1965. Since profits are an important source of investment funds and also enable companies to attract even more money, it is clear that American business too often lacks the funds to invest in new plants and equipment and thus to create new jobs.

Perhaps the most significant impact of the tax cut and the new spending programs now being proposed is the federal deficit estimated to reach $45 billion for the fiscal year ending June 30, 1975 and $80 billion for the fiscal year ending June of 1976. The total federal deficit would thus reach $125 billion for two years. It must be stressed that federal deficits, in and of themselves, do not inherently represent some evil and depraved practice. In fact, given the current economic conditions which prevail at this time, a deficit is proper policy, but should not be a continuous program.

In a recent congressional testimony, Herbert Stein, former Chairman of the Council of Economic Advisors, states, "Over the past 40 years, there were only three serious efforts to bring the federal budget into balance when the economy was significantly below full employment. One was President Hoover's effort in 1931–32, which was followed by disastrous economic and political developments. A second was President Roosevelt's in 1936–37, followed soon thereafter by one of the sharpest recessions in American history. The third was President Eisenhower's in 1959–60, followed by the recession of 1960 and the election of John F. Kennedy." Mr. Stein also added that he didn't think any government will ever again try to balance the budget when the economy is well below full employment.

In 1954, the national debt was $270.8 billion. That total represented nearly four times the revenue the federal government collected that year and almost 75 percent of the nation's total output of goods and services.

By July 1976, the national debt could reach $650 billion. At this level it will only be a little more than double the revenue the federal government will be collecting and only about 40 percent of the Gross National Product compared with 75 percent in 1954. In other words, the national debt has shrunk significantly over the past two decades as a percentage of the nation's total annual income.

The momentous growth in federal expenditures and federal deficits over the past decade has been truly startling. It took 186 years for the federal budget to reach $100 billion, a line it crossed in 1962, but then only nine more years to reach $200 billion and only four more years to break the $300 billion barrier. Revenues have not kept up with expenditures, so that when the books on fiscal year 1975 are closed, we will have had budget deficits in fourteen of the last fifteen years, and an accumulated deficit for the last five years of $150 billion.

A large part of the projected deficit for fiscal 1975 and 1976 is attributable to the fall-off in federal revenues associated with recessionary economic conditions and thus are essentially unavoidable. The military budget alone calls for nearly ⅓ of the total budget. From 1945 through 1972 the military expenditures exceeded $1.7 trillion. This is greater than combined plant and expenditures in the U.S. during the same years.

The costs associated with financing a large federal deficit, particularly in the nation's capital market do, however, create an area of concern. To finance deficits of this size will require the Treasury to sell a lot of new securities. If the securities are sold to private individuals and corporations, the net effect will not enlarge total spending but will simply substitute government spending for private spending. To bid funds away from the private sector of the economy would result in a higher interest rate structure. It is, however, very desirable in promoting national economic recovery to have interest rates fall too, and remain at a relatively low structure. We have now entered the domain of the Federal Reserve and monetary policy.

MONETARY POLICY

The most significant aspect of monetary policy is a recognition of the lags which exist between changes in the money supply and the resulting impact on the economy. It always takes several months. Monetary policy is now stimulative, but this stimulation effect will be felt primarily during the fourth quarter and will be a major factor in the economic recovery by the year end.

From the latter part of 1974, to March of this year, short-term interest rates had fallen sharply. Treasury bill rates declined from 9.85 percent to 5.25 percent. The interest rate on federal funds, which are overnight loans among banks, declined from more than 13 percent to 5 percent. The national prime rate has fallen from 12¼ to 7¼ percent while the commercial paper rate dropped from 12 to 6 percent. Conventional mortgage rates dropped from 10.75 to 8.75 and the interest rate on automobile inventories has been reduced nearly 4 percentage points. The major factors in this sharp decline was a significant easing in the demand for funds and the sharp drop in business activity. During the first two months of this year, the rate of increase in the money supply, which is a prime indicator of monetary policy, was very slow. Corporate debt was reduced drastically. Until government deficit spending boomed it wasn't possible to increase the money supply. Apparently the Federal Reserve desired to moderate the downward movement in interest rates in order to ward off any undue weakness of the dollar in international money markets. Falling U.S. interest rates make dollar-denominated investments less attractive when viewed on an international basis. When our rates are much lower than the international rates we see an outflowing of dollars to be converted into other currencies resulting in a pressure on the dollar with resulting depreciation in relation to other currencies.

From mid-March to mid-April, however, the downward movement in short-term interest rates stopped and in recent weeks an upward trend has developed. Treasury bills have increased ½ percentage point while rates on commercial paper and certificates of deposit have risen ¼ to ½ percent. Long-term bond rates after some improvement have also increased. This development reflects the huge amount of treasury as well as corporate financing now underway. Requirements are tremendous.

As is becoming readily apparent, there isn't enough private capital to meet these financing needs without driving up interest rates. To alleviate this situation, the Federal Reserve will be forced to buy large amounts of government securities, thus creating new reserves in the banking system and increasing the money supply. This is monetizing the debt. If the Federal Reserve finances only 20 percent of the projected deficit, the balance financed by private capital and the OPEC countries, the money supply would increase at a rate of 10–15 percent against a 2 percent increase we have had.

This pattern appeared in March as growth in the nation's money supply spurted at a rapid rate in conjunction with rising interest rates. There is little question that above-normal growth in the money supply—a rate of 8–10 percent—is desirable until the economic recovery is well under way. The concern is, however, that if the monetary growth rate is too rapid and too extensive, the groundwork for a new inflationary spiral by the end of 1976 will be created. That is exactly what happened in 1971–72 and brought on the terrific inflation of 1973–74.

Short-term interest rates which have not already bottomed will probably reach their lows within the next month or two. A rather stable pattern is expected during the second and third quarters, and by the end of the year short rates will probably be up at least 100 basis points from current levels.

Long-term bond rates are expected to vary between 8¾–9½ percent with the equilibrium level in the range of 9–9¼ percent for the high grade bonds. Mortgage rates have certainly leveled out and until the inflow of savings should not start upward again in the immediate future.

UNEMPLOYMENT

The national rate of unemployment continued to surge in March, reaching 8.7 percent of the labor force. Translated, this means that there are now nearly 8 million unemployed persons and 3 million of the jobless total have lost their jobs since September. This, however, is only part of the story. Excluded from the labor force and thus not counted in unemployment statistics are those discouraged workers who have ceased to search for employment. If the more than one million of these so-called "discouraged" workers were included in the unemployment totals, the March rate of unemployment would be 9.9 percent—distressingly close to a double-digit rate. March unemployment among the major industrial segments of our economy hit 11.4 percent in manufacturing, 18.1 percent in construction and 12 percent in agriculture.

Over a 17-month period from October 1973 to March 1975 the unemployment rate increased from 4.6 percent to 8.7 percent—an increase of more than 4 percentage points. The average unemployment rate in 1929 was 3.2 percent increasing to 8.7 percent in 1930. This, however, is where the parallelism of the two situations hopefully ends. By the end of 1933, the unemployment rate exceeded 25 percent; by the end of 1975, the rate of unemployment is expected to be below the peak reached this summer.

What is that peak rate going to be? Allowing for the traditional influx of young people 16–21 years old into the labor force in June, the unemployment rate will surely exceed 9 percent but is expected to remain below 10 percent. It is unpleasant but nevertheless important to realize that the unemployment rate retreats very slowly from peak recession levels even after the economy has begun to recover. There have been six economic recoveries since World War II, and in five the jobless rate climbed or persisted at the worst recession levels for at least several months after the pace of business activity generally turned around. It now appears likely that the unemployment rate will not fall below 8 percent until well into 1976. One reason unemployment rates remain high for a frustratingly long time is the tendency of employers, shaken by recession-pinched profits, to keep cutting costs long after business begins to improve. Another factor is the ease with which many concerns (with underutilized facilities) are able to step up production—at least for a while—by simply making fuller use of their facilities as well as some increase in productivity. Productivity growth has lagged in the United States, the annual growth in productivity during the 1960's and early 1970's averaged more than 10 percent in Japan, almost six percent in Germany and France, but only 3.3 percent in the United States at the end of 1974. Output per man hour in the United States private economy was 3.7 percent below a year earlier, while compensation per man hour was 9.8 percent higher. This is an important factor effecting increased costs of production. Productivity growth is the essential factor that determines how much of an increase in living standards the American people can achieve over a period of time.

CONSUMER SPENDING

Judging from the recovery pattern experienced in past post-war recessions, consumer spending for durables, and in particular for houses and automobiles, was a major factor in stimulating recovery. In this current recession, the rate of new housing starts has fallen more than 60 percent from early 1973 levels, while automobile production and sales declined nearly 25 percent last year and have continued at low levels during the first quarter of 1975.

While it is true that indexes measuring consumer confidence rose modestly in the first quarter from the depths recorded during the fourth quarter of 1974, the overall level of confidence remains very low.

A recent University of Michigan survey showed considerable improvement over December. In attempting to visualize the contribution of the housing and automobile industries in the business upturn anticipated for the second half of 1975 relative of past recoveries, there are, however, several differences.

First, because of inflation over the past two years, the price of the average home is now 25 percent above 1973 while the price of most new automobiles has increased $700–$800 over this two-year period.

Second, both of these important industries are either directly or indirectly related to the energy problem which introduces a further element of uncertainty not present in earlier recoveries, due to the 300 percent increase in fuel costs.

Third, the current housing inventory is estimated at 400,000 unsold single-family homes and 250,000 to 300,000 condominiums nationally, which represents a several month supply at current sales rates.

Because of these factors, the rapid inflow of deposits into mortgage-granting financial institutions and the past easing in mortgage interest rates will not immediately generate new housing volume. However, the annual rate is expected to reach 1.4 million, an increase of 40 percent from current levels. This means, however, that the annual average for the entire year will be at the lowest level since 1966. Automobile sales are expected to remain relatively low at least until the 1976 models are introduced. March and April figures are very unsatisfactory.

INFLATION

If one can point to a silver lining in the current recession, it has to be in the slowdown of inflation. To properly understand recent economic developments, it is essential to recognize that the rampant inflation of the past two years was, in fact, a major cause of the present recession. These are not two problems. They are two elements of the same problem. A rapid recovery and a sustained growth in real output over the next two years fundamentally requires that inflation continues to decelerate and remain under control. The fiscal and monetary policies being used to bring us out of the present dilemma will lay the groundwork for the another inflationary boom in 1977 if not handled properly. will lay the groundwork for another inflation was low and steady, averaging 1.2 percent a year. Then, for the next three years, as we stepped up our efforts in Vietnam and also sharply accelerated the drive toward a "Great Society," the rate of inflation doubled to 2.5 percent a year. Then it doubled again to over 5 percent a year from 1968 through 1970. Wage and price controls helped to keep it below 5 percent in the next two years, but as history amply demonstrates, controls never end inflation—they only postpone it. In 1973, prices shot up over 6 percent and last year they skyrocketed by over 12 percent.

Currently, inflation at the consumer level has slowed to about 7 percent, while the wholesale price index has declined consistently in recent months. By the end of the year, the monthly rate of inflation could be below 5 percent at annual rates. During the first part of 1976, price increases will also be relatively small, but by the end of 1976—depending upon monetary growth rates in the second half of 1975—inflation may again accelerate.

CONCLUSION

As we reflect upon the current uncertain economy and attempt to ascertain future patterns, the inescapable conclusion which emerges is that unwise and politically-motivated economic policy over the past decade must be singled out as a major cause of the problem. The federal budget reached $100 billion in 1962. By 1974, federal expenditures had mushroomed to $268 billion. Expected expenditures in 1976 will reach $370 billion—an increase of more than $100 billion in just two years. Every spending program contained in the 1975 budget has a substantial increase listed in the 1976 budget. We have clearly pushed government spending beyond the willingness and desirability of society to pay for the programs that are being provided and contemplated. These existing and strongly supported programs already exhaust the national product over the next many years.

If there is a single immutable law of economics it is that we cannot consume more than we produce. A continuation of past policies will make the federal deficits of $45 billion and $80 billion in fiscal year 1975 and 1976 the norm rather than mountain peaks in a desert.

There is little question now that economic recovery will begin the second half of this year and strengthen in 1976. The big question which does remain, however, is whether this recovery will only lay the groundwork for more inflation and a deeper recession next time around.

Perhaps we need to recognize today that the issue which confronts us is whether a free society can survive when its people are faced with the necessity of disciplining themselves.

We must remember the United States is the greatest industrial power in the world and it has given tens of millions of Americans the highest standard of living of any people in history. The average worker can earn the necessities of life in less time than it takes any other worker in the world.

We are coming within range of creating something new in this country, something new in all centuries of the history of man—a nation in which every citizen will have at least the minimum income to have a good standard of living.

Remember America is great because we have freedom and equality because individual men and woman have been given the incentive to create, to produce, and to save—because individual men and women have been rewarded for their labors with a generous share of the goods they helped produce. This certainly is not true in the communistic countries or those under military dictatorship.

We are a nation in which an economic system rests upon private enterprise and political liberty has given tens of millions of citizens the comforts, conveniences and cultural advantages that once were the privilege of the few . . . and yet whose people today seem unwilling to accept economic discipline.

I should like to close with a quote from President Gerald Ford. "Nations which cannot impose upon themselves a discipline management of fiscal and monetary affairs are doomed to economic disorder and widespread inflation."

We must be willing to learn from the mistakes of the past to insure continued progress in the future.

FINANCIAL STATEMENT/TAX RETURN SUMMARY FOR 1974 OF SENATOR AND MRS. CLARK

Mr. CLARK. Mr. President, on May 30 of last year, I placed a summary of my 1973 Federal and Iowa income tax returns and a summary of my family's net worth, as of January 1, 1974, in the CONGRESSIONAL RECORD. The need for complete openness in Government is as great now as it was then. And I ask unanimous consent to print in the RECORD similar tax and net worth information for 1974 along with a listing of speech and articles honoraria that I have received.

I ask unanimous consent to have printed in the RECORD a copy of a letter to the Secretary of the Senate asking that al of this information be kept on file and available to the public on request.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MAY 12, 1975.

HON. FRANCIS VALEO,
Secretary of the Senate,
Washington, D.C.

DEAR MR. SECRETARY: Enclosed is a complete financial statement for myself and my wife. It deatils our family's assets and liabilities as of January 1, 1975, and it includes a summary—as well as a complete story—of our 1974 federal and Iowa income tax returns and a summary of my income from speeches and articles.

I intend to submit a similar report to your office each year that I am a member of the U.S. Senate. Please make it available to the public on request. Thank you.

Sincerely,

DICK CLARK,
U.S. Senate.

SENATOR AND MRS. DICK CLARK STATEMENT OF ESTIMATED FINANCIAL WORTH—JAN. 1, 1975

	Jan. 1, 1975	Jan. 1, 1974
Assets:		
Savings deposits and cash on hand	$850.00	$600.00
Senate retirement fund equity	6,800.00	3,401.00
Stocks and mutual fund shares:		
Exxon Corp. (5 shares at 67¼)	336.25	472.50
Champion spark plugs (14 shares at 9⅛)	136.50	231.00
Iowa Southern Utilities (12 shares at 19¾)	231.00	254.40
National Investors Mutual Fund (995.951 shares at 4.65)	4,491.67	10,033.00
Personal belongings (2 cars, furniture, clothing and other personal effects)	14,500.00	12,330.00
Residence (current assessed value)	95,000.00	92,430.00
Total	122,345.42	119,751.90
Liabilities:		
Mortgage on residence, National Permanent Savings and Loan Assn., Washington, D.C.	71,140.00	71,900.00
Loan, 1st National Bank, Marion, Iowa	3,800.00	4,000.00
Total	74,940.00	75,900.00
Net worth	47,405.42	43,851.90

Note: Jan. 1, 1973 net worth was $44,126.39.

SENATOR AND MRS. DICK CLARK SUMMARY OF 1974 FEDERAL TAX RETURN—JOINT RETURN

Personal income:	
Senate salary	$42,500.00
Dividends	67.39
Interest	77.94
Speaking fees	6,480.00
Refund on 1973 Iowa taxes	176.96
Total	49,302.29
Less capital gains (loss)	524.49
Total	48,777.80
Dick Clark Senate committee expenditures required by the IRS to be listed under Senator's taxable income*	11,867.96
Total	60,645,76
Less Adjustments to income:	
Moving expenses carried over from 1973	1,484.00
Congressional travel allowance	2,646.00
Total	4,130 .00
Adjusted gross income	56,515.46
Less itemized personal deductions:	
Medical, dental expenses	150.00
Estimated State and local taxes	3,179.67
Home mortgage interest, loan	6,945.13
Total	10,274.80
Less deduction of Dick Clark Senate committee expenditures*	11,867.96
Less personal exemptions	3,000.00
Net taxable income	31,372.70
Total income tax	8,039.50
Self-employed social security tax (due on earnings from speaking fees)	511.92
Total Federal tax	8,551.42

*NOTE.—In accordance with IRS Ruling 71-449, which requires such funds to be shown on the return, even though none of the funds were put to personal use. The amount shown represents the total expenditures of the Committee for the year as shown in the Committee's Feb. 12, 1975, public report, less loans made by the committee, postage expenses, and payments made for social security for 1972 campaign staff. Committee expenditures are listed and deducted in the way on the Clerk's State tax return.

(NOTE.—The Clark's 1973 federal tax was $7,526.88, on a net taxable income of $28,397.14.)

SENATOR AND MRS. DICK CLARK SUMMARY OF 1974 IOWA TAX RETURN—JOINT RETURN

Personal income:	
Senate salary	$42,500.00
Dividends	67.39
Interest	77.94
Speaking fees	6,480.00
Total	49,125.33
Less capital gains (loss)	524.49
Total	48,600.84
Dick Clark Senate Committee expenditures required by the IRS to be listed under Senator's taxable income:	11,867.96
Total	60,468.80
Less adjustments to income:	
Moving expenses carried over from 1973	1,484.00
Congressional travel allowance	2,646.00
Total	4,130.00
Adjusted gross income	56,338.80
Federal income tax refund received in 1974	3,202.38
Total	59,541.18
Less Federal income tax withheld in 1974	10,792.24
Total	48,748.94
Less itemized personal deductions:	
Medical, dental expenses	150.00
Local taxes	1,779.67
Home mortgage interest, loan interest	6,945.13
Total	8,874.80
Less deduction of Dick Clark Senate Committee expenditures	11,867.96
Net taxable income	28,006.16
Tax	1,692.93
Less personal exemption credits	50.00
Total Iowa State tax	1,642.93

(NOTE.—The Clark's 1973 Iowa tax was $1,223.34, on a net taxable income of $21,797.68.)

SENATOR DICK CLARK—INCOME IN 1974 FROM SPEECHES, ARTICLES

Date, institution or group; place; event, and amount

January 27, 1974—Bellevue College, Bellevue, Neb. (Speech)	$100
March 25, 1974—National League of Nursing, Washington, D.C. Convention (Speech)	200
April 12, 1974—Eagleton Institute of Politics, Rutgers University, New Brunswick, N.J. (Speech)	300
April 13, 1974—American Whig Clisophic Debate Society, Princeton University, Princeton, N.J. (Debate)	100
April 17, 1974—Union College, Schenectady, N.Y. (Speech)	530
April 19–20, 1974—Fund for New Priorities, series of addresses in San Francisco and Los Angeles, Calif.	1,000
May 6, 1974—University of Maryland, College Park, Maryland (Speech)	200
June 4, 1974—American Meat Institute, Washington, D.C. Convention (Speech)	500
July 23, 1974—The New York Times (Article)	150
September 10, 1974—Brookings Institution, Washington, D.C. (Speech)	150
September 28, 1974—Steel Service Institute, Sea Island, Georgia Convention (Speech)	1,000
October 4, 1974—Kankakee, Illinois Democratic Party, Kankakee, Illinois Convention (Speech)	500
October 7, 1974—Georgetown University, Washington, D.C. (Speech)	700
November 18, 1974—George Washington University, Washington, D.C. (Speech)	250
November 18, 1974—Catholic University, Washington, D.C. (Speech)	500
December 12, 1974—Farmland Industries, Kansas City, Missouri Annual Meeting (Speech)	500
December 16, 1974—Eagleton Institute of Politics, Rutgers University, New Brunswick, N.J. (Speech)	300
Total	6,480

(NOTE.—Income in 1973 from speeches, articles was $3,500.)

U.S. SCIENTIFIC TEAM VISITS THE PEOPLE'S REPUBLIC OF CHINA

Mr. HUMPHREY. Mr. President, I wish to bring to the attention of my colleagues an article by Liz Muhlfeld in the March 1975 issue of the Rockefeller Foundation.

The article, entitled "U.S. Team's Long Look at China's Agriculture," explains the visit of the scientific team in some detail which began on August 27, 1974.

The visit of the team was undoubtedly most successful with a great deal of interchange with Chinese scientists and extensive travel throughout the country. Dr. Richard Bernard, a world renowned soybean scientist, traveled widely throughout China to gather wild soybeans to bring back to the United States.

One of the important lessons—which I also was able to observe during my trip to China—was the great emphasis by the Chinese on utilizing waste. Dr. Norman Borlaug, for example, was unable to believe, when first told, that 200 million pigs are raised in China. These animals are fed on all varieties of leaves, stalks, husks, and other waste products. This is a lesson which our animal producers are also beginning to learn in the face of today's high feed costs.

I hope that one of the important results of this visit will be to open up further exchanges in the future. We should encourage more visits in both directions, and this should include personnel from a variety of disciplines.

Mr. President, I ask unanimous consent that this informative article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U.S. TEAM'S LONG LOOK AT CHINA'S AGRICULTURE

When Sterling Wortman, a vice president of the Rockefeller Foundation, led an agricultural team into the People's Republic of China on August 27, he provided each man with a carbon-paper pad. At night, team members wrote down their careful observations, kept a copy for themselves, and gave Dr. Wortman the other. An efficient way to keep notes, but Dr. Wortman—who is a very thorough man—went further. He arranged for the team to stay on in Hong Kong after the tour had ended—discussing their impressions, rewriting, revising, and editing their individual reports. They may be the first group of traveling experts in history whose report was written before they got on the plane to go home.

The full team report—written for the National Academy of Sciences, which sponsored the trip—should be available within a few weeks. Here is a preview.

The ten scientists who went into China are all widely known, highly regarded agricultural experts. (Dr. Wortman himself is a plant geneticist who has directed production programs in Mexico, the Philippines, and Hawaii.) "We had very little hard data on Chinese agriculture," Dr. Wortman said, "We brought along senior people, men who would be known by reputation to the Chinese, men with a practiced eye."

These scientists have probably seen as many crops in the field, all over the globe, as any ten men in the world—they all agree that crops in China looked good. "I'm going to worry less about whether the country can feed its people," said Wortman. "I didn't see a bad field of rice in all of China."

The group spent much of its time in the agricultural provinces of Kirin, Shensi, Kwangsi, and Kwangtung—out in the fields looking at crops and talking to farmers. They were given almost unlimited freedom by the Chinese. Dr. Richard Bernard, a noted authority on soybeans, roamed through the countryside gathering wild soybeans to take back to the United States. Wherever they visited, the Americans were able to talk at length with their opposite numbers in Chinese agriculture. "The authorities were most cooperative about letting us see everything we asked about," said Wortman. "Arthur Kelman, the plant pathologist in the group, remembered a Chinese scientist he had known 27 years ago at the University of Wisconsin. He inquired about him, the man was located, a car was sent to bring him to our hotel in Canton, and the two men spent four or five days together—often closeted in Arthur's room, talking very freely."

The team agreed that China has been tremendously successful in getting all the available technology into use at farm level. "Locally, there's no such thing as a good or bad farmer," says Sterling Wortman. "Various farming regions may differ, but within a given locality, productivity on all lands has been raised to the same standard of excellence.

"The communes are encouraged to be as self-sufficient as possible—even at the expense of greatest efficiency, if necessary. In one region in Shensi where the dry soil seemed ideal for growing sorghum, for instance, the land was planted to corn. To the degree that it's possible, the communes produce what the people want to eat; as their own food needs are taken care of, they also work to produce a market crop—fruit, or pork, or silk."

People still buy food at 1950's prices. In several cities, team members got up at five o'clock in the morning to visit vegetable markets ("rather orderly as vegetable markets go") in which vegetables were selling at two to five cents a pound. Chicken and pork were also cheap at fifty cents a pound.

"There has been an all-out effort to decentralize authority—an effort that is still going on. People are taught to regard any central bureaucracy as undesirable, a place where power can concentrate. I noticed that officials from the central government, who were traveling with us, were extremely deferential to people at the province and commune levels.

"China's whole system of agricultural education is being restructured—to do away with 'elitism' and 'urbanism'. National institutes that were located in cities have been physically dismantled and moved to the provinces. Scientists who might be tempted to stay in their laboratories, talking only to colleagues, are expected to spend one year out of every three years in residence on the communes, at brigade level—which means, for example, that at any one time, say, 150 of an institute's 450 scientists are working away from home, and with farmers. One top-level Chinese scientist said it was 'humiliating' to go back to the fields—but not for the reasons one might think. 'I did not mind manual labor,' he said. 'But it was humiliating that I couldn't answer the simple questions the farmers asked.' Mao is forcing every scientist to become a practitioner, an extensionist."

This kind of stress on getting the scientists into the fields has had an adverse effect, however, on research. "The research base is narrow, the labs are badly equipped. There's no work on the more sophisticated approaches to disease resistance or plant physiology." In the great push to increase production, research efforts have virtually ground to a halt; the Americans consider this to be China's most serious long-range agricultural problem.

"Most of the highly trained people are in their sixties—and too few young people, it seems, are being trained. They will only have enough research scientists if they hurry; the ranks are thinning. . . . "

There's also some urgency about collecting and storing genetic material. "The Chinese must get their plant germplasm into storage banks. They have replaced their traditional varieties with new varieties almost completely, but they will need genetic material from their older varieties for research purposes." One of the most important of the team's mandates was to exchange germplasm samples with the Chinese. The Americans also arranged for regular exchanges to take place in the future.

PRODUCTION VS. RESEARCH

The Chinese have developed their own high-yielding, dwarf rice varieties, which are in some respects like the "miracle rice" varieties developed at the International Rice Research Institute (varieties that mature too slowly for China), but which in fact preceded them. Again, the emphasis has been on production, on yield: "Much of the rice we saw would clearly yield six to seven tons per hectare; that's extraordinarily good by world standards."

The scientists did not see wheat in the field—it was the wrong time of year. Also, they did not get to the more remote, marginal agricultural areas. They did see corn; "there's room for improvement in corn." High protein, high-lysine types (see page 6) are unknown in China. And even if the Chinese did know about opaque–2, they probably couldn't develop such varieties; the research and development phase requires sophisticated laboratory techniques which have been excluded from Chinese capabilities at this stage.

Again, the problem of research capability. The team recommended that two national rice research institutes be developed in China—one in the North and one in the South—"of the scope and competence of IRRI."

The Americans have invited their Chinese counterparts to visit the international institutes—specifically, the rice research institute in the Philippines and the corn and wheat improvement center in Mexico.

"EVERYTHING HAS VALUE"

Chinese agriculture is very highly labor intensive: "You might say there's very little 'farming' in China," says Wortman. "Most everything there is gardened—as it is in Japan. The Chinese use incredible amounts of skillful hand labor."

This permits the use of some techniques that are not possible in the highly mechanized U.S.A. There's a Mao admonition to 'Plant close' which the communes take seriously. Centuries ago, the Chinese invented multiple cropping and relay planting—in which crops are planted between the rows before earlier crops are harvested; the team commonly saw two or more crops growing together in the same fields.

When wheat breeder Norman Borlaug first read that there were 200 million pigs in China, he refused to believe it: 'What would they eat?" The answer turned out to be: almost anything—cotton leaves, corn stalks, rice husks, vegetable waste, and the by-products of grain milling. "Swine production, based on high-cost feed in the United States, is based on no-cost feed in China," says Wortman.

By the time the tour ended, Borlaug was boldly estimating 260 million Chinese pigs—they are the country's living waste disposal units. It is an example of the principle, "Everything Has Value"—which is so important in contemporary China.

"The Chinese recycle everything," says Wortman. He was struck by an arrangement for carp and silk production that one commune had worked out. Ponds had been dug in a delta area, the earth being used to build up adjacent fields. Mulberry trees, on whose leaves silkworms feed, were grown on the raised areas so that branches hung over the fishponds. Silkworm droppings, falling into the ponds, helped feed the carp and periodically the rich bottom sludge of the fishponds was dug out and heaped around the mulberry trees for fertilizer.

BACKYARD FACTORIES

The Chinese have also devoted much attention to fertilizer production. In addition to using organic waste materials—nightsoil, manure, compost—they have about eight hundred "backyard fertilizer factories" (that is, small factories at the county level) which produce about a thousand tons of ammonium bicarbonate fertilizer a year—made from water and coal. About half of the nitrogenous fertilizer produced in 1973 was produced in these plants. "Fertilizer shortages have more to do with lack of factories than lack of oil," says Wortman. "Large-scale commercial factories are very complicated and expensive, and take about four years to build. But China is acquiring ten of them—each with a capacity of a thousand tons a day."

While fields did not look deficient in fertilizer, "they did not have the dark green color we associate with optimum quantities of nitrogen." In other words, fertilizer is adequate, but barely so.

THE SYSTEM AS A WHOLE

Has China really succeeded in feeding her 900 million people? "We saw no misery," says Wortman. "The Chinese have given up a great deal of personal freedom—but people who can remember the old times say that things are altogether different and better today. In fact, one of Mao's difficulties is to impress on the coming generation how bad things were before the revolution, and how relatively well off they are now.

"We went into a few private households. Undoubtedly they had been carefully chosen, and they may or may not have been typical. One farm family we visited lived in a two-story house that cost $2,500; there were

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eleven people—four generations—in the family, of whom ten were working and one was a child. The yearly income for the household was $2,100, of which $80 a month was advanced and later subtracted from the year-end, pro-rated income based on communal productivity. The house was frugally furnished, but several of the adults had wristwatches and bicycles; everyone has medical coverage. The child was in school; all children are in school. There is a hospital in every commune with medical clinics at the brigade level, and "barefoot doctors," often young women with three years of medical training, at the village level.

THE LONGER VIEW

An extraordinary achievement; can there be a free-world equivalent? "We've done a lot of thinking about that," says Wortman, "and we must come up with an answer. There's nothing new being done in China; all these methods are in use elsewhere, they're just not so intensively applied. You've got to take the system as a whole. And that kind of all-out effort raises the problem of coercion, obviously. . . ."

The important agricultural development to watch, Wortman feels, is the restructuring effort that is now taking place—the decentralization of agricultural institutes, the reorganization of research and education, the exposure of scientists to farmers and farmers to scientists.

"If population in China grows at a rate of 2 percent a year, it means 18 million more mouths to feed—every year. At the present consumption levels, that adds up to 5.4 million tons of additional grain, each year—just for China to hold its own. But China's plan—and incentive system—seems to be based not just on holding the standard of living steady but on improving it."

Thus the importance of reconstructing the agricultural system to include research, training, and long-term goals. "They *must* do so," Wortman declares. "Their ability to meet the people's needs depends on it."

GROUPS WITHIN GROUPS:
HOW COMMUNES ARE ORGANIZED

The basic agricultural unit in China is the production team—a group of twenty to thirty families whose land is owned, and worked, in common. (Individual families also own small garden plots which they cultivate for their own purposes. These gardens are quite small, and increases in family size are not accompanied by increases in the size of private plots—an incentive for limiting births.)

Over the year, expense money is advanced to households in the production teams, and at year's end, after subtracting expenses and taxes (of about 6 or 8 percent) the profit is divided up among all the individuals on the team, with adjustment for work points (which are based on the type of work performed, and the amount of time spent working). "This local profit-sharing," says Dr. Wortman, "must act as a strong family planning incentive. Increased profits obviously mean more money for the individual—but it is also very clear that the fewer people there are to divide the money among, the more money per person there will be. With the production team as the accounting unit, the advantages of limited numbers of people, and of increased production, are both very easily seen."

Production teams are gathered into groups of roughly ten to twenty to form brigades. And brigades are further grouped to form the commune—which usually numbers about 25,000 to 30,000 people, the equivalent of a medium-sized town. Says Wortman, "It is a system of organization that permits very rapid and uniform exploitation of technology."

THE U.S. TEAM

Richard L. Bernard, Research Geneticist, Agricultural Research Service, U.S. Department of Agriculture, and Regional Soybean Laboratory.

Norman E. Borlaug, Director, International Wheat Improvement Program CIMMYT.

Nyle C. Brady, Director International Rice Research Institute, Philippines.

Glenn W. Burton, Research Geneticist and Leader, Agricultural Research Service, U.S. Department of Agriculture, and University of Georgia.

John L. Creech, Vice Chairman, Director, U.S. National Arboretum.

Jack R. Harlan, Crop Evolutionary Laboratory, University of Illinois.

Arthur Kelman, Chairman, Department of Plant Pathology, University of Wisconsin.

Henry M. Munger, Departments of Plant Breeding and Vegetable Crops, New York State College of Agriculture and Life Sciences, Cornell University.

George F. Sprague, Distinguished Professor, Department of Agronomy, University of Illinois.

Sterling Wortman, Chairman, Vice President, The Rockefeller Foundation.

Alexander P. DeAngelis, Professional Associate, Committee on Scholarly Communication with the People's Republic of China, National Academy of Sciences.

Philip A. Kuhn, Professor of Chinese History, University of Chicago.

THREATS TO FRUIT AND VEGETABLE COOPERATIVES

Mr. GOLDWATER. Mr. President, the importance of agriculture to the overall national strength of the United States is obvious to any student of history. We have been blessed with enormous natural resources in the form of our climate and huge expanse of fertile land, both of which combine to offer us the potential for the most efficient and productive agricultural economy in the world.

If we do not squander it, if we do not impose uninformed and destructive governmental policies upon our farmers, we can reach the true limits of our agricultural efficiency and productivity.

Unfortunately, one of the most important features of today's agriculture that contributes to a stronger industry is coming under attack from certain segments of Government. This is the cooperative movement, a development exemplified by marketing organizations, such as the one which the citrus growers of Arizona and California have formed.

What the cooperative movement means is that farmers are better able to supply vast amounts of low-cost food and fiber. It means they are in a better position to bargain effectively with those to whom they sell. It means that both they and the consumers are better protected against the ramifications of disastrously low or exorbitantly high prices. And it means that small producers, as well as the large, can collectively deal with government agencies, such as the Food and Drug Administration, the now-expired Cost of Living Council, and the many other offices of Government whose regulations and proposed directives can disrupt and weaken American agriculture if based upon misinformed facts and a faulty understanding of agricultural economics.

Mr. President, it is exactly this subject which served as the basis of a recent speech by an eminent local attorney, Mr. Julian B. Heron, Jr., who has a long and extensive practice in the field of agricultural and public law. Mr. Heron addressed this topic before the Midwest Regional Conference of the Federal Bar Association of Agriculture and the Law on April 3.

His topic was changes that will be facing fruit and vegetable cooperatives in the future and his speech points up the fact that the only dim spot in an otherwise bright future is the recent persistent attack upon cooperatives by certain Government officials who are inexperienced in agriculture.

Mr. President, in view of the general importance of this subject at this time of need to create an even greater abundance of food in the world, I ask unanimous consent that Mr. Heron's speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

CHANGES FACING FRUIT AND VEGETABLE COOPERATIVES

It is a pleasure to address this distinguished group of attorneys who share a common interest in the law applicable to agriculture. As the last speaker scheduled for the day an interesting challenge is presented. My remarks will have to be short since only a limited amount can be absorbed after sitting all afternoon and, more importantly, the open bar follows. Previous speakers have topics which dealt directly with marketing orders and antitrust law. The topic assigned for comment here deals with changes that will be facing fruit and vegetable cooperatives in the future. Fortunately, or unfortunately, depending upon one's point of view, this heading provides some latitude.

It is an understatement to mention that agriculture has had a great deal of attention in the last several years. Actually, agriculture, as such, has not had the attention, as much as food items produced by agriculture. This has been a matter of lengthy discussion. Individuals without training or experience in agriculture have become instant experts. This has led to tremendous uncertainty as will be described.

The future for fruit and vegetable cooperatives looks bright. The management of most cooperatives is alert and modern. The need to develop markets before developing production is understood. At this point, let us examine some very basic differences between fruits, on the one hand, and vegetables on the other. Generally, vegetables are an annual crop. That is, production starts in one year and terminates in the same year. The farmer must then decide whether or not to produce the crop the next year. Fruits, however, are quite different. Many fruits are produced from a tree. It generally takes anywhere from four to eight years from the time the tree is planted, to bring the tree into commercial production. To some extent this depends on the particular commodity and the location. While a farmer can terminate production by removing the tree in any one year, he has a start up period of from four to eight years. Advanced planning is an absolute necessity in the fruit industry.

Both fruits and vegetables are perishable. Generally, these commodities cannot be stored for any extended period of time. Additionally, they are similar in that the farmer receipts a higher return for the item when sold in fresh form. Growers of these commodities strive to market them fresh.

It is interesting to observe that perishable commodities are one distinct segment of agriculture. Producers of perishable commodities must make rapid decisions and move the crop. It will not wait. Quite a different situation confronts producers of storage commodities such as feed grains. Additionally, these two categories are different from livestock where the commodity can be stored, but continues to eat constantly. For this reason, perishables have generally been treated separately.

It is also interesting to note that cooperatives are much more prominent in the fruit industry than in the vegetable industry. Although there are some vegetable cooperatives, since there are more fruit cooperatives my remarks will focus on fruit cooperatives.

As stated previously, the future for fruit cooperatives looks bright from a marketing standpoint. Most varieties of fruit have good markets and are enjoying steadily increasing production. One of the most difficult areas, if not the most difficult area, facing fruit and vegetable cooperatives is the recent persistent efforts of government to concentrate the industry and reduce competition. Let me quickly point out, that this comment is not directed toward the Department of Agriculture which understands the necessity of the small farmer and the necessity to continue to expand production in order to increase supplies and maintain stable prices that provide a fair return to the farmer. At this point, it might be worthwhile to mention that agricultural economics differ substantially from industrial economics. Most individuals not trained in agricultural economics think in terms of what may be referred to as production line economics. Simply stated, generally in industry, the last unit produced is the cheapest. This is the economy of mass production.

In agriculture often the last unit produced is the most expensive. This is due to the fact that the production is on marginal land where soil conditions, climate, weather and other factors may not be favorable. Here it should be pointed out that many people inexperienced in agriculture believe that if a farmer producing under these type of conditions cannot survive, he should go out of business. Unfortunately, this policy will decrease supply and increase prices. Many governmental activities in the last few years have tried to achieve that result and have done so with varying degrees of success.

Having spoken generally for the past few moments, let us now turn our attention to specific examples. Let us begin by discussing the Cost of Living Council which has now been abolished. When the price freeze was adopted, regulations were also adopted by the Cost of Living Council that, while specifically exempting fresh fruits and vegetables at the farmer's level, as a practical matter imposed a price freeze on these items. At the same time, without any information, the Cost of Living Council attempted to abolish marketing orders. It did this with total disregard for existing statutory authority. The results were decreased production and decreased availability of certain fruit and vegetable items. This occurred in two ways. In certain instances farmers could not recoup the cost of harvesting their crops in the market place and therefore destroyed them. For example, one farmer was reliably reported to have plowed under 5,000 acres of cantaloupes.

A second example was caused by the Cost of Living Council's attempt to tinker with existing marketing orders. This resulted in pushing supplies onto the market place when there was no demand, causing prices received by farmers to fall dramatically with no change in the retail price. Later in the season when supplies normally would have been available except for the activities of the Cost of Living Council, prices received by farmers and paid by consumers were higher than at any time in history. This took place as a result of direct government action and created enormous uncertainty in the market place. Small farmers are totally unable to deal with this kind of activity.

A second illustration comes from the transportation field. The administration of the transportation system by the government has resulted in uneconomical and high cost transportation for perishable commodities. The efficient way to move perishables from the west to the east is in refrigerated rail cars. Currently, most perishable traffic originating in the west moves east on trucks. This not only results in higher food costs, but is also a very inefficient use of fuel. The small fruit or vegetable farmer cannot successfully single-handedly fight with large railroads at the Interstate Commerce Commission.

Another brief illustration. Not very long ago, the Food and Drug Administration issued regulations concerning labelling of fresh fruits and vegetables. These regulations were issued without any statutory authority. This was proven when the Food and Drug Administration withdrew the regulations in response to litigation. Again, a small farmer would be virtually powerless to deal with such a large agency by himself.

These illustrations are intended to document the fact that a small fruit and vegetable farmer cannot take on the United States government single-handedly. When he cannot, he may be forced out of business. The result is two-fold. In many cases the acreage he farmed goes out of production. In other cases, the production is taken over by large producers This is what was meant when it was indicated government policy is forcing a concentration in agriculture.

It is believed everyone will agree that the small farmer cannot bargain effectively against large chain stores. Someone may inquire as to why the term "small farmer" is being used. The simple reason is that the average acreage owned by members of fruit cooperatives is generally not greater than 100 acres. Of course, some members are larger, but many are smaller.

This is all leading up to the point of today's conference—Marketing orders and cooperatives. Some sections of the government with no agricultural experience or training have apparently decided to bring further uncertainty into the market place which may lead towards decreased production and greater concentration of production. Increasingly attacks are being made upon marketing orders. Without exception, these attacks have been made by the uninformed. Where marketing orders have been studied carefully, it has been found that production has generally increased substantially over a period of time. Marketing orders are a self-help tool available to farmers. They are an important part of modern agriculture and probably should be used by all agriculture as a replacement for direct subsidies. If production increases, then supplies increase. Prices respond and decrease.

Marketing orders involving supply regulation generally provide producers of perishable commodities the only effective method of bargaining with chain stores. These type of marketing orders are also beneficial to consumers because they tend to eliminate peaks and valleys in supply and prices. Additionally, greater production than could otherwise be sustained results. Most individuals attacking these kinds of orders are prepared to accept decreased production in exchange for the abolition of supply control. As is known, decreased production means higher prices. This should not be an acceptable result.

The same type of uncertainty has been created with regard to cooperatives themselves. Some government speeches have suggested that cooperatives should be limited to a certain size or should have only certain types of members or that the members of cooperatives should not be allowed to determine among themselves how they will organize and manage the cooperative. Individuals not involved with agriculture have decided that they know better than farmers how farmers should work together. If sufficient uncertainty can be created and if successful cooperatives can be successfully attacked so that small farmers are left to themselves, then many small farmers will lose their only effective means to compete. Only the large, so-called "efficient" farmer will be left. Supply will decrease and prices will increase. Both the farmer and the consumer will be unhappy. Presumably, the individuals in government that intentionally created this result will be pleased.

It is recognized that these comments may be considered general, but they respond directly to the question of what challenges lay ahead for fruit and vegetable cooperatives. If these cooperatives can get back to the business of feeding the people of the United States and the people in the export markets, instead of devoting uncalled for time and expense to issues raised by government which ultimately are paid for by the consumer, the future will be bright for these cooperatives.

EMERGENCY ANTI-RECESSION HELP TO STATES AND CITIES

Mr. HUMPHREY. Mr. President, on April 8, 1975, Senator MUSKIE, Senator BROCK, and I introduced the Intergovernmental Counter-Cyclical Assistance Act of 1975, a bill to provide emergency antirecession assistance to State and local governments. The bill is designed to make sure that the budget actions of State and local governments are coordinated with Federal Government efforts to restore growth and prosperity to our economy. It will insure that State and local governments are not forced to raise taxes and to cut services, just when the Federal Government is trying to stimulate the economy through tax cuts and expenditure increases.

Last week, the Senate Intergovernmental Relations Subcommittee, under Senator MUSKIE's leadership, began hearings on this important piece of legislation. Distinguished Governors, mayors, and county officials were all invited to testify, as well as eminent panels of economists and labor leaders. I was honored to be invited to testify as the lead-off witness for the hearings on Tuesday, May 6. My testimony focused on the importance of coordinating the fiscal policies of all levels of government and on the importance of this legislation to any comprehensive program to restore growth and prosperity to the American economy. These issues are sufficiently important that I would like to share my testimony with my colleagues.

Mr. President, I ask unanimous consent that the prepared text of my testimony before the Senate Intergovernmental Relations Subcommittee be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY OF SENATOR HUBERT H. HUMPHREY

Mr. Chairman and distinguished colleagues: It's a pleasure to appear here today to testify in support of the Intergovernmental Counter-Cyclical Assistance Act of 1975. This legislation is, in my opinion, an essential component of any comprehensive program designed to restore growth and prosperity to the nation's economy.

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Back in April when we first introduced this legislation, the arguments for counter-cyclical assistance were strong indeed. Eight million Americans were out of work, gross national product in constant dollars had declined for 4 consecutive quarters and the recession was forcing State and local governments to cut services and lay-off employees in the scramble to keep their budgets in balance. Just 1 month later, the situation is even worse. 8.2 million Americans are unemployed, gross national product has declined for 5 consecutive quarters and many of the threatened service cuts and tax increases have become a reality. Today the arguments are compelling.

One need only take a quick look at the combined deficit of all State and local governments to get a clear picture of the devastating deterioration in their financial position. Back in 1972, a strong economy combined with the enactment of revenue sharing to produce a $4 billion surplus for State and local government. In 1973, this surplus disappeared as State and local governments operated essentially in balance. In 1974, the combined impact of inflation and recession produced a $7.5 billion deficit for all State and local governments. This year, the deepening recession will further exacerbate financial problems, with one forecast (DRI) suggesting that the deficit for 1975 will be $10.4 billion.

But these aggregate figures mask even more severe problems in many of our Nation's cities and States. Hiring freezes and lay-offs, service cutbacks, tax increases and construction delays are becoming more commonplace every day. Many of our Nation's largest cities have already been forced to undertake one or more of these actions. Los Angeles has eliminated almost 600 positions. Cleveland has been forced to layoff 1100. St. Louis has increased property taxes to maintain a balanced budget. Detroit has eliminated almost 5000 positions and severely curtailed essential services.

But these problems are not confined to the largest cities. Bloomington, Indiana has enacted a 7 percent increase in its property tax; York, Pennsylvania has laid off 10 of its full time workers; Vineland, N.J. has reduced its work force by 8 employees; and Wilmington, Delaware has reduced its firefighting force by 11 percent, while making cuts of up to 40 percent in other departments.

Nor have the states escaped the wrath of the current recession. Michigan has reduced expenditures by $95 million and eliminated over 600 positions. Florida has reduced its expenditures by $120 million, with over $70 million of the reduction coming in State aid to local governments. New Jersey has cut expenditures by $90 million and laid off over 300 employees. Tomorrow you will hear testimony about a survey of State and local governments undertaken by the Urban Affairs Subcommittee of the Joint Economic Committee. This survey, prepared under Congressman William S. Moorhead's able leadership, will provide a significant insight into budget adjustments that State and local governments are currently undertaking.

Some might argue that these problems are of no concern to the Federal Government, that a little belt-tightening is necessary and that State and local governments can always raise taxes or borrow the money so that they can weather the storm. This, however, is certainly not the case. The Federal Government has every reason to get involved.

First, it is unrealistic and in most cases illegal, for State and local governments to undertake separate fiscal policies through deficit spending. Forty-four State constitutions require State and local governments to operate with balanced budgets.

By nature, the only fiscal policy that State and local governments can undertake is fiscally perverse. However, even if these constitutional requirements did not exist, one could not realistically expect the thousands of state and local governments to coordinate their economic policies, thus formulating a consistent fiscal policy. Only the federal government has sufficient flexibility in economic policy to eliminate the fiscally perverse nature of state and local government budget actions and to make all government budget actions more consistent.

Second, state and local governments are a major sector of our economy, employing 12 million people and spending over $200 billion annually. No single sector of the economy can approach the level of employment found in the state and local government sector and no national economic policy can succeed in restoring economic prosperity without taking into account the needs of this sector. I would agree that a little belt-tightening by all governments is in order but strangulation of state and local governments is certainly not the answer.

Finally, state and local government budgetary actions must be made consistent with federal government efforts to reduce unemployment and restore economic growth. It is senseless economic policy to force state and local governments to increase taxes, thus depressing the economy, when the federal government is simultaneously cutting taxes in an attempt to stimulate the economy. Such a policy undermines the stimulative impact of federal income tax reductions and weakens the progressivity of the total tax system by substituting regressive or proportional state and local government taxes for progressive federal income taxes. We've simply got to recognize the fact that there are no such things as "federal taxpayers" and "state taxpayers," that we cannot be effective by giving with one hand and taking away with the other.

The legislation that we are discussing today, will provide the means for rationalizing the budgetary actions of all levels of government into one coherent fiscal policy. As James Tobin pointed out in testimony before the Joint Economic Committee, "It has been disastrous and counterproductive for all State and local governments to be scrambling around reducing expenditures and increasing taxes at this time in the recession." This legislation will provide enough assistance to prevent fiscally perverse State and local government budgetary actions, but not enough to prevent essential streamlining that all sectors of the economy undergo in a recession. In essence, it will prevent State and local governments from bearing a disproportionate share or the burden imposed upon the economy by recession.

As Chairman of the Joint Economic Committee, I have heard considerable testimony regarding the components of an effective program to reduce unemployment and restore economic growth while maintaining price stability. Witness after witness testified to the need for immediate tax and expenditure stimulus to restore the economy to prosperity. However, all of the witnesses agreed that antirecession programs should be designed to take effect immediately and to phaseout as the economy improves. This point of view was best expressed by Dr. Arthur Okun of the Brookings Institution who said "in general, I am pointing to two key tests of a valid antirecession proposal: Does it really stimulate production and jobs during the recession? Does it stop stimulating the economy during the recovery as prosperity is regained?" The legislation that we are discussing today effectively meets both of these criteria.

First, the intergovernmental countercyclical assistance act is clearly designed to phase-in as the recession deepens and to phaseout when the recession ends. Assistance is not made available unless the national unemployment rate exceeds 6 percent for one quarter. The important feature is that no permanent spending program is created and no inflationary expenditures will be made after the recession has ended.

Second, the program is targeted to assist those governments hardest hit by the recession with the greatest propensity to take fiscally perverse budget actions. The formula weights heavily the number of unemployed persons in a jurisdiction, concentrating assistance where the greatest recession induced revenue shortfalls and expenditure increases occur. In addition, no government will receive any assistance if its unemployment rate is below 6 percent. This insures that the program will phase-out on a government by government basis, as well as nationally.

Finally, this legislation insures that the stimulus be quickly injected into the economy and spent almost immediately. The bill requires that all assistance distributed under this legislation must be spent within one year of receipt. This will insure that no funds that were allocated during the recession will be spent after it has ended.

Clearly, counter-cyclical assistance to state and local governments is an effective anti-recession program because; 1) the size of the program varies with the severity of the recession, phasing out at 6 percent unemployment; 2) the assistance is targeted toward those jurisdictions hardest hit by the recession and; 3) expenditures are made quickly so the stimulative impact is immedate.

It is these overwhelming advantages which have caused the joint economic committee to frequently suggest counter-cyclical assistance to state and local governments as an essential component of its recovery program. It is these advantages which cause me to support this legislation today.

THE AWACS SYSTEM

Mr. GARN. Mr. President, a few days ago I was honored to have the opportunity to fly a demonstration aircraft for the AWACS system, the airborne warning and control system. I must say, Mr. President, that I was extremely impressed with this system.

It is fashionable, I know, to argue that we are living in a postbomber military situation now, and that we should not continue development of bombers ourselves, or defenses against bombers. According to this line of argument, missiles is the name of the game; bombers are obsolete, and since missiles are so hard to defend against, we should perhaps not even try, relying only on the MAD strategy, the mutual assured destruction.

Mr. President, I am not convinced by this line of reasoning. It is true that our bomber fleet is outmoded, and that we do not seem to be very impressed with a need to upgrade it. But I do not see a similar reluctance on the part of other nations, to mention only the Union of Soviet Socialist Republics by name. The U.S.S.R. has not discontinued its construction of aircraft, and in fact now has, according to the London International Institute for Strategic Studies 1974–75 report on military balance, a fleet of about 1,400 bombers each capable of reaching major cities within the contiguous 48 States. The United States has about 320 bombers of similar capability.

As a military pilot myself, Mr. President, I recognize the need for adequate radar facilities if bomber missions are going to be successfully carried out or defended against. The old baseball adage

that you cannot hit what you cannot see is not precisely true, in that we now rely more on electronic seeing than we do physical vision, but it is true enough. In fact, we cannot hit targets that cannot be perceived by our radar capability, and Mr. President, the AWACS systems is an enormous improvement over present systems, either ground or airborne. It is a quantum jump in our ability to defend ourselves or to mount a credible counterthreat.

The AWACS system was originally designed against low level aircraft penetration, but as often happens with good research and development, it has turned out to have wider applications. For one thing, it can not only defect attacking aircraft, but through its computer capabilities can control defending aircraft, directing them to the right spot in the right strength to maximize defensive capabilities. The control that can be obtained by a single aircraft over an extremely wide area of airspace makes the AWACS very cost-efficient. It allows us to employ a comparatively small number of aircraft to do a job which would require a much larger number were the technology not so well employed.

In short, Mr. President, I support the AWACS system as an example of the finest in American defense technology. It is representative of the systems purchased by our defense dollars, and ought to be supported by each of us.We cannot assume that our enemies will cease to develop their capabilities, and that therefore no further progress is needed on our part. Readiness for the conflict is still the best deterrent to hostilities, and in my view, the AWACS system will go a long way toward improving our preparation.

CORRUPTION IN THE GRAIN TRADE

Mr. CLARK. Mr. President, the May 1, Des Moines Register reported the indictments of a number of federally licensed grain inspectors in New Orleans and Houston. These inspectors are accused of having received bribes from grain shipping firms for rubberstamp certification of their ships, despite the fact that these ships may not have conformed to Government standards of cleanliness. A similar charge with respect to the grading of grains is also under investigation.

These investigations may well have major foreign policy implications. As the article notes:

> Foreign purchasers and countries that get humanitarian food aid from the United States may have received substandard grain and grain that was contaminated by being transported in dirty or insect-infected ships.

The United States can ill-afford to have its export advantage in feedgrains undermined by these kinds of corrupt practices. Moreover, this kind of activity mocks the genuine U.S. commitment to food programs for developing countries.

The Senate Foreign Relations Subcommittee on multinational corporations, of which I am a member, is looking into the operations of multinational grain companies and their influence on the world grain trade. Its investigation will include the matters discussed in the Register article as well as the larger issues involved in relationship of Government food programs and policies to multinational grain companies. Mr. President, I ask unanimous consent that the Des Moines Register article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Grain Ships, Dirt, Bribes

(By James Risser)

New Orleans, La.—Federal agents here and in other port cities have uncovered what appears to be widespread corruption in the grading and shipping of U.S. export grains.

Seven federally licensed grain inspectors in New Orleans and another five in Houston, Tex., already have been indicted on charges of accepting bribes in exchange for certifying that ships were clean and acceptable for loading with grain.

Five of the New Orleans inspectors have pleaded guilty and one was convicted after a jury trial. Additional indictments are considered likely, and the inquiry has spread to other Texas ports.

The federal probe now is entering a new phase, aimed at checking into the possible misgrading of grain and the involvement, if any, of shipping and grain company officials in the bribery schemes, The Register has learned.

The Register's own investigation indicates that the government's system of grading export grain and inspecting ships is full of conflicts of interest and the potential for a variety of abuses.

As a result, foreign purchasers and countries that get humanitarian food aid from the United States may have received substandard grain and grain that was contaminated by being transported in dirty or insect-infested ships.

PRIVATELY EMPLOYED

Although the indicted inspectors were licensed by the U.S. Agriculture Department they actually were employed by private inspection agencies such as the New Orleans Board of Trade and the Houston Merchants Exchange.

The agencies are controlled by business executives, including grain and shipping company officials who have a huge financial stake in seeing that grain exports are not unduly delayed at the inspection stage.

If an inspector finds a ship dirty and demands that it be cleaned before grain is put aboard, or if he places a low grade on a shipment of corn or wheat, the ruling can mean many thousands of dollars in lost profits for the grain and ship companies.

One federal official involved in the case described the entire grain and ship inspection system as "a rather incestous relationship" that was set up as "an accommodation to local interests" in the export trade.

FOR YEARS

The bribery schemes apparently had been going on undetected for a number of years on a rather modest scale, and came to light only as the gram export business began booming, and as the inspectors stated demanding payoffs of as high as $5,000 per ship.

Shippers apparently were willing to make the payments because the cost was considerably less than the thousands of dollars a day lost while a ship is tied up in port being cleaned.

The corruption was revealed to the FBI which is conducting the investigation at a number of gram exporting points with the help of the Agriculture Department's Office of investigation.

As a result of the still unfolding scandal, the Agriculture Department's agricultural marketing service. which licenses the inspectors, has suspended the licenses of those indicted and says steps have been taken to improve supervision over the remaining inspectors.

NEED FOR INTEGRITY

But several officials said in interviews that they question whether future abuses can be prevented unless the inspection system is overhauled completely. They stressed the need for maintaining the integrity of grain grading and ship inspection, if the U.S. is to continue to develop its agricultural export trade.

The indictments issued last August by a federal grand jury in New Orleans came out of an investigation directed by U.S. Atty. Gerald J. Gallinghouse and the chief of his criminal division, Assistant U.S. Atty. Cornelius R. Heusel.

Seven inspectors were indicted for accepting bribes, a ship cleaning firm and its president were accused of paying bribes and a federally licensed grain sampler was charged with perjury.

Most pleaded guilty and received light fines and were placed on probation after promising to co-operate with the prosecutors in pursuing the investigation. One case is still to be tried, and one inspector who was convicted by a jury has appealed.

With the exception of the one ship-cleaning firm, none of the ship company representatives accused of paying the bribes has been charged yet.

ONE TRIAL

Most of the limited information now available in public records about the investigation is contained in the transcript of the trial of William E. Fleetwood III, who was convicted in U.S. District Court in December on three counts of bribery. He has filed an appeal.

The witnesses described a pattern of bribery payments, which allegedly were authorized by high officials of ship companies who were anxious that their ships be certified as clean to receive grain.

The "going rate" at one time was $250 to $500 per ship the jury was told by Robert E. Wilder, an operations clerk for the shipping firm of Hansen & Tidemann, Inc.

PAYMENTS RISE

But the payments began to rise in 1973 and 1974 until, said Wilder, Inspector Fleetwood on Mar. 14, 1974, demanded $5,000 to issue a cleanliness certificate for the "M–V Achilles," an oil tanker that was to be used to ship grain.

Fleetwood turned down the ship after the New York owners, refused to meet his demands, but another inspector, Clarence P. Baker, Jr., approved it the next day after asking and receiving a $2,500 payment, the jury was told.

Baker confirmed the story at the trial, and described the Achilles as "very difficult to clean and to convert over to the grain storage" because it previously had carried oil.

Hansen & Tidemann agent Lloyd L. Scallan Jr., testified that he actually gave the money to Baker.

PART OF JOB

"I knew it wasn't right, but I was doing what my company instructed me to do as part of my job," Scallan testified.

At two points in the Fleetwood trial the jury was shown checks allegedly involved in the briberies. One for $5,000 was made out from Hansen & Tidemann to L. Caro, identified as a delivery boy from the firm. He cashed the check endorsing it on the back with his name and the words, "for M. V. Achilles" and gave the money to Scallan.

The other check, from Gulf Coast Shipping Corp. to Mike Hardee, a Gulf Coast agent was for $1,000 and had an attached voucher reading: "M-V Lotus Flower, F-1010, gratuities for grain surveyor."

TO FLEETWOOD

Hardee testified that he cashed the check and delivered it to Fleetwood's home on Jan. 30, 1973, two days after another inspector had rejected the Lotus Flower because of rust scaling and residue from earlier cargoes.

Fleetwood then okayed the ship. Hardee said:

Fleetwood was convicted on three of four counts, was fined $600 and was placed on five years probation.

The inspectors who have pleaded guilty are Baker, who received the payment on the Achilles, and inspectors Vincent Marcon, Raymond S. Schultz, William F. Fedrick and Barry Barrios.

* * * the New Orleans Board of Trade, were accused of taking bribes ranging from $150 to $3,500 each for issuing certificates of cleanliness to various ship owners.

In addition, the two were charged with having a continuing arrangement with Peterson Maritime Services, Inc., a ship-cleaning firm, under which the two inspectors received from the firm $100 a month each for more than four years.

The firm and its president, Dean Leslie Peterson, were indicted and pleaded guilty of bribery and improperly influencing inspection personnel. Peterson was fined $1,000 and put on two years probation, and has since died. The firm was fined $9,000.

ANOTHER TRIAL

Another inspector, James Timonet, is to be tried next month.

Also, Lawrence J. Berthelot, a federally licensed grain sampler, was charged with putting an incorrectly high grade on a load of corn in 1973. * * *.

In the investigation at Houston, being directed by U.S. Atty. Edward B. McDonough, Jr., five inspectors were indicted Mar. 25 on 18 counts of taking payments from Captain Victor G. Diaz of Maritime Overseas Corp. to certify a number of ships owned by that firm.

The defendants, accused of taking between $50 and $500 per ship between 1970 and 1974, are Arthur J. Taute, Bill Gene Marcy, Billy Ray Davenport, Jerry R. Parker, and Billy J. Westbrook.

All were employed by the Houston Merchant Exchange.

The five have pleaded innocent, and trials are scheduled for later this spring.

WON'T SAY

U.S. Attorney McDonough would not say whether he has evidence of involvement by high ranking ship or grain company executives, but said his investigation is continuing and includes the ports of Brownsville, Corpus Christi and Galveston.

Grain grading and ship inspections are conducted under the U.S. Grain Standards Act, which specifies that the initial inspections are to be done by federally licensed inspectors employed by inspection agencies designated by the Agriculture Department.

There are five such agencies in the New Orleans area, serving eight big grain exporting elevators along the Mississippi River.

The agencies are paid on the basis of tariff schedules they file with the agricultural marketing services grain division, which routinely approves the charges. A typical charge at present is around $100 per ship inspection, and about $1 per 1,000 bushels of grain inspected and graded.

More than a third of all grain exported from the U.S. is shipped out of the New Orleans-area elevators. Much of it is Midwest corn, which comes down the Mississippi to New Orleans by barge.

All of the major U.S. grain exporting companies have an elevator at New Orleans, including such giants as Continental, Cargill, Cook and Bunge.

The agricultural marketing service's grain division has "appeal inspectors" at each port who can be asked to over-rule an adverse decision by one of the agency inspectors.

SELDOM USED

As a practical matter, however, the Fleetwood jury was told, the appeal process is seldom used by grain owners or ship companies because the government appeal inspectors are known to be tougher than the agency inspectors.

Gilbert Vorhoff, president of the New Orleans Board of Trade, defended the board's inspection procedures and said a new map has been employed to supervise the inspectors, as a result of the cases. Two of the indicted men worked for the Board of Trade, while others in New Orleans worked for other inspection agencies.

Vorhoff acknowledged that the Board of Trade's main function is to promote trade and commerce, and that its members and directors include officials of grain and shipping companies. * * *

BANK OFFICIAL

Vorhoff is a vice president of Hibernia National Bank and specializes in international finance.

U.S. Attorney Gallinghouse said that since the indictments were issued both the Board of Trade and the Agriculture Department have taken steps to improve supervision of the inspectors and to make spot checks on their activities.

In Houston, the Houston Merchants Exchange conducts grain and ship inspections for four export elevators.

Roy T. James, secretary and general manager of the exchange, said the organization is owned by 23 stockholders from the major grain firms, shipping companies, banks and other businesses.

He said, he expects his inspectors to be exonerated and to be "back at work before too long."

Harlan L. Ryan, Agriculture Department supervisor for the grain division office in New Orleans, said his staff will be increased from 27 to about 50 in order to provide better control over the approximately 125 inspectors employed by the five inspection agencies in the area.

Agriculture Department supervision teams are doing more checks on ship hold inspections, and new guidelines are being issued to the inspection agencies, Ryan said.

THE FRANKFORD ARSENAL

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent to have printed in the RECORD a letter to the editor of the Philadelphia Inquirer from Edward Lewandowski, president, Local R 3-2, National Association of Government Employees, on the closing of the Frankford Arsenal. I think Mr. Lewandowski's comments are both timely and persuasive.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ARSENAL CLOSING IS SHORTSIGHTED

TO THE EDITOR: In your April 26 editorial concerning the Army's plans to close the Frankford Arsenal, you commented that the current General Accounting Office audit should establish the true cost of this intended action.

A brief explanation of the GAO's operating procedures and the major issue involved in the Frankford Arsenal controversy will demonstrate that this may not necessarily be the case.

When the GAO studies the closing of a military facility, it makes no attempt to determine whether or not the functions of the facility can adequately and properly be performed at designated new locations.

Rather, they simply assess the cost of relocating or eliminating a given amount of personnel and equipment.

The Army once again is hell bent on eliminating the one irreplaceable asset of the Frankford Arsenal—its highly skilled and specialized work force.

Since the Army blithely assumed (and the GAO must, as a matter of policy, agree) that these people will either transfer or else be easily replaced, their contribution to operational savings will not be uncovered in the GAO analysis.

The procurement personnel at Frankford Arsenal not only oversee the purchase of millions of dollars worth of equipment annually, but also have the ability to judge whether or not the Army is paying a fair price for the equipment it receives.

When these people are lost, no one will be available to resist the efforts of defense contractors who perceive an opportunity to receive more than fair value for the material they supply to the government.

Our engineers and technicians possess the unique and critical skills and experience necessary to organize, supervise and expedite industrial production of military material in the event of a national emergency.

Without such people, whose skills were developed over decades of experience, the Army will have no choice but to increase its stockpiles of military equipment to insure the availability of such equipment to meet any emergency.

Since "quality" is an elusive characteristic, the contribution made by our specialized research scientists is even more difficult to assess.

The rapid rate of technological advancement dictates that these personnel must also be retained within the defense establishment.

While the Army has stated publicly that there will be no significant disruption of the activities now performed at Frankford, I submit that it is in reality, aware of the true impact and is acquiescing to corporate pressure to divert a larger segment of the defense pie to private industry.

In a depressed economy, industry looks to defense contracts as a means to eliminate excess capacity caused by a reduction in consumer demand.

The closing of Frankford will not only divert more development and production dollars to private industry, but will also lessen their accountability for the quality and cost of the equipment they will develop and/or produce.

Unfortunately for the Army, fortunately for the nation, as the economy recovers and expands, private industry historically pursues more profitable consumer production to the detriment of defense contracting.

It can be seen, therefore, that the Army's action with regard to Frankford Arsenal is a shortsighted sell-out to the immediate, but temporary, problems of industry; the maintenance of our national security and military commitments has taken a back seat to the vagaries of the business cycle.

EDWARD LEWANDOWSKI,
President, Local R 3-2, National Association of Government Employes.

ANNOUNCEMENT OF POSITION ON VOTE ON RESOLUTION WELCOMING THE VIETNAMESE REFUGEES

Mr. CHURCH. Mr. President, last Thursday, I was necessarily absent from the Senate due to a longstanding commitment out of the city. At that time, a sense of the Senate resolution was adopted welcoming Vietnamese refugees to the United States. Had I been present and voting at that time, Mr. President, I would have voted in favor of the resolution. I ask unanimous consent that the Permanent RECORD be changed to reflect my favorable position on that measure.

LET US WELCOME THE FUGITIVES

Mr. HANSEN. Mr. President, the distinguished editor of the Wyoming State Tribune, Mr. Jim Flinchum of Cheyenne, wrote an editorial entitled: "Let Us Welcome the Fugitives."

Mr. Flinchum, and a number of other newspapermen throughout the country, felt compelled to write similar articles. He wrote:

> The cries that are now going up in this country against the admission of the South Vietnamese refugees are somewhat astounding considering that they come from otherwise charitable people.

Mr. President, I believe the vast majority of the American people were astounded to see some of the statements a few made against providing sanctuary for the Vietnamese, who believe—and with considerable cause, looking back on recent history—that they are fleeing for their lives from the Communist conquerors. I believe some who spoke against the refugees did so from shock—the shock of seeing a people the United States had supported for a long time fall before the ruthless aggression and single-minded determination of the Communist invaders. These Americans felt some sense of shame in the fall of South Vietnam and found the easiest way to put this burden out of mind was to not have the reminders, of what they considered a failure of this country, around as neighbors.

While all Americans are concerned about the economy, I do not for a moment believe that very many of those who made emotional outbursts against the refugees were equating possible slight economic hardship with the life or death of fellow human beings. And I am confident that after most of these Americans, after having some time to think matters through, will hold a calmer view more in keeping with the traditional humanitarian values that this country stands for in the eyes of the world, and that remain untarnished despite significant setbacks in Southeast Asia.

I would speculate that most of the Americans who spoke out against providing sanctuary for the refugees did so out of fear for their own economic future. Their words, to me, seemed to reflect the truth of the quotation attributed to the late President Franklin Roosevelt that there is naught to fear but fear itself. President Roosevelt was warning against hysteria, and this Nation is nowhere near giving way to hysteria.

But Americans are right to be concerned about their jobs and the feeding, clothing, and education of their families. Americans associate the Vietnam war with some of the economic problems of the Nation, because they know that the program backed by Congress of "guns and butter," as the late President Johnson termed it, brought about the rampant inflation that devalued the American dollar and their income. An expansion of Federal social welfare programs at a time when the war was expanding was more than even the great gross national product of the United States could sustain without some detrimental effects.

But even more than inflation, the recession that has cost jobs in this country and caused cutbacks in production and industrial expansion brought about the fear—the economic insecurity—that resulted in the antirefugee feeling some Americans made known. A principal cause of the business recession has been the sudden high cost of energy and the energy shortage. It is a stern warning that there are no longer any of the "ifs, and, or buts," that we have heard for the past decade—this Nation must take positive and aggressive steps to become energy self-reliant. And this must be accomplished in minimum time if we are to avoid the catastrophic damage to the national security that economic crash would mean.

Mr. Flinchum suggests that we "extend a welcome to the South Vietnamese and hope that they may soon adjust to their new homes." I urge that the Senate extend a warm welcome to the unfortunate people of South Vietnam—a resoundingly warm welcome that will show the world the early news reports about American opposition to the refugees were made newsworthy only because such opposition reflected the beat of a different drum—a curiosity.

Mr. President, I ask unanimous consent that the Tribune editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LET US WELCOME THE FUGITIVES

President Ford's statement he ordered the evacuation of thousands of South Vietnamese simply to prevent their being murdered by the conquering communists—and that he is proud of his decision—is to his eternal credit.

The cries that are now going up in this country against the admission of the South Vietnamese refugees are somewhat astounding considering that they come from otherwise presumably charitable people.

For our part, it is to be regretted that more South Vietnamese could not be brought out. Have we forgotten that America is a haven for the world's oppressed, and historically has been so? Our earliest colonists, not just including the Mayflower Pilgrims who were fugitives from religious oppression in England where only the Crown's religion was tolerated, came here for largely that reason.

One objection that has been raised to the South Vietnamese is that there are among them prostitutes, bar girls, and other persons of questionable morals. But recall the earliest American settlers; Georgia was largely settled through the efforts of a pioneer colonizer, James Oglethorpe, with penal inmates. So was Australia; the English prisons were emptied to permit the colonization of that faraway Crown colony.

Are there any among us who can not say with certainty that among his forebears, especially those who emigrated to America, was not some individual who was fleeing the King's justice, who did not have a price on his head, or who had not been freed from a prison so that the English could get rid of his kind?

The colonization efforts of most European nations, especially England, was based on the proposition of getting rid of "undesirable" elements, felons of various kinds whom the authorities felt could be best dealt with if they were far, far away.

They were tough, hardy, often violent, durable people because they had to be; they came from the slums of London and from the poverty-stricken little crofts of Scotland; from impoverished Ireland and from all over, desperately poor people who frequently stole so they and their families would not go hungry. It is precisely for this reason they persevered under the conditions they had to cope with; otherwise they would have "gone under," as the pioneers put it.

The spirit of American charity to those oppressed in other lands has always prevailed from the earliest beginnings of the settlements by Europeans along the Atlantic Seaboard; many an American family of today is descended from some illegal shipjumper who went overboard from a British or French merchantman in harbor in Baltimore, New York, Charleston, or Savannah. In most cases these people had nothing to lose in venturing into a new, raw and dangerous land with many privations; but they were welcome and in the spirit of those days no one who was polite or wise ventured to inquire of such a stranger's past. He merely welcomed him.

It is in our national past, and a part of our national past, and a part of our conscience, that we afford freedom to the world's persecuted including most recently as four decades ago the Jews who were being victimized by Hitler's Germany; and even today, the Jews who are being harassed by the agents of the latter day czars, the Politburo in the Kremlin. Do we say "no" to any of these people? Should we? For shame!

Let us extend a welcome to the South Vietnamese and hope that they may soon adjust to their new homes; they cannot go back, nor can we sleep easily at night thinking that they should, for to order them to return would be to order their slaughter at the hands of the murder squads of the communists.

As our forefathers did in similar situations, we shall, as we must, make room for them with the hope that most of them soon shall become productive citizens. Not all of them may; nor will all of them possibly be law-abiding citizens.

But they shall not be the first, nor probably the last, who do not make contributions. But among them there may be some, and even one or two or a handful, who are geniuses in a way, Lincolns, George Washington Carvers, Carnegies, whose talents will vastly enrich our present as well as our future.

If we have only one or two of these, it all will have been worth it; for that after all is the spirit of America, and the thing that has enriched our land. The people who have come here for over 300 years, from many lands, and under many conditions, most of them bad.

CHILD ABUSE

Mr. MONDALE. Mr. President, on January 31, 1974, the Child Abuse Prevention and Treatment Act, which I introduced in the Senate, was signed into law. This legislation, which emanated from my Subcommittee on Children and Youth, was the result of more than a year of study and extensive testimony by experts in the field.

The public response to this legislation has been extremely gratifying. Thousands of dedicated, concerned individuals have expressed their commitment to combating the tragic problem of child abuse to the subcommittee. Many of them view the new law as an essential vehicle for dealing with child abuse, and have requested information on its purpose and scope. For that reason, I ask unanimous consent that the following questions and answers, analysis and text of the law be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Questions and Answers on Child Abuse Prevention and Treatment Act

1. *Why was Federal legislation on child abuse and neglect necessary?*

During 1973, a wide variety of witnesses testified before the Subcommittee on Children and Youth on child abuse. They pointed out that an estimated 60,000 children are reported to have been abused each year in this country. Representtaives of the Department of Health, Education, and Welfare testified that, despite the size of the problem, not one person was assigned full-time in the Federal Government to work on child abuse. Witnesses also testified that limited funding of existing child welfare programs through the Social Security Act has resulted in a lack of focus on child abuse and neglect in these programs at the local and national level.

2. *What is the purpose of the Child Abuse Prevention and Treatment Act?*

The major thrust of the law is to provide funding for promising efforts to prevent, identify and treat child abuse and neglect. In its hearings in several cities, the Subcommittee found that many highly motivated, dedicated persons and agencies were willing to take action on child abuse and neglect, but lacked the funding to do so. Another major purpose of the law is to provide the technical assistance and other resources needed to increase and expand efforts to prevent, identify, and treat child abuse and neglect.

3. *How much money will* be *available for implementing the Act?*

The law authorizes $15 million for fiscal year 1974; $20 million for 1975; and $25 million each for 1976 and 1977. The amount of funds actually available will be determined through the appropriations process in Congress.

4. *How does the Act define child abuse and neglect?*

These terms are defined as physical or mental injury, sexual abuse, negligent treatment, or maltreatment of a child under the age of 18 by a person who is responsible for the child's welfare.

5. *Who is eligible to apply for funding under the Act?*

Programs may be supported through two different sections of the Act. One is the demonstration grant program. Under this section, a wide variety of individuals, institutions and state or local agencies—for example, hospitals, police or welfare departments, universities, parent organizations—may apply for funding.

In addition, some funds are specifically reserved for technical assistance to state governments.

6. *How does the demonstration grant program work?*

The Act requires that at least 50% of funds appropriated in any year be spent on the demonstration grant program. Under the program, HEW may award grants and contracts for the following purposes:

A. Training programs for professionals and paraprofessional personnel in fields relevant to dealing with child abuse and neglect.

B. Creation of regional centers to provide multidisciplinary services related to child abuse and neglect.

C. Provision of trained child abuse teams as consultants to rural and other areas which do not have resident experts.

D. Innovative programs and projects, including parent self-help programs.

7. *How does the state technical assistance program work?*

A minimum of 5% and maximum of 20% of the annual appropriation for this Act is reserved for grants to state governments. In order to qualify for these funds, a state must meet a series of requirements including having a child abuse reporting law, an investigation procedure, and procedures and resources for working with affected families.

8. *Who will administer the Act at the Federal level?*

The Act creates a new National Center on Child Abuse and Neglect in the Department of Health, Education, and Welfare. This Center, which has been located in the Office of Child Development, will administer the demonstration grant and state assistance programs. Inquiries concerning funding under the Act should be addressed to the Center.

9. *What else will the Center do?*

The Center will be responsible for publishing an annual summary of research on child abuse and neglect; conducting research; maintaining a clearinghouse on child abuse and neglect programs; conducting a study of the incidence of child abuse and neglect; and providing technical assistance.

10. *How does this Act affect other Federal laws with respect to child abuse and neglect?*

This Act requires that all programs related to child abuse and neglect and funded under Title IV–A or IV–B of the Social Security Act must:

A. Have in effect a child abuse reporting law

B. Have a procedure for investigation of reports of child abuse and neglect

C. Provide for immediate protection of a child, if necessary

D. Provide for confidentiality of records

E. Provide for cooperation among law enforcement, state agency and court officials

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Analysis of Public Law 93–247, Child Abuse Prevention and Treatment Act (S. 1191)

Sec. 2. National Center on Child Abuse and Neglect.—Provides for the establishment of the National Center on Child Abuse and Neglect by the Secretary of Health, Education, and Welfare and outlines the functions of this Center. These include the development of an information clearinghouse; publication of an annual summary of research on child abuse and neglect; compilation of an annual summary of research on child abuse and neglect; compilation and publication of training materials for personnel in the field of child abuse prevention, identification and treatment; technical assistance (directly or through grants or contracts) to public and non-profit private agencies involved in this field; research into the causes of child abuse and neglect and methods of preventing, identifying and treating it; and a full study of National incidence of child abuse and neglect.

Sec. 3. Definition of child abuse and neglect.—Defines the term "child abuse and neglect" to be the physical or mental injury, sexual abuse, negligent treatment, or maltreatment of a child under the age of eighteen by a person who is responsible for the child's welfare.

Sec. 4. Demonstration program and projects.—(a) Authorizes the Secretary to make grants to and contracts with public or non-profit private agencies or organizations for demonstration projects designed to prevent, identify or treat child abuse and neglect. These grants or contracts may be for the following:

1. Development and establishment of training programs for professional and paraprofessional personnel in the fields of medicine, education, social work and other relevant fields, and training programs for children and persons responsible for the welfare of children in methods of protecting children from abuse and neglect.

2. Establishment and maintenance of centers, serving defined geographic areas, to provide services related to child abuse and neglect, including direct support and supervision of satellite centers and attention homes and advice and consultation to both individuals and agencies.

3. Furnishing services of teams of professional and paraprofessional personnel, on a counsulting basis, to small communities where services for child abuse and neglect are not available.

4. Innovative programs and projects which show promise of successfully preventing, identifying or treating cases of child abuse and neglect.

No less than 50 percent of the funds appropriated under this act for any fiscal year may be used for carrying out the provisions of this subsection.

(b) Provides for grants to the States for the development, strengthening and carrying out of child abuse and neglect prevention and treatment programs. In order to qualify for this assistance the State must meet the following requirements:

1. Must have in effect a State child abuse and neglect law which includes immunity from prosecution for persons reporting instances of child abuse and neglect, arising out of such reporting.

2. Must provide for the reporting of suspected instances of child abuse and neglect.

3. Upon reporting of known or suspected instances of child abuse or neglect, the State must initiate an investigation to determine the accuracy of such a report and if it is accurate, take immediate steps to protect the health and welfare of the abused or neglected child, as well as any other child under the same care who may be in danger of abuse or neglect.

4. Must demonstrate that there are in effect, throughout the State, administrative procedures, personnel trained in child abuse and neglect prevention and treatment, training procedures, institutional and other facilities and other multidisciplinary programs and services necessary to assure that the State will deal effectively with child abuse and neglect cases.

5. Must provide for confidentiality of all records in order to protect the rights of the child, his parents or guardians.

6. Must provide for the cooperation of law enforcement officials, courts of competent jurisdiction and appropriate State agencies.

7. Must provide a guardian ad litem (for the purpose of litigation) to represent the child in a case involving child abuse or neglect which results in a judicial determination.

8. Must provide that the total amount of State funds for programs or projects related to child abuse and neglect are not reduced below the level provided during fiscal year 1973 and that federal funds made available under this Act will be used to supplement and, where practical, increase the level of current State funds available for such programs or projects.

9. Must provide for the dissemination of information to the general public on the problem of child abuse. Programs or projects related to child abuse and neglect assisted under part A or B of Title IV of the Social Security Act must comply with the requirements in Section 4(b) relating to reporting, investigation, immediately follow-up action to protect the child, confidentiality of all

records and co-operation of law enforcement officials.

Assistance under this section is not available for construction of facilities, but is available for the lease or rental of facilities when necessary and for repair or minor alterations or remodeling of existing structures.

Not less than 5 percent, and not more than 20 percent of the funds appropriated may be used for these grants made to the States.

Sec. 5. Authorizations.—This section provides authorization for appropriations of $15,000,000 for the fiscal year ending June 30, 1974, $20,000,000 for the fiscal year ending June 30, 1975, and $25,000,000 for the fiscal year ending June 30, 1976 and for the succeeding fiscal year.

Sec. 6. Advisory Board—Requires the Secretary to appoint, within 60 days, an Advisory Board on Child Abuse and neglect. This Board is to be composed of representatives from Federal agencies with responsibility for programs related to child abuse including the Office of Child Development, the Office of Education, the National Institute of Mental Health, the National Institute of Child Health and Human Development, the Social and Rehabilitation Service and the Health Service Administration.

The function of the Advisory Board will be to assist the Secretary in coordinating new programs relating to child abuse and neglect with those being administered by Federal agencies, and to assist the Secretary in the development of Federal standards for these programs and projects. Only one-half of one percent of the funds appropriated, or $1,000,000 (whichever is less) may be used for the preparation and submittal (within eighteen months of enacted date) to Congress and the President of a report on programs assisted under this act and all related programs assisted by Federal agencies with membership on the Advisory Board. The report is to include also a study on the relationship between drug addiction and child abuse and neglect.

SEC. 7. Regulations. Requires the Secretary to issue regulations and make arrangements to ensure effective coordination between programs and projects under this act and other child abuse and neglect programs assisted by Federal funds.

PUBLIC LAW 93–247

An act to provide financial assistance for a demonstration program for the prevention, identification, and treatment of child abuse and neglect, to establish a National Center on Child Abuse and Neglect, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Child Abuse Prevention and Treatment Act".

THE NATIONAL CENTER ON CHILD ABUSE AND NEGLECT

SEC. 2. (a) The Secretary of Health, Education, and Welfare (hereinafter referred to in this Act as the "Secretary") shall establish an office to be known as the National Center on Child Abuse and Neglect (hereinafter referred to in this Act as the "Center").

(b) The Secretary, through the Center, shall—

(1) compile, analyze, and publish a summary annually of recently conducted and currently conducted research on child abuse and neglect;

(2) develop and maintain an information clearinghouse on all programs, including private programs, showing promise of success, for the prevention, identification, and treatment of child abuse and neglect;

(3) compile and publish training materials for personnel who are engaged or intend to engage in the prevention, identification, and treatment of child abuse and neglect;

(4) provide technical assistance (directly or through grant or contract) to public and nonprofit private agencies and organizations to assist them in planning, improving, developing, and carrying out programs and activities relating to the prevention, identification, and treatment of child abuse and neglect;

(5) conduct research into the causes of child abuse and neglect, and into the prevention, identification, and treatment thereof; and

(6) make a complete and full study and investigation of the national incidence of child abuse and neglect, including a determination of the extent to which incidents of child abuse and neglect are increasing in number or severity.

DEFINITION

SEC. 3. For purposes of this Act the term "child abuse and neglect" means the physical or mental injury, sexual abuse, negligent treatment, or maltreatment of a child under the age of eighteen by a person who is responsible for the child's welfare under circumstances which indicate that the child's health or welfare is harmed or threatened thereby, as determined in accordance with regulations prescribed by the Secretary.

DEMONSTRATION PROGRAMS AND PROJECTS

SEC. 4. (a) The Secretary, through the Center, is authorized to make grants to, and enter into contracts with, public agencies or nonprofit private organizations (or combinations thereof) for demonstration programs and project designed to prevent, identify, and treat child abuse and neglect. Grants or contracts under this subsection may be—

(1) for the development and establishment of training programs for professional and paraprofessional personnel in the fields of medicine, law, education, social work, and other relevant fields who are engaged in, or intend to work in, the field of the prevention, identification, and treatment of child abuse and neglect; and training programs for children, and for persons responsible for the welfare of children, in methods of protecting children from child abuse and neglect;

(2) for the establishment and maintenance of centers, serving defined geographic areas, staffed by multidisciplinary teams of personnel trained in the prevention, identification, and treatment of child abuse and neglect cases, to provide a broad range of services related to child abuse and neglect, including direct support and supervision of satellite centers and attention homes, as well as providing advice and consultation to individuals, agencies, and organizations which request such services;

(3) for furnishing services of teams of professional and paraprofessional personnel who are trained in the prevention, identification, and treatment of child abuse and neglect cases, on a consulting basis to small communities where such services are not available; and

(4) for such other innovative programs and projects, including programs and projects for parent self-help, and for prevention and treatment of drug-related child abuse and neglect, that show promise of successfully preventing or treating cases of child abuse and neglect as the Secretary may approve.

Not less than 50 per centum of the funds appropriated under this Act for any fiscal year shall be used only for carrying out the provisions of this subsection.

(b)(1) Of the sums appropriated under this Act for any fiscal year, not less than 5 per centum and not more than 20 per centum may be used by the Secretary for making grants to the States for the payment of reasonable and necessary expenses for the purpose of assisting the States in developing, strengthening, and carrying out child abuse and neglect prevention and treatment programs.

(2) In order for a State to qualify for assistance under this subsection, such State shall—

(A) have in effect a State child abuse and neglect law which shall include provisions for immunity for persons reporting instances of child abuse and neglect from prosecution, under any State or local law, arising out of such reporting;

(B) provide for the reporting of known and suspected instances of child abuse and neglect;

(C) provide that upon receipt of a report of known or suspected instances of child abuse or neglect, immediate steps shall be initiated promptly to substantiate the accuracy of the report, and, upon a finding of abuse or neglect, immediate steps shall be taken to protect the health and welfare of the abused or neglected child, as well as that of any other child under the same care who may be in danger of abuse or neglect;

(D) demonstrate that there are in effect throughout the State, in connection with the enforcement of child abuse and neglect laws and with the reporting of suspected instances of child abuse and neglect, such administrative procedures, such personnel trained in child abuse and neglect prevention and treatment, such training procedures, such institutional and other facilities (public and private), and such related multidisciplinary programs and services as may be necessary or appropriate to assure that the State will deal effectively with child abuse and neglect cases in the State;

(E) provide for methods to preserve the confidentiality of all records in order to protect the rights of the child, his parents or guardians;

(F) provide for the cooperation of law enforcement officials, courts of competent jurisdiction, and appropriate State agencies providing human services;

(G) provide that in every case involving an abused or neglected child which results in a judicial proceeding a guardian ad litem shall be appointed to represent the child in such proceedings;

(H) provide that the aggregate of support for programs or projects related to child abuse and neglect assisted by State funds shall not be reduced below the level provided during fiscal year 1973, and set forth policies and procedures designed to assure that Federal funds made available under this Act for any fiscal year will be so used as to supplement and, to the extent practicable, increase the level of State funds which would, in the absence of Federal funds, be available for such programs and projects;

(I) provide for dissemination of information to the general public with respect to the problem of child abuse and neglect and the facilities and prevention and treatment methods available to combat instances of child abuse and neglect; and

(J) to the extent feasible, insure that parental organizations combating child abuse and neglect receive preferential treatment.

(3) Programs or projects related to child abuse and neglect assisted under part A or B of title IV of the Social Security Act shall comply with the requirements set forth in clauses (B), (C), (E), and (F) of paragraph (2).

(c) Assistance provided pursuant to this section shall not be available for construction of facilities; however, the Secretary is authorized to supply such assistance for the lease or rental of facilities where adequate facilities are not otherwise available, and for repair or minor remodeling or alteration of existing facilities.

(d) The Secretary shall establish criteria designed to achieve equitable distribution of assistance under this section among the States, among geographic areas of the Nation, and among rural and urban areas. To the

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extent possible, citizens of each State shall receive assistance from at least one project under this section.

AUTHORIZATIONS

SEC. 5. There are hereby authorized to be appropriated for the purposes of this Act $15,000,000 for the fiscal year ending June 30, 1974, $20,000,000 for the fiscal year ending June 30, 1975, and $25,000,000 for the fiscal year ending June 30, 1976, and for the succeeeding fiscal year.

ADVISORY BOARD ON CHILD ABUSE AND NEGLECT

SEC. 6. (a) The Secretary shall, within sixty days after the date of enactment of this Act, appoint an Advisory Board on Child Abuse and Neglect (hereinafter referred to as the "Advisory Board"), which shall be composed of representatives from Federal agencies with responsibility for programs and activities related to child abuse and neglect, including the Office of Child Development, the Office of Education, the National Institute of Education, the National Institute of Mental Health, the National Institute of Child Health and Human Development, the Social and Rehabilitation Service, and the Health Services Administration. The Advisory Board shall assist the Secretary in coordinating programs and activities related to child abuse and neglect administered or assisted under this Act with such programs and activities administered or assisted by the Federal agencies whose representatives are members of the Advisory Board. The Advisory Board shall also assist the Secretary in the development of Federal standards for child abuse and neglect prevention and treatment programs and projects.

(b) The Advisory Board shall prepare and submit, within eighteen months after the date of enactment of this Act, to the President and to the Congress a report on the programs assisted under this Act and the programs, projects, and activities related to child abuse and neglect administered or assisted by the Federal agencies whose representatives are members of the Advisory Board. Such report shall include a study of the relationships between drug addiction and child abuse and neglect.

(c) Of the funds appropriated under section 5, one-half of 1 per centum, or $1,000,000, whichever is the lesser, may be used by the Secretary only for purposes of the report under subsection (b).

COORDINATION

SEC. 7. The Secretary shall promulgate regulations and make such arrangements as may be necessary or appropriate to ensure that there is effective coordination between programs related to child abuse and neglect under this Act and other such programs which are assisted by Federal funds.

Approved January 31, 1974.

LEGISLATIVE HISTORY

House Report No. 93–685 (Comm. on Education and Labor).

Senate Report No. 93–308 (Comm. on Labor and Public Welfare).

Congressional Record, Vol. 119 (1973):

July 14, considered and passed Senate.

Dec. 3, considered and passed House, amended.

Dec. 20, Senate agreed to House amendments with amendments.

Dec. 21, House concurred in Senate amendments.

REFORM IN VOTER REGISTRATION IN MINNESOTA

Mr. HUMPHREY. Mr. President, I would like to call to the attention of the Senate the testimony of two very effective spokesmen on the subject of voter registration by mail. The Honorable Joan Anderson Growe, secretary of state, from the State of Minnesota and Mr. Charles Le Febure, county auditor from Anoka County, Minn., appeared before the Post Office and Civil Service Committee on May 8, 1975, and testified on their experiences with post card registration in the State of Minnesota.

As a cosponsor of S. 1177 and one of the original cosponsors of the first voter registration proposals introduced in the 92d Congress, I am pleased to point out that the State of Minnesota is in the forefront in adopting election and voter registration reforms. In 1973, Minnesota adopted a statewide voter registration reform which provided for registration by mail. Many of the provisions in the Minnesota law have been incorporated into S. 1177, the National Voter Registration by postcard bill which is currently being reviewed by the Post Office and Civil Service Committee.

The committee called upon a broad range of experts and experienced persons to testify in order to gain the best advice available concerning this legislation. I was pleased that these two Minnesotans were able to come to Washington in order to make a contribution to our national efforts to establish a voter registration program.

I am sure that as my colleagues will see from Mrs. Growe's and Mr. Le Febvre's testimony, Minnesota has had a very positive experience with its new voter registration program. Likewise, the suggestions they have made and the questions they have raised in their testimony will be very helpful to those of us who will have to vote on this legislation in the near future.

Mr. President, I ask unanimous consent that the written testimony of Mrs. Joan Anderson Growe and Mr. Charles Le Febvre be printed in the Record.

There beng no objection, the testimony was ordered to be printed in the Record, as follows:

Testimony of Joan Anderson Growe, Minnesota Secretary of State

Mr. Chairman, members of the committee: I am Joan Growe, Minnesota Secretary of State.

First, I would like to thank you for asking me to discuss the Minnesota Post Card Registration System. I am pleased to note that Minnesota's Senators Mondale and Humphrey are co-sponsors of this legislation.

Minnesota has long maintained a tradition of fair election laws and healthy voter participation. As a result of this active concern for the quality of the electoral process, the 1973 Minnesota Legislature enacted a statewide voter registration for the first time.

Prior to 1973, voters were required to preregister only in communities of 10,000 population or larger; voters in smaller communities were not required to register. This accounted for 52% of the qualified voters in the state. This disparate treatment in effect amounted to unequal treatment under the law, legislators ended this discrimination against voters in large communities by requiring that all voters be registered, and providing for election day registration.

Such a sweeping change in voting procedures was accompanied by similarly sweeping changes in registration procedures. Minnesota, by that same law, adopted registration by mail without notarization; provided for pre-registration before election day up to 20 days prior to election; and provided for registration at the polls on election day.

Many of the provisions already written into this voter registration law are incorporated in S. 1177 (measures proposed for Federal legislation). What has been the Minnesota experience—so far?

The first State elections held under this law were in the fall of 1974. In 1974, voter turnout across the entire Nation was down. However, Minnesota's pattern of good voter turnout continued: 49.85% of the qualified voters in Minnesota nationwide.

76.90% of the qualified voters in Minnesota are registered—which means that 2/3rds of the voters who are registered to vote, voted in this "off Presidential year". This percentage would increase dramatically during presidential election years. In 1972, 72% of the qualified voters in Minnesota voted—we anticipate that the percentage will near 80% in 1976.

We find that Minnesota election statistics show a strong indication that the more voters who are registered, the larger the turnout. It seems to follow that if we are aiming for greater participation among the Nation's voters, we should first expect to register more voters.

I welcome legislation that will ease the manner in which citizens may register and thereby increase their participation in the voting process. Federal elections cannot be fair until all citizens have the same opportunity to register and vote in all Federal elections.

Since the inception of our State's postcard registration system, Minnesota has become a model for other States to follow. Election administrations in California, New York, Michigan, Florida, and Iowa, to name a few, have indicated an interest in studying the Minnesota law as a possible guideline in their own States.

There have been no incidents of willful vote fraud as a result of the post card registration system. The local officials in Minnesota who administer the law have been informed about the provisions of the law by the Secretary of State's office.

The uniform postcard used in Minnesota is designed according to guidelines—established by the Secretary of State following public hearings. The postcard is distributed by the Secretary of State to the county auditors in all 87 counties.

Inspection of the proposed bill leads me to applaud the concept that States such as Minnesota may continue their progress toward further openness in registration and voting procedures. The bill provides for collection analysis, and distribution of information regarding elections as well as a similar gathering of specifics on postcard registration. This would be a very positive help to States seeking to keep currently informed about trends and facts in improving election procedures.

The financial assistance provided by the proposed bill will be welcomed by our State as a supplement to present budget allocations underwriting on-going registration procedures.

However, present wording in the bill needs clarification if State officials are to uniformly interpret the overall intent of the legislation.

The provision in the bill for "assistance to State officials concerning voter registration by mail and election problems generally" (403, (3), p. 4): Is this to include financial assistance to augment State funded elections budgets? Training made available to elections officials and their employees, both permanent and temporary? Would the assistance provided include a regional complement of field personnel available to State officials on call?

The matter of "election problems generally" may need definition to interpret whether these relate to other aspects of State elections officials duties such as certifying and canvassing election returns, designing reporting forms, and preparation of

voter information pamphlets about candidates for office?

Similar questions about "assistance" may be raised in section 404, b, p. 5–6, which provides that "the administration may, upon request of any State official, furnish officers and employees and such other assistance as the administration and State official may agree upon to assist State officials in the registration of individuals applying to register in that State under the provisions of this chapter."

Does this mean that officers and employees will be furnished by the administration to work in the State's election department and to work in county and city elections departments? Might this assistance include use of a toll-free telephone line to provide central exchanges of information among the public at large and local and State elections officials?

All the above are "assistance" we can envision might be needed, particularly in the rural counties or rural parts of urban counties where extra personnel may be needed to help locate the actual voting precincts of registrants whose cards indicate a rural route address. We in Minnesota would welcome this kind of Federal assistance to augment our present system for registration by mail.

Inquiries received in our office from other States considering instituting a system like ours show a similar concern. To have some of these costs borne by the Federal budget would help assure uniformity in application of provisions of this chapter.

We suggest that instructions about preparation and distribution of registration forms be further clarified. For instance, the bill states that the administration is to provide for the return delivery of the completed form to the appropriate State official. Does this include Federal payment of return postage? Is the cost of mailing notification advising the applicant of the acceptance or rejection of his registration paid by the administration?

I applaud the provision for printing in other languages than English.

Provisions for ample extra copies of the registration forms in places of public access are good. It must be clarified whether two copies of the form are to be enclosed in the mailing envelope that goes to each postal address and residence. Wording of the registration form and the instructions should clearly state that the cards must be filled out by only one voter per card. Multiple registrations on one card might occur, especially if only one card is mailed to an address.

We have an additional question about the cards: Would these be separate from the cards we now print and distribute in Minnesota as part of our registration by mail system or would the administration assume the printing of all registration cards in Minnesota.

Section e on page 8 puts no limit on general availability of the cards; could this be interpreted to include printing all cards used for registration even those distributed in other than the two-year cycle indicated in the bill?

The reference to "agreements made under this section" might be conducive to such interpretation (see 406, (e), p. 8). I am confident that the committee will review these matters as they examine the intent of the bill, so that uniform application is possible as each of the several States makes its agreement with the administration.

We in Minnesota seek the compatibility of any Federal registration by mail with our own system. Under Minnesota's registration system, voters may register by mail up to twenty (20) days before an election. We would hope that the Federal registration card for Minnesota reflect this extended time beyond the minimum of thirty (30) days prescribed in this bill.

In Minnesota, voter registration is permanent if a voter votes at least once in every four (4) years and unless the voter moves or changes name by legal action. We need to be reassured that such State provisions are not to be superseded by this new Federal legislation. The card should clearly state that if one is already registered to vote, the cards need *not* be filled out and mailed to the registration office.

In summary, none of the problems cited above is easily addressed, but all may be discussed and solutions agreed upon to meet the goal of making uniform the opportunity to participate in Federal elections.

I commend to this committee the opportunity to enact legislation that would give all citizens the same basic opportunities to register and vote that citizens in Minnesota now enjoy.

Should this committee have any further questions, I would be happy to respond. Should you require any additional printed material or statistics concerning the postcard system in Minnesota, my office will be pleased to fulfill your request.

Testimony on S. 1177 by Charles Le Febvre, Anoka County Auditor, State of Minnesota

Mr. Chairman, members of the committee, I am Charles Le Febvre, auditor of Anoka County, Minnesota. Since 1971, I have served as the chief election official of Anoka County. I was involved in the design and adoption of Minnesota's voter registration laws, which allow registration by mail and election day registration. This law was adopted in our State in 1973. Since September of 1973, my office has been responsible for all voter registration procedures in Anoka County. Prior to 1973, the registration of voters was conducted by the local communities and a person had to go to their city clerk or to some other local office to register in person. This caused a number of problems, principally, office hours inconvenient to the majority of the people. Under our old law a registration booth either at a factory or a shopping center could only accept registrations from the people who were residents of the community in which the shopping center or plant was located. This extra effort to register voters was ineffective.

I would like to relate to you some of the practical applications of Minnesota's postcard registration law. I must admit that I had several reservations prior to the implementation of this law as to potential problems that could arise. We have now completed a full year of operation and the potential problems have failed to materialize or were easily solved.

We have established a system for distributing and processing registration forms by mail which has proved to be very effective. First priority of course, was the training of personnel in all phases of voter registration. A brief background of Anoka County.

Anoka County has a voting age population of 113,000 people. Our total population is 184,000. Of these, we currently have 63,600 voters registered or about 56% of the eligible voters.

The first task under the new law was to develop our system to accommodate the many different forms that came to us from the various communities. We compiled at that time a list of registered voters containing 62,000 registrants. We then put these onto our data processing system and did a mailing to all 62,000 households to update the registration file. Of these 62,000 we found that 12,000 of these forms were returned to us by the post office because the registrant no longer resided at his previous address or for one reason or another the mail could not be delivered as addressed. In addition to that, we received responses from many registrants indicating that there were some changes needed either in the spelling of their names or changing of title such as junior, etc. The number of changes, I might add, was small in terms of the total registration. Of the 12,000 cards that were returned to us, these were then flagged and notice was given to the election judges for the next election that these were not able to be delivered and as such should be challenged if the person attempted to vote.

In addition to the existing registration files, the new law provided for uniform registration throughout the State. This meant that seven communities in Anoka County that did not previously have voter registration were now under that registration law. We, then, worked with the municipal officials to develop a list of names to mail registration information. For those seven communities we mailed out a total of about 4,800 forms. We received immediate responses from 2,933 new registrants, which I believe demonstrates the very high degree of response and convinces me of the validity of this means of registering voters.

In all of this, I might add, the number of problems in any area has been very small. We have had virtually no problems with illegibility. We've only had about 25 cards that have come into our office from outside the county . . . The largest problem we had was the failure to sign both the original and duplicate registration card of which we had a couple of hundred. However, after doing a mailing to those names they immediately responded and corrected the problem. We have had absolutely zero cases of fraud.

As I mentioned earlier, there were a number of difficulties under the old law where a citizen had to register at the city hall in the community in which they resided. Under the new law, we were able to maintain a supply of forms at all city and town halls, at libraries, at high schools, at county offices such as license agencies and so on. Additionally, we were able to distribute cards to new residents, persons coming of age, and others as they had occasion to do business in these areas.

Additionally, State law allows political candidates and other groups such as League of Women Voters, to go out into the community on a door-to-door basis to register additional voters.

Through all of this, our office has experienced a minimum of difficulty in processing forms that have been distributed in those manners. Within our office the staff has not experienced any great problems in the processing areas. We code the cards for precinct, for school district and for municipality once we have determined the registration to be valid. Clerks are able to determine proper municipality and precinct from street address and zip code. Legibility of hand written forms has not been a problem or resulted in forms that cannot be processed.

One important provision of the new law is that each registrant be notified by non-forwardable mail of his registration and polling place. This type of notice verifies the person's residency at that address and is a strong deterrent to fraudulant registration. Any notices returned by the Postal Service as undeliverable results in a challenge to the voter's registration. These are investigated by staff to see if the challenge is valid.

One of our current projects is the development of a precinct-finder or street director which will aid in coding and processing forms. This will eliminate potential errors in that area. We have found that a simple, well-defined routine will prevent errors and will expedite the processing of forms. This enables extra personnel to be brought in during peak periods. I must be concerned about efficiency and clarity of administration. I feel that a national law as does the Minnesota law, would meet these tests.

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One of my primary responsibilities is the role of insuring that the maximum number of voters are allowed to participate in our election system. Many different organizations, including my own in Anoka County, have considered voter registration problems very closely and very carefully. It becomes apparent that registration is a key factor in whether or not people are going to vote on election day. Anything that my office can do, anything that State government can do or the Federal Government can do to insure that the maximum number of potential voters are on the registration lists will go a long way toward insuring maximum participation. I am convinced that some form of mail registration is absolutely essential to insure that result. I support very strongly the bill that is before you.

I would, however, like to take about one minute of your time to point out a couple of areas that I think ought to be looked at in this legislation. Section 404, line 18, page 5, provides that all residents of such States apply not later than 30 days immediately prior to any Federal election. Minnesota law provides a 20 day cut-off for pre-registration. I would hope that would not be restricted by the passage of this legislation.

Section 406.B provides for the supplies of registration forms to the postal service and designates post office, postal sub-station etc. as distribution and supply points. I would hope that supplies of the materials would be made available to any and all governmental agencies, such as county auditors and the like for carrying out the effects of this legislation.

Finally, the point of contact with State government would be whomever is the chief election officer for that State, such as the Secretary of State in Minnesota. I would hope that either in regulation or in the law some provision would be made to insure that the officers of the appropriate jurisdiction such as the county auditors in my State, would be plugged into that whole process and be insured of having full knowledge in dealing with this act. Frankly, in Minnesota this does not concern me a great deal. We have a very fine Secretary of State who works closely with the county auditors and I am sure we would have no problem. However, this may not be the case in all States and I think some provision ought to be made to insure the role of the local election official.

I would like to conclude by restating my support for this legislation and the concepts contained in it. We know that postcard registration can work and we know from our experience in Minnesota that it can work very well.

Let me take this opportunity to thank you for allowing me to discuss with you the Minnesota post card registration system. Should this committee have any further questions, I would be happy to respond.

ECONOMIC CONDITIONS IN PUERTO RICO

Mr. BENTSEN. Mr. President, we are currently in the depths of our worst recession since World War II. More than 8 million Americans are now unemployed, and several million more have either dropped out of the labor market in frustration or are being forced to take part-time work in lieu of regular employment. Our most pressing concern must be in putting these Americans back to work.

Averages are, of course, misleading. The severity of the current downturn varies from State to State and locality to locality, and following the past year of double-digit inflation, its impact is felt more acutely by the most vulnerable groups in our society—the aged, the infirm, and the working poor.

The Congress has not been oblivious to the unevenness of the current recession, and I believe we have already attempted in a number of measures to bring special relief to those Americans most hurt by the current downturn.

I fear, however, that too few Americans are aware of the consequences of the current recession for the people of the Commonwealth of Puerto Rico. First associated with the United States 77 years ago, the island's destiny has been intimately tied to our own, particularly since it obtained commonwealth status in 1952.

During the subsequent two decades, Puerto Rico has enjoyed record growth. Industry has been attracted, employment has been generated, and living standards have been raised.

Today, however, many of those gains are threatened by an economic downturn that has already reached near crisis proportions.

In March, the official unemployment rate for Puerto Rico was listed as 16.4 percent. Most economists believe, however, that the real rate is probably double that since many thousands of Puerto Ricans have long since given up their search for a job.

Inflation is still raging at nearly twice the rate of that on the mainland. During the past year, the cost of living has soared an astonishing 25 percent.

This combination of unemployment or underemployment and a ravaging increase in the cost of living is making it more difficult for most Puerto Ricans to make ends meet. For many, getting by is more difficult now than before the much-heralded development effort of the late 1950's and early 1960's, "Operation Bootstrap."

More than 60 percent of the island's population lives below the Government's official poverty level of $3,870 for a rural family of four and $4,550 for an urban family of the same size. A third of Puerto Rico's families earn less than $2,000, and the island's per capita income of $1,834 is far below the national average of $4,918. The island still has a serious housing shortage, and more than half of Puerto Rico's population is on food stamps.

Those statistics by themselves are disturbing enough, but I suspect few Americans realize how the island's current economic problems can actually affect our national economy. Puerto Rico ranks second only to Canada as a purchaser of American goods on a per capita basis. The island has been importing $2.5 billion worth of goods annually from the United States. And, in terms of manufacturing in the Commonwealth for sale there and on the mainland, U.S. manufacturers have invested over $3 billion over the past two decades.

Certainly, no panacea exists for solving these serious economic problems. I am convinced that the most significant contribution we can provide is through restoring our own economy. As Mr. Hubert C. Barton, a former high-level administrator of the Puerto Rican Economic Development Administration, Fomento, has observed, "Things will not pick up until they pick up in the States . . ."

We have already begun the national effort needed to help put Americans back to work and to return this Nation to a healthy and balanced rate of economic growth. And both must receive our full efforts and determined resolve in the months ahead.

But I do believe the time has come for us to at least consider what additional steps might be taken to help the Puerto Rican people. Under the very able leadership of the Commonwealth's Governor, Rafael Hernández Colón, an ad hoc committee is currently preparing its own recommendations.

I am hopeful that those recommendations will soon be forwarded to the Congress for our consideration.

Without yet receiving those proposals, we can, I believe, consider actions now which might assist Gov. Hernández Colon in his efforts to improve the Commonwealth's relationship with the continental United States.

First, during the past several decades, Puerto Rico's economy has become linked to that of the mainland. As already indicated, the island is a major purchaser of goods produced in the United States, and its economic health remains keyed to its ability to sell its goods in the North American market.

The United States is about to enter a crucial series of trade negotiations in Geneva. Those discussions should shape trading relationships for at least the next 10 years. At the very minimum, I would hope that our special trade representative to those negotiations would fully assess how any proposed agreement might affect Puerto Rico's manufacturing, trade, and overall economy. Should the island's industries—and the jobs they provide—be threatened by less expensive imports on both the island and on the mainland, Puerto Rico's economy would be only further depressed. The Congress has enacted special economic impact assistance programs to help mainland communities adjust to new trading patterns, but such assistance might prove woefully inadequate in Puerto Rico where alternative employment opportunities are not readily available.

Second, Puerto Rico is totally dependent upon foreign sources for its energy needs. It is now importing all of its fuel from Venezuela. The island's need must be fully considered in contingency planning for any new energy embargo and in formulating a self-sufficiency program for the United States.

Earlier this year, I introduced an amendment to the Trade Reform Act of 1974 which would extend the generalized system of trade preferences to those OPEC nations which did not participate in the 1973–74 oil embargo. I believe that the current prohibition on extending those preferences penalizes those OPEC nations which withstood intense pressure and actually increased their production to help this Nation meet its energy needs during those long months.

Denying those crucially important trade preferences now is no way to show our appreciation. And given this Nation's continuing dependence on foreign energy sources, it is bad policy.

Puerto Rico would feel the brunt of a new embargo. I want to insure that our friendship with traditional suppliers, particularly Venezuela and Equador, is maintained and that neither the Commonwealth nor this Nation pay the potentially harsh consequences of the current prohibition on granting those trade preferences. I again call upon my colleagues to consider and approve this important amendment.

Finally, since the Interior Department's Division of Territories relinquished responsibility for Puerto Rico in the late 1940's, no central office in our Government has been charged with looking out for the island's needs. Decisionmaking affecting the Commonwealth has been fragmented, and the Commonwealth Government has had no single authority with which to establish and maintain liaison. I would, therefore, urge the President to consider the establishment of a special office of Puerto Rico affairs, either in the White House or in the Office of Management and Budget. Either could be most effective. In any case, we can no longer be satisfied with the current fragmented and unresponsive policymaking mechanism. Puerto Rico's problems are simply too serious to have possible corrective policies unimplemented because of bureaucratic snarls.

For our part, the Congress should consider charging the new Congressional Budget Office with responsibility for assessing how major legislative proposals might affect the Commonwealth, either by the island's inclusion or exclusion in the proposal. I am confident that in undertaking that responsibility, the Office would keep the Congress better apprised of the Commonwealth's needs and of what we might be doing for it or to it as we legislate for the rest of the Nation.

These are only several suggestions which might contribute to restoring the previous decade's momentum toward the attainment of a higher standard of living for all of Puerto Rico's people. They are not all-inclusive, nor do they in any way obviate the overriding importance of restoring health to our own economy.

I would hope, however, that they might provide a suitable basis for discussion, and together with other recommendations, spur new efforts to understand and assist local authorities in dealing with the serious problems of the Commonwealth of Puerto Rico.

WORLD FOOD OUTLOOK AND THE MIDWEST

Mr. ABOUREZK. Mr. President, two statements prepared for the Conference on World Food Outlook in St. Louis on April 28 show the importance of agriculture to the economy of 12 Midwest States and, in turn, the importance of agricultural production in these States to our agricultural exports and to our balance of payments.

The first statement, by Congressman James W. Symington, raises questions that need to be answered if this region is to continue to export large quantities of agricultural commodities for dollars and help feed the hungry throughout the world.

The second statement, by Don Paarlberg, Director of Agricultural Economics, U.S. Department of Agriculture, describes the impact of Midwest agricultural production on our economy and in satisfying world food demand.

These 12 States—North Dakota, South Dakota, Nebraska, Kansas, Missouri, Iowa, Minnesota, Wisconsin, Michigan, Illinois, Indiana, and Ohio—account for more than half of the total U.S. exports of wheat, feed grains, soybeans and soybean products, dairy products, and meat and meat products.

Agricultural commodities from these States brought $11.5 billion back to the United States.

I ask unanimous consent that these two informative statements be printed in the Record.

There being no objection, the statements were ordered to be printed in the Record, as follows:

Statement by Representative James Symington

I appreciate the opportunity to speak to you today about the world food situation. This subject has only recently drawn the attention of a broad spectrum of Americans, many of whom are still reeling from food price increases in our own country. These high costs, as we know, are the result of many factors, chiefly increased world demand, demand attributable to rising standards of living in many countries as well as poor harvests and droughts in much of the Third World. The world has come to the U.S. breadbasket to fill its needs, and the American consumer is not used to competing with the world for our agricultural products.

While increased world demand has helped to drive prices up, so has the cost of farming itself caused them to rise. Farmers now have to pay much more for seed, for farm equipment, farm loans, fertilizer, gasoline and diesel fuel—all essential materials for agricultural production. So it is appropriate that we Midwesterners, residents of the breadbasket and, in a sense, stewards of the nation's agricultural bounty, meet to discuss the dimensions of the world food problem and to explore some of the options the U.S. has in dealing with it.

There are two aspects of the food situation which must be tackled separately but simultaneously. Both have important impacts on the U.S. economy. One is the short-term problem of how to feed the nearly one-third billion people around the world who are currently on the brink of starvation. The question for the longer term is how to bring world food production and consumption into balance.

It took all of human history to bring the world's population to one billion one hundred years ago. At the present rate of increase there will be 6½ billion people on this planet by the year 2000. The 700 million that were added in the 1960's equals the entire increase during the 19th century. A century from now, again given the current rate of increase, a billion persons will be added each year. It will take an estimated boost in agricultural production of 30 million tons per year in cereals alone to feed these additional people, 22 to parallel the near term population growth and 8 to meet the projected demand of rising affluence. This is without consideration of stocks for emergencies.

It is now apparent that the planet's 2% annual population increment poses very serious problems. Geometric population growth must be faced in concert with efforts to expand food production and increase yields in the developing countries. The question we must answer—and the debate on it has been swirling for over a year—is what should be the role of the United States in international efforts to feed the world's hungry masses.

The history of U.S. contributions to alleviate world hunger is a proud one. We sent boatloads of wheat to Ireland during the potato famine of the 1840's. Through the American Relief Commission we fed Belgium during World War I and Russia afterwards. $25 billion worth of American food has been given away by the U.S. over the last 20 years. I had the privilege of working in this effort as Deputy Director of the U.S. Food for Peace Program in the early 1960's. In those days we had very large surpluses of wheat, food grains, vegetable oil and powdered milk. It was normal, for example, to make up a shortfall of two or three million tons of wheat in India under Title I of Public Law 480, the authorizing legislation for such programs. The food was paid for not in dollars but in rupees, all of which had to be spent in India, and most of which were loaned back on very easy credit terms to the Indians. Similar agreements existed in Pakistan, Indonesia, Korea, the Philippines, and many other Asia, African and Latin American countries.

It was my view that this was the most effective form of foreign aid, because it ended up in the diets of malnourished and famished people, not in anonymous Swiss bank accounts. During that period I saw for myself what a bowl of American cereal and a tin cup of reconstituted milk could do for children enrolled in the school lunch programs set up throughout the world. We also supplemented with food the meager wages of marginal workers engaged in basic projects related to the agricultural productivity of those areas—irrigation, reforestation, and well-digging. Some of the best programs were carried out by voluntary agencies such as CARE, Catholic Relief Services, and the Lutheran and Church World Services. There was a combined sense of mission and cooperation in what seemed to be the right kind of work for a great and responsible nation.

That was 14 years ago. Now the days of food surplus, like the formerly bountiful supplies of energy and other natural resources, appear to be over. With their passing, food policies based upon unlimited abundance have come unstuck, and better management of the earth's dwindling common heritage is demanded. It is clear that the American farmer and related industries are at center stage. Their productivity and experience may well provide the difference between a sane and rational world and one plunged in the abyss of famine, recrimination and war. We know, of course, that the U.S. cannot feed the world by itself. Other nations must cooperate in providing the grain necessary to offset famines and disasters in the short-term. Yet, as the breadbasket of the world, the U.S. must begin to look at its agricultural resources as a factor in international relations and reassess its agricultural policies in that new light.

There are some who might say that recent events in Indochina, and U.S. reluctance to commit further military aid to that area, are symptomatic of growing isolationism in America. However, I believe that public support for a shift away from the use of military aid as the cornerstone of our foreign policy is a recognition of the fact that no matter how great, our military might alone cannot achieve a stable peace. Rather than turning inward, I believe America will depend much more heavily on constructive technologies to help build a just and lasting peace. Sound policies for agriculture and

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agribusiness must be a cornerstone in the foundation of our foreign policy.

Domestic agricultural policies must now be adjusted to encourage investment and expansion in this vital sector of the national and international economies. As you know, policies in recent years have reduced the Federal role in the agricultural sector. A return to the so-called "free market" was deemed essential to maximize production strategies. Some have hailed the removal of land set-asides, for example, as a boon to the farmer and the consumer. With hundreds of millions of hungry people at home and abroad, there should be no necessity to withhold land from production. But the farmers of America must be assured an opportunity for a return on their investment and for their labor and productive genius.

At the present time, too many small and large farmers alike find themselves adversely affected by increased production because most of them do not have the capital, the storage, the transportation facilities or the organization to hold and dispose of their grain and other agricultural products at the optimum time.

An indication of this can be found in recent farm income figures. Realized net farm income in 1974 fell 16% below 1973's record level of $33 billion, and most of that decline was concentrated in the last half of the year with some acceleration in recent months. Farmers now receive an average of 40.2 cents of every retail food dollar—down from 52 cents in August, 1973 and only one cent more than 10 years earlier. The share during that period ranged from a low of 37 cents in 1964 to a high of 41 cents in 1966 and 1969. Clearly, the stability of agricultural markets can be found wanting from the farmer's view.

An agricultural policy that would guarantee maximum production to the American consumer and our trading partners and constitute an important part of our foreign policy of necessity must assure the producer that increased production will increase rather than decrease his income. Federal agricultural policy simply must help offset the destabilizing influences in agricultural production and the agricultural industry in order to encourage maximum production.

Although the Agricultural and Consumer Protection Act of 1973, and recent amendments thereto, provided the mechanism for farm price and income stabilization for a period, drastic losses of the last year must be reversed. For this reason, I voted for the changes advocated by the new Agriculture bill passed by the House and for the Conference Report. It is my hope that the President will not veto this legislation.

Further with respect to policy revisions, answers must be found to the following questions:

Are governmental farm programs adequate to assure farmers sufficient incentives to produce, harvest, and dry maximum size crops?

Are governmental policies adequate to secure the needed expansion in fertilizer production to meet increased domestic and export needs?

Are the nation's storage and transportation systems adequate to meet the larger needs of farm production and exports?

In view of the changing world situation and the increased world demand for animal products, what, if any, changes in national policies should be adopted to stabilize supplies and prices of livestock feedstuffs?

In view of the enlarged and highly variable world demand, should the United States have a more comprehensive export allocation and food reserves policy?

To what extent should the United States cooperate with the United Nations Food and Agriculture Organization in building an international system of reserve stocks?

In view of the sharply higher prices for food commodities and the increased needs of drought-stricken countries lacking foreign exchange, are current U.S. programs for international food assistance adequate?

This Conference presents me, as a legislator, with a unique opportunity to learn what you, who are so closely associated with the operational side of agricultural policy, think should be done to deal with these difficult questions. My respect for the views of the agriculture and agribusiness communities stretches back over a decade and a half. It was always my impression that the most effective U.S. assistance programs were those in which the agribusiness community, acting through such regional groups as the Great Plains Wheat Market Association in concert with other private and voluntary agency efforts, brought the huge contribution of the American farmer in a rational way to the tables of the hungry world. It remains my conviction that the most successful programs to meet today's needs will be those which incorporate both the insight and active participation of the farmer, the agribusinessman, and American technology in the private sector. I believe I reflect the consensus of Congress that only in this spirit and cooperative fashion can we face the future with a confidence commensurate with our vast potential.

THE WORLD FOOD OUTLOOK AND ITS SIGNIFICANCE FOR THE U.S. MIDWEST

Events since 1972 have clearly demonstrated the close connection between our agricultural economy and world food conditions—and the advantages and disadvantages of the relationship.

The 35-million-ton drop in world grain production in 1972 was an unprecedented supply disruption. That shortfall, rapid economic growth in some parts of the world, and monetary realignments combined to trigger a tremendous upsurge in foreign demand for our farm commodities. World grain production rose in 1973, but not enough to significantly rebuild stocks, and the foreign demand continued to accelerate. In 1974, weather once again caused a shortfall in world food output, setting off a fear of long-term world food shortages and famine for people in many developing countries.

These worldwide conditions have helped push the value of U.S. farm exports up from $8.1 billion in FY 1972 to $12.9 billion in FY 1973 and $21.3 billion in FY 1974. Farm export values for the current fiscal year will reach $22 billion, the highest in history.

Domestically, in the last two years, we have witnessed shortages of beef in the supermarkets, $6 wheat, soybeans that exceeded $12 on the Chicago futures, food price increases of 14½ percent from 1972 to 1973 and another 14½ percent from 1973 to 1974. Also, in 1973, we experienced a decrease in per capita food consumption for the first time in the United States since 1965. These were extraordinary events for the U.S. food and fiber system, happening along with an equally extraordinary combination of international circumstances involving changes in currency values, short gain crops and unprecedented purchases on the world grain market by the non-market oriented Soviet Union and the People's Republic of China.

Now, after two years of exceptional activity in our agricultural economy and in the world food economy, we are facing an adjustment period. Net farm income in the United States, after reaching an all-time high of $32.4 billion in 1973, fell about 15 percent in 1974, when inflation and high energy prices began to affect production costs. Livestock producers were especially vulnerable because their costs for feed were also up.

High production costs will continue this year. Moreover, farm commodity prices have been weakening over the past few months because of expectations of good 1975 crops. Between October and March the U.S. export price of wheat at Gulf ports dropped from $5.23 to $3.96 a bushel, corn from $3.85 to $3.13, and soybeans from $8.56 to $5.89.

When the termination of this adjustment period will fully materialize—this year, or next year, or the year after—will, of course, depend largely on weather conditions and on supply and demand developments, both here and abroad. Even taking account of the uncertainties concerning 1975 crop output, realized net farm income in 1975 is likely to be down from 1974.

U.S. FARM EXPORTS AND WORLD FOOD SUPPLIES

Agricultural exports will continue to be crucial not only to our farm economy and our national economy, but also to importing countries. World food demand will continue to increase, stimulated both by continued growth in income and world population growth at the rate of 70 million people a year. Our farm commodities will continue to meet real food needs in many places, particularly in developing countries, where over 80 percent of the population increase is occurring. The United States exported about 45 percent of the world's wheat traded in 1972 and in 1973. In feedgrains, 56 percent of the total imports came from the United States. We export a large percentage of the world's total rice imports—about 25 percent, more than any other exporter. This reflects both unusual production shortfalls and a growing dependence of many countries, particularly developing countries, on imports.

But this is not to suggest that our farm exports and our capacity to produce is the answer to long-run world food needs. If the world is to have adequate and stable supplies of food, it is essential that the developing countries in particular make substantial progress in their own food production and in cutting back population growth.

The conditions of the past two years have illustrated all too clearly the difficulties that arise when there are short supplies of agricultural products for export. When there are short export supplies, and yet a long-run pattern of dependency, there are bound to be upheavals in the food economy. This could be the case when there are unusual weather adversities—for when grain yields drop because of bad weather in one part of the world, there is no guarantee that there will be offsetting food yields in other regions.

The United States is committed to helping the developing countries find the proper combination of techniques and policies to substantially improve their food production and distribution systems. We are also committed to providing food aid shipments to meet emergency needs and to help people seriously threatened by malnutrition.

These commitments and our efforts to continue expanding our commercial agricultural export business can operate side by side. As economic growth around the world recovers, food expenditures are expected to increase, and consumers are likely to want more animal protein and more variety in their diets.

What does the future hold for American agriculture? What does it mean for the Midwest in particular which supplies over 50 percent of U.S. farm exports? The Department of Agriculture does not have all the answers to these questions, but we can provide some useful information that will help in evaluations.

HISTORICAL AND CURRENT PERSPECTIVES

It may be helpful to review what major changes have occurred in American agriculture in the last fifty years, and how the Midwest's role has developed.

Demand for U.S. agricultural products has undergone major changes since the 1920's. In the pre-war period of 1925–40, the value of cotton and tobacco accounted for 55 to 60 percent of our farm exports, while feed grains and soybeans made up less than 5 percent. By 1970–74, cotton and tobacco's share had fallen to about 11 percent and that of feed grains and soybeans had increased to 55 percent. During this time period, food grain exports (wheat flour, and rice) increased from about 10 to 21 percent of the total.

Exports of feed and feed grains rose from less than 5 percent of total exports in 1925–32 to 44 percent in 1973 and 1974, with over half of the increase occurring after 1955–59. These rapid changes in the commodity composition of U.S. agricultural exports correspond with rapid expansion in livestock production in Japan and Western Europe in the 1960's and hence growth in demand for feed grains. The large imports of grains in 1972 and 1973 by the USSR, China, and India did not significantly alter this picture.

MIDWEST PRODUCTION

These developments provide expectations about the future composition of our agricultural exports and for Midwest export prospects in particular. The growth commodities for U.S. export are feed grains and soybeans; while cotton, tobacco, tallow and hides and skins make up that group of commodities whose exports are growing slowly in absolute value but declining in relative importance. Foods for direct consumption—primarily wheat, rice, fruits and vegetables—have tended to increase in value but hold a rather steady share of our exports over the years.

Nearly one-third of the output of the Nation's farms was exported in fiscal year 1974. It took 96 million, roughly one-third, of the 322 million acres of cropland to produce the fiscal 1974 exports. The foreign market was an outlet for two-thirds of our wheat output (including wheat products); about one-half of our soybeans, rice, and cattle hides; more than two-fifths of our tallow; and more than one-fith of our country's corn production.

In our non-metropolitan areas, large numbers of farm workers are employed solely for production for the export market. The Midwest provides one-half of the total U.S. farm exports, exports that are strategic in maintaining employment in farming, in agribusiness, and in local service industries.

With farm exports from the Midwest averaging $12 billion in fiscal 1974, the effect on the economy—rural and non-rural—is sizable. The Midwest provided over $3.6 billion of feed grains, $2.7 billion of wheat, and $2.4 billion worth of soybeans for the Nation's export market in fiscal year 1974.

The Midwest's share of the Nation's exports of these three major commodities was roughly three-fourths for feed grains and soybeans, and nearly three-fifths for wheat and flour. Compared with four years ago, the Midwest's percentage share of the Nation's exports of feed grains and soybeans has increased. Growth in shares for the Midwest also occurred for flaxseed, soybean oil, and protein meal.

What do these export developments in the Midwest indicate for the future? They are encouraging if we can judge the future by the just mentioned expansion in the Midwest's export shares of major commodities such as corn and soybeans.

Both corn and soybeans are shipped into markets where competitive conditions largely determine their acceptance. Government export subsidies for these commodities no longer exist. The principle portion of these exports moves under commercial export conditions. If there were fewer trade barriers against them in such leading importing nations as the European Community, their purchases from the United States would likely expand. Fertilizer salesmen, machinery dealers, local elevators, the transportation sector, and farm workers would all feel new strength in demand for their products and services. Thus, trade negotiations enabling further export growth should be of particular benefit to the Midwest.

The productive Midwest is in a strategic position to capitalize on its natural and economic advantages. The Midwest's exports are oriented towards unprocessed raw products which can be produced with great efficiency.

That capacity is illustrated by the contribution made by individual states in the Midwest to the total export value of $21.3 billion in fiscal year 1974 shown below:

State	Amount (millions)	Percent of first year 1974 sale
North Dakota	$842. 2	3. 9
South Dakota	426. 8	2. 0
Nebraska	1, 030. 7	4. 8
Kansas	1, 569. 3	7. 3
Missouri	704. 5	3. 3
Iowa	1, 774. 3	8. 3
Minnesota	1, 161. 7	5. 4
Wisconsin	185. 1	. 8
Michigan	294. 8	1. 4
Illinois	1, 938. 8	9. 1
Indiana	967. 4	4. 5
Ohio	559. 8	2. 6
Total		53. 4

Nearly 60 percent of the value of all wheat exports in 1971–74 can be attributed to the Midwest. Over three-fourths of total feed grains, 72 percent of all soybeans and soybean oil, 71 percent of soybean meal, 22 percent of vegetables, 68½ percent of all dairy exports; 58 percent of meats and meat products came from the Midwest's share of the nation's total exports. By years, this was 48 percent for 1971, 49 percent for 1972, and 54 percent for 1973.

TRANSPORTATION

Efficiency of transportation in the United States builds efficiency into the competitive position of the United States' exports in world markets. The Midwest is fortunate to have an excellent waterway system to ship its produce out to Gulf ports so effectively. Barges haul a large share of the grain produced within 100 miles of the inland river system and exported from the Gulf. Barge rates, subject to supply-demand conditions, are usually under rail rates.

The Midwest's movements by rail of grain out of the major producing areas to world transportation hubs is done at comparatively low costs. For example, in 1974, a bushel of corn could be transported by rail from Sedalia, Missouri, to the world port of New Orleans for an annual average cost of 40 cents; from Lincoln, Nebraska, to Galveston, Texas, for 51 cents a bushel. Northern ports such as Chicago can easily be reached by rail at rates such as 21 cents per bushel of corn for transport from Decatur, Illinois, to Chicago. Wheat shipments to the Gulf moved by rail at 39 cents a bushel in 1974; soybeans at 44–62 cents a bushel from various areas of the Midwest.

Upon arriving at the port of New Orleans, these grains compete effectively in world markets through low transportation costs to world distribution centers such as Rotterdam and Tokyo. As of April 7, 1975, the American farmer can export wheat to Rotterdam from the Gulf for $7.25 per long ton in non-U.S. flag ships of 15–30,000 tons, while his South African counterpart would ship to the same location at about $12–$13 per long ton.

Argentina, which exported 14 percent of the value of the world's feed grains in 1973, shipped feed grains at a rate of $14–$16 per long ton to Rotterdam. From the Gulf to Japan, wheat moved at $17.75 per long ton; from Australia at $19.25 per long ton; from Argentina at $19.75 per long ton. Corn rates are generally a little higher. The Midwest farmer also has comparable advantages in transportation cost to markets in the USSR, Eastern Europe, and Asia.

These rates are current, representing a distinctive drop from last year, because tankers which usually move oil are now being used to move grains, setting up a favorable supply and demand condition for space aboard tankers. These rates are expected to be near the bottom now and may rise later on this year, but American farmers can expect to maintain a distinct advantage in cost of transporting their commodities to world markets.

We have faced some serious problems in the last few years in transportation. First, severe boxcar shortages occurred when grain exports increased 50 million tons in 1973. At this time of export expansion, the economy was also growing at a rapid pace and also added pressure to requirements for transport. Since then, the railroads have added 33,000 hopper cars to the railroad fleet. Forty-foot narrow-door boxcars have declined in number from 173,000 in 1973 to 148,000 as of December 26, 1974. This shift from the traditional 2,000-bushel, 40-foot narrow-door boxcars to covered hopper cars that presently haul an average 3,400 bushels has increased the carrying capacity of railroad cars. Covered hopper cars now account for 70 percent of the capacity of all cars. One problem arises for the Midwest transportation system. The greater capacity hopper cars are too heavy for many branch line rail tracks. To move more grain out of the producing areas more quickly, improved trackage will be needed.

PROJECTIONS TO 1985

The Economic Research Service has projections of the domestic and foreign demand requirements through 1985. Certain assumptions accompanying these ranges are based on three levels of national population growth, various levels of personal disposable income and the demand for farm exports. These projections reflect high demand and low demand situations. They describe not what will happen, but the wide range of possible adjustment paths that could bound the future of American agriculture.

Wheat production is expected to rise from a 1970–72 average of 1.5 billion bushels (the Midwest produced 60 percent of that) to a high of 2.2 billion and a low of 1.7 billion bushels. Exports of wheat could range from 759 million bushels to 1.2 billion bushels in 1985 with exports accounting for 45–53 percent of total production. Recently, ERS has developed even higher projected export possibilities of wheat. Total corn production could be between 5.9 billion bushels and 7.8 billion, up from a 1970–72 average production of 5.1 billion. Coarse grain exports could range from 41 million tons to 56 million tons. Soybeans produced in 1970–72 averaged 1.2 billion bushels and could go to 1.7–2.3 billion bushels by 1985. Soybean exports are projected to range from 950 to 1,125 million bushels by 1985. Even under conditions of low economic growth in the United States, low foreign demand, and small foreign population growth, the volume of exports and domestic use of these major commodities important to the Midwest would increase substantially.

The U.S. would require between 310 and 368 million harvested acres in 1985 to match the above low and high demand assumptions, respectively. This may be compared to the 297 million harvested acre average for 1970–72 and the 330 million used in 1974. To fulfill their projected share of U.S. production, the 12-state Midwest would require between 185 million and 213 million harvested acres in 1985. This compares to their 171 million in 1970-72 and 197 million in 1974.

The U.S. is currently utilizing more acreage now than would be needed under the 185

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low demand requirement or even under ERS's baseline assumption. But could we meet the high demand requirement if needed? In other words, could the U.S. come up with 38 million and the Midwest 19 million more harvested acres than used in 1974?

The USDA Conservation Needs Inventory of 1967 shows about 264 million acres in the U.S. (81 in the Midwest) of land potentially suitable for regular cultivation that was not then in crops. Due to physical limitations, only about 100 million of these potential acres are considered physically well adapted to regular cultivation and considerable development (clearing trees, draining, leveling, etc.) would have to occur. Much of this is in small scattered plots making it difficult, and currently uneconomical, to incorporate into crop production. And conversion of much of this potential cropland would compete with the forage requirements of the livestock industry, and the lumber requirements of the timber industry. But the potential is there, and with the proper incentive, the U.S. could adequately provide the acreage to fill even the high demand requirements.

SUMMARY OF PROJECTIONS

The above projections indicate both a potential demand and an adequate farm productive capacity in the United States. Farming can remain a viable, growing and productive segment of the United States economy. The readily available supply of natural resources appears adequate and given reasonable increases in farm subsector productivity, only modest increases in the quantity of nonfarm produced energy input will be needed to meet projected shifts in the domestic and foreign demand. With purchased inputs becoming a larger share of total inputs, farmers may respond more quickly to rising cost with relatively lower output. Moreover, positive supply response generated by increases in productivity can have a depressing impact on net farm income when facing a demand that is fairly unresponsive to lower prices. Thus, there remains more uncertainty in the level, composition, and utilization of farm output than the above "numbers" might imply.

POLICY ISSUES

I indicated earlier that our agricultural economy is going to have to make some adjustments to the turbulent conditions of the past two years. We see the conditions focused primarily on two fronts. First, the quadrupled price of oil has jarred world economic systems so as to leave the outlook very uncertain. Second, adjustments to changes in the world economic system are being felt in declining farm income.

Immediately after OPEC raised the price of oil in the last quarter of 1973 the Department of Agriculture became very concerned that some of our major overseas markets for agricultural products would face strong balance of payments problems. As a consequence of a "dollar shortage," overseas demand for our farm commodities might level off or even decline. This was of particular concern since all acreage limitations on the production of major crops had just been lifted for the first time since the early 1950's.

Based on the best available data to us at USDA—regarding petroleum prices and imports and balance of payments projections—we concluded that four major markets were in a weak position. They were Japan, the United Kingdom, France, and Italy. We learned later that there is not much certainty about petroleum prices, but these four countries are nevertheless the ones most often mentioned as facing balance of payments problems due in large part to higher oil prices.

Despite the balance of payments problems of these and many developing countries, and sluggish economic activity around the world, the value of U.S. farm exports is expected to hit record-breaking $22 billion—up slightly from the previous fiscal year. But the volume of these exports may be down 10 percent.

In the face of these economic difficulties, why is our export value increasing this year? These gains are occurring despite a $1 billion decline to the centrally planned economies of the USSR and the PRC. U.S. agricultural exports to OPEC are expected to total $1.8 billion—up 70 percent over the fiscal 1974 level.

Most of the adjustment to higher oil prices took place through capital accounts of nations. The Less Developed Countries borrowed $922 million from the IMF's oil facility and a little over one and a half billion from its regular credit facility, more than $6.4 billion from the Eurocurrency market, and a considerable amount from direct and indirect loans and credits by OPEC nations. Thus they managed fairly well the first year.

U.S. farm exports to developed nations are expected to total $12 billion, about the same as in fiscal 1974. As with the developing nations, the adjustment to higher oil prices took place to a large extent through the capital accounts with $1.1 billion borrowed from the IMF's oil facility and $1.8 billion from its regular credit facility, more than $18.6 billion from the Eurocurrency market, and more than $12 billion from investment or credits from OPEC nations.

In total the oil importing world incurred a current account deficit with OPEC of about $60 billion. It required, however, considerable effort and cooperation among oil importing countries and between these countries and OPEC. Although this deficit had relatively small impact on our farm exports and world trade, the longer term impact may be more significant.

This being the case, attention is now turning increasingly toward the economic slowdown in most developed nations. Already the economic slump is depressing the value of commodities and raw materials entering world trade. As the slump continues, sales abroad at past prices will be more difficult to maintain.

Even to the non-OPEC developing countries, our exports are expected to rise 13 percent in fiscal 1975. This accounts for 32 percent of U.S. farm exports. Assuming the need and desire to import, where did the money come from? In the first place, some of the non-OPEC developing countries are more or less self-sufficient in oil. This includes Malaysia, Mexico, Bolivia, Egypt, Colombia, Tunisia, and several other smaller countries. In total these countries have a population of about 155 million people, or about three-fourths that of the United States.

Furthermore, only little of the increase will come from the P.L. 480 program or from other concessional credit sales programs administered by the U.S. Government. Sales under these programs were down 8 percent in fiscal 1974 to a level of $939 million—the lowest level in two decades, but may total about $1.4 billion in fiscal 1975. Part of the money, but by no means all, came from a drawdown in international reserves. Reserves of the non-OPEC developing countries equaled about $34.1 billion or about $3.8 billion more at the end of 1974 than at the beginning.

To some extent higher export earnings helped pay for oil imports and U.S. farm imports by these countries. Prices of their exports rose on the average about 35 percent in 1973, and they climbed further during the first half of 1974.

The export prices have dropped significantly since mid-1974, however, and further declines are expected as long as there is an economic slowdown in the developed world. Excluding oil exporting countries, exports of the developing countries increased about 42 percent to $95 billion in calendar year 1974. Their imports increased by 51 percent, to about $119 billion.

The volume of U.S. agricultural exports will probably increase by as much as 10 percent in fiscal 1976. This will somewhat offset a probable fall in prices from the fiscal 1975 levels. Value of our exports could be down as much as a fifth. What allocations the world will continue to make to satisfy their needs for energy and for food is uncertain.

The volume demand for U.S. agricultural exports will probably increase about 10 percent over fiscal year 1975. Some of the reasons for this increase are:

Livestock production will probably be maintained in Western Europe and Japan.

Livestock goals in the USSR are expected to remain; although at a possibly lower rate.

Lower prices should stimulate exports.

Recovery from economic stagnation in the major U.S. markets is expected in late 1975 or early 1976.

International monetary system, having adjusted to higher oil prices, should provide enough liquidity for growth in international commerce.

Grains stocks are at a very low level in most countries.

Some of the uncertainty of prices has greatly concerned U.S. legislators. During the past 60 days, prices of wheat, corn and soybeans have fallen precipitously. The Congress sought to increase the target price for wheat from $2.05 to $3.10 a bushel, to raise the target price for corn from $1.38 to $2.25 a bushel, and to raise the target price for cotton from 38 cents to 45 cents a pound. The Congress also sought to set the loan rate for soybeans at $3.94 a bushel. There is no support at present.

As this manuscript is being prepared, the ultimate disposition of this matter has not been resolved. One concern is that an increase in target prices would set up a situation which might greatly increase Government costs when crop production is large. Another concern is that rising loan rates seems, based on past experience, likely to move us back into a position of accumulating large Government stocks and increasing costs. There is concern that once such target prices or loan rates are raised, they tend to be viewed as long-term minimums, thus making it very difficult to reduce them if that seemed appropriate.

We feel that the direct effect on consumer prices in the next year would be minimal. However, the impact on budget outlays would contribute to overall inflationary pressures.

The prices paid to farmers are affected by stocks policy. We have seen the effects of a quick drawdown in stock levels. Between 1971–72 and 1973–74, end-of-year wheat stocks in the United States dropped from 23.5 to 6.8 million tons. Feed grain stocks fell by 26 million tons in the United States, and the livestock industry suffered serious financial losses.

The surplus grain stocks of the 1960's permitted relative stability in world grain prices and made possible large amounts of food aid. But they were a burden to taxpayers and they led to restrictions on grain production. These surpluses also contributed indirectly to the developing countries' growing dependence on grain imports by permitting postponement of needed agricultural development projects.

It is clear that we need better stock management that would provide both favorable farm prices and income, and reasonable consumer food costs without diminishing either export trade or harming foreign relations.

The United States has agreed that an international reserves program be worked out. It would include provisions covering the location of the stocks and rules governing their purchase and release.

Future market growth is crucial, and trade liberalization is crucial to market growth and to the income of farmers. On March 6, we stopped asking exporters to request prior

approval for grain, soybeans, and soybean meal shipments. As soon as possible we will further relax our export monitoring. To provide a watch over U.S. supplies of grains and soybeans, however, the Department will continue to require that exporters report large sales daily and all sales weekly.

In the current round of Multilateral Trade Negotiations among GATT members, we will deal with factors that distort trade patterns and that tend to limit the volume of trade and associated economic activity.

We have seen U.S. agricultural exports grow steadily. The growth has come from increased foreign demand and increased U.S. production. It has been enhanced by the fact that importers can count on the United States to be a dependable supplier of quality products. But we have also had the technology, the financial resources, and the information necessary for tremendously successful market development programs. These efforts should continue.

I don't wish to convey the impression that the world food crisis is over, or that good crops this year will solve the problems of adequate world food supplies. High prices and limited supplies of food and fertilizer are likely to prevail for the next year or two. The developing countries that rely on imported grain will continue to be the most adversely affected. Poor world crop conditions in 1975 or 1976 could have serious consequences for those countries already experiencing severe food shortages.

In the longer term, more food can be produced per person. The world has the land resources and the technology, and we have seen how responsive food production is to favorable government policies and prices.

THE FORGOTTEN RURAL POOR

Mr. HUMPHREY. Mr. President, the problems of rural America are many and complex. Recently Mr. Richard J. Margolis, chairman of the Rural Housing Alliance and of Rural America, Inc., outlined the problems that affect so many of our rural citizens in a splendid article which appeared in the Minneapolis Tribune of May 5, 1975.

I ask unanimous consent that the article entitled "Rural Poor Are Ignored" by Richard J. Margolis be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Minneapolis Tribune, May 5, 1975]

RURAL POOR ARE IGNORED

(By Richard J. Margolis)

GEORGETOWN, CONN.—Much of American history comes down to the people's erratic pursuit of equity in the face of obdurate privilege. During the 1930s, that pursuit was expressed largely in terms of class; in the 1960s in terms of race.

Now the time seems right to speak also of *place*, and of those Americans who by virtue of where they live are deprived of full participation in our political and economic system.

Sixty million Americans live in small towns and rural areas—outside what the Census Bureau calls Standard Metropolitan Statistical Areas. By and large, our national policy vis-a-vis these rural citizens has been one of ferocious neglect. Their voice has been drowned in the urban hubbub; their needs have been continually overlooked.

Indeed, the illusion is widespread that rural America no longer exists; that it is, in fact, a dead letter, and that sooner or later all but the minions of agribusiness will live in megalopolis. The illusion is self-fulfilling; it promotes policies that ultimately drive people off the land and into the cities. Because of these policies, many people suffer.

Item: Although less than one-third of the total population lives in nonmetropolitan areas, fully 60 percent of the nation's substandard housing (as defined by the census) can be found there. Yet all but a thin sliver of the total federal housing subsidy—less than 20 percent—goes to our cities and suburbs.

Item: The so-called "health-delivery system" in rural America is a disaster. Rural communities suffer from a perpetual shortage of doctors, dentists, nurses and other essential health specialists. Whole counties—138 of them—and whole towns—more than 5,000 of them—must somehow get along without the services of a single physician. Nevertheless, as with housing, federal funds are tilted in an urban direction. For example, only 7 percent of the Department of Health, Education and Welfare's clinic-assistance money goes to non-metropolitan areas.

Item: Public-transportation facilities are declining everywhere, but at a faster rate in small towns and rural sections. In the last 15 years, 146 bus companies have disappeared, most of them from towns of less than 25,000 population. Yet nearly all federal transportation assistance is directed toward the cities. In fact, only $500 million of the $11 billion authorized to administer the 1974 National Transportation Act is earmarked for rural areas.

Need one continue? The figures trace a similarly skewed picture in education, employment, welfare and most of the other categories that, taken together, go far to define the quality of life in America. Invariably, it seems, rural Americans finish last.

This is not a new story. In a sense, rural Americans have been in trouble ever since Alexander Hamilton's vision of a society powered by urban capital triumphed over Thomas Jefferson's dream of a society harnessed to agricultural yeomanry. From that point on, the city held sway.

By the end of the 19th century, although we were still predominantly a nation of farmers, the city's economic triumph was absolute. As the historian E. G. Nourse was later to note, "At the opening of the 20th century, American agriculture stood in just the same subservient position to American industrialism that the colonies had occupied toward England a century and a quarter before."

In 1908, President Theodore Roosevelt, sensing that something had gone sour in rural America, appointed a high-level Country Life Commission to recommend remedies. Eventually the commissioners issued a long and thoughtful report. "It is peculiarly necessary," they noted, "that government should give the farmer adequate consideration and protection. There are difficulties of the separate man, living quietly on his land, that government should understand."

Government did not understand. Congress, after due debate, refused to appropriate a single dime toward the report's dissemination. One concludes that the supply of bad news about rural America has always exceeded demand.

Six decades after Roosevelt's commission, Lyndon B. Johnson appointed a similar investigative body, this one known as the President's National Advisory Commission on Rural Poverty.

The result was a melancholy but moving report on "The People Left Behind"—the 14 million rural poor. But by the time it came out the president had lost interest; he was already hip deep in Vietnam. Once again, in their long pursuit of equity, rural Americans would have to wait.

Now a growing number of rural and small-town residents are saying they are not willing to wait. They are calling for a fair share of society's goods and services. Last month, for example, some 1,500 rural-America advocates met in Washington and wrote the broad outlines of an economic and political agenda for rural America. One hopes they will be heard and heeded.

COUNTERFORCE STRATEGY: IS IT STRANGELOVIAN?

Mr. GARY W. HART. Mr. President, Dr. Herbert Scoville, Jr., a former Deputy Director of the Central Intelligence Agency and a former Assistant Director of the Arms Control and Disarmament Agency, is well qualified to make judgments on where Defense Secretary Schlesinger's policy of seeking to make our strategic missile arsenal more "flexible" is leading us. He identifies the dangers in the Pentagon's current plans and concludes that, far from improving our national security, they tend to make nuclear war more possible.

I ask unanimous consent that Dr. Scoville's article explaining his views, which appeared in the Los Angeles Times on April 13, 1975, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Los Angeles Times, Apr. 13, 1975]

COUNTERFORCE STRATEGY: IS IT STRANGELOVIAN?

(By Herbert Scoville, Jr.)

There is a definite Strangelovian cast to some of the thinking behind current U.S. strategic planning. There was Secretary of Defense James R. Schlesinger, for example, talking in Congress of a "limited" nuclear war (several thousand Soviet nuclear missiles fired at U.S. missile sites) and making such a "counterforce attack" seem more reasonable and probable by raising doubts that the United States would retaliate massively.

Would Washington really restrain itself after that sort of provocation? To make that seem more likely, Schlesinger minimizes the American casualties from such a "limited" attack. If the Russians took that kind of logic to be indicative of American intentions, they might be more inclined to believe they could stage such an attack with relative impunity.

Schlesinger's Senate testimony last September, released recently, was prompted by a letter from Sen. Clifford Case (R-N.J.) requesting information on the U.S. casualties that might result in the event of a counterforce strategic exchange. In his presentation of the defense budget for fiscal 1975, Schlesinger had proposed programs to provide greater flexibility of response in the event of nuclear attacks, and sought for the first time funds to develop more efficient counterforce weapons; this year, even in the aftermath of the much-touted Vladivostok arms limitation agreement, the proposed budget for 1976 calls for still larger sums. Schlesinger argues that without a wide range of responses, U.S. deterrence of a limited Soviet strike against American strategic forces might not be credible.

In his briefing, Schlesinger postulated three "limited" Soviet nuclear strike scenarios.

A so-called comprehensive attack against the U.S.-based strategic retaliatory forces (ICBM silos, bomber airfields, and missile submarine support bases.)

An attack only on American ICBM silos.

An attack only at U.S. intercontinental bomber bases.

Since the two assumed attacks on ICBM launchers alone involved 1,000 or 2,000 one-megaton weapons, the classification of these as "limited" strikes provides some insight as to the nature of Schlesinger's nuclear thinking. True, the casualties from such as attacks would be less than the 100 million who might be killed if the Russians carried out a full-scale attack against both civilian and military targets. But even his optimistic estimates of about 1 million fatalities from a silo attack is hardly the average individual's view of a nice safe nuclear war.

It is particularly disturbing to find Schlesinger trying to minimize the effects of such an attack on the U.S. population in order to make an annihilating U.S. retaliation seem less assured. He assumes, for example, that the public would make maximum use of existing Civil Defense facilities, an assumption that few practical urban politicians would think very reasonable today. And he postulates that the Russian weapons would not be detonated close to the ground, but instead at an altitude that would reduce the local fallout of radioactive material. Since this would increase the chance that the silos would not be destroyed, he is assuming that the Russians would raise the probability of failure in order to reduce U.S. casualties.

Finally, even a surface-burst attack of the scale postulated by Schlesinger (1,000 to 2,000 weapons of one megaton each) would still be only partially successful. If their missiles have the accuracy of one-third to one-fourth of a mile that he attributes to the Russians, each warhead would, even with perfect reliability, have only a 50 to 75% probability of putting a silo out of action. If the Russians were so irrational as to launch a nuclear strike of this sort, would they really be satisfied with such a low probability of success? Would they be willing to leave the United States with 250 to 500 ICBMs in addition to hundreds of submarine missiles, only a small fraction of which would be needed to wipe out the Soviet Union?

Few would quarrel with Schlesinger's thesis that the command and control of U.S. strategic nuclear weapons should be designed so that any retaliation need not necessarily involve thousands of nuclear weapons and millions of Soviet casualties. It is only surprising that apparently American military planners were so long in creating this option. If now for the first time, the secretary of defense has given the President the flexibility to respond at low, as well as at high levels, then Schlesinger's new policy has at least served one useful purpose. However, no new weapons were needed to achieve this capability, the United States has long had the means to destroy most military and civilian targets. What America has neither had nor sought up to now is a threat to the Soviet ICBM deterrent force.

The primary objection is to Schlesinger's desire to acquire improved counterforce capabilities—i.e., more efficient weapons for destroying ICBMs and thus for threatening a significant element of the Soviet strategic deterrent. He believes that there is a realistic possibility that the Russians, when they acquire in the mid-1980s a force of large missiles equipped with MIRVs (multiple warheads which can be aimed at separate targets), will actually launch an all-out attack against our American ICBMs on the chance that the United States might not retaliate and devastate the Soviet Union.

To deter such action or to insure that it did not provide the Russians with a net gain, he believes that the United States must be able to respond in kind. Why this will provide more credible and assured deterrence is not clear, since if the Russians were successful, America would have no surviving ICBMs with which to retaliate. All the billions Schlesinger had spend to improve the counterforce capability of U.S. Minutemen and the command and control to bunch them in a selective retaliation would have been wasted.

Furthermore, to satisfy the requirement for equivalence in counterforce capabilities, his new budget calls for the development of a new generation of ICBMs with larger payloads, higher accuracies, and greater destructive power. In anticipation of a possible Soviet counterforce capability in 1985, the United States must develop more efficient counterforce weapons today. But the Pentagon now concedes that if we go ahead with its proposed programs, we will maintain in the 1980s superiority, not just equivalence, in ability to destroy hard targets such as missile siloa.

Moreover, an effective U.S. counterforce capability is the wrong answer to such a Russian threat. Larger, more accurate missiles are just as vulnerable as the present ones; in fact, more so, since, as Schlesinger admits, they could become more tempting targets for a preemptive Soviet attack because of the threat they pose to the Soviet ICBMs.

If there is any likelihood—which Schlesinger believes there is—that the Russians could conceive of such an attack, then his program is enhancing the probability. An improved U.S. counterforce capability would be of no use unless the United States was considering a first strike or was preparing to launch missiles on warning of a Soviet attack.

Thus, the Russians can only view such programs as at the worst provocative and at the least as increasing the risk of accidental war. The idea that we must match or surpass every potential Soviet capability, regardless of the consequences, is not only an impetus to a never-ending arms race but an invitation to nuclear disaster.

Senators Muskie and Symington were obviously skeptical of what conceivable objective the Soviet Union might have for launching a strike against America's ICBM force, and pressed Schlesinger for some situation which could justify a "limited" strike of thousands of megaton warheads against our Minuteman missiles.

Schlesinger postpulated the scenario that if the American government indicated that it was prepared to use nuclear weapons unless the Russians desisted from an invasion of Western Europe, they might try to wipe out as much of the U.S. retaliatory force as possible and to degrade American command and control. The logic that the Russians would seek to destroy U.S. command structure is odd, since only strong control could prevent escalation to Armageddon.

Moreover, even if the Soviet attack on ICBMs and bombers was 100% successful, the United States would be left with 5,000 submarine missile warheads with yields several times that of the Hiroshima bomb. Is there any Soviet objective so important that they would take even a small risk that America would unleash a tiny fraction of these on Soviet cities? Announcing in advance that instead, we would only retaliate in kind by attacking their missile silos, many of which might by this time be empty, will degrade, not improve, deterrence against any such aggression.

For Schlesinger, our senior defense planner, to believe that wars in which thousands of megaton nuclear warheads are fired can be fought and survived is scary; he has been associated too long with the thinktanks of the military-industrial complex and shielded from the realities of nuclear explosions. Reliance on avoiding nuclear disaster through Mutual Assured Destruction (MAD) is a more sane policy than acquiring weapons to to fight Schlesinger's efficient, safe counterforce nuclear **war.**

ARSER BROTHERS HONORED BY U.S. NAVY BAND CONCERT IN CHATFIELD, MINN.

Mr. MONDALE. Mr. President, for the first time in the history of our Nation, three brothers, William, Kenneth, and Samuel Arser, have contributed over 60 years of their lives to one military service band, the U.S. Navy Band in Washington, D.C. Even more unique is the fact that they all come from a town whose population today is only 1,885 people, and are all graduates of the same high school—Chatfield, in Chatfield, Minn. William and Kenneth Arser both are proficient in the French horn, and Samuel's expertise lies with the cornet. In addition, their father, Clarence, was also a talented musician—before and during World War I he was Army band director, and had also been the local high school and city band director in Chatfield for over 30 years.

On April 29 the three Arser brothers were honored during a U.S. Navy Band concert in Chatfield. This was the first time in the 122-year history of Chatfield that a service band had played there. Even more symbolic was the fact that one of the sponsoring organizations—the Chatfield Brass Band, Inc.—purchased their uniforms from the Defense Surplus Sales Office, and the uniforms they purchased were the old official uniforms of the U.S. Navy Band in Washington, D.C., and the Arser brothers' names were still sewn in the lining of the coats. It is truly significant that the Navy Band uniforms which had represented the United States throughout the world had ended up in Chatfield—the home of this uniquely musical and talented family.

PLUTONIUM RECYCLING

Mr. TUNNEY. Mr. President, last week the Nuclear Regulatory Commission announced that it was delaying for 3 years any decision to authorize the recycling of plutonium for fuel in light water reactors. The NRC, under pressure from the Council on Environmental Quality and the Environmental Protection Agency, has agreed that closer attention must be given to the safeguards problems inherent in a plutonium recycling program.

I applaud the NRC for taking this action. The Congress now has the perfect opportunity to examine the issues involved in plutonium recycling in detail. To this end, I have introduced legislation along with Senators CASE, MONDALE, PHILIP HART, HATHAWAY, HUMPHREY, and CRANSTON to authorize the Office of Technological Assessment to conduct an investigation into the problems associated with plutonium recycling. Pending the completion of OTA's assessment, the authority to authorize plutonium recycling would rest with Congress.

I ask unanimous consent that the text of S. 1197, the Plutonium Recovery Control Act of 1975, be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1197

A bill to prohibit the licensing of certain activities regarding plutonium until expressly authorized by Congress, and to provide for a comprehensive study of plutonium recycling

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Plutonium Recovery Control Act of 1975".

FINDINGS

SECTION 1. The Congress finds that—

(1) the Nuclear Regulatory Commission proposes to license the extraction of plutonium from spent reactor fuel and its subsequent use in mixed-oxide reactor fuels;

(2) plutonium is both a highly toxic substance and the possible raw material for nuclear explosive devices;

(3) the establishment of a commercial plutonium industry and the consequent production and transportation of large quantities of plutonium may increase the likelihood of diversion of plutonium from legitimate channels to use by criminal or terrorists organizations;

(4) the final decision on whether the economic benefits of plutonium recycling are great enough to counterbalance its social costs and risks should be made by the Congress.

SEC. 2. (a) Except as provided in subsection (b), the Nuclear Regulatory Commission, established by section 201 of the Energy Reorganization Act of 1974 (Public Law 93-438, 88 Stat. 1242), shall not license, permit, or otherwise authorize—

(1) the operation of any nuclear power reactor using recycled plutonium fuel; or

(2) the construction or operation of any facility which reprocesses or recovers plutonium from spent nuclear power reactor fuel or from production reactor products.

(b) The provisions of subsection (a)(2) of this section shall not apply with respect to—

(1) any construction activity undertaken in conformity with a construction permit issued pursuant to the Atomic Energy Act of 1954 (68 Stat. 919) before January 1, 1975; or

(2) any recovery of plutonium for military or research and development purposes.

(c) The prohibitions of subsection (a) of this section shall remain in effect until the Congress, after having adequate time to study the results of the investigations described in section 3, and hold the necessary hearings, and to consider the various alternatives available to the Nation, provides otherwise by law.

SEC. 3. (a) The Office of Technology Assessment shall conduct a comprehensive study of the recycling of plutonium for the purpose of determining the extent of the dangers to the public health and safety and to the environment resulting from such recycling. Such study shall include—

(1) investigation of the toxicity and carcinogenic characteristics of plutonium, and the potential for occupational and public exposure and environmental contamination by plutonium;

(2) investigation of the risks of the unauthorized diversion or theft of plutonium, the development of illicit markets for the sale of plutonium, and the fabrication and use of unauthorized nuclear devices made from plutonium;

(3) investigation of the full range of economic costs and institutional implications, including threats to civil liberties, of the safeguards measures needed to minimize the unauthorized diversion or use of plutonium;

(4) investigation of the need for plutonium as an energy fuel and of nonplutonium strategies for meeting national energy requirements;

(5) investigation of alternative means of handling and containing plutonium on the assumption that the use of recycled plutonium as nuclear power reactor fuel is not permitted in the foreseeable future: and

(6) consideration of the development of systems for the use of plutonium which will assure the protection of the public health and safety of the environment.

(b) In conducting the study required by subsection (a) of this section, the Office of Technology Assessment shall seek the assistance of a broad range of public and private groups with information or expertise relevant to the subjects of the study and shall assist and encourage the participation of the public in all phases of the study. The Office shall have the power to enter into contracts with individuals or corporations for the purposes of conducting the study, but shall not enter into contracts with any corporation or person which in the judgment of the Office might have a significant financial interest in the development or utilization of recycled plutonium fuel.

(c) All Government agencies shall cooperate to the fullest extent with the Office and shall provide access to their personnel and data. At the request of the Office, any Government agency shall furnish any information which the Office deems appropriate for the purpose of conducting the study under this section. The Office is further empowered to compel the delivery of any information in the possession of the National Laboratories which the Office deems necessary for conducting the study.

SEC. 3. For purposes of this Act—

"(1) the term 'plutonium' means pure plutonium, plutonium oxide, or any other plutonium compound;

"(2) the term 'recycled plutonium' means any plutonium recovered or separated from spent nuclear reactor fuel of production reactor products;

"(3) the term 'recycled plutonium fuel' means any nuclear reactor fuel containing recycled plutonium, including fuel containing mixed oxides or uranium and recycled plutonium;

"(4) the term 'spent nuclear power reactor fuel' means any material which forms part of a used fuel assembly for a nuclear power reactor.".

JUSTICE FOR THE AMERICAN INDIAN

Mr. HUMPHREY. Mr. President, on Friday, May 9, Senator ABOUREZK's Subcommittee on Indian Affairs held hearings on S. 1327, a bill to declare that certain submarginal land of the United States shall be held in trust for certain Indian tribes and be made part of the reservations of said Indians.

As I indicated in my statement submitted to the subcommittee, this legislation is long overdue.

Mr. President, I ask unanimous consent that the statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT FOR HEARINGS ON S. 1327

As a cosponsor of S. 1327, I cannot stress too strongly the need for the Congress to complete the transfer of submarginal lands originally intended for our Indian tribes to those tribes. Legislation to complete the transfer is long overdue—40 years overdue.

I do not believe that I need to reiterate the history of ownership of these lands for this committee. But, I would remind the committee that when the federal government purchased these particular submarginal lands it did so with the full intent of holding the title to them in trust for the Indian tribes, so that the tribes would reap the full benefits of ownership.

Unfortunately, the lack of action to complete the transfer of these lands to the Indian tribes has prevented the tribes from reaping these benefits. The cloud that hangs over the deed to the lands has discouraged outside investment in the lands and cast a shadow of doubt over the utility of any land use planning by the tribes. What company, what bank, what individual would invest his time and money in an enterprise on land whose ownership was unclear and which was subject to a revocable use permit?

In my own state of Minnesota, the lack of a clear title to the submarginal lands which lie within the bounds of the White Earth Reservation has inhibited the economic and social development plans of the Chippewa Indian Tribe, prevented them from established a fully viable tribal ranch which could provide employment opportunities for a goodly number of their group, prevented the development of new and badly needed housing and undercut timberland conservation efforts. Passage of this bill would be of incalculable benefit to the 2800 Indians on the White Earth Reservation, enabling them to move ahead with viable economic and social planning. Furthermore, the provision of S. 1327 which would convey to the tribe the accrued income from the lands would partially help this tribe deal with the serious economic problems which currently face it. Finally, it would enhance our national timberland conservation efforts by giving one group the responsibility and hopefully the means to adequately care for our valuable timberland resources.

I urge this committee to report S. 1327 favorably. It is time for us to correct the inequities which our lack of action during the last forty years has created.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the legal concepts embodied in the Genocide Convention do not represent anything new to American law as some critics might have us believe. How could they, since the United States was such an influential power in the formulation of the treaty? True, the intent to bind the world community through international law is strikingly unique but, the outlawing of acts classified as genocide has always been a part of American law.

Let me quote from a memorandum released by the National Community Relations Advisory Council back in 1950.

> Because of the prominent role played by the members of the United States Delegation in the drafting of the Genocide Convention, it is couched in terms of familiar Anglo-American legal theory and embraces traditional American common law concepts.
>
> For example, the Convention preserves the principle of territorial jurisdiction over criminal acts, although an earlier draft would have made genocide punishable as is piracy, where the criminal is apprehended, "irrespective . . . of the place where the offense has been committed." Conspiracy, attempt and complicity, all punishable under article III, are common law crimes long accepted in American law. Furthermore, the Convention's definition of genocide embodies the American concept of a criminal act. To constitute genocide, the act in question must be coupled with a specific intent to destroy a national, ethnic, racial or religious group. It was the United States that insisted that specific intent must be proved, before any act could be considered genocide."

UMI

Its clear that this treaty is not based on any foreign, unacceptable legal policy but rather on one that is based very heavily on American law. There is no need to delay ratification further.

INTERNATIONAL ASPECTS OF MONETARY POLICY

Mr. MUSKIE. Mr. President, I ask unanimous consent that an article by William C. Cates which appeared in the Wall Street Journal on April 24, 1975, be printed in the RECORD.

While I do not necessarily agree with all the specific conclusions, the article does emphasize an important set of facts. The U.S. economy is complicated. Because it is so, fashioning economic policy must go well beyond the simplicities of the size of the deficit. Fiscal policy must be made in the light of monetary policy. Moreover, both fiscal and monetary policy must take into account the interdependence between the U. S. economy and the rest of the world. This interdependence has become more important in recent years as the industrial world abandoned fixed exchange rates and the oil exporting countries accumulated tens of billions of petrodollars. These broad issues will have to be considered as the Budget Committees and the Congress debate specific expenditure and revenue programs.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A GLOBAL VIEW OF "CROWDING OUT"

(By William C. Cates)

Too many economists, pundits and politicians hold their strong views on American economic problems as if these were national in scope and treatment, with but an apprehensive backward glance at the "balance of payments."

This parochial outlook has led us to mistakes of forecasting that have been embarrassing to say the least. Take the 1973 failure to anticipate the domestic inflation that would be caused by a devalued dollar. Or the failure to appreciate the impact on world—and therefore American—interest rates from massive British, French and other national borrowings in the Eurodollar market to finance oil imports.

If these forecasting fiascos were embarrassing, the narrow domestic calculations which now appear to underlie our policymaking for 1975 will lead us to nothing short of tragic disaster. For this year's big national issue is "crowding out," a slogan for the question: Will the burgeoning demands of the federal government to finance a $60 billion to $100 billion deficit preempt private industry's credit needs in the capital markets?

Those who say it will include The Wall Street Journal, in an editorial on March 13, and Treasury Secretary Simon, the only certified bond expert in the administration, who confidently predicts that long-term interest rates will not fall below 8½%. Others maintain either that the economy will recover and stimulate tax revenues to close the predicted deficit or, minus a recovery, that private savings will rise and private credit demands fall. Whatever the merits of this debate, it is strictly local and it fails to include what has been happening and is likely to happen around the globe.

Imagine for a moment that the finance ministers of the industrial nations, horrified at the inflation of 1973, had gathered together at the close of that year to do something about it. Imagine further that they decided to run a collective budget surplus of $70 billion by imposing an excise tax on all petroleum products. Imagine still further that they agreed upon an international collection agency to levy the tax and invest the proceeds at its own discretion in the bonds and bills of their various governments and in short-term bank deposits.

However much this may strain the imagination, it is what happened, minus the folderol of a finance minister's meeting. Of course, it was the OPEC oil producers who decided upon the "tax" and who have since served as a collection and investment agency. On a world scale their cartel ripoff has had the same fiscal effect as a collective budget surplus of the oil consuming nations in the same amount. According to the Keynesian textbook, it was bound to produce a worldwide depression, as it is doing.

NEAT, BUT . . .

Viewing our problems as usual in purely domestic terms, we tell ourselves that last calendar year we had a modest budget deficit and that this year we will have a massive one. Neat but incomplete. Actually, 1974 saw an immense global budget surplus, with the Arabs as a Super-Treasury Department, and any calculations regarding the impact of this year's U.S. government deficit must as well be made globally.

Current thinking on the money supply is, once again, purely in domestic terms. Solons Reuss and Proxmire are demanding that Fed Chairman Burns Keep M-1 marching to a congressional beat, reporting not only his results but his intentions. But this M-1 is a domestic figure, whereas the demand for credit that skewed up interest rates last year started abroad. Probably the supply of money that will make the difference this year will also come from overseas.

Fears in the financial community, hypoed by the breakfast interviews of Secretary Simon, are that government plus private borrowing will create such credit demands that the Federal Reserve Board will be obliged to increase the money supply at a wildly inflationary pace to ensure that all needs are met. By this logic one can envision the scene as 1975 comes to a close: Government borrowing is at unprecedented levels; business is picking up and needs credit. Worst of all, mortgage money is insufficient for voters to buy houses. M-1, domestically measured, has been climbing at too modest a rate, and the heat is on Chairman Burns to get it up. A scenario for inflationary disaster.

Of course, there is one remedy that an omniscient and beneficient Congress can provide for such woes: credit controls. With the government preempting most of the credit available, it is only right that the remainder should be reserved for suitably and worthy and vote-getting purposes such as housing and small business. Speculators, whoever they may be and whatever their speculations, must be denied access to the remnants of available credit!

Such ideas already have been broached, but, however worthy, they will flounder on one rock: You can borrow abroad. The speculator who has been denied access to his friendly local bank need only pick up the telephone to London to get his loan on about the same terms. The cost of imposing credit controls in the United States is the total disruption of international financial flows, and we would pay it at our peril.

The good old days, when we dictated the world's money supply, ended Aug. 15, 1971. Our thinking has yet to adjust. With floating rates we have become just one other nation, however important, and our economic future lies in tandem with the rest of the world. Specifically this means that instead of simply forecasting federal and local government plus domestic private financing, we must look at the potential credit demands of foreign official agencies and overseas corporations.

Many foreign governments no longer have access to the credit markets, and, with the deepening world depression, overseas corporate demand for credit should abate. On the supply side one must reckon not only with domestic savings but with capital accumulation abroad, including the still-massive Arab hoards of petrodollars. Any strictly domestic estimates of the demand for and supply of credit—even with an arbitrary assumption that so and so many billions of dollars will flow in from abroad—is bound to fall wide of the mark.

THE WORLD MONEY SUPPLY

Even more important, particularly when it comes to the make-or-break policies of the Federal Reserve Board, we must start thinking about the world money supply, for it is the world money supply that has been impelling and will henceforth impel or inhibit world inflation. The world money supply consists, for practical purposes, of the money supplies of the U.S., Britain, Japan, and those European countries whose currencies are generally acceptable for trade payments.

A vitally important part of this money pool is the Eurocurrency system, wherein offshore banks are creating unmonitored money. The only worthwhile survey of Eurocurrency creation is conducted annually by the Bank for International Settlements in Basel. If policymakers in the U.S. or in any other nation are to know what they are doing, they must, urgently, get weekly statistics on the cash and deposit liabilities of offshore Eurocurrency banks. When Chairman Burns reports to Congress on the money supply, his report should include not just M-1 or M-2, but Eurodollar growth.

This is not a plan for regulation of international capital markets. Those who have labored in the stony vineyards of the Capital Markets Committee of the OECD are aware that such regulation is next to impossible and probably undesirable. Getting information, on the other hand, is feasible and urgently necessary. For the reality is that the dollar supply includes Euro—and Hong Kong—dollars, which are just as green and just as rubbery and most of the time we don't know how many of these there are.

At some point this year the increase in government demand for credit will exceed the decrease in private demand. At least this is the thesis of "crowding out." Then the Federal Reserve Board, under congressional observation based on statistics of purely domestic money supply, will be pushed to print money to facilitate all comers. The U.S. money supply will soar. Foreign investors will shy away. The dollar will fall. And interest rates will rise to levels sufficient to compensate domestic lenders for impending inflation and foreign lenders for their currency risk—a la Brazil.

There is one alternative: An informed Congress could leave an informed Fed chairman alone. Calculations of M-1 (domestic) could already have been combined with a competent and current survey of the Eurodollar money supply. With the Fed unpanicked, increasing demand for credit in the United States would entice funds from abroad, causing the dollar to rise on the exchange markets and simultaneously filling the gap between savings and borrowing needs.

Which is it to be? The record of the past suggests inflationary chaos. Yet we need not always be lemmings. All that is required is a little better information, understanding and communication, plus a little willpower.

DR. HUBERT HEFFNER

Mr. CRANSTON. Mr. President, I ask unanimous consent to have printed in the RECORD a press release of the National Science Foundation on the death of Dr. Hubert Heffner of Stanford University. Dr. Heffner, a noted physicist, was a native of Lincolnton, N.C., but had lived in the Palo Alto area for 30 years. A member of the Stanford University faculty since 1954, he was at the time of his death head of the department of applied physics. His father—Hubert Heffner—had also been on the Stanford faculty—until 1954 as head of the drama department. Dr. Heffner is survived by his wife and three daughters, to whom we extend our deepest sympathy.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

DR. HUBERT HEFFNER, NSB MEMBER AND STANFORD PHYSICIST, DIES

Dr. Hubert Heffner, Member of the National Science Board (NSB) and Chairman of the Department of Applied Physics, Stanford University, died April 1 after a long illness.

A noted physicist and expert on the subjects of electron beam focusing, noise theory, parametric amplifiers, and quantum electronics, Dr. Heffner served in the White House as Deputy Director of the Office of Science and Technology from 1969 to 1971. He was appointed to a six-year term on the National Science Board by President Nixon in 1972.

Dr. Heffner received his B.S., M.S., and Ph. D. degrees at Stanford University and served most of his professional career there. A member of the National Academy of Engineering, Dr. Heffner also served on the General Advisory Committee of the Atomic Energy Commission and was a consultant to the Department of State.

Dr. Norman Hackerman, Chairman of the NSB and President of Rice University, said, "It is with deep regret that the Board learned of the death of Dr. Heffner. We knew him as an especially able scientist, and a thoughtful and dedicated administrator particularly interested in and knowledgeable in the area of science policy. Equally important, he was recognized by his students and his colleagues as a skillful teacher. His wisdom will be greatly missed."

Dr. H. Guyford Stever, Director of the National Science Foundation and a Member of the Board, said, "Dr. Heffner made substantial contributions to the academic and scientific communities, industry, and international bodies through his scientific expertise and wise counsel. Significant among these were his efforts as a member of the Science Policy Working Group of the U.S.-U.S.S.R. Joint Commission on Scientific and Technical Cooperation. He will be missed by his colleagues and by the larger community he served so willingly and so well."

A NEW CLUB FOR FEDERAL AGENCIES

Mr. EAGLETON. Mr. President, unless Congress acts beforehand to modify the Flood Insurance Act of 1973, the Department of HUD on July 1 will begin to dry up all forms of construction credit—Federal and commercial alike—in flood-designated communities which have not adopted HUD land use standards. The authority to deny commercial credit is probably the most powerful sanction ever entrusted to a Federal agency and could become a precedent for the enforcement of other Federal standards in the future.

Today, the target is the flood-designated community. In the years ahead, who knows what other communities will face this sanction. For the record, I would note that under the existing Flood Insurance Act—Section 1371(a), Public Law 90-448 as amended—the Secretary of HUD is authorized to undertake studies to determine whether a comparable insurance program is advisable in communities threatened by earthquakes or any other natural disaster peril.

In the sanctions that accompany the flood insurance program, we have fashioned a federal club that can be used to enforce any land use objective which is subsequently authorized.

Mr. President, the Senate has voted a 6-month delay in the application of the flood insurance credit sanctions to give it the opportunity to review the program and to consider changes. A great deal is at stake in this legislation as is explained in an excellent editorial which appeared in the St. Louis Post-Dispatch of May 3, 1975. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FLOOD PROTECTION

The Senate wisely has voted to set back the deadline by six months for the community participation provisions of the Flood Insurance Protection Act, and if the House concurs an opportunity will be at hand to review some of the law's more serious defects. As it now stands, parts of the statute are not only inequitable but also illogical. Beyond this, the act, in our opinion, represents a dangerous perversion of the federal banking laws.

Under the community participation provisions, certain sanctions are to be applied to communities which fail to comply with federal land use standards in flood plain areas. Such communities, for example, would be ineligible for any federal assistance for construction in flood plain areas and, incomprehensibly, any federal disaster assistance, even if the damage were caused not by flood but by earthquake or tornado. Moreover, all federally insured or regulated forms of commercial credit for construction purposes would be prohibited in designated flood plain areas.

Senator Eagleton has suggested a number of modifications to the act, which, we think, would rid it of its obvious faults while also enabling more individuals to take advantage of flood insurance and removing some of the more discriminatory provisions against communities. The Eagleton plan would make insurance available to individuals who complied with federal standards even if their communities did not. It also would allow communities not in compliance to receive nonflood disaster aid and permit banks to extend credit in such areas. The latter would correct what seems to us an improper attempt to use the banking laws to coerce communities into joining what ought to be a voluntary federal program.

These changes are well worth considering, but a careful review of the act before its more undesirable provisions become law can only take place if Congress extends its deadline for compliance.

HEALTH COSTS—A ONE-WAY STREET

Mr. McINTYRE. Mr. President, last Thursday the Wall Street Journal carried a most interesting article by Mr. I. D. Robbins. In the article Mr. Robbins examines the spiraling rise in health care costs. In light of this rise, Mr. Robbins suggests a new public policy objective: "To provide higher quality health care at significantly lower cost."

To achieve this objective Mr. Robbins suggests a number of operating policies and controls. I was pleased to note that many of these suggestions have been or are now being considered by the Congress, such as controlling hospital capital construction, insisting on rigorous peer review, correcting the gross specialty maldistribution among M.D.'s, focusing on ambulatory as opposed to inpatient care, and so on.

Mr. Robbins warns that, unless strong action is taken, health care costs will once again soar when national health insurance is passed. Mr. Robbins states:

> No matter what national health program is finally adopted by Congress, medical costs are sure to go higher, if only because of the natural law that the cost of illness increases in proportion to the ability to collect for it.

I agree with this warning. That is why I have attempted in my own health insurance bill, the National Health Care Act of 1975, to make an effort to control costs in many ways—by linking physician reimbursement to the Consumer Price Index; by requiring prospective reimbursement for hospitals; by stressing outpatient ambulatory care; by requiring strong quality assurance and peer review programs; by requiring a Presidential report each year on our progress as a nation and a government toward achieving quality health care at a reasonable cost.

As we move toward consideration of this landmark legislation, I would hope, Mr. President, that we would keep in mind the words of Mr. Robbins. We must not allow the enactment of a national health insurance program to set off rocketing inflation in the health care costs to the individual or to the Government. As Mr. Robbins says, for those who want to improve care and to cut waste in the health industry it is not an easy fight, but the stakes are so big it is worth the fight.

Mr. President, I ask unanimous consent this fine article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HEALTH COSTS—A ONE-WAY STREET

(By I. D. Robbins)

A characteristic of most health and hospital programs in the United States is that there is no effective control of costs except by those who stand to gain by increasing costs: the physicians, dentists, hospitals and their staffs.

Today, 65% of all hospital costs are paid by so-called "third party payers," reflecting the increased financial dependence on Medicaid, Medicare, Blue Cross and various insurance carriers. The patient, who pays the bill indirectly, may think he is getting away cheap, but he is all wrong.

In the past 10 years, the federal bill for health services went up for $1.7 billion to $26.3 billion, of which $22.4 billion is for Medicaid and Medicare, with an equal amount paid by the states and localities. No matter what new bill, either by Sen. Kennedy or the administration, is passed by Congress, medical costs are sure to go higher, for health care seems to be controlled by that natural law that says the number of sick people will tend to increase to fill every bed that can be supplied. Or follow the other natural law that says the cost of illness increases in proportion to the ability to collect for it.

George Crile Jr., the eminent Cleveland surgeon, offers evidence of equally discouraging non-economic effects in an article in the current Harper's. "Blue Shield's payment plans (two to three times as much for a radical as for a simple [breast cancer] operation)," he says, "may have something to do with the fact that the United States, virtually the last Western nation still dominated by a fee for service system, is likewise the last to give up the radical procedure."

Recently, on behalf of the City Club of New York, I worked with Robert Foster, a former executive of the New York City Finance Administration and a former chief budget officer and analyst for Blue Shield, on an analysis of the city's public hospital system. The report, which indicated the first year savings of $60 million could be made in the annual budget of $1.2 billion, was well received. Still, it was criticized by executives of the City's Health and Hospitals Corporation for failing to note that voluntary hospitals (the typical American non-profit hospitals) have most of the faults of city-owned and operated hospitals.

The city administrators had a good point. The private hospitals, too, have protocols designed to maximize income. They, too, insist on a chest X-ray every time a patient enters the hospital, even though he may come in five times a year. They tend, too, to hospitalize patients just to fill empty beds, resist discharges before the weekend, bring patients in on Friday when there is no medical service available until Monday. They, too, know how to get the most milk out of the Blue Cross cow.

A PARTNERSHIP WITH THE DEVIL

As any businessman knows, cost-plus is a partnership with the devil. Yet Blue Cross, private insurers and the Federal Government operate on a reimbursement of costs basis. The various hospitals determine how they want to operate, what they want or need to spend, and present their bills. While there is some audit or control, conscience, notoriously stretchable, is the only real deterrent. And hospial administrators tend to be rewarded and regarded in proportion to their ability to increase revenue, not reduce costs.

From 1952 to 1972, wages in the health industry, responding to the push from unions and the pull of availability of funds, increased 128.4%. In the same period the staff-to-patient ratio rose from 2.3 to 3.1 and the number of beds increased by 13.6%, while daily bed use declined by 13.8%. If the use of beds declined, why did we add more? Was it because money was available to build them?

There is no way to avoid the conclusion that as long as income is obtained by hospitals on the present basis, waste serves the interest of those who furnish medical care. This applies whether the care is provided by a private hospital operated for profit, a voluntary hospital operated by an eleemosynary organization or a city or county-owned and operated hospital.

When the Medicaid daily reimbursement rate for in-patients is four times as high as for out-patients, what should we expect? Add opportunities for selling extra paid services and it is not hard to see why a patient is treated lying down rather than standing up and gets surgery instead of ice packs and penicillin for his appendicitis.

Probably no activity attracts more dedicated and qualified volunteers than the typical American community hospital. Thousands of men and women spend hours each week not only as members of boards of trustees wrestling with budgets and contending with the needs and claims of doctors, nurses, technicians and attendants, but also as fund raisers, gray ladies and candy stripers. There is no volunteer activity quite like it, a triumph of the human spirit.

Yet in the final analysis, the volunteers, at whatever level, are not in control. Both the administration and the cost of hospitals are determined by physicians and especially by surgeons. Somehow this condition must be changed and hospitals forced to operate with reasonable efficiency for the convenience of the community and in ways that will reduce the enormous drain on national resources and personal income now being devoted to health care—without a sacrifice of quality. Can it be done?

We must start with a new public policy objective: To provide higher quality health care at significantly lower cost.

To achieve this objective the government agencies and insurance carriers who pay the bills and the hospitals who get and spend the money will need to adopt certain operating policies and controls. There are many ideas in this field. Here are a few of them:

1. Carefully control capital expenditures for hospital construction and expansion. Most states have programs for deciding where new facilities are needed or should be permitted. But community and political pressures can be overpowering. Hospitals also are naturals for the philanthropically inclined, but once built, even with charity funds, they still have to be paid for every day, mostly out of the public purse.

Perhaps the way to start is to declare a moratorium on all hospital construction, then start over by deciding under what strict standards (population growth, shortage of beds, distance to the nearest hospital, availability of medical personnel) we should permit a hospital to be built. The deciders should probably not be politicians or local leaders or fellow hospital administrators given to log-rolling, but dispassionate outsiders such as medical school deans from another state with a commitment to independent evaluation.

2. Make a conscious effort to increase the ratio of out-patient to in-patient care. This probably can best be done by using separable out-patient centers, staffed with able personnel, where patient records are maintained. This would encourage the patronage of patients who have no local or family doctor and have increasingly been attracted to hospital clinics or emergency rooms, from which it is a short step into bed. Patients should instead identify with an out-patient facility. A good one will keep them out of hospitals. Productivity goals could be set for each hospital through a review and analysis mechanism. It is hard to believe that the 9 to 1 ratio of revenue from in-patients as compared with out-patients in New York City's public hospitals couldn't be changed readily and for the good of the patients. But present reimbursement schemes work against it.

BETTER CONTROLS NEEDED

3. Require better hospital operating rules and controls. Most such controls are well known and have been adopted, though they are not always conscientiously followed. They include "peer review of doctors' performance," outside professional evaluations of medical practice and experience data, required refresher courses and re-examinations. Also, mandatory second opinions before surgical procedures (which helps avoid unnecessary surgery) and outside review of protocals, work rules and procedures to eliminate unnecessary testing, for example.

One of the most obvious requirements which third party payers could enforce is the "seven day rule"—that the hospital's facilities be available throughout the week. Most hospitals are not properly staffed over the weekends. As a result several recent studies showed that patients admitted on Friday spend 1.6 days to 4 days longer in the hospital. A corollary is that those who enter on the busiest day, Monday, also have trouble getting treated promptly.

To encourage hospitals to fight restrictive practices imposed by their employes, state education laws could be changed to accredit hospitals to carry on and be responsible for certain activities which can now be performed only by licensed personnel. The objective should be to return management options to the managers, not consider them "professional prerogatives" of the hospital's employes.

4. Develop and try to enforce proper ratios for control. What is the ideal staff distribution? Are there too many surgeons? Why do we perform much more surgery here than in England or Sweden where the public's health and longevity are just as good? What is a reasonable ratio to population for tonsillectomies, appendectomies and hysterectomies? And if we cannot induce doctors and hospitals to prescribe generic drugs, we can at least reduce third-party reimbursement to the proper amount to cover only generic drugs.

5. Eliminate the use on a fee-for-service basis of certain practitioners, particularly surgeons, radiologists, anesthesiologists and pathologists who are hospital-based and, instead, hire distinguished specialists at high salaries. Many leading institutions heave already done this. If surgeons cut their work loads when they no longer get paid on a piecework basis, it is not necessarily bad. As Dr. Crile wrote, many an unnecessary operation may then not be performed.

IT WON'T BE EASY

6. Stop the construction and public subsidizing of new medical schools and change the present emphasis in training programs to fill whatever voids in professional coverage legitimately exist. We don't need more physicians and surgeons, only a better distribution of the ones we have. To the orthodox, increasing the number of surgeons would seem to cause an increase in competition and lower prices. Instead, we find that the number of operations increases to fill the working time of the surgeon. We have twice the ratio of surgeons to population as Britain, twice the ratio of operations.

If 65% of all costs are paid by the government or insurance carriers and the costs are out of control, then certainly the customers are entitled to have some bargaining power. But it will not be easy to reduce waste in any hospital.

When the City Club of New York recommended that the city close inadequate or inefficient hospitals (Gouverneu Hospital's costs are $460 per day per bed patient) or convert them into nursing homes or neighborhood clinics, the local communities and the employees compained bitterly. Even the most marginal institutions have their constituencies. Arguments that better medicine exists a few miles away are of no avail. The head of the city's municipal employes union countered, "Not one hospital should be closed. We'll find plenty of sick people to put in those beds.".

For those who want to improve care and to cut waste in the health industry it is not an easy fight, but the stakes are so big it is worth the effort.

THE ANTINUCLEAR MOVEMENT

Mr. GRAVEL. Mr. President, 2 weeks ago I had the opportunity to testify at the opening of a series of nuclear power hearings being conducted by the House

of Representatives Committee on Interior and Insular Affairs, Subcommittee on Energy and the Environment, chaired by Representative MORRIS UDALL.

At that time, I talked about the growing antinuclear sentiment in this country and the future of the antinuclear movement.

I ask unanimous consent, Mr. President, that my testimony be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY OF SENATOR MIKE GRAVEL BEFORE THE HOUSE ENERGY AND ENVIRONMENT SUBCOMMITTEE, APRIL 28, 1975

I want to thank you, Mr. Chairman, for the opportunity to testify. I would like to talk about the anti-nuclear movement. I hope to help the subcommittee understand the size and the seriousness of this movement, the reasons why many citizens oppose nuclear power, the cause of the extreme polarization over this subject, and the direction that I believe the anti-nuclear movement is taking.

I think its' important, first of all, to stress the fact that the anti-nuclear movement is very much a grass-roots movement. There are several large and well-known environmental groups which support a moratorium on nuclear construction: the Sierra Club, the Friends of the Earth, and the Wilderness Society, for example. But the strength of the anti-nuclear movement comes not so much from these well-known groups as from the hundreds of smaller community organizations whose members are especially dedicated . . . and, in my opinion, remarkably effective.

The Atomic Industrial Forum, which is the nuclear industry association, commented on this fact last November following Ralph Nader's anti-nuclear conference, "Critical Mass." There were more than 500 delegates at that conference, representing anti-nuclear groups from across the country. AIF, in reporting on the conference, said this: "The anti-nuclear movement is now a full-fledged political movement. . . More grass-roots work has clearly been completed than most industry observers had realized."

But the grass-roots nature of nuclear opposition is not really so surprising. The best way to stimulate anti-nuclear sentiment in a community is to plan a power reactor in the vicinity. Many people who might be indifferent to the idea of nuclear power will change their minds when they are confronted with the nuclear facility itself. This is why such a large number of independent local groups exists—and their community focus expains both their strength and the fact that, until recently, they have received relatively little national attention.

I have included at the end of these remarks a list of groups which have supported a moratorium on nuclear plant construction. There are about 150 groups named here, including farmers, doctors, women's clubs, students, religious groups, local governments, labor groups, peace groups, Public Interest Research Groups, as well as the small organizations that have been formed to oppose specific nuclear projects. It is a long list—yet it is very far from complete. And it is a list that is growing.

I myself became involved in the nuclear power debate as a result of the weapons testing conducted at Amchitka in my state. As I investigated the general subject of atomic power, I became aware of the dangers connected with the so-called "peaceful" atom. I introduced the first moratorium bill in the Senate in 1971 . . . and since then, I have seen the issue gradually pick up support and assume the importance it deserves.

Today, concern about nuclear energy exists nation-wide. More than 200,000 voters have signed petitions distributed by the Task Force Against Nuclear Pollution, asking that nuclear power be kept out of their lives. Ralph Nader has said the goal is a million signatures on the Clean Energy Petition. Some of those who support a moratorium are Governors Hugh Carey of New York, Nobel winners Linus Pauling, George Wald, James Watson and Harold Urey, and the writer Lewis Mumford.

In California, the Nuclear Safeguards Initiative will be on the ballot one year from now. Some 500,000 persons have signed this initiative, which calls for thorough safety testing and full nuclear liability insurance, as well as a final waste disposal program. If these problems cannot be resolved, the California initiative calls for a nuclear phase-out.

In Vermont, the state legislature has required its approval for all new nuclear plants.

And in 15 other states, initiatives or legislative bills are pending which would control nuclear power growth or impose stricter safety standards—New York, Massachusetts, Connecticut, Maine, Texas, Washington, Oregon, Nebraska, Iowa, Michigan, Wisconsin, Missouri, Minnesota, Kansas and Oklahoma.

In some states nuclear opponents have already scored election victories, and in others they have had impressive showings: in New Jersey last year, voters in Atlantic County rejected off-shore nuclear plants by a margin of two-to-one. In the town of Lloyd, New York, last June, residents voted by more than two-to-one against two proposed nuclear plants. In the first Senatorial District of Massachusetts, the vote last November was 47 percent against the construction of the Montague plants . . . and in that vote, 32 percent voted to dismantle two nuclear plants that were already operating. In two other votes in Sacramento, California, and Austin, Texas, the anti-nuclear vote was better than 40 percent.

What is the basic source of discontent, and why is the issue so polarized? It is impossible to state any single reason on behalf of hundreds of organizations. Many people see that government regulation has been inadequate. Many recognize the unfairness of the liability insurance situation. Others are skeptical of the industry's claims about costs. And still others are aware of the incredible danger of international nuclear power proliferation. The subcommittee will undoubtedly hear at length about each of these areas.

But no technical issue can fully explain the dedication of the anti-nuclear volunteers. For the leaders of the anti-nuclear movement, the issue is really a moral one: does one generation, in the name of its own comfort, have the right to jeopardize the habitability of the earth for future generations?

The most dedicated nuclear opponents see atomic energy as a fundamentally anti-human technology, one that requires of mankind a perfection which he simply does not possess. In nuclear energy, the kinds of mistakes that we know we make—including mistakes of irrationality and malice—can lead to the most disastrous consequences. Nuclear supporters have acknowledged the danger when they have referred to atomic energy as a "Faustian bargain." As Dr. John Gofman has put it: "It is not a question of making nuclear power generation safe for people. The insurmountable obstacle is that we cannot envision any way to make people safe for nuclear power generation, short of total robotization."

Furthermore, between the opponents and the proponents of nuclear power, there seems to be no meeting ground for discussion. Nuclear supporters want to confine the debate to a discussion of the safety of nuclear plants when they are operating *as they're supposed to*—including the proper operation of emergency equipment. But nuclear critics are concerned with the ghastly consequences that could follow an incident in which things *don't* operate as they're supposed to.

I'd like to quote one example of the way the nuclear industry is presenting the problem of radioactivity. The Kansas Gas and Electric Company said in its newsletter to customers last month: "A married man who sleeps eight hours a day in a double bed gets more radiation from his wife than he would be standing all day at the fence outside a nuclear plant." This kind of glib approach in no way treats the serious concerns of the anti-nuclear movement. It is faint reassurance to be told that a plant is safe as long as it's running safely.

In this regard, too, I would like to point out that the recent Rasmussen study of reactor safety is of limited value. Even if one accepts the report's methodology and its conclusions, it tells us only about reactor equipment. Neither the human reliability factor nor any of the nuclear fuel cycle outside the reactor are treated by the report. Again, it is faint reassurance.

Finally, I would like to comment on the future of the anti-nuclear movement. In the last year, this movement has taken on national prominence, and it is certainly not going to disappear. I believe that the nuclear power issue will be central in the 1976 campaign. There are several reasons why I think the movement will continue to gain strength.

First, the local nature of nuclear opposition is a great strength. Extensive industry lobbying goes on here in Washington, but the anti-nuclear sentiment that arises in the hustings will keep pressure on the Congress. The Clean Energy Petition, for example, generates letters and commitments as well as signatures.

Second, the exchange of anti-nuclear information is becoming more effective. Friends of the Earth now publishes an excellent clipsheet called Nuclear Blowdown. The Union of Concerned Scientists has initiated a newsletter, in addition to its compendious *Source Book* of nuclear information. And Ralph Nader's organization has begun publishing "Critical Mass," a very good monthly anti-nuclear newspaper. All of this means that we are going to be held more accountable for our nuclear voting records. And in addition, the exposure of the issue will grow outside the movement itself.

Third, the issues themselves, and the choices, are becoming well-defined. The demand that nuclear power be proved safe has found comprehensive form in the California initiative, and the demands of that measure are being repeated in many states. In addition, a five-year construction moratorium bill will be in both the House and the Senate this year. The bill calls for a thorough study by the Office of Technology Assessment. Representatives Hamilton Fish and Ned Pattison have introduced the House version, and there are 20 co-sponsors so far. I will introduce my "Reappraisal" bill in the Senate next month.

Fourth, I feel the potential following of the anti-nuclear movement is large. A poll by the National Analysts last year showed 46 per cent of the respondents to be "concerned" about nuclear power or opposed to it. When asked about having a nuclear plant site near their homes, 29 per cent said they would be strongly opposed, 33 per cent said they would approve, and 38 per cent said they would be "somewhat concerned." I think the strength of the anti-nuclear movement can only grow as more people learn, for example, that we have no final waste dis-

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posal program and that utilities are protected from full liability in operating their nuclear plants.

Fifth, I think we will see slower energy growth in this country in the future. Already, in 1974, we have seen the first decline in overall energy use—down 2.2 per cent—since 1952. Even electricity use declined slightly in 1974. Numerous studies have said we can maintain our lifestyle and economic well-being with less energy use per capita. Several European countries have a standard of living comparable to ours while using only about half our energy per capita. Conservation and high prices are going to slow down our energy growth, and if we take advantage of our energy alternatives, we will not need nuclear fission power. The Natural Resources Defense Council has estimated that geothermal, fusion, solar and bioconversion energy sources can provide 86 per cent of our energy needs by the year 2020.

Sixth, the costs of nuclear power will make it increasingly unattractive. Utilities plan to spend 300 billion dollars over the next ten years for new plants. The strain on our economy from borrowing on such a scale will be tremendous. The higher capital costs of nuclear power will act independently to slow down nuclear growth.

And finally, I believe the link between the peaceful and military uses of nuclear power will cause our citizens to turn against the splitting of the atom. We are just beginning to appreciate the great significance of this linkage. The spread of nuclear reactors around the world means the spread of plutonium, an unavoidable product of the fission process. Plutonium can be used to manufacture atomic bombs, whether it comes from a peaceful reactor or a weapons reactor. India's bomb material came from a "peaceful" reactor. The Non-Proliferation Treaty has no real effect when a country with a large reactor makes the political decision to manufacture weapons. Our nuclear standoff with the Soviet Union is already insanely dangerous. What will the prospects of man's survival be when there are nuclear stockpiles in the war-prone areas of the world? I believe—and I pray—that this weapons-energy linkage, when it becomes widely known, will cause a decisive turn against nuclear fission.

Mr. Chairman, I believe atomic energy, both in the form of weapons and as radioactive waste-producing reactors, poses an unprecedented threat to our health and civilization. Our commitment to nuclear energy has grown not out of natural market forces, but out of misdirected government policy. I think this policy has been largely the result of our feelings of guilt about the way we first used atomic energy in the bombings of Japan.

Whatever the reasons for our earlier decision, it was wrong. I believe that a growing number of citizens share this view, and I believe their good common sense on this issue will prevail.

GROUPS SUPPORTING A MORATORIUM ON NUCLEAR POWER PLANT CONSTRUCTION

Task Force Against Nuclear Pollution.
Friends of the Earth.
Sierra Club.
Wilderness Society.
Zero Population Growth.
Committee for Nuclear Responsibility.
Environmental Policy Center.
Environmental Action Foundation.
New York county legislatures: Ulster, Greene, Columbia, Niagara, Dutchess.
National Intervenors.
Ralph Nader's Congresswatch.
Dubuque Council of Churches, Iowa.
Kansas Farmers Union.
Women's International League for Peace and Freedom (U.S. section).
National Health Federation.
Peekskill, N.Y., Chapter, American Association of University Women.
Linwood, N.J., Women's Club.
Citizens Committee for Protection of the Environment, Ossining, N.Y.
Citizens Association for Safe Energy, Croton, N.Y.
Catawba, S.C., Central Labor Union (representing 13 state labor unions).
Church Women United of Tennessee.
Northern Michigan Medical Society.
Union of Concerned Scientists.
N.Y. State Conservation Council.
National Farmers Organization, Wood County, Wis., chapter.
New England Coalition on Nuclear Pollution, Inc.
Ecology Information Center, Sacramento, Calif.
Council of the UAW Community Action Program, Lima, Ohio.
Executive Board, Local 5503, Communications Workers of America, Milwaukee.
Chapter 727, American Assn. of Retired Persons, Tuckerton, N.J.
Atlantic County Citizens Council on the Environment, Atlantic City, N.J.
Stop Nuclear Power Inc., Margate, N.J.
Coalition for the Environment, Ft. Wayne, Ind.
Wappinger Conservation Association, Wappinger Falls, N.Y.
Executive Board, Local 525 Amalgamated Meat Cutters and Butcher Workmen, Asheville, N.C.
New Jersey Friends (Quaker) Council, Princeton, N.J.
Eau Claire Area Ecology Action, Eau Claire, Wis.
Sacramento Peace Center, Calif.
Washington Environmental Council, Seattle.
Protect the Peninsula's Future, Sequim, Wash.
Citizens Energy Council, Allendale, N.J.
Jefferson County Farm Bureau, Ft. Atkinson, Wis.
Citizens United for Responsible Energy, Iowa.
Harrisburg Meeting, Religious Society of Friends (Quakers).
Vanderbilt Energy Study Group, Nashville, Tenn.
HIPS—Housewives Involved in Pollution Solutions, Ill.
New York City Environmental Protection Agency.
League of Women Voters, Riverhead/Southold, N.Y.
Hudson River Sloop Restoration Inc., Poughkeepsie, N.Y.
N.Y. State Federation for Safe Energy, Highland, N.Y.
Concerned Citizens of Highland, N.Y.
Oregon State Democratic Party.
Wisconsin Sociological Association.
Vermont Natural Food and Farming Association.
Springfield, Mass., Council of Churches.
Women's Christian Temperance Union, Quarryville, Pa.
Columbia County Survival Committee, Germantown, N.Y.
N.Y. State Safe Energy Coalition.
Citizens Energy Council of West New York.
Biocides Recycling Group, Sierra Club, Denver, Colo.
People's Action for Clean Energy, Conn.
Anti-Plutonium League, Urbana, Ill.
Detroit Area Coalition for the Environment, Mich.
Mid-America Coalition for Energy Alternatives, Kansas City, Mo.
Delaware Valley Committee for Protection of the Environment, N.J.
Keys for Education for Environmental Protection, Summit, N.J.
Dutchess County Environmental Association, Poughkeepsie, N.Y.
Hudson Valley Citizens Watch on Nuclear Safety, New Platz, N.Y.
Carolinians for Safe Energy, N.C.
Citizens Action Group for Safe Energy, Okla.
Southeastern Confederation for Safe Energy, Asheville, N.C.
Concerned Citizens of Tennessee.
Ohio Valley Citizens Concerned About Nuclear Pollution, Cincinnati.
Piedmont Organic Movement, Greer, S.C.
Citizens for Safe Power, San Antonio, Tex.
Solar Energy Coalition of Texas.
Student Government, University of Texas.
Vermonters Against Splitting Atoms.
League Against Nuclear Dangers, Stevens Point, Wis.
Citizens for Tomorrow, Durand, Wis.
Ecology Alert, Bloomsburg, Pa.
Citizens Concerned about Sterling, Fairhaven, N.Y.
Florida Chapter, Stewardess Alumnae Association.
Iowa Public Interest Research Group.
Save Solanco Environment, Quarryville, Pa.
New Jersey Public Interest Research Group.
Massachusetts Public Interest Research Group, Boston.
Missouri Public Interest Research Group, St. Louis.
New York Public Interest Research Group, Buffalo.
Delaware Valley Conservation Association, Stillwater, N.J.
Coalition for Nuclear Power Plant Postponement, Wilmington, Del.
Sassafras Audubon Society, Bloomington, Ind.
Knob and Valley Audubon Society, Louisville, Ky.
Purdue Environmental Action, Lafayette, Ind.
Umpqua Citizens for Safe Power, Oakland, Ore.
People for Energy and Environmental Responsibility, Lacomb, Ore.
Center for Science in the Public Interest, Washington, D.C.
North Anna Environmental Coalition, Charlottesville, Va.
Citizens for Environmental Action, Iowa City, Iowa.
Dubuque Environmental Coordination Organization, Dubuque, Iowa.
Alternative Energy Coalition, Turners Falls, Mass.
Iowa Democratic Party.
Minnesota Environmental Control Citizens Association.
Energy Conservation Organization, Hilyard, Ore.
York Committee for a Safe Environment, York, Pa.
Safe Power for Maine, Stockton Springs.
Concerned Citizens of Rhode Island.
Southerners for Safe Power, Nashville, Tenn.
Coalition for a Safe Environment, Seattle.
Iowa Farmers Union, Des Moines.
Coalition for Safe Power, Portland, Ore.
Concerned Californians, San Pedro.
Eugene Future Power Committee, Eugene, Ore.
Environmental Action of Colorado.
Connecticut Citizen Action Group.
People Against the Atom, N.Y. City.
Citizens to Preserve the Hudson Valley, Catskill.
Citizens League for Education About Nuclear Energy, New Rochelle, N.Y.
4–H Earthkeepers, Croton, N.Y.
Central Pennsylvania Committee on Nuclear Power, State College.
Environmental Coalition on Nuclear Power, Jenkinstown, Pa.
Citizens for a Safe Environment, Harrisburg, Pa.
Natural Resources Council of Maine.

Kansas League Against Nuclear Dangers.
San Luis Obispo, Calif., Mothers for Peace.
People's Energy Project, Lawrence, Kan.
Rhode Islanders for Safe Power.
Citizens Association for Sound Energy, Dallas.
Coalition for Safe Electric Power, Cleveland.
Women for Peace, Chicago.
Illinois Citizens for a Nuclear Moratorium, Chicago.
Stop Nuclear Power Plants, New Orleans.
Citizens Against Nuclear Dangers, Berwick, Pa.
ENACT, Ball State University, Ind.
Americans for Safe Energy, Lafayette, Ind.
Prince Georges County Environmental Coalition, Beltsville, Md.
Environmental Task Force of Ulster County, N.Y.
Concerned Citizens for Nuclear Safety, N.Y.
Independent Phi Beta Kappa Environmental Study Group, New York City.
California Democratic Council.

ADDITION—COMMON CAUSE

On Saturday, April 26, after this statement had been prepared, an important addition was made to the groups supporting a construction moratorium. The Board of Common Cause voted in Washington to approve an energy resolution that includes this provision:

"Common Cause opposes the issuance of additional construction permits until a clear and convincing proof of the safety of nuclear power is presented."

WHAT DO WE EXPECT OF THE MILITARY?

Mr. MUSKIE. Mr. President, the Washington Post published recently excerpts fom an excellent speech given by Philip Geyelin, editor of its editorial page. His address, given before a symposium on Officer Responsibility at the Command and General Staff College at Fort Leavenworth, is a thoughtful and important analysis of what is expected of the military by our society. In order to share his thoughts with my colleagues. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHAT DO WE EXPECT OF THE MILITARY?

(By Philip L. Geyelin)

(The following is adapted from an address given at a "Symposium on Officer Responsibilities" at the Command and General Staff College, Fort Leavenworth:)

I have been asked to answer the question: world, in and out of government and however intimately or remotely involved in the political process, expect of you who have taken military service as your career?

The short answer is, quite a lot—and often, almost certainly, too much. For example, we expect you:

To defend us from foreign enemies and in fact from any threats to our national security as this may be defined, not by you, but by political leaders;

To maintain order during disturbances at home—without trampling upon civil liberties;

To be quite precise about your needs—even though the dangers you are charged with defending us against may change drastically from time to time;

To design experimental weapons and give us firm estimates of their cost and to deliver them to your units at no higher cost than you originally estimated;

To advise the President and other civilian leaders about the military implications of this or that foreign policy question, even though you do not participate as an equal partner in the making of that policy; and when an ill-conceived policy gets us into a war that cannot be won under the rules of engagement that have been imposed upon you, we expect you to win it anyway;

To be scrupulously truthful about your needs, however they may be altered by unpredictable events, and also to be scrupulously honest about your battle reports and never mind how much aid and comfort adverse reporting might give to an enemy.

If some of these expectations seem to you to have particular application to the long and tragic Vietnam struggle now ended, the fact is that there is no better example than Vietnam of a war in which too much was asked of the military by civilians who were unprepared to take the risk of doing nothing and equally unprepared for the risks that would have been involved in moving in a conclusive and decisive way.

An even larger lesson, however, is that the war, and the manner in which it was waged, asked too much, not only of the military, but of the process of government of which the military is an essential element and a vital arm. For what was asked of military and civilian leaders alike was that they lend themselves to a kind of continuing, calculated deception—a conspiracy in restraint of candor required by the very nature of this new concept of limited war. The name of the game was "graduated response" to enemy initiatives. The objective was to convey by incremental increases in the application of military force an impression of limitless American will power and staying power. This, it was believed, would persuade the North Vietnamese and their supporters that their cause was hopeless. And so, the theory went, they would soon stop doing what they were doing and leave their neighbors alone—in Secretary of State Dean Rusk's familiar litany.

What this means in practical terms, however, was that military progress reports were very nearly required to report progress: Civilian leaders, for their part, were encouraged to conceal military setbacks—or escalation—from their own people in order not to alarm the public or generate the sort of divisive debate that might undercut the impression of a united resolve that we were trying to project to the enemy.

Well, it didn't work—because it was by its nature unworkable. And the reason it was unworkable, in my view, was that we were all expecting too much of each other. Civilian leaders in the executive were asking too much of the military and also too much of the Congress and the public and the press.

They were asking Congress to suspend free debate and blindly vote for resolutions and for appropriations in support of a war that nobody was prepared to declare. They were asking the public to pay the taxes for it and to send their sons, without saying how long it would last or how big it would get or even admitting that it was getting big without anybody knowing it. And they were asking the press not to question their official accounts of their conduct of the war.

You in the military were asking us in the press to accept your body counts and your estimates of enemy forces and your warnings of enemy intentions on faith, even though, to be blunt about it, they were not always reliable.

And we in the press, of course, were asking you to tell us about your plans and future operations and force levels and deployments, because we were not formally at war, and there was no censorship—even though you knew that this information could help the enemy.

I don't want to labor the point or refight the war. But I think it is important for us to recognize that the question we are asking ourselves has no easy answer out of our recent experience. For our recent experience is almost a case history of our system gone wrong, of a sustained distortion and straining of healthy adversary relationships between us all—between the relevant branches of government, between civilian and military, between government and the people, and between government and the press. There is at least the glimmer of an answer, however, growing out of our recent experience, and it is that each of us is going to have to not only ask less of each other, but also try harder to understand each other.

Accordingly, what I would put high on my list of what civilians expect of professional officers in the armed services is simply that you understand the rights and prerogatives of the public and the press in our society.

Yours is a society which, by necessity, indeed almost by definition, depends on strict discipline, tight security and firm, not to say unquestioning, support for policies and directives issued by higher authority. But the larger American society operates under no such constraints. The right to question, to debate, to dissent, to demonstrate lawfully, is inherent. No government policy is sacrosanct. It is not disloyal or even necessarily destructive to disagree openly and as forcefully as possible with the word of the authorities. On the contrary, that is the way we conduct our government; that is the essence of a free society.

And when we think about the problem of preserving this free society, it is necessary for all of us to remember that there is more than one way to destroy it. It can be destroyed from without by hostile adversaries against which you are charged with defending us. But our fundamental freedoms—our national security, if you will—can also be threatened from within, when in the very name of national security we resort to "plumbers" and "enemies lists" and unconstitutional invasions of privacy in order to suppress public discussion and debate about a war in which the public has a vital stake. In this respect it is perhaps worth recalling the point that Arnold Toynbee makes in his study of civilization: of the 16 great civilizations that have been destroyed over the centuries, every one was destroyed from within—from the corruption of fundamental institutions and the slow erosion of fundamental values. The most that any outside power did was to administer the coup de grace.

I'm sure that you know that. But I also sense that sometimes you find our fundamental freedoms inconvenient, that you often feel that they work contrary to your purposes, and that there are times, and the Vietnam war is a notable example; when you believe it would be in the urgent interest of national security to suspend these processes and liberties.

The origins of your Vietnam dilemma, of course, did not lie with you. The origins began with your civilian superiors who were consistently unwilling to be honest with Congress and with the public about a policy that was ill-founded and failing.

Nevertheless, the fact remains that too much was expected of the American body politic, with all that term implies, by the military establishment during the course of the war. You expected the press and the Congress not to inquire too deeply into the course of a war that was taking a heavy toll in casualties and in material resources without showing any promise of coming to an end. You expected the public to retain its confidence in policies and strategies that depended for their success on a high measure of demonstrable dissembling and deception. And you measured the performance of both the press and the Congress in terms of a "patriotic" willingness to support whatever the government proposed even though it is inherent in our system to question whether what's good for the country at any given time is what a particular politician or cabinet head or President proclaims to be good.

We live, in fact, by a difficult and delicate system of checks and balances, which may in extreme crises oblige a newpaper reporter to report something that others will believe is harmful to the national interest, and may also require an Army officer or a government official to go against the official line. We have, I think, recently undergone two such extreme crises in our affairs: Vietnam and Watergate. To work our way back to that careful balance by which we manage our affairs may well require all of us to reexamine and redefine what it is we can reasonably expect of each other as military officers, private citizens, civilian leaders, politicians, and members of the press.

THE KNEE-JERK VETO

Mr. MONTOYA. Mr. President, on May 1 the President vetoed the emergency farm bill (H.R. 4296). In taking that action Mr. Ford underlined a policy of support for business interests and neglect for America's independent farmers.

This agriculture bill was aimed at controlling the wildly fluctuating prices which farmers are paid for food and fiber products. It would have provided a measure of economic stability to our most essential industry—farming. It would have been another step forward in our continuing struggle to recreate the bipartisan farm policy which was responsible for agricultural growth in this Nation for 40 years. It would have provided a form of income insurance for farmers who risk financial loss through investment in greater production with no assurance of price stability to make that investment sensible and wise.

Strangely, this action was taken by the President after he has repeatedly called for full production from America's farmers. He does not seem to understand the problem. There does not seem to be any way to make him understand.

It seems simple enough to me. Removing the mystique of the economist language which is being used today by the Department of Agriculture, and speaking quite plainly, this is the problem: We are experiencing a period of food and fiber shortage, worldwide. We have little or no reserves. We would like America's farmers, most of whom are small- and medium-sized businessmen, to produce more for us, so that we can export to the rest of the world as well as feed and clothe our own families. In order to do this the small- and medium-sized farm family must invest large sums of money in seed, equipment, land, and labor. Like all other businessmen, the farmer can only afford to take this kind of chance if he is given a good chance to make at least a small profit on his investment of both capital and labor.

With statistics today which show that during the last 3 years the income of farmers has declined from $32 to $20 billion, and with prices which shoot rapidly up and down as a result of international actions over which the farmer has no control, it should come as no surprise to anyone that farmers are not planning to increase production as requested.

The President, in his veto message, charged the Congress with writing an expensive bill which would have an inflationary impact on consumer prices. Economists working for the Committee on Agriculture and Forestry, however, estimated the cost of H.R. 4296 at between $200 and $400 million dollars. The Department of Agriculture claims a projected cost of more than $1 billion, but is unable to substantiate its figures.

During the same period in which the total farm income declined $12 billion, food prices in the United States increased $47 billion. Obviously, the farmer did not get that increased profit. But somebody did. It should be at least a subject of speculation at the Department of Agriculture and in the White House that the same "somebody" is going to continue to make unreasonable and unwarranted profits while farmers continue to lose money—unless we take some kind of congressional action to protect the farmer's investment and prevent the food price roller coaster which speculators have encouraged in this current economic period.

We are driving the small American farmer out of business. We are threatening the business life of the middle-sized American farmer. Soon all we will have left will be the giant conglomerate.

That is a questionable situation in any industry. It is a terrifying situation in the food and fiber business. All of us—even the President and his advisers—are dependent on the American farmer for our daily food. We are dependent on the farmer for our clothing, and much of our shelter. None of us can afford to allow this essential industry to disintegrate.

Now, Mr. President, I do not really believe the American farmer is going to disappear. He has weathered many a natural and many a political storm in the past, and I believe he will weather this one. But I want to point out one other rather obvious fact.

We are in the midst of a serious recession. We have had several years of declining balance of payments. We need the American farmer to produce food and fiber for export in order to bring our international economic picture into better shape. For that we must have the assured full production which the President has asked for—and we must be willing, as a nation, to invest something in that better trade effort.

We cannot ask the farmer to take all the risks alone.

If this country is going to ask the farmer to produce, we are going to have to be willing to share the risk—and provide some security in the form of target prices, price supports, and assured stability in the marketplace.

I think, Mr. President, that it was a tragic mistake to veto this bill. I am not convinced by the President's arguments in favor of a piecemeal approach to helping farmers in desperate need. I am quite sure that the full production the President wants will not be forthcoming as long as the administration takes this approach.

I think this was a knee-jerk response to a reasonable and practical piece of legislation—knee-jerk because this administration has begun to automatically oppose any legislation which involves spending our money to help the average American.

The Senate Agriculture Committee, under the leadership of my distinguished colleague, Senator TALMADGE, had the benefit of many days of hearings during which agricultural leaders from across the Nation were questioned about the problems facing farmers today. The bill which was finally recommended to the Senate, and amended H.R. 4296, was a good and balanced compromise. It offered protection to the farmer and protection to the consumer, too. It promised hope for a better future and it represented a sensible long-term approach to an economic problem we all know exists.

I fully supported that legislation, and I do so still. I am confident that most Members of this body share my feeling that it is prudent to take care of those who are working to provide our food and our shelter. I urge every Member to stand ready to override the President's veto when the opportunity comes.

OUR CAPITAL INVESTMENT NEEDS FOR THE FUTURE

Mr. BROCK. Mr. President, on Wednesday, William E. Simon, Secretary of the Treasury, testified before the Energy and Financial Markets Subcommittees of the Senate Finance Committee. As ranking minority member of the Financial Markets Subcommittee, I would like to draw attention to Mr. Simon's timely testimony. He focused his attention on "Our Capital Investment Needs for the Future."

In my mind this is one of the most vital areas of economic concern that our country faces. Mr. Simon's comments are well worth inserting in the CONGRESSIONAL RECORD. I ask unanimous consent that his remarks be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY THE HONORABLE WILLIAM E. SIMON

Mr. Chairman and Members of this Distinguished Committee: I welcome this opportunity to appear before you this morning on a subject of timely and urgent concern: our capital investment needs for the future.

For several months, many economic policy makers in Washington have been preoccupied with the problems of ending the recession, slowing the rate of inflation and steering the nation back to a course of stable, durable economic growth. Today there are many signs that the economic slide is gradually decelerating, and we can be increasingly confident that we will be on the road to recovery before the end of this year.

As we emerge from the recession, it is especially important that we now begin to focus greater public attention on the longer-range problems of our country. While the process of recovery will require careful and vigilant management, we must be equally concerned whether the period of the recovery and beyond will bring sustained economic progress or a sorrowful repetition of the boom and bust cycles of the past.

Certainly there is no subject more central to our hopes for the future than our ability and our willingness to meet the capital investment needs of coming years. Those needs are impressively large, and they will demand a full-scale effort. In my testimony this morning, I want to draw upon an abundance of documentary evidence showing that the United States has not been keeping pace in its capital investments and that we must devote more of our resources to this purpose if we are to achieve our most basic economic dreams for the future. To summarize, the record shows that:

During the 1960s, the United States had the worst record of capital investment among the major industrialized nations of the Free World.

Correspondingly, our records of productivity growth and overall economic growth during this period were also among the lowest of the major industrialized nations.

As other nations have channeled relatively more of their resources into capital investment and have acquired more modern plants and equipment, they have eroded our competitive edge in world markets.

Our record on capital investments reflects the heavy emphasis we are placing on personal consumption and government spending as opposed to savings and capital formation.

Our record also reflects a precipitous decline in corporate profits since the mid-1960s.

While the U.S. economy remains sufficiently large and dynamic to overcome our investment record of recent years, our future economic growth will be tied much more directly to the adequacy of our capital investments.

Estimates of future needs vary, but it is relatively clear that in coming years we will have to devote approximately three times as much money to capital investments as we have in the recent past.

It is an economic fact of life that increased productivity is the only way to increase our standard of living. For the sake of future economic growth—jobs, real income and reasonable price stability—the inescapable conclusion is that government policies must become more supportive of capital investment and that we must make a fundamental shift in our domestic policies away from continued growth in personal consumption and government spending and toward greater savings, capital formation and investment.

Some analysts have concluded that it will not be possible to meet our future capital investment needs. I disagree. I firmly believe that we are capable of achieving our basic investment goals, but I also believe that they represent one of the most formidable economic challenges of the decade ahead.

I. CAPITAL INVESTMENT EXPERIENCE

The beginning point for our consideration of capital investment—and one that should be of keen concern to everyone—is the pattern of economic growth during the decade of the 1960s. The average annual rate of real economic growth during that period for the twenty nations belonging to the Organization of Economic Cooperation and Development (OECD) ranged from a high of 11.1 percent for Japan, to a median of about 5 percent for Australia, the Netherlands and Norway, to a low of 2.8 percent for the United Kingdom. The United States during this time experienced an average growth rate of 24 percent a year—17th among the 20 nations (Table 1).

Of the many economic, political and social factors that influence economic growth rates, none is more important than the level of capital investment. Economists generally agree that the factors affecting growth include: (1) the accumulated base of capital goods; (2) the current pace of new capital investments; (3) the effective application of new technology; (4) the quality of the national labor force—its education, training, discipline and commitment; (5) the infrastructure of transportation, communication, financial and service facilities; (6) access to industrial raw materials; (7) managerial skills; and (8) the organization of the economic system. The mix of these basic economic variables—along with other specific factors not listed—varies from country to country and changes over time. It is also possible to substitute one, or a combination, of these productivity variables for specific inadequacies. Most analysts agree, however, that a strong rate of new capital investment is required to generate sustained growth. In fact, the effectiveness of all of the other factors that determine productivity are heavily dependent upon the quantity and quality of capital goods made available by new investment.

The United States retains a position of economic leadership because it has been blessed over a long period of time with a favorable mix of all of the important economic variables, along with political stability and improving social mobility. For many years our advantageous ratio of capital to labor has been acknowledged as the basis of the remarkable rise of the U.S. economy. Even now spending for plant and equipment continues to increase and these outlays still exceed the amounts invested elsewhere because of the large size to the U.S. economy (Table 2). In 1974, gross private domestic fixed investment totaled $195.6 billion, up from $194.0 billion in 1973 and $131.7 billion in 1970. Investments in business structures and producers' durable equipment totaled $149.6 billion in 1974, up from $136.8 billion in 1973 and $100.6 billion in 1970.

Nonetheless, even though plant and equipment expenditures will continue in the future as the economy grows, it is unrealistic to assume that the historical patterns of investment and productivity will be adequate to meet the priorities of the future. And I certainly am not suggesting that we can fulfill every claim presented by society. The disappointing record of Federal deficits in fourteen of the last fifteen years ending with FY 1975—or forty out of the last forty-eight years—and the unfortunate boom and bust pattern of economic performance over the past decade indicate that we have not been able to effectively identify and manage our national economic priorities. Some analysts have claimed that future economic growth will release unused resources to fulfill new claims against the national output. To the contrary, the intensity of claims for available resources will likely increase in the future.

The assertion that additional government spending programs can be added without disrupting the allocation of resources in the private sector has been refuted by the events of the past decade, particularly the increasing inflation pressures and shortages of materials and production capacity.

Comparative Rates of Investment

Recognizing the relatively low rate of U.S. economic growth in the 1960s, it is worthwhile to look now at the relative rate of capital investment in this country. Although the amounts of capital investment continue to increase in the United States and our capital-to-labor ratio is still relatively high, other nations during recent years have allocated a substantially larger share of their resources to new capital formation.

Furthermore, the gap between the U.S. level of investment, measured as a share of national output, and the commitments of other leading industrial nations has increased. A study prepared by the Department of the Treasury indicates that total U.S. fixed investment as a share of national output during the time period 1960 through 1973 was 17.5 percent. The U.S. figure ranks *last* among a group of eleven major industrial nations; our investment rate was 7.2 percentage points below the average commitment of the entire group. When only nonresidential investment is considered the level of commitment is naturally lower for every nation but the relative position of the United States is not changed.

INVESTMENT AS PERCENT OF REAL NATIONAL OUTPUT 1960-73 [1]

	Total fixed [2]	Nonresidential fixed
Japan	35.0	29.0
West Germany	25.8	20.0
France	24.5	18.2
Canada	21.8	17.4
Italy	20.5	14.4
United Kingdom	18.5	15.2
U.S.	17.5	13.6
11 OECD countries	24.7	19.4

[1] OECD concepts of investment and national product. The OECD concept includes nondefense Government outlays for machinery and equipment in the private investment total which required special adjustment in the U.S. national accounts for comparability. National output is defined in this study as gross domestic product, rather than the more familiar measure of gross national product, to conform with OECD definitions

[2] Including residential.

Source: U.S. Department of the Treasury.

The reduced pace of capital investment in the U.S. economy has also been emphasized by Professor Paul W. McCracken, former Chairman of the Council of Economic Advisers and now Senior Consultant to the Department of the Treasury. Using historical figures, reported in constant dollars, for the amount of nonresidential capital formation per person added to the labor force, he estimates that commitments in the United States during the 1970s are 22 percent below the level reported in the 1956 to 1965 decade.

In terms of business capital investment per worker, the United States still maintains a considerably higher capital to labor ratio than in Europe and Japan. However, our advantage has declined as other nations have increased their capital investments per worker. The Department of Commerce estimates that since 1960 the existing base of plant and equipment assets has nearly doubled in France and Germany and more than tripled in Japan.[1] The cumulative total of such assets in the United States increased at most by about 50 percent during the same period.

Gross nonresidential fixed investment per person added to civilian labor force

[In 1958 dollars]

Period:	*Amount*
1956–60	$49,500
1961–65	55,300
1966–70	46,400
1971–75*	41,000

*Estimate based on incomplete data for 1974. Source: Statement of Paul W. McCracken before the Committee on Ways and Means, January 29, 1975. Basic data from the Departments of Commerce and Labor.

Factors influencing U.S. rate of capital investment

In evaluating the relatively slower rate of capital investment in the United States, several moderating factors should be considered

First, the unusually large size of the U.S. economy and its relatively advanced stage

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[1] *An Overview of Investment: The United States and Major Foreign Economies.* International Economic Policy and Research Report, U.S. Department of Commerce, Domestic and International Business Administration, October 1974, p. 9.

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of development, including the accumulated total of previous capital investments, creates a different investment environment. In 1974 the U.S. national output was $1.4 trillion, which is approximately equal to 90 percent of the combined total for the nine countries in the European Economic Community and Japan. Having already created such an impressive productive capacity it is to be expected that our rate of additional growth might be lower than the development rates of other nations who are striving to achieve our relatively advanced level of economic activity.

A *second* and even more important influence has been the historical priority placed on consumption within the U.S. economy. We are a consumption-oriented society and this pattern has been developing for several decades. The emphasis on consumption has undoubtedly caused much of the rapid development of the U.S. economy because it has created a strong demand for foods and services needed to sustain output, employment and investment. In 1974 personal consumption totaled $877.0 billion, or 63 percent of our gross national product; total government purchases of goods and services totaled $308.8 billion, or 22 percent; gross private domestic investment, which includes the change in inventories, was $208.9 billion, or 15 percent; and net exports of goods and services amounted to $2.0 billion or 0.1 percent of total national output. Personal and government consumption outlays have long dominated the GNP totals, and this pattern of economic activity is deeply ingrained in our society. As a result, despite our high per capita incomes, the accumulations of gross savings flows required for capital investment are lower in the United States than elsewhere. It is also important to note that the level of gross private savings in the United States has remained stable throughout the postwar era.

AVERAGE ANNUAL GROSS SAVINGS FLOWS AS A PERCENT OF GROSS NATIONAL PRODUCT

[In percent]

	1955–59	1960–64	1965–69	1970–74
Gross private saving	15.9	15.4	15.9	15.8
Personal saving	4.5	3.8	4.5	5.5
Undistributed corporate profits	3.4	2.8	3.1	2.8
Inventory valuation adjustment	–.3	0	–.3	–1.2
Capital consumption allowances	8.3	8.8	8.7	8.7
U.S. Government surplus	–.1	.2	–.2	–1.1
State and local government surplus	–.3	.1	0	.5

Source: Department of Commerce, Bureau of Economic Analysis.

These figures are subject to differing interpretations. Some analysts have claimed that it will not be possible to attract enough savings to meet future investment needs. This negative conclusion assumes that the capital needed to increase plant and equipment capacity will be preempted or diverted to meet the consumption preferences of the private and public sectors. I would hope that the severe output, inflation, unemployment and balance-of-payments distortions of the past decade would be a useful warning against such a result. It should be apparent from the experience of recent years that we must invest adequate funds in new plant and equipment—as well as in education and training—in order to increase our nation's productivity and thereby raise our standard of living. Failure to provide necessary productive capacity to meet the Nation's economic goals is certain to have undesirable effects upon our society over the long run.

Other analysts have used the same gross savings figures to claim that there will not be any particular strain in handling our future investment needs. They believe that as investors are provided with a sufficiently high return on their investments, they will increase savings to meet the higher demand for capital. This conclusion seems to be based on two questionable assumptions: (1) that the existing savings ratio of the past decade is adequate for both past and future investment needs; and, (2) that each sector in the economy can obtain its minimum investment needs within the total outlays financed.

I do not agree that past investment levels have been fully adequate. Experience has demonstrated that inflation and unemployment problems have been created in part by capacity shortages. Many of our current difficulties are the direct result of the energy and raw materials strains that developed in early 1974 and eventually contributed to our current recession and related unemployment. The continuous deterioration of our international trade balance during the 1960s, when the dollar was overvalued, was also at least partly the result of the loss of competitiveness for U.S. products and increased reliance on foreign sources of goods. As you will see in a moment, I think there is also clear evidence that in order to meet future needs, the Nation must increase its capital investment as a claim against national output.

Unfortunately, specific investment needs have not been adequately fulfilled in many sectors of the economy, even though general outlays have increased. We must also be concerned about the capacity of our capital markets to provide adequate financing. Economists often assume that the supply of investment funds will automatically match the demand for capital if interest rates and equity yields are attractive. Our financial markets are very efficient in collecting savings and allocating the funds. However, we should be more sensitive to the disruptive impact of high interest rates. Even though financial markets may be functioning well in allocating the available capital, specific sectors of the economy may not be able to obtain the investment funds needed, particularly at interest rates they can afford. The periodic problem of providing adequate mortgage financing at reasonable interest rates is one example of the limitations within the markets. The difficulty in obtaining equity financing is another.

Whether or not industry will be able to acquire the investment funds needed will be heavily influenced by future actions of the government. National policies cannot ignore financial realities by diverting capital into deficit financing and disrupting the goals of stable monetary policy without inhibiting the necessary process of capital formation. The costs of capital and its availability for private sector needs are heavily dependent on these public fiscal and monetary actions. While the financial markets are very resilent and responsive to changing credit and equity needs, they are not entirely immune to the disruptive impact of government policies.

A *third* important factor affecting the pattern of U.S. investment compared with other nations is the relatively large share of total capital outlays we commit to the services category, which includes housing, government and other services. According to a study published by the Organization for Economic Cooperation and Development (OECD), the United States allocated 70 percent of its total investment to the services category during the 1969 to 1971 time period. The U.S. figure is significantly higher than that reported by the other five major industrial nations included in the study (Table 3).

Accordingly, the U.S. share of investment committed to the manufacturing sector, 19.7 percent, was considerably lower than the figures reported by France (27.8 percent), West Germany (25.2 percent), Japan (26.8 percent), and the United Kingdom (23.8 percent). Our heavy investment in the services category tends, of course, to emphasize consumption and moderate the growth in productivity. This arrangement may satisfy immediate consumer preferences, but we must weigh those preferences against long-term concerns about domestic productivity and international competitiveness.

A *fourth* influence on the pattern of capital investment in the United States is the relatively large share of our investment that must be used for replacement and modernization of existing facilities. It is estimated that 62 percent of U.S. capital investment during the time period 1960 to 1971 was used for replacement needs, compared to the United Kingdom, 61 percent; Canada, 52 percent; France, 54 percent; West Germany, 53 percent; and Japan, 31 percent. The divergent pattern reflects the advanced status of economic development in some nations and the postwar experience of Europe and Japan in restoring their devastated industrial facilities following World War II. The Department of Commerce estimates that 60 to 70 percent of the U.S. stock of plant and equipment has been added since 1960, compared to approximately 75 percent of the capital goods of West Germany and France and 85 percent of Japan's industrial capacity. It should be emphasized that this heavy replacement requirement does provide a continuing opportunity to introduce new technology into the U.S. economic system. Since the annual value of U.S. capital investment is so large, it cannot be assumed that the entire U.S. industrial system is technologically obsolete, even though some specific sectors have suffered a sharp competitive deterioration. Nevertheless, the otherwise imposing outlays for replacement and modernization do not add to the total productive capacity of our economy.

A *fifth* and final factor influencing the national rate of capital investment is the patteren of government polices. Government can affect investment either directly through the incentives it provides or indirectly through various tax and regulatory policies and its own pattern of spending.

A review of the diversified economic incentives available in other nations indicates the very active investment role played by many foreign governments. Basic industries are frequently controlled by the government. Special financial and operating assistance is also frequently provided for preferred private companies to assist their development if it is considered to be in the national interest. The United States has avoided most of the capital allocation and special incentive programs used in other countries. I strongly favor this private sector approach and believe that it has been a positive factor in the development of our economy.

There are some Federal programs which provide direct financial support through the Economic Development Administration, the Small Business Administration and 169 different government credit programs, but the major influence of Federal Government on capital investment comes through the Federal budget. Government budget decisions now represent approximately one-third of the total GNP and this figure will rise even higher if spending trends of the past twenty years are continued. The government also influences private sector activities by providing capital grants, research funding and

other incentives which stimulate investment. For example, the FY 1976 budget prepared by the President calls for outlays of $4.6 billion on general science, space and technology programs, $2.2 billion on energy activities and $9.4 billion for environmental and natural resources. Part of these outlays will involve capital investment needs.

The Government is also exercising increased influence over private investment decisions through the growing number of safety, health and environmental standards. Precise estimates are difficult, but it has been estimated that during 1972, 8 percent of the textile industry's capital investments and 12 percent of the steel industry's investments were related to health and safety standards mandated by the government. While such standards may be highly desirable, we should recognize that these investments do not increase the Nation's total productive capacity.

Many State and local governments also provide special incentive programs to attract capital investment into specific geographical areas. Such incentives include capital grants, advantageous credit arrangements, relocation, and manpower training grants, special site and building assistance, infrastructure investments, and preferred tax and utility arrangements. While such incentives have influenced the location of some facilities, the total amount of capital investment has probably not been increased.

The private sector continues to be the best means of increasing capital investment in the United States and our government has fortunately not attempted to control the pattern of such investments.

Negative results of inadequate capital investment

While the historical pattern of capital investment in the United States may satisfy our immediate goals, there are serious economic risks in having a slow rate of capital investment for an extended period of time. The emphasis on immediate consumption has occurred because American consumers have historically preferred to spend 91 percent of their disposable after-tax income. The government has basically supported this independence of choice although its tax and spending policies have unfortunately exercised an increasing influence on private decisions. But we must now question the future adequacy of past investment patterns if we are to adequately prepare for the economic future of our great nation.

Various studies have indicated the close relationship between capital investment and various measures of economic growth and productivity. A dynamic economy is needed to create jobs by applying new technology and expanding production capacity. A productive labor force is also necessary for producing goods and services to meet rising demands for an improved standard of living and as a means of holding down inflation. When productivity increases, the effects of rising wages are offset so that unit labor costs can be held down and prices are more stable. Inadequate capital investment also limits new job opportunities and creates unemployment. Specific examples of production capacity shortages became painfully apparent to the Cost of Living Council (COLC) as it administered the program of wage and price controls from August 1971 until June 1974. Recognizing the inflation pressures created by these numerous capacity constraints, the COLC followed a definite policy of requiring specific capital investment commitments from private industry as a basis for price decontrol decisions. The COLC also became very concerned about future inflation problems that could result from raw materials shortages and increasing capacity shortages in several basic industries as economic growth occurs. Unfortunately, productivity gains in the United States have been disappointing, particularly when compared with the experience of other leading nations.

PRODUCTIVITY GROWTH, 1960-73

[Average annual rate]

	Gross domestic product per employed person	Manufacturing output per man-hour
United States	2.1	3.3
Japan	9.2	10.5
West Germany	5.4	5.8
France	5.2	6.0
Canada	2.4	4.3
Italy	5.7	6.4
United Kingdom	2.8	4.0
11 OECD Nations	[1] 5.2	6.1

[1] Average for 6 OECD countries listed.

Source: Department of the Treasury

The rapid growth of the U.S. economy to its present size and the relatively low level of inflation until the late 1960's has been based on the creativity and productivity of the system. Americans have greatly benefitted from this growth, not only in personal economic gains but in terms of national security and international leadership. Continued prosperity, however, cannot be taken for granted; it must be earned. We must be willing to allocate more of our resources to the future and fewer to satisfying immediate demands. This is a difficult concept for some to accept because they prefer current consumption. With so many needs still unsatisfied in a land of relative plenty, this feeling is understandable. Our ability to fulfill these needs will only be restricted, however, if we now fail to prepare for the future. The simple truism that we cannot consume more than we produce should be obvious, but we sometimes ignore it in setting national priorities. And we can no longer afford to ignore the fact that as the real output of other nations has increased more rapidly than our own, our competitive advantage has gradually been eroded.

II. FUTURE CAPITAL INVESTMENT REQUIREMENTS

Economic projections are always difficult, but estimating future capital needs is particularly uncertain at this time because costs and priorities continue to change rapidly. It is obvious, however, that future capital requirements will be enormous—larger than anything we have ever faced before. Clearly we will need to increase the quantity and quality of housing; develop new energy resources; improve the quality of our environment; rehabilitate the existing transportation system and develop a better urban transportation system; continue the mechanization of agriculture; construct new office buildings, communications systems; medical facilities, schools and other facilities; and meet the massive needs for new plant and equipment. In all of these sectors we must not only replace and modernize existing facilities but also add new capacity, particularly in many of our most basic industries.

The Department of Commerce estimates that capital requirements for producers' durable equipment and nonresidential structures will total $3.4 trillion during the 1974 to 1985 period. If annual outlays for residential construction, which have averaged $50 billion during the past four years, are added to this figure, the total capital needs rise to well over $4 trillion. Details of their estimate include:

GROSS PRIVATE DOMESTIC NONRESIDENTIAL FIXED INVESTMENT

[Billions of current dollars]

	1974	1985	Cumulative 1974–85
Total producer's durable equipment	$100.0	$276.7	$2,188.8
Nonresidential structures	54.7	151.3	1,197.3
Total	154.7	428.0	3,386.0

A similar study performed by the General Electric Company confirms the massive size of future capital requirements. Assuming a real GNP growth rate of 4 percent and an inflation rate of 5 percent, General Electric expects gross private domestic investment, including residential housing, to total $4½ trillion over the 1974 to 1985 time period.

The General Electric and Commerce studies are consistent if housing outlays are added to the Department of Commerce totals. Both estimates are limited to private investment and exclude the large government expenditures required for roads, dams, government facilities, schools, pollution abatement outlays, and many other projects.

Assuming, then, that the cumulative investment needs between 1974 and 1985 will range from $4 to $4½ trillion, the point to remember is this: over the most recent period of the same length, 1962 through 1973, our total outlays for capital investment in the United States were $1½ trillion. Thus, our capital investment needs in coming years are approximately three times the level of the recent past. That is perhaps our best measure of our challenge ahead.

Both of the studies I have mentioned are necessarily based on many uncertain projections and arbitrary assumptions about a continuing close relationship between investment and economic growth. But even if some of these assumptions prove to be erroneous—as they will—and new investment requirements arise—as always happens—the actual results will not materially change the following conclusions:

1. Capital requirements for gross private domestic investment will be in excess of $4 trillion during the 1974 to 1985 time period.
2. The future rate of inflation will be a crucial factor in determining the amount of future investment because it will influence both the price of assets acquired and the economic incentives for future investment.
3. The achievement of national capital investment goals is possible if we are willing to increase the share of national resources committed.

Energy investment requirements

One area of capital investment that is particularly critical for the future is energy. To achieve greater self sufficiency in energy, enormous capital investments will be required. We basically have two alternatives. The first one is to meet our increased energy investment requirements by reducing outlays in other sectors. While energy priorities are indeed important, it would be most unfortunate to disrupt the entire economic system in this way. A second—and more desirable—approach is to include these new requirements within an enlarged total investment goal. Our purpose should not be to redistribute the economic pie, but to continue enlarging it so that everyone will have a bigger share.

Recognizing that the ultimate cost of energy investment needs will be influenced

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by many variables, it appears that capital requirements over the next decade will total about $1 trillion stated in current dollars to include the effects of inflation. Energy investments will comprise an important share of the total capital requirements discussed above but their financing is manageable if they are given a high priority as part of a comprehensive national energy program. The specific amounts to be spent in each category will depend upon the energy policies adopted and dynamic developments within the economy. Nevertheless, the range of possible needs is indicated in four separate studies prepared by the Federal Energy Administration, National Petroleum Council, National Academy of Engineering and Arthur D. Little, Inc. All four studies are stated in *constant 1973 dollars* to make them comparable. If necessary adjustments are made for potential inflation and the increased needs that have been identified since the studies were prepared the resulting capital needs expressed in current dollars, will approximate $1 trillion between now and 1985.

COMPARISON OF CAPITAL REQUIREMENTS ESTIMATES—TOTAL DOLLARS CUMULATIVE 1975-85

[Billions of 1973 dollars]

	NPC [1]	NAE [2]	ADL [3]	FEA accelerated supply
Oil and gas (including refining)	133	149	122	98.4
Coal	8	18	6	11.9
Synthetic fuels	10	19	6	.6
Nuclear	7	93	84	138.5
Electric powerplants (excluding nuclear)	137	53	43	60.3
Electric transmission	42	125	90	116.2
Transportation	43		43	[4] 25.5
Other [5]			8	2.2
Total	380	457	396	454.0

[1] U.S. Energy Outlook, a summary report of the National Petroleum Council, Washington, D.C., December 1972 (average of 4 supply cases).

[2] U.S. Energy Prospects, An Engineering Viewpoint, National Academy of Engineering, Washington, D.C., 1974

[3] Arthur D. Little estimates based upon an energy conservation scenario.

[4] Does not include investments required for tanker fleets, but does include $5,500,000,000 targeted for Trans-Alaska oil pipeline.

[5] Solar, geothermal, municipal waste treatment plants, and shale oil.

Source: Federal Energy Administration, Project Independence Report, November 1974, p. 282.

The overall impact of energy requirements is summarized in a special report issued by the Chase Manhattan Bank in March of 1975. The Energy Economics Division of the bank is noted for the quality of its special reports. Over twenty years ago that division predicted that an energy shortage would develop in the United States if certain policy adjustments were not made. One of the major concerns of these reports over the years has been the chronic underinvestment in energy resources which became apparent in the late 1950s. The conclusion of the most recent Chase Manhattan Bank report is particularly perceptive:

"Although the relationship between investment and supply of energy is an elementary principle that applies to any and all sources of primary energy, it is nevertheless one that is not well understood. In fact, the lack of understanding was responsible for the incredibly unenlightened regulation and many other political actions about the world that had the two-pronged effect of preventing the generation of sufficient capital funds and discouraging the investment of money that actually was available. And the current energy shortage is the consequence. Yet, even today, after so much damage has been done, there is still a widespread failure to recognize the relationship between investment and supply. Instead, two distinctly different attitudes generally prevail. Many apparently continue to believe they can somehow again have enough energy without paying all the associated costs. Others, obviously, are resigned to the prospect of a permanent shortage and see conservation as the only avenue of partial relief. Neither attitude is realistic, of course. The world still does not lack basic energy resources remaining to be developed. And it is conceivable that eventually there can again be enough to serve all its needs but only if the necessary investment is made first. If it is not, a permanent shortage will indeed be the certain outcome."

SOURCE.—The Chase Manhattan Bank, Energy Economics Division, "How Much Oil—How Much Investment," A Special Petroleum Report, March 1975.

The report goes on to emphasize—correctly, I believe—that a permanent shortage is intolerable because it would so constrict total economic growth that the growth in labor force—even at the more moderate pace expected in the 1980s—could not be absorbed. The resulting unemployment problems would cause severe economic problems in addition to threatening our political and social stability.

Future investments in energy resources will naturally be determined by total demand over time. Estimates have already changed dramatically as costs have risen and conservation efforts have increased. However, these developments are so recent that it is difficult to predict future demand until a national energy policy is agreed upon and the various energy incentives and disincentives are identified. The Chase Manhattan analysts had originally projected a continued growth in the world's demand for energy at an average annual rate of 5 percent which is the same pace as recorded from 1955 to 1970. Admitting the unusual degree of uncertainty, the bank has now lowered its projection to an annual rate of 4.2 percent with a strong warning that energy forecasts have historically erred on the conservative side. Oil consumption is expected to grow at a more rapid annual rate of 4.5 percent over the 1970 to 1985 period, resulting in a cumulative consumption of 375 billion barrels, nearly two and a half times more than in the 1955 to 1970 period. North America is expected to remain the world's largest consumer of total energy and oil, but the growth rate for this area may be lower because of a slower population growth and our potential for conservation savings.

Turning to the financial requirements for the petroleum industry, Chase Manhattan Bank estimates a world-wide need for $400 billion to find 600 billion barrels of oil between 1970 and 1985. This is more than two and a half times the actual investment for this purpose during the 1955 to 1970 period. An additional $370 billion will be needed between 1970 and 1985 for world-wide development of refineries and processing facilities, tankers, pipelines, environmental equipment and the necessary marketing facilities. The total of $770 billion is nearly three times the actual commitment in the preceding fifteen year period. Finally, another $400 billion will be required for other investments, payment of dividends, debt repayments and additions to working capital.

The total financial needs of the world's petroleum industry from 1970 to 1985 are estimated by the bank to be $1.2 trillion stated in constant 1970 dollars. Inflation will of course increase the dollar amounts required. If inflation averages 5 percent over the time period, the world petroleum industry financial needs would rise from $1.2 to $1.6 trillion. With 10 percent inflation, the figure would increase to $2.2 trillion.

With regard to financing these world-wide petroleum industry requirements, the bank estimates the following distribution of potential sources based on the $1.2 trillion constant dollar estimate: (1) Communist nations, $225 billion; (2) new capital market issues, $240 billion; (3) capital recovery allowances, $260 billion; and (4) profits, $460 billion. These figures must be adjusted upward according to whatever rate of inflation occurs.

This brief listing of sources obviously conceals many difficult financial challenges. The world's capital markets will already be absorbing large public and private financing demands. Government policies may reduce capital recovery allowances permitted for computing tax liabilities. And the assumption that oil industry profits will be large enough to cover such a large share of the total is questionable. Commenting on the public's reaction to oil industry profits in 1973 and 1974 after fifteen years of average performance, the bank report states:

"As emphasized earlier, there cannot possibly be enough energy of any kind without adequate investment. And investment cannot be adequate without sufficient profits. But profits are labeled excessive and restraints are proposed without apparent consideration of the need for profits as a source of investment funds. As indicated earlier, the industry will need at least $845 billion of profits between 1970 and 1985 if the world experiences a 10 percent rate of inflation. But in the first four years of the period the industry generated no more than $60 billion of profits, only 7 percent of the required amount. Even in the highly unlikely event of no further inflation, the $60 billion would represent but 13 percent of the industry's total needs for the fifteen year period."

III. GOVERNMENT POLICIES

While our economy is capable of financing its large private capital investment requirements, our success in meeting that goal is heavily dependent upon the shape of government policies. It is absolutely imperative that government policies become more supportive. A continuation of the severe fiscal and monetary distortions of the past decade would undoubtedly prevent the achievement of our basic goals. Inflation must be controlled, and the government must avoid disrupting the capital markets if the private sector is to obtain the financing required. In fact, public officials must balance the Federal budget over time and record occasional surpluses in order to free up capital resources to fulfill existing private investment claims. Instead of reducing private investment to release resources for government social programs, we should concentrate on balancing the budget over time so that the future flow of savings is not diverted away from private investment.

Unfortunately, the Federal Government has reported a deficit in fourteen out of the past fifteen years ending with FY 1975. During the single decade FY 1966 through FY 1974, the cumulative Federal deficits totaled $103 billion. Net borrowings for supporting over one hundred "off-budget" Federal programs totaled another $137 billion during that decade. As a result, the Federal Government withdrew one quarter of a trillion dollars out of the capital markets. But this record is only a prelude to our present situation when Treasury financing requirements will total about $75 billion in calendar year 1975 in order to finance the massive Federal deficits expected. While much of the current deficit results from the recession, which has caused tax revenue losses, increased unemployment compensation benefits and other outlays resulting from the "automatic stabilizers" used to fight recession, a review of the budget details indicates that traditional spending programs are also rising rapidly and new programs are proposed almost every day.

As indicated in Table 4, the spending figures included in the original budget submitted by the President last February called for outlays of $313.4 billion in Federal spending in FY 1975 and $349.4 billion in FY 1976. Recent projections by the Office of Management and Budget indicate that FY 1975 outlays will be $324.2 billion, an increase of 20.8 percent over FY 1974 outlays. It should be obvious that government spending—both for temporary stimulus and traditional programs—is increasing at a rate that is creating serious resource allocation problems far into the future and that these pressures will not conveniently disappear as we gradually emerge from the recession later this year.

Looking beyond the recession problems of 1975, we seem to face the dilemma of having an apparently irresistible force of growing government spending meeting the immovable object of future capital investment requirements. But we should no longer consider the growth of government spending and related deficits to be an irresistible force. To do so will inevitably lead to even more serious economic problems of unemployment, reduced real gains in our national standard-of-living and even more inflation resulting from inadequate physical capacity and reduced productivity. We must recognize the basic reality that when we apply too much pressure on our capacity to produce goods and services, the inevitable result is inflation and shortages. The underlying growth trends of the U.S. economy will continue to provide for further economic progress, but we cannot realistically expect to satisfy every new claim within our economy by simply shifting resources from the private to the public sector. Adding new government commitments is not feasible if the total productive capacity of the economy is exceeded.

This guideline has been frequently violated as total demand has increased too rapidly for the economic system to absorb. When this happens the economy begins a boom and bust sequence with severe inflation and unemployment distortions. Nor can we wish away the problem by claiming that there is plenty of slack in the 1975 recession and that we can ignore problems of overheating the economy until later years. The escalation of government spending levels summarized in Table 4 has already seriously eroded our future fiscal flexibility and the lagged impact of current spending decisions will directly affect the future. In short, if we are to achieve our crucial goal of adding at least $4 trillion of private capital investment by 1985, we must first establish more moderate and sustainable fiscal and monetary policies.

Tax policies

Federal tax policies affect capital investment decisions by determining the after-tax earnings available for investment and by establishing incentives or disincentives for future investment. An OECD study of tax policies indicates that total government tax collections in the United States during the years 1968, 1969, and 1970 were a smaller proportion of the gross national product than in most other industrial nations. The U.S. figure of 27.9 percent for those three years was above that of Switzerland (21.5) and Japan (19.4) percent) but below the levels reported for many European nations, ranging from Italy (30.1 percent) to Sweden (43.0 percent). Since the study was completed, the United States undertook major tax policy changes in 1971 and in March of 1975, but the comparative relationships have probably not changed very much. There is, however, a major difference in the distribution of the tax burden. As indicated in Table 5, only 18.1 percent of the U.S. tax revenues in 1971 were provided by taxes on the consumption of goods and services. Other industrial nations relied much more heavily on consumption taxes: France, 34.8 percent; West Germany, 28.1 percent; United Kingdom, 26.6 percent; Canada, 28.7 percent; and Japan 20.7 percent.

The definite tilt toward personal and corporate income taxes in the United States is consistent with our historical preference for immediate consumption. It is not my purpose to criticize this historical priority, but the future requirements for capital investment indicate that tax policies should be reviewed. Just such a review has been underway in the Department of the Treasury in preparing for the tax law changes completed last month and in anticipation of a joint review with the Congress in the coming months of possible tax reform initiatives. I do not want to make any specific recommendations this morning because we are still working on our analysis and recommendations. We will want to review the options with Congress before specific actions are suggested. I will merely refer to some of the policy areas that need to be reviewed:

1. Corporate income tax—These taxes directly influence the cash flow available for investment. The rate has vacillated slightly above or below the 50 percent level for many years. While a reduction in the rate of taxation would probably be the most straightforward approach to enhancing investment incentives, any change would represent a major shift in policy and would require extensive Congressional consideration. The Tax Reduction Act of 1975 did increase the corporate surtax exemption from $25,000 to $50,000 and decrease the "normal" tax from 22 to 20 percent on the first $25,000 of earnings. These changes, however, do not affect the tax impact on the great bulk of corporate earnings subject to the corporate surtax.

As part of this on-going review of tax policies we also need to consider the influence on investment of our two-tier system of corporate taxation in which income is taxed once at the corporate level and again at the shareholder level. This approach discriminates against corporate investors, generally, small equity investors particularly. An individual in the 20 percent tax bracket in effect pays 48 percent at the corporate level and then an additional 20 percent on what is left for the total tax burden of 58.4 percent, or nearly three times his individual rate. If the individual is in the 70 percent bracket, he pays 48 percent at the corporate level and then an additional 70 percent on what is left. His total tax burden is 84.4 percent. If the same business could be conducted in a noncorporate form, the investors would pay only 20 and 70 percent respectively.

Our tax system puts a great penalty on companies that must incorporate. Companies that do incorporate are those that have large capital needs that must be raised from any persons. We should keep in mind that our system of taxation bears more heavily on corporations than do the tax systems of almost every major industrial nation. In the last few years our major trading partners have largely eliminated the classical two-tiered system of corporate taxation. Through a variety of mechanisms they have adopted systems of "integrating" the personal and individual income taxes so that the double taxation element is radically lessened.

2. *Investment Tax Credit (ITC)*—Business firms have strongly supported the ITC as a major stimulus to additional capital investment. Empirical studies do indicate that the amount of investment in machinery and equipment has increased when the ITC has been put into effect and has declined when it is suspended. Some critics believe, however, that the ITC simply influenced the timing and types of investment rather than increasing the total amount. Whichever view is correct, there was strong support for the investment tax credit provision in the Tax Reduction Act of 1975 which increased the credit to 10 percent for two years and removed the lower percentage limitation for utilities. Unfortunately, the investment tax credit has had an uncertain status once it was initiated January 1, 1962 and businessmen are justifiably concerned about the stability of an incentive which has already been removed twice and then reinstated.

3. *Depreciation guidelines*—The amount of capital recovery charges permitted for tax purposes also influences the after-tax earnings available for private investment. In 1954 the Internal Revenue Tax Code was changed to permit depreciation charges to be made on an accelerated basis. The official guidelines were again liberalized in 1962, and in 1971 the Asset Depreciation Range (ADR)—along with the investment tax credit—was added to the regulations.

The ADR rules allow companies to select a time period for calculating depreciation within a range of 20 percent above or below the Treasury guideline which specifies useful life periods for various assets. Despite these adjustments, American business complain that they have a competitive disadvantage compared with some other nations. The figures summarized in Table 6 do indicate that American firms using both the ADR and the investment tax credit can recover 55 percent of the value of new investments during the first three years. By comparison, the allowances in other nations are as follows: Canada, 100 percent; France, 90.3 percent; Japan, 63.9 percent; United Kingdom, 100 percent; and West Germany, 49.6 percent. It should be added that the U.S. position becomes more comparable by the seventh year. Various business groups have proposed further liberalization, such as a wider ADR percentage, but further consideration should be part of the general tax reform analysis involving the Department of the Treasury and the Congress.

4. *Special Incentives*—The government is frequently asked to provide special incentives in the form of reduced or delayed taxes, accelerated depreciation schedules, capital grants or other benefits to enhance the rate of return on capital investments. While such incentives are usually requested on the basis that they will contribute to the achievement of some national priority, it is usually difficult to justify such special treatment. When special advantages are given to a specific industry or geographical region, others become relatively disadvantaged and it is very difficult for government authorities to determine which claims should be favored, particularly in a dynamic economy where priorities can change rapidly. While there may be a few specific situations where the government should intervene in the allocation of resources which is now handled efficiently by the private markets, my overwhelming preference is to avoid the economic distortions which are found to occur.

Corporate profitability

The final area of concern that I want to address here is the future outlook for corporate profitability. Such profits are, of course, *the* major incentive for additional investment and an important source of funds for financing outlays, along with various external sources. In a fundamental sense profits are the driving force of our system—the engine that pulls the economic train for the 85 percent of our work force

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still in the private sector—and they are just as much a "cost" of doing business as payments to workers, supplies of materials and services, taxes, etc.

Unfortunately, corporate profits are too often thought of as an unnecessary claim required by greedy businessmen rather than the basic incentive in our economic system. Public opinion surveys in the 1930s and in more recent years are consistent in indicating that the general public thinks that profits account for approximately 28 percent of the sales dollar. The fact is, however, that profits account for approximately 5 cents out of each dollar of sales. Actual earnings of business firms are thus far below what the general public—and some Members of Congress—perceive them to be. In fact, corporate profits will have to improve substantially in order to provide the necessary incentives and to make the necessary contribution to future investment outlays. My concern is that the negative attitudes about profits held by many Americans might become an unfortunate part of public policy. We must avoid legislation and regulation that is punitive of profits honestly earned. The result could only be that capital formation would be inhibited, and the real purchasing power of wage earners would rise more slowly. We must always be alert to the fact that profits translate into jobs, higher wages, and in increased standard of living for all of our people.

One important reason why there is so much misunderstanding about corporate profitability is that our accounting system has not yet been able to adapt to the disruptive effects of the double-digit rate of inflation we have suffered. Inflation hurts investment by increasing the prices of new assets and eroding the purchasing power of corporate earnings. Taxes must be paid on reported earnings even though these figures are exaggerated by inventory valuation profits and the inadequacy of capital recovery allowances, which are based on the historical costs of existing assets rather than the inflated outlays required for new assets. Inflation also disrupts investment by discouraging savings once the general public recognizes that the purchasing power of such commitments is eroded so quickly.

Fortunately, the Department of Commerce publishes figures which attempt to adjust for the distorting effects of inventory valuation, the effects of accelerated depreciation methods and the understatement of capital recovery allowances based on historical cost asset values. The results of these adjustments are summarized in Table 7. These figures clearly indicate that adjusted after-tax profits of nonfinancial corporations as a share of national income and of the value of corporate output are far lower than the public opinion polls would suggest.

Furthermore, from a peak in 1965 through 1973 the relative share of corporate after-tax profits has declined by one-half according to both measures. The same discouraging pattern results when these adjusted earnings figures are compared to the replacement value of capital assets to determine the rate of return on invested capital. From a peak rate of return of 10 percent. In 1965 this measure declined to 5.4 percent in 1970 before recovering to a level of 6.1 percent in 1973. The sluggish economy of 1974 and 1975 will further reduce this figure. It is not unfair to say that the United States has been and remains today in a profits depression. Since the incentive for new investments ultimately depends upon sustaining an attractive rate of return on capital, this trend is particularly disturbing.

It should be emphasized that all of these comparisons have been stated in current dollars which conceals the negative impact of inflation on the purchasing power of retained earnings. Professor John Lintner of Harvard University recently reported that the retained earnings of U.S. nonfinancial corporations were 77 percent lower in 1973 than in 1965 if the figures are converted into constant dollars in order to remove the effects of inflation and if adjustments are made to remove the effects of inventory valuation gains and the underreporting of depreciation changes based on historical costs. Without these adjustments, reported retained earnings in 1973 were 46 percent above the 1965 figure.[2]

Because business firms cannot use "phantom" earnings to acquire capital assets, the future pace of private investment will depend upon the growth of real profits. The government can influence the economic incentives needed to stimulate investment through its tax policies, regulatory and administrative practices and various spending programs, but the private investment decision ultimately depends upon the rate of return expected and the availability of adequate financing at a reasonable cost. Government officials and the general public must recognize the basic importance of corporate profitability and the disruptive effects of excessive government spending pressures—pressures which create deficit financing requirements that take precedence over private investment needs in the capital markets. This problem has not received adequate attention.

IV. SUMMARY

As we strive to end the most severe economic recession in our postwar experience, my deep and abiding concern about the future adequacy of capital investment will perhaps appear to be ill-timed to some analysts. There is extensive slack in our economy with an unemployment rate near 9 percent and reduced rates of plant capacity utilization in many specific industries. The economic slide, however, will not last much longer, and we will again be reporting real growth gains before the end of the year. As the pace of economic activity accelerates, we will likely rediscover shortages of labor and production capacity. In fact, some industries still have high plant capacity utilization ratios, and many types of skilled labor will be difficult to find even in the early stages of economic recovery. In 1971 it was widely believed that extensive slack existed but the economy was again operating at a very high rate of capacity by 1972 and shortages and explosive inflation soon occurred.

Our statistics on plant capacity have always been uncertain measures, and current economic conditions have motivated the Department of Commerce to give top priority to a comprehensive survey of production capacity as a basis for preparing more meaningful estimates of plant capacity utilization rates. It is ironic that such a fundamental factor in preparing national economic policies has been based on such uncertain economic statistics.

Dr. Pierre Rinfret, President of a well known economic consulting firm, Rinfret Boston Associates, Inc., has published an impressive study of the national production capacity which indicates that our current government statistics grossly underestimate the rate of capacity utilization in American industry and that there is virtually no reserve capacity. His study estimates that the capacity utilization rate for manufacturing industries was 86.6 percent in 1974 (Table 8) a figure well above the government's estimate for 1974, of 78.9 percent. It should also be emphasized that the concept of operating at 100 percent of physical capacity is misleading. Over the last fifteen years the government figures indicate that manufacturing capacity utilization has averaged only 83 percent despite some periods of intense output. The highest figure reported by the government during these fifteen years was 91.9 percent for 1966. Most companies need to preserve some reserve capacity to handle unexpected output requirements and to substitute for operating assets which need repairs or replacement. Therefore, the existing government figures do not accurately measure the realistic level of capacity utilization.

Looking beyond the current problems of recession and sustaining an economic recovery, the additional capital investment of at least $4 trillion from 1974 to 1985 represents a major challenge to the future growth of our economy. We must also give careful attention to the problems of specific industries in attracting needed investment for balanced growth. I am confident that these basic goals can be accomplished. But the desired results will require government policies which will moderate inflation and balance the Federal budget over time in order to avoid diverting needed capital away from investment and into the financing of chronic government deficits. A continuation of the fiscal and monetary distortions of the past decade will only frustrate our capital investment efforts and lead to still more serious economic problems in the future.

Thank you.

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[2] Lintner, John, "Savings and Investment for Future Growth: 1975–6 and Beyond," presented at a colloquium on "Answers to Inflation and Recession: Economic Policies for a Modern Society," conducted by The Conference Board, Washington, D.C., April 8–9, 1975, p. 15.

TABLE 1.—*Average annual rates of change in real growth for member nations of OECD, 1960–70*

(percent)

Japan	11.1
Greece	7.6
Portugal	6.3
Yugoslavia	6.7
France	5.8
Italy	5.6
Canada	5.2
Finland	5.2
Australia	5.1
Netherlands	5.1
Norway	5.0
Belgium	4.9
Denmark	4.9
West Germany	4.8
Austria	4.8
Iceland	4.3
Ireland	4.0
U.S	4.0
Luxembourg	3.3
United Kingdom	2.8

Source: Organization for Economic Development and Cooperation.

TABLE 2.—GROSS PRIVATE DOMESTIC FIXED INVESTMENT, 1950–1974

[In billions of dollars]

Year	Total	Nonresidential structures and producers' durable equipment	Residential structures
Part A.—Nominal dollars:			
1950	47.3	27.9	19.4
1951	49.0	31.8	17.2
1952	48.8	31.6	17.2
1953	52.1	34.2	18.0
1954	53.3	33.6	19.7
1955	61.4	38.1	23.3
1956	65.3	43.7	21.6
1957	66.5	46.4	20.2
1958	62.4	41.6	20.8
1959	70.5	45.1	25.5
1960	71.3	48.4	22.8
1961	69.7	47.0	22.6
1962	77.0	51.7	25.3
1963	81.3	54.3	27.0
1964	88.2	61.1	27.1
1965	98.5	71.3	27.2
1966	106.6	81.6	25.0
1967	108.4	83.3	25.1
1968	118.9	88.8	30.1
1969	131.1	98.5	32.6
1970	131.7	100.6	31.2
1971	147.4	104.6	42.8
1972	170.8	116.8	54.0
1973	194.0	136.8	57.2
1974	195.6	149.6	46.0
Part B.—Constant 1958 dollars:			
1950	61.0	37.5	23.5
1951	59.0	39.6	19.5
1952	57.2	38.3	18.9
1953	60.2	40.7	19.6
1954	61.4	39.6	21.7
1955	69.0	43.9	25.1
1956	69.5	47.3	22.2
1957	67.6	47.4	20.2
1958	62.4	41.6	20.8
1959	68.8	44.1	24.7
1960	68.9	47.1	21.9
1961	67.0	45.5	21.6
1962	73.4	49.7	23.8
1963	76.7	51.9	24.8
1964	81.9	57.8	24.2
1965	90.1	66.3	23.8
1966	95.4	74.1	21.3
1967	93.5	73.2	20.4
1968	98.8	75.6	23.2
1969	103.8	80.1	23.7
1970	99.5	77.2	22.2
1971	105.8	76.7	29.1
1972	118.0	83.7	34.3
1973	127.3	94.4	32.9
1974	118.1	94.1	24.0

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE 3.—OUTPUT AND INVESTMENT BY SECTOR 1969–71 AVERAGES

[Current price percents]

	United States	France	Germany	United Kingdom	Canada	Japan
PARTITION A						
Sector percentage of total output:						
Agriculture	3.0	5.9	3.2	2.6	3.9	[1] 7.3
Mining	1.6	.8	2.2	1.4	3.4	.9
Manufacturing	30.3	45.3	50.4	33.5	26.6	43.0
Utilities	2.3	1.8	2.3	2.8	2.4	2.0
General services	62.8	46.2	41.9	59.7	63.7	46.8
(Dwellings)	(5.4)	(4.5)	(3.8)	(2.3)	(3.3)	(NA)
(Government)	(14.7)	(8.8)	(9.4)	(10.1)	(14.0)	(3.1)
(Other services)	(42.7)	(32.9)	(28.7)	(47.3)	(46.4)	(NA)
Total	100.0	100.0	100.0	100.0	100.0	100.0
Sector percentage of total investment:						
Agriculture	3.8	4.6	[2] 5.3	2.6	5.5	5.9
Mining	1.0	.7	1.3	1.5	7.5	.9
Manufacturing	19.7	27.8	25.2	23.8	16.6	26.8
Utilities	5.2	3.9	5.0	8.6	9.4	3.9
General services	70.3	63.0	63.2	63.5	61.0	62.5
(Dwellings)[3]	(19.9)	(26.3)	(22.2)	(15.1)	(21.5)	(17.9)
(Government)	(20.4)	(12.8)	(9.9)	(15.9)	(17.9)	(24.9)
(Other services)	(30.0)	(23.9)	(31.1)	(32.5)	(21.6)	(19.7)
Total	100.0	100.0	100.0	100.0	100.0	100.0
PARTITION B						
Sector ratios, investment percentages divided by output percentages:						
Agriculture	1.3	.8	1.7	1.0	1.4	.8
Mining	.6	.9	.6	1.1	2.2	1.0
Manufacturing	.7	.6	.5	.7	.6	.6
Utilities	2.3	2.2	2.2	3.1	3.9	2.0
General services	1.1	1.4	1.5	1.1	1.0	1.3
(Dwellings)	(3.7)	(5.8)	(5.8)	(6.6)	(6.5)	(NA)
(Government)	(1.9)	(1.5)	(1.1)	(1.6)	(1.3)	(8.0)
(Other services)	(.7)	(.7)	(1.1)	(.7)	(.5)	(NA)

[1] Output averages of Japan are for 1969–70.

[2] Investment averages of Germany are for 1967–68.

[3] Investment in owner-occupied dwellings. For Canada, France and the United Kingdom the figure is from residential investment, which differs slightly from the former category.

Source: OECD, "National Accounts of OECD Countries." 1960–71.

TABLE 4.—FEDERAL BUDGETS, CHANGES IN THE UNIFIED BUDGET OUTLAYS BY FISCAL YEAR, 1961–76

[Dollars in billions]

Fiscal year over preceding year	Federal outlays	Dollar increase	Percentage increase	Surplus or deficit
1961	$97.8	$5.6	6.1	−3.4
1962	106.8	9.0	9.2	−7.1
1963	111.3	4.5	4.2	−4.8
1964	118.6	7.3	6.1	−5.9
1965	118.4	−.2		−1.6
1966	134.7	16.3	13.8	−3.8
1967	158.3	23.6	17.5	−8.7
1968	178.8	20.5	13.0	−25.2
1969	$184.5	$5.7	3.2	+3.2
1970	196.6	12.1	6.6	−2.8
1971	211.4	14.8	7.5	−23.0
1972	231.9	20.5	9.7	−23.2
1973	246.5	14.6	6.3	−14.3
1974	268.4	21.9	8.8	−3.5
1975 (estimate)[1]	313.4	45.0	16.8	−34.7
1975 (estimate)[2]	324.2	55.8	20.8	−42.2

[1] Last official budget estimates published Feb. 3, 1975.

[2] May estimate of OMB as to expected fiscal year 1975 outlays and most recent, May, Department of Treasury fiscal year 1975 receipts.

Source: Economic Report of the President, February 1975, table C–64, p. 324, for years 1961 through 1974.

TABLE 5

Tax revenue by type	United States		France		Germany		United Kingdom		Canada		Japan	
	Value (dollars in millions)	Percent of total	Value (Francs in millions)	Percent of total	Value (Deutschemarks in millions)	Percent of total	Value (pounds in millions)	Percent of total	Value (Canada dollars in millions)	Percent of total	Value (yen in millions)	Percent of total
Comparison of general tax revenue sources, 1971:												
Corporate income and profit[1]	30,234	10.4	18,747	5.8	11,655	4.5	1,558	7.8	3,080	10.2	2,977	18.8
Household income and profit[1]	98,176	33.6	32,492	10.1	70,295	26.9	6,668	33.2	10,221	33.9	3,802	24.0
Consumption taxes[2]	52,698	18.1	112,139	34.8	73,425	28.1	5,340	26.6	8,660	28.7	3,289	20.7
Social security contributions	60,286	20.7	134,802	41.9	88,430	33.8	2,828	14.1	2,463	8.2	3,174	20.9
Other taxes	50,301	17.2	23,916	7.4	17,655	6.7	3,685	18.3	5,710	19.0	2,612	16.5
Total	291,695	100.0	322,096	100.0	261,460	100.0	20,079	100.0	30,134	100.0	15,854	100.0
Comparison excluding social security distributions:												
Corporate income and profit[1]		13.1		10.0		6.8		9.0		11.1		23.5
Household income and profit[1]		42.4		17.3		40.6		38.6		37.0		30.0
Consumption taxes[2]		22.8		59.9		42.4		31.0		31.3		25.9
Other taxes		21.7		12.8		10.2		21.4		20.6		20.6
Total	231,409	100.0	187,294	100.0	173,030	100.0	17,251	100.0	27,671	100.0	12,680	100.0

[1] Includes capital gains.

[2] Defined as taxes levied on transactions in goods and services on the basis of such intrinsic characteristics as value, weight, strength, etc. The source document provides further elaboration concerning tax category definitions.

Source: Revenue statistics of OECD member countries 1965–71, OECD.

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TABLE 6.—COMPARATIVE COST RECOVERY ALLOWANCES FOR INDUSTRIAL MACHINERY AND EQUIPMENT

Country	Representative cost-recovery period (years)	1st taxable year	1st 3 taxable years	1st 7 taxable years
Canada	[1] 2	50.0	100.0	100.0
France	[2] 8	31.3	90.3	[3] 100.0
Japan	[4] 11	[5] 37.1	63.9	88.1
United Kingdom	1	100.0	100.0	100.0
Western Germany	[6] 9	[7] 16.7	49.6	[8] 88.8
United States:				
With investment credit but without ADR (accelerated depreciation range)	[9] 13	[10] 21.7	47.9	80.1
Without either investment credit or ADR	[9] 13	7.7	3[illegible].9	66.1
With both investment credit and ADR	[6][11] 10½	[10] 23.5	5[illegible].7	88.5

[1] Beginning May 1972 machinery and equipment acquired for manufacturing or processing of goods in Canada could be written off over 2 years (50 percent per year).

[2] 250 percent declining balance method multiplied by a factor of 2 to give effect to multiple shift operations.

[3] Method changed to straight line in 4th taxable year. Straight line rate applied to original cost in such year.

[4] Modified double declining balance method; 18.9 percent per Japanese Government rate table multiplied by a factor of 1.28 to give effect to multiple shift operations.

[5] Includes special 1st year allowance of 25 percent; allowance reduces recoverable base cost in second and succeeding taxable years.

[6] The average cost recovery period for machinery and equipment in western Germany is 8 to 10 years to which additional allowances are permitted for multiple shift operations: 25 percent of allowance for 2-shift operations and 50 percent of allowance for 3-shift operations. Allowances may be further increased when plant is located in certain areas such as Berlin, areas bordering on iron curtain countries, and undeveloped areas.

Cost recovery allowances based on an average cost recovery period of 9 years. The double declining balance method is used. A 25 percent additional allowance for 2-shift operations is taken into account beginning with the 5th year when the method is changed to straight line. The corporate depreciation rate thus computed is slightly over the maximum 20 percent rate permitted on a declining balance method to reflect that:

(A) The straight line method produces more depreciation than does the double declining balance method for certain shortlived assets; and

(B) Items of machinery and equipment costing under U.S. $200 can be expensed.

No other incentives have been taken into account.

[7] Full year allowance in 1st taxable year for assets acquired in 1st half of such year; half year allowance for assets acquired in 2d half.

[8] Method changed to straight line in 5th taxable year.

[9] Double declining balance method.

[10] Includes 14 percent allowance equivalent to 7 percent investment credit at effective 50 percent income tax rate. Credit does not reduce recoverable base cost.

[11] 13-yr recovery period reduced by 20 percent and rounded to nearest ½ year.

Source: Statement of Arthur Anderson and Co., before the Committee on Ways and Means, U.S. House of Representatives, Apr. 16, 1973.

TABLE 7.—DOMESTIC PROFITS OF NONFINANCIAL CORPORATIONS, REPORTED AND ADJUSTED, 1950-73

[Billions of dollars]

Year	Nonfinancial domestic profits of nonfinancial corporations	Adjustments: For inventory profits or losses	Adjustments: To standardize depreciation method [1]	Adjustments: To standardize depreciation on replacement cost basis [2]	Adjusted domestic profits of nonfinancial corporations	Tax liability	Adjusted aftertax profits of domestic nonfinancial corporations	National income	Adjusted aftertax profits of domestic corporations as percent of national income	Gross product originating in nonfinancial corporations	Adjusted aftertax profits of nonfinancial corporations as percent of gross product originating in nonfinancial corporations
1950	38.5	−5.0	−0.4	−3.6	29.5	16.7	12.8	241.1	5.3	151.7	8.4
1951	39.1	−1.2	−.2	−4.4	33.4	21.0	12.3	278.0	4.4	174.3	7.1
1952	33.8	1.0	.0	−4.6	30.2	17.8	12.4	291.4	4.3	182.0	6.8
1953	34.9	−1.0	.6	−4.3	30.2	18.5	11.7	304.7	3.8	194.7	6.0
1954	32.1	−.3	1.5	−4.1	29.2	15.7	13.5	303.1	4.4	191.6	6.9
1955	42.0	−1.7	2.7	−4.2	39.0	19.8	19.2	331.0	5.7	216.3	8.8
1956	41.8	−2.7	2.9	−5.1	36.8	19.8	17.0	350.8	4.9	231.2	7.4
1957	39.8	−5.1	3.3	−5.7	35.8	18.9	16.9	366.1	4.6	241.9	7.0
1958	33.7	−.3	3.2	−5.6	39.0	16.3	14.6	367.8	4.0	236.0	6.3
1959	43.2	−.5	3.5	−5.5	40.7	20.8	19.9	400.0	5.0	263.7	7.6
1960	40.1	.2	3.4	−5.1	38.6	19.5	19.1	414.5	4.6	273.1	6.9
1961	40.3	−.1	3.1	−4.5	38.8	19.8	19.0	427.3	4.4	278.4	6.8
1962	44.7	.3	5.3	−4.1	46.2	20.9	25.3	457.7	5.5	302.8	8.4
1963	49.1	−.5	5.2	−3.7	50.1	22.9	27.2	481.9	5.6	320.0	8.5
1964	55.8	−.5	5.2	−3.5	57.	24.3	32.7	518.1	6.3	346.0	9.4
1965	65.8	−1.7	5.7	−3.8	66.0	27.6	38.4	564.3	6.8	377.6	10.2
1966	71.2	−1.8	5.9	−4.2	71.2	30.1	41.1	620.6	6.6	413.0	9.9
1967	66.2	−1.1	6.0	−4.8	66.3	28.4	37.9	653.6	5.8	430.8	8.8
1968	72.4	−3.3	6.3	−5.4	70.0	34.0	36.0	711.1	5.0	469.9	7.6
1969	68.0	−5.1	7.4	−7.8	62.5	33.7	28.8	766.0	3.8	504.3	5.7
1970	55.7	−4.8	7.6	−9.1	49.5	27.6	21.9	800.5	2.7	519.1	4.2
1971	63.2	−4.9	8.2	−10.1	56.4	29.8	26.6	857.7	3.1	555.1	4.8
1972	76.3	−7.0	9.4	−11.4	67.3	33.4	33.9	946.5	3.6	614.3	5.5
1973	95.8	−17.6	10.2	−12.5	75.9	40.7	35.2	1,065.6	3.3	684.3	5.1

[1] The adjustment to standardize depreciation method is equal to the difference between tax depreciation and depreciation calculated assuming a straight-line depreciation formula and 85 percent of the Internal Revenue Service's 1942 edition of "Bulletin F" service lives.

[2] The adjustment to put depreciation on replacement cost basis is equal to the difference between depreciation as calculated on the assumptions stated in the preceding note and as calculated using the same assumptions but on a current rather than historical cost basis. Numbers in this and following table may not add because of rounding.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE 8.—CAPACITY UTILIZATION: MARCH 1975

Industry	Utilization rate	Is this level of operation higher, lower, or about the same as in 1974? (percent distribution): Higher	Lower	Same
All industries [1]	84.5	13.2	45.0	41.7
Manufacturing	86.6	41.2	51.3	34.4
Nonmanufacturing [1]	78.6	10.5	28.1	61.4
Manufacturing	86.6	14.2	51.3	34.4
Durable goods	86.6	12.8	50.0	37.2
Primary metals	89.7	8.7	39.1	52.2
Iron and steel	90.5	11.8	23.5	64.7
Nonferrous metals	88.0	0	83.3	16.7
Electrical machinery	87.2	50.0	0	50.0
Nonelectrical machinery	94.5	15.0	40.0	45.0
Transportation equipment	75.3	23.5	58.8	17.6
Motor vehicles and parts	79.2	11.1	77.8	11.1
Aerospace	67.2	42.9	42.9	14.3
Stone, clay and glass	77.7	0	72.7	27.3
Other durable goods	85.7	0	72.7	27.3
Nondurable goods	86.7	16.2	52.9	30.9
Food and beverage	89.2	23.5	17.6	58.8
Textiles	72.5	0	100.0	0
Paper	87.9	0	80.0	20.0
Chemicals	82.3	33.3	50.0	16.7
Petroleum	89.7	22.2	22.2	15.6
Rubber	80.4	0	100.0	0
Other nondurable goods	82.1	14.3	57.1	28.6
Nonmanufacturing [1]	78.6	10.5	28.5	61.4
Mining	94.8	0	0	100.0
Railroad	87.1	0	75.0	25.0
Air transportation	81.0	0	66.7	33.3
Other transportation	89.4	0	50.0	50.0
Public utilities	76.6	12.5	22.5	65.0
Electric	74.3	12.5	18.8	68.8
Gas and other	86.0	12.5	37.5	50.0
Commercial and other	78.0	16.7	16.7	66.7

[1] Excludes communication.

Source: 1975 capital investment surveys; Rinfret Boston Associates, Inc. March 1975, perspective—5.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is concluded.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION AUTHORIZATION ACT, 1976

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of H.R. 4700, which the clerk will state

The assistant legislative clerk read as follows:

A bill (H. R. 4700) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes.

The ACTING PRESIDENT pro tempore. Without objection the Senate will proceed to its consideration.

The Senate proceeded to consider the bill, which had been reported from the Committee on Aeronautical and Space Sciences with an amendment to strike out all after the enacting clause and insert:

That there is hereby authorized to be appropriated to the National Aeronautics and Space Administration:

(a) For "Research and development," for the following programs:

(1) Space Shuttle, $1,206,000,000;

(2) Space flight operations, $203,100,000;

(3) Physics and astronomy, $162,800,000;

(4) Lunar and planetary exploration, $259,900,000;

(5) Launch vehicle procurement, $166,900,000;

(6) Space applications, $183,930,000;

(7) Aeronautical research and technology, $175,350,000;

(8) Space and nuclear research and technology, $74,900,000;

(9) Energy technology applications, $5,900,000;

(10) Tracking and data acquisition, $240,800,000;

(11) Technology utilization, $7,000,000;

(b) For "Construction of facilities" including land acquisition, as follows:

(1) Modification of 11- by 11-foot transonic wind tunnel, Ames Research Center, $2,695,000;

(2) Addition for composite model and metal finishing shops, Langley Research Center, $1,940,000;

(3) Space shuttle facilities at various locations as follows:

(A) Modifications to launch complex 39, John F. Kennedy Space Center, $13,110,000;

(B) Construction of Orbiter processing facility, John F. Kennedy Space Center, $8,160,000;

(C) Modifications for solid rocket booster processing facilities, John F. Kennedy Space Center, $5,240,000;

(D) Modifications for hypergolic checkout and refurbishment facilities, John F. Kennedy Space Center, $6,940,000;

(E) Modifications for launch equipment test facilities, John F. Kennedy Space Center, $1,960,000;

(F) Construction of Orbiter approach and landing test facilities, Flight Research Center, and Air Force Plant Number 42, Palmdale, California, $1,680,000;

(G) Construction of Shuttle/Carrier aircraft mating facilities, Flight Research Center, and Air Force Plant Number 42, Palmdale, California, $3,890,000;

(H) Modifications for crew training facilities, Lyndon B. Johnson Space Center, $830,000;

(I) Modification of the vibration and acoustic test facility, Lyndon B. Johnson Space Center, $2,410,000;

(J) Modifications for solid rocket booster component manufacturing and assembly facilities (location to be designated), $3,000,000;

(4) Rehabilitation and modification of facilities at various locations, not in excess of $500,000 per project, $16,000,000;

(5) Minor construction of new facilities and additions to existing facilities at various locations, not in excess of $250,000 per project, $5,000,000;

(6) Facility planning and design not otherwise provided for, $9,275,000.

(c) For "Research and program management," $776,000,000, and such additional or supplemental amounts as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law.

(d) Notwithstanding the provisions of subsection 1(g), appropriations for "Research and development" may be used (1) for any items of a capital nature (other than acquisition of land) which may be required at locations other than installations, of the Administration for the performance of research and development contracts, and (2) for grants to nonprofit institutions of higher education, or to nonprofit organizations whose primary purpose is the conduct of scientific research, for purchase or construction of additional research facilities; and title to such facilities shall be vested in the United States unless the Administrator determines that the national program of aeronautical and space activities will best be served by vesting title in any such grantee institution or organization. Each such grant shall be made under such conditions as the Administrator shall determine to be required to insure that the United States will receive therefrom benefit adequate to justify the making of that grant. None of the funds appropriated for "Research and development" pursuant to this Act may be used in accordance with this subsection for the construction of any major facility, the estimated cost of which, including collateral equipment, exceeds $250,000, unless the Administrator or his designee has notified the Speaker of the House of Representatives and the President of the Senate and the Committee on Science and Technology of the House of Representatives and the Committee on Aeronautical and Space Sciences of the Senate of the nature, location, and estimated cost of such facility.

(e) When so specified in an appropriation Act, (1) any amount appropriated for "Research and development" or for "Construction of facilities" may remain available without fiscal year limitation, and (2) maintenance and operation of facilities, and support services contracts may be entered into under the "Research and program management" appropriation for periods not in excess of twelve months beginning at any time during the fiscal year.

(f) Appropriations made pursuant to subsection 1(c) may be used, but not to exceed $35,000, for scientific consultations or extraordinary expenses upon the approval or authority of the Administrator and his determination shall be final and conclusive upon the accounting officers of the Government.

(g) Of the funds appropriated pursuant to subsections 1(a) and 1(c), not in excess of $25,000 for each project, including collateral equipment, may be used for construction of new facilities and additions to existing facilities, and not in excess of $500,000 for each project, including collateral equipment, may be used for rehabilitation or modification of facilities: Provided, That of the funds appropriated pursuant to subsection 1(a), not in excess of $250,000 for each project, including collateral equipment, may be used for any of the foregoing for unforeseen programmatic needs.

SEC. 2. Authorization is hereby granted whereby any of the amounts prescribed in paragraphs (1) through (5), inclusive, of subsection 1(b)—

(1) in the discretion of the Administrator or his designee, may be varied upward 10 per centum, or

(2) following a report by the Administrator or his designee to the Committee on Science and Technology of the House of Representatives and the Committee on Aeronautical and Space Sciences of the Senate on the circumstances of such action, may be varied upward 25 per centum,

to meet unusual cost variations, but the total cost of all work authorized under such paragraphs shall not exceed the total of the amounts specified in such paragraphs.

SEC. 3. Not to exceed one-half of 1 per centum of the funds appropriated pursuant to subsection 1(a) hereof may be transferred to the "Construction of facilities" appropriation, and, when so transferred, together with $10,000,000 of the funds appropriated pursuant to subsection 1(b) hereof (other than funds appropriated pursuant to paragraph (6) of such subsection) shall be available for expenditure to construct, expand, or modify laboratories and other installations at any location (including locations specified in subsection 1(b)), if (1) the Administrator determines such action to be necessary because of changes in the national program of aeronautical and space activities or new scientific or engineering developments, and (2) he determines that deferral of such action until the enactment of the next Authorization Act would be inconsistent with the interest of the Nation in aeronautical and space activities. The funds so made available may be expended to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment. No portion of such sums may be obligated for expenditure or expended to construct, expand, or modify laboratories and other installations unless (A) a period of thirty days has passed after the Administrator or his designee has transmitted to the Speaker of the House of Representatives and to the President of the Senate and to the Committee on Science and Technology of the House of Representatives and to the Committee on Aeronautical and Space Sciences of the Senate a written report containing a full and complete statement concerning (1) the nature of such construction, expansion, or modification, (2) the cost thereof including the cost of any real estate action pertaining thereto, and (3) the reason why such construction, expansion, or modification is necessary in the national interest, or (B) each such committee before the expiration of such period has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

SEC. 4. Notwithstanding any other provision of this Act—

(1) no amount appropriated pursuant to this Act may be used for any program deleted by the Congress from requests as originally made to either the House Committee on Science and Technology or the Senate Committee on Aeronautical and Space Sciences.

(2) no amounts appropriated pursuant to this Act may be used for any program in excess of the amount actually authorized for that particular program by sections 1(a) and 1(c), and

(3) no amount appropriated pursuant to this Act may be used for any program which has not been presented to or requested of either such committee,

unless (A) a period of thirty days has passed after the receipt by the Speaker of the House

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of Representatives and the President of the Senate and each such committee of notice given by the Administrator or his designee containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action, or (B) each such committee before the expiration of such period has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

SEC. 5. It is the sense of the Congress that it is in the national interest that consideration be given to geographical distribution of Federal research funds whenever feasible, and that the National Aeronautics and Space Administration should explore ways and means of distributing its research and development funds whenever feasible.

SEC. 6. The National Aeronautics and Space Administration is authorized, when so provided in an appropriation Act, to enter into a contract for tracking and data relay satellite services. Such services shall be furnished to the National Aeronautics and Space Administration in accordance with applicable authorization and appropriation Acts. The Government shall incur no costs under such contract prior to the furnishing of such services except that the contract may provide for the payment for contingent liability of the Government which may accrue in the event the Government should decide for its convenience to terminate the contract before the end of the period of the contract. Facilities which may be required in the performance of the contract may be constructed on Government-owned lands if there is included in the contract a provision under which the Government may acquire title to the facilities, under terms and conditions agreed upon in the contract, upon termination of the contract. The Administrator shall in January of each year report to the Committee on Science and Technology and the Committee on Appropriations of the House of Representatives and the Committee on Aeronautical and Space Sciences and the Committee on Appropriations of the Senate the projected aggregate contingent liability of the Government under termination provisions of any contract authorized in this section through the next fiscal year. The authority of the National Aeronautics and Space Administration to enter into and to maintain the contract authorized hereunder shall remain in effect as long as provision therefore is included in Acts authorizing appropriations to the National Aeronautics and Space Administration for subsequent fiscal years.

SEC. 7. In addition to the amounts authorized to be appropriated under section 1 of this Act, there is hereby authorized to be appropriated to the National Aeronautics and Space Administration, to be available no earlier than July 1, 1976:

(a) For "Research and development," for the programs specified in the following paragraphs, $704,600,000, of which no more shall be available for any such program than the amount stipulated (for that program) in the applicable paragraph:

(1) Space Shuttle, $321,000,000;

(2) Space flight operations, $55,100,000;

(3) Physics and astronomy, $46,600,000;

(4) Lunar and planetary exploration, $73,300,000;

(5) Launch vehicle procurement, $40,400,000;

(6) Space applications, $54,700,000;

(7) Aeronautical research and technology, $46,800,000;

(8) Space and nuclear research and technology, $22,300,000;

(9) Energy technology applications, $1,500,000;

(10) Tracking and data acquisition, $66,400,000;

(11) Technology utilization, $2,000,000.

(b) For "Construction of facilities," including land acquisition, as follows:

(1) Rehabilitation and modification of facilities at various locations, not in excess of $500,000 per project, $7,000,000;

(2) Minor construction of new facilities and additions to existing facilities at various locations, not in excess of $250,000 per project, $2,000,000;

(3) Facility planning and design not otherwise provided for, $2,500,000.

(c) For "Research and program management," $213,800,000, and such additional or supplemental amounts as may be necessary for increase in salary, pay, retirement, or other employee benefits authorized by law. All of the limitations and other provisions of this Act which are applicable to amounts appropriated pursuant to subsections (a), (b), and (c) of section 1 of this Act shall apply in the same manner to amounts appropriated pursuant to subsections (a), (b), and (c), respectively, of this section.

SEC. 8. The National Aeronautics and Space Act of 1958, as amended, is amended by adding at the end thereof the following new title:

"TITLE IV—UPPER ATMOSPHERIC RESEARCH

"PURPOSE AND POLICY

"SEC. 401. (a) The purpose of this title is to authorize and direct the Administration to develop and carry out a comprehensive program of research, technology, and monitoring of the phenomena of the upper atmosphere so as to provide for an understanding of and to maintain the chemical and physical integrity of the Earth's upper atmosphere.

"(b) The Congress declares that it is the policy of the United States to undertake an immediate and appropriate research, technology, and monitoring program that will provide for understanding the physics and chemistry of the Earth's upper atmosphere.

"DEFINITIONS

"SEC. 402. For the purpose of this title the term 'upper atmosphere' means that portion of the Earth's sensible atmosphere above the troposphere.

"PROGRAM AUTHORIZED

"SEC. 403. (a) In order to carry out the purposes of this title the Administration in cooperation with other Federal agencies, shall initiate and carry out a program of research, technology, monitoring, and other appropriate activities directed to understanding the physics and chemistry of the upper atmosphere.

"(b) In carrying out the provisions of this title the Administration shall—

"(1) arrange for participation by the scientific and engineering community, of both the Nation's industrial organizations and institutions of higher education, in planning and carrying out appropriate research, in developing necessary technology and in making necessary observations and measurements;

"(2) provide, by way of grant, contract, scholarships or other arrangements, to the maximum extent practicable and consistent with other laws, for the widest practicable and appropriate participation of the scientific and engineering community in the program authorized by this title; and

"(3) make all results of the program authorized by this title available to the appropriate regulatory agencies and provide for the widest practicable dissemination of such results.

"INTERNATIONAL COOPERATION

"SEC. 404. In carrying out the provisions of this title, the Administration, subject to the direction of the President and after consultation with the Secretary of State, shall make every effort to enlist the support and cooperation of appropriate scientists and engineers of other countries and international organizations.

"REPORT

"SEC. 405. The Administration shall submit to the President, annually, for transmittal to the Congress, a report on the activities being carried out pursuant to his title, together with a description of accomplishments achieved in the implementation of this title.".

SEC. 9. This Act may be cited as the "National Aeronautics and Space Administration Authorization Act, 1976".

The ACTING PRESIDENT pro tempore. The time for debate on this bill is limited to 1 hour, to be equally divided between and controlled by the majority and minority leaders or their designees, with time for debate on any amendment limited to 30 minutes, with 20 minutes on any debatable motion, appeal, or point of order.

Who yields time?

Mr. MANSFIELD. Mr. President, I yield the time on behalf of the majority to the Senator from Utah (Mr. Moss), and ask that he yield me 1 minute.

Mr. MOSS. I am happy to yield to the majority leader.

ORDER FOR RECOGNITION OF SENATOR WILLIAM L. SCOTT TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that on tomorrow, after the joint leadership has been recognized under the standing order, the Senator from Virginia (Mr. WILLIAM L. SCOTT) be recognized for not to exceed 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION AUTHORIZATION ACT, 1976

The Senate continued with the consideration of the bill (H.R. 4700) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes.

Mr. MOSS. Mr. President, I ask unanimous consent that the following members of the staff of the Committee on Aeronautical and Space Sciences be permitted on the floor during consideration and passage of H.R. 4700: Robert F. Allnutt, Charles F. Lombard, Craig Voorhees, James J. Gehrig, and Glen P. Wilson.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MOSS. Mr. President, the ranking minority member of the Committee on Aeronautical and Space Sciences, the Senator from Arizona (Mr. GOLDWATER), will be in the Chamber during the consideration of this matter. Meanwhile, I am happy to yield to the Senator from Idaho (Mr. MCCLURE).

Mr. McCLURE. Mr. President, I ask unanimous consent that the time designated for control by the minority leader be allotted to the Senator from Arizona (Mr. GOLDWATER).

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MOSS. Mr. President, the bill H.R. 4700 which the committee is recommending to the Senate provides funding authorization for the National Aeronautics and Space Administration for fiscal year 1976 in the amount of $3,544,710,000, and for the transition quarter to the new fiscal year in the amount of $929.9 million.

Before I review the highlights of this bill, I should like to note that 1975 will see the close of an era in NASA's history, with the final manned space flight mission using a conventional launch vehicle and the cessation of manned flight activity until the advent of the Space Shuttle at the end of this decade. Our manned space flight program has been one of great success, demonstrating the technological capability of the Nation and providing a focus for advancing the state-of-the-art in science and technology. This final flight of the Apollo series will be a joint venture in international manned space flight with the U.S.S.R.—an integral part of NASA's highly successful international program in which cooperative projects have been carried out with nearly 100 nations around the world.

As the program moves into the Shuttle era, we also see increasing evidence of actual, quantifiable benefits emanating from the space program. The Earth Resources Technology Satellite 1, launched in July 1972, has been an unqualified success, acclaimed by the Governors of 30 of our States, by industry, by scientists and by others who have a need for more and better data with which to exploit, manage and preserve our Earth resources. The committee notes with great satisfaction that the second Earth Resources Technology Satellite, Landsat 2, the launch of which was insisted upon by the Congress 2 years ago, was successfully launched in January of this year. The committee is also pleased that the executive branch is preparing a third ERTS satellite, authorized last year, for launch in 1977 to provide continuity of data flow. Continuity will allow this space technology to be fully exploited and the benefits realized in areas such as crop forecasting, snow cover prediction, water resources measurement and other activities which are vital to improved management of our resources.

The maturity and the emerging long range potential of the space program is further supported by the fact that during 1975, 14 of the 28 launches scheduled by the National Aeronautics and Space Administration will be reimbursed by industrial organizations, international organizations or other governments. It seems clear that when others are willing to pay hard dollars to put spacecraft in orbit, it is a vivid testimonial as to the worthiness of the space capability that we have built and that this budget will continue to support in the future.

The committee has increased the NASA request for fiscal year 1976 by $5.71 million to a total of $3,544,710,000, an amount about $300 million above the budget plan for fiscal year 1975. The bulk of the increase is attributable to the Space Shuttle program now entering a peak development year. All Shuttle system elements are under contract and development is proceeding as planned. Many components of the system have already been completed, testing has been initiated and the total system development is proceeding on schedule to meet the rollout milestone of the first orbiter vehicle during the transition period—the third quarter of 1976, a little more than a year from now.

The Shuttle program funding recommended for fiscal year 1976 is slightly over $1.2 billion. I want to stress that the Shuttle program is within its target cost estimate, it is on schedule and that the total NASA budget is within the total commitment of $3.4 billion accepted by the executive branch and the Congress in 1972 when this program was approved for development. In fact, the NASA program for $3.5 billion recommended in this bill equates to approximately $2.9 billion in 1972 dollars.

One of the significant features of H.R. 4700 is the addition of section 8 in the bill which would authorize and direct NASA to carry out a research, technology, and monitoring program on the upper atmosphere. The committee also recommends doubling the NASA activity in this area. This authorization is designed to expand the effort NASA has underway and to provide a focal point for the acquisition of fundamental knowledge, in complete coordination with other interested agencies and organizations, on the physical and chemical properties of the upper atmosphere, and on the danger of inadvertent modification of the ozone layer.

The immediate problem to be addressed by this research is commonly referred to as the ozone threat. I hasten to add that testimony before the committee clearly indicates that the threat today is a theoretical postulation only, but if the theories are correct, it could be very real. Therefore, it behooves us to use our capabilities promptly to acquire the knowledge so that we can approach this vital matter on a factual basis. Based upon NASA's research effort in space physics and planetary atmospheres, we believe NASA is singularly equipped to carry out this fact finding mission.

The bill does not authorize, and I reiterate, it is not the intent of the Committee, that NASA engage in the regulatory aspects of product use. It is only directed to acquiring the research data and conducting the monitoring function, thereafter making the results available to regulatory agencies, other research groups and any other interested party whose functions are that of environmental regulation, protection and control. I think this direction to NASA represents a dividend on our investment in space technology, a situation where NASA can bring to bear its capabilities, a situation where we need good data to understand a potential problem and to make intelligent informed decisions as to what action, if any, we should take.

I might add that it is clear that NASA, with its cooperative international program, is uniquely equipped to acquire the knowledge and establish the data base for international action if that should prove to be necessary or desirable. It should be clear that, without regard to near-term decisions on certain threats to the upper atmosphere, there will be a need for continuing study and monitoring for a number of years, until our knowledge is greatly enhanced.

This authorization bill will continue financial support for NASA's on-going program in aeronautical research and technology at a level some $9 million above the budget plan for the previous fiscal year. In recognition of the need for energy conservation NASA has initiated a major effort on fuel efficient engines and energy conservative aircraft technology. Targets have been set so as to provide a focal point for research activities which will allow us to have significantly more efficient aircraft in commercial service in the late 1980's, thereby requiring less of scarce petroleum resources for this transportation mode.

While the past year has seen the establishment and the organization of the Energy Research and Development Administration, the committee has encouraged and this bill will support a significant activity within NASA to identify those technologies and other contributions which NASA can make to our national energy problem either directly or in support of the primary mission assigned to ERDA. The committee received testimony from Dr. Seamans, the Administrator of ERDA, and at one time the able Deputy Administrator of NASA, and it is clear that a good, productive working relationship exists between these two agencies which will maximize the contribution which NASA can make by drawing on the many capabilities that NASA has developed in its aeronautics and space programs and applying these capabilities to the gigantic problem facing ERDA in energy research and development.

In closing I would like to summarize the NASA budget recommendation by saying that of the $3,544,710,000 for fiscal year 1976, $2,686,580,000 is for research and development, $82,130,000 is for the construction of facilities, and $776 million is for research and program management. The total amount is $41.163 million less than that approved by the House in passing H.R. 4700. The latter difference is essentially due to the House approval of the initiation of the construction of two aeronautical research facilities which your committee did not concur with as appropriate at this time. Aside from the foregoing and section 8 pertaining to upper atmospheric research, there are no significant differences between the House bill and your committee's recommendations.

Perhaps this budget recommendation is unique in that for the first time in the history of NASA there are no new starts proposed. The total cost requirements are equal to less than 1 percent of the Federal budget and as I have already stated, the overall program plan is over $600 million below the "constant level" budget approved by the Congress in 1972. Finally, the NASA in-house work force has undergone a reduction for the ninth consecutive year.

For the transition period, July 1, 1976, through September 30, 1976, the bill includes $929.9 million of which $704.6 million is for research and development,

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$11.5 million is for construction of facilities, and $213.8 million is for research and program management. The recommendation of the committee is $29 million below the administration request and $7.45 million above the House-approved amount for the transition period. And $4 million of the increase above the House is accounted for by the funding added by the committee for the upper atmospheric research program that I have previously discussed. Finally, the work program to be supported by the transition period funding is, in essence, a continuation of those activities provided for by the fiscal year 1976 authorization.

Mr. President, I am firmly convinced that the program recommended by the committee is fiscally responsible, and appropriately constrained to the Federal budget level we face today, and yet supports the work necessary to build an increasingly strong base in science and technology and necessary to harvest the investments made in prior years to meet the pressing needs of today, a contribution which I believe is being increasingly demonstrated as time passes. I urge the support of my colleagues for this bill as presented to the Senate today.

Mr. President, I ask unanimous consent that a brief excerpt from the committees' report (S. Rept. 94–103) be printed in the Record.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

Summary

The budget estimates for the National Aeronautics and Space Administration are, for FY 1976, $3,539,000,000, for the transition quarter, $958,900,000, and for FY 1977, $3,625,000,000.

At the request of the Administration, S. 573 was introduced on February 5, 1975, to provide program authorization in these amounts and additional legislative authority requested for NASA.

In its actions on the authorization request, the Committee recommends increases totaling $15,900,000 and decreases totaling $39,190,000, for a net decrease of $23,290,000 below the budget estimates for FY 1976 and the transition quarter.

Most significant among the Committee actions are:

1. Removal from the bill of provisions authorizing a total of $3,625,000,000 for FY 1977. The FY 1977 authorization will be handled under normal procedures at a later date;

2. Addition of $11 million to the request amount for NASA research, development, and monitoring activities designed to further the understanding of the physics and chemistry of the upper atmosphere in general and the possible inadvertent modification of the stratosphere in particular;

3. Incorporation in the bill of a legislative direction to NASA to undertake a program of research, development, and monitoring of the upper atmosphere and to coordinate its activities with other appropriate agencies of the Federal Government, with industry and the academic community, and with other governments;

4. Specific reductions in the amounts requested for Space Flight Operations, Advanced Missions, Tracking and Data Acquisition, and a Lunar Curatorial Facility, and specific additions in numerous Space Applications projects including earth resources, communications and weather satellites;

5. Approval of the FY 1976 program estimates for Space Shuttle, Lunar and Planetary Exploration, Launch Vehicle Procurement, Aeronautical Research and Technology, Space and Nuclear Research and Technology, Energy Technology Applications, Technology Utilization, and Research and Program Management.

As reported by the Committee, the bill authorizes a NASA program for FY 1976 with these key features:

—no new starts, for the first time in the history of the agency

—total cost requirements equal to less than 1% of the Federal budget

—an overall program plan more than $600 million below the "constant level" budget approved by the Congress in 1972

—agency purchasing power less than one-third the level of the peak NASA expenditures in the mid-1960's

—reduction of the NASA in-house workforce for the ninth consecutive year

Despite these harsh fiscal restraints, the NASA program continues to produce invaluable benefits—both direct and indirect—to the people of the United States and all mankind. In the 1970's, we have moved from the era of the promise of space research to the era of actual and frequently quantifiable benefits.

The program approved by the Committee strikes a balance between continuing work on the most challenging long-term goals and productive efforts to reap the harvest of past investments, meeting the pressing needs of today.

Fiscal Year 1976.—The NASA budget request for FY 1976 was for a total of $3,539,000,000, of which $2,678,380,000 was for Research and Development, $84,620,000 was for Construction of Facilities, and $776,000,000 was for Research and Program Management. The House approved an authorization total of $3,585,873,000, of which $2,684,180,000 was for Research and Development, $125,693,000 was for Construction of Facilities, and $776,000,000 was for Research and Program Management.

The Committee is recommending an authorization of $3,544,710,000, an amount $5,710,000 above the NASA request and $41,163,000 below that in the House-approved bill. Of the total amount the Committee recommends $2,686,580,000 for Research and Development, which is $2,400,000 above the House-approved amount and $8,200,000 above the NASA request for this appropriations category. The Committee recommends $82,130,000 for the Construction of Facilities, which is $43,563,000 below the House amount and $2,490,000 below the NASA request. Finally, the Committee recommends $776,000,000 for Research and Program Management, which is identical with the amount approved by the House and that requested by NASA. The reasoning accompanying the actions of the Committee is contained in this report under the various programs and items herein.

Transition Period.—The NASA budget request for the transition period to the new fiscal year, July 1, 1976, through September 30, 1976, was for a total of $958,900,000, of which $730,600,000 was for Research and Development, $14,500,000 was for the Construction of Facilities, and $213,800,000 was for Research and Program Management. The House approved an authorization total of $922,450,000, of which $700,600,000 was for Research and Development, $8,050,000 was for the Construction of Facilities, and $213,800,000 was for Research and Program Management.

The Committee is recommending an authorization of $929,900,000, an amount $29,000,000 below the NASA request and $7,450,000 above the amount in the House-approved bill. Of the total amount the Committee recommends $704,600,000 for Research and Development, which is $4,000,000 above the House-approved amount and $26,000,000 below the NASA request. The Committee is recommending $11,500,000 for the Construction of Facilities, which is $3,450,000 above the House amount and $3 million below the NASA request. Finally, the Committee recommends $213,800,000 for Research and Program Management, an amount identical with that approved by the House and requested by NASA. The description of the programs and the activities, together with any Committee comments applicable to the transition period are integrated with those similar items in the FY 1976 presentation.

As noted, the major Committee action on the transition period request was a reduction of $26,000,000 in Research and Development with a lesser cut of $3,000,000 in the Construction of Facilities. In view of the short duration of the transition period and recognizing the need for flexibility during this phase-in period, the Committee, in assessing its reduction in Research and Development, cut the total only and permits NASA the flexibility to apply the reduction against the various programs providing the total of any one program as specified in Section 7 of the bill is not exceeded.

RESEARCH AND DEVELOPMENT

	Budget request	House action	Senate committee action
FISCAL YEAR 1976			
Research and development:			
Space shuttle	$1,206,000,000	$1,206,000,000	$1,206,000,000
Space flight operations	207,100,000	203,100,000	203,100,000
Advanced missions	1,500,000	3,000,000	0
Physics and astronomy	155,800,000	156,800,000	162,800,000
Lunar and planetary exploration	259,900,000	258,900,000	259,900,000
Launch vehicle procurement	166,900,000	166,900,000	166,900,000
Space applications	175,030,000	181,530,000	183,930,000
Aeronautical research and technology	175,350,000	175,350,000	175,350,000
Space and nuclear research and technology	74,900,000	76,900,000	74,900,000
Energy technology applications	5,900,000	5,900,000	5,900,000
Tracking and data acquisition	243,000,000	240,800,000	240,800,000
Technology utilization	7,000,000	9,000,000	7,000,000
Total	2,678,380,000	2,684,180,000	2,686,580,000

	Budget request	House action	Senate committee action
TRANSITION PERIOD			
Research and development:			
Space shuttle	$321,000,000		
Space flight operations	55,100,000		
Advanced missions	500,000		
Physics and astronomy	46,600,000		
Lunar and planetary exploration	73,300,000		
Launch vehicle procurement	40,400,000		
Space applications	54,700,000		
Aeronautical research and technology	46,800,000		
Space and nuclear research and technology	22,300,000		
Energy technology applications	1,500,000		
Tracking and data acquisition	66,400,000		
Technology utilization	2,000,000		
Total	730,600,000	[1] $700,600,000	[2] $704,600,000

[1] $30,000,000 reduction not allocated.

[2] $26,000,000 reduction not allocated.

Mr. GOLDWATER addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Arizona is recognized.

Mr. GOLDWATER. Mr. President, I would like to be associated with the remarks of the distinguished chairman of the Senate Aeronautical and Space Sciences Committee. H.R. 4700, as reported by the committee, is a good bill and will help to maintain our Nation's position in space and aviation.

The NASA budget represents one of the truly creative activities of the Federal Government, because it provides high technology for our industries and a better way of life for all Americans.

I submit we are moving into an era, where among nations, the competition for goods and services will be more intense than in the past. One of the keys to our survival in the marketplace will be excellence in high technology.

Our export markets are heavily dependent on the R. & D. base created by NASA-sponsored technology.

Mr. President, as we look at the space program in 1975, we find:

The Space Shuttle is within the costs, on schedule, and holding even greater promise for developing space for the benefit of science and industry;

The Earth resources technology program is gaining greater acceptance and wider use. The committee pushed for this program and Landsat 2 was successfully launched this year—I might remind my colleagues that the Landsat program was awarded the Collier trophy: this is the highest award given in aviation or astronautics.

More customers are using the launch vehicles and satellites developed by NASA as proved by the fact that 14 of the 28 launches scheduled this year will be paid for by industry, international organizations, and other governments;

NASA's aeronautical research is shifting emphasis to greater efficiency and fuel economy thereby adapting to the new reality of energy; and

General aviation, important to the well being of people living in remote areas, is receiving help in meeting Federal standards on engine noise, and pollution.

Mr. President, March 24, 1971 may go down as an unfortunate historical date in the history of American aviation, for it was on that date that the Senate turned down an American SST by a vote of 51 to 46.

I believe it was an unwise move then, because we surrendered the field of supersonic flight to our competition.

At the time, opponents of the SST cast doubt upon the economics of the aircraft and proclaimed that the ecology would be severely damaged. For example, charges were made that supersonic flight would lead to an outbreak of skin cancer.

Since then, fears have been voiced about the effect of Freon upon the stratosphere and bills introduced to prohibit its manufacture.

The issue: Is man releasing pollutants which can damage the ozone layer in the stratosphere and thereby reducing the Earth's protection from ultraviolet rays?

The answer: We do not know.

If permanent damage is occurring to the stratosphere, it now appears likely that aviation is contributing a very small proportion, perhaps even negligible.

While there have been some laboratory experiments showing that chlorine has a bad effect on ozone, little is known of what actually happens in the stratosphere. There is a lot we do not know about the stratosphere, and here are some items:

First. What are the size and dimensions of the ozone layer in the stratosphere?

Second. What are the mechanics and physics of the stratosphere?

Third. Is the ozone layer self-healing by some mechanism we do not as yet understand.

Fourth. If the ozone layer is not self-healing, is there some plausible manmade fix?

Mr. President, the science of the stratosphere is a new discipline. Anyone who states flatly that the ozone layer is being damaged is at best misinformed and at worst a demogogue.

With the foregoing in mind, the committee put a new section 8 in the NASA authorization bill requiring NASA to come up with answers on ozone and the stratosphere. Under section 8, NASA will have the tools to thoroughly examine the question in a rational and scientific way.

We want the answers.

If the Congress will support this approach, within 3 to 5 years we should know the facts. If the Congress fails to support this kind of approach, emotions may run high, and we run the risk of ruining industries that contribute billions to the economy and the welfare of the Nation.

Mr. President, the Europeans are proposing to have a limited number of SST flights across the Atlantic. If any attempt is made to prevent the Concorde or any other supersonic aircraft from landing at U.S. international airports, surely there will be retaliation.

Mr. President, my friends in the French and English airlines industry understand that if we prohibit the Concorde from landing at our airports in this country, we may fully expect them to deny rights to American aircraft to land in France or England.

This proposal by some of our colleagues, particularly in the other House, demonstrates a complete lack of knowledge of how this aircraft will be flown. It will be flown to within 150 to 200 miles of the shores of America at supersonic speeds, then it will have to be decelerated to subsonic flight. Its final approach and landing will be about the same speed as any of our commercial subsonic aircraft, namely, from 130 to 150 knots which, of course, is well, well below the supersonic speed.

I believe we have had over 5 million supersonic flights over the United States. It may be in excess of 5 million—and we have not had any catastrophic effects. We have not had any people breaking out with skin cancer or with loss of hair.

Mr. President, I would like to comment about the committee before ending. In my time in Congress I have served on many committees. I believe this committee and the Armed Services Committee are the most technical know-how committees, the most dedicated group of people, I have ever run into. It is a nonpolitical group working for the good of the country through NASA,

NASA is headed by Dr. Fletcher, one of the most dedicated and best-qualified men I know in Government. He not only holds a doctorate degree in science but he has been an industrialist and he has been an academic man. He brought to NASA a stability that was long needed. The budget has been put on an orderly basis.

To those people who say, "Well, we have reached the moon, why do anything else?" I will make the prophecy again, Mr. President, as I have before, that within 5 years from this time the United States will be benefiting by the $40 billion that it has spent on space each year. The falloff from that, such as increased power possibilities, the potential of getting more out of our generating plants today, better medicine, better surgery, better fuels, all will come out of the studies that we are doing in NASA.

I will end by saying, Mr. President, I believe NASA's budget is too low by about $400 million. However, H.R. 4700 is a well-balanced bill deserving of the support of the Senate.

I will say again the committee and the staff have done a fine job. I yield the floor.

Mr. MOSS. Mr. President, I yield myself 3 minutes.

I commend the Senator from Arizona, the ranking Republican Member on the Aeronautics and Space Sciences Committee. He is, indeed, as fully knowledgeable in this area as any Member of the Senate, and probably as knowledgeable as many who serve in the agency itself.

NASA has done a remarkable job in this program, and continues to perform in an exemplary manner. Indeed, the approval that has been granted to the budget request is indeed somewhat low. We have done this in recognition of the great pressures and restrictions that exist upon all budgetary matters in this Government at this time. We believe in the bill we have before the Senate today, we have pursued economy as far as we can, without seriously damaging the program. There is much more that could be done profitably, but it will have to be set aside under the constraints that we have.

I do appreciate the work of the Senator from Arizona and all my colleagues who serve on the committee.

Mr. President, I ask unanimous consent to have printed in the Record at this point an article entitled "Labor Reiterates Full Support for the Space Shuttle."

There being no objection, the article was ordered to be printed in the Record, as follows:

[From Defense/Space Daily May 9, 1975]

Labor Reiterates Full Support for Space Shuttle

The AFL–CIO together with the United Auto Workers and International Association of Machinists have reiterated their full support of the Space Shuttle program.

The three labor organizations made their view known in letters to chairman Frank

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Moss (D-Utah) of the Senate Aeronuatics and Space Committee. Excerpts of those letters follow:

AFL–CIO. ". . . In this year of great unemployment we are now, more than ever before, in continued support for the Space Shuttle. We are aware of the many benefits in communications, medicine and meteorology that this program will bring. Further, in 1975 it will give help to the economy that is urgently required. It will also give to America what it needs most, JOBS. At a time when the United States prestige world wide is on the downside we should be increasing our endeavors in the field in which we are the undoubted leaders. In view of all that the Space Shuttle means to the people of the United States, we most earnestly recommend that the (Space) committee continue its support."—Andrew J. Biemiller, director, Department of Legislation, AFL–CIO.

UAW. ". . . I am happy to restate UAW's support for (the Space Shuttle) project and I hope that adequate funding will be approved"—Jack Beidler, legislative director, UAW.

IAM. ". . . I am confident that the Space Shuttle Program is the kind of government spending that we must continue, and even expand, if we are to get this nation back on its feet today and for the longer term.

"For instance, there are 31,000 jobs in 47 states directly involved in the Shuttle program, and multiplier effects bring the total to about 100,000 jobs. Two years from now 50,000 meaningful, productive jobs will depend directly on the Shuttle. In fact 85 percent of NASA's overall budget is spent on manpower and only 15 percent for materials. Few, if any, industries can match that.

"Yet, what makes the Space Shuttle unique is that it stimulates growth and will be putting entirely new industries in place here on earth and in earth orbit. We can see the promising beginnings of these industries now in communications, weather forecasting, navigation, oceanography, and earth resources detection, management and protection. Their continued development and expansion is dependent on the future of the Shuttle—we cannot put space to work for us until we can get there reliably and relatively inexpensively.

"New industries, of course, breed new jobs. Moreover, the high technology advances that are coming from the Shuttle's development now, and which will flow from its future uses, are already filtering into the commercial sector. This spells "productivity," our most effective inflation fighter.

"Furthermore, these technological advancements will be incorporated into aerospace products sold throughout the world. In my opinion, our balance of payments deficit can be traced directly to faltering federal support of basic research and development. Aerospace is one of the very few areas where we have the edge in world trade. We must fight to keep it.

"Consequently, I support the Space Shuttle not only because it provides more jobs for the dollar in the aerospace industry and widespread secondary employment in related industries, but because it is an investment in technology that will stimulate the kind of productivity we need to combat inflation, to kindle economic growth, and to reverse our balance of payments difficulties.

"Obviously, the IAM would oppose any proposal to slow or stop the Shuttle. To sanction the slowing or dismantlement of the Space Shuttle program in the face of its unique economic attractions would bode ill for the future of this nation as a technological leader."—Floyd E. Smith, President, IAM.

Mr. GOLDWATER. Will the Senator yield for 1 minute?

Mr. MOSS. I yield.

Mr. GOLDWATER. Mr. President, I would like to pay my personal respects to the chairman of this committee. He comes from my neighboring State of Utah. He has done and outstanding job on this committee after coming to it, I might say, rather cold, not having had too much experience in the field. But in the time that he has been our chairman, he has worked harder than any other chairman I have served under and has really learned the rather intricate sciences involved in NASA. I compliment him and commend him on the work that he has done.

Mr. MOSS. I thank my colleague from Arizona.

The ACTING PRESIDENT pro tempore. Is all time yielded back from both sides?

Mr. MOSS. Mr. President, I yield 10 minutes to the Senator from Alabama.

Mr. ALLEN. Mr. President, I am pleased to support once again NASA authorizations as projected in H.R. 4700, which is now before the Senate.

The funding which we are being asked to authorize covers a host of important programs which relate space directly to earth needs, such as a comprehensive inventory of earth resources, weather predictions and communications—all of which are performed by our satellites.

The Space Shuttle is, perhaps, the largest item and I am proud of the great contributions being made to this program—and to all of our space programs—by civil service employees of Marshall Space Flight Center in Huntsville, Ala., and by their contractor counterparts.

Mr. President, the Space Shuttle will certainly provide necessary benefits to our national economy. Dollars spent on this program go directly into that economy. They go to payrolls, they develop industry, and they support construction. These jobs are at every working level but the greatest amount is apportioned among workers having annual incomes between $6,000 and $15,000. At that economic level, salaries are most often channeled directly into the Nation's economy.

Many areas of this country are sharing in development of the Space Shuttle. Although the four prime contractors are centered in California, Louisiana, and Utah, a large number of contracts and purchase orders have been awarded elsewhere throughout the United States. Altogether orders have been placed and work is already being performed in at least 33 States. This work employed over 25,000 people by the end of 1973 and almost 34,000 will be working as a result of the Space Shuttle by the end of this fiscal year on June 30. Another 10,000 are expected to be added during fiscal year 1976.

It is estimated that at the peak of its development, the shuttle will employ over 50,000 people. The shuttle will help develop and retain a national resource—the highly skilled technical force of space workers—as well as providing a significant stimulus to our national economy for the next 15 years.

The Space Shuttle is designed to carry out various missions in Earth orbit at a fraction of the cost of conventional launch vehicle systems. The shuttle will be able to send most unmanned applications spacecraft into orbit; for example, communication, weather, navigation, Earth resources observation satellites and military spacecraft.

Scientific spacecraft for the study of near and far space will also be launched by the shuttle. Man will be able to supervise the launch and placement of the satellites and will be able to service and repair them as needed. As a result, satellite and launch vehicle failures, which require the construction of a whole new satellite, will no longer occur.

The Space Shuttle will make space operations less complex and less costly. The 1973 Mission Model Analysis shows $14.1 billion net benefits will occur utilizing the Space Shuttle to place payloads into space, support payloads in space and return them to Earth rather than be confined to the use of expendable launch vehicles during the period from late calendar year 1980 through 1991. These cost benefits are attributed to the following: Major parts of the shuttle system will be reused rather than thrown away; lower launch costs will result; there will be increased launch vehicle reliability; payloads will have the capability of being supported in orbit, retrieved and reused; and the shuttle launch environment and large cargo carrying capabilities will permit lower cost payload designs.

The Space Shuttle will extend man's ability to do useful work in space while contributing to the economy of space operations. The shuttle will also encourage far greater participation in space flight. The shuttle will be built and pressurized so that passengers, such as scientists, engineers, and others will be able to go into orbit to supervise and check on their experiments. In addition, by lowering the cost of space operations, the Shuttle will encourage other nations to participate in space activities. The Space Shuttle will make launching of payloads into earth orbit a virtually routine event.

Mr. President, in its relatively short existence, our space effort has helped make earth a better place for man to live, to work and to play. Sound and stable financing for the National Aeronautics and Space Administration will be repaid many times over.

I thank the Senator from Utah for yielding to me.

Mr. MOSS. Mr. President, I thank the Senator from Alabama for his comments in this matter. He shows great knowledge of the program. Indeed, he has one of the great NASA installations in his State of Alabama, and it has performed magnificently.

Before I yield back the remainder of my time, Mr. President, I wish to pay my compliments to the staff of the Committee on Aeronautical and Space Sciences. They are professional, hardworking, and devoted. They have done an excellent job, and I commend them publicly and on the record.

Mr. President, I do not know of any amendments to be proposed to this bill. If the Chair would ascertain whether any are to be offered, I would then call for third reading.

Mr. CASE. Mr. President, I would like to say a few words in support of S. 573, the authorization bill for fiscal year 1976 for the National Aeronautics and Space Administration.

It is my understanding that the Committee on Aeronautical and Space Sciences has included an amendment to authorize an additional $7 million for fiscal year 1976 and $4 million more for the transition quarter specifically earmarked for research, development and monitoring of the physical and chemical properties of the upper atmosphere.

This additional funding relates directly to legislation I am sponsoring, with the support of a dozen of my colleagues from both sides of the aisle, to amend the Clean Air Act so as to assure that aerosol spray containers discharging chlorofluoromethane compounds in the ambient air will not impair the environmental ozone layer, to prevent any increased skin cancer risk, and otherwise to protect the public health and environment.

A section of my bill, S. 1336, provides for NASA to carry out research concerning the nature and likelihood of potential effects on public health and the environment of the discharge of chlorofluoromethane into the ambient air.

The additional funds in this NASA authorization give us hope that this research will get underway soon. Our action will also make clear our belief that NASA is the appropriate federal agency to undertake research in this area.

NASA BUDGET TOO LARGE

Mr. PROXMIRE. Mr. President, I note with concern that the NASA authorization bill before the Senate today is above the President's request for fiscal year 1976 although lower when the total includes the Transition budget. The $5.71 million increase over the fiscal year 1976 request is small in proportion to the total NASA budget but its economic impact is not without meaning.

The recession has focused our attention on the social and economic ills of the Nation. Unemployment is the highest since 1941. The unemployment rate in the construction trades is 19.3 percent. Housing is a disaster. We have millions of people who want new housing but cannot get the financing or afford the skyrocketing prices. Inflation is still a serious problem for housewives in the grocery market. Crime continues to feed on discontent and unemployment.

These are down to earth problems. And they demand down to earth solutions. That is why I remain extremely concerned that the $3.5 billion NASA budget channels spending into nonproductive, nonsocial, noncontributory aspects of our economy. The large space telescope may be an astronomers dream. But how does it measure in cost at over $300 million to the human requirement of a home or education or even daily food. What will it contribute to an economy starved for housing?

These are the economic choices to be made. Although this bill is below the President's request, the House bill is well above that figure. The result inevitably will be a conference report far above the request and if that is the case, I will think seriously about opposing the conference report even though I am chairman of the Appropriations Subcommittee handling the NASA budget.

It is time to hold the line on every spending request—to stay within the President's budget wherever possible. With spending by the Space Agency such a low economic priority, this is an ideal place to start economizing.

The ACTING PRESIDENT pro tempore. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

Mr. MOSS. Mr. President, I yield back the remainder of my time.

Mr. GOLDWATER. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. Nunn). All time has been yielded back.

The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 4700) was read the third time, and passed.

Mr. MOSS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. GOLDWATER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MOSS. Mr. President, I move that the Senate insist upon its amendment and request a conference with the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Moss, Mr. Stennis, Mr. Cannon, Mr. Goldwater, and Mr. Domenici conferees on the part of the Senate.

QUORUM CALL

Mr. MOSS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSUMER PROTECTION ACT OF 1975

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 200, which will be stated by title.

The legislative clerk read as follows:

> A bill (S. 200) to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes.

The PRESIDING OFFICER. Under the previous order, the Senator from Connecticut (Mr. Weicker) is recognized.

Mr. WEICKER. Mr. President, we have before us today a bill entitled "Consumer Protection Act of 1975." The extraordinarily long legislative history and record of deliberations clearly demonstrate a need for its enactment during the current session of Congress.

At the heart of the proposed legislation is a sincere desire to provide representation for the collective interests of a consuming public—that is, everyone from the corporate purchasing agent to the laboring man or woman, to the man who does not have the wherewithal to stand up and be heard.

Some of us who have expressed our strong objections to exemptions from the provisions of this bill have been accused of either wittingly or unwittingly trying to sabotage this effort to establish an Agency for Consumer Advocacy.

I remind my distinguished colleagues that in the Committee on Government Operations' markup of S. 200, by a one-vote margin of 7 to 6, the committee voted to retain the labor exemption. Similarly, by a vote of 5 to 3, the committee voted to strike the exemption for broadcast license renewals.

The vote to report this measure for consideration by the full Senate was 11 in favor and 1 against. With only one vote against any opposition to reporting this consumer legislation, it is obvious that five of the six votes against exempting labor and four of the five votes against exempting broadcast license renewals come from Senators who voted in favor of the proposed legislation as it was reported by the committee.

Because I support and cosponsored the creation of a consumer advocate, I have been accused by the business community of being antibusiness. I suppose that I also will be accused of being antilabor, because of my position on exemptions. I prefer to be labeled proconsumer, as that includes everybody.

It is my purpose today to speak in defense of three principles which have long been a part of our heritage and system of justice—honesty, equity, and fairplay.

We are currently recovering from a traumatic period in our Nation's history. This was a period in which rules were bent and laws broken—a period in which a powerful few believed they were or could be exempted from accountability to the majority.

The Nation as a whole may want to forget these past few years. We as legislators have a greater responsibility. We cannot forget. We must enact honest, responsible legislation. Above all, we must legislate in such a way as to prevent the perversion or the appearance of perversion of our political and judicial systems by the powerful few whose motivations are inconsistent with the public interest.

If we have learned anything at all from our recent experience, we have learned that the American public will not tolerate a dual system of justice and dual standards of accountability.

We have an opportunity to restore faith in our political processes. This Congress will shortly be considering a raft of reform legislation which will require disclosure on the part of special interest groups and disclosure of the financial interests of public officials. Disclosure is not enough. Disclosure alone will only serve to expose those interests. What is required on the part of the Congress is action.

Beginning today, the Senate has the opportunity to act to curtail the practice of tailoring its legislative proposals to meet the needs of special interest groups.

Mr. President, I realize that at the end of last week we already tailored one exemption and I am frank to admit that the odds are against me to prevail today, and we will probably tailor a second exemption. It is my understanding that waiting in the wings are other groups that want to be exempt from this legislation. I would like to know how long it is going to take this body to get the message as to what it is that we have to do. Distinct and separate from the substance of the legislation itself is the image that is portrayed to the American people. The word "exemption" has a rather sorry, tragic ring to it, in light of the events of the past several years. But, apparently, we chose to disregard that fact and proceed to grant exemptions to the favored or powerful few.

Beginning with the Consumer Protection Act, we have the opportunity to eliminate exemptions which are seemingly inconsistent with the intent of the legislation as it applied to the public interest.

The legislation before us would give the consumer advocate a bad mandate to represent the substantial interest of consumers. To those who question the creation of this agency, I stress that it will be the responsibility of this advocate only to promote and represent the consumer interest. He will not be a regulator. He will not sit in judgment. He will speak for and represent the collective interests of a consuming public where those interests are of a substantial nature. It is because our regulatory process is not working that we need this advocate.

To insure the advocate's ability to carry out this mandate, we would authorize broad-based powers including those of intervention before other Federal agencies and courts. The committee felt that these powers were consistent with the overall intent to provide representation of consumer interests.

Likewise, the committee felt that the consumer advocate should be removed, to the greatest extent possible, from political influences. Therefore, it has been provided that the Administrator may be removed from office only for cause. In essence, we want him free to do his job and we want that job done well.

We do have inconsistencies, however, in a broad mandate and broad powers to be vested in a single Administrator whom we shall trust to vigorously pursue the objectives of this legislation. When it comes down to cases, it will be that single Administrator who will determine where those substantial interests of consumers lay and what interests he will represent.

Given this trust which we express in an unknown Administrator, why then must we exempt any special interest group?

Why do we foreclose his authority and freedom to decide where those substantial interests of consumers exists?

If it is an exemption that we are talking about, let us set the record straight right now. Let us put an end to this charade and tell the consuming public exactly what interest of theirs the Senate would sacrifice in order to provide a special interest exemption—and then, in the interest of equity, fair play, and the trust we would vest in this Administrator, let us vote to strike this language.

The proponents of this exemption argue that the types of labor proceedings outlined in section 16 would, as a practical matter, be excluded by the definition of "consumer interest" as provided by section 14(11), as well as by legal precedent.

I would agree that as a practical matter, the ACA would not become involved in the types of labor proceedings outlined in section 16.

If this indeed is the case, why do we have the special language in section 16?

If by definition, we effectively exclude labor, why do we exclude labor twice?

If we trust the Administrator to carry out the purposes of the legislation, can we not also trust that he will properly interpret the definitions provided in section 14?

If the strongest case to be made in favor of special language addressing a labor exemption is that the Administrator, by definition and legal precedent would not become involved, then I say we do not need this language.

This bill has been battered about the Halls of Congress for several years. It is time to lay all our cards on the table and be honest with the public.

If I am not mistaken, when this bill first was introduced in 1970, there were no exemptions. Then, when it was introduced in 1972, there were no exemptions. Two years is a long time to allow anything to hang around here before everybody gets their hooks into it. So when it came back up for action in 1974, there were exemptions. Now, in 1975—exemptions.

I think it is a sorry commentary on what, to me, is a very fine piece of legislation that, given the opportunity to start from scratch, right away, we tar the legislation with the label of "special interests."

Is this or is it not an exemption? I now refer to the labor language. If it is not an exemption, it is time to strike the language and stop trying to pull the wool over the eyes of the rank and file.

Consumer legislation has been consistently and effectively fought by the business community—and I use that term loosely because many outstanding firms have come forth and endorsed this legislation. But in the main, certainly, the business community has been in opposition. We now have a chance to pass this bill and because of nine lines which I believe are void of purpose, the proponents of these lines have given the opposition a focal point around which to rally. These empty lines have polarized the opposition to this worthwhile measure.

I say that the language about which we argue today is an exemption in appearance only. I ask that we examine the language in section 16 carefully in light of the definition of "consumer interest" in section 14 and truthfully determine whether it is an exemption in fact or appearance. If we determine that it is an exemption only in appearance, then I suggest that the appearance of an exemption does more harm to this legislation than an exemption in fact. The appearance of an exemption harms the credibility of the new agency and it certainly impairs the credibility of Congress.

The extremely effective lobbying campaign of business associations is focusing on a bogus exemption for organized labor. Delete this so-called exemption and business has little left on which to oppose the bill. In fact, business should realize the agency would be the best safety valve for public ire against the irresponsible merchant who in numbers is an infinitesimal part of the free enterprise system—but in image—tars the whole system.

I am asking the representatives of organized labor as well to be honest and recognize that this bill does more to promote the interests of their membership in their capacity as consumers than our current regulatory process. Without this special language there is little harm done to their standing as employees with collective rights to bargain for fair wages and working conditions, and rights to strike against unfair labor practices. The rights of workers have a long history of development through both law and precedent. The day of the consumers—the other hat the laborer wears—has just begun.

Again, Mr. President, I feel that my efforts will probably be doomed to failure, and that in as little as 2 legislative days we will have enacted the two exemptions. If we hold to that track record, that is one a day.

I would like to know what it is we are going to end up with as a final legislative product. I cannot understand the reason for the fear, both on the part of labor and of business. If the exemption is knocked out, I have even heard that labor was going to oppose the bill. Why the fear on the part of labor? Why the fear on the part of business?

To my way of thinking, this legislation is very necessary, as indeed it is a safety valve for the ire that has been expressed on the part of the American people against the business community. No longer can they say, "We have no one to fight the power structure." They will have someone. Why not channel their complaints through the legislative process, through our laws, rather than expressing them on the streets of the Nation?

I want a consumer agency, but I suppose I also want Congress to regain stature in the eyes of the American people.

If we have an exemption for the broadcast media and an exemption for labor, then what of other exemptions that come from the floor? There are others waiting in the wings. How long before, all of a sudden, the bill loses its effectiveness insofar as the consumer is concerned?

I have tried to think long and hard as to what I can do as one Senator to make sure that we do not continue to engage in these efforts which clearly reflect ill on ourselves. When will we wake up as a body and understand how we can instill credibility on the part of the American people as they view us? Is there anyone who can in any way defend this cycle of the exemption process in legislation that we have passed?

I understand the grandfather clause that sometimes comes into play in the course of legislation, but here we are starting afresh. No one has to be grandfathered in. Right from the opening gun, we have determined that there are those individuals in this country who probably are above the law by virtue of their power in the sense of numbers and in the sense of financial resources.

I am not going to put words in Mr. Nader's mouth, but certainly when he appeared before the committee he indicated his opposition to the two exemptions. He also sympathized with the political realities that the various Members of the Senate and the various members of the committee had to face. But I submit that the paramount political reality of today is that the American public is fed up with the granting of special treatment to certain elements of our society; and to do that in the consumer bill, to me, is the greatest irony of all.

So, Mr. President, I hope my amendment will pass, and that labor will be treated just as business is treated and as, indeed, everyone is treated. In any event, I shall push for the passage of this amendment. I shall oppose every other exemption that is proposed here on the floor of the Senate, and then I shall push as hard as I can for the passage of the bill itself. But, as I have stated previously, regardless of the substance of legislation, I implore my colleagues to think about what it is that we can do in our actions to induce the American people to feel once again that indeed we represent all the people, and not just a few.

Mr. TAFT. Mr. President, no one today will seriously contest the fact that both labor and management and their interrelationships constitute "big business." As I understand it, one of the prime reasons supporting labor's exemption from the ACA's coverage is the thought that big labor and big business can take care of themselves. In other words, each is powerful enough in its own right so that it can protect itself without a Government-sponsored advocate.

I am quite alarmed at this rationale because it is my understanding, and the understanding of several of my colleagues, that the basic purpose of the Consumer Protection Agency Act is to protect the interests of consumers and to promote consumer protection in the United States. To that end, I cannot see the wisdom of exempting labor from the ambit of the Consumer Protection Agency Act on the theory that it needs no advocate or that labor and management interrelationships and disputes are too far removed from the marketplace to have any impact on consumers. This approach avoids the realities of the marketplace and does not serve to promote the consumer's manifest interests. I oppose a far-reaching blanket exemption for labor which would remove it from the scrutiny of consumers through the watchful eye of their representative or advocate, the ACA Administrator.

The Labor-Management Relations Act in several pertinent parts provides for protections to persons, many of whom are consumers. Under the present bill, of course, the ACA is expressly excluded from becoming involved with a "labor dispute" within the meaning of section 2 of this act. The fundamental question that we must address is the following: Is the NLRB specifically precluded from taking into consideration the economic effects of the practices that it regulates and is it divorced from the interests of consumers?

I submit that the answer is "no," it is not. The National Labor Relations Board is specifically mandated to do just the opposite—to take into consideration those economic effects on consumers.

The NLRB's major function is to regulate unfair labor practices by employers and labor organizations.

The National Labor Relations Act, under which the NLRB functions, makes clear that the decisions of the agency were intended to have a substantial impact upon the interest of consumers. The congressional findings and policies set forth in the act are, in pertinent part, as follows:

> The denial by some employers of the right of employees to organize and the refusal by some employers to accept the procedure of collective bargaining lead to strikes and other forms of industrial strife or unrest, which have the intent or the necessary effect of burdening or obstructing commerce by (A) impairing the efficiency, safety, or operation of the instrumentalities of commerce; (B) occurring in the current commerce; (C) *materially affecting, restraining, or controlling the flow of raw materials or manufactured or processed goods from or into the channels of commerce, or the prices of such materials or goods in commerce;* or (D) causing diminution of employment and wages in such volume as substantially to impair or disrupt the market for goods flowing from or into the channels of commerce. (Emphasis added.)
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> * * * * *
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> Experience has further demonstrated that certain practices by some labor organizations, their officers, and members have the intent or the necessary effect of *burdening or obstructing commerce by preventing the free flow of goods in such commerce through strikes and other forms of industrial unrest or through concerted activities which impair the interest of the public in the free flow of such commerce. The elimination of such practices is a necessary condition to the assurance of the rights herein guaranteed.* (Emphasis added.)
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> It is declared to be the policy of the United States to eliminate the causes of certain substantial obstructions to the free flow of commerce and to mitigate and eliminate these obstructions when they have occurred—29 U.S.C. § 151.

I submit that the statute itself gives us guidance with regard to the issue of whether the act was viewed by Congress at the time of its passage as being remote from marketplace consumer interests. The passages I have just read clearly establish that the matters with which the Board is concerned are not private, they are matters in the public interest, which include the consumer interest.

Other passages in the statute readily support this conclusion. Specifically, the secondary boycott provisions of the act as set forth in section 8(b)(4) seek to prevent a labor organization from unlawfully enmeshing neutrals who might be other employers or other persons including employees and consumers from being involved in a labor dispute which is not their own or concerning which they have no interest. Indeed, section 8(b)(4) in the proviso recognizes and permits publicity, other than picketing, for the purpose of truthfully advising the public, including consumers and members of a labor organization, that a product or products are being produced by an employer with whom the labor organization has a primary dispute.

Again, in section 8(b)(7)(c) the statute makes specific reference to the protection of consumer interests. The proviso of this section states:

> Provided further that nothing in this subparagraph (c) shall be construed to prohibit any picketing or other publicity for the purpose of truthfully advising the public (including consumers) that an employer does not employ members, or have a contract with, a labor organization, unless an effect of such picketing is to induce any individual employed by any other person in the course of this employment, to pick up, deliver or transport any goods or not to perform any services.

I submit that the statute makes it abundantly clear that it was the intent of Congress to recognize the existence of public and consumer interests and that there is no logical justification for concluding that labor-management relations are too remote in time, space, and effect to warrant elimination from the coverage of an ACA.

Moreover, although the National Labor Relations Act is very clear on this point, I submit the relevant court cases are just as clear as the following indicate:

> The Board was created not to adjusticate private controversy but to advance the public interest in eliminating obstructions to interstate commerce. *NLRB* v. *Fant Mill Co.*, 1959, 79 S. Ct. 1179, 360 U.S. 301, 3 L. Ed. 2d 1243, on remand 272 F. 2d 773.
>
> Board was created not to adjudicate private controversies but to advance public interest. *NLRB* v. *United Packinghouse Workers of America*, AFL–CIO, C.A. 5, 1960, 275 F. 2d 816.
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> The Board was created to avoid, through adjustment, serious labor disputes which might hurt employers, employees, and the public. *NLRB* v. *Barrett* Co., C.C.A. Ill. 1941, 120 F. 2d 583.

There is another aspect of the labor issue which warrants examination. According to my reading of the exemption, the ACA could not become involved in any matters concerning a "labor agreement" within the meaning of title II, section 201, of the Labor Management Relations Act, 29 U.S.C. 171. Of course, this title of the act refers to the conciliation of labor disputes in industries affecting commerce and national emergency disputes. As I view it, the role of the ACA is to protect and promote the "interests of consumers" by, among other ways, representing consumers within the formal and informal decision-making of Federal agencies (S. 200, sec. 6).

Consider the following definition of "interest of consumers" with an alleged illegal dock or truck strike in mind which may be within the purview of title II—one which is resulting in increased consumer goods prices, lack of available consumer goods, and that is being adjudicated by the NLRB:

> "Interest of consumers" means any health, safety, or economic concern of consumers involving real or personal property, tangible or intangible goods, services, or credit, or the advertising or other description thereof, which is or may become the subject of any business, trade, commercial, or marketplace offer or transaction affecting commerce, or which may be related to any term or condition of such offer or transaction. Such offer or transaction need not involve the payment or promise of a consideration.

There is no question in my mind that consumer interests are encompassed with title II of the National Labor Relations Act dealing with national emergencies. The act in that relevant part provides that when the President is of the opinion that a threatened or actual strike or a lockout, affecting an entire industry or a substantial part thereof engaged in commerce, will, if permitted to occur or continue, imperil the national health or safety, may appoint a board of inquiry to inquire into the issues involved in the dispute.

I do not believe anyone will dispute the fact that presuming we have a situation of the magnitude of a national emergency, the ACA Administrator ought to be a mandatory member of this Board. Consumers should have a voice in these circumstances by way of their advocate, the Administrator, so that the ramifications of any national emergency dispute may be fully explored with their viewpoint brought forth. This is an ideal opportunity for the Administrator to receive and transmit complaints and other data from consumers and to develop and disseminate information concerning their interests to fellow members of the Board. Ultimately, the Board may be better informed as to the impact of this dispute. They will make well-informed recommendations to the President as to whether a national emergency dispute exists so as to warrant injunctive relief.

And, of course, in the nonprofit hospital amendments to the Taft-Hartley Act which we enacted last year, the Congress statutorily mandated the Federal Mediation Service to mediate labor disputes in the health care industry. We did that primarily for one reason—to provide a collective-bargaining disputes-settling process which would, at the same time, protect patient interests, the consumers of hospital services.

We sought to build in sufficient safeguards in the collective bargaining of an agreement in the health care field so that the continuity of patient care could be achieved without a substantial likelihood of a strike or a lockout which might jeopardize that care. I submit there is no better place that an ACA could be better utilized than in these kinds of disputes. Presently, he is prevented from becoming involved because of this labor exemption.

I believe that I have made out a strong case that the labor exemption is unwarranted by virtue of the protection of the public interest contemplated by the passage of the National Labor Relations Act and its amendments. The next question we must ask is would the Agency for Consumer Advocacy want to intervene in NLRB proceedings?

The AFL–CIO is on the public record as saying it might so wish.

During the House hearings of the 92d Congress, Representative DON FUQUA asked the AFL–CIO for a legal opinion on whether there were cases in the NLRB in which the Agency for Consumer Advocacy—then called Consumer Protection Agency—might intervene. The response, in relevant part was—

> I think it is possible to imagine instances in which the Consumer Protection Agency might wish to intervene in a proceeding before the NLRB to take a position contrary to the interests of a union. In order for the agency to intervene, however, not only would the proceeding have to affect the interests of consumers but the agency would have to find that these consumer interests might not be adequately protected unless the agency intervened.—Memo from AFL–CIO Associate General Counsel Thomas E. Harris, "Hearings on H.R. 16 and related bills," 92nd Congress, 1st Session, page 258.
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> (N.B. That referenced second finding requirement was eliminated from the bill; therefore the answer is now an unqualified "yes.")

In summary, I believe we all must ask the question of whether the NLRB issue is a red herring? To those who are neither in business nor organized labor it might seem so. If it is, delete the exemption. If it is not, review the exemption. If the theory is that organized labor will kill the bill without its exemption, then the issue, by definition, is no red herring—organized labor is afraid of something. If organized labor, a traditional advocate of consumer legislation, fears that the ACA will not be prudent, why should anyone trust the ACA?

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. RIBICOFF. I yield to the distinguished Senator from West Virginia.

Mr. ROBERT C. BYRD. I thank the Senator from Connecticut.

UNANIMOUS-CONSENT AGREEMENT—H.R. 4975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on the final disposition of the amendment by the Senator from Connecticut (Mr. WEICKER) today the unfinished business S. 200 be temporarily set aside, and that the Senate proceed at that time to consideration of H.R. 4975; that there be a time limitation on that measure of not to exceed 1 hour, to be equally divided between the Senator from Indiana (Mr. HARTKE) and the Senator from Alabama (Mr. ALLEN); that there be a time limitation on any amendment thereto of 20 minutes, and a time limitation on any debatable motion, appeal, or point of order—in the event the Presiding Officer should submit the same to the Senate for discussion—of 10 minutes; and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 12 NOON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 12 noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

AGREEMENT FOR BEGINNING OF TIME FOR DEBATE ON CLOTURE MOTION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the 1 hour under the colture rule tomorrow begin running at the hour of 1 p.m. rather than at the hour of 2 p.m. as has been previously ordered.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank the Senator for yielding.

CONSUMER PROTECTION ACT OF 1975

The Senate continued with the consideration of the bill (S. 200) to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the following staff members have the privilege of the floor during consideration of S. 200: Vic Reinemer, Winslow Turner, and Frank Gorham.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, S. 200 includes a provision in section 16 which would exclude labor-management relations proceedings from the jurisdiction of the Agency for Consumer Advocacy. Amendment No. 342 would remove this exclusion from the act.

The conclusions currently in the bill—concerning national security, defense and intelligence functions, license renewal proceedings of the FCC and labor-management relations proceedings—are in the bill for good sound policy reasons.

It has been suggested that the labor-management relations exemption makes this special interest legislation. Does the national security exemption likewise make this special interest legislation?

I commend my colleague from Connecticut, who has been consistent throughout the discussion of this bill, and he would take away that exemption as well.

The labor-management relations exemption does not make this special interest legislation. A look at the board coalition of support for this bill which includes, elected officials, consumer groups, businesses, and thousands of

community leaders throughout the Nation makes it clear that S. 200 does not represent the interests of any one group. Any such suggestion is unfounded.

What then is this exemption all about?

First, it is not, as many opponents would have you believe, a labor exemption. It exempts from the ACA's jurisdiction, proceedings before the NLRB and the National Mediations Board which involve labor-management negotiations and disputes. Labor is not exempted by the provision any more than management is exempted by the provision.

Second, the issues which are considered by the responsible agencies in the exempted proceedings are far removed from the marketplace transactions which must be involved in order to be within the jurisdiction of the ACA.

The issues considered relate to unfair labor practices, recognition of bargaining units and willingness to negotiate in good faith among others. Such issues would not come under the jurisdiction of the ACA which is defined by section 14(11) of the act.

Ralph Nader made this point in testimony before the Government Operations Committee earlier this year. Mr. Nader noted:

> The jurisdiction of the ACA is not such as to cover labor-management relations . . . the area of intervention by the Agency for Consumer Advocacy is in the governmental sector. Once you open up labor-management ralations, you go deeply into the private sector. That is going to require rather substantial budgets and a completely different mission than the legislative history and deliberation and preamble in this bill.

Third, in labor-management negotiations, the balance which is lacking in proceedings before other agencies is not lacking. Labor and management represent two well-financed well-organized sides. Last week, I received a strong letter of endorsement for S. 200 from Esther Peterson, president of the National Consumers League. Mrs. Peterson noted:

> The NLRB is a unique model—it is the only agency where the advocacy process already works. No issue comes before the NLRB without business and labor fully represented. The entire idea of ACA is to be certain that both sides—business and consumer—are similarly represented before other government agencies.

Finally, the 40-year history of labor law in the Congress and courts indicates a congressional intent to keep Government out of the substance of labor-management negotiations. Congress has attempted to regulate labor relations in an evenhanded manner. Labor laws and the regulations under them have placed Government in an essentially neutral, nonregulatory role between management and labor.

Just 5 years ago, Mr. Justice Black, speaking for the Supreme Court in *Porter Co.* v. *NLRB*, 397 U.S. 99, 107–108, had this to say about the NLRB's role:

> It is clear that the Board may not, either directly or indirectly, compel concessions or otherwise sit in judgment upon the substantive terms of collective bargaining agreements . . . It is implicit in the entire structure of the Act that the Board acts to oversee and referee the process of collective bargaining, leaving the results of the contest to the bargaining strengths of the parties.

The history of section 4 of the NLRA is further proof of this fact. From its creation until 1940, the NLRB had utilized the services of a Division of Economic Research to engage in general economic research and to obtain economic data and similar material for use in Board cases. In that year the Division was abolished. (See S. Min. Rep. No. 105, pt. 2, 80th Cong., 1st sess., p. 33). But in 1947 Senator Taft and Congressman Hartley were so intent on assuring that the Board would attend to the law, and not to potential economic consequences, that they added to section 4 the provision that—

> Nothing in this Act shall be construed to authorize the Board to appoint individuals for the purpose of * * * economic analysis.

There could be no clearer evidence that under our present national labor policy the ACA has no place in NLRB or NMB proceedings.

Mr. President, Congress should not now depart from this policy and allow ACA intervention in such nonregulatory cases.

Issues in which labor and management are not opposing each other—such as labor ownership of a business are not within the exemption, and would be subject to ACA's participation.

The explicit inclusion of this exemption in the bill simply reflects Congress' continuing desire to keep Government out of the substance of labor-management relations. This is not a special interest exemption.

I urge my colleagues to vote against this amendment.

Mr. WEICKER. Mr. President, I appreciate the very able presentation of the other side of the question by my distinguished colleague from Connecticut.

I suppose my best answer to his eloquence would be an editorial that appeared in the New York Times on March 14, 1975. I intend to read it. It is called Consumerism Limited. It is as follows:

> The long fight to establish an independent agency to defend the interests of consumers in proceedings before Federal regulatory bodies and courts has moved an important step closer to victory in the Senate. The 11-to-1 vote by which the consumer advocate bill was approved in committee this week measurably reduces the danger that it can be killed by filibuster, the fate that befell it on the Senate floor last year.
>
> Before final adoption, however, the Senate will do well to eliminate from the bill a special-interest exemption that is foreign to the whole concept of independence for the new bureau. Inserted under strong pressure from organized labor, this exemption would bar the consumer agency from gathering information or expressing its views in any proceeding involving labor disputes or agreements.
>
> The records of the National Labor Relations Board and the courts abound in cases in which unions on their own or in collusion with employers disregard the public interest, pushing up prices or limiting competition. That the proposed Agency for Consumer Advocacy should not have the same freedom to speak for consumers in such situations that it would have in matters affecting business is indefensible on its face.
>
> For labor to make this exemption the price of its support for a measure in which wage-earners and their families have a primary stake is short-sighted. For legislators to submit to such coercion would be politics at its most cynical.

So far as the New York Times is concerned, I think it says it all. I think it says it well, and certainly the Times could not be accused of representing a probusiness, conservative point of view on most matters.

I understand that the NLRB serves business and labor well. Indeed, it does provide the arena in which these two entities can vie.

There is only one thing missing. There is no provision for the viewpoint of the consumer. So I repeat my advocacy of the amendment as to the exemption.

As to the specifics, I think the consumer can be definitely affected when it comes to these decisions of the NLRB in the bargaining process.

But just as importantly—and the Times hits upon it in the last sentence, where they say:

> For legislators to submit to such coercion would be politics at its most cynical.

That issue is very much present with us today as, indeed, it was last week, and if we continue to go ahead and engage in that type of politics then indeed, we not only have the consumer to contend with but we have indeed the entire constituency which begins to wonder about the legislative process in the Nation's Capital.

How do you get a bill passed or how do you represent your interest against the particular piece of legislation? What is the dollar figure that is required before you can go ahead and have a hearing or before you can block legislation? How many people do you have to have along with you before you have the power either to introduce legislation or to block it?

I did not think that was the basis on which we operated. Rather I thought our purpose as leaders was to go into the merits, not to respond to pressures. If this exemption stays in we will have bowed for a second time in 2 legislative days to pressure.

I repeat my question: At what point does the bill lose its effectiveness, with the third exemption, with the fourth exemption, with the fifth exemption—at what point?

Everyone knows as well as I do that even if we only pass two exemptions in this session, there will be other in the sessions to follow.

This is separate and distinct from the other problems and criticisms that are leveled against this agency—which I would like to respond to. For example, I think a valid criticism of business is that it is a duplication in some respects of responsibilities that certain of the regulatory agencies already have on their shoulders.

I would agree with that, but I think that it will be possible for us to eliminate that duplication as we view these various agencies in the legislative sessions ahead—but it is a valid criticism.

If I appeared before a group of students in a class of logic and they asked me as a Senator to explain why broad-

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casters should be exempt, why labor should be exempt, I have absolutely no logic with which to respond to that question and I do not intend to respond to it with any false reasoning.

I understand that we are supposed to be adept at the art of compromise. This legislation has been too long in coming and it needs the broadest possible support. I compliment my distinguished colleague and friend from Connecticut for sticking with it, which he has, and it has not been easy. He has caught it from all sides. But it should be effective as regards all segments of our society. S. 200 should stand as a credit to the logic and integrity of the U.S. Senate.

Mr. RIBICOFF. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CLARK). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, I have here on the floor of the Senate and in committee, publicly and privately, commended the distinguished Senator from Connecticut (Mr. RIBICOFF), the chairman of the Committee on Government Operations, in considering S. 200, the floor manager of the bill here on the floor of the Senate, for his unfailing courtesy, for his gentlemanly conduct with respect to his management of the bill on the floor, and with respect to his handling of the bill in committee.

As I have stated knowing full well the Senator from Alabama opposes the bill he has given the Senator from Alabama every opportunity to question witnesses, to produce witnesses of his own, to offer amendments, and on one occasion agreed to a very significant amendment the Senator from Alabama proposed in the last Congress, which was to change the name of this proposed agency from Consumer Protection Agency to Agency for Consumer Advocacy.

The Senator from Alabama suggested that since the Agency was not to be a regulatory agency but an advocacy agency, that it would be well to change the name over to Agency for Consumer Advocacy. It is supposed to be the theory of the Agency that it would advocate the interest of consumers and not regulate consumer affairs. Of course, one fallacy in that is that the Agency, the administrative Agency, has the unchallenged right to decide what is for the best interest of the consumer.

It would seem that it authorizes the Administrator of the Agency to put consumer interest ahead of the public interest.

I might say in that connection the distinguished Senator from Connecticut (Mr. RIBICOFF) in answering the argument of the junior Senator from Connecticut (Mr. WEICKER), as to the amendment of the Senator from Connecticut (Mr. WEICKER) striking out the labor exemption, quoted from a Government official to the effect that business and labor could look after themselves, or words to that effect.

Well, of course, that misses the very point involved. Sure, big business and big labor can look after themselves, but what about the public interest? What about the consumer interest?

To say that there is no need for covering big labor and negotiations between big labor and big business, that there is no necessity of covering those operations, certainly overlooks the fact that the public interest needs to be protected. It is not just a debate or controversy between individuals, because the public is involved, as I will seek to point out in my later discussion.

Mr. President, I commend the junior Senator from Connecticut for his attitude with respect to this bill and his crusade to see that all activities involving the consumer shall be covered by the bill. In committee he offered an amendment which would have knocked out the exemption given to matters before the Federal Communications Commission regarding applications for renewal of TV and radio licenses. That amendment striking out this exemption was adopted in committee, but here on the floor the exemption was added back.

The effort to include big labor in committee failed. Now the distinguished Senator from Connecticut (Mr. WEICKER) is offering an amendment seeking to put labor negotiations, activities of big business and big labor as they relate one to the other, under the provision of the bill. That is the amendment to be voted on at 4 o'clock.

Mr. President, the Senator from Connecticut (Mr. WEICKER) favors this bill, but he wants to see it cover all areas of activity before the regulatory agencies involving the interests of consumers.

The Senator from Alabama, on the other hand, opposes the bill. Whether or not this amendment is adopted as to big labor, the Senator from Alabama is going to vote against the bill when it comes up for passage.

The Senator from Alabama does not want to see big labor covered by a bill. He does not want to see the FCC in the matter of renewal of radio and TV licenses covered by the bill. He does not want to see any of these activities covered by a new echelon of Federal bureaucracy. He feels that existing agencies, if they did their job, would make it unnecessary to have another new agency.

He is opposed to the whole concept of creating more Federal bureaucracy to look after Federal bureaucracy.

Mr. President, if this agency is created and it falls down on its job, what will be the solution. To set up another agency to police this agency, to police the other agency, and go on ad infinitum?

The Senator from Alabama believes that the proper solution is to reform the regulatory agencies, to cut through some of the redtape, some of the regulations, some of the delay, and in some instances to abolish some of these commissions and agencies. But do not set up another agency to try to see to it that the existing agencies do their job.

The Senator from Alabama commends the distinguished Senator from Connecticut (Mr. WEICKER) for his courage in this matter; for his insistence that all consumer affairs over which Federal agencies have jurisdiction be covered by this ACA bill. That is a high level of reasoning, it seems to the Senator from Alabama. Do not use these special interest exemptions for the purpose of gaining support for the bill. Let the bill stand or fall on its merits, Mr. President. Do not make political decisions as to who you are going to have covered and who will not be covered.

The distinguished Senator from Connecticut (Mr. WEICKER) spoke of Mr. Nader's testimony before the committee. I believe he is incorrect in one particular. I was examining Mr. Nader when he said that he opposed both of these exemptions of big labor and big business relationship exemption and the FCC renewal of TV and radio licenses.

As I recall his testimony, he said that he would find no objection to the exemption in behalf of labor. But he did object to the exemption of the FCC—the intervention by the ACA in matters before the FCC having to do with renewal of radio and TV licenses.

It was brought out that he was one of the prime movers of the bill and was in frequent contact with the sponsors of the bill, and I asked him why the exemption was given in the matter of radio and TV stations. He made a very frank answer, the effect of which was to say that it was a political decision; that the radio and TV stations throughout the Nation have great political influence; and that for that reason, it was determined that an exemption should be granted; and the sponsors of the bill did have an exemption for FCC radio and TV license renewal applications.

The committee knocked out that exemption, and it has been restored on the floor of the Senate by a vote of the Senate—a top-heavy vote, I might say. I think 21 Senators bucked any possible displeasure their action might cause among radio and TV stations and voted to disallow this exemption.

Mr. President, I ask unanimous consent that I might yield for not more than 10 minutes to the distinguished Senator from South Carolina (Mr. THURMOND); that upon the conclusion of his remarks, I be allowed to resume my remarks; and that such resumption not constitute a second speech but only a continuation of the first speech.

Mr. JAVITS. Mr. President, reserving the right to object, I had in mind speaking to the Senator privately, but it is not really essential. I just wondered if the Senator could give any of the rest of us any idea as to when we might debate the pending amendment.

Mr. ALLEN. What is the question?

Mr. JAVITS. Whether the Senator could give any of the rest of us—myself, particularly—any idea as to when we could debate the pending amendment, which is going to be voted on.

Mr. ALLEN. The matter has been before the Senate for some time. The Senator from Alabama knew of no one else who wanted to speak, and he has been speaking only 10 minutes. I have no desire to monopolize the floor. I will be glad to yield the floor in just a little while.

Mr. JAVITS. I have no objection.

Mr. RIBICOFF. Mr. President, my colleague has made a great contribution to this bill. Senator WEICKER has spoken, and I have responded.

My understanding is that Senator McCLURE mentioned that a number of other Senators wanted to speak on this measure, and my feeling is that Senator ALLEN took the floor because some of the other Senators who wanted to speak were not here at that time. This should be following in due course.

Mr. JAVITS. I thank the Senator.

Mr. ALLEN. Mr. President, is my request granted?

The PRESIDING OFFICER The request is granted.

Mr. THURMOND. Mr. President, I am pleased to cosponsor the amendment offered by the junior Senator from Connecticut to the Consumer Protection Act of 1975. This amendment, if adopted, would remove the exemption given to organized labor—an exemption for which I see no justification whatsoever.

If the purpose of the bill, as its proponents claim, is to protect consumer interests from so-called misled interests in the form of other Federal agencies and business enterprises, why should the largest and best organized interest group in the country— organized labor—be excluded? What is it about the consumer interest that causes it to be insulated from the impact of special labor interests? Obviously nothing.

Any effort to exclude labor from the scrutiny of the ACA is purely and simply an exercise of the kind of self-interest which this legislation is supposedly designed to guard the consumer against. If any possible justification for such an exemption exists, other than Mr. Meany's consternation, it is yet to be expounded in this Chamber or elsewhere. I would welcome an explanation by any advocate of the labor position in support of such a blatantly narrow posture.

Mr. President, industry-wide bargaining is a good example of how labor-management relations directly affect the consumer. In any industry characterized by uniform bargaining, the consumer finally picks up the tab for excessive wage and benefit settlements. If all of the manufacturers, for example, are subject to the same wage rates, a major competitive factor is removed and the consumer has no choice.

Why should not the Agency for Consumer Advocacy be able to look into industry-wide bargaining situations and, for example, fully explore the antitrust implications, as well as more direct consumer involvement. I have introduced legislation designed to bring labor unions within the coverage of our antitrust statutes. How can the advocates of the ACA ignore the interests of consumers in this area?

What about exorbitant construction costs today? How much of these costs are directly attributable to inflationary wage negotiations? Can it be said that such costs are not of vital concern to consumers; or are the proponents of this bill only interested in costs not attributable to the special interests which they represent?

During the past decade we have witnessed numerous instances in which major strikes have occurred over the issue of "featherbedding." Featherbedding occurs when an employer is forced to pay for work which is not performed or which is unnecessary. The railroads are a good example. No one really disputes the fact that in most cases it is absolutely unnecessary to have a fireman in the cab. Consumers are the ones who have paid for the fireman's unnecessary role, which was perpetuated only by union pressure.

The newspaper industry is another example. Why have newspaper unions resisted the automation of newspaper printing? Such unions clearly have no concern for those employees who would be employed in the manufacturing of new automated printing equipment. They are concerned only about stopping progress to serve their immediate, narrow interest. After all, an elected union official may not get reelected if some of his local members are training for other jobs. Who pays for this type of unionism? Consumers do. The list is endless.

What about food stamps for strikers? Allowing strikers to receive food stamps is pure and simple Federal subsidization of the union side of a labor dispute. Prolonging strikes and encouraging larger settlements which later mean higher prices directly affects the consumer. Why should the ACA not have the authority to further the consumer interest in the case of food stamps for strikers? According to some proponents of this bill, the only reason for wanting to exclude this area from the purview of the Agency is because it would jeopardize the power of unions. Thus, the consumer interest is to be served in all cases, except those in which the consumer interest conflicts with union interests. In all such cases, the narrow union interest would prevail.

Clearly, no Member of this body who objectively appraises this bill can support exclusion of labor union activities.

I hope the Senate will adopt the amendment by the distinguished Senator from Connecticut and not allow labor unions to be excluded from the provisions of this bill.

I thank the able Senator from Alabama.

Mr. ALLEN. I was delighted to yield to the distinguished Senator from South Carolina.

Mr. President, I wish to make absolutely clear that I am for the Weicker amendment knocking out the labor exemption, so-called, not because I particularly want to see labor included. I do not want to see anyone included, because I believe the entire agency is absolutely unnecessary. It will just be another layer of Federal bureaucracy. That is not the answer. Reform of regulatory agencies is the answer. But if we are to have a bill, I think that all areas before Federal regulatory bodies having to do with interests of consumers should be covered. Once this amendment is acted on, whether it is pro or con will not change the judgment of the Senator from Alabama with respect to the overall legislation. He is not seeking to cover labor, except if all other areas are covered; then this area should be covered as well.

Mr. President, we all know that some of the top representatives of the national labor unions have said that if labor is included in this bill, labor will be against the bill; with labor out of it, labor is for the bill. So if it does not apply to labor, labor supports it. It is all right for the other fellow, but it is not all right for us; if you put us in it, we are going to be against it. If you do not put labor in it, we are going to be for it.

One of the top officials stated that he did not want the Federal Government to be poking its nose in their business. Well, I subscribe to that view 100 percent. That sounds more like a chamber of commerce representative than it does the representative of one of the great national unions. But I agree 100 percent with that statement, that we do not want the Federal Government to be poking its nose into our affairs. So I endorse that thought.

However, I do feel that if all areas of consumer interest before Federal regulatory agencies are covered, then all interests ought to be covered. The New York Times speaks of this labor exemption as being a cynical exemption on the part of the Senate—cynical. Why cynical? Because the exemption is granted in order to gain support for the bill or, to state it another way, to avoid the emergence of opposition to the bill.

Mr. President, I have no doubt that if this amendment is adopted, the Weicker amendment knocking out the labor exemption, this bill is dead, because we would see the alliance there of some strange allies. But the sponsors of the bill do not want that situation to arise. They have granted two special-interest exemptions in order to assure the passage of the bill.

Mr. President, we are today considering what I would call the Exemption Protection Act of 1975.

We have considered proposals similar to S. 200 in the past. These past proposals and their attendant debates make the Senator from Alabama impressed most by what is not found in this present proposal, S. 200.

Gone are most of the "safeguards" of yesteryear.

This bill has been before Congress, or similar bills. The consumer activists do not always approve of this legislation. All consumer activists have not always been for each piece of legislation, because, as was brought out at the committee hearings on the 1971 bill passed by the House, that failed of passage in the Senate in 1972, it was labeled by Mr. Ralph Nader as a fraud on consumers. So he and I were together on that bill in 1972, at least in our opposition. But I believe he stated that, as he saw it, he was opposed to it because it was too weak, and I was opposed to it because it was too strong.

Mr. President, I ask unanimous consent that, during further consideration of this measure, and during votes on amendments, Mr. William Wachtel of the staff of Senator LEAHY be granted the privilege of the floor.

The PRESIDING OFFICER (Mr. GLENN). Without objection, it is so ordered.

Mr. ALLEN. Mr. President, this legislation has been, shall I say, kicking around in the legislative halls for some 5 or 6 years, and it seems to the Senator from Alabama that if it were such great legislation, such a great idea, it would not have taken 5 or 6 years to be enacted.

I might say I have no doubt this bill is going to be passed by the Senate. I have no doubt that cloture will be invoked on tomorrow because 65 votes, I believe, were obtained for cloture during the last Congress, and it takes only 60 now to invoke cloture.

I feel cloture will be invoked. I am hopeful that we will have in excess of 30 votes cast against cloture.

The President has stated he opposes this bill. He has not stated it to me, but he has stated it in press releases and other messages. I assume if he is opposed to it that he will veto it. I hope he does.

I believe a veto would be sustained on this bill. Then, instead of having the 60 votes for cloture we would revert back to the two-thirds rule, where it would take two-thirds of those voting then to enact the bill.

The rules of the Senate were changed to cut it down where it just took 60 to invoke cloture. But if the President vetoes the bill it would go back to the old two-thirds rule because it takes two-thirds to override a veto.

Mr. President, as I stated, gone are most of the safeguards of yesteryear. Once upon a time we were assured that ACA, formerly CPA, was a moderate proposal, but it was moderated by built-in safeguards against the potential for abuse. These safeguards were included, we were assured, as a concession to those among us who were fearful that the ACA would abuse its considerable powers.

Yes, the safeguards are gone. To fill the gaps created by their departure we now have exemptions.

As I pointed out, we have two mighty special interest exemptions which are supposed to be operating in the public interest, but we are asked to have two tremendous loopholes, two tremendous areas where the consumer is not being protected as consumer activists might feel that we are in need of protection.

We are not acting in the public interest, as I see it, but we are acting in behalf of two mighty special interests, and I do not approve of that type of legislation.

I made the statement to some advocates of this measure that if these two special interest exemptions stricken out, I would support the bill. I would vote for the bill if these two exemptions were stricken out.

But special interest legislation has given these two areas, these two special interests, an exemption. To fill the gaps created by their departure we now have exemptions.

For example, big labor does not need any safeguards. It is totally exempted under this bill.

When business commits an unfair business practice, by limiting competition, perhaps, the Agency for Consumer Advocacy can appear in adjudicatory proceedings in the Federal Trade Commission to assure punishment of the business responsible.

But when labor commits an unfair labor practice, by also limiting competition, perhaps, the ACA is, under S. 200, estopped from participating in similar National Labor Relations Board adjudications—even where the practice is performed in collusion with a business organization.

As a rationale for exempting labor activities, the majority report on S. 200 tells us that Federal agencies cannot "sit in judgment on the substantive terms of collective-bargaining agreements," quoting the Supreme Court case of Porter Company against NLRB.

Thus, they cite the rule of the Supreme Court that Federal agencies cannot dictate a single term of a labor contract.

But this is not an argument for an exemption. This is an argument against exemption. If the National Labor Relations Board cannot impose contract terms, the ACA cannot force the NLRB to impose contract terms. What, then, is the fear of these apologists for this exemption who say that the ACA can have absolutely no input in labor disputes?

The ACA can run roughshod over the rights of participants in other agencies' proceedings, but, when it comes to labor disputes—disputes which affect the price consumers pay for good and services, disputes which affect the availability of goods and services to consumers who need them—we are told that the consumers' concern is too remote to permit the ACA to even express an opinion.

That is going to be a great ACA; is it not? They cannot even express an opinion in that area.

Why is that? The AFL–CIO legislative director has already told us why that is. It is because big labor does not want another Government agency, and I quoted this just a moment ago, "sticking its nose into our affairs," he says quite candidly.

The New York Times—and I do not always agree with the New York Times in its editorial position. I guess I have to say that on the controversial issues where they take a stand my position would be somewhat removed from the ordinary New York Times position; but sometimes I find them voicing opinions in the editorial columns with which I agree. The New York Times in recommending deletion of this exemption, and I add parenthetically support of the Weicker amendment, has said editorially that this "special interest exemption is foreign to the whole concept of independence for the ACA" and for the Senate to yield to union pressure on this "would be politics at its most cynical".

Mr. President, I make no charge that politics motivates this exemption as given, but I do not believe that the bill would pass with the exemption out. Call it legislative strategy, if you do not want to call it politics—I prefer not to call it politics—but legislative strategy seeking to pass the bill has dictated. This decision to leave big labor out from under the provisions of the bill.

The New York Times, not the Senator from Alabama, says this is politics at its most cynical. I would not make such an assertion as that, but that is the opinion of the New York Times, that insistence on this exemption is politics at its most cynical.

Why is the exemption so cynical? Well, the New York Times sums it up this way:

> The records of the National Labor Relations Board and the courts abound in cases in which unions on their own or in collusion with employers disregard the public interest, pushing up prices or limiting competition. That the propsed Agency for Consumer Advocacy should not have the same freedom to speak for consumers in such situations that it would have in matters affecting business is indefensible on its face.

That is pretty strong language.

I have examined the history of these ACA proposals over the last few years, as those who have read my views in the report on S. 200 must realize. I found that, from the inception of the ACA concept, it was recognized that Federal involvement in labor disputes and agreements had a major impact on the interests of consumers. And, it was specifically intended that the ACA should make a contribution by getting involved in those areas.

Big labor gave its unqualified endorsement to these early ACA proposals. They did, that is, until it was pointed out to the AFL–CIO associate general counsel in the 92d Congress that proceedings of the National Labor Relations Board, and the Federal Mediation and Conciliation Service were covered. That changed things, Mr. President.

Thus, in the 92d Congress, when our Government Operations Committee later reported out an ACA bill in 1972, the bill was silent on the labor issue. But, the report—and, Mr. President, I might call attention to the variations we sometimes see in the provisions of the bill itself and then what the report says the bill intends—on that bill gratuitously stated that NLRB proceedings are "beyond the jurisdiction" of the ACA, without the bill saying so.

How that conclusion was arrived at was a mystery.

Our distinguished former colleague, Senator Sam J. Ervin, however, noticed this attempted rearrangement of the legislative history, and proved that such proceedings were clearly covered by that bill.

Then, in the 93d Congress, with the exemption cat out of the bag, the Senate ACA bill was reported with a partial exemption for labor. The exemption prohibited the ACA from using its advocacy rights in labor disputes—but allowed the ACA to gather and disseminate information about such matters.

Now, in the 94th Congress, the labor advocates have grown bolder and more demanding. Or, in the view of the New York Times, they have grown more cynical. Now, there is a complete exemption for labor distputes in this ACA bill.

The ACA cannot advocate on labor issues.

The ACA cannot investigate labor issues.

The ACA cannot even disseminate information concerning labor issues.

Insofar as the ACA is concerned, labor issues do not exist. That is rather strange.

We are asked by the advocates of this special labor exemption to believe, despite numerous Supreme Court rulings that labor disputes are public interest matters greatly affecting consumers, that Federal adjudications of labor disputes are private matters—how in the world can we call them private matters when the public is so directly involved? That is what the Senator from Alabama cannot understand; that there is neither a—this is a contention and, by digressing, I would have to say that the contention is—a public interest nor a consumer interest involved in such disputes, and I say that is wrong. This will seem strange to the consumers of Puerto Rico or of Hawaii who remember being cut off from access to many of the necessaries of life by a dock strike. We come in here from time to time in Congress and legislate settlement of disputes between the railroads and the unions. Why? Because there is a public interest issue involved. But here the advocates of this bill feel there is not any public interest involved.

Indeed all consumers may wonder why the President invokes an 80-day cooling off period when a national railroad strike is threatened. Why, they may ask, does a President be permitted to involve himself in such private matters? Well, the truth of the business is that it is not a private matter. The public is directly and tremendously involved.

Those of us who question this exemption are asked to forget that the National Labor Relations Act, which establishes the National Relations Board and the Federal Mediation and Conciliation Service, expressly states that labor disputes and labor agreements can and do burden interstate commerce to the point of restraining availability of consumer goods and affecting their prices.

We are asked to forget what the New York Times has reminded us of—that the records of the NLRB abound in cases in which unions on their own or in collusion with employers disregard the public interest, pushing up prices or limiting competition.

Pushing up prices, we are told by the advocates of this legislation, by the advocates of this special interest exemption, has "no appreciable relationship to any marketplace transaction." Well, that is certainly a peculiar position, it seems to the Senator from Alabama.

Limiting competition, we are told, has "no appreciable relationship to any marketplace transaction," we are told and they contend.

Cutting off access to the market, we are told—and I disagree—has "no appreciable relationship to any marketplace transaction."

Is it any wonder that, as the New York Times tells us, for the Senate to submit to coercion in this exemption would be politics at its most cynical?

Mr. President, I again commend the distinguished Senator from Connecticut (Mr. WEICKER) for his statemanlike position in offering this amendment, which he also offered in the committee and, I might say, the committee was tied 6 to 6 on the Weicker amendment, and the tie was broken by a very distinguished Member of the Senate so that the final vote on the amendment in committee was 7 to 6 against the Weicker amendment.

I hope the Weicker amendment will be adopted. I hope this special interest exemption will be removed, and I hope that we can then be in position to see if this bill, with this special interest exemption removed, is in the public interest. But the first step, Mr. President, is to agree to the Weicker amendment on which a vote will take place at 4 o'clock.

Mr. President, I wish to yield the floor. But, before doing so, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McCLURE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, while we are now considering an amendment that has been offered by the Senator from Connecticut dealing with the exemption which was heretofore granted to organized labor under the provisions of this bill, and the exemption was then removed in the committee, the pending amendment would subject the labor negotiations and the terms and conditions of labor settlements to the provisions of this bill as all other aspects of American life that might affect consumers, a move which I support.

While I am certain that others may have in other portions of the debate had printed in the RECORD an editorial of the New York Times on Friday, March 14, I believe it might be well to refresh our memories by reading that editorial again.

That editorial is entitled "Consumerism, Limited":

> ### CONSUMERISM, LIMITED
>
> The long fight to establish an independent agency to defend the interests of consumers in proceedings before Federal regulatory bodies and courts has moved an important step closer to victory in the Senate. The 11-to-1 vote by which the consumer advocate bill was approved in committee this week measurably reduces the danger that it can be killed by filibuster, the fate that befell it on the Senate floor last year.
>
> Before final adoption, however, the Senate will do well to eliminate from the bill a special-interest exemption that is foreign to the whole concept of independence for the new bureau. Inserted under strong pressure from organized labor, this exemption would bar the consumer agency from gathering information or expressing its views in any proceeding involving labor disputes or agreements.
>
> The records of the National Labor Relations Board and the courts abound in cases in which unions on their own or in collusion with employers disregard the public interest, pushing up prices or limiting competition. That the proposed Agency for Consumer Advocacy should not have the same freedom to speak for consumers in such situations that it would have in matters affecting business is indefensible on its face.
>
> For labor to make this exemption the price of its support for a measure in which wage-earners and their families have a primary stake is short-sighted. For legislators to submit to such coercion would be politics at its most cynical.

Mr. President, in spite of that exemption, if it should be voted and affirmed by the Senate and by the Congress, there are many in the labor movement in the United States who do not support this legislation. And whether or not such an exemption is granted cannot make the bill but less bad than it now is, a bill which I think most Americans by any objective survey indicate they oppose.

Mr. President, many of my constituents have written to me expressing their frustration and dismay as they contemplate yet another massive incursion of Government into their lives. I had intended to read their various complaints and objection into the RECORD. I would rather serve them by defeating the bill, as they ask, but I at least owe it to them to make their voices heard. I ask that their opinions be made a part of the RECORD of this debate.

Constituents do not think of themselves as consumers. They think of themselves as fathers, mothers, farmers, teachers, students, Americans, and children of God at least as much. Why, then, de we not establish Government agencies to protect them in these roles which are at least as important—if not far more significant—than their role as consumers? After all if you are a Christian, you are one 24 hours a day. If you are a teacher, you exist in that role anywhere from 4 to 10 hours a day. Why must we protect people in only their less significant roles? Perhaps we will. The precedent set by the creation of this independent superagency must give hope to those who want to insulate the American citizen from any vestige of responsibility.

If this bill becomes law the inevitable discrepencies between the "rights" of two different sets of consumers and the same consumer in two different situations will become more and more confusing. Most of us are aware of current strictures against inflammable nightware. On the fact of it, this sound fine. After all, no matter how unlikely it is, no one wants to burn up in bed. I have read that the next consideration of those who are so interested in making sure Americans get a good night's sleep is the shape of nightwear, as they call it. The most recent suggestion is that it should be form fitting. If such a regulation were actually to become law, it would require enforcement of a novel kind. We could not really be sure that Americans were using their form-fitting asbestos nighties. Would we not then have a whole class of sleepwear subversives, dedicated to buying bolts of flannel and constructing all manner of full, floating nightshirts in the privacy of their homes? It would doubtless occur to the solons managing our safety that we would need an inspection force of Wee Willie Winkies running about town at bedtime checking the fit of our pajamas.

In all seriousness, the bill worries me. I cannot understand why it is exactly that those people who have expressed the strongest reservations about the size

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of the bureaucracy, the enormity of the budget, and the inability of Americans to participate in the political world run by Washington, are supporting this bill. It will do all those things they most profess to abhor. If this bill passes I will once again have to apologize to my constituents for removing them further from the possibility of controlling their destiny. I would like to use this occasion to assure them that whoever else does not, I believe in their sanity, I believe in their probity, and I respect their independence.

The very concept of an autonomous Federal agency is foreign to our way of life, and on that alone, this bill should be voted down.

Mr. HELMS. Mr. President, I have submitted two amendments to S. 200 entitled the bill to establish an independent consumer agency to protect and serve the interests of consumers, which amendments have been submitted together as one series and they are related to one another and pertain to one central issue. The series of amendments has been designated amendments number 417 and 418.

Mr. President, I realize that, under the rules of the Senate, such a series of amendments offered collectively would not be in order if the question were raised except by unanimous consent.

In addition, after the invocation of cloture, they could not be separated, and they could not be offered individually because amendments not qualified would not then be in order.

Therefore, to insure the consideration of this series of amendments, I am presented with the option of either originally submitting these amendments separately, which I am prepared to do if necessary, or asking unanimous consent that they be considered en bloc when offered. Because of my desire to be considerate of Senators' time, and not in this way delay the consideration of this legislation, I ask unanimous consent that such series of amendments be considered en bloc when offered.

The PRESIDING OFFICER. Is there objection?

Mr. RIBICOFF. Mr. President, I object at this time.

Will the Senator suggest the absence of a quorum and indicate what those amendments are? I am not aware of what the amendments are.

Mr. HELMS. I will be glad to do that.

I suggest the absence of a quorum, Mr. President.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I renew my unanimous-consent request.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

Mr. HELMS. Mr. President, I am a consumer. We are all consumers. I recognize the fact that we live in an extremely technological society, much of which, we as laymen, do not understand. We are bombarded by advertising, which is occasionally misleading or even inaccurate. Some of it is political advertising which is misleading and inaccurate, as the conduct of public officeholders sometimes illustrates after they are elected.

We sometimes purchase products that are shoddy or unsafe. We are all familiar with patent medicines that do not work, worthless warranties that are hard to collect, extravagant repair bills, unsafe automobiles, food that is not nutritious, dangerous toys—the list is seemingly endless.

The proponents of the Consumer Protection Act of 1975 now tell us that these problems will disappear if we establish what is now called the Agency for Consumer Advocacy. The Administrator of this new agency will serve as a sort of vigilante of our entire commercial system. He will resemble the muckraker of the past, although he will be expected to do more than simply expose corporate abuses. He will actively represent what he conceives to be the consumer interest in our Federal agencies and in our courts.

This is an attractive idea. Certainly, it has attracted widespread interest in the media; and some seem to think it finds response in the electorate. But I question, Mr. President, whether the Consumer Protection Act is not itself an example of deceptive packaging. Indeed, the act seems to lack the very qualities that we have come to expect from the products and services that are offered to us—economy, utility, safety, and efficiency. According to the proponents of this act, the American consumer, to quote Mr. Ralph Nader, is the prisoner of corporations that are "able to divert scarce resources to uses that have little human benefit or are positively harmful."

Like P. T. Barnum's suckers, born every minute, the consumers, so we are told, have been tricked, through the sophisticated use of applied psychology, into purchasing goods and services that are inferior or are not even needed. We are left with the assumption that the consumer is at the mercy of Madison Avenue and can no longer rely upon his own thinking for adequate information about the quality of his purchases. What is needed is the White Tornado, the Agency for Consumer Advocacy, to clean up American business and rescue the helpless consumer.

Mr. President, I challenge these assumptions, and I challenge those who insist that the American consumer is deliberately exploited and abused by American business. It is true that there are accidents, that product information is not always adequate, and that there is false advertising. But it is no less true, Mr. President, that the elimination of these evils will be expensive, and these costs must be weighed against the promised benefits. The value of greater information that the consumer will enjoy under this act must be balanced against the costs of collecting this information and disseminating it.

My skepticism also extends to the factual premises upon which this act has been supported. The distinguished Senator from Michigan (Mr. PHILIP A. HART) has offered an estimate of $200 billion of consumer mistreatment. This is an incredible sum of money, that seems to be substantially in excess of total profits for all business and almost four times that of aftertax corporate profits. I would be less than honest if I did not say that I do not understand the basis of these figures submitted by the distinguished Senator from Michigan and I do not understand the logic of Mr. Nader's argument that businessmen make money by willfully failing and refusing to satisfy consumers.

It seems to me that if consumers want more safety and higher quality, then the businessman will find it more in his interest to satify these desires rather than ignore them. The question arises, have we lost sight of the competition factor? If corporations are deliberately failing to provide consumers with the products and services that they want and need, then there are vast fortunes to be made by simply producing what the consumers actually desire. In other words, Mr. President, the Consumer Protection Act seems to be based on the questionable assumption that American businessmen are indifferent to profits. Of course, that is not so.

Moreover, the role of the Administrator of this new Agency is ambiguous. What is his function—to increase the consumer's ability to satisfy his own tastes or to impose tastes upon him? We can all agree that some consumers are misinformed about the value of a product. Be we must also be aware of the fact that some products are not as safe or splendid as they could be simply because the consumer does not wish to bear the additional costs. Similarly, many consumers, such as those who purchase bicycles, motorcycles, or convertible automobiles, are fully aware of the risks but are quite willing to bear those risks in order to satisfy countervailing pleasures. So when the Administrator of this new Agency labels a product as "unsafe," it is the Administrator and not the consumer who will often be making this judgment.

I also question the assumption, Mr. President, that the American consumer has an apparently insatiable craving for voluminous product information. As I noted earlier, it is the consumer who has to bear the cost of collecting and transmitting this information, not to mention the cost of time and effort in absorbing it. Many consumers already regard these costs as far outweighing any potential benefits. To be sure, consumers frequently ignore opportunities to learn more about their purchases even when the information is free. And when there is a consumer demand for information—as on appliances, motor vehicles, cameras, or what have you, a glance at such magazines as Consumer's Report indicates that it is available and can be purchased. Again, therefore, as in the case of safety, the Consumer Protection Act is seeking to impose something on the consumer that he may not want or has chosen not to purchase.

More than 50 years ago, the great economist at the University of Chicago, Prof. Frank Knight, put it well when he wrote:

> A large part of the critic's strictures on the existing system come down to protests against the individual wanting what he wants instead of what is good for him, of which the critic is to be the judge; and the critic does not feel himself called upon even to outline any standards other than his own preferences upon a basis of which judgment is to be passed.

When pressed on this matter, the modern consumer advocate turns to a favorite scapegoat, advertising, and insists that most consumer tastes have been created by deceptive advertising techniques. But I ask, Mr. President, what is more misleading than the advertising of Nader's Raiders? Consider, for example, how the typical Nader report is merchandised. On the cover we find the name Ralph Nader twice and in large print. On the back, in large red letters, the slogan is emblazoned:

"Nader's Raiders Strike Again!" Is Ralph Nader the author of these reports, as the cover would indicate, or merely the sponsor? During congressional hearings in 1969, a Mr. Fellmeth, who has written two Nader reports, was asked whether the phrase "Nader's Raiders" was a fair statement. Mr. Fellmeth answered:

> I don't think so. I think it is very inaccurate for several reasons. First of all, it is inaccurate because Mr. Nader's involvement is crucial, but is not as extensive as that name would imply. At least we are not investigating for him alone in a direct sense. Secondly, we are not raiders. That is a very inaccurate name, with an inaccurate connotation.

Mr. President, no less misleading are the arguments of other proponents of the Consumer Protection Act. Indeed, we have already decided that the name of the Consumer Protection Agency is somewhat misleading, and we have renamed it the Agency for Consumer Advocacy. How many advocates of this measure have freely acknowledged the fact that it is the consumer who is going to bear the cost of this Agency? Many proponents of this act, it would seem, prefer to let the consumer believe that he can get something for nothing. American consumers have been led to believe that increasing market testing, making products "safer," forcing companies to spend large sums of money litigating and clearing products with a Government bureaucracy and paying for the bureaucracy itself will cost nothing in out-of-pocket cash or increased taxes or lost benefits. Let us dispense, then, with this specious argument that the wants and needs of American consumers have been manipulated by clever advertising. Many consumer advocates of Government-imposed consumer protection have been no less deceptive in their efforts to sell the idea of consumer protection and the Consumer Protection Agency Act.

On one issue, however, few will disagree with the consumer advocates. Government regulation has failed. The inefficiency and "capture" of our regulatory agencies, as alleged in the Nader reports, is generally conceded. Certainly the consumer's plight is not caused by the lack of Government agencies. Representative BENJAMIN ROSENTHAL has pointed out that—

> There are approximately fifty Federal agencies and bureaus performing some two or three hundred functions affecting the consumer.

Not to mention the numerous State and local agencies performing similar consumer protection functions. Some of the Federal agencies directly concerned with consumer affairs include the National Safety Highway Bureau, the National Transportation and Safety Board, the Interstate Commerce Commission, the National Bureau of Standards, the National Commission on Consumer Finance, the Office of Consumer Services, the Federal Trade Commission, the Federal Communications Commission, the Federal Housing Administration, the Federal Power Commission—and all of these, Mr. President, and I am not through with the list yet—are being supported and financed by the taxpayers of the United States—consumers, if you please.

Then there are the Food and Drug Administration and the new Consumer Products Safety Commission. We also have the Securities and Exchange Commission and the President's Committee on Consumer Interests. All seem to agree, however, that Government regulations has failed. Why?

The first and obvious reason is indolence, pure and simple. Too many bureaucrats tend not to work a full day or to be as productive as they might. The Nader Report on the Federal Trade Commission reported the case of one well-paid official actually asleep on the job. A second reason is politics. All too frequently, appointments to high positions and agency decisions are based on partisan considerations rather than individual merit and the public interest. The third reason concerns the problem of agencies being captured by the very interests they are supposed to regulate. This is certainly understandable. In time, an agency will tend to know and sympathize with the organized interests that are seeking to influence its policies. How else can we explain the prolabor stance of the National Labor Relations Board, for example, which is a recurrent theme in American politics, all up and down the line?

So far as the Consumer Protection Act is concerned, the interest of a single consumer in any particular product is likely to be small, and organization with other consumers practically impossible. Producers, on the other hand, are inclined to be well organized, persistent, and more able to influence agency action. What is our basis for believing that the producers will not also capture the Agency for Consumer Advocacy?

The whole case for the creation of a new independent Agency for Consumer Advocacy "to represent the interests of the consumers" in proceedings before the Federal agencies rests on the proposition that existing agencies have failed to fulfill their responsibilities. This call for the creation of a new agency is an astounding admission of the failure of consumer protection regulation, already on the books, for which the American taxpayer is already being soaked. But surely the mind boggles at the argument that the failure of past regulation calls for creating another bureaucratic overlay.

We strive to escape the constant reach of Federal regulations that take away our freedoms and invade our private lives. Here is a bill to extend that control into the private offices and confidential files of business enterprises across the land. We are weighed down by an enormous bureaucracy. Here is a bill to establish another Government agency and further increase our burden. We stumble blindly through a maze of Government organizations that seemingly defy executive coordination and congressional control. Here is a bill to create an administrative nightmare. When we considered a similar bill in the Senate last year, responses received from 36 Federal agencies indicated that more than 1,300 specific types of administrative proceedings and activities would be subject to intervention, participation, or appeal under this act. As this law is presently drafted, there are at least 17 specific provisions in which nearly every department, regulatory board, commission, independent agency, council, and Government corporation will be subject to the will of the administrator, Moreover, this administrator will have the power to challenge the decisions of these governmental bodies and the power to appeal their rulings to the Federal courts.

For the first time in the history of this country, we face the bizarre prospect of agencies of the U.S. Government battling each other over conflicting claims of the public and consumer interest in our courts of law—courts, I would emphasize, that are already overburdened with litigation. Then too, this bill flies in the face of our well-established independent regulatory system and undermines the power of Congress. This is accomplished in the bill by transferring the modest congressional oversight responsibilities that we exercise over regulatory bodies to the Agency for Consumer Advocacy so called, which will be an agency of the executive branch.

I suppose, Mr. President, what disturbs me most about this bill is the lack of faith that it reflects in our free enterprise system. Indeed, an anticapitalist bias seems to permeate the whole structure of the act. It assumes that the consumer does not exercise consumer sovereignty, and therefore, stands helpless before industrial dictators. But how many faulty products have been removed from the shelves because American consumers stopped purchasing them?

What is more, this bill bows to the doctrines of government paternalism. It insists that the American consumer is too foolish to look after his own interests and, taking him by the hand like a small child, says: "Come, here is your Administrator, he will protect you, he will make your decisions for you.

Mr. President, I represent children, but I also represent thinking men and women, who are intelligent enough to de-

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cide for themselves through their purchasing power, what products and services they want. They do not need the Agency for Consumer Advocacy to do their thinking for them.

The proper place for the Consumer Protection Agency Act is the Socialist utopia, where the consumer is at the mercy of government bureaucrats and the managers of state-owned industries, who decide what the consumer needs. What the American consumer really needs, perhaps, Mr. President, is protection from more Government regulation.

Mr. President, the advocates of consumerism insist that the American consumer needs protection from the business community. They argue that the consumer is a victim of false claims, harmful goods, and deficient services, and they propose, as we have recited repeatedly on this floor for the last several days, that we establish what is now called an Agency for Consumer Advocacy to eradicate these evils and aid the consumer by that old ploy of spending millions of additional dollars from the taxpayers and setting up a new overlay of bureaucracy.

This is the wrong way to go, Mr. President, and I truly hope that the Senate will reject this bill; but if it is enacted by Congress I trust that the President of the United States will veto it.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORGAN. Mr. President, I ask unanimous consent that the pending amendment be temporarily laid aside and that the Senate proceed to the consideration of an amendment which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection?

Mr. MORGAN. I was going to say, Mr. President, that I think the amendment has been cleared by most of the parties who are interested, and there will be no controversy.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the amendment.

The legislative clerk read as follows:

> On pages 17 and 18, delete subsections 6 (g) and (h) in their entirety and insert in lieu thereof the following new subsections 6 (g) and (h):
>
> "(g) The Administrator is not authorized to intervene or participate in proceedings or activities of State or local agencies and courts.
>
> "(h) Nothing in this section shall be construed to prohibit the Administrator from communicating with, or providing information requested by any Federal, State, or local agencies and courts at any time and in any manner consistent with law or agency rules."

Mr. MORGAN. Mr. President, the distinguished Senator from Connecticut and the distinguished Senator from Montana have seen this amendment and, I think, will concur in it. It makes it clear that the consumer advocate created under this bill will have no right or authority to intervene in or to actually participate in State or local regulatory bodies or agencies.

It will be permitted, however, to furnish to Federal, State, or local agencies and courts any type of information it may have at its disposal and upon request.

I think this is an area that concerns a good many of us and, especially, the various attorneys general across the country who are working very actively and diligently to serve as consumer advocates before the State and local regulatory agencies.

As the bill was originally written I think it was intended to do exactly this. However, I am afraid that perhaps from some language it might have been interpreted to allow, interpreted in such a way as to allow, the consumer advocate created under this bill to actually participate in the State agencies or State hearings or local hearings upon request.

So far as I know, there is no opposition, and it certainly serves, I think, to clarify the question.

Mr. RIBICOFF. Mr. President, this amendment came about as a result of a colloquy among the Senator from North Carolina, the Senator from Alabama, Senator McClure, and myself. There is no question about what the intent of the committee has been all the time. This is a clarifying amendment which has been discussed with the staff of Senator Percy and the staff of Senator Javits, and also with Senator Metcalf. It carries out, in my opinion, the intention of the committee and also my intention throughout this bill. On behalf of the committee I am willing to accept this amendment.

Mr. ALLEN. Mr. President, to add to the legislative history, and I congratulate the distinguished Senator from North Carolina (Mr. Morgan) for introducing it, and the distinguished Senator from Connecticut (Mr. Ribicoff) for accepting it, this amendment is pursuant to a colloquy among Senators Ribicoff, Morgan, McClure, and Allen during debate on the bill. (See pp. S7744–S7745, Congressional Record, daily ed. of May 8, 1975.)

It would limit ACA activity at the State and local levels to an informational role, as the floor manager (Mr. Ribicoff) stated was the original intent.

To do this, subsection 6(g) had to be amended to make clear that ACA advocacy in State and local rulemaking proceedings and informal governmental activities was outside the scope of this bill.

To accomplish this clarification, first, the term "participate," which applies to rulemaking, was added to the term "intervene," which usually applies only to adjudications; and second, the word "activities," which usually refers to an ongoing matter, was substituted for the word "actions," which usually applies to a finished matter.

These new terms make subsection 6(g) consistent with the rest of the bill which also uses the same terms for the same purpose.

Further, subsection 6(h) was amended to make clear, that, although advocacy at the State and local levels was prohibited, communicating with, and providing information to, agencies and courts at those levels on request was not prohibited.

This clarification was accomplished by deleting the language in the present subsection 6(h) which would have allowed the ACA to provide any "assistance requested" at the local level. The subsection, without that language, makes it clear that the ACA's role in State and local concerns would be merely informational, as was intended by the distinguished Senator from Connecticut.

Mr. RIBICOFF. Mr. President, I wonder if I might have the attention of the Senator from North Carolina and the Senator from Alabama for a moment. Senator Javits calls to my attention that in the amendment, section 6(g) contains the word "courts." The word "State" should be inserted before "courts" to make it clear that we are talking about State courts and not Federal courts. I think that was our intention.

Mr. ALLEN. That is exactly correct.

Mr. RIBICOFF. Mr. President, I ask unanimous consent to have the word "State" preceding the word "courts" in subsection (g).

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendment, as modified, is as follows:

> On pages 17 and 18, delete subsections 6 (g) and (h) in their entirety and insert in lieu thereof the following new subsections 6 (g) and (h):
>
> "(g) The Administrator is not authorized to intervene or participate in proceedings or activities of State or local agencies and State courts.
>
> "(h) Nothing in this section shall be construed to prohibit the Administrator from communicating with, or providing information requested by any Federal, State, or local agencies and State courts at any time and in any manner consistent with law or agency rules."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Carolina, as modified.

The amendment, as modified, was agreed to.

Mr. TAFT. Mr. President, it is my intention to speak a few moments on the labor exemption in the Weicker amendment. Before doing so, since the Senator from Alabama is on the floor, I thought I would like to have the benefit of his comments on this labor exemption question insofar as the principle of the self-appointed consumer advocate, Mr. Nader, is concerned.

I understand in the Government Operations Committee he engaged in discussions with Mr. Nader on this particular subject. I wonder if he would care to elucidate on the results of that discussion.

Mr. ALLEN. I thank the distinguished Senator from Ohio (Mr. Taft) for making an inquiry about the proceedings before the Government Operations Committee. Of course, they are available in the hearings.

I might state that the two special-

interest exemptions were discussed, the first being the exemption of proceedings before the FCC having to do with applications for renewal of television and radio licenses; and the other being the labor exemption.

Mr. Nader in that hearing, and testifying before the committee, stated that as to the matters pending, as to proceedings before the FCC having to do with renewal of media licenses, that he opposed that exemption, and that he felt, in effect, that that was a political decision, leaving that exemption there.

Now, as to the labor exemption he stated, in effect, that he could live with that, but he did not state that he was against the labor exemption. That will be noted from the hearings, if the Senator would look at them.

Mr. TAFT. Yes, I understand that, and the staff has pointed out to me particularly a reply—well, a colloquy between the Senator and Mr. Nader in which the Senator finally got down to the point. He stated as follows:

> Senator Allen. Yes; but do not the consumers have an interest in wage negotiations? That goes higher than the interest of big labor and big business?
>
> Mr. Nader. Well, the consumer——
>
> Senator Allen. Yes or no? My time is just about up.
>
> Mr. Nader. Well, yes, the consumers have an interest, and some of their interests may be in raising wages and some of them may be in holding them down.

Mr. ALLEN. Yes, that is correct.

Mr. TAFT. I think the Senator brought that our very well indeed.

Mr. ALLEN. I appreciate the Senator's calling that to my attention.

Mr. TAFT. I thank the Senator for his comment.

Mr. President, the most important and controversial consumer protection issue before the 94th Congress is once again whether to create a powerful Agency for Consumer Advocacy—ACA—to advocate the interests of consumers through the gathering and dissemination of information and by representing consumers before Federal agencies and the courts.

The current major bill, S. 200, is strongly supported by consumer groups and organized labor, and just as strongly opposed by a great majority of businesses and trade associations. This is the case despite the sponsors' assertions that there is a substantial increasing level of support from within the business community for S. 200.

The business community's openly expressed fear of this and similar advocacy agency bills has been criticized as peer pressure. Yet, a fairly recent development in the 6-year legislative battle surrounding the bill could give an objective observer cause for a complete reassessment of the businessman's reaction—organized labor demanded and received a complete exemption in the bill for labor-related issues and for Federal proceedings which involved the interests of labor as well as those of consumers.

This exemption basically and radically changed the original intent of the bill and raised significant questions concerning what organized labor is afraid of. Yet, for some unknown reason, this most important change in the bill has, for the most part, been unmentioned and uncriticized by those who have supported and closely followed the progress of the ACA concept through the years. Thus, it is imperative that we ask and answer these fundamental questions: If indeed labor-management relations are divorced and remote from the marketplace transactions as envisioned by the bill thereby excluding ACA involvement, why then has labor fought so diligently to secure a special exemption from coverage of this act? Why is a labor exemption necessary?

In the next few minutes, I hope to explore the little that is known about this well-preserved legislative mystery with the hope that those who feel that an ACA must be created will investigate the matter further and determine for themselves whether organized labor is justified in fearing this bill.

THE LABOR EXEMPTION

Section 16 of the ACA bill provides that—

> This act shall not apply to . . . a labor dispute . . . or to a labor agreement.

That means, of course, that none of the authority granted to the ACA in the bill could be applied in or to any court cases, NLRB proceedings, Federal mediation attempts, and so forth, which relate to labor disputes or agreements.

This is a sweeping legislative gag—stripping what some wish to be the Nation's most prestigious public advocate of even the rights to get labor-related information that would be available to anyone else under the Freedom of Information Act. To see how vast an exemption it is, one must be familiar with the major broad functions proposed for the ACA, none of which could be applied to labor-related matters if the exemption were to remain.

The following major ACA functions could not be applied in the interests of consumers in matters relating to labor disputes or agreements:

> 1. Representing the interests of consumers before Federal agencies and courts and appealing agency decisions to the courts (Sec. 6);
>
> 2. Conducting and supporting research and studies (Sec. 9);
>
> 3. Submitting recommendations to the President and Congress to improve the operations of the Government (Sec. 5(b)(3));
>
> 4. Obtaining information from persons and agencies (Sec. 10);
>
> 5. Publishing and otherwise distributing information that the ACA, in its discretion, considers of interest to consumers (Sec. 5(b)(4));
>
> 6. Receiving and making available consumer complaints (Sec. 7);
>
> 7. Conducting conferences, surveys, and investigations, including economic surveys (Sec. 5(b)(6));
>
> 8. Cooperating with State and local governments (Sec. 5(b)(7));
>
> 9. Encouraging private enterprise in the promotion and protection of consumer interests (Sec. 5(b)(7));
>
> 10. Publishing a consumer register of action by Congress, Federal agencies and the courts and any other information thought useful to consumers (Sec. 5(b)(9));
>
> 11. Encouraging the adoption and expansion of consumer education programs (Sec. 5(b)(10));
>
> 12. Encouraging the application and use of new technology, including patents and inventions, for the promotion and protection of consumer interests (Sec. 4(b)(11));
>
> 13. Encouraging the development of informal dispute settlement procedures involving consumers (Sec. 4(b)(12));
>
> 14. Promoting the consumer interest of farmers in obtaining a full supply of goods and services at a fair and equitable price (Sec. 5(b)(14)); and
>
> 15. Performing any other related activities as the ACA deems necessary to fulfill its duties and functions (Sec. 5(b)(15)).

Now, anyone familiar with the progress of this bill and the proposed functions of the ACA knows that its original intent was to grant to the ACA wide discretion. This was felt necessary because of the many varied interests of consumers which could not be anticipated in legislation.

The extreme breadth of power and discretion to use them proposed for the ACA has always been one of the areas of great concern to the bill's detractors and I must say I join in the concern on this point. For example, former Senator Sam Ervin's minority views on last year's ACA bill, which was numbered S. 707, in part stated:

> S. 707 grants powers to a potential appointee who would be responsible to no one, powers which no responsible official would use and which no irresponsible official should have (S. Rept. No. 883, pt. 2, p. 4)

However, the bill's supporters continually countered such arguments with statements to the effect that public policy, limited appropriations, and the watchful eye of Congress would assure that the ACA would be prudent in use of its descretion and not invade areas of tangential interest to consumers.

Yet, suddenly, during the last Congress, an entire sector of the economy demanded and was excluded from the ACA bill.

In my view the reason is quite simple, organized labor was not willing to believe that the ACA would be as prudent and reasonable as the bill's sponsors said it would; labor unions have the same fears as businessmen.

When asked why labor should be exempted, AFL-CIO Legislative Director Andrew Biemiller replied candidly:

> We don't want another government agency intervening in labor-management relations, sticking their noses in our affairs. (Congressional Record, July 16, 1974, p. S12668.)

That remark, the only one on the record from a labor official to date, is indistinguishable from many made by some businessmen.

The issue in a nutshell was stated by Senator Sam Ervin during the S. 707 debate when he said:

> To exempt organized labor from the purview of the ACA would be like "the play of Hamlet with the Character of the Prince of Denmark left out."

Consider this: If the ACA should, as its supporters maintain, intervene in a Federal Trade Commission proceeding where unlawful monopolization of business is charged, why should it be prohibited from getting anywhere near an NLRB

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proceeding where labor unions are charged with unlawful boycotting or monopolization of representation?

Clearly, it seems to me, the Weicker amendment must stay in the bill if the bill is really to have any meaning in a very important sector and to make it apply in other sectors of the economy and not apply to these sectors that are labor related, to me, would be the most gross discrimination, and picking out, really, just a particular area for the law to apply to in the public interest would seem to me to clearly demand to go further than this.

Mr. President, in the Wall Street Journal of March 14, 1975, there was an editorial entitled "How To Toughen Up the ACA" and I ask that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

How To Toughen Up the ACA

Some interesting issues are raised by the latest Senate wrangle over the proposed "Agency for Consumer Advocacy" and how much power it should have to "intervene" in the deliberations of other government agencies and departments.

The Senate Government Operations Committee has just voted to let the ACA involve itself in broadcast licensing disputes before the FCC. But it hasn't yet tackled a provision of the ACA bill that exempts proceedings before the National Labor Relations Board from ACA intervention.

Now, Ralph Nader hasn't invited us to comment on the ACA, which will be pretty much his personal agency, but we see no reason, in principle, why there should be any limits at all on its activities. After all, it will have the broadest "constituency" of any federal agency, roughly 212 million American consumers (we assume it will represent only American consumers and not foreign consumers of American goods).

With that kind of constituency, the ACA should have the broadest possible powers to protect the interests of, in effect, everyone. NLRB proceedings would only be a beginning, but a nice beginning. Certainly when labor unions and employers enter into agreements that restrict access to certain jobs and the productivity of workers on those jobs they are vitally affecting the prices consumers will eventually pay. So why shouldn't the ACA have the power to veto restrictive work rules?

And what about other forms of restriction of producer competition? Shouldn't the ACA have the power to abolish the CAB, the ICC, the FPC, the FEA, and other federal price-fixing operations?

And what about those other agencies of recent creation that have inflicted new and often unnecessary costs on the consumer by their powers to get standards? If the ACA could prevent the Environmental Protection Agency from making any new multi-billion-dollar errors on mandated pollution control equipment, we are all for it. Or if it could keep the new Occupational Health and Safety Administration from forcing employers to buy unnecessary safety equipment it could further cut costs to consumers. Why not just give ACA the power to veto any federal mandates to industry that cannot be proved to have benefits that exceed their costs and penalties?

Let us plunge on. How about giving ACA a mandate to reduce costs to consumers brought about merely by all the legal and accounting work generated by Congress? The cost savings here would be enormous. On this front it could abolish most of the activities of the FTC, particularly its useless and expensive new proposed line-of-business reporting requirement. By one estimate the government paperwork burden on industry rose 50% in the six years to mid-1974.

We would even urge that the new ACA get at the source of all the expensive activity that has made Washington such a prosperous growth town amid recession everywhere else. The ACA should be given the task of putting a red "reject" stamp on all bills brought before Congress that cannot be proved to have some benefit for consumers. That would eliminate most bills and the need for the hundreds of congressional aides who now spend their time dreaming up new laws.

Somehow we have a feeling that our view of what the ACA should do isn't going to make much headway with Congress. But if Congress doesn't want to accept our recommendations we would only ask that it apply some of the tests we have mentioned to its own concept of the ACA. It might ask whether Mr. Nader and the ACA can tell us anything we don't already know about what consumers are up against today. And having answered that, it might further ask, "who needs another federal agency when we have so many already that we can't get rid of?"

A good question, we think. So unless Congress plans to make the ACA really tough, why not just scrap the whole idea?

Mr. TAFT. Mr. President, I ask that some extracts from the New York Times "Reports on 1969 Dock Strike" relating to matters involving consumer interests and public interests, labor disputes and concerns, also be printed in the RECORD.

There being no objection, the extracts were ordered to be printed in the RECORD, as follows:

NEW YORK TIMES REPORTS ON 1969 DOCK STRIKE

"UNITED STATES URGED TO ACT IN DOCK DISPUTE

"In their statement issued in Washington, Governor Rockefeller and Senators Jacob K. Javits and Charles E. Goodell said that the strike had reached the point 'where it now poses a critical danger to the health and safety of the entire nation.' "—NYT 22 Jan 69 at 93: 4 [last paragraph]

"DOCK UNION HERE IS PRESSED TO RETURN TO WORK

"On the floor of the Senate in Washington, Senator Jacob K. Javits said yesterday that Federal authorities could not permit the strike to continue and that the Congress might shortly take up the question of compulsory legislation.

"In his speech yesterday, Senator Javits said he had been in touch with the parties in the current dispute, and he expressed the hope that Congressional action could be avoided.

" 'But if it cannot, we shall do it,' he declared, 'because we cannot allow our foreign trade to be immobilized.' "—NYT 23 Jan 69 at 93:5

"DOCK STRIKE COST NEARLY $2 BILLION

"They have sent hundreds of complaints to Federal officials, and Senator Jacob K. Javits said yesterday that he planned to introduce legislation this week to make small businesses eligible for Federal disaster loans.

" 'Scores of these firms are already out of business or are going out of business,' he [Javits] said."—NYT 2 Feb 69, V, 23:6

"Sugar and pineapple are not the only Hawaiian products hurt by the dock strike. The Hawaii Manufacturers' Association said that 70 per cent of its members were suffering critical shortages of materials."—NYT 15 Aug 71, 66:5–6

"Honolulu, Aug 23 (AP)—Describing the 51-day-old West Coast dock strike as having placed a 'stranglehold' on Hawaii, Mayor Frank F. Hasi declared a state of emergency in the city and county of Honolulu today."—NYT 24 Aug 71, 29:5

"Hawaii, which depends almost entirely for its food and other essentials on water-borne freight from the West Coast, cannot endure the strike much longer without incurring deep economic scars.

"Mrs. Julia Kintaro, interviewed in the poorer and more rural Nankuli section, said she had encountered some shortages and was paying about $5 a week more for food. But, she said, she would 'trust in God to provide.' "—NYT 30 Aug 71, 58:1–2

"DOCK STRIKE LAW URGED BY HODGSON

"He said that the 100-day strike affected exports valued at $1.4 billion that were either lost or diverted at great expense. The current strike, he said, is causing a cargo loss of $23.5 million a day at ports in California, Oregon and Washington."—NYT 27 Jan 72, 74:1

Mr. TAFT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORGAN. Mr. President, I have already made my position on Senate bill 200 clear. I think the bill is good. It is a needed agency, and I do not concur with all of those who contend that this is another regulatory agency on top of all of the other regulatory agencies.

I think this is an agency that can and will, if it is enacted, enable the many other regulatory agencies that are already in existence to do a much better job.

We expect some of the regulatory agencies, if not all of them that are already in existence, to be the policeman, the judge, and the prosecutor.

They have to regulate or oversee the actions of the industries that they regulate. They deal with them on a day-to-day basis and then all of a sudden they are called upon to sit in a quasi-judicial capacity to set rates or to determine the cost or quantity of service.

I do not believe that it is fair either to the consumer or to the industry regulated to have an agency or group of commissioners sitting in such a capacity and at the same time be called upon to act as a prosecuting attorney.

A consumer advocate can render a real service in this area. I know it can because we did in North Carolina for many, many years.

I grant that in the beginning days of the program in our State, the industries were skeptical, they voiced their opposition. But as time went on, they found that when they appeared before the commissioner of insurance who had to determine the rate that they could charge or the coverage that they could include in their policies, that he began the hearings without any bias or without any prejudice, and as the companies presented their evidence to support their contentions the attorney general presented the public's point of view.

Thus, the insurance commissioner could render a decision based upon all

of the facts as they had been marshaled by both the consumer advocate, that is, the attorney general, and the agency.

I envision the same sort of activity on the part of the consumer advocate that would be created under this bill. It is not, I repeat again, another regulatory agency on top of all of the other agencies that we now have. I saw one figure of 39 agencies.

It is an agency that will enable those which are existing to do their job better, to do it more effectively, and also, at the same time, to leave the impression with the industries that are regulated that they have had a fair hearing.

There is an old saying that it is not only important that a defendant or a person in court receive a fair trial or a fair hearing, but it is important that he feel he has had one.

I do fear that the exemption of any segment or large group of the public from the provisions of this bill can seriously jeopardize the effectiveness of it in the future. I envision very few occasions when the consumer advocate would ever become involved in a management-labor dispute, simply because usually in such cases management is ably and well represented and labor is ably and well represented. Their points of views are such that they conflict, they have contrasting ideas, and the adversary system works effectively. Nevertheless, there may be times when the consumer advocate could and should intervene in such hearings.

But more important, I think it is offensive to the business community, that is so vigorously opposed to the enactment of this bill, for us to exempt the management-labor disputes, whether they are right or not in their opposition. I have said to a good many of them with whom I have talked I think they are wrong in their opposition to the bill.

I have talked with labor leaders in North Carolina. They do not share the concern of some of those who have expressed the desire to exempt labor and management from the provisions of this bill. They see no harm that would come from it.

I believe they would prefer that I voted to exempt labor from it simply because that is the position of labor on the national level. Nevertheless, the labor leaders in North Carolina who were of so much help to me through the 6 years that I served as a consumer advocate are willing to support this bill with labor included.

For that reason, I hope that the Members of the Senate will adopt the Weicker amendment. I feel that if we do, we can then pass this bill. Should the President decide to veto it, I do not believe we will have any trouble sustaining our position. Otherwise, I fear that the pressure that will be brought by those who, I believe, fail to understand and comprehend the real importance of it may use the exemption of labor as well as the communications industry, which we have already granted an exemtpion to, as an instrument or a tool to ultimately defeat the bill.

I urge the adoption of the Weicker amendment.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WEICKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, I ask unanimous consent that the amendment at the desk, my amendment No. 342, be modified to read, on line 1, "on page 36, beginning with the comma on line 22," instead of "line 20," as it appears in the amendment.

I request this change because of the reintroduction of the exemption for the communications industry. It has now changed the bill so that it is necessary to ask for this technical modification.

The PRESIDING OFFICER (Mr. FANNIN). Is there objection?

Without objection, it is approved.

Mr. WEICKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PERCY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. Mr. President, while the distinguished manager of the bill (Mr. RIBICOFF) is on the floor, I wish to ask him a perfectly obvious question. Here we have a cloture vote scheduled for tomorrow on the Consumer Protection Act. That is to shut off debate. It is transparently clear, from the fact that we have spent as much time as we have this afternoon just sitting here, with the urgent business of the Nation pressing in on us, that even though this bill, S. 200, is the pending business in the Senate, apparently no Senators desire to debate its merits any further. Yet we have to have a cloture vote in order to shut off debate so that the Senate, for the second time in the history of this legislation, can have an up-and-down vote on the bill. I ask my distinguished colleague from Connecticut, the chairman of the Committee on Government Operations, if this does not seem a strange situation to him.

Mr. RIBICOFF. May I comment to my distinguished friend from Illinois, who has given so much of himself and whose contribution to this legislation has been exceeded by none, what we have is a measure that has been before us some 6 years. There has not been an argument made for or against this bill that the entire body does not know. It indicates that there is no longer any need to educate Congress, or especially, this body. We sit here today with an important amendment offered by my colleague from Connecticut, which is controversial; yet there has been great difficulty in getting Members either to come to the floor to listen to the arguments, or to participate in the debate. This goes to prove that the time has really come to vote this legislation up or down.

Naturally, I should like to have the Senate overwhelmingly pass this legislation. But for the sake of the Senate itself, I hope that we would exercise a responsibility for our constituency and for the country, to show that the Senate does come to a conclusion.

People do not have to vote on the same side that I am for, but they should be voting, up and down, for their own constituents.

They should let the people of their State know whether they favor or are against this legislation. It is obvious when we see what has been going on on the floor that what we have is really a filibuster.

I do want to pay respects to our distinguished colleague from Alabama (Mr. ALLEN), who has been opposed to this legislation consistently, in that he has been continuously on the floor, that he has held down the floor, either on his feet or in his seat, being here to answer questions from his side of the aisle. So in no way can I fault the distinguished Senator from Alabama, because he has been here all the time.

But this would indicate to me that when the time has come tomorrow to vote on cloture, I hope that 60 Senators, at least, will vote to cut off further debate and that if cloture is voted we will go on to finish this bill in the Senate once and for all, send it over to the House of Representatives, let the House act, and then, of course, if the House acts the same way the Senate has acted, go to conference. Then it goes to the President's desk for either his signature or his veto. But the time really has come to act once and for all, and I hope that even Senators who oppose this measure and oppose it strongly will also vote for cloture, to give the Senate and this country an opportunity once and for all to know where the 100 Members of the Senate stand on this bill.

Mr. PERCY. I would like to also ask my distinguished colleague from Connecticut whether he does not find it incongruous that some Senators have indicated that this measure is antibusiness, or have implied it is an antiproducer, when increasingly, day by day, some of the largest companies in America are coming out and supporting the legislation.

Today ARCO, Atlantic Richfield, the 18th largest corporation in the United States—a company that we are depending upon to open up and develop our oil fields in Alaska, among others—is advocating strong support through its president, T. F. Bradshaw, a very distinguished American industrialist, and highly respected for his progressive stands by his colleagues in the business community. Also Mobil Oil, the Nation's third largest oil company and the fifth largest industrial enterprise in the United States recently came out in favor of the Consumer Protection Agency, when it was stated by Rawleigh Warner, the chairman of the board, in a letter to me, "We do support the measure in its present form."

Many of the difficulties in the earlier

proposal have been cured, so that Senators who believe they are to be voting on identically the same legislation that they voted on before should do as the Senator from Tennessee (Mr. BROCK) has: work to improve and strengthen the measure, and then find cause for supporting it, as Senator BROCK did, not only by inserting into it a very significant cost-benefit amendment, but by voting favorably in the Government Operations Committee and becoming, now, a cosponsor of the legislation.

Is it not strange that some segments of the business community would oppose this legislation when Business Week, one of the most distinguished professional journals in the field of business, has editorialized that this legislation would strengthen the free enterprise system and be supportive of those businesses that conduct their business based on equity to the consumer, good service, and good quality product at reasonable prices?

Is it not strange that we still have opposition from segments of the business community, and from some Members of the Senate who interpret this as antibusiness, when what we have is legislation that is fairly balanced, proconsumer and probusiness—when business is being asked only to meet the standards that every reasonable businessman would expect to set in his own business?

Mr. RIBICOFF. The Senator is absolutely correct.

I would just like to list a few of the major businesses in this country, which are really household words, that endorse this legislation. I go down the list here.

There is Bantam Books. There is Connecticut General Life Insurance Co. of Hartford, Conn. There is Cummins Engine Co. of Columbus, Ind. There is the Dreyfus Corp. of New York. There is the Executive Life Insurance Co. of New York. There is the Maxwell Corp. of America. There is Monogram Industries of Los Angeles. There is Montgomery Ward of Chicago. There is the Polaroid Corp., Cambridge, Mass. There is Stride-Rite Shoes. There is Zenith, Inc. There is a chain that operates throughout New England and very heavily in the State of Connecticut, the Stop-and-Shop Co., headquartered in Boston, Mass. There are many more businesses which have reviewed and studied this legislation. As I talk to many of the executives of these companies, they feel that this would be a boon to business.

There are enterprises that are legitimate, that give the consumer value for every dollar spent and themselves are being plagued by the fly-by-night operators, those who would cut corners, who would do some cheating and fraud, and they have to compete with organizations such as that. To me what we are trying to do is to assure the consumer that there is an ombudsman—that there is someone who is vitally interested in his problem—to assure, in these days of recession and inflation, that for every dollar we spend we are getting a dollar's worth of value. I am sure that once this legislation is passed and becomes law, the opposition from most of the business community would be eliminated.

I point out, too, that by amendments placed in this legislation, we have exempted small businesses—about 95 percent of all business in this country, from the compulsory interrogatory power of the ACA.

This is a sound piece of legislation that is constructive, that all segments of the population and the business community can live with.

Mr. PERCY. I wonder also if my distinguished colleague would not agree that many times the regulatory agencies in our Federal Government are oblivious to consumer interests. Industries that they are supposed to regulate have found ways to unduly influence these agencies, to get their men in the regulatory agencies, to find ways to develop sweetheart relationships with them, you might say. Is it not wise that we have an ombudsman speaking for the consumer who can make certain that the regulatory agency fulfills the function that was designed by Congress initially?

Mr. RIBICOFF. It is not even that. I assume that the regulatory agencies feel they are doing their job and try to do their job. However, they are overworked. They have complicated problems before them constantly. There is no one to represent and put forth a consumer point of view. The businesses that come before these agencies awaiting some regulatory measure are businesses of substance, and rightfully so. They have the right to have their lawyers, their accountants, their economists, their auditors, their technicians to make a record; and we find that businesses of that caliber are represented in a ratio of about 100 to 1 in comparison to the consumer before regulatory agencies.

So there is no one speaking for the consumer. All we say is we should have someone with a voice for the consumer, to present the consumer's point of view for the record. I believe it will be very helpful to the regulatory agencies and, speaking frankly, and they would speak frankly, almost every ex-commissioner has so spoken, and they would welcome the other side of the coin in every rulemaking regulatory proceeding coming before them.

Mr. PERCY. One other point I would like to raise with my colleague, which we have really not discussed at all, and which might be aptly pointed out at this time.

I have noticed this year that the steam has gone out of the opposition to this legislation. When we first introduced this legislation, I said at the time on the floor that I had never been subjected to more misleading, erroneous and downright deceitful lobbying from certain segments of the business community.

We had lined up before us one day in a Senate hearing the heads of seven or eight companies, every one of whom had taken a position of opposition to this legislation.

Yet how had they done it? They have done it through the trade executives, the paid lobbyists for their particular industry.

When I asked those business leaders questions about the legislation, they said yes, they were against it, but none of them could answer any of the questions put to them. They were not familiar with it. They would have to turn to their counsel, the paid lobbyist, who earns his salary, and justifies his existence, by being professionally against this legislation.

I think a lot of those Washington lobbyists are going to be unhappy to see this legislation enacted into law principally because it takes away some of their life's work, for they have been making a profession out of fighting this particular piece of legislation.

What businessman today would dare come down and openly say that there is no need for this, when every day in the newspapers we see that one company or another company in some industry has set up a slush fund of millions of dollars to pay bribes to public officials, in this country or in some foreign companies, so that they can influence judgments on matters of especial interest.

Now, again I emphasize this is a very, very small minority of business, but it is a very small minority we want to get after.

When we enacted truth-in-lending legislation we were not really after the big lenders, who constitute 95 percent of the loaning capacity of this country. We were essentially after the loan sharks who charged 20, 30, 40, 50 percent interest in hidden charges. And we found, in the end, that many great companies came out and advocated and supported truth-in-lending legislation. Similarly, today, a great many businesses have found that this measure will be in the interest in the business community, by helping to restore faith in the business community and the free enterprise system.

Last, year, when we debated the ACA legislation before the National Press Club, Senator BUCKLEY—I must say I give him credit even though I disagree with him wholeheartedly on this issue, had the fortitude to stand up and fight for his position. Similarly, Senator ALLEN has always done so. But when we went to the business community and asked for a representative of the business community to engage in a debate on this issue—I was to debate Senator BUCKLEY and Peter Jones, the general counsel and vice president of Marcor was to debate some other representative of the business community—who stood up and was counted on this issue? In 10 days, not a single businessman in the United States of America could be found who would stand up and be counted against the bill, until they came up with a paid lobbyist, a lawyer in Washington, who has made his living fighting this.

I note also that one of the most highly financed, previously highly respected, business organizations put out an inch-thick folder against this bill without putting its name of it. The organization tried to hide its identity. Why? Why is it, if they are against something, they are not willing to stand up and debate it? Why do they oppose it covertly?

The businessmen who are for the ACA bill stand up and are counted, while all too many of the businessmen who are against it do so secretly and have their paid association lobbyists come forward

and be their mouth, their voice, to undercut the bill and lobby covertly against it behind the scenes.

Mr. RIBICOFF. I would respond this way: I have always found, through long political experience, that it takes about 5 years for an idea to become accepted. The idea of the Consumer Protection Agency, now know as the Agency for Consumer Advocacy, when it first came forward did meet with widespread opposition. But even the businesses that first opposed it, when they got to know what was in the bill, became either advocates themselves or the steam has gone out of the opposition. I think we have learned a lot.

I note the distinguished Senator from Arizona in the Chair. A few months ago I viewed with great interest on CBS some television portrayals of extensive land frauds in the State of Arizona in which people from all over the country were being mulcted of their life's savings to buy real estate which was worthless land in Arizona amounting to millions upon millions of dollars.

I am sure that a consumer advocate would not only protect the innocent victims all over the United States who thought they were going to Arizona to warm themselves in the Sun during their declining years, but I think it would have been a great help to the many legitimate real estate developers in the State of Arizona.

I have visited Arionza many times. It is a beautiful State. It is a State that has had considerable orderly development, and I am positive that the overwhelming number of developers in Arizona are men of character and ability, giving a fair value for the price they charge for their lands and buildings.

But there came into Arizona a group of racketeers who were using the blue-sky laws, false advertising, false salesmanship, to go all over the country to cheat many, many thousands upon thousands of innocent people.

Now, who is going to talk for these innocent people, whether they are in Michigan, Illinois, Connecticut, Massachusetts, New York, or Minnesota who thought they were getting a piece of sunshine in the State of Arizona? There is no one. Thousands and thousands of people were cheated.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. RIBICOFF. I will be pleased to yield to the distinguished Senator from Kansas.

Mr. DOLE. I might say to both the distinguished Senator from Illinois and the Senator from Connecticut that I have yet to make up my mind on this legislation. I have a great interest in this legislation, but in that particular case just cited, I think the Federal Trade Commission performed its function in protecting consumers very well, at least by apprising the consumers of their interest. That is one concern I have with this bill, and not just concerning the FTC. What happens in those instances where the Federal agency charged with protecting the consumer interest makes a genuine effort? Are we creating some super agency that would, in effect, have total right of intervention if they disagreed with the FTC or some other Federal agency? Would they have the right to appeal? Who finally determines the interests of the consumer? Is it the agency that is established for that purpose, or is it this new ACA? That has disturbed the Senator from Kansas because I am in sympathy with the concept, but I would hope that we are not creating a super agency in this process.

Mr. PERCY. I would like to respond to the distinguished Senator.

First, I would like to say for the record how extremely helpful and important the Senator from Kansas has been on this legislation in the past. He has brought forward a compromise resembling the House-passed measure, large parts of which are embodied in S. 200 now. He has been a very key force and, I believe, certainly his own reelection, in which he received the support of a great many consumer agencies because of his leadership role, is testimony of the fact that his activities are well known. We certainly trust that he will be a strong advocate for the bill this year.

Mr. DOLE. President, if I might interrupt here, I am not certain I was elected because of that. But, in any case, it was not that very much of a margin, so you do not want to give anybody too much credit.

I would like the Senator to address that question because, as I read the report this morning, it seems to indicate that we might be creating a monster here that we will not be able to control, and I hope that is not the intention either of the principal sponsors of this legislation. And, if we are creating a super-agency, then we ought to devise some amendment that would preserve the intent of the Senator from Illinois, the Senator from Connecticut, and, I think, that of well-intentioned consumer groups not to destroy, impede, or burden the processes of effective government.

Mr. PERCY. On the particular point that the Senator from Kansas has raised, I think that an Agency for Consumer Advocacy would be the perfect agency to have done what should have been done much earlier in stimulating FTC and HUD to take action.

The whole problem in that particular case was that these agencies sat on the problem too long. There was no one really pushing them into doing something about it as there would be if we had an agency riding herd on it, expressing the concerns of the consumer, and urging the agency to take action.

ACA is not a superagency. It is a voice, a voice for the consumer who cannot be heard many times, other than through this mechanism.

The same is true with section 235 of the housing law. When we found infractions all over the country, without any national pattern having been developed, we had grand juries springing up in various States, bringing to court and bringing to the attention of the courts the fraud that was going on in that particular housing program.

If we had had an agency for consumer protection in place, it could have gone right to HUD, pointed out evidence of the pattern of fraud across the country, and caused HUD to take remedial action.

Mr. DOLE. Will the Senator yield?

I might ask, has the Senator the——

Mr. PERCY. I would like to mention just one other case that is very pertinent.

Mr. DOLE. I think in that case, the FTC disposed of the problem adequately. In the condominium cases there has been some difference of opinion between a court on the one hand, FTC on the other, and the result is that no action has been taken.

But my point is that if we have the ACA, can they, in effect, direct or mandate some action by another independent agency?

I know they rise to parity, but do they really rise above the other agencies?

This is the question I am asking.

Mr. RIBICOFF. Will the Senator yield?

Mr. PERCY. Well, this agency cannot mandate anything. It does not have the force of regulation, but what it can be is a voice.

Certainly, as we have seen in the hearings, where the Senator from Illinois has been pointing out for several years the abuses, the first line of recourse is to go back to the industry itself.

I am happy to indicate that the hearing aid industry last week announced that they now are about to reform their own industry with their own internal regulations. But it took someone to point out the abuses in that industry before action was forthcoming.

In the earlier example, the housing industry should have moved in, the real estate board should have moved in, homebuilders should have moved in, to get industry to correct the abuses rather than waiting for Government.

But there should be someone to bring the right regulatory agency into effect early enough before the abuse.

Mr. DOLE. Will the Senator yield?

Mr. PERCY. I am happy to yield the floor.

Mr. RIBICOFF. May I respond further?

This agency could not mandate, could not order, could not issue a regulation. All they are is a voice to intervene in a proceeding to make its position known.

Section 2(b)(2) of S. 200 states:

> The authority of the Agency to carry out this purpose shall not be construed to supersede, supplant, or replace the jurisdiction, functions, or powers of any other agency to discharge its own statutory responsibilities according to law.

Mr. BROCK. Will the Senator yield briefly at that point?

But in the event the ruling by any agency should be adverse in the opinion of ACA or the Administrator, then the Administrator would have the right to appeal notwithstanding no desire to appeal on the part of the agency who made the finding.

Mr. RIBICOFF. May I say, the agency's power to appeal would be no greater than the power of any other individual to appeal under the law.

Mr. BROCK. But I am suggesting——

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Mr. RIBICOFF. The difference comes in, unfortunately, because 212 million people are not organized, they do not have the funds, they do not have the expertise, and they cannot carry an appeal through.

The agency would have the same right as a Mr. Nader, or John Jones, or Richard Smith. Their rights are no greater than an individual before a regulatory body of any kind.

Mr. BROCK. Will the Senator yield further?

If a regulatory body made a decision based on the evidence and based on the facts, and maybe unanimous or a split decision, maybe in the view of the Administrator, the ACA, was not in the interest of the consumer, then it is my understanding that notwithstanding unanimous opinion by the FCC, or CAB, or FTC, the ACA could appeal.

Mr. JAVITS. So could anyone else.

Mr. RIBICOFF. May I respond again, the Agency for Consumer Advocacy right would be no greater than the right of any other individual. Any individual could take an appeal. The Agency takes the same appeal.

It is no greater nor less than that of a private individual.

Mr. BROCK. If the Senator will yield, someone not a party to the administrative action would not have any right to appeal, but as I understand it, if the administrator of the ACA made a determination that the FTC, or CAB, or some other agency, made a finding even though unanimous that was not in the interest of the consumer, in their view, then the administrator could appeal that decision and, in effect, overrule and be superior to the judgment of the agency?

Mr. RIBICOFF. If the agency were a party they could take the appeal like any other individual. If they were not a party to the proceeding, they would then have to move to reopen the proceedings and go back to the agency for permission.

Mr. BROCK. Right, if they were a party.

Mr. RIBICOFF. If they were a party, they could take the appeal. If not a party, they would have to petition the agency for reconsideration.

Mr. BROCK. The bill so structured, they would, in essence, be a party in almost every instance.

Mr. RIBICOFF. No, they would not necessarily be a party because we are setting up an agency involving $15 million with perhaps 200 employees, and they are not going to be able to get involved in every proceeding before every regulatory agency.

But perforce, they are going to have to take the basic big issues that confront the country, whether it is an increase in telephone rates, an increase in the price of oil, FEA, CAB, big matters.

I would be disappointed if they are going to get involved with every proceeding before a regulatory agency, because they are not going to be that big.

In my opinion, they are going to take the matters that really affect the marketplace transactions involving the health, or economic health, of the country as a whole.

Mr. BROCK. I will just be one moment because I know the Senator from New York has questions.

The Senator from Kansas hopes sometime today or tomorrow to outline at least a few areas where I believe some improvements can be made in this legislation.

I think the Senator from Connecticut knows the Senator from Kansas did vote to end debate last year.

I think, as indicated earlier, the concept is good, but it does appear to me there have been certain changes made in S. 200 that, in effect, weaken the substance we were talking about last year just before we gave up on getting cloture.

Mr. RIBICOFF. May say this, the Senator from Kansas was very helpful last year—his contributions were great. The Senator's staff and the staff of the committee met today to work out the possibility of agreement between the Senator from Kansas and ourselves on some of these amendments.

I know we will have an opportunity to vote on the amendment of the Senator from Kansas. My plea at this time is that, for heaven's sake, the Senate ought to vote.

I would hope we would achieve cloture. We voted it up or down. After 5 years and several cloture votes, the time has come for the Senate to say if they are against this bill. The people who are against the bill should stand up and be counted. The people who are for the bill should stand up and be counted. What bothers me is that so many Senators against it hide behind the filibuster in order not to have their vote against the bill counted. If they are against it, why be afraid to tell their constituents that they are against it and it is no good? But what we are faced with is a filibuster with no opportunity for the respective States to know where the Senators stand on the bill. That is the key issue before the country at the present time. How do we vote on cloture tomorrow? We vote to pass it or disapprove it. Then it goes to the White House, after it goes through the House of Representatives, to the President. If the President vetoes it, another opportunity will come before the Senate, to see whether we can or cannot override it with two-thirds of the Senate voting. That is the issue at the present time.

The plea that I would make to the Senator from Kansas, who has always been forthright, who told his constituents last year how he stood, is that he would join us to vote cloture tomorrow and have an opportunity for his amendments. If the amendments are adopted and if he thinks the bill is good, vote for it. If the Senator from Kansas believes that the bill is bad, I would respect him just as much if he voted against it.

Mr. DOLE. If the Senator will yield, it occurs to the Senator from Kansas that from a realistic point of view, the real issue might not be cloture, but might be on sustaining or overriding the veto.

Mr. RIBICOFF. I cannot read the President's mind. I have read his statements with a great deal of chagrin. That could well be the real issue. We need 60 votes tomorrow. Down the line we may need 67.

Mr. DOLE. There are just a few areas that I believe might make it more attractive from the standpoint of a better legislative effort which I hope to discuss some time tomorrow with the distinguished Senator from Connecticut.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that after the distinguished Senator from Texas presents his remarks, the Senator from New York be recognized for 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, the Senator from Connecticut has quite rightly called upon Members of this body to express themselves on this bill, whether or not they are for or against it.

I should like to say that I am very solidly against it and intend to vote against it. I do not conceive of anything right now that can be done to it that would improve it, which would persuade me to vote for it. I am convinced the majority of the American people do not want it. They are tired of so much Government bureaucracy. We have over 34 agencies now engaged in the business of consumer protection. If they are not doing their job, let us get on with the business of exercising the proper oversight over these agencies and passing whatever legislation is necessary to improve their efficiency and their purpose in trying to serve the general constituency in this country.

To me, the bill is a gigantic fraud, a cruel hoax, if we do not adopt the amendment offered by the distinguished Senator from Connecticut (Mr. WEICKER). The fact of the matter is that union activities impact adversely against the consumer in many instances—union work rules, featherbedding, contracts that are entered into with business organizations that add to the cost of doing business which is passed on to the consumer.

Let us take the case of swinging carcasses versus boxed meat. Here is a beautiful one. If you live in Chicago, Kansas City, Omaha, St. Louis, Houston, St. Paul, Denver, Milwaukee, Madison, Joplin, or Springfield, you cannot buy boxed meat that has been processed and packaged at the packing house perhaps in Texas or in Oklahoma, or someplace else, because the unions require that you send in swinging carcasses or they will not handle the meat.

That cost is passed on to the housewife.

Why is it we are so reluctant to take on the unions if we are talking about genuine consumer protection? I will tell you why. It is because of the great, vast political power of the unions.

We have been called on, and rightfully so, by the Senator from Connecticut to say whether we are for or against the bill. I think we should be called on to say whether or not we are for or against the consumer interest as opposed to the special interest of organized labor. That is going to take a little guts on the part of a lot of people around here.

Let me explain what I am talking about. We all know the difference between boxed meat and a swinging carcass. That is a swinging carcass is a whole side of beef as opposed to beef

that has already been processed and packaged. Obviously, in a truck they can ship more beef which has been boxed and packaged than swinging carcasses. In some areas, labor union agreements prohibit the use of boxed meat. I have just cited the names of the cities. Or they require such restrictions as to make it not feasible. Any possible savings which could be realized by the consumer in the use of packaged beef is prevented by the labor agreements.

Here is an example: Let us take a 30,000-pound load. The transportation is $2.81 per hundred pounds. For swinging beef it is $3 per hundred pounds. Based upon shipments from Dakota City, Nebr. to Chicago, a savings of $282 per hundred head is realized when boxed cattle is used rather than swinging carcass. Furthermore, hanging beef requires a rail trailer fitted with meat rails, meat hooks and reinforced siding and roofs. Often they have to be washed up before reloading.

The boxed beef requires a box trailer needing none of the above apparatus or extra cleaning. These rail trailers weigh 2,000 pounds more than box trailers and cost $1,800 more. Processors can ship 85 head, packaged without rough cuts as opposed to 55 swinging carcasses in one trailer. It is more product, of course, for less money if packaged beef is used. Furthermore, hanging beef is exposed and subjected to shrinkage of about 1 to 1.5 percent. This would be minimized by packaged beef and vacuum packs. Hanging beef also perishes faster, in 7 to 10 days, as compared to boxed meat of 30 to 40 days.

I might point out, too, that there is an enormous savings in energy if you can ship boxed meat instead of being required to ship swinging carcasses.

But the housewife has to pay because the unions have decreed, and the question is: Is the U.S. Senate going to have guts enough to stand up to organized labor in the consumer interest?

I do not believe I need to point out to some of you from big urban areas that in some instances these unions are tied in with the racketeers or the Mafia. Yet we are paralyzed in our efforts to act against them, because of the political power of organized labor.

Are we genuinely in favor of the consumer in this county? If we are, let us abandon our blind fear of organized labor and get on with it. Let us include them in this bill. Of course, the reason we do not is that the self-appointed consumer advocates in this country have insisted on a bill contrary to what I conceive to be the majority interest and wishes of the American people, to set up a consumer czar that, at his own arbitrary whim and discretion, will determine what the consumer interest is in this country.

We have proceeded on that path, that we cannot offend organized labor. Some of the proponents of this bill have confessed that if organized labor is included the bill might be defeated, because they will work against it. That lets a very nasty cat out of the bag, indeed. That means we are for the consumer interest so long as it does not offend big labor in this country. If it becomes offensive to them, then, of course, we have to back away from it, even though the housewife is paying extra money for her meat in several major cities of this country because of these corrupt union rules, because we cannot ship boxed beef into these cities.

That is just one example. There is a legion of such examples. I think the Senate would be showing itself to be extremely hypocritical, indeed, if we failed to adopt the amendment offered by the Senator from Connecticut, who very courageously has submitted the amendment, who comes from a State where organized labor is powerful. He has done so very courageously. If we fail to adopt the amendment and then pass this bill, we have admitted to the rankest kind of hypocrisy.

Mr. RIBICOFF. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I have been very desirous of saying a word about this amendment of Senator WEICKER's. The reason is that I am the ranking member of the Committee on Labor and Public Welfare and am deeply concerned with labor matters. I felt that I knew something about what we were shooting at.

The impression is abroad, most unfortunately, that the reason for the labor exemption is just to let labor off the hook, so to speak. Mr. President, that is entirely wrong. The reason for the labor exemption, which is narrowly confined to proceedings before the National Labor Relations Board, is that there is no impact directly on consumers in any of the proceedings of that board. It simply deals with collective bargaining rights between management and labor.

As a matter of fact, the Supreme Court of the United States has made it very clear that the board is not to get into the economic result to the public or the worker; and we, ourselves, leaving nothing to chance, have provided in the Taft-Hartley Act, for example, that "Nothing in this act shall be construed to authorize the Board to appoint individuals for the purposes of . . . economic analysis."

In Congress, we have followed studiously a course of noninterference with free give-and-take collective bargaining, and we stick to it, and that is why we have this exemption.

As to the Council on Wage and Price Stability, for example, the Agency for Consumer Advocacy fits in; and nothing from which we exempt them in this law changes that situation. The consumer agency can go into those proceedings.

Similarly, in other proceedings which involve labor in terms of wages and prices, commercial operations, and so forth, the consumer agency can act. The only thing we keep the consumer agency out of is the collective bargaining function, which the NLRB does not determine but regulates in terms of the honesty, good faith, and procedures which it undertakes. That is exactly the same with the national mediation and conciliation services.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. RIBICOFF. In the Senator's experience, which is outstanding in this field, is it not true that there is a 40-year history of labor law in Congress and the courts which indicates a continuous congressional intent to keep government out of the substance of management-labor relations?

Mr. JAVITS. To keep Government regulation out of it.

Mr. RIBICOFF. That is right.

Mr. JAVITS. Therefore, the consumer interest can be directed in many ways to affect wages. I just pointed out the obvious one of the Council on Wages and Price Stability; but not in the determination of the issue of negotiations, in which the board's duty only is to keep it fair. For example, even if we let the consumer agency in, it could not affect any decision of the board that determined that wages go up or down. They do not pass on that.

Mr. RIBICOFF. I believe the Senator was in Congress in 1947.

Mr. JAVITS. I was.

Mr. RIBICOFF. The Senator may recall that Senator Taft and Representative Hartley, in 1947, were so intent on assuring that the board would attend to the law and not economic consequences that they added section 4, which provided as follows:

> Nothing in this Act shall be construed to authorize the Board to appoint individuals for the purpose of . . . economic analysis.

Mr. JAVITS. I just read that into the RECORD.

Mr. RIBICOFF. This was followed up in the Supreme Court decision in which Mr. Justice Black, 5 years ago, speaking for the Supreme Court, in Porter against NLRB, stated:

> It is clear that the Board may not, either directly or indirectly, compel concessions or otherwise sit in judgment upon the substantive terms of collective bargaining agreements . . . It is implicit in the entire structure of the Act that the Board acts to oversee and referee the process of collective bargaining, leaving the results of the contest to the bargaining strengths of the parties.

The Supreme Court, 5 years ago, so declared.

If Congress is unhappy with the NLRB and labor-management negotiations, they should change the Labor Relations Act and not try to bring the consumer advocate in to try to change 40 years of congressional and court intent.

Mr. JAVITS. The only thing upon which there is an effort to tie into wages and prices is the so-called secondary boycott. But the courts have decided that secondary boycott cases relate solely to the pressure put on an employer with respect to collective bargaining, whether or not the law does or does not allow such pressure. They have nothing to do with the ultimate economic effect of a

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secondary boycott. It is neither illegal nor legal on that ground. Therefore, the Consumer Protection Agency could do nothing to affect that particular criterion of decision.

For all those reasons, Mr. President, I believe the exemption is entirely appropriate and that it should be permitted to remain.

Mr. WEICKER. Mr. President, as we draw to the hour of voting, I wish to make a few brief comments in closing on behalf of this amendment. It is an opportunity for the U.S. Senate to exercise leadership and to speak out for all the people of this country.

I do not believe that labor leadership speaks out for the rank and file of labor on the issue of consumerism, just as, indeed, I do not believe that the chamber of commerce speaks for the rank and file of business on the issue of consumerism. It falls to us, then, as U.S. Senators, to make sure that 212 million voices are heard, to make sure that when we pass legislation, it will be legislation for all Americans and not just for some Americans.

The statement has been made that everything has gone well with management and labor under the NLRB. That would certainly seem to be the case. On the other hand, that standard or that evaluation is applied by management and by labor. Who is to say that everything has gone well, if indeed, there were another person applying the criterion? Obviously, everything is going to change if there is a consumer advocate. Every institution, every agency, every action is going to be subject to his scrutiny, which, in effect, is the consumers' point of view.

That is all that this legislation does. Even those who are opposed to my amendment have repeatedly said that this is not to give the administrator powers which, in and of themselves, would overrule the decisions of other agencies, boards, and individuals. Rather, it is to present a point of view. Insofar as the substance of this legislation is concerned, this does nothing in any way to diminish the effectiveness of the administrator of the agency. Rather, it would enhance his effectiveness and thus, also, enhance the consumers' point of view.

Mr. DOLE. Will the Senator yield?

Mr. WEIKER. I shall yield in 1 minute.

The point I wish to make, aside from the substance of the legislation, is that the overriding issue is whether or not the U.S. Senate will start to pass legislation without exemptions. I was horrified when I heard from the proponents of the bill a moment ago that 90 percent of business is exempted under this legislation. Do we not see, that is the issue—whether it is business or whether it is labor, no matter what aspect of our life—the American people are tired of exemptions, of special exemptions.

[Applause from visitors gallery.]

Mr. WEICKER. One rule for all, one law for all, the good and the bad. Therefore, if it is bad, we will all seek to change it or, if it is good, we will all accept its benefits. To restore credibility is the other great legislative issue before us here today. We cannot say, "We hereby legislate the fact that Congress will, once again, have credibility in the eyes of the American people." We cannot do that. What we can do when legislation comes before us, is to act upon it so that we gain credibility.

So, aside from the substance of the legislation, consumerism definitely does not deserve exemptions being applied to any phase of our life—labor, business—I do not care what we have. Just as important is the reflection upon us as to whether we are, by our deeds, going to reestablish the integrity and the logic and the independence of the U.S. Senate and, therefore, the entire governmental process of this Nation.

I yield to answer a question.

Mr. DOLE. I know the time is about up. As I understand the primary purpose of the ACA, it is to represent the interests of consumers before the Federal agencies and courts. As a practical matter, if we adopt the amendment of the junior Senator from Connecticut, could he give me two or three examples of what impact this would have on consumers?

Mr. WEICKER. Well, it would make certain that in the course of negotiations and labor-management relations, arrangements were not being made between these two parties to the detriment of the consumer.

The Senator from Texas gave one example relative to meatpacking. We could probably go down a list of suggestions where the final contract arrived at was mutually agreeable and it benefited this particular business entity and it benefited this particular union. But what about the American people? Who is to say how they are being benefited?

So that is all. Every act of Government, not just the NLRB, but every agency action needs scrutiny. We do not mean to interfere with the contractual arrangements, but the final result—how will this affect the consumer? I think we all should know.

I think we have had a tremendous concentration of power in both business and labor, which has left the American people standing on the sidelines. I would like that to come out.

The PRESIDING OFFICER. The hour of 4:15 having arrived, pursuant to previous order, the Senate will proceed to vote.

Mr. STONE. Mr. President, may I make a unanimous-consent request?

The PRESIDING OFFICER. The Senator will state it.

Mr. STONE. I ask unanimous consent that my staff member, Pam Weller, be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed for 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION TOMORROW OF H.R. 4975—AMENDMENT OF THE RAIL PASSENGER SERVICE ACT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the measure, H.R. 4975, which was originally scheduled to come up immediately after the vote on the Weicker amendment today, be deferred until immediately after the vote on the motion to invoke cloture tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR VOTE ON WEICKER AMENDMENT AT 4:15 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, at the request of Mr. Weicker, I ask unanimous consent that the vote on the amendment by Mr. Weicker occur today at the hour of 4:15 p.m. instead of 4 p.m. as originally scheduled.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR PEARSON TOMORROW, DESIGNATION OF PERIOD FOR ROUTINE MORNING BUSINESS, AND FOR CONSIDERATION OF S. 200

Mr. ROBERT C. BYRD. Mr. President, there will be no further rollcall votes after the disposition of the Weicker amendment today. I ask unanimous consent that on tomorrow, after William L. Scott has completed his statement, Mr. Pearson be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business, with statements therein limited to 5 minutes each, such period not to exceed beyond the hour of 1 p.m.; and that at 1 p.m., the Senate resume consideration of the unfinished business, S. 200.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSUMER PROTECTION ACT OF 1975

The Senate continued with the consideration of the bill (S. 200) to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes.

INFLATIONARY ACA

Mr. GARN. Mr. President, serious inflationary problems are surfacing from the proposed Agency for Consumer Advocacy bill. At a time of increasing unemployment, coupled with heightened strike tensions, the proposed ACA bill exempts the ACA Administrator from intervening into National Labor Relations Board negotiations.

This labor exemption is clearly illusory in that the ACA Administration will have the power to investigate such matters as business cost-efficiency records. He will likely find what everybody already knows—that the greatest proportion of production costs, and therefore consumer prices, are paid for labor wages. Labor contracts undoubtedly will need to be investigated by the Administrator to determine worker efficiency and for possible job "featherbedding," which increases costs. Surely, the ACA will conclude that such labor matters are "an interest of consumers."

In an excellent review of the full inflationary impact of the ACA bill, Mr. E. Douglas Kenna, president of the National Association of Manufacturers, poignantly delineated how organized labor and consumers have already been hurt by higher prices and lost jobs resulting from previously ill-conceived and hastily imposed "consumer interest" regulations.

Congress must consider the inflationary impact of the ACA and Mr. Kenna's editorial provides background and information that we need to reflect on during our deliberations on S. 200. I am thankful for the business community's efforts to reveal this bill's true consequences to labor. If the leaders of organized labor give it equal consideration, I imagine we may be hearing from some of them who have second thoughts about supporting such an incredible new agency.

I request unanimous consent to have Mr. Kenna's editorial from NAM Reports be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

DOES THE ACA EXEMPT LABOR?

(By E. Douglas Kenna)

We who are close to the political games that are played in Washington have perhaps become hardened—but not too hardened, I hope—to the "compromise" philosophy practiced by members of Congress to win votes for their favorite ideas from one or another large voting segment of the American public. Laws are offered, amended or dropped with the single idea of satisfying important groups, which may be farmers, veterans, women, the aged, organized labor or others, including businessmen.

Nearly every bill passed reflects such pressures, and frequently better laws result. But there is a vote-getting game called "Labor and Consumers" that does not come under the category of simple "compromise." It is a classic example of abuse of the honest give-and-take usually required of members of Congress. The New York Times, one of organized labor's best friends, calls it "short-sighted of labor" and "politics at its most cynical."

The game is being played with a proposed new government agency, the Agency for Consumer Advocacy, a new name for last year's Consumer Protection Agency that Congress decided not to approve. Many people like the idea of "consumer protection" and don't look to see whom it hurts. Organized labor, however, should look closely, for it is going to be hurt.

If passed, the law will put in the hands of a single agency—with a one-man administrator—the power to intervene in practically every economic problem of the country. That means the ACA administrator would have the legal power to put himself into official proceedings, get into files, demand written answers to questions, use subpoenas and even sue other federal officers who disagree with him.

Basically, the main idea is that government agencies are not tough enough in their regulations, and the ACA administrator would be a sort of "bullyboy" roaming through government, browbeating other agencies into taking actions, or issuing regulations on everything from strip mining to TV licensing. This would mean the power to interfere in the operations of every kind of business and industry down to wholesalers and retailers and service shops.

As written, the bill would exempt only one segment of society from the ACA's reach—organized labor. The bill expressly prohibits the ACA administrator from intervening in the affairs of the National Labor Relations Board and other labor-management proceedings.

This was the famous "compromise" reached between backers of the bill and officials of the labor movement about a year ago. It was the "price" paid by the backers for the support of labor unions that once said publicly they didn't want the consumer agency "sticking its nose into labor affairs." They were right, of course. Such an agency shouldn't be permitted to enter the critical relationships between labor and management in any situation. Such an agency should not exist in the first place.

But, I have a question for labor: "Is labor really exempt from provisions of S. 200—the Consumer Protection Act of 1975?" And the answer cannot be anything but "no."

The "labor compromise" in the Consumer Protection Act of 1975 is an illusion. This is because government interference costs money. Businesses spend money to cope with federal regulations—getting licenses, changing rates, building non-productive equipment, getting out reports, doing paperwork, fighting lawsuits—pouring untold million of dollars into the work demanded by the bureaucracy in Washington.

All this has never worried many people—until lately. Then suddenly it was discovered that government interference and regulation over the years has been a prime cause of inflation, and unemployment, too. The public, including labor leaders, began to see that the money companies spend to obey federal regulations can't be spent on payrolls, or getting new business to give work to more people. The job-killing results of "too much government" were found on every hand.

Several convincing examples have come from one industry alone—the automobile business. To "protect" consumers, the government ordered seatbelts installed in all cars. The automakers complied, and it cost each car-buyer a few dollars. Then the government ordered a seatbelt-ignition interlock, so cars could not start without fastening the belt. That cost car-buyers $400 million in one year, or the price of 80,000 new cars at $5000 each! In terms of jobs, that's a year's work for 40,000 men and women earning $10,000 each!

Catalytic exhaust converters and stronger auto bumpers were next on the government list. One put sulfuric acid into the air and the other added over 100 pounds of metal to each car. Converters cost buyers more dollars in terms of manufacturing costs and bumpers lower gas mileage, too. The sums cannot be easily calculated but, all in all, government regulations added about $1000 to the price of automobiles.

Everybody knows the rest of the story. The American car-consumer stopped buying cars. Tremendous layoffs ripped the industry. For weeks there was total shutdown. And outside the auto plants there were other "lost jobs." Workers who supplied the tires, glass, steel, upholstery, radios, clocks from thousands of supplier plants also lost their paychecks.

We can go on from there into hundreds of communities, where the ripple of unemployment was felt. Around each plant is a neighborhood of repair shops, coffee shops, drug stores, drycleaners and other little businesses which were hurt. Again the cost was counted in terms of someone's sales, someone's jobs, someone's savings.

If the "big picture" sounds exaggerated, consider what happened to the Marlin Toy Products, Inc., in the farm town of 3356 people in Horicon, Wis. Some two years ago, this little business employed 85 people, mostly women, making toy balls for children. Then the newly-created Consumer Product Safety Commission made a "mistake." It accidentally put the toys on a "banned" list. It was nine months—with no apology from the federal agency—before a new list was printed. By that time, however, the damage was done. Sales dropped from $1,700,000 to $750,000. All but 30 people were laid off and were making other products, not toys. The town watched, stunned.

The toy case was a bureaucratic "mistake"—but every day the same bureau issues orders and regulations that add to the cost of producing products by companies of all sizes. Always, the costs are translated in the pricetag the consumer pays in the store, or if not, in reduced funds that are available to meet the payrolls.

In Washington, Congress now appears on the verge of passing the bizarre Agency For Consumer Advocacy with hundreds of new federal employees exhorting other federal bureaus to greater efforts, and to developing new laws and regulations for the economy.

It will be passed by a majority of the senators and representatives who believe it has the blessing of organized labor leaders who, in turn, believe they are exempt from it. All should be told the job-killing truth.

If I were an executive of a manufacturing corporation, as I have been, and understood the facts as I know them today, I would do my employees a favor. I would go to local union officials—or to a national union president—with the information presented here. I would say, and I recommend that our NAM members say, something like this:

"Yes, you have succeeded in exempting labor matters from the immediate impact of a consumer agency. But you cannot exempt your union, or your members as individuals, from its ultimate impact on the wages you earn, or the prices you pay, or the unemployment you suffer.

"If you are concerned about the security of your job, and the jobs of your friends, then look behind this idea for a new consumer agency.

"As a union officer, you have the attention of Congress. You proved that by getting a meaningless exemption into the bill. Write to your senators, and your representatives, and tell them you and your union want no more job-killing bureaucracies.

"Tell them you do not favor a federal agency with the legal power to put your company in the same condition as either a giant auto company or a tiny toy factory.

"Tell them you do not favor a federal agency that will add $1 or $1000 more to the price you pay for kitchen gadgets, or workshoes or family cars.

"Tell them you do not favor a federal agency that will force you to have a lock or buzzer on your car or any other article you do not want, and make you pay for it.

"Let them know that you do not want another federal agency created for the specific purpose of increasing government regulations and harassing your company into spending money on paperwork and lawsuits that might go into your paycheck.

"Say that your union does not want to pay more taxes for a new consumer agency—on top of some 80 other consumer agencies—that will spend another $60 million in the next three years, and will expand manyfold in the years ahead.

"Finally, you may want to tell them you don't really believe your union will be 'exempt' very long. Experience tells us that the backers will decide in a year or two that 'labor costs' are so important to 'consumers' that labor should be included after all."

All this, I realize, appears as something of a challenge to members of our Association. It should not be. My belief is that both local and national union officers, and the rank-and-file who may not be organized, are men and women who understand practical economics better than politicians and bureaucrats in Washington. They are closer to the problem—they see the money being spent, and the cost of regulation.

They will understand, too, the difference

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between honest "compromise" and a "deal" to win their union vote on a promise that cannot be fulfilled. They also know you, as a businessman, better than they know Washington politicians or bureaucrats, and my guess is they will believe you first.

75 PERCENT OPPOSE ACA, SURVEY SHOWS

American consumers, by a 75 per cent majority, are opposed to the creation of a new, independent consumer agency within the federal government, according to a nationwide survey of public attitudes released by Opinion Research Corporation.

Public opposition to the proposed agency spreads throughout all geographic areas and major population groupings.

The survey found that 13 per cent of consumers would support efforts under way in Congress to enact legislation establishing the Agency for Consumer Advocacy, which proponents of the bill say will give the consumer a larger voice in helping shape government decisions. In addition more than half of 13 per cent who initially favored such an agency withdrew their support rather than have the government spend $60 million to set up and operate it for the first three years. The bill (S. 200), now under consideration in the Senate, provides $60 million to set up and operate the new agency over the first three years.

A total of 12 per cent of the public had no opinion on whether a new agency should be established.

Opinion Research Corporation of Princeton, N.J, conducted the survey, which was sponsored by the Business Roundtable. A total of 2038 people of voting age were interviewed in their homes between Jan. 10 and Feb. 3. All sections of the country and all population groups were represented.

The survey found that the public is generally satisfied with the consumer protection efforts of existing government agencies. Almost 80 per cent of consumers feel they are being treated fairly by the government.

Asked about present federal agencies in the consumer field, 63 per cent of those surveyed had heard of the Office of Consumer Affairs and more than half of these respondents felt it is doing an effective job.

A total of 50 per cent of the public said they have heard about the Consumer Product Safety Commission, established in 1973; and about three fourths rated this agency as effective. Some 75 per cent of the public had heard of the Environmental Protection Agency, with almost half giving it an effective rating.

Given a choice between creating a new consumer agency or taking the steps necessary to make existing consumer agencies more effective, the respondents strongly favored improving the present agencies by a margin of 75 per cent to 13 per cent.

A clear majority of the public feels it is generally being treated fairly by business, according to the opinion poll. The survey found that 27 per cent of consumers believe they are "almost always" dealt with fairly by business, while an additional 59 per cent feel they are "usually" treated fairly. Thirteen per cent of the public said they have been treated unfairly.

In cases in which consumers have been dissatisfied with some product or service, the survey showed that they believe the best places to go in order to get something done about it are the "person who sold it to them in the first place," the Better Business Bureau, and the company that made the product or furnished the service. Eight per cent of the total public look to the federal consumer agencies to correct unfair treatment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. WEICKER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Delaware (Mr. BIDEN), the Senator from Arkansas (Mr. BUMPERS), the Senator from Iowa (Mr. CULVER), the Senator from Indiana (Mr. HARTKE), the Senator from Louisiana (Mr. JOHNSON), the Senator from Louisiana (Mr. LONG), and the Senator from South Dakota (Mr. MCGOVERN) are necessarily absent.

I further announce that, if present and voting, the Senator from Louisiana (Mr. JOHNSTON) and the Senator from Indiana (Mr. BAYH) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON) and the Senator from Oregon (Mr. PACKWOOD) are necessarily absent.

I further announce that the Senator from Nevada (Mr. LAXALT) is absent due to illness.

I further announce that, if present and voting, the Senator from Oregon (Mr. PACKWOOD) would vote "nay."

The result was announced—yeas 37, nays 51, as follows:

[Rollcall Vote No. 170 Leg.]

YEAS—37

Allen
Bartlett
Beall
Brock
Buckley
Byrd, Harry F., Jr.
Chiles
Curtis
Dole
Domenici
Eastland
Fennin
Fong
Garn
Goldwater
Griffin
Hansen
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
McClellan
McClure
Morgan
Nunn
Roth
Scott, William L.
Sparkman
Stennis
Stone
Taft
Thurmond
Tower
Weicker
Young

NAYS—51

Abourezk
Baker
Bentsen
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Church
Clark
Cranston
Eagleton
Ford
Glenn
Gravel
Hart, Gary W.
Hart, Philip A.
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Magnuson
Mansfield
Mathias
McGee
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Symington
Talmadge
Tunney
Williams

NOT VOTING—11

Bayh
Bellmon
Biden
Bumpers
Culver
Hartke
Johnston
Laxalt
Long
McGovern
Packwood

So Mr. WEICKER's amendment, as modified, was rejected.

Mr. RIBICOFF. Mr. President, I move to reconsider the vote by which the amendment, as modified, was rejected.

Mr. PERCY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator will suspend. May we have order, please. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. Mr. President, there will be no more rollcall votes today.

Mr. MATHIAS. Mr. President, in my judgment the Senate will be afforded the long denied opportunity to vote on final passage of a Consumer Protection Agency bill. I welcome this result.

Last week, I received a letter from Ms. Carol Foreman and Ms. Joan Claybrook who are associated with the Consumer Federation of America and Congress Watch respectively. I believe that some of the points they raise in support of S. 200 as well as a memorandum which they enclosed concerning the labor-management provision in the bill might serve to further enlighten the Senate on these subjects.

I, therefore, ask unanimous consent that the letter and attached memorandum be printed in the RECORD.

There being no objection, the letter and memorandum were ordered to be printed in the RECORD, as follows:

MAY 2, 1975.

Hon. CHARLES MATHIAS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MATHIAS: We are writing on behalf of a coalition of more than 100 consumer, farm, senior citizen, religious, and community groups, labor unions and state officials to urge you to support the consumer protection agency bill, S. 200 when it comes to a vote on the Senate floor. We urge you to oppose any efforts to weaken the bill through crippling, amendments, to oppose a filibuster which would delay consideration of the bill, and in the event the President vetoes the bills, to vote to override the veto.

Constituents are likely to ask, "How did you stand?" on no more than a dozen issues. Consumer protection is one of those issues because it deals with health, safety, and the value of the peoples' spending power. The pending Agency for Consumer Advocacy (ACA) bill, S. 200, now being debated by the Senate, contains and symbolizes that issue. It also reflects a deep need, documented by hundreds of Congressional committee hearings and reports since 1966, for the Congress to respond effectively to the repeated outrages of marketplace abuses and the sluggish, often industry-indentured performance of federal agencies and departments.

There is scarcely a major business interest group which does not have an agency or department expressly designed to promote, subsidize or advocate its dollars of annual budget. Consumers are increasingly at the mercy of this joint government-business power interlock, and it is manifestly unfair to continue to deprive consumers of a small advocates' voice within the Executive branch. It is more than unfair; it is dangerous to our economic system to so imbalance the powers against the consumer whose confidence in industry and government must no longer be eroded.

Legislation to create a nonregulatory consumer advocate in the federal government has been discussed and debated by both Houses of Congress for six years. In 1970 the Senate passed Consumer Protection Agency (CPA) legislation, 74–4, but that legislation did not reach the House floor after a tie vote blocked it in the House Rules Committee. In 1972; after the House passed CPA legislation, the Senate version was never voted on when supporters failed by only three votes to achieve cloture. In 1974 the House passed

CPA by an overwhelming 3 to 1 margin, but it was stopped once again by a Senate filibuster when in an unusual fourth cloture vote, one Senator switched and supported the filibuster.

This is the fourth Senate debate on this bill. Yet, as opponents of S. 200 have made clear, they again will attempt to block passage of the consumer protection agency legislation. We believe that the issues have been thoroughly aired both in extensive hearings which document regulatory abuses and on the floor of the Senate. The bill has been voted out of the Government Operations Committee by an 11–1 vote margin. The time has come to bring the bill to a vote on the Senate floor.

ACA would give consumers a fighting chance in the regulatory process where hundreds of crucial decisions directly affecting our health, safety and economic well-being are made each year. Although Congress has passed important consumer protection laws in recent years, the consumer is often given short shrift in the day-to-day administration of these laws.

What ACA would provide for consumers—and what the Chamber of Commerce, the National Association of Manufacturers, the National Association of Food Chains, and several major corporations would deny us—is a chance to effectively monitor the regulatory agencies on a regular basis so that the consumers' case can be presented to these agencies at the appropriate time. The powerful business interests which oppose extending these capabilities to consumers have themselves long enjoyed them on a much more massive scale. The ACA bill, however, is not "anti-business" legislation. A number of major businesses including Mobil Oil Company, Montgomery Ward, Zenith and Stop and Shop have endorsed S. 200.

Consumers want corporations to obey consumer protection laws and for administrative agencies to strictly enforce them, without favoritism. No one can doubt that consumers want high quality goods at the lowest fair price, or that consumers want to avoid unnecessary hazards in the marketplace. No one can doubt that the politically corrupt milk fund and the decision to sell wheat to the Russians at a ridiculously low price were detrimental to consumers. Having no decision-making power, the ACA is uniquely able to advocate the multiple interests of consumers in those situations where the consumer is not already represented, leaving to the regulatory agency the task of striking a balance in the public interest among these and other views. The public interest can emerge only from an honest confrontation between differing interests presented with equal force. ACA's mission is to insure that these decisionmakers have all the consumer-related facts in front of them before this balance is struck.

In the wake of Watergate, a hallmark of which has been abuse of the regulatory process by the wealthy and influential, the time has never been more appropriate for creation of a consumer advocate. The ACA would breathe fresh air into the regulatory process, opening the closed door behind which are made many of the arbitrary, unsubstantiated decisions for which consumers have paid and paid and paid. The ACA will work to make relevant government decisions on the record, supported cogently by facts and law, instead of "political" consideration which are contrary to both.

This is a vote which the memherships of the organizations listed below will long remember. Six years of debate is long enough. We urge you to cast your vote for cloture.

If you have any questions which you would like answered about S. 200 in greater detail. contact Joan Claybrook (546–4996) or Carol T. Foreman (737–3732). There have been deliberate misrepresentations about the ACA and we stand ready to refute them as well as supply you with case studies and examples of the clear and present necessity for the ACA to be enacted.

Sincerely,

CAROL FOREMAN,
Consumer Federation of America.
JOHN CLAYBROOK,
Congress Watch.

P.S.—An attempt will be made on the Senate floor to repeal the labor-management provision of the bill. We support inclusion of this provision because it clarifies the existing provisions in the bill, as explained in the enclosed memorandum.

THE AGENCY FOR CONSUMER ADVOCACY AND LABOR-MANAGEMENT RELATIONS

One provision in the consumer agency bill, S. 200, which has attracted considerable attention and debate states that the ACA shall not, *inter alia*, intervene in labor-management disputes before the National Labor Relations Board (NLRB), and its sister agency, the National Mediation and Conciliation Service (NMCS). It is argued that a consumer advocate should be able to participate in federal agency activities involving labor as it will before those regulating business inasmuch as wages contribute significantly to the ultimate cost of consumer products. The purpose of this memorandum is to show that under the basic definition of "interests of consumers" in S. 200 and under the scope of the NLRB and NMCS authority, the consumer advocate would be powerless to affect the terms of labor contracts.

It is important initially to stress that the limitation under discussion is not an exemption of organized labor. To the contrary, unions that intervene directly in the product and service market are as much subject to S. 200 as any other person.

During the last forty years it has been acknowledged that labor-management bargaining could not work effectively unless the parties were left to negotiate without outside interference. The labor laws in this country have accordingly been extensively and carefully nurtured over the years to accommodate this reality. Thus, the NLRB and the NMCS—the only two agencies which brush the bargaining process—may not determine or dictate in any way, shape or form the parties' demands or the terms of their settlement.

The NLRB was created to protect employees' rights to select bargaining representatives without management interference and to bargain collectively. Beyond that, the NLRB does not have the authority to affect the actual outcome of the bargaining process. Indeed, the Supreme Court just five years ago expressly held that the Board may not intervene in that process or dictate any of the substantive terms (including the economic impact on consumers) of collective bargaining agreements. Justice Black, speaking for the Court in *Porter* v. *NLRB*, 397 U.S 99, 106, 107–108, had this to say about the Board's role:

"It is clear that the Board may not, either directly or indirectly compel concessions or otherwise sit in judgment upon the substantive terms of collective bargaining agreements * * * and that Sec. 8(d) [in particular] was an attempt by Congress to prevent the Board from controlling the settling of the terms of collective bargaining agreements. * * * It is implicit in the entire structure of the Act that the Board acts to oversee and referee the process of collective bargaining, leaving the results of the contest to the bargaining strengths of the parties."

Since Congress has determined that the Board is not to assess the "substantive terms of collective bargaining agreement", it would be mischievous to empower the ACA to intervene before the Board to argue issues which are outside the scope of the Board's jurisdiction.

Thus, while there can be no doubt that the activities of unions in representing the interests of their members—the working men and women of this nation—do from time to time "impede the flow of goods in interstate commerce" or temporarily "impair the operations of an instrumentality of commerce", as found by the Congress in section 1 of the National Labor Relations Act (29 U.S.C. 151), the purpose of the Congress there was not to confer responsibility or authority upon the NLRB to evaluate economic considerations of labor-management controversies as has been suggested by certain opponents of the ACA. In fact, any casual student of the legislative process readily recognizes that this language was inserted in the National Labor Relations Act as a means of bringing it within the scope of the interestate commerce clause of the United States Constitution. Moreover, even a summary examination of the history of that Act reveals that the Congress hoped to reduce the number and frequency of the many long, bitter and often violent strikes which characterized the times as a result of total employer recalcitrance to the very notion of collective bargaining. Indeed, this goal has been largely obtained by guaranteeing employees the right to organize, to strike, if need be, and to select representatives with whom employers must bargain collectively.

Another misconception advanced by some opponents of the ACA is that the NLRB is authorized, and does regularly consider, many other public interest objectives such as the safety and general welfare of the population at large when resolving various disputes arising under the National Labor Relations Act. Were this the case, then ACA intervention in NLRB proceedings might be appropriate to present such considerations. In fact, however, the Board is charged with responsibility under its Act for protecting employees' rights, including the right to strike, regardless of the consequences unless the strike is directed against a neutral or secondary employer.

In order to provide relief to the general public in emergencies when a strike might threaten the public health, safety or welfare, the Congress conferred authority upon the President to impose what are commonly called Taft-Hartley injunctions. 29 U.S.C. §§ 176 et seq. By exempting the NLRB from the ACA, the Congress would hardly be prohibiting that agency from calling upon the President to issue such an injunction. The important point is quite simply that the NLRB is not empowered to consider the effects of its actions upon the general consuming public.

Those who argue that the ACA should be entitled to participate in proceedings before the NLRB argue that cases arising under Section 8(b)(4) and (e) of the National Labor Relations Act can have a substantial impact on consumers. The provisions in question prohibit union activities, including strikes, which are directed at neutral, or secondary employers, as a tool for obtaining a favorable settlement of a dispute with a primary employer whose employees the union actually represents. An illustration of this type of proscribed activity, which has in fact been cited repeatedly by opponents of the labor-management provision, is where a union is seeking to preserve work for its members and is striking to prevent an employer from purchasing prefabricated materials from an entirely neutral company.

In *Woodwork Mfgrs. Ass'n.*, 1. NLRB, 386 U.S. 612 (1967), the Supreme Court was presented with the issue whether a strike by carpenters to protest their employer's decision to purchase prefabricated doors, instead of permitting them to cut the doors themselves, was a prohibited secondary union activity. In affirming an NLRB finding that in the circumstances of the case Sections 8(b)(4) and 8(e) had not been violated, the Court made it clear that these provisions were "limited to protecting employers in the position of neutrals between contending parties" and that the NLRB's task was not to weigh the economic effects, but rather to determine whether the strike was really directed toward the striking employees" own employer (*viz.*, a "primary strike" protected by Sections 7 and 13), or toward another "neutral" employer (*viz.*, a "secondary" strike prohibited by Section 8(b)(4) and (e)). See 386 U.S. at 625, 645–646.

As to the relevance of economic considerations in arriving at this determination, the Supreme Court stressed:

"The Woodwork Manufacturers Association and amici who support its position advances several reasons, grounded in economic and technological factors, why [work preservation strikes] should be invalid in all circumstances. Those arguments are addressed to the wrong branch of government. It may be that the time has come for a reevaluation of the basic content of collective bargaining as contemplated by the federal legislation. But that is for Congress. Congress has demonstrated its capacity to adjust the Nation's labor legislation to what, in its legislative judgment, constitutes the statutory pattern appropriate to the developing state of labor relations in the country. Major revisions of the basic statute were enacted in 1947 and 1959. To be sure, then, Congress might be of opinion that greater stress should be put on . . . eliminating more and more economic weapons from the . . . [Union's] grasp. . . . But Congress' policy has not yet moved to this point. . . . *Labor Board* v. *Insurance Agents' International Union*, 361 U.S. 477, 500." (386 U.S. at 644.)

In light of the foregoing, should there still be any lingering doubt about the Supreme Court's command to the NLRB to refrain from taking into consideration the economic and other peripheral consequences of its decisions which are to be based solely upon the legal criteria set forth in the National Labor Relations Act, then an analysis of Section 4 will surely remove that doubt. From the date of its creation in 1935 through 1940, the NLRB utilized the services of an internal organization known as the Division of Economic Research which prepared economic data for use by the Board when resolving cases arising under this Act. When the Congress learned of this fact in 1940, it specifically abolished the Division. (See S. Min. Rep. No. 105, pt. 2, 80th Cong., 1st Sess., p. 33). But in 1947 Senator Taft and Congressman Hartley were so intent on assuring that the Board would attend to the law, and not to potential economic consequences, that they added to Section 4 the proviso that "Nothing in this Act shall be construed to authorize the Board to appoint individuals for the purpose of * * * economic analysis." The point that under our present national labor policy the ACA has no place in NLRB or NMCS proceedings could not be more forcefully put.

Similarly, there is no role for the ACA to serve before the National Mediation and Conciliation Service which was created simply to offer mediation services to parties in labor disputes to help them resolve their disagreements peacefully. It has no regulatory functions. The NMCS cannot impose its services upon unwilling parties nor dictate the outcome of negotiations where their services have not been solicited.

Historically, the Congress has studiously followed a course of non-interference with free, give-and-take collective bargaining and has sought only to create and preserve the delicate balance between organized labor and business management. While some people may believe that the time has come to readjust this balance, the place to do so is not in the consumer agency bill. Any legislative tinkering with the collective bargaining process or the potential economic strength of the respective parties will require a thorough analysis of all labor laws and the amendment of many of their provisions. The relative state of labor peace we have achieved in this country by allowing two evenly matched, albeit economically powerful, parties to engage in unencumbered negotiations is not to be so cavalierly discarded.

Should a decision to readjust this delicate balance and to encourage consumer intervention be made, the Congress would have to give consumers the tools needed to effectively participate in labor-management negotiations, including a distinct group of expert personnel, subpoena power, and full rights of participation.

A consumer representative could not intelligently assess union demands, nor effectively advocate a position of restraint without first making an extensive inquiry into productivity, an important correlative factor in the consumer price function. The consumer representative would accordingly have to be able to secure from management extensive information dealing with such zealously guarded matters as profits on various lines of products, decisions relating to the type, cost and supply of raw materials, the design or composition of products, the design of assembly lines and allocation of the labor force, the availability of more advanced or efficient machinery, plant locations etc. As Mr. Lloyd T. Williams, Assistant General Counsel for Automotive Distribution, Ford Motor Company, said in the 1973 House hearings on the consumer agency bill, intervention by consumers in labor-management negotiations would be costly to the parties. It is apparent few legislators are now prepared to insert consumer interests into the midst of labor-management negotiations on a full partnership basis.

The case for the creation of the independent Agency for Consumer Advocacy proposed in S. 200 and for arming it with the painstakingly delineated powers stated in Sections 4, 5, and 6 has been so strongly made that some opponents of the bill, bereft of arguments on the merits, have resorted to fabrication of a superficially appealing issue. Their public posture against the labor-management relations provision is billed as advocacy of equal treatment of business and labor and opposition to an exemption for a powerful special interest group. The hypocrisy of these new converts to strengthening the ACA's powers with authority to intervene in labor-management activities is made evident by their simultaneous opposition to removal of Section 10(a)(4) which exempts over 90% of all businesses from the duty to provide information to the ACA. The so-called "labor exemption" smokescreen is another creation designed to confuse many well-intended members of Congress who as a matter of principle do not favor special exceptions in legislation.

Mr. STEVENS. Mr. President, it is with great reluctance that I have opposed enactment of S. 200 as presently drafted. For reasons which are peculiar to Alaska and which I shall enumerate hereafter, I find myself forced to conclude that creation of an Agency for Consumer Advocacy would be directly contradictory to the most fundamental interests of Alaska, and therefore must be resisted.

As my colleagues know, Alaska is a State blessed with a great bounty of natural resources—resources which in the years to come may make the 49th State a focal point in the achievements of our national goal of energy and mineral self-sufficiency.

Sensible development of these resources in an efficient, expeditious, and environmentally sound fashion has become one of the goals of Alaska's citizens. Indeed, the future economic viability of our State and the Nation is dependent upon our sensible, but aggressive, use of these resources.

We in Alaska are confident that the necessary technical and scientific skills to accomplish this monumental job are currently available. We are sure that North Slope oil can be tapped and safely transported over a trans-Alaska pipeline to the benefit of all citizens of this Nation and with only negligible environmental impact. In fact, we are now engaged in that great undertaking as we all know.

How we got this far is a difficult story to tell, but one that bears some repeating here for the lessons it can teach us as we consider this legislation.

Those of you whose privilege it has been to visit our State know that there are few if any areas of the globe which can match it for natural and untainted beauty. The heavy hand of industrial pollution and the ravages of urbanization have not yet touched Alaska, and Alaskans are proud of that fact.

We take a back seat to no American in our dedication to maintaining the purity of our landscape.

Yet we will not allow that concern to prohibit the economic development of our State in a way which will guarantee Alaska's citizens the same standard of living that other Americans now have.

What we propose to do, and what we are doing, is to balance these often conflicting interests so that the best of both may be achieved with minimal adverse impact on either. We believe that the trans-Alaska pipeline case is an ideal example of this "Alaskan solution" and we are proud that we have been able to provide national leadership in this area.

Because environmental protection has always been a cornerstone of Alaskan life we did not oppose enactment of the National Environmental Policy Act and the creation of the Environmental Protection Agency. Both the act and the Agency have provided us with a high standard of conduct by which we can assess our own environmental protection efforts. Make no mistake about it, they have not made our lives any easier, but they will make our lives and the lives of our children better in the long run.

This brings me to the reason why I feel compelled to register my strong objection to the legislation now before us. I believe, based on a considerable amount of study of the hearing records and background of S. 200 and its predecessor S. 707, that the enactment of this type of legislation will jeopardize the significant environmental and economic achievements which Alaskans have made over the years.

S. 200 proposes to create an agency which would be empowered to intervene and participate in every formal or informal action of the Federal Government where an interest of consumers is thought to exist. More than that, the Agency for Consumer Advocacy is given

the extraordinary authority to employ interrogatories, use host agency subpena power and appeal Federal agency decisions to the courts.

Now, these powers would perhaps be tolerable were it not for the fact that the bill's proponents have refused to consumer advocate to a jurisdiction clearly related to consumer concerns. Rather they have said that virtually anything may be considered an interest of consumers and thereby have created an agency without bounds.

There can be little question that the framers of this legislation long ago wanted a consumer advocate who could become deeply involved in environmental issues.

I would urge you to pay particular attention to a comment made by Lee C. White, Chairman of the Energy Policy Task Force of the Consumer Federation of America. Mr. White, who was formerly the Chairman of the Federal Power Commission, said the following on March 27, 1973, during Senate committee hearings on this bill's predecessor, S. 707.

> I think it is possible for consumer groups and for environmental groups to be in total disagreement on whether it (the pipeline) ought to come down through Alaska or whether it ought to come down through Canada, or whether it should come down at all.
>
> It seems to me in those circumstances that it is possible that the consumer advocate can be very useful and very helpful to the Government in assigning different teams to be advocates within the same proceeding and through as much light and information and analysis and argumentation into the process as is possible.—Lee C. White, Chairman of the Energy Policy Task Force of the Consumer Federation of America, Hearings Transcript, p. 362.

The conclusion I necessarily draw from this testimony, and from the fact that the Environmental Protection Agency is clearly covered by S. 200 as an agency over which the ACA will have jurisdiction, is that we are being asked to create yet another layer of bureaucracy to complicate and compound the administration of Federal environmental legislation. This I am unwilling to do, and my reasons are several.

First, anyone who has dealt with the EPA knows there is little cause to fear that it is not doing the job Congress gave it. In fact, many of my colleagues frequently seem to think it is doing too good a job. Certainly in this complex and delicate public interest area over which it has jurisdiction, the EPA does not need badgering by another agency concerned only with the consumer interest.

I must confess that I do not regard S. 200 as a simple little bill which will cause a few ripples. I am mindful of a recent comment of Judge Henry J. Friendly, chief judge of the U.S. Court of Appeals for the Second Circuit, which is referred to in the minority views in S. 707. In commenting on the problems raised by certain "simple" provisions of the National Environmental Policy Act he states:

> One must wonder whether the framers of the seemingly simple formulation (in NEPA) that any Federal Agency which proposes any action that "would have a significant effect upon the quality of the human environment" must prepare an impact statement, could have remotely conceived the volume of litigation it would spawn. In practical effect it has come to mean a conceivable effect on the environment will become the subject of a suit, whether successful or not.

NEPA-generated litigation will not even hold a candle to the volume of litigation which an ACA can be expected to create. Remember, one of the ACA's main purposes is to litigate the decisions of other agencies.

The only result of all this for Alaskans is delay and disruption of Federal decisionmaking processes upon which so much of our State's future depends, and I, for one, am not willing to wager that future on an untried and unprecedented legislative experiment.

This is not an idle fear when one studies the above-mentioned testimony and reads the news releases and the compilation of voting records of some of the consumer associations. In the 1973 voting record compilation of the Consumer Federation of America, 13 votes were identified as key rollcall votes on consumer issues for the first session of the 93d Congress. Three of these votes concerned amendments to S. 1081, the bill to authorize construction of the Alaska pipeline. While at least two of these votes were concerned with issues of importance to consumers, I was seriously troubled by a third vote flagged as a key consumer vote. This concerned an amendment to delay authorization of the trans-Alaska pipeline pending further study of the Canadian alternative. The Consumer Federation states that:

> (a) yes vote is a right vote for consumers.

The vote for a further delay in construction of the pipeline, in my opinion, if anything, was an anticonsumer vote because of the delay which would have been caused in the delivery of new oil to the American consumer.

The vote on the Canadian route versus the Alaskan route, in my opinion, was not a consumer issue. I am afraid that unless the language in S. 200 is amended, the concepts of environmental protection and consumer protection will become blurred with the average American coming out the loser. With the debate regarding the routing of the gas pipeline now going on as well as the unique position Alaska now finds itself in relation to the sensible development of its natural resources, I must insist upon the following amendments before I can support S. 200.

My first amendment would limit the authority of the ACA in the following areas:

First, it is necessary to exempt the routing of the Alaskan pipeline. I must insist that the Agency for Consumer Advocacy be specifically excluded from this area. I am afraid that if this is not the case, the Federal Government would be intervening in pipeline routing decision in Alaska representing consumers located in the heavily populated areas in the Midwest and Eastern States.

Second, it is necessary to exempt the determination of the price of oil or natural gas at the wellhead from within the purview of the ACA. This is essential so that Alaska can be assured of a fair return for our natural resources with a minimum of obstructive litigation. This provision is critical to protect the State, Native Corporations, and private citizens. This area is already over regulated, in my opinion, and the last thing we need now is the involvement of one more Federal agency.

I would also exclude the ACA from intervening in any agency or judicial proceeding or activity with respect to any provision of the National Environmental Policy Act. Alaskans have already suffered the frustrations and delays caused by NEPA. Though I believe that NEPA and the protection of the environment are of critical importance to Americans, I simply do not believe that it is within the proper scope of jurisdiction for the ACA.

Already environmental laws are being vigorously enforced by the Environmental Protection Agency. The Counsel on Environmental Quality is charged with the responsibility of recommending ways of improving the environmental quality of this country as well as reviewing Environmental Impact Statements filed by other Federal agencies. I do not know if Alaskans, especially those who make their living in the timber industry, can take any more delays in environmental matters caused by an agency supposedly created to protect the interests of consumers.

Another critical area for Alaskans is in the field of state taxation of natural resource development. Alaska is a very young state which now has the opportunity to help provide a bright future for all of its citizens, many of whom have never been in the mainstream of economic life enjoyed by most Americans. To do this it will be necessary to develop a fair system of taxation to insure that those who exploit our natural resources pay their fair share. These revenues will be used to provide a better way of life for all Alaskans in such areas as educational opportunity and sound health care. However, any tax placed on these natural resources will increase the final price of the product paid by the ultimate consumer, most of whom will be in the "Lower 48." It is essential that the role of the ACA be restricted by prohibiting its intervention in any proceeding dealing with the imposition of any tax, royalty, or other fee by any state with respect to natural resource development, including oil and natural gas.

My second amendment would restrict the activities of the ACA to prevent it from becoming involved in lobbying activities on the local, State, or Federal level. I believe this amendment is necessary to keep the employees of the ACA directed toward the task their agency would be created for and not allow them to get involved in lobbying on such matters as resource problems which affect the State.

Mr. President, unless both my amendments are accepted I cannot support S. 200.

UMI

RESUMPTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate now resume routine morning business, with statements limited to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR THE COMMITTEE ON FOREIGN RELATIONS TO FILE A REPORT ON S. 1661 UNTIL MIDNIGHT TONIGHT

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the Committee on Foreign Relations may have until midnight tonight to file a report on S. 1661.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. MAGNUSON. Mr. President, I am going to ask the Senator from——

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senator from Washington will suspend. May we have order, please?

Mr. MAGNUSON. Many Senators were under the impression that we might take up the railroad bill after the vote today. But I understand now that we will do that tomorrow after the vote on the motion to invoke cloture.

Mr. ROBERT C. BYRD. The Senator is correct. Immediately after the motion to invoke cloture tomorrow.

ORDER FOR THE RECOGNITION OF SENATOR STENNIS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after Mr. PEARSON's order for his recognition has been consummated on tomorrow, Mr. STENNIS be recognized for not to exceed 15 minutes prior to the period for the transaction of routine morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSUMER PROTECTION ACT OF 1975

The Senate continued with the consideration of the bill (S. 200) to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. ALLEN. Would it be in order to ask that all amendments that are at the desk at the time of the vote on the motion to invoke cloture be considered as having been read prior to the vote?

Mr. ROBERT C. BYRD. Yes, I believe that request was made last week; am I correct, may I ask the Chair?

The PRESIDING OFFICER. That has already been requested, and the Chair has so ordered.

Mr. ALLEN. I thank the Senator from West Virginia.

Mr. ROBERT C. BYRD. I thank the Senator from Alabama.

Mr. CURTIS. Mr. President, I rise to urge the Senate not to invoke cloture on S. 200. I believe that this would be a grave injustice. This has developed into class legislation. Here we are empowering an agency to intervene whenever the administrator decides it is in the interest of consumers to do it.

By the rejection of the Weicker amendment we have excluded organized labor, excluded decisions relating to them. What does that mean? That means if a Government action is about to be taken which, in turn, can raise the cost to the consumers, it cannot be touched. But it also means if the Department of Agriculture takes action to raise the income of rural America and thereby, admittedly, causes some foods to cost a little more, this agency can intervene.

It is totally an unjust thing, and I appeal to the fairness of our colleagues not to go ahead with this legislation. I am sure if this were to be debated until the country became informed as to what is going on that the bill would not pass. But if it is railroaded through by the sheer strength of numbers it might well be passed.

Mr. President, I have in my hand a letter addressed to me dated May 7, 1975, by the Deputy Secretary of the Treasury. I want to read a couple of paragraphs from that letter:

> THE DEPUTY SECRETARY
> OF THE TREASURY,
> *Washington, D.C., May 7,1975.*
>
> DEAR SENATOR CURTIS: This is to express our strong opposition to S. 200, a bill to establish an independent consumer agency.
>
> We are particularly concerned about the adverse impact which the appeal power of the proposed agency would have on the administration of tax laws through the Internal Revenue Service, customs laws through the Customs Service, and banking laws through the Comptroller of the Currency. It is vital that administrative decisions in individual income tax and customs cases be exempted from such intervention. Literally millions of decisions are made each year, most of which are closed without recourse to the courts. To subject these decisions to appeal at the instance of the Consumer Protection Agency would impose a tremendous burden on taxpayers, importers, and the Department. It is important that such decisions and regulations are not unnecessarily delayed and that they may be relied upon by the individuals or organizations involved.

The letter goes on:

> Another area of concern relates to the Administrator's statutory right of access to records of Federal agencies. The provisions of the bill are much too broad. For instance, in the case of income tax returns, Section 10 would not protect anything except the return itself and then only certain information contained thereon. It would not protect other returns and vitally important documents such as audit reports and other information collected by the Internal Revenue Service. The limited protection afforded by the bill would seem to be contrary to the Administration's taxpayer privacy proposal in the 93rd Congress.

Mr. President, when the roll is called on whether or not to terminate debate and thus steamroller a bill that will injure individuals, deprive them of the confidentiality of their tax documents, add to their burdens and the cost of Government, this is what will come about if we establish this agency.

I think that a prolonged debate, extended over some time, if it were successful in carrying to the country the actual contents of the bill, would result in the defeat of the bill.

I believe if the legislation is enacted without that process of public education, the time will come when the vast majority of American citizens will condemn the action of Congress.

I believe the act is oppressive; I think it is backward; I think it denies all the principles of liberal government that have ever been expounded by scholars of responsible government.

I hope that the vote to impose cloture will not prevail.

I yield the floor.

Mr. BROCK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes; I yield.

U.S. MERCHANT SHIP FIRED ON AND SEIZED BY CAMBODIAN NAVAL VESSEL

Mr. ALLEN. Mr. President, a recent news item on the ticker in the Senate lobby is to the effect that a U.S. merchant ship was fired on and seized by a Cambodian naval vessel today in the Gulf of Thailand. President Ford's chief spokesman said that the President was reported to consider it an act of piracy and demanded its release.

I think this act of piracy, which the President very properly calls this act, is an outrage which we cannot let go unchallenged.

I do not favor any precipitate action, but our national honor is at stake and as soon as we find out all of the circumstances we must take whatever means are necessary to recover the ship and its American crew. We must not allow our country to suffer the humiliation and national dishonor that we did in the case of the *Pueblo*.

If force is necessary, then force must be used. I commend the President for the firm policy that he indicates he is going to follow with respect to the recovery of this merchant vessel and its American crew.

Mr. President, I ask unanimous consent to have this news item printed in the RECORD.

There being no objection, the news item was ordered to be printed in the RECORD, as follows:

> SHIP SEIZED
>
> (By Frances Lewine)
>
> WASHINGTON.—A U.S. merchant ship was fired on and seized by a Cambodian naval vessel today in the Gulf of Thailand, President Ford's chief spokesman said. The President was reported to consider it "an act of piracy" and demanded its release.
>
> Failure to release the vessel and its crew, said White House Press Secretary Ron Nessen, "would have the most serious consequences."
>
> Nessen said the ship, the Mayaguez, and its crew of 39 were seized about eight miles from a small rock island apparently claimed by both Cambodia and Vietnam.
>
> "We have been informed that a Cambodian naval vessel has seized an American merchant ship on the high seas and forced it into the port of Kompong Som," Nessen said in a statement read to reporters.
>
> "The President has met with the (National Security Council) NSC. He considers this seizure an act of piracy. He has instructed the State Department to demand the immediate release of the ship. Failure to do so would have the most serious consequences."
>
> Spokesmen for the Sea-Land Corp., which owns the vessel, a 10,485-ton container ship whose home port is Wilmington, Del., said the company had no word about the boat or its crew.
>
> Basing his report on several radio messages from the ship, which usually moves cargo out of Hong Kong to Southeast Asia ports, Nessen said it was "fired upon and boarded by Cambodian armed forces from a Cambodian naval vessel."
>
> Seizure of the 504-foot vessel, built in 1944, occurred "early this morning, Washington time," Nessen said.

QUORUM CALL

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION ON WEDNESDAY OF HOUSE CONCURRENT RESOLUTION 218 — CONGRESSIONAL BUDGET DETERMINATION

Mr. ROBERT C. BYRD. Mr. President, I understand that this request has been cleared with the other side, particularly with Mr. BELLMON.

Mr. President, I ask unanimous consent that on Wednesday, after routine morning business has been concluded, the Senate take up the conference report on House Concurrent Resolution 218, the first concurrent resolution on the budget.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene tomorrow at 12 noon. After the two leaders or their designees have been recognized under the standing order, there will be two special orders for the recognition of Senators. Mr. WILLIAM L. SCOTT will speak for not to exceed 15 minutes. He will be followed by Mr. PEARSON for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business not to extend beyond the hour of 1 p.m. with statements limited therein to 5 minutes each. At the hour of 1 p.m. or at the conclusion of routine morning business, if such occurs prior to the hour of 1 p.m., the Senate will resume consideration of the pending business, S. 200.

The PRESIDING OFFICER. Will the Senator suspend? May we have ordcr in the Senate, please.

Mr. ROBERT C. BYRD. I thank the Chair.

At the hour of 1 p.m., the 1 hour under rule XXII will begin running. The automatic quorum call will occur at the hour of 2 p.m., and upon the establishment of a quorum or at about 2:15 p.m. the automatic rollcall vote on the motion to invoke cloture on S. 200 will occur.

Immediately after the vote on the motion to invoke cloture, the Senate will then take up under a time agreement H.R. 4975, an act to amend the Rail Passenger Service Act to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes.

There is a time limitation of not to exceed 1 hour on that measure and, undoubtedly, there will be a rollcall vote on the passage of that bill.

Upon the disposition of that bill, the Senate will resume consideration of S. 200 and what then occurs will depend upon the outcome of the vote on the motion to invoke cloture. So several rollcall votes are anticipated tomorrow.

RECESS

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate I move, in accordance with the previous order, that the Senate stand in recess until the hour of 12 o'clock noon tomorrow.

The motion was agreed to, and at 4:49 p.m., the Senate recessed until tomorrow, Tuesday, May 13, 1975, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate May 12, 1975:

DEPARTMENT OF STATE

Andrew L. Steigman, of Maryland, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Gabonese Republic.

Malcolm Toon, of Maryland, a Foreign Service officer of the class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Israel.

DEPARTMENT OF JUSTICE

Terry J. Knoepp, of California, to be U.S. attorney for the southern district of California for the term of 4 years vice Harry D. Steward, term expired.

CALIFORNIA DEBRIS COMMISSION

Brig. Gen. Richard Martin Connell, 208–14–7374, Corps of Engineers, to be a member of the California Debris Commission, under the provisions of section 1 of the act of Congress approved 1 March 1893 (27 Stat. 507) (33 U.S.C. 661), vice Maj. Gen. Frank Ambler Camm, reassigned.

Col. Frederick Gore Rockwell, Jr., Corps of Engineers, to be a member of the California Debris Commission, under the provisions of section 1 of the Act of Congress approved 1 March 1893 (27 Stat. 507) (33 U.S.C. 661), vice Brig. Gen. James Clayburn Donovan, reassigned.

Col. Henry Augustus Flertzheim, Jr., Corps of Engineers, to be a member of the California Debris Commission, under the provisions of section 1 of the act of Congress approved 1 March 1893 (27 Stat. 507) (33 U.S.C. 661), vice Col. Charles R. Roberts, retired.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

Lowell W. Perry, of Michigan, to be a member of the Equal Employment Opportunity Commission for the remainder of the term expiring July 1, 1978, vice John H. Powell, Jr., resigned.

IN THE COAST GUARD

The following temporary officers of the U. S. Coast Guard for promotion to chief warrant officer, W2:

Norman K. McBride
Donald T. Graviss
Dennis R. Shoebotham
David V. Romme
Edgar E. Scott

The following temporary chief warrant officers, W2 of the U. S. Coast to be permanent chief warrant officers, W2:

Robert L. White
"J" "C" Yates
John D. Liddell
John R. Friedel
Anthony J. Plizka
Bruce R. Bolon
Ernest V. Watson
James G. Martin
James L. Brummett
William B. Murrill
Robert W. Stolpa
Lonnie M. Aaron
James R. Millar
William L. Heffin
David A. Phillips
James R. Knaup
Frederick M. Hurst
Robert P. Simpson
James F. Irish
Donald E. Bush
Leslie Brown
John C. Medeiros, Jr.
Bert T. Rogers
Edgardo G. Amponin
John H. Aten
Everett M. Harbeson
Earl A. Ryder, Jr.
Wayne R. Thompson
James H. Moore, Jr.
Paul F. Connors
Rodney E. McHenry
John D. Gray
John Tietjen
Joseph I. Picotte
Dudley W. Coffey
Herbert W. Packman
Richard L. Woodward
Carmen D. Sette
Ralph L. Bradley
Ronald C. Jason
James E. Davenport
Lawrence B. King
Thomas J. Reed
Lawrence E. LaFlam
Wallace C. Kennedy, Jr
Donald E. Clarke
William H. Stapleton
Anthony D. Lloyd
Federico H. Aromin
Kenneth S. Womack
Jerry W. Lecato
James P. Bailey
Edwin W. Brown
Larry N. Monroe
Charles K. Rose
Edward W. Stewart
Kenneth J. A. Balka
Milton V. Lovett
Thomas I. Stewart
Melvin L. Bouboulis
John A. Oberlander
Norberto O. Encarnacion
Dennis D. Covill
Wayne L. Thompson
Paul W. Smith
Norris W. Collier
Danny K. Daniel
Phillip J. Bolstad
William P. Feddema
William J. Knowles
Lynn W. Welburn
Ralph E. Page
Wayne P. Phillips
Paul F. Unrue
William L. Dibble
John R. Walsh
John D. Flewelling
Richard A. Shannon
John W. Judge
Walter E. Barnes
Ronald R. Shaw
Benedict L. Romzek
Miles K. McIntyre
Sheridan L. Oswald
Edward F. Kasun
Frederick J. Ewing
Douglas R. Kesler
Robert G. Caldwell
Ralph T. Wurtz
Charles B. Cheney
Jon S. Von Kessel
Elroy J. Weisner
Paul E. Turmelle
Carlo E. Porazzi
Robert A. Richards
James A. Prank
David E. Peverly
Ronald S. Condron
Jerry E. Gieseke
Jerry L. Smith
Kerney C. Patrick, Jr.
Harold J. Cutten
Benjamin F. Davis
Alfred D. Ensley II
Daniel E. Moulson
Harold E. Matthews
Richard J. Highstreet
Donald F. Thurston
Melville G. Guttormsen
Samuel L. Harvill
Jay B. Myer
Thomas J. Moss
Larry E. Gray
Darrel R. Beerbohm
Allyn P. Gossage
Joseph C. Vetro
Robert D. Lemay
Charles E. Richey
Steven Jackson
Addison E. Wimberley
Paul E. Weaver
Donald A. Nelson
Ottis C. Leonard
Lowell E. Montgomery
Bruce D. Davis

UMI

The following reserve officers of the U.S. Coast Guard to be permanent commissioned officers in the Regular Coast Guard in the grades indicated:

Lieutenant

David F. Patton, Jr.
James M. Harrison
Charles G. Boyer
William J. Chang
Harvey J. Langholtz

Lieutenant (junior grade)

John D. Lindgren
Michael W. Mastenbrook

The following-named officer to be a permanent commissioned officer in the Coast Guard in the grade of chief warrant officer, W3, having been found fit for duty while on the temporary disability list:

Wallace N. Zimmerman

IN THE ARMY

The following-named officer for appointment as permanent professor of mathematics, U.S. Military Academy, under the provisions of title 10, United States Code, sections 4331 and 4333:

Cameron, David H., 090-22-7005.

The following-named persons for reappointment in the active list of the Regular Army of the United States, from temporary disability retired list, under the provisions of title 10, United States Code, section 1211:

To be lieutenant colonel, Regular Army and colonel, Army of the United States

Davis, Walter R., 411-52-4734.

To be major, Regular Army and lieutenant colonel, Army of the United States

Barrell, Edgar A., 375-28-6400.

The following-named persons for appointment in the Regular Army, by transfer in the grade specified, under the provisions of title 10, United States Code, sections 3283 through 3294:

To be captain

Brookshire, Robert R., 513-34-5109.
Frushour, Stephen J., 289-40-2575.
Hernandez, Charles P., 212-44-8355.

To be first lieutenant

Alleo, William A., 171-36-5762.
Arnold, Tony G., 585-09-6004.
Leslie, Robert L., 228-62-8840.
Mackey, Patrick J., 538-42-0635.
Molter, Albert G., Jr., 267-46-0704.
Mullin, Timothy J., 494-58-7898.
Recasner, James, 512-52-7699.
Thiele, Alan R., 140-34-8660.
Young, Robert N., 452-84-3374.

To be second lieutenant

Nelson, Richard F., 350-40-6917.

The following-named persons for appointment in the Regular Army of the United States, in the grade specified, under the provisions of title 10, United States, Code, sections 3283 through 3294 and 3311:

To be major

Dolin, Garry F., 236-50-9674.
Gilbert, Robert F., 287-32-5498.

To be captain

Carbone, David O., 378-46-3554.
Chaput, Christopher J., 457-68-6180.
Cieply, Joseph A., 332-36-3871.
Cook, Carolyn J., 516-52-1122.
Cooke, Annetta J., 466-72-3652.
Foody, William J., 216-36-4022.
Hehn, Richard D., 540-44-1664.
Kestner, Allan T., 182-30-2365.
Lepage, Robert M., 007-28-2616.
Maerki, Henry S., Jr., 458-74-5034.
Mally, Earl B., Jr., 264-68-1464.
Masteller, James D., 146-34-6931.
McLaurin, John P., III, 567-58-0035.
Monroe, Glenn E., 281-42-7603.
Nash, Richard F., 265-58-9358.
Newby, Claude D., 413-54-8643.
Olson, Roger, 505-50-5615.

To be first lieutenant

Alexander, Elizabeth M., 223-70-0962.
Armstrong, John S., 141-34-1028.
Beeman, Thomas A., 468-54-5458.
Bridges, Hubert, 375-44-5298.
Brink, Dorothy A., 195-40-7640.
Caldwell, Terence J., 499-50-5929.
Crowe, Dennis W., 575-44-5347.
Darnley, James H., Jr., 420-58-3941.
Deangelis, Richard, 085-42-1463.
Dewald, Ernest J., 082-38-3061.
Duncan, Katherine N., 585-44-5979.
Engel, William F., 226-68-8868.
English, Gregory B., 224-64-6256.
Fletcher, Jeannette A., 203-40-7135.
Fuller, Patricia S., 585-16-1913.
Furukawa, Theodore P., 564-58-4448.
Gore, Gerald E., 267-80-5028.
Grassia, Philip G., 146-36-4497.
Hart, Catherine H., 517-52-2199.
Heresa, Sadonyia J., 401-74-3327.
Johnson, Susan E., 058-42-4967.
Kramer, Karen C., 265-84-3522.
Kris, Christine S., 219-54-4862.
La Grave, Larry M., 502-42-1487.
Maguire, Michael D., 215-50-8886.
McCaffery, Edward J., Jr., 252-60-6974.
Mills, Sharon I., 185-40-5659.
Newman, Robert A., 550-62-4518.
Norman, Steven D., 439-70-5154.
Parreco, Janet W., 228-62-9579.
Pauley, John M., 479-58-0738.
Quarantillo, Frederick J., 216-48-0248.
Rickard, Roy S., 462-70-0987.
Scruggs, Richard H., II, 523-58-5259.
Seureau, Kathleen N., 505-64-4002.
Shank, Joyce G., 012-36-9103.
Smith, Barbara J., 247-84-1540.
Squires, Malcom H., Jr., 224-66-6738.
Thoresen, Robert J., 394-42-6532.
Tijerina, Maria D, R.. 463-72-1914.
Varney, Kathryn E., 262-76-7357.
Watkins, Shirley A., 423-60-9109.
West, Richard A., 299-40-6958.

To be second lieutenant

Desalva, Stephanie F., 148-44-8960.
Droegemueller, Mary E., 331-46-4988.
Elsesser, Susan, 173-44-7708.
Golash, Nancy E., 016-36-2750.
Gurney, Cynthia A., 354-46-6744.
Johnston, Thomas E., 468-62-6716.
Juern, Virginia, 327-42-3669.
Kirby, Judith A., 556-68-9425.
Ross, James W., Jr., 553-68-7796.
Schwiesow, Joel D., 504-56-5631.
Scrogham, Jefferson H., 431-82-3371.
Sexton, Patricia A., 212-62-2772.
Steenbock, Mark G., 502-60-4376.
Suiter, Robert L., 541-56-3134.
Thorpe, Linda J., 220-52-6154.
Varner, Willie H., Jr., 430-52-6154.
Wallace, Jay E., 393-52-6751.
Wolstencroft, Margaret E., 532-52-3876.
Young, Barbara J., 478-66-7070.

The following-named scholarship student for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 2107, 3283, 3284, 3286, 3287, 3288, and 3290:

Feeney, Thomas J., 575-58-8329.

IN THE NAVY

The following-named Naval Reserve officers for temporary promotion to the grade of commander in the line, subject to qualification therefor as provided by law:

Abel, Rudolph, Jr.
Adams, James D.
Allard, Dean C., Jr.
Allen, Robert C., Jr.
Allison, Donald L.
Allison, Gene L.
Ambrose, Michael J.
Anderson, Ernest J., Jr.
Archibald, Robert E., Jr.
Ascherl, John L.
Atkinson, Ernest R.
Atkisson, Robert D., Jr.
Ayscue, Billy N.
Babis, Robert E.
Balunek, Adelbert A.
Barker, Brian H.
Baskin, Walter H.
Batchelor, Jon D.
Beatty, Robert P.
Bechtel, Richard N.
Becker, Robert E.
Beckman, John D.
Bell, Raleigh V.
Belt, William W.
Bergert, Frederick L.
Bernard, Francis X.
Bernardo, Albert L.
Bigger, Gene W., Jr.
Biggs, Willoughby H.
Bingham, William H.
Black, Bruce A.
Blados, Walter R.
Blair, John E.
Blankenship, Upton D.
Blasi, Donald T.
Block, Albert E., Jr.
Bogar, Norman J.
Bonnema, Norman G.
Bonwell, Charles C.
Booher, Timothy
Bottom, Dale C.
Bowser, Peter A.
Boynton, Russell F.
Bresnahan, Maurice J., Jr.
Brewer, Ernest C.
Brideson, John K.
Bromwell, Kent S.
Brown, James H.
Bruce, Walter E., Jr.
Bruemmer, Jerry L.
Buell, Byron W.
Bugg, William A.. Jr.
Bulger, Winfred H.
Burgess, John
Burk, Robert W.
Burke, Paul E., Jr.
Burke, Raymond C.
Burns, Kenneth F.
Buxton, Richard L.
Caldwell, William T.
Calhoon, Theodore H.
Campbell, Colin C.
Cannon, Harry D.
Caponi, Elso R.
Carr, Richard W.
Carter, James W.
Chamberlain, George A.
Champeon, Douglas L.
Chapman, Paul W.
Chappell, Clarence J., III
Chase, Jon G.
Chirico, Anthony J.
Christensen, Claude H.
Christian, John A.
Chrzanowski, John J.
Clark, John E.
Clements, Robert F.
Clifford. Timothy C.
Clouse, Charles E.
Cole, Bertram D., III
Cole, Jerry L.
Confer, Donald D.
Conrady, Raymond F.
Courneya, Thomas E.
Craddock, Thomas A.
Crawford, John C., III
Crawford, Wayne L.
Curtis, Philip N.
Curtis, William H.
Daberkow, Dayton W.
Dalessio, Robert M.
Daly, Bruce D.
Davenport, Frank G.
Dawson, Herbert C.
Day, John M.
Deas, William J., III
DeGraw, William R.
DeMeo, Edward A.
Dempsey, Brian
Dennis, Dwight L., Jr.
Dent, Joseph B., Jr.
Devalcourt, Carol C.
Devoy, James C.
Dickey, Glen L.
Dinge, Carl F.
Dixon, William H.
Dodge, Douglas D.
Doty, Kenneth G.
Downing, Robert E.
Drotleff, William C., Jr.
Dyke, David W.
Eakin, Mark V.
Eddy, Ronald E.
Eichler, William L.
Elsner, Norbert B.
Elve, Albertus H.
Embry, John H.
Emerson, Richard E.
Empey, Peter H.
Enright, Marc E.
Erickson, Grover G.
Esco, David D., Jr.
Estrin, Sherwin
Evans, Robert D.
Fairley, Carl R.
Fellman, Paul R.
Ferrera, John J.
Fields, Walter S., III
Fishburn, Thomas F.
Flynn, Martin R.
Foster, Theodore D.
Frazier, Ross A.
Freeborn, Guy H.
Galamaga, Donald P.
Gallagher, Terrence V.
Garrett, Thomas C.
Gashler, Daniel H.
Gauntlett, James F.
Gay, Daniel J., III
Geenen, William M.
Gerboth, Don M.
Gerosa, Vincent C.
Gibbs, David L.
Gilbertson, Gilbert O.
Gilliam, Coogie C., Jr.
Gillies, Donald C.
Gilmer, David S.
Godshall, Douglas R.
Goodwin, William A.
Goorjian, Paul M.
Gorden, John M.
Gorzelnik, Stanley V.
Graham, Andrew R.
Graham, Billy D.
Graske, Theodore W., Jr.
Grasso, Dominic J.
Grieco, Joseph P.
Grosheider, Arthur R.
Habermas, Thomas W.
Hagan, Kenneth J.
Haldeman, John S.
Haley, Ronald E.
Halferty, Richard L.
Hall, Daniel B., Jr.
Hall, Gerald A.
Hall, Kenneth T., Jr.
Hall, Lawrence J.
Hall, Wallace H.
Halloran, John F.
Hamilton, Frank P.
Hammond, Edward P., III
Hannah, Floyd L.
Harding, William C.
Harkness, Daniel H., Jr.
Harrison, Peter B.
Hart, Harold J., Jr.
Haseltine, Hugh W., Jr.
Hawks, Donald R.
Hayes, William A.
Heavy, James L.
Helip, Donald L.
Heller, Bruce L.
Heydon, Linus W., Jr.
Hicks, Ralph H.
Higman, Darrell E.
Hill, David G.
Hinkle, James L.

Hipp, Robert M.
Holmes, James F.
Hoogenboom, Robert L.
Hopfe, Manfred W.
Hopper, Hugh R.
Horan, John J.
Howe, Robert R.
Hughes, Arthur L.
Humphreys, Luther W., Jr.
Hungerford, William P.
Hunter, Everett N.
Hyde, Richard C.
Ireland, Richard J.
Irving, Willard A., III
James, Jon G.
Janes, David A.
Jensen, Richard A.
Johnson, Robert A.
Johnston, Francis X., III
Jokanovich, Peter
Jones, Charles R.
Kalin, Robert E.
Kamberos, Louis S.
Karg, James L.
Kartvedt, Maynard O.
Kehl, William W.
Kelch, Oakley A.
Kennedy, Dennis E.
Kennedy, James O.
Kermoian, Ralph
Kimm, Richard M.
King, Gary E.
Kinnett, Gary E.
Knobloch, William F.
Knoll, David W.
Koffler, Samuel
Kolasa, Walter Z., Jr.
Kortum, Robert W.
Krause, Robert E.
Kriebel, James M., Jr.
Krischker, Allen L., Jr.
Kuebler, Richard J.
Kuras, Anthony T.
Kvaska, Frank, Jr.
Kyle, Alan M.
LaBarge, William A.
LaFranchi, Vincent E.
Lamar, Robert O., III
Landin, Thomas M.
Langford, John A., Jr
Langston. William D., Jr.
Lastovica, Norman J.
Leeds, Daniel B.
Leffler, Paul
Leschack, Leonard A.
Less, Frank, Jr.
Llipfert, Benjamin B., Jr.
Lind, Thomas O.
Lobue, Thomas J.
Lubich, Dwight E.
Luketz, Ronald G.
Lund, Peter B. F.
Lunden, Francis G.
Lyle, Charles K., Jr.
Lynch, John A., Jr.
Lynch, Robert K.
Lysne, Howard C.
Madden, John S.
Main, Donald J.
Malyevac, David S.
Mandel, Philip N.
Manning, John E.
Manuel, Ralph N.
Marsalis, Forrest S.
Martin, John D.
Mascali, John H.
McAnulty, John F.
McBride, Donald J.
McCabe, John J.
McCall, Edgar O.
McCann, William E., Jr.
McConville, John P.
McDermott, Daniel J.
McDonnell, James F.
McDonnell, Thomas P.
McElhenny, James P., Jr.
McEligot, Donald M.
McFarland, Daniel L.
McGill, John R.
McGirl, Patrick
McMaster, David S.
McPadden, Joseph G.
McPartlin, Raymond C
MeLendy, Herbert E.
Mericle, Richard B.
Merle, Pierre F., V.
Merrifield, Robert G.
Mertz, Robert M.
Michaels, Donald M.
Miller, Robert L.
Moncure, Edwin C., Jr.
Montgomery, Clarence P., Jr.
Morris, Robert A., III
Moynahan, Dennis M.
Mullen, Merritt D.
Murphy, George E.
Murphy, Richard W.
Murray, Alen C.
Nageotte, Richard R.
Nailor, Kerwin C.
Neibauer, Rodney D.
Neill, Jerry C.
Nelson, Dallas E. A.
Nelson, Marc H.
Norton, Charles J.
Novak, Vincent L.
Nutt, Andrew T.
Obley, Loren L.
Ocker, Jerold R.
O'Connell, Paul J., III
Ohl, Phillip D.
Olstad, Byron J.
Okunewick, James P.
Onken, Ronald W.
Ossing, Henry A.
Owens, James F.
Pace, William F.
Pacheco, Leonard J.
Pagnillo, Richard J.
Pain, George R.
Palmquist, Robert D.
Parks, Robert M.
Parrillo, Joseph L.
Payonk, Michael A., Jr.
Peters, David E.
Peterson, Charles H.
Peterson, Gerald L.
Poffenberger, Richard L.
Polsenski, James J.
Pooley, David W.
Pope, Richard J.
Posner, Ernest G.
Potter, Charles R.
Praetorius, Hugh M.
Pratt, Marvin J.
Prevost, Stephen M.
Quigley, Raymond F., Jr.
Rainey, William M.
Ray, Billie D.
Rees, Gale H.
Reilly, Gorman T.
Reu, Laverne F.
Reynolds, George W.
Richards, Grahme P., Jr.
Richards, John C.
Riday, Raymond C., Jr.
Robert, James R.
Roberts, William P.
Robinson, Don E.
Rockwell, Richard B.
Rosaschi, Peter P., Jr.
Rothwell, William F.
Routh, Alan C.
Royston, John P.
Royston, Leighton M.
Sailer, Joseph R.
Sakuda, Paul S.
Salata, Stanley A., Jr.
Salvo, Len V.
Sanborn, James H.
Saponaro, Joseph A., Jr.
Sargent, Stephen E.
Sauer, Dale E.
Scheck, Timothy R.
Schmidt, Raymond P.
Schneider, Thomas H.
Schug, Ronald J.
Schuldt, Theodore J. C., Jr.
Schwartzkopf, Gary P.
Seafeldt, Albert C.
Selman, Robert L.
Semon, Robert L.
Severson, Paul J.
Seymour, John C.
Shafer, Lee E.
Shawl, Stanley H.
Shea, Joseph G.
Shelton, Sylvester M.
Sherry, James F.
Shontz, Donald W.
Shyne, John W., Jr.
Simmons, George T.
Sinclair, Lonnie D.
Smith, James R.
Smith, John L.
Smith, Norman D.
Smoot, William T.
Stahel, Rudolf S.
Stanford, Bruce E.
Steffenson, Michael R.
Stephens, Clinton T., Jr.
Stevens, Victor B., Jr.,
Stevens, William R.
Stewart, Donald B.
Stickle, Robert J.
Stiehm, Bruce G.
Stokes, Francis G.
Stookey, Stanley F.
Stout, Peter C.
Strand, Allan E.
Stroessler, Hans M., Jr.
Sturch, Billy
Suda, George A.
Sullivan, Dennis J.
Summey, James W., III
Sumner, Irving E.
Sumner, Paul
Sutter, Joe R.
Swenson, Gerhard M.
Talley, James M., Jr.
Tamburino, Richard C.
Tapp, James T., Jr.
Taylor, Charles L.
Tennant, William K.
Tennent, Richard E., Jr.
Thomas, Arthur J.
Thorson, Terry R.
Tiernan, Paul J.
Tilton, Alan P.
Touhey, Robert J.
Tremblay, Victor J.
Treubert, John H.
Tucker, Samuel S.
Tuleya, Raymond R.
Tupper, Bruce C.
Twilde, Richard W.
Tychsen, Paul E., Jr.
Tyler, Thomas D.
Udovch, Joseph J.
Vandermyde, Paul A.
Vandermyde, Philip L.
VanSoest, Peter D.
Veccia, James E.
Vowles, Jeffrey D.
Waddell, Robert A.
Wainwright, Howard E.
Walker, George K.
Wallin, Carl R.
Walsh, Robert E.
Wardman, Richard W.
Wayland, Henry P., Jr.
Wechter, James K.
Weisgarber, Robert L.
Wenzler, Henry R., III
Whitt, Darnell M., II
Wiest, Philip J.
Wiles, James L.
Wilhelm, Laurin P.
Willey, Michel F.
Williams, James L.
Williams, John R.
Williams, Morton D.
Williston, John D., Jr.
Wilson, Newton A.
Wilson, Richard H.
Wilson, Wilbur G.
Winter, Jerrold C.
Wirth, William T.
Witamyer, John H., III
Wix, Donald M.
Wolfe, John G.
Woodrick, Clifford P.
Wu, Theodore W., Jr.
Wylie, Donald G.
Yates, Robert D.
Zanella, John H.
Zinn, Robert H.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 12, 1975:

DEPARTMENT OF JUSTICE

Rex E. Lee, of Utah, to be an Assistant Attorney General.

Jervis S. Finney, of Maryland, to be U.S. attorney for the district of Maryland for the term of 4 years.

Daniel E. Wherry, of Nebraska, to be U.S. attorney for the district of Nebraska for the term of 4 years.

Emmett G. Wyche, of Louisiana, to be U.S. marshal for the western district of Louisiana for the term of 4 years.

Len E. Blaylock, of Arkansas, to be U.S. marshal for the eastern district of Arkansas for the term of 4 years.

John T. San Agustin, of Guam, to be U.S. marshal for the district of Guam for the term of 4 years.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

THE JUDICIARY

William H. Stafford, Jr., of Florida, to be U.S. district judge for the northern district of Florida.

EXTENSIONS OF REMARKS

ALTOONA-JUNIATA SHOPS SET NATIONAL SAFETY RECORD

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. SHUSTER. Mr. Speaker, Altoona, Pa., Juniata shops of the Penn Central Transportation Co. has set a new national safety record for railroad and transportation workers. At 3 p.m. on Thursday, May 8, 1975, the shops reached its 1 millionth man-hour without a lost-time accident.

This new record is so outstanding that it staggers the imagination. In recent years, the American worker has taken a "bump rap" in some circles, for allegedly falling behind in productivity, quality craftmanship, and personal pride in their work. This could not be farther from the truth in Altoona, Pa. The enviable record of achievement set by the thousands of employees at the Juniata shops brings the fallacy of those contentions home clearly and impressively.

This milestone brings home another point as well. It goes far to solidifying the wisdom and credibility of the U.S. Railway Association, which earlier this year designated the Juniata shops as the key locomotive repair facility in the new Consolidated Railroad network. That selection could not look better now, and the care and professionalism with which the employees of the Juniata shops carry out their duties will be a prime moving force in getting our Nation's railroads back on the right track.

Many congratulations are in order, Mr. Speaker. Mr. Joseph S. Fadale, general manager of Penn Central's Altoona shops, deserves the accolades of all of us for making safety a primary factor in the operation of the shops, Mr. R. C. Ambelang, general superintendent of the Juniata shops, has earned our praise for instilling in the employees a fundamental concern for their safety and the safety of their coworkers. All the union leaders merit a strong vote of thanks for their constant encouragement to make safety a priority concern. And, of course, the record could not have been set without the dedication, pride, and genuine concern of each and every worker at the Juniata shops. It is precisely this sense of pride and honor that makes American workers the best in the world, and the workers in Altoona and central Pennsylvania the best in the Nation.

Mr. Speaker, it is with a great deal of personal pride and satisfaction that I bring this outstanding record to the attention of my colleagues. It is especially gratifying for me, since in my capacity as ranking minority member of the Committee on Public Works and Transportation's Surface Transportation Subcommittee, safety in transportation is a primary and fundamental concern. I am confident that the magnificent safety record at the Juniata shops will continue, and I call upon the workers all across our great Nation to look to this record with pride and follow the example of the truly outstanding and safety-minded workers of Altoona, Pa., Juniata shops.

EQUAL OPPORTUNITY JOB LAWS FOR DISABLED HAVE LITTLE EFFECT

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent to insert in the RECORD, a significant article from the May 3, 1975 New York Times by Jane E. Brody entitled, "Equal Opportunity Job Laws for Disabled Have Little Effect."

The article follows:

EQUAL OPPORTUNITY JOB LAWS FOR DISABLED HAVE LITTLE EFFECT

(By Jane E. Brody)

The Federal Government and nearly half the states have passed laws granting equal job opportunities to millions of working-age Americans with physical, medical and mental disabilities. But in many cases the laws are not having the desired effect because of inadequate enforcement and difficulties in interpreting them.

In addition, in many states neither the workers covered, the voluntary agencies that represent them, nor potential employers are even aware these laws exist.

As a result, in some states fewer than a dozen complaints have been brought in the first year of a new law (in North Carolina, for example, no complaints were brought). In other cases, attempts to resolve complaints have raised more questions than they answered.

Twenty-two states, the District of Columbia and the Federal Government have outlawed job discrimination against handicapped workers, although in some states the legislation excludes certain categories of disability, such as mental illness. Four years ago, only five states had such laws.

Validated complaints that have been brought before responsible authorities in various states illustrate the wide-ranging role such laws can play. While the laws also cover promotions, nearly all cases thus far have involved hirings. They include the following:

A practical nurse was denied a job in a New York hospital because she had high blood pressure.

A woman who had been treated for breast cancer was refused a civil service job in Milwaukee.

A California man was denied a job as a bread truck driver because he stuttered.

A New Jersey computer operator was dismissed from his job at a refining company after his employers learned that he was an epileptic.

A young woman was suddenly told there was no job opening when her prospective employer, a Massachusetts shoe company, realized that her address was a "halfway house" for persons recovering from mental illnesses.

Except for the nurse, whose case has not yet gone through a hearing, the complaints in these cases eventually got satisfaction through the intervention of responsible state agencies.

NOT A HINDRANCE

In the case of the stuttering truck driver, for example, an officer with the California Fair Employment Practicea Commission went around the driver's delivery route, talked to customers and reported back to the employer that stuttering would not be a hindrance in the work. The man then got the job.

In many of the cases that have been successfully handled, merely informing the employer that he may be acting in violation of the law has led to the hiring of the complainant.

But the lack of teeth in some state laws—including the failure to establish penalties or specify funds and an agency to enforce the law—prevents a satisfactory outcome for the employe, even when he wins a case.

Donald Hays, a 34-year-old married man who uses a wheelchair and has a hearing problem, had worked in a federally funded manpower program helping the handicapped find jobs. After three years, he was suddenly dismissed because his employer said he lacked the mobility to do the job.

The New Mexico Human Rights Commission ruled that his discharge was unlawful discrimination based in a physical handicap. He was awarded the maximum damages, $1,000 and the commission suggested that he be rehired or given a comparable job.

However, Mr. Hays still has no job because the commission has no way to enforce its ruling.

"Maybe some day I'll get my job back or one like it," Mr. Hays said. "But all I have now is words and you can't live on that."

In other states, vagueness about the wording, meaning or intent of the law has led to varying interpretations. A test case was brought in Natick, Mass., District Court involving a 30-year-old woman who had multiple sclerosis.

Although her disease was in remission at the time, a company refused to hire her and was charged by the state Division of Industrial Safety with violating the law.

However, the case was appealed and the judge upheld the company because he said that the woman had not been rehabilitated by training but rather by taking medication, and that this was not rehabilitation" as stated in the law.

In most states, including New York, what the law means by "physical handicap" is being broadly interpreted to include such conditions as diabetes, prior treatment for cancer, an overweight condition that has a medical cause, as well as conditions more commonly thought of as handicaps, such as blindness, deafness and missing or crippled limbs.

TO PERFORM DUTIES

The prospective employe is required only to be able to perform the duties of the job at the time he applies for it. The employer cannot refuse to hire him because of what may happen in the future, such as a recurrence or progression of his disease (although employment theoretically may be terminated if the person loses the capacity to do his job).

But since these facts have not been widely publicized in about half the states with such legislation, many victims of discrimination do not know they are protected by the law.

"Most persons with illnesses don't consider themselves to be handicapped," observed Mrs. Nike Bradley, executive director of the Chicago chapter of the American Diabetes Association. In the state of Washington, for example, of 98 complaints filed so far, none have involved diseases.

Even in Wisconsin, where a broadly interpreted law has been on the books since 1961, inquiries disclosed that many affected persons and the health agencies that represented them were unaware of the protection.

Executives of local chapters of the American Cancer Society, for example, said they did not know that cancer patients were covered. Among numerous complaints was one from a 27-year-old college graduate who was successfully treated for a testicular tumor five years ago and has been able to get only temporary jobs since.

CANCER SOCIETY STUDY

The American Cancer Society is currently conducting a nationwide study to assess the extent of job discrimination against cancer patients and determine how best to counter it. Many companies have policies of not hiring a person until five or 10 years after treatment for cancer.

As with job discrimination against women and minority groups, the handicapped often do not know why they are turned down and thus may not believe they have a legitimate complaint.

"The insidious part of job discrimination is that frequently the employers don't tell you you are being passed over because of a physical disability," said Luther B. Francis, president of the Diabetes Association in Pine Tree, Me.

Employers, too, have their problems with laws protecting handicapped workers. Traditionally, explained Emmett Snow, who helps to enforce the Federal regulations for the U.S. Department of Labor, companies have been reluctant to hire such persons because "they fear they won't get longterm service from the employe or that his illness may suddenly worsen or that the company's insurance rates would go up."

DIABETIC DISMISSED

In North Carolina, for example, a woman was dismissed from a job as a supermarket clerk because she had diabetes and the insurance company handling the store's group policy said it would raise the rates for all in the group if the woman was kept on.

According to an interpretation of the New York State law prepared for employers by National Health Services, Inc., an employe may not be rejected even though his condition may involve a future payroll risk or if he would draw excessively on fringe benefits or if coworkers or customers would prefer he not be employed. Nor can an employer exclude an applicant on the ground that the job may turn out to be injurious to the employe's health.

The laws in several states and that of the Federal Government—whose requirements apply to Federal agencies and to companies receiving Federal grants or contracts exceeding $2,500—state that employers must make architectural accommodations to the needs of workers or applicants with physical handicaps.

In addition to widened doorways and ramps for wheelchairs, these might include using light instead of sound signals for the deaf or bells for the blind. Under the Federal law, an employer might also have to rearrange work schedules to meet the needs of the handicapped or hire two handicapped persons part-time instead of one full-time when the handicapped persons need several days off for medical treatment.

"One of the most important aspects of the law," remarked Jack Sable, Commissioner of the New York State Division of Human Rights, "is that it gives hope to people where there was no hope before. Thousands of handicapped persons have said to us that the law shows people still care about them."

"Obviously, our interpretations of the law will be challenged," he said. "But I have directed my staff to fight vigorously, into the courts if necessary, to protect a handicapped person's right to work."

22 STATES HAVE LAWS ON JOBS FOR DISABLED

The same issue of the New York Times carries the following related statement:

In addition to the Federal Government and the District of Columbia, 22 states have passed laws granting equal job opportunities to the handicapped. They are the following:

Alaska, California, Connecticut, Florida, Illinois, Iowa, Kansas, Maine, Massachusetts, Minnesota, Montana, Nebraska, Nevada, New Jersey, New Mexico, New York, North Carolina, Oregon, Rhode Island, Washington, Wisconsin and Vermont.

The Federal law covers Federal agencies and companies receiving Federal grants or contracts exceeding $2,500.

THE ROAD TO REDTAPE WAS PAVED WITH THE GOOD INTENTIONS OF CONGRESS

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. GOODLING. Mr. Speaker, the Congress often enacts legislation which have titles exemplifying the best of intions, but in reality do not accomplish what they suggest they will.

The consumer advocacy bill certainly has an irresistible title. What Congressman finds it easy to vote against any bill with the word "consumer" in the title? In this day and age that is almost like voting against apple pie, motherhood, and the flag. It takes a lot more courage and digging into the meat of a bill to vote against one with such a catchy title than to vote for it.

The last thing that we need in Washington right now is another bureaucratic agency, even one with the great intention of protecting the consumer. This bill, scheduled for consideration in the Senate this week, would set up a new agency to intervene into the activities of every establishment of the executive branch of the Federal Government to make sure that their decisions are in the best interest of the consumer.

We already have 1,000 consumer-related programs in some 33 Government agencies and departments. Once again, we are seeing the Congress attempt to add another level onto the bureaucracy to solve a problem instead of attempting to increase the efficiency of the present programs. The bureaucracy has promulgated so many regulations that they are estimated to cost the average family about $2,000 a year, or approximately $130 billion a year for all Americans. In a time of uncertain inflation, this is not the time to add more regulations and the resulting cost increases to the cost of goods for the consumer.

Most Americans are opposed to the creation of another bureaucratic agency even under the guise of protecting the consumer's interest. A poll by Opinion Research Corporation recently completed show that of the 2,038 people questioned, 75 percent were opposed to the creation of the Agency for Consumer Advocacy. I hope that the Congress will listen to the American people on this matter just as I listen to constituents of mine on this subject. I would like to share with my colleagues a letter which I received from one taxpayer in my district on the subject of bureaucracy in general and his view of the Agency for Consumer Advocacy. He puts it this way:

Congressman WILLIAM F. GOODLING,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN BILL: With the passage of time, I become increasingly convinced that the one truly great evil loose in our land today is bureaucracy.

As a businessman I feel that our competitive enterprise system with all its faults is never-the-less one of the pillars of our society. I believe it is no coincidence that when we celebrate our 200th year of greatness next year we shall also note that Adam Smith's "Wealth of Nations" was published in 1776.

Great as our free enterprise system is, it is not impregnable and as a matter of fact is now under an attack more withering than any I have ever observed during some forty years in the business area.

I recall the nice benign bureaucracy that existed on the eve of WWII. To its credit it rose to tremendous heights to do the job that had to be done. Unfortunately it never returned to its benign state where it belonged but instead moved inexorably into a state of raging malignancy where it is today.

Congressman, you cannot imagine the magnitude and variety and debilitating effects of the forces that press in on us these days. You gentlemen there in Congress make legislation—for example, Civil Rights, Occupational Safety and Health, Pension Reform to name a few—these are good laws and when they were passed they had the betterment of mankind in mind. They were a means to an end—a good end. They became ends in themselves, however, as soon as they were turned over to the administrative bureaucracy—unfortunately there never seems to be a check on how well the laws are working out. That retrospective look is never taken—or so it appears.

It seems to be in our nature to carry things to their logical extremes. Thus OSHA in a few more years, I suspect, will have woven a cocoon about industry in the name of safety. Ours will be in the safest industry in the world. And Germany shall be glad and Japan shall rejoice, as indeed they should, what with our share of business snatched from the market place.

All this is by way of saying, Congressman, that another bureaucratic millstone is about to be hung about our necks . . . The Agency for Consumer Advocacy. It is not hard to imagine a new ACA granite edifice being built and staffed in Washington and appendages added to the various federal districts throughout the nation. Thus what will have started as a sincere gesture to aid the consumer will become yet another shackle around the business/industry community with a new bureaucratic power group flexing its muscles, displaying its might, and making industry dance to its tune.

I shall be grateful, Congressman, if you will take these thoughts into consideration when voting on the upcoming Consumer Advocacy bill.

Cordially,

LUTHER W. MCCOY.

TREASURY DEPARTMENT ORDERS GSA TO ACCEPT ELECTRIC POWER RATE INCREASES

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. EVINS of Tennessee. Mr. Speaker, it is incredible that the Treasury Department has recently proposed guidelines which would in effect force the General Services Administration to accept without question any electric power rate increases proposed by private utility companies as fuel adjustment clauses. The order also sharply restricts GSA's authority to protest any rate increase.

The American Public Power Association recently disclosed these proposed guidelines which followed an earlier disclosure that Assistant Secretary of the Treasury Gerald Parsky had written GSA Administrator Arthur E. Sampson expressing "the thought that GSA should minimize intervention" in electric rate increase proceedings which could raise the power bills of the Federal Government.

Mr. Speaker, I have obtained a copy of a memorandum which discusses these proposed guidelines. The memo dated March 21, 1975 was written to Mr. Don Craven, an assistant administrator of the Federal Energy Office by a Special Assistant to a Deputy Secretary of the Treasury, Alan M. Arsht.

The memorandum sets out "minimum acceptable criteria suggested for use by GSA in determining whether that agency should intervene on matters concerning rates of return in utility rate proceedings." But the memo directs GSA to "under no circumstances" protest fuel adjustment clauses.

Mr. Speaker, the Treasury Department has no authority to tell the General Services Administration how to conduct its business on behalf of the American taxpayer—especially at higher costs. Certainly it is no less than brazen for an unelected bureaucrat to take this responsibility to interfere in the jurisdiction of another Government agency charged with the responsibility of supervising the operation of virtually all Government buildings.

Because of the interest of my colleagues and the American people in this important subject, I place in the RECORD herewith a copy of the March 21 memo, along with two recent items from the American Public Power Association Newsletter, and an article from the Washington Star.

These materials follow:

MARCH 21, 1975.

Memorandum to Don Craven.

Subject: Intervention Guidelines for GSA in Utility Rate Proceedings.

The following are minimum acceptable criteria suggested for use by GSA in determining whether that agency should intervene on matters concerning rates of return in utility rate proceedings:

1. Fixed change coverage: 3.0 after tax; and 4.0 pre-tax.

2. Debt equity ratios: 48% debt; and 37 plus percentage common equity.

3. Percentage of internally generated funds as a percentage of annual construction budget: 45 percent.

4. Proportion of short-term debt: 6 percent upper limit of short-term debt as a percentage of total capitalization.

5. General guideline: Unless rates of return on equity are 15 percent or above and that utility is entitled to normalization of all tax deferred benefits (depreciation and investment tax credit), GSA intervention would very likely be counter-productive.

6. Intangible factors:

a. Intervention policy should be based on GSA's analysis of the overall stability of the economy with attention to inflation rates, impact of construction cutbacks on area of unemployment, money market conditions generally, etc.

b. There should be an evaluation of whether requests for rate increases for a particular utility system are out of line with national rate behavior and with cost of living increases generally.

c. Consideration should be given to any specific rate request as compared to rate requests by neighboring utilities to judge whether it is unreasonable.

d. In order to avoid any undue erosion of the effective rate of return on equity, GSA should under no circumstances intervene to block the adoption or continuation of an automatic fuel adjustment clause.

The first financial guidelines (1 through 5) are derived from an analysis of the S&P bond rating procedures and should protect any utility from GSA intervention in utility rate proceedings whose financial condition would place it below the mid-point between AA and AAA bond rating categories.

ALAN M. ARSHT.

TREASURY DEPARTMENT GUIDELINES WOULD RESTRICT GSA CHALLENGE OF POWER RATE HIKES

Guidelines proposed by the U.S. Treasury Department would severely restrict the General Services Administraton—the Federal agency authorized by law to protect the government and taxpayers from excessive utility rate increases—from contesting higher rates sought by many of the nation's power companies . . . Publication of the proposed guidelines followed recent disclosure that Assistant Secretary of the Treasury Gerald L. Parsky had attempted to persuade the GSA to "minimize intervention" in power rate cases in which the government is a major purchaser of power from electric companies (Newsletter 75–15, April 11, p. 8) . . . Mr. Parsky had made specific references to rate increases sought by the Potomac Electric Power Co. (Pepco) in metropolitan Washington, D.C., which he claimed were "urgently needed," although they would raise the Federal government's electricity bill by about $18-million annually . . . It was also disclosed that Treasury Secretary William E. Simon, who has spearheaded the Administration's campaign to increase Federal subsidies and obtain special Federal and state regulatory treatment for investor-owned utilities, also met earlier with Pepco board chairman Reid Thompson to discuss the company's rate increase proposals . . . Treasury's unprecedented guidelines would block GSA intervention in any rate case against a utility company having bonds that are rated AA-minus or lower . . . This would prevent GSA from contesting the current or future rate hike proposals of at least 103 power companies.

Assistant Secretary of the Treasury Gerald L. Parsky has urged the General Services Administration—the government agency authorized by law to protect Federal departments and agencies from excessive utility rate increases—not to contest higher rates sought by power companies.

Washington Star writer Stephen M. Aug disclosed that in a letter to GSA administrator Arthur F. Sampson, Mr. Parsky made specific references to rate increases proposed by the Potomac Edison Power Co. (Pepco) in the greater Washington, D.C. metropolitan area that would have raised the Federal government's electricity rates by about $18-million annually. Pepco is seeking rate increases of $48.8-million, or 25.5 percent in the District of Columbia; $47.6-million, or 20.9 percent, in Maryland; and $3-million, or 31.2 percent, in Virginia.

In the letter, Mr. Parsky cites what he describes as Pepco's serious financial problems and opines that "there is no reason to doubt that rate increases are urgently needed." The Treasury official also told Mr. Sampson that he would "enjoy the opportunity to discuss with you the thought that GSA should minimize intervention in other cases where low rates jeopardize our electric utilities' financial health."

Star reporter Aug also revealed that Secretary of the Treasury William E. Simon met earlier this year with Pepco chairman Reid Thompson to discuss the rate hikes; and quoted a Pepco spokesman as saying that the purpose of the meeting was "to seek intervention by the government in support of the company's position in the D.C. rate case so that it would be consistent with the proclaimed Administration policy of providing relief to the depressed utility industry to help expedite the rate case."

At the end of 1974, the GSA had intervened in about 70 utility rate increase proceedings affecting government agencies that could raise Federal power bills by as much as $90-million.

But the Parsky letter apparently has not had the desired effect at the GSA. The agency has mailed notices to utility regulatory commissions in the District, Maryland and Virginia informing them that it intends to oppose the increases in all three jurisdictions.

Treasury Secretary Simon has been spearheading the Ford Administration campaign to augment investor-owned electric utilities' income by providing additional tax subsidies and special regulatory treatment. Top-ranking Administration energy officials have been urging Federal and state regulators to liberalize and accelerate their procedures and policies to "bail out" the utilities.

GSA AID URGED ON RATES

(By Stephen M. Aug)

A high Treasury Department official has urged the General Services Administration to largely abandon its traditional role of protecting federal agencies against higher utility costs by staying out of electric company rate cases.

The official, Gerald L. Parsky, assistant Treasury secretary, made his views known in a letter to Arthur F. Sampson, administrator of GSA. The letter, dated Jan. 27, 1975, referred specifically to several electric rate increases proposed by Potomac Electric Power Co.

PEPCO Chairman W. Reid Thompson met privately on the afternoon of Jan. 9 with Parsky's boss, Treasury Secretary William E. Simon. A PEPCO spokesman said the purpose of the meeting "was to seek intervention by the government in support of the company's position in the D.C. rate case so that it would be consistent with the proclaimed administration policy of providing relief to the depressed utility industry and to help expedite the rate case.

He said Simon's reaction was that he didn't know if he could do anything.

PEPCO has three rate increase cases pending—$48.8 million in the District, or a 25.5 percent increase; $47.6 million or 20.9 percent in Maryland, and $3 million or 31.2 percent in Virginia. The increases would add about $18 million to the federal government's electric bill alone.

The Parsky letter, which has not yet been answered, points out that PEPCO has been in a financial squeeze which already has caused cancellation of a major nuclear program and other expansion projects.

It says "there is no reason to doubt that rate increases are urgently needed."

The letter, however, goes further than just PEPCO. "In addition, I would enjoy the opportunity to discuss with you the thought that GSA should minimize intervention in other cases where low rates jeopardize our electric utilities' financial health."

Apparently Parsky's letter has not had the desired effect yet at GSA. The agency has sent notices to the utility commissions in Maryland, the District and Virginia that it intends to oppose the increases in all three areas.

The letter points out the sometimes opposing view points within the government on the same issue. GSA is by law the agency entrusted to representing the federal government—as a consumer—before regulatory commissions. In fact, GSA as of the end of last December was involved in 69 utility rate cases in which between $70 and $90 million worth of higher utilities rates for the federal government are at stake.

Under the law the GSA administrator has sole authority to determine whether the government will take part in such cases. Frequently—especially before federal regulatory agencies—the government, as represented by GSA, is the largest single customer taking part in a rate matter. With its sizable resources, therefore, GSA is often a major force in keeping utility rates low.

Don Young, an assistant administrator at GSA, said that while Parsky's letter is not improper it is unusual. He said he could recall only one other such letter in the three years he has been at GSA urging the agency to stay out of utility rate cases—and that was last December from the then head of the Federal Energy Administration, John Sawhill.

"Historically, we have represented the guy that's going to be paying the bill," Young said, "but our character is to represent the government as a whole. What is being indicated to us now by the Department of Treasury is that the government as a whole may not be helped by intervention in particular cases."

Young said "our thinking right now is that we need an over-all federal policy."

The Parsky letter, a copy of which The Star has obtained, deals generally with the declining health of the utility industry in recent years. It points to high oil prices and inflation as intensifying the industry's financial problems. And it points out that rate increases "while considerable, have not been enough to meet the increased cost of fuel, construction and financing."

Although the tone of the letter is in line with administration energy policy—both Parsky and Simon have been in the forefront of developing that policy—it ignores a number of points raised by consumer groups. Those points include questions as to whether utilities have sought the cheapest sources of fuels rather than simply taking fuel at any price and passing the costs along to consumers, and whether utility construction programs are too large in the first place.

The Parsky letter goes on to say that one of the major problems has been the lag in rate adjustments. "The regulatory process was clearly not designed to function in a highly inflationary environment," it says.

The letter is very specific on the PEPCO increase, pointing out that the rate increases average 25.5 percent (actually that's the District's increase, with the average of all increases at 23.2 percent), and that this would allow for a return on investment to shareholders of nearly 16 percent. Without the higher rates, the return "would fall to a totally inadequate 8 percent from the current level of about 10 percent," it says.

POLITICAL REPRESSION IN THE PHILIPPINES

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. STARK. Mr. Speaker, since President Ferdinand Marcos declared martial law in the Philippines during September 1972, what was once a democracy modeled on the American system has lost all right to bear that name. The government has imposed numerous restrictions on political activity, the press, and various institutions and organizations that previously flourished. Political activity on an individual or party level is prohibited; the press is subject to government censorship; and strikes, demonstrations, and rallies are banned.

More than 5,000 citizens have been imprisoned as political prisoners since martial law has been in effect. Many have been prominent opposition politicians and journalists, perhaps the most well-known being Eugenio Lopez, Jr. and Sergio Osmena III. The arrest and imprisonment of these two figures is well documented. Although 1,000 political prisoners were released this past December, these two men are still being held without formal charges or a trial date set.

Eugenio Lopez and Sergio Osmena are a symbol of the 3,500 Filipinos who have been imprisoned and denied all civil and human rights. But beyond this, they are a testimony to the repression of the Marcos dictatorship—a repression that reaches every citizen of that country.

More and more of my colleagues have been expressing their concern over this situation. I add my voice to theirs in hopes that President Marcos will end martial law, call open elections, and restore basic civil rights to the Philippines.

Mr. Speaker, as one last note, I would like to include in the RECORD an article from yesterday's Washington Post. It graphically describes the plight of yet another prominent political prisoner held by President Marcos—Senator Benigno Aquino, Jr.:

FILIPINO OPPOSITION LEADER APPROACHES "MEANINGFUL DEATH"

(By Harvey Stockwin)

MANILA, May 5.—Those who once knew him can barely recognize him. His legs can no longer bear the weight of his skeletal frame. He quickly loses breath, and his eyes have difficulty focusing.

Life is ebbing away from the man who was once one of the brightest leadership prospects in Southeast Asia, and who is now the leading political detainee of Philippine President Ferdinand Marcos' martial-law administration.

Former city mayor, provincial governor and national senator Benigno Aquino Jr., who has been in prison for 2½ years, persists in his protest fast, now in its second month.

Pale and weak, he was carried into a military tribunal here today to face government charges of illegal possession of firearms, murder and subversion. The charges mainly involve crimes alleged committed before martial law was imposed and for which the senator was not charged under the democracy.

Underneath the legal complexities, no compromise is in sight to prevent the latest espisode in the longstanding Marcos-Aquino political rivalry from reaching a tragic end.

Manila Archibishop Jaime Sin has administered Extreme Unction. Aquino asked to receive the rites, according to relatives, "while he was still conscious," and before Sin leaves Manila on a trip.

Before his detention by Marcos, as martial law was imposed in September 1972, Aquino weighed 191 pounds. Before his fast, he weighed 163. He is now down to 125. He has been taking only water, salt, and amino acid pills.

Last week, medical evidence was presented to the military tribunal indicating that Aquino's condition would go into irreversible decline within one or two weeks.

Government and other sources point out that doctors wait on Aquino three times a day. They hint that force-feeding will be ordered if Aquino lapses into unconsciousness.

However, independent medical sources say that a moment comes in any hunger strike when force-feeding can no longer save a patient and that the moment is unpredictable.

Aquino began his hunger strike April 4 as the government again moved to continue his long-delayed trial.

In August 1973, Aquino had dramatically refused to cooperate or participate when he was first brought before a military tribunal. His stand resulted in a long postponement. Technically, the trial has yet to begin.

In March the government, alleged that witnesses against Aquino might be assassinated, moved to hold hearings to gather the testimony of these witnesses for any future trial.

Aquino began his hunger strike as the military tribunal reversed itself, and insisted that he attend these hearings. Subsequently he broadened the aims of his fast, insisting that he would end it only if:

His and other cases were tried before civil rather than military courts.

Marcos gave all judges permanent tenure by relinquishing their resignations, which he has held since martial law was imposed.

There was greater freedom of the press.

Marcos lifted martial law.

Echoing sentiments expressed at his 1973 trial, Aquino threw the charges he faces back onto Marcos, insisted that Marcos was his accuser, prosecutor and ultimate judge, and maintained that "a time comes in a man't life when he must prefer a meaningful death to a meaningless life."

Aquino's fast has been dubbed "suicide" in the local press. The leading military prosecutor, Lt. Col. Jose Sison, last week maintained that "to die of a hunger strike in a land of plenty is not a heroic act . . . a hunger strike is not a civilized person'a reaction to injustice."

The administration insists that his trial will be fair and that Aquino should take every opportunity to defend himself.

More than a hundred witnesses are to be heard in the hearings. The first, "Commander Melody," described as former Communist leader, today testified that there are links between the Philippine party and Aquino.

Aquino said nothing during this morning's hearing. Underlining the question whether his physical condition will last as long as the legal proceedings, he was not present in the afternoon. Hearings are scheduled every day this week.

Some critics of Aquino's stand feel that his timing was bad. The worldwide pre-occupation with Indochina cut the publicity usually essential for a hunger strike's success.

It is also widely felt that it is unrealistic for Aquino to demand the ending of martial law at a time when few Filipinos actively oppose it.

Archbishop Joseph L. Bernardine, president of the U.S. Catholic Conference, cabled Marcos that "It is my understanding that the U.S. government would be prepared to grant the senator asylum in the U.S. for him and the members of his immediate family" and urged this "compassionate" course.

HATCH ACT REVISION SUPPORTED

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. HARRIS. Mr. Speaker, on April 14, the Subcommittee on Employee Political Rights and Intergovernmental Programs held a hearing on H.R. 3000 in Annandale, Va., where many of my constituents testified. I would like to share with my colleagues the remarks of Lynn Dusinberre, a Federal employee:

REMARKS BY LYNN DUSINBERRE

By way of introduction, I am Lynn Dusinberre, a member of the American Federation of Government Employees. My employment is at the D.C. Department of Manpower and I reside in the District of Columbia. Also, as Chairperson of the Committee on Government Employment of the National Capital Area Civil Liberties Union, let me state that this reform of the Hatch Act is sought by many members of the ACLU, as well as by AFGE.

Thank you for affording me the opportunity to speak on the proposed Hatch Act reform law.

First, let me say that I am in favor of H.R. 3000. For too long government employees have been deprived of their right to participate in the political processes of this nation, and denied their right to freedom of expression. It's about time for the Congress of the United States to pass a bill that restores these rights to government employees, taken away in 1939 with the original passage of the Hatch Act.

The Hatch Act, as a result of its vague and piecemeal interpretation, has had the effect of making many Washington area employees feel that they can do nothing in a political campaign. One result of the Act has been to spread apathy among government employees, particularly about issues of local politics. An example of this in the extreme, which I just heard the other day, is that some government employees are afraid to write checks to donate funds to a major political party in the Washington area, thinking that it was in violation of the Hatch Act.

The restriction of Federal employees' political participation by certain parts of the Hatch Act is a sore point in this democracy, for by it government employees are *not* equal to other citizens in politics. The Act has a very broad impact since several States and localities have passed laws similar to it which cover State and municipal employees. Many, many citizens are denied their political rights because government employment has increased greatly at Federal, State and local levels since 1939. For many employees, their job is just the same as any other job in the private sector, so why should they be penalized for being a government employee?, they ask. All types of Federal employees *should* be able and *would* be able with the passage of H.R. 3000 to participate freely in the political processes of their communities. All citizens of the United States, regardless of their type of employment, should have the right to participate in the shaping of social policies through participation in major political party activity at the local and national levels. Participation in a major political party is one avenue which U.S. citizens have to influence the social policies of the nation and of localities.

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In order to protect the proposed extension of political rights to Federal employees, as stated in H.R. 3000, safeguards must be applied against its abuse. The bill should be extended to include prohibitions against the use of the career civil service jobs to reward or punish a person for support of a candidate or any other political activity. I recommend adding a clause, such as, that no employment, promotions and/or assignments within the career civil service shall be made subject to an employee's outside political activity, to H.R. 3000 Section 3. In the light of recent abuses of the merit system, especially, a distinction should be drawn between prohibiting the *abuse* of the civil service and promoting the political *rights* of government employees.

Personally, I want to say that I have been affected by the current Hatch Act. I have been frustrated from campaigning actively for candidates in the past three presidential elections.

As you know, the exemption to the Hatch Act in the District of Columbia for our first elections last year was not too effective. The Mayor and a few government employees could run for offices last year. However, most of the D.C. voters, of whom an estimated *half* are Federal or District Government employees, could not campaign actively for the majority of local candidates. Many more than half of the Mayoral and City Council candidates in D.C. in 1974 were Democratic or Republican party members. Therefore, passage of H.R. 3000 would be beneficial to citizen participation of the District of Columbia.

In concluding, I want to thank Representative Clay and co-sponsoring Representatives Harris and Spellman for introducing H.R. 3000 into the House of Representatives. Many government employees, including myself, are looking forward to the day when we can freely campaign to promote candidates of our choice and run for office in local elections as well as in national ones. The H.R. 3000 should be passed by your Committee. An expansion of the proposed law to increase coverage on prohibitions of abuse is recommended.

I only hope that States and localities such as the one I live in pass laws to reform their similar acts to restore political rights to State and local employees, modeling them on H.R. 3000.

I would urge Subcommittee members to work for the passage of this bill. It is a guiding light, it restores First Amendment rights to Federal employees, and its passage would benefit Congress as well as the country.

ALASKAN FIFTH AND SIXTH GRADERS IN WASHINGTON, D.C.

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. YOUNG of Alaska. Mr. Speaker, for those who think the world is full of selfish people who are concerned only with themselves, I have living proof that there are exceptions. Thanks to the efforts of many kind and generous people, a group of 32 fifth and sixth graders from Fort Yukon, Alaska, were treated royally to 3 days of donated accommodations and tours in Washington.

It would be impossible to thank all those who spent so much time and expense to help these youngsters have a meaningful visit to the Capital, but there are a few whose generosity is noteworthy.

Ms. Connie Durnan at St. Columbus Church on Albermarle Street, spent many hours making arrangements for the group to stay at the church, helping with donations of meals and food, and making herself available for any problems that might arise. Many thoughtful members of St. Columbus donated time and money in preparation of a special spaghetti dinner for their final night in town.

Mr. Max Samakow, district governor of the Lions Club was kind enough to donate a luxury sightseeing bus for the group's complete use while they were in town. The bus, from American Sightseeing, was available from the time they arrived at the Greyhound bus terminal on Wednesday night until they departed on Sunday morning. This generous donation by the Lions Club and Mr. Samakow's kind cooperation in arranging all the details were main ingredients in a very successful and exciting visit for these youngsters.

These children from Fort Yukon School began a tour of the United States late in April, and traveled from Seattle to Washington by Greyhound. They were accompanied by two counselors from the school. Fort Yukon is a small village of approximately 700 people, located 6 miles inside the Arctic Circle, and for most of those on the tour, it was their first trip outside the village. It was a real pleasure having these youngsters visit Washington and I am glad I could help make their stay here more pleasant.

EXTENT OF GOVERNMENT PARTICIPATION IN SMALL BUSINESS

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. MITCHELL of Maryland. Mr. Speaker, I am in the process of making an analysis of the extent of Government participation in the Small Business Administration 8(a) program.

To date I have been disturbed by what appears to be a lack of real commitment to the 8(a) program.

However, as I continue to research in this area, there are a few glimmers of hope. For example, the Department of the Interior reports the following:

> Prior to fiscal year 1975, the Department's Bureaus and Offices attempted to place procurement directly with the Small Business Administration without regards to the potential minority business entrepreneur. This approach resulted in few contracts to minority businesses under the SBA 8(a) Program.
>
> For fiscal year 1975, the Department analyzed its previous performance records and determined that radical changes were necessary to improve the situation. As a result, the Department proceeded to effect the following changes:
>
> (a) Require all procurement activities in our Bureaus and Offices to identify procurements susceptible for SBA 8(a) placement.
>
> (b) Meet with minority business associations and firms in areas of high activity (of the Department) to inform them of the opportunities available and the necessity for the businessman and woman to obtain SBA certification.
>
> (c) Match up the identified procurement with a firm and have the firm apply for the contract with the SBA.
>
> As a result, this Department has been able to materially improve the SBA 8(a) Program. For example, for FY '74, the Department had placed $1,114,000 under the SBA 8(a) Program. The goal for FY '75 was set at $2,001,000 and the actual placement of SBA 8(a) contracts through December 13, 1974 was $1,440,000 and as of March 1975 actual placement is now at $2,309,230.
>
> We are currently re-examining our remaining procurement actions and are in hopes of achieving substantially more."
>
> EDWARD SHELTON,
> *Director, Office For Equal Opportunity.*

REVIEW OF THE NUCLEAR BREEDER PROGRAM—HEARING OF MAY 7

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. McCORMACK. Mr. Speaker, on May 8, the Honorable Russell E. Train, Administrator of the Environmental Protection Agency, appeared before the breeder review committee and discussed the Agency's recently completed review of the Energy Research and Development Administration's proposed final environmental impact statement on the breeder reactor program. In the view of the subcommittee, there were a number of comments made in the press and in the April 23, 1975, letter from EPA to ERDA concerning the impact statement which needed clarification.

Mr. Train pointed out that, contrary to implications in a recent story in the New York Times, the EPA had not suggested any delay in the nuclear breeder program, nor in the Clinch River liquid metal breeder nuclear construction project. Mr. Train stated that using revised low energy demand projections from the Federal Energy Administration, the EPA had concluded that—

> A delay of four to twelve years might be accommodated without significantly reducing the uranium conservation value of the breeder.

However, he emphasized that EPA did not recommend any such delay, and observed that projected delays assumed by the Energy Research and Development Administration and the joint committee overlapped with his assumptions for what delays might be accommodated without harm in the breeder program.

Committee members brought out the point that there were a number of comments made in the EPA letter which would be used by some to suggest that there was disagreement within the executive branch concerning the need for and the priority associated with the development and ultimate commercialization of the liquid metal fast breeder reactor.

Mr. Train agreed to furnish a letter to the joint committee which would clarify a number of issues discussed at yesterday's hearing and indicate his strong support for proceeding with the

Clinch River breeder demonstration project.

Mr. John Hill, Deputy Administrator of the Federal Energy Administration, presented the prepared testimony submitted by the Honorable Frank G. Zarb, Administrator, since Mr. Zarb was not able to appear before the subcommittee due to a conflict in his schedule. It was pointed out that in view of the dwindling supplies of domestic oil and natural gas, that greater use of coal and nuclear energy to produce electricity should be expected. An electrical demand growth rate of about 6 percent per year—a rate much higher than that expected for total energy demand—should be expected. There was recognition that if conservation measures are adopted and effectively implemented, the electrical demand growth rate might be as low as 5 percent per year. FEA believes that it would be prudent to plan and provide electrical generating capability at a somewhat higher rate than would be anticipated. Mr. Hill went on to say that any projections 25 to 45 years into the future must be considered to be highly speculative. He stated that this country should not base an important energy decision on the breeder reactor on such projections for the following reasons:

First, the current picture of domestic resources already points in the direction of greater dependence on uranium and coal, and the long-term use of uranium depends inevitably on the breeder;

Second, the longer we wait to demonstrate the breeder the more it will cost;

Third, in the final analysis, the pace of industrial introduction of the breeder will be determined in the marketplace. But this will only occur if the breeder has been demonstrated; and

Fourth, there is an urgent need to proceed now with the LMFBR demonstration plant in order to determine at the earliest possible date whether this particular breeder approach will prove dependable on a commercial scale.

With respect to consideration of our total energy picture, FEA believes there is little question that we will have an increase in dependence on nuclear power and a need for development of a breeder reactor. The following information on this point was submitted:

> Nuclear power now provides 8% of our electrical needs and is projected to provide about 30% by 1985 based on the 200 plants now operating or on order. Such a major element of the Nation's generating capacity *must* have an assured source of fuel.
>
> There are at present about 700,000 tons of uranium in proven reserves. An additional 2,500,000 tons of uranium resources are projected to be available, but are not proven.
>
> The 200 reactors already in operation, or on order, will use over their lifetime at least 1,300,000 tons of uranium, almost twice the amount of *proven* reserves.
>
> While it is hoped that new uranium discoveries will be made to increase the base of proven reserves, the above facts clearly indicate that we need the breeder to preclude a uranium shortage.
>
> Without the breeder, electric utilities will not be able to assure themselves a source of fuel supply as a prerequisite to ordering new plants, and we could thus be faced with a rapid decline of the nuclear industry. The public will be denied the benefits of additional low cost and environmentally clean, nuclear generated electricity. Even with our most optimistic assumptions regarding both conservation and the increasing utilization of coal for electrical generation, we will not be able to meet the projected demand for electricity without nuclear power. The consequences of inadequate electric power could be grave indeed for our economy.

FARM BILL VETO

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. BEDELL. Mr. Speaker, tomorrow the House will vote on the motion to override the President's veto of the emergency farm bill. I urge my colleagues to support the override motion.

Misconception and misunderstanding have plagued this important piece of legislation almost from its inception. I sincerely regret this fact, for I firmly believe that it is in the national interest that this bill be enacted into law.

I was thus greatly disappointed by President Ford's decision to veto this measure, a decision which I feel represents a disastrous misreading of the nature and implications of the current agricultural situation.

On May 4, the Des Moines Register, the leading farm newspaper in the country, published an excellent editorial on just this question. I hope that my colleagues will give it serious consideration before they vote on the override motion.

The editorial follows:

FARM BILL VETO

> President Ford vetoed the farm price support bill, as he was expected to, following the advice of Agriculture Secretary Earl Butz. The bill does not provide for radical changes in agricultural price and income-support policy; it essentially is an upward revision in the levels of farm commodity loans and target prices of the 1973 farm act.
>
> Commodity loans would be raised closer to recent market levels in order to encourage the accumulation of larger grain reserves. The bins and elevators are dangerously low now. Secretary Butz said a few weeks ago that the President would veto the farm bill but that he, Butz, would raise commodity loan levels, as he can do on his own authority under the law.
>
> But in vetoing the bill, the President did not ratify the Butz pledge on higher loan values. Instead, Butz said he would keep his eye on the markets and raise the loan rates later if necessary.
>
> The bill also sets higher target prices, to $2.25 a bushel for corn as compared with the present target of $1.38. Butz has opposed this increase, because he thinks it would cost the government a lot of money. His current estimate places the cost at $1.8 billion and up to as much as $5 billion if the legislation were extended to 1976. These figures are disputable. What the government might have to pay out depends on how big the 1975 crops are, the trend of exports and other factors. If reserves are adequate after this year's harvest, the secretary could provide incentives under the law for farmers to reduce acreage next year. It would not be necessary to pay out subsidies on unlimited production.
>
> Prices would have to sag considerably below present levels for the payment cost to rise as high as Butz puts it. Supposing it did, however, that would seem to be a useful, if small, item in the fiscal pump-priming program of the administration—in comparison with the $22 billion tax cut which Ford approved and the budget deficit which may reach $70 billion.
>
> Butz's main reason for opposing the bill is his rigid stand on principle against government price and supply management programs. He urges farmers to go "all out" in production, because food reserves are low, but he doesn't want to offer farmers an "artificial" incentive to do so. He seems unconcerned that a big crop would bring a collapse of prices, and at present support levels, farmers would have no protection.
>
> The Senate is likely to vote to override the veto. But the House vote will be close and may not nullify the veto. If the veto is sustained, Congress ought to try again to give farmers a reasonable shield against falling prices.
>
> Perhaps more important from the viewpoint of the public is the need for a government grain-stabilizing reserve plan. This is in the interest of consumers to avoid wide swings in prices of food and to provide assurance against shortage. It is also important to the nation as a backstop for U.S. foreign policy—for reliability in the commercial export of grain and soybeans and for ability to provide food aid in the world.
>
> The Ford veto of this sane and moderate farm support bill is another bad mistake in economic policy by this administration.

REFUGEES TELL OF FEAR AND DEATH IN CAMBODIA

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. ASHBROOK. Mr. Speaker, the Communist victory in Cambodia has not resulted in sweetness and light for the people of that poor country. While the free flow of information from Cambodia has been stopped by the Communists, reports are filtering out about executions.

According to one source, the forced evacuation of Phnom Penh by the Khmer Rouge even extended to the patients of hospitals. Patients were seen hobbling out of one hospital with some patients carrying the sicker ones.

An article from the Agence France-Pressee suggests that the forced evacuations of numerous cities and towns may be "genocide by natural selection." Only the strong will survive the march.

To investigate and study these and other reports of executions, abductions, and other denials of basic human rights in Southeast Asia by the Communist forces, I have introduced House Resolution 448 to create a select committee.

At this point I include in the RECORD the text of the article "Takeover Meant Joy, Then Fear in Phnom Penh" from the May 8, 1975, Washington Star.

TAKEOVER MEANT JOY, THEN FEAR IN PHNOM PENH

> (NOTE.—The writers of this dispatch stayed behind in the Cambodian capital when Americans were evacuated shortly before the city was taken over by the insur-

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gents. The two Associated Press writers arrived in Thailand last Wednesday but withheld their story until the final convoy crossed into Thailand early today.)

(By Chaay Born Lay and Denis D. Gray)

BANGKOK.—Foreigners evacuated from Cambodia tell of executions in the streets, forced marches of people from the cities after the Khmer Rouge took over. But they also tell of the kindness of the victorious rebels which enabled the 600 evacuees to survive a two-week ordeal inside the chaotic country.

Their accounts have been withheld until now in the interest of the safety of other foreigners who did not come out of Cambodia in the first overland convoy that reached Thailand on May 3. The others reached Thailand early today.

The refugees said there were a few hours of relief, almost elation, as the Communist-led Khmer Rouge rebels swept into Phnom Penh on April 17 to the hurrahs and waving banners of the war-weary populace.

But this was followed abruptly by alarm in the city, the mass evacuation of all inhabitants and the entrapment of the foreigners inside the French Embassy with little food, foul water and uncertainty about their fate. And finally came the three-day truck odyssey through a war-ravaged landscape to Thailand and safety.

Douglas August Sapper III, a Vietnam veteran and vice president of a transport company who stayed behind after the U.S. evacuation of Phnom Penh to help people who had worked for him, said: "There were crowds of people on the rooftops and in the streets looking up to see the American helicopters do their air show in the sky.

"The Cambodians thought the U.S. Marines were coming to save Phnom Penh and acted as if they had just discovered a miracle cure for a terminal disease."

One old widow recalled that it was only a few hours after Phnom Penh fell that Khmer Rouge soldiers were firing warning shots into the air throughout the city.

"They gave us short notice to move out of Phnom Penh," she said. "Those who attempted to resist were executed on the spot.

"There was great panic among the stricken Cambodians who were running about not knowing where to go. The Khmer Rouge ordered all residents to leave in different directions. It took three days to get the city cleared."

Kand Sith, a father of six, said buildings found locked by the Khmer Rouge were riddled with bullets and resisters were "shot down like dogs." He and others said they heard of executions of leaders of the former government but did not witness them.

"The Khmer Rouge soldiers didn't talk much but used guns to point during the evacuation. There were some fires throughout the city during the first and second days of the occupation. It was horrible," said Kand Sith, a Cambodian-Vietnamese who holds a French passport.

A French doctor said the Khmer Rouge ordered all the city's hospitals evacuated even of the very sick and dying. Peering over the wall of the French Embassy compound at night, the doctor said, he saw patients being wheeled out of the nearby Calmette Hospital. Others hobbled out with canes and some carried their more disabled fellow patients.

"No one knew where to go when they were ordered to leave," Kand Sith said. "People were screaming. Some pleaded for help. Mothers ran around looking for their children and children search for their missing parents. At night, the city was in darkness, except for people with flashlights carrying their belongings and moving in every direction."

The evacuees said that when they finally left the compound, the city of more than 2 million was littered with cooking pots, mattresses, abandoned cars and motorcycles as well as expensive cameras and electrical appliances.

"The Khmer Rouge looted homes, and everything they didn't want was thrown away. Khmer Rouge soldiers in their early teens drove around on abandoned motor bikes and in cars, armed with rifles and grenade launchers," the old widow said.

"They said we had to leave the city because they needed houses in which to work. They warned us the Americans would also bomb the city, but this was a pretext."

One Cambodian woman with a French passport was forced to join the exodus out of Phnom Penh, carrying her 8-month-old daughter in her arms.

She said she managed to sneak away from the main body of evacuees about 20 miles north of the city and made her way back along trails, talking her way through guard posts.

The French-Cambodian mother said she walked northward, past decomposed bodies left in the bushes along Highway 5, the scene of savage fighting in the weeks before Phnom Penh's collapse.

"I told them I was a French citizen and was looking for my husband who was also French. Really I lied to them," she said. "My husband is pure Cambodian. He left home earlier when the Khmer Rouge took over. He never returned.

The Khmer Rouge allowed her to approach the French Embassy after she said her husband was within. The embassy gate remained shut.

"I shouted to the people inside for help. They told me to climb over the fence. I passed my baby over to them. I was so scared because I was not sure I could make it.

The woman reached the embassy three days after the fall of Phnom Penh and the compound was jammed with more than 1,000 asylum seekers—some 500 French passport holders, Western diplomats and newsmen, employes of various international agencies and several hundred Cambodians.

Cambodia, a former French colony, was home for a few thousand persons of mixed French-Cambodian and French-Vietnamese blood, most of whom carried French passports. Cambodians who had sought refuge inside the compound were forced to leave under Khmer Rouge pressure.

Sapper reported that none of the Westerners were hurt the day of the takeover.

Sidney Schanberg, a New York Times correspondent; Al Rockoff, an American freelance photographer; and Jon Swain, London Sunday Times correspondent, were captured by the Khmer Rouge in the streets, put in the back of an armored car and driven to the Mekong River. They thought it was all over. But Schanberg's Cambodian assistant intervened at the risk of his own life, and saved theirs.

The evacuation of the foreigners began on the morning of April 30, with a jeep leading a 25-truck army truck convoy over rough backwoods trails. On the first day the convoy covered only some 35 miles.

"The Khmer Rouge told us we couldn't take the highway from Phnom Penh (Highway 5) because many bridges were destroyed and the road conditions were poor," one evacuee said.

"On the way to the airport (four miles west of Phom Penh) we passed through the ghost town of Pochentong. There were abandoned cars along the road, many with their tires and windshields shot up and some were smashed up against trees. We could smell dead bodies.

"The airport was also deserted, except for some Khmer Rouge soldiers but the airport was still in operation because from the embassy we had seen helicopters and aircraft flying in and out of it."

SEQUOIA NATIONAL REFUGE

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. MILLER of California. Mr. Speaker, today I have introduced a bill to make the Sequoia National Game Refuge part of Sequoia National Park. I am pleased to announce that 67 Members of Congress have joined me in this endeavor to preserve this valuable resource.

The names of those who are coauthors are:

MINERAL KING COSPONSORS

1. Taylor (N.C.)
2. P. Burton (Ca.)
3. Mink (Haw.)
4. Meeds (Wash.)
5. Carr (Mich.)
6. Bingham (N.Y.)
7. Seiberling (Ohio)
8. deLugo (Vir. Is.)
9. Weaver (Oreg.)
10. Won Pat (Guam)
11. Tsongas (Mass.)
12. Udall (Ariz.)
13. Roncallo (Wyo.)
14. Moakley (Mass.)
15. Vander Jagt (Mich.)
16. Vanik (Ohio)
17. Mitchell (Md.)
18. Coughlin (Pa.)
19. Brown (Ca.)
20. Rosenthal (N.Y.)
21. Harrington (Mass.)
22. Wilson, Bob (Mass.)
23. Helstoski (N.J.)
24. Ryan (Ca.)
25. Leggett (Ca.)
26. Stark (Ca.)
27. Hechler (W. Va.)
28. Riegle (Mich.)
29. Danielson (Ca.)
30. Roybal (Ca.)
31. Moss (Ca.)
32. Richmond (N.Y.)
33. Dellums (Ca.)
34. Ottinger (N.Y.)
35. Roe (N.J.)
36. Moffett (Conn.)
37. J. Burton (Ca.)
38. Harris (Va.)
39. Van Deerling (Ca.)
40. Badillo (N.Y.)
41. Conyers (Mich.)
42. Beard (R.I.)
43. Dingell (Mich.)
44. Rodino (N.J.)
45. Hannaford (Ca.)
46. Edwards (Ca.)
47. Studds (Mass.)
48. Downey (N.Y.)
49. Mineta (Ca.)
50. Abzug (N.Y.)
51. Anderson (Ca.)
52. Young (Ga.)
53. Bonker (Wash.)
54. Ford (Mich.)
55. Corman (Ca.)
56. Rees (Ca.)
57. Pattison (N.Y.)
58. Schroeder (Co.)
59. Burke (Ca.)
60. Solarz (N.Y.)
61. Waxman (Ca.)
62. Jacobs (Ind.)
63. Holtzman (N.Y.)
64. Blouin (Iowa)
65. Zeferetti (N.Y.)
66. Bell (Ca.)
67. Jennette (S.C.)

DENYING THE HERITAGE

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. FLORIO. Mr. Speaker, although the American involvement in the Vietnam war has ended, the plight of the Vietnamese people, particularly the refugees, is still very much in the public eye. A plethora of comments and opinions have emanated from the American people, the press, and public officials, much of which has been acrimonious. May I suggest, before my colleagues deliberate on any legislation addressing the refugee question, that they consider the following editorial commentary from the May 7 edition of the New York Times:

President Ford is right to be angry at the querulous and uncharitable responses of too many Americans toward the plight of the Vietnamese refugees. His request for $507 million to assist the resettlement of approximately 150,000 Vietnamese over the next two years is a reasonable and honorable response to a tragic human situation. The United States can do nothing less.

Those citizens who are unemployed or who are financially pinched by inflation and high taxes have understandable fears that the nation is taking on yet another burden while their problems remain unsolved. But those fears are based on a misconception of the facts.

About 60 per cent of the refugees are children, while many others are elderly persons too old to enter the job market. Thus, only 30,000 of the Vietnamese refugees are heads of households and likely to seek work. Of these, many are doctors, lawyers and businessmen who can readily find places for themselves in American life and contribute needed skills.

What is harder than the fears of the unemployed to explain and justify is the antagonism of many members of Congress, including well-known liberals, and other leaders of opinion throughout the country. Several liberal members of the House of Representatives seem not to be aware that the war in Vietnam is over.

No nation is eager to welcome criminals, prostitutes, war profiteers, or practitioners of political torture. But it grossly distorts the whole nature of the refugee problem to focus on the tiny minority of persons who might deserve one or another of those terms of opprobrium, or to exaggerate their number. There is no possible way to make a just determination about the political or moral character of individual refugees.

If some Vietnamese engaged in dirty work, they usually had American advisers or were financed by American money. In some respects it was a dirty war. But now that it has all ended badly, it would be the ultimate disgrace for Americans to turn their backs and adopt a holier-than-thou attitude toward those Vietnamese who aligned themselves with the American war effort in their country.

It is likewise blatantly contradictory to play upon fears that the Vietnamese may take away jobs or end up on welfare rolls and at the same time argue that many of them are too rich to deserve help.

Most of these refugees have lost all of their worldly possessions. Many are separated from loved ones. All have lost their country, a lasting sorrow that perhaps only other migrants and exiles can fully comprehend. They deserve to be cherished as fellow human beings and given a welcoming hand as new Americans.

George Meany, President of the A.F.L.-C.I.O., has pledged the labor movement's help—even in this time of economic adversity—to assist the Vietnamese refugees to find jobs. "The United States has an inescapable moral responsibility," Mr. Meany observed. "We are a nation of immigrants. Rejecting them would be denying our heritage and the history of this country as a haven for the oppressed."

No matter what one may have thought about the rights and wrongs of the Vietnam War, those words express the true American tradition.

AIMING THE PRESS AT MISMANAGENT

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. BOLLING. Mr. Speaker, Hobart Rowen's column which appeared in The Washington Post on Sunday, May 11, 1975, is a balanced and sound approach to a subject which is often ignored, sometimes covered up and occasionally exaggerated. Mr. Rowen's remarks follow:

AIMING THE PRESS AT MISMANAGEMENT

(By Hobart Rowen)

One of Ralph Nader's complaints about business news reporting (apart from the limited space publishers give it compared, say, to sports news) is that it concerns itself almost wholly with the big picture, rather than the impact of the economy on people.

Nader laid it on the line at a meeting here last week of the Society of American Business Writers. He says there's lots in the paper about corporate data, the gross national product and the rate of inflation—and little of what he calls "qualitative analysis" that tells what is really going on in the economy.

The GNP can go up, Nader pointed out, with an increase in accidental deaths on the highway, requiring more police, more ambulances, more medical care and so on.

That illustration is only slightly outrageous. Nader makes his point, which is that much of our GNP is waste. There is no worse offender than the automobile industry, which for years refused to produce the smaller cars that consumers wanted. Now, the domestic industry has been staggered by a new rise in imports to 21 per cent of the total.

Business mismanagement in this country is a big story, not well enough illuminated in the papers—and radio and TV seldom touch it. Banks, for example, have made loans of $16 billion or $17 billion of a questionable nature to real estate investment trusts. Some of those trusts may come tumbling down.

New York money market man Henry Kaufman of Salomon Bros. says that banks became speculators or "entrepreneurs" last year, looking for a fast buck, rather than careful, conservative custodians of the monies put in their trust. And the Federal Reserve "lost control of the banking system," he asserts.

But the papers are full, instead, of the comforting generalities from President Ford, Federal Reserve Chairman Arthur Burns, Treasury Secretary William Simon and economic adviser Alan Greenspan that the recession is over.

A "qualitative analysis," however, would lead one to ask what sector of the economy is going to pull the nation out of recession. Autos and housing typically lead the way, but no one expects that this time around.

Housing, particularly, will be affected by two problems that get insufficient attention: the energy pinch over the next several years, which makes you think twice about buying a house in the suburbs; and the skyrocketing cost of utilities, which in some areas is beginning to rival the cost of the monthly mortgage.

Just last week, the Senate Commerce Committee started the nation down the road to at least a partial deregulation of natural gas, and a certainty of even higher prices.

Nader, concerned about utility rates, is trying to start something called RUCAG—the Residential Utility Consumer Action Group—which would pool $1 and $2 monthly contributions tacked onto regular utility bills. That would enable consumers to hire their own lawyers and experts. RUCAG, of course, would require state legislative authority. The idea is being introduced in 15 state legislatures.

Yet, there is little written about this issue, Nader complains, and, until now, little that consumers could do about it. And when consumers organize, they are likely to be challenged, as they were by another SABW speaker, First National City Bank President Walter Wriston. Wriston equates any governmental intervention in private affairs for the public benefit as a degradation of personal liberty.

I was reminded, listening to Wriston, of the time in 1967, at a Business Council meeting, when Charles G. Mortimer, then chairman of General Foods, blasted "consumerism" as undermining confidence. He said that the Nader-generated "automotive safety flap" had cut sales and, if "social theorists" would just shut up, the free enterprise system would adequately protect the consumer.

Kicking and screaming, the auto industry has come a long way. But at least one New York banker has not.

Nader is basically right in arguing that the press can and should turn an investigate spotlight on American industry in general, the way it has on Detroit. He suggests, specifically, that more attention be paid to banking, insurance and the food industries. What he says or charges should not be taken as gospel. But the results of consumer pressures on Detroit show that he is not to be taken lightly, either.

THE ROLE OF THE PUBLIC EMPLOYMENT SERVICE

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. FINDLEY. Mr. Speaker, recently I read an article written by Daniel Meltzer, executive vice president of the National Employment Association, which I believe deserves the thoughtful attention of all Americans in these critical days of economic strain and severe unemployment.

The article, soon to appear in "Placement Age," the regular publication of the National Employment Association, is entitled "The Role of the Public Employment Service."

It is because I know we all agree that every resource of our Nation must be devoted to finding jobs for the country's unemployed—as a first priority—that I commend this article to your attention:

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THE ROLE OF THE PUBLIC EMPLOYMENT SERVICE

(By Dan Meltzer)

In a recent letter to William B. "Bert" Lewis, Director, United States Employment Service, I wrote, "The placement role of the public employment service should be limited to provision of services required to place the unemployed, disabled, and disadvantaged because the intent of the Wagner-Peyser Act was to provide placement services for those who could not obtain work by their own resources."

This type of statement is likely to be considered as self serving or biased when attributed to an employee of the association comprised of private employment agency members. Even when the statement represents a widely shared, broadly based view, it still must be considered as suspect. And, too, it might be considered an overstatement.

It is still suspect, however, when the Secretary-Treasurer of the Industrial Union Department, AFL–CIO, Mr. Jacob Clayman, in his paper The Need For Focus presented to the Joint Conference of the U.S. Department of Labor Manpower Administration and The Interstate Conference of Employment Security Agencies Inc. writes of the need for priorities in service to those people least able to compete successfully on their own.

In his words, "With limited resources, the employment service must exercise some selectivity as to how those resources are used. The critical debate of course is on how the selection should be made. In my mind, there is no question that it should be made on the basis of need.

Priority in service must always go to those who need help most. That means the disadvantaged; the people who are least able to compete successfully in the labor market on their own. Even Wagner-Peyser recognizes the need for priorities, at least, by implication. The act singles out for specific mention the groups who were most disadvantaged at the time the act was passed, namely veterans, the handicapped and rural workers—and requires that special treatment be given to these groups. In so doing, it seems to me that the framers of the legislation established a precedent both for the establishment of priorities, and by inference—that the priority should go to the disadvantaged. For the disadvantaged, the employment service is not only an open door, it is often the only door.

As a nation, we have not had much difficulty in deciding how public a public service should be in other areas of social policy. For example, we have not insisted that publicly supported health services must be available on an equal basis to all citizens. Certainly we should be able to make the same kind of selectivity in providing public employment services."

Statements such as that of Mr. Clayman are of the greatest importance and significance especially in a time of high unemployment and when the public employment service has given top priority to a high cost, image building program entitled "Employers Services and Job Development Communications Project" or the Multi Media Advertising as it has come to be known. The Multi Media Advertising Campaign was described by Mr. David Williams, deputy to Mr. Lewis, in Placement Age, April 1975 as "a continuing large scale effort to revitalize the public employment services and to increase their utilization by employers and applicants through an aggressive public media advertising effort and follow-up program of involvement."

The fact is that no advertising campaign yet conceived has had the capability unto itself to revitalize a service—employment or otherwise. The best that advertising can be expected to accomplish is to make a service appear revitalized, but it can go no further. The proof is in the performance, and it doesn't take a $3 million dollar advertising campaign to prove performance. Service to the employer and to the job seeker is the only necessary ingredient.

The campaign is misdirected in that it is not aimed at the jobless who most need the help of the Job Service—not, for example, when the New York State Employment Service places 4" ads for a $20,000–$30,000 per year Marketing Manager or for a $30,000 per year Patent Attorney. And the campaign does not appear to be aimed at the jobless when a TV spot commercial asks the viewer if he's looking for "a change of pace." If the target audience were the jobless, the viewer would not have to be asked whether he'd like to change his pace. Mr. Clayman's recommendation to give priority in service to those least able to compete successfully in the labor market on their own certainly merits consideration in depth by our policy/decision makers.

A new method for measuring the performance of the state employment services has been introduced by the Manpower Administration. The method, the Balanced Placement Formula, serves as the basis for budgetary allocations to the state services. Would it surprise you to learn that the formula is so structured as to reward the state employment service with more credits and therefore more money for placing a worker in a job paying over $3.50 per hour than for placing someone in the $2.50 to $3.50 range? And would it surprise you to learn that the state employment service is awarded the fewest number of points and the least remuneration for placing the under $2.50 per hour worker?

Wouldn't you question the priorities and the system itself when the state employment service receives a greater return for placing the skilled rather than the less skilled worker? Where does this leave the man who needs the help most? It leaves him on the lowest rung on the ladder when the ES decides how to best use its resources. It leaves him in last place in the battle for attention, consideration, and service.

When the Employment Service made the decision to seek to increase its penetration or its share of the job market, the unskilled worker became the immediate casualty. In a game where numbers are important, the unskilled worker is relegated to a low priority position. Numbers of placements represent the best reflection of the Employment Service's accomplishments. Since the unskilled require greater attention they represent a drain on the available resources and serve to reduce the overall placement capability.

The strategy for increasing placements suggested a course of action that would concentrate on the readily employable applicant. This would require expanded employer client participation; a program to attract the easily placed applicant; and direction to the state employment services through the Balanced Placement Formula offering rewards for placing the skilled.

The first approach toward increasing the numbers of job orders for the Employment Service was Executive Order 11598 requiring all employers doing business amounting to $2,500 a year with the Federal Government to list their job openings with the state employment services. Mandatory listings, as the measure was called, was designed to help returning Vietnam veterans find employment quickly.

The program to attract the easily placed applicant included the use of classified advertising dollars for ads announcing $20,000–$30,000 a year openings to be filled by applicants who, in all probability, were already employed.

Whereas the mandatory listing program offered great hope for getting the Vietnam veterans back into the mainstream in 1971—it had begun to lose its meaning by 1974.

The Employment Management Association, whose 600 members include the personnel directors of many of the largest corporations in the U.S. conducted a survey in 1974 seeking to determine the attitude of its members relative to the continued implementation of Executive Order 11598. In the survey the attitude of the EMA members was expressed overwhelmingly in the negative. "Not only do most members think that the Order should be rescinded because it is no longer practical, there is a strong feeling that the USES is not capable of administering such a system."

"Every member indicated that is organization complied with the law and several stated that the order was excellent in its intention and was commendable action in that it moved employers to take positive action in hiring Vietnam veterans. The prevailing attitude was one of extreme disappointment in the operation of the system."

The Vietnam Era Veterans Benefits Act of 1974 continues the mandatory listing requirements and increases the maximum salary covered to $25,000 from the previous limit of $18,000. When you consider the comment in the EMA survey that indicated, "Perhaps the most useful USES referral has been the totally unskilled veteran," you can appreciate the anxiety of the USES planners. Jobs on file, not filled by veterans, are obviously available to all persons using the Employment Service. The $25,000 figure, therefore, appears to be a simple device to increase the numbers of job listings at a wage level not likely to solve the problems of either the Vietnam veteran or those least able to help themselves.

Apparently the mandatory listing requirement did not produce the hoped for results. It was then suggested that the Employment Service find some way to improve its image in the business community.

The way decided upon was through a Multi Media Advertising Campaign. The Employment Service gained authorization to launch the 3 million dollar image building campaign designed to attract employers, easily placed applicants and ultimately gain a reputation for creditability and performance that would lead to job orders even for the fellow way down at the bottom on the skill level ladder.

That fellow at the bottom of the ladder, the one who really needs Employment Service help now, had better be prepared to wait for a long, long time before help arrives as the result of this campaign. Regardless of what system is implemented by the Employment Service, it will be hard pressed to provide the personalized service required to compete successfully in the professional, technical, managerial and administrative sectors of the job market.

And that brings us back to our original point which suggested that the placement role of the public employment service should be limited to provision of services required to place the unemployed, disabled and disadvantaged in conformance with the intent, if not the language, of the Wagner-Peyser Act.

Mr. Clayman concluded his paper by offering "some suggestions for the future." He suggested that national goals must be the principal business of the employment service, and their implementation must be their overriding concern: that if national goals are to be implemented there must be strong federal involvement in the direction and control of employment service operations: and that provision of employment services is a public responsibility—the cost of supporting the system should be borne by all of us—and not limited to one group—specifically the employers.

Of the steps he recommended that could be taken, he wrote, "First and foremost—it is time to revamp the Wagner-Peyser Act.

Even the Constitution has needed some changes over the course of our history. Some changes have been necessary even since 1933. Is Wagner-Peyser more sacrosanct than the Constitution? I think not. Wagner-Peyser is partially outdated—and as it presently stands, it presents a formidable barrier to the development of a responsive employment service. We must start with new legislation which clearly spells out the legitimate responsibilities of the employment service—which clearly delineates its role in meeting society's needs. We should not be worried with the problems of universality. The law should give the ES the focus it needs and should provide specifically that priority be given to those workers who are most in need of employment assistance; the poor, the unskilled, the under-educated, and those who suffer from discrimination in any form."

COMMON CAUSE AND NATIONAL CONSUMER CONGRESS URGE SUSTAINING FARM VETO

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. PEYSER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

NATIONAL CONSUMER CONGRESS,
Washington, D.C. May 9, 1975.

DEAR CONGRESSMAN: The National Consumer Congress strongly urges your support in sustaining the President's veto of the Emergency Farm Act. It has been estimated that this Act would cost consumers several billion dollars through higher retail prices and government purchases for farm commodities. The long range effect on farmer and consumer could be devastating.

The proposed change in the support price of milk to 80% of parity with quarterly adjustments is economically unsound. Commercial stocks of manufactured dairy products are up 21% over last year. Government purchases of dairy products to maintain the January rise in the support price are four times greater than they were last year. In short, the market is glutted and an artificial price increase will only make the situation worse by causing a further decrease in milk consumption. Since the last time Congress held hearings on dairy price supports, feed costs for dairy farmers have dropped by 30%. Thus, the original rationale for raising consumer dairy costs over one billion dollars is no longer valid.

The proposed increase in target prices for cotton should be deleted from the bills since the target price is substantially higher than the current market price. Thus, if enacted, cotton farmers would be encouraged to plant only for government consumption. There is currently enough cotton on hand—six million bales—to supply all domestic needs for 1975. Higher retail prices (estimated at $45 million) will perpetuate the 35% reduction in cotton consumption last year and endanger the competitive status of U.S. cotton in world markets.

The proposed target prices for wheat and corn at $3.10 and $2.25 respectively, are too high relative to the cost of production. If the 1976 escalator clause were placed into effect for the '75 crop, the target prices for wheat and corn would be $2.50 and $1.68 respectively. This is a reasonable compromise between the Congressional proposal and current prices.

Again, we strongly urge your support in sustaining the President's veto and we encourage you to plan farm programs that really will meet the needs of both farmers and consumers.

Most sincerely,

AILEEN GORMAN,
Executive Director.

COMMON CAUSE,
Washington, D.C., May 9, 1975.

Hon. PETER PEYSER,
House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE PEYSER: I am writing in behalf of Common Cause to inform you of our support of the President's veto of the Emergency Agriculture Act of 1975. On March 17, we wrote to each member of the House urging deletion of the sections of the bill increasing cotton and dairy target prices and loan levels. I have enclosed for your information a copy of our letter of March 17 which outlines our reasons for taking this position, principally our belief that it is highly wasteful of federal funds to increase cotton price supports at a time when this country has a cotton surplus and our deep concern about the total lack of hearings on the bill's dairy provisions. We stated that unless the cotton and dairy increases were removed from the bill, we would oppose the entire bill. Since increased cotton and dairy supports remain in the bill, we continue to oppose it.

There has been great controversy over estimates in regard to the cost of the bill to the government and the consumer. Widely differing estimates, especially relating to the bill's dairy provisions, have been presented by the USDA. This underscores the major point we made in our letter of March 17. The dairy provisions of the farm bill should not have been brought to the floor for a vote without the benefit of hearings to assess, among other things, the impact of the proposed price support increases on both farmers and consumers. Comprehensive public hearings can provide a forum for questioning cost estimates presented by the USDA and other experts. The committee can use hearings to make sure the estimates are reasonable and based on a proper reading of the legislation.

In March, supporters of legislation providing for increased dairy and cotton price supports argued that it was essential to rush the bill through Congress to ensure full plantings this year. This argument is no longer valid. There is no need for haste.

For all these reasons, Common Cause supports the President's veto.

Sincerely,

DAVID COHEN,
President.

COMMON CAUSE,
Washington, D.C., March 17, 1975.

DEAR REPRESENTATIVE: This week the House will consider H.R. 4296, farm legislation to provide a 1975 price support program. Common Cause believes that the cotton and dairy provisions of the bill are especially burdensome on and unfair to consumers. The cotton provision in particular is on its face highly wasteful of federal funds.

H.R. 4296 increases cotton target prices and loan levels. The legislation provides added incentives to produce cotton. Yet with 6 million bales of cotton in storage, the United States has more than a one year supply. The Agriculture Department estimates that the bill will cost the taxpayer $213 million for loans and $341 million for target payments in the next year.

There is a larger question than cost to the taxpayer. With too many Americans undernourished and world famine increasing, how can we justify subsidizing cotton surpluses? Cotton land can be used for various food crops. In our judgment the cotton subsidies should be deleted from the bill.

The dairy provisions raise other questions. No hearings were held on the dairy provisions this year, although over half the membership is new to the Agriculture Committee. The lack of hearings is not merely a question of form. H.R. 4296 increases the dairy price support to 85% of parity with quarterly adjustments. The estimated cost to the federal government will be $162 million more than the $250 million already projected under the present level of support.

Increased costs to the government and consumers must be weighted against the needs of dairy farmers. We do not oppose subsidies per se. But overlooked by the Committee is the bill's impact on consumers. Will milk, cheese and butter prices be increased? If so, by how much? The Agriculture Department estimates milk would increase 8c per gallon, cheese 10c a pound and butter 20c a pound. A critical review of these estimates is especially important in today's economic climate. The failure of the Committee to examine the dairy provisions provides no reliable barometer by which to cast votes. For example, if the Agriculture Department figures are correct, will the increased costs hurt low-income people? What will be the effect on food stamp distribution and costs? Will some dairy farmers' income drop further because of decreased consumption? We believe that the Committee must examine these questions with care, rather than asking House members to cast an uninformed vote.

Common Cause believes that a sound farm policy can be developed that benefits both consumers and farmers. Toward that end it is essential for a complete record to be developed that shows the impact these agricultural subsidies have on consumers and taxpayers.

Common Cause urges members of the House to delete the sections on cotton and dairy subsidies. If either effort fails, the bill should be defeated. This would provide the Committee with the opportunity to thoroughly examine these crucial issues.

Sincerely,

DAVID COHEN,
Acting President.

THE REFUGEES: CLEARLY OUR RESPONSIBILITY

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. HUBBARD. Mr. Speaker, the following editorial appeared in the Courier-Journal, Louisville, Ky., on Thursday, May 8, 1975. The publisher of the daily newspaper is Barry Bingham, Jr. The editorial page editor is Robert T. Barnard.

The editorial follows:

THE REFUGEES: CLEARLY OUR RESPONSIBILITY

President Ford's appeal to put Vietnam behind us, repeated at his Tuesday news conference, had a significant omission. Americans are desperately eager to forget Vietnam and look to the future, but we cannot erase the past. Residual responsibilities toward Southeast Asia remain, particularly concerning those who have fled from Communist rule.

The President rightly deplored the views of those who would deny the traditional welcome given immigrants seeking a refuge in this country. He aslo tried to dispel fears that these South Vietnamese would be an

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intolerable burden on our depressed economy. But he missed an opportunity to stress that the obligation we still have to those who escaped is the most fitting way to bring our long and unhappy involvement in Vietnam to a more nearly honorable conclusion.

There already are signs of an emotional backlash against the refugees, a mood that undoubtedly will be reflected in the forthcoming congressional debate on funds to assist their resettlement. It is important, therefore, to begin at once to counter this unfortunate reaction at every level.

It is difficult to gauge the extent and intensity of the anti-refugee sentiment. Some members of Congress apparently have been hearing from constituents who oppose the refugees; hostility also has been expressed in letters to newspapers around the country. But there also have been demonstrations of support. Responsible leaders, from governors to the AFL–CIO executive committee, have supported efforts to absorb the refugees. And the State Department has been swamped with offers of help from thousands of Americans.

MINIMAL IMPACT

In the end it may come down to a question of how effective a political campaign can be waged on behalf of the refugees. West Virginia's Senator Byrd, for instance, feels that the administration's request for resettlement funds will be cut back because "there is no grassroots support for it."

Appeals can continue to be made to the ideals of a nation that was built upon immigration and that has prided itself on being a haven for those fleeing persecution. But in this period of great uncertainty, a time when many Americans feel that they and their country are threatened by powerful economic and political forces beyond their control, it also is important to reassure them that the refugee problem is not as enormous or threatening as it may seem.

During the recent congressional debates on Vietnam, little was said about the feared economic impact of the refugees. Partly this was because Congress was more concerned about whether to give President Ford authority to use U.S. troops in the evacuation of Americans and Vietnamese, and thus set a worrisome precedent. But it also was because there was no way of knowing at that time how many Vietnamese would escape. Hints were voiced that if large numbers did, some members of Congress would resist their resettlement here.

Although more refugees may still trickle out of South Vietnam or Cambodia, it is now possible to figure the dimensions of the task ahead. As President Ford observed Tuesday, only about 35,000—some 30 per cent of the total—are likely to seek jobs. And, as AFL–CIO President George Meany observed, 35,000 job-seekers would be "a drop in the bucket" in a labor force of 92 million, even if more than eight million are presently unemployed. About 60 per cent of the refugees are children, and people who so eagerly welcomed the Vietnamese orphans a few weeks ago can hardly deny a similar chance for a new life to these children, too.

More disturbing questions are being asked by those who wonder why we should welcome fleeing South Vietnamese when many young Americans who fled—rather than fight in a war they found repugnant—are still denied a return on their own terms. Others ask why the refugees should be treated so generously when many returning U.S. servicemen found both government and society less than sympathetic to their problems of readjustment. As a group, veterans of the Vietnam conflict are plagued by an unemployment rate higher than that of the whole workforce. Yet, while these are valid questions, there should be no need to make a choice. We can help them all—exiles, veterans and refugees—if we want to.

Still another cause for concern is whether some of the refugees are "undesirable" because of their association with the more unpleasant aspects of the Saigon regime—those who authorized the brutal "tiger cages," for instance, or officials who thrived on corruption. This objection must be faced head-on. It is quite likely that such people are among the refugees, because these were the kind of people with whom Americans worked and whom we supported, and who thus were most likely to be victims of Communist reprisals. The repressive nature of the regime was widely known and the continued U.S. presence in Vietnam implied, if not American approval, at least American acceptance of what was going on.

THE PAST AND THE PRESENT

This is an unpleasant fact to face, but it is because not enough Americans were prepared to face it for years that we are now reaping the consequences, including responsibility for these associates who now seek refuge with us. Accepting this responsibility, not only as a humanitarian gesture, nor simply in obedience to our own traditions, but as an appropriate way of finally winding up our direct involvement in Vietnam, is the first step toward putting Vietnam behind us.

As columnist David Broder wrote this week, the refugee controversy offers us a lesson for the future: "Don't bloody up countries whose vanquished you will not accept. No refugees, no bombing." We will not truly have learned the lessons of the past if we evade present responsibilities.

DEDICATION AND SUCCESS

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. STARK. Mr. Speaker, Howard T. Davis, a journeyman pneumatics systems mechanic at the naval air rework facility in Alameda, Calif., has been selected as one of the 10 cowinners of the 1975 Outstanding Handicapped Federal Employees of the Year Award.

While participating in the invasion of Tarawa Island during World War II, Mr. Davis, private first class in the U.S. Marine Corps, lost his eyesight when wounded by an enemy machine gun bullet. Injury to the pituitary gland left Mr. Davis a victim of Atkinson's disease as well.

Upon discharge from a naval hospital in 1944, and declining assistance from the Veterans' Administration, Mr. Davis sought employment at the Naval Air Station in Alameda, where he has worked for the past 28 years. One of Davis' greatest achievements was his promotion to journeyman in a competitive examination. He and his wife spent many nights studying the various overhaul manuals and other technical data until all the information was memorized. Davis passed the examination with a perfect score.

Mr. Davis is currently assigned to overhauling and testing engine valves and regulators and frequently instructs trainees in repair and test procedures used on aircraft engine accessories. He has designed most of his own testing equipment, including braille gages for testing overhauled pumps and regulators.

Mr. Davis' great courage and determination has resulted in great success in his work, which has been highlighted by numerous commendations and work awards throughout his career. Besides these qualities his contagious personality and good humor make him a leader among his associates. His dedication and great achievements are an inspiration to us all. Mr. Speaker, I know my colleagues join me in paying tribute today to Harold Davis.

ADM. H. G. RICKOVER ACCEPTS GIDEON WELLES AWARD

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. JACOBS. Mr. Speaker, I have always believed that Adm. Hyman Rickover represents the very best in American thinking: thinking what he pleases and saying what he thinks. One is reminded of the words of Hoosier newscaster Elmer Davis:

> This country was not created by cowards and will not be maintained by them either.

Remarks by Admiral Rickover follows:

REMARKS BY ADMIRAL H. G. RICKOVER, U.S. NAVY

I am honored to receive the Gideon Welles Award. It is particularly gratifying because Welles is recognized today for having valued principle over political expediency during his life. I believe that, more than ever, we all need to follow his example in our own lives.

In studying Gideon Welles' tenure as Secretary of the Navy, one is struck by the amount of control he exercised over every facet of the Navy. Aided by Assistant Secretary of the Navy Gustavus Fox and a Navy Department consisting of 87 military and civilian employees—a miniscule number of today's standards—he ran a Navy of over 600 ships and the Marine Corps during the Civil War. He was the senior decision-maker to whom all plans were submitted; the final authority on matters great and small. Welles personally kept a careful watch over the work in progress in Navy yards as reported weekly by the various commandants. He personally approved the assignment of officers, and he made the final decisions concerning shipbuilding programs, major naval operations, and the general lines of naval policy. Moreover, he was a Cabinet member with ready access to the President.

Compare this with the position of the Secretary of the Navy as it has evolved over the years. In this regard, please recognize that I am commenting on the position, not on the performance of the many fine men who have held it, including Secretary Middendorf who is here with us today. The Secretary still nominally runs the Navy and the Marine Corps. But his real power is limited. Senior naval officers decide officer assignments and promotion, and the Secretary is consulted only for a few top positions. It is mainly naval officers who watch over the work in the shipyards and formulate plans for shipbuilding programs. The Joint Chiefs of Staff and the Secretary of Defense make, or assist the President in making, decisions on naval operations.

Where the Secretary of the Navy does approve shipbuilding matters or matters of naval policy, he can be effectively overruled by many Defense Department officials. As a sign of his loss of power, he is no longer a Cabinet member and does not have legal access to the President.

The loss of the Secretary's power coincides with the administrative growth of the Service. In Welles' day, the Navy's organization was simple; today it is massive and complex. There are vast layers of civilian and military bureaucrats, and hundreds of admirals, each with his own personal staff. The Navy has ten times as many active duty personnel today as in the Civil War; yet it has over 200 times the number of civilians in the Navy Department as compared to 1865.

It has essentially become a top-heavy land force with a small percentage of its officers at sea. In 1865, there were 19 commodores and six admirals in a Navy of 670 ships, or about one flag officer for every 27 ships. On January 1, 1975, there were 288 admirals for 500 ships, or more than one for every two ships. In the Civil War, nearly every admiral was at sea commanding a squadron. Today, there are more admirals in Washington than in all the rest of the Navy. In addition, only 31% of all officers have sea duty billets. The remainder, over two-thirds of all officer billets, are on shore.

In World War II, there was one flag officer for every 7200 men in the Navy. Today, there is one admiral for every 2000 men. Lest you think this is happening only in the Navy, a similar situation obtains in the other services. Both the Air Force and Army are even more top-heavy than the Navy, with one general for every 1600 men. Moreover, there are nearly twice as many colonels and lieutenant colonels in the Air Force today as the entire number of planes in that service. However, the Army and Air Force combined have only four generals in their Dental Corps; the Navy's Dental Corps alone has four admirals, although it serves only half as many men as the total Army and Air Force.

All of this should give us pause. What are we profiting from this top-heavy structure, with its high cost, and with the organization and management that plagues the Defense Department? It certainly does not guarantee personal attention. We even use machines today to assign many in the Navy, and the reports on fitness of our officers are now so prepared that a machine can read them. What we do have is overadministration that stifles initiative and saps productive energy in endless meetings and paperwork.

The Navy and the Defense Department would do well to cut out much of the layering, the staffs, and the overadministration. We should recapture the sense of purpose and economy shown by Gideon Welles more than a century ago.

VOTE EXPLANATION

HON. DAVID W. EVANS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. EVANS of Indiana. Mr. Speaker, on roll No. 184. a motion to recommit the resolution authorizing the printing of copies of "Congressional Program of Economic Recovery and Energy Sufficiency," I am recorded as absent.

I would like the RECORD to show that had the bells rung in my office for that vote, I would have been present and voting "yea."

CHARLES D. CLARK OF McALLEN, TEX.: AUTOMOBILE DEALER, ART COLLECTOR

HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. DE LA GARZA. Mr. Speaker, Charles D. Clark of McAllen, Tex., in my congressional district, known as "Chuck" to me and his many other friends in south Texas, is a successful automobile dealer who has combined his business career with the collection of art on an outstanding scale.

Looking at good art, Chuck Clark and his wife believe, "enriches the life of the beholder." They have lived up to this conviction by acquiring a notable array of the work of contemporary artists and sharing their discoveries with their friends.

An article published recently in the magazine, Cars and Trucks, tells in brief the story of the Clarks and their appreciation of fine art, and I am pleased to insert this story in the RECORD for the edification of my colleagues:

CHARLES D. CLARK: A DEALER IN MOTION

His first lesson in the relationship of space and time came when he was shot down over Germany in World War II. Since then, Charles Clark's appreciation of motion has brought him success in selling cars and satisfaction in collecting art.

Charles D. Clark is a Chevrolet dealer in McAllen, Texas. He is also a member of the Museum Advisory Panel of the Texas Commission on the Arts and Humanities, the Fine Arts Advisory Council at the University of Texas (Austin), the National Committee of the University Art Museum at the University of California (Berkeley), the Friends Council of the University of Michigan Museum of Art, and has served as a juror for the California Society of Printmakers National Print Exhibition in Richmond, Calif., and as a guest curator at both the University of Texas and the University of Maryland.

Although Clark's son, Kirk A. Clark, recently replaced him in Paragraph 3 of the Chevrolet Motor Div. Sales and Service Agreement, McAllen, Texas continues to be more than an occasional home on the range for Charles and his wife Dorothy. "I remain active in the day-to-day business and am a financial participant," Clark says. At the age of 57, he is not yet ready to retire from either of his careers, running a dealership and collecting art.

The Clarks call McAllen "fairly remote" but in the past 25 years they have cultivated an oasis, acquiring graphics and contemporary paintings that have prompted considerable recognition in art circles. Garo Antreasian, the American artist, technical consultant for the Tamarind Lithography Workshop in Los Angeles and Chief of the Graphics Dept. of the University of New Mexico's Art Dept., considers Charles Clark, ". . . the authority on what's happening in art in Germany these days."

The former Regional Vice President of the Texas Automobile Dealers Association is no stranger to Germany. During World War II, he was attached to the LeMay outfit, the 305th Bomb Group, stationed at Chelveston, England. Flying a B–17 in May of 1943, he was shot down over Kiel, Germany. But Charles Clark was accustomed to rough landings. On his first attempt to fly from Presque Isle, Me., to Gander, Newfoundland and on to Prestwick, Scotland, Clark experienced what he recalls as "a run of bad luck." The failure of two engines brought his B–17 down in a water ditch landing off Tangier Island, Nova Scotia.

It was not the less-than-perfect landing that made Clark's arrival in Germany one to remember, but the subsequent two-year stay at Stalag Luft 3 at Sagan and Stalag Luft 7 at Moosberg, near Munich. "Resentments are gone," he says, and when he returned to Europe in 1966, it was via a KLM jet rather than a B–17. Clark remarked, "I like it this way better."

In the past 10 years every vacation for the Clarks has been completely art oriented. Visits to the art centers of Europe are preceded by months of research and preparation. On one three-week trip to Amsterdam, Copenhagen, Paris and London, they carried with them a hefty list of over 300 galleries and museums they hoped to see.

Why spend a vacation shuffling down one long corridor after another when the *Folies Bergere* is down the street or London's most exclusive casino is around the corner? The Clarks explain: "Art is a history of its time. It records historical events, mores, costumes, and, perhaps most importantly, the atmosphere prevailing at the place and period of each artist's work. The events recorded help us to understand our own heritage. Furthermore, looking at good art inevitably . . . enriches the life of the beholder."

The statement is indicative of the Clarks' concern not only with art itself—its technical aspects—but also with its implications, revealing the character of the artist and his surroundings. Their collection is well distinguished by the number of personal dedication prints. "Once having discovered an artist's work," the Clarks will tell you, "we enjoy making contact directly with him. . . ."

A letter dated June 22, 1970, from Howard Hack, the American lithographer, advises Charles and Dorothy Clark, "This might be the last print for awhile, have to move the studio soon which means finding a new place or buying a building—have an old dance hall in mind but heavy mortgages, etc., went to court on an eviction going on here and got another 30 days—maybe till the end of August so things aren't too good. . . ." Even art artist must contend with mortgages, irate landlords and court judges only moderately sympathetic to the artistic process.

In the past, the Clark Collection has placed a heavy emphasis on the German artists, reflecting the intense activity currently going on in Germany. Aided by his knowledge of German and such authority in the field as author Dr. Juliane Roh and artist-editor Rolf-Gunter Dienst, the Clarks amassed an impressive representation of contemporary German graphics which they donated to the University of Texas. The "German Graphics of the '60s" collection is almost as well-traveled as the Clarks. It has been exhibited at the University of Maryland, and plans call for the tour to extend throughout the US in addition to Caracas, Venezuela, and other points in South America.

For the future, Charles and Dorothy Clark have designed a survey of the graphic work of some 35 Swiss artists to be displayed at the University of Texas at Austin in April. The study of the Swiss Concrete Art has consumed hundreds of hours of the Clark's time in the past two years. Such devotion is only equaled by Clark's commitment to the Charles Clark Chevrolet Co.

"I have found no conflict in my business life as an automobile dealer and the collecting and study of art," he says. "We are indeed grateful," Clark adds, "that we have been able to afford to gift art to some 20 museums and higher level educational institutions in the course of building our own collection."

The Clarks believe "having discovered the

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world of fine art, one can never again ignore it." To the appreciation of their discovery and their continued generosity, they responded: ". . . sharing our collection with friends in our own small corner of the world, we hope to further widen horizons, and ultimately add to the fine and individual culture which we enjoy here."

Charles and Dorothy Clark—latter day DeMedici's of Florence transported from 15th Century Italy to modern day McAllen as 20th Century patrons of contemporary art.

THE WHALE MASSACRE

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. ANDERSON of California. Mr. Speaker, action is currently being taken on the high seas which could cause the extinction of one of the world's most unique marine mammals—the California gray whale.

Japan and the Soviet Union, despite rulings of the International Whaling Commission prohibiting commercial whaling, despite resolutions adopted by the United Nations, and, despite countless pleas from conservation groups throughout the world, continue to slaughter not only the gray whale, but the fin, sei, sperm, and minke whales as well.

One might understand Japan and the Soviet Union engaging in such acts if the whale were a primary source of food or protein. However, this is not the case. The byproducts of whales are used for pet food, lipstick, skin for shoes, umbrells, margarine, and various culinary delicacies. Substitutes can be found for all of these. Statistics show that, in fact, the intake of whale meat as a food or protein resource has dropped considerably in the past few years, particularly in Japan.

Nevertheless, the slaughter continues. It is obvious that, as far as the Japanese are concerned, whaling is conducted primarily for profit. For whale meat is a cheap form of animal protein. The Japanese argue that to replace whale meat with beef would cost their balance of payments about $5 billion per year.

It is ludicrous for the Japanese to give this reason as a justification for their participation in commercial whaling. It is absurd because to give an example of the most expensive form of animal protein when trying to find a substitute for one of the cheapest forms of protein. It would be more reasonable to compare prices with a similarly priced protein, such as mutton.

Furthermore, substitutes will also hit the Japanese in the back pocket. By killing whales, they are exploiting a free resource.

Mr. Speaker, unless strong action is taken soon, future generations will not have the opportunity to observe a resource with such an esthetic and scientific value as the gray whale. On the west coast of the United States, particularly in California, we are concerned due to the annual migration along the California coastline. It is truly a sight to behold.

Just as astronishing, only on the negative side, is our Government's reluctance to move aggressively toward Tokyo and Moscow in an effort to cease these senseless acts. Thus far, Secretary Kissinger has only expressed his "disappointment" to these other countries for engaging in these activities.

In the past several months, we have seen too many examples of the administration taking a position of inactivity toward crisis involving violence and destruction on the high seas. With tunaboat seizures in South America; ruthless acts of destruction of fishing gear, et cetera, in the North Atlantic; and now the murder of gray whales in the North Pacific; I believe it is about time for our Government to act once and for all.

Allowing these acts to continue reveals a serious character fault on the part of the administration—one of disinterest and disregard, not only for the conservation of these great whales, but also for international agreements and human sentiments.

We must act now. Our national character is at stake.

BETTER HEARING AND SPEECH MONTH

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. ANDERSON of Illinois. Mr. Speaker, May is Better Hearing and Speech Month and I am taking this time to inform my colleagues of this fact. The goal of this month is to alert citizens to the prevalence of communication disorders, to the problems they cause, and to the sources for their treatment.

Few people realize that 22 million Americans—1 out of every 10 persons—suffer from hearing or speech disorders. Communicative disorders are more prevalent than cancer, heart disease, blindness, tuberculosis, venereal disease, multiple sclerosis, and kidney disease combined. Yet it is one of the least recognized disabilities. Millions of persons suffer from undiagnosed hearing or speech problems. Millions more know they have a problem but because of fear, embarrassment, misunderstanding, expense, or lack of information, do nothing to alleviate the problem.

Help is available and with proper treatment, most such afflicted persons can overcome their handicaps. I encourage community agencies and volunteer groups to tell the public about these disorders and how they can be helped. I salute those who have been involved in this field for their fine service to their communities in helping the communicatively handicapped to overcome their problems.

Public awareness and understanding of hearing and speech disorders are essential if these problems are to be overcome. That is what Better Hearing and Speech Month is all about.

RELIGIOUS REPRESSION IN ROMANIA

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. HARRINGTON. Mr. Speaker, the Christian Mission to the Communist world has recently made serious allegations about the persecution of Christians in Romania. I am inserting in the RECORD, for the benefit of my colleagues, a telegram I received from the mission discussing these allegations in detail.

If these charges are even partially true, they indicate a flagrant violation of the United Nations Universal Declaration of Human Rights. I urge every Member to express his or her outrage at this situation to the Department of State and the Romanian Government.

The text of the telegram follows:

Representative MICHAEL HARRINGTON,
U.S. House of Representatives,
Washington, D.C.

Dear sir: We protest the persecution of Christians which is expressly undertaken in Romania. For your information, here are some facts proving that Christians are persecuted in Communist Romania;

A Christian by the name of Vasile Rascol, 12 Dr. Marinescu Street, Bucharest, was arrested on May 25, 1974, on account of distributing bibles and Christian literature and sentenced to two years. His only crime: possessing bibles. This arrest would seem flagrantly to contradict the principle of religious liberty which had been proclaimed over the radio by President Ceausescu.

Lately many fines were given to believers who were found praying. The police can enter homes without warrants, even days after prayer meetings took place and fine the believers with enormous fines. Retired people who get a couple hundred lei, received fines of thousands of lei, even children are fined. The following have been fined 1000 lei: Brother Turturean, Village Patrauti, Region Suceaval; Brother Nica, Village Malerush Jud, Brasov; Brother Radu, Village Sin Petru, Jud, Brasov; Brother Linguraru Niculae of the Village Herculean, Jud. Covasna was fined 2000 lei. The Brethren in the Village Ruja, Region Sibiu paid already more than 30000 in fines for meetings. Similar situations happened in the Village of Vizuresti, Region Dambovita, in the Village Sanduleni, Region Bacau, in the Village Malul Alti, Region Galati, in the Village Namoloasa, Region Galati, in the Village Pechea, Region Galati, in the Village Saloaia, Region Bacau, in the Village Vernesti, Region Bacau and in the towns of Suceava and Bacau, bibles and song books are confiscated.

Brother Urs Moise of the Village Gura Hont, present address Batania St. 7, Timisoara, Romania, has been recently sentenced to ten years of prison.

According to our latest information, reformed adventists are also in prison in Romania. They are compelled to work on Sabbaths which they refuse. They are punished—thirty lashes. Chains are put on their feet which weigh sometimes 40 pounds. The chains have spikes which hurt. Thirty-two persons would be put in a cell with a maximum capacity of sixteen. Sixteen lie on the floor and sleep while the others are standing around so as not to disturb their peace. Every two hours they change. They are put under cold showers in winter. Because of these conditions, the reformed adventists Zecianu and Simescu died in prison. Brother Sirbu is

sentenced to five years. He is very sick and badly beaten. Another Brother Buzdugan is sentenced to thirteen years of prison. His guilt is to have communicated with adventists abroad.

On the basis of religious freedom, as set forth in the declaration of human rights, we urgently request that Mr. Rascol along with all the others named be released from prison.

As a moral, human being, we ask you to use all your influence to bring about the Romanian Communist's Government's respect for human rights.

CHRISTIAN MISSION TO THE COMMUNIST WORLD.

PENALIZING THE ELDERLY

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. DODD. Mr. Speaker, an editorial recently appeared in the Norwich Bulletin, printed in my district, which I would like to call to the attention of my colleagues.

The editorial concerns the restrictions on the amount of outside income an elderly person can earn and still receive social security benefits. This is a truly serious problem, because it is nearly impossible to live in health and safety on social security benefits while prices are continuing to rise.

For this reason, I have cosponsored legislation, along with many other Members, that would increase the amount of outside income a social security recipient could earn without causing a cutback in the amount of social security benefits he or she can receive.

Mr. Speaker, at this time, I would like to include the text of this editorial in the RECORD:

PENALIZING THE ELDERLY

Legislation is being introduced again this year, as it has been for several years past, to remove the earnings limitation on payment of Social Security benefits. The justification for such a reform is as compelling this year as it has ever been, and perhaps even more so. The number of Social Security recipients who find their benefits are less than adequate for a decent standard of living grows larger as the cost of living increases, despite a built-in escalator clause in new Social Security legislation. If the escalator clause has an effect, it is to keep Social Security checks no more nor less adequate than they were before.

Thus, the law that keeps many able elderly persons from earning a supplementary income is as cruel a piece of legislation as it has ever been.

The penalty against the working elderly is invoked when they begin to earn an income greater than $210 in any one month, or more than $2,520 in the course of a year. At that point, the Social Security payment is reduced $1 for every $2 earned over the limit.

It has long been argued that such a limitation distorts the purpose of Social Security. The limitation, in effect, says that the purpose of Social Security is to keep elderly out of the labor market, rather than to provide them with a pension after age 65. That is reinforced by the fact that an elderly person may receive an unlimited amount of unearned income from investments and not be penalized. Thus, the wealthy may receive full Social Security benefits while the elderly working poor may not.

Even more ironic is the fact that the working elderly, in addition to being penalized by reduced Social Security checks, must continue paying the Social Security tax for benefits that they do not receive, and must pay an income tax on their earnings, although the Social Security benefits are not taxable. The cumulative effect of these provisions is that many of the elderly cannot afford to work, because their net income is reduced if they do.

It is certain that, in this year of high unemployment, we will hear arguments in favor of these disincentives to honest labor. There will be statements, made with sincerity, that the elderly must be kept from competing with youth for available jobs.

Without meaning to do so, proponents of the earnings limitation really will be saying that a single class of citizen must be kept in a state of hand-to-mouth existence so that another class may have unlimited earning opportunity. Youth must be served, even if the result is a disservice to those who have raised and nurtured the young.

Segregation of the elderly into a nonproductive way of life has created a social problem that will increase as the average age of our population increases. It is tragic. The talents and experience of the elderly are of immeasurable value to a productive society. This has been recognized, for example, in programs that put volunteer retired businessmen to work advising those with less experience and know how.

Yet our society seems almost aggressive in its insistence that age is the only permissible and justifiable form of discrimination. In a recent survey, pollster Louis Harris found that 37 per cent of the retirees he interviewed had been forced into retirement, although they were willing and eager to carry on productive lives.

The Social Security earnings limitation is another manisfestation of this callous attitude toward those who have reached an arbitrary age at which they must be put out to pasture.

Temporary fluctuations in the economy cannot be used to justify the continuation of an obvious injustice.

PERSONAL EXPLANATION

HON. W. HENSON MOORE

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. MOORE. Mr. Speaker, I was unable to be present on Monday and Tuesday, May 5 and 6, due to several longstanding committments in my district. Among the most pleasant of these duties was my presentation on behalf of the Farmers Home Administration of the Louisiana Farmer of the Year Award to Mr. Charles Frazier of St. Helena Parish.

Pairs were only available on the Noise Control Extension. I was paired against and am pleased that the measure failed under suspension of the rules.

The only other significant legislation considered by the House was the Emergency Livestock Credit Extension to assist in meeting the critical credit needs of our livestock producers. Had I been able to be present, I would have voted an enthusiastic Yea as I did when we successfully reported the bill from the full Agriculture Committee.

WHY HELP THE CUBAN COMMUNISTS?

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. ASHBROOK. Mr. Speaker, the rush is on to "normalize" relations with Cuba. Secretary of State Kissinger has stated that a "general understanding" has been reached on how to end the diplomatic and economic isolation of Cuba. Senator MCGOVERN has been touring that land having his picture taken with the bearded butcher of Havana, Fidel Castro.

Both the Soviets and Cuban Communists have numerous reasons why they would like the end of the isolation Cuba has found itself in but I wonder how we would benefit.

It costs the Soviet Union from $1.5 million to $2 million per day in foreign aid to Cuba. This is only economic assistance.

In addition, the Soviet Union has provided the Cuban Armed Forces with some $2.5 to $3 billion in military equipment. Most was provided at no cost to Castro. Other Communist countries also grant credits and give economic assistance to Cuba.

We must realize that talk of ending the "diplomatic and economic isolation" of Cuba are code words for granting credits and probably giving foreign aid in the not too distant future. I do not see why we should even start down that path.

There is also the humanitarian side of the question. It is no secret that thousands of Cubans are imprisoned for their political beliefs. Thousands of others have been executed.

Prison terms of a definite length are given but then when the time is served some whose only "crime" is that they do not believe in communism are left to languish in prison. Numerous reports tell of beatings, torture, and denial of foods and medicines in Castro's Cuba.

The evidence shows that Cuba is today a country of barbarism, of force used against innocents, of denial of all human rights, but where is the indignation on the part of the American media? Where are the hard questions? Where is the concern for the people of Cuba?

The prevailing sentiment of those who determine our foreign policy or seek to determine our foreign policy—be they in the media, the universities, or the Government—seems to be one of "communism is all right for the Cubans, Chinese, Vietnamese, Cambodians, Russians, Hungarians, Laotians, et cetera and et cetera; it just is not suitable for us." The cause of free men is lacking champions. There are basic differences between free societies and Communist states. We cannot live as free men in a world of Communist countries. Our foreign policy needs a realinement—a realinement that extends the influence of free men and not one that is willing to "adjust" to supposed "Communist realities."

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THE UNITED STATES REMAINS LEADER OF FREE WORLD DESPITE VIETNAM

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. EVINS of Tennessee. Mr. Speaker, the war in Vietnam is over and this Nation faces new and different circumstances in conducting its foreign policy.

The Vietnam tragedy brought much agony to this country; more than 55,000 of our young men died in that foreign country and more than $150 billion was directly spent on the war. Certainly, this Nation honored its commitment to the people of South Vietnam, and we continue to assist tens of thousands of refugees from that country.

The distinguished journalist, William Randolph Hearst, recently wrote a very perceptive article on the subject of post-Vietnam prospects in this country in which he states quite accurately—

> The United States, for the safety of the world, must remain as strong as its proven enemies. That is the duty which automatically guarantees our own welfare and our position of leadership.

Mr. Speaker, because of the interest of my colleagues and the American people in this most important subject, I place herewith in the RECORD Mr. Hearst's column of May 4:

THE END—AND A BEGINNING

(By William Randolph Hearst, Jr.)

NEW YORK.—What constructive comment, if any, can be made about this week's ignominious end to a generation of United States effort to preserve a nonCommunist state in Vietnam?

That is the question reluctantly faced here today in the wake of our country's worst foreign policy disaster—a humiliating tragedy which has gravely damaged the position of the U.S. in world affairs.

The question must not be avoided—by any of us. Never again must the American public wind up watching one of our ambassadors having to flee the enemy in a hectic helicopter evacuation, clutching the nation's folded flag on his knees.

Our rout was as completed and demeaning as the unconditional surrender of the Saigon government. It was a climatic cut and run operation, a disgraceful retreat wholly out of character with American traditions.

Only by good luck and a certain judicious forebearance of the conquerors were we able to remove the last 5,000 or so of our citizens in the besieged capital.

It is hard to fully grasp the implications, just as it is difficult to realize that 30 years of warfare in Vietnam finally have ended. Yet the implications of our failure today are the chief international concern of our allies everywhere. While most of our citizens would like to forget the war and the role played in it by the U.S., our allies cannot.

They realize that a truly historic step in this nation's history has been taken—that for their own welfare and global stability they must reassess the reliability of our status as leader of the Free World.

The American people must do the same. It is in their hearts and minds, collectively, that the ultimate answers will be found.

The outlook right now is admittedly bleak, as detained here in a number of columns anticipating the final debacle in Saigon. There is no point in raking the bad news all over again, just as there is no point in raking over all the mistakes we made in Vietnam.

What is important is to draw some lessons from this terrible war, which cost so much of America's blood and bounty, disrupted its economy, divided and eventually demoralized its people.

The first lesson to be learned and never forgotten again, I think, is to appreciate just how dedicated and diabolically clever the big Communist powers are. They give unlimited money and supplies to forces fighting their cause, but avoid committing their own troops unless they are attacked.

This is a basic rule with them—to fight by proxy. Probably nothing could have delighted the Red superpowers more than the day when an idealistic but naive U.S. committed its armed forces to a debilitating struggle far from its shores and direct personal interests.

They correctly guessed that we would be drained not only of immense resources, but eventually of the will to continue. Unlike our own leaders, theirs anticipated that our public resolve would collapse once they signed the papers permitting the withdrawal of our troops.

And that's what happened—to our shame. The Communists went on to encourage massive violations of the 1973 Paris accords. We not only failed to insist on enforcement of the cease-fire provisions but our Congress—reflecting the public mood—tied the hands of the President and progressively began withdrawing aid from Saigon.

The key point to be recognized in this is that our democracy has a built-in psychological and political weakness. Its leaders must respond to public sentiment. Those of the Communist superpowers do not; furthermore their goals are very long-ranged and they have infinite patience.

Americans lack that kind of patience. When they make a decision they want it quickly implemented and disposed of. If it is a nasty matter like a war, it must be finished fast and in no uncertain terms. No matter how important the cause, impatient Americans lose interest in any dragged-out conflict.

This happened in our own Civil War, for example. Because it dragged on for so long many people in the North got fed up and started saying: "Oh, the hell with it. Let them go."

They thus forgot or willingly overlooked the all-important goal kept forever uppermost in his mind by Abraham Lincoln, namely the vital importance of keeping the Union together at any cost.

Another matter needing critical self-reappraisal is that Americans seem able to focus attention on only one part of the globe at a time. This is true even in our State Department.

The big Communist powers, by contrast, are like vaudeville jugglers. They have a whole variety of enterprises going on at the same time—all coordinated, disciplined and calculated to one purpose.

Still another flaw in the American character—and it could be fatal—is our tendency to favor maintenance of the international status quo. In that respect we are like a fire company, sitting in our station house until an alarm sounds and rouses us to action.

We do not really plan ahead, whereas the Communists are like arsonists. They always are the ones who act first; they are the ones always on the offensive.

As a result they have the tactical advantage of surprise and the strategic advantage of choosing the time and place. Detente, furthermore, by and large to them is just another device to help keep us quiet and sleepy.

If all this sounds pretty grim, it should. What we have suffered in Vietnam is about as grim as it can get. What we thereby face in our international relations also is far from encouraging, to make an understatement.

This great nation of ours, with its vast resources of human and natural strengths, still is the leader of the Free World. All we have to do is fully restore our credibility.

Withdrawal into the cocoon of isolationism is impossible, no matter how tempting. We live in a dangerous world whose stability is kept in relative balance only by matching forces of terror. Most Americans know this and are willing to make the sacrifices it entails—if they know the honest facts.

There must be no more glossing of truth by our elected officials—something that has occurred far too often both about Vietnam and other matters in the recent past.

The United States, for the safety of the world, must remain as strong as its proven enemies. That is the duty which automatically guarantees our own well-being and our position of leadership.

The United States, in addition, henceforth must make commitments only after the most serious consideration of possible consequences. Americans will back them if the commitments are valid, and honestly explained.

Above all, the American people must realize how tough our enemies are and resolve to match them with equal or superior force and determination.

Our country is engaged in a deadly sort of chess tournament with the Communists—winner take all.

In Vietnam we have lost a major match, but the tournament goes on.

We can still win if we become fully awake and aware of the stakes involved.

RESOLUTION COMMENDING THE FARMERS OF ALABAMA FOR THEIR VALUABLE SERVICES TO MANKIND

HON. JACK EDWARDS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. EDWARDS of Alabama. Mr. Speaker, the legislature of the State of Alabama has recently passed a resolution commending the farmers of Alabama for their great service to mankind. I too want to take this opportunity to pay tribute to all farmers as they go about their task of providing our most basic needs. I commend the Alabama Legislature for this greatly deserved recognition and I would like to have the following resolution inserted in the RECORD at this point:

RESOLUTION H.R. 107

COMMENDING THE FARMERS OF THIS STATE FOR THEIR VALUABLE SERVICES TO MANKIND

Whereas, the farmers of this state and nation have increased in productivity throughout the years to the point where each farmer is providing food and fiber for a large number of his fellow citizens; and

Whereas, these services of the farmer are often taken for granted by his fellow citizens and the farmers' plight and problems are not fully appreciated; and

Whereas, the Legislature is vitally concerned about the economic plight of the farmer especially in view of the fact that his costs for fertilizer, fuel, seed, equipment and supplies are going up to almost prohibitive prices; and

Whereas, the Legislature wishes to express concern of their situation and to encourage them in their efforts; now therefore

Be it resolved by the Legislature of Alabama, both Houses thereof concurring, That the Legislature does commend the farmers of America and Alabama for their valuable services to mankind and does encourage businesses and industry to extend all the help they can to the farmer in every way in order that they might continue to operate at their high degree of efficiency and to provide their fellowman with inexpensive food and fiber as they have always done in the past.

Be it further resolved, That copies of this resolution be sent to each House of the United States Congress and that they be encouraged to consider every means possible to assist the farmers of this nation to overcome their current difficulties. Copies of this resolution to be sent to every county extension Service Chairman.

HANFORD NUCLEAR POWER PLANT ACHIEVES GENERATION MILESTONE

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. McCORMACK. Mr. Speaker, on May 4 the Hanford Generating Project-N Reactor complex generated its 30 billionth kilowatt-hour of electricity. This is more power than has been produced at any other single nuclear generating plant in the world.

Steam generated as a byproduct of plutonium production at the Energy Research and Development Administration's N Reactor and is used at Washington Public Power Supply System's adjacent Hanford Generating Project to turn two 430,000 kilowatt turbine-generators. The supply system will pay ERDA $22.5 million for the steam it receives during the present fiscal year, and will generate 4.5 billion kilowatt-hours of electricity using the steam.

The complex is located within ERDA's Hanford Reservation in eastern Washington State. The N Reactor is operated for ERDA by United Nuclear Industries, Inc. During 1975 the N Reactor has had a plant availability factor of 85.2 percent. This is the ratio of hours in operation to total hours in the time period.

The Supply System's Hanford Generating Project has been providing the Pacific Northwest with electricity from nuclear power since April 1966. To generate 30 billion kilowatt-hours of electrical energy, a fossil fuel powerplant would have had to burn nearly 11 million tons of coal or more than 50 million barrels of oil.

Mr. Speaker, I can appreciate the value of even this one dual purpose nuclear powerplant to this country's economic stability and energy independence. The 50 million barrels of oil that would be required to generate the electricity produced by this nuclear reactor would cost on today's international market more than $550 million. Today this Nation has 55 nuclear powerplants licensed to operate, providing about 9 percent of this Nation's electric energy production capacity. These plants, along with the other nuclear plants which are already under construction or on order, will save the equivalent of between 6 and 7 million barrels of oil a day, equal to all of this country's petroleum imports.

THE DOMINOES ARE IN FACT FALLING

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. CRANE. Mr. Speaker, the President and others may declare repeatedly that we are "putting Vietnam behind us" and that our commitments to NATO, SEATO, and our allies throughout the world remain intact.

A country, however, can no more escape responsibility for its actions than can an individual. If the world perceives the United States as an unreliable ally, as one which does not fulfill its commitments, and as a Nation which is only a fair-weather friend, no amount of rhetorical reassurances will be persuasive.

For some time those who advocated the kind of withdrawal from Vietnam which has now come about argued that the "domino theory" was fallacious. The success of aggression in South Vietnam and Cambodia, they argued, did not mean that aggression would be vigorously pursued elsewhere in Asia—in Thailand, the Philippines, and Malaysia, for example.

Why they presented this analysis, and why many have accepted it, is difficult to understand. It flies in the face of rationality. If aggression is permitted to succeed in one place, the appetite of the aggressor is simply whetted. The idea that the "domino theory" was fallacious flew in the face of history and of logic. Yet, our policy was based upon such wishful thinking.

The fact is that the dominoes are already coming under serious Communist attack. In a recent column, Kenneth Crawford points out that—

> The domino theory, we have long been assured, is nonsense—merely a subterfuge for adventuring in Indochina. If that is so, what is happening in Thailand, the Philippines and Laos must be illusory. For those three countries already seem to be tumbling out of the free world orbit into the authoritarian socialist orbit.

Mr. Crawford declares that—

> There can be no doubt that American prestige is taking a beating around the world . . . Nobody can now foresee the ultimate consequences of America's humiliation. President Ford can admonish the country and the world to forget Vietnam and look to the future. . . . It will be futile. Public memory is short but it is not that short. Losing a war is never less than a traumatic experience.

The future of freedom and world stability is dim indeed as we observe the post-Vietnam world. The "domino theory" was never really a theory. It was only an observation of reality which many who preferred a different reality sought to erase. Mr. Crawford notes, in fact, that—

> It is becoming apparent that on the far left there are those who hope that the United States will be the ultimate domino.

I wish to share with my colleagues the important article, "The Dominoes Are in Fact Falling," by Kenneth Crawford, the distinguished former columnist for Newsweek, as it appeared in the Washington Post of April 30, 1975, and insert it into the RECORD at this time:

THE DOMINOES ARE IN FACT FALLING

(By Kenneth Crawford)

The domino theory, we have long been assured, is nonsense—merely a subterfuge for adventuring in Indochina. If that is so, what is happening in Thailand, the Philippines and Laos must be illusory. For those three countries already seem to be tumbling out of the free-world orbit into the authoritarian socialist orbit.

Unless President Marcos of the Philippines doesn't mean what he is saying, his country is leaning hard to the left out of the perceived necessity of getting on with China and its friends. In Laos, the Communist Pathet Lao controls three quarters of the country and is about to take over the other quarter. And the Thais, always sensitive to the political wind and given to bending with it, are preparing to adjust to the reality of gusts from Hanoi and Peking. Less overt stirrings are detectable in other Asian countries.

On the other side of the world, in Portugal, there is no direct evidence as yet that the debacle in Vietnam and Cambodia has had any effect. But if the United States is deprived of its base in the Azores and the Soviet navy moves into Portuguese ports, it will not be because the Portuguese have overlooked events in the Far East.

There can be no doubt that American prestige is taking a beating around the world—and at a time when interdependence of nations is more than ever a fact of life for all the earth's inhabitants.

It may not make much difference to us that our defeat is contributing to the entertainment of our French allies. Vietnam has proved to them that the Yanks for all their pretensions, are no more gallant than anybody else, notably the French, when it comes to the crunch. India, judging from the comments of some of its officials, also is pleased by America's discomfiture. We haven't done anything much for the Indians lately.

Up to now Soviet officials have been more restrained than the rest of the world in their talk or lack of it, about Vietnam. Russia has not celebrated its share in the victory, presumably out of deference for detente. But it has approached Israel with a proposition: if Israel will withdraw to its old frontiers its security will be guaranteed by the U.S.S.R. The implication is that America has proved itself unreliable and that Israel should look to a reliable nation for security.

We are hearing much these days from those who knew all along that we were playing a losing hand in Vietnam and Cambodia. They told us so. They did indeed. Some of the same people are less talkative about their certainty that the other dominoes would be unaffected. The dominoes are in fact falling and the end is not yet in sight. The clatter is no illusion.

Nobody can now foresee the ultimate consequences of America's humiliation. President Ford can admonish the country and

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the world to forget Vietnam and look to the future. Others can join him, as they already are. It will be futile. Public memory is short but it is not that short. Losing a war is never less than a traumatic experience. And we have no de Gaulle to restore national pride by glorious posturing. It wouldn't work here anyway.

For the moment the American public seems to feel nothing but relief at getting Vietnam off its back. More than 80 per cent, according to the pollsters, opposed even the use of marines to evacuate this country's close Vietnamese friends from Saigon. It is difficult to believe that such indifference will last. It won't if a wholesale purge of friends left behind takes place and if news of it leaks out. We are not that callous.

That there will be a spate of executions seems inevitable. When Hue fell in the offensive previous to the last one, some 3,000 bodies of local officials, teachers, intellectuals and others who had aided with Saigon were found in mass graves, bound and shot. It was estimated that a total of 5,000 or more had been dealt with in that way. An invader that does this in relatively neutral Hue is not likely to control himself when he reaches the enemy citadel of Saigon. With Western reporters out of the country, however, the outside world may never know Saigon's true fate.

This country's present complacency is encouraged by many in the media. We are told, though the returns are not yet in, that North Vietnam will now establish a regime of Titoist independence from its Communist benefactors. By playing off China against the Soviet Union it perhaps can achieve this status. But with China on its northern frontier, this is highly problematical.

We are asked to believe by a journalistic commentator doing a television stint that the Indochina misadventure proves the folly of war any time anywhere. War, he says never in the history of the world accomplished anything. Not even the war against Hitlerism? Well, maybe. But in that war a lot of unnecessary battles were fought. So they may have been. But it takes an arm-chair amateur 30 years later to muster the gall to redo that history.

Then there is the expert on Vietnam, credentials in good order, who writes in a national news magazine: "Our Vietnam was dying, a corrupt, feudal society; theirs, like it or not, was a new, modern society born of the colonial war with the French." So Communist dictatorship represents "modern society." It is reminiscent of the Lindberghian thesis that, like it or not, Nazilsm was "the wave of the future."

Not many Americans chose to ride that wave. Dictatorial communism has more appeal, especially as the answer for backward countries trying to modernize. Moreover, many Americans can tell themselves that they never approved of the war in Vietnam or, if they did, were tricked into it along with ex-Sen. William Fulbright. They accept no responsibility for the outcome. But the world sees only what the United States did and didn't do; it makes no distinction between approvers and disapprovers within this country.

A minority of Americans, growing in assertiveness and perhaps also in numbers, proudly professes sympathy with Hanoi and the Vietcong. One of its self-appointed spokesmen interrupts the Oscar awards to state his partisanship for the Vietcong to the applause of a Hollywood audience. Both he and his audience are, of course, free to embrace this kind of modern copperheadism. It is an attitude not unknown even in Congress.

It is becoming apparent that on the far left there are those who hope that the United States itself will be the ultimate domino.

MORE OPENNESS IN GOVERNMENT

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. GOODLING. Mr. Speaker, I recently cosponsored legislation (H.R. 5931) that would provide for stringent regulation of lobbying organizations. Although lobbying has frequently attracted the attention of Congress throughout the last century, Congress has neglected to enact legislation that would effectively cope with the difficulties presented by some lobbyist activities. Reform is long overdue.

It is true that the vast majority of lobbyists and interest groups function in a purposeful and useful way. Their expertise in their select field is beneficial to Government officials, for they often provide information and data to both sides of complex issues.

Through contact with the Government, lobbyists strive to gain favorable action that can help their employer—or their membership, if they are an interest association—and in turn assist the Nation. Occasionally, abuses do occur and when brought to the attention of the public, often become scandals. When this occurs, many in the public believe that all lobbying takes place in this fashion—this is simply not true. However, the amount of money spent on attempting to influence governmental policymaking is tremendous and our present laws do not demand that all of the funds spent for this function be reported.

In our present Government, complex issues are often decided by bureaucrats and politicians who have little knowledge of the consequences of their well-intended but misaimed actions. Legislation could be rammed down the throats of ill-informed Congressmen, because those affected by the bill were not aware of its existence. Interest groups and lobbyists serve a useful purpose in insuring that those who are policymakers are equipped with the technical assistance that is necessary to accomplish their intended goal. However, we should know precisely the amount and purposes of the expenditures.

Without this information, the public is at a severe disadvantage. In order to evaluate the Government fairly and effectively, the citizens must acutely be aware of the different components which comprise the legislative process. It is imperative that the people know the influences at work in the operation of their Government—it is their right. With full disclosure of all lobbyist activities, the cynicism and lack of trust in the governmental process, which is a result of isolated instances of abuse in recent years, will be somewhat eradicated. Besides benefiting the legislators in their roles as decisionmakers, the public will also be better equipped with a method that will enable them to decide whether their officials respond to the needs of the public, or solely to private wishes and desires. But in order to accomplish this desirable and much-needed environment, improved and effective legislation is urgently needed, for the present law is awkward and ineffective.

The Regulation of Lobbying Act of 1946, the legislation now in effect, has loopholes which have prohibited it from accomplishing its avowed purpose. These inadequacies are, in part, inherent in the language of the act itself. There are no provisions specifically charging a governmental agency with enforcement of the act, nor prescribed course of action that can be taken if reports failed to be filed or are indeed falsely reported.

In addition, under the language of the law as interpreted by the Supreme Court, the definition of a lobbyist has been narrowly construed. Lobbyists whose targets are primarily the executive branch are exempt. The vague and ambiguous terms which plague the act also fail to clearly state who has the responsibility of filing the financial data. The public has long suffered, along with many of the legitimate functioning lobbyists, from the pretext that this law does regulate lobbying activities, and thus the time for rehabilitation cannot be further delayed.

The legislation which I have cosponsored will take great strides in correcting the existing ineffective act. First, and perhaps foremost, the definition of a lobbyist has been expanded. One will be considered a lobbyist if he receives $250 or more in any quarterly filing period for the purpose of lobbying. Further, this includes efforts at the executive and grass roots level, as well as at the legislative branch. In order to make the act viable, the Federal Election Commission has been specifically delegated as the administrator and enforcer of the act. Finally, top officials in the executive branch are required to "log" their contracts, a practice which is not unprecedented. These provisions constitute vast improvements over the present act, and will result in great public benefit.

It is paramount that everyone realize what the act will not do. In no way will the act prevent or hinder anyone from speaking out or from petitioning their Government. One's constitutionally guaranteed first amendment rights will not be abridged in any manner. The act will simply require those who chose to exercise this right continuously and in a professional method to identify themselves, their sponsoring organizations, and the purpose for their expenditures.

Many lobbyist organizations will be unaffected by this legislation, for they presently function in a legitimate and proper manner. It is unfortunate that the word "lobbyist" has an unfavorable connotation, for the abuses that do occasionally occur are far from being representative of the category as a whole. Our system of government demands active public participation, and interest groups provide many people with common interests their only link to Washington and the lawmakers. With H.R. 5931 as a basis, Congress will be better suited to produce sound legislation that is a result of input from all segments of the American population. I urge my colleagues to support this worthwhile legislation.

SEATTLE POST-INTELLIGENCER URGES LOBBYING REFORM

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. KASTENMEIER. Mr. Speaker, I wish to call to the attention of my colleagues the March 17, 1975 Seattle Post-Intelligencer editorial supporting the lobbying reform bill, H.R. 15, which is now cosponsored by more than 140 Members of the House:

LOBBY DISCLOSURE BILL SHOULD BE ADOPTED

What the public sees and hears about an important piece of legislation is sometimes only part of the story. Frequently people do not know what kind of pressures have been put on lawmakers to adopt a law favoring one or another special interest group.

That is why Common Cause, a nationally respected citizens' action group, is waging a strong campaign to convince Congress to strengthen its flabby, loophole-ridden Lobbying Act, which has been the guideline for Congressional lobbying for 28 years.

As John W. Gardner, chairman of Common Cause, points out:

"Lobbying is not wrong itself. In fact, it can serve useful purposes. It is a constitutional right. But it is wrong to lobby secretly, wrong to deceive the public, wrong to use money in ways that corrupt the public process. And that is what is going on today."

Two similar lobby-reform bills now are before the House and Senate. Their key provisions include expanded lobby coverage to include the executive branch as well as Congress, strict reporting requirements, enforcement by an independent agency, and, in the House bill, a requirement for logging of outside contacts with executive branch agencies.

The House and Senate bills define lobbying as communication with a federal officer or employe for the purpose of influencing either legislative or executive branch action.

This applies to lobbyists as individuals and to organizations which employ lobbyists. Any individual or organization spending or receiving more than $250 in a calendar quarter for lobbying is subject to the bills' requirements. In the Senate bill, individuals who receive income for lobbying and make more than eight contacts per quarter with government officials also would be required to register and report their activities.

"Information on lobbying is supposed to be provided by the Federal Regulation of Lobbying Act of 1946, but the 1946 law is a sham and a hoax." Gardner asserts. "The biggest interest lobbies in the country laugh at it and ignore it."

Gardner insists the groups that would be required to register under the House and Senate Bills also should be required to keep records of their receipts and expenditures and file quarterly reports on their lobbying activities and finances.

Common Cause believes lobbyists also should be required to make public detailed information, including the name of each lobbyist, the lobbyist's employer and amount paid, an itemization of lobbying expenses, any services or gifts given to a federal officer or employe, the legislative or executive action the lobbyist attempts to influence, the names of persons the lobbyist contacted and a copy of any written communication between the lobbyist and the federal official.

To prove how serious it is about its campaign, Common Cause also has released a statement of its organization. Its membership includes 300,000 individuals. And, for example, during the first quarter of 1974 Common Cause spent $395,455 in its efforts to reform government.

Obviously, the organization means business on lobbying reform. And it is hoped that 318 U.S. Representatives and 48 U.S. Senators who have voiced support for such legislation also mean business.

REGULATE THE REGULATORS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. CRANE. Mr. Speaker, it is becoming increasingly clear to more and more Americans that the regulatory agencies which were originally established to serve the "public interest" have, more and more, been serving the interests of those very elements in the economy—both business and labor—at which they were initially aimed.

In a much-publicized speech Lewis A. Engman, the Chairman of the Federal Trade Commission, declared:

> Most regulated industries have become federal protectorates, living in a cozy world of cost-plus, safely protected from the ugly specters of competition, efficiency and innovation.

The latest annual report of the President's Council of Economic Advisers notes, for example, that the regulation by the Interstate Commerce Commission of the transportation industry allows exemptions from the antitrust laws, presents serious barriers to entry into the trucking business and promotes costly inefficiencies in railroad freight transportation, all of which are "inconsistent with an efficiently organized transport sector." One result of the present ICC regulations, according to the report:

> Windfall profits to more efficient truckers and higher prices to consumers.

In an editorial discussing the abuses of Government regulatory agencies, the Washington Star notes:

> The robber barons that fleeced another generation are gone but the ICC regulations that stifle competition and reward inefficiency are picking the public's pocket just as surely. . . . The White House estimates that unnecessary and ineffective government regulations are costing the average family $2,000 a year, which amounts to a total cost of about $130 billion a year for all Americans.

What Americans and the American economy really need is a healthy dose of freedom and free enterprise, and an end to the stifling Government regulations which have contributed to our current economic difficulties.

The Star notes:

> Every time a move is made to breathe some fresh air into the system, the special interests and their protectors who are on congressional committees and elsewhere in the government smother the attempt at reform.

It is high time that efforts to rollback the power of Government regulatory agencies finally succeed. I wish to share with my colleagues the editorial, "Regulate the Regulators," which appeared in the Washington Star of April 29, 1975, and insert it into the RECORD at this time:

REGULATE THE REGULATORS

Since the Interstate Commerce Commission was established nearly 90 years ago to clamp down on the robber barons of railroading, government regulatory agencies have proliferated across the spectrum of American activity and have produced so many contradictory and waste-inducing rules and regulations that the time has come to begin regulating the regulators.

The White House estimates that unnecessary and ineffective government regulations are costing the average family $2,000 a year, which amounts to a total cost of about $130 billion a year for all Americans. The figure may be open to challenge, for it is necessarily based on estimates. But even if it is only half that, or a fourth, the loss to American consumers is truly staggering.

The robber barons that fleeced another generation are gone but the ICC regulations that stifle competition and reward inefficiency are picking the public's pocket just as surely. Just this past Sunday, an article by Stephen Aug in this newspaper's financial section detailed the difficulties encountered before the ICC by a Midwestern railroad that offered an innovative plan to lower grain shipping costs between Chicago and New Orleans, a plan that finally succumbed to years of red tape and bureaucratic rulings. In the trucking industry, the mass of regulations that tell truckers what they can haul, where they can haul it and for how much has resulted in a very large percentage of trucks traveling the highways empty, an inefficiency that the consumer pays for ultimately.

The air-fare structure is another example of how the public gets taken by government regulation. It costs twice as much, for instance, to travel from Washington to Boston on an interstate flight controlled by the Civil Aeronautics Board as it does to fly between Los Angeles and San Francisco, a roughly comparable distance, on an intrastate carrier not under CAB regulation.

There are hundreds of similar examples and no doubt even more lie buried in the mounds of federal paper at regulatory agencies all over town. One federal regulator himself acknowledged the problem recently. Said Lewis Engman, chairman of the Federal Trade Commission: "Most regulated industries have become federal protectorates, living in a cozy world of cost-plus, safely protected from the ugly specters of competition, efficiency and innovation."

Every time a move is made to breathe some fresh air into the system, the special interests and their protectors who sit on congressional committees and elsewhere in the government smother the attempt at reform. Last fall, President Ford asked Congress to establish a "national commission on regulatory reform." It hasn't been done. Last year, the President proposed that Congress enact the Financial Institutions Act, which was aimed at encouraging more competition in the financial field. Among other things, it would have given savings institutions more leeway in deciding how much interest to pay on deposits and would have allowed savings and loan firms to provide checking accounts to customers. That hasn't been done either.

Ford announced the other day that he will convene a summit meeting of officials of 10 major regulatory agencies, to which congressional leaders will be invited, to discuss how to get rid of outmoded regulations, to get more competition back into business and industry, to reduce the inflationary costs of past regulations and to estimate the inflationary potential of regulations proposed in the future.

Ford also is backing a bill that would abolish "fair trade" laws that allow manufacturers to keep prices at artificially high levels. This legislation is long overdue.

In the same statement, Ford announced his opposition to creating a federal consumer protection agency. He saw no need for adding another costly layer of bureaucracy to the federal government in the name of consumerism. Neither do we. If the existing regulatory agencies can be made to do the job they were created to do—that is, protect the public—there won't be need for a new agency. As we have said in this space before, it would be like putting a watchdog out to watch the watchdogs.

REPEAL UTILIZATION REVIEW

HON. W. HENSON MOORE

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. MOORE. Mr. Speaker, on April 29, I introduced H.R. 6464, which would repeal completely the onerous utilization review requirements under medicaid and medicare. Although supporters of utilization review are probably right in thinking that such a program would reduce some payments on behalf of publicly assisted patients, they fail to remember that the overall costs are greater than whatever might be saved. Someone has to pay for all these committees, panels, and the like. Someone has to pay for the bureaucracy to watch over them. Someone has to pay for the time physicians and institutions are going to have to devote to a lot of required paperwork. That someone is the American taxpayer and consumer of health care services.

The patient pays the most, however. While the physician is filling out forms and appearing before utilization review panels, who is taking care of the sick and injured? Each one of us is different, and I do not think that cookbook medicine full of norms and standards will give the American people the quality health care they deserve.

I am grateful for the cosponsorship of the distinguished gentleman from Minnesota (Mr. HAGEDORN) in this important legislation, and I invite the rest of my colleagues to join us. I will shortly be circulating a "Dear Colleague" letter to that effect.

In the meantime, Mr. Speaker, I include at this point in the RECORD the text of the remarks I made earlier this week before the Louisiana Medical Association Political Action Committee relating to this and other aspects of the changing role of Federal health care:

THE CHANGING ROLE OF FEDERAL HEALTH CARE

Good afternoon, Ladies and Gentlemen. I consider it a great privilege to be here and I would like to thank the Louisiana Medical Association Political Action Committee for extending their gracious invitation to me.

I understand that as of January, 1974, there were over 360,000 medical doctors in this country. This means that there is presently one doctor for every 769 persons in the United States, and that ratio compares favorably with any free country in the world. Our proportion of hospital beds per population is praiseworthy and in the past five years, American medical scientists have dominated the tremendous breakthroughs in medical science, winning most of the Nobel prize awards.

I am sure there is no doubt in anyone's mind as to the tremendous steps forward American medical expertise has taken in improving the nation's health. This afternoon I would like to discuss with you the issues of health being considered in Congress this year, how proposed legislation in such areas as National Health Insurance and Professional Standard Review Organizations may affect your profession in the medical fields.

Health care is big business—and a growing concern—throughout these United States. Increasing numbers of people are receiving more and better health care. In fiscal year 1974, $485 was paid out for health services from private and public sources for every man, woman and child in this nation—a total of over $104 billion. Public spending increased twice as fast as private, due mainly to substantial increases in expenditures under the Medicare and Medicaid programs. Finally, hospital care continued to be the largest expenditure category, accounting for 39 percent of total health spending outlays.

Our country's commitment to better health for our population, and indeed for the world, is second to none. In FY73, the latest year for which figures are available, over $30 billion were spent for medical research and development, including disease prevention and cures, new technology and applications, training, and construction of new facilities. Of this total, fully one-third was spent by the private sector—$12 billion worth of proof that private institutions, scientists and medical professionals are working for the betterment of our society.

However, with the superior medical technology this country can offer coupled with the tremendous cost of health care, it is no wonder that, more and more, our fellow Americans are viewing quality health care as a necessity that should be available to all.

As a medical professional tries to remedy the illness he finds and to prescribe correct courses of action, so has the Federal government been attempting to find answers to the concerns of our people. But as a physician cannot force a patient to take a prescription and cannot perform surgery without consent, I feel our Federal steps in health care should be presented as a better option to our people, not as a force-fed all-encompassing plan that stifles free choice. And yet I feel steps should be taken to insure that health care is offered in the most effective and economical way.

Bearing this in mind, I would like to talk about recent legislation and various proposals that may affect you as health professionals.

1972's Social Security bill included highly significant legislation relating to health care, the establishment of Professional Standards Review Organizations (PSRO's) throughout the country to undertake a comprehensive and ongoing review of service under the Medicare and Medicaid programs. Since its passage, this law, though still in various stages of implementation, has sparked continuing, and almost unparalleled, controversy within the medical profession, and has forced all of us concerned with adequate medical care to reexamine the appropriate role of the Federal government.

As you all know, our Medicare and Medicaid programs have had a terrific impact on the care of the aged and the poor, and this impact has reverberated throughout the entire health care delivery system. The most significant change has been a monetary shift, with the Federal government contributing a greater percentage of the funds. As government programs have grown in scope and cost, Washington has been trying to find a way to control federal outlays and to curtail what some laymen have seen as the high incidence of medically inappropriate services rendered to Medicare and Medicaid patients.

What we are left with at this point are the Professional Standards Review Organizations, which have the responsibility for determining for purposes of reimbursement under these programs whether services are medically necessary and provided in accordance with professional standards. Additionally, PSRO's will have the authority to review concurrently the medical necessity of hospital admissions.

Although I am always looking for ways to reduce federal spending, I have serious reservations about PSRO's. I believe they will mean more control of medical practice and procedures by the Federal government, intruding upon the time-honored relationship between doctor and patient. By establishing "norms" or "cookbooks" for treatment, we are encouraging care based on averages, not on what the patient really may need. We should also be concerned that the right to privacy of these Americans be protected. Under terms of this legislation, the medical records—including psychiatric records—of all patients receiving medicare and medicaid shall be used to develop these "norms". How can patients be expected to continue trusting physicians with their innermost secrets if they know their files are subject to government review? PSRO mechanisms can well discourage innovation on the part of doctors, and some physicians may not even want to treat medicare and medicaid patients. Even the patients themselves feel the pressure of PSRO's as my mail shows ever increasing concern that the government will prevent their doctor from hospitalizing them.

For all these reasons I have cosponsored H.R. 5404 which would repeal the Professional Standards Review Organization requirements. I would like very much your opinions on PSRO's because they affect every one of you so directly.

Utilization Review is also receiving a great deal of attention lately. The Utilization Review requirements passed in P.L. 92-603 provided for a timely review of the medical necessity of institutional services rendered to programs beneficiaries, as well as a strengthening and closer coordination of UR requirements under both Medicaid and Medicare programs. In addition, a penalty was imposed under Medicaid for states which failed to have in operation an effective program of controls over utilization. The recently issued UR regulations are intended to support the PSRO program and be consistent with approaches employed for PSRO review. Accordingly, these regulations provide for concurrent review of hospital admissions, reviews of extended stays, and medical care evaluation studies compatible with that to be used in the PSRO program.

However, I have come to the conclusion that these utilization review procedures will have a counter-productive effect on the quality and even consumer cost of medical services. I don't think a physician can give his patient high quality care if he has someone looking over his shoulder every minute, second-guessing every decision. So much of your ability to ensure the expeditious recovery of a patient is grounded in the sum total of your life's work, rather than a specific symptom. Hunches, feelings, talking with a patient, just looking him in the eyes, may not be quantifiable and may not be able to be justifiable to a UR panel, but taken from the depths of your years of experience they can play a valid part in your medical decision-making.

Take extended stay review, for just one example. If, God forbid, I am in the hospital to have my appendix out, and you take a look at me at the end of some UR-mandated recovery period and say there is something bothering you about the way I look, I don't want to be kicked out of that hospital bed and onto the street just because some chart says this should take four days instead of five.

Not only will you be less able to follow your best judgment in providing care to your patients, but you are going to get bogged down in paperwork and personal appearances, thus reducing the time you have for your patients. Also, someone is going to have to pay for the whole utilization review system. The costs of setting up and running UR panels and the cost of the Federal bureaucracy needed to oversee their work will be many times the small savings which society may enjoy through this program. These costs will eventually have to be reflected in higher costs for health care, higher insurance premiums and higher taxes.

Medical professionals have set high moral standards for themselves, and by example for the rest of us, for thousands of years. To impugn the motives and the integrity of the entire medical community and to ask society to bear the terrible costs of a new bureaucratic structure just to ferret out a few cases of unnecessary services is insulting and ridiculous. Oh yes, I am sure that not every doctor got an A in appendectomies, and I am sure that there are a few rotten apples making a mint out of Medicare and Medicaid through fraud rather than hard work and long hours. I am just as sure that you hold similar opinions about some of my colleagues in the Congress, not to mention the Executive Branch. You know, maybe what we need is utilization review for the Federal government.

Seriously, I think UR is an unfair burden on you, on your patients and on the taxpayers of this country. That is why I am pleased to announce to you today that before leaving Washington last week, I authored and introduced H.R. 6464, a bill which would repeal completely the legislative authority in the Social Security Act for utilization review procedures. My bill would not stop investigation of specific private complaints on a case-by-case basis, nor would it stop investigation and prosecution for possible fraud discovered by HEW auditors when they see unusual patterns in the way specific providers utilize services under government health programs. As a taxpayer and a legislator, I want to be sure Federal funds are not wasted. What my bill will do is permit all you good doctors to exercise your best judgment without the bureaucracy breathing down your back.

To the best of my knowledge, H.R. 6464 is the only bill which has been introduced to get rid of UR completely. Tomorrow, therefore, I will circulate a letter among fellow-Congressmen, asking their co-sponsorship of this vital piece of legislation. If you agree with what I am trying to do, you may wish to let your colleagues in other states know about the bill in the hopes that their own Representatives will join me in this effort.

In the meantime, the effective date of the UR regulations, originally specified as February 1, 1975, has been delayed until July 1, 1975. Despite this all too short grace period, these regulations are in final form and there is no further opportunity for comment. The AMA, the AHA and the National Council of Health Care services were all pushing for a delay, and I am glad it came through.

Also, HEW has recognized the special problems of small rural hospitals by permitting the State of Oklahoma to develop an alternative plan of utilization review. I think this should be applied nation-wide. While my bills to repeal PSRO's and UR generally are pending—and I would be less than frank if I overestimated their chances in the liberal Congress we've got in Washington—I have co-sponsored H.R. 5349. This bill would delay both programs for small rural hospitals for a period of 18 months, during which time HEW would be directed to develop more realistic regulations for this type of facility. This is only a first step, but an important one for Louisiana.

One way to help reduce the cost of public health care would be to broaden the coverage for home health services under Medicare and Medicaid, and I have co-sponsored H.R. 6272, which would do just that. I think it is a shame that many indigent and elderly people are admitted to hospitals out of compassion because they cannot afford to pay for procedures which could be performed at home. The thousands or millions of dollars this would save the public would have to be reduced by the increased demand for home health care under these programs, of course. However, even if it is a wash-out, even if the taxpayer does not save one penny, this would at least free scarce hospital beds for those who truly need them and return the others to the bosom of their families, where their recovery will be all the more speedy and the psychological benefits untold.

Another problem of vital concern to both providers and consumers of health service is malpractice liability and insurance, and with good reasons. I am particularly familiar with this problem having been a trial lawyer for 8 years—often defending doctors and hospitals. The availability and cost of medical malpractice insurance has reached alarming proportions in many states because of dramatically increased claims and sky-rocketing ward levels. The factors contributing to this situation include the increased technology and complexity of medicine, rising patient expectations, strained patient-provider relationships and high punitive jury awards entirely unrelated to actual damages suffered.

Here in Louisiana, our rates by insurance carriers have increased considerably. St. Paul Fire and Marine Insurance Co. has increased rates in 1975 by 75% to 100%. One year ago there was a 27% increase. Currently, St. Paul's class I rate is $460 compared to $260 last year. Hartford Fire raised its rates 40%. The current Hartford class I rate is $227. Before 1974, the biggest malpractice award in the State was $60,000. The average class V rate in Louisiana is about $3,000. Just recently, a $140,000 award was awarded in New Orleans. The State society sponsors a group policy with Hartford, and recently extended the contract to 1980, in return for the 40% rate increase. St. Paul is writing no new policies. New York Professional dropped out of the State in early 1974. Dr. Ashton Thomas, Secretary-Treasurer of the Louisiana State Medical Society, however, has said that physicians are still able to obtain coverage here if they are willing to pay the high premiums. Fortunately, despite these rate increases, you are still better off than many parts of the country where Class V coverage can range above $14,000 per year.

The hospitals have had some setbacks, however. Argonaut is ceasing its contract with the Louisiana Hospital Association, because of heavy losses. I am told there is a $14 million medical malpractice case pending—that would certainly scare some away.

To try and solve the malpractice coverage problem, the Louisiana Department of Insurance is meeting with agents, the hospital association and malpractice insurers to formulate a bill for April, 1975 State legislative session.

I feel this is the most expeditious way to approach the problem. Insurance has historically been under state, not Federal regulation. Not only *can* the states solve the problem, they *must* solve the problem—or run the risk of no medical care at all for their populations. At last count, 33 states are already active in this area and have either passed or are considering legislation to remedy the situation. Most of these bills involve some sort of risk-sharing by carriers who write general liability policies in the state. The American Insurance Association, representing most of the major medical malpractice insurance carriers, has proposed a model joint underwriting association plan for adoption by the several states. This would be a temporary set-up—if any legislation can ever be considered temporary—while the states consider long-term ways to improve the liability system as a whole.

This, I think, goes to the heart of the problem. Jury awards have gotten completely out of hand, victims of true malpractice are not getting their money soon enough, and the entire system encourages specious suits. Consumers of health care suffer, because they are the ones who eventually pay the cost of your high premiums and of marginally justifiable services ordered in a very understandable attempt to practice defensive medicine.

Several possible long-term solutions have been proposed. I'm not sure I like all of them, but they deserve full study by the individual states. Among these are limitations on the amount of recovery, changes in the contingent legal fee system, no-fault, and voluntary or mandatory arbitration, and advance payments to claimants without admission of liability.

What I am getting at is don't fall into the trap of asking the Federal government to get involved. And I warn you, it is a trap and all too tempting. Already, bills have been introduced to establish a system of Federal re-insurance and non-binding arbitration. Another bill would get into Federal no-fault insurance. There will be more to come, each one looking like the salvation you and your colleagues want. But beware. They come with Federal controls, Federal quality standards and Federal licensing. PSRO's are an integral part of most of these bills.

I think that the Federal government's role in malpractice liability problems should be limited to building a better information base from all over the country and assisting states, insurance companies and health professionals in studying and finding solutions to these problems. I urge you to work closely with the health institutions, the insurance carriers and your state officials and legislators to find remedies particularly applicable to Louisiana before the situation reaches the danger point, not after. I will be happy to assist in any way possible.

The last problem I would like to discuss is probably the most important—National Health insurance. If enacted, it will have a significant effect on the role of the Federal government in the health care of our nation, and probably the most significant impact to date.

Various proposals received wide consideration last Congress, and six bills have already been introduced this session. The diversity of the proposals which have been introduced reflect the vastly different approaches advocated by various individuals and groups. I believe we have a long way to go before reaching any consensus, but a workable system would have to answer these basic questions:

What is the appropriate role of the various sectors of the health system, the Federal government, the private providers, and the insurance industry?

What coverage should be provided and what distinctions should be made on the basis of income level or premium contributions?

What is the appropriate financing mechanism for this coverage?

What will be the nature of the benefit structure, amount, duration and scope of covered services?

How will we maximize an efficient and effective use of costly resources?

What role will existing Federal programs such as Medicare and Medicaid play in the new system?

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What should be encouraged or required by Federal mandate to insure that the care paid for under the program adequately meets our patients' needs?

The bills thus far introduced all answer these questions differently, and though time does not permit me to cover all of them, I would like to give you some example of the diversity involved here.

The National Health Care Service Reorganization and Financing Act of 1975, H.R. 1, was introduced by Representative Ullman, the new Chairman of Ways and Means Committee. It has been endorsed by the American Hospital Association. This bill would establish a comprehensive program of health care benefits for all U.S. residents, phased in over a 5-year period, and would provide for the creation of Health Care Corporations (HCCs) to cover every geographic area of the country. HCCs would be community-based nonprofit organizations capable of providing comprehensive health services, and all Federal health programs would be consolidated within a new Department of Health. Medicare parts A and B of this program would be merged and catastrophic coverage added. Employers would be required to provide their employees with at least this new medicare level of benefits, and Federal general revenues would finance these benefits to low-income groups. After the first four years of the program, benefits would become even more comprehensive for both the Federal program for the aged and the poor as well as the privately financed employer-employee health plans.

The Health Care Insurance Act, H.R. 93, has been introduced by Congressman Bennett. This was last year's "Medicredit" bill from the AMA. It would amend the Social Security Act to provide for a system of tax credits against an individuals' or family's Federal income taxes, to offset, in whole or in part, the premium cost of qualified health insurance policies. The medicredit proposal would graduate the amount of tax credit for a family on the basis of the family's income tax liability, with the larger credits available to low-income families. Families with no tax liability would receive a payment voucher for the purchase of insurance, while persons age 65 and over would continue to be covered under the Medicare program.

I understand that a new Medicredit bill will be introduced later this session.

A third approach, a bit closer to my own thoughts, is presented by Congressman Roe's bill, the National Catastrophic Illness Protection Act of 1975. H.R. 1373 is designed to encourage the development by the private insurance industry of policies which provide individuals with extended coverage against the costs of catastrophic illness. Individuals would purchase on a voluntary basis private insurance policies that would pay for medical expenses after such expenses exceeded a specified amount, depending on family income and size. Each State would design its own health insurance plan in accordance with HEW regulations. HEW would determine the actuarial value of the catastrophic insurance policy in each State and establish premium rates which might be lower than the actuarial value, if such lower rates resulted in more widespread coverage. The Federal government would also reimburse against losses in instances where private insurance carriers paid out more in benefits than they received in premiums. All persons would be entitled to enroll on a voluntary basis, and Medicaid and other assistance programs would no longer pay for services covered by the catastrophic insurance plans.

I am considering the possibility of developing and introducing my own catastrophic insurance bill. I have four reasons for this:

1. About 80% of our population is already covered by basic health insurance.

2. None of the legislation proposed so far has been entirely to my liking.

3. Even though private catastrophic coverage is available to a limited extent, most persons do not have access to it.

4. Catastrophic illness is the one health expense most feared by the public, and protection against this risk will greatly reduce pressures for a more comprehensive socialistic type of national health insurance.

If I am going to do this, I am going to need your help. I welcome your suggestions and am particularly interested in your views on specific policy decisions I will have to make:

1. The deductible—it obviously should take into consideration family size, but then what? Should it be a fixed dollar amount, a fixed percentage of income, a sliding scale, or in some way related to generally available basic insurance coverage?

2. Should there be co-insurance above this deductible, and if so, how much? Should there be an overall limit on the deductible plus co-insurance?

3. Should the program be voluntary or mandatory, both with respect to individuals and employers?

4. Should employers be required to pay all or part of the premiums and if, so, how much?

5. What do we do about small businesses, the self-employed and the unemployed?

6. What government agency should oversee the program and pay the premiums for those who cannot afford coverage?

7. What should be the role of the states and who should set the premiums?

8. Should a profit be allowed to the carriers?

These are just a few of the decisions I have to come to grips with and it should give you some idea just how complex the issue really is. Although President Ford has said he would veto any health insurance legislation this year, the Congress is going right ahead with action in this area, and hearings will be held soon by the Ways and Means Committee. I am sure we will see more bills introduced, perhaps mine included, and more attention focused on health insurance this session.

In view of the economy, I think it is fundamental to consider every possible alternative to ensure the continuing health of our people. I truly believe that the next few years will prove to be an extraordinarily dynamic era in the formulation of Federal health alternatives. But these programs must be studied with the greatest care *before* they are implemented, not afterwards. I fully appreciate the magnitude and diversity of the choices we now have, but I believe this is for the best. Hopefully, the Congress and the people will choose the best way to see that the health needs of Americans are met in a carefully devised and compassionately envisioned program which permits the continued private practice of medicine as we have known it throughout the centuries.

CONGRESSMAN HEINZ INTRODUCES LEGISLATION TO BENEFIT STATE WILDLIFE CONSERVATION EFFORTS

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. HEINZ. Mr. Speaker, today I am introducing legislation to correct an oversight in our postal regulations that discriminates against State conservation publications.

My bill would permit about 45 State conservation magazines, published throughout the Nation, to enjoy the same special second-class rates already granted to nonprofit organizations and some Government agencies.

These are information magazines, with a total circulation of more than 2 million and, in almost every case, they contain no advertising and depend entirely on subscription fees or fees paid to a State conservation agency by users of the outdoors.

This measure would save these magazines a total of about $252,000 in annual mailing costs. In view of the Nation's multibillion dollar budget for environmental matters, I do not think this is too much to spend to change a discriminatory law and to support State conservation efforts.

If one of the primary purposes of the postal system is to encourage citizen education by disseminating general knowledge, as I believe it is, these magazines, and other State publications like them, should enjoy the same mailing privileges as other nonprofit magazines that travel through the mails under reduced rates. The savings that would accrue to State conservation agencies could be passed on to other conservation efforts.

Mr. Speaker, this legislation is important to our States and to our citizens. I urge my colleagues to join me in supporting this proposal.

MENACE TO SOCIETY

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. CLAY. Mr. Speaker, it is a sad occasion when a Member of the U.S. House of Representatives must rise to inform this noble body that a special prosecutor of the crime strike force has prostituted his oath of office, brought shame to the Department of Justice, and cast serious doubt on the impartiality of our system of criminal justice. But that is precisely what Liam S. Coonan, a special prosecutor in the St. Louis Crime Strike Force did when he attempted to frame me on a trumped up narcotics charge. I use the harsh word, "Frame," Mr. Speaker, because there is no other word in the English language which is more descriptive of the vile, unconscionable act of this despicable employee of the so-called Department of Justice.

Mr. Speaker, I have been told by reliable sources that Liam S. Coonan, or Federal agents acting in his behalf, have approached at least seven convicted felons and offered reduction of their sentences if they would supply false information connecting me to narcotics. Such an individual is a menace to our society. Certainly he is too unscrupulous to be in the sensitive position he now occupies.

Mr. Speaker, I am offering the following article from the May 11 edition of the St. Louis Post Dispatch, as one example of Mr. Coonan's callous contempt for the constitutional rights of American citizens:

BELIEVES U.S. WRONGED CLAY BY LINKING HIM TO DRUG CASE

(By Lawrence E. Taylor)

WASHINGTON, May 10.—The Department of Justice may have violated the constitutional rights of Representative William L. Clay last December when it publicly connected the St. Louis Democrat to a discussion of narcotics dealings, says The former chief counsel of the Senate Watergate Committee.

The counsel, Samuel Dash, is a professor of law at Georgetown University law school. He said in an interview this week that inclusion of Clay's name in a narcotics trial brief filed last year probably was "improper and an abuse of prosecutorial discretion."

Mentioning Clay in the brief by name amounted to accusing him of a crime without giving him recourse to due legal process, Dash said.

"It is a poor prosecutor who names an individual when the prosecutor does not have evidence of culpability," Dash said.

The brief was submitted by Liam Coonan, head of the federal Organized Crime Strike Force in St. Louis, in the drug trial of John Conley, Jr., a former state representative and political associate of Clay.

The brief said a paid Government informer, Robert (Red) Stewart, could testify that in the fall of 1972, "Conley was in the presence of Melvin Saunders, whom Stewart knew to be a heroin dealer, and a William Clay."

At that meeting, the sales of drugs was discussed in Clay's presence, the brief said.

Coonan, in speaking to the judge out of hearing of the jury, discussed the brief and said it referred to "William Clay . . . the Congressman, and there was a discussion concerning narcotics."

Trial lawyers have said that if Clay's presence at the meeting could be proven, he could be guilty of concealing a crime or of being an accessory to one.

Clay has not been charged with a crime, nor was he called as a witness at the trial of Conley, who was found guilty. Conley is appealing.

The brief said also that on July 20, 1973, Conley had talked with Stewart and another undercover federal agent and had said he "would introduce them to William Clay." Asked by one of the agents if Clay would be able to do him some good, Conley replied, "Yeah, he'll be able to help you out," the brief said.

After the brief was filed and made public, Justice Department officials said the William Clay mentioned was, in fact, the Representative.

Yet during Conley's trial, Coonan said in a conference with the judge, away from the jury, that it "might just be unnecessary" to bring Clay's name into the proceedings. Why Clay's name was included in the brief has never been explained by the Justice Department.

Dash said it was improper to implicate a person in a crime "without intending to prosecute that individual."

The public identification of Clay could be "an effort to expose him without having to prove it and without giving him a chance to confront his accusers," he said.

When the brief was filed, the federal Drug Enforcement Administration was winding up a narcotics investigation of Clay, apparently based on the statements of the agents cited in the brief.

In a letter in January to supervisors in Washington, the St. Louis office of the Drug Enforcement Agency said it could not prove the allegations against Clay. The investigation was, therefore, being closed, the agency said.

But about the same time, the St. Louis Strike Force began its own narcotics investigation of Clay. By that time, Clay's inclusion in the trial brief had been widely publicized.

Why the strike force reopened the case has never been disclosed.

Other lawyers consulted by the Post-Dispatch said it was highly unusual for the Justice Department to suggest publicly that a person was involved in a crime when the person has not been indicted or even called as a witness in a criminal proceeding.

A Justice Department spokesman said the department would not implicate anyone in a crime "except in the context of an indictment or an information," an accusatory document filed in court.

Clay has never been named publicly in any such proceedings.

The spokesman refused to discuss Clay's case or the brief.

Coonan also refused to comment about the matter, saying it would not be appropriate for him to do so.

NOBLE HUMANITARIAN ROLE IN VIETNAM

HON. CHALMERS P. WYLIE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. WYLIE. Mr. Speaker, feeling as I do, that we as a people and as a nation, have a basic fundamental moral obligation to offer humanitarian aid to the refugees from Vietnam, I was pleased to read the following letter to the editor: This letter, written by Dr. M. S. N. Murphy, appeared recently in the Columbus Dispatch, in the letters to the Editor column. With the House scheduled to consider the Indochina Migration and Refugee Assistance Act on Wednesday of this week, I thought the letter timely. Dr. Murphy has written profoundly, effectively and expresses what I believe to be the sentiments of most American when the issue is thought through in statesmanlike manner.

U.S. ROLE IN VIETNAM VIEWED AS NOBLE, HUMANITARIAN EFFORT

To the Editor:

On April 29, with the announcement of unconditional surrender by Duong Van "Big" Minh, the newly installed president of South Vietnam, the Indochina war which had dragged on for over a generation came to an end. So, also, was the U.S. involvement in Indochina which had lasted for more than 30 years.

The same evening a major television network broadcast a 2½-hour special report on Indochina.

The Indochina War was traced from its beginning through the ignominious defeat and surrender of the French colonialists at Dien Bien Phu, through the replacement of the French by the U.S., which had until then supported the French by defraying 80 percent of the cost of war, through the progressive escalation of war under presidents Dwight Eisenhower, John Kennedy and Lyndon Johnson, through the "Vietnamization" and deescalation under Richard Nixon, which brought about the Paris Peace accord and return of P.O.W.s. to the disheartening end.

The last few weeks saw the utter moral degradation and crisis of the spirit of the ARVIN, the South Vietnamese Army which abandoned large chunks of South Vietnam territory and billions of dollars of war equipment to the enemy; saw the resignation of a bitter President Thieu, and after further political maneuvers, the installation of "Big" Ninh, as the new president, who, it was hoped, would be acceptable to the Viet Cong and North Vietnam and hence be able to negotiate an "honorable" peace with the enemy.

Unfortunately, the Viet Cong did not want peace and reconciliation but a total unconditional surrender, which was the only thing the South Vietnamese could do under the existing circumstances.

One is benumbed at the atrocities of war—at Hue after the Tet offensive and of My Lai—and, one could hardly suppress a fear at the sight of the maimed bodies of the soldiers and the orphans.

The editors of the newspapers, the broadcasters and the historians will dissect, analyze and pontificate on the mistakes the U.S. committed especially in view of the cost of war—over 55,000 American dead, more than twice the number wounded and a few still missing in action; 150 billion dollars that were spent, the deep divisions and polarizations within the country and the loss of prestige abroad.

However, what impressed me most was the determination of the U.S. to fight with all its resources, to assure freedom to the people in a remote part of the world, a freedom which we so dearly cherish.

I do hope with all my heart that the rest of the world will remember the nobility of purpose, the generosity and the humanity the U.S. has shown, and not its failure in an unconventional war where friend could not be distinguished from foe, where an Asian nation weary with war did not want to fight its enemies and where the corrupt politicians and bureaucrats often fraternized with the enemy.

Even in the waning hours of the war, the U.S. helped to evacuate the orphans and the Vietnamese who stood with them during the difficult days of war.

As one watched the evacuation program, one could not but admire the planning, coordination and concern shown by the personnel at the three Army bases in California, Arkansas and Florida, in housing, feeding and clothing the mass of refugees that arrived by plane-loads within a short period of time.

I believe no other country in the world would have acted so magnanimously under such difficult conditions.

It is the character of the people of this nation to respond to tyranny, oppression and distress anywhere in the world, with their open hearts and open purses.

For this reason, the U.S. has been and will always be a beacon of hope to those who are weary, hopeless and helpless.

Therefore, let us not shed a tear of sorrow for what we have lost, but sing a song, for this nation has demonstrated to the whole world that the U.S., the richest and the most powerful nation in the world, is also the noblest and the most humanitarian nation in the world!

Peace on earth and goodwill to all men!

M. S. N. MURPHY, M.D.

COLUMBUS.

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SENATE—*Tuesday, May 13, 1975*

(Legislative day of Monday, April 21, 1975)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by the President pro tempore (Mr. EASTLAND).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God and Father of us all, grant us now a sense of Thy nearness and Thy power. Impart to each of Thy servants in this place a measure of that higher wisdom which is Thy gift to those who trust in Thee. In this forum of democracy, amid the din of debate and the clash of differing opinions, keep us united in prayer and in that higher purpose which ever seeks to know and to do Thy will. Lift our vision above the troubled world that is, to that better world which is yet to be, when all men and all nations shall be gathered in Thy perfect kingdom.

Through Him who is Lord and Master. Amen.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Monday, May 12, 1975, be approved.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER THAT NO ROLLCALL VOTES OCCUR TOMORROW BEFORE 12:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be no rollcall votes tomorrow before 12:30 p.m., in order that committees may meet without interruption.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The PRESIDENT pro tempore. The Senator from Michigan is recognized.

Mr. GRIFFIN. Mr. President, I yield the time allotted to the minority leader to the distinguished Senator from Nebraska.

The PRESIDENT pro tempore. The Senator from Nebraska is recognized.

Mr. CURTIS. I thank the distinguished Senator from Michigan.

NATIONAL WELFARE REFORM ACT OF 1975—S. 1719

Mr. CURTIS. Mr. President, today I am being joined by 18 distinguished Members of the Senate in the introduction of a major welfare reform measure which is designed to correct many of the defects in the aid-to-families-with-dependent-children program, S. 1719.

This program, the Nation's largest cash assistance program, has grown alarmingly in recent years: It took 15 years, from 1940 to 1955, for the AFDC rolls to double. They doubled again from 1955 to 1965, and by 1970 the rolls had doubled once more. Now, in the cities of this Nation, we find that the ratio of children on welfare is one in five in Chicago and Detroit, one is four in New York and Newark, and one in three in St. Louis, Baltimore, Boston, and Washington.

Certainly, many of these are truly needy families, caught in a spiral of economic difficulty and dependency through no fault of their own.

Careful and detailed analysis of the AFDC program, however, reveals there are many defects in the Social Security Act itself which cause high-income people to be eligible for welfare, which have created loopholes enabling certain individuals to manipulate the system, and which permit opportunities for fraud and laxity at a time when the resources of this country for public assistance are so critically strained.

It is incumbent upon us to assess carefully the effect of every income exemption, every work-related expense deduction, and every eligibility criterion to make sure the Nation's resources are in fact going to the legitimately needy. The bill we are introducing today, entitled the National Welfare Reform Act, will:

Stop the practice of persons with high incomes remaining on the welfare rolls, by instituting a gross income limit and improving the method by which we compute earnings exemptions and work-related expense deductions;

Eliminate from eligibility persons who should not benefit from tax-supported assistance at all and curtail opportunities for fraud, by identifying and closing loopholes and tightening eligibility and identification requirements;

Carefully identify outside resources that are available to recipients and require their utilization in a cost/beneficial manner, so tax dollars do not replace resources that recipients in fact have available to them;

Affirm the concept of family responsibility and strengthen child support requirements; a parent who defaults on his family support responsibilities is at the heart of much of the welfare problem;

Strengthen work requirements and provide the States with needed latitude in designing effective programs to assist welfare recipients to return to self-sufficiency; and

Permit a more rational allocation of resources to persons who are legitimately in need.

The last point, Mr. President, is a critical one. It has been estimated that the provisions of this bill can save in excess of $1.5 billion, without harming recipients who are in legitimate need. Experience in a number of States with welfare reform has shown that through this careful, analytical approach, tax resources can be freed in massive amounts which can be redirected to areas of greatest need. This could be, at the discretion of the States, in any one of a number of areas: Direct increases in the grants to the truly needy, additional revenue to meet caseload growth resultant from unemployment, additional child care, or whatever social assistance programs the States have found to be most productive in alleviating dependency.

Mr. President, this Nation has called time and again for meaningful welfare reform. This bill represents a major effort to do what has long been needed at the Federal level: An identification of those many corrective steps that can be taken in the AFDC program without having an adverse effect on the legitimately needy, and that will, in fact, have a beneficial effect by making more resources available to meet their needs. This, in my judgment, is real welfare reform, and the bipartisan support for this measure reflects our conviction that this is the direction this Nation should follow in bringing our burgeoning welfare programs under control and in meeting the needs, at the same time, of those persons who, through no fault of their own, must rely on public assistance.

This proposal is the result of study and conferences on the part of a number of Senators. In this we have drawn heavily upon the experience of the State of California. I am happy to report that the following Senators have joined as cosponsors of this legislation: Mr. THURMOND, Mr. HARRY F. BYRD, JR., Mr. HELMS, Mr. HANSEN, Mr. TALMADGE, Mr. MCCLURE, Mr. HRUSKA, Mr. BUCKLEY, Mr. LAXALT, Mr. LONG, Mr. DOLE, Mr. FANNIN, Mr. GOLDWATER, Mr. WILLIAM L. SCOTT, Mr. BARTLETT, Mr. ROTH, Mr. TOWER, and Mr. BROCK.

Mr. President, all our welfare programs merit attention at this time. We should keep in mind that when we amend the law to prevent abuses and remove from the rolls individuals who should be removed, we can then increase the benefits for those in our midst who are truly needy as well as serve the best interests of the taxpayers.

Mr. THURMOND. Mr. President, since its beginning in 1936, the Nation's Aid to Families With Dependent Children has grown at a spiraling rate. Case loads have increased over 20 times. The ratio of children covered has grown from 1 in 50 to 1 in 8. The Aid to Families with Dependent Children portion of the Federal budget has risen 6,800 percent.

At every level of government, increasing fiscal distress has been experienced as this, and a number of other public assistance programs, has grown in a way that is an invitation to inherited dependency and involvement in a growing bureaucratic maze. Many States have embarked upon welfare reform efforts, some dramatically successful. But the experience of State, county, and city officials in the country has been that they

can only do so much. There remains a substantive body of Federal social security law and HEW regulations which perpetuate the irrational allocation of public assistance funds and serves as a barrier to continued reform.

I am proud to be a cosponsor of the National Welfare Reform Act of 1975. Its proposals represent one of the most thorough and comprehensive revisions of the AFDC program yet suggested at the Federal level. These proposals have been derived from a careful evaluation of every loophole, every abuse, every resource that is present in the Nation's largest cash assistance program.

It is important to recognize that these recommendations are designed to curb areas of laxity, or irrationality. They will not have an adverse effect upon recipients who are legitimately in need. In fact, experience has shown that genuine welfare reform frees tax resources in massive amounts—resources which can be directed to areas of greatest need. This can be, at the discretion of the States, any one of a number of areas: direct increases in grants to the truly needy, additional revenue to meet any case load growth resulting from unemployment, additional child care, or whatever social assistance programs the States have found to be most beneficial in alleviating dependency and meeting the needs of persons who, through no fault of their own, must rely upon public assistance.

If enacted, the National Welfare Reform Act of 1975 will discontinue welfare payments to persons with high income. It will eliminate from eligibility persons who should not benefit from tax-supported assistance at all, and it will curtail opportunities for fraud. It will carefully identify outside resources that are available to potential recipients and require the utilization of these resources for the benefit of the family. In recognition of the fact that the parent who defaults on his family support responsibilities is at the heart of much of the welfare problem, it will affirm the concept of family responsibility and strengthen child support requirements. It will strengthen work requirements and provide the States with needed latitude in designing effective programs to assist welfare recipients in their return to independence. It will permit a more rational allocation of resources to persons who are genuinely in need. It will achieve administrative simplification and streamlining.

The National Welfare Reform Act of 1975 demonstrates welfare reform in its most essential sense: identifying areas where resources are being misused, closing loopholes, preventing fraudulent abuse, and applying a fiscal and management-oriented perspective that the American taxpayer has a right to demand from the operation of a program that now spends $7 billion of his money every year.

I urge speedy consideration and adoption of this most important legislation.

Mr. ROTH. Mr. President, I am pleased to join in cosponsoring the National Welfare Reform Act of 1975. This bill was introduced earlier in the House by a bipartisan group of 62 cosponsors, and represents, in my view, the first serious attempt we have had in a long time to make basic improvements in the aid to families with dependent children program.

This program was created back in 1935 for the purpose of providing cash assistance for children who had no other means of support. The idea behind it has always been to help those who were incapable of helping themselves.

In fact, the program has provided a great deal of assistance to those who are indeed needy. But it has also evolved into a program which provides assistance where assistance is not always needed.

The fact that there are abuses in the present system is generally acknowledged. The fact that worthy social goals such as family stability and encouragement of the work ethic are not always served by the present system is also generally acknowledged.

The solution offered by many to this is simply to abolish the existing program and create a new and bigger one. I believe the approach of this bill offers a more valid solution. This bill attempts to eliminate the abuses and inadequacies of the present system and to make it workable.

I believe that a reform effort of this kind is long overdue. The Congress has put an enormous amount of time and energy into examining the negative income tax approach to welfare reform. Very little time and even less effort have gone into considering viable alternatives.

It is my hope that this bill will provide the impetus needed to promote serious consideration of other approaches. The fact that it has been introduced by a number of members of the Ways and Means Committee and by the ranking Republican on the Finance Committee signifies, I hope, that it is a bill which should be taken seriously.

I would like to think that the introduction of this bill with its emphasis on improvements in and reform of the present system will prompt an examination of the AFDC program at all levels of government. There has been a certain amount of feeling that there is no point in trying to make the system more workable because the Social Security Administration or the Internal Revenue Service will soon be administering a new guaranteed income program anyway. The result has been a failure on the part of both administrators and legislators to make an effort whatsoever to effect needed improvements. There have been notable exceptions to this, such as in California and New York, but for the most part we have all—at the State and at the Federal levels—been content to put the problem aside.

We have, at the present time, a record number of families on AFDC. Nearly 3.4 million families received aid in January of this year and the number is climbing. Most of these families are poor and in need of assistance. But there are also those who are not. It is estimated that one out of three AFDC families in 1972 had total income that exceeded the poverty level. HEW studies show that nationwide 9 percent of AFDC recipients who are receiving assistance are not entitled to it.

The intent of the National Welfare Reform Act is to amend present law so that these kinds of situations cannot happen.

One of the major purposes of the bill is to eliminate the practice of allowing persons with high incomes to remain on welfare. Under present law this is often perfectly legal. Because of the way certain provisions in present law operate, persons with incomes in excess of $10,000 a year in some States can still be receiving welfare, along with automatic eligibility for food stamps and medicaid. Income cutoffs for working AFDC families are above that amount in Alaska, Connecticut, Michigan, New York, and Vermont. And in other States, if high work expenses are involved, this same situation can and does prevail.

Provisions in the bill which are aimed at limiting eligibilty for families with high incomes include: limiting gross income eligibility to 150 percent of the needs standard; deducting work-related expenses before the earnings exemptions are applied requiring eligibility to be redetermined without benefit of earnings exemptions for any individual who has earned income in four or more consecutive months and for any applicant or reapplicant; and providing for a standard work-related expense option.

Provisions aimed at eliminating from eligibility persons who should not be receiving assistance include requirement of use of standardized photoidentification cards and defining "child" as one below the age of 18.

In addition, the bill provides for 75 percent Federal matching for local law enforcement fraud control costs.

There are also provisions aimed at assuring that when recipients are the beneficiaries of large lump-sum payments, these payments will be used to help meet the recipients' needs.

There are provisions to encourage family responsibility, and to allow the States to require community work programs as a condition of eligibility.

In summary, Mr. President, this bill is aimed at what I and many others regard as genuine welfare reform—providing help to those who need it most. It is designed to remove some of those now on welfare from the welfare rolls—but only those who are not truly in need or those who are capable of helping themselves. For those remaining—those truly needy for whom the program was designed—it should then be possible to administer a genuinely humane and equitable program of assistance.

SOCIAL SECURITY COST CONTROL ACT OF 1975—S. 1720

Mr. CURTIS. Mr. President, I am also introducing three other bills which represent a contribution on the part of the Department of Health, Education, and Welfare for reform. One of these proposals is to improve and control the cost of the program of old age, survivors, and disability insurance, the program of grants to States for aid to families with dependent children, and the program of health insurance for the aged and disabled, S. 1720.

UMI

MATERNAL AND CHILD HEALTH AND CRIPPLED CHILDREN'S SERVICES AND MEDICAID COST CONTROL AMENDMENTS OF 1975—S. 1721

Mr. CURTIS. Mr. President, another one of these bills which I am introducing is to improve and control the cost of the maternal and child health and crippled children's services program, and the program of grants to States for medical assistance programs, S. 1721.

SUPPLEMENTAL MEDICAL INSURANCE PREMIUMS—S. 1722

Mr. CURTIS. Mr. President, the third departmental bill is to make technical changes in the method of determining the supplemental medical insurance premium, S. 1722.

Mr. President, it is my hope that appropriate committee action can be taken in this area and that the Senate will have an opportunity to act in the near future.

ORDER OF BUSINESS

The PRESIDING OFFICER (Mr. Ford). Under the previous order, the Senator from Virginia (Mr. William L. Scott) is recognized for not to exceed 15 minutes.

SHARING GLOBAL RESPONSIBILITIES

Mr. WILLIAM L. SCOTT. Mr. President, last Thursday we had a vote on Senate Resolution 148, an expression by the Senate that the refugees from South Vietnam and Cambodia are warmly welcome. Apparently, I was the only Senator to vote "no" on a rollcall vote, which on the surface may appear callous and contrary to the traditional position of our country of welcoming less fortunate people to our shores; yet, a number of Senators have indicated they favor a limitation placed upon the number of refugees entering the country and the amount to be appropriated for their care. Concern has also been expressed regarding more than a million illegal immigrants who enter the United States each year in addition to the 400,000 or so annual legal immigrants.

The economy, with 8.9 percent unemployment nationally and a much higher rate in some occupations and among some age and ethnic groups, is one reason for concern. However, there should also be concern over our entire foreign policy. This foreign policy permitted us to drift into the Vietnam war, yet did not permit our military forces to win.

As we know, the number of our troops involved at a given time rose to more than one-half million, our casualties were in excess of 55,000, and our wounded exceeded 300,000. There is an indication that we spent in the neighborhood of $150 billion in Vietnam. All this in an effort to contain communism and to protect a small nation against aggression. Contrary to opinions recently expressed, I believe the misery suffered by the people of South Vietnam was not due to action taken by our Nation but was caused by aggression from the North, by the assistance rendered to North Vietnam by Red China and Russia.

Their present situation also resulted from the refusal of the Communists to abide by a peace agreement laboriously worked out after numerous conferences extending over a period of several years. North Vietnam agreed that it would not extend the positions it held on the effective date of the peace agreement and yet the Communists used the agreement as an opportunity to strengthen their forces, their weaponry and materials and to take further aggressive action. To the best of my knowledge, our country did abide by the peace agreement. We withdrew our troops and did not aid the South Vietnamese to any extent greater than replacing the equipment they had at the date of the so-called cessation of hostilities.

Reasonable people may well disagree as to whether we had a moral obligation to provide more funds or should have provided more than we actually did after our troops were removed. If there was an obligation, it was a moral one, not based on the peace agreement or any treaty approved by the Congress.

My major concern is that we fought almost alone in Vietnam, in a struggle that should have been as important to all nations of the free world as it was to us; that since the end of World War II, we have helped substantially every nation in the world in one way or another, including many of those within the Communist sphere of influence. The phrase "super power" has been coined and it has been said that only the United States can defend the world against communism. Of course, I do not advocate isolationism from other nations.

However, it does not seem reasonable to attempt to police the entire world or give economic aid with such a broad brush as we have in the last several decades. We are a strong, rich, powerful country but we do not have unlimited resources and I do not believe American people want to be continuously on the verge of war. There is a middle ground. We can work with other freedom loving nations of the world to contain communism. We can contribute our fair share to helping needy nations. We can work with the other nations of the world to solve refugee problems, to help other nations when calamity strikes, strive to maintain our nation as the strongest and most powerful in the world and recognize that having greater resources imposes a greater responsibility upon us in the world community than a less powerful nation.

But at the same time, we can expect all other nations within the free world to contribute to the extent that their circumstances will permit. I have heard that a number of countries are accepting a few hundred refugees but am unaware that any nation is agreeable to accepting numbers anywhere comparable, or on a ratio comparable, to those coming into the United States.

The story of "Gulliver's Travels" may illustrate the present need in international affairs. As Senators will recall, Gulliver was tied down and made helpless by the pygmies, or Lilliputians. The cooperative efforts of these little people, their working together in harmony, overcame an individual with strength far in excess of anyone of them. The United States, in conjunction with and cooperating with the other nations in the free world, is far stronger than the United States attempting to go it alone.

I believe, Mr. President, that the foreign policy of our country, to a large extent, has contributed to our present economic difficulties. Sharing our resources with almost every other nation of the world, even those well able to care for themselves, may have caused nations able to help others to assume that the United States would take care of the needs of the smaller nations, and may have discouraged other nations from assuming their reasonable share of responsibility. In my opinion, we need to establish a new understanding, a new relationship, a relationship which says we will help, if you will do what you can, we will do what we can, and collectively we will work toward a better world. In my opinion, Mr. President, this cooperative aspect applies to the present refugee problem. But more important it applies to the whole concept of the family of nations, to the maintenance of peace among the nations of the World.

There is no doubt in my mind, Mr. President, that we are going to do more than our fair share in this instance with regard to the refugee problem, admitting perhaps 150,000. But I would hope our experience in Southeast Asia will cause each of us, and especially the leadership in the executive branch, to rethink our position on foreign affairs and reverse the disastrous policy followed since World War II, under which all nations appear to have a key to the Treasury of the United States; to rethink the position that we alone can save the world through our military and economic assistance. It is time for the nations to realize that in a world community, each nation has a part to contribute and that no nation, not even the United States, can do it all. The alternative is economic ruin for our counrty, and who would profit most from this disaster than the common enemies within the Communist world.

ORDER OF BUSINESS

The PRESIDING OFFICER. Under the previous order, the Senator from Kansas (Mr. Pearson) is recognized for not to exceed 15 minutes.

ARMS EMBARGO TO TURKEY SHOULD BE TERMINATED

Mr. PEARSON. Mr. President, I rise today to state my support for the bill offered by our distinguished minority and majority leaders, Senator Hugh Scott and Senator Mansfield, a measure which calls for a suspension of the current prohibition against military assistance to Turkey. I am pleased to join as cosponsor of this bill, S. 846, which was earlier cosponsored by Senators Case, Griffin, Sparkman, Stennis, and Tower.

Mr. President, in adopting the prohibition of the shipment of military supplies to Turkey the Congress manifested its opposition to Turkish invasion of Cyprus and also its concern over the administration's diplomatic handling of that crisis and the events leading up to it.

But I am now convinced that the Congress, having made its point, must review its earlier action. And in so doing, I believe that the majority of the Congress will determine that the time has now come to lift the arms embargo. A continuation of the embargo cannot undo the events which led up to the invasion of Cyprus but it can surely complicate and distort our relationships in that part of Europe. I am persuaded that the price of continuing the embargo will be very high indeed.

I think it likely that, given the political realities in Turkey, a continuation of the embargo will weaken, rather than strengthen, our hand in seeking a settlement of the Turkey-Greece-Cyprus disputes. Also given those same political realities, a continuation of the embargo will almost inevitably weaken our security ties to Turkey, restrict U.S. strategic presence in the Mediterranean, and contribute to a deterioration of the southeastern flank of NATO.

Mr. President, the Cyprus issue has been with us since the mid-1950's. It involves Great Britain, Turkey, and Greece as the so-called Guarantor Powers, and the issues are complex. Twenty percent of the people on that troubled island are Turks and give their allegiance to Turkey. Eighty percent are Greeks, but most of them seem to prefer independence. Treaties were signed in 1960 creating the Cyprus Republic and assigning rights to both Greek and Turkish communities. These treaties have never become operational. There has been bloodshed between the two communities since 1960, and today the hatred and distrust run very deep. Both sides are equally and unequivocally convinced of the justice of their cause. Last summer, following the coup on Cyprus, Turkey sent its troops to that island and continues to occupy a portion of it. The tragic events which have occurred in Cyprus have resulted in great suffering and the creation of hundreds of thousands of refugees.

Mr. President, we have long-standing and important security relationships with Turkey. Turkey has been a member of NATO since 1951. During the Korean conflict, Turkish soldiers fought bravely alongside Americans.

Over the years, our security relationship with Turkey has broadened and deepened to the point where we now have access to many installations ranging from an air base to intelligence facilities. We have access to Turkish airspace for our flights further east; and we have access to Turkish ports for ships of the 6th Fleet. American ships pass through the Turkish straits—the Dardanelles and the Bosporus—on their regular visits into the Black Sea.

Unfortunately, this security relationship is beginning to disintegrate under the pressure of the recent arms embargo that this body recently imposed on Turkey. The Turks find this hard to understand. They consider that they are being punished for protecting their interests and their people on this island which is only 40 miles from Turkey's southern coast. They do not understand why Turkey is the first NATO country to be placed under an arms embargo by the United States. And I assume that other NATO countries will find it difficult to reconcile our actions toward Turkey with our assertions of continued support of the alliance.

Nor can the arms embargo and the suspension of military assistance to Turkey help solve the Cyprus problem. The Turks, as we all are, are a proud and stubborn people. The overwhelming, almost unanimous opinion of the Turkish people is that its government was not only justified, but obligated to intervene in Cyprus as it did. Representatives of the State Department tell us that no present Turkish Government can back down in the face of the humiliating public pressure that this country is attempting to impose. They say, to do so would court vast internal opposition.

Moreover, Mr. President, the evidence is building up that the embargo has stiffened the Turkish position and made any possibility of a settlement on Cyprus much more remote. Indeed it may well be that it was the embargo which triggered the establishment of the Turkish Cypriot Republic.

Mr. President, because I am convinced that a continuation of the embargo will not contribute to solving the Cyprus problem and that it will lead inevitably to a weakening of United States-Turkish security ties and ultimately a further decline of NATO, I urge that the Senate act favorably on S. 846.

This bill respects congressional interests and prerogatives in this matter by requiring that the President submit to the Congress at the end of each succeeding 30-day period after an enactment a report on progress being made in achieving a regulated solution to the Cyprus conflict. In this way the Congress can continue to check the administration regarding its handling of that delicate situation.

Mr. President, I submit that the times demand that we look once again to Europe, where an identity of interest between the United States and the nations of that region has long existed, and make a concerted effort to halt the erosion of U.S. influence there. In this way it will be possible to combat the disruptive forces now challenging our allies along the northern rim of the Mediterranean. We can begin by restoring our ties with our ally Turkey.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Under the previous order, the Senator from Mississippi (Mr. Stennis) is recognized for not to exceed 15 minutes.

ILLEGAL ALIENS IN AMERICA

Mr. STENNIS. Mr. President, my remarks at this time relate to illegal aliens in America. In these remarks I make no reference now to the so-called refugees from South Vietnam. That is another matter which stands on its own feet. My concern in my preparation of this speech really goes back for some weeks before the matter ever arose in South Vietnam.

Mr. President, it has been estimated by the Commissioner of the Immigration and Naturalization Service that there are at least 5 to 7 million illegal aliens residing in the United States today, and perhaps as many as 12 million. He also estimates that more than a million of those illegal aliens hold jobs Americans could and would have if the jobs were vacant.

Mr. President, I will wait until those at the desk have finished their business.

The PRESIDING OFFICER. The Senator from Mississippi is absolutely correct. The Senate will come to order.

The Senator may proceed.

Mr. STENNIS. More than half of these illegal aliens are Mexicans who slip across our border. The rest arrive here from all over the world some as students and some others as tourists. Many of these aliens lose themselves in our cities, find a job, save a tidy sum and return to their homeland.

Whatever thrift they have I commend them for it, Mr. President. Others will remain here permanently, although in an unlawful status.

Unfortunately, Mr. President, this problem is getting worse instead of better. It has been estimated by reliable people that some 2.5 million aliens will sneak into the United States this year and more than half will go undetected. In a recent 12-month period, the Immigration and Naturalization Service apprehended approximately 800,000 illegal aliens—almost 10 times the number just 10 years ago.

Mr. President, I view this as a very serious matter of growing import. Today, more than 8 million Americans are out of work. To help these unemployed Americans we provide, through taxes, unemployment compensation, public service and public works jobs, food stamps, and welfare benefits. The vast majority of these Americans want to work. Much of the money for these benefits could have been saved if there were not so many of these illegal aliens holding down jobs here.

There is no doubt that some of the jobs these illegal aliens hold are of the type that some Americans might not want. The majority, however, involve good-paying jobs. For example, in 1972, the Immigration and Naturalization Service found that in Los Angeles, 50 percent of the illegal aliens worked in manufacturing plants. In San Francisco, one illegal alien from Canada was found to earning $9 per hour teaching in a junior college.

These illegal aliens are causing a heavy strain on our economy.

I am sure that some are contributing to the economy. But the load as a whole is what makes the heavy strain on the economy. In addition to holding jobs Americans could have, many of these aliens avoid paying taxes while others receive welfare and medical benefits.

And, of course, they receive unemployment compensation benefits.

Not long ago the Immigration and Naturalization Service sampled 1,700 illegal aliens and uncovered $250,000 in taxes that had been avoided by these aliens. According to the Immigration and Naturalization Service, tax is avoided through claims for fictitious dependents which reduces or eliminates the tax withheld.

Also recently the Immigration and Naturalization Service received a bill from one county for medical services that had been rendered to illegal aliens in the past year in the amount of $7 million. These facts, Mr. President, are just almost unbelievable.

Let me make it clear, Mr. President, that I cast no aspersions against any particular individuals or groups, many of whom are highly respectable and useful. This country has always welcomed some immigrants and will continue to do so. We normally allow some 400,000 aliens into our country annually under our immigration laws. But, I am especially concerned about these illegal aliens because of the vast number, conditions of our economy, the soundness of our fiscal affairs and the needs of our people who have devoted their lives to strengthening our Nation, but are now unemployed and unable to find a job even though they are qualified.

Congress recently passed a tax bill to provide rebates to taxpayers in order to stimulate the economy. Yet, several billions of dollars are sent out of the country annually by these illegal aliens, thereby worsening our balance of payments.

We have passed several pieces of legislation in the past few months costing the Treasury billions of dollars in an attempt to ease the effects of the recession. There is no doubt that the amounts involved would have been much lower had we not had this illegal alien problem.

I think we need to take a long, hard look at this entire problem.

I think that first we must get the facts, and that is what I am doing here today, or at least making a start on getting the facts, because it is from the facts that some plan or some remedy can be evolved. I have in mind that we will go into this matter at least some, to every extent reasonably possible, in the Committee on Appropriations and I shall present this matter to the chairman of the Appropriations Committee (Mr. McClellan) and ask that this be gone into the extent possible under the committee's jurisdiction.

As a member of that committee I intend to review this matter when the Immigration and Naturalization Service comes before our committee. I do not charge any intentional neglect, of course not. I think these are facts that are not generally known. I think they are facts that are rather hard to deal with, but I also think they are facts that we must deal with, and that the people are expecting us to review the entire matter and find some kind of a remedy or some kind of an answer.

Certainly, some consideration must be given to amending our current immigration laws. I believe that consideration should be given to special hardship cases that have merit. But, we owe it to our people to stop this heavy influx of illegal aliens, stop as much of it as we can.

We could consider placing more of a burden on the employer. I do not favor any extreme penalty, but the employer could at least make inquiry of the potential employee so as to determine whether or not he is an alien without legal status, and if the employer knowingly hires an illegal alien he should be held accountable in some way.

If we fail to stop this influx of illegal aliens into our Nation, our economy will definitely continue to suffer seriously therefrom. We cannot afford to neglect this matter further.

I want to say that I know we, from time to time, pass special bills, and I have introduced a few of those bills myself, to take up the case of some desirable alien who is here illegally, and I would not try to stop some procedures in this field in cases where there is merit. But it is this wholesale, overflowing influx year after year of thousands and thousands and it even runs into millions of illegal aliens who are occupying jobs that would otherwise be open and could and would be filled by our own citizens.

It not only denies them the privilege of seeking a job, but, in turn, it runs up on the taxpayer.

These tremendous amounts from year to year are increasing. Certainly, we can do something to put our house in order, and I believe our committees working together with the membership, we will find a better way.

Mr. President, I yield back whatever time I may have remaining.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business, not to extend beyond the hour of 1 p.m., with statements therein limited to 5 minutes.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, appoints the Senator from New York (Mr. Javits) to attend the International Labor Conference, to be held in Geneva, Switzerland, June 4–25, 1975.

CALENDARS NOS. 73 AND 74 PLACED UNDER SUBJECTS ON THE TABLE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendars Nos. 73 and 74 (S. 1457 and H.R. 5398) relating to defrayed mortgage payments, be transferred from General Orders under rule VIII and placed under Subjects on the Table.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL SCIENCE FOUNDATION AUTHORIZATION ACT, 1976

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 107, H.R. 4723.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 4723) authorizing appropriations for the National Science Foundation for fiscal year 1976.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all after the enacting clause of H.R. 4723 be stricken and that there be substituted therefor the text of S. 1539, as reported by the Committee on Labor and Public Welfare with an amendment in the nature of a substitute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, 25 years ago, on May 10, 1950, President Truman signed the National Science Foundation Act. Throughout its history the principal activities of the Foundation have been the support of basic research and education in the sciences. Under the guidance of the National Science Board and the direction of Alan T. Waterman, 1951–63; Leland J. Haworth, 1963–69; William D. McElroy, 1969–72; and H. Guyford Stever, since February 1972, the Foundation has steadily contributed to the building of our national strength in science and technology.

In 1968 the Congress amended the Foundation's enabling legislation to increase the responsibilities of the Foundation. The amendents were designed to strengthen the Foundation's management structure, to clearly identify social sciences among the fields of science eligible for funding support, and to provide for the submission by the National Science Board of an annual report to the President and Congress on the status and health of science. The most recent of this series of Board reports is entitled "Science and the Challenges Ahead."

An equally important provision of the 1968 legislation was the extension of the Foundation's authority to support "applied scientific research relevant to national problems involving the public interest." Under this authority the Foundation established an Applied Research Directorate, designated research applied to national needs—RANN. This program funds projects expected to facilitate the application of scientific knowledge to the real problems of our day to which science and technology can lend solutions.

I am pleased to note that RANN has made considerable strides in developing programs to support relevant and necessary applied research. It is still very early in its development and is still subject to institutional experimentation, but it holds great promise for the future.

Through RANN needed support can be given to projects which apply our vast

and growing storehouse of scientific knowledge to the solution of real and immediate problems facing our Nation and our society. Through the RANN program the Foundation can provide a stimulus for innovative research efforts, in areas neglected by other Federal agencies.

One illustration of the Foundation's role was its initiation of programs to support research on solar and geothermal energy. Much of this work has now been transferred to the new Energy Research and Development Administration. Another illustration is its support of the urban technology system, which aims at assisting cities to bring technology to bear in dealing with problems of public safety, public works, and traffic engineering. This system, in which 27 cities are participating, is designed along the lines of the Extension Service of the U.S. Department of Agriculture. Just as county agents introduced new technology to the Nation's farms, so it is believed the network of technology agents, placed in selected municipal and county governments throughout the country, can help provide the knowledge and skills required to deal with complex problems facing our cities and towns.

Activities such as these demonstrate that the National Science Foundation at age 25 has made significant contributions to the support of science which give us great hope for the future. The support of research in science and technology is vital to this Nation as we meet current challenges and lay the groundwork for a better world in the future.

The National Science Foundation's Director, Dr. H. Guyford Stever, at a recent Symposium of the National Academy of Sciences commemorating the 25th anniversary of the Foundation, delivered a speech which gives us a sense of the magnitude of those challenges and what we will be required if we are to meet them. Mr. President, I ask unanimous consent that Dr. Stever's remarks be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

WHITHER NSF?—THE HIGHER DERIVATIVES

(Remarks of Dr. H. Guyford Stever, Director, National Science Foundation)

We are here to celebrate an anniversary—the 25th year of the National Science Foundation. As my colleague, Willy Fowler, has described it, this is a birthday party, and as such it is time both to reminisce on the past and look to the future. My assignment is to look ahead. With all due respect to the previous speakers, I think I have been saddled with the harder job. Nevertheless, I'll try to give you some idea—my own assessment—of where we may be headed. I do not expect that you will all agree with my prognosis. And perhaps in the course of these remarks I will be raising more questions than I will be answering. But if so, I can think of no better time to raise such questions and to bring into open discussion some of the hard issues that all of us in the scientific community, as well as those who are concerned with the future of science as a social force, will be facing in the years ahead.

My major thesis in approaching this discussion of possible futures is that in the structure and support of our scientific and technological enterprise, we of the science and engineering communities have witnessed a major change and now face a strong challenge in our relationship with society. It is obvious that the social environment in which science is performed has changed, is still changing, and will undergo greater change in the coming years. Such changes will be economic, social, and political. The extent to which scientists and engineers become actively and constructively involved in these evolutionary processes could determine not only the outcome of their professions and of science itself, but of nothing less than the fate of our current civilization. I would like to devote some of my comments to the reasons for these changes and some of the responses that may have to be made by science and scientists. From these you may draw several conclusions about the shape of our enterprise in the years ahead.

Perhaps we should begin with some thoughts on the economic aspects of science and technology since economics is a subject on many minds today. We as scientists know that a great many important scientific discoveries have been made, and important theories arrived at, through research that was relatively low in cost. We might call these "intellectual-intensive" projects if we resorted to economic jargon. Much good research today still falls in this category. But much does not. And the cost of conducting that other segment of the Nation's scientific and engineering business has reached capital-intensive proportions.

Furthermore, we are just seeing the tip of the iceberg. Here I am speaking of work in both the most basic science and the most advanced applied engineering. For example, in basic research a new accelerator is now a 250-million-dollar investment with a multimillion-dollar per year level of effort thereafter. In applied research and development we must recognize the multibillion-dollar costs involved in such projects as the construction and testing of the demonstration breeder reactor. Similar large investments lie ahead in other energy fields. We should not underestimate the economic outlays that will be required for the full-scale demonstration and application of coal gasification and liquefaction as well as the cost over the next few decades of making the transition to a solar and fusion age. These two will become multibillion-dollar projects for the government, and eventually involve trillion-dollar enterprises for the Nation as a whole. Today's programs in their incipient stages give us only an inkling of the enormous long-range costs in both public and private investments which will be required to bring all the aspects of that age to their fullest fruition.

Unrealized by many people is the fact that we face similarly large investments in advancing and making the fullest economic and humane use of the fine work being done today in the biological and chemical fields—particularly as they relate to the world's food problem and the revamping of industry to meet the requirements of global growth within the confines of the new environmental criteria being set. We are now a world of four billion people. Should we achieve the demographic feat of leveling off between seven and eight billion as we enter the next century, we will still have to come up with some miraculous accomplishments in agricultural yields, nutrition improvements, pest control, fertilizer and water developments, and land utilization even to maintain such a population at a subsistence level. However, even present evidence that a large part of this population will not settle for mere subsistence should warn us that unless we can mesh our industrial and environmental requirements at a much higher level than today, we face pressures that could lead to a period of social and political chaos unprecedented in human history.

To me, all this points to a tremendous growth of economic involvement for science and technology and a related growth of responsibility and accountability for scientists and engineers. We are going to be involved as never before in the economic success or failure of this country and the rest of the world, and we are going to be taking the praise and the blame for far more than we have ever bargained for. We now must get to the idea of such involvement—and not only economically, but ethically and socially, as I will dwell on in a moment.

Another reason for this direct and intense involvement, in addition to the economic costs and social expectations tied to scientific and technological advances rests in the shrinking time span between the understanding and widespread application and influence of a scientific phenomenon. It took roughly 2,000 years to capitalize fully on some of the discoveries of the ancient civilizations. It took a few centuries to realize many of the technical concepts that came out of the Renaissance. It took 50 years to reap the benefits of the Industrial Revolution. In the post World War II period, the time between a scientific discovery or major invention and its wide utilization shrank to perhaps ten to 15 years. Today the compression of time between a scientific advance, the proposal of an idea based on it, and its widespread application has reached a point where this process is operating within the attention span and the operating lifetime of most persons in positions of political and economic power. One of the most dramatic examples of this rapid interfacing of science and politics is the fact that only weeks after the announcement of the theory that man's release of fluorocarbons into the atmosphere may be dangerously affecting the ozone shield, there was already congressional activity on the matter. As Robert Heilbroner stated in *The Future As History*, "Advances in science and technology have rewritten the very terms and conditions of the human contract with no more warning than the morning's headlines." And if I may add a footnote to that observation, any retreats, such as from the use of DDT, that we make in pursuing science and technology will have a similar short warning.

In addition to this time span phenomenon, there has also been an increasingly close linkage between the physical and social effects of scientific advances. The combination of these effects has contributed to a certain politicing of science that will be a major characteristic of our activities for years to come.

I think all of us here today can see this in so many ways in the activities already taking place, and growing, in the arena of science administration and policymaking. And my reference to it as an arena may turn out to have more significance than most of us would like to recognize. I do not mean to imply that the science community is about to be locked in mortal combat with any segment of society. But it is obvious that the days when the scientific community, or certain segments of it, could stand aloof from the mainstream of social and political activity are over. Science may still be esteemed—and it is now, according to recent opinion polls. But we know that it is no longer sacred. We have been shown to make mistakes. We have publicly expressed uncertainties and doubts about the extent of our knowledge. We have even argued among ourselves in public. This is not necessarily bad, but it has shown us to be mortal, and as such we become as accountable—and vulnerable—as any segment of society.

If, as a result of all this, recent years have seen the beginnings of a change in the public and governmental attitude toward science and technology, the coming years will probably see the solidifying and institutionaliz-

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ing of some very different relationships between science and society. And much of that will be reflected in national science policy and the relations between the science community and government on all levels and in all its trappings. There have been many who have recognized the seeds of this in the growing science-related activities in government and the science involvement of Congress—from the enactment of the National Environmental Policy Act (NEPA) to the current deliberations and debates on energy, resources, and the social sciences. But all this was, and is, just the beginning. As these deliberations and the debates grow, as all the subtle and not so subtle relationships between scientific advances and their effects on society become more apparent, we will most likely see an even greater involvement of the science community in the affairs of state and of the world.

Now I come to the crux of the matter. If in the context of what is happening today and its dynamics we are to ask Whither NSF?—or more broadly, to question how science itself will fare over the next 5, 10, or 25 years—the answer depends largely on the response of the science community. Certain patterns have been set that should affect the growth and direction of science over this period. We know for example what demands energy R&D will make on us during this time. Studies by the Academy and the Food and Agriculture Organization (FAO) have indicated many of the advances necessary to alleviate the world food situation. Similarly, we are getting a better picture of the challenges involved in meeting our material needs. And in recent years many criteria for a healthier environment have been set, and some measures instituted toward achieving them. But the country has yet to face fully many of the difficult questions involving the trade-offs between economic and environmental matters. Granted that scientific and engineering advances can eventually improve this situation with some technological fixes at added costs, much of the solution of this dilemma rests on the attainment of further knowledge and on the value judgments of society, a subject about which I'll have more to say in a moment.

Of all the problem areas that are setting the pattern for scientific research in the years ahead, perhaps the most difficult may be that which we on the National Science Board have categorized in our 1975 report under the heading of the "Challenges of Society." As we stated in the report: "The challenges in this category are almost limitless," and we cited a few—including international strife, discrimination, crime and delinquency, and the spectrum of interpersonal and intergroup conflicts. The report goes on to discuss some of the obstacles to understanding and meeting these challenges. Among the important conclusions that the Board reached concerning this matter were the following, and I quote them because I concur so strongly:

"The tasks which these problems pose for science are immense. Although they involve the whole of science, the tasks apply particularly to the least developed of the disciplines—the behavioral and social sciences. These disciplines need to be significantly strengthened, in both their basic and applied aspects, if the Nation is to respond more successfully to its social problems. Although knowledge alone does not guarantee success, its lack almost certainly reduces the chance and extent of progress."

I believe this is a very important message that the science community should help convey to the American public and its representatives in the government.

Related to the subject of man's understanding of man and his society is another issue that will have a profound bearing on the future of science, and that is the matter of ethics and human values. The influences and the pursuits of science and technology have been drawn into an even closer relationship with the ethical decisions and value judgments of the society in which they operate. Over the 25 years that NSF has grown, certain developments in science have made it clear that the science community cannot conduct its affairs as a pure search for truth apart from serious considerations of its human consequences. This was not quite so apparent back in 1950 when the then President of the American Association for the Advancement of Science stated publicly: "Science cannot stop while ethics catches up—and nobody should expect scientists to do all the thinking for the country." [1] There may be some who feel that statement still has some elements of truth in it, but the prevailing situation in science today is much closer to the one described in the current issue of *Fortune* magazine, which comments:

"The world of science is searching its soul for a code of ethics and a scale of human values to govern its new professional responsibilities."

I will not go into detail on this search. Much has been written recently, and many of you may have been personally involved in the deliberations and decisions related to the ethical aspects of biological and behavioral research. Ethical and human value issues are surfacing with increasing frequency and are related to growing consequences in a number of scientific and technological areas. The time has passed, perhaps long passed, when we can move into research and development—particularly development—of major new technologies without the fullest disclosure and public debate as to their possible social and human consequences. We may have to make a most substantial commitment of our best people to examining these issues. Dealing with this situation is already proving to be a painful process involving all the difficulties of fostering public understanding, of settling conflicts of interest, and of becoming enmeshed in adversary proceedings characteristic of our democratic society. But we in the science community have a choice of demonstrating leadership in this area or waiting until we are drawn in later, perhaps at times when issues have been clouded by misinformation and prejudicial thinking. I am not claiming that scientists should attempt to assume an elitist position in trying to influence people about their future. And "nobody should expect scientists to do all the thinking for the country." But I believe we will be expected—and we are obligated—to do much more than we have in the past. How successful we are at it will have much to do with the public support of science and the answer to Whither NSF?

One further word on the relation of ethics and human values to science. This is an area in which we need to have far better knowledge. We need better understanding of how values are established and the counter-influences between them and science and technology. At NSF we are supporting a program of research on this subject.

In the world today, where the application of scientific advances can have such a strong and pervasive impact, the belief is often advanced that we should first establish our values and goals and set these as the ends toward which we use our science and technology. But as much as science and technology should operate within a framework of human values, there exists the possibility that advances in human knowledge will alter those values. For example, it is possible that the environmental movement in this country has influenced the lives of a limited number of people to the extent that they have formed a type of "back-to-the-earth" movement in their lifestyle. On a global scale, there is also considerable interest in what has become known as "alternative" or "intermediate technologies," the use of small-scale, more labor-intensive and less capital-intensive technologies to support a satisfactory type of development and living in certain parts of the world.

No doubt the values that led to these choices were influenced somewhat by the state of our scientific knowledge and our technological capability, as well as previously held values. But what would have been the values of these people and how would they have been expressed had we by now fully developed systems of biological pest control, fertilization and irrigation that posed none of today's pollution, power, or water problems, a virtually limitless supply of clean, cheap energy via solar or fusion technologies, and any other technologies that would negate most of today's environmental problems

I am not arguing here for ethical relativism but only making the point that advancing human knowledge has a strong interplay with human expectations and values, one that should be explored more fully.

On the subject of advancing knowledge, much has already been made during this symposium of the concept of "Science the Endless Frontier." Let me conclude with a brief comment on our pursuit of that frontier. Never has it been clearer that the realm of science is something like an expanding universe growing even as our capacity and curiosity to explore and understand it grows. The intellectual challenge in understanding nature is as great or greater than it has ever been. But it is also important now for the science community to highlight the point—one that is being increasingly made today—that basic research supplies the knowledge capital that is the underpinning of our entire structure of applied science and technology. In addition, we should recognize that the administrative arrangements of science support in the years ahead—whether the NSF retains the central role in basic research support, whether more basic research is supported by the mission agencies, or whether there is eventually the creation of any other science support mechanism—are far less important to the health of science and the Nation than the calibre of people we have in science and at the helm of our science-related activities. We need the best people possible in science for the Nation to maintain the excellence of its research capability. It is only through this capability, and through its constant upgrading, that we are going to see ourselves through the complex web of problems that constitute today's and tomorrow's crises.

In the coming years, I believe that a good portion of our research capability will continue to be centered in the Nation's colleges and universities, provided they can solve their institutional problems. However, there may be much important work done in national laboratories and industrial research centers. Possibly we will see closer and more productive ties between the universities and these other research establishments. Ways should be, and I believe will be, found to stimulate a better flow of scientific and engineering knowledge and talent between these segments of the R&D community.

If in my comments today I have not answered the question of where the NSF will be during its second quarter century, I hope I have at least indicated some of the directions in which it may go. The Foundation was born to serve the Nation through advancing the progress of science. I believe it has done this during its youthful 25 years

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[1] Elvin Stackman, University of Minnesota, speaking as President of AAAS, January 9, 1950.

of existence. But that period has also been a learning period for the Foundation and for many of us who have grown and learned with it. Now it's time to move ahead to even more productive days. For, as Oliver Wendell Holmes said, "The greater thing in this world is not where we stand but in what direction we are going."

Mr. KENNEDY. Mr. President, the authorization for the National Science Foundation which the Senate has before it today provides $826.6 million for the Foundation's programs in fiscal year 1976.

It is based on extensive consideration by the Special Subcommittee on the National Science Foundation and the Labor and Public Welfare Committee of the resources needed by the National Science Foundation during the coming fiscal year to meet its mandate to strengthen science and science education. It reflects the recommendations which were received by the special subcommittee during 2 days of hearings, at which testimony was presented by the Foundation's leadership, by Members of Congress and by public witnesses concerned over various aspects of the Foundation's proposed programs for the coming fiscal year.

The 10-percent increase S. 1539 provides over the administration's budget request of $755.4 million is modest. It is considerably below the $899 million budget which the National Science Board originally submitted to the Office of Management and Budget. It is only 7 percent above the amount appropriated by the Congress last year.

Mr. President, the National Science Foundation performs a critically important and unique function. It has a mandate from the Congress to:

Strengthen U.S. scientific research in the mathematical, physical, medical, engineering, biological, social, and other sciences.

Focus U.S. science resources on selected current national problems.

Strengthen science education programs at all levels.

Stimulate international scientific cooperation between United States and foreign scientists.

Assist in providing the Nation with highly trained scientists and engineers through a program of fellowships for science and engineering.

Insure that science information is readily available to U.S. scientists and engineers.

Appraise the impact of research upon industrial development and the general welfare.

Gather and publish scientific and technical data pertinent to national science policy decisionmaking.

An expanding base of scientific knowledge is vital to the Nation's future and to efforts to find ways to deal with a wide range of domestic and international problems. The products of the research of U.S. scientists in all parts of the Nation not only provide for the progress of science, but provide the knowledge base needed to increase understanding of the principles that govern the physical, life and social sciences—understanding which is essential if we are to enhance the quality of life.

In preparing the authorization which is before the Senate today the Committee on Labor and Public Welfare considered three bills: S. 1539, which I introduced on April 25, and which called for an authorization of $854.6 million; S. 1478, the administration request introduced by Senator JAVITS on April 18; and H.R. 4723 as passed by the House authorizing $755.4 million. S. 1539, as amended and unanimously reported by the committee, incorporates what I feel are the best provisions of all three bills. It is a reflection of the committee's concern that during a period of fiscal restraint only very selective increases should be authorized. It is a reflection of the committee's concern that the amendment adopted by the House, to require prior congressional approval of every National Science Foundation grant, is not only unworkable, but contrary to the principles which have brought this Nation to its leadership position in scientific research. That amendment is not included in the bill before the Senate today and it is my hope that it will not be included when the Congress sends a final authorization to the President for signature.

Mr. President, I want to review briefly for my colleagues the action which the committee took, and to compare S. 1539 with the authorization submitted by the administration.

NATIONAL AND SPECIAL RESEARCH PROGRAMS

The committee has approved $113.5 million for this activity, $6.5 million above the administration request. This will permit the updating of the coastal research fleet, a matter of special concern because of the increased need for research in coastal waters and on the Continental Shelf. It will also provide funding for a new science for citizens program, which I shall describe in more detail later in this statement.

SCIENCE INFORMATION ACTIVITIES

S. 1539 includes $7 million for this activity, $2 million above the administration request. It also places a floor under this authorization. It reflects the concern which exists over the continuing problems caused by cutbacks in funding for the Office of Science Information Service and the severe dislocations which these reductions have caused in the orderly development of information handling systems.

RESEARCH APPLIED TO NATIONAL NEEDS

S. 1539 includes $81 million for this activity, an increase of $9.5 million over the administration request. Urgent problems are being addressed by this program, notably in the fields of energy, environment, and productivity. S. 1539 places a floor of $25 million under environmental programs, and includes a provision requiring that at least 10 percent of the funds available for research applied to national needs must be awarded to small businesses which have too often been overlooked as a resource in meeting the Nation's scientific and technical needs.

INTERGOVERNMENTAL SCIENCE AND RESEARCH UTILIZATION

S. 1539 includes $12 million for this activity, $9 million above the administration request. State and local governments have found the intergovernmental science program to be highly effective, yet for 4 years the program's budget was limited to only $1 million a year. S. 1539 provides $10 million for the intergovernmental science program and places a floor under this authorization.

INSTITUTIONAL IMPROVEMENT FOR SCIENCE

S. 1539 includes $15 million for this activity. The administration requested no funds for this program which has been in existence since 1961 and which has been used effectively by colleges and universities in recognizing, developing and supporting promising scientific research activities. Therefore, to insure the continuation of the program, S. 1539 places a floor under the $15 million authorization.

GRADUATE STUDENT SUPPORT

S. 1539 includes $17 million for this program, $2.2 million above the administration request. In planning for the decades ahead it is important and in the interest of the Nation to enable talented students to pursue careers in science and engineering. The authorization will assist in remedying a continuing decline in the availability of graduate fellowships which has diverted many competent and promising candidates from pursuing careers in science and technology—a national loss of significant proportions.

SCIENCE EDUCATION IMPROVEMENT

S. 1539 includes $70 million for this activity, $20 million above the administration request. The 11-percent reduction proposed in the budget request threatened the ability of the National Science Foundation to meet the need for continuing improvements in science education at a time when the science knowledge of the Nation's pre-college students is declining. It places a floor under the $21.9 million authorization for elementary and secondary school programs. S. 1539 also increases funding for the ethnic minorities and women in science program to $9.6 million and places a floor under that amount.

PLANNING AND POLICY STUDIES

S. 1539 includes $4.2 million for this activity, $1.5 million above the administration request. The increase is to be used for programs related to the ethical and human value implications of science and technology, and is a recognition of the need to identify at the earliest possible time the ethical and human value aspects of new developments in the physical and biological sciences and in technology. S. 1539 places a floor under the $1.5 million authorization.

SCIENCE FOR CITIZENS PROGRAM

S. 1539 authorizes a new program to facilitate the participation of the public, including experienced scientists and engineers, undergraduate and graduate students, and nonprofit citizen public interest groups in activities aimed at the resolution of public policy issues with significant scientific and technical aspects. It is expected that funds authorized for science education improvement and for national and special research will be used to initiate this new program.

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ALAN T. WATERMAN AWARDS FOR RESEARCH

S. 1539 authorizes these awards to honor the first Director of the National Science Foundation, and to provide a small group of the most outstanding young scientists and engineers with recognition of their achievements. Each year, up to three awards—not to exceed $50,000 per year for up to 3 years—are authorized.

PUBLIC PARTICIPATION

S. 1539 requires the Director of the National Science Foundation to prepare and submit to the Congress a comprehensive plan to facilitate the participation of members of the public in the formulation, development and conduct of the Foundation's programs, policies, and priorities. The Foundation's activities have become of increasing interest to citizens not previously involved in or immediately affected by scientific research involved in or immediately affected by scientific research policies and priorities, and a commitment is required to involve representatives of the general public in these activities.

During the deliberations which led to the bill the Senate is considering today a number of other significant concerns were raised and are addressed in the committee report which accompanies this bill.

CURRICULUM DEVELOPMENT AND IMPLEMENTATION

The National Science Foundation is currently supporting over 50 curriculum projects, designed to improve the quality of science education. These curriculums are being used in schools throughout the Nation. They have been adopted by local school boards and committees and there is every evidence that they have been well received by science educators, parents, and students. In order to insure that each local entity decides freely whether to adopt a particular course of study for its students, the committee report accompanying S. 1539 cautions against any action by the National Science Foundation to influence the selection process used by local school officials. However, necessary dissemination of information, training of teachers, and other support activities designed to insure the effective utilization of new teaching techniques in those school districts which request assistance must continue. These activities must go forward to insure that the maximum benefits are realized by local schools which elect to offer these courses.

PEER REVIEW

The integrity of this process, is absolutely essential to the National Science Foundation's mission to further the Nation's advancement in science. It is vital in insuring that the Federal Government receives a full return on the money it invests in scientific research. It is vital to winning the support and the trust of the research community and the public.

The National Science Foundation must insure that the pool of proposal reviewers it calls on is broadly representative of the scientific community. The system must be an open one, which encourages the continuing entry of new and diverse reviewers.

It is our firmly held conviction that the peer review system is vital to the success of the National Science Foundation's responsibility to support research which is of the highest quality and which addresses priority national research needs.

REPRESENTATION OF MINORITIES AND WOMEN

Minorities and women are not adequately represented in management and policymaking positions in the National Science Foundation. The report accompanying S. 1539 urges the Foundation to begin an intensive search for qualified women, blacks, Chicanos, American Indians, and members of other minorities to fill executive level positions. Greater participation by minorities and women in management and policy position in the National Science Foundation will contribute significantly to the further inclusion and recognition of their talents in all aspects of science—to the substantial benefit of the Nation.

Mr. President, the provisions of S. 1539 will enable the National Science Foundation to give continued support to the effort to encourage an even more effective contribution by science and scientists to the national well-being. It was unanimously approved by the Special Subcommittee on the National Science Foundation. It was unanimously approved by the Labor and Public Welfare Committee. I urge its adoption by the Senate so that we can move promptly to conference with the House of Representatives and develop a final bill for the President's signature.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The bill (H.R. 4723) was passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that S. 1539 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. MANSFIELD. Now, Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendars Nos. 109, 110, 111, and 112.

The PRESIDING OFFICER. Without objection, it is so ordered.

RENEWAL OF PATENT RELATING TO BADGE OF THE SONS OF THE AMERICAN LEGION

The bill (S. 719) granting a renewal of patent No. 92,187 relating to the badge of the Sons of the American Legion, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 719

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That a certain design patent issued by the United States Patent Office of date of May 8, 1934, being patent numbered 92,187, is hereby renewed and extended for a period of fourteen years from and after the date of approval of this Act, with all the rights and privileges pertaining to the same, being generally known as the badget of the Sons of the American Legion.

RENEWAL OF PATENT RELATING TO BADGE OF THE AMERICAN LEGION

The bill (S. 720) granting a renewal of patent numbered 54,296 relating to the badge of the American Legion, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That a certain design patent issued by the United States Patent Office of date of December 9, 1919, being patent numbered 54,296, is hereby renewed and extended for a period of fourteen years from and after the date of approval of this Act, with all the rights and privileges pertaining to the same, being generally known as the badge of the American Legion.

RENEWAL OF PATENT RELATING TO BADGE OF THE AMERICAN LEGION AUXILIARY

The bill (S. 721) granting a renewal of patent numbered 55,398 relating to the badge of the American Legion Auxiliary, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 721

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That a certain design patent issued by the United States Patent Office of date of June 1, 1920, being patent numbered 55,398, is hereby renewed and extended for a period of fourteen years from and after the date of approval of this Act, with all the rights and privileges pertaining to the same, being generally known as the badge of the American Legion Auxiliary.

INTERNATIONAL PETROLEUM EXHIBITION

The joint resolution (S.J. Res. 59) authorizing the President to invite the States of the Union and foreign nations to participate in the International Petroleum Exposition to be held at Tulsa, Okla., from May 16, 1976, through May 22, 1976, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved by the Senate and House of Representives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to invite by proclamation, or in such other manner as he may deem proper, the States of the Union and foreign nations to participate in the International Petroleum Exposition, to be held at Tulsa, Oklahoma, from May 16, 1976, through May 22, 1976, for the purpose of exhibiting machinery, equipment, supplies, and other products used in the production and marketing of oil and gas, and bringing together buyers and sellers for the promotion of foreign and domestic trade and commerce in such products.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nominations will be stated.

NOMINATIONS PLACED ON THE SECRETARY'S DESK

The second assistant legislative clerk proceeded to read sundry nominations in the National Oceanic and Atmospheric Administration which had been placed on the Secretary's desk.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume consideration of legislative business.

The motion was agreed to, and the Senate resumed the consideration of legislative business.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, at this time I would like to request that the distinguished assistant majority leader, if he would, give for the benefit of the Senate the schedule for the rest of this week and next.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished majority leader.

The vote on the motion to invoke cloture will occur today on the Consumer Protection Agency measure. What happens in respect of that measure during the remainder of the day will depend upon the outcome of that cloture vote.

Immediately after the vote to invoke cloture, the Senate will proceed to the consideration of the bill, H.R. 4975, a bill to amend the Rail Passenger Service Act to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes.

There is a time limitation on that bill of not to exceed 1 hour. Undoubtedly, there will be at least one rollcall vote on that measure.

If cloture is invoked, the Senate will resume consideration of the Consumer Protection Agency bill to the exclusion of all other business until the action on that bill is completed. Presumably, that would be completed tomorrow or the next day—if cloture is invoked. If cloture is not invoked, the Senate will continue its debate on the consumer protection bill for the remainder of the day today.

On tomorrow, under the order previously entered, after the morning business has been completed, the Senate will proceed to vote on the conference report on the congressional budget resolution. That will require a rollcall vote, undoubtedly. The order that has been previously entered requires that there be no rollcall votes prior to 12:30 p.m. tomorrow so as to protect committees against interruptions during the morning.

After the action on the congressional budget resolution is completed tomorrow, the Senate will resume consideration of the Consumer Protection Agency bill.

Depending upon the outcome of the vote in the other body on the override of the Presidential veto of the farm bill, that measure, if it is overridden by the other body, will be coming along for early action in this body, presumably within the next day or so.

The supplemental appropriation bill has been reported from the Appropriations Committee today and should be ready for floor action in the Senate by Thursday or Friday of this week. There is a bill out of the Commerce Committee which would authorize the expenditure of, I believe, up to $600 million for the employment of unemployed people on the maintenance of the railroad beds. That authorization bill would presumably be taken up just prior to the supplemental appropriations bill.

Toward the end of the week, the Senate will probably take up S. 1661, a bill to enable the United States to render assistance to or in behalf of certain migrants and refugees.

Next week on Monday, if the Senate does not dispose of the supplemental appropriations bill this week, I would assume that the Senate would act on the supplemental appropriations bill. S. 846, dealing with prohibitions against military assistance to Turkey, will probably come up on Monday.

On Tuesday of next week, the Senate will take up the military authorization bill. The distinguished chairman of that committee (Mr. STENNIS) who is in the Chamber at this time, has indicated that it is his belief that action will be completed on that bill over a period of 3 or 4 days, so that would carry us into next Thursday or Friday.

Mr. STENNIS. If the Senator will yield at this point, I think the Senator from West Virginia has stated the case correctly. Of course, I always like to see anything debated and not discourage it in any way, but I appreciate the Senator and the leadership arranging to take up this bill promptly. It will be ready, and the bill having been written to such a large extent by the committee, after the most thorough hearings and consideration to mark it up, I believe with a good debate we will be able to finish that bill in a few days and certainly in the week in which we take it up. We shall work to that end and agree to time limitations.

A good point to mention, though, Mr. President, as manager of the bill, I am going to have to start off in the position of not agreeing to a time limitation on unwritten amendments.

I refer only to unwritten amendments. They require study, analysis, and staff work. For that reason, I hope that all amendments will be written amendments so that we can move the bill along. I thank the Senator very much.

Mr. ROBERT C. BYRD. I thank the Senator.

All indications, therefore, are that the Senate will complete action on the military authorization bill next week.

I am advised that the 10 days under the Constitution allowed the President for attaching his signature to the surface mining bill will expire a week from today, on the 20th. Depending upon whether or not the President vetoes that measure, the Senate may be faced with an attempt to override such a veto next week.

Conference reports, being privileged matters, may be called up at any time. Other measures that are reported and cleared for action this week and next week may also be called up with appropriate notice.

It looks as though we will have a pretty busy week this week and certainly a busy week next week, with rollcall votes occurring daily.

UNANIMOUS-CONSENT AGREEMENT—S. 200

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the 1 hour of time under rule XXII today be equally divided between and controlled by Mr. ALLEN and Mr. RIBICOFF.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE SITUATION IN INDOCHINA TODAY

Mr. MORGAN. Mr. President, I rise to comment very briefly on the situation in Indochina as we find it today. Now that we have withdrawn all of our military forces from Cambodia and from South Vietnam and have discontinued all of our aid to these two countries, I think it is well that we look to see what the situation is as it has developed since the time that we withdrew our support.

We were told by many well-meaning individuals, many of whom were Members of this august body, that if we would only withdraw our military aid and support from that area of the world, the killing would stop and the people there could live in peace and harmony.

Like the President, I am not interested in engaging in recriminations, but I do think it is well that we continue to look at history to see what has happened since that time so that we may learn from it for the future. To that end, I ask unanimous consent that an article appearing in the May 12, 1975, issued of Newsweek, entitled "Bloodbath in Cambodia" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"BLOOD BATH" IN CAMBODIA

The new Communist regime in Cambodia has begun a massive blood bath, according to radio intercepts of Khmer Rouge communications by U.S. intelligence. "Thousands have already been executed," a U.S. official told Newsweek at the weekend. The wholesale purge could ultimately lead to the slaughter of "tens of thousands of Cam-

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bodians loyal to the Lon Nol regime," the official said. The first victims of the blood bath were said to be officers of the Cambodian Army and some government officials. All officers down to the rank of second lieutenant were to be killed along with their wives, the intercepts were said to indicate.

Sources said that the United States intercepted official Khmer Rouge radio transmissions in which the orders for the killings were given, as well as field radio reports saying that the initial round of executions had been carried out. The sources said that the killings were not isolated cases but part of a full-fledged campaign. "I am not speculating," one official told Newsweek's Arnaud de Borchgrave. "I am not dealing in third-hand reports. I am telling you what is being said by the Cambodians themselves in their own communications."

The reports of the blood bath came as a group of 590 foreigners (including six journalists) was allowed to leave Cambodia and cross the border into Thailand. They left behind an additional 100 to 200 foreigners who remained restricted to the French Embassy in Phnom Penh. The journalists who were among the evacuees said they had agreed not to discuss their two-and-one-half-week ordeal "to ensure the safety of those still left in Phnom Penh." Cambodia has had no telephone or telegraph communications with other nations since the Khmer Rouge take-over, and U.S. intelligence officials suggested that the blood bath was one reason for the news blackout.

Mr. MORGAN. In addition, Mr. President, I ask unanimous consent that an editorial appearing in the Washington Star on May 11, 1975, entitled "Exodus in Cambodia," be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Exodus in Cambodia

It is a monstrosity of epic proportions. It is hard for the mind to grasp what has happened in Cambodia, a nation supposedly peopled by a gentle and easy-going race. Starting immediately after the Communist takeover of Phnom Penh last month, every city, town and major village in the country was ordered evacuated of its civilian population. It is estimated that perhaps four million of Cambodia's seven million inhabitants have been turned out of their homes and forcibly dispersed into the countryside.

According to some reports, the people were told that they were to make their way to reception areas, supposedly set up by the Khmer Rouge forces in their jungle strongholds some 65 miles from Phnom Penh. There, it seems, the people are to revert to the lives of the peasantry in order to "purify" themselves of corrupting foreign bourgeois influences before they are allowed to return, if indeed they ever are. Yet no one knows whether the reception areas even exsist, much less whether they are equipped to care for those who succeed in reaching them.

How many can be expected to make it? Bear in mind that the people involved come from cities and towns, used to the relative comfort of urban living They include literally everyone—the old, the infants, the pregnant, sick, wounded and dying. These people have no food, and in this season no prospect of getting any, at least until the next rice crop is harvested in November. Even the rural population will be lucky to survive the influx of desperate and starving city-dwellers who now infest the countryside.

At a minimum estimate, the loss of life, in addition to those killed outright by the victorious Communists, will be appalling. Some of those who witnessed the start of the urban exodus called it "genocide," and assuming that genocide can be inflicted on one's own people, it is the right word. The Communists, it is clear, made every effort to see to it that the news would never get out. The fact that the world is even dimly aware of what is going on is the result of the courage of a handful of foreigners, including one American newsman, Sydney H. Shanberg of The New York Times, who stayed behind and miraculously escaped to describe it.

Why have the conquerers of Cambodia done this utterly inhuman thing? It is simple savagery or is there an ideological purpose behind their brutality? Granted that the Khmer Rouge have limited administrational facilities of their own and limited supplies of food and medicine Granted also that other Communist regimes, on coming to power, have started out by eliminating a substantial percentage of their people. It is still a fact that, given the size of Cambodia's population, this murderous operation is being carried out on a scale for which there is perhaps no historical parallel.

Or maybe there is, back in the dim past. In various parts of the world, there are traces of proud cities and whole civilizations that have been abandoned suddenly by their inhabitants for reasons that modern archeologists cannot explain. One of the most famous of these is in Cambodia itself at Ankor Wat, which served for centuries as the capital city of the Khmer kings. Did something happen there similar to what has happened to Phnom Penh today—the forced evacuation of a conquered people to fend for themselves while the city was left to revert to the jungle?

At any rate, there are lessons to be learned from what has happened. Of the final days of the city's agony, Shanberg writes:

"Everyone—Cambodians and foreigners alike—thought this had to be Phnom Penh's most miserable hour after long days of fear and privation as the Communist forces drew nearer. They looked ahead with hopeful relief to the collapse of the city, for they felt that when the Communists came and the war finally ended, at least the suffering would be largely over. All of us were wrong.

"The view of the future of Cambodia as a possibly flexible place even under Communism, where changes would not be extreme and ordinary folk would be left alone—turned out to be a myth."

Let us pray that, at least, it does not also turn out to be a myth in the other parts of Indochina that threw in their lot with the United States in the long and terrible war. For the moment, things seem to be somewhat better in South Vietnam and Laos, but there is no guarantee that they will stay that way.

At any rate, we are told—and we agree—that recriminations are not in order. We argued as hard as possible for as long as possible against abandoning Cambodia and Vietnam to their fates. A majority of Congress—perhaps a majority of the American people—disagreed. The events must now prove the wisdom and the charity of that decision.

Mr. MORGAN. These two articles clearly point out, Mr. President, that all is not peace and tranquillity in Cambodia since the Americans left; that nearly 4 million out of the 7 million Cambodians have been forced to leave their homes and seek refuge in the countryside where little or no food is available. Many have been executed.

We find also from the news today, Mr. President, that even our Nation is not free of the tyranny of these people, when one of our merchant ships is seized on the high seas.

I believe, Mr. President, that we should study history, that we should take strong action to protect American lives and American ships traveling on the high seas, and let the world know once and for all that we cannot and will not be trampled upon by any nation, anywhere.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in recess until the hour of 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER DESIGNATING PERIOD FOR ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees are recognized tomorrow under the standing order, there be a period for the transaction of routine morning business for not to exceed 30 minutes, with statements limited therein to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

MONTIE MONTANA CELEBRATES GOLDEN ANNIVERSARY AS WESTERN STAR IN JULY

Mr. MANSFIELD. Mr. President, July 10 to 13 are being celebrated by the State of Montana to mark the 50th show biz anniversary of Western star and rope artist par excellence Montie Montana.

Gov. Thomas L. Judge has proclaimed the 4-day holiday as Montie Montana Days, and the celebration will be in due form. There will be a wild-horse stampede in the town of Wolf Point, in the northeastern part of my State, and an 85-mile wagon trek, with hundreds of participants riding from Scobey to Wolf Point.

Montie Montana is the name this wrangler acquired when the M.C. on one occasion could not remember his real name. He happens to be Owen Harland Mickel. He was raised in Wolf Point, Mont., the son of a minister. He has traveled all over the world. He was a close friend of Will Rogers.

In addition to being at Wolf Point this summer, he will serve as grand marshal of the Cheyenne Frontier Days, the Pendleton Roundup, and the Salt Lake City Rodeo.

Mr. President, I ask unanimous consent to have printed in the Record a statement relative to this celebration, covering the part played by Montie Montana.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Montie Montana Celebrates Golden Anniversary as Western Star in July

Four days, July 10–13, are being celebrated by the state to mark the 50th show biz anniversary of western star and rope artist par excellence Montie Montana. Gov. Thomas L. Judge has proclaimed the four-day holiday as Montie Montana Days and the celebration will be in due form. There'll be a wild horse stampede in the town of Wolf Point and an 85-mile wagon trek with hundreds of

participants riding from Scobey to Wolf Point.

Montie Montana has worked every major rodeo in the United States, England, Canada, Australia and Mexico.

He is the only man to have ridden in 42 successive Rose Bowl Parades.

He has co-starred in movies from the days of Buck Jones, Tom Mix and Will Rogers to Hopalong Cassidy, Roy Rogers, Gene Autry, Joel McCrea and John Wayne.

He and his horse, Rex, share the distinction of being the only performers in their field to perform at the top of the Empire State Building in New York, which isn't exactly your average corral.

Montana's (the man, not the state) father was a minister in Wolf Point and took his son at an early age to see his first rodeo. That did it. He took to the saddle naturally and when still a youngster, stepped in to ride a bucking horse when the original rider couldn't make the date.

Later he got a job sweeping out the local theatre, starting in show business, as he says, from the bottom up. He augmented his income drawing crowds by doing rope tricks in front of the theatre.

His first paid performance was in Miles City, Montana in 1925. He's been a dominant figure on the rodeo-western-movie-Wild West show scene ever since.

Montana and his wife, Elly, tour 8 to 10 months a year. When not on tour, they spend their time at his 20-acre San Fernando Valley, California ranch. The ranch itself is somewhat of a miniature western museum. It houses two stagecoaches, one 100 years old and built especially for use in muddy conditions. This is the coach Montie will ride when he crosses Montana in the course of Montie Montana Days this coming July.

Also at the ranch are collectors' item saddles, several of which are over a century old; a rope Will Rogers used to use in his act, a gift from Will to Montie; 19th century riding tackle and gear; and a collection of silver studded saddles worth close to $75,000. Montie alwaya uses one of those for his annual Rose Parade appearances.

Also resident at the ranch is Poncho Rex, Montie's first great horse star. Rex is now close to his 30th birthday and slightly enfeebled. But Montie has 15 other pintos of various ages and he and Elly work with them constantly getting them ready for show business.

They're all named Rex.

Montie Montana is a "nom de show business."

"My real name is Owen Harlan Mickel. During the Buck Jones show in 1929, the announcer couldn't remember my name—so he called me 'Montie from Montana.' "

And so, Montie from Montana, will re-live 50 golden years in July with some of his new and old friends from throughout North America.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF THE NATIONAL ADVISORY COUNCIL ON ADULT EDUCATION—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States transmitting the annual report for the National Advisory Council on Adult Education for the fiscal year 1975, which, with the accompanying report, was referred to the Committee on Labor and Public Welfare. The message is as follows:

To the Congress of the United States:

I transmit herewith a report of Federal activities in Fiscal Year 1975 for the National Advisory Council on Adult Education as required by Section 311(d) of the Adult Education Act of 1966 (Public Law 89–750) as amended.

Gerald R. Ford.

The White House, *May 13, 1975.*

MESSAGES FROM THE HOUSE

At 12:03 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has passed the bill (S. 1542) to authorize appropriations for the fiscal year 1976 for certain maritime programs of the Department of Commerce, and for other purposes, with an amendment in which it requests the concurrence of the Senate.

The message also announced that the House has passed the bill (H.R. 6573) to rescind certain budget authority recommended in the message of the President of April 18, 1975 (H. Doc. 94–109), transmitted pursuant to the Impoundment Control Act of 1974, in which it requests the concurrence of the Senate.

At 3:35 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House of Representatives, having proceeded to reconsider the bill (H.R. 4296) to adjust target prices, loan and purchase levels on the 1975 crops of upland cotton, corn, wheat, and soybeans, to provide price support for milk at 80 per centum of parity with quarterly adjustments for the period ending March 31, 1976, and for other purposes, returned by the President of the United States with his objections to the House of Representatives in which it originated, failed to pass the bill, two-thirds of the House of Representatives not agreeing to pass the same.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

Rescission of Office of Education Budget Authority

A letter from the Comptroller General of the United States, relating to a rescission of Office of Education Budget Authority that the President had not reported to the Congress as required by the Impoundment Control Act of 1974 (with accompanying papers); jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Labor and Public Welfare, pursuant to the order of January 30, 1975, and ordered to be printed as a Senate document.

Comments on Budget Authority and Outlay Reductions Contained in Rescissions and Deferrals Transmitted With the President's Ninth and Tenth Special Messages

A letter from the Comptroller General of the United States, relating to the ninth and tenth special messages transmitted by the President of the United States on April 18, 1975, pursuant to the Impoundment Control Act of 1974 (with accompanying papers); jointly to the Committee on Appropriations, the Committee on the Budget, the Committee on Labor and Public Welfare, the Committee on Commerce, the Committee on Armed Services, the Committee on Interior and Insular Affairs, the Committee on Public Works, the Committee on Agriculture and Forestry, and the Committee on Finance, and ordered to be printed as a Senate Document.

Report by the Director of the Office of Management and Budget

A letter from the Director of the Office of Management and Budget transmitting the cumulative report required by section 1014 (e) of the Congressional Budget and Impoundment Control Act of 1974 (with an accompanying report); pursuant to the order of January 30, 1975, jointly to the Committee on Appropriations, the Committee on the Budget, the Committee on Agriculture and Forestry, the Committee on Commerce, the Committee on Armed Services, the Committee on Labor and Public Welfare, the Committee on Banking, Housing and Urban Affairs, the Committee on Interior and Insular Affairs, the Committee on the Judiciary, the Committee on Foreign Relations, the Committee on Finance, the Committee on Public Works, the Joint Committee on Atomic Energy, the Committee on Aeronautical and Space Sciences, and the Committee on the District of Columbia; and ordered to be printed as a Senate document.

Proposed Legislation To Extend the Federal Insecticide, Fungicide, and Rodenticide Act

A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a draft of proposed legislation to extend the Federal Insecticide, Fungicide, Rodenticide Act, as amended, for 2 weeks (with accompanying papers); to the Committee on Agriculture and Forestry.

Evaluation Reports on Special Supplemental Food Program for Women, Infants, and Children

A letter from the Comptroller General of the United States, relating to preliminary evaluation reports on the special supplemental food program for women, infants, and children; to the Committee on Agriculture and Forestry.

Disposal Plans for On-State Demilitarization/Detoxification of Munitions and Agent GB

A letter from the Secretary of the Army, reporting pursuant to law, disposal plans for on-site demilitarization/detoxification of munitions and agent GB and the eventual elimination of the possible risk associated with the storage of this materiel in close proximity to as populated an area as Denver; to the Committee on Armed Services.

Proposed Construction Projects for the Air National Guard

A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), reporting, pursuant to law, on construction projects proposed to be undertaken for the Air National Guard within the uncommitted balance of available lump sum authorization; to the Committee on Armed Services.

PROPOSED LEGISLATION TO PERMIT THE RECALL TO ACTIVE DUTY OF REAR ADM. J. EDWARD SNYDER, JR.

A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to permit the recall to active duty of Rear Adm. J. Edward Snyder, Jr., upon retirement in a command status as the Oceanographer of the Navy (with accompanying papers); to the Committee on Armed Services.

EXIM STATEMENT ON LA CARIDAD COPPER PROJECT

A letter from the President and Chairman, Export-Import Bank of the United States, reporting on Eximbank financing to assist Mexicana de Cobre S.A. in purchasing from the United States goods and services for La Caridad Copper project located near Nacozari, Sonora, Mexico; to the Committee on Banking, Housing and Urban Affairs.

PROPOSED LEGISLATION TO EXTEND THE MARINE PROTECTION, RESEARCH AND SANCTUARIES ACT

A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a draft of proposed legislation to extend the Marine Protection, Research and Sanctuaries Act for 2 years (with accompanying papers); to the Committee on Commerce.

SUPPLEMENTAL REPORT TO THE PRELIMINARY SYSTEM PLAN OF THE U.S. RAILWAY ASSOCIATION

A letter from the Chairman of the Board, U.S. Railway Association, transmitting, pursuant to law, a supplemental report to the Preliminary System Plan of the U.S. Railway Association on the Erie Lackawanna Railway (with an accompanying report); to the Committee on Commerce.

REPORT OF THE MARITIME ADMINISTRATION

A letter from the Acting Secretary of Commerce, transmitting, pursuant to law, a report on the activities of the Maritime Administration during fiscal year 1974 (with an accompanying report); to the Committee on Commerce.

REPORT OF THE FEDERAL POWER COMMISSION

A letter from the Chairman, Federal Power Commission, transmitting, pursuant to law, the annual report for the fiscal year July 1, 1973 to June 30, 1974 (with an accompanying report); to the Committee on Commerce.

PROPOSED LEGISLATION TO PROVIDE FOR ADEQUATE AUTHORITY FOR THE PROTECTION OF BUILDINGS

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to provide adequate authority for the protection of buildings and property under the charge and control of the Department of the Treasury, to authorize the appointment of special police, and for other purposes (with accompanying papers); to the Committee on Finance.

PROPOSED CUSTOMS MODERNIZATION ACT OF 1975

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to modernize and simplify customs procedures, and for other purposes (with accompanying papers); to the Committee on Finance.

INTERNATIONAL AGREEMENTS ENTERED INTO BY THE UNITED STATES

A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States 60 days after the execution thereof (with accompanying papers); to the Committee on Foreign Relations.

REPORTS OF THE COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on potential of value analysis for reducing waste treatment plant costs, Environmental Protection Agency (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on improvements needed in making and in reporting on technical evaluations of noncompetitive price proposals, Department of Defense (with an accompanying report); to the Committee on Government Operations.

PROPOSED LEGISLATION TO AMEND THE ATOMIC ENERGY ACT TO PROVIDE FOR APPROVAL OF SITES FOR PRODUCTION AND UTILIZATION FACILITIES

A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting a draft of proposed legislation to amend the Atomic Energy Act of 1954, as amended, to provide for approval of sites for production and utilization facilities, and for other purposes (with accompanying papers); to the Joint Committee on Atomic Energy.

ORDERS FOR ALIENS FOUND ADMISSIBLE

A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting, pursuant to law, ordered in the cases of two aliens who have been found admissible to the United States (with accompanying papers); to the Committee on the Judiciary.

CRITERIA FOR FUNDING OF APPLICATIONS FOR FOREIGN LANGUAGE AND AREA STUDIES CENTERS

A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting, pursuant to law, criteria for funding of applications for Foreign Language and Area Studies Centers (Title VI of the National Defense Education Act of 1958, as amended, 20 U.S.C. 511(a)) (with accompanying papers); to the Committee on Labor and Public Welfare.

REGULATION TO GUARANTEED STUDENT LOAN PROGRAM

A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting, pursuant to law, regulation to 45 CFR Part 177, guaranteed student loan program (with accompanying papers); to the Committee on Labor and Public Welfare.

NOTICE OF FUNDING CRITERIA AND RESERVATION OF FUNDS—EMERGENCY SCHOOL AID ACT

A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting, pursuant to law, notice of funding criteria and reservation of funds, Emergency School Aid Act (with accompanying papers); to the Committee on Labor and Public Welfare.

PROPOSED LEGISLATION TO EXTEND THE SOLID WASTE DISPOSAL ACT

A letter from the Deputy Administrator, U.S. Environmental Protection Agency, transmitting a draft of proposed legislation to extend the Solid Waste Disposal Act, as amended, for 2 years (with accompanying papers); to the Committee on Public Works.

PROPOSED LEGISLATION TO EXTEND THE FEDERAL WATER POLLUTION CONTROL ACT

A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a draft of proposed legislation to extend the Federal Water Pollution Control Act for 2 years (with accompanying papers); to the Committee on Public Works.

PROPOSED LEGISLATION TO EXTEND CERTAIN PROVISIONS OF THE CLEAN AIR ACT

A letter from the Deputy Administrator, U.S. Environmental Protection Agency, transmitting a draft of proposed legislation to extend certain provisions of the Clean Air Act for 2 years (with accompanying papers); to the Committee on Public Works.

FEDERAL ELECTION COMMISSION'S BUDGET REQUEST

A letter from the Chairman, Federal Election Commission, transmitting, pursuant to law, the Federal Election Commission's budget request for fiscal year 1976 (with accompanying papers); to the Committee on Rules and Administration.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the PRESIDENT pro tempore:

A concurrent resolution from the State of Texas relating to the use of natural gas as a fuel for irrigation engines; to the Committee on Commerce:

"SENATE CONCURRENT RESOLUTION

"Whereas, Natural gas has been used as a fuel for irrigation engines in the Panhandle and South Plains of Texas for a number of years and is the most economical and readily available fuel in this area of the state; and

"Whereas, Natural gas is transported to more than 50,000 irrigation wells in the Panhandle and South Plains of Texas by an extensive network of underground pipelines, many of which have been laid by the irrigation farmers themselves at an average cost of approximately $1,000 per well; and

"Whereas, The irrigation belt of the Panhandle and South Plains of Texas produces an extraordinary amount of food and fiber products, most of which could not be produced without irrigation and the use of natural gas as a fuel to power the irrigation engines; and

"Whereas, Currently no other fuel is available in sufficient quantities to furnish power for irrigation engines, and it would not be economically feasible to modify existing equipment for the transportation, storage, and use of any alternative fuel made available at a later date; and

"Whereas, The Federal Power Commission on December 19, 1974, rendered Opinion 697-A in Docket RP72–6 changing the priority of natural gas for irrigation purposes from a No. 2 commercial priority to a No. 3 industrial priority, which for all practical purposes made natural gas unavailable for irrigation equipment; and

"Whereas, This potentially disastrous ruling was made by the Federal Power Commission without providing notice to the farmers of the Panhandle and South Plains area and without providing an opportunity for them to present evidence or testimony to the commission on this very important matter; and

"Whereas, The Plains Irrigation Gas Users Association, on behalf of affected member farmers, has filed a motion for leave to intervene in the aforementioned docket number and a motion to restore natural gas for irrigation purposes to a No. 2 commercial priority; both motions are still pending before the Federal Power Commission; now, therefore, be it

"Resolved, By the Senate of the State of Texas, the House of Representatives concurring, that the 64th Legislature hereby respectfully memorialize the Congress of the United States to instruct the Federal Power Commission to restore natural gas for irrigation purposes to a No. 2 commercial priority before there is extensive and lasting damage to the economy of the Panhandle and South Plains of Texas and serious disruption of the national economy; and, be it further

"Resolved, That official copies of this resolution be prepared and forwarded to the President of the United States, to the President of the Senate and the Speaker of the

House of Representatives of the United States Congress, and to all members of the Texas delegation of the Congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America; and, be it further

"Resolved, That official copies of this resolution also be prepared and forwarded to the Federal Power Commission as an expression of the views of the 64th Legislature of the State of Texas."

Concurrent resolution No. 2013 of the Legislature of the State of Kansas, memorializing the Congress of the United States to reject any bill authorizing the establishment of a Tallgrass Prairie National Park in the Flint Hills of Kansas; to the Committee on Interior and Insular Affairs:

"HOUSE CONCURRENT RESOLUTION No. 2013

"Whereas, the federal government now owns, controls or manages a vast amount of property in the state of Kansas, some of which acreage would be better suited for the establishment of a Prairie National Park; and

"Whereas, The establishment of a Prairie National Park in the Flint Hills of Kansas would result in the taking of substantial acreages of privately owned property of ranchers and cattlemen who depend upon the preservation and improvement of the grassland for their survival; and

"Whereas, The establishment of such Prairie National Park would result in the removal of a substantial amount of land from the tax rolls which would seriously interfere with the financing of necessary county, township and school district services; and

"Whereas, This is an era of nationwide food shortages and the loss of the vast grazing areas in the grasslands would seriously hamper the production of beef: Now, therefore,

"*Be it resolved by the House of Representatives of the State of Kansas, the Senate concurring therein:* That the legislature of the state of Kansas respectfully petitions the Congress of the United States to leave intact the complex relaionship between man and his environment which has been so vital to the culture and preservation of the prairie grasslands by rejecting any bill authorizing the establishment of a Tallgrass Prairie National Park in the Flint Hills of Kansas.

"*Be it further resolved:* That the legislature of the state of Kansas respectfully urges the Congress of the United States, upon finding a need for the location of a Tallgrass Prairie National Park in the state of Kansas, to establish such park upon land in which the title is presently vested in the United States government, or to establish a Prairie National Parkway through the Flint Hills of Kansas, acquiring easements as necessary to provide scenic overlooks, picnic areas and rest stops along such Parkway.

"*Be it further resolved:* That the Secretary of State be directed to send enrolled copies of this resolution to the President of the United States Senate, the Speaker of the United States House of Representatives and to each member of the Kansas delegation in the Congress of the United States."

A joint resolution from the Legislature of the State of California, relative to veterans' cemeteries; to the Committee on Veterans Affairs:

"SENATE JOINT RESOLUTION No. 13—RELATIVE TO VETERANS' CEMETERIES

"Whereas, Since the early days of our nation it has been the continuing policy of the United States to provide for the burial of its deceased war veterans in national cemeteries; and

"Whereas, The national cemeteries of the Presidio of San Francisco, Fort Rosecrans at San Diego, and the Golden Gate National Cemetery at San Bruno are completely filled and closed; and

"Whereas, The 93rd Congress did enact the "National Cemetery Act of 1973", establishing within the Veterans Administration a national cemetery system for the interment of deceased servicemen and veterans; and

"Whereas, The Veterans Administration has selected 640 acres in the White Wolf Valley of Kern County as one of the final sites being considered for the establishment and perpetuation of a national cemetery; and

"Whereas, the Kern County area is within the geographical center and embraces the population center of the state, is serviced by two major transcontinental railroads and two major national highways, and has a modern airport system, including an ultramodern terminal and 16 satellite airfields throughout the county; and

"Whereas, This area enjoys an equable climate throughout the year, which proves of great benefit to those families wishing to visit the resting places of loved ones at any season; and

"Whereas, Two of our nation's largest military installations (Naval Weapons Center and Edwards Air Force Base) are located within Kern County, and several other military installations are nearby; now, therefore, be it

"*Resolved by the Senate and Assembly of the State of California, jointly,* That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to establish a national cemetery in Kern County in conformity with the program of continuance and expansion of national cemeteries; and be it further

"*Resolved,* That the Secretary of the Senate be hereby directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to the Veterans Administration, to the National Cemetery Commission, and to each Senator and Representative from California in the Congress of the United States."

A petition seeking a redress of grievances from a citizen of Lyons, Ill.

A petition seeking redress of grievances from two citizens of Humansville, Mo.

REPORT OF A COMMITTEE SUBMITTED DURING ADJOURNMENT

Under authority of the order entered on May 12, 1975, Mr. SPARKMAN, from the Committee on Foreign Relations, submitted a report on the bill (S. 1661) to enable the United States to render assistance to or in behalf of certain migrants and refugees, with an amendment, which was ordered to be printed (Rept. No. 94–119).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MOSS, from the Committee on Commerce, with an amendment:

S. 323. A bill to regulate commerce and to protect petroleum product dealers from unfair practices, and for other purposes (Rept. No. 94–120).

By Mr. CANNON, from the Committee on Rules and Administration, without amendment:

S. 95. A bill to guarantee the constitutional right to vote and to provide uniform procedures for absentee voting in Federal elections in the case of citizens outside the United States (Rept. No. 94–121).

S.J. Res. 41. A joint resolution to provide for the reappointment of Thomas J. Watson, Jr., as citizen regent of the Board of Regents of the Smithsonian Institution (Rept. No. 94–122).

S.J. Res. 42. A joint resolution to provide for the reappointment of Dr. John Nicholas Brown as citizen regent of the Board of Regents of the Smithsonian Institution (Rept. No. 94–123).

S. Con. Res. 36. A concurrent resolution authorizing the printing of additional copies of Senate hearings on proposed constitutional amendments to limit abortions (Rept. No. 94–124).

S. Res. 125. A resolution authorizing the printing of the report entitled "Report to Congress on Control of Sulfur Oxide" (Rept. No. 94–125).

S. Res. 138. A resolution authorizing additional expenditures for the Committee on Appropriations for routine purposes (Rept. No. 94–126).

H. Con. Res. 44. A concurrent resolution providing for the printing of a revised edition of the House document "Our American Government. What Is It? How Does It Function?" (Rept. No. 94–127).

H. Con. Res. 117. A concurrent resolution providing for the printing as a House document of the hearings and panels of the Select Committee on Committees (Rept. No. 94–128).

H. Con. Res. 146. A concurrent resolution authorizing the printing of a revised edition of the booklet entitled "The History and Operation of the House Majority Whip Organization (94th Congress)" (Rept. No. 94–129).

S. Res. 141. A resolution providing supplemental expenditures by the Select Committee on Nutrition and Human Needs (Rept. No. 94–130).

S. Res. 153. An original resolution authorizing additional expenditures by the Committee on Rules and Administration for routine purposes (Rept. No. 94–132).

S. Res. 154. An original resolution to pay a gratuity to Thomas J. Donovan.

By Mr. CANNON, from the Committee on Rules and Administration, with an amendment:

S. Res. 140. A resolution relating to expenses of the Committee on Appropriations (Rept. No. 94–131).

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, with an amendment:

S. 522. A bill to implement the Federal responsibility for the care and education of the Indian people by improving the services and facilities of Federal Indian Health programs and encouraging maximum participation of Indians in such programs, and for other purposes (Rept. No. 94–133).

By Mr. HARTKE, from the Committee on Commerce and the Committee on Labor and Public Welfare, jointly, without amendment:

S. 1730. A bill to improve the reliability, safety, and energy efficiency of transportation and to reduce unemployment by providing funds for work in repairing, rehabilitating, and improving essential railroad roadbeds and facilities (Rept. No. 94–134).

HOUSE BILL REFERRED

The bill (H.R. 6573) to rescind certain budget authority recommended in the message of the President of April 18, 1975 (H. Doc. 94–109), transmitted pursuant to the Impoundment Control Act of 1974, in which it requests the concurrence of the Senate, was read twice by its title and referred jointly to the Committee on Appropriations, the Committee on the Budget, the Committee on Labor and Public Welfare, and the Committee on the District of Columbia, pursuant to the order of January 30, 1975.

UMI

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. CURTIS (for himself, Mr. Thurmond, Mr. Harry F. Byrd, Jr., Mr. Helms, Mr. Hansen, Mr. Talmadge, Mr. McClure, Mr. Hruska, Mr. Buckley, Mr. Laxalt, Mr. Long, Mr. Dole, Mr. Fannin, Mr. Goldwater, Mr. William L. Scott, Mr. Bartlett, Mr. Roth, Mr. Tower, and Mr. Brock):

S. 1719. A bill to amend title IV of the Social Security Act to improve and make more realistic various provisions relating to eligibility for aid to families with dependent children and the administration of the aid to families with dependent children program, and for other purposes. Referred to the Committee on Finance.

By Mr. CURTIS:

S. 1720. A bill to amend the Social Security Act to improve and control the cost of the program of old-age, survivors, and disability insurance, the program of grants to States for aid to families with dependent children, and the program of health insurance for the aged and disabled. Referred to the Committee on Finance.

S. 1721. A bill to amend the Social Security Act to improve and control the cost of the maternal and child health and crippled children's services program, and the program of grants to States for medical assistance programs. Referred to the Committee on Finance.

S. 1722. A bill to amend title XVIII of the Social Security Act to make technical changes in the method of determining the supplementary medical insurance premium. Referred to the Committee on Finance.

By Mr. HARRY F. BYRD, JR.:

S. 1723. A bill to amend the Internal Revenue Code of 1954 to revise the tax treatment of transfers of certain property to tax-exempt organizations. Referred to the Committee on Finance.

By Mr. HUMPHREY (for himself, Mr. Mondale, Mr. McGee, and Mr. Bellmon):

S. 1724. A bill to amend the Rural Development Act of 1972 (Public Law 92–419) and for other purposes. Referred to the Committee on Agriculture and Forestry.

By Mr. BELLMON (for himself and Mr. Bartlett):

S. 1725. A bill to establish the Chickasaw National Recreation Area in the State of Oklahoma, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. ABOUREZK (for himself, Mr. Humphrey, Mr. Clark, Mr. Huddleston, Mr. Haskell, Mr. Symington, Mr. Burdick, Mr. Eastland, Mr. Mondale, Mr. Gary W. Hart, Mr. Leahy, Mr. McGovern, and Mr. Hartke):

S. 1726. A bill to amend the Federal Crop Insurance Act to establish an independent corporation to carry out the purposes of such Act, to provide for more extensive commodity coverage under such Act, and for other purposes. Referred to the Committee on Agriculture and Forestry.

By Mr. MOSS (for himself, Mr. Metcalf, Mr. Philip A. Hart, and Mr. Buckley):

S. 1727. A bill to amend the Fish and Wildlife Coordination Act, and for other purposes. Referred to the Committee on Commerce.

By Mr. MONDALE:

S. 1728. A bill for the relief of Jonathan Aoloc Majak. Referred to the Committee on the Judiciary.

By Mr. BAYH:

S. 1729. A bill to amend title II of the Social Security Act to eliminate the special dependency requirements for entitlement to husband's and widower's insurance benefits, to provide benefits for widower fathers with minor children, to make certain other changes so that benefits for husbands, widowers, and fathers will be payable on the same basis as benefits for wives, widows, and mothers, and to permit the payment of benefits to a married couple on their combined earnings record where that method of computation provides a higher combined benefit. Referred to the Committee on Finance.

By Mr. HARTKE (for himself, Mr. Javits, Mr. Magnuson, Mr. Williams, Mr. Randolph, Mr. McClellan, Mr. Hathaway, Mr. Bayh, Mr. Pastore, Mr. Philip A. Hart, Mr. Buckley, Mr. Kennedy, Mr. Culver, Mr. Ribicoff, Mr. Humphrey, Mr. Weicker, Mr. Pell, Mr. Cranston, Mr. Eagleton, Mr. Hollings, Mr. Gravel, Mr. Stafford, Mr. McGovern, Mr. Schweiker, Mr. Hugh Scott, Mr. Beall, Mr. Brooke, Mr. McIntyre, Mr. Moss, Mr. Biden, Mr. Leahy, and Mr. Tunney):

S. 1730. A bill to improve the reliability, safety, and energy efficiency of transportation and to reduce unemployment by providing funds for work in repairing, rehabilitating, and improving essential railroad roadbeds and facilities. Referred, by unanimous consent, to the Committees on Commerce and Labor and Public Welfare.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CURTIS (for himself, Mr. Thurmond, Mr. Harry F. Byrd, Jr., Mr. Helms, Mr. Hansen, Mr. Talmadge, Mr. McClure, Mr. Hruska, Mr. Buckley, Mr. Laxalt, Mr. Long, Mr. Dole, Mr. Brock, Mr. Fannin, Mr. Goldwater, Mr. William L. Scott, Mr. Bartlett, Mr. Roth, and Mr. Tower):

S. 1719. A bill to amend title IV of the Social Security Act to improve and make more realistic various provisions relating to eligibility for aid to families with dependent children and the administration of the aid to families with dependent children program, and for other purposes. Referred to the Committee on Finance.

By Mr. CURTIS:

S. 1720. A bill to amend the Social Security Act to improve and control the cost of the program of old-age, survivors, and disability insurance, the program of grants to States for aid to families with dependent children, and the program of health insurance for the aged and disabled. Referred to the Committee on Finance.

S. 1721. A bill to amend the Social Security Act to improve and control the cost of the maternal and child health and crippled children's services program, and the program of grants to States for medical assistance programs. Referred to the Committee on Finance.

S. 1722. A bill to amend title XVIII of the Social Security Act to make technical changes in the method of determining the supplementary medical insurance premium. Referred to the Committee on Finance.

(The remarks of Mr. Curtis on the introduction of the above bills are printed earlier in the Record.)

By Mr. HARRY F. BYRD, JR.:

S. 1723. A bill to amend the Internal Revenue Code of 1954 to revise the tax treatment of transfers of certain property to tax-exempt organizations. Referred to the Committee on Finance.

TRANSFER OF CERTAIN PROPERTY TO TAX-EXEMPT ORGANIZATIONS

Mr. HARRY F. BYRD, JR. Mr. President, I am introducing today a bill which will change the Tax Code to provide that tax-exempt organizations receive the same benefits tax-paying organizations receive when a subsidiary corporation is liquidated into a parent corporation.

The staff of the Finance Committee tells me, and the attorney for Colonial Williamsburg tells me, that so far as they can determine, the proposal will affect only Colonial Williamsburg.

It is my policy in handling any tax legislation of a specific nature, that the proposed beneficiary be clearly stated in the Record.

Under existing law there are certain situations where income that would otherwise be taxed as capital gain on the disposition of property is converted into ordinary income. This procedure is commonly referred to as "recapture." The provisions regarding this procedure are contained in sections 1245 and 1250 of of the Internal Revenue Code of 1954, as amended.

Information I have obtained from the Finance Committee staff and the Treasury Department indicates that the present law did not contemplate this situation.

The proposed bill is the same as the language which the Ways and Means Committee approved last year in the Tax Reform Bill of 1974, a measure that was not acted upon by the House of Representatives before adjournment.

Further, I am informed that the Treasury Department has examined this legislation and has no objections to it. During the course of Ways and Means Committee deliberations, last year, Treasury Department officials testified to this effect and have provided me with a letter which I will insert in the Record at the conclusion of my remarks.

The proposed amendment would remedy the problem which now occurs under section 1245(b) (3). Generally, a controlled subsidiary corporation may be liquidated into its parent corporation on a tax-free basis under sections 332 and 336 of the code. Under those circumstances there is no recapture of depreciation on the part of the subsidiary corporation in connection with such a transaction.

However, section 1245(b) (3) contains an exception to this rule where there is a disposition to an organization exempt from income tax. In that event, contrary to what occurs where the disposition is to a taxable entity, and despite the continued use of the assets of the subsidiary by the tax-exempt recipient organization in a taxable unrelated business, depreciation is recaptured.

This amendment corrects this inequity by providing treatment to nontaxable entities similar to that available for tax-

able entities by postponing this recapture.

However, under this amendment the tax-exempt recipient organization must continue to use the assets of the liquidated subsidiary in an unrelated trade or business and agree to treat any change in the use of those assets as a disposition resulting in recapture of depreciation.

This amendment would thus conform the treatment of depreciation recapture for both taxable and tax-exempt organizations where assets are received through liquidation of a subsidiary and are used in a taxable trade or business.

The technical changes referred to in the following letter from the Treasury Department have been made.

I ask unanimous consent that the letter from the Department of the Treasury be inserted at this point in the Record and that it be followed by the text of the proposed legislation, and that the proposed legislation be appropriately referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Department of the Treasury,
Washington, D.C., May 6, 1975.

Hon. Harry F. Byrd, Jr.,
U.S. Senate,
Washington, D.C.

Dear Senator Byrd: You have inquired as to the position of the Treasury Department with respect to an amendment to section 1245 of the Internal Revenue Code relating to depreciation recapture. Under present law such recapture is not required when a wholly owned subsidiary is liquidated into the parent corporation. However under present law that exception for liquidation of a subsidiary is not applicable, and thus recapture is required, if the transferee is a tax-exempt organization. This rule was enacted in 1962 to prevent tax avoidance through tax-free transfers of property to a tax-exempt organization.

In general, the type of amendment you have asked about would provide that recapture will not be required if the transferee is an exempt organization which will use the property in an unrelated trade or business the net income of which is subject to tax. Since the property will be used in an unrelated trade or business, the policy considerations underlying the 1962 amendment are not controlling. Further, the amendment would place the exempt transferee in essentially the same position as that of a transferee which is a business corporation. Last year in the Ways and Means Committee the Treasury Department concurred in a comparable amendment and we would continue to do so.

We did, however, recommend certain additional provisions of a technical nature to require recapture if, for any reason, the property ceases to be used by the transferee in an unrelated trade or business. We adhere to these recommendations.

Sincerely yours,

Ernest S. Christian, Jr.,
Deputy Assistant Secretary.

S. 1723

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Sec. —. Transfers of Section 1245 Property or Section 1250 Property to Tax-Exempt Organization Which Uses Such Property in an Unrelated Trade or Business.

(a) Amendments of Section 1245.—

(1) The second sentence of section 1245 (b) (3) (relating to gain from dispositions of certain depreciable property) is amended by striking out "This" and inserting in lieu thereof "Except as provided in paragraph (7), this".

(2) Section 1245(b) is amended by adding at the end thereof the following new paragraph:

"(7) Transfers to tax-exempt organization where property will be used in unrelated business.—

"(A) In General.—The second sentence of paragraph (3) shall not apply to a disposition of section 1245 property to an organization described in section 511(a) (2) or 511 (b) (2) if, immediately after such disposition, such organization uses such property in an unrelated trade or business (as defined in section 513).

"(B) Later Change in Use.—If any property with respect to the disposition of which gain is not recognized by reason of subparagraph (A) ceases to be used in an unrelated trade or business of the organization acquiring such property, such organization shall be treated for purposes of this section as having disposed of such property on the date of such cessation."

(b) Amendments to Section 1250.—

(1) The second sentence of section 1250 (d) (3) (relating to gain from dispositions of certain depreciable realty) is amended by striking out "This" and inserting in lieu thereof "Except as provided in paragraph (9), this".

(2) Section 1250(d) is amended by adding at the end thereof the following new paragraph:

"(9) Transfers to tax-exempt organization where property will be used in unrelated business.—

"(A) In General.—The second sentence of paragraph (3) shall not apply to a disposition of section 1250 property to an organization described in section 511(a) (2) or 511 (b) (2) if, immediately after such disposition, such organization uses such property in an unrelated trade or business (as defined in section 513).—

"(B) Later Change in Use.—If any property with respect to the disposition of which gain is not recognized by reason of subparagraph (A) ceases to be used in an unrelated trade or business of the organization acquiring such property, such organization shall be treated for purposes of this section as having disposed of such property on the date of such cessation."

(c) Effective Date.—

(1) In general.—Except as provided in paragraph (2) the amendments made by this section shall apply to dispositions after December 31, 1969, in taxable years ending after such date.

(2) Election for past transactions.—In the case of any disposition occurring before the date of the enactment of this Act, the amendments made by this section shall apply only if the organization acquiring the property elects (in the manner provided by regulations prescribed by the Secretary of the Treasury or his delegate) within 1 year after the date of the enactment of this Act to have such amendments apply with respect to such property.

By Mr. HUMPHREY (for himself, Mr. Mondale, Mr. McGee, and Mr. Bellmon):

S. 1724. A bill to amend the Rural Development Act of 1972 (Public Law 92–419) and for other purposes. Referred to the Committee on Agriculture and Forestry.

NATIONAL RURAL DEVELOPMENT BANK ESSENTIAL FOR REVIVAL OF RURAL AMERICA

Mr. HUMPHREY. Mr. President, rural America has nearly half of this Nation's poverty, 60 percent of its substandard housing, rates of unemployment and underemployment well above the national average, continuing substanial outmigration—particularly of the young—inadequate public facilities and services, especially in the health, education, and public utilities areas, and a severe flight of rural capital to the metropolitan areas. The economy of rural America today is far from healthy.

The impact of these problems is not limited to our rural areas alone. Every city in America has felt their consequences. Substantial rural to urban migration has, at least in part, been responsible for overcrowded housing, high rates of joblessness, unanticipated demands for health, education, and other public services, rising crime rates, swollen welfare rolls, and urban congestion in general.

This relationship between rural and urban problems has been recognized, in recent years, by Federal legislation aimed at bringing some sanity to national growth patterns.

With the enactment of title IX of the Agriculture Act of 1970, Congress and the President committed themselves to a national policy of "sound balance between rural and urban America." The Congress considers this balance so essential to the peace, prosperity, and welfare of all our citizens that "the highest priority must be given to the revitalization and development of rural areas."

A similar commitment to the balanced growth of rural and urban America was echoed in title VII of the Housing and Urban Development Act of 1970.

With the passage of the Rural Development Act of 1972, bold new programs were designed to help rural America prosper. It is a good, solid bill and one that I believe ought to be fully funded and implemented without delay.

Despite enactment of the Rural Development Act of 1972, rural America still lacks the basic investment and financial system which I and many others feel, is essential to stimulate development in the rural areas of our Nation. What I am referring to is the kind of credit and financial system which Senator Talmadge, chairman of the Agriculture and Forestry Committee, and I proposed as part of the Rural Development Act. Regrettably, that proposal was deleted from the bill by a close vote during debate on the Senate floor.

The United States has capitalized development financing institutions in Asia, Africa, and Latin America. While I am not averse to providing such assistance to our foreign friends, I think it is time we did the same for our own people.

Such a financial institution, channeling additional capital into rural areas of the United States for nonfarm development purposes, is essential to the economic revival of rural America. It is clear from our experience of the last 2 years that adequate funding for rural America is not being provided under the Rural Development Act of 1972. History clearly shows that, because of the way the financial system works in this country, funds tend not to revolve within rural communities. Instead, they normally flow to the largest population and capital market centers. They flow into bond markets, stock markets, insurance companies, corporate bank accounts, and trust funds—all of which are uniquely metropolitan. The reverse flow of capital—urban to rural—is much more modest.

Small town banks are limited by small reserves from making large loans. The regulations under which they operate force them to lend money for short periods of time to those who represent virtually no risk whatsoever. Often small banks' reserves are invested in Government bonds instead of being loaned out, once again reducing the availability of capital for use in developing rural areas. This lack of investment power by rural entrepreneurs is a crucial deficiency in rural economic development efforts. Even though many local development efforts are led by bankers, they have very limited means at their disposal to accomplish their economic development objectives.

Often, small rural communities are prevented from doing those things which attract economic development because they do not need major amounts of capital at a level sufficient to attract investors. Few bond houses, for example, will handle issues of less than $500,000. As a result, nonrevenue producing services are completely neglected by rural communities, and even credit for self-liquidating, or partially self-liquidating activities such as water and sewer lines, is hard to come by.

In addition, small rural banks are severely limited in the amount of credit they can dedicate to any individual rural development project or borrower. Yet many individual projects, if we were really serious, are going to cost a lot of money. Even when the Federal Government guarantees 90 percent of a $7 million loan, the remaining $700,000 is more than most small banks can handle alone.

Of course, most small rural banks have developed good cooperative working relationship with other larger banks, usually in metropolitan areas. Such banks are helpful to local banks in meeting rural credit needs. But this line of credit is limited and the small bank also has problems of liquidity and flexibility to think about in drawing on this source of capital. Moreover, experience shows that, during periods of rapid national economic expansion, many of these large financial institutions themselves need somewhere to turn for assistance with their rural development credit and investment portfolios.

In 1971 President Nixon's task force on rural development recognized this need for additional financial resources in rural areas to stop and reverse the ongoing trend of outmigration. It stated in its final report:

> The Task Force recommends a new credit institution to provide rural areas with greater access to private capital.

The bill I am introducing today responds to this recommendation and it would go a long way toward meeting the additional capital needs of rural America. And it would meet them in an effective and timely manner.

In general, this bill would establish a National Rural Development Bank to serve as a basic source of financial assistance to institutions that have purchased, refinanced, discounted, or rediscounted nonfarm rural development loans made by local rural banks and other local financial institutions, or to these institutions themselves, when the need arises.

It would also set up a board for the bank composed of 11 Presidential appointees, 3 ex officio members, and 10 members elected by the bank stockholders to set bank policy and procedures.

In addition, it would authorize the appropriation of not more than $200 million annually for 10 years for the purchase of capital stock in the bank by the Secretary of the Treasury.

In its organization and operations, the proposed bank would:

First. Rely on the existing private rural banking and financial system and not create a major new bureaucracy to administer the bank's operations;

Second. Be owned and controlled by the independent rural investment institutions themselves;

Third. Create an additional independent source of capital for nonfarm rural development that can be utilized by rural financial institutions, and not be required to operate within the constraints of the Federal and State political structure;

Fourth. Work with correspondent banks or rural banks and with rural banks themselves to increase the liquidity and security of rural development loans;

Fifth. Join with local banks and other investors to make joint-venture equity investments in rural development projects on a limited basis; and

Sixth. Require the purchase of bank stock by borrowers who are rural development project sponsors and joint venture cosponsors.

The proposed National Rural Development Bank would establish one national bank.

It would authorize the national bank to deal directly with local private banks and other financial institutions.

As things now stand, control of nonfarm rural development credit rests in the executive branch of the Federal Government—nowhere else. The administration's action on the Rural Development Act provisions for guaranteed and insured loans for rural industrial development and community facilities forces reliance on the rural development insurance fund for virtually all nonfarm rural credit.

The decision by the Office of Management and Budget to set a ceiling on these guaranteed and insured loans and to make them subject to the present budgetary and appropriations process, coupled with the administration's reluctance to provide adequate personnel for the Farmers Home Administration, reinforces the need for an independent, nonfarm rural capital generating institution like the proposed National Rural Development Bank.

In conclusion, unless more credit is made available for projects which can pay at least part of their own way, small towns will never be able to use local tax dollars for those things which improve the quality of rural life; make communities attractive for commercial and industrial expansion; and are part of the American way of living which most nonrural residents take for granted.

Mr. President, I ask unanimous consent that a detailed section-by-section analysis of the proposed National Rural Development Bank bill be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS

A Bill to amend the Rural Development Act of 1972 (Public Law 92–419) and for other purposes.

The bill amends the Rural Development Act of 1972 by adding a new Title VII to be cited as the "Rural Development Act Amendments of 1975."

SUBTITLE A

Subtitle A sets forth the findings of Congress, states the policy and purpose of Congress, and provides the definition of terms used in the bill.

Section 701—Title

Section 701 states the title, and findings, and purpose.

Subsection (a) states the title as the "Rural Development Act Amendments of 1975".

Findings

Subsection (b) sets forth the following findings:

1. Farming and forestry form the backbone of the rural economy; yet the community services and facilities and the income earning opportunities needed by farm and forestry people to increase their incomes and raise their quality of life are shared with all other residents living in rural areas and rural communities who must particpate in their financial support.

2. Adequately raise farm family and forestry income and increase the accessibility to farm and rural residents of high-quality community facilities and services, require all the resources in local rural communities to be used at maximum effectiveness and efficiency.

3. The conduct of industry, business, and commerce, as well as farming and forestry, contributes to the jobs and income earning opportunities needed to provide the tax base to establish and maintain adequate rural facilities and services; the same circumstances are essential to expanding the service loads and hence the ability of rural electrification and telephone systems to pay overhead costs for service for farmers and other rural residents and repay indebtedness on Government and Government insured and guaranteed loans.

4. Prosperous, productive, and attractive rural communities are essential to the well-being of farm and other rural families and of a free nation because a more general, better balanced geographic distribution of the Nation's population is essential to the prosperity, general welfare, and domestic tranquility of the urban as well as the rural communities of the United States.

5. To attain a more general, better balanced geographic distribution of the Nation's population requires a reversal of the long-term trend of migration from rural to urban areas.

6. To reverse the flow of population from rural to urban areas and achieve a more general, better balanced geographic distribution of the Nation's population requires a more general, better balanced geographic distribution of profitable private economic enterprises, income earning opportunities, and high-quality public community facilities, services, and public works.

7. Additional capital investment and financial resources in rural areas are essential to enable them to establish and operate the private economic enterprises, public works, and community facilities and services necessary to achieve a more uniform geographic distribution of economic enterprises, jobs, and increased rural income.

8. Much of the needed investment must come from outside of rural areas and communities.

9. Much of the outside investment and credit needed by rural areas will be made available by the Nation's existing network of commercial and investment banks, the Farm Credit System, and other local rural financial institutions, and by other private enterprise and local and State governments buttressed and supplemented by the direct, insured, and guaranteed loans, technical assistance, and grants provided by the Consolidated Farm and Rural Development Act and other titles of the Rural Redevelopment Act of 1972.

10. However, because the size of investment or credit required by the sponsors of significant rural development projects often exceeds the regulated lending limits and investment standards of existing local rural financial institutions and individuals even when a part of the loan is insured or guaranteed under the Consolidated Farm and Rural Development Act, existing arrangements do not fully provide to local rural investors and financial institutions the liquidity, flexibility, and usable financial resources they require to be fully responsive to expanding rural development investment and credit needs.

11. Moreover, the individual potential investor, public or private, who wishes to construct and operate a significant rural development project does not have an independent access to investment funds and capital, if these are not currently available from existing credit and investment individuals and institutions.

Policy

Subsection (c) states that it is the policy of Congress to meet this need by establishing a local-lender-and-borrower-owned facility that will make equity investments along with sponsors of rural development projects and extend financial assistance to local lenders and those with whom loans extended by local lenders are refinanced, discounted, rediscounted, or to whom such loans are sold.

Purpose

Subsection (d) states it is the purpose of this Act to provide for a permanent rural development investment and financial institution that will organize and make available a stable, continuous, and dependable source of financial resources that will provide equity investments, extend loans, and provide discounting, rediscounting, refinancing and purchase of loans extended by local rural financial institutions to the residents of rural areas, rural corporations, agricultural producers' organizations and other cooperatives (except where able to obtain needed credit from the banks for cooperatives under the Farm Credit Act of 1971), rural industrial and business enterprises, quasi-public bodies in rural areas, rural counties and municipalities, Indian tribes on Federal and State reservations or other federally recognized Indian tribal groups, and other units of rural local general and Special purposes government that will establish, construct, and operate private and public facilities, works, and services in rural areas and will provide remunerative employment to increasing numbers of rural residents.

Section 702—definitions

Section 702 sets forth the following definitions:

"Rural area" is defined to mean all the territory of a State, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, and Guam that (1) is not within the outer boundary of any standard metropolitan statistical area, as designated by the Office of Management and Budget plus (2) all territory within [any standard metropolitan statistical area that is, also, within counties, towns, plantations in Maine]) and townships having a population density of less than two hundred persons per square mile, as determined by the Secretary of Agriculture according to the latest decennial census of the United States.

"Rural development purpose" is defined to mean any project undertaken by any private industrial or business enterprise or by any multistate region, State, multijurisdictional district, or local government or instrumentality thereof, that contributes or will contribute to giving highest priority to attainment of the objectives of the revitalization and development of rural areas as provided in section 901(a) of the Agricultural Act of 1970 (Public Law 91–524), or the enhancement of any rural community or rural area as a place to live and make a living. Rural development purpose is defined to include activities that provide increased employment or income for or directly benefit rural residents and that—

1. establish or improve public works or community services, or facilities;

2. encourage private investment in, or promote the establishment and expansion of, industrial or commercial enterprises, including but not limited to, investor-owned and cooperative marketing and other service associations and enterprises;

3. provide manpower development and training;

4. improve the quality and accessibility of rural community facilities and services;

5. promote the conservation, development and proper utilization of natural resources;

6. establish and improve public educational facilities, including but not limited to community and junior colleges, vocational and technical schools and other institutions of higher education, and encourage the development of improved educational methods;

7. establish and improve land, water, and air transportation systems and services for goods and passengers;

8. assist in the solution of problems related to law enforcement activities;

9. establish decent, safe, sanitary, and comfortable housing;

10. establish and improve health care and preventative practice facilities and services, including but not limited to facilities for vocational rehabilitation and generally promote improved health and nutrition of residents of rural areas;

11. provide direct financial incentives to industry to create jobs in rural areas; and

12. establish and improve facilities and services that will enhance the quality of the environment and provide abatement and control of pollution.

"Rural development project" is defined to mean an organized proposal or activity with an identifiable legal sponsor that will or does contribute to the attainment of one or more rural development purposes.

"Local general government" is defined to mean the government of a municipality, county, town, or township as such terms are defined and used by the United States Bureau of the Census.

"Regional office" is defined to mean the office that serves the rural part of the geographical area located within a uniform region established by the President of the United States for coordination of Federal agencies.

"Board" is defined to mean the National Rural Development Bank Board.

"Bank" is defined to mean the National Rural Development Bank.

"Participant" is any local rural bank or other local rural financial institution designated as a Participating Rural Development Financial Institution under the Act.

A *"supporting financial institution"* is any person or financial institution within the United States that has purchased, discounted, rediscounted, or refinanced all or part of a rural development loan extended to an eligible sponsor by a Participant.

A *"rural development loan"* is a unit of credit or other financial assistance extended to an eligible sponsor to construct and operate a rural development project.

The *"Governor"* is the executive officer of the National Bank.

"Financial assistance" means (1) the purchase of legal obligations and the discount, rediscount, or refinancing of any note, draft, or other obligation and similar legal instruments evidencing and securing the repayment of a secured rural development loan advanced by a local rural financial institution for the establishment of operation of any rural development project irrespective of whether such loan is insured or guaranteed in whole or in part by an instrumentality of the Federal Government; (2) the providing of funds for joint-venture equity investment in rural development projects; and (3) the extending of loans to sponsors of rural development projects who are unable to obtain needed credit from other existing financial institutions.

"Joint-venture equity investment" means the investment of funds jointly with another private or public rural development project sponsor to establish and operate a rural development project.

"Eligible sponsor" is defined to mean—

1. Any of the following who propose to or are engaged in establishing or operating a rural development project, if they meet the requirements specified in paragraph (2):

Public and quasi-public bodies;

Cooperative associations as defined in the Agricultural Marketing Act (42 Stat. 388; 12 U.S.C. 1141j(a), if such associations are unable to borrow from the banks for cooperatives; other cooperatives;

Corporations;

Partnerships;

Individual proprietors;

Multijurisdictional substate general purposes planning and development districts established by the legislature or Governor of a State;

Owners or potential owners of rural homes;

Municipalities;

Resource conservation and development propect sponsors under title III of the Bankhead-Jones Farm Tenant Act;

Sponsoring associations carrying out projects under the Watershed Protection and Flood Prevention Act;

Corporate entities established by sponsors of concerted education and training service projects carried out jointly by the Department of Agriculture, the Department of Health, Education, and Welfare, and the Department of Labor;

Cooperative associations furnishing to farmers and rural residents services and facilities for harvesting, storing, processing (including preservation or preparation of edible products for market), transporting or marketing agricultural commodities or products, consumer purchasing services, or the processing or marketing of other products of farmers or rural residents, or other cooperatives or self-help enterprises;

Councils of government established under State law if rural areas are included within their jurisdiction;

Private associations;

Local development districts organized under the Appalachian Development Act;

Economic Development Districts organized under the Economic Development Act of 1965;

Technical vocational schools; and

Indian tribes on Federal and State reservations or other federally recognized Indian tribal groups.

2. To be eligible the proposed or operating

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project would have to be declared eligible based upon the following:

A review of the proposed project by the governing body of the multijurisdictional, areawide, general purposes planning and development district, if any, established by the legislature or Governor of the State concerned and a certification by such body that the proposed private or public facility, work or service is not inconsistent with the current areawide general purpose development plan, if any, for the multijurisdictional district;

A determination that the private or public facility, work, or service provided by the project will be located in and operate primarily in a rural area to increase the employment of or for the benefit of rural residents and that the proposed project promises to make a net increase in the number of jobs, quality of life, or median family income in the rural area served;

A determination that the proposed undertaking covered by the loan is not inconsistent with the Federal, State, or local laws or regulations relating to protecting the quality of the environment.

"Voting stockholders" include all Participants, all borrowers, and all Joint-venture-cosponsors who have purchased and own voting stock in the Bank.

A "joint-venture-cosponsor" is an eligible sponsor who joins with the Bank in making a joint-venture equity investment in a rural development project.

SUBTITLE B—NATIONAL RURAL DEVELOPMENT BANK BOARD

Section 801—Establishment

Section 801 establishes a National Rural Development Bank Board (hereinafter referred to as the "Board") composed of eleven appointed, three ex officio, and ten elected members. The appointed members are to be appointed by the President, by and with the advice and consent of the Senate, not more than six of whom shall be from the same political party nor more than one of whom shall be from any State. In making appointments to the Board the President must select persons who are especially qualified to serve on the Board because of their education, training, and experience, shall attempt to provide a fair representation on the Board of the different geographic regions of the United States and the several economic interests in rural development-farming, labor, business, banking, cooperatives, local government, and private economic enterprises both for profit and nonprofit. The representative of the Secretary of Agriculture on the Farm Credit Board, the Governor of the Farm Credit Administration, and the Governor of the Bank shall be ex officio members of the Board and shall not be eligible to vote. One elected member shall be chosen by voting stockholders of the rural area served by each regional office.

All members of the Federal Board must be citizens of the United States and not less than seventeen members, exclusive of ex officio members, must be legal residents of rural areas in which the Bank is authorized by this Act to extend financial assistance for rural development projects.

The Board shall elect a chairman and vice-chairman from among its appointed and elected members. The Board shall elect a Secretary from among its members or from outside its membership. Such officers shall be elected for terms of one year and shall hold office until their successors have been elected.

No member of the Board, other than the ex officio members shall, while serving as a member of the Board, be an officer or employee of the United States or of any State or of the Rural Development Bank or of the Farm Credit System.

Appointed and elected members of the Board will serve for terms of six years, except that (1) a person appointed to fill an unexpired term will serve only for the remainder of the term for which his predecessor was appointed, and (2) with respect to the first members appointed and elected to such Board, four will be appointed and four elected for terms of six years, four will be appointed and four elected for terms of four years, and three will be appointed and two elected for terms of two years.

The bill provides that a vacancy on the Board will not affect the power of the Board to act. A vacancy will be filled in the same manner as originally filled, and members serve until their successors are appointed and qualified.

The Board is authorized to establish its own rules of procedure for conducting its business, except that a majority of all members of such Board shall constitute a quorum for the transaction of its business.

Each appointed and elected member of the Board shall receive $200 a day for not more than one hundred days of meetings each year and all members shall be reimbursed for travel and reasonable expenses incurred in attending meetings of such Board and in discharge of their official duties without regard to laws with respect to allowances which may be made on account of travel and subsistence expenses of officers and employed personnel of the United States. Nothing in the preceding sentence shall be construed to limit the number of days of meeting each year to one hundred days.

The Board shall hold at least six regularly scheduled meetings a year and such additional meetings at such times and places as it may determine. Special meetings shall be held at any time at the call of the chairman or by any three members of such Board.

Section 802—Powers of the Board

Section 802 empowers the Board to establish the general policy for the guidance of the Bank in carrying out this Act. It may require such reports as it deems necessary from the Bank. The Board must provide for the examination of the condition of and general supervision over the performance of the powers, functions, and duties vested in the Bank and in Participants, which, in the judgment of the Board, relate to matters of board and general supervisory, advisory, or policy nature. The Board is required to function as a unit without delegating any of its functions to individual members, but is allowed to appoint committees and subcommitees for studies and reports for consideration by such Board. It shall not operate in an administrative capacity.

Section 803—Reports

Section 803 provides for the Board making an annual report to the Congress on the condition of the Bank, including analytical program evaluation and cost effectiveness studies, and recommendations to improve the operation of the Bank in providing supplementary investment required to attain rural development purposes.

SUBTITLE C—NATIONAL RURAL DEVELOPMENT BANK

Section 901 establishes a National Rural Development Bank (herein called Bank) as a federally chartered instrumentality of the United States subject to policies of the Board. Its charter may be modified from time to time by the Board in any manner not inconsistent with the Act.

Section 902—Corporate powers

Section 902 provides for the corporate existence of the Bank and for its general corporate powers.—The Bank is given the following general powers:

Adopt and use a corporate seal;

Have succession until dissolved under the provisions of this Act or other Acts of Congress;

Make contracts;

Sue and be sued;

Acquire, hold, dispose, and otherwise exercise all the usual incidents of ownership of real and personal, tangible and intangible property necessary or convenient for its business;

Operate under the policy direction of the Board;

Prepare and disseminate information to the general public on use, organization, and functions of the Bank and to investors on merits of its securities;

Require appropriate bonds or other provision for protection of the assets of the Bank against losses occasioned by employees;

Prescribe rules and regulations necessary or appropriate for carrying out the provisions of this Act;

Prescribe its bylaws, subject to approval of the National Board;

Provide in the bylaws for

The classes of its stocks and the manner in which such stock shall be issued, transferred, and retired;

The election or appointment of its officers and executive employees;

Property acquired, held, or transferred;

The conduct of its general business; and

The exercise and enjoyment of the privileges granted to it by law.

Deposit its securities and its current funds with any member bank of the Federal Reserve System, and pay fees therefor and receive interest thereon as may be agreed. When designated for that purpose by the Secretary of the Treasury, it shall be a depository of public money, except receipts from customs, upon such regulations as may be prescribed by the Secretary; may be employed as fiscal agent of the Government, and shall perform all such reasonable duties as a depository of public money or financial agent of the Government as may be required of it. No Government funds deposited under provisions of this subsection shall be invested in loans or bonds or other obligations of the Bank;

Buy and sell obligations of, or insured or guaranteed by, the United States or of any agency thereof, or securities backed by the full faith and credit of such agency, and make such other investments as may be authorized by the Board;

Delegate to Participants and Joint-venture-cosponsors such functions vested in the Bank, as it may determine appropriate;

Exercise by its authorized officers, employees, or agents all such incidental powers as may be necessary or expedient to carry out the business of the Bank;

Purchase, refinance, or discount rural development loans and participations in such loans made by local rural financial institutions from such institutions and from other financial institutions that have purchased, discounted, or refinanced such loans; and

Make joint-venture equity investment in rural development projects.

Section 903—Governor

Section 903 provides for the appointment of the Governor, his salary, and his expense allowance.

The Governor is appointed by the Board subject to confirmation by the Senate.

The compensation of the Governor is set by including the Federal Board allowance for necessary travel and subsistence expenses or per diem in lieu thereof.

Section 904—Duties

Section 904 provides that the Governor shall be responsible, subject to the supervision and control of the Board, for carrying out the functions of the Bank and the policies of such Board. He is required to carry out all orders and directives received by him from the Board.

Section 905—Powers of Governor

Section 905 authorizes the Governor to carry out the powers and duties now or hereafter vested in him by the Act and Acts supplementary thereto, to establish and to fix the powers and duties of such officer to serve within regional offices, divisions, and instrumentalities as he may deem necessary

to insure the proper and efficient administration. **The Governor is given authority to appoint and employ such personnel as may be necessary to carry out the functions of the Bank, including the appointment, with the approval of the Federal Board, of a Deputy Governor who shall receive compensation at the rate prescribed for positions in level V of the Executive Pay Schedules. The powers of the Governor may be exercised by him through such officers and employees of the Bank as he may designate. The Governor shall provide on a reimbursable basis such administrative management services, other than public information for the Federal Board as shall be mutually agreed upon by the two parties.**

Section 906—Administrative

Section 906 allows the Bank within the limits of funds available therefor, to make necessary expenditures for personnel, services, and rent at the seat of Government and elsewhere; for contract stenographic reporting services; for purchase and exchange of law books, books of reference, periodicals, and newspapers; for expenses of attendance at meetings and conferences; for purchases, operation, and maintenance at the seat of Government and elsewhere of motor-propelled, passenger-carrying vehicles and other vehicles; for printing and binding; and for such other facilities and services, including temporary employment by contract or otherwise, as may from time to time be necessary for proper administration.

Section 907—Enumerated powers

Section 907 provides to the Bank in addition to the corporate powers enumerated above the following powers, functions, and responsibilities in connection with the provision of financial assistance to Participants, to Joint-venture-cosponsors, and to those who have purchased, discounted, or refinanced rural development loans extended by Participants.

—to make studies of rural lending and investment needs, the need for better geographic distribution of population and economic opportunity, appraisal and credit standards, and credit requirements of rural industrial and commercial enterprise; to standards, procedures, and appraisal forms; and to prescribe price and cost levels to be used in such standards, joint-venture investment, appraisals, and lending.

Section 908—Police and regulations

Section 908 requires Board to establish and promulgate policies and regulations, not inconsistent with provisions of this Act, to govern the policies, programs and procedures of the Bank.

The policies of the Bank, for so long as the Secretary of the Treasury holds stock in such Bank for the United States will be subject to prior approval by the Secretary of the Treasury.

Section 909—Financial examinations

Section 909 subjects the Bank, Participants, and Joint-venture-cosponsors to the supervision of the Farm Credit Administration with respect to all procedures relating to financial examinations, including audits. The section requires the Board to arrange with the Federal Farm Credit Board to utilize the services of the Farm Credit Administration examiners for investigative, accounting, and administrative auditing of the work of the Bank in an orderly, efficient, and effective manner. The Farm Credit Administration is authorized to provide such services on a mutually agreeable reimbursable basis.

Section 910—Examination and audit

Section 910 provides that except as otherwise provided the Bank, Participants, and Joint-venture-cosponsors, at such times as the Board may determine, shall be examined and audited by examiners of the Farm Credit Administration on a reimbursable basis but that in no event shall any such institution be examined and audited less frequently than once a year. If the Board determines it to be necessary or appropriate, the section provides that the required examinations and audits may be made by independent certified public accountants, certified by a regulatory authority of a State, in accordance with generally accepted auditing standards. Upon request of the Governor of the Bank, credit examiners shall also make examinations of any organization, other than a national bank, to which, or with which, the Bank contemplates extending financial assistance or delegating authority. Examiners of the Farm Credit Administration are made subject to the same requirements, responsibilities, and penalties as are applicable to examiners under the National Bank Act, the Federal Reserve Act, the Federal Deposit Insurance Act, and other provisions of law and shall have the same powers and privileges as are vested in such examiners by law. The section provides that a report of each audit of the Bank or other institution for any fiscal year shall be made by the Farm Credit Administration through the Board to the President of the United States and to the Congress not later than six months following the close of such fiscal year. The section requires the Bank to reimburse the Farm Credit Administration for the cost of performing the audits.

The Bank, Participants, and Joint-venture-cosponsors are made subject to audit by the General Accounting Office at such times and to such extent as the Comptroller General shall determine.

Section 911—Comptroller of Currency

Section 911 authorizes and directs the Comptroller of the Currency, upon request of the Farm Credit Administration, to furnish for the exclusive and confidential use of the Board such reports, records, and other information as he may have available relating to the financial condition of national banks through, for, or with which the Bank has made or contemplates making discounts, loans, or delegations of power

Section 912—Consent to examination

Section 912 requires any organization, other than State banks, trust companies, and savings associations shall, as condition precedent to security discount privileges or delegated powers with the Bank for its exclusive and confidential use, to file with such bank its written consent to examination by Farm Credit Administration examiners. State banks, trust companies, and savings associations may be required in like manner to file a written consent that reports of their examination by constituted State authorities may be furnished by such authorities upon the request of the Farm Credit Administration.

Section 913—Executive departments and Federal Reserve information

Section 913 authorizes the executive departments, boards, commissions, and independent establishments of the Government of the United States, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, the Board of Governors of the Federal Reserve banks, under such conditions as they may prescribe, upon request of the Farm Credit Administration, to make available to the Board in confidence all reports, records, files, or other information relating to the conditions of any Participant or Joint-venture-cosponsor to which the Bank has or is contemplating extending financial assistance or for which it has or contemplates using as a custodian of securities or other credit instruments, or which is using as or contemplates using as a depository, or to which it contemplates delegating powers under this Act. The Federal Reserve banks in their capacity as depositories, agents, and other obligations issued by the banks of the Rural Development Credit System or book entries thereof are also authorized and directed, upon request of the Board, to make available for audit all appropriate books, accounts, financial records, files and other papers.

Section 914—Jurisdiction

Section 914 provides that the Bank, Participants, and Joint-venture-cosponsors shall, for the purposes of jurisdiction, be deemed to be a citizen of the State, commonwealth, or District of Columbia in which its principal office is located. No district court of the United States shall have jurisdiction of any action or suit by or against any private financial institution exercising delegated powers under the Act, upon the ground that it was incorporated under the Act or that the United States owns any stock thereof, nor shall any district court of the United States have jurisdiction, by removal or otherwise, of any suit by or against the United States or by or against any officer of the United States and except in cases by or against any receiver or conservator of any such institution appointed in accordance with the provisions of this Act.

Section 915—Stock and franchise tax

Section 915 allows the Bank to issue stock which may be purchased by the Secretary of the Treasury on behalf of the United States as an initial investment in the stock of the Bank to help it to inaugurate financial assistance operations. During the time the stock is outstanding, the pertinent provisions of the Government Corporation Control Act will be applicable to the Bank. Notwithstanding the requirements for annual audits and annual reports to the Congress contained in sections 202 and 203 of the Government Corporation Control Act the section provides that the operations of the Bank shall also be subject to audit by the General Accounting Office at such times and to such extent as the Comptroller General shall determine.

Moreover, for any year or part thereof in which the Secretary of the Treasury holds any stock in the National Bank, the Bank, before declaring any dividends shall pay to the United States as a franchise tax a sum equal to the lower of (1) 25 per centum of its net earnings for the year, or (2) a rate of return on such investment calculated at a rate determined by the Secretary of the Treasury equal to the average annual rate of interest on all public issues of debt obligations of the United States issued during the fiscal year ending next before such tax is due, multiplied by the percentage that the number of days such stock is outstanding is of three hundred and sixty-five days. Such payments shall be deposited in the miscellaneous receipts of the Treasury.

Section 916—Government Purchases of Stock

Section 916 directs the Secretary of the Treasury to purchase stock of the Bank on behalf of the United States in the amount appropriated by Congress.

Section 917 authorizes the Governor

Section 917 authorizes the Governor subject to the provisions of the Act, and approval of the Board, to issue from time to time and to have outstanding voting and nonvoting capital stock of an aggregate par value of not to exceed the par value of stock purchased by the Secretary of the Treasury plus not to exceed two per centum of the amount of outstanding financial assistance and joint-venture equity investment.

Section 918—Classes of stock and redemption of stock

Section 918 provides that the capital stock of the Bank shall be divided into shares of per value of $5 each and may be of such classes as may be determined by the Board. The voting stock of the Bank shall be held only by such Participants as obtain financial assistance from such Banks and Joint-venture-cosponsors, which stock may not be

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transferred, pledged, or hypothecated except as authorized pursuant to the Act. Any Participant is allowed to elect to receive nonvoting stock in lieu of voting stock.

Nonvoting stock may be issued to the Secretary of the Treasury and may also be issued to Participants. When a Participant reduces its total outstanding indebtedness to the Bank, or when a Joint-venture-cosponsor has retired the Bank's investment, its voting stock may be converted at par value, or such greater value as the Bank may from time to time determine, into nonvoting stock, or may be redeemed in cash or as a credit to extinguish final indebtedness at such value as the Bank may from time to time determine. Nonvoting stock or other evidences of indebtedness of the Bank held by the Secretary of the Treasury may be retired at any time, subject to approval of the Board, and shall be retired each year to the extent of the availability of earnings in accordance with the provisions of this Act.

DETERMINATION OF EARNINGS

The earnings of the Bank shall be determined in accordance with approved accounting principles and practices, as established by the Board subject to examination under policies of the General Accounting Office.

Earnings shall be distributed as follows:

First, not less than 10 per centum of net earnings for the year shall be paid into the reserve fund of the Bank until said reserve fund shall equal 150 per centum of outstanding stock.

Second, not less than 10 per centum of net earnings for the year shall be paid inte the capital surplus funds of the Bank.

Third, the franchise tax shall be paid as required by section 915 for any year in which any stock is held by the Secretary of the Treasury.

Fourth, not less than 10 percentum of net earnings shall be used for retirement of nonvoting stock and other evidences of indebtedness of the Bank held by the Secretary of the Treasury.

Fifth, dividends shall be paid on nonvoting stock held by investors other than the Secretary of the Treasury at a rate not exceeding the average cost to the Bank of funds obtained through issuance of bonds, debentures, and other evidences of indebtedness in its funding operations.

Sixth, dividends shall be paid on voting stock of the Bank as determined by Board.

Dividends shall not be payable on any stock held by the Secretary of the Treasury.

Section 919—Issuance of notes, bonds, debentures, and other obligations

Section 919 authorizes the Bank, subject to supervision of the Board, to issue its own notes, bonds, debentures, or other similar obligations, fully collateralized by the notes, mortgages, joint-venture equities and security instruments it holds in the performance of its functions in such sums, maturities, rate of interest, and terms and conditions of each issue as it may determine.

Section 920—Limitations on amount of obligations

Section 920 sets the maximum amount of long-term notes, bonds, debentures, or other obligations the Bank may issue at an amount which, when added to the amount of other bonds, debentures, long-term notes, or other similar obligations issued and outstanding, will not exceed twenty times the capital and surplus of the Bank, or such lesser amount as the Board shall establish by regulation.

The section also requires that the Bank have on hand at the time of issuance of any long-term notes, bonds, debentures, or other similar obligations, and at all times thereafter maintain, free from any lien or other pledge, notes, and other obligations representing rural development loans made, refinanced, rediscounted, or purchased under the authority of this Act, equities in joint-venture investments obligations of the United States or any agency thereof direct or fully guaranteed, other readily marketable securities approved by the Board, or cash, in an aggregate value equal to the total amount of long-term notes, bonds, debentures, or other similar obligations outstanding for which the Bank is primarily liable.

Section 921—Liability of the bank

Section 921 requires the Bank to be fully liable on all notes, bonds, debentures, or other obligations issued by it.

The section provides that the United States shall not be liable or assume any liability directly or indirectly on obligations issued by the Bank.

Section 922—Lawful investments

Section 922 provides that the bonds and other similar obligations issued under the authority of the Act shall be lawful investments for all fiduciary and trust funds and may be accepted as security for all public deposits. It also provides that any obligation issued by the Bank pursuant to the Act shall be deemed to be exempt securities within the meaning of laws administered by the Securities and Exchange Commission, to the same extent as securities which are direct obligations guaranteed as to principal or interest by the United States.

Section 923—Federal Reserve System

Section 923 authorizes any member of the Federal Reserve System to buy and sell bonds, debentures, or other similar obligations issued under the authority of the Act, and authorizes any Federal Reserve Bank to buy and sell such obligations to the same extent and subject to the same limitations placed upon the purchase and sale by said banks of State, county, district, and municipal bonds under section 14(b) of the Federal Reserve Act (12 U.S.C. 355).

Section 924—Fiscal agent

Section 924 authorizes the Bank to purchase its own obligations and to provide for the sale of obligations issued by it, through a fiscal agent or agents, by negotiation, offer, bid, or syndicate sale, and to deliver such obligations by book entry, wire transfer, or such other means as may be appropriate.

Section 925—Investments and guarantees

Section 925 authorizes the Bank to:

Buy and sell securities it has guaranteed or whose mortgages it has insured or in which it has invested;

Invest funds not needed in its financing operations in such property and obligations as it may determine;

Guarantee securities in which it has invested for the purpose of facilitating their sale; and

Guarantee and insure rural development loans made by other lenders.

Section 926—Liquidation

Section 926 prohibits the Bank from going into voluntary liquidation without the consent of the Board. With such consent it may liquidate only in accordance with regulations prescribed by the Board. Upon default of any obligation by the Bank, it may be declared insolvent and placed in the hands of a conservator or a receiver appointed by the Board and the proceedings thereon shall be in accordance with regulations of the Board regarding such insolvencies.

Section 927—Financial assistance provided

Section 927 authorizes and Bank to extend financial assistance to eligible sponsors, to Participants, and to such other financial institutions as have extended financial assistance to Participants in accordance with provisions of the Act.

Section 927—Joint-venture investments; limitations

Section 927 also authorizes the Bank to invest its funds in joint-venture equity investments in rural development projects.

The section also requires the Bank to develop criteria to assure that projects assisted by it are not inconsistent with the comprehensive planning, if any, for the development of the general purpose substate multi-jurisdictional planning and development districts in which such projects are proposed to be located.

Financial assistance extended under this section may not exceed the total capital cost of the project to be financed.

Section 927—Special handling of public bodies credit

Section 927 provides for special handling in any case in which the Bank undertakes to provide assistance to a State or local government under subsection (a) for the construction of a project for which any other department or agency of the Federal Government (under another law of the United States) will also provide funds.

The assistance provided by the Bank under this section may be in the full amount needed by the State or local government to finance such project (including the amount of the funds which will be provided by such other department or agency), but the funds to be provided by such other department or agency with respect to such project shall become payable (notwithstanding any contrary provision in the law under which they are payable) to the Bank in lieu of being paid directly to such government; and

The Bank may accept in return (A) an obligation or obligations of such State or local government covering only the difference between such full amount and the amount of the funds which are payable with respect to such project by such other department or agency, plus (B) a commitment from such other department or agency to pay the funds which are to be provided by it and are payable to the Bank as described in paragraph (1), in order to insure that such State or local government will not have to include within its debt limit that portion of the indebtedness incurred for the financing of such construction which is attributable to funds provided by such other department or agency.

Section 928—Interest rates

Section 928 requires that financial assistance provided by the Bank bear interest at a rate or rates, and on such terms and conditions, as may be determined by the Board from time to time. The section provides that rates and charges will be set to provide the types of financial assistance needed on a sound business basis at the lowest reasonable cost, taking into account the cost of money to the Bank, the necessary reserves, capital surpluses, and expenses of the Bank, and the orderly retirement of the capital subscriptions of the United States, with provision for the interest rate or rates to vary from time to time during the period of the assistance in accordance with the rate or rates currently being charged by the Bank.

Section 929—Security

Section 929 requires that the financial assistance extended by the Regional Bank shall be secured by all of the best available security owned or to be acquired by the beneficiary as may be required adequately to secure the obligation.

Section 930—Delegation of powers

Section 930 authorizes the Bank, by order, rule, or regulation to delegate to any Participant, Joint-venture-cosponsor, or supporting financial institution such of the duties, powers, and authority of the Bank with respect to such Participant or the officers and employees thereof, in the rural area wherein such Participant is located, as may be determined to be in the interest of effective administration. Any Participant, or other person to which any such duties, powers, or authority may be delegated, is authorized and empowered to accept, perform, and exercise such duties, powers, and authority as may be so delegated to it.

Section 931—Sharing of gains and losses

Section 931 authorizes the Bank to enter into agreements with Participants, Joint-venture-cosponsors, and eligible sponsors for sharing the gains and losses on financed assistance extended and on joint-venture equity investments.

Section 932—Lawful investments

Section 932, in defining the nature of obligations, designates all obligations issued by the Bank, as lawful investments, that may be accepted as security, for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or of any officer or employee thereof.

Section 933—Tax status

Section 933 defines the tax status. The Bank is made subject to Federal, State, and local taxes as follows:

(a) The real property and tangible personal property of such Bank shall be subject to Federal, State, and local taxation to the same extent, according to its value, as other similar property held by other persons is taxed.

(b) The income of the Bank and from any obligations purchased by such Bank from any Federal, State, or local governmental or quasi-governmental body and any obligation issued by such Bank shall be subject to Federal, State, and local taxation to the same extent as the income obligations of private corporations are taxed.

(c) The Bank shall be liable for the franchise tax as provided by section 915.

(d) Notwithstanding the foregoing provisions, the Bank shall not be subject to Federal, State, or local income taxes for any period in which capital stock in such Bank is held by the Secretary of the Treasury for the United States.

SUBTITLE D—PARTICIPATING RURAL DEVELOPMENT FINANCIAL INSTITUTIONS

Section 1001—Designation of participants

Section 1001 provides for the designation of any National or State bank, savings institution, credit union, or other financial institution making loans in rural areas for rural development purposes, upon application, be considered for designation as a Participating Rural Development Financial Institution, referred to in this Act as a "Participant."

Section 1002—Powers of participant

Section 1002 authorizes a Participant or a supporting financial institution, subject to provisions of this Act, to obtain financial assistance from the Bank and to issue obligations for purchase by the Bank and to perform such other duties as the Bank may delegate and the Participant agrees to undertake.

Section 1003—Capital stock purchase

Section 1003 establishes the following rules for acquiring capital stock of the Bank:

(a) The Participant may purchase voting capital stock in the Bank in an amount (at par value) equal to not less than 1 per centum and not more than 10 per centum of the amount of the financial assistance received from the Bank.

(b) Any of the institutions which qualify as Participants are authorized to purchase voting stock of the Bank.

(c) Any of the institutions that are eligible for designating as a Participant may purchase nonvoting stock in the Bank equal to at least 1 per centum and not more than 10 per centum of the financial assistance received.

Section 1004—Governance of participants; appeals

Section 1004 provides that with respect to all evidence of financial assistance and other obligations which a Participant shall present to the Bank, the policies, rules, regulations, and procedures followed shall be in accordance with the rules and regulations established by the Board. The designation of any institution as a Participant may be canceled by the Banks.

Any Participant whose designation has been canceled under this section may appeal the cancellation to the Board. The decision of the Board shall be final. The Board shall establish appropriate rules and regulations and review bodies to implement expeditious, orderly, and fair consideration of appeals filed by Participants objecting to canceled designations or other matters related to their relationship to the Bank.

Section 1005—Requirements

Section 1005 requires that the terms and conditions under which financial assistance may be made available to Participants, directly or through other financial institutions, be established by the Board. Such terms and conditions are allowed to vary depending on the rural development purpose for which such assistance is to be used and the customary practices of the supporting regional financial institutions serving rural areas within the jurisdiction of different regional offices.

Section 1006—Required purchases of stock

Section 1007 requires a Participant, as a condition of eligibility for financial assistance with respect to any rural development loan it has extended, to require the deposit by the borrower of 5 per centum of the amount of that part of the loan for which the financial assistance of the Bank is requested.

This amount shall be utilized by the Participant to purchase, on behalf of the borrower, voting capital stock of the Bank. The Participant is required to transmit such stock to the borrower.

SUBTITLE E—JOINT VENTURE EQUITY INVESTMENT IN RURAL DEVELOPMENT PROJECTS

Section 1101—Equity investments

Section 1101 authorizes the Bank, subject to regulations approved by the Board, to make investments in rural development projects proposed or established by eligible sponsors, directly, or through a Participant, in accordance with standards and criteria to govern the making of investments in joint-ventures with eligible sponsors established by the Board.

Section 1102—Division of profits

Section 1102 specifies that the Bank and the eligible sponsor with whom the Bank has entered into a joint equity investment in a rural development project shall share in the profits of the project in the same ratio as the amounts of their several investments.

Section 1130—Taxes

Section 1103 makes joint-venture rural development projects subject to all Federal, State, and local taxes.

Section 1104—Limitation

Section 1104 prohibits Bank investment in any project than can obtain necessary credit or investment for the full amount of the investment from any other source on reasonable terms.

Section 1105—Additional limitation

Section 1105 prohibits the investment made by the Bank in joint-venture projects from exceeding the amount that cannot be obtained elsewhere on reasonable terms.

Section 1106—Joint-venture agreement

Section 1106 requires that the joint-venture agreement between an eligible sponsor and the Bank provide:

That the eligible sponsor will, as soon as financially able, purchase the investment of the Bank, and that

The control over the joint-venture shall be apportioned between the Bank and the eligible sponsor in accordance with the relative amounts of investment of each in the project.

SUBTITLE F—GENERAL

Section 1201—Amendments of other laws

Section 1201 includes amendments to other laws as follows:

Subsection (a)

Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following:

"(95) Governor of the National Rural Development Bank."

Subsection (b)

Section 5316 of title 5, United States Code is amended by adding at the end thereof the following:

"(132) Deputy Governor of the Federal Rural Development Credit Agency."

Subsection (c)

Paragraph "seventh" of section 5136 of the Revised Statutes (12 U.S.C. 24) is amended by adding at the end thereof a new sentence as follows: "Notwithstanding any other provision in this paragraph, the association may purchase the stock, bonds or other obligations of the National Rural Development Bank created pursuant to the authority of the Rural Development Act Amendments of 1975."

Section 1202—Separability

Section 1202 is the usual separability clause.

Section 1203—Reservation

Section 1203 reserves the right to alter, amend, or repeal. The right to alter, amend, or repeal any provision or all of this title is expressly reserved.

Section 1204—Appropriation authorization

Section 1204 authorizes appropriation to the Secretary of the Treasury of not to exceed $200,000,000 annually for not to exceed ten years for the purchase of capital stock of the Bank.

By Mr. BELLMON (for himself and Mr. BARTLETT):

S. 1725. A bill to establish the Chickasaw National Recreation Area in the State of Oklahoma, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. BELLMON. Mr. President, the bill I am introducing today would unite Platt National Park and the Arbuckle Recreation Area establishing the Chickasaw National Recreation Area. These complementing units would provide increased and comprehensive recreational resources to the thousands of tourists who annually visit south-central Oklahoma. In addition, it would stand as a memorial to members of the Chickasaw Indian Tribe, which was relocated on these lands after it was forced from its ancestral home in the Southeastern United States.

On July 1, 1902, certain lands in the vicinity of Sulphur, Okla., in the Chickasaw Nation were conveyed to the United States for the purpose of regulating and controlling use of its natural springs and creeks. In 1906 Congress named this tract of land near Sulphur "Platt National Park," in honor of Orville Hitchcock Platt, former Connecticut Senator and member of the Committee on Indian Affairs.

Legislation establishing the National Park Service in 1916, and successive congressional enactments and executive guidelines which defined and provided criteria for the establishment and management philosophy of the national parks only served to widen an already-existing gulf between the existing "park"

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and its no-longer-applicable "natural area" management category.

Thus, shackled by criteria it was never intended to meet, Platt remained miscast in the wrong category. The park's actual role, both historic and continuing is a mecca for local and regional day-use recreation in southcentral Oklahoma.

With the authorization for construction by the Bureau of Reclamation of the Arbuckle Reservoir Project in 1962, the National Park Service focused on the recreation potential of the reservoir. Following an investigation by Southwest Regional Office staff members in 1962, the Service assumed responsibility for administering certain lands and waters of the Arbuckle Reservoir for public recreation.

In September 1968 the National Park Service developed a master plan to combine Platt National Park and the Arbuckle Recreation Area. A public hearing was held at Platt in October 1970, at which the plan was reviewed in depth and comments were solicited from the audience. The master plan was then revised to relect concerns voiced at the hearing.

The establishment of the Chickasaw National Recreation Area would provide for outdoor recreation use and enjoyment of Arbuckle Reservoir and land adjacent thereto. This would provide for more efficient administration of the adjacent area. In addition it would constitute a fitting memorialization to the Chickasaw Indian Nation.

Mr. President, I ask unanimous consent that a copy of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1725

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to provide for public outdoor recreation use and enjoyment of Arbuckle Reservoir and land adjacent thereto, and to provide for more efficient administration of other adjacent area containing scenic, scientific, natural, and historic values contributing to public enjoyment of the area and to designate the area in such manner as will constitute a fitting memorialization of the Chickasaw Indian Nation, there is hereby established the Chickasaw National Recreation Area (hereinafter referred to as the "recreation area") consisting of lands and interests in lands within the area as generally depicted on the drawing entitled "Boundary Map, Chickasaw National Recreation Area", numbered 107-20004B and dated March 1973, which shall be on file and available for inspection in the offices of the National Park Service, Department of the Interior. The Secretary of the Interior (hereinafter referred to as the "Secretary") may from time to time revise the boundaries of the recreation area by publication of a map or other boundary description in the Federal Register, but the total acreage of the recreation area may not exceed fifteen thousand acres.

SEC. 2. (a) The Secretary may acquire land or interests in lands within the boundaries of the recreation area by donation, purchase with donated or appropriated funds, or exchange. When any tract of land is only partly within such boundaries, the Secretary may acquire all or any portion of the land outside of such boundaries in order to minimize the payment of severance costs. Land so acquired outside of the boundaries may be exchanged by the Secretary for non-Federal lands within the boundaries, and any land so acquired and not utilized for exchange shall be reported to the General Services Administration for disposal under the Federal Property and Administrative Services Act of 1949 (63 Stat. 377), as amended. Any Federal property located within the boundaries of the recreation area may be transferred without consideration to the administrative jurisdiction of the Secretary for the purposes of the recreation area. Lands within the boundaries of the recreation area owned by the State of Oklahoma, or any political subdivision thereof, may be acquired only by donation: *Provided,* That the Secretary may also acquire lands by exchange with the city of Sulphur, utilizing therefor only such lands as may be excluded from the recreation area which were formerly within the Platt National Park.

(b) With respect to improved residential property acquired for the purposes of this Act, which is beneficially owned by a natural person and which a Secretary of the Interior determines can be continued in that use for a limited period of time without undue interference with the administration, development, or public use of the recreation area, the owner thereof may on the date of its acquisition by the Secretary retain a right of use and occupancy of the property for noncommercial residential purposes for a term, as the owner may elect, ending either (1) at the death of the owner or his spouse, whichever occurs later, or (2) not more than twenty-five years from the date of acquisition. Any right so retained may, during its existence, be transferred or assigned. The Secretary shall pay to the owner the fair market value of the property on the date of such acquisition, less the fair market value on such date of the right retained by the owner.

(c) As used in this Act, "improved residential property" means a single-family year-round dwelling, the construction of which began before July 1, 1972, and which serves as the owner's permanent place of abode at the time of its acquisition by the United States, together with not more than three acres of land on which the dwelling and the Secretary finds is reasonably necessary for the owner's continued use and occupancy of the dwelling: *Provided,* That the Secretary may exclude from improved residential property any waters and adjoining land that the Secretary deems it necessary for public access to such waters.

(d) The Secretary may terminate a right to use and occupancy retained pursuant to this section upon his determination that such use and occupancy is being exercised in a manner not consistent with the purposes of the Act, and upon tender to the holder of the right amount equal to the fair market value of that portion of the right which remains unexpired on the date of termination.

SEC. 3. The Secretary shall permit hunting and fishing on lands and waters within the recreation area in accordance with applicable Federal and State laws: *Provided,* That he may designate zones where, and establish periods when, no hunting or fishing will be permitted for reasons of public safety, administration, fish or wildlife management, or public use and enjoyment. Except in emergencies, any regulations issued by the Secretary pursuant to this section shall be put into effect only after consultation with the appropriate State agency responsible for hunting and fishing activities.

SEC. 4. (a) Except as otherwise provided in this Act, the Secretary shall administer the recreation area in accordance with the provisions of the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C. 1, 2–4), as amended and supplemented.

(b) Nothing contained in this Act shall affect or interfere with the authority of the Secretary by the Act of August 24, 1962 (76 Stat. 395), to operate the Arbuckle Dam and Reservoir in accordance with and for the purposes set forth in that Act.

SEC. 5. The Act of June 29, 1906 (34 Stat. 837), which directed that certain lands now included by this Act in the recreation area be designated as the Platt National Park, is hereby repealed, and such lands shall hereafter be considered and known as an integral part of the Chickasaw National Recreation Area: *Provided,* That within such area the Secretary may cause to be erected suitable markers or plaques to honor the memory of Orville Hitchcock Platt and to commemorate the original establishment of Platt National Park.

SEC. 6. Notwithstanding the provisions of section 7 of the Act of June 16, 1906 (34 Stat. 272), which retain exclusive jurisdiction in the United States, upon notification in writing to the Secretary by the appropriate State officials of the acceptance by the State of Oklahoma of concurrent legislative jurisdiction over the lands formerly within the Platt National Park, the Secretary shall publish a notice to that effect in the Federal Register and, upon such publication, concurrent legislative jurisdiction over such lands is hereby ceded to the State of Oklahoma.

SEC. 7. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

By Mr. ABOUREZK (for himself, Mr. CLARK, Mr. HUDDLESTON, Mr. HASKELL, Mr. SYMINGTON, Mr. BURDICK, Mr. EASTLAND, Mr. MONDALE, Mr. GARY W. HART, Mr. LEAHY, Mr. MCGOVERN, Mr. HARTKE, and Mr. HUMPHREY):

S. 1726. A bill to amend the Federal Crop Insurance Act to establish an independent corporation to carry out the purposes of such act, to provide for more extensive commodity coverage under such act, and for other purposes. Referred to the Committee on Agriculture and Forestry.

FEDERAL COMMODITY INSURANCE ACT OF 1975

Mr. ABOUREZK. Mr. President, today I am introducing a bill to reform and update the Federal crop insurance program. Cosponsoring this measure with me are Senators CLARK, HUDDLESTON, HASKELL, SYMINGTON, BURDICK, EASTLAND, MONDALE, GARY W. HART, LEAHY, MCGOVERN, HARTKE, and HUMPHREY.

The Federal Crop Insurance Corporation came into existence with the Agricultural Adjustment Act of 1938. Since that time, the need for a Federal crop insurance program has never lessened. In fact, today in 1975 with the tremendous increases in the cost of producing our country's food, the need for a good Federal crop insurance program is more obvious than ever before.

Unfortunately, the Federal Crop Insurance Corporation has not kept up with the times, and we have a situation now where the coverages offered and the areas served do not reasonably meet the needs of our agricultural producers.

The Federal Commodity Insurance Act of 1975 would greatly improve the program for our agricultural producers and would also provide more realistic congressional oversight of the insurance corporation.

Livestock would be brought into the insurance program, with the start of experimental programs to find the best method.

Mr. President, I ask unanimous consent that a summary of the major reforms contained in the bill be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY AND BACKGROUND INFORMATION ON THE FEDERAL COMMODITY INSURANCE ACT OF 1975

(1) The Federal Crop Insurance Corporation would be reorganized as the independent Federal Commodity Insurance Corporation. Currently, the Federal Crop Insurance Corporation is part of the United States Department of Agriculture.

(2) The FCIC Board of Directors and Manager, currently appointed by the Secretary of Agriculture, would be appointed by the President and would have to be confirmed by the Senate. This provision insures improved Congressional oversight of the Corporation.

(3) The Corporation would be required to make a comprehensive annual report on its activities to the Congress. Currently, only a financial audit is required.

(4) Orderly operation of the Corporation would be modernized by establishing a definitive term of office for the board of directors. Board members would be appointed to six year terms, with staggered expiration dates. Currently, Board members serve at the pleasure of the Secretary of Agriculture.

(5) Three of the Board members would have to be producers of commodities eligible for coverage by the program. Farmers and ranchers would thus be assured a voice in the operation of the insurance program for the first time. Presently, there is no requirement that any of the Board members be producers and only USDA employees and private citizens with insurance experience serve on the Board.

(6) Livestock producers would be eligible for coverage by the insurance program for the first time. The livestock insurance would be developed on an experimental basis to find the best way of offering protection to stockmen. Expansion of the livestock insurance would then be encouraged.

(7) Producers would be given the right to insure up to 80% of the yield of their crops and up to 85% of their livestock production. Currently, the Corporation determines the per cent of production insurable. While the present program can insure up to 75% of the crop yield, it is very rarely offered. Oftentimes, the producer can insure only 50% of his production. Many producers thus feel that the present program does not offer them adequate coverage or choices of coverages.

(8) The producer would be given the opportunity to insure his investment in production. The present insurance program limits coverage to what the Corporation assumes is the producer's investment in production.

(9) An annual review of the price levels established by the Corporation would be required. Although the present Corporation has the authority to adjust price levels, the authority has not been used effectively to reflect changing economic conditions. It is not uncommon for the protection offered to differ from market value by as much as 100%. Under this bill, the producer will be offered at least four price levels, and two of the price levels offered will be 110% and 100% of the anticipated market value of the commodity to be insured.

(10) A rational, orderly expansion of the insurance program is mandated in the bill. Expansion would be based on the demand for the insurance by producers. Consideration would be given both to bringing new countries into the program and to providing coverage for additional commodities.

(11) The annual appropriation for administrative and operating expenses would be increased to meet the needs of a good insurance operation. In the past, the program has been inhibited by a $12 million ceiling that has been in effect for more than 25 years. Obviously, the $12 million figure is long out of date and constitutes a serious handicap to the insurance program.

(12) The Corporation would be prohibited from using premium income to subsidize administrative costs. Using premium income to help cover such costs, as is currently the case, inhibits the development of a healthy reserve and thereby the expansion of the program. This new feature would put the program back in line with the original intent of the Congress.

(13) The Board would no longer be allowed to limit or refuse insurance in any county or on any farm solely on the basis of the insurance risk involved if the commodity to be insured is an important part of the total agricultural income of the county. This provision would not interfere with the expansion of the program which must, understandably, be related to the financial stability of the Corporation.

By Mr. MOSS (for himself, Mr. METCALF, Mr. PHILIP A. HART, and Mr. BUCKLEY):

S. 1727. A bill to amend the Fish and Wildlife Coordination Act, and for other purposes. Referred to the Committee on Commerce.

FISH AND WILDLIFE COORDINATION ACT AMENDMENTS OF 1975

Mr. MOSS. Mr. President, the bill I am introducing today responds to a general conviction that the conservation of fish, wildlife, and related environmental resources is not yet, in fact, considered on a par with other objectives of planning water resources development. This situation obtains in spite of the stated purpose of the Fish and Wildlife Coordination Act of 1958, that these resources "shall receive equal consideration and be coordinated with other features of water resource development programs."

The evidence of failure to achieve this objective is overwhelming. A report last year by the General Accounting Office concluded that "generally wildlife conservation had not been considered equally with other features." Last year's hearings conducted by Representative DINGELL's Subcommittee on Fisheries and Wildlife Conservation and the Environment further demonstrated this shortfall. It was documented in a series of reports by the Reuss Subcommittee on Conservation and Natural Resources in the House.

Prior to these recent developments there was a systematic effort on the part of State wildlife agencies, national conservation organizations, and the U.S. Fish and Wildlife Service to identify deficiences in policies, procedures, and legislation relating to the fish and wildlife aspects of national water resource development. The effort led to 169 recommendations bundled together in an "Action Report" dated September 1971. This report has become a charter of needed actions in this field.

One of the principal recommendations of the "Action Report" was to secure needed amendments of the Fish and Wildlife Coordination Act. The amendments I am proposing today are designed to tighten the provisions of this act while maintaining its basic permissive character. That is, the amendments would mandate consultation and participation in planning on the part of the Federal and State fish and wildlife agencies but would not require that the recommendations be accepted or adopted by the construction agencies.

Briefly, the amendments would: First, expand coverage of the act to programs not now covered; second, modernize and broaden the consultation requirements; third, institute certain changes in financing the planning and installation of fish and wildlife measures; and fourth make certain other innovations. I shall enlarge briefly on these points.

Coverage would be expanded to include the SCS small watershed program and TVA projects, which are not now covered. There is no longer a valid reason for their exclusion. It would also cover the licensing of nuclear powerplants. It is important that these be under the planning and consultation requirements of the act in view of their potential for environmental damage. The amendment would require that the National Marine Fisheries Service be consulted, as well as the State fish and wildlife agencies, and the U.S. Fish and Wildlife Service.

The amendments would define "consultation" so as to make the fish and wildlife agencies a more active partner in the planning process. The amendments would provide a systematic requirement of written findings by the fish and wildlife agencies and formal reports based on these findings by the departments concerned. They would specify and improve the level of public participation in planning.

In matters of finance the bill would insist that operation and maintenance costs be funded by the construction agency as well as the costs for enhancement features. It would provide specifically for the financing of studies required to carry out the purposes of the amendments.

The amendments would require an annual report from construction agencies detailing their rate of progress in installing fish and wildlife measures. It would permit any citizen to commence a civil action alleging failure to comply with the act. It would prohibit the use of dollar evaluations of losses in justifying loss prevention or mitigation features.

As legislators, we know that it is essential that our laws keep pace with and reflect the changing temper of the times. Americans have concluded that current planning for any or all purposes must give adequate attention to environmental values as well as to the need for economic development. This balance can best be accomplished in the context of multiagency and multidisciplinary planning. This was essentially the charge that was set out in the National Environmental Policy Act. That act, however, was primarily to require a full disclosure of the extent to which alternatives were considered and impacts were identified. The Coordination Act, on the other hand, sets out a planning concept and procedure. The two acts, therefore, are perfectly complementary and we need both in order to insure the best kind of planning.

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By Mr. BAYH:

S. 1729. A bill to amend title II of Social Security Act to eliminate the special dependency requirements for entitlement to husband's and widower's insurance benefits, to provide benefits for widowed fathers with minor children, to make certain other changes so that benefits for husbands, widowers, and fathers will be payable on the same basis as benefits for wives, widows, and mothers, and to permit the payment of benefits to a married couple on their combined earnings record where that method of computation provides a higher combined benefit. Referred to the Committee on Finance.

Mr. BAYH. Mr. President, the Supreme Court of the United States recently made a landmark decision which will significantly affect the treatment of women under the social security system. The Supreme Court in handing down its decision in Weinberger against Wiesenfeld, stated that the Constitution of the United States "forbids the gender-based differentiations that result in the efforts of women workers required to pay social security taxes, producing less protection for their families than is produced by the efforts of men."

The Court held specifically that the gender-based distinction mandated under the present social security law, authorizing survivors' benefits for the widow of a deceased worker with children, but denying them to a widower in the same position, violated the right to equal protection secured by the due process clause of the fifth amendment. The Court observed that the distinction was based on an "archaic and overbroad" generalization that "male workers' earnings are vital to their families support, while female workers' earnings do not significantly contribute to their families support."

The Wiesenfeld decision was a direct signal to the Congress—a signal to examine all aspects of the social security system which might prove similarly discriminatory to women.

In response to this need for reevaluation, Mr. President, I am introducing today legislation aimed at redressing all existing patterns and practices of sex discrimination within the social security system. It attempts to assure the working woman who has been contributing her tax dollar on an equal basis with working men, that her family will receive the very same protection afforded to the working male and his family.

This legislation goes a step further than merely assuring equality of benefits for working women; it redefines the method of benefit calculation so that a woman who has worked all her life can see the impact of her earnings reflected in the amount of benefits collected by a two-earner family.

Historically, social security laws have been based upon the assumption of the male as the family breadwinner. Over the years, there have been occasional attempts to change various provisions of the social security system to more accurately reflect the growing participation of women in the work force; however, the basic structure of the system remains cast in the outmoded image of the male as the sole support of his family, and the woman as a nonworking dependent.

While it is true that homemaking may still be the main occupation of American women, it is no longer the only occupation or source of identity for most of them. Today there are alternatives opening to increasing numbers of the female population. This is reflected by statistics showing that over half of those women between the ages of 18 and 64 are active members of the work force. The Department of Labor has estimated that 9 out of every 10 women will work outside the home at some time in their life. Presently, 44 percent of all married women work; 42 percent of mothers with school-age children and 33 percent of mothers with pre-school-age children work outside the home.

These women work because they need money, and because their families need money. They do not work for "pin money" or for little luxuries. Women work because they want a better life for themselves and for their families; they work because they want their children to have food to eat; they work because they want to give their children a chance for higher education. For many families, it is the wife's earnings that keep the family off the welfare rolls and out of dire poverty.

I. EXISTING PATTERNS OF DISCRIMINATION

The present social security system does not reflect these statistics on women in the labor force. The current structure of the social security system continues to reflect the image of the male wage earner as the sole support of his family, thereby denying to millions of women workers the right to have their contribution to the social security system produce equal benefits for their families and dependents. Under the present system, working women contribute to social security taxes on a equitable basis with working men, but these women are unable to obtain the same coverage for their spouses and dependents as is guaranteed to the spouse and dependent of every male wage earner.

A. EXTENSION OF BENEFITS

This type of discrimination takes two forms. Either there is no benefit category for dependents of working women similar to the category afforded dependents of working men, or there is a requirement of economic dependency as a condition for eligibility to receive benefits which applies only to dependents of working wives, not to working men.

This means that under the present program, when a father dies leaving dependent children, the mother may qualify for "mother's insurance benefits," but when a mother dies leaving a father with dependent children, there are no "father's insurance benefits" to enable him to keep his family together. This instance, which was the case addressed by the Supreme Court in Weinberger against Wiesenfeld, provides a clear example that the social security system has taken no recognition of the 13.5 million working mothers with dependent children.

The other form of this type of discrimination is just as invidious. The application of an economic dependency requirement on the spouse of a female wage earner, but not on the spouse of a male wage earner clearly reflects the assumption that it is the rare woman whose economic contribution to the support of her family amounts to more than pin money. Therefore, under the present system when a husband dies, retires, or becomes disabled, his wife may draw on his social security regardless of her actual dependency on him; but when a wife dies, retires, or becomes disabled, her husband may draw benefits only if he can prove that he was dependent for at least half of his support on her. While the Supreme Court has not as yet ruled on this particular form of discrimination, it seems clear to me that such a dependency requirement may similarly violate fifth amendment guarantees to equal protection.

B. COMPUTATION OF BENEFITS

In addition to being discriminatory toward working women in the extension of benefits to their spouses and dependents, the social security system is also discriminatory in the way in which benefits are calculated.

More working women receive social security benefits as dependent wives, widows, and mothers than as workers. Under the present system, a working woman may qualify for benefits as an earner or a dependent, but not as both. Thus unless a wife's earnings entitle her to a benefit larger than half that of her husband's, the dependent wife's benefit—or for a widow, larger than her deceased husband's full benefit—a married woman who pays social security taxes all her life may receive retirement benefits no larger than if she had never worked a day in her life or contributed a dime in taxes. Even if her earnings do entitle her to a retirement benefit somewhat larger than she would have received as a dependent, for that extra amount, she will have paid a disproportionately higher tax.

The end result of calculating benefits in this manner is that a working couple may be paid less in total retirement benefits than any couple which had the same total earnings where only the husband worked. In testimony pointing out this discrepancy before the Joint Economic Committee, former Social Security Commissioner Robert Ball gave the following example:

> Where only the husband works and has average yearly earnings of $9,000 the benefit payable according to the table in present law would be $354.50 for the husband and $177.30 for the wife, a total of $531.80 a month; if the husband has had average earnings of $6,000 and the wife had had average earnings of $3,000—combined earnings of $9,000—his benefit would be $269.70 and hers would be $174.80, a total of $444.50; $87.30 less than the couple with the same total average earnings when only the husband worked. These results do not apply when the combined earnings of the couple are significantly above the maximum credited for benefit purposes, currently $10,800.

Mr. President, I agree with former Commissioner Ball in his assessment that there is no good reason in social insurance theory for this difference in treatment. Both couples in the Commissioner's example have paid the same in

contributions, and both have had the same level of living, and, therefore, should get the same replacement of past earnings in retirement or disability benefits.

II. SUMMARY OF LEGISLATION—

The legislation that I am introducing today attempts to address all of these discriminatory characteristics of the social security system. It amends these portions of the social security laws which offer discriminatory benefits to dependents of male workers, but not to dependents of women workers; it eliminates dependency requirements for the extension of benefits; and it offers a new formula for the calculation of benefits based upon the combined earnings of a working couple.

All of the recommended changes found in my bill were endorsed by a special subcommittee of the Advisory Council of Social Security. The calculation formula based on combined earnings has already been considered by the Ways and Means Committee and the House of Representatives and approved as part of H.R. 1 in the 93d Congress. While this provision was dropped during the conference on H.R. 1, I hope that the Senate will take this opportunity to reassert this proposal for needed change.

I realize that there are those who would oppose any change in the social security system which is regarded as liberalizing the benefit structure in any way. Many of those who oppose such change do so based upon apprehension at the cost to a system which some see as in financial trouble already. To those critics, I would just say that the cost of extended equal protection to women workers and their families is a very small percentage of the costs of the social security system. For example, the estimated cost for the computation of benefits based on combined earnings is only 0.17 percent of the total payroll. That is a very small price to pay for equality.

Mr. President, in order that the provisions of my bill will be fully understood, I ask unanimous consent that the bill, along with a section-by-section analysis, be printed in the RECORD. In addition, I also ask unanimous consent that two articles supporting the need for this legislation be inserted in the RECORD following the section-by-section analysis.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1729

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

ELIMINATION OF SPECIAL DEPENDENCY REQUIREMENTS FOR HUSBAND'S AND WIDOWER'S BENEFITS

SECTION 1. (a)(1) Section 202(c)(1) of the Social Security Act is amended—

(A) by adding "and" at the end of subparagraph (B);

(B) by striking out subparagraph (C); and

(C) by redesignating subparagraph (D) as subparagraph (C).

(2) Section 202(c) of such Act is further amended by striking out paragraph (2), and by redesignating paragraph (3) as paragraph (2).

(b)(1) Section 202(f)(1) of such Act is amended—

(A) by adding "and" at the end of subparagraph (C);

(B) by striking out subparagraph (D); and

(C) by redesignating subparagraphs (E), (F), and (G) as subparagraphs (D), (E), and (F), respectively.

(2) Section 202(f) of such Act is further amended by striking out paragraph (2), and by redesignating paragraphs (3) through (8) as paragraphs (2) through (7), respectively.

(3)(A) Section 202(f)(1)(B) of such Act is amended by striking out "paragraph (6)" and inserting in lieu thereof "paragraph (5)".

(B) The subparagraph of section 202(f)(1) of such Act redesignated as subparagraph (F) by paragraph (1)(C) of this subsection is amended by striking out "paragraph (7)" and "paragraph (6)" and inserting in lieu thereof "paragraph (6)" and "paragraph (5)", respectively.

(C) Subparagraph (A) of the paragraph of section 202(f) of such Act redesignated as paragraph (2) by paragraph (2) of this subsection is amended by striking out "paragraph (5)" and inserting in lieu thereof "paragraph (4)".

(D) The paragraph of section 202(f) of such Act redesignated as paragraph (4) by paragraph (2) of this subsection is amended by striking out "paragraph (4)" and "paragraph (3)" and inserting in lieu thereof "paragraph (3)" and "paragraph (2)", respectively.

(E) The paragraph of section 202(f) of such Act redesignated as paragraph (6) by paragraph (2) of this subsection is amended by striking out "paragraph (1)(G)" and "paragraph (6)" and inserting in lieu thereof "paragraph (1)(F)" and "paragraph (5)", respectively.

ELIGIBILITY OF CERTAIN DIVORCED HUSBANDS AND FORMER HUSBANDS FOR HUSBAND'S AND WIDOWER'S BENEFITS

SEC. 2 (a)(1) Section 202(c)(1) of the Social Security Act is amended by inserting "and every divorced husband (as defined in section 216(d))" immediately after "husband (as defined in section 216(f))", and by inserting "or such divorced husband" immediately after "if such husband", in the matter preceding subsection (A).

(2) Section 202(c)(1) of such Act (as amended by the first section of this Act) is further amended by striking out "and" at the end of subparagraph (B), by redesignating subparagraph (C) as subparagraph (D), and by inserting immediately after subparagraph (B) the following new subparagraph:

"(C) in the case of a divorced husband, is not married, and".

(3) Section 202(c)(1) of such Act is further amended by striking out "shall be entitled" and inserting in lieu thereof "shall (subject to subsection (s)) be entitled".

(4) Section 202(c)(1) of such Act is further amended—

(A) by inserting immediately after "they are divorced" in the matter following the colon the following: "(in the case of a husband) and either he has not attained age 62 or he has attained such age but has not been married to such individual for a period of 20 years immediately before the date the divorce became effective"; and

(B) by adding at the end thereof the following new sentence: "In the case of a divorced husband, entitlement to such benefits shall also end with the month preceding the month in which he marries a person other than such individual.".

(5) Section 202(c)(2) of such Act (as redesignated by the first section of this Act) is amended by inserting after "his wife" the following: "(or, in the case of a divorced husband, his former wife)".

(6) Section 202(c) of such Act (as amended by the first section of this Act) is further amended by adding at the end thereof the following new paragraph:

"(3) In the case of any divorced husband who marries—

"(A) an individual entitled to benefits under subsection (e), (g), or (h) of this section, or

"(B) an individual who has attained the age of 18 and is entitled to benefits under subsection (d),

such divorced husband's entitlement to benefits under this subsection shall, notwithstanding the provisions of paragraph (1) (but subject to subsection (s)), not be terminated by reason of such marriage.".

(b)(1) Section 202(f)(1) of such Act is amended by inserting "and every surviving divorced husband (as defined in section 216(d))" immediately after "widower (as defined in section 216(g))", and by inserting "or such surviving divorced husband" immediately after "if such widower", in the matter preceding subparagraph (A).

(2) Section 202(f)(1)(A) of such Act is amended by striking out "has not remarried" and inserting in lieu thereof "is not married".

(3) Section 202(f) of such Act is further amended by inserting "or surviving divorced husband" immediately after "widower" each place it appears in paragraphs (2(B), (3), (5), and (6) (as redesignated by the first section of this Act).

(4) Section 202(f)(3) of such Act (as so redesignated) is amended by inserting "or surviving divorced husband's" immediately after "widower's".

(c)(1) Section 216(d)(1) of such Act is amended by adding at the end thereof the following new sentence: "The term 'divorced husband' means a man divorced from an individual, but only if he had been married to such individual for a period of 20 years immediately before the date the divorce became effective.".

(2) Section 216(d)(2) of such Act is amended by adding at the end thereof the following new sentence: "The term 'surviving divorced husband' means a man divorced from an individual who has died, but only if he had been married to such individual for a period of 20 years immediately before the date the divorce became effective.".

(3) The heading of section 216(d) of such Act is amended by inserting "and Husbands" immediately after "Wives".

ELIGIBILITY FOR HUSBAND'S BENEFITS BASED ON HAVING CHILD IN CARE

SEC. 3. (a) Section 202(c)(1)(B) of the Social Security Act is amended to read as follows:

"(B) has attained age 62 or (in the case of a husband) has in his care (individually or jointly with such individual) at the time of filing such application a child entitled to a child's insurance benefit on the basis of the wages and self-employment income of such individual,".

(b) Section 202(c)(1) of such Act (as amended by section 2(a) of this Act) is further amended by inserting immediately after the first sentence the following new sentence: "In the case of a husband who has not attained ag 62, entitlement to such benefits shall also end with the month preceding the first month in which no child of the insured individual is entitled to a child's insurance benefit.".

BENEFITS FOR WIDOWED FATHERS WITH MINOR CHILDREN

SEC. 4. Section 202(g) of the Social Security Act is amended to read as follows:

"Mother's and Father's Insurance Benefits

"(g)(1) The widow, widower, and every surviving divorced mother or father (as defined in section 216(d)) of an individual who died a fully or currently insured individual, if such widow, widower, or surviving divorced mother or father—

"(A) is not married,

"(B) is not entitled to widow's or widower's insurance benefit,

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"(C) is not entitled to old-age insurance benefits, or is entitled to old-age insurance benefits each of which is less than three-fourths of the primary insurance amount of such individual,

"(D) has filed application for mother's or father's insurance benefits, or was entitled to wife's or husband's insurance benefits on the basis of the wages and self-employment income of such individual for the month preceding the months in which such individual died, and

"(E) at the time of filing such application has in her or his care a child of such individual entitled to a child's insurance benefit,

shall (subject to subsection (s)) be entitled to a mother's or father's insurance benefit for each month, beginning with the first month in which she or he becomes so entitled to such insurance benefits and ending with the month preceding the first month in which any of the following occurs: no child of such deceased individual is entitled to a child's insurance benefit, or such widow, widower, or surviving divorced mother or father becomes entitled to an old-age insurance benefit equal to or exceeding three-fourths of the primary insurance amount of such deceased individual, becomes entitled to a widow's or widower's insurance benefit, remarries, or dies. Entitlement to such benefits shall also end, in the case of a surviving divorced mother or father, with the month immediately preceding the first month in which no son, daughter, or legally adopted child of such surviving divorced mother or father is entitled to a child's insurance benefit on the basis of the wages and self-employment income of such deceased individual.

"(2) Such mother's or father's insurance benefit for each month shall be equal to three-fourths of the primary insurance amount of such deceased individual.

"(3) In the case of a widow, widower, or surviving divorced mother or father who marries—

"(A) an individual entitled to benefits under this subsection or subsection (a), (e), (f), or (h), or under section 223(a), or

"(B) an individual who has attained the age of eighteen and is entitled to benefits under subsection (d),

the entitlement of such widow, widower, or surviving divorced mother or father to benefits under this subsection shall, notwithstanding the provisions of paragraph (1) but subject to subsection (s), not be terminated by reason of such marriage; except that, in the case of such a marriage to an individual entitled to benefits under section 223(a) or subsection (d) of this section, the preceding provisions of this paragraph shall not apply with respect to benefits for months after the last month for which such individual is entitled to such benefits under section 223(a) or subsection (d) of this section unless (i) he or she ceases to be so entitled by reason of his or her death, or (ii) in the case of an individual who was entitled to benefits under section 223(a), he or she is entitled, for the month following such last month, to benefits under subsection (a) of this subsection.".

MISCELLANEOUS CONFORMING AMENDMENTS

SEC. 5. (a)(1) Section 202(b)(3)(A) of the Social Security Act is amended by striking out "(f) or (h)" and inserting in lieu thereof "(f), (g), or (h)".

(2) Section 202(b)(3) of such Act is further amended by striking out the semicolon and all that follows and inserting in lieu thereof a period.

(b)(1) Section 202 (e)(3)(A) of such Act is amended by striking out "(f) or (h)" and inserting in lieu thereof "(f), (g), or (h)".

(2) Section 202(e)(3) of such Act is further amended by striking out the semicolon and all that follows and inserting in lieu thereof a period.

(c) Section 202(f)(1)(C) of such Act is amended by inserting after the comma at the end thereof the following: "or was entitled, on the basis of such wages and self-employment income, to father's insurance benefits for the month preceding the month in which he attained age 65,".

(d) Section 202(k) of such Act is amended—

(1) by striking out "or (f)(5)" wherever it appears in paragraphs (2)(B) and (3)(B) and inserting in lieu thereof in each instance "or (f)(4)"; and

(2) by striking out "or (f)(3)" in paragraph (3)(A) and inserting in lieu thereof "or (f)(2)".

(e)(1) Section 202(p)(1) of such Act is amended by striking out "subparagraph (C) of subsection (c)(1),".

(2) Section 202(p)(1) of such Act is further amended by striking out "clause (i) or (ii) of subparagraph (D) of subsection (f)(1), or".

(f)(1)(A) Section 202 (q)(3)(E) of such Act is amended, in the matter preceding clause (i) thereof, by inserting "or surviving divorced husband" immediately after "in the case of a widower".

(B) Section 202 (q)(3)(F) of such Act is amended, in the matter preceding clause (i) thereof, by inserting "or surviving divorced husband" immediately after "in the case of a widower".

(C) Section 202(q)(3)(G) of such Act is amended by inserting "or surviving divorced husband" immediately after "in the case of a widower".

(2)(A) Section 202(q)(5)(A) of such Act is amended—

(i) by inserting "or husband's" immediately after "wife's" each place it appears therein,

(ii) by inserting "or by him" immediately after "by her",

(iii) by inserting "or he" immediately after "she" each place it appears therein,

(iv) by inserting "or in his" immediately after "in her", and

(v) by striking out "her wife's insurance benefit" and inserting in lieu thereof "her wife's or his husband's insurance benefit".

(B) Section 202(q)(5)(B) of such Act is amended—

(i) by striking out "woman" and inserting in lieu thereof "individual", and

(ii) by striking out "she" and inserting in lieu thereof "such individual".

(C) Section 202(q)(5)(C) of such Act is amended—

(i) by striking out "woman" and inserting in lieu thereof "individual",

(ii) by inserting "or his" after "in her",

(iii) by inserting "or he" immediately after "she" each place it appears therein, and

(iv) by inserting "or husband's" immediately after "wife's".

(D) Section 202(q)(5)(D) of such Act is amended by inserting immediately before the period at the end thereof the following: "; and no widower's insurance benefit for a month in which he has in his care a child of his deceased wife (or deceased former wife) entitled to child's insurance benefits shall be reduced under this subsection below the amount to which he would have been entitled had he been entitled for such month to father's insurance benefits on the basis of his deceased wife's (or deceased former wife's) wages and self-employment income".

(3) Section 202(q)(6)(A)(i)(II) of such Act is amended by inserting "or husband's" immediately after "wife's".

(4) Section 202(q)(7)(B) of such Act is amended—

(A) by inserting "or husband's" immediately after "wife's",

(B) by inserting "or he" immediately after "she", and

(C) by inserting "or his" immediately after "or her".

(g) Section 202(s) of such Act is amended—

(1) by inserting "(c)(1)," after "(b)(1)," in paragraph (1);

(2) by striking out "Subsection (f)(4), and so much of subsections (b)(3), (d)(5), (e)(3), (g)(3), and (h)(4), of this section as precedes the semicolon" in paragraph (2) and inserting in lieu thereof "Subsections (b)(3), (c)(4), (e)(3), and (f)(3), and so much of subsections (d)(5), (g)(3), and (h)(4) of this section as precedes the semicolon"; and

(3) by striking out "Subsections (c)(2)(B) and (f)(2)(B) of this section, so much of subsections (b)(3), (d)(5), (e)(3), (g)(3,, and (h)(4)" in paragraph (3) and inserting in lieu thereof "So much of subsections (d)(5), (g)(3), and (h)(4)".

(h) Section 203(c)(2) of such Act is amended—

(1) by striking out "wife" and inserting in lieu thereof "wife or husband";

(2) by striking out "wife's" each place it appears and inserting in lieu thereof "wife's or husband's";

(3) by striking out "her care" and inserting in lieu thereof "her or his care"; and

(4) by striking out "her husband" each place it appears and inserting in lieu thereof "her or his spouse".

(i)(1) Section 203(c)(3) of such Act is amended to read as follows:

"(3) in which such individual, if a widow or widower entitled to a mother's or father's insurance benefit, did not have in her or his care a child of the deceased husband or wife entitled to a child's insurance benefit; or".

(2) Section 203(c)(4) of such Act is amended to read as follows:

"(4) in which such individual, if a surviving divorced mother or father entitled to a mother's or father's insurance benefit did not have in her or his care a child of her or his deceased former spouse who (A) is her or his son, daughter, or legally adopted child and (B) is entitled to a child's insurance benefit on the basis of the wages and self-employment income of her or his deceased former spouse.".

(j) The last sentence of section 203(c) of such Act is amended by inserting "or surviving divorced husband" after "the widower".

(k) The second sentence of section 205(b) of such Act is amended by inserting "surviving divorced father," after "surviving divorced mother,", by inserting "divorced husband," after "husband,", and by inserting "surviving divorced husband," after "widower,".

(l)(1) Section 216(d)(3) of such Act is amended to read as follows:

"(3) The term 'surviving divorced mother or father' means an individual divorced from a person who has died, but only if (A) such individual is the mother or father of such person's son or daughter, (B) such individual legally adopted such person's son or daughter while such individual and such person were married and while such son or daughter was under the age of 18, (C) such person legally adopted such individual's son or daughter while such individual and such person were married and while such son or daughter was under the age of 18, or (D) such individual was married to such person at the time both of them legally adopted a child under the age of 18."

(2) The heading of section 216(d) of such Act (as amended by section 2(c)(3) of this Act) is amended by inserting "Surviving Divorced Mothers and Fathers;" immediately after "Husbands;".

(m)(1) The first sentence of section 222(b)(1) of such Act is amended by striking out "or surviving divorced wife" and inserting in lieu thereof ", surviving divorced wife, or surviving divorced husband".

(2) Section 222(b)(2) of such Act is amended by inserting "or father's" after "mother's" each place it appears.

(3) Section 222(b)(3) of such Act is amended by inserting "divorced husband," immediately after "husband,".

(n) Section 222(d)(1) of such Act is amended by inserting "and surviving divorced husbands" immediately after "for widowers".

(o) Section 223(d)(2) of such Act is amended by striking out "or widower" in subparagraphs (A) and (B) and inserting in lieu thereof "widower, or surviving divorced husband".

(p) The first sentence of section 225 of such Act is amended by inserting "or surviving divorced husband" immediately after "a widower".

COMPUTATION OF BENEFITS BASED ON COMBINED EARNINGS OF HUSBAND AND WIFE

SEC. 6. (a) Section 202(a) of the Social Security Act is amended to read as follows:

"(a)(1) Every individual who—

"(A) is a fully insured individual (as defined in section 214(a)),

"(B) has attained age 62, and

"(C) has filed application for old-age insurance benefits or was entitled to disability insurance benefits for the month preceding the month in which he attained age 65,

shall be entitled to an old-age insurance benefit for each month beginning with the first month in which such individual becomes so entitled to such insurance benefits and ending with the month preceding the month in which he dies.

"(2) Except as provided in subsection (q), such individual's old-age insurance benefit for any month shall be equal to his primary insurance amount for such months as determined under section 215(a), or as determined under paragraph (3) of this subsection if such paragraph is applicable and its application increases the total of the monthly insurance benefits to which such individual and his spouse are entitled for the month in which the provisions of paragraph (3) are met. If the primary insurance amount of an individual or his spouse for any month is determined under paragraph (3), the primary insurance amount of each of them for such month shall, notwithstanding the preceding sentence, be determined only under paragraph (3).

"(3) If an individual and his spouse—

"(A) each has at least 20 years of coverage (as determined under the last sentence of section 215(a), with years of coverage determined under clause (1) of such sentence being credited for 1950 and consecutive prior years, and without the application of the last sentence of section 215(b)(2)(C)), taking into account only years occurring during the period beginning with the calendar year in which they were married,

"(B) each attained age 62 after 1975,

"(C) each is entitled to benefits under this subsection (or section 223), and

"(D) each has filed an election to have his primary insurance amount determined under this paragraph,

then the primary insurance amount of such individual and the primary insurance amount of such spouse, for purposes of determining the old-age insurance benefit (prior to the application of subsection (w)) or disability insurance benefit of each of them for any month beginning with January 1976 or, if later, the month in which their elections under subparagraph (D) were filed, and ending with the month preceding the month in which either of them dies or they are divorced, shall be equal to 75 percent of the amount (specified in subparagraph (G)) derived by—

"(E) combining the annual wages and self-employment income of such individual and such spouse (including any wages and self-employment income taken into account in a recomputation made under section 215(f)) for each year in which either or both of them had any such wages or self-employment income, up to the maximum amount prescribed in section 215(e) for such year,

"(F) computing (under section 215(b) and (d)) an average monthly wage on the basis of the wages and self-employment income determined under subparagraph (E) (or, if any wages and self-employment income have been taken into account in a recomputation under section 215(f), recomputing as provided in section 215(a)(1) (A) and (C) as though the year with respect to which such recomputation is made is the last year of the period specified in section 215(b)(2)(C)), as though all of such wages and self-employment income had been earned or derived by such individual or his spouse, whichever is younger, and

"(G) determining (under section 215(a)) an amount equal to the primary insurance amount which would result from the average monthly wage determined under subparagraph (F).

For purposes of subparagraph (F), if an individual or his spouse is entitled to disability insurance benefits, such individual or spouse shall be deemed to have attained age 62 at the time provided in section 223(a)(2).

"(4) No benefits payable under subsections (b), (c), (d), (e), (f), (g), (h), or (i) shall be computed on the basis of a primary insurance amount determined under paragraph (3) of this subsection.

"(5) The term 'primary insurance amount' as used in the provisions of this title other than this subsection shall not include a primary insurance amount determined under paragraph (3) unless specifically so indicated."

(b)(1) Section 202(e)(1)(C)(i) of such Act is amended by striking out "such individual," and inserting in lieu thereof "such individual or to an old-age or disability insurance benefit determined under subsection (a)(3),".

(2) Section 202(c)(2) of such Act is amended—

(A) by striking out "and subparagraph (B) of this paragraph" in subparagraph (A) and inserting in lieu thereof "and subparagraphs (B) and (C) of this paragraph"; and

(B) by adding at the end thereof the following new subparagraph:

"(C) In any case where a widow was entitled for the month preceding the month in which the deceased individual died to an old-age insurance benefit or a disability insurance benefit based on a primary insurance amount determined under section 202(a)(3), such widow's insurance benefit for each month shall be determined only on the basis of the wages and self-employment income of her deceased spouse and, for purposes of subparagraph (B), the old-age or disability insurance benefit of the deceased spouse shall be deemed to be the amount it would have been if it had been determined under subsection (a)(1) or section 223, except that after the application of subparagraphs (A) and (B), and subsection 203(a), such widow's insurance benefit shall be not less than the amount of the old-age or disability insurance benefit to which she would be entitled for such month (based on a primary insurance amount determined under subsection (a)(3)) if such individual had not died, disregarding for this purpose the period beginning with the year after the year of such individual's death and any wages and self-employment income paid to or derived by either of them during such period. This subparagraph shall not apply, in the case of a widow who remarries, with respect to the month in which such remarriage occurs or any subsequent month."

(c) Section 202(f)(2) of such Act (as redesignated by section 1(b)(2) of this Act) is amended—

(A) by striking out "and subparagraph (B) of this paragraph" in subparagraph (A) and inserting in lieu thereof "and subparagraphs (B) and (C) of this paragraph"; and

(B) by adding at the end thereof the following new subparagraph:

"(C) In any case where a widower was entitled for the month preceding the month in which the deceased individual died to an old-age insurance benefit or a disability insurance benefit based on a primary insurance amount determined under section 202(a)(3), such widower's insurance benefit for each month shall be determined only on the basis of the wages and self-employment income of his deceased spouse and for purposes of subparagraph (B), the old-age or disability insurance benefit of the deceased spouse shall be deemed to be the amount it would have been if it had been determined under subsection (a)(1) or section 223, except that after the application of subparagraphs (A) and (B), and subsection 203(a), such widower's insurance benefit shall be not less than the amount of the old-age or disability insurance benefit to which he would be entitled for such month (based on a primary insurance amount determined under subsection (a)(3)) if such individual had not died, disregarding for this purpose the period beginning with the year after the year of such individual's death and any wages and self-employment income paid to or derived by either of them during such period. This subparagraph shall not apply, in the case of a widower who remarries, with respect to the month in which such remarriage occurs or any subsequent month."

(d) Section 203(a) of such Act is amended by striking out "or" at the end of paragraph (4), by striking out the period at the end of paragraph (5) and inserting in lieu thereof "; or", and by inserting after paragraph (5) the following new paragraph:

"(6) in applying this subsection in any case where the primary insurance amount of the insured individual was determined under section 202(a)(3) and his entitlement under such section has not terminated, the total of monthly benefits to which persons other than such individual may be entitled on the basis of such individual's wages and self-employment income shall be determined as though such individual's primary insurance amount had instead been determined under section 215(a) and without regard to section 202(a)(3)."

(e)(1) Section 215(a)(1) of such Act is amended by inserting after "this subsection" in the matter preceding subparagraph (A) the following: "and in section 202(a)(3)".

(2) Section 215(a)(2) of such Act is amended—

(A) by striking out "or" at the end of subparagraph (A),

(B) by striking out the period at the end of subparagraph (B) and inserting in lieu thereof "; or," and

(C) by adding at the end thereof the following new subparagraph:

"(C) an amount equal to the primary insurance amount on which such disability insurance benefit is based if such primary insurance amount was determined under section 202(a)(3)."

(3) Section 215(f)(1) of such Act is amended by inserting "(or section 202(a)(3))" after "determined under this section."

(4) The second sentence of section 215(f)(2) of such Act is amended by inserting before the period at the end thereof the following: ", and, in the case of an individual whose primary insurance amount was determined under section 202(a)(3), as though such amount had instead been determined under subsection (a) of this section and without regard to section 202(a)(3)".

(5) Section 223(a)(2) of such Act is amended by inserting "(or under section 202(a)(3))" after "under section 215".

EFFECTIVE DATES

SEC. 7. The amendments made by sections 1 through 5 of this Act shall apply with respect to monthly insurance benefits pay-

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able under title II of the Social Security Act for months after the month in which this Act is enacted, on the basis of applications filed in or after the month in which this Act is enacted. The amendments made by section 6 of this Act shall apply only with respect to monthly insurance benefits under such title II for months after December 1975.

Section-by-Section Analysis

SECTION 1

Would eliminate the requirements that a man must have been receiving at least one-half of his support from his wife in order to be eligible for "husband's" social security benefits and for "widower's" social security benefits. (A husband or widower would be able to receive benefits under the same eligibility requirements as a wife or widow.)

SECTION 2

Would provide benefits for a divorced husband (on generally the same basis as now provided for a divorced wife).

SECTION 3

Would provide benefits for a husband having a child in his care entitled to a child's social security benefit based on the earnings of the mother. (This would provide benefits to men in this circumstance on generally the same basis as such benefits are now provided to women.)

SECTION 4

Would provide for "father's" benefits to be payable to a widower having a child in his care entitled to a child's social security benefit based on the earnings of the mother. (This would write into law a recent Supreme Court decision requiring "father's" benefits to be paid on the same basis as "mother's" benefits.)

SECTION 5

Would make the necessary conforming changes in present law.

SECTION 6

Would provide for the computation of a social security benefit based on combined earnings, of a married couple if (a) the combined computation resulted in higher total benefit payments for the two; (b) computation was made for both husband and wife; (c) each had 20 years of social security coverage beginning with the year of marriage; (d) each attains age 62 after 1975; (e) each is entitled to an old-age or disability benefit based on his or her own earnings; and (f) both elected to apply for benefits under the combined computation.

Under the combined computation method, benefits would be determined as follows: (a) The earnings of both husband and wife would be combined for each year up to the maximum wage base in effect for that year. (b) An average monthly wage, and primary insurance amount would be computed according to the formula and table in current law using the wages of both as if the total amount were earned by the younger spouse. (c) Each spouse would then receive a primary insurance amount (on which benefits are based) equal to 75% of the combined primary insurance amount as determined above.

Benefits based on this combined computation would end with the month preceding the month of death of either spouse, or divorce.

Other benefits based on the husband's or wife's earnings, i.e., wife's, husband's, child's, widow's, widower's, mother's, father's, parent's; and/or lump-sum death benefits would *not* be computed on the basis of a primary insurance amount determined under these combined computation provisions. The maximum amount of benefits for a family would also be determined without regard to the combined computation method, as if the benefit for the worker had been computed under provisions in current law.

An unremarried widow or widower, previously receiving a benefit under the combined computation provisions, would be entitled to a widow's or widower's benefit as provided in current law (and amended by the preceding sections of these amendments), except that such benefit would not be less than the amount she or he was receiving while the spouse was alive.

SECTION 7

Would make the amendments providing equal treatment for men (as contained in sections 1–5) effective for months after the month of enactment of these amendments, on the basis of applications filed in or after the month of enactment. The combined benefit computation amendments (section 6) would be effective beginning with regard to benefits payable for January 1976 and after.

[From the Clearinghouse Review, December 1974]

Sex Discrimination in the Family Benefits Sections of the Social Security Act

(By Donald Randolph) *

I. INTRODUCTION

Due to the fact that many older people rely on OASDI Social Security benefits,[1] not merely as an income supplement, but rather as their only means of support,[2] increased attention is being paid to the structure of the Social Security system, as indicated by the activity of both Congress and the commentators.[3] As a result, constitutionally questionable aspects of the Social Security structure and administration, heretofore ignored, are now ripe for challenge.[4]

One of the most blatant inequities in the system is the high incidence of discrimination based solely on sex, particularly with regard to treatment of the working woman. Recent developments in the courts indicate that such sex-based classifications need no longer be tolerated without questioning their constitutional and factual validity.

As the original Act was gradually revised, the discriminatory provisions were incorporated to provide benefits for the *family* of the worker. The worker remains the primary beneficiary, but the system provides for the payment of monthly benefits to certain dependents of the worker, or to his/her survivors in the event of death. Entitlement for these benefits stems from the work record of the worker/spouse, who must have remained in employment covered by OASDI for a substantial period of time.[5]

Congress has consistently used the "traditional" family structure (male breadwinner and female dependent) as the model for the development of family benefits. This fact is borne out by the ultimate effect of the provisions and by direct statements of legislative intent. Consequently, it is not surprising that many provisions directly discriminate against families which include a female in covered employment. Recent statistics clearly indicate that a substantial number of families are adversely affected by the outmoded provisions.[6]

The purpose of this article is to describe the discriminatory provisions within the family benefits area and to outline several approaches to a constitutional challenge of these provisions based on equal protection grounds. The list of provisions is not meant to be exhaustive; indeed, many of the same assumptions undoubtedly underlie other areas of the Act. Furthermore, it should not be inferred that the discrimination in the family benefits area will be completely remedied by revising the sections considered. The extent to which the traditional family structure permeates every section is such that nothing short of a total legislative revision will suffice, and it is hoped that exposure of the gross unfairness of sex bias in the Act will serve to prompt an eventual revision. At a minimum, the causes of action outlined below may provide relief for those families who both deserve and rely on Social Security benefits, yet are denied their fair entitlement due to non-traditional family structures.

Footnotes at end of article.

II. DISCRIMINATION IN THE ACT

Sex discrimination in the family benefits sections of the Act can be divided into two general forms: (1) the additional element of economic dependency, required only of men, as a condition of eligibility for benefits based on the earnings of the spouse; and (2) the availability of benefits to certain categories of women but not to corresponding categories of men. Both of the above forms of discrimination cause identically-situated persons to be accorded different treatment solely on the basis of a characteristic over which they have no control, and which has no necessary relationship to their abilities, needs or functions. In every instance the discrimination is double-edged: a man cannot receive the same benefits which a similarly-situated women receives; conversely, no female wage-earner can obtain, via her Social Security contributions, the coverage for her spouse, regardless of his dependency, which is guaranteed to the spouse of every male wage-earner.

A. Economic dependency requirement

Although benefits are available to both wives [7] and widows [8] whose husbands are entitled to old age or disability insurance benefits, and the same benefits are available to similarly situated husbands [9] and widowers,[10] a man has the additional requirement of proving he was receiving at least one-half of his support from his wife at a certain specified time.[11] These sections discriminate against any family consisting of a working wife entitled to benefits and an ineligible husband. The total potential entitlement to family benefits is considerably less than an identically situated family in which traditional roles obtain.[12]

B. Categorical discrimination

In the sections discussed below, the discrimination stems from the availability of benefits to certain categories of women and not to corresponding categories of men. Note that every categorical exclusion of men is also a direct discrimination against a female wage-earner, who cannot obtain for her spouse similar benefits guaranteed to the spouse of every male wage-earner.

(1) Divorced Spouses

The Act contains provisions which protect the aged divorced wife of an old age or disability benefits beneficiary. These sections include benefits for divorced wives,[13] surviving divorced wives [14] and disabled surviving divorced wives.[15] No similar provisions exist for divorced husbands, whose present benefits and/or eligibility for future entitlements (based on the wife's contributions) both terminate as of the date of the divorce.[16]

These provisions reflect a deep concern for the plight of an aged woman who, through divorce, loses both her husband and her means of support.[17] Conversely, they reflect a total disregard for the plight of an aged divorced man, who might have relied on his wife's support prior to their divorce, and for the efforts of the woman wage-earner whose Social Security contributions are given no credit in this context.

(2) Mothers' Benefits

These benefits are available to certain categories of women who have in their care children of the worker/husband. These categories include wives,[18] surviving mothers [19] and surviving divorced mothers,[20] as long as the beneficiary is under age 62 and has in her care a child eligible for benefits.[21] The additional payments to the mother are primarily intended for the protection of the children. The mother receives the benefits not merely because she is female, but because it is assumed that she would prefer to remain at home to care for the children.[22]

No similar provisions exist for husbands who have custody of a child under similar circumstances. The obvious inequity of this omission was successfully challenged by a widower/plaintiff in *Wiesenfeld v. Secretary of HEW.*[23] The district court declared that 42 U.S.C. § 402(g) was unconstitutional insofar as it discriminates against widowers on the basis of sex. The impact of this decision will be discussed below.

III. EQUAL PROTECTION ANALYSIS

A. General approach

It is well established that the fifth amendment guarantees to every person security from arbitrary treatment and equal protection under the law. The fifth amendment imposes the same obligation upon the federal government as the fourteenth amendment does upon the states.[24] Consistent with this mandate, the Supreme Court has used equal protection principles to scrutinize classifications based on sex.[25] Certainly other constitutional approaches are available depending upon the circumstances of the classification, including theories of due process and irrebuttable presumption.[26] However, in the recent cases dealing with classifications most closely resembling those under discussion, equal protection analyses have succeeded in overturning legislative classifications based solely on sex.[27]

B. Standards of review

In determining whether a statute violates equal protection, courts have applied standards of review ranging from lenient to stringent.[28] Two standards are generally contrasted: (1) the strict scrutiny test, met only by a demonstration of a "compelling state interest," applicable when the statute impinges upon a "fundamental right or interest" or invokes a "suspect" criterion; and (2) the reasonable relationship test.

Considerable dissatisfaction has been expressed with regard to the limited choice posed by this "two-tiered" formula. Some courts and commentators have interpreted recent decisions as creating an "intermediate test" for legislative discrimination based upon sex.[29] Nevertheless, the establishment of an "intermediate test" was rejected by the three-judge court in *Wiesenfeld,* and, by most recent indications, the Supreme Court still heavily relies upon the two-tiered standard of review.[30]

With respect to the applicable standard of review for the classifications under discussion, a two-fold approach can be adopted: (1) each of the statutes creates a suspect classification for which no compelling justification exists; (2) the distinctions between the sexes for purposes of determining eligibility for Social Security insurance benefits lack a reasonable relationship to permissible governmental objectives.

(1) Strict Review: Sex as a Suspect Criterion

(a) Precedent

On May 14, 1973, in *Frontiero* v. *Richardson,*[31] the Supreme Court declared unconstitutional certain federal statutes which provided, solely for administrative convenience, that spouses of male members of the Armed Services are dependents for the purposes of obtaining certain benefits, but that spouses of female members are not considered dependents unless they are dependent for more than one-half of their support.[32] Four members of the Court, in a plurality opinion written by Justice Brennan, declared that gender classifications are inherently suspect and are subject to strict judicial scrutiny under the due process clause of the fifth amendment:

"[S]ince sex, like race and national origin, is an immutable characteristic determined solely by the accident of birth, the imposition of special disabilities upon the members of a particular sex because of their sex would seem to violate 'the basic concept of our system that legal burdens should bear some relationship to individual responsibility. . . .'

"With these considerations in mind, we can only conclude that classifications based upon sex, like classifications based upon race, alienage, or national origin, are inherently suspect, and must therefore be subjected to strict judicial scrutiny." [33]

Footnotes at end of article.

Justice Stewart, concurring, preferred to label the distinction "invidious" and cited *Reed v. Reed* [34] (declaring unconstitutional a statute that preferred men to women as estate administrators). The remaining Justices, save the lone dissenter, relied on *Reed* to find the statutes unconstitutional only insofar as they denied to Armed Services husbands benefits available to similarly situated Armed Services wives.

Due to *Frontiero's* lack of a clear majority and identifiable guidelines, the commentators have declined to interpret the case as providing lower courts with a mandate to treat sex classifications under strict scrutiny. Nevertheless, several decisions read *Frontiero* as instructing recognition of sex as a suspect criterion.[35]

Wiesenfeld v. Secretary of HEW, a class action challenging the denial of "mother's" benefits to a father with an eligible child in his care, agreed with the *Frontiero* majority. The plaintiff's wife had been a school teacher for seven years and contributed fully to Social Security until her death. The three-judge panel found that Section 202(g) of the Social Security Act,[36] which provides for the payment of mothers' insurance benefits (with no similar provision for fathers), heaps additional economic disadvantages on women wage-earners and therefore violates the fifth amendment protection. The *Wiesenfeld* court found that the statute in question satisfied the lenient rational basis test, but failed under the strict scrutiny test. The government has appealed to the Supreme Court,[37] and its decision could have major significance for all the sections presently under analysis.

On April 24, 1974, the Supreme Court decided *Kahn v. Shevin.*[38] Writing for the majority, Justice Douglas stated that a Florida statute granting a $500 property tax exemption to widows but not to widowers does not violate the equal protection clause. The two dissenting opinions basically stated that the statute should have been more narrowly drawn.

A narrow reading of the decision would limit its effect to cases involving state tax schemes. However, it is likely to be contended as having a much broader scope. Despite the majority's efforts to distinguish *Frontiero,* this case can be interpreted as a divergence from the trend towards sex as a "suspect criterion." Since *Kahn* does not specifically identify the equal protection standard of review applied, several interpretations are possible. First, Douglas has defected from the *Frontiero* plurality and no longer contends that sex is a suspect classification. Accordingly, the rational basis test was applied and satisfied.[39] Support for this interpretation is two-fold: the majority uses language typically used in conjunction with the rational basis test:

"[F]lorida's differing treatment of widows and widowers rest[s] upon some ground of difference having a fair and substantial relation to the object of the legislation." [40]

Also, the majority did not consider less intrusive alternative means of classification, even though they are readily available. Such consideration is usually automatic where the strict standard operates, and a compelling state interest is required.

Second, Douglas has not abandoned sex as a suspect classification, but feels that the state has established the required compelling interest under the strict standard of equal protection review. Here the supporting rationale is also two-fold. First, Douglas gives considerable weight to the "affirmation action" aspect of the Florida statute, and he underscores the absence of any similar justification in *Frontiero:*

"And in *Frontiero* the plurality opinion also noted that the statutes there were 'not in any sense designed to rectify the effects of past discrimination against women.' " [41]

Second. Douglas feels the state's interest in formulation of its own *tax* laws should be given considerable deference:

"[W]here taxation is concerned and no specific federal right, apart from equal protection, is imperiled, the states have large leeway in making classifications and drawing lines which in their judgment produce reasonable systems of taxation." [42]

Third. Douglas is continuing the development of an "intermediate test" for sex classifications. This interpretation is enhanced by the fact that the *Kahn* language quoted above is the identical quote which commentators claim is the basis of the "new" test.

At best. *Kahn's* message is garbled, and can only add to the confusion of lower courts and commentators. Clearer guidelines are needed before the applicable standard of review for gender classifications can be predicted with any certainty. Nevertheless, by alleging that both the strict and lenient standards have been violated, the court can select the most comfortable framework for review. Such an approach allows the focus to be on consideration of the challenged provisions themselves and lack of adequate justification for discrimination against women regardless of which standard is applied.

(b) Analysis

Despite the ambiguity reflected in the strict scrutiny cases discussed above, one trend has remained constant: the Supreme Court will apply a *stricter* standard where the effect of sex classification is to disadvantage women further. It therefore becomes crucial to identify separately the discriminatory effect of a challenged section on both men and women, emphasizing the overall unfairness to women wage-earners. Herein lies the key to a successful challenge.

(1) Discrimination against women

The amount of Social Security contributions deducted from the wage-earner's salary is in no way dependent upon the sex of the worker. Consequently, the female wage-earner contributes the same amount, but receives fewer benefits for her family than a male wage-earner. The plight of the female worker and her family was recognized in *Wiesenfeld:*

"During her employment as a teacher, maximum social security payments were deducted from her salary. Yet, upon her tragic death, her surviving spouse and child receive less social security benefits than those of a male teacher who earned the same salary and made the same social security payments." [43]

Although *Wiesenfeld* was directed at the provisions covering benefits for surviving mothers,[44] the same reasoning is clearly applicable to all "mother benefits" sections [45] which do not provide equal benefits for the male spouse who retains custody of the child of a deceased or disable female wage-earner. In every instance, the woman's family receives fewer benefits solely because of a failure to comply with traditional sex roles.

Similarly, the *Frontiero* Court noted that the existence of a half-support requirement for male spouses caused an unfair burden to be placed on women:

"[T]hese statutes seize upon a group—women—who have historically suffered discrimination in employment, and rely on the effects of this past discrimination in employment, and rely on the effects of this past discrimination as justification for heaping on additional economic disadvantages." [46]

The half-support requirement in Social Security for dependent husbands and widowers is functionally identical to the half-support requirement in *Frontiero*. Therefore, the reasoning employed to invalidate the requirement in *Frontiero* can be logically and consistently extended to the parallel requirements of the Social Security Act.

The disadvantage to the woman wage-earner is perhaps less evident in the area of categorical exclusion of divorced male spouses from receipt of benefits. For instance, it may be assured that the divorced husband is no longer a member of the worker's family, and therefore is not a proper recipient of family benefits. In addition, the working wife would appear to be less concerned about the livelihood of her divorced husband than of her surviving husband and child, as in *Wiesenfeld*. Nevertheless, the woman worker is denied benefits which would inure to her divorced spouse at the time of their divorce, thus denying her equal treatment solely on the basis of sex.[47] Certainly, if alimony paid by the women worker is to be a factor in the divorce settlement, the fact that no Social Security benefits are available to the divorced male spouse will place an increased economic burden on the woman.

In challenging a Social Security provision as discriminatory against women, it is important to distinguish between the categorical designation of benefits for women as spouses can certainly be presented as an attempt to rectify the effects of past discrimination against women. However, the concomitant result of the categorical classifications is discrimination against women as workers. Since primary eligibility for benefits stems from the contributions of the wage-earner, it would seem that Social Security protection of the woman worker against further economic disadvantage would significantly outweigh the value of benefits to women as spouses.

(2) Discrimination Against Men

While instances of discrimination against women dominate the growing body of case law, the constitutional mandate might be equally applicable to men, as conspicuously indicated by the Supreme Court's decision in *Stanley v. Illinois*[48] (unwed father may not be deprived of custody absent a hearing of the same quality accorded to wed parents and unwed mothers).

However, a challenge based on discrimination against men raises several difficult issues, especially where application of the strict scrutiny test is being sought. For instance, it may be that the *Stanley* decision was based on due process rather than equal protection grounds precisely because it involved discrimination against men, and men are not a "suspect class."

Also, it might be contended that affirmative legislative or executive action which favors a historically deprived class is constitutionally valid, even though it discriminates against other non-deprived classes.[49] Such a justification was held to be insufficient in *Wisenfeld* when matched against the stricter standards of the close judicial scrutiny tests the court recognized that the section in question, though possibly intended to rectify the effects of past and present discrimination against women as spouses, operated further to disadvantage women as wage earners.[50] The plaintinff's additional claim that the section directly discriminates against *men* on the basis of sex does not appear to have been a significant factor in the court's decision.[51]

In summary, courts appear reluctant to apply the strict scrutiny test and grant an equal protection remedy to men subject to discrimination by a law which favors women.[52] Thus, the approach which is most likely to obtain relief for men disadvantaged by sex discrimination in Social Security family benefits is, paradoxically, an emphasis on the disadvantage to the woman wage-earner.

(3) Lenient Standard: Reasonable Relationship to Legitimate Government Interests

Under the "traditional" equal protection standard, a legislative classification must be upheld unless it is "patently arbitrary" and bears no "rational relationship" to a legitimate governmental interest.[53] Certainly, if sex classifications are ultimately accepted as "inherently suspect," as argued above, there is no necessity to challenge their validity under the lesser, traditional standards. Unfortunately, there is speculation that a clearly definitive statement by the Supreme Court in this regard will not occur until after the Equal Rights Amendment has been ratified by the states.[54] Additionally, some courts subscribe to the principle stated in *Wiesenfeld*, that:

> "[I]f a statute violates equal protection doctrine under a lesser standard, there is no need to examine that classification by close judicial scrutiny. *Aiello v. Hansen*, 359 F. Supp. 792, 796 (N.D. Cal. 1973); *see also Eisenstadt v. Baird*, 405 U.S. 430, 447 n. 7, 92 S. Ct. 1029, 31 L. Ed. 2d 349 (1972)."[55]

Also, as discussed earlier, emphasis on the lack of adequate justification for discrimination rather than on selection of a proper standard of review is the most straightforward and potentially successful approach. Accordingly, it may be fruitful to consider whether the sections under discussion meet the traditional test requiring a rational relationship to some valid public purpose.

In recent decisions involving sex classifications, the legislative purposes advanced as legitimate bases for a challenged act's validity fall into two general categories: (a) administrative convenience, and (b) rectification of the effects of past discrimination against women through affirmative legislative or executive action.

(a) Administrative convenience

The Supreme Court and lower federal courts have consistently rejected administrative convenience as a justification for discriminatory sex-based classifications.[56] In *Frontiero*, the government conceded that the challenged sex classification served no purpose other than mere "administrative convenience;" in response, eight justices agreed that "the Constitution recognizes higher values than speed and efficiency" and held that the government's reason was insufficient insofar as the national basis for the differential treatment was concerned. The message is clear: a classification which discriminates on the basis of sex *solely* for administrative convenience will not satisfy the rational basis test. It appears that this will be the result regardless of whether the discrimination is directed against women or men.

(b) Affirmative action

The concept of affirmative action for women as a compelling interest to satisfy the strict scrutiny test has already been discusssed. In the context of the lenient standard, the issue appears to have been resolved: a statute whose purpose is to rectify the effects of past discrimination against women will satisfy the rational basis test. This was the conclusion reached by the *Wiesenfeld* Court, which acknowledged that affirmative action for women was not arbitrary because:

> "[I]t is very evident that women have been and continue to be unable to earn income equal to that of men even though Congress has clearly indicated that job discrimination on the basis of sex shall be unlawful."[58]

Moreover, regardless of which interpretation of *Kahn* is finally accepted, the majority did accept as a *rational* purpose the state's desire to reduce the "disparity between the economic capabilities of a man and a woman."[59]

Of course, the affirmative action rationale has only been ultimately accepted as valid in a case where the statute in question actually benefits women as a class.[60] If the classification operates to further *deprive* women, it should be contended that any positive effects are cancelled out. This is certainly the result in the context of Social Security benefits, where any advantages to women spouses are offset by a corresponding disadvantage to women wage-earners.

(c) The remedy

When a statutory provision denies equal protection by establishing an unconstitutional classification, a court may remedy the defect either by declaring the provision equally operative upon all persons similarly situated, or by declaring the provision inoperative as to all of them.[61] In deciding whether benefits should be extended or extinguished, the court must be responsive to the dominant legislative purpose.[62]

The 1939 amendments to the original Social Security Act first authorized payments to family members of the worker spouse. In keeping with the purpose of Social Security, "to provide a systematic program of protection against economic and social hazards," they were intended "to afford more adequate protection to the family as a unit."[63] The laudable purpose of "more adequate protection" should be extended to families regardless of their non-compliance with traditional family structures. If an equal protection challenge to the Act is successful, the only resolution which preserves the original purpose is to extend the benefits without regard to sex.

IV. CONCLUSION

Legislative revision would probably be a more efficient and realistic method of completely neutralizing the sex bias in the Social Security Act than challenging each provision on a case-by-case basis. Unfortunately, such an extensive revision does not appear imminent, and current economic conditions accentuate the need for immediate action to secure equal benefits for non-traditional families. Multiple litigation challenging these provisions could have the dual effect of prompting Supreme Court review and encouraging Congress to take action.

It is evident that a concise standard of decision has not been developed for challenging sex classifications on equal protection grounds. Therefore, in utilizing the present strict scrutiny and reasonable relationship tests, it becomes crucial to concentrate on the ultimate disadvantage to the woman wage-earner due to sex bias in the Social Security Act. The present trend indicates that such an approach will maximize the chances that a challenge of sex discrimination will be successful.

FOOTNOTES

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[1] Federal Old-Age, Survivors, and Disability Insurance Benefits. 42 U.S.C. §§ 401-29 (1970) as amended (Supp. II, 1972).

[2] Ball, *Policy Issues in Social Security*. Soc. Sec. Bull. 5 (June 1966).

[3] Citizens' Advisory Council on the Status of Women. Report of the Task Force on Social Insurance and Taxes (1968) HEW, Report of the Women's Action Program 85-93 (1972); National Organization for Women, Now Goals (1973); The President's Commission on the Status of Women, Report of the Committee on Social Insurance and Taxes (1963); *Sex Classifications in the Social Security Benefit Structure*. 49 IND. LJ. 181 (Fall 1973) [hereinafter cited as *Sex Classifications*]; *Sex Discrimination in Income Security Programs*. 49 Notre Dame Law. 534 (Fall 1974).

[4] Miller, *Constitutional Issues in Social Security*. 8 Clearinghouse Rev. 79 (June 1974).

[5] "This substantial period of time is called a 'quarter of coverage.' A 'quarter of coverage' means a three month period in which the individual has received at least $50 in wages in covered employment or has received at least $100 of self-employed income. 42 U.S.O. § 413(a) (1970). To be 'fully insured' under OASDI, a person must have at least one quarter of coverage per year from age 21 (or 1950, whichever is later) until the year in which he or she reaches age 62, or a total of 40 quarters of coverage. 42 U.S.C. § 414(a) (Supp. II, 1972)." *Sex Classifications, supra* n. 2. at 8.

[6] "Women age 20 and over made up 34% of the civilian labor force in 1972. 96 Monthly Lab. Rev., Sept. 1973, at 105, (Table 4). 78.5% of working women in 1967 were married, widowed, or divorced. Handbook, *supra* note 18, at 23 (Table 7). The number of working wives increased by 4.1 million between 1962 and 1969. 40% of the period's total labor force increase. 95 Monthly Lab Rev., Aug., 1972, at 11. In 1971, 59% of women workers were married and one-third of working women had both a husband and dependent children. 95 Monthly Lab. Rev., Apr., 1972, at 9. Of the 44 million husband-wife families in 1970, wives were the main income recipients in 32 million families, 7.4% of the total. In 1960, the percentage was 5.7. Census Bureau, Sources and Structure of Family Income 377 (1973) (Table 9)." *Sex Classifications supra* n. 2. at 19.

[7] 42 U.S.C. § 402(b).

[8] 42 U.S.C. § 402(e).

[9] 42 U.S.C. § 402(c).

[10] 42 U.S.C. § 402(f).

[11] 42 U.S.C. § 402(c) (1) (C); 42 U.S.C. § 402 (f) (1) (D); for further discussion, *see Sex Classifications, supra* n.2, at 186 and nn. 27-28. On March 13, 1974, Senator Tower (R-Texas) introduced S. 3167 which would eliminate the special dependency requirements for entitlement to husband's and widower's benefits. The bill was referred to the Committee on Finance.

[12] The non-traditional family consisting of woman wage-earner and ineligible spouse is precluded from receiving husband's benefits approximately equal to one-half of the primary insurance amount of the wife, [*see* 42 U.S.C. § 402(c) (3), *as amended* (Supp. II. 1972)] and widower's benefits equal to the primary insurance amount of his deceased wife [42 U.S.C. § 402(f) (3), *as amended* (Supp. II, 1972)].

[13] 42 U.S.C. § 402(b) (1).

[14] 42 U.S.C. § 402(e) (1).

[15] 42 U.S.C. § 402(e) (1) (B) (ii).

[16] 42 U.S.C. § 402(c) (1) (D).

[17] The primary purpose for these provisions was to:

> "'provide protection mainly for women who have spent their lives in marriages are dissolved when they are far along in years—especially housewives who have not been able to work and earn social security benefit protection of their own.' REPORT OF THE COMMITTEE ON WAYS AND MEANS ON H.R. 6675. H.R. REP. NO. 213, 89th Cong., 1st Sess. 94 (1965), quoted in 1971 ADVISORY COUNCIL ON SOCIAL SECURITY. Report 34 (1971)." *Sex Classifications, supra* n.2 at 187 and n.34.

[18] 42 U.S.C. § 402(b) (1) (B).

[19] 42 U.S.C. § 402(g) (g) (1).

[20] *Id.*

[21] 42 U.S.C. § 402 (b) (1) (B); 42 U.S.C. § 402 (g) (1) (E): *see* Eligibility for Children's Benefits. 42 U.S.C. § 402(d).

[22] Final report of the Advisory Council on Social Security 31 (1938); report of the Advisory Council on Social Security, S. Misc. Doc. No. 4, 76th Cong., 1st Sess. 18 (1939).

[23] 367 F. Supp. 981 (D. N.J. 1973).

[24] *See* U.S. Dept. of Agriculture v. Moreno, 413 U.S. 528 (1973); Shapiro v. Thompson, 394 U.S. 618, 641-42 (1969); Bolling v. Sharpe, 347 U.S. 497, 499 (1954); Miller v. Laird, 349 F. Supp. 1034 (D. D.C. 1972) (three-judge court); Hobson v. Hansen, 269 F. Supp. 401 (D. D.C. 1967), aff'd sub nom. Smuek v. Hobson, 408 F. 2d 175 (D.C. Cir. 1969).

[25] Reed v. Reed, 404 U.S. 71 (1971); Frontiero v. Richardson, 411 U.S. 677 (1973); Moritz v. Commissioner of Internal Revenue, 469 F. 2d 466, 470 (10th Cir. 1972), cert. denied, 412 U.S. 906 (1973); Ballard v. Laird, 360 F. Supp. 643 (S.D. Cal. 1973) three-judge court).

[26] *See* Stanley v. Illinois, 405 U.S. 645 (1972).

[27] Frontiero v. Richardson, 411 U.S. 677 (1973); Wiesenfield v. Secretary of HEW, 367 F. Supp. 981 (D. N.J. 1973); *but see* Kahn v. Shevin, 94 S. Ct. 1734 (1974).

[28] *See* Developments in the Law—Equal Protection, 82 Harv. L. Rev. 1065 (1969).

[29] Eslinger v. Thomas, 476 F. 2d 255, 231 (4th Cir. 1972); Wark v. Robbins, 458 F. 2d 1295, 1297 n. 4 (1st Cir. 1972) (dictum): *see generally*, Gunther, The Supreme Court 1971 Term—Foreword: In Search of Evolving Doctrine on a Changing Court, 86 Harv. L. Rev. 1 (1972); Getman, The Emerging Constitutional Principle of Sexual Equality. The Supreme Court Review 157 (1972).

[30] Frontiero v. Richardson, 411 U.S. 677 (1973); Wisenfeld v. Secretary of HEW, 367 F. Supp. 981 (D. N.J. 1973).

[31] 411 U.S. 677, 93 S. Ct. 1764 (1973).

[32] The effect of this decision has been the subject of much speculation and analysis. *See, e.g.*, Sex Discrimination and Equal Protection: An Analysis of Constitutional Approaches to Achieve Equal Rights for Women, 38 Albany L. Rev. 66 (1973); Toward Sexual Equality? An Analysis of Frontiero v. Richardson, 49 Iowa L. Rev. 377 (1973).

[33] 411 U.S. at 6.

[34] 404 U.S. 71 (1971).

[35] Ballard v. Laird, 360 F. Supp. 643 (S.D. Cal. 1973) (three-judge court); Andrews v. The Drew Municipal Separate School, — F. Supp. — (N.D. Miss. 1973); Wiesenfeld v. Secretary of H.E.W., 367 F. Supp. 981 (D. N.J. 1973).

[36] 42 U.S.C. § 402(g).

[37] *Appeal docketed*, No. 73-1892, U.S. Sup. Ct., June 18, 1974.

[38] 94 S. Ct. 1734 (1974).

[39] This interpretation was accepted by the court in Kohr v. Weinberger, 43 U.S.L.W. 2066 (E.D. Pa. July 26, 1974) (three-judge court). (Benefits computation formula in Social Security which favors women wage-earners over men does not unconstitutionally discriminate against men.)

[40] U.S. Ct. 1734 at 1737.

[41] *Id.* at 1737, n.8.

[42] *Id.*

[43] 367 F.Supp. at 991.

[44] 42 U.S.C. § 402(g) (1).

[45] 42 U.S.C. § 402(b), § 402(g).

[46] 411 U.S. at 698 n.22.

[47] Oliver v. Weinberger, No. C-74-1416 SC (N.D. Cal., filed July 8, 1974), is a class action challenging the constitutionality of 42 U.S.C. § 402(b), which authorizes payment of benefits to divorced wives of covered workers but not to divorced husbands of such workers. The plaintiff is the ex-husband of a fully insured woman who is presently receiving Old Age Insurance benefits. Plaintiff has never engaged in covered employment.

[48] 415 U.S.C. 645 (1972).

[49] Note that the justification for affirmative action programs arose in civil rights cases, where the programs were used to combat racial classifications without the limits of case-by-case adjudication. It may be that inherent differences exist between race and sex classifications such that similar justifications are not applicable. See Getman, *The Emerging Constitutional Principle of Sexual Equality*, 1972 Supreme Court Rev. 157, 165.

[50] 367 F.Supp. at 990.

[51] *Id.* at 991.

[52] Where the strict scrutiny test is applied, requiring a compelling government interest, courts have consistently required a showing that no alternatives exist which intrude to a lesser degree upon the strong individual at stake. The Wiesenfeld court had no reason to pursue the existence of alternatives, since they invalidated the affirmative action justification on other grounds. Therefore, it might be argued that, at a minimum, alternatives should be considered before discrimination against men is allowed.

[53] See Kohr v. Weinberger, 43 U.S.L.W. 2066 (E.D. Pa., July 26, 1974).

[54] See Jefferson v. Hackney, 406 U.S. 535 (1972); Richardson v. Belcher, 404 U.S. 78, 81 (1971); Dandridge v. Williams, 397 U.S. 471 (1970); McGowan v. Maryland, 366 U.S. 420 (1961); see generally, Developments in the Law—Equal Protection, 82 HARV L. REV. (1969).

[55] 367 F.Supp. at 989.

[56] Reed v. Reed, 404 U.S. 71 (1971); Frontiero v. Richardson, 411 U.S. 677 (1973). See also Diaz v. Weinberger, 361 F.Supp. 1, 11 (S.D. Fla. 1973); Ballard v. Laird, 360 F. Supp. 643 (S.D. Cal. 1973); Aiello v. Hansen, 359 F. Supp. 792, 798 (N.D. Cal. 1973); Chatman v. Barnes, 357 F.Supp. 9 (N.D. Okla. 1973). (All decided by three-judge courts.)

[57] 411 U.S. 677 (1973.)

[58] 367 F.Supp. at 990.

[59] 94 S.Ct. at 1736. See also Kohr v. Weinberger, 43 U.S.L.W. 2066 (E.D. Pa., July 26, 1974)

[60] Kahn v. Shevin, 94 S. Ct. 1734 (1974); Kohr v. Weinberger, 43 U.S.L.W. 2066 (E.D. Pa., July 26, 1974).

[61] Skinner v. Oklahoma ex rel. Williamson, 316 U.S. 535 (1942); Iowa-Des Moines Nat'l Bank v. Bennett, 284, U.S. 239, 247 (1931).

[62] Frontiero v. Richardson, 411 U.S. 677 (1973).

[63] H.R. REP. NO. 728, 76th Cong., 1st Sess. (1939).

[From the Indiana Law Journal, Fall 1973]

Sex Classifications in the Social Security Benefit Structure

The social security program, providing social insurance protection against old age, death and disability (OASDI),[1] has assumed increasing national importance in the last two decades, both in terms of revenue collected by payroll taxes and benefits paid.[2] The program's benefits are distributed according to family relationship. A worker receives benefits as the primary breadwinner, and wives, children, parents and a few husbands receive benefits as dependents. Since the benefit structure is rooted in traditional assumptions regarding family roles, the dependents' benefits are largely defined in terms of sex. Although some of Social Security's distinctions based on sex have been eliminated over the years, differentials remain in the dependent wife's, widow's, mother's, husband's, and widower's benefit provisions.[3]

With recent developments in the constitutional doctrines of equal protection and due process, the courts have indicated a greater willingness to carefully evaluate and strike down classifications based on sex. Social Security's sex-linked benefit structure may now be vulnerable to attack.

The future of Social Security may include not only reforms which will equalize existing benefit programs, but also reforms which will broaden the system's coverage.[4] Since its initial adoption, the social security system has been expanded as societal views on the purpose of the program and those whom it should protect have changed. With the current reexamination of women's roles and Social Security's impact on women, OASDI's primary protection of workers may eventually be extended to those, either men or women, now considered dependents who work at home without pay rather than in the labor force.

CURRENT OASDI BENEFIT PROVISIONS

The concept of the family embodied in the Social Security Act[5] has evolved over time, but the basic assumption that men are the

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breadwinners supporting dependent women has remained. This traditional notion of proper sex roles is exemplified by the fact that wives and widows are presumed to be dependent on male workers, whereas husbands and widowers must prove their dependence. The worker's benefit itself has been designed with the male breadwinner model in mind.

Benefits for workers

Under the original Act, the worker was the only beneficiary.[6] Today, the worker is the primary beneficiary, but dependents receive some benefits from the worker's Primary Insurance Amount (PIA).[7] To receive protection as a worker, a person must have worked for a substantial period of time in employment covered by OASDI.[8] The program applies only to those who work for pay since benefits are calculated on the basis of an average monthly wage.[9]

Female and male workers' benefits have been calculated differently because the Act has assumed that the family breadwinner is a man. This differential treatment began in 1956 when women became eligible for benefits at age 62.[10] The provision was designed to allow nonworking wives to receive benefits at an earlier age in order to ease the financial strain on a married couple when the husband retired at age 65.[11] Although aimed at dependent wives, all women were allowed to take advantage of the provision, thereby encouraging the earlier retirement of working women. The early retirement provision was extended to men in 1961,[12] but the benefit-computation point used in determining the PIA was not reduced from age 65 to age 62 for men as it had been for women.[13] Thus, for men any year of retirement between age 62 and age 65 was considered a year of low earnings in calculating the average monthly wage. This calculation resulted in lower benefits for men than for women with the same average earnings over their working years,[14] and gave men a considerable incentive not to take advantage of early retirement. The 1972 amendments to OASDI provided for elimination of this sex-based age differential over the next three years.[15]

By 1975 Social Security will give men the same incentive as women to retire at age 62, but it is likely that a larger proportion of women than men will continue to retire early, due to broader societal pressures. Women traditionally have been encouraged or even forced to retire at earlier ages than men although their greater life expectancy would suggest an opposite policy.[16] Although early retirement has been seen as an advantage for women, it reflects a view that women are secondary workers. The social security system has reinforced this tradition by making early retirement more attractive for women than for men. In addition, the early retirement provisions, with permanently reduced benefits, have resulted in a greater proportion of women beneficiaries receiving significantly lower benefits throughout their remaining years.[17]

The male breadwinner model reflected in the worker's benefit structure suffers from a two-fold limitation. On the one hand, a majority of women between the ages of 18 and 65 now work.[18] Working wives, many with dependent children, are a substantial proportion of the labor force, and an increasing number of married women are the primary breadwinners in their families.[19] On the other hand, because Social Security only covers work for pay,[20] the many women who continue to work at home or as volunteers in the community are denied primary coverage as workers. This results in a larger proportion of men than women receiving the higher worker's benefit.[21]

Benefits for dependent women and men

More women receive social security benefits as dependent wives, widows and mothers than as workers.[22] The retirement benefit for wives and the survivor's benefit for widows were added in 1939 with the presumption that wives are dependent upon their husbands.[23] If both a wife and her husband are retired, she automatically receives a benefit equal to one-half of her husband's PIA, unless she has worked in covered employment and her own worker's benefit is greater than her wife's benefit.[24] Roughly speaking, if a wife has average earnings over one-third of her husband's she will not then be considered "dependent" and she will receive a worker's benefit larger than her dependent's benefit would have been.[25] A widow, on the other hand, is treated as a dependent unless her own worker's benefit equals or exceeds her deceased husband's PIA.[26]

The benefits for husbands and widowers offer a stark contrast to the presumptive dependency benefits for wives and widows. The husband and widower benefits were added in 1950 to allow disabled or otherwise dependent men to receive benefits in the "rare" case where the primary breadwinner was the wife.[27] In order to qualify for benefits on a woman's wage record, a husband or widower must show that he received over one-half of his individual support from his wife.[28] Since OASDI assumes that one-half of family expenses are for the husband, the wife must have paid at least three-fourths of the total family expenses for her husband to receive a dependent's benefit. If eligible, a husband will receive one-half of his wife's PIA, and a widower will receive a benefit equal to his wife's PIA.[29]

Hostility toward liberalization of benefits for husbands and widowers continues to be based on the same traditional assumptions regarding family roles. The 1971 Advisory Council on Social Security assumed that all married men work unless disabled, and therefore, they could not be dependent on their wives.[30] The Council opposed elimination of the support requirement because of its feeling that men would receive double benefits financed by the public: benefits from public retirement plans for state or federal employees not covered by OASDI and benefits from OASDI derived from wives' wage records.[31] Interestingly, the Council was not concerned about women who presently receive double benefits.[32]

While husbands and widowers have at least a limited opportunity to draw benefits on their wives' wage records, divorced men, unlike divorced women, receive no protection under the Act.[33] The primary reason for the inclusion of divorced wives and "divorced widows" in the female benefit structure was to—

> "Provide protection mainly for women who have spent their lives in marriages that are dissolved when they are far along in years—especially housewives who have not been able to work and earn social security benefit protection of their own." [34]

Since the Advisory Council assumed that men do not stay home and keep house,[35] they considered the sex-based distinction valid, providing no opportunity for a divorced man to show he departed from the norm.

The social security system provides further benefits for women with children.[36] A mother's benefit was added in 1950, payable to a wife, widow or surviving divorced wife under age 65 (now age 62) as long as she had in her care a child eligible for benefits.[37] The purpose behind the mother's benefit was to enable a wife with children to remain at home and care for them after her husband died, retired, or became disabled.[38] No corresponding father's benefit exists.

The system assumes that the death or disablement of the husband-father will result in a loss of earnings for the family, but does not make the same assumption regarding the death or disablement of the working wife-mother.[39] Although the 1950 amendments were viewed as a repudiation of the assumption that women only work for "pin money," [40] the lack of a father's benefit perpetuates the secondary importance of the wife's contribution to the family income.

THE QUESTIONABLE CONSTITUTIONALITY OF SOCIAL SECURITY'S SEX CLASSIFICATIONS

The sex classifications which remain in the OASDI benefit structure are vulnerable to constitutional attack. With recent United States Supreme Court extensions of equal protection and due process doctrines in the area of sex discrimination, it is possible that the sex-based statutory scheme of OASDI will be declared void. Private employment benefit plans similar to OASDI have been found to violate title VII of the Civil Rights Act of 1964.[41] In addition, the Equal Rights Amendment to the United States Constitution,[42] if ratified, will necessitate abandonment of the sex-stereotyped benefit structure.

The effect of Reed and Frontiero on OASDI

Traditionally, in cases challenging legislative classifications based on sex under the equal protection and due process doctrines,[43] the Supreme Court used the more lenient "rational relationship" test,[44] rather than requiring a showing of "compelling state interest." [45] The Court allowed legislatures to draw sharp lines between the sexes,[46] and found a rational basis for sex classification in its belief that "[women are] still regarded as the center of home and family life." [47]

The first break in this traditional approach to sex classification came in *Reed v. Reed.*[48] In a unanimous decision, the Court struck down an Idaho statute giving preference to males over females in selecting administrators of decedents' estates. The Court held that the sex classification was arbitrary and based on criteria wholly unrelated to the objective of the statute.[49] The state's rationale that men as a rule are more conversant with business affairs than women [50] was implicitly rejected by the Court. It went on to say that even though the state's interests in achieving administrative efficiency and avoiding intrafamily controversy are not without some legitimacy, "the choice in this context may not lawfully be mandated solely on the basis of sex." [51] Although *Reed* did not declare sex a "suspect classification," it was viewed by many as the beginning of a more careful evaluation of sex classifications by the Court.[52]

A second shift in the Court's treatment of sex classification came with *Frontiero v. Richardson,*[53] challenging the sex classifications in the federal statutes defining dependents and dependents' benefits for uniformed service personnel.[54] Under these laws, in order for a woman in the military to claim her husband as a dependent for purposes of obtaining an increased housing allowance and medical and dental benefits, he must receive over one-half of his support from his wife.[55] On the other hand, a wife of a serviceman is presumed dependent, as is OASDI, and is automatically eligible for benefits.[56] The plaintiff in *Frontiero* requested dependents' benefits for her husband, a full-time student. His share of their total expenses was $354 per month, but because he received $205 per month in veterans' benefits, he did not meet the one-half support requirement.

A three-judge panel sustained the statutory scheme, finding that the distinction was not based *solely* on sex, as in *Reed,* but was based on sex *plus* the specific relationship of the dependent individual to the servicemember.[57] Looking for a "reasonable basis" upon which to uphold the statute, the court pointed to the administrative burden which Congress allegedly sought to avoid by establishing wives' presumptive dependency.[58] The court reasoned that a presumption to facilitate administration does not violate equal protection if it does not unduly burden or oppress the class upon which it operates.[59] The court found that the only burden on

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women in this case was that married women were not allowed to receive "windfall" payments which married men received by claiming wives not in fact dependent.[60] This burden was not considered sufficiently oppressive to void the statute.[61]

The Supreme Court reversed the district panel and held that the challenged statutes violated the due process clause insofar as they require a servicewoman to prove the dependency of her husband.[62] Justice Brennan joined by Justices Douglas, White and Marshall, found that classifications based on sex, like those based on race, alienage and national origin, are inherently suspect and must be subjected to close judicial scrutiny.[63] In abandoning the rational relationship test, previously applied to sex classifications, Justice Brennan cited *Reed,* characterizing it as a "departure from 'traditional' rational basis analysis." [64] He based his conclusion that sex is a suspect classification upon the pervasive, although often subtle, discrimination against women, and upon the fact that sex, like race, is an immutable characteristic determined by birth which frequently bears no relation to one's ability to perform or contribute to society.[65] He also cited *Reed* as precedent for rejecting the government's rationale of administrative convenience.[66]

Although eight Justices concurred in the *Frontiero* judgment,[67] only four were willing to declare sex a suspect classification.[68] Justice Powell, joined by Chief Justice Burger and Justice Blackmum, declined to characterize sex as a suspect classification "with all the far-reaching implications of such a holding." [69] Justice Powell preferred to decide the case on the authority of *Reed,* reserving for the future any expansion of its rationale.[70] In addition, because the Equal Rights Amendment had been submitted by Congress to the states for ratification, he thought that the adoption of the strict scrutiny test for sex classification would preempt "by judicial action a major political decision which is currently in process of resolution." [71] Justice Stewart joined neither Justice Brennan's nor Justice Powell's opinion, but simply concurred in the judgement on the basis of *Reed.*[72]

The judgment in *Frontiero* eliminated the requirement that service women prove the dependency of their husbands, resulting in the extension of the presumption of dependency to all spouses regardless of sex. The one-half support requirement struck down in *Frontiero* is identical to that found in the husband's and widower's social security benefits.[73] Thus, *Frontiero* should lead the Court to hold Social Security's male support requirements unconstitutional, and extend to men the presumption of dependency continued in the wife's and widow's benefits. Extension of the dependency presumption would mean that a husband or widower would automatically receive whichever benefit was greater, his own or a derivative benefit based upon his wife's wage record.[74]

In addition, *Frontiero* can be used as the basis for arguing that the lack of a father's benefit [75] constitutes discrimination as invidious as the presumptive dependency rules. Because Social Security makes no provision for a father's benefit, a mother's employment results in less financial protection for her family than a father's employment. If a working mother dies or becomes disabled, fathers are penalized by the lack of any benefit to replace either the mother's contribution to the family income or her provision of household or childcare services.[76]

OASDI as measured by the public policy of title VII

Although OASDI, as a federal retirement plan, is not covered by title VII of the Civil Rights Act of 1964, the commitment to sexual equality expressed in title VII [77] lends support to a court finding Social Security's sex classifications unconstitutional under *Frontiero.* Justice Brennan, in finding sex a suspect classification in *Frontiero,* referred to title VII and noted that—

> "Congress itself has concluded that classifications based upon sex are inherently invidious, and this conclusion of a coequal branch of Government is not without significance." [78]

Title VII bans discrimination in "conditions of employment" which has been construed to include retirement and death benefit plans.[79] Although title VII is not applicable to OASDI, its sex-based benefit structure would be illegal if OASDI were an arrangement between private employers and employees.

The Equal Employment Opportunity Commission (EEOC) which enforces title VII, in its guidelines on sex discrimination, has declared that benefits conditioned on "head of household" or "principle wage earner" status will be found prima facie violations.[80] The Guidelines also prohibit employers from establishing benefits for wives and families of male employees where the same benefits are not available for the husbands and families of female employees.[81] In litigation involving a private retirement plan, the EEOC held that an employer's death benefit plan similar to OASDI violated title VII by providing for mandatory payments to the surviving wife of a deceased worker, while paying benefits to a deceased worker's husband only if he was physically or mentally incapable of self-support.[82] The employer argued that the death benefits did not discriminate on the basis of sex, but were based upon the fact that married women were generally supported by their husbands and had fewer obligations to support others.[83] In rejecting this defense, the EEOC held such presumptions based on the collective characteristics of a sexual group were without merit because title VII was intended to protect individuals from the penalizing effects of stereotypes based on sex.[84]

Title VII lends support to the argument that Social Security's sex classification may no longer be viewed as a permissible method of meeting the welfare and income security goals of OASDI. What is important to these goals is the economic role assumed by each spouse, not the spouse's sex. It would be highly anomalous for a court to decide that the sex classifications of OASDI meet either the rational relationship or the compelling state interest tests, when such classifications are not allowed in employment plans within the private sector.

Impact of the Equal Rights Amendment on OASDI

Finally, another legal tool that could be used to eliminate OASDI's sex classification would be the proposed Equal Rights Amendment (ERA) to the Constitution.[85] The simple theory of the ERA is that sex would no longer be a permissible basis for statutory classification.[86] The fact that members of one sex are more likely than members of the other sex to perform particular functions would not "authorize the Government to fix legal rights or obligations on the basis of membership in one sex." [87] Under this rationale, legislative classification is permissible in "situation[s] where a physical characteristic unique to one sex is involved" [88] or where personal privacy is essential.[89] Otherwise, the proposed amendment would require that legal distinctions be made on the basis of characteristics or functions common to both sexes.

Consequently, under the ERA, all spouses would be eligible for social security benefits on equal terms.[90] The male and female dependent spouse benefits could be reconciled in two ways: either by eliminating the presumption or by extending the presumption of dependency to husbands and widowers, as in *Frontiero.*[91] The dependency presumption could be eliminated by requiring women to prove that they receive one-half of their support from their husbands. This would be the least desirable alternative since forcing wives to prove receipt of support would increase the complexity of an already intricate system and would proliferate litigation.[92] Thus, the preferrable alternative under the ERA would be to extend Social Security's presumptive dependency to men so that husbands and widowers would be eligible on the same basis as wives and widows. Extension would result in the least change in the present system.[93]

If the social security benefit provisions are extended through application of the Equal Rights Amendment or the equal protection and due process clauses, enabling men to receive benefits on the same terms as women, these modifications would probably not create many additional beneficiaries or increase the size of payments. Men's rates of employment, average earnings and average PIA will remain higher than women's until employment discrimination against women ends. However, elimination of the current sex classifications would be significant in altering the present expectations implicit in the Act that all husbands are primary breadwinners and all wives are at best secondary earners. It would provide equal benefits for those couples who voluntarily choose to differ from the accepted norm, or who are forced to adopt nontraditional patterns for financial reasons. After modification, the statutory scheme would be sex-neutral on its face: the primary family earner would receive a workers' benefit, and the spouse, regardless of sex, would receive a derivative benefit if she or he had a PIA less than one-half of the primary earner's.

A STEP BEYOND ELIMINATION OF SEX CLASSIFICATIONS

Abolishing the sex classifications in OASDI will not alter the status of economic dependency which is a reality for many, if not most, women. A larger proportion of women will continue to receive a derivative spouse's benefit, based on their husbands' PIA, rather than their own worker's benefit. The perpetuation of women's dependent status through the social security system is regarded by many as a continued form of second-class treatment, ignoring women's productive contribution to society through their work as housewives and mothers.[94] Because many women do not work for money, they are unable to earn social security credits. Nevertheless, their work needs to be recognized as indispensible and as worthy of protection against the risks of death and disability. The social security system, by making benefits entirely dependent on substantial prior attachment to the work force, perpetuates society's disregard for those who do not work for pay. To encourage the treatment of women as equals and to provide minimum protection for homemakers against disability and death, the social security system should be revised to protect homemakers as primary workers.

Women's work patterns often vary from the patterns considered normal for most men. Although a majority of women work for wages at some point during their lives, many withdraw from the work force for varying lengths of time in order to bear and raise children.[95] Because computation of a person's PIA is based on a certain length of *continuous* work, interrupted work patterns and periods of part-time employment are major reasons many women do not receive their own social security benefits, even though they have accumulated social security credits.[96] Coverage of homemakers as workers would allow women to maintain a continuous work record throughout their productive years, and the multiple roles women play as workers and child rearers would no longer penalize them in terms of accumulated benefits.[97]

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One concrete legislative proposal has been developed to provide primary coverage of homemakers. House Bill 252, introduced on January 3, 1973,[98] would extend social security coverage to an individual who resides with, and maintains a household for, another employed or self-employed person. Monthly wages equal to the national average monthly wage for employment in service occupations would be deemed to have been paid to the individual for such "householder service."[99] If the householder was also employed part-time, she or he would be covered as a householder as long as the earned wages were insufficient to meet the minimum requirements for regular coverage.[100] General revenue funds would be used to finance this additional coverage.[101] The provisions make no distinctions on the basis of sex, so that men as well as women would be free to adopt dual roles if they chose to do so.

In the past, the major objections leveled against the coverage of homemaking services have been the practical difficulties of imputing a monetary value to unpaid work, and the related question of who should pay the payroll tax "contribution" to finance the additional benefits.[102] House Bill 252 avoids these two problems by using the national average wage for service workers to impute value and general revenue funds to finance benefits. Similar questions were answered in 1939 when the original provisions for dependent's benefits were passed, enlarging the welfare aspects of Social Security and departing from a strict insurance model.[103] Neither married men nor their wives were at that time asked to meet the additional costs of the wife's and widow's benefits; they were financed by all who paid the payroll tax.[104] The problem of imputed value was avoided by making the benefits dependent on the husband's earnings.[105] Today, however, recognizing the regressive nature of the payroll tax,[106] general revenue financing is preferable to higher payroll tax rates.

House Bill 252 does not provide for elimination of any of the present dependent's benefits, but would merely add an alternative benefit. If a wife is eligible to receive a derivative dependent's benefit higher than the household worker's benefit, she would be allowed to do so.[107] Thus, with House Bill 252, the Social Security Act would incorporate two views of homemakers by according them status as workers, in addition to recognizing their economic dependency.

CONCLUSION

Social security coverage of homemakers as workers would constitute a major expansion of the system, approaching universal protection for all persons over age 62 against the risks of retirement, death, and disability. With the elimination of sex classifications as a relevant basis upon which to condition benefits, the system would remain tied to the economic or productive functions of individuals. Because social security benefits are derived from an average monthly wage, however, women will continue to receive lower benefits than men, whether as workers or householders, as long as women are generally discriminated against in hiring, promotion and pay.

There is no way of eliminating this more subtle and indirect differential impact on women unless social security benefits are divorced from previous work experience. However, such a major revision in the concept of Social Security is highly unlikely. Short of such sweeping legislative reform of Social Security, the conversion of the present benefit structure into a sex-neutral statutory framework is necessary in order for Social Security to accommodate present changes in family roles and the increasing economic participation of women.

MARTHA S. WEST.

FOOTNOTES

[1] Federal Old-Age, Survivors, and Disability Insurance Benefits, 42 U.S.C. §§ 401–29 (1970), *as amended,* (Supp. II, 1972) [hereinafter referred to as OASDI or Social Security] This note will not include any discussion of the health insurance benefits of social security, known as Medicare.

[2] In 1971 social security payroll tax revenue reached 44 billion dollars, a growth from 4% of total federal revenue in 1949 to 23% in 1971. J. BRITTAIN, THE PAYROLL TAX FOR SOCIAL SECURITY 1 (1972) [hereinafter cited as BRITTAIN]. At the end of November, 1972, monthly cash benefits reached nearly 3.9 billion dollars. These benefits were paid to more than 28.3 million beneficiaries, health benefits included. 36 SOC. SEC. BULL., Mar., 1973, at 1.

[3] These differentials and social security's impact on women have become increasing concerns among those interested in improving women's social and economic status. *See* CITIZENS' ADVISORY COUNCIL ON THE STATUS OF WOMEN, REPORT OF THE TASK FORCE ON SOCIAL INSURANCE AND TAXES (1968) [hereinafter cited as CITIZENS' COUNCIL]; HEW, REPORT OF THE WOMEN'S ACTION PROGRAM 85–93 (1972) [hereinafter cited as HEW REPORT]; NATIONAL ORGANIZATION FOR WOMEN, NOW GOALS (1973); THE PRESIDENT'S COMMISSION ON THE STATUS OF WOMEN, REPORT OF THE COMMITTEE ON SOCIAL INSURANCE AND TAXES (1963) [hereinafter cited as PRESIDENT'S COMMISSION].

[4] *See* pp. 197–199 *infra.*

[5] 42 U.S.C. §§ 401–29 (1970), *as amended* (Supp. II, 1972 [hereinafter referred to as the Act]. "The Act" is used interchangeably with "OASDI" and "Social Security." *See* note 1 *supra.*

[6] Social Security Act of August 14, 1935, ch. 531, § 202, 49 Stat. 623.

[7] 42 U.S.C. § 415(a) (Supp. II, 1972).

[8] This substantial period of time is called "a quarter of coverage." A "quarter of coverage" means a three month period in which the individual has received at least $50 in wages in covered employment or has received at least $100 of self-employment income. 42 U.S.C. § 413(a) (1970). To be "fully insured" under OASDI, a person must have at least one quarter of coverage per year from age 21 (or 1950, whichever is later) until the year in which she or he dies or reaches 62, or a total of 40 quarters of coverage. 42 U.S.C. § 414(a) (Supp. II, 1972).

Social Security now cover 90% of workers in paid employment. Those not working in covered employment include federal civilian employees, certain employees of state and local government, and self-employed farmers who are voluntarily excluded from coverage. The remaining workers not receiving coverage are ineligible because of insufficient earnings, such as some domestic workers, farmworkers, self-employed farmers, nonfarm self-employed, and employees of nonprofit organizations. 36 SOC. SEC. BULL., Mar., 1973, at 75 (Table Q–2, figures for Sept., 1972).

[9] 42 U.S.C. § 415(b) (1970).

[10] Social Security Amendments of August 1, 1956, ch. 836, §§ 102(a), (c), 70 Stat. 809, *amending* 42 U.S.C. §§ 402, 416 (1952) (codified at 42 U.S.C. §§ 402(q), 416(a) (1970)). In 1965, widows became eligible for reduced benefits at age 60. Social Security Amendments of July 30, 1965, Pub. L. No. 89–97, § 307(a), 79 Stat. 373, *as amended* 42 U.S.C. § 402(c) (1970). Early retirement benefits are permanently reduced to take into account the longer period over which they will be paid. 42 U.S.C. § 402(q) (Supp. II, 1972).

[11] Wives were believed to be characteristically several years younger than their husbands. Bixby, *Women and Social Security in the United States,* 35 SOC. SEC. BULL., Sept., 1972, at 5 [hereinafter cited as Bixby].

[12] Social Security Amendments of June 30, 1961, Pub. L. No. 87–64, § 102(a), 75 Stat. 131, *amending* 42 U.S.C. § 402 (1958) (codified at 42 U.S.C. §§ 402(a), (c), (f) (1970)).

[13] 42 U.S.C. §§ 414(a)(1), 415(b)(3) (1970).

[14] In Gruenwald v. Gardner, 390 F.2d 591 (2d Cir. 1968), a male plaintiff challenged the constitutionality of the sex classification in these provisions. His primary insurance amount at age 62 of $100.60 was reduced by 20% to $80.50 because of early retirement. A woman, with a history of equal earnings and retiring at age 62, would have had a PIA of $115.60, reduced to $92.50 because of early retirement. In her case, the three years from age 62 to age 65 would be ignored in computing benefits. In the man's case, those three years are included as three years of low earnings in the computation of an average monthly wage, resulting in a lower PIA.

[15] Social Security Amendments of October 30, 1972, Pub. L. No. 92–603, §§ 104(a), (b), 86 Stat. 1340, *amending* 42 U.S.C. §§ 414, 415 (1970) (codified at 42 U.S.C. §§ 414(a), 415 (b)(3) (Supp. II, 1972)). The provisions giving the effective dates of the 1972 amendments to 42 U.S.C. §§ 414, 415 (Supp. II, 1972), specify that in 1973 men's benefits will be computed using age 64, in 1974 using age 63, and in 1975 the computation point for both men and women will be age 62. *Id.* § 414 (effective date of 1972 amendments).

[16] HEW REPORT, *supra* note 3, at 86.

[17] In June, 1972 61.2% of female retired workers were receiving reduced benefits, compared to 40% for male retired workers. The average monthly reduced benefit for women was $106. The average monthly reduced benefit for men was $131. For women the average worker's benefit without reduction was only $128 compared to $158 for men. 35 SOC. SEC. BULL., Dec. 1972, at 74 (Table Q–5).

[18] In May, 1973, 51.5% of women age 20–64 were in the labor force; 53.9% of those age 18 and 19 were in the labor force. 19 EMPLOYMENT & EARNINGS, June, 1973, at 24 (Table A–3). In 1950, only 37.2% of women age 18–64 were working. DEP'T OF LABOR, WOMEN'S BUREAU, HANDBOOK ON WOMEN WORKERS 22 (1969) (Table 6) [hereinafter cited as HANDBOOK].

[19] Women age 20 and over made 34% of the civilian labor force in 1972. 96 MONTHLY LAB. REV., Sept., 1973, at 105 (Table 4). 78.5% of working women in 1967 were married, widowed, or divorced. HANDBOOK, *supra* note 18, at 23 (Table 7). The number of working wives increased by 4.1 million between 1952 and 1969, 40% of the period's total labor force increase. 95 MONTHLY LAB. REV., Aug., 1972, at 11. In 1971, 59% of women workers were married and one-third of working women had both a husband and dependent children. 95 MONTHLY LAB. REV., Apr., 1972, at 9. Of the 44 million husband-wife families in 1970, wives were the main income recipients in 3.2 million families, 7.4% of the total. In 1960, the percentage was 5.7. CENSUS BUREAU, SOURCES AND STRUCTURE OF FAMILY INCOME 377 (1973) (Table 9).

[20] *See* note 9 *supra* and text accompanying.

[21] In June 1972, 8,072,238 men were receiving monthly benefits. Of these men, 99.9% received benefits as retired workers. At the same time, 13,111,337 women were receiving monthly benefits, but only 47% of these women received benefits as retired workers. 35 SOC. SEC. BULL., Dec. 1972, at 74–78 (Tables Q–5 to –10).

Nonrecognition of women's work in the home or community will be explored in the final section of this note.

[22] Of the 13 million women receiving monthly benefits under OASDI in June, 1972, 6,990,000, or 53%, received benefits as dependent wives, mothers or widows. *Id.*

[23] Social Security Amendments of August 10, 1939, ch. 666, §§ 202(b) (d), (e), 53 Stat. 1364–65, *as amended* 42 §§ 402(b), (e), (g) (1970); REPORT OF THE SOCIAL SECURITY BD., H.R. MISC. DOC. No. 110, 76th Cong., 1st Sess. 6–7 (1939). The wife's benefit was regarded as one way of increasing benefits for workers in the early years of the system. In 1939 two-thirds of all men over 65 were married. These provisions were designed to account for the greater presumptive need of the married couple, although proponents of the amendment believed many wives would eventually develop benefit rights based on their own earnings, thus eventually reducing the cost of the supplemental benefits to a relatively small amount. Hearings on H.R. 6635, the Social Security Amendments of 1939, before the House Comm. on Ways and Means, 76th Cong., 1st Sess. 59 (1939).

Divorced wives, and surviving divorced wives, or "divorced widows," if not remarried, were included in the wife's and widow's provisions beginning in 1965. They were not presumed dependent on their ex-spouses. Social Security Amendments of July 30, 1965, Pub. L. No. 89–97, § 308, 79 Stat. 375–78, *as amended* 42 U.S.C. §§ 402(b), (e), 416(d) (1970). In order to be eligible, a divorced wife or surviving divorced wife had to be receiving at least one-half of her support from the primary beneficiary, or receiving substantial contributions under a written agreement or a court order. In addition, her marriage to the insured must have lasted for at least twenty years. The support requirements were eliminated in 1972, so that only the twenty year duration of marriage requirement remains. Social Security Amendments of October 30, 1972, Pub. L. No. 92–603, § 114, *amending* 42 U.S.C. §§ 402, 416 (1970) (codified at 42 U.S.C. §§ 402(b), (e), 416(d) (Supp. II, 1972)).

[24] 42 U.S.C. §§402(b)(1)(E), (2) (1970).

[25] For example, if a working wife had an average monthly wage of $200, her PIA would equal $154.40. If her husband's average monthly wage were three times hers, or $600, her wife's benefit would equal $154.90, one-half of her husband's PIA of $309.80. If her average monthly wage were $250, her PIA would equal $174.80; her worker's benefit would be larger and she would no longer receive a dependent wife's benefit. *See* 42 U.S.C. § 415 (Supp. II, 1972) (Table for Determining Primary Insurance Amount and Maximum Family Benefits).

Rather than questioning the dependencey presumption, the *Report of the 1971 Advisory Council on Social Security* made the assumption more explicit and expansive:

> "[T]he program provides benefits . . . for those of his relatives whom the worker normally supports or has a legal obligation to support . . . Benefits are provided for a wife or widow without a test of support because it is reasonable to presume that a wife or widow loses support, or a potential source of support, when the husband's earnings are cut off, except in situations where she, herself, has covered earnings and is eligible for a benefit on her own account that is larger than her wife's or widow's benefit."

1971 ADVISORY COUNCIL ON SOCIAL SECURITY, REPORT 34 (1971) [hereinafter cited as 1971 ADVISORY REPORT]. There is no recognition by the Advisory Council that husbands lose support, or potential sources of support, when their wives' earnings are cut off.

[26] A widow receives a dependent's benefit equal to 100% of her deceased husband's PIA. 42 U.S.C. § 402(e)(2)(A) (Supp. II, 1972). Before the 1972 amendments, a widow received only 75% of her husband's benefit. Social Security Amendments of August 10, 1939, ch. 666, § 202(d)(2), 53 Stat. 1365.

As the Social Security Administration prefers to explain the dependent wife and widow provisions, if a wife works and then retires, she receives her own benefit in any case. In addition, if her worker's benefit is low or non-existent, she receives a supplemental benefit up to the derivative benefit limits. Bixby, *supra* note 11, at 5.

Working women have expressed great dissatisfaction with the dependent wife's and widow's benefits. *See* CITIZEN'S COUNCIL, *supra* note 3, at 67–78, 84–85; PRESIDENT'S COMMISSION, *supra* note 3, at 36–39. Under current provisions a married woman who has worked most of her life may get little or no more in benefits than she would have gotten had she never worked. Although she has paid social security taxes, she may receive no additional "return" over what she would have received had she remained a "dependent" wife.

The Social Security Administration is aware of these complaints, but points out that working women receive advantages for their contributions in the form of insurance protection against loss of earnings due to disability or death for themselves and their dependents. Bixby, *supra* note 11, at 9.

Rather than focusing on the differential treatment of working and nonworking wives, perhaps emphasis should be placed on the distinction between monetarily-employed workers, who supposedly have the ability to pay the payroll tax and those who work at home without financial compensation. In a very crude and indirect way, the social security system is compensating housewives through the wife's benefits for many years of unpaid labor.

[27] Social Security Amendments of August 28, 1950, ch. 809, § 101(a), 64 Stat. 483, 485 (codified at 42 U.S.C. §§ 402(c), (f) (1970)).

These additional benefits were viewed as establishing parity between the dependents of working men and women. However, the differential support requirements were virtually ignored. A program analyst for Social Security stated:

> "The earlier legislation made no provision for benefits to a husband or widower on a woman's wage record. . . . The 1950 amendments have resolved this inequity. The new law retains the concept of deemed dependency of the wife on the husband, which fits the usual family situation, but it also permits the husband or widower to become a beneficiary on the basis of the wife's wage record if he has in fact been dependent on her."

Riches, Women Workers and Their Dependents Under the 1950 Amendments, 14 SOC. SEC. BULL., Aug., 1951, at 9, 11 [hereinafter cited as Riches].

[28] 42 U.S.C. §§ 402(c)(1)(C), (f)(1)(D) (1970). This test of dependency must be met prior to any calculation of PIA, and support encompasses all income received by the couple from whatever source. As explained in Clark v. Celebrezze, 230 F. Supp. 798 (D. Mass. 1964), *aff'd,* 344 F.2d 479 (1st Cir. 1965), *cert. denied,* 385 U.S. 817 (1966), one of the few cases litigating a husband's right to benefits, the Social Security Examiner added together the total family income available for mutual expenses of the husband and wife, took half as the husband's total support, and took half again to see if he met the requirement, which he did not. "Support" is defined in 20 C.F.R. § 404.350(c) (1972) as including food, shelter, clothing, ordinary medical expenses, and "other ordinary and customary items." *Id.*

[29] 42 U.S.C. § § 402(c)(3), (f)(3) (1970), *as amended* (Supp. II, 1972).

[30] 1971 ADVISORY REPORT, *supra* note 25, at 34–35.

[31] *Id.*

[32] The Advisory Council stated that dual entitlement for women was not a problem because the number of wives who work in noncovered employment and who get dependents' benefits even though they are not really dependent is a relatively small proportion of wives receiving dependent benefits. The Council offered no support for this statement. *Id.* at 35.

[33] Divorced husbands and surviving divorced husbands, not remarried, are not included in the husband's and widower's benefits as contrasted with divorced women. *See* note 23 *supra.*

[34] REPORT OF THE COMMITTEE ON WAYS AND MEANS ON H.R. 6675, H.R. REP. No. 213, 89th Cong., 1st Sess. 94 (1965), *quoted in* 1971 ADVISORY REPORT, *supra* note 25, at 36.

[35] 1971 ADVISORY REPORT, *supra* note 25, at 36.

[36] Provision for wives with children whose husbands retire or become disabled is made through the wife's benefit. 42 U.S.C. § 402 (b)(1)(B) (1970). Provision for wives with children whose husbands die is made through the mother's benefit. *Id.* § 402(g) (1).

[37] Social Security Amendments of August 28, 1950, ch. 809, § 101(a), 64 Stat. 483, 485–86, *amending* 42 U.S.C. § 402 (1946) (codified at 42 U.S.C. §§ 402(b), (g) (1970)). A benefit for a worker's widow with an eligible child in her care was first added in 1939 under the provision "Widow's Current Insurance Benefits." Social Security Amendments of August 10, 1939, ch. 666, § 202(e), 53 Stat. 1365. The 1950 amendments changed the benefit title to "Mother's Benefit," extended protection to surviving divorced mothers and, under the wife's benefit, to mothers whose husbands retired or became disabled.

If the husband-father retires or is disabled, the mother's benefit is 50% of his PIA, 42 U.S.C. § 402(b)(1)(B), (2) (1970); if the husband-father dies the mother receives 75% of his PIA, *id.* § 402(g)(2).

Children may draw benefits on their parent's wage record. 42 U.S.C. § 402(d) (1970). When the dependent child's benefit was established in 1939 a child was deemed dependent on the father as long as the father was living with or contributing to the support of the child. A child was deemed dependent on the mother *only* if she was the sole support of the child and the father was no longer living with the child. Social Security Amendments of August 10, 1939, ch. 666, § 202(c), 53 Stat. 1364. After the 1950 amendments, if the mother was currently insured when she died or reached 65, her children were automatically entitled to benefits, assuming they were under the age limitations. If the mother was fully, but not currently insured, the child could receive benefits only if the mother provided at least one-half of the child's support, or the child was neither living with nor receiving any support from the father. Social Security Amendments of August 28, 1950, ch. 809, § 101(a), 64 Stat. 484. These limitations on the benefits available to the children of working women are eliminated in 1967. Social Security Amendments of 1967, Pub. L. No. 90–248, § 151, 81 Stat. 860 (1968), *amending* 42 U.S.C. § 402(d) (1964) (codified at 42 U.S.C. § 402(d) (1970)).

[38] REPORT OF THE ADVISORY COUNCIL ON SOCIAL SECURITY, S. MISC. DOC. No. 4, 76th Cong., 1st Sess. 18 (1939).

[39] Because the 1971 Advisory Council conceived of the mother's benefit as giving a choice to women not to work but to stay home, they saw no reason to extend the benefit to fathers:

> "A man generally continues to work to support himself and his children after the death or disability of his wife. . . . Even though many more married women work today than in the past, so that they are both workers and homemakers, very few men adopt such a dual role; the customary and predominant role of the father is not that of a homemaker but rather that of the family breadwinner. . . . The Council therefore does not recommend that benefits be provided for a young father who has children in his care." 1971 ADVISORY REPORT, *supra* note 25, at 35.

A housewife is completely left out of OASDI's primary coverage, and no provision exists to help replace her services if she dies or becomes disabled. However, because women who work outside the home are otherwise covered by the Act, the lack of a benefit for fathera to replace a working wife's contribution to the family income seems indefensible.

[40] Riches, *supra* note 27, at 11.

[41] *See* note 79 *infra* & text accompanying. Title VII is codified at 42 U.S.C. § 2000e (1970), *as amended* (Supp. II, 1972).

[42] H.J. Res. 208, 92d Cong., 2d Sess. (1972); S.J. Res. 8, 92d Cong., 1st Sess. (1971).

[43] The equal protection clause of the fourteenth amendment is not directly applicable to federal legislation such as OASDI, but the

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concepts surrounding it have been incorporated by the Supreme Court into the due process clause of the fifth amendment when reviewing federal action. Bolling v. Sharpe, 347 U.S. 497 (1954).

[44] *E.g.*, Richardson v. Belcher, 404 U.S. 78, 84 (1971); Dandridge v. Williams, 397 U.S. 471, 485, 487 (1970); Flemming v. Nestor, 363 U.S. 603, 611 (1960).

[45] Korematsu v. United States, 323 U.S. 214, 216 (1944) (race); Shapiro v. Thompson, 394 U.S. 618, 638 (1969) (affects fundamental interest in interstate movement).

[46] Goesaert v. Cleary, 335 U.S. 464, 466 (1948).

[47] Hoyt v. Florida, 368 U.S. 57, 62 (1961). In the only reported case to date attacking a sex classification in OASDI as a violation of equal protection and due process, the Second Circuit Court of Appeals followed the traditional rational relationship approach and declared that "special recognition and favored treatment can constitutionally be afforded women." Gruenwald v. Gardner, 390 F.2d 591, 592, *cert. denied*, 393 U.S. 982 (1968). In *Gruenwald*, the male plaintiff contended that the age differentials based on sex, in 42 U.S.C. § 415(b) (3) (1970), used in computing average monthly wages were unconstitutional. For the details of these provisions, see notes 12–15 *supra*. The provisions were upheld as constitutional because the court felt the sex classification was not patently arbitrary or utterly lacking in rational justification, and did not involve invidious discrimination. Because women as a class earn less than men, and their economic opportunities in higher age groups are less, the court found a reasonable relationship between the classification and the objective of the provision. This objective, according to the court, was to reduce the disparity between the economic and physical capabilities of men and women. 390 F.2d at 592.

[48] 404 U.S. 71 (1971).

[49] *Id.* at 74, 76.

[50] Brief for Respondent at 12, Reed v. Reed, 404 U.S. 71 (1971).

[51] 404 U.S. at 77.

[52] Justice Douglas in his concurring opinion in Alexander v. Louisiana, 405 U.S. 625 (1971), challenging the exemption of women from state juries, declared:

"The absolute exemption provided by Louisiana . . . betrays a view of a woman's role which cannot withstand scrutiny under modern standards. . . . Classifications based on sex are no longer insulated from judicial scrutiny by a legislative judgment that "woman's place is in the home," or that woman is by her "nature" ill-suited for a particular task."

Id. at 639–41. He then cited *Reed*. Similarly, Judge Duniway, dissenting in Struck v. Secretary of Defense, 460 F.2d 1372 (9th Cir. 1971), challenging the Army's regulation discharging officers who become pregnant, argued that Struck should have been given a rehearing in light of *Reed*, and stated: "It is not yet clear whether classification based upon sex is 'suspect,'. . . . I think, however, that eventually the Supreme Court will so hold." *Id.* at 1378. In Moritz v. Commissioner of Internal Revenue, 469 F.2d 466 (10th Cir. 1972), the Court of Appeals concluded that § 214 of the Internal Revenue Code, 26 U.S.C. § 214 (1970), allowing only women and married men to deduct expenses for the care of dependents, was unconstitutional. Under the scrutiny required by *Reed*, the classification, based solely on sex, was held to constitute an invidious discrimination against never-married men. 469 F.2d at 470. *Compare* Getman, *The Emerging Constitutional Principle of Sexual Equality*, 1972 SUP. CT. REV., 157 (1973) [hereinafter cited at Getman] and Sedler, *The Legal Dimensions of Women's Liberation: An Overview*, 47 IND. L.J. 419 (1972) [hereinafter cited as Sedler] *with* Ginsberg, *Comment on Reed v. Reed*, 1 WOMEN'S RIGHTS L. REP., Spring, 1972, at 7 (calling the *Reed* opinion a "small, guarded step" forward).

[53] 411 U.S. 677 (1973).

[54] 37 U.S.C. § 401 (1970); 10 *id.* § 1072.

[55] 37 *id.* § 401; 10 *id.* § 1072(2) (C).

[56] 37 *id.* § 401; 10 *id.* § 1072(2) (A).

[57] Frontiero v. Laird, 341 F. Supp. 201, 206, 209 (M.D. Ala. 1972). The court noted that women in the armed services can claim unmarried, legitimate, minor children for purposes of medical and dental benefits without a showing of dependency in fact. *Id.* at 205–06. Judge Johnson dissented, finding the statutory classification based solely on sex, He would declare the statutes unconstitutional on the basis of *Reed*, regarding the rationale of administrative convenience as an insufficient rational basis to support the classification *Id.* at 209, 210.

[58] *Id.* at 207.

[59] *Id.*

[60] *Id.* at 207–08.

[61] *Id.* at 208.

[62] Frontiero v. Richardson, 411 U.S. 677, 691 (1973).

[63] *Id.* at 688.

[64] *Id.* at 684.

[65] *Id.* at 686.

[66] *Id.* at 690.

[67] Justice Rehnquist dissented for the reasons given by the district court *Id.* at 691.

[68] Two lower federal courts and two state courts, however, have previously reached the conclusion that sex is a suspect classification. *See* Sail'er Inn, Inc. v. Kirby, 5 Cal. 3d 1, 485 P.2d 529, 95 Cal. Rptr. 329 (1971); State v. Costello, 59 N.J. 334, 282 A.2d 748 (1971); *cf.* United States *ex rel.* Robinson v. York, 281 F. Supp. 8 (D. Conn. 1968), which examined a sex distinction in a criminal statute under the "strict scrutiny" standard, and found the sex classification to constitute invidious discrimination. In Thorn's v. Richardson, 4 BNA FAIR EMPLOYMENT PRACTICES CAS. 299 (W.D. Wash. 1971), women plaintiffs attacked the referral system of the federally administered Work Incentive Program (WIN), which under federal regulations gives preference to unemployed male welfare recipients over unemployed female recipients. The court held that the sex classifications were suspect, encroached upon the plaintiff's fundamental rights, and were with without rational basis as is required by the fifth and fourteenth amendments. *Id.* at 302.

[69] 411 U.S. 677, 692 (1973).

[70] *Id.*

[71] *Id.*

[72] *Id.* at 691.

[73] *Compare* 42 U.S.C. §§ 402(d) (1) (C), (f) (1) (D) (1970) *with* 37 *id.* § 401 *and* 10 *id.* § 1072(2) (C). The Social Security Act also includes a one-half support requirement in the dependent benefit for a workers' parents, but the parents' provision makes no distinction on the basis of sex; it applies equally to male and female workers, and to male and female parents. 42 U.S.C. § 402(h) (1) (B) (1970).

[74] Even the 1971 Advisory Council on Social Security recognized that the value of social insurance protection for dependents was lower for working women than for working men, due to the support requirement that husbands and widowers must meet to receive benefits on a woman's wage record. The Advisory Council pointed out, however, that this lower value of dependents' protection was offset by the greater value of the working woman's retirement benefit resulting from women's greater longevity. 1971 ADVISORY REPORT, *supra* note 25, at 63.

As the Court noted in *Frontiero*, the statutes requiring proof of support by husbands are not in any sense designed to rectify the effects of past discrimination against women. 411 U.S. at 689 n. 22. *Frontiero* can be distinguished from Gruenwald v. Gardner, 390 F.2d 591, *cert. denied*, 393 U.S. 982 (1968). *Gruenwald* upheld a sex classification in OASDI because the provision in question worked to the advantage of women in reducing the existing monetary disparity between male and female worker's benefits. *Id.* at 592. Although not designed with affirmative action in mind, the age differentials previously found in the computation provisions may have been able to pass a strict judicial scrutiny test as a means of promoting equality for women. *See* Getman, *supra* note 52, at 165–66; Sedler, *supra* note 52, at 454.

[75] *See* notes 36–40 *supra* & text accompanying

[76] Wiesenfeld v. Secretary of Health, Education and Welfare, Civil No. 268–73 (D.N.J., filed Feb., 1973) is a class action challenging the denial of a "mother's" benefit to a father who has in his care an infant child. The plaintiff's wife had been a school teacher for seven years. She contributed fully to social security and earned substantially more than her husband until her death in childbirth. The plaintiff husband qualified for benefits under 42 U.S.C. § 402(g) (1970) in all respects except his sex.

[77] Title VII of the Civil Rights Act of 1964 states in pertinent part:

"It shall be an unlawful employment practice for an employer . . . to discriminate against any individual with respect to his compensation, terms, conditions, or privileges of employment, because of such individual's . . . sex." 42 U.S.C. § 2000–2(a) (1) (1970).

[78] 411 U.S. 677, 687–88 (1973).

[79] Bartmess v. Drewrys U.S.A., Inc., 444 F. 2d 1186 (7th Cir.), *cert, denied*, 404 U.S. 939 (1971); Rosen v. Pub. Serv. Elec. & Gas Co., 328 F. Supp. 454 (N.J. 1970), *aff'd* 477 F.2d 90 (3d Cir. 1973).

[80] 29 C.F.R. § 1604.9(c) (1973).

[81] *Id.* § 1604.9(d).

[82] CCH 1973 EEOC Dec. ¶ 6050, at 4083 (1969).

[83] *Id.* at 4084.

[84] *Id.* Another plan which paid death benefits only to surviving spouses of male employees, excluding female employees, was also found to violate title VII. CCH 1973 EEOC Dec. ¶ 6114, at 4206 (1970). A group health insurance plan, which required that an employee be a "head of household" to be eligible for benefits, was also rejected by the EEOC. CCH 1973 EEOC Dec. ¶ 6009, at 4026 (1969). In that case married males were assumed to be "heads," while married women as a group were assigned to an ineligible status. Again, the EEOC stated that such benefits could not be based on general assumptions regarding females as a group, including the employer's assumption that any working female was dependent upon her husband for support, regardless of the extent to which she contributes to the actual support and maintenance of her family. *Id.*

[85] The Equal Rights Amendment reads as follows:

"Sec. 1. Equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex.

"Sec. 2. The Congress shall have the power to enforce, by appropriate legislation, the provision of this article.

"Sec. 3. This amendment shall take effect two years after the date of ratification."

H.R.J. Res. 208, 92d Cong., 2d Sess. (1972); S.J. Res. 8, 92d Cong., 1st Sess. (1971). As of April 1973, 30 states had ratified the amendment; 38 states are required for adoption. The states have until March, 1979 to ratify the proposed twenty-seventh amendment. 1 WOMEN'S RIGHTS L. REP., Spring, 1973, at 104.

[86] SENATE COMM. ON THE JUDICIARY, EQUAL RIGHTS FOR MEN AND WOMEN, S. REP. No. 92–689, 92d Cong., 2d Sess. 11 (1972) [hereinafter cited as SENATE REPORT]; Brown, Emerson, Falk & Freedman, *The Equal Rights Amendment: A Constitutional Basis for Equal Rights for Women*, 80 Yale L.J. 871, 889 (1971) [hereinafter cited as *Equal Rights*].

[87] SENATE REPORT, *supra* note 86, at 11–12.

[88] *Equal Rights, supra* note 86, at 890.

[89] SENATE REPORT, *supra* note 86, at 12.

[90] Congresswoman Martha Griffiths, in her testimony in hearings on the ERA, used the social security provisions based on the sex of the spouse as examples of the impact the

ERA would have on federal as well as state laws. *Hearings in Equal Rights for Men and Women Before Subcom. No. 4 of the House Comm. on the Judiciary*, 92d Cong., 1st Sess. 38 (1971). In the debate on the floor of the Senate prior to passage of the ERA, Senator Fong introduced a letter from HEW Secretary Richardson listing instances of the Social Security Act's differential treatment based on sex which would be affected by the ERA. 118 CONG. REC. 4404 (daily ed. Mar. 21, 1972).

[91] Frontiero v. Richardson, 411 U.S. 677, 691, (1973). Under title VII of the Civil Rights Act of 1964, U.S.C. § 2000e (1970), *as amended* (Supp. II, 1972), employers would also have the alternative of extending a benefit to both sexes on the same terms, or of eliminating it. In addition, the Equal Rights Amendment would require that the present benefit for a mother of an eligible child be extended to fathers, and that divorced men be eligible for benefits on the same basis as divorced wives and widows.

[92] Such litigation has continually occurred under the previously existing one-half support requirement for divorced wives. Social Security Amendments of July 30, 1965, Pub. L. No. 89–97, § 308, 79 Stat. 375–77. Including a one-half support requirement for wives might also deny coverage to women who work outside the home, but are not covered by social security or any other federal retirement plan, such as some domestic workers. In 1972, 500,000 domestic workers were not covered by OASDI. 36 SOC. SEC. BULL., Mar. 1973, at 75 (Table Q–2).

[93] Currently, many more women than men are drawing benefits as dependents and would be affected by the addition of a support requirement for women. As of June, 1972, 6,990,000 women were drawing benefits as wives and widows. 35 SOC. SEC. BULL., Dec., 1972, at 76–78 (Tables Q–7 to –10). Only 11,695 husbands and widowers were currently drawing benefits as dependents, and although it is difficult to estimate how many additional men would be able to qualify under the present wife's benefit rules, it is not likely to be a substantial number. If Congress is concerned about dual entitlement to benefits, *see* notes 30–32 *supra* & text accompanying, it could easily add a provision reducing a spouse's benefit by the amount received under another federal retirement system, or by giving a spouse the option of electing one of the two available benefits.

[94] *See* HEW REPORT, *supra* note 3, at 91–92; Walker, *Sex Discrimination in Government Benefit Programs*, 23 HASTINGS L.J. 277 (1971) [hereinafter cited as Walker]. Walker refers to the homemaker "Black-out Period," pointing out that a housewife is not eligible for any kind of federal cash assistance between the time her last child leaves home and the time she reaches age 62. Walker, *supra*, at 278. Social Security offers no protection to a housewife against her own death or disability, and provides no replacement benefit to meet her family's increased costs of house and child care.

[95] HANDBOOK, *supra* note 18, at 7–8.

[96] Bixby, *supra* note 11, at 9.

[97] An individual work record would also reduce the risk attendant upon divorce, as benefits would not be based on marital status; a wife would no longer lose all accumulated social security protection if her marriage had not lasted twenty years. *See* 42 U.S.C. §§ 402(b) (1) (H), 416(d) (1)–(2) (1970).

[98] 93d Cong., 1st Sess. (1973). The bill was introduced by Representatives Abzug, Badillo, Conyers, Harrington, Podell, and Tiernan, and was referred to the Committee on Ways and Means. As of September, 1973, it was still languishing in the committee. WOMEN'S EQUITY ACTION LEAGUE, WASHINGTON REPORT No. 14 (1973).

[99] H.R. 252, 93d Cong., 1st Sess. § 232(c) (1973).

[100] *Id.* § 232(b) (4). For minimum requirements of coverage as a worker see note 8 *supra*.

[101] H.R. 252, 93d Cong., 1st Sess. § 3 (1973).

[102] *See* PRESIDENT'S COMMISSION, *supra* note 3, at 37; Bixby, *supra* note 11, at 10.

[103] REPORT OF THE SOCIAL SECURITY BD., H.R. MISC. DOC. No. 110, 76th Cong., 1st Sess. 6 (1939).

[104] *Id.* at 5–7, 11–12.

[105] Social Security Amendments of August 10, 1939, ch. 666, § 202(b), 53 Stat. 1364 (codified at 42 U.S.C. § 402(b) (2) (1970)).

[106] *See generally* BRITTAIN, *supra* note 2.

[107] Although not provided for in H.R. 252, 93d Cong., 1st Sess. (1973), the householder service benefit should also set the minimum benefit level, so as not to penalize those who are forced to work for wages below the average service worker's wage. The householder service benefit would form a floor below which benefits would not be allowed to fall. The national average monthly wage in service occupations was approximately $447 as of March 1973. 19 EMPLOYMENT & EARNINGS, June, 1973, at 86 (Table C–2). The average hourly pay for service occupations was listed at $3.30 and average weekly pay was $111.87.

H.R. 252 would not be the only possible way to extend primary coverage to homemakers. An alternative method of coverage could be worked out by splitting combined family earnings, attributing a portion to each spouse as her or his own earnings, and in that way establishing individual wage records that would survive the marriage. If "payroll" contributions from homemakers were regarded as necessary, they could be made through the federal income tax reporting system. *See* J. PECHMAN, H. AARON & M. TAUSSIG, SOCIAL SECURITY—PERSPECTIVES FOR REFORM 188–91 (1968).

By Mr. HARTKE (for himself, Mr. JAVITS, Mr. MAGNUSON, Mr. WILLIAMS, Mr. RANDOLPH, Mr. MCCLELLAN, Mr. HATHAWAY, Mr. BAYH, Mr. PASTORE, Mr. PHILIP A. HART, Mr. BUCKLEY, Mr. KENNEDY, Mr. CULVER, Mr. RIBICOFF, Mr. HUMPHREY, Mr. WEICKER, Mr. PELL, Mr. CRANSTON, Mr. EAGLETON, Mr. HOLLINGS, Mr. GRAVEL, Mr. STAFFORD, Mr. MCGOVERN, Mr. SCHWEICKER, Mr. HUGH SCOTT, Mr. BEALL, Mr. BROOKE, Mr. MCINTYRE, Mr. MOSS, Mr. BIDEN, Mr. LEAHY, and Mr. TUNNEY):

S. 1730. A bill to improve the reliability, safety, and energy efficiency of transportation and to reduce unemployment by providing funds for work in repairing, rehabilitating, and improving essential railroad roadbeds and facilities.

Mr. HARTKE. Mr. President, I ask unanimous consent that the bill I have introduced today for myself and other Senators to improve efficiency of transportation and to reduce unemployment be referred jointly to the Committee on Commerce and the Committee on Labor and Public Welfare.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 182

At his own request, the Senator from Arizona (Mr. GOLDWATER) was added as a cosponsor of S. 182, a bill to authorize the appointment of Alexander P. Butterfield to the retired list of the regular Air Force, and for other purposes.

S. 364

At the request of Mr. MCCLURE, the Senator from New Mexico (Mr. DOMENICI) and the Senator from Alaska (Mr. GRAVEL) were added as cosponsors of S. 364, a bill to permit the transfer of earned but unused purchaser road credits between timber sales on the same National Forest.

S. 371

At the request of Mr. WILLIAMS, the Senator from New York (Mr. BUCKLEY) was added as a cosponsor of S. 371, a bill to provide for the striking of medals commemorating the contributions by individuals of various ethnic backgrounds who contributed to the founding of the United States of America.

S. 595

At the request of Mr. BARTLETT, the Senator from Florida (Mr. CHILES) was added as a cosponsor of S. 595, a bill to amend the Meat Import Act of 1964.

S. 846

At the request of Mr. HUGH SCOTT, the Senator from Kansas (Mr. PEARSON) was added as a cosponsor of S. 846, and at his own request, the Senator from Kansas (Mr. PEARSON) was added as a cosponsor of S. 846, a bill to authorize the further suspension of prohibitions against military assistance to Turkey, and for other purposes.

S. 872

At the request of Mr. HATFIELD, the Senator from Pennsylvania (Mr. HUGH SCOTT) was added as a cosponsor of S. 872, a bill to amend title 39, United States Code, to provide that certain State conservation publications shall qualify for second-class mail rates.

S. 940

At the request of Mr. PELL, the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 940, the Career Guidance and Counseling Act of 1975.

S. 1286

At the request of Mr. BEALL, the Senators from Tennessee (Mr. BAKER and Mr. BROCK), the Senator from New York (Mr. JAVITS), the Senator from South Dakota (Mr. MCGOVERN), and the Senator from North Dakota (Mr. YOUNG) were added as cosponsors of S. 1286, a bill to amend title II of the Social Security Act to increase to $5,100 the annual amount which individuals may earn without suffering deductions from benefits on account of excess earnings.

S. 1531

At the request of Mr. BELLMON, the Senator from Oklahoma (Mr. BARTLETT) was added as a cosponsor of S. 1531, a bill to designate the Mountain Park Reservoir, Okla., as the Tom Steed Reservoir.

S. 1545

At the request of Mr. BUMPERS, the Senator from Arkansas (Mr. MCCLELLAN), and the Senators from Tennessee (Mr. BAKER and Mr. BROCK) were added as cosponsors of S. 1545, a bill to amend the Agricultural Adjustment Act of 1938 with respect to peanuts.

S. 1597

At the request of Mr. HARTKE, the Senator from Maryland (Mr. MATHIAS), the Senator from Virginia (Mr. WILLIAM L.

Scott), the Senator from California (Mr. Tunney), and the Senator from Iowa (Mr. Clark) were added as cosponsors of S. 1597, a bill to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans; to increase the rates of dependency and indemnity compensation for their survivors; and for other purposes.

S. 1619

At the request of Mr. Kennedy, the Senator from Delaware (Mr. Biden) and the Senator from Missouri (Mr. Eagleton) were added as cosponsors of S. 1619, a bill to extend and revise programs for sickle-cell anemia.

S. 1825

At the request of Mr. Packwood, the Senator from Nebraska (Mr. Hruska) was added as a cosponsor of S. 1625, a bill to extend and revise the State and Local Fiscal Assistance Act of 1972.

S. 1638

At the request of Mr. Eagleton, the Senator from Indiana (Mr. Bayh) was added as a cosponsor of S. 1638, a bill to authorize the Secretary of Health, Education, and Welfare to postpone the effective date of certain requirements imposed on States by Public Law 93–647 with respect to child support programs in the case of States which require additional time in which to implement the policies, programs, and activities so required.

S. 1664

At the request of Mr. Kennedy, the Senator from Colorado (Mr. Haskell), the Senator from Washington (Mr. Jackson), the Senator from New York (Mr. Javits), the Senator from Vermont (Mr. Stafford), and the Senator from New Jersey (Mr. Williams) were added as cosponsors of S. 1664, a bill to amend the Lead-Based Paint Poisoning Prevention Act.

SENATE RESOLUTION 152—SUBMISSION OF A RESOLUTION RELATING TO PRESENT FEDERAL SPENDING PROGRAMS

(Referred to the Committee on Government Operations.)

Mr. DOLE (for himself, Mr. Stevens, Mr. McIntyre, and Mr. Roth) submitted the following resolution:

S. Res. 152

Resolved, That each standing committee of the Senate (other than the Committee on Appropriations and the Committee on the Budget) shall make a special study for the purpose of—

(1) evaluating the effectiveness of existing Federal programs within its jurisdiction in meeting present priority needs and problems in relation to the costs incurred under such programs, and determining whether there are more effective methods to meet existing priority needs and problems from the standpoint of the costs which would be incurred thereunder.

(2) reviewing the effectiveness of administrative implementation of such programs, and determining whether there are more effective procedures for achieving the objectives of such programs,

(3) identifying duplications in Federal, State, and local programs, and

(4) determining whether particular programs should be eliminated, or the funding therefor should be reduced, in view of the effectiveness of each such program in meeting present priority needs and problems.

Sec. 2. Each committee shall report the results of the study made by it under this resolution, together with its recommendations, to the Senate not later than December 31, 1975.

Mr. DOLE. Mr. President, we have just completed consideration of the first concurrent budget resolution. That does not mean that our task is finished or that we can all give a sigh of relief for a job well done.

I voted against the concurrent resolution because I felt we should have demonstrated to the American people that we were spending their money only for meritorious, prudent programs. We could have accomplished this by trimming expenditures slightly less than 1 percent. This would have added incentive and discipline to seek out and eliminate the "fat" which undoubtedly exists in most Government programs. That is past history, Mr. President, but the future will also confront us soon.

We must begin immediately to plan for fiscal year 1977. Faced with a large deficit this year, we need to drastically reduce the amount of the budget deficit in 1977. If not, we will be faced with net budget deficits for fiscal years 1975 through 1977 approaching $175 billion. Not only would such a result assure renewed double-digit inflation, it would almost certainly lead to further crowding-out in the capital markets and, most unfortunately, continued high unemployment.

A very important step in this budget process is the continuing oversight of all current Government programs and laws on the books. Today, the Congress is seen by many to be too timid in exercising its oversight perogatives.

I realize that recent reforms in the budget process have lent strength and added incentive to this oversight responsibility. The Congress has been committed to strengthen its role since passage of the Legislative Reorganization Act of 1946. However, our problem is to translate this intent into action.

The resolution I am proposing today on behalf of myself and the Senator from Delaware (Mr. Roth), Alaska (Mr. Stevens), and New Hampshire (Mr. McIntyre) will give added incentive to this oversight responsibility in the Senate. It requires each standing committee—other than Appropriations and Budget—to make a special effort to review and evaluate existing programs within its jurisdiction.

Further, the resolution directs the committees to review the effectiveness of these programs to determine whether or not there are more effective procedures for achieving the objectives of such programs.

The committees would also identify duplications in programs and determine if any programs should be eliminated or have their funding reduced. All this effort to be done with a view toward assessing the success of each program in meeting present priority needs and problems.

To add teeth to my resolution, there is also a requirement for each committee to report to the Senate the results of their study together with any recommendations. This report must be filed no later than December 31, 1975. This will arm the Senate with a great deal more information for consideration of the next fiscal year budget.

I do recognize that section 136(b) of the Legislative Reorganization Act does require each standing committee to submit a report on its activities. This requirement, however, is effective only in odd numbered years. Thus, we would not even have the benefit of whatever information could be developed for next year's budget discussions and action.

There is also a requirement that each standing committee review and study, on a continuing basis, the application, administration and execution of those laws, or parts of laws, which are within the jurisdiction of that committee. The committees may do this themselves or have a private contractor or even a Government agency do it for them.

As far as I can tell though, this requirement is not related to the reporting requirement. A report on committee activities bears no resemblance to a report containing recommendations based on oversight.

Mr. President, I believe we can keep a lid on current program spending—even when providing for modest increases or new initiatives—by providing for a thorough re-evaluation of on-going programs. Unless and until the committees undertake this close scrutiny, the ability of the Budget Committee to make sound and effective priority recommendations will be limited.

Each spending program we endorse must meet and respond to a priority need. No program should be exempt from close examination. Only with such a review and revision of priorities will we see a properly functioning budget process. And it must function properly if we are to avoid further drain on our economy through high deficits—deficits of such magnitude as has been approved this year.

Mr. President, the resolution I offer is a sincere attempt to strength the congressional budget process. Passage of this resolution will instill even more responsibility and pride in the actions we take on budget matters now and in the future. The Senate should and must take a leadership role in adding to the fine progress of the congressional budget process. We should never allow ourselves to feel that the task has been completed.

SENATE RESOLUTION 153—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON RULES AND ADMINISTRATION

(Placed on the Calendar.)

Mr. CANNON, from the Committee on Rules and Administration, reported the following resolution:

S. Res. 153

Resolved, That the Committee on Rules and Administration is authorized to expend from the contingent fund of the Senate, during the Ninety-fourth Congress, $20,000 in addition to the amount, and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act of 1946.

SENATE RESOLUTION 154—ORIGINAL RESOLUTION REPORTED TO PAY A GRATUITY TO THOMAS J. DONOVAN

(Placed on the Calendar.)

Mr. CANNON, from the Committee on Rules and Administration, reported the following resolution:

S. Res. 154

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Thomas J. Donovan, widower of Maura R. Donovan, an employee of the Senate at the time of her death, a sum equal to seven and one-half months' compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

AMENDMENTS SUBMITTED FOR PRINTING

CONSUMER PROTECTION ACT OF 1975—S. 200

AMENDMENTS NOS. 439, 440, AND 441

(Ordered to be printed and to lie on the table.)

Mr. TAFT submitted three amendments intended to be proposed by him to the bill (S. 200), to establish an independent consumer agency to protect and serve the interest of consumers and for other purposes.

AMENDMENTS NOS. 442, 443, AND 444

(Ordered to be printed and to lie on the table.)

Mr. WILLIAM L. SCOTT submitted three amendments intended to be proposed by him to the bill (S. 200), supra.

AMENDMENT NO. 445

(Ordered to be printed and to lie on the table.)

Mr. BROCK submitted an amendment intended to be proposed by him to the bill (S. 200), supra.

AMENDMENTS NOS. 446 AND 447

(Crdered to be printed and to lie on the table.)

Mr. JOHNSTON. Mr. President, today I would like to offer two amendments to the Consumer Protection Act of 1975. Both of these amendments are straightforward and seek to strengthen the pending legislation.

First, I would propose a modification to the small business exemption from the interogatory powers of the Administrator of the Agency for Consumer Advocacy as outlined in section 10. The Committee on Government Operations has already recognized the substantial burden that these interogatories could pose for small businesses; their recognition of this problem is clear from the present small business exemption in the bill. However, I do not believe that this exemption goes far enough. As now written, section 10(a)(4) would require that a business meet three independent tests in order to qualify for this exemption. I would propose in the alternative, that if a business meets any one test that it should be exempted. Moreover, I would propose that the third criteria related to business earnings be deleted and that in its place the Senate put an employee guideline. Specifically, I would urge that any business with less than the equivalent of 300 full-time employees be considered a small business for the purpose of this bill. I believe that the size of a business is best measured by the number of employees, and we should, at least in part, define the exemption in this bill in those terms.

Second, I propose that the powers of the Administrator to seek judicial review of agency decisions be limited. Particularly, I would recommend that judicial review in sections 6(c)(1) and 6(d) be limited to those cases where the Administrator determines that the health or safety of consumers is substantially and directly affected. The legislation now pending before the Senate is far-reaching in all its aspects. This legislation has the capacity to substantially change the administrative and regulatory procedures of our couutry. Whether the changes will be positive or negative remains to be seen. Because of the uncertainty surrounding these changes, I would recommend that we move one step at a time. We could experiment with these broad-based powers of the Administrator in a somewhat limited sphere. Health and safety is certainly the most important area where consumer interests are involved. If we find that the intervention and judicial review processes as described in the act are constructive in these two areas, then the Senate could extend these powers.

It is my belief that these two amendments would strengthen the legislation now pending before the Senate.

AMENDMENTS NOS. 448 THROUGH 451

(Ordered to be printed and to lie on the table.)

Mr. DOMENICI. Mr. President, today I submit four amendments to S. 200, the bill to create an Agency for Consumer Advocacy.

I would first like to commend the distinguished junior Senator from Tennessee, Mr. Brock, for his foresight and understanding of the inflationary impact of many Federal rules and regulations. The addition of a mandatory cost-benefit analysis will prove critical in any move to fight inflation and increase competition.

Section 24 as it now reads would require each Federal agency, who is authorized to promulgate rules and regulations, to prepare a cost-benefit assessment statement consisting of: First, foreseeable estimated costs of implementation of such rules, second, estimated benefits that are foreseeable as a result of such implementation; and third, the apparent relationship between cost and benefits. This required statement to be submitted in the Federal Register would include the assumptions used in determining the cost of compliance including the manufacturer's cost and consumer costs reflected in the price of any product affected by the proposed rule.

I am not questioning the desirability of this concept but am instead concerned as to the validity of such a proposal if the same agency which proposes the regulation is the sole source of a cost-benefit assessment. I cannot think of many circumstances where an agency will issue a regulation and then turn around and report objectively on its desirability from a cost-benefit standpoint.

My amendment would require that prior to an agency submitting a cost-benefit assessment statement in the Federal Register, the assumptions used, including increased manufacture and consumer cost, would be forwarded to the Comptroller General. The Comptroller General would then review these assumptions and if he determines that based upon the proposed regulations these facts are inaccurate, incomplete or unjustified, he must report to the committees of the Senate and House of Representatives having jurisdiction over such agency as to his findings.

I have introduced this amendment because I feel it is imperative that Congress has an independent and objective source to monitor these assumptions and corresponding cost-benefit statements.

My second amendment involves the small business exemption that was originally introduced by myself last session and subsequently improved upon by the distinguished Senator from Georgia, Mr. Nunn. Presently under S. 200 the Administrator, while directed to report annually on the activities of the agency to Congress, is also required to report separately on the effectiveness of the small business exemption.

I am concerned because this separate report language appears to indicate only a temporary exemption by requiring only the small business exemption to have such a report. I am unaware of any similarly required reports for the FCC, NLRB, or FBI exemptions.

My admendment would simply strike this separate report language but would in no way preclude the ACA Administrator from including this exemption in his report submitted annually.

The third amendment involves section 11 which discusses the policies to be used by the ACA Administrator in releasing information concerning consumer products and services tested by the ACA. The present language under S. 200 requires that only when the Administrator determines that the release of this information is likely to cause substantial injury to the reputation of good will of the person, will he (Administrator) inform the party that such information is to be released.

It would appear to me that to allow the Administrator the power to withhold notice for all releases of information except when substantial injury might result is setting a dangerous precedent.

My amendment would simply replace the word "substantial" with the word "reasonable," which would afford the person proper notification of any future release of ACA acquired information that might reasonably injure their reputation or good will.

The fourth amendment regards those sections which allow an aggrieved party 10 days to seek injunctive relief to enjoin the release of trade secrets or ACA acquired information.

My amendment would substitute 20 days for the time period allowed to seek injunctive relief. I have introduced this amendment because if the present time allotted to seek injunctive relief is al-

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lowed to stand we will find that because of the limited time frame most businesses will automatically seek injunctive relief because the 10 days is not ample time to determine the effect of such a release.

Mr. President, I plan to call these four amendments up during the consideration of S. 200 and urge my colleagues to join with me in support of these measures, and I ask unanimous consent that the text of the amendments be printed at this point in the RECORD.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

AMENDMENT No. 448

On page 45, at the end of line 13, add the following new sentence: "Before releasing any cost and benefit assessment statement to the public, such agency shall transmit to the Comptroller General such assessment and any appendix there to which indicates the assumption made regarding the means and attendant costs of compliance with the proposed rule including any manufacturers' costs and consumer costs reflected in the price of any product affected by such rule."

On page 50, after the word "section." on line 12, add the following new sentence: "The Comptroller General shall, if he determines that the assumptions contained in any statement submitted to it pursuant to subsection (a) of this section are inaccurate, incomplete, or unjustified so report to the committees of the Senate and House of Representatives having jurisdiction over any Federal department or agency that prepared such statement."

AMENDMENT No. 449

On page 30, line 17, strike out the word "substantial" and insert in lieu thereof the word "reasonable".

AMENDMENT No. 450

On page 27, line 20, strike out "ten" and insert in lieu thereof "twenty".

On page 30, line 20, strike out "ten" and insert in lieu thereof "twenty".

AMENDMENT No. 451

On page 25, beginning with the word "The" on line 2, strike out through line 7.

AMENDMENT NO. 452

(Ordered to be printed and to lie on the table.)

Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill (S. 200), supra.

AMENDMENTS NOS. 453 AND 454

(Ordered to be printed and to lie on the table.)

Mr. BENTSEN. Mr. President, I am submitting today two amendments to S. 200, the bill that would establish an Agency for Consumer Advocacy. My amendments are very simple ones, and seek only to clarify and strengthen the bills intention in regards to agriculture producers. Section 16 paragraph (b) of the bill states that the Administrator of ACA could intervene in USDA proceedings only after considering the consumer's interest in an adequate supply of food as well as the interests of farmers in maintaining an adequate level of income and production.

This section of the bill is vitally important with today's fragile agricutural markets and the uncertainty that is facing American food producers. However, I am concerned that the section has little meaning because of its vague wording. The authors of the bill were very wise in recognizing that our long-range food supply, as well as the economic stability of our farmers must be a key factor in ACA intervention into USDA policy. However, I am very concerned that the league of section 16(b) is inadequate in portraying this recognition. The paragraph relies heavily on the word "consider," which by its legal definition carries really very little force behind it.

Black's Legal Dictionary defines "consider" as to "fix the mind on," to "view," "to give careful examination," "to examine," "to inspect," "to deliberate about and ponder over," "to entertain" or "to give heed to." Thus, the Administrator of ACA, could give only minimal thought to our long-range food supply and the economic stability of farmers, and still legally fulfill the requirements of the section.

I doubt if this was the intention of the authors, and I would hope that they will accept my amendments to add meaning to the section. My amendments would mandate that the consideration required by section 16(b) be done in writing and supplied to both Agricultural Committees of the Congress.

Mr. President, these amendments are very necessary because agriculture is a specialized area of our economy, and trained expertise is needed to recognize the impact that the most innocent appearing change can have. Planting decisions lock producers into a situation for a minimum of 1 year, and in many cases, multiple crop years. A minimum of 3 years is required by the livestock industry to recover from market destroying decisions like President Nixon's beef price ceiling. A week's delay in a USDA decision on the marketing of many fruits and vegetables can cause producers to lose a complete harvest. Careless statements by Agency administrators can cause the commodity markets to plummet and spell economic disaster to large sectors of the farming economy. Vital export markets can slam shut because of delays or bureaucratic disputes.

Mr. President, these are critical situations and deserve more than a brief thought from the Administrator of the ACA. The loophole in section 16(b) must be closed, and requiring written consideration by ACA can close that loophole. In addition, providing the Agricultural Committees with the written consideration will enable them to use their special expertise and allow the Congress to insure that critical long-range mistakes are not made.

Mr. President, it is vital that this simple precaution is taken. Currently the agriculture sector of our economy is in a state of discouragement and uncertainty. Farm debt climbed to its highest point last year to an estimated $94.9 billion, an incredible 80-percent increase since 1969. Farm costs are up well above the general inflation rate, and farm markets have declined to the point that commodity organizations are seriously urging voluntary reductions in plantings.

This has made farming a very speculative exercise, and we will be doing all consumers a great disservice if we add greater uncertainties to this country's food and fiber production effort.

Mr. President, my amendments seek to avoid this situation by clarifying the meaning of section 16(b).

I would hope the committee could accept my amendments and I ask unanimous consent that they be printed at this point in the RECORD.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

AMENDMENT No. 453

On page 37, line 11, after the word "production" add the following sentence—"A report of such consideration shall be provided to the House and Senate Committees on Agriculture prior to any intervention."—

AMENDMENT No. 454

On page 36, line 20, after the word "Administration", add the following—"to proceedings and activities related to the production and first sale of raw agricultural products,"—

AMENDMENT NO. 455

(Ordered to be printed and to lie on the table.)

Mr. PERCY (for himself and Mr. JAVITS) submitted an amendment intended to be proposed by them jointly to the bill (S. 200), supra.

AMENDMENT NO. 459

(Ordered to be printed and to lie on the table.)

Mr. GRIFFIN submitted an amendment intended to be proposed by him to the bill (S. 200), supra.

AMENDMENTS NOS. 457 THROUGH 460

(Ordered to be printed and to lie on the table.)

Mr. BROCK (for himself and Mr. NUNN) submitted four amendments intended to be proposed by them jointly to the bill (S. 200), supra.

AMENDMENT NO. 461

(Ordered to be printed and to lie on the table.)

Mr. BROCK submitted an amendment intended to be proposed by him to the bill (S. 200), supra.

AMENDMENT NO. 462

(Ordered to be printed and to lie on the table.)

Mr. McCLURE (for himself and Mr. FANNIN) submitted an amendment intended to be proposed by them jointly to the bill (S. 200), supra.

AMENDMENTS NOS. 463 AND 464

(Ordered to be printed and to lie on the table.)

Mr. DOLE submitted two amendments intended to be proposed by him to the bill (S. 200), supra.

AMENDMENT NO. 465

(Ordered to be printed and to lie on the table.)

Mr. TAFT (for himself and Mr. DOLE) submitted an amendment intended to be proposed by them jointly to the bill (S. 200), supra.

OLDER AMERICANS ACT AMENDMENTS OF 1975—S. 1426

AMENDMENTS NOS. 466 THROUGH 474

(Ordered to be printed and referred to the Committee on Labor and Public Welfare.)

THE OLDER AMERICANS ACT AND THE RURAL ELDERLY

Mr. CLARK. Mr. President, today I am introducing legislation on behalf of myself and Senators CHURCH, STAFFORD, McINTYRE, ABOUREZK, McGOVERN, HUMPHREY, BURDICK, MUSKIE, DOMENICI, FONG; HOLLINGS, LEAHY, HATHAWAY, and HARTKE, to amend S. 1426, the Older Americans Act Amendments of 1975.

Right now, Congress is considering legislation to extend and revise the Older Americans Act. The House of Representatives has approved enabling legislation for this purpose, and the Senate Labor and Public Welfare's Subcommittee on Aging has been working on similar authorizing legislation for some time now. The amendments that we are introducing today revise the Senate version of the older Americans amendments—S. 1426—to make that bill more sensitive to the needs and problems of the rural elderly.

Originally approved in 1965, the Older Americans Act provides for an Administration on Aging within the Department of Health, Education, and Welfare to serve as the focal point for Federal programs relating to aging. That Federal agency, in turn, works with State agencies and local area agencies on aging that work with older people at the local level to provide services like nutrition, transportation, health care, information and referral, and legal counseling.

Over the past few years, there has been some evidence that the agencies under the Older Americans Act have not adequately served the needs of rural elderly people, and because of that, I chaired a hearing of the Senate Special Committee on Aging on April 28 that investigated the effectiveness of the Older Americans Act in rural areas. Witnesses from all parts of the country gave examples of how the act has failed to serve over 5 million older people who reside in rural America because of fiscal restraints and other barriers to governmental services in rural areas.

We learned at the hearing that rural elderly often are neglected in the planning of services delivery, and that means that as a group, they realize few benefits from the Older Americans Act.

Certainly, the problems associated with living in a rural setting go far beyond the Older Americans Act and the rural elderly. The trend is the same across the board: this Nation's resources and technology have largely ignored the problems of rural Americans.

The recent conference on rural America emphasized some of the problems: 60 percent of the Nation's substandard housing can be found in rural America, yet only 20 percent of the total Federal housing subsidies go to rural areas.

Rural communities suffer from a perpetual shortage of doctors, dentists, nurses, and other essential health care personnel. One hundred thirty-eight rural counties and more than 5,000 towns must go without a single physician, but only 7 percent of the Department of Health, Education, and Welfare's clinic-assistance money goes to nonmetropolitan areas.

Public transportation in rural areas suffers as well—most Federal assistance is channeled into urban areas, leaving rural areas with no help at all.

The time has come to change this trend—to give more emphasis in Federal legislation to rural areas and rural people. The older Americans amendments is a good place to begin.

At the Committee on Aging's hearing on rural areas, many witnesses gave accounts of innovative methods their States already have developed to combat geographical obstacles. For example, Dr. Woodrow Morris of the University of Iowa College of Medicine described a program that the medical school has undertaken to find solutions to delivering health care to residents of rural areas. With the cooperation of local doctors and practitioners, the college is developing model health care programs by recruiting doctors and paraprofessionals to work in satellite clinics.

Another innovative health care delivery system was described to the Committee by Gov. David Pryor of Arkansas. It involves a mobile unit which travels to areas which have no resident doctor and provides free medical care to those residents. This service provides many rural people—especially older rural people—the only professional health care they get all year.

Mary Ellen Lloyd of Virginia explained in her testimony a program she directs that delivers hot meals to homebound elderly. The meals are prepared by volunteers at one site, and then additional volunteers deliver the meals to older persons in their own homes. The true success of this program, according to Mrs. Lloyd, is that it not only provides the older person with a well-balanced meal, but it also brings a very welcome visitor to their homes who often help with small chores around the home, make arrangements for the delivery of other services, and frequently, they are the only contact these older people have with the outside world.

Mr. President, the amendments that have been introduced today will help give rural areas and rural elderly the attention they need, and they will help insure that more of the programs under the Older Americans Act are developed for the rural elderly. As the Older Americans Act now is written, emphasis is placed on low-income and minority elderly. My amendments would give special attention to elderly people who reside in rural areas as well. Many older citizens are neglected because of their residence, and we can help change that by incorporating these amendments in the Senate bill.

The proposed amendments also will mandate that special attention be given to the rural elderly as State and area agencies on aging develop and implement their overall service plans. And, the amendments would require the Administration on Aging to develop guidelines that will guarantee an equitable distribution of assistance between urban and rural areas. These services are included under title VIII of S. 1426, and they will help insure that health care, home renovation and repairs, transportation, legal counseling, and special manpower programs are developed in rural areas.

Mr. President, together these amendments will be very helpful to rural elderly persons; the need for them has been well documented, and I urge the early adoption of these amendments to S. 1426, the Older Americans Amendments of 1975.

At this point, I ask unanimous consent that the text of these amendments be printed in the RECORD.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

AMENDMENT No. 466

On page 40, between lines 4 and 5, insert the following new subsection:

(c) Section 705(a)(4) of the Act (42 U.S.C. 3045d(a)(4)) is amended by inserting before the word "minority" the following: "rural elderly,".

AMENDMENT No. 467

On page 38, after line 24, insert the following new section:

ACQUISITION, ALTERATION, OR RENOVATION OF MULTI-PURPOSE SENIOR CENTERS

SEC. 112. Section 502 of the Act (42 U.S.C. 3041a) is amended by adding at the end thereof the following new subsection:

"(c) The Commissioner shall establish criteria designed to achieve an equitable distribution of assistance under this part between urban and rural areas."

On page 39, line 2, strike out "Sec. 112" and insert in lieu thereof "Sec. 113".

On page 39, line 11, strike out "Sec. 113" and insert in lieu thereof "Sec. 114".

On page 40, line 7, strike out "Sec. 114" and insert in lieu thereof "Sec. 115".

On page 42, line 14, strike out "Sec. 115" and insert in lieu thereof "Sec. 116".

On page 44, line 8, strike out "Sec. 116" and insert in lieu thereof "Sec. 117".

AMENDMENT No. 468

On page 35, between lines 16 and 17, insert the following:

(1) In the matter in the parentheses of paragraph (1) thereof, insert after the word "area" the following: "and the number of older persons who reside in rural and nonmetropolitan areas".

On page 35, line 17, strike out "(1)" and insert in lieu thereof "(2)".

On page 35, line 19, strike out "(2)" and insert in lieu thereof "(3)".

On page 35, line 22, strike out "(3)" and insert in lieu thereof "(4)".

AMENDMENT No. 469

On page 25, line 2, before the word "minority" insert the following: "rural elderly,".

AMENDMENT No. 470

On page 5, line 19, strike out the word "and".

On page 5, line 24, strike out the period and insert in lieu thereof a semicolon and the word "and".

On page 5, between lines 24 and 25, insert the following:

"(7) to establish criteria designed to achieve an equitable distribution of assistance under this title between urban and rural areas.

AMENDMENT No. 471

On page 14, line 4, insert "(1)" after "(a)".

On page 14, between lines 13 and 14, insert the following new paragraph:

"(2) The Commissioner shall establish criteria designed to achieve an equitable distribution of assistance between urban and rural areas.

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AMENDMENT NO. 472

On page 11, line 17, after the word "transportation" insert a comma and the following: "with special attention to rural and non-metropolitan areas,".

AMENDMENT NO. 473

On page 11, line 1, strike out the word "and".

On page 11, line 4, before the period insert a semicolon and the following: "and (4) provide additional transportation, by bus or otherwise, to enable elderly who reside in rural and non-metropolitan areas to have access to low cost transportation".

AMENDMENT NO. 474

On page 9, line 19, insert "(a)" after "Sec. 832.".

On page 10, between lines 6 and 7, insert the following new subsection:

"(b) The State agency shall establish criteria designed to achieve an equitable distribution of assistance within the State between urban and rural areas.

Mr. CHURCH. Mr. President, I am pleased to join Senator CLARK in sponsoring these amendments to my bill, S. 1426, the Older Americans Amendments of 1975. Senator CLARK shares with me a keen interest in providing better services for our rural elderly. As the newest member of the Special Committee on Aging he has already distinguished himself as an energetic and enthusiastic worker for older Americans.

Mr. President, rural America has long been neglected, as the vast problems of the cities have demanded an increasing share of the Nation's attention, and resources. These amendments attempt to give focus to the needs of nearly 5 million rural elderly. The Older Americans Act and the amendments of 1975 provide a comprehensive service program for the elderly. With a congressional instruction that special emphasis be given to the rural elderly, such programs as transportation, health care, information and referral, and homemaker and chore services, could be improved in rural areas. Many of these services are virtually nonexistent in many rural areas. At the recent Conference on Rural America overwhelming statistics were given on the lack of adequate services in rural counties in which nearly half a million people reside do not have a resident doctor; 146 bus companies have gone out of business in cities with small populations; approximately 60 percent of the country's substandard housing is located in rural areas, and yet less than one-fourth of the available housing funds are directed to rural America.

I am optimistic that with the acceptance of these amendments and adequate funding for the Older Americans Act, programs in rural areas can be established and expanded. If we are to come to grips with the needs of our rural citizens, it is our responsibility to assure that the special needs of our rural elderly are met.

Mr. MUSKIE. Mr. President, I am delighted to join in cosponsoring these amendments to S. 1426, the Older Americans Act Amendments of 1975. These amendments address the serious, chronic problems of the elderly living in rural areas by requiring a more equitable distribution of assistance under the Older Americans Act between urban and rural areas.

I am particularly sensitive to problems faced by our rural elderly because of the nature of my home State of Maine.

Currently, Maine has the fourth largest percentage of elderly population in the Nation, and projections indicate that by 1980 we may well lead the country in the proportion of our population classified as elderly.

At the same time, Maine is a rural State, with no town or city larger than 65,000 population and often with large distances between centers of population which provide services such as medical and dental care and a choice of markets or shops.

This means that many of our elderly live in areas cut off from social contacts, without easy access to health care, with no transportation other than the automobile, and out of touch with the senior citizens centers, nutrition programs, and agencies to which our more urban elderly can go to for help.

Often they are trying to maintain their own home, and their greatest concern is improving the quality of their lives by their own actions—to continue an independent existence. The difference between success and failure for them could simply be access to transportation, the occasional company of a volunteer worker, or the knowledge of Federal programs available to help them repair their homes.

The amendments being introduced today could well provide that relatively small added service which would allow these elderly to keep their homes and remain in their communities.

I am certain that there is no shortage of imaginative ideas and approaches at the local level to help the rural elderly.

In western Maine, one experimental project is Project Independence, which serves a three-county area. The executive director, Harold Collins, wrote that:

> We have . . . become a model for other States, areas, or cities to follow.

Project Independence hopes to expand services to more rural areas next year if the necessary funds are made available.

Mr. President, the amendments introduced today require no new funds. They merely would end an unintentional discrimination against our rural elderly in the allocation of Federal resources set aside to improve the lives of our older citizens.

AMENDMENT NO. 476

(Ordered to be printed and referred to the Committee on Labor and Public Welfare.)

AMENDMENT TO RESEARCH ON AGING ACT

Mr. CHURCH. Mr. President, the Research on Aging Act which was signed into law on May 31, 1974, established a new National Institute on Aging within the National Institutes of Health. It also called for the development of a comprehensive research plan "to coordinate and promote research into biological, medical, psychological, social, educational, and economic aspect of aging." This plan is to be developed by the Secretary of Health, Education, and Welfare in coordination with the Institute and the Institute's National Advisory Council on Aging. Under the present law the plan is to be submitted to the President and the Congress by May 31, 1975.

I offer this amendment today to extend this due date for 1 year to May 31, 1976. This extension is necessary since the new Institute does not yet have a permanent Director and only a three-member staff. The Advisory Council was recently confirmed. It met for the first time on April 23 and discussed the research plan. The Advisory Council has agreed to submit a document in outline form by May 31, 1975, showing the basis for the more comprehensive research plan they will develop within the next year. I believe the complexity and importance of this plan warrants an extension of time because it will provide the foundation for what I believe will be a most valuable Institute on Aging.

Mr. President, I ask unanimous consent that the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 476

On page 39, line 15, insert "of the Act" after "(B)".

On page 51, between lines 5 and 6, insert the following new section:

AMENDMENT TO RESEARCH ON AGING ACT OF 1974

SEC. 206. Section 464 of the Public Health Service Act (42 U.S.C. 289k–5) is amended by striking out "one year" and inserting in lieu thereof "two years".

INDOCHINA MIGRATION AND REFUGEE ASSISTANCE ACT OF 1975—S. 1661

AMENDMENT NO. 475

Mr. TUNNEY. Mr. President, today I am introducing along with Senator DOLE, an amendment to S. 1661—the Indochina Migration and Refugee Assistance Act of 1975—to provide an additional $100 million in authorizations for programs to aid in the rehabilitation and employment of Vietnam-era veterans.

I want to emphasize that this amendment is in no way designed to detract from the major purpose of this legislation—that is, the provision of relief and resettlement assistance to Vietnamese and Cambodian citizens who have been forced to flee from their native lands. Quite to the contrary, I have spoken out frequently in support of such aid and have, along with Senator CRANSTON, submitted S. 1663, a bill very similiar in purpose to the authorization bill now being considered. In addition, I have cosponsored Senate Resolution 148 welcoming the refugees and have cosigned a letter along with almost 20 of my colleagues to the chairman of the Senate Appropriations Committee, Senator MCCLELLAN, and to Senator SPARKMAN, urging their support for this assistance. While there is no question that the refugees will add to the burdens on an already strained economy, I believe that we in the United States have a moral responsibility to aid these people.

Humanity compelled that we not leave them to the vengeance of the Communist conquerors, yet now the Government must develop detailed plans for assisting them to relocate and become productive citizens in this country.

Many are the wives and children of Americans; some are employees of American firms, and these individuals should be assimilated easily into our society.

Others will need the helping hand of church services, community, business, and labor organizations, and I have been assured that they will find homes throughout the United States in rough proportion to the population of each State, thereby minimizing the adverse economic impact on hard-pressed areas like California.

I have also been assured that the admission process will not be indiscriminate. Immigration officials have told me that they are making every effort to weed out undesirable elements. Security checks are being performed on almost all of the refugees to determine their backgrounds.

All this takes money, and the funds left over from our commitments to Vietnam and Cambodia are rapidly disappearing. If the resettlement and relief effort is to go forward successfully, it is imperative that the Congress pass this authorization measure.

But akin to our responsibility to Vietnamese who have supported us over the years is our responsibility to the American men who fought and died in that tragic war—our Vietnam-era veterans. The war is over, but their struggle goes on. It is the struggle to readjust to changes in a way of life, to recover from physical disabilities in a nation that has too often ignored the plight of its handicapped, to find jobs in the midst of the highest unemployment rates in 30 years.

Mr. President, I have frequently visited the veterans' hospitals in my State of California. As I walked through the corridors of those hospitals, I was impressed by two things. The first was the strength and perseverance of those men in wheelchairs, lying flat on their backs, or in day-long therapy sessions. The second was my own feeling of despair, despair bred of a belief that we are not doing enough.

And it is not only disabled veterans who suffer. While they are the most obvious manifestation of the shortcomings of our system as it strives to care for those who have borne the burden of our involvement in Vietnam, one needs only to look at the record of broken homes, inherited drug problems, and unemployment statistics to see the effects of that war on other veterans. Today, according to the Bureau of Labor Statistics, the jobless rate of Vietnam veterans is substantially higher than that of the Nation as a whole.

I think the debate over the refugees assistance bill provides us with a unique opportunity not only to aid Vietnamese and Cambodian refugees, but also to keep faith with the millions of American men and women who served during the 10 years of involvement in Indochina.

My amendment to S. 1661 would do essentially two things. First, it would provide an authorization of $100 million for employment for Vietnam-era veterans. Second, it would earmark approximately 25 percent of these funds for disabled veterans.

The money would be provided to State and local agencies assisting veterans in their job search through the CETA—Comprehensive Employment Training Act of 1973—program of the Department of Labor. It would be allocated on a proportional basis both throughout the United States and within the States themselves. If successful, it could provide over 12,000 additional jobs to unemployed Vietnam veterans.

This amendment would add a new title to CETA, title VII, to be known as the Vietnam Veterans' Employment Act. This title would provide authorizations for fiscal years 1975 and 1976 totaling $100 million. At the end of that time, Congress can review the operation of the provision and decide whether the concept merits extension.

For the moment, I am concerned with helping all those scarred by the Vietnam war, Americans as well as Southeast Asians. The CETA concept offers a realistic and efficient method of delivering money to cities and counties for distribution to veterans in the form of public service jobs. And there can be no question that the opportunity exists for efficient use of those funds and for meaningful jobs for thousands of veterans.

This amendment would make use of the experience of proven "prime sponsors" under the CETA program to hire Vietnam veterans for public service jobs. Those same sponsors have been delivering manpower services and hiring for public service employment under CETA for the past 2 years. Under my amendment, this experience can be put to good use.

CETA also offers the kind of flexibility which is needed in a program like this one. The CETA programs under titles I, II, and VI allow "prime sponsors" to provide a wide range of services under the umbrella of manpower programs and public service employment. Those titles should complement this one, and, with title VII, enable localities to design whatever programs may be needed. I would construe rehabilitation, training, and placement services to be legitimate under this title and the existing titles of CETA, and I would hope that local officials and agencies would combine services to create a comprehensive manpower program for veterans and nonveterans alike.

The best thing about this program would be the fact that it would offer real jobs at a time when the need for public employees has never been greater. The success of the CETA program at the local level can be traced in part to the desperate need for Federal funding of jobs at the city and county level. Rising inflation and a dwindling tax base have stripped many local governments of their ability to provide the basic services which their constituents expect of them.

Their ability to educate their children, maintain their roads, build new buildings, and perform the myriad tasks expected of local governments has been severely eroded. Cities and counties throughout the country are calling for help because of reduced purchasing power and revenues. This program will give us the chance to answer that call for help, and at the same time, place veterans in rewarding and challenging jobs which might ordinarily be filled by long-time employees. Cities have used CETA funds for an infinite variety of purposes in the past—teachers' aides, policemen, firemen, park rangers, recreation supervisors, and the like. I would expect no less imagination in the use of these funds.

I would like also to say one word about the allocation of these funds. Ninety percent is distributed under a mandatory formula: 10 percent of the distribution is left to the Secretary's discretion. I would have liked to have based the mandatory formula on local figures showing unemployment among Vietnam-era veterans. That would have put the largest amount of money in the hands of those communities with the greatest need.

However, according to the information I have from the Department of Labor's Bureau of Labor Statistics, and from the State of California's Employment Development Department, very few States keep statewide statistics showing unemployment among veterans, to say nothing of local statistics. Therefore, the mandatory formula is based not on local unemployment statistics for veterans but on a three-part calculation.

The calculation involves: First, the per capita amount of aid to Vietnam veterans, which equals the total funding of the program divided by the total number of unemployed Vietnam veterans in the country at the time of allocation; second, the number of Vietnam veterans residing in any State at the time of allocation; and third, the percentage of population which lives in one applicant's jurisdiction compared to the total population for all applicants in that State. The product of those three figures equals the applicant's share of funding.

This program may not be a perfect one. It is probably too little to really repay those who have given so much for this country. However, it is a step in the right direction. Presently, we simply have not adequate Federal employment program for Vietnam veterans. This amendment will help to fill that shameful vacuum.

Some will say that we should not single out veterans for preferential treatment since unemployment is a problem of national proportions. I agree that we cannot afford to forget the millions of other Americans who are out of work. For them, I believe we must go much further in extending unemployment benefits, providing new job-creating programs of public works, and massive new funding for other public service employment programs funded under CETA.

But I disagree with those who would say that we owe no special debt to our veterans. We can no more afford to turn our backs on those millions of Americans who believed in our country than we can ignore the thousands of Asians who did the same. It seems to me to be fitting that, as we redeem our commitment to those who served at our side in South Vietnam and Cambodia, we honor the unspoken promise made to young

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Americans who served us—that they would be honored and treated with dignity rather than used, tossed aside, and forgotten.

Mr. President, we act today to try to close with some degree of dignity the sordid, tarnished history of our involvement in Southeast Asia. The only uplifting part of that sad saga for America was written by the young Americans who served with honor and courage in a thankless role. We cannot hope to write a finish to that saga until we take strong positive action to remember those whom we have too often forgotten. Those on the unemployment lines today can testify to our forgetfulness. Those working and producing tomorrow as a result of this legislation can testify to our reawakened memory. We owe this action to ourselves, and we owe it to our veterans. I hope that the Senate will see the need and the appropriateness of such action, and join Senator DOLE and myself in supporting this amendment.

Mr. President, I ask unanimous consent that the text of this amendment be printed in its entirety at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 475

At page 5, following Section 4, insert the following new section:

"ALLOCATION OF FUNDS'"

SEC. 5. The Comprehensive Employment and Training Act of 1973 is amended by redesignating Title VII, and all references thereto, as Title VIII by redesignating sections 701 through 715 and all references thereto, as Sections 801 through 815, respectively, and by inserting after Title VI the following new Title:

"TITLE VII—VIETNAM VETERANS' EMPLOYMENT ACT"

"AUTHORIZATION OF APPROPRIATIONS"

"SEC. 701. There are authorized to be appropriated $100,000,000 for obligation in fiscal years 1975 and 1976 for carrying out the purposes of this program."

"SEC. 702. (a) The Secretary shall enter into arrangements with eligible applicants in accordance with the provisions of this Title in order to make financial assistance available for the purpose of providing transitional employment for unemployed and underemployed Vietnam-era veterans in jobs providing needed public services, and training and manpower services related to such employment which are not otherwise available, and enabling such persons to move into employment not supported under this Act."

"(b) Not less than 90 per centum of the funds appropriated pursuant to this Title which are used by an eligible applicant for public service employment programs for Vietnam-era veterans pursuant to this Title shall be expended for wages and employment benefits to such persons."

"(c) The provisions of Section 204(d) and Sections 205 through 211 shall apply to financial assistance under this title."

"(d) For purposes of this section, the term 'eligible applicants' means prime sponsors qualified under Title I of this Act and Indian tribes on Federal or State reservations."

"(e) For purposes of this Title, 'Vietnam-era veteran' shall mean any 'eligible veteran' within the meaning of Section 2 of the Veterans' Readjustment Benefits Act of 1966, as amended, (38 U.S.C. 1652) who served on active duty in the Armed Forces during the period commencing on August 5, 1964 and ending on May 7, 1975."

"ALLOCATION OF FUNDS"

"SEC. 703. (a)(1) Not less than 90 per centum of the amounts appropriated under section 701 shall be allotted among eligible applicants by the Secretary in accordance with the provisions of this subsection."

"(2) The amount allotted to any eligible applicant under this section shall be determined by multiplying the State veterans population by the per capita amount per veteran and multiplying the product thereof by the local entitlement factor."

"(3) For purposes of this subsection, the term 'State veterans' population' shall mean the number of Vietnam-era veterans residing within the State where the eligible applicant is located at the time of such allocation as certified by the Administrator of the Veterans' Affairs. Such certification shall be based upon the most current figures available at the time of certification to the Administrator."

"(4) For purposes of this subsection, the term 'per capita amount per veteran' shall mean the total amount to be allocated under this subsection divided by the number of Vietnam-era veterans unemployed at the time of allocation, as determined by the Secretary."

"(5) For purposes of this subsection, the term "local entitlement factor" shall mean the number of persons who reside within the jurisdiction of each applicant divided by the total number of persons who reside within the jurisdiction of all eligible applicants within the state within which such applicant is located."

"(b) The remainder of the amount appropriated under section 701 shall be available to the Secretary for financial assistance under Section 702 as the Secretary deems appropriate to carry out the purposes of this title, taking into account changes in rates of unemployment among Vietnam-era veterans."

"(c) For purposes of allocations under this section, the term 'jurisdiction' includes the jurisdiction of each unit of general local government as described in section 102(a)(2) whether or not such unit has entered into a combination of units of general local government for purposes of section 102(a)(3) or section 102(a)(4)."

"SPECIAL PROVISIONS TO REQUIRE THE HIRING OF HANDICAPPED VIETNAM-ERA VETERANS AND TO EXPAND JOB OPPORTUNITIES."

"SEC. 704. (a) An application for financial assistance under this title shall include provisions setting forth assurances that the eligible applicant will use at least 25 per centum of the funds allocated under this title to hire disabled Vietnam-era veterans. For purposes of this subsection, 'disabled Vietnam-era veteran' shall mean any Vietnam-era veteran who sustained a service-connected disability within the meaning of Sections 101(16), as amended, and 601(1), as amended, of Title 38 of the United States Code, as a result of service in the Armed Forces during the period commencing on August 5, 1964 and ending on May 7, 1975."

"(b) Funds allocated under section 703 to eligible applicants may be used for

(1) public service employment programs without regard to the provisions of sections 205(c)(4), 205(c)(6), 205(c)(16), 205(c)(19), and 208(a)(7);

(2) providing employment for Vietnam-era veterans who have been unemployed for at least 15 days without regard to the provision of section 205(a) relating to 30 days of unemployment, if the applicant certifies that the hiring of an individual will not violate the provisions of section 205(c)(8):"

(3) payment of wages at rates not less than those prevailing on similar construction projects in the locality as determined by the Secretary in accordance with the Davis-Bacon Act, as amended (40 *U.S.C.* 276a–276a5), for unemployed and underemployed Vietnam-era veterans as employees of public employers in jobs on community capital improvement projects which would not otherwise be carried out, including the rehabilitation, alteration, or improvement of public buildings, roads and other public transportation facilities, health and education facilities, and other facilities for the improvement of the community in which the project is or will be located, and including construction, rehabilitation, alteration or improvement of water and waste disposal facilities in communities having population of 10,000 individuals or less which are outside the boundaries of a Standard Metropolitan Statistical Area (as defined by the Bureau of the Census)."

"EXPENDITURE OF FUNDS"

"SEC. 705. Funds obligated for the purposes of providing public service employment for Vietnam-era veterans under this title may be utilized by prime sponsors for projects and activities planned to extend over a twelve-month period from commencement of any such project or activity."

"REALLOCATION OF FUNDS AND DENIAL OF ELIGIBILITY"

"SEC. 760. (a) The Secretary is authorized to make such reallocations as he deems appropriate of any amount of any allocation under this title to the extent that the Secretary determines that an eligible applicant will not be able to use such amount within a reasonable period of time. Any such amount may be reallocated by the Secretary only if the Secretary has provided thirty days' advance notice to the prime sponsor for such area and to the Governor of the State of the proposed reallocation, during which period of time the prime sponsor and the Governor may submit comments to the Secretary. After considering any comments submitted during such period of time, the Secretary shall notify the Governor and affected prime sponsors of any decision to reallocate funds and shall publish any such decision in the Federal Register. Any such funds shall be reallocated to other areas within the same State."

(b) The Secretary is authorized to deny any eligible applicant further eligibility for funding under this title upon a determination that the applicant has—

(1) used funds appropriated under Section 701 and allocated under Section 702 to hire persons other than Vietnam-era veterans; or

(2) failed to comply with the requirements of Section 702(a) respecting use of funds to hire disabled Vietnam-era veterans.

The Secretary shall deny eligibility under this subsection only if the Secretary has provided thirty days' advance notice to the prime sponsor for such area and to the Governor of the State of the proposed denial of eligibility, during which such period of time the prime sponsor and the Governor may submit comments to the Secretary. After considering any comments submitted during such period of time, the Secretary shall notify the Governor and affected prime sponsor of any decision to deny future eligibility and shall publish any such decision in the Federal Register."

"MISCELLANEOUS PROVISIONS"

"SEC. 707. (a) The Secretary or his delegate—

(1) not later than the 30th days after the date of enactment of this title, shall publish proposed regulations relating to this title;

(2) during the 30-day period beginning on the 31st day after such enactment, shall afford an opportunity of public hearings and comments on such proposed regulations; and

(3) not later than the 90th day after such date of enactment, shall prescribe and publish final regulations relating to this title."

"(b) The Secretary, in consultation and cooperation with the Director of the Veterans' Employment Service, and the Administrator of Veterans' Affairs, shall report to the appropriate committees of the Congress not later than 90 days after the initial allocation of funds appropriated under this title on—

(1) the steps taken to carry out the provisions of this title;

(2) the number of able-bodied and disabled Vietnam-era veterans placed in public service employment positions under this title; and

(3) the desirability of continuation of this title or use of any other program as a means for employing unemployed or under-employed Vietnam-era veterans."

"(c) Nothing contained in this title shall be construed as affecting or repeating the requirements contained in Section 205(c)(5) of the Comprehensive Employment and Training Act of 1975, relating to employment of veterans in other public service employment programs."

NOTICE OF HEARING

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, May 20, 1975, at 9 a.m., in room 2228, Dirksen Senate Office Building on the following nomination:

Earl J. Silbert, of the District of Columbia, to be U.S. attorney for the District of Columbia for the term of 4 years, vice Harold H. Titus, resigned.

Any persons desiring to offer testimony in regard to this nomination, shall, not later than 24 hours prior to such hearing, file in writing with the committee a request to be heard and a statement of their proposed testimony.

This hearing will be before the full committee.

ADDITIONAL STATEMENTS

CRIME IN THE NATION'S CAPITAL

Mr. THURMOND. Mr. President, I was saddened and ashamed to learn of the violence that occurred Saturday on the grounds of the Washington Monument. However, I was not surprised. Lawlessness has become so unrestrained and so impudent in this city that the tragic outcome of the Human Kindness Day celebration was easily predictable. Where laws and police have failed in controlling the criminal element, vague expressions of brotherly love are not likely to succeed.

I do not wish to discredit the organizers of the festival. If their plans were unrealistic, their motives were exemplary. Nor do I wish to criticize the conduct of the vast majority of people in attendance. What I do want to do is to remind this body, and the Nation, of the professional troublemakers who roam the streets of this city, and of the constant danger to which people in Washington continue to be subjected. The irony of so many violent incidents on Human Kindness Day is great, but far greater is the irony of rampant lawlessness in the city which makes, executes, and interprets the law for the rest of the country.

Of course, we did not need the events of Saturday to point out this sad situation. There are reams of statistics that show Washington to be one of the most unsafe cities in the Nation, and getting worse. Those who distrust statistics can always talk with any of the hundreds of thousands of citizens who live behind locked doors and fear to go out at night. Nevertheless, there still remain people who want to ignore or minimize the problem. Many of them are leaders, and their lack of concern for the safety of law-abiding citizens have made it impossible to devise practical solutions. I hope these people read the newspapers carefully yesterday and this morning. They will have a hard time ignoring 300 robberies and assaults in one afternoon in one small area of town. It will not be easy to minimize the nonchalant blinding of a random passerby.

Mr. President, we must be honest with ourselves. Our National Capital is a national disgrace. I refuse to believe that concerted effort cannot reduce the incidence of crime and make this city liveable once again. It is not one day too soon to begin to make this effort. At this time, we have to consider not only permanent inhabitants of the city and the customary influx of visitors, but the great swarm of people who will be pouring into the District for the Bicentennial. There will be more such events as Human Kindness Day in the coming months—we can count on that. Thousands of people will be gathering together to celebrate the founding of our Nation. If we do not wish the tragedy of Saturday to be repeated, we must find a more efficient way to protect these people, and find it soon.

EXPORT-IMPORT BANK TO FINANCE COPPER MINE IN MEXICO

Mr. PROXMIRE. Mr. President, I would like to bring to the attention of my colleagues a letter I have just received from the Chairman of the Export-Import Bank, William J. Casey, giving me advance notification of a pending loan to Mexico, pursuant to section 2(b)(3) of the Export-Import Bank Act of 1945.

The Bank proposes to provide financing to Mexicana de Cobre S.A., which is 44 percent government-owned, for the purchase of U.S. goods and services for construction of an open pit copper mine, mill, smelter, refinery, and necessary related infrastructure.

The total transaction amounts to $80 million. Eximbank initially authorized a direct loan of $24 million for this project on January 6, 1975. Due to difficulties encountered by Mexicana de Cobre S.A. in raising additional financing, the Bank now proposes to provide a direct loan of $36 million, or 45 percent of the transaction total, plus $24 million, or 30 percent, in loan guarantees to private financial institutions. The direct loan portion will bear interest at the rate of 8 percent, and it will be repaid over a 5-year period starting in August 1979.

Under the requirements of the act, the Export-Import Bank must wait for at least 25 days of continuous session of Congress before giving final approval to this loan.

Mr. President, I ask unanimous consent that Chairman Casey's letter and the attached statement be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXPORT-IMPORT BANK
OF THE UNITED STATES,
Washington, D.C., May 12, 1975.

Hon. WILLIAM PROXMIRE,
Chairman, Senate Committee on Banking, Housing and Urban Affairs, Dirksen Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: In accordance with section 2(b)(3) of the Export-Import Bank Act of 1945, I have reported to the President of the Senate and the Speaker of the House of Representatives on an application currently pending consideration by the Bank. I respectfully furnish herewith a copy of this statement for your consideration.

Sincerely,

WILLIAM J. CASEY.

EXPORT-IMPORT BANK OF THE
UNITED STATES,
Washington, D.C., May 12, 1975.

Hon. NELSON A. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Pursuant to Section 2(b)(3) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the United States Senate with respect to the following transaction:

A. DESCRIPTION OF TRANSACTION

1. Purpose

Eximbank is prepared to provide financing to assist Mexicana de Cobre S.A. in purchasing from the United States goods and services for La Caridad Copper Project located near Nacozari, Sonora, Mexico.

The Project consists of the construction of an open pit copper mine, mill, smelter, refinery, and the necesary infrastructure required for the annual production of 145,000 metric tons of wire bar beginning in 1978. The total United States export value for the Project is $80,000,000.

On January 6, 1975, Eximbank authorized a direct credit in the amount of $24,000,000. The remaining $56,000,000 was to be raised from private sources without Eximbank's guarantee. After several months of effort, Mexicana de Cobre S.A. found that the large amount of financing and the repayment terms required for the Project made it impossible to raise more than $20,000,000 in the private market, and that an increase in the direct credit from $24,000,000 to $36,000,000, and an Eximbank guarantee of $24,000,000 would be needed to complete the financial package. Eximbank recognized at the outset that some increases in its financial assistance might be necessary and has concluded that the merits of the Project justify the increase in its exposure. Accordingly, Eximbank is now prepared to increase its direct credit from $24,000,000 to $36,000,000 and to guarantee loans by private lenders in the amount of $24,000,000 to assist Mexicana de Cobre S.A. in purchasing U.S. goods and services needed for the Project.

2. Identity of the parties

Mexicana de Cobre S.A. is owned 56% by private, mostly Mexican investors and 44% by entities of the Mexican government.

3. Nature and use of goods and services

Mining, milling, smelting, and refining equipment consisting of trucks, drills, diesel-electric generators, shovels, cranes, motor graders, tractors, scrapers, loaders, apron feeders, crushers, ball mills, classifier cyclones, flotation cells, samplers, thickeners, drum filters, rotary dryer, roaster, matte plug machine, converters, anode casting machine, electrolytic heaters, fork lift trucks, anode spacers machines, cathode washing machines, cathode starter sheet facilities, cathode casting machine, boilers, and power generation equipment.

B. EXPLANATION OF EXIMBANK FINANCING

1. Reasons

The proposed extension of a $24,000,000 guarantee by Eximbank, in addition to the

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increase in the previously authorized credit, from $24,000,000 to $36,000,000 will result in the export of $80,000,000 worth of U.S. goods and services. This will have not only a substantial immediate, but also a longer term favorable impact on the U.S. balance of payments, and provide employment for substantial numbers of U.S. workers at a time when business activity in the United States is still weak. Additional benefits from the transaction include sizeable follow-on export earnings from the sale of spare parts and replacement equipment.

In view of the magnitude of the transaction, the extent of the private financing available on a term to make the Project economically feasible, and the worldwide availability on mining equipment, Eximbank's loan and guarantee appear to be necessary to effectuate this sale for U.S. manufacturers.

No adverse impact upon the U.S. economy will be caused by the export of these goods and services. Due to current slowdowns and cancellations of previously planned orders by U.S. users, as well as foreign buyers, U.S. manufacturers particularly welcome the opportunity to export such goods and services at this time. Ample supplies will remain available for use in the United States.

Accordingly, Eximbank's participation in this major export implements its Congressional mandate to aid in financing and to facilitate U.S. exports.

2. The financing plan

The total cost of U.S. goods and services to be purchased by Mexicana de Cobre S.A. is $80,000,000 for which Mexicana de Cobre S.A. will make a 10% cash down payment. The balance of the U.S. costs will be financed as follows:

	Amount	Percentage of U.S. costs
Cash payment	$8,000,000	10
Eximbank direct credit	36,000,000	45
Eximbank guarantee of private financing	24,000,000	30
Private financing	12,000,000	15
Total	80,000,000	100

(a) Eximbank charges

The Eximbank credit will bear interest at the rate of 8% per annum payable semiannually. A commitment fee of ½ of 1% per annum will also be charged on the undisbursed portion of the Eximbank credit. The Eximbank guarantee fee will be 1% per annum. A commitment fee of ⅛ of 1% will also be charged on the undisbursed portion of the Eximbank guarantee.

(b) Repayment terms

The total financing package will be paid by Mexicana de Cobre S.A. in twelve semiannual installments beginning August 10, 1978. Eximbank loan and guarantee funds will be repaid out of the last ten installments.

A six-year repayment term is offered for this Project in order to enable Mexicana de Cobre S.A. to generate sufficient revenues to service the indebtedness to Eximbank and the private financial institutions.

Sincerely,

William J. Casey.

CONNECTICUT KNIGHTS OF COLUMBUS WELCOME VIETNAMESE REFUGEES

Mr. WEICKER. Mr. President, last Saturday night, I had the privilege of addressing the 82d Annual Connecticut State Banquet of the Knights of Columbus in Hartford. I was particularly proud that the Knights of Columbus took the initiative at this annual gathering to pass a resolution welcoming the arrival of Vietnamese refugees into the United States. This action by a distinguished association of Americans gives lustre to Connecticut. I thank the Knights of Columbus for giving me the opportunity to speak before them and for expressing a spirit that is truly American.

Mr. President, I ask unanimous consent that the full text of my speech before the Knights of Columbus on Saturday, May 10, be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Speech by Senator Lowell Weicker, Jr.

Members, families and friends of Connecticut's Knights of Columbus, Happy 82d Convention.

Where else but in the United States could you have a Governor of Italian origins, a Lieutenant Governor of Irish background, two Senators one of German and one of Jewish heritage, a mayor with beginnings in Greece and Congressmen who have the blood of France and Lebanon in their veins.

"Qui transtulit sustinet" he who transplanted still sustains. Ladies and gentlemen we've not just sustained in Connecticut and America—we've thrived and prospered beyond the wildest dreams of 200 years ago. I thank God for blessing me with being in American and living in the greatest nation in the world. And the reason why it's great is that it is human and free.

I am not of the Catholic faith but one of the most moving moments in my life came at the Rosary service held for my brother in law, Bill Godfrey, who along with his wife Nini and two of their children, Ellen and Billy, were killed in a plane crash in Aspen, Colorado. There wasn't a person in that funeral home who could make sense out of such devastation.

Then the young priest conducting the service said something I'll never forget. I'm paraphrasing: God's greatest gift to us all is freedom. Yes he has the power to pull the strings. But that's not his choice. Real freedom encompases right and wrong, good and evil, success and failure, perfection and mistake. If then there is rage against God it can't be because of a particular human act, it has to be because he gave us freedom.

Bill and Nini, Billy and Ellen, lived that freedom for so many years in so many wonderful ways (this is me, not the priest now) I don't think they would have traded it for a no crash guarantee.

I relate this because of the parallel with our country. We chose to be a free society. Indeed every day we come closer to being the democracy others dream about.

We could have been less free, less democratic. We could have opted for a totalitarian form of Government right or left and had the burdens of choice and governing lifted from everyone's shoulders. Instead we settled on freedom. Therefore we chose the right and wrong, success and failure, perfection and mistake, good and evil. As long as we're alive and free all that and more is going to happen in America every day.

So let me lay it on you straight. Neither you or I need feel humiliated, ashamed, disgraced about what our country has done in southeast Asia or anywhere else in the world.

Those who served in the military have done so with honor. Those who chose jail rather than serve paid an honest price for civil disobedience. Those who disagreed early on with our involvement did so as patriots who loved their country.

Yes we were overzealous in our advocacy of American democracy. Yes we allowed idealism to obscure reality. Yes we permitted tradition rather than present judgment to determine our generosity. And yes we took a long time believing the best before conceding the worst. Well that's not shameful, that was America.

Right and wrong are not going away with the end of the Vietnam conflict. They await you and me as a part of tomorrow. So we have a choice. To concentrate on tomorrow's alternatives or like Lot's wife to look back and suffer the same consequences.

My father wrote me a letter on this subject the other day. He, like I, never believed we should be involved in a land war in Asia but his closing sentences make me proud to be his son.

"To think of all the whining mouths drooling about our shame is too disgusting for comment. Let us hope that we will always remain humble but let us never lose confidence in our character and in our strength."

Dad is over seventy and yet tomorrow is what is on his mind; and so it should be on ours.

Not with fear of mistakes but with the knowledge that if we're worth our salt and if we're doing, for certain we'll stumble every now and then. What marks the pro is that he gets up—shakes it off and pushes on.

I've said in the past that in America the state of our spirit is what determines the state of the Union. This is never more true than in tough times. It's easy to be generous and democratic with people we know in good times. But what of strangers in hard times?

I can't say it better than James Russell Lowell:

"Then it is the brave man choses—while the coward stands aside.

"Till the multitude make virtue of the faith they had denied."

The faith of this country when it comes to refugees is written line by line three million times in the telephone books of Connecticut. What is it about 1975 and South Vietnam that calls for a denial of that faith?

I suggest that we search our hearts for the decency and compassion characteristic of Americans in every time of crisis.

For that reason, I make this request of you Knights of Columbus, and of all Connecticut. Conscious of our responsibility, as well as their need—we welcome one hundred and fifty thousand new Americans to a land that remains full of promise.

In 1850, did someone say, "I think the Irish are better off in Ireland"? Very likely, someone did. They were wrong.

In 1870, did someone say, "the Germans are better off in Germany"? Probably some one did. And they were wrong.

In 1880, did someone say, "We are better off if the Chinese stay in China"? You bet they did. And they were wrong.

In 1890, Swedes. 1900—Italians. 1910—Armenians, Poles, Slavs, Russian Jews. And later, more Poles, more Italians, Greeks, German Jews, Hungarians.

Contrast "not welcome" with:

"Here at our sea-washed, sunset gates shall stand a mighty woman with a torch, whose flame is the imprisoned lightening, and her name, mother of exiles. . . ."

I've heard some bitter, nasty words floated around this country, when it comes to the Vietnamese refugees. If we give validity to those feelings, who knows where next they'll light? On some Americans? There are no barriers to meanness.

De Tocqueville.

"America is good. And when America ceases to be good America will cease to be great."

Emma Lazarus:

"From her beacon hand
Glows world-wide welcome: her mild eyes command
The air-bridged harbor that twin cities frame.
"Keep ancient lands your storied pomp!" cries she
With silent lips . . . .

The Vietnamese are a small drop in the bucket, but it is a very important bucket, and they are a very big drop in the way we view ourselves. If we turn our back on this small number, how long will it be before we turn our backs on each other? How long before the elderly are dispensable? And then the poor. And then the minorities. And then middle America and so on.

Better off where they came from? Absolutely not. I say, better off that they came! Better for us they're here.

Let us reaffirm the same words of welcome that met us, our parents and grandparents:

"Give me your tired, your poor,
Your huddled masses yearning to breathe free,
The wretched refuse of your teeming shore.
Send these, the homeless, tempest-tossed, to me:
I lift my lamp beside the golden door."

That inscription sits at the foot of the Statue of Liberty. Written by Emma Lazarus, it reminds of another Lazarus, who through an act of charity found life again.

FEA HEARINGS ON ALLOCATION OF CANADIAN IMPORTS

Mr. HUMPHREY. Mr. President, yesterday the Federal Energy Administration held hearings on the allocation of Canadian oil. I am pleased to report that the FEA panelists before whom I testified assured me that future allocations of Canadian crude oil will not be based on the current FEA Oil Import Regulation. I am hopeful that this means that need—not historic trends—will determine future allocations.

Mr. President, I ask unanimous consent that my statement before the FEA on allocation of Canadian crude oil be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement by Senator Hubert H. Humphrey, Hearings on Allocation of Canadian Imports

The Canadian government decision to phase out oil exports to the United States by 1984 has created major short and long range problems for the economies of Minnesota and other Northern Tier states which are dependent on Canadian crude. Government decisions on allocation of Canadian crude during the withdrawal period will impact substantially on these states' capability to cope with the problems. Adequate allocation of Canadian imports will be vital to ensuring the short-term economic viability of the Northern Tier refineries and of the states in which these refineries are located. Inadequate allocations would literally strangle the state of Minnesota and impede its ability to make a successful adjustment to the cessation of Canadian imports in 1982.

An FEA decision to allocate Canadian crude on the basis of the recently published Oil Import Regulations, 213.28, would spell economic disaster for Minnesota. Both the concept—allocation according to imports in a specific time period—and the time frame (May 1, 1974 to April 30, 1975) would hurt Minnesota.

There are three refineries in Minnesota, and one just over the state border in Wisconsin which serves Minnesota. These refineries were built to utilize Canadian crude oil, and the only major crude oil pipeline which connects them to a source of crude oil connects them to Canadian crude. Approximately 85–90 percent of the crude oil feed stock used by these refineries is Canadian. These 4 refineries, which have a total capacity of 220,000 barrels per day, supply Minnesota with about 50 percent of all refined petroleum products and 100 percent of the residual oil used daily.

Theoretically, of course, the refined product currently proposed in Minnesota could be made up from other sources; practically, however, since the product pipeline from the south central states to Minnesota is already operating at full capacity, the only way Minnesota could acquire the oil to heat its homes and gas to run its cars in the short run would be by transporting it in by truck or barge. This is a highly expensive and highly inefficient alternative. Since residual oil cannot be transported over long distances, it would be even more difficult for Minnesota to meet its residual oil needs in the short run. Over the long-run, alternative crude oil pipelines connecting the refineries to crude oil sources in the Texas-Louisiana-Oklahoma area or Alaska could be built to supply Minnesota, if no agreement to continue crude deliveries beyond 1982 can be reached with the Canadians.

Minnesota is already feeling the impact of Canadian energy decisions. Canadian crude oil costs Minnesota refineries $12.50 to $13 a barrel. It is the most expensive crude oil used in America, costing its users $1 to $1.50 per barrel more than the Persian Gulf oil and about $2–3 more per barrel than the old domestic oil used elsewhere, even after entitlements are included. Its high cost has already forced Minnesota refineries to cut back their operations to 55–70 percent of capacity in order to cut losses to a manageable level. Even with the cutback, the refineries are experiencing difficulties.

If allocations followed the FEA regulation on imports, Minnesota refineries would be starting out with one strike already against them—the base period upon which their allocations would be calculated would be a period in which they already were operating far below capacity. The refineries, in effect, would be penalized by FEA for having, on their own, attempted to make some adjustment to the artificially high price of their only major source of crude. The cutbacks in their operation which would be required in the next few years as a result of basing allocation on the May–April period probably might force some, if not all, of the refineries to cease operations.

I repeat—even if Minnesota were able to make up from imports some of the short-term shortfall which would result in future years from using the May–April period as the base period, the economic consequences would be disastrous. If crude oil supplies were to decline by 20 percent in Minnesota, and all refineries were able to continue operations—which might be extremely difficult for those now operating at 55-60 percent of capacity—about 300 workers would be laid off by the refining industry. At this level, there would be minimum employment effects on other industries if refined products were available from other states. But the volume of economic activity (value of production) would be expected to fall 0.2 percent and gross state product would fall 0.3 percent due to both lower local refinery production and higher imports of refined products.

It is patently obvious that the ramifications of even a 20 percent decline in crude oil supplies would be serious. But, the ramifications could be even worse for Minnesota. If all Minnesota refineries were forced to close because the FEA allocations were so low as to make their operation uneconomic, and if Minnesota were by some miracle able to make up 100 percent of its refined product needs from imports, 4600 workers from refineries and related industries would be added to Minnesota's unemployment rolls, $46.3 million would be lost in wages and salaries, and $38.0 million would be lost in taxes. If, in this case, Minnesota were only able to make up 50 percent of its refined petroleum needs from imports, which is more realistic, unemployment alone would soar to an estimated 56,000 as a result of the primary and secondary effects of the refinery shutdowns and loss of supplies.

I seriously doubt that the FEA intends to create an economic depression in Minnesota. But that would be the result of proceeding on the basis of the Oil Import Regulation, 213.28.

A far more equitable approach to allocating the dwindling supplies of Canadian crude, and one which would prevent economic disaster in Minnesota and other Northern Tier states, would be to base allocations on access to alternative secure sources of crude. Under such a plan, Minnesota refineries and other refineries which have little or no access to alternative sources of crude oil, would receive priority in allocation of Canadian crude. Other refineries, such as those in Gary and Whiting, Indiana, which have access to alternative sources, would be asked to look to those sources for a greater portion of their needs. At the point when only Canadian dependent refineries were receiving Canadian crude, then these refineries would be curtailed in a proportional manner.

Such an allocation program could be implemented on extremely short notice. Canada is cognizant of the problems faced by the Northern Tier refiners; Canadian energy officials have made it clear that they will distribute their exports according to regulations promulgated by the FEA.

It is impossible for me to overstate the need for allocating Canadian crude on the basis of need rather than historic imports. Such an allocation priority would serve both national and regional interests.

It would fully utilize the capital and existing capacity of the Northern Tier region, would soften the impact of Canada's decision to cut back imports, and would buy time while alternative means and sources of supply were located.

Adequate supplies of finished product—gasoline, diesel, kerosene, residual oil—would then be available to meet the growing demands, especially agricultural demands, of the region at least for the interim.

In making judgments on allocation, it is essential that the FEA recognize the interaction between oil and other energy supplies. If the FEA were to take account of the interaction of natural gas supplies and Canadian oil in the Northern Tier region in allocating Canadian crude, Minnesota's case would be even stronger.

Minnesota receives 95 percent of her natural gas from Northern Natural Gas Company of Omaha, Nebraska. We have been advised to plan for a decline in our natural gas supply of five percent per year during the next five years. Natural gas is being phased out from use first in electric generation and next in large "interruptible" commercial and industrial customers.

In most cases, the anticipated "back up" fuel for these customers is oil. These customers of natural gas companies, many of them large food processing plants, planning for short periods of interruption by installing equipment to burn oil, oil produced by our regional refineries from Canadian crude.

In order to insure that Minnesota industry, including food processing plants and other manufacturers in the Upper Midwest, can make the transition from natural gas to coal, which is the long term FEA objective, they must be able to survive the critical years of 1977–1979. Even if all of the Canadian supply that the state uses now is still available to us in 1979, Minnesota faces a billion gallon shortage of oil because of natural gas curtailments.

Conversion to coal takes time. Minnesota

UMI

is proceeding as quickly as it can. However, the removal of natural gas from Minnesota industries as required under FPC orders, if coupled with the reductions in oil availability that could result from implementation of the cited FEA rule, will leave our region with such an energy shortage that we may not have the capacity to move into the coal economy of the future.

In addition to priority allocation of Canadian crude, there are several steps which should be taken now to try to avert the consequences of an oil and gas squeeze on Minnesota. First and foremost among these are serious negotiations with the Canadians to explore the possibilities for continuing the supply of crude to the Northern Tier region beyond 1982. All forms of cooperation, including supply swaps and Alaska-Canada-Continental U.S. crude oil and gas pipelines, should be explored. Additionally, FEA and State should explore the possibilities of increasing the supply of natural gas at current prices from Canada, so that Minnesota's energy problems will not be exacerbated. The price of Canadian gas is currently sufficiently high to encourage exploration. Finally, we will need to take steps to increase domestic supplies of natural gas.

Now is the time for swift FEA action—on fair and equitable allocations of Canadian crude, and on securing Canadian agreement to cooperative efforts on energy supply questions. I urge you to act.

ANNOUNCEMENT OF POSITION ON VOTE

Mr. PACKWOOD. Mr. President, I regret that I could not be in attendance yesterday afternoon when the Senate voted on Senator WEICKER's amendment No. 342 to the Consumer Protection Act of 1975, S. 200. I wish to make it known that, had I been present, I would have voted against this amendment offered by my distinguished colleague from Connecticut.

Senator WEICKER's amendment would strike from section 16 of S. 200, the exemptions for certain labor disputes. In effect, this would place management-labor negotiations within the purview of the Agency for Consumer Advocacy.

I submit that it would not be proper for the Agency to become involved in these negotiations. The Agency is designed primarily to invoke consumer interests into the regulatory process of our Federal Government and its authors did not intend the Agency to have a role in either the prices charged by management for products or the wages negotiated by labor for their services.

Should we at a future time decide that the collective-bargaining process in this country be adjusted, then I suggest we direct specific legislation toward the deficiencies that require attention. The Agency for Consumer Advocacy presents us neither with the time nor the place for such adjustments.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, nobody could or would raise objection to the purpose of the United Nations Convention which outlaws genocide. The primary objections which have been raised in the years since the convention was first submitted to the Senate have dealt with constitutional and other legal points.

But, over the years these objections have slowly subsided as it becomes clear that the convention does not challenge or violate the Constitution or any Federal laws. As Supreme Court Justice William Rehnquist, then Assistant Attorney General, said:

> Twenty years ago Solicitor General Perlman provided a detailed and scholarly statement to a subcommittee of the Foreign Relations Committee on the Constitutional and other legal questions surrounding the Genocide Convention. In 1950 some of the questions concerning Federal jurisdiction and the treaty power were considered somewhat novel. However, developments in the intervening years—the extensive use of the treaty power and the growth of Federal criminal jurisdiction—have, it seems, illuminated both these areas to the point where I believe I can safely say that the questions before the Committee and the Senate are more matters of legal power.

To me it seems that the only matter of policy left is whether we want to oppose genocide as strongly as the United Nations Convention does. I can see only the most beneficial results in lending our support. I believe that we have only to gain and I call again for immediate action.

SENATOR BUCKLEY'S ADDRESS BEFORE THE LEGISLATIVE CONFERENCE OF THE NATIONAL CONGRESS OF PARENTS AND TEACHERS

Mr. BUCKLEY. Mr. President, not long ago I addressed the legislative conference of the National Congress of Parents and Teachers—PTA—on the reasons and beliefs that prompted me to introduce the Family Educational Rights and Privacy Act of 1974. Because I have had many inquiries from the public and from congressional offices on this subject, I ask unanimous consent that the text of my remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

SPEECH OF SENATOR JAMES L. BUCKLEY BEFORE THE LEGISLATIVE CONFERENCE OF THE NATIONAL CONGRESS OF PARENTS AND TEACHERS, MARCH 12, 1975

I very much appreciate the opportunity to address this meeting of the National Parent-Teachers Association. Few organizations in the country are more important than yours. I say this as father of six children who shares your belief that education is too important to be left to the educators; that the family has and must continue to play a vital, dominate role in education, both for the good of the children and for the good of society as a whole.

In that PTA's 75 year history, it has been a vital link between parents and teachers, and it has served the nation's children well.

I understand you would like me to discuss briefly the reasons and beliefs that prompted me to introduce the Family Education Rights and Privacy Act, better known as the Buckley Amendment, and I am happy to do so. When I introduced the bill in the form of an amendment to the bill extending the Elementary and Secondary Education Act, I obviously thought it was an important measure—but I didn't expect it to generate such strong support and interest—or so many brickbats.

The immediate reason for the legislation was, of course, the growing evidence of the abuse of student records across the nation. Thousands of letters detailing these abuses have been sent by irate parents and students to such organizations as the Russell Sage Foundation, the National Committee for Citizens in Education, and the American Civil Liberties Union. The Russell Sage Foundation undertook a survey of record-keeping practices of representative school districts in the nation in the late 1960's. Partly as a result of this survey, the Foundation convened a conference of prominent educators, lawyers, and social scientists to consider the ethical and legal aspects of school record-keeping, and to develop guidelines for the collection, maintenance, and dissemination of these records. Among the abuses which the conference report pointed to were the following:

"Pupils and parents typically have little or, at best, incomplete knowledge of what information about them is contained in school records and what use is made of this information by the school.

"Parental and pupil access to school records typically is limited by schools to the pupil's attendance and achievement record (including standardized achievement-test scores).

"The Secrecy with which school records usually are maintained makes difficult any systematic assessments of the accuracy of information contained therein. Formal procedures permitting parental or pupil challenges of allegedly erroneous information do not exist. An unverified allegation of misconduct may therefore . . . become part of a pupil's permanent record.

"Procedures governing the periodic destruction of out-dated or no longer useful information do not exist in most systems.

"Within many school systems, few provisions are made to protect school records from examination by unauthorized school personnel.

"Information about both pupils and their parents is often collected by schools without the informed consent of either children or their parents. Where consent is obtained for the collection of information for one purpose, the same information is often used subsequently for other purposes.

"Access to pupil records by non-school personnel and representatives of outside agencies is, for the most part, handled on an ad hoc basis. Formal policies governing access by law-enforcement officials, the courts, potential employers, colleges, researchers and others do not exist in most school system."

"Sensitive and intimate information collected in the course of teacher-pupil of counselor-pupil contacts is not protected from subpoena by formal authority in most states."

The recommendations of the Conference in large part formed the basis of my amendment.

It was found that, while FBI agents and juvenile court and health department officials had access to the entire records—including sensitive psychological reports—in more than half the school systems surveyed and the local police in a third of them, parents were allowed access in less than 10 percent of the school systems. When a halt was called to the routine release of student information in New York City several years ago, no fewer than 28 separate and distinct categories of outsiders called the board of education to complain that their usual sources of information about students had been cut off.

One of the more serious abuses has been the insertion of potentially prejudicial anecdotal comments and factual inacuracies into children's school records. When parents and students are not allowed to inspect school records and make corrections, such material can have devastatingly negative effects on the academic future and job prospects of an innocent, unaware student. A simple inaccuracy or a comment by a spiteful, neurotic teacher can potentially ruin a student's future.

Access to their children's school records is particularly important when schools pin often questionable labels such as "mentally retarded" or "potential delinquent" on children and propose to isolate them in special classes. I know that the PTA has a particular interest in this problem.

A not untypical case was reported in New York, where the parents of a junior high student were told their daughter would not be able to attend graduation ceremonies because she was a "bad citizen." What did she do that was bad, the parents asked. Well, the principal said, the school had a whole file on her "poor citizenship," but the parents would be allowed to examine that file. In this Catch-22 case, one of the few to get a hearing, the State Commissioner of Education, Ewald B. Nyquist, stated flatly that the school's argument that it was acting in the best interest of the student in refusing to reveal the information to the parents—had no merit. The Commissioner concluded: "It is readily apparent that no one had a greater right to such information than the parents."

More fundamentally, my initiation of this legislation rests on my belief that the protection of individual privacy is essential to the continued existence of a free society. There has been clear evidence of frequent, even systematic violations of the privacy of students and parents by the schools through the unauthorized collection of sensitive personal information and the unauthorized, inappropriate release of personal data to various individuals and organizations. In addition, the growth of the use of computer data banks on students and individuals in general has threatened to tear away most of the few remaining veils guarding personal privacy, and to place enormous, dangerous power in the hands of the government, as well as private organizations. It was, therefore, most appropriate that the Congress saw fit to enact the Family Educational Rights and Privacy Act, as well as the landmark Federal Privacy Act of 1974, which establishes similar rights and protections of privacy to individuals on whom the federal government keeps files.

Another essential reason for my introduction of this bill is my belief in fair information practices. An individual should be able to know, review, and challenge all information—with certain limited exceptions—that an institution keeps on him, particularly when the institution may use such information when making important decisions regarding the individual's future, or may transmit such personal information to parties outside the institution. This is particularly true when the individual is a minor. Parents most certainly need access to such information and records in order to protect the interests of their children. It is this that my legislation, as adopted, now makes possible.

A Commission established at the Department of Health, Education and Welfare to review automated Personal Data Systems has drawn up a "code of Fair Information Practices" which rests on five basic principles:

There must be no personal data record-keeping systems whose very existence is secret:

There must be a way for an individual to find out what information about him is in a record and how it is used;

There must be a way for an individual to prevent information about him that was obtained for one purpose from being used or made available for other purposes without his consent;

There must be a way for an individual to correct or amend a record of identifiable information about him;

Any organization creating, maintaining, using, or disseminating records of identifiable personal data must assure the reliability of the data for their intended use and must take precautions to prevent misuse of the data.

It is in the context of the principles of Fair Information Practices that the appropriateness of the application of the law to higher education and college students becomes readily apparent.

I had hoped my legislation would accomplish even more. As you perhaps know, not all of my original amendment was passed. A key section of it was defeated in the Senate by two votes—only one if you discount the Senator who mistakenly voted against it because of confusion on the floor at the time. That section would have required parental consent before a child undergoes certain forms of testing or treatment, such as psychiatric, or divulges sensitive personal or family information, or partakes in certain behavior or value-changing courses or activities.

In addition, it required that parents be informed of the intended participation of their child in out-of-the ordinary research or experimentation projects. In some instances children are required to participate in experimental education programs, in medical research, or in programs or activities designed to affect their personal behavior, values, or social development—without their parents' adequate knowledge or consent. The Children's Defense Fund, headquartered here in Washington, has documented many disturbing cases of such abuses across the country.

Many schools do not ask parents' permission to give personality or psychiatric tests to their children, or to obtain data from the children on their parents and family life. Some of these tests include questions dealing with the most personal feelings and habits of children and their families. Some of this data, in personally identifiable form, is given to other government agencies or to private organizations. Some of it ends up on Federal computers in the caverns of the Department of Health, Education, and Welfare. A year ago this March a Federal office demanded information on pupil and family ethnic attitudes from over 100,000 New York City's elementary school pupils. Fortunately, the city board of education adamantly refused, even in the face of a reported threat to cut off all Federal education funds—over $200 million a year—to the city.

Attempts are made, of course, to excuse the collection and dissemination of such "data," which is in most cases not accessible for review by parents or students, on the basis that this is not done "in the best interest of the student." In my own State, the Parent-Teachers Associaion has rejected such assertions, and has taken a strong stand against these abuses, and has called for their correction. The attitudes of secrecy and the denial of the right of parents to find out what is being done to, asked of, and taught their children in school, reflect a shocking degree of arrogance on the part of many in the educational establishment.

The requirements of parental consent would inform parents about controversial programs, and would offer them and their children the best protection I can think of against possible educational abuses.

I plan to re-introduce the defeated section of the amendment as a separate bill. I hope that the National Congress of Parents and Teachers will, in its wisdom, be able to offer its support for the passage of this legislation.

This brings me to the most fundamental reason for having introduced the Family Educational Rights and Privacy Act: and that is, my firm belief in the basic rights and responsibilities—and the importance—of parents for the welfare and the development of their children. Parents are the first and most important teachers of their children. As Dr. Earl Schaefer, the University of North Carolina's highly respected child development and education specialist, has remarked:

"The amount of parental involvement in the child's education may explain up to four times as much of the variance in the child's intelligence and achievement test scores at age eleven as the quality of the schools . . . in a national sample of 5,000 children in England, (it was) found that parent interest and involvement with the child's education were far more important than the quality of schools, even after statistically controlling for family socio-economic status."

Yet, some educators seem to feel that they know much more about the welfare and best interests of the child than do the parents; and therefore, once a child comes under their sway, they think they have the right to do what they themselves think is best for the child, without regard for the values and beliefs and opinions of the parents. Some educators seem to have forgotten that parents have the primary natural, legal and moral responsibility for the upbringing of their children, and only entrust them to the schools for basic educational purposes. This entrusting to the schools is not an abdication of parental rights and responsibilities, but rather a sharing of them by the parents.

Such elitist attitudes reflect the widening efforts of some, both in and out of Government, to diminish the rights and responsibilities of parents for the upbringing of their children, and to transfer them to the State—to separate figuratively, and in some cases, literally, the child from his parents, and to turn him over to the care of the State, as represented by schools, pre-school centers, and other arms of its administration.

There has been an increasing chorus of complaints from parents in the last few days about just such attitudes and actions on the part of some educators. The sense of a loss of control over one's life and destiny, which many social commentators say is growing amongst our citizens, seems to be increasingly felt by parents with respect to the upbringing of their own children.

I believe that the recent disturbances over textbooks used in West Virginia reflect this feeling and are in fact symptomatic of a far more pervasive disenchantment with and alienation from the schools on the part of the public than is realized. In large part this has resulted from the tendency of the educational community to deny parents information and decision-making responsibilities regarding their children's education. As Jerry Abbott, a school principal in North Dakota, has written:

"We are not, and never have been, committed to the development of a partnership in education with parents. The school has too often viewed parental involvement as an intrusion. Parents send their children to school feeling that the professionals know best, and in that kind of relationship many real possibilities of growth are lost."

I introduced the Family Educational Rights and Privacy Act not only to correct certain abuses in the schools but also to reassert and re-establish the basic rights, responsibilities and involvement of parents in their children's upbringing and education.

As regards implementation of the law, I am confident that the vast majority of schools will seek to comply with it in good faith. Of course, there will be some difficulty and uncertainty at first, but in time appropriate procedures should be worked out, although it may take a while for some individuals to adjust their attitudes towards increased openness with parents. HEW issued a set of proposed regulations for the law in record time, and within the next few months the final regulations will be issued, leavened by the recommendations offered during the extended public comment period.

There will be instances where certain schools and administrators will attempt to

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circumvent the law. In such cases it is particularly important that local organizations such as the PTA take a leadership role in monitoring compliance with the law, in recording cases of violations, and in bringing such evidence to the attention of the appropriate local, state or federal authorities.

Equally important as the other expected effects of the new law is the real possibility that the obligation to provide parents with more information about their children's education will begin to close the gap of hostility and mistrust that too often exists between parents and teachers. The increased openness and communication with parents on the part of the schools which should follow from the laws should enhance parental involvement and interest in their children's education, and in the long run should lead to better educated youngsters, and more harmonious school-community relations.

Here again the role of the local PTAs is vitally important. The challenge and the opportuniy that face local PTAs is to take the lead in overcoming hostilities and mistrust where they exist and in closing the too frequent gaps between the community and the school. This can be done by encouraging greater interaction, understanding, and cooperation between the home and the school, and by making parents partners in education through promoting greater parental involvement in the educational process, in the school and in the home.

Surely this is what thoughtful parents and educators all seek. It is one of the major objectives of the PTA, namely, "To bring into closer relation the home and the school, that parents and teachers may cooperate intelligently in the education of children and youth."

In closing let me take this opportunity to express my admiration for the strong stand in favor of privacy which the National PTA has taken, and my deep appreciation for your enthusiastic and invaluable support of the Family Educational Rights and Privacy Act during its birth and through the critical period of its history last fall. Your encouragement helped give us the strength to persist in our efforts to protect the rights and privacy of America's families. I look forward to associating and working with you again on this and other projects in the future.

SENATOR KENNEDY'S ADDRESS ON LAW DAY AT THE BOSTON COLLEGE SCHOOL OF LAW

Mr. HUMPHREY. Mr. President, on May 1, the distinguished Senator from Massachusetts (Mr. KENNEDY) addressed the law day ceremonies at the Boston College School of Law.

In his excellent address, Senator KENNEDY called upon the American people not to forget our Nation's continuing humanitarian responsibility for the human suffering which the Indochina war brought to millions of people. As chairman of the Subcommittee on Refugees, Senator KENNEDY brings a special understanding and sensitivity to the human tragedy of Indochina. Throughout the long years of conflict and suffering, his voice was a constant reminder that each new day of fighting and violence brought another day of death and devastation to millions of innocent war victims.

His important recommendations for our future relations with the peoples of Indochina—now that the war is behind us—should serve as a focus of national policy and debate. I commend Senator KENNEDY's remarks to the attention of all Senators, and I ask unanimous consent that the text of his speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

ADDRESS OF SENATOR EDWARD M. KENNEDY

I am honored to be here this evening to take part in the 18th Annual Law Day Ceremonies sponsored by the Boston College Law School Alumni Association, and I wish to thank Father J. Donald Monan, President of the Law School, for inviting me to be with you and to deliver these remarks.

Graduates of the Boston College Law School have distinguished themselves in the service of the law throughout our Commonwealth, and they are also performing outstanding services in many other parts of America.

It is fitting tonight that you have gathered here on Law Day to commemorate the work of two outstanding servants of the law. Judge Jeremiah Sullivan deserves our praise for his knowledge of the law, his understanding of the people, and his warmth as a human being. We congratulate him upon his receipt of the Thomas More Award. And George McGrath, the alumnus of the year, has demonstrated his exceptional legal skill and talent during his tenure with the United States District Court and his prior service to the state's correctional system.

Throughout its history, Boston College Law School has ably prepared many outstanding persons for the responsibilities of leadership in the law. Today this law school stands among the nation's finest as a foundation of legal learning and a source of new ideas and insights for the rule of law and the development of our society.

As we meet here tonight, our own attention and the attention of the world has been on Vietnam. The tragedy of thirty years of war and bloodshed is over. Saigon has fallen. The American Embassy is empty and silent.

We feel relief that, at the end, America did not have to leave Vietnam with guns blazing. We feel relief that the evacuation of the last Americans and the final end of American involvement took place without vast loss of life. But we in this Commonwealth also feel a sense of special loss in those final difficult hours, because a son of Massachusetts, a young man from Woburn in the prime of life, was one of the last American casualties of the war.

We are also left with a deep sense of sadness about the long duration of the war. There is the memory of 55,000 Americans dead, of hundreds of thousands of wounded, of the many prisoners of war and missing in action. There is the memory of 2.5 million veterans who have come home—many scarred for life; all seeking the simple needs of a good job and hope for a decent life.

And there is the memory of the names scorched into the conscience of America by the decade of our massive national involvement in the war—who of us of our generation shall ever forget the deep feelings and the passions aroused by names like Tonkin Gulf and Saigon, DaNang and Khe Sanh and Cam Ranh Bay, Hanoi and Haiphong, Hue and My Lai, Hamburger Hill and Kent State?

And there is also the strong sense that had the American role in Indochina ended long ago, years of suffering of the Vietnamese people might have been avoided. Cambodia might never have felt the full violence of the war. It is time to admit that one of the greatest tragedies of the war was our failure to recognize that the American military role could not alter events to our design, without unacceptable destruction of the people of Indochina. There was never a light at the end of the tunnel. There was only a long tunnel, made longer by our presence.

Peace has now come, not by our power, not by our design, not by our hand. But it has come.

Although the curtain has fallen on the clashing armies, the human tragedy of the war goes on. And it brings a continuing responsibility for the United States. The suffering continues in both Cambodia and South Vietnam. Millions of people still are homeless; thousands are wounded or maimed; and countless others wait anxiously to see whether bloody reprisals will be exacted.

Nor is the human suffering limited to what is occurring in Indochina itself. There are now tens of thousands of Vietnamese who have joined the world's growing population of refugees.

We must give our own help, and we must seek the help of the international community, to share in providing new homes and new lives for these refugees. As a compassionate people—deeply mindful of the moral foundations of our nation and our own heritage of immigrants and refugees from tyranny in other lands—we must not fail to meet the needs of the Indochinese people.

We must do what we can to meet our clear responsibility to help salvage the battered lives of those who remain behind. We cannot ignore the millions of homeless people in Cambodia and South Vietnam. We cannot ignore the needs of orphans, of the wounded and the maimed, and of the countless other war victims in Indochina who cry out for protection and help.

The United Nations, the International Red Cross, and the voluntary agencies stand ready to help. And the humanitarian appeal of Secretary General Kurt Waldheim deserves our country's support. The time is overdue for us to meet our humanitarian obligations to the people of Indochina, and for the President to declare our country's support of international efforts to rehabilitate their lives.

At the same time, we must turn our attention to the aftermath of the war here at home. For a decade, the Indochina War preoccupied our government and cut deeply into American life and politics. It was borne with pain and suffering by millions of our people, at an economic cost of more than $150 billion Rarely in our history has our nation been so divided on an issue or have so many other vital issues been neglected and ignored.

But as we seek to put the war behind us, we must also try to understand its lessons for our own nation and for our future role in the world.

Each of us will bring his own judgment to the meaning of the war. Years will pass before all the facts are known and the verdict of history is finally achieved. But already, in my view, there are some lessons that appear:

First, I would hope we can agree now, with the benefit of hindsight, that America's involvement in the war was a mistake, a lengthy, costly, deadly, tragic mistake that blighted our own nation for more years than any other conflict since our Civil War.

To historians in the future, it may well surpass understanding that a strong and democratic and rational nation like America could so hopelessly mire itself for so long in a foreign adventure that meant so little to our own vital interests.

In the weeks and months to come, there may be a tendency by some, encouraged by the passions of the end of our involvement, to seek scapegoats for the war, to point a finger and try to place the blame for failure. I believe that President Ford genuinely desires to avoid that nightmare of recrimination. The damage to America from the China debate of the 1950's should be a powerful warning against a bitter and divisive debate over Vietnam for the rest of the 1970's. When President Nixon made his dramatic opening to China in 1971, it was clear that the policy of hostility between America and China had been a twenty year mistake. In a similar

way, President Ford can bring this country together now, by making clear that America must not, and will not, repeat that mistake of self-recrimination. Let there be no fresh self-inflicted wounds about the war.

Above all, let us admit the mistake we made and let us admit it openly and candidly and honestly. It is not weakness and cowardice, but strength and courage, to admit when we are wrong, and to work to right that wrong. Throughout our history, we have gained stature and maturity by our ability to look unflinchingly at ourselves. We have felt pride in our great achievements. And we have also changed course wisely when our policies have fallen short.

This is such a time. Let us go from the lessons of the Vietnam past to a new era of hope and confidence in ourselves, in the strength of our democratic process, and in the wisdom of our policy for the future. This is the first and most important lesson of the war. To learn it now and learn it well will be the true test of our greatness as we face the years ahead at home and overseas.

Second, in the aftermath of the war, I hope that we have acquired a deeper understanding of the aspirations of ordinary peoples in other corners of the world.

In Vietnam, we never understood the character of the war. We denied it was a civil war. We denied the roots that ran deep in the colonial past of Indochina. Long after we abandoned the notion, in great power relations, of Communism as a monolithic world juggernaut relentlessly advancing at our expense, we clung to the theory in Vietnam. And it distorted our perception of the deeply national forces at work in Indochina. Too many of our leaders still cling to that notion even now, seeing fresh dangers to our interests, without analysis of the true circumstances of other nations and peoples.

How different might have been the history of the past thirty years in Indochina, if America had understood the tide of events and change in North and South Vietnam and tried to work with them, instead of involving ourselves in that distant civil war. It is not without irony that Vietnam's long war is now ending, just as we begin the celebration of the two hundredth anniversary of our own revolution. It is not without irony that as we return to our own heritage, we are being challenged to accept new concepts of nationalism and independence in other parts of the world.

Vietnam is the most painful lesson we have ever learned about the aspirations of other peoples, and about events which are neither in our interests nor our ability to control. But it is not the only lesson in this vein. Too often, various administrations have ignored the underlying currents of world events. In the search for short-term stability, we have too easily sided with oppressive governments and unpopular dictatorships.

Is it any wonder that people who have liberated themselves from dictatorship in Greece and Portugal do not look to us as champions of their freedom newly won? Is it any wonder that our own people rebel when the CIA acts to help plunge Chile into a new tyranny?

As citizens of the world's oldest republic, whose sons "fired the shot heard round the world," we cannot be deaf to the voices of other people straining to be heard, of people struggling to share in freedom. And once we learn this lesson, America will again be a symbol of hope and freedom for people in other lands.

Third, looking to the future of America's relations in Asia, it is not too early to try to begin working with new governments in Indochina.

It is impossible to predict the future course of developments there. For the foreseeable future, it may well be that any overtures by the United States would be received with suspicion or rejected out of hand.

But in addition to our role in working with other nations to prevent further war and bloodshed and to deal with the enormous humanitarian and refugee problems, other occasions for constructive cooperation and assistance may be found. Let us miss no opportunity. The era of confrontation on the battlefield is over. Let us ignore no occasion to end the confrontation in other areas.

Fourth, the futility of America's military involvement in the war should give us and other nations a fresh incentive to seek political, not military, solutions to troubling problems in other parts of the world. For a decade, we pursued the phantom of military victory in Vietnam. Even after the Paris peace accords were signed in 1973, there was no evidence that any serious effort was made by either side to enforce the terms of the Agreement—terms that could have led to a genuine political settlement. Instead, both sides moved toward the final military confrontation. We gambled—and South Vietnam lost all.

To the end, a policy keyed to military force was a bankrupt policy for South Vietnam. History may judge us harshly for many aspects of the war, but perhaps most harsh of all, it will judge the encouragement we gave the South to stake everything on military power, long after it was clear that America had finally and irrevocably left the war. Let us resolve, therefore, that never again shall we make war the first resort of America's foreign policy.

Fifth, the war has also taught us that we must never again fail to take a clear hard look at our true interests in the outside world, protecting those that are vital, and avoiding preoccupation with those that are not vital. We must not lose our perspective about the world and our place in it, we must not make mistakes that call into question our ability and our will to act in our own interests and those of nations and peoples truly vital to us.

I believe the will of the American people to honor our basic commitments is strong today and will remain strong in the future. These commitments will be honored, and they will be honored because they have and deserve the support of the American people.

And so, with this fresh demonstration that war is the failure of foreign policy, let us renew our efforts for peace in the Middle East and in other troubled areas of the world. Let us renew our efforts to promote détente and strategic arms control. Let us renew our commitment to all the vital interests that will shape the course of America's future in the world.

Sixth, in spite of the tragedy in Vietnam, there is room for pride in the role of Congress in ending the war, and in the renewed vitality of the institutions of our democracy. The evolution of Congress from the nadir of the Gulf of Tonkin Resolution in 1964 to the success of the end-the-war Amendment and the War Powers Act of 1973 is one of the few bright chapters in the Vietnam war. The excessive shift of national power toward the Presidency was clearly checked. A more effective balance was restored between the powers of the Legislative and Executive branches of our government.

For the first time in our history, Presidents took us into war and Congress took us out. I view this emerging role of Congress as a healthy, hopeful and welcome development for our modern democracy and for American policy at home and overseas. We must use it wisely and constructively in the future—and we must use it, not in confrontation with the Executive, but in common effort to reach our common goals.

Seventh, the futility of the violence in Indochina must encourage us to deal more effectively with the violence that scars our nation and corrupts our own society. For too long, the attitudes of leadership that supported our policy of violence in Vietnam have prevented us from dealing effectively with violence and its causes here at home.

We know that some societies can be so closed, so unresponsive to the people, that change can never come except by the threat of force or by citizens taking to the streets.

But that is not America in 1975. We are the most open and most democratic society in the world. The great strength of our nation has been our ability to resolve the most profound differences among our people in accord with the Constitution and the rule of law. No amount of frustration with existing policy or impatience with the slow speed of change can justify the violent interference with another's rights or the attempt of any citizen to set himself above the law.

As the National Commission on Violence told us in 1970:

"All history teaches us that as a conscious method of seeking social reform, violence is a very dangerous method to employ."

Violence feeds on itself. It breeds reaction and repression. Invoked for the best of causes, it becomes the vehicle for countermeasures for the worst of causes. It defeats the very goals for which it was invoked.

Too often, it is said, people see America as dehumanized and incapable of change. They think they have to shake America until the teeth rattle, kick it until the parts start moving.

But our founding fathers and our greatest leaders had a different view. They saw America as a nation stretched tense by our historic deep divisions and antagonisms. They recognized that the fabric of our society can easily be torn, our liberties lost, if the constant struggle between change and the status quo became too passionate, and unleashed the evils of violence and destruction.

And so the founding fathers devised a Constitution and a system of government that has guided our nation well. For two hundred incredibly successful years, we have channeled the energies of our people in constructive ways that have brought unparalleled achievements for our society at home and for our leadership in the cause of freedom throughout the world.

But as the Violence Commission also found, and as many historians have said, there is a darker side to the American tradition, a violent aspect that often lurks close to the surface of our national character and that is never easily controlled.

Perhaps it could not be otherwise, for a nation spawned in Revolution. Perhaps it could not be otherwise, with our great immigrant and frontier tradition. Perhaps it could not be otherwise, with a society so full of so many class and racial and social aspirations and antagonisms.

But two factors are new in recent years—the pervasive national influence of the deadly daily violence in Vietnam, and the equally pervasive influence of the massive official lawlessness of Watergate.

How long will we ignore the faces of violence in our society? How long will we ignore the need for gun control, or the violence on our streets and in our cities and in our schools and even in our homes? How long will we ignore the violence on our television and movie screens, and even in our sports? How long will we ignore the violence on our highways? How long will we ignore the subtle violence of racism and drugs and poverty and hunger and unemployment and disease and inferior education and prisons and corruption in government and the countless other conditions of society that breed hope-

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lessness and despair in so many of our citizens?

I say, we have ignored these things too long already. The time has come to act.

Bob Dylan's great protest song of the 1960's asked these questions eloquently:

"How many times must the cannonballs fly, before they're forever banned?

"How many times must a man look up, before he can see the sky?

"How many ears must one man have, before he can hear people cry?

"How many deaths will it take 'til he knows, that too many people have died?

"How many years can some people exist, before they're allowed to be free?

"How many times can a man turn his head, pretending he just doesn't see?"

Now, as Vietnam and Watergate recede, we have our best opportunity in many years to answer these questions. We can now begin to deal effectively with all the issues facing us. We can now begin to develop responsible new policies to control the mounting violence in our society here at home.

However much we may explain the nation's tendency toward violence as a legacy of our history, we cannot condone the spirit of confrontation that has become the hallmark of too many groups in our society. No amount of passionate concern or commitment to a cause, whether on busing or any other issue can justify wanton acts of violence or disruption or interference with others' basic rights.

As lawyers, as teachers of law, as public servants dedicated to our laws and constitution, it is we who must be in the vanguard of strenuous new efforts to enhance the rule of law, and deal with the causes of violence at every level in our society—federal, state and local.

To say that violence is the nature of America is unacceptable. A nation that tamed this wild continent a century ago can also tame the forces that threaten to divide us from within.

And so, today, as we rededicate ourselves to the rule of law, let us pledge a greater effort to achieve reconciliation among ourselves.

In the life of the law, we do not pray for easy lives. We pray to be stronger men and women. There is no secret formula waiting to be discovered and guide us to the future or to make the law prevail. The ancient virtues that built this country and made it great before, are the self-same virtues that will keep it great today—courage and hope, work and duty, faith and sacrifice, truth and justice, the worth of the common citizen.

Without these virtues, the rule of law is helpless. The Constitution becomes just another parchment under glass. But with these virtues we can rekindle the true patriotic spirit of America. The flame of liberty and opportunity can burn as brightly as before. The Constitution can come alive again. The people can find leaders able to bring out the real greatness in our nation's character, and America will prosper.

Long ago, in ancient Athens, the land where the idea of democracy was born, Pericles, the great statesman and military commander of the ancient world, paid tribute to the citizens of Athens who had fallen in the first year of the terrible war with Sparta. In the immortal words of the funeral oration honoring those fallen heroes, Pericles said:

> The secret of happiness is liberty,
> And the secret of liberty is courage.

Across the centuries, across two thousand years, those words are as true for America today as they were for ancient Greece. That is the real message of the rule of law in 1975, and that is the mesage I leave with you on Law Day here in Boston.

MEANY SANCTIONS UNION COERCION

Mr. THURMOND. Mr. President, an article by John Chamberlain in the May 6, 1975, edition of the Augusta Chronicle points out that leaders in the American labor movement are supporting freedom for labor unionists in foreign countries yet they are unwilling to allow freedom within the American labor movement.

The reference is to the fact that to obtain a job in many parts of this country you must first join the union. Fortunately, right-to-work laws in some States have enabled the working individual in those areas to have a choice between union membership or not joining the union.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MEANY SANCTIONS UNION COERCION

(By John Chamberlain)

George Meany, boss of the AFL–CIO, is, in many ways, a great leader. But he has a compartmentalized mind. When he looks beyond the shores of the United States he can detect the slightest whiff of imperialism or nascent totalitarianism. He has never tired of protesting the coming chop-chop of South Vietnamese free labor union heads once the Communists have fastened their talons on Saigon. He would make a fine secretary of State for a revitalized and confident America.

But when it comes to permitting little people inside the U.S. a choice between joining or refraining from joining a union, George Meany is as imperialist as they come. My good friend Reed Larson, who does not, repeat not, hate labor unions but considers it a man's own business if he chooses to do his own wage bargaining, heads a small organization called the National Right to Work Legal Defense Foundation. If a man gets in trouble with his union because he objects to the way the AFL–CIO "educational" arm, COPE, is spending some of his dues to pay for manning telephones in a political campaign the National Right to Work Legal Defense lawyers might take his case. Reed Larson insists that he is a civil libertarian in such matters and nothing else. To pompous critics who accuse him of being a "neo-Fascist," he says "nuts." He is just a prairie voluntarist from Kansas.

Larson's organization gets two-thirds of its money from "little" people, many of whom happen to be workers. The rest comes from companies in legally permitted ways. The Foundation has made some headway in defending people who have complained about union strong-arm tactics in Right-to-Work states. Nobody has ever offered the slightest bit of evidence that Larson has received a penny in violation of labor laws. Unless someone can come up with a search and seizure order with some substance to back it, you would suppose that Larson's organization would have the protection of the Constitution against fishing expeditions through its files.

So what happens? Ten big unions hire a supposed civil libertarian lawyer, Joseph Rauh, to demand disclosure by the National Right to Work Legal Defense Foundation of its list of contributors. And a Federal judge, acceding to the demand, has ordered Mr. Larson to give Mr. Rauh 190 names of employers who have supported the Foundation as individuals exercising First Amendment rights.

What this would do to wreck the National Right to Work Legal Defense Foundation is as obvious as the faces carved on Mount Rushmore. It would give the 10 big unions 190 potential harassment victims. Little guys who have made contributions to Mr. Larson on the assurance that they would be protected against contumely or worse could be intimated for ever after.

Mr. Rauh has said that if his 10 big unions ever get their hands on a list of Mr. Larson's contributors, the names would be sorted out by geographical areas and transmitted to local unions for "investigation." There happen to be hundreds of small businessmen and thousands of union members on the Foundation's contributors' books. If their names were known, they might have their tires slashed or their front porches spattered by paint (yes, Virginia, such things have happened in this free United States). The amount of money Mr. Larson might raise henceforward for his legal cause would diminish to a trickle.

Why is George Meany, who is so concerned with the rights of individuals in South Vietnam or in the Captive Nations of Eastern Europe, so fearful about letting people have options about union membership in America? Doesn't he trust his own powers of persuasion? When David Dubinsky, who organized the ladies garment workers early in the century, encountered an occasional philosophical anarchist in a New York dressmaker's shop, he did not insist that the man sign with the union. Why doesn't George Meany have the same forebearance? And why doesn't the great "Freedom Fighter" Joe Rauh have some shame about lining up on the side of compulsion and possible personal abuse?

CONCORDE SST IS THROWBACK TO EARLIER AGE OF AIR TRANSPORTATION

Mr. PROXMIRE. Mr. President, I recently received a letter from the Wilderness Society in support of S. 1121, which would prohibit any special consideration, relating to aircraft noise, for supersonic aircraft.

I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WILDERNESS SOCIETY,
Washington, D.C., May 6, 1975.

Hon. WILLIAM PROXMIRE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROXMIRE: Thank you for your letter of April 25, requesting The Wilderness Society's comments on S. 1121, your bill to prohibit any exemption of civil supersonic aircraft from noise standards applicable to subsonic aircraft.

The Wilderness Society strongly favors the objectives of S. 1121. The noise resulting from jet aircraft at our airports is one of the most persistent environmental health problems of aviation. However, there has been significant reduction in this noise as aircraft builders have designed quieter engines. Many of the early jetliners are being retrofitted with quiet engines, at great expense to the airlines, in order to reduce their noise impact on our citizens. The new generation of aircraft, including the Boeing 747, Lockheed L–1011, and McDonnell-Douglas DC–10, has attained a major reduction in aircraft noise, both by using quieter engines and by carrying more passengers per aircraft, which means fewer takeoffs and landings to carry the same number of passengers.

The Concorde SST is a throwback to an earlier, noisier, age of air transportation,

with louder engines and more frequent airport operations for the same number of passengers.

In its proposal to allow the noisy Concorde SST to land at U.S. airports, the FAA has put the interests of the aircraft builders first, and the interests of the American people last. The FAA is asking our citizens to bail out the builders of the Concorde by providing it with a market and by ignoring its tremendous waste of fuel, its airport noise, upper-atmosphere impact, and sonic boom. FAA is asking citizens to accept an aircraft which is almost identical to the proposed American SST which our nation turned down four years ago.

The Wilderness Society is heartily in favor of requiring the Concorde or any other new aircraft to meet the noise standards that apply to other aircraft. We certainly commend your continuing leadership on SST matters, and appreciate this opportunity to state our views.

Sincerely,

GEORGE ALDERSON,
Director of Federal Affairs,

"In Wilderness is the Preservation of the World."—Thoreau.

Mr. PROXMIRE. Mr. President, there is no denying that the Concorde supersonic transport is noisier than the noisiest of our existing subsonic jet fleet. With the retrofitting of the early subsonic planes, the Concorde will be noisier relative to other aircraft in use.

If this were 1965, when production of the Concorde was initiated, the noise of the supersonic plane might be acceptable. But it is now 1975, and the Concorde's noise level is wholly inconsistent with that of other jetliners landing at airports in the United States.

As the Wilderness Society so aptly puts it, the Concorde SST is a throwback to an earlier, noisier age of air transportation.

PROFIT-SHARING IN IRAN

Mr. PERCY. Mr. President, it was impossible in my recent report to the Foreign Relations Committee on my trip to the Middle East to develop adequately every topic of conversation I had during that trip. I concentrated in my report on the issues of war and peace in the Middle East, U.S. relations with the gulf countries and certain aspects of oil pricing.

During the course of my conversation with His Imperial Majesty, the Shahanshah of Iran, I did discuss a subject of intense interest in Iran as well as the United States; namely, profit-sharing and share ownership for workers. Recently, the U.S. Congress adopted in the 1975 tax bill a means by which workers can extend their own ownership of company shares.

His Imperial Majesty indicated to me that in Iran profit-sharing share ownership programs are being extended to even farmers so that those tilling the soil can also benefit through ownership in Iran's expanding and diversified industrial base.

I asked his Excellency, the Ambassador of Iran, Ardeshir Zahedi, for an updated report on profit-sharing in Iran and I ask unanimous consent that the material supplied me by the Ambassador be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE SALE OF GOVERNMENT SHARES AND PROFIT-SHARING

The "Revolution from the throne," which His Imperial Majesty the Shahanshah Aryamehr proclaimed in his historic declaration of January, 1963, is now a reality. Workers who once scratched a bare subsistence living from the soil now share the still-burgeoning prosperity with national and international investors in this ancient kingdom which has achieved a degree of social justice unprecedented in its 2,500-year history.

SALE OF GOVERNMENT FACTORY SHARES

The third point of the White Revolution was to sell shares in government-owned factories to the public as an added security for payments under land reform. Apart from this, the move has had many important socioeconomic implications.

As a first step, it was necessary to define those government-owned factories that could be turned into public corporations and have their shares sold to the public. Some industries owned by the government, according to the general policy of the country, had to remain the property of the state. These include oil, the railways, power generation, armaments, steel, the mint, etc.

In addition to these, there are a number of other industries which are capital intensive, and hence beyond the reach of the private investor in Iran; or mother industries that control the national economy. All these had to remain in Government hands. But other industries related to heavy industries, or light and consumer industries are left to private enterprise and private investment is encouraged in them.

Studies resulted in the listing of 56 government factories to be sold. These were sugar, textile and cement mills, building stone plants, cotton gins, silk processing plant, chemical and foodstuffs factories. The factories were turned into joint stock companies and shares were issued for them.

The shares enabled former landowners to invest the proceeds of the sale of their property in operating industry.

A single Factories Company of Iran was formed, in which the government-owned sugar mills held 43% of the stocks, textile mills held 38%, cotton gins and silk plants 9%, building materials factories 7%, and foodstuffs factories 3%.

Assessment of the property values of these factories began in April 1963 and was completed in January 1964. One thousand rial shares were then floated, and a 6% annual dividend was guaranteed.

The issued shares were placed on sale through the Agricultural Bank. The face value of the stocks were kept low to enable wider ownership among the people. The Company at the same time obtained Plan Organization assistance in modernizing its plants and equipment.

By January 1971, all the shares had been sold in nine companies; the majority of the shares had been sold in three companies, and arrangements made for the sale of the shares in a further 20 companies.

A decision is to be taken with respect to the remaining government-owned factories for their modernization. To expedite this matter, an Industrial Reconstruction and Development Organization (IDRO) has been set up which deals with the setting up and development of new or established industrial enterprises of the public sector. One of the major tasks of IDRO is to overcome an important problem—management. Another task is to locate similar groups of industries in particular regions of the country most suited to them. This will facilitate regional development.

IDRO has also been given the task of managing factories which, by their very nature, depend on several government agencies for their operations and management. In such cases, IDRO removes their shortcomings and trains their management and staff. Similar training facilities are also offered to the private sector. IDRO operates as a commercial corporation.

WORKERS' PROFIT-SHARING

The White Revolution liberated the farmers and by giving them land and water created enthusiasm and incentive in them for their work. It achieved the same result with the workers by giving them a share in the net profit of the factories in which they worked. Without emancipation of villages; without greater attention to workers' welfare, the Iranian industrial revolution would have faced many problems. The White Revolution brought many benefits to workers, of which the most important was the profit-sharing scheme. A brief account of its achievements would include:

Under the profit-sharing law, employers were required to sign collective agreements with their workers by June 1963, giving them suitable monetary rewards based on increased yield, saving in costs, or reduction in wastage. The reward was to be in the form of a share in the net profits of the factory, or any other method or mixture of both. A copy of the collective agreement was to be sent to the Ministry of Labor.

Under the provisions of the law, if the employer did not wish to abide by the Ministry's recommendation concerning the collective agreement, he was required to give the workers a share in the net profits. The level of this share was to be determined by a special commission and confirmed by the Ministry. The law said that this could be as much as 20% of the net profits.

In June 1963, the law was amended in the light of experience gained during the preceding months. Since then, much has been done to apply the provisions of the law to eligible factories and many regulations have been passed to clarify its points and to facilitate its enforcement. These have removed some of the problems that existed before. Both workers and employers have been given a proper idea of the principles of the scheme.

The Ministry of Labor and Social Affairs is at work to ascertain and to ensure that the factories give a proper share of their real net profits to their workers. It is believed that gradually the workers' share will amount to a sum equal to two or three months wages each year. The law is being further amended to include a larger number of factories and to increase the workers' share. A plan is being developed whereby all workshops with more than ten workers will become subject to the law; and that during the Fifth Plan at least half a million Iranian workers will benefit from the profit-sharing system.

In 1972, on instructions from the Shahanshah, large industrial companies went "public" and began to offer shares to the general public, with priority option to their own workers and staff. Many large companies began offering 33% to 49% of their entire stock issue to workers, staff and the general public.

The purpose of this move was manifold, including:

1. greater public, especially labor, participation in industry;
2. offer of greater incentive to workers, as shareholders, for more efficient work in industry;
3. increase in production through greater and wider-based financing;
4. improved living conditions for workers arising from higher income;
5. creating better opportunities for further industrial expansion; and
6. improved labor-management relationship.

UMI

Easy terms are being offered workers for the purchase of shares in their companies. The workers and staff wishing to buy shares will be given an advance equal to one month's wages or salary to be repaid out of the future earnings of the shares which they are buying. Another month's wages or salary will be given them as an interest-free loan repayable in five years. Workers who thus spend up to two months' wages or salary on stocks, will be given a 25% discount on the face value of the shares. But stocks purchased at such discount may not be re-sold to other buyers within five years. The purpose of this provision is to encourage workers to hold on to their shares.

Workers meanwhile will continue getting a share in the net profits of their factories as before. Their share will be determined by the net profit figures shown on the company balance sheet.

THE RISKY WORLD OF AMERICAN AGRICULTURE

Mr. HUMPHREY. Mr. President, I wish to bring to the attention of this body a very informative article by Dan Morgan in the May 11 Washington Post entitled, "Costs, Risks, Debts: The Farm Plagues."

This article points out the vast changes that have taken place in agriculture during the past few years. We now have, as of January 1975, a total farm debt which has reached $95 billion. Some farmers have had to file bankruptcy proceedings in the last year while others have had their savings of an entire lifetime wiped out, because of bad weather.

While commodity prices have been high, our farmers have often not actually received these prices. Farm property values have escalated sharply with the increased commodity prices, but this means that new farmers find it almost impossible to get started.

This article tells an interesting and important story on how our agricultural sector has become a high credit, high risk, and extremely volatile economic undertaking.

This raises very fundamental questions which the administration is apparently unwilling to face or discuss. It is extremely difficult for smaller farmers to muster the capital to stay in business under these conditions. The banks are often caught in the economic crunch of trying to keep farmers in production when their debt has gone above what could be considered, under normal circumstances, reasonable levels.

The article points out, however, that even the more affluent farmers are facing severe problems. The roller coaster prices and the ever escalating production costs have made farming today an extremely risky business.

The article rightly concludes that although the farmers are well aware of the fact that they are being asked to face these severe risks alone, no clear consensus has evolved in terms of a better alternative.

I am quoted as saying "no other part of the American economy is asked to take such risks; no other section of the economy is locked into a production cycle that can be adversely affected by so many factors, from unpredictable weather to suddenly soaring fixed costs."

It is clear to me that we do need to evolve and develop a program which avoids large surpluses but at the same time does not invite the wild fluctuations of the past 2 years which have certainly not benefited our farmers.

Unfortunately, the administration's veto of the emergency farm bill indicates that it has learned very little about the problems plaguing our agricultural scene today and what reasonable steps could be taken to reduce some of the risks involved. Clearly, the Congress will have to again seize the initiative as it has had to do in so many other areas of our Nation's economy.

Mr. President, I ask unanimous consent that the article be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Costs, Risks, Debts: the Farm Plagues

(By Dan Morgan)

Paul and John Kruse would almost certainly object to being lumped together with the nation's money managers.

They are farmers and, like farmers everywhere, they take pride in the earthy hardships of their calling. In the early Nebraska spring, the frozen barnyard of their farm had turned to foot-deep mud, negotiable only by tractor.

In the warm workshop the brothers reminisce about winter tasks: checking a sow with litter at 2 a.m., or fighting their way into the cold mornings when the barnyard water tanks were frozen and the tractor's failing engine made a bump-bump-bump noise starting.

For all that romance, finance rather than the farmyard has become the main preoccupation for the Kruse brothers as for other American farmers.

The Kruse brothers probably handle as much money in a year as many middle-income city dwellers earn and spend in a whole lifetime.

Their indebtedness averages $700,000 to $800,000 most of the time—about the level of a medium-sized business. That is what it takes to operate their cattle feeding and corn raising farm, which normally holds 1,500 to 2,000 cattle.

Today most of the feed-lots are full of mud but no cattle. The Kruses have scaled down their operation in response to sagging cattle prices. They are tightening their belts and have taken out a mortgage on their farmland, for the first time in years, to pay the bills.

In some respects their operation typifies the economic crunch in American agriculture. The high costs, the bills, the enormous requirements for credit and capital and, above all, the risks are forcing farmers all over America to become money managers on a grand scale.

Four or five times a year, they make decisions that can mean savings or losses 10 times what is at stake when an executive who lives in the city buys a home.

Decisions.

At dusk one cold early April evening, down in the Missouri River bottomland north of Kansas City, Joe Naylor gazed out at the field he had just plowed.

What to plant?

His decision could mean the difference between profit and loss this year.

Corn might give good yields from the rich gummy soil, he figured. But corn would need lots of chemical fertilizers, very costly this year. Soybeans on the other hand, wouldn't require nitrogen. And they'd stood up well in last year's drought when corn was hard hit. Naylor leaned toward soybeans. He'd skimp on fertilizer, hold spray and seed to $20 an acre and "do it myself."

Naylor has been right more than he has been wrong since he started farming in 1966. But in today's farm economy not even good sense is enough.

Factors beyond farmers' control can often affect the outcome. Monetary fluctuations can affect imports and exports, and events such as the failure of the Peruvian anchovy catch can boost soybean prices, since fish meal and soybean meal are both used for animal feed.

In 1973, he recalls, "Mr. Nixon devalued the dollar and the Peruvians didn't catch enough fish and all at once soybeans were $3.84, highest I'd ever seen 'em."

Naylor sold his soybeans at $5 a bushel. They went to $8. That $3 difference would have meant another $15,000 for Naylor on a 5,000 bushel crop.

The requirements for capital and credit in agriculture have reached staggering proportions.

Consider the following:

In the depths of the Depression, the average loan for annual farm operating costs was around $4,000; today it is over $100,000.

Farm debt reached $95 billion in January.

Buying farm property is beyond the means of many would-be farmers now, especially young ones. Studies suggest that it requires an average of more than $100,000 to buy an adequate spread in most farm states, and over $400,000 in California and Arizonia.

Some feel the ballooning of credit needs, land values and risk in general raises fundamental questions.

"We know that, regardless how difficult conditions may seem, an average man with average health and a good setup can work his way out of a $4,000, $11,000, $45,000 or even an $81,000 debt," a Colorado banker said.

"But when we bring this indebtedness up to $150,000 and he fails one year's operation and his loan then goes to almost a quarter of a million dollars, we simply don't work our way out by hopng conditions will improve."

The trend poses "deep and troublesome questions about the future of America's traditional land tenure system," said Don Paarlberg, director of economics at the U.S. Agriculture Department.

He estimated that $390,000 worth of capital investment in land, machinery and other assets is needed to provide a family farmer with income comparable to that of nonfarm wage-earners.

"We may be at a stage when it is no longer possible for most farmers to supply by themselves all the factors of production," said Paarlberg. "It may be that more and more of the land will have to be supplied by one person and the working capital by another."

To some, this vision of the future smacks of an advanced corporate feudalism. Reformers argue that the drive for farm expansion, more modern equipment and chemical and technological solutions to farm problems has been nurtured by agribusiness to sell more machinery and fertilizer. Farmers, they maintain, should break the credit cycle by turning back to more traditional methods.

Whether or not that is still possible, developments of recent years have plainly intensified the struggle for economic survival. Land values have been pushed up more than 30 percent, excluding younger buyers and inviting outside investors.

A boom-bust cycle of farm pricing has set in, exposing all but the strongest to financial strains.

"It would have been impossible for me to go into farming nowadays," said an older Kansas farmer. With a few exceptions, a rich parent provides the surest access to the credit needed to start farming.

These concerns are uppermost in the conversations of Midwestern farmers interviewed during an eight-day trip through Kansas, Missouri, Iowa and Nebraska—America's food belt.

Yet the love of farming, a desire to farm, a determination to persevere add up to a tradition that still runs deep in the American countryside. It was expressed this way by a Nebraska farmer, Loren Schlitz, age 37:

"If I didn't love it, I wouldn't be here. I dunno. I think it's something you see what you did from day to day so much better than any other job. Just like in spring—you look across a field and see exactly how much you got done in a day. You're sittin' in a factory turning out the same old thing, and when you get done that night, you actually don't see how much you got done, as much as on a farm."

Garden City, in southwest Kansas, is the home of some of America's largest, wealthiest family farmers and ranchers. Truman Capote's saga of crime and punishment, "In Cold Blood," had its gory beginnings on the prairie near here. Two youths killed the family of Herbert Clutter in the futile hope of finding piles of cash stashed in his farmhouse.

Tragic as the event was, local farmers still smile at the misguided notion that inspired it.

Some of the wheat and cattle farms in the area are worth a small fortune. But very little of the wealth is in cash. The riches take the form of land, cattle, crops and equipment. It is an affluence that often rests upon a shaky pyramid of debt and mortgages.

The adage that farmers live poor so they may die rich—die with valuable land that they can bequeath to their offspring to start the cycle anew—applies even in this booming country. For Garden City is a striking example of American agriculture's staggering requirements for ever-expanding amounts of capital and credit.

It is true that farmers around Garden City probably live better than most. Some have been to Europe or to ski resorts in Colorado. And there are farmers like Cecil O'Brate, who has moved his family into a sprawling new home in town and set up a one-room office in Garden City. O'Brate is branching out, diversifying, making the transition from farmer to businessman. He bought a welding company "on a shoestring" and also operates a farm implement company.

O'Brate's office is adjacent to that of his business adviser, Danny Trayer, who recently established a private consulting firm to meet the growing needs of farmers for analyses of their business efficiency, estate planning and income tax assistance.

Trayer's service augments that of the local agricultural extension service's quarterly computer readouts to farmers, detailing their cash flow, expenses, income, crop value and capital commitments.

It is also true that Garden City bustles with business activity. The town's half-dozen modern motels put out their "no vacancy" signs by 5 p.m. during the planting season because of the influx of salesmen pushing seeds, fertilizer, machinery and pesticides.

A visitor is lucky to find a room available at the neglected old downtown hotel, the Warren, which charges $7.21 a night.

Evenings, well-to-do people gather in a crowded supper club next to the Wheatland Motel. Finance seems to dominate. There are half a dozen banks or loan companies, including the Production Credit Association, the agricultural credit union which is a member of the federal farm credit system. It is housed in an opulent, ultramodern glass edifice that some farmers call ostentatious.

Loan officer Frank Kinney said southwest Kansas farmers are sharpening their managerial skills out of sheer necessity. Kinney who occasionally uses a technocratic turn of phrase that seems oddly alien in prairie country, said agriculture today "isn't a whole lot different from a diverse manufacturing process with different lines of products."

Garden City's prosperity is real. Yet is also somehow misleading. There is a whiff of Las Vegas in the air. At the airport, a local man in Stetson and boots saunters among arriving passengers, telling all who will listen that the slump in cattle prices has wiped out 10 years of his profits.

Many cattlemen have suffered such losses, bankers confirm, though few have gone bankrupt. "They are bent but not yet broken," a Kansas City banker said briskly. At the start of 1973, cattle in the United States was worth $43 billion; a year later the value was down to $21 billion.

The cattle market has behaved erratically rising or falling by more than $10 a hundred pounds three times since 1973.

At the grass roots, the impact has been shattering.

Over at the Fidelity State Bank, Hoy B. Etling, a shrewd agricultural loan officer with the hands of a farmer, recalls the debacle. In the spring of 1973, the banks were routinely issuing notes to farmers and feed-lot operators to cover the full purchase price of cattle. A few months later the bankers saw the value of those same cattle halved. To cover themselves, they demanded more collateral from farmers, including land. The Fidelity Bank hasn't been strained, said Etling, but some others have been.

Farmers and bankers alike in this part of the country are disturbed by the increasing demands for credit and capital. The financial statement of a single successful local farmer indicates the dimensions.

In 1947, Harry Lightner raised corn, wheat and milo, a grain sorghum, on 1.397 acres south of town. The value of the assets he manages is well over $1 million. The computer printout for his operation indicates capital assets of $1,401,983, including land worth $775,000, buildings, equipment, grain in storage, cattle, buildings and 640 acres of leased farmland.

That year he grossed $247,926, placing his operation in the top 2 per cent of American farms—those that sell more than $100,000 worth of products annually.

But the bottom line of all this was a net farm income of only $15,800.

Farmer-businessman O'Brate is disturbed about the implications.

"If somebody doesn't get aware of it, this country's going to run out of food, because our costs are so high now, we're either going to have to get paid for it or we'll go broke . . . that's all there is to it," he said.

The Kleysteuber Farm, 20 miles south of Garden City, is the envy of many a local farmer who believes that expansion is the key to his economic problems.

It covers some 4,000 acres (including leased land) of the flat prairie. A motorist driving toward the farm from Garden City goes first through rolling, sandy hills and then arrives in the Kansas of folklore. Tumbleweed blows across the highway. Miles are measured in the dirt assess roads that lead off the highway with exact recurrence. Dennis Kleysteuber is a blond, chunky man who is almost the prototype of the young professional farmer. He takes a two-week skiing vacation in Colorado, pays himself a $15,000 salary from the proceeds of the Kleysteuber family farm corporation and reads a pile of periodicals and newspapers, including the Wall Street Journal and a Chase Manhattan Bank economic survey.

To work on his books, Kleysteuber can retire to a paneled, air-conditioned farm office.

A business graduate from Kansas State, Kleysteuber talks articulately about economics. Several years ago, the farm was incorporated, with his father, brother-in-law and himself receiving stock. A small, but growing number of farmers in the United States incorporate their operations to facilitate dividing the assets of their estates among their heirs.

The Kleysteuber farm, for all its modern attributes and size, seems to be suffering from the same problems of debt and costs which dog lesser operations.

"We're living right now on depreciation, or did last year," he said, referring to tax write-offs on equipment which allow farmers to reduce some of their obligations to the Federal government.

Loans on the farm are approaching a million dollars, and last year the farm lost $52,000, after paying all expenses totaling $802,000. The losses came in the feedlot and cow-raising operations. "We've lost a tremendous amount of money. It's been almost a disaster and we're still at the mercy of the prices," he says.

The Kleysteubers reduced their losses somewhat by feeding their own corn to their cattle. But that reduced the amount they could sell at the record high prices of 1974.

Cows which the corporation purchased two years ago for $80 to $90 a hundred pounds were sold in 1974 for $30 to $40 a hundred pounds—after the Kleysteubers had added 400 pounds to their weight by feeding them expensive grain. To raise money to pay off short-term debts, the corporation has mortgaged farmland.

Dennis Kleysteuber is more fortunate than many young Americans who aspire to a farming career. As the son of a prosperous, land-owning farmer with a sizable equity, his opportunities are considerable. For other young people without an established farming parent or some equity of their own, the road is far rougher, if it is not blocked altogether.

The cases of Ray and Helen Davison, both 31, both caught in a web of debt, legal tangles and tax worries, is typical of the plight of underfinanced young people.

The Davisons are now living in a farmhouse belonging to friends about four miles out of Bedford, Iowa. Ray Davison is short, introverted, sharp-featured. His wife is bright, saucy and very well informed on political and economic matters. In the company of their two children, who play around the farmhouse kitchen, the word "bankruptcy" is never said out loud. But, in fact, the Davisons filed for bankruptcy last month.

Seven years ago, Davison gave up his job at a local service station to fulfill his dream. He was able to lease some acreage from an out-of-town doctor and start farming.

The Davisons slowly built up assets of $50,000 to $60,000, mostly in equipment, and some $7,000 in savings.

However, last year Davison was hit by a double blow: the economic slump which halved the value of the several hundred head of cattle he was fattening, and a drought-caused failure of his corn crop.

After selling his cattle and what he had of a crop, there was not enough money to pay debts. And his lender, the Production Credit Association in the county seat of Clarinda, refused to extend his loans.

Today, Ray Davison is broke. He has more than $50,000 in debts; and he has put his equipment up for sale. Last fall, in addition, the doctor whose farm he was leasing sold the property and the new landlord did not allow the Davisons to stay.

Davison, his attorney has told him, owes $6,000 in 1974 income taxes as well. That is because he had to sell all his cattle and crops but had few offsetting expenses since local lenders cut off the credit he needed to pay bills.

When the man from the Farmers Home Administration bank asked him last fall, "How did you get yourself in such a mess?" Davison responded:

"Seven years of working my butt off."

Davison's main problem is credit worthiness. Older farmers with land or other assets built up have weathered the storm in western Iowa for the most part. They are tightening belts, going into savings or refinancing their land.

Yet the Production Credit Association was not willing to carry Davison along.

"About $100,000 to $150,000 is what we would have had to have to continue our type of operation," Helen Davison said recently. "The PCA loan came up for renewal in November. We went over umpteen times to try to get it renewed. They wouldn't tell us, 'Yes, we're closing you out,' or 'Yes, you have to quit farming.' They should have told us one or the other. They kept shoving at us, 'You don't have enough net worth.' We went through our whole savings this winter, then they told us no."

The Davisons said they have also been turned down by Farmers Home Administration office in Clarinda for a livestock disaster loan under the $2 billion Federal loan guarantee program approved by Congress last year. "They said we were too much of a disaster," said Mrs. Davison.

Now Ray Davison is doing chores for a neighbor.

"He's determined we're going back in farming next year," Mrs. Davison said. "We like farming. I hate it when my husband works around the clock in the planting season. . . . When he comes home at 4 a.m. from plowing because it looks like rain the next day. But the rewards you get! My famous last words were I wouldn't marry a farmer. But you know you always eat your famous last words."

Chuck Ehm is one of those small town Midwestern bankers who seems to know more about the pulse of his community than anybody else in town. He is deeply worried about young farmers like the Davisons, caught up as they are in agriculture's escalating financial stakes.

If the stakes force out young farmers, the family farming way of life that has assured the economic and social health of Midwestern communities will pass, he reasons.

Ehm is vice president of the Iowa State Savings Bank, a down-to-earth, old-fashioned sort of institution, in Creston. Men clad in overalls and high rubber boots mill around waiting to consult with one of the tieless bank officials who work right out in the front room. There are linoleum floors, standup radiators and a bulletin board covered with hand-scrawled advertisements for "precision sharpening of scissors or shears" or "all kinds of roofing and guttering."

Ehm strides down the street, past the ancient Iowana Hotel, with its clubroom for railroad men, past the still more ancient, boarded-up railroad station. Half a dozen times, people stop to say hello before he reaches the local buffet restaurant.

Ehm is elated. That very morning he set a young farmer up in business. The customer for an $18,000 loan was a young man who had arranged to lease some farmland. He needed the money to buy livestock, fertilizer, corn and beans. But he had few assets to put up for collateral. He also lacked a wealthy, land owning father to guarantee the loan. Chuck Ehm by some fast talking persuaded the wealthy older farmer who was leasing the land to cosign the bank note. A young farmer had a start.

If a sociologist were researching the reason for the health of rural communities in Iowa, he or she might conclude that one reason was local bankers like Chuck Ehm.

Ehm has his roots in local soil. He knows the farms, knows the character of the people farming them and probably knows how often they oil their machinery.

Ehm's father came to Iowa from Germany years ago. His youngest brother still lives on the farm purchased by the father and Ehm himself owns a farm.

Why did he come back to Creston after graduating from Iowa State University?

"It has something to do with rural America," he said. "And service to people."

The rural communities around Creston are fairly typical of those left in the wake of the great rural migrations to the cities in the 1950s and 1960s. The trend has reversed in the last couple of years, spurred by the agricultural boom that began in 1972 and by the economic troubles of the cities.

But for many little farm communities, it is already too late. In places with names like Gravity, Sharpsburg, Diagonal and Shannon City, the scene is Main Street in the nostalgic film "The Last Picture Show"—only five years later. Garbage dumps, empty wooden houses, burned down hulks along main street, perhaps a hardware store or grocery, occasionally a post office or bank that is open for check-cashing (but no deposits) a few hours a week.

The loss of young people has been a fatal tragedy for these towns. During the 1960s, the proportion of farm people over 55 rose by a third while the share under 14 declined by half.

Those towns that have survived often have been helped by chance, or the determination of a few local citizens with nerves steady enough to resist being panicked by deteriorating surroundings.

The tiny town of Clearfield (pop. 500) has been aided by both. The county keep the local high school open, while closing others in neighboring towns. There is a hard surface road to other main highways. And Dale Juergens, the local banker and Lions Club booster, has fought for the town's survival.

The Lions Club raised money for a community center and restaurant and sold subscriptions for the local paper when businesses started to close.

Clearfield now has two gas stations, a nursing home, mortuary, seed dealer, two grain elevators, hog-buying station, grocery, two churches and a movie theater.

How does Juergens explain Clearfield's renaissance?

"A lot of it is attitude and confidence," he said. "In some of those other communities it must be that people gave up. But most of all what kept us going was a few good years of farming. Our whole prosperity depends on agriculture."

All across the Midwestern farm belt, growers are preparing to plant "from fencepost to fencepost" in response to the Ford administration's request for all-out production.

It is a situation that makes many farmers very uncertain about their economic prospects. In several states, such as Iowa, farmers are trying to organize voluntary planting cutbacks. They fear that the massive corn crop that would be harvested in good weather would force prices down.

Critics of the administration's farm policies say the government expects the farmers themselves to take all the risks—to plant as much possible, but with little protection should massive harvests collapse prices. President Ford's veto of emergency farm legislation to increase price supports and income guarantees to farmers proved that, they maintain.

As farm state Sen. Hubert H. Humphery (D-Minn.) says, no other part of the American economy is asked to take such risks; no other section of the economy is locked into a a production cycle that can be adversely affected by so many factors, from unpredictable weather to suddenly soaring fixed costs.

In fairness, the critics say, a way must be found for consumers and taxpayers to share some of the risk. It is not fair, they insist, that those at the bottom of the food production chain should accept the most risk.

Yet many farmers themselves seem divided on the kind of government protections they desire.

An Iowa farmer, for example, said, "Get the government out of agriculture." But in the same breath he denounced Agriculture Secretary Earl L. Butz, who favors just that.

Some farmers clearly would like to return to the programs of the 1960s, when the government "managed" agriculture, supported the price of products, accumulated big reserves and told farmers how much land to plant.

But others blame the government for stockpiles of that era for stabilizing prices at a level satisfactory to consumers, not farmers. They seem unenthusiastic about a return to government planting controls. Yet some in Washington feel that farmers ultimately will have to accept that in return for more stable prices.

Farmers' opinions, naturally enough, vary according to their specific economic headaches. Fruit and vegetable farmers in Michigan chafe at government regulations, from quality standards to minimum wages for migrant laborers.

But tobacco farmers in North Carolina depend on the government's planting allotments to protect them from free market competition, and dairy farmers want higher government price supports and limits on imports.

Others are as angry as consumers at profiteering middlemen in the food processing chain. They insist that they are suffering as badly as consumers in other respects, too. Net farm income dropped from $32 billion to $27 billion between 1973 and 1974 and is expected to dip still lower this year.

More than anything, farmers say they want one thing: a fair return on their escalating investments.

THE INJUSTICE OF REVERSE DISCRIMINATION

Mr. TOWER. Mr. President, I would like to address an issue which seriously concerns millions of Americans—the injustice of reverse discrimination by virtue of affirmative action programs.

Little more than a year ago, on April 23, 1974, the Supreme Court handed down its decision in the celebrated case of Defunis versus Odegaard. The Defunis case specifically addressed the issue of reverse discrimination in educational opportunities and received much comment and public notice. My colleagues are well aware of the legal arguments presented in this case and, consequently, I shall not elaborate on them further at this time. The Supreme Court ruled the case moot, and Marco Defunis now has his law degree. But the highly sensitive issue raised by Defunis versus Odegaard is still very much with us and, if anything, is much more urgently in need of resolution that it was a year ago.

I have long been an outspoken critic of affirmative action programs, and it has been and still is my firm conviction that this unconstitutional aberration in our society was addressed precisely in the Civil Rights Act of 1964, title VII, sections 703 (a) and (j). Section 703(a) states:

> (a) It shall be an unlawful employment practice for an employer—
>
> (1) to fail or refuse to hire or discharge any individual, or otherwise to discriminate against any individual . . . because of such individual's race, color, religion, sex, or national origin; or
>
> (2) to limit, segregate, or classify his employees in anyway which would deprive or tend to deprive any individual of employment opportunities or otherwise adversely effect his status as an employee because of such individual's race, color, religion, sex or national origin.

Further, Section 703(j) states that—

> (j) Nothing contained in this title shall be interpreted to require any employer . . . to grant preferential treatment to any group because of the race, color, religion, sex or national origin of such individual or group on account of an *imbalance* which may exist with respect to the total number or percentage of persons of any race, color, religion, sex, or national origin employed by any employer . . . (emphasis added.)

Specifically to prevent any misunderstanding of the language of this section, Senators CLARK and CASE, in their floor management of the 1964 Civil Rights Act in the Senate, provided interpretive memoranda to the point:

> There is no requirement in Title VII that any employer maintain a racial balance in his work force. On the contrary, any deliberate attempt to maintain a racial balance whatever such a balance may be, *would involve a violation of Title VII* because maintaining such a balance would require an employer to hire or refuse to hire on the basis of race. (Emphasis added.)

It appears to me that this language is quite definitive, and I have waited expectantly for the courts to affirm my conviction through decisional law. Unfortunately, however, they have not chosen to do so and appear content to dodge the issue by following the counsel of Justice Frankfurter, who declared that—

> The Court will never decide an issue on constitutional grounds when it may be decided in any other way.

This, of course, was the case in last year's Supreme Court decision in Defunis versus Odegaard.

Part of the problem the courts face may be the widely held misconception that Executive Order 11246, issued by President Johnson in 1965 authorizing affirmative action, has some legal basis in the 1964 Civil Rights Act. As my colleagues know, this is simply not the case. In fact, there is no apparent basis for Executive Order 11246, which leaves the courts to grapple with the very difficult question of "the existence or nonexistence of a constitutional residuum of Presidential rulemaking power."

Thus, as a result, millions of Americans are still saddled with the Executive fiat of reverse discrimination and are faced with the unconscionable choice of accepting the affirmative action guidelines of the Federal bureaucracy against their principles, or losing Federal financial assistance in their universities and Federal contracts in their businesses.

The whole matter of affirmative action has been articulately addressed by Dr. Howard Sherain, assistant professor of political science, California State University at Long Beach, in an article entitled "The Questionable Legality of Affirmative Action."

After extensive examination of the entire question, Dr. Sherain has concluded that—

> (1) Affirmative Action is, in fact, not yet required by law; (2) as American constitutional law stands today, there are grave doubts that Affirmative Action in hiring could be required by law; and, (3) even if these legal doubts could be resolved, it is not certain—and now is the time to deal with the question—that we wish to require Affirmative Action by law.

Sherain further states, and I feel it important to reiterate this to my colleagues, that—

> When we deal with Affirmative Action through contract compliance, we deal in an area of legal illusions, procedural smokescreens, and administrative camouflage. In this area one can never be sure that what "is," is what *they* say it "is."
>
> The distinction between "goals" and "quotas" exemplifies this duality. The Affirmative Action clause requires the contractor to seek to hire "x" percentage of minority group members (and/or women). This, the administrator tells the contractor, is a "goal"—it is not a "quota." The difference between "goals," the rallying cry of the proponents of Affirmative Action, and "quotas," the rallying cry of the opponents of Affirmative Action, is that the aim of the former, we are assured, is "inclusion" and the aim of the latter is "exclusion." But even agreeing that the aim of these "goals-or-quotas-as-you-prefer" may be to get some people "in," it is difficult to see how their effect is not to keep some people out.

Dr. Sherain goes on to say:

> It has been suggested that Affirmative Action through contract compliance may be virtually immune to court challenge. Such an argument would run along these lines: A case is not *justiciable* unless the plaintiff has *standing* to bring the case: either he is not receiving the benefits of the law, or he has sustained some injury because of that law. Therefore, a contractor who has accepted a government contract could not challenge Affirmative Action; but similarly, neither could a contractor who has not accepted a government contract. Those who don't like Affirmative Action need not subscribe to it, by simply refusing the government contracts. They sustain no *justiciable* injury. Those who have accepted a government contract have subscribed to Affirmative Action voluntarily—and again, therefore, there is no *justiciable* injury. Affirmative Action through contract compliance is *non-justiciable*.
>
> Such an argument demands a gigantic "blinking of reality." The federal government is not, after all, just another "contractee"—the federal government is easily the most extensive "contractee" in the nation. Being ineligible to receive a government contract, with the threat of continual "black-listing" in the future, may mean more than the mere loss of just another contract"—it may well mean bankruptcy. This argument of non-justiciability rests on the illusion of voluntariness. As they have done in other areas, one would hope that here too courts would have the sophistication to see through this "voluntariness" and thus subject the concept of compelled Affirmative Action to judicial scrutiny.

Finally, Dr. Sherain discusses the illusion of procedural fairness and illustrates with a hypothetical scenario:

> The Administrator tells the contractor: "We are not asking you to do the impossible. If there are not enough blacks in your area qualified for that particular job, of course you have not violated the contract by not meeting the 'goal' which we have set for you. We are not unreasonable; all we expect is a 'good faith effort' on your part to reach the 'goal'—and we provide you with the opportunity of a *hearing*, so that you can demonstrate to us that you have made that 'good faith effort'."

We are reminded at this point to notice where the burden of proof is placed if a contractor has not met his "goal." The contractor "is presumed to have discriminated: and that initial presumption is overcome only when the contractor proves the contrary to the agency's satisfaction." We may interpret this situation as broadly as we like, but Sandler and Steinbach—American Council of Education Special Report, "HEW contract compliance—major concerns of institutions," April 20, 1972—point out that—

> Both administrators and HEW regional officers have interpreted this shift in the burden of 'going forward' as being equivalent to a *change in the Anglo-American system of jurisprudence by making an individual guilty until proven innocent.* (Emphasis added.)

Those who defend this imbalance, as well as the Executive orders which transfer the burden of proof from the plaintiff to the accused, declare that it is the only way of assuring "reasonable representation" of minority groups in our labor forces and educational institutions. They claim that administrative practices which benefit the minority to the detriment of the majority are justified, because their purpose is a benign one—to overcome the effects of past discrimination. In essence, they assert that since past discrimination was race conscious, the remedies must also be conscious of race.

I reject these rationalizations for blatant reverse discrimination and find it difficult to believe that any Member of this Congress who endorses the "equal protection" clause of the 14th amendment to the Constitution could do otherwise.

My colleagues are well aware that the goals-timetables-quotas methods of enforcing nondiscrimination have met with vociferous criticisms from a broad array of interests, including labor unions, the business community, and academicians.

Particularly outspoken in the academic community is an organization created to deal with this issue—the committee on academic nondiscrimination and integrity—CANI. This organization directs most of its criticisms at the Department of Labor's revised order No. 4, an outgrowth of Executive Order 11246 which provides that each college or university which is a beneficiary of Federal contracts adopt a plan designed to achieve specific numercial goals for the employment of women and members of specifically listed minority groups by specific dates. Failure to develop such a plan agreeable to the Office for Civil Rights of the Department of Health, Education, and Welfare results in withholding of Federal funding for the higher education programs of that institution. This organization is led by such notable scholars as Sidney Hook of New York University, Paul Seabury of the University of California, and Eugene Rostow of Yale Law School.

Miroslav M. Todorovich, City Unisity of New York physics professor and coordinator of CANI, has done extensive research within the academic communi-

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ty on the extent and effect of reverse discrimination. Here again, Mr. President, we are dealing with the same illusions discussed earlier. Professor Todorovich purports, in a memorandum entitled the "Affirmative Action Program for the Nixon Administration," that many university administrators, faced with the stipulation of the various ordinances—the investigative methodology of the various central and regional offices of the Office for Civil Rights—OCR—of HEW, the harshness and abruptness of possible financial penalties, and the general dislocated state of the Nation's campuses in the wake of student disorders," responded in much the same way that Columbia's President William J. McGill explained:

> Our instincts in such circumstances were to promise almost anything in order to get the Government off Columbia's back.

Once more we have an illusion of voluntary compliance in stark contrast with the practical reality of the situation.

Mr. President, as we all know, the cost of education today has become so prohibitive that many, if not most, of our Nation's private colleges and universities are in severe financial condition. Institutions which for years have been the backbone of academic excellence in America are closing their doors. Should all colleges and universities which receive Federal financial assistance refuse to accept these funds in the future on the basis of a refusal to submit to "voluntary" affirmative action guidelines, the majority of our Nation's young people would be unable to afford a college education, and the majority of these federally assisted universities would be forced to fold. Higher education in 1975 is in a life and death struggle with the economics of inflation, and Federal financial assistance cannot be tossed aside at will.

Today, in the United States, our colleges and universities are quite literally being forced to accept affirmative action by Federal bureaucrats with social schemes and little concept of the nature of the academic environment. No consideration is given to the question of credentials or tenure. The professorships today hinge on color or sex. As a former university professor, I feel that the threat which this poses to academic excellence is imponderable.

This brings me to one final point. If there is no legal or constitutional basis for affirmative action, one begins to wonder how the executive branch of this Government made the great leap from nondiscrimination to reverse discrimination. Legal scholars studying the question have suggested that the explanation can be summed up in a word: Frustration. The administrators within the executive branch learned that "simple prohibition of discrimination" was not enough to bring immediate equality in educational or employment opportunities. Consequently, it seems, they began to look for other answers which were faster than mere nondiscrimination. Affirmative action—the "fruit of their frustration"—seemed to fit the bill. I would like to point out, however, that while this frustration may make affirmative action understandable, it does not thereby make it legal, nor constitutional.

I hope that my colleagues will give careful thought to the matter of reverse discrimination/affirmative action. It is time that these issues were exposed—these questions asked—so that we may move toward a greater understanding of the real considerations in college and university admissions, faculty hiring, and private employment.

VANCE HARTKE ON FOREIGN POLICY

Mr. RIBICOFF. Mr. President, Senator VANCE HARTKE has made a significant speech about America's position in the world in view of recent developments. In particular, his observations about our policy in the Middle East are worthy of our attention. Senator HARTKE has taken a perceptive look at our role in the world, and he puts into perspective the moral and historical relationship between the United States and Israel. His speech contains an important analysis of this situation, and I commend it to all of our colleagues.

I ask unanimous consent that the speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR VANCE HARTKE BEFORE THE INDIANA JEWISH COMMUNITY RELATIONS COUNCIL

My remarks tonight were going to focus exclusively on the Middle East. But recent events in Indochina make it imperative that any discussion of foreign policy be placed in the broadest possible context. Development of the magnitude we have just witnessed inevitably bear in significant ways on all aspects of America's foreign relations. There has been no lack of speculation—some of it quite irresponsible—on the potential effects of Vietnam. To avoid a discussion of these implications can serve no useful purpose.

The resignation of President Thieu, followed by the surrender of the Saigon regime, was the symbolic consummation of an internal struggle conceived in the aftermath of World War Two. American participation in that conflict evolved gradually, almost imperceptibly. There were few, if any, landmark decisions; even the much-touted Gulf of Tonkin resolution hardly seemed, at the time, to be much of a departure.

As a result of this slow, incremental process, America awoke one day to discover that the Vietnamese civil-revolutionary war was an American war—a war financed by American money and fought with American soldiers. Most Americans, including many of those who helped shape the decisions, were stunned by the realization; few could offer a sound reason why it had happened.

The Vietnam war was a war without purpose; it was a war without conviction; and, it was a war without consent.

When historians set themselves in earnest to the task of analyzing the genesis of Vietnam policy, they will find that it issued from no articulated set of national goals, nor did it serve the interests of national security. The high-sounding platitudes which clothed this brutal misadventure were invented after the fact to justify a long series of mistakes.

By the time the administration realized the enormity of the commitment, it was too late to reverse course. Imprisoned by is own ill-conceived plans, the administration lacked the courage to admit that thousands of American lives had been misspent. More than ever, our officials in the State and Defense Departments felt the need to justify what they had wrought: their solution was to redouble the effort to achieve an impossible military victory. A sense of profound desperation permeated our military and foreign policy establishments. The carnage continued.

At home, the pressures mounted. American youth, upon whom the burden fell, was radicalized. Congress was finally rebelling. "Vietnamization" was invented to shift the war back to the Vietnamese. When it failed, as every clear mind knew it would, all pretense was dropped. The Paris accords compounded agony with hypocricy. Mr. Nixon proclaimed a "peace with honor." America gained neither peace nor honor

I thank God the ghastly charade is over. But the memory of those years of self-delusion, of self-deception, and of self-destruction will not be easily erased. The memory will linger in the grief of every family that lost a son; it will linger in the despair of the tens of thousands of war-scarred veterans; it is etched in the face of every Vietnamese orphan.

I am confident, however, that America, like the great bird, Phoenix, will emerge stronger, wiser, and more mature from this national tragedy. The American people have been shocked, but not traumatized. They will *not* react by withdrawing from responsibility, but they will be more cautious and deliberate. They will *not* reject our political system, but their demands on their political leaders will be more onerous and exacting. The tone of American politics will change.

The American people—at least, most of the American people—now clearly see the bankruptcy of the Vietnam war; they feel its debilitating moral effects. But the legacy of Vietnam will *not* be a new isolationism.

We feel embittered about Vietnam. We should. Some will call for a return to "Fortress America," but the 1970's are not the 1930's. Global interdependence is a reality that cannot be shunted aside. America is a world power of necessity, not by design. A people who has walked on the Moon will not turn its back on the rest of mankind.

Vietnam was unique; an aberration. It was another nation's civil war. It was an American war by presidential decree, not democratic debate. We can, and we will, distinguish between Vietnam and the idea of international commitments.

Because I was among the very earliest critics of this war, I have been called an isolationist. If that meant keeping us out of another Vietnam, I would gladly accept the label. But because it means an undifferentiated, across-the-board rejection of foreign ties and commitments, I unequivocally declare that I am not an isolationist—of the new school or the old.

American foreign policy stands at a crossroads. The experience of Vietnam will force us to scrutinize ourselves. This will lead, I hope, to a clear articulation of the principles to guide us in the future. It is a re-evaluation that I welcome; you should welcome it as well.

The result will be a "new internationalism" that will usher in an era of openness in foreign policy. Vietnam epitomized the obnoxious doctrine that effective foreign policy and democratic processes are incompatible. The people, and the people's elected representatives, need to be managed and manipulated by elites, it is argued, because foreign policy is too technical, too complex. In practice, this means lying to the public and circumventing the Congress.

Without the continuous vigilance of Congress, it is too easy for the career civil servants in the State Department, the Central Intelligency Agency, or the Pentagon, to lose sight of the ends and goals of American policy—if, in fact, they ever see the goal. Because their operations are shrouded

in secrecy and their administrators are not politically accountable, much national policy is formulated and executed in a moral and political vacuum. The allegation, whether true or not, that governmental agencies like the C.I.A. plot assassinations and consort with organized crime is frightening. It is the stuff of cheap fiction and must not be allowed to become a part of the fabric of American policy.

The "New Internationalism" should extend, as President Woodrow Wilson sought to do following World War One, democracy into the exclusive club of foreign policy. Wilson decried the secret treaties that led an unsuspecting world down the path of general war. Henceforth, he said, only "open covenants openly arrived at" should bind a nation. For a few moments, the war-weary world listened; too soon, it settled back to its old habits.

If we, the people of the United States, are determined to be a true democracy; if we are to continue to espouse the inherent dignity and stature of all men; we must resolve to adhere to those principles in all arenas of public life and public policy.

The "New Internationalism" must mean, above all else, that the American people, directly and through their popularly elected representatives, participate in the formulation of foreign policy. Congress must reassert its role and its prerogative. The President and his mamouth bureaucracy can no longer be allowed a monopoly in both the conduct and formulation of policy.

The "New Internationalism" must mean a careful and systematic consideration of all this Nation's overseas commitments in an open forum. Together with the President, we must develop an understanding of America's role in the world, and we must establish its goals. We must further determine how our relationship to other nations advances or hinders these purposes.

The "New Internationalism" must mean that all future commitments will reflect a sufficiently broad support to avoid the fragmentation of our political community precipitated by Vietnam.

Fear of a new wave of American isolationism comes on the heels of the much publicized "reassessment" of American-Israeli ties. The reassessment itself was precipitated by the failure of Secretary of State Kissinger's most recent Middle East shuttle. The Secretary had hoped to lay the groundwork for an overall peace settlement by reconstituting Israeli-Egyptian relations. Seen against the backdrop of the rapidly deteriorating Indochina situation, the Ford administration was anxious—perhaps, overanxious—to score a diplomatic victory.

Substantially, the "reassessment" will not result in any change of American policy toward Israel. It is primarily a bargaining lever by which the administration hopes to force greater Israeli flexibility. It is true that because of Israel's meticulous adherence to the concept of proportional representation in the Knesset, the maneuverability of the Prime Minister is severely circumscribed by a very limited majority. The "reassessment" is also being used to strengthen the Secretary's credibility as a third party mediator in Arab eyes.

I am convinced, however, that Dr. Kissinger, in his haste to earn himself and the administration another Nobel peace prize, has mistaken Israeli prudence and common sense for intransigence. In the diplomatic ballet that the Secretary choreographed, Israel offered much, Egypt very little.

The precondition for any successful or even valid negotiation is the conviction on both sides that there is a mutual interest that can be achieved by bargaining. But there are other reasons for entering into a negotiation besides the ostensible one. If the Egyptians agreed to negotiate for propaganda purposes, they were quite successful.

Both Egypt and Israel have something the other wants. Israel possesses strategically and economically valuable real estate gained in war at Egypt's expense; Egypt, for its part, has the power to make fundamental political concessions, namely, an end to the state of belligerency, that Israel wants. Kissinger's goal was to effectuate an exchange. Israel made very considerable territorial offers of the oil fields and some of the Sinai passes; Egypt would only agree to the most ambiguous and unsatisfactory language. Compromise proved impossible.

The areas held by Israel are intrinsically important to her security and they are important as bargaining counters. Israel argued that to give these up without a basic change in the formal state of Israeli-Egyptian relations—from a state of belligerency to something else approaching a recognition of Israel's status—was nonsensical. Egypt, for its part, virtually demanded a return of all the territories as a pre-condition for discussing the problem.

Had Egypt agreed to the political demands of Israel, President Sadat would have committed himself—and, perhaps, most of the Arab bloc—to resolve their disputes within an entirely new political diplomatic framework; a framework that recognized the right of the Jewish state to exist. When that point is finally reached, Arab-Israeli relations will have reached a new plateau. It will be a Middle East turning point.

American attitudes toward the Middle East betray a significant strain of "rationalism." Rationalism is the belief that human conflicts are problems which can be solved. It holds conflict to be an unnatural state of affairs and assumes that all men share a communality of interests. Occasionally, this may become obscured, but patience and diligence will overcome these monetary perversions. This is not a uniquely American philosophy, although it fits well with our highly vaunted pragmatism. The earliest rationalist philosopher was Plato, and his intellectual descendants include such luminaries as Rousseau, Marx, Thoreau, and Skinner.

It is ironic that the men most responsible for the invention of our political institutions—men like Madison and Monroe—held just the opposite. Human struggle and conflict were intrinsic to the human condition. To survive, a political system had to evolve mechanisms to contain and moderate these proclivities; our constitution is such a device. It is a blueprint for structured and balanced conflict. It parcels out overlapping responsibility to three different branches to disperse power. It creates an intricate network of checks and balances to pit power against power so that no individual or group can gain ascendency.

Our founders were neither obdurate pessimists or hardened cynics. They were political realists who accepted the proposition that while men have been created equal, they were not created entirely rational.

History teaches that most conflicts are not so much resolved as superseded by new ones. The goal of peace and harmony in the Middle East may not be realistic for the near future. The conflict there runs deep, encompassing all the conventional forms, but adding fundamental cultural, ethnic, and religious differences. It is not for lack of understanding or communication that Arabs and Israelis fight.

America should take its cue from our own founding fathers in its approach to the Middle East. Yes, we should continue by any and every means available to move toward the millennium. But the immediate objective should be the establishment of a framework of checks and balances, so that conflict will be kept moderate and within reasonable bounds. A loving Middle East would be desirable, but a stable Middle East is imperative.

It is in this context that I am somewhat disturbed by recent events. Reluctantly, I have come to the conclusion that the last round of negotiations was an attempt by President Sadat to undermine—or, at least, moderate—American support for Israel. By portraying himself as a reasonable man dedicated to peace on the one hand, and social progress in Egypt on the other, he sought to shift the onus of the present situation onto Israel. His message to the American people was—"after all, it is Israel that holds Egyptian territory, not vice versa." The answer—which received far less publicity—is that the territory was lost following an unsuccessful military invasion of Israel by Egypt. Its return, therefore, requires some guarantee against future invasions.

President Sadat's maneuver was more effective with the American State Department than with the American people. Egypt was not successful in undermining or weakening American support of Israel. That sense of solidarity is as strong now as it ever was. It is true in the Nation as a whole, and it is true in the United States Congress. Mr. Ford and Dr. Kissinger have made a serious tactical mistake in their so-called reassessment. Its real effect will be to encourage the Egyptians to pursue a similar strategy in the future to the detriment of real negotiations.

America was deeply involved in the creation of Israel. Exactly eleven minutes after Israel was proclaimed a State, the United States recognized the provisional government. Throughout 1948 and 1949, President Truman reiterated his support of Israel and resisted all attempts to diminish its territory. In October of 1948, Truman enunciated the principles that have remained the cornerstone of our policy in the intervening twenty-seven years. "The subject of Israel," he said, "must not be resolved as a matter of politics. . . . it is my desire to build in Palestine a strong, prosperous, free and independent democratic state. It must be large enough, free enough, and strong enough to make its people self-supporting and secure."

In an age when human values as embodied in the Judeo-Christian tradition, are under constant attack, Israel stands as a beacon of hope. Its mere existence is testimony to the indomitability of the human will. Its democracy in the face of adversity and hostility is proof that human freedom can survive and prosper. Its economic achievements proclaim to the world what industriousness and commitment can accomplish.

American support of Israel is undeniably influenced by a deep sentimental attachment. But the two countries are bound together by mutual self-interest which buttresses the sentiment and cements the relationships.

Ideologically, America is bound to the ideal of democracy. We believe it to be the best soil for human growth, spiritual and material. We would like to see all nations espouse it. Unfortunately, most new nations—and too many of the old—have determined that modernity and freedom are incompatible. We want to protect and expand freedom, and Israel is very much part of the free world. The example of Israel reaffirms our faith in America.

The physical location of Israel is the key to understanding its international significance. For the better part of two centuries, the great powers of the world have contested and jockeyed for position in the middle east. On one side is the eastern Mediterranean; on the other, the Indian Ocean. It is the connective tissue between east and west, and it is between the powers of the east and the powers of the west that much of the international competition and rivalry has occurred. The immensely important strategic location of the Middle East has been vastly increased by the nine-hundred-billion barrels of oil that lie beneath its surface.

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The western world is experiencing in a very tangible way the importance of the Middle East in the quadrupling of the price of oil. During the Yom Kippur war, the oil rich Arab nations practiced political blackmail by withholding oil from the west. Since then, they have settled for economic blackmail. But there is no doubt in my mind that the present cartel price of oil has little to do with the Middle East conflict. It is the expression of Arab nationalism; and it reflects their desire to enjoy to the fullest extent possible nature's bountiful generosity.

Detente between the United States and the Soviet Union is not without practical significance. But detente must not be mistaken for an end to the political rivalry between the two superpowers. It should not be taken to mean that the Soviet Union has acquiesced in the existing status quo. It is simply part of an attempt to lower the decible level of the conflict, and to better manage the inherent explosiveness of the rivalry. It does not follow, therefore, that because we officially have detente that the ambitions of the Soviets have disappeared and that vigilance by the United States is unnecessary.

Russia's immediate objective in the Middle East is to diminish American influence, make the nations of the region client states, and thereby gain control over the flow of oil. This would gain for them considerable leverage over the economics of Western Europe, and would decrease, if not eliminate, American naval presence in the Mediterranean. Their position in the Indian Ocean would be considerably strengthened while insuring access to Africa. It is unlikely that the Soviets have specific territorial ambitions. What they want is political hegemony which could be accomplished by supporting revolutionary regimes reliant upon Soviet arms and assistance.

Israel is the single most important barrier to the fulfillment of Soviet ambitions. Israel is a bulwark of the west; it is the key to America's counter-strategy. For this reason, the Soviet Union has been so generous in supplying Israel's enemies; and it is for this reason that the bond between Israel and the United States is secure.

American policy in the middle east is not merely a carbon copy of the Soviet strategy in reverse. We do not want political hegemony. Our objective is that the countries of that area be truly independent; that their conflicts be moderated and, if possible, eliminated; and that the middle east cease to be a pawn in a global chess game. We hope that the Soviet Union will abandon its political objectives and join with us in creating a framework that will decrease the potential for future wars.

Middle Eastern diplomacy is complex, even Byzantine. Not every Arab State is equally susceptible to the Soviet Lure. Countries like Saudi Arabia and Egypt are acutely aware of the danger of too close ties with Russia. American policy and American interests in the Middle East must be sensitive to these shadings. It would be disastrous—for Israel as well as us—to drive the more moderate Arab States further into the Russian camp. At the same time, we need to take great care to protect Israel. Should Israel be defeated, the Middle East would become an open and angry struggle for power between Russia and America.

The Soviet Union must also proceed cautiously. The American commitment to Israel makes the situation potentialy very explosive. The Kremlin's leaders walk a middle ground between aiding the Arabs and transforming them into clients without provoking too great a response from the United States.

In the Middle East, peace and stability are not the same thing. Peace is the absence of overt conflict, stability is the maintenance of the existing States with roughly the same relative capabilities. The only viable method to insure against a collapse of the Middle East is to insure that Israel has the means to defend herself. American policy must provide for a continuation of the military balance of power. Whatever it takes in military and economic assistance to accomplish, it must be done. A strong and independent Israel is the best guarantee we have of an indepenednt Middle East!

Our Israeli friends ask no more than this. We cannot afford to do less. The crucial difference between Israel and Vietnam is that Israel believe in itself. Israel has no wish to become an American client. Israel values her independence as much as we value ours. Israel demands our respect, and insists that we treat one another as two equally sovereign States.

American support of Israel has been substantial. But its extent has been greatly exaggerated by those who wish to change that policy of support. Compared to other nations and regions, American assistance to Israel has been modest. Most of our help has been in the form of loans, not grants.

Between 1946 and November, 1973, our total economic and military assistance was slightly over four billion dollars. Less than one-half billion dollars was in grants. The three-and-one-half billion dollars in loans that are being assiduously repaid. Prior to the Yom Kippur war, every bit of military equipment was purchased, not given free. In December, 1973, Israel requested, and the Congress appropriated, one-and-one-half billion dollars in emergency military assistance grants, and seven-hundred million dollars in loans.

These figures need some perspective. During the pre-1973 period, the United States appropriated seven-hundred-ninety-two million dollars in military assistance to the Arab States, almost equally divided between grants and loans. During the same period, we extended a total of three-point-nine billion dollars in economic assistance, of which two-point-four billion dollars was in grants. Our assistance to the Arab States, prior to late 1973, was seven-hundred million dollars greater than our assistance to Israel. The grant versus loan comparison is more startling. Almost fifty-nine percent of our assistance to the Arab States was in grants, compared to only twelve-point-five percent for Israel.

To capture for you the Israeli attitude toward its defense, let me quote you the eloquent words of Abba Eban who spoke in Washington a few weeks ago:

"Israel seeks respect for its solitude of responsibility. We are not alone in arms—we are greatly helped. We are not alone in economic strength. We are greatly reinforced. We are not alone politically, we are greatly aided by American understanding. But there is one domain in which Israel is alone. When the last account is made, when there is sacrifice of life and blood, it is the sacrifice of Israeli life and Israeli blood alone. We would not have it otherwise."

This is the irreducible difference between Israel and Vietnam. This is why American disenchantment with the corrupt regime of President Thieu will not pollute the American commitment to Israel.. Israel stands as a united people, determined to insure its place in history. The United States will help.

DRAB OUTLOOK

Mr. THURMOND. Mr. President, an editorial entitled, "Drab Outlook" appeared in the May 6, 1975 issue of the Augusta Chronicle newspaper in Augusta, Ga.

The editorial of the Chronicle took note of an Association of the U.S. Army statement which warned about U.S. withdrawals around the world.

In its usual succinct manner the Chronicle concluded that the best insurance for the survival of our country and the free world "may be found in the stabilizing ballast of a strong national defense."

I ask unanimous consent that this editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Drab Outlook

The Association of the United States Army as that military-oriented organization periodically does, set about the other day to examine the global outlook so far as America in concerned.

Its conclusion was that "Pollyanna would be hard-pressed to glean much solace from what we confront in the world today. The dangers to our whole free way of life have never been more real."

That awful outlook, one might suspect, should serve to awaken every American to the only course left open to us—a shoring up of our ramparts for any and all eventualities. Yet, the Nation—or at least its lawmakers in the halls of Congress—faces its present dangers with an inadequate security posture that continues to diminish year after year. U.S. troop strength overseas, said AUSA's survey, for more than 30 years one barometer of the Nation's posture in world affairs, was down to approximately 500,000 at the beginning of this year, and is still declining.

What should trouble most Americans—but somehow doesn't—is that far too many persons in high office tend to take for granted the outward improvement in our relations with the Soviet Union and Red China and what they regard as the lowering of global tensions. Some Americans assume that continued progress is automatic, that to be firm would rock the peace boat.

But there is no peace, and there is no lowering of tensions. To the contrary. Tension in Southeast Asia continues white hot. It is still highly heated in the Mideast. We have detente with the Soviet Union, but the Communists, who respect only strength, continue to strengthen their forces, as the United States reduces its.

The shocking realities of the situation were forcefully brought home to Americans over the weekend when retired Admiral Elmo Zumwalt, former chief of naval operations, bluntly acknowledged that in the event of a war right now with the Soviet Union, America would lose!

This frightening potential is an albatross every American has to wear around his neck. It is the gift of a Congress, which, as Zumwalt said, "has been so penurious in its budget we do not have the capability to stand up to the Soviet Union today."

The addition to the U.S. Fleet of the world's largest aircraft carrier, the U.S.S. Nimitz, cannot help but give strength to the country's total force, but the need for a strong national defense stretches ahead as far as we can see. Without it, we have nothing. The Nation cannot mortgage its future to the perceived good intentions of others.

The problem is not alone this country's. Every Western nation faces daily the threat of Communist muscle-flexing. Just recently, the magazine Business Week commented on what it termed the phenomena of the total lack of leadership in every country at the level of head of state. Its observation:

"There are no strong governments anywhere. The Western World seems to be floating without power or rudder on a sea filled with destructive events."

Somehow, Congress is going to have to be convinced that what the United States vitally needs, now that it faces a weakening of ties

with some of its allies and even the complete loss of some in NATO, is the insurance against attack that may be found in the stabilizing ballast of a strong national defense.

DIALOG ON BILINGUAL EDUCATION

Mr. CRANSTON. Mr. President, some weeks ago I had the privilege of participating in a radio forum on bilingual education as a part of the series "Options on Education."

"Options on Education" is co-produced by the Institute for Educational Leadership of the George Washington University and by National Public Radio. It airs on nearly all NPR's 176 member stations in this country, and is broadcast by Voice of America abroad. In 1974, "Options on Education" received awards from the Council for the Advancement and Support of Education, winning first prize for radio coverage of higher education, and from the Education Writers Association, which awarded "Options" its first prize in the broadcast category.

I was especially pleased, Mr. President, that this segment on bilingual education involved such a diverse range of persons with strong backgrounds in the field. I believe the transcript would be of interest to Senators, and so I ask unanimous consent that it be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Se Habla Español Aqui—Spanish is spoken Here

[A Transcript of "Options on Education", January 31, 1975]

A. Announcer Mike Waters

JM. Moderator John Merrow

JG. Jose Angel Gutierrez, County Judge, Crystal City, Texas

AG. Angel Gonzales, U.S. Office of Education, former Superintendent of Schools, Crystal City, Texas

JS. Father Jose Samosa, Director, federally-supported Bilingual programs, District of Columbia Public schools

AC. U.S. Senator Alan Cranston (D., Calif.)

PH. Peter Holmes, Director, Office for Civil Rights, Department of Health, Education and Welfare

Also. Children in the third grade, the Oyster Elementary School, Washington, D.C.

A. From National Public Radio in Washington, I'm Mike Waters with "Options on Education."

JG. Why can the Americans, say it's great for Americans to speak English because this is a country for Americans, and then deny that same equal opportunity for Mexicans to speak in Mexican and Spanish. The only difference is that we have a little Mexico in the United States, like we have a little Cuba in the United States, like we have a little Greece, and a little China, and a little Hawaii, and a little Philippines, and a little Holland, and a little Germany, and a little Italy.

A. There are only four other countries in North and South America with more Spanish-speaking citizens than the United States. What happens in public schools to children for whom English is a second language, if they speak it at all? What does the law require? Is the USA a melting pot? We'll be looking for answers to these questions on this edition of Options on Education. We're calling this program "Se Habla Espanol Aqui"—Spanish is spoken here. We'll hear from a United States Senator, a top Civil Rights official, three Chicano educators, and saving the best for last, some third-graders in a bilingual school.

Let's begin with a brief look at the law. Title VII of the Elementary and Secondary Education Act is the Bilingual Education Act, which became law in 1968. It provides money for demonstration projects in bilingual education. Right now there are about 350 of these projects around the country at a cost of $70 million. Forty-two different languages are involved, but Spanish is the dominant one. Title VII was recently amended, as you'll hear later. From all reports, Crystal City, Texas has one of the best bilingual demonstration projects in the country. Until several years ago, Spanish was not allowed to be used anywhere in Crystal City schools—despite the fact that about 86% of the students were Chicanos.

Jose Angel Gutierrez and Angel Gonzalez were very much involved in Crystal City's bilingual revolution. Mr. Gutierrez from the beginning, and Mr. Gonzalez as the district's first Chicano school superintendent. Mr. Gutierrez was one of the founders of La Raza Unida, the Chicano political party in the southwest. Mr. Gonzalez now works in the Bilingual Education Division of the U.S. Office of Education. They talked with our reporter, John Merrow of the Institute for Educational Leadership.

JG. Essentially the problem was a lack of involvement and influence on the decision-making into the politics of education.

JM. How big is the community and how many are Chicanos?

JG. The community is about 10,000 population, 85% were Chicanos. It's more now. In a county which has three school districts, or had at that time—independent school districts—the board members, comprised of 7 members, reflected the corporate and ranching interests, with 2 Mexican-Americans on the School Board out of seven. Neither one of the Mexican-Americans was a man on his own because he was working for one of these either corporate or ranching interests. Del Monte Corporation, the world's largest food processer, has a plant located there. So it is a company town. And the problem has been in the past that there was very little input. No one could make any decisions affecting the education.

JM. You mean no Chicanos could make decisions?

JG. Well, I'm trying to stay away from that because this is a problem all over America to begin with—that the people don't have much of a chance of influencing boards of education over the technical selection, over the curriculum, over the teaching techniques; and we have this glorified notion that the people coming out of colleges somehow are better equipped intellectually and in other ways to cope with the problems of education, so parents give up the right, and they are led to believe that that's the way it should be by principals, and superintendents and everyone else in the business of education. So, adding onto that problem we have the problem of us being culturally different. The minority population, in the case the Anglos as we call them, felt we were culturally deficient—so that they tended to view us in very racist and ethnocentric points of view. That we should be Americans therefore speak American, meaning English, that we should accept a totally English curriculum, that we had to work twice as hard to prove our Americanism, we should be excluded therefore from little Mickey Mouse things which are important to the students.

JM. Like what?

JG. Cheerleader selections. There was only one token slot for a Mexican girl, the twirlers,, and the football captains, the football sweetheart, and all this kind of stuff.

JM. How were those things selected—how was the homecoming queen selected?

JG. Well, that's a wrong choice unfortunately that you picked, because that was *created,* and that's what caused the walkout. In the past, they had a football sweetheart, which was popularly elected until about 1961–60, when the majority population of the high school changed from Anglo to Mexican-American. When the Mexicans began electing their own Mexican football sweetheart, the rules were changed to have the faculty choose that woman. Then as that got out of hand because there was faculty coming in that was Chicano, they moved to outside judges. They had the same formula with the football team, which was almost all white. They didn't play by ability, they played by whose son was the biggest rancher and needed to get his football letter so he could frame it and keep it for his latter years to show his kids or whatever reasons. So, these kinds of things started occurring, and in 1969 when the community in the spring got tired of this kind of situation, the students began discussions with the principals, the superintendent and Board of Education about not accepting this discrimination.

The response of the Board and the administrators was "separate but equal." They invented two sweethearts, one Mexican and one white. Well, this was acceptable to the students for the springtime because we had learned by now that you don't begin any kind of organizational activity toward the end of the school year. So, the school administrators decided to allow the creation of another titular thing called a homecoming queen. And in typical racist fashion with a contemporary theme, they made some rules which were the same thing as the "grandfather clause" back in Civil War times—the black slaves were allowed the franchise to vote provided their grandparents had been able to vote. Here in Crystal City they said any Mexican girl is eligible to run for homecoming queen provided her parents both graduated from this school.

JM. Is that the same thing? Tell me about graduation rates.

JG. Well, I explained at the beginning of the interview that it wasn't until 1960–61 that we were finally in majority numbers at the high school. We had, up to the time Mr. Gonzalez arrived, about a 91% drop-out rate among Mexican-Americans. He can comment more on the statistics and problems that he found when he took over our school district as superintendent. But with the invention of those rules, the community was infuriated because there was only about 6 Mexican-American girls who were eligible out of about 300 or 350. And that began the issue. Of course, that was much broadened in a very few weeks into an issue of bilingual education, refusal to permit any further testing, wanting to disallow corporal punishment, insisting that Spanish be used as a language of instruction.

JM. Now wouldn't that have been illegal? Was this about 1969?

JG. 1969, correct.

JM. Wouldn't that have been illegal to teach in a second language—to teach in Spanish.

JG. Illegal in Texas—correct. It was illegal unless you requested permission from the state and obtained it. We never did then, and even if it were made illegal again today, we wouldn't ask for the change or permission because we believe that the First Amendment says you have freedom of speech—it doesn't say in English only.

JM. But haven't teachers in Crystal City been arrested?

JG. One. And it was never taken to court. I think the authorities saw that they were in error, and rather than face a court suit that would eliminate that particular policy and legislation, they simply chose not to litigate, to leave the laws as they are so that other people less courageous and bold would accept the refusal.

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JM. Now, so in 1969 you have a walk-out, you have a great deal of protest about an issue other than the student homecoming queen. What did it lead to? Who was superintendent then, and how did Mr. Gonzalez get to become superintendent of Crystal City?

JG. We had a superintendent by the name of John Billings, who has been superintendent for a couple of years, and he proved totally inept in handling the situation because we were well-organized and very adamant about what we wanted and were not going to concede a single point. We proceeded then on December 9th to withdraw 100 students from the school, and proceeded to withdraw 100 students everyday thereafter for 17 days until we reached 1700, which practically closed the school. The Christmas holidays got into the middle of the thing, and we had people from all over the state come in and help us set up emergency schools, liberation schools as we called them. And we got considerable publicity. Some students came up to Washington to confer with Congressmen and Senators and the Office of Education about the atrocious education we were getting, because our kids were fighting *for an education*, as opposed to other kinds of protests we had in the '60s or against something else. We were protesting for education.

So we were successful January 2nd or 3rd, around there, to iron out the contract between the protestors and the Board of Education. But we realized that piece of paper was not even worth the paper and ink that it was written on. We learned that from Indian history with white people. So we proceeded then to organize ourselves into political parties, even though school board elections and municipal elections are non-partisan in Texas. That also is a myth, as we well know. We knew that the corporate and ranching interests controlled all government, county school and city, partisan or non-partisan, party label or no party label. They were all in it together against us. So we organized, registered voters, got ourselves together, formed a political party and launched a campaign and won.

JM. What was the political party called?

JG. La Raza Unida.

JM. Is that the origin of La Raza Unida?

JG. Yes, that's the birthplace as well. We organized it on January 17th, 1970—two weeks after the walk-out contract was signed and terminated. So then we were successful—not only in Crystal City but in the whole area. We ran 17 candidates and won 15 in city council and school board elections in that area which was a three-county area.

JM. How did it change the composition of the school board in Crystal City? It was 5 to 2.

JG. We elected three. It was 5 to 2 and one of those two remained on the Board. He had been at the center. The votes had always been 6–1, 6–1, 6–1. So when we joined and elected three members (I was elected to the Board at that time) that other individual made the fourth vote, so that then we had a majority 4–3. And by that time the school board had removed the incompetent superintendent, Billings, and hired an even greater incompetent by the name John Briggs—who proceeded to spy on the new Board and to place obstacles in our path every time we wanted to make some changes. So at one time we had three superintendents. Because we had Billings still on the payroll, Briggs as the new Superintendent-elect and then we turned around and hired Mr. Gonzalez as the new superintendent. And we went to court for several years after that. But Mr Gonzalez cleaned out the place—came in and took the keys from Mr. Briggs, and proceeded to take a hold of the situation and after that it's a success story, and he can add to that.

JM. What did you find when you got to Crystal City, Mr. Gonzalez?

AG. Well, of course, there were more than 3 superintendents, there were 5 because Mr. Tate was still there on the payroll, and Mr. Ray, another ex-superintendent was also on the payroll, so there were really 5 there when I arrived. And there were only three people in the central office, a superintendent, a business manager and a tax assessor/collector.

JM. Tell me what you found in terms of the education for the kids. What kind of schooling?

AG. Well, there was no real curriculum. There was no real education—not even for the dominant group, the English-speaking group. The science department, of course, was run down; there was no visible evidence of any kind of curriculum in mathematics; the schools were run down. I would say 70% of the children were in buildings that should have been condemned many years before. Crystal City had been the site of the concentration camps that were set up for the Japanese during 1941 when they were pulled off the coast, and we had children in those frame buildings.

JM. Sounds like you're saying that the education for everyone—Chicano and Anglo alike—was poor.

AG. I feel that it was, and in looking around and talking to some of the teachers there—Anglos that came to apply for jobs and people that I talked to and asked how they felt in comparison to other students, they felt very inferior also. So I think that overall not even the Anglos were receiving any type of an education that was well-rounded, that would equip them to go on to a university.

JM. Well, have things turned around in Crystal City—what's it like now?

AG. Well, it's quite different. Of course, students can see Chicanos in administrative positions and leadership positions. The education now is in a language that they can learn. There's more emphasis on learning than there is on language. We accept the whole community, the Board, its policy that Spanish and English are on an equal basis and both official languages of the district.

JM. What does that mean in actual terms of what I'd find in a classroom if Spanish and English are on an equal basis. What would a bilingual classroom look like?

AG. That means that Spanish is not inferior to English, that a student isn't embarrassed or he's not ashamed to speak in the language he brings from home, or that his parents speak. He's not told to speak only English; he's not paddled, he's not kept after school because he speaks in Spanish.

JM. And those things used to happen?

AG. Teachers are at ease in instructing in Spanish even though they still lack the skills, but we have a training program for the teachers and the aides; and I keep saying "we," because I still feel a big part of what was started there. Of course, we still have a long way to go but I still say "we" because I feel that I'm still part of it and want to see it succeed.

JM. So if I walked into a second grade classroom in Crystal City would I find one teacher who is able to work in both English and Spanish or would there be two teachers?

AG. You'd find a bilingual teacher and an aide both equally competent in English and Spanish. The aide would probably be one in the second grade that's working on an undergraduate degree program with one COP Program.

JM. Which is the Career Opportunities Program?

AG. That's right, and the teacher would be working in an Urban/Rural Program with Chicago State University inservice training program, earning hours toward a Master's to develop these techniques and the vocabulary, and you'd probably see a science lesson being taught in Spanish where they learn what the roots, the stem, the flower are in the language the child understands.

JM. That's interesting, you say a science class would be taught in Spanish. What's the reason for that—is that an essential part of bilingual education?

AG. Why, yes. I have seen in my travel since I've been with the Office of Education throughout the country programs that are called "bilingual education" where they teach 30 minutes and they go right back and revert to the English, and they say "okay, you're going to learn math, science and social studies in English," when kids don't understand the language. So that in contrast to that, we are saying let's teach them concepts, let's teach them history, let's teach them science, and the transfer of that knowledge into their language will come very easily once they learn the language. At the same time we're spending much time in developing the oral language skills with these children.

JM. Now by sixth grade is the whole history lesson in Spanish, or do you move into English? What's the ultimate goal of a bilingual education in Crystal City or somewhere else?

AG. Well I would say eventually when we have the trained teachers it's for that teacher to be able to teach in either language and the students understand.

JM. How about for the kids?

AG. The same way. They will develop a proficiency in Spanish and English. So in other words, they feel comfortable in asking a question on American history—because a lot of people feel that American history taught in Spanish is Mexican history, well it isn't it's still American history except that you learn it in Spanish. And I was fortunate enough to see in Milwaukee, in one of the high schools there, a young teacher teaching American history in Spanish, and it was beautiful because everybody understood and they knew what was going on. They had a lot of students there who had just come from Puerto Rico, so this is what we have been doing and are attempting to increase in academic areas. Even the law is changing now, saying that bilingual education is not for 30 minutes and is to be taught in all academic areas. And this would be true of your son in the D.C. bilingual program if he received instruction in his native language for 30 minutes and the rest of it was in Spanish. He'd have a hard time learning science and math and social studies in a language that he doesn't understand. So therefore if you have to provide for the English-speaking student in that manner, let's provide for the Spanish-speaking children in the same way. And we weren't doing that. They weren't doing it in Crystal City; they were testing children in the language that they didn't understand, so they failed their tests the first day they came to school.

JG. On top of that not only were they failures, they were classified as mentally retarded. Because in those kind of intelligence quotient tests, there is a cut-off, and if you don't score above a certain level then there's something wrong seriously with *your* mental capacities, and that's called mental retardation. And you can go to any school district in the southwest and look at the records that are still available—I would even predict that both Gonzalez and I are classified on our first-grade levels of mental retardees because we didn't understand the words in English for bubble, and soap and galoshes, and necklaces and ornaments and there kinds of words that come up on an exam.

JM. Let's trace that through now. Suppose in first grade a kid is way above normal but is classified as retarded because he doesn't do well on the tests. What happens?

JG. Well, for one, he's scarred for life because that is going to be part of his permanent record. You begin confirming now a self-fulfilling prophecy. The card says the kid is a

slow learner. You say something to him in English, he bends his head down, he doesn't know what happening, you think he cowardly, lazy, scared and afraid, and he is a slow learner and he's dumb, he must be dumb. Therefore you give him a poor assignment because you know you don't expect him to do anything. He knows he's not expected to do anything, so he begins conforming. By the sixth grade he says "hell, this is a bad place—I'm dropping out. I'd rather go out in the fields like my daddy because that's the only thing we know how to do." And you get that whole vicious cycle. Those are some of the consequences of what was happening until the Mexican-American Legal Defense and Educational Fund, the branch office out in California, filed suit against the State Board of Education in California, and that ended that practice at least in the courts. But, as we know, Brown versus the Board of Education hasn't ended the Boston riots and problems we have today on segregation and desegregation. So that was the case. It's still being done. There are school districts in Texas that *still* do not allow the use of Spanish in the rest rooms, in the playground, much less in classroom; and the kids still get expelled for three days or beaten for speaking Spanish and have to write a thousand times "I will not speak Spanish," and that sort of thing.

JM. The bilingual education is what's called a *demonstration* project. What does that mean?

AG. Well it means that the Federal government will not provide monies for a total program, but to me what they're saying is we're still experimenting, and we in Crystal City got beyond the experimental stage from the very beginning. In which we said that bilingual education was available for everybody. We were not going to compare five classes against five classes—they were all going to be in bilingual education. The parents wanted it, the students needed it—and it was not up to us administrators to say that only a few would receive this type of instruction. Now the Federal role has been a demonstration type of program rather than a service, like Title I.

JM. They're demonstrating to whom?

AG. Well, they're demonstrating . . . I really don't know to whom they're demonstrating, because it's discretionary monies, this is what they have to do.

JM. So now Crystal City is an experimental in some sense, and you just said and Mr. Gutierrez just said that all across Texas there are places that don't have bilingual education. It is possible that the Federal government or anybody could afford the bill? It must be incredibly expensive.

JG: Not really. This has been a fallacy in that we've been led to believe—at school district level, by we I mean all the districts in Texas and there's 1800 of those. We've been led to believe that you can't implement bilingual education unless you get a Federal subsidy.

JM: Isn't that true?

JG: No, of course not. Of course not. If you hire the right people that speak Spanish, you're still going to pay them the same salary. They're still certified by the same state, they have the same credentials from the same universities that 10,000 people have graduated from. The only thing that you need that you might have to spend some money on would be text books—textbooks that would reflect that kind of language. That would be the only expense. If you haven't got the money to purchase books of that particular kind, make them yourself—write them.

JM. Where are you going to get all the teachers—are they available?

JG. Well this is another big issue that on the one hand the Federal government and people in education who want to make innovative change are arguing that we need bilingual education, on the other hand people are denying access to Spanish-speaking graduates to enter college to be able to get a degree. So we *have* to have the COP program and the Urban/Rural programs, and the Teacher Corps and all these alternative programs because higher education institutions are not meeting that kind of demand. They're still refusing to credential minority students in any great numbers. Now another answer too is we don't believe that you particularly need to have a credential from a university to be able to be effective in the classroom. Certainly for certain curriculum—mathematics, physics, chemistry—you must have some knowledge of the subject, but at the early childhood stage, say 4 years to 8 or 9 years, the most important things that take place there are the motor skills, cognitive development, and that sort of thing. That is being done by the mother already at home prior to those kids reaching 4 years of age. So any community person with a little bit of training and a little bit of guidance and particularly with the strong assets of patience and love, love for the kids, can be tremendously effective in the classroom.

JM: So you're saying that one way to find truly bilingual teachers is to say let's not just look in the universities, let's take people who are bilingual to begin with and then wonder whether they have the right kinds of skills?

JG. Let's look at the parents of the kids who claim to be bilingual. They've been dealing fairly well with them for some time.

JM. But you are saying also that to have a truly bilingual education in American schools it wouldn't be all that expensive.

JG. A lot of superintendents in a lot of school districts are hiding behind the fact that they do not get Title VII funds so they're not going to have a Title VII program, or bilingual program. It's still the responsibility of that district to provide and to meet the needs of these children that they receive in school. And for textbooks it's the state responsibility to provide textbooks. They've always accepted this to provide it for their English-speaking community, so that they are in some cases starting to adopt books (which are not acceptable as far as the ones I have seen) but they are starting to adopt textbooks for bilingual education classrooms. The states are not providing the kind of money that is needed. In Texas, for example, they appropriated $2 million which is not near enough to meet the needs of that particular state. But it is saying to me that they are taking some steps in the right direction for a change—but at a very slow pace.

JM. What would be necessary to speed it up—the same kind of revolution that happened in Crystal City?

AG. Definitely!

JG. That certainly works wonders very quickly. No, but basically, it's a change in attitude across the country. I wouldu't call it racism because that involves a conscious attempt to discriminate against someone or to pre-judge someone. I think it's more fundamental than that and it's less emotional. It's more ethnocentrism. Just as you were raising the question of monies and how difficult this would be to implement, sitting in this interview, it just doesn't occur to people that we actually are two people—that we can function, communicate and articulate as well in English as well as we can in Espanol . . . (Spanish) . . . It's easy to switch. We are a people that have a tremendous contribution to make in two areas, but for some reason if we're teachers in a school district, we aren't utilized with that second function in Spanish. We'll say your name is Gonzalez but now it's going to be Angel and you're not going to deal in Spanish because these are American students and they've got to learn English. Well, you've just lost out on half of that person's capability and production . . . actually the other side of his ability. You're denying that particular contribution that could be made. If the American system would simply recognize that there are culturally different peoples all across our society who can contribute, we'd be all the more richer. But we have insisted on this "melting pot" idea, but it is not a melting pot at all because what comes out is one straight, white, Anglo-Saxon Protestant mold. Anything that deviates from that is "wrong," it's "un-American," and it's "foreign," and "we don't want it."

JM. And it's discarded?

JG. Sure, sure. People think it's a symbol of culture, you know, it was when President John Kennedy with his Harvard accent used to talk about "viga" and all these things. But when a little Chicanito child comes along and says "this shair is too hard, miss" they think that's a sign of ignorance—well, this is a different kind of accent. People applauded Lady Bird Johnson when she walked into the Astrodome and said "my, look at all them purty lights." That was just beautiful, a southern accent. But yet *we* get criticized.

JM. So how can that change? Bilingual education can only slowly and gradually change that, I assume.

JG. Well, it creates a change in the child's mind from inferiority feelings and complexes to one not of superiority but of understanding in dealing with himself or herself. And if you know your identity, you know your heritage, you're proud of your culture, and therefore less susceptible to any kind of prejudice or discrimination, because then you can appreciate the ignorance of those who are levying those kinds of charges or accusations or actions against you. You don't have to feel inferior. Then from that particular posture you can move about in a more free and open way, choosing the alternatives as you wish and equipping yourself with the skills necessary to combat that prejudice.

JM. But it still doesn't change the system.

JG. Well, it's beginning to change it gradually because I won't sit behind some tongue-lashing and just remain quiet. I'll give you an example to show how bilingual education has helped. For a long time it's been the American notion that if a person is honest and bold and brave, he looks you straight in the eye. That way you can tell if he's honest and not telling a lie. But that's counter to our culture. Anybody who looks you in the eye is defiant, and insulting you. Our culture says that you must be reverent and that you must bow your head in deference to authority, or to someone in position, or to someone you respect. So here comes a teacher with all her Anglo values and talks to a child, child bows his head—aha, must be sneaky, he must be lying, he must be a coward, he must be a thief, and on and on with prejudice and stereotypes. Now through bilingual education this kind of exchange of information over values, over word structure, over sentence construction, over ideas, over culture has gained some respect. People are not changed, they're still racists, but now that teacher won't dare to think that child is cowardly, or sneaky, or backward or whatever. Now she knows, "well, this is the way they act." She may think that's weird and funny, which is her problem. But at least she doesn't add all these other things to that child's behavior. We've also introduced to the American system of education the fact that you can do a lot through our language. For example, we made people understand that a good part of their vocabulary in English came from us. If it weren't for us you couldn't make western movies. You'd be a mute: to be able to talk about "broncos" in the corral and the heifers you go out and "lasso" with the "lariat," and you "barbecue." All these words are in Spanish and borrowed into English. It would be quite humorous to see a mute Wyatt Earp or Gunsmoke from time to time. You can also ex-

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plain that English actually is very deficient, because if you take the Spanish vocabulary that the child brings to school which is—for exmple, in any classroom there'll be some kid moving his jaws up and down with something that he's doing with his mouth or tongue, and he's got something in there made by Wrigleys, and it comes in little white and yellow and brown wrappers. If you ask an English-speaking child what he's doing, he says "I'm chewing gum." But you ask a Mexican kid, I don't care how old he is, "what are you doing?" and he'll say "estoy masticando." Now you show me a three or four or five-year old Anglo boy who can say I'm *masticating* gum. That's a $1.50 word. That you're not learning until you get to biology in the sophomore year. Or the Mexican child has heard in his home when a grandmother complains, "buele el cerebro" (I have a headache). These are fantastic words on which you can build a vocabulary. But since Spanish is no good, that child has to wait until he gets to biology to hear the same word he already knew in the first grade and was introduced to it as a foreign language in the 7th grade, and then in high school when he takes Spanish I and Spanish II. It's absurd. A lot of people scoff when we say that our language can actually serve as a vehicle to introduce the entire history of the Americas.

JM. How?

JG. For example, we are rubbing a little alfombra type of thing on this table; a little rug. The word for rug is alfombra. In their house you have lamparvas, this cord is called alambra; our shirts, some of our shirts are made out of algodon, cotton. All those words are Arabic words, and the Arabs at the time who invaded Spain were black, and they were there for 400 years. And they all start with "al" which is Allah, you know, form the beginnings of the word for praise to their god. We say adios, 'to God"—the same thing, the same custom of at least two or three centuries ago. That's one aspect of our culture. the Moors conquered the Spaniards. The Spaniards came over and conquered the Indians, the Indians then mixed with us and we became the new grace—the Americanos and Mestizos. You eat huajolotes, turkeys. Turkey wasn't brought over by the Pilgrims, brother; turkey was found in Mexico and it was a "huajolote" and it was taken then to Spain and introduced in Europe and they found the same bird in the country called Turkey now, and that's why it's called turkey by us, and brought back over and introduced to the Americans as a gift. We eat cacahuates, peanuts. We look at the sinzontles, birds. All those words are novel because they come from the Aztec language still with us today, used constantly in Spanish. Plus all the words we gave the English-speaking people so they could communicate better in western movies. Our vocabulary and language are so rich that you could explain practically everything. So when a little child learns this, and we're teaching this at 4-age and 5-age levels, they know. Somebody comes in and says "that's not in the encyclopedia." Well, I'm sorry—your encyclopedia is deficient. Thomas Edison's middle name was Alva. He was also part Mexican. And little kids know these different things. There's another side to the story of the Alamo. There's other people not as bad as Santa Anna. There's been other Mexicans who made contributions. The kids are armed and equipped with these kinds of things. So that if he finds someone who is backward and ignorant and prejudiced and racist, no problems, the child is not going to be damaged because he knows or she knows and he can either deal with that person or just ignore them and go on to better things in life. Those changes are being brought about by bilingual education, and we're shaking the very fundamental premises of American society. Why can the Americans say that it is great for Americans to speak English because this is a country for Americans, and then deny that same equal opportunity for Mexicans to speak in Mexican and Spanish. The only difference is that we have a little Mexico in the United States, like we have a little Cuba in the United States, like we have a little Greece, a little China, a little Hawaii, a little Philippines, a little Holland, a little Germany, a little Italy.

JM. Do you think that English, with all those languages, will always remain the standard language of this country, Mr. Gonzalez?

AG. I feel right now from what figures we have, and not only from the Department of Immigration and Naturalization, but the number of Spanish-speaking people that we have in this ocuntry, it's felt that by 1990 over 50% of this country will speak Spanish, or will be Spanish-speaking people. But right now the United States is the fifth largest country in the Americas with Spanish-speaking populations—Los Angeles is the third largest city—Spanish—in the Americas. So we have more Spanish-speaking people here than we think.

JM. What's happened in Crystal City? What have the Anglos done in the face of this revolution? Have they moved out?

JG. Some have, yes. The first reaction was, of course, a tremendous fear that we were going to be as ugly as they had been. They feared revenge—that we were going to take it out on everybody—and that never materialized. Then, they—the typical reaction that took place in the black south and the deep south—set up their alternative school—their private white school. Then they began a process of trying to recruit and co-opt more of the middle-class Mexicans. Because that school even though the quality of education was terrible for all students, there was an elite of students who got the best teachers, the best materials, the best classroom, and the best attention. And that was about 15% of the population, student population, who happened to be the sons and daughters of the upper and richer classes—economic classes—in our society. Many Mexican-Americans who were middle-class believed those same things. So the Anglos began joining forces with these more Americanized Mexicans and they set up their private school. Some left the community out of hate and anger and prejudice, racism, because they couldn't accept the fact that a Mexican superintendent was going to supervise an Anglo principal and tell him or her what to do. Then they weren't gong to allow their children to read the Mexican books, or even allow Mexican books into the classrooms. They didn't even want to allow the word Chicanos. For example, the governor of Texas comes from Uvalbe which is a community 44 miles north of Crystal City. There's a junior college that we pay taxes to in that area. That junior college has officially banned the word Chicano simply out of reaction. It's the most insane thing in the world. This is the type of reaction.

JM. So there's been a good deal of conflict in Crystal City, and people haven't accepted it very easily.

JG. Well, the losers haven't.

JM. Then it is a case of winners and losers?

JG. That's what it is, a case of winners and losers, because it's a big ballgame, with lots of stakes.

JM. It's obviously not a question of education, it's a political question, right?

JG. Well, education is political. The schools are built and designed for the transfer of values from one generation to another. What's happened here is that we've just changed the generation, so that instead of it being an Anglo generation transferring to the next generation Anglo values, it's now a Chicano generation transferring to their kids which are 91% of the school now, Chicano values. It's as American as apple pie, only in a different language.

JM. Let's see if we can get some kind of sense of what the future of bilingual education in this country might look like. You've been in Washington, Mr. Gonzalez, now for less than a year. What are you finding out about languages other than Spanish, for example in the bilingual program?

AG. Well we're funding 42 different languages. We fund about 383 projects, and 42 languages. Out of those 42, there are 23 Indian languages. We go from Greek, to Yiddish, to Japanese, to Chinese, to Mandarin, to you name it. Many of them that I didn't even know, Tagalog, that I didn't even know existed in the United States, but there are many, many languages that we are dealing with, but we're still not dealing with all of them. As I said earlier, we're only a demonstration/discretionary program. We're dealing with and probably taking care of 2% of those in need in this country, and it isn't enough.

JM. "And taking care of the 98% you're saying is not going to be done by the federal government, but it could be done at the local level without too much additional expense.

AG. Yes, this is what I'm saying, and I'm not saying that the government is not going to take care of it. I think the government is changing its thrust, and even though Bilingual Title VII is getting an increase in funding, the Congress is starting to earmark its portions for changing. They have changed their thrust, and to me what they're saying is that "we will train the people for those programs, but the program is the responsibility of the local education agency and the state in which those children live." And I would venture to say that some Anglos are waking up to the fact that bilingual education is to *their* advantage—that the English-speaking child is going to pick up Spanish quicker than the Spanish-speaking child is going to pick up English, because Spanish is a very phonetic language. A, E, I, O, U have five sounds and say their name regardless of where you put them in a word in Spanish. And in English a, e, i, o, u, have 43 different sounds depending on where you put it; there are so many rules taht you have to learn and so if the English-speaking child has any kind of ear at all for sound he'll learn Spanish in no time and be reading it quite quickly—or he should be if he's receiving the right kind of instruction.

AG. This is what they're arguing—that the Office for Civil Rights will probably receive some suits because of the way the law is written. It is a problem that we have at present, but because they're demonstration-type programs, I'm sure that the Anglos are not going to keep their children out, that there will be some there on a voluntary basis.

JG. I think that is the open door for this thing, to allow these kinds of charges and suits that are going to be filed to fail, because it's worse of an evil to make this thing mandatory. If it's voluntary, then anyone can get in. It just so happen that the ones who are volunteering are the kids who know they have a problem in trying to cope with English. But as long as we leave the door open for voluntary enrollment in these programs, I think then we'll be all right. I wouldn't tend to view this as segregation because our goal is *bilingualism* as opposed to bilingual education. We're not saying in our district that the child must be taught bilingually only to the second grade and then switch to English, to the fifth grade or to the sixth grade, or to stay only 45 minutes in the morning and two hours in the afternoon. We're saying a child in our school district—and I'm talking about Crystal City only—comes into our school district at age four and he's going to leave at grade 12, we've got 14 years to make that child completely, totally competent, efficient in English and Spanish. There's no hurry, take your time.

In the long run, it's going to have to be bilingualism across this country, not necessarily meaning Spanish-English, English and what-not. That'll be the realization maybe for the next bicentennial for the tricentennial, to celebrate the kind of American pluralism.

A. Jose Angel Gutierrez and Angel Gonzalez, two Chicano educators talking with John Merrow. In 1974, the U.S. Supreme Court, in a case known as *Lau vs. Nichols* rules that Title VI of the Civil Rights Act required schools to make a special effort to teach English to non-English speaking students. *Lau vs. Nichols* involved Chinese students in San Francisco, but the Court's decision makes it the law of the land. Justice William O. Douglas wrote: "There is no equality of treatment merely by providing students with the same facilities, textbooks, teachers and curriculum," if the students don't understand English. The Supreme Court decision calls for "special treatment," but the Court did not say what that special treatment ought to be. And recently the Office for Civil Rights in the Department of Health, Education and Welfare wrote 333 school districts in 26 states about possible violations of Title VI of the Civil Rights Act of 1964. That Act prohibits discrimination on the basis of race, color, or national origin. John Merrow of the Institute for Educational Leadership asked Peter Holmes, Director of the Office for Civil Rights if school districts were violating the law right now.

PH. Well, we, in some cases, where we have done investigations, yes, we have found that the law is being broken, and we have required school districts to develop plans to correct those deficiencies.

JM. But you're not saying that they're necessarily breaking the law, but you suspect they are.

PH. We are saying that we have not shown that discrimination exists. We do say that the general statistical information we have in hand right now raises a question.

JM. What if a school district comes back and says: "Yes, you're right. We have non-English speaking kids who, in fact, are not getting the treatment that they ought to, but we simply cannot afford it." What's the stance of OCR then?

PH. Well, the stance of the Department as a general matter is that there are a limited amount of monies available through the Office of Education to assist a limited number of school districts in setting up programs, a Title VII program which is a demonstration type of grant, as I understand it. One thing that *must* be understood and underscored: this is a *legal* obligation of the state and local school districts. It is not what is regarded as a Federal obligation. This is a legal obligation and they, the states and localities, will *have* to find the means of providing the equal educational opportunity to these children. The government will assist to the extent it can. I think that there is a desire on the part of many of them to attempt to, but I think that they may need a little nudging through a Federal enforcement effort to insure that the programs are put into existence.

JM. You mean you think they'd be willing to do it; they just need the push from OCR?

PH. That's your summary of it, and I think it's a pretty good summary. But no one should *assume* that the full cost of this can be borne by the Federal Government, because it's impossible.

A. U.S. Senator Alan Cranston is a California Democrat, one of three Senators publicly identified as the strongest supporters of bilingual education. The others, also Democrats, are Joseph Montoya of New Mexico and Edward Kennedy of Massachusetts. Senator Cranston explained his own involvement is bilingual education and then summarized some recent changes in the law.

AC. I just think it's terribly important in terms of fairness to kids who have some other language that they may know better than English to start out with most of all Spanish, but also some other languages and in terms of having education to do what education is suppose to do, to use bilingual education as a tool. I think without that tool many children will unfairly just drop by the wayside. My vision of bilingual education is a program to help kids achieve who are not now achieving and who in many cases, all too many cases, are dropping out. Bilingual education *really* seems to offer some promise. I think it's this that led John D. Rockefeller III to say publicly the other day, and this is a quote: "I was brought up on the wonders of the melting pot, and it's only recently that I have come to fully realize how wrong I was. Now I realize the value of diverse elements and how they have enriched our society. It's not a matter of tolerating them, but of welcoming them and appreciating them." And that "appreciating" is probably perhaps the key word in all that he said. For my own part, I don't have any illusions about bilingual education being the total answer to helping kids achieve in school. Of course, it isn't the total answer. But, so far, we have reason to believe that it's better than anything else we have tried for those who depend first of all, on some language other than English and who may only be able to communicate when they first go to school in that language, whether it be Spanish or something else. If you can't operate in English, if you're a citizen of this country and live your life here, you're eternally handicapped and you may in school even be labelled 'retarded' and put in with retarded children just because you aren't able to handle the only language they teach in if that's English and you don't know English.

JM. The recent changes in the Bilingual Education Act, could you explain just what those changes will mean? Have they in some way changed the Federal program from a demonstration to a training program?

AC. First, we call under the new Act for more emphasis on teacher training. We just plain don't have enough qualified bilingual personnel to even meet the needs of 400 or so projects that will be funded in this school year. Second, we call for a national assessment of bilingual education needs. We simply have to know what kinds of services aren't being provided. Third, we call for a stronger National Advisory Council on Bilingual Education. Finally, we provide in the new law for research and development activities to be carried out by the National Institute of Education in the field of bilingual education, and we provide a $45 million increase in the final years of the program. These amounts, however, are subject to further examination by Congress in the appropriations process and by the new budget committee, there's no certainty as to what amounts will be spent. We hope we can hold to at least the present level of Federal spending for bilingual education. That's $80 million nationally, and that covers about 400 projects across the country. That's the minimum figure I would hope to see in the next fiscal year, and I hope we can go beyond that.

A. That was U.S. Senator Alan Cranston of California, one of bilingual education's strongest supporters. And, finally, "Options on Education" visited a bilingual school, the James F. Oyster Elementary School in Washington, D.C. The Oyster School is slightly more than 50 percent Spanish. About 25 percent of the 306 students are Anglos, that is, from English-speaking homes. Twelve percent of the kids are black; the remaining 10 percent from 14 other countries, including Pakistan, Yugoslavia, Turkey, Rumania, Burma, and Afghanistan. It's a salad bowl, not a melting pot, and every classroom has two teachers, one Spanish dominant and one English dominant. Let's listen to part of a third grade lesson with Senorita Menendez.

(What follows is instruction and recitation in Spanish. It's almost impossible to transcribe, but it captures the flavor of bilingualism—you'll just have to take our word for it, or ask your public radio station to rebroadcast the program: Ed)

A. Our reporter, John Merrow, has visited Oyster School before. His wife is Co-Chairperson of the School-Community Council, and one of their children is in first grade there. John talked with Father Jose Samosa, who directs the $129,000 Federal bilingual program in the District of Columbia. Oyster School is part of that demonstration program.

JM. Is Bilingual education very expensive?

Jose. Yes, it is. It is expensive, but it is the best one. Suppose that all of our children are going to speak two languages; they will have to learn a second language in junior high school, high school or college. If they start in kindergarten or first grade, they will be completely bilingual when they finish sixth grade.

JM. Why do you believe bilingual education is important?

Jose. For many different reasons. I'll say first it helps our children, Spanish-speaking in this case or other foreign children that have the opportunity of receiving bilingual education; it helps them to cope with their own needs, it helps them to continue learning while they are learning English, otherwise they will get behind, behind and behind, and maybe later they will be drop outs because they cannot be at same level as other English-speaking children. Besides that, bilingual education tries to keep the language and the *values* of the culture. So, those children can identify with themselves and they won't face any cultural problem which could really hurt them and place them 'out in the cold' when they are 16 years old. Washington is a city where we have children who speak more than 72 different languages, according to the report that I received yesterday.

A. That was Father Jose Samosa, Director of the Federally-sponsored program in the District of Columbia. Later, John Merrow got a Spanish lesson and a lesson in versatility from two Oyster third graders, Rafael and Georgina.

JM. Hablan Ustedes Espanol?

STUDENTS. Yes.

JM. Hablan Ustedes Ingles?

STUDENTS. Yes.

JM. You speak both languages?

Students. Yes.

JM. But you are Spanish?

Students. Yes.

JM. How many years have you studied English?

Georgina. Six.

Rafael. I didn't study English.

JM. You have not studied English?

Rafael. No.

JM. Where did you learn to speak English?

Rafael. Nobody showed me. I was born here and when I was little, I talk a lot of English, and my mother tried to show me Spanish and I do like this (puts his hands over his ears).

JM. But you speak Spanish now also?

Rafael. Yes.

JM. Do you speak both languages in your class?

Georgina. Yes.

JM. Tell us what you do in class, but tell us in Spanish. (Spanish from student)

JM. Tell us what you just said.

Rafael. We work so hard. We've got to grow and be very intelligent.

JM. And you've been studying both languages for six years. What language do your parents speak at home?

Rafael. Spanish.

JM. Are you teaching them English?

Rafael. Yeah, because they don't know how to speak English.

JM. How about your parents?

UMI

Georgina. They speak Spanish and English a little bit, but I'm showing them.

Rafael. My brother, he knows a lot of English.

JM. How old is your brother?

Rafael: He's only four years old.

JM. What about the kids who come to this school and don't know any Spanish? Are they learning Spanish?

Rafael. Yeah, they're learning Spanish.

JM. Do you help teach them?

Rafael. Yes, sometimes.

JM. Do you find that they can speak in Spanish sometimes?

Rafael. Yeah, or sometimes you tell them in Spanish and they answer something back.

JM. In Spanish or in English?

Rafael. In English.

JM. That must be neat, to go from one language to the other like that.

Rafael. Yeah. Sometimes some kids don't understand. When we speak Spanish they can't say it. Sometimes it's too hard for them.

JM. But, of course, this is just third grade, so they'll learn as time goes on. Right?

Students: Yeah.

(Music—This Land is Your Land, This Land is My Land)

A. This program was produced by Midge Hart and John Merrow with funds provided by the Institute for Educational Leadership of The George Washington University and the Corporation for Public Broadcasting. This is National Public Radio.

To the Reader. We hope you enjoyed this transcript. We appreciate your interest, and we hope you will tell your public radio station that you are listening.

Remember—They need Love Too.

NATIONAL HISTORIC PRESERVATION WEEK—PART I

Mr. BEALL. Mr. President, yesterday I participated in the opening ceremonies for Maryland's observance of National Historic Preservation Week. During this ceremony four Marylanders received the Calvert Prize. The Calvert Prize is awarded by the Board of Trustees of the Maryland Historical Trust in recognition of outstanding achievement in the field of historic preservation, and 1975 marked the inauguration of this award which will subsequently be granted each year during National Historic Preservation Week.

Mr. President, needless to say the Calvert Award is named after the Calvert family which founded Maryland. George Calvert, the first Lord Baltimore, planned to establish a colony named "Terra Mariae." He died before actually receiving the charter from King Charles I. The charter was granted to his son, Cecil, the second Lord Baltimore on June 20, 1632. The Colony of Maryland was actually founded on March 25, 1634. In all, six Lords Baltimore served as Proprietors of Maryland prior to the Revolutionary War.

The four recipients include:

Honorable William S. James, who is the Treasurer of Maryland and the former president of the Maryland State Senate. During his distinguished career in the State legislature, Senator James sponsored and actively supported historic preservation legislation.

Mrs. J. M. P. Wright, is the president of Historic Annapolis Incorporated, which has been a driving force in promoting the cause of historic preservation in the scenic-colonial capital of Maryland. Among her accomplishments is the restoration of the William Paca mansion and garden—William Paca was one of the signers of the Declaration of Independence.

Mr. Orlando Ridout IV, served as the first State Preservation Officer, a post which was established pursuant to the National Historic Preservation Act of 1966. Mr. Ridout also served as the executive director of the Maryland Historical Trust for many years.

Dr. Frederick Gutheim is the adjunct professor of American History and Civilization at George Washington University. Dr. Gutheim was honored for his work in the preservation education and environmental planning.

I am delighted that the State of Maryland has so enthusiastically embraced the spirit and the substance of historic preservation and I am pleased to have been a part of this celebration. Mr. President, I ask unanimous consent that the text of my remarks be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Maryland Historic Preservation Week

Distinguished guests, ladies and gentlemen, I am happy to have this opportunity to participate in Maryland's opening ceremonies for National Historic Preservation Week. The Congress designated the week of May 12, 1975 as "National Historic Preservation Week" and urged "Federal, State, and local government agencies, as well as citizens and private organizations, especially the preservation organizations, historical societies, and related groups, to observe that week with educational efforts, ceremonies, and other appropriate activities which—are designed to call public attention to the urgent need to have our historic landmarks preserved for the enjoyment and edification of the citizens of this Nation, present and future."

As one whose ancestors first arrived in this State in the 1650's, I have long had a deep and abiding interest in our Nation's history and efforts to protect, preserve, and restore those sites which have great historical significance. Great strides have been made here in Annapolis and I was particularly pleased to participate last year in the official opening of the William Paca Gardens which marked the kick off for Historic Preservation Week 1974.

During the ensuing year our Nation has been through one of the most difficult and trying periods of our history. Indeed, America has gone through a very traumatic political experience in the last 12 months marked by an unprecedented political scandal culminating in the resignation of a President of the United States, and the succession to the presidency of a man who was selected by the unique procedures established by the 25th Amendment. During the past year our economy and the economies of most of the free world nations have passed through a difficult period of inflation and recession. More recently, we have witnessed the failure of American policy in South East Asia.

It is during difficult times such as this that we, as Americans, should pause for a moment to reflect on the lessons of our history. We look back, not to escape the harsh realities of today but to draw strength from the solid and enduring foundations upon which our Republic is based. Almost two hundred years ago our Nation was born in the crucible of a war of colonial secession, the outcome of which was in doubt for several years. We withstood a foreign invasion during the War of 1812, the tragedy of a prolonged and bloody Civil War, World War I, the Great Depression, the rigors of World War II, and the oppressive burdens of world leadership which we have been called upon to bear since 1945. We successfully overcame each of these ordeals and we should never lose sight of the fact that Americans are a resilient people, capable of responding to a crisis with discipline, a spirit of self-sacrifice, a sense of unity, and a determination to surmount whatever obstacles are placed in our way.

Let us not enter Historic Preservation Week 1975 in a spirit of pessimism and defeat, but with a feeling of optimism knowing that, if we keep faith with our heritage we will be inspired to make the sacrifices and develop the will that will enable our people to fulfill the role history has thrust upon us.

I would like to take a moment to challenge my fellow Marylanders to tackle two widely diverse causes which will demonstrate to all the world the continued vitality and vigor of the American dream. During the next few weeks a significant number of homeless Vietnamese refugees will be flown to the United States and some will be resettled in Maryland. I would hope that all of our citizens will remember that we are truly a Nation of immigrants and our 210 million people comprise a varied mixture of ethnic, cultural, social or political backgrounds. People have been drawn to the United States from all corners of the world in the hope of achieving the goals that were so clearly enunciated by our forefathers in the Declaration of Independence and in our Nation's Constitution.

The United States is blessed with a multiplicity of cultural inputs that makes us a vital, vigorous, and growing Nation and I am confident that the soon to be Vietnamese-Americans can and will be absorbed into the mainstream of American life in a manner consistent with our history. I am equally certain that these new Americans will make a valuable contribution to our Nation's future just as earlier groups of immigrants have done.

Secondly, I hope that all Americans will make a commitment now, during Historic Preservation Week, to become actively involved in the Bicentennial Celebration. What we need now is a firm commitment from each and every American to become involved in the spirit of the bicentennial in his or her community. I am convinced that the leadership needed to promote historic preservation and insure the sucess of the Bicentennial Celebration will come from local communities all across this Nation. The American Revolution was not led to victory by the Continental Congress but rather it was carried to victory by the dedicated support it received from the tens of thousands of men and women living in hundreds of towns and communities all across America. The Bicentennial Celebration will succeed or fail because of the initiative and leadership of state and local organizations. Local groups can plan and execute the celebration of events unique to their areas; identify, preserve, and restore historically and architecturally significant sites and structures; and keep alive the memory of the local men and women who contributed to the building of America.

Finally, I certainly want to congratulate the first recipients of the Calvert Award for their fine work in providing all Marylanders with an opportunity to appreciate and enjoy so much of our State's proud history.

Ours is a proud heritage that must be preserved so that future generations can understand and appreciate the sacrifices our forefathers made so that all Americans can

experience freedom and opportunities not enjoyed by most of the people of the world.

IMPACT OF AGRICULTURE ON FOREIGN TRADE

Mr. ABOUREZK. Mr. President, recently I placed two items in the Record on the "World Food Outlook and the Midwest." These statements showed the importance of agriculture to the economy of 12 Midwest States and, in turn, the importance of agricultural production in these States to our agricultural exports and to our balance of payments.

Today I would like to add three more items to a discussion of the importance of agricultural trade. The first is a statement by Mr. Robert G. Lewis, National Secretary of the Farmers Union, in which he discusses the impact of imports into this country and suggests a fair program of dealing with them. The second item, also a statement by Mr. Lewis, was appended to his other remarks and more fully develops his views of the importance of developing an expanded role for exporting American agricultural production. The final item is a report of the working party on the International Grains Arrangement.

I fully agree with Mr. Lewis' view that "Food power is our greatest gift for the world, and our strongest claim to national power and influence in the world." I ask unanimous consent that these informative statements be printed in the Record and I strongly commend them to my colleagues.

There being no objection, the statements were ordered to be printed in the Record, as follows:

Statement of Robert G. Lewis

IMPACT ON AGRICULTURE OF FUTURE INTERNATIONAL TRADE AGREEMENTS

The forthcoming multilateral trade negotiations are of extraordinary importance to the agriculture of the United States.

Contrary to the usual view, the most significant potential *advantage* to U.S. agriculture that could be realized from the trade negotiations lies in the expansion of imports.

The present huge export market for U.S. agricultural commodities that has developed in the decades since World War II is based almost entirely and exclusively upon the overall expansion of world trade that has occurred during that period under the leadership of the United States. Very little, if any, of the increase in volume and value of U.S. agricultural exports since World War I can be attributed to "liberalization" of the specific terms of trade in agricultural commodities. Indeed, the shoe has been precisely on the other foot. What "liberalization", in terms of agricultural trade has occurred, has been the result of the need in importing countries for increased supplies of U.S. farm commodities to satisfy the swiftly-growing demand generated in their economies as the result of the expansion of their own export opportunities for manufactured goods.

Rising prosperity boosts farm exports

Canada is our largest agricultural export market. Our exports there are generally noncompetitive with Canadian farm products. Their increasing volume has been the result of economic growth in that country, largely stimulated by enlarged export markets in the United States for Canadian manufactured goods, as well as raw materials.

Our greatly expanded agricultural markets in Japan and Europe since World War II are also in response to greatly expanded demand for food in those countries, stimulated and sustained by the growing market in the U.S. for their manufactured products. Such is the case also in the newer and rapidly-growing agricultural export markets such as Korea, Taiwan, Hong Kong, Singapore, and Israel.

The latest, although somewhat different illustration of this pattern of development is what has occurred in the "oil belt" extending from Morocco on the Atlantic Coast of Northern Africa to Iran beyond the Caspian Sea in Central Asia. U.S. exports of agricultural commodities to this area in 1974 increased by three times over the year before. Our 1974 exports of farm commodities to this area were 13 times as large last year as the preceding five year average. Again, it was increasing effective demand for food, based on enhanced prices received for petroleum and phosphate rock, which accounts for this increase in our agricultural exports. Changes in these importing countries' restrictions on trade in farm commodities have had only negligible, if any, influence upon the great increase in our farm exports that has occurred.

"Barriers" have not hampered exports

It is difficult to find any significant volume of U.S. agricultural commodity exports anywhere that has resulted directly from "liberalizing" the importing countries' trade restrictions relating to their imports of agricultural commodities. Such "liberalization" as has occurred has almost always reflected a growth in internal demand for food which domestic producers were unable to supply.

Because food is usually the most immediate want to be satisfied when increased income becomes available, particularly to people whose income levels have been low, any expansion of U.S. imports of labor-intensive products is likely to generate a disproportionate increase in demand for farm commodities and food products from the United States. This is important to the entire U.S. economy, not alone to the immediate beneficiaries in the food and agriculture industries. Our food and agricultural industries are among the best-adapted of American industries to compete in the world market and to respond to increasing export opportunities. Therefore, it is of great advantage to the United States economic position in the world that food and agricultural commodities are in the forefront of the new demands that are created by increased purchases of goods from other countries and the resulting advance in economic prosperity that arises therefrom.

I will not attempt to deal with the specific changes that might be sought in negotiating the terms of trade in those types of goods for which food and agricultural commodities are particularly desired in exchange. But it is important to emphasize the advantage to U.S. agriculture, and to the national interest of the United States, of promoting the expansion of an import-export trade flow. This is particularly important in the case of labor-intensive goods, sales of which generate especially large demands for agricultural commodities. These are the types of imports for which we are best able to pay, because the sellers will accept for them the largest proportion of our abundant agricultural commodities in exchange. This advantage should be weighed carefully against whatever problems are discerned for those domestic industries that would encounter increased competition from imports of this kind.

Agricultural trade raises special problems

In negotiations relating to the specific terms of trade in farm commodities, the special characteristics of agricultural must be taken into account. They are:

1. *The uncertainty and variability of production of agricultural commodities.* This results from dependence of farm yields upon climatic and other natural variables.

2. *The atomistic structure of most elements of the farming industry.* There are several hundred thousand to more than a million independent enterprises competing for sale of most farm commodities produced in the United States. Moreover, producers of many commodities are potential competitors with producers of other commodities. Agriculture is the largest productive industry in the United States in which a large measure of price competition prevails. In many of our major industries, there is virtually no true price competition at all.

3. *The lack of mobility of farming resources.* Farm land and most other farm capital, farm management, and farm labor, have relatively few and in many cases no other uses that are readily available. When times are hard and prices approach or even decline below the cost of production, most farmers have a little choice but to go on producing in order to minimize their capital losses and to secure even sub-standard returns on their labor and management.

Government farm programs meet need

Governments have recognized the special characteristics of agriculture by adopting government programs to enhance and stabilize both prices of supplies. In the United States, this was begun on a concerted scale during the period of recovery from the depression of the 1930's. During the same period, certain other special problems relating to old age security, utility pricing, labor unionization, banking, and security markets were also recognized and resolved, at least in part, by governmental intervention outside the market system.

Here in the United States, the development of programs to enhance and stabilize farm prices and supplies is being characterized in some circles as "forty years of wandering through the wilderness". It is pertinent to wonder whether the Moses who now aspires to take us into the Promised Land of "market oriented" agricultural policies in fact seeks to deliver us back at the beginning. Will we find there that there is no more Social Security, no Wagner Labor Relations Act, no Federal Deposit Insurance Corporation, no Securities and Exchange Commission, and none of the other social and economic equipment that has been devised during this forty year period to give not only the United States, but the entire world, the longest stretch of prosperity in modern times?

Aim against farm support systems

Leading spokesmen of the Executive Branch have stressed their interest in negotiating away some of the main provisions of our own and other countries' farm price and supply programs. For the purposes of trade negotiations, these measures are termed "non-tariff barriers". For example, there has been a great deal of public discussion given to the possible "trade off" of existing quantitative limitations (import quotas) on dairy products in exchange for comparable steps to dismantle essential features of the price support programs in other countries for grains and soybeans. If such a course should be followed, it could lead to severe disruption of domestic farming industries, and violent price and supply instability both within the United States and in the world.

For a number of important agricultural commodities, U.S. import quotas already have been removed recently. If, as seems likely in view of the unpredictability and variability of the weather, world "surplus" conditions should again return, U.S. farmers would be severely damaged by unrestricted imports.

Many U.S. farmers unprotected

The major commodities for which no import quota protection now exists include

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wheat and wheat flour, feed grains, rice and meat. Producers of these commodities now face world competition with domestic price support provision at levels so low as to be virtually meaningless, and with no protection of the U.S. market from potentially huge world surpluses.

Under existing law, import quotas might again be established in accordance with the provisions of Section 22 of the Agricultural Adjustment Act of 1933. However, such action is entirely dependent upon discretionary action by the Executive Branch. Under an Administration committed to "market oriented" agricultural policies, the effectiveness of this nominal protection is extremely speculative.

For other important agricultural commodities, import quotas are still in effect. However, the confidence of agricultural producers in the effectiveness and reliability of these measures has been shaken severely by experiences during the past few years.

Huge dairy imports authorized

For dairy products, recent "temporary" increases in the annual quotas have increased the volume of imports by as much as 147 times the established annual import quota. The Nixon-Ford Administration has increased import quotas for dairy products by amounts substantially exceeding all the import quotas granted by all preceding Administrations.

The manner in which the "temporary" increases in dairy product import quotas were authorized during the past several years has established precedents which have seriously damaged public confidence in the integrity of the established procedures under Section 22. Indeed, confidence in the functions and influence of this Commission itself has been seriously impaired.

Quotas established under Section 22 are also in effect at the present time for cotton and peanuts. Both of these commodities face potentially large volumes of low-priced competition from foreign sources if world surpluses should again rise, as seems likely.

Special approach to trade needed

The special characteristics of the agricultural economy call for a different approach than "trade liberalization" to satisfy the needs and to protect the interests of both consumers and producers, and to promote constructive progress in the world economy.

Unstable prices and insecure supplies of agricultural commodities are an economic hazard both to consumers and producers. Moreover, such instability promotes waste and inefficient use of resources and serious economic dislocation and disruption of the world economy. It is in the interest of the world community, as of the various national communities, to promote a reasonable degree of stability in prices and supplies of agricultural commodities, at prices sufficient to assure producers of remunerative returns so as to insure long-term adequacy of supply. Because of the relative importance of international trade in the agricultural economy of almost every country, national programs by themselves are not fully adequate to protect the public interest. Concerned cooperation among the several national governments is required in order to harmonize national goals and interests relating to trade in the major agricultural commodities.

Cooperation between countries needed

Fortunately, considerable experience has been achieved in international cooperation for this purpose. Several international commodity agreements have been in operation, with varying success, during the past quarter century. This experience furnishes a sound and useful base for renewed efforts at international cooperation through international commodity agreements for major agricultural commodities.

The Working Group on Grains of the International Federation of Agricultural Producers, in which the Farmers Union has been a leading participant, has developed a proposal for an international grains agreement which is designed to overcome the weaknesses of previous agreements relating to wheat and other grains. A copy of the report of the Working Party, describing the principal provisions of such an agreement, is attached. The requirements for international cooperation in respect to trade in other agricultural commodities differ from commodity to commodity, but this proposal for grains is a useful starting point and illustrates the possibilities of this approach.

Propose new U.S. import control plan

Whether or not international commodity agreements are negotiated and put into effect for one commodity or another, we favor a new and improved program for regulating imports of agricultural commodities into the United States. We propose that the quantitative restrictions established under terms of Section 22 be replaced with a new variable duty system, under which imports of major agricultural commodities and producers thereof would be subject to a rate of duty to be determined periodically, equal to the amount by which 110 percent of the parity price for the commodity exceeds the current world market price.

This system would preclude most imports of agricultural commodities into the U.S. market, as demonstrated by domestic price levels. On the other hand, when there is a shortage in the U.S. market, as signaled by an increase in market prices above the parity price, imported supplies would be enabled to enter the U.S. market with little or no impediment.

This new system would operate more smoothly and flexibly than the present cumbersome Section 22 procedure. It would assure farmers of protection from imports when domestic supplies are ample, as demonstrated by domestic market prices at less than parity. It would similarly protect consumers, if shortages should arise by admitting imports to the extent exportable supplies are available in the world market.

The goals to be sought by the United States negotiators in the forthcoming multilateral trade negotiations should be governed by the larger goals of the United States, including our goals for agriculture's service to the national interest and to extend our power and influence in the world. This was the subject of a statement presented by the Farmers Union at the Conference of Western Governors in Billings, Montana, earlier this month. A copy is attached hereto, and incorporated as a part of this statement.

STATEMENT OF ROBERT G. LEWIS

THE FUTURE OF AGRICULTURE IN THE WESTERN UNITED STATES

What is the future of agriculture in the Western United States?

The answer to this question, which was posed for a panel at the conference yesterday afternoon, is not yet known. In large part the answer will be whatever we choose to make it be. There are few aspects of our future over which we, as American citizens, have as much freedom of choice as we do over the scope and significance of our agriculture. In a world in which American power is in sharp decline, as other countries gain both in relative strength and in readiness to challenge American influence and power, our food power remains pre-eminent.

It is a cliche to say that our American food power is "God-given." But if it should come to pass that our food power is taken away from us, most likely it will be due to our own mistakes. What God has given us, in our great expanse of fertile soil, our favorable climate, abundant water, and farming ability, does not seem likely to be withdrawn. Yet mistaken public policies might undermine and check-mate our American food power just as this time when it's potential value to our national interest is becoming most critical.

The Western States represented in this Conference provide a large measure of our country's total food power. Because of the exceptional importance of agriculture in most of these states' economies, national food policy is vitally important to them. It is appropriate, therefore, that the Western States should assume a large responsibility for national leadership in shaping our national food policy. That is what is signified by the scheduling and design of this Conference of Governors.

We are here to talk about what we should choose to do with our food power. First, we need to know the real measure of what we are talking about. Next, we need to take the measure of the world situation within which our future must be made. Then we can decide intelligently what we will choose to do to make the best of our opportunities.

U.S. is "No. 1" in food power

The United States is a big producer of farm commodities, and the biggest producer of some. But what is more important is the fact that the U.S. leads all countries, and in some cases all other countries taken together, in the quantity of farm products which exceed the needs of its own people each year and are available for export to other countries.

I will confine my statistics to cereal grains and oilseeds, for the sake of simplicity and brevity. This will tell the story with considerable accuracy because these are the most critical to international trade of all the farm commodities, and they do represent the source of about three-fourths of the world's total human food supply, either as consumed directly by humans, or as the raw materials from which most meat and milk and poultry and eggs are made.

The table below shows for 1973, the latest year for which complete figures are available, the total world production of these commodities, the production of the United States, the total world trade in each, and the U.S. share in world trade.

Commodity	Production[1]			Trade[1]		
	World	United States	United States as percent of world	World	United States exports	United States as percent of world
Wheat	367.4	46.6	13.0	[2] 62.2	31.0	50
Rice	309.8	4.2	1.4	[2] 7.4	1.8	24
Feed grains	602.5	186.7	31.0	[2] 67.7	43.9	65
Soybeans	57.0	42.7	75.0	17.5	14.8	86
Oil content of all oilseeds	44.9	7.0	16.0	13.9	3.6	25
Protein meal content of all oilseeds[3]	66.2	11.5	17.0	31.0	17.2	55

[1] Millions of metric tons.

[2] Excluding intra-EC-9.

[3] Equivalent of soybean meal (44 percent protein).

Source: Foreign agriculture circular: "Grains," Sept 24, 1974, U.S. Department of Agriculture.

Most of the food produced in the world is consumed right in the countries where it is produced. But as the table shows, the U.S.A. is indeed "Number One" as *supplier of food to other countries.*

Our pre-eminence in the world as the greatest food exporter gives us a great strategic advantage. We must assume that the human population's needs for food will continue to grow. It seems certain, unless there is widespread war or famine or unprecedented pestilence, that the human population will double before population growth can be stabilized by the year 2000 or later.

Some of the additional food that will be needed can be gained by improving yields on land now being cropped. But this will not suffice both to feed the additional population, and to raise the quality of diet for hundreds of millions above levels that are now too low to maintain health and the ability to work efficiently. More land must be harvested during the years ahead in order to provide ample food for the world's increasing population.

Can U.S. stay "No. 1"?

Whatever country possesses the ability to increase its agricultural production, so as to be able to export food to satisfy the hunger of other countries, will surely enjoy a continuously-advancing strategic advantage in the world's economy and politics. Can the U.S.A. remain the "No. 1" food exporter?

The U.S. has much more unused cropland than any other industrialized country. Our harvested area in the early 1970's had shrunk to the smallest acreage in this Century, to only 280 million acres, from the peak of 360 million acres in the 1930's.

The 80 million acres of land withdrawn from crop production, plus two or three times as much more, could readily be planted and harvested. It would yield somewhat less than the cropland now being harvested, and it would be more costly to farm.

Beyond this expanded total of 520 million acres still another 200 million acres or so of pasture land and woods could be cropped, but at still greater cost and risk.

Huge potential new acreage outside U.S.

The world's total potentially arable land is about 7,880 million acres, of which only about two-fifths is now being cultivated. Most of the world's now uncultivated cropland other than that in the U.S. is in Africa and South America. It seems reasonable to say that most of the additional food exports that will be needed in the future will have to be produced, therefore, in the U.S., Africa, or South America.

Prices of farm commodities in world trade will need to be higher than they were before 1972 in order to make it economically feasible to increase the harvested area in the U.S., and they will also need to be more stable and more secure. Otherwise farmers cannot afford to risk the investments in additional machines, land clearing, soil improvements, and so on that are required to make the additional land productive.

But even greater investments, and greater risks, will be required to make additional lands in Africa and South America produce farm crops for the export market. Much of this potential new cropland is located in thinly-populated districts. Bringing this land into production will require not only that the trees and brush be cleared and the land "broken to the plow". It will also be necessary for qualified farmers to be recruited and trained, roads and bridges built, fences and barns constructed, machinery and repair services procured, and even for new seed and animal varieties to be bred, and new disease and pest control capability developed. New research stations will need to be constructed, and new scientific workers trained to staff them. Farming in these new lands is at a stage 100 years or more behind the modern scientific farming of the United States, and it will take enormous expenditures and up to a generation of time at the very least for them to catch up.

This, I think, fairly measures the present scope and future potential of our "food power" in the United States. We are "No. 1" today, and we are ahead of all potential competitiors in the race to remain "No. 1" for at least the remainder of this Century.

Will U.S. choose to stay ahead?

Our present world lead in food power does not insure that we will realize our potential and stay out in front. The United States will need to make a conscious political choice to sustain our lead in food power, or we risk losing it. And there is a powerful political movement now being raised, from two divergent but inadvertently allied sources, against our making the positive policy choices that will be needed to sustain our world lead in food power.

While this movement seems to be of one mind on many things, it is fair to recognize that it is of two hearts. One faction is misguided humanitarianism; it might more descriptively be called "wrong-headed goodheartedness". The other is short-sighter opportunism, it is not so much vicious as self-centered rather than patriotic, and small-minded rather than visionary. It is backward and inward-looking, rather than progressive.

"The United States cannot feed the world" is the present-day rallying cry of both factions in this movement against sustaining America's lead in food power in the world arena. That slogan is a truism that imparts a false meaning. It is no less true that "the Arabs cannot oil the world". Arabia's petroleum is only a fraction of the world's total energy resources, but its critical significance to world politics and economics is obvious.

The critical significance of our present and potential exportable margin of food supply is even more overwhelming, if we but knew it. The knowledge is blocked in some by their lack of faith that we would employ such grave power wisely. It is blocked in others by their short-sighted avarice, or by simple inability to reach for the national grandeur and responsibility that knowing possession and employment of such great power would impart.

The misguided humanitarians are easy marks for the opportunists with whom they are unconsciously allied. If indeed "the United States cannot feed the world," then the reflexive response is that the hungry must feed themselves. So it has been that the humanitarian agencies sat by without protest while the Nixon Administration forced America's farm production plant down to its smallest scale in this Century with depression-era farm prices, while spending all-time record amounts to pay farmers for withdrawing cropland from production and at the same time cutting the volume of food aid shipments to the smallest in 21 years. The world food shortage of today was made in Washington, and misguided humanitarians gave consent by their silence to the deed.

The two-hearted movement against sustaining America's lead in food power is united in favoring subsidies and technical assistance by the U.S., international agencies, and other countries, and the promotion of investments to expand food production in other countries. Help to the hungry countries to increase their food production has a useful place in a comprehensive food policy—but as a one-shot *substitute* for the comprehensive policy that is needed, it is false to the intentions of the humanitarians, it betrays the national interests of the United States, and it serves only the short-run purposes of the opportunists.

A "cart-before-the-horse" solution

The simple-minded good-hearted reflex response to hunger is *to strive to increase the supply of food*. But this puts the cart before the horse. I do not know of anyone on earth who has money to spend for food who is hungry. The immediate cause of hunger, wherever on earth it occurs, is the lack of money in the hands of hungry men and women with which to buy the food they need for themselves and their children. The only realistic cure for hunger is jobs, earnings, and purchasing power. Most of the time during the past quarter-century, there have been huge unmarketable surpluses of food in the world, yet the number of hungry has steadily increased. We have been looking at the problem upside-down, creating the illusion that the problem is *supply*, when it's really the *demand* end of the familiar equation that requires our attention and reform.

This is illustrated by our own experience here in the United States. In 1961, our reserve stocks of farm commodities were the largest ever possessed by any country in the history of the world. Yet at that very time, we probably had more malnourished American citizens than ever before in our history! How silly it would have been for us to have tried to attack this hunger by striving to increase food production!

Our experience also teaches that food relief cannot be counted on to satisfy more than a tiny fraction of the malnutrition in the world. The United States is the world's richest country, with one of the strongest, most competent, and most humane governments on earth. But it took even such a government as ours until 1961 to begin making a concerted attack on hunger among our own citizens by means of direct action to provide food aid. Even today, the first place the Ford Administration looked when it sought to reduce government spending was to cut back funds for the Food Stamp program.

The message to the humane should be clear: It is not realistic to suppose that the governments of the poor countries, with much less capability to govern, and much less commitment to social justice, would or even could use "surplus" food effectively to feed hungry people by means of direct subsidization of food for the poor.

Stress on "supply" is self-defeating

The futility of simple-minded concentration upon increasing food supplies as the way to feed the hungry is compounded by two other perverse realities:

First, most of the land suitable to be put into new or expanded food production is located in thinly-populated areas, or is held in large blocks, or both. The oil exporting countries are being pressured from all sides to invest their surplus funds in agricultural development. Many multinational firms are looking for such investment opportunities, often with substantial subsidy by importing country governments such as Japan. Large landowners have the best opportunity to secure capital for expansion of production. In all cases, the odds favor the creation of big-scale farming enterprises, which prefer mechanization to labor-intensive methods. This is the kind of farming enterprises that the U.S. AID program has done most to promote and encourage during the past 10 years. Big-scale farming minimizes the creation of new jobs for unskilled laborers, and may indeed displace millions of them altogether, as happened in the Southern United States when cotton farming was mechanized in the 1950's and 1960's. The result of "increasing the supply of food" by this approach often may be to *increase the numbers* and *worsen the hunger* of the poor.

Second, most of the farmers in the world *already* "know how" to farm better and more productively than they can afford.

The World Bank and others have come lately to recognize the pitfalls of large-scale displacement of labor out of farming by capital and technology, and are trying to shift their help to small farmers. They recognize that increased food production on family farms will at least provide better diets for the farmers and their families. But even the small machines, hand tools, and modern seeds, fertilizers, and chemicals that are needed to increase small farm productivity—*all have to be bought and paid for with money!*

All the petrodollars in Arabia, all the investments the World Bank could make, even if they didn't have to be paid back, would barely scratch the surface of outfitting the billion or so of small farmers in the world who themselves need better diets. As every farmer knows, it is not possible to farm very long unless there are paying customers to buy the produce so that the farmers can pay their costs of production. "Subsistence farmers" farm at a "subsistence" level because they and their children are their only customers—they pay themselves "in kind" for their own labor, and their hungry countrymen stay hungry because they cannot pay enough for food to enable the subsistence farmers to pay for any of the other "inputs" like new tools and chemicals and seeds that they would need in order to increase their output.

The single-minded concentration upon *increasing food supply* is even worse than putting the cart before the horse. It's like sticking the caboose out in front of the train, and then hitching on all the boxcars and coaches and Pullmans—and leaving out the engine altogether!

If a train is going to get any place, it is necessary to start out from the very first with *an adequate engine*. The engine that's essential for getting the hungry fed is purchasing power for food—money for the poor, to translate their *need for food* into *effective demand*. There are ways that this can be done, as I will describe later. The horse can be hitched where he belongs, out in front of the cart. An engine of phenomenal power is waiting to be hitched in front of the train to carry mankind to the destination that all the good-hearted as well as the selfish opportunists too could applaud—enough to eat for everyone! But first I will examine a little further the prepesterous contraption that now comprises our jerry-built food policy, and where it's likely to take us if we stay on board.

"Surpluses" are true goal

It will take us straight back to price-depressing farm surpluses, that's where. Although a small fraction of the world's poor people might get some food relief out of agricultural surpluses, the real result will be self-defeating of its own intended purpose. Food surpluses and depressed farm prices will slow down the expansion of food production, and in the end may again force actual curtailment of farming operations, as happened during the past two decades of chronic surpluses, chronically depressed farm prices, and chronically-worsening malnutrition among hundreds of millions of human beings. To continue the world pattern of spreading poverty and want in the midst of chronic food surpluses and agricultural depression would court a global disaster.

Agricultural surpluses and depressed farm prices are the real goal that is being deliberately sought by some, despite the long-term dangers, as they maneuver to promote food policy measures that hitch the cart in front of the horse. Cheap raw materials suit the short-run interest of processors and traders. Cheap food is a convenient short-run escape hatch for governments having difficulty in keeping their constitutents' cost-of-living within bounds. When farm prices are put down and kept down, cheap food off-sets chronic increases in the wage rates, salaries, profits, fees, and commissions received by other sectors. During most of the past 25 years, declining farm prices have masked steady increases in other components of the cost-of-living index in the United States. Today, after a few brief months during which farm prices rose toward parity, their renewed sharp declines are again the main downward force that is tempering double-digit inflation.

Why pick on farmers?

The aim for "cheap food" in the domestic economy so as to allow faster escalation of other elements in the cost of living is the hidden economic motive behind the urge to foster competition against U.S. farmers and encourage world agricultural surpluses.

The people around the world who are hungry are also often sick. Yet no one suggests that the U.S. should subsidize and promote new drug companies to make the poor countries self-sufficient in medicines, much less help them compete in export markets.

To get right back to food, the poor countries' farmers need fertilizer to increase their food production. Yet official U.S. policy frowns on moves those countries make to nationalize multi-national fertilizer manufacturing facilities. And the fertilizer industry, backed by the U.S. Chamber of Commerce, forthrightly demands that no U.S. subsidies or encouragement be given to establishing competing fertilizer manufacture in the developing countries. Fertilizer should be produced and sold on a strict basis of comparative advantage, with no preference to home-made products over imports, they insist.

U.S. agricultural lead undermined

The curious combine of misguided humanitarians and short-sighted-to-cynical opportunists has already traveled far down the road toward undermining the pre-eminent food power of the United States.

Nine years ago, the "Food for Peace Act of 1966"—which President Johnson sought to re-label as the "War on Hunger"—reversed the program's direction from developing markets for U.S. farm commodities and made its foremost objective the promotion of national self-sufficiency in food production in the poor countries.

William Gaud, then Administrator of the Agency for International Development, boasted in the hey-day of the "Green Revolution" in the late 1960's that a number of developing countries, notably Pakistan, would soon become "self-sufficient" and enter the world market as grain exporters—ignoring the reality that tens of millions of Pakistanis were still and would continue to be severely malnourished. Today over half of what was then Pakistan is the world's worst area of hunger.

The Food and Agriculture Organization of the United Nations offered a "World Indicative Plan" for agriculture which called on the United States and other advanced countries to cut-back on their grain production to make room in the world market for exports from developing countries.

The World Food Conference in Rome last November, with the blessings of the Ford Administration's delegates, made promotion of increased food production in the developing countries its top goal. Ambassador Edwin Martin, who was in charge of promoting the Administration's line for the Rome conference in a "preparatory" meeting with non-governmental organizations, had bluntly shut off consideration of measures that could be taken to increase employment and buying power so that the hungry could buy more food from American farmers. At the World Food Conference itself, the U.S. issued a goading challenge to the oil exporting countries to invest their new-found wealth to develop new farming enterprises to compete with American farmers.

And just a month ago, on March 1, 1975, Secretary of State Kissinger pledged U.S. financial help to promote increased farm production in Latin America—*for export!*—Said Kissinger:

"Most Latin American countries are net food importers. We believe that with a concerted effort . . . Latin America can become a major food exporter."

Endangers U.S. farmers

So long as the supply cart remains hitched in front of the demand horse, traveling down this road is full of peril for American farmers, and for the national interests of the United States as well.

The Arabs are not likely to invest much of their oil profits in farming under the terms of a "boom and bust" agricultural commodity market. They will find ways to contract for guaranteed markets, at guaranteed profitable prices, to guarantee returns on their investments. It is the American and Canadian and Australian farmers who will be left with the "surplus" and economic ruination when the world market again becomes over-supplied.

Nor are the Japanese, who are already investing hundreds of millions of dollars a year in new farming enterprises in Brazil and other countries, at all likely to be planning to take their chances in the "boom and bust" world farm economy idealized by Secretary of Agriculture Earl Butz. The new overseas farms of the Japanese will be protected, as are those in their own islands, while they encroach upon the Japansse home market that has become so vitally important to American farmers.

The farm policy blunders of the Nixon-Ford Administrations have gravely damaged the prospects of American farmers in the world market. The preferential treatment of the Russians at the expense of our regular customers in the 1972 wheat sale; the export embargo on soybeans and some 40 other commodities in 1973; the politicized and capricious export controls on wheat, corn, and other commodities in 1974, have drastically undermined confidence in the United States as food supplier among customers who we cannot afford to alienate nor to lose.

Threat to U.S. economic position

When I say "we", I do not mean only that American farmers cannot afford to lose our agricultural export markets. I mean all of us—all the people of the United States. Agriculture is our country's strong suit in the world economy, and it is a world economy that is swiftly turning to our disadvantage.

Political colonialism came to an end after World War II. Now the economic consequences of the end of colonialism are beginning to materialize. The most dramatic illustration is the action that has been taken by 13 oil exporting countries, which only a few years ago were generally regarded as weak, poor, ignorant, and incompetent. The industrialized countries have been pumping out and importing their oil at prices that were cheap even after allowing for huge profits to the international oil companies. But the oil exporting countries have put an end to that, I think forever. They have nationalized their oil reserves, and they've raised their prices. As the Shah of Iran has said, the oil will be all gone in 25 to 50 years, and while it lasts, he is determined to get as big a stake in the world economy as he possibly can for his country. Much as it hurts us, and hurts even more the other industrialized countries, I don't think we could fairly expect much else, nor blame the leadera of those countries for what they are doing.

Oil is only the first and most dramatic. Exporters of other scarce raw materials are

already, or soon will be, doing much the same. In the years ahead, we can be sure that we will encounter hard bargaining by suppliers of all kinds of raw materials that we can't do without.

The hard bargaining is not likely to stop with raw materials. What the developing countries have in the greatest abundance of all is *cheap labor*. There are literally hundreds of millions of people in Asia and South America and Africa who are unemployed. We in the United States managed to keep unemployment down to 3 or 4 percent throughout most of the 1950's and 1960's. Now we are justly distressed with unemployment up to around 8 percent. But in many of these poor countries, actual *unemployment* is around 20 to 30 percent, as bad as the worst we experienced in the depression of the 1930's. And more than half of the people who do "work" have jobs that aren't worthy of the name, and they earn only a few cents a day.

Second World "economic shock" coming

The enormous need for employment in the developing countries, and the enormous political pressure upon all of their governments to create jobs and to find markets for the products of their labor, set the stage for a second worldwide economic shock which I believe will be far more profound than the quadrupling of prices by the oil exporting countries. We have been put on notice by some of the leaders of these countries themselves.

"Why should we sell oil and iron ore and bauxite to you," they say, "so that you can smelt steel and aluminum and make plastics in your mills, and then make automobiles and refrigerators and washing machines to sell back to us at high prices?

"We think it would be better for us to invest our oil profits to build our own refineries and smelters and factories in countries that have a lot of unemployed workers, and then you can buy our energy from us in the form of manufactured products!"

I think this paraphrased quotation from Sheik Yamani, Minister of Petroleum of Saudi Arabia, is a thumbnail sketch of the future world economy.

Saudi Arabia has the world's largest reserve of petroleum. Twelve others in the "union" of Oil Exporting Countries have most of the rest of the exportable supply. Other underdeveloped countries possess most of the world's reserves of bauxite. Others have vast supplies of iron ore, and of other minerals that we cannot do without. Still others have hundreds of millions of poor workers who need jobs or better jobs. All of these countries, despite their differences and conflicts, are learning to work effectively together, first on political issues in the United Nations, and increasingly of late on economic problems. I do not doubt that they will soon begin to rearrange the world's economic furniture so that it will be completely unrecognizable to anyone who remains stuck in the outdated present.

World power shift reducing hunger

As I see it, this is a realistic view of the world situation within which we Americans will have to make our future. What shall we do about it?

First, a word for the humanitarians:

The monumental changes that are being made in the world's economic and political structure are moving swiftly toward the very result that good-hearted people most profess to want—*enough to eat for everyone.*

Increased oil revenues alone are already creating jobs and increasing buying power for food. The countries stretching from Morocco on the Atlantic to Iran beyond the Caspian Sea tripled their purchases of U.S. farm commodities in 1974 over 1973—to 13 times as much as the average of the five years before. This represents more headway against hunger than was ever accomplished through food aid at its peak.

And the process is barely beginning; only a fraction of the exporters' oil profits are as yet being invested. As the development of new industries, the construction of new roads and railways, factories, houses, sewer and water systems, and all the rest gets underway, and as still more jobs are opened up when the construction is finished, tens of millions who have been poor and hungry will become breadwinners. The other foreseeable measures to increase the earning-power of the poor countries from their resources and their labor will add to this beginning, creating a veritable explosion of purchasing power for food within the decades ahead of us.

Yet there is much work for the humanitarians to do. The present rules of the world economy are rigged against the hungry—and against the farmers, whose best potential customers are the world's poor and unemployed. The highest trade barriers on earth are those raised by the United States and other industrialized countries against the kinds of goods that poor and hungry workers could make and sell to earn their bread. These trade barriers condemn tens of millions to malnutrition. There is where the truly effective attack on hunger should be aimed! And equally as important, at providing for help to those of our own industries and workers that will be squeezed in the economic earthquakes that are sure to come in the years ahead.

There will be continuing needs for emergency food aid, and for special assistance to vulnerable individuals in the developing countries before their own welfare and social security systems can be established. The best way to get that done is through a farm policy for the United States that is designed for an expanding role for American agriculture in the new world economy.

As for help to developing countries to expan their own agricultural production, that will largely take care of itself once the engine of rising demand is cranked up and running down the track. Prospering and expanding urban sectors in those countries will make it possible for them to follow the Japanese pattern in their agricultural development. In Japan, relatively high domestic food prices, supported a labor-intensive family-farming system which retained labor on the farms until the non-farm industries were ready to absorb it at life-sustaining wages. This provided a constructive home environment as a base for good nutrition, health care, and schooling of the new generation. Without two things from America—markets for their manufactured goods, and imported food—the double-barreled success of the Japanese both in their rural and urban economies would have been impossible. Now the poor countries are uniting to demand the same conditions from the rich countries as a group.

New U.S. food policy needed

In such a future world as this lies a giant opportunity for the United States that dwarfs the little goals of the short-run opportunists.

Why should we cripple our farmers with chronically-depressed prices and incomes, relieved only intermittently once in a decade or so when this mean course leads to unnecessary worldwide shortage?

Why should we shrink our agricultural production plant to its smallest dimensions in the Century, while reversing the use of our exuberant abundance for developing expanded markets?

Why should we default from our pre-eminent food power in the world, while promoting the creation of preferred competitors in the export markets upon which our whole economy and national financial balance depends?

Why should we block the legitimate aspirations of the developing countries for access to our markets for the products of their poor and hungry workers?

Surely breaking and keeping farm prices below the cost of production so as to get a transient improvement in the cost-of-living index, to cover-up mismanagement of other sectors in the economy, is not worth such a price.

Should stand up for U.S. interests

It is time for Americans to acknowldege the pre-eminence of our food power in the world, proudly and confidently, and to begin to use it boldly and creatively to advance the interests of our country.

As other countries concert and muster their bargaining power to demand higher prices for what they sell that we must have, so must we marshall our bargaining power to demand fully remunerative prices for the food which they must have and we can sell.

We must restore and redeem the responsible leadership of the United States for international cooperation and fair play in ordering the economy of the world. It was abandonment of that leadership by the Nixon Administration, by violating and wrecking the International Grains Agreement in 1969, which started the trend toward one-sided economic buccaneering that culminated in the oil exporters' cartel. We must once again employ our economic power along with our moral influence to persuade the countries of the world to cooperate together through international commodity agreements. These should give fair representation to the interests and needs of both exporting countries and importing countries.

W should revitalize and encourage our agriculture by providing effective and reliable support programs that will assure prices at full parity.

We should expand the Food for Peace program boldly and imaginatively so as to insure full use of all that our farmers can produce at full parity prices.

We should insure that all of our own who are hungry are fed, and then share generously with other prosperous countries in providing food aid in emergencies and for women, children, and the handicapped who cannot work.

To the full extent that our food supplies may temporarily exceed our needs for domestic and export markets and realistic reserves, we should use concessional sales of food under long-term food aid and trade expansion agreements with developing countries, with the direct objective of fostering enduring patterns of two-way trade.

Wherever in the world there is a present or prospective market for our food, we should go after it, with energy and imagination. In the future now beginning, we are sure to need it before long.

Why should we coerce India, for example, to strive to be self-sufficient in food production, when we did the opposite in Japan, to our everlasting gain?

From zero in 1945, our agricultural exports to Japan have climbed to the multi-billion-dollar level—a supreme example of the practical benefits of the "Food for Peace" program that have accompanied its humanitarian goals. We began with donations to the needy; we advanced through concessional sales on easy terms, and in the process we "taught" the Japanese consumers to like and to buy American-styled foods and farm products. At the same time, for military and political as well as economic reasons, we fostered two-way trade, laying the basis for what has become one of our most important international relationships.

No, the United States "cannot feed the world". But we can, and we must, go after the biggest piece of the business that we can get.

Our country is both great and good. We

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deserve a leading role in the world. Despite our shortcomings and mistakes and imperfections, we have much to contribute to the creation of a world society in which our own and all other men's children can live in peace, dignity, and decency.

Food power is our greatest gift for the world, and our strongest claim to national power and influence in the world.

We must not sell our farmers short in our own economy. We must not sell our agriculture down the river in the new world economy now taking form.

INTERNATIONAL FEDERATION OF
AGRICULTURAL PRODUCERS,
Washington, D.C., December 15, 1972.

REPORT OF THE WORKING PARTY ON THE INTERNATIONAL GRAINS ARRANGEMENT 1974

(Note.—the following report is presented by the Working Party as a whole. However, it does not necessarily reflect the opinions of any particular member of the Working Party, nor are the organizations represented committed by the whole or any particular part of the proposals or remarks set out below.

The Working Party had before it three proposals as working documents submitted as personal contributions respectively by R. G. Lewis (NFU–U.S.), by G. H. Morsink (Netherlands–CEBECO), and by A. Winegarten (NFU–U.K.), A. Herlitzka (COPA), and P. Malvé (France). It wishes to express its gratitude for those three contributions which basically all propose agreement on feedgrains as well as wheat, that prices be maintained within a stipulated price range, and that agreement on reserve stocks would need to play a role in maintaining prices within the range.)

INTRODUCTION

Terms of reference

1. At the 18th General Conference in May 1971 in Paris the following decision was taken:

"IFAP should establish its own expert group to analyze thoroughly the problems and explore the policy and methods necessary to make the [International Grains] Agreement an uninterrupted success.

"IFAP should maintain its view on the desirability of seeking to bring coarse grains within the International Grains Agreement and the technical problems associated with this should come within the remit of the expert group referred to above."

2. Various problems arose which led to the postponement of such a meeting so that the first opportunity for reviewing the situation was offered when the Group on Grains met before the Nineteenth General Conference in Ottawa in October 1972. The Group felt that, while pursuing the objective of reinforcing the 1971 Wheat Agreement with price provisions, producers should already begin examining the requirements for an agreement in 1974, and the Conference therefore recommended that.

"An IFAP working party should be convened shortly to expand and formulate precisely the Group's recommendations and present a report to the Spring 1973 session of the Executive Committee."

3. The recommendations of the Group on Grains, which therefore constitute the terms of reference of the Working Party, are essentially as follows:

Coverage of both wheat and feedgrains;

Minimum and maximum prices at levels fair to grains; producers relying largely on exports for their returns and to consumers;

Co-ordination of domestic farm programs to improve management of world grain supplies;

Maintenance of adequate grain reserves;

Reduction of barriers against international trade in grains while respecting the right of farmers in all countries to an adequate income; and

Food aid.

"A future Agreement on grains must include provision for rational and fair stockholding policies shared amongst the chief exporting countries, but also to some extent amongst importing countries. Each country would be held responsible for maintaining stocks within agreed limits. As a corollary to this, the onus of adjusting national production to keep within the agreed stock limits would rest with individual countries as a commitment under the Agreement. Stocks would include feedgrains and be proportional to each country's share of world exports; the cost of stock-holding would be borne by the country concerned. The supply management effects of such a stock-holding agreement should ensure regular supplies of grains to importers at reasonable prices and avoid the building up of unwieldy surpluses."

4. It was also the opinion of the Conference that in negotiating an International Grains Arrangement, account should be taken not only of the current market situation at the time of negotiations but of a longer term view of the need to ensure adequate supplies at stable and remunerative prices.

General comments

5. The non-adherence to the price provisions of the 1967 International Grains Arrangement and the failure to negotiate meaningful price provisions in the present International Wheat Agreement reflect fundamentally an end to the willingness and ability of Canada and the United States separately or jointly to withhold supplies from the market and to modify the competitive aggressiveness of their marketing policies sufficiently to ensure compliance with (or in the case of the present Agreement to undertake compliance with) minimum price provisions. The relative stability of prices and on the whole successful compliance with the price provisions of previous International Wheat Agreements in times of abundant supplies resulted from the North American exporters being able and considering it to their advantage, to act as residual suppliers to world markets. In the process they built up formidable carry-over stocks which only massive aid programs, substantial restraints on production, and the eventual emergence of exceptional demand conditions corrected. It is the conclusion of the Working Party that the conditions are past under which minimum-maximum price provisions—unsupported by corollary undertakings within the agreement which could affect underlying production, marketing and reserve policies—are likely to be successful, and that, moreover, the framework of agreement must be broadened to embrace feedgrains as well as wheat.

6. Producers are profoundly convinced, as evidenced by the findings of successive IFAP Conferences and most recently in October 1972, that the interests of producers of both exporting and importing countries lies in achieving stable and orderly conditions of pricing and marketing of grains in international trade. Since the interests of all of them are so directly affected, it is of utmost importance that both a grains agreement be negotiated and that producers themselves play a major role in that negotiation. To ensure that they assume this role, and that moreover they demonstrate to governments the seriousness of their intentions, it is desirable that producers provide leadership in bringing forward concrete and detailed recommendations to governments in time to serve as a basis for negotiation of a 1974 arrangement.

7. The Working Party recognizes that the proposals in this report fall short of achieving a detailed elaboration of the terms of a proposed agreement. Such an undertaking has been beyond the possibilities of the time and resources available to it. It suggests that consideration be given to whether it might be worth the effort for IFAP and its interested member organizations to commit the admittedly considerable time and expense that would be required to further elaborate these proposals following comment by member organizations and consideration by the Executive Committee.

8. Any international commodity arrangement should incorporate benefits and obligations on importers and exporters of the commodity or commodities concerned in, as near as possible, a balanced package. One of the essential guarantees of success is that the benefits derived from the arrangement by member countries are such that under no foreseeable circumstance can it be worth their while withdrawing from the arrangement or in any other manner sacrificing those benefits. Any proposals put forward by grains producers should take these elements fully into account.

PROPOSED GUIDELINES FOR AN INTERNATIONAL GRAINS AGREEMENT 1974

Term of the arrangement

9. The Arrangement itself should not be for a fixed term of years but instead should constitute a framework of continuous policy which firmly and unequivocally establishes the intent of Governments to pursue a commitment to orderly marketing of grains by international agreement. The nature and direction of the undertakings arrived at under such an arrangement are of sufficiently basic and long-run significance that the arrangement as such should not face countries with the prospect of its termination after only a short period of years. At the same time, it is very clear that within the terms of the arrangement itself, detailed provisions must be periodically reviewed and renegotiated in the light of experience and changing conditions. Provision for this should be contained in the arrangement, as well as provision for notice of withdrawal and for accession.

International grains council

10. All countries[1] participating in the arrangement would be represented in the Council. Exporting member countries and importing member countries would comprise co-equal groups within the Council, recognizing that in the context, especially, of an overall grains arrangement, some countries would have representation in both groups. Each group would have equal voting power. The votes of each group would be divided as agreed among the countries associating with each of the respective groups. Decisions by vote would be decided by majorities of both the importing and exporting groups, although clearly a largely consentiant basis of operation and negotiation is desirable and indeed necessary.

Coverage

11(a). The proposed arrangement would embrace wheat and the principal cereal grains used for feed.

11(b). It must be recognized that protein-rich and especially starch-rich sources represent an alternative to grains as feed-stuffs. The best course of action would therefore be to include such products within the terms of the arrangement, incorporating them into its system of price stabilization, export and import obligations and reserve requirements. The considerable difficulty of implementing such a decision must be recognized, and since strict application of the provisions would probably be impossible it is not proposed that this be attempted at this time. It is, however, proposed that a review committee would keep under review the development of prices and trade flows of such non-grain feeds. Should disruption of the grains market be feared, consultations would be held to decide whether corrective measures are necessary. The Working Party noted that consideration should be given to the special position of such feeds as export commodities of developing countries.

Pricing and price review

12. The following proposals for pricing provisions, price ranges, and reference grains must be assessed in relation to a clear understanding of the fundamental nature and assumptions of the whole proposal. A key assumption is that if member countries to an agreement attempt to sell more grain into the market than can be absorbed, then agreement to adhere to minimum pricing requirements is unworkable. This is the lesson experience has taught. The arrangement is therefore designed to provide a mechanism for preventing this situation occurring, by agreement to withhold grain from the market or add to supplies from reserves on an orderly basis, if need be, sufficiently for the demand/supply balance to permit maintenance of prices within the range.

13. To administer such a plan reference price guidelines are needed for both wheat and feedgrains. At the maximum this would put definite ceilings on wheat for food use and grains for feed, around which other grains than the reference grains would be priced at differentials on which agreement should be reached in the Council; such differentials would, under those conditions, likely be narrow.

14. With respect to the minimum, it would be the object to so manage supply that competitive forces rather than explicit definitions in the arrangement would determine the precise differentials in the market without undue price-depressing effects on any grain. The minimum price for the reference grains would serve as a guideline for action on the supply management side.

15. The operation of the arrangement therefore involves careful and continuing management by the Council and its committees and expert groups, both as the prices approach the maximum (since an increase in export quotas or the utilization of the world reserve would be brought into the picture), and as they approach the minimum (since assessment of the need for action on the side of reducing market allocations to exporters would be urgently signalled).

16. There would therefore need to be a co-ordinated functioning of review committees and technical groups that would maintain a continuing review of trading prices of grains, and emerging demand and supply and requirements conditions. It would signal the danger or existence of the conditions of the arrangement being breached and provide effective mechanisms for decisionmaking on the committee's own authority, or for efficient reference to the Council on matters such as decisions on adjustment of quota allocations.

17. With regard to reference wheats it is proposed that there be a tri-wheat system for basing price references in the arrangement. A high protein-type and grade of Canadian Wheat and a closely competitive type, grade, and quality of wheat from each of the United States and Australia would be chosen, each of which is regularly traded in world markets. The maximum and minimum wheat prices in the arrangement would refer to these wheats. The three wheats should have as close as possible to identical values in the world market.

18. With respect to a reference feedgrain—which will be needed both at the minimum and maximum—it is proposed that a single reference grain, namely maize, should be utilized.

19. The level and range of prices which would be desirable in the arrangement is a matter that can only be determined by negotiation, since the producer and the consumer interests are involved and consequently this would be an important factor in the balancing of benefits and obligations. It needs only be reaffirmed that it is a primary object of the arrangement to provide stable prices at levels that will give fair returns to producers who rely largely on exports for their returns. The price level to be aimed at should be higher than that established in the 1967 International Grains Arrangement in order to take account of the increases in production costs and to compensate exporters for the cost of maintaining World Grain Reserves.

World grain reserves

20. A World Grain Reserve would be established. It would be composed of wheat and other grains in a proportion to be agreed upon. The World Grain Reserve would be held as an obligation by exporters in approximate proportion to their agreed export quota, adjusted by agreement as necessary. Exporters would bear the full cost of maintaining such a reserve. It would be managed by the Council and decisions with respect to it would therefore be taken on a majority basis between exporters and importers. Such a reserve would constitute an individual and collective undertaking by exporters to their clients that all their entitlements would be able to be met, in particular in times of heavily increased import requirements. When the share of the Reserve held by any exporting country was drawn down below its allocated level, that country would have the obligation to replenish its share, by adjusting its production in the following season, or by transferring grain from its national stock. Replenishment of the Reserve would be a binding priority commitment on exporting member countries. World Grain Reserves could be held at the discretion of the exporting country in a manner and place which would ensure that the grain would be reasonably available for delivery when and where required.

21. Note should be taken of policy on withdrawals from the Reserve. In a general way, reserve requirements would be basically, with necessary adjustments, related to exporter shares of trade. By the same token withdrawals from the Reserve would in principle be related to reserve requirements. However, it is clear that in practice there will be many considerations which the Council will need to take into account in administering reserve policy. Transitionally, there may well be a period when reserve stocks have not yet had an opportunity to build up to normal levels, and special rules would be required. Policy on these matters will have to be carefully thought out, and the kind of problems that may arise anticipated as far as possible.

22. As noted above, the fundamental purpose of the World Reserve in relation to the agreement would be to provide security to importers that they would receive their entitlements at not more than the maximum of the range. The amounts involved would be considerable but it would require careful study to define them with precision. It might well be considered desirable to develop a World Reserve with more substantial stocks than might be sufficient to ensure fulfillment of obligations to participating importers. Should plans thus be made to be ready for larger unforeseen needs wherever they might emerge, the question of the responsibility for financing the holding of such additional quantities would have to be carefully reviewed and negotiated; it could not necessarily be considered that World Reserve at such higher levels, though necessary in global terms, would remain the exclusive responsibility of exporting countries.

23. When the obligations to importers have been fully met the Council may, if it feels it prudent to do so, release further reserves for sale by members holding them to meet other needs. The maximum price restriction need not apply to such sales.

National grain stocks

24. Exporting and importing country members would normally hold national stocks of grains of some level. For exporting countries such stocks would include grain produced over and above the country's export quota, requirements for the replenishment of its reserve, and food aid donations. For importing countries, stocks would be constituted (or added to) whenever national production plus import obligations under the arrangement exceeded national consumption requirements. All countries could draw on such stocks to provide food aid. The time might come when, after a number of years of good crops, national stocks in importing and exporting countries would become a considerable burden to carry. Given the trading entitlements and obligations under the arrangement, and various other safeguards, countries carrying such national stocks would have the choice of reducing national output or stepping up their food aid shipments during the period covered by the arrangement. It is understood that at the end of the period quotas might be subject to negotiation. This system should allow a maximum of independence to each member country in managing its own stock and in operating its domestic farm policy, including the price support and supply management programs best adapted to national conditions. It should also avoid any risk of dumping burdensome stocks onto the world market.

Global grain sales

25. The estimated quantity of commercial grain exports to be made by exporter member countries to both member and nonmember importers would be determined as the basis for the grain sales quotas of each member country, defined on an annual basis. This would be an all-grain quota, stated in tons rather than feed values, so that there would be no breakdown of country export quotas, or the global quota, by different types of grain. If non-grain starch-rich feedstuffs were to be included in the arrangement, feed-value equivalences would, however, have to be utilized.

26. The global quota would be subject to review and revision as necessary, at any time, and indeed the variations in time of harvest and patterns of marketing make a rigid "annual quota" basis of allocation impractical. This is an administrative problem that would have to be worked out.

Exporting country obligations and entitlements

27. Each exporting country member would be assigned a grain sales quota defined as a percentage share of the global sales quota. These shares would be determined in the arrangement of the basis of criteria determined by negotiation. When the global sales quota was increased or reduced, the percentage shares would normally apply so that the increase or decrease would be on a pro rata basis.

28. Each exporting country member would be obligated to supply grain at not more than the maximum price to the extent of import entitlements of importers from that country, and in the form of wheat to the extent claimed by the importers up to the proportion of wheat in each importing country's entitlement. Each exporting country would be obliged to maintain its prescribed share of the World Grain Reserve, subject to disposition by the Council. All exporting countries in concert would be obligated to satisfy the import entitlements of all importing countries to whatever extent their entitlements could not be satisfied by the exporting countries from which the entitlements were due. All exporting countries

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[1] For the purposes of the arrangement the European Economic Community would be considered as a single entity, member of the arrangement.

would be obligated to sell no grain at below the minimum price.

29. If any member exporting country should suffer a shortfall in domestic production it could meet its export obligations and its share of the market by utilizing national stocks or, failing that, request permission to meet its obligations or meet its market share out of the World Reserve. The Council could authorize such a withdrawal from the World Reserve, or assign to other member exporters additional quotas to make up any shortfall on a pro rata or other agreed basis.

30. By refusal to release World Reserves to an exporter the Council could make clear its view that the exporter was able to meet its obligations from its national stocks.

31. There would also need to be a mechanism for quota adjustment from year to year or periodically as required, the major criterion being a shortfall in the record of performance of member countries in meeting their quota allocation and reserve obligations. However, provisions regarding allowance for exceptional crop failure, for example, would have to be developed.

Importing country obligations and entitlements

32. Each importing country would agree to purchase from exporting member countries not less than a percentage of its total requirements for arrangement grains. This percentage would be a negotiated amount related to a range of relevant criteria of which the historical record would be one. Based on the percentage so determined each importer's import obligation would be determined each year, and like the global sales quota would be subject to adjustment as necessary at any time. This amount would constitute the obligation of the importer to purchase grain from exporting member countries, for which the importing country would be obligated to pay not less than minimum prices. The import obligation would be defined in terms of tons of any grain.

33. Each importing member country would be entitled to supplies at no more than the maximum price, from each exporter, based on the importing country's purchases during a preceding base period from that exporting country. The importer would be entitled to demand his entitlement in the form of wheat up to the quantity of wheat in the importer's actual purchases which form the basis of its import entitlement. All importing countries would be entitled to purchase grain from the other exporting member countries acting in concert, at no more than the maximum price, to the extent that the exporting countries from which its import entitlements were due were unable to meet their commitments.

Exports by importing country members

34. As already noted some countries may be both importing and exporting members of the Council. There will be a number of countries which customarily import some kinds of grain and export others. Such countries would assume both export and reserve obligations as regards their exports, and import obligations and entitlements as regards their imports.

Commercial sales of grain

35. Exporting country members would compete for sales to fulfill the import obligations of importing country members, and would compete likewise for sales of grain to non-member countries. Exporting countries would be obligated to comply with the maximum price guarantee in sales to importing country members up to the amount of each importing country's import entitlement from that exporter, and to offer no grain for sales at less than the minimum price to any country.

Food aid

36. Exporting and importing country members would agree in concert to supply up to an agreed global amount of grains as food aid, as a commitment to eligible importing country members. The obligation toward fulfilling this entitlement would be allocated among the developed country members by agreement. Food aid commitments would be fulfilled irrespective of market conditions. As frequently reaffirmed by IFAP, food aid is a constructive form of aid which deserves to be pursued for its own sake and not essentially as a means of disposing of accumulated surpluses as and when they happen to be available.

Less developed country members

37. Each less developed country acceding to the arrangement as an importing country member would be assigned a commercial import quota, together with a food aid import entitlement. The ratio of the commercial import quota to the food aid import entitlement would be established for each less developed importing country member in accordance with its relative ability to pay, somewhat as "usual marketing requirements" are defined and monitored by FAO's Consultative Sub-Committee on Surplus Disposal. These countries would purchase grain to fulfill their commercial import quota and food aid import entitlement from member countries on a competitive basis. These transactions would be subject to review by the Council and subject to terms conforming to guidelines established in the arrangement.[2] Under this procedure, each less developed importing country member could receive its total grain supply purchased under terms of the arrangement at a "blended cost" commensurate with its relative ability to pay.

38. Additional food aid from member countries would be encouraged on both bilateral and multilateral terms, and all such transactions would be reported regularly to and reviewed by the Council. The preceding proposals are not intended to cover exhaustively either the need or the possibility of food aid and food aid programs in grains, either within or outside the arrangement.

39. The import obligations and export sales quotas of less developed member countries would be made subject to special consideration by the Council of the needs of these countries to develop their resources efficiently in order to satisfy their requirements for adequate nutrition of their population and general economic development.

DRIVE TO THROW THAILAND TO COMMUNISTS BEGUN

Mr. THURMOND. Mr. President, the May 1, 1975, issue of the Aiken Standard newspaper in Aiken, S.C. contained an article entitled, "Drive To Throw Thailand to Communists Begun."

This article, by Ralph de Toledano, takes note of a campaign already underway to convince the American public that Thailand is not worth our aid in their efforts to remain a free country.

These initial efforts to discredit Thailand are unworthy of the American free press and I hope our Nation will assist Thailand from becoming the next domino to fall in Southeast Asia.

I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DRIVE TO THROW THAILAND TO COMMUNISTS BEGUN

(By Ralph de Toledano)

In biblical times, the handwriting was on the wall. Nowadays it is on page one of our daily papers. What it has begun to tell us is that the media campaign to throw Thailand to the Communist wolves has begun. All the signs are there.

With the Communist predators moving down into the South Vietnam our Congress has abandoned, with Cambodia at the edge of the abyss, and with the Laos "coalition" going the way of all such coalitions, we are being told by those who sneered at the "domino theory" that Thailand is the next in line to fall.

And American public opinion is being prepared to accept this new defeat by stories of "corruption" in the Thai government, the weaknesses of the Thai army, and the venality of the Thai middle class. Bangkok's neon lights—a manifestation of the sloth, obviously—and its "thousands" of prostitutes—a figure sucked from a reporter's thumb—are cited to demonstrate the moral weakness of the country as compared to the Spartan qualities of the "CT" forces, the Communist terrorists. So, too, is a Thai birthrate of 3.3 percent.

Of course there is corruption in Thailand. (There is greater corruption in the countries of the Arab world, but no one makes an issue of it. And New York City is thick with prostitutes.)

But that is not why Thailand will be the next domino to fall. Of course there are CTs—8,500 CTs in a country of 41 million people—but that is not why Thailand is scheduled to go the way of the rest of Indochina.

If Thailand goes, it will be because a victorious Hanoi pours arms and men into the Thai hills. It will be because these forces will engage in the most difficult kind of warfare to cope with, employing hit-and-run guerilla tactics against the Thai army and ruthless terrorism against the people. With inexhaustible supplies from the Communist base in Vietnam going to the CTs and a worldwide propaganda apparatus to destroy the Thai will to resist, the country has little chance to contain the Communist attack.

That will is already being sapped by voices in Bangkok which agitate for the communization of the country as the only answer to the Communists. The same voices clamor for a weakening of the armed forces in order to prevent the military from taking over the reins of government.

But the most significant factor in the loss of any will to resist the Communists is the realization in Thailand that the country has no friends. The CTs will get arms and men from Hanoi, but as the terrorists grow in power, the left-wing cabal in our Congress will see to it that Thailand gets no military aid and precious little economic aid. Congress has decreed that no moral corruption can be tolerated except American moral corruption—and let the devil take the hindmost.

Given these circumstances, there is no doubt that Thailand will fall to the Communists. It is not a question of corruption or the growing birthrate or the prostitutes in Bangkok. It is simply a question of logistics. Thailand cannot fight back an aggressive enemy without arms and encouragement from the United States. And it is tragically clear that this will not be forthcoming.

Congress will not be budged from its suicidal course without strong prodding from our fourth branch of government, the media. But the media is not likely to take up arms in this cause. Those who dominate the TV networks are, in fact, in accord with those who wittingly or unwittingly work for the day when these United States will be isolated in a hostile world.

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[2] FAO's Principles of Surplus Disposal should be a basic reference for such purposes.

FISCAL YEAR 1976 APPROPRIATIONS FOR AGRICULTURE, RURAL DEVELOPMENT AND FOOD PROGRAMS

Mr. HUMPHREY. Mr. President, earlier this week I submitted my views and recommendations to the Subcommittee on Agriculture, Environmental and Consumer Protection of the Senate Committee on Appropriations, regarding fiscal year 1976 funding for a number of essential agricultural, rural development and federally financed child nutrition and family food programs.

As I indicated in my testimony, many disparities and dislocations have developed in our Nation's economy and within our Nation's food and fiber sector during the past 3 years. And as the Congress considers its Federal expenditure patterns for fiscal year 1976, it must, in my judgment, take these disparities and changes into account.

As national unemployment continues upward, accompanied by continuing inflationary pressures, the Federal Government must, in my judgment, be prepared to assist those most adversely affected by these developments, by helping them to satisfy their most basic human needs, such as food, housing and other essential social services.

Rural America continues to get the short end of the Federal expenditure stick. One-half of our Nation's poor still resides there. Two-thirds of our Nation's substandard housing can still be found there. The most inadequate community social services, such as health care, education, fire protection, public utilities, and communication systems, are still found there. And yet the people who reside in these regions operate our Nation's most basic and essential industries, which are agriculture, mining, and forestry.

The efficiency and productivity of these people deserve more than just the leftover crumbs of Federal expenditures each year. Therefore, Mr. President, I hope the Appropriations Committee and the Congress will support my request for increased funds in fiscal year 1976, to meet the growing needs of rural Americans and our Nation's poor.

Mr. President, I ask unanimous consent that the full text of the testimony I have submitted to the Appropriations Committee regarding fiscal year 1976 funding of these essential USDA programs be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY BY SENATOR HUBERT H. HUMPHREY

Mr. HUMPHREY. Mr. Chairman, I want to thank you for this opportunity for me to once again share my views and recommendations to you and other Members of this Subcommittee relating to Fiscal Year 1976 appropriations for the U. S. Department of Agriculture to meet the agricultural, food assistance, and rural development programs which it administers.

As a Member of the Senate Agriculture Committee, the Senate Foreign Relations Committee, and as Chairman of the Joint Economic Committee of the Congress, I am more than just "aware" of the dramatic changes that are currently unfolding both here in the United States and throughout the world.

Our Nation's economy remains out of control, with few if any genuine signs on the horizon that it has "bottomed-out" or is headed for recovery.

American agriculture finds itself being buffeted today by both the winds of "shortage" and the prospect of "surpluses." Administration food and agricultural policies of the past three years have made "instability" and "uncertainty" the hallmarks of today's marketplace. During this period, we have seen a depletion of our nation's food reserves. And while we have experienced a welcomed increase in the general level of farm prices, income and exports of farm commodities during this period, we have also witnessed major liquidations of our livestock and poultry numbers, and sharp rises in consumer outlays for food and in government expenditures for federal feeding assistance.

In the past three years, $47.8 billion have been added to American consumer grocery bills for U. S. farm products and $5.2 billion in added government outlays for food stamp, school lunch and other federal food assistance programs. And I have no idea as to how much has been added in government outlays during this period for Department of Defense food purchases, or for P. L. 480 outlays due to increased commodity prices.

And as I indicated earlier, while these farm price rises and increases in farm exports have contributed substantially to farm income and our international trade balances these past three years, the "bust" side of this "boom and bust" cycle is already underway.

Realized net farm income for 1975 is now projected by Secretary Butz to drop by $7 billion from what it was in 1974 and $12 billion from what it was in 1973, or 30 percent in just two years.

And while much of this expected drop in farm income is based upon expected declines in new crop grain and soybean prices, it also reflects expected declines in the volume of marketings of hogs, broilers, eggs, turkeys and fat cattle during the balance of this year and in 1976, which was created by excessively high feed prices during 1973 and 1974.

Pork supplies available for market this year will be the lowest they have been since 1935. Poultry supplies in 1975 are down about 10 percent from last year; turkey meat supplies down 15 to 20 percent from a year ago; and fat cattle placements down 41 percent from a year ago.

U.S. corn stocks on April 1, 1975, were down 23 percent from last year, and 34 percent from two years, or the lowest they have been on that date since 1955. Sorghum stocks are now down 45 percent from last year. Soybean stocks are down 11 percent and oats down 25 percent from a year ago. Barley stocks are down 38 percent from last year and 48 percent from two years ago. Wheat stocks on April 1, 1975, were down 17 percent from last year and 31 percent from two years ago, or the lowest they have been since 1952. And finally, flaxseed stocks are now down about 32 percent from last year or the lowest they have been since the beginning of quarterly flaxseed estimates in 1946.

Mr. Chairman, my review of these conditions is for a purpose, because such "boom or bust" swings in our nation's food and agriculture industry continues to create major economic problems for all concerned—grain and livestock producers, American consumers and taxpayers and for our nation's entire economy, including rural America. And as we have recently seen, President Ford has shown little or no interest in stabilizing the basic forces of the marketplace that have contributed so much to this "boom or bust" cycle. His veto of the Emergency Farm Act of 1975, H.R. 4296, is a clear signal to the American farmer and to the general public that this Administration intends to keep us on the roller-coaster of "uncertainty" and "economic instability."

And Mr. Chairman, as we examine the need for Federal expenditures in Fiscal Year 1976, we must be prepared to correct many of the disparities created by a national economy still suffering from both inflation and recession, increased unemployment, and the regressive impact upon our society of continued increases in the prices of basic consumer goods and services, such as food, utility rates, and housing.

FOOD AND NUTRITION PROGRAMS

Mr. Chairman, the President's FY 1976 budget calls for major changes in our nation's federal food assistance programs. As you know, the President has proposed a so-called "block-grant" program as a substitute for existing school lunch and child nutrition programs, a proposal which the House of Representatives already has rejected. Although our Senate Committee on Agriculture and Forestry has yet to complete its action on this and related Senate measures introduced to extend and expand these programs beyond June 30, 1975, I fully expect that both our Senate Agriculture Committee and the Senate will follow the lead of the House of Representatives and reject the President's proposal. As has already been reflected in our Senate Agriculture Committee's FY 1976 budget submission to the Senate Budget Committee, existing school lunch and child nutrition programs will likely be extended and expanded by the Senate and the Congress within the next 30 to 45 days.

In addition to the recommendations that I and Senators McGovern, Hart and Case submitted to you on May 2, 1975, I would like to make the following additional comments and recommendations.

The Department of Agriculture's budget recommendations for FY '76 also eliminate funding for the day care and summer feeding programs. It is critical that these programs be continued. The Senate Agriculture Committee has recommended to the Budget Committee that $140 million be provided for these programs in FY '76. This is a minimum need for these programs. It would allow only a 10 percent increase in funding for the day care program, which has been funded at a $64 million level this year. A somewhat larger increase would be allowed for summer feeding, but this would be the first increase in funding for the program since FY '72.

Since then, summer feeding has been budgeted at $50.6 to $52.7 million each year, and now needs an increase in funding due to rising food costs and to the need for program expansion (only 17 percent of the low income students receiving free and reduced price lunches during the school year are now reached by the summer program during the months that school is not in session.)

I am hopeful that the Committee will provide $52.7 million of this $140 million total (in addition to $6 million of remaining FY 1975 summer feeding funds) in the second supplemental appropriations bill for FY '75. This quick action is needed to insure that this summer's program, now in its planning stages, functions on schedule.

In the areas of equipment assistance for schools and state administrative expenses for running child nutrition programs, the Administration's budget shows no increase. This, too, is unacceptable.

There are still nearly 18,000 schools in this country with no school lunch programs. Thirteen percent of America's school children attend schools that continue to offer no food service. In FY 1975, the Department of Agriculture estimates that only 1,961 "no-program schools" will have been equipped with USDA non-food assistance funds. This rate of expansion to no-program schools is too slow.

What we are faced with is a choice between spending the money now and assuring our children adequate nutrition or stretching these expenditures out over a longer number of years, spending more in future years when inflationary pressures increase the cost of equipment, and making some children go without school lunches in the meantime.

In addition, many schools now in the program have obsolete equipment that must be replaced. In March, 1974, USDA reported to the Congress that a Congressionally mandated study found schools in need of $177 million in equipment assistance.

In spite of this need, the Administration's budget shows only $28 million for this program in FY 1976. This is the same amount as is being spent in FY 1975, and $100,000 less than was spent in FY 1974.

You may recall that last year at this time I requested that the full $40 million authorized for this program be appropriated for FY 1975. The Appropriations Committee reduced this figure to $34 million. I was prepared to offer an amendment on the Senate floor raising this amount to $40 million, but refrained from doing so upon receiving your assurance that Senate conferees would hold tough for the $34 million level. Unfortunately, however, we came out of conference with only $28 million, a standstill appropriation.

Due to inflationary pressures, above $34 million will be needed in FY 1976 to be equivalent to the $28.1 million in FY 1975 dollars. If we are to reach more no-program schools, we need a full $40 million appropriation this year. And, Mr. Chairman, this year, I intend to insist and press for the full $40 million being appropriated for this purpose.

Finally, we also need an increase in state administrative expenses in running the various child nutrition programs. The Administration's budget shows a 33 percent increase for federal administrative costs, but no increase at all for state costs—not even an increase to cover the costs of inflation. The states need an increase to at least $8.5 million (from the present $6.7 million level) to cover inflation and the steadily growing costs of administering programs that are expanding during a time of economic recession.

Finally, Mr. Chairman, I would like to direct your attention to the special supplemental food program for women, infants, and children (WIC). Authority for this program expires on June 30, but I am confident that the Congress will extend this program. To ensure adequate funding for this program, it is most important for the Congress to continue to finance this program from Section 32 funds. The Senate Agriculture Committee will examine the Section 32 issue in coming weeks.

In any event, I will communicate with you on WIC funding needs as soon as the Senate clarifies its position on the Section 32 issue. It is imperative that adequate funds be available for this program on June 30. A continuing resolution would have a devastating effect on the majority of WIC clinics, since most are still expanding toward their USDA authorized ceiling. A continuing resolution could force these clinics to freeze their caseloads at levels below those specified in their grants and could disrupt orderly program growth toward their authorized capacity.

LOAN FUNDS FOR RURAL ELECTRIC SYSTEMS

Twice in recent weeks I have had occasion to look into the capital requirements of rural electric systems and the extent to which the new rural electrification program is meeting those needs.

One occasion for checking was that of the Senate Agriculture and Forestry Committee's consideration of a report to the Senate Budget Committee.

In adopting this report, the Committee on Agriculture and Forestry called for an increase in insured loans from the current fiscal year's authorization of $700 million to a fiscal 1976 authorization of $735 million. We also recommended that a minimum of $2 billion in REA loan guarantees for generation and transmission cooperatives should be mandated by Congress.

Our report includes the following statements with which I agree:

"For the rural electric and telephone loan programs, we take note of the fact that the Administration's budget request for fiscal 1976 is for sharply reduced lending authorities for the insured loan programs. Such a recommendation is contrary to the real world of increased capital need.

"We do not seek an increase in loan ceilings for fiscal 1975 despite the fact that the backlog of electric loan applications as of December 31, 1974, totaled slightly over $1 billion . . ."

Since completing this report, we have learned through the REA Administrator's testimony before this subcommittee that the backlog of applications on June 30 will be approximately $1.5 billion and is expected to be $2.7 billion at the end of fiscal 1976.

In this situation, why the Administration should seek to reduce the insured loan program from this year's level of $700 million to a new level of $618 million is beyond comprehension. Had these figures been available to me at the time the Agriculture Committee's report was under consideration, I would most certainly have sought to raise the amount we recommended above $735 million. In the light of current trends, I would say that our figure may be at least $100 million too low. We should have recommended at least $800 million and probably $900 million.

What we are talking about, as you well know, is not a budget outlay but simply an authorized use of a revolving fund, which is replenished by borrowers' repayments of principal, with interest, and by sale of insured loans to private investors.

The second recent occasion for my looking into rural electrification loans involved an announcement by REA on March 11 that it proposed to change its loan policy so as to avoid making any insured loans to generation and transmission (or GT) cooperatives.

My examination of this proposal caused me to state on the floor that the proposal is in clear conflict with the legislation which was passed on May 11, 1973, and acquiesced in by the Administration. The clear intent of the legislation was that 5 percent insured loans would be available to all applicants whether for distribution, generation, or transmission requirements.

The rationale for the proposed change in policy has not been stated clearly, but presumably it is related to the Administration's objective of reducing the insured loans program from this year's level of $700 million to $618 million.

I was highly pleased to note that the distinguished Minority Leader of the Senate participated in the colloquy on this matter, adding his voice to the many other expressions of dismay.

I have also been informed that the distinguished chairman of this subcommittee stated firmly to the REA Administrator, when he appeared before you, that this proposal would not be permitted to go forward, and I commend the Senator for his determination and forthrightness. It is clear that the proposed policy must not be tolerated.

To me it is equally clear that the Congress must nip in the bud any effort to raise interest rates and reduce the availability of capital for the rural electric systems. These systems and the service they provide undergird the economy in vast areas of this country. Cripple them or hold them down, and you cripple rural America and hold back the development of economic opportunity for people throughout the nation.

I know that this committee takes a positive approach and will not be satisfied merely to reject regression. I have come before you to assure you again that you have my support in all of your forward-looking decisions and to say in particular that, in my opinion, you will have the support of a large majority of the Senate if you approve full funding for the capital requirements of the nation's rural electric systems.

On the question of Leveraged Lease Financing, the Congress is well aware that such financing has been and continues to be used with Government guarantees. We could easily have denied its use by so stating in the Rural Electrification Act if that were our intention. There is, however, not the slightest suggestion in the Act or in its legislative history indicating any intent to deny rural electric cooperatives access to any lawful financing avenues. In fact, the basic purpose of the 1973 amendments to the Act which authorize loan guarantees was to broaden the financial possibilities available to cooperatives.

Nonetheless, the Administration, through the Office of Management and Budget, has seen fit to advise REA that underwriting such leasing arrangements with guaranteed loan funds "is contrary to sound credit, tax, and budget policies"—*only* it seems, where rural electric co-ops are concerned. For OMB currently allows such financing arrangements for the Maritime Administration and Amtrak. Thus, it seems, OMB is rewriting the REA Act by establishing policy based on its judgment rather than on what Congress has legislated. This in effect is to administratively substitute their own views for those of Congress. I find this unconscionable, and a complete overextension of authority. I suggest that OMB desist in their senseless objections to Leveraged Lease Financing and let these utility systems get on about the business of resolving our serious energy supply problems.

RURAL HOUSING PROGRAMS

The FmHA has been a vital part of the total effort to improve conditions in rural America. It has grown from its early years providing for the family farm to the present time where it has over thirty programs to meet the varied needs of rural and small town America. Each of the programs which the FmHA has the responsibility to administer were legislated because of a demonstrated need—a need not being met by any other sector of society.

In the main, I think the professionals of the agency have performed well and deserve the plaudits of all. Even with all of its problems today, I hate to think of what rural America would be like without the aids provided through the FmHA.

I think the budget request of the Administration for the FmHA must be viewed in terms of how well it enables that agency to respond to the needs of rural America, especially in this period of economic crisis. Any measure which one may care to make clearly shows that the budget shortchanges rural America and the FmHA.

Before dealing with the specific funding levels for the FmHA programs, I want to make some observations about the staffing problems of the agency. Because of the broad area to be covered and the lack of available local institutions, the FmHA operates its programs out of 1700 county offices in addition to the district, state and national offices. As indicated previously, the agency operates over 30 programs involving farms, housing, rural development, community development, etc. The county supervisors and their assistants must provide counseling service and credit supervision, perform construction inspections, process applications and service loans in the programs mentioned above. In addition, the wide geographic service area for many FmHA offices requires substantial travel time.

There has been a steady growth in the number of housing loans made by the agency. This peaked in FY 1973 when 120,000 loans were made. Over 50% of the agency's program funds were used for housing. One would have thought that with an expanding housing program, a backlog of applications which varies between 70,000 and 90,000 yearly, and the addition of the Rural Development Act to the agency's list of program responsibilities, additional staff would be requested from Congress. However, the perverse response of the Nixon Administration was to institute a moratorium on most subsidized housing programs and to mandate a 3.6% staff cut throughout the USDA. This 3.6% average cut translated to a cut of 10.3% at FmHA, while Secretary Butz increased his staff by 25%.

During FY 1974, housing production dropped from its high of 120,000 to 106,000 units, as $375,000,000 appropriated for housing went unused. As many as 20,000 jobs and 500 million dollars were lost to rural areas because of FmHA staff shortages. These are the tragic results of the Administration's past records. We cannot afford this kind of "savings" in the future.

The problems I described above were called to the attention of Congress and the Administration by a number of Congressional Oversight Committees which voiced serious concern about the effectiveness of the FmHA and the total federal investment. Each of these reports made a number of recommendations to improve the agency's operation and all suggested hiring enough staff to carry out mandated responsibilities. In addition, there are the new responsibilities legislated under the Housing and Community Development Act of 1974, many of which are yet to be implemented, such as the expansion of the service area to nonmetropolitan communities of up to 20,000.

Congress over the years has been increasing the level of program activity of the FmHA to meet the obvious need in rural areas. We have also legislated new programs to be implemented. I believe we must provide the agency with adequate staff to perform this work in an effective and efficient manner.

The following shows the number of FmHA employees over the past several fiscal years.

Fiscal year 1972—7,125.
Fiscal year 1973—7,754.
Fiscal year 1974—6,726.
Fiscal year 1975—6,828 (estimate).

In FY 76, the Administration would provide only 6910 employees, which is a decrease of over 540 since FY 73. In the face of the overwhelming evidence for the need for a dramatic staff increase, this request by the Administration is clearly irresponsible. I suggest that we not cooperate in that irresponsibility. Regardless of the budget request, I urge that the full time staff of the agency be increased by 750 to 1000 full time professionals and subprofessionals. If we are serious about helping rural America become viable again, then we must provide the tools to do the job.

It would be difficult for anyone to tell that there is an economic recession by using the Administration's FY 1976 budget as a guide. Apparently nobody informed the budget makers that the unemployment rate in the rural construction industry was close to 12% in early January. Today, with the national unemployment figures approaching the disastrous level of 9%, there seems to be little inclination to use the FmHA budget as a means of getting us out of the economic doldrums. With millions of substandard housing units still present in rural America, there is certainly plenty of work to be done.

It is in this context that the Administration's budget for the FmHA is just short of incredible. At a time when the levels of the budget should be increased to meet the housing and economic needs of the nation generally, and the rural areas specifically, we find less, not more being proposed. For the first time in a generation, we are witnessing a reverse in the out migration patterns in rural areas. Every aid possible should be brought to bear to provide housing resources for people leaving the cities, instead of proposing a reduced program level.

Page 172 of the appendix to the budget states that "these programs are being targeted so as to provide greater emphasis on assisting those rural residents who are most in need of improved housing.".

However, with a perverse logic which seems to permeate the Administration's rural housing policy, the Administration at the same time proposes the elimination of two programs which serve those "most in need." I refer to the farm labor housing program (Section 514/516) and the Mutual and Self-Help Program (Section 523). Let me deal separately with these programs.

Farm labor housing—Sections 514 and 516

Farmworkers live in some of the most deplorable housing conditions in this country. A 1973 FmHA study indicated an immediate need for some 130,000 units of new and rehabilitated housing for farmworkers.

Farmworkers are among the hardest working people in our country. They work in an industry which is highly seasonal and unstable, and earnings, therefore, are very limited. Because of their low incomes, the private market cannot provide them with decent housing. Even the traditional subsidy programs do not reach those who toil in our fields.

In FY 1975, we provided 5 million dollars for grants (516) and 10 million dollars in loans (514) for the modest farmworker housing program. This program has never been very large, producing some 13,948 units since its inception in 1962. Certainly, we are only making a small dent in the great need for decent farmworker housing.

Yet the Administration proposes elimination of even last year's meager $15 million, indicating that "the government's proper role can be served by other programs." The Administration has never indicated what the other programs are. In fact, there are no other programs which can serve farmworker needs.

This is the second successive year the Administration has tried to end the farm labor housing program. Last year the Congress wisely rejected this action and continued the program. The same critical need which existed in FY 1975 is still present. I think it essential to continue and expand the program.

Accordingly, I urge that the 516 grant program be continued at a level of $25,000,000 and the 514 loan program be continued at a $25,000,000 level. While these suggested appropriations would be more than those made in previous years, they would produce less than 3,000 units of housing, which is still a modest program when measured against the tremendous need.

Section 523—Mutual and self-help technical assistance

This program provides grants to organizations which offer technical assistance to families engaged in the construction of their own homes through the self help method. Families obtain savings through their own labor, as they build up "sweat equity." People who might not have been able to enjoy the benefits of homeownership are thus able to lower the costs enough to make homeownership possible. In 1974, the average self-help house was $3,000 lower in cost than a comparable contractor-built house. Certainly this program is in the best tradition of America. It is interesting to note that this program was one of the few continued during the moratorium on subsidized housing programs.

This year, as last, the Administration is trying to end the program by saying that "the grant plus the subsidy of the associated loans have resulted in high unit costs to the Government, without corresponding benefits to those aided." Once again, the strange logic of the Administration comes through. The mutual and self-help program has assisted otherwise ineligible families to achieve homeownership. This is an obvious benefit which is ignored by the Administration. In addition, many families learn skills and the discipline associated with the self-help effort, which stand them in good stead for the future.

The mutual and self-help housing program has been a modest program, receiving $5,000,000 in FY 1975. I feel that the program is a valuable addition to the tools for rural America and deserves to be continued. I suggest an appropriation of $10,000,000.

Section 502—Homeownership

The largest housing program operated by the FmHA is the Section 502 single family homeownership program, both subsidized and unsubsidized. In FY 73, the agency made 109,183 Section 502 loans of which 51,425 were with interest credit. In FY 1974, the total of Section 502 loans plummeted to 86,543, of which only 37,238 were with interest credit for low income people. There appears to be a recovery in FY 75 from the drastic production decline suffered in FY 1974. Although I believe that the budget estimates for FY 1975 502 production may be unrealistically high, the agency is to be congratulated for getting the housing program back into gear.

Considering the improved production record of the FmHA, I would have thought that the Administration would project a higher estimate for FY 1976; this was not the case. We face a national unemployment rate of close to 9%, an unemployment rate of nearly 12% in the rural construction industry, high costs which have eliminated most low and moderate income Americans from homeownership possibilities, and a continuing high level of substandard housing. Despite these serious problems, FmHA is recommending a cut in the 502 program of 14 per cent. In addition, it is clear that a cut in the program flies in the face of the new responsibilities authorized in the Housing and Community Development Act of 1974. That is, without an increased appropriation, FmHA will be unable to expand its service area to

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communities of 20,000 outside of SMSA's, to finance mobile homes and condominiums and to cut down on the backlog of about 70,000 applications.

Rather than cutting back on the Section 502 program, I believe all the facts suggest that this is precisely the time when we should be increasing it. I, therefore, suggest that the program level for the Section 502 program be increased to 2.5 billion dollars. In addition to making possible a slightly expanded program, the increased funding level will allow for the inflation factor which has caused a drastic rise in the average FmHA loan.

Section 515—Rural rental

The FmHA rural rental program has been a modest program, producing 12,590 units in FY 1974. Of that number, over ⅓ serve the needs of the rural elderly. The Section 515 program has steadily increased in size each year, and despite the Administration's budget estimates for a declining program, it will continue to grow. In fact, the agency recently shifted an additional 150 million dollars to the 515 program from the 502 funds; I understand from the field that even the $150 million is not sufficient to cover the applications which are now in the FmHA state offices.

The growth in the Section 515 program can be attributed to a number of factors among which are: inflation which makes single family ownership more difficult; a high percentage of elderly in rural areas; and availability of program funds during a tight money, high interest rate period. These conditions still persist, and I see the need for a continued expansion of this fine rental program.

Several new factors should insure a continued, even greater increase. First is the projected use of 515 as a financing mechanism for HUD Section 8 subsidized units. Since HUD is mandated to place 25% of its Section 8 units in rural areas, FmHA 515 will have a major financing role. If Section 8 proves viable, as the Administration claims, the demand for 515 should be significantly stimulated.

If FmHA uses the authorized rent supplements, as I strongly suggest that it do, the demand for 515 should be further increased. And finally, if the service area is enlarged, there will obviously be a greater market for the use of the 515 program.

Under the circumstances cited above, it is difficult for me to understand how the Administration can suggest a cutback in the program. I suggest a production level of 20,000 units for the 515 program, which at a cost of $17,000 per unit, would mean a budget of $355 million.

Rental assistance—Supplements

While rent supplements are not a separate program, I believe the issues involved are so important that I wish to discuss them separately.

The rent supplement program was enacted as part of the Housing and Community Development Act of 1974. Congress recognized that the basic rental programs of the FmHA, Section 515 and Sections 514/516 (farm labor housing), could not serve housing for low-income elderly and families without additional subsidies. Congress had recognized this for the HUD programs, used mainly in urban areas, by enacting a rent supplement program in 1965. Equity for rural areas was finally achieved by last year's action.

When Congress enacted the rural rental program, it mandated that these programs be used for low and moderate income families. However, because of rising construction, utility and operating costs, it is almost impossible for these programs to serve low-income elderly and families. I have attached statistics which illustrate this fact all too clearly. (Appendix "A")

There is a demonstrated need for the rent supplement program. Over 1½ million rural people over 60 years of age live in substandard housing. This is shocking and unacceptable. FmHA's own study establishes a need for 130,000 units of new and rehabilitated units for farmworkers. The census shows that over 4 million units of occupied substandard housing exists in rural areas. Most of these units are occupied by low-income people who could use the rent supplement program. The notion that a rent supplement program may not be needed, as the Administration has recently stated, is ridiculous.

The Administration claims that a rent supplement program would require substantial personnel and administrative staff. I believe that this does not have to be the case. Rent supplements are not a new program, but rather a deeper subsidy. The main additional task required would be income verification for 515 tenants. Since recertification of income is already regularly performed in such projects, this main activity associated with rent supplement tenants would not create much additional work.

The Administration also questions the effectiveness of a rent supplement program, indicating that the HUD experience with rent supplements has produced a large program with serious deficiencies. I have not been able to find the "serious deficiencies" in the HUD rent supplement program. I do know that some 88,000 families have been provided decent housing, and that housing programs not previously able to serve low-income people were provided that flexibility.

The effectiveness of a housing program can be measured in a number of ways and certainly one of these measurements is how well the Congressional mandate to serve low-income elderly and families is being met. In the case of the FmHA rental programs, even with 50 year loans at 1% interest it has been difficult, if not impossible, to serve those most in need. In an attachment to this testimony, I offer data which shows the rent levels in 8 Section 515 projects in many areas. In order for the program to be effective, it must have the additional subsidies which a rental assistance program can provide.

The Administration suggests that the Section 8 program will be the answer. Section 8 is a new and largely untested program. Knowledgeable people have real concerns that this program can be effective. It is interesting that the Administration can be so positive that only Section 8 can work while the rental assistance program cannot. This precognition displayed by the Administration is amazing. The Section 8 program may work. I am willing to see that it is given a chance, but I see no reason to wait for the Section 8 program before implementing the rent supplement program.

I think the rental assistance program enacted under Section 514 of the Housing and Community Development Act of 1974 offers important advantages.

(1) It has a ready vehicle for implementation—the 515 program. It will not be necessary to devise a new structure.

(2) There are built-in legislative controls—a limit of 20% of the units in a project except for elderly and farmworkers. This conforms to the income mix provisions enacted in the 74 Housing and Community Development Act for all subsidized programs.

(3) Easy processing—the rental assistance program involves only one agency, FmHA, and not two as would be the case with Section 8. It is difficult enough getting a HUD application processed by itself.

(4) Servicing by local FmHA county offices. This has helped to keep the rural rental program free of scandal.

(5) I believe that the rental assistance program, because of lower overhead, and less paper shuffling, can be a less costly program than Section 8.

In a statement I made on the floor of the Senate on March 7, 1975, I indicated estimated costs for the rural rental assistance program to be approximately $500 per unit per year. This was based on a sampling of rental costs of FmHA units in five states. While this sampling did represent a reasonable sectional distribution of FmHA activity, I have had prepared a study of rental costs in nine states which had a combined loan and program dollar activity of more than 50% of the national total. This study shows a higher estimated per unit cost than previously mentioned. That figure is now $736 per year/per unit below the 1% mortgage level now in effect.

This is still a reasonable subsidy to consider. We have done as much for middle income families in bills recently passed. Using the FmHA Fiscal Year 1975 projections of about 17,000 units of 515 rural rental housing being produced, we estimate a need for about $6,000,000 in rent supplement funds being required. Almost 6,000 units would be for the elderly and these would be totally supplemented. Twenty percent of the remaining 11,000 units would be supplemented. Finally, some $640,000 is recommended to supplement what I hope to be a continuing farm labor housing program.

This would be a very modest investment in the future of rural America. I urge that the committee act favorably on the rental assistance program and end the years of patent descrimination against rural America.

Mr. Chairman, I am submitting an Appendix "B" to my statement today which includes your letter to me of April 21, 1974, along with Assistant Secretary William Erwin's letter to you of April 17, 1975, and my critique of Secretary Erwin's response to you relating to the cost of implementing the rent supplement authority authorized by Section 514 of the Housing and Community Development Act of 1974.

RURAL DEVELOPMENT

In addition to those items that I already have addressed in this testimony relating to rural housing, I would like to urge you and your Subcommittee to also consider providing increased funds in FY 1976 for the following other rural development programs and purposes:

[In millions of dollars]

	Recommended increase/over President's fiscal year 1976 budget request	Total recommended for fiscal year 1976
Business and industrial loans	400	700
Community facility loans	300	500
Water and waste disposal loans	125	525

I further wish to urge that the total loan levels established for these programs be limited to "insured loans" only, with no limit being established—either by OMB or by the Appropriations Committees of the Congress—on any "guaranteed" loans that might be made for these purposes under the Rural Development Act of 1972.

I also wish to recommend that increases in FY 1976 appropriations be made for the following:

[In millions of dollars]

	Increase recommended	Total recommended
Rural development grants	$40.0	$50.0
Farmers home salaries and expenses	15.5	158.4
Rural community fire protection	3.5	7.0
Rural development research and extension	17.0	20.0
Rural development planning grants	10.0	10.0
Rural water and waste disposal planning grants	30.0	30.0
Rural water and waste disposal construction grants	150.0	300.0

Mr. Chairman, my request for increases in these rural development programs amounts to over $1 billion. However, when considered against the highly inflationary—and now recessionary—period we have just passed through as a nation, I do not believe the amounts that I am requesting for these programs to be excessive. Almost one-third of our nation's population resides outside the metro regions or in rural areas of our country. And these citizens continue to suffer from deteriorating social services, job opportunities, economic conditions and general quality of life. The Congress, in my judgment, must continue to provide the leadership in correcting such social and economic disparities by increasing—and not decreasing—its commitment to the goals stated in Title IX of the Agricultural Act of 1970 "to a sound balance between rural and urban America."

PROMOTION OF U.S. FARM EXPORTS

On March 25, 1975, I and all other members of our Foreign Agricultural Policy Subcommittee submitted a request to Senator Herman E. Talmadge, Chairman of our Senate Committee on Agriculture and Forestry calling for an increase in FY 1976 funds for promotion of U.S. farm exports. That request called for an additional $3 million to be provided for this purpose during FY 1976. A copy of our letter to Senator Talmadge and a copy of a letter from Senator Muskie, Chairman of the Senate Budget Committee regarding this request, are attached.

I also wish to call attention to my letter of April 21, 1975 to you regarding the importance of establishing a U.S. Agricultural Attache position in the People's Republic of China. I believe it is of the utmost importance that our government move forward with the establishment of this post at the earliest possible date. In addition to your providing the funds to accomplish this objective in Fiscal Year 1976, I hope you and other members of your Committee will add some strongly supportive language in your Committee report to implement this request.

BIOLOGICAL NITROGEN FIXATION AND SOIL TRACE-MINERAL RESEARCH

Mr. Chairman, last year at about this time, Senator McGovern submitted a request to your Subcommittee for increased appropriations for the Agricultural Research Service to expand its current research efforts relating to biological nitrogen fixation. While your Subcommittee did include the $1.5 million in funds requested by Senator McGovern for this purpose in the Agricultural Appropriations bill for Fiscal Year 1975, this item was dropped in conference with the House of Representatives.

On behalf of both myself and Senator McGovern, I would like to urge that your Subcommittee again include the $1.5 million in funds requested earlier for this purpose. However, in addition to these funds being employed by ARS for biological nitrogen fixation research, I suggest that a portion of these funds also be utilized to expand research activities regarding the general depletion of many essential trace-minerals and micro-nutrients in our nation's farm soils, and materials and methods that might be employed to restore the general level of these minerals where they have been seriously depleted.

Overall yield level trends of our major field crops such as wheat, feed grains and cotton appear to be leveling off—despite increasing amounts of nitrogen, phosphate and potash fertilizers being applied each year. There is some evidence to suggest that this phenomena may be explained by the gradual depletion of many trace-minerals in our soils which are important in the fixation and utilization of these major nutrient materials.

The research questions suggested here relate to the general condition of our most basic and most valuable resource, namely, our nation's food and fiber soils. Therefore, I hope you and your Committee will not only include these research funds in the agricultural appropriations bill for FY 1976, but add your strong personal endorsement to the need for these research funds.

I am attaching for your further reference and for inclusion in your hearing record copies of three letters submitted to you last year regarding the matter of biological nitrogen fixation research.

Mr. Chairman, this concludes my testimony. I wish to again thank you and the other members of your Subcommittee for this opportunity to present my views regarding the funding of these essential national programs during Fiscal Year 1976.

TELEVISION AND VIOLENCE

Mr. HARTKE. Mr. President, on May 5, an article by your distinguished colleague in the House, TORBERT H. MACDONALD, entitled "Television and Violence," appeared in the Washington Post. His views as expressed in this article offer much food for thought and I wish to bring them to the attention of my colleagues in the Senate.

Mr. President, I ask unanimous consent that Representative MACDONALD's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 5, 1975]

TELEVISION AND VIOLENCE

(By TORBERT H. MACDONALD)

In a recent editorial on the subject of television violence, The Washington Post said "one sign that television has grown up is the industry's willingness to respond to widespread concern about the impact of blunt and brutal programs on juveniles." The Post went on to praise the "family viewing time" concept under which, beginning next fall, only programming that is appropriate for viewing by "general family audiences" can be shown between 7 and 9 p.m.

Both The Post and the television industry have misjudged the dimensions of the problem of televised violence and its impact on our children and youth. The "family viewing time" concept in its present context is a masterful piece of public relations by the networks but a terribly inadequate response to the problem.

Television's potential impact is shown by a few facts. Recent census data show that 96 per cent of American homes have at least one television set. The average set is on more than six hours each day. Among children, it has been reported that frequent viewing usually starts at age 3 and continues at higher than average levels until about age 12. About 25 per cent of all children watch television in excess of five hours a day during the week.

In 1972, the Surgeon General's Scientific Advisory Committee on Television and Social Behavior completed an impressive study which, despite its delicately-worded conclusions, determined that a causal relation existed between televised violence and "anti-social behavior." The television industry's unwillingness to accept this relationship and to admit to its responsibility to the public to deal with the problem positively is apparent in the programming now offered.

The most recent Violence Profile compiled by George Gerbner at the University of Pennsylvania's Annenberg School of Communications reveals that nearly three-quarters of the programs aired in the 1973–74 season contained violence. One estimate showed that by age 14 a child has been exposed to more than 11,000 murders on television.

The answer is not to eliminate all violence from television—there is violence that confronts us in our daily lives and in our daily newspapers. But that is the real world and not the fantasy world of television. One survey showed that only a small percentage of New York City policemen ever draw their guns in the course of a year, yet the regular viewer of "Kojak" gets the impression that the gun is simply an extension of every policeman's hand.

I spoke recently with Joseph Wambaugh, the novelist and former Los Angeles policeman who serves as a consultant to the NBC series, "Police Story." Mr. Wambaugh told me that, despite his efforts to develop a non-violent, authentic police program, he is "under relentless pressure from the producer and from the network to insert gratuitous violence."

The television industry has its own rationale for violence—"we are in the entertainment business, and we are simply giving the people what they want to see." However, this line of reasoning overlooks the broader responsibility of television to provide high-quality programming that has prosocial value. A recent study under the direction of Dr. Eli Rubinstein, who had served as vice chairman of the Surgeon General's Advisory Committee, indicated that a prosocial example shown on television contributes to a child's "willingness to engage in helping behavior." In other words, television has a great capacity for exerting a positive social influence on children—a capacity that it demonstrates just often enough to make its failures that much more disappointing.

Television can offer quality programming that does more than pander to the public by exploiting the shock value of violence. It can treat violent themes in a manner that does not produce a negative impact, and its responsibility along these lines should not be limited to the hours between 7 and 9 p.m.

The "family viewing time" concept as worked out by the industry is not as commendable as The Post editorial indicated. It raises a number of serious questions. What effect will it have in Rocky Mountain and Central time zones where it ends at 7 or 8 o'clock instead of 9? What about the fact that it will not have any binding effect on independent stations (non-network affiliates) until 1977? Will the viewer advisories about program content actually entice more viewers to watch "mature" programs once the family viewing period is over? Will these viewer advisories be televised during the family viewing period? How committed will the networks be to this concept if the ratings for

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"family programs" begin to decline? How is "family viewing" defined?

Admittedly, many of these concerns relate to the good faith of the television industry in carrying out this concept. As I have said before, I feel that relying on the industry's good faith is like "writing a letter to Santa Claus."

More importantly, the "voluntary" establishment of a family viewing period may be used by the networks to excuse excessive violence during the rest of the programing day. A glance at the new pilots and at tentative network schedules for the coming season indicates that there may be more "action" (violence) in the period following family viewing time.

All of these problems—both real and potential—point up the inherent weakness in dealing with television violence by establishing artificial categories for programing.

Dealing effectively with television violence, as with program content generally, raises sensitive First Amendment questions. Some critics of the networks have suggested that they be licensed just as individual stations are now. But this type of solution is a last resort that is unpalatable to many of us in Congress who do not relish the role of puritanical policemen.

There are some constructive proposals that deserve attention. They will help to focus concern on the problem and keep positive pressure on the television industry. I offer some suggestions which can be developed further in the course of hearings by the subcommittee:

(1) The establishment of a private Council on Television and Social Behavior with government grants and foundation support to undertake applied research, monitor programing, collect data and issue periodic reports. This council would serve as a bridge between the government, the networks, the universities and the public. It would not be frustrated by institutional problems such as have plagued the National Institute of Mental Health in its efforts to develop a violence index.

(2) The creation of a Citizen's Television Information Center, as a counterpart to the industry's Television Information Office. This center could encourage grass roots involvement at the local station level and provide a continuing source of information much as Action for Children's Television (ACT) has been doing.

(3) An incentive program under the direction of the National Endowment for the Arts with grants to local stations or to program workshops for the development and production of quality programs.

(4) Increased consumer pressure on the advertisers who support violent programing. The president of Mircle White detergent company has withdrawn $2 million in television advertising from violent shows as a result of his personal concern. For those advertisers without a social conscience, consumer pressure can be effective.

Concern about the effect of television violence is growing, not subsiding. Yet, the television industry continues to make progress at a snail's pace in responding to that concern. In view of the great capability for achievement in this industry, it still has a long way to go and a lot of growing up to do.

"BUT NOT ENOUGH"—REV. GOLLEDGE'S ADDRESS AT THE OLD NORTH CHURCH BICENTENNIAL

Mr. KENNEDY. Mr. President, at the ceremony at the Old North Church in Boston last month commemorating the 200th anniversary of the ride of Paul Revere that launched the American Revolution, the Reverend Robert Golledge, the vicar of the church, delivered a brief but eloquent address on the meaning of our Bicentennial.

In his address, he said that a third lantern would be lighted in the church tower that night, as a new signal for America as it begins its third century. Speaking of the two lanterns used to signal Paul Revere from the church, the Reverend Golledge emphasized the progress America has made over the past two centuries in many areas. But he also emphasized our unfinished business. As he said:

> The two lanterns which once shone from this steeple led us to two centuries of some progress in reason, in liberty, and in faith, but not enough; to some fulfillment in mind, body, and in spirit, but not enough; to some gains in thinking, acting, and trusting in freedom, but not enough.

Those words very well express the sentiments of many of us in Congress and throughout the Nation as we begin these Bicentennial years. We have accomplished much, but much more remains to be done. That is the challenge of our Bicentennial and our real challenge for the future.

Mr. President, I ask unanimous consent that the Reverend Golledge's address, entitled "A New Signal—The Third Lantern," may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

A NEW SIGNAL—THE THIRD LANTERN

(By Reverend Robert W. Golledge, vicar, April 18, 1975)

Tonight we commemorate the two hundredth anniversary of the lantern signal that sent Paul Revere on his ride through Middlesex to the birth of our Republic. The battles that followed occurred not only on farms, in forest, and at sea, but also in the turmoil of men's minds as they struggled to create a new nation from a raw, new idea.

This Lantern Service will signal not just to the people of America, but to all the peoples of the world, the Bicentennial of an event that changed the course of man's development. It's understandable that we at the Old North Church are deeply conscious of our unique responsibility as well as our unique opportunity.

This church stood for religious freedom for over fifty years before 1775, in a barely tolerant environment. The very first sermon preached in the church used as its text a line from Isaiah, "Mine house shall be called an house of prayer for all people." Blacks, Indians, unknown Chinese, and Portuguese sailors, who died in port, were buried in its crypt, together with patriots and loyalists. Such a church policy in the mid-1770's was remarkable.

So we of the Old North Church have truly lived with political freedom, racial freedom, and religious freedom, with freedom of expression and association.

Yet, as we have proceeded with our plans to play a part in the celebration of our two centuries of nationhood, we have found the tone of much Bicentennial planning confused and uncertain. We have felt a deep sense of concern and some substantial unease, for our country, and the American people are disturbed, divided, and empty of clear commitment and confidence in our society, our sources, and our purposes.

We need so urgently now a new dedication and a new expression of our freedom, a new welling up of our pride and spirit. We need now, in 1975, a new signal. And perhaps it can come once again from this steeple, in this church, at this 1975 Lantern Service.

The two lanterns which once shone from this steeple led us to two centuries of some progress in reason, in liberty, and in faith, but not enough; to some fulfillment in mind, in body, and in spirit, but not enough; to some gains in thinking, acting, and trusting in freedom, but not enough.

Now, after these two centuries, who will say that the American Promise has come true? The American Promise has not come true. But we believe in it, and we will not be discouraged. That is why we will send out a new signal from the Old North Church. Tonight we will light a Third Lantern, a new signal that will call us to a new spirit in our Third Century, a new signal that we hope will be repeated in the homes, and the farms, and the factories, and the schools and government buildings across America.

The steeple of the Old North Church will shine with a Third Lantern tonight, a new signal that will call all of us to renewed effort and renewed hope in our Third Century.

It will say:

"We will yet make the American Promise a reality.

"We will yet make it the Truth every day, everywhere, for everybody.

"We will go forward and we will stumble, but we will try again, and again, and again."

HOUSING TAX CREDIT

Mr. HARTKE. Mr. President, earlier this year, Congress passed the Tax Reduction Act of 1975. One of the provisions of this act is the housing tax credit designed to stimulate the depressed home construction industry and put people back to work. The housing tax credit was first introduced in the Senate in my bill, S. 453, on January 28. We added the housing credit to the Tax Reduction Act in the Finance Committee and it was later amended in the House-Senate conference committee.

Reports now confirm the housing tax credit is successful. May 12's Wall Street Journal reported builders have sold 23 percent of their houses and condominiums in just the first 30 days after the tax credit was adopted. The builders also expect to sell 65 percent of their inventory within the next 60 to 90 days. Additionally, the Washington Post, on May 10, in an article by Michael Sumichrast, chief economist of the National Association of Home Builders, reports that more than half of the builders surveyed indicate they will start construction on new units as a result of the housing tax credit. This is, of course, the purpose of the credit: to stimulate sales and new construction and put people back to work.

Some of the criticism which has been directed at the credit since its passage makes me wish my original concept would have been adopted rather than the conference committee compromise. My bill gave tax credits to all purchasers of new homes, condominiums, or mobile homes during 1975 and 1976. There was no requirement that the homes be built by a certain date or that they be sold at the lowest price ever offered.

However, the credit is working, and I am pleased to have been its originator.

Mr. President, I ask unanimous consent that the article from the Wall Street Journal of May 12, 1975, and the article from the Washington Post of May 10, 1975, be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, May 12, 1975

HOME BUILDERS SAY TAX CREDIT FOR BUYERS HAS STIMULATED SALES

(By Ronald G. Shafer and Mark Starr)

Uncle Sam appears to have offered new-home buyers an incentive they can't refuse. And so that nation's home builders are starting to unload an inventory that had mounted to about 650,000 unsold homes.

The recently enacted tax credit of up to $2,000 on a new-home purchase has buyers suddenly snapping up houses they spurned for months, builders say. Some 350 builders surveyed by the National Association of Home Builders sold a surprising 23% of the houses and condominimums in their combined backlogs just in the first 30 days after the tax incentive went into effect March 30. What's more, these builders expect to sell 65% of their original inventory within the next 60 days to 90 days. Most trace the sales turnaround to the tax credit.

Talks with other builders around the country confirm that, despite much confusion about the tax credit, it generally is drawing buyers.

"They aren't standing in line, but in certain condominimum subdivisions (in California) we're doubling our sales," says Louis Berkowitz, senior vice president of Kaufman & Broad Inc., one of the nation's largest home builders. He estimated the company has moved 25% of its nationwide inventory of houses and condominimum since the tax break took effect.

National Homes Corp. reports a similar positive response to the tax credit from its 1,400 sales outlets nationwide. "There's no question that, overall, it's been a strong stimulant," says David Price, executive vice president.

IMPACT IS SIGNIFICANT

The strong initial impact of the tax credit is significant because, housing analysts say, builders must whittle down the supply of unsold homes before the ailing industry can get back on its feet. Builders won't start much new construction and rehire laid-off workers until they sell houses they've already built. The estimated stock of 400,000 unsold single-family homes toted up just before the tax credit became effective represented a one-year supply based on the depressed sales rates of early this year. There also were an estimated 250,000 unsold condominium units.

The glut of unsold homes spurred Congress to tack the home-purchase credit onto the $22.6 billion tax-cut bill passed in late March. The law allows buyers to deduct from their 1975 taxes 5%—up to $2,000—of the purchase price of a new home built or under construction before March 16. To be considered new, a home must never have been sold. The credit, which will cost the government about $600 million, was criticized by many people, including President Ford when he signed the tax-cut bill into law March 30. Critics contend the credit is unnecessary and too costly.

Many home builders themselves have complaints—"it's a stupid law," says a Glen Falls, N.Y., builder. Those who prudently avoided building up big inventories are especially dubious about the tax incentive. But despite criticisms, the credit "sure seems to sell houses," says Michael Sumichrast, the builders association's chief economist.

As a result, builders may be able to slim down their bloated backlogs sooner than most analysts expected. But nobody knows by how much because nobody knows how much of the inventory is covered by the tax credit. The confusion arises partly from the fact that in order to qualify, a home must be sold at the lowest price at which it ever was offered for sale. Like many builders, Kaufman & Broad early this year temporarily cut prices on some houses; since then it has raised them "and we got locked in" when the tax credit came along, Mr. Berkowitz says. To make these houses eligible for the credit, the company would have to retreat to its cut-rate prices. Rather than do that, some company officials decided to forgo offering the credit on houses under their supervision.

OTHER PROBLEMS REMAIN

Even with reduced inventories, however, many builders say they aren't in any hurry to put up more houses because of their concern over the strength of the economy and fear of a new rise in mortgage rates. And, ironically, the tax rebate may deter some construction because homes started after March 16 don't benefit from the credit. "I'm hesitant to start anything new when I'm going to be in competition with other builders with tax-credit properties," says Norman Silets, sales manager of Practical Home Builders in Oak Park, Mich.

Nevertheless, "fiscal stimulus, including the tax credit," and a likely economic upturn "are almost certain to stimulate demand for new housing and eventually fuel a recovery in construction," albeit a "tentative and fragile" one, predicts Maurice Mann, president of the San Francisco Federal Home Loan Bank. Economists generally expect housing starts to rise slowly in this year's second half from a seasonally adjusted annual rate of 980,000 unit in March—the second-lowest monthly pace in 30 years—to an annual rate between 1.4 million and 1.7 million by the fourth quarter.

Housing sales already were beginning to pick up even before the tax credit. Mortgage rates, though they've started back up recently, are well below last year's heights, and mortgage money is plentiful. But builders say the tax credit is what's spurring sales now.

"Most of the buyers are asking, 'Is this covered by the tax credit?'" says Chester Moskol, executive vice president of Miller Builders in Chicago. The company has sold about 25% of its hefty inventory of 500 condominium units since the tax credit became law. "The credit definitely is going to move the merchandise," Mr. Moskol says confidently.

Some home buyers agree that it was the tax saving that convinced them. Wayne Keeney, a retired Detroit police detective, recently bought a condominium in Novi, Mich., much farther out from the city than the suburb where he had been living. "I don't think I would have bought that one without the tax credit," he says. "But I figured what the heck, I'm putting down 5% and I'm going to get it back. It's a gift, a great thing," Mr. Keeney adds.

Besides, he sees it as a kind of taxpayer's revenge on the Internal Revenue Service. "I figure the IRS is helping me pay for that home," says the ex-policeman. "They've been getting it from me for a long enough time."

Builders and buyers aren't the only ones who benefit from the tax credit; so will bankers who foreclosed on unsold houses of bankrupt builders. "The worst of the turkeys have gone to the banks," notes one housing economist. "Lenders have high hopes the tax credit will help them get rid" of foreclosed homes, he says.

Some housing executives contend the credit may help more in some areas of the country than others. "This is commonly known in the industry as a West Coast-Florida bill" because inventories are highest in those areas, say an official of the Greater Chicago Home Builders Association. Reports from the high-inventory areas are mixed. But Kaufman & Broad says it has already moved 40% of its unsold houses in California, where its sales have been biggest.

Even within a limited area, the blessings bestowed by the tax credit may vary widely. During the past month RGM Builders in Boca Raton, Fla., has sold 15 of the 25 single-family houses it had in stock, compared with a pace of one sale a week previously. "I don't think—I know" the tax credit was the reason, says J. A. Moles, RGM's sales manager. But a builder in nearby Palm Beach complains that "the buyer is quite apathetic to the credit."

The secret of sales success may lie in how the credit is promoted. The home builders association in Charlotte, N.C., ran full-page ads in local newspapers explaining the credit and urging consumers to call the local IRS office with any questions. Says a spokesman for Ervin Industries, a large Charlotte builder: "The first five days after the ad came out we had 70 calls wanting to know if we had homes that qualified." The company has since sold 89 of 203 homes it had in stock.

Many builders complain that one drawback is confusion over which houses qualify. "I haven't even advertised the credit because, frankly, I'm still not clear on eligibility," says Norman Long, a Troy, Mich., builder. "The people don't understand the whole thing, and neither do the builders," he maintains.

The law has other complexities. The credit applies only to new homes that are principal places of residence and are purchased between March 12 and Dec. 31 of this year. The credit is based on the "adjusted" purchase price of the home after deducting any profits from sale of a previous home. Thus, the IRS says, if you paid $20,000 for your old house and sell it for $30,000 to buy a new house for $40,000, the "adjusted" price of the new house would be $30,000 ($40,000 less the $10,000 profit) and your 5% tax credit would be $1,500, not $2,000.

The tax incentive may hold basic disadvantages as well. Some housing analysts argue the credit could harm a housing recovery later this year by stealing sales that would have been made in the future without the tax incentive. "Housing sales also could be adversely affected after December when the credit expires and the cost of any units still unsold at that time, in effect, will go up" as much as $2,000, warned Morgan Guaranty Trust Co. of New York in a recent report.

Morgan Guaranty also complains about the propriety of having "tax-payers foot the bill" for such housing-aid "gimmickry." But the tax credit seems to have only whetted many builders' appetites for more federal aid, such as pending legislation to provide government-subsidized mortgages for up to 400,000 new homes at an interest rate of 6%, far below the prevailing 8½% to 9%. A Bath, Pa., builder responded in the builders' survey on the tax credit—"Thank God. Get the 6% through."

[From the Washington Post, May 10, 1975]

PRODUCTION PICKUP SLOW; INTEREST RATES BLAMED

(By Michael Sumichrast)

The 5% tax credit on new home purchases is stimulating sales of inventory houses and also creating some confusion. But there is yet no indication of a spurt of new housing starts.

Hanging heavy in the market atmosphere are expectations, realistic or not, that interest rates are going to increase this fall and that another money crunch may be in the offing.

A preliminary appraisal of some of the results of the new home tax credit comes from a special survey of a representative group of builders across the nation.

However, nagging confusion persists over what is considered eligible inventory. Nationally, about 650,000 units are considered to be in inventory. How much of these qualify under two still-to-be-clarified regulations—start of construction and lowest price ever offered—remains to be determined.

Meanwhile, conventional mortgage lending in March, at a $3 billion seasonally adjusted annual rate, remained unchanged from February. In spite of record savings, lending institutions are making few construction loans.

All this suggests a bad housing year, with only snail-like recovery in prospect. This year is likely to end up with about 40,000 fewer housing starts than in 1974, which in turn was 705,200 units below 1973, which was 321,000 units under 1972.

The first quarter rate, currently below 1 million units, should move up slowly throughout the year. But this pick-up will not be enough to match last year's starts. Housing's shallow recovery will provide only mediocre support to the economy.

That special tax credit survey showed that detached units are selling best, with 30% of this category gone; 18% of the eligible townhouses were sold; and condos were trailing at 9% in the first three weeks.

Over-all, respondents expect to sell two-thirds of their eligible inventory within four months after the law's enactment. They expect to sell 80% of their singles, 69% of their townhouses and 33% of their condominiums.

A crucial concern about this program is whether it will create new starts. The survey by the National Association of Home Builders revealed that builders generally are not sure of the tax credit impact. Slightly more than one half said that they will start new units as a result of this new legislation. But in the flood of comments written in the questionnaires, many respondents volunteered complaints about the tax program. The majority said additional clarification is needed. Some, with little or no inventory, felt they were being put to a competitive disadvantage.

However, most of the comments centered around mortgage rates. Builders are still worried about high interest rates. They would like to have more 7¾% money. A typical comment: "Even with the tax credit, high interest rates are preventing sales."

The local situation is much the same as it is nationally. Loanable funds are available at savings and loan associations. The up-to-$2,000 tax credit is selling more single family units and townhouses than condos. Yet few builders are starting anything on speculation in spite of better sales.

Over the last five years, Fairfax County has issued permits for 54,632 housing units. Even last year, that county had nearly 5,000 permits, while Montgomery permits were down to 1,632 from 7,627 in 1973.

The contract mortgage interest rate in Washington continued to decline, reaching 8.86% in March (latest official data available). The peak was reached in February when the rate was at 9.08%. Washington's contract mortgage rate was just about in the middle among 18 cities, with Miami as high as 9.31% and St. Louis as low as 8.11%.

Prices of new and existing homes sold continued to increase in Washington as well as in most other cities. Washington's first quarter 1975 average sales price increased 7.2% above the fourth quarter 1974—or 28.8% at an annual rate!

The highest first quarter increase was in San Francisco, where the sales price for new homes sold jumped 16.2%, and from a year ago, 20.7%. Washington's price for new homes sold was up from $44,600 in first quarter 1974 to $53,500 in first quarter 1975, or an increase of 20 per cent.

The first quarter average sales price for existing homes sold in Washington increased 8.3% from the same period last year, but from fourth quarter 1974 it increased at an annual rate of 14.8%. Atlanta had a dramatic increase in the prices of existing homes sold: 23.1% in first quarter 1975 and 35.3% from a year ago.

The Washington average sales price of new homes sold was the third highest in the nation ($53,500), after San Francisco ($55,300), and New York ($54,300). Washington had the second highest sales price for existing homes ($53,700), after Atlanta ($54,400).

RURAL AMERICA CONFERENCE

Mr. CLARK. Mr. President, almost a month ago over 1,200 people from all across the country gathered in Washington, D.C., for the first National Conference on Rural America. That conference dealt with the problems of the 60 million Americans who live outside urban areas—in small towns and communities—and it brought to the public's attention the inequities that have developed out of years of neglect and indifference to rural America.

The conference emphasized some of the rural problems and the Federal responses to them. For example, 60 percent of the Nation's substandard housing can be found in rural America, yet only 20 percent of the total Federal housing subsidies go to rural areas.

Rural communities suffer from a perpetual shortage of doctors, dentists, nurses, and other essential health care personnel; 138 counties and more than 5,000 towns must go without a single physician, but only 7 percent of the Department of Health, Education, and Welfare's clinic assistance money goes to nonmetropolitan areas.

Public transportation in rural areas suffers as well—most Federal assistance is channelled into urban areas, leaving rural areas with no help at all.

Mr. President, these statistics present a compelling case for us, as a people and as a Nation, to pay more attention to rural America. Richard Margolis—chairman of the Rural Housing Alliance and of Rural America, Inc.—summed it up best in the April 26 New York Times, when he said:

> Much of American history comes down to the people's erratic pursuit of equity in the face of obdurate privilege. During the nineteen-thirties that pursuit was expressed largely in terms of class; in the nineteen sixties, in terms of race. Now the time seems right to speak also of place, and of those Americans who by virtue of where they live are deprived of full participation in our political and economic system.

I ask unanimous consent that the entire article be printed in the RECORD, and that other articles concerning the Conference on Rural America be printed.

There being no objection, the articles was ordered to be printed in the RECORD, as follows:

[From the New York Times, Apr. 26, 1975]

NIX PIX OF STIX AS HIX

(By Richrd J. Margolis)

GEORGETOWN, CONN.—Much of American history comes down to the people's erratic pursuit of equity in the face of obdurate privilege. During the nineteen-thirties that pursuit was expressed largely in terms of class; in the nineteen-sixties, in terms of race. Now the time seems right to speak also of *place*, and of those Americans who by virtue of where they live are deprived of full participation in our political and economic system.

Sixty million Americans live in small towns and rural areas—outside what the Census Bureau calls Standard Metropolitan Statistical Areas. By and large, our national policy vis-a-vis these rural citizens has been one of ferocious neglect. Their voice has been drowned in the urban hubbub; their needs have been continually overlooked.

Indeed, the illusion is widespread that rural America no longer exists, that it is in fact a dead letter, and that sooner or later all but the minions of agribusiness will live in megalopolis. The illusion is self-fulfilling; it promotes policies that ultimately drive people off the land and into the cities. Because of these policies, many people suffer.

Item: Although less than one-third of the total population lives in non-metropolitan areas, fully 60 per cent of the nation's substandard housing (as defined by the census) can be found there. Yet all but a thin sliver of the total Federal housing subsidy—less than 20 per cent—goes to our cities and suburbs.

Item: The so-called "health delivery system" in rural America is a disaster. Rural communities suffer from a perpetual shortage of doctors, dentists, nurses and other essential health specialists. Whole counties—138 of them—and whole towns—more than 5,000 of them—must somehow get along without the services of a single physician. Nevertheless, as with housing, Federal funds are tilted in an urban direction. For example, only 7 per cent of the Department of Health, Education and Welfare's clinic-assistance money goes to non-metropolitan areas.

Item: Public-transportation facilities are declining everywhere, but at a faster rate in small towns and rural sections. In the last fifteen years, 146 bus companies have disappeared, most of them from towns of less than 25,000 population. Yet nearly all Federal transportation assistance is directed toward the cities. In fact, only $500-million of the $11 billion authorized to administer the 1974 National Transportation Act is earmarked for rural areas.

Need one continue? The figures trace a similarly skewed picture in education, employment, welfare and most of the other categories that, taken together, go far to define the quality of life in America. Invariably, it seems, rural Americans finish last.

This is not a new story. In a sense, rural Americans have been in trouble ever since Alexander Hamilton's vision of a society powered by urban capital triumphed over Thomas Jefferson's dream of a society harnessed to agricultural yeomanry. From that point on the city held sway.

By the end of the nineteenth century, although we were still predominantly a nation of farmers, the city's economic triumph was absolute. As the historian E. G. Nourse was later to note, "At the opening of the twentieth century American agriculture stood in just the same subservient position to American industrialism that the colonies had occupied toward England a century and a quarter before."

The new colonialism brought on fresh miseries. Land values plummeted; farmers abandoned their bucolic but profitless holdings and headed for industrial jobs in the city.

In 1908 President Theodore Roosevelt, sensing that something had gone sour in rural America, appointed a high-level Country Life Commission to recommend remedies. Eventually the commissioners issued a long and thoughtful report. "It is peculiarly

necessary," they noted, "that government should give the farmer adequate consideration and protection. There are difficulties of the separate man, living quietly on his land, that government should understand."

Government did not understand. The Congress, after due debate, refused to appropriate a single dime toward the report's dissemination. One concludes that the supply of bad news about rural America has always exceeded demand.

Six decades after Roosevelt's commission, Lyndon B. Johnson appointed a similar investigative body, this one known as the President's National Advisory Commission on Rural Poverty. The result was a melancholy but moving report on "The People Left Behind"—the 14 million rural poor. But by the time it came out the President had lost interest; he was already hip deep in Vietnam. Once again, in their long pursuit of equity, rural Americans would have to wait.

Now a growing number of rural and small-town residents are saying they are not willing to wait. They are calling for a fair share of society's goods and services. Last week, for example, some 1,500 rural-America advocates met in Washington and wrote the broad outlines of an economic and political agenda for rural America. One hopes they will be heard and heeded.

[From the American Banker, Apr. 17, 1975]

BOON TO RURAL MEDICAL CARE SEEN IN INSURANCE, MANPOWER BILLS

(By Harold K. Street)

WASHINGTON.—High costs and poor availability of medical care are major problems in rural areas and could be solved by bills he is sponsoring in Congress, Sen. Edward M. Kennedy, D., Mass., said here this week.

Medical care is one of the main concerns of rural bankers, many of whom have been active in campaigns for recruiting physicians, building hospitals, and similar prospects in their towns.

A 1972 American Bankers Association survey identified medical care as a principal concern of bankers in institutions with assets of $50 million or less, and it has been a topic of ABA conferences. Both the ABA and the Independent Bankers Association of America have discussed, but neither group has taken a position on, health-care bills in Congress.

Rural people have less money to spend for medical care and are less likely to have health insurance than urban dwellers, and there are fewer physicians and medical facilities per capita in rural than in urban areas, Mr. Kennedy declared.

The Massachusetts senator and other speakers at the first national conference on rural America here called for enactment of bills that would provide for complete national health insurance and Federal funds for training physicians and other health professionals.

The insurance bill, according to Mr. Kennedy, would mean that "rural Americans would not need to spend their often meager incomes on hospital and physician services. Their limited resources could be used for better housing and better diets; for education for their sons and daughters."

The manpower bill, he said, "directly addresses the need for thousands of physicians in rural areas by tying the expenditure of Federal funds to support medical education to a commitment by new physicians to provide service in underserved—rural and inner-city—areas."

Mr. Kennedy heads the health subcommittee of the Senate Labor and Public Welfare Committee. The subcommittee and committee approved the manpower bill last year. The Senate defeated the bill; it will be considered again by the labor committee this spring, Mr. Kennedy said. The insurance bill is before the Senate Finance Committee, which has not acted on it.

Medical care is one of a wide variety of rural problems being considered by the Conference on Rural America, which began Monday and winds up today. The conference was convened by the Rural Housing Alliance and Rural America, Inc., Washington-based public interest groups, and is cosponsored by 57 farm, rural, consumer, labor, church, and other groups.

Sen. Dick Clark, D., Iowa, chairman of the rural development subcommittee of the Senate Agriculture and Forestry committee and one of the speakers at the rural America conference who endorsed Mr. Kennedy's bills, said his subcommittee plans to hold a "number of field hearings around the country" on rural health.

Mr. Clark also said his subcommittee will assess the impact on rural areas of health bills now in Congress. According to the Iowa senator, "the health planning legislation and the Health Maintenance Organizations Act—two of the most important legislative achievements in health during the last Congress—have created a number of difficulties for rural areas because they do not reflect rural resources and rural needs."

Mr. Kennedy said "the high cost of health care strikes rural residents especially hard," because "many rural residents face the risk of health care without any health insurance at all," and "the income of rural residents is significantly less than that of other United States citizens. The median income of rural families is only 73% of the median for urban families."

Of the 25 million Americans who "have no health insurance at all," according to Mr. Kennedy, "most of them live in rural America. While more than 81% of urban residents have health insurance protection, only 74% of rural nonfarm and 61% of farm residents have any health insurance at all."

As a result of cost and lack of insurance, Mr. Kennedy contended, "millions of rural residents put off visits to the doctor—endure endless suffering—because the bill would be too high."

Also, the senator said, "in rural areas there is a great shortage of physicians and the deficit is growing.

"Throughout the nation there is one physician for every 665 people. In rural areas, however, there are more than twice that many people for every physician."

Of the nation's 500 multicounty areas designated by states for economic planning and development, 200 meet what Mr. Kennedy called a minimum standard of one physician per 1,000 people. The other 300, he said, are "almost without exception rural. More than 19,600 physicians would need to be precisely placed in specific areas to bring all of the areas to the one per 1,000 ratio."

[From the Birmingham (Ala.) News, Apr. 20, 1975]

RURAL DOCTOR SHORTAGE

WASHINGTON.—One of the messages to come out of a recent National Conference on Rural America concerned health-care problems among farmers and small-town people who simply do not have enough doctors to serve their needs.

The problem is not new. Dozens of small towns have seen hospitals fold and doctors retire or die and not be replaced. Studies by the Agriculture Department and other federal agencies repeatedly have called attention to the rural health-care plight.

But the speakers and papers at last week's conference, attended by more than 1,200 persons, helped focus new attention on some of the reasons for the decline in rural health services.

Sen. Dick Clark, D-Iowa, told the conference that rural areas "suffer from an acute shortage" of medical manpower and that the problem is related to over-all deficiencies in those areas, ranging from poverty to poor transportation.

"The poor and the elderly often do not have the ability to purchase health services even when they are available," Clark said, "The lack of public transportation in rural areas means that many people can't get to the doctor or hospital when they must. Emergency care services simply are not as accessible in rural areas as they are in our cities."

Clark, chairman of a Senate rural development subcommittee, said Congress should approve health manpower legislation offered by Sen. Edward M. Kennedy, D-Mass., which ties federal support for medical services in rural areas.

But a working paper issued by conference officials said hurdles are so large that none of the currently proposed plans "will make a dent in the pervasive health problems of rural areas until there is a national commitment," to create programs specifically for rural people and allocate more federal money for carrying them out.

The conference paper also said that present efforts to entice doctors into rural areas have not worked.

"When they draw upon urban recruits, they run the danger of appearing patronizing to rural residents and punishing to dislocated urbanites," the paper said.

George Vranish, international vice president for pensioner affairs of the United Mine Workers union, said that many physicians today "lack a commitment in caring for people and their health needs" regardless of race, sex, economic status or religious belief.

"And there is a definite lack of compassion and dignity in their patient relationships," Vranish said. "Medical schools must share much of the responsibility for the development of these attitudes."

Prof. Rashi Fein of the Harvard Medical School said rural areas average one physician for every 2,400 persons, compared with one for every 500 in the cities.

Fein said that "by no stretch of the imagination can these disparities be explained away" and that more information is needed before action can be expected.

"The big stories and the big numbers come out of the big cities," Fein said. "As a consequence, there is present some belief, some image that people in rural areas are hearty yeomen who live with clean air and in the happy and healthful conditions of the farm, availing themselves of the opportunities to go fishing in the summer, hiking in the fall and perhaps skiing in the winter."

Such false images, he said, present a risk that "legislation to solve the problem of the bulk of the population that does live in urban areas may fail to help the minority—but a very substantial minority—of other Americans."

[From the Nashville Tennessean, Apr. 17, 1975]

RURAL MEDICAL CARE CALLED PROBLEM

(By Pat Welch)

WASHINGTON.—"Rural" is not synonymous with "farm," but it does mean, most of the time, "poor," a Nashville participant in the first National Conference on Rural America said yesterday.

Dr. Leslie Falk, chairman of the department of family and community health at Meharry Medical College, said at a conference session on rural health, one of a number of topics tackled yesterday by some 1,200 persons meeting here, had reached "a high degree of consensus" on several themes, including:

"There is an acute health personnel shortage, not just doctors and dentists, but all the allied health professions, too."

UMI

Rural residents "are not given adequate health information." Falk said it is possible to "build on a folklore, or folk medicine, system," giving rural people information about health, including nutrition and the need for immunizations.

Falk spent 18 years working as area medical administrator for the United Mine Workers union in Pittsburgh before going to Meharry to teach. He was a close associate of slain UMW leader Joseph Yablonski, and left the UMW partly because of the tactics of the forces of Tony Boyle, UMW president who was convicted of having Yablonski murdered.

One of yesterday's speakers, George Vranish, UMW vice president for pensioners' affairs, said the UMW had developed a model system for the delivery of health care for miners and their families with an emphasis on prevention of illness.

Vranish, a miner himself for 25 years who now receives black lung benefits, said the problems of Appalachia—isolated and poor—will be duplicated as western coal mining moves into full production, unless adequate attention is given to water, sanitation, education and health care.

"The root cause is inadequate taxation of mining operators and owners," Vranish said. He said Kentucky law gives owners and operators "a license to steal."

The representative of retired and disabled miners also pinpointed another problem with rural health care when he told his audience that a miners' clinic in Pennsylvania had attempted to hire a pathologist, a fourth-year resident who "demanded" $77,000 a year, plus fringe benefits.

"We are all aware of the high cost of medical school, but, ladies and gentlemen, this is ridiculous," he said.

Falk said in an interview that the average MD now makes the highest salary of any profession, $47,000 a year. That, he said, is "because they can get it."

He said "the problem is not at the medical school level," but the medical school does attempt to "introduce values" in the curriculum.

"We don't try to preach to them," he said. "We try to make them face up to their own values. Because it's the highest paid profession, it is bound to attract money makers. The problem is to either keep them out or change their values."

Another panelist, Dr. Milton I. Roemer of the school of public health at the University of California at Los Angeles, said the ratio of doctors in urban areas, compared with rural areas, ranges from 5-to-1 to 3-to-1, mainly because doctors don't like to live in rural areas.

Roemer said the greatest need, however, is for auxiliary personnel.

"It's very wasteful," he said. "I think it's ridiculous to have a doctor deliver babies. In England, where midwives in hospitals deliver babies, the maternal and child health rates are higher than ours."

Both Roemer and Falk predicted some form of national health insurance will be enacted within two or three years.

Falk said national health insurance is sure to be an issue in the 1976 presidential campaign, if it is not enacted before.

Roemer said the plan is likely to be a compromise which would keep a role for the insurance industry—both because of its political clout and as a practical matter. The insurers would contribute expertise in the bill-paying process, as they do in Medicare, he said, in addition to acting as a buffer between the government and the consumer.

"Anything that goes wrong, they'll blame on the government," he said.

Sen. Edward Kennedy, D-Mass., who addressed the conference in the morning, has the best health care bill, Roemer said, although the final version probably will be a weaker compromise.

The conference was organized by the Rural Housing Alliance, which has now incorporated an entity called "Rural America, Inc."

The purpose of the conference, which continues through today, is to develop a concerted policy for revitalizing rural living, including the allocation of a fair share of government dollars to the 54 million Americans who do not live in or near urban areas. Other sessions dealt with agriculture and other job programs.

[From the Towanda (Pa.) Review, Apr. 22, 1975]

NATIONAL CONVENTION ON RURAL AMERICA DRAWS 1,200 PERSONS

(By James A. McHale)

The first National Conference on Rural America held last week in Washington, D.C., drew some 1,200 participants from all parts of the nation.

A host of speakers and panelists including Senators James Abourezk, George McGovern, Edward Kennedy and Dick Clark elaborated the theme that rural America has lagged behind in housing, health care, education, jobs and just about every economic indicator.

People attending these speeches and discussions were small farmers, homesteaders, residents of tiny communities in the deep South or Appalachia, community organizers and so forth.

"We know these statistics," a one-armed man said during a panel session on high retail food prices. "We live with them every day. We know what we pay at the supermarket and we know what kind of living the small farmer down the road is making."

This man reflected the impatience of many people at the conference. Their mood was one of more action and less words. Others were hopeful that an airing of the problems was a necessary first step for action.

Still others felt it was their responsibility on the local level to organize their communities to take advantage of available federal funds, whatever the amounts. As one delegate said, "If you aren't getting any money, look to your own house, brother. Don't tell me what I can't do. We're doing it in the South."

My feeling is the problems of rural America have to be clearly defined. There is value to expounding on the statistics of inequity. That is the first stimulus to action.

Clay Cochran, executive director of the Rural Housing Alliance, the group that sponsored the conference, has said that alliance officials will comb through all the records and reports of the four-day conference. The distilled information will then become the agenda for Rural America, Inc., the new, nonprofit corporation formed to act as a Washington resource for local rural groups.

Let's face it, one of the best ways a group has of getting a fair slice of the American pie is through favorable legislation. Powerful corporations have strong lobbyists camped in Washington guarding their interests. Rural people must form lobby groups for themselves.

Besides lobbying for legislation, rural people must be effective in seeing that favorable legislation is implemented.

For example, I am sure few of us realize that in the more than two years since Congress passed, and President Nixon signed, the Rural Development Act, less than 10 per cent of it has been implemented. This act was to get water and sewer systems built in rural areas, facilities which would improve the economy of rural communities by attracting new industries and businesses.

I should say at this point that most of the delegates did not seem to be pushing for an influx of industry into their areas. The jobs might be nice to have, but this consideration might be outweighed by potential damage to the land.

Coal mining, for example, is becoming more profitable as the energy crisis continues. Yet there is fear of spreading the conditions deplored for so long in the rural coal fields of Appalachia.

As a United Mine Workers official said at the conference, "Already trailer towns are developing in many remote sections of Wyoming, North Dakota, Utah and Montana. These towns lack water, sanitation, quality education, and many forms of sound health care."

What it gets down to is planning. Rural America is diverse, it needs varying.

If we expand coal mining, then water and sewer development should get priority in those areas.

We certainly need to preserve our good farmland. So in this case, sensible planning would tell us not to spread a shopping center over a productive wheat field.

"We seem to have an historical aversion to planning," said one speaker. He went on to say that the old, profit-oriented ways of managing the economy are increasingly inadequate. This may have been one of the most crucial messages of the conference.

[From the Milwaukee Journal, Apr. 15, 1975]

TREND TO CITIES MAY BE DWINDLING

(By David M. Skoloda)

WASHINGTON, D.C.—The idea that an industrial society like the United States will become increasingly more urbanized is questionable on the basis of recent population trends, Calvin L. Beale, a US Agriculture Department demographer, said here Monday.

Beale, who spoke at the National Conference on Rural America, said the Upper Great Lakes area was one of the nonmetropolitan areas that, since 1970, had led the reversal of the longtime trend of population migration into cities.

Northern Wisconsin and Michigan's Upper Peninsula are included in the area. Nonmetropolitan counties are those with less than 50,000 population.

The Upper Great Lakes area registered a population increase of 8% during the 1970–'73 period, Beale said.

"The remarkable recent reversal of long term population trends is demonstrated by growth in nonmetro counties of 4.2% between April, 1970, and July, 1973, compared with 2.9% in metropolitan counties," Beale said.

"This is the first period in this century in which nonmetro areas have realized more rapid growth than metro areas," he said. The population information was drawn from the annual Census Bureau county by county estimates.

Beale said counties adjacent to metropolitan areas showed a population growth rate of 4.7% and represented about five-eighths of the total net nonmetro growth.

"A more significant point is that nonadjacent counties have also increased more rapidly than metro counties, 3.7% vs. 2.9%," Beale said.

US counties well removed from metropolitan influence, such as those in northern Wisconsin, have gone from an average loss of 227,000 persons annually in the 1960s to an annual gain of 130,000 persons, Beale said.

Clay L. Cochran, executive director of the Rural Housing Alliance, said the idea that all of the nation's people would eventually move to big cities—an idea he called metropollyanna—"was a deadly enemy to those who attempt to do anything much for rural America."

Sen. George McGovern (D-S.D.) said at the conference that the Ford administration neglected hungry citizens at home and rejected the needs of many who were starving abroad.

He also said more than half of US Food for Peace program money had "been misallocated for political purposes in places such as Vietnam, Cambodia, Laos, Malta and Jordan."

"Doing indirectly with food what it is forbidden to do directly with guns is a cynical twisting of the intent of Food for Peace," McGovern said.

McGovern said any new national nutrition policy should aim at bringing food from the field "to the domestic markets of the poor through the use of food stamps, child nutrition programs and the food programs for the elderly."

"The hungry of America can be fed as the farmers of America achieve and maintain a decent income," McGovern said as he called for steps to end the "concentration of economic power in the farm and food industries."

[From the Jamestown (N.Y.) Post-Journal, Apr. 22, 1975]

RURAL AMERICA PARLEY TRIES TO ENLIGHTEN "METROPOLLYANNA"

(By Lyon Evans Jr.)

MAYVILLE.—"Metropollyana." A word you won't find in the dictionary but, according to Chautauqua County Executive Joseph Gerace, it was a word everyone was talking about at last week's National Conference on Rural America in Washington, D.C.

"Metropollyana," the executive explained, is the belief that sooner or later everyone will move to the cities and suburbs; that this is a good thing; and that the rural areas should be left to take care of themselves—that the metropolitan areas are where the "action" is and should be.

Against this assumption, widely held in today's urban and machine-oriented age, the delegates to the rural American conference argued that the small towns and farms of this country are important to its spiritual and material health, Mr. Gerace said.

The vision of America as a land of yeoman farmers and small shopkeepers is as old as Thomas Jefferson, but as the executive explained it, the delegates to the convention discussed ways to, in effect, salvage rather than sustain the vision.

"The main theme of the convention," he said, "was that the rural areas are being shortchanged and ignored by Washington—in agriculture and health care for example."

Policy decisions of the U.S. Department of Agriculture, for example, reportedly are driving the small farmers off the land, building up the corporate agricultural interests, and forcing higher food prices, Mr. Gerace said.

"The government's policy," he continued, "is to reduce the number of farmers as rapidly as new technology and cheap imported labor can bring it about. There also is evidence that the government has been an open partner in the creation of tasteless and colorless foods that lend themselves to mass processing."

For example, USDA and corporate researchers reportedly are developing a strawberry that can be more easily picked and processed by machine—but the variety also is harder, less flavorful and less nutritious than hand-picked strawberries, the executive said.

The super-industrialized outfits which mass produce hard tomatoes also have taken over the market and closed out the small tomato farmer whose product is far superior, Mr. Gerace said.

Against the idea that industrialized agriculture means lower food costs to the consumer, Mr. Gerace said speakers at the convention demonstrated that in fact costs are higher because the consumer must pay for supporting the corporate structure in marketing, transportation and advertising.

In health care, Mr. Gerace said, highly technical, non-health related federal regulations are forcing many small, rural nursing homes to close. The patients often have to move far away or to more expensive hospitals. Building new nursing homes only adds to the inflationary spiral, Mr. Gerace said.

Also, "in our Medicare and Medicaid setup in America, there is so much administration and red tape that the senior citizen is getting less coverage than originally intended."

And despite the additional benefits under the health plans and the development of advanced medical techniques, "the life expectancy of Americans has not increased over the past 15 years," Mr. Gerace reported.

An example of how technology may not improve health care was cited by Sen. Edward Kennedy in an address before the convention, the executive said. According to Sen. Kennedy four Boston hospitals have developed heart transplant capabilities that compete with each other—and all four are subsidized by the federal government.

At the same time, medical schools reportedly favor candidates from urban areas while the private enterprise system of medical care has resulted in a serious physician shortage in rural area, speakers at the convention reportedly said.

"Some felt the distribution of doctors ought to be a matter of public policy since the federal government subsidizes medical education," Mr. Gerace observed.

In other areas, such as transportation and welfare, the federal government continues to develop policies that reflect "metropollyanna" and discriminate against rural America, he added.

"But while most of the commentary was negative, there also was hope," he said. "The hope is that if people back home become knowledgeable and involved, the situation can be turned around."

Mr. Gerace said besides the specific issues raised, an important lesson he learned from the convention (he attended two of the four days) was the need to bring people together to discuss common problems. He noted that the session drew over 1,000 people from 30 states, many from community development groups, agricultural organizations and government.

The executive said the convention has given him the idea to call a county-wide conference of leaders in the churches, education, service organizations, labor, business, industry and government. He has not yet developed a timetable for such a meeting, however.

Billed as the "first annual" *National Conference on Rural America*, the session, held in Washington's Sheraton Park Hotel, was sponsored by Rural America Inc., a non-profit group, and funded by several private foundations and trusts and by more than 50 cosponsors.

Besides health care, agriculture, transportation and welfare, other issues in workshops and panel discussions were rural poverty, jobs, justice, rural resources, public education, energy, and housing and rural development.

[From the Richmond Times-Dispatch, Apr. 20, 1975]

"METROPOLLYANNA" CALLED MAJOR PROBLEM

(By Bill Connelly)

WASHINGTON.—Clay Cochran, the portly, bearded director of the Rural Housing Alliance, coined a word to describe what he sees as one of rural America's fundamental problems: "metropollyanna."

"Metropollyanna," Cochran said, "is the nearly universal belief, usually tacit, that sooner or later all of the people will move to the big city and live happily ever after."

Last week, about 2,000 rural activitists gathered here at the Sheraton Park Hotel for the first National Conference on Rural America to organize a new lobbying group dedicated to stamping out metropollyanna in the federal government.

Cochran, one of the conveners, told the conferees that metropollyanna is "the most subversive idea in the country for rural people" because it leads to government policies and private business decisions that discriminate against rural areas and small towns.

Rural America, the delegates were told, has 57 per cent of the nation's substandard housing but gets less than 25 per cent of federal housing aid.

It has 31 per cent of the nation's unemployed (perhaps more in the current recession), but gets only 17 per cent of federal expenditures for employment and job training.

It has 44 per cent of the people classified as poor, but gets only 27 per cent of the federal funds provided for low-income families.

In almost every category of federal spending, the figures are similar. "The nature of the federal budget determines the direction in which the country goes," said Sen. James Abourezk, D-S.D., one of the speakers."And it has determined not only to move people to the cities but to keep them there."

Recent census estimates show that from 1970 to 1973, rural America began gaining population and drawing migrants from the cities for the first time in half a century. Gallup polls and surveys by the Commission on Population Growth indicate that 60 per cent of Americans, including city and suburban residents, would prefer rural or small town living.

But Abourezk and others at the conference contended that this trend toward a better national population balance may be limited by the drawbacks of rural life. People simply won't choose to leave the cities, they said, until rural areas have better schools, housing, health care, cultural amenities and job opportunities.

"If they want higher wages and decent social services, they have to take the urban crush, the smog: the ugliness, and the depersonalization of life that is characteristic of city living," Abourezk said. "It appears that people have made the narrow choices offered them, but they aren't too happy with [the choices]."

Despite some improvements, rural areas still find it hard to compete. For example, Dr. Rashi Fein of Harvard University medical school said the shortage of health care in rural areas seems destined to get worse. In 1963, 98 rural counties had no resident doctors. This year, there are 138 such counties.

Dr. Fein said young doctors, "being human," are rarely willing to move to places where they feel educational and social opportunities will be limited, where they will make less money and work harder than in the cities.

Medical education may influence doctors' choices somewhat, Dr. Fein said, by encouraging specialization over general practice, by locating medical training mostly in urban areas, by drawing students primarily from upper and middle-income groups. But the fundamental problems for rural areas, he said, are created by forces that medicine and government cannot control.

The four-day conference here was called by about 50 organizations to launch Rural America, Inc., the new lobbying and research group, and to prepare an agenda for its efforts.

Many previous attempts to establish an effective rural lobby in Washington have failed, and some delegates were skeptical about this one's chances. Farmers have long had strong lobbies, but only 20 per cent of today's rural people live on farms. Modern rural America, being diverse and largely poor, has not been able to organize behind a program or anoint leaders. In contrast, urban America has highly visible leaders such as mayors and governors and usually has strong media support.

It was not a farmers' convention here, though many farmers were present. The sessions were dominated by the new breed of rural activists—development specialists, community organizers, social service administrators, antipoverty workers, teachers, small business men, Indians, blacks, unionists, environmentalists.

There was a populist flavor about the conference, but the delegates came for more than rhetoric. As farmers and professionals who deal with government, they came to talk about the nuts and bolts of federal programs. And although they wanted more money, their main emphasis was on bureaucratic ineptitude of government—not only in Washington, but in state capitals.

In Washington, for example, they complained about the failure of Agriculture Secretary Earl L. Butz under the Nixon and Ford administrations to carry out the billion-dollar Rural Development Act of 1972. The administration, after three years, is still sitting on most of the money approved by Congress.

Rural people are still turned away, they said, by the Department of Transportation and the Department of Housing and Urban Development, both of which maintain that rural areas are not their responsibility.

Another recurrent complaint was that Butz and the Agriculture Department increasingly favor large agribusiness companies at the expense of small farmers.

The speakers and delegates did more than complain, however. They exchanged ideas for improving their communities. And they were urged to be innovative. Rep. Charles G. Rose, III, D-N.C., chairman of the House Rural Caucus, urged small farmers to experiment with new farming methods as they seek to cope with rising costs and competition.

"The family farmer has a mandate to change if he is to survive," Rose said. "But this mandate is also his golden opportunity. Agribusiness has a lot of money tied up in machinery and fertilizer contracts and processing plants and transportation schemes. We can't count on them to be the first to adopt or encourage alternative farming methods."

Rose said small farmers could try to develop smaller, less expensive equipment, solar or wind-powered energy sources, organic fertilizers and collective marketing techniques.

Dr. Ira Kaye, a retired federal transportation expert, suggested that rural communities study Switzerland's postal passenger service as a possible model for developing rural public transportation. A system might be developed combining postal deliveries, school transportation and local government trips with a public transit operation.

[From the Chicago Tribune, Apr. 18, 1975]

U.S. Farms Called Pawns of Industry

(By Richard Orr)

WASHINGTON.—Rural America, home of 60 million persons, has been particularly hard-hit by sweeping industrial transformation that has victimized the nation by wasting energy, polluting the environment, and now threatens the economy, a leading environmentalist charged here Thursday.

The transformation has produced a new kind of "domestic imperialism" in which giant industrial corporations "have made a colony out of rural America," according to Dr. Barry Commoner, director of the Center for the Biology of Natural Systems, Washington University, St. Louis. He addressed a concluding session of the National Conference on Rural America.

The conference, attended by 1,500 persons from 47 states, was sponsored by the Rural Housing Alliance, a nonprofit research and education organization, and its new affiliated watchdog reform group, Rural America, Inc.

Commoner said the energy crisis, like the environmental crisis before it, is not an isolated, passing trouble, but a deep-seated fault in the nation's system of production and in the economic system that has governed it.

In agriculture, industry, and transportation, said Commoner, those productive processes that use energy least efficiently and punish the environment most are growing most rapidly, driving their energy-efficient competitors off the market.

American industry, said Commoner, has molded the nation's farms into a convenient market for its most profitable products, such as fertilizers and pesticides that threaten the natural fertility of the soil.

"The 1973 oil crisis generated huge profits for the oil companies, raising the price of fuel drastically and with it the prices of fuel-intensive products, such as fertilizers and other agricultural chemicals," Commoner said.

"But where the fertilizer manufacturer had to pay about 43 per cent more for the energy needed to manufacture nitrogen fertilizer [ammonia] between 1970 and 1974, the price that he charged the farmers increased by 141 per cent."

[From the Miami Herald, Apr. 17, 1975]

Strip-Mining Measure Will Create Rural Jobs, Udall Tells Conference

WASHINGTON.—Rep. Morris K. Udall, (D., Ariz.) said Wednesday that legislation he sponsored to regulate strip mining and promote land-use planning would assist rural areas.

"The strip-mining bill is going to create jobs in rural America, including some of the most depressed parts of the country, jobs in mining, jobs in reclaiming, and jobs on the healthy reclaimed lands once the draglines have moved on." Udall said. "It will stop practices which have turned a thousand acres a day into ugly, useless, often dangerous scar tissue."

The House and Senate have passed strip-mining bills, which are now in conference.

Udall said in a speech prepared for delivery to the National Conference on Rural America that the land use bill would help arrest a trend turning farmland into urban sprawl.

The land use bill is in Udall's House subcommittee on energy and the environment.

"As prime agricultural lands are converted into subdivisions, drive-in theaters and shopping centers, marginal lands in remote areas are pressed into food production," Udall said.

"They require an investment of $1,000 per acre to fertilize and irrigate before they come to production, and they present transportation problems that increase costs to the farmer and ultimately to the consumer," he said.

"It now takes 6.5 calories of fossil fuels to bring a single calorie of food to the table including fertilizing, running farm equipment, shipping, processing and cooking," he said. "Relying on low-quality land far from our urban centers can only increase this energy cost."

Udall said a land-use planning bill can bring "reason and good judgment to the development of prime agricultural lands."

"This is not a 'no-growth' bill, but a tool to be provided to the states and local governments to stem the loss of prime lands and the continued waste of energy and land resources," Udall said.

Udall has been a leader in the fight for a land-use bill. A measure he introduced in the last Congress failed by seven votes.

ACCESS TO COURTS AND THE TRANS-ALASKA PIPELINE CASE

Mr. KENNEDY. Mr. President, yesterday the Supreme Court handed down a decision which has significant implications to those of us who have long been concerned with the full enforcement of those rights of citizens or groups which we recognize or establish by law. Until Alyeska against Wilderness Society, the trans-Alaska pipeline case, citizen groups such as the Wilderness Society, the Sierra Club, the NAACP, La Raza Unida, and many others who sought to enforce rights which Congress gave to them could petition courts for attorneys' fees incurred in enforcing these rights. This decision ends the possibility of their obtaining attorneys' fees except where specifically authorized by Congress.

The judicial award of attorneys' fees, often labeled fee-shifting, has been hailed by those seeking to increase citizen participation in administrative and judicial decisions affecting a wide range of people. Groups and individuals, acting as private attorneys general, frequently seek to insure that governmental and corporate officials comply with laws we pass. They undertake this effort not from a selfish, profit-seeking motivation but from a civic-minded commitment to the purposes underlying the statutory enactments. Because of the prohibitively high cost of litigation, however, many citizen groups have been unable to obtain counsel to insure that their rights are not trampled upon.

In its original lawsuit, the Wilderness Society sought to block the construction of the Alaska pipeline because of Alyeska's failure to comply with various Federal statutes. Ultimately Congress acted to allow the pipeline construction, subject to certain legislated restrictions, and the Wilderness Society sought an award of attorneys' fees it incurred during the litigation.

The court of appeals held that the Wilderness Society acted to vindicate "important statutory rights of all citizens" and had insured "that the governmental system functioned properly." The court awarded attorneys fees despite the absence of any specific statutory authorization, and despite the general rule in this country that the prevailing party in litigation cannot recover attorneys fees.

In yesterday's opinion by Justice White, joined by four other Justices, the Supreme Court recognized that—

> The encouragement of private action to implement public policy has been viewed as desirable in a variety of circumstances.

The Court also cited a wealth of authority supporting the appeals court's conclusion, including over 30 Federal statutes which permit fee awards and many scholarly articles supporting fee shifting. Nonetheless, the Court said that it was for Congress and not the courts to determine under which circumstances citizens groups and others who seek to enforce congressional policy will be awarded fees. The Court observed:

> The circumstances under which attorneys' fees are to be awarded and the range of discretion of the courts in making those awards are matters for Congress to determine.

The Supreme Court thus reversed the lower court's decision and denied recovery of attorneys fees to the plaintiffs.

Last Congress we enacted amendments

to the Freedom of Information Act, over the President's veto, which contained a provision for attorneys fee awards. In passing those amendments we recognized the importance of encouraging private parties to vindicate their rights and an important national policy by providing for attorneys fees to plaintiffs who substantially prevail in litigation. Particularly in litigation with the Federal Government, the resources available to the litigants may be quite disparite, and rights which exist in theory will be too expensive to enforce in fact.

In addition to the Freedom of Information Act Amendments, Congress has provided for award of attorneys' fees in many other statutory schemes, including the Civil Rights Act of 1964, titles II and VII, the Fair Housing Act of 1968, the Education Amendments of 1972, the Clean Air Act, the Water Pollution Prevention and Control Act, the Noise Pollution Act, and many others.

Many courts, picking up on Congress' own theme and using their equitable powers to further congressional objectives, have found authority to award fees even in the absence of specific congressional directives. This was particularly so in cases asserting rights closely resembling rights given in statutes which do provide explicitly for fees.

For example, an employment discrimination case can be brought pursuant to title VII of the Civil Rights Act of 1964, which does provide for attorneys' fees, or it can be brought pursuant to earlier civil rights acts, 42 U.S.C. 1981 or 1983, which do not provide for attorneys'' fees. As a result of yesterday's decision, attorneys' fees are available under title VII but not under the nearly parallel earlier Civil Rights Act.

The time has come for Congress to address squarely the issue of insuring that the rights which we establish through our enactments are enforced. As a result of the Supreme Court's decision, the law of attorneys' fees is riddled with inconsistencies. Lawyers for citizens groups will be trying to fit their cases into artificially narrow constructs in order to come within the specific provisions of some statutes or the narrow equitable doctrines which the Court accepted, rather than focusing on the more general intent of Congress.

I believe that yesterday's Supreme Court decision has significantly undercut the ability of our citizens to participate meaningfully in forcing the rule of law in America. The entire "private attorney general" concept arose in large part because of the inability or unwillingness of governmental agencies to step in whenever a violation of law occurred. At the same time, soaring legal fees worked to prevent both the poor and the middle class American from actively participating in the legal process. Award of attorneys' fees, like contingent fees in damage actions and neighborhood legal service programs, opened the courthouse doors to many whose interests would otherwise go unprotected and whose rights would otherwise go unenforced.

Much work in this area has already been done by my colleague Senator TUNNEY, who as chairman of the Senate Judiciary Committee on Representation of Citizen Interests documented the need for increased legal representation, and as the Supreme Court noted, explored fee-shifting in both the statutory and nonstatutory areas. The Court's decision makes clear that Congress still has much work to do on this subject.

In the coming weeks I intend to introduce legislation, on which I have been working for some time, to meet the challenge which the Court has provided us of formulating a consistent approach to the attorneys' fees question—at least as it affects cases involving the Federal administrative agencies, such as the Department of the Interior in this case. We must give to the agencies and the Federal courts which review their decisions the authority to reimburse or award fees to citizen groups who seek to enforce congressional policy, or the rights which we enact will exist only in theory.

I ask unanimous consent that the text of the Supreme Court decision be printed in full in the RECORD.

There being no objection, the decision was ordered to be printed in the RECORD, as follows:

[Supreme Court of the United State, No. 73–1977]

ALYESKA PIPELINE SERVICE COMPANY, PETITIONER, VERSUS THE WILDERNESS SOCIETY ET AL.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

[May 12, 1975]

MR. JUSTICE WHITE delivered the opinion of the Court.

This litigation was initiated by respondents Wilderness Society, Environmental Defense Fund, Inc., and Friends of the Earth in an attempt to prevent the issuance of permits by the Secretary of the Interior which were required for the construction of the trans-Alaska oil pipeline. The Court of Appeals awarded attorneys' fees to respondents against petitioner Alyeska Pipeline Service Co. based upon the Court's equitable powers and the theory that respondents were entitled to fees because they were performing the services of a "private attorney general." Certiorari was granted, 419 U.S. 823 (1974), to determine whether this award of attorneys' fees was appropriate. We reverse.

I

A major oil field was discovered in the North Slope of Alaska in 1968.[1] In June 1969, the oil companies constituting the consortium owning Alyeska [2] submitted an application to the Department of the Interior for rights-of-way for a pipeline that would transport oil from the North Slope across land in Alaska owned by the United States,[3] a major part of the transport system which would carry the oil to its ultimate markets in the lower 48 States. A special interdepartmental task force studied the proposal and reported to the President. Federal Task Force on Alaska Oil Development: A Preliminary Report to the President, App. 78–89. An amended application was submitted in December 1969, which requested a 54-foot right-of-way, along with applications for "special land use permits" asking for additional space alongside the right-of-way and for the construction of a road along one segment of the pipeline.[4]

Respondents brought this suit in March 1970, and sought declaratory and injunctive relief against the Secretary of the Interior on the grounds that he intended to issue the right-of-way and special land use permits in violation of the Mineral Leasing Act of 1920, 30 U.S.C. § 185 (1970),[5] and without compliance with the National Environmental Policy Act of 1969 (NEPA), 42 U.S.C. § 4321 *et seq.*[6] On the basis of both the Mineral Leasing Act and NEPA, the District Court granted a preliminary injunction against issuance of the right-of-way and permits. 325 F. Supp. 422 (DC 1970).

Subsequently the State of Alaska and petitioner Alyeska were allowed to intervene.[7] On March 20, 1972, the Interior Department released a six-volume Environmental Impact Statement and a three-volume Economic and Security Analysis.[8] After a period of time set aside for public comment, the Secretary announced that the requested permits would be granted to Alyeska. App. 105–138. Both the Mineral Leasing Act and NEPA issues were at that point fully briefed and argued before the District Court. That court then decided to dissolve the preliminary injunction, to deny the permanent injunction, and to dismiss the complaint.[9]

Upon appeal, the Court of Appeals for the District of Columbia Circuit reversed, basing its decision solely on the Mineral Leasing Act. 156 U.S. App. D.C. 121, 479 F. 2d 842 (1973) (en banc). Finding that the NEPA issues were very complex and important, that deciding them was not necessary at that time since pipeline construction would be enjoined as a result of the violation of the Mineral Leasing Act, that they involved issues of fact still in dispute, and that it was desirable to expedite its decision as much as possible, the Court of Appeals declined to decide the merits of respondents' NEPA contentions which had been rejected by the District Court.[10] Certiorari was denied here. 411 U.S. 917 (1973).

Congress then enacted legislation, Pub. L. 93–153, 87 Stat. 576, 93d Cong., 1st Sess. (November 16, 1973), which amended the Mineral Leasing Act to allow the granting of the permits sought by Alyeska[11] and declared that no further action under NEPA was necessary before construction of the pipeline could proceed.[12]

With the merits of the litigation effectively terminated by this legislation, the Court of Appeals turned to the questions involved in respondents' request for an award of attorneys' fees.[13] 161 U.S. App. D.C. 446, 495, F. 2d 1026 (1974) (en banc). Since there was no applicable statutory authorization for such an award, the court proceeded to consider whether the requested fee award fell within any of the exceptions to the general "American rule" that the prevailing party may not recover attorneys' fees as costs or otherwise. The exception for an award against a party who had acted in bad faith was inapposite, since the position taken by the federal and state parties and Alyeska "was manifestly reasonable and assumed in good faith . . ." 161 U.S. App. D.C., at 449; 495 F. 2d, at 1029. Application of the "common benefit" exception which spreads the cost of litigation to those persons benefiting from it would "stretch it totally outside its basic rationale. . . ." *Ibid.*[14] The Court of Appeals nevertheless held that respondents had acted to vindicate "important statutory rights of all citizens. . . ," 161 U.S. App. D.C., at 452; 495 F. 2d, at 1032, had ensured that the governmental system functioned properly, and were entitled to attorneys' fees lest the great cost of litigation of this kind, particularly against well-financed defendants such as Alyeska, deter private parties desiring to see the laws protecting the environment properly enforced. 28 U.S.C. § 2412[15] was thought to bar taxing any at-

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Footnotes at end of article.

torneys' fees against the United States, and it was also deemed inappropriate to burden the State of Alaska with any part of the award.[16]

But Alyeska, the Court of Appeals held, could fairly be required to pay one-half of the full award to which respondents were entitled for having performed the functions of a private attorney general. Observing that "[t]he fee should represent the reasonable value of the services rendered, taking into account all the surrounding circumstances, including, but not limited to, the time and labor required on the case, the benefit to the public, the skill demanded by the novelty or complexity of the issues, and the incentive factor," 161 U.S. App. D.C., at 456; 495 F. 2d, at 1036, the Court of Appeals remanded the case to the District Court for assessment of the dollar amount of the award.[17]

II

In the United States, the prevailing litigant is ordinarily not entitled to collect a reasonable attorneys' fee from the loser. We are asked to fashion a far-reaching exception to this "America rule"; but having considered its origin and development, we are convinced that it would be inappropriate for the Judiciary, without legislative guidance, to reallocate the burdens of litigation in the manner and to the extent urged by respondents and approved by the Court of Appeals.

At common law, costs were not allowed; but for centuries in England there has been statutory authorization to award costs, including attorneys' fees. Although the matter is in the discretion of the court, counsel fees are regularly allowed to the prevailing party.[18]

During the first years of the federal court system, Congress provided through legislation that the federal courts were to follow the practice with respect to awarding attorneys' fees of the courts of the States in which the federal courts were located,[19] with the exception of district courts under admiralty and maritime jurisdiction which were to follow a specific fee schedule.[20] Those statutes, by 1800, had either expired or been repealed.

In 1796, this Court appears to have ruled that the Judiciary would not itself create a general rule, independent of any statute, allowing awards of attorneys' fees in federal courts. In *Arcambel* v. *Wiseman*, 3 Dall. 306, the inclusion of attorneys' fees as damages[21] was overturned on the ground that "[t]he general practice of the *United States* is in oposition [*sic*] to it; and even if that practice were not strictly correct in principle, it is entitled to the respect of the court, till it is changed, or modified, by statute." This Court has consistently adhered to that early holding. See *Day* v. *Woodworth*, 13 How. 363 (1852); *Oelrichs* v. *Spain*, 82 U.S. (15 Wall.) 211 (1872); *Flanders* v. *Tweed*, 82 U.S. (15 Wall.) 450 (1872); *Stewart* v. *Sonneborn*, 98 U.S. 187 (1878); *Fleischmann Distilling Corp.* v. *Maier Brewing Co.*, 386 U.S. 714, 717–718 (1967); *F. D. Rich Co. Inc.* v. *Industrial Lumber Co., Inc.*, 417 U.S. 116, 126–131 (1974).

The practice after 1799 and until 1853 continued as before, that is, with the federal courts referring to the State rules governing awards of counsel fees, although the express legislative authorization for that practice had expired.[22] By legislation in 1842, Congress did give this Court authority to prescribe the items and amounts of costs which could be taxed in federal courts, but the Court took no action under this statutory mandate.[23] See Law, The Jurisdiction and Powers of the United States Courts 271 n. 1 (1852).

In 1853, Congress undertook to standardize the costs allowable in federal litigation. In support of the proposed legislation, it was asserted that there was great diversity in practice among the courts and that losing litigants were being unfairly saddled with exorbitant fees for the victor's attorney.[24] The result was a far-reaching act specifying in detail the nature and amount of the taxable items of cost in the federal courts. One of its purposes was to limit allowances for attorney's fees that were to be charged to the losing parties. Although the Act disclaimed any intention to limit the amount of fees that an attorney and his client might agree upon between themselves, counsel fees collectible from the losing party were expressly limited to the amounts stated in the act:

"That in lieu of the compensation now allowed by law to attorneys, solicitors, and proctors in the United States courts to United States district attorneys, clerks of the district and circuit courts, marshals, witnesses, jurors, commissioners, and printers, in the several States, the following and no other compensation shall be taxed and allowed. But this act shall not be construed to prohibit attorneys, solicitors, and proctors from charging to and receiving from their clients, other than the Government, such reasonable compensation for their services, in addition to the taxable costs, as may be in accordance with general usage in their respective States, or may be agreed upon between the parties." 10 Stat. 161 (1853).

The Act then proceeds to list specific sums for the services of attorneys, solicitors and proctors.[25]

The intention of the Act to control the attorneys' recoverable by the prevailing party from the loser was repeatedly enforced by this Court. In *The Baltimore*, 8 Wall. 377 (1869), a $500 allowance for counsel was set aside, the Court reviewing the history of costs in the United States courts and concluding that:

"Fees and costs, allowed to the officers therein named, are now regulated by the act of the 26th of February, 1853, which provides, in its 1st section, that in lieu of the compensation now allowed by law to attorneys, solicitors, proctors, district attorneys, clerks, marshals, witnesses, jurors, commissioners, and printers, the following and no other compensation shall be allowed.

"Attorneys, solicitors, and proctors may charge their clients reasonably for their services, in addition to the taxable costs, but nothing can be taxed as cost against the opposite party, as an incident to the judgment, for their services, except the costs and fees therein described and enumerated. They may tax a docket fee of twenty dollars on a final hearing in admiralty, if the appellant recovers fifty dollars, but if he recovers less than fifty dollars, the docket fee of the proctor shall be about ten dollars." *Id.*, at 392 footnotes omitted).

In *Flanders* v. *Tweed*, *supra*, 82 U.S. (15 Wall.) 450 (1872), a counsel's fee of $6,000 was included by the jury in the damages award. The Court held the Act forbade such allowances:

"Fees and costs allowed to officers therein named are now regulated by the act of Congress passed for that purpose, which provides in its first section, that, in lieu of the compensation previously allowed by law to attorneys, solicitors, proctors, district attorneys, clerks, marshals, witnesses, jurors, commissioners, and printers, the following and no other compensation shall be allowed. Attorneys, solicitors and proctors may charge their clients reasonably for their services, in addition to the taxable costs, but nothing can be taxed or recovered as cost against the opposite party, as an incident to the judgment, for their services, except the costs and fees therein described and enumerated. They may tax a docket fee of twenty dollars in a trial before a jury, but they are restricted to a charge of ten dollars in cases at law, where judgment is rendered without a jury." *Id.*, at 452–453 (footnote omitted).

See also *In re Paschal*, 77 U.S. (10 Wall.) 483, 493–494 (1870).

Although, as will be seen, Congress has made specific provision for attorneys' fees under certain federal statutes, it has not changed the general statutory rule that allowances for counsel fees are limited to the sums specified by the cost statute. The 1853 Act was carried forward in the Revised Statutes of 1874[26] and by the Judicial Code of 1911.[27] Its substance, without any apparent intent to change the controlling rules, was also included in the revised code of 1948 as §§ 1920[28] and 1923(a).[29] Under § 1920, a court may tax as costs the various items specified, including the "docket fees" under § 1923(a). That section provides that "[a]ttorney's and proctor's docket fees in courts of the United States may be taxed as costs as follows, . . ." Against this background, this Court understandably declared in 1967 that with the exception of the small amounts allowed by § 1923, the rule "has long been that attorney's fees are not ordinarily recoverable. . . ." *Fleischmann Distilling Corp., supra*, 386 U.S., at 717. Other recent cases have also reaffirmed the general rule that absent statute or enforceable contract, litigants pay their own attorney's' fees. See *F. D. Rich Co., supra*, 417 U.S. at 128–131; *Hall* v. *Cole*, 412 U.S. 1, 4 (1973).

To be sure, the fee statutes have been construed to allow, in limited circumstances, a reasonable attorneys' fee to the prevailing party in excess of the small sums permitted by § 1923. In *Trustees* v. *Greenough*, 105 U.S. 527 (1881), the 1853 Act was read as not interfering with the historic power of equity to permit the trustee of a fund or property, or a party preserving or recovering a fund for the benefit of others in addition to himself, to recover his costs, including his attorneys' fees, from the fund or property itself or directly from the other parties enjoying the benefit.[30]

That rule has been consistently followed. *Central Railroad & Banking Co.* v. *Pettus*, 113 U.S. 116(1885); *Harrison* v. *Perea*, 168 U.S. 311, 325–326 (1897); *United States* v. *Equitable Trust Co.*, 283 U.S. 738 (1931); *Sprague* v. *Ticonic National Bank*, 307 U.S. 161 (1939); *Mills* v. *Electric Auto-Lite Co.*, 396 U.S. 375 (1970); *Hall* v. *Cole*, 412 U.S. 1 (1973); cf. *Hobbs* v. *McLean*, 117 U.S. 567, 581–582 (1886). See generally Dawson, Lawyers and Involuntary Clients: Attorney Fees From Funds, 87 Harv. L. Rev. 1597 (1947). Also a court may assess attorneys' fees for the "willful disobedience of a court order . . . as part of the fine to be levied on the defendant. *Toledo Scale Co.* v. *Computing Sale Co.*, 261 U.S. 399, 426–428 (1923)." *Fleischmann* v. *Maier Brewing Co., supra*, 386 U.S., at 718; or when the losing party has "acted in bad faith, vexatiously, wantonly, or for oppressive reasons. . . ." *F. D. Rich Co., supra*, 417 U.S.., at 129 (citing *Vaughn* v. *Atkinson*, 369 U.S. 527 (1962)); cf. *Universal Oil Products Co.* v. *Root Refining Co.*, 328 U.S. 575, 580 (1946). These exceptions are unquestionably assertions of inherent power in the courts to allow attorneys' fees in particular situations, unless forbidden by Congress, but none of the exceptions is involved here.[31] The Court of Appeals expressly disclaimed reliance on any of them. See p. 5, *supra*.

Congress has not repudiated the judicially fashioned exceptions to the general rule against allowing substantial attorney fees; but neither has it retracted, repealed or modified the limitations on taxable fees contained in the 1853 statute and its successors.[32] Nor has it extended any roving authority to the Judiciary to allow counsel fees as costs or otherwise whenever the courts might deem them warranted. What Congress has done, however, while fully recognizing and accepting the general rule, is itself to make specific and explicit provisions for the allowance of attorney's fees under selected statutes granting or protecting various federal

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Footnotes at end of article.

rights.[33] These statutory allowances are now available in a variety of circumstances, but they also differ considerably among themselves. Under the antitrust laws, for instance, allowance of attorneys' fees to a plaintiff awarded treble damages is mandatory.[34] In patent litigation, in contrast, "[t]he court in *exceptional* cases *may* award reasonable attorney fees to the prevailing party." 35 U.S.C. § 285 (emphasis added). Under Title II of the Civil Rights Act of 1964, 42 U.S.C. § 2000a–3(b),[35] the prevailing party is entitled to an attorney's fee, at the discretion of the court, but we have held that Congress intended that the award should be made to the successful plaintiff absent exceptional circumstances. *Newman* v. *Piggie Park Enterprises, Inc.*, 390 U.S. 400, 402 (1968). See also *Northcross* v. *Board of Education of the Memphis City Schools*, 412 U.S. 427 (1973). Under this scheme of things, it is apparent that the circumstances under which attorneys' fees are to be awarded and the range of discretion of the courts in making those awards are matters for Congress to determine.[36]

It is true that under some, if not most, of the statutes providing for the allowance of reasonable fees, Congress has opted to rely heavily on private enforcement to implement public policy and to allow counsel fees so as to encourage private litigation. Fee-shifting in connection with treble damage awards under the antitrust laws is a prime example; cf. *Hawaii v. Standard Oil Co.*, 405 U.S. 251, 265–266 (1972); and we have noted that Title II of the Civil Rights Act of 1964 was intended "not simply to penalize litigants who deliberately advance arguments they know to be untenable but, more broadly, to encourage individuals injured by racial discrimination to seek judicial relief under Title II." *Newman, supra*, 390 U.S. at 402 (footnote omitted). But congressional utilization of the private attorney general concept can in no sense be construed as a grant of authority to the Judiciary to jettison the traditional rule against nonstatutory allowances to the prevailing party and to award attorneys' fees whenever the courts deem the public policy furthered by a particular statute important enough to warrant the award.

Congress itself presumably has the power and judgment to pick and choose among its statutes and to allow attorneys' fees under some but not others. But it would be difficult, indeed, for the courts without legislative guidance to consider some statutes important and others unimportant and to allow attorneys' fees only in connection with the former. If the statutory limitation of right-of-way widths involved in this case is a matter of the gravest importance, it would appear that a wide-range of statutes would arguably satisfy the criterion of public importance and justify an award of attorneys' fees to the private litigant. And, if any statutory policy is deemed so important that its enforcement must be encouraged by awards of attorneys' fees, how could a court deny attorneys' fees to private litigants in § 1983 actions seeking to vindicate constitutional rights? Moreover, should courts, if they were to embark on the course urged by respondents, opt for awards to the prevailing party, whether plaintiff or defendant, or only to the prevailing plaintiff?[37] Should awards be discretionary or mandatory?[38] Would there be a presumption operating for or against them in the ordinary case? See *Newman, supra*.[39]

As exemplified by this case itself, it is also evident that the rational application of the private attorney general rule would immediately collide with the express provision of 28 U.S.C. § 2412.[40] Except as otherwise provided by statute, that section permits costs to be taxed against the United States, "but not including the fees and expenses of attorneys," in any civil action brought by or against the United States or any agency or official of the United States acting in an official capacity. If, as respondents argue, one of the main functions of a private attorney general is to call public officials to account and to insist that they enforce the law, it would follow in such cases that attorneys' fees should be awarded against the Government or the officials themselves. Indeed, that very claim was asserted in this case.[41] But § 2412 on its face, and in light of its legislative history, general bars such awards,[42] which, if allowable at all, must be expressly provided for by statue, as, for example, under Title II of the Civil Rights Act of 1964, 42 U.S.C. § 2000aX3(b).[43]

We need labor the matter no further. It appears to us that the rule suggested here and adopted by the Court of Appeals would make major inroads on a policy matter that Congress has reserved for itself. Since the approach taken by Congress to this issue has been to carve out specific exceptions to a general rule that federal courts cannot award attorneys' fees beyond the limits of 28 U.S.C. § 1923, those courts are not free to fashion drastic new rules with respect to the allowance of attorneys' fees to the prevailing party in federal litigation or to pick and choose among plaintiffs and the statutes under which they sue and to award fees in some cases but not in others, depending upon the courts' assessment of the importance of the public policies involved in particular cases. Nor should the federal courts purport to adopt on their own initiative a rule awarding attorneys' fee based on the private attorney general approach when such judicial rule will operate only against private parties and not against the Government.[44]

We do not purport to assess the merits or demerits of the "American rule" with respect to the allowance of attorneys' fees. It has been criticized in recent years,[45] and courts have been urged to find exceptions to it.[46] It is also apparent from our national experience that the encouragement of private action to implement public policy has been viewed as desirable in a variety of circumstances. But the rule followed in our courts with respect to attorneys' fees has survived. It is deeply rooted in our history and in congressional policy; and it is not for us to invade the legislature's province by redistributing litigation costs in the manner suggested by respondents and followed by the Court of Appeals.[47]

The decision below must therefore be reversed.

So ordered.

Mr. JUSTICE DOUGLAS and Mr. JUSTICE POWELL took no part in the consideration or decision of this case.

FOOTNOTES

[1] For a discussion and chronology of the events surrounding this litigation, see Dominick & Brody, The Alaska Pipeline: *Wilderness Society* v. *Morton* and the Trans-Alaska Pipeline Authorization Act, 23 Am. U. L. Rev. 337 (1973).

[2] In 1968, Atlantic Richfield Co., Humble Oil & Refining Co., and British Petroleum Corp. formed the Trans-Alaska Pipeline System, and it was this entity which submitted the applications for the permits. Federal Task Force on Alaskan Oil Development: A Preliminary Report to the President, App., at 80; Dominick & Brody, *supra*, at 337–338, n. 3. In 1970, the Trans-Alaska Pipeline System was replaced by petitioner Alyeska. Alyeska's stock is owned by ARCO Pipeline Co., Inc., Sohio Pipeline Co., Humble Pipeline Co., Mobil Pipeline Co., Phillips Petroleum Co., Amerada Hess Corp., and Union Oil Co. of California. See *id.*, at 338 n. 3; App. 105.

[3] The application requested a primary right-of-way of 54 feet, an additional parallel, adjacent right-of-way for construction purposes of 46 feet, another right-of-way of 100 feet for a construction road between Prudhoe Bay on the North Slope to the town of Livengood, a distance slightly less than half the length of the proposed pipeline. See *Wilderness Society* v. *Morton*, 156 U.S. App. D. C. 121, 128, 479 F. 2d 842, 849 (1973).

[4] The amended application asked for a single 54-foot right-of-way, a special land use permit for an additional 11 feet on one side and 35 feet on the other side of the right-of-way, and another special land use permit for a space 200 feet in width between Prudhoe Bay and Livengood. 156 U.S. App. D. C., at 128–129; 479 F. 2d, at 849–850; App. 89–98.

[5] Section 28 provided in pertinent part:

"Rights-of-way through the public lands, including the forest reserves of the United States, may be granted by the Secretary of the Interior for pipeline purposes for the transportation of oil or natural gas to any applicant possessing the [prescribed] qualifications . . . to the extent of the ground occupied by the said pipe line and twenty-five feet on each side of the same under such regulations and conditions as to survey, location, application, and use as may be prescribed by the Secretary of the Interior and upon the express condition that such pipe lines shall be constructed, operated, and maintained as common carriers and shall accept, convey, transport, or purchase without discrimination, oil or natural gas produced from Government lands in the vicinity of the pipe line in such proportionate amounts as the Secretary of the Interior may, after a full hearing with due notice thereof to the interested parties and a proper finding of facts, determine to be reasonable: . . . *Provided further*, That no right-of-way shall hereafter be granted over said lands for the transportation of oil or natural gas except under and subject to the provisions, limitations, and conditions of this section. Failure to comply with the provisions of this section or the regulations and conditions prescribed by the Secretary of the Interior shall be ground for forfeiture of the grant by the United States district court for the district in which the property, or some part thereof, is located in an appropriate proceeding."

[6] The Court of Appeals described the heart of respondents' NEPA contention to be that the Secretary did not adequately consider the alternative of a trans-Canada pipeline. 156 U.S. App. D.C., at 166–168; 479 F. 2d, at 887–889.

[7] The interventions occurred in September 1971, approximately 17 months after the District Court had granted the preliminary injunction preventing issuance of the right-of-way and permits by the Secretary.

[8] The Department of the Interior had released a draft impact statement in January 1971.

[9] The decision is not reported. See 156 U.S. App. D.C., at 130; 479 F. 2d, at 851.

[10] At the same time, the Court of Appeals upheld the grant of certain rights-of-way to the State of Alaska. 156 U.S. App. D.C., at 158–163; 479 F. 2d, at 879–884. It also considered a challenge to a special land use permit issued by the Forest Supervisor to Alyeska's predecessor, but did not find the issue ripe for adjudication. 156 U.S. App. D.C., at 163–166; 479 F. 2d, at 884–887.

[11] Pub. L. 93–153, Tit. I, § 101, 87 Stat. 576.

[12] Trans-Alaska Pipeline Authorization Act, Pub. L. 93–153, Tit. II, 87 Stat. 584.

[13] Respondents' bill of costs includes a total of 4,455 hours of attorneys' time spent on the litigation. App. 209–219.

[14] "[T]his litigation may well have provided substantial benefits to particular individuals and, indeed, to every citizen's interest in the proper functioning of our system of government. But imposing attorney's fees on Alyeska will not operate to spread the costs of litigation proportionately

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among these beneficiaries. . . ." 161 U.S. App. D.C., at 449; 495 F. 2d, at 1029.

[15] See n. 40, *infra.*

[16] "In the circumstances of this case it would be inappropriate to tax fees against appelle State of Alaska. The State voluntarily participated in this suit, in effect to present to the court a different version of the public interest implications of the trans-Alaska pipeline. Taxing attorneys' fees against Alaska would in our view undermine rather than further the goal of ensuring adequate spokesmen for public interests." 161 U.S. App. D. C., at 456 n. 8; 495 F. 2d, at 1036 n. 8.

[17] The Court of Appeals also directed that "[t]he fee award need not be limited . . . to the amount actually paid or owed by [respondents]. It may well be that counsel serve organizations like [respondents] for compensation below that obtainable in the market because they believe the organizations further a public interest. Litigation of this sort should not have to rely on the charity of counsel any more than it should rely on the charity of parties volunteering to serve as private attorneys general. The attorneys who worked on this case should be reimbursed the reasonable value of their services, despite the absence of any obligation on the part of [respondents] to pay attorneys' fees." 161 U.S. App. D.C., at 457; 495 F. 2d, at 1037.

[18] "As early as 1278, the courts of England were authorized to award counsel fees to successful plaintiffs in litigation. Similarly, since 1607 English courts have been empowered to award counsel fees to defendants in all actions where such awards might be made to plaintiffs. Rules governing administration of these and related provisions have developed over the years. It is now customary in England, after litigation of substantive claims has terminated, to conduct separate hearings before special 'taxing Masters' in order to determine the appropriateness and the size of an award of counsel fees. To prevent the ancillary proceedings from becoming unduly protracted and burdensome, fees which may be included in an award are usually prescribed, even including the amounts that may be recovered for letters drafted on behalf of a client." *Fleischmann Distilling Corp.* v. *Maier Brewing Co.*, 386 U.S. 714, 717 (1967) (footnotes omitted). See generally Goodhart, Costs, 38 Yale L. J. 849 (1929); McCormick, Handbook on the Law of Damages, 234–236 (1935).

[19] The Federal Judiciary Act of September 24, 1789, 1 Stat. 73, c. 20, touched upon costs in §§ 9, 11, 12, 20, 21, 22, and 23, but as to counsel fees provided specifically only that the United States Attorney in each district "shall receive as a compensation for his services such fees as shall be taxed therefor in the respective courts before which the suits or prosecutions shall be." *Id.*, at 92–93, § 35. Five days later, however, Congress enacted legislation regulating federal court processes which provided:

"That until further provision shall be made, and except where by this act or other statutes of the United States is otherwise provided . . . rates of fees, except fees to judges, in the circuit and district courts, in suits at common law, shall be the same in each state respectively as are now used or allowed in the supreme courts of the same. And . . . [in causes of equity and of admiralty and maritime jurisdiction] the rates of fees [shall be] the same as are or were last allowed by the states respectively in the court exercising supreme jurisdiction in such causes." *Id.*, at 93–94, c. 21, § 2.

That legislation was to be in effect only until the end of the next congressional session, *id.*, at 94, § 3, but it was extended twice. See *id.*, at 123, c. 13 (May 26, 1970); *id.*, at 191, c. 8 (February 18, 1791). It was repealed, however, by legislation enacted on May 8, 1792. *Id.*, at 278, c. 36, § 8.

Prior to the time of that repeal, other legislation had been passed providing for additional compensation for United States Attorneys to cover traveling expenses. *Id.*, at 216–217, c. 22, § 1 (March 3, 1791). That legislation was also repealed by the Act of May 8, 1792, *supra.* The latter enactment substituted a new provision for the compensation of United States Attorneys; they would be entitled to "such fees in each state respectively as are allowed in the supreme courts of the same . . ." plus certain travelling expenses. *Id.*, at 277, c. 36, § 3. That provision was repealed on February 28, 1799. *It.*, at 626, c. 19, § 9. That same statute provided new, specific rates of compensation for United States district attorneys. See *id.*, at 625–626, § 4. See also *id.*, 5.

On March 1, 1793, Congress enacted a general provision governing the awarding of costs to prevailing parties in federal courts:

"That there be allowed and taxed in the supreme, circuit and district courts of the United States, in favour of the parties obtaining judgments therein, such compensation for their travel and attendance, and for attornies and counsellors' fees, except in the district courts in cases of admiralty and maritime jurisdiction, as are allowed in the supreme or superior courts of the respective states." *Id.*, at 333, c. 20, § 4.

This provision was to be in force for one year and then to the end of the next session of Congress, *id.*, § 5, but it was continued in effect in 1795, *id.*, at 419, c. 28 (February 25, 1795), and again in 1796, *id.*, at 451–452 c. 11 (March 31, 1796), for a period of two years and then until the end of the next session of Congress; at that point, it expired.

After 1799 and until 1853, no other congressional legislation dealt with the awarding of attorneys' fees in federal courts except for the Act of 1842, n. 23, *infra*, which gave this Court authority to prescribe taxable attorneys' fees, and for legislation dealing with the compensation for United States district attorneys. See 5 Stat. 427–428, c. 35 (1841), and *id.*, at 483–484, c. 29 (1842). See the summary of the legislation dealing with costs throughout this period in Law, The Jurisdiction and Powers of the United States Courts 255–282 (1852).

[20] By the legislation of September 29, 1789, the federal courts were to follow the state practice with respect to rates of fees under admiralty and maritime jurisdiction. See n. 19, *supra.* The Act of March 1, 1793, 1 Stat. 332, c. 20, § 1, established set fees for attorneys in the district courts in admiralty and maritime proceedings. As with § 4 of that Act, n. 19, *supra*, this provision had expired by the end of the century. See *The Baltimore*, 8 Wall. 377, 390–392 (1869).

[21] The circuit court had allowed $1,600 in counsel fees under its estimate of damages and $28.89 as costs. Record in *Arcambel*, at 56.

[22] See 2 Street, Federal Equity Practice § 1986 (1909), at 1188–1189; Law, *supra*, at 279; Costs in Civil Cases, 30 Fed. Cases 1058 (Circ. Court SDNY 1852) (No. 18,284).

[23] "That, for the purposes of further diminishing the costs and expenses in suits and proceedings in the said courts, the Supreme Court shall have full power and authority, from time to time, to make and prescribe regulations to the said district and circuit courts, as to the taxation and payment of costs in all suits and proceedings therein; and to make and prescribe a table of the various items of costs which shall be taxable and allowed in all suits, to the parties, their attorneys, solicitors, and proctors, to the clerk of the court, to the marshall of the district, and his deputies, and other officers serving process, to witnesses, and to all other persons whose services are usually taxable in bills of costs. And the items so stated in the said table, and none others, shall be taxable or allowed in bills of costs; and they shall be fixed as low as they reasonably can be, with a due regard to the nature of the duties and services which shall be performed by the various officers and persons aforesaid, and shall in no case exceed the costs and expenses now authorized, where the same are provided for by existing laws." 5 Stat. 518, c. 188, § 7 (August 23, 1842).

The brief legislative history of this section indicates that, as its own language states, its purpose was to reduce fee-bills in federal courts. 11 Cong. Globe, 27th Cong., 2d Sess., 723 (July 6, 1842) (remarks of Sen. Bcrrien). One of its opponents, Sen. Buchanan, said the following:

"If Congress conforms the fee-bills of the courts over which it has control, to the fee-bills of the State courts, that is all that can be expected of it . . . . But the great and main objection was, its transfer of the legislative power of Congress to the Supreme Court." *Ibid.*

[24] See the remarks of Sen. Bradbury, 27 Cong. Globe App., 32d Cong., 2d Sess., 207 (February 12, 1853):

"There is now no uniform rule either for compensating the ministerial officers of the courts, or for the regulation of the costs in actions between private suitors. One system prevails in one district, and a totally different one in another; and in some cases it would be difficult to ascertain that any attention had been paid to any law whatever designed to regulate such proceedings. . . . It will hence be seen that the compensation of the officers, and the costs taxed in civil suits, is made to depend in a great degree on that allowed in the State courts. There are no two States where the allowance is the same.

"When this system was adopted, it had the semblance of equality, which does not now exist. There were then but sixteen States, in all of which the laws prescribed certain taxable costs to attorneys for the prosecution and defense of suits. In several of the States which have since been added to the Union, no such cost is allowed; and in others the amount is inconsiderable. As the State fee bills are made so far the rule of compensation in the Federal courts, the Senate will perceive that totally different systems of taxation prevail in the different districts. . . . It is not only the officers of the courts, but the suitors also, that are affected by the present unequal, extravagant, and often oppressive system.

"The abuses that have grown up in the taxation of attorneys' fees which the losing party has been compelled to pay in civil suits, have been a matter of serious complaint. The papers before the committee show that in some cases those costs have been swelled to an amount exceedingly oppressive to suitors, and altogether disproportionate to the magnitude and importance of the causes in which they are taxed, or the labor bestowed . . .

"It is to correct the evils and remedy the defects of the present system, that the bill has been prepared and passed by the House of Representatives. It attempts to simplify the taxation of fees, by prescribing a limited number of definite items to be allowed. . . ." See also H. R. Rep. No. 50, 32d Cong., 1st Sess. (1852), 2 Street, *supra*, § 1987, at 1189.

[25] *"Fees of Attorneys, Solicitors, and Proctors.* In a trial before a jury, in civil and criminal causes, or before referees, or on a final hearing in equity or admiralty, a docket fee of twenty dollars: *Provided*, That in cases in admiralty and maritime jurisdiction, where the libellant shall recover less than fifty dollars, the docket fee of his proctor shall be but ten dollars.

"In cases at law, where judgment is rendered without a jury, ten dollars, and five dollars where a cause is discontinued.

"For scire facias and other proceedings on recognizances, five dollars.

"For each deposition taken and admitted as evidence in the cause, two dollars and fifty cents.

"A compensation of five dollars shall be allowed for the services rendered in cases removed from a district to a circuit court by writ of error or appeal. . . ." 10 Stat. 161–162.

[26] "The following and no other compensation shall be taxed and allowed to attorneys, solicitors, and proctors in the courts of the United States, to district attorneys, clerks of the circuit and district courts, marshals, commissioners, witnesses, jurors, and printers in the several States and Territories, except in cases otherwise expressly provided by law. But nothing herein shall be construed to prohibit attorneys, solicitors, and proctors from charging to and receiving from their clients, other than the Government, such reasonable compensation for their services, in addition to the taxable costs, as may be in accordance with general usage in their respective States, or may be agreed upon between the parties." Rev. Stat. § 823. For the schedule of fees, see § 824. The schedule remained the same as the one in the 1853 Act, n. 25, *supra.*

[27] Rev. Stat. §§ 823 and 824 were not repealed by the Judicial Code of 1911 and hence were to "remain in force with the same effect and to the same extent as if this Act had not been passed." 36 Stat. 1168–1169, § 297. When the Judicial Code was included under Title 28 of the United States Code in 1926, these sections appeared as §§ 571 and 572 with but minor changes in wording, including the deletion from the latter section of the compensation for services rendered in a case which went to the circuit court on appeal or writ of error.

[28] "A judge or clerk of any court of the United States may tax as costs the following:

* * * * *

"(5) Docket fees under section 1923 of this title.

* * * * *

[29] "(a) Attorney's and proctor's docket fees in courts of the United States may be taxed as costs as follows:

"$20 on trial or final hearing in civil, criminal or admiralty cases, except that in cases of admiralty and maritime jurisdiction where the libellant recovers less than $50 the proctor's docket fee shall be $10;

"$20 in admiralty appeals involving not over $1,000;

"$50 in admiralty appeals involving not over $5,000;

"$100 in admiralty appeals involving more than $5,000;

"$5 on discontinuance of a civil action;

"$5 on motion for judgment and other proceedings on recognizances;

"2.50 for each deposition admitted in evidence."

The 1948 Code does not contain the language used in the 1853 Act and carried on for nearly 100 years that the fees prescribed by the statute "and no other compensation shall be taxed and allowed," but nothing in the 1948 Code indicates a congressional intention to depart from that rule. The Reviser's Note to the new § 1923 states only that the "[s]ection consolidates sections 571, 572, and 578 of title 28 U. S. C., 1940 ed." H. R. Rep. No. 308, 80th Cong., 1st Sess., Appendix, at A163 (1947). Section 571 was the provision limiting awards to the fees prescribed by § 572. See n. 27, *supra.* Our conclusion that the 1948 Code did not change the longstanding rule limiting awards of attorneys' fees to the statutorily provided amounts is consistent with our established view that "the function of the Revisers of the 1948 Code was generally limited to that of consolidation and codification. Consequently, a well-established principle governing the interpretation of provisions altered in the 1948 revision is that 'no change is to be presumed unless clearly expressed.'" *Tidewater Oil Co.* v. *United States*, 409 U.S. 151, 162 (1972) (footnote omitted). As MR. JUSTICE MARSHALL noted for the Court in *Tidewater, supra*, at 162 n. 29, the Senate Report covering the new Code observed that "great care has been exercised to make no changes in the existing law which would not meet with substantially unanimous approval." S. Rep. No. 1559, 80th Cong., 2d Sess., 2 (1948).

The Reviser's Note to § 1920 explains the shift from the mandatory "shall be taxed" to the discretionary "may be taxed" as made "in view of Rule 54(d) of the Federal Rules of Civil Procedure, providing for allowance of costs to the prevailing party as of course 'unless the court otherwise directs.'" H. R. No. 308, *supra*, at A162.

[30] Mr. Justice Bradley, writing for the Court in *Greenough*, said the following of the 1853 Act:

"The fee-bill is intended to regulate only those fees and costs which are strictly chargeable as between party and party, and not to regulate the fees of counsel and other expenses and charges as between solicitor and client, nor the power of a court of equity, in cases of administration of funds under its control, to make such allowance to the parties out of the fund as justice and equity may require. The fee-bill itself expressly provides that it shall not be construed to prohibit attorneys, solicitors, and proctors from charging to and receiving from their clients (other than the government) such reasonable compensation for their services, in addition to the taxable costs, as may be in accordance with general usage in their respective States, or may be agreed upon between the parties. Act of Feb. 26, 1853, c. 80, 10 Stat. 161; Rev. Stat., sect. 823. And the act contains nothing which can be fairly construed to deprive the Court of Chancery of its long-established control over the costs and charges of the litigation, to be exercised as equity and justice may require, including proper allowances to those who have instituted proceedings for the benefit of a general fund." 105 U.S., at 535–536.

Sprague v. *Ticonic National Bank*, 307 U.S. 161, 165 n. 2 (1939), might be read as suggesting that the Court in *Greenough* said that a federal court could tax against the losing party "solicitor and client" costs in excess of the amounts prescribed by the 1853 Act. But any such suggestion is without support either in the opinion in *Greenough*, which was limited to a common-fund rationale, or in the express terms of the statute. Those costs were simply left unregulated by the federal statute; it did not permit taxing the "client-solicitor" costs againt the client's adversary. See *The Baltimore, supra; Flanders* v. *Tweed, supra*; 1 Foster, Federal Practice §§ 328–330 (1901); Conkling, The Organization, Jurisdiction and Practice of the Courts of the United States, 456–457 (1870); Boyce, A Manual of the Practice in the Circuit Courts 72 (1869). *Cf. United States* v. *One Package of Ready-Made Clothing*, 27 Fed. Cases 310, 312 (SDNY 1853) (No. 15,950). MR. JUSTICE MARSHALL's reliance upon *Sprague* for the proposition that "client-solicitor" costs could be taxed against the client's opponent, see *post*, at 7–8, is thus misplaced and conflicts with any fair reading of *Greenough, supra*, and the 1853 Act.

[31] A very different situation is presented when a federal court sits in a diversity case. "[I]n an ordinary diversity case where the state law does not run counter to a valid federal staute or rule of court, and usually it will not, state law denying the right to attorney's fees or giving a right thereto, which reflects a substantial policy of the state, should be followed." 6 J. Moore, Federal Practice ¶ 54.77 [2] (1974 ed.), at 1712–1713 (footnotes omitted). See also 2 Speiser, Attorneys' Fees §§ 14:3, 14:4 (1973); Annotation, Prevailing Party's Right to Recover Counsel Fees in Federal Courts, 8 L. Ed. 2d 894, 900–901. Prior to the decision in *Erie R. Co.* v. *Tompkins*, 304 U.S. 64 (1933), this Court held that a state statute requiring an award of attorneys' fees should be applied in a case removed from the state courts to the federal courts: "[I]t is clear that it is the policy of the state to allow plaintiffs to recover an attorney's fee in certain cases, and it has made that policy effective by making the allowance of the fee mandatory on its courts in those cases. It would be at least anomalous if this policy could be thwarted and the right so plainly given destroyed by removal of the cause to the federal courts." *People of Sioux County* v. *National Surety Co.*, 276 U.S. 238, 243 (1928). The limitations on the awards of attorneys' fees by federal courts deriving from the 1853 Act were found not to bar the award. *Id.*, at 243–244. We see nothing after *Erie* requiring a departure from this result. See *Hanna* v. *Plumer*, 380 U.S. 460 467–468 (1965). The same would clearly hold for a judicially created rule, although the question of the proper rule to govern in awarding attorneys' fees in federal diversity cases in the absence of State statutory authorization loses much of its practical significance in light of the fact that most States follow the restrictive American rule. See 1 Speiser, *supra*, §§ 12:3, 12:4.

[32] See nn. 26–29, *supra.*

[33] See Amendments to Freedom of Information Act, Pub. L. 93–502, 88 Stat. 1561, § (b) (2) (Nov. 21, 1974) (amending 5 U.S.C. § 552(a)); Packers and Stockyards Act 7 U.S.C. § 210(f); Perishable Agricultural Commodities Act 7 U.S.C. § 499g(b); Bankruptcy Act, 11 U.S.C. §§ 104(a) (1), 641, 642, 643, 644; Clayton Act, 15 U.S.C. § 15; Unfair Competition Act, 15 U.S.C. § 72; Securities Act of 1933, 15 U.S.C. § 77wkw(e); Trust Indenture Act, 15 U.S.C. § 77www(a); Securities Exchange Act of 1934, 15 U.S.C. §§ 78i(e), 78r(a); Truth-in-Lending Act, 15 U.S.C. § 1640(a); Copyright Act, 17 U.S.C. § 116; Organized Crime Control Act of 1970, 18 U.S.C. § 1964(c); Education Amendments of 1972, 20 U.S.C. § 1617; Norris-La-Guardia Act, 29 U.S.C. § 107(e); Fair Labor Standards Act, 29 U.S.C. § 216(b); Longshoremen's and Harbor Workers' Compensation Act, 33 U.S.C. § 928; Water Pollution Prevention and Control Act, 33 U.S.C. § 1365(d); Ocean Dumping Act, 33 U.S.C. § 1365(d); 35 U.S.C. § 285 (patent infringement); Servicemen's Readjustment Act, 38 U.S.C. § 1822 (b); Clean Air Amendments of 1970, 42 U.S.C. § 1857h–2(d); Civil Rights Act of 1964, Tit. II, 42 U.S.C. § 2000a–3(b); Tit. VII, 42 U.S.C. § 2000e–5(k); Fair Housing Act of 1968, 42 U.S.C. § 3612(c); Noise Control Act of 1972, 42 U.S.C. § 4911(d); Railway Labor Act, 45 U.S.C. § 153(p); The Merchant Marine Act of 1936, 46 U.S.C. § 1227; Communications Act of 1934, 47 U.S.C. § 206; Interstate Commerce Act, 49 U.S.C. §§ 8, 16(2), 908(b); Housing and Rent Act, 50 U.S.C. App. § 1895 (a), (b); Defense Production Act, 50 U.S.C. § 2109(c); Rule 37 (a), (c), F. R. Civ. Proc. See generally 1 Speiser, *supra*, §§ 12:61–12:71; Annotation, *supra*, 8 L. Ed. 2d, at 922–942.

[34] "Any person who shall be injured in his business or property by reason of anything forbidden in the antitrust laws may sue therefor . . . and *shall recover* threefold the damages by him sustained, and the cost of suit, including a reasonable attorney's fee." 15 U.S.C. § 15 (emphasis added).

Other statutes which are mandatory in terms of awarding attorneys' fees include the Fair Labor Standards Act, 29 U.S.C. § 216 (b); the Truth-in-Lending Act, 15 U.S.C. § 1640(a); and the Merchant Marine Act of 1936, 46 U.S.C. § 1227.

[35] "In any action commenced pursuant to this subchapter, the court, in its discretion, may allow the prevailing party, other than the United States, a reasonable attorney's fee as part of the costs, and the United States

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shall be liable for costs the same as a private person."

Other statutory examples of discretion in awarding attorneys' fees are the Securities Act of 1933, 15 U.S.C. § 77k(e); the Trust Indenture Act, 15 U.S.C. § 77www(a); the Securities Exchange Act of 1934, 15 U.S.C. §§ 77l(e) 78r(a); the Civil Rights Act of 1964, Tit. VII, 42 U.S.C.§ 2000e–5(k); the Clean Air Amendments of 1970, 42 U.S.C. § 1857h–2(d); the Noise Control Act of 1972, 42 U.S.C. § 4911(d).

[36] Quite apart from the specific authorizations of fee-shifting in particular statutes, Congress has recently confronted the question of the general availability of legal services to persons economically unable to retain a private attorney. See the Legal Services Corporation Act of 1974, Pub. L. 93–355, 42 U.S.C. § 2996 *et seq.*, 88 Stat. 378 (July 25, 1974). Section 1006(f), 42 U.S.C. § 2996e(f), addresses one type of fee-shifting:

"If an action is commenced by the Corporation or by a recipient and a final order is entered in favor of the defendant and against the Corporation or a recipient's plaintiff, the court may, upon motion by the defendant and upon a finding by the court that the action was commenced or pursued for the sole purpose of harassment of the defendant or that the Corporation or a recipient's plaintiff maliciously abused legal process, enter an order (which shall be appealable before being made final) awarding reasonable costs and legal fees incurred by the defendant in defense of the action, except when in contravention of a State law, a rule of court, or a statute of general applicability. Any such costs and fees shall be directly paid by the Corporation."

On the other hand, remarks made during the debates on this legislation indicate that there was no intent to restrict the plaintiff's recovery of attorneys' fees in actions commenced by the Corporation or its recipient where under the circumstances other plaintiffs would be awarded such fees. 8 Cong. Rec., 93d Cong., 2d Sess., H3956 (May 16, 1974) (Rep. Meeds); H3963 (May 16, 1974) (Rep. Steiger); 13 Cong. Rec., 93d Cong., 2d Sess., S12934 (July 18, 1974) (Sen. Cranston); S12950 (July 18, 1974) (Sen. Mondale); S12953 (July 18, 1974) (Sen. Kennedy). Thus, if other plaintiffs might recover on the private attorney general theory, so might the Corporation. Congress itself, of course, has provided for counsel fees under various statutes on a private attorney general basis; and we find nothing in these remarks indicating any congressional approval of judicially created private attorney general fee awards.

[37] Congress in its specific statutory authorizations of fee-shifting has in some instances provided that either party could be given such an award depending upon the outcome of the litigation and the court's discretion, see, *e.g.*, 35 U.S.C. § 285 (patent infringement); Civil Rights Act of 1964, 42 U.S.C. §§ 2000a–3 (b), 2000e–5 (k), while in others it has specified that only one of the litigants can be awarded fees. See, *e.g.*, the antitrust laws, 15 U.S.C. § 15; Fair Labor Standards Act, 29 U.S.C. § 216(b).

[38] Congress has specifically provided in the statutes allowing awards of fees whether such awards are mandatory under particular conditions or whether the court's discretion governs. See nn. 34 and 35, *supra*.

[39] MR. JUSTICE MARSHALL, *post*, after concluding that the federal courts have equitable power which can be used to create and implement a private attorney general rule, attempts to solve the problems of manageability which such a rule would necessarily raise. To do so, however, he emasculates the theory. Instead of a straightforward award of attorneys' fee to the winning plaintiff who undertakes to enforce statutes embodying important public policies, as the Court of Appeals proposed, MR. JUSTICE MARSHALL would tax attorneys' fees in favor of the private attorney general only when the award could be said to impose the burden on those who benefit from the enforcement of the law. The theory that he would adopt is not the private attorney general rule, but rather an expanded version of the common-fund approach to the awarding of attorneys' fees. When Congress has provided for allowance of attorneys' fees for the private attorney general, it has imposed no such common-fund conditions upon the award. The dissenting opinion not only errs in finding authority in the courts to award attorneys' fees, without legislative guidance, to those plaintiffs the courts are willing to recognize as private attorneys general, but also disserves that basis for fee-shifting by imposing a limiting condition characteristic of other justifications.

That condition ill suits litigation in which the purported benefits accrue to the general public. In this Court's common fund and common benefit decisions, the class of beneficiaries was small in number and easily identifiable. The benefits could be traced with some accuracy, and there was reason for confidence that the costs could indeed be shifted with some exactitude to those benefitting. In this case, however, sophisticated economic analysis would be required to gauge the extent to which the general public, the supposed beneficiary, as distinguished from selected elements of it, would bear the costs. The Court of Appeals, very familiar with the litigation and the parties after dealing with the merits of the suit, concluded that "imposing attorneys' fees on Alyeska will not operate to spread the costs of litigation proportionately among these beneficiaries. . . ." 161 U.S. App. D.C., at 449; 495 F. 2d, at 1029. MR. JUSTICE MARSHALL would apparently hold that factual assessment clearly wrong. See *post*, at 16–17.

If one accepts, as MR. JUSTICE MARSHALL appears to do, the limitations of 28 U.S.C. § 2412, which in the absence of authority under other statutes forbids an award of attorneys' fees against the United States or any agency or official of the United States, see nn. 40 and 42, *infra*, it becomes extremely difficult to predict when his version of the private attorney general basis for allowing fees would produce an award against a private party in litigation involving the enforcement of a federal statute such as that involved in this case—all in contrast to the typical result under those federal statutes which themselves provide for private actions and for an award of attorneys' fees to the successful private plaintiff as, for example, under the antitrust laws. There remains the private plaintiff whose suit to enforce federal or state law is pressed against defendants who include the State or one or more of its agencies or officers as, for instance, the typical suit under 42 U.S.C. § 1983. Even here Eleventh Amendment hurdles must be overcome, see n. 44, *infra;* and if they are not, there may be few remaining defendants who would satisfy the dissenting opinion's description of the litigant who may be saddled with his opponent's attorneys' fees.

We add that in the three-part test suggested by MR. JUSTICE MARSHALL, *post*, at 13–14, for administering a judicially created private attorney general rule, the only criterion which purports to enable a court to determine which statutes should be enforced by application of the rule is the first: "the important right being protected is one actually or necessarily shared by the general public or some class thereof. . . ." Absent some judicially manageable standard for gauging "importance," that criterion would apply to all substantive congressional legislation providing for rights and duties generally applicable, that is, to virtually all congressional output. That result would solve the problem of courts selectively applying the rule in accordance with their own particular substantive-law preferences and priorities, but its breadth requires more justification than MR. JUSTICE MARSHALL provides by citing this Court's common fund and common benefit cases.

MR. JUSTICE MARSHALL's application of his suggested rule to this case, however, demonstrates the problems raised by courts generally assaying the public benefits which particular litigation has produced. The conclusion of the dissenting opinion is that "[t]here is hardly room for doubt . . ." that respondents' litigation has protected an "important right . . . actually or necessarily shared by the general public or some class thereof. . . ." *Post*, at 14. Whether that conclusion is correct or not, it would appear at the very least that, as in any instance of conflicting public policy views, there is room for doubt on each side. The opinions below are evidence of that fact. See 495 F. 2d, at 1032–1036 (majority opinion); 1039–1041 (dissenting opinion of MacKinnon, J.); 1042–1044 (dissenting opinion of Wilkey, J.). It is that unavoidable doubt which calls for specific authority from Congress before courts apply a private attorney general rule in awarding attorneys' fees.

[40] "Except as otherwise specifically provided by statute, a judgment for costs, as enumerated in section 1920 of this title but not including the fees and expenses of attorneys may be awarded to the prevailing party in any civil action brought by or against the United States or any agency or official of the United States acting in his official capacity, in any court having jurisdiction of such action. A judgment for costs when taxed against the Government shall, in an amount established by statute or court rule or order, be limited to reimbursing in whole or in part the prevailing party for the costs incurred by him in the litigation. Payment of a judgment for costs shall be as provided in section 2414 and section 2517 of this title for the payment of judgments against the United States."

[41] See p. 6, *supra*.

[42] The Act of March 3, 1887, which provided for the bringing of suits against the United States, covered the awarding of costs against the Government in the following section:

"If the Government of the United States shall put in issue the right of the plaintiff to recover the court may, in its discretion, allow costs to the prevailing party from the time of joining such issue. Such costs, however, shall include only what is actually incurred for witnesses, and for summoning the same, and fees paid to the clerk of the court." 24 Stat. 508, § 15.

The same section was included in the Judicial Code of 1911. 36 Stat. 1138, § 152. In 1946, the Federal Tort Claims Act provided that "[c]osts shall be allowed in all courts to the successful claimant to the same extent as if the United States were a private litigant, except that such costs shall not include attorneys' fees." 60 Stat. 844, § 410 (a). The 1948 Code provided in 28 U. S. C. § 2412 (a) that "[t]he United States shall be liable for fees and costs only when such liability is expressly provided for by Act of Congress." 62 Stat. 973. The Reviser observed that § 2412 (a) "is new. It follows the well-known common-law rule that a sovereign is not liable for costs unless specific provision for such liability is made by law." Noting that many statutes exempt the United States from liability for fees and costs, the Reviser concluded that "[a] uniform rule, embodied in this section, will make such specific exceptions unnecessary." H.R. Rep. No. 308, 80th Cong., 1st Sess., Appendix, at A189 (1947). In 1966, § 2412 was amended to its present form. 80 Stat. 308. The Senate Report on the proposed bill stated that "[t]he costs referred to in the section do not include fees and expenses

of attorneys." S. Rep. No. 1329, 89th Cong., 2d Sess., 3 (1966). See also H. R. Rep. No. 1535, 89th Cong., 2d Sess., 2, 3 (1966). The Attorney General, in transmitting the proposal for legislation which led to the amendment, said that "[t]he bill makes it clear that the fees and expenses of attorneys . . . may not be taxed against the United States." *Id.*, at 4. See *Pyramid Lake Paiute Tribe of Indians v. Morton*, — U. S. App. D. C. —, 499 F. 2d 1095 (1974), cert. denied, — U. S. — (1975).

Without departing from this pattern, the Federal Tort Claims Act of 1946 in addition limited the fees which courts could allow and which attorneys could charge their clients and provided that the fees were "to be paid out of but not in addition to the amount of judgment, award, or settlement recovered, to the attorneys representing the claimant." 60 Stat. 846, § 422. See also *id.*, at 844, § 410 (a) *supra*. Section 422 was maintained in the 1948 Code as 28 U. S. C. § 2678, and the percentage limitations were raised in 1966. 80 Stat. 307.

[43] See n. 35, *supra*. See also Amendments to Freedom of Information Act. Pub. L. 93–502, 88 Stat. 1561, § (b)(2) (Nov. 21, 1974) (amending 5 U. S. C. § 552(a)).

[44] Although an award against the United States is foreclosed by 28 U. S. C. § 2412 in the absence of other statutory authorization, an award against a state government would raise a question with respect to its permissibility under the Eleventh Amendment, a question on which the lower courts are divided. Compare *Souza* v. *Travisono*,—F. 2d—(CA1 1975); *Class* v. *Norton*, 505 F. 2d 123 (CA2 1974); *Jordan* v. *Fusari*, 496 F. 2d 646 (CA2 1974); *Gates* v. *Collier*, 489 F. 2d 298 (CA5 1973), petition for rehearing en banc granted, 500 F. 2d 1382 (CA5 1974); *Brandenburger* v. *Thompson*, 494 F. 2d 885 (CA9 1974); *Sims* v. *Amos*, 340 F. Supp. 691 (MD Ala.), aff'd summarily, 409 U.S. 942 (1972); with *Jordan* v. *Gilligan*, 500 F. 24 701 (CA6 1974); *Taylor* v. *Perini*, 503 F. 2d 899 (CA6 1974); *Named Individual Members* v. *Texas Highway Dept.*, 496 F. 2d 1017 (CA5 1974); *Skehan* v. *Board of Trustees of Bloomsberg State College*, 501 F. 2d 31 (CA3 1974). In this case, the Court of Appeals did not rely upon the Eleventh Amendment in declining to award fees against Alaska, see n. 16, *supra*, and therefore we have no occasion to address this question.

[45] See, *e. g.*, McLaughlin, The Recovery of Attorneys' Fees: A New Method of Financing Legal Services, 40 Ford L. Rev. 761 (1972); Ehrenzweig, Reimbursement of Counsel Fees and the Great Society, 54 Cal. L. Rev. 792 (1966); Stoebuck, Counsel Fees Included in Costs: A Logical Development, 38 U. Colo. L. Rev. 202 (1966); Kuenzel, The Attorney's Fee: Why Not a Cost of Litigation?, 49 Iowa L. Rev. 75 (1963); McCormick, Counsel Fees and Other Expenses of Litigation as an Element of Damages, 15 Minn. L. Rev. 619 (1931); Comment, Court Awarded Attorney's Fees and Equal Access to the Courts, 122 U. Pa. L. Rev. 636, 648–655 (1974); Note, Attorney's Fees: Where Shall the Ultimate Burden Lie?, 20 Vand. L. Rev. 1216 (1967). See also 1 Speiser, *supra*, § 12.8; Posner, An Economic Approach to Legal Procedure and Judicial Administration, 2 J. Legal Studies 399, 437–438 (1973).

[46] In recent years, some lower federal courts, erroneously, we think, have employed the private attorney general approach to award attorneys' fees. See, *e.g.*, *Souza* v. *Travisono*,—F. 2d—(CA1 1975); *Hoitt* v. *Vitek*, 495 F. 2d 219 (CA1 1974); *Knight* v. *Auciello*, 453 F. 2d 852 (CA1 1972); *Cornist* v. *Richland Parish School Board*, 495 F. 2d 189 (CA5 1974); *Fairley* v. *Patterson*, 493 F. 2d 598 (CA5 1974); *Cooper* v. *Allen*, 467 F. 2d 836 (CA5 1972); *Lee* v. *Southern Home Sites Corp.*, 444 F. 2d 143 (CA5 1971); *Taylor* v. *Perini*, 503 F. 2d 899 (CA6 1974); *Morales* v. *Haines*, 486 F. 2d 880 (CA7 1973); *Donahue* v. *Staunton*, 471 F. 2d 475 (CA7 1972), cert. denied, 410 U. S. 955 (1973); *Fowler* v. *Schwarzwalder*, 498 F. 2d 143 (CA8 1974); *Brandenburger* v. *Thompson*, 494 F. 2d 885 (CA9 1974); *La Raza Unida* v. *Volpe*, 57 F. R. D. 94 (ND Cal. 1972). The Court of Appeals for the Fourth Circuit has refused to adopt the private attorney general rule. *Bradley* v. *School Board of the City of Richmond*, 472 F. 2d 318, 327–331 (1972), vacated on other grounds, 416 U.S. 696 (1974). Cf. *Bridgeport Guardians, Inc.* v. *Members of Bridgeport Civil Service Commission*, 497 F. 2d 1113 (CA2 1974).

This Court's summary affirmance of the decision in *Sims* v. *Amos*, 340 F. Supp. 691 (MD Ala.), aff'd, 409 U.S. 942 (1972), cannot be taken as an acceptance of a judicially created private attorney general rule. The District Court in *Sims* indicated that there was an alternative ground available—the bad faith of the defendants—upon which to base the award of fees. 340 F. Supp., at 694. See also *Edelman* v. *Jordan*, 415 U. S. 651, 670–671 (1974).

[47] The Senate Subcommittee on Representation of Citizen Interests has recently conducted hearings on the general question of court awards of attorney's fees to prevailing parties in litigation and attempted "to ascertain whether 'fee-shifting' affords representation to otherwise unrepresented interests, whether some restriction or encouragement to the development is needed, and what place, if any, there is for legislation in this area." Hearings before the Subcom. on Representation of Citizen Interests of the Sen. Comm. on the Judiciary, 93d Cong., 1st Sess., First Session on the Effect of Legal Fees on the Adequacy of Representation, Part III, at 788 (October 4, 1973) (Sen. Tunney). As MR. JUSTICE MARSHALL said for the Court in *F. D. Rich Co.*, *supra*, with respect to fee-shifting under the Miller Act, 40 U.S.C. § 270a *et seq.*, "Congress is aware of the issue." 417 U.S., at 131 (footnote omitted). As in that case, "arguments for a further departure from the American Rule . . . are properly addressed to Congress." *Ibid.*

[Supreme Court of the United States,
No. 73–1977]

ALYESKA PIPELINE SERVICE COMPANY, PETITIONER, VERSUS THE WILDERNESS SOCIETY ET AL.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

[May 12, 1975]

MR. JUSTICE MARSHALL, dissenting.

In reversing the award of attorneys' fees to the respondent environmentalist groups, the Court today disavows the well-established power of federal equity courts to award attorneys' fees when the interests of justice so require. While under the traditional American rule the courts ordinarily refrain from allowing attorneys' fees, we have recognized several judicial exceptions to that rule for classes of cases in which equity seemed to favor fee-shifting. See *Sprague* v. *Ticonic National Bank*, 307 U. S. 161 (1939); *Mills* v. *Electric Auto-Lite Co.*, 396 U. S. 375, 391–392 (1970); *Hall* v. *Cole*, 412 U. S. 1, 5, 9 (1973). By imposing an absolute bar on the use of the "private attorney general" rationale as a basis for awarding attorneys' fees, the Court today takes an extremely narrow view of the independent power of the courts in this area—a view that flies squarely in the face of our prior cases.

The Court relies primarily on the docketing fees and court costs statute, 28 U. S. C. § 1923, in concluding that the American rule is grounded in statute and that the courts may not award counsel fees unless they determine that Congress so intended. The various exceptions to the rule against fee-shifting that this Court has created in the past are explained as constructions of the fee statute. *Ante*, at 17. In addition, the Court notes that Congress has provided for attorneys' fees in a number of statutes, but made no such provision in others. It concludes from this selective treatment that where award of attorneys' fees is not expressly authorized, the courts should deny them as a matter of course. Finally, the Court suggests that the policy questions bearing on whether to grant attorneys' fees in a particular case are not ones that the judiciary is well equipped to handle, and that fee-shifting under the private attorney general rationale would quickly degenerate into an arbitrary and lawless process. Because the Court concludes that granting attorneys' fees to private attorneys general is beyond the equitable power of the federal courts, it does not reach the question whether an award would be proper against Alyeska in this case under the private attorney general rationale.

On my view of the case, both questions must be answered. I see no basis in precedent or policy for holding that the courts cannot award attorneys' fees where the interests of justice require recovery, simply because the claim does not fit comfortably within one of the previously sanctioned judicial exceptions to the American rule. The Court has not in the past regarded the award of attorneys' fees as a matter reserved for the legislature, and it has certainly not read the docketing fees statute as a general bar to judicial fee-shifting. The Court's concern with the difficulty of applying meaningful standards in awarding attorneys' fees to successful "public benefit" litigants is a legitimate one, but in my view it overstates the novelty of the "private attorney general" theory.

The guidelines developed in closely analogous statutory and nonstatutory attorneys' fee cases could readily be applied in cases such as the one at bar. I therefore disagree with the Court's flat rejection of the private attorney general rationale for fee-shifting. Moreover, in my view the equities in this case support an award of attorneys' fees against Alyeska. Accordingly, I must respectfully dissent.

I

a

Contrary to the suggestion in the Court's opinion, our cases unequivocally establish that granting or withholding attorneys' fees is not strictly a matter of statutory construction, but has an independent basis in the equitable powers of the courts. In *Sprague* v. *Ticonic National Bank*, *supra*, the lower courts had denied a request for attorneys' fees from the proceeds of certain bond sales, which, because of petitioners' success in the litigation, would accrue to the benefit of a number of other similarly situated persons. This Court reversed, holding that the allowance of attorneys' fees and costs beyond those included in the ordinary taxable costs recognized by statute was within the traditional equity jurisdiction of the federal courts. The Court regarded the equitable foundation of the power to allow fees to be beyond serious question:

"Allowance of such costs in appropriate situations is part of the historic equity jurisdiction of the federal courts. . . . Plainly the foundation for the historic practice of granting reimbursement for the costs of litigation other than the conventional [statutory] taxable costs is part of the original authority of the chancellor to do equity in a particular situation." 307 U.S., at 164–167.[1]

In more recent cases, we have reiterated the same theme: while as a general rule attorneys' fees are not to be awarded to the successful litigant, the courts as well as the legislature may create exceptions to that rule. See *Mills* v. *Electric Auto-Lite Co.*, 396

Footnotes at end of article.

U.S., at 391–392; *Hall* v. *Cole,* 412 U.S., at 5. Under the judge-made exceptions, attorneys' fees have been assessed, without statutory authorization, for willful violation of a court order, *Toledo Scale Co.* v. *Computing Scale Co.,* 261 U.S. 399, 426–428 (1923); for bad faith or oppressive litigation practices, *Vaughn* v. *Atkinson,* 369 U.S. 527, 530–531 (1962); and where the successful litigants have created a common fund for recovery or extended a substantial benefit to a class, *Central Railroad & Banking Co.* v. *Pettus,* 113 U.S. 116 (1885); *Mills* v. *Electric Auto-Lite Co., supra.*[2] While the Court today acknowledges the continued vitality of these exceptions, it turns its back on the theory underlying them, and on the generous construction given to the "common benefit" exception in our recent cases.

In *Mills,* we found the absence of statutory authorization no barrier to extending the common benefit theory to include nonmonetary benefits as a basis for awarding fees in a stockholders' derivative suit. Discovering nothing in the applicable provisions of the Securities Exchange Act of 1934 to indicate that Congress intended "to circumscribe the courts' power to grant appropriate remedies," 396 U.S., at 391, we concluded that the District Court was free to determine whether special circumstances would justify an award of attorneys' fees and litigation costs in excess of the statutory allotment. Because the petitioners' lawsuit presumably accrued to the benefit of the corporation and the other shareholders, and because permitting the others to benefit from the petitioners' efforts without contributing to the costs of the litigation would result in a form of unjust enrichment, the Court held that the petitioners should be given an attorneys' fee award assessed against the respondent corporation.

We acknowledged in *Mills* that the "common fund" exception to the American rule had undergone considerable expansion since its earliest applications in cases in which the court simply ordered contribution to the litigation costs from a common fund produced for the benefit of a number of nonparty beneficiaries. The doctrine could apply, the Court wrote, where there was no fund at all, 396 U. S., at 392, but simply a benefit of some sort conferred on the class from which contribution is sought. *Id.,* at 393–394. As long as the court has jurisdiction over an entity through which the contribution can be effected, it is the fairer course to relieve the plaintiff of exclusive responsibility for the burden. Finally, we noted that even where it is impossible to assign monetary value to the benefit conferred, "the stress placed by Congress on the importance of fair and informed corporate suffrage leads to the conclusion that, in vindicating the statutory policy, petitioners have rendered a substantial service to the corporation and its shareholders." *Id.,* at 396. The benefit that we discerned in *Mills* went beyond simple monetary relief: it included the benefit to the shareholders of having available to them "an important means of enforcement of the proxy statute." *Ibid.*

Only two years ago, in a member's suit against his union under the "free speech" provisions of the Labor-Management Reporting and Disclosure Act, we held that it was within the equitable power of the federal courts to grant attorneys' fees against the union, since the plaintiff had conferred a substantial benefit on all the members of the union by vindicating their free speech interests. *Hall* v. *Cole, supra.* Because a court-ordered award of attorneys' fees in a suit under the free speech provision of the LMRDA promoted Congress' intention to afford meaningful protection for the rights of employees and the public generally, and because without provision of attorneys' fees an aggrieved union member would be unlikely to be able to finance the necessary litigation, 412 U. S., at 13, the Court held that the allowance of counsel fees was "consistent with both the [LMRDA] and the historic equity power of the federal courts to grant such relief in the interests of justice." *Ibid.*

In my view, these cases simply cannot be squared with the majority's suggestion that the availability of attorneys' fees is entirely a matter of statutory authority. The cases plainly establish an independent basis for equity courts to grant attorneys' fees under several rather generous rubrics. The Court acknowledges as much when it says that we have independent authority to award fees in cases of bad faith or as a means of taxing costs to special beneficiaries. But I am at a loss to understand how it can also say that this independent judicial power succumbs to Procrustean statutory restrictions—indeed, to statutory silence—as soon as the far from bright line between "common benefit" and "public benefit" is crossed. I can only conclude that the Court is willing to tolerate the "equitable" exceptions to its analysis not because they can be squared with it but because they are by now too well established to be casually dispensed with.

b

The tension between today's opinion and the less rigid treatment of attorneys' fees in the past is reflected particularly in the Court's analysis of the docketing fees statute, 28 U.S.C. § 1923, as a general statutory embodiment of the American rule. While the Court has held in the past that Congress can restrict the availability of attorneys' fees under a particular statute either expressly or by implication,[3] see *Fleischmann Distilling Corp.* v. *Maier Brewing Co.,* 386 U.S. 714 (1967), it has refused to construe § 1923 as a plenary restraint on attorneys' fee awards.

Starting with the early "common fund" cases, the Court has consistently read the "fee bill" statute of 1853 narrowly when that Act has been interposed as a restriction on the Court's equitable powers to award attorneys' fees. In *Trustees* v. *Greenough,* 105 U.S. 527 (1881), the Court held that the statute imposed no bar to an award of attorneys' fees from the fund collected as a result of the plaintiff's efforts, since the fee bill statute addressed "only those fees and costs which are strictly chargeable as between party and party, and [did not] regulate the fees of counsel and other expenses and charges as between solicitor and client. . . . And the Act contains nothing which can be fairly construed to deprive the Court of Chancery of its long-established control over the costs and charges of the litigation to be exercised as equity and justice may require. . . ." *Id.,* at 535–536.

In *Sprague, supra,* the Court again applied this distinction in recognizing "the power of federal courts in equity suits to allow counsel fees and other expenses entailed by the litigation not included in the ordinary taxable costs recognized by statute." 307 U.S., at 164. The Court there identified the costs "between party and party" as the sole target of the 1853 Act and its successors. The award of attorneys' fees beyond the limited ordinary taxable cost, the Court termed costs "as between solicitor and client"; it held that these expenses, which could be assessed to the extent that fairness to the other party would permit, were not subject to the restrictions of the fee statute. *Id.,* at 168 and n. 2. Whether this award was collected out of a fund in the court or through an assessment against the losing party in the litigation was not deemed controlling. *Id.,* at 166–167; *Mills, supra,* at 392–394.

More recently, the Court gave its formal sanction to the line of lower court cases holding that the fee statute imposed no restriction on the equity court's power to include attorneys' fees in the plaintiff's award when the defendant has unjustifiably put the plaintiff to the expense of litigation in order to obtain a benefit to which the latter was plainly entitled. *Vaughn* v. *Atkinson,* 369 U.S. 527 (1962). Distinguishing *The Baltimore,* 8 Wall. 377 (1872), a case upon which the Court today heavily relies, the Court in *Vaughn* noted that the question was not one of "costs" in the statutory sense, since the attorneys' fee award was legitimately included as a part of the primary relief to which the plaintiff was entitled, rather than an ancillary adjustment of litigation expenses.[4]

Finally, in *Fleischman Distilling Corp.* v. *Maier Brewing Co.,* 386 U.S. 714 (1967), the Court undertook a comprehensive review of the assessment of attorneys' fees in federal court actions. While noting that nonstatutory exceptions to the American rule had been sanctioned "when overriding considerations of justice seemed to compel such a result," 386 U.S., at 718, the Court held that the meticulous provision of remedies available under the Lanham Act and the history of unsuccessful attempts to include an attorneys' fee provision in the Act precluded the Court's implying a right to attorneys' fees in trademark actions. The Court did not, however, purport to find a statutory basis for the American rule, and in fact it treated § 1923 as a "general exception" to the American rule, not its statutory embodiment. *Id.,* at 718 n. 11.

My brother WHITE concedes that the language of the 1853 statute indicating that the awards provided therein were exclusive of any other compensation is no longer a part of the fee statute. But we are told that the fee statute should be read as if that language were still in the Act, since there is no indication in the legislative history of the 1948 revision of the Judicial Code that the revisors intended to alter the meaning of § 1923. Yet even if that language were still in the Act, I should think that the construction of the Act in the cases creating judicial exceptions to the American rule would suffice to dispose of the Court's argument. Since that language is no longer a part of the fee statute, it seems even less reasonable to read the fee statute as an uncompromising bar to equitable fee awards.

Nor can any support fairly be drawn from Congress' failure to provide expressly for attorneys' fees in either the National Environmental Policy Act or the Mineral Leasing Act, while it has provided for fee awards under other statutes. Confronted with the more forceful argument that other sections of the *same* statute included express provisions for recovery of attorneys' fees, we twice held that specific remedy provisions in some sections should not be interpreted as evidencing congressional intent to deny the courts the power to award counsel fees in actions brought under other sections of that act that do not mention attorneys' fees. *Hall* v. *Cole, supra,* 412 U.S., at 11; *Mills* v. *Electric Auto-Lite Co., supra,* 396 U.S., at 390–391. Indeed, the *Mills* Court interpreted congressional silence not as a prohibition, but as authorization for the Court to decide the attorneys' fees issue in the exercise of its coordinate, equitable power. 396 U.S., at 391.

In rejecting the argument from congressional silence in *Mills* and *Hall,* the Court relied on the established rule that implied restrictions on the power to do equity are disfavored. *Hecht* v. *Bowles,* 321 U.S. 321, 329 (1944).[5] The same principle applies, *a fortiori,* to this case, where the implication must be drawn from the presence of attorneys' fees provisions in other, unrelated pieces of legislation.[6]

In sum, the Court's primary contention—that Congress enjoys hegemony over fee-shifting because of the docketing fee statute and the occasional express provisions for attorneys' fees—will not withstand even the most casual reading of the precedents. The Court's recognition of the several judge-made exceptions to the American rule demonstrates the inadequacy of its analysis. Whatever the Court's view of the wisdom of fee-shifting in "public benefit" cases in general, I think that it is a serious misstep for it to abdicate equitable authority in this area in the name of statutory construction.

Footnotes at end of article.

II

The statutory analysis aside, the Court points to the difficulties in formulating a "private attorney general" exception that will not swallow the American rule. I do not find the problem as vexing as the majority does. In fact, the guidelines to the proper application of the private attorney general rationale have been suggested in several of our recent cases, both under statutory attorneys' fee provisions and under the common benefit exception.

In *Newman* v. *Piggie Park Enterprises, Inc.,* 390 U.S. 400 (1968), we held that successful plaintiffs who sue under the discretionary fee award provision of Title II of the Civil Rights Act of 1964 are entitled to the recovery of fees "unless special circumstances render such an award unjust." *Id.,* at 402. The Court reasoned that if Congress had intended to authorize fees only on the basis of bad faith, no new legislation would have been required in view of the long history of the bad-faith exception. *Id.,* at 402 n. 4. The Court's decision in *Newman* stands on the necessity of fee-shifting to permit meaningful private enforcement of protected rights with a significant public impact. The Court noted that Title II did not provide for a monetary award, but only equitable relief. Absent a fee-shifting provision, litigants would be required to suffer financial loss in order to vindicate a policy "that Congress considered of the highest priority." *Id.,* at 402. Accordingly, the Court read the attorneys' fee provision in Title II generously, since if "successful plaintiffs were routinely forced to bear their own attorneys' fees, few aggrieved parties would be in a position to advance the public interest by invoking the injunctive powers of the federal courts." *Ibid.*

Analyzing the attorneys' fee provision in § 718 of the Education Amendments Act of 1972, the Court in *Bradley* v. *School Board of the City of Richmond,* 416 U.S. 696, 718 (1974), made a similar point. There the School Board, a publicly funded governmental entity, had been engaged in litigation with parents of school-children in the district. The Court observed that the two parties had vastly disparate resources for litigation, and that the plaintiffs had "rendered substantial service both to the Board itself, by bringing it into compliance with its constitutional mandate, and to the community at large by securing for it the benefits assumed to flow from a nondiscriminatory system." *Id.,* at 718.

Although the analysis in *Newman* was directed at construing the statutory fees provision and the analysis in *Bradley* went to the question of whether the fees provision should be applied to services rendered before its enactment, the arguments in those cases for reading the attorneys' fee provisions broadly is quite applicable to nonstatutory cases as well.

Indeed, we have already recognized several of the same factors in the recent common benefit cases. In *Mills,* we emphasized the benefit to the class of shareholders of having a meaningful remedy for corporate misconduct through private enforcement of the proxy regulations. Since the beneficiaries could fairly be taxed for this benefit, we held that the fee award should be made available. Similarly, in *Hall,* we pointed to the imbalance between the litigating power of the union and one of its members: in order to ensure that the right in question could be enforced, we held that attorneys' fees should be provided in appropriate cases. Additionally, we noted that the enforcement of the rights in question would accrue to the special benefit of the other union members, which justified assessing the attorneys' fees against the treasury of the defendant union.

From these cases and others, it is possible to discern with some confidence the factors that should guide an equity court in determining whether an award of attorneys' fees is appropriate.[7] The reasonable cost of the plaintiff's representation should be placed upon the defendant if (1) the important right being protected is one actually or necessarily shared by the general public or some class thereof; (2) the plaintiff's pecuniary interest in the outcome, if any, would not normally justify incurring the cost of counsel; and (3) shifting that cost to the defendant would effectively place it on a class that benefits from the litigation.

There is hardly room for doubt that the first of these criteria is met in the present case. Significant public benefits are derived from citizen litigation to vindicate expressions of congressional or constitutional policy. See *Newman* v. *Piggie Park Enterprises, supra.* As a result of this litigation, respondents forced Congress to revise the Mineral Leasing Act of 1920 rather than permit its continued evasion. See Pub. L. 93–153, 93d Cong., 1st Sess. (Nov. 16, 1973). The 1973 amendments impose more stringent safety and liability standards, and they require Alyeska to pay fair market value for the right of way and to bear the costs of applying for the permit and monitoring the right of way.

Although the NEPA issues were not actually decided, the lawsuit served as a catalyst to ensure a thorough analysis of the pipeline's environmental impact. Requiring the Interior Department to comply with NEPA and draft an impact statement satisfied the public's statutory right to have information about the environmental consequences of the project, 42 U.S.C. § 4332(C) (1970), and also forced delay in the construction until safeguards could be included as conditions to the new right-of-way grants.[8]

Petitioner contends that these "beneficial results . . . might have occurred" without this litigation. Petitioner's Brief 11, 36–42. But the record demonstrates that Alyeska was unwilling to observe and the Government unwilling to enforce congressional land use policy. Private action was necessary to assure compliance with the Mineral Leasing Act; the new environmental, technological, and land use safeguards written into the 1973 amendments to the Act are directly traceable to the respondents' success in this litigation. In like manner, continued action was needed to prod the Interior Department into filing an impact statement; prior to the litigation, the Department and Alyeska were prepared to proceed with the construction of the pipeline on a piecemeal basis without considering the overall risks to the environment and to the physical integrity of the pipeline.

The second criterion is equally well satisfied in this case. Respondents' willingness to undertake this litigation was largely altruistic. While they did, of course, stand to benefit from the additional protections they sought for the area potentially affected by the pipeline, see *Sierra Club* v. *Morton,* 405 U.S. 727 (1972), the direct benefit to these citizen organizations is truly dwarfed by the demands of litigation of this proportion. Extensive factual discovery, expert scientific analysis, and legal research on a broad range of environmental, technological, and land use issues were required. See Affidavit of Counsel (Re Bill of Costs), App. 213–219. The disparity between respondents' direct stake in the outcome and the resources required to pursue the case is exceeded only by the disparity between their resources and those of their opponents—the Federal Government and a consortium of giant oil companies.

Respondents' claim also fulfills the third criterion for Alyeska is the proper party to bear and spread the cost of this litigation undertaken in the interest of the general public. The Department of the Interior, of course, bears legal responsibility for adopting a position later determined to be unlawful. And, since the class of beneficiaries from the outcome of this litigation is probably coextensive with the class of United States citizens, the Government should in fairness bear the costs of respondents' representation. But, the Court of Appeals concluded that it could not impose attorneys' fees on the United States, because in its view the statute providing for assessment of costs against the Government, 28 U.S.C. § 2412, permits the award of ordinary court costs, "but [does] not includ[e] the fees and expenses of attorneys." Since the respondents did not cross-petition on that point, we have no occasion to rule on the correctness of the court's construction of that statute.[9]

Before the Department and the courts, Alyeska advocated adoption of the position taken by Interior, playing a major role in all aspects of the case.[10] This litigation conferred direct and concrete economic benefits on Alyeska and its principals in affording protection of the physical integrity of the pipeline. If a court could be reasonably confident that the ultimate incidence of costs imposed upon an applicant for a public permit would indeed be on the general public, it would be equitable to shift those costs to the applicant.[11] In this connection, Alyeska, as a consortium of oil companies that do business in 49 States and account for some 20% of the national oil market, would indeed be able to redistribute the additional cost to the general public. In my view the ability to pass the cost forward to the consuming public warrants an award here. The decision to bypass Congress and avoid analysis of the environmental consequences of the pipeline was made in the first instance by Alyeska's principals and not the Secretary of the Interior. The award does not punish the consortium for these actions but recognizes that it is an effective substitute for the public beneficiaries who successfully challenged these actions. Since the Court of Appeals held Alyeska accountable for a fair share of the fees to ease the burden on the public-minded citizen litigators, I would affirm the judgment below.

FOOTNOTES

[1] See also *Kansas City Southern R. Co.* v. *Guardian Trust Co.,* 281 U.S. 1, 9 (1930); *Universal Oil Products Co.* v. *Root Refining Co.,* 328 U.S. 575, 580 (1946).

[2] On several recent occasions we have recognized that these exceptions are well established in our equity jurisprudence. See *F. D. Rich Co.* v. *Industrial Lumber Co.,* 417 U.S. 116, 129–130 (1974); *Hall* v. *Cole,* 412 U.S. 1, 5 (1973); *Fleischman Distilling Corp.* v. *Maier Brewing Co.,* 386 U.S. 714, 718–719 (1967); See also *Newman* v. *Piggie Park Enterprises, Inc.,* 390 U.S. 400, 402 n. 2 (1968); 6 J. Moore, Federal Practice ¶ 54.77[2], p. 1709 (2d ed. 1974).

[3] In *F. D. Rich Co.* v *Industrial Lumber Co.,* 417 U.S. 116 (1974), we held that attorneys' fees should not be granted as a matter of course under the provision of the Miller Act that granted claimants the right to "sums justly due." 40 U.S.C. § 270b(a). To overturn the American rule as a matter of statutory construction would be improper, we held, with no better evidence of congressional intent to provide for attorneys' fees, and in the context of everyday commercial litigation such as that under the Miller Act, *Id.,* at 130.

[4] Although *Vaughn* was an admiralty case and therefore subject to the possible narrow reading as a case evincing a special concern for plaintiff seamen as wards of the ad-

miralty court, we have not given the case such a narrow construction. See *Hall* v. *Cole*, *supra*, 412 U.S., at 5; *F. D. Rich Co.* v. *Industrial Lumber Co., supra*, 417 U.S., at 129 n. 17. Indeed, the *Vaughn* Court itself relied on *Rolax* v. *Atlantic Coast Line R. Co.*, 186 F. 2d 473 (CA4 1951), a nonadmiralty case in which the plaintiff was awarded attorneys' fees as an equitable matter because of the obduracy of the defendant in opposing his civil rights claim.

[5] The words of the *Hecht* Court apply well to the case at hand: "The essence of equity jurisdiction has been the power of the Chancellor to do equity and to mould each decree to the necessities of the particular case. Flexibility rather than rigidity has distinguished it. The qualities of mercy and practicality have made equity the instrument for nice adjustment and reconciliation between the public interest and private needs as well as between competing private claims. We do not believe that such a major departure from that long tradition as is here proposed should be lightly implied." 321 U.S., at 329–330.

[6] The Court makes the further point that 28 U.S.C. § 2412 generally precludes a grant of attorneys' fees against the Federal Government and its officers. Even if this is true, I fail to see how it supports the view that the private attorney general rationale should be jettisoned altogether. There are many situations in which other entities, both private and public, are sued in public interest cases. If attorneys' fees can properly be imposed on those parties, I see no reason why the statutory immunity of the Federal Government should have any bearing on the matter.

[7] These teachings have not been lost on the lower courts in which the elements of the private attorney general rationale have been more fully explored. See, *e.g., Souza* v. *Travisono*, —F. 2d— (CA1 1975); *Hoitt* v. *Vietk*, 495 F. 2d 219 (CA1 1974); *Knight* v. *Auciello*, 453 F. 2d 852 (CA1 1972); *Cornist* v. *Richland Parish School Board*, 495 F. 2d 189 (CA5 1974); *Farley* v. *Patterson*, 493 F. 2d 598 (CA5 1974); *Cooper* v. *Allen*, 467 F. 2d 836 (CA5 1972); *Lee* v. *Southern Home Sites Corp.*, 444 F. 2d 143 (CA5 1971); *Taylor* v. *Perini*, 503 F. 2d 899 (CA6 1974); *Morales* v. *Hines*, 486 F. 2d 880 (CA7 1973); *Donahue* v. *Staunton*, 471 F. 2d 475 (CA7 1972), cert. denied, 410 U.S. 955 (1973); *Fowler* v. *Schwarzwalder*, 498 F. 2d 143 (CA8 1974); *Brandenburger* v. *Thompson*, 494 F. 2d 885 (CA9 1974); *La Raza Unida* v. *Volpe*, 57 F. R. D. 94 (ND Cal. 1972). *Wyatt* v. *Strickney*, 344 F. Supp. 387 (MD Ala. 1972); *NAACP* v. *Allen*, 344 F. Supp. 703 (MD Ala. 1972).

[8] See S. Rep. No. 93–207, 93d Cong., 1st Sess., 18 (1973); H.R. Rep. No. 93–414, 93d Cong., 1st Sess., 14 (1973); Hearings on S. 970, S. 993, and S. 1565 before the Senate Comm. on Interior and Insular Affairs, 93d Cong., 1st Sess., pt. 4, at 56, 127 (1973).

[9] The statute, construed in light of the rule against implied restrictions on equity jurisdiction, may not foreclose attorneys' fee awards against the United States in all cases. Section 2412 states that the ordinary recoverable costs shall not include attorneys' fees; it may be read not to bar fee awards, over and above ordinary taxable costs, when equity demands. In any event, there are plainly circumstances under which § 2412 would not bar attorney fee awards against the United States, see, *e.g., National Resources Council* v. *Morton*, 484 F. 2d 1331 (CA1 1973).

[10] In requiring Alyeska to pay only half of the fee, the Court of Appeals correctly recognized that, absent the statutory bar, the Government would have been in an equal position to shift the costs to the public beneficiaries.

[11] See Dawson, Lawyers and Involuntary Clients in Public Interest Litigation, 88 Harv. L. Rev. 849, 902–905 (1975).

[Supreme Court of the United States, No. 73–1977]

ALYESKA PIPELINE SERVICE COMPANY, PETITIONER, versus THE WILDERNESS SOCIETY ET AL.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

[May 12, 1975]

Mr. JUSTICE BRENNAN, dissenting.

I agree with MR. JUSTICE MARSHALL that federal equity courts have the power to award attorneys' fees on a private attorney general rationale. Moreover, for the reasons stated by Judge Wright in the Court of Appeals, I would hold that this case was a proper one for the exercise of that power. As Judge Wright concluded:

"Acting as private attorneys general, not only have [respondents] ensured the proper functioning of our system of government, but they have advanced and protected in a very concrete manner substantial public interests. An award of fees would not have unjustly discouraged [petitioner] Alyeska from defending its case in court. And denying fees might well have deterred [respondents] from undertaking the heavy burden of this litigation." 495 F. 2d, at 1036.

PRIVATE FOUNDATIONS

Mr. HARTKE. Mr. President, private foundations are a unique institution in America. Although they account for only 1 out of every 10 charitable dollars spent, their impact has always exceeded the size of their assets.

Foundations have been at their best when their money has supported innovative, experimental, and imaginative programs. In a time when Government is deeply involved in almost every aspect of our lives, foundations offer a useful alternative to total dependence on Government for probing new ideas, treading into politically sensitive waters, examining the basic institutions and principles of our society, and experimenting with innovative approaches.

Because of the severe impact which the current recession has had on many private foundations, I began efforts late last year to ease the unreasonable financial burden caused by one part of our tax code—the so-called minimum payout provision.

Mr. President, those efforts which I made, as chairman of the Senate Subcommittee on Foundations, have been successful. I ask unanimous consent that a press release explaining the Treasury Department's minimum payout policy together with an explanatory letter from Assistant Secretary of the Treasury Frederic W. Hickman, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

HARTKE ANNOUNCES STABILIZED PAYOUT RATE FOR FOUNDATIONS

WASHINGTON, D.C., APRIL 18, 1975.—Crippled by losses in the stock market and increased operating costs, the nation's 29,000 private foundations received some good news today from Senator Vance Hartke (D-Ind.), Chairman of the Senate Subcommittee on Foundations. Hartke announced that he has been informed by the Treasury Department that foundations will not be required to make major increases in the amount of money they are required to give away in 1975. Increases in the so-called payout rate, which is mandated by law, had threatened to put many of the most active foundations in serious economic trouble.

In making this announcement, the Senior Senator from Indiana noted the vital role which foundations play in supporting social programs. "American foundations have been at the forefront of social change throughout the past century," Hartke stated. "They have helped to promote better health care, better housing, better education, better nutrition, and human justice. At a time when governments at all levels are being required to cut back on their social programs, the American people need the financial resources of foundations more than ever."

Hartke had requested the Treasury Department to hold the 1975 payout rate to 1974 levels. During the course of the subcommittee's investigation, there was substantial evidence that a significantly higher payout rate for 1975 would actually have the unintended result of forcing some foundations to go out of business in the near future.

The payout rate is the minimum amount of money which a foundation is required to give away for charitable purposes each year. According to Hartke, that rate will remain at the 1974 level of 6 percent of the value of investment assets.

Hartke also announced that he would continue to press for modifications in the payout procedure. "After several months of study," he noted, "I am convinced that change is needed either in the way that the Treasury Department determines the payout rate, or in the statute that created the payout rate.

"I am pleased by the cooperation my subcommittee has had from the Treasury Department. Together we understand the complexities of this problem and the difficulties in arriving at a solution. I believe that we can find that solution by continuing our dialogue on the staff level over the next several weeks."

DEPARTMENT OF THE TREASURY,
Washington, D.C., April 16, 1975.

HON. VANCE HARTKE,
U.S. Senate,
Washington, D.C.

DEAR VANCE: Your letter of February 27 to Secretary Simon requested that the Treasury Department exercise its statutory authority to refrain from declaring a new private foundation minimum payout rate for 1975. As you know, this question has been under discussion for some weeks between members of my staff, your staff, and the staff of the Joint Committee on Internal Revenue Taxation.

The private foundation minimum payout provisions provide that the minimum payout for any taxable year beginning after 1970 shall be determined and published by the Treasury Department on the basis of the relationship of money rates and investment yields for the calendar year immediately preceding the beginning of the taxable year to money rates and investment yields for the calendar year 1969. While the Committee reports on this legislation indicate that the statute authorizes the Treasury Department to redetermine the private foundation minimum payout requirement "from time to time," we have generally regarded this provision as mandating an annual review of the minimum payout requirement. Nevertheless, the regulations implementing this provision provide that if a new minimum payout requirement is not published for a taxable year by May 1 of that year, the requirement published for the preceding taxable year shall remain in effect. Due to the expiration of the transition period, the minimum payout requirement for both new and

old private foundations will be 6 percent for 1975 if a new percentage is not determined and published by May 1.

As I indicated to you last November 22, the Treasury Department has considered over the years a number of different methods for making the annual review of the private foundation minimum payout requirement, including methods involving the use of various composite indices. For the last 2 years, we have used a single index, the change in yield on 5-year Treasury securities. This index has seemed to us to be the best measure of substantial and enduring movements in investment yields and market interest rates, as distinguished from merely transitory changes in market conditions; and we believe the procedure we have used has been generally in accord with the purpose of Congress in providing for a variable payout requirement.

Nevertheless, as was brought out in testimony before your subcommittee, the use of a single index reflecting only interest rates has been criticized on the ground that it does not fully implement the statutory mandate that we consider both market rates and investment yields. On the other hand, the various procedures that have so far been suggested for reflecting yields on equity securities appear deficient either in looking only to dividend yields (and thus failing to reflect capital appreciation) or in leading to sharp annual fluctuations in the payout requirement (where the computation procedure reflects annual changes in such price indicators as the Standard and Poor's 500 stocks). However, alternative computational procedures are still being examined by our staffs with a view to overcoming these difficulties, if at all possible, or to developing proposals for modification of the existing statutory provisions.

In view of these considerations, we have concluded that for this year's annual review of the private foundation minimum payout requirement it would be appropriate to carry out a broad scale examination of a number of different indices of market rates and investment, rather than limiting our examination to the yield on 5-year Treasury securities. In light of this review, and taking into account that the performance last year of market rates and investment yields was quite unusual and erratic, we have concluded that a determination and declaration of a new payout rate is not required.

The joint examination of this issue that our staffs have carried out in the last few months has been most helpful in delineating some of the problems in the present statutory payout formula and in various alternative procedures that have been suggested for determining annual changes in the payout requirement. I am hopeful that this examination will continue and be brought to a successful conclusion, either through a consensus on procedures to be applied under current law or through whatever legislative action may be necessary. We believe that Congress intended for the annual payout determination to be largely a mathematical calculus, with relatively little scope for administrative discretion. An early resolution of the questions that have been raised regarding the annual payout determination is essential if that intention is to be fully implemented.

Sincerely yours,
FREDERIC W. HICKMAN,
Assistant Secretary.

A RETIREMENT CEREMONY FOR JUDGE QUINN

Mr. PELL. Mr. President, I had prepared some remarks to give at a ceremony at the Court of Military Appeals on Friday, April 25th to honor Judge Robert E. Quinn, who is retiring from the Court of Military Appeals.

My continued responsibilities on the Rules and Administration Committee, which is deliberating on the contested New Hampshire Senate election, prevented me from honoring Judge Quinn in person.

Therefore, I ask unanimous consent to have these remarks, along with an editorial from the Providence Journal, an article from the Woonsocket Call of April 24 and two Providence Journal articles by John B. Lake—all of which describe Judge Quinn's career in a laudatory manner—printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REMARKS FOR THE RETIREMENT CEREMONY FOR JUDGE QUINN

It is exceedingly difficult to capsule the career of Judge Robert E. Quinn of the U.S. Court of Military Appeals in a few words. In fact, it is impossible. Therefore, I will let Judge Quinn's own words speak for themselves. I vividly recall having the honor to present to Judge Quinn in May of 1971 the Rhode Island State Society's Annual Roger Williams Award for outstanding service to the State and the Nation. On that occasion, a lifetime friend of Judge Quinn's, Judge Michael DeCiantis, recalled the words of Judge Quinn who once said, and I quote, "Unless you are willing to let the fierce light of public opinion beat down upon your actions, then those actions should not be taken.

"Every measure should be tested in the light of this question. The test should not be: Is it good for me or some particular group or organization or individual. The test should be: Is it good for the State. . . ."

Judge Quinn has spent a lifetime living up to that statement. No words that I may utter could add greater dimension to an illustrious lifetime—spanning many generations of distinguished Public Service. I speak for every Rhode Islander when I say that Rhode Island and the Nation owe an eternal debt of gratitude to Robert Emmett Quinn, a man of great vision and attainments.

[From the Providence (R.I.) Journal, Apr. 28, 1975]

A FITTING HONOR FOR JUDGE QUINN

It is characteristic of Judge Robert E. Quinn of the United States Court of Military Appeals that even as he retires formally from his post, he should make himself available as senior judge for continued assignments. His dedication to public service has been the hallmark of a long and honorable career.

Judge Quinn's roots in Rhode Island are deep. He began his public life in West Warwick, a town he served with affection, until he moved to the larger stage of the state. Governor in the years before World War II, he served here as judge on the Superior Court. For more than 20 years, he served as chief judge of the appeals court.

At 80 and recovering from a stroke, he hss been cited by President Gerald Ford in eloquent and accurate language for his "examples of courage, integrity, and unswerving devotion to duty." In his honor, a plaque has been dedicated in the Washington courtroom of the military appeals court.

It is rare, indeed, for a man or woman to get the opportunities for public service accorded to Judge Quinn. It is rarer that one given such opportunities should have assumed them as modestly and used them as effectively as has Robert E. Quinn—who proposes to do whatever he can for the appeals court as soon as he can get back to his desk.

[From the Providence (R.I.) Journal, Apr. 24, 1975]

MILITARY JUSTICE REFLECTS JUDGE QUINN'S STRENGTH

(By John B. Lake)

WEST WARWICK.—Judge Robert E. Quinn, who was praised by President Gerald Ford this week for nearly seven decades of public service, will retire tomorrow as first chief judge of the U.S. Court of Military Appeals. He began his public career as this Pawtuxet Valley mill town's state senator.

"He went farther up the ladder, but he was never too big to stop and say 'Hello, how are you, and how is the wife and family,' when he met you on the street in Arctic," said one old-time resident.

That, plus a sharp mind and willingness to fight for what he thought was just and right, propelled Judge Quinn from the Senate, to the offices of lieutenant governor, and governor of the state in 1936–38, and to the Superior Court. In 1951 he became the chief judge of the Military Appeals Court.

For the second time, he has requested retirement from that court, and this time will make it effective April 25. President Lyndon Johnson had disregarded the jurist's first request several years ago when the judge, then in his 70s, thought it was time to step aside.

President Ford apparently realized that no one knows more about the Code of Military Justice than Judge Quinn. He first put it into operation after its adoption by Congress. He will continue as a senior judge and, when he recovers from a stroke suffered in January, by reviewing cases and writing opinions.

If the judge's wife, Mary, felt a bit proud when she read the President appreciates her husband's contribution to military justice, it's understandable.

She would like to go to a ceremony planned in the court's Washington quarters tomorrow at 10 a.m., but will be going, as she does daily, to visit her husband, recuperating at the Kent Heights Nursing Home, Warwick. Other family members will attend, however.

As President Ford noted in his letter to Judge Quinn, his interests have also been humanitarian. He has headed the John E. Fogarty Foundation for the Retarded and has served as an active trustee of Kent County Memorial Hospital until his recent illness.

Judge Quinn had the advantage of knowing military forces from both sides, having served as a Navy captain in World War II in the Pacific. He was in the Judge Advocate's department.

But, when the late President Harry Truman named him the chief judge of the Court of Military Appeals in 1961, he rejected an offer to house the court in the Pentagon. He insisted it was not a military court, but a civilian court to give justice to members of the armed forces, and a courtroom was found elsewhere in Washington.

Some military leaders feared a breakdown of discipline when final disposition of military cases was given to the civilian court. But Judge Quinn said he realized that military discipline was important. He convinced the military men that discipline and true justice were not conflicting concepts.

It was that record that this week prompted President Ford to write him, in accepting his resignation, that his record of distinguished public service places him with the country's "leaders of stature, men dedicated to the principles of freedom and justice."

[From the Evening Bulletin, Apr. 23, 1975]

QUINN IS RETIRING FROM MILITARY COURT

(By John B. Lake)

WEST WARWICK.—Judge Robert E. Quinn of the United States Rhode Island, Court of Military Appeals, a former Rhode Island governor and one-time Superior Court judge is retiring after a career spanning several decades.

Judge Quinn, 80, will be honored in absentia in the court in Washington Friday by the dedication of a plaque recognizing his long service. Taking part in the ceremony will be Senators John O. Pastore and Claiborne Pell, and Judge Homer Ferguson, now a senior judge on the military appeals court, who served with Judge Quinn.

Mrs. Mary Quinn, the judge's wife, said today that he is now in the Kent Nursing Home, Warwick, recovering from a stroke. He had previously been in Rhode Island Hospital.

Mrs. Quinn said her husband had been trying to resign for some time. "He resigned three years ago, but they threw it in the waste basket," she said.

President Ford, in accepting his resignation, sent a letter expressing "profound gratitude for your lifelong contributions to our nation."

"Since the earliest days of our republic, America has been blessed with leaders of stature, men dedicated to the principles of freedom and justice. Your record of distinguished public service, extending over nearly seven decades assures your place among them," the letter says.

"As a member of the Rhode Island State Senate, governor of Rhode Island, naval officer, and the chief judge of the United States Court of Military Appeals, your personal examples of courage, integrity, and unswerving devotion to duty have long served as an inspiration to those who would share the responsibilities of state and national leadership" the letter continues.

"Under your guidance as chief judge for more than 20 years, the Court of Military Appeals established a standard of excellence which has not only earned the respect of our men and women in uniform, but also is a continuing tribute to the country's concern for military justice. I welcome this opportunity to express my personal appreciation and admiration of all your fellow citizens.

"Now, as you begin the sabbatical you so richly deserve, I am pleased to know that you plan to serve as a senior judge and will be available for continued assignment. You may be assured that you take with you my very best wishes."

Representing the Quinn family at Friday's ceremony in Washington will be a daughter of the judge, Mrs. Norma Richards, and her husband Daniel; a son of the judge Cameron P. "Ronnie" Quinn and his wife, Martha.

Mrs. Quinn explained that, since her husband will continue as a senior judge, it means that when he gets well enough to do so he will read cases and give his opinion.

[From the Woonsocket (R.I.) Call, Apr. 24, 1975]

FORD LAUDS RETIRING JUDGE QUINN

Judge Robert E. Quinn of West Warwick, praised this week by President Gerald R. Ford for several decades of public service, will retire tomorrow as the only chief judge of the U.S. Court of Military Appeals.

Judge Quinn, 80, who was governor of Rhode Island from 1937 to 1939 and later a Superior Court judge, is recovering from a stroke and is in a Warwick nursing home.

Judge Quinn also heads the Robert E. Quinn Foundation, which made possible the purchase of land off Providence and Fabien Streets in this city for construction of the Adult Rehabilitation Center for the mentally retarded. That building is expected to be ready for occupancy by early summer.

President Ford, in accepting the judge's resignation, sent a letter expressing his gratitude for his "lifelong contributions to our nation."

The President wrote that Judge Quinn's record of distinguished public service places him with the country's "leaders of stature, men dedicated to the principles of freedom and justice."

Judge Quinn began his public career as a state senator from West Warwick. One oldtime resident of that Pawtuxet Valley mill town said of Judge Quinn:

"He went farther up the ladder, but he was never too big to stop and say 'Hello, how are you, and how is the wife and family,' when he met you on the street in Arctic."

Judge Quinn served as lieutenant governor before becoming governor and later was appointed to Superior Court. In 1951, he became chief judge of the Court of Military Appeals.

President Lyndon B. Johnson ignored Judge Quinn's first request for retirement several years ago when the judge thought he should step down because he was in his 70s.

President Ford indicated he felt Judge Quinn knows more about the Military Justice Code than anyone else and will continue to review cases and write opinions in cases he heard before suffering a stroke in January.

Judge Quinn will be honored in absentia in Washington tomorrow. His wife, Mary, said she would like to attend the court ceremony at 10 a.m., but will be going, as she does daily, to visit her husband in Kent Heights Nursing Home. Warwick. Other members and friends of the family will attend, however.

Judge Quinn has headed the John E. Fogarty Foundation for the Retarded and served as an active trustee of Kent County Memorial Hospital until his recent illness.

He served as a captain in the Navy in World War II in the Pacific. He was in the judge advocate's department.

President Harry S. Truman named him chief judge of the Court of Military Appeals in 1951. Judge Quinn rejected an offer to house the court in the Pentagon, insisting it was not a military court, but a civilian court to give justice to members of the armed services, and a courtroom was found elsewhere in Washington.

He convinced military men that discipline and true justice were not conflicting concepts and put the court system together after its adoption by Congress.

DÉTENTE AND DOLLAR DIPLOMACY

Mr. STEVENSON. Mr. President, Soviet trade and credits have become enmeshed in the debate over détente, human rights, and the role of Congress in foreign policy. Issues have become confused and distinctions blurred. The debate now is seen as one between supporters and opponents of détente.

But détente is not the issue. Whether viewed as an evolving process which creates conditions for agreement on substantive issues—or as an end in itself—détente has no opponents.

The methods by which détente is pursued are issues. The extent to which the high expectations of Mr. Nixon and Secretary Kissinger are realistic is an issue, a large one in my mind. But détente is not an issue. Trade is not an issue.

The issue is whether and to what extent unlimited U.S. capital and free access to U.S. markets should be dangled before foreign countries in an attempt to influence their policies. The issue is largely to what extent the United States should subsidize the development of the Soviet Union in order to obtain short-run economic benefits and seek to influence Soviet policy.

The next step toward détente should be a realistic perception of these issues and the interests and motives of both sides. For 3 years the Soviet Union and the United States have been the victims of illusion; now their expectations are disappointed. If the Soviet Union expected to become a major recipient of foreign aid from the United States after acquiring our wheat reserves and $1 billion in subsidized credits, it was mistaken. And if the United States ever expected the Soviet Union to forego its interests in Indochina, the Middle East, or anywhere else for a détente premised upon cash, then it was foolishly mistaken.

Perhaps now the process called détente can be renewed upon a foundation of reality, instead of the illusion fostered by Presidential posturings in Moscow and the Delphic utterances of an itinerant Secretary of State. If so, something will have been gained from recent events which have been labeled, too loosely, setbacks for détente and trade with the Soviet Union.

Now let me suggest some considerations which ought to be part of any effort to bottom expanded economic relationships and détente on firmer foundations.

Trade and expanded economic relations with the Soviet Union should be pursued. They offer the possibility of mutual economic benefits and a climate more favorable to the resolution of underlying political questions.

But what kind of trade and on what terms? The conventional wisdom has it that expanded economic relations of any kind with the Soviet Union will improve all relations between the two countries and give each a larger stake in avoiding hostilities. This conventional wisdom has no historical foundation and is overly simplistic—though not without some validity. Since the Soviet Union has a centrally planned economy, trade and investment opportunities depend entirely on acquiescence by central planning authorities. They are inevitably controlled by political, as well as economic, considerations. Opportunities which might exist in an open economic system are barred unless they conform to overall Soviet economic and political designs.

To date, most U.S. exports to the Soviet Union have been concentrated in the heavy machinery, transport, and agricultural sectors. From 1970 to 1974 those sectors accounted for well over 80 percent of the shipments. Export-Import Bank assistance has been targeted almost exclusively for industrial development, chemical and fertilizer production, and oil and gas exploration. In most of the major ventures involving Western investment, the Soviet Union has insisted on commodity payback arrangements to guarantee a future export market. Soviet strategy is to welcome trade and investment which assists their own industrial development and future export potential. With certain limited exceptions, our access to the Soviet consumer market is excluded.

This attitude points up one of the limitations of East-West economic relations and makes it essential that the United States take a hard look at the implications for its own economic well-being, particularly where U.S. Government assistance is involved. At present, there is little in the way of Soviet goods which the United States wants. Over the last 5 years, Soviet sales to the United States were only a third of U.S. sales to the Soviet Union. The Soviet Union is counting on Western capital and technology to develop export capability to pay for goods from the West and is concentrating on the energy and raw materials sectors where the export potential is greatest. In a very real sense then, assistance to the Soviet Union will be repaid with resources which that assistance helped develop.

Already, long-term worldwide demand for energy and raw materials insures continued improvement in the Soviet Union's already strong balance-of-payments position. U.S.-assisted industrial output in the Soviet Union could in time provide strong competition for Western goods. And allocation of U.S. resources for energy and raw materials development in the Soviet Union to the neglect of our own could increase already dangerous U.S. dependence on foreign sources for essential raw materials, including energy.

The issue is whether U.S. trade with the Soviet Union should be subsidized through unlimited export credits without periodic congressional scrutiny. Government export credits are subsidies for the export sector and foreign buyers. As such, they confer benefits on the Soviet Union as well as all other recipients. Through the Export-Import Bank, financial resources are transferred at below-market rates to the export sector of the economy. The result is a reduced supply, and thereby increased cost, of capital for other sectors of the economy. With Exim subsidized credit, foreign buyers pay less and, therefore, trade fewer amounts of their goods for a given amount of U.S. goods. The economy is thus that much poorer, despite the fact that the aggregate level of exports may have increased.

Awareness of the economic consequences of government export credits helped frame the Exim debate in the last Congress, not only as it applied to East-West financing but to Exim activities in other parts of the world as well. No longer was Export-Import Bank assistance regarded as costless. Last year over $5 billion of private capital was committed to the export sector through Eximbank lending at an estimated interest subsidy cost of over $400 million.

Measures were taken by the Congress to insure consistency between Exim activity and U.S. policy. Major Exim projects throughout the world were made subject to prior notification to the Congress. The Export-Import Bank was directed to scutinize financing for parent-subsidiary transactions more closely. It was directed to examine more carefully the availability of private sources of credit in lieu of government credit. And it was directed to weigh the domestic economic consequences before making its credit available.

In the case of the Soviet Union, congressional attitudes about government credits were influenced by the knowledge that most Exim credits in the Soviet Union were long term and for large projects capable of producing goods in competition with U.S. industry and labor. They were influenced, not by any desire to discriminate, but by the Soviet Union's overall economic strength. The Soviet Union has enormous resources of oil, gold, and other raw materials. It is the world's largest oil producer. Its gross national product is second only to our own. It is almost completely insulated from the economic distress of the rest of the world. And OPEC oil price increases, which the Soviet Union first encouraged and then took advantage of, have conferred substantial additional benefits.

The Soviet Union's balance of trade moved from a $1.7 billion deficit in 1973 to a $1 billion surplus in 1974. The Soviet Union is in a position to pay cash for its imports, and in dealings with West Germany has demonstrated a willingness to do so. In this context, serious questions arise about the need for indiscriminate subsidized credit.

It should be emphasized that the issue is not all credit, but subsidized credit. Export credits are a normal and necessary part of international trade. But when credits are subsidized, the use of public funds is involved and the responsibility to insure that those funds are spent wisely cannot be avoided.

Some argue that without unlimited subsidized credit, United States-Soviet trade would dry up. But the evidence is to the contrary. For one thing, private credit from U.S. banks is becoming increasingly available. For another, preliminary figures for early 1975 indicate that trade between the two countries is likely to be at an alltime high during 1975 despite the complete lack of Exim credits. For the longer term, the billions of dollars in joint ventures currently under negotiation suggest that trade and investment are expanding, not contracting.

Of course, the Soviet Union would prefer government-subsidized credit. With worldwide inflation and growing resource scarcity, the value of Soviet gold, oil, and raw materials holdings increases. Rather than trade gold and oil now, the Soviets would prefer to hold them while their value increases, meanwhile repaying foreign loans with currencies depreciated by inflation.

From a public policy point of view, it is essential to ask what purpose is served the United States by Government credits. What is the cost to the United States? And what has been and can be achieved by credits the Soviets do not need?

The administration sees credits as a device for achieving its political objectives. From 1972 to 1974 U.S. credits became a cornerstone of the Nixon overtures to Moscow. In a year and a half, the Soviet Union received almost half a billion dollars in 6-percent Exim loans. By the end of fiscal 1974, the Soviet Union had become Exim's second largest customer. In the same period, the Soviet Union also received more than $500 million in other U.S. credits to buy American grain on preferential terms. The billion dollars in subsidized U.S. credits for the Soviet Union over a 2-year period.

At present, it remains to be seen what, if any, benefits have accured to the United States or whether the Nixon method of pursuing détente will endure. To all appearances it has been a highly profitable venture for the Soviet Union so far and a highly expensive one for the United States. We have given up our wheat, our credits, also our strategic superiority, with nothing as yet gained in Indochina or elsewhere.

Large questions arise about the effectiveness of dollar diplomacy. In my judgment political objectives will not be achieved in the Soviet Union by the grant or denial of credits. Soviet repudiation of the 1972 Trade Agreement illustrates the issue. Rather than brook a perceived interference in its internal affairs, the Soviet Union chose to deny itself the benefit of U.S. credits and most-favored-nation trade status.

Nations do not permit their perceptions of self-interest and their policies to be changed by cash. Credits are withheld, and Soviet emigration policy is not liberalized. Credits and other concessions have been granted, and evidently it was naive for Secretary Kissinger to think that in the name of a détente pursued by such means, the Soviet role in Indochina or elsewhere would be altered.

The $300 million ceiling on Exim credit which finally emerged last year was prompted by an awareness of these limitations, but also by an appreciation of the connection between economic and political issues. It reflected a desire for continued Exim credits subject to periodic reassessment, given the uncertainties of United States-Soviet relations and the questionable pursuit of détente with credits.

The ceiling does not impose a $75 million per year limit on such credits. It does not place an absolute ceiling on future credits. And it does not require the Congress to approve each credit in excess of $300 million. All it provides is that if the President wants to extend more than $300 million in addition to the almost half-billion dollars already granted, he must find it in the national interest to do so and seek and receive congressional approval for a higher ceiling.

He could do so tomorrow, next week or next year. Presumably the congressinal response will depend on some evidence of progress toward a détente that is more than a one-way street for aid to the Soviet Union.

When the President requests an increase in the ceiling, an opportunity will be provided for reassessing the economic implications, as well as the progress in overall political relations.

At this juncture the question of credits to the Soviet Union is mooted by the emigration provisions of the Trade Act—the enactment of the Jackson amendment and the so-called Kissinger compromise. No credits are available until the President certifies that he has received assurances of progress on the emigration question. At the present time, he cannot deliver such a certificate because Foreign Minister Gromyko has disclosed that the Congress was misled; there never was a Kissinger compromise—except perhaps in the vaguest of forms.

The efforts afoot to eliminate the credit ceiling miss the point. $300 million of credits would be immediately available, except for the hurdles of the Trade Act. Elimination of the ceiling would do nothing to change Soviet policies on emigration and, therefore, the credit ban of the Trade Act will continue in effect.

It is unrealistic to expect any significant movement on this issue in the immediate future. On both sides positions have been taken which reflect deeply held views from which neither side can be expected to retreat under pressure from the other. The spectacle of U.S. officials and prominent American businessmen obsequiously, or hungrily, joining Soviet officials on American soil to deplore or misrepresent American policy only hardens the resistance in the Congress.

The emigration provision of the Trade Act reflects high ideals. Not many are willing to subordinate them under pressure or for cash sales in the Soviet Union. The $300 million ceiling reflects a sober concern for the economic and political consequences and the price of dollar diplomacy.

Having said all that, let me add that movement is possible. The United States and the Soviet Union have differences on many subjects. The most explosive is the Middle East. Progress in a multilateral context toward a guaranteed settlement in the Middle East might lay the foundation for reconsideration of the MFN and credit links to emigration.

A Middle East settlement could open opportunities for settlement in Israel, help achieve the goals of free emigration, and pave the way for reimplementation of the broken trade agreement. Evidence of Soviet cooperation on some matter of significant mutual interest would not go unappreciated in the Congress. But at present, there is no such evidence.

Now that the dust has begun to settle on last year's legislative efforts, it is important to consider some of the lessons. In my judgment, there are several:

U.S. economic policy in the Soviet Union must receive continued scrutiny to insure consistency with U.S. interests.

We cannot ignore long-term economic and political interests for the sake of short-term economic gains. When allocated to industrial and energy development, instead of routine sales of finished U.S. goods, credits take on the character of foreign aid. It is misleading to contend that all that is at stake is a boost for U.S. exports. These exports accelerate the development of the Soviet Union as a force to contend with in the markets of the world. Societ emphasis on the development of truck factories, energy and other basic resources, while excluding Western access to consumer markets, must be seen as part of a continuing strategy aimed at enhancing future Soviet economic power. That power could be used to the detriment of our commercial, as well as political, interests.

It is argued that if the United States does not make credits available others will. That argument is only partially true. To the extent it is true, it behooves the United States to convince its European allies and Japan of the folly of export credit competition. The Chairman of the Eximbank Mr. Casey, is working to this end, and I applaud his efforts. The recent extension of billions of dollars of below-market credit by Britain and France reflect beggar-they-neighbor attitude which in the long-run does no one any good. For the United States, the Europeans and the Japanese to outdo each other in supplying low-cost credit to the Soviet Union reflects a disturbing disarray among the industralized democracies all too reminiscent of the early thirties. While Western democracies struggle to repair tottering economies, totalitarian regimes profit at our expense. While the Western alliance comes apart, the Eastern alliance is glued together by force and Soviet oil.

Another lesson for U.S. policy is an awareness of the possibilities and limitations of economic policy for the achievement of political ends. Political relations between the U.S. and the Soviet Union are in a stage of transition. Economic policy has a role to play in that transition, but it must be used discreetly. Multi-billion dollar government credits in the U.S.S.R., all, of course, subject to repayment could increase Soviet leverage. The U.S. has no obligation to supply unlimited economic assistance to another nation, let alone a nation with a growing payment surplus and GNP second only to our own. The value of credits to the Soviet Union is marginal. At no time did it cite Exim credit restrictions as the cause of its repudiation of the 1972 trade agreement. Moreover, throughout the 6-month period when the credit ceiling was pending in the Congress, Administration spokesmen made it clear that the limitation was one they could live with. The Secretary of State himself, although given ample opportunity, raised no strenuous objection.

This brings me to my final point: greater candor from the executive branch. Secretary Kissinger's failure last year to disclose the existence of Mr. Gromyko's letter denying the existence of the Kissinger compromise deprived Congress of an opportunity to learn that the United States and the Soviet Union were on a collision course with passage of the trade bill. Subsequent attempts to shift blame for the collapse of the trade agreement to the Exim legislation, and the characterizations of the initial $300 million as "peanuts" were disingenuous and self-serving. Cooperation between the branches would be enhanced by candor.

I have not taken the time to discuss trade with Eastern Europe. The considerations there vary, country by country, but in the main I anticipate little congressional opposition to MFN and selective grants of Exim credits. I know of no disposition to prevent either credits or MFN for Rumania, as the President has recently proposed. On the contrary, the political and economic considerations argue, it seems to me, for discreet efforts by the United States to normalize commercial relations with the nations of Eastern Europe—and we are doing so. The President is not severely impeded by the Trade Act, as the anticipated congressional response to his proposed trade agreement with Rumania indicates.

We all look forward to a new era of expanded trade as well as progress on the political issues, including SALT, the Middle East, and force levels in Europe. The political matters are moving independently of trade—and even on trade, the momentum continues. Little has changed, except that the United States is stripped of illusions and deprived of expensive methods that were not working satisfactorily anyway. Both sides have a chance now to resume the normalization of commercial relations sought by many of us long before President Nixon and Secretary Kissinger made it fashionable, but without resort to wheat deals, personalized or secret diplomacy, and the illusory expectations which they create.

INDIANA GENERAL ASSEMBLY RESOLUTION

Mr. HARTKE. Mr. President, I ask unanimous consent that the resolution of the Indiana House of Representatives regarding the designation of the American Marigold as the U.S. floral emblem be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

HOUSE RESOLUTION

Whereas, the year 1976 will be designated the bicentennial year marking the 200th anniversary of the formation of the United States of America; and

Whereas, the United States is the only major country in the world without a floral emblem; and

Whereas, each of the fifty states of the United States in addition to its state flag has a floral emblem which it cherishes as its own; and

Whereas, the people of the United States have adopted the American flag and the American eagle to represent the virtues of this country; and

Whereas, peoples of the world have adopted emblems for their country, representative of their national virtues; and

Whereas, the American marigold represents the character of the United States more appropriately as a floral emblem than any other flower in that the marigold is an American native; grown in abundance in gardens of every state; grown easily and quickly from seed; acknowledged as a symbol of religious faith; representing beauty and rugged humility of character and like the American eagle and the American flag an exclusively American emblem; and

Whereas, the Farm Bureau of LaPorte County has designated as its bicentennial project the encouragement of Congress to adopt the marigold as the bicentennial emblem of the Union; and

Whereas, the Indiana General Assembly also endorses the adoption of the marigold as the nation's floral emblem; therefore

Be it *resolved* by the Indiana House of Representatives that we encourage the Congress of the United States to designate the American marigold as the national floral emblem of the United States for its bicentennial year and thereafter as our American floral emblem and to encourage the President of the United States to declare such fact by proclamation and that such Resolution be forwarded to each member of the United States House of Representatives and each member of the United States Senate from Indiana showing our endorsement of this cause.

THE PASSING OF JOZSEPH CARDINAL MINDSZENTY

Mr. WILLIAMS. Mr. President, Edmund Burke once wrote that "the cause of freedom is the cause of God." This idea found its utmost expression in the life of Jozseph Cardinal Mindszenty, who passed away at age 83, in Vienna, last Tuesday. No other man in our age has symbolized more the spirit of freedom inherent in all men and women. It is indeed tragic that his love of freedom, and his untiring struggle against oppression caused this great man to spend over one-third of his life in prison or in exile.

Cardinal Mindszenty was a leader in his native Hungary's resistance to the Nazis and to the Communists, and he suffered for it. When the Communists took over Hungary in 1948, Cardinal Mindszenty was sentenced to life imprisonment for his opposition to their rule. He was freed during the Hungarian Revolution in 1956, and took refuge in the American Embassy in Budapest, where he remained for 15 years—a living symbol to his people and to the world that oppression only strengthens the will to be free. Throughout his years at the Embassy, Cardinal Mindszenty steadfastly maintained that it was his duty to remain among his people, as their spiritual leader, and as a patriot during their time of greatest need.

In 1971, at the urging of Pope Paul VI, the Cardinal left the Embassy to begin his exile in the West. He traveled throughout the world and the United States, and I was honored when he chose to visit my home State of New Jersey on several occasions. The thousands of people who came to see him or to hear him celebrate mass were tribute to his international standing as a leader and as a servant of God and humanity. His last visit to New Jersey was almost 1 year ago in Perth Amboy, where he was greeted by what the News Tribune of Woodbridge, N.J., called "an outpouring of sentiment" from thousands of residents of that area.

It is with profound sadness that we note the passing of this great individual, but it is with deep reverence that we remember the contributions he made during his life. In Shakespeare's "Hamlet," Horatio says upon the death of Hamlet:

> His life was gentle and the elements so mixed in him that nature might stand on its feet and say to all the world—"This was a man."

Jozseph Cardinal Mindszenty was such a man.

THE VETO OF THE FARM BILL

Mr. STENNIS. Mr. President, I greatly regret that the House failed to override the veto of the farm bill. I disagreed with the reasoning set forth in the President's veto message, and I would have strongly urged that the Senate vote to override the veto, had we been afforded the opportunity to do so.

Congress made a genuine effort to go more than half way in working out the differences with the administration on this bill. I regret to say that the response received from the administration was not one of reason and compromise. It seemed to me that from the very beginning the administration position was adamant, and based entirely on the single premise that there should not be a farm bill this year—that we should just let the farmers' current crisis run its course. It is pretty hard to work out a compromise when you cannot get the opposition to sit down at the conference table with a genuine intent to negotiate.

The reasons given for the administration's adamant resistance to any farm bill amendments this year were to me simply not persuasive. The distinguished Secretary of Agriculture said in substance that the farmers are doing all right, and to leave the programs alone and let the free market system work things out.

The fact is, the farmers are not doing all right. They are in deep trouble this year, with constantly rising costs for what they must buy, decreasing prices for their crops, and eroded credit after a bad year.

In the State of Mississippi there is general agreement within the financial community that farmers are having to borrow more money to produce their crops than ever before. In some areas the loans are as much as 35 percent higher than last year. The average increase around the State is 15 to 20 percent. Farmers are having to use their equities in their land and equipment to get sufficient credit. They have watched the prices of farm commodities drop for the fifth straight month. Prices are 15 percent lower than they were a year ago, and costs are 10 percent higher. All of this does not sound like the farmers are doing all right, as the Secretary asserts.

As for his expressed belief in allowing the free market to work things out, I find the argument attractive but not persuasive. When you get right down to it, I think it is unrealistic to expect agriculture to operate as a totally free market system in the midst of an American economy that is controlled and regulated at every hand.

The fuel and fertilizer the farmer uses are not "free market," nor are the transportation systems by which he ships his products. The sellers of these goods and services are constrained in their prices, but at a level designed to provide them a fair profit. That they sometimes get more than a fair profit is attested by the fact that there are cases now being settled in which there were vast windfall profits in some of the propane and diesel fuel farmers bought last year.

The purpose of the farm bill is to lend stability to the prices for farm commodities. It does so by providing a safety net under the prices, in the form of target prices and loan rates. This is for the good of both the consumers and the producers. It is insurance against a disaster market that would bankrupt the farmers, put them in a position of enforced underproduction, and in turn lead to sky-high commodity prices.

Stability is the key to this situation, and it can be provided by this farm bill. It is a proper function of Government to insure this stability. It simply would not be prudent of the Government to take no action at all, as the administration proposes, and watch the farm business go down the skids toward bankruptcy. There are a lot of American families doing without things these days, including farmers. There are a lot of things families can do without if they have to. But food is not one of them. This agriculture problem is simply too crucial to take a do-nothing attitude. It is not prudent and the arguments for doing so are not convincing.

There has been a lot of discussion about the possible costs of this bill over recent weeks. I think it has been pretty well established that some of the initial statements of costs that came out of the administration were distorted in one way or another, and they have been revised downward but not widely publicized. I expect they were just a symptom of the total rejection of the administration of the idea of revising target prices this year. I will not belabor the figures any further.

I will only say that it is regrettable that there were scare figures used about the probable costs to consumers, and the possible costs to the Treasury. I believe that a subject of this importance to the Nation and its people deserved a more rational discussion in the public forum.

There has been much talk also about farmers switching crops and producing for the Government instead of the market. This should be looked at realistically. A cotton farmer has specialized equipment—picking machines, cotton wagons, and so on. His picker probably cost him $30,000. He is practically and financially constrained in reaching a decision to switch crops. So is a soybean farmer who owns a combine. This is not to say that there will not be any crop switching. There will be. There is every year, and there always has been. It is a part of the farming business, and it is a legitimate and necessary option for every farmer.

Mr. President, I believe the Senate tried to be cooperative about this bill. We gave up much of what we voted for here on this floor. We did so in an effort to meet the administration at least half way.

Now we have seen the veto sustained by vote in the House. There is not time for another try for an emergency type farm bill, for the crop year is now upon

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us, and farmers are going to have to make their decisions based upon the existing price supports.

I believe we will see the consequences of this lack of action. It will manifest itself first in falling farm production at a time when the world grain reserves are at a new low, and after that it will manifest itself in higher prices for farm commodities, as well as lost market, especially those abroad.

For example, suppose you are a wheat farmer. The Department of Agriculture has just estimated that granted continued favorable weather the wheat production this year will set a new record of 2.1 billion bushels. This is based on an expected harvest of winter wheat of record size, and that harvest is about to begin. Wheat prices have been falling. The very large harvest will no doubt drive them down more, perhaps drastically.

As the wheat harvest proceeds, the farmers have to make their decisions on the next crop, the winter wheat to be sown this fall. Under the existing circumstances a prudent farmer is not going to try to increase his production. He is going to cut it back, and we will see the consequences in the next crop.

I should add that in the bill that the President vetoed the loan price on wheat was $2.50. It is hard to believe, but that is what wheat was selling for in 1947—$2.50 a bushel in 1947.

The decision has been made, unfortunately, that nothing is to be done about the present crisis in the farming business—that we should just stand by and let events run their course.

To me that is imprudent. I think that when the consequences become clearer, the ultimate outcome will be a new, broader and stronger farm bill, and one that will become law. It is a misfortune for the American farmer and the American people that it can only be effective for the next crop year, not this one.

ROMANIAN NATIONAL DAY

Mr. WILLIAMS. Mr. President, government without the consent of the governed is the essence of tyranny. In the country of Romania today, the people must endure a Communist regime which has imposed its will without their consent. The deliberate denial of civil liberties and the forced intrusion of the state into the people's private lives are the means by which the Romanian Government continues its unwanted rule. Yet despite the harshness of their government, Romanians cling fiercely to their dream of freedom, and on each May 10, they celebrate the time when they were as free in fact as they now are in spirit.

Three great events in the founding of a free and independent Romania occurred on May 10. On May 10, 1866, Charles, Prince of Hohenzollern-Signaringen, was proclaimed Prince of Romania. This proclamation, which took place over the objections of Austria and Russia, was the beginning of the Romanian dynasty. It also culminated Romanian efforts to end the strife and rivalry among native candidates for the throne by choosing a sovereign from a nonneighboring, Western ruling family.

During the Russo-Turkish War, the Romanians rejected their domination by the Turks, and on May 10, 1877, they declared their independence. They fought as Russia's ally and made their declaration a reality. On May 10, 1881, Charles I was crowned King of Romania, thus beginning an era of prosperity and freedom which was to last for over 60 years.

Romania's dictatorship today has tried to destroy the people's adherence to their national day, by changing national celebrations from May 10 to May 9, the day that the Soviets completed their takeover of Romania. But the actions of the Romanians' rulers have only strengthened their determination to hold on to their heritage and to secure their freedom. So it is fitting that at this time we extend our support to the Romanian people and express our sincere hope that once again soon they may live under a government of their own choosing, and be the masters of their own lives.

INTERNATIONAL WOMEN'S YEAR

Mr. PERCY. Mr. President, as my colleagues all know, 1975 is International Women's Year—IWY. As an indication of congressional interest in and support for IWY, Members of the House and Senate are sponsoring a Congressional Symposium on International Women's Year to take place tomorrow. Thirty of my fellow Senators have joined Senator HUMPHREY and me and 84 Members of the House have joined Congresswoman ELIZABETH HOLTZMAN and MILLICENT FENWICK in sponsoring this event. Every Member of Congress, congressional and administration staff, members of nongovernmental organizations and interested individuals are invited to attend. Some very special and talented people will be participating, and we hope that many of you will come by for at least one of the four panel discussions.

I ask that the agenda for tomorrow's symposium as well as the list of congressional cosponsors be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

"EQUALITY, DEVELOPMENT, PEACE"

CONGRESSIONAL SYMPOSIUM ON INTERNATIONAL WOMEN'S YEAR,
Wednesday, May 14, 1975.

SUMMARY AGENDA

Morning Sessions: Room 2154, Rayburn House Office Building

9:00—Coffee and Registration

9:30—Opening Session

Introductory statements

Senator Hubert H. Humphrey.

Senator Charles H. Percy.

Representative Elizabeth Holtzman.

Helvi Sipila, U.N. Secretary General, International Women's Year.

10:15—Panel I: The Political Woman

An examination of the forces inhibiting women's full participation in the political process.

11:15—Panel II: The Social Contract

An examination of existing federal laws and executive orders affecting women in the areas of health, education, social services, and employment opportunity.

12:30–2:00—Luncheon Break

Afternoon Sessions: Room 1318, Dirksen Senate Office Building

2:00—Panel III: Women and Foreign Policy

An examination of the role of women in foreign policy decision-making and of their unique contributions toward the attainment of world peace.

3:15—Panel IV: IWY World Plan of Action and Congressional Recommendations to the United States Delegation

An examination of the draft U.N. World Plan of Action and its relevance to women in the United States.

4:15—Summary Session

Recommendations to the 94th Congress concerning Federal legislation and the U.S. role at the U.N. International Women's Year Conference.

5:30—Congressional Reception: Room 1202, Dirksen Office Building

Welcoming Remarks: Representative Millicent Fenwick.

Wednesday, May 14, 1975

AGENDA

Morning Sessions: Room 2154, Rayburn House Office Building

9:00—Coffee and Registration

9:30—Opening Session

Introductory Remarks: Patricia Acheson, Symposium Chairwoman; historian and author; Member, President's Commission on Violence in America;

The Honorable Hubert H. Humphrey, Senator from Minnesota;

The Honorable Charles H. Percy, Senator from Illinois;

The Honorable Elizabeth Holtzman, Congresswoman, New York;

The Honorable Helvi Sipila, Secretary General, United Nations International Women's Year Conference.

10:15—Panel I: The Political Woman

Women, in increasing numbers and with increasing influence, are participating in the political world. To do so, women must contend with social, economic, and psychological constraints. An examination and understanding of these forces is essential before an equal partnership between men and women in the political world can be achieved.

Moderator: Jane McMichael, Executive Director, National Women's Political Caucus.

Rapporteurs: Carol Casey, Analyst, Government and General Research Division, Congressional Research Service; Pat Goldman, Director, Wednesday Group, U.S. House of Representatives.

Panelists:

Emily Card, Financial Consultant, Immaculate Heart College—Candidate for Congress, 31st District, California, 1973–74;

Liz Carpenter, Vice President, Hill and Knowles, Inc.—former Press Secretary to Mrs. Lyndon Baines Johnson;

Betsy Griffiths, Treasurer and Acting Finance Chairman, National Women's Political Caucus;

Jeane J. Kirkpatrick, Professor of Political Science, Georgetown University; author, *Political Woman;*

Barbara Boggs Sigmund, Councilwoman, Princeton, New Jersey;

C. Delores Tucker, Secretary of State, Commonwealth of Pennsylvania.

11:15—Panel II: The Social Contract

Many people feel that existing federal laws and executive orders are not sufficient to overcome traditional sex discrimination. Panelists will address the interrelated subjects of health, education, and social service legislation and employment opportunities for women.

Moderator: Julia Vadala Taft, Deputy As- partment of Health, Education, and Welfare. sistant Secretary for Human Resources, De-

Rapporteurs:

Nancy Aaronson, Fellow, Academy for Contemporary Problems—Coordinator of Ohio Task Force for ERA Implementation;

Morrigene Holcomb, Analyst, U.S. Government and General Research Division, Congressional Research Service.

Panelists:

Catherine East, Deputy Director, International Women's Year Secretariat, Department of State;

Arvonne Fraser, Legislative Chair, Women's Equity Action League—former Adviser, U.S. Delegation to U.N. Commission on the Status of Women;

Joan Goodin, Assistant Director, International Affairs, Brotherhood of Railway, Airline and Steamship Clerks, Freight-Handlers, Express and Station Employees, AFL–CIO;

Esther Peterson, Vice President of Consumer Programs, Giant Food, Inc.—former Director Women's Bureau and Assistant Secretary, Department of Labor;

Judith Assmus Riggs, Legislative Representative, Washington Research Project Action Council (Children's Defense Fund);

Bernice Sandler, Project Director, Project on the Status of Women Association of American Colleges;

Marie D. Wilson, Executive Secretary, Equal Employment Opportunity Commission—former Legislative Assistant to Senate Majority Leader Lyndon Baines Johnson.

12:30–2:00—Luncheon Break

Afternoon Sessions: Room 1318 Dirksen Senate Office Building

2:00—Panel III: Women and Foreign Policy

As women participate more fully in domestic aspects of society, it is inevitable that they will become an integral part of the international community. Panelist will focus on the role of women in foreign policy decision-making and their unique contributions toward the attainment of world peace.

Moderator: Irene Tinker, Director, Office of Internationl Science, American Academy for the Advancement of Science.

Rapporteurs:

Franziska P. Hosken, Publisher and Editor, Women's International Network—international consultant and author, housing and urban development.

Sarah Jackson, international economist, Joint Economic Committee

Panelists:

June Chewning, Nuclear Education and Manpower Specialist, Energy Research and Development Administration—co-founder, Federally Employed Women, Inc.;

Nancy D. Greene, Member, Democratic Advisory Council Task Force on Foreign Affairs, DNC—National organizer, "Women in Foreign Policy" Seminar, NWPC;

Amoretta Hoeber, defense systems planning consultant, General Research Corporation—former Assistant to Secretary of the Navy;

Betty Getz Lall, Director, NY State School of Industrial and Labor Relations, Cornell University—former Staff Director, Special Senate Foreign Relations Subcommittee on Nuclear Disarmament;

Nira Hardon Long, Director, Equal Opportunity and Coordinator for Women in Development, Agency for International Development;

Carl Marcy, Legislative Consultant, Council for a Livable World—former Staff Director, Senate Foreign Relations Committee;

Elsbeth Rostow, Dean, Department of General and Comparative Government, University of Texas;

Barbara Watson, attorney; former Administrator, Bureau of Security and Consular Affairs, Department of State.

3:15—Panel IV: IWY World Plan of Action and Congressional Recommendations to the United States delegation

The draft World Plan of Action presents guidelines for national actions to ensure the total integration of women into societal development. Panelists will examine the relevance of this plan to women in the United States.

Moderator: Dr. Ruth Bacon, Director, U.S. Center on International Women's Year.

Rapporteur: Morag Simchak, Women's Activities Adviser, Office of Labor Affairs, Agency for International Development.

Panelists:

The Honorable Bella Abzug, Congresswoman from New York—Member, National Commission on Observance of International Women's Year;

The Honorable Margaret Heckler, Congresswoman, from Massachusetts—Member, National Commission on Observance of International Women's Year;

Patricia Hutar, U.S. Delegate to the United Nations Commission on the Status of Women;

Mildred Marcy, Director, International Women's Year Secretariat, Department of State—Deputy Director, Office of Equal Employment Opportunity, USIA;

The Honorable Russell W. Peterson, Chairman, Council on Environmental Quality—Member, U.S. Delegation to the United Nations World Population Conference, 1974.

4:15—SUMMARY SESSION—Patricia Acheson, Symposium Chairman

Rapporteurs from each panel will summarize panel discussions and recommendations. Recommendations to the 94th Congress concerning Federal legislation affecting women in the United States and the U.S. role at the International Women's Year Conference will be developed.

Final comments and acknowledgements: Anne L. Howard, Symposium Staff Program Director.

Symposium sponsors and Capitol Hill Women's Political Caucus; The Fund for New Priorities in America, Inc.; Department of Population, Board of Church and Society of the United Methodist Church; Nancy Greene; The National Association of Equal Opportunity Employers; United Mine Workers of America; will host a wine and cheese reception for Symposium participants and guests from 5:30 to 7:30 p.m., Room 1202 Dirksen Senate Office Building. Representative Millicent Fenwick, of New Jersey, will be guest speaker.

Name tags and Symposium stickers courtesy of the Republican National Committee.

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AMERICAN PRESSURE HELPS SOVIET JEWS

Mr. WILLIAMS. Mr. President, many members of this chamber have, I know, joined in efforts to assist citizens of the Soviet Union—particularly Soviet Jews—who have been persecuted because of their desire to exercise the fundamental human right of emigrating to another country. I am sure that many have wondered as I have, how effective our efforts and those of other Americans have been in persuading Soviet officials to display leniency.

The answer, I believe, is that we have had a significant effect indeed. I have been told by people who have finally been permitted to emigrate that they never would have been allowed to do so had it not been for pressure from abroad—particularly from the United States. Most recently, the same message was brought by Dr. Victor Polsky, a Moscow physicist, who was arrested on dubious charges while awaiting permission to emigrate. I and others wrote to Soviet officials on Dr. Polsky's behalf, and last December he and his family were permitted to emigrate to Israel.

Recently, Dr. Polsky paid a visit to friends in New Jersey and urged Americans "please do not get tired of helping." He credited what he called "the big noise" for the eventual success of his efforts to emigrate.

Mr. President, so that my colleagues may share in the message brought by Dr. Polsky, I ask unanimous consent that an article about him published in the Jewish News of Essex County, N.J., be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Jewish News, May 1, 1975]

THE POLSKYS VISIT THIS COMMUNITY

(By Edith K. Schapiro)

Last year Victor Polsky was a name in the newspapers. Stories with a Moscow dateline reported the charges against him and the fact that explained the Russian authorities' eagerness to get him jailed: He was a Jew who had applied for an exit visa.

Last week, Dr. Victor Polsky and his wife were in South Orange. They stood among "friends" in a conference room at Seton Hall University where he had come to speak with other scientists and educators like himself.

Uppermost in everyone's thoughts, however, was the shining fact that, after a four-year struggle, climaxed by legal prosecution on trumped-up charges, he and his family had been allowed to leave.

The joy of release still radiates in their faces as the Polskys speak of their move to Israel last December, accompanied by their only child, a 17-year-old girl, and Mrs. Polsky's parents, sister and niece.

Their happiness and the still-lingering aura of disbelief was shared by all in the room, but most particularly by Jacqueline Levine, president of the Metropolitan New Jersey Conference on Soviet Jewry, who recalled so vividly the "action alert" mobilized early last fall on behalf of a "name"—Victor Polsky.

With his fundamental grasp of the English language—fluent but with limited vocabulary—Polsky described the action of members of our local conference and others throughout the country as "the big noise." And it is to this "noise" that he attributes the fact that he was granted the exit visa.

POWERFUL INFLUENCE

There is a double irony in the situation as Polsky tells his story. Americans who believe "you can't fight city hall" really do have a powerful influence on the most autocratic of political regimes, the authorities of the USSR, was the gist of his message.

And the Russian Government, had it not for the last 25 years been putting progressively harsher restrictions on the educational and employment opportunities of those of its citizens whose "national origin" it insisted was Jewish, could have assimilated millions of these people.

In essence, they did not think of themselves as Jews, Polsky indicated.

The story of his life, as Polsky recounts it, shows that his awareness of being Jewish was foisted upon him—"I felt it on my own skin"—when he was refused employment as an engineer physicist even though he had high recommendations from his university.

FIRED SUMMARILY

Born in 1930 to parents "who were government officials, not religious, not Zionists," and who gave him no formal education in Judaism, Polsky took great interest in his work. He was finally accepted for doctorate studies—an acceptance that in more recent years has been absolutely denied Jewish applicants to first class colleges, he said.

After working 11 years in "the Research Institute in Moscow, I was dismissed without delay," Polsky said, when he applied for permission to emigrate to Israel.

Anti-Semitism was something that had not touched him in his youth, he said, but conditions for Jews have worsened with the years. As he is quoted as saying in an interview in the Israeli newspaper, *Maariv*, "The Soviet State told me I am not one of her sons."

"IT IS POSSIBLE"

In answering a question posed by a Seton Hall professor, Polsky estimated that a half million Jews would like to emigrate from the USSR. "It is possible," he stressed, to help them realize this dream.

"It is getting to be an old story," he commented, "but please do not get tired of helping."

He is greatly appreciative of the assistance of such groups as the Community Relations Committee of the Jewish Community Federation of Metropolitan New Jersey, which arranged the Seton Hall conference through the cooperation of Dr. David Sternberg, chairman of the physics department.

Polsky, whose specialty in egineering is photo-electric devices, was warmly greeted and drawn into discussion by several Jewish and non Jewish professors. Meeting with him were Dr. Lawrence Shacklett, Dr. Harry Ashworth, Dr. Gerald Intemann, Dr. Frank Katz, Dr. Elliot Krause, Dr. Ronald Infante, Dr. Paul Ander, Dr. Edward Shapiro and Charles Weiss.

LEADERS EMERGE

They were patient as Dr. Polsky delayed his talk in an effort to telephone Moscow. He had made a promise to call at a certain time and his friends, whose own phone had been forcefully removed by the authorities, had arranged to be in another apartment to receive the call. He was, however, unable to make the contact.

Polsky was considered one of the leaders of the Jewish activists in Moscow, and he was questioned last week as to what effect his departure has had on the movement.

"There is no problem of leadership," he said, "as others will always come forward." Polsky indicated that wherever he is, touring in this country through the auspices of the National Conference on Soviet Jewry, in other countries, or in Israel, he will never forget the plight of the Jews of Russia who wish to emigrate.

His parting words: "Please, don't you forget."

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

CONSUMER PROTECTION ACT OF 1975

The PRESIDING OFFICER. Under the previous order, the hour of 1 p.m. having arrived, the Senate will now resume consideration of S. 200, which will be stated by title.

The assistant legislative clerk read as follows:

> A bill (S. 200) to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes.

The PRESIDING OFFICER. There will now be 1 hour of debate, pursuant to rule XXII.

Who yields time?

Mr. RIBICOFF. Mr. President, I yield myself such time as I may require.

I support the pending motion to invoke cloture on S. 200. Consumer Protection Agency legislation has been subject to more cloture votes than any bill in history—seven in the past 3 years. During that time, the issues in this bill have been debated on the floor of the Senate for a total of over 20 days.

Members of this body have had every opportunity to speak their minds. There is absolutely no good reason to delay any longer a vote on the merits of S. 200. Let us end debate over this legislation once and for all. If a majority of the Senate have not been convinced that this is necessary, worthwhile legislation, then let the bill fail. But if a majority of the Senate support this bill, then let us make it possible for the will of the majority to prevail.

Legislation similar to this has been the subject of weeks of hearings in both Houses of Congress over the past 5 years. Thousands of pages of testimony and documentation attest to the careful study given to this measure.

The House overwhelmingly passed consumer agency legislation in both the 91st and 93d Congresses. The Senate overwhelmingly passed a similar bill in the 92d Congress. In March of this year, the Senate Government Operations Committee voted 11 to 1 to report this bill to the Senate floor.

This is the first cloture vote since rule XXII was changed earlier this year. It is fitting that the most filibustered bill in history should be a test of the new rule.

Mr. President, I believe that the American people have a right to know how their elected representatives stand on this important measure.

For 3 full days, S. 200 has been debated on the floor this year. To be sure, no Senator has been denied an opportunity to be heard.

It is remarkable that we are actually voting to limit a debate which began in earnest in the 92d Congress. In September 1972, three motions to invoke cloture failed. In the 93d Congress, four motions to invoke cloture failed—the fourth by one vote. On each and every vote a substantial majority of those voting supported cloture. Barely one-third of this body have prevented this legislation from being considered on its merits for nearly 3 years.

It is my hope that the Senate will vote to give the American consumer a voice in Government which can be heard. The time for talk has passed. The time for action has arrived. Let us put this bill to the test.

I urge my colleagues to support the pending motion to invoke cloture.

Mr. President, I reserve the remainder of my time.

(At this point, Mr. LEAHY assumed the chair.)

Mr. ALLEN. Mr. President, I yield myself such time as I may use.

In about an hour, the Senate will vote on whether or not to bring to a close debate on S. 200.

The distinguished Senator from Connecticut, the floor manager of the bill and the chairman of the Committee on Government Operations, stated that this is the first effort to invoke cloture on a bill since the change of the Senate rules. Possibly he said it was the first effort to invoke cloture on a consumer protection bill. If it were the latter statement, that would be correct. Actually, cloture was sought to be invoked on the tax refund and tax reduction bill, and it failed by one vote, because there were 59 affirmative votes, as the Senator from Alabama recalls, and cloture was not invoked.

A bill which its supporters say is such a great bill in the interest of the consumer would have been passed by Congess long since, because everyone is a consumer. Every person wants his rights as a consumer protected, whether they be protected by himself, in the exercise of his discretion, or, as some might feel, by another Government agency. So if consumer protection legislation were so beneficial, if it were so in the interest of consumers, one would think that since it has been stated that this type of legislation has been before Congress for some 6 years, it would have been passed long since.

I recall that in the last Congress, when the trade bill was before the Senate for consideration, after it had passed the House of Representatives, a cloture petition was filed without a single hour of debate, and cloture was invoked by a vote, I believe, of 79 to 19. So when the Senate gets ready to move with respect to legislation, it will move.

Great store has been set by the number of times cloture has been sought to be invoked with respect to so-called consumer protection legislation. That does not speak well of the bill, as the Senator from Alabama sees it. That speaks ill of the bill. If the Senate does not reach the conclusion, after seven cloture tries in the last two Congresses, that this is a good bill, something must be wrong with it. So let us check a little as we discuss this issue, to see wherein it does fail.

In the first place, Mr. President, in order to obtain passage of this bill, the proponents of the proposed legislation have left two tremendous loopholes in the bill favoring special interest groups. If the consumers of the country need protection before the governmental agencies in matters involving consumer interest, then they should have protection in all areas of consumer interest in proceedings before Federal regulatory agencies. But two very powerful economic and political groups have been left out from coverage by this bill, and the Senate has upheld the allowing of these two exemptions.

One is in the matter of the exemption in matters before the FCC, having to do with applications by TV and radio stations for renewal of their licenses. Unquestionably, a consumer interest is involved here. But in order not to antagonize these great molders of public opinion, the media, TV, and radio stations throughout the country, numbering some 7,500, as has been asserted on the floor, they have been left out from coverage by the act. As Mr. Nader, who is the No. 1 consumer activist in the country, stated before the Committee on Government Operations, this was a political decision on the part of the sponsors of this legislation, because of the great influence that these great influencers of public opinion have on the molding of public opinion. That, in effect, was his testimony. He stated that he opposed this exemption. He stated further that when an amendment was offered to knock out this exemption, he would endorse that amendment. I have listened very carefully and have checked the newspapers for news of his endorsement of this effort to knock out this FCC exemption, but I have not been able to find where he has kept that commitment.

The other great and powerful economic and political force that has been exempt under the provisions of this bill is big labor. There is a very good reason for that: Because the representatives of big labor have stated that if they are covered by the bill, they are going to be against it. If they are not covered by the bill, they are going to be for it.

Mr. President, I do not want to see the FCC proceedings or big labor or anybody else covered by this bill, because I am opposed to the bill, because I do not believe it is necessary. I believe it will just set up another layer or echelon of Federal bureaucracy. I do not believe it is a proper approach. I believe that if the Federal regulatory agencies are not doing their job, the agencies should be abolished or the membership changed.

I might say that I introduced a bill which would have provided for reform of Federal regulatory agencies. I believe that is a proper approach—cut out some of the redtape, some of the regulations, some of the delay. Get these agencies on the job. Make them carry out the function for which they were created. Do not set up another vast Federal bureaucracy to police the work of the Federal regulatory agencies, because if this agency is created and it falls down on the job, what is going to be the solution then? Are we going to set up still another Federal agency to oversee the work of this agency, Well, if we follow the precedent being set now, that is what we will do.

We have not gone to the root of the problem. The problem lies in the performance of the Federal regulatory agencies. We should reform these agencies, not just set up some super big brother agency that decides for everybody what is best for the consumer without the consumer having any input at all into the decision, without the administrator's decision being appealable. This one person decides what is best for every consumer in the country. We would be setting up an agency that would be right under the Presidency in power and in scope.

That is the reason it has been so hard for this legislation to get off the ground. Proponents complain about it having been delayed for 6 years. Well, I hope it is delayed for another 6 years, and another 60 years, because we have too much Federal bureaucracy now.

A representative of the great national labor organizations said about this legislature:

> We do not want the Federal Government poking its nose into our business.

I agree with that thought. I do not want to see the Federal Government poking its nose into our everyday lives, either. I do not want to see that happen. But it is not because I want to exempt big labor or to exempt the FCC and the TV and the radio stations. It is because I do not believe this agency is needed for any one.

Mr. President, it is said that this type of legislation has been before Congress for some 6 years. Well, every time it comes up in committee and on the floor, amendments are offered. Many are accepted. I remember 1 year, dozens of amendments were accepted. So there must have been something wrong with the legislation at its outset if it would be susceptible to so many amendments.

Mr. President, all of the consumer activists have not been unanimous in support of every piece of consumer legislation that has come through the House and the Senate. I recall that the bill that passed the House in 1971 and failed of passage in the Senate in 1972 was described by Mr. Nader as being a fraud on the consumer. So the Senator from Alabama did what he could to defeat that bill back in 1972, and it was defeated. It seems that the Senator from Alabama and Mr. Nader were of one mind with respect to this legislation, that it ought not to be passed. I believe that he stated that he felt the bill was too weak and I felt it was too strong. Nevertheless, we both, apparently, were opposed to it.

Yes, the distinguished Senator from

Connecticut has said that in the last Congress, this cloture motion received 65 votes, I believe. At any rate, it failed by 1 vote. Now the rules have been relaxed to make it easier to pass this sort of legislation. The rules have been changed so that, instead of taking two-thirds of the vote of the Senators present, it takes only 60 affirmative votes. Since they got 65 last time, I would not have much doubt about the outcome of the vote today. If they got 65 last time, surely they will get 60 today.

But we never can tell. Let us examine this vote on yesterday. One would have thought that this amendment knocking out the labor exemption would have been bowled over by a tremendous vote on account of the admitted great political power of the labor organizations. But if that vote had been a cloture vote, it would have fallen 9 votes short of cloture, because they only got 51 votes against the amendment knocking out the exemption. So, Mr. President, you never can tell. This bill may have been kicking around in Congress a little too long. We have been getting along pretty well without it. Consumers consume. They are going to continue to consume whether we have this agency or not. Maybe, since we got along without it for 6 years, there is not such a great need for it after all. Let us see.

Let us assume cloture is invoked. I am predicting that it will be invoked. The President has made some very interesting statements with regard to this legislation. I quote from a letter he wrote Mr. JACK BROOKS on April 16, less than a month ago:

> I do not believe that we need yet another Federal bureaucracy in Washington, with its attendant costs of $60 million for the first three years and hundreds of additional Federal employees, in order to achieve better consumer representation and protection in Government. At a time when we are trying to cut down on both the size and the cost of Government, it would be unsound to add another layer of bureaucracy instead of improving the underlying structure.

Does anybody ever thing of improving the underlying structure? Well, not the advocates of this legislation. They want to set up something entirely different that operates a kind of guerrilla-warfare type of operation against these agencies rather than getting to the root cause of the delay, of the overregulation. That is what we need to have—less regulation. We do not need more big brotherism in our Government.

Continuing with the President's statement:

> It is my conviction that the best way to protect the consumer is to improve the existing institutions of Government, not to add more Government.

I could not have stated my thoughts on this any better or more succinctly than the President has.

I am going to follow up my convictions in this matter. I intend to vote against invoking cloture. I intend to vote against this bill.

If the bill does pass, and I would say certainly the chances are that it will, it is going to be checked squarely to the President as to whether he really believes what he said about this bill. If he does believe it, he will veto it. If he does not believe it, he will sign it.

I do not know what he is going to do. I believe he is a man of his convictions. I believe he will veto the bill. I have not asked him, and I do not intend to. I do not know that I could contact him to ask him if I wanted to.

But it is going to be put in his lap very shortly, it would seem.

So, Mr. President, that is the reason it is so important that we have a strong vote against this cloture motion.

There were 37 votes yesterday against the special interest exemptions, and that was for the amendment knocking out the special interest exemptions. This is a special interest bill, pure and simple. The advocates of the legislation are supposed to be people who are opposed to special interests. Yet there is no escaping the conclusion that this is a special interest bill, because it grants exemptions to two great segments of our economy and of the political life of this country.

So it is a special interest bill.

I have made a statement, and I will make it again, that if this bill included everybody, if they would knock out the labor exemption and knock out the FCC exemption, I would reluctantly support the bill, not that I favor the theory, but as hitting everybody alike. But I do not anticipate that those special interest exemptions will be knocked out.

Mr. President, there were 37 votes yesterday against the special interest exemptions. It would take only 34 votes to sustain a veto. I would say that if we could get 34 votes or close to 30, for that matter, against cloture, it would certainly encourage the President to back up his opposition to the theory of this bill and to the bill itself in the statements that he made in opposition to the bill.

Mr. President, I hope that we will have a creditable vote against the cloture motion. I do not anticipate cloture will be defeated. If they had 65 votes during the last Congress, I would anticipate they could easily get 60 or more this time. But let us see. Let us try to get in the neighborhood of 30 to 34 to 37 votes against the cloture motion. I would hope that the President then, when the bill does pass both Houses of Congress, will veto the bill. Then, Mr. President, we would be back, you might say, where we were under the rules before the rules were changed, because 60 votes would not necessarily override a veto.

Sixty votes would override a veto only if there were 90 Senators or fewer voting. So we would be back here, in effect, under rule XXII, the difference being that instead of the two-thirds required to invoke cloture under the old rule XXII it would take two-thirds vote to override the President.

I hope if we do not stop the cloture motion by holding the proponents of the legislation to fewer than 60 votes we will have such a large proportion against cloture that it will encourage the President to veto the bill.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the time be equally charged to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PERCY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. Mr. President, the time is none too soon to put an end to further delay in connection with the Senate's consideration of legislation to establish an Agency for Consumer Advocacy, S. 200. Yesterday afternoon's session was testimony enough that the opponents of this measure do not care to debate it but instead simply want to extend Senate deliberation on the bill indefinitely.

It is sheer nonsense to contend that more debate on this legislation is necessary. The last time the Senate was permitted to vote on a similar bill on the merits was during the 91st Congress in 1970. The vote at that time was 74 to 4 in favor of approval. Admittedly, numerous changes in the language of the bill have taken place since that time, almost all in the direction of creating a more balanced measure which would be acceptable to responsible businessmen and consumers alike. I sincerely believe that we have attained that goal, and that it is time now to stop deceiving ourselves and the American public about the need for engaging in a talkathon and to vote the measure up or down.

There is too much important work before this Chamber in connection with the very serious economic and energy problems which the Nation now faces. To further prolong discussion on this bill—particularly when opponents are not addressing themselves to the substance of the bill itself and refuse to permit time agreements on amendments which go to that substance—constitutes in my mind a grievous abuse of the rules and procedures of this respected deliberative body.

Is more debate really necessary at this time to remind us of the obvious: That American consumers are pitifully underrepresented, and usually not represented at all, in the day-to-day decisions of Government agencies that vitally affect their important health, safety, and economic interests?

While lobbyists for business interests converge on issues of particular importance to them, who has been expressing and reflecting the opinions of consumers in the deliberations of Presidential counselors, Cabinet heads, regulators, and agency officials with respect to the administration's comprehensive economic and energy proposals?

Is there anyone, with sufficient authority and resources, who has been brought into the inner-councils of agency deliberations to remind the decisionmakers just how bitterly the impact of side-by-side inflation and recession has cut into the earnings, savings, and purchasing power of American consumers from every

walk of life and from every region of this great Nation?

Has there been anyone around to argue the devastating impact of unemployment at current levels approaching 9 percent, of the crippling housing moratorium of last year, of sky-high grocery prices, and of too high interest rates that put home and auto loans clearly out of reach for so many?

Who is speaking out over at the transportation regulatory agencies—the ICC, CAB, and FMC—in deliberations which, as a matter of course, tend to raise costs to the consumer as those agencies routinely approve rate increase applications and disapprove new entrants into the field who might otherwise promote competition rather than stifle it?

Who is speaking out over at the National Highway Traffic Safety Administration concerning proposals that dangerously weaken the auto bumper standard? And who is involved at the Federal Trade Commission and the Food and Drug Administration, chiding those agencies over their failure—by sitting on proposals for over a year now—to institute means of eliminating abuses and frauds in the hearing aid industry which affect several million hearing-impaired persons throughout this country?

And, at the local level, who has the resources and the time to stand up and fight the public utilities and prevent them from passing along inflationary charges and surcharges for gas, home heating oil, and electricity to their users that cannot be fully justified?

The simple answer, and the sad answer, is that it is not the average consumer—who is being hit from all sides—who is getting his views across. If the views of consumers are heard at all when important decisions are being debated, the voice of the consumer barely rises above the level of a whisper.

Because of lack of resources, lack of time, and lack of organizational means, individual consumers are prevented from getting their thoughts and attitudes across by the web of redtape and bureaucratic snarls associated with agency decisionmaking which affects their daily lives. The only way the regulatory process will ever function better is to assure that the views and concerns of individual consumers are taken into account at each and every stage of those deliberations.

However important the other aspects of regulatory reform are—of merging or consolidating agencies, of doing away with overlapping functions, and of revamping the structure and orientation of Government regulations—there is no substitute, I repeat, no substitute whatever for assuring consistent, informed and responsible consumer input into agency decisions. The vehicle for doing that is the Agency for Consumer Advocacy as set forth in S. 200. As I indicated to President Ford in a recent letter to him, it would be a tragic mistake to defer any longer consideration of creating the one agency of Government which will be closest to and speaking on behalf of consumers of this country—the one agency of Government which can make a difference by speaking out forcefully for consumers and relating how directly and intimately the decisions of Government agents are tied to the earnings, savings, and purchasing power, to the weekly budgets and bank accounts of each and every American consumer.

According Mr. President, I urge that we act now to cut off any further prolonging of this issue and go immediately to the substance of particular amendments, vote them up or down, and then consider the bill for a final vote on its merits.

Mr. President, I am very happy to indicate to Members of the Senate—and particularly to my distinguished colleague, the Senator from Connecticut and the chairman of the Committee on Government Operations, Senator RIBICOFF—that I have received this morning a letter from Atlantic Richfield Co., whose chairman of the board is the highly respected Robert Anderson, and whose president, T. F. Bradshaw, is likewise recognized as a leader in the American business community. They are two of the most outstanding corporate executives in this country.

Atlantic Richfield, with headquarters in Los Angeles, is the 18th largest corporation in the United States, as designated in the May 1975 Fortune 500 listing. This is a dramatic increase, up from 26th place, the year before.

In terms of total assets, Arco ranks as 15th largest in America, with assets of $6.2 billion. Last year, the company had sales of $6.7 billion, net income of $475 million.

In a letter to me dated May 9, Mr. Bradshaw, president of Atlantic Richfield Co., had this to say by way of expressing endorsement for the legislation currently before us:

> MAY 9, 1975.
>
> Hon. CHARLES H. PERCY,
> *U.S. Senate,*
> *Washington, D.C.*
>
> MY DEAR SENATOR PERCY: This is to respond to your request as to the position of Atlantic Richfield Company on the pending legislation (S. 200) to create an Agency for Consumer Advocacy. We have reviewed the proposal in some detail and this letter is to express the support of this Company for the bill.
>
> Atlantic Richfield Company has a continuing interest in issues of public concern affecting consumers. Perhaps the most recent and prominent evidence of our activities is our Public Transportation Program including the current successful advertising campaign to increase public awareness and concern through promoting Ideas on Public Transportation. We have previously endorsed diversification of highway trust funds to mass transit, local ballot initiatives for public transportation and prototype commuter bus programs. There are many other Company efforts in other fields that illustrate our concern.
>
> In respect to S. 200, we feel the bill has definitely been improved from prior versions by the refinements you and others have engendered. No legislation is perfect, of course. We are still concerned that an exemption in the bill excludes some Federal actions which potentially affect the health, safety, and economic welfare of consumers. One important example is the labor area, including wage disputes, which immediately impact consumer prices and the availability of goods.
>
> However, on balance, we support the bill because we agree with the concept of providing effective consumer representation and focus within the Federal Administrative Branch. Because of this view, we think it important that the present opportunity for passage of an Agency for Consumer Advocacy be seized. We hope that the Congress will enact Senate Bill 200.
>
> Sincerely,
>
> T. F. BRADSHAW.

Once again, I wish to assure my colleagues that we have provided in S. 200 an adequate means for assuring that this will be a balanced agency—taking into account the need to have healthy, strong, producers, as well as the need to have better informed and better served consumers.

The GAO will be required to make an audit before the end of 3 years, to produce, in effect, a balanced sheet for the performance of the agency indicating what its costs have been, what liabilities have been incurred along the way, and what has been done in specific terms for the benefit of the American consumer.

I think that providing for this exercise of agency oversight in advance is a remarkable achievement in itself and a recognition that the Administrator, who will be subject to confirmation by the Senate after being nominated by the President, will have total accountability to the Congress of the United States for the actions of this particular agency.

There is no one I know of that supports this agency who wants to harass business, or to have business unduly burdened in any respect. But what we are attempting to do is to indicate clearly and loudly, that this is a consumer economy that can best be served by persons who provide products of high quality, at reasonable cost.

Mr. President, we have had a number of editorials of newspapers throughout the country endorsing the concept of a Federal Agency for Consumer Advocacy.

I am very pleased to refer to an editorial that appeared yesterday in the Chicago Sun-Times entitled, "Consumer Protection," urging passage of this bill.

Mr. President, I ask unanimous consent that this editorial, together with certain other editorials and editorial comment endorsing the bill, be printed in the RECORD.

There being no objection ,the editorials were ordered to be printed in the RECORD, as follows:

[From the Chicago Sun-Times, May 12, 1975]

CONSUMER PROTECTION

On Tuesday, the U.S. Senate will engage in what is becoming an annual struggle to pass major consumer protection legislation. Scheduled for a vote is a measure to create an independent agency to guard consumer interests before other regulatory agencies and courts.

Last year, the legislation was victimized by a filibuster. The bill is back again because the need for it is just as pressing. Regulatory bodies, such as the Interstate Commerce Commission and the Food and Drug Administration, have not done an adequate job of protecting the consumer, nor has private business sufficiently disciplined itself.

The consumer should have an official champion to intervene in decisions and actions that affect the cost, safety and effectiveness of services and products. The proposed independent agency would perform that vital function at modest cost ($10 million allo-

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cated for the first year of operation). Considering such a price tag, President Ford is less than convincing in saying the proposal costs too much and should be rejected.

The idea of a consumer agency has gathered increasing support in the corporate world as well as among consumer advocates like Ralph Nader. Weighing in behind the measure are such firms as Montgomery Ward, Jewel Food and Mobil Oil. Senate sponsors, such as Sen. Charles H. Percy (R-Ill.), think they can beat a filibuster this year.

We urge passage of the consumer protection bill and then trust President Ford has the sense to sign it.

[From the New York Times, Mar. 12, 1975]

Voice for Consumers

For those who believe Ralph Nader "invented" consumer advocacy, it may come as something of a shock to learn that the National Consumers League, an organization with an effective and often militant record as champion of consumer interests, is now celebrating its 75th anniversary.

The anniversary is doubly significant in this International Women's Year because the league is in large measure the legacy of Florence Kelley, an indomitable crusader, who pioneered in the fight for social and economic justice in the years before the New Deal. With the aid of Louis D. Brandeis and Felix Frankfurter as counsel, the league played a leading role in a long list of reforms ranging from minimum-wage legislation to Federal pure food and drug laws.

Today the league is pressing for Congressional approval of a strong agency for consumer advocacy. Filibustering Senators talked the bill to death last year, but no amount of debate on Capitol Hill will be able much longer to forestall this move in behalf of American consumers.

[From the Washington Post, Mar. 11, 1975]

A Voice for Consumers

Whoever believes you can't stop an idea whose time has come must know nothing about the parliamentary tactics of a few members of Congress. Legislation creating the Agency for Consumer Advocacy is an idea whose time is not only long overdue but one that has been manipulated and defeated by a minority in the Senate and House in the last three sessions. Last year, the bill—which would give the consumer a voice in the government and in the courts—was passed in the House 293 to 94 but was defeated four times by senators who sustained a filibuster through four cloture motions. The motions failed to carry by ten, seven and four votes, and the last time by one vote. In the previous session, the bill lost on three cloture votes, after passing the House overwhelmingly. In the session before that, the Senate gave its approval 74 to 4 but the House Rules Committee blocked the bill.

The need for the legislation, however, has not gone away. The Senate Government Operations Committee is currently conducting hearings, and compelling arguments for the bill are being made. As the committee's chairman, Sen. Abraham Ribicoff (D-Conn.) notes, the agency is especially needed now when "continuing high prices" make it important that "the consumer receives true value and high value for every dollar that is spent." The agency would have not regulatory powers but would serve only as an advocate for consumers who have been victimized by marketplace irresponsibility. Sen. Charles Percy (R-Ill.), a former businessman who has rallied behind the bill, believes that "the votes for enacting such an agency stand ready to be counted."

Because the merits of the bill have been well debated in the past five years, and a majority of both houses have favored the agency, what is wanted now is decisive action to get the bill moving. The estimated cost of the agency is relatively modest: $15 million the first year, $20 million the next. Several groups oppose the agency—the Chamber of Commerce and the National Association of Manufacturers, among others—but it is a mistake to characterize the debate as one that pits businessmen against consumer. Actually, many prominent members of the corporate world have actively supported the bill—such firms as Montgomery Ward, Zenith, Motorola, Kimberly-Clark, Polaroid among them. Last year, the Harvard Business Review reported a survey in which businessmen "strongly agree that consumerism can no longer be ignored or denied. It is 'here to stay' say 84 per cent of our responding executives, and only 8 per cent think of it as 'a passing fad.'"

With five years of support behind it, the Agency for Consumer Advocacy is not a passing fad either. It is time for the sponsors of the bill to move it through Congress and give to consumers the voice they have long been denied.

[From the Norman (Okla.) Transcript, Apr. 27, 1975]

Our Point of View—A Consumer Agency

The battleground on which the latest version of the proposal to establish an independent federal agency to represent consumers' interests before other agencies and the courts will probably be on upholding the veto.

At the moment, there is good reason to believe that the bill—S/200—will end up on the President's desk. However, a similar bill was filibustered to death in the Senate last year.

This year, with a more liberal membership and a new cloture rule that makes it easier to cut off debate, the outlook is brighter for passage.

Membership and organizational changes have enhanced the consumer agency's prospects in the House also. The veto battleground thesis appeared viable in the middle of the month when President Ford announced his opposition to the consumer agency in a letter to the relevant House and Senate committee chairmen. He objected to another "federal bureaucracy in Washington with its attendant costs . . . and hundreds of additional federal employees." (S. 200 would authorize $60 million for the agency in fiscal years 1976–78). Instead, Mr. Ford promised to direct all existing agencies to review their procedures to be sure consumer interests were being adequately represented.

Some thought last year Mr. Ford's so-called public neutrality on the consumer agency bill aided in killing it off, while White House lobbyists supported the filibuster which eventually did it in. The accusation is, of course, that business interests have easy access to the President while consumer-oriented interests do not.

Supporters of the consumer agency are waging a battle for the public against powerful special interests groups. One item in the opponents' arsenal is a public opinion poll conducted by Opinion Research Corporation of Princeton, N.J., which found that only 10 per cent of those questioned favored "setting up an additional consumer protection agency over all the others," while 75 per cent preferred making "the agencies we now have more effective." The poll was commissioned by the Business Roundtable, a lobby group of executives from large corporations. Criticism has been directed at the poll with charges that the questions were distorted to produce a negative response and to exploit public ignorance about the proposed agency.

In fact, there is some suspicion that some commissioned polls may well violate laws against deceptive trade practices.

Consumers seem to have more friends this year is Congress than in previous years when this kind of legislation advances through the maze. First efforts were proposed in 1969 and as with so much legislation of this type the idea must be planted, nurtured through a series of adversities while support gathered. This could be the year for fruition.

[From the Sacramento Bee, Mar. 31, 1975]

Consumer Advocate

After five years of near-misses it looks as it Congress will create an independent consumer agency this session.

While it is too early to proclaim a sunrise, the 11 to 1 margin by which the Senate Government Operations Committee voted to send the Agency for Consumer Advocacy bill to the floor strongly suggests the clouds have parted and there are better days ahead for the measure.

Last year a bill which would have created a federal Consumer Protection Agency was passed in the House 293 to 94 but was defeated four times by senators who sustained a filbuster through four cloture motions.

It is heartening to see the bill is back this year. What would have been the Consumer Protection Agency will be the Agency for Consumer Advocacy. But its function will remain the same—to give the consumer a voice before government regulatory bodies and in the courts. The name change does not mean the bill has been gutted.

The estimated cost of the agency is reasonable: $15 million the first year, $20 million the next.

The consumer needs a federal clearinghouse for complaints against marketplace irresponsibility and the buying public should be represented by a government advocate in hearings before federal agencies.

The measure has been thoroughly debated during the past five years, and since a majority of both houses of Congress has favored setting up some sort of an agency what is needed now is decisive, straightforward action to get the bill moving.

[From the Washington Star, Apr. 23, 1975]

Ford and Consumerism

(By Ernest B. Furgurson)

The Consumer is all of us, which means a lot of votes.

Thus Mr. Ford's letter to three key lawmakers began in positive tones. "In the interest of protecting the American consumer," it said, "I am directing . . . I am asking . . . I urge . . . I renew my request . . . I will soon request . . . I also intend to ask . . . I am determined . . ."

But then he got to his punch line: He is flatly opposed to creation of a federal consumer protection agency, which appears likely to clear Congress this time after repeatedly failing by narrow margins in earlier sessions.

The President's "however" style is straight in line with his predecessor's record on consumer agency legislation—endorse it in principle, obstruct it in practice.

Ford voted for a modest House bill in 1971 before it succumbed to filibuster in the Senate. But now, it is obvious that the only way it can be killed again is by bluff, and sure enough that is what Mr. Ford is doing.

The Senate has changed its rules to make it possible for 60 votes, rather than two-thirds of those present, to cut off a filibuster. At least two of those who voted against cloture last year have been replaced with supporters of the bill. That probably means a filibuster cannot kill it this time.

However, the same two-thirds still is needed to override a veto—and the President

is implying without stating that he will veto the measure once it passes. And he might, but the threat remains bluff, because the bill's backers believe they have enough support this year to push it through even past the veto.

Parliamentary prospects aside, it may seem odd that any President contemplating running for re-election would stand against a bill serving The Consumer. On precedent, the measure will have overwhelming backing in both committees and on the House floor. In opposing it, the President is bucking the acknowledged swell of consumerism across the country.

Mr. Ford explains his opposition on traditional conservative grounds of not adding to the federal bureaucracy and holding down the budget. But in fact the proposed payroll of the agency is peanuts, relatively speaking.

Its advocate maintain the agency actually would function against inflation, by challenging the price-rigging in which some regulatory commissions indulge.

Under the circumstances, it is not disrespectful to speculate about the role of Mr. Ford's old golfing and socializing buddies here in his switch against the consumer agency.

It happens that Ford Motor Co., the National Association of Manufacturers and the Chamber of Commerce are among the leaders in the general business opposition to the agency. And it happens, too, that the President's closest after-hours companions for years have included Rodney Markley, William Whyte and Bryce Harlow, who are the high-paid Washington representatives of Ford Motor, U.S. Steel and Procter & Gamble, respectively, plus a list of other oil, manufacturing and business lobbyists.

None of that is incriminating, of course, but it would be less notable if the President also had occasional hot cocoa with Ralph Nader, for example, of hobnobbed with other consumer advocates like Carol Foreman and Esther Peterson. That, however, doesn't happen.

[From the New York Post]

Ford Versus a Consumer Agency

Judging from their enthusiastic applause yesterday, members of the U.S. Chamber of Commerce are sold on President Ford's view about the federal role in protecting consumers. Much of the public will be less inclined to buy it.

As he told the Chamber's convention, the President believes official Washington's "rules and regulations" are forcing the costs and consumer prices—unjustifiably, in many cases—and he vigorously objects to creation of a federal consumer protection agency because it would "add another layer of bureaucracy." Instead, he plans to convene a meeting of government regulatory agencies to "foster greater competition" and to "consider the inflationary effects of all proposed new regulations."

The President described the projected meeting as unprecedented. He may well be correct. Presidents have, over the years, sought to regulate the independent regulators by careful attention to appointments, but so obvious an attempt to intimidate them as a group—in the name of reason and prudent economizing—appears something of a novelty.

There is no reason to believe more competition is the Administration's prime goal. But if it were, it could scarcely be promoted by loosening up on federal regulation ostensibly to control "inflationary effects."

The White House proposal to lobby the commissions is one of the most plausible reasons why Congress should expedite plans for an independent federal consumer agency now, and be prepared to override a veto as well. The President is not merely complacent on the issue of consumers' rights; he is now demonstrating ill-disguised hostility.

A consumer agency to guard the interests of unorganized citizens has long been urgently needed to counter the pressures of special-interest blocks. The Departments of Commerce, Agriculture and Labor clearly reflect influential constituencies. Growing numbers of legislators recognize a consumer body as an idea whose time has come.

[From the Chicago Sun-Times, Mar. 17, 1975]

Protecting the Consumer

Legislation to establish an independent agency for the protection of consumer interests before federal regulatory bodies has reached the U.S. Senate again. However, its 11-to-1 approval last week by the Government Operations Committee promises a kinder bill this year than last, when a similar bill was killed by filibuster despite substantial support.

Sen. Charles H. Percy (R–Ill.), one of the bill's supporters, feels the change in the Senate filibuster rules, making it easier to shut off debate, has enhanced considerably the measure's chances of passage.

The legislation would create the Agency for Consumer Advocacy to Intervene before regulatory bodies, such as the Interstate Commerce Commission and the Food and Drug Administration. It would deal with such matters as price, safety and other issues affecting consumers. The measure is strongly opposed by the U.S. Chamber of Commerce but has the backing of consumer organizations.

As it stands, the bill contains a provision that would require any federal agency to issue a "consumer cost-impact statement," when writing new regulations. The statement would consist of an analysis of cost and benefits, with an explanation of how the benefits are justified in terms of cost to the consumer.

A controversial section retained in the bill exempts labor-management cases before the National Labor Relations Board from the new agency's scrutiny. A similar exemption for broadcast license renewals pending before the Federal Communications Commission was deleted.

Although the measure has great merit, it is welcomed by special attention to some groups and not others. But we hope that the Senate will pass the bill. Consumers long have needed representation in the halls of bureaucracy.

[From the Kansas City Star-Times, Apr. 10, 1975]

A Special Agency for Consumers

A vote on an important piece of consumer legislation is expected to be taken in a few days in the U.S. Senate. The bill, designated S. 200, would establish a new agency to protect the interests of the buying public before federal agencies and courts. It would also keep the public informed on consumer affairs.

The effort to create a special advocacy unit in the federal government spans five years and extended controversy. Much has been said and written about the proposal.

Even so, the underlying purpose is relatively simple. The measure would make it possible for the interests of consumers to be represented before regulatory agencies—agencies that make decisions daily which affect all Americans.

Perhaps it would also be appropriate to list some of the things that the consumer agency could not do. It could not regulate industry or business. It could not levy fines or penalties. It could not make or enforce rules. It would not have authority to license.

In addition to protecting consumers in regulatory procedures the proposed agency could seek judicial review of decisions made by governmental units that regulate industry. The new agency would also act as a clearinghouse for consumer complaints.

A consumer agency bill was passed by the House last year. A few months later an effort to break a filibuster against a similar Senate bill failed by only one vote. Sixty-five senators voted to end the filibuster, an indication of support for a consumer agency in that body.

Sentiment appears to be strong. But powerful interests are opposed to this legislation. The upcoming vote will be a test of consumer and special interests.

Mr. PERCY. As we begin the deliberative process on the bill itself, which I hope will begin sometime shortly after 2:30 today, or after passage of the railway bill, I trust that our colleagues will have the time to go through this material. I will leave it to the others on the other side of the issue to insert what appropriate editorial comment they so desire. Clearly, this is a controversial issue, but I think our debate has been healthy, has been good.

I wish to pay particular tribute to Senator ALLEN. We all know how strongly he feels about this issue, but he is a man of conviction, he is a man of conscience, and he is an utterly fair man.

Those of us privileged to serve with him in the Government Operations Committee have been pleased to work with him. We have been pleased by the way he enabled us to move forward with great dispatch in the committee.

I trust that his position will be defeated today, but I do wish to express appreciation to him for the quality of the debate and for the way he has maintained his position here on the floor. I wish to express personally to him my own deep respect for the way he thinks through a problem, comes up with an answer, fights for his position, and is always gracious and thoughtful about the way he does it.

Mr. ALLEN. Mr. President, how much time remains for the Senator from Alabama?

The PRESIDING OFFICER. The Senator from Alabama has 4 minutes remaining.

Mr. ALLEN. I yield myself such time as I may use within that 4-minute limit.

First, I commend the distinguished Senator from Illinois (Mr. PERCY) for his kind and gracious remarks and to congratulate him for the dedication and tenacity that he has displayed with respect to this legislation, his deep convictions that this is in the best interests of the consumers of this Nation, and the very fine and courteous treatment that he has always accorded the Senator from Alabama.

In the past, I have spoken of the admiration I have for the Senator from Connecticut, the floor manager of the bill and the chairman of the committee, for his courtesy and his unfailing graciousness in the various deliberations of the committee and in the procedure here on the floor.

One argument made by the distinguished Senator from Illinois is that under existing conditions the consumer does not have the opportunity to make any

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input into the proceedings before the regulatory agencies of the Federal Government.

Well, that being true, what opportunity would the consumer have for making input into the decisions of the Administrator of this Agency?

There is no indication at all that they would have any opportunity to advise the Administrator of their views. That is one of the fallacies of this proposed legislation, that this all-powerful Administrator would have a right to decide what is best for consumers. All consumers not being just one great monolithic body, but having different interests and different areas of concern.

I recall one of the arguments made in the past by the distinguished Senator from Illinois as to an activity of this Agency and it would be to appear before the Federal Tariff Commission and argue, for example, for lower tariffs on shoes so that we could have more shoes come in at lower prices for the benefit of consumers, forgetting the consumers that work in shoe factories in Connecticut and other New England States, and this administrator would decide what is best for the consumers.

I submit that no person should have that right to make this unchallengeable decision.

I am delighted that the Senator from Illinois has read into the Record a letter from Atlantic-Richfield. I was expecting him to dust off a letter from Marcor that he has been using for many years, or certainly many months, saying that they are for this bill, but efforts we have made, if I am not mistaken, to get representatives from Marcor before the committee have been unavailing.

He mentioned about this great company being 15th or 18th in size in the country, but what about the other companies that are both larger and smaller than this company?

I am not interested in the attitude of the companies with respect to this legislation. What is best for the public interest, the public interest is paramount in this area and not just interest that the Administrator sees in a particular controversy.

Mr. President, I hope that we will have a large vote against this cloture motion. As the Senator from Illinois said, they are going to win the issue, and I rather imagine that they will. But I am hopeful that we will get somewhat over 30 votes. There were 37 votes against the special interest exemption yesterday. I am hopeful that we will have so many votes that it will encourage the President to veto this legislation when it reaches him. I reserve the remainder of my time.

Mr. GARN. Mr. President, in the midst of this debate over the establishment of an Agency for Consumer Advocacy, I came across a most illuminating article in the Friday edition of the Wall Street Journal.

The article discussed the hard times besetting Consumers' Union, the product testing organization which has provided buying advice to so many of us over the years.

Interestingly enough, the hard times are of the Union's own making. Under the enlightened guidance of Ralph Nader, and other activists on the Board of Directors of the Union, CU has turned away from what it does best, and is hard at work litigating and advertising its own brand of consumerism. Now a number of former subscribers to Consumer Reports, the Union's monthly publication, long ago noticed that more and more attention was being given to lobbying for various kinds of governmental regulation and litigating against various predacious businessmen, and less and less to telling us which were the best buys and which were check rated. In the annual poll the Union runs we would complain, but to no avail, and in desperation, we canceled our subscriptions.

And now, lo and behold, the union is broke. It is broke because it no longer serves the purpose for which it was established; it no longer conducts product analysis. Instead it warns us about aspirin and drug abuse, lobbies for product regulation we do not want, and generally wastes our subscription money in ways entirely foreign to our wants and needs.

This fact is well known to the officials at CU. As one of them is quoted as saying,

> Our readers are the people who could best survive without us. The problem is how to help people who don't read the magazine.

Now the relevance of this article, Mr. President, is to warn against this kind of consumer advocacy. We can consider subscription dollars as votes, in a very real sense. As long as Consumers' Union did what it was elected to do, that is, test products and report on them, it continused to be reelected. But as soon as it left that field, and struck out for itself, in directions unknown, it lost the election. CU has been voted out of office, and the only way it can get back in is to go back to its mission. The point is that there is no real mandate for the Agency for Consumer Advocacy; it has no constituency. The officers of the ACA will not be elected officials, and there is no reason to think that their product is wanted by the people any more than the new product of CU is wanted. In fact, there is good reason for thinking otherwise: Polls on the subject indicate that three-fourths of those polled are opposed to the creation of another superbureaucracy.

The demise of Consumer's Union is sad, Mr. President. It was good organization, performing a very useful service to the people. The best thing about it was that its judgments did not have the force of law or the weight of a government action. If we did not agree with CU's appraisal of the product, so what? We could go out and buy it anyway.

But Ralph Nader is not satisfied with that, Mr. President. He wants his judgments to carry the weight of an agency of the Federal Government, if not the absolute force of law. For my part, Mr. President, I think that that would be a dangerous situation. Mr. Nader has been wrong often enough—and I use his name simply as the best known example of this kind of activist—that we should know better than to give him power over our lives. There is no reason to create an Agency for Consumer Advocacy which will institutionalize the kind of advocacy which has been rejected by the people at every turn, with the troubles of Consumers' Union providing the most recent example.

I ask unanimous consent that the Wall Street Journal article referred to be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Wall Street Journal, May 9, 1975]

Consumers Union Is in Consumer Trouble; Budget Is Unbalanced—Union Says Costly Activism Imperils Product Testing; Layoffs Appear Imminent

(By Roger Ricklefs)

Mount Vernon, N.Y.—At the redbrick, suburban Consumers Union headquarters here, things look as businesslike as ever. Rows of washing machines churn on, scouring clothes soiled with scientifically measured amounts of filth. A computer monitors the temperature inside freezers filled with chopped spinach. A mechanical device pounds endlessly on a hapless mattress. A machine designed to simulate an ill-tempered airport porter monotonously drops suitcases.

But CU people are in a tizzy. The fate that should never befall a wise consumer finally has overtaken Consumers Union: After years of growth and prosperity, CU is now spending more than it earns. Without a last-minute solution, the venerable publisher of Consumer Reports will lay off 25 employes today. It laid off 30 in January for its first signficant cutback ever.

In some ways, life at CU now is topsyturvy. Its *union* accuses *management* of squandering money on social activism. But the union offers to take a pay cut. Management isn't sure it can accept. Meanwhile, subscriptions sag, costs soar and tempers get frayed. At the rate things are going, the year 1975 is shaping up as anything but a "Best Buy" for Consumers Union.

STUCK WITH A LEMON

Like the affluent consumers who read its magazine, CU thrived in the 1960s. Prosperous readers wanted to know which slide projector or station wagon held up best in CU's rugged tests. Circulation of Consumer Reports—CU's main source of income—soared to 2.2 million in 1973 from 850,000 eight years earlier.

Then paper costs rose 50% in a single year. Other costs also soared. The magazine, which doesn't accept advertising, had to raise its subscription price last July to $11 a year from $8. Partly because of the boost, circulation has fallen below 2 million, CU says. Less free-spending consumers, too, think they don't need as much buying advice as before, says Rhoda H. Karpatkin, CU's executive director.

On top of all this, a new computerized subscription-processing system that came "highly recommended" turned out to be "worse than average" in changeover problems. Some say it looks as if CU got stuck with a lemon. A CU spokesman says it is hard to know where the fault lies, but officials concede that problems in installing the new system cost the nonprofit organization more money than expected and disgruntled many subscribers.

Although revenue in the fiscal year ending May 31 will climb to a record $18 million, CU probably will have a deficit of $1.4 million this year after a $1.2 million deficit last fiscal year, Mrs. Karpatkin says. These are the first significant deficits since World War II, CU says. At present, it says, reserves are nearly exhausted.

LITIGATION VS. TOASTER TESTING

CU's most controversial expense is for consumer activism. With varying intensity, there has long been a struggle within CU between "activists" and "toaster testers." CU's bread and butter, of course, comes from writing reports on toasters, cars, electric blankets and baby carriages that readers may want to buy. A toaster-testing faction thinks that consumer activism will divert money from CU's main job and endanger the organization's objectivity and credibility.

Lately, activists on the board of directors—Ralph Nader, for one—have gained strength. They argue that an effective consumer organization must do more than give advice on garden hoses to readers whose median income, according to CU, exceeds $16,000 a year. "Our readers are the people who could probably best survive without us," says an official. "The problem is how to help people who don't read the magazine."

Thus, three years ago, CU expanded and transformed its tiny, quiet Washington office. Its three lawyers and their assistants now have 13 consumer cases in litigation. CU says the lawyers have already won important cases involving bank interest rates and the price of natural gas, among other things. Earlier this year, CU opened a West Coast regional office in San Francisco with an initial staff of one lawyer and two staff members. This office will also take part in consumer litigation.

Last year, CU also started a broadcast film division employing 10 people to make 90-second consumer feature films sold to television stations. A typical film advises viewers to buy cheap aspirin instead of expensive brands like Bayer, which are identified by name in the film. Another points out that dry-roasted peanuts have almost as many calories as the oily kind. Some films also go to schools.

So far, more than 50 stations have bought the twice-weekly films. "With television, we are reaching 32 million homes," Mrs. Karpatkin says. She staunchily defends all the new activities. "We would be an incomplete consumer organization if we didn't provide a consumer voice," she says.

But CU says the Washington and West Coast offices cost $189,000 a year at current rates. The television operation also loses money. The local unit of the Newspaper Guild, which represents CU employes, is therefore pressing the organization to cut back on new activities before it lays off anybody else—specifically, Guild members. "It's silly to keep nonproductive, nonincome-producing activities while you cut budgets and people in the departments that bring in the money," says Ralph Petrucelli, a CU assistant engineer who is chairman of the Guild's Consumers Union unit.

Unionists like Mr. Petrucelli think the new activist units are great when times are good. But unionists now feel that they are being asked to give up union jobs to support social activism. Last January, when CU laid off about 30 workers, many of them temporary, the Guild didn't protest loudly. Today, it's different.

"I am on pins and needles," says William South, a laboratory technician who is scheduled to go today. "I'm not fooling myself; lab technicians with my background are a dime a dozen these days," he says. "Consumers Union is a nice place to work. I believe I'm doing something useful, and it's very rare when you believe in what you're doing," he says. To save money for an emergency, Mr. South has been cutting back on his unusual hobby—collecting comic books from the 1950s.

To save the 25 jobs, the Guild unit has offered to give up $175,000 a year in benefits and take a 2.85% pay cut. Guild officials figure the package would cost the average employe about $1,000 a year. The more than 300 employes mostly seem to consider their jobs well worth having, even at reduced pay. A typist here now earns at least $211 a week after three years. Writers earn $282 a week to start and a minimum of $430 a week after five years, more than at some other major newspapers and magazines.

In return for taking a cut, the Guild wants a guarantee that CU won't lay off any workers for a year. But Mrs. Karpatkin says: "I just can't surrender any of the flexibility I need to balance our budget. If circumstances require us to cut back further, that's what we'll have to do to remain responsible. I'm determined to be in the black next fiscal year."

So as time runs out, and Mr. South stops buying his Captain Marvel comics, talks are at an impasse. Meanwhile, the buildings are filled with outboard motors waiting to be tested, rows of battered cribs that barely survived being tested, and large hammers pounding relentlessly on mattresses, just as they have done for years.

Mr. MOSS. Mr. President, what is it that the American people have been telling us over the past months and days?

That they no longer are prepared to tolerate government run for and by special interests.

That they have had it with regulatory agencies that would not regulate and law enforcement agencies that would not enforce the law against corporate criminals.

That they deeply resent government decisionmaking bought and paid for by campaign contributions.

That they are tired of paying taxes to support huge government bureaucracies that pay no attention to the deeply felt needs of the individual citizens and consumers.

In short they expect more from government, but they do not get it.

This is what S. 200 is all about. We are proposing that the consumer join the ranks of commerce and labor with his own modest but strong advocate in the decisionmaking processes of government.

When the Federal Power Commission hears the pleas of the big oil companies, with their platoons of lawyers, that natural gas or electric energy rates must be doubled or tripled "in the public interest," the American people want someone to argue that maybe it is not entirely in the public interest to charge consumers billions of extra dollars to fatten industry profits to the highest levels in history.

When the Federal Trade Commission hears arguments of national advertisers that "hard sell" advertising is good for children because it teaches them to be skeptical, should not the FTC also hear the views of the consumer advocate who may have different insights into the impact of massive doses of advertising upon our children?

When textile manufacturers urge delay after delay in the setting of flammability standards for children's clothing before the Consumer Product Safety Commission, we want the Commission to hear a voice for consumers reminding them of the bitter and painful toll of scarred children that every day of delay inflicts upon our people.

Every day, deep in the bowels of the Federal Government, some civil servant is making a decision that may affect the health or safety or the pocketbooks of millions of Americans. The business interests affected by that decision know who he is, know where he is, know how to talk to him. They have the resources, technical and legal, to place before him the most persuasive case in their interest that can be made. Can you or I, as individual consumers, protect ourselves the same way?

There have been and will continue to be miles and miles of rhetoric denouncing the bill we have before us as consumers' trojan horse, and worse. Yet, when all the rhetoric is boiled down, what is feared is that this modestly funded agency—with a fraction of the budget of the Commerce Department—will succeed in convincing the sleeping giants of Federal regulatory agencies to do the job which Congress in the dim past created them to do. Now, is not that awful?

It is somewhat disconcerting that we once again are forced to debate this legislation. We have done this all too many times. As I recall, in 1970 both the Committee on Commerce and the Committee on Government Operations considered a Consumer Protection Agency bill which the Senate subsequently passed by a vote of 74 to 4. Unfortunately, at that time, the House Rules Committee did not grant a rule enabling the legislation to reach the House floor, and so we were forced, in the 92d Congress, to begin once again the arduous and complicated procedure of developing a Consumer Protection Agency proposal.

As we can recall, in the 92d Congress, by a 344 to 44 vote, a Consumer Protection Agency bill was passed by the House of Representatives. And over here in the Senate, almost 2 years ago, we debated and debated, only to be stymied by the one-third minority who were opposed to this legislation.

During the 93d Congress, the Committee on Commerce and Government Operations have worked diligently for long hours to develop a Consumer Protection Agency proposal which contains the best features of all possible consumer advocacy proposals. The committee held 6 days of hearings during the spring of 1973, and held 5 days of executive sessions this spring. Surely, every argument for and against the bills has been discussed time and time again.

I like to think of the Agency for Consumer Advocacy legislation as an "inflation fighter." We need an inflation fighter in this time of skyrocketing prices. While dollar income is higher, real income has declined substantially over the past 12 months. Until something is done about rampant inflation, the American consumer will continue on a treadmill, each dollar that is earned will not make up for the purchasing power that has already been lost through inflation.

The ACA will help to channel the regulatory efforts of our Federal agencies in combating inflation. It can help the public better understand the opportunities for saving dollars, and it can help eliminate those rules and regualtions which may have served well 10, 20, or even 30 years ago.

By helping to combat fraud, the ACA can save millions of consumer dollars which are being taken from the marketplace and wasted on illegal, unethical;

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and unsuccessful investments and purchases.

Education is one of the most worthwhile investments of our tax dollar. The Agency for Consumer Advocacy has a mandate to stimulate and provide for education and informational programs which can help the consumer better understand the marketplace and make better use of his hard-earned dollars. This is another important attribute of the Consumer Protection Agency.

On a daily basis, regulatory agencies are making decisions for which there is little or no consumer representation within the process. These decisions affect the consumer's pocketbook substantially.

For instance, in February 1973, with the price of beef at record high levels, the Department of Agriculture advised turkey farmers to reduce production in the latter half of 1973. Who spoke for the consumer in that decision?

In 1973, when the price index of 31 foodstuffs jumped 21 points in 4 months, the Cost of Living Council began to consider what action to take to limit food price increases. During these deliberations, who spoke for the consumer?

Last, the Department of Transportation has failed for 7 years to issue standards to improve the safety of schoolbuses. While the Department finally did issue a proposed safety standard relating to schoolbus design, during the 7 years, who spoke for the consumer?

An Agency for Consumer Advocacy armed with substantial independence, would redress the balance between industry and consumers. I urge my colleagues to vote for cloture and vote for S. 200.

Mr. DOLE. Will the Senator from Connecticut yield to me?

Mr. RIBICOFF. I yield to the Senator from Kansas.

Mr. DOLE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> On page 23, line 2, Add the following new sentences: The Comptroller General shall, prior to issuance of any request for information pursuant to this section by the Administrator, promptly review such request to assure that it does not impose an undue burden upon persons receiving such request. In the event the Comptroller General determines that the Administrator's request for information shall impose an undue burden upon the person receiving such request, the Comptroller General and the Administrator shall make every reasonable effort to modify such request so as to alleviate such burden prior to issuance of said request.

Mr. DOLE. Mr. President, I believe the amendment is self-explanatory. What the Senator from Kansas seeks to do is to remove from the administrator the right to directly request interrogatories. This would be an additional safeguard. The request would go to the GAO, and the GAO, in turn, would make a determination whether or not the request should be granted. In the event that this cannot be accomplished, the Comptroller General, in consultation with the administrator of ACA, would attempt to reach some agreement.

This is an area that has caused some concern among businessmen and others who are concerned about an undue burden because of interrogatories. It does amend, as indicated, section 10, following line 2 on page 23.

This amendment has been discussed with the distinguished Senator from Illinois and the distinguished Senator from Connecticut. I do not believe there are any objections to the amendment.

Mr. RIBICOFF. Mr. President, I discussed this amendment with the Senator from Illinois, and I am ready to accept this amendment in behalf of the committee.

Mr. PERCY. The minority also, Mr. President, accepts the amendment.

Mr. DOLE. I yield back the remainder of my time, Mr. President.

Mr. ALLEN. I call for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been requested. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JAVITS. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. Where not enough time remains for the yeas and nays before the time for a quorum on the cloture, is there any difference to be made when the yeas and nays are called?

The PRESIDING OFFICER. If the yea and nay vote is in the process, the cloture quorum will come at the conclusion.

Mr. RIBICOFF. I wonder if I could ask unanimous consent to have the yeas and nays on the Dole amendment come after the cloture vote.

Mr. ALLEN. I object. I would like to have the vote at this time.

Mr. JAVITS. A further parliamentary inquiry, Mr. President. Can the time be yielded back before the yeas and nays, if the time is not going to be used?

The PRESIDING OFFICER. If the time is not yielded back, at 2 o'clock, under the order, the quorum call will be forward.

Mr. JAVITS. Mr. President, I ask for a little time. Can the Senator give it to me?

Mr. RIBICOFF. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 5 minutes remaining.

Mr. RIBICOFF. I yield 5 minutes to the distinguished Senator from New York.

The PRESIDING OFFICER. The Senator from New York.

Mr. JAVITS. Mr. President, I just wanted Senator Dole to know that I intend to vote for his amendment. I have no doubt that the amendment will carry. But I do not think that the last few minutes of a debate in the important matter of the whole bill, which hinges on whether there is cloture, should be taken up with a rollcall on something which would probably carry overwhelmingly. I hope Senator Dole understands that.

Mr. DOLE. Yes.

Mr. JAVITS. Mr. President, this debate has now boiled down to something very, very different than what it started to be. It started originally to be a challenge to the whole basic sense of whether we should or should not have an Agency for Consumer Advocacy. It seems to me now, as I think I have a fair judgment of what takes place here—may I have a little order, Mr. President?

The PRESIDING OFFICER. There will be order in the Senate. The Senator will suspend until there is order in the Chamber.

The Senator will proceed.

Mr. JAVITS. It seems to me that what is happening now is that we are down to the nitty-gritty of particular exemptions, for example, on the matter of those who are concerned about the labor aspects of this matter, where an amendment to strike out the labor exemption was defeated on the ground that that was strictly limited to labor disputes, that it did not involve all other economic matters affecting labor. I am prepared to say in my judgment the new agency can intervene in respect of proceedings under the Davis-Bacon Act, which relates the prevailing rate of wages. Walsh-Healy is another example. In other words, all we have an exemption for is collective barbaining where there is no direct economic effect upon the price or the wage which a consumer can reach.

So, Mr. President, one thing I would like to leave with the Senate in the short time remaining is often when we vote cloture we assume, "Well, that is it. The bill is going to pass and that is the end of it." I do not think the Senate needs to have any lack of confidence in this particular situation; that it can work its will on this bill, even within the confines of cloture, and it will. It will. There will be other changes in this bill. We all know that. The only question is shall it be filibustered to death again?

It seems to me that by now the Senate is of one mind on the fundamental idea that this kind of an agency is needed. I appeal to those who have questions or concerns about some one aspect of the bill or another that in this particular case it is not just going to be moved along and we are not going to just roll over amendments. That is not the temper of the Senate. The temper of the Senate may be, and I hope it is, let us get on with this business and get it done and at long last not let this whole bill go down the drain because we cannot get a reasonable time for debate. But we, the Senate, ought to have complete confidence in our ability to work our will on given parts of the bill or given amendments. This does not mean any streamrollering operation at all. It is not that kind of a bill and it is not that kind of a situation in the Senate.

Mr. DOLE. Will the Senator from New York yield?

Mr. JAVITS. I yield.

Mr. DOLE. I think the Senator's statement with reference to the Walsh-Healey and Davis-Bacon Act, at least to the Senator from Kansas, is very meaningful. There is the rumor around and statements being made that total labor exemption applies to everything. I remember a colloquy with the Senator from New York last year, and in essence the distinguished Senator made the same statement. This should clear the air. It is not a blanket exemption. We have private negotiations. But it does apply in the cases he mentioned and perhaps others.

Mr. JAVITS. Perhaps others definitely. The definition is strictly limited to labor disputes and the kind of thing the NLRB and Federal mediation do. They are not directly economically affecting the size of the wage or the nature of the price which will result from that wage. Indirectly they may be, but that is not the thrust of the agency into which the exemption will not permit intervention.

The PRESIDING OFFICER. All time of the Senator from Connecticut has expired. The Senator from Alabama has 1 minute.

Mr. ALLEN. Mr. President, I ask unanimous consent that I may withdraw the request for the yeas and nays.

The PRESIDING OFFICER. Without objection——

Mr. BROCK. Mr. President, I did not hear the request of the Senator from Alabama.

The PRESIDING OFFICER The request of the Senator from Alabama was to ask unanimous consent to withdraw his request for the yeas and nays on the amendment of the Senator from Kansas.

Without objection, it is so ordered.

The order for the yeas and nays is vacated.

CLOTURE MOTION

The PRESIDING OFFICER. The time for debate under the unanimous-consent agreement having expired, pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

Mr. BROCK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BROCK. Should not the vote now occur on the Dole amendment?

The PRESIDING OFFICER. The time for debate having expired, the clerk has to report the motion to invoke cloture.

The legislative clerk read as follows:

Cloture Motion

> We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon S. 200, the Consumer Protection Act of 1975.
>
> Abraham Ribicoff, Jacob K. Javits, Quentin N. Burdick, Walter D. Huddleston, Charles H. Percy, Lowell P. Weicker, Jr., Warren G. Magnuson, Gale W. McGee, Thomas P. Eagleton.
>
> Mike Mansfield, Edward M. Kennedy, Edmund S. Muskie, Alan Cranston, Thomas J. McIntyre, Henry M. Jackson, James Abourezk, Wendell H. Ford, Harrison A. Williams, Jr., Robert C. Byrd.

CALL OF THE ROLL

The PRESIDING OFFICER. Pursuant to rule XXII, the Chair now directs the clerk to call the roll to ascertain the presence of a quorum.

The second assistant legislative clerk called the roll, and the following Senators answered to their names:

[Quorum No. 25 Leg.]

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Buckley
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Curtis
Dole
Domenici
Eagleton
Eastland
Fannin
Fong
Ford
Garn
Glenn

Goldwater
Gravel
Griffin
Hansen
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya

Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott,
  William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Thurmond
Tower
Tunney
Weicker
Williams
Young

Mr. ROBERT C. BYRD. I announce that the Senator from Georgia (Mr. Talmadge), is absent on official business.

The PRESIDING OFFICER (Mr. Thurmond). A quorum is present.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on S. 200, a bill to establish an independent consumer agency to protect and serve the interests of consumers, and for other purposes, shall be brought to a close? The yeas and nays are mandatory under the rule.

The clerk will call the roll.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate so that everyone concerned may hear the responses?

The PRESIDING OFFICER. The Senate will be in order.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Georgia (Mr. Talmadge) is absent on official business.

The yeas and nays resulted—yeas 71, nays 27, as follows:

[Rollcall Vote No. 171 Leg.]

YEAS—71

Abourezk
Baker
Bayh
Beall
Bentsen
Biden
Brock
Brooke
Bumpers
Burdick
Byrd, Robert C.
Case
Chiles
Church
Clark
Cranston
Culver
Dole
Domenici

Eagleton
Fong
Ford
Glenn
Gravel
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy

Leahy
Long
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell

Percy
Proxmire
Randolph
Ribicoff
Roth

Schweiker
Scott, Hugh
Stafford
Stevenson
Stone

Symington
Tunney
Weicker
Williams

NAYS—27

Allen
Bartlett
Bellmon
Buckley
Byrd,
  Harry F., Jr.
Cannon
Curtis
Eastland
Fannin

Garn
Goldwater
Griffin
Hansen
Helms
Hruska
Laxalt
McClellan
McClure
Nunn

Scott,
  William L.
Sparkman
Stennis
Stevens
Taft
Thurmond
Tower
Young

NOT VOTING—1

Talmadge

The PRESIDING OFFICER. On this vote, the yeas are 71, the nays are 27. Three-fifths of those duly chosen and sworn having voted in the affirmative, the motion is agreed to.

AMENDMENT OF THE RAIL PASSENGER SERVICE ACT

The PRESIDING OFFICER (Mr. Thurmond). Under the previous order, following the vote on the motion to invoke cloture on S. 200, the Senate will now proceed to the consideration of H.R. 4975, which the clerk will state.

The legislative clerk read as follows:

> A bill (H.R. 4975) to amend the Rail Passenger Service Act to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes.

Mr. PASTORE. May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will be in order. Senators will please take their seats and clear the aisles.

The time for debate on this bill is limited to 1 hour, to be equally divided between and controlled by the Senator from Indiana (Mr. Hartke) and the Senator from Alabama (Mr. Allen), with 20 minutes on any amendment and 10 minutes on any debatable motion, appeal, or point of order.

The Senator from Indiana is recognized.

Mr. HARTKE. Mr. President, this will not be a long debate. I hope the Senators present will understand that we anticipate there will be a vote very shortly.

I ask for the yeas and nays at this time; or have they already been ordered?

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HARTKE. Mr. President, very simply what this is is a bill H.R. 4975, reported favorably by the House of Representatives. The Senate Committee on Commerce has agreed to report this bill in order to avoid a conference and take up the decisions concerning rail passenger service and recommendations later this year.

Mr. President, the Senate Commerce Committee has favorably reported H.R. 4975. This legislation was passed by the House of Representatives on April 24, and is urgently needed to continue rail passenger service throughout the United States. Because this legislation contains a supplemental authorization for 1975

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and authorizations for fiscal year 1976, the transition quarter, and fiscal year 1977. It needs to be enacted as soon as possible in order to permit Amtrak to make payments to the railroads with which it contracts for service as soon as possible. Amtrak has already missed one railroad payment, which was due on the 15th of April, and the next one is due on the 15th of May. In order to permit these essential payments to be made and avoid a cessation of rail passenger service and possibly even the bankruptcy of two rail carriers, the Senate Commerce Committee decided to report the House-passed legislation so that it can be passed and sent directly to the President, thus avoiding the necessity of a House-Senate conference.

The Committee has carefully reviewed the provisions of this legislation, and finds them entirely acceptable. While the bill does not fulfill the committee's legislative goals in the area of rail passenger service this year, it is an entirely acceptable piece of legislation and, therefore, the committee decided that passage of this bill now—thus permitting essential railroad payments to be made—is entirely harmonious with the Senate package of rail passenger legislation, which is now being developed and will be sent to the floor of the Senate within the coming months. In other words, the committee intends to pass H.R. 4975 without amendment and to proceed with Senate legislation on rail passenger service later this year.

Mr. President, there is a great need for rail passenger legislation beyond what is contained in H.R. 4975. For instance, legislation will be necessary to implement the Northeast Corridor project, which was required by the Regional Rail Reorganization Act. The Senate will also be Passenger Service Act at that time, and I hope to announce hearings on these matters within the next several weeks. These hearings will be designed to consider all legislation introduced in the Senate on rail passenger service so that the committee can markup a comprehensive bill and report it to the floor.

Mr. President, I would like to briefly address some of the salient features of H.R. 4975. In passing this legislation, the House of Representatives adopted the Administration's request for authorizations for the National Railroad Passenger Corporation. The bill authorizes a total of $1,118,000,000 in appropations to the National Railroad Passenger Corporation through October 1, 1977. These funds are comprised of the following categories.

First, a supplemental authorization for fiscal year 1975 in the amount of $63 million is provided for. The sum of $350 million is authorized for fiscal year 1976 operating expenses, $105 million is authorized for the transition quarter operating expenses, and $355 million is authorized for fiscal year 1977 operating expenses. The sum of $110 million is authorized for capital expenditures in fiscal year 1976, $25 million for the transition period, and $110 million for fiscal year 1977. Furthermore, the legislation specifically earmarks a maximum sum that can be spent on section 403(b) services: for fiscal year 1976 not more than $25 million can be spent for these purposes, for the transition quarter not more than $7 million, and fiscal year 1977 not more than $30 million.

Mr. President, these authorizations reflect a basic reality: The financing of rail passenger service should not occur through loan guarantees. Given the fact that the national network of rail passenger service will probably not become profitable anywhere in the foreseeable future, it is actually cheaper for the Government to finance these activities on a direct authorization and appropriation basis than it is to pay interest to a lender through a system of guaranteed loans. This legislation would change the existing financing mechanisms for Amtrak away from guaranteed loans toward using authorizations and appropriations. Certain modifications are made in the guaranteed loan provisions of the Rail Passenger Service Act which will facilitate leveraged leasing of equipment. These reforms are designed to assure that more of the Government's expenditures for rail passenger service go directly to improvements in service and for interest payments to various financial institutions.

In addition to providing for the Corporation's first multiyear authorization, the bill also promotes sound corporate planning by giving greater flexibility over route structure in order to maximize revenues and minimize losses. The Corporation is exempted from existing train discontinuance procedures under section 13(a) of the Interstate Commerce Act, and in lieu thereof, will be adding and discontinuing trains according to criteria developed by Amtrak's Board of Directors within 120 days of the enactment of this legislation.

After initial review and comment on these standards, both the Secretary and the Commission are to submit to the Corporation their comments on the initial proposal. Thirty days later, the Board of Directors is to promulgate final criteria and submit them to the Congress. These criteria and procedures will take effect at the end of the first period of 60 calendar days of continuous session of the Congress after the date of their submission, unless either the Senate or the House of Representatives adopts a resolution during such period stating that it does not approve these final proposals. These changes will give the Corporation additional management flexibility to enable it to continue to provide intercity rail passenger service within the financial limits established in the authorizations contained in the legislation.

Mr. President, I am sure most of my colleagues are aware that Amtrak's operating deficits have grown substantially since service was first initiated on May 1, 1971. For fiscal 1971–72 combined, Amtrak had an operating deficit of $153 million. In fiscal year 1973, another $142 million was required, and in fiscal year 1974, the requirement for Federal operating subsidy was $198 million. It is estimated that this figure will ultimately reach $318 million and that it is estimated to grow to $350 million in fiscal year 1976.

Of course, the loss per passenger mile has actually decreased; these cost increases have occurred because of a combination of inflation and the vastly increased numbers of people riding passenger trains in the United States. Both the administration and the House has recognized that Amtrak service is important both to national goals and to the many communities it serves, but also there is a limit to the amount of resources we as a nation can properly devote to providing rail passenger service. As most of my colleagues realize, the United States has not expended any significant portion of the funds it invests in transportation on rail service to date. This bill is one step in the right direction at the same time, the bill before us provides a process which, if carried out successfully, will empower Amtrak to add or discontinue services in order to keep the financial requirements for rail passenger service within reasonably predictable limits and will insure that the American taxpayers get the greatest value for their rail passenger service dollars.

These amounts authorized in this bill represent a welcome breakthrough in dealing with the administration. On the one hand, they represent a reasonable prediction of the resources that will be necessary to carry out a substantial program of rail passenger service, and at the same time the mechanisms in the bill provides Amtrak with a method to modify its system of routes and services to be responsive to the market for rail passenger transportation.

While this bill provides some index of the dimension of expenditures that will be necessary to continue to operate and improve our nationwide rail passenger network, I would like to caution my colleagues that there is no assurance that additional authorizations will not be necessary. First, we are all aware of the unprecedented inflation that has such devastating effects throughout our economy. These inflationary increases are especially severe for the railroads, including Amtrak. Second, I think it is fair to say that Amtrak in the past has been subject to certain political pressures in connection with various routes and should the proposed route flexibility in this bill be sufficiently curtailed for one reason or another, this could limit the ability of the Corporation to curtail costs.

Finally, it is entirely possible that additional responsibilities will be assigned to Amtrak by the Congress in the coming months. For one thing, implementation of the Northeast Corridor project may well be a situation in which Amtrak is to play a substantial role. Furthermore, under existing law, Amtrak is required to initiate one new "experimental" route per year; these new routes are another factor that could lead to increased expenditures. In other words, I believe this bill provides a reasonable ball park for expenditures over the coming years, but I would like to caution my colleagues that this is by no means guaranteed.

Mr. President, this legislation also makes a number of other worthwhile changes in the Rail Passenger Service Act. First, the limitation on compensation for corporate officers is modified to permit the Corporation to pay its President and Chief Executive officer a salary in excess of the level 9 of the executive schedule provided that the sum is not higher than the general level of compensation paid officers of railroads in positions of comparable responsibilities or $85,000 whichever is the lesser. The Senate has previously passed legislation similar to this on several occasions. Important changes are made in section 305 of the Rail Passenger Service Act concerning customs inspection provisions on international intercity rail passenger trains. I believe Senator MAGNUSON wishes to address himself to this change, since it will require onboard inspections while trains are moving in order to facilitate both customs inspection procedures and rail passenger service. A change is made in the date Amtrak files its annual report in order to conform with the new Government fiscal year, and a financial investment advisory panel, originally established in the 1970 act but never utilized, is abolished. Finally, the Department of Transportation Act is modified by eliminating the July 1, 1976 deadline requirement for the Secretary to make grants under the historic terminal conversion program in order to provide more flexibility in this increasing important program. The committee will probably be holding oversight and legislative hearings on this program later this year.

Mr. President, I urge my colleagues to strongly support this legislation as a sound step toward a more balanced transportation system and an increasingly improved rail passenger network in the United States. I believe that it is important we move forward with this bill as soon as possible and pass it without amendment so that it can be sent directly to the President to permit the necessary railroad payments to be made, which are already well overdue. As I previously mentioned, the committee will be holding hearings so that the Senate will be able to consider any amendments to the Rail Passenger Service Act later this year. In order to facilitate the necessary railroad payments, I would urge my colleagues to vote in favor of this legislation today.

Mr. MAGNUSON. Mr. President, there is one feature of this House passed legislation on which I would like to comment. H.R. 4975 modifies section 305 of the Rail Passenger Service Act to require that the Secretary of the Treasury and the Attorney General cooperate to have effective enforcement of our customs laws while providing onboard customs inspections while trains operated in international intercity rail passenger service are moving. This is a procedure that has been followed on many passenger trains in the past and is followed on an everyday basis in most countries of the world. It will permit the two Federal policies of effective customs inspection and maximum utilization of rail passenger service to be in consonance with one another. The Bureau of Customs apparently felt they needed this authority in order to conduct onboard inspection while trains are moving, and this bill clearly directs them to do that. This will provide for a substantial improvement in the operating times of these trains and will be convenient for passengers, while still providing for effective customs enforcement.

Mr. President, I have reviewed the provisions of this legislation along with my colleagues, and urge that the Senate pass it without modification so it can be sent directly to the President. As Senator HARTKE, the chairman of the Surface Transportation Subcommittee, stated, the Senate Commerce Committee will be considering other amendments to the Rail Passenger Service Act later this year and will hold hearings on all proposed amendments. I urge my colleagues to support the enactment of H.R. 4975.

Mr. WEICKER. Mr. President, will the Senator from Indiana yield?

Mr. HARTKE. I yield to the Senator from Connecticut.

Mr. WEICKER. Mr. President, I rise in support of Senate approval of H.R. 4975, the Amtrak Improvement Act of 1975, legislation to make further appropriation authorizations for the National Railroad Passenger Corporation—Amtrak—and to make further amendments to the Rail Passenger Service Act of 1970.

Reflecting the general economic downturn and increasing costs, Amtrak's operating deficit has been higher than expected for the current fiscal year. On account of lack of funds, Amtrak has deferred payments due April 15 to railroads for train operations and will be unable to make payments due May 15, thereby threatening severe financial hardship for several marginal rail carriers.

In order to prevent any possible curtailment or cessation of rail passenger service, the administration has requested an urgent supplemental authorization of $63 million to continue Amtrak operations through June 30, 1975.

On April 24, the House passed H.R. 4975, which provides the urgent supplemental and further authorizes an additional $1.055 billion in appropriation authorizations for Amtrak through fiscal year 1977. The total $1.118 authorization contained in H.R. 4975 includes: The $63 million supplemental through June 30, 1975; for fiscal year 1976, $350 million for operating expenses and $110 million for capital expenditures; for the fiscal year transition period from July 1, 1976 through September 30, 1976, $105 million for operating expenses and $25 million for capital expenditures; and for fiscal year 1977, $355 million for operating expenses and $110 million for capital expenditures.

In addition to the authorization for appropriations, H.R. 4975 provides for an exemption to the $60,000 salary limitation for the president of Amtrak allowing the Amtrak Board of Directors to raise compensation to $85,000 a year. The Senate has voted on three previous occasions to remove this salary limitation, and the administration supports this exception in order to attract and keep such top-flight management as Mr. Paul Reistraup, Amtrak's new and promising president.

The legislation also directs Amtrak's Board of Directors to submit to Congress for its approval criteria and procedures under which Amtrak would be authorized to add or discontinue routes or services. Presently, Amtrak may only discontinue a particular service in accordance with section 13a of the Interstate Commerce Act; this amendment affords additional management flexibility to Amtrak.

Mr. President, the Federal Government has made an initial commitment to intercity rail passenger service. To be perfectly honest with my colleagues, I should make it clear that Amtrak will not be profitable in the foreseeable future, and continued Federal financial assistance is necessary if Amtrak is to survive as a viable transportation alternative.

H.R. 4975, as passed by the House, would authorize Federal funds for expected Amtrak deficits through fiscal year 1977. It is imperative that Amtrak begin longer-range planning to upgrade its equipment and overall rail passenger service to reverse the years of neglect under disinterested private management.

Mr. President, I urge my colleagues to approve H.R. 4975. the comprehensive authorization bill, in order that the appropriation process may be expedited, and Amtrak sustained as a competitive, fuel-efficient transportation mode for the future.

Mr. HARTKE. I yield to the Senator from Idaho (Mr. CHURCH).

Mr. CHURCH. Mr. President, I would like to comment on certain provisions of the Amtrak Improvement Act of 1975 and at the same time express my thanks to Senator MAGNUSON and HARTKE for their support for extending the Amtrak system into unserved and underserved areas.

Last year, during the consideration of the Amtrak extension legislation the Senate passed an amendment which I offered which would have required service to all 48 contiguous States under the basic Amtrak system. Although a similar provision was not contained in the House of Representatives' version, the conferees did agree to require the Secretary of Transportation to give preference to routes servicing currently unserved States in the designation of the annual experimental routes. The conferees further directed the Secretary of Transportation to designate a southern Idaho route as an experimental route during the calendar year 1975. This decision was applauded by the residents of southern Idaho who have been without rail passenger service now for 5½ years.

Under the legislation now before the Senate, a change would be made under the experimental section to place the authority for route designation with the Amtrak Board of Directors rather than with the Secretary of Transportation. Congressman HASTINGS, who first offered this provision as an amendment on the floor of the House of Representatives, specifically states that this change would in no way affect the congressional man-

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date of 1974 regarding service to unserved areas. In his words:

> Finally, it is consistent with last year's amendment to section 402(c) which requires that experimental routes be designated first to provide to States which have no large population centers served by Amtrak under the basic system; that amendment removed much of the element of political pressure from the choice and thus we need not fear that we will be subjecting the Corporation to a large political burden by the proposed change.

With this assurance, and with the assurances of the Senate Commerce Committee Chairman Senator MAGNUSON, and the Transportation Subcommittee Chairman Senator HARTKE, I support the proposed change in the law governing the designation of the experimental routes.

The administration has been stalling regarding the implementation of the experimental routes in hopes that their own proposal to terminate the experimental section would prevail. It is evident now that it will not.

Given the reluctance of the Department of Transportation to fulfill their duties under this section of law, I feel Idaho, and other omitted States, may be better served by the removal of these powers from the Secretary. I am hopeful that the Amtrak Board will demonstrate a greater willingness in carrying out this provision of the law, as mandated by Congress.

It is clearly not a question of whether these areas must be served; the law spells out clearly that they must. It is a matter of administrative dispatch, and I would hope that a change in the administering body will result in the expedition of service to Idaho, and other unserved States.

Mr. President, I am deeply disappointed in the manner in which the administration has been dragging its feet on this important issue; I only hope the performance of the Amtrak Board of Directors will prove more favorable to Idaho, and I urge my colleagues to accept this change.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. HARTKE. Yes, I yield.

Mr. ALLEN. Mr. President, I recall when the Senator from Indiana was before the Senate just recently with respect to the bailout bills for Penn Central. Now he is the floor manager for a bill intending to bailout Amtrak.

I notice there is some little difference here between the House bill which the committee has sent to the floor, I believe, intact, and the companion Senate bill which is S. 852.

Mr. HARTKE. Yes.

Mr. ALLEN. I notice S. 852 uses about 11 lines of the bill to put in a salary increase or lead the way for a salary increase for the various officers of Amtrak, putting them on a comparable basis to railroad executives in private fields. I believe the House committee report says that is up around almost $140,000 a year.

I notice the Senate bill would have no ceiling except what is comparable in the industry; the House bill raises the compensation or paves the way for raising compensation from $60,000 a year for the president up to $85,000 a year.

Mr. HARTKE. Let me explain this. We are taking the House-passed bill, not the Senate bill——

Mr. ALLEN. I understand that.

Mr. HARTKE. Under consideration. The House-passed bill provides for a statutory limitation of the president of the corporation when his salary is increased from $60,000 to $85,000 a year.

Mr. ALLEN. Yes. I was just wondering if the distinguished Senator felt that the results of Amtrak—and I might say I enjoyed seeing the distinguished Senator on the Mike Wallace show the other night or Mike Wallace on the Vance Hartke show. [Laughter.] At any rate, neither the Senator from Indiana nor Mr. Wallace had anything complimentary to say about Amtrak, and I am just wondering what is the basis for paving the way here for a raise from $60,000 to $85,000 a year.

Mr. HARTKE. The Senate has twice passed a measure similar to the one passed in the House. Let me explain though there has been a change in management. Let me say to the distinguished Senator from Alabama that we are looking forward to some distinct changes in the whole operation of Amtrak.

I might tell the Senator in my judgment the change in management is a good one, without casting too much reflection on the past management.

This was recommended, remarkably, by the Office of Management and Budget, which is rather unique with them to ever recommend any kind of increase. It has also been recommended by the Department of Transportation.

The cost savings, in our judgment, will be accruing to the Amtrak operation not alone in cost reduction itself comparable to the mileage but also in improved services.

I have been talking to these people, and I will be glad to either take the Senator on a train ride at his expense on Amtrak, and let him inspect the change or otherwise.

Mr. ALLEN. I still have not had an answer to my question as to whether the Senator thinks the results of the Amtrak operation justify a salary of $85,000 a year for the Amtrak president.

Mr. HARTKE. Yes, I do.

Mr. ALLEN. I see. All right.

How much has the American taxpayer already sunk into Amtrak in outright grants and loans up to date?

Mr. HARTKE. A total of about $600 million.

Mr. ALLEN. $600 million?

Mr. HARTKE. Yes.

Mr. ALLEN. When is it anticipated that Amtrak will get on a break-even basis?

Mr. HARTKE. I will tell the Senator in all frankness, I have tried to be as honest with the Senate as I know, that I do not know, and I do not think anyone else knows. It is not going to be on a break-even basis in the immediately foreseeable future.

I point out this is not unique in the United States. The passenger service, for example, for Germany had a deficit last year of $2.4 billion in operating subsidies; and the Japanese line is the same. There is no passenger service line in the world which at this moment is operating on a profitmaking basis. The situation is such that the railroad roadbeds, frankly, are in such bad shape in the Midwest and Northeast that it makes it impossible for Amtrak itself to really improve their service in the characteristic form which we would like to see them do.

On the other hand, I point out we spent about $28 billion last year total on highways, and they did not break even either. Bus service on the highways, if they had to pay for the rights-of-way and the expenditure there—there is no movement of people in the United States basically which is on a profitmaking basis.

Mr. ALLEN. I believe the distinguished Senator said in connection with the Penn Central bailout that it was going to cost about $5 billion to rehabilitate the New England railroads; is that correct?

Mr. HARTKE. I think that is an outside figure. Well, I think that might be a fair estimate.

I want to tell the Senator it is not based on any real hard figures.

Mr. ALLEN. That is going to come out of the taxpayers, is it not?

Mr. HARTKE. A lot of people are trying to tell you and tell the country it is going to cost a lot less, like $1.5 billion or $2 billion. I think that is too low; $5 billion may be too high.

The fact remains something has to be done to fix up those roabeds. That has to be done.

We are proceeding—and I have a meeting in the Vice Presidential Ceremonial Office with the Secretary of Transportation immediately following this to see if we can come up with something which will not cost the taxpayers too much money but, at the same time, something which will provide some type of organized way out of this chaos in which the railroad transportation system is at the present time.

Mr. WEICKER. Mr. President, will the Senator yield?

Mr. HARTKE. I yield to the Senator from Connecticut.

Mr. WEICKER. I would like to respond, if I may, to the Senator from Alabama, knowing of his concern, his consistent concern, in these matters, which concern I share, that I have written to the General Accounting Office. I have requested that they, No. 1, do an inventory of all the moneys that have been put out by Congress and by the American people to the railroads; and also to get an evaluation as to whether or not these moneys were being properly spent.

So I want to assure my colleague that whereas the distinguished Senator from Indiana and I have dedicated ourselves to trying to make some sense out of a deteriorating rail situation, we are not doing so in the way of just throwing out a lot of money and not having any accountability.

I expect that accountability, and I do not blame the Senator from Alabama for raising these questions because, indeed, the track record has been very miserable up to this point. But please understand that it is not a matter of bailing out anything. It is trying to construct a rail system that will not have to come to Congress in the future.

Mr. PASTORE and **Mr. SPARKMAN** addressed the Chair.

Mr. HARTKE. I am glad to yield to the Senator from Alabama.

Mr. SPARKMAN. I have been rather appalled at the large outlays, and I have spoken to the Senator before.

I was very much impressed by an article I read in the Washington newspapers the other day with reference to the Southern Railroad.

Mr. HARTKE. Yes, I have read it. The Southern is one of the Nation's best railroads.

Mr. SPARKMAN. It has good equipment, a good roadbed, and it is making money.

Mr. HARTKE. Right.

Mr. SPARKMAN. By the way, I would like to ask unanimous consent to have that article printed in the RECORD because I think it is a very good picture and a very good demonstration of what can be done in a railroad that is properly run.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 4, 1975]

SOUTHERN'S SYSTEM, OR HOW TO RUN A RAILROAD

(By William H. Jones)

Railroading a growth industry?

To a public being told daily about deteriorating tracks, imminent collapse of bankrupt lines and the ballooning federal subsidies need to prevent nationalization, a description used by Wall Street for its favorite economic sectors hardly seems realistic.

To one Washington businessman, however, the description is the only one that makes sense.

W. Graham Claytor Jr. is the man—a lawyer by training, resident of Georgetown, fan of railroading and chief executive of Southern Railway System, one of the most profitable railroads in the country and one of the largest corporations with headquarters in the nation's capital.

In a year when the U.S. rail network was revealed to be falling apart—literally, on some routes—Claytor's firm was picked by Dun's Review as among the five best-managed corporations anywhere in the country (the others were Merck, Kerr-McGee, R. J. Reynolds Industries and American Telephone & Telegraph).

And the honors continue to pile up: This week, Claytor, 63, will be honored as marketing executive of the year, by the American Marketing Association.

These recent assessments of Claytor and Southern tend to back up what others—Wall Street investment analysts, railroaders, government officials, shippers—have been saying for years.

By concentrating on the business of providing freight service to a booming economic region since World War II, Southern Railway's leaders have shown that they know how to run a railroad. Through aggressive marketing, in turn, there is evidence that the region itself has grown more rapidly because of Southern's record of innovation and large expenditures on its own plant—to generate sales and profits.

At a recent transportation conference here, economist Aaron J. Gellmen said, "It is entirely possible that diversion of resources outside railroading (such as happened with the Penn Central) . . . has made less capital available to pursue technological innovation possibilities in railroading than would have otherwise been the case.

"Indeed, consider the fact that the Southern Railway, which appears to have a policy of not diversifying outside railroading, has the record as the premiere practitioner of innovation in the railroad field," he said in calling for a reduction in U.S. economic regulation as an aid towards improving innovaton.

There is no question that one key to Southern's success is a devotion to full-time railroading. Claytor and his associates have absolutely no interest in acquiring restaurants, container manufacturers or any other line of business that doesn't directly promote more shipping by rail.

And Claytor, who came to the executive suite by way of representing the railroad as a lawyer before the Interstate Commerce Commission in a historic attempt to introduce an innovative freight car, works full time on the Southern.

His company's 11,000-mile rail network may be among the nation's most modern but, as a result, Claytor's 40-foot backyard line for larger-than-normal model engines and cars has deteriorated to a point that makes the Penn Central look good. When Claytor opened his house on a recent weekend Georgetown house tour, he had trouble finding enough solid track on which to put some rolling stock.

Claytor is ferociously proud of his firm's success and absolutely confident of its future, assuming some reduction in federal controls through the ICC. Whereas Southern has fared well in the past despite too much government regulation, Claytor said in an interview last week that future growth will be made possible with expected passage by Congress of regulatory reforms and financial aid to the generally depressed industry.

Given a return to normal economic trends—which means a more rapid growth in the country—Claytor sees his company at least doubling business over the next decade (in 1974, Southern profits were a record $88 million on record revenues of $909 million).

"The South definitely has not peaked out," he said. "The recession happened to hit industries here in particular . . . but growth potential is enormous."

He said the three basic elements in continued growth for the South are land, people and water. The West has vast amounts of land, he continued, but no water for the deserts. The Southeast has all it needs, including an "attractive climate."

It is significant to note that, while Southern's freight car loadings have declined by some 20 per cent in the early months of 1975 from last year, there has been no letup in the number of inquiries to Southern's headquarters about possible plant sites along the railroad's routes.

After the year 2000, the rate of growth for the South as a region and Southern as a railroad may tend to slow a bit—as new technology causes the Western deserts to bloom and fashions the next generation's growth area, Claytor said.

Throughout, he expects three factors that have made his railroad a success to continue:

Maintenance of the "most modern railroad plant in the country" through outlays of more money for its size than any other railroad.

In the last seven years, Southern has spent about $1 billion to upgrade facilities and buy new equipment. This year, the Washington company had planned to spend some $150 million but outlays have been cut substantially because of the recession. In effect, with reduced traffic volume, some projects can be delayed.

Direction of the company by a diversified management team that centers on Claytor and four executive vice presidents: George S. Paul, administration; James H. McGlothlin, law and finance, who is retiring next month; Robert S. Hamilton, marketing; and L. Stanley Crane, operations.

These men comprise a management committee that meets at least once a week in Claytor's office, on the top floor of the Southern Railway Building at 15th and K streets NW. Some 15 vice presidents report regularly to the four men under Claytor and, four times a year, all of these officers meet to review the firm's performance. In addition, there are bigger meetings twice a year that include lower management officials from all over the Southern system—which stretches to East St. Louis, Memphis, New Orleans, Cincinnati and Florida.

Operation in a region where economic growth is a uncertainty. While the possibility exists that Southern will seek to extend some of its routes outside the Southeast region, Claytor said there are "no plans to grow" except for possible acquisition of Penn Central lines on the Delmarva Peninsula (part of the region) and some key Midwest lines of the Pennsy.

Claytor expressed disagreement with Secretary of Transportation William T. Coleman Jr.'s goal of consolidating the five dozen major U. S. railroads into three or four transcontinental lines and two or three North-South lines.

"I don't believe we're about to have three or four railroads," Claytor said. At the same time, he said there will be some consolidations, provided ICC delays on mergers are reduced. "It's quite obvious that smaller railroads just can't operate with the efficiency of large ones," he asserted, but there is also a limit to bigness.

"Experience indicates that in every kind of operation, you can increase size beyond what can be supported" by one management, he said.

One nationwide rail system, similar in concept to the Bell System, would be a "management and economic disaster of enormous proportions," Claytor said in dismissing one idea of how to solve the rail crisis.

The principal problem, and one that will get worse until government acts to bring about changes, is a "growing competitive disadvantage between railroads and the two other principal surface transportation modes," inland water barges and trucks, Claytor argued.

"The only solution is to have a national transportation policy directed toward correcting the imbalance of right-of-way costs . . . Otherwise, in spite of railroads' advantage as inherently the most efficient economically, for total money spent and fuel and the environment, all these will be overcome if government trucks makes it cheaper to go by truck," he asserted.

"It's remarkable," said Claytor, that railroads have been able to "stay alive the last 40 years," pouring 20 per cent of their total revenues into rights-of-way while the government subsidized full waterway costs for barge companies and built an interstate highway system that aided truckers.

At the same time, he conceded, a "serious political problem" is presented by the need to bring about changes. "It's essential . . . it takes leadership on the part of the administration and Congress."

Claytor opposed flatly the idea of government ownership of tracks and rights-of-way, as a way to solve the current crisis. Trying to separate operating companies from ownership and maintenance of tracks would result in "a complete shambles, one way to wreck the industry," he argued.

A solution to the financial crisis must involve imposing a "greater burden" on transportation firms now getting a "free ride"

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(truckers, barge firms), according to Claytor. "There's no way to fix it without doing that."

Imposition of that greater burden, he added, could be accomplished either by taking away the existing subsidies for trucks and barges or by adding a subsidy for the railroads. Some sort of right-of-way "trust fund" would be feasible, Claytor said, so long as the method of attracting revenues for the fund doesn't amount to a new tax on rail freight shipments.

Mr. SPARKMAN. One more thing I want to mention. There is a stretch of road from Jacksonville, Fla., to New Orleans without a single passenger train on it. That is along that very populous and prosperous gulf coast. I cannot understand why that service is lacking, why we do not have any service along that area.

Mr. HARTKE. Is that on the Southern line or is that Amtrak line?

Mr. SPARKMAN. It is not Southern.

Mr. HARTKE. I am not familiar with that detail, but if the Senator will make application to Amtrak, I am certain they are interested in extending the service.

But I do point out to both Senators from Alabama that even that little, if we put on a passenger service, the chances of that being a financially profitable operation are very slim, as far as passenger service is concerned.

I also point out that the Southern is a concrete example of good management.

I also point out, that out of the 65 railroads operating, basically, 49 are still in the black today.

We are not in a situation in which all railroads are going broke, but the situation is more critical in the geographical area which—I was going to say east of the Mississippi—is really in the Midwestern section up through Pennsylvania, into the Northeast. The difficulty there is twofold.

One of them is that these were never systems. They are an accumulation of a bunch of railroads which were put together and called a system.

In that corridor, however, there are some railroads which are operating very profitably, the C. & O., B. & O., Norfolk & Western.

But we have some other railroads in the Midwest, in the Chicago area, which are faced with some of the same complicating problems Penn Central had. Rock Island is only one example.

One of the reasons we are so anxious to move forward is that one payment from Amtrak to the operating railroads has already been passed. Another is due, and unless we get this money to them by the 15th of May, we may force at least two more railroads which are operating trains for Amtrak today into a very close financial situation.

Mr. SPARKMAN. I am pleased to hear the Senator say we have 49 railroads operating in the black, and I am encouraged by what he says.

Mr. HARTKE. Let me give a warning to the Senator. The American Association of Railroads just reported, I think yesterday, that the first quarter of this year was the worst quarter in the history of the railroad business, not alone for those in bankruptcy, but even some of the ones in good financial condition, had a very bad first quarter.

Mr. SPARKMAN. Well, I thank the Senator.

I have voted for every recommendation the Senator made and I am going to vote for this.

Mr. HARTKE. I appreciate that.

Mr. SPARKMAN. I know the Senator studies these problems and bring out the best he can.

Mr. PASTORE. Will the Senator yield?

Mr. HARTKE. I yield.

Mr. PASTORE. First of all, I congratulate my colleague for the excellent job he has done on this bill and for his great interest in trying to bring about some semblance of sanity when it comes to our passenger service and our freight railroad service in this country.

There is no question at all about it, as the Senator from Connecticut has pointed out and as the Senator from Indiana is willing to admit, there has been poor management throughout.

As a matter of fact, we used to have what was known as the New York-New Haven Railroad, and little by little it was bled dry. Then, of course, we had the merger between the Pennsylvania and the New York Central. All of us advocated at that time that the merger take place in the hopes we would restore a fine railroad service up in our part of the country in New England.

I quite agree, it might shock some people to hear that we are trying to raise the ceiling of the President from $60,000 to $85,000, but heretofore, we have always gotten a warmed-over executive to run the railroads. Just a warmed-over executive who had either retired from another job, or was fired from another job, and he was asked to run this railroad. As a result of it, they did a poor job.

Now, I will say, it is worth the difference. It is worth the difference, the taxpayers of this country have already spent about $600 million. I say, very frankly, we need someone who has the competence, we need someone who has the leadership, we need someone who can restore the confidence of the people. I say it is worthwhile raising his salary if we can accomplish that.

I am very happy to vote for this bill because I think this is the last clear chance we have. Should the bill fail, I say very frankly, either take the plane or walk.

Mr. HARTKE. I yield to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I must confess that I have not had the opportunity to read the House report on the bill—I gather we are moving on the House bill.

Mr. HARTKE. The Senator is correct.

Mr. HUMPHREY. On the procedures here today.

There is some language here on which I wish to receive some clarification.

For example, on page 4, line 6, in subsection (c), within 120 days after the date of enactment of this subsection, the board of directors of the corporation shall study, develop, and submit to the Secretary, to the commission and to the Congress, an initial proposal setting forth criteria and procedures under which the corporation would be authorized to add or discontinue routes and services, et cetera.

What has bothered me about the railroad industry is that it likes to quit railroading.

The thing I hear about most in my State is to discontinue service, discontinue passenger service, discontinue freight service.

We pass here a rural development act to loan money to rural communities, to industries in rural areas, and we end up finding out that they do not qualify for airport money, their railroad systems are discontinued, and, quite frankly, the highway system in rural parts in America is not all it should be because we have had delays and delays in the use of highway funds.

I wish to ask the Senator, Are we voting for something here which is going to speed up the discontinuance of railroad service and lines, or are we voting for something here that will give us some protection, those of us who come from rural areas like Indiana and Minnesota, for our people out there that are producers of food and fibers?

Mr. HARTKE. What we are voting for here is, hopefully, the expansion of service.

We are talking about passenger service under Amtrak which is an organization dedicated to expanding and improving railroad passenger service.

Mr. HUMPHREY. Only passenger service?

Mr. HARTKE. This has nothing whatsoever to do with freight service.

I will say, if one has a chance to go to the management, one will find what they are really asking about is upgrading the present service, not discontinuing service. They want to expand passenger service.

This is not a case where they want to get rid of it.

I want to caution the Senator from Minnesota about expecting people improving freight service to be very happy about that, because, basically, passenger service gets in the way of freight service, and if a freight man had his way he would not have any kind of duplicate service on any route.

That is not the attitude of Amtrak and I am looking forward to substantial improvement in Amtrak service.

I think I can say this with a great deal of confidence that between Washington, D.C., and New York City, with the expenditure of about $25 million on the right-of-way in the next 2 years we will cut this time by ½ hour between Washington and New York.

I think that this, from what Mr. Reistraup tells me, if we get the money now, use it now to repair those rights-of-way now—it is haphazard, in other words, not just one stretch—we will cut ½ hour in time between Washington and New York, roughly being 3½ hours to 2½ hours.

Mr. HUMPHREY. And a smoother trip?

Mr. HARTKE. And a smoother trip. That is basically the result, improving the tracks.

But to bring us to that half-hour which we are anticipating to bring it down to 2 hours, we cannot get by with that little money. Then we will have to have some major money to go ahead and get that job done.

That is what we are talking about. Something easier done when we do a quick improvement in some areas can be accomplished with a slight expenditure of money, but to really do it, we have this problem, as Senator WEICKER said, really, of bad tracks through the Midwest and Northeast.

Mr. HUMPHREY. Yes. I noticed the senior Senator from West Virginia standing here waiting to be recognized. As I recollect, the Senator offered an amendment on the recent public service employment bill to have a substantial amount of money made available for the repair and renovation of rights of way. Is that correct?

Mr. RANDOLPH. The legislation, to which the able Senator makes reference, is a joint effort by the knowledgeable Senator who is now handling this measure, and the very diligent Senator (Mr. JAVITS) from New York.

We have had three bills for the rebuilding of the railbeds of the rail systems of this country. We believe that 30,000 to 40,000 workers can be gainfully employed in doing this job. We then also help the employment picture for those who have been furloughed.

I shall take just a moment to indicate that for the Boston and Maine Railroad, Mr. Dustin, the president, has testified that he had to furlough several hundred maintenance-of-way workers.

I do not want to inject any note of partisanship whatsoever, but the administration continues to talk about an overall plan to rebuild the roadbeds of the rail systems of this country. Not only are we concerned with the safety of passengers who move on routes where faster trains are operating, but we also have the problem of moving the coal trains that bring energy to where it is needed.

I ask the able Senator this question: It is a fact, is it not, that legislation which is a joint effort has been reported from the Commerce Committee?

Mr. HARTKE. That bill will be on the floor, hopefully, for passage this afternoon, if I can finish up this bill quickly enough to release the staff to write the report.

Mr. RANDOLPH. That legislation also was approved in the Committee on Labor and Public Welfare.

It is very important, of course, if we are to operate train systems, that we have a trackage which will be safe for passengers and for the expeditious movement of freight.

Mr. HARTKE. I wish to say to the Senator from West Virginia, who has been doing such an outstanding bit of work in this field, there is $700 million in that program for public works employment for railroads alone. That measure, as indicated, has been approved by the Public Works Committee and now by the Commerce Committee. It has been ordered reported to the floor, and hopefully will be here this afternoon for passage this afternoon. That is, depending upon other individuals who may want to express some concern about it. But I am saying it will be ready for passage this afternoon.

In addition to that, I want to point out that the money for this authorization has already been approved in the supplemental appropriations bill. The Senator from Arkansas (Mr. McCLELLAN) assured me that it was put in this morning, subject to authorization. The net result is that H.R. 4481, which will be coming to the floor very shortly, will make it possible for us to send that bill to the President.

We have no assurance it is going to be signed.

Mr. HUMPHREY. I express the hope that whatever endeavor we undertake to improve the basic structure of our railroad system, particularly the rights-of-way, the tracks, will be improved. We have to just implore the administration and the President to do so. Our transportation system today weakens our whole structure of national security and our structure of commerce.

The Senator from West Virginia makes note of the fact that in the movement of coal, for example, our rail system is inadequate to do the job. In the movement of grain in the Middle West, in the breadbasket of America, the railroad system has proven itself to have a very difficult time to be able to fulfill its requirements. Therefore, I am interested in legislation that will strengthen the basic structure.

The management of a railroad is another matter. That is something that Congress has a more difficult time with. But the time has come for the United States to recognize that our basic physical structure of the railroad system has a national interest. There is a national interest in it. I personally believe that the time may very well come when the entire right-of-way may have to come under some form of Federal control or overall Federal assistance. But whatever we do, the timeliness of it is important.

As the Senator from West Virginia has just said, with 8 million, 9 million, or 10 million people unemployed in this country, with hundreds of thousands of them in areas where the track system of this Nation needs to be modernized and improved, it is just plain stupid not to be doing something about it. It could not be justified on the basis of humane, economic, or moral grounds.

How can we stand around here and keep putting out welfare checks, putting out food stamps and putting out unemployment compensation when we ought to permit people to earn a good living on something that is really needed?

We need good trackage in this country. Instead of arguing about whether the railroads will do it or we will do it, we ought to get busy and get it done. We ought to do it.

I compliment the Senator from West Virginia, the Commerce Committee and the Public Works Comittee for getting this before us. The urgency has to be demonstrated. There is not a citizen or a person in these galleries who does not know that the railroad system of this Nation is 50 years out of date, with the exception here and there of a particular line which has been well managed and well provided for. I am happy to say that one of those, the Burlington-Northern in my part of the country, has done a good job. There are some others. The Southern Railroad system that goes to Florida has done a good job. But some of them are absolutely in economic chaos. It is not right for us to permit this and at the same time to talk about building more battleships and having a modern military establishment.

If anybody really wanted to cause us trouble and if they ever attacked, we would not know how to get to where we were going to meet them. We have today a transportation system that is not properly integrated.

Take a look at this city of Washington, D.C. Take a look at where the railroad station is, where the bus station is and where the airport is. The only thing good about it is that it gives work to the taxicab drivers. We have not put together a central system of transportation.

I know we are taking some time here, but there needs to be some time taken. I am taking this moment to talk about this bill simply because it gives us a predicate on which to vent our opinions.

I am going to vote for H.R. 4975. Frankly, I commend Amtrak. They have improved service. They brought service to areas that had been denied service. Only recently they brought service in my State from the Twin Cities up to Duluth and Superior, which is very important for us. Basically, they have done a good job. But concerning the fact that they have lost some money, well, join the crowd.

A lot of big companies have lost money. The only way we are going to quit losing money is to get this country out of a recession. The only way we will get it out of a recession is to go to work and quite blowing bubbles. What we need to do in this country is get people back to work. If we have to pay them $50 a day to work on that railroad it is better than giving them $10 a day unemployment compensation.

I think what the country wants is a determined effort on the part of this Government to get back to some fundamental principles. We are not asking for a free ride on the train and we ought not to give people a free ride. They ought to get work, w-o-r-k, jobs, j-o-b-s. That is what they need to get. If they get it, we will get the country back on its feet. If we go piddling around here, we will have more of the same. Companies will lose money. The workers will lose jobs. The Government will lose revenue. Congressmen will be wringing their hands over the horrendous deficit of the Federal Government. There is one way that we get a deficit. That is to lose the job. If we have the country in recession, we will have a deficit. If we get the country back to work, we will pay our bills. We do not have to go to Harvard, West Virginia, Purdue, the University of Minnesota or Yale to learn that. We can learn it one way. The way we pay our bills is to go to work, to get some money, and then discipline ourselves within the resources we have. But as long as we have millions of people without work, the country is going to be in trouble. A budget deficit will increase. Companies will lose their profits. Workers will lose

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their incomes. Cities will lose their revenues. We sit here and say, "Well, now, can we afford to pay somebody to run a railroad?"

I agree with Senator Pastore. If I thought they could get somebody around here to really get this railroad working, he would be worth a million dollars a year. I do not know what he would do with it. We would tax most of it away from him, anyway.

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

Mr. HUMPHREY. How about my time?

The PRESIDING OFFICER. The Senator has no time.

Mr. ALLEN. Mr. President, I will yield some time to the distinguished Senator from West Virginia, if he requires it. Will 3 minutes suffice?

Mr. RANDOLPH. That will be agreeable.

Mr. President, I commend the Senator from Minnesota for his rhetoric, but I commend him more for the realism of his remarks.

This is, of course, a bigger subject than simply what we are doing here at the moment. When the Senator addresses the need for the rail systems to preserve, on the basis of merit, those lines which go into the rural sections of practically every State in the Union, he is speaking factually.

We have a problem now in the South Brench Valley of West Virginia, where it seems that the Chessie system will remove its service for 51 miles, running from Green Spring on the main line of the B. & O. through the valley southward to Petersburg.

We are attempting to show that we have been developing the counties of Hardy and Grant. We are building new industries—in fact, two of them. We have constructed an industrial park, and plants are moving in. But they are asking the very pertinent question: "What about the rail system in this valley? We understand that it is to be removed."

So this is a problem not only in that valley but also all over the United States.

Since the Senator from Minnesota has stated his philosophy I join him in saying that we can work our way out of the problems now facing America. We will spend money, of course, but if we will make the expenditure on work programs, we will come out of it. I do not believe we will ever meet the problems of the great cities by piling more people on more people. We have a great countryside here, and we want it to exist parallel with the metropolitan areas. There is a need to give attention now, more than ever, to a balanced transportation system which will benefit the people of America.

As my good friend from Minnesota knows, a truly balanced system must provide the means of movement for those people who live in rural areas and small towns. The needs of millions of citizens who are so situated have been relatively neglected as we concentrated on improving transportation in the large cities and across the Nation. This was necessary work, but we must now turn our attention to rural America so that it, too, can enjoy the benefits of good transportation.

Two years ago the Congress approved the rural highway transportation demonstration program to help us determine the magnitude of the problem and the ways in which it might be solved. With support from the administration, that program was expanded last year. Its findings, I am confident, will help us develop a fresh approach to rural transportation.

The legislation we consider today and that which we will have before us in the near future concerning the railroads are important and urgently needed steps toward strengthening all forms of transportation.

Later this year the Committee on Public Works will develop a new highway authorization bill. In that effort we will give major consideration to the highway needs of rural areas. Motor vehicles are the major—sometimes only—means of movement in rural areas. Throughout the country we have billions of dollars worth of unmet rural highway needs—primary and secondary roads that need urgent improvements to enable them to meet the needs of today. These needs require and will receive priority attention.

Mr. TAFT. Mr. President, will the Senator from Alabama yield me 3 minutes?

Mr. ALLEN. I yield.

Mr. TAFT. I thank the Senator.

I direct this question to the distinguished chairman of the subcommittee.

In section 12, dealing with liquidation, is certain language. I am particularly anxious to know whether that language has an effect on the situation of the already approved but not yet running line from Boston to Chicago, with particular reference to 12 miles of track in New York that have been torn up, although the right-of-way is still in the hands of the bankrupted Penn Central. I would like to know whether, in the Senator's opinion, there would be a requirement that Amtrak would acquire that 12 miles of right-of-way so that we could build the line as soon as possible.

Mr. HARTKE. It requires the Department of Transportation to buy it, from Rensselaer to Post Road, which is a necessary part of the route from Chicago to Boston. The Senator can be assured that it is a provision of the bill which does cover that specific difficulty. If the Penn Central sells it, it has to be sold to the Department of Transportation. They are directed to buy it.

Mr. TAFT. I thank the Senator for his comments.

I note that section 8, dealing with discontinuance of service, contains language, on page 6, setting up criteria for adding or discontinuing routes of service on new lines, as I understand it. I understand that the Boston-Chicago line, having been approved already, would not fall within the provisions of that section.

Mr. HARTKE. This section is prospective and does not apply to the experimental route which has been approved.

Mr. TAFT. I thank the Senator.

Mr. ALLEN. Mr. President, I call up my amendment which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 1, strike all after line 4, over to and including line 5 on page 2.

Mr. ALLEN. Mr. President, how much time is allotted on this amendment?

The PRESIDING OFFICER. Ten minutes to each side.

Mr. ALLEN. Mr. President, this amendment would eliminate the machinery by which the president of this corporation could and doubtless would receive a raise in compensation from $60,000 to $85,000 a year. In other words, it would leave the president at $60,000 a year, which seems adequate to the Senator from Alabama.

Also, based on the television show in which the Senator from Indiana appeared the other night, the president is new in his job. I would think that we would want the president to be able to come in and report great improvement during his presidency, before giving him a $25,000 a year raise in compensation. He knew what the job paid. He is being paid $60,000 a year, which would seem adequate.

While I am not advised that this is the situation, I would imagine that the compensation of high-ranking officials in the corporation is based somewhat on and is limited by the compensation paid to the president. That is the way it is in Government, as we know: When the department head receives a raise, that makes the other employees eligible for a raise, but still below the salary of the department head.

I believe more is involved here than this. I would think that at this time, when we are seeking to fight recession and inflation, we would avoid this $25,000 a year raise until we would see some performance.

I would rather see the president of this corporation receive a million-dollar-a-year bonus, based on a showing that he got this corporation in the black, rather than come before Congress every year for additional moneys in the hundreds of millions of dollars. I feel that until we can see a record of improvement, this compensation will be adequate.

The effect of this amendment would be to prevent the raise in the compensation of the head of Amtrak from $60,000 to $85,000, leaving it at $60,000; and it would leave the other officers of the company, in the higher echelon of the bureaucracy, limited by that $60,000.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HARTKE. Mr. President, three times the Senate has agreed to an amendment similar to the one in this bill raising the salary.

Second, the House, for the first time, has recognized the need for this increase in salary and has come forward with this bill at this time.

Third, I point out, with all due deference to the past management, that the present president of Amtrak has just come aboard. He has said, in substance, "Don't expect miracles from me"; but I will say that he has performed rather substantive changes in some cases.

With regard to the television comments I made, at that time he had just come aboard.

I have the greatest confidence in Mr. Reistraup. I believe there is no possibility of getting this man into this job at a $60,000 salary.

I know it is very hard to talk about increasing a man's salary, in a tax-supported operation, beyond even the Cabinent range and above that of Senators and Representatives. But I honestly say to the Senate that I hope this amendment will be rejected; because, if Amtrak has any chance whatever of being successful, I think the present president of the corporation gives us the best opportunity we have.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. HARTKE. Yes; I yield to the Senator from Ohio.

Mr. TAFT. I wish to second the remarks of the distinguished chairman of the subcommittee, since he has had considerable contact with Mr. Reistraup since he has come in. We know his background and are extremely impressed with the approach he has taken to the job and the changes he has gotten underway.

I think, also, we ought to take into account, in making our decision on this question, the fact that this is and should be a career job, that it should be as close to private corporations as we can possibly make it. If we are going to get people to come into the job who are going to be competent and able to handle the responsibilities here in question, I think we are going to have to compete with private industry in this case. It is not a public service position, like Cabinet officers, who come in and know they are going to be there only for a while under a particular administration. Rather, it is a long-term career that is involved here.

Mr. HARTKE. The Senator from Ohio states the situation correctly. Paul Reistraup demonstrates, I might say, the type of thing that Amtrak needs. He has been riding the rails in the middle of the night, checking up on employees, doing things that have never been done before, making sure the work is being done.

If the Senator recalls, I complained about the dirtiness of the windows. I think if the Senator looks at the Amtrak trains now, he will find they are clean.

Mr. ALLEN. I yield to the distinguished Senator from Maine on the amendment.

Mr. HATHAWAY. I thank the distinguished Senator from Alabama for yielding to me.

I have a couple of questions for the Senator from Indiana.

Earlier this year, when this bill passed the House, Representative Hastings proposed an amendment which was adopted by the House and which is now a part of the bill before us concerning section 403(c), which would place the Amtrak Board of Directors, rather than the Secretary of Transportation, in the role of designating annual experimental routes. At the time he proposed the amendment, Representative Hastings said:

> Finally, it is consistent with last year's amendment to section 403(c) which requires that experimental routes be designated first to provide to States which have no large population centers served by Amtrak under the basic system; that amendment removed much of the element of political pressure from the choice and thus we need not fear that we will be subjecting the Corporation to a large political burden by this proposed change.

I ask the Senator from Indiana if he agrees with that statement as to the effect of last year's amendments and that this amendment will not change the requirement placed in the law by last year's changes in 3403(c)?

Mr. HARTKE. The proposition is that what we are doing in the bill, what the House has done in the bill is provide that the authority to change the designated experimental routes is taken from the Department of Transportation and placed in the hands of the Amtrak Board. It is my judgment that this is a better place to do it, because these people are basically concerned with expanding service. I would concur in the statement of Congressman Hastings and do not feel that this amendment affects the substance of the requirement placed in 403(c) last year. This does not change the law in regard to priority being given to those communities, metropolitan areas, which presently have no service. I think the Senator from Maine is primarily interested in Portland, Maine.

Mr. HATHAWAY. Yes.

Mr. HARTKE. I can understand that. I am very hopeful that in the very near future, Amtrak will extend its service in that area.

Mr. HATHAWAY. I thank the Senator.

Mr. ALLEN. Mr. President, I am prepared to yield back the remainder of my time.

Mr. HARTKE. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alabama. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. Bentsen) and the Senator from New Mexico (Mr. Montoya) are necessarily absent.

I further announce that the Senator from Georgia (Mr. Talmadge) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. Goldwater) is necessarily absent.

The result was announced—yeas 34, nays 61, as follows:

[Rollcall Vote No. 172 Leg.]

YEAS—34

Abourezk
Allen
Bartlett
Bayh
Bellmon
Biden
Brock
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Chiles
Curtis
Dole
Eastland
Garn
Hansen
Helms
Hruska
Laxalt
Mansfield
McClellan
McClure
Morgan
Muskie
Nunn
Percy
Randolph
Roth
Scott, William L.
Sparkman
Stennis
Stone
Thurmond
Tower

NAYS—61

Baker
Beall
Brooke
Buckley
Bumpers
Cannon
Case
Church
Clark
Cranston
Culver
Domenici
Eagleton
Fannin
Fong
Ford
Glenn
Gravel
Griffin
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mathias
McGee
McGovern
McIntyre
Metcalf
Mondale
Moss
Nelson
Packwood
Pastore
Pearson
Pell
Proxmire
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Symington
Taft
Tunney
Weicker
Williams
Young

NOT VOTING—4

Bentsen
Goldwater
Montoya
Talmadge

So Mr. Allen's amendment was rejected.

Mr. HARTKE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PERCY. Mr. President, on the previous unprinted amendment I inadvertently voted "aye", intending to vote "nay." Though this did not alter the outcome of this vote, I merely wish to record for the Record this error.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, appoints the Senator from New Jersey (Mr. Williams) to attend the International Labor Conference, to be held in Geneva, Switzerland, June 4–25, 1975.

ORDER OF BUSINESS

Mr. ALLEN. Mr. President, I yield 2 minutes to the distinguished Senator from South Dakota (Mr. McGovern).

EMERGENCY LIVESTOCK CREDIT ACT AMENDMENTS

Mr. McGOVERN. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1236.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1236) to extend and amend the Emergency Livestock Credit Act of 1974, and for other purposes, as follows:

Strike out all after the enacting clause, and insert:

That the Emergency Livestock Credit Act of 1974 is amended as follows:

(a) Subsection (a) of section 2 of said Act is amended by striking the period at the end of said subsection and inserting after the word "turkeys" the following: "including dairy cattle raised and maintained for the primary purpose of marketing dairy products".

(b) Subsection (b) of section 2 of said Act is amended by striking everything fol-

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lowing the word "*Provided*" and inserting in lieu thereof "That the term 'legally organized lending agency' shall be deemed to include the Federal Financing Bank only to the extent that such Bank may hold the guaranteed portion of such loans.".

(c) Subsection (c) of section 2 of said Act is amended by striking everything after the word "Secretary" and inserting "to guarantee more than 90 per centum of the principal and interest on said loan.".

(d) Subsection (f) of section 2 of said Act is amended to read: "Loans guaranteed under this Act may be payable over a period of time as determined by the Secretary, but not to exceed seven years.".

(e) Subsection (a)(3) of section 3 of said Act is amended by deleting everything after the words "*Provided*, That" and inserting in lieu thereof "the total principal balance outstanding at any one time on loans guaranteed under this Act for any borrower shall not exceed $250,000;".

(f) Section 8 of said Act is amended to read as follows: "The provisions of this Act shall become effective upon enactment, and the authority to make new guarantees under this Act shall terminate on December 31, 1976.".

(g) Section 4 of said Act is amended to read as follows: "Loans guaranteed under this Act shall be secured by collateral adequate to protect the Government's interests, as determined by the Secretary: *Provided*, That the Secretary may accept collateral which has depreciated in value owing to temporary economic conditions and which in the opinion of the lender, together with his confidence in the repayment ability of the borrower, is adequate security for the loan.".

(h) Section 5 of said Act is amended by deleting the figure "$2,000,000,000" and inserting in lieu thereof "$1,000,000,000" and by adding the following language: Such fund may also be utilized to pay administrative expenses of the Secretary necessary to carry out the provisions of this Act. The Secretary in his discretion is authorized to use the funds from the Agriculture Credit Insurance Fund to purchase, on such terms and conditions as he may deem appropriate, the guaranteed portion of any loan made pursuant to amendments to this Act and to pay such expenses and fees incident to such purchases.".

(i) Said Act is amended by adding at the end thereof the following new section 11:

"SEC. 11. The Secretary shall report to the Committee on Agriculture, United States House of Representatives, and the Committee on Agriculture and Forestry, United States Senate, on or within one year of the date of the enactment of this section, and annually thereafter, with respect to the effectiveness of this Act. The Secretary shall be required, but not limited, to include in such report the number of loan applications submitted, the number and amount of loans approved, the financial situation facing cattlemen at the time of the report, the effect of this Act on the retail marketing of beef and on the farm-retail price spread of beef, and any recommendations he may have as to actions which can be taken to further decrease the price spread and to increase the consumption of beef."

SEC. 2. Section 316 of the Consolidated Farm and Rural Development Act is amended by striking the period at the end of the first sentence and inserting after the words "additional years" the following: "except that, at the request of the borrower and subject to the approval of the Secretary such loans may be consolidated once, without reference to whether they may have been renewed, and scheduled for payment over a period not to exceed ten years. If loans are consolidated the maturity period shall be computed from the date of the consolidation, and the amount of unpaid principal of the prior loans so consolidated shall not create a new charge against any loan levels as authorized by the Congress.".

Amend the title so as to read: "An Act to amend the Emergency Livestock Credit Act of 1974 and section 316 of the Consolidated Farm and Rural Development Act."

Mr. McGOVERN. Mr. President, I move that the Senate disagree to the amendments of the House and request a conference with the House, and that the chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer (Mr. THURMOND) appointed Mr. TALMADGE, Mr. EASTLAND, Mr. McGOVERN, Mr. ALLEN, Mr. HUMPHREY, Mr. DOLE, Mr. CURTIS, and Mr. BELLMON conferees on the part of the Senate.

Mr. McGOVERN. Mr. President, I thank the Senator from Alabama for yielding.

AMENDMENT OF THE RAIL PASSENGER SERVICE ACT

The Senate continued with the consideration of the bill (H.R. 4975) to amend the Rail Passenger Service Act to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes.

Mr. ALLEN. Mr. President, may we have order in the Senate, please?

The PRESIDING OFFICER. The Senator from Alabama.

Mr. ALLEN. Mr. President, I yield myself such time as I may require. I shall be brief because I know the Senate wants to go ahead and approve this bill.

I do want to call attention to several features of the bill. In the first place, the reported bill authorizes $1,118,000,000 of that appropriation to the National Railroad Passenger Corporation through October 1, 1977, in addition to the hundreds of millions already appropriated, authorized and spent.

I also call attention of the Senate to the fact that the bill freezes in for a period of 15 to 20 months any lines that the system has that may not be feasible, and it prevents the discontinuation of those lines, preventing the Corporation from ever hoping to get on a pay-as-you-go basis. That is indicated in section 404 of the bill.

The committee, in reporting the companion bill, S. 852, sent out merely a memorandum report, and the bill, which is exactly as it passed the House, does contain some illuminating minority views. I would like to read from these views of Mr. SAMUEL J. DEVINE, Mr. JAMES T. BROYHILL, and Mr. JAMES M. COLLINS.

May I say the figures here are at variance with the estimate given by the distinguished Senator from Indiana as to the cost to the taxpayers up to now of Amtrak. I can only justify his estimate by feeling that that had reference to actual appropriations as distinguished from loans which, of course, will never be repaid, and will have to be considered expenditures.

The report I read from is as follows:

MINORITY VIEWS

AMTRAK (nee RAILPAX) was created by the 91st Congress amid great hopes of revitalizing the nation's rail passenger service with the expenditure of $40 million in grants and an additional $100 million in loans to make such service palatable to the American public.

Starting off, as most Federal programs do, fairly modestly, but escalating very rapidly.

It seemed like a high price to those who voted for it at the time and as an unrealizable dream and source of unheard of deficits by those who opposed it.

One Congress after AMTRAK's organization, it was necessary to put up $187 million more in loans, nearly five times the amount that was supposed to get it off and running. And the corporation also needed an additional $100 million in guaranteed loans. In the eyes of many, these loans were really additional, deferred grants and that is exactly what the Department of Transportation is now acknowledging and asking Congress to recognize.

The 93rd Congress enacted two bills containing large further infusions of cash and loans to keep AMTRAK going. The first one contained $107.3 million in grants and another $300 million in added loans. The second bill gave up $200 million in grants, another whopping $400 million in loans. Now in HR 4975, we are asked to accept the fact that even this large deficit was an underestimation, despite greater ridership and revenues. Unless AMTRAK receives an additional $63 million in cold cash very soon, it will be forced to cease service. 1974 was a boom business year, but not for AMTRAK. Now it is expected that it will take over one billion additional dollars to keep AMTRAK going until October 1, 1977, assuming that a major miscalculation of some sort has not been made and that inflation stays within the bounds assumed by the planners.

There are some good features about H.R. 4975 in that it recognizes some of the basic fallacies and shortcomings of the original organization and the way it has thus far been handled. The bill makes a halting step toward allowing AMTRAK to run as a business and not a stepchild of the Department of Transportation. But, having said that, it is all to little, if not, hopefully, too late. It is a quarter loaf when the whole loaf is long overdue.

The bill does provide for the eventual authority for AMTRAK to determine which routes will be maintained and which discontinued. It provides, however, for a tortuous process of criteria which must be proposed by AMTRAK, pass muster with DOT and then be subject to a resolution of disapproval by Congress. What we need and need now is a straightforward declaration of criteria by Congress itself which will allow AMTRAK to take control of the passenger network and run it, operating trains where they make economic sense and discontinue those trains which will cost the taxpayers more than they can be worth to the public as a whole.

As long as AMTRAK consists of "political" routes and has no incentive to hold down losses, they will continue to rise in the astronomical proportional we are now confronted with. Consider for a moment that the bill provides for operating grants of $350 million for FY '76 as compared with the original $40 million we provided. If automobile prices had risen by the same percentage over the same period, a compact car would now be selling for about $30,000. We cannot justify this now or for the future.

Congress must stop writing political laws for AMTRAK. AMTRAK should be operated on a business basis, and policy determined by its Board of Directors.

Our country cannot continue to operate a railroad system that is established as a hopeless loser.

SAMUEL L. DEVINE.
JAMES T. BROYHILL.
JAMES M. COLLINS.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading and was read the third time.

Mr. ALLEN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ALLEN. I yield back my time.

Mr. HARTKE. I yield back my time.

The PRESIDING OFFICER. Both sides have yielded back their time.

The bill having been read the third time, the question is, Shall the bill pass?

The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN) is necessarily absent.

I further announce that the Senator from Georgia (Mr. TALMADGE) is absent on official business.

The result was announced—yeas 75, nays 22, as follows:

[Rollcall Vote No. 173 Leg.]

YEAS—75

Abourezk
Baker
Bayh
Beall
Bellmon
Biden
Brooke
Buckley
Bumpers
Burdick
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Domenici
Eagleton
Fong
Ford
Glenn
Gravel
Griffin
Hansen
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mathias
McClellan
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stevens
Stevenson
Symington
Taft
Tower
Tunney
Weicker
Williams
Young

NAYS—22

Allen
Bartlett
Brock
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Curtis
Dole
Eastland
Fannin
Garn
Goldwater
Hart, Gary W.
Helms
Hruska
Mansfield
McClure
Nunn
Proxmire
Scott,
  William L.
Stennis
Stone
Thurmond

NOT VOTING—2

Bentsen
Talmadge

So the bill (H.R. 4975) was passed.

Mr. HARTKE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. WEICKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HARTKE. Mr. President, I ask unanimous consent that the bill as passed be printed in the RECORD.

The PRESIDING OFFICER (Mr. HELMS). Without objection, it is so ordered.

The bill (H.R. 4975) was passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Amtrak Improvement Act of 1975".

SEC. 2. Section 303(d) of the Rail Passenger Service Act (45 U.S.C. 543(d)), relating to officers of the Corporation, is amended by inserting immediately before the period at the end of the third sentence thereof the following: "; except that this limitation upon compensation shall not apply in the case of the president of the Corporation if the board determines with respect to such officer that a higher level of compensation is necessary and is not higher than $85,000 or the general level of compensation paid officers of railroads in positions of comparable responsibility, whichever is lesser".

SEC. 3. Section 305 of such Act (45 U.S.C. 545), relating to general powers of the Corporation, is amended by striking out subsection (f), as added by section 4 of the Amtrak Improvement Act of 1974 (88 Stat. 1527), and inserting in lieu thereof the following:

"(h) The Secretary of the Treasury and the Attorney General shall (consistent with the effective enforcement of the immigration and customs laws) establish and maintain, in cooperation with the Corporation, en route customs inspection and immigration procedures aboard trains operated in international intercity rail passenger service, which procedures will be convenient for passengers and will result in the most rapid possible transit in international intercity rail passenger service.".

SEC. 4. (a) The first sentence of section 308(b) of such Act (45 U.S.C. 548(b)), relating to reports, is amended by striking out "the preceding year" and inserting in lieu thereof "the preceding fiscal year".

(b) Section 308(c) of such Act (45 U.S.C. 548(c)), relating to reports, is amended by adding at the end thereof the following new sentence: "Beginning in 1976, the Secretary's report on the Corporation shall be made part of the Department of Transportation annual report to the Congress."

SEC. 5. Section 403(c) of such Act (45 U.S.C. 563(c)), relating to experimental routes, is amended—

(1) by striking out "the Secretary" in the first sentence and in the third sentence and inserting in lieu thereof in each such sentence "the Board of Directors"; and

(2) by inserting immediately after "the Secretary" in the second sentence ", in consultation with the Board of Directors,".

SEC. 6. Section 403 (b) of such Act (45 U.S.C. 563(b)) is amended by adding at the end thereof the following new sentence: "The Corporation, at the request of States, may conduct studies during the fiscal year ending June 30, 1976, to determine benefits of seasonal routes to recreational areas."

SEC. 7. Section 404(b) of such Act (45 U.S.C. 564(b)), relating to discontinuance of service, is amended—

(1) by striking out "July 1, 1975" in paragraph (1) and paragraph (3) and inserting in lieu thereof in each such paragraph "October 1, 1976"; and

(2) by striking out "July 1, 1975" in the second sentence of paragraph (2) and inserting in lieu thereof "March 1, 1977".

SEC. 8. Section 404 of such Act (45 U.S.C. 564), relating to discontinuance of service, is amended by adding at the end thereof the following new subsection:

"(c)(1) Within 120 days after the date of enactment of this subsection, the board of directors of the Corporation shall study, develop, and submit to the Secretary, to the Commission, and to the Congress an initial proposal setting forth criteria and procedures under which the Corporation would be authorized to add or discontinue routes and services. Such criteria and procedures shall include, but need not be limited to—

"(A) methods for evaluating the economic and environmental impact of any addition or discontinuance of intercity rail passenger service including an evaluation of the economic impact to the Corporation and to the Nation of the addition of new service points along existing or new intercity routes within the Northeast Corridor;

"(B) methods for evaluating the effects of any such addition or discontinuance on connecting parts of the national system of intercity rail passenger service;

"(C) methods for estimating, with respect to any such addition or discontinuance, the population to be affected, the demand for intercity rail passenger service, the revenue per passenger mile, and the effect on capital costs and revenue of the Corporation;

"(D) methods for evaluating the availability of alternative modes of transportation;

"(E) methods for giving public notice of, and obtaining public comments on, any such addition or discontinuance; and

"(F) methods for establishing a priority ranking system for routes and trains to meet the needs of the public convenience and necessity for a balanced transportation system, taking into consideration the criteria and procedures referred to in subparagraphs (A) through (E) of this paragraph, together with such other criteria as the board of directors deems appropriate.

"(2) Within 150 days after the date of enactment of this subsection, the Secretary and the Commission shall submit to the Congress and to the board of directors of the Corporation their comments on the initial proposal setting forth criteria and procedures developed by the board of directors of the Corporation, together with such recommendations as they may deem appropriate.

"(3) Within 30 days after receipt of comments submitted by the Secretary and the Commission under paragraph (2) of this subsection, the board of directors of the Corporation shall consider such comments and shall submit to the Congress a final proposal setting forth criteria and procedures under which the Corporation would be authorized to add or discontinue routes and services within the national system of intercity rail passenger service. The criteria and procedures set forth in such final proposal shall take effect at the end of the first period of 60 calendar days of continuous session of the Congress after the date of its submission, unless either the Senate or the House of Representatives adopts a resolution during such period stating that it does not approve such final proposal. If no resolution is adopted as provided in the preceding sentence, the Corporation may add or discontinue routes and services in accordance with the criteria and procedures set forth in the final proposal, notwithstanding the provisions of section 13a of the Interstate Commerce Act or of section 404(b)(3) of this Act, relating to discontinuance of service within the basic system. Service beyond the basic system referred to in section 404(b)(2) of this Act shall not be discontinued under this subsection until March 1, 1977. For purposes of this paragraph, continuity of session of the Congress is broken only by an adjournment sine die, and the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded from the computation of the 60-day period."

SEC. 9. Such Act is amended by striking out title V, relating to the financial investment advisory panel (45 U.S.C. 581–583).

SEC. 10. Section 601(a) of such Act (45 U.S.C. 601 (a)), relating to authorization of appropriations, is amended—

(1) by striking out "in subsequent fiscal

years a total of $543,300,000" in the first sentence and inserting in lieu thereof "in subsequent fiscal years through June 30, 1975, a total of $597,300,000"; and

(2) by inserting immediately after the first sentence the following: "There are authorized to be appropriated to the Secretary for the benefit of the Corporation (1) for the payment of operating expenses for the basic system, and for operating and capital expenses of intercity rail passenger service provided pursuant to section 403(b) of this Act, $350,000,000 for fiscal year 1976, $105,000,000 for the transition period of July 1, 1976, through September 30, 1976 (hereafter in this section referred to as the 'transition period') and $355,000,000 for fiscal year 1977; and (2) for the payment of capital expenditures of the basic system, $110,000,000 for fiscal year 1976; $25,000,000 for the transition period; and $110,000,000 for fiscal year 1977. Of the amounts authorized by clause (1) of the preceding sentence, not more than $25,000,000 for fiscal year 1976, $7,000,000 for the transition period, and $30,000,000 for fiscal year 1977 shall be available for payment of operating and capital expenses of intercity rail passenger service provided pursuant to section 403(b) of this Act.".

SEC. 11. Section 602 of such Act (45 U.S.C. 602), relating to guarantee of loans, is amended—

(1) by striking out subsection (a) and inserting in lieu thereof the following:

"(a) The Secretary is authorized, on such terms and conditions as he may prescribe, and with the approval of the Secretary of the Treasury, to guarantee any lender or lessor against loss of principal and interest or other contractual commitments, including rentals, on securities, obligations, leases, or loans (including refinancing thereof) issued to finance the upgrading of roadbeds, and the purchase or lease by the Corporation or an agency of new rolling stock, rehabilitation of existing rolling stock, reservation systems, switch and signal systems, and other capital equipment and facilities necessary for the improvement of rail passenger service. The maturity date or term of such securities, obligations, leases, or loans, including all extensions and renewals thereof, shall not be later than 20 years from their date of issuance.";

(2) by striking out subsection (c) and inserting in lieu thereof the following:

"(c) Any guarantee made by the Secretary under this section shall not be terminated, canceled or otherwise revoked; shall be conclusive evidence that such guarantee complies fully with the provisions of this Act and of the approval and legality of the principal amount, interest rate, lease rate, and all other terms of the securities, obligations, leases, or loans and of the guarantee, and shall be valid and incontestable in the hands of a holder of a guaranteed security, obligation, lease, or loan, except for fraud or material misrepresentation on the part of such holder.";

(3) by striking out "obligations, or loans" in subsection (d) and inserting in lieu thereof "obligations, leases, or loans";

(4) by striking out "obligation, or loan" each place it appears in subsection (g) and inserting in lieu thereof in each such place "obligation, lease, or loan"; and

(5) by striking out "a loan" in subsection (i) and inserting in lieu thereof "a lease or loan".

SEC. 12. Section 701(c)(1) of such Act (45 U.S.C. 621(c)(1)), relating to liquidation of the assets of any railroad recipient of a loan or loan guarantee, is amended by adding at the end thereof the following new sentence: "In the case of a railroad in reorganization (as defined in section 102(12) of the Regional Rail Reorganization Act of 1973) which has an agreement with the Corporation to provide intercity rail passenger service on the date of enactment of this sentence, the sale by such railroad of any right-of-way or track over which the Corporation is required to provide intercity rail passenger service on such date of enactment (as an experimental route designated by the Secretary before such date of enactment) shall be deemed to be a liquidation of the assets of such railroad under the first sentence of this paragraph, and the Secretary shall acquire such right, title, and interest in such right-of-way or track, and restore it to such condition, as may be necessary to permit the Corporation to provide intercity rail passenger service over the designated route.".

SEC. 13. Section 4(1)(2) of the Department of Transportation Act, as added by the Amtrak Improvement Act of 1974 (94 U.S.C. 1653(1)(2)), is amended by striking out the last two sentences and inserting in lieu thereof the following: "Any grant made by the Secretary under this paragraph shall not exceed 60 per centum of the total cost of conversion of a railroad passenger terminal into an intermodal transportation terminal.".

Mr. HARTKE. Mr. President, I move that consideration of S. 852 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSUMER PROTECTION ACT OF 1975

The Senate continued with the consideration of the bill (S. 200) to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes.

The PRESIDING OFFICER. The pending question is the amendment of the Senator from Kansas.

Mr. MANSFIELD. Mr. President, I yield myself 1 minute, if I may have the attention of the Senate.

The PRESIDING OFFICER. The Senate will be in order.

The Senator may proceed.

UNANIMOUS-CONSENT AGREEMENT—S. 846

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when Calendar No. 69, S. 846, Suspension of Prohibitions Against Military Assistance to Turkey, is laid before the Senate and made the pending business, there be a limitation of 4 hours on the bill, 1 hour on amendments thereto, and one-half hour on amendments, motions, appeals, and so forth, and that this be done in the usual order.

Mr. GOLDWATER. Mr. President, reserving the right to object—and I will not object—I want to ask the majority leader a question relative to the military authorization bill. Am I right in assuming that it will be brought up next Tuesday?

Mr. MANSFIELD. The leadership has so stated on two occasions. However, since the last announcement was made earlier today, it has been brought to my attention that it will not be possible to finish it in a 3-day period because some Members want to discuss foreign policy in relation to our defense posture.

I told them that we had made a commitment; that if they wanted to go to the chairman of the committee, the distinguished Senator from Mississippi (Mr. STENNIS), and he was willing to change it, that would be all right; but unless that happened, we would hold to this schedule.

Mr. GOLDWATER. The bill will be brought up next Tuesday?

Mr. MANSFIELD. Unless it is changed along the lines I have just mentioned. That is our intention, and there will be no change, unless the other Senators talk with the Senator from Mississippi, the chairman of the committee, and have received his assent to do so.

Mr. GOLDWATER. I thank the majority leader.

Mr. MANSFIELD. Their idea seemed to be that we could not finish it next week and that they were going to see the Senator from Mississippi, to see if it could be laid before the Senate and made the pending business on the Monday after we return. But as of now, barring unforeseen changes, it will be next week.

Mr. GOLDWATER. I hope we can adhere to the schedule for next week, because I have been asked by the President to represent him at the Paris air show again, and I would have to be here, and I would hate to disappoint my President.

Mr. MANSFIELD. I suggest that the Senator keep in touch with the Senator from Mississippi.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Montana? The Chair hears none, and it is so ordered.

CONSUMER PROTECTION ACT OF 1975

The Senate continued with the consideration of the bill (S. 200) to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes.

The PRESIDING OFFICER. The pending question is the amendment of the Senator from Kansas.

Mr. TAFT addressed the Chair.

Mr. DOLE. Mr. President, does the Senator from Kansas have the floor?

The PRESIDING OFFICER. The Senator from Kansas has the floor.

Mr. DOLE. Mr. President, I yield to the Senator from Ohio for a unanimous-consent request.

Mr. TAFT. Mr. President, I ask unanimous consent that Mr. Randolph Stayin, of my staff, have the privilege of the floor during the debate on S. 200.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. Mr. President, I ask unanimous consent that the name of the Senator from Kansas (Mr. DOLE) be added as a cosponsor of amendments I have offered to S. 200, labeled A, B, and C, which are at the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TAFT. Would it be in order to ask for the yeas and nays on amendment No. 404 at this time?

The PRESIDING OFFICER. It would be in order for the Senator to ask unanimous consent.

Mr. TAFT. Mr. President, I ask unanimous consent that I may request the yeas and nays on amendment No. 404 at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. Mr. President, I yield back the remainder of my time on the amendment.

Mr. RIBICOFF. As I understand, the Senator's amendment has not been adopted as yet. It must be voted on.

The PRESIDING OFFICER. Does the Senator yield back the remainder of his time?

Mr. RIBICOFF. Yes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas.

The amendment was agreed to.

AMENDMENT NO. 436

Mr. DOLE. Mr. President, I call up amendment No. 436.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE) proposes Amendment No. 436.

The amendment is as follows:

On page 39, line 7, strike out all of section 19 and insert in lieu thereof the following:

"SEC. 19. There are authorized to be appropriated to carry out the provisions of this Act, except section 24, not to exceed $7,000,000 for the period between January 1, 1976, and September 30, 1976, not to exceed $15,000,000 for the fiscal year ending September 30, 1977, not to exceed $20,000,000 for the fiscal year ending September 30, 1978, and not to exceed $25,000,000 for the fiscal year ending September 30, 1979. Any subsequent legislation to authorize appropriations under this Act for the fiscal year beginning October 1, 1979, shall be referred in the Senate to the Committee on Government Operations and to the Committee on Commerce.".

On page 51, line 25, strike out "ninety calendar days following the date on which this Act is enacted," and insert in lieu thereof "on January 1, 1976,".

DELAY OF EFFECTIVE DATE

Mr. DOLE. Mr. President, this amendment would delay the effective date of S. 200 until January 1, 1976, and would provide for a more gradual funding of the new agency.

It is the belief of the junior Senator from Kansas that if this amendment were adopted, it would greatly improve the support for this bill. It seems to the Senator from Kansas that the position of a majority of the Members of the Senate and possibly of the House of Representatives and the position of the White House have become clear. And it appears that we must now take a hard look at what happens to this legislation—if it should be passed by Congress, vetoed, and sent back to the Senate—to make a determination of whether or not the veto will be sustained or overridden.

STRAINED BUDGET

On April 17, the President directed a letter to the chairman of the Senate Government Operations Committee concerning the consumer protection bill. In that letter the President expressed his concern about the additional costs of this legislation and the difficulty of adding this new expense at a time when we are trying to reduce the size and cost of Government.

I share the President's concern about the cost of Government. The dangers to the economy of the tremendous amount of Federal spending and the incredible size of the Federal Deficit are very real.

As a member of the Budget Committee, I am very conscious of the size of this deficit and the difficulties of even holding it where it is, not to mention the possibility of trying to reduce it.

So the Senator from Kansas feels that Congress in its efforts to restore the economy and provide responsible Government should be greatly concerned about adding new costs to the Federal budget. The moneys authorized for expenditure under this bill are relatively small. But the cumulative effect of this and the spending proposed under many other bills would add up to a very great amount of money and I am not at all sure the budget could stand any significant addition at this point.

The amendment I am submitting would help hold down the fiscal 1976 Federal spending total. It would delay the substantial increases in Federal spending until fiscal year 1977 when, according to economic forecasts, the economy and the budget will be in much better condition to cover the additional costs of this bill.

EFFECTS OF BILL NOT REDUCED

While the initial funding for the first 9 months of this legislation would be essentially cut in half by this amendment, I understand that it would not have a greatly detrimental impact upon consumer representation. That is because, as I have been advised, it requires about 1 year for an organization of this size to get staffed up, organized, and in operating condition. Since the $7 million provided for the first 9 months of this program would allow the agency to hire personnel and begin preliminary operations, this would be accomplished just in time for the agency to begin full operations with an authorization for funding of $15 million for the first full fiscal year of operation.

In addition, this amendment provides a level of funding for fiscal year 1978 and fiscal year 1979 at $20 million and $25 million respectively.

Mr. President, again I strongly feel that this amendment, if adopted, would decrease the opposition to this legislation because of its additional cost to the Federal budget.

I have discussed this matter with the ranking minority member of the committee and the distinguished chairman of the committee. The amendment would delay the effective date until January 1, 1976; and it would reduce the amount of authorization in the first year, because of the delay of the effective date, some $8 million. That, in essence, is what the amendment would do. The effect of the bill would not be reduced. It would hold down the fiscal 1976 Federal spending total. It would delay the substantial increases in Federal spending until fiscal year 1977.

Based on those two points, based on my discussions with the ranking minority member and the distinguished chairman of the committee, I urge the adoption of the amendment.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

The question is on agreeing to the amendment.

Mr. JAVITS. Mr. President, the Senator from Connecticut has been otherwise engaged, and before we vote, I should like to know a little more about this matter. I yield myself 3 minutes.

I say to the Senator that this amendment relates to the effective date of the measure under consideration and a reduction in the amount of the authorized appropriation, cutting it in half, in round figures.

Mr. RIBICOFF. I say to the distinguished Senator that I took up this matter with Senator PERCY before he left, and Senator PERCY and I had cleared it with Senator DOLE. As we view the situation, it is doubtful, under any circumstances, that this act would go into effect before the time indicated by the Senator from Kansas. I am willing to accept the amendment and so is Senator PERCY.

Mr. JAVITS. I did not rise to oppose it, but I did think we had better find out.

Mr. RIBICOFF. I was aware of the amendment, because we had discussed it during the time the distinguished Senator from New York was otherwise engaged with committee business.

Mr. BROCK. Mr. President, will the Senator yield for a question?

Mr. DOLE. I yield.

Mr. BROCK. This amendment reduces the funding level. It would go to the general agency. I have an amendment to increase the level of funding just for the special purpose of the implementation of section 24. Would the passage of the Senator's amendment preclude funding of those activities which relate to the cost-benefit analysis section?

Mr. DOLE. I say to the Senator from Tennessee that I am not certain. But I do not see any reason that it would.

It is in a separate section altogether. I am advised that it does not affect the efforts of the Senator from Tennessee.

Mr. BROCK. I want to be absolutely clear about that, because it will be impossible to implement the particular section, which I think will be acceptable to the chairman of the committee, without so funding.

Mr. RIBICOFF. It is my understanding that it is the intention of the Senator from Tennessee to supplement with enough funds the additional function of this agency.

Mr. BROCK. That is correct.

Mr. RIBICOFF. My understanding is that in no way will the proposal of the Senator from Tennessee be infringed upon by the limitation of the Senator from Kansas.

Mr. JAVITS. Mr. President, I yield myself 2 additional minutes.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. JAVITS. One additional question

arises. I did not read the amendment until now.

It is entirely satisfactory to me, with this exception: I agree as to deferring the operative date to January 1. I do not think anything is materially harmed thereby. I agree with the fact that in the startup period, we may not need $15 million.

I am, however, not satisfied. In the period preceding the January 1 date, if we are going to prep up for an agency under a law which takes effect on January 1, we really have to have some startup funds. I was wondering whether the Senator—if the act is to take effect on January 1, we cannot begin from a standing start. Therefore, while we defer the effective date until January 1, it seems to me we should have, say, $2 million or $2.5 million for startup requirements before the act takes effect. Otherwise, we are just flatfooted on the day the act takes effect.

Will the Senator respond to that for me?

Mr. DOLE. On page 52 of the bill, there is a provision which provides that any of the officers provided for in this act may, notwithstanding subsection (a), which is the effective date, be appointed in the manner provided for in this act at any time after the date of enactment of this act, and that they are going to be compensated from the date they first take office, at the rates provided in the act.

Mr. JAVITS. When will they be compensated, after January 1, 1976? If we provide no money—I agree with him. But if we are going to make some authorization, we have to make some provision that they be compensated.

I suggest that a provision be made for, say, $2.5 million from the date of enactment of the act until December 31, 1975, for startup costs.

Mr. DOLE. I agree with the distinguished Senator from New York. We could increase the figure, say, to $8.5 million, which would provide $1.5 million.

Mr. JAVITS. And authorize the beginning as of the date of enactment.

Mr. DOLE. That is right.

Mr. JAVITS. That is fine. That would suit me.

Mr. President. I ask unanimous consent that we have a quorum call without charge to anybody so that we can make the necessary correction.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I believe we are ready now with a revision.

The PRESIDING OFFICER. The rule requires unanimous consent to modify.

Mr. JAVITS. I ask unanimous consent that the Senator from Kansas may modify his amendment in accordance with the colloquy we just had.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I send a modified amendment to the desk and ask that it be read.

The PRESIDING OFFICER. The clerk will read the modification.

The legislative clerk read as follows:

> On line 5, page 1, after "exceed," insert "$8,500,000." After the word "period" strike out "between January 1, 1976, and" and insert in lieu thereof "from the date of enactment to".

Mr. DOLE. Mr. President, the modification would provide $8.5 million for the period from date of enactment to September 30, 1976. I am in accord with the modification. I ask the distinguished chairman of the committee if the modification is satisfactory.

Mr. RIBICOFF. Yes. I accept the amendment as modified by the Senator from New York.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas as modified.

The amendment as modified was agreed to.

AMENDMENT NO. 447

Mr. JOHNSTON. Mr. President, I have an amendment at the desk. I ask that it be taken up. This is an unprinted amendment relative to small business.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk proceeded to read the amendment.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 24, beginning with line 9, strike out through "loss" in line 19, and insert in lieu thereof:
>
> For the purpose of this paragraph, "small business" means any person that, together with its affiliates, including any other person with whom such person is associated by means of a franchise agreement, does not have assets exceeding $7,500,000; or does not have net worth in excess of $2,500,000; or at the time of proposed discovery by the Administrator does not have more than the equivalent of 300 full-time employees.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that Senators CHILES, BROCK, and NUNN be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. I ask unanimous consent that the number "300" in the last line of the amendment be changed to "150."

The PRESIDING OFFICER. Is there objection?

The Chair hears none.

The amendment is so modified.

Mr. JOHNSTON. Mr. President, this is a small business amendment. In the present form of the bill, it requires that in order to be excluded from the provisions of the interrogatory power under this bill, a person must meet three tests: one is a net profit test; one is a gross asset test of $7.5 million; and the third is a net worth test of $2.5 million. If the person meets any of those tests, he is included within the bill.

What this amendment does, Mr. President, is take two of those tests—the gross assets test at $7,500,000; the net asset test of $2,500,000—and add to that an employee test of 150 employees, and provide that if it is at or below any of those 3 tests, he is excluded from the operation of this amendment. In my judgment, Mr. President, the bill in its present form would run the risk of putting a great burden upon rather small businesses by allowing them to meet any of those tests to be included. As I say, this requires and permits that if a person meets any of those tests or below, that person is excluded from the bill. I think it will greatly improve the operation of the bill to exempt the small businesses of this country from what, at times, can be a very burdensome and very expensive duty of answering the interrogatories and doing the research and devoting the employees' time and expense to answering these interrogatories.

I trust the distinguished Senator from Connecticut will accept the amendment.

Mr. RIBICOFF. Mr. President, I have discussed this amendment with the Senators from Louisiana, Tennessee, and Georgia, and also with the Senator from New York (Mr. JAVITS), and the amendment is satisfactory. I am prepared to accept it.

Mr. HATHAWAY. Mr. President, before the amendment is accepted. I have an amendment at the desk, No. 385, which knocks out this entire exemption. Although I am very sympathetic with small business, I think that there is a wealth of information that we can obtain from small businesses, and it does not seem like a good idea to exempt them entirely from the act.

I realize the amendment of the Senator from Alabama makes it easier for someone to gain that exemption, but I would be opposed to easing it at all. I do not think I am going to be successful in knocking out the exemption altogether, however, even though I have language in my amendment that states that the Administrator shall take steps to assure that information required by the agency is obtained with as little burden as possible upon small business enterprises.

But I think we have to realize that many of these small business enterprises are owned by millionaires, and even though we have a great deal of sympathy for the struggling businessman who is barely able to make a living, we do have a lot of small business owned by very wealthy people who could furnish this information without any difficulty at all. I think rather than accept this amendment or even my amendment that will come up later, we should work together to come up with some kind of language in the bill which would allow the Administrator, in special cases, to provide funds, if necessary, to obtain this information. I hate to see this information lost to the general public.

Mr. BROCK. Mr. President, if the Senator will yield, I would like to point out to him that this applies only to the disclosure of data or other information under this subsection from small businesses. It is not a pervasive section.

I think we might find that the data that we would get from these very small businesses is totally irrelevant to needs of

the Consumer Protection Agency itself, and that there is no way in which the data acquired in these very small firms would be necessary to the implementation of the act or the proper functioning of the agency itself.

The problem we have had, as the Senator knows, in the Select Committee on Small Business, is that our small businesses in this country are absolutely besieged with report after report, regulation after regulation, and they simply do not have a battery of corporate attorneys and all of the bookkeepers and accountants to comply with everything that is being done up to now.

I think what the Senator from Louisiana is trying to do is to say, "Let us put the rifle shot where it belongs, on that portion of the committee which does have a sizable substantial effect upon the consumer and for which we have certain responsibilities in terms of interstate commerce."

I think here we very clearly are trying to limit the action so that the agency itself can have maximum effect where the need is greater.

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOMENICI. Who has the floor?

The PRESIDING OFFICER. The Senator from Maine has the floor.

Who yields time?

Mr. HATHAWAY. I yield.

Mr. DOMENICI. Mr. President, I rise in support of the amendment.

I would like to recall for the Senator from Maine the history of this exemption. When this bill came to the floor last year there was no exemption at all from the written interrogatory provision for the small businessman in America.

I think the Senator from Tennessee is absolutely right; this is exempting them not from the entire bill but only from the very onerous provision of having to go to a lawyer when someone wants to send them a set of interrogatories to be answered. They are frightened enough and filled up today with regulations that even substantial businessmen who are small are saying that they are going to have to hire a house lawyer just to know what their legal rights are and what they are not.

They have a right to go to court if they do not want to answer interrogatories. We thought that an agency in its infancy, with the kind of funding it had, which was small, ought to get on with the business of looking into the independent agencies of the Federal Government; at least that was my reason originally for supporting it.

I think we are going to find that if we exempt from this bill that portion which says to the small businessmen of America that they are not going to have written interrogatories sent to them to be answered under oath we are going to find that substantial numbers of Senators will stop supporting this bill because they are concerned that we are going to so diffuse the function of this agency. Its one primary responsibility, as many of us see it, is to take charge in terms of the big independent agencies, which we have refused for year after year to engage ourselves in oversight hearings on; and we are going to diffuse its few million dollars across millions of small businessmen.

So it appears to me that before we talk about striking it we ought to talk about expanding it, as suggested by the Senator from Louisiana.

Last year when we put it in we received the committee's support. It was very limited at that time, as the Senator remembers. Not so many would have qualified. We had 25 employees. There was an "and" provision in it. They had to have the income, the net worth.

The committee reported out a bill because of the efforts of the junior Senator from Georgia (Mr. NUNN) that has broadened to some extent. Certainly it has eliminated the 25 employees as part of a "or" test.

I certainly think the Senator from Louisiana, who is now suggesting that we let any of these three exempt them, will create for us a far better atmosphere for the small businessman, who is not today in need of any further regulations or encumbrances or house counsel, just to eke out a living in the American free enterprise system.

Mr. BROCK. Mr. President, I yield myself 3 minutes on the bill, and I do so order to ask the original sponsor of the amendment, of which I am a cosponsor, a question with regard to the language. Maybe either he or the chairman of the committee might want to respond to this inquiry.

On line 9 of the bill, on page 24, it says:

> For the purpose of this paragraph, "small business" means any person that, together with its affiliates, including any other person with whom such person is associated by means of a franchise agreement.

I want to be very sure whether or not we are including the very small hamburger franchise, for example, or the dime and quarter coin-operated laundries, or people like that, who by no means qualify as anything other than the smallest of businesses, unless they are very productive.

Are they covered because they happen to have a franchise from some other giant outfit?

I am not sure of the language here.

Mr. RIBICOFF. Mr. President, I can tell the Senator what I think it is. I do not know if the Senator from Louisiana will agree.

If we had a person or a company that was giving out franchises, and its assets exceeded $7.5 million overall, its net worth $2.5 million overall, and it had more than 150 employees, it would include that.

Mr. BROCK. That is right.

Mr. RIBICOFF. But it would not include the franchise holder who by himself had five or six employees and his assets and net worth were less than the amount.

That is how I interpret what the Senator from Louisiana is trying to achieve.

Mr. BROCK. Mr. President, I am talking now about the basic language of the bill itself. The Senator from Louisiana does not change this particular language. It was my understanding that the committee intent was to exclude the franchisee.

Mr. RIBICOFF. The franchisee.

Mr. BROCK. The franchisee, that is right.

Mr. RIBICOFF. Not the franchisor.

Mr. BROCK. Not the franchisor who met the earnings or asset test, which would be fully covered.

If that is clear, I want to establish it by the legislative history here today that if the franchisee, that little person who borrowed money to get the franchise—obviously I think we intend to exclude him.

Mr. RIBICOFF. That is my intention and I believe the intention of the committee, because the way the American franchise business operates, these are really small businessmen who have a franchise.

Mr. BROCK. Yes. Absolutely.

Mr. RIBICOFF. The person who grants a franchise generally is a large corporate enterprise, and that person tacks all his franchisees together. The individual who has a franchise is excluded, but not the franchisor.

Mr. BROCK. That is right.

I think that is great because franchises have become enormously valuable in providing individual businessmen to have access to the entrepreneurial system of this country, and I think it very essential that we safeguard that opportunity and in no way diminish their opportunities in the free enterprise system.

Let me say in the final analysis that I have a small business amendment of my own. I used a slightly different figure, but I am grateful to the leadership of the Senator from Louisiana and his cosponsors, and I hope it will pass overwhelmingly.

Mr. RIBICOFF. I am sure it is the contention of the Senator from Louisiana that if you have a franchisor who has a thousand franchises, and each franchise is worth $5,000, then the company is not excluded by this provision. Such a franchisor is different from the individual franchisee who is only with $5,000.

Mr. JOHNSTON. Let me say I did not change this language in any way. But, as I understand it, you accumulate franchisees, with all of their employees and all of their assets, for the purpose of including the franchisor within the ambit of the act.

Mr. RIBICOFF. That is correct.

Mr. JOHNSTON. The Senator did not include other franchisees or the franchisor for the purpose of including the franchisee within the act assuming, of course, that the franchisee and the franchisor are separate legal entities.

Mr. RIBICOFF. In other words, the interrogatories can be addressed to the franchisor who, when you accumulate all the franchisees he controls, exceeds the three basic tests, but the franchisee stands by himself, and the interrogatories would not go to the franchisee.

Mr. JOHNSTON. In other words, you can have interrogatories to Colonel Sanders but not to the neighborhood fried chicken place.

Mr. RIBICOFF. That is very well put.

Mr. JOHNSTON. I thank the distinguished Senator from Tennessee.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, of the Senator from Louisiana.

The amendment, as modified, was agreed to.

Several Senators addressed the Chair.

AMENDMENT NO. 446

Mr. JOHNSTON. Mr. President, I have an amendment at the desk which I ask to be reported.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 15, beginning with line 6, strike out through "consumers" in line 10, and insert in lieu thereof the following:
>
> The Administrator shall have standing to obtain, in the manner prescribed by law, judicial review of any Federal agency action reviewable under law that substantially and directly affects the health or safety of consumers.
>
> On page 17, line 5, insert the following:
>
> Notwithstanding any other provision of this Act, a determination of an agency not to take the action requested shall not be subject to judicial review unless the requested action substantially and directly affects the health or safety of consumers.

Mr. JOHNSTON. Mr. President, I yield myself 10 minutes.

Before I begin to discuss this amendment, I would like to ask a few questions during that period of time of the distinguished floor manager so that we will know precisely what we are talking about when we are talking about this.

First of all, with respect to the power of the Administrator to initiate a proceeding, the Administrator may go before any Federal agency, may he not, and request that they either initiate a proceeding or initiate a rulemaking procedure or take other action when there is no proceeding pending at that time?

Mr. RIBICOFF. No. All he can do is petition an agency to conduct an investigation or a hearing as with any private party. But just the fact that he petitions someone does not mean that the agency has to comply. He cannot himself initiate any proceeding or cause an agency itself to start a proceeding if the agency does not want to do it.

Mr. JOHNSTON. What I mean is he may petition for that action, he may petition for rulemaking or an action——

Mr. RIBICOFF. Yes; he may.

Mr. JOHNSTON. And the agency does not have to grant him that power.

Mr. RIBICOFF. That is correct.

Mr. JOHNSTON. But the failure of the agency to undertake that activity or undertake that rulemaking procedure is an appealable action.

Mr. RIBICOFF. That is correct, but that would be the case with any private individual.

Mr. JOHNSTON. Well, a private individual does not have a right to request a proceeding before a Federal agency.

Mr. RIBICOFF. No, but he can appeal from a denial.

Mr. JOHNSTON. Only if he is a party.

Mr. RIBICOFF. Any individual of the 212 million people can petition an agency to start an action or to have a hearing or to take a particular action involving the jurisdiction of that agency. If it is denied, that person can take an appeal to the courts, and the consumer advocate is exactly in the same position as any private person.

Mr. JOHNSTON. For example, I, as a private person, could not go before the CAB and request them to enact a particular rule, and then if they failed to enact that rule I could not appeal from that decision.

Mr. RIBICOFF. Yes, you could. Any private individual, whether it is a U.S. Senator or any individual, can go before the CAB and request them to proceed. If they fail to do so he can take an appeal. Very few people do so because the individual does not have the money to undertake it.

Keep in mind that an agency has enormous discretion. If it fails to act within its authorized discretion, you could win on an appeal to the courts, but the chances are you would be turned down because it is difficult to prove an abuse of discretion by the Agency.

The ACA would have no greater power than would Senator BENNETT JOHNSTON, in taking an appeal. In other words, the ACA does not have any powers or rights beyond that which any individual would have.

Mr. JOHNSTON. They have the right to seek judicial review of any Federal agency action. They may initiate that even though they may not have participated in the hearing itself?

Mr. RIBICOFF. They would then have to petition for rehearing.

Mr. JOHNSTON. Well, they would have to petition for a review of that action, the Agency's action, which, if denied within the 60 days, would give them the right to appeal.

Mr. RIBICOFF. That is correct.

Mr. JOHNSTON. My question is in that appeal or review which, I assume, would be in the Federal district court, is that correct——

Mr. RIBICOFF. That is correct.

Mr. JOHNSTON. Would they have the ordinary rights of a litigant at the district court, including the power to seek an injunction and all the panoply of powers that an individual litigant would have?

Mr. RIBICOFF. They would have the same rights as any party who was aggrieved. Under the rules and under the law their rights are not enlarged. The Agency for Consumer Advocacy would have no greater powers than BENNETT JOHNSTON of Louisiana, on any aggrieved consumer.

Mr. JOHNSTON. I mean they have the right to go in for all consumers under this very broad power.

Mr. RIBICOFF. That is right. But what we have done is we have said in this act that the consumer generally is voiceless and defenseless, and we have now created an agency that can act for consumers. But that is all the power he has. He is an ombudsman. He comes in there as an intervenor acting for consumers, but we have not enlarged any rights. He cannot give any orders or regulate or anything else, but he is an agency with certain powers, and we have given him the money to act and to have experts in his behalf which the consumer does not have.

Mr. JOHNSTON. I want to make this very clear. Under the bill the Administrator has no power. The definition of consumer interests is no broader than that interest which an individual would be able to assert either on review in the district court or before the agency itself; is that correct?

Mr. RIBICOFF. Let me read exactly where his powers lie. If the Senator from Louisiana will turn to page 15, line 1:

> (c) To the extent that any person, if aggrieved, would by law have such right, the Administrator shall have the right, in accordance with the following provisions of this subsection, to initiate or participate in any Federal court proceeding involving a Federal agency action—
>
> (1) The Administrator may, as of right, and in the manner prescribed by law, initiate any civil proceeding in a Federal court which involves the review of a Federal agency action that the Administrator determines may substantially affect an interest of consumers. If the Administrator—

Mr. JOHNSTON. Precisely. In other words, the Administrator makes the determination of what substantially affects the interests of the consumer, does he not?

Mr. RIBICOFF. But that is subject to review.

Mr. JOHNSTON. The Administrator's determination of what an interest of the consumer is, is subject to review, and where is that?

Mr. RIBICOFF. That is right. When the whole thing is reviewed in court.

Mr. JOHNSTON. Where is that subject to review?

Mr. RIBICOFF. On page 42, section 21(b), beginning on page 41, line 19:

> (B) a party to any agency proceeding or a participant in any agency activity in which the Administrator intervened or participated may, where judicial review of the final agency action is otherwise accorded by law, obtain judicial review following such final agency action on the ground that the Administrator's intervention or participation resulted in prejudicial error to such party or participant based on the record viewed as a whole;
>
> (2) For the purposes of this subsection, a determination by the Administrator that the result of any agency proceeding or activity may substantially affect an interest of consumers or that his intervention in any proceeding is necessary to represent adequately an interest of consumers shall be deemed not to be a final agency action.

Mr. JOHNSTON. Correct, and one can appeal only final agency actions, can one not, is that not really the exclusion of the right to appeal and the right to contest the decision of the Administrator?

Mr. RIBICOFF. I am trying to find the section.

Mr. JOHNSTON. While the Senator is looking, I would suggest to him that that is not appealable and not reviewable and that the Administrator's view of what it a consumer interest is unbridled and a total grant of power.

The language itself is very broad and can include anything and the Administrator's decision is a final one, or should I say that it is final in the sense it is not reviewable, and it is not reviewable because it is not considered final by the language just read.

While the staff is checking on that answer, I would like to ask a couple of other questions, if I may.

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. JOHNSTON. I yield myself an additional 10 minutes.

Suppose under the new Surface Mining Act, and I hope the President signs it, a mining company requests a surface mining permit, which is granted by the Agency created under that act, is that Agency covered, by the way, under this act, or would it be——

Mr. RIBICOFF. Does the Senator mean the new Agency in the Surface Mining Act?

Mr. JOHNSTON. Right.

Mr. RIBICOFF. What is that Agency called?

Mr. JOHNSTON. I do not know the formal name of it, but it is the one which would——

Mr. RIBICOFF. I would assume so, if the Agency had the right to issue regulations and make orders under the Surface Mining Act.

Mr. JOHNSTON. Right.

Well, let us take another example.

Mr. RIBICOFF. That would be covered.

Mr. JOHNSTON. Right.

Suppose that an interstate pipeline company applied for permission to build a pipeline, which was granted by the FTC, would there not be the power to initiate review of that action in Federal court?

Mr. RIBICOFF. If it were appealable by a party to the action or any individual, then the ACA would have that power, too.

Mr. JOHNSTON. I would submit to the Senator, under the language just read, that if the Administrator determines that that substantially affects the interests of the consumers, he has the right to initiate that review.

Mr. RIBICOFF. I think it is again limited by page 15, subsection (c), "to the extent that any person, if aggrieved"——

Mr. JOHNSTON. If aggrieved.

Mr. RIBICOFF. "Would by law have such right, the Administrator shall have the right."

Mr. JOHNSTON. What does it mean when it says, "to the extent that any person, if aggrieved"?

Mr. RIBICOFF. If any person could appeal the action, so can the ACA.

Mr. JOHNSTON. Does it not assume that grievance there, say in effect that the administrator has the right to initiate this action to the full extent that anyone is aggrieved, would have that right?

Mr. RIBICOFF. That is right.

Mr. JOHNSTON. The test for determining grievance is not the same as that individual; rather, the test for determining a standing to sue in court is an artificial definition which is nonreviewable. That definition being the interest of consumers and that determination of the administrator being not reviewable by the court.

Mr. RIBICOFF. If it could be shown by the defendant that the agency action under review would not substantially affect an interest of consumers, then the ACA has no right to take an appeal.

Mr. JOHNSTON. I would submit the language does not say that. It says, "if aggrieved."

Mr. RIBICOFF. If aggrieved.

If a person who was aggrieved could not appeal, the ACA could not appeal, either.

Mr. JOHNSTON. Suppose the administrator determines that——

Mr. RIBICOFF. If it is not appealable, the ACA cannot make it appealable. Just because it is an ACA, it does not have any rights greater than that of an individual.

Mr. JOHNSTON. Right.

I think it is a very important question and I do not believe that the Senator is giving the answer called for by the language of the bill, so I want to make it very clear.

Mr. RIBICOFF. Well, that is my understanding and the staff's understanding of what the bill does.

I mean, we are not enlarging the rights of the ACA over that of any other persons aggrieved. We are putting the ACA in the same position as an individual who is aggrieved.

Mr. JOHNSTON. An individual would not have the right to appeal simply by showing that an interest of consumers, as he interpreted it, was substantially affected.

Mr. RIBICOFF. No, an individual who is a consumer must also show that he is aggrieved in order to have the right to appeal an action.

Mr. JOHNSTON. That is correct.

Mr. RIBICOFF. And the ACA could come in if the agency action under review involved a marketplace transaction affecting the economic interests of the consumer or his health or safety. To that extent, the ACA might be more restricted than an individual. He would have to——

Mr. JOHNSTON. Let me make this one question very clear. I think we are getting to the point now.

If the administrator determines that an interest of consumers is substantially affected, if he makes that determination, then he need not meet any other test by which an individual would have the right to appeal?

Mr. RIBICOFF. But the action would have to be otherwise appealable, by an individual.

Mr. JOHNSTON. The action would have to be otherwise appealable.

Mr. RIBICOFF. By a person.

Mr. JOHNSTON. If the individual was aggrieved.

Mr. RIBICOFF. If the individual was aggrieved.

Mr. JOHNSTON. If.

Mr. RIBICOFF. So the ACA could only come in if an individual who was aggrieved could appeal, but in addition he would have to show that the agency action may substantially affect an interest of consumers, in other words affect an economic health or safety concern of consumers.

Mr. JOHNSTON. That is right.

Mr. RIBICOFF. And that would, maybe to some extent, be more restrictive than that of a private person, but the ACA's rights would not be greater than an individual's rights.

Mr. JOHNSTON. I would also——

Mr. RIBICOFF. I hope the colloquy gives the Senator form Louisiana what he seeks to clarify, the rights of the ACA.

Mr. JOHNSTON. I think we have precisely finally arrived at the point, that the Administrator makes his own determination of what a consumer's interest is, and then he has a right to submit that for review at the district court level.

Mr. RIBICOFF. And the district court might say that the ACA is wrong, that it does not have the right to seek review.

Mr. JOHNSTON. That it does not have the right——

Mr. RIBICOFF. That the agency action is not reviewable or that it does not affect the consumer's interest.

Mr. JOHNSTON. I submit to the Senator that the language quoted to me a moment ago makes it a nonreviewable question. Is that not correct?

Mr. RIBICOFF. Now you are referring to a separate question, review of the right of the ACA to intervene at the agency level. On page 41, line 19, it states:

> (B) a party to any agency proceeding or a participant in any agency activity in which the Administrator intervened or participated may, where judicial review of the final agency action is otherwise accorded by law, obtain judicial review following such final agency action on the ground that the Administrator's intervention or participation resulted in prejudicial error to such party or participant based on the record viewed as a whole;

Mr. JOHNSTON. I submit to the Senator that that does not take away from the language quoted earlier which says that the Administrator's determination of what is a consumer's interest is not a final action, ergo it is not appealable.

Mr. RIBICOFF. If a person could show that he was prejudiced by the action of the Administrator at the agency level, he could file an appeal himself.

Mr. JOHNSTON. Taken on the record as a whole, not on the Administrator's determination of what a consumer's interest is.

Mr. RIBICOFF. But that would be part of the entire record, that would be before the court. The judge is going to have to make that determination on the record.

Mr. JOHNSTON. I submit to the Senator that is not the right to review what is an interest of consumers. It is a right to look at the whole record as a whole and to say, "It has prejudiced me and I otherwise have the right to appeal." Actually, he would pretty well have that right to appeal anyway.

I have one final question. When he goes into court, does he have all the powers of the litigants, for example, to seek a temporary restraining order or to seek an injuction?

Mr. RIBICOFF. Yes, he does. He has the same rights that the individual has.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JOHNSTON. Mr. President, I yield myself an additional 10 minutes.

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Mr. President, I apologize if this colloquy has been at times a bit confusing, but the purpose is first to clear up and to make known what are some very, very far-reaching provisions of this law.

First of all, Mr. President, the Administrator has the absolute, unbridled, unreviewable, nonappealable right to determine what is the interest of a consumer. In turn, the phrase "interest of consumer" is broad enough to take in even environmental interests at times. Perhaps we can say the Administrator ought to have that right.

Next, the Administrator may intervene in any proceeding or activity. He may intervene by written or oral submissions in any Federal agency proceeding or activity, whether or not it is actually a Federal agency action. That is enough to include just about any private conversation held with any agency.

Next, it may initiate as a right a judicial review of the Federal agency action. That is an appeal in court with all of the full panoply of rights a private litigant would have. It has the right to intervene in an appeal, and it has the right to petition for an initiation of agency proceedings or activities. A denial of that would be appealable.

Mr. President, what my amendment does is two simple things, and I hope I have not totally confused such Senators as are in the Chamber now.

First of all, let me tell you what it does not do. It does not interfere with the administrator's unbridled right to determine what a consumer's interest is. He can preserve that right. It cannot be reviewed except under the very general provision which the distinguished Senator from Connecticut referred to, the record as a whole language.

It does not interfere with the administrator's right to intervene by written or oral submissions in any Federal agency, proceeding or activity. It does not interfere with the administrator's right to initiate interrogatories. It does not interfere with the administrator's right to intervene in an appeal.

What it does do is to take away the power to delay, the power to inflict tremendous costs upon industry in this country, because it takes away the right to judicial review of a Federal agency action unless the health or safety of consumers is involved. By the same token, where the administrator seeks to initiate a proceeding or initiate an activity in an agency and the agency refuses, it would take away the right to review that denial except where the health or safety of consumers is involved.

What is the reason for this, Mr. President? Because the judicial process in this country, unfortunately, is the most time-consuming and the most expensive of all processes that we have going. If you give this administrator the right, without any restriction, to appeal either an action already taken or to appeal the failure to take an action, then the delay that is possible and the expense that is possible to American business under this bill is just impossible to calculate.

I am willing to give him that power, where the health or safety of consumers is involved; where you have a DC-10 door that may be coming open; where you have some drug that may go on the market that may be inimical to the health of American consumers, or in some other instance where these primary rights of health or safety are involved.

But, Mr. President, we have seen too much of decades of litigation with our Federal agencies. The ICC took over 10 years to rule on a merger of some railroads. I have forgotten the name of the case. It still was not ruled on, and the other day the railroad went broke.

It took a decade to set an area price by the FPC following the Phillips decision on natural gas in my part of the country.

Sometimes it literally takes decades and million of dollars to get this relief.

I would hate to see some needed Federal activity that has hearings and that has a long proceeding, whatever the agency is, have that proceeding finally approved and have this agency come in and seek an injunction against its enforcement, be able to get it, and hold it up for years in the courts. That is what we are talking about.

Mr. President, I am not trying to kill this bill. I want to make that perfectly clear. I am prepared, with this amendment, to support this bill and support it strongly, simply because I think consumers do need a voice. They do need an advocate.

I am not taking away that voice. I am not taking away that ability to advocate the interest of consumers.

All I want to do by this amendment is to take away years of litigation and millions of dollars of expense. There may be a lot more businesses in this country that will go broke as this railroad did—somebody will tell me the name of it in a minute—when they petitioned the ICC for a merger and a decade later they had not acted and the railroad went broke.

Mr. McCLURE. Will the Senator yield?

Mr. JOHNSTON. I yield.

Mr. McCLURE. I believe the Senator is speaking of the Rock Island case.

Mr. JOHNSTON. I am. I thank the Senator. I believe it took 10 years in the making.

I hope the distniguished Senator from Connecticut will regard this in the spirit in which it is offered—a desire to give this agency the power to represent consumers, the power to be their advocate, the power to gather this information, the power to make the voice of the consumer heard, but not the power to strangle American business through legal delays and judicial delays and injunctions and temporary restraining orders and appeals and motions and all the rest of those exquisite remedies that lawyers are able to put together.

Understand, I am a lawyer and I like my brothers to have plenty to do; but I think we have presented them plenty to do in other statutes enacted in recent months and years, without giving them the right to appeal and to delay American business.

Mr. RIBICOFF. Mr. President, the distinguished Senator from Louisiana is very persuasive; but should his amendment be adopted, this agency would be absolutely meaningless. While he would allow appeal for health and safety matters, he would eliminate completely the economic factors that are involved with regulatory agencies, such as the question of domestic air fares, the question of oil and gas prices under FEA regulation, the telephone rates by the FCC. These are some of the most important factors that affect the consmer, especially in time of inflation and recession.

It has been our intention from the beginning that when we talk about marketplace transactions, we are talking about the economic interests and the health and safety interests of the consumer.

I could not possibly accept the amendment offered by the distinguished Senator from Louisiana, because once we eliminate the economic factors involved, we really gut the entire bill.

Mr. JOHNSTON. Mr. President, will the Senator yield so that I may ask for the yeas and nays?

Mr. RIBICOFF. I yield.

Mr. JOHNSTON. Mr. President, I ask for the yeas and nays:

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JAVITS. Mr. President, I yield myself 2 minutes.

The Senator has stated the case admirably, except for one thing, which to me is superior to almost any other he has mentioned, and that is consumer frauds.

This amendment would omit the ability of this agency to deal with most consumer frauds, except where they involved health and safety. The whole misrepresentation field would be out, even if a tort were being committed. It seems to me that if anything would show that this amendment simply would drown this bill, that would be it.

I was attorney general of New York and had the privilege of starting our consumers program in New York. The big thing for the day-by-day consumer is the TV repairman, the automobile repairman, the fellow who fixes your icebox, and so on, ad infinitum.

Mr. RIBICOFF. I see the distinguished Senator from Arizona in the Chamber. About a month ago, I saw a CBS program on land fraud in the State of Arizona. Arizona is a beautiful State that has been fortunate enough to attract people from all over the country. I am sure that in Arizona are many legitimate real estate developers. Yet, these programs indicated that over a period of years a group in Arizona were selling land to people in Minnesota, Wisconsin, and Michigan, to attract them to Arizona, but they were selling them worthless land. This also has taken place in Florida.

Mr. GOLDWATER. Mr. President, I yield myself such time as I may require. What the Senator says is true; what the Senator says is absolutely true. We were not able to handle it with State law in Arizona, because it comes under interstate commerce.

I was shocked when prominent television stations in New York and Washington and elsewhere in the East would run advertisements on Arizona land, showing water where there was no water, trees and grass where there were no

trees or grass. The State of Arizona has been trying for many, many years to stop this, but we have not been able to do so. While the proposed bill might give some recourse, I do not think it will stop it. We are only going to stop these things if newspapers, magazines, and television and radio stations will look into what they are advertising.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield.

Mr. JOHNSTON. Is the Senator aware that within the last 2 or 3 years, in response to that kind of fraud, we enacted the Interstate Land Sales Act, which covers this very thing and applies to consumer fraud in interstate land sales?

Mr. GOLDWATER. Yes, that is true. But we are not getting at the root of it. The root of the problem is people in the advertising business who think more of a dollar than they do of honesty, and the woods are full of them.

Mr. RIBICOFF. The Senator from New York mentioned his experience as attorney general. Neither the State of Arizona nor the State of Florida could act. But this was in interstate commerce, and we could have the agency for consumer advocacy, which could call attention to this and petition the Federal Trade Commission or the agency that has just been mentioned by the Senator from Louisiana to intervene. So we have a consumer interest. But if we adopted the amendment suggested by the distinguished Senator from Louisiana, the ACA could seek judicial review of matters involving health and safety but not economic interests.

I am certain that the Senator from Arizona, who opposes this bill, would be more than pleased, for the sake of his State's reputation and that of legitimate real estate developers, to have someone concerned clamp down on the real estate operators who are out to mulch innocent people all over the United States and who bring discredit on the State of Arizona.

Mr. GOLDWATER. I think we have a law now that will do it. But I point out that until we can handle those people who will take any kind of advertising, the situation will not be corrected.

I happened to have been in this business—not the advertising business, but I was a big purchaser of advertising during my business career. I know how some of these advertising firms work. I know that they are unscrupulous. They never look under the sheet to see what is there.

I was dumfounded to see the kind of people they could get in Washington, for example, to recommend that people buy land in Arizona. I would get calls from these people, who would ask, "Is it good land?"

I would say, "Do you have $50,000?"

They would ask, "What for?"

I would tell them, "You have to drill for water. And do you have another $10,000 to provide diesel source of power?"

They were not told these things. Any scrupulous advertising firm never would have allowed these things to be put out to the people.

I hope the consumer's bill touches upon that, because it is not the crooked dealer who bothers us in these things. It is the advertising source that will take anything so long as a dollar is connected with it.

Mr. RIBICOFF. What the Senator is concerned about is exactly what we are concerned about. Any person could make a complaint to the Agency for Consumer Advocacy. The Senator from Arizona could pick up the telephone or write a letter to this agency and complain about this misleading advertising that is mulcting people all over the United States. The consumer advocate could go to the Federal Trade Commission and point out this misleading, fraudulent advertising and ask the Federal Trade Commission to move against these radio and television stations and the advertising agencies involved in this fraud.

That is why I am opposed to the distinguished Senator's amendment, because he would remove the ability of the Agency for Consumer Advocacy to move against economic fraud, but would only permit it to move against health and safety matters.

This is what concerns us, because what we have is a great deal of fraud by illegitimate operators who bring discredit upon legitimate business. I am sure that legitimate real estate developers in Arizona have suffered because of the actions of those sharks who have come into Arizona to cheat people all over the United States.

Mr. GOLDWATER. Fortunately, we have such a demand for Arizona land that we were not bothered too much.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. RIBICOFF. I am pleased to yield.

Mr. JOHNSTON. I want to make this clear, because the Senator's statement—unintentionally, I am sure—totally misrepresented what my amendment would do.

My amendment would not take away the right to petition the Federal Trade Commission to go in and stop that fraud. My amendment would not take away the right of the consumer agency to go to the Federal Trade Commission and ask them to adopt a rule about advertising. My amendment would not take away the right to participate in any proceeding.

All my amendment would do would be to take away the right—after you have gone to the FTC, presented your case, collected your information, and had your day in court with the FTC—to appeal and go further into court.

Mr. RIBICOFF. What bothers me is this: Let us say the Federal Trade Commission pushed it under the rug or threw it into the waste basket.

I would want to give the Agency for Consumer Advocacy power to take an appeal to the courts to call attention to the fact that they were aggrieved, because an individual would be aggrieved. I am sure, as I follow these television programs, that thousands upon thousands of people all over the United States are aggrieved, as they were in Florida. In the newspapers, this surfaces every year, finding these widespread land frauds. I am sure when the Senator from New York was attorney general, he must have received many complaints about people in New York being cheated by being sold land that was under water in the State of Florida. There was not much these people could do about it, nor could the attorney general of New York do anything about it. But if one had an advocate coming into the Federal Trade Commission, the attorney general of New York could file his complaint and then have the consumer's advocate move through the Federal Trade Commission. If the Federal Trade Commission refused to act, then he could file an appeal. Is that correct?

Mr. JAVITS. That is entirely correct.

Mr. STONE. Will the Senator yield?

Mr. RIBICOFF. No reflection on the Senator from Florida, but we all know that these sunshine States, whether they are Florida or Arizona or California——

Mr. STONE. Why did the Senator say "but"?

Mr. RIBICOFF. There are unscrupulous operators who take advantage of people all over the United States.

Mr. STONE. Will the Senator yield for a question?

Mr. RIBICOFF. I am pleased to yield.

Mr. STONE. Is it not a necessary right to be able to appeal from a Federal Trade Commission ruling, as, for example, took place in the recent determination by the Federal Trade Commission to proceed no further in investigating condominium abuses, on what the Senator from Florida considers spurious reasoning, that the HUD was conducting a recommendation investigation, to recommend back to Congress legislation? Here the FTC was investigating abuses and decided to proceed no further. If there had been a consumer advocate and the consumer advocate felt that there were, indeed, consumer abuses, the consumer advocate could have taken it further, could it not?

Mr. RIBICOFF. That is right. To take the individual condominium owner—and there have been many, many abuses in Florida. A man and his wife, 65 years of age, buy a condominium. There is misrepresentation. All their money is sunk in that condominium. They have nothing left. The Federal Trade Commission was supposed to proceed and did not. Since this is so widespread throughout the United States, it is becoming one of the great frauds in this country. The ACA could move and take an appeal from the action of the Federal Trade Commission. But under the amendment offered by the distinguished Senator from Louisiana, since it does not involve health or safety, but economic interest, the ACA could not take that appeal. This is where the amendment of the distinguished Senator, I think, falls down.

I am sure the Senator does not intend to protect fraudulent real estate operators for taking advantage. I am sure there are people in Louisiana who get cheated as well as people in Connecticut and New York.

Mr. STONE. Is it not the case that the principal consumer interest is an economic interest even more frequently than it is a health or safety interest? As a consumer, the basic relationship of consumer to producer is an economic interest. By obviating the ability to operate in the economic area, do we not effectively render the consumer advocate an advocate of very little indeed?

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Mr. RIBICOFF. I should say he would be able to play a major role in health and safety matters, but without question, most of the activities of the consumer advocate would be in the economic field.

Mr. STONE. If the consumer advocate cannot investigate an economic cheating situation, what good, really, is the consumer advocate?

Mr. JOHNSTON. May I answer that?

Mr. RIBICOFF. Certainly.

Mr. JOHNSTON. I have been trying to get across, unsuccessfully, the fact that this does not take away the right to investigate. A person can appear before the agency, he can request and petition the agency to undertake the investigation, he can intervene in an appeal, he can do all those things, and present the interest of consumers. All this amendment does is say that one cannot seek review in Federal court from the failure to undertake the investigation or the rule-making procedure or from the action of the FTC or whatever the agency is. That is all.

Mr. STONE. What the Senator from Louisiana has failed to clarify in the mind of the Senator from Florida is the second part of the amendment of the Senator from Louisiana where he provides:

> On page 17, line 5, insert the following: Notwithstanding any other provision of this act, a determination of an agency not to take the action requested shall not be subject to judicial review unless the requested action substantially and directly affects the health or safety of consumers.

That ties it right back down to health and safety at the very end. One of these concluding provisions, which says that notwithstanding anything else, the only thing one can take up is health and safety, would seem to prevent the raising or the advocating of the economic issue, as separate from the health and safety issue.

Mr. JOHNSTON. Let me make it clear what it does. The ACA, under the original bill, has the right to request the initiation of an agency proceeding or activity—for example, a rulemaking activity or a ratemaking activity, or whatever.

Mr. STONE. An investigation.

Mr. JOHNSTON. My amendment does not affect or disturb the right of the Administrator to petition for that hearing, to petition for that rulemaking activity. They can, first of all, send the interrogatories, gather all the information, make their petition before the agency. All my amendment does is say that if, after having made their case before the agency, the agency decides not to initiate that action, then they may not go before a Federal court——

Mr. STONE. Except for health and safety reasons.

Mr. JOHNSTON. Unless for health and safety reasons; the Senator is correct.

Mr. STONE. The Senator from Louisiana knows that the Senator from Florida would rather join the Senator from Louisiana on any amendment or bill than not. The Senator from Florida respects highly the creativity and the motives of the Senator from Louisiana.

Mr. JOHNSTON. I thank the Senator.

Mr. STONE. But the Senator from Florida has an immediate example of the Federal Trade Commission commencing an investigation which they insisted had to be secret in the sense of their hearings, and, following secret consideration, dropped the investigation of a business in the consumer field with regard to condominiums that had nothing to do with health or safety, but did have plenty to do with economic abuses. With this amendment, we would be stopped.

Mr. JOHNSTON. Let me say that other provisions of the bill take care of that situation, first, by doing away with the right to have secret negotiations—and I ask the Senator from Connecticut if this is not correct—because the agency is able to be informed of all of these secret meetings. In fact, in the most informal proceedings of all, any investigation, any informal proceeding, the administrator has the right to be informed of that and make it public, and then to present the case of the consumer before that agency. That is where the effective power of this agency lies.

Mr. STONE. May the Senator from Florida inquire, why only health and safety in this review process? Why not economic interest as well?

Mr. JOHNSTON. Because history has shown that litigation is the most time-consuming and the most expensive of all kinds of activity involving these Federal agencies. It takes, sometimes, decades and millions of dollars. It is not the big corporations that pay the bill; ultimately, it is the consumer who pays the bill. And he pays the bill of delay.

Mr. STONE. We agree.

Mr. JOHNSTON. I am sure there are some situations where the Senator can say that there might be an abuse, so the agency ought to have the right to go to court. I say that the result is that the interests of consumers are actually going to be hurt by giving them the right to go to court on every economic matter that comes along.

The powers of this agency are vast.

Mr. STONE. Will the Senator from Louisiana yield for 1 minute?

Mr. JOHNSTON. Certainly.

Mr. STONE. The Senator from Florida introduced some amendments into the committee proceedings to approach that very question, to try to make it the threshold burden of the consumer advocate to establish exactly what consumer interest he is representing. I still think that that is a better approach than cutting off the right of appeal. The Senator from Florida is still interested in strengthening this. We have this in report language. The Senator from Florida is still interested in making it the burden of the consumer advocate, before he starts what can turn into a dilatory process, clearly to identify what interest he is seeking to protect and what the impact is likely to be; to have that burden, which then, indeed, could be reviewed as to whether he correctly found that interest. In any appeals proceeding he will be subject to be in appellate review himself.

While we obtained some helpful language in the report, the Senator from Florida is still concerned about that phase of it, but the Senator from Florida thinks that to cut off the review does not really attack the problem and can cripple one of the major purposes of having an advocate.

What good does it do to have an advocate at the administrative level where the agency that the consumer advocate appears in front of is not only the prosecutor of an interest but also the determinator of the facts and of the result. That is what happens in an administrative agency. If we do not have review by the courts we are really in the hands of the Philistines. It is so necessary to be able to take an administrative agency higher in some cases.

So, I am still not persuaded that only health and safety should be reviewed, but I am persuaded that clarifying the interest, thought to be protected, is working on it even on the floor here.

Mr. JOHNSTON. I will, of course, admit there are times when review of an economic matter might be appropriate. Of course, there are times for that. But, as I say, the rule is going to be that it is going to be productive of delay.

We can give example after example after example of these long court delays from the Alaskan pipeline to the railroad case, to the ratemaking case in south Louisiana, to others that really worked against the interest of the consumer.

Mr. President, it is a complicated amendment. I realize it is difficult to grasp the significance of it.

The Senator from New York said a moment ago that this would prevent the agency from dealing with, I believe the words were used, the interests of consumers. It is not correct. The agency can deal with, can operate in the economic area, to use the phrase of the Senator from Connecticut, can be involved with, can present the interests, and can be the advocate for consumer interests.

All I ask, Mr. President, is that we do not go overboard.

We have seen this Nation go overboard in some areas, in the area of environment, for example.

A new example of extremism in the environmental field came up in the city of Baton Rouge, La., the other day, when the power company withdrew water from the Mississippi River to boil in the boilers. Then in the process of cleaning it they wanted to put the same water and the same mud right back in the river from which they drew it out. The EPA said: "No, you cannot do that. It is polluting the river." They were putting back exactly the same water.

Then there is the example of the seat belt situation where it has gotten so strong that you cannot even turn on your car until you buckle in not only your groceries but also your dog.

Mr. President, I am just trying to save this bill from going to that kind of extreme situation to protect the interest of consumers, but to not tie this thing up in court from now until sometime in the 1980's, all to the ultimate disinterest of the consumer.

I think I have said enough, Mr. President. I am ready to vote.

The PRESIDING OFFICER. Who yields time?

Are the Senators ready to yield back the remainder of their time?

Mr. JOHNSTON. Mr. President, I am

just advised that a number of Senators have gone home, and I am not anxious to bring the amendment to a vote if there are a number of absentees. I have no objection to the vote occurring tomorrow.

Mr. RIBICOFF. Mr. President, the majority whip is here, and I would like to clear it with him. I am ready for the vote. Mr. President, I yield to the distinguished assistant majority leader.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote on the amendment of the Senator from Louisiana (Mr. JOHNSTON) occur tomorrow at 12:30 p.m.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. DOMENICI. Mr. President, I have no objection, but do I understand that the bill is now open to further amendment?

Mr. ROBERT C. BYRD. Does the Senator wish to call up another amendment? If the Senator from Connecticut would have no objection to temporarily laying the Johnston amendment aside for that purpose, it could be done by unanimous consent.

Mr. RIBICOFF. I have no objection to laying the amendment aside.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JOHNSTON. Mr. President, will the Senator yield for just a moment?

Mr. DOMENICI. I am pleased to yield to the Senator from Louisiana.

Mr. JOHNSTON. If the assistant majority leader is willing, I would like to request 10 minutes, 5 minutes on each side, immediately prior to the vote at 12:30 tomorrow.

Mr. ROBERT C. BYRD. Very well. Mr. President, we have before the Senate tomorrow the conference report on the congressional budget resolution. I ask unanimous consent that at no later than 12:30 p.m. tomorrow, there be 20 minutes for debate on the Johnston amendment, to be equally divided between the Senator from Connecticut (Mr. RIBICOFF) and the Senator from Louisiana (Mr. JOHNSTON), and that in any event the vote on the Johnston amendment occur at 12:30 p.m.

Mr. JAVITS. Mr. President, will the Senator yield?.

Mr. ROBERT C. BYRD. I yield.

Mr. JAVITS. In view of the fact that we are in a cloture situation, should not the Senator provide that even though Mr. RIBICOFF and Mr. JOHNSTON will have 10 minutes, the time will be charged to individual Senators against their hour?

The PRESIDING OFFICER. That would be the case anyway.

Is there objection to the request of the Senator from West Virginia? The Chair hears none, and it is so ordered.

The Senator from New Mexico may proceed.

AMENDMENT NO. 451

Mr. DOMENICI. Mr. President, I have four amendments at the desk. I call up amendment No. 451.

The PRESIDING OFFICER. The amendment will be stated.

Mr. DOMENICI. For the information of the manager of the bill, this is the amendment that refers to page 25 of the bill, and has to do with that portion of the small business exemption that last year we wrote in specific language on, requiring a specific report in 18 months.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from New Mexico (Mr. DOMENICI), proposes an amendment numbered 451.

Mr. DOMENICI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI'S amendment (No. 451) is as follows:

> On page 25, beginning with the word "The" on line 2, strike out through line 7.

Mr. GRIFFIN. Mr. President, will the Senator from New Mexico yield briefly for a question?

Mr. DOMENICI. I am delighted.

Mr. GRIFFIN. Could the Senator give us any guidance as to whether or not rollcall votes are to be expected on any of his amendments?

Mr. DOMENICI. I do not ask for rollcall votes on any of the three I intend to call up now, and on the debate, I do not intend to take more than 10 minutes on all three.

Mr. President, last year when I proposed a small business exemption to the bill that we are debating today, it was thought that perhaps we ought to have the consumer advocate report 18 months after the exemption was in full effect, as a separate and distinct report with reference to how well this exemption was working or not working.

Now it seems that we have come to the conclusion that there are a number of exemptions under this bill, and we have required that there be no specific report on them. Further, we have in a completely separate part of the bill a requirement for an annual report to be made to Congress.

All my amendment does is srtike all of that language from the bill on page 25 that requires a specific report 18 months after the bill goes into effect to analyze the small business exemption. It is my intention, and I have discussed this with the distinguished floor manager, that the report that is made each year would include a discussion of and an analysis of the small business exemption, just as they will report on all other matters at that time. I see no reason to further burden the Small Business Administration by requiring the further analysis after 18 months, because after 12 months we are going to take another look at it anyway, and by including the exemption in there with all of the rest of the provisions of the bill, we can eliminate any of them any time we want; and if after 1 year we should conclude that that portion of the bill is not working, we would need no separate 18-month report on it.

Mr. RIBICOFF. Mr. President, I am willing to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment (No. 451) of the Senator from New Mexico (Mr. DOMENICI).

The amendment was agreed to.

AMENDMENT NO. 448

Mr. DOMENICI. Mr. President, I have a second amendment that the clerk has numbered amendment 448.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. DOMENICI. Mr. President, I ask unanimous consent that we dispense with further reading of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 45, at the end of line 13, add the following new sentence: "Before releasing any cost and benefit assessment statement to the public, such agency shall transmit to the Comptroller General such assessment and any appendix thereto which indicates the assumption made regarding the means and attendant costs of compliance with the proposed rule including any manufacturers' costs and consumer costs reflected in the price of any product affected by such rule."
>
> On page 50, after the word "section." on line 12, add the following new sentence: "The Comptroller General shall, if he determines that the assumptions contained in any statement submitted to it pursuant to subsection (a) of this section are inaccurate, incomplete, or unjustified so report to committees of the Senate and House of Representatives having jurisdiction over any Federal department or agency that prepared such statement."

Mr. DOMENICI. For the floor manager, since these are not necessarily numbered as I gave them to him, this is the amendment that further expands upon Senator BROCK'S provision that we had in the bill, where we will do a cost type and benefit type of analysis on rules and regulations that the Federal Government puts into effect.

It specifically provides that on page 45, at the end of line 13, we will add a new sentence on a paragraph:

> Before releasing any cost and benefit assessment statement to the public, such agency shall transmit to the Comptroller General such assessment and any appendix thereto which indicates the assumption made regarding the means and attendant costs of compliance with the proposed rule including any manufactures' costs and consumer costs reflected in the price of any product affected by such rule.

Now, the way the bill was reported, we certainly intend that Senator BROCK'S excellent idea that we establish some real consumer protection by analyzing the costs to the consumer if new rules and regulations be carried out. But, basically, without my provision we will leave that up to each agency that is adopting rules, regulations or implementing laws passed by Congress.

It appears to me that since we are charging them with a very difficult, new, and novel burden that we ought to at least have an outside agency kind of check on the facts, assumptions and assessments so that we will not place the entire burden upon the agency that is doing the enforcing to make the assessment.

It seems to me that we have within the Government, through the Comptroller General, an entity that can do that and

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make an objective report with reference to the analysis of whether or not certain assumptions made by these independent agencies are accurate or not. It adds a further third-party kind of doublecheck on that very excellent provision that Senator BROCK initiated in committee and which was reported.

The remainder of my amendment merely adds the Comptroller General to those portions of the bill where it will be consistent with my statement as I have just made it.

Mr. RIBICOFF. Mr. President, this amendment is acceptable to the manager of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Mexico.

The amendment was agreed to.

AMENDMENT NO. 450

Mr. DOMENICI. Mr. President, I call up an unprinted amendment No. 450.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 27, line 20, strike out "ten" and insert in lieu theerof "twenty".

On page 30, line 20, strike out "ten" and insert in lieu thereof "twenty".

Mr. RIBICOFF. May I say, before the Senator starts, this amendment is not acceptable, so he might want to defer this until tomorrow.

Mr. DOMENICI. I might ask the Senator, the committee reported this portion of the bill with a 10-day provision, that the party aggrieved would have 10 days, to seek injunctive relief to different parts of the bill.

It does appear to me that, because we are talking about some very significant rights that might be affected, potential litigants require a substantial amount of time to consider whether or not they really would like to seek injunctive relief.

I think if we would strike a compromise of, perhaps, 15 days as an acceptable amount, we are protecting the public interest at one end, and we are probably going to cause less litigation rather than more if we give the aggrieved party time to do a better analysis of what the real impact of the ruling is going to be.

I think 10 days are going to cause a rather impetuous seeking of injunctive relief. Fifteen days would give them more time to consider it, and we probably would get less litigation and still protect the general public by not having an unduly long period of time.

So I ask the manager of the bill if he would be willing to compromise this and accept 15 days instead of the 10 for the time to seek injunctive relief.

Mr. RIBICOFF. May I say the Senator is doing very well. I would not want to compromise it and make it 15 days because you have matters of such importance involved that I do think that 10 days are enough for a large business to come up with the answers. We have the exemptions on small business to protect them, and I think a business that goes beyond the definition of the restrictions of Senator JOHNSTON's amendment should be able to have the backup to handle a situation such as this.

Mr. JAVITS. Mr. President, if the Senator will yield, I thoroughly agree with him. I have had a lot of business experience and have been a lawyer for a lot of business corporations.

Mr. DOMENICI. I cannot hear the Senator.

Mr. JAVITS. I have had business experience with small and large corporations as a lawyer in these matters, and I think 10 days are quite applicable.

Mr. DOMENICI. Let me say to the Senator from New York and the Senator from Connecticut, it appears to me that my desire to increase the time limit is calculated to have less litigation rather than more. I do not want the Senators to think that by giving them 15 or 20 days, as I originally suggested, that I was hoping they would have time to analyze and go to court.

I thought, to the contrary, and it has been my experience, that in matters of serious consequence, especially under a new law, that you take this in to lawyers, and there is the right to seek injunctive relief, and that 10 days hardly give one time to make the contact, make arrangements, get with the administrator, and talk about the effect. I think the legal advice is going to be, "You have got the right to go to court. Go ahead and file a lawsuit."

I think maybe 5 additional days might cause the tempers to cool and a little bit of analysis and compromising, and it was made in that spirit, certainly not in the spirit of causing more litigation but rather a longer cooling off and analysis time for less.

Mr. RIBICOFF. Would the Senator be satisfied to have it 10 days from receipt of a notice, because it is now a little unclear. The amendment would make it clear what was meant.

Mr. JAVITS. If the Senator will yield we would have to say something about what that would mean because actual receipt can be a highly contested problem. So the amendment should be drafted properly. There is lots of boilerplate to that; I agree with the manager of the bill that we had better draft it properly.

Mr. RIBICOFF. Would the Senator from New Mexico be satisfied if overnight his staff and our staff redrafted the language so as to give the person a full 10 days?

Mr. DOMENICI. I think that would be an adequate compromise. As I look at the 10 days provided for in the statute proposed, it appears to me it would turn out really to be 6.

Mr. RIBICOFF. They are entitled to have 10 days.

Mr. DOMENICI. I withdraw my amendment and we will actually try to work out one of 10 days of true notice.

Mr. JAVITS. That is fine.

CONCENTRATION CAMP SURVIVORS AT WHITE HOUSE MEETING WITH PRESIDENT FORD

Mr. JAVITS. Mr. President, today I had the opportunity to participate in a very touching ceremony in that I escorted a delegation of 10 survivors of the Warsaw Ghetto uprising and concentration camps, the result of the Nazi holocaust, to the White House to meet the President to commemorate the 30th anniversary of the liberation of the concentration camps from Nazi control, 30 years ago this month.

Mr. President, the tales of suffering, heroism, destruction, death, and genocide which surround this event are perhaps the most awful, as well as awesome, in recorded history.

Mr. President, the delegation, headed by Benjamin Meed, Chairman of the United Commemoration Committee of the Warsaw Ghetto Resistance Organization, presented the President with the most eloquent memorandum for history from the survivors of the holocaust, which is titled "Forgetfulness Leads to Exile, While Remembrance is the Secret of Redemption," quoting an ancient Hebrew sage.

Mr. President, I ask unanimous consent that a memorandum similar to that handed to the President be printed in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM FOR HISTORY FROM THE SURVIVORS OF THE HOLOCAUST

(Presented to the Congress and the People of the United States)

Thirty years ago, civilization was close to extinction because of the sinister forces of Nazism. The entire world stood by silently as millions of innocent men, women and children were brutally murdered only because they were Jews.

We, the survivors of the Holocaust, the living witnesses of those dark days, cannot forget the deaths of our loved ones. Even more importantly, we continue to live with the unanswered question: How was this allowed to happen?

This year, as we mark the thirtieth anniversary of our liberation, we would like to express our gratitude to the United States and the Allied forces for challenging and combating the Nazi darkness before its seeds of destruction could spread throughout the entire world.

Therefore, we would like to salute the courageous American soldiers, and their Allies, those who fought and those who died in the struggle for freedom. It was they who uncovered the unspeakable horrors of the Nazi death camps and crematoria; and it was they who paid with their lives so that we might be able to assemble here today.

Now, thirty years later, remembering our past, we the survivors of the Warsaw Ghetto and Nazi concentration camps wish to express our thanks to the people and government of the United States for having given us a new home, to live in dignity and to enjoy the blessings of democracy.

As this great American nation approaches its 200th anniversary, we, the survivors of the Holocaust, sense that history can repeat itself if the people do not remain ever vigilant, in the defense of freedom and human dignity wherever it stands endangered.

We therefore reaffirm our commitment to this nation's founding principles of "Life, liberty, and the pursuit of happiness" and ask all humanity to follow these principles so that the tragedies we have witnessed might never happen again.

Mr. JAVITS. Mr. President, the April 1943 uprising was a month long revolt against the Nazis in the Jewish ghetto of Warsaw. More than 40,000 Jews were taken to concentration camps and the city of Warsaw was virtually leveled as a result.

Benjamin Meed, chairman of the

United Commemoration Committee of the Warsaw Ghetto Resistance Organization, presented the memorandum to the President and the Congress. Other members of the delegation included: Ann Celnik, Joseph Tekulsky, Al Kooper, Hirsh Altusky, Jack Eisner, Robert Born, Sonia Weissman, Sam Ryzak, and Mary Felberbaum.

These heroic people are now thoroughgoing, patriotic Americans.

PROGRAM.

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene tomorrow at 10 a.m. following a recess.

After the two leaders or their designees have been recognized under the standing order, there will be a period for the transaction of routine morning business of not to exceed 30 minutes with Senators permitted to speak not in excess of 5 minutes during that period.

At the conclusion of routine morning business the Senate will proceed to take up the conference report on the first concurrent resolution on the budget, House Concurrent Resolution 218.

A vote will occur at the hour of 12:30 p.m. on the amendment by Mr. JOHNSTON to the consumer protection bill, S. 200. Presumably there will be a rollcall vote on the adoption of the conference report on the first concurrent resolution on the budget, but there is no way to know at this time just when that vote will occur.

On the disposition of that conference report, the Senate will continue its action on S. 200 and rollcall votes are anticipated on amendments thereto and on final passage thereof. Hopefully, final passage will occur tomorrow, but if not, the Senate will resume consideration of S. 200 on Thursday.

RECESS

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 10 a.m. tomorrow.

The motion was agreed to, and at 5:44 p.m., the Senate recessed until tomorrow, Wednesday, May 14. 1975. at 10 a.m.

NOMINATIONS

Executive nominations, received by the Senate May 13, 1975:

COUNCIL OF ECONOMIC ADVISERS

Paul Webster MacAvoy, of Massachusetts, to be a member of the Council of Economic Advisers, vice William John Fellner, resigned.

DEPARTMENT OF STATE

Galen L. Stone, of the District of Columbia, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Laos.

IN THE AIR FORCE

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of secion 8066, in grade as follows:

To be lieutenant general

Maj. Gen. James R. Allen, 403–28–2495FR (brigadier general, Regular Air Force), U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows: .

To be lieutenant general

Maj. Gen. Sidney Bryan Berry, 428–22–5274, Army of the United States (colonel, U.S. Army).

CONFIRMATIONS

Executive nominations confirmed by the Senate May 13, 1975:

IN THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

National Oceanic and Atmospheric Administration nominations beginning Philip J. Taetz, to be captain, and ending Douglas L. Terry, to be ensign, which nominations were received by the Senate and appeared in the Congressional Record on April 7, 1975.

HOUSE OF REPRESENTATIVES—*Tuesday, May 13, 1975*

The House met at 12 o'clock noon.

Rabbi David Shapiro, Temple Sinai, Hollywood, Fla., offered the following prayer:

Master of the Universe, in these soul-stirring times we need Thy guidance and Thy blessing. Serious is the challenge that freedom-loving America faces. We seek peace, but we must safeguard life and liberty from the possible onslaught by godless, ruthless, and unprincipled aggressors. May we manifest, by our own righteous conduct, the righteousness of the American way of thinking and living.

Bless Thou the Members of this great legislative body—the House of Representatives—as well as the Senate and the President of the United States of America.

May this land, under Thy providence, be an influence for good throughout the world. Wilt Thou, O Father, cause us all to realize that if we build in wood it will some day rot. If we build in marble it will crumble before the onslaught of time. Even if we build in steel it is destined to flow as water before the melting process of the universe. But if we build in human character, moral integrity, loving kindness, social justice, and the dignity of man created in God's image; if we build in goodness, truth, honor, and respect for the law in our lives and the lives of future generations, then we build for eternity. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 4700. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 4700) entitled "An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes," requests conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Moss, Mr. STENNIS, Mr. CANNON, Mr. GOLDWATER, and Mr. DOMENICI to be the conferees on the part of the Senate.

PERMISSION FOR SUBCOMMITTEE ON INDIAN AFFAIRS OF THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO SIT DURING 5-MINUTE RULE

Mr. HALEY. Mr. Speaker, I ask unanimous consent that the Subcommittee on Indian Affairs of the Committee on Interior and Insular Affairs be permitted to sit today while the House considers any legislation for amendment under the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

ANOTHER COMMUNIST PLOY

(Mr. SIKES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SIKES. Mr. Speaker, the seizure of an American ship by a Cambodian gunboat is a typical Communist ploy. The new Communist Government of Cambodia wants to have a turn at twisting the tail of the United States; to show that we do not have the courage to stand by our commitments of our people.

Well, do we?

We could go get our ship and require an immediate apology with indemnification or sink the gunboat that seized the ship. The Communists understand that language. But, will we? We should if we expect to save face anywhere.

Lest we forget, there are effective ways to deal with irresponsible actions. It is time we remembered.

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PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE A PRIVILEGED REPORT

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on a bill making appropriations for special assistance to refugees from Cambodia and Vietnam for the fiscal year ending June 30, 1975, and for other purposes.

Mr. CEDERBERG reserved all points of order on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

PERSONAL EXPLANATION

Mr. BRADEMAS. Mr. Speaker, I insert in the RECORD at this point a statement regarding three recorded votes I missed on May 12, 1975, and an indication of how I would have voted had I been present.

I refer first, to rollcall No. 196, on H.R. 6573, the fourth budget rescission bill for fiscal year 1975. The bill was passed by 379 to 1. I was paired for this bill, and had I been present, would have voted in favor of it.

I refer second, to rollcall No. 197, on House Resolution 444, providing for consideration of H.R. 3902, the maritime authorization bill. The resolution was agreed to by a vote of 379 to 2. I was paired for this resolution, and had I been present, would have voted in favor of it.

I refer third, to rollcall No. 198, on H.R. 3902, the maritime authorization bill. The bill was passed by a vote of 328 to 59. I was paired for this bill, and had I been present, would have voted in favor of it.

NEW INTEREST IN ASSASSINATION OF FORMER PRESIDENT KENNEDY

(Mr. DOWNING of Virginia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOWNING of Virginia. Mr. Speaker, as you know, there has been a revitalization of interest in the circumstances surrounding the assassination of President Kennedy. One of the most striking pieces of evidence is the so-called Zapruder film, which shows the assassination in its entirety. We have a copy of this film. If the Members are interested in seeing it, it will be shown at 1:45 today in the Space committee room of the Rayburn Building.

Those Members who have an interest in it, I kindly invite them to attend the showing of this film, which should take no longer than 15 or 20 minutes.

BRAZIL, IND., WILL SPONSOR TWO VIETNAMESE REFUGEES

(Mr. MYERS of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MYERS of Indiana. Mr. Speaker, the mayor of Brazil, Ind., has wired his support of U.S. policy accepting the Vietnamese refugees and issued a challenge to other communities to do the same. The text of his telegram follows:

> Brazil, Ind., population less than 10,000 will support two adult Vietnamese refugees. We challenge every city to follow with one refugee for every 5,000 population, thus saving our country millions. We're ready.
>
> Mayor NORVAL PICKETT, Jr.,
>
> BRAZIL.

Amidst all the controversy over the refugees, I want my colleagues and the Nation to know of this community in my district which in the name of humanity has opened its doors to help the people of Vietnam.

STRIP MINING LEGISLATION

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, if the strip mining legislation that passed the House and Senate eventually becomes the law of the land, I think we ought to keep several hard, cold facts in mind.

Mr. Frank Zarb, our Federal Energy Administrator, stated in his speech to the American Mining Congress May 5 that H.R. 25 would reduce expected coal production by as much as 162 million tons, or 22 percent of the total national production in its first year.

Each ton of coal is equivalent in energy value to roughly 4.3 barrels of oil. So, if production losses are 162 million tons, this would be the equivalent to roughly 676.6 million barrels of oil. If that oil were obtained from foreign sources now costing $11 per barrel, it would amount to $7.4 billion per year in increased dollar outflow from the United States.

If the losses were only 50 million tons of coal per year, this is an energy equivalent of 215 million barrels of oil at a cost of $2.3 billion per year.

Since my home State of Illinois is a key producer of coal, the economic impact on jobs and income is obvious, but citizens throughout the country should be just as concerned as we are.

PERMISSION FOR HOUSE TO CONSIDER CONFERENCE REPORT ON H.R. 4481 ON MAY 14, 1975

Mr. MAHON. Mr. Speaker, I ask unanimous consent that it may be in order in the House tomorrow, May 14, 1975, to consider the conference report on the bill (H.R. 4481) making emergency employment appropriations for the fiscal year ending June 30, 1975, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR COMMITTEE ON WAYS AND MEANS TO FILE REPORT ON H.R. 6860 BY MIDNIGHT THURSDAY, MAY 15, 1975

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that the report of the Committee on Ways and Means on the bill H.R. 6860, a bill to provide a comprehensive national energy conservation and conversion program, may be filed by midnight Thursday, May 15, 1975, along with any minority, dissenting or supplemental views.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

REPORT OF FEDERAL ACTIVITIES IN FISCAL YEAR 1975 FOR NATIONAL ADVISORY COUNCIL ON ADULT EDUCATION (H. DOC. NO. 94–143)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Education and Labor and ordered to be printed with illustrations:

To the Congress of the United States:

I transmit herewith a report of Federal activities in Fiscal Year 1975 for the National Advisory Council on Adult Education as required by Section 311(d) of the Adult Education Act of 1966 (Public Law 89–750) as amended.

GERALD R. FORD.

THE WHITE HOUSE, *May 13, 1975.*

VETO OF THE EMERGENCY AGRICULTURAL ACT OF 1975—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER. The unfinished business is the further consideration of the veto message of the President on the bill (H.R. 4296) to adjust target prices, loan and purchase levels on the 1975 crops of upland cotton, corn, wheat, and soybeans, to provide price support for milk at 80 per centum of parity with quarterly adjustments for the period ending March 31, 1976, and for other purposes.

The question is: Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

The Chair recognizes the gentleman from Washington (Mr. FOLEY) for 1 hour.

Mr. FOLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Texas (Mr. POAGE).

CALL OF THE HOUSE

Mr. MONTGOMERY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 199]

Andrews, N.C.
Bingham
Breaux
Brown, Mich.
Conyers
Derwinski
Diggs
Duncan, Oreg.
Evans, Ind.
Ford, Mich.
Harris
Hébert
Hinshaw
Jarman
Kemp
Lloyd, Calif.
Mollohan
Patman
Pike
Rees
Riegle
Rostenkowski
Runnels
Scheuer
Stark
Teague
Waxman

The SPEAKER. On this rollcall 406 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

WE SHOULD PROTECT AMERICAN FISHERY RESOURCES

(Mr. DON H. CLAUSEN asked and was given permission to address the House for 1 minute to revise and extend his remarks and include extraneous matter.)

Mr. DON H. CLAUSEN. Mr. Speaker, it is time for the U.S. Congress to move ahead to protect American fishery resources.

The International Law of the Sea Conference adjourned last weekend without acting on the issues before it. We can wait no longer to take action extending our fishery jurisdiction to 200 miles.

Our coastal waters have been subjected to extraordinary pressures from overly intensive fishing by foreign fishermen whose callous and continuous disregard for resource conservation has been demonstrated time after time after time.

The fishermen of my area are pleading urgently for relief and are asking that the Congress move the 200-mile limit legislation with immediate dispatch.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT ON LEGISLATIVE BRANCH APPROPRIATION BILL, 1976

Mr. CASEY. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on the legislative branch appropriation bill for fiscal year 1976.

Mr. MICHEL reserved all points of order on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

VETO OF THE EMERGENCY AGRICULTURAL ACT OF 1975—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER. The Chair recognizes the gentleman from Texas.

Mr. POAGE. Mr. Speaker, I am always reluctant to pass legislation over the veto of the President. Normally, the Chief Executive is in a position to have information that is not available to the public and I think that we must, therefore, give a great degree of consideration to his veto messages; but, no President is omnipotent and it is the constitutional responsibility of the Congress to review and judge these Executive decisions. I have reviewed the veto message in regard to H.R. 4296, the Emergency Agricultural Act of 1975, and have decided I must seek to override what appears to me to be a poorly considered Presidential action.

Almost 3 years ago the Congress passed legislation which established the basic principles of farm legislation which conformed with the suggestions of the executive department. It is true that there has been a change in the personnel of the Presidency; but, the announced philosophy of the present administration is the same as it was at that time. President Nixon, President Ford, Secretary Butz, and both Houses of the Congress have expressed themselves as favoring the target price and the support loan principle. The target price would presumably be high enough to encourage necessary production of all the food and fiber we need. The support loan would presumably be high enough to prevent the Government from having to make excessive payments to farmers.

This legislation was passed just before the spectacular upsurge in all costs. Of course, farm families eat just as do city families. All living costs for farm people have increased just exactly as they have for city people, but what is too often overlooked, is the fact that farmers are adversely affected by another set of skyrocketing costs—the costs of production. These are costs which are never realized by city wage or salary workers until they ultimately show up in the cost of living. But, for the farmer, whose wage or income is the difference between production costs and his sales price, they are very immediate and very disastrous. Gasoline is the single largest item of cost in agriculture production. The cost of gasoline is about 75 percent higher today than it was at the time the present target prices and loan levels were established. Fertilizers are probably now double what they were at that time. What were possibly quite reasonable production prices and loan levels 3 years ago are clearly inadequate today.

I think it is self-evident that farmers cannot be expected to produce on the basis of the old target and support figures. The administration recognized this and prior to the veto, it was widely stated that if and when the farm bill was vetoed, the President would announce increased support loans.

Unfortunately, when the veto came, these increases were not forthcoming; but, the message itself recognized the equity of such an increase. The President's message states:

> Prospects for farmers, it is true, are not as bright this year as in the recent past. Farm production costs have been pushed upward by the same inflationary pressures that affect other industries. Demand for certain farm products has simultaneously slackened because of the recession.

The President then suggested that we have increased the 1975 cotton support loan by 9 cents a pound. Frankly, this increase is the result of the basic legislation and is but a reflection of the statutory formula—not Presidential action, but in no event is it high enough to encourage the planting—and fertilizing—of an adequate acreage in cotton.

The President then states, and I want you to listen to this carefully because these are the President's exact words:

> If unforeseen price deterioration requires action on my part, I will direct the Secretary of Agriculture to make adjustments in price support loan rates for wheat, corn, soybeans, and other feed grains. But it is our expectation that market prices for grains will remain well above loan rates and target prices in the coming year.

In other words, the President says that if prices go down, there should be an increase in support loans and he says that he will direct the Secretary of Agriculture to implement such increases—under the authority of present law. Now that is exactly what the bill now before us does. It simply guarantees that these prices will be increased if the market breaks. The President says he does not expect it to break. I hope it will not break and, if it does not, this bill will not cost one penny for wheat, soybeans, or feed grains.

The one clear and inescapable difference between what the President promises and what the bill promises is that the guarantees in the bill will get money at the bank while the President's promises will be rejected as collateral by most lending institutions. Farmers have to borrow money to meet production and harvesting costs. If we are going to give them the protection that both the President and the Congress say they need, we should give them that protection in a way that they can use it.

I do not challenge the President's good faith, but under the law every national bank must challenge it. Therefore, if we are going to do what the President says should be done; that is, to raise these loan levels if farm prices decline further, we should do it in a way that will be most helpful to the farmer. And, in so doing, we will probably prevent a collapse of prices and save the Government a good deal of money. Farm prices are not likely to decline nearly so far if the trade knows that there is an effective loan available to producers. It is, therefore, clearly in the interest of the taxpayer to stop these disastrous declines before they begin, rather than after they have occurred; and, remember, this bill will cost absolutely nothing if farm prices remain above the targets.

I am, therefore, afraid, Mr. Speaker, that it all boils down to this—the President is saying that it is wrong for the Congress to promise the farmers that if their prices break they will have the protection of this bill; but, it is perfectly all right for the Chief Executive to promise that if the same price breaks occur that he will extend exactly the same kind of assistance, but probably at a much higher cost to the taxpayers.

Mr. Speaker, this is not a one-man government. The Congress should properly be included in making commitments. The Congress has promised no more than the President has promised; but the promise of the Congress, written into law will get credit at the bank and will probably prevent the very kind of break in farm prices for which the President says he will invoke the same supports. Why, then, should there be any reluctance on our part in passing this bill; the objections of the President notwithstanding.

Mr. FOLEY. Mr. Speaker, I yield 25 minutes to the distinguished gentleman from Virginia (Mr. WAMPLER).

Mr. WAMPLER. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I yield 3 minutes to the

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distinguished minority leader, the gentleman from Arizona (Mr. Rhodes).

Mr. RHODES. Mr. Speaker, today is an important day in the 94th Congress. We will soon vote, for the first time, on whether to sustain or to override a Presidential veto.

The vote on the veto of the farm bill (H.R. 4296) is important, because it transcends the issue of farm prices. This vote is a test on how Congress will measure up to our spiraling deficit. Citizen groups and editorials across the country echo the hope that, finally, Congress will show some sense of responsibility toward controlling our Federal deficit. Failure to sustain this veto will show that Congress has, indeed, abdicated its responsibility and ignored the national interest.

In addition, H.R. 4296 will probably raise food costs to American consumers and put the Federal Government back into the role of controlling farm prices and planting. In fact, it will probably put the Federal Government back into the commodity business. I believe that no Member of this House really wants that to happen. We have been in it. We got out of it. We should stay out of it.

Now, American farmers are the most productive in the world. In fact, I would say the farmers are the most productive members of our economic society. Just when we have moved out from under Federal farm controls into a free market, I believe it would be wrong to enact H.R. 4296, which in my opinion would be a step backward. This bill will move us back toward the era of soil banks, farm surpluses and soaring agriculture budgets. This overreaction to a veto of H.R. 4296 should not prevail.

Mr. Speaker, I urge my colleagues to vote to sustain the President's veto of H.R. 4296 for the good of the economy, for the good of the people and for the good of the American farmer.

Mr. Speaker, I yield back the balance of my time.

Mr. WAMPLER. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from New York (Mr. Peyser).

Mr. PEYSER. Mr. Speaker, it seems to me we have a couple of very basic issues in front of us today on the floor in either sustaining the President's veto or in the overriding of the veto.

I would like to address some of my remarks to those of us who supported the budget reform report of the gentleman from Washington (Mr. Adams) on the budget deficit of $70 billion. We arrived at a figure that said $70 billion was the deficit figure that we would be working on in this coming Congress. I voted for that.

I have spoken to the counsel on the committee of the gentleman from Washington (Mr. Adams). He tells me that within the $70 billion deficit that we voted on, there is not 1 cent for the expense of this farm legislation. In other words, if we vote to override the President's veto, we are immediately breaking the resolution that we made just 1 week ago to work within the $70 billion deficit figure.

Now, my colleagues, I think this farm bill is totally unnecessary. It is going to have the impact, regardless of what anyone says, of maintaining high food prices. The statistics released showing 9 percent increase in food costs. There is every indication of further increases and we are going to be supporting those increases with this legislation.

I think that we are faced with a situation today, and to quote from my colleague, the gentleman from Texas (Mr. Wright) last week, who said we must work within the resolution of the $70 billion.

This was supported by the gentleman from California (Mr. Burton) and by the Speaker himself, who said we must work within that $70 billion deficit figure.

How can we work within it if today we are going to break it, if we vote to override?

Surely there is every reason to stay with the present agricultural bill.

I would like to quote one thing from the New York Times today, and this is a direct quote by a farmer in Iowa. He said:

> President Ford's veto of the new farm bill which would have raised support prices on grains and milk has not disturbed many farmers in this area.

This happens to be in Iowa. The gentleman goes on to say:

> The market looks like it'll stay up above the target support prices Congress proposed even with a big crop, . . . I think most farmers here are just as happy to have the Government stay out of it for at least another year.

I think this is true. I think we are doing damage to poor farmers. Potentially, what we are doing is providing the corporate farmer, we are providing the cotton people particularly with a windfall if the cotton market declines, and we are doing absolutely nothing to help the public.

Mr. Speaker, I hope the House will sustain the President's veto.

Mr. FOLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Arkansas (Mr. Alexander).

Mr. ALEXANDER. Mr. Speaker, in 1973 farmers were told that they could depend upon the administration when it promoted the concept of target prices for agricultural production. So, the farmers were told that they could make production plans for all market considerations and have some assurances that they might recover their costs of production if those market considerations were in error.

Since the enactment of the 1973 farm bill, production costs have tripled and even quadrupled in many quarters of the farm sector. Now, farmers come to Washington to ask for equity, an adjustment for the cost of inflation. But, the administration has turned a deaf ear to the American farmer.

Today the handwriting is on the wall in full view, so that every American farmer can see who his friends really are.

Mr. Speaker, I urge the Members to support the motion to override the veto.

Mr. WAMPLER. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Ohio (Mr. Whalen).

Mr. WHALEN. Mr. Speaker, I thank the gentleman for yielding to me. I rise in support of the President's veto, and I would urge my colleagues to vote to sustain the veto.

Mr. Speaker, today I will support President Ford's veto of the Emergency Agricultural Act of 1975. Five reasons underlie my vote to sustain the veto of this measure, which I opposed both on initial passage and in conference form.

First, the cost to the taxpayer in the next year for the subsidies in this legislation may reach $500 million. Further, as the President pointed out in his veto message, the measure is expected to increase the Federal deficit for fiscal year 1976 by $1.8 billion. Its enactment will have a worse impact on the budgetary deficit for fiscal year 1977, since the high support levels set this year will serve as the basis for next year's payments.

Second, the bill will result in increased prices at the grocery counter. The Department of Agriculture reported on May 8 that retail food prices had increased by 9 percent over those last year. In addition, it predicted that even under the most favorable crop conditions, food costs for the remainder of this year will rise 6 to 8 percent above last year's prices. The emergency farm bill will fuel still higher increases in food prices by setting higher floors for wheat and feed grain prices and upping the support prices for dairy products.

Third, the bill reverses the trend away from Federal control of planting and prices which was signaled in the Agriculture Act of 1973. The 1973 act began to take the Government out of the four-decades-old policy of manipulating the market with artificial price and production controls. The emergency farm bill halts the movement toward a freer market by setting high support prices which encourage farmers to accept Government payments in lieu of growing crops.

Fourth, the price increases fostered by this legislation will seriously threaten the competitive position of U.S. agricultural exports. According to the Wall Street Journal, U.S. exports of farm products will rise to a predicted $22 billion level this year, up from approximately $8 billion in 1972. One of the reasons for this impressive export increase lies in the fact that the agricultural sector, since 1973 has had an incentive to adapt to changing world market patterns by substituting crops that are in global demand for those once grown principally for Federal storage bins. The high subsidies under the Emergency Agricultural Act of 1975 could reverse this trend by upsetting, through Government intervention, the free market proclivities of farmers.

Fifth, H.R. 4296 discourages the production of food crops, particularly soybeans, in favor of non-food crops, such as cotton. The Department of Agriculture has forecast a surplus of 6 million bales of cotton by August. The emergency farm bill raises the target price for cotton from 38 cents to 45 cents a pound, thereby encouraging farmers to produce an unneeded, non-food crop. Moreover, the cotton-soybean tradeoff also encompasses my fourth point, since the cotton subsidy induces farmers to plant that crop at the expense of soybeans, which are in short world supply.

It is my view that this bill represents a step backward toward previously discredited policies. As the President stated, approval of the measure will undermine the market-oriented farm policy adopted by the administration. It also will unnecessarily increase the deficit, while spawning further price increases for the consumer. The President's wise veto of the Emergency Agricultural Act of 1975 deserves the support of the Congress.

Mr. WAMPLER. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Nebraska (Mr. Thone).

Mr. THONE. Mr. Speaker, I rise to urge passage of H.R. 4296, the veto of the President to the contrary notwithstanding. All-out farm production is a national goal and that is, as I see it, as it should be. However, a "bust" in the price a farmer gets for all-out production is very, very possible. In the meanwhile, the farmer's production costs are rising steadily. The escalation of farm production costs in recent months and years is almost unbelievable.

In addition, agriculture has been whipsawed again and again by ill-advised export embargoes. We saw it on soybeans and then again on the grain monitoring program last year. The corrective language in the veto message in this regard is woefully inadequate, in my opinion. Here is what is said on page 2 of that May 1 message:

> I recognize that agricultural exports have been restrained twice in the past two years. We have now eliminated all restrictions on exports and we are determined to do everything possible to avoid imposing them again.

The key language being—

> We are determined . . .

Frankly, a much stronger commitment that the government will not interfere with foreign and domestic markets is essential.

The support levels in the 1973 farm bill have not interfered with "a market oriented agriculture" that admittedly is desirable and so strongly touted by the administration.

This legislation only absorbs the cost escalation that has incurred by agriculture production since 1973. So what is all the agonizing about?

Also, as the distinguished Member from North Dakota (Mr. Andrews) has said on several occasions, the loan aspects in the current law are just totally unrealistic. And this is most important. And as the distinguished gentleman from Texas (Mr. Poage) pointed out here on the floor earlier, the administration says that if we get into real, real problems, why, they are then going to increase the loan rates. So why not now, I say.

Frankly, I was promised by the White House, that when the veto message came down there was going to be a concurrent raise in the loan rate, and we did not get it for some strange reason.

So I urge my colleagues that H.R. 4296 is much needed legislation and in the national interest. The veto should be overridden.

Mr. FOLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Iowa (Mr. Smith).

Mr. SMITH of Iowa. Mr. Speaker, I notice the minority leader came down here, and also the gentleman from New York, trying to indicate this bill is against the interest of the consumers. I think that is not the appropriate thing to do in this legislation.

We all know there was a big increase in the production costs, and we are trying to do something for farm producers that will increase employment in farm machinery plants and other agribusiness plants.

As far as consumers are concerned, I happen to have here the wrapper for a 5-pound bag of flour which I purchased in 1963. It had a cost of 45 cents. A 5-pound bag of flour from the same company purchased 2 weeks ago is 85 cents. Eighty-five cents compared to 45 cents.

Back in 1963, I also purchased a loaf of bread, and the price on the loaf of bread was 23 cents. The same loaf of bread is now 48 cents. Here are the wrappers to prove it.

What about the loan price? In 1963 the loan rate on a bushel of wheat was higher than it is today. It was $2, and today it is $1.75.

Let no more claim that the loan rate determines the price of a loaf of bread. It just does not do it. Let us keep our eye on the real issue around here. What we are trying to do is to provide some farmers with the minimum support that is necessary so they can have the assurance to go out and produce the food we need in this country. If we can do that, they will have the confidence to go to the bank and borrow the money to buy the farm machinery, to buy chemicals and buy inputs and those things that make employment in the cities. That is what we need today.

Mr. Speaker, I urge the override of the veto.

Mr. WAMPLER. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Minnesota (Mr. Frenzel).

Mr. FRENZEL. Mr. Speaker, I intend to vote to sustain the President's veto of H.R. 4296, the emergency farm bill.

I understand that agricultural producers are nervous—understandably so—that they will not have sufficient protection under current legislation. This concern is heightened by urgings from the Federal Government to increase substantially our annual food production. If America is expected, or will try, to "feed the world," farm producers must make significant long-term capital investments and generally accept far greater risks. The American farmer has not requested a handout, but he does want insurance against a wipeout in a challenging economic period.

These are legitimate concerns, but I believe that Congress response, H.R. 4296, is best described as overkill. It does not seem to offer much practical protection to Minnesota food producers, possibly excepting milk producers. Rather, it seems to stand as a symbol of old policies proved counterproductive in the agricultural marketplace.

One of the few notable advances in our domestic economy in the past few years has been the improved condition of agriculture. Our surpluses are gone. Our subsidy programs are waning. The marketplace, particularly the international marketplace, has been good to agriculture. H.R. 4296, would seem to be a congressional statement in favor of a retrogression back toward subsidies and surpluses.

But, the worst aspects of H.R. 4296 are its costs implications at a time of unthinkable deficits and still-rampant inflation. This unbudgeted Federal expense simply does not fit today's priorities. The need is not an emergency, and therefore we should not plunge ourselves further into debt. If farm income drops severely, Congress can react.

Agriculture generally has been experiencing a decline in its much-deserved prosperity. Consumers' food costs have skyrocketed but farmers are consumers, too. I do not want to engage in playing off one section of our economy against the other, nor do I believe others should do so. Nevertheless, the general condition of the economy would seem to call for no new Federal expenditures now, and no new Federal programs to increase food costs.

Finally, H.R. 4296, seems to have its greatest affect on cotton and producers of cotton. It is my opinion that cotton has had pretty good treatment over the years—probably better than most commodities. More preferences, especially those in this bill which seem to encourage more surpluses, do not seem to be necessary expenditures for our debt-ridden Government at this time.

For these reasons, I will vote to sustain the veto of H.R. 4296. Law and order in Federal spending has to start somewhere. I hope it starts here and now.

Mr. WAMPLER. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Ohio (Mr. Wylie).

Mr. WYLIE. Mr. Speaker, I rise in support of the President's veto to the emergency farm price support bill, H.R. 4296. Congress has supported the price of this crop and that crop since the days of the New Deal. To administer the various price support programs and planting restrictions over the years, a huge bureaucracy has developed in the Department of Agriculture. This system was adjusted and modified time and time again without ever achieving its stated goals of stable prices, assured supply, and production in line with demand. When this entire effort is objectively reviewed, it has basically failed to achieve its purported purpose. The total cost of this ineffective exercise has constituted a serious burden on the taxpayer.

In an effort to extricate ourselves from this mess, the Congress allegedly made a fundamental change in U.S. farm policy with the Agriculture and Consumer Protection Act of 1973. There was a shift from traditional price supports to target prices for commodities that would provide a floor. I had my doubts about the target price approach when it was adopted. I cannot see that there has been much change.

A crop subsidy by any other name is still a crop subsidy. With H.R. 5296 a majority of the Congress is advocating a relentless press forward with a new round of increased farm subsidies that will be inflationary, inefficient, and counterproductive. We somehow have failed to learn anything from our past experience with Government mismanagement of the agricultural marketplace.

I will be the first to admit that left to a supply and demand function, the prices a farmer receives for his corps may fluctuate from time to time. If this is the reality of his market, fine. Congressional efforts to dampen the farm business cycle obviously have not worked while at the same time costing the taxpayer dearly. If this is the case, we should not continue to keep pouring money into the ineffective Federal regulation of agriculture. Surely, with all of its shortcomings, the agricultural marketplace will do a better and more efficient job of regulating agricultural prices and production than our well-intentioned but bungling legislative efforts. Is there any valid reason to believe that somehow, someway, this time it will be different? I think not.

Like everyone else, the farmer is suffering from high prices and a recession that has been caused by double-digit inflation. If we are serious about remedying this problem, we might consider balancing the budget and stabilizing the purchasing power of the dollar. If we could somehow summon up the will as an elected body to pursue a policy of fiscal responsibility and sound money, most of the economic problems facing farmers would resolve themselves.

I must vote to sustain the veto.

Mr. WAMPLER. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Kansas (Mr. SEBELIUS).

Mr. SEBELIUS. Mr. Speaker, I really appreciate this opportunity to comment a little bit on the emergency farm bill.

The absence of a commitment to provide farmers with free and unrestricted access to markets at home and abroad for their farm products, leaves me no alternative but to support this effort to override the President's veto.

Last fall, wheat farmers in my district were urged by their Government to plant fence row to fence row. Despite record production costs, they did the job. Next month the State of Kansas, more especially my district, will harvest enough wheat to satisfy over half the needs of our entire Nation for the coming year. That is why we have to have the Government to stay out of exports, and we do not have that assurance.

Right after this record crop was planted, a form of export control was imposed. When the current crop was planted, wheat in my district was selling at $4.65 a bushel. Now the price of wheat at the country elevator in Kansas is $2.80, seriously below the cost of production.

I stood in this well, back several years ago, late in the evening, and asked the people, because of the problems of the American farmer at that time, and wheat growers, if they did not eat the rolls in the restaurant, please mess them up.

I hope the situation is such that we can override this veto so we can eat those rolls, and we will not try to get rid of that product except to sell it on the foreign market and consume it as good food.

Frankly, I am more than tired of hearing about this bill taking us down the road again to a Government-controlled farm program. With Government interference in the export program and congressional meddling with the Trade Reform Act, the road to a market oriented agriculture has been filled with government road blocks.

The need for this legislation would not be so serious if the government had not twice interferred with the export market. This is a 1-year bill. This will give the administration ample time to provide proof that this Government does support a supply-demand, market-oriented agriculture without Government interference.

The same is true for the dairy farmer. According to the latest USDA announcement, the dairy farmer is now being asked to abandon an 80-percent support level for a "semiannual review." I say actions speak louder than words. In the absence of a commitment to adjust support rates, this announcement is simply an extension of the status quo.

Let me also say to my urban colleagues that this is truly a jobs bill with anti-recession features. Every $1 of farm income generates $3.50 of economic expenditures. In an average year, farmers spend $5.2 billion for new tractors, vehicles, machinery, and equipment. Last year, farm steel purchases accounted for over 40,000 jobs in the industry.

Let me stress that as reported by the Council of Economic Advisers, farm income is down from $13,040 in the first quarter of 1974 to $7,100 in the first quarter of 1975. Jobs and our Nation's economic recovery are truly at stake.

With prices presently below the cost of production for many farmers, future production is clearly jeopardized. This threatens farm product exports which contribute $11.8 billion to an otherwise disastrous balance of payments deficit and created over 500,000 non-farm jobs in 1974.

I realize a very important consideration regarding this bill is that of government costs. A conscious effort was made by the House Agriculture Committee and the House-Senate conference committee to minimize the costs and still provide realistic support levels to provide the farmer a reasonable return to stay in business.

There have been several contradictory cost projections from opponents of this bill. I stand by the committee projections of net outlays in the neighborhood of $230 million. The total outlays for this program may reach $1.8 billion as some claim, but these outlays will be repaid by the end of the program year with the exception of the $230 million. To me, this is consistent with our desire to prompt an economic recovery now with funds which will be repaid later, after recovery begins.

This bill is by no means without fault. I can appreciate the position of those who are opposed to this bill. However, without absolute assurance that the Government will not interfere with foreign and domestic markets for farm products, we have no alternative but to provide realistic target prices so that farmers can stay in business. When you take into consideration the record increases in farm production costs, the levels in this bill are on a par with the levels in the 1973 farm bill. The support levels in that law have not interferred with a market oriented agriculture.

Mr. Speaker, the farmers in my district do not want special treatment; only to be treated with fairness. Judging from the treatment the farmer has received from this Congress and this administration causing export opportunities to disappear and prices to fall below production costs, this bill is both fair and equitable. I hope you will join me in voting to override the veto on this most important commitment to the farmer and to our capability to produce food and fiber.

Mr. FOLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. MATHIS).

Mr. MATHIS. Mr. Speaker, I would like to associate myself very strongly with the remarks of the gentleman from Iowa (Mr. SMITH), who very eloquently has laid out the case here today.

We are not talking about the tremendous cost to the Federal Treasury, despite what some of the opponents or proponents of this legislation have said. I have never heard so many figures bandied about in such an irresponsible way since I have been a Member of this House. The whole issue involved in this legislation is whether or not we are going to offer American farmers a degree of stability as they go about the production of food products for this Nation. It is that simple.

There is not going to be a tremendous impact on the Federal Treasury, despite what some of our experts from Massachusetts, New York, Illinois, and other places say. We are talking about insurance for American farmers. The number of American farmers is declining year after year. We are down now to about 3.9 percent of our total population involved in the production of food and fiber for this Nation.

Mr. Speaker, let us assure these farmers that they do have the support of our Government as they attempt to feed this country and half the world.

Mr. Speaker, I urge a vote to override this veto.

Mr. WAMPLER. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Vermont (Mr. JEFFORDS).

Mr. JEFFORDS. Mr. Speaker, I rise to urge that we vote to override the veto.

I do so with some reluctance, but in a firm belief that it is necessary to do so. I ask myself, Why is there all the controversy over this bill? Certainly the need has been demonstrated. Thousands of farmers went out of business last year. Thousands more are going to go out of business this year. Certainly it cannot be the matter of cost.

Mr. Speaker, I know that a reference has been made to the Committee on the Budget, but I would like to read from their report:

> The conference committee stated it was not included "because the conferees assume that outlays in fiscal year 1976 will be minimal if that bill or a similar bill becomes law."

The cost of this bill is minimal.

What, then, is the question? The question at issue is, who is going to set basic agricultural policy, the President or Congress. If we do not vote to override the

veto, we will have lost control of policy in a very important area. I want to refer especially to the dairy industry.

The Department of Agriculture has consistently ignored the law. Read the letter of the Secretary today in the CONGRESSIONAL RECORD. It ignores the aspects of the law which require the cost of production and adequate income to be considered. It gives us no assurances of price adjustments. It merely says that he will review the situation on a semiannual basis. Under the law he is supposed to review constantly.

Let us look at what he has done under existing law. He set a price level of $7.24 last December which represented a support price at 80 percent of parity. The closest we have gotten to that price is this month, when it is $7.09. The dairy support price is only at 76 percent of of parity now. He has not supported the price sufficiently to get it to 80 percent.

Another factor: If we do not pass this bill, the existing law establishing 80 percent of parity went out on March 31, and thus we will revert to the minimum of 75 percent. We will give the Secretary additional leeway in that area. This is leaving our dairy farmers defenseless to the policy of the Secretary of Agriculture, which is a totally free market without regard to previous destructive import policy. Further, contrary to reports, the Secretary did not reestablish parity on April 1 as had been the custom.

Mr. Speaker, it seems only reasonable to me that if we are spending billions of dollars for jobs, if we are spending millions for food programs, it makes good sense to spend some $300 million here to support the prices for the farmers. To do so will insure adequate supplies of farm products.

Mr. PRESSLER. Mr. Speaker, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from South Dakota.

Mr. PRESSLER. Mr. Speaker, the gentleman in the well has made a very effective statement about the effect of this bill on consumers. I wonder whether he would elaborate upon that.

Mr. JEFFORDS. Certainly. As it was pointed out in my extensive remarks, during conference report debate, the costs to the consumer, according to USDA figures, are very minimal. The impact will be less than one-quarter of a cent for a quart of milk, about 1 cent for a pound of butter, and about 1 cent for a pound of cheese, a very minimal cost to insure adequate supply.

Mr. FOLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. Mr. Speaker and Members of the House, I was one of those who did not vote for this legislation. I had concerns at that time which caused me not to support the bill. However, after a great deal of careful consideration I think it is imperative that this body move today to override the Presidential veto.

I respectfully suggest, Mr. Speaker, and my colleagues that I understand that there are all kinds of competing interests and competing factions within this House. I want my colleagues to understand that there are times when some of us may take a position that is not necessarily popular either in our districts, or in terms of our own political posture. This is one of those times for me.

I think that while this Nation is divided as it is now divided, while it is frightened in terms of economic insecurity, that all of us in this House must rise to those levels where we can look at all of the needs of all of the people of this country. The farmers have needs, we must address them. We have urban needs, we must address them.

I for one am going to vote to override the veto, and I am urging those who have understanding and have friendship for me to vote with me.

Mr. Speaker, I think that we must look out for those people who are hurting, who are not necessarily within the boundaries of our districts. I think that there can be a reciprocal kind of feeling and action when those who have rural interests are made aware of, the devastating unemployment situation in our urban centers, the devastating lack of housing in our urban centers, and the need for better delivery of health care in our urban centers. These are the things that I am interested in, and that is the reason I am urging a vote to override the Presidential veto. I urge as many of my colleagues as possible to support me in overriding this veto.

Mr. FOLEY. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina (Mr. NEAL).

Mr. NEAL. Mr. Speaker, I wish to add my voice to those of my colleagues who advocate overriding the President's veto of H.R. 4296, the Emergency Agricultural Act of 1976.

Of all the Americans who have suffered from the bureaucratic mismanagement of the past 6 years, none have been harder hit than the Nation's farmers. Once again we find within the administration a farm policy which is herding the farmer toward bankruptcy, while its bureaucratic soothsayers are telling him that he "has never had it so good."

Let us not deceive ourselves. The American farmer knows who his real friends are. He is aware, at this hour, that the best friend he has in Washington is the Congress of the United States. Today, he is asking us to stand beside him and override the President's veto.

For the great good of the Nation, it is important that we do so. The Nation and the world face serious shortages of food and fiber. If those shortages are permitted to develop further, much of humanity will suffer or starve, and those who can afford it will pay dearly for their sustenance.

And so, in the greater sense, we find that H.R. 4296 is both a farm bill and a consumer bill. I think, actually, that it is even more favorable to the consumer than to the farmer, because it assures a production level which prevents shortages, the arch enemy of the consumer.

One does not have to be a farmer to know that we cannot continually take from the land without plowing something back into it. Similarly, we cannot expect farmers to keep producing crops without a profit, because the consumer in the end would pay dearly for that folly.

The Emergency Agricultural Act of 1976 does not guarantee the farmer a profit. It merely provides an assurance against catastrophe. It benefits the consumer in that if we encourage full production, we may see a leveling off of prices. If farmers produce a huge surplus at a loss, we almost certainly will see many farmers going out of business and turning their operations over to corporate structures which can accumulate the power to fix prices and manipulate markets.

One of these days, the Nation may awaken to the fact that it needs the farmer as much as he needs us now. Hungry people will become aware that not all vegetables are grown by jovial green giants; that milk is not manufactured by machinery, nor cotton fiber spun by butterflies. Today, however, it is the farmer who needs a friend. I am proud to stand up for him and to urge this body to override the President's veto of H.R. 4296.

Mr. FOLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota (Mr. BERGLAND).

Mr. BERGLAND. Mr. Speaker, the gentleman from New York (Mr. PEYSER) quoted from certain sources within the Budget Committee, and I would like to call the gentleman's attention to page 5 of the conference committee report from which I read in part:

> The conference agreed to the House estimates. By this action the conference does not either include or exclude outlays for the farm bill recently vetoed, because the conferees assume that outlays in fiscal 1976 will be minimal if that bill or a similar bill becomes law.

Mr. Speaker, I suggest that those persons serving on the Budget Committee clearly understood the implications of this proposition.

The gentleman from New York (Mr. PEYSER) has suggested that if this bill does become law it will somehow have an inflationary effect on our economy. Because it will result in higher food costs. At the same time the gentleman suggests that if this bill becomes law that it would place a heavy drain on our Federal budget. Frankly, Mr. Speaker, his logic eludes me. If I may, I should like to ask the gentleman from New York to explain this to me so that this Member can better understand his arithmetic on these matters.

Mr. PEYSER. Mr. Speaker, will the gentleman yield?

Mr. BERGLAND. I yield to the gentleman from New York.

Mr. PEYSER. I appreciate the gentleman's yielding for a moment.

In my reference to the Budget Committee on the deficit report—and I think the record will show that I stated that they had allotted no moneys for this legislation, which is correct and I do not think the gentleman is refuting that—there obviously are differences of opinion, of course, whether it is $224 million, which I saw listed in one of the Democratic Study Group reports, or up to $500 million at the Department of

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Agriculture. They still are not moneys that are in that deficit. The question that I wanted to have answered was, when this bill was passed by the House and brought to the floor, it was said we had to act immediately in order to help farmers in their planting. My real question to the gentleman is, in May of this year is this bill going to help farmers in planting this year?

Mr. BERGLAND. I will say to my friend it definitely will, farmers can apply fertilizers to crops as late as mid-June. As a matter of fact, the extent to which fertilizers are applied to crops will govern yields so essential to the general welfare of the United States. Farmers out in the Midwest are watching this action today to decide whether or not to increase the fertilization of these crops.

Will the gentleman answer my question: In what way could this bill possibly be inflationary? How could it possibly cost the consumer more money? The price protection in this bill is at levels less than the current market price.

Mr. PEYSER. If the gentleman will yield further, the reason in every instance where we have had increased target prices and increased long levels is all this does is to bolster the need of present market price commodity regulation, move it up, and all we have to do is look back at the record as we have moved target prices up in the past.

The SPEAKER. The time of the gentleman has expired.

Mr. FOLEY. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan (Mr. TRAXLER).

Mr. TRAXLER. Mr. Speaker, I rise once again to voice my support for this Emergency Agricultural Act and to urge my colleagues to vote to override the President's veto.

The American farmer has been faced with a cost-price squeeze unlike anything we have seen in many years. Costs of feed, fertilizer, and equipment have increased at a rate that is unparalleled. At the same time, prices received by farmers for their products have declined. More and more of my constituents have told me that they simply cannot afford to stay in business. This bill would provide a measure of relief to American agriculture, hopefully providing the stabilizing forces we need to assure a continued supply of food at reasonable prices.

This was a most unfortunate veto. American Agriculture needs at this most crucial time the assurance that the bottom would not drop out of the market. This bill would provide those minimum assurances, giving the farmers of our Nation the ability to go out and confidently plant their crops, raise their herds, and provide this Nation with the food it needs. Although many of us may find parts of this bill to quarrel with, overall it is a good bill, which reaffirms the commitment of the Congress to a strong and healthy agricultural sector of our economy. I only wish the President and his Secretary of Agriculture shared this commitment.

We have taken action and I believe we should stand by it. Mr. Butz has not offered us any viable alternatives. We cannot hope to return to a healthy American economy unless this vital sector of the economy is also healthy. If there is any lesson we should have learned from the Great Depression, it is that one.

I urge my colleagues to reaffirm the action taken by this House in originally passing this bill. It was a good bill then, and it is a good bill now.

Mr. FOLEY. Mr. Speaker, I yield such time as he may consume to the gentleman from Iowa (Mr. HARKIN).

Mr. HARKIN. Mr. Speaker, I rise in support of the vote to override the President's veto. There are three issues we face:

First, is our agricultural and food policy going to be determined by one person—Secretary of Agriculture Butz—or by the appropriate committees of the House and Senate, and ultimately by the Congress?

Down the road, we will be developing a comprehensive agriculture and food policy for this country.

Do you want Butz to develop this policy, or the Congress? If you support Butz' veto, then he will be the one to hold the sword over all our actions here in the Congress. He will set policy, not Congress. That is not the way our country should be run. We were elected to set policy.

Yes, this is Butz' veto. I know that President Ford signed it, but he stated that he relied almost solely on the advice of Mr. Butz. Second, do we tell our farmers, who are the best producers in the world, that they are subject to the whims and fancies of one person—Butz—or do we show them that they still have a voice in Congress?

Only 5 percent of our population is directly engaged in producing the food and fiber for domestic and export demand. Yet—and this is vitally important to my friends from the urban areas—agriculture is the single largest consumer—yes, I said consumer of manufactured goods in the United States. Our farmers do not have the votes to carry this bill by themselves. We need the support and assistance of our urban friends. I commend the gentleman from Maryland (Mr. MITCHELL) for his remarks, and join him in calling on our urban friends to look above the horizon, and see the interrelationship between a healthy agriculture and a healthy urban economy.

Third, we must ask how the Government will be involved in agriculture. The question is not if the Government will be involved, because Government is involved in agriculture, and has been since the founding of our country. Those, like Butz, who like to decide themselves by thinking the Government is now "out" of agriculture, should explain the recent embargo on grains and soybeans, the price freeze on red beef, EPA standards, and the recent establishment of the Commodity Futures Trading Commission. No, Government is involved in agriculture; it is for us to determine how, not the Secretary of Agriculture.

I believe the Government should support the family farm, should promote free and open trade, should insure adequate supplies of food and fiber in case of bad crop years, and should support the existence and development of our rural way of life.

If you believe as I do, then I ask you to vote to override this veto.

Mr. FOLEY. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. RICHMOND).

Mr. RICHMOND. Mr. Speaker, I rise in support of the vote to override this veto. The Congress must stand up to the President. We cannot sit back and allow the disastrous farm policy of this administration to continue.

The President's farm policy, unchanged from the Nixon administration by Secretary Butz is starving consumers and ruining small farmers. This policy has cost consumers $40 billion. It has driven small farmers off their land, while letting large, agribusiness corporations take over. This means monopolistic food production systems, and high consumer prices.

This legislation helps consumers and it helps small farmers. It helps consumers by stabilizing prices and stimulating farmers to produce. Ample supplies mean reasonable consumer prices. It helps small family farmers by giving them a minimum wage, and encouraging them to produce, knowing they will not be put out of business by growing a large crop.

Finally, this legislation paves the way for establishing a reserve program of our basic food crops—a reserve that we need to protect ourselves from more wheat deals and soaring prices, and to help feed the world's hungry.

There is another reason why urban Members particularly should support this legislation. This vote will be a signal to Mr. Ford. The President has told Congress he will veto every spending bill that crosses his desk. Overriding this veto will make him realize that policy will not work. I believe we will find the President much more cooperative with this Congress if we show him now that we are willing to stand up for ourselves and for our constituents—both consumers and farmers. Already there is talk around this Chamber that if this veto is not overridden, there will be serious effects on vital urban legislation. The White House has been actively campaigning among urban Democrats in an attempt to prevent this override. We cannot let this attitude on the part of the White House prevail. The issue here is one of who shall make our laws—a Congress freely elected by the people, or a President who has not faced one single voter.

The freshmen were successful in making changes in the House this past winter because they stood together. We as the whole House must do the same. We cannot let the President dictate to us; we must not let him or his advisers control how much consumers pay, or how much farmers plant. We have paid enough for this policy.

The Department of Agriculture has consistently mislead Congress about the cost of this bill. Interest-bearing loans do not cost the taxpayer; neglecting consumers and farmers by not overriding this bill will cost more than the bill could ever conceivably cost. The Consumer Federation points out that "USDA

figures were a scare tactic designed to create hysteria among consumers."

This bill is strongly supported by the Consumer Federation of America, and by the AFL–CIO. This bill is a reasonable product by reasonable people. It is necessary, beneficial, and represents a first step away from the administration's disastrous farm policy, and a step toward some independent thinking by this Congress, and toward a sound food policy for this country. We must show that Congress is united in its willingness to pass responsible legislation to deal with this country's problems. I urge you all to vote to override this veto.

Mr. WAMPLER. Mr. Speaker, I yield such time as he may consume to the gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. Mr. Speaker, I will vote to override the veto of the farm bill. Congress has debated long and hard regarding the pros and cons of this measure and many good reasons have been given as to why it merits passage. I could say I support the farm bill to protect the American farmer, to protect the American farmer's ability to produce to the hilt. I could say I support the farm bill because it is high time the public shares in the gamble of food production and it is high time the farmer is guaranteed some sort of profit for his endeavors.

But these are not the real issues regarding the farm bill. These are not the reasons I support this legislation. The American farmer is not so materialistic as to expect the Government—and the rest of America—to guarantee him profits. The farmer will make his own profit, if Government does not intervene.

The American farmers, those people who are starting spring planting right now, are not in farming to receive big profits. Oh no, big profits are not as important to farmers as the feel of black Iowa soil in their hands, the sense of accomplishment when acres and acres of corn begin to tassel, the smell of earth after a hard summer rain. Perhaps my distinguished colleagues in the House of Representatives might understand what is important to farmers if I could take them home to my small farm near New Hartford, Iowa and sit them up on my tractor so they could survey the land. If I could walk them through a corn field so they could pull back the green husks and see the yellow kernels forming, maybe—just maybe—Congress could then understand that appreciation is what is important to the farmer. Appreciation. This is the issue, this is why support of the farm bill is imperative. It is time for Washington policymakers to make up their minds whether or not they appreciate the 4 percent of this country's population that feeds not only the other 96 percent of the United States, but a large portion of the rest of the people on this Earth as well.

Once outside of Washington my colleagues would realize the farmers in the countryside want to know that people in Government like you and I really care about their efforts—care about the gamble they take every spring—care about the empty storage bins after a drought—care by supporting the farm bill.

We can no longer argue whether or not Government has a place in agriculture. As long as we advocate grain monitoring, as long as our Secretary of State negotiates with foreign governments regarding the sale of beef imported into this country, and as long as we have a Secretary of Agriculture who makes a statement that the food policy of this country is one of full production, then we have Government intervening in agriculture. I say as long as this situation exists, then Government must show its concern for agriculture. This is the reason I support the farm bill, and will vote to override the President's veto.

Mr. WAMPLER. Mr. Speaker, I yield 3 minutes to the distinguished gentlewoman from Massachusetts (Mrs. HECKLER).

Mrs. HECKLER of Massachusetts. Mr. Speaker, I rise in support of the President's veto of the emergency farm price support bill.

We are here today to find out if King Cotton still rules on Capitol Hill. So far this year, it has.

This bill provides a salvation for those cotton producers who have grown an unneeded crop and have little hope of selling it on the private market. Half of last year's crop is still unsold, and there is a worldwide glut of cotton.

The effect of this bill would be to stimulate even more cotton production, and fix a higher price at which the Federal Government will be obliged to buy the excess crop through the commodity loan program. The commodity loan does not have to be paid back, because the farmer has the option of turning his cotton crop over to the Government as payment. The Federal Government then owns the cotton and must then store it and try to sell it. The additional storage costs are borne by the taxpayer as well.

It makes no sense to enact a stimulus for the production of a crop that we know beforehand will be surplus. We would be repeating the mistakes of the past, when too much production led to oversupply, which led to production limits and then shortage.

The employment consequences of the cotton provision have also been ignored. If we raise the support price above the world market price, we destroy the competitive position of our cotton shippers. Several noted agricultural economists content that the unemployment which would result in the cotton production and processing sector would be significant. Yet no where in the debate on this bill has this danger been properly considered.

What does the cotton farmer gain from this policy in the long run? Where is the benefit for our economy? These are the questions we should be asking ourselves before we pass legislation such as this.

Mr. Speaker, it is this headlong rush which has troubled me most. We are committing the Federal Government to spend $500 million in direct payments to farmers and another $1.3 billion in Commodity Credit Corporation loans and inventory costs in the next fiscal year without any idea what the long-term effect on agriculture will be.

The sad truth is that we do not have a farm policy, outside of what each special interest group can win in terms of price supports. We are compounding past mistakes and allowing farmers to be buffeted by boom and bust cycles, and we are forcing consumers to pay even higher retail food prices. Never once do we try to devise a comprehensive agriculture policy that balances the needs of farmers and consumers.

I feel it is time for the Agriculture Committee to take a broader look at these issues. I would like to see the committee look into the increasing farm-retail price spread, the question of monopolies in food processing and distribution, and the question of how the farmer can get a decent price for his crop without the consumer being gouged by prices that have no relation to what the farmer earns.

We cannot legislate a farm policy that is in the national interest without consideration of these questions.

Instead, we have before us a bill that serves the needs of a few special vested interests, provides no relief to consumers, and ignores the really critical question of what type of farm program this Nation needs to keep farmers producing and to provide food at affordable prices.

The President has vetoed this bill. We should sustain his veto and start over.

Mr. FOLEY. Mr. Speaker, I yield such time as he may consume to the gentleman from North Carolina (Mr. JONES)

Mr. JONES of North Carolina. Mr. Speaker, I shall be very brief. What we want to do is bring back into perspective what we are voting on today. This is a 1-year bill. It is not a long-term farm bill at all. It expires at the end of this calendar year. Therefore, I ask the Members please as they vote to override today to take that into consideration. This is a 1-year bill and certainly we will be coming back later on with a permanent form of legislation which we can consider then.

Mr. FOLEY. I yield such time as he may consume to the distinguished gentleman from Mississippi (Mr. WHITTEN).

Mr. WHITTEN. Mr. Speaker, when the President vetoed this farm bill which would have increased slightly the loan rate on certain agricultural commodities, given some assurance to the banks and lending institutions in making production loans and enabled farm producers to have some stability, it made me realize that the President nor the Secretary had learned anything from the debacle of the mid-1950's.

Then Secretary Benson and Mr. Butz, then Assistant Secretary, held U.S. farm commodities off world markets, though the law called for their sale. By refusing to sell they built up $8 or $10 billion worth of American production, paid over a million dollars a day storage and thereby strangled the farm program, all as shown by volume 9 of last year's hearings on the appropriation bill for the Department of Agriculture, where I brought forward verbatim, the hearings of 1955 and 1956. These hearings are being brought forward again this year.

These commodities were counted, used to cut U.S. allowable acreage and 53,000

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farm families were put in the road without employment by the Department's own investigation.

These commodities were not surplus to world markets. We had authority to sell in world markets, but Mr. Benson and Mr. Butz refused to use such authority. These commodities were withheld from our customers and our friends and the law providing for some degree of stability was repealed.

Mr. Speaker, today farming is a business. With less than 5 percent of our people engaged in agriculture, farm labor has been replaced by high-priced equipment and materials to the point that American agricultural producers constitute the chief market for industry and labor.

Mr. Speaker, farm equipment has gone up to where one picker increased in price $6,000 in 1 year. Fertilizer is up about 400 percent, fuel as much as 100 percent. For the President to say that an increase in assured income to the farmers of a little over $200 million to offset such increased costs, when he recommends many times that for everything under the sun, in the hundreds of billions of dollars, I can only conclude they will never learn.

Today, according to Secretary Butz's own figures, it takes an average of about $188,000 for a person to start farming. The farmer either makes money or he quits or is forced to quit.

If he does not produce, he cannot buy. If he cannot buy, industry cannot sell and labor cannot work.

Mr. Speaker, if the Members of Congress want to help President Ford, they will vote to override his veto, and prevent him from being tagged "against agriculture," the very base of our economy.

Remember every depression has been set off by a break in farm income. We are on the verge and this veto, if allowed to stand, could be the straw that broke the camel's back, for unemployment is already raging.

As I told the Arkansas Bankers Association, today in order to farm it takes almost enough money to start a bank, and enough nerve to rob one.

I urge you to vote to override the President's veto and help save him from himself.

Mr. FOLEY. Mr. Speaker, I yield 3 minutes to the distinguished majority leader, the gentleman from Massachusetts (Mr. O'Neill).

Mr. O'NEILL. Mr. Speaker, I rise in strong support of the emergency farm bill and urge all my colleagues to vote to override this Presidential veto. I am taking the well because I feel very strongly about this bill. This is a bill in favor of the consumer and in favor of the farmer. We have had enough with high prices.

For the past 2 years under the free-marketing system of Secretary Butz, food prices have jumped $40 billion with speculators reaping in huge profits.

The purpose of this farm bill is to establish prices and loans at levels to lend stability to the market which will result in more stable farm prices. Without such stabilizing influences as these realistic target prices and loan levels established in the bill, farmers will face severe uncertainty, especially with higher production costs.

This bill establishes a floor for the farmer just as minimum wage establishes a floor for the consumer. If the farmer has a floor, he is going to plant. And if he plants, agriculture production will increase, thus discouraging speculators from purchasing farm products and waiting for demand to outrun supply.

How many of you here in this Chamber who voted against the Sugar Act last year are still wondering why and how sugar prices have skyrocketed? Why we are now so dependent upon foreign sources of supply? Do you want the same thing to happen with soybeans, wheat, and corn? Well, it will happen if you allow this veto to stand, because then the corporate food speculators will control the food market just as the corporate sugar speculators now control the sugar market.

This bill protects both farmer and consumer. For consumers, it helps to stabilize food prices and will prevent the wild fluctuations in food prices that have plagued consumers for the past 2 years. Over the entire period of this bill, cost increases for milk would be 1 cent per gallon, 1½ cents per pound of butter, and just over 1 cent per pound of cheese. These figures are real costs which reflect the increases in the cost of living and not the effect of the farm bill. With the farm bill we can keep these costs minimal and create a more stable farm price than presently exists. It is for these reasons that the Consumer Federation supports this bill as consistent with the interests of the consumer.

For the farmer, this bill will provide a minimum wage and an incentive for full production. And this important incentive will assure ample supplies and stable prices for food products for all of us, consumer and farmer alike.

I urge all of you to take a responsible stand and vote to override. I hope that Members on our side of the aisle will have the courage to override the President of the United States on this veto.

Mr. WAMPLER. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from North Dakota (Mr. Andrews).

Mr. ANDREWS of North Dakota. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, we know this veto was based on information from the Department of Agriculture and the Department of Agriculture has been adminstering two price programs for so long that they now come up with two sets of information; one set of information they provide the White House when they want reasons to veto a farm bill and the other set of information they give our committee on agricultural appropriations, when they know that we know something about the subject.

There is no increase in cost in this bill. Actually, let us take a look at the facts. These new target prices are half what wheat and feed grains have been selling for last year. This is not going to be inflationary. It will give our consumers an adequate supply of food and it gives us production for export potential that we really need, the $22 billion in export earnings that paid for the increased cost of fuel that we had to buy from overseas.

Actually, this action on the part of the President, this action on the part of his staffers, was not based on facts, but on misinformation. To be brutally frank about it, it is this type of action that keeps Republicans in the minority in this country. It is a groping, nonfactual way to approach legislation.

This bill is needed by the farmers and it is needed by the consumers and it is good for the Nation.

We ought to mention and mention time and time again that the farmer is not looking for a dole.

He is looking for an adequate return for his efforts, the efforts that give this Nation so much. This bill does not unfairly increase either target prices or loan prices. It merely updates the bill that the last Congress passed and which a previous Republican President signed to reflect the increases of fuel costs, fertilizer costs, and machinery costs which have taken place in the last year and a half.

This bill provides assistance to the consumer and to the farmer, and I urge my colleagues on both sides of the aisle to vote to not only override the veto and to send a message to the unwise and misjudging people in the White House that this veto should not have come about.

Mr. WAMPLER. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Kansas (Mr. Skubitz).

Mr. SKUBITZ. Mr. Speaker, I shall vote to override the President's veto.

Mr. Speaker, I rise in support of H.R. 4296 and it is my hope that the Presidents' veto of this bill will be overriden. This bill is needed to make sure that the United States maintains the kind of full farm production that it so badly needed in this hungry world. Likewise, the farmer, who is asked to bear the burden of all-out production, must have the assurance that he will receive a fair price for his outputs. Therefore it is only proper that farmers receive the support is provided in this legislation. If this bill does not become law, farmers can be expected to become more cautions in their plantings and conceivably restrain badly needed crop out. Production costs have risen dramatically in the last year, while basic support prices have remained at the mininum levels allowed by law; namely, $1.37 per bushel for wheat and $1.10 per bushel for corn, and target prices have remained at $2.05 and $1.38, respectively. The levels set forth in this bill are not extravagant. In fact, some of our farm organizations are opposed to this bill on the grounds that the levels in H.R. 4296 are inadequate.

Personally, I feel this bill represents a good compromise, and I urge my colleagues to override the President's veto of this legislation.

I include the following:

Butz' Philosophy as Farm Fodder

President Ford has swallowed hook, line, and sinker the farm philosophy of Earl L. Butz and that is too bad.

It is too bad because the farm bill the President has vetoed was the best way to go to make sure that the United States maintains the kind of full farm production essential in a hungry world.

Faced with fluctuating prices, farmers are growing more cautious in their plantings in some of the major crops, such as corn. The best way to reassure them would be to raise support levels, as Congress had proposed.

Now it may be true, as Ford said, that this would have cost the budget more than a billion dollars next year. We think it unlikely. But if that were the case, it would be proof of the wisdom of what Congress did, for it would mean that prices tumbled below the support levels, triggering aid to the farms just when the farms would have needed it.

We hear a good deal from the secretary of agriculture about the success of his free-market approach. But that is only part of the story. The market is free only because extraordinary world conditions have escalated prices way above the supports of the 1973 farm legislation now in force. Supports are still on the books. True, acreage allotments on grains have been abandoned, but provision for them is still there. It is an oversimplification to suggest that the United States can play its full role in world food supply without government incentives.

Butz does not want to see the United States buying up stockpiles of surplus grains such as those that existed before the massive Soviet purchases of 1972. He wants only private stockpiles. But we think his plan is inadequate to meet emergencies.

No one will argue with him when he says that the answer to the world food shortage lies in improved farming and distribution in each nation. But that does not solve the special problems of drought, food and other disasters when only great surpluses from North America can meet the need.

It may not be possible to override the veto. If not, no time should be lost in trying for a compromise that will provide at least part of the reassurance to farmers before their next planting.

Mr. WAMPLER. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Minnesota (Mr. Quie).

Mr. QUIE. Mr. Speaker, I urge my colleagues to vote to override this veto. Some concern has been expressed about inflation. The truth is, if we do not pass this bill and the prices drop, we are going to have farmers not buying products and have people losing jobs, and we will be making the recession worse.

When we look at the responsibilities placed upon the Secretary of Agriculture, if we have this program in operation, he will set his policies to hold down the cost to the Government, which means he will help hold market prices up above the target price. If we let the President increase the loans in order to protect the farmers' prices, we are going back to the discredited farm programs we operated under for a long period of time, building up surpluses acting as a depressing cloud over the market. Farmers not able to make an adequate living will depress the economy and even greater unemployment will occur.

Mr. Speaker, I urge my colleagues to vote to override the veto so that we might save the administration from itself.

Mr. FOLEY. Mr. Speaker, I yield an additional 5 minutes to the gentleman from Virginia (Mr. Wampler).

Mr. WAMPLER. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Illinois (Mr. Findley).

Mr. FINDLEY. Mr. Speaker, I urge my colleagues to vote against the motion to override and thereby sustain the veto of the President of this bill. I do so, I will say to my good friend, the distinguished majority leader, the gentleman from Massachusetts (Mr. O'Neill)—I do so because I have looked at the facts.

Fact No. 1 is that less than 2 weeks ago this body, responding to a long felt need and with much heraldry, adopted a budget resolution which provided exactly the amount of outlay for farmer-related expenditures that the administration had requested. Not 1 cent—not 1 cent is for any provisions in the emergency farm bill.

Another fact is that by the best authorities, the cost of this bill in nonrecoverable expenditures, direct cost, will be at least $210 million and at the outside, $500 million. Who are we going to believe, because several speakers a moment ago had indicated that this bill would be no cost whatever to the taxpayers? Where can we turn for good authority?

I would like to turn to the chairman of the House Committee on Agriculture, a man I respect greatly, and cite a report that he placed in the Congressional Record on April 22 on page 11252. This was in connection with the conference report on this very same bill, and the data Mr. Foley placed in the Record at that time put the net cost—not the outlay of recoverable loan type cost—but the net cost of this bill at $210 million. I do not know where we could go to a source which would be more satisfactory to the Democratic Members of this Chamber. For myself, I am content with the estimate made by the U.S. Department of Agriculture which says that the net cost is $500 million.

But if the Members want to reject the administration's estimate, then accept the estimate of the gentleman from Washington, the chairman of the House Committee on Agriculture, putting the net cost at $210 million. If the Members do that, then this has to be regarded and accepted as a budget-buster bill. I say it is vitally important, because this is the very first test of the will of this Chamber to live by the decision it made less than 2 weeks ago. If we override the veto, surely this will be a signal to the American people that our concern over budget control was not very deep at all.

Mr. Speaker, a vote to sustain the veto of the so-called emergency farm bill is vital to the interests of the American people for several reasons:

First and foremost, it will reassure citizens that the Congress at long last means what it says about controlling the Federal budget.

The vote will be the first and, therefore, perhaps most crucial test of the will of the House to stick by the provisions of the budget resolution approved just 10 days ago. The resolution rejected funding of the farm bill and set at $70 billion the maximum Federal deficit for fiscal 1976. Frankly, the $70 billion figure struck me as far too high, even considering the state of the economy, and I voted no. The majority, however, approved the resolution. This will double the budget outlay for farmer-related purposes.

If the House should repudiate the budget resolution in this very first crucial test, the American people may conclude that the new much-heralded budget procedures—explained to the public as a long-needed change to business-like management of the Federal budget—is actually a nothing—empty rhetoric.

Second, the bill will cause a substantial outlay of money that cannot be recovered. The USDA estimate is $500 million. Other estimates are understandably lower. No one denies that the direct nonrecoverable outlay will run into the millions of dollars.

Third, the bill will have a bad effect on market prospects for the American farmer. The cotton section will promote uneconomic production, make foreign sales more difficult.

The mandatory provision of nonrecourse loans for soybeans as well as cotton will give foreign countries a financial umbrella under which they can finance broadly increased production of soybeans in competition with U.S. producers.

Fourth, the bill will unquestionably cause unemployment in milling and merchandising industries related to cotton and soybeans. It will cause U.S. textile firms into a more adverse position with foreign textile firms.

Mr. WAMPLER. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Massachusetts (Mr. Conte).

Mr. CONTE. Mr. Speaker, I rise to urge my colleagues to sustain the President's veto of H.R. 4296, the emergency farm price support bill.

This is a matter of fiscal responsibility, economic reasoning, and commonsense.

We are all aware of the budget deficit problem. It is serious, and this bill would make it worse.

As President Ford has declared, this is the time to stop all "nonessential spending." This bill would add 1 billion, 800 million dollars in "nonessential spending" to the Federal budget.

With the present fiscal squeeze, this Congress will have to cut back spending on many good programs. With spending on good programs being curtailed, it should be obvious that spending on bad programs must be cut off entirely.

This is a bad bill. It would destroy our market-oriented farm economy, while reviving the discredited farm policies of the past that meant subsidies, waste, and strict Federal controls.

This bill would hurt the sale of our food exports and undermine our balance of payments. With higher price support levels, the price of our wheat, feed grains, soybeans, and cotton will be higher. Consequently, the United States will lose many sales to competing food exporter nations.

Speaking from a New England point of view, there is an aspect of this bill that is especially disturbing. This emergency farm bill would not help a single New England dairyman, but it will put hundreds of them out of business. Feed grain prices under this bill will rise again and remain artificially high, and this will tighten the economic squeeze on our dairy farmers. With the 80 percent price support level, they cannot raise the price of their milk; even if they could, sales of their product would drop. To help the dairy farmers of New England and the Nation, the Congress should be bringing the cost of their inputs down, not pushing them up.

This bill is full of the wrong incentives. For instance, while the United States has an enormous cotton surplus, this bill provides incentives for farmers to grow another glut of cotton. Furthermore, in tying the price support level of soybeans to corn, this bill creates an incentive to grow more corn at the expense of soybeans, though the market for soybeans is much stronger.

There are many other reasons why this farm bill is bad. It would institutionalize higher food prices, and it would require that Congress pass another farm bailout bill next year. All of this would have an inflationary ripple effect throughout the economy. It would also set the precedent of creating a new loan program—for soybeans—that no farmer requested, no witness testified for, and no hearings were held on. Such hastily written and ill-considered legislation should not be etched into legal stone by this Congress.

If economic facts and commonsense rule today, then I am confident that my colleagues will vote to sustain the President's veto of this bill. I urge them to do so.

CALL OF THE HOUSE

Mr. WYDLER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 200]

Archer
Burton, John
Chappell
Conyers
Diggs
Drinan
Evans, Ind.
Ford, Mich.
Gaydos
Hinshaw
Jarman
Koch
Mollohan
Rostenkowski
Ryan
Sarbanes
Scheuer
Staggers
Steiger, Ariz.
Stephens
Teague

The SPEAKER. On this rollcall 412 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

VETO OF THE EMERGENCY AGRICULTURAL ACT OF 1975—VETO MESSAGE OF THE PRESIDENT OF THE UNITED STATES

The SPEAKER. The Chair now recognizes the gentleman from Virginia.

Mr. WAMPLER. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from South Dakota (Mr. Abdnor).

Mr. ABDNOR. Mr. Speaker, I certainly share the concern the President has expressed over the inflationary effects of nonessential Federal spending. I cannot agree, however, that farmers should be called upon once again to bear the full brunt of our national need for fiscal responsibility while we increase record Federal deficit spending in nearly every other area.

Even as the Federal Government calls upon farmers to increase production, we are shown grain price projections which are far below those required for a reasonable return to farmers for their labor and investment. In other words, farmers are expected to once again become second-class citizens as far as their standard of living is concerned.

There is no one who appreciates the efficiencies of the free market system more than I, but a free market situation does not prevail in our agricultural economy except with respect to the risks our farmers are forced to accept. Even these risks are greatly compounded by ill-advised governmental actions intended to provide cheap food for consumers—they are far greater than the normal "free market" risks.

Until American agriculture can compete in the marketplace on an equitable basis with business and industry, it must have the protection for its prices this bill provides, particulary when operating costs continue to escalate. The farmer, unlike business and industry, cannot add on to the prices he receives the increased costs he must pay for his fuel, fertilizer, equipment, and other operating expenses. He must accept what the market offers—thus, the overwhelming need for this legislation.

And with respect to prices consumers pay, they are beginning to realize that it is not the farmer who is responsible for high food prices. They are coming to understand that their own interest will be served if farmers are permitted the incentive they must have to be able to produce to meet the ever-growing national and world demand.

This bill is a reasonable atempt to give farmers some small assurance that they will not be bankrupted by their own productivity. It will not insure riches to any producer. It is unfortunate but true, though, that as long as everything continues to go up but only farm prices come down, legislation of this type will be required—not only for the sake of the standard of living of farm families, but for the protection of the long-term best interests of all consumers also.

Mr. WAMPLER. Mr. Speaker, I yield such time as he may consume to the gentleman from South Dakota (Mr. Pressler).

Mr. PRESSLER. Mr. Speaker, I rise to say that I strongly support overriding the President's veto on the farm bill. I grew up on a family farm. That farm is still my home. I was there last weekend and I talked with my parents—who still operate our farm—and some of our neighbors. Mr. Speaker, I can assure you that both consumers and farmers will benefit from the override of this veto. Family farms such as those which populate eastern South Dakota will be a thing of the past without some help. Numerous studies by independent groups have demonstrated that family-sized farms are the most efficient units of agricultural production—thus consumers will ultimately suffer from a destruction of family-sized farms. Mr. Speaker, I plead with this House to recognize the long-run interests of farmers and consumers by overriding this veto today.

Mr. WAMPLER. Mr. Speaker, I yield 3 minutes to the distinguished minority whip, the gentleman from Illinois (Mr. Michel).

Mr. MICHEL. Mr. Speaker, I come to the well today as a Member representing a farm district. As a matter of fact I am one of only 41 or 42 Members of this House whose districts are still considered to be rural in nature. I have had exactly two letters from farmers urging me to override the President's veto of this farm bill.

Regardless of your feelings about Secretary Earl Butz, he has given real leadership in turning us around from the discredited program of the past. We now have a reasonably free market in agriculture and that is what we have been striving for.

Just a few years ago these control programs under which we were operating then were costing $3.5 billion not to increase production but in payments to farmers to decrease production, and we were paying over $1 million a day in storage costs. In the agricultural appropriation bills we brought before this House in years past, we have had vast sums amounting to billions of dollars to restore the capital impairment of the Commodity Credit Corporation. Some of this restoration was 7 years in arrears, all with carrying charges costing the taxpayers dearly and charged against the farmers.

In the past 3 years the $4 billion we were spending for payments to farmers not to grow and for storage costs are now going for food stamps for the poor. That is a good argument it seems to me to sustain the veto for the Members from urban districts.

The fact that this $4 billion that initially was going for payments to farmers not to grow and for storage costs and which is now going for food stamps is the big significant transformation that has taken place and big city members should take special note of this.

But it is good more importantly for the thinking farmers who will remember how our warehouses under the old program were bulging with surpluses, and whenever the Commodity Credit Corporation felt disposed to do so it could dump the surpluses on the market and the poor farmer was then helpless. And make no mistake about it, that was taking place in those days.

And if the CCC did not reduce its stocks by selling in the open market, we also heard from Members of Congress who were crying all over about the exorbitant prices being paid for increased storage costs. Those of us from the farm districts, with only 42 or 43 votes were helpless in making an argument to the contrary. It seems to me the farmers of those days were taking a bum rap for something not of their own doing but something which was imposed on them by the Congress—a rigidly controlled price support program.

Today, we are doing all right. We have broadly expanded our markets abroad to dispose of our surpluses for dollars. As a matter of fact its the bright spot in our balance of payments—something in the range of $24 billion of sales abroad this past year.

The distinguished majority leader made a remark earlier that the farmers are getting less than 4 cents for a loaf of bread which is costing the consumers 40 cents, but years ago when a loaf of bread was costing consumers 20 cents the farmer was getting less than 2 cents of

the loaf. That kind of argument today does not hold water because inflation is the real enemy here particularly as it involves all those intermediate steps between the producer and the consumer.

I urge the Members to support the President's veto of this bad bill. Let us do the right thing for the farmers, for the producers of our agricultural commodities, for the consumers and for the entire country.

Mr. WAMPLER. Mr. Speaker, I yield the remaining time to the distinguished gentleman from Illinois (Mr. Anderson).

Mr. ANDERSON of Illinois. Mr. Speaker, I hope very much that the difficulty in preserving order in the Chamber this afternoon is not an indication that Members have come here with their minds already made up, unwilling to listen to some of the logic that I think ought to prevail with respect to the very important and, indeed, fateful decision that we will make today.

I, too, like the gentleman that preceded me in the well, represent a very substantial farm constituency from the urban areas. I, too, as some of those that spoke earlier am deeply concerned about the welfare of the American farmer. I was concerned enough to talk to the Secretary of Agriculture this morning, and confessed my concern. He assured me, he assured me that this administration will not permit a substantial deterioration in farm commodity prices to take place without using its existing authority under existing law to raise loan rates.

I had the opportunity at 11:30 this morning to talk to the President. I asked him the same question. He said:

> You have my permission to tell the House of Representatives that I appreciate the great contribution that the American farmer has made, the great record of productivity that he has achieved and I will certainly see to it that those loan rates are increased before those prices have deteriorated to any considerable extent.

I want to comment on what the majority leader said a moment ago when the gentleman blamed the Secretary for adding $40 billion in costs to the American consumer in the last several years. I want to remind the distinguished majority leader that the Secretary of Agriculture has no power to do anything other than administer policies under laws that have been enacted by this Congress. What the distinguished majority leader did not tell us was how the passage of this legislation is going to aid the consumers of America.

Now, we have had a great argument here over that question and yet not one single voice has been raised to challenge the veracity of the statement that was made by a member of the committee from New York, that historically every increase in support prices has translated itself into higher prices in the marketplace and from thence higher prices in the supermarket.

Maybe most of us saw the national magazine article that appeared this week, "End of Drop in Food Prices." A survey in eight major cities conducted showed that a decline in food prices underway since late last year appears to be coming to an end.

And then the article further commented, "Coming, higher grocery bills."

We had higher wholesale prices in this country last year at a rate of 18 percent. The index went up 1½ percentage points in 1 month alone. There may have been some excuse for voting for a bill like this in April when on the 1st of April we could say that there had been five consecutive months of decline in farm prices. They were down 10 percent. That trend has clearly been reversed. The prices are up. We saw it in the wholesale price index last month. We are beginning to see that translated now into higher costs to the consumer.

I repeat what the gentleman from Massachusetts has said:

> You from urban areas, how are you going to go home to your constituencies and justify passing a law raising support prices for a commodity that is already in surplus?

What kind of economic sense does that make? Finally, we have had arguments about whether or not this is going to add to outlays in fiscal year 1976. I have before me the statement from the Record of April 22, 1975, which indicates clearly that net outlays of this bill over present law will amount to $1,153,000,000.

Sure, we can say that some of those costs are going to be recoverable over 18 to 20 months. The fact remains that we are talking about outlays in a year when we cannot afford that kind of extra expenditure.

Mr. FOLEY. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Illinois (Mrs. Collins).

Mrs. COLLINS of Illinois. Mr. Speaker, for the first time since coming to Congress, I find that I plan to vote to sustain the veto of the President of H.R. 4296.

When this legislation was originally before the House on March 20, I voted for its passage. Since that time and April 22 when the conference report was considered, I became aware of some of the adverse effects of the bill on the American people. That is why I voted against the conference report and shall explain at this time why I think the veto should be sustained.

First, it is called an "emergency" measure but in truth there is no emergency. Most wheat producers have had 3 consecutive years of excellent profits. Yet they now demand a 50-percent increase in the target price. This is far more than can be justified by inflation in the loan rates—cost of production—which USDA now estimates at about $2.50 a bushel. If 1975 predictions that there will be a 2-billion-bushel wheat crop are correct, a target price of $3.10 per bushel for wheat could swell the already huge Federal deficit by another $2.7 billion.

Second, this bill fails to recognize the legitimate interest of consumers: it is solely a producers bill. Accordingly, it is biased and unfair to the vast majority of Americans because its major purpose is to keep commodity prices near present high levels throughout the new crop year, regardless of market supply and/or demand. But suppose there is a drought such as we had last year, or large foreign purchases which deplete our stocks. H.R. 4226 gives consumers no protection against ureasonably high prices for wheat. Congress should not approve such one-sided legislation which discriminates against consumers.

Third, if the bill is enacted, the Office of Management and Budget would be in a position to exert great pressure to limit the Federal budget deficit by holding the market price near the target price, rather than allowing it to fall to the loan level. This artificially high floor would put a protective umbrella over less efficient foreign producers, and thus reduce our exports and expand our balance-of-payments deficit.

Fourth, the 1973 Farm Act authorizes the Secretary to raise the loan level for wheat. The President has said he will direct the Secretary to do so if there is unforeseen price deterioration. Such action would protect farm income against unreasonably low prices in the event of large crops, but would not mandate greater Federal deficits as the proposed bill does. This course, taken when needed, is preferable to establishing unnecessarily high target prices now.

And fifth, it is my very strong belief that high support levels will artificially determine price and product levels which will increase the price of dairy products and wheat. The impact of this bill, if enacted, will probably start being felt by the fall of this year at precisely the time when families who have benefited from the extra income earned by their youngsters under the NYC program will find that income eliminated because of the youths' return to school, and at a time when the income tax rebate which had a maximum of only $200 will have already been spent. This coupled with rising costs of dairy products and wheat will play havoc on the budgets of low-income families whose major outlay is for food. There are many such families in my congressional district, one community of which has an unemployment level exceeding 45 percent.

The U.S. Department of Agriculture has informed us that enactment of this bill could mean an 8-cent-per-gallon increase in the cost of a gallon of milk, 10-cent-per-pound increase in the cost of cheese and 20-cent-per-pound increase in the cost of butter.

According to a recent newspaper report—Washington Star, Saturday, April 19, 1975—"one national consumer group estimated that overall the bill could cost American consumers $1 billion. Add to that, Agriculture Secretary Earl E. Butz's estimates that the legislation will increase Federal costs nearly $500 million more and it becomes evident that this is not only a bill detrimental to low-income families but to those who are on fixed income because this bill is inflationary.

Mr. Speaker, H.R. 4216 does little more than set farmers and consumers at odds with each other. It does nothing to develop a national farm program which would bring about stable prices and satisfy both producers and low-income consumers.

I urge my colleagues to sustain this veto.

Mr. FOLEY. Mr. Speaker, I yield such time as he may consume to the gentleman from South Carolina (Mr. Jenrette).

Mr. JENRETTE. Mr. Speaker, the

override of President Ford's veto of the emergency farm bill is absolutely essential to assure the American farmer that even if the administration does not care about the farmer, the Congress does. We are asking no more than the placement of a floor under prices for the reassurance of the most basic and elemental part of our economy, the farmer.

Agriculture Secretary Earl Butz has been touring the country stating that the farm bill would cost the taxpayer $1.8 billion. I deplore such scare tactics—tactics that amount to little more than a high-powered propaganda technique. This figure is based on the assumption that the bottom will fall out of the farm market across a wide spectrum of products and leave the Government with the responsibility for making up the price difference. The likelihood of this happening is remote in the extreme.

We know that. But the urban consumer does not know this. Butz already has stated publicly that he would like to remain as Secretary of Agriculture in the next administration—an administration he hopes will be headed by President Ford. So we are treated to the spectacle of the President and the Secretary of Agriculture in collusion to court the urban consumer vote at the expense of the farmer. Never in history have we had a Secretary of Agriculture so out of tune with the American farmer—so callous in his disregard for that very segment of the economic community for whom he is supposed to be the guardian and spokesman. This administration has turned its back on the farmer. It is therefore incumbent upon us to fill this vacuum. Urban and consumer-oriented members will be shortsighted if they assume that a vote against the override is a vote for the consumer.

All of the farmers with whom I have talked look longingly to the future—a future in which there will be no Earl Butz, an albatross around the neck of those who produce the food and fiber for this Nation. We certainly could be no worse off no matter who the next Agriculture Secretary may be.

Not since Ezra T. Benson under Eisenhower have farmers in this country become so disillusioned with a Secretary of Agriculture. As a matter of fact, Benson was popular compared to Butz. You cannot fool the American farmer, and I suggest that Butz is the first Agriculture Secretary without a constituency anywhere among farmers. Name a farm product and somehow he has managed to alienate that segment of the farm economy responsible for its production.

Not all urban area Members are unaware of the importance of the farm bill to their respective constituencies. I was pleased to see that 16 of my colleagues from urban areas recently sent out a message to other Members in which they stated:

> As urban area Congressmen we are well aware of the high risks posed to the American consumer by large, erratic fluctuations in food costs. We have witnessed the inflationary impact and market disruptions brought on by uncertain foreign demand, unpredictable changes in crop conditions and depleted food reserve stocks. . . . The failure to rebuild domestic food reserves jeopardizes the consumer's welfare because of the real risk that a sudden scarcity will send food prices skyrocketing again as happened after the Soviet grain sale. . . . If support levels are too low, we will run the risk of a 'boom and bust' cycle in agriculture which would be enormously disruptive for farmers, consumers, and food processors, not to mention those markets abroad which have come to depend increasingly on U.S. foreign exports.

Mr. Speaker, it is refreshing to a Congressman from a largely rural constituency such as my own to read that there are at least some urban area Members who realize that we all have a stake in the economic well being of the farmer.

Mr. FOLEY. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. PHILLIP BURTON).

Mr. PHILLIP BURTON. Mr. Speaker, it occurred to me that the gentleman who spoke previously in the well doth protest too much. I stand here, not as a chairman of a party caucus; I stand here as an urban Member of the House of Representatives, and I stand here, I hope, with credentials which have unswervingly supported the best interests of the American consumer. This override, I might note, is supported by the Consumer Federation of America.

The statement has been made, with justification, that only a small percentage of the American people are involved in the production of food or fiber. That is correct, but there is another dimension to that statement. This very small percentage of the American people have produced more for the American people and more for the starving people abroad than the farmers of any industrial nation of the world.

Why is that the case? It is the case because we have designed farm programs which permit the American farmer, as this bill will do, to produce and produce and produce without running the risk of producing themselves into bankruptcy.

Mr. Speaker, I say nuts to Butz, let us override.

Mr. MIKVA. Mr. Speaker, I rise today to speak in support of the President's veto of H.R. 4296, the Emergency Farm Act, and against the attempt to override that veto.

Mr. Speaker, I voted against this bill when it was first considered on the House floor. I voted against it when it emerged from the joint House-Senate conference committee. I intend to vote against the bill again today. Unlike good cheese or fine wine, this bill has definitely not improved over time.

As President Ford stated in his veto message on this bill:

> Although the aim of this bill is laudable, its results would be costly not only to consumers and taxpayers but to American farmers in the long run. . . . Approval of this bill, therefore, would *not* be in the public interest.

Mr. Speaker, I cannot support a bill which has as its primary objective an increase in Government price supports for wheat, corn, cotton, soybeans, and milk. Since 1972, food prices have gone up at a rate of more than 15 percent a year. This is well above the general cost-of-living increase of about 10 percent a year for the same period. Food has been a major cause of this inflationary pressure.

Further, this bill will add to inflationary pressures by unnecessarily increasing the size of the Federal Government deficit. H.R. 4296 is an example of increased nonessential spending. In fiscal year 1976 alone, it could add an estimated $1.8 billion to the Federal deficit. If used as a building block for future legislation, it could result in a dramatic increase in farm subsidies in the coming years.

I sympathize with many farmers who find themselves in a difficult economic situation. Too often farmers are at the mercy of conditions, such as bad weather, sudden changes in market conditions and the overbearing economic clout of agribusiness, which are completely beyond their control. Still, I have little convincing evidence during the lengthy debates on this bill that increased price supports would significantly help the farmer. Rather, I am convinced that higher support levels would push us all to a higher level of inflation.

Mr. Speaker, what we need in this country is a critical reevaluation of our entire farm policy. We need programs which depart from the tired policies of the past, programs such as an effective grain reserve system. A grain reserve would protect us from the effects of a Russian wheat deal and lessen the chances of "feast or famine" cycles.

We can no longer set rural interests against urban interests or farmers against consumers. We are, in this country, all in this struggle together. Unless our agricultural policies become more rational, more even-handed and more effective, food prices will continue to rise and the farmer will continue to receive a smaller share of the food dollar.

Mr. Speaker, the so-called emergency farm bill which we are considering today makes none of the urgently needed reforms of our agricultural policies. It merely repeats the mistakes of the past. As the President stated in his veto message:

> In the long haul, this bill would lead to constraints on production and result in loss of jobs in food-related industries. It would induce farmers to grow more cotton—already in surplus—and less soybeans needed for food. The bill would jeopardize the competitive position of our cotton in world markets.

Mr. Speaker, we ought to support the President's veto of this bill.

Mr. BEDELL. Mr. Speaker, today we are faced with a very critical choice. It is critical not only for the farmers of America, but for the entire Nation as well.

H.R. 4296 was drafted to meet a very real and pressing problem of our Nation's agricultural producers. However, to view it as a special interest measure would be a misrepresentation of fact. The bill's implications extend far beyond the agricultural sector of the economy. The outcome of today's vote will affect all Americans.

As a member of the House Agriculture Committee, I was actively involved in the development of this bill, and I am absolutely convinced that it is a necessary and responsible piece of legislation. In my view, the Congress has done an excellent job in reconciling the interests of the American farm community with the

greater national interest. It is imperative that H.R. 4296 be enacted into law for the good of the Nation.

H.R. 4296 is a 1-year emergency measure which is designed to lend greater stability to an increasingly fluid and unstable agricultural market. The current uncertainty that prevails in the agricultural sector of our economy holds serious implications for all Americans and must be addressed.

American agricultural producers are currently caught in a vicious cost-price squeeze. Skyrocketing production costs, largely attributable to factors beyond the farmer's control, and declining wholesale prices have left the American farmer in an untenable position. With the Ford administration urging all-out production, many producers are uncertain about their economic prospects. A substantial crop, harvested in good weather, would force prices down even further, with potentially fatal results for many American farmers.

In effect, the Government is asking the farmer to bear all the risks—to plant as much as possible, but with little protection should massive harvests deflate prices. H.R. 4296 attempts to relieve this dilemma by revising existing target prices and loan levels upward to make them more responsive to current market conditions. If enacted, this bill would assure that, should the bottom fall out of the market because of a possible large surplus, the farmer would have some guarantee that his losses will not be as catastrophic as under present law. In turn, it would impart a much needed degree of stability to the agricultural market which would benefit all Americans.

It is also important to consider the impact of this legislation on the American taxpayer and the American consumer. President Ford argues that the cost of the enactment of this bill would be disastrous for the taxpayer and the consumer. I submit that just the opposite is the case. In my view, both his logic and his economics are fundamentally flawed.

President Ford claims that the bill will cost taxpayers $1.8 billion. However, he neglects to point out that $1.3 billion of this total would be in loans which would be paid back to the Government with interest. Also, the estimates of costs in all categories are based on highly pessimistic assumptions of market conditions in America and the world during the next year. It is just such unstable market conditions that this bill is designed to prevent.

In considering this piece of legislation, it is absolutely essential to understand the relationship between agricultural production, food costs, and our general economic prosperity. Make no mistake about it. The food expenditures and prosperity of every American are highly dependent upon the survival and the productivity of the family farmer. Food shortages, and the higher retail prices they imply, benefit no one. Enactment of this bill would do much to assure the American consumer of adequate supplies of food at reasonable prices.

The message is clear. The small farmers of America need this legislation. And so do consumers as well.

In his evaluation of H.R. 4296, President Ford does not address the question of economic and social cost of the defeat of this bill to the American people—to farmers who will go bankrupt and be forced off their land, and to consumers who will be faced with higher prices at the grocery store. This is a significant, and portentous, omission.

President Ford contends that approval of H.R. 4296 would not be in the public interest. I do not agree. And furthermore, I question whether he really understands the nature and scope of the current agricultural situation.

It is ironic that the administration is calling for expanded food production and greater exports of agricultural commodities on the one hand, yet is not willing to provide even a minimum of protection for farmers against a possible collapse in prices on the other.

I ask President Ford, and his Secretary of Agriculture, Earl Butz, what will you offer to those farmers who will lose their livelihoods if this bill is defeated? It appears that you will offer them vague promises and empty rhetoric, but no substantive help. This is simply not good enough. The small family farmer, long the backbone of the American economy, deserves a better fate than that.

I do not intend to overdramatize the predicament of the American farmer, or to suggest that enactment of H.R. 4296 will be a panacea for the perplexing paradox of rising costs and falling prices. It will not.

What the bill will do, however, is provide a 1-year holding action against the possibility of further dislocations in the agricultural sector. It will provide a modicum of protection for producers, and it will help stabilize food prices. It will also provide Congress with the time necessary to take an in-depth look at our production and consumption policies so that we can construct a national farm policy that will effectively and responsibly deal with the highly volatile agricultural market.

President Ford cites H.R. 4296 as an example of nonessential spending. Nothing could be further from the truth. Enactment of this bill is crucial. It is a sound investment in the future of our country. I urge you to vote to override the Presidential veto of the emergency farm bill.

Mr. FISHER. Mr. Speaker, I vote to support H.R. 4296, the Emergency Agricultural Act of 1975, and to override the President's veto with some misgivings. But on the whole I believe it will have a salutary effect on the American economy, American farmers, and in the longer run, American consumers.

My first misgiving concerns the levels of both target prices and loan rates for wheat, feed grains, and cotton. This legislation would set them higher than needed to achieve the purposes of the act, in my judgment. Earlier I voted for an amendment which would have lowered these levels, but it was defeated.

My second misgiving arises from the addition to Federal expenditures and the resulting budget deficit that is implied by this measure. Increased outlays this year could run as high as $1.8 billion. However, these are mostly loans and would be repaid in subsequent years. Also there is merit in the larger outlays this year while the severe economic recession is still with us.

The act is for 1 year only. I hope it achieves its purpose and will not be continued beyond the 1 year. Had the proposal stipulated a longer period, I would not have supported it.

There are two principal advantages of the measure: First, our almost totally depleted reserves of these three basic crops will be restored somewhat; and second, farm prices, incomes, and employment will be stabilized to a degree. Farmers will be in a better position to commit resources to expanded production schedules with greater assurance against widely fluctuating prices. The reestablishment of stocks will also tend to stabilize prices as well as protect consumers against possible shortages. Reasonable agricultural reserves will correct the dangerous situation that has prevailed since the unwise grain deal with the Soviet Union made several years ago.

The most satisfactory way of combating the inflation in food prices from which all have been suffering is to raise production. This act will make a contribution to increasing production of three basic crops, and hence to checking inflation. This will ultimately help consumers everywhere in the country.

Mr. BROWN of California. Mr. Speaker, I rise today in support of the override of the President's veto of H.R. 4296.

The farmers of this country have been requested by the Government to cooperate in achieving all-out production. Production rates of this level will provide enough surplus to help us contribute emergency food supplies to those countries suffering most from high rates of malnutrition and starvation. But a surplus of this level could mean economic disaster to the farmer unless a reasonable price floor is guaranteed by Congress. The Emergency Farm Act seeks to establish price floors in certain vital areas that will relieve farmers of the worry of disaster, which in turn will encourage them to plant full crops and produce more milk and milk products.

These price floors will also provide a balancing effect on price fluctuations which will help in stabilizing the market. This is advantageous for farmers and consumers alike since extreme price fluctuations cause inflation in many areas and lead to food shortages.

Secretary Butz and the administration have supported a policy of laissez-faire toward our farmers, but I do not believe this is the time to sit back and let the market take its course. Too many people in this world need food and we cannot afford to suffer through a period of food shortages, high food prices, and resulting inflation. We must have a farm policy that will encourage food production, not discourage it. I ask my colleagues to join me today in support of this override.

Mr. MONTGOMERY. Mr. Speaker, I rise in support of overriding the veto on the Emergency Agricultural Act of 1975.

My opinion is this legislation will help the consumer, not hurt him. If you have a shortage of food and fiber the price is going up. If you have a surplus the price will go down and help the little man. We have got to encourage Americans to stay in farming, not to get out of this profession.

Over the years food has been a good buy for the consumer and surely the farm programs have helped keep prices down. Farm programs have also been adjusted over the years to help the small farmer more than the large farmer.

Most of the money spent in this bill will be loan money and will be paid back. It could be money well spent to move the economy, help the farmer, and help the consumer.

Mr. MEZVINSKY. Mr. Speaker, I strongly urge this body to override President Ford's veto of the emergency farm bill. The specific merits and provisions have been adequately explored. Thus, I will not burden our debate with any further discussion of its technical aspects.

I would, however, like to direct some thought toward our need for a national agricultural policy and the place of this particular piece of legislation within that context. I believe it is high time for us to move beyond rhetoric and establish a national policy providing for the maintenance of the family farm and abundant agricultural production. Administrations and Congresses have argued for decades that we want to maintain the family farm. Moreover, we all seem to recognize the vital importance of food production for domestic needs and foreign trade.

If we really believe in those two goals we must provide a measure of market stability. The farmer has limited control over the costs of production, the costs of equipment, or the prices he can charge for his crops. And those costs have skyrocketed in the last 2 years. Now the farmer is being asked for all-out production. If he actually succeeds in doing what the administration is asking of him, a severe decline in the prices he receives is almost inevitable. If he does not succeed—or if he decides that the probable market price does not justify the use of expensive fertilizers or even the planting of certain crops—we run the very real danger of having inadequate supplies of food. And, I would add, we will probably see even higher retail prices for food.

Without the target-price provisions of this bill, we are endangering our national farm goals which we espouse. If we really want full farm production, protection for the family farm, and reasonable food prices, we need this farm bill now.

Mr. ASHBROOK. Mr. Speaker, I support the veto of H.R. 4296, the Emergency Agricultural Act of 1975. Enactment of this legislation would mean higher food prices for consumers, additional Federal spending and increased production of unneeded cotton.

It is estimated that H.R. 4296 could cost consumers as much as $500 million in extra food bills. Substantial increases would occur in the price of milk, cheese, and butter. Families are having a hard enough time paying their grocery bills without further price increases.

H.R. 4296 would also mean increased Federal spending. The administration has estimated that in fiscal year 1976 this legislation could add $1.8 billion to the Federal deficit. We must hold down Government expenditures if we are to get our economic house in order.

The main beneficiaries of H.R. 4296 would be the cotton growers. These growers would receive substantially increased Federal subsidies as a result of this legislation.

The target price for cotton would be raised from 38 to 45 cents a pound and the loan level from 34 to 38 cents a pound. The nonrecourse loan for cotton growers who cannot sell their crop would be extended an additional 8 months. All this means additional costs to the taxpayer.

I simply cannot understand why the Government should further subsidize and stimulate cotton production when our Nation already has a tremendous cotton surplus. By August of this year the United States will have approximately 6 million bales of excess cotton in storage. This is enough to satisfy our needs for a year. We cannot hope to export the surplus since world supplies of cotton are already at record levels.

What would we do with the additional cotton that would be produced because of this bill? Why should we commit the Government to purchase a crop which we already know will be surplus to our needs?

I am convinced that it would be far better to have needed food crops grown on the land rather than unneeded cotton. I am convinced that it is in the public interest to sustain the veto on H.R. 4296.

Mr. KASTENMEIER. Mr. Speaker, Congress will best represent the interest of both farmers and consumers if the President's veto of this bill is overridden. President Ford is wrong in claiming that passage of this bill will be costly to consumers, taxpayers, and farmers.

The emergency farm price support bill does not guarantee any farmer a profit. Indeed, the target prices for corn and wheat are at a level far lower than current market prices. Milk parity price support levels are not increased by the bill. Rather, quarterly adjustment of the 80 percent level would be required. This feature does not guarantee dairymen a profit, it only guarantees that price support levels will be kept more current with increases in costs of production. There has already been substantial compromise between advocates of higher levels of protection and those who prefer lower support levels. This is, in fact, a modest bill that only attempts to give the American farmer the assurance he needs to plant a full crop.

Consumers are well aware of what impact even relatively small shortages in food supplies can have on retail food prices. When farmers face unstable markets and must cope with uncertain price fluctuations in factors of production, that uncertainty is reflected in the level of crop production undertaken by farmers. A cost-price squeeze on the farm is reflected by less output and resulting higher retail food prices.

Grain reserves and feed prices have an impact on retail milk prices, reflected in part by the milk-feed price ratio. This ratio is an important indicator of profitability in the dairy industry. To make a profit, a dairy farmer should be able to buy 170 pounds of feed with 100 pounds of milk. A break-even point is roughly 150 pounds of feed for 100 pounds of milk, a ratio of 1.50. Yet even though the President in his veto statement noted that the 5-month trend of declining prices received by farmers has been reversed, the feed-price ratio continued to decline. One year ago, the milk-feed price ratio stood at 1.56, last month it stood at 1.38 and this month it declined to 1.36.

Contrary to what the President contends, this bill would protect the interest of consumers by providing farmers with an incentive for full production which will insure ample food supplies and stable prices for food products. The absence of the stability this bill would provide could well result in less acreage being planted, resulting in higher food prices for grains, feeds, and dairy products.

Mr. Speaker, I urge my colleagues to support the interests of consumers, taxpayers, and farmers by voting to override the veto of the emergency agriculture bill.

Mr. VANIK. Mr. Speaker, I rise today to speak against the adoption of H.R. 4296, the Emergency Agricultural Act of 1975. I strongly opposed initial passage of this legislation, because I believe this bill would create an additional burden on the American consumer.

For 20 years I supported farm subsidy programs at an aggregate cost of $100 billion. These programs provided America with adequate supplies of food at reasonable prices and provided the farmer with guaranteed markets and reasonable income guarantees.

This successful partnership between urban and agricultural interests was substantially destroyed by the free market antics of Secretary Butz.

When devaluation made American food and fiber production bargain-priced, the American farmer rejoiced in the move toward the elimination of Government involvement and the move toward free markets in the disposition of agricultural products. Agriculture reveled in exports and completely ignored that basic, stable, and most important domestic market. The farmer enjoyed export sales—which reduced domestic supplies and escalated prices paid by the American consumer. The first major thrust of inflation occurred in food prices. Urban household budgets were demoralized. Secretary Butz and the farm community predicted American consumers would have to permanently adjust to higher food prices.

Free markets proved to be great for the farmer as prices went up. On the way down, they became disastrous to the agricultural sector.

In this bill, the effort is made to provide a taxpayer supported floor for farm prices. If the taxpayer is going to assume the cost of providing a floor on farm prices—he is also entitled to a ceiling to protect against shortages and high prices which may result through shortfalls in production or which may develop through problems of nature, export sales, or market manipulation.

When agriculture is prepared to provide a two-way program, I will support

such efforts and vote for an appropriate farm bill, which insures adequate production, price stability, adequate farm increases, and price protection to the consumer.

Mr. BURLISON of Missouri. Mr. Speaker, staggering cost increases for fuel, fertilizer, and other inputs make the present law totally obsolete. Our bill provides modest increases for target and loan rates for cotton, corn, and wheat and added loan rates for soybeans which have been totally eliminated by this administration.

The President's position is perplexing. He is calling for billions of dollars for railroads, airlines, and other big businesses.

Billions to fund the Federal, State, and local bureaucracies.

Billions to support the military-industrial complex.

Billions to settle and support Vietnam refugees.

I could go on and on.

Our farm bill would cost less than $300 million.

The President's action follows two recent instances in which he has placed export embargoes on soybeans and grain. He is displaying a bias against farmers. The end result of his actions will be less production and less income for farmers and higher prices to consumers.

Mr. Speaker, the veto should be overridden.

Mr. BRECKINRIDGE. Mr. Speaker, I am voting to override the President's veto of the emergency farm price support bill, H.R. 4296, because I am convinced the bill is in the best interest of all Americans, both producers and consumers. If consumers are to have an assured supply of food at stable and reasonable prices, producers of food must be assured of a reasonable return. The kind of boom and bust price gyrations we have had since 1972 do not serve the best interests of either food producer or consumer.

The district which I represent is both rural and metropolitan. People in the cities of my district depend upon the farmers for their food and sales of farm machinery, equipment, and supplies, while our farmers depend on the cities for their customers.

The Emergency Farm Act of 1975 will help protect the farmer against the kind of price declines which can be expected if we have especially good weather this year. By encouraging increased production, it will help protect consumers against sky-high food prices if the weather is bad and yields are low.

> Federal programs to protect adequate farm income are as essential to the Nation's economic policy as minimum wages.
>
> The critical issue is not whether consumers should support farm income policies, but whether such policies are adequately designed and implemented to insure that consumer interests are properly considered and weighed with the interest and need of family farmers.

The bill before us today is entirely consistent with this perceptive statement by the Consumer Federation.

The interdependence of the farmer and the consumer has been highlighted by the food supply and price situation of the past 3 years. The importance to our country and to the world of rural America is being increasingly recognized and appreciated. That 95 Members of this body, representing 37 States, from both sides of the aisle are members of the Congressional Rural Caucus is evidence of this recognition and appreciation. Without a farm program there will be ultimately the crisis for the consumer that no one wants, which is a failure to have an adequate food supply.

I find it interesting to note the story appearing in the Washington Post on Wednesday, March 19, 1975:

> CHASE MANHATTAN WITHDRAWS ESTIMATES OF GRAIN COST RISE
>
> (By Dan Morgan)
>
> A Chase Manhattan Bank research organization yesterday withdrew computer-based estimates suggesting that emergency farm legislation in the House could substantially increase grain prices and result in a $4 billion total cost to consumers.
>
> Raymond Daniel, director of agricultural economics for Chase Econometrics, said, "We may be on weaker ground than we had expected."
>
> He said it appeared that the computer estimates had "overweighted" the potential speculative pressures in commodity markets resulting from the new bill's higher price supports and income guarantees to farmers. He said new, tentative computer projections indicate the bill could boost dairy and cotton prices, but not grains.
>
> The estimates were distributed last week to clients of the Chase research service and summarized in press releases.
>
> The findings were challenged this week by supporters of the bill, which is due to go before the House today.
>
> In his report to the full House, Rep. Thomas S. Foley (D-Wash.), chairman of the House Agriculture Committee, said there was no indication the measure would have "any inflationary effect whatsoever" on wheat, feed grains and soybeans.
>
> He said it could have "minor inflationary impact" on consumer prices and costs of cotton and dairy products. But he added that the committee was convinced that those drawbacks were more than offset by beneficial effects on the nation's economy.
>
> The bill has caused some division in the ranks of both farmers and consumers.
>
> The National Consumers Congress is strongly opposed to the bill because of its potential inflationary impact.
>
> However, the Consumers Federation of America endorsed the measure provided support measures for cotton and dairy products were scaled down.
>
> While Southern cotton growers back the higher price supports, many California cotton growers are opposed to them. They say that the higher supports could worsen the country's cotton glut and force the government to limit the acreage eligible for planting.
>
> One organization, the National Farmers Union, maintains that the support levels are still too low across the board to cover higher farm costs.
>
> The original Chase computations were denounced yesterday in a statement by Rep. Fred Richmond (D-N.Y.).
>
> "I think that the inconsistency of these figures throws the whole method of predicting the impact of this legislation by computer into doubt," he said.
>
> Daniel said the Chase estimates sparked numerous calls from House backers of the bill, as well as from traders in commodity futures, all questioning the predictions.
>
> The Agriculture Department, while opposing the bill, has taken the position that the measure will not have an escalating effect on grain prices because they probably will stay well above support levels.
>
> Daniel said Chase was withdrawing its original estimates for 1975 fall wheat and corn prices pending further computer analysis. He said new predictions will be issued in the near future.

And, in the Des Moines Sunday Register, March 9, 1975, it was noted that:

> The price of corn would increase approximately 46 percent with a U.S. acreage reduction of 9% and exports and domestic use were to remain unchanged, an Iowa State University computer study showed.

The point being that without increased price supports many farmers would reduce their planting.

Moreover, the Christian Science Monitor stated in an editorial on April 17, 1975, that—

> If President Ford wants farmers to produce up to their maximum as he urges, to help moderate food prices at home and help feed the hungry abroad, he should sign the farm-price bill. Passage would reduce the risk of the kind of price whiplash that has hurt farmers and consumers in recent years.

Finally, Mr. Speaker, the inability to recognize the importance of this legislation and the necessity of its passage can result only in furthering the frustrations of both the farmer and the consumer and the imposition of additional financial burdens on each group.

Mr. ROYBAL. Mr. Speaker, I rise in opposition to the motion to override the veto to H.R. 4296.

There has been much confusion surrounding the effect and need of this bill. Some people have claimed that passage could mean an 8-cent-per-gallon increase in the cost of milk, a 10-cent-per-pound increase in the cost of cheese, and a 20-cent-per-pound increase in the cost of butter. Others have contended that the increase would be on the order of a penny or two per gallon of milk, per pound of cheese, and per pound of butter. Some have said that we need to pass this legislation in order to protect the farmer from the devastating supply and demand cycle. Still others, including some representatives of rural farming areas, contend that the farmers' problems have been caused by too much governmental intervention in the farming industry. They believe that in the long run, farmers will be better off if the Government does not intrude upon their affairs.

In spite of the contradictions surrounding the bill, there are some facts that are clear. First, the bill will raise the prices that consumers pay at the grocery store. In the past year, food prices have risen between 10 and 12 percent. The Department of Agriculture is predicting a further rise in food prices this year of between 6 and 9 percent. This price rise hits hardest at people on fixed incomes and low-income individuals. The bulk of these people's incomes is expended for food and shelter. Knowing as we do the hardships that these people have suffered in the past year, I do not believe that we should enact a bill which we know will lead to a further increase in food prices.

Secondly, the impact of the passage of this act on the country could contribute to a revival of inflationary pressures

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in the economy. This act could cost the Government $1.8 billion during the next fiscal year. We have already passed a budget resolution which projects nearly a $70-billion deficit, and the resolution did not include any money for this act. Passage of the bill will raise the Federal deficit to levels that threaten our economic well-being.

Third, the target prices that have been set by the bill do not bear a reasonable relationship to those which now exist. We are asked to approve a raising of the target price for wheat from $2.05 to $3.10 per bushel, for cotton, from 38 cents to 45 cents per pound, and for feed grains, from $1.38 to $2.25 per bushel. These increases range from 18 percent for cotton to over 61 percent for feed grains. The bill also provides for huge increases in the loan rates for these commodities, and sets milk price supports at 80 percent of parity with quarterly adjustments. I fear that these artificially high support levels will soon determine the price levels at which these commodities are sold. This will further intensify the inflationary spiral.

Finally, when we passed H.R. 4296, its supporters indicated that it was an emergency farm bill. Prices paid to the farmer had dropped for 5 consecutive months. Since that time, prices have begun to rise again. It would appear that the cycle of farm prices has mirrored the recession that the rest of the country has been experiencing for some time. Hopefully, the upward turn of farm prices will turn out to be an indication that we are beginning to move away from that recession. If such is the case, then the underlying rationale for the bill has been removed and the farmer can look forward to more prosperous times in the future.

Mr. FOLEY. Mr. Speaker, I yield myself the remaining time.

Mr. Speaker, this is a bill that has been written in the House of Representatives. It was written by a bipartisan majority of the Committee on Agriculture. It was supported by a bipartisan majority in this House and in the other body, and sustained in the conference report by a bipartisan majority. This is not a partisan bill. It is the work of the best judgment of the Members of this Congress, and if I may be excused in saying so, the best informed and most concerned Members who know agriculture from both sides of the aisle have supported this bill enthusiastically.

It will not raise the prices to consumers. It will provide protection for full production and it will, in my judgment, be a step forward to assuring this country and all the world that depends upon our productive capacity that there will not be shortages of vital food or fiber we need to provide the life support for our millions of citizens and for the hundreds of millions around the world who depend upon us.

I urge my colleagues in the House to join me in voting to override the President's veto of H.R. 4296, the Emergency Agricultural Act of 1975. The President's veto message tells us why we need the additional safeguards provided by H.R. 4296. As he stated, farm production costs have been pushed upward. Demand for certain farm products has simultaneously slackened because of the recession. Prices paid by farmers are currently 11 percent above year-ago levels. In contrast, the index of prices received by farmers is now far below levels of a year ago. The Secretary of Agriculture and the land grant universities agree that the current production costs for wheat, feed grains and cotton are higher than the current target prices. These target prices and loan levels were established in 1973 before inflation saddled our farmers with these marked increases in costs.

Let me summarize briefly the provisions of H.R. 4296. The bill would revise upward target and loan rates so that they would be within the range of the cost of producing the commodities covered by the bill according to data supplied by land-grant universities around the country.

Target prices under H.R. 4296 are for cotton, 45 cents a pound, wheat, $3.10 a bushel, and corn, $2.25 a bushel. Target prices are used as a basis for making deficiency and disaster payments to producers.

Loan rates under H.R. 4296 are for cotton, 38 cents a pound, wheat, $2.50 a bushel, and corn, $1.87 a bushel. The bill also provides a mandatory loan program for soybeans with support at $3.94 a bushel—last year USDA abandoned the loan program for this important commodity.

Support for milk is established at 80 percent of parity with quarterly adjustments to reflect changes in production costs. The 80-percent level is the level at which milk was supported last year but the requirement for quarterly adjustments provides farmers important protection from the erosion that can occur in the support level from inflationary increases in production costs.

The purpose of the target prices and loan levels is to lend stability to the markets for farm products. If our farmers are going to produce the food and fiber needed at home and abroad, if we are going to rebuild our reserves to avoid the short supply situation that has plagued the country in the recent past, then our farmers need the price assurances and income protection provided by this farm bill. The bill is more than just a stabilization of farm income, it places the Nation's food and fiber supply in a more secure and stable position. Without it, there is a clear and present danger farmers would cut back production for fear of glutting the market and causing a precipitous drop in farm prices. The bill gives farmers the kind of assurance needed to push for the largest possible production.

The President claims that H.R. 4296 could add an estimated $1.8 billion to the Federal deficit. This is predicated on the assumption that commodities put under loan represent a dead loss to the Government. This is hardly the case. Government loan stocks represent another form of bank account. If the bill achieves its objective of keeping prices at stable levels, there may be little if any commodities taken in under the loan program. Farmers who may need immediate cash may pledge their crops to the Government but during the season would redeem the commodity and repay the loan with interest. If prices should fall, then the Government would acquire title to these inventories but with proper management could dispose of these stocks as it has in the recent past at a profit or with little if any cost to the Government. The only net costs to the Government of the program would be from the deficiency and disaster payments. Net outlays under the bill could amount to approximately $230 million if there were to be no recovery in prices received by farmers, particularly cotton farmers. The low price of cotton today is the result of the economic recession we are now experiencing. This price will also recover and payments may not be necessary. Already, there is a tendency to this effect.

The bill would have minimal effects on consumer prices. According to USDA estimates, the consumer price of milk would increase only about 1 cent a gallon, and cheese, 1 cent a pound. The price of wheat in a loaf of bread is but a fraction of the cost of the loaf—less than 5 cents per pound loaf. More importantly, if this bill were enacted, farmers would react in a positive fashion and provide consumers abundant supplies at fair and reasonable prices.

I strongly urge my colleagues to join with me in overriding the President's veto.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is, Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

Under the Constitution, this vote must be determined by the yeas and nays.

The vote was taken by electronic device, and there were—yeas 245, nays 182, not voting 6, as follows:

[Roll No. 201]

YEAS—245

Abdnor
Alexander
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Beard, Tenn.
Bedell
Bergland
Bevill
Biester
Bingham
Blouin
Boggs
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Brown, Calif.
Broyhill
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carr
Carter
Casey
Chappell
Chisholm
Clay
Cochran
Corman
Cornell
D'Amours
Danielson
Davis
de la Garza
Dellums
Dent
Derrick
Diggs
Dingell
Dodd
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Eilberg
English
Evans, Colo.
Evins, Tenn.
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Tenn.
Fountain
Fraser
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Ginn
Gonzalez
Grassley
Green
Hagedorn
Hall
Hamilton
Hanley
Hannaford
Harkin
Hawkins
Hayes, Ind.
Hays, Ohio
Hefner
Henderson
Hicks
Hightower
Hillis
Holland
Howard
Howe
Hubbard
Hughes
Hungate
Ichord
Jeffords
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Keys
Krebs
Krueger
LaFalce
Latta
Leggett
Lehman

Litton
Lloyd, Tenn.
Long, La.
Lott
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKay
Mahon
Mann
Mathis
Matsunaga
Meeds
Melcher
Meyner
Mezvinsky
Miller, Calif.
Mills
Mineta
Mink
Mitchell, Md.
Moakley
Moffett
Montgomery
Moore
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murtha
Myers, Ind.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Neill
Ottinger
Passman
Patman
Patterson, Calif.
Pattison, N.Y.
Perkins
Pickle
Poage
Pressler
Preyer
Price
Quie
Randall
Rangel
Reuss
Richmond
Riegle
Risenhoover
Roberts
Roncalio
Rose
Roush
Runnels
Ryan
Schroeder
Sebelius
Seiberling
Sharp
Shipley
Shriver
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spence
Staggers
Stanton, James V.
Stark
Steed
Steiger, Wis.
Stephens
Stokes
Stuckey
Sullivan
Symington
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Vander Veen
Vigorito
Waggonner
Wampler
Waxman
Weaver
White
Whitten
Wilson, Charles, Tex.
Winn
Wirth
Wright
Young, Ga.
Young, Tex.
Zablocki

NAYS—182

Abzug
Addabbo
Ambro
Anderson, Calif.
Anderson, Ill.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Bell
Bennett
Biaggi
Blanchard
Boland
Broomfield
Brown, Mich.
Brown, Ohio
Buchanan
Burgener
Burke, Fla.
Butler
Byron
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Conyers
Cotter
Coughlin
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Delaney
Derwinski
Devine
Dickinson
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Tenn.
du Pont
Early
Edwards, Ala.
Emery
Erlenborn
Esch
Eshleman
Fascell
Fenwick
Findley
Fish
Forsythe
Frenzel
Frey
Gilman
Goldwater
Goodling
Gradison
Gude
Guyer
Haley
Hammerschmidt
Hansen
Harrington
Harris
Harsha
Hastings
Hébert
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Holt
Holtzman
Horton
Hutchinson
Hyde
Jacobs
Jarman
Johnson, Colo.
Johnson, Pa.
Kelly
Kemp
Ketchum
Kindness
Koch
Lagomarsino
Landrum
Lent
Levitas
Lloyd, Calif.
Long, Md.
Lujan
McClory
McCloskey
McDonald
McKinney
Macdonald
Madden
Madigan
Maguire
Martin
Mazzoli
Metcalfe
Michel
Mikva
Milford
Miller, Ohio
Minish
Mitchell, N.Y.
Moorhead, Calif.
Mosher
Mottl
Murphy, N.Y.
Myers, Pa.
O'Brien
O'Hara
Patten
Pepper
Pettis
Peyser
Pike
Pritchard
Quillen
Railsback
Rees
Regula
Rhodes
Rinaldo
Robinson
Rodino
Roe
Rogers
Rooney
Rosenthal
Rousselot
Roybal
Ruppe
Russo
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schulze
Shuster
Spellman
Stanton, J. William
Steelman
Steiger, Ariz.
Stratton
Studds
Symms
Talcott
Van Deerlin
Vander Jagt
Vanik
Walsh
Whalen
Whitehurst
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Wolff
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Zeferetti

NOT VOTING—6

Adams
Evans, Ind.
Ford, Mich.
Hinshaw
Mollohan
Rostenkowski

So, two-thirds not having voted in favor thereof, the veto of the President was sustained, and the bill was rejected.

The Clerk announced the following pairs:

Mr. Evans of Indiana with Mr. Adams.
Mr. Ford of Michigan with Mr. Hinshaw.
Mr. Rostenkowski with Mr. Mollohan.

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will notify the Senate of the action of the House.

GENERAL LEAVE

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the veto message just under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

PERMISSION FOR COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT TO SIT DURING GENERAL DEBATE AND DURING THE 5-MINUTE RULE TOMORROW

Mr. FLYNT. Mr. Speaker, I ask unanimous consent that the Committee on Standards of Official Conduct may sit during general debate and during the 5-minute rule on tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

AUTHORIZING APPROPRIATIONS FOR TOURIST TRAVEL PROMOTION

Mr. MATSUNAGA. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 445 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 445

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5357) to authorize appropriations to the Secretary of Commerce for the promotion of tourist travel. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Hawaii (Mr. MATSUNAGA) is recognized for 1 hour.

Mr. MATSUNAGA. Mr. Speaker, I yield 30 minutes to the gentleman from California (Mr. DEL CLAWSON), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 445 provides for consideration of H.R. 5357, which, as reported by our Committee on Interstate and Foreign Commerce, would authorize appropriations to the Secretary of Commerce to promote tourist travel within the United States, and also to promote international travel by foreign residents to the United States. The resolution provides an open rule with 1 hour of general debate, with the time being equally divided and controlled by the chairman and ranking minority members of the Committee on Interstate and Foreign Commerce.

After general debate, the bill would be read for amendment under the 5-minute rule. At the conclusion of the consideration of H.R. 5357 for amendment, the committee will rise and report the bill to the House with such amendments as may have been adopted, and the previous question will be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. Speaker, tourism is recognized as big business in the United States. In 46 States, tourism ranks among the top three industries, and in three of these States, including my own State of Hawaii, it is the leading industry. Tourism as an industry generates annual revenues in the total amount of $61 billion, and provides over 4 million jobs to Americans. In view of the current depressed state of our economy, it is particularly noteworthy that tourism increases Federal, State, or local tax receipts.

Despite this seemingly rosy picture, the tourism industry is actually operating considerably below capacity level. For example, it has been reported that U.S. hotels and motels are presently operating at only 30 percent of capacity. Furthermore, from an estimated 85 million persons throughout the world who have the means to travel to the United States, we have, over a period of years, managed to induce only a relatively small number to visit this country.

The U.S. Travel Service, which as established in the Department of Commerce by Congress in 1961 and given broader responsibilities in 1970, reports that the U.S. net balance-of-payment deficit from international tourism in 1974 was slightly under $3 billion, an improvement over the $3.1 billion deficit recorded in 1973. This momentum toward a more favorable net balance of payments can, and should, be maintained. Experience has shown that it is an undertaking that can be successful only through the continued partnership of the Federal Government and private

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industry in promoting the United States as an international travel destination.

Mr. Speaker, for a number of reasons, tourist travel within the United States has not fared as well as tourist travel to the United States. According to a recent Department of Labor study, 125,000 to 200,000 tourist industry jobs were lost in 1974 as the direct result of fuel shortages. Because of the direct correlation between energy conservation measures presently under consideration by Congress and the domestic tourist industry, the Committee on Interstate and Foreign Commerce has requested a report from the Department of Commerce on the effects of national fuel conservation efforts on tourist travel in the United States in connection with the Bicentennial. The committee also reports that there was substantial testimony at its subcommittee hearings which indicated that, with proper planning, domestic tourism can be developed in a manner that would be consistent with energy conservation programs.

Mr. Speaker, in order to meet the need to promote travel within the United States and to encourage foreign residents to visit the United States. H.R. 5357 would authorize $2.5 million for each of fiscal years 1976, 1977, and 1978 for domestic travel promotion, and $25 million for fiscal year 1977. $30 million for fiscal year 1978, and $30 million for fiscal year 1979 for international travel promotion.

The bill would authorize $625,000 for domestic travel promotion and $5 million for international travel promotion for the transition period to the new fiscal year beginning October 1, 1976.

Substantial as these authorization sums appear to be, the United States is still spending far less for tourist promotion than many other countries. In 1973, the $9.1 million that the United States spent for the promotion of tourism seemed modest compared to the amounts spent by such countries as:

Ireland, $24.7 million;
Canada, $21.6 million;
Israel, $18.3 million;
Turkey, $14 million; and
Greece, $12.7 million.

Viewed still another way, every dollar spent for tourism promotion is an excellent investment. In 1974, the U.S. Travel Service estimated that the dollar return on the Federal Government's investment in tourism promotion programs was 9 to 1. In 1975 that return investment ratio is expected to reach 10 to 1.

Mr. Speaker, in 1958, when the legislature of the then Territory of Hawaii first appropriated funds for the promotion of Hawaii's tourist industry, there was a phenomenal increase of 42 percent in the span of 1 short year in the number of tourists to Hawaii. As the appropriation was steadily increased in subsequent years, there was a corresponding increase in the number of visitors to the Aloha State—and this increase, measured in terms of the total number of visitors for the year before seldom fell below 15 percent.

I urge the adoption of House Resolution 445 in order that H.R. 5357 may be considered.

Mr. PEYSER. Mr. Speaker, will the gentleman yield?

Mr. MATSUNAGA. I will be happy to yield to the gentleman.

Mr. PEYSER. I want to compliment the gentleman on his statement. I very much believe that this is the time that we should be enlarging our programs, both domestically and internationally, to promote travel within this country.

I think there is a need to educate people outside the United States so that they understand that they can travel freely and can travel throughout this great land of ours. I think with the economic problems that we have today, it is particularly important that the money be spent in this way; so I want to rise in support of the gentleman and I urge adoption of this legislation.

Mr. MATSUNAGA. Mr. Speaker, much as I have disagreed with the gentleman on other matters, I wholly agree with the gentleman on this matter and thank the gentleman for his generous comments.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. MATSUNAGA. I am happy to yield to the gentleman.

Mr. SYMMS. Mr. Speaker, I appreciate the gentleman yielding.

We are going to have the Government promoting tourism; is that it?

Mr. MATSUNAGA. That is correct.

Mr. SYMMS. De we not have American Express and United Airlines and others in Hawaii promoting this?

Mr. MATSUNAGA. The gentleman evidently was not listening to me when I was making my beautiful speech. I do not see how the gentleman could sit there and listen to what I had to say and not be convinced of what a great investment for all America this bill is going to mean. The gentleman is not opposed to the rule?

Mr. SYMMS. No; I am not opposing the rule. I just want to be sure I was listening correctly to the gentleman. Evidently I was.

Mr. MATSUNAGA. I thank the distinguished gentleman.

Mr. Speaker, I yield back the balance of my time.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as has been ably explained by the gentleman from Hawaii (Mr. Matsunaga) this rule provides 1 hour of general debate. The bill is to be open to all germane amendments. There are no waivers of points of order. Therefore, Mr. Speaker, I have no objection to the rule.

However, with regard to the bill made in order by this rule, I do have some reservations. This bill provides a total of $7,500,000 over 3 years to encourage domestic travel. The bill provides $85,000,000 over 3 years to encourage foreign residents to visit the United States. In addition, the bill provides extra funds for the transitional period between the fiscal year ending June 30, 1976, and the fiscal year beginning October 1, 1976.

Mr. Speaker, the committee report contains a letter from the Department of Commerce stating that the administration is opposed to the initiation of a domestic tourism program because there is not a need for a new Federal program in this area. In addition, the amounts of funding in this bill for international travel are in excess of the administration request, as stated in the Department of Commerce letter.

Therefore, Mr. Speaker, while supporting the rule, I suggest that we look closely at the justification for this expenditure when we consider the bill.

Mr. Speaker, I have no further requests for time.

Mr. MATSUNAGA. Mr. Speaker, I have no further requests for time.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. ROONEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5357) to authorize appropriations to the Secretary of Commerce for the promotion of tourist travel.

The SPEAKER pro tempore. (Mr. O'Neill). The question is on the motion offered by the gentleman from Pennsylvania (Mr. Rooney).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 5357, with Mr. Mikva in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Pennsylvania (Mr. Rooney) will be recognized for 30 minutes and the gentleman from Kansas (Mr. Skubitz) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. Rooney).

Mr. ROONEY. Mr. Chairman, I rise in support of H.R. 5357, a bill to authorize appropriations to the Secretary of Commerce for the promotion of tourist travel.

This bill provides continued funding for the international travel program administered by the U.S. Travel Service in the Department of Commerce; $25 million for fiscal year 1977 is authorized, the same figure as for fiscal year 1976; $30 million is authorized for each of fiscal years 1978 and 1979.

This funding is particularly important now, because the U.S. Travel Service is proving that its efforts to bring foreign residents to the United States are decreasing the net balance-of-payments deficit in the goods and services sector—$200 million is the estimated incremental foreign exchange earnings for 1975. The United States spends far less to promote travel than many other nations. And the Federal money invested is bringing a 10-to-1 return on investment ratio for fiscal year 1975.

Within the United States, tourism is a $61 billion industry and supports approximately 4 million jobs. Tourism is among the top three industries in 46 States. Therefore, this bill also authorizes the appropriation of $2.5 million for each of fiscal years 1976–78 for the promotion of travel within the United States. This is a very important provision, because the Bicentennial celebration has already begun and these funds should be used by the Department of Commerce to promote travel to Bicentennial events. The travel industry is currently operating below capacity, as witnesses at our hearings pointed out. Curtailment or inadequate support of travel promotion programs could have a drastic effect on employment in this service-oriented industry and an adverse effect on the domestic economy.

This bill was originally introduced by myself, as chairman of the subcommittee, and several other Members. After hearings, a clean bill was reported unanimously by the subcommittee and other members joined in sponsoring it. The full committee reported the bill with no amendments by voice vote on April 17, 1975. The Assistant Secretary for Tourism, C. Langhorne Washburn, who administers the travel program in the Department of Commerce, supported the bill at our hearings.

The bipartisan support for this bill by our committee stems from the firm belief that a viable tourism industry is very important to the U.S. economy.

However, the administration has so far refused to support the domestic travel program and holds the international travel program to an unrealistically low level of funding. To put the U.S. Travel Services programs in proper perspective, note that the resources allocated to these programs amount to six-tenths of 1 percent of the total 1975 budget for the Department of Commerce.

Moreover, the Assistant Secretary for Economic Affairs in the Department of Commerce wrote in February 1975 that travel expenditures multiply into higher levels of employment and increased Federal, State, and local receipts. These expenditures will help to stimulate our sluggish economy and help the tourism industries which have been particularly hard hit by the current combination of recession and inflation. Examples are the hotel-motel, airline, and other transportation and recreation industries.

The gentleman on the other side of the aisle asked the question earlier as to why private industry does not finance this. Many private industries, chambers of commerce, States, spend billions of dollars promoting the travel industry for their States. In the Commonwealth of Pennsylvania alone, we have contributed $1.1 billion to Federal, State, and local taxes alone through the tourist industry last year.

Incidentally, the Commonwealth of Pennsylvania is known for the steel industry. United States Steel and Bethlehem Steel produce most of the steel produced in the United States. Yet tourism is the second largest industry in the Commonwealth of Pennsylvania.

Mr. Chairman, I reserve the balance of my time.

Mr. SKUBITZ. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the bill before the House today is simple in its terms. It merely extends authorizations for two programs concerning tourism which are already in being. The amounts involved are $25 million and $30 million for fiscal year 1977 and fiscal year 1978. In addition, there is a $5 million authorization to carry the program through the transition period to the new fiscal year which begins on October 1, 1976. This money funds the program for promoting travel to the United States.

The other authorizations involved are to fund a small program for promotion of travel within the United States. The authorizations include $2.5 million for fiscal year 1976, $625,000 for the transition period, and $2.5 million for each of fiscal years 1977 and 1978.

The amounts we have authorized in the past—and the amounts appropriated and spent—are very small compared with the effort and the funds used for the promotion of tourism by most other countries. Every effort is made by the major countries to keep the tourist business within their borders. The Government in most cases is more than a promoter—it is a business partner or the entire owner of the facilities used to carry and house tourists. Against this almost solid front, our U.S. Travel Service must struggle to convince foreign nationals to come to the United States. The effort is not without success although a much greater effort could undoubtedly produce far more.

Because Americans are inveterate travelers, we have always had a balance-of-payments problem in tourism. No doubt this will continue. However, we did lure over 14 million visitors here in 1974 and earned over $4.5 billion for the United States as a result.

Tourism is big business and—in several of our States—the biggest business. These States particularly—but most others as well—spend as much or more than the Federal Government on travel promotion. It is only right that the Federal Government should extend the effort overseas.

As for the domestic travel program—it has been around since 1940—but little was done with it until very recently. It had rested in the Interior Department until 1973, and was confined to publicizing the national parks. Much more can be done. Although the administration does not take entirely kindly to this phase of the program, it can be and should be a useful tool in the promotion and handling of the great Bicentennial surge of travel which is expected. Tourism and energy conservation are not necessarily incompatible and the committee has asked for a report from the Department of Commerce by August on this very subject.

This is a modest program in every respect, and I recommend it to the Members of the House for their approval.

Mr. ROONEY. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Colorado (Mrs. Schroeder).

Mrs. SCHROEDER. Mr. Chairman, we are today considering a bill, H.R. 5357, to authorize appropriations for the promotion of travel to the United States by foreign residents and for promotion of travel in this Nation. The estimates are that about 4 million American jobs are dependent upon the tourist industry. In the State of Colorado, tourism is the third largest industry. There is no denying that this industry is important to the Nation, although I must say that I question the validity of the Federal Government's role in foreign advertising and promotion—as this measure proposes—when the industry does such a good job of promoting itself.

We are here to authorize the spending of $20 million this year and $25 million in fiscal year 1976 for international travel promotion. We are fast approaching our Nation's 200th birthday and I am certain that many citizens of foreign lands are already gearing up to come over and celebrate the many Bicentennial events with us. I am in this relation rather disturbed that while we are asking foreigners to visit us and here considering the allocation of large sums of money to make the requests, the Immigration and Naturalization Service has decided that these good people cannot be allowed to stay too long with us. The Service has by a regulation published in the Federal Register of January 16, 1975, effectively limited foreign "visitors for pleasure" to 6-month stays.

Mr. Chairman, there are not a great number of visitors who desire or can afford to stay in this Nation for longer than 6 months, but I am disturbed that those who wish to savor this country are now losing their welcome after 6 months. Many Americans spend their whole lives discovering America and absorbing its cultures. We would all be disturbed if 6 months—or a year under "special circumstances"—were all the regulations allowed us for this pursuit.

I am today introducing legislation which will allow a greater stay for those guests in our Nation denoted as "B–1 Visitors for pleasure." While I am well aware that there is concern in this Nation for illegal alien workers and more recently for the refugees from Southeast Asia I believe we should also lend a little concern to those aliens who want to visit us legally. The visitor for pleasure is not allowed to take a job. Indeed, as we must note in debating this bill today, this person is the one who spends the money which keeps our tourist industry going and Americans in jobs. I urge my colleagues to give careful consideration to my bill. To pull the rug out from under our foreign visitors after 6 months is not a nice thing to do to a welcome mat.

Mr. SKUBITZ. Mr. Chairman, I have no further requests for time.

Mr. ROONEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Nevada (Mr. Santini).

Mr. SANTINI. Mr. Chairman, I rise in support of H.R. 5357, which I feel can be a key factor in the economic recovery of this country. There is a primitive and ill-considered school of thought that has tended to write off tourism as an unnecessary luxury.

There is the obvious psychological lift that tourism brings to this country—but there is a far more compelling consideration to commend the legislation. Tourism is one of the principal business activities in this country. Government should accept the reality of the importance of this business to the economic well-being of the Nation as a whole.

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Tourism is the second leading retail industry in this country, contributing some $61 billion a year to our economy and providing some 4 million jobs.

It is among the top three industries in 46 States, and the leading industry in Nevada, Florida, and Hawaii.

Most of the States in our country have recognized tourism as a vital part of a healthy State economy, and a brief examination of their tourism budget and receipts in 1973 is the demonstrable evidence of this fact:

[In thousands of dollars]

	Budget	*Receipts*
Alabama	$733	$601,000
Florida	873	5,000,000
Minnesota	309	886,000
Kansas	120	527,000
Texas	595	2,200,000

The tourism phenomenon in the country is a vast and generally unexplored force which is closely tied to the stability of our economy.

Tourism expenditures enhance a wide sector of the U.S. economy, and for the most part, involves small businesses in every State—commercial lodging, food service, travel arrangement, service stations, and other establishments.

Dollar for dollar, tourism promotion is one of the most impressive dollars returned for dollars invested that this country can make. The testimony in our subcommittee established that the rate of return for every dollar we invest is $9 or $10—a tourism investment makes good dollars and sense.

But the funding of tourism promotion in this country has not been adequate. The Federal Government has failed miserably to recognize the impact of tourism, and to support its expansion and promotion. While Canada has placed 16 tourist promotion agencies in the USA, we have one in Canada. I find this especially frustrating because this country abounds in spectacular scenery, fascinating events, interesting places, and friendly people. We have a proud heritage and history that offers excitement and interest to the American and international traveler alike. With our Bicentennial around the corner, I think it is important for us to make the most of an opportunity to familiarize as many people as possible with the outstanding qualities which comprise the United States. Understanding our unique past will provide strength for the future.

During the hearings on the bill, I was dismayed with the administration's lackadaisical attitude toward tourism. It is high time the administration wake up to the needs and impact of the tourism industry.

Compared to other countries, the United States is almost shameful in its tourism expenditures. While we were spending $9.1 million in 1973, Ireland spent $24.7 million, Canada $21.6 million, Israel $18.3 million, Turkey $14 million, Greece $12.7 million, France $11 million, Belgium $10.9 million, and I could go on and on.

H.R. 5357 takes a significant first step in the direction of recognizing the critical need for total Government commitment to this vital American industry, tourism.

Mr. ROONEY. Mr. Chairman, I yield such time as he may consume to the distinguished chairman of our committee, the gentleman from West Virginia (Mr. STAGGERS).

Mr. STAGGERS. Mr. Chairman, I rise in support of H.R. 5357, a bill to authorize appropriations to the Secretary of Commerce for the promotion of tourist travel.

This bill authorizes appropriations for the continuation of the travel promotion programs in the Department of Commerce. They began in 1961 with the passage of the International Travel Act. The Department of Commerce has emphasized the promotion of low-cost tours bringing foreign residents to the United States. Their success in bringing persons from abroad to visit our country has helped to reduce our balance of payments deficit from $3.1 billion to $2.9 billion. The authorization amounts are $25 million for fiscal year 1977 and $30 million each for fiscal years 1978 and 1979.

The promotion of travel within the United States would be resumed by the other section of this bill. The Department of Commerce is ready to begin the promotion of travel to Bicentennial events across the Nation. With 4 million jobs dependent on a strong tourism industry we need to start this program. The funding is $2.5 million for fiscal years 1976–78.

Mr. JENRETTE. Mr. Chairman, the importance of this legislation to my District cannot be overestimated. Tourism is the second largest source of income in South Carolina and many of those tourist dollars end up in the Grand Strand area. Although the winter-time population of Myrtle Beach is slightly over 24,000, the summertime population swells to 250,000 per day—or about the size of Charleston and its suburbs.

My district and much of South Carolina is without enough heavy industry to make up for a decline in the tourist dollar without causing a severe economic hardship.

For example, taxable retail sales in Myrtle Beach in 1973 amounted to just under $82 million. Retail sales have had a growth rate of 211 percent in Myrtle Beach since 1968. Taxable property in Myrtle Beach has increased 272 percent in the last 5 years. Most of this can be traced directly or indirectly to tourism.

The State Planning and Grants Division, along with Lyle, Bisset Carlyle and Wolfe, a respected Columbia planning and consulting firm, show that the estimated daily tourist expenditures in the Grand Strand area are as follows: 50,000 tourists on a given day would reflect a daily expenditure of $749,000; 100,000 tourists would reflect daily expenditures of $1,498,000; 150,000 tourists on a given day would reflect daily expenditures of $2,247,000.

The above estimates are based on a conservative expenditure per day of $14.98 per person. So you can easily see that tourism is a vital part of the economic life of South Carolina and my district in particular.

Many of the tourists take one look at the beautiful white beaches, the dunes, the sunshine, good fishing, and golf and decide to retire in the area. They are not disappointed. South Carolina and the Grand Strand have a most favorable tax structure.

Real estate taxes in the Grand Strand area are assessed at approximately 5 percent of the actual property value, and the county levy is only 96 mills. To put it in more readily understandable terms, total city and county real estate taxes on a $20,000 home amount to about $184 annually. The homestead exemption allows homeowners 65 or older to exempt the first $10,000 value of their homes and land from county and special assessment taxes. The city of Myrtle Beach allows an exemption of $250 on the value of a home owned by a person 65 or older. There is no State real estate tax in South Carolina, so this is a very good tax break for people who might be foolish enough to consider retiring to some dreadful place farther South. I might add that Myrtle Beach is no village of house trailers. The city is characterized by a high quality home, with 95 percent of the homes in the area classified as standard quality or better.

So tourism is the lifeblood of the area and accounts for 70 percent of the new money in the economy. Tourist traveling to or through the Grand Strand left $400 million there in 1972, for example. There are 16,000 motel rooms in the Grand Strand area, of which 40 percent have been added in the last 5 years. Hardly a day passes without the beginning of another construction project more ambitious than the last. Some 24 million overnight accommodations were used throughout 1972.

Mr. FLORIO. Mr. Chairman, we have before us a bill which is most important to the economic well-being of the country and to many States in particular, including my State, New Jersey, where the tourist industry is one of the largest sources of revenue. Oftimes, unfortunately, tourism is viewed as frivolity; pleasant but unnecessary. Nothing could be further from the truth. It is a very vital industry! Foreign visitors contribute heavily toward our goal of a balance of payments; domestic tourism encourages economic activity; and, according to the National Tourism Resources Review Commission, 5.6 percent of total private employment is attributable to the tourist industry.

Transportation accounts for approximately one-half of all tourist expenditures. The energy development of the past year will encourage travel by more efficient public transportation; thus, increased revenues for the transit systems and less wasteful energy consumption compared to private automobiles.

We are encouraging participation by all Americans in the upcoming Bicentennial celebration. This bill would assuredly help to achieve that purpose. Therefore, Mr. Chairman, I wish to express my strongest endorsement of this legislation and urge my colleagues to support this important authorization.

Mr. PEPPER. Mr. Chairman, I rise to commend this measure as much in the national interest. Dollars spent in bringing tourists from abroad to this country yield the best return of any investment I know that our Government could make.

Many years in the past the tourist deficit, that is to say what Americans traveling abroad spent in contrast to what people from abroad spent in the United States, has been the amount of the national deficit. Surely more tourists into this country can enormously reduce our unfavorable trade balance. Our U.S. Travel Service has done an excellent job in attracting tourists from various parts of the world. The more money we give them, of course, the better job they can do. But the money we give the Travel Service is like the seed we plant in the field. The harvest is much in excess of the seed planted. I am glad that the U.S. Travel Service has begun to develop a campaign to attract tourist to the United States from Latin America—a fruitful source of tourism for us. We know in Miami, to which many Latin American tourists come, how much they like to come to the United States and also the generous expenditures they usually make when they are here. I would like to emphasize my hope as we pass this bill, as I have done in a recent letter to the U.S. Travel Service, that the Travel Service will in the future appeal to Latin America for tourists more than we have in the past. We know we have a wonderful country to see and enjoy. Let us help the U.S. Travel Service to tell others about it and to help make conditions favorable to their coming here to visit.

Not only will the tourist to our country spend money here, but when they go back home after seeing our great country and our people, they will be more understanding friends.

Mr. SANTINI. Mr. Chairman, I rise in support of H.R. 5357, which I feel can be a key factor in the economic recovery of this country. There is a primitive and ill-considered school of thought that has tended to write off tourism as an unnecessary luxury.

There is the obvious psychological lift that tourism brings to this country—but there is a far more compelling consideration to commend the legislation. Tourism is one of the principal business activities in this country. Government should accept the reality of the importance of this business to the economical well-being of the Nation as a whole.

Tourism is the second leading retail industry in this country, contributing some $61 billion a year to our economy and providing some 4 million jobs.

It is among the top three industries in 46 States, and the leading industry in Nevada, Florida, and Hawaii.

Most of the States in our country have long recognized tourism as a vital part of a healthy State economy, and a brief examination of their tourism budget and receipts in 1973 is the demonstrable evidence of this fact:

TOURISM BUDGET AND RECEIPTS

Oklahoma	826,496	$494,000,000
Alabama	733,000	601,000,000
Florida	873,000	5,000,000,000
Minnesota	309,000	886,000,000
Kansas	120,000	527,000,000
Texas	595,000	2,200,000,000

The tourism phenomenon in the country is a vast and generally unexplored force which is closely tied to the stability of our economy.

Tourism expenditures enhance a wide sector of the U.S. economy, and for the most part, involves small businesses in every State—commercial lodging, food service, travel arrangement, service stations, and other establishments.

Dollar for dollar, tourism promotion is one of the most impressive dollars returned for dollars invested that this country can make. The testimony in our subcommittee established that the rate of return for every dollar we invest is $9 or $10—a tourism investment makes good dollars and sense.

But the funding of tourism promotion in this country has not been adequate. The Federal Government has failed miserably to recognize the impact of tourism, and to support its expansion and promotion. While Canada has placed 16 tourist promotion agencies in the United States, we have one in Canada. I find this especially frustrating because this country abounds in spectacular scenery, fascinating events, interesting places, and friendly people. We have a proud heritage and history that offers excitement and interest to the American and international traveler alike. With our Bicentennial around the corner, I think it is important for us to make the most of an opportunity to familiarize as many people as possible with the outstanding qualities which comprise the United States. Understanding our unique past will provide strength for the future.

During the hearings on the bill, I was dismayed with the administration's lackadaisical attitude toward tourism. It is high time the administration wake up to the needs and impact of the tourism industry.

Compared to other countries, the United States is almost shameful in its tourism expenditures. While we were spending $9.1 million in 1973, Ireland spent $24.7 million, Canada $21.6 million, Israel $18.3 million, Turkey $14 million, Greece $12.7 million, France $11 milion, Belgium $10.9 million, and I could go on and on.

H.R. 5357 takes a significant first step in the direction of recognizing the critical need for total Government commitment to this vital American industry, tourism.

Mr. ROONEY. Mr. Chairman, I have no further requests for time.

Mr. SKUBITZ. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act entitled "An Act to amend the International Travel Act of 1961 to authorize appropriations for fiscal years 1974, 1975, and 1976, and for other purposes", approved December 19, 1973 (87 Stat. 765), is amended by inserting at the end thereof the following new subsection:

"(c) There are authorized to be appropriated to the Secretary of Commerce not to exceed $2,500,000 for the fiscal year ending June 30, 1976; $625,000 for the transition period from the fiscal year ending June 30, 1976, to the fiscal year beginning October 1, 1976; $2,500,000 for the fiscal year ending September 30, 1977; and $2,500,000 for the fiscal year ending September 30, 1978, for the purpose of carrying out the functions, powers, and duties transferred pursuant to this section.".

SEC. 2. Section 6 of the International Travel Act of 1961 (22 U.S.C. 2126) is amended in the first sentence thereof by striking out "and" immediately before "(3)" and by striking out the period and inserting in lieu thereof "; (4) $5,000,000 for the transition period from the fiscal year ending June 30, 1976, to the fiscal year beginning October 1, 1976; (5) $25,000,000 for the fiscal year ending September 30, 1977; and (6) $30,000,000 for the fiscal years ending September 30, 1978, and September 30, 1979.".

Mr. ROONEY (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SYMMS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, first I would like to ask the gentleman from Pennsylvania (Mr. ROONEY) how much is the total authorization in this legislation?

Mr. ROONEY. The total authorization in this legislation is $98,125,000.

Mr. SYMMS. And most of this money will be realized by the commercial interests through their 4 million people, if I read the report correctly, that work in the tourist industry in the United States?

Mr. ROONEY. This will keep 4 million people at work.

As I stated in my original statement, the return on our investment is ten to one. Tourism is a very, very important and viable industry in this country, amounting to some $61 billion a year. We are merely trying to stimulate this by authorizing this money.

Mr. SYMMS. I appreciate what the gentleman from Pennsylvania and the members of this committee are trying to do, and I know it would be superfluous to oppose this legislation. I can only say that it would appear to me that maybe this responsibility is one that could better be handled by these companies and private citizens and not through burdening the Federal Government with this responsibility in view of all of the other problems we have.

Mr. ROONEY. As I stated earlier, each State in our Nation is spending millions and millions of dollars on tourism. Pennsylvania alone spends some $5 million. We have a heavy tourism industry in the Pocono Mountains, in the greater Pittsburgh area, and the greater Philadelphia area. All of the chambers of commerce are raising money to bring tourists to Philadelphia, to Pittsburgh, and to the Pocono Mountains. That is precisely what we are trying to do at the Federal level.

Mr. SYMMS. I appreciate what the gentleman is saying but I think the point is that the back of the taxpayer is gradually being broken down by more and more Government expenditures. As far as the fellow who is out here running a farm or working in a factory, it is very difficult for him to realize, when they are

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taking 15, 20, 30, or 40 percent of his paycheck, just where this is going.

Mr. SKUBITZ. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from Kansas.

Mr. SKUBITZ. I thank the gentleman for yielding.

I would not know why the gentleman would object. It benefits every businessman. Sun Valley benefits from this tourism.

Mr. SYMMS. They are promoting it on their own and are world famous.

Mr. SKUBITZ. If the gentleman will yield further, they are the beneficiary of this. They are not promoting it all over the world, and that is what this is for.

Mr. SYMMS. The gentleman makes my point. It is fine for them to have us spend taxpayers' money.

Mr. SKUBITZ. If the gentleman will yield further, they are spending the money, and the butcher, the baker, and the candlestick maker all benefit from tourism. I do not know how one divides this up except through a tax program of this nature.

Mr. SYMMS. The point is, it is not evil for these people who are down here lobbying for it like American Express, and the AAA Automobile Association. I see the ones listed here—air travel groups, and so forth, who are for this. It seems strange that there is no opposition to this legislation to allow them to get away with it.

Mr. SKUBITZ. If the gentleman will yield further, there should not be any opposition to a bill like this.

Mr. SYMMS. Are they or are they not putting their hands in the Federal till for $98 million?

Mr. SKUBITZ. If the gentleman will yield, if they are getting any business from it, yes. So is everybody else, including filling stations and drugstores. Every tourist who comes into the United States from abroad is spending on the average of $400. I do not know where he spends it.

Mr. SYMMS. I have no objection to that.

Mr. SANTINI. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to my very good colleague and Representative of one of the principal tourist havens of the United States.

Mr. SANTINI. I thank the gentleman for yielding.

The gentleman from Idaho makes an observation that I think is part of the problem that we have in getting an intelligent, businesslike approach to tourism in this country. It is not an expenditure; it is literally an investment. As the unrefuted and unrebutted testimony before our subcommittee established, there is a $9 return for every $1 invested in the tourist industry. It has been approached in a harum-scarum, helter-skelter, kind of fashion, depending upon what individual States or jurisdictions wanted to do in the past. The United States is 17th in the world governments' percentage of expenditures on tourism. We are one of the last to face up to the business reality.

Mr. SYMMS. I might say to the gentleman one of the reasons for that is that most of the people in the world who have enough money to travel live in the United States, so this is a good, lucrative market for people to come in and advertise their wares.

Mr. SANTINI. If the gentleman will yield further, we offset last year by over $4 billion our balance of payments with foreign countries. The reason there is no opposition to this bill is because most people who have taken an enlightened evaluation of this particular expenditure have truly considered that it is a wise investment.

Mr. SYMMS. I appreciate the gentleman's point of view.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Symms was allowed to proceed for 1 additional minute.)

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from Illinois.

Mr. DERWINSKI. I thank the gentleman for yielding.

I point out to the gentleman that one of the practical benefits of any foreign tourists coming to the United States is, with rare exception, they are impressed by our country, and they go back with a better feeling about the United States and its people. But I was wondering if the gentleman could tell me if he has any statistics available in Idaho as to how many foreign tourists were present when Evel Knievel made his jump across the river a year ago?

Mr. SYMMS. I might say to the gentleman there were quite a few, and there were many people who live and pay taxes in Idaho who were not so happy that he was there.

I see the gentleman's point, and I think it is a good idea to export the ideas of capitalism where we can, but I think these $98 million should be spent by private companies and not by the taxpayers of this country.

I thank the gentleman.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ASHBROOK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to direct several questions to either the gentleman from Kansas or the chairman of the subcommittee, the gentleman from Pennsylvania. I do not fully understand what I perceive to be an $8.1 million authorization for a domestic travel program. Is that directed primarily toward foreign visitors traveling in our country, or for Americans traveling in our country?

Mr. ROONEY. It is my understanding it encourages both domestic and foreign visitors traveling in the United States. It would be directed toward both generally and not necessarily to bringing foreign visitors in but encouraging Americans to travel.

Mr. ASHBROOK. I wonder if the committee considered—and I do not say this facetiously—whether this runs counter to our Government's program of domestic travel. Our citizens have been asked to form car pools and not to take joy rides, but at the same time we seem to be promoting such trips. Did the committee consider this vis-a-vis the energy shortage and whether or not this travel should be encouraged at this time?

Mr. ROONEY. I will say, as chairman of the Subcommittee on Transportation and Commerce, I will encourage people to take the train. I am trying to encourage passenger train travel in this country. We are going to be faced with an energy crisis, yes, but we just cannot close down the tourist industry. As I said, it is the third largest industry in the country and the second largest in Pennsylvania. I think if we are going to have any kind of restrictions all Americans have to suffer equally.

Mr. ASHBROOK. I guess the only other question I have is whether in setting up this extension and expansion we are going to create the bureaucratic jobs in which they actually end up encouraging travel or whether they will be just another agency of the Government that will be costing money.

I heard the gentleman talking about promoting the Poconos. I have been there. I think I have learned about the area from the literature put out by the companies, the businessmen themselves and the State of Pennsylvania. I looked at the material put out by the States and by the Harbor Springs people in Michigan and by some of those in the Pennsylvania and New York areas. I wonder to what degree we are going to promote that over and above what is already being done by the States and the businessmen in those areas? Is the gentleman quite convinced the Government can do a better job than those business people have been doing or what is the basis for the domestic travel program?

Mr. SKUBITZ. Mr. Chairman, if the gentleman will yield, I think it is twofold. One is a case of preparing literature regarding possible spots for tourism and places to visit. In many cases such matter will cause a person to visit an area nearer to their homes rather than always going to one of the national parks.

I happen to be on the Interior Committee which is looking into this phase of it, which is trying to encourage people to acquaint themselves with the United States, with areas closer to their homes. We did ask the Department of Commerce to prepare us a study showing us the effect the energy shortage is having not only on travel but also on business losses in various industries and we have asked for their opinion and studies on what this bill might need to include as a plus or minus feature in this respect.

Mr. ASHBROOK. I understand that and I guess reluctantly and with some reservation I would support this proposal. Yet I cannot help but think it is an area where we may not need as extensive a program domestically.

Mr. THOMPSON. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from New Jersey.

Mr. THOMPSON. Mr. Chairman, I would hope the distinguished gentleman from Ohio would yield and would support this because implicit in it, as I read it, and admittedly I am not on the committee or subcommittee, this would encourage travel by at least two former colleagues of ours, whom we know very well. They are the former distinguished Representative from Iowa Mr. Gross and the former distinguished Representative and House physician Dr. Hall of Missouri, who I understand for the first time in the later years of their lives—and I say that advisedly because the younger of the two is something like 76 years old—are about to embark on an international trip.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(On request of Mr. Thompson, and by unanimous consent, Mr. Ashbrook was allowed to proceed for 2 additional minutes.)

Mr. THOMPSON. We should encourage international travel, the gentleman from Ohio and I know about that; but if the gentleman will yield further, in what I suspect might be a vain pursuit of two lovely French ladies whom he met in 1917 or thereabouts——

Mr. ASHBROOK. Yes. I was trying to point that out.

Mr. THOMPSON. We ought to encourage things like that.

Mr. ASHBROOK. The former distinguished Member from Iowa only took one trip abroad and that was forced by the U.S. Government in the First World War.

Mr. THOMPSON. If the gentleman will yield, the records indicate otherwise.

Mr. ASHBROOK. The second was a freebie that the Members of this body paid for. Maybe the gentleman from New Jersey makes the point that we ought to do it voluntarily, rather than having the Government pay for it.

Mr. THOMPSON. I would like to point out that the gentleman from Missouri, Dr. Hall, somehow accumulated enough money that he is actually paying his way. Is that not incredible?

Mr. ASHBROOK. I think the gentleman from New Jersey might like to read some of the brochures prepared by the Government. I hope after this hearing we can provide the gentleman with some.

Mr. THOMPSON. Fine, and I hope they are supported by the Supreme Court.

Mr. KINDNESS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I must express a concern that many Americans would feel, upon having a good look at the bill that is before us. That concern arises out of the fact that this is another subsidy, another substitution of the taxpayers' dollar for the dollars that would ordinarily be spent elsewhere in our economy. In this case. because of the economic conditions, I suspect that the travel and tourism industry of the States and localities that would normaly be advertising more have cut back their advertising budgets. It has happened in all kinds of advertising budgets all over the country. Now, we are asking to devote the taxpayers' dollars to fill in that gap. I suspect most Americans would find this a repugnant concept, especially with the tax burden resting somewhere close to 40 percent of the national income. The taxpayers do not want the Congress to decide to use their tax dollars in such ways as this.

Mr. Chairman, I would strongly urge defeat of the bill.

The CHAIRMAN. If there are no further amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. McFall) having assumed the chair, Mr. Mikva, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5357) to authorize appropriations to the Secretary of Commerce for the promotion of tourist travel, pursuant to House Resolution 445, he reported the bill back to the House.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. CHARLES WILSON of Texas. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 287, nays 132, not voting 14, as follows:

[Roll No. 202]

YEAS—287

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Andrews, N.C.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bell
Bergland
Biaggi
Blanchard
Boggs
Boland
Bolling
Bonker
Brademas
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burton, John
Burton, Phillip
Byron
Carney
Carter
Casey
Chappell
Chisholm
Clausen, Don H.
Clay
Cochran
Cohen
Collins, Ill.
Conte
Corman
Cotter
Daniel, Dan
Daniels, Dominick V.
Danielson
Davis
Delaney
Dellums
Dent
Derrick
Derwinski
Diggs
Dingell
Dodd
Downey, N.Y.
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
English
Esch
Evans, Colo.
Fascell
Fisher
Fithian
Flood
Florio
Flynt
Foley
Ford, Tenn.
Fountain
Fraser
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Ginn
Gonzalez
Goodling
Green
Guyer
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hefner
Heinz
Helstoski
Hicks
Hillis
Holland
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hyde
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kemp
Keys
Koch
Krebs
Krueger
LaFalce
Latta
Leggett
Lehman
Levitas
Litton
Lloyd, Calif.
Long, La.
Long, Md.
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKinney
Madden
Madigan
Maguire
Mann
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, N.Y.
Moakley
Moffett
Moore
Moorhead, Pa.
Morgan
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
O'Hara
O'Neill
Ottinger
Patman
Patten
Patterson, Calif.
Pepper
Perkins
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Quie
Randall
Rangel
Rees
Rcuss
Rhodes
Richmond
Riegle
Rinaldo
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarbanes
Satterfield
Scheuer
Schneebeli
Schulze
Sharp
Shipley
Shriver
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, N.C.
Teague
Thompson
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vigorito
Walsh
Wampler
Waxman
Whalen
White
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wirth
Wolff
Wright
Yatron
Young, Alaska
Young, Ga.
Zablocki
Zeferetti

NAYS—132

Ambro
Anderson, Ill.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Bauman
Beard, Tenn.
Bennett
Bevill
Biesler
Blouin
Bowen
Breaux
Brown, Mich.
Burleson, Tex.
Burlison, Mo.
Butler
Carr
Cederberg
Clancy
Clawson, Del
Cleveland
Collins, Tex.
Conable
Conlan
Cornell
Coughlin
Crane
D'Amours
Daniel, Robert W., Jr.
de la Garza
Devine
Dickinson
Downing, Va.
Drinan
du Pont
Early
Edgar
Emery
Erlenborn
Eshleman
Fenwick
Findley
Fish
Flowers
Forsythe
Frenzel
Frey
Gilman
Goldwater
Gradison
Grassley
Gude
Hagedorn
Hansen
Harsha
Hechler, W. Va.
Heckler, Mass.
Henderson
Hightower
Holt
Holtzman
Hutchinson
Ichord
Jarman
Johnson, Colo.
Kasten
Kastenmeier
Kazen
Kelly
Ketchum
Kindness
Lagomarsino
Landrum
Lent
Lloyd, Tenn.
Lott
McDonald
Macdonald
Mahon
Martin
Mathis
Michel
Milford
Miller, Ohio
Mitchell, Md.
Montgomery
Moorhead, Calif.
Mosher
Mottl
Myers, Ind.
Myers, Pa.
Nichols
Obey
O'Brien
Passman
Pattison, N.Y.
Pettis
Pritchard
Quillen
Railsback
Regula
Risenhoover
Robinson
Roush
Rousselot
Sarasin
Schroeder
Sebelius
Seiberling
Shuster
Smith, Nebr.
Snyder
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Symms
Taylor, Mo.
Thone
Treen
Vanik
Waggonner
Weaver
Whitehurst
Whitten
Winn
Wydler
Wylie
Yates
Young, Fla.

NOT VOTING—14

Bingham
Buchanan
Conyers
Evans, Ind.
Evins, Tenn.
Ford, Mich.
Hébert
Hinshaw
McKay
Mollohan
Moss
Rostenkowski
Stark
Young, Tex.

So the bill was passed.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Bingham.

Mr. Evans of Indiana with Mr. Moss.

Mr. Ford of Michigan with Mr. Young of Texas.

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Mr. Mollohan with Mr. McKay.
Mr. Conyers with Mr. Stark.
Mr. Rostenkowski with Mr. Evins of Tennessee.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SANTINI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore (Mr. McFALL). Is there objection to the request of the gentleman from Nevada?

There was no objection.

REFUGEES—GETTING HELP, BUT WHO PAYS?

(Mr. GOLDWATER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOLDWATER. Mr. Speaker, on Saturday, May 10, 1975, I toured the Southeast Asian refugee area within the Marine Corps base at Camp Pendleton, Calif. Marine Corps Gen. Paul Graham and AID Senior Coordinator William Wild are in charge of the refugee operations at the base. They are doing an excellent job and are to be commended. There are 18,200 refugees currently at the base. They are divided into camps of between 1,000 and 3,000 persons each. With 4 days advance warning and only 20 days total operating time, General Graham and Mr. Wild have arranged for housing, clothing, food, medicine, transportation, bedding, and clerical processing for everyone. As emotionally difficult as the experience has been for the refugees and as logistically impossible as our aiding efforts first appeared, the whole operation is proceding in a clean, orderly, and—under the circumstances—pleasant manner.

The really thorny aspect of the refugee question is who pays and how? In these times of unemployment and rampant inflation, Americans have a right to be fearful about job displacement and further inflationary drains on tax revenues. While America as a nation of immigrants and refugees has a clear responsibility and mission to help these people, it is incumbent on the Federal Government to ease them into our society with the least social and economic disruption. The Government cannot allow large numbers of refugees to be dumped into areas of high unemployment or marginal economic stability.

Further, no State or locality should have to pay for the handling of these refugees. This is a Federal matter. But, how the Government pays is terribly important. Two bills secheduled for consideration tomorrow, the Indochina Migration and Refugee Assistance Act and the refugee assistance appropriations, propose to give new funding to pay for the refugee assistance. Where are those funds coming from? What is the revenue source? Unfortunately, the answer is that these bills will add some $604 millions to our current $50 billion in deficits.

Why hit the taxpayer with another deficit financing burden? Such legislation is hidden taxation, for someone must pay the debt financing this new deficit will cause and someone will have to bear the further inflation such a deficit will bring about.

My fellow colleagues, I suggest we pay for the current refugee assistance effort by taking the necessary funds from current foreign aid programs. Why continue to pay our enemies and ungrateful "friends" to slap us in the face when we have a clear, immediate, and meritorious need in these Southeast Asian refugees? To take the funds from foreign aid funds would not add one additional penny to our current deficit levels and it would put the money where it might do some good.

FAVORABLE ACTION BY COMMITTEE ON WAYS AND MEANS ON H.R. 6860

(Mr. ULLMAN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. ULLMAN. Mr. Speaker, I take this occasion to invite the attention of the Members of the House and particularly my Democratic colleagues on this side of the aisle to the action of the Committee on Ways and Means yesterday in ordering favorably reported H.R. 6860, a bill to provide a comprehensive energy conservation and conversion program. We expect to file the report on this bill by midnight, Thursday, May 15, and hope to go to the Rules Committee in time for a rule so that the bill can be scheduled for floor action prior to the Memorial Day recess.

The Committee on Ways and Means agreed to seek what is basically an open rule but with the following conditions: The rule should provide that no amendments creating new titles to the bill be in order; that amendments be germane to the title to which offered; and that no amendment—except amendments by the Committee on Ways and Means—be in order unless it has been printed in the CONGRESSIONAL RECORD not later than next Monday's RECORD, the RECORD for May 19, 1975, which will be available in print next Tuesday morning, May 20, 1975.

I have requested the chairman of the Democratic caucus to schedule a caucus on this bill sometime this week. In view of that, I doubt that formal notice is required under the Democratic Caucus rules for serving notice in the CONGRESSIONAL RECORD, particularly in view of the nature of the rule we are requesting, but out of an abundance of caution, I am advising the membership about these matters today in order to be in full compliance with all rules in the event they do apply.

Mr. Speaker, I include in the RECORD at this point a summary of the bill which the committee yesterday ordered favorably reported:

SUMMARY OF H.R. 6860

TITLE I—IMPORT TREATMENT OF OIL

A. Imposition of quotas

Quotas would be imposed on petroleum and petroleum products imported into the United States according to the following schedule:

Maximum average daily number of barrels (in millions)

Calendar year:	
1975	6.0
1976	6.0
1977	6.5
1978	6.0
1979	5.5
1980 and thereafter	5.5

The President would be granted the authority to increase or decrease the quota schedule by as much as one million barrels a day for each year 1975–77, by 1½ million barrels a day in 1978 and 1979 and by 2 million barrels a day in 1980 and thereafter based upon variations in domestic consumption caused by economic factors or the weather, or by delays in obtaining domestic production or in achieving conservation goals, or by reason of other similar factors. Imports of distillate heating oil and residual oil would not be restricted below the level of 2 million barrels a day in the years 1975, 1976 and 1977. Of this amount, not more than 400,000 barrels a day could represent imports of distillate heating oil.

The President would be required to establish quotas lower than the levels shown in the schedule to the extent necessary to ensure that savings in consumption of oil will be fully reflected in equivalent reductions in oil imports. The President would also be required to divide the quotas among petroleum and petroleum products where such division is necessary to avoid substantial adverse impact on the economic and health needs of geographical areas and industries. In addition, the quotas would not apply to (1) oil imports for any strategic oil reserve which may be provided by law and (2) petrochemical feed stocks.

The President would be required to review the quota restrictions at least quarterly and would be required to proclaim the aggregate quantities of petroleum and petroleum products that may be imported into the United States during such calendar quarter. The Secretary of the Treasury would act under the custom laws to ensure that the quantities of oil imported into the United States do not exceed the quantities specified in the quota.

B. Import licensing system

The President would be required to establish an import licensing system before December 31, 1975, to distribute entitlements to petroleum and petroleum products that are imported into the United States. The entitlements would be distributed on the basis of public auctions in which bidding is by sealed bids. In general, such entitlements would be fully marketable.

Separate entitlements would be established for small refiners and independent marketers. Such separate entitlements would be distributed on the basis of public auctions in which bidding is by sealed bids. In general, such entitlements would not be marketable.

However, they may be sold to the Deputy Administrator for Petroleum Import Licensing and Purchasing.

The Administrator of the Federal Energy Administration would establish procedures for the administration of the import licensing system through the promulgation of regulations. The regulations would include provisions with respect to the frequency of auctions, bidding in small lots, maximum limits on the number of units acquired by related persons, a time limit in which entitlement rights may be exercised, rejecting bids where there is evidence of collusion or where such bids are substantially below the market price established for resale of entitlements, dealing with identical high bids and barring acquisition or use of entitlements by persons convicted of felonies relating to oil imports, oil allocations or price controls on oil. The regulations would also ensure that the small refiners are bona fide refiners and

that the independent marketers are bona fide marketers.

The President would be authorized to require persons who import oil into the United States to report the country of origin from which the oil or product originated.

C. Rates of duty on oil

Effective 60 days after the date of enactment the present system of duties and license fees with respect to imported oil would be replaced by ad valorem duties. The rate of duty with respect to petroleum would be 2 percent of the price and the duty on petroleum products would be 5 percent of the price. The President would be granted the authority to adjust the rates of duty upward to 10 percent of the price or $1 a barrel (if higher) and to adjust the rates of duty downward to not less than 2 percent of the price. However, for the 2-year period beginning on the date of enactment, the President could not increase the 5 percent duty on distillate fuel oil or residual fuel oil which is imported for use as a fuel (other than for the propulsion of motor vehicles). Any adjustment by the President to increase (but not an adjustment to decrease) a rate of duty would not take effect until 60 days after he transmits to Congress the proposed adjustment in the rate of duty and the reasons for the adjustment.

Section 232(b) of the Trade Expansion Act of 1962 would be amended to remove the President's authority to adjust imports of petroleum and petroleum products, except during any period in which Congress declares war, United States forces are introduced into hostilities pursuant to statutory authorization, a national emergency is created by an attack upon the United States or United States armed forces are introduced into hostilities under circumstances which require a report by the President to the Congress under the War Powers Resolution. Adjustment under this exception would not apply after the 60th day after the closing date of hostilities.

Effective 60 days after the date of enactment, no adjustment action taken under Section 232(b) of the Trade Expansion Act of 1962 before the date of enactment of this Act would have any force or effect with respect to petroleum or any petroleum products.

In addition, the power to eliminate import duties through trade agreements with foreign nations and to allow duty-free imports from developing countries, which had been granted to the President by the Trade Act of 1974 would be removed with respect to imports of petroleum and petroleum products.

D. Annual reports

On or before March 15, 1976 and on or before March 15 of each year thereafter, the President would be required to transmit a report to Congress on the operation of the Act. The report would include information with respect to the economies in the domestic consumption of oil which have occurred, the increase in the production of oil which has taken place, the factors taken into account in modifying the quotas and any other information which may be appropriate in assessing the operation of the Act's provisions.

E. Office of Petroleum Import Licensing

The Office of Petroleum Import Licensing would be established within the Federal Energy Administration. The Office would be headed by a Deputy Administrator who would administer the import licensing system.

TITLE II.—GASOLINE CONSERVATION PROGRAM

A. Gasoline conservation tax

The excise tax on gasoline would be increased by 3 cents a gallon effective January 1, 1976. This tax would be imposed in addition to the present gasoline tax of 4 cents a gallon (under present law, the 4 cent tax is to be reduced to 1½ cents on October 1, 1977). The 3 cent increase in the excise tax on gasoline would be deposited in the Energy Conservation and Conversion Trust Fund which is established in Title IV of the bill.

In addition to the 3 cent a gallon increase, the excise tax on gasoline would be increased according to the following table in the event that the Administrator of the Federal Energy Administration determines that the domestic consumption of gasoline in 1976 or any subsequent year exceeds the domestic consumption of gasoline in 1973:

Percentage increase over 1973 consumption		Cents—	
		Increase in tax above first 3 cents	Total tax increase above present law
More than—	But not more than—		
0	1	5	8
1	2	10	13
2	3	15	18
3		20	23

The Administrator's determination would have to be made and published in the Federal Register by January 31 of 1977 and each subsequent year in which the gasoline tax was less than 23 cents a gallon above the present 4 cents tax. The increase above the 3 cents would be effective on April 15 of the year in which such a determination is made.

B. Special motor fuels conservation taxes

In addition to any tax imposed under present law, a special motor fuels tax of 3 cents a gallon would be imposed upon benzol, benzene, naphtha, liquefied petroleum gas, casing head and natural gasoline, and any other liquid (other than diesel fuel, kerosene, gas oil, or fuel oil) sold to an owner, lessee, or other operator of a motor vehicle or motorboat for use as a fuel in the motor vehicle or motorboat. Similarly, a tax of 3 cents a gallon would be imposed in addition to any tax under present law on any liquid sold to an owner, lessee or other operator of an aircraft for use as a fuel in such aircraft in noncommercial aviation. The special motor fuels conservation taxes would be effective on January 1, 1976 (the same date as the gasoline tax increase). The special motor fuels conservation taxes would be increased for later years in the same manner and to the same extent if any increase is made in the excise tax on gasoline above 3 cents.

Exemptions from the special motor fuels conservation taxes would be provided for any liquid sold for use or used on a farm for farming purposes or as supplies for vessels or certain aircraft or by an organization such as a church, hospital, school or museum which is exempt from taxation under section 501(c)(3) of the Internal Revenue Code.

C. Exemptions and credits

Exemptions from the initial 3 cent increase in the gasoline tax and from any portion of the potential additional increase of up to 20 cents a gallon would be provided in the case of use by the purchaser for further manufacture, for sale to a State or local government for the exclusive use of a State or local government, for use by the purchaser as supplies for vessels or aircraft, for use on a farm for farming purposes, for the exclusive use by a non-profit educational organization and for use by an organization which is tax-exempt under section 501(c)(3) of the Internal Revenue Code. Also, local transit operators would be exempted from half of these tax increases.

Certain credits and exemptions would apply in the event that any portion of the additional 20 cent increase in the gasoline tax is imposed. These credits and exemptions that are described below would not apply to the initial 3 cent increase in the gasoline tax.

1. A refundable credit is provided against an individual's income tax liability equal to the gasoline tax (in excess of 3 cents a gallon) multiplied by 40 gallons per month (480 per year). The credit would be available to any individual who, at the close of the taxable year, resides in the United States and has attained the age of 16. This credit would be reflected currently in withholding.

The refundable credit would not be taken into account as income or resources for purposes of determining eligibility of the taxpayer or any other individual for benefits or assistance or for purposes of determining the amount of benefits or assistance, under any Federal program or under any State or local program financed in whole or in part with Federal funds.

2. A credit is allowed against income tax liability for gasoline and special motor fuels used in a trade or business. The credit would equal one-half the gasoline tax (in excess of 3 cents a gallon) times the number of gallons of gasoline used by the taxpayer in a trade or business. The taxpayer would be able to deduct the other half of gasoline taxes paid as a trade or business deduction (as under present law).

3. A credit is allowed against income tax liability for certain work-related travel. The credit would equal one-half of the gasoline tax (in excess of 3 cents a gallon) times the number of gallons of gasoline (in excess of 25 per month) used by the taxpayer in work-related travel. In general, "work-related" travel would be defined as commutation by an individual from his principal residence to a post of duty in an industry that does not ordinarily provide continuous employment at one post of duty throughout the year, such as certain construction and migrant labor activity.

4. Taxicab operators would be exempted from 75 percent of any increase in the gasoline and special motor fuels taxes in excess of 3 cents a gallon, if the taxicab company operates in a jurisdiction that permits shared rides.

TITLE III—OTHER ENERGY CONSERVATION PROGRAMS

A. Automobile fuel efficiency tax

An excise tax would be imposed on an automobile manufacturer or importer to extent that his fleet of automobiles for the model year 1978, 1979, or 1980 does not meet a specific fuel efficiency standard. In the case of a domestic manufacturer whose fleet consists of a mix of domestically-produced and imported automobiles, the standard would be applied separately for domestic production and for imports. For purposes of the schedule, where a manufacturer produces some parts abroad which are subsequently imported, if at least 75 percent of the manufacturer's cost of the complete automobile is attributable to value added in the United States or Canada, then the automobile would be treated as domestic; otherwise, it would be treated as foreign. The fuel efficiency standards would be established as follows:

Model year	*Fuel mileage standard* [Miles per gallon]
1978	18
1979	19
1980	20

If a manufacturer's fleet average meets or exceeds the standard, no tax would be imposed on that manufacturer's fleet. If the fleet average fails to meet the standard, the excise tax would be imposed at the end of the year with respect to each automobile in that manufacturer's fleet which does not meet the standard. The excise tax would be imposed on an ad valorem basis according to the following schedule:

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Miles per gallon	Model year (percent) 1978	1979	1980
20 or more	0	0	0
At least 19 but less than 20	0	0	2
At least 18 but less than 19	0	2	3
At least 17 but less than 18	2	3	4
At least 16 but less than 17	3	4	5
At least 15 but less than 16	4	5	6
Less than 15	5	6	7

The fuel efficiency standards are to be modified to reflect reduction in fuel mileage attributable to changes in automobile emission requirements. In addition, the standards would be reviewed in 1978.

B. Repeal of excise tax on intercity buses

The present 10-percent manufacturers' excise tax on buses would be repealed in the case of intercity buses. (Urban transportation buses are exempt under present law.) This provision would apply with respect to buses sold on or after the date of enactment of the Act.

C. Repeal of excise tax on radial tires

The excise tax on radial tires and the excise tax on tread rubber used to retread or recap radial tires would be repealed with respect to sales of radial tires and tread rubber after March 17, 1975.

D. Rerefined lubricating oil

The present 6-cents-a-gallon excise tax on lubricating oil would not apply with respect to new oil sold for use in mixing with used oil to produce a rerefined oil mixture in which 25 percent or more of the mixture consists of used lubricating oil that has been cleaned, renovated, or refined. If more than 55 percent of the final mixture is new oil, only the 55 percent would be exempt. This provision would apply with respect to sales after March 17, 1975.

E. Insulation of principal residence

A credit against income tax would be provided to an individual for expenses incurred with respect to the insulation of that person's principal residence (if the residence was in existence on March 17, 1975). The term "principal residence" would include a rented dwelling unit. The credit would equal 30 percent on the first $500 of insulation expenditures (a maximum credit of $150). The credit would be available with respect to insulation expenditures made after March 17, 1975, and before January 1, 1978. Qualified insulation would include regular insulation, storm (or thermal) windows and doors, or similar items designed specifically and primarily to reduce heat loss or gain of a building.

F. Residential solar energy equipment

A credit against income tax liability would be provided to an individual for expenses incurred with respect to the installation of solar energy equipment in that person's principal residence. The credit would be available in the case of an existing or newly constructed principal residence. In order to qualify, the original use of the equipment must commence with the taxpayer, and the equipment must use solar energy to heat or cool the building or to provide hot water for use within the residence. The equipment would be required to meet definitive performance criteria prescribed by the Secretary of Housing and Urban Development.

The credit would equal 40 percent of the first $1000 of expenditures, plus 20 percent of the second $1000 of expenditures (for a maximum credit of $600). The credit would be available with respect to expenditures made after March 17, 1975, and before January 1, 1981.

TITLE IV.—ENERGY CONSERVATION AND CONVERSION TRUST FUND

The Energy Conservation and Conversion Trust Fund would be created and would be funded by the net revenues obtained from the new gasoline tax, the new special motor fuels tax, the new automobile fuel efficiency tax, the new excise tax on the business use of petroleum and petroleum products, any duty imposed by the President under Title I of the bill on the importation of oil, and (to the extent provided by any future law) any amounts received by the United States from oil and gas properties in which the United States has an interest.

The revenues transferred to the trust fund would be limited and the fund would terminate in 1985. Not more than $5 billion could be placed in the trust fund in any one year, except that in the fiscal year ending September 30, 1984, not more than $2½ billion could be placed in the trust fund and no revenues would be placed in the fund after that date. In no event could the balance in the trust fund prior to the 1985 fiscal year be more than $10 billion in excess of outstanding obligations. In fiscal year 1985, the balance in the fund could not exceed $5 billion. Amounts which would be transferred to the trust fund except for these limitations would remain in the general fund of the Treasury.

A 5-member review board for the trust fund would be appointed by the President subject to confirmation by the Senate. The review board members would serve 5-year staggered terms. To prevent conflicts-of-interest, no individual could serve as a member of the review board if during the 5 years before appointment that person had an investment in excess of $2,500 or income in excess of $10,000 from certain energy, utility, or transportation industries.

The funds in the trust fund would be available for the following four purposes, subject to the regular authorization and appropriation process: (1) basic and applied research programs related to new energy technologies, (2) development and demonstration of new energy technologies, (3) programs relating to the development of energy resources from properties in which the United States has an interest, and (4) research projects or capital expenditures for demonstration projects relating to local and regional transportation systems.

TITLE V.—ENCOURAGING BUSINESS CONVERSION FOR GREATER ENERGY SAVING

A. Excise tax on business use of oil and natural gas

Excise taxes would be imposed on the business use of oil and natural gas as a fuel in a trade or business. Exemptions would be provided for the use of oil or natural gas as a fuel (1) in a vehicle, vessel or aircraft (2) in an apartment, hotel, motel, or other residential facility (3) for the extraction of a mineral to extent such extraction constitutes mining (4) on a farm for farming purposes (5) by electric utilities (through December 31, 1981) and (6) by organizations (churches, hospitals, schools, museums, etc.) which are tax-exempt under Section 501(c) (3) of the Internal Revenue Code (but not for unrelated businesses of those exempt organizations.)

The excise tax on the business use of natural gas would be:

[In cents]

Calendar year:	*Tax per 1,000 cubic feet*
1977	4
1978	8
1979	12
1980 or thereafter	18

The excise tax on the business use of crude oil and other petroleum products would be:

[In cents]

Calendar year:	*Tax per barrel*
1977	17
1978	33
1979	50
1980	67
1981	83
1982 or thereafter	$1

B. Five-year amortization

1. Amortization of Energy-Related Property: Five-year amortization (rather than regular depreciation) would be provided for certain equipment that would conserve oil and gas, including equipment that would use waste as fuel, solid waste recycling equipment, shale oil conversion equipment, coal processing equipment and coal pipelines. In general, the 5-year amortization provisions would apply after March 17, 1975 and before January 1, 1981.

2. Amortization of Railroad Equipment: Five-year amortization would be available for certain railroad equipment including property used as an integral part of (1) a communications, signal or traffic control system (2) a rolling stock classification yard (3) a facility for loading and unloading trailers and containers on and from railroad flat cars or (4) an improvement or betterment in track account. The 5-year amortization provisions would apply to railroad equipment placed in service after December 31, 1974, and before January 1, 1980.

3. Extension of Period for Amortization of Railroad Rolling Stock: The 5-year amortization provision that applies under present law with respect to railroad rolling stock, such locomotives and freight cars, would be extended until January 1, 1980. In addition, the provision would be expanded to include railroad ferry vessels and certain coal cars.

C. Investment credit modifications

The investment credit of present law would be extended to insulation installed after March 17, 1975, and before January 1, 1978 in a structure which was in existence on March 17, 1975, and which was used on such date in a trade or business. The investment credit would also be extended to solar energy equipment installed after March 17, 1975, and before January 1, 1981.

The investment credit would no longer be available in the case of an air conditioning or heating unit which is placed in service after the date of enactment of the Act. In addition, the investment credit would not be available in the case of any electrical generating property fueled by petroleum or petroleum products, including natural gas, which is placed in service after April 17, 1975. This latter provision would not apply in the case of certain binding contracts in effect on April 17, 1975.

D. Recycling tax credit

The investment credit would be expanded to include the purchase by a recycler of recyclable postconsumer or industrial solid waste materials. The credit would be based on the purchase price reduced to the extent that the purchase price exceeds 200 percent of the average price for the commodity during the base period of 1971 through 1973, adjusted to reflect any increase in the Consumer Price Index as prepared by the Department of Labor.

The term "post consumer solid waste materials" would mean glass, paper, textiles, nonferrous metals other than precious metals and other than copper base scrap, or ferrous metals which have been used by an ultimate consumer and which have no significant value or utility except as waste material.

The recycling tax credit would be applied as an additional 15 percent of the aggregate qualified investment in machinery or equipment for recycling after December 31, 1975.

The recycling tax credit would accrue with

respect to amounts paid or incurred for recyclable materials after December 31, 1975, and before January 1, 1981, and applied to qualified investment placed in service after December 31, 1975, and before January 1, 1984.

INTRODUCTION OF PAYMENT IN LIEU OF TAXES ACT

(Mr. EVANS of Colorado asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. EVANS of Colorado. Mr. Speaker, I am introducing today, with Representative JAMES L. OBERSTAR and cosponsors, legislation providing payments in lieu of taxes to counties with public lands within their boundaries which are administered for natural resources purposes.

Nationwide, nearly 700 counties have special problems due in large part to Federal tax-exempt land within their borders. Counties receive payments from the Federal Government now, but existing laws show no rational pattern and contain many illogical restrictions. There are many examples, but I will cite just a few. In the case of minerals, 37½ percent of the revenue from leased minerals is returned to the counties, except on acquired lands where it is 25 percent. For 1872 act minerals, nothing is returned. In some cases payments are made directly to the counties, but in others they are made to the State, and Federal law may or may not mandate that they be passed on to the counties. Some of the payments can only be used for certain purposes by the counties, such as roads and schools.

My bill will provide a sensible starting point for providing an equitable and practical system of payments in lieu of taxes from natural resource lands by allowing each county a choice between: First, retaining the present system of receiving a percentage of the revenues derived from these Federal lands; or second, accepting a Federal payment equivalent to the taxes which would be imposed if these public lands were not exempt from such taxes. If a county chooses the latter system of payment, a land value appraisal will be made to determine the new basis for Federal in-lieu payment. The cost of this appraisal will be subtracted from the first Federal payment.

The Public Land Law Review Commission reported to the Congress and President in June 1970. The Commission recommended that generally the Federal lands should be retained "so that they may be used and enjoyed by all Americans." Further, the Commission stated:

> If the national interest dictates that lands should be retained in Federal ownership, it is the obligation of the United States to make certain that the burden of that policy is spread among all the people of the United States and is not borne only by those states and governments in whose areas the lands are located. Therefore, the Federal Government should make payments to compensate state and local governments for the tax immunity of Federal lands.

This legislation follows from the recommendations of the Public Land Law Review Commission, and I am hopeful the issue will be taken up and acted on this Congress.

FORD'S FARM VETO

(Mr. WYLIE asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. WYLIE. Mr. Speaker, on May 5, 1975, there appeared in the Columbus Citizen-Journal an editorial headlined "Ford's Farm Veto." On May 7, 1975, an editorial entitled "Farms Need Nonpolicy" appeared in the Columbus Dispatch. Each of these editorials give in a different way salient reasons why I voted to sustain the President's veto of the farm bill. Now that the House has sustained the veto, maybe Congress will find reason to move in the direction of reduced spending and the free market system at one and the same time.

FORD'S FARM VETO

By vetoing the farm bill the other day, President Ford simply did what any responsible president would have done to hold down federal spending.

The bill would have raised the so-called "target prices" on farm products. These "targets" obligate the Government to pay farmers a cash subsidy when market prices fall below a certain level.

Ford hardly could have gone along with pumping millions—perhaps billions—of dollars into higher farm subsidies while lecturing Congress on the perils of extravagance.

Congress should sustain the President's veto and turn its attention to more constructive legislation.

Aside from its budgetary impact, there's another reason why signing a bill to jack up farm price supports would have been a serious mistake.

It would reverse the trend toward farmer independence and plunge the Government even more deeply into the crop subsidy business.

Ford is right when he points out that higher price supports would encourage farmers to plant crops—like cotton—that may already be in surplus; thereby driving the market price even lower.

Depending on the market, Ford may be willing in future months to use an existing federal loan program so farmers can keep their crops in storage until the price is right.

But that may not be necessary if farm prices remain as strong as they have been in recent weeks.

For some time now, Ford has been saying he wants to hold next year's federal deficit to $60 billion instead of the $70 billion figure being seriously considered in Congress.

His veto of the farm bill is one indication that the President's promise to be tight-fisted and hard-nosed may be more than just idle talk.

FARMS NEED NONPOLICY

Rather than indulging in polemics over President Ford's veto of the Emergency Farm Bill, Congress would better serve America's farmers by settling for an agriculture nonpolicy.

For far too many years there has been an element in the nation's capital which insists Congress is duty-bound to raise all kinds of protective barriers to shield the farmer from the rigors of the marketplace.

If the farmer needs any protection at all it is against congressmen who insist that an expensive food management bureaucracy is needed.

C. William Swank, executive vice president of the Ohio Farm Bureau Federation, was correct when he said the vetoed measure would have provided management all right—disastrous management which would have lowered prices farmers can expect to get in the free and open marketplace.

Things have not been exactly rosy for the farmer in recent months. Even so, projections of net farm profit for 1975 rate the year the third best on record.

What bothers the farmer more than market place shifts is his cost of doing business.

If Congress really wants to help the farmer, it can help bring down the rate of inflation and revitalize the economy in general.

An acceptably low rate of inflation and normal economic activity with unemployed consumers back on the job would make things hum down on the farm and make predicting operating costs a little easier.

However, if Congress insists on managing the marketplace and also adding fuel to inflationary fires by spending more billions of tax dollars to prop up farm prices; the farmer is destined to be hurt and hurt more than any other tradesman.

Farming always has been a chancy business, especially since production depends on weather. Expectable prices also are a problem. However, the grain futures market gives a reasonably accurate projection. Current bidding is not as negative as help-the-poor-farmer congressmen would indicate.

Despite the veto of the emergency farm bill, the President retains power to grant farmers loans on grain. But even that should be used sparingly.

The free market system continues to be the farmer's best bet and he has no need to hedge that bet with a return to worn-out props provided by Congress.

PRISON REFORM

(Mr. KOCH asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. KOCH. Mr. Speaker, prison reform is a subject often talked about but not adequately dealt with. Many times it is the legislation that has to be changed and on other occasions problems arise from the insensitivity of those in charge of prisons. Not long ago I was apprised by reading a New York Times story that an Attica guard had brought false witness against a prisoner, alleging that he had participated in an assault upon a murdered guard and ultimately confessed that his testimony was false. What was particularly disturbing to me was the fact that that same guard 3½ years later was still employed as a guard, although in another State institution. He had not been punished in any form. Furthermore, the incident concerning this guard had not been reported by the very officials investigating Attica on behalf of the State to the Commissioner of Corrections so as to permit him to take disciplinary action.

I wrote to Benjamin Ward, the new Commissioner of Correctional Services in New York State, urging that he remove that guard from the prison system as expeditiously as possible. The correspondence which I had with the Department of Correctional Service is appended, and I am particularly pleased by the latest response of May 7th which indicates that at least the new Commissioner and his staff are sensitive and are moving on this matter.

Mr. Speaker, Dostoevski said:

> The degree of civilization in a society can be judged by entering its prisons.

The sad truth is that if that test were applied today our society would be

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judged no better than that existing under the czar at the time of Dostoevski's comment. The correspondence follows:

U.S. House of Representatives,
Washington, D.C., March 20, 1975.
Hon. Benjamin Ward,
Commissioner, Department of Correctional Services, State Campus, Albany, N.Y.

Dear Commissioner: I read with horror in today's New York Times the report on the Attica trial which made public the fact that a prison guard, Alton Tolbert, for two years had falsely stated that he had seen an inmate at the prison strike Correction Officer William E. Quinn. Apparently in yesterday's hearing there was a complete admission by Mr. Tolbert that his earlier statements to this effect were totally false.

What distresses me is that when Mr. Tolbert originally admitted the falsity of his accusation, he was not disciplined, and in fact, he continues to serve as a prison guard, currently at the Elmira Correctional Facility. It is inconceivable to me that anyone who would bear false witness, particularly in a matter of this kind, against an inmate subject to his supervision, could continue as a guard in the New York State Prison System. I ask that there be an immediate hearing in this matter to determine Mr. Tolbert's fitness for this service. In my judgment, he should be removed as expeditiously as possible from the prison system.

The entire Attica episode with the brutality and the deaths which ensued as a result of the callousness of the State of New York and its officials, including its then Governor, is one that will live on in the annals of prison horror stories and man's inhumanity to man. Having not been involved, you are free to do that which is right and now. I urge you to do so. I would appreciate receiving any comments that you may have on this matter.

Sincerely,

Edward I. Koch.

State of New York,
Department of Correctional Services,
Albany, N.Y., March 28, 1975.
Hon. Edward I. Koch,
Congress of the United States, House of Representatives, Washington, D.C.

Dear Congressman Koch: This is in response to your recent letter concerning Correction Officer Alton Tolbert.

This Department was instructed by the Governor's Office shortly after the Attica tragedy that all investigations of that incident would be conducted by the Organized Crime Task Force. We discussed Mr. Tolbert's case with the Task Force officials as soon as we learned of his testimony, which was through the New York Times news article, the same source as your own. We had no knowledge of this incident prior to the news article.

The Task Force officials have informed us that Mr. Tolbert's behavior does not constitute perjury although they are investigating the case further. Our contract with the Correction Officers' Union requires that disciplinary action be taken within one year after the incident, unless a crime has been committed. We are continuing to investigate this situation and you may be assured that Mr. Tolbert's behavior is not condoned in any way by any Member of this Department.

Sincerely,

Edward R. Patrick,
Special Assistant to the Commissioner.

U.S. House of Representatives,
Washington, D.C., April 2, 1975.
Mr. Edward R. Patrick,
Special Assistant to the Commissioner, New York Department of Correctional Services, Albany, N.Y.

Dear Mr. Patrick: I have your letter responding to my inquiry regarding Officer Alton Tolbert. I would find it more than shocking—indeed an absolute outrage and perversion of justice if Officer Tolbert could continue on in the corrections system after bringing false witness against a prisoner. No matter what your contractual arrangements are with the Correction Officers Union, if he did what the article alleges he did, then fire him, and let them sue you and let the courts determine whether or not he has any rights in such a situation.

I do want to be kept informed of all actions taken by your Department in this matter.

Sincerely,

Edward I. Koch.

State of New York,
Department of Correctional Services,
Albany, N.Y., May 7, 1975.
Hon. Edward I. Koch,
Congress of the United States,
House of Representatives,
Washington, D.C.

Dear Congressman Koch: I am replying to your recent letters addressed to Mr. Edward R. Patrick, formerly of this Department, regarding Correction Officer Alton Tolbert, whose false statements to law enforcement officials regarding an inmate were reported in the New York Times on March 20, 1975.

The Department has investigated this matter, and will in the near future serve upon Mr. Tolbert a notice of discipline specifying his misconduct and advising that the penalty for such misconduct is dismissal from service to be effective fourteen days from receipt of the notice of discipline. In accordance with Article 8 of the Security Services Agreement between the American Federation of State, County, and Municipal Employees and the State of New York, Mr. Tolbert may appeal this action by filing within the fourteen day period a disciplinary grievance.

I have forwarded your excerpts from the Penal Code to our Director of Labor Relations for his information and possible utilization in this disciplinary proceeding.

Your concern and assistance is appreciated.

Sincerely,

Austin M. Clarke,
Acting Executive Assistant to the Commissioner.

House of Representatives,
Washington, D.C., May 13, 1975.
Austin M. Clarke,
Acting Executive Assistant to the Commissioner, Department of Correctional Services, Albany, N.Y.

Dear Mr. Clarke: I very much appreciate your response of May 7th and would appreciate your keeping me informed as to the ultimate disposition of this matter.

All the best.

Sincerely,

Edward I. Koch.

THE LATE HONORABLE KENNETH B. KEATING

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York (Mr. Horton) is recognized for 60 minutes.

Mr. Speaker, I asked for this special order today in order to give my colleagues an opportunity to comment on the life of a man who, I think, served this country greatly, and who passed away just recently, Kenneth B. Keating, who was my predecessor in the Congress.

Mr. CONABLE. Mr. Speaker, will the gentleman yield?

Mr. HORTON. I will be very happy to yield to my colleague from the 35th Congressional District and the district adjoining mine, the gentleman from New York.

Mr. CONABLE. I thank the gentleman for yielding.

I should like to say, Mr. Speaker, that I share the general sense of loss that the residents of western New York feel at the departure of our valued friend, Ken Keating. Although he graced the congressional district represented by the gentleman from New York (Mr. Horton) as its Representative back during the 1950's, he was born in my own district and spent many of his formative years there.

He was known throughout western New York and had probably as wide a circle of acquaintances as any western New Yorker. He certainly qualifies as its most distinguished citizen.

Ken Keating had a remarkable record of service to this country in every branch of the Government. He served not only as a Congressman and Senator with great distinction, but also as a court of appeals judge in the State of New York, and later as a very successful Ambassador in two sensitive parts of the world.

He was a friendly man who could not walk through downtown Rochester without being greeted by a wide range of people from all walks of life. He was eminently accessible and affectionately viewed by all those who knew him. They obviously had great confidence in him and in his judgment. I think all of us have had many human experiences with Ken Keating, reflecting his lively spirit, the very fine quality of his character, and the outreach of his personality.

I know that his family is entitled to great pride in the public service that he was permitted to give to this country and from their association with one of the outstanding personalities of our time. I certainly extend my sympathy to the Keating family and I extend my regrets to a nation that was still using his talents on a very high level and to very great national advantage.

I thank my friend, the gentleman from Rochester, who was so close to Ken Keating, for having recognized me and permitted me to note my feelings about our good friend this early in the special tribute.

Mr. HORTON. I thank my colleague from New York (Mr. Conable) for his comments. I think he and I probably better than anyone know of the tremendous love that the people in Upstate New York have for Ken Keating. I do appreciate his remarks on this occasion and am thankful to him for what he has had to say here about our departed friend.

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. HORTON. I am very happy to yield to the gentleman from Massachusetts, the distinguished majority leader of the House.

Mr. O'NEILL. I thank the gentleman for yielding.

I am delighted to know that he has taken this special order today for Ken Keating. Of course, I served with Ken many years ago. He was one of the most able and talented debaters on the floor of this Congress. But I had also the very great pleasure of serving on the Committee on Contested Elections with him. I found him to be one of the most honorable and delightful people that I have ever met. When we served together on the committee, we had many contested elections. Our decisions were not based on party loyalty; they were based on a fair look at the merits. With respect to every case before us, Ken acted honorably in the true spirit of justice.

Recently I traveled, as did the gentleman from Illinois (Mr. Price), to Egypt and to Israel. We had expected to meet with Ambassador Keating over there. But because all the ambassadors in that section of the world had been called back by President Ford, we could not meet with him. We did have the great opportunity of meeting with his wife Mary, who is a delightful individual. They had been married only a brief time. There had been a glorious wedding; and in the year and a half, or two years that they were married, they enjoyed and complimented each other.

Ken's record in the House and the Senate reveal him always to have been a devoted American who stood for the best interests of America. He continued this approach as ambassador. He was a great human being and a wonderful person. My wife Millie joins me in sending our solace and regrets to Mary, his charming wife and to his entire family.

Mr. HORTON. I thank the distinguished majority leader.

Mr. McEWEN. Mr. Speaker, will the gentleman yield?

Mr. HORTON. I yield to the gentleman from New York (Mr. McEwen).

Mr. McEWEN. Mr. Speaker, I thank my friend, the gentleman from New York, for yielding.

I too had the privilege of being with out majority leader on the recent trip to the Middle East. Regrettably we did not see Ambassador Keating because he had been called back, together with other Ambassadors from that area, for talks in Washington, but we did meet with Mrs. Keating. In the absence of her Ambassador husband she was a wonderful hostess in welcoming our group.

Of course all the Members are aware of the outstanding public record of Ken Keating, a former Member of this House and of the other body, a jurist in the highest court in our State of New York, and a man who served in the Armed Forces in both World War I and World War II.

I had the privilege, Mr. Speaker, of seeing Ken Keating in many situations. There was a recent editorial in one of the papers in my district which prompts me to recall an event that occurred during a campaign when Ken was running for the U.S. Senate, when he and I had occasion to be visiting at the Mohawk Indian Reservation in northern New York. It recalls to me how Ken Keating met with people and how people reacted to him. He was a person's person. He liked people and people liked him. I remember how a number of people commented that day that a photographer should have been present to catch the scene with Senator Ken Keating. He was honored, as I was, to be inducted into the Mohawk Tribe and they had quite a ceremony in connection with that. After it was over there was a tired little boy, not over 3 years old, who in this whole throng of people had become separated from his mother. Contrary to the notion that an American Indian never does cry, I can report that at least a 3-year-old boy can shed tears when he finds himself separated from his mother. I shall always remember Senator Keating as he was hunched down and talking to this little boy and trying to find out through his sobs the name of the boy so they could get on the public address system and locate the child's mother. I can remember the Senator perservering and finally getting out of this little boy his name so they could find his mother.

It recalls to me how he met people and how they responded to him and it gives a measure of this man and what a wonderfully warm human being he was. So to his widow Mary and the members of his family I extend our deepest sympathy on their great loss and the loss to this country of a very able man.

Mr. HORTON. Mr. Speaker, I yield to the gentleman from Illinois (Mr. Price).

Mr. PRICE. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, I had the privilege of serving in the House of Representatives with Ken Keating for a number of years. I remember when he was first elected to the other body and there, he served his country as he had done in the House, with distinction in a capacity of leadership.

Our majority leader, the gentleman from Massachusetts (Mr. O'Neill) mentioned the fact that on a recent visit to Israel our group was unable to meet with Ambassador Keating because he was back here with the other Mid-East Ambassadors in a special meeting being held at the State Department. A month before that on another trip to the Middle East, while on a visit to Israel, I did have the opportunity to visit with Ambassador Keating. We had two pleasant days together, busy days; on each of which he was very helpful to our Committee on Armed Services, as we met with the leaders of the Israeli Parliament and other officials of the Israeli Government.

We know the affection with which he was held by the leaders of Israel, and I am sure by the people of Israel.

Ken Keating was a great legislator. He later proved himself to be one of our finest diplomats. I am sure that wherever he went on a mission representing his Government, he served our people well and with great distinction and honor.

Mrs. Keating, whom I met for the first time on my visit to Israel, is from St. Louis, Mo., practically a neighbor of mine. To her I want to extend my deepest and most sincere sympathy in her great loss.

Mr. STRATTON. Mr. Speaker, will the gentleman yield?

Mr. HORTON. I am happy to yield to my colleague, the gentleman from New York (Mr. Stratton).

Mr. STRATTON. Mr. Speaker, I thank my colleague for yielding.

I want to join in paying my tribute to Ken Keating.

As the gentleman in the well knows, I grew up in the city of Rochester. I can remember Ken Keating from my youngest days as one of the outstanding lawyers in town, somebody that I knew by reputation, if not personally. Then later on, as I came to this body, I had the opportunity to know him personally. At the time I was elected, he had just been elected to the Senate and moved over there from the House. It was my opportunity to get to know him better then.

Some people have commented recently about the way in which the New York delegation of this House is cooperating more effectively than we have in the past. Perhaps they do not realize that the first step in the direction of that bipartisan cooperation was instituted by Ken Keating during his first term as a Member of the Senate. He and Governor Rockefeller wisely prevailed on Congressman Celler in organizing what is known as the New York State Steering Committee.

I also had the pleasure of serving in those years on the Board of Trustees of the University of Rochester with Ken Keating. He had been appointed to that body shortly after I had been elected to it. We shared the opportunity of working together in trying to provide some help for our mutual alma mater.

But I want to comment particularly on Ken Keating's outstanding service as Ambassador to Israel during some very trying and dangerous years. I had the privilege of heading up, I think, one of the first official delegations that went to Israel from the Armed Services Committee. We went there right after the October war in 1973, before the disengagement agreement had been worked out. Ambassador Keating filled us in on the details. He worked out a schedule of meetings for us with top Israeli leaders.

It was very clear to us, as the gentleman from Illinois (Mr. Price) has just said and as the majority leader has also said, that Ambassador Keating was in very close touch with the Israeli Government and was highly respected by them.

He also proved to be a very gracious host and provided our committee with a great deal of useful information on a complex and rapidly changing military and political situation.

We went back again to Israel in February of this year under the chairmanship of the gentleman from Illinois (Mr. Price), the chairman of our full committee. Again Ambassador Keating received our subcommittee and proved again to be an extremely able host, as well as still obviously a very close student of the situation not only in Israel but throughout the Middle East.

Let me mention one other thing that impressed all of us on that trip and that was the fact that, although he had been widowed earlier by this second visit he had remarried, and the charm and graciousness of the new Mrs. Keating, who had taken over the embassy residence there and had enlivened it not only with her interior decorating ability, but also with her very warm personality, was something that struck all of us. It was a delight for all of us to see the joy and the happiness that these newlyweds radiated there in the American Embassy in Tel Aviv.

While I know that his sudden and untimely death certainly came as a very heavy blow to Mrs. Keating, I am sure that that 1 year—barely a year—that

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they were permitted to spend together was something that was extremely meaningful to both of them.

So Ken Keating's passing is a loss to us in New York State. It is also a great loss to this country that Ken Keating should have been taken from us. But those of us who have been privileged to know him and to work with him will treasure his memory for many, many years to come.

Mr. Speaker, I join in paying my tribute to his distinguished public service, and to express my deepest sympathy to Mrs. Keating and to the other members of his family.

Mr. HORTON. Mr. Speaker, I want to thank the gentleman from New York (Mr. STRATTON) for his very kind remarks.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. HORTON. I yield to my colleague from the State of New York.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding to me, and I compliment the gentleman for arranging this special order in memorial to Kenneth Keating.

Mr. Speaker, the death of Kenneth B. Keating is a tragic loss not only for those of us who knew and worked with Ken as a Representative, a Senator, a judge, and as an Ambassador of the United States, but for all the people of our Nation. Men of Ken Keating's stature are rare indeed in this modern world.

Few men have had as varied and full a career as Ken Keating: he competently served his Nation in a great many capacities, always with wisdom, dignity, foresight and patriotism.

New York State was honored and fortunate to have had Ken Keating as one of its legislators in the U.S. House of Representatives for so many years. In 1958 Ken was persuaded, although reluctantly, to run for the U.S. Senate on a statewide Republican ticket headed by Nelson Rockefeller for Governor. Although the political experts wrote their campaign off as hopeless, both Rockefeller and Keating won upset victories, enabling Ken to serve his State and Nation in the U.S. Senate for the next 6 years.

After leaving the Senate, Ken sat on the court of appeals, New York State's highest court, and therefore was appointed U.S. Ambassador to India and, still later on, Ambassador to Israel during a trying, difficult and historic period. Ken's basic qualities of persistence, patience, wisdom, and evenhandedness stood him in good stead as America's representative in the world's most troubled region.

Mr. Speaker, Ken Keating was a man of rare talents . . . a great American. We, of the New York delegation, and the entire House mourn his passing. Our Nation has suffered a loss. His life typified all of the qualities we are most proud of in America—if we had to select one man to represent all Americans everywhere, we would proudly select a Kenneth Keating.

Mr. HORTON. I thank the gentleman from New York for his comments.

Mr. WAMPLER. Mr. Speaker, will the gentleman yield?

Mr. HORTON. I yield to the gentleman from Virginia.

Mr. WAMPLER. Mr. Speaker, it was with deep regret and a sense of personal loss that I learned of the untimely demise of our friend, Kenneth Keating. I first came to know him in 1953 when I was elected to the 83d Congress. During that time, our Nation was faced with great problems, just as it is today. I remember, as a freshman Member of that Congress, that Ken Keating demonstrated those qualities that the gentleman alluded to here today.

He was a friendly man, a kind man. He was a friend of many good causes. I remember so well the able way in which he represented his constituents here, his knowledge of the rules of the House, his ability as an effective legislator. He served well here in the Congress. He served his country well as an Ambassador. He served his State well as a member of the judiciary.

I think, Mr. Speaker, that those of us who were privileged to know Kenneth Keating are certainly better men for having known him, and certainly the House of Representatives is a stronger institution as a result of his service and contribution here.

Mr. Speaker, I recall having seen Kenneth Keating just a few weeks ago, when he was present here in the House Chamber, when President Ford addressed the joint session. He was the same Kenneth Keating that I had known some 20 years earlier, in that he was friendly and kind. And I may say, Mr. Speaker, in all of the time I knew him, I never heard him speak an ill word about any of his colleagues in the House or others.

So I extend to his wife and to his family my deepest sympathy. I recall the words of the wise man who once said that we never forget a person unless our hearts forget their greatness. So, Mr. Speaker, if that be true, I am convinced that the memory of Kenneth Keating will live for many years to come.

Mr. HORTON. I certainly thank the gentleman for his very wonderful remarks.

Mr. Speaker, on May 5 America lost one of those who cherished her most. Kenneth B. Keating would have celebrated his 75th birthday this coming Sunday, May 18. Except for the years 1923 to 1941, during which he practiced law in Rochester, N.Y., Ambassador Keating's entire life was devoted to preparing for and carrying out service to the people and Nation he loved.

It is not uncommon for a Member of this House to rise and pay tribute to a departed friend who has served his country. Hardly a week goes by without someone in the Congress paying proper tribute to a soldier, statesman, judge, or legislator who has passed from the scene.

What is uncommon is for one man to achieve greatness in all of these fields of public service. Ken Keating was such a man. Ken was a man who loved people and whom people loved. He was a man who exemplified the qualities of character that most of us strive for. He was compassionate above all. He was highly educated, cultured and articulate. He was both firm and gentle in his dealings with people. He exercised uncommon courage both on the field of battle, and in the field of statesmanship. His understanding of the importance of the individual, and his capacity to give of himself was boundless. He could always be found where the action was, and could be counted on for contributing compassion and civility along with incisiveness to the resolution of conflicts and problems.

A thumbnail sketch of Ken Keating's life will serve to illustrate his appetite for service, and his capacity for leadership.

Ken Keating was born in Lima, N.Y., in Livingston County in 1900. He graduated from Genesee Wesleyan Seminary in Lima in 1915 and then from the University of Rochester in 1919—taking time to serve as a sergeant in the U.S. Army during World War I. He earned his LLB from Harvard Law School in 1923 and returned to Rochester to begin the practice of law. He quickly became one of the most respected legal practitioners in the city. When World War II broke out, he served as a colonel in the Army, spending 3 years in overseas service and earning the Legion of Merit—with oakleaf cluster, the American, Asiatic, and European Theater ribbons, three battle stars, and the Order of the British Empire. He was promoted to brigadier general in the Reserves in 1948.

After the war, he resumed law practice in Rochester and in 1946, ran for election to the U.S. Congress. Ken Keating was elected to the 80th and the five subsequent Congresses until 1958, when he ran successfully for the U.S. Senate. His service in the House was marked by a deep commitment to the rights of individuals. During his last term in the House, he served as ranking Republican on the House Judiciary Committee, where he was an outspoken advocate of civil rights legislation.

His Senate career was a continuation of the outstanding service and representation of his constituency for which he had become known in the House. He became nationally prominent during the summer and fall of 1962, when he was the first to warn the public of the Soviet military buildup then taking place in Cuba.

When he was defeated for reelection to the Senate in 1964 by the late Robert F. Kennedy, Ken Keating did not retire from public life or from public service. Instead, the following year, at the age of 65, he ran and was elected to the post of associate justice of New York's highest appellate court, the Court of Appeals. He served with distinction on the court until his resignation in April 1969 to become Ambassador to India, at the age of 69.

With 29 years of almost continuous military and public service behind him, Ken Keating embarked on a new career in the diplomatic corps. As fate would have it, he served both in India and in Israel during the most difficult periods of American relations with these crucial countries. In both assignments, Ken Keating demonstrated, once again, that he had the courage of his convictions, and the ability to contribute, through his compassion, his firmness and his gentle humor, to the resolution of serious political, economic, and social problems and conflicts.

One mark of a man is the reputation he leaves behind him. I had the privilege of visiting our embassy in India only a few months after Ambassador Keating had departed that post. Without exception, the Indian Government officials, Indian citizens and members of our own embassy staff, whom I met with had very fond memories of Ken Keating and the tone of his service as Ambassador. As busy as he was, he always took the time to attend to the little things that round out the character of a man. I was struck by the fact that a plaque had been placed near the duck pond on the U.S. Embassy grounds in New Delhi to mark the spot where Ken Keating paused during his morning walk to feed the ducks.

It was my privilege to know Ken Keating as a friend and colleague in government for the last 27 years of his life.

Many of the principles I have applied in my service as a Congressman were those I learned by observing the way in which Ken Keating served the people of Monroe and Wayne Counties during his 12 years in the House. It has been my hope to attain and sustain the high level of service and representation that Ken Keating provided in the Congress since the day I was elected to serve the same district which he had served so well.

It is indeed fitting that Ken Keating was laid to rest on a hillside in Arlington National Cemetery which overlooks the landmarks and monuments of the Nation's Capital to which and in which he contributed so much during over 35 years of service to America.

To his wife, Mary, his daughter and the other members of the family my wife and I extend our deepest sympathy. We have lost a friend and our country, has lost a great public servant.

Mr. RHODES. Mr. Speaker, I join my House colleagues today in paying our respects to a great public servant, Kenneth Keating of New York. He was a hardworking Member of the House of Representatives for 12 years, and then served a term in the U.S. Senate.

I was privileged to serve with Ken Keating during much of his House tenure. He was an outstanding Member of this body, and served our Nation and his home area with distinction. He gave us excellent representation as Ambassador to India, and later to Israel.

Ken Keating and I attended the 150th anniversary ceremonies in Mexico together, and during those events I came to know that he had a cool head and great personal courage. His representation of the United States created respect for our Government, and for Ken Keating as an individual.

Our country has lost a talented man, who I was honored to have as a friend and colleague in the House. He represented us in diplomatic posts with dignity and honor, and was truly a public servant in the highest sense of the term. He had a distinguished career, in the military, in the law, in politics, and in international affairs.

I know that my fellow Members all feel a sense of loss in his passing. He was a fine individual, a dedicated officeholder, and an exceptional representative of our Nation abroad.

Mr. ANDERSON of California. Mr. Speaker, I join my colleagues today in commemorating one of the great public servants of recent times, Ambassador Kenneth B. Keating.

Few men have ever served their country in so many ways as Ken Keating did. He served here in Congress for 12 years, beginning in 1949, before his election as a Senator in 1958. Prior to that, he had served in the Armed Forces during both World Wars.

During his career in both Houses of Congress, Ambassador Keating was known as a strong champion of civil rights and of congressional reform. His distinguished career as an elected representative culminated in 1962 when he revealed the buildup of Soviet missiles in Cuba, precipitating what eventually became the Cuban missile crisis.

Although defeated for reelection in 1964 by the late Senator Robert F. Kennedy, Ambassador Keating's public career was far from concluded. He became an associate justice on the New York Court of Appeals, until in 1969, when he became the U.S. Ambassador to India.

Ambassador Keating served in India for 3 years, at a time when United States-India relations were steadily worsening. Even then, his own relations with the Indian Government remained cordial, and he disagreed strongly with the Nixon administration's decision to favor Pakistan in the conflict in Bangladesh.

In 1973, Ambassador Keating was chosen as the American representative to Israel, a post he retained until his death. He was a popular figure in Israel, and played an important role in the quest for peace in the Middle East.

Ambassador Keating's service to his country as a Congressman, judge, soldier, and diplomat was marked by brilliance, honesty, and decency. He set high standards in every field he entered, and earned the respect of persons of both parties. An even greater indication of his quality is that the nations where he served as a diplomat also held him in high esteem, even when they disagreed with the policies he was compelled to represent.

My wife, Lee, joins me in sending our condolences to his wife, Mary, and his daughter, Judith K. Howe.

Mr. CASEY. Mr. Speaker, today I join my colleagues in this brief remembrance of a truly great servant of America, Kenneth B. Keating.

Ambassador Keating served his State and our Nation with distinction for more than a quarter of a century. As a Member of the House of Representatives, the Senate, as associate justice of the New York Court of Appeals and as Ambassador to both India and Israel, he made lasting contributions to every branch of our Government.

He will be remembered as a wise man, a just man and a compassionate man, but above all, a man who was willing to sacrifice personal gain for the benefit of mankind, not only in our country, but throughout the world.

Ambassador Keating's death brings not only personal grief, but a loss to the ranks of world statesmen. Today we remember his work with gratitude, and extend our sincere condolences to his wife and family.

Mr. RANGEL. Mr. Speaker, I rise today for the purpose of eulogizing a former colleague and a friend, Ambassador Kenneth B. Keating. His career in public service spans a period of over 30 years and it includes distinguished service in all branches of the Government.

As a Member of this body for 12 years, Ambassador Keating served on the prized Judiciary Committee. On that panel he championed the causes of the minorities, both those already in this Nation and those seeking entry. In 1958, Ambassador Keating was elected to our sister body, where he continued his concern and activity in these very worthy issues.

After being unsuccessful in his attempt to gain reelection to the Senate in 1964, the Ambassador served as an associate justice of the New York Court of Appeals. Just before this appointment was to expire, Ken was given the first of his two very difficult international assignments. From 1969 until 1972, he served as our Ambassador to India. Coming at a time when tensions were at a fever pitch between India and Pakistan, this appointment represented our belief in the rationality and sobriety of Ken Keating to prevent the situation from reaching further levels of intensification.

After that appointment, Senator Keating then was selected as our Ambassador to Israel, an equally troubled part of the world. Whatever stability that has existed in the Middle East over the last 2 years can most definitely be attributed in large part to the relentless efforts of this truly brilliant public servant.

In our Nation presently, there are those who claim we are suffering from a lack of leadership. Much can be said for this skepticism on the part of our citizens. At a time when this cynicism is on the rise, Ken Keating was quietly going about doing the thing he knew best, serving the people. It is ironic that his presence, which is needed now more than ever, will be most tragically missed. I am sure my colleagues will join me in extending our sympathy to his surviving relatives.

Mr. LENT. Mr. Speaker, I want to join with my colleagues in paying tribute to an old friend, political colleague and one of the great public servants of this or any other time, the late Kenneth B. Keating.

For more than a generation, Kenneth Keating served with great distinction in all branches of government. For six terms he was a Member of this body, and for 6 years he was a Member of the U.S. Senate. He served as an associate justice of New York's highest appellate court. His last several years in public service were spent in two of the most sensitive and important ambassadorial posts—India and Israel. In all instances he exhibited exemplary leadership, personal warmth, and a keen understanding of humanity.

Individuals with the qualities of Kenneth Keating are, unfortunately, all too rare. My own State of New York can be proud to claim Kenneth Keating as its own, and all of us are better for his service to his State and his Nation.

Mr. WYDLER. Mr. Speaker, when one is involved in a political life so many people are met but only a small percentage leave a lasting impression. Such a person was Kenneth Keating. When I was first elected to Congress in 1962, he was the U.S. Senator from New York. His graciousness and friendliness to me were a great help to a new Congressman. Over the years, I met him from time to time and always found it a pleasure, for he had a true love of life and people. His service to his country and to the State of New York is a part of history. I pray that God will bless him and give him the peace and joy he worked so hard to give to others here on Earth.

Mr. CEDERBERG. Mr. Speaker, it is with the most profound sadness that I pay my respects to Ambassador Kenneth Keating, a man I greatly respected and admired.

A dedicated public servant, Ambassador Keating has given this country far more than it could ever expect from this individual. In all respects he represented the epitome of the astute ambassador, the American gentleman, and international diplomat. He had achieved man's greatest goal and triumph—the respect of his fellow colleagues.

Widely acknowledged as a versatile protagonist in foreign affairs, he was unparalleled in his ability to understand human nature. This formidable attribute made him invaluable in some of the most difficult posts within the foreign service. Ambassador Keating was the right man for so many important tasks at the crucial times when America needed him.

His notable career in the diplomatic service almost overshadows his equally distinguished years of service as an associate justice of the New York Court of Appeals, a Congressman for 8 years, and finally an U.S. Senator. To have known him in any one of these periods was to realize that he was destined for great things. He served in all of these capacities with pride and honor. With his unerring judgment guiding him, he always remained a man of high principles and standards. His conduct in private and public affairs has always been above approach and should serve as an example for those who would seek to duplicate his achievements.

In his lifetime he had worked for goals which were characteristic of his magnanimous personality—a lasting peace in the Middle East and domestic tranquillity for the many millions in India. These were noble goals to which he dedicated all of his energy, drawing on the limits of his mental and physical endurance.

America will miss this totally committed public servant. We can truly honor him by retaining his lofty ideas and striving for their altruistic realization. I join my colleagues in offering my condolences to Ambassador Keating's surviving relatives and friends. His achievements will long be remembered in the history of this great country.

Mr. RODINO. Mr. Speaker, on the 5th day of May our Nation was deprived of a conscientious public servant with the passing of Kenneth Keating. Few men have served their country as long and in as many different capacities as my former colleague Ken Keating. He was an attorney with a national reputation for excellence; he was a liberal Republican voice in both the House of Representatives, where he served for 12 years, and the U.S. Senate, where he served one term championing the causes of the people of New York. For lesser men, this service would have been enough, but not Ken Keating. After being defeated in his second Senate race he went on to become an associate justice of the New York Court of Appeals. Was then appointed U.S. Ambassador to India, and ended his distinguished career as U.S. Ambassador to Israel, where he served until his death.

I served with Ken Keating on the House Judiciary Committee, and I knew him to be a committed and dedicated individual with a deep understanding of, and compassion for, all people. Our Nation will miss Ken Keating, for we have all lost a friend.

Mr. BROWN of Ohio. Mr. Speaker, it was with great sadness that I learned of the passing of a great American, Kenneth B. Keating.

He was a man who served his country with tireless dedication in a number of important roles: In this Chamber, in the other body, as a jurist, and as a diplomat. To all of these tasks he brought energy, justice, and compassion.

But it was in a more informal setting that I grew to know and respect this great citizen, through our common membership in Chowder and Marching. I found that he always placed the welfare of his country and his fellow man ahead of his own.

He and my late father, Clarence J. Brown, Sr., served together in this House with great mutual admiration. This Nation will sorely miss Kenneth B. Keating.

Mr. WOLFF. Mr. Speaker, the passing of a man who had such a long and productive life as that of our friend and colleague, Ken Keating, is of course an occasion of sorrow, but even more, it is an occasion of gratitude that such a man lived among us, and left his mark upon us, and upon the world.

As Ambassador to Israel and India, as a judge in my home State of New York, as our colleague in this House, and as a distinguished Member of the other deliberative body across the way, Kenneth Keating's life shows us that a kind and decent man, a humble man, can truly make himself felt.

Ambassador Keating served in two world wars, and knew perhaps better than the rest of us that man's only hope is in the active battle for international understanding. He knew that we must fight for peace as surely as we fight in war, and that peace must be the ultimate goal for us all.

Ken Keating died before he could finish his latest assignment in his lifelong dedication to his Nation, that of binding the United States and our people indelibly to our brothers and sisters in Israel. But he left a legacy of understanding and love which, if we are faithful to our trust, will surely light the way to generations of peace in the Middle East.

We here in this House, and all of us, as citizens of the world, can dedicate ourselves to no greater monument to Ken Keating than to pledge to continue his work, and to see it successfully through—not only in the Middle East but in the world.

Mr. Speaker, I thank you for the opportunity to add my few thoughts to the many fine words spoken here today, and join in expressing the profound sorrow of this House to Mrs. Keating and to the Ambassador's family on this occasion.

Mr. KOCH. Mr. Speaker, the death of Ambassador Kenneth B. Keating is a very real loss to the Nation which he served so well. Such a wide range of able public service—as Congressman Senator, judge of our New York State Court of Appeals, and Ambassador—reflects the energies and proven abilities of Ambassador Keating.

After serving in the House for 12 years, Kenneth Keating was persuaded to run an underdog campaign for the Senate, which he won in 1958. There he distinguished himself as a spokesman in international affairs, most notably during the Cuban missile crisis. He also earned great acclaim as a leader in the battle for civil rights.

After able service sitting on New York's highest court, Kenneth Keating entered foreign service. His service as Ambassador to India proved a test of his energies as the years after 1969 saw a growing tension between the United States and India; through it all, however, he was considered a friend by the Indian people and Government. At a time of testing in the Middle East, we all felt a great reassurance when Kenneth Keating was appointed Ambassador to Israel. He proved to be a great friend of Israel, especially during the 1973 Yom Kippur War. At the time of his death Ambassador Keating had returned to the United States to confer on U.S. policy in the Middle East. His wise and eloquent voice will be missed.

Ambassador Keating career represented the very finest in high-minded public service. His absence will be felt not only by those of us who knew and worked with him in New York, but by the Nation which he so ably served.

Mr. SIKES. Mr. Speaker, I wish to join my colleagues in paying tribute to the late Kenneth B. Keating, Ambassador to Israel, former U.S. Ambassador to India and former U.S. Senator and Representative from the State of New York.

It was my privilege to serve with Mr. Keating in the House for 12 years. He was a distinguished and able legislator, and my friend. During his last 2 years of his tenure on this side of the Capitol, he was ranking Republican member of the House Judiciary Committee—a very important position. Prior to his election to the House, he had developed a lucrative legal practice in Rochester where he won widespread reputation as an adroit trial lawyer. This experience contributed to the effectiveness of his work on the Judiciary Committee.

In 1958, he was persuaded to run for the Senate on a ticket headed by Nelson A. Rockefeller, who was seeking New York's governorship. Both won upset victories. Ambassador Keating's service in

Congress ended in 1964 when he was defeated for reelection to his Senate seat by the late Robert F. Kennedy. After his defeat and before his appointment to the diplomatic post in India, Ambassador Keating served as an associate justice of the New York Court of Appeals.

Keating served our Nation and its people tirelessly. He was a brilliant man who held honorary degrees from 12 colleges and universities. He was a veteran of both world wars and he saw duty in the China-Burma-India theater. During his years in Congress, Keating championed congressional reform, immigration, civil rights, draft law revisions, crime, and narcotics legislation and health care for the aged under social security. He became especially well known for his criticism of the Kennedy administration's handling of the 1962 Cuban arms buildup and subsequent missile crisis.

I want to extend deepest sympathy to his wife and daughter, and along with many others, assure them he will long remain in our thoughts and prayers. He was a loyal and great American and a dedicated public servant.

GENERAL LEAVE

Mr. HORTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today, and to include extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

SEIZURE OF SEA-LAND VESSEL "MAYAGUEZ"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. EDWARDS) is recognized for 5 minutes.

Mr. EDWARDS of Alabama. Mr. Speaker, the seizure of the Sea-Land vessel *Mayaguez* yesterday by a Cambodian gunboat was an intolerable act and America has to get this merchant marine vessel back even if we have to go in there and get it. I agree with President Ford that this was an unwarranted act of piracy. I do not believe the United States can stand around like a helpless giant and allow this to happen. We looked bad enough in Vietnam and perhaps this causes the Cambodians to put us to the test now.

We must first give the Cambodians the opportunity to return the ship, but if they fail to do so promptly, then we must respond with speed and decisive action.

My deep concerns were compounded when I learned that one of my constituents was among the crew of this containership. I know many of you in this Chamber are in this same position and that you join me in expressing hope for a safe and swift resolution of this most unfortunate situation.

AN ACT OF PIRACY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CRANE) is recognized for 5 minutes.

Mr. CRANE. Mr. Speaker, yesterday, it appears that the United States witnessed an act of blatant piracy. If the reports are accurate that the U.S. merchant ship that was fired upon and seized by a Cambodian gunboat was unarmed and some 60 miles off the Cambodian coast—certainly in international waters—then it is an act of piracy.

This is an outrageous situation, where a revolutionary government feels free to send its gunboats out on the high seas and seize vessels belonging to the United States. The entire world is waiting to see what our reaction will be. If we submit to this piracy, our already compromised defense posture will reach its lowest ebb since the War of 1812.

We must think of the safety of the crewmen of this vessel, who are innocent bystanders, simply American workers doing their jobs as expected. The Communist government of Cambodia is presently considered unstable, as the mass executions of officers and wives of the former government's army and the mass, forced evacuation of over 2 million people from Phnom Penh has shown. If we are to show any human compassion for the American sailors on the ship we must act immediately to save them from the uncertainty of possible torture or even murder; acts that have already been committed by that government. We must show these American sailors that we will not have a reenactment of the *Pueblo* affair, where a fourth-rate military power was able to seize and torture American citizens without any punitive action.

The President should begin negotiating with Moscow or Peking, or both, to communicate to whoever is in control of the Cambodian Government that they should release the unarmed American merchant vessel and the 40-man crew within 24 hours or expect substantive reprisals.

If the Cambodians do not respond, the United States should be prepared for a direct "rifle shot" punitive attack that would demonstrate to the Cambodians that it would not be worth the cost to hold this U.S. vessel.

Such a punitive attack should include any of a variety of military actions including taking the vessel and crewmen by force. The President has total authority right now in his capacity as U.S. Commander in Chief to protect American lives and property and has the obligation to act immediately to free the 40 man crew and the U.S. merchant ship seized by a Cambodian gunboat in the international waters of the Gulf of Siam yesterday.

The best action that could be taken to stop these acts of illegal and reprehensible piracy by the Cambodian Communists is for the United States to seize the vessel where it sits, which is presently 30 miles off the coast of what was the Khmer Republic, and sink both of the gunboats that are presently guarding the anchored and, hopefully, still unharmed vessel. If they fire on us, we should rescue the survivors of the gunboats and hold them until all American civilians and journalists who were in Cambodia at the time of the Communist seizure of the country are adequately accounted for by the new Communist government.

Just minutes ago news came over the wire that a U.S. Navy P–3 reconnaissance plane received small-arms fire from Cambodians aboard the pirated U.S. merchant ship. Reports are that the plane was hit apparently by rifle fire while flying low under the clouds to observe the merchant ship. If this is correct, the United States has little recourse than to initiate prompt retaliation.

This action demonstrates again the need for a strong national defense. If the will of the United States was not in question today, this type of action would never happen. It is our apparent lack of resolve that gives these countries the nerve to seize our citizens and steal our property.

A failure to act to protect American lives and American ships would put in jeopardy every unarmed cargo vessel floating under an American flag.

COMMON CAUSE, SUNSHINE, AND KING CAUCUS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. FRENZEL) is recognized for 5 minutes.

Mr. FRENZEL. Mr. Speaker, 2 weeks ago, the Republican Conference voted to open up its meetings to the public. The Democrat Caucus, which is supposed to have a similar motion pending, has yet to be heard from. Apparently King Caucus cannot stand sunshine.

I have included below a letter from the new president of Common Cause praising the Republican action and indicating his interest in opening up King Caucus as well.

The letter follows:

COMMON CAUSE,
Washington, D.C., May 8, 1975.

Hon. BILL FRENZEL,
House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE FRENZEL: Congratulations on the historic action taken by the Republican Conference in opening its meetings to the public and the press. This precedent-setting move will help make government more accountable to the people at all levels of the political process.

Your strong leadership in opening the Conference will have far-reaching impact. We are pressing the Democratic Caucus to adopt a similar open meetings rule at its next regular meeting.

Sincerely,

DAVID COHEN,
President.

ERRONEOUS PAYMENTS IN AFDC PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. DUNCAN) is recognized for 15 minutes.

Mr. DUNCAN of Tennessee. Mr. Speaker, the Social and Rehabilitation Service of the Department of Health, Education, and Welfare, which administers the Nation's aid to families with dependent children—AFDC—program, recently released some shocking statistics concerning erroneous payments that are made across the country in this $8 billion program.

SRS has found in a nationwide analysis that $1 billion, or over 10 percent, of the total program was erroneously spent, either through overpayments or payments to persons who were completely ineligible.

As the principal cosponsor of the National Welfare Reform Act of 1975, which I introduced in the House on March 18 with 61 bipartisan cosponsors as H.R. 5133–35, I believe these statistics underscore how essential it is that we cure the defects in this massive program and make certain that the funds are going to the legitimately needy.

The provisions of the welfare reform measure introduced in March will insure that high income persons are ineligible, that fraud controls and identification methods are strengthened, that resources are properly utilized, and that effective work requirements are built into the law. Only if we proceed in a careful, methodical way in correcting the deficiencies in our AFDC program can we be certain that funds are not being misspent and that necessary funds are in fact available to the people who need it most.

With your permission, Mr. Speaker, I include in the Record the following:

Wide Error in Welfare Aid Found

(By Judy Luce Mann)

Local and state officials who run the nation's largest welfare program were responsible for an estimated $500 million in erroneous payments to recipients last year, according to a federal study released today.

Another $500 million was erroneously spent because welfare recipients either intentionally or inadvertently gave welfare officials incorrect information about factors that determined whether they were eligible for relief and how much they were entitled to receive.

Official errors cost taxpayers roughly $23 million in erroneous payments in Virginia, Maryland and the District, while errors by recipients resulted in about $25 million being paid out erroneously.

These findings are deduced from a nationwide analysis by the Health, Education and Welfare Department of errors in the Aid to Families with Dependent Children program (AFDC), the nation's largest welfare program.

A top federal welfare official said the study is significant because it focuses responsibility for erroneous payments on the persons who administer the welfare program rather than the program's beneficiaries.

About $8 billion a year is given to 3 million families—or 11 million people—under this program. Federal officials estimate that $1 billion of this is erroneously spent, either through overpayments or payments to people who are not at all eligible for relief. The federal government pays for half of the program and the states pay for the other half.

The HEW analysis determined that nationally about half of the erroneous payments are the fault of state and local officials running the programs and about half of the errors can be blamed on the recipients.

James S. Dwight Jr., the administrator of the Social Rehabilitation Service in HEW and the federal official who has been in charge of pushing massive state and federal efforts to reduce welfare abuses, expressed concern that such a high percentage of errors was the fault of public employees working in the programs.

"Despite a popular notion to the contrary, willful misrepresentation by recipients is not the major cause of welfare errors," Dwight said. "But inadvertent errors by either welfare agencies or recipients are no less serious in their impact. Our quality control system aims at correction of either willful or inadvertent errors."

The survey conducted on a sample of 44,035 cases between January and June, 1974, found that 15,337 families—or about 35 per cent—were either ineligible for welfare, were overpaid or were underpaid. This compares with a 41 per cent error rate in a sample surveyed between April and September, 1973 when efforts to reduce errors were begun.

The amount of money that a family receives through this welfare program depends on such factors as the number of children and any income the family might have. The survey found that three out of four recipient errors involved their failure to report changes in their financial condition, such as a reduction in the number of children in the family or the parent returning to work and not notifying the agency.

These are among the biggest causes of recipient errors in the District, according to Jacqueline Johnson, acting head of the payments assistance administration. She also said this is an area where she believes errors are being reduced. "There seems to be a wider understanding in the community that to report earnings is not necessarily to lose all assistance, which is what people were afraid of in the past."

The survey found that nationally more than one-fifth of the families had some earned income and received a supplementary AFDC check that brought their total income up to at least the amount that a family supported completely by AFCD would receive.

The survey found that about 20 per cent of the million cases that had erroneous payments involved families with some earned income. A spokesman for HEW said, however, that the errors were not necessarily caused by people intentionally cheating.

The survey discovered that the primary cause of agency error involved what officials call "failure to take indicated action." An HEW spokesman said an example of this was an agency having a child's birth certificate, enabling it to keep track of when the child turns 18 and is no longer eligible, and yet not making use of this information.

The survey found that states that had adopted a "flat grant" system—a standard type of payment based on family size—generally had far fewer payment errors than states that computed each family's budgetary needs individually and then determined how much money the family would get each month.

This "flat grant" system has been in existence for several years in the District. It went into effect last July in Virginia and is scheduled to go into effect this July 1 in Maryland.

Steve Lewis, a spokesman for the Virginia welfare department, said preliminary results of the most recent survey of errors shows that overpayments have been reduced from 18 per cent to 5.8 per cent since the "flat grant" system went into effect. Previously, numerous errors were being made in figuring out the size of the grants, he said.

The survey found that Virginia officials were responsible for two thirds of the errors and clients were responsible for the other third. The survey found that 12 per cent of about $119 million paid out in that state's family welfare program was paid either to ineligible persons or was overpaid.

Maryland officials were responsible for a third of that state's $23 million in erroneous payments and recipients were responsible for the rest. District officials were found to be at fault for one-third and the recipients for two-thirds of an estimated $6 million in erroneous payments.

Lewis pointed out that Virginia is one of only 10 states that met federal goals for reducing errors in the second half of 1974. Virginia had errors in only 30 per cent of its cases, including underpayments, down from 46 per cent in the 1973 survey period. The national target was an error rate of 32.9 per cent. The District remained at a 42 per cent error rate and Maryland had errors in 53 per cent of its cases.

After July 1, HEW will begin withholding matching funds from states that have not reduced errors to a combined total of 13 per cent—with no more than 3 per cent being cases of ineligibility and no more than 5 per cent being cases of overpayment.

WHEN WILL THE U.S. GOVERNMENT LEARN THE LESSONS OF DÉTENTE?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. Bauman) is recognized for 15 minutes.

Mr. BAUMAN. Mr. Speaker, reports last weekend concerning the State Department's policy plans in Latin America indicate that the United States has yet to learn its lesson about the viability of détente with communism.

Saturday, Secretary of State Kissinger announced publicly a policy which should not surprise anybody who can read the signs—that the U.S. Government is about to reach an understanding with Castro's Cuba. This will probably involve a two-step phaseout of the present U.S. trade embargo on Cuba.

In addition, press stories indicate that the U.S. Government and Panama have come to a tentative agreement about the Panama Canal. Again the administration is being coy about the details, but most sources agree that the new treaty will involve phasing out the U.S. assertion of ownership or sovereignty over the Panama Canal Zone.

These two developments indicate that this new era in foreign affairs will consist of improving relations with dictators who are devoted to America's destruction, and abrogating our own legitimate rights whenever we hear a protest from some leftist group mouthing a few pseudo-progressive phrases.

We have been pursuing détente relentlessly with the Soviet Union and Communist China for several years now. I have yet to see any benefits for the United States emerge from this policy. While we were declaring our friendship, the Soviet Union and Red China continued to finance the destruction of South Vietnam by North Vietnam. While we offered a favorable wheat deal in return for good offices, we got a slight reduction in anti-American rhetoric from the Kremlin, accompanied by a continuing financing of anti-American activities around the world.

What our leaders seem to have forgotten is that the Communists have not renounced their Communist faith. They still feel that they are riding the wave of history which will sweep the decadent capitalist system in front of it and usher in a new Communist world order. Study the Soviet theoreticians, and you will find that even those advocates of détente in the Soviet Union, view it as a strategy leading to world domination, not as a renunciation of those key beliefs of the Marxist orthodoxy.

Can anybody point to any changes in

Fidel Castro's policies which would warrant a turnabout on the part of the United States? Has he renounced any of the things he has said about "Yanqui Imperialism?"

Has he announced that henceforth he has no intention of subverting other governments in the Western Hemisphere, or nudging them along toward communism? Has he indicated that in the future he intends to treat the Cuban people as people, rather than as slaves and cattle, to be used to serve the goals of his Marxist vision of a "peoples' democracy"? The answer is "no."

At least Castro is frank about his objections. He is clinging to his dogmas of Marxism with bitter determination, and he makes no bones about it. Aside from being willing to drop a few "progressive-sounding" phrases to make the American liberals palpitate, he is engaging in very little deceit. He is, and he remains, a Communist. He does not shrink from the implications. The only way anybody could be deceived about Castro's communism is by a very deep-seated desire to be deceived, or to overlook what is obvious to all.

If the United States moves to improve relations with the government which now rules Cuba, we will be sending a message to the Cuban people. It is the same message we sent to those who live in slavery behind the Iron Curtain when we began pandering to the Communist governments who have enslaved millions. The message is loud and clear: The U.S. Government officially does not care whether you live in slavery or freedom. In the dim past our Government might have subscribed to some faint rhetoric about human dignity and liberty, but that is all in the past. There is little hope for support in the West for those who desire a measure of freedom from an oppressive government. As a matter of fact, we will go out of our way to put our "seal of approval" on the government which has oppressed you.

The situation with regards to the Panama Canal is different, but the guiding principle is similar—apparently the United States supports accommodation without any concern for principle, no matter what the situation.

The entire round of treaty negotiations with the present leftist government of Panama have been conducted by ignoring one central fact. The Panama Canal Zone is U.S. territory, bought and paid for. We have paid more for the Panama Canal Zone than for all our other territorial acquisitions put together, and that includes most of the territorial United States. In fact, Panama became a country for the primary purpose of selling the Canal Zone to the United States.

A great deal of the foreign trade of the United States is dependent on the maintenance of the Panama Canal in a condition of availability to our shipping vessels. Many other countries have come to depend on the United States to keep the Panama Canal open for shipping. To turn over this important passage to a country which has a history of instability and revolution strikes me as totally irresponsible.

The State Department has been reminded repeatedly that any treaty regarding the Panama Canal Zone will have to be treated quite differently than other treaties. It cannot simply be presented to the other body for approval.

Any agreement involving U.S. territory must be approved by both Houses of Congress, which means that the House of Representatives must have a say concerning the Panama Canal Zone. The State Department has proceeded as if this were simply a routine treaty. I trust that the House will assert its constitutional rights and duties regarding any proposal to change the status of the Panama Canal Zone.

Giving up the Panama Canal will send another message to the world. The message will read something like this: If the United States has something you want, just demand it, threaten, and act like a spoiled child. If you are nasty and persistent enough, you will get it. Do not worry about offending the Yankees. They love abuse. About the only way you can get the cold shoulder from the United States is to be an ally.

Apparently Cambodia got the message. The world will be watching our response to the blatant act of piracy committed on the merchant marine vessel *Mayaguez*. Will it be another *Pueblo* incident, casting further doubts on the will of the United States to protect its citizens around the world? Or will we assert ourselves for once, and serve notice on the world that the United States will not tolerate piracy on the high seas?

Mr. Speaker, there is no reason for the United States to go around the world picking fights. But there are plenty of reasons for us to carefully and judiciously assert our rights and express our ideals. One of the most important reasons for a policy of strength is that signs of weakness in the international world are often an invitation to aggression. Another is that without expression and translation into action, our American ideals of human dignity and liberty, of freedom from arbitrary government oppression, will atrophy. If we do not express these ideas and act on them, we are in danger of forgetting how important they are, not only to us but to the world. If we make a habit of casting our lot with the most brutal dictators in the world, we may start to forget what it was we disliked about dictators in the first place. That loss of moral, ethical, and political perception could be the saddest loss of all. It will be followed inevitably by our own loss of national and personal freedom.

LET US STOP EPISODES SUCH AS THE "MAYAGUEZ"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. Burke) is recognized for 5 minutes.

Mr. BURKE of Florida. Mr. Speaker, as an American and as a veteran of World War II it is hard for me to stomach the treatment our Government is taking from pipsqueak governments, particularly the most recent affront to our national dignity and honor perpetrated by Cambodia's new Communist rulers seizing the merchant ship *Mayaguez*.

We cannot strengthen the weak by weakening the strong, and why we should sit and talk about this piracy and do nothing else is beyond me. It is about time we as Americans put back our shoulders and throw out our chests and act like we are proud of what we are and what we stand for in the world.

I am not one of those who believes better red than dead, nor am I one to interfere with the internal workings of other governments, but I do think our Government should act like the world giant it is. We will not win world approval by playing the diplomatic game and sending envoys to recover our ship, neither will we win world approval by sending our military to recover the ship by force. But if we stand up and demand what is rightfully ours, and take it forcefully if it is not returned, then at least we can have some respect for ourselves as a nation.

This is not another Gulf of Tonkin situation. It is far more like the *Pueblo* affair. We whimpered and crawled away from confrontation there, and since then we seem to be apologizing and flagellating ourselves about our judgment in our dealings with foreign nations, we have lost face in the world. We have made mistakes, but let us not let the errors of yesterday warp our perspective of our prospects for tomorrow. If we do not get that ship back in short order, the Communists will have won one more psychological victory. We cannot have character and courage as a nation without initiative and assertion. This time we are so clearly in the right that it baffles me why we hang back and do not act.

PANAMA CANAL GIVEAWAY CHALLENGED IN THE CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. Flood) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, in connection with the annual General Assembly of the Organization of American States now in session in Washington, news stories in both the New York Times and the Washington Post on May 11, 1975, reported that U.S. Secretary of State Henry A. Kissinger read a joint United States-Panama statement on current negotiations for a new Panama Canal Treaty.

As such negotiations for the surrender of U.S. control over either the Canal Zone or the canal were not authorized by the Congress, I have issued a press release setting forth some essential facts in a situation of the gravest potential consequence for hemispheric security and interoceanic commerce.

The people of our country are far ahead of their Government in understanding the challenge. Since February 7, 1974, when the notorious Kissinger-Tack "agreement on principles" to govern the treaty negotiations was signed at Panama in a deluge of propaganda, I have received in the form of letters and petitions from all the 50 States the views of more than 7,000 individuals in strong opposition. Only 11 have supported the State Department's projected giveaway.

It has become increasingly clear over

the years that the present "mess" regarding the status of the Panama Canal is primarily because of the ineptness of our State Department officials who have not protected the just right of the United States. They are obviously trying to shift the burden of responsibility to the Congress, which, I believe, is not going to bail them out of their difficulties.

The indicated press release follows:

CANAL ZONE-PANAMA CANAL GIVEAWAY CHALLENGED IN THE CONGRESS

The Washington Post of May 11, 1975, reported that U.S. Secretary of State Henry A. Kissinger had read a joint United States—Panama statement before the Latin American foreign ministers now attending the annual General Assembly of the Organization of American States. The statement said that negotiations for a new Panama Canal Treaty are "almost completed" and that the canal question was one of the "most emotional issues" in U.S.—Latin American relations.

The newsstory asserted that Foreign Minister Juan A. Tack of Panama is aware of the "strong opposition in the U.S. Congress," that Ambassador Ellsworth Bunker later this month will go to Panama to "iron out the last outstanding problems before the treaty can be signed" and that failure to ratify it could cause a "very serious situation." In the light of many other such statements this is an open threat of violence.

As a close student of Panama Canal policy over many years, I long ago concluded that the ineptitude of State Department officials is primarily responsible for the current mess on the Isthmus. They can rest assured that the Congress is not going to rescue them from their predicament.

In refutation of the position taken by Secretary Kissinger, the following historical facts are set forth:

(a) The United States under the 1903 Treaty secured the grant in perpetuity of full sovereign control over the Canal Zone and title to all privately owned land and property in it, estimated on June 30, 1974 to have cost $166,362,173—our most costly territorial possession. (Sec. Army letter of 23 December 1974.)

(b) The total net investment of the U.S. taxpayers in the Canal enterprise, including defense, 1904–1974, was $6,880,370,000.

(c) Colombia, the sovereign of the Isthmus prior to November 3, 1903, has recognized the title to the Panama Canal as vested "entirely and absolutely" in the United States. (Thomson-Urrutia Treaty of 1914–22.)

(d) The validity of the U.S. Title has been confirmed by the U.S. Supreme Court. (*Wilson* v. *Shaw*, 204 U.S. 24 at 33–35.)

(e) The United States has met its treaty obligations in its management of the Canal for the benefit of all nations, including those of Latin America

(f) Panama has been the greatest single beneficiary of the Canal, which has given it the highest per capita income of all Central America.

(g) The U.S. Constitution vests the power to dispose of territory and other property of the United States in the Congress. (House and Senate.)

(h) The President of the United States in a recent statement said that he would not support any new Panama Canal treaty that "would not protect our vital interests." (Miami Herald, April 29, 1975, p. 7–C.)

(i) The Kissinger-Tack "agreement on principles" governing the present negotiations was not authorized by the Congress and hence invalid.

As evidence of the opposition of the North American people to any surrender of the U.S. Canal Zone or Canal, 37 Senators and more than 120 Representatives have introduced identical resolutions opposing any dilution of U.S. sovereignty. The very idea that elimination of such sovereignty would remove friction is a "calamitous misjudgment" of the realistic situation involved and does not deceive the Congress and rapidly growing number of U.S. citizens.

As shown by recent prolonged closures of the Suez Canal, the Panama Canal cannot operate efficiently and securely except under the sovereign control of a great power. Instead of weakening our position on the Isthmus, United States defenses there should be strengthened.

Certainly, the present set of U.S. leaders has no right to prejudice rights of future generations on a matter so vital as the control of the Panama Canal. There is only one flag that should fly in the Canal Zone and that is the U.S. flag.

U.S. POLICY IN AFRICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DIGGS) is recognized for 5 minutes.

Mr. DIGGS. Mr. Speaker, throughout the last few years of deteriorating U.S. policy in Africa—and especially with regard to the liberation of Southern Africa—I have warned that change is coming in Southern Africa with our help, or without it. I have stressed that the future of U.S. public and private interests in Southern Africa was being jeopardized by our shortsighted posture, and that a dramatic escalation of violence over there is inevitable without conscientious action on the part of the United States and other world powers to encourage an end to apartheid and minority dominion through peaceful means.

The coup in Portugal which overthrew the Caeteno regime on April 25, 1974, came about in large part as a result of the success of wars of liberation waged in Portugal's African colonies. International recognition of the independence of Guinea-Bissau, and the impending independence of Mozambique and Angola have had a profound impact in Africa. These events make it imperative that the United States seriously reexamine its policy and behavior with respect to Southern Africa—as others are already doing. On April 7–11, the Organization of African Unity held a special session at Dar-es-Salaam, Tanzania, for this purpose. The opening remarks of the President of Tanzania before the delegates to that meeting make clear that my concerns about the present status and apparent future direction of U.S. foreign policy in Africa are not without foundation. Continued inattention on our part could have unfortunate consequences for ourselves and for our friends.

It would indeed be a serious error on our parts if we ignore all the early warnings. We must not allow ourselves to be deluded by the recent public relations initiatives of the South African Government to convince the world that it is seriously moving toward meaningful change, and that there is détente and dialog between itself and other African governments. There is a depth of feeling, which we should not underestimate, behind President Nyerere's declaration:

> I believe that whether we are dealing with Portugal or South Africa, the principle is the same: if they are ready to talk about decolonisation, we talk; if they are not ready to talk, we fight until they are ready.

Mr. Speaker, the Dar-es-Salaam declaration, which has already been entered into the RECORD, gives ample indication that Africa is united on this point. The alternative to peaceful change is war in Southern Africa. I would urge my colleagues to give close attention to President Nyerere's speech, which I hereby submit for inclusion in the RECORD. I would further urge that we waste no time in bringing our full support to bear toward policies that may enable a peaceful transition in Southern Africa, least we find ourselves again allied with the forces seeking to repress the indominatable spirit of people seeking to be free.

The speech follows:

TEXT OF THE SPEECH DELIVERED AT THE OPENING SESSION OF THE OAU COUNCIL OF THE MINISTERS SPECIAL SESSION BEING HELD IN DAR-ES-SALAAM BY JULIUS K. NYERERE, PRESIDENT OF TANZANIA

Your Excellencies, Friends, it gives me great pleasure to welcome you to this OAU Conference of Foreign Ministers, and to DAR-ES-SALAAM. I do so on behalf of all the people of the United Republic of Tanzania as well as on my own behalf. We hope that your stay in our country will be comfortable and pleasant so that your heavy responsibilities to Africa can be discharged without unnecessary strain or personal distress.

I do not intend to make a long speech today. Instead, a paper has been made available to Ministers which sets out the Tanzanian position on the subject to which this meeting will be addressing itself. We hope that Ministers will find this paper helpful in their important task.

But the paper we have circulated gives only a Tanzanian view of the matters under discussion. And the important thing is not the view of any one country. The important thing is the united view of Africa as a whole. For the objective of this meeting, like others we have held in the past, is to promote the cause of African liberation and African unity. These are the two major objectives of the Organisation of African Unity and they are really two aspects of the same thing. Neither is possible without the other.

The connection between unity and the freedom struggle has always been recognised by the OAU and experience has confirmed that knowledge. For, the degree of our advance toward the ultimate liberation of our continent, the increasing international awareness of the Southern African problem and the increasing world condemnation of colonialism and racialism is not the result of any one event nor of any one Nation or Group's activity.

It is Africa's ateady and united hammering at conference after conference, visit after visit, and newspaper article after article, which has led to a recognition that world peace and human dignity require justice in Southern Africa. This campaign has not been waged only by Africa or by Africans; but the unity and common purpose of Africa have been and still are essential for progress.

There has never been any problem about united verbal condemnation of colonialism and apartheid. But gradually, with some faltering and setbacks, Africa has also secured a large degree of unity in action. There have been many other factors involved in the continued isolation of the Smith Regime over nine and a half years. But not least among these factors has been the clear knowledge that recognition of this regime or open Government support for it by any country would arouse the whole of Africa to angry retaliation.

The United Nations decisions on the status of Namibia and the appointment of a full-time United Nations commissioner for Namibia have been achieved after years of official and unofficial United African diplomatic activity.

The U.N. Embargo on the sale of arms to South Africa is not yet honoured by all nations—France in particular still seems to be able to sell arms to South Africa and retain the active friendship of many member states of the OAU. But other powerful nations have observed the embargo simply because of strongly-expressed African-Led Opposition to its violation.

And in the last year we have, again through Unity, succeeded in getting South African membership of the General Assembly suspended on the grounds that the delegation cannot be representative of the people of South Africa while racialism is the official doctrine of the State. Of at least equal importance has been the growing African commitment to support the liberation committee of the OAU. This committee is no longer regarded with suspicion by African States. It is an accepted part of the Organisation of African Unity which discharges responsibilities on behalf of Africa as a whole.

I do not wish in any way to claim for the OAU credit which really belongs to Frelimo and P.A.I.G.C., but I think it is fair to say that Africa's United support for their armed struggles both through the Liberation Committee and bilaterally, did contribute something to the success which is the basic cause of this meeting.

For it is the success of the armed struggles in the Portuguese Colonies which requires Africa to re-examine its strategy in Southern Africa. There has been no change of heart on the part of Africa's enemies. There was a change of government in Portugal so that the Portuguese people's desire for peace in Africa was able to be made effective.

But, the leaders and supporters of apartheid in South Africa and the leaders and supporters of the minority Regime in Rhodesia have not changed their desires, their attitudes, their policies or their beliefs in white supremacy. They still wish to maintain racial domination by whites in Rhodesia, Namibia and South Africa.

Yet the change which has taken place is a very important one, until now as the liberation struggle has advanced Southwards. Our priorities have always been concerned with familiar problems of decolonization and we spoke always of Africa in United opposition to all the colonial and racist States of Southern Africa; but in practice our political and diplomatic offensives against South Africa and Rhodesia have been conducted in the knowledge that these two states were to a degree protected by the existence of the continuing armed struggle in the Portuguese colonies. For, we were quite correctly giving priority to the Nationalist Movements of the Portuguese Colonies and the "Nationalist" in the Portuguese Colonies were dealing with a Metropolitan European power just as each of the other freedom movements of Africa had done.

Now that Angola and Mozambique are on the verge of independence, the problems facing Africa are different. In the first place, the geography of the freedom struggle has changed. It is quite true that both Angola and Mozambique will have many internal problems to overcome, possibly including the problem of attempted subversion by reactionary forces. But their very existence changes the political and military situation for Rhodesia and even for South Africa.

These two minority-ruled states will therefore inevitably want to re-think, and to take action designed to meet the changed circumstances created by the failure of Caetano's Portugal. This by itself would require Africa also to reassess its strategy.

There is a second factor, too. Africa will in future be dealing with a pattern of administration different from that with which we are familiar. Until now, each nationalist movement has had to contend with a particular colonial power securely based in Europe to whose government the maintenance of its colonial authority was just one item in the totality of its economic and security considerations. This was true even for the Portuguese Colonies.

The difference between their situation and that of independent Africa was only that Portugal had not accepted the principle of African independence, whereas Britain, France, and even Belgium had done so. But in Rhodesia, Namibia and South Africa there is no effective power external to Africa which is central to the problem.

Rhodesia is a British Colony. But the Smith Regime does not recognize the sovereignty of Britain; and, what is more important, the United Kingdom. Government has always claimed that it is powerless to enforce its authority in Rhodesia. Thus, Britain has responsibilities and rights in International Law and her Political support can still be valuable as the situation develops.

But more directly important to the present phase of the struggle in Rhodesia is the fact of Rhodesia's economic and military dependence upon South Africa. South Africa has not given legal recognition to the Smith Regime, but without its military and economic support, the Smith Regime would quickly collapse.

In Namibia also we have difference between the *de jure* and *de facto* administering authority. Legally, Namibia is a United Nations trusteeship territory directly administered by the United Nations. But in practice, South Africa controls Namibia and excludes the legal authority.

Then there is South Africa itself. Here, we are not dealing with a colonial situation at all. Our aim there is to help the mass of the people of South Africa to free themselves from the vicious oppression of apartheids and to demonstrate that racialism is outlawed by the whole world. The enemy of the South African liberation forces and of Africa is thus the doctrine of racialism which is being imposed and enforced by white South Africans.

Whether, therefore, we are talking about Rhodesia, Namibia, or South Africa itself, the effective authority is South Africa. This fact must be taken into serious account when Africa considers its future strategy.

For example, in the past the Nationalist movement of a particular colony frequently honored the local colonial authorities when it was engaged in political campaigning—whether this was replacing or supplementing an armed struggle. Instead it dealt directly with the metropolitan power, its Government or its Parliament.

In Southern Africa, there is no such external authority in Namibia; the effective external power is held by South Africa, and in Rhodesia too. The only external influence which could have any real effect is held in South Africa. In fact, South Africa has troops in Rhodesia helping to maintain minority rule. Thus Africa's confrontation in Southern Africa now is basically with South Africa. That is, South Africa as a Colonial power in Namibia and to all intents and purposes in Rhodesia, and as a racist Regime in South Africa itself.

Africa's commitment to the total liberation of the continent from Colonialism and racialism has been repeatedly re-affirmed. Its meaning was spelled out in the Lusaka Manifesto which was adopted by O.A.U. in 1969.

We then stated our determination to support the freedom struggle in all the colonial territories of Africa and in South Africa, and to give this support until independence on the basis of majority rule had been attained everywhere.

Further, we said clearly that Africa would conduct the struggle for freedom by peaceful means wherever and whenever that is possible, but if peaceful means are excluded by the actions of the oppressor, then an armed struggle by the people of that territory would have the full and active support of all the free states of our continent.

The Lusaka Manifesto was a statement of principles. It was not an outline of strategy. It said, if independence can be won peacefully then people should not die unnecessarily; and further if independence cannot be achieved peacefully the people concerned must use violence rather than accept permanent domination.

When those to whom the Lusaka Manifesto was primarily addressed proceeded to ignore it, we issued the Mogadishu Declaration and intensified the armed struggle. What we are now calling the changed circumstances in Southern Africa are in fact the results of that intensified armed struggle in the Portuguese Colonies.

Your conference will therefore have been a success even if it achieves one thing only:

It will have succeeded if it leaves South Africa in no doubt at all that we are still ready to use peaceful means to achieve independence in Rhodesia and Namibia; but that if this is made impossible, we shall resume and intensify that armed struggle. It is important that both our Friends and our enemies should know that we mean what we say.

But we are not going to make ourselves credible if we waste too much time at this conference talking about South Africa.

This conference is not about so-called dialogue or detente with South Africa. This conference is about the liberation of Southern Africa. Its purpose is to make quite sure that we are clear in our own minds about how we should proceed now, after the successes of the freedom fighters.

I believe that whether we are dealing with Portugal or South Africa, the principle is the same: if they are ready to talk about decolonisation, we talk; if they are not ready to talk, we fight until they are ready. My considered advice to this conference therefore is that it should not allow itself to degenerate into a conference on a dialogue or detente. Let us simply reiterate our determination to liberate Southern Africa, and repeat that we are ready to back up talks between Vorster and Smith and the liberation movements concerned.

Having done that, most of the time of this conference should be spent on discussing how to help the African National Council and SWAPO to strengthen their armed forces. Neither the advocates of constitutional talks nor those of the armed struggle can make themselves credible without the existence of an armed force.

And it is vitally important that we should be credible, for constitutional talks can fail and an armed struggle requires armed force. In any case, both the ANC and SWAPO will need those armed forces whether independence is achieved peacefully or violently.

As I said at the beginning Tanzania's views on how we should proceed now have been explained at great length in the paper which we have circulated. Let me therefore conclude by repeating my good wishes and those of all the Tanzanian people for the success of this meeting.

There is no doubt that every minister here has left urgent tasks at home in order that this meeting should be able to work out an African strategy for the next phase of African liberation. Therefore I am quite confident that your discussions here will be serious and that they will be conducted frankly but in an amiable spirit as befits the discussions of colleagues engaged in a joint endeavour.

And I know also that Ministers will constantly remain aware of the paramount importance of safeguarding the Unity of Africa

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as we press ahead to the final victory of African Liberation.

THE UNITED STATES ARMS JORDAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. LEHMAN) is recognized for 5 minutes.

Mr. LEHMAN. Mr. Speaker, the administration has announced it is furnishing Jordan with a modern $100 million Hawk air defense system.

Many believe that the single most important factor behind Hussein's refusal to participate more actively in the Yom Kippur war was his nation's lack of an adequate antiaircraft system to protect his tanks and ground forces from Israeli air attack. The U.S. announcement will surely mean the end of this problem for Hussein.

The administration's decision is not only destabilizing to peace, but was an unnecessary political blow to our good friends in Israel. The administration had promised that it would not make any agreements about arms supplies to any country in the Middle East during the current reassessment of U.S. policy in that region.

The United States had given this assurance to Israel when it suddenly interrupted previously arranged agreements to sell Israel the Lance missile and the F–15 fighter plane.

These two new weapons are needed by Israel to counter the major shipments by the Soviet Union to Syria and Egypt of the Scud surface-to-surface missile and the new Mig–23 and Mig–25 jet fighters.

The current situation, therefore, appears unbelievably to be that the United States is agreeing to supply Jordan with new weapons while withholding the supply of new weapons to Israel.

One of the most important lessons of the Vietnam war is the need for U.S. foreign policy to result from a partnership between the administration and the Congress. When the administration embarks on a foreign policy which seriously diverges from the wishes of Congress, as it did in Indochina, the entire Nation suffers.

This administration must not forget, as did previous administrations, that our Nation is a democracy and that our foreign policy must flow from the wishes of all the people, not just a select few at the top.

The U.S. Congress, reflecting closely the wishes of the electorate in every State and every congressional district, has repeatedly expressed its overwhelming support for Israel in her struggle to survive against a seemingly endless series of Arab wars and terrorist attacks.

The Congress knows that Israel is not Vietnam. The Congress knows that Israel has never and will never ask for American troops. The entire world knows that the Israelis, unlike the South Vietnamese army, have the incredible will to fight against overwhelming odds for the sole purpose of preserving their independence on the small strip of land they reclaimed from the desert.

The Congress knows that the Israelis only ask for weapons from the United States to counter the rapid flow of arms from the Soviet Union to the Arabs.

The administration must reconsider and reverse its decision to furnish modern antiaircraft weapons to Jordan.

Furthermore, it is time for the Secretary of State to end this charade of a reassessment and join with the Congress and the American people in support of the free, democratic, and peace-loving people of Israel.

TOWARD AN EFFECTIVE CORRECTIONS PROGRAM IN THE NATION'S CAPITAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. HARRIS) is recognized for 5 minutes.

Mr. HARRIS. Mr. Speaker, yesterday, I introduced House Resolution 457, a sense of the Congress resolution opposing a proposal of the mayor of the District of Columbia to spend $55 million for renovation and construction at the District's Lorton Reformatory in my district.

The purpose of my resolution is to urge the District of Columbia to gradually phase out the Lorton facility and replace it with a modern community-based correctional system in the District.

Lorton Reformatory, built in 1912, is antiquated. It has been plagued with numerous problems in recent years. I have met with the director of the facility, Mr. Delbert Jackson, and many other officials of the District of Columbia in the last few years in an effort to determine the cause of security problems and the practicality of a major capital improvement program. I am convinced, as my resolution states, that modern corrections require the abandonment of Lorton and that major structural improvements of the Lorton facility is the wrong route to go. An effective corrections program should be community based; should provide a comprehensive program involving corrections, rehabilitation, education, and work release programs; and should utilize the involvement of families of inmates.

My resolution would allow expenditure of funds for essential security and basic maintenance and repairs. It urges the District of Columbia government to develop a plan to phase out the Lorton facility within 5 years and calls on Congress to appropriate the necessary funds to carry out such a plan.

The mayor of the District of Columbia has recommended to the City Council that the $55 million, already appropriated by Congress, be reprogramed for constructing new facilities and renovating existing facilities at Lorton. This request must be acted on by the Congress. I urge my colleagues to join me in this beginning of a modern, effective approach to corrections in our Nation's Capital.

SHIPROCK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. MEZVINSKY) is recognized for 5 minutes.

Mr. MEZVINSKY. Mr. Speaker, on Thursday of last week, I submitted several news articles and letters dealing with the firing of two nurses at Shiprock, N. Mex. At that time, I raised what I believe to be serious questions about the Indian Health Service and due process at HEW.

The response by HEW is inadequate and simply ducks the issue. HEW cannot resolve this problem by evasion and diversion, and it had better start coming to grips with this matter.

I now submit two additional letters and today's article in the Des Moines Register by Clark Mollenhoff:

[From the Des Moines Register, May 13, 1975]

DROP CHARGES ON TWO NURSES WHO ASSAILED INDIAN CARE

(By Clark Mollenhoff)

WASHINGTON, D.C.—The Indian Health Service has notified two nurses from the Shiprock, N.M. hospital that all charges against them will be dropped and their personnel record expunged of all reference to the efforts to fire them.

But the letters from H. V. Chadwick, deputy director of the service and Dr. Marlene Haffner, the area director, include no further details on the charges Dr. Haffner had filed against them.

Nurses Valerie Koster of Davenport, Iowa and Sandra Kramer of Annapolis, Maryland, said they were pleased to have the notice that the charges would be dropped and that they would be reinstated.

PRIMARY CONCERN

But the two nurses expressed disagreement with Dr. Haffner's decision that Ms. Kramer be transferred to the Phoenix medical center in Phoenix, Ariz., and that Ms. Koster be transferred to a post in Lawton, Oklahoma.

"Our primary concern has always been to improve patient care and conditions at the Shiprock Indian Health Service Hospital," nurse Koster said. "We feel that by transferring us, the Indian Health Service will be denying us an opportunity to assist in correcting problems and deficiencies in the hospital."

Nurse Kramer declared that in the aftermath of permitting the charges to remain against them since January, a transfer "is a type of adverse action and I do not believe we should accept it."

"A HALF ANSWER"

"Cleansing our files of the false and malicious charges is only a half answer," Ms. Kramer said. "The record shows that false and malicious charges were made against me and were utilized in an attempt to cause my termination."

"As a matter of fact, Dr. Haffner's original letter of termination and the fragmentary accusations which we later discovered through the use of the Freedom of Information Act would have served to smear and blacken my name so that it would have been virtually impossible for me to have continued in my chosen career as a nurse," Ms. Kramer said.

"While we appreciate the offer of a transfer to other hospitals, we feel that a move such as suggested would simply avoid the original problems that still exist at Shiprock hospital," Ms. Kramer said.

"The difficulty in obtaining the specific charges, and the names of our accusers, is firmly established by the fact that even after using the Freedom of Information Act we still have not been apprised of the names of our accusers and the details of charges to meet basic due process of law standards," Ms. Kramer said.

MEZVINSKY VIEW

Representative Edward Mezvinsky (Dem., Ia.) said that "the response from HEW ducks the problem."

"We have witnessed a long list of threats, harassments, and attempts to cover-up the

situation of Shiprock," Mezvinsky said. "As Valerie and Sandra have said there is much more at stake than two jobs. The health of Indian patients and the integrity of the entire HEW health service program must now be our paramount concern."

He added that Dr. Haffner's offer to drop the charges "does not end the case as far as I am concerned."

The two nurses were assigned to Shiprock Hospital last September, were appalled by the "inadequate care" the Navajo Indians were receiving and complained to their superiors.

When they received no satisfactory response they wrote several congressmen and senators. Filing of the charges followed.

MAY 9, 1975.

Miss SANDRA J. KRAMER,
Annapolis, Md.

DEAR MISS KRAMER: I have carefully considered the matter of your employment with the Indian Health Service at the Shiprock Hospital. I have reviewed nursing personnel needs throughout the Navajo Area and the Service Unit organizations established to meet our medical care responsibilities. I have also consulted with Dr. Emery Johnson, Director, Indian Health Service.

I have concluded that your employment should be continued. Further based on consultation with and a review by Dr. Johnson, it is the judgment of the Indian Health Service that your services can best be utilized and contribute most effectively through assignment at the Phoenix Medical Center, Phoenix, Arizona. Therefore, I am authorized by Dr. Johnson to advise you that your reassignment is proposed to the position of Clinical Nurse, GS–610–7, Phoenix Medical Center, Phoenix, Arizona. However, we wish to obtain your views before making a decision in this matter. It is, therefore, requested that you contact me in writing, and present your views not later than 15 calendar days from the date you receive this letter. Additionally, you should feel free to contact Mr. H. L. Horner, Area Personnel Officer, regarding any questions about federal personnel procedures or requirements. No decision will be made until two weeks from the date of this letter have elapsed. Descriptive information about the Phoenix Medical Center is attached.

In closing, it is incumbent upon me to call to your attention the fact that you are currently serving on an Absent Without Leave (AWOL) status. You did not report to the detail assignment described in my letter of February 7, nor have you advised the Navajo Area of your intention to return to duty. This is not a satisfactory situation and must not continue. As I know you can appreciate, it is most important to utilize all position resources available to us and to make plans on the basis of presence or approved absence of employees.

I look forward to hearing from you in the very near future.

Sincerely yours,
MARLENE E. HAFFNER, M.D.,
Area Director, Navajo Area Indian Health Service.

MAY 8, 1975.

Ms. SANDRA J. KRAMER,
Annapolis, Md.

DEAR MS. KRAMER: Reference is made to your letter dated April 24 concerning your request for documentation of statements given by individuals at Shiprock.

We understand you have made a formal appeal, in accordance with procedures as outlined in Mr. Russell Roberts' letter to you dated April 21, to the Office of the Assistant Secretary for Health, DHEW, for this information. We have been informed that the matter is being reviewed and you will hear directly from the Assistant Secretary concerning your appeal.

In your letter of April 24 you also request your personnel record that is on file with the Indian Health Service. We assume you are requesting your official personnel folder. A copy of this folder as received from the Navajo Area is enclosed for your information; however, since your termination during probation did not actually occur, it is our intent to expunge the folder of all references to "termination." Material in the folder will be filed in accordance with Appendix A, Chapter 293 of the Federal Personnel Manual which indicates that all items of a temporary nature wil be filed on the left side of the folder. In the event of a transfer of an employee those materials of a temporary nature are removed from the file and destroyed. The memorandum dated January 7, 1975 from Dr. Husen, SUD, Shiprock which appears on the left side of the folder was inadvertently placed in this file; but since it was received in IHS Headquarters we felt that the total folder, as received, should be provided to you.

We have concurrence from the Navajo Area Personnel Office that all materials pertaining to your termination are being removed from the official personnel folder.

We appreciate the comments in your letter of April 9 to Dr. Emery Johnson and we are constantly striving to achieve the highest possible patient care, within the resources available, at all Indian Health Service facilities.

Sincerely yours,
H. V. CHADWICK,
Deputy Director, IHS.

FEDERAL COMMODITY INSURANCE ACT OF 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

Mr. BEDELL. Mr. Speaker, I am today introducing the Federal Commodity Insurance Act of 1975. This bill will reform the Federal crop insurance program and make it more responsive to the needs of farmers and ranchers. It will establish an independent Federal Commodity Insurance Corporation to administer the Federal commodity insurance program and it will provide for more extensive commodity coverage.

In my view, the basic Federal crop insurance concept is sound. However, the current program simply does not offer adequate protection to the producer. Its internal organization is archaic and highly politicized, and its coverage is overly restrictive. The legislation I am introducing today would make several important revisions in the structure and scope of the Federal crop insurance program.

One problem which must be remedied is the highly political nature of the current program. Under the present program, the Federal Crop Insurance Corporation is part of the U.S. Department of Agriculture, and the Corporation's Board of Directors and Manager are appointed by the Secretary of Agriculture. As a result, these positions have become a political football. Each time a new administration enters office, a new TCIC Board of Directors and a new Manager are appointed. The political impact of such changes runs to the very core of the Corporation, affecting policy and disrupting the continuity of the program.

The bill I am introducing today addresses these problems by establishing an independent Federal Commodity Insurance Corporation, outside of the Department of Agriculture, and by making several changes in the selection procedure and composition of those in charge of administering the program. In addition to creating an independent agency, the bill would require that the Federal Commodity Insurance Corporation's Board of Directors and Manager be appointed by the President and confirmed by the Senate. It would also increase the number of Board members from 5 to 9, and limit each individual's term of service to 6 years, with staggered expiration dates. The Manager would serve a 4-year term and would be eligible for reappointment at the end of such term.

Finally, the bill would require that at least three of the Board members be producers of agricultural commodities eligible for coverage by the program. Farmers and ranchers would thus be assured of a voice in the operation of the program for the first time.

Another serious flaw in the current Federal crop insurance program is its limitations on commodity coverage. The program simply does not offer producers adequate coverage or choices of coverages. Current law limits coverage to 75 percent of the average crop yield. However, since the Corporation determines the percent of average yield insurable, it often happens that in practice producers are only allowed to insure amounts substantially less than 75 percent of their yield. The Federal Commodity Insurance Act would alleviate this problem by giving producers the right to insure up to 80 percent of the average yield of their crops.

Also, under existing law, the Board is not required to adjust price levels per bushel in order to meet changing economic and market conditions. Thus, price selections can fall far short of the current market values of the crop. In the case of corn, for example, the three options available to the Iowa farmer in 1975 are $1, $1.20 and $1.40 per bushel. The price of corn today is $2.76 per bushel, $1.36 above the highest option currently available. The Federal Commodity Insurance Act would require an annual review of the price levels established by the Corporation and would stipulate that the producer be offered at least four price levels. In addition, two of the price levels offered must be 100 to 110 percent of the anticipated market value of the commodity to be insured.

The Federal Commodity Insurance Act would also extend the umbrella of FCIC protection to cover livestock as well as crops, thus giving livestock producers an opportunity to insure investment in production for the first time. Under the bill, livestock insurance would be developed in an orderly manner and its expansion would be encouraged.

It is time to provide all agricultural producers with a forward financed insurance program rather than making them rely exclusively on the backward financed disaster relief programs now in effect. It is much easier to take a few dollars out of profits to protect against a possible disaster than to pay interest on top of interest to try to dig out from under the debris of a devastating disaster,

The Federal Commodity Insurance Act would also implement a series of reforms designed to promote the orderly and rational expansion of the entire insurance

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program. Consideration would be given both to bringing new counties into the program and to providing coverage for additional commodities.

I believe that the reforms proposed by the Federal Commodity Insurance Act are long overdue and, if implemented, will make the Federal commodity insurance program much more responsive to the needs of farmers and ranchers. One of the basic goals of the Federal crop insurance program is to promote the national welfare by improving the economic stability of American agriculture. The insurance can cover losses caused by storms, drought, insect infestation, disease and other hazards beyond the producer's control. But Federal insurance is not much good if producers cannot afford it or if the coverage offered is not adequate. This legislation constitutes an effort to revitalize the program and make it work like it was intended to work.

We are at a critical stage in the long history of Federal crop insurance. Faced with unprecedented increases in production costs, the agricultural producer needs a meaningful insurance program, not a hollow one. The current Federal crop insurance program is outmoded. It simply does not adequately serve its intended function.

The bill I have introduced today looks forward toward a dynamic future for the American producer, not backward to his rustic past. It offers promise for a new age in American agriculture.

I hope that the Congress will take bold, innovative action to make the Federal commodity insurance program responsive to the realities of current agricultural conditions. I believe that the Federal Commodity Insurance Act of 1975 will do just that.

A summary of the bill's major provisions follows:

SUMMARY AND BACKGROUND INFORMATION ON THE FEDERAL COMMODITY INSURANCE ACT OF 1975

(1) The Federal Crop Insurance Corporation would be reorganized as the independent Federal Commodity Insurance Corporation. Currently, the Federal Crop Insurance Corporation is part of the United States Department of Agriculture.

(2) The FCIC Board of Directors and Manager, currently appointed by the Secretary of Agriculture, would be appointed by the President and would have to be confirmed by the Senate. This provision insures improved Congressional oversight of the Corporation.

(3) The Corporation would be required to make a comprehensive annual report on its activities to the Congress. Currently, only a financial audit is required.

(4) Orderly operation of the Corporation would be modernized by establishing a definitive term of office for the board of directors. Board members would be appointed to six year terms, with staggered expiration dates. Currently, Board members serve at the pleasure of the Secretary of Agriculture.

(5) Three of the Board members would have to be producers of commodities eligible for coverage by the program. Farmers and ranchers would thus be assured a voice in the operation of the insurance program for the first time. Presently, there is no requirement that any of the Board members be producers and only USDA employees and private citizens with insurance experience serve on the Board.

(6) Livestock producers would be eligible for coverage by the insurance program for the first time. The livestock insurance would be developed on an experimental basis to find the best way of offering protection to stockmen. Expansion of the livestock insurance would then be encouraged.

(7) Producers would be given the right to insure up to 80% of the average yield of their crops and up to 85% of the value of their livestock. Currently, the Corporation determines the per cent of average production insurable. While the present program can insure up to 75% of the average crop yield, it is very rarely offered. Oftentimes, the producer can insure only 60% of his production. Many producers thus feel that the present program does not offer them adequate coverage or choices of coverages.

(8) The producer would be given the opportunity to insure his investment in production. The present insurance program limits coverage to what the Corporation assumes is the producer's investment in production.

(9) An annual review of the price levels established by the Corporation would be required. Although the present Corporation has the authority to adjust price levels, the authority has not been used effectively to reflect changing economic conditions. It is not uncommon for the protection offered to differ from market value by as much as 100%. Under this bill, the producer will be offered at least four price levels, and two of the price levels offered will be 110% and 100% of the anticipated market value of the commodity to be insured.

(10) A rational, orderly expansion of the insurance program is mandated in the bill. Expansion would be based on the demand for the insurance by producers. Consideration would be given both to bringing new counties into the program and to providing coverage for additional commodities.

(11) The annual appropriation for administrative and operating expenses would be increased to meet the needs of a good insurance operation. In the past, the program has been inhibited by a $12 million ceiling that has been in effect for more than 25 years. Obviously, the $12 million figure is long out of date and constitutes a serious handicap to the insurance program.

(12) The Corporation would be prohibited from using premium income to subsidize administrative costs. Using premium income to help cover such costs, as is currently the case, inhibits the development of a healthy reserve and thereby the expansion of the program. This new feature would put the program back in line with the original intent of the Congress.

(13) The Board would no longer be allowed to limit or refuse insurance in any county or on any farm solely on the basis of the insurance risk involved if the commodity to be insured is an important part of the total agricultural income of the county. This provision would not interfere with the expansion of the program which must, understandably, be related to the financial stability of the Corporation.

FUNDS FOR EDUCATIONALLY DEPRIVED CHILDREN FROM LOW-INCOME FAMILIES

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Colorado (Mrs. SCHROEDER) is recognized for 5 minutes.

Mrs. SCHROEDER. Mr. Speaker, I am today introducing a bill to amend title I of the Elementary and Secondary Education Act of 1965 to insure that the allocation of funds under this title shall be made available to meet the educational needs of educationally deprived children from low-income families, whether or not these children attend school in areas designated as "project areas" eligible for title I funds.

As the statute now stands, an eligible project area may include one or more school attendance areas in which, on either a numerical or percentage basis, there is a high concentration of children from low-income families. On a percentage basis, such an area is one in which the percentage of children from low-income families is at least as high as the percentage of such children residing in the whole of the school district. On a numerical basis, such an area is one in which the estimated number of children from low-income families residing in that attendance area is at least as large as the average number of such children residing in each of the several school attendance areas in the school district.

Although this method of determining eligibility may seem adequate, it has proven unsatisfactory in providing assistance to children who are bused from a project area school to a nonproject area school due to court-ordered or voluntary desegregation. If a child is bused from a school eligible for title I funds to a school which is not eligible, the child will only receive title I services and benefits for the remainder of that year.

As a result, children who are often desperately in need of these services are being deprived of them with no stronger arguments than the sheer administrative burden of having to track every child involved in the busing program makes it impractical. My bill would enable these funds to "follow-the-child," with stipulations that the funds would be used only for programs to supplement the regular educational curriculum of children diagnosed to need special assistance to insure a satisfactory educational experience.

Denver is now experiencing a situation where a growing number of children in need of title I services are being denied them when they are bused into a school attendance area that is ineligible for title I funds, and I am sure that other Members are experiencing similar situations in their districts. I cannot stress enough that education is one area that should not be subjected to corner cutting and halfway measures, nor be compromised for the sake of bureaucratic convenience. The future of America rests with our young people; it is vitally important that we strive to provide the best education possible for each and every one of our Nation's children.

REFUGEE ASSISTANCE

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. ABZUG) is recognized for 5 minutes.

Ms. ABZUG. Mr. Speaker, tomorrow we will consider the Migration and Refugee Assistance Act and the refugee assistance appropriation. The purpose of these measures is to heal the wounds of war as best we can, and to aid political refugees. I believe that we must take this opportunity to assist our own political refugees who were earlier victims of this war, at the same time that we address the problems of the Cambodian and Vietnamese refugees.

Thousands of young Americans who refused to participate in the disastrous war in Indochina are still in exile in Canada, Sweden, and other countries. In addition to the Cambodians and Vietnamese who fled their countries, these Americans constitute another category of persons in need of assistance.

Therefore, I will offer amendments to the Migration and Refugee Assistance Act and the refugee assistance appropriation to point out the fact that we should address the issue of our own citizens who became refugees as a result of the war, as well as those from Indochina. The amendments are intended to indicate that American political refugees must also receive our attention at the same time that we consider the plight of these other refugees.

The amendment will expand the category of persons who are eligible for assistance to include Americans who were forced to leave the United States because of fear of persecution on account of their political opinion regarding the war, and who have returned to the United States.

A text of the amendments follows:

H.R. 6755

By Ms. ABZUG:

On page 1, line 10, strike out "aliens" and insert in lieu thereof "persons".

On page 2, line 1, strike out "Cambodia or Vietnam," and insert in lieu thereof "Cambodia, Vietnam or the United States".

On page 2, line 13, strike out "aliens" and insert in lieu thereof "persons".

On page 2, line 16, strike out "Cambodia or Vietnam" and insert in lieu thereof "Cambodia, Vietnam or the United States."

H.R. 6894

By Ms. ABZUG:

Page 1, line 5: After "Cambodia", insert ", the United States".

Page 2, line 6: After "Cambodia", insert ", the United States".

Page 2, line 14: After "Cambodia", insert ", the United States".

Page ----, after line ------: Insert the following additional section:

"SEC. 202. As used in this act, the term "refugees" shall have the same meaning as in the Indochina Migration and Refugee Assistance Act of 1975."

STATEMENT OF CHAIRMAN BROCK ADAMS ON CONFERENCE ON THE BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. ADAMS) is recognized for 15 minutes.

Mr. ADAMS. Mr. Speaker, I am taking this time to insert in the RECORD the following tables comparing the President's budget totals with the House and Senate budget resolutions and the final conference action on the first concurrent resolution on the budget.

COMPARISON OF BUDGET TOTALS, MAY 13, 1975

[In billions of dollars]

	1974 actual	1975 President's budget estimate	1976 President's budget as submitted	H. Con. Res. 218	S. Con. Res. 32	Final conference
Revenues	264.9	278.8	297.520	298.181	297.8	298.180
Budget authority	313.9	395.1	385.848	395.938	388.6	395.800
Outlays	268.4	313.4	349.371	368.213	365.0	367.000
Deficit	3.5	34.7	51.851	70.032	67.2	68.820
Public debt	486.2	538.5	596.427	619.900	617.6	617.600

HOUSE COMMITTEE ON THE BUDGET—BUDGET AUTHORITY, MAY 13, 1975

[In millions of dollars]

						Conference compared to—		
	Function	President's budget as submitted	H. Con. Res. 218	S. Con. Res. 32	Final conference action	President's budget as submitted	H. Con. Res. 218	S. Con. Res. 32
050	National defense	107,700	100,456	101,000	100,700	−7,000	244	−300
150	International affairs	12,627	4,677	6,000	4,900	−7,727	223	−1,100
250	General science, space, and technology	4,686	4,708	4,700	4,700	14	−8	0
300	Natural resources, environment, and energy	12,226	14,105	13,400	13,800	1,574	−305	400
350	Agriculture	4,273	4,273	4,300	4,300	27	27	0
400	Commerce and transportation	6,602	10,976	9,500	11,300	4,698	324	1,800
450	Community and regional development	5,164	10,814	6,000	11,000	5,836	186	5,000
500	Education, manpower, and social services	13,686	19,010	20,700	19,000	5,314	−10	−1,700
550	Health	31,022	33,112	32,600	33,100	2,078	−12	500
600	Income security	135,339	141,327	138,500	140,900	5,561	−427	2,400
700	Veterans benefits and services	16,163	17,998	17,600	18,000	1,837	2	400
750	Law enforcement and justice	3,169	3,291	3,300	3,300	131	9	0
800	General government	3,335	3,300	3,300	3,300	−35	0	0
850	Revenue sharing and general purpose fiscal assistance	7,305	7,305	7,300	7,300	−5	−5	0
900	Interest	34,419	35,000	35,300	35,000	581	0	−300
	Allowances	8,325	1,735	1,300	1,400	−6,925	−335	100
950	Undistributed offsetting receipts	−20,193	−16,193	−16,200	−16,200	3,993	−7	0
	Total	385,848	395,894	388,600	395,800	9,952	−94	7,200

HOUSE COMMITTEE ON THE BUDGET—OUTLAYS, MAY 13, 1975

[In millions of dollars]

						Conference compared to—		
	Function	President's budget as submitted	H. Con. Res. 218	S. Con. Res. 32	Final conference action	President's budget as submitted	H. Con. Res. 218	S. Con. Res. 32
050	National defense	94,027	90,195	91,200	90,700	−3,327	505	−500
150	International affairs	6,294	4,950	4,900	4,900	−1,394	−50	0
250	General science, space, and technology	4,581	4,599	4,600	4,600	19	1	0
300	Natural resources, environment, and energy	10,028	11,546	11,700	11,600	1,572	54	−100
350	Agriculture	1,816	1,816	2,000	1,800	−16	−16	−200
400	Commerce and transportation	13,723	18,460	16,600	17,500	3,777	−960	900
450	Community and regional development	5,920	8,998	6,600	8,650	2,730	−348	2,050
500	Education, manpower, and social services	14,623	20,426	19,400	19,850	5,227	−576	450
550	Health	28,050	30,702	31,000	30,700	2,650	−2	−300
600	Income security	118,724	124,859	126,100	125,300	6,576	441	−800
700	Veterans benefits and services	15,592	17,469	16,900	17,500	1,908	31	600
750	Law enforcement and justice	3,288	3,363	3,400	3,400	112	37	0
800	General government	3,180	3,350	3,200	3,300	120	−50	100
850	Revenue sharing and general purpose fiscal assistance	7,249	7,249	7,200	7,200	−49	−49	0
900	Interest	34,419	35,000	35,300	35,000	581	0	−300
	Allowances	8,050	1,460	1,100	1,200	−6,850	−260	100
950	Undistributed offsetting receipts	−20,193	−16,193	−16,200	−16,200	3,993	−7	0
	Total	349,371	368,249	365,000	367,000	17,629	−1,249	2,000

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OLDER AMERICANS MONTH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman for Indiana (Mr. BRADEMAS) is recognized for 5 minutes.

Mr. BRADEMAS. Mr. Speaker, I rise today to remind my colleagues that each year the month of May is set aside by proclamation of President Ford, to honor older Americans.

As chairman of the Subcommittee on Select Education, which has jurisdiction over the Older Americans Act and related legislation, I am particularly pleased to have the opportunity to pay tribute to our senior citizens. They have given much to our Nation and have much still to contribute.

But I must also note, Mr. Speaker, that the past contributions and accomplishments of the older Americans have not always been valued in our society.

Too often, Mr. Speaker, many of us have fallen into the trap of associating advancing age with negative and distorted images which reflect a stereotyping of older people. And it is obvious, Mr. Speaker, that even with the significant advances made in recent years on behalf of older Americans, we clearly have a long way to go before their economic and social equity is insured.

PLIGHT OF ELDERLY

Mr. Speaker, the present plight of many of the Nation's elderly can only be described as tragic. Consider that:

At least 16 percent of the 21 million Americans aged 65 and over are living in poverty;

Another 5 million cannot afford the Bureau of Labor Statistics "Intermediate Family Budget", which itself is an inadequate $5,200 annually for two people;

Medicare covers only 42 percent of the hospitalization costs of Americans aged 65 and over;

In 1973, over 19,000 retiring employees lost retirement benefits which had been guaranteed them because their pension funds were inadequately funded;

Property taxes have increased dramatically in the last 4 years, ravaging the budgets of elderly homeowners living on fixed incomes;

Over 1.6 million elderly live in housing that lacks plumbing facilities; and

Physical, psychological and economic barriers prevent the access of millions of senior citizens to public transportation services which for many is the only possible mode of travel.

Mr. Speaker, these are facts that we cannot ignore, and I would hope that this month would serve to remind us of the significant work we have ahead of us.

CONGRESSIONAL ACTION

However, Mr. Speaker, I also feel that during the month in which we are honoring our senior citizens we should also reflect briefly on some of the recent accomplishments of Congress which address some of the problems affecting older Americans.

Indeed, Mr. Speaker, during the last two Congresses we have developed considerable legislative momentum concerning social service programs for the elderly.

First, Mr. Speaker, let me remind my colleagues that in the last 5 years, Congress has approved social security benefit increases totaling 68.5 percent with the latest increase, signed into law in December of 1973, raising social security checks by 11 percent in 1974. Furthermore, 2 years ago we wrote into the Social Security Act provisions automatically to increase social security benefits as the cost of living increased.

Second, I think that the passage of H.R. 1 during the 92d Congress is without a doubt one of our greatest accomplishments on behalf of senior citizens.

This bill, Mr. Speaker, established the supplemental security income program. With the creation of the SSI program, millions of needy elderly, blind, and disabled Americans became eligible in January of 1974 for increased payments under the national uniform floor provisions of this act.

Third, during the 93d Congress, under the outstanding leadership of the gentleman from Pennsylvania (Mr. DENT) we made some significant improvements in the area of pension funds. Indeed, I think that it is not too much to say that this legislation will mean as much to the retired Americans as the passage of legislation to provide workmen's compensation and social security.

In addition to the three areas I have just mentioned, Mr. Speaker, during the last several years we have taken several initial but significant steps toward meeting other vital needs of older Americans in such areas as health, housing, and employment. But I hasten to add, Mr. Speaker, that these efforts in no way reach all of the older Americans who need assistance in these areas.

Mr. Speaker, I would also like to take this opportunity to recognize the fine efforts of the Members of the 94th Congress.

Although the 94th Congress has been in session only a few short months, we have already taken significant steps toward providing older Americans with the services and benefits they deserve.

Mr. Speaker, I here refer to the recent passage by the House of H.R. 3922, the Older Americans Amendments of 1975, which received the overwhelming support of Members on both sides of the aisle.

As my colleagues will recall, Mr. Speaker, the Older Americans Act provides States and localities with funds to support and develop a comprehensive service system for the elderly, and since its inception in 1965 this legislation has done much to stimulate coordination of local services and provide badly needed nutrition and employment programs.

It goes without saying, Mr. Speaker, that many of us worked long and hard on the extension of the basic components of the Older Americans Act. I am particularly proud of some of the new provisions which we were able to add this year.

Let me briefly describe the new provisions I consider to be the most significant.

First we added a new title VIII to the Older Americans Act which will encourage new support for services designed to help older citizens avoid institutionalization and as a consequence live more meaningful, independent lives.

More specifically, Mr. Speaker, the new title VIII would allow States to develop homemaker and other home services, counseling and legal assistance services, programs of residential repair and renovation, and transportation services. In addition, this new title provides for the creation of programs to subsidize mortgage interest and insurance payments on residential facilities which have been converted to meet the specific needs of the older adults.

Another important provision of the recently passed Older Americans Amendments is the new Age Discrimination Act. Mr. Speaker, this provision is potentially the most important and far-reaching legislation we have passed to aid older Americans in recent years. When enacted, this act would prohibit discrimination on the basis of age in any program or activity receiving Federal financial assistance. Clearly, Mr. Speaker, this portion of H.R. 3922 enunciates a much needed national policy that discrimination against the elderly based on their age will not be tolerated, and the Age Discrimination Act provides a reasonable mechanism for enforcement of this policy.

Mr. Speaker, I believe the House can be proud of our work on H.R. 3922, the Older Americans Amendments of 1975, and I hope that our colleagues in the Senate will move quickly to support this effort on behalf of our senior citizens.

CONCLUSION

In conclusion, Mr. Speaker, I hope that during this month in which we are honoring older Americans, my colleagues will join in reaffirming our commitment to America's elderly. We have already made a fine start with the passage of H.R. 3922, but, it is only the beginning. We have much still to do before the rich promise of American life is realized for all of our Nation's older citizens. Let us take this opportunity to redouble our efforts on their behalf as we also congratulate them for their invaluable contributions to our Nation.

PRESIDENTIAL PROCLAMATION OF OLDER AMERICANS MONTH, 1975

Mr. Speaker, at this point in the RECORD, I insert the text of President Ford's proclamation of Older Americans Month, 1975:

[Proclamation 4371]

OLDER AMERICANS MONTH, 1975

(By the President of the United States of America)

A PROCLAMATION

There is increasing awareness throughout America of the growing national resource represented by our older citizens. Their collective knowledge, experience, and energy can contribute significantly to raising the quality of life for all Americans.

As we approach our national Bicentennial, it is important to take special notice of older Americans. They have made and are making significant contributions to our Nation. It is fitting that we not lose sight of the continuing contributions this generation can make nor of our commitment as a society to meet their needs.

The first White House Conference on Aging in 1961 produced a Senior Citizens Charter of Rights and Obligations. The second White House Conference on Aging, held in 1971, broadened that recognition and deepened our commitment to providing opportunities to our older citizens for maintenance of income and health and for self-realization and continuing usefulness. It is appropriate to update the Charter in the light of growing knowledge and recognition of the needs and abilities of our older citizens. People of all ages should join in the development of a Declaration of Rights and Obligations of Older Persons so that it can be proclaimed as part of our Bicentennial celebration.

Now, therefore, I, Gerald R. Ford, President of the United States of America, do hereby designate the month of May 1975 as Older Americans Month. I urge everyone to participate in the efforts to achieve the goal of proclaiming a new Declaration of Rights and Obligations for Older Persons, which can become a rallying point for our Nation during the Bicentennial year of 1976 and a guide to action during the years ahead.

In witness whereof, I have hereunto set my hand this first day of May, in the year of our Lord nineteen hundred seventy-five, and of the Independence of the United States of America the one hundred ninety-ninth.

GERALD R. FORD.

[FR Doc. 75-11797 Filed 5-1-75; 12:45 pm]

JOINT COMMITTEE ON DEFENSE PRODUCTION TO INVESTIGATE MISUSE OF PRIORITY SYSTEM UNDER DEFENSE PRODUCTION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PATMAN) is recognized for 5 minutes.

Mr. PATMAN. Mr. Speaker, I wish to announce that the Joint Committee on Defense Production, which I chair, will be holding oversight hearings on the 22d and 23d of May on the defense priorities system and the special priorities assistance programs. Both of these programs have been established under authority contained in the Defense Production Act of 1950, as amended. These hearings will be the first in a series designed to review programs established under the act, which our committee oversees.

It has recently come to my attention that the administration and orientation of these programs may not be entirely in accord with the intent of the legislation which authorizes them. Furthermore, programs such as these, which grant preferential treatment to certain, specified types of Government contracts, must always be closely monitored to prevent any abuse of the preferences or priorities.

We are particularly concerned that there may be cases of abuse or misuse under the present ground rules for the priorities system. For example, we will be looking into the possibility of overbuying on defense-rated orders, into extensions of defense ratings by suppliers to non-Government-approved contracts, into items purchased through rated orders being shipped to agencies other than the Department of Defense or other "ratable" agencies, and into the setting of unrealistic delivery dates on defense-rated orders.

It is our understanding that the Department of Defense places priority ratings on virtually all of its purchase contracts, except those relating to food, petroleum, and Corps of Engineers civil projects. We believe there is a real question as to whether the framers of the Defense Production Act intended that it should be used to obtain priority procurement of office furniture, sheet music, smoker's articles, television sets, and items of this nature.

Likewise, we have determined that munitions and weapons purchased by the Department of Defense for resale to foreign governments are procured on a priority basis. While the act does permit priority purchases for military assistance programs, we think it is legitimate to ask at this time whether the simple cash or credit arms transactions which comprise the foreign military sales program are truly of a "military assistance" nature or whether they are merely business deals.

There are other uses of the defense priorities system which disturb us. A few years ago it was used to acquire 100 tons of copper and 4,000 tons of steel for construction of a Voice of America transmitting and receiving station in Kavalla, Greece. I think it is very questionable whether this kind of project is directly related to the national defense. And the act is very specific on this point of direct relationship.

There are persistent rumors, moreover, the chlorine and ammonia fertilizer purchased by the military on a priority basis found its way into officers club swimming pools and onto military golf courses at a time when municipal water treatment plants and our farmers were having difficulty in obtaining these same chemicals.

It is instances of this latter kind—where the priority system appears to intrude on the operation of the economy without any adequate justification—that may prove to be of greatest concern. We are aware, for example, of competition between the military and the civilian sector for such products as oilfield tubular goods and steelplate for tanker construction. In our present energy-pinched condition, it is worth asking whether certain energy-related programs may not be of greater importance than certain military programs and, therefore, more deserving of priority treatment.

It cannot be doubted, too, that when some two-thirds of our current military procurement budget of $40 billion qualifies for priority treatment, there is going to be an adverse impact on the economy in terms of delays, disruptions, and inflationary pressure in the civilian sector. Some of this impact may be justifiable, but I think the blanket and unquestioning application of military priorities to nonessential items such as furniture and sheet music has to be rigorously examined.

Our hearings, therefore, will examine the defense priorities system and the special priorities assistance program from three points of view: First, administration and operation; second, application and interpretation of the Defense Production Act; and third, the impact of the priorities system on the economy.

The hearings scheduled by the joint committee will be open. The hearing on May 22 will be held in the AEC hearing room, S407, U.S. Capitol and will begin at 2:30 p.m. The May 23 hearing will begin at 10 a.m., in room 5302, Dirksen Senate Office Building.

The witnesses scheduled to testify are: Gen. Leslie W. Bray, Jr., Director of Preparedness, GSA; Honorable Donald Johnson, Deputy Assistant Secretary of Commerce for Domestic and International Business; Mr. Richard W. Gutmann, Director, Procurement and System Acquisition Division, GAO; and Honorable Jacques Gansler, Deputy Assistant Secretary of Defense for Materiel Acquisition.

CATHY AND GEORGE: BENEFACTORS TO US ALL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DANIELSON) is recognized for 5 minutes.

Mr. DANIELSON. Mr. Speaker, on June 7, 1975, Cathy and George Hensel, two outstanding citizens of southern California and of the 30th Congressional District, will be honored at a testimonial dinner by the City of Hope, a leading medical and cancer research center. I am happy to join in thanking Mr. and Mrs. Hensel for their unselfish service to our community. It is only fitting that the Hensels will receive the Spirit of Life Award, the City of Hope's highest honor, because these two people, in addition to their active work on behalf of the City, have done so much for the betterment of mankind. I wish to call their civic activities to the attention of my colleagues as examples of good citizenship.

Cathy and George Hensel of Montebello, Calif., have been active participants in both business and community service associations in my district for many years. Mrs. Hensel is vice president of California Safety Center, Inc., secretary of the Country Club Investment Corp., member of the board of directors of the Pan American Bank, on the board of directors of the Montebello Chamber of Commerce, vice chairman of the board of managers of the East Los Angeles YMCA, past president of the Montebello Toastmistress Club, and was a candidate for the Montebello City Council in the 1974 election. She is currently president of the East Los Angeles Rotary Anns.

George Hensel is president of California Safety Center, Inc., vice president of the Country Club Investment Corp., and president of the Driving School Association of America. Besides his active participation in various driving school and safety associations, Mr. Hensel has been involved extensively in the civic affairs of his community. He is presently a planning commissioner and is past chairman of the Montebello Planning Commission. As past president of the Monterey Park Toastmasters Club and the East Los Angeles Rotary Club, as well as the current governor's representative for Rotary District 535, George Hensel has continually worked for the good of the community.

It should be noted that all the proceeds from this dinner will be used to establish the Cathy and George Hensel Research Fellowship at the City of Hope.

The City of Hope, through its medical

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care and research in the major catastrophic diseases of cancer and leukemia; heart, blood, and respiratory afflictions; diabetes and other metabolic disorders; lupus, Huntington's disease; genetics and the neurosciences, has brought real hope to Americans everywhere. But the City of Hope would not be possible if there were not people like Cathy and George Hansel. Their countless hours of work for that great institution should be a model for us all.

NATION'S BUSINESS PAYS DESERVED TRIBUTE TO THE HONORABLE JOE L. EVINS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. FULTON), is recognized for 5 minutes.

Mr. FULTON. Mr. Speaker, among the many needed and positive reforms which have occurred in this body recently one of the most important and significant is that of making the Committee on Small Business a standing committee.

The need for this was obvious and the action long overdue. In addition, the action by the House was a deserved tribute to the committee's very distinguished and able chairman, my colleague from Tennessee.

The new role which the Committee on Small Business is playing as well as that which it has played under the leadership of Chairman EVINS is the subject of an article in the May 1975 edition of Nation's Business.

I place that article in the RECORD and commend it to the attention of my colleagues:

[From Nation's Business, May 1975]

WATCHDOG WITH A BIGGER BITE

The owner of a gasoline station was told by his supplier, a major oil company, that the property's appearance had fallen below the company's standards and that the firm would no longer sell him gasoline. The news was a crusher, since the owner could find no other source.

Operators of small trailer parks near two U.S. Navy installations had a similar hairy experience. They saw their business threatened by government plans to build duplicate facilities on the military bases.

Red tape was strangling other entrepreneurs. They sought Small Business Administration loans to finance the cost of complying with orders from the Occupational Safety and Health Administration. They ran into long delays.

A small baker supplying an Air Force base under a fixed-price contract also had a bone to pick with Washington. Soaring costs of sugar and other ingredients threatened him with bankruptcy.

As so many do, each businessman turned to his U.S. Representative about his problem, and the Congressman contacted a familiar source for help in such matters—the House Small Business Committee.

Committee personnel arranged a compromise for the gasoline-station owner: The oil company would continue to supply him but his signs and pumps would no longer associate his station with the company.

The Navy agreed to drop plans for building the competing trailer parks.

The Small Business Administration and the Occupational Safety and Health Administration developed ways to cut the red tape on loans for safety improvements.

The Air Force terminated the fixed-price bakery contract and negotiated a new one on a current-price basis.

Those cases, a tiny sampling of many dealt with by the Committee, demonstrate why now, more than ever, it considers itself the small entrepreneur's ombudsman in the nation's capital.

Its work has taken on added significance because of the problems thrust onto business by inflation, recession, energy supply worries and the thicket of new federal regulations.

PROMOTED

In Congress, the House has generally taken the lead in the small business area, which covers the vast majority of companies. This was demonstrated by the upgrading of its Small Business Committee this year to the rank of "standing" committee, one with authority to send legislation to the floor in its own right.

During its 34 previous years of existence, Small Business had been a "select" committee, limited to investigating and reporting. (The Senate Small Business Committee remains "select.")

Now, the House panel has full legislative authority over the Small Business Administration, the operating agency for small business programs that originate in Congress. At the same time, it remains concerned about the full range of matters of concern to small enterprises, including the increasingly important issue of where to obtain capital. When it comes to legislation in those areas, the Committee continues to work through other standing committees with specific responsibility for such matters as taxes, government regulation and labor law.

Chairman of the Committee is Rep. Joe L. Evins (D.-Tenn.), who has represented his central Tennessee district in Congress for 28 years. A lawyer, he was on the Federal Trade Commission staff from 1935 to 1941, left for World War II service in the Army, then ran for the House on his return.

He has been on the Committee since 1949, and has headed it since 1966.

Congress has no more fervent supporter of small business than Joe Evins, who declares: "We have nearly nine million small businesses in this nation and they represent 95 per cent of all businesses and 50 per cent of the entire national payroll. They are a very important segment of our economy."

BATTLE WITH BIG BUSINESS?

He's quick to assert that "we're not opposed to big business. We are for small business." But sometimes it appears the Committee does see battle lines shaping up.

For example, a recent Committee report declared: "Chain stores, joint ventures, the exodus to suburbia, urban renewal dislocations, discount houses, big business shopping centers, automation, electronic computers and the general trend toward giantism remind us that the competitive status of the small business segment of our economy must be constantly observed in order to maintain a truly competitive free enterprise system."

Chairman Evins keeps a wary eye on the Commerce Department and the Office of Management and Budget, viewing them as overly solicitous of big business.

OMB, claims Mr. Evins, is "the big-business-oriented arm of the Executive branch." He suggests that agency is one reason why the Committee has run into Administration opposition over the years in pressing for increases in the direct, as opposed to guaranteed, loan program of the Small Business Administration.

As for Commerce, what is now SBA was once the small business section of that Department—which "relegated it to a minor position," Rep. Evins charges.

Later, he says, "the Commerce Department tried to recapture SBA. President Johnson sent John Connor, his Secretary of Commerce, to see me to ask if I would contact some key members around the Hill about putting SBA back into the Department."

But SBA's status as an independent agency was secure: "I opposed it," says the chairman. "The Congress opposed it. We said we wanted a one-stop, independent agency."

SBA today has 4,500 employees and a budget in excess of $112 million. In addition to its Washington headquarters, the agency has 99 regional and other field offices.

To Chairman Evins, calling attention to the availability of SBA programs and fielding problems of businessmen who ask for assistance are important extras to the Committee's main job of legislation.

HOW TO GET HELP

He advises businessmen to seek help either through their local SBA office, their Senators and Representatives or directly through his Committee. But he suggests that anyone turning to Congress should first get in touch with his own Senators or Representatives, who screen such requests for routing to the Committee or elsewhere.

Generally, a small business is one that is independently owned and operated, that is not dominant in its field and that meets size standards set by SBA.

A manufacturer is considered a small business if its payroll for the four calendar quarters preceding a loan application did not average over 250 employees. But firms with up to 1,500 employees might qualify as small businesses, depending on their ranking in a particular industry.

For other businesses, the yardstick is sales. In wholesaling, the maximum sales level ranges from $5 million to $15 million, depending on the type of business; in retailing or service, it's $1 million to $5 million.

As part of its change from select to standing status, the House Committee was enlarged—from 19 to 37 members—and its subcommittee structure was revised.

The additions include Mrs. Millicent Fenwick (R.-N.J.), the Committee's first woman member, and Rep. Berkley Bedell (D.-Iowa), who, with the help of an SBA loan, built a fishing-tackle business into a $3-million-a-year enterprise. In 1964, he received the first annual Small Businessman of the Year award from then-President Johnson.

AN INDEX TO CONCERN

A list of the subcommittees, with their chairmen, serves as an index to the areas of Committee concern:

Energy and Environment—Rep. John Dingell (D.-Mich.).

Small Business Administration and Small Business Investment Company Legislation—Rep. Neal Smith (D.-Iowa).

Government Procurement and International Trade—Rep. James C. Corman (D.-Calif.).

SBA Oversight and Minority Enterprise—Rep. Joseph P. Addabbo (D.-N.Y.).

Activities of Regulatory Agencies—Rep. William L. Hungate (D.-Mo.).

Commodities and Services—Rep. Charles J. Carney (D.-Ohio).

Rep. Silvio O. Conte (R.-Mass.), who has been in the House 16 years, is senior minority member of the Committee, which generally has been free of political squabbling. Chairman Evins describes its activities as essentially "nonpartisan."

Says Rep. Evins: "Congress has declared on a number of occasions that it shall be national policy to aid, counsel, promote and protect, insofar as possible, the interests of American small business. The Committee's concern is to carry out this mandate. . . .

"The Small Business Committee serves our colleagues in the House, our constituents, the small business sector of the economy, and our country."

GREY IS BEAUTIFUL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. RANDALL) is recognized for 15 minutes.

Mr. RANDALL. Mr. Speaker as chairman of the Select Committee on Aging and as chairman of the Subcommittee on Retirement Income which concerns itself with age discrimination in employment, I take this time to commend the work of an organization known as the Grey Panthers.

It is interesting to note that nearly everyone quite naturally refers to this group as an organization. In a recent discussion with some of the membership one evening over at the showing of a film at the Kennedy Center, sponsored by this group, I discovered that they preferred not to be known as an organization but rather as a "network."

Now I am not sure of the reason for the preference to be known as a network rather than an association or a club, or a council, but I am convinced that the choice of a name does not lessen either their enthusiasm or thier effectiveness.

One of the paramount objectives of this network is to fight age discrimination and the method they propose to use is to have "awareness of age" sessions in nursing homes, hospitals, and just about any place where there are older people.

It is interesting to note that this network of Grey Panthers plan to use political power to support thier objectives, such as nutrition programs, housing legislation, and tax reforms for the benefit of the elderly. They do not conceal the fact that they plan active lobbying, encouraging letters to Congressmen written from a nursing home bed.

Although the Grey Panthers have adapted the name and some of the techniques of militant groups of blacks and women, they have additional dimensions beyond the work of either of these groups.

The philosophy which they have advocated, in my judgment makes sense when they point out that if you are put out of a job at age 55, because you are "old," you are going to feel old, and worse than that, this discrimination will make you feel useless, ugly, and worn out.

My hand is raised in salute to this network of Grey Panthers. I hope their numbers increase and that their program to combat age discrimination in employment is successful.

Mr. Speaker, I now read into the RECORD an article that appeared in the Washington Post on Wednesday, May 4, 1975, by Judith Martin, entitled "Grey Is Beautiful":

[From the Washington Post, May 7, 1975]

GRAY IS BEAUTIFUL

(By Judith Martin)

The concept that gray is beautiful—and that so are wrinkles and retirement—does not come easily, even to Gray Panthers. So the local branch of the national organization to fight age discrimination is planning "awareness of aging" sessions in area nursing homes, hospitals and among other groups of old people.

The idea is, of course, that of consciousness-raising groups as in the women's liberation movement. Bee Wolfe, 61, a social worker who has worked in feminism and is now on the health committee of the Gray Panthers, describes it as going from "ending our isolation" to "getting to like our own bodies" to "using our power as citizens" to "realizing that what's wrong is not in us, but in the society."

All of this gets translated into the special problems of the aged. Ending isolation, she said, may begin with something as simple as discovering that "you're not the only one who finds it hard to get a bus." Using political power to support Gray Panther objectives—clinics, nutrition programs, housing legislation, tax reform and expanded benefits to meet the needs of the elderly—may be anything from active lobbying to a letter written to a congressman from a nursing-home bed.

Being considered a sex object is not one of the difficulties. But being considered a sexless one is. One topic which is expected to be discussed is what to do when your children chide you for having a sex life—many old couples don't marry because it reduces their financial benefits. And children sometimes "try to make you feel ridiculous."

But although the Gray Panthers have adapted their names and techniques from militant groups of blacks and women, they have an added dimension to the difficulties with lack of self-appreciation and confidence commonly experienced among those who have been put down by the society.

No one was born old. An old person is as likely as a young one to have prejudice against the aged.

Among the Gray Panthers themselves, you hear such comments as "you look so young," "most of my friends are much younger than I am," and "I've never felt old."

The remarks imply an acceptance of youth-oriented culture and the hope of the individual to "pass" as something he or she is not.

"Our feeling about age is that you are what you always have been," said Mrs. Wolfe's husband, George Wolfe, 70, who is on the Gray Panther's steering committee.

"But youth has commonly been associated with curiosity, creativity, growth and involvement, and sometimes when we used the word 'young', that's what we mean."

Mary V. Phillips, 79, who is chairman of the mayor's advisory committee on aging of the senior citizens clearing house committee, said, "I don't know what you mean by 'growing older.' I have arthritis so bad I'm almost crawling—but I was 16 when I had the first attack."

A retired beautician, she was quick to say that she disapproved of dying gray hair not only "because it's artificial, but if it fails, you see red and green streaks." And one blamed industry for turning out only youthful clothes, so that it is impossible to find such things as knit slips and heavy nightwear.

But, she added "when the government puts you out of a job at the age of 55 because you're 'old', you're going to feel old," in the sense which society uses the term—useless, ugly and wornout.

"Bodies break down—we don't deny that," said Lillian Morrison, 67, of the Panthers' steering committees. "But I don't find that distasteful. Everybody's going to be young, middle-aged, and old, and some people are going to be late bloomers."

She saw some hope in "the American people learning to live on a simple level, cultivating inner resourcea. If ideas and conversation become more important, she feels, old people will be more valued for their experience.

Wolfe also sees a change from the revival of crafts and communal living. "As the idea of progress loses its charm, people are more interested in the old skills, such as making musical instruments, which old people may know. It's not a big trend, but it's in the right direction. Old people have been welcomed in many communes, because they know farming."

"If you're going to have a good old age, you have to be trained for it from childhood," said Mrs. Phillips.

SURVEY SHOWS ILLINOIS 18TH DISTRICT WOULD FOREGO TAX CUT FOR BALANCED BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. MICHEL) is recognized for 5 minutes.

Mr. MICHEL. Mr. Speaker, over 80 percent of the people in my congressional district would forego a tax cut if it meant a balanced budget, according to a survey which I have just taken.

I think that is a remarkable testimony to just how aware the people are of the tremendous burden of Federal budget deficits. Frankly, I was surprised at the lopsided results on the question, but it seems to me that it is a clear indication that the people understand the need for fiscal restraint in government, and are willing to support strong measures to combat deficit financing.

The Congress should take heed of this sentiment, I think, and not presume that there is general support for massive spending proposals.

My constituents also voiced strong feelings on a series of energy related questions. Almost 90 percent said they were concerned that we are dependent on foreign sources for 40 percent of our oil needs.

Moreover, they strongly favor the relaxation of environmental regulations as a solution to the problem; 74.5 percent favor the lessening of automobile emission standards, and 79 percent said the restrictions on the burning of coal should be relaxed.

They clearly do not favor gasoline rationing, with over 80 percent being opposed to the suggested 10-gallon-a-week rationing proposal. In spite of that feeling, however, most of those responding would not agree that "getting all the gas you want is more important than the price you pay."

They also do not feel that a 10-cent-a-gallon tax would be effective in reducing gasoline consumption; 64.1 percent said they would not drive less if such a tax were passed, as has been suggested by leading Democrats here in the Congress.

Nonetheless, there is not a general consensus that the President has a viable energy program either.

My survey asked three other important domestic policy questions. My constituents clearly do not feel that public employees should have the right to strike, with 68.5 percent feeling that they should not. They do feel however, that food stamps ought to be limited to families whose total annual income is $5,000 or less. The margin on that question was an overwhelming 76 percent.

They strongly support President Ford's proposal for a 5-percent ceiling on automatic cost of living increases in Government and military retirement pay and social security benefits.

Mr. Speaker, I wish to thank the thousands of people who took the time to return the questionnaire. They have performed a public service by assuring that their views will be considered in this Congress, and so that all Members might have the benefit of seeing the complete results of this poll, I include the following table in the RECORD:

RESULTS OF 18TH CONGRESSIONAL DISTRICT (ILLINOIS) SURVEY CONDUCTED BY CONGRESSMAN BOB MICHEL

	Percent—		
	Yes	No	Undecided
1. Does it concern you that we are dependent on foreign sources for 40 percent of our oil needs?	89.5	7.3	3.2
2. Do you feel the President has a viable energy conservation program?	29.0	61.4	9.6
3. Would you drive less if gasoline taxes were increased 10 cents a gallon?	32.5	64.1	3.4
4. Is getting all the gas you want more important than the price you pay?	44.5	50.8	4.6
5. Do you favor gas rationing with a 10 gallon per week basic allotment?	15.3	81.2	3.5
6. Do you favor relaxing auto emission standards to ease the energy crisis?	74.5	21.3	4.1
7. Should we relax the restrictions on the burning of coal to help conserve oil and gas?	79.0	17.2	3.7
8. Should we decontrol the price of natural gas to get a more abundant supply?	45.0	47.7	7.3
9. Would you forego a tax cut if it resulted in a balanced budget?	80.8	15.0	4.3
10. Do you think that employees of local, State and Federal Government should have the right to strike?	27.7	68.5	3.9
11. Should food stamps be limited to families whose total annual income is 5,000 or less?	76.0	19.7	4.3
12. Do you agree that there should be a 5 percent ceiling this year on automatic cost of living increases in government and military retirement pay and social security benefits?	69.1	26.7	4.2

A BILL TO REDUCE UTILITY RATES BY PREVENTING UTILITY ADVERTISING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, I am introducing today a measure that I believe is long overdue in an era of critical energy shortages and rapidly rising rates for gas and electricity consumers. My bill would amend the Internal Revenue Code of 1954 to prohibit utility company deductions from income for advertising and promotion. It is inconsistent to provide a tax deduction for advertising promoting energy consumption in this time of energy crisis.

Although there are no precise estimates on the total amount of money spent by private electric and gas utilities on advertising and promotion each year, my figures show that in 1972 alone—the most recent year that Federal Power Commission comprehensive statistics are available—over $222 million was spent on only two reportable categories in the FPC accounting system (see CONGRESSIONAL RECORD, July 23, 1974, H6975). Hidden expenditures and advertising and promotion expenses that are reported in other FPC accounts could very well increase that amount to well over a half a billion dollars per year—with that level showing every indication of increasing by leaps and bounds.

What most consumers do not recognize is that almost every penny spent by private gas and electric utility companies on ads and promotion is passed directly through to the consumer in his bills. Those two-page ads extolling the virtues of "all electric" homes, the pages and pages of one Government regulation or another, and those fancy colored ads that tell us, over and over, how hard a utility is working to make our lives sweet, warm and wonderful, are all paid by the everyday consumer in his gas and electricity rates.

This situation—payment by the ultimate utility consumer for advertising that is aimed directly at him, is allowed in most States. Only a few States require that advertising and promotion expenses be treated as nonoperating expenses, thus preventing them from being used in computing the rate base that will determine consumer charges. Nonoperating expenses must instead be borne by the shareholders of the utility.

There is every indication that forcing the utility itself, through its shareholders, to pay its own bills for advertising and promotion, results in a marked decline in the level of those expenditures. My bill would force utilities to pay their advertising bills out of profits instead of tax deductions or utility bills.

Reduced utility company advertising is a growing national trend. Four States, Oklahoma, New Hampshire, New York, and Vermont, have already adopted general laws restricting utility advertising; eight more have investigations underway to consider the subject. Since 1969, courts and public utility commissions in 25 States have ruled on the propriety of utility advertising expenses, with 19 States declaring that at least a portion of utility advertising expenses are not allowable.

Voluntary compliance with public utility commission orders restricting utility advertising expenditures indicates that utility companies realize the irrationality of their advertising, but will only succumb to reason and end it when confronted with Government decisions.

Foremost among these reasons is the fact that our country is in the midst of a severe energy crunch. We cannot go on devouring our energy resources at the present rate and expect them to last.

But despite the obvious need for national conservation, gas and electric utilities have gone on advertising and promoting the use of energy as if there were no problem. Despite experiences of blackouts and brownouts in almost every section of the country, utilities have continued, and even increased the huge amounts of money they spend to encourage energy consumption.

Why do utilities maintain this position? How can they afford such profligate spending in the face of huge energy shortages? Simple, they let their consumers pay advertising bills by passing the cost along in utility bills. Since utilities can advertise at no expense to their shareholders, they have no incentive to do otherwise.

Another important consideration in determining the propriety of utility advertising is the marketplace status of the private utility. It is competing in the free market for a limited amount of customers? Is advertising and promotion of its services and products essential to solicit even a bare minimum of customers and income? Absolutely not.

Private gas and electric utilities enjoy a status that few businesses have—they operate as a sole-source monopoly supplier that is guaranteed a reasonable profit by law. It is not clear that any advertising of a sole-source monopoly product is necessary, let alone the extensive campaigns and spending levels that utilities now engage in.

Gas and electricity consumers are in the midst of unparalleled rate increases—some cities have seen their rate doubled in a matter of several years. While there is usually a reasonable justification for at least a part of these increases, it makes absolutely no sense whatsoever to force consumers to pay more in order for utilities to advertise more. This legislation would be one step toward easing the fuel bills of the American public.

CONGRESSMAN MADDEN'S ADDRESS TO THE AMERICAN FEDERATION OF TEACHERS

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, last Saturday, May 10, 1975, our colleague, Mr. MADDEN of Indiana, addressed a workshop of the American Federation of Teachers in Gary Ind. Chairman MADDEN has long been a supporter of increased benefits for teachers and I am submitting his statement to the AFT in order that we may have the benefit of his knowledge and views:

REMARKS OF CONGRESSMAN RAY J. MADDEN

I wish to commend the members of this organization for their outstanding interest in devoting their careers to improving, expanding, and making it possible for millions of American youths to secure the most valuable asset a free nation can offer, and that is primary education, basic education and educational advancement for people in all walks of life . . . including our senior citizens.

As I look back and review some of the difficulties and hardships our schools, colleges, and universities have had in securing proper funds to aid in paying qualified instructors and teachers and to expand educational facilities, it astounds me that in this land of ours, we have achieved such remarkable accomplishments in education, during the last 25 years.

I would like to mention at this time one of the many steps forward and that was the Elementary and Secondary Education Act of 1974.

On August 21, 1974, the President signed a major bill extending the Elementary and Secondary Education Act, and making major revisions in the programs it authorizes.

Let me recall some of the provisions of the Elementary and Secondary Education Act of 1974 as passed by Congress and approved by President Ford.

1. An extension of the Title I program for three more years with updating of the formula used for distributing its funds.
2. Extension of the Education of the Handicapped Act.
3. A study by the National Institute of Education of compensatory education.
4. A guarantee of priority in the compensatory education program for handicapped children in state-supported or operated institutions.
5. Extension of the Adult Education Act.
6. Extension of the Impact Aid Programs for one more year.
7. The creation of a new Community Education Program; and
8. An extension of the Bilingual Education Act.

COLLEGES AND UNIVERSITIES

The bill was amended in the House to include a formula which incidentally will increase Indiana's share of the Title I funds from $16 million in Fiscal Year 1974 to $24 million in Fiscal Year 1975.

We also extended all existing programs of aid to colleges and universities under the Higher Education Acts of 1963 and 1965, including construction loans and grants, aid to developing institutions, and programs for library support.

In addition, the law authorized, at the level of $275 million over three years, start-up and expansion grants for community colleges.

Beyond the establishment of the new program of Basic Opportunity Grants, I believe the most significant new feature of the 1972 law was a new program of Direct General Institutional Aid.

Under this provision, ninety percent of the funds an institution would receive depended on the amount of Federal student assistance flowing to that campus while ten percent of the money would be based on the number of graduate students enrolled there.

This provision was designed to give some relief to our financially hard-pressed colleges and universities, while at the same time taking into consideration the fulfillment of a national priority—insuring equal educational opportunity for all students, regardless of their economic background.

Let me briefly remind you of the principal highlights of the Education Amendments of 1972, a measure signed into law during the last Congress, and one which has been described as the most significant legislation to help higher education since President Lincoln signed the Land Grant College Act over a century ago.

The law extended all existing programs of student assistance, including College Work-Study, National Direct Student Loans, Supplemental Educational Opportunity Grants, and the Guaranteed Student Loan Program for three more years.

We created a new program of Basic Educational Opportunity Grants under which each student would be entitled to $1,400 per year, less his expected family contribution.

We also created a new National Student Loan Marketing Association to buy, sell and warehouse Guaranteed Student Loans in order to stimulate students from families with incomes under $15,000 per year. These students are now automatically eligible to receive interest subsidy benefits on loans not to exceed $2,000 per year.

Students whose families have incomes above $15,000 per year are also able to receive subsidized loans provided they can demonstrate a specific need for the money.

Hopefully, the amendments recently approved by the Congress will help restore the Guaranteed Student Loan Program to an even keel, and once again do what it is supposed to do—help facilitate bank loans to students who need the money to go to school!

ARTS AND HUMANITIES

The Arts and Humanities extension substantially increases the authorization for the National Foundation for the Arts and Humanities—$597 million through June, 1976, compared with $80 million in 1973.

ENVIRONMENTAL EDUCATION

The Environmental Education extension authorizes $30 million through June, 1977, for programs to develop teaching materials for environmental studies, to train teachers, and to support ecology courses in schools, and community conferences on the environment for business, labor and government leaders.

ALCOHOL AND DRUG ABUSE EDUCATION

This extension authorizes $90 million during the next three years to continue support of drug and alcohol abuse. The law gives priority to school-based drug and alcohol abuse education programs and provides assistance for states and communities.

VETERANS

Millions of veterans and dependents have benefited from a series of new laws improving compensation, pension, health care and other benefits.

A Vietnam G.I. Education bill has been passed in differing versions by both Houses. The bill as approved by the House would provide a 22.7 percent increase in education benefits and an 18-percent increase for rehabilitation and job programs. The conference report agreed to in the Senate would provide a 22.7 percent increase for all education and training, a $1,000 veterans loan program, and an extension of months of benefits from thirty-six to forty-five.

VETERAN COMPENSATION

Compensation increases are now being paid to 2.2 million disabled veterans and 392,000 survivors. The increases range from fifteen to eighteen percent, depending upon the disability. Dependent survivors get seventeen percent more.

These are just some of the activities affecting American education which have been going on in this Congress, some finished and some unfinished.

SENIOR CITIZENS

And there are, in addition, other battles to be fought, such as teaching our senior citizens productive and recreational skills like pottery, sewing, gardening, landscaping, minor plumbing, and so forth. These skills provide additional income, as well as a source of recreation and a brighter outlook to continue living as outstanding Americans.

SPECIAL FOOD SERVICE PROGRAM

I voted for the 1975 Summer Special Food Service Program for children which was mandated by P.L. 94–20 providing for food away from home. Special assistance is available in the summer program when all or nearly all participating children need free meals and the need cannot be met by the sponsor. A well nourished individual can function better than one with hunger pains.

The teachers' organizations throughout the nation have aided Congress in enacting constructive legislation due to their concentrated work, resolutions and endorsements bringing our schools, colleges and universities to their present high standard, especially in preparing millions of our American youth for the future.

DANGERS OF AN UPTURN

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, in today's Wall Street Journal there is a most interesting and, I think, excellent article by the Honorable Walter Heller, regents' professor of economics at the University of Minnesota and former Chairman of the Council of Economic Advisers under Presidents Kennedy and Johnson. Dr. Heller has had many other honors. The article by Dr. Heller entitled, "The Dangers Of An Upturn" is a challenging article to the Congress and to the executive branch of the Government. It points out the shortcomings of the course to which we are now committed. It emphasizes the advantages which would derive from a bolder course to lift this country out of the recession. Dr. Heller emphasizes also the terrific deficit in productivity as well as employment in this country from the high rate of unemployment that we have and from one-third of America's industrial capacity which is not in use. It would be well if those who speak only about the dollar deficit in the budget understood the far greater seriousness of this kind of deficit.

I commend, Mr. Speaker, this thoughtful article to my colleagues and to my fellow countrymen. It would be well if we gave careful consideration to what Mr. Heller has to offer. Follows the article to which I refer:

THE DANGERS OF AN UPTURN

(By Walter W. Heller)

That much heralded business upturn, not far off, will be the economic non-event of 1975. For while *business* will turn up, unemployment will hang high and unused capacity will be huge. The great danger is that Messrs. Burns and Simon, gaining aid and comfort from the upward *direction* of activity, will ignore the abysmal *level* of the economy and press their Holy War against inflation with recovery-aborting fervor.

Right now, we are in the darkness that comes just before the dawn. Unemployment is still rising, to a peak between 9% and 10%. Much consumer demand is being met from inventories instead of new production. Prospects for autos and housing range from feeble to anemic. Plant and equipment outlays are still being marked down.

But as the 1975 tax cuts pour into the economy, as inventories are drawn down and production steps up to meet the consumer demand, and as the pace of government spending (especially on defense) picks up, the economy should begin a rebound. Starting by July or August, it should carry real GNP upward at a 6–7% pace in the second half of the year.

Still and all, the dawn will break cold and grey for the unemployed. The jobless rate will hover near 9% throughout 1975. And this year's rebound will not become next year's recovery unless the forces that are turning the economy around are buttressed by monetary and fiscal policies for sustained expansion.

Before tossing our hats in the air at the first signs of an upswing, we should reflect a moment on the path of the stimulants that will bring it about:

Tax Cuts. After pumping money into the economy this quarter at a $50 billion annual rate, the injections will drop to a $15 billion rate in succeeding quarters. (In contrast, the 1964 tax cut, in today's terms, would have produced a sustained $26 billion rate of injection.)

Budget Stimulus. Even assuming expenditures in the neighborhood of $365 billion in fiscal 1976 and continuation of about $12 billion of the tax cuts next year, the budget will swing significantly toward restriction (by some $10 billion to $15 billion in full-employment terms between the first half of 1975 and the first half of 1976) at a time when recovery is still in its early stages.

Money Supply. After the temporary current spurt in money supply growth, the Federal Reserve will be tempted to go back to its "standard" 6% growth target. If it does, this alone could condemn us to a paltry 4–5% rate of increase in real GNP in 1976.

Inventories. The big spur to production implicit in the drop in inventory liquidation rates from a peak of perhaps $20 billion to the neighborhood of zero by the end of the year is hardly likely to be sustained via inventory accumulation in 1976.

THE WHIPLASH OF RHETORIC

Yet under the whiplash of the Ford-Simon-Burns rhetoric, even the *prospect* of an upturn is being used to mobilize the nation's continuing fears of inflation in a campaign against more expansionary budgetary and monetary policy. The upturn itself will give aid and comfort to that campaign. The forces then arrayed against vigorous policies for expansion would indeed be formidable:

The Federal Reserve, still smarting from charges of election-year overexpansion in 1972, will let its deep-seated anti-inflationary bias be its guide.

UMI

The White House, following its inherent economic conservation, seems ready to settle for a mild expansion and slow absorption of the unemployed.

Congress, intimidated by scare-talk about deficits and inflation and determined to demonstrate its fiscal responsibility under the new budget procedures, is likely to be imprudently "prudent." That is, in guarding against the distant threat of renewed inflation, it seems unwilling to deal boldly with today's deep recession.

This dangerously timid and restrictive mood—which, if it persists, could lead us from the 1974–75 recession, after a brief spurt, into a 1976 stagnation—seems to be rooted in neglect of some factors and misperception of others.

First, in its blind preoccupation with inflation, it seems to forget that (a) the ferocious inflation of 1973–74 is rapidly ebbing, (b) there is no reason to expect the forces that generated over one-half of that inflationary upsurge—two years of disastrous crop failures, a quintupling of oil prices and dollar devaluation—to recur during the expansion of the mid-1970s, and (c) a miserly monetary policy and restrictive fiscal policy would blunt both the upswing and productivity that can help us subdue inflation in the short run and the expansion of savings and capital spending that can forestall shortages in the longer run.

Second, in assessing the economy's capacity to absorb stimulus, we seem to forget that (a) this recession is twice as deep as any previous postwar recession, (b) while real GNP has dropped 8% in the past 18 months, potential GNP has also been rising (by 6%, if we use trend growth), thereby idling about $200 billion of our annual productive capacity, and (c) American industry is now operating at only two-thirds of capacity. It remains a chilling reality that three consecutive years of 7% real growth would still leave unemployment at more than 6% and that present policies provide no assurance that even 7% growth will be maintained in 1976.

Third, even the redoubtable John Dunlop, in expressing the fear that bottlenecks in primary processing industries will abort recovery, seems to forget (a) that operating rates in primary processing industries are running below 70%, and (b) that many of the 1973–74 shortages reflected a frenzied flight into commodities—partly protective, partly speculative—as much as, perhaps more than a genuine scarcity of materials for productive use, and (c) that many of these materials are only now being disgorged in 1975's massive inventory liquidation. True, that inventory liquidation makes the huge idle capacity today somewhat deceptive. But inventory gorging and hoarding also blew the bottleneck problem in 1973–74 out of all proportion.

Fourth, two major misapprehensions about the budget continue to plague the country and inhibit the Congress. One myth is that the huge federal budget is somehow the result of government profligacy. The facts are that (a) nearly $60 billion of the projected 1976 deficit is due simply to the ravages of recession (about $45 billion of reduced revenues and $15 billion of increased unemployment costs) and (b) the $4 billion overestimate of offshore oil lease revenues and a $6 billion or so underestimate of domestic expenditures bring Mr. Ford's deficit to some $70 billion—small wonder that Republican Senator Bellmon angrily accuses the White House of "phony" budget numbers.

A companion myth is that civilian spending is the main source of upthrust in the federal budget today. But it is defense purchases, already running several billion dollars above projections, that are programmed (according to the Special Analyses section of Mr. Ford's budget) to rise some $25 billion, at annual rates, in the next five quarters. Leaving aside the energy program and the rise in unemployment benefits, the Ford budget for fiscal 1976 projects an 11% increase in defense expenditures, 9% for income security, 6% for health and zero for education, manpower and social services.

THE COSTS OF STAGNATION

Fifth, those who shrink from vigorous expansionary policies are also forgetting the huge costs of continued stagnation, not only in the human terms of intolerably high unemployment and intolerable losses of output, but in terms, already mentioned, of the productivity advances and capital formation foregone in a stagnating economy.

Is this an argument for pulling out all the stops? No, but it is an argument for stopping all the pulls—the downward pulls of niggardly monetary policy, a fading tax cut and parsimonious budget policy.

The Fed should lose no time in assuring the country that it will accommodate expansion, even if this means going beyond the newly declared 5% to 7½% monetary growth range, as it surely does.

The Congress should move promptly to make crystal clear, preferably by early reenactment, that the $12 billion to $13 billion of tax cuts beyond the rebate, Social Security payments and housing credit will continue in 1976.

Congressional spending and deficit targets should be adjusted to allow an added $5 billion to $10 billion for recovery programs targeted to areas of high unemployment and effective only as long as national unemployment exceeds a triggering level, e.g., expanded unemployment compensation and public service jobs and a new program of counter-cyclical assistance to hard-hit state and local governments, all of which would gradually self-destruct as the economy regains its health.

A year from now will be plenty of time for another look at expansionary policies. Even if we follow a resolute program of expansion, one that would boost real GNP at an 8% annual rate, we would still find the U.S. economy in mid-1976 with 7½%–8% unemployment, with output running some $125 billion below its potential, and with shortages and bottlenecks still no threat. That will give us plenty of time to review the bidding and determine whether, when and how restraint should be applied. To do it at the first sign of an economic upturn would be an abject confession of economic bankruptcy.

The danger of an upturn, then, is that the Burns-Simon axis will mistake the warm and gentle zephyrs of the rebound for the gathering winds of a new inflation—to be leaned against in the best (or worst) Fed tradition and to be used as a club against bold congressional action. The consequence? The rebound may never become a recovery. If the White House and the Fed, hypnotized by the fear of inflation, quickly turn from expansion to restriction, they will snatch defeat from the jaws of victory.

WHAT PRICE PEACE?

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, the U.S. News & World Report in their issue of April 24, 1975, printed a thought provoking, hard hitting editorial from the pen of Howard Flieger. I strongly recommend careful reading by the Members of Congress and I submit it for reprinting by the CONGRESSIONAL RECORD:

WHAT PRICE PEACE?

(By Howard Flieger)

Will American governments never wake up to the tragic futility of negotiating "peace with honor" with Communists?

Their violation of the Vietnam armistice is so massive its cynicism is overwhelming. Lost in the debacle is one point that is symbolic of the calculating way the Communists will exploit anything they sense as an advantage handed them in good will.

Consider the case of the 1,300 Americans still listed as missing in action in Indo-China. What has become of Hanoi's solemn agreement to help account for them?

Nothing. Instead, it is possible that many of them and their families are being used as pawns to try to wring further humiliating concessions out of the United States.

It might not be a bad idea for all of us to refresh our memories on the deal with the Communists that terminated America's direct combat role in the Vietnam War.

An "Agreement on Ending the War and Restoring Peace in Vietnam" was signed in Paris on Jan. 31, 1973, providing an immediate cease-fire. Imbedded in Article 8 of that agreement is this stipulation:

"The parties shall help each other to get information about those military personnel and foreign civilians of the parties missing in action, to determine the location and take care of the graves of the dead so as to facilitate the exhumation and repatriation of the remains, and to take any such other measures as may be required to get information about those still considered missing in action."

At a White House news conference, Henry Kissinger, then President Nixon's adviser on national security affairs, said "the accounting of the missing in action is unconditional and will take place within the same time frame as the American withdrawal."

But, once the deal was signed, the Communists didn't even bother to pay lip service to their pledged word. They did exchange war prisoners. They returned the bodies of 23 Americans who had died in captivity. But they did nothing about the missing in action then. They have done nothing about them since.

It must be said that, so far as anything is visible on the record, the U.S. Government has done little to try to force the Communists to keep their word.

Despite Mr. Kissinger's statement, no actual deadline was set for getting the information from Hanoi. Families of those missing who have appealed in person to the Communists have gotten nowhere. Hanoi has refused to permit searches in North Vietnam or any areas under its control for graves, crash sites or physical evidence of what might have become of the missing Americans.

Maybe most of them perished. Perhaps some are still captive. It is always possible that a few have been subverted and gone over to the Communist cause.

The tragedy is that nobody in the U.S. knows. And nobody is finding out.

Last September, President Ford declared "the record shows that there has been almost no compliance with these humanitarian provisions" of the Paris agreement.

Are the Communists playing a cruel game—using the issue to try to coerce further concessions? There are hints of that.

North Vietnam's Foreign Minister, in a letter to Sen. Edward Kennedy early last year, said Hanoi still was gathering information on Americans missing in action and hoped, eventually, to ease the anguish of their families. Hanoi clearly implied that the Communists know more than they've told about the missing 1,300, at least some of them.

The fate of those listed as missing in action was left to the good will of the Communists. Their fate is unknown. There is a lesson in this for Americans.

PART III: IN OPPOSITION TO REVERSE DISCRIMINATION

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, on Sunday, May 4, I attended a breakfast held by the Metropolitan New York Coordinating Council on Jewish Poverty. There were a number of speeches made at the breakfast discussing the needs of the Jewish poor. I am appending at this time the statement of Bernard Warach, executive director of the Jewish Association for Services for the Aged:

THE JEWISH POOR OF NEW YORK AND WHAT NEEDS TO BE DONE TO HELP THEM

(Statement by Bernard Warach)

What a difficult time this is to consider the Jewish poor and the aged here in New York! Our government officials are confronted by a crisis in American life greater than the depression of the thirties. There is a loss of confidence in government, and indeed, all institutions. The tragedy of Vietnam, uncontrolled inflation, severe unemployment, violence and crime in the neighborhoods, and the thousand competing claims of highly organized groups make the conduct of government almost impossible.

Despite the distemper of the time, we retain our confidence in our elected representatives. Our government has responded to the needs of the Jewish poor and elderly—although so much more needs to be done to improve the lot of all of the least privileged American citizens. We are now a united Jewish community in New York—the broadest coalition of Jewish people, organizations and institutions ever organized on behalf of poor and aged Jews. We are confident too, that we shall by single-minded effort secure adequate government funding of income maintenance programs, and health, welfare, housing, employment and education programs for the Jewish poor and elderly. We shall join in concert with other ethnic groups, other organizations to assist all poor and aged people.

During the past six years, during the Lindsay administration, and now under Mayor Abraham Beame, a great deal has been done for the poor and aged of our City. But more than ever attention must now be paid the Jewish poor and elderly. The crisis of our time falls more severely upon them, and their anguish grows greater each day.

FACTS ABOUT THE JEWISH POOR AND AGED

What are the facts and circumstances about the Jewish poor and aged? About two and a half years ago, on November 22, 1972, the New School for Social Research completed a study of the Jewish poor for Federation of Jewish Philantropies of New York. Dr. Blanche Bernstein served as Study Director. The United States Census of 1970, and data at the Human Resources Administration, Community Council, Council of Jewish Federations and Welfare Funds and neighborhood studies were sources of information.

Of the total Jewish population of New York of 1.8 million people, 10.6 percent, or 191,000 were at or below the poverty level. This was defined as an income of $2,300 for a one-person family to $6,700 for a family of six or more. An additional 81,000 people, or 4.5 percent of the Jewish population of New York City were between poverty and near poverty levels. Near poverty levels were family incomes which were 25 percent above the poverty level scale. A total of 272,000 people or 15.1 percent of the population were poor or near poor.

The tables defininng poverty and near poverty level incomes were as follows:

EXTENT OF JEWISH POVERTY AT POVERTY AND NEAR POVERTY LEVELS, 1970

Size of family	Poverty level[1]	Near poverty level[2]
1	$2,300	$2,875
2	3,000	3,800
3	3,700	4,600
4	4,800	6,000
5	5,400	6,800
6 or more	6,700	8,400

[1] 191,000 persons, 10.6 percent of the Jewish population.

[2] 81,000 persons, 4.5 percent of the Jewish population.

Since the census of 1970 however, the cost of living in New York has soared 25% or more. Income maintenance grants such as Social Security, Supplemental Security Income grants, Aid to Dependent Children and Home Relief for the disabled aged and blind, have fallen far behind the cost of living. How can an elderly person manage on a grant level of $206 a month under Supplemental Security Income?

THE JEWISH POOR AND AGED

Who are the Jewish poor of New York today? We know them well. Each day their pleas for help come to us. Through the Community Service Offices of the Jewish Association for Services for the Aged, the Jewish Family Services, Jewish Community Services of Long Island, Federation Employment and Guidance Service, the Jewish Child Care Association, and Jewish Board of Guardians, Altro Health and Rehabilitation Services, the YM–YWHA's, the Federation Neighborhood Service Centers, members of Federation of Jewish Philanthropies, the constituent Jewish Community Councils affiliated with the New York Coordinating Council on Jewish Poverty, the Senior Centers of Agudath Israel of America, and in synagogues, we hear their pleas. They are people in distress, not just statistics. More than half are the elderly, eighty thousand.

Tens of thousands still live in the designated poverty areas of the inner city—On the West Side and Washington Heights, and the Lower East Side of Manhattan. In the Bronx, they live in West Bronx, the Lower Concourse, Concourse, Tremont, and a last remnant in South Bronx, Hunts Point and Morrisania. In Brooklyn they live in Coney Island, Williamsburg, Crown Heights and East New York. A last small remnant remains in Bedford-Stuyvesant and Brownsville. In Queens, the Jewish poor, mostly elderly, live in the Rockaways. The most important fact about the Jewish elderly is that they live in every neighborhood of the City—in Riverdale, Mosholu, Pelham and Co-op City in the Bronx, in Flushing, Forest Hills, and Rego Park in Queens,, and in Flatbush and Brighton Beach in Brooklyn. Thousands of the poor and impaired elderly live outside the designated "poverty areas."

The Jewish elderly left behind in changed neighborhoods live in terrible circumstances, and with great courage. The kosher butcher, the baker, druggist, doctor and dentist are all gone. Hardly an elderly Jewish soul in these neighborhoods has not suffered brutal muggings. The number of murders of the Jewish elderly in the last two years has made this a quiet Pogrom. The elderly poor have an income of $206 per month—S.S.I.—to pay for all necessities. About one-third of all the elderly including the poor are over 75. Over age 75, the incidence of physical and mental impairment amongst the aged increases. At the lowest income level of survival with Medicaid, the chronically sick and impaired can get a Visiting Nurse or Homemaker or Housekeeper or Home Health Attendant. But if they have an income a few dollars above $206, securing help in the home becomes very difficult. It is therefore, no wonder that so many frightened, ill, and mentally frail Jewish elderly are driven into the nursing homes, adult residences, and S.R.O.'s.

Much attention has been paid to the nursing home problem recently. In JASA's experience; there is no doubt that the very sick, feeble and mentally impaired elderly can only survive in an institution. The best homes have been our non-profit Jewish homes—under Federation of Jewish Philanthropies auspices and as independent voluntary agencies. The better care given in these non-profit homes does cost more—but what is life worth? The Moreland Commission investigation will undoubtedly end in passage of State laws, which will better regulate the institutions, and result in stronger supervision by the government to ensure quality care. Supervision of the nursing homes should be brought back to the City—close to home, and concerned citizens.

I hope legislators and our Executive branch of government will insure adequate funding of alternative care in the community for the physically and mentally impaired.

If the Home Health Care Act of 1975 introduced into the Congress by Representative Edward I. Koch and Senator Frank Moss can be passed and funded, this would be an enormous step in the right direction.

The elderly poor, and indeed all senior citizens, confront such overwhelming problems that when disaster occurs, even the middle-income elderly with some lifetime savings need help, and does become pauperized in the process.

The problems of the elderly have become all too familiar. They include:

Personal insecurity—fear of crime.
Physical and social isolation.
Low income.
Poor housing.
Unavailable medical care.
Mental health problems.
Legal problems.
Lack of community services.
Lack of leisure time activities.
Lack of employment.
Lack of transportation.

With funding by the City of New York and the federal government during the last six years, Jewish social agencies supported by Federation of Jewish Philanthropies, such as JASA, Federation Employment and Guidance Service, the YM–YWHA's, independent Jewish communal institutions such as Agudath Israel, and orthodox, conservative and reform congregations, and Jewish Community Councils affiliated with the Metropolitan Coordinating Council on Jewish Poverty have created a significant network of Senior Citizen Centers and Luncheon Clubs, and Community Service Offices in Jewish neighborhoods throughout the City.

These Centers and Service Offices provide outreach, information and referral, casework, protective service, leisure time and educational programs and a hot lunch. About 15 to 20 percent of the Jewish elderly are served annually through these services—funded by th government, Federation of Jewish Philanthropies, and the "in kind" contributions of synagogues and volunteers. The government funds for these programs come from the Department of Social Services and the New York City Office for the Aging, under Title VI of the Social Security Act, soon to be Title XX, Title III and VII of the Older Americans Act, a little State recreation money, and City tax levy funds. And yet much more service must be rendered. The problems of the Jewish elderly are so great—they have reached the magnitude of a terrible epidemic. The elderly, alas, are a quiet people, and so many are helpless. And yet their fate measures the quality of life in our city and our humanity.

UMI

POOR RELIGIOUS JEWS

What of the other poor Jews—the thousands of children, their parents, the disabled, the blind, the broken families, the mentally impaired? More than 80,000 of them. Our estimates are more uncertain for these people. We have no hard count of the number of Jewish women and children receiving public assistance. We do know that tens of thousands of religious Jews cannot secure the ordinary necessities of life for lack of money. They are low paid factory workers and heads of families of four, five or six children. Kosher food is very expensive. Tuition at Yeshivoth is high. In Crown Heights, Williamsburg, East Flatbush, Boro Park, and Brighton Beach, these families are in trouble. Moreover, the recession has affected their jobs.

POOR JEWISH FATHERLESS FAMILIES, THE DISABLED AND MENTALLY IMPAIRED

The last group of the Jewish poor which requires our concern are forgotten—and their very existence repressed in our minds. They are our mentally disturbed, disabled and our misfits. Yes, they include our fatherless families. The wreckage of the hippie years, and the era of divorces. They are often rejected by their families who are ashamed of them. They are unrelated to any community. The Jewish Family Service, the Jewish Community Services of Long Island, the Federation Employment and Guidance Service, Altro Health and Rehabilitation Services, and the mental health services of our Jewish hospitals do see these forgotten people day after day.

This has been a brief overview. The bare statistics and generalities hardly tell the story of troubled poor, and infirm people.

A PROGRAM FOR ACTION

What must be done to help the Jewish poor and aged by our government? What should our Jewish community organizations and agencies in the City do as our own voluntary effort?

Our elected legislators and the Mayor. Governor and President must be persuaded to support federal, state and municipal legislation and appropriations which will provide adequate income maintenance programs and services, housing and care for all poor and aged Americans. This program would include:

First, basic levels of income maintenance for all poor and aged people must be established at a fair and adequate level. All income maintenance programs should be legally tied to the cost of living. Appropriate federal and state legislation is needed for Social Security programs, Supplemental Security Income, and Public Assistance, the food stamp plan, unemployment insurance, disability insurance and veterans benefits, funded by adequate appropriations.

Second, revision of the Medicare and Medicaid legislation to provide full payment of adequate benefits for preventive health care in the community, acute care in hospitals, nursing home care for the convalescent, long term care for the chronically ill and aged.

Third, adequate home health care services should be legislated federally for all sick and chronically impaired people as an alternative to institutional care.

Fourth, a federal program of full employment must be established. Government funded jobs should be made available through Jewish community organizations, as well as through poverty corporations. Summer jobs for poor Jewish youth are needed, and should be channeled through Jewish sponsored agencies.

Fifth, social services in the community for the poor and the aged, outreach, casework, protective care, legal aid, for individuals and their families should be adequately funded, and provide geographic coverage in all neighborhoods in which significant Jewish poor and aged reside, through purchase of service arrangements with Jewish voluntary agencies.

Sixth, community mental health services are needed for the frail, mentally and emotionally disturbed of all ages. These preventive and therapeutic services are needed by people of all income levels. Mental illness if an economic disaster for midde-income families as well. The existing services of Jewish social agencies can and should be expanded.

Seventh, appropriations for federal housing legislation to provide rent subsidies for the elderly should be increased. The administration of these programs must be made more efficient and effective. Jewish voluntary agencies should be encouraged to develop housing for the elderly on a far greater scale than previously contemplated. By the end of 1975 there will be approximately 2,300 apartments sponsored by Jewish agencies affiliated with Federation of Jewish Philanthropies, the Jewish Home and Hospital, Daughters of Jacob, and JASA, and United Help. Another 5,000 apartments are needed in the next five years. The isolated Jewish aged should be resettled in retirement homes which are secure and happy places to be. The support and encouragement of legislators for such housing for the elderly projects is needed in their home districts. Too often the fears and anxieties of neighborhoods about any government funded housing project impedes the development of housing for the elderly programs, and indeed other health and aged care institutions

Eighth, far greater public support is needed for leisure time and educational programs, and senior centers for the aged. Appropriations under Title VI of the Social Security Act, and Title VII of the Older Americans Act should be increased.

Ninth, national and local Jewish organizations, social agencies and Jewish community councils are urged to redouble their interest and concern in legislation, and social action programs for the Jewish poor and aged. Jewish community councils, lodges, chapters, synagogues, social agencies should organize strong public affairs committees. The concerns for the Jewish poor and elderly must be translated into effective communication with legislators, and government officials in the Executive branch. A continued dialogue with local elected officials should be established.

Tenth, a city-wide volunteer effort amongst Jewish adults, youth and well elderly should be mounted to reach out to the elderly poor and the disabled in every neighborhood, in every synagogue.

We have made some progress. The partnership of government and Jewish social agencies and councils has indeed resulted in a broad network of community service offices and senior centers which do serve thousands of people. Twenty-three hundred units of housing have been built. We do have an income maintenance program. But much much more needs to be done. Despite the prophets of doom, America's resources are vast, and if we will it—and social justice prevails, help must come for the Jewish poor and the aged. Indeed it must come to all poor and elderly Americans. The Jewish community in all its divisions, must stand together, and in coalitions with other concerned Americans to ensure assistance to the poor and elderly.

We are confident the elected representatives of the citizens of New York will respond to these concerns of the Jewish community. There can be a time when we shall eliminate poverty in America for all people and bring comfort and sustenance to the aged.

HOME HEALTH CARE—PART XIV

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, together with 85 House cosponsors I have introduced H.R. 4772 and H.R. 4774, the National Home Health Care Act of 1975. The bill has been given equally strong support in the Senate where it has been introduced as S. 1163 by Senators FRANK MOSS and FRANK CHURCH, respective chairmen of the Senate Subcommittee on Long Term Care and Committee on Aging, HUGH SCOTT, Senate minority leader, and Senators WILLIAMS, DOMENICI, and TUNNEY.

To discuss the need for home health care and the public support this proposal is receiving, it is my intention to place statements in the RECORD several times a week by experts and lay persons commenting on the legislation.

This is the 14th in the series:

[From the New York Times, May 13, 1975]

SILENT WINTER

(By Fred M. Hechinger)

Before long, commissions, juries and courts will close their books on the nursing home scandals. Fraud and thievery will have been exposed and perhaps punished. The Moreland Act Commission's proposal, though short of basic remedies, could offer minimal assurance that at least for a while it will not be quite so easy as before to grow rich on outrages committed against the aged. The public conscience will, with relief, move away from those places where old people are stored until they die.

It is not an act of cynicism to predict that these necessary efforts to uncover and punish past wrong-doing will fall short of fundamental change. Nothing has changed in the fifteen years since former City Investigations Commissioner Louis I. Kaplan exposed comparable horrors. The only change was the lure of super-profits with the advent of Medicaid.

The reasons why the aging have become such easy prey to exploitation lie deeper than the greed of a few operators, the corruption of institutions and the protective shield provided by venal or cowardly politicians.

Nursing Home Horrors could not have continued so long if even a moderate number of people had cared about what happened to the old. The fact is that the fate of old people is of little interest to the majority and an inconvenience to a large proportion of the families of the aged.

The label nursing "home" may be a reminder that the collective conscience is still functioning. But resort to euphemisms is also an instant give-away that something is being hidden. Those who dreamed up the term "senior citizens" were engaged in a cover-up of the problems of old age.

The high cost of space in modern urban apartments and the modern American family's mobility offer rational excuses for an ever-increasing reliance on others to assume responsibility for the aged. The pragmatic sociology of post-industrial urban America makes a virtue of segregating the generations. Children, teen-agers, young adults, the "mature" (read: middle-aged) and "senior citizens"—are lured into, or confined to, their own worlds, their own literature, and their own potential for commercial exploitation.

For purposes of governmental classification, aging is now said to begin at 45—undoubtedly because at that point the cost of pensions and fringe benefits becomes a deterrent to new employers. Modern medicine has prolonged life, while modern economics have shortened life's usefulness. Nursing homes place the obsolete aged out of sight

and out of mind. It is no accident that the new American efficiency pays so much attention to "clearing out deadwood."

Population statistics make it a certainty that matters will get worse. In the 1950's and 1960's, in the wake of the World War II baby boom, the nation was inundated by youth. Inevitably, the "excess" number of the young will show up a generation later as an "excess" of the old. Will the successor to the Youth Cult be known as the Old Age Curse?

The obvious conclusion is that the potential for windfall profits from nursing homes will increase rather than diminish. Thus an honest assessment of the problem cannot avoid the basic question: Is it possible to operate homes for aged on a for-profit basis without exploitation?

To ask the question is not to launch a general assault on the profit motive in free enterprise. It is merely to suggest that the profit system works properly only when the consumer can respond effectively to the seller, particularly to register dissatisfaction. The very old (like the very young) are usually incapable of exercising that role. They become not clients but prisoners of the system. Theirs is life's cold and silent winter.

Under such circumstances, the potential to exploit and profiteer, and in the process maltreat and humiliate the captive consumer, calls for an intensity of supervision and inspection which, to be effective, might well be more costly than letting the public agency actually run the enterprise. The recent ruling by the Appellate Division of the State Supreme Court that refusal by nursing home officials to admit safety inspectors does not warrant suspension of the homes' licenses does little to bolster hopes for a toughened inspection system.

What, then, are some possible answers to an intolerable situation? A partial solution may be found in such legislation as proposed by Representative Edward I. Koch of New York and Senator Frank Moss of Utah, to provide the elderly with help for housekeeping in their own homes.

To such efforts to reverse the trend of institutionalizing the case of the aged might be added tax or other incentives to encourage and fiscally aid families who can make room for the old in their homes.

Since substantial numbers will still have to rely on nursing homes, the voluntary agencies should be urged and aided to shoulder a greater share of the responsibility. Ready availability of good care via the voluntary and public sector is the best way to undercut opportunities for profiteering.

As long as youth unemployment continues at a high rate, a system of national service might help nonprofit nursing homes cope with the difficult problem of adequate staffing.

Ultimately, however, regardless of any specific reforms, the shame of the old-age homes will be permanently eliminated only when the American people start being ashamed of the way they think of, and treat, old age.

(NOTE.—Fred M. Hechinger is a member of the Editorial Board of The Times.)

AMERICA MUST WELCOME REFUGEES

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, I insert in the RECORD the text of my weekly congressional commentary as aired on station WNDU–TV, South Bend, Ind., on May 12, 1975.

The subject of my commentary was the Indochina refugee legislation on which the House is scheduled to vote this week:

CONGRESSIONAL COMMENTARY

(By Congressman JOHN BRADEMAS)

For nearly three centuries now, America has been a refuge for people from around the world who have come here in search of freedom.

As these peoples of different cultures settled in America, they made solid and enduring contributions to the building of a great nation.

In the last thirty years alone, the United States has welcomed over a million refugees from lands devastated by war or oppressed by dictatorship.

These immigrants came in the tens of thousands from Hungary and Poland and by the hundreds of thousands from Cuba.

We have prided ourselves that America has meant for these people a new opportunity for freedom.

Now, at the end of a decade of tragedy in Vietnam, America, formed by successive generations of people from other lands, is again being asked to extend the hand of friendship, this time to refugees from Cambodia and South Vietnam.

The number of persons from Southeast Asia will be, as President Ford has pointed out, relatively small—120,000, with only some 35,000 heads of household, who might seek jobs. The rest are women and children.

If America is to be true to its heritage of hope and liberty for the oppressed . . . if we are to be faithful to the teaching of our Hebrew-Christian religious traditions, we must welcome these fellow human beings even as America one welcomed the fathers and mothers of many of us.

My own father came to America from Greece over a half century ago and he came, by the way, at a time when the rate of unemployment nationwide was even higher than it is today.

And many other citizens of our area have similar origins—Poland, Hungary, Germany, Italy, Ireland, Belgium.

We in northern Indiana are a community of immigrants even as America is a nation of immigrants. So I have been deeply gratified by the efforts of Americans across the country to aid the refugees from Asia.

I am confident that America will be true to itself.

OLDER AMERICANS AMENDMENTS OF 1975—MAJOR STEP TOWARD ELIMINATING DISCRIMINATION AGAINST AGED

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, it is clear that discrimination against older persons is widespread in the United States.

However, Mr. Speaker, recently the House of Representatives took a major step toward eliminating "ageism" in our society by passing H.R. 3922, the Older Americans Amendments of 1975, by the overwhelming margin of 377 to 19.

As my colleagues will recall, Mr. Speaker, included among the provisions of this measure is the Age Discrimination Act of 1975, which prohibits discrimination on the basis of age in any program or activity receiving Federal financial assistance.

Indeed, Mr. Speaker, examples of the need for such legislation are all around us. Recently, an article in the Washington Post, which summarized the results of a Harris poll on attitudes toward the elderly, noted that 87 percent of the people surveyed who do hiring and firing admitted that employers discriminate against the aged.

The article goes on, Mr. Speaker, to describe that the attitudes of many younger people about the aged are distorted and stereotyped.

I think, however, that the most shocking discovery made by the survey is that older people also believe that the stereotype of the elderly is accurate for older people as a group.

Clearly, Mr. Speaker, these attitudes must be changed, and I am hopeful that the age discrimination provisions of the Older Americans Amendments of 1975 will be helpful in altering these false images which are held by many Americans.

Mr. Speaker, I would like to submit for the RECORD the Washington Post article to which I have just referred:

[From the Washington Post, Apr. 16, 1975]

ATTITUDES ON AGING—AUTOMATIC RISE IN AGED AID IS FAVORED

(By Stuart Auerbach)

An overwhelming majority of Americans favor automatic increases in Social Security payments tied to the cost of living and oppose forcing workers to retire when they reach a certain age, pollster Louis Harris reported yesterday.

In the largest survey ever made of attitudes toward the elderly among the aged and the American public in general, Harris found that 81 per cent believe the government should use tax funds to help support the elderly.

He also found that the aged would like to keep working as long as they can and generally feel they are better off than the public imagines.

Harris conducted his $324,000 study for the National Council on Aging, which said it wants to destroy "stereotypes and cliches about growing old."

"This study is by far the most extensive ever conducted to determine the public's attitude toward aging and their perception of what it's like to be old in this country—and to document older Americans' views and attitudes about themselves," said Albert J. Abrams, president of the National Council on Aging.

Harris surveyed 4,254 persons for the study—1,457 between 18 and 60 years old and 2,797 over 65. The responses of the aged were weighted so they would not be overly represented in general questions, but the large number was needed to give an in-depth look at their attitudes, Harris said.

His national political surveys generally involve about 1,600 people.

The Harris finding that 97 per cent—as close to unanimous as you can get, he said—of all Americans believe that Social Security payments should include automatic cost-of-living increases runs counter to the opinion of some economists that the nation faces a taxpayer revolt because of rising Social Security taxes.

Moreover, it shows a lack of public support for President Ford's plan to hold increases in Social Security payment to 5.5 per cent—less than half of the 12 per cent jump in the cost of living last year.

"There is no indication that the public supports an arbitrary limitation on this increase," the council said.

The survey also showed that more than one-third of the nation's 21 million elderly were forced to retire and would have liked

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to continue working. Of the people surveyed who do hiring and firing for business, 87 per cent admitted that employers discriminate against the aged and 37 per cent said they disagree with mandatory retirement because of age.

The survey found that younger people have a different view of the elderly than the elderly do of themselves.

For example, 60 per cent of the people under 65 think the elderly are lonely, but only 12 per cent of the elderly think they are.

The same pattern holds true for illness. Fifty-one per cent of the people under 65 think the elderly are in poor health; 21 per cent of the aged agree.

While 68 per cent of the elderly think they are bright and alert individuals, only 29 per cent of the people under 65 agree.

"In the eyes of the public," the council said, "people over 65 spend a great deal of their time in sedentary, private and isolated activities. Actually the older public is far more active than imagined . . .

"Pastime activities of both young and old are very similar. Comparable numbers of the young and old, for example, spend a lot of time sleeping, reading, sitting and thinking, participating in fraternal or community organizations or going for walks.

"The only areas where the two groups part are (that) older people spend more time watching television than the young, while the younger group spends more time in child care, at a job or engaged in sports."

The public view of the elderly, said Harris, "is born of a great deal of guilt, and by taking pity the non-elderly portion of the population absolves itself for what it feels is a kind of mistreatment of older people."

In fact, Harris said, the survey shows that older Americans "are pretty alert . . . They feel full of life."

But, Harris said, while elderly individuals think of themselves as alert and active, they believe that they are exceptions and the rest of the people over 65 are different.

For Harris, this finding was "a great sadness."

"The aged have bought the stereotype of themselves as a group," he said. "They have heard the libel so often they have begun to believe it."

Among blacks interviewed in the survey, Harris found that movements to raise black consciousness and pride appear to have succeeded among the young while having little impact on older men and women.

COMMITTEE ORDERS REPORTING OF THE LOCAL PUBLIC WORKS CAPITAL DEVELOPMENT AND INVESTMENT ACT OF 1975 (H.R. 5247)

(Mr. ROE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ROE. Mr. Speaker, I am pleased to report to the House that the Public Works and Transportation Committee has ordered reported favorably H.R. 5247, the Local Public Facilities Capital Development and Investment Act of 1975.

Since I last addressed the House on this matter, there has been another sharp rise in unemployment—to 8.9 percent seasonally adjusted. True unemployment has risen even higher, perhaps to near 12 percent of the labor force. In short, the state of the economy has gotten worse, the economic recovery promised by the administration remains merely a promise, and more than 10 million Americans and their families continue to suffer the ravages of unemployment.

Clearly, it is urgent that the Nation take steps rapidly to combat this terribly serious unemployment situation. The members of the Public Works and Transportation Committee, both Republicans and Democrats, are united on this local public facilities construction measure, on which we expect to file a report today. Members of our committee from both sides of the aisle have listened to many hours of testimony on this measure, testimony which has been virtually unanimous in support of rapid adoption by the Congress of a local facilities construction program. We have listened to the testimony presented, and we have refined our proposed measure in light of the good advice given to us by a great many witnesses. For example, we have included in our revised bill a provision to assure that the Secretary of Commerce will provide grant money only for those projects which promise rapid start-up—onsite construction jobs in place within 90 days after funds are received by the local community.

We have also looked carefully into the matter of the capital needs of business to fund expansion. We have, of course, no desire to prevent private industry from obtaining funds needed to finance expansion of jobs. What we found, however, was that, because of the severe recession we are now experiencing, private borrowers will not this year be utilizing anywhere near the amount of capital which they did last year or which they would utilize under ordinary circumstances. In fact, we learned that even with a substantially increased Federal deficit, in line with that voted by the House last week, total capital requirements in the U.S. economy this year will still be far below the level of debt actually placed last year. Our hearing record contains many examples of statements by those directly concerned with corporate financing—for instance, the Morgan Guaranty Bank, the Chase Bank and many business economists—to the effect that there need be no fear about "crowding out" private business from the capital markets through deficit Government financing. I would ask that several of these statements be included in the RECORD following my statement today.

Mr. Speaker, with unemployment soaring and only a slow and halting recovery promised, with more than 10 million American workers and their families now unemployed and little prospect for a rapid upturn in the private economy, the Federal Government clearly must move quickly to counter the recession and put Americans back to work. H.R. 5247 will help accomplish this purpose.

Several days before this bill comes to the House floor, I will insert in the RECORD a detailed explanation of H.R. 5247, its many provisions and safeguards and the great positive impact it will have upon America's faltering economy. Meanwhile, I invite Members to study this public facilities construction legislation, which has united the Republican and Democratic members of the Public Works and Transportation Committee in an effort to counter this terrible recession. I invite Members to address their questions about the bill personally to me and to members of the committee, and to stop by the committee office and look at the hearing record to learn more about the measure and how it will work to offset unemployment in their districts and across the Nation. I am sure that Members will have questions about the legislation and how it will work, questions which we will be more than happy to answer over the coming days before the legislation reaches the floor.

I wish to thank you, Mr. Speaker, for this opportunity to address the House on this important counterrecessionary legislation, and I wish to thank the members of the Economic Development Subcommittee and full Public Works and Transportation Committee for their many long hours of work in preparing this measure designed to restore prosperity to our Nation. Through the efforts of the members of these committees, both Republicans and Democrats, the House will soon be presented with an opportunity to begin to turn this economic decline around. It is an opportunity we in this House must not pass by. At this point I include the following material:

[From the First National City Bank Monthly Economic Letter, April 1975]

CREDIT DEMAND

Crowding out or filling in?

The recovery prognosis has been challenged by those who worry about the impact of heavy Treasury borrowing. The fear is that the huge deficits in prospect for the fiscal years 1975 and 1976 will require the Treasury to sop up so much of the available credit that private borrowers will be shut off. If the Federal Reserve were to try to prevent this crowding out, the argument goes, they might create new money at such a fast clip that reasonable expectations of a new round of double-digit inflation would be quickly revived. In either case, the result could be a sharp rise in interest rates and a brake on recovery.

The logic behind the argument has serious flaws. Large as the federal budget deficit looms, it is primarily the result of the drop in tax payments and a rise in transfer payments. Estimates by government economists suggest that over $50 billion of the deficit in 1975 can be accounted for by the recession. During recessions, demands on the credit markets by households and private business diminish, and diminish the more sharply the deeper the recession. In other words, the counterpart of unusually heavy Treasury demands is a large decline in private borrowing by households and businesses.

These shifts in the apportioning of credit will be accompanied by an increase in the total credit supply. Federal Reserve policy is likely to be accommodative, as it typically has been in the past during recessions—and often in other periods when the Treasury has found it necessary to borrow large amounts. Personal saving also is likely to jump in 1975, partly due to the tax cut. The total amount of funds supplied (and raised) in the credit markets will rise, unlike the experience of 1974.

By the opening months of 1975, it was evident that the volume of nonfederal borrowing was running at less than a $100 billion annual rate, seasonally adjusted, compared with a $180 billion pace in the first half of 1974, and that this steep drop in demand for credit could become even deeper in the next few months. Later in the year, consumer borrowing should revive in response to stronger demand for durable goods and home purchases stimulated by ample supplies of mortgage credit.

Historical relationships suggest that total net nonfederal borrowing in 1975 is likely to run in the range of $90–120 billion. But the total credit supplied to ultimate borrowers—that is, consumers, nonfinancial businesses, governments and foreigners—is almost sure to top last year's estimated $172 billion, and it could rebound well above the $200 billion level. So the implication is that the total supply of credit will be sufficiently large to accommodate the total demand, including $70–90 billion of Treasury securities, without undue strain.

The judgment concerning the current year, however, does not necessarily hold for the longer run. As the economy recovers from this recession, private credit demands can be expected to escalate. As the economy nears full employment, the monetary authorities will face a painful dilemma unless the federal deficit and related Treasury borrowing diminish sufficiently. For they may find that they must either allow Treasury borrowing to crowd out private borrowers to an extent that stifles private capital formation or permit the money supply to grow at an inflationary rate.

[From the Morgan Guaranty Survey, February 1975]

CAN THE GOVERNMENT FINANCE THOSE BIG DEFICITS?

The economy's downward slide is continuing with no early end in sight. January's slump in industrial production was the steepest in 37 years. Unemployment, already the highest since 1941, is headed higher. And consumers, despite the enticement of rebates in auto and other lines, are hardly battering down the doors to get at the merchandise.

With alacrity, the White House and Congress now are moving to stem what clearly is the nation's worst post-war recession. The House Ways and Means Committee's tax-relief measure is indeed larger than the President had requested, and no one would be greatly surprised if the Senate sweetened it still more.

At the same time, Congress gives every sign of turning down most—if not all—of the President's program to tax oil and gas consumers $30 billion. Additionally, Congress apparently is going to ignore White House requests for a curb on certain spending programs. President Ford has advocated either rescinding or deferring $17 billion in spending that would otherwise take place in fiscal 1976. Most of such savings are not possible without Congressional approval. Some of the cuts, particularly those made possible by a 5% limit on Social Security increases for a year, probably will fail to generate Congressional support. The White House plan to increase the cost of food stamps was rejected by Congress. On the other hand, the 17% increase in budget authority requested for the Department of Defense for fiscal 1976 probably will be pared, the 10% increase in outlays for national defense forecast by the budget may thus be on the high side.

Despite the Administration's resolve to limit fiscal 1976 spending and its advocacy of a slowdown in the growth of government outlays thereafter, the budget figures presented to Congress earlier this month indicate that the Administration is far from averse to a significant near-term increase in spending. That disposition is clearly evident in official estimates of expenditures (on a national income accounts basis) for the first half of 1975—up 17% at an annual rate over the last half of 1974. And it was underscored by President Ford's post-budget announcement that the federal government is now prepared to free up some $2 billion in highway construction funds from the impoundment list.

With so many fiscal matters in flux, it is obvious that the Administration's budget estimates for the current fiscal year and for the year beginning July 1—estimates that in any year are subject to a wide margin of error—are especially vulnerable. Whatever the size of the tax-and-spending program Congress and the President settle on, however, huge deficits are a certainty. Borrowing needs of the government clearly can be expected to exceed post-World-War-II records for an eighteen-month period.

Such huge prospective deficits have raised a chorus of alarms from observers both in and out of government that the money and capital markets cannot handle such huge flows without serious disruption. According to this line of thinking, interest rates will rise, and private borrowers, especially those with lesser credit ratings, will be crowded off the credit queue. On a larger scale, it is said, the borrowing requirements of the federal government and the resulting higher interest rates will detour money from thrift institutions, prevent a rebound in housing, and abort a recovery.

While it is understandable that concern should exist in the face of deficits of the size in prospect, the seriousness of the problem has almost certainly been exaggerated. Indeed, an examination of the potential sources and uses of funds in 1975 indicates that government financing—under certain seemingly reasonable assumptions—can be accommodated without major disruption of money and capital markets. This is particularly so because many traditional borrowers seem likely to be cutting back on their borrowing in response to a slumping economy.

Nonfinancial corporations, for example, are expected to cut back sharply on their bank borrowing from $27.5 billion in 1974 to less than $15 billion this year. This reflects a reduced need by businesses to finance inventories and an effort to restructure balance sheets and improve liquidity positions by extending the maturity of their liabilities. Thus, they will be tapping the long-term bond markets more heavily and paying down bank loans. This process is already under way: in the first five weeks of the year, business loans at large commercial banks have dropped more than $5 billion while the corporate bond calendar has been huge. The reduced demand for bank loans will encourage commercial bank purchases of government securities, while the bond calendar will be placed with typical buyers of corporate bonds (such as life insurance companies, pension funds, and state and local retirement funds) who traditionally show little or no interest in Treasury issues.

Consumers, cutting back on purchases of big-ticket durable goods and autos, will be borrowing much less than the $9.6 billion by which consumer credit increased in 1974 (which was itself far below the record $22.9-billion increase in 1973). This is a typical recession response. People are concerned about the state of their personal finances and want to get monthly payments down in fear of rising unemployment and lower personal income.

Meanwhile, renewed strength in savings flows, expected to continue for the rest of the year, should cut the borrowing of federal credit agencies to about $12 billion, more than 40% below 1974's volume. Finally, the use of funds by the mortgage market and state and local governments probably will be no larger than it was in 1974.

DOUBLE-BARRELED STIMULUS

Such a pattern of credit demands would free a sizable portion of commercial bank credit for investment in Treasury debt as the Federal Reserve continues in 1975 to push monetary ease. As with fiscal policy, expansionary monetary policy with lower interest rates is a traditional, and appropriate, anti-recession reaction: in the past when economic activity turned down, fiscal and monetary policy both turned stimulative. Thus, enlarged federal budget deficits have generally been associated with falling—not rising—interest rates.

Federal Reserve Chairman Arthur F. Burns has indicated that monetary policy in 1975 would provide for moderate growth in the money supply to accommodate the Treasury's borrowing requirements without soaring interest rates. Acquisition by the Federal Reserve of something like $9 billion of Treasury securities in 1975 for its open-market account would be consistent with moderate monetary expansion. If this analysis is correct, the private capital markets would have to absorb about $41 billion of Treasury borrowing.

This would be a record peacetime amount but would not be unmanageable if slackened private credit demands materialize as is widely expected. Against that backdrop, commercial banks might take $30 billion of federal debt, which would be consistent with moderate bank credit expansion of about 10%. Corporations and nonbank financial institutions are also expected to step up their investment in government securities in their efforts to rebuild liquidity. Foreign investors, largely central banks and monetary authorities, are assumed to acquire, on balance, a modest volume of Treasury debt although that figure is almost impossible to project. As can be seen from the box on page 2, such foreign buying has ranged from as high as $26 billion in 1971 to practically zero in 1973. With rates of return sharply reduced, individual and miscellaneous investors are expected to be net sellers of government securities.

Even if the Treasury's money needs turn out to be $10 billion or so larger than the $50 billion assumed in this analysis, the impact on credit markets would not be significantly different. How things will ultimately work out is obviously uncertain. But it seems reasonable at this early juncture that the interplay of steep declines in economic activity and easing monetary policy affords latitude for an orderly matching of the supply and demand for credit during 1975. As this process unfolds, the near hysterical whoops in some quarters of an impending financial crunch should subside.

WHERE THE MONEY MIGHT COME FROM

[In billions of dollars]

	1971	1972	1973	1974	1975[1]
Commercial banks	3.1	2.4	−8.8	−2.7	30
Federal Reserve banks	8.1	−.3	8.6	2.0	9
Nonbank financial institutions	−1.7	2.3	−1.1	3.0	6
Nonfinancial corporations	2.1	−3.2	−3.0	1.2	4
Government	−2.4	3.7	2.6	2.3	1
Foreign investors	26.3	8.4	.3	3.9	7
Individual and other	−9.4	.7	9.2	3.4	−7
Net change in U.S. Government securities	26.0	13.9	7.7	13.1	50

[1] Projected.

Note: Data are for calendar years.

Source: The Morgan Guaranty Survey.

[From the Wall Street Journal, Mar. 7, 1975]

DEFICIT: WHERE IS THY STING?

(By Walter W. Haller)

As the Senate tackles tax cuts to fight recession and the Congress considers budget relief to succor the victims of inflation and unemployment, the legislators are being bombarded with dire warnings that the resulting deficits will crowd out private borrowing, push up interest rates and rekindle inflation. Lest they be unduly inhibited or even intimidated by this barrage of scare-talk about unmanageable and inflationary deficits, let them bear in mind four central facts.

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First, the very forces of rampant recession that make tax and budgetary stimulus so imperative are the forces that open up a yawning financial gap for the deficit to fill. The deeper the plunge of the economy, the greater the shrinkage of private outlets for savings in the form of corporate borrowing, mortgages and consumer installment debts. In an economy running $175 billion below its potential, the deficit will help fill the void, not elbow out private borrowing.

Second, for clear thinking, the Congress and the country should divide budget deficits into two parts:

—Type A, the passive deficits generated by the negative effects of recession and slack on the budget.

—Type B, the active deficits generated by positive fiscal actions—tax cuts and budget boosts—to combat recession and take up economic slack.

The President's budget is referring to Type A deficits when it says, "If the economy were to be as fully employed in 1976 as it was in 1974, we would have $40 billion in additional tax receipts, assuming no change in tax rates, and $12.7 billion less in aid to the unemployed." This $53 billion is the mirror image of the deficit in output and jobs.

The quickest way to shrink and eventually end such Type A deficits is to incur Type B deficits via swift and bold tax cuts and budget hikes that will get the economy expanding again. Indeed, while such fiscal stimulus will temporarily enlarge the deficit—to perhaps $70 billion in fiscal 1976—it will also pay such large dividends in rapidly rising revenues that it will produce a smaller aggregate deficit for the '70s than would a more timid program.

Third, Congress can and should look at the Federal Reserve to accommodate the large deficit just as it has in past economic slumps. The White House clearly does so, as this passage from the President's Economic Report makes clear:

"One way of preventing significant displacement of private investment in a substantially underemployed economy would be to increase the rate of money supply growth to reduce federal financing pressures. Under such conditions, an increase in monetary growth need not be inflationary in the short run, especially if there is a large unsatisfied demand for liquidity."

In other words, in an economy that has fallen so far from the grace of full employment, the Fed can safely generate the bank reserves and expanding money supply required to ward off rising interest rates and crowding out of private borrowers. And having provided liquidity for today's dehydrated economy, it will have plenty of time to sop up any excess funds before the economy again nears the inflationary danger zone of full employment.

A REMOTE THREAT

Fourth, just as the swift slide into deep recession makes the return to high-pressure prosperity a distant prospect, so the rapidly dwindling price pressures make a resurgence of inflation a remote threat. In the face of a $175 billion shortfall of aggregate demand, falling commodity prices and the massive unemployment that is defusing a feared wage explosion, the hot blasts of inflation are turning into a warm breeze. Early in the year, under the prodding of my colleague George Perry of Brookings, I ventured the far-out forecast that inflation would ebb to a 5% rate before the end of 1975. But now our position at the end of the limb has been preempted by the economists of the First National City Bank who assert that "it is not unrealistic to expect inflation to fall back into the 3% to 4% range by the second half of this year."

Since the burden of proof that the fiscal problem is manageable has strongly been shifted by the creators of the problem to their critics, let me elaborate on each of the foregoing points.

On the first, namely that the recession is drying up credit demands in the private sector and thus freeing funds to finance the Treasury deficit, one quickly finds supporting evidence in both the global and sectoral flow-of-funds figures. For example, the most recent Salomon Brothers' analysis shows total net demand for credit shrinking from $185 billion in 1973 to $163 billion in 1975, even with a jump of $31 billion in federal (including agency) borrowing. Total business and household credit demands are estimated to shrink from $150 billion in 1973 to $95 billion in 1975. Bearing in mind that a fully functioning economy in 1975 could have produced a $200 billion supply of credit, one may conclude that a federal deficit considerably larger than $50 billion could be accommodated without unbearable strains in 1975.

The Morgan Guaranty Survey for February, after carefully matching shrunken private credit demand and expanded Treasury needs (even if these run to $60 billion in calendar 1975) concludes that "the interplay of steep declines in economic activity and easing monetary policy affords latitude for an orderly matching of the supply and demand for credit during 1975. As this process unfolds, the near-hysterical whoops in some quarters of an impending financial crunch should subside." Amen!

Turning, second, to the salubrious effect of economic expansion on the federal deficit, one should bear in mind the following numbers:

—Under present tax rates and transfer programs, the federal revenues at full employment would run about $20 billion to $25 billion ahead of expenditures in 1975.

—For every $10 billion narrowing of the $175 billion GNP gap, federal revenues rise by about $3 billion and transfer payments shrink by about $1 billion—a handsome return on the investment in expansionary fiscal policy.

—The $12 billion tax cut in 1964 (which translates into a $25 billion tax cut today) more that paid for itself by 1965, and, indeed, had produced enough economic expansion to generate a surplus in the federal budget by mid-1965 prior to the Vietnam escalation.

On the third point relating not just to the Federal Reserve's unquestioned ability but to its willingness to accommodate a vigorous attack on recession, one can truly say that the Fed has hardly begun to fight. True, the plummeting demand for credit has pulled short-term rates down dramatically. But its efforts to inject funds into the economy and help stem the tide of recession have been too feeble to register on the M–1 seismograph in recent months. The most optimistic reading of this failure is to assume that the Fed will practice "percentage averaging" and allow itself at least a spell of the 8% to 10% growth rate in money supply that ought to be standard procedure in an economy cursed by the deepest and longest recession since the Great Depression and blessed by waning inflation.

Just a word to those who feel that all our policy instruments are titled in an inflationary direction: Rest assured that the Federal Reserve, with its chronic allergy to inflation reinforced by searing memories of its untimely expansiveness in 1968 and 1972, will be a trigger-happy guardian at the gates of inflationary hell as economic recovery takes hold. One is reminded of Justice Holmes' dictum that "the power to tax is the power to destroy" and Justice Brandeis' rejoinder, "Yes, but not while this court sits." As the Federal Reserve gingerly shifts from the brake to the accelerator, apprehensive of the inflationary legacy it might leave, it would do well to bear in mind that "the power to expand the money supply may be the power to destroy price stability—but not (necessarily) while the Federal Reserve Board sits."

AN HISTORICAL NOTE

On the fourth point, the evidence that the inflationary tide is going out is mounting month by month. As an historical note, one should mention that the Ford energy program would have reversed that tide by tacking three percentage points onto the inflation rate. But the Congress will not let that happen.

In a rather curious switch, White House spokesmen are more pessimistic on inflation forecasts than most private forecasters. Yet with sensitive commodity prices off nearly 30% in the past three months, with food prices destined to drop if crops are normal, with woefully weak labor markets holding average earnings increases below double-digit levels, and with the Consumer Price Index already easing from a record rise (at annual rates) of 14% last summer to about 7% in January, it is hard to see what will keep inflation from dropping to 5% or below in the second half of 1975.

As an added starter, let me bring in a fifth point in the form of a question: Wherein lies monetary prudence and fiscal responsibility? Was it prudent and responsible (a) to press monetary tightness and fiscal toughness to the point of plunging the economy into a near-depression, and (b) brush aside those of us who sounded recessionary alarms with soothing reassurances that the economic slide was a mere "energy spasm" or "phantom recession," or "sideways waffling".

The same disciples of "prudence" and "responsibility" who overstayed tightness and overdid toughness are now counseling caution and urging the Congress to think small on tax and budget policy lest it plunge us into financial perdition and inflationary ruin. But the country would pay a heavy price in prolonged stagnation and stubborn deficits if Congress made the mistake of identifying prudence with timidity and fiscal discipline with niggardly tax cuts and budget parsimony.

In short, the Congress can prudently proceed with a strong program to reverse the recession and revive the economy. No fears of unmanageable deficits or imminent inflation need stay its hand. This is not to say that financing the deficit will be simple nor that it will be accomplished without a pinch here and a bind there. But sources ranging from impeccable to unimpeachable seem to agree that, with a responsive Federal Reserve, the huge deficit can be managed at low interest rates with little displacement of private investment and without rekindling inflation.

Summary of Private 'Economists' Statements

The Joint Economic Committee received very helpful testimony on the question of financing the deficit during their recent Annual Hearings. While Secretary Simon predicted a squeezing out of private credit demands, private experts voiced complete confidence in the banking system's ability to finance a deficit of substantial magnitude.

Here are a few excerpts from the statements made by leading academicians and financial spokesmen at hearings on the President's Budget proposals:

Arthur Okun, Senior Fellow, Brookings Institute: "Huge deficits in Fiscal Years 1975 and 1976 have become inevitable, and they are the only route back to prosperity and to appropriate anti-inflationary budget balancing in the years ahead. . . . I am confident that our debt managers can finance this huge deficit without encountering serious problems. Indeed, I wish we had no economic problems more serious than that of financing the deficit."

Robert Nathan, Robert Nathan Associates:

"I see no really mechanistic or procedural problem in financing the deficit next year."

Philip M. Klutznick, Committee for Economic Development: "Everyone agrees on that generally, as a matter of fact."

Michael Evans, President, Chase Econometric Associates: "A number of commentators have raised questions about what might be the effect (of the Federal deficit) on money and Capital markets . . . I am not particularly bothered by these deficits because of the great dropoff in credit demands by the private sector."

David M. Rowe: Wharton Econometric Forecasting Associates: "I would also comment that I do not see a significant problem in terms of financing these larger deficits partly because of monetary accommodation on the part of the Federal Reserve, but in addition because of the decline in private borrowing demands, in particular the declines in the need for inventory borrowing."

Charles L. Schultze, Brookings Institute: "The characteristic of a recession economy is a fall in the demand for loanable funds by private business. We are witnessing that now . . . Increasing the stock of money by a sufficient amount to ease interest rates somewhat further, and at the same time to accommodate a large Federal deficit would not be inflationary in an economy with (over) eight percent unemployment and very substantial excess capacity."

Walter W. Heller, University of Minnesota: "Sources ranging from impeccable to unimpeachable seem to agree that, with a responsive Federal Reserve, the huge deficit can be managed at low interest rates, with little displacement of private investment, and without rekindling inflation."

Gardener Ackley, University of Michigan: "Those who predict that Federal deficits will place intolerable pressures on our money and capital markets seem to be expecting—and assenting to—a descretionary policy designed to deepen the recession and delay recovery. I cannot believe that this is what the Federal Reserve intends to do or will do. . . . So I wish that the President and members of his Administration would stop their doomsaying. If they need to be 'shocked' or 'horrified' about anything, let it be about the impacts of unemployment on the poor, the minorities, and the young people just entering the labor force."

JOBS AND CRIME—PART II

(Mr. DOMINICK V. DANIELS asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. DOMINICK V. DANIELS. Mr. Speaker, today's New York Times contains the second in a series of articles by noted columnist Tom Wicker on the relation between unemployment and the rising rate of crime in the United States.

While no one discounts the fact that crime has many varied roots, the role of rising unemployment in the national crime epidemic should be thoughtfully explored. Mr. Wicker has made a very salient point in his observation that when unemployment and poverty exist side by side with affluence, frustration, and hostility eventually become translated into criminal acts. The economic situation confronting us today provides a uniquely American version of the revolution of rising expectations—when formerly oppressed socioeconomic classes are frustrated in their quest for social and economic mobility which they have been led to believe is theirs by right of citizenship. The Great American Dream is still that—just a dream—to millions of Americans who cannot get a job or who are underemployed in low-paying positions. The problem is particularly acute for black teenagers, whose unemployment rate now runs in excess of 40 percent and may be as high as 60 percent. What recourse do we leave to these youngsters who may desperately want a job, but whose lack of education, training, and skills deny any opportunity for job placement?

Mr. Speaker, I share Mr. Wicker's viewpoint that there is a very valid correlation between unemployment and crime, and I commend his excellent article to the attention of my colleagues.

The article by Mr. Wicker follows:

[From the New York Times, May 13, 1975]

Jobs and Crime

(By Tom Wicker)

Twice in recent weeks the notion has been put forward in this space that there is an important link between rising unemployment and rising crime rates. Prof. Lester Grinspoon and James B. Bakalar, research assistant, both of the Harvard Medical School, have provided a thoughtful response that concedes such a link but states that "the relationship is more complex and ambiguous" than suggested here.

"Amelioration of economic conditions and reduction of unemployment by themselves are an inefficient method of fighting street crime," they write. "We need approaches to the crime problem that are directed immediately and specifically at the acts we want to prevent as well as approaches that affect background conditions that have an indirect and sometimes uncertain relationship to the problem."

No doubt we do, but what approaches? More police? Tougher sentencing? Less plea bargaining? More people in prison? The United States has more police, harsher penalties and more people in prison than most societies, and still has the highest crime rates—rates that rose sharply in the last year and the last few months. As for less plea bargaining, if it did not altogether break the capacity of the courts to deal with crime, it would result in slower disposition of cases and probably in fewer convictions. That would detract from, not add to, the "certainty of punishment" that most experts, including Messrs. Grinspoon and Bakalar, consider the first necessity for the "deterrence" of crime.

They themselves point to several conditions other than unemployment and poverty as probable causes of rising crime rates—"weakened respect for law, breakdown of traditional roles, and the artificial wants and needs created by an affluent society . . . a decrease in law enforcement effectiveness." And they believe that "other, less directly coercive forms of control, like family, school, church, and neighborhood standards, have also become less effective." Few would want to dispute these points.

But how would "approaches . . . directed immediately and specifically" at criminal acts deal with these background causes of crime? It was not argued here that unemployment and poverty were the only such causes, even of the astronomical rise in crime rates, much less that eliminating them would eliminate crime. If unemployment is taken as only one cause of crime, among the others listed in the Grinspoon-Bakalar paper, it still follows that action against all these causes is needed as well as remedial action against crime itself.

One point not sufficiently developed in earlier articles is that it is not just unemployment and poverty, but so much unemployment and poverty existing side by side with so much affluence, that may be at the heart of swiftly rising crime rates. If widespread affluence is highly visible to the numerous poor and jobless, particularly in the cities, and if those poor and jobless, as argued here, are less and less able to rise by unskilled labor that is no longer in demand in an economy that requires technological or professional skills, it seems reasonable to suppose that the hopeless and embittered underclass that results would turn more frequently to property and violent crimes against the affluent, as well as among themselves.

The Messrs. Grinspoon and Bakalar point out that "the number of major felonies per capita . . . has risen steadily since the 1930's through upturns and downturns in the business cycle and in a period of generally growing affluence." But throughout that period, which coincides with the great migration of blacks into the cities, the black unemployment rate ran steadily at twice that of whites, sometimes more than twice; black teen-age unemployment was always much higher, and street crime is a young man's game.

The Vera Institute of Justice has a project that seems to support the idea of an important unemployment-crime link from the other direction. In two and a half years, it has provided "supported work"—that is, subsidized jobs with special supervision and assistance—to 2,730 former prison inmates. Ex-inmates ordinarily find it hard to get jobs, and many return swiftly to crime.

But in the Vera Institute's Wildcat Service Corporation, 40 per cent of the 2,730 have been graduated to non-supported work—regular jobs in the economy. Another 17 per cent are still at Wildcat and 18 per cent had to leave for reasons such as sickness, or moving to another city. Only 25 per cent have been fired or dropped out, presumably to return to the streets. This is considerably better than the recidivism rate among ex-inmates generally.

Even so, all that can be said with any certainty is that as unemployment rises, crime does too. In New York City, unemployment is now running at 11.5 per cent, and in the first three months of this year robberies here rose 25.4 per cent over the same period in 1974, larcenies 24.8 per cent, burglaries 21.7 per cent, and all serious crime 19.8 per cent.

IMPLICATIONS OF CONFERENCE REPORT ON H.R. 25 SURFACE MINING CONTROL AND RECLAMATION ACT OF 1975

(Mr. DUNCAN of Tennessee asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. DUNCAN of Tennessee. Mr. Speaker, the May 8, 1975, edition of the Knoxville Journal contained a front-page article concerning the implications of the conference report on H.R. 25, the Surface Mining Control and Reclamation Act of 1975, which passed the House and Senate last week.

The people quoted in this article are familiar with the reclamation costs under existing State regulations, and are in a good position to estimate the total costs of the proposed new Federal regulations in Tennessee. Since the costs of this legislation, like all legislation, will be paid by the consumers and taxpayers, I thing they are entitled to know what the price will be, especially in terms of lost production and higher utility rates.

Therefore, I am inserting the text of the article in the Record for the benefit of the Members:

UMI

[From the Knoxville (Tenn.) Journal, May 8, 1975]

Area Mining Officials Claim Regulations May Cripple, Halt Tennessee Strip Mining

(By Juanita Glenn)

Even as the House of Representatives was passing stringent strip mine legislation Wednesday, area mining officials and others associated with the industry were sounding a warning that the new federal regulations will severely cripple, and may bring to a halt, stripmining in Tennessee.

Pointing out that the cost of mining supplies and equipment has more than doubled within the past two years, Ralph Ross, president of Dean Coal Co., said that "somebody is going to have to pay for all this."

"We are just like any other business enterprise," Ross added. "When our costs exceed our income, we just don't exist."

Ross, like Wendell Long, president of Long Pit Mining Co., said that, while the reclamation costs will be passed on to consumers of coal and electricity, the strict regulations written into the federal law would make it necessary for mining operators to invest in expensive, and non-productive, equipment.

Warren Smith of Stowers Machinery Co., which supplies area mining operators with the heavy machinery they need for their stripping operations, agreed with Ross and Long, but said that the scarcity of the necessary machinery may be as big a problem as its price.

"Each operator will need haul-back trucks, front end loaders and D–9 bulldozers," Smith explained, "and these would be in addition to the equipment presently being used in stripping the coal. You can't have a man and a machine stripping coal and doing reclamation work at the same time."

"Our dealership received three of the D–9 'dozers to sell this year. If an operator ordered one today, we couldn't possibly promise delivery before fall, and I'm afraid even that would be more wishful thinking than a real promise.

"We are talking about some $850,000 worth of equipment for each operator," Smith continued, "and if all of them ordered the machinery at once, in order to comply with the federal law, there would be no way that we could supply them."

Smith said that each haul-back truck would cost about $200,000, front end loaders are currently priced at $250,000 and the bulldozers used in coal stripping and reclamation carry a $195,000 price tag. Each of the huge tires for the front end loaders cost $2,800, he added.

An even more somber note was struck by Fred Wyatt, executive director of FACT (Facts About Coal in Tennessee), who said that not only will many smaller operators be forced to close their mines because of lack of equipment, but that even the larger operators may find it economically impossible to stay in business.

"Tennessee's larger coal seams have all been mined out," he explained. "Kentucky and Ohio still have seams 12 feet or more thick, but the average seam being mined in Tennessee is 30 inches.

"Naturally, it will cost more to mine these thinner seams, and there is a very real danger that the new regulations could put us out of the market costwise."

Wendell Long, whose Long Pit mining operations are among the largest in the state, is in perhaps the best position of any East Tennessee operator to discuss the federal legislation dispassionately.

Long Pit is located on a 56,000-acre tract of land in Campbell County that Koppers, Inc., a Pittsburgh chemicals firm, purchased in 1965 for $2,200,000, and the mineral rights are owned by the Tennessee Valley Authority.

Because his contract with TVA calls for the authority to absorb any increase in reclamation expenses, Long knows that his increased costs will be paid for by the users of electrical power.

In addition, because he has been involved in a pilot reclamation project which approximates the requirements of the new federal legislation, he already has much of the equipment he will need.

From his own experience, Long said reclamation on the 75-acre experimental tract cost $13,500 per acre, or an average of $3 per ton more than conventional reclamation methods.

TVA reclamation specialists Herbie Johnson and Roger Bolinger corroborated his statement, presenting preliminary cost figures on the pilot project, compared with an adjacent 75 acres mined in accordance with Tennessee's stripmining regulations.

The TVA report shows that the cost per ton on the experimental tract averaged $12.03 and the cost on the adjoining tract averaged $8.82 per ton. The most disturbing provision of the new federal law, as far as the operators are concerned, is the requirement that each stripmined slope be returned to its original contour.

Both Ross and Long see this provision as unnecessary and impractical.

Drawing on his own experience, Ross, a former dentist, told of stripping operations he has completed since he moved to East Tennessee from Pennslyvania in 1967.

In Campbell County, he said, he mined a tract that the owner had offered to sell for $10 an acre. When the coal stripping was completed, he continued, his workers leveled the mountaintop, terracing the slope to provide proper drainage, and planted grass.

"That owner now has a grassy pastureland, and he tells me he is going to raise cattle there," Ross said. "If we had returned the slope to its original contour, he would have wound up with what he had when he started, unusable land."

In Scott County, he said, he built a road up a mountainside and offered to level off the top of the slope for a county park. His offer was rejected, he explained, because Scott County officials said they didn't have money to maintain the road.

Wyatt is disturbed, on two counts, because the federal law would require strippers to destroy the roads they build into the mountains.

"This could put an end to deep mining as well as stripping," Wyatt explained, "because, with the roads destroyed, the deep miners would have no way to get back to the coal."

This provision also would destroy the owner's access to his property, according to Wyatt, who said that, under the new federal provisions, an owner would have little option about reclamation, even if he preferred level land to steep slopes.

"The rights of the landowner are being ignored," commented Wyatt, who termed the new legislation "about as close to nationalization of the coal industry as we can come."

The FACT director also said that the mere act of applying for a stripmining permit would require the professional services of an attorney, a registered engineer, a hydrologist, a geologist and a chemist. At present, he said, only a registered engineer is needed.

Citing an estimate by Federal Energy Administrator Frank Zarb that the new regulations will reduce coal production, nationwide, by at least 40 million tons of coal a year and will eliminate a minimum of 10,000 jobs, Wyatt summed up the federal legislation as 'environmentally sound but economically chaotic."

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Randall, for 15 minutes, today.

Mr. Randall, for 1 hour, tomorrow.

Mr. Michel, to address the House for 5 minutes and to revise and extend his remarks.

(The following Members (at the request of Mr. Pressler) and to revise and extend their remarks and include extraneous matter:)

Mr. Edwards of Alabama, for 5 minutes, today.

Mr. Crane, for 5 minutes, today.

Mr. Frenzel, for 5 minutes, today.

Mr. Duncan of Tennessee, for 15 minutes, today.

Mr. Bauman, for 15 minutes, today.

Mr. Wydler, for 5 minutes, today.

Mr. Burke of Florida, for 5 minutes, today.

(The following Members (at the request of Mr. Neal) to revise and extend their remarks and include extraneous material:)

Mr. Flood, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Diggs, for 5 minutes, today.

Mr. Lehman, for 5 minutes, today.

Mr. Harris, for 5 minutes, today.

Mr. Mezvinsky, for 5 minutes, today.

Mr. Edgar, for 5 minutes, today.

Mr. Bedell, for 5 minutes, today.

Mr. Casey, for 5 minutes, today.

Mrs. Schroeder, for 5 minutes, today.

Ms. Abzug, for 5 minutes, today.

Mr. Adams, for 15 minutes, today.

Mr. Brademas, for 5 minutes, today.

Mr. Patman, for 5 minutes, today.

Mr. Danielson, for 5 minutes, today.

Mr. Vanik, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Passman.

Mr. Roe and to include extraneous matter notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $240.

(The following Members (at the request of Mr. Pressler) and to include extraneous matter:)

Mr. Hillis.

Mr. Pritchard in three instances.

Mr. Steelman in two instances.

Mr. Robinson.

Mr. Kemp in two instances.

Mr. Dickinson.

Mr. Young of Alaska.

Mr. Crane.

Mr. Martin.

Mr. Hammerschmidt.

Mr. Ashbrook.

Mr. Kasten.

Mr. McDade in two instances.

Mr. Shuster.

Mr. Collins of Texas in three instances.

Mr. Symms.

Mr. Derwinski in two instances.

Mr. Gilman in two instances.

Mr. Young of Florida.

(The following Members (at the request of Mr. Neal) and to include extraneous matter:)

Mr. Gonzalez in three instances.

Mr. Anderson of California in three instances.

Mr. Sarbanes in five instances.

Mr. McDonald of Georgia in 10 instances.

Mr. Rodino.

Mr. Hall in two instances.

Mr. Young of Georgia.

Mr. Thompson.

Mr. Miller of California.

Mr. Dent.

Mr. Beard of Rhode Island.

Mr. Downey of New York.

Mr. Hawkins in two instances.

Mr. Waxman.

Mr. Fuqua in five instances.

Mr. Simon in two instances.

Mr. Bingham.

Mr. Vanik in two instances.

Mr. Florio.

Mr. Hébert.

Mr. Breckinridge.

Mr. Brown of California in three instances.

Mr. Harris.

Mr. Rangel.

Mr. White.

Mr. Jacobs in two instances.

Mr. Wolff.

Mr. Dominick V. Daniels.

Mr. Clay in 10 instances.

Mr. Zeferetti.

Mr. Madden.

Ms. Abzug.

Mr. Riegle.

Mr. Taylor of North Carolina.

Mrs. Schroeder.

Mr. Derrick.

Mr. Rosenthal.

ADJOURNMENT

Mr. NEAL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to: accordingly (at 3 o'clock and 50 minutes p.m.). the House adjourned until tomorrow, Wednesday, May 14, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1004. A letter from the President of the United States, transmitting proposed budget amendments for the Department of Transportation for fiscal year 1976 and for the transition period July 1 through September 30, 1976 (H. Doc. 94–144); to the Committee on Appropriations and ordered to be printed.

1005. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority for fiscal year 1975 as of May 1, 1975, pursuant to section 1014(e) of Public Law 93–344 (H. Doc. No. 94–145); to the Committee on Appropriations and ordered to be printed.

1006. A letter from the Chairman, Federal Election Commission, transmitting the Commission's budget request for fiscal year 1976, pursuant to section 311(d)(1) of Public Law 92–225, as amended; to the Committee on Appropriations.

1007. A letter from the President and Chairman, , Export-Import Bank of the United States, transmitting, a statement describing a proposed transaction with Mexicana de Cobre S.A. which exceeds $60 million, pursuant to section 2(b)(3) of the Export-Import Bank Act of 1945, as amended [12 U.S.C. 635(b)(3)]; to the Committee on Banking, Currency and Housing.

1008. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report on recommendations and actions related thereto contained in the report of the President's Advisory Council on Management Improvement entitled "Women in Government," pursuant to section 6(b) of the Federal Advisory Committee Act (H. Doc. No. 94–146); to the Committee on Government Operations and ordered to be printed.

1009. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Laurence H. Silberman and his family, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

1010. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Andrew L. Steigman and his family, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

1011. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Malcolm Toon and his family, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

1012. A letter from the Chairman, Federal Communications Commission, transmitting a draft of proposed legislation to amend sections 203 and 204 of the Communications Act of 1934; to the Committee on Interstate and Foreign Commerce.

1013. A letter from the Chairman, Federal Power Commission, transmitting the annual report of the Commission for fiscal year 1974; to the Committee on Interstate and Foreign Commerce.

Received From the Comptroller General

1014. A letter from the Comptroller General of the United States, transmitting his review of the proposed rescissions and deferrals of budget authority and the supplementary reports revising previously reported deferrals contained in the messages from the President dated April 18, 1975 (House Document Nos. 94–108 and 94–109), pursuant to section 1014 (b) and (c) of Public Law 93–344 (H. Doc. No. 94–147); to the Committee on Appropriations and ordered to be printed.

1015. A letter from the Comptroller General of the United States, transmitting a report that the reduction in the time required for the Office of Education to commit funds for Emergency School Aid has caused him to conclude that the rescission of those funds anticipated in his letter of March 28 (House Document No. 94–95) will not occur, pursuant to section 1014(c) of Public Law 93–344 (H. Doc. No. 94–148); to the Committee on Appropriations and ordered to be printed

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KASTENMEIER: Committee on the Judiciary. Supplemental report to H.R. 5727. A bill to establish an independent and regionalized U.S. Parole Commission, to provide fair and equitable parole procedures, and for other purposes. (Rept. No. 94–184. Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAHON: Committee on Appropriations. H.R. 6894. A bill making appropriations for special assistance to refugees from Cambodia and Vietnam for the fiscal year ending June 30, 1975, and for other purposes. (Rept. No. 94–204). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORGAN: Committee on International Relations. Oversight report on assistance to Indochina evacuation. (Rept. No. 94–205). Referred to the Committee of the Whole House on the State of the Union.

Mr. SISK: Committee on Rules. House Resolution 461. Resolution providing for the consideration of H.R. 6755. A bill to enable the United States to render assistance to, or in behalf of, certain migrants and refugees. (Rept. No. 94–206). Referred to the House Calendar.

Mr. SISK: Committee on Rules. House Resolution 462 Resolution waiving certain points of order against H.R. 6894. A bill making appropriations for special assistance to refugees from Cambodia and Vietnam for the fiscal year ending June 30, 1975, and for other purposes. (Rept. No. 94–207). Referred to the House Calendar.

Mr. CASEY: Committee on Appropriations. H.R. 6950. A bill making appropriations for the legislative branch for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes. (Rept. No. 94–208). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MAHON:

H.R. 6894. A bill making appropriations for special assistance to refugees from Cambodia and Vietnam for the fiscal year ending June 30, 1975, and for other purposes.

By Mr. ARCHER:

H.R. 6895. A bill to amend the Food Stamp Act of 1964 for the purpose of transferring the food stamp program to the Department of Health, Education, and Welfare, for the purpose of excluding certain households from eligibility for food stamps if a member of such household is on strike, and for the purpose of excluding certain individuals from eligibility for food stamps if such individual receives at least one-half of his income from a member of another household which is ineligible for food stamps: to the Committee on Agriculture.

By Mr. ARCHER (for himself and Mr. Kelly):

H.R. 6896. A bill to repeal the Davis-Bacon Act; to the Committee on Education and Labor.

By Mr. BALDUS (for himself, Mr. Aspin, Mr. Melcher, Mr. Mitchell of New York, Mr. Murtha, Mr. Risenhoover, Mr. J. William Stanton, Mr. Traxler, Mr. Yatron, Mr. Kastenmeier, Mr. Cornell, Mr. Pattison of New York, Mr. Nolan, Mr. Pressler, Mr. Hanley, Mr Carr, Mr. Walsh, Mr. Mathis, Mr. Charles Wilson of Texas):

H.R. 6897. A bill to amend the Agricultural Adjustment Act as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended; to the Committee on Ways and Means.

By Mr. BELL (for himself, Mr. Bingham, Mr. Phillip Burton, Mr. Carr, Mr. Dellums, Mr. Gude, Mr. Harrington, Ms. Holtzman, Mr. Jeffords, Mr. Ketchum, Mr. Metcalfe, Mr. Miller of California, Mr. Nix, Mr. Seiberling, and Mr. Sisk):

H.R. 6898. A bill to provide for the establishment of the Santa Monica Mountains and Seashore Urban National Park in the State of California; to the Committee on Interior and Insular Affairs.

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By Mr. BENITEZ:

H.R. 6899. A bill to amend section 129 of title 23, United States Code to permit the operation of certain ferryboats between the islands comprising the Commonwealth of Puerto Rico; to the Committee on Public Works and Transportation.

By Mr. CORMAN (for himself Mr. Burleson of Texas, Mr. Burke of Massachusetts, Mr. Fisher, Mr. Frenzel, Mr. Jacobs, Mr. Ketchum, Mrs. Keys, Mr. Pickle, and Mr. Steiger of Wisconsin):

H.R. 6900. A bill to provide an additional 13 weeks of benefits under the Emergency Unemployment Compensation Program and the Special Unemployment Assistance Program, to extend the Special Unemployment Assistance Program for 1 year, and for other purposes; to the Committee on Ways and Means.

By Mr. BROOMFIELD:

H.R. 6901. A bill to amend XVIII of the Social Security Act to provide for the coverage of certain psychologists' services under the supplementary medical insurance benefits program established by part B of such title; to the Committee on Ways and Means.

By Mrs. CHISHOLM:

H.R. 6902. A bill to permit officers and employees of the Federal Government to elect coverage under the old-age survivors, and disability insurance system; to the Committee on Ways and Means.

By Mr. CORMAN (for himself, Mr. Ford of Tennessee, Mr. Hawkins, and Mr. Nolan):

H.R. 6903. A bill to amend title XVIII of the Social Security Act to provide for the coverage of certain psychologists services under the supplementary medical insurance benefits program established by part B of such title: to the Committee on Ways and Means.

By Mr. CORMAN (for himself, Mr. Hawkins, Mr. Jeffords, and Mr. Mineta):

H.R. 6904. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for optometric and medical vision care: to the Committee on Ways and Means.

By Mr. DENT (for himself, Mr. Jones of Alabama, Mr. Roe, Mr. O'Neill Mr. McFall, Mr. Wright, Mr. Johnson of California, Mr. Roberts, Mr. McCormack, Ms. Abzug, Mr. Breaux, Mr. Studds, Mr. Holland, Mr. Howe, Mr. Oberstar, Mr. Nowak, and Mrs. Lloyd of Tennessee):

H.R. 6905. A bill to authorize a local public works capital development and investment program: to the Committee on Public Works and Transportation.

By Mr. DINGELL (for himself, Mr. Leggett, Mr. Reuss, Mr. Roncalio, Mr. Wirth, Mrs. Spellman, Mr. Regula, Mr. D'Amours, Mr. Jeffords, and Mr. Conte):

H.R. 6906. A bill to amend the National Wildlife Refuge System Administration Act of 1966, and for other purposes: to the Committee on Merchant Marine and Fisheries.

By Mr. ESHLEMAN:

H.R. 6907. A bill to direct the Secretary of Commerce to require reports from foreign investors in the United States and their agents, and for other purposes: to the Committee on Interstate and Foreign Commerce.

By Mr. EVANS of Colorado (for himself, Mr. Oberstar, Mr. Don H. Clausen, Mr. Bergland, Mr. Rodino, Mr. McCormack, Mr. Alexander, Mr. McKay, Mr. Hamilton, Mr. Cleveland, Mr. Charles Wilson of Texas, Mr. Perkins, Mr. Ichord, Mr. Udall, Mr. Fuqua, Mr. Foley, Mr. Johnson of Colorado, Mr. Howe, Mr. Miller of California, and Mr. Andrews of North Dakota):

H.R. 6908. A bill to provide for payments to compensate county governments for the tax immunity cf Federal lands within their boundaries; to the Committee on Government Operations.

By Mr. FASCELL (for himself and Mrs. Burke of California):

H.R. 6909. A bill to provide that meetings of Government agencies shall be open to the public, and for other purposes; to the Committee on Government Operations.

By Mrs. FENWICK (for herself, Mr. J. William Stanton, Mr. Lagomarsino, Mr. Roe, Mr. Frenzel, Mr. Coughlin, Mr. Forsythe, Mrs. Meyner, and Mrs. Heckler of Massachusetts):

H.R. 6910. A bill to authorize the disposal of asbestos chrysotile from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

By Mr. GONZALEZ:

H.R. 6911. A bill to amend title 5, United States Code, to provide for grade retention benefits for certain Federal employees whose positions are reduced in grade, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HANLEY:

H.R. 6912. A bill to provide for improved labor-management relations in the Federal service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. Harrington (for himself Mr. Koch, Mr. Riegle, Mr. Solarz, Mr. Thompson, Mr. Vigorito, and Mr. Zeferetti):

H.R. 6913. A bill to provide for accelerated research and development in the care and treatment of autistic children, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HARRINGTON (for himself, Mr. Beard of Rhode Island, Mrs. Burke of California, Mr. John L. Burton, Mrs. Collins of Illinois, Mr. Corman, Mr. Davis, Mr. Downey of New York, Mr. Drinan, Mr. Eilberg, Mr. Gilman, Mr. Hechler of West Virginia, Mrs. Heckler of Massachusetts, Mr. Mazzoli, Mr. Metcalfe, Mrs. Meyner, Mr. Mitchell of Maryland, Mr. Nix, Mr. Ottinger, Mr. Roe, Mr. Rooney, Mr. Rosenthal, Mr. Roybal, Mr. Simon, and Mr. Stark):

H.R. 6914. A bill to provide for accelerated research and development in the care and treatment of autistic children, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HASTINGS:

H.R. 6915. A bill to amend the Federal Trade Commission Act to provide that exclusive territorial arrangements used in the distribution or sale of a trademarked soft drink product or a trademarked private label food product shall not be deemed unlawful per se; to the Committee on Interstate and Foreign Commerce.

By Mr. KETCHUM:

H.R. 6916. A bill to exempt range sheep industry mobile housing from regulations affecting permanent housing for agricultural workers; to the Committee on Education and Labor.

By Mr. KINDNESS (for himself, Mr. Byron, Mr. McDonald of Georgia, Mr. Lott, Mr. Duncan of Tennessee, and Mr. Waggonner):

H.R. 6917. A bill to provide for a 3-year moratorium on the requirement of an environmental impact statement for Federal-aid highway projects; jointly to the Committees on Merchant Marine and Fisheries, and Public Works and Transportation.

Mr. McKINNEY (for himself, Mr. Anderson of California, Mr. Anderson of Illincis, Mr. Carr, Mr. Collins of Texas, Mr. Hicks, Mr. Ketchum, Mr. Mann, Mr. Milford, Mr. Pattison of New York, Mr. Sarasin, and Mr. Stokes):

H.R. 6918. A bill to amend section 402 of title 23, United States Code, relating to highway safety programs; to the Committee on Public Works and Transportation.

By Mr. MICHEL (for himself, Mr. Collins of Texas, Mr. Goodling, Mr. Hyde, Mr. Ketchum, Mr. Madigan, Mr. McDonald of Georgia, Mr. O'Brien, Mr. Treen, Mr. Waggonner, and Mr. Whitehurst):

H.R. 6919. A bill to amend the Clean Air Act; to the Committee on Interstate and Foreign Commerce.

By Mr. MURPHY of New York:

H.R. 6920. A bill to establish a National Bank for Cooperative Housing to aid in financing the purchase and construction of low- and middle-income cooperative housing; to the Committee on Banking, Currency and Housing.

By Mr. MURPHY of New York (for himself, Mr. Jones of Alabama, Mr. Roe, Mr. O'Neill, Mr. McFall, Mr. Wright, Mr. Johnson of California, Mr. Roberts, Mr. McCormack, Ms. Abzug, Mr. Breaux, Mr. Studds, Mr. Holland, Mr. Howe, Mr. Oberstar, Mr. Nowak, and Mrs. Lloyd of Tennessee):

H.R. 6921. A bill to authorize a local public works capital development and investment program; to the Committee on Public Works and Transportation.

By Mrs. SCHROEDER:

H.R. 6922. A bill to amend title I of the Elementary and Secondary Education Act of 1965 to provide that payments under such title shall be available to meet the educational needs of educationally deprived children from low-income families whether or not such children attend schools in areas having a high concentration of such children, and for other purposes; to the Committee on Education and Labor.

H.R. 6923. A bill to permit holders of visas for pleasure to obtain two extensions of temporary stay for periods of not more than 6 months, and to authorize the collection of an application fee to defray the cost of processing such application; to the Committee on the Judiciary.

By Mr. SISK:

H.R. 6924. A bill to amend title II of the Social Security Act to establish more effective procedures for the conduct of hearings, and the appointment of hearing examiners, with respect to claims under such title of title XVIII of such act; to the Committee on Ways and Means.

By Mr. TRAXLER:

H.R. 6925. A bill to amend the Gun Control Act of 1968 to provide for separate offense and consecutive sentencing in felonies involving the use of a firearm; to the Committee on the Judiciary.

By Mr. VANIK:

H.R. 6926. A bill to amend the Internal Revenue Code of 1954 to deny electric and gas public utilities a deduction for amounts paid or incurred by such utilities to advertise or promote the sale or use of electricity or gas; to the Committee on Ways and Means.

By Mr. WHITEHURST:

H.R. 6927. A bill to require that a percentage of U.S. oil imports be carried on U.S.-flag vessels; to the Committee on Merchant Marine and Fisheries.

By Mr. YOUNG of Florida (for himself and Mr. Kelly):

H.R. 6928. A bill to provide for national cemeteries in the central west coast area of the State of Florida; to the Committee on Veterans' Affairs.

By Mr. AMBRO:

H.R. 6929. A bill to amend title II of the Social Security Act to increase to $750 in all cases the amount of the lump-sum death payment thereunder; to the Committee on Ways and Means.

H.R. 6930. A bill to amend title II of the Social Security Act to permit the payment

of benefits to a married couple on their combined earnings record where that method of computation produces a higher combined benefit; to the Committee on Ways and Means.

H.R. 6931. A bill to amend title II of the Social Security Act to increase to $7,500 the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted an individual each year without any deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. BEDELL:

H.R. 6932. A bill to amend the Federal Crop Insurance Act to establish an independent corporation to carry out the purposes of such act, to provide for more extensive commodity coverage under such act, and for other purposes; to the Committee on Agriculture.

By Mr. BIAGGI (for himself, Mr. Carr, Mr. Benitez, Mr. Conyers, Mr. de Lugo, Mr. Zeferetti, Mr. Nix, Mr. Eilberg, Mr. Helstoski, Mr. Whitehurst, Mr. Ketchum, Mr. Conte, Mr. Duncan of Tennessee, Mr. Lott, Mr. Ford of Michigan, Mr. Roe, Mr. Sarbanes, Mrs. Chisholm, Mr. Ford of Tennessee, Mr. Symington, Mr. Treen, Mr. Devine, Mr. St Germain, Mr. Harrington, and Mr. Stark):

H.R. 6933. A bil lto amend title IV of the Higher Education Act of 1965 to provide for a National Student Financial Assistance Data Bank; to the Committee on Education and Labor.

By Mr. BURKE of Massachusetts (for himself, Ms. Abzug, Mr. Badillo, Mr. Bingham, Mr. Brown of California, Ms. Chisholm, Ms. Collins of Illinois, Mr. Conte, Mr. Conyers, Mr. Corman, Mr. Dellums, Mr. Diggs, Mr. Edwards of California, Mr. Goldwater, Mr. Harrington, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Henderson, Mr. Hinshaw, Mr. Jeffords, Mr. Koch, Mr. Lehman, Mr. McKinney, Mr. Moffett, and Mr. Mollohan):

H.R. 6934. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. COCHRAN:

H.R. 6935. A bill to amend the Federal Water Pollution Control Act, as amended, to define the term "navigable waters" as it applies to Corps of Engineers responsibility and authority to regulate the discharge of dredged or fill material; to the Committee on Public Work and Transportation.

By Mr. DRINAN (for himself, Mr. Bingham, Mr. Brademas, Mr. Corman, Mr. Eckhardt, Mr. Edwards of California, Mr. Ford of Michigan, Mr. Fraser, Mr. Hawkins, Mr. McFall, Mr. McKinney, Mr. Matsunaga, Mr. Moss, Mr. Rooney, Mr. Roybal, Mr. Seiberling, and Mr. Vander Veen):

H.R. 6936. A bill to direct the Administrator of Energy Research and Development to establish a system of research and development of energy-conserving industrial technologies with due regard for the need to operate such a system in a manner which will stimulate depressed sectors of the American economy; to the Committee on Science and Technology.

By Mr. FAUNTROY (for himself, Mr. Mitchell of Maryland, Ms. Burke of California, Ms. Chisholm, Mrs. Collins of Illinois, Mr. Conyers, Mr. Dellums, Mr. Harrington, Mr. Metcalfe, Mrs. Meyner, Mr. Murphy of New York, Mr. Rangel, Mr. Rees, Mr. Seiberling, Mr. Solarz, and Mr. Stark):

H.R. 6937. A bill to provide for the participation of the United States in the African Development Fund; to the Committee on Banking, Currency and Housing.

By Mr. FLYNT:

H.R. 6938. A bill to amend the Federal Trade Commission Act (15 U.S.C. 45) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

By Mr. GUDE (for himself, Mr. Florio, Mr. Dellums, Mr. Howard, Mr. Mitchell of Maryland, Mr. Burgener, Mr. Long of Maryland, Mr. Edwards of California, Mr. Scheuer, Mr. Beard of Rhode Island, Mr. Quie, Mr. Rangel, Mr. Traxler, Mr. Robinson, Mr. Winn, Mr. Talcott, Mrs. Holt, Mr. Wolff, Mr. Myers of Pennsylvania, Mr. Andrews of North Dakota, Mr. Ford of Tennessee, Mr. Solarz, Mr. Kelly, Mr. Ichord, and Mr. Sarbanes):

H.R. 6939. A bill to amend title 39, United States Code, to require the Postal Service to consult with agencies of State and local governments with respect to the construction of certain Postal Service facilities, to establish hearing procedures with respect to proposals for such construction, and for other purposes; to the Committee on Post Office and Civil Service.

By Ms. HOLTZMAN (for herself, Mr. Bingham, Mr. Baucus, Mrs. Heckler of Massachusetts, and Mr. Murphy of New York):

H.R. 6940. A bill to amend title XVI of the Social Security Act to answer that cost-of-living increases in supplemental security income benefits are granted to recipients of such benefits in all States, to provide a housing supplement to certain recipients of such benefits, to prevent reductions in such benefits because of social security benefit increases, to allow recipients of such benefits in cash-out States to elect to receive food stamps, to provide for emergency assistance to recipients, and for other purposes; to the Committee on Ways and Means.

By Mr. HOWARD:

H.R. 6941. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to require as a condition of assistance under such act that law enforcement agencies have in effect a binding law enforcement officers bill of rights; to the Committee on the Judiciary.

By Mr. LEGGETT (by request):

H.R. 6942. A bill to regulate lobbying and related activities; jointly to the Committees on the Judiciary, and Standards of Official Conduct.

H.R. 6943. A bill to require candidates for Federal office, Members of the Congress, and officers and employees of the United States to file statements with the Comptroller General with respect to their income and financial transactions; jointly to the Committees on the Judiciary, and Standards of Official Conduct.

By Mr. MOLLOHAN (for himself, Mr. Baucus, Mr. Esch, Mr. Murphy of New York, Mr. Rooney, and Mr. Sarasin):

H.R. 6944. A bill to repeal sections 102 and 202 of the Flood Disaster Protection Act of 1973 which make flood insurance coverage and community participation in the national flood insurance program prerequisites for approval of any financial assistance in a flood hazard area, and for other purposes; to the Committee on Banking, Currency and Housing.

By Mr. WHITE:

H.R. 6945. A bill to increase the contribution by the Federal Government to the costs of employees group life insurance; to the Committee on Post Office and Civil Service.

By Mr. WHITE (for himself, Mr. Lehman, Mr. Hinshaw, Mr. Bafalis, Mr. Erlenborn, Mr. Fuqua, Mr. Green, Mr. Udall, and Mr. McKay):

H.R. 6946. A bill to amend title 13, United States Code, to provide for a mid-decade sample survey of population, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. CASEY:

H.R. 6950. A bill making appropriations for the legislative branch for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

By Mr. BLOUIN:

H.J. Res. 451. Joint resolution proposing an amendment to the Constitution of the United States for the protection of unborn children and other persons; to the Committee on the Judiciary.

By Mr. HARRINGTON (for himself, Mr. Beard of Rhode Island, Mr. Blanchard, Mrs. Burke of California, Mr. John L. Burton, Mrs. Collins of Illinois, Mr. Corman, Mr. Davis, Mr. Downey of New York, Mr. Eilberg, Mr. Gilman, Mr. Hechler of West Virginia, Mrs. Heckler of Massachusetts, Mr. Metcalfe, Mrs. Meyner, Mr. Mitchell of Maryland, Mr. Nix, Mr. Ottinger, Mr. Roe, Mr. Rooney, Mr. Rosenthal, Mr. Roybal, Mr. Simon, Mr. Stark, and Mr. Thompson):

H.J. Res. 452. Joint resolution to authorize the President to proclaim the last week in June of each year as National Autistic Children's Week; to the Committee on Post Office and Civil Service.

Mr. HARRINGTON (for himself, Mr. Koch, Mr. Riegle, Mr. Solarz, Mr. Vigorito, and Mr. Zeferetti):

H.J. Res. 453. Joint resolution to authorize the President to proclaim the last week in June of each year as National Autistic Children's Week; to the Committee on Post Office and Civil Service.

Mr. MURPHY of New York (for himself, Mr. Barrett, Mr. Beard of Rhode Island, Mr. Bell, Mr. Bingham, Mr. Blanchard, Mr. Davis, Mr. Downey of New York, Mr. Drinan, Mr. Edwards of California, Mr. Eilberg, Mr. Fish, Mr. Gilman, Mr. Hannaford, Ms. Holtzman, Mr. Hughes, Mr. Kemp, Mr. Koch, Mr. Krebs, Mr. Long of Louisiana, Mr. Ottinger, Mr. Pepper, Mr. Rosenthal, Mr. Scheuer, and Mr. Sisk):

H.J. Res. 454. Joint resolution to express the sense of Congress that the Secretary of Defense, in administering Public Law 94–11 which appropriates foreign assistance for fiscal year 1975, include in the $300 million foreign military credit sales appropriated to assist the State of Israel, F–15 fighter planes, electronic counter measures, and other sophisticated weapons necessary to insure the continued viability of Israel; to the Committee on International Relations.

By Mr. MURPHY of New York (for himself, Mr. Solarz, Mr. Vigorito, Mr. Waxman, Mr. Won Pat, and Mr. Yates):

H.J. Res. 455. Joint resolution to express the sense of Congress that the Secretary of Defense, in administering Public Law 94–11 which appropriates foreign assistance for fiscal year 1975, include in the $300 million foreign military credit sales appropriated to assist the State of Israel, F–15 fighter planes, electronic counter measures, and other sophisticated weapons necessary to insure the continued viability of Israel; to the Committee on International Relations.

By Mr. STAGGERS (for himself, Mr. Devine, and Mr. Rogers):

H.J. Res. 456. Joint resolution to enable the United States to organize and hold an international conference in the United States in fiscal year 1976 and authorize an appropriation therefor; to the Committee on Interstate and Foreign Commerce.

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By Mr. RODINO (for himself and Mr. Hays of Ohio):

H. Con. Res. 276. Concurrent resolution expressing the sense of Congress concerning recognition by the European Security Conference of the Soviet Union's occupation of Estonia, Latvia, and Lithuania; to the Committee on International Relations.

By Mr. HOWARD:

H. Res. 458. Resolution establishing a select committee to study the problem of U.S. missing in action in Southeast Asia; to the Committee on Rules.

By Mr. KOCH (for himself, Mr. Peyser, Mr. Anderson of Illinois, Mr. Bell, Mr. Broomfield, Mr. Buchanan, Mr. Derwinski, Mr. Edgar, Mr. Eshleman, Mrs. Fenwick, Mr. Forsythe, Mr. Frenzel, Mr. Gilman, Mr. Gradison, and Mr. Gude):

H. Res. 459. Resolution expressing the sense of the House of Representatives that the President should be supported in his efforts in furnishing humanitarian and resettlement assistance to refugees from South Vietnam and Cambodia and that all funds should be provided expeditiously; to the Committee on the Judiciary.

By Mr. KOCH (for himself, Mr. Peyser, Mr. McCloskey, Mr. McCollister, Mr. McKinney, Mr. Martin, Mr. Pattison of New York, Mr. Rees, Ms. Schroeder, Mr. Seiberling, Mr. Simon, Mr. Treen, Mr. Waxman, Mr. Whitehurst, and Mr. Bob Wilson):

H. Res. 460. Resolution expressing the sense of the House of Representatives that the President should be supported in his efforts in furnishing humanitarian and resettlement assistance to refugees from South Vietnam and Cambodia and that all funds should be provided expeditiously; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

134. By the SPEAKER: A memorial of the Legislature of the State of Oregon, relative to permitting children under 12 years of age to be employed in agriculture during the summer months; to the Committee on Education and Labor.

135. Also, memorial of the Legislature of the State of Nevada, relative to prohibiting any state other than the State of residence from requiring withholding of income taxes; to the Committee on Interstate and Foreign Commerce.

136. Also, memorial of the Legislature of the State of Oregon, relative to establishing reduced rail rates for the transportation of recyclable materials; to the Committee on Interstate and Foreign Commerce.

137. Also, memorial of the Legislature of the State of Oregon, relative to clearing the name of Dr. Samuel Alexander Mudd; to the Committee on the Judiciary.

138. Also, memorial of the Legislature of the State of Oregon, relative to a 20-mile fishing zone along the shores of the United States; to the Committee on Merchant Marine and Fisheries.

139. Also, memorial of the Legislature of the State of Nevada, relative to providing loans for small businesses; to the Committee on Small Business.

140. Also, memorial of the Legislature of the State of Nevada, relative to prohibiting certain searches of financial papers; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GONZALEZ:

H.R. 6947. A bill for the relief of Antonio Merlo; to the Committee on the Judiciary.

By Mr. HAGEDORN:

H.R. 6948. A bill for the relief of Robert H. Carleton; to the Committee on the Judiciary.

By Mr. MURPHY of New York:

H.R. 6949. A bill to make the film Wilma Rudolph Olympic Champion, which was produced by the U.S. Information Agency, available for certain limited use within the United States in conjunction with promotion of the 1976 Olympic Games; to the Committee on International Relations.

By Mr. FLOOD:

H. Con. Res. 277. Concurrent resolution expressing the sense of the Congress that Mother Teresa of Calcutta deserves the 1975 Nobel Peace Prize for her service to humanity; to the Committee on International Relations.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 6755

By Ms. ABZUG:

On page 1, line 10, strike out "aliens" and insert in lieu thereof "persons".

On page 2, line 1, strike out "Cambodia or Vietnam," and insert in lieu thereof "Cambodia, Vietnam or the United States".

On page 2, line 13, strike out "aliens" and insert in lieu thereof "persons".

On page 2, line 16, strike out "Cambodia or Vietnam" and insert in lieu thereof "Cambodia, Vietnam or the United States."

By Ms. HOLTZMAN:

Page 1, line 8, insert immediately after "necessary" the following: ", but not to exceed $507,000,000.".

By Mr. HUGHES:

Page 1, line 5, insert "(1)" after "(a)"

Page 2, immediately after line 2, insert the following new paragraph:

"(2) In addition to the purposes set forth in paragraph (1), funds authorized under this Act shall be available for the transportation and related expenses of those aliens (A) who have fled from Cambodia or Vietnam, and (B) who, on or before September 30, 1977, make a formal request, to a designated agent of the President, for assistance to return to Cambodia or Vietnam. The President shall take such steps as may be necessary to determine whether the governments of Cambodia and Vietnam will accept and repatriate such aliens, and to provide designated agents for the receipt of such requests."

Page 2, line 7, insert "or of subsection (a) (2) of this section" immediately before the period at the end thereof.

By Mr. RIEGLE:

Page 2, line 2, immediately before the period insert "; except that no funds made available under this Act may be used to furnish to any such alien any assistance which is not available to an individual facing equivalent personal economic hardship who is not a refugee from Cambodia or Vietnam and who is an American citizen".

By Mr. WHITE:

On page 2, beginning with line 3, change the designation of subsection (b) to (c) and insert the following as subsection (b):

"(b) None of such sums shall be used for the entry of any refugee into the United States prior to the determination of the admissability of such refugee as a permanent resident under existing law, but such sums as may be required shall be used to establish receiving and processing camps for such refugees in the territories and Trust Territories of the United States. Such sums may be used for the relocation of persons who desire to return to their native land or for relocation of those persons who are determined to be inadmissable to the United States. Such sums may further be used to establish for permanent residence in the Trust Territories any such refugees desiring to remain in the Trust Territories under the necessary arrangements and agreements with the United Nations and the Legislature of Micronesia."

H.R. 6874

By Ms. ABZUG:

Page 1, line 5: After "Cambodia", insert ", the United States".

Page 2, line 6: After "Cambodia", insert ", the United States".

Page 2, line 14: After "Cambodia", insert ", the United States".

Page 2, line __: Insert the following additional section:

"Sec. 202. As used in this act, the term "refugees" shall have the same meaning as in the Indochina Migration and Refugee Assistance Act of 1975."

EXTENSIONS OF REMARKS

BICENTENNIAL CEREMONIES IN HOBOKEN, N.J.

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. DOMINICK V. DANIELS. Mr. Speaker, I was recently privileged to attend a Bicentennial program in the city of Hoboken, N.J., during which the distinguished superintendent of schools of Hoboken, Mr. Thomas F. McFeely, gave a well-received speech.

As Mr. McFeely pointed out in his address of April 18, the Nation's Bicentennial festivities are important reminders of how far we have come as a nation in the short period of 200 years.

I am very proud of the imaginative and highly patriotic Bicentennial program that is being developed by the talented people of Hoboken, and I would like to share Mr. McFeely's thoughtful remarks with my colleagues. Mr. McFeely's speech follows:

Bicentennial Kick-off Ceremonies in Hoboken, N.J.

Greetings: Today, April 18, 1975, is the two hundredth anniversary of the midnight ride of Paul Revere and other patriots. This anniversary of the famous call to arms, "The British are coming," is significant because it recalls the terror which spread through the Middlesex countryside at the thought of relatively untrained men facing the might of the British army. Yet, on April 19, 1775, the Minute Men stood on the village green and faced the British troops. A shot was fired—no one is certain as to which side fired it—and this shot was heard around the world. Its vibrations shook the very foundations of the world's political philosophies. It was also destined to change the world for it signaled the beginning of the Revolutionary War, which would culminate in the establishment of a new nation, the United States of America.

Therefore, our commemoration of this event today is a fitting tribute to those brave men of yesteryear and is the proper moment to begin Hoboken's Bicentennial ceremonies. Just as the events leading up to the signing of the Declaration of Independence and the birth of a nation took slightly over a year from that suspicious moment on the village green in Lexington so too our Bicentennial activities evolve during the next year and climax in the final celebration on July 4, 1976, when we in Hoboken will be united with all our fellow Americans in celebrating the birth of our Nation.

However, as we stand here today, we cannot forget the significance of our Nation's birth and the ideals upon which it was founded. As we consider these ideals, we should pause for a moment to thank our Creator for having inspired our forefathers to put down in writing what men had sought for centuries—freedom, justice, and equality. For, in the Declaration of Independence not only did the colonists sever ties with the mother country, England, but also affirmed the belief that "all men are created equal and that they are endowed by their Creator with certain unalienable rights; that among these are life, liberty, and the pursuit of happiness. That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed."

We, the benefactors of these precious rights, must once again reaffirm our belief in what our forefathers considered to be essential. We can do this by becoming active participants in Hoboken's reliving of the significant events that will recreate our Nation's birth.

KEEP AN OPEN DOOR

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. DERWINSKI. Mr. Speaker, the Chicago Sun-Times, in their lead editorial of May 5, very properly analyzes the question of the open door policy for trade and investments which the United States, as a major economic power, must continually review. I believe this editorial objectively addresses the situation, and I concur with its conclusion that the currently proposed legislation, which would cut foreign investments in the United States, is not based on a realistic long-term national interest.

The editorial follows:

Keep an Open Door

Traditionally, the United States has stuck to an open door policy toward foreigners who wish to invest in this nation. Lately, some Americans waving the flag of economic nationalism threaten to harass those who would bolster U.S. business by directly investing in it.

At the center of their drive is a bill, introduced by Sen. Harrison Williams (D-N.J.) and amended by Sen. Jacob Javits (R-N.Y.), that is aimed at discouraging foreign investment. The over-all fear is that "they"—the foreigners—will buy "us" out, plus concern that Arab investors would use their leverage against Jews in hiring or pro-Israel nations in commerce.

The Harrison-Javits bill's chief provisions ask for more detailed disclosure of just who owns what corporate stock, a requirement that any foreign investor seeking to acquire 5 per cent or more of an American company give 30 days notice to the Securities and Exchange Commission, and authority for the President to bar such investments in any company with more than $1 million in assets.

What partly inspired this attempt to put a chain lock on the open door policy were such developments as a foreign bid to take over Lockheed Aircraft Corp. and the Iranian offer to buy heavily into Pan American World Airways. These actions were accompanied by word that Arab money was creeping into control of U.S. banks and real estate.

In truth, new foreign investing in U.S. industry fell 40 per cent during the first quarter of this year as compared with the same period in 1973. A recent New York Stock Exchange study forecasts a shortage of $650 billion in investment capital needed over the next decade beyond what the United States can expect to raise on its own.

That huge sum approximates what the World Bank thinks the oil sheiks have piled up. Sensibly, this country could get big bundles of those petrodollars converted into U.S. dollars as job-producing, GNP-elevating, economy-enhancing investment.

What makes even President Ford argue against the proposed bill is that sufficient controls already exist. For example, foreigners are not permitted to own more than 25 per cent of any business engaged in domestic air transport, coastal or fresh water shipping, or broadcasting. Natural resources lie under a variety of controls. The Justice Department's antitrust division keeps an eye peeled for abuse of controlling interests in corporations.

Americans presently have six times as much invested abroad as foreigners have invested in the United States. Shutting the door on foreigners would expose U.S. investment to reprisals. Perhaps the best evidence against the proposed bill lies in the historical fact that America could never have built its vital railroads in the 1800s without vast help from British bankers. Sometimes a history lesson teaches economics better than arithmetic.

CAMBODIANS SEIZE U.S. MERCHANT SHIP

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. ANDERSON of California. Mr. Speaker, yesterday morning the Khmer Rouge government of Cambodia seized a U.S. merchant ship, the *Mayaguez*, and is now holding it captive.

The *Mayaguez*, which was carrying a cargo of civilian and military supplies, was in international waters in an established shipping lane when it was seized. This aggression can only be labeled as an act of piracy.

What is the reason for this action? Of course, since the new Cambodian regime has not established diplomatic relations with any nation, we can only guess. However, it is interesting to note that the new government has claimed jurisdiction over territorial waters 90 nautical miles offshore—about 100 statute miles.

Hopefully, the Khmer Rouge will release the ship and her crew unharmed. Diplomacy is the obvious way to achieve this, and hopefully the State Department will be successful in their attempts to free the 39 American crewmen aboard the vessel. This unfortunate incident does point out a major problem; how can the United States protect its shipping on the high seas?

We have already seen the failure of our Government to do so in the case of American tuna boats, that are routinely seized by Ecuador and released only after the payment of exorbitant fines. The Cambodian incident is another violation of the laws of the high seas.

If the U.S. Merchant Marine and fishing fleet is to be guaranteed safety on the high seas, we must make it clear that such actions will no longer be tolerated. It is preposterous to allow American seamen to become the unwilling pawns of international conflict.

It is disturbing in this case that warning signs were available in advance of this incident. For instance, it is reported that the Pentagon received a report on Cambodia's extended territorial claims in offshore waters. A Panamanian vessel had already been seized, then released. Yet there was no attempt by our Government to warn U.S. vessels away from these waters, or to inform shipping interests of the dangers involved.

At this point, I would like to insert three newspaper articles on this subject, two on the details of the seizure from the Los Angeles Times, and one on the intelligence reports which were ignored, from today's issue of the Washington Star.

I would also like to extend my sympathy for the families of the crewmen who were captured. I sincerely hope they are released immediately, and unharmed, by the Cambodian Government.

The article follows:

Cambodia Seizes U.S. Freighter, Crew of 39

(By Don Irwin and Oswald L. Johnston)

Washington.—An unarmed U.S. freighter was fired on and seized early Monday in the Gulf of Thailand by a Cambodian gunboat that then took the vessel and her crew of 39 into port.

President Ford denounced the seizure as "an act of piracy" and ordered the State Department to demand that Cambodia's new revolutionary government immediately release the freighter, the S.S. Mayaguez, or face "the most serious consequences."

The captain of the seized vessel was identified by the owners as Charles T. Miller of Fountain Valley, Calif. They said that many of the crew members were from California, including Second Mate Jared C. Myregard of Van Nuys and Third Mate Burton Coombes of Richmond.

The White House announced the incident at 1:50 p.m. EDT—about 10 hours after first word was received here—without revealing details of the approach to be used to recover the vessel.

Before the announcement, Mr. Ford discussed the incident for 45 minutes with the National Security Council and later went over the few known facts with key members of Congress.

Congress reacted with concern to the seizure of the first U.S. vessel taken over by a foreign power since North Korean warships captured the spy ship USS Pueblo in January, 1968. Some members urged use of force to recover the Mayaguez, but others agreed with Sen. Jacob K. Javits (R-N.Y.) that Americans "should keep our shirts on and see if they return the ship."

White House Press Secretary Ron Nessen denied that the Mayaguez was linked in any way with espionage. A State Department source said the ship carried a general cargo, about half of it consisting of "military vans"—containers carrying military materiel, but not arms or munitions.

An informed source said there would be no need for the United States to have a Pueblo-type intelligence ship in waters off

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Cambodia since American installations in Thailand can pick up any information available to such spy vessels.

Nessen said the ship, owned by Sea-Land Service Inc. of Edison, N.J., was believed to have been steaming from Hong Kong to a port in Thailand. Other officials said it was bound for Sattahip, a naval port adjoining the U.S. air base at Utapao, Thailand, when it was seized and apparently escorted into the Cambodian port of Kompong Som.

Fragmentary radio messages from the ship said the encounter took place in the Gulf of Thailand about 60 miles off Kompong Som. The position was, however, eight miles from Poulo Wai, a small rocky island claimed by both Cambodia and Vietnam. Sources said the victorious Khmer Rouge forces that now control Cambodia have maintained a garrison on the island for several weeks.

Nessen said a Panamanian ship was stopped by Cambodia in the same area May 7 or 8 and apparently was allowed to leave. He said the Panamanian vessel was reported to have been enroute to Bangkok, Thailand.

Nessen said radio reports from the Mayaguez, a 10,485-ton vessel built in 1944, "indicated that the ship was fired upon and boarded by Cambodians." He said the only description he had on the boarding vessel was that it was a "gunboat."

Radio signals from the ship were heard by a number of commercial receiving stations, Nessen said. He said they included a Mayday message signifying distress.

The White House statement announcing the seizure said:

"We have been informed that a Cambodian naval vessel had seized an American merchant ship on the high seas and forced it to the port of Kompong Som. The President has met with the NSC. He considers this seizure an act of piracy. He has instructed the State Department to demand the immediate release of the ship. Failure to do so would have the most serious consequences."

Pentagon sources speculated that the 31-year-old freighter was taken over by a U.S.-built boat, a light, speedy patrol vessel, several of which were provided to the deposed Cambodian regime. The boats normally are armed with a single heavy caliber machine gun.

A spokesman for the Sea-Land firm said the Mayaguez was carrying "a variety of goods" in a capacity cargo of 274 containers. Although Hong Kong has been its home port, he said, its movements have been controlled from a Sea-Land office in Oakland.

At the White House, Nessen said first word of the seizure was received in Washington early Monday morning—one source said about 3 a.m. EDT.

President Ford was first notified, Nessen said, at his daily intelligence briefing, which normally takes place about 7 a.m. There was an interval before the National Security Council meeting was called, he said, because "we needed to pull the facts together."

Asked if the White House viewed the incident as "a major crisis," Nessen replied, "I don't want to characterize it." He declined to discuss in any way the diplomatic approach being used to recover the vessel and would not discuss what countries may have been approached. He said, however, that there had been no communication with Cambodia's new nationalistic Communist government.

State Department officials said steps were under way to obtain release of the vessel, but they gave no details. Other sources said there were only two likely avenues to the Khmer Rouge regime: North Vietnam and the People's Republic of China, both Communist governments. Neither is known to be represented in Cambodia at present.

Speculation was that overtures would be made through the Chinese. They maintained no embassy in Phnom Penh during the years of the now-defunct Lon Nol regime, but dealt with the Khmer Rouge through Cambodia's former ruler, Prince Norodom Sihanouk, who was in exile in Peking.

There were possible legal complications in the apparent fact that the Mayaguez was seized eight miles away from an island claimed by Cambodia. In 1969 under Sihanouk, the Cambodian government claimed jurisdiction over waters 12 miles off its territory. Under that premise, the Mayaguez was seized in Cambodian water.

On the other hand, the generally accepted "right of innocent passage" is construed to give a non-combatant vessel freedom to traverse offshore waters unless an overt state of war exists.

The circumstances appear to differ substantially both for the Tonkin Gulf incident of 1964, which involved the destroyer USS Turner Joy in waters claimed by North Vietnam, and the Pueblo incident of 1968, which involved a U.S. Navy vessel loaded with electronic gear indicating a spy mission.

The White House declined to discuss in any way the "most serious consequences" which Mr. Ford said Cambodia faces if it refuses to return the Mayaguez and its crew.

The most obvious possibility was a resort to force, a course on which the President would be restricted by the War Powers Act of 1973, which permits the President to order U.S. forces into overseas action for no more than 60 days before seeking the approval of Congress.

There are three U.S. aircraft carriers and about 30 other American vessels on station off the Philippines, and some members of Congress appeared ready to see Mr. Ford use them. But more were cautious.

"We ought to go after it," Sen. John Sparkman (D-Ala.), chairman of the Senate Foreign Relations Committee said of the seized vessel. Two committee members, Javits and Sen. Hugh Scott (R-Pa.), the minority leader, were more restrained. While the seizure was "a terrible thing," Scott said, it would be unwise for Congress to "start playing foreign policy with a situation involving an act of piracy."

"I believe a little patience is desired rather than cause an attack on the new Cambodian government," Javits said.

Sen. Robert Taft Jr. (R-Ohio) urged that the United States "try all kinds of sanctions" before resorting to force.

"But that doesn't mean ruling out retaking it," he said. "We can't allow that kind of thing to happen on the high seas."

Sen. Hubert H. Humphrey (D-Minn.) urged the government to "stop, look and listen" before it resorts to force.

The strongest call for military action came from Sen. James L. Buckley (Cons-R-N.Y.) who said the President should order immediate punitive air and naval attacks on appropriate targets in Cambodia to "underscore the fact that we will no longer tolerate acts of international banditry."

In private conversations, sources on the Senate Foreign Relations Committee voiced doubt that there would be any early resort to force. One source suggested that the incident may represent no more than an effort by the Khmer Rouge to assert the new government's sovereignty over rocky little Poulo Wai.

But Mr. Ford's warning of "most serious consequences" in the latest incident was considerably stronger than language used by former President Lyndon B. Johnson in his first comment on the Pueblo's capture Jan. 23, 1968.

Unlike the present incident, the Pueblo's seizure was not disclosed in Washington, but by the North Korean captors. Mr. Johnson did not comment on the affair until Jan. 26, when he referred to it in a televised statement in which he said the United States would bring the matter before the U.N. Security Council.

Whereas Cambodia kept total silence Monday about the capture of the Mayaguez, the seizure of the Pueblo was first announced in a North Korean broadcast asserting that an "armed spy ship of the U.S. imperialist aggressor" was seized inside North Korea's 12-mile limit.

That same day, former Secretary of State Dean Rusk called the seizure "a matter of the utmost gravity" and said Washington was negotiating with North Korea "through the channels that are available to us."

Channels for dealing with the North Koreans were more readily available than they appeared to be in Monday's effort to make contact with Cambodia's regime, for extended negotiations on settlement of the Korean war were still under way.

The matter was put before the mixed armistice commission meeting at Panmunjom.

Even so, it took 11 months of negotiations before North Korea freed former Navy Comdr. Lloyd M. Bucher and the Pueblo's crew of 83.

COMPANY LISTS CREWMEN ABOARD SEIZED VESSEL

MENLO PARK, N.J.—Sea-Land Co., owner of the Mayaguez, seized by Cambodia Monday, released this list of crewmen:

Charles T. Miller, Fountain Valley, Calif., captain; James P. Newman, Reno, Nev., chief mate; Jared C. Myregard, Van Nuys, Calif., second mate; Burton Coombes, Richmond, Calif., third mate; David C. English, Seattle, Wash., third mate;

Munasser Omer, Delano, Calif.; Francis Pastrano, Kenner, La.; Darryl V. Kastl, San Francisco; Kassem Saleh, San Francisco; Geraldo Lopez, Metairia, La.; Anastacio Sereno, San Francisco; Clifford Harrington, Santa Cruz, Calif.; Vernon Greenlin, Santa Rosa, Calif.; Juan P. Sanchez, San Francisco; Wilbert N. Rock, Bogota, N.J.; James C. Mullis, Wilmer, Ala.; Salvator T. Puntillo, Kenosha, Wis.; Earl C. Gilbert, Pascagoula, Miss.; William G. MacDonald, Houston; Gerald Balliss, Yokohama, Japan;

Thomas V. LaBuz, Temple City, Calif.; John Doyle, Toledo, Ohio; Herbert C. McDonald, San Francisco; Polo Russi Vazquez, Punta Santiago, Puerto Rico; A. Minichiello, San Francisco; Wilfred Reyes, Daly City, Calif.; Alfred J. Rappenecker, Palo Alto, Calif.; Raymond Friedler, Rochester, N.Y.; Americo Faria, Walnut Creek, Calif.; Robert Phillips, Manila, the Philippines; Awat B. Sulamen, Philadelphia; Frank T. Conway, Hattiesburg, Miss., Robert E. Zimmerman, Seattle; Carlos J. Cuerrero, Honduras; Stephen Zarley, Rizal, the Philippines; Ervin Anderson, New Orleans; Guillermo C. Reyes, Daly City; Angel L. Rios, Levittown, Puerto Rico, and William P. Bellinger, Washington, D.C.

INTELLIGENCE BLUNDER? DANGER SIGNS IGNORED

(By Henry S. Bradsher)

The capture of an American ship by the tough new Communist regime in Cambodia may have resulted from a major blunder of U.S. intelligence, which failed to head off the new international crisis.

The U.S. government had received a number of danger signs before the merchantman Mayaguez was boarded by armed Cambodians yesterday and taken with its 39 American seamen to the port of Sihanoukville.

But, in answer to questions, officials could not find any indication that the danger signs had registered sufficiently to cause precautionary steps to be taken so as to avoid the capture of an American ship.

This suggested that the situation is comparable to the capture of the Pueblo by North Korea in 1968 after Pyongyang had warned against the American spy ship's operations off its coast but the warnings were ignored. In the case of the Mayaguez, however, the White House said that the vessel is not a spy ship.

The danger signs known here before the Mayaguez's capture include the following:

Since Cambodia's major seaport Kompong Som—now renamed Sihanoukville by the new government—was taken over by the Khmer Rouge, at least one American-supplied gunboat had been put into operation by the Communists.

A Cambodian gunboat had stopped a Panamanian ship last Thursday in the same area approximately 60 miles off shore where the Mayaguez was captured. It was later released and the Khmer Rouge were apparently searching for other maritime prizes.

At least three ships in which Cambodian refugees fled after Phnom Penh fell are now at the U.S. naval base at Subic Bay in the Philippines, giving the new regime a motive to take a U.S. prize for barter purposes.

Cambodia claims Wai Island, the rock about eight miles from the point of capture, and therefore claims the waters around it which U.S. shipping had regularly been using. The island is also claimed by Vietnam.

According to one report received at the Pentagon some days ago, the new Cambodian regime has also claimed territorial waters up to 90 nautical miles (about 100 statute miles) from shore, which would include not only Wai Island but also a sizable stretch of the shipping lane around Vietnam and Cambodia to Thailand from the East.

Perhaps most important in adding all these up, the new Cambodian regime has openly shown bitter hostility to the United States.

It has also been so deliberately isolated from the outside world that the only country the United States could contact yesterday which might get a message through about the ship was China. The Chinese liaison office here was approached but U.S. officials were not very optimistic that this channel would produce results.

Some of the danger signs, officials disclosed yesterday after the capture, were buried in secret intelligence reports. Others were registered in collections of material on the changing situation in Cambodia.

But the most critical fact of all, the stopping of the Panamanian ship, failed to cause a sufficient assessment of possible dangers to shipping in the Gulf of Thailand from which might have been drawn the conclusion that U.S. vessels would be in danger.

After the capture, officials saw that it would have been possible to warn American ships to sail around the claimed territorial waters where the gunboat was known to have been operating.

The United States might also have sent a warship protectively close to the area until the situation was clarified.

These were the same steps which had been possible when the North Korean warnings about the Pueblo's operations were given. But in neither case was the danger taken seriously enough to cause any reaction.

Only after the Pueblo and Mayaguez captures did officials begin to search for motives which would have led to such an action.

Since Phnom Penh fell to the Khmer Rouge on April 17, five days after the American helicopter evacuation, officials here have been watching the Cambodian situation from several sources.

Both normal domestic radio broadcasts and internal military radio traffic have been monitored. Reports from refugees coming out of Cambodia have been noted. Statements by Cambodian spokesmen abroad have been studied.

All have indicated continuing hostility toward the United States, which armed, financed and wholly sustained the now-defeated Lon Nol government. Recent broadcasts have expressed particular anger at the destruction of Cambodia's roads, bridges, railroads and other infrastructure during the war, with the blame being put—not always accurately—on the United States.

Officials here saw a possibility that the Mayaguez was seized in retaliation for this damage. It might also have been taken for barter purposes.

The three ships at Subic Bay sailed from Kompong Som with 625 refugees as the war ended. They went first to a Malaysian port and then to the Philippines. Some reports said that a fourth warship had also escaped and was at Subic Bay.

Records show that the United States had provided six gunboats to the old Lon Nol government.

Some American officials were not convinced that the seizure was a deliberate act of policy by the Khmer Rouge, whose government remains shadowy and ill-defined. One official said the action, which President Ford denounced as "piracy," might have been a local initiative rather than an order from Phnom Penh. Or it "might have been just a general warning" to foreign ships to stay away from Cambodia.

This interpretation gained possible support from information conveyed by Ford to some congressional leaders that the Cambodian boarding party did not speak English. The gunboat might not have set out to capture an American ship.

But some officials thought the fact that the Panamanian ship had been released earlier argued the opposite. They added that the Cambodians presumably could identify an American flag and knew at whom they were shooting.

The White House spokesman, Ronald Nessen, announced that the ship was about 60 miles from the Cambodian coast and 8 miles from Wai Island.

A spokesman for the ship's owners, Sea-Land Corporation, said later it was 85 miles offshore. That would have put it much farther than 8 miles from the island but still within the reported 90-nautical-mile claim.

The United States does not recognize such extensive claims for shipping rights, but it has not prevented Peru from seizing American fishing boats even farther from its shores.

Among the mixed reactions on Capitol Hill, ranging from caution and a wait-and-see attitude to demands for U.S. government action, was a call by Sen. James L. Buckley, R-N.Y., for an "immediately clinical air strike."

Buckley suggested that U.S. planes might bomb such targets as ports and bridges. But the new Communist rulers in Phnom Penh have been complaining that they do not have many of those left unbombed after the war, so the choice of targets now would be poor.

By emptying the cities of population since its victory and emphasizing rural self-reliance, the new regime has made itself virtually invulnerable to any military or economic pressure which the United States might now try to bring in hopes of winning the release of the 39 seamen.

The White House had warned yesterday that failure by Cambodia to release the ship immediately "would have the most serious consequences." A U.S. aircraft carrier and supporting warships were sent to the Gulf of Thailand.

The United States also still has warplanes at air bases in Thailand which were used to bomb Cambodia before a Congressionally imposed halt on such raids on Aug. 15, 1973.

PERSONAL EXPLANATION

HON. BUTLER DERRICK

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. DERRICK. Mr. Speaker, on April 28, 1975, I was present when the call was made for a final vote on H.R. 4222, The National School Lunch Act and Child Nutrition Act of 1966 Amendments of 1975. Apparently, the computer failed to record my vote in favor of the act. The computer does show that I inserted my card, however, it did not register a vote. I wish for the RECORD to note my intention of supporting the bill, the fact that I was present, and that I did in fact vote for H.R. 4222 on final passage. Thank you.

TESTIMONY ON FULL EMPLOYMENT

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. HAWKINS. Mr. Speaker, on these pages on May 6, one of my colleagues reprinted an article from the Communist Party newspaper, Daily World, concerning testimony before the Subcommittee on Equal Opportunities in Detroit, Mich., March 24, 1975, on H.R. 50, the Equal Opportunity and Full Employment Act.

The implication that H.R. 50 relies on Communist support for acceptance, or that it is in some way an intentional or unintentional instrument for Communist Party tactics, is sufficiently serious and erroneous to merit my setting the record straight at this time.

The testimony to which my colleague referred was that of Douglas Likkel, representing the ad hoc committee for a Detroit Youth United for Jobs and one of three members of a panel devoting testimony to the impact of the economic situation on Detroit youth. Other members of the panel included representatives of the NAACP and the Detroit Youth Council, an organization affiliated with the city government. Mr. Likkel was one of 15 witnesses testifying in Detroit including two Congressmen, the mayor of Detroit, and the chairman of the board of a major Detroit company.

To date, the subcommittee has conducted eight hearings on H.R. 50 and heard from 77 witnesses. While some of these witnesses may differ as to the best means for achieving the goals of this legislation, they are almost unanimously in favor of the national commitment to full employment which is central to this bill. Eighty-five Members of the House have joined Congressman HENRY REUSS and me in cosponsoring this legislation. Senator HUBERT HUMPHREY and five other Senators have introduced the measure in the Senate.

As chairman of the Subcommittee on Equal Opportunities, I have sought to have the widest possible range of views represented in these hearings from economists, city and State officials, labor unions, individual workers who are bearing the brunt of the recession and other interested organizations and individuals.

Over 8 million individuals, by official count, were out of work last month, a vast testimonial to the failure of our national economic policies which cuts across lines of race, religion, or political persuasion. The discrediting attempts implicit in the earlier Extension of Remarks are pitifully shortsighted and fail to meet in any constructive manner the

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very real needs of 8 million unemployed workers.

For the benefit of my colleagues, I am inserting a list of witnesses who have appeared before the Subcommittee on Equal Opportunities in the hearings on H.R. 50:

HEARINGS ON THE EQUAL OPPORTUNITY AND FULL EMPLOYMENT ACT, H.R. 50

Washington, D.C., October 8, 1974:

The Honorable Hubert H. Humphrey, U.S. Senator from Minnesota.

The Honorable Henry S. Reuss, U.S. Representative from the 5th Congressional District of Wisconsin.

Bertram M. Gross, Professor of Urban Affairs, Department of Urban Affairs, Hunter College, New York.

Washington, D.C., February 25, 1975:

Leon H. Keyserling, National Committee of the Conference on Economic Progress.

Alan Gartner, Secretary, National Conference on Public Service Employment, and Professor of Education, Queens College, New York.

Stanley Moses, Assistant Professor, Department of Urban Affairs, Hunter College, City University of New York.

Washington, D.C., March 18, 1975:

Lynne Darcy, Coordinator, National Task Force on Compliance, National Organization for Women, Princeton, New Jersey.

Mary Jo Binder, Coordinator, National Task Force on Women and Poverty, National Organization for Women, Washington, D.C.

Michael Markowitz, Director of Labor/Management Relations, National Association of Manufacturers, Washington, D.C.

Detroit, Michigan, March 24, 1975:

The Honorable Coleman Young, Mayor, City of Detroit, Detroit, Michigan.

The Honorable Charles C. Diggs, Jr., U.S. Representative, 13th District, Mich.

The Honorable John Conyers, Jr., U.S. Representative, 1st District, Michigan.

Richard Donahue, Director, Bureau of Manpower, Department of Labor, Lansing.

Irving Bluestone, Vice President, United Auto Workers, Detroit, Michigan.

Gilbert F. Richards, Chairman of the Board, Budd Company.

Honorable Maryann Mahaffey, National Association of Social Workers (Councilwoman, City of Detroit).

Lonnie Peek, Concerned Citizens' Council, Inc., Detroit, Michigan.

James Brewer, Greater Detroit OIC.

Michael Ruckes, Unemployed Workers' Council.

Julie Chenault, NAACP Youth Council.

Douglas Likkel, Ad Hoc Committee for Detroit Youth United for Jobs.

Gail Russell, Detroit Youth Council.

Zachary Schiller, Secretary, People for Economic Justice.

Joseph Tuma, Director of Manpower Studies for the Institute of Industrial Labor Relations at Wayne State University.

Los Angeles, California, March 26, 1975:

Lucy Fried, Coordinator, Coalition for Economic Survival.

Consuelo Andrade, Retired Auto Worker.

Betsy Newburn, Welfare Mother.

Rev. Al Dortch, Chairman, Citizens' Committee for Community Action.

Jerry Whipple, United Auto Workers.

Mary McDaniels, United Electrical Workers of American Radio and Machine.

Jack Bernal, Local 44 Uniroyal Rubber Workers.

Marvin Smith, Local 808, United Auto Workers.

Cliff Fried, UCLA Chapter of AFSCME.

James Lorenz, Director, State Department of Employment Development.

Michael Tabriner, Special Counsel, California Employment Development Department.

Dr. Arthur Pearl, Commission for Economic Development Task Force on Economic Planning.

Charles Mason, C.E.T.A. Project Director.

Atlanta, Georgia, April 4, 1975:

Mrs. Coretta Scott King, President, The Martin Luther King, Jr., Center for Social Change, Atlanta, Georgia.

Davey Gibson, Commissioner, Department of Community and Human Development, Atlanta, Georgia.

Howard Weeks, Georgia Department of Labor, Atlanta, Georgia.

Bernard Porche, Executive Director, Southern Conference of Black Mayors, Atlanta, Georgia.

Hon. Arthur Langford, Jr., President, United Youth-Adult Conference, (City Councilman) Atlanta, Georgia.

Samuel E. Hudgins, Treasurer, Atlanta Chamber of Commerce, Atlanta, Georgia.

Lyndon Wade, Exectuive Director, Atlanta Urban League, Atlanta, Georgia.

Dorothy Bolden, President, National Domestic Workers Union, Atlanta, Georgia.

Donald Webster, NAACP.

Charles Bannerman, Director, Delta Foundation, Greenville, Mississippi.

Solina Burch, Communications Workers of America, District No. 3.

David Scott, State Representative, 37th District, Atlanta, Georgia.

Charles Conroy, Intensive Employment Project, Atlanta, Georgia.

Hon. Zell Miller, Lt. Governor, State of Georgia.

William Allison, Executive Administrator of the Economic Opportunity, Atlanta, Georgia.

Philadelphia, Pennsylvania, April 11, 1975:

Rev. Charles Walker, Operation PUSH, Philadelphia, Pa.

Brian Williams, Committee for Full Employment.

Joe Ferrara, Area Director, United Auto Workers.

Jim Royal, Unemployed Worker.

Father Kakalec, Council of City-wide Community Organizations.

Edward Finnigan, Pennsylvania State Employment Service Buerau.

Herbert Sanabria, Council of Spanish-speaking Organizations.

Richard Askew, President, International Longshoremen's Association, Local 1291.

Reggie Ector, Welfare Rights Organization.

Frank Bradley, President, Action Alliance of Senior Citizens.

Felicia Coward, Chairperson, Young Workers' Liberation League.

Bernie Dinkin, Education Director, Amalgamated Clothing Workers of America.

Ducky Birts, Independent Businessmen's Association.

Sharon Wallis, Women's Political Caucus of Philadelphia.

Theodore Eisenberg, Deputy Director for Compliance, Philadelphia Commission on Human Relations

Al Jones, Unemployed Worker.

Thomas Ritter, OIC of Philadelphia.

Andrew Freeman, Executive Director, Urban League of Philadelphia.

Isadore Krancel, American Jewish Committee.

Sante Fe, New Mexico, May 2, 1975:

Pete Jimenez, President, New Mexico American G.I. Forum.

Vicente Ximenez, New Mexico American G.I. Forum.

Santiago Anaya, President, Alianza Federal de Mercedes, Albuquerque, New Mexico.

Isabel Garcia, President, La Escuela, Albuquerque, New Mexico.

Jim Martinez, President, New Mexico League of United Latin-American Citizens, Albuquerque, New Mexico.

Carl Smith, President, New Mexico AFL-CIO, Albuquerque, New Mexico.

JOHN L. PETERSEN TO HEAD FIRE PREVENTION ADMINISTRATION

HON. TIM L. HALL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. HALL. Mr. Speaker, I am most pleased that President Ford has selected a constituent of mine, Mr. John L. Petersen, of Aurora, as his choice to be the Administrator of the National Fire Prevention and Control Administration within the Department of Commerce.

Mr. Petersen has been involved in fire prevention work since 1961 when he joined the Sugar Grove Fire Department. Since that time he has become a leading expert in the field. In 1972, the Governor of Illinois appointed Mr. Petersen to the Illinois Fire Protection Personnel Standards and Education Commission. Mr. Petersen has been a lecturer and instructor at the University of Illinois Fire College and the Illinois fire chief's advanced training seminars.

As soon as the other body acts on his confirmation, Mr. Petersen will become an outstanding Administrator of this most important new agency.

Mr. Speaker, I would like to include a report on Mr. Petersen's nomination from the April 12, 1975, Aurora Beacon News at this point in the RECORD:

FORD WILL NOMINATE AURORA MAN FOR POST

WASHINGTON.—President Ford announced Friday he will nominate John L. Petersen of Aurora, Ill. to be administrator of the new National Fire Prevention and Control Administration.

Petersen, 39, will head the agency created by Congress last October to conduct a comprehensive fire prevention and control program throughout the nation.

It will have a budget of $45.5 million in the 1975–76 fiscal year.

Confirmation of the appointment must be made by the U.S. Senate, which is expected within two to three weeks.

Petersen is a partner in the law firm of Matthews, Jordan, Dean, Eichmeier and Petersen of Aurora. He has been involved in fire prevention work since 1961 when he joined the Sugar Grove Fire Department.

In January of 1972, he was appointed by Illinois Gov. Richard Ogilvie as a member of the Illinois Fire Protection Personnel Standards and Education Commission.

Gov. Dan Walker reappointed him to the commission in 1974. He has been chairman since January of 1972.

Petersen was born March 24, 1936 in Aurora. He received a bachelor's degree from the University of Illinois in 1958 and his LLB degree from DePaul University in 1961.

He has been a lecturer and instructor at the University of Illinois Fire College and the Illinois Fire Chief's Advanced Training seminars.

Petersen is married to the former Shirley Techen. They have five children.

His new government agency here is in the Department of Commerce.

He is the son of John S. Petersen, judge of the 16th Judicial District, and Mrs. Petersen, both of Sugar Grove.

SENIOR CITIZENS AND THE ECONOMY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. DOWNEY of New York. Mr. Speaker, on March 3, I held a day-long public hearing in my district on senior citizens and the economy. I heard testimony from more than 2 dozen witnesses, including heads of senior citizen organizations, agency directors, and some very outspoken individuals representing themselves. The hearing room was packed with interested older Americans anxious to be heard by their Congressman as well as by the various public officials who were also in attendance.

Ms. Elsie Cosbey is the director of the Retired Senior Volunteers program—RSVP—of Suffolk. Her testimony is a strong endorsement of this program created under the Older Americans Act and administered by the ACTION agency. Her recitation of the benefits of this program should convince us all of the need to continue these programs that give a measure of dignity and worth to the lives of many retired persons. I include her testimony in the RECORD:

SENIOR CITIZENS AND THE ECONOMY

Our next speaker will be Elsie Cosbey, the Program Director of the Retired Senior Volunteer Program.

Ms. COSBEY. The Retired Senior Volunteer Program of Suffolk is sponsored by Suffolk Community Council and funded by the Community United Way and ACTION. RSVP is in its third year of a five-year project. The original proposal was approved to provide meaningful volunteer assignments for 1,500 persons over sixty. A survey indicating this need was made by Suffolk Community Council in 1969. Since then, Suffolk County and its institutions have grown. We know that there are many more assignments that could be filled in 1975.

Currently, there are 517 RSVP volunteers serving in fifty-two agencies in Suffolk. Most RSVP volunteers serve three to five hours weekly giving their time, talents and experience. RSVP arranges for out-of-pocket expenses, transportation and meals if appropriate.

In October, 1974, there were 621 RSVP volunteers. 175 RSVP volunteers lived in Congressional District Two serving in eighteen different agencies or organizations. Since then, many more volunteers have asked for placement. More agencies have requested RSVP volunteers.

During the first two years of the RSVP grant, ACTION was most encouraging in its financial support. RSVP in Suffolk was scheduled to grow from 621 to 800 volunteers by October, 1975. Our current budget now reduces RSVP to 500, 121 less than during the previous year. The required community support of thirty per cent is exceeded. The value of RSVP is well recognized in Suffolk. The contribution to the well-being of residents of Suffolk can be seen in a summary of RSVP activities during April, 1974. 416 RSVP volunteers worked 4,784 hours, face-to-face with 5,650 elderly persons, 2,264 adults, and 1,023 children. They have been making a tremendous difference in the lives of many who are handicapped or disadvantaged. Other RSVP volunteers provided indirect services which permit small voluntary organizations to function more effectively. The numbers served were too great to enumerate.

Not only did RSVP volunteers help others, they helped themselves. Most RSVP volunteers declare that they receive more than they give. This involvement in the community adds to his assurance. He can and does receive information referral as well as social contact through this association. In short, RSVP is not a problem of the aging but, rather, a solution to many of these problems. Because of this aspect of RSVP service to the elderly, RSVP would benefit by stronger linkage to other programs for the aging through the Administration on Aging of the Department of Health, Education and Welfare. The primary emphasis in RSVP is in serving the elderly by developing a satisfying role in community service. RSVP is a most efficient means of utilizing the resources of our most experienced members of society to expand the resources of our community. The cost is little. The results are great.

May I urge you, Congressman Downey, to work toward greater support for the Retired Senior Volunteer Program so that your district can avail itself of the valuable experience of its seniors.

The CHAIRMAN. Would you just tell the people in your own words where they can go for the RSVP Program?

Ms. COSBEY. Retired Senior Volunteer Program Office is at 2364 Middle Country Road in Centereach. Our telephone number is 981–7666.

Volunteers work three to five hours in a variety of agencies. In Maryhaven School for Educable Retarded, in the Suffolk Infirmary, Kings Park Hospital, in Burrwood Home for the Blind, in the Pilgrim State Hospital, in the schools and libraries, in our office, in many nursing homes, in each of the communities, in Northport Veterans Hospital.

We try to match your talent, the talents of the senior, to the needs of the community in placing him in his voluntary assignment. I have a copy of the study and a listing of Congressional District Two members in here.

The CHAIRMAN. Thank you.

Let me tell you that, again, the news is bleak with respect to the agencies that handle not only the RSVP Program but a score of programs like the Peace Corps and VISTA. For fiscal 1976 the President has requested about $1,800,000 below the 1975 level.

In terms of program monies for the RSVP Program, I believe it is either at or below what you got this year.

Ms. COSBEY. Just about the same.

The CHAIRMAN. How do your senior citizens get to the Centereach Center?

Ms. COSBEY. They don't get to the Centereach Center. We work out of there. We go to them, and we do try to arrange transportation for them. This is the main portion of our budget, and, of course, inflation has hit us very severely. And now we find we can't transport as many people for the same amount of money.

The CHAIRMAN. What do you think the same budget level authorization will have on your program? Will you be able to expand it?

Ms. COSBEY. No. By attrition we are limiting it now to 500. For the same amount of money, we were operating last year for 621.

The CHAIRMAN. So if it stays the same, you can actually do less because your costs are greater?

Ms. COSBEY. The seniors are requesting reimbursement.

The CHAIRMAN. Thank you, Ms. Cosbey.

You can rest assured that the Congress is not in agreement with the five and a half per cent increase in Social Security. Nor am I. I think it should be more. At the very least, I think we need to provide cost-of-living increases in these programs so the benefits can at least come to you in the same level as last year.

HATCH ACT REVISION SUPPORTED

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. HARRIS. Mr. Speaker, at the April 14 hearings in Annandale, Va., on H.R. 3000, a bill which will revise the Hatch Act, Mr. Theodore W. Taylor, former Deputy Commissioner of the Bureau of Indian Affairs, gave a thoughtful presentation. I would like to share it with my colleagues:

REMARKS OF THEODORE W. TAYLOR

On the basis of 38 years of government service involving staff work in the personnel field, being an employee under civil service and political appointee supervisor, and as a supervisor of others, I believe my experience may be relevant to the proposed amendments to the Hatch Act. Also for several years I have been teaching public administration part-time at George Washington University, the School of Continuing Education of the University of Virginia, and Southeastern University.

The federal administrative agencies that carry out the programs authorized and funded by Congress have been called a fourth branch of government. They have over 2,000,000 employees. They affect our lives in many ways—regulating interstate commerce and food and drugs, supporting services for housing and education, regulating our monetary system, administering tax laws and benefit programs, as well as protecting our national security. The efficiency and responsiveness of this vast array of government commissions, departments, agencies and bureaus are critical to this nation's welfare.

The Hatch Act was the result of abuse of the power residing in heads of agencies over their employees. The abuse was coercing such employees to act in a partisan political manner. The penalty for not yielding to the wishes of a partisan superior might be harassment, lack of promotion, or being fired. Without restrictions on political activities, there was greater temptation, too, to hire on a partisan basis rather than on merit. Even with the Civil Service Act of 1883 and the Hatch Act these temptations and pressures exist. What does an employee do if he receives an invitation from his department head to go to a partisan fund raising dinner at $100 a plate?

Use of federal employees for partisan purposes reduces the efficiency and responsiveness of agency operations. Further, it warps impartiality and fairness in carrying out the programs established by the Congress. There is the temptation to favor your friends and neglect your enemies (John Dean put this philosophy in a little stronger language). Should political partisanship become a larger factor in public administration, the credibility of such government services would be damaged with the people being served, and rightly so.

However, there are those that disagree with the above view. I remember hearing Patrick Moynihan state at an ASPA luncheon that the civil service merit system was too rigid and resulted in the inability of political appointees of the President to achieve responsiveness in carrying out their programs. I think this is a mistaken view. He had not served as a civil servant. Most people that I have worked with in the federal government are anxious to carry out the intent of the law and in the manner desired by their superiors. Frequently, political superiors assume their policies will become known by osmosis, or they are completely at sea in the complicated and demanding positions in which they find themselves. Thus directions and guides to subordinates may never materialize or may be half baked and result in greater problems.

A basic defect in the Nixon administration was the deep distrust of civil service employees by Nixon and many of his appointees. Instead of leading and working with the program people in the agencies they tried to ignore them or go around them. They reorganized to eliminate top civil service positions to put partisans in their place. Constant reorganizations occurred and political appointees were rotated at a dizzying pace. The people in the bureaus received little direction, could not obtain answers to major policy issues, and were kept in constant turmoil. If such employees had not had statutory guidelines and major policies and approaches worked out through experience, considerably greater disorientation would have taken place. If such employees had not been dedicated to the public service and the programs with which they were charged, the federal government would have come to a near standstill. As it was, the lack of leadership and constant reorganization resulted in lost motion, lost efficiency, and considerable demoralization.

The main point is that without a nonpartisan, program dedicated corps of civil service employees such goings on would have resulted in governmental chaos. If some of the provisions of the bill under consideration had been in effect I suspect there would have been additional disorganization and diversion from legislative objectives.

The proposed amendments to the Hatch Act have laudable objectives—to enable government employees to be full fledged citizens with rights to participate in partisan political activities. I like this objective. I have chafed under civil service restrictions because I could not be an officer in a local partisan party organization. My frustrations were relieved somewhat by being able to campaign for independents for local government offices in Arlington and I have done this. The proposed amendments are thus very appealing.

My problem is primarily with two of the proposed changes: (1) serving as an officer of or conducting a partisan political meeting or rally, and (2) candidacy for any public office. If my bureau chief or the secretary of the department engaged in these activities, and I as an employee was not prohibited by law from engaging in such activities, I believe the temptation would be very great to persuade able employees to participate in key campaign activities. The employee would have little defense if he resisted. His job future is important to him. He is dependent upon it for bread and butter. It is difficult to pin down subtle pressures. It is hard to prosecute flagrant abuses because they are difficult to prove. Pressure would not have to be in the form of direct orders. I have talked with staff members of the CSC and I have been in personnel work myself. Discrimination by a superior against any employee is almost impossible to document and prove—unless he is dumb enough to put it on the record through a prejudicial statement or clearly documented prejudicial act.

Can the above problems be controlled through surveillance and effective prosecution and penalties? I do not know. It seems to me that the difficulties of substantiating a case of partisan political pressure may prevent effective sanctions.

So the issue the committee has to decide is whether the additional political freedoms which the amendment would provide can be safeguarded from abuse. My visceral reaction is that this would be difficult. But if you are satisfied that such abuse can be prevented, I would be very happy to see such political freedoms installed. I do not believe that you should conclude that abuse can be prevented by simply specifying penalties and assigning responsibility for enforcement. I believe you need assurance from professionals in personnel who have worked on discrimination cases and from attorneys and others in the CSC and the Department of Justice. They have had experience under the present statutes and would have to wrestle with the enforcement problems of the proposed amendments.

As previous testimony has demonstrated, employees and their unions are not all of one mind on this matter. And the ASPA which met in annual convention earlier this month passed a resolution which I understand will be referred to your committee and with which I find myself in general agreement.

The importance of the administrative departments and bureaus to our welfare is obvious. We need to promote their effectiveness and responsiveness to the American people.

JOSEF CARDINAL MINDZENTY

HON. RAY J. MADDEN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. MADDEN. Mr. Speaker, the world suffered a great loss with the death of Josef Cardinal Mindzenty, who passed away on May 6, 1975 at the age of 83. He stood for principles that all of us admired and served his principles by spending almost one-third of his life in prison or exile. He was a leading opponent of communism and all the evils of the Communist way of life. He was a man who helped all of us to respect freedom. Following is an article by Rod MacLeish on the greatness of Josef Cardinal Mindzenty:

CARDINAL MINDZENTY

(By Rod MacLeish)

The valor of one era often ends up as the obdurate foolishness of another. As long as there was Rhinish mysticism, Siegfried was a hero. He now appears to be a bellowing ninny. Who, in the age of deodorants and self-pity, would want to spend a weekend with Beowulf? The definition of heroism depends largely upon the people in charge of time and events. Josef Cardinal Mindzenty, who has just left us at the age of 83, was a classic example of what can happen to people who get caught in the meshing gears of history. A stalwart of the Cold War when its lines and values were starkly drawn, he became, in the next round of events, a nuisance to authority.

The Hungarian Cardinal exemplified the hero as hold-out. In his long and difficult career he stood up to an assortment of thugs from the Nazis to the several species of Communists who revolved in and out of Hungarian authority at the behest of the Soviet Union. The issues that landed Cardinal Mindzenty in prison and in torture chambers were constant: he defended his church against secular power which hated it, he protested the persecution of Catholics, Jews and people of no particular belief or offense. And everybody cheered because he was the hero of a particular time, place and need.

Then, after 15 years' refuge in the American embassy in Budapest, the world shifted out from under him. Moscow decided to coexist peacefully, the West agreed to think about detente and balances of payments instead of Armageddon. Pope Paul VI recognized that the time for symbolic stalwarts was over and ordered Mindzenty to leave the embassy and come West; President Nixon advised the Cardinal to bow to his fate. He came West. In February, 1974, the Vatican announced that he was no longer prelate of Hungary.

One doesn't remark upon all of this to castigate either what he was or what the world became. But the hero as hold-out has no place in an era whose rueful acceptance has robbed us of things to hold out against. That sighing realization was what Cardinal Mindzenty was left with.

That and the sound of one hand clapping.

NO COMPROMISE ON PRINCIPLES

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. KASTEN. Mr. Speaker, the rights of the Baltic States must not be compromised during these final stages of negotiations at the Conference on Security and Cooperation in Europe. Contrary to Soviet designs, the United States will never recognize the illegal, forced annexation of these independent nations. We stand firmly behind the right of these once-sovereign nations to national self-determination, a principle we Americans cherish. To express my personal concern and commitment, I, in fact, have cosponsored a bill, House Concurrent Resolution 255, which denies recognition of the status quo.

The passage of time has not in any way legitimized the incorporation of Estonia, Latvia, and Lithuania by the Soviet Union in 1940. The intervening years have not dimmed the hopes of these proud and courageous peoples. Their efforts are not in vain. The aspirations of freedom must be kept alive. We Americans support the just claims of the Baltic peoples for the return of their nationhood.

Relations among states should be based upon principles to assure equality and respect. The rights of small states to national existence must be protected against the onslaught of aggression, no matter the pretext. The set of principles put forth at the Conference embodies those ideals which we Americans strive for and revere. We can hope that the Soviets will respect these goals and liberate the Baltic States.

"Self-determination of peoples" must not be a vacuous phrase. To agree in principle and contradict in practice is sheer hypocrisy and a breach of international understanding. The entire basis of this Conference then becomes questionable—form rather than substance. Again, we call upon the Soviet Union to reverse its policies of oppression toward Estonia, Latvia, and Lithuania. Let them regain their rightful places as sovereign nations in the world community. To do otherwise would render the agreement on principles meaningless and void.

The free world has not forgotten and will never forget the plight of the subjugated Baltic peoples. We will continue to actively seek the return of sovereign status to Estonia, Latvia, and Lithuania. The United States will never sanction this deprivation of national sovereignty. There will be no compromise on principles at the European Security Conference. The goal of self-determination for the Estonians, Latvians, and Lithuanians will not be sacrificed. The continuing Soviet occupation of the Baltic States must come to an end.

NATIONAL NURSING HOME WEEK

HON. J. KENNETH ROBINSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. ROBINSON. Mr. Speaker, I should like to take this opportunity to join President Ford in saluting the American Health Care Association and its members for their efforts to provide quality care for the Nation's infirm elderly and chronically ill citizens. The association, I am informed, represents approximately 8,000 health care facilities with a total of about 600,000 patient beds.

Along with Governor Mills Godwin of Virginia, I should like to recognize, in particular, the work of the Virginia Nursing Home Association, an affiliate of the national organization I have mentioned, in striving to upgrade the quality of extended care facilities and the proficiency of their personnel.

President Ford, Governor Godwin, and many other public officials across the Nation have taken public note of National Nursing Home Week, which now is in progress and will end Sunday, May 18. A chief feature of the observance is the open invitation of the participating nursing homes and similar establishments to the public to visit this week, inspect the facilities and meet the residents and staff.

As the President noted in his statement,

> Such civic involvement is a useful way of bringing the community into the lives of nursing home residents and thus making their days more interesting and enjoyable.

Leaders of the extended health care industry acknowledge that there remains a need for improvement in many homes, and that the higher standards being brought into effect by regulation must be monitored, in the interest of the residents and of the majority of progressive homes which meet, and often exceed, these standards.

At the same time, it seems appropriate to comment and encourage the dedicated health professionals, supportive staff personnel, and volunteers who are combining to provide comfortable lives for so many citizens obliged by infirmity or illness to spend extended periods in "homes away from home".

I have been pleased to read, as I am sure have relatives and friends of the residents, feature articles in several newspapers of Virginia's 7th Congressional District in recent months which have detailed the characteristics of outstanding nursing homes in their communities.

Let us take advantage of the invitation to visit a nursing home this week.

FOR AN ADEQUATE DEFENSE

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. HILLIS. Mr. Speaker, I would like to take this opportunity to draw the attention of my colleagues to the editorial entitled, "For an Adequate Defense," which appeared in the May 12 edition of the Wall Street Journal. The author of this article, Eugene V. Rostow, is a great American and noted authority in international affairs. Mr. Rostow's comments are extremely timely and deserve the careful consideration of the Congress.

The article follows:

FOR AN ADEQUATE DEFENSE

(By Eugene V. Rostow)

The best diplomatic signal the United States could give the world now would be a sharp increase in our defense program. It will take more than brave words and summit meetings to restore the stability of the world political system. That condition obtains only when our friends and our adversaries are equally convinced that American treaties and other commitments, which are the only cement of the system, radiate genuine deterrent power. At the moment, it is a little difficult to be convincing on that point.

There is a paradox in the state of our opinion about foreign policy. Despite the flurry of bad news in recent months, our basic security position is strong—stronger than has been the case since 1949. The rising pressures of Soviet expansion, and the logic of the nuclear weapon, have forced China, Western Europe, Japan, and many other countries under threat to realize that their security interests and our own are "indivisible," as the French say, and will remain indivisible for the indefinite future. The world is becoming smaller, more interdependent, more dangerous, and more bipolar. We shall remain altogether capable of protecting our interests in that world, if we understand our position as it is, and do what is required to sustain it.

But we do not feel stronger. Quite the contrary. We are uncertain about our course, and are allowing our advantages to erode. Above all, we are bitterly divided, when we should be confronting our problems together with all the optimism, energy and good sense which have always characterized American policy at its best.

How can it be that our position is quite good, objectively, while our subjective perception of it is so melancholy and defeatist?

The explanation for the paradox is that the prevailing American view of world politics, still reeling under the shock of Korea and Vietnam, and attracted as always by nostalgia for the mythical Golden Age of American isolation, has been deeply confused by the misleading Nixon-Kissinger vocabulary for talking about foreign policy. Mr. Nixon did not end the "Cold War," achieve "detente," and substitute "negotiation for confrontation." A condition of "detente" with the Soviet Union has been an unremitting goal of our foreign policy since President Roosevelt's time. It has not been reached. There has been improvement in our relations with the Soviet Union, save in the realms of public relations and wishful thinking. Soviet policy is exactly what it has been since 1944 or 1945, except that its pressures are greater and more diverse than ever, and more difficult to deal with, because they are backed by more force.

THE SOVIET EXPANSION

The Soviet Union continues to pursue policies of expansion which threaten our vital interests in many ways: our interests in access to raw materials; in strategic, naval, and space communication; and in the balance of power itself, through Soviet or Soviet proxy threats to nations whose political independence is vital to our own security, and nations to whose future we are committed for even deeper reasons of history, kinship, and honor. They press steadily to envelop NATO and Japan, and seek to gain power in many other regions of the world.

Soviet policies of expansion are based on a military array which is growing at the rate of 5% a year, in real terms. The Soviet armament effort has no parallel in modern history. Meanwhile, our own expenditure for defense is declining in real terms, and in many categories amounts to unilateral disarmament. It has fallen to the lowest point since the period just before the Korean war.

It follows, at a minimum, that we should build up our military capabilities in order to avert a catastrophic military imbalance. But the defense budget proposed by the Ford administration would keep our defense posture constant, if the rate of inflation turns out to be no more than 10% and all the other cost estimates on which the budget rests prove to be accurate. A static defense program is not enough, in view of the increasing pressures of Soviet policy, and the Soviet defense build-up. That build-up must be countered, if the basic security of the nation is to be assured, particularly by increases for the Navy, for our ready forces, and for research and development. The estimated costs of the increased capabilities recommended in the recent Task Force Statement issued by the Coalition for a Democratic Majority, would be of the order of $10 billion.

The goal of our nuclear policy is to prevent the use or the credible threat to use nuclear weapons in world politics. The heart of the matter is the concept of "second-strike capability," which must at all times be beyond the shadow of a doubt. Second-strike capability cannot be measured by counting the number of ground-based, air-based, and submarine-based launchers on each side, or the number of missiles which can be MIRVed. The key issue is and will remain whether the Soviets can have any reasonable expectation of being able to destroy so large a number of our weapons by a first strike as to create doubt about our second-strike capacity, or our willingness to respond to a nuclear attack as necessary. That question is addressed to the total number of warheads on each side, and the respective capabilities of all Soviet and American launchers.

This is the basic flaw in the Ford-Brezhnev "agreement to make an agreement" announced in Vladivostok. That understanding was addressed to the number of launchers and the number of missiles that could be MIRVed on each side. It tells us nothing about the number of warheads each missile might carry, and the number, yield, capacity, accuracy and range of the warheads themselves, however launched. The Soviet missiles that can be equipped with MIRVs have three to six times the payload of the corresponding American missiles. The result could be an ominous Soviet advantage in *strategic warheads*, and therefore uncertainty about the American second-strike.

The Vladivostok guidelines would build a dam across half the river. It is this gap which persuaded the C.D.M.'s Task Force to support continued research and development expenditure for the B–1 bomber, intended to replace the aging B–52. SALT I did not deal with missiles delivered by bombers at all. And the Vladivostok communique speaks only of missiles delivered by "strategic" bombers. The Soviets are making an impressive "medium" bomber, capable of delivering missiles on many American and American-protected targets. We should therefore proceed with the B-1, pending an agreement that equitably and verifiably limits bombers and all other missile launchers.

The Soviets are building towards superiority in strategic forces, spending annually about twice as much on them as we do, while we have unilaterally frozen the level of our strategic forces.

The Secretary of State has asked, "What in the name of God is superiority? What do you do with it? How do you use it?" The Soviets can answer this question. They are squeezing their economy and their people for the sake of a military goal they believe has meaning today. It offers them the credible possibility of being able to make or to threaten selected strategic attacks against our military dispositions and our allies, while keeping enough warheads in reserve to discourage a reply on our side against either military or civilian targets. Who can deny that such a capability, if achieved, would give them, at a minimum, an immense advantage in the diplomacy of blackmail they have practiced for more than 30 years?

The Task Force Statement therefore urges research and development expenditures on several aspects of our strategic weapons program. These proposals go beyond those of the administration, although they are modest when compared with the Soviet budget. Such action is indispensable if we are to insure that no American President should ever have to choose between yielding vital American interests or destroying the Soviet—and the American—people.

THE IMMEDIATE CHALLENGE

Critical as the problem of nuclear balance is, our greatest immediate challenge is to maintain an adequate U.S. military potential in the non-nuclear field. Thus far nuclear stalemate has given the Soviets the opportunity to inspire conventional wars and proxy wars—an opportunity which has become nearly a license with the decline since Korea of the will of the Western allies to insist on the enforcement of the United Nations Charter. The policy of deterrence must apply at the conventional as well as the nuclear level.

Comparing Soviet and American conventional military potential is a somber exercise. Soviet general purpose forces are increasing steadily in strength and mobility, backed by formidable sea power and air-lift capacity. The Soviet Union has 50%, and perhaps 100% more men under arms than the United States, 3.4 million (or about 4 million) for the Soviets to 2.2 million for the United States, depending on whether one lists border guards and internal security units among the Soviet forces, and how one deals with the high ratio of support to combat troops in all American formations.

The Soviet Union has four times as many tanks as the United States, and at least five times our tank production rate. They are ahead of us three to one in artillery tubes, two to one in heavy mortars and 40% in tactical aircraft, which they are producing at double our own rate. Their air defenses are far greater both in home deployment and in mobile or transportable systems.

The Soviet Union's new blue water Navy is expanding at an astonishing pace. They have almost as many surface ships as we do, and over three times as many submarines, other than ballistic missile submarines. Here again, their building programs are far, far greater than our own.

On net, the Task Force Statement concludes, "our conventional military resources are in many important respects inferior" to those of the Soviet Union. And our programs for revitalizing and restoring those resources are so modest "that we are falling further and further behind."

The statement does not recommend a crash program, seeking to catch up to the Soviets in every category, overnight. It does recommend an increase in expenditures, particularly for the Navy, for ready forces, and for certain critical weapons and weapons systems, designed "to maintain a prudent deterrent against aggression."

A MOOD OF SOMNAMBULISM

The most important problem of our foreign policy is that we and our allies seem to be in a mood of somnambulism similar to that which paralyzed France, Britain, and the United States during the thirties. If we and our allies had been able to wake up then, the Second World War, and all that flowed from it, could easily have been prevented. We and our allies have the capacity to prevent an even more terrible war today.

The United States should be the master, not the victim, of its fate. The dangers before us demand a great and concerted national effort—a sharp and dramatic turn in the direction of policy. That turn will require earnest political debate. But it will require something more—a resolve to face the issues, and undertake that debate.

Thus far, at least, resolve has been the missing factor in the politics of national defense. It is the key factor.

EAST STROUDSBURG HIGH SCHOOL BAND

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. McDADE. Mr. Speaker, as our Bicentennial celebration gets underway, today is Pennsylvania Day, a day in which we recognize the unique contribution the Keystone State has made to our Nation's greatness. This morning, in ceremonies at the Capitol, participants in Pennsylvania Day were treated to a musical program by one of the finest high school bands in the entire Nation, the East Stroudsburg, Pa., High School Concert Band.

This splendid group of 90 young people under the direction of Mr. John Casagrande got our celebration off to a marvelous start. Because they have been honored by being selected to appear here, I think it is appropriate that the Congress take note of their presence and their many achievements.

The East Stroudsburg High School Concert Band has performed across the Nation winning recognition everywhere for their musical excellence. Twice having appeared on national television, they were selected State band champions for the last 10 consecutive years. I might note that eight of those awards were received under the leadership of Mr. Casagrande. The Pennsylvania Musical Educational Association rates them Division One—Superior, the highest accolade any high school band can receive in our State.

They were selected to play for Pennsylvania Day by the Pennsylvania Federation of Music Clubs who recognized that they represent some of the finest young musical talent in our country. I am tremendously proud to represent these young people and their leaders here in Congress. I know the Members of this body will want to join me in saluting their achievements, welcoming them to Washington, and thanking them for participating in Pennsylvania Day here in Washington.

THE GREEK PEOPLE WILL ALWAYS BE FREE

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. ZEFERETTI. Mr. Speaker, no nation has a prouder heritage of liberty and freedom than Greece. No people has a history of greater devotion to individual dignity than do the Greek people. Yet throughout their history, they have been plagued by dictatorships in a variety of forms.

In one era after another, tyranny has been visited upon these people by either an outside invader or a domestic dictatorship. As a result, the history of Greece has many pages darkened by the blood of free people who struggled against all odds to shed the rule of their oppressors.

For many years, Turkey and Greece have confronted one another, divided by ancient rivalries. While the Greeks have sought to fulfill their national goals, Turkey has often sought to thwart those goals by military means. In this century, some bloody chapters have been written, not the least of which was the expulsion and murder of the Greek communities of western Turkey at the end of World War I. Now another chapter has been written at the expense of Greece and the Greek people by the Turkish invasion of Cyprus.

It was recently, that the people of Greece once again exhibited their feelings and devotion to a free life by breaking free from domination of a junta which had deprived them of the freedoms we take for granted. And, again, the vitality of the Greek tradition exhibited itself to world view, as vibrant and as meaningful to all mankind as it was in the days of Pericles, Sophocles, Aristotle, and Plato.

Today, there are some differences between the new government of Greece and the United States. These differences will, in time, be healed and bridged over and will be replaced by the traditional mutual respect and admiration characterizing our relations in the past. Meanwhile, it is imperative that Americans understand the reasoning motivating the people of Greece and bear with them in their time of trial.

It is important that we realize how great a contribution their ideals and their immigrants have made to our own country, our laws and our way of life. They have enriched the United States far beyond my ability to describe, and their concern for the well-being of both countries forms a basis for an ongoing understanding between us.

SOCIAL SECURITY BENEFITS NOT IN DANGER—AN ANALYSIS BY PETER MILIUS

HON. TIM L. HALL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. HALL. Mr. Speaker, the security of social security has been brought into question by a number of recent reports. We have all seen the sensational headlines that the social security system is going broke.

Last week the trustees of the social security trust fund—the Secretaries of Treasury, Labor, and Health, Education, and Welfare—told us that total benefit payments are now expected to start outrunning total tax collections this year. This is, of course, not good news. However, as Peter Milius of the Washington Post, quite properly pointed out in a recent article, it is not the cataclysmic news it may have seemed to be.

Mr. Milius has written of the strengths and weaknesses of social security and the alternatives being considered to maintain the program. I want to share the insights provided by Mr. Milius' analysis:

SOCIAL SECURITY BENEFITS NOT IN DANGER

(By Peter Milius)

The Social Security system is not about to go broke. Congress will not let it.

Your elderly relatives are not going to lose their benefits.

You are not going to lose yours, either; when you retire, they will be there waiting for you.

For more than a year now, from both in and out of government, there has come a succession of increasingly bleak reports as to Social Security's future financial soundness. The bleakest report yet on the giant social insurance system came last week.

The Social Security trustees—the secretaries of the Treasury, Labor and Health, Education, and Welfare—told Congress that total benefit payments are now expected to start outrunning total tax collections this year, rather than some year in the far-off future, as they had earlier reported.

If nothing is done in the interim, the trustees said, the vast Social Security trust funds—$46 billion at the start of this year—will be steadily drawn down, and by the early 1980s be exhausted.

The trustees' report was not good news, but neither was it the cataclysmic news it may have seemed. The system is not going to run out of money.

The way the law is written, Social Security benefits and taxes both now go up automatically each year, to keep up with inflation.

The trustees' report means that taxes will now have to go up faster than had been thought before, and benefits somewhat slower. But benefits will still go up, and will still be paid.

The mistake many people make about Social Security is in thinking of it in the same way as a private pension plan, or even an individual savings account: you pay in your money (and your employer also pays in, in your name), the government holds and invests it for you, then pays it back to you and your surviving dependents at your retirement or death, or if you become disabled.

If that were how it worked, each individual's money would simply be waiting in the trust funds for him or her to claim it; it would be frightening news to learn that the money was somehow disappearing, and the trust funds running dry.

In fact, however, the government has never wanted nor dared to take that much money out of the spending stream each year and squirrel it away. Rather than a pension plan or savings bank, the Social Security system has always been run much more like a kind of clearinghouse.

Economists call it a transfer system, a system under which the government simply transfers a certain amount of income each year from one part of the population to another. The money comes in from current workers and their employers, promptly goes back out again to retired and disabled workers, or survivors of workers who died before retirement.

You pay now to support your parents; your children will pay later to support you. The trust funds are almost incidental.

The system is formally known as old-age, survivors and disability insurance. It was set up in the Depression, at the same time and in the same spirit as federal unemployment insurance: to replace part of the income lost when through no fault of his own, a family breadwinner lost or was somehow forced to give up his job.

In the 40 years since, the Social Security system has become one of the dominant institutions in the U.S. economy.

One dollar out of every 20 that the American people now receive in income comes to them through Social Security.

More than 30 million persons are now drawing benefits each month—one-seventh of the population.

Total benefit payments next fiscal year are estimated at more than $70 billion—almost a fifth of the federal budget.

Two basic problems are facing this system now, one of them long-range, the other short.

The long-range problem has to do with the baby boom that occurred in the years just after World War II, and that was followed by the present decline in the birth rate, the so-called birth dearth.

The baby-boom generation was big; the present generation is small. The baby-boom generation will start to retire about the time the present generation starts to work. In relative terms, there will be fewer active workers supporting more retired ones. There are now about three people working and paying Social Security taxes for every one collecting benefits. By the year 2010 or shortly thereafter, that ratio will be 2 to 1.

The shorter-range problem revolves around the law that Congress passed in 1972 to increase future benefits by the same per cent future prices rise.

Congress was actually restraining itself when it passed the law. When it had raised benefits before, it had always raised them more than prices (though not without reason; in 1959 benefits were so low that a third of the elderly people in the country were living in what the government officially defined as poverty). By 1973, that fraction had been reduced to one-sixth.

The problem in 1972 was simply that Congress, when it passed the law, underestimated the likely future inflation rate and thus the likely future benefit costs.

In addition, Congress miswrote the law in such a way as to increase the likely basic benefits of workers who will retire in the future much more than it had intended.

The law, besides simply raising the benefits of people once they are on the rolls, would also eventually raise what are known as replacement ratios, which Congress never meant to do.

Social Security benefits only replace a part of a worker's wages when he retires; the ratios tell you how large a part. Raising the ratios even a little raises the system's costs a lot.

With a few unimportant exceptions, the law now provides that only Social Security taxes may be used to pay Social Security costs.

The Social Security tax is now 9.9 per cent of taxable wages, 4.95 per cent on both employer and employee. (The total amount you and your employer both pay each week is 5.85 per cent, but part of that is for Medicare for the elderly, not Social Security.)

This tax rate has gone up rapidly in recent years. So has the tax base, the part of an individual's earnings to which the tax is applied each year. That tax base is $14,100 this year. Under the 1972 law, it will rise automatically each future year by the same per cent as average wages in the economy. It will be $15,300 next year, more thereafter.

This increase each year in the tax base, however, will not be enough to meet all the system's coming costs.

Unless Congress takes some other action, the trustees thus said last week that the tax rate will have to rise to 10.93 per cent for employer and employee combined by 1985, 12 per cent by the year 2000 and 22.44 per cent by 2050.

A 22.44 per cent tax rate is plainly insupportable. The Social Security tax is already under attack as too high, as well as for being regressive, in that it takes a far higher percentage of a poor worker's total income than it does of one who is highly paid.

The trustees proposed, as a first step, that Congress rewrite the law it passed in 1972 so that, instead of rising, the system's replacement ratios will stay where they are.

The ratios now are about 60 percent for a low-paid worker—the benefits he first gets when he retires are about 60 percent of the wages he last got when he was working—40 percent for people making about the median wage, and 30 percent or below for the higher paid. The benefit structure is progressive, which to some extent offsets the regressiveness of the tax.

If Congress does rewrite the law this way, as it probably will, the system's long-range costs will be much lower than now projected. Instead of a hypothetical tax rate of 22.44 percent by the year 2050, it would need 16.32 percent.

That still means, however, that somewhere in the future either taxes will have to be speeded up or benefits slowed down.

It also leaves unresolved the system's more immediate problem, the fact that inflation is higher than anyone thought it would be in 1972, that benefits and costs are thus rising faster than was then foreseen, and that the system will start eating into its trust funds this year.

To deal with this, the trustees, speaking for the administration, proposed that the Social Security tax on employers and employees combined be increased the equivalent of 1.2 or 1.3 percentage points sometime in the next few years. (No one wants to raise the tax until the recession is over.)

They left for later the next question, which is whether to achieve the increase by raising the tax rate or the tax base.

Such groups as organized labor would rather raise the base; doing that makes the tax less regressive.

What labor would really like to do, however, is stop financing the Social Security system solely out of the Social Security tax, and start shoring up the system instead with general revenues.

Opponents say such a step would destroy the system, in that there would no longer be a fixed relationship between what a person puts in and what he or she eventually gets out. That is also the view of the administration.

In various indirect ways, however, Congress already has begun moving toward the use of general revenues to supplement Social Security.

One such indirect step was taken in 1972, when Congress federalized and began to beef up the nation's so-called adult welfare pro-

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grams—old-age assistance and aid to the blind and disabled.

These welfare programs are paid for out of general funds. If a worker retires or becomes disabled and his or her Social Security benefits are below the welfare level, these welfare programs will make up the difference.

The Social Security system thus no longer has to worry so much about those receiving minimal benefits; the welfare programs take some pressure off.

Congress also took some pressure off, indirectly, when it passed this year's tax cut to low-paid wage-earners with children. Though no one said so, it was understood that the cut in income taxes was intended to offset the Social Security taxes such people pay.

Instead of putting income tax money directly into Social Security and cutting Social Security taxes, Congress did it the other way around.

General revenues are one possible solution to Social Security's problems. And if not that, Congress will find another. Those 30 million people receiving benefits—a lot of them vote.

CULTURAL ASSETS OF CONTRA COSTA COUNTY

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. MILLER of California. Mr. Speaker, I would like to call the attention of my colleagues to a most unusual and desirable addition to the cultural assets of Contra Costa County—most of which lies in my own Seventh District of California.

The city of Concord, with assistance from the Mount Diablo Unified School District, has recently completed construction of the $4.5 million Concord Pavilion. Nestled in the gently sloping foothills in eastern Concord and Contra Costa County, this pavilion is most artistically designed to blend the structure and its audience into the tranquil countryside, with the majestic Mount Diablo as a backdrop.

The pavilion will bring all the performing arts to the people of Concord, Contra Costa County, and northern California. Its design flexibility makes the pavilion adaptable for symphonies, ballet, chamber music, opera, drama, musical theater as well as circuses, ice shows, spectator athletic events, religious gatherings, political rallies, arts and trade shows, conferences, fairs and conventions. The pavilion fulfills a long-time need in the area for a large auditorium facility.

The 8,000 seat pavilion will be the family entertainment center of Contra Costa County and also a facility for the 50 schools of the Mount Diablo Unified School District to utilize the musical, educational and theatrical programs year-round.

World famous performers and productions will give life to the pavilion stage and its unique sound system. It will be one of the world's most versatile multi-use facilities and the only one of its kind west of the Mississippi River.

The opening performance on Friday, May 16 at the Concord Pavilion will be a benefit show featuring Henry Mancini and his orchestra and jazz vocalist Sara Vaughn. In July and August, the Concord Summer Festival, featuring an outstanding jazz program, will move to the pavilion after six highly successful years at Concord Boulevard Park. Later this summer the San Francisco Symphony will play a series of concerts.

I know the Members of this House will want to join me in congratulating the city of Concord, the Mount Diablo Unified School District, and Contra Costa County on the opening of the Concord Pavilion.

REDUCED AIRFARES FOR SENIOR CITIZENS

HON. JOEL PRITCHARD

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. PRITCHARD. Mr. Speaker, just a few weeks ago, the Civil Aeronautics Board turned down a proposal for discount airfares for senior citizens. Trans-World Airlines proposed knocking one-third off the regular coach fares for senior citizens who agreed to fly on a "standby" basis. In other words, senior citizens could board a flight with a reduced fare if all the seats had not been taken by passengers paying higher fares entitling them to reservations.

TWA's proposal would have been good for all concerned. Senior citizens could avail themselves of lower airfares. And TWA would have, in their own words, furthered their efforts toward "stimulating increased leisure travel" at a time when the industry has been suffering record losses. In rejecting the proposal, the CAB said, in effect, that senior citizens must ante up the full fare and the airlines must continue to fly planes with empty seats.

It is particularly ironic that the CAB expressly rejected the bid of TWA to offer discounts to senior citizens. Just last month, the CAB restored the youth fare to Europe.

In the 93d Congress, I introduced legislation authorizing the airlines to offer reduced standby airfares to the elderly. Had my measure passed, TWA could have instituted their discount proposal. Today, in light of the CAB's decision, I am reintroducing my proposal. For the benefit of my colleagues, I insert the text of my bill in the RECORD at this point:

A bill to amend the Federal Aviation Act of 1958 to authorize reduced-rate transportation for elderly people on a space-available basis

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the last sentence of section 403(b) of the Federal Aviation Act of 1958 (49 U.S.C. 1373 (b)) is amended by inserting "and elderly people" immediately after "ministers of religion".

(b) Such section 403(b) is amended by adding at the end thereof the following new sentence: "As used in the preceding sentence, the term 'elderly people' means individuals aged sixty-two and older.".

CAPITALISM VERSUS STATISM

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. McDONALD of Georgia. Mr. Speaker, an attack often made against capitalism is—oddly enough in the light of Marxist dogma—that it creates too much wealth. Many English aristocrats in the 18th and 19th centuries hated to see the "common" man with newfound wealth made possible by capitalism—inherited wealth was noble, created wealth was somehow vulgar.

The same sort of attack is levelled today by John Kenneth Galbraith in "The Affluent Society": capitalism leads to affluence and the expenditure of money on the "wrong" sorts of things.

It follows that the government—the state—should take this wealth from the people and spend it on more appropriate things. Why? Well, to benefit the people, of course. But how can it benefit them? If to make them richer, this cannot be done by taking their wealth.

Not only is this an old argument, but its logical absurdity has long ago been exposed. One excellent example is provided in "Macaulay: Defender of Capitalism," an article by Bruce Bartlett which appeared in the May 1975 issue of The Freeman.

The article follows:

MACAULAY: DEFENDER OF CAPITALISM

(By Bruce Bartlett)

Thomas Babington Macaulay was born in 1800. In 1825 he began his writing career and soon became one of England's most popularr essayists. In 1848 the first volume of his magisterial *History of England* appeared and became an instant success, rivaling only the works of Byron and Sir Walter Scott in popularity. Owing to its brilliant style and encyclopedic collection of facts, it established Macaulay's reputation for all time. In 1857 he was raised to the peerage, died in 1859, and was buried in Westminster Abbey.

Like Lord Acton, Lord Macaulay is an outstanding representative of the Whig tradition and true liberalism in the nineteenth century. In his works he constantly stressed the history of liberty as fundamental to human progress. Consequently, he was also a strong supporter of capitalism and laissez-faire, both in his writing and in numerous speeches before Parliament. His most vigorous effort was in a review of Robert Southey's *Colloquies on Society* for the *Edinburgh Review* in January, 1830.

Southey was Poet Laureate of England at the time. In 1829, however, he had temporarily abandoned his poetry to take up social commentary. Ostensibly, his book was only a collection of conversations between himself and the ghost of Sir Thomas More; but this was only a literary device to allow him to present his own opinions about society in general. Macaulay easily saw through this and took Southey firmly to task for this departure from his poetry:

"It would be scarcely possible for a man of Mr. Southey's talents and acquirements to write two volumes so large as those before us, which should be wholly destitute of information and amusement. Yet we do not remember to have read with so little satisfaction any equal quantity of matter, written by any man of real abilities. We have, for some time past, observed with great regret the strange infatuation which leads the Poet Laureate to abandon those departments of literature in which he might excel, and to lecture the public on sciences of which he still has the very alphabet to learn. He has now, we think, done his worst."

From this opening barrage, Macaulay went on in similar style to review all of Southey's pronouncements. Today they would be considered left-wing, but in his time Southey was considered the voice of ultra-Toryism. His brand of Tory conservatism taught that all in the past was good, and therefore, he was contemptuous of any change. In a time of rapid social change brought on by the Industrial Revolution, Southey wanted government to control undesirable trends. He was particularly incensed by the growing prosperity of the new capitalist class.

His distaste for the capitalist was a logical consequence of his conservatism. He hated seeing "common" men with wealth which had heretofore been reserved only for the aristocracy. Southey also hated the source of this new wealth, rooted as it was, not in large land holdings, but in factories. To Southey, this new manufacturing system was "a system more tyrannical than that of the feudal ages, a system of actual servitude, a system which destroys the bodies and degrades the minds of those who are engaged in it."

WORSE OFF WITHOUT FACTORIES

Macaulay's reasoning, rooted much more thoroughly in reality, was that without the factory system there would be mass starvation. "When we compare our own condition with that of our ancestors," he said, "we think it clear that the advantages arising from the progress of civilisation have far more than counter-balanced the disadvantages arising from the progress of population. While our numbers have increased tenfold, our weatlh has increased a hundredfold." Macaulay went on to remark that it was the very increase in wealth which had brought on the complaints of industrialization. Where wealth is great, he said, suffering is more obvious and thus, more loudly bewailed.

With the wealth of industrialization spreading rapidly to all classes of society, Southey was also concerned that government was not getting its share. Thus his favorite theme is that a people may be too rich, but a government cannot be. "A state," he says, "cannot have more wealth at its command than may be employed for general good, a liberal expenditure in national works being one of the surest means of promoting national prosperity; and the benefit being still more obvious, of an expenditure directed to the purposes of national improvement. But a people may be too rich."

Needless to say, Macaulay has a field day with such absurd logic, in spite of which it has survived to the present day in John Kenneth Galbraith's *The Affluent Society*. "What does he mean by national prosperity?" Macaulay asks. "Does he mean the wealth of the state? If so, his reasoning runs thus: The more wealth a state has the better; for the more wealth a state has the more wealth it will have. This is surely something like that fallacy, which is ungallantly termed a lady's reason. If by national prosperity he means the wealth of the people, of how gross a contradiction is Mr. Southey guilty. A people, he tells us, may be too rich; a government cannot; for a government can employ its riches in making the people richer. The wealth of the people is to be taken from them because they have too much, and laid out in works, which will yield them more."

"We are really at a loss," he concludes, "to determine whether Mr. Southey's reason for recommending large taxation is that it will make the people rich, or that it will make them poor. But we are sure that, if his object is to make them rich, he takes the wrong course."

NO FAITH IN PUBLIC WORKS

It is clear from this that Macaulay has no belief in the virtues of public works; particularly when government competes with private business. In this respect, he follows closely the reasoning of the classical economists that no one will invest in a free market without the expectation of profit. When government invests tax money, however, there will be no such expectations. Thus, with private investment there is a direct correlation between the motives of the investor and the utility of the work. The government does not invest to fill an economic need, but only a political one. To Macaulay, this results in ostentatious architecture, great roads in small towns, and canals built in some remote province. "The fame of public works," therefore, "is a much less certain test of their utility than the amount of toll collected at them."

Government spending could also be certain to attract a multitude of vultures to prey on the public treasury: "In a corrupt age, there will be direct embezzlement. In the purest age, there will be abundance of robbing . . . In a bad age, the fate of the public is to be robbed outright. In a good age, it is merely to have the dearest and the worst of everything." The aim should be to confine government building to legitimate government needs. "Buildings for state purposes the state must erect," Macaulay said. "And there we think that, in general, the state ought to stop. We firmly believe that five hundred thousand pounds subscribed by individuals for railroads or canals would produce more advantage to the public than five millions voted by Parliament for the same purpose."

THE KING KNOWS BEST

Macaulay finally boiled Southey's system down to one fundamental principle: "That no man can do anything so well for himself as his rulers, be they who they may, can do it for him, and that a government approaches nearer and nearer to perfection, in proportion as it interferes more and more with the habits and notions of individuals." To Macaulay, such a view was incredibly naive and showed no understanding at all of history, economics, or human nature: "The division of labour would be no blessing, if those by whom a thing is done were to pay no attention to the opinion of those for whom it is done. The shoemaker, in the *Relapse*, tells Lord Foppington that his lordship is mistaken in supposing that his shoe pinches. 'It does not pinch; it cannot pinch; I know my business; and I never made a better shoe.' This is the way in which Mr. Southey would have a government treat a people who usurp the privilege of thinking."

The result of letting the government run everything could only lead to oppression. As Macaulay saw it: "Government, as government, can bring nothing but the influence of hopes and fears to support its doctrines. It carries on controversy, not with reasons, but with threats and bribes. If it employs reason, it does so, not in virtue of any powers which belong to it as a government. Thus, instead of a contest between argument and argument, we have a contest between argument and force. Instead of a contest in which truth, from the natural constitution of the human mind, has a decided advantage over falsehood, we have a contest in which truth can be victorious only by accident."

The answer was laissez-faire, "It is not by the intermeddling of Mr. Southey's idol, the omniscient and omnipotent State," Macaulay concludes, "but by the prudence and energy of the people, that England has hitherto been carried forward in civilisation; and it is to the same prudence and the same energy that we now took with comfort and good hope. Our rulers will best promote the improvement of the nation by strictly confining themselves to their own legitimate duties, by leaving capital to find its most lucrative course, commodities their fair price, industry and intelligence their natural reward, idleness and folly their natural punishment, by maintaining peace, by defending property, by diminishing the price of law, and observing strict economy in every department of the state. Let the Government do this: the People will assuredly do the rest."

NEW YORK—THE STATE OF THE CITY

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. ROSENTHAL. Mr. Speaker, New York City faces a fiscal crisis perhaps unprecedented in its history. In the next 2 months, this great metropolis must find a way of closing a $641 million gap in its 1975–76 budget and raising $1.5 billion in short-term funds to meet a cash flow crunch.

The dilemmas faced by New York are symptomatic of those being encountered by cities in every corner and region of the United States. High unemployment and business reversals have meant shrinking tax revenues. At the same time, the costs of providing basic services have soared.

Obviously, immediate problems require immediate solutions. In the midst of a storm, the first priority is keeping the ship afloat. Accordingly, I urge the Federal Reserve bank to make available to the hardest pressed cities, including New York, whatever funds are necessary to weather this disaster. I will also introduce shortly a countercyclical assistance act which will provide $4 billion in Federal moneys for distribution to areas coping with problems of massive unemployment.

But it also is appropriate and essential that our country contemplate the long-range futures of its cities. We must examine the fundamental problems of urban areas—housing, crime, welfare, physical decay, labor unrest, et cetera—and develop strategies for long-term reconstruction and regeneration. For all of their problems, this Nation's cities have a rich and exciting potential.

As an inspiring example of the thinking so necessary for revitalization of our urban areas, I commend to the attention of my colleagues a series of editorials on the problems of New York City presently appearing in the New York Times. The series, "The State of the City," seeks to define the city's problems and "point to options for a less haphazard course toward the future." The theme of the editorials was stated at the outset: Although "there is compelling cause for concern over the city's present extraordinary dilemma," editors of the Times "are convinced both of the city's inherent strengths and of its crucial place in the Nation's affairs."

The first three installments follow:

THE STATE OF THE CITY

"It is a miracle that New York works at all. The whole thing is implausible. . . . The subterranean system of telephone cables,

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power lines, steam pipes, gas mains, and sewer pipes is reason enough to abandon the island. . . . By rights New York should have destroyed itself long ago, from panic or fire or rioting or failure of some vital supply line. . . ."

E. B. White, "Here Is New York," 1955.

Millions have viewed this implausible metropolis—the Empire City or the 51st State—with similar awe, admiration and concern. Its services are often erratic. Its littered streets are cratered with potholes; its traffic a chronic tangle; its access routes twice daily clogged to desperation. A handful of disgruntled bridge tenders can cut the city's lifeline; a fire at a vulnerable point can silence hundreds of thousands of telephones. Not long ago a study found an alarming proportion of its inhabitants to be on the brink of mental exhaustion and disorientation.

It is perhaps because New York has always been at once implausible and indomitable that its problems are often regarded as either too monumental or not serious enough to be met head-on with rational proposals for change. But at a time when urban America is in deep trouble—its vitality undermined by recession, unemployment and inflation—the future of the nation's first city can no longer be left to the chance of muddling through.

We believe that there is compelling cause for concern over the city's present extraordinary dilemma, but we also are convinced both of the city's inherent strengths and of its crucial place in the nation's affairs. In the days ahead, we will in these columns analyze the State of the City, try to define its problems and point to options for a less haphazard course toward the future.

THE CAPITAL OF AMERICA

Such an appraisal must begin with the recognition that New York is not an ordinary metropolis. America's only truly cosmopolitan city is the capital of culture and the arts. It is the center of communications and commerce. Its very streets have become symbolic—Broadway (and off-Broadway, too) for the world of theater; Wall Street as the focal point of banking and finance; Seventh Avenue for the creation and manufacture of American fashions; Madison Avenue as the synonym for commercial and subliminal tastemaking; Park Avenue and Fifth Avenue for elegance.

New York is the city of Carnegie Hall, the Metropolitan Opera and Lincoln Center, the great museums and the little galleries, Olmsted's grand design of Central Park. It is a city of architectural triumph (as well as disaster). It is host to the United Nations. Even though it lacks the automatic authority other capitals derive from being seats of national government, New York is nevertheless America's London or Paris. In its many guises, New York retains still the indefinable qualities that led Walt Whitman to call it "the most effective medicine my soul has yet partaken."

Twenty years ago, John Steinbeck, after observing that this city's politics "are used to frighten children," had to concede that "all of everything is concentrated here, population, theater, art, writing, publishing, importing, business, murder, mugging, luxury, poverty." And so it is today.

It would be misleading to suggest that bigness alone distinguishes New York from America's other cities. The sheer mass of everything changes not only the dimension but the fundamental nature of its problems. For example, of all Americans who daily use public transportation to ride to work, 40 per cent are carried by the buses and subways within New York's five boroughs. New York's safety requires a police and firefighting force roughly equal to two army divisions. The university systems of only seven states enroll more students than the giant City University of New York. More than one million children attend its 900 schools.

Yet as much as it is a metropolis, New York is a conglomerate of provincial neighborhoods, each fiercely protective of its own rights and character. These enclaves contribute signally to making the city livable; but they are also staging areas of friction and conflict. In periods of unrest, as populations shift and the newly arrived trespass on their predecessors' established turf, latent hostilities may easily erupt into ethnic, religious or racial strife.

Such periodic unrest is irrevocably part of the life of a city that has always been the nation's gateway for immigrants from abroad and the magnet to migrants from domestic regions of poverty. Wave after human wave has swept into New York—the refugees from persecution and famine and the despondent victims of a shrinking agrarian frontier and of racial injustice in the South.

CITY OF HOPE

Time and again, the city has reeled under such pounding as it struggled to absorb the new populations. Time and again, the old order and set patterns seemed threatened. Such is the case today as the city's ethnic composition undergoes dramatic change—as the children of non-white minorities in fact have become the majority of the schools' enrollment, as middle-class families move out of the city into the surrounding suburbs.

The city's problems are rendered all the more complex by being locked into a highly confined geographic area. Extreme poverty and great wealth coexist in close proximity. New York is the home of some of the nation's most prestigious private schools; yet 600,000 children are on welfare and 30,000 are under municipal foster care. Luxury and deprivation are often separated only by the width of a city street. New York is the site of the most sophisticated medical research universities; yet its municipal hospitals struggle daily to deliver emergencies in the teeming ghettos.

Responding to political corruption in its wards, New York was a pioneer in the establishment of metropolitan government, administered by a professional civil service under the strict rules of an exemplary merit system. But over the years, the system has ossified. To a large extent, the criterion of merit has evaporated, to be replaced by mere seniority and other union-mandated rigidities. Intended to stifle corruption, the system now often stifles its own capacity to innovate and periodically spawns its own corruption.

Responding to its humane instincts, New York earned an early reputation as a liberal city that takes care of its own, thus constantly attracting more of those in need of care and compassion. It is an admirable but costly tradition, reflected in a staggering current expense budget of $11.6 billion and in a total debt burden of nearly $14 billion. At $6.5 billion for salaries, benefits and pensions, the bill for labor devours roughtly half of the cost of municipal government. With 400,000 person on the city payroll, municipal services have begun to dwarf the private sector's total work force.

THE NATIONAL BELLWETHER

The popular view that "New York is not America" is, like many cliches, largely wrong. In many ways, New York is America. What happens in this city is often a preview of the forces that subsequently shape life in cities across the United States. From rising crime rates to declining reading scores, from inflated ranks of public employes to shrinking private employment, New York is the bellwether of urban problems.

The fashions and fads, the decline of confidence in municipal government, the contrast between tax-rich suburbs and the shrinking tax base of the inner cities, the incidence of civic corruption—all invariably become nationwide phenomena soon after the spotlight focuses on them in New York. Within weeks after the first disclosure of the city's nursing home scandals, it became abundantly clear that New York had only pointed an accusing finger at a nationwide disgrace.

Because this city is central to the nation's future, its present depression of treasury and spirit must be diagnosed and corrected. There is room for neither paranoia nor smugness. It would be suicidal to persist in the familiar insularity of mind that routinely rejects solutions simply because they are at odds with established custom or vested interests.

The margin for error and waste has narrowed. High cost and low productivity are eating away at the city's resources and economic strength. As the public debt mounts, the capacity of the tax dollar to deal with current problems shrinks. Paying ever more heavily for unmet bills of the past reduces the options of responding to present needs and of planning for the future.

New York's once proud reputation as a union town is tarnished by labor's sometimes self-destructive inflexibility. The union label, too selfishly construed, becomes a deterrent to commercial development and a cause for friction between the organized work force and some of the ethnic minorities who view the unions as allies of the conservative establishment.

Once a force for progress, the city's metropolitan government is weighed down by a top-heavy bureaucracy. Codes and restrictions, originally designed to improve the quality and integrity of urban management, now stunt growth and invite chicanery and payoffs. New ideas are either shot down outright or, failing that, soaked up by the sponge-like status quo.

The city stands in danger of losing the proper balance between a capacity to renew its stock of private and public housing, its means of transportation and access, its commercial and industrial development on the one side, and the protection of its environment within the framework of orderly growth on the other. It has ravaged what is potentially one of the world's best waterfronts. It has let its parkland deteriorate, abandoning some of it outright to vandalism and crime.

CITY OF THE FUTURE

These errors are not irreversible. But to reverse them calls for a new readiness to raise fundamental questions and subsequently to respond with an open mind, even when the answers are uncomfortable and solutions unorthodox.

One of the basic issues is the way the city's creaking political and governmental machinery and its relationship with an equally unsatisfactory state government can be attuned to modern realities. How, it must be asked, can public and private forces and interests be made to mesh in order to respond to metropolitan as well as local needs? How can New York be taught to plan for its future without creating such billion-dollar misunderstandings as excavations and tunnels to nowhere? How, above all else, will the city prove that the urban civilization from which there is no turning back can be made humane and economically viable?

The city's foremost dilemma may well be its own isolation from the surrounding tri-state suburbia. Although the vast and still growing commuter radius derives from the city much of its economic and cultural strength, New York gets little in return, either in money or in civic support. Many of the options in tackling the city's problems are inseparably linked to the search for ways and means of breaking this metropolitan isolation. Solutions depend increasingly on new strategies toward dismantling the government, fiscal and psychological wall between the constricted urban center and the wide suburban rim. If self-interest threatens to block such

a turn to regionalism, the ultimate impact of an enfeebled city on its surroundings will be to accelerate the decline of the entire area.

In ensuing days, we will offer on this page a more detailed examination of some of the major problems affecting the city, in an effort to find constructive ways of working out a more promising future for this maddening—and inspiring—metropolis.

State of the City: Fiscal Shock

New Yorkers, have been subjected during the past half year to a series of fiscal shocks that must convince even the most cynical citizen that this time the crisis is real. Within weeks, the city faces the grim possibility that it will not be able to raise the cash needed to meet its immediate obligations. In answer to recent appeals to Washington, Secretary of the Treasury Simon said flatly that "the solution to the city's financial problems does not lie at the Federal level."

The first storm signals appeared early last fall when Mayor Beame reported that his 1974–75 budget already was running $420 million in the red. Despite a progression of economy measures, the deficit has not been eliminated. It remains at $120 million or more—probably substantially more—as the fiscal year rapidly draws to a close.

Concurrently, the city began experiencing difficulty in marketing a rapidly growing volume of short-term notes. In December, city officials were forced to accept what they called an "outrageous" 9.479 per cent interest rate for a $500-million loan. By April, with city bonds selling at two-thirds of face value and with the city's "A" credit rating suspended by Standard & Poor's, New York faced the humiliating prospect of not being able to market a note issue for $450 million already scaled down from an initial $550 million. Only a last minute advance of $400 million from the state enabled City Hall to meet its debt and payroll obligations for the month.

The worst is yet to come. Between now and the end of June, it is estimated that the city will have to borrow at least $1.5 billion in a saturated market that is apprehensive about the city's fiscal position. There is growing fear that in the next six weeks, possibly as early as next week, the city will face a cash crunch comparable to that of the 1930's when bankers and the state forced the most stringent economies on the city to avert municipal bankruptcy.

The immediate cause for eroding confidence in the Beame administration is its persistent failure to wipe out the deficit in the current budget. This failure has been heightened by a disturbing lag in executing even those economy measures that have already been proclaimed, plus the prospect of a much larger deficit in the new fiscal year beginning July 1. After months of pruning and manipulating, the Mayor is still projecting a $641.5-million deficit in his $12.8-billion 1975–76 budget—and that is *after* allowing for a 10 per cent increase in realty taxes and a reduction in the city's payroll which the Mayor claims will amount to 10 per cent by the end of the fiscal year.

Is it any wonder that the Citizens Budget Commission says the city is facing "the worst fiscal crisis in its history"? How did the city get into this mess?

ROOTS OF THE CRISIS

Part of the problem can be fairly ascribed to the current national recession-cum-inflation which has raised the costs of government while curbing revenues.

However, the roots of the urban crisis go far deeper than any transient national economic maladjustment. New York, like other urban centers, has been affected by long-term trends that have eroded the tax base while increasing pressure for public spending. These corrosive and costly trends include:

The flight to the suburbs of more affluent citizens, and of industries, and a concurrent influx of unskilled poor whose needs send social-service costs soaring.

The progressive obsolescence and decay of the center city—of housing, highways, transit and water and sewer facilities.

The unionization of public employes, with consequent sharp increases in wages and fringe benefits.

Increasing congestion and pollution and a growing recognition of their harmful impact.

These problems are compounded for New York because of its size and density and because it has been a pioneer in developing public services, particularly in the area of human welfare. This city has spent more per capita on public services than most other cities and has been almost unique in providing some services, such as its city university and hospital systems.

The result has been a relentless rise in city expenditures—at a rate of 10 to 15 per cent annually for the past ten years—in the face of a much slower increase in the city's tax base. Three out of every four jobs added here during the 1960's were in the public sector. For over fifteen years, a profligate city has spent more than it has been taking in, papering over the difference with massive borrowing and fiscal legerdemain.

This is a game that cannot be played any longer. In the last ten years, the expense budget has more than tripled. Funded debt has doubled. Short-term obligations outstanding have soared from $747 million only five years ago to an estimated $6 billion next June 30. Total debt now exceeds $13 billion. Debt *service* is expected to surpass $2 billion next year.

WHAT TO DO ABOUT IT?

The immediate task is to bring the new budget into balance and to begin whittling down the debt. Despite the string of economies Mayor Beame has already announced and the anguish his proposals have produced in the municipal unions, the size of the deficits in current and future budgets and the credit squeeze underscore the need for more drastic steps.

State and Federal aid combined account for about 45 per cent of the municipal budget. New York still has a valid case for more help in specific areas, and Mr. Beame will undoubtedly press this point, when he meets with President Ford tomorrow. Welfare is properly a Federal responsibility; courts, corrections and hospitals logically should be taken over by the state. Meanwhile New York City has a gigantic problem.

Some additional increase in local taxes—beyond the Mayor's proposed 10 per cent rise in the realty levy—undoubtedly will be needed. But New York City and state taxes are already the highest in the nation. There are severe limits to the amount that can be added to the current tax burden without further undermining the city's economic base. Commuters still pay far less than their fair share of the costs of maintaining the city, and the commuter tax should be raised; but the revenue yield would not begin to solve the budget problem.

The only realistic course is to cut spending to levels that the city can afford—and that means reducing personnel and services far more drastically than the Mayor has so far suggested, and clamping a lid on civil service wages and fringe benefits. The essential first step would be to put a freeze on all new hiring and to suspend negotiated pay increases—amounting to some $600 million in the new fiscal year—as the Citizens Budget Commission has recommended. The only—but less desirable—alternative is wholesale firings.

For the long haul, the budget crisis and the inevitability of a reduced work force—either by attrition or dismissals—make it essential that the city reform its budget-making procedures and improve personnel and management practices. This city has been ill-served by a political structure that has let mayors manipulate the budgetary process, almost without challenge, and by the gross inefficiencies of the bureaucracy. Citizens will have a chance to vote for long overdue reforms when the State Charter Revision Commission submits its recommendations in a referendum next fall.

With sound management and effective political oversight, this still dynamic and wealthy city can afford to provide adequate, even superior municipal services. It cannot afford to be profligate any longer.

State of the City: Industry and Labor

New York City's diversified economy, long viewed as the strongest possessed by any metropolis in the world, is sick for reasons that will not disappear when the rest of the country climbs out of the recession. Cures for the city's deep-rooted economic ills depend on public and private decisions that can flow only from restoration in the forthcoming municipal budget of a sound fiscal foundation for revival of industry and employment.

The city has lost 420,000 jobs, all of them in the private sector, in a little over five years. But that dismal figure merely begins to tell the long-term story of industrial stagnation in this capital of finance, communications, fashion and international trade.

New York's current employment total of 3.37 million is slightly below the total a full quarter century ago. During that same period the number of jobs elsewhere in the United States has expanded by 80 per cent. In short, this city has been a leftout in the phenomenal job growth the nation has experienced since World War II.

There is no occasion for despair in this record, provided adequate recognition is given to the enormous assets New York still has. Despite the downtrend of recent years, it provides more jobs than Boston, Detroit, Baltimore and Philadelphia combined. In an interdependent world economy, increasingly dominated by multinational banks and conglomerates, no city here or abroad compares with New York in potentiality for headquarters expansion.

An almost limitless range of expertise is available here in every knowledge skill from law to computer technology. Taxes, electricity costs and many other business expenses remain forbiddingly high, but heavy overbuilding of ultramodern office space in recent years has made commercial rents a bargain.

New York's success in reversing the outmovement of large companies—some to the suburbs and some to distant cities—is likely to depend primarily on its success in improving the quality of urban life. There would not be enough floors in now empty skyscrapers to house all the establishments eager to move in if fear were banished from city streets, the schools were better and decent housing could be found at supportable rents.

The sad reality is that progress in all three directions will be harder to achieve because of the paramount immediate necessity for putting the city's fiscal house straight. That means not only slowing the ruinous rise in local taxation but also ending the city's current role as an inflator of private labor costs by pushing civil service pay and benefit scales far above those in industry.

ROOM FOR GROWTH

Once the city has made a decisive turn toward responsible budget control and high productivity in its own work force, there is warrant for considerable optimism about renewed growth in the white-collar and professional sectors of the metropolitan economy.

To give the Wall Street area vitality as a round-the-clock community, the major financial institutions and law firms in lower

Manhattan are willing to accept a special real-estate tax—on top of the 10 per cent boost in the citywide realty level due July 1—to underwrite such amenities as pedestrian malls and park areas, along with intensified planning for mass transit and housing. That proposal is an encouraging counter to the renewed threat of the stock exchanges to move to New Jersey in protest against higher securities taxes, even though the special reality levy does raise some serious policy and legal questions of its own.

The real employment problem for this city lies in the blue-collar field, especially in the fast-disappearing realm of factory jobs. The present total of 570,000 manufacturing jobs is only a little over half the number two decades ago. Where factories once provided nearly a third of all New York's employment opportunities, they now account for only a sixth. The sharpest loss has been in the needle trades, with 200,000 jobs gone in that area alone.

By the harsh yardsticks of economic determinisim, it might be argued that the wisest course would be to let the erosion in manufacturing proceed unchecked and concentrate the city's resources on fostering expansion in commercial activities, research, health services, communications, finance and New York's other provinces of special strength.

In human terms that is an unacceptable option, except as a matter of planning for the closing years of the century and beyond. It is true that center cities—and this one most of all—are not appropriate places for factory industry. It is also true that New York has become a center for light manufacturing, with wage scales only marginally above the poverty level.

NEED FOR JOBS

The reality is that this metropolis has experienced a profound population exchange in the postwar period, with two million whites moving out and two million blacks and Puerto Ricans moving in. The result at this stage of the newcomers' absorption is a huge pile-up of unskilled and undereducated workers in need of jobs.

Until open enrollment and other educational programs better equip this segment of the population, tax incentives and even subsidies are required to expand factory and service employment. Alfred Eisenpreis, the city's Economic Development Administrator, has been encouraging industrial parks and seeking law changes to spur plant investment. Beyond this, however, there is need for amending the State Constitution to permit even more direct, public involvement in job generation.

Obviously, not every kind of industry can flourish here, no matter how much developmental aid it receives in the form of public subsidies or tax relief. But economies of scale do offer advantages in the giant metropolitan market, and there are incipient signs of some easing in union-enforced featherbedding and other restraints on efficiency.

Notable in that respect was the turnaround of the International Longshoremen's Association several years ago toward full cooperation in cargo containerization, a development that began the renaissance of the port. Since then breakthroughs in other industries have greatly increased their competitive viability and the security of union members' jobs.

The crucial test of attitudinal change will come in the next few weeks when the unions representing municipal employes reach the moment of decision on sacrifices required to keep the city itself both solvent and livable. They cannot be expected to respond affirmatively, however, unless the city has first eliminated every political hanger-on from high-paid exempt jobs and has revised its own managerial practices to insure that every dollar of municipal payroll produces a dollar's worth of efficient public service. It has not done so yet.

THE LOBBYING ON LAND USE

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. FLORIO. Mr. Speaker, land use policy and planning has been a major issue for quite some time in this and previous Congresses. Every imaginable comment has been directed to land use policy ranging from one end of the spectrum to the other. I have heard various proposals described as disastrous and dictatorial; necessary and desirable; and every other adjective in between. As the committee begins its deliberations on Mr. UDALL's bill, H.R. 3510, I would like to bring to the attention of my colleagues the following editorial article from the Washington Post of May 8, 1975:

THE LOBBYING ON LAND USE

The pressures are building up as the House Interior Committee approaches consideration of H.R. 3510, the land use planing bill reported by a subcommittee chaired by Rep. Morris K. Udall (R-Ariz.). Committee members are being importuned in various ways by representatives of state and local governments, environmental groups, farmers, realtors, energy companies, construction firms and countless other interests. The lobbying is doubly intense because key votes in the committee are expected to be close, and leading opponents such as Rep. Sam Steiger (R-Ariz.) and the U.S. Chamber of Commerce are fighting hard to keep the legislation from reaching the House floor.

The controversy is understandable since land use policies affect everyone. What is regrettable is that some of the busiest lobbyists are distorting the issues involved and fostering confusion and alarm. The Chamber of Commerce has told its members, for instance, that H.R. 3510 "amounts to a national zoning ordinance" which would snatch power away from local government and destroy private property rights. The bill does nothing of the kind. Some earlier proposals did contain more-or-less coercive elements, but such features are not included in H.R. 3510. The bill would simply provide aid to states that choose to develop comprehensive programs for making land-use decisions involving key public facilities, large-scale developments, projects with regional impact and areas of critical state concern.

Moreover, H.R. 3510 would not dictate any particular planning approach: Each state would be free to determine how much responsibility should rest with local government and what functions regional or state agencies should perform.

Actually, two kinds of distortions are involved in the charge that H.R. 3510 would inject the federal government into local domains. In addition to misrepresenting the bill, that argument also ignores the fact that federal policies already have a major impact on land use. The federal-aid highway and sewer construction programs are obvious examples. Federal environmental laws, especially the clean air and clean water acts, have given the Environmental Protection Agency vast potential power to influence land use by setting pollution limits, restricting growth and vetoing proposed facilities. Widespread concern about case-by-case intervention by EPA has already led a number of states and localities to improve their own planning processes to minimize the need for federal dictation on environmental grounds. Thus it is not too much to say, as the National Association of Realtors and other groups have pointed out, that legislation such as H.R. 3510 would actually restore power to state and local governments by helping them to solve major land-use problems themselves.

Apart from these misrepresentations, what seems to trouble some groups most about land-use legislation is the possibility that new kinds of planning processes might unduly limit growth. This worry should not be dismissed as merely some selfish concern of land developers or logging companies or others. For the general concept of America as a land of perpetual expansion still has enormous force and popular appeal. The fact is, however, that the nation's land is not infinite and after generations of rapid, haphazard growth, the limits of the continent have become apparent. There is no room to satisfy all the competing claims on fertile farmland, fragile natural areas, water resources or placid communities. That is why communities and states should improve their abilities to evaluate their resources and to make hard choices in an orderly way. Helping them to do so is the purpose of H.R. 3510—and it is too important a purpose to be obscured by distortions and false alarms.

IN OPPOSITION FOR FURTHER AID TO SOUTHEAST ASIA

HON. MARK W. HANNAFORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. HANNAFORD. Mr. Speaker, the opposition of many of us in the Congress to recent administration requests for further aid to Southeast Asia should not be construed as a lessening of our commitments to our allies elsewhere in the world. The fruitless American support for the autocratic governments of Vietnam and Cambodia and their subsequent collapse only serve to highlight the critical need to strengthen U.S. ties with our reliable democratic allies.

One such ally in which U.S. strategic interests and shared democratic values converge is Israel. The only democracy in the Middle East, Israel has been a constant friend and supporter of our country. Israel has never asked Americans to fight its wars, requesting only the means which which to defend itself.

America's interests are best served by a strong Israel, for an Israel secure in its ability to defend itself provides stability to the Middle East. The Arab countries can be expected to choose the option of peaceful negotiations only if they perceive their adversary as too strong to be overwhelmed militarily.

The administration is currently undergoing a reassessment of U.S. policy in the Middle East. It is vital to American national interests, as well as to the security of Israel, that this reassessment not result in any lessening of our support for, or commitment to, the security of the Jewish state.

It is particularly unfortunate that in undertaking the reassessment the administration has implied that Israel was the intransigent party in the recent aborted second-stage negotiations with Egypt. In actuality, Israel was very forthcoming in its proposals for an agreement. Israel was prepared to risk relinquishing both the strategic Sinai passes vital

to its defenses against Egyptian attack and the Abu Rodesis oil fields supplying half the country's energy needs. In return, it requested concrete evidence of Egypt's willingness to work toward normal relations: A pledge of nonbelligerence, open communications and trade, an end to economic and political boycott. These Egypt refused to give, insisting upon a purely military agreement which Israel correctly believed could invite more Arab aggression. Israel could not and cannot be expected to make such major concessions reducing her defensive capability until Egypt is willing to abandon the option of war and take concrete measures toward a peaceful settlement.

I call upon the administration to reaffirm its support for Israel and to reflect in its foreign aid request for fiscal year 1976 the level of economic and military assistance for Israel necessary both for her continued security and the maintenance of the balance of power in the Middle East.

A PHOTOGRAPHER'S LOOK AT CARDINAL MINDSZENTY

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. JACOBS. Mr. Speaker, in loving tribute to the late Cardinal Mindszenty I insert the following remarks by John M. Szostak:

A PHOTOGRAPHER'S LOOK AT CARDINAL MINDSZENTY

(By John M. Szostak)

The news of the death of Josef Cardinal Mindszenty, strong willed former Primate of Hungry who became the symbol of freedom, has come as a shock to all, especially to those who have known the Cardinal and worked with him in his years of exile. Almost a year ago to the day Washington was fortunate to have Cardinal Mindszenty as an honored guest of the city, the Congress and the Archdiocese.

For me his passing was a personal loss because during this two day visit, I was privileged to be his personal photographer who covered his Washintgon visit from beginning to end. The feeling and observation that I gathered during those two days was as though I was covering a Saint. Right I was because Cardinal Mindszenty is a Saint of our times.

During those close photographic moments especially in private one could capture through the lens of the camera the suffering he has gone through, his love for God, his love for Holy Mother the Church, his love for mankind and his special affection for children. At one private moment as he was praying having his eyes fixed on the crucifix one could see tears come down his cheek, I was moved to do the same. In leaving to give him privacy, the Cardinal said, "Please stay my son" this I will never forget, his humility and kindness. I had the same feeling as the author of the book titled "Journal of a Soul" the private moments with Pope John XXIII.

Finally to personify his greatness one can best put it in these words:

The Church and the world will mourn for they have lost a great example of our faith and patron of freedom.

The Church and the world will remember him as the man of the hour who has stood for the Church in its darkest hours.

The Church and the world will write tribute and finally remember him as a Saint of our time.

WILL THE UNITED STATES WEAKEN ISRAEL?

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. BINGHAM. Mr. Speaker, yesterday's Washington Post contained a chilling account of the current status of Israel's pending request for U.S. military assistance. The article details the appalling conclusion that the United States now "wants to weaken Israel's defense posture to make it more amenable to U.S. diplomatic pressure."

As I pointed out last week, the Ford administration's refusal to act on Israel's requests for assistance while approving the sale of Hawk missiles to Jordan lends credence to this view. It is incredible that the U.S. Government would consider tilting the military balance in the Middle East against Israel in order to influence her approach to a peace settlement, yet this seems to be precisely what the Ford administration's policy has become. It is a policy which I will not support and which I am sure the Congress will reject.

I commend the Post article to the attention of my colleagues, and include it at this point in my remarks:

[From the Washington Post, May 12, 1975]

ISRAEL FEARS ARMS DELAY COULD TILT BALANCE

(By John M. Goshko)

JERUSALEM, May 11.—Israeli government and military circles are increasingly concerned that the Ford administration's continuing refusal to act on Israel's pending arms requests could tilt the Middle East military balance heavily in favor of the Arabs.

Officials here are divided about the real meaning of Washington's suspension of arms talks with Israel pending the completion of a reassessment of the U.S. Middle East policy. But especially within the Israeli Defense Ministry, some appear convinced that the United States wants to weaken Israel's defense posture to make it more amenable to U.S. diplomatic pressure.

Until now, this theory has been a minority view. It has been gaining momentum however, since it became known during King Hussein's visit to Washington last week that the United States had agreed to supply Jordan with Hawk anti-aircraft missiles. In the Israeli view, that amounts to U.S. collaboration in creating a double-edged new threat to Israel's security.

The Israelis feel that the Hawk missiles will give Hussein the hitherto-missing arms element he needs to rejoin Egypt and Syria as a full-fledged member of the Arab "confrontation states" on Israel's borders. As if to confirm this, Hussein said Jordan would take active part in any new Arab-Israeli war.

More ominously, Israel sees the deal with Jordan as a breach of an understanding that Washington would not make any agreements about arms supplies to any Middle Eastern state during the reassessment. Israeli officials say they are not satisfied with U.S. explanations that the missiles had previously been promised to Jordan. The affair has touched off fresh uneasiness here about what Washington will decide on the Israeli requests.

Israel is seeking $2.5 billion in U.S. assistance for the coming fiscal year, including a $1.8 billion request for military aid—largely to cover several squadrons of F–15 fighter aircraft and sophisticated Lance surface-to-surface missiles.

Discussions on the delivery of these items were broken off by the Ford administration in March, following the collapse of Secretary of State Henry A. Kissinger's effort to mediate between Israel and Egypt. Making no secret of its belief that Israel was primarily responsible for the talks' failure, the administration began a reassessment and made it clear that it would take no action on the arms requests until this had been completed.

In the meantime, U.S. officials have leaked hints that they regard the requests as exceeding what Israel requires to maintain the present arms balance. They have suggested that the request might be cut by half.

Before the squabble with Washington, the Israelis had been warned by friends in the United States that Congress would be unable to fill their full request. As a result, the Israelis are known to have privately scaled down their expectations of what they can realistically hope to get from the United States to between $1 million and $1.5 billion.

Some high-ranking sources here, particularly civilians, say privately that Israel could live with this cutback although it would require considerable belt-tightening. Military circles regard the idea of sizeable cuts in the arms request with deep foreboding.

Sources subscribing to this pessimistic viewpoint say they consider Washington's assessment of the Arab-Israeli arms balance as incorrect. This assessment is that Israel can defend itself if the amounts of major weapons possessed jointly by Egypt, Syria and Jordan are no more than three time those of Israel. The theory is that the superior quality of the Israeli weapons and the acknowledged fighting superiority of the Israeli forces would compensate.

Israelis say this means that in war they would sustain substantially higher casualties than they would if their arsenal were closer in size to the Arabs'. In addition, they add, their own estimates of the Arab buildup indicate that the Arabs now have a superiority in tanks of 3.5 to 1 and in artillery of 4 to 1.

Most important, the Israelis contend that the quality of the weapons the Soviet Union is supplying to the Arabs, principally Syria, has improved and in many areas is superior to equivalent Israeli weaponry. Two items causing Israeli defense planners considerable concern are the Scud surface-to-surface missile and the new Mig–25 fighter.

Israel contends that the Soviets have provided Syria, Iraq and Egypt with substantial quantities of the Scud, which can fire 1,400 pounds of explosives 185 miles. While Israeli experts doubt that the Scud actually gives the Arabs the capability of penetrating the Israeli heartland to destroy its cities and military stockpiles, they say it is a formidable weapon that they currently cannot match.

Israelis contend that the Syrians already have some Mig–23s and that there is a likelihood that Egypt will also get some. In addition, they add, the Soviet Mig–23 fighter, which Egypt, Syria and Iraq already possess in substantial numbers, can fly faster and higher than Israel's most advanced Phantoms.

This is why Israel is so anxious to obtain the Lance missile and the F–15 fighter as deterrents to the Scud and the Mig–23 and Mig–25. If Washington delays deliveries of these items to Israel and then limits the quantities, the sources say, the arms balance would shift precipitously against Israel in the next two to four years.

UMI

Adding to this concern is the belief in military circles here that the supply of Hawk missiles to Jordan will give Israel a serious new problem to worry about. After taking a brutal beating in the 1967 Arab-Israeli war, Hussein stayed out of the October 1973 war.

But he has been rebuilding his forces, and now Israelis regard them as a serious threat. Israeli military sources say that the one thing Hussein lacked—and, in the view of many, the factor that kept him out of the 1973 war—was an adequate anti-aircraft system to defend his tanks and ground forces from Israeli air attack.

Now, the Israelis charge, the United States has unexpectedly agreed to fill this gap in Jordanian strength. By mounting Hawk missiles on the heights on the eastern side of the Jordan River and firing them vertically, Israelis contend, Jordan could play havoc with Israeli aircraft operating from fields on the West Bank.

Israeli officials scornfully dismiss U.S. explanations that the Hawks are purely a defensive weapon. They also reject Washington's explanations that the negotiations has been virtually completed before the reassessment began. To the U.S. contention that Jordan could have obtained the missiles from Saudi Arabia in any case, the Israelis reply that when Washington sold the Hawk system to the Saudis, it publicly stated that transfer of the missiles to Egypt, Syria or Jordan was banned by the agreement.

Many sources here say that they still don't know what Washington's intentions were and hope that their protests will draw a fuller explanation. Others are interpreting the episode as proof that the Ford administration is using the weapons issue as a club to pressure Israeli into being more receptive to Kissinger's initiatives.

Some officials say privately that their American counterparts have dropped broad hints in recent weeks that Washington now feels that it made a mistake by replenishing Israel's depleted arms stocks so fully after the 1973 war. The suggestion is that by rebuilding Israel's strength, the United States lost a lot of its leverage.

This leads to the suspicion that Washington's aim now is to regain this leverage by allowing some erosion of Israel's military capabilities. No one believes that the United States would let this go so far as to completely undermine Israel's security.

CONCERN EXPRESSED FROM VIETNAMESE PEOPLE

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. SIMON. Mr. Speaker, Saturday evening I spoke at the annual banquet of the Chester, Ill., Chamber of Commerce and one of those present was Donald E. Welge, president and general manager of the Gilster—Mary Lee Corp.

Mr. Welge mentioned to me that his brother had been killed in action in South Vietnam.

He expressed concern for the people of South Vietnam with his life, he told me, and then added that he would like to volunteer to help a family from South Vietnam resettle.

"It seems like the least I could do," he said modestly.

I mention this to you, Mr. Speaker, and my colleagues because his fine example of humanitarian action is the kind of action which I believe we will see more and more coming from the American people. The initial reaction mail which has been discouraging—which has failed to recognize that we are a Nation of immigrants—I believe will gradually be replaced by the responsible reactions of people like Mr. Welge.

I am proud of this citizen of my district as I believe all the people of this Nation should be proud of him.

AN ALLY LOOKS AT AMERICA

HON. F. EDWARD HÉBERT

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. HÉBERT. Mr. Speaker, Prof. Radomir V. Luza of Tulane University's Department of History has brought to my attention an article by Georg Leber, German Federal Minister of Defense.

I have the privilege and the pleasure of knowing Mr. Leber, and last year while visiting Germany with other members of the House Armed Services Committee, I spent exceedingly interesting moments with him. We exchanged our ideas freely and frankly, and I think both the Germans and Americans are better for it.

This article should be of great interest to every American at this time since it brings into sharp focus the thinking of the foreigner who is an ally. It should be read by every Member of the House and every American. It follows:

INDOCHINA—A CRISIS OF CONFIDENCE?

(Following is an article by German Federal Minister of Defense, Georg Leber, written for and published in the "Frankfurter Allgemeine Zeitung" daily on April 5, 1975 unofficial translation).

Almost every day the world hears news from the Far East and is shocked in the face of the many forms of suffering—from hunger to death itself—that millions of people feel breathing down their necks, that drives millions into flight or desperation. It is understandable that there are many calls for aid under the circumstances, that there is much discussion on how to help. But there are other questions, too, that are looking for answers, and much is confused and mixed up.

Is what is happening there, before our own eyes, and which justly upsets the free world—if, apparently, nobody else—something that was not to be expected, or is it rather the inevitable consequence of other demands and of a world-wide campaign of many years duration?

Somebody who referred to such possible consequences earlier when things had not yet gone so far, when it was not yet this late, was dismissed as a "cold warrior." For years there was hardly a day, hardly a gathering where it was not obligatory to criticize the Americans for their involvement in Vietnam. They were criminals because they tried to keep the flood of communism away from South Vietnam and they were there because they knew that the South Vietnamese alone were not able to do that. Well, where have those people suddenly gone who earlier criticized and chastized the Americans from their high moral plane? We have reached a point where some people—often the same ones who earlier yelled "Ami go home"—are beginning to ask:

Whether one could still have confidence in the Americans;

Whether one could still rely on them;

Whether their word still counted; and

Whether all this is not rather frightening when one thinks about ourselves and about Europe.

There is only one thing to do, soberly and unflinchingly to realize that what is happening in East Asia now is the inevitable outcome that many demanded, even if they did not see and did not want what is now coming, and will further progress to its bitter end, merciless and inescapable. There will be quiet there, but the kind of quiet that makes one shudder if one has the courage to look beyond the inferno of the war.

What is worst, after the disaster that is taking place, is the naivete with which many now are asking for a vote of confidence in the Americans, with which they are implicitly or explicitly challenging them to prevent or to mitigate something that had to happen sooner or later, after the U.S., under the pressure of worldwide sentiments and the pressure of the mood at home, left Vietnam to its own resources. And it is very bad indeed that we hear nobody in the present situation who would confront the communists with the same moral arguments and convictions with which the Americans were confronted when they were still in Vietnam. Apparently it is quite natural and even correct that the Vietcong and the communists of North Vietnam should produce suffering and submission of millions in the south of the country through the force of arms and through war.

The question whether one can trust the communists when they speak of peace as they spoke of peace in the Paris agreements, this question does not even arise. Instead, one prefers to ask whether one can trust the Americans. And so one's conscience is in balance and one can once again respect oneself. The only issue that remains is whether one might do something more by sending surgical dressings and medicines or food for the children in order fully to see oneself as a civilized person.

If these events are not to break more china than they already have, we must at least learn a few lessons for the future. In my view the most important of these are as follows:

(1) Real life conditions are unfortunately not determined by idealists or by people who orient their actions towards the laws of morals and ethics—unless it may be their own particular brand of morals and ethics. For those, the course of world events is to be determined by the mouth of the guns and arms wherever and whenever they are able to accomplish this.

(2) What is called co-existence between communism and a democratic way of life exists for the purpose of the expansive ideology of communism only as long as a plurality of life-styles and concepts—i.e., especially the existence of the other ideology—is insurmountable. If the destruction of the Western way of life is possible below the level of using weapons, this will be attempted without military force throughout the world, in the future, too. If it is possible—and considered opportune—to do so without engendering a risk to oneself, there is and there will be no hesitation to prepare the ground for the spreading of the ideology with fire and the sword. This is what we are seeing today in Vietnam and Cambodia. Soon, presumably, we will see it somewhere else in the world, when Vietnam and Cambodia have come to an end.

(3) This conflict will continue, and the West will survive it only if the nations are aware of the danger and the threat under which they are living, and if they are prepared to do what is necessary in order to remain capable of defending themselves against it. That means being aware of the value of freedom and our way of life which we must be careful not to undermine or to deny. That means the awareness on the part of the citizens that the way we live and what we have created is worth being preserved and cared for, despite all the faults that our country has and will always have.

It also means being ready to make sacrifices in order to preserve our freedom and our independence. Even America is not able to save a nation from losing its freedom if the people are not ready to make an appropriate contribution.

That includes unceasing efforts to strengthen the community of the free Western nations. At this time, mutual trust will be perhaps even more important than in many phases that are now behind us. If we did not succeed, if mistrust should spread, one could already calculate the length of the timespan which Western Europe would have left, freely and independently to form its destiny in accordance with its own will.

A NEW ERA OF INFLUENCE ON FOREIGN POLICY

HON. EDWARD P. BEARD

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. BEARD of Rhode Island. Mr. Speaker, Congress is entering a new era of influence on foreign policy. Recent events, such as our experience in Indochina and other areas throughout the world, require Congress to exercise more forcefully American policy toward others.

History shows that the President has been the architect of diplomatic attitudes and approaches. Today, our people, their needs and their hopes, demand Congress to innovate, set, and oversee decisions surrounding our relations with our neighbors. Unfortunately, America's word in the past has been that of the executive branch. Times are changing. Circumstances compel times to change. Every day people write to me wanting to know the impact of foreign policy decisions on their life at home. Our people are crying out for attention from their own Government they chose. It is our obligation to respond to their pleas for help.

I had no say in the massive evacuation of 150,000 refugees from Vietnam. The Congress was not asked about the evacuation. It was an Executive decision not approved by Congress. Now when newspaper stories throughout the country say that the refugees are not being received with open arms, the Executive is reported to be "damn mad" about the attitude of the American people toward our fellow human beings from Indochina.

I think the Congress ought to be "damn mad" about the fact that a major decision was made to bring in a massive number of people without consulting the Congress and without ever asking the attitude of the American people toward the concept. America's compassion must now be exercised to its fullest toward these refugees who were victimized by an executive decision which failed to recognize the personal problems, attitudes, and feelings of those our Government is supposed to represent. The executive branch of Government violated the very basic principle upon which a democracy is founded—of the people, by the people, and for the people. It decided on its own to arouse the expectations of 150,000 human beings. Congress was not asked its opinion, the American people were not asked whether they would graciously accept those in need in light of our own economic and social problems, and those in need in our country were not considered.

Until the Congress has the right to stop such hasty executive decisions, our foreign policy will continue to be a mishmash of embarrassing situations. These fumbles cannot be explained away to a disappointed world or a shocked President who thought America had some idealism. The President works for the people even though he was not elected by them.

While the President can say he is "damn mad" about refugee reaction in the Nation, the Congress can rightfully say that it is "damn mad" that a separate and coequal branch of the Government was not considered in such a sensitive decision.

I accept the responsibility the President has thrust upon us and pray that the American people will exercise charity toward those who have been misplaced by tragedy of war.

I will vote against any aid for the Government of Vietnam. I will not vote for a blank check next Wednesday as proposed by Congressman RODINO. I want to know how much money will be asked for and where it will be spent. You do not buy in the blind.

SALUTE TO THE ROMANIAN PEOPLE

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. RODINO. Mr. Speaker, on Saturday, May 10, the Romanian people throughout the world held their annual celebration honoring the founding of the nation of Romania. This holiday observance is a special tribute to the strength of the Romanian people whose nation is now under the Communist rule of the Soviet Union.

We, as Americans, should let this occasion serve as a reminder of the constant vigilance we must maintain to protect our own precious independence and freedom. We should also use this important day to gain insight from the Romanian people, who despite years under foreign domination have never lost their individual identity and sense of purpose.

Mr. Speaker, I salute the Romanian people on their national anniversary. May their dedication to their homeland remain undaunted. May their dreams of freedom be fulfilled.

THIRTIETH ANNIVERSARY OF LIBERATION OF NAZI DEATH CAMPS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. GILMAN. Mr. Speaker, today at the White House, along with the senior Senator from New York, I had the privilege to join in a ceremonial observation by President Ford, of the 30th anniversary of the liberation, by Allied troops, of the prisoners in the Nazi concentration camps. A delegation of 10 persons, survivors of the holocaust, presented the President with a "Memorandum for History," a resolution marking the anniversary of the opening of the Nazi death camps and vowing that such atrocities will never again be permitted to happen on Earth.

Mr. Speaker, it is fitting for us, in the legislative body of the world's greatest democracy, to set aside time to remember and memorialize the 6 million victims of the holocaust. It was our soldiers—our young men, and those of our allies—who courageously fought and stamped out the Nazi menace in Europe, opening the gates of the concentration camps so that the world could see for the first time the horrible, inhuman acts that had gone on within them. It is too easy to forget, Mr. Speaker.

It is too easy to say, that was 30 years ago. It is too easy to say, that was the work of the Nazis, they are gone now and it can never happen again. But Mr. Speaker, there were altogether too many people in the world in the 1930's who, even as the horror was unfolding, looked the other way, shrugged, and said it could not happen then, either. But it did happen, and without our continued vigilance in the protection and defense of our principles of human freedom and dignity, it can happen again.

The "Memorandum for History" presented to the President this morning effectively expresses these views. Mr. Speaker, in asking that the text of this "memorandum" be reprinted in full in this portion of the RECORD, I also ask that my colleagues bear in mind and long remember its tragic message.

The memorandum follows:

MEMORANDUM FOR HISTORY

Thirty years ago, civilization was close to extinction because of the sinister forces of Nazism. The entire world stood by silently as millions of innocent men, women and children were brutally murdered only because they were Jews.

We, the survivors of the Holocaust, the living witnesses of those dark days, cannot forget the deaths of our loved ones. Even more importantly, we continue to live with the unanswered question: How was this allowed to happen?

This year, as we mark the thirtieth anniversary of our liberation, we would like to express our gratitude to the United States and the Allied forces for challenging and combating the Nazi darkness before its seeds of destruction could spread throughout the entire world.

Therefore, we would like to salute the courageous American soldiers, and their Al-

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lies, those who fought and those who died in the struggle for freedom. It was they who uncovered the unspeakable horrors of the Nazi death camps and crematoria; and it was they who paid with their lives so that we might be able to assemble here today.

In the name of the thousands gathered at Temple Emanu-El in New York, we wish to express our thanks to the people and government of the United States for having given us a new home to live in, dignity and to enjoy the blessings of democracy.

As this great American nation approaches its 200th anniversary, we, the survivors of the Holocaust, sense that history can repeat itself if the people do not remain ever vigilant in the defense of freedom and human dignity, wherever it stands endangered.

We therefore reaffirm our commitment to this nation's founding principles of "Life, liberty, and the pursuit of happiness" and ask all humanity to follow these principles so that the tragedies we have witnessed might never happen again.

IS IT ENERGY GLUTTONY AS USUAL?

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. BROWN of California. Mr. Speaker, now that the Ways and Means Committee has completed action on its part of the national energy policy, and the Interstate and Foreign Commerce Committee is nearing completion of its part of the national energy policy, I think it is appropriate to ask if these bills will do the job of breaking the United States out of its 20-year energy consumption pattern. I have long felt that the most important goal of the Congress is to institute equitable curbs on energy growth. This can be done by a variety of means, some which will work better than others. People and industries will be inconvenienced; we have no choice on that. But the Congress can see that the inconvenience is planned, and the inequities are minimized. It is by these standards that I intend to evaluate the bills that the two committees will bring to the floor.

Mr. Speaker, the Los Angeles Times carried a very thoughtful background story on this issue in its May 11 edition. Because we all have to consider energy legislation in the very near future, I would like to insert this article for the RECORD and urge that my colleagues read it for their own information.

The article follows:

IT'S STILL "GLUTTONY AS USUAL" ON AMERICA'S ENERGY FRONT

(By Richard T. Cooper and Paul E. Steiger)

WASHINGTON.—In its continuing struggle to devise a national energy policy, the United States has begun to resemble a fat man who plucks up his will power and resolves that henceforth he will order his hot fudge sundaes without whipped cream.

It is true, as our anxious hero tells himself, that one more dessert won't kill him nor probably a dozen more. And a crash diet or a plunge into cutthroat tennis might well strain a long-neglected heart.

In the same way, abrupt reductions in U.S. oil consumption might stagger an already faltering economy, with cruel human costs. And a bit more imported oil, even at present prices, will not bankrupt the world's richest nation.

Yet gluttony-as-usual must eventually bring a day of reckoning. For the nation, it could come as an embargo that would cripple an economy grown ever more dependent on imported petroleum, as a subtle loss of independence in world affairs, or simply as a slow bleeding away of U.S. prosperity for the sake of higher and higher fuel bills.

What is wanted, then, is a moderate beginning, coupled with an irreversible commitment to a progressively tougher regimen.

Unfortunately, the opportunity to put such a program in place now, before 1976 election fever closes the door on any such complex and controversial policy-making, appears to be slipping away.

Both in the Ford Administration and in the Democratic-controlled Congress, there are leaders who have worked bravely and patiently for a program that would gradually curb the nation's unbridled appetite for energy in general and ruinously expensive foreign oil in particular.

These advocates of strong action may still prevail, especially if President Ford's attempt to decontrol domestic oil prices unilaterally should somehow survive the vociferous opposition of congressional Democrats.

Increasingly, however, fear of voter reaction to painful measures, joint lobbying by business and labor, concern for the economy, and disputes over methods, have dampened the enthusiasm of many Democrats and Republicans for tough measures, no matter how gradually applied.

Outwardly still committed to biting a bullet, the Administration has begun to give the impression that it will settle for something more digestible.

As a result, the most that now seems likely to emerge is a program that requires almost no energy conservation now and aims at what appears to be relatively modest gains by 1980 or 1985. The Ways and Means Committee is expected to approve such a package on Monday, but only by a narrow margin, and efforts to weaken the bill further on the House floor are certain. The pattern of compromises seems well established.

Sharply improved auto efficiency, for example, is universally regarded as a fruitful, even indispensible element in any strong energy conservation policy. Yet the mandatory mileage standards tentatively agreed upon last week by the House Ways and Means Committee and the House Commerce subcommittee on energy are only fractionally tougher than the levels Detroit had already agreed to aim for voluntarily.

Efforts to write tougher standards were repeatedly defeated in both committees. Knowledgeable observers are not sure Congress as a whole will approve even the committees' modest proposal.

The Administration, which has opposed mandatory auto efficiency standards, cites its willingness to accept the committees' formula as evidence of a cooperative spirit, but the standards would save only 340,000 barrels of petroleum a day when they reach maximum effectiveness in 1985, according to Ways and Means Committee estimates.

The United States now uses about 6.6 million barrels of gasoline a day. Total oil consumption runs 16.7 million barrels a day, 6.1 million of it imports. The Administration has called for cutting back 1 million barrels a day this year, 2 million in 1977, and "invulnerability" to embargoes by 1985—which is generally taken to mean imports of only about 25% of total U.S. consumption.

The story has been similar on proposals for increasing taxes on gasoline as a means of raising prices and thus discouraging consumption.

Early proposals envisioned phasing in taxes of 30 cents a gallon or more, and many economists insisted far larger increases would be necessary to achieve substantial results. The Ways and Means Committee, faced with opposition from the White House, congressional Republicans, and some Democrats, settled for a tax that could reach 23 cents by 1980.

Savings of not quite 1 million barrels a day by 1985 are predicted.

Import quotas, recommended by some as a major instrument for reducing consumption, could have some conservation effect under the Ways and Means Committee plan, except that the President is given discretionary power to loosen the tourniquet.

Even government subsidies for home insulation and other fuel-saving improvements, generally considered the "apple pie and motherhood" plank in energy programs, were almost voted down in the Ways and Means Committee by a coalition of some Republicans and maverick liberals who contended that people should not get government help in doing something they would do anyway for financial reasons.

It would be grossly unfair to place all this back sliding on political cowardice. Even the energy specialists do not agree on just what should be done, or on the exact nature of the need.

For political leaders, such as Ways and Means Committee chairman Al Ullman (D-Ore.), Commerce energy subcommittee chairman John D. Dingell (D-Mich.), and Federal Energy Administration chief Frank Zarb, a number of factors make the energy issue especially hard to handle:

The "energy crisis" was originally presented to the public as a matter of shortages during the 1973–74 Arab oil embargo. Now that world markets are awash with oil and the United States is bedeviled with stagflation, it is politically unappetizing to tell voters they should inflict shortages, higher prices, or stiff new taxes on themselves.

A weakened White House cannot command the allegiance of congressional Republicans, and thus has few bargaining chips when negotiating with Democratic leaders.

Democrats, while apparently enjoying enormous majorities, are in fact as divided as ever; splits between conservatives and liberals, Easterners and Southerns, freshmen and veterans all have cropped up.

The Congress as a whole is in the midst of a structural upheaval that has weakened the power of the old committee system.

Tantalizing suggestions that the international oil cartel is about to break up or could be shattered by one or another tactical device undermine those who argue for stringent policies.

Visions of technological salvation through such things as solar energy or hydrogen fusion raise hopes that the country might muddle through without taking drastic action.

Some economists argue that, far from weakening the economy or trading away future prospertly, a continued flow of oil dollars to the largely undeveloped producer countries will ultimately create millions of new customers for U.S. products and thus enlarge the pie for everyone.

When all of these factors are taken into account, one may argue that Dingell, Ullman, Zarb, and other have done a remarkable job in coming as close as they have, as quickly as they have, to creating a comprehensive national energy policy.

Two centuries of American history suggest that a vast and disparate nation is not easily galvanized. It was, after all, more than two and a half years from the Boston Tea Party to the Declaration of Independence, and five years more before George Washington's army gathered enough support to throttle the British at Yorktown.

It seems clear, however, that in the less dramatic struggle for a healthier national energy policy, the country and its leaders

could benefit from demanding a little more from each other than they are doing now. Those urging a more stringent policy make these points:

Politicians who trembled at phasing in a 23-cents-a-gallon gasoline tax might consider that, if the tax were raised to 30 cents a gallon, a family driving a car that gets 10 miles per gallon could do the same amount of driving for the same money simply by switching to a car that gets 15.5 mpg.

Controls on domestic oil prices could be ended sooner rather than later, without resort to the tortuous formulas some are suggesting. Present controls discourage investment in costly techniques for squeezing marginal production out of declining fields. And it makes little sense to pay higher prices to foreign producers than to domestic ones, when the cartel suppliers are beyond the reach of U.S. taxes and U.S. producers are not.

Stiff excise taxes could be assessed on the purchase of fuel-inefficient automobiles. The standard could get progressively stiffer, and be more ambitious than that favored by the Ways and Means Committee. By 1980, anyone buying a new car getting less than 20 miles to the gallon might pay an extra $400 or $500 for the privilege. Purchasers of the real gas devourers might pay even more.

The money could be used to finance rebates to buyers of the most energy-efficient vehicles—whether foreign or domestic made.

U.S. automakers and their unions complain that such a tax and rebate system might lose them sales and jobs to imports. That argument would be plausible if the tax and rebate system were to be imposed immediately. But a phased-in system would give the automakers ample time to change their designs and marketing strategies.

Finally, the government could do more to encourage development of alternative sources of energy and of ways for industry and households to use energy more efficiently.

Administration officials argue that they already have budgeted heavy increases in outlays for energy research and development, and to load more funds into this area would simply be wasteful.

They are being short-sighted. Any major mobilization effort produces waste. A bigger effort would produce more waste, but its chances of a big payoff would be greater.

The government could be spending money to finance a broader array of energy research projects. It might also devise ways of sharing the risk with private industry in developing new energy systems.

The effects of all such proposals overlap and interlock; the precise mix is less important than the rigor of the total.

It is true that no progress on energy problems will come without pain. Yet the nation is surely not so far gone on self-indulgence that it sees whipped cream as the ultimate sacrifice.

GOOD SENSE FROM CONSTITUENT

HON. ROY A. TAYLOR

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. TAYLOR of North Carolina. Mr. Speaker, a letter which I received from Mr. James T. Fain, retired newspaper editor of Hendersonville, N.C., contained so much good sense and says so much in so few words that I desire to recommend it to my colleagues.

Mr. Fain's letter reads as follows:

I feel like Winston Churchill: "We have sustained a total and unmitigated defeat. And do not suppose that this is the end. This is only the beginning of the reckoning unless we rise again and take our stand for freedom as in the olden time."

In the face of all that has taken place I learn that:

Our Army struggles to keep a strength of 16 divisions and 785,000 men and women. Hanoi had that many ringing Saigon. We have cut our strength by half since 1968 while Russia has added 20 divisions.

In the next fiscal year the Navy will drop below 500 ships—a strength lower than 2 years before Pearl Harbor.

Our Air Force is at its lowest ebb since the end of World War II and Congress seems uninterested in the B–1.

The Marines are at three divisions.

Portugal is Communist and there go our bases. Greece pouts and eliminates the 6th Fleet from the eastern Mediterranean.

For God's sake, let us not hamstring our defense at such a time as this.

THE POCONO BOYS CHOIR

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. McDADE. Mr. Speaker, this evening the Pocono Boys Choir will perform in concert at the Kennedy Center as part of Pennsylvania Day festivities and our Bicentennial Celebration. Along with two other choral groups, they will present a Bicentennial Parade of Music Concert in the Concert Hall.

Mr. Speaker, the Pocono Boys Choir provides a musical happening when they entertain. Under the direction of Mr. Bernard Schade, they have traveled to 15 States, and several foreign countries, including a performance at the Harrogate Festival in England. Wherever they sing, they have been acclaimed as musical ambassadors of good will.

Tonight the Pocono Boys Choir will present a repertoire of works by American composers, including "Paul Revere" commissioned especially for them, along with other works by American composers that reflect, in song, life in colonial times.

The Pocono Boys Choir consists of 40 young men in grades 5 through 9. The choir draws membership from 45 different schools throughout northeastern Pennsylvania. During its 6-year existence the Pocono Boys Choir has performed with several symphonies including the Rochester, the Corning, and the Altoona Symphony Orchestras.

These young men are a great reflection on the musical talents on which we pride ourselves in northeastern Pennsylvania. For those fortunate enough to hear the Pocono Boys Choir later today I can guarantee a moving musical experience. It is my pleasure to welcome the Pocono Boys Choir of northeastern Pennsylvania to our Nation's Capital and to thank them for making Pennsylvania Day a success.

HERE IS TO COORS

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. SYMMS. Mr. Speaker, I commend the following article to the RECORD by R. M. Bleiberg.

It is my hope that other members of the business community will follow the Coors family example in support of commonsense and the profit and loss, free enterprise system.

This type action could bring on a new day for America and set aside the tired old cliches of dark-age socialism.

The article follows:

HERE'S TO COORS!—IT HAS GIVEN THE COUNTRY MORE THAN A BEST-SELLING BEER

(By Robert M. Bleiberg)

Way back in our salad days as a staff writer, we did an unforgettable feature story called "Adlai the Investor." In a gesture quite without precedent in 1952, the late Democratic standard-bearer had just made public his federal income tax returns for the years 1942–51, as well as his portfolio of stocks and bonds. Searching analysis disclosed that Mr. Stevenson was no barefoot boy in Wall Street. On the contrary: "Whatever his views on the national budget, the candidate of the Democratic Party is a man of prudence and discernment when it comes to handling his own money."

Over the years, by the same token, we have tried to keep our own editorial opinions and financial judgments equally weighty but separate. Thus, with an eye toward the reader's edification, rather than his pocketbook, we once paid tribute to the enlightened capitalism practiced by United Fruit Co. (which, as part of United Brands, lately has fallen on evil days for practicing capitalism of a different kind). Another commentary had some friendly things to say about a pioneering, albeit ill-starred, venture in "fishy-backing" (roll-off, roll-on containerships), and we once hailed the achievements of the first publicly owned firm of importers, which afterward went out of business. Despite our unstinting approval of Ross Perot and all his works—Electronic Data Systems, until lately at any rate, was a stock in which it was easier to lose money than to make it.

After this carefully worded disclaimer, it should be safe to salute Adolf Coors Co., which has just disclosed plans to offer to the public 4,100,000 shares of Class B Common Stock (Non-Voting). In so doing, to repeat, we are taking no stand whatever on the merits of either the company's beer or its shares. On the latter count, indeed, we might point out that at the suggested price of $26–$30 apiece, Coors Co. common (on the basis of running 12 months' earnings) would command a multiple of more than 20, second only to leader of the six-pack (Budweiser), Anheuser-Busch. Moreover, as the preliminary prospectus points out, the company faces the prospect of higher excise taxes, as well as the threat of legislation aimed at curbing or banning the use of nonreturnable containers and limiting the sale (except on draught) of non-pasteurized fermented malt beverages, for which Coors is famous. Dividends—three cents per share semiannually looks like the policy—are peanuts.

What fascinates us—and, evidently, others—about Coors goes far beyond the investment realm. For in recent weeks the company—and the family that owns it lock, stock and barrel—have come under painstaking scrutiny and subtle attack by two

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other publications, The Columbia Journalism Review and The Washington Post. In its issue for March-April, the former printed an article, "Coors Brews the News," by a one-time CBS newsman. In a preface to the piece on Television News Inc. (TVN), a Coors' subsidiary, the Review summed up as follows: "'We tell both sides,' said the president of a TV news service backed by conservative Joseph Coors. CJR agreed, after taking a hard look. But our gaze also fell upon a pattern of ideological pressure by management and the dismissal of journalists who disagreed. Its history alone makes the service worth watching Carefully." As to The Washington Post, it ran a series of feature stories all last week on the Coors' non-brewing activities: "Coors Beer—and Politics—Move East;" "Coors Bucks Network 'Bias'" "Coors-Backed Unit Seeks Defeat of Hill 'Radicals'."

Under SEC rules and regulations, a prospective issuer of securities can make no comments which might be construed as touting the stock for an indeterminate period prior to a public offering (depending on when he begins to prepare the registration statement) and 60 days afterward. Coors—as its liberal critics are well aware—willy-nilly must stand mute. Yet in its behalf there is much to be said. For one thing, unlike many very rich clans, its scions after nearly a century are still running the family business, a practice which seems to give them a refreshing grip on reality. Moreover, via personal campaign contributions and their corporate television news service, the Coorses unabashedly are seeking to defend the principles—free-enterprise and freedom—which helped make them wealthy and this country great.

Six of the 10 "radicals" cited by The Washington Post as Coors' legislative targets voted against a Congressional resolution seeking to condemn Hanoi for violating the Paris Peace Accords, a position which would seem to forfeit the quotation marks. In turn, television network "bias" was blatantly underscored at last month's Academy Awards, when the Oscar-winning producers of a documentary film—one of whom wrote and produced "The Selling of the Pentagon" for CBS—read a message of greeting from the North Vietnamese. As more and more Americans uneasily are coming to perceive, the U.S. and what it stands for are under relentless collectivist assault, both at home and abroad. Those who are resolved to fight back rate our salute.

Nor can a national business and financial weekly ignore the corporate achievement which Coors has come to symbolize, too. Since 1970, sales have increased from $315 million to $602 million (in the 12 months ended March 23, 1975), while earnings have surged from $31.7 million, or 77 cents per share, to $45 million ($1.26). Over the past decade, Coors' share of the total market has leaped from 3.55% to 8.51%, while its industry-wide ranking has gone from 12 to 4. In the 10 Southwestern states which it fully serves, its share-of-market ranges from an impressive 40.4% in California to a staggering 69.5% (Oklahoma). Coors beer boasts what can only be called a fanatical following. In the East, where Coors is hard to come by, a case goes for $12.50, roughly three times what it commands in Colorado.

Beer and skittles are all well and good, but they don't satisfy the Coorses. On the contrary, unlike far too many of their big business colleagues, who are willing to "live with" endless encroachment, the two brothers—William and Joseph—who head both family and company, over the years have chosen to resist. Thus, they fought up to the U.S. Supreme Court—and lost—a decree by the Federal Trade Commission which, according to the Prospectus, will have no "significant effect on operations or on the distribution of Coors." As a regent of the University of Colorado, Joseph Coors was instrumental in having the so-called Students for a Democratic Society, left-wing totalitarians, banned from campus. Family trusts have financed several committees and at least one foundation of conservative cast, activities which, thanks to the proceeds of the current stock offering, presumably are destined to expand.

Far and away the most ambitious effort along these lines was the launching in May 1973 of Television News, Inc., which "supplies line-fed video news service to television stations throughout the country." Designed to offer a "straight-down-the-middle" alternative to the occasionally slanted fare originating from the networks. TVN in two short years has left its mark on the video scene. True, owing largely to heavy transmission costs, it is still in the red: after-tax losses for 1975 will exceed $3 million. Yet there is a brighter side. TVN to date has signed up 76 subscribers (45 in the U.S.), progress toward the 100-odd it needs to break even. Opinions as to the quality of output vary ("They've worked their way up," so the Columbia Journalism Review quoted one news director, "to a C or C-plus"; however, The Washington Post quotes a number of other stations which are satisfied with the material and use a good deal of it. * * * The Gallagher Report once forecast TVN's demise within months. Lately it has revised its estimate. "Survival of non-network-controlled news service," said Gallagher last November, "is important to industry."

In our view, it's important to the country. Although The Washington Post, through its use of quotation marks, tends to scoff at the notion, network "bias" has been thoroughly documented. Four years ago, Barron's, citing chapter and verse over nearly a decade, accused CBS of slanted journalism, the thrust of which "has tended to be violently against what most of the country would regard as its basic interests, institutions and values." In "The News Twisters," Edith Efron, who writes for TV Guide, subsequently analyzed prime-time news broadcasts of all three major networks for the seven weeks ended November 4, 1968. Here are her conclusions: "The networks actively slanted their opinion coverage against U.S. policy on the Vietnam war. The networks actively slanted their opinion coverage in favor of black militants and against the white middle-class majority. The networks largely evaded the issue of violent radicals."

Since then, to be sure, there has been spotty improvement. CBS has tightened procedures governing its once-slipshod documentaries, while Peter Davis, who aired the controversial "Selling of the Pentagon," has left its employ to pursue work which openly evokes "greetings of friendship" from the Communist camp. Yet the U.S. (on its video screens, as elsewhere) needs a choice, not an echo. For providing one, we have Coors to thank.

MARXISM—LENINISM—MAOISM—ARTHUR KINOY THOUGHT: THE NIC, PART I

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. McDONALD of Georgia. Mr. Speaker, on Sunday, May 4, 1975, some 300 radicals staged a "victory celebration" in Lafayette Park across the street from the White House to mark the Communist conquest of South Vietnam.

The organizers of the rally were primarily from a group known as the National Interim Committee for a Mass Party of the People—NICMPP or NIC—who were holding organizational meetings at Antioch Law School over the weekend. Principal speakers included NIC leaders Arthur Kinoy of the National Lawyers Guild; Peg Averill, a former Kent State activist; and David Dellinger; as well as Indochina Resource Center leader Fred Branfman who has acted as a dedicated propagandist for the North Vietnamese communists and the Khmer Rouge for some 5 years.

The National Interim Committee for a Mass Party of the People for nearly 2 years has been developing the structure to form a new Marxist-Leninist revolutionary party which while openly accepting the eventual "necessity" of "armed struggle" in America, also hopes to organize large numbers of less committed leftists.

The NIC was developed during the summer and fall of 1973 by Arthur Kinoy, then serving yet another term as vice-president of the National Lawyers Guild—NLG—an identified Communist front organization which has recruited large numbers of new left lawyers and law students since 1969.

Arthur Kinoy, chronologically a member of the old left—he is 54 years old—is equally, if not more comfortable with new left activists, among whom are his daughter, Joanne, once associated with leading members of the SDS Weatherman faction, and his second wife, Barbara Webster Kinoy, a former staffer with the Peoples' Coalition for Peace and Justice—PCPJ—and the People's Peace Treaty campaign in support of the North Vietnamese.

Kinoy's academic credentials are impressive. He graduated magna cum laude with an A.B. from Harvard in 1941. In 1947, he received a law degree from Columbia University where he served as executive editor of the Law Review.

While a student at Harvard, Kinoy was a member of the National Executive Committee of the American Student Union—ASU—an organization cited as a Communist front by five different investigating bodies. In 1945, he was a registered member of the American Labor Party—ALP—a Communist political front. Later he was a representative of the International Workers Order, another much cited Communist front.

A professor of constitutional law at Rutgers University Law School in Newark, N.J., Kinoy is also a member of the law firm of Kunstler, Kunstler & Hyman in New York City. He was a founding member of the Center for Constitutional Rights whose staffers also are members of the NLG. Kinoy is a member of the National Council of the National Emergency Civil Liberties Committee—NECLC—a cited Communist front, and received its Tom Paine Award in 1966. In 1959, Kinoy was a member of the law firm of Sacher, Donner, Perlin & Friedman. Both Harry Sacher and Frank Donner have been identified as Communist Party, U.S.A. members.

While Arthur Kinoy was never identified as a CPUSA member, he was closely associated during the 1950's with the

members of the Benjamin Davis faction of CPUSA in New York City. Kinoy has represented many CPUSA clients, including Morton Sobell, convicted for his part in the Rosenberg atomic spy ring, and he was a staff counsel for the United Electrical, Radio and Machine Workers of America, expelled from the CIO for its Communist leadership and character.

During the 1960's and 1970's Kinoy used his considerable legal skills to assist a wide variety of Communist and radical new left groups including the American Committee for the Protection of the Foreign Born, the W.E.B. Du Bois Club of America—predecessor of the Young Workers Liberation League—Vietnam Veterans Against the War, Students for a Democratic Society, the Southern Conference Educational Fund, the Student Nonviolent Coordinating Committee, National Committee to Abolish the House Un-American Activities Committee, the Black Panther Party, and the White Panther Party.

Because of his leadership role in the formation of the emerging new Marxist-Leninist party, as a united coalition of many existing Marxist and Maoist groups, an understanding of Kinoy's political stance is important.

In a 1970 article published in the Guild Practitioner, "The Role of the Radical Lawyer and Teacher of Law," Kinoy quoted from the Proceedings of the Seventh Congress of the Communist International, Moscow, 1935, and wrote:

> "I commend these proceedings to the careful study of all radicals, communist and non-communist, Marxist and non-Marxist alike * * * for the insight it may give on occasion to the problems of the present * * *."

The Seventh Congress of the Comintern was devoted to the development of new tactics by the Communist movement: the order was for united fronts, popular fronts and cooperation with "working and oppressed peoples" to "resist the efforts of the most reactionary wing of capital to institute open terrorist dictatorship."

This meeting of the Comintern, so important to Kinoy, was held under the chairmanship of Georgi Dimitrov, who said that by allying themselves with progressives and liberals, the Communists could "Penetrate the very heart of the enemy's camp." Dimitrov continued,

> We must utilize anti-Fascist (liberal) mass organizations as the Trojan horse. Whoever does not understand such tactics or finds them degrading is a babbler and no revolutionary.

Arthur Kinoy may be verbose, but his record shows he is too dangerous to be considered a mere babbler.

Although propounding his ideas for a "mass party of the people" at least since the December 1971, meeting of PCPJ and Mayday Tribe activists at the somewhat inappropriately named Tranquility Farm in Allamuchy, N.J., Kinoy's ideas first gained wide currency among the Marxist new left as a massive monograph distributed by the National Interim Political Committee of People Working for a Mass Party of the People, as NIC was first called.

NIC was formed at a by-invitation-only "national" meeting in September 1973 in New York. First operating from the home of one of it members, Vivian Stromberg, at 5410 Netherland Ave., Bronx, N.Y. 10471, 212—549–8125, NIC soon moved to its present headquarters at 156 Fifth Avenue, Room 812, New York, N.Y. 10010, 212—243–0591.

Kinoy's original monograph, "A Party of the People," sold for $1 by NIC, sets out in considerable detail a "bold new strategy" for "the taking of control of every economic, social, and political institution now controlled by the ruling class, and the vesting of that control in the people who live and work in these institutions." More traditional Marxists term this the dictatorship of the proletariat.

Reduced by about one-third in size, Kinoy's monograph was published in Liberation magazine's December 1973, issue which editorialized,

> We * * * sense that the time has come for those who suffer from this system * * * to demand its dissolution or overthrow and to seek actively to implement this eminently reasonable goal * * *.

While the Liberation version of the Kinoy paper provides only one example of a catalyst leading to an "alliance of all the oppressed classes,"—the student/worker riots in Paris in 1969—the original NIC document is more detailed as to its ideological inclination.

> * * * the theory [that] shaped the strategy of as diverse movements as the Soviet, the Chinese, the Vietnamese and the Cuban struggles, must remain central in the thinking of all who would attempt to chart out a strategy to take power in this last and powerful stronghold of world capitalism."

Also missing from the Liberation magazine condensation is the discussion on violence. Paralleling the traditional Leninist view that only the party can decide when acts of revolutionary violence are appropriate, and the present line of the CPUSA and Socialist Workers Party that current conditions in this country are not ripe for armed actions, Kinoy asserted that violence does not "correspond to the political reality of today." However, he noted:

> . . . even such diverse spokesmen for non-violent resistance as Thoreau and Gandhi acknowledged the usefulness, even the necessity, of acts of violent resistance at certain moments. Nor can a movement which draws inspiration and courage from contemporary struggles of the Vietnamese, Cuban and Chinese peoples and the past experiences of the American, Russian and Chinese Revolutions afford to dismiss or discount *for all times and places* methods of violent and armed struggle. [Emphasis in the original].

The members of the original NIC political committee included:

Arthur Kinoy, National Lawyers Guild.

Stanley Aronowitz, Liberation magazine, a former writer for the Guardian and labor organizer.

Joe Carnegie, New York Transport Rank & File and leader of Fight Back in Brooklyn.

Owen Brooks, Delta Ministry of Mississippi.

Gina Cestero, Puerto Rican Socialist Party, a self-characterized Marxist-Leninist vanguard party supported by the Cuban Communists.

David Dellinger, Liberation magazine and a leader of the People's Coalition for Peace and Justice and its predecessors.

Barbara Deming, Liberation magazine.

Frank Joyce, a former activist with PCPJ, the People's Peace Treaty organization, and People Against Racism.

Staughton Lynd, a founder of the New American Movement and formerly associated with the Institute for Policy Studies.

Jay Schulman, active with the Wounded Knee Legal Defense/Offense Committee, the Peace and Freedom Party and Jewish Currents magazine.

Lillian Shirley, formerly active with the Harrisburg Defense Committe and Resist.

Vivian Stromberg, Teachers Action Caucus, New York City.

Mr. Speaker, while I have outlined the origins and basic position of the National Interim Committee for a Mass Party of the People indicating its revolutionary intent, new and serious developments with this group require still more discussion.

In light of the NIC's renewed involvement with revolutionary calls for "armed struggle," I will continue my report to my colleagues.

POLES IN THE SOVIET UNION

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. DERWINSKI. Mr. Speaker, in view of recent foreign policy decisions which include a reappraisal of policy in major geographical areas as well as the legitimate doubts that many Members have regarding the future of détente with the Soviet Union, I direct the attention of the Members to an article in the April 25, the New World, a publication of the Chicago Catholic Archdiocese, which discusses the continued distain by the Soviet authorities toward the human rights of the inhabitants within the U.S.S.R. I insert the article at this time:

POLES IN THE SOVIET UNION

It is so easy to forget. That sometimes seems to be the fate of those who are in a very real sense held captive by the Soviet Union. The August, 1974, issue of East Europe recalls that there are two million forgotten Poles in the Soviet Union. It says: "There is some knowledge about the Poles in Lithuania, primarily in the Wilno region; in Byelorussia; in the Ukraine, especially in the former Polish areas, such as Lwow, Tarnopol and Stanislawow, and in Moscow and Leningrad."

The article points out that in Moscow St. Louis parish has about 3,000 parishioners, with more than 70% of them Polish. This is a "show" church, because among those attending church services there are Catholic members of the diplomatic corps—and heads of state visiting Moscow often attend services at St. Louis Church. "Basically," says East Europe, "the parish has no financial problems. Economically, the Poles in Moscow fare fairly well. Their standard of living, although substantially below the one in U.S.A., seems to be fairly good. In fact, almost twice as good as of their counterparts in Poland."

But in other parts of the Soviet Union, it is a different story. In Byelorussia, "all signs of Polishness were eliminated." In the Ukraine, "there are three Polish schools and three Polish churches in Lwow but only one elderly priest, attached to the Cathedral."

In Lithuania, however, East Europe estimates there are about 200,000 Poles; there are Polish schools, a Polish daily in Wilno

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and about 10 regional papers, a large number of books in Polish but most of them represent communist literature.

One great need of Poles attending Polish churches in the Soviet Union is prayer books. East Europe points out that the Soviet authorities do not permit publishing Polish prayer books, nor even importing them from Poland. When a tourist from Poland tried to bring in Polish prayer books, customs officials confiscated them at the border. As a result of this ban, there is a considerable number of handwritten copies of the old books among the faithful.

In the vast area of the Soviet Union, from the Urals to Vladivostok, says East Europe, there is only one Polish priest to care for the spiritual needs of more than a million Poles. Thousand of Poles are in Soviet prison camps in Siberia.

East Europe says that many Poles in the Soviet Union, faced with discrimination because they are Polish, do not state their true nationality and list themselves as Russians.

There is still little information about the vast majority of the Poles living in Russia, but there is no question but that their condition is very difficult, and their spiritual needs are both ignored and hindered by the authorities.

UNITED NATIONS AND ITS AFFILIATED INTERNATIONAL ORGANIZATIONS MUST GET BACK TO ORIGINAL PURPOSES

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. WOLFF. Mr. Speaker, it is no secret that many thoughtful men and women across this Nation, and, indeed, across the world, are becoming increasingly dissatisfied with the lack of performance of the United Nations in recent years. That international organization, which still serves as a repository of hope for eventual world unity, has been slipping into increasingly partisan, rowminded and, ultimately, self-defeating postures in many phases and levels of its operations.

The latest and certainly one of the most inexcusable lapses came only last weekend, when the executive board of UNESCO voted to exclude a member of the U.N. from two educational conferences in the Mediterranean area.

Such a blatantly political ploy by a pro-Arab majority of the UNESCO board would be intolerable in itself. But, in view of the absolute betrayal of the law and spirit of what UNESCO is charged with carrying out in the name of all humankind, Mr. Speaker, the vote by the UNESCO board demands the strongest action and condemnation by all nations, their governments, and their peoples.

If UNESCO is to be turned into a political playpen to rank with the General Assembly, then surely the hope of the United Nations will be severely dimmed, if not closed off permanently. This is neither the place nor the occasion to discuss possible remedies for the loss of responsibility which the General Assembly is apparently embracing without reservation. But I would hope that the General Assembly will take note of the outrage presently being expressed by responsible men and women, including Nobel laureates across the world, at the recent performance of UNESCO.

I would note a full-page advertisement in the New York Times of April 30, 1975—well before the latest outrage by the UNESCO board referred to above—calling on UNESCO to stop violating its own charter, and pleading with the organization to return to its original nonpolitical objectives of furthering the intellectual and moral progress of mankind.

UNESCO board members, and delegates to the U.N. should take note of increasing reluctance on the part of Members of Congress to continue the pattern of massive U.S. funding of an organization which some fear no longer desires to act responsibly in world affairs. It is no accident that Congress has limited U.S. financial participation to no more than 25 percent of the total of many U.N. activities, including UNESCO.

I should note, Mr. Speaker, that since its inception, the U.N. has seen nearly 42 percent of its budget funded by the taxpayers of the United States. This condition is now a condition of the past, thanks largely to the increasing irresponsibility of the other members of the U.N.

Monday, in a subcommittee session to finish the markup on the State Department authorization bill, the membership agreed to my amendment striking out a "bill" for so-called arrearage in the U.S. contribution to UNESCO for the past year—some $2.7 million. We are not saying the United States should never pay the money, Mr. Speaker, but we are putting all concerned clearly on notice that Congress will no longer shoulder the major burden for the U.N. until the world community accepts its own financial responsibilities.

The conditions of the amendment adopted Monday are such that the United States is willing to pay the $2.7 million in question—but only upon payment of U.N. arrearage by all other nations. Until that time, the United States will stick to the limitation. We are not saying that the United States will cease to support the U.N. according to its ability to pay, Mr. Speaker, but we are saying that we will no longer pay for a pig in a poke, which is what the General Assembly and UNESCO are increasingly becoming in terms of their legal responsibilities to further world peace and understanding.

We are hopeful that Monday's session will be received as an alert to UNESCO that Congress must see some changes for the better—not "what the United States wants," or "the Arabs want" or any other specific interest group—but a genuine move toward a return to honest furtherance of world peace and understanding and the original mandate of the U.N. and its international affiliated organizations.

If such changes are not forthcoming, Mr. Speaker, the board members of UNESCO must be prepared to accept an end to all U.S. participation. Let the board members of UNESCO from this day forth consider themselves to be "on notice." The world community is watching, and hoping.

TESTIMONY ON S. 1284

HON. DONALD W. RIEGLE, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. RIEGLE. Mr. Speaker, on May 8, the eminent professor of economics of Michigan State University, Walter Adams, appeared before the Senate Subcommittee on Antitrust and Monopoly to discuss reform of the antitrust laws. I would like to share with my colleagues Dr. Adams' keen analysis of antitrust procedures and the reforms needed to make them more effective:

TESTIMONY ON S. 1284—HART-SCOTT BILL

(By Dr. Walter Adams)

It is a pleasure and a privilege to appear before this Committee in support of S. 1284, co-sponsored by the senior Senator from Michigan, the Chairman of this Subcommittee, and by the senior Senator from Pennsylvania, the Minority Leader of the Senate. Enactment of this bill would contribute significantly to effective enforcement of the antitrust laws, and to the promotion of effective competition in the American economy.

In discussing the several provisions of the bill, I propose to comment first on what might be called the "penalty" provisions, and second on what might be called the "information" provisions of the bill.

TITLE VI—NOLO CONTENDERE

Under present law, defendants in criminal antitrust cases may, with the court's permission, plead nolo contendere. It is an implied confession guilt—a polite guilty plea—which does not immunize the defendant from criminal penalties but shields him from a host of other legal unpleasantries. In effect, the defendant tells the court: "Your Honor, I do not plead innocent. Nor do I plead guilty. I simply refrain from contesting the charges in the criminal indictment. Now, without trial or adjudication of the facts, please proceed to punish me—either by fine or by imprisonment—as if I were in fact guilty."

In following this curious procedure, the defendant gains certain palpable benefits without incurring undue risks. First, he knows that antitrust sentences seldom fit the crime. They are more often than not symbolic slaps on the wrist.

Fines are almost never commensurate with the profits derived from the violation, and hence are not effective deterrents to rational calculators of the costs and benefits. Prison sentences are rarely imposed, typically suspended, and in any event are usually less than 6 months in duration. Under the antitrust laws, therefore, criminal penalties hardly constitute appropriate punishments; nor do they serve as effective deterrents. Second, the defendant knows that a nolo contendere plea cannot be used as prima facie evidence by a private plaintiff in subsequent triple damage actions. Though it is an implied confession of guilt upon which criminal penalties can be assessed, the nolo contedere plea is deemed to be equivalent of a consent decree and, in the eyes of the law, treated in the same manner for evidentiary purposes. By entering such a plea, therefore, the defendant effectively precludes the filing of numerous triple damage actions, because these can realistically be attempted only where the plaintiff is able to rely on a final judgment in prior government action as

prima facie evidence. In short, the nolo plea becomes a protective device which enables the antitrust violator to short-circuit the imminent threat of triple damage remedies for the victims of his misfeasance.

Title VI of S. 1284 would deny to antitrust violators the privilege of using nolo contendere as a subterfuge for a guilty plea. In doing so, it would contribute significantly to effective antitrust enforcement—for a number of reasons.

First, by closing the nolo contendere loophole, the bill raises the cost of committing antitrust violations. As Attorney General Brownell put it in his famous Memo No. 42,

"One of the factors which has tended to breed contempt for federal law enforcement in recent times has been the practice of permitting as a matter of course in many criminal indictments the plea of nolo contendere. While it may serve a legitimate purpose in a few extraordinary situations and where civil litigation is also pending, I can see no justification for it as an everyday practice, particularly where it is used to avoid certain indirect consequences of pleading guilty, such as loss of license or sentencing as a multiple offender.

"Uncontrolled use of the plea has led to shockingly low sentences and insignificant fines which are no deterrent to crime. As a practical matter it accomplishes little that is useful even where the Government has civil litigation pending. Moreover, a person permitted to plead nolo contendere admits guilt for the purpose of imposing punishment for his acts and yet, for all other purposes, and as far as the public is concerned, persists in his denial of wrongdoing. It is no wonder that the public regards consent to such a plea by the Government as an admission that it has only a technical case at most and that the whole proceeding was just a fiasco."

Second, the bill would remove the discriminatory and preferential treatment currently accorded to antitrust violators, and counteract the all-too-fashionable tendency of regarding antitrust infractions as a relatively harmless species of "victimless," "white collar" crime—a mere malum prohibitum rather than a malum in se. The bill recognizes, as Title I makes clear, that antitrust crimes are not inconsequential. They may be passionless in execution. They may be carried out by non-violent means. They may be impersonal in character and indifferent in the choice of victims. Their impact may be quite remote from the scene of the crime. But none of these considerations make criminal offenses under the antitrust laws any less baneful, venal, or anti-social. Indeed, as E. A. Ross argued long ago, in his landmark work Sin and Society.

"Today the villain most in need of curbing is the respectable, exemplary, trusted personage who, strategically placed at the focus of a spider-web of fiduciary relations, is able from his office-chair to pick a thousand pockets, poison a thousand sick, pollute a thousand minds, or imperil a thousand lives. It is the great-scale, high-voltage sinner that needs the shackle. To strike harder at the petty pickpocket than at the [white collar criminal] . . . is to 'strain at a gnat and swallow a camel.' "

Title VI takes a step in the right direction by making nolo contendere equivalent to a guilty plea for evidentiary use in private triple damage actions.

Third, the bill would enable the victims of criminal antitrust violations to seek realistic remedies for the wrongs inflicted on them. As things now stand, the private plaintiff in an antitrust proceeding must shoulder a formidable burden of proof. He must demonstrate that an antitrust violation has been committed; he must show that he was injured in his business or property as a direct result of such violation; and he must prove the exact amount of the damages by him sustained. Experience shows that the first step—proof that a violation has occurred—is almost always a costly, time-consuming, and complicated matter. Moreover, since the typical triple damage plaintiff is a David confronting a Goliath, he generally lacks the resources and competence for the full investigation and analysis on which to base proof of violation. More often than not, therefore, he is dependent on the federal government to have established a violation of the antitrust in a prior proceeding which he can then use as prima facie evidence to carry forward his own claim for damages. (Note, for example, the number of successful triple damage actions based on the convictions obtained by the government in the great electrical conspiracy. Note also that the financial impact of these private suits on the conspiring corporations was greater—by a factor of approximately 100—than the paltry fines collected by the government.) By making nolo contendre equivalent to a guilty plea, S. 1284 would simply give the victim of criminal antitrust violations a badly needed weapon for his self-defense.

TITLE III—FEDERAL TRADE COMMISSION AMENDMENTS

This section of S. 1284 would amend the Federal Trade Commission Act to provide for increased penalties for disobeying FTC special orders or subpoenas. In 1914, when establishing the Federal Trade Commission, Congress set the penalty for such infractions at $100 a day. It has not been changed since then. This title would set the penalty at not more than $5,000 nor less than $1,000 per day.

This should not be a controversial question. Clearly, the cost of sinning ought to go up at least as much as the cost of living. (The wholesale price index has increased approximately fivefold between 1914 and 1974.) More important, we must take account of the spectacular increase in the size and earnings of major corporations since the enactment of the old Clayton Act. Consider, for example, that the Standard Oil Trust in 1911, the year of its dissolution, disbursed dividends of $40,000,000, whereas one of its successor companies, the Exxon Corporation, in 1974, distributed dividends of $1,119,000,000—an amount roughly 30 times greater. Or consider the impact on Exxon of a $100 per day penalty, if the corporation were to violate an FTC order or subpoena; on an annual basis, it would amount to $36,500—or one-thousandth of one percent of Exxon's profits in 1974.

However inadequate a daily fine of $100 may have been to deter disobedience to FTC orders in 1914, it has with the passage of time become a ludicrous irony. Enactment of Title III would be a simple recognition of that fact.

TITLE IV—PARENS PATRIAE

This section of S. 1284 would permit State attorneys general to file antitrust actions and to collect triple damages on behalf of the citizens of their states. In other words, it would authorize the chief law enforcement officer of a State to file a "class action" suit on behalf of the victims of antitrust crimes located within his jurisdiction. Its enactment would increase further the deterrent to the perpetration of one form of "white collar" crime and offer the victims of such crime an efficacious mechanism for obtaining restitution.

Much of the rationale offered in support of Title VI above is equally applicable to Title IV, with the additional consideration that States command both more substantial resources and greater expertise than the typical private litigant to bring successful triple damage actions.

TITLE V—PREMERGER NOTIFICATION

This section of S. 1284 would provide for prior notification to the Federal Trade Commission and the Department of Justice, and a waiting period before a proposed merger can be consummated. A 30-day waiting period would apply to all corporate mergers, and a 60-day waiting period to giant mergers—i.e. those with combined assets of $100 million and more. Further, the section provides that if an antitrust action challenging the legality of the merger is brought during the specified waiting period, the Government is authorized to block consummation of the merger until its legality has been determined by the courts.

The proposed changes are crucial to effective enforcement of the antimerger provisions of the Celler-Kefauver Act. First, the bill would insure that all prospective mergers, and especially giant mergers, would promptly be brought to the attention of the enforcement agencies.

Second, by requiring the submission of certain basic information at the time that notice is given of a proposed merger, and by providing for the submission of additional relevant information upon request by the Federal Trade Commission or the Department of Justice, the bill would insure that the enforcement agencies have the necessary data on the basis of which they can analyze the probable impact of the proposed merger on competition.

Third, the bill would authorize the enforcement agencies to block a merger prior to its consummation and to require that the assets of the merging companies be kept separate until final adjudication of the merger's legality in the courts. This is a provision of capital importance, because it would avoid the practical difficulties of a postmerger unscrambling of already commingled assets, or of convincing the courts to undertake this onerous task. The House Judiciary Committee, in its Report No. 486, 85th Congress, 1st session, underscored this point:

"The bill will, therefore, help avoid the practical problems of unscrambling corporate mergers entered into in violation of section 7. Because of problems involved in an unscrambling process, the courts have been understandably reluctant to order divorcement, divestiture, or dissolution to remedy violations of the antitrust laws. Indeed, in the more than 60 years of Sherman Act history, courts have entered decrees requiring divorcement, divestiture or dissolution in only 24 cases, taking the position that judicial restraint should prevent the imposition of divestiture where other effective remedies, less harsh, are available. It is precisely because of difficulties in restoring the previous status and the attendant reluctance of courts to undo what has been done, that makes necessary the present provisions for evaluating prospective mergers and acquisitions before they have become accomplished facts—before they have developed to the point where it becomes necessary to debate whether a surgical remedy may be too drastic."

The Federal Trade Commission Hearing Examiner, in ruling on the merger between Farm Journal and Country Gentleman, illustrated the difficulty—indeed, the virtual impossibility in some cases—of providing divestiture relief after the merging companies had already commingled their assets and combined their operations (In the Matter of Farm Journal, Docket 6388):

"It would be difficult, indeed, to find an acquisition which would point up the procedural inadequacy and ineffectiveness of section 7 of the Clayton Act as amended, when its objectives are considered, than that presented here. It is not just a case of too little and too late, from a trial standpoint. A preacquisition waiting and examination period, made mandatory by statute, coupled with the power to seek injunctive relief from the courts, would have kept the eggs in the basket until it had been determined whether it was to the public's interest to scramble

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them, instead of, as here, trying to unscramble them. If the record now before this examiner had been presented for precontract approval, this proceeding would probably have been unnecessary. General equity power likewise would accomplish much.

"Divestiture is only half the objective of the statute, as the examiner construes it, and its legislative history and purpose. It does take away, and prevent the further use of competitive tools and weapons illegally acquired, but the aim, it would seem, is broader than that—namely, to restore to the relevant markets those competitive weapons to an active and vigorous use in the hands of the seller, or into those of a new entrant, so that competition may continue with its former vigor. This, as respondent contends, is impossible. Country Gentleman is dead, and the 'assets' which it turned over to respondent are now without value to any newcomer or, indeed, to any farm publication now in the field. When his corn is taken from him and the horse dies, it is the height of vanity to strew the bare corncobs on his grave. All that can be accomplished, then, is simple divestiture of the 2 trade names and the 2 lists, although, in the examiner's opinion, this at most may only disturb, but will not diffuse the coalescence which has taken place."

The same point was also made by Professor Kenneth Elzinga in his landmark article, "The Antimerger Law: Pyrrhic Victories?," a copy of which is attached herewith as an appendix to my statement and which I respectfully submit for inclusion in the record. After carefully reviewing the relief granted in a sample of cases adjudicated under the Celler-Kefauver Act between 1950 and 1964, Elzinga observes—not without a note of sadness—that the relief obtained in the vast majority of merger cases has been far from effective. He concludes

"First, that the time span between the acquisition and the divestiture order can, in a dynamic market setting, prevent or make very difficult the unscrambling of two firms. Second, the so-called partial divestiture has not distinguished itself for efficacy. Third, a loose handling of the divestiture of post-acquisition improvements could afford an economic incentive to firms to expand in violation of Section 7, planning on divesting the acquired assets several years hence. The answer to these problems involves cutting down or eliminating this time span. It . . . requires a closer adherence to the principle that relief is a failure if sufficient assets are not excommunicated to reestablish an independent firm of sufficient size to survive. Normally, this would seem to require full divestiture including any post-acquisition improvements."

Clearly, enactment of Title V of S. 1284 would go a long way toward alleviating these problems. It would give the enforcement agencies the necessary authority to interdict effectively those mergers which tend to substantially lessen competition or tend to create a monopoly. The importance of this objective, I know, need not be underscored before this distinguished Committee.

TITLE II—ANTITRUST CIVIL PROCESS ACT AMENDMENTS

This section of S. 1284 would authorize the Department of Justice to issue civil antitrust process to individuals as well as to corporations and third parties. Its major importance consists of the fact that the Department could obtain the necessary information to evaluate potential antitrust violations (especially mergers) before rather than after they have occurred. This is not explicitly authorized under present law—a deficiency which should be corrected.

CONCLUSION

In conclusion, I respectfully submit that the competitive system is not bellum omnium contra omnes. It is not an ecological equilibrium, a state of nature, in which the law of the jungle reigns supreme. Rather, it is a legal, ethical, institutional arrangement—an economic community under covenant—an arena where powerful forces collide, but in accordance with strictly prescribed and socially beneficient rules. In this arena, an individual may seek private gain; his motive may be to benefit neither his neighbor nor his community, but if the rules of the game are properly drawn, the individual seeking his and only his gain should be able to achieve this goal only by serving others as well. In this sense, the market is an organizing principle for coordinating individual activity—a planning mechanism which is autonomous, impartial, and external to human control, manipulation, and perversion. It is a mechanism for harnessing the individual to social ends, while depriving him of power so great that, if abused, it would result in harm to his fellows.

In The Control of Trusts, published shortly before enactment of the Clayton Act, John Bates Clark emphasized the importance of the rules by which the competitive game is played:

"In our worship of the survival of the fit under free natural selection we are sometimes in danger of forgetting that the conditions of the struggle fix the kind of fitness that shall come out of it; that survival in the prize ring means fitness for pugilism; not for bricklaying nor philanthropy; that survival in predatory competition is likely to mean something else than fitness for good and efficient production; and that only from a strife with the right kind of rules can the right kind of fitness emerge. Competition . . . is a game played under rules fixed by the state to the end that, so far as possible, the prize of victory shall be earned, not by trickery or mere self-seeking adroitness, but by value rendered. It is not the mere play of unrestrained self-interest; it is a method of harnessing the wild beast of self-interest to serve the common good—a thing of ideals and not of sordidness. It is not a natural state, but like any other form of liberty, it is a social achievement, and eternal vigilance is the price of it."

In short, competition can be effective only if the game is played by the right set of rules. Also, if the rules are to have any meaning, the umpire must be given the powers necessary for their effective enforcement. And that, in essence, is what S. 1284 proposes to do.

HONORS COUNTY AGENT JOHN ANDREWS

HON. OTTO E. PASSMAN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. PASSMAN. Mr. Speaker, I would like to join many high officials of our Federal Government, including Acting Administrator, USDA Extension Service, George E. Hull, and Hon. John A. Cox, Director of the Louisiana Cooperative Extension Service, in honoring one of our dedicated public servants, County Agent John Andrews.

John Andrews has been singled out for the Superior Service Award from the U.S. Department of Agriculture, one of the highest awards an employee of the system can receive. He was notified of his selection for the award via a letter from Mr. Cox.

Andrews will receive the award on May 28 at 10:30 a.m. at the Sylvan Theater on the Washington Monument Grounds in Washington, D.C. He will later be a guest at a reception hosted by Epsilon Sigma Phi for the award winners.

Andrews has worked in the Cooperative Extension Service for a number of years and has also been active in community affairs. He was leader of a group which spearheaded the establishment of a Farmers Market in Morehouse Parish and was the first black to be honored for his service by the Bastrop-Morehouse (Louisiana) Chamber of Commerce.

Mr. Andrews was nominated to receive either the Distinguished Service Award or the Superior Service Award and the USDA Honor Committee selected him to receive the Superior Service Award, one of the highest honors offered by the Department for employees.

METHODS TO IMPROVE HEALTH CARE IN THE UNITED STATES

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. THOMPSON. Mr. Speaker, improved health care for all Americans is a subject which continues to command the attention of Congress. One of the more controversial issues being debated by those interested in the quality of health care in the Federal Government's regulatory policy for the pharmaceutical industry. Quite recently Mr. Richard M. Furlaud, chairman and chief executive official of the Squibb Corp., presented 10 proposals in a speech before the annual shareholders meeting which he feels would contribute to improved health care in the United States. While I do not necessarily adhere to all of Mr. Furlaud's proposals, I do think that his considerable experience and knowledge of the pharmaceutical industry merits careful consideration of his proposals. I am pleased to present excerpts from the text of Mr. Furlaud's speech:

Ten Propositions To Contribute Constructively to Improved Health Care in the United States

(Excerpts from remarks of Richard M. Furlaud, chairman and chief executive officer Squibb Corp. at its annual shareholders meeting, Princeton, N.J., May 6, 1975

In his erudite and elegant book "The Lives of a Cell," Doctor Lewis Thomas makes the point that in medicine there are three quite different levels of technology. First of all, there is a large body of what might be termed "non-technology," which does not purport to treat the underlying mechanism of disease and cannot affect its course. This is all that is available today to patients afflicted with at least 20 major diseases, such as intractable cancer, severe rheumatoid arthritis, multiple sclerosis, stroke and the like.

The next level up is what Doctor Thomas calls "Half-way technology." This represents what is done after the fact in efforts to compensate for the ravages of diseases whose course one is unable to do very much about. The outstanding examples or half-way technology in recent years are spectacular organ transplants and the extremely complex and costly technology that is used for the management of coronary heart disease, kidney disease, cancer and the like.

And finally, the third type of technology is the genuinely decisive technology of modern medicine, which has upgraded the quality of human life around the world. This is exemplified by immunization against diphtheria and the childhood virus diseases, by the use of antibiotics for bacterial infections and by the capacity to deal with syphilis and tuberculosis. The point that Doctor Thomas makes about this kind of technology is that it comes as a result of a genuine understanding of disease mechanisms and when it does become available, it is relatively inexpensive, relatively simple and relatively easy to deliver.

Now pharmaceutical research and development—the investment of 1 percent of the health industry dollar—joins scientists in industry to those in other research centers in an endeavor to move the treatment of disease entities from the expensive levels of non-technology and half-way technologies to the inexpensive and, one must emphasize, infinitely more humane level of high technology through the use of medicines that really work. In the entire realm of social programs, this is probably the most cost-effective expenditure that society can make.

VII. REGULATORY PROBLEMS

Given this overwhelming need, it would be nice to be able to report that the regulatory climate in the United States is receptive to its fulfillment. But it is clear, unfortunately, that *in toto* the American way of drug development lags that of much of the world. Just three examples to prove the point: We were the 41st nation to give official sanction to the use of lithium in the treatment of depression, the 65th to permit cromolyn for the prevention of asthmatic attacks, and we do not yet approve the use of any beta blocker for the treatment of hypertension.

What is going wrong? The problem cannot be fairly traced to bureaucratic incompetence in the Food and Drug Administration. The agency has its problems, but it has many outstanding people on its staff, could hardly have more dedicated or knowledgeable leadership than it has at the moment, and has made much progress in the last several years.

Nor is the problem that the investor-owned pharmaceutical industry is driven by a lust for profit to work in the wrong areas of medical science. In fact, most of the industry's commitment to research is targeted to precisely those diseases which in this country account for the highest incidence of morbidity and mortality.

Clearly those who blame bureaucrats or businessmen for slowing down drug development have in common the fact that they are massaging their prejudices and barking up the wrong tree.

Rather, the deficiencies in our regulatory mechanism appear to result from the evolving nature of medical science and the manner in which it relates to vital but often conflicting social objectives and the pressure groups which espouse them.

As you know, the basic U.S. regulatory law, enacted in 1962, provides, in substance, that all new drugs shall be safe and effective as determined by qualified experts on the basis of adequate and well-controlled clinical studies. While this sounds reasonable enough, it is right here that the trouble starts. The law says that a new drug must be "safe and effective." But medical science increasingly shows that there is no such thing as a safe and effective drug. There are only drugs that are relatively safe and relatively effective when used in certain ways in certain patients for certain indications.

The law's requirements concerning adequate and well-controlled clinical trials clearly reflected Congress's concern that this finding of safety and efficacy should be founded on a sound scientific basis rather than on mere unstructured clinical experience. But, in carrying out this mandate, and in attempting to achieve the objective of approving a drug to be safe and effective, the regulators have often been subjected to a variety of political pressures from people very much outside the scientific community at large. Such pressures have led the regulators, on occasion, to impose requirements for clinical trials, some formal, some simply as a matter of informal policy, that most medical scientists would agree are unnecessary, inordinately time-consuming and wasteful of human and financial resources.

For example, the guidelines now require, in the usual case, three or more separate "adequate and well-controlled" clinical studies for each indication, however minor, for which a new drug will be used, even though effectiveness in such indications can readily be adduced with virtual certainty from effectiveness in other indications. Extensive human metabolic studies are now routinely required, but in many situations such data are of mere academic interest and are not indicative of safety and efficacy. There have even been reports from other companies of FDA requirements for data obtained by invasive techniques such as arterial puncture or cardiac catherterization which can be obtained by other valid measures.

Similar presssures have affected requirements for pre-clinical studies. Society is quite properly concerned with the safety of human subjects who participate in this work, and the law, therefore, requires considerable testing in animals before a compound is introduced into man. This is obviously essential. Indeed, no one would dispute the fact that in any conflict between the interests of science and human values, the latter must prevail. However, pre-clinical requirements in this country are becoming so onerous that they have caused certain needed research virtually to cease. A case in point is the area of oral contraceptives, where preclinical requirements now effectively preclude attempts to develop better drugs. Now it is true, of course, that if we have no new contraceptives, they will put no one at risk. But what about the risks being assumed by the millions of women who are currently taking existing oral contraceptive agents, all of which have potentially serious side effects, the extent of which is only gradually emerging?

The next point is that this requirement of the 1962 law applies only to so-called "new drugs." In practice, this has meant those medicines that were not "generally recognized to be safe and effective" at the time of the 1962 amendments. There is no comparable regulatory structure that protects the public in the case of drugs approved prior to 1962, although many of them were later reviewed for efficacy by independent scientists under FDA contracts. Yet, if you have been following the subject closely, you will have noted that the so-called adverse drug reactions which have received so much recent publicity as a result of Congressional hearings relate, in large part, to the side effects of very well-established drugs that have been used widely for many years.

Thus, we now have a two-tier regulatory system, an absurdity that is viable only because so few people understand it. For example, it can take 10 years and $10 million to bring a new minor tranquilizer through the regulatory system which then imposes the most exacting controls concerning good manufacturing practices and the like. Yet, in some cases involving old drugs, you and I could quite legally buy bulk chemicals from a supplier, formulate a product in our basement—one, let's say, for the treatment of cardiac arrhythmias—do no testing to establish dissolution rates, let alone clinical work to establish the bioavailability of our product, merely register with the FDA as a "manufacturer," and sell to a pharmacy without first submitting to an FDA inspection, and without telling the pharmacy that we have never had such an inspection.

I might add that many people are now arguing that a pharmacist should be allowed to substitute our hypothetical basement product (which he has no way of knowing is made in a basement) for the one prescribed by the physician without so much as telling the patient. The fact that this proposition (which is called repeal of the anti-substitution laws) is being sold quite successfully to a number of state legislatures in the interests of consumer protection—it was only narrowly defeated right here in New Jersey a couple of weeks ago—is an irony that might have delighted H. L. Mencken but would be no laughing matter to the patient involved if he understood what was going on.

Another weird result of the law is that it often holds the developer of a drug, i.e., the holder of the new drug application, to a much higher standard of regulatory compliance than those who introduce duplicate or "me too" compounds, many of whom, in practice, do so without even notifying the Food and Drug Administration. Thus, for example, the holder of the new drug application must receive FDA approval before the brings out a new formulation of the product, while the imitator often brings out such formulations without any prior approval at all.

VIII. TOWARDS A BETTER LEGISLATIVE AND REGULATORY STRUCTURE

I think I have said enough to demonstrate that a very substantial revision of our legal and regularly system relating to drug development and distribution is now in order. This is not the time to propose changes in detail, but I would like to suggest some ten propositions which seem to be of relevance.

First of all, it should be recognized that all drugs, new or old, involve a balance of risks versus benefits. The judgments concerning this balance in specific instances are a matter for medical science and should be decided in the interests of the patient population by the very best medical scientists available—not by the courts, not by Congressmen, and not by consumer or commercial advocates. The Congress must recognize that its function is to create and oversee a legal and regulatory structure which ensures that scientific decisions are made by the most qualified scientists. It must also recognize that when it tries itself to make scientific decisions, it botches the job.

Second, it must be understood that even the best medical judgments are correct only at a given time and are subject to constant review as the state of the art advances. In view of the evolutionary nature of these judgments, we should replace the existing hearing procedures, which are primarily legal in nature, with flexible scientific review mechanisms in which all parties concerned, including the sponsor of the drug, would be permitted to adduce scientific data as they are developed.

Third, while the Food and Drug Administration, as the responsible Government agency, must continue to have the final say on these questions of medical judgment involving drugs, it should give great weight to scientific evidence and opinion from the medical community, including both academic medicine and practicing physicians. The best medical opinion, rather than mechanistic regulatory requirements, should become the determining factor in the decision-making process.

Fourth, the position of the Food and Drug Administration in the Federal hierarchy should be reexamined. It might be better for it to become part of a new Department of Health, headed by an officer of Cabinet rank, which would also include the National Institutes of Health; and to be separated out from the Education and Welfare responsibili-

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ties of the existing Department of HEW. Compensation levels available to FDA scientists should be increased so that the agency can retain and attract the best caliber of people. At the same time, it should be given greater latitude to remove individuals who are performing unsatisfactorily.

Fifth, the two-tier system which divides so-called old drugs and so-called new drugs should be abandoned. No one would suggest that clinical studies be undertaken to prove the safety and efficacy of old drugs. But they should be subject to the same requirements of plant inspection, quality control and bioavailability data that are properly required of new drugs.

Sixth, the mission of the Food and Drug Administration must be redefined so that it has the clearly stated responsibility not only to protect the public against relatively unsafe and ineffective new drugs but also the responsibility to protect the public against relatively unsafe and ineffective old drugs by encouraging the development of better ones. In other words, legislative policy should instruct the agency not just to assess the risk inherent in approving a new drug but also to balance this risk against the risk of not approving it.

Seventh, legislative and regulatory policies should encourage the earliest introduction of an investigational compound into man which is consistent with the safety of the clinical subject. Marketing of a new drug should be permitted as soon as the FDA determines that its benefits appear to outweigh its risks for the categories of patients involved. On the other hand, the law should also require the marketer of a new drug to follow it much more closely once it has been introduced and to conduct much more stringent monitoring—including, in special cases, so-called phase IV studies—to measure its safety and effectiveness when it becomes generally available. Indeed, this is the stage when a new drug may present its greatest hazard. If removal from the market or special restrictions on use become desirable, the FDA should have the power to act decisively by going through the flexible scientific review mechanisms mentioned earlier rather than the cumbersome judicial procedures which are now required.

Eighth, the patent laws in this country relating to drugs should be revised so that the life of the patent starts at the time marketing of the new product is approved by the FDA rather than at the time the chemical compound is patented, since, under the existing law, most of the life of the patent can have been used up before the drug is brought to market.

Ninth, it should be recognized by the Congress that the investor-owned pharmaceutical companies represent a great national and international resource. They are not perfect and make their share of mistakes. But they are, in effect, self-financing organizations which have been extraordinarily successful in developing, manufacturing and distributing needed medicines around the world and have shown the capacity to maintain high levels of employment and a noninflationary price structure in turbulent economic times.

In carrying out these functions, they reinvest an exceptionally large proportion of what they report as "profits" but what are, in fact, their savings after paying operating costs. Indeed, they tend to pay a dividend yield of only 2 percent to 3 percent—Squibb is about average in this regard—a fact which has not escaped the attention of their shareholders. It should not now escape the attention of the public and the Congress that these companies are highly efficient and effective agents for the betterment of the human condition.

And tenth, it should also be recognized by the Congress that the drug distribution system in this country, including retail and hospital pharmacies and pharmaceutical wholesalers, is likewise a public resource which must be nurtured. Changing times have placed unusual strains on pharmacy, a profession which, in recent years, has not been accorded the stature it deserves. In particular, the pressures of a highly competitive marketplace have resulted in some pricing practices by manufacturers that are inequitable to pharmacy. The issue of differential pricing cannot be solved by an individual manufacturer acting alone, because its competitive position would be destroyed by such action. Nor can it be solved by an agreement among manufacturers, which would incur the wrath of the Justice Department.

It can, however, be addressed by the Congress through the passage of appropriate legislation, which should now be sought jointly by both pharmacy and industry, and which, in my opinion, could resolve the problem in a manner consistent with the legitimate interests of the parties involved and of the public. Squibb, which has been a traditional friend of pharmacy, is trying to help in this endeavor.

Now I am not suggesting that all these things can be accomplished in this Congress, or even, perhaps, in the next one. Much basic thinking must be done before a consensus can be reached, legislation enacted and implementing regulations proposed. But the work should start now and in earnest. We are dealing with a highly complex matrix of difficult scientific issues and emotional social and commercial questions. But they have answers. I know that the pharmaceutical industry, through its trade association, as well as individual companies such as Squibb, are giving much thought to these subjects and stand ready to participate in the design of constructive solutions. I can think of no other areas where determined intellectual effort promptly, earnestly and consistently applied by knowledgeable people acting in their own enlightened self-interest and for the public good could yield greater dividends to society as a whole

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NATIONAL HOSPITAL WEEK: MAY 11–17

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. FUQUA. Mr. Speaker, this week, May 11–17, is National Hospital Week, an event sponsored annually by the American Hospital Association to bring to the attention of all communities the services of the Nation's more than 7,000 hospitals and their 3 million plus employees. I have introduced House Joint Resolution 401 providing for designation of National Hospital Week, an especially notable time because it includes May 12, the birthday of Florence Nightinggale who was a pioneer in nursing and hospital services.

This year the American Hospital Association has chosen the theme "A Constant Concern for a Healthy Community" for National Hospital Week. But the event marks far more than a theme or a commemoration. It is, in fact, a time to further acquaint the public with the hospital issues that seem to be most pressing—to be specific. For example, an increase in needed ambulatory care, continued containment of costs, assurance of high quality care, and improved programs in patient education. Considering the growing concern of Members of the Congress for a national health program, such an educational effort takes on new significance in our national life.

Being acquainted with the vital work of hospitals in my own State of Florida, I feel that it is particularly important to call to public attention the need for citizens to be constructive in resolving community health problems, to look ahead and to help shape the inevitable changes that will make our system of medical services even better. By constructive, I mean active citizen involvement in solutions rather than the mere development of critical judgment, say of rising costs—unfortunately evident throughout our economy—or the difficulties in attaining universal access to hospital services.

Hospital service, in other words, is a community responsibility, and it improves directly in proportion to a community's concern for the role hospitals play in solving ever-present community health problems. Hospital service comes closest to its human goals when the hospital is seen as part of the continuum of community life and not as a detached organization to which we turn only in time of need.

The inescapable truth is that there are always emergencies in the community. At any given time some families and/or individuals are confronted with the pain, the problems, and the expense of illness or accident. There are no leaves of absence, no holidays from these human events, and there is no time of day or night when the community can, in effect, abandon its concern for hospital and medical service. Another way of stating this fact is that every community needs access to round-the-clock medical care of the highest quality. The national goal is that there be no exceptions.

Attaining that goal is difficult, but it is not impossible. A barrier at this time, especially, is that hospital services are expensive, in spite of national efforts here in the Congress and through such organizations as the American Hospital Association, State and allied hospital associations, and community hospitals to hold the line on costs. It is impossible, also, to avoid incurring new costs in a field where technological advances often come faster than they can be put to use in behalf of everyone. Nevertheless, we all want our community hospitals to have the latest equipment and techniques at hand—at reasonable cost and available to all persons regardless of ability to pay.

One week's attention seems altogether too short a time in which to focus on so vital an issue as comprehensive care. However, National Hospital Week affords communities throughout the country an opportunity to express appreciation for their hospitals and the services they provide. It focuses sharply on a growing national effort—development of ways in which all citizens, including health professionals and members of the Congress, may work toward improvement of our health care system.

CANAL ZONE BELONGS TO THE UNITED STATES

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. YOUNG of Florida. Mr. Speaker, on the first day of the 94th Congress, I introduced House Resolution 61, a "sense of the Congress" resolution pertaining to U.S. rights over the Panama Canal. House Resolution 61 resolves that the Government of the United States should maintain and protect its sovereign rights and jurisdiction over the Panama Canal and the Panama Canal Zone, and should in no way cede, dilute, or transfer any of these sovereign rights which are so indispensably necessary for the protection and security of the United States and the entire Western Hemisphere.

Most Americans are aware of the great strategic importance of the canal to our national defense, and of our historic investment of money, time, and energy into the Canal Zone. History is indisputably on our side with regard to sovereignty over the Panama Canal, despite the latter-day claims of radical Panamanian leaders. For my colleagues who are not aware of the details of our historical right to the Panama Canal, I am happy to include in the RECORD the text of a speech on this subject by Col. L. Sam Moore, U.S. Marine Corps, retired; this fine speech was graciously provided me by retired Navy Cmdr. Clarence Scott Taylor, of St. Petersburg, Fla., and I commend it to my colleagues:

TEXT OF SPEECH MADE BY COL L. SAM MOORE

Two very vital issues are presently before us both affecting the jugular vein of the Americas; first, the threat to continued undiluted United States sovereignty and control of the Panama Canal Zone and the Panama Canal; and second, the completion of the Canal's suspended modernization. Before these subjects can be properly understood and evaluated it is essential to know certain elemental facts in Canal history.

First, in 1901 in a treaty with Great Britain, the United States made the long-term commitment to construct and operate an isthmian canal under the rules governing the operation of the Suez Canal.

Second, in 1902, Congress authorized the President to acquire, by treaty, the "perpetual control" of a Canal Zone, as well as the purchase of all property in it for the "perpetual" operation of the Canal.

Third, in 1903, after the secession of Panama from Colombia, the United States purchased from Panama a grant "in perpetuity" of sovereign rights, power and authority over the indispensable protective frame of the Canal known as the Canal Zone for $10,000,000. This sum, though small on the basis of 1974 values, is greater than that paid for either Florida or Alaska. In the same treaty, our country assumed the annual obligation of the Panama Railroad for $250,000, previously paid by that company to Colombia. This annuity justifiably adjusted in the 1936 treaty and gratuitously increased in the 1955 treaty, is not a "rental" for use of the Canal Zone as so often stated in the press, but only the augmented annuity of the Panama railroad, the entire stock of which was bought by the United States for the unrestricted use of that rail line for constructing the canal and its later maintenance and operation.

Fourth, after acquiring the Zone, the United States obtained title to all privately owned land and property in it from individual owners, making the Zone our most expensive territorial acquisition, estimated in 1973 to have cost $161,938,571, which is more than the cost of all of our other acquisitions combined.

Fifth, the United States between 1904 and 1914 constructed the canal in a spot that was the pesthole of the world and a land of endemic revolution, transforming the Zone and surrounding areas into models of tropical health and sanitation that won world acclaim and has served as a force for political stability.

Sixth, the United States under the 1914 Treaty with Columbia, ratified in 1922, paid that country $25,000,000 and gave valuable transit rights in the use of both the railroad and the canal to it. In return Columbia, the sovereign of the isthmus prior to November 3, 1903, recognized the title to both the canal and railroad as vested "entirely and absolutely" in the United States.

Seventh, the total investment of the taxpayers of our country in the canal enterprise, including its defense, from 1904 through 30 June 1971 was $5,695,745,000.

Eighth, Article IV, Section 3, Clause 2, of the U.S. Constitution vests the power to dispose of territory and other property of the United States solely in the Congress, which includes the House of Representatives as well as the Senate.

From all of the above the evidence is conclusive that the United States is not a squatter resting on the banks of the Panama Canal but its lawful owner. In addition the validity of the United States title to it has been recognized by the Supreme Court, WILSON vs. SHAW in 1907, and no amount of demagoguery or sophistry can alter the essential facts.

As we foreseen in the early part of the 20th Century, by the able leaders who developed our historic isthmian canal policies, the Canal Zone and Panama Canal, in a realistic sense, form part of the coast line of the United States, and today it transits some 15,000 vessels annually. Thus its continued efficient operation and protection are just as vital to inter-oceanic commerce and hemispheric security as are the safe navigation and defense of the Cheapeake Bay or the Mississippi River.

Perceptive students of U.S. foreign policy in recent years have increasingly recognized that the U.S. Department of State has been infiltrated by elements hostile to continued United States sovereign control over the U.S. owned Canal Zone. Its record has been one of misrepresentation and fasification, its purpose has been not the protection of the United States interest at Panama, but the waging of campaigns of deceit against the people of our country, as so often illustrated by that agencies repeated efforts to dismember the Canal Zone by piecemeal errosions.

For example, in the case of the Panama Railroad the State Department planned to liquidate that important rail link and actually succeeded in giving away its freight yards and passenger stations in Panama City and Colon. The Congress stepped into the situation and after thorough study of the road's operations, saved the mainline. Now you have a railroad without its designed terminals, can you imagine anything more stupid?

It was therefore no surprise to a growing number of well informed members of the Congress, when on February 14, 1974, U.S. Secretary of State Henry A. Kissinger and Panamanian Foreign Minister Juan A. Tack, without advance authorization by the Congress, signed an eight point agreement on principles "to govern the negotiation of a new canal treaty". Stripped of its ambiguities, contradictions and fallacies, this piece of diplomatic trickery is a blueprint for the abject surrender of the United States treaty-based sovereign rights, power and authority over our most strategic waterway that is certain to open up a Pandora's Box of difficulties. Related to these will be the treaty rights of Great Britain and Columbia as well as the interests of all maritime nations that use the Canal and have to pay tolls. Some of these countries are already delving into the situation and will undoubtedly take steps to protect their interests.

As to the appeal so often made to North American idealism and generosity in the form of "returning" the Canal Zone to Panama, what are the facts!! That country prior to November 3, 1903, was a part of Columbia, from which it seceded. It did this only after years of frustrated waiting for Columbia to arrange for the construction of the canal at the Panama site. When Panamanian leaders saw their long hoped for project endangered by the authorized construction of a canal in Nicaragua, Panama revolted and declared its independence from Columbia to obtain this vital waterway.

When construction by the United States was started in 1904 the jubilation of the Panamanian people was practically unanimous. As foreseen, extensive employment of Panamanians and other economic advantages quickly brought prosperity to Panama not equalled elsewhere in Central America. Panama's jurisdiction over what was to become the Canal Zone territory was brief, officially ceasing on ratification of the 1903 Treaty which was February 26, 1904. This means that Panama had jurisdiction over the Zone for only three months and twenty-three days, a very weak basis on which to justify giving Panama the zone territory.

The President of the United States, in a mistaken gesture of friendship and on the recommendation of the State Department, on September 14, 1960, after the adjournment of Congress and in disregard of a resolution adopted by House of Representatives by a vote of 382 to 12 in opposition to the display of the Panama flag in the Zone, directed that it be flown in one place in the Canal Zone as visual evidence of Panama's "titular sovereignty" over that territory. Instead of improving relations this action served to extend the breach in the dikes of our juridical structure on the isthmus caused by the 1936 and 1955 treaties, with the predicted result that Panama would interpret such a display as an admission by the United States of full Panamanian sovereignity.

Actually, no such phrase can be found in the treaty by which the United States acquired the Canal Zone. Neither the Secretary of State nor any other government functuary had the authority then or any time to imply any curtailment whatever of the total sovereignty as defined in the treaty.

Most certainly, the Congress will never appropriate huge funds for a canal project in an area the United States does not control and that during the last seventy years has had fifty-nine Presidents. The recent attitude of the State Department as regards the sovereignty issue can have no reasonable interpretation as an honest effort to ease tensions. Instead its officials knew that Dictator TORRIJOS of Panama has publicly proclaimed his esteem for the Castro regime in Cuba, expressed his admiration for the Soviets, and has openly threatened violence against the Canal Zone and recently given asylum to the international terrorists who seized hostages in the Caribbean area. This is the strong man of the pro-red de-facto government of Panamanians to which the self proclaimed liberals in the State Department seek to deliver our Panama Canal.

As for the major modernization of the existing canal, this project was authorized in 1939 under existing treaty provisions, started in 1940 but suspended in 1942 because of

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more urgent war needs after the expenditure of some $76,000,000, mostly for huge lock excavations at Miraflores and Gatun that are useable. Under this sum are added $95,000,000 spent on widening Gaillard Cut that was completed in 1970, the amounts already applied towards the major modernization of the canal totaled more than $171,000,000.

During World War II there was developed in the Panama Canal organization, as a result of war experience, what is known as the Terminal Lake-Third Locks plan which won the approval of F.D. Roosevelt as a past war project.

Most significantly this plan does not require a new treaty with Panama which fact is a paramount consideration. Legislation is now pending in both the Senate and the House for this project, which has aroused strong support among important shipping interests, engineers, ecologists, navigators, and other experts, including Panama Canal pilots, who know more about the marine operations of the Canal than any other professional group in the world.

Moreover, the Terminal Lake-Third Lock solution has the great advantage or preserving the fresh water barrier of Gatun Lake between the oceans, thus preventing the infestation of the Atlantic Ocean with the poisonous Pacific sea snake and the voracious crown of thorns star fish. When the long overdue work on the major modification proposal is resumed its economic and other advantages to the isthmus and inter-oceanic commerce will be so obvious that current agitations in Panama over sovereignty should vanish like a tropical fog in the morning sun.

Historically, the Caribbean has long been a focal area of conflict because its location is strategic. Today, Soviet power has Cuba, Soviet submarines cruise regularly in nearby waters, and the main Soviet objective is directed to wresting control of the Panama Canal from the United States, making that vital waterway a pawn in international power politics. Thus, the real issue involved in the Panama Canal Zone sovereignty question is not the United States control vs. Panamanian; but continued undiluted U.S. sovereignty over the Zone vs. USSR control; and these are the issues that should be debated in the Congress and in the mass media.

The elements of the news media that most loudly advocates surrender of the Canal Zone to Panama are precisely those that urged United States support to Communist Mao Tse-Tung of China with the claim that he was only a mild agrarian reformer, and later urged installation of Fidel Castro in Cuba while ridiculing evidence that Castro was a Red revolutionary.

Thus to get on with our great responsibility and obligation to enlarge the Panama Canal and improve its operations we must be uncompromisingly emphatic in declaring that our answer to any proposed abrogation or curtailment of complete United States sovereignty over the Canal Zone is a resounding NO!! and we say it again NO!!

NATIONAL RADIO MONTH

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. HAMMERSCHMIDT. Mr. Speaker, the month of May affords us an appropriate opportunity to highlight the enormous and integral role played by radio in our everyday lives, for May is traditionally National Radio Month.

In the rapid pace of life, we unfortunately take many things for granted and too often tend to forget the influence on and enrichment of our lives by many of our surroundings. The radio is as powerful and forceful an influence as any other form of communication. I am, therefore, privileged to focus attention on National Radio Month and on the outstanding men and women throughout the Nation whose efforts not only insure the dissemination of news and information, but who are concerned and involved citizens as well.

The local radio stations managers play a major role in the community. They operate small business and, as anyone who is an independent businessperson can tell you, they have their share of problems. The demands made upon them are extensive and they are continually called upon to meet the requirements of Government regulation. The station managers are alert to any potential threat to our freedom of speech and expression and they insure that those rights are safeguarded. This is not always an easy task.

Often, the managers wear many hats: News director, program director, sales manager, and announcer. But, moreover, they make invaluable contributions to public service and to the community. They must recognize the deep interrelation of countless major issues and events of the day and must understand their current and potential impact upon our lives. I believe they approach these responsibilities with objectivity and concern.

Every community has its share of emergencies or crises. Certainly, when tragedy or disaster befalls a community, the local radio personnel can point with enormous pride, as can the entire broadcasting industry, to their record of public service. They are right there—involved, concerned, and contribute to achieving order, assuaging the concerns and fears of the people.

In the Third District of Arkansas, we can boast of a group of outstanding radio stations. They enrich the quality of life for Arkansans, providing not only entertainment, but a meaningful link to the entire world and the entire spectrum of broadcasting—civil, cultural, national, and international. Radio enables us to view the world more realistically and objectively. Like a bridge, it enables us to expand our horizons. It can free us from ignorance and helps us better understand the world we live in.

Mr. Speaker, I know that our colleagues join me in commending the thousands of men and women across the Nation who are involved in and associated with the medium of radio. Their contributions are important and noteworthy enough to warrant an entire month of national observance—National Radio Month.

PLIGHT OF GOLDSTEIN BROTHERS IN U.S.S.R.

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. WAXMAN. Mr. Speaker, for the past few years a number of citizens in my district have been deeply involved in the struggle of two Soviet citizens, Gregory and Isai Goldstein to obtain permission to emigrate to Israel. Focus on the plight of the Goldsteins resulted from personal contact with them by Mrs. Silvia Thaler of Los Angeles. In addition to maintaining continuing contact with the Goldsteins, Mrs. Thaler enlisted the assistance of the late Rabbi Dr. Max Nussbaum. Dr. Nussbaum, in turn, encouraged his congregation at Temple Israel of Hollywood to join with other interested groups in a concerted effort to help the Goldstein brothers in their fight for freedom. That fight has reached a critical stage.

Both of the Goldstein brothers are physicists who specialize in automation. They have long since despaired of observing their ethnic and religious convictions in the Soviet Union. They, therefore, applied for permission to emigrate to Israel in December of 1971. Since that time they have been subjected to all manner of harassment, intimidation, and persecution.

Gregory and Isai Goldstein of Tbilisi in the Republic of Georgia, U.S.S.R., are classic victims of the Soviet system. On one occasion, their homes were searched in predawn hours for "slanderous materials." Among the items confiscated were a Hebrew language textbook, Israeli phonograph records, several copies of the U.N. Declaration of Human Rights, and three sacred scrolls—Mezuzos. After much harassment and repeated arrests, legal proceedings against the Goldsteins were dropped. It is their belief that they were spared prison or labor camp sentences only by the scope and intensity of interest in their case in Western countries.

The burdens and responsibilities of the Goldsteins increased greatly when, in December 1973, Isai's wife, Elizabeta Bicova, gave birth to their first child whom they named Abraham. In addition to caring for themselves, the Goldstein brothers must now concern themselves with supporting a young mother and infant. Of course, the desire to emigrate is greater than ever because of Isai and Elizabeta's hope of rearing their son in an environment where a fully Jewish life is possible. The most immediate difficulty, however, is that of providing for the minimum needs of the family, as they are not able to work.

For several years now, both Goldstein brothers have been denied the right to work. Though both have applied for emigration, both are "refuseniks" whose requests are invariably rejected. In perfect Orwellian logic, the Soviet authorities—who have denied employment to the Goldsteins—are now asking why the Goldsteins are not engaged in productive work.

As a result of their involuntary unemployment, as well as their statements of protest, possession of incriminating reading material and similar forbidden exercises of religion and expression, the Goldsteins now face charges for the grave crimes of "slandering Soviet reality" and "antistate activities."

Under the Article Code of the Soviet Union, Gregory and Isai Goldstein, upon conviction of the charges threatened

against them, would be subject to imprisonment and hard labor for a term up to 7 years long, and following imprisonment, a 5-year period of exile in a designated area outside the regions in which they have lived and worked.

Fortunately, in recent years, the workings of Soviet totalitarianism have not been altogether inexorable. As a result of the desire for technological and diplomatic advantages which might result from "détente," the Soviets have on numerous occasions responded to pressure from important sources in the West. Certainly they have been responsive, in some measure, to the concerns of the Members of Congress.

Mrs. Jack Thaler has been in direct and indirect communication with the Goldstein families since October 1973. On two occasions she visited with them in Tbilisi. Though their cases have certainly taken a turn for the worse, Mrs. Thaler believes the situation is by no means hopeless.

Perhaps of most immediate benefit would be letters from colleagues in Congress and concerned citizens urging the Soviet authorities to grant an emergency visa to the California lawyer who has volunteered to serve as legal counsel to the Goldsteins. Alan J. Gould, Esq., of Moraga, Calif., has received written authorization from the Goldstein brothers. They are anxious to receive his help.

Second, letters and telegrams directly to Chairman Leonid Brezhnev, the Kremlin, Moscow, U.S.S.R., will inform top Soviet leadership of the depth and extent of concern for the Goldsteins in the United States.

Finally, Mrs. Thaler and others in direct contact with the Goldstein family indicate that their spirits and resolution over these difficult years have been enormously strengthened by sympathetic communications from abroad. Though there have been times when they have been denied delivery of mail from abroad, generally speaking, mail from concerned people from around the world has been received. Cables and letters of support should be addressed to: Gregory Goldstein, Octiabraskaya Street, 2nd Micro-Region Building No. 2, Apt. 63, Tbilisi 8, Georgian S.S.R., U.S.S.R.; and Isai Goldstein, Octiabraskaya Street, 2d Micro-Region, Building No. 2, Apt. 124, Tbilisi 8, Georgian S.S.R., U.S.S.R.

Mr. Speaker, I should like to conclude by emphasizing that the struggle of the Goldstein brothers ought not be construed narrowly as a struggle of Soviet citizens who wish to emigrate to Israel or Jews who wish to practice their religion or perpetuate the culture of their ancestors and coreligionists. True, these are the specific issues at stake in the Goldstein case. However, the larger issues strike at the core of the value system of American democracy. The Goldsteins and those who support them are struggling for the fundamental principle of freedom of movement—both within countries and across national boundaries as well. They struggle, too, for the equally basic freedoms of thought, religion, artistic expression, and intellectual exploration. Surely, those who struggle for such ends have a right to expect the support of the American Government and the American people.

FAST ACTION ON CONRAIL NEEDED

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. SHUSTER. Mr. Speaker, the preliminary system plan developed by the U.S. Railway Association to revitalize the Northeast railroads is far from perfect. In fact, there are no pleasant alternatives to solving the railroad problem. This much is clear—if we do not move quickly to adopt some sensible plan, the problem will become even more severe than it is today. The USRA plan, with all its imperfections, is the most carefully thought out, viable alternative before us. Rather, it is the least undesirable approach. Today's Wall Street Journal carried a thoughtful article which I commend to my colleagues:

[From the Wall Street Journal, May 13, 1975]

FAST ACTION ON CONRAIL PLAN FOR NORTHEAST IS URGED BY PENN CENTRAL TRUSTEE, BANKER

WASHINGTON.—As the Penn Central picture becomes bleaker, pressure is growing to go through with the proposed creation of a government-backed railroad in the Northeast.

A Penn Central trustee and a New York banker testified before a House subcommittee in favor of moving rapidly toward setting up Consolidated Rail Corp., or Conrail, as the new Northeastern setup would be called.

Conrail would be fashioned out of Penn Central Transportation Co., the Penn Central Co. rail unit that is in Bankruptcy Act reorganization proceedings, and six other troubled Northeastern lines, under a plan proposed by the U.S. Railway Association, a government corporation created by a 1973 law.

The Ford administration has been having second thoughts about the plan.

Robert W. Blanchette, a trustee of the Penn Central road, told the House Transportation and Commerce subcommittee that Conrail must be formed as soon as possible to give "management stability" to the Northeast roads while the Penn Central's finances are in such bad shape.

John W. Ingraham, a vice president of First National City Bank of New York, said Conrail will give the government a better handle on controlling the Northeast roads' financial decline. He predicted that the seven lines will show a combined operating loss of $455 million this year, against a total loss of $238 million last year.

The testimony came as Ford administration policy-makers consider abandoning the USRA-proposed Conrail plan and instead choosing "controlled liquidation" of the Penn Central and other Northeast lines. Their operations would be sold to solvent lines, heading off long-term government involvement in Northeast rail affairs.

Mr. Blanchette said that although the Penn Central had twice sought unsuccessfully to liquidate its operations through sale to interested buyers, trying again only would delay the necessary Conrail takeover. He complained of losing management people because of the Penn Central's uncertain outlook, and urged the government to get on with the Conrail plan.

Mr. Blanchette said he doesn't expect the Penn Central to need any more short-term government financing beyond that already authorized by Congress, barring natural disasters or a further worsening of the economy.

For his part, Mr. Ingraham said the Conrail take-over should come even sooner than the 1976 first quarter, as currently envisioned by USRA. He said financial "turnaround" problems would be made even greater and "substantially more expensive" by waiting until 1976.

He said the projected 1975 losses of $455 million by the seven Northeast lines would include about $392 million by the Penn Central, against $198 million in 1974. He noted that the seven roads had an operating loss of $155 million in 1975's first quarter, compared with the year-earlier $82 million.

The six lines in reorganization that are part of the USRA-Conrail restructuring plan, along with the Penn Central, are the Reading, the Central of New Jersey, the Lehigh Valley, the Lehigh & Hudson River, the Ann Arbor Railroad and the Erie Lackawanna.

WHY THE SOUTH VIETNAMESE FEEL THEY HAVE BEEN BETRAYED

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. CRANE. Mr. Speaker, many South Vietnamese feel that they have been betrayed by the United States and many other American allies in Asia—Thailand, the Philippines, Malaysia, Singapore—agree that our role in Southeast Asia has been a less than honorable one.

Is the feeling that the United States betrayed an ally a justifiable one? The evidence, unfortunately, leads to the almost inescapable conclusion, that it is.

The Paris Peace Agreement, which was negotiated in secret and kept from our South Vietnamese ally almost until the moment when they were virtually compelled to sign it, permitted the Communists to keep all of their troops in the South while we removed all of our own forces. While this agreement was hailed as "peace with honor," and Secretary Kissinger received a Nobel Peace Prize for his efforts, it was clear that implicit in that agreement was a surrender of South Vietnam.

Discussing the American role in the Paris peace negotiations, P. J. Honey, the well-known authority on Vietnamese affairs at London University, noted that—

> Dr. Kissinger's conduct of the whole negotiation appears quite extraordinary, for he made concessions to the Communists side without reciprocation, deliberately kept his South Vietnamese allies in ignorance of what he had conceded—though this was known to the enemy side—and finally forced an unwilling President Thieu to sign the agreement against his better judgment by a harsh ultimatum.

Professor Honey declares that—

> Watergate and the refusal of the new Congress to grant funds resulted in South Vietnam's failure to receive what had been promised to her, and recent events have fully justified all President Thieu's fears. It is therefore scarcely surprising that Thieu, in his resignation speech, should have blamed America for the outcome, for he firmly believes that both he and his country were betrayed.

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I wish to share with my colleagues the thoughtful analysis, "Why the South Vietnamese Feel They Have Been Betrayed," by P. J. Honey, as it appeared in the London Daily Telegraph, and insert it into the RECORD at this time:

[From the London Daily Telegraph, Apr. 30, 1975]

WHY THE SOUTH VIETNAMESE FEEL THEY HAVE BEEN BETRAYED

(By P. J. Honey)

Although Richard Nixon had publicly promised to end the war in Vietnam during his first term as President, by the spring of 1972, election year, the problem remained as intractable as ever.

True, Dr. Kissinger had begun secret talks in Paris with Le Duc Tho, but American concessions in May and October, 1971, had elicited no response from the Communists and the negotiations remained deadlocked.

Indeed, the North Vietnamese blitzkrieg invasion of the South, which began on March 30, 1972, showed that the Communists were more interested in a military than a political solution and President Nixon's planned visit to Russia was threatened with disruption.

To prevent that happening Dr. Kissinger went to Moscow where, on April 20, he told Mr. Brezhnev that America would accept a standstill ceasefire in South Vietnam.

This major concession would permit the North Vietnamese to control territory within South Vietnam as of right and to maintain their armed forces there, something South Vietnam had contested since 1954.

Delighted, Brezhnev told the Hanoi leaders that, as far as America was concerned, the war was virtually won.

BOMBING RESUMED

America felt obliged to take retaliatory action against the North and, on May 8, resumed bombing and dropped mines in North Vietnamese ports. To the relief of Washington, the Soviet reaction proved mild and Nixon's visit to Moscow took place as arranged at the end of May.

During the four lengthy discussions on Vietnam which took place in the course of that visit the American side told its Russian hosts that it was not irreversibly committed to rejection of the tripartite body proposed by North Vietnam.

This had been steadfastly resisted until then by both South Vietnam and the United States on the excellent grounds that the Communists would undoubtedly seek to turn it into a coalition government of South Vietnam. Since the Communists could not possibly win more than 10 per cent of the votes in any South Vietnamese election, this body represented their only hope of achieving power by political means.

While in Peking in mid-June, Dr. Kissinger complained to Chou En-lai that the North Vietnamese were being "greedy," and wanted everything at once. They should negotiate first for the departure of the Americans and, once that had taken place, matters could take their own course in Vietnam, he argued.

PROMISE TO THIEU

Dr. Kissinger flew directly from the Paris talks to Saigon on July 19, which prompted speculation that agreement was near and Thieu's approval of the terms was being sought. In fact, he promised the Vietnamese leader that, once the election was over. President Nixon would bring the full weight of America's military might to bear on the nothern Communists.

Making no mention of what he had already conceded to the Communist side, Dr. Kissinger surprisingly urged Thieu to prepare for attacks against North Vietnam. Not until the middle of August, when the Paris talks were once more in session, was Gen. Haig sent to Saigon to tell President Thieu of the concessions for the first time and to seek his acceptance of them.

Dumfounded, Thieu refused to have anything to do with them.

Reluctant to be thwarted in his quest for a settlement, Dr. Kissinger next instructed America's Ambassador Bunker, a distinguished diplomat who was respected and trusted by Thieu, to persuade the Vietnamese President to accept the tripartite body.

On learning that this had proved impossible, Kissinger sought and received President Nixon's authority unilaterally to commit America to accept that body. At his September meetings with Tho, the American negotiator agreed to include the tripartite body in the terms of the draft agreement, and on Sept. 26, Gen. Haig again went to Saigon in search of Thieu's acceptance. Once again he was unsuccessful.

Hopes of success rose markedly on October 9, when Tho produced a North Vietnamese working draft of the ceasefire agreement. Kissinger promptly put forward an American draft, and on Oct. 11 returned triumphantly to Washington bearing a 58-page ceasefire agreement. This was judged generally acceptable but needed some minor amendments which Kissinger believed he could quickly effect in Paris.

He therefore planned to fly to Paris and negotiate these amendments, then proceed to Saigon where, between Oct. 19 and 23, he would obtain President Thieu's assent, and finally fly to Hanoi on Oct. 24 for an initialling ceremony with Le Duc Tho.

The initialled agreement would be formally signed in Paris by all four parties on Oct. 31, a date to which the Communists attached much importance.

In the event, difficulties in Paris prevented the amendments being made, and President Thieu was adamant in refusing to accept the incomplete terms offered. He was shown only the English text, given a mere 72 hours to study it, and asked to trust Dr. Kissinger to negotiate suitable final amendments in Hanoi.

Kissinger's plan stalled, therefore, in Saigon and he abandoned the Hanoi trip to return home. The North Vietnamese, suspecting the whole negotiation had been no more than a Nixon electoral trick, believed they had been duped.

On Oct. 25 they broadcast the principal points of the draft agreement, thereby indicating the secret negotiation was over. The following day Dr. Kissinger made his now famous "peace is at hand" statement in a desperate attempt to persuade the North Vietnamese they were mistaken.

Secret meetings resumed in Paris late in November, but North Vietnamese behaviour suggested that they were no longer interested in negotiations. On Dec. 11 Tho handed Dr. Kissinger a quite unacceptable protocol before departing for Hanoi.

Talks finally broke down on Dec. 15 and, three days later, the concentrated bombing of Hanoi and Haiphong with "smart" bombs began. Within a few days of such destruction life in North Vietnam ground to a standstill and her leaders agreed to resume negotiations in Paris.

While these raids were taking place Gen. Haig travelled once more to Saigon, where he informed Thieu that very minor concessions by North Vietnam would now satisfy America. South Vietnam would sign the resulting ceasefire agreement, he said, or the United States would end her military and economic assistance.

ECONOMIC SUPPORT

If she did sign, however, then America would supply her with arms and ammunition on a one-for-one basis, would provide her with all necessary economic support and, if North Vietnamese invaded the South in breach of the agreement, would react vigorously in defence of South Vietnam.

Dr. Kissinger's conduct of the whole negotiation appears quite extraordinary, for he made concessions to the Communists side without reciprocation deliberately kept his South Vietnamese allies in ignorance of what he had conceded—though this was known to the enemy side—and finally forced an unwilling President Thieu to sign the agreements against his better "judgment by a harsh ultimatum.

Watergate and the refusal of the new Congress to grant funds resulted in South Vietnam's failure to receive what had been promised to her, and recent events have fully justified all President Thieu's fears.

It is therefore scarcely surprising that Thieu, in his resignation speech, should have blamed America for the outcome, for he firmly believes that both he and his country were betrayed.

PANAMA CANAL ZONE

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. DICKINSON. Mr. Speaker, I recently received a letter to all Members of Congress from an American couple who live and work in the Panama Canal Zone. In case any of my colleagues failed to receive or see a copy of the letter, I am having it reprinted here.

The letter points up one of the fallacies in the arguments of those who would like to turn the Panama Canal over to the left-wing elements currently in command of the Panamanian Government, specifically that the people of Panama want the United States out of the Canal Zone. I commend the letter to you and hope it will be given due consideration.

The letter follows:

BALBOA, CANAL ZONE,
March 26, 1975.

HON. SENATORS and REPRESENTATIVES,
U.S. Capitol,
Washington, D.C.

DEAR SIRS: My wife and I feel it our patriotic duty to our beloved nation to write this letter to you in hopes that the information here-in will urge and help you in saving our Panama Canal that is so vital to World-trade. We are close to retirement, and motivated solely by our concern for the security of the United States. I am a Lockmaster among those at the Pacific Locks who supervise the transiting of 50 ships a day. We now have over 40 regulars that are more than 940 feet long and 106 foot beam. We work steadily, 24 hours per day, in moving this world traffic. Whether the world sleeps or wakes, we move ships, ships, and more ships. And Sirs, we maintain and repair all machinery necessary for this operation. We do it quickly and with the expertise peculiar to Americans. On my experience here, I qualify this letter. I was hired by the United States Government from Campton, California, and shipped with my family and household goods to the Canal Zone on December 2, 1951.

In our time here, we have made many friends and associates among the Panamanian people in various parts and stations in life. We know from our associations with them that they did not want the present military dictator to take over their country, nor do they want him to take over the Canal Zone.

In their last free election there was an overwhelming vote cast for their president, who eleven days after being sworn into office

was thrown out by the military—the very ones he had pledged would no longer rule the country from behind the scenes! President Arnulfo Arias, was a very strong anti-communist. This was the third time he had been elected by an overwhelming popular vote and the third time he was thrown out by the military. If it were left to a free election in Panama, with freedom of speech, freedom of press, and free news media, he would be elected again. Only a few days after the military take-over of the Panamanian Government; we, the United States, extended our credit to the new military government and poured in money sufficient to keep them in office. These very troops were taught and trained in the Canal Zone on how to put down riots and wage wars. They acted against their own people; and in this case, the people's will.

Doesn't it seem contradictory that we have just concluded a military operation in Korea and Viet Nam to prevent a communist take-over of countries that had free elections, and then support a military dictatorship; one that is proving to be more communist month by month in the same manner as Castro?

The only election since the military came into power in Panama was under the complete discretion and control of the military. Only those selected by the military appeared on the ballot and there were no write-ins. Yet everyone was forced to vote. Doesn't this seem a lot like communist Russia, rather than a free country?

Panama's President and the treaty negotiators are appointed and approved of by the dictator, hence the Panamanian government is not one by the will of the people. There is no freedom of speech, press, radio, nor television; all of which we consider necessary to the protection of individual freedom.

How can the dictator and his appointees claim to represent the people, when none of them are directly elected by the people? Obviously they do not. The people of Panama are ruled by a military junta that knows no bounds in silencing any show of opposition. We, the United States Government, would certainly skate on thin ice when negotiating a treaty with these imposters.

Torrijos has shown his true color by taking over the Telephone, the Power and Light, the Gas Company, the Abattoir, the satellite-communications, and one of the largest privately owned enterprises in Panama, "The Chiriqui Land Company."

We, the people of the United States, are natural enemies of all governments that take away the individual's right to freedom of speech; a free press, radio, and television. With these media muzzled and only giving out that which is approved by the dictator, how can our State Department know what the people of Panama really want?

Mr. John Bracken, Chief of the Political Section of the United States Embassy in Panama, speaking to the United States Civic Counsels in the Canal Zone in an executive session, said in defense of what seems to be giving sovereignty of the Canal Zone to Panama, "United States interest in the Canal could best be served by modernizing the United States presence in the area," and he further states that, "United States presence is dependent on the consent of the Panamanian people and the level of that consent has been steadily declining in recent years."

One might ask, how is it that the United States retains their military base at Guantanamo Bay, Cuba, if consent is the necessary key as says Mr. Bracken. Quoted from the Panama Canal Zone's news media, "The Panama Spillway" December 29, 1974, printed by the United States Government at taxpayers' expense.

One might wonder whose side our negotiators are really on when they try to brainwash the American people, and our Congress, by such statements leading to giving away our sovereignty over the Canal Zone.

This is further brought out by others in the State Department; a case in point: William D. Rogers, a United States Assistant Secretary of State of Inter-American Affairs, is quoted in the "Star and Herald," a Panama censored newspaper printed in English, Friday, February 28, 1975, testifying before a House of Representatives sub-committee: "There is no real alternative to negotiation and ratification of a new treaty. A breakdown in negotiations or a rejection of a negotiated treaty by the Senate, could lead to a confrontation with Panama and a real possibility that the Canal could be closed in the process."

We feel that this is the sort of political blackmail that an enemy nation would employ; not the servants of our own United States Government. Is this "Modernizing" our interests or is it a step backward into the dark ages? What threat does this place upon the Americans here who serve you?

For people without a voice, how can we hear or know whether or not the Panamanian people want us here, or that the "level of their consent" has been declining? The only truth to this statement is that the communist minority in Panama has been quick to spring upon this questionable information that is being put out by our State Department, and are trying to make it true; although in fact, it is false.

This is another case in which we are supplying our antagonist communist with the ammunition to use against us!

If our State Department is truly working for the best interests of the United States, yet insists on a Panama Canal give-away policy, there is little need for a communist take-over in Panama; for we have already given them what they want: control of this most important waterway.

Sirs: we realize that we live in troubled times and there are many demands put upon you, many requests by special and private interest groups in regard to all the domestic ills, energy-shortages, and foreign affairs. We also realize that it is difficult to correct an error after it has been made. Then, let us not be duped into making an error by threats of blackmail, or brainwashing; even if it comes from our own State Department. Let us not give away the Panama Canal to a country whose government does not exemplify the basic standards upon which we have fought wars to maintain. The propaganda being put out by the State Department to intimidate the Senate into approving a give-away treaty with Panama, and on their terms, is like playing poker and flashing your hand before you place your bets.

Now let us use our best judgement here for the United States and the world in general by not giving sovereignty of the Canal Zone to a military dictatorship. It may in turn be taken over by a stronger force—the same way this dictatorship took this government from the people. Next time it could be an out and out communist coup. There have already been two known attempts to take-over the dictatorship presently in power. Both from within his own army.

If the present dictator doesn't follow through with his plan of complete nationalization of industry and labor, a new take-over could happen, even while our State Department acquiesces to the sovereignty of the Canal Zone being transferred to Panama. Who might rule then? Whose Canal, sirs?

The Suez Canal is a glaring example of what may happen here if the Canal Zone were under the control of a country dominated by a capricious government. Perhaps, like Israel, the United States would not be able to transit.

Sincerely yours,

——— ———.

THE LOSS OF A PATRIOT AND FRIEND

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. ASHBROOK. Mr. Speaker, the loss of Thomas Lane is a loss for our country and for friends of freedom everywhere. My good friend General Lane was one to take his responsibilities and those of this Nation seriously.

He did not try to be popular but he did point out the truths that our country was founded on and the threats that those truths faced. Our Nation will miss his wise counsel. I know that I will.

At this point I include in the RECORD a tribute from Human Events of May 10, by Lee Edwards. The full text follows:

GEN. THOMAS A. LANE, 1906–75

(By Lee Edwards)

When Human Events columnist Thomas A. Lane died two weeks ago it came as a shock to most people. Some knew he had been in the hospital. Fewer knew he had cancer. For despite his illness, he continued his forthright column, his editing of the splendid journal *Strategic Review*, and even the writing of special articles until the very end.

Tom Lane was a soldier, a retired major general in the U.S. Army Engineers, who served his country across the world from the Panama Canal to the South Pacific during World War II under Gen. Douglas MacArthur.

He was a teacher who taught civil engineering and military history at West Point from which he graduated. He also taught at the Air University at Maxwell Air Force Base. He had a knack for putting things into historical perspective for his classes and his friends.

He was a devout Roman Catholic whose faith was central to his life. The funeral home was full the night they said the Rosary for him, and so was St. John's Church the next morning.

He was tall, erect, white-haired, and his speech still carried some of its original Boston accent. He was a man of convictions in an age of vacillations. As a soldier and an historian, he understood war as few of us do.

In an article for Human Events published two weeks before his death, he wrote about the war in Vietnam:

"The chief deterrent to war is the prospect that the aggressor will be defeated. Relieve the aggressor of that prospect and you encourage his aggression.

"This was the policy of the United States in Vietnam which cost the country $120 billion, 360,000 casualties and 50,000 dead."

In column, article and book, Gen. Lane argued that the war in Vietnam would only stop when one side or the other won.

And South Vietnam, he said flatly, could not win as long as the U.S. prevented it from carrying the war to North Vietnam.

The consequences of our failure to help an ally were clear to him. In a review of Sir Robert Thompson's *Peace Is Not At Hand* in the spring issue of *Strategic Review*, Tom Lane wrote:

"There can be no hope of peace for a great power which would betray a small ally. Members of Congress should learn from this book that it is for the United States that the bells toll in Vietnam."

While he was deeply concerned about Vietnam, he was more concerned about general

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U.S. foreign policy, which seemed to him to be based not so much on detente as on profits. He was repelled by those who used the facade of detente to pursue profits with the Soviet Union and Communist China.

In the April 24 issue of *The Wanderer*, published four days after his death, he concluded his column:

> "The U.S. is today pursuing trade with our declared enemies without due regard for considerations of national security and U.S. survival.
>
> "The drive for profits is dominating policy to the exclusion of a prudent address to the enemy. The people must demand new policy which places national security above all profit-making."

AFL-CIO head George Meany made the same point last fall in an appearance before the Senate Foreign Relations Committee, referring to "the myth that trade is the road to peace."

As a soldier who had known war, Tom Lane did not shrink from "thinking the unthinkable," and talking about it as well. After all, as he pointed out in 1968 in his book, The War for the World:

> "War is very thinkable to conquerors. In fact, thinking about war is one of their chief preoccupations."

He urged the U.S. and the free world, first, to acknowledge that we are at war and, second, to carry the war to the enemy.

Not through the use of nuclear weapons, but for example by encouraging anti-Communist undergrounds in the Soviet Union and Communist China. He stressed that these undergrounds should be of, by and for the people of those countries—not American-dominated. Why not, he suggested, a government-in-exile for the Soviet Union? And why not, he would probably add today, Alexander Solzhenitzyn as its chief spokesman?

In his last book, The Breakdown of the Old Politics, published late last year, Tom Lane said flatly: "The United States has been the victim of party politics." He called for a new political order, responsive to the people and not to special interests and a centralizing government.

> He wrote: "It may well be that escape from the political paralysis imposed by the two-party system is the most urgent need of our society."

When he retired from the Army 13 years ago, Thomas A. Lane did not fade away, but undertook a new career in writing and editing which has left us a rich and lasting legacy which he would want us, not to admit, but to use to bring about a freer America and world.

NOTICE OF HEARINGS ON EQUAL EMPLOYMENT OPPORTUNITY

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. HAWKINS. Mr. Speaker, I wish to announce that the Subcommittee on Equal Opportunities of the Committee on Education and Labor will conduct comprehensive hearings, beginning in early June, on Federal enforcement of equal employment opportunity laws. The subcommittee plans to commence these hearings with testimony from the Secretary of Labor, John T. Dunlop, followed by hearings on the Civil Service Commission and the Equal Employment Opportunity Commission. Dates for these hearings will be announced as soon as they are confirmed.

The subcommittee's hearings will examine the enforcement of title VII of the Civil Rights Act of 1964, as amended, as well as Executive Orders 11246 and 11375.

Title VII of the Civil Rights Act prohibits discrimination on the basis of race, color, religion, sex or national origin in all employment practices, and covers private employers, employment agencies, unions, educational institutions, and State and local governments, and the competitive Federal civil service. Executive Order 11246, signed in 1965, prohibits discrimination in employment by Government contractors and subcontractors on the basis of race, color, religion or national origin. The order was amended in 1967 by Executive Order 11375 to include sex.

There has been a Federal policy against employment discrimination for better than a decade. Yet meaningful gains, both in terms of total numbers and in terms of representation at professional and policy-making levels in public and private employment, have been disappointingly modest.

The present recession has practically wiped out the gains of the past few years as minorities and women have borne a disproportionate burden of unemployment. At the same time, there is substantial evidence of widespread violation of laws and regulations at all levels of both private and public employment.

The Subcommittee on Equal Opportunities has had a continuing interest in the enforcement of our equal employment laws. Last fall, the subcommittee conducted hearings on the problem of the backlog of charges before the Equal Employment Opportunity Commission. In March, the subcommittee went to Los Angeles to look at contract compliance operations of the Defense Supply Agency in southern California. The Department of Labor had been scheduled to testify at these California hearings, but at the Department's request, this appearance was delayed to allow the new Secretary of Labor, John T. Dunlop, an opportunity to review Department policy.

Our activities to date have convinced us that we need to review the entire scope of Federal activity in this area. How effective have the executive orders and title VII been in eliminating employment discrimination? What kind of a job have the agencies charged with enforcement of these laws been doing? How much trained labor force is our Nation losing because of lack of enforcement of these laws?

President Ford has stated very clearly his position on equal employment opportunity. In a recent directive to Federal agencies, he stated:

> Our Nation's strength is based upon the concept of equal opportunity for all our citizens. Decisions motivated by factors not related to the requirements of a job have no place in the employment system of any employer.

He further stated that nondiscrimination and the prohibition of discriminatory practices is not enough.

> What is needed are strong affirmative actions to assure that all persons have an opportunity to compete on a fair and equal basis for employment and advancement.

I applaud the President's strong and forthright statement. But I am concerned that all too often these policies are not being implemented by the agencies with enforcement responsibility. The questions we must ask are, one, does the individual who has suffered discrimination or who may so suffer in the future, receive protection and relief from the Federal equal employment opportunity laws; two, are affirmative action policies and programs being implemented to bring about full utilization of women and minorities? Unfortunately, at present this is simply not the case.

THE PACIFIC NORTHWEST NATIONAL SCENIC TRAIL

HON. JOEL PRITCHARD

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. PRITCHARD. Mr. Speaker, in recent months, Congress has been deeply involved in many critical issues—tax cuts, public service jobs, oil taxes, aid to Southeast Asia. While these subjects get the headlines—and demand most of our time and attention—Congress is also addressing a number of other issues which are important to the quality of life of our citizens. Among these are recreation—and conservation.

The Pacific Northwest is endowed with some of the most spectacular wilderness and hiking territory in the country. It is the perfect retreat for countless Americans seeking quiet escape from their hectic lives.

Many people would like to see a greater part of this magnificent area made more accessible to outdoors enthusiasts. This year I introduced a bill to establish a new national scenic trail called the Pacific Northwest Scenic Trail, extending from Olympic National Park in Washington to Glacier National Park, Mont. At this time I am pleased to resubmit this bill with several of my colleagues from Washington, Idaho, and Montana joining as cosponsors.

The number of backpackers has grown rapidly in the past decade. It is apparent that backpacking is no short-lived fad but a resurgence of both the traditional American love for the outdoors and of "lighting out for the frontier." It is one of the least expensive and most satisfying forms of recreation. Unfortunately, backpacking's new popularity has often led to overcrowding of campsites and trials. This is why action must be taken now to ease the strain on our overburdened National Trails System.

Several years ago, the National Trails System Act made two well-known north-south routes into the first national scenic trails—the Pacific Crest Trail and the Appalachian Trail.

The proposed Pacific Northwest Scenic Trail would follow an east-west route, stretching more than 1,000 miles from the Continental Divide to the Pacific

Ocean. This footpath links a tantalizing variety of mountains, rivers, lowlands, rain forests, alpine areas, and beaches.

Northwest history is waiting to be discovered by the hiker. The Indian past survives in mountains and villages throughout the region. The pioneer period, especially, confronts and fascinates backpackers—in the form of log cabins in old clearings and in the memories of oldtimers. Whidbey Island can even boast an authentic blockhouse. All across the Northwest there are interesting traces of early travelers and explorers—as well as forgotten trappers, homesteaders, riverboaters, miners, and foresters.

Since most of the proposed trail route crosses Federal lands, the eventual cost of the path to the Government would be minimal. And hopefully, Northwest outdoorsmen will contribute to planning the trail and then maintaining it like the thousands of volunteers who keep the Appalachian Trail in shape for their own use.

I am hopeful that hearings will be scheduled on this legislation during the current session of Congress and that a new national scenic trail in the Pacific Northwest may become a reality.

SAN PEDRO AND PENNINSULA HOSPITAL CELEBRATES ITS 50TH ANNIVERSARY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. ANDERSON of California. Mr. Speaker, on June 14, 1975, the San Pedro and Peninsula Hospital will be celebrating its 50th anniversary of service to the San Pedro-Harbor area. Since June 14, 1925, this hospital's employees and physicians have been highly dedicated to the improvement of hospital service as well as local community life. As May 11 marks the beginning of National Hospital Week. I feel that at this time it would be most appropriate to express my gratitude in recognition of this hospital's past performance, as well as my confidence that its future performance will be just as noteworthy.

From its humble beginning 50 years ago, the San Pedro and Peninsula Hospital has certainly developed remarkably. Originally known as the San Pedro General Hospital, it opened with only 16 beds, none of which were private. In 1937 and 1943, new wings were added to increase the number of beds to 107.

In 1948 the hospital became a nonprofit organization with the formation of the San Pedro Community Hospital Association. In the spirit of community service the newly formed board members served without compensation, a tradition that has continued until today.

In 1951 the hospital received full accreditation from the Joint Commission on Accreditation of Hospitals. Just 10 years later, a $2.8 million, 5-story, 140-bed structure was dedicated for hospital service.

In 1970 the hospital changed its name to the San Pedro and Peninsula Hospital to reflect the expanded area of service to the community.

And most recently, in 1971 to 1973, a new wing of 103 beds was added. In addition, all older buildings were demolished and a complete remodeling and rebuilding program was initiated, financed by both a community fund drive as well as loans from a private company.

The result: Parking facilities for 378 autos free of charge and 243 beds, half of which are single rooms. This in itself is indeed a remarkable accomplishment from such humble beginnings only 50 years ago.

Today's hospital is nonprofit, nongovernmental, nontax supported, with a single purpose: To serve the 203,600 people in the San Pedro and peninsula area. In fact, of the 207 hospitals in Los Angeles County, only 21 have more beds.

There are 20 departments, and 538 employees, both professional and nonprofessional.

The hospital's remarkable past performance can best be illustrated by an event of January 1975:

A very alert nurse noted, with the help of a fetal heart monitor, that the about-to-be-born Alisa Dixon had an irregular heart beat. She alerted an obstetrician, who in turn alerted an MD, who performed an emergency cesarean on Mrs. Dixon. Within 2 days a pacemaker was implanted in the newborn's chest to regulate the heartbeat.

The birth of the famous "Pacemaker Baby" in San Pedro and Peninsula Hospital made headlines locally and thereby served to give the hospital some of the recognition it so justly deserves.

The hospital staff is now meeting with community leaders to discuss future hospital plans. Just as their concern for a healthy community has determined their actions in the past, I am sure these discussions are being conducted with the same concern for the future.

San Pedro and the peninsula area can certainly be proud of their hospital and the way in which it has strived to become what it is today: A remarkable example of unselfish, efficient community service.

COMMUNIST BARBARISM: THE KHMER ROUGE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. McDONALD of Georgia. Mr. Speaker, I commend to the attention of my colleagues the following essay by William Safire which appeared in the New York Times, on Monday, May 12, 1975.

All Americans should take to heart Mr. Safire's observation that:

> The difference between "freedom" and "slavery" is not a relic of cold-war rhetoric. Communists in every region are serious about remaking the world.

He correctly points out that the Communists realize that the Marxian "elimination of classes requires that tens of thousands, perhaps many more, die by the wayside," and that the "mental set of the ideology sees the individual soul as a building block and not a citadel."

I especially call to your attention Mr. Safire's concluding paragraph in which he points out that the Communists understand one fact about our abandonment of Southeast Asia which a growing number of Americans do not:

> If we are unwilling to help people fight for their freedom, if we pretend that the victories of Communism are local options of little concern to us, then the order to "get out of town" may be repeated. And someday it could cause quite a traffic jam in the Lincoln Tunnel.

Or on Peachtree Street, the Fourteenth Street Bridge, the Golden Gate, and so forth.

The full essay follows:

GET OUT OF TOWN

(By William Safire)

WASHINGTON.—What if every man, woman and child who lived on Manhattan Island were told: "Get out of town. Today, on pain of death. No excuses. Start walking and don't stop until you get to farmland upstate or in Pennsylvania. When you get there, if you do, you're on your own."

Manhattan mothers would give their babies to strangers who had some chance of escape or survival; Manhattan doctors, at gunpoint, would put down scalpels in mid-operation and begin the long march to nowhere, occupants of nursing homes would push wheelchairs in the direction of the Lincoln Tunnel; proud and law-abiding Manhattanites would learn to steal and beg to get the towers of the city far behind them.

That is roughly what is happening to the three million people of Phnom Penh, capital of the newly Communist Cambodia. In all human history nothing has taken place quite like the emptying of Phnom Penh.

Sennacherib destroyed Babylon, the Romans sacked Carthage, and Hitler's bombers leveled Guernica, but in every case the attacker was destroying a particular city, not the idea of a city itself.

The new rulers of Cambodia are doing something original. They have taken the "classless society" of Marx and put it together with the "natural selection" of Darwin. Cities breed civilization, they are saying; civilization differentiates between people, creating classes; therefore, we will drive the populace out of the corrupting cities, back to the purifying land, where only the fittest will survive.

This is social engineering on a scale that would make a Stalin blush; creating a society of equals by making everybody a refugee.

Since you can't make an omelette without breaking some eggs, the Cambodian leaders wish to conduct their experiment in private, which is why foreign newsmen have been deported. In the United States, that leaves us to a fruitless debate about how many thousand executions make a bloodbath.

Many commentators have long been saying that the Cambodians are a gentle people who would return to peaceful ways if only we were not there; and they have been deriding predictions of mass executions as merely scare tactics to justify our propping-up of corrupt dictatorships. These voices will now be saying that the reports we hear of killings are probably exaggerated: What kind of bloodbath is it, after all, that goes on unrecorded by videotape?

Contrariwise, a great many other Americans, myself included, will be tempted to ask: What happened to all that moral outrage about "stopping the killing"? And how come the Jane Fondas and Ramsey Clarks are not

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focusing our attention on the shortcomings of those who brought this bloody kind of peace to Indochina.

Such justification of past positions may be satisfying—we all like to insist we were right all along—but there is a reality to the emptying of Phnom Penh that should cause us to agree on a fundamental: that the difference between "freedom" and "slavery" is not a relic of cold-war rhetoric. Communists in every region are serious about remaking the world, and we must stop pretending that the death sentence pronounced even temporarily on city life in Cambodia is some form of "agrarian reform."

To the Khmer Rouge, the elimination of classes requires that tens of thousands, perhaps many more, die by the wayside; there is no Cambodian abberation, but the path always taken by new Communist parties as they take power. As they become sophisticated, later generations act more subtly, in civilized trappings from great cities, but the mental set of the ideology sees the individual soul as a building block and not a citadel.

People try to fight Communism, or to run away from it, because they do not want to be absolutely controlled by the most modern tyrants. They fight or run not because democracy has won their "hearts and minds," but because they sense that only Communism is capable of driving a population of two million out of their homes and into the countryside so as to indoctrinate those hearts and minds.

How do some of us receive the people running from death? A trendy cartoonist here portrayed a shocked statue of liberty looking at a parade of slant-eyed pimps, prostitutes and politicians, which fairly well sums up the view of those—like Senator McGovern—who came to hate our Southeast Asian allies.

Most Americans will recoil from this prairie-populist cruelty, as the decapitation of a capital city sinks in. A city is civilization; civilization is adversity and creativity, which needs personal freedom: Communism is by its nature anti-city, anti-civilization, anti-freedom.

The Khmer Rouge understand this; too many Americans do not. If we are unwilling to help people fight for their freedom, if we pretend that the victories of Communism are local options of little concern to us, then the order to "get out of town" may be repeated. And someday it could cause quite a traffic jam in the Lincoln Tunnel.

WAGE AND HOUR LAW VIOLATIONS INCREASE

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. DENT. Mr. Speaker, in recent months there has been an alarming increase in the number of violations of the Fair Labor Standards Act, particularly by employers paying less than the statutory minimum wage and overtime rates. The workers being victimized are those who can least afford it—minimum wage earners who primarily are unorganized and unrepresented. Because of our grave unemployment situation, these workers hesitate to challenge their employers for fear of losing their jobs.

Rudolph Oswald, research director of the Service Employees International Union, blames our current recession for the rampant wage-cheating incidences, and calls for stricter enforcement of the law by the Department of Labor. I am attaching, for the information of my colleagues, Mr. Oswald's analysis of the problem at a recent Labor News Conference interview.

It is my intention to convene my Subcommittee on Labor Standards in the near future to hold hearings on this matter.

The information follows:

[From the AFL–CIO News Release, May 7, 1975]

LABOR NEWS CONFERENCE

Violations of the federal Wage and Hour Law have mushroomed to a $100 million a year pace as the recession has deepened, union economist Rudolph Oswald declared today in a network radio interview.

Most often, he stressed, the victims are the nation's lowest-paid workers—those who are hurt most when "unscrupulous employers . . . cut corners" on the minimum wage and overtime rates spelled out by law. He said that the "sharp jump" of violations in the past year "up more than 17 percent over a year ago," is largely due to a growing number of employers trying to hedge against the recession and business slump by shortchanging their employees on wages due.

The way to end this "robbery from workers," which has persisted since the Fair Labor Standards Act became law in 1938, is full enforcement of the law and more than just slap-on-the-wrist fines and orders to simply pay the wages that should have been paid all along, Oswald said. Oswald, who is director of research for Service Employees International Union, AFL–CIO, was questioned by reporters on Labor News Conference, broadcast Tuesday at 9:05 p.m. (EDT), over the Mutual Broadcasting System.

The union economist said that while wage-cheating crops up in all types and sizes of industries and establishments, it is most common in unorganized job situations, where the workers have no union to represent them. He said that many non-union workers are afraid of being fired if they complain about not being paid the full wage due them, so they don't even report the shortages to the Labor Department. But, he emphasized, the law provides that the names of complaintants be held in confidence, and workers who have been shortchanged should not hesitate to report those violations.

Oswald also scored the attempt by some agricultural interests to loosen the child labor law so that children under the age of 12 can be hired as farm workers. He warned that such relaxation could revive the "exploitation" of young children this country abolished generations ago. And, he added, the idea makes little sense when "there is so much unemployment that older workers can't even find jobs."

Oswald was questioned by Dale McFeatters of the Scripps-Howard Newspapers and Duane Emme of Press Associates, Incorporated.

INTERVIEW

Subject: Wage-Cheats and Recession

Guest: Jesse Calhoon, research director for the Service Employees International Union, AFL–CIO.

Reporters: Dale McFeatters of the Scripps-Howard Newspapers; Duane Emme of Press Associates, Incorporated.

Moderator: Frank Harden.

MUTUAL ANNOUNCER. The following time is presented as a public service by this station and the Mutual Broadcasting System.

HARDEN. Welcome to another edition of Labor News Conference, a public affairs program brought to you by the AFL–CIO. Labor News Conference brings together leading AFL–CIO representatives and ranking members of the press. Today's guest is Rudolph Oswald, research director for the Service Employees International Union, AFL–CIO.

Federal law has set a floor under wages and a ceiling on hours for forty years. Yet year after year, some of the nation's lowest-paid workers are cheated out of millions of dollars due them, but not paid by their employers. A recent Labor Department report shows a significant increase of those violations during the last several months, as the grip of recession tightened. Here to question Mr. Oswald about Wage and Hour Law violations and what can and should be done to end them, are Dale McFeatters, labor correspondent for the Scripps-Howard Newspapers, and Duane Emme, assistant editor of Press Associates, Incorporated. Your moderator, Frank Harden.

And now, Mr. McFeatters, I believe you have the first question?

MCFEATTERS. Mr. Oswald, what is the extent of these minimum wage violations, and, why the sharp jump?

OSWALD. Mr. McFeatters, currently, minimum wage violations are at a rate of more than $100 million a year—up more than 17 percent over a year ago.

One reason for the increase is the current economic recession. Employers are just trying to cut corners by not paying workers the minimum wage that is due them—the current $2.10 an hour, or the time-and-one-half over 40 hours a week.

MCFEATTERS. Specifically what kind of violations are we seeing—are they overtime, wage or age and sex discriminations?

OSWALD. We are finding violations in all of those areas.

The large number of minimum wage violations has occurred partially as a result of the rising level of the minimum wage. It went up last January for most workers, to $2.10; for some workers in some retail and service industries it's $2.00; and the overtime rate, including the time-and-one-half over 40 hours, will change again on May 1, when some two million workers who currently have overtime—particularly in some of the food service operations, bowling alleys—after 48 hours, will have to be paid overtime after 46 hours in a week—in some cases, 44 hours.

The equal pay violations that you talked about, Mr. McFeatters, deal with the requirement that men and women be paid the same. There has been a big jump in these in the past year—almost 50 percent—in terms of the increase of violations that were discovered. As the Labor Department has been given more responsibility for finding some of these violations, in addition to the minimum wage and overtime, on equal pay violations and other things have been added—but they have not been given additional resources for investigation and enforcement.

EMME. Mr. Oswald, the same Labor Department figures indicated that a rather low percentage of the total amounts that have not paid—the total wages workers were illegally underpaid—are collected. I believe the last report says only about 50 percent. Why is that percentage so small?

OSWALD. Mr. Emme, the Labor Department and some of the individuals involved have not really pressed for their rights under the Act to collect the money that is due them.

The Act was amended in 1974 to provide that the Secretary of Labor could take cases in behalf of underpaid workers to collect not only the amount due that worker, but an equal amount in damages. That way, there would actually be a penalty on the employer for failing to pay the minimum wage.

But, many workers are afraid to prosecute—on their own, particularly. During a recession, such as we have now, they are just thankful that they have a job.

The purpose of the Fair Labor Standards Act is to protect wages and hours during a

recession—so that workers are not exploited—and that's really the whole story of the Fair Labor Standards Act—to prevent exploitation, particularly during a recession—when the pressures on workers are especially hard.

EMME. A question along that same line, Mr. Oswald—do workers get interest on this back pay that is due them? In these times of high inflation, if you go back far enough, the worker isn't geting the same amount of money—the full amount due. He is getting far less than he should be getting, isn't that right?

OSWALD. That is correct, Mr. Emme.

The worker, though, is entitled to interest on that money, as well as any underpayments during the last two years—and an amount of money equal to that underpayment. It is important that these sums be collected. Otherwise, not only the worker and his family suffer, but also, other employers who, during the same period, have been paying their workers the correct wage. Those employers are being undercut by the unscrupulous employer who so exploits people that he won't even pay the minimum wage, or will work people extra hours without paying them the overtime the law requires.

At a time like this, we are particularly anxious that people not work more than 40 hours a week, so that additional workers will be hired. Look at some of the situations in manufacturing. For example, in March, the average overtime in manufacturing was 2.2 hours per worker.

Now, if that were divided among all workers, that would mean additional hiring—close to a million more workers—just taking into account the overtime hours.

MCFEATTERS. As a practical matter, Mr. Oswald, how does a worker who has been shortchanged out of his overtime or his rights under the Minimum Wage Law—how does such a worker get redress? I can't imagine a worker paid $2.10 an hour going out and hiring a lawer at $25 an hour to win whatever his overtime is.

OSWALD. Well, Mr. McFeatters, he doesn't have to hire a lawyer—Congress wrote into the Act a requirement that the Secretary of Labor is to prosecute in behalf of such workers.

The Secretary of Labor, first of all, should try to collect through enforcement activities. Some 1,000 Wage and Hour inspectors are assigned. Sad to say, that number hasn't increased substantially over the last decade, despite the large increase of both of the total population, the working population—and the number of covered firms.

But, if the enforcement officer isn't able to collect, the Secretary of Labor is to go to court. The law says "may" go to court. The worker should insist that the Secretary take the case to court—and, in his behalf, collect the wages due and an equal amount in penalty payments.

MCFEATTERS. Are there any particular groups of industries or kinds of employers where the frequency of minimum wage violations is exceptionally high?

OSWALD. One finds violations in all types of industries—large and small.

But, looking through the list of prosecutions that are taking place, one often finds the largest numbers in some of retail industries, some of the service industries. For example, in some of the recent reports, what we traditionally think of as low-wage industries show up frequently—the garment industry, laundries and the dry cleaning industry—also, some of the residential apartments, cleaning contractors, some advertising material producers, some guard services—that type of operation.

But, violations run across the board. You find some high-wage construction industries with violations of overtime, some dime stores, and other types of industries.

MCFEATTERS. Mr. Oswald, are any particular types of workers being exploited under the Minimum Wage Law? I'm thinking of young workers or teenagers just entering the labor force—or illiterate workers?

OSWALD. Yes, Mr. McFeatters, we have large problems with certain people being exploited.

I think of some of the child labor violations, which continue to occur, with children six to 10 years of age employed in some establishments. As a matter of fact, Congress is currently being asked to pass a bill to allow children under the age of 12 to work in agriculture. Well, certainly, in a period like this, there is so much unemployment that older workers can't even find jobs. Yet there's pressure put on Congress, by some of the strawberry growers, some of the potato growers in Maine, and Idaho, and in the state of Washington. And, some fairly liberal Congressmen have become concerned—have introduced legislation to allow children under the age 12 to be hired on farms—to change the law that is intended to do away with child exploitation.

Others who are exploited are people who are refugees. I think this is a major problem in a period when we are concerned with the Vietnam War refugees. Also, many illegal aliens are employed today at rates below the minimum wage. It's unlawful for them to be here, and they are afraid to complain about being paid less than the legal minimum, or about being worked long hours without overtime pay.

All of these types of violations tend to undercut competing employers who do pay the legal minimum.

The law puts a floor under wages and a maximum on hours, and attempts to make sure that one person doesn't take the work of two people, but that additional work is provided—additional jobs.

EMME. Mr. Oswald, you have mentioned the types of workers who are being taken advantage of by unscrupulous employers. Now, do you have figures or anything to indicate that organized workers are better protected from violations than unorganized workers?

OSWALD. Yes, Mr. Emme, in most cases, organized workers have a union contract that goes substantially beyond the requirements of the Fair Labor Standards Act, in terms of both the daily overtime requirement, as well as weekly.

Union contracts have provisions for quickly handling violations. The worker can bring any violation to his steward, who would then file a grievance and have it quickly adjudicated under the union contract, through the grievance and arbitration procedure. This gives quick and easy action to make sure that organized workers have protection.

But the unorganized worker doesn't have a union steward to process his grievance; he is afraid; he doesn't have representation against the employer.

The unorganized worker does have a right to ask for a Labor Department investigation; his name is held confidential if he does make such complaint. Even so, there is often great fear on the part of the unorganized worker about lodging a complaint, even though there are these protections in the procedures that are followed.

EMME. All right, going beyond that—accepting that unionization—belonging to a union—gives a worker greater protection against being underpaid and being exploited by employers, what other solutions are there are there to his problems. Would you like to see larger fines, putting some of these employers in jail? Are any of them going to jail?

OSWALD. None of them are going to jail, Mr. Emme.

But, whether somebody robs a household—steals money by robbing a home when no one is present—or whether an employer robs the worker's paychecks, it is robbery. And that is what is taking place today—robbery from workers—by employers who are in a position to steal out of the paycheck.

It's the same as if somebody broke into that worker's home and took money out of the bureau drawer or someplace else. But, we are letting many of these employers go with very small penalties—just making them pay back the money—without even civil fines.

There can be civil fines, and there can be, in addition, to jail terms.

But, we have not imposed these types of penalties on employers. They would be a real deterrent to this type of violation.

EMME. Should the existing penalties be strengthened then?

OSWALD. I think that not only should the present penalties be strengthened, but we should view this sort of crime in the same way we view robbery from a household.

In some sense, the courts have viewed it as a sort of white collar crime, if we can call it that—stealing out of the paycheck—they have viewed white collar crimes not as horrendous as breaking into a house and stealing out of a bureau drawer.

Yet, in a sense, it may be even worse, because these victims are afraid to fight—to complain—out of fear of losing their job.

MCFEATTERS. Mr. Oswald, do you think that the Labor Department has been dilatory in enforcing the Minimum Wage Law?

OSWALD. Mr. McFeatters, they have not had an increase of the number of investigators, but they have had additional laws which they must enforce, and additional workers are covered under the Fair Labor Standards Act.

They've spent part of their resources doing work on equal pay violations, on garnishment laws and age discrimination law. All of these have been given to the Wage and Hour Division for enforcement. This type of approach detracts from the enforcement of the minimum wage and overtime requirements, and the child labor provisions, which were part of the basic Fair Labor Standards Act. That Act really needs to be enforced today.

MCFEATTERS. Now, here we see what seems to be a clear-cut problem. There's a sharp increase of minimum wage violations. To remedy this, we have only an under-manned section of the Labor Department. Is Congress doing anything about this or considering anything about it?

OSWALD. The AFL–CIO has surged the Appropriations Committee to increase the number of investigators for the Wage and Hour Division.

Congress should be putting some of the unemployed to work enforcing the laws that are on the books.

We have so many people unemployed, yet, we have these large numbers of violations.

We really need to make sure that people abide by the law. One of the other things that I'd like to point out is that we're asking them to enforce a law that is already well out of date.

Because of the recent inflation, the present minimum wage clearly needs to be increased, from the $2.30 that becomes operative in January of 1976, to $3 an hour, considering the poverty line that exists and the inflation that has taken place since Congress last considered this Act.

And the overtime requirements should be changed—the penalty—currently time-and-one-half—should be raised to double-time. Then it would mean that employers would hire additional people during this recession, rather than just work people additional hours and pay them time-and-one-half.

The aim of the overtime requirement is to encourage employers to hire additional people and not pay the penalty—to put people to work by posing a sufficient deterrent, so that the employer will hire additional people.

EMME. Are you hopeful of getting changes in the Minimum Wage Law in this Congress?

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OSWALD. We've urged Congress to raise the minimum wage to $3 an hour, Mr. Emme, and to provide double-time for overtime.

We also want Congress to look into the question of shortening the 40-hour workweek to a 35-hour standard. That is long overdue.

HARDEN. Thank you, gentlemen. Today's Labor News Conference guest was Rudolph Oswald, research director for the Service Employees International Union, AFL–CIO. Representing the press were Duane Emme of Press Associates, Incorporated, and Dale McFeatters of the Scripps-Howard Newspapers. This is Frank Harden, inviting you to listen again next week. Labor News Conference is a public affairs production of the AFL–CIO, produced in cooperation with the Mutual Broadcasting System.

MUTUAL ANNOUNCER. The preceding program time was presented as a public service by this station and the Mutual Broadcasting System. The opinions expressed are solely those of the participants.

SENATE—*Wednesday, May 14, 1975*

(Legislative day of Monday, April 21, 1975)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. EASTLAND).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God, our Father, in the quiet of this moment, once more we would make our souls a sanctuary for Thy spirit. In the midst of pressing duties and complex issues, be to us the unseen source of wisdom, of beauty, goodness, and truth. Light up every hour of this day by Thy presence. And when we are hesitant and unsure, may we take counsel of Thy presence. Open our minds to Thy spirit until we hear Thee say, "This is the way; walk ye in it." With purity of heart and singleness of purpose may we first love and serve Thee, and then may we become instruments for the coming of Thy kingdom among men.

Through Jesus Christ our Lord. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Tuesday, May 13, 1975, be approved.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR TALMADGE

Mr. MANSFIELD. Mr. President, due to a lapse on the part of the leadership, I ask unanimous consent that after the joint leaders have been recognized—and this is not to be considered a precedent—the distinguished Senator from Georgia (Mr. TALMADGE) be recognized for not to exceed 15 minutes. The reason is that he made the request yesterday, but I forgot to ask for it.

The PRESIDENT pro tempore. Without objection, it is so ordered.

PYRAMID SALES ACT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 108.

The PRESIDENT pro tempore. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 1509) to prohibit pyramid sales transactions, and for other purposes.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1509

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act my be cited as the "Pyramid Sales Act".

SEC. 2. As used in this Act, the term—

(1) "compensation" includes payments based on sales, when such sales are made to persons who are also participants in a pyramid sales scheme or who are purchasing the right to become such participants, but the term does not include payments based on sales at retail to ultimate consumers;

(2) "goods" includes any personal property (tangible or intangible), real property, or any combination thereof;

(3) "other property" includes a franchise, license, distributorship, or any similar right, privilege, or interest;

(4) "pyramid sales scheme" means a plan or operation (whether or not it involves the sale or distribution of goods, services, or other property) which includes a provision, means, or method for increasing the participation in such plan or operation and with respect to which a participant pays a valuable consideration for the right, privilege, license, chance, or opportunity (A) to receive compensation for introducing any other person into participation in such plan or operation (and where each such other person is eligible to receive the same or similar right, privilege, license, chance, or opportunity as such participant); or (B) to receive compensation when a person introduced by the participant introduces any other person into participation in such plan or operation (and where each such other person is eligible to receive the same or similar right, privilege, license, chance, or opportunity as such participant). The fact that the number of persons who may participate may be limited, or that conditions may be imposed with respect to eligibility shall not be construed to change the identity of any plan or operation that is a pyramid sales scheme. Nothing contained herein shall be construed to restrict personnel recruitment activities undertaken by persons, corporations, partnerships, or other business entities, so long as such recruitment activities do not entail the payment of valuable consideration for the right, privilege, chance, or opportunity to receive compensation as described herein;

(5) "sale or distribution" includes the acts of selling, leasing, renting, or consigning; and

(6) "valuable consideration" includes monetary payments to participate in a pyramid sales scheme but does not include payments made for sales demonstration equipment and materials furnished on a not-for-profit basis for use in making sales and not for resale, or payments which do not exceed $100 when paid on an annual basis, or time or effort spent in pursuit of sales or recruiting activities.

SEC. 3. Chapter 63 of title 18, United States Code, is amended by inserting therein, and amending the syllabus accordingly, the following new section:

"§ 1344. Pyramid sales scheme

"Whoever, in connection with the sale or distribution of goods, services, or other property by the use of any means or instrumentality of transportation or communication in interstate or foreign commerce or by use of the mails, knowingly sells or offers or attempts to sell a participation or the right to participate in a pyramid sales scheme (as defined in the Pyramid Sales Act) shall be fined not more than $10,000 or imprisoned for not more than one year, or both.".

SEC. 4. (a) Any contract which provides for participation or the right to participate in a pyramid sales scheme and any other contract made in furtherance of a pyramid sales scheme is void. Any person, corporation, corporate officer, or corporate agent who knowingly induces or causes to induce another person to participate in a pyramid sales scheme shall be jointly and severally liable to such other person in an amount equal to three times the amount of consideration paid together with the costs of any legal action required and a reasonable attorney's fee, as determined by the court involved. The district courts of the United States shall have jurisdiction of any action brought under this section without regard to citizenship of the parties or diversity of citizenship. An action under this section may be brought within three years from the last date on which such consideration was paid.

(b) If two or more persons induce another person to participate in a pyramid sales scheme and thereby incur a liability under this section, the amount which such other person may recover from any or all such persons is limited to the amount referred to in subsection (a) of this section.

SEC. 5. The Attorney General of the United States, or the chief law enforcement officer or the attorney general of any State in which a prohibited act or practice occurred, may upon a finding that any person is engaged or is about to engage in any act or practice which constitutes a pyramid sales scheme. bring an action in the appropriate district court of the United States to enjoin such act or practice. Such courts shall have jurisdiction over such actions and shall provide appropriate relief. Such court may grant a temporary restraining order, or a preliminary or permanent injunction without bond.

SEC. 6. This Act does not annul, alter, or affect the scope or applicability of the laws of any State relating to pyramid sales schemes except to the extent that such laws permit acts or practices which are unlawful under this Act.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the remaining measures on the calendar, beginning with Calendar No. 116, up to and including Calendar No. 127.

The PRESIDENT pro tempore. Without objection, it is so ordered.

REAPPOINTMENT OF THOMAS J. WATSON, JR., AS CITIZEN REGENT OF THE BOARD OF REGENTS, SMITHSONIAN INSTITUTION

The joint resolution (S.J. Res. 41) to provide for the reappointment of Thomas J. Watson, Junior, as citizen regent of the Board of Regents of the Smithsonian Institution was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, which will occur by the expiration of the term of Thomas J. Watson, Junior, of Connecticut, on June 17, 1975, be filled by the reappointment of the present incumbent for the statutory term of six years.

REAPPOINTMENT OF DR. JOHN NICHOLAS BROWN AS CITIZEN REGENT OF THE BOARD OF REGENTS, SMITHSONIAN INSTITUTION

The joint resolution (S.J. Res. 42) to provide for the reappointment of Dr. John Nicholas Brown as Citizen Regent of the Board of Regents of the Smithsonian Institution was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, which will occur by the expiration of the term of Doctor John Nicholas Brown, of Rhode Island, on June 13, 1975, be filled by the reappointment of the present incumbent for the statutory term of six years.

PRINTING OF ADDITIONAL COPIES OF SENATE HEARINGS ON CONSTITUTIONAL AMENDMENTS TO LIMIT ABORTIONS

The concurrent resolution (S. Con. Res. 36) authorizing the printing of additional copies of Senate hearings on proposed constitutional amendments to limit abortions was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Senate Committee on the Judiciary not to exceed two thousand additional copies of each part of its hearings during the second session of the Ninety-third Congress and the first session of the Ninety-fourth Congress on proposed constitutional amendments to limit abortion.

PRINTING OF REPORT ENTITLED "REPORT TO CONGRESS ON CONTROL OF SULFUR OXIDES"

The resolution (S. Res. 125) authorizing the printing of the report entitled "Report to Congress on Control of Sulfur Oxides" was considered and agreed to, as follows:

Resolved, That the report from the Administrator of the Environmental Protection Agency to the Congress of the United States (in compliance with section 119(k) of Public Law 93–319, Energy Supply and Environmental Coordination Act of 1974), entitled, "Report to Congress on Control of Sulfur Oxides", be printed, with illustrations, as a Senate document.

SEC. 2. There shall be printed one thousand additional copies of such report for the use of the Committee on Public Works.

ADDITIONAL EXPENDITURES FOR THE COMMITTEE ON APPROPRIATIONS

The resolution (S. Res. 138) authorizing additional expenditures for the Committee on Appropriations for routine purposes was considered and agreed to, as follows:

Resolved, That the Committee on Appropriations is authorized to expend from the contingent fund of the Senate, during the Ninety-fourth Congress, $200,000, in addition to the amounts, and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act, approved August 2, 1946.

EXPENSES OF THE COMMITTEE ON APPROPRIATIONS

The Senate proceeded to consider the resolution (S. Res. 140) relating to expenses of the Committee on Appropriations, which had been reported from the Committee on Rules and Administration with an amendment on page 1, at the end of line 11, to strike out the following:

Such contracts shall not be subject to the provisions of section 3709 of the Revised Statutes (41 U.S.C. 5) or any other provision of law requiring advertising.

And insert in lieu thereof the following:

Such contracts may be made in the same manner and subject to the same conditions with respect to advertising as required of other standing committees of the Senate under section 202(1)(2) of the Legislative Reorganization Act of 1946, as amended.

So as to make the resolution read:

Resolved, That within the limit of funds appropriated for expenses of inquiries and investigations for the Committee on Appropriations, the committee may expend such sums as it deems appropriate and necessary for the procurement of the services of individual consultants or organizations. Such services in the case of individuals or organizations may be procured by contract as independent contractors, or in the case of individuals by employment at daily rates of compensation not in excess of the per diem equivalent of the highest gross rate of compensation which may be paid to a regular employee of the committee. Such contracts may be made in the same manner and subject to the same conditions with respect to advertising as required of other standing committees of the Senate under section 202(1)(2) of the Legislative Reorganization Act of 1946, as amended.

The amendment was agreed to.

The resolution, as amended, was agreed to.

RESOLUTION PASSED OVER

The resolution (S. Res. 141) providing supplemental expenditures by the Select Committee on Nutrition and Human Needs was announced as next in order.

Mr. MANSFIELD. Over, Mr. President.

The PRESIDENT pro tempore. The bill will be passed over.

THOMAS J. DONOVAN

The resolution (S. Res. 154) to pay a gratuity to Thomas J. Donovan was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Thomas J. Donovan, widower of Maura R. Donovan, an employee of the Senate at the time of her death, a sum equal to seven and one-half months' compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON RULES AND ADMINISTRATION

The resolution (S. Res. 153) authorizing additional expenditures by the Committee on Rules and Administration for routine purposes, was considered and agreed to, as follows:

Resolved, That the Committee on Rules and Administration is authorized to expend from the contingent fund of the Senate, during the Ninety-fourth Congress, $20,000 in addition to the amount, and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act of 1946.

PRINTING OF REVISED EDITION OF "OUR AMERICAN GOVERNMENT. WHAT IS IT? HOW DOES IT FUNCTION?"

The concurrent resolution (H. Con. Res. 44) providing for the printing of a revised edition of the House document "Our American Government. What Is It? How Does It Function?" was considered and agreed to.

PRINTING OF HEARINGS AND PANELS OF THE SELECT COMMITTEE ON COMMITTEES

The concurrent resolution (H. Con. Res. 117) providing for the printing as a House document of the hearings and panels of the Select Committee on Committees, was considered and agreed to.

PRINTING OF REVISED EDITION OF "THE HISTORY AND OPERATION OF THE HOUSE MAJORITY WHIP ORGANIZATION—94TH CONGRESS"

The concurrent resolution (H. Con. Res. 146) authorizing the printing of a revised edition of the booklet entitled

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"The History and Operation of the House Majority Whip Organization—94th Congress" was considered and agreed to.

THE U.S. ENERGY SITUATION

Mr. MANSFIELD. Mr. President, on Monday, the distinguished minority leader, the Senator from Pennsylvania (Mr. HUGH SCOTT), and I called attention to a recent article in U.S. News & World Report entitled "Worse Than Before the Arab Embargo" and an article from the March 28 issue of the Washington Post entitled "Soviets Use Rocket Engine To Produce Cheap Electricity." Our purpose was to call attention again to the potential of magnetohydrodynamics—MHD—in solving a part of the energy problem facing the Nation.

It is not my intention to restate the arguments for accelerating research in this important field, as these have been made time and time again over the past several years. The intent of Congress concerning this promising source of power generation has been clearly outlined under existing law. It is clearly the responsibility of ERDA to conduct an aggressive program which will attempt to make MHD electric power generation available to the people of our Nation in the mid-1980's.

Today, I had an opportunity to read an article in The Nation, May 17, 1975, by Mary Clay Berry, entitled, "A Really Good Generator." Ms. Berry outlines the history of MHD in America, as well as the Soviet Union, and clearly illustrates that this program has suffered for a lack of interest on the part of the administration, particularly the Office of Coal Research, and insufficient past funding requests. She points out that Congress has consistently raised the amount of money devoted to MHD research above the budget requests submitted.

For fiscal year 1976, the Office of Coal Research is seeking less than $14 million for MHD research, even though solar energy development is increased from $38.4 million in fiscal year 1975 to a request for $70.3 million in fiscal year 1976.

This is the difference between the use of the Sun and the use of coal. We know that we have coal, and we know that we must do research and development in that area for a number of purposes outlined in the statement made on Monday last.

The article points out that the budget for fiscal year 1976 calls for more than $391 million for fossil fuel R. & D., gasification, liquefaction, and oil shale processing primarily, with little for MHD. And, finally, $1 billion is requested for nuclear research and development. Ms. Berry continues:

> Right now, this potential source of abundant, relatively clean energy lies just beyond our grasp; in all likelihood it will remain there unless the Federal government shows more interest in it than it has in the past.

Mr. President, I hope that the science advisers to Dr. Seamans, Administrator of ERDA, will take note of this excellent article and provide the Administrator with whatever advice is necessary to get the MHD program moving.

I ask unanimous consent that the article by Ms. Berry be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FIFTY PERCENT MORE EFFICIENT—A REALLY GOOD GENERATOR

(By Mary Clay Berry)

WASHINGTON—At a time when energy is on everyone's mind, relatively little thought and money are being devoted in the United States to a promising electrical generating process with a tongue twister of a name—magnetohydrodynamics, mercifully MHD for short. It promises to be a comparatively pollution-free source of electrical energy that is dramatically more efficient than either the conventional steam turbine generator or the nuclear reactor, provided the technology can ever be advanced beyond what one MHD advocate, Dr. John B. Dicks of the University of Tennessee Space Institute, has called "the baling wire stage." In the past, a general lack of interest in so-called exotic sources of energy meant that little federal money was appropriated for basic research, except in defense-related projects. Today, when even such potential energy sources as windmills are getting attention, MHD proponents claim that bureaucratic indifference is still stifling their research.

In the Soviet Union it is a different story. In March, Russian scientists announced that, using an MHD generator, they had produced enough electricity to supply 100,000 Moscow households for half an hour. It was a development "that should make some heads turn back home," according to Dr. William Jackson, acting director of the MHD program in the Energy Research and Development Agency (ERDA), who was then visiting the USSR.

MHD is relatively simple in principle; it has been described as "a rocket firing into a magnet." Extremely hot (around 5,000 degrees C.), partially ionized gases flow through a duct lined with electrodes and surrounded by coils that produce a magnetic field. The passage of the expanding gas through this magnetic field generates an electric current, just as does the rotating metal armature in a conventional generator. One of the beauties of an MHD generator is its simplicity—just a duct or chamber and no moving parts.

MHD is not new; even Michael Faraday understood the theory. During the first half of the 1960s, considerable research was done on the process in this country, principally because of its relationship to rocket technology. Foremost in this work was the AVCO Everett Research Laboratory in Everett, Mass., whose Mark V generator, now dismantled, produced 32 megawatts of electricity in erratic bursts in 1965. (The Soviets' 25-megawatt generator, heralded in a December 1971 issue of *Pravda* as "the power station of the future," is a direct descendant of the Mark V.) But despite the United States' early prominence in MHD research, the Federal Energy Administration's 1974 report on Project Independence nowhere mentions it. And the federal government proposes to spend only about $13 million on MHD research in fiscal 1976, a drop in the bucket compared to what will be spent on nuclear research and development.

Various hot gases, their conductivity improved by the addition of "seed" material, can be used in an MHD generator. The Russian generator, called U–25, is fueled by natural gas. However, other fossil fuels can be burned at high temperatures to produce gas and, since the greatest energy reserves of the United States are coal, that is another reason why MHD should be attractive.

And the MHD generator would use coal far more efficiently than do existing steam generators. Today's best power plants turn about 40 percent of the fuel's energy into electricity. Nuclear reactors have an even poorer rating, less than 33 percent. But experts believe that a successful MHD generator could turn as much as 60 percent of coal's energy into electricity.

The trick is to build a reliable MHD generator; the few in existence do not have very good performance records. The U–25, the only one actually in use, is the direct outgrowth of an informal scientific exchange between this country and the Soviet Union. In 1964, AVCO had a contract to do classified MHD research for the Defense Department. That same year, scientists organizing a Pugwash conference asked Soviet scientist V. A. Krillin to participate. Krillin indicated that he would come provided he could see the MHD work going on in this country. Accordingly, the AVCO–DOD project was declassified and Krillin and other Russian scientists took a look at it. The U–25's parent, AVCO's Mark V generator, was able to produce 32 megawatts of electricity, but only for a few seconds at a time. But scientists have great hopes for its successor, the Mark VI, and for a direct coal-fired generator at the University of Tennessee Space Institute in Tullahoma.

While there are no moving parts to wear out in an MHD generator, the duct through which the hot gas flows is subjected to extreme heat, highly corrosive chemicals and erosion by the rapidly moving gas. No substance yet discovered will stand the punishment for more than a very brief time. And the tremendous heat is essential because it turns the gas into what physicists call plasma, a highly conductive state of matter in which the electrons have been stripped from many of the atoms. Scientists do not feel that the technical difficulty is insurmountable. They have experimented with a variety of coatings for the duct walls, and some think that coal slag, the residue of coal combustion, may be the best protective covering, thus providing a cheap solution to the problem, while also making use of a waste product. At the University of Tennessee, researchers are feeding pulverized coal ash into their generator, thus continuously replenishing the protective coating of the generating chamber.

There appear to be a number of environmental advantages to MHD, although it does involve the extraction of coal. Like a conventional generator, an MHD generator that burns coal will emit both sulfur oxides and nitrogen oxides, as well as particulate matter. However, proponents believe that these emissions may be easier to control in an MHD generator than in a conventional one. Work done by the U.S. Bureau of Mines indicates that sulfur oxide emissions will combine with the seed material in the gas to form compounds that can be removed as the seed material is recycled. As a result, Stuart Way, a consultant at the Westinghouse Research Laboratories, told a Senate Appropriations subcommittee that the stack gases of an MHD generator will have twenty times less sulfur oxide content than the allowable Environmental Protection Agency standard. Also, because of the greater temperatures at which an MHD generator must operate, there is reason to believe that the nitrogen oxide concentration can be reduced to an acceptable level. Way indicated that these emissions could be reduced to one-ninth of the EPA standard. Particulate emissions, he said, could be about one-sixth of EPA standards.

Unlike coal gasification (a process for changing coal into a clean synthetic gas which can be substituted for or combined with natural gas), or the production of oil from shale, MHD does not require enormous quantities of water, a scarce commodity on the western plains where this country's largest coal supplies are located. And, unlike nuclear reactors, an MHD generator presents no problems of thermal pollution, even though it operates at incredibly high temperatures.

That is so because the higher the operating temperature, the more efficient the reaction and the less heat ejected into the atmosphere. And there are no dangerous wastes.

In short, the generation of electricity by MHD seems to be simple, efficient and relatively nonpolluting. The problem is that the technology is far from perfected and only limited work is being done to improve it.

To understand why more federal money has not been committed to MHD research, one must first study the pattern of federal energy research and development spending over the past decade. Until this year, there was no central place in the federal government where energy research priorities were determined. Instead, each agency doing energy research (principally the old Atomic Energy Commission and the Department of the Interior, although many other agencies had small energy-related projects) requested money independently. It was up to Congress and the Bureau of the Budget, which midway through this period became the Office of Management and Budget, to establish priorities and, with energy, this was done in a singularly haphazard fashion. There was, as Rep. Mike McCormack (D., Wash.), chairman of the House Subcommittee on Energy Research, Development and Demonstration, remarked recently, "almost no energy policy at all."

Most of the energy R&D money went to the AEC, the cumbersome, disorganized Department of the Interior being no match for the streamlined, well-organized AEC when it came to getting funds. Nor did it have a powerful friend on Capitol Hill such as the Joint Committee on Atomic Energy. The liquidation of the AEC last year and the establishment of two new energy agencies, one of them devoted to research and development, have changed this situation, but in the 1960s the AEC-JCAE-industry triumvirate set its own priorities, and first among them was the Liquid Metal-Cooled Fast Breeder Reactor (LMFBR). It was a case of putting all our energy R&D eggs in one basket—and without ever having made a formal decision to do so. The United States had decided that the most fertile field for energy research and development was the breeder solely because the AEC had sufficient political muscle to get the necessary appropriations.

Even within the Interior Department, where most of the rest of the nation's significant energy research was then going on, MHD was the ugly stepchild. Before 1970, the only government-funded MHD research had been done by the military. In fiscal 1970, MHD research within the Interior Department by both the Office of Coal Research (OCR) and the Bureau of Mines received $400,000. The following year, that figure rose to $600,000. By the time of President Nixon's 1971 energy message, the fiscal 1972 budget request for MHD research was $1 million. Nine small contracts had been let through the Office of Coal Research and some limited work was being done by the Bureau of Mines.

MHD did get a mention in the energy message, but most of the Interior Department money for energy research was going to the OCR for coal gasification. The fiscal 1972 budget request for coal gasification work, made before the energy message, was $10.8 million (as compared with $50 million for the breeder). It doubled after the message (as did the request for the breeder).

The Interior Department's energy priorities then were largely determined by the interests of its principal "client," the petroleum and coal industries which, due to a series of corporate mergers in the late 1960s, had become the energy industry. The coal people were primarily interested in coal gasification but, in those distant days of cheap petroleum, this interest was more academic than real.

One of the moving forces behind the 1971 energy message was David Freeman, then head of a small energy staff within the now-defunct Office of Science and Technology. In 1969, the energy staff had commissioned a study which concluded that MHD could effect a savings of $11 billion in fuel costs over a fifteen-year period by comparison with conventional methods of power generation. The panel then recommended spending $4 million a year for three years on MHD research, at the end of which time the committee felt the federal government would be in a position to decide whether further MHD work was worthwhile. (This was, in the eyes of Dr. Arthur R. Kantrowitz, then chairman of the AVCO Everett Research Laboratory, "a colossal *non sequitur*.") The report got Freeman interested in MHD and that led to its inclusion on the "shopping list" of energy research projects that constituted most of the first energy message. However, the message boosted spending for both the breeder and coal gasification but did nothing for MHD.

Then came the Arab boycott and the government was forced to alter its traditional helter-skelter way of looking at energy problems. Eventually, federal agencies were reshuffled, the AEC was disbanded, and two new agencies, the Federal Energy Administration and ERDA, emerged. Many developing technologies, such as solar energy, got a shot in the arm from the energy crisis.

Not so MHD. At the time of the first energy message, the OCR was asking for an unprecedented $1 million for MHD research. The following year, OCR asked for and got $3.5 million for MHD. But in 1973 the budget request for fiscal 1974 dropped to $3 million. Congress raised that by nearly $4.5 million, indicating its determination that the federal government should put more money into MHD research and earmarking $2 million specifically for the direct coal-fired generator at the University of Tennessee. But in 1974 the budget for fiscal 1975 included only $500,000 more than the previous year for MHD. Congress again raised this—to about $13 million. This year, ERDA, which has absorbed the old Office of Coal Research, is seeking $13.9 million for MHD research, an increase over past budget requests to be sure, but scarcely more than Congress authorized for the previous fiscal year. In an attempt to focus more attention on MHD, Sens. Mike Mansfield and Lee Metcalf, both from Montana where there is a great deal of coal, recently introduced legislation establishing a Division of MHD Electric Power Generation within ERDA.

By contrast, R&D spending in other energy technologies is booming. Funding for solar energy development almost doubled this year, from $38.4 million in fiscal 1975 to a request for $70.3 million for fiscal 1976. This appropriation includes money for studies such as wind energy conversion (windmills), bioconversion (changing urban and agricultural wastes into clean fuels), and ocean thermal conversion (converting heat absorbed by surface water into energy).

The budget for fiscal 1976 calls for more than $391 million for fossil fuel R&D (gasification, liquefaction and oil shale processing primarily—not MHD). And this is small compared with the $1 billion requested for nuclear R&D. In fact, more than half the total energy research and development budget is still devoted to nuclear work, both fusion and the development of fission reactors. Only geothermal steam R&D will be getting less money in fiscal 1976 than it got the previous year, if the Administration's budget is adopted by the Congress, but this technology seems to be well on its way now. By the end of the year, one geothermal field in northern California will supply all of San Francisco's power.

In 1973, a panel of scientists and MHD enthusiasts, including Kantrowitz and Dicks, pleaded with Congressional appropriations committees to embark upon a ten-year development program involving about half a billion dollars. The object was to have a 500-megawatt MHD-steam demonstration generating plant in operation by 1985. Congress more than doubled the funding for fiscal 1974 to $7.5 million, which did not fall too far short of the scientists' schedule. They were seeking gradually rising appropriations for MHD research, starting off with $8 million. The OCR bestirred itself enough to institute a "National MHD Power Generation Development Program." But the following year, much of the $7.5 million was unspent and OCR had failed to consult the most prominent MHD proponents as part of its evaluation program.

As a result of language attached to last year's Energy Research and Development Appropriations bill at the insistence of Senators Mansfield and Metcalf, ERDA is committed to the construction of a demonstration MHD generator some time in the 1980s. The first step will be an engineering test facility in Montana, which ERDA hopes will be operational by 1979 or 1980. Next will come a pilot plant (the Soviet U–25 facility is a pilot plant) after which, provided all signs are favorable, a demonstration plant, probably a 500-megawatt generator, will be constructed to test the commercial merit of the process.

At present, the federal government has a number of research contracts—with the University of Tennessee to study the problems of a direct coal-fired system; with AVCO for work with both the Mark VI generator and an alternate MHD design that is quite different in concept; with the Arnold Engineering Development Center at the Arnold Air Force Base in Tennessee to study energy extraction from gas; with Westinghouse for work on materials that will be used in building a generator as well as some downstream equipment, and with various institutes and universities in Montana for preliminary work on the test facility that will be located there.

The United States is also involved in a continuing exchange of information with the Soviet Union, the result of a 1972 agreement to cooperate on scientific research. "This field is one of the cooperative programs between the two countries in science and technology where we stand to gain at least as much as, and probably more than, we give," remarked Dr. Jackson recently in Moscow. The United States is testing a generator in the U-25 plant, according to ERDA officials, and American scientists are also interested in the super conducting magnet at another nearby Russian facility.

But the Montana Senators are determined that the federal government shall spend more on MHD than is now planned. The goal of their new MHD Research, Development and Demonstration bill is the same as ERDA's, the operation of a commercial scale demonstration MHD plant by the mid-1980s, but the bill would authorize the expenditure of $450 million over the next five years, considerably more than ERDA is planning to put into the MHD program.

At this point, the future of MHD is unclear. One problem is that MHD has no evident constituency beyond the few scientists who are working on it. Since MHD involves the extraction of coal, either by strip or deep mining, it has not had the kind of support from conservationists that self-contained solar heating units enjoy. On the other hand, the coal industry can sell more coal for conventional power generators or for gasification, which also has the support of the natural gas industry, than for MHD power generators. Perhaps the stimulus of the U-25's recent performance will give a boost to the current MHD program. Right now, this potential source of abundant, relatively clean energy lies just beyond our grasp; in all likelihood it will remain there unless the federal government shows more interest in it than it has in the past.

THE SEIZURE OF THE "MAYAGUEZ"

Mr. HUGH SCOTT. Mr. President, while the country awaits developments with regard to the seizure of the *Mayaguez* by the present Cambodian Government, the President, having consulted with the National Security Council and others, is proceeding to take the steps he believes necessary for the protection of American citizens. While this movement is in process, I think it is necessary for all of us to exercise some coolness and restraint and not jump to conclusions.

I talked with a number of Senators yesterday; and it is my view, after those conversations with individual Senators, that it would seem to be the sense of the Senate to be supportive of the President in such action as he reasonably and carefully believes to be necessary to secure the return to their families of these 39 American seamen.

Having been a merchant seamen twice in my life, I know that they tend to feel pretty much like forgotten citizens. Many of them are without permanent residence. They are in a chancy profession, subject to numerous hazards, and it is not surprising that they do tend to think that, even in ordinary times, nobody cares very much about them or gives them much thought. They are out of sight and they are out of mind.

So, I think for their sakes, for their families' sakes, for the sake of the protection of the essential sovereignty of the United States, certain steps will have to be taken. I sincerely hope that, when they are taken, the Senate will react as individuals generally seem to be privately reacting; that is, to support what proves to be essential for the recovery of these American citizens.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HUGH SCOTT. I am glad to yield.

Mr. MANSFIELD. Mr. President, I applaud the President for showing the restraint that he has up to this time; for endeavoring, through diplomatic channels and otherwise, to bring about the release of the *Mayaguez* and to insure the safety of the crew of the vessel. It is my understanding that even since the *Mayaguez* was boarded at sea 60 miles from the coast of Cambodia, off an island claimed by both Cambodia and Vietnam, another vessel has been boarded, retained under Cambodian control for 2 hours, and then released. Furthermore, at least one vessel, under Panamanian registry, was boarded prior to the capture, if we can use that term, of the *Mayaguez*, and released within a 36-hour period. There are reports that even prior to that, another vessel had been boarded and likewise released.

I think we should keep in mind that this is a matter of the gravest importance, because it seems to have developed a source of friction with Thailand in the landing of 800 marines on that country's soil. I hope that we shall move with caution, but with determination; that we shall keep in mind the welfare of the crew members of the *Mayaguez* and do nothing which will place them in a situation which might cost some or all of their lives.

I hope that it will be possible, rather than to bring about another increasing difficulty in the area of the Gulf of Siam, that we shall be able to work out the situation which has arisen between this country and that land, which I mentioned earlier in my remarks.

The President is fully aware of the situation. He has not acted hastily up until this time, and I hope that he will continue to act with care and caution, keeping in mind that perhaps the lives of 39 Americans, the crew of this vessel, may be at stake if an untoward happening occurs.

Mr. HUGH SCOTT. I thank the distinguished majority leader. I am simply pointing out that there are some options between negotiation and abandonment and that, somewhere in the middle of those options, lies the course that the President will have to take and when he takes it, it will be taken after the most mature consideration. That is when I think the support of the American people will be needed.

ORDER OF BUSINESS

The PRESIDENT pro tempore. Under the previous order, the Senator from Georgia is recognized for not to exceed 15 minutes.

Mr. TALMADGE. I thank the distinguished Presiding Officer of the Senate, the President pro tempore.

THE RISK OF A BANKRUPT AGRICULTURE, AND SOME STEPS TO INSURE THAT IT DOES NOT HAPPEN

Mr. TALMADGE. Mr. President, the efforts of Congress to enact meaningful farm legislation for the 1975 crop year have failed.

The President, on May 1, vetoed H.R. 4296, a 1-year bill which would have provided modest price and income protection for the production of our basic food and fiber needs.

Yesterday, his veto was sustained in the House of Representatives.

American agriculture—indeed, America's economy—now faces a risk as potentially threatening as that which struck in the late 1920's and 1930's.

During that period, farmers had a "market-oriented" agriculture. There was little in the nature of price support, or production control. Agricultural legislation of that day was focused primarily on education, extension, and technical service to farmers,

The conditions were ripe for boom and bust. And as night follows day, boom turned to bust. Farmers celebrated Christmas in 1932 with 32-cent wheat, 5-cent cotton, and other disaster-level prices.

But 1932 also brought America a "New Deal," and corrective economic legislation was rushed through Congress with lightning speed. One such law was the Agricultural Adjustment Act of 1933 which, like many other hasty responses of that time, was declared unconstitutional 4 years later.

But despite that setback, Congress did not sit down and do nothing.

The Committee on Agriculture and Forestry, of which I am honored to be chairman today, responded by appointing a special subcommittee to investigate the agricultural crisis. The subcommittee held hearings in twenty states.

The product of the committee's efforts was the Agricultural Adjustment Act of 1938, which provides the basic statutory authority for many of the farm programs which operate today.

Mr. President, I propose today that this Congress, just as our predecessors nearly 40 years ago, refuse to sit on its hands, but instead, do whatever is necessary to prevent the farm collapse that the President's veto makes so possible.

I wish to speak for a moment about the abject irresponsibility of the veto, and then for a moment about what the Committee on Agriculture and Forestry proposes to do in its aftermath.

Almost from the inception of the legislative process of H.R. 4296, the Administration's response has been a fiasco.

Its response demonstrated a blatant lack of concern about the American farmer, the American consumer, and the entire economic chain which makes them interdependent.

The spokesmen for this administration—taking their cue from the Secretary of Agriculture—have waged an orchestrated campaign to confuse the issue and to mislead the American public.

From the start, they used irresponsible scare tactics. They sought to pin an $18 billion price tag on this legislation at one point—an estimate which was overstated by at least a factor of 10.

After extensive press coverage—and a virtual flood of negative editorials in metropolitan newspapers based on these wildly exaggerated cost estimates—the Department of Agriculture backed down to more truthful plateaus. But there was none of the press coverage, none of the fanfare that accompanied the original price tag.

These same techniques and bloated estimates were used in regard to the potential cost to the consumer. But the Secretary never discussed the potential cost to the consumer of the uncertainty and scarcity which could result from doing nothing—certainly, an impact immensely greater than the modest impact of this bill.

The administration's response demonstrated the blatant lack of concern about the American farmer, the American consumer, and the entire economic chain which makes them interdependent.

Among President Ford's most admirable traits are his candor and his honesty. But he is a victim of faulty advisers, and as a result his personal credibility is suffering.

The President's veto message illustrates this.

Clearly, the person who drafted that message for the President lacks even an elementary understanding of agriculture and American farm policy.

It says the farm bill is nonessential. It strains every bit of logic to suggest that, somehow, protection of our system of production of basic food and fiber is in any way nonessential.

Such a statement can be nothing other than the muddled thinking of know-nothing political hacks who have lost touch with the people of this Nation.

The President's veto message said H.R. 4296 did not qualify for exception to his arbitrary budget ceiling because it was not humanitarian.

Does not anyone in this administration understand that the greatest human need in this world today is food? Is it humanitarian if we endanger the basic system which produces food?

The President's veto message contends that adoption of this bill would have been a step backward from the "successful market-oriented policy adopted by the current administration."

These writers have short memories.

It was not the administration that developed the Agriculture and Consumer Protection Act of 1973—it was the Congress of the United States, in the face of continued opposition from the administration.

The so-called "success" of this "market-oriented policy" of the past 2 years has nothing to do with this administration—it has been due in part to adverse weather around the world, in part to rising standards of living and growth in population, and in part to other factors—not a single one of which the Secretary of Agriculture can claim credit for.

I submit, Mr. President, that there are farmers and consumers who would argue strongly that this "market-oriented policy" has not been successful at all.

Certainly, many grain and soybean farmers did enjoy a temporary prosperity during the wild fluctuations of the past 3 years.

But simultaneously, a large number of livestock and dairy producers have been driven to the wall by high feed costs and falling prices for meat and milk.

So what may be a short-term "success" for one farmer may also be utter disaster to another.

Mr. President, I do not wish to place undue blame on the administration for the events which created the dislocations in agriculture during these past 3 years, for clearly many of them were beyond control. But I cannot stand here and let them get by with a hollow claim of credit for them, either.

The veto of H.R. 4296 was not unexpected. But for several weeks, Members of the Congress and some farmers were taking small hope from the assurance by the Secretary of Agriculture that, if the veto did come, it would be accompanied by modest increases in loan rates for wheat and feed grains.

The veto did come, but the loan rates stayed at their depression levels.

Even the minuscule increases which the Secretary had discussed would be no more than a half-measure, but they would have at least demonstrated that this administration had some small concern, some minimum appreciation of the economic uncertainty facing our food and fiber system and the need of our people for a stable supply of food and fiber.

But no such assurances were forthcoming. Instead, we had some rather weak hints that, if prices deteriorated significantly, some action in that direction would be taken.

But if experiences of the past few years are any teacher, we can expect relief only when the lines at bankruptcy court are very long.

I do find one statement in the veto message worthy of praise. The President said:

> American farmers have responded magnificently during the past several years to produce food and fiber for this Nation and the world.

They certainly have. And, as a reward for their magnificent efforts, the Administration's response is mean and parsimonious.

Such an attitude is, at the very least, distressing. The Congress made every possible effort to meet the Administration's objections and still deal effectively with the needs of farmers and ranchers. Our attempts at compromise and reason failed.

The Secretary of Agriculture has been inflexible to the needs of agriculture. Other White House advisors dismiss the current agricultural situation as unimportant.

Neither attitude is acceptable to the Senator from Georgia.

Mr. President, I am concerned about the adversary trend in government. It is not only inefficient to have the Congress and the Executive constantly at odds, but it is dangerous.

Good faith and cooperation must undergird our dealings if we are to have a responsive Government. I propose to go the last mile to show good faith, to build a spirit of cooperation which will allow both the Congress and the Executive to meet their responsibilities more effectively.

It is in that spirit—one of cooperation, not one of confrontation, that I outline here today how the Committee on Agriculture and Forestry proposes to respond to the situation which the President's veto created.

The potential of economic disaster in rural America is very real, as are the threats of scarcity and inflationary pressures which follow therefrom.

If we are to prevent such a potential from becoming reality, we must have up-to-date knowledge about a fast-changing situation.

Therefore, I wish to announce today that the Committee on Agriculture and Forestry will inaugurate immediately an "early warning" system which will permit us to stay on top of developments affecting our food and fiber system.

We intend to monitor the general events affecting agriculture, and to require periodic assessments by the Secretary of Agriculture.

We will conduct regular quarterly oversight hearings, and ask the Secretary to report to us on the general economic conditions in the United States and in the world as they affect U.S. agriculture.

We will require him to provide detailed assessments of the supply and demand situation for each of the major crops and for the livestock sector. As part of this analysis we will request updates on food prices, the costs of processing and marketing, and the farmer's share of the consumer's food dollar.

We will require reports on the financial condition of agriculture, to include farm income, farm debt, delinquency and foreclosure rates, loan defaults, and the incidence of bankruptcy in agriculture.

Mr. President, I am very fearful of the possible consequences of further economic deterioration in agriculture. I hope that my worst fears are not realized. But we dare not hide our heads from the facts in the vain hope that our fears will vanish.

We hope, through these quarterly hearings, to have clear and factual evidence of the agricultural situation presented by the spokesman for this Administration who must bear the greatest share of the responsibility for any consequences as a result of this veto. He is the Secretary of Agriculture.

We will put Secretary Butz in the witness chair to tell us what develops over the next several weeks and months, to take the blame or the credit, whichever is appropriate.

It is our intention to call the Secretary for the first of these quarterly reports on July 11 of this year.

The Committee on Agriculture and Forestry will do everything in its power to prevent economic disaster on the American farm. If it should appear necessary to follow the example of our predecessors of 40 years ago, we too will venture into the countryside, to take testimony firsthand from the farmers, ranchers, rural bankers and businessmen, and others who will be the first victims of any economic collapse in our food and fiber chain.

We are looking down the barrel of a loaded gun. We do not propose to twiddle our thumbs while the trigger is pulled. We intend to stay alert, and to act as need dictates.

Mr. President, I suggest the absence of a quorum.

Mr. MANSFIELD. Mr. President, will the Senator withhold that request?

Mr. TALMADGE. Mr. President, I withhold the suggestion for a quorum call and yield to the distinguished majority leader.

Mr. MANSFIELD. Mr. President, I agree with the remarks made by the distinguished Senator from Georgia, the chairman of the Committee on Agriculture and Forestry, relative to the Presidential veto of the emergency farm bill, a bill which would have been in effect for just 1 year only, a bill which is badly needed not only by the wheat ranchers out in my part of the country, but by the cotton producers and other segments of the agriculture economy.

I think it was a most unwise decision on the part of the President, and I believe that the reason for it, in part, lies with the advice given by Secretary of Agriculture Butz.

The distinguished Senator is aware of the fact that last year, last calendar year 1974, the farm income declined by 10 percent and the costs to the farmers increased by 25 percent, meaning a 35-percent net loss in revenue.

The Senator is aware of the fact also that over the past 3 calendar years the cost of food to the consumer has risen by $47 billion, and the income of the farmers, I believe, has fallen from $32 billion down to $20 billion. If there is a segment of our economy on which we are truly dependent and on which our farm trade is dependent to a large extent, it is the farm economy, and I do not know what is going to happen to the cotton producer, the wheat rancher, the feed producer, if he cannot get the kind of assistance to which, I think, he is entitled, and which can only be forthcoming from the Federal Government.

So this is a situation which, I think, calls not for the wringing of hands because we have done our best and, in conference, the Senate committee went a long way toward meeting the demands of the administration in trying to fashion a bill which would not be vetoed. But that effort failed.

I only hope the administration is aware of what the catastrophic consequences may well be because of this hasty, ill-advised action at this time.

I thank the Senator for making the remarks he did today.

Mr. TALMADGE. I thank the distinguished majority leader for his contributions and also for his never-failing support to assure a reasonable price to the farmers and ranchers of this country. He made a magnificent contribution. I appreciate his comments, and I associate myself completely with what he said.

I now yield to a distinguished member of our committee, the Senator from Oklahoma, who has made a magnificent contribution to the field of agriculture, and who is a valued member of our committee.

Mr. BELLMON. Mr. President, I thank our distinguished chairman for yielding.

I commend Chairman TALMADGE for the plan he has announced here this morning to monitor economic conditions as they develop in agriculture.

As someone who is very close to agriculture, I know the farm economy is in a serious slump; that it is getting more serious day by day. Prices of grain are down sharply; prices of livestock have been down for months to the point where production of livestock has been generally unprofitable.

Unless these conditions improve, then this Nation's food needs may not be met if we continue in this country to take food for granted.

But, as the chairman knows, we cannot have a strong agriculture and we cannot have abundant food supplies unless the producers receive enough for their products to meet the costs of production and in that way be able to stay in business.

I feel President Ford was badly misinformed when he vetoed the farm bill, in the first place. The statement he made at the time he vetoed the bill and the statement he issued yesterday after the House acted, I feel, show his complete misinformation about this bill. Personally I blame the Secretary of Agriculture for having misled the President and for refusing to acknowledge the facts about the true conditions in agriculture as to what they are.

I would like to say I predict that Secretary Butz is going to have a long, hot summer as conditions in agriculture develop. If we have a big corn crop, which is predicted, and a big wheat crop, which is predicted, we are going to see very sharp breaks in those grain prices, and there will be a great outcry on the part of producers who will not be able to pay their bills, and the economic ills of agriculture will get worse and worse.

I believe I can see a growing outcry in rural America for new leadership in the USDA, and I believe the chairman's plan to monitor these developments is going to make it possible for the Senate and Congress to help provide leadership which the administration seems reluctant to provide.

Again I would like to commend the chairman for his plan and to say I look forward to working with him in an effort to keep ahead of developments so we will not allow American agriculture to suffer a disaster.

Mr. TALMADGE. I thank my distinguished friend from Oklahoma for his comments. He himself is a dirt farmer and knows whereof he speaks.

I yield now to my distinguished colleague, the Senator from South Dakota, who is also a member of the committee and who has labored in the vineyard of agriculture with yeoman and distinguished service.

Mr. McGOVERN. Mr. President, I simply want to associate myself with everything the Senator from Georgia (Mr. TALMADGE), the chairman of our committee, has said this morning, and with what Senator BELLMON and Senator MANSFIELD, the majority leader, and others, have said, because I think the Senate conducted itself according to the very highest standards in our efforts to bring out a bill that would be acceptable.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. McGOVERN. Yes.

Mr. TALMADGE. The Senator knows in conference committee we went for the last mile in an effort to avoid a veto.

Mr. McGOVERN. Absolutely, and the Senator from Georgia, of course, very prudently counseled in that direction.

The Senator knows that many of us on the Senate committee wanted an even stronger bill, but we had all kinds of indications that if we strengthened this bill any further than the House version it would draw a veto, and I think the Senator from Georgia was right in coming to the view that the only chance we had of getting legislation that might be approved by the President was to accept the House version.

We did that. We swallowed our pride. We yielded points that we thought were important to agriculture, and still what we have drawn is a Presidential veto.

This is all the harder to understand not only because of the plight of agriculture, to which Senator MANSFIELD referred, but also because agriculture is the best single foreign exchange earner we have.

Mr. TALMADGE. $20 billion last year.

Mr. McGOVERN. We would be in a desperate plight as a country if it were not for the favorable trade balance we built up in agriculture.

The Secretary is going to argue that by destroying the price levels for American farmers we can sell even more abroad. But what he does not take into account is that this spells certain bankruptcy for the farmers who produce the cotton, who produce the wheat, who produce the feedgrains and the other things that our foreign trade depends upon and, in the long run, what this veto spells, if it is not reversed either by executive action or some other course here in Congress, is the bankrupting of tens of thousands of our own farmers, the loss of production and, therefore, a consequent decline in our ability to trade with other countries.

I think this veto is catastrophic. I think it was one of the most ill-advised economic actions the President has taken. But I do commend the chairman of our committee, Senate TALMADGE, for the statesmanlike way in which he has conducted these proceedings at every step of the way.

If anyone has ever tried in every possible way to secure a compromise that was fair with all parties concerned, the Senator from Georgia has attempted that, and I am very proud to serve in the Senate with him and to serve as a member of his committee.

Mr. TALMADGE. I am, indeed, grateful to my distinguished friend from South Dakota for his remarks and I salute him again for his valiant service to agriculture.

Mr. President, I yield the floor.

ROUTINE MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 30 minutes, with statements therein limited to 5 minutes.

SUPPLEMENTAL EXPENDITURES BY THE SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 122 (S. Res. 141), which was passed over during the earlier call of the calendar.

The PRESIDENT pro tempore. The resolution will be stated by title.

The legislative clerk read, as follows:

> A resolution (S. Res. 141) providing supplemental expenditures by the Select Committee on Nutrition and Human Needs.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objections, the resolution was considered and agreed to, as follows:

> *Resolved,* That section 3 of S. Res. 50, Ninety-third Congress, agreed to February 22, 1973, as amended, is further amended by striking out "$275,000" and inserting in lieu thereof "$276,100".

CONGRESSIONAL INVASION OF TAXPAYER'S PRIVACY

Mr. WEICKER. Mr. President, I would like to call the attention of my colleagues to another foray into the sanctuary of the IRS and, more particularly, individual tax returns, except this time the foray is to be conducted not by the executive branch of Government or the President but, rather, the legislative branch of Government.

An item in the Federal Register of May 7, 1975, came to my attention yesterday, which is an Executive order from the President, in effect giving to the Senate Committee on Government Operations the authority to gain access to individual tax returns.

Mr. President, I have tried to make a point of the importance of preserving the privacy of individual tax returns. Most of my comments have been directed to the executive branch. But make no mistake, I do not have two standards. If I say that those individual taxpayer returns are not the business of the President or anybody in the White House, neither are they the business of anybody here in the Congress. Privacy is privacy.

I have written to Senator RIBICOFF expressing my strong opposition to Executive Order 11859.

It is my understanding, and I can be corrected by the individuals involved if I am wrong, that this request emanated from the Permanent Investigation Subcommittee of the Committee on Government Operations.

I want to make it clear, as indeed I have in the legislation I have introduced along with Congressman JERRY LITTON, of Missouri, that this is not the business of the Committee on Government Operations, or a subcommittee, or any Senator. This is a direct invasion of individual privacy and whatever harsh words I have uttered with respect to the White House, I shall be glad to repeat to my colleagues in the Senate, or in the House, or any aspect of the legislative branch of Government.

We are going to have one standard. One standard of privacy.

I find it especially appalling that after the factfinding of Watergate, we have not passed one single piece of legislation correcting any of the abuses. In effect, now we are going off in our own direction repeating exactly what it is that occurred, at least in one respect, over those years.

As I say, I think it stands to our discredit that we have not legislatively acted on the factfinding of the select committee. As bad as that is, this is worse.

I cannot imagine why it is that any Senator or the Committee on Government Operations, or any staff member, needs to have access to individual tax returns.

Before we go into another political year, let us get the ground rules straight. Anyone that starts this kind of "nosing around"; Democrat, Republican, Senator or President—blow the whistle.

I might add, I think we ought to do it collectively by adopting the legislation Congressman LITTON and I have proposed. Of course, we have had hearings before Senator HASKELL in the Committee on Finance which would set forth very strict guidelines as to who it is who has access. Under our proposal, only the Joint Committee on Internal Revenue Taxation will have the right to obtain from the IRS individual tax returns. They are the only ones to have access.

But we restrict other congressional committees from gaining access to confidential tax returns. We do not want congressional committees anymore than the executive agencies and the White House tramping through the IRS.

We are desperately in need of reform. At least, let us set the example by what we, ourselves, do.

Mr. President, I ask unanimous consent that the Executive order be printed in the RECORD along with my letter to Senator RIBICOFF as chairman of the Committee on Government Operations.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXECUTIVE ORDER 11859

INSPECTION OF INCOME, ESTATE, AND GIFT TAX RETURNS BY THE SENATE COMMITTEE ON GOVERNMENT OPERATIONS

By virtue of the authority vested in me by Section 6103(a) of the Internal Revenue Code of 1954 (26 U.S.C. 6103(a)), it is hereby ordered that any income, estate, or gift tax return for the years 1955 to 1975, inclusive, shall, subject to the conditions imposed herein, during the Ninety-fourth Congress, be open to inspection by the Senate Committee on Government Operations or any duly authorized subcommittee thereof, in connection with its studies of the operation of Government activities at all levels with a view determining the economy and efficiency of the Government.

Such inspection shall be in accordance and upon compliance with the rules and regulations prescribed by the Secretary of the Treasury in Treasury Decision 6132, relating to the inspection of returns by committees of the Congress, approved by the President on May 3, 1955.

The Commissioner of Internal Revenue shall ensure compliance with the applicable provisions of the Privacy Act of 1974 (5 U.S.C. 552a) by seeing that no such inspection is permitted unless (1) the Committee or subcommittee has furnished a written statement specifying the purpose of the inspection; and (2) such statement establishes that the inspection relates to a matter within the jurisdiction of the Committee or subcommittee, or the Commissioner has received the written consent of the taxpayer to the inspection.

GERALD R. FORD.

THE WHITE HOUSE, *May 7, 1975.*

[FR Doc. 75-12406 Filed 5-7-75; 2:29 pm]

MAY 13, 1975.

Hon. ABRAHAM RIBICOFF,
Chairman, Senate Committee on Government Operations, Dirksen Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: I would like to express my strong opposition to the Executive Order 11859 authorizing, under certain restrictions, the Senate Government Operations Committee or duly authorized subcommittee, to obtain any income, estate, or gift tax return for the years 1955 to 1975.

I believe such a broad discretionary grant of authority to a Congressional committee is contrary to ongoing legislative efforts to protect the confidentiality of tax returns.

With kindest regards.

Sincerely,

LOWELL WEICKER, Jr.,
U.S. Senate.

Mr. WEICKER. In a humorous way the issue we are talking about was commented on in Mr. Oliphant's cartoon in the Washington Star, by showing an IRS man walking to the door and saying to the lady:

> Congratulations, you have qualified for a rebate, but, first, a few questions about your political affiliations, sex life, and drinking habits.

We are right back at position No. 1.

Let us not engage in this practice ourselves, and let us pass this legislation to make sure that the members of the executive branch and the agencies do not have that power to come in and, in effect, take advantage of facts supplied by the taxpayer for the purpose of collecting taxes, and nothing else.

I notice in the Executive order it is stated:

> With a view to determining the economy of the Government.

That is not why I submitted my tax return. It was for the purpose of collecting taxes and nothing else.

Let us keep it that way and, in any event, I would hope that the Committee on Government Operations would renounce its request for this particular information, at least by way of setting an example.

HUGH SCOTT DISTORTS THE RECORD ON VIETNAM REFUGEES

Mr. McGOVERN. Mr. President, a week ago Tuesday, May 6, the day after I left on a trip to Cuba authorized by the Senate Foreign Relations Committee, the minority leader (Mr. HUGH SCOTT) took the Senate floor to attack legislation I had introduced relative to the South Vietnamese refugees. His statement was a flagrant distortion of my proposal.

I said very clearly on the Senate floor on Monday, May 5, the day before the Senator's attack, that on both humanitarian and practical grounds, many of the Vietnamese refugees would be better off returning voluntarily to their own country. But knowing that some political demagog or careless journalist might take my words out of context, I emphasized that I was not suggesting that any Vietnamese be sent home unless they so requested.

Nevertheless, Mr. SCOTT came to the Senate floor the next day, and in a mighty display of indignation said that I had proposed that the refugees be "sent" home. He then added:

> Any governmental attempt to send them back would be a people-killing measure.

Mr. President, assuming that he can understand plain English, the Senator knows that I never proposed that one single Vietnamese refugee be sent home who does not so request it. He must also know that the distinguished majority leader of the Senate (Mr. MANSFIELD) has in effect endorsed my proposal by suggesting that funds be authorized to pay the transportation of refugees who wish to return to Vietnam. That is exactly what I have proposed. Why, then, does Senator SCOTT single me out for attack?

Perhaps it is because he has been one of the loudest and most persistent cheerleaders for the Vietnam policy that sent 56,000 young Americans to their deaths, as well as millions of Vietnamese. As such, he is doubtless eager to strike out

UMI

at someone who has tried to stop the killing in Vietnam during all those years when he himself was supporting it. He is the man who has backed the "people-killing measures," and he has done it for so many years that he would not be able to rest if his conscience were as strong as his oratory.

He is the man who went on nationwide television during the closing weeks of the Watergate nightmare to tell the American people that if they knew what he knew, they would know Nixon was innocent, or as he put it on January 20, 1974, "the President would be exculpated entirely."

He is one of the Nixon hatchet men who at crucial periods of the 1972 Presidential campaign flagrantly distorted and twisted my positions on sensitive public issues.

This is a matter I have never discussed with the Senator from Pennsylvania, but I have sent him a copy of the remarks I am delivering this morning.

This kind of cheap demagoguery is the stuff of which the Watergate deception and the Vietnam illusion were made. I regret that Mr. Hugh Scott seems to have learned nothing from these tragedies. But I do not intend to let this longtime advocate of the killing in Vietnam—this bitter-end apologist for Richard Nixon's disgraceful conduct, distort my position with regard to the Vietnamese refugees.

The truth is now coming out, Mr. President. More and more of the Vietnamese refugees are voluntarily expressing their desire to return to Vietnam—just as I had predicted. Yesterday's New York Times tells of six ships loaded with refugees returning voluntarily from Singapore to South Vietnam. Earlier about 45 South Vietnamese pilots requested permission to return to Saigon after reporting that they had been forced to fly high-ranking officers out of the country. The Times of yesterday also carried a report from Mr. L. Dean Brown, director of the U.S. Interagency Task Force on Refugees, that 48 refugees on Guam had expressed a desire to return to Vietnam claiming that they had been forced into planes during the evacuation. And the Boston Globe reported yesterday that a Vietnamese doctor with some 18,000 refugees at Camp Pendleton has said:

> If a plane were to leave for Saigon today, half of this camp would be empty.

I understand, Mr. President, that scores of voluntary agency workers are reporting back the same findings.

And yesterday's Washington Star reports that two Senate staff aides of the Senate Judiciary Subcommittee on Refugees, Dale DeHaan and Jerry Tinker, have discovered in visiting the refugee centers that "substantial numbers" of Vietnamese are having "second thoughts" about leaving their homeland.

Today's Washington Post carries a story by Lawrence Meyer relative to the findings of the Refugee Subcommittee chaired by Senator Kennedy. The article quotes Senator Kennedy as saying that:

> Many of the refugees fled in panic from conflict and violence . . . and many give the impression of not fully understanding where they are or why they got there.

The article continues:

> Kennedy and representatives of private voluntary agencies helping refugees resettle predicted that thousands would choose to return to South Vietnam.

Mr. President, as I said to the Senate on May 5, a week ago Monday, we will see growing evidence that thousands of Vietnamese came to this country in hysteria to avoid what they believed would be a final bloody battle for Saigon—a battle that never materialized. Others left in terror after hearing predictions of a massive bloodbath at the hands of the new government—a bloodbath as yet not in sight. Many of them are now having second thoughts and desire to be reunited with their country and their families.

So let us have an end to Senator Scott's nonsense about the legislation I have introduced—legislation which simply authorizes our Government to pay the transportation back to Vietnam for any refugee who voluntarily requests such assistance in returning to his country. This is not a "people-killing measure" as the Senator from Pennsylvania would have us believe. It is a commonsense, humanitarian proposal designed to assist those refugees who wish to return to their country—assistance offered in the same humanitarian spirit as the aid we are prepared to give those Vietnamese who may decide to stay with us.

I intend, when the refugee relief bill comes up for consideration, to offer my bill as an amendment, authorizing that part of those funds be available to the refugees who wish to return to their homes.

An incredibly distorted interpretation of that proposal appeared in the Philadelphia Inquirer of yesterday, written by a man by the name of John D. Lofton, Jr. I am reasonably certain that this is the same man who edited the Republican organ Monday, which was a little attack sheet that the Senator from Maine and all other Democrats in this Chamber have been stung by over the years, but apparently now he is doing a column for the Philadelphia Inquirer.

Believing that the editor of that paper will correct this unfortunate story in his paper, I am sending him a copy of these Senate floor remarks.

Mr. President, I ask unanimous consent that the news articles I have referred to, the Philadelphia editorial by the Republican writer I mentioned, along with a copy of my proposal of a week ago Monday, a copy of the implementing legislation and a copy of Senator Scott's attack on me of May 6, be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the New York Times, May 13, 1975]

Six Ships With Refugees Returning to Vietnam

Singapore, May 12.—Six South Vietnamese ships carrying refugees have left Singapore to return home, the Singapore Government said today.

Its statement said that the ships, which had been anchored in the harbor here, had slipped away undetected for Saigon and that another refugee ship also planned to return to South Vietnam.

This was one of the first reports about refugees who had left South Vietnam in the evacuation and now wanted to return. Earlier, about 45 South Vietnamese pilots were handed over to authorities in Guam for return to Saigon. They said they had been forced to fly higher-ranking officers out of the country.

The Singapore statement did not disclose how many refugees were on the ships returning to Saigon.

[From the Boston Globe, May 13, 1975]

Some Refugees Suicidal, Doctor Says

Camp Pendleton, Calif.—Some refugees in the capacity crowd at this giant Marine base are desperately homesick and worried to the point of suicide about an uncertain future, a Vietnamese doctor reported yesterday.

"If a plane were to leave for Saigon today, half of this camp would be empty," Dr. Hoang Van Duc, a physician for the Camp 4 tent city of 18,000 refugees.

The waiting period—as long as two weeks—before the refugees can be cleared to settle down in other areas is stressful, Duc said.

"There is much despair here," he reported. "They are anxious about everything. They have no future at all. They are anxious about their status, anxious about jobs. They are anxious about losing their identities."

The refugee's resentment about their former Saigon leaders, combined with worry over fragmented families and the uncertain future, may lead some to suicide, Duc said.

"We must devise some form of psychotherapy," he said. "They must accept reality."

Most of the refugees in Camp 4 were fairly well off in Vietnam and some came here with small hoards of diamonds and gold, Duc noted.

But they may not cash in their gold at a mobile bank that visits each tent city. A sign on the vehicle reads "We do not buy gold."

Security and health checks on refugees have slowed the process of releasing them.

One US official said some "undesirables," such as prostitutes and black marketeers, have turned up. He said politicians charged with or suspected of corruption also have been identified in the processing.

[From the New York Times, May 13, 1975]

Senate Unit Asks $405-Million Aid for the Refugees

(By Richard L. Madden)

Washington, May 12.—The Senate Foreign Relations Committee, moving with unusual speed, approved today legislation to aid Indochina refugees after limiting the program's cost to $450-million.

The action came after L. Dean Brown, Director of the Interagency Task Force on Refugees, told the committee that the refugee camps on Guam, and in the United States had become "blocked" because of time-consuming security checks of the incoming refugees and because voluntary agencies did not have the funds to resettle the refugees who had already been screened.

Meanwhile more than 16,000 South Vietnamese refugees streamed off four merchant vessels in Apra Harbor, Guam.

FOURTH CAMP WEIGHED

The $405-million limit, which was the same figure approved last Thursday by a House appropriations subcommittee, was less than the $507 million requested by President Ford, but Government officials administering the program for South Vietnamese and Cambodian refugees have said that they could work with the reduced amount.

The Senate committee action, which came on a 13–to–0 vote after only one three-hour hearing this morning, indicated that both houses would approve similar refugee legislation, perhaps by the end of this week.

A spokesman for the Department of Defense said the Pentagon was considered setting up a fourth refugee camp at another military installation in the United States because the three centers at Camp Pendleton, Calif., Fort Chaffee, Ark., and Eglin Air Force Base, Fla., were becoming overcrowded.

Senator John J. Sparkman, Democrat of Alabama who is chairman of the Senate Foreign Relations Committee, said his panel's measure would be ready for action by the full Senate tomorrow.

The House is planning to act Wednesday on two refugee bills—one authorizing the resettlement program but without limiting the cost that was adopted last Thursday by the House Judiciary Committee, and the second bill actually appropriating the $405-million to fund the refugee program.

The Senate bill approved today also merely authorizes the program to airlift, maintain and resettle refugees.

But the Senate committee, unlike the House Judiciary Committee, decided to write in a cost limitation. The Senate will still have to approve a separate appropriations bill to provide the funds.

Administration officials are hoping that the final bills passed by both houses will not have major differences, which would require a time-consuming Senate-House conference.

One difference in the measures is that the Senate committee bill would authorize the refugee program through Sept. 30, 1977, while the pending House appropriations measure would provide funds for the next 14 months.

Another difference was a provision added by the Senate committee specifying that any unexpended funds previously appropriated for military aid to South Vietnam would be used for the refugee program, thus possibly reducing the amount of new money that would have to be provided to fulfill the $405-million outlay.

Administration officials have said that it might be 30 to 60 days before they can give a final answer on how much unexpended funds might be available.

"That's a hell of a way to run a railroad," remarked the Senate majority leader, Mike Mansfield of Montana, who is also a member of the Foreign Relations Committee.

The Administration has been operating the refugee program on $98-million borrowed from other foreign aid programs. Mr. Brown warned the Senate committee today that the available money was "virtually exhausted."

115,000 "IN THE PIPELINE"

He said about 115,000 refugees were now "in the pipeline" but added that he had heard this morning that the Government in Singapore had begun to "put out to sea" 7,000 more refugees who had been on a ship there.

Asked why other Asian nations had not offered to take in some of the refugees, Mr. Brown said that North Vietnam had put "pressure" on them not to accept the refugees and to return any to Vietnam.

Appearing later this afternoon before a House Appropriations subcommittee, Mr. Brown said he hoped that 20,000 or so of the refugees would eventually be settled in third countries.

Mr. Brown said that 48 refugees on Guam had expressed a desire to return to Vietnam. He said most of these had been pushed on planes during the evacuation and that they had been turned over to the United Nations High Commissioner for Refugees to be returned.

Leonard P. Chapman, a retired marine general who is Commissioner of the Immigration and Naturalization Service, told the Senate committee that his service was complying strictly with requirements in the immigration laws that security checks be made on the refugees so that criminals and other undesirables would not be admitted.

Of the first 55,000 refugees checked, he said, none were found to be of the type that should be excluded.

By approving the program running through 1977, the Senate committee rejected an appeal by Senator James Abourezk, Democrat of South Dakota, that the program be authorized for only three months with the Administration to be required to justify to Congress a continuance after the program has been in operation 60 days.

"What we ought not to do is to commit ourselves unnecessarily to a plan which is based on emotionalism and hastily prepared plans," he said.

Camp Pendleton Full

Camp Pendleton, Calif., May 12.—The refugee pipeline from Southeast Asia was closed today as far as this giant Marine base was concerned and will remain shut down until several hundred South Vietnamese and Cambodians are sent on to their new homes.

"We're completely full, more than full," a base spokesman said. "Our original capacity was 18,108, and we're way above that now. The pipeline is closed."

By this morning, 25,890 refugees had arrived here and 7,244 had been processed and sent on to their eventual destinations.

[From the Washington Star, May 13, 1975]

Viet Refugees Beginning To Have "Second Thoughts"

(By Martha Angle)

Two Senate staff aides who have just completed a tour of Vietnamese refugee camps in the Pacific and this country found a "substantial number" of refugees are having "second thoughts" about leaving their homeland.

Dale De Haan and Jerry Tinker, staff aides to the Senate Judiciary subcommittee on refugees headed by Sen. Edward M. Kennedy, D-Mass., said the Ford administration appears to have given little attention to the "serious policy questions" involved in dealing with homesick refugees.

Instead, the administration has been devoting most of its attention to planning for the resettlement of refugees in the United States and persuading Congress to provide the funds needed for this purpose.

The Senate Foreign Relations Committee yesterday voted 13–0 to authorize expenditure of $405 million for refugee relief and resettlement. The House Appropriations Committee was expected to approve the funding proposal today.

De Haan and Tinker returned to Washington two days ago after spending almost a week at refugee camps on Guam, Subic Bay in the Philippines and Camp Pendleton in California. They are preparing a formal report for the refugee subcommittee, which is monitoring the resettlement program.

In testimony yesterday before the Foreign Relations Committee, Ford's refugee relief coordinator, Ambassador L. Dean Brown, said only 48 Vietnamese have asked to return to their own country thus far. All were crew members on planes commandeered by Vietnamese pilots fleeing Saigon in the last hectic hours before the Communist takeover.

De Haan said last night these men appear to be "only the tip of the iceberg." During their tour of refugee camps, De Haan said, he and Tinker talked with "dozens" of confused refugees who expressed "qualms" about their flight.

"Some didn't even know where they were," the staff aide said. "Many were fishermen, shopkeepers, peasants who were on boats and were just sort of scooped up in the evacuation. Others were young soldiers separated from their families."

A Vietnamese doctor at the Camp Pendleton relocation center also reported widespread despair and homesickness among refugees there, according to United Press International.

"If a plane were to leave for Saigon today, half this camp would be empty," said Dr. Hoang Van Duc, 50, who is practicing medicine in one of the tent city encampments at Pendleton.

Kennedy's subcommittee, which scheduled a public hearing this morning on the refugee program, was expected to question Brown about what steps the United States is taking to permit repatriation of those Vietnamese who decide to return home.

De Haan said he could make no estimate of how many Vietnamese might prefer to return home rather than resettle here or in other countries. "We don't know whether it's hundreds or thousands," he said.

But the "option" question, he said, appears to be receiving little attention from U.S. officials.

Brown said yesterday that relocation centers at Camp Pendleton, Ft. Chaffee in Arkansas and Eglin Air Force Base in Florida are full and that dispersal of refugees to new homes around the country has been delayed by a lack of funding.

So far, Brown testified, there are about 115,000 refugees "in the pipeline" although the Justice Department has authorized entry into the country of up to 150,000 if need be.

Ford had asked Congress to authorize $507 million in refugee aid, but State Department lobbyists indicated the administration can live with the $405 million approved by the Senate Foreign Relations Committee.

The House Judiciary Committee last week voted to authorize whatever sums might prove necessary for the relief program, but an Appropriations subcommittee then set a $405 million limit on actual funding.

The full House Appropriations Committee was expected to act on the funding proposal today, as was a subcommittee of the Senate Appropriations Committee.

In authorizing expenditure of $405 million, the Senate Foreign Relations Committee wrote into its bill a requirement that the administration deduct from that total any military aid money for South Vietnam which can be recovered from the pipeline and diverted to the resettlement program.

[From the Washington Post, May 14, 1975]

Sen. Kennedy Cites Mistakes in Evacuation of Vietnamese

(By Lawrence Meyer)

The United States failed to evacuate thousands of Vietnamese it had intended to bring out, while thousands of Vietnamese who should not have been evacuated either were airlifted out or picked up after they fled themselves, Sen. Edward M. Kennedy (D-Mass.) said yesterday.

Continuing hearings he has held over the last several weeks, Kennedy summarized the findings of two staff members of his Senate Judiciary Subcommittee on Refugees and Escapees. The two aides spent a week touring refugee camps in the western Pacific and the United States.

The last-minute rush from Saigon left behind thousands of Vietnamese who had been designated for evacuation, according to the aides. Kennedy said the administration's evacuation plan was "ill-conceived, poorly implemented and undertaken with little command control in the field."

At the same time that the United States was unable to bring out these Vietnamese, officially designated as "high-risk" because of their U.S. associations, thousands of other Vietnamese were evacuated or fled although they would have been better off staying, according to Kennedy.

These refugees—including low-ranking soldiers, shopkeepers, an entire fishing village, and Saigon bar girls—compose the bulk of the 60,000 now crowding into western Pacific staging areas on Guam and Wake Island, according to Dale DeHaan, counsel to the refugee subcommittee.

"When over half of the refugees fall outside the categories targeted for evacuation and parole into the United States," Kennedy said, "troubling questions inevitably arise over the wisdom and efficacy of the evacuation program. And these questions were known from the first days of the airlift from Saigon."

To maintain and help resettle 115,000 or more refugees, the House Appropriations Committee approved by voice vote yesterday a 14-month, $405 million bill—$102 million less than the administration requested.

The House Judiciary Committee last week approved an open-ended authorization of refugee funds with a cutoff date of Sept. 30, 1977. The House is expected to take up both bills today.

Chairman Daniel K. Inouye (D-Hawaii) said his Senate Appropriations Subcommittee on Foreign Operations won't report a refugee money bill before next Wednesday.

The Senate Foreign Relations Committee Monday authorized $405 million to aid the refugees.

Following an afternoon of hearings, during which Inouye asked members of the Inter-Agency Task Force on Vietnam several questions about the disposition of funds previously appropriated by Congress for Vietnam, Inouye said he would wait until next Tuesday for the answers before taking up the administration's request.

Inouye indicated that Senate Majority Leader Mike Mansfield who had raised similar questions on Monday, supported the delay.

Worried about "a heavy negative vote" on the Senate floor, and wanting the measure to pass "as smoothly as possible," Inouye said he wanted to be able to answer questions and avert a big "no" vote, "which might give the wrong impression."

Inouye asked Erich von Marbod, principal deputy assistant secretary of defense, how much of the $70 million appropriated for Vietnam military aid for this fiscal year could be recovered.

Von Marbod, stressing that it still is too early to say with any certainty, said he felt comfortable with an estimate of $17 million but that the figure could be as high as $40 million to $80 million.

Inouye asked von Marbod to return next Tuesday with a firmer estimate, and said he had asked the General Accounting Office to make its own estimate of Defense Department construction costs for the refugee camps on Guam and Wake Island and at Camp Pendleton, Calif., Ft. Chaffee, Ark., and Eglin Air Force Base, Fla.

Although the first waves of refugees were highly skilled, well-educated and relatively prosperous, those now in the western Pacific "are different in a number of important respects from most of those who have already landed in the United States," Kennedy said.

"Few speak English, and fewer still comprehend the implication of their plight as refugees. In fact, many of the refugees fled in panic from conflict and violence—as Vietnamese have fled for years—and many give the impression of not fully understanding where they are or why they got there."

Kennedy and representatives of private voluntary agencies helping refugees resettle predicted that thousands would choose to return to South Vietnam.

[From the Philadelphia Inquirer, May 13, 1975]

McGOVERN'S WORDS HAVE A HOLLOW RING

(By John D. Lofton, Jr.)

WASHINGTON.—Without a doubt, he is it. No contest. The man, if indeed he is a man, towers head and shoulders above all challengers. George McGovern is the most immoral hypocrite on the American political scene today.

Anyone who feels this is an overly harsh indictment has only to consider the South Dakota Democrats' remarks about the Vietnam refugees and contrast them with the unctuous moralisms this son of a Methodist minister was preaching in his presidential campaign three years ago.

Over and over in 1972, McGovern's heart repeatedly bled as a result of a matter he said had literally become an obsession for him, something that had "weighed on my conscience for nine years": The thousands of Asians burning, bleeding and dying in Indochina, many of them innocent children, many old people but none with any direct responsibility for the conflict that took their lives.

In a Truman Day Award Dinner in St. Louis, in October of 1972, McGovern observed that our nation was born in a noble vision of human existence, noting:

"The faith of our fathers was cherished by millions who followed after them. From a hundred different lands and every continent, immigrants came to America, not because they believed the streets were paved with gold, and not merely for jobs and opportunity, but because here they hoped to find a new birth of freedom for themselves and their children, a new liberation of spirit."

Declaring that almost every country in the world is a country because its people share a common culture, McGovern pointed out that America, however, was different.

"America is a land of diversity discovered by an Italian commissioned by the queen of Spain. Our independence was won by men named Kosciusko, Von Steuben, and Lafayette, as well as Jefferson, Adams and Paine.

"Chinese Americans built the transcontinental railroad from the West, and at Promontory Point in Utah they met Irish-Americans who were building it from the East. Our culture has been diversified and enriched by the American Indians, the black Americans, and the Spanish-surnamed Americans. Every language that is heard in the world today has been heard within our borders. Every religious creed finds its expression here."

This same month, at Wheaton College in Wheaton, Ill., McGovern spoke passionately of how his religious convictions shaped his view of America's destiny. He declared:

"Some Christians believe that we are condemned to live with man's inhumanity to man—with poverty, war and injustice—and that we cannot end these evils because they are inevitable. But I have not found that view in the Bible.

"Changed men can change society, and the words of Scripture clearly assign to us the ministry and the mission of change.

"While we know that the Kingdom of God will not come from a political party's platform, we also know if someone is hungry we should give him food; if he is thirsty, we should give him drink; if he is a stranger, we should take him in; if he is naked, we should clothe him; if he is sick, we should care for him; and if he is in prison we should visit him."

Then McGovern quoted the Lord: "For inasmuch as you have done it unto the least of these my brethren, you have done it to me."

So, now, with President Ford's courageous decision to rescue some 50,000 Vietnamese from communism—60 percent of whom are children—Sen. McGovern has been presented with the golden opportunity to practice what he has preached.

As a member of the U.S. Senate, he is in a position to vote money to give food to those who are hungry; drink to those who are thirsty; and shelter to those strangers who need to be taken in.

His reaction? Forget them.

These thousands of new Americans, so desperately in need of bread, he hands a stone. The operation that rescued them, he calls the "final blunder" of the war.

In his opinion, but he does not say how, it would be "in the best interest" of those who fled communism to now return to communism.

In 1942, George McGovern won the South Dakota Peace Oratory Contest with a speech titled, "My Brother's Keeper." If he has an ounce of moral decency left in him, which I seriously doubt, he should now return this award. But if he doesn't, the people who gave it to him should demand that he give it back.

VIETNAM REFUGEE ASSISTANCE ACT

(Remarks by Senator GEORGE McGOVERN, U.S. Senate, May 5, 1975)

Mr. McGOVERN. Mr. President, I introduce for appropriate reference a bill to assist refugees of Vietnam.

The final blunder of Vietnam may be that the Administration has chosen evacuation of nearly 100,000 Vietnamese as a substitute for accommodation in their own country. That policy should be reversed. Ninety percent of the Vietnamese refugees would be better off going back to their own land.

America will not turn away those few who might be endangered by a return to their homeland. But I have never thought that more than a handful of government leaders were in any real danger of reprisals. The great majority of Vietnamese refugees do not fall into that category. Most of them left in panic out of fear of a bloody final battle for Saigon that did not materialize. Nor is it likely that the new government will engage in the bloodbath our policymakers have talked about so much. The Saigon government has already given orders that the people are not to be molested or their personal belongings seized. That is more respect for the people than Thieu's army ever demonstrated.

It is also apparent from news accounts that the procedure for selecting evacuees on the basis of the risk of recrimination broke down entirely. Thousands of people were taken out at random and thousands of others simply headed out to sea on their own to be picked up by American ships.

I suggest that our program for dealing with these refugees should include as the highest priority steps to facilitate their early return to Vietnam.

We should express to the new government in South Vietnam our interest in implementing such a policy. We should make transportation available and we should stand ready to assist in every possible way in reuniting these people with their families and their country on a voluntary basis.

My bill would permit the use of either commercial carriers or American ships and planes to return any refugees who wish to go back to Vietnam now that the panic is subsiding. I fully believe that it will be in the best interest of the Vietnam refugees to return to their own country.

S. 1626

A bill to assist refugees from Vietnam who wish to return to their native country

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Vietnam Refugee Assistance Act of 1975".

SEC. 2. It is the sense of Congress that Vietnamese refugees who would not be physically endangered by a return to Vietnam should be offered an opportunity to return to that country.

SEC. 3. (a) The President shall inquire of the Government of South Vietnam, either directly or through intermediaries, concerning permission to reenter Vietnam for refugees who were evacuated. Such inquiries shall include an offer on behalf of the United States to provide transportation and to assist with other arrangements.

(b) At the earliest practicable date the President shall direct that a survey be taken among refugees from Vietnam to determine which of them would choose to return. For

those choosing to return, the President is authorized to provide transportation through the use of commercial carriers or, if the Government of South Vietnam agrees, of military transport.

SEC. 4. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

[From the CONGRESSIONAL RECORD, May 6, 1975]

VIETNAMESE REFUGEES

Mr. HUGH SCOTT. Mr. President, every now and then an idea comes along that is so appalling as to shock the conscience, so devoid of reality as to cause one to wonder in some awe as to its origins.

A statement was made yesterday of that kind in a proposal that 90 percent of the Vietnamese refugees be sent home. I had not thought the day would come when we would make that kind of statement. I regret that it was made. It shows a complete absence of understanding of the situation.

The statement says:

"The administration has chosen evacuation of nearly 100,000 Vietnamese as a substitute for accommodation in their own country. That policy should be reversed. Ninety percent of the Vietnamese refugees would be better off going back to their own land."

Nearly 700,000 Vietnamese left North Vietnam at one point walking to escape oppression. Those Vietnamese who poured into American planes and aboard American ships, who went into ships of other nations and of their own, who escaped and were received in this country, were not the product of an administration's choice, this administration's choice, to evacuate them as a substitute for accommodation. They left because they were afraid of their lives. They left because they did not want to be killed. Any governmental attempt to send them back would be a people-killing measure and an official sanction by this Government of murder in the first degree.

Now, this is not the way the statement is phrased. It is phrased that they go back if they want to.

To characterize that as other than silly would be kind. In the first place, Ambassador Brown has stated and informed me this morning again that any South Vietnamese who wish to return may do so. They are being asked at the resettlement locations if they wish to return. Their answer is noted in writing.

So far 45 of the 125,000—45 people—have asked to be returned. They were the 45 who were swept into the planes by Thailand soldiery, and whose families are still in Vietnam. Those 45 will be returned.

The people who make these suggestions are also the people who listened to Madame Binh, as other Senators will recall, asserting that nothing will happen to these people.

Well, 2,000 buried in mass graves in Hue will give the lie to that; thousands and thousands of others killed will give the lie to that; the 55,000 executed by Ho Chi Minh in a 4-year period from 1954 onward will give the lie to that; the 80 Cambodian officers above the rank of lieutenant, and their wives, who were recently killed in Cambodia, will give the lie to that.

We read of a horse who won the Derby recently named Foolish Pleasure. I do not know what foolish pleasure can be had from these foolish suggestions, but I hope that Congress and the American people will reject out of hand this kind of foolish approach. There is no pleasure to be had in it, foolish or otherwise.

There is no need for legislation providing for the use of American ships and planes to return any refugees. One plane will take the 45 back. Others can go if they wish.

There are only 35,000 heads of families in this group, and that is the resettlement problem; 125,000 can be taken care of if placement is found for these 35,000 heads of families.

Sixty percent of these refugees are children. When have the American people ever turned their backs on helpless children? What American can look into the face of these children and say, "I will send you back at the risk of death and destruction of your entire future"?

What American can deny the right of a child to live in this country and the right of children to be taken care of? What American could deny the actions of the voluntary agencies that have committed themselves to these programs?

No, Mr. President, this kind of talk shocks the conscience; it is foolish. It ought to be reconsidered.

To make such a statement, in my opinion, is a misfortune, I am sorry it was made. I do not think it will have any more impact than that of marshmallow on a feather bed, and its chance of passage is about the same as that of a celluloid dog chasing an asbestos cat through hell.

Mr. McGOVERN. Mr. President, I yield the floor.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the President pro tempore laid before the Senate a message from the President of the United States, submitting the nomination of Maj. Gen. Martin G. Colladay to be lieutenant general, which was referred to the Committee on Armed Services:

REPORT OF THE NATIONAL COUNCIL ON EDUCATIONAL RESEARCH—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States transmitting the annual report of the National Council on Educational Research, which, with the accompanying report, was referred to the Committee on Labor and Public Welfare. The message is as follows:

To the Congress of the United States:

I am pleased to send you the first Annual Report of the National Council on Educational Research as required by Public Law 92–318, Title III (Section 405(c)(3)(f) of the General Education Provisions Act, as amended).

The Council is the policy-making body of the National Institute of Education which was created by the Congress to provide national leadership in the conduct of educational research and development.

I remain committed to a strong Federal role in research and development in education and to support the National Institute of Education and the National Council on Educational Research as the primary vehicles responsible for the Federal role. The Institute is now well advanced in its program directed toward specific and pressing educational problems.

The National Council on Educational Research is providing guidance to the Institute during the development of this program.

I know that the Congress will join with the Administration in supporting and strengthening the National Institute of Education and in encouraging the National Council on Educational Research to continue providing the vigorous policy direction and advice which will assist the Institute to meet its goals.

GERALD R. FORD.

THE WHITE HOUSE, *May 14, 1975.*

MESSAGES FROM THE HOUSE

At 10:30 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the bill (H.R. 5357) to authorize appropriations to the Secretary of Commerce for the promotion of tourist travel, in which it requests the concurrence of the Senate.

ENROLLED BILL SIGNED

At 1:15 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the Speaker has signed the enrolled bill (H.R. 4975) to amend the Rail Passenger Service Act to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore.

At 3:29 p.m., a message from the House of Representatives delivered by Mr. Hackney announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the resolution (H. Con. Res. 218) setting forth, on an aggregate basis only, the congressional budget for the U.S. Government for the fiscal year 1976.

The message also announced that the House disagrees to the amendment of the Senate to the bill (H.R. 4700) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. TEAGUE, Mr. FUQUA, Mr. DOWNING of Virginia, Mr. SYMINGTON, Mr. FLOWERS, Mr. MILFORD, Mr. ROE, Mr. MOSHER, Mr. WINN, and Mr. WYDLER were appointed managers of the conference on the part of the House.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

A petition seeking a redress of grievances from a citizen of Lyons, Ill.; to the Committee on Government Operations.

A petition seeking a redress of grievances from a citizen of Bowie, Md.; to the Committee on Government Operations.

Mr. MATHIAS. Mr. President, I recently received three resolutions adopted by the Maryland State Senate regarding

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the earnings of persons receiving social security benefits, Foster Parents Day, and medicare, medicaid, and food stamps.

I ask unanimous consent that these resolutions be laid before the Senate and appropriately referred.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Senate Resolution No. 74, adopted by the Senate of the State of Maryland; to the Committee on Finance:

"SENATE RESOLUTION No. 74

"A Senate Resolution concerning earnings of Persons Receiving Social Security Benefits for the purpose of requesting appropriate action by the Congress of the United States to make it lawful for all persons over 65 years of age to earn unlimited income

"Whereas, Many senior citizens desire to be productive and useful; and

"Whereas, Many find that their income is not adequate during times of inflationary living costs; and

"Whereas, Many individuals could and would work at full-time or part-time positions; now, therefore, be it

"Resolved by the Senate of Maryland, That the United States Congress is requested to lower the age for persons to earn unlimited income, from 72 to 65 years of age; and be it further

"Resolved, That a copy of this Resolution be sent to the Maryland Congressional Delegation: The following Senators are Charles McC. Mathias, Jr., J. Glenn Beall, Jr., Senate Office Building, Washington, D.C. 20510; The following Representatives are Robert E. Bauman, Clarence D. Long, Paul S. Sarbanes, Marjorie S. Holt, Gladys N. Spellman, Goodloe E. Byron, Parren J. Mitchell, Gilbert Gude, House Office Building, Washington, D.C. 20515."

Senate Resolution No. 63, adopted by the Senate of the State of Maryland; to the Committee on the Judiciary:

"SENATE RESOLUTION No. 63

"A Senate resolution concerning Foster Parents Day for the purpose of requesting the Governor to declare the second Sunday in April Foster Parents Day in recognition of the devoted men and women of the State of Maryland who give their time, money and hearts to disadvantaged children throughout the State

"Whereas, There is a need to emphasize the role of the devoted men and women of the State of Maryland who give their time, money and hearts to disadvantaged children throughout the State; and

"Whereas, These children, as well as the entire State, should have an opportunity to demonstrate special gratitude for these men and women; and

"Whereas, We honor our natural mothers and fathers on special Sundays, but there is no day set aside for the specific appreciation of Foster Parents; now, therefore, be it

"Resolved by the Senate of Maryland, That the Governor of Maryland is requested to designate the second Sunday in April as 'Foster Parents Day'; and be it further

"Resolved, That it is requested that "Foster Parents Day" be on the second Sunday of April in each calendar year hereafter; and be it further

"Resolved, That copies of this Resolution be sent to each member of the Maryland Congressional Delegation with the suggestion that action be taken in Congress to designate the second Sunday in April 'National Foster Parents Day.' "

Senate Resolution No. 14 adopted by the Senate of the State of Maryland; to the Committee on Finance:

"SENATE RESOLUTION No. 14

"A Senate resolution concerning Medicare, Medicaid and Food Stamps for the purpose of opposing the federal proposal to increase the cost of Medicare, Medicaid and food stamps.

"Whereas, The Republican Administration in Washington has proposed to weaken the Medicare and Medicaid programs; and

"Whereas, This proposal would shift additional costs onto the shoulders of America's elderly; and

"Whereas, It is unfair to hang the millstone of inflation around the necks of the elderly poor; and

"Whereas, In addition to increased Medicare and Medicaid costs there is a further proposal to increase, as of March 1st, the cost of food stamps for elderly poor; and

"Whereas, Under the food stamp proposal a single elderly person with a total monthly income of $185, the cost of food stamps would increase from $36.00 per month to $55.50; and

"Whereas, It is a recognized fact that an elderly person living on a set monthly income has the greatest difficulty surviving because of continuing inflation; now, therefore, be it

"Resolved by the Senate of Maryland, That the United States Senators and House Members of the Maryland delegation are requested to oppose vigorously these unfair additional financial burdens on the elderly poor of our State and Nation; and be it further

"Resolved, That copies of this Resolution be sent to the following members of Congress: Senators Charles McC. Mathias, Jr., and J. Glenn Beall, Jr., Senate Office Building, Washington, D.C. 20510; and Representatives Robert E. Bauman, Goodloe E. Byron, Gilbert Gude, Marjorie S. Holt, Clarence D. Long, Parren J. Mitchell, Paul Sarbanes, and Gladys Spellman, House Office Building, Washington, D.C. 20510."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HUDDLESTON, from the Committee on Agriculture and Forestry, with amendments:

S. Res. 122. A resolution expressing to the Secretary of Agriculture the sense of concern felt by the Senate for the present plight of potato growers across the country (Rept. No. 94–135).

By Mr. HARTKE, from the Committee on Commerce, without amendment:

S. 1462. A bill to amend the Federal Railroad Safety Act of 1970 and the Hazardous Materials Transportation Act to authorize additional appropriations, and for other purposes (Rept. No. 94–136).

By Mr. McCLELLAN, from the Committee on Appropriations, with amendments:

H.R. 5899. An Act making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes (Rept. No. 94–137).

HOUSE BILL REFERRED

The bill (H.R. 5357) to authorize appropriations to the Secretary of Commerce for the promotion of tourist travel, was read twice by its title, and referred to the Committee on Commerce.

S. 1632—ORDER FOR STAR PRINT

Mr. MOSS. Mr. President, I ask unanimous consent that there be ordered a star print of the bill (S. 1632) to authorize in the Energy Research and Development Administration a Federal program of research, development, and demonstration designed to promote electric vehicle technologies and to demonstrate the commercial feasibility of electric vehicles, which I introduced for myself and Senator HUMPHREY on May 5. Through an inadvertence, the last page of the bill was left out.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. HUGH SCOTT:

S. 1731. A bill for the relief of Mamerto C. Comia. Referred to the Committee on the Judiciary.

S. 1732. A bill for the relief of James Torgboy Saye. Referred to the Committee on the Judiciary.

By Mr. TALMADGE (by request):

S. 1733. A bill to amend the Farm Credit Act of 1971 to enlarge the access of production credit associations to Federal district courts. Referred to the Committee on Agriculture and Forestry.

By Mr. PROXMIRE:

S. 1734. A bill to prohibit the Federal Home Loan Bank Board from permitting Federal savings and loan associations to offer variable interest rates mortgages unless authorized by law. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. PEARSON:

S. 1735. A bill to require the Budget and the reports of the Congressional Budget Committees to contain information and data on the impact of Federal borrowing. Referred to the Committee on Government Operations.

By Mr. McINTYRE:

S. 1736. A bill to incorporate the National Ski Patrol System, Incorporated. Referred to the Committee on the Judiciary.

By Mr. JAVITS (for himself and Mr. KENNEDY):

S. 1737. A bill to amend the Public Health Service Act to encourage the establishment of uniform standards for licensing and regulation of clinical laboratories, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. BUCKLEY:

S. 1738. A bill to authorize the Secretary of the Navy to transfer ownership of two naval vessels no longer needed by the Navy to the city of New York, N.Y. Referred to the Committee on Armed Services.

S. 1739. A bill to authorize the Secretary of the Interior to establish a National Law Enforcement Heroes Memorial within the District of Columbia, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

S. 1740. A bill to reestablish and extend the program whereby payments in lieu of taxes may be made with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments. Referred to the Committee on Government Operations.

By Mr. McGOVERN:

S. 1741. A bill for the relief of Photios N. and Panagiota Tsiakalos. Referred to the Committee on the Judiciary.

By Mr. BROOKE (for himself and Mr. METCALF):

S. 1742. A bill to amend the Federal Energy Administration Act of 1974 in order to provide for the prohibition of certain practices which encourage additional use of electricity and natural gas. Referred to the Committee on Commerce.

By Mr. WILLIAMS (for himself and Mr. JAVITS):

S. 1743. A bill to provide improved safety and health standards for railroad employees, and for other purposes. Referred to the Committee on Labor and Public Welfare and the Committee on Commerce, jointly, by unanimous consent.

By Mr. MOSS (for himself, Mr. PHILIP A. HART, Mr. MAGNUSON, and Mr. MANSFIELD):

S. 1744. A bill to regulate commerce by discouraging the needless depletion of natural resources through programs and incentives for recycling and conservation, and for other purposes. Referred to the Committee on Commerce.

By Mr. McGOVERN (for himself and Mr. MATHIAS):

S. 1745. A bill to facilitate the economic adjustment of communities, industries, and workers who may be substantially and seriously affected by reductions in Defense contracts and facilities which are undertaken to realign Defense expenditures with changed national security requirements and to prevent the ensuing dislocations from contributing to or exacerbating recessionary effects on the aforementioned groups. Referred, by unanimous consent, jointly, to the Committee on Armed Services, the Committee on Banking, Housing and Urban Affairs, the Committee on Government Operations, the Committee on Finance, and the Committee on Labor and Public Welfare.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. TALMADGE (by request):

S. 1733. A bill to amend the Farm Credit Act of 1971 to enlarge the access of production credit associations to Federal district courts. Referred to the Committee on Agriculture and Forestry.

Mr. TALMADGE. Mr. President, at the request of the Farm Credit Administration, I am today introducing a bill to amend the Farm Credit Act of 1971. The bill would eliminate any restrictions on production credit associations to sue and be sued in Federal district courts.

I ask unanimous consent that the letter from the Governor of the Farm Credit Administration explaining the need for that legislation be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FARM CREDIT ADMINISTRATION,
Washington, D.C., May 9, 1975.
Chairman, Senate Committee on Agriculture and Forestry, U.S. Senate, Washington, D.C.

DEAR CHAIRMAN TALMADGE: The Federal Farm Credit Board, this Agency's top policymaking body, has endorsed the proposal that would enlarge the access of production credit associations to Federal district courts. This proposal in bill form is enclosed. It would delete from current law those provisions which now preclude the Federal district courts from entertaining actions by or against production credit associations on the same footing as for other petitioners.

There are 432 production credit associations throughout the United States which make loans to farmers, ranchers, and producers and harvesters of aquatic products. The Farm Credit Act of 1933, under which the production credit associations were established, restricted their access to the Federal district courts. The argument against access was based on the remoteness of the Federal courts to farmers. Consequently, it was thought to be more satisfactory to have the resolution of PCA matters in State courts. The Farm Credit Act of 1971, under which PCAs now operate, similarly restricts PCA access to the Federal district courts except in limited circumstances.

This proposal would simply amend the Farm Credit Act of 1971 to eliminate any restrictions on production credit associations to sue and be sued in Federal district courts. Then, all Farm Credit institutions—Federal land banks, Federal land bank associations, Federal intermediate credit banks, banks for cooperatives, and production credit associations—will have the same access to the Federal district court system.

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The Farm Credit Act of 1971 contains, among several new authorities, one which allows production credit associations to make loans to producers and harvesters of aquatic products. In making such loans, production credit associations frequently find it prudent and desirable to take liens on fishing boats. These liens are called "preferred ship mortgages." The Maritime laws of the United States, however, place exclusive jurisdiction of the foreclosure of preferred ship mortgages in the Federal district courts.

One of the factors on which all PCA loan decisions are made involves collateral. The collateral needs are usually dictated by the strengths and weaknesses of other credit factors. The collateral taken must reasonably protect the lender, provide the necessary control of equity and repayment, and leave the borrower in a position to constructively manage his business. Under present circumstances, the difficulty in enforcing a lien of a preferred ship mortgage, if that becomes necessary, is an impediment to financing fishermen.

EFFECT ON PRODUCTION CREDIT ASSOCIATIONS

The amendment of the Farm Credit Act to permit production credit associations access to the Federal district courts will provide a mechanism by which the associations themselves can enforce a lien on ships if the need arises.

The adoption of the proposal will also give PCAs the same access to the Federal district courts as is enjoyed by private citizens, corporations, and other legal entities.

EFFECT ON BORROWERS

The ability of a production credit association to take an enforceable lien on a fishing vessel, just as it now can on a farmer's property, equipment, or livestock, will make credit service more readily available to producers and harvesters of aquatic products.

EFFECT ON OTHERS

The proposal, if enacted into law, will permit persons and other entities to pursue their claims against production credit associations in Federal district courts, if jurisdictional elements are present, the same as if the defendant were not the PCA.

Access to Federal district courts would result in little, if any, additional costs to PCAs. Improved transportation and communications permit ready access to Federal district courts by everyone and, therefore, the proposal should not result in significant increased costs to litigating parties.

The proposal has the endorsement of Federal intermediate credit banks and production credit associations involved in loans to producers and harvesters of aquatic products. No known opposition to the proposal exists and none is expected.

The Farm Credit Administration is authorized by the Farm Credit Act of 1971 to recommend legislative changes in the Act directly to Congress. Therefore, it has not been necessary to submit this proposal to the Office of Management and Budget for clearance.

Sincerely,

W. M. HARDING,
Governor.

By Mr. PROXMIRE:

S. 1734. A bill to prohibit the Federal Home Loan Bank Board from permitting Federal savings and loan associations to offer variable interest rates mortgages unless authorized by law. Referred to the Committee on Banking, Housing and Urban Affairs.

VARIABLE RATE MORTGAGES

Mr. PROXMIRE. Mr. President, I introduce for appropriate referral a bill to prohibit the Federal Home Loan Bank Board to permit Federal savings and loan associations to offer variable rate mortgages unless specifically authorized by the Congress. The need for this legislation has been prompted by proposed regulations published by the Bank Board last February which would permit Federal savings and loan associations to offer variable rate mortgages. The Board has indicated it plans to go ahead with these regulations unless it receives a strong signal of disapproval from Congress.

Last Thursday the House of Representatives by a vote of 291 to 104 approved a bill similar to the one I am introducing today. Since the House of Representatives has expressed itself so decisively on this issue. I would think the Bank Board would rescind its proposed regulations on variable rate mortgages. Nonetheless, I believe the issue also deserves consideration by the Senate Committee on Banking, Housing and Urban Affairs and the full Senate. For that reason, I am introducing a companion bill to prohibit the Board's regulations from taking effect unless and until authorized by the Congress.

Mr. President, following the publication of the Board's regulations on variable rate mortgages, the Senate Committee on Banking, Housing and Urban Affairs held 4 days of hearings on the Board's regulations—April 14 through April 17. These hearings revealed that there is considerable opposition to the concept of variable rate mortgages on the part of consumer organizations, labor unions, and academic experts. The arguments against the variable rate mortgage concept raised by these witnesses include the following:

First, variable rate mortgages transfer the cost of an anticipated increase in interest rates from the lender to the borrower. Such an arrangement might be justified if both parties had an equal knowledge of financial markets and an equal ability to adjust to inflationary developments. However, this is not the case in the home mortgage business. The average person buys a home only once or twice in his lifetime and is in no position to judge whether he is being charged a fair rate, given the additional risk he would assume on a variable rate mortgage. Moreover, the average family would have greater difficulty in adjusting to higher mortgage payments compared to a large financial institution which has

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a range of options for increasing its income during a period of rising interest rates.

Second, variable rate mortgages will tend to restrict homeownership opportunities to upwardly mobile borrowers who would be in a better position to afford an increase in monthly payments. Those families whose incomes are relatively fixed would find it difficult to obtain a mortgage loan under the variable rate mortgage proposal. These tend to be working class, middle-income families, many of whom have already been priced out of the housing market.

Third, the variable rate mortgage proposal could exacerbate the upward shift in interest rates during a period of tight money. This would come about if thrift institutions bid more aggressively for funds with the knowledge that they could pass the higher cost of money on to their existing mortgage holders. This increased ability of thrift institutions to bid for funds would drive up interest rates in all financial markets. However, because homebuyers are unable to compete for credit with large corporations or the Federal government, the housing sector of the economy would still wind up with about the same share of the existing credit resources. In the final analysis, variable rate mortgages are simply a device for redistributing income from the debtor class to the creditor class.

Even if these inherent difficulties in the variable rate mortgage concept could be overcome, the hearings by the Senate Banking Committee also indicated that the consumer safeguards included in the Bank Board's proposed regulations contained a number of serious deficencies. For example, the lender was given the option of selecting the index to be used in determining changes in the interest rate; lenders were not required to offer buyers a clear and meaningful option between a fixed rate mortgage and variable rate mortgage; escalation of the interest rate was permitted during the first 3 years of the mortgage contract, in direct violation of the law in the State of Wisconsin and perhaps other States; and the lender was permitted under certain circumstances to increase the interest rate on the loan by as much as 2½ percentage points at one time. If exercised, this would result in an increase in monthly payments on a typical loan by as much as $55.

In response to some of the criticisms raised against variable rate mortgages during the hearings held by the Senate and House banking committees, the Bank Board has recently indicated its intention to revise and strengthen the consumer safeguards contained in the proposed regulations. I commend the Bank Board for moving in a direction to protect the borrower against some of the hazards involved in the use of variable rate mortgages. However, I believe the question of variable rate mortgages is so important that any decision on the use of these mortgages and appropriate safeguards should be left to the Congress and not to the Home loan Bank Board. In that connection, I might point out that one of the industry witnesses testifying in favor of the Board's regulations on variable rate mortgages freely acknowledged that the limited safeguards contained in the Board's proposal were really "political" and were put in in order to convince the Congress and other critics that variable rate mortgages were in the public interest. Given this perspective on the part of the savings and loan industry, it is safe to predict that if the Board's regulations go into effect, the Board will be under substantial pressure within a year or two to weaken the consumer safeguards contained in the Board's original regulation.

If the Congress does ultimately conclude that variable rate mortgages serve a useful purpose—I might add that I have severe doubts that they do—then I feel strongly that the terms and conditions of variable rate mortgages, together with the consumer safeguards, should have a statutory base rather than a regulatory base. I have no reason to believe that the present members of the Home Loan Bank Board are not doing an effective job in regulating the savings and loan industry. Notwithstanding this record, I do not believe the Board should be delegated the sweeping power to determine all of the terms and conditions of a mortgage loan contract or to protect borrowers from unfair contractual provisions. These responsibilities belong to the Congress and should not be delegated to a regulatory body whose perspective and view is inevitably associated with the industry it regulates.

For these reasons, Mr. President, I support legislation to prohibit the Board's regulations on variable rate mortgages from taking effect. This prohibition, if enacted into law, will give Congress further opportunity to study and investigate all of the advantages and disadvantages of variable rate mortgages. It is conceivable that an appropriate statute can be devised with adequate consumer protections built in. I would not want to make a final judgment that the variable rate proposal should never under any circumstances be implemented. Nonetheless, enough concern has been raised about the Bank Board's proposed regulations that I believe the best course of action for the Congress to take is to prohibit any action by the Board pending further study by the Congress.

By Mr. PEARSON:

S. 1735. A bill to require the Budget and the reports of the Congressional Budget Committees to contain information and data on the impact of Federal borrowing. Referred to the Committee no Government Operations.

THE FEDERAL BORROWING IMPACT ACT OF 1975

Mr. PEARSON. Mr. President, I am today introducing legislation which would require both the administration and Congress to provdie estimates regarding the potential impact of budget deficits on financial markets. Such an analysis of the budget impact is long overdue and would constitute an invaluable tool to economic policymakers to aid them in determining how much pressure budget deficits put on the marketplace. While special analysis E of the 1976 budget addresses the impact that the Federal Government has on financial markets, it does so only in retrospect, citing past trends, without making relevant projections about the future. My proposal would eliminate this deficiency and would result in authoritative predictions which could be instrumental in resolving the current debate over the impact of the budget on financial markets.

Mr. President, the United States is presently in the grip of the most sustained and serious economic slump since the Great Depression. To combat this deteriorating situation, the administration, heeding the advice of most leading economists, submitted an ambitious budget proposal to Congress designed to provide an economic stimulus to the economy. It is now projected that the Federal Government may spend some $332 billion in fiscal year 1975 and more than $356 billion in fiscal year 1976. Federal expenditures will far outpace receipts; and it is expected that the Federal Government could wind up with a $40 to $50 billion deficit for the current fiscal year, and perhaps as high as a $70 billion deficit in fiscal year 1976.

In a normal recessionary period, the impact of government borrowing on private markets is not so keenly felt because credit demand by private borrowers is reduced. However, in the first months of 1975, corporate borrowing has climbed to record levels, fueled by optimistic economic projections, a falling inflation rate, and declining interest rates. The impact of government borrowing becomes a prominent factor in corporate attempts to seek financing for such endeavors as plant construction, production of consumer goods, and housing.

The Government will be in direct competition for available capital with private borrowers, creating what Henry Kaufman, economist and general partner of Salomon Bros., have called a "vicious struggle for funds between private borrowers and the Government." This competition between the Government and the private sector for the investment dollar will inevitably be decided in the Government's favor. Investors turn to Government securities because of their guaranteed income and negligible risk factor. Less credit-worthy borrowers are, therefore, "crowded out" of the investment and credit markets. If they are unable to receive adequate financing, continued economic recovery could be stifled. Additionally, Government demand for private capital could lead to higher interest rates, less credit availability, and a new round of inflation.

The crowding out argument, it should be noted, does not take into account the positive impact of the Federal deficits. The funds borrowed by the Government often go into programs designed to stimulate the economy, such as unemployment compensation, public works projects, defense spending, and housing construction. These funds are also used to assist smaller corporate concerns who have been crowded out of the capital markets because of their low credit ratings.

But to the extent that Government borrowing could impact adversely on major private borrowers which are normally considered excellent investment opportunities, crowding out becomes a significant and possibly crippling obstacle on the road to economic recovery. Many small- and medium-sized firms, already threatened by the recession, could be crowded out.

Up to now, little attention has been focused on the crowding out argument. Previously both Government experts and their counterparts in the private sector felt that normal market demand could absorb the impact of increased Federal borrowing. But with rising deficits and increasing demand for credit in the private sector, many experts are beginning to take a closer look at this aspect of Federal fiscal policy. Some observers believe considerable crowding out is already taking place.

During his January 23, 1975, statement before the House Ways and Means Committee, Secretary of the Treasury William Simon stated that—

> The deficits anticipated by the President's program will cause some strains in the market.

Simon added:

> In the event that the Congress is unwilling to accept the strong discipline the President is trying to impose upon Federal spending, the higher deficits that will result will certainly threaten the private capital markets with intolerable burden. We could quickly clog up those markets and create genuine havoc in the nation's financial system.

At the time Simon testified, the deficit was anticipated to be in the range of $25 billion, but since that time the projected deficit has increased almost threefold according to best estimates.

It is important that both the Government and the private sector begin to focus more attention on this problem. What is needed is an institutional approach, through the creation of a permanent mechanism which will require that Congress and the excecutive branch address on a continuing basis the impact of Federal deficits on the economy.

Approval of the Budget and Impoundment Control Act of 1974 constituted a major step in this direction by forcing attention on the need to determine Federal spending programs on a more orderly basis. However, no specific mention of the impact of Federal borrowing and credit programs on the economy is made in this act. The bill I have proposed meets this need by requiring the President, with the submission of his proposed budget, to report on the following:

First. The impact of Federal borrowing on overall private capital markets, as well as specified markets; that is, short-term, long-term, et cetera;

Second. The amount of credit which will be provided by direct and indirect Federal lending; that is, loan guarantees, and its relationship to credit available throughout the economy;

Third. The amount of borrowing to be undertaken by Government which is not included in the budget and the extent to which such credit will generate credit throughout the economy; and

Fourth. The flow of Federal credit to particular sectors of the economy such as housing, agriculture, small business, education, transportation, or energy research.

In addition to the responsibility of the executive branch in this regard, the bill would place the same requirements on the House and Senate Budget Committees. Their projections would be submitted in the reports which accompany budget resolutions containing proposed spending ceilings for the subsequent fiscal year. It is probable that if differences between executive and legislative spending priorities existed, the calculations of Federal debt and credit would also differ. This, nevertheless, would have a positive effect insofar as Members of Congress and the public would have a better understanding of the impact of each alternative on the overall economy.

In short, Government expenditures, regulations, and tax policies have a direct impact on capital formation, and will either reinforce or frustrate the ability of the private sector to raise the money it needs to sustain and generate economic activity. A high rate of capital formation is necessary in any industrial economy to underwrite expanding productivity and the growth of real per capita income. Low rates of capital growth, by contrast, result in a static or declining standard of living and sluggish economic growth.

In this connection, the New York Stock Exchange has estimated that between now and 1985, there will be an estimated $650 billion shortfall in the amount of capital needed by private enterprise and the amount actually raised. Such a shortfall could severely retard the future performance of the economy and have far-reaching social ramifications in this country. The difficulties associated with capital formation in the years ahead cannot be exaggerated; it is for this reason that we must have a clear understanding of what the projected impact of the financing of the Federal deficit will be.

Mr. President, for the first time, Congress has set a ceiling on the amount it intends to appropriate in the upcoming year. With the passage of House Concurrent Resolution 218, the Congress has taken a significant step in rationalizing its budget machinery. The bill I am introducing today would carry this process one step further. In a society which has allowed more and more government intervention in the private marketplace, it is essential that more emphasis be placed on determining how this intervention affects the economy.

Mr. President, I ask **unanimous consent that the text of the Federal Borrowing Impact Act of 1975 be printed in the RECORD at this point.**

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1735

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that this Act may be cited as the "Federal Borrowing Impact Act of 1975".

SEC. 2. Section 201 of the Budget and Accounting Act, 1921 (31 U.S.C. 11), is amended by adding at the end thereof, the following new subsection:

"(j) The Budget transmitted, pursuant to subsection (a) of this section, for each fiscal year, beginning with the fiscal year commencing October 1, 1977, shall contain a description, analysis, and evaluation of—

"(1) the impact of Federal borrowing on the pool of funds, which will be available for borrowing by all interested persons and governments;

"(2) the impact of Federal borrowing on particular markets, including but not limited to, short-term money markets, long-term capital markets, bond markets, equity markets, and commercial bank loans;

"(3) the amount of credit which will be provided by direct Federal lending under loan programs and indirect Federal lending under loan and obligation guarantee programs, and insurance programs, and the relationship between such credit and all credit;

"(4) the amount of borrowing by, and on behalf of departments, agencies, instrumentalities, corporations, and establishments of the Federal Government which amounts are not included in the Budget, and the extent to which the programs of these departments and establishments will provide or generate credit for other sectors of the economy; and

"(5) the flow of all Federal credit, regardless of form, to particular sectors of the economy, including but not limited to housing, small business, education, agriculture, transportation, and energy research."

SEC. 3. Section 301 of the Congressional Budget Act of 1974 (31 U.S.C. 1322) is amended by adding at the end thereof the following new subsection:

"(e) IMPACT OF BORROWING.—The report required by subsection (d) shall also include an analysis and explanation of—

"(1) the impact of Federal borrowing on the pool of funds, which will be available for borrowing by all interested persons and governments;

"(2) the impact of Federal borrowing on particular markets, including but not limited to, short-term money markets, long-term capital markets, bond markets, equity markets, and commercial bank loans;

"(3) the amount of credit which will be provided by direct Federal lending under loan programs and indirect Federal lending under loan and obligation guarantee programs, and insurance programs, and the relationship between such credit and all credit;

"(4) the amount of borrowing by, and on behalf of, departments, agencies, instrumentalities, corporations, and establishments of the Federal Government which amounts are not included in the Budget, and the extent to which of the programs of these departments and establishments will provide or generate credit for other sectors of the economy; and

"(5) the flow of all Federal credit, regardless of form, to particular sectors of the economy, including but not limited to housing, small business, education, agriculture, transportation, and energy research."

By Mr. JAVITS (for himself and
Mr. KENNEDY):

S. 1737. A bill to amend the Public Health Service Act to encourage the establishment of uniform standards for licensing and regulation of clinical laboratories, and for other purposes. Referred to the Committee on Labor and Public Welfare.

CLINICAL LABORATORIES IMPROVEMENT ACT OF 1975

Mr. JAVITS. Mr. President, laboratory testing is occupying an increasingly important place in both diagnostic and preventive medicine. In 1972, the most recent year for which statistics are available, an estimated 3 billion laboratory

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procedures were performed at an annual cost of $8 billion for laboratory services.

Unfortunately, there is mounting evidence indicating that the quality of laboratory testing is inadequate. I ask unanimous consent that a series of six articles in the Newark Star-Ledger about poor lab conditions, and a Washington Post Potomac magazine article about laboratory testing which offered cause for concern be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JAVITS. Mr. President, I authored the Clinical Laboratories Improvement Act of 1967, with then Senator MURPHY of California. Today I am introducing with Senator KENNEDY the Clinical Laboratories Improvement Act of 1975 (S. 1737). Our bill would extend the act's coverage to approximately 11,700 independent and hospital laboratories which now operate free of Federal regulation, because too few States have enacted meaningful laboratory legislation. In addition many thousands of physicians perform laboratory services in their offices for their patients. As a result of this vacuum, all these laboratories perform testing services without having to fulfill quality assurance prerequisites, which causes the disturbing findings I have inserted in the RECORD.

In 1967, Senator Murphy and I reintroduced the Clinical Laboratories Improvement Act which was enacted into law, Public Law 90–174. I stated in my individual views of Senate report 974:

> Today adequate medical care is impossible without adequate and efficient laboratories providing information for the diagnosis and treatment of disease and the assessment of the patient's medical condition. Repeated investigations and studies show that an important proportion of clinical laboratories are substandard and have uncovered instance after instance of incorrect diagnosis which have resulted in unnecessary hospitalization, unneeded operations, inappropriate treatment, injury, or even death.

This statement remains as true today as it was in 1967.

Studies indicate that unsatisfactory performance is demonstrated by 10 to 40 percent of laboratories in bacteriological testing; by 30 to 50 percent in various simple clinical chemistry tests; by 12 to 18 percent in blood grouping and typing; by 20 to 30 percent in hemoglobin measurements; and by 20 to 30 percent in measurement of serum electrolytes. This information indicates that erroneous results are obtained in more than 25 percent of all tests analyzed by these studies. These results have been derived from performance evaluation programs where the laboratories know they are being tested, and thus may represent the best which the laboratories can do, according to the Center for Disease Control. Furthermore, one study indicated that in microbiology, 7.6 percent of the interstate laboratory determinations were incorrect, while 16.5 percent of the determinations by other large laboratories were incorrect.

Yet only the interstate laboratories are now regulated by the Clinical Laboratories Improvement Act—CLIA.

An article in the January 1973 Changing Times magazine has pointed out what this could mean in human terms. One study showed that a screening procedure for a type of female cancer either overlooked suspicious cells or wrongly reported malignancy about 30 percent of the time. In another instance, a private laboratory failed to recognize in a pregnant woman an Rh blood factor that could react with the blood of the unborn child and result in delayed therapy which would cause neurological impairment or death. I ask unanimous consent that the Changing Times article be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. JAVITS. Mr. President, the Department of Health, Education, and Welfare is involved directly in many aspects of standard setting through its licensure of interstate laboratories, its authorization of reimbursement for medicare and medicaid benefits and its support of manpower accreditation studies. In addition HEW's Food and Drug Administration has wide powers for regulations and enforcement of standards for clinical materials, and also regulates blood banks.

Yet, there is not one coordinating body in HEW to deal with this large problem.

There are also State programs and voluntary associations involved in laboratory regulation. A 1971 survey showed that 66 percent of all laboratories received some form of approval, but few of the programs involved are comparable to that set up under CLIA. For example, only 14 States presently have laboratory licensing programs. Hospital laboratory regulation is generally left to the Joint Commission on the Accreditation of Hospitals, which examines hospitals generally, but pays little specific attention to their laboratories in particular.

Perhaps the most serious problem is that of overlapping programs. The Department of Health, Education, and Welfare is certainly aware of this problem. To quote from an HEW internal memorandum:

> Today, DHEW has two separately administered, but overlapping, programs for enforcing standards in clinical laboratories. Under Medicare, approximately 3,000 independent and 7,000 hospital based laboratories are certified annually for program participation. Under the Clinical Laboratories Improvement Act of 1967 (CLIA), CDC certifies annually 259 hospital based and 601 independent laboratories which engage in interstate commerce. Virtually all the laboratories licensed by CDC also participate in the Medicare program . . . SSA and CDC administer their survey/certification programs in different ways . . . Not only are standards enforced by different organizations under the Medicare and CDC programs, but also the standards themselves are not identical . . .

Mr. President, I pledged in my previously cited individual views:

> To continue * * * strong interest in clinical laboratory safety * * * review * * * to ascertain * * * the necessity, if any, for further corrective measures.

Certainly, corrective measures are clearly indicated.

To achieve that goal the major provisions of the bill provide:

First. Licensure and establishment of quality standards for all laboratories. Those in hospitals and the laboratory services physicians provide in their offices are included. However, in recognition of the administrative inspection difficulties that may insure—by including the thousands and thousands of individual physician office laboratories—the Secretary may exempt the physican office lab—to such extent and upon such conditions necessary to insure the public health. Although the bill assures that where medicare reimbursement is dealing with such laboratories, the medicare regulations will continue to apply.

Second. Delegation of licensure authority to the States, providing the Secretary of Health, Education, and Welfare determines the State standards meet or exceed the Federal standards. In essence the standards are those elements that eminent laboratory authorities agree result in quality laboratory performance—employment of qualified personnel, maintenance of internal quality control, participation in a proficiency testing program and maintenance of proper laboratory management procedures.

States are encouraged to establish regulatory programs that are equivalent to the program formulated by HEW through cooperative funding—75 percent of cost grants—and the provision of technical advice.

Third. Centralized Federal laboratory activity within a single HEW agency, the Office of Clinical Laboratories. This would consolidate the present fragmentary and duplicative approach to laboratory regulation which results in an unfair burden on clinical laboratory operation. Until now, as previously indicated in the HEW memorandum, three different Federal agencies have had jurisdiction over laboratories.

The office's location—whether in BQA—Bureau of Quality Assurance—or CDC—Center for Disease Control—within HEW is not defined in the bill. However, I believe the hearing record will provide the evidence required for that decision.

An interesting memorandum which the Undersecretary of Health, Education, and Welfare sent to then Senator Bennett in 1973—describing the Bureau of Quality Assurance—provides an interesting insight into how this might be achieved.

The memorandum states:

> I would want to emphasize that the Bureau of Quality Assurance has a number of additional responsibilities other than the PSRO effort, including standard-setting activities as they relate to chronic disease, such as the kidney disease program. As you are well aware, there long has been a need to bring together the Department's efforts in standard-setting, utilization review, and medical care review now being carried out in SSA, SRS, and H. The creation of the Bureau of Quality Assurance will allow this important amalgamation to occur.

Certainly, CDC should be closely involved for it has taken a leadership role and has substantial technical expertise for validation of State programs.

Fourth. An Advisory Council is established, composed of appropriate interested entities and the public. This insures that the States and the Federal Government work together in formulating laboratory programs and policy.

Fifth. The definition of laboratory is broadened to include facilities for collection, processing, and transmission of specimens. This gets at the problem of the need for standards in blood collection activities.

Sixth. The standard-setting function of HEW includes a review of all appropriate personnel directly engaged in the lab testing, not limited as in existing law to merely the supervisory personnel. Model certification procedures are also authorized to be established for technical laboratory personnel.

Seventh. The Secretary is prohibited from making any grants, under other legislative authorities, to any entity or facility which has a laboratory that does not meet the standards established hereunder. And he is authorized to enjoin any laboratory from an activity that would constitute a "significant" hazard to public health, rather than "imminent," as required in existing law.

Mr. President, this measure would provide the American people with protection from the shocking and tragic practices of inaccurate and unreliable lab tests by unregulated clinical laboratories. At the same time it would encourage cooperation and coordination between and among State programs and the states and the Federal Government. Thus, unnecessarily expensive, duplicate and repetitive laboratory enforcement by several States and the Federal Government would not occur. Waste and overlap are discouraged by encouraging States to implement laboratory programs based upon the Federal model.

We are dealing with the health and lives of millions of Americans. I urge my colleagues to support this measure.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1737

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Clinical Laboratories Improvement Act of 1975".

DECLARATION OF FINDINGS

SEC. 2. The Congress finds that—

(1) clinical laboratory testing is a vital element of health care throughout the Nation;

(2) health care in this Nation will only be effective and of high quality if procedures utilized for testing by clinical laboratories assure accurate and reliable results;

(3) it is essential in the public interest that the health and welfare of consumers of health care be protected by requiring that all clinical laboratories comply with uniform standards of performance which assure such accuracy and reliability;

(4) testing in clinical laboratories which is inaccurate and unreliable impairs the effective regulation of those laboratories which operate interstate is injurious to the public health and welfare, destroys markets for testing in laboratories which is accurate and reliable and results in losses to those who operate clinical laboratories and to health care providers and impairs the provision of safe and high quality health care to consumers;

(5) testing in laboratories which do not comply with standards to assure accuracy and reliability can be performed at less expense and thus are able to compete unfairly with the laboratories which do comply with such standards to the detriment of consumers of health care and public generally;

(6) requiring compliance with standards to assure accuracy and liability by laboratories which operate interstate without provision for requiring such compliance by other laboratories would discriminate against and depress interstate commerce and adversely burden, obstruct, and affect such interstate commerce; and

(7) all clinical laboratory testing is either in interstate commerce or substantially affects such commerce and regulation by the Secretary in cooperation with the States as contemplated by this Act are appropriate to prevent and eliminate burdens upon interstate commerce, and to effectively regulate health and welfare of consumers of health care.

SEC. 3. Section 353 of the Public Health Service Act (42 U.S.C. 263a) is amended to read as follows:

"LICENSING OF LABORATORIES

"SEC. 353. (a) DEFINITIONS.—As used in this section—

"(1) the term 'laboratory' or 'clinical laboratory' means a facility for the biological, microbiological, serological, chemical, immuno-hematological, hematological, biophysical, cytological, pathological. or other examination of materials derived from the human body, for the purpose of providing information for the diagnosis, prevention, or treatment of any disease or impairment of, or the assessment of the health of, man, or a facility for the collection, processing, and transmission of such materials for such purposes.

"(2) the term 'interstate commerce' means trade, traffic, commerce, transportation, transmission, or communication between any State or possession of the United States, the Commonwealth of Puerto Rico, or the District of Columbia, and any place outside thereof, or within the District of Columbia.

"(b) PROHIBITED ACTS.—

"(1) No person may solicit or accept, directly or indirectly, any specimen for laboratory examination or other laboratory procedures or otherwise operate a clinical laboratory in any State unless there is in effect a license (applicable to such procedures or operations) for such laboratory issued—

"(A) in the case of any laboratory soliciting or accepting any such specimen in interstate commerce, by the Secretary; or

"(B) in the case of any laboratory located within a State which has been designated by the Secretary pursuant to subsection (o) hereof, by an appropriate officer of that State; or

"(C) in the case of any laboratory located in a State which has not been designated by the Secretary pursuant to subsection (o), by the Secretary until such date as the Secretary so designates such State.

"(2) If the Secretary, upon the recommendation of the Advisory Council, determines that a State program contains and enforces requirements relating to laboratory licensing and performance standards which are more stringent than the standards set forth in regulations issued by the Secretary under this section, a laboratory licensed under (1) (A) of this subsection (b) shall meet those additional requirements of such State program which the Secretary determines the State has appropriately imposed.

"(c) (1) LICENSES ISSUED BY THE SECRETARY.—The Secretary is authorized to issue licenses under this section applicable to all laboratory procedures or only to specified laboratory procedures or categories of laboratory procedures.

"(2) A license issued by the Secretary under this section shall be valid for a period of one year, or such shorter period as the Secretary may establish for any clinical laboratory or any class or classes thereof, and may be renewed in such manner as the Secretary may prescribe.

"(3) The Secretary may require payment of reasonable fees for the issuance and renewal of licenses, but the amount of such fee shall not exceed ——— dollars per annum.

"(d) APPLICATION REQUIREMENT.—A license shall not be issued by the Secretary in the case of any clinical laboratory unless—

"(1) the application therefor contains or is accompanied by such information as the Secretary finds necessary, and

"(2) the Secretary determines that such laboratory will be operated in accordance with the standards delineated in subsection (e) and such other standards as the Secretary (after consultation with the Advisory Council established under subsection (j)) promulgates to carry out the purposes of this section.

"(e) STANDARDS—

"(1) Standards shall be designed to assure consistent performance by the laboratories of accurate laboratory procedures and services, and shall include, among others, standards to assure—

"(A) maintenance of an internal quality control program adequate and appropriate for accuracy of the laboratory procedures and services;

"(B) maintenance of records, equipment, and facilities necessary for proper and effective operation of the laboratory;

"(C) qualifications of the director of the laboratory, and other supervisory and technical personnel, and any other personnel to the extent deemed necessary for adequate and effective operation of the laboratory with respect to the accuracy and reliability of testing performance (which qualifications shall include criteria relating to (i) the extent to which training and experience may be substituted for formal education, and (ii) evidence of continued competency); and

"(D) participation in a proficiency testing program and on-site inspection program acceptable to the Secretary.

"(2) Such other standards shall be designed to assure consistent performance by facilities limited in function to the collection, processing and transmission of materials derived from the human body, as referred to in subsection (a).

"(f) REVOCATION, SUSPENSION, OR LIMITATION.—A laboratory license issued by the Secretary may be revoked, auspended, or limited if the Secretary finds, after reasonable notice and opportunity for hearing to the owner or operator of the laboratory, that such owner or operator or any employee of the laboratory—

"(1) has been guilty of misrepresentation in obtaining a license;

"(2) has engaged or attempted to engage or represented himself as entitled to perform any laboratory procedure or category of procedures not authorized by the license;

"(3) has failed to comply with the standards with respect to laboratories and laboratory personnel prescribed by the Secretary pursuant to this section;

"(4) has failed to comply with reasonable requests of the Secretary for any information or materials, or work on materials, the Secretary deems necessary to determine the laboratory's continued eligibility for its license hereunder or continued compliance with the Secretary's standards hereunder;

"(5) has refused a request from the Secretary or any Federal officer or employee duly designated by the Secretary for permission to inspect the laboratory and its operations

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and pertinent records at any reasonable time; or

"(6) has violated or aided and abetted any violation of any provision of this section or of any rule or regulation promulgated hereunder.

"(g) Significant Hazard to Public Health.—Whenever the Secretary has reason to believe that continuation of any activity by a laboratory licensed under this section would constitute a significant hazard to the public health, he may bring suit in the district court for the district in which such laboratory is situated to enjoin continuation of such activity and upon proper showing, a temporary injunction or restraining order against continuation of such activity pending issuance of a final order under this section shall be granted without bond by such court.

"(h) Judicial Review.—(1) Any party aggrieved by any final action taken under subsection (f) of this section may at any time within 60 days after the date of such action file a petition with the United States Court of Appeals for the circuit wherein such person resides or has his principal place of business, for judicial review of such action. A copy of the petition shall forthwith be transmitted by the Clerk of the Court to the Secretary or other officer designated by him for that purpose. The Secretary thereupon shall file in the Court the record on which the action of the Secretary is based, as provided in section 2112 of title 28 of the United States Code.

"(2) If the petitioner applies to the Court for leave to adduce additional evidence, and shows to the satisfaction of the Court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the proceeding before the Secretary, the Court may order such additional evidence (and evidence in rebuttal thereof) to be taken before the Secretary and to be adduced upon the hearing in such manner and upon such terms and conditions as the Court may deem proper. The Secretary may modify his findings as to the facts, or make new findings, by reason of the additional evidence so taken, and he shall file such modified or new findings, and his recommendations, if any, for the modification or setting aside of his original action, with the return of such additional evidence.

"(3) Upon the filing of a petition referred to in paragraph (1) of this subsection, the Court shall have jurisdiction to affirm the action, or to set it aside, in whole or in part, temporarily or permanently. The findings of the Secretary as to the facts, if supported by substantial evidence, shall be conclusive.

"(4) The judgment of the Court affirming or setting aside, in whole or in part, any such action of the Secretary shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28 of the United States Code.

"(i) Office of Clinical Laboratories.—The Secretary shall establish within the Department of Health, Education, and Welfare an Office of Clinical Laboratories, the purposes of which shall be—

"(1) to centralize the regulatory functions authorized under this section and the laboratory certification and regulation functions presently administered under titles XVIII and XIX of the Social Security Act and under the Federal Food, Drug, and Cosmetic Act, and the Public Health Service Act, and

"(2) to assume responsibility for the laboratory component of other health programs administered and enforced by the Secretary.

The Office of Clinical Laboratories, after consultation with the Advisory Council established under subsection (j) shall establish, within 13 months after the date of enactment of this Act, a uniform set of testing, quality control, personnel, proficiency testing, and other necessary guidelines for clinical laboratories that will assure quality performance and otherwise serve the purposes of this section as well as the purposes of other programs within the Department of Health, Education, and Welfare. The Office of Clinical Laboratories shall report annually to the Congress through the Secretary concerning its activities under this section together with such findings and recommendations as it deems necessary.

"(j) (1) Advisory Council.—There is established in the Department of Health, Education, and Welfare an Advisory Council on Clinical Laboratories (hereinafter referred to as the 'Council'). The Council shall advise, consult with, and make recommendations to the Office of Clinical Laboratories with respect to—

"(A) the development of uniform guidelines relating to laboratory licensing and personnel and performance standards required by this title;

"(B) the implementation and administration of this title;

"(C) the implementation of standards concerning the internal operations of laboratories, including, but not exclusively, recommended methods for carrying out specified laboratory procedures, standards on laboratory kits, and standards with regard to chemical reagents; and

"(D) coordination between the different Federal and State laboratory regulatory programs, including the avoidance of duplicate enforcement. The Council may take appropriate action, if it so chooses for the purposes of revealing problems or developing its recommendations.

"(2) The Council shall be composed of individuals who, as a result of their training, experience, or attainments, are well qualified to assist in carrying out the functions of the Council. The membership shall include representatives of nationally recognized laboratory accrediting bodies, Directors of State laboratory licensing programs, and members of the public.

"(k) Grant Restrictions.—No grant or reimbursement which the Secretary is authorized to make, or contract which he is authorized to award, whether to or for any health care facility, including but not limited to health maintenance organizations, hospitals, skilled nursing or intermediate care facilities, or in connection with the procurement and reimbursement for clinical laboratory services shall be entered into unless the laboratory meets the standards established hereunder by the Secretary.

"(l) (1) Model certification for technical laboratory personnel.—The Secretary, in cooperation with apporpriate organizations, associations, and institutions, is authorized to develop a working model or a system of national (non-Federal) certification for technical laboratory personnel. Such certification system shall assure—

"(A) uniform certification standards at a level consistent with quality laboratory performance;

"(B) increased geographic and career mobility;

"(C) continued evaluation of the certification system; and

"(D) consistency with certification procedures developed in the Department of Health, Education, and Welfare.

"(2) There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this subsection.

"(m) Exemptions.—The Secretary may by regulation exempt from the provisions of this section, to such extent and upon such conditions as he may prescribe to insure the public health, any clinical laboratory owned and operated by a licensed physician or osteopath, or group of such practitioners, who perform laboratory tests or procedures, personally or through their employees, solely as an adjunct to the treatment of their own patients. Any such regulation, promulgated under the preceding sentence, shall conform to regulations dealing with such laboratories promulgated under the Social Security Act.

"(n) Coordination of Functions.—In carrying out his functions under this section, the Secretary is authorized pursuant to agreement, to utilize the services or facilities of any Federal or State or local public or private non profit agency, organization or institution. The administration of regulatory functions authorized under this section shall be under the direction of and coordinated by the Office of Clinical Laboratories. The Secretary may pay for such services in advance or by way of reimbursement, and in such installments, as he may determine.

"(o) Delegation to States.—(1) The Secretary, pursuant to subsection (b) (1) (B), may delegate his authority to issue licenses under this subsection to an appropriate health authority of each State—

"(A) which he determines has enacted a law and has adopted regulations applicable to clinical laboratories which laws and regulations meet or exceed the standards established under this section; and

"(B) which is enforcing the provisions of such laws and regulations with respect to all clinical laboratories within its jurisdiction in a manner which does not discriminate against any type or class of such laboratories.

"(2) The Secretary shall review and approve or disapprove the laws and regulations applicable to clinical laboratories of any State submitted to him and notify the Governor of such State of the results of his review within 180 days of such submission.

"(3) The Secretary shall approve the laws and regulations applicable to clinical laboratories of any State if he determines that such laws and regulations provide for licensing on the basis of standards and other regulatory requirements that impose standards of performance equal to or higher than that imposed by the requirements adopted by the Secretary pursuant to this section and if such State submits an administrative and enforcement plan which shall—

"(A) provide for the administration and enforcement within the State of such laws and regulations in a manner satisfactory to the Secretary;

"(B) designate a single agency in the State as the sole agency, for the administration and enforcement of such laws and regulations;

"(C) contain satisfactory evidence that the State agency designated in accordance with subparagraph (B) will have authority to administer and enforce such laws and regulations in an effective manner;

"(D) contain satisfactory assurances that in the case of any State which has an approved licensure program which exceeds the national standards, as determined by the Secretary under this section, such State shall provide that a laboratory shall be qualified for licensure in such State upon compliance with the additional requirements imposed by the licensure program of such State;

"(E) contain satisfactory assurances that the State coordinates inspections with other State laboratory programs and with the Federal laboratory program authorized by this section so as to avoid unnecessary duplication of enforcement expenditures.

"(F) contain satisfactory assurances that the State enters into reciprocal arrangements with other States and with the Federal government to minimize differences between laboratory programs and enforcement.

"(G) not contain any requirement for licensure to the effect that the individual applying for licensure reside in such State

for a designated period of time prior to the issuance of such license;

"(H) contain satisfactory assurances that each State shall apply any requirements of a personnel licensure or certification program equally to all individuals who apply to be licensed or certified as laboratory personnel in such State, and that each State licesure or certification program shall have only one set of licensure requirements for each class of laboratory personnel;

"(I) provide that the State agency of each State notify the Secretary of any denial of licensure to any laboratory personnel;

"(J) contain any other information which the Secretary may find necessary for purposes of evaluating the adequacy of the State's laws and regulations and of its enforcement of such laws and regulations.

"(4) Whenever the Secretary determines, after reasonable notice and opportunity for hearing to the Governor of any State, that such State no longer meets the requirements of this subsection he shall terminate the authority delegated to such State. Such termination shall not preclude subsequent redeleation to any State which subsequently meets the requirements of this subsection.

"(5) (A) With respect to each State to which authority to issue licenses has been delegated under this subsection, the Secretary shall from time to time but not less often than annually conduct a review including onsite inspection of a random sample of laboratories to determine whether such State continues to meet the requirements of this subsection. In connection with such review, the State under review shall provide the Secretary with such information as he deems necessary to conduct the review.

"(B) The results of any review conducted under this paragraph shall be reported to the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Labor and Public Welfare of the Senate.

"(p) Assistance to States For the Development and Administration of a Regulatory Program.—(1) The Secretary is authorized to provide technical assistance to any State agency designated in an administration and enforcement plan submitted pursuant to subsection (o) in developing and administering a program for the effective regulation of clinical laboratories, which assistance shall include—

"(A) assistance in planning and developing an adequate program for the regulation of clinical laboratories, including, proficiency testing;

"(B) assistance in the administration of such a program, and

"(C) assistance in training laboratory personnel (including the provision of instructional material and equipment).

"(2) (A) The Secretary is authorized to make grants to States to assist them in meeting the costs of existing programs and the development and administration of new programs for the regulation of clinical laboratories.

"(B) No grant may be made under this subsection unless an application therefor has been submitted to and approved by the Secretary. Such application shall be submitted in such form and contain such information as the Secretary may reasonably require.

"(C) The amount of any grant made under this subsection shall be determined by the Secretary, but no such grant to any State may exceed 75 percent of such State's cost of administering and enforcing its program of regulation of clinical laboratories.

"(3) No technical or financial assistance under this subsection shall be provided to any State which has not developed an approved administrative plan pursuant to subsection (o).

"(4) There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this subsection.

"(q) Inspection Authority.—(1) For purposes of enforcement of this section, officers, employees or agents designated by the Secretary upon presenting appropriate credentials to the owner, operator, or agent in charge are authorized—

"(A) to enter, at reasonable times, any clinical laboratory in any State; and

"(B) to inspect, at reasonable times and in a reasonable manner, such clinical laboratory and all pertinent equipment, materials, containers, records, files, papers, processes, controls, facilities, and all other things therein bearing on whether such clinical laboratory is being operated in compliance with this section and the regulations issued hereunder or otherwise bearing upon violation of this section.

"(2) No inspection authorized under this subsection shall extend to—

"(A) financial data,

"(B) sales data,

"(C) pricing data, and

"(D) personnel data (other than data as to qualifications of personnel performing functions subject to this section).

"(3) Upon completion of any such inspection and prior to leaving the premises, the officer, employee or agent making the inspection shall give to the owner, operator or agent in charge a report which summarizes any conditions or practices observed by him which, in his judgment, indicate a violation of this section. He shall also prepare a written report of his findings and send it to such owner, operator or agent within a reasonable time.

"(4) No officer, employee or agent designated by the Secretary to enter a laboratory and conduct and inspection pursuant to this subsection shall be required to obtain a search warrant from any judicial officer prior to entering any laboratory and conducting any inspection which is within the scope of this subsection.

"(r) Violations and Penalties.—Any person who willfully violates any provision of this section or any rule or regulation promulgated thereunder shall be guilty of a misdemeanor and shall, upon conviction thereof, be subject to imprisonment for not more than 1 year, or a fine of not more than $1,000, or both.

Exhibit 1

Faulty Analyses Can Cause Death: How Accurate Are Medical Lab Tests?

(By Randy Young and Joan Whitlow)

The rapidly-growing science of clinical laboratory medicine is at times practiced in New Jersey by inept, inexperienced and unscrupulous operators who deliver with startling frequency faulty analyses that have resulted in numerous cases of improper medical treatment as well as patients' deaths.

The state's network of 325 registered laboratories—193 independent commercial labs, the remainder located within hospitals—is exposed to a patchwork collection of controls and regulations that provides no single government agency with the power to insure that lab facilities and their personnel are providing the public with quality medical service.

In many cases, there is a complete absence of controls.

Other than laboratory directors, for example, personnel from supervisors on down are unlicensed and unregulated by the state. And while commercial labs participating in the federal Medicare program must submit to state inspections and performance testing, there is no mandatory surveillance effort for all laboratories.

According to Dr. Martin Goldfield, assistant state health commissioner for laboratories and epidemiology, there are between 30 and 40 facilities qualifying as clinical laboratories that have never opened their doors to government inspectors.

When inspection teams do make their rounds, they sometimes find the conditions appalling.

Dirty and broken laboratory equipment soaking in filthy, soapy water; use of reagents outdated since the early 1960; premises strewn with unlabelled vials and specimens, making proper identification next to impossible; inability on the part of lab workers to make the most elementary clinical determinations . . . these are some of the recurring abuses cited in health department inspection reports on several commercial laboratories reviewed by The Star-Ledger.

"Coin-tossing would very likely produce safer bacteriology reports," declared one recent write-up on a north Jersey lab whose director subsequently had his license suspended by the state.

As part of its study, The Star-Ledger ran its own independent test of 20 randomly-selected hospital and commercial labs in a six-county area (Essex, Bergen, Union, Middlesex, Monmouth and Ocean). Each lab was asked to perform a battery of four common and basic determinations (sodium, potassium, uric acid and blood urea nitrogen) on identical samples provided to The Star-Ledger by the State Department of Health.

In no instance did the laboratory know it was being tested.

Of the 17 labs from which results were received and subsequently analyzed by the state, nine recorded results within acceptable range for all four tests. Five laboratories had unacceptable or marginal results for one of the analyses, while the remaining three labs reported in each case multiple errors.

The deviation from the true value permitted by the state before a determination would be labelled "unacceptable" varied between five percent for the sodium and 15 per cent for the uric acid and blood urea nitrogen tests. These are the same acceptability standards applied by the state in its own proficiency testing program and are described by officials as most generous.

All told, the 17 laboratories registered unacceptable or marginal results 22 percent of the time.

Interestingly, the one laboratory which reported gross errors on all four tests was the most expensive commercial facility, charging $35 compared to $24 as the average for the entire group.

Overall, the combined price for the same four tests ranged from $10.50 charged by a north Jersey commercial lab to $45 billed by a north Jersey hospital.

Even more graphically, the health department's own proficiency testing program shows all categories of labs—hospitals, doctor-directed independent and non-doctor-directed independent—doing pitifully bad when asked to analyze performance samples sent to them periodically by the state.

While direct comparisons between categories are hard to make since different numbers of labs in each group participated, the results show:

When asked to test for drugs of abuse, hospitals reported—satisfactory results only 52 per cent of the time, non-doctor-directed labs recorded satisfactory results 65 per cent of the time, and doctor-directed labs reported satisfactory results 71 per cent of the time.

The tests, which began last December, have included 13 hospitals, and 14 independent labs. All laboratories routinely doing such testing were asked to participate, although state officials suspect some labs have continued to stay under cover.

In the field of clinical chemistry, only 52 per cent of 225 hospital and independent labs tested over the period 1964 to 1973 registered acceptable performance (meaning their re-

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sults were within the acceptable range 75 per cent of the time or better).

In the field of bacteriology, only 47 per cent of 115 participating hospital labs recorded acceptable results during the testing period 1968 through 1973. In the case of 44 participating doctor-directed labs, only 26 per cent achieved acceptable results, while 33 per cent of the non-doctor-directed labs were found acceptable.

What makes these figures even more dismaying to experts in the field is the fact laboratories will often assign their most competent personnel to handle the proficiency samples since they know they are being tested. Some laboratories are even suspected of sending the testing samples to outside, better equipped laboratories for analysis and yet still passing off the findings as their own.

The tests themselves are based on common and simple determinations. Even so, there has been no significant improvement in laboratory quality over the years as evidenced by the findings of the proficiency testing program.

"A very significant percentage of lab work anywhere will lead to misleading results," stated Goldfield, "It is not a question of the good guys and the bad guys, but rather the fact that laboratories have grown tremendously in New Jersey without adequate growth of training, educational and regulatory mechanisms."

To be sure, many Jersey laboratories, particularly the larger ones which come under the strict arm of the federal government, if they handle interstate trade, maintain responsible operations with competent personnel.

But at its worst, Goldfield emphasized, shoddy laboratory work anywhere can "result in a direct threat to life and can lead to grossly distorted medical care."

The following cases were described by state health officials.

A north Jersey hospital lab diagnosed a disease that killed six newborn infants as caused by a bacteria known as pseudomembramous enterocolitis. The symptoms in the six fatal cases, however, differed from those normally associated with the bacteria.

An investigation by the Department of Health revealed that a disease totally unrecognized by the hospital lab was sweeping the facility. Some babies born at the hospital were taken home, became ill, and then taken to other hospitals where the disease also spread.

The reason the original hospital lab failed to identify the real disease was because its media had become contaminated with the pseudomonas organisms and thus all specimens brought into the lab were showing up with the bacteria. Consequently, newborns were given an improper form of treatment that had no effect on their actual disease.

Before the outbreak was finally brought under control with the proper treatment, 20 babies had lost their lives.

Health department officials said contamination of the lab's media could be traced directly to ineptness on the part of personnel.

Another lab ran a urine test for drug abuse on a young man and reported to the local police that he had been using barbiturates. Word spread and the man was soon tagged as a drug addict. His father, however, remained adamant that his son was not using drugs, and to prove it sent a sample of his own urine to the same lab.

The lab reported back that the father too was using drugs. In both cases, the reports were subsequently proven false.

In addition, some labs that have been labeled wretchedly bad by the health department have continued to receive Medicare recertification by the federal Social Security Administration which administers the health insurance program. In some instances, these labs have received Medicare's top rating.

"I don't see how some of these laboratories get licensed and then get recertified (for Medicare)", remarked Boniface Damiero, chief of Medicaid's bureau of medical care surveillance, who has seen firsthand some of Jersey's labs. "I just don't see how they could pass inspection and stay in business."

For their part, clinical laboratories in Jersey range from a small number of large, highly-sophisticated operations performing complex tests for private physicians, hospitals and other labs, to cramped one-or-two man enterprises working out of basements and even garages of private homes.

Personnel range from pathologists and clinical chemists with years of laboratory experience to technicians or lab assistants just breaking into the field. Several individuals without high school degrees or chemistry backgrounds are still functioning as laboratory directors thanks to a "grandfather clause" written into the 1953 lab director's licensing act permitting the heads of labs at the time to retain their status regardless of their educational histories.

If the standards applied to hospital and independent laboratories are minimal, they are non-existent for the literally thousands of small lab workshops situated inside the private offices of physicians to serve their individual patients. It is here that experts in the laboratory field claim some of the most dubious clinical medicine is practiced.

"You can imagine what kind of results you're getting when the person performing the work is usually a nurse or office assistant totally untrained in lab medicine," commented one observer.

For the most part, physicians confine themselves to simple analyses such as urines and blood sugars, referring the rest to outside facilities.

The best regulated lab facilities in Jersey are the handful engaging in interstate trade. These facilities must meet the rigid standards of the federal government's Center for Disease Control (CDC) headquartered in Atlanta, Georgia. The standards include unannounced on-site inspections (which sometimes last two days), a comprehensive proficiency testing program, maintenance of safety codes and licensing of personnel.

Under a new federal ruling slated to take effect in several weeks, all commercial labs nationwide accepting Medicare business will be required to meet the CDC standards. Some authorities are doubtful of its impact, however, since labs that know they cannot meet the standards may simply drop out of the Medicare program, as some have already done. Since Medicare trade is crucial to the survival of many labs, some of the smaller commercial enterprises may ultimately fold completely.

Hospital labs will remain unaffected by the new federal ruling. Medicare currently accepts certification by the Joint Commission on Hospital Accreditation in lieu of its own certification process. Some hospitals participate voluntarily in performance testing and inspection programs run by the state and national and local professional societies such as the College of American Pathologists and the New Jersey Society of Pathologists.

There is presently no mandatory state inspection or performance testing program for hospital laboratories in Jersey.

Indeed many authorities in the clinical laboratory field maintain it is the maze of voluntary programs and the decided lack of mandatory ones that has wrought such havoc with effective laboratory enforcement.

"Voluntary programs always fail because the most highly trained individuals, those most committed to quality, tend to most actively participate in all voluntary programs," noted one authority. "It's the poor performers who stay away."

What is needed, according to reformists, is a mandatory effort embracing licensure of laboratory personnel, unannounced inspections of lab facilities, and required participation in a comprehensive program of performance testing. To be effective, it is felt this venture should apply to hospital and independent labs without exception, and that it should be administered by a single government agency with adequate resources to do the job.

The State Department of Health has drafted legislation which would attempt to upgrade clinical laboratories through a strict facility licensure and monitoring program. Among other things, the bill would grant the department power to summarily suspend the license of a laboratory which it feels "poses an imminent threat to the public health, safety or welfare . . ."

Officials say the program would prevent laboratories from performing tests which they have neither the competence nor resources to do. Where a lab has demonstrated a weakness in a particular area, the health department's program would require attendance by lab workers at regular workshop sessions held by the state.

Many of the lab practitioners themselves strongly endorse a revamped system of regulating their facilities, providing it applies uniformly to all hospital and commercial labs.

Most strongly in favor of a tough enforcement code seems to be the heads of the larger interstate labs who must already meet the guidelines of the Center for Disease Control. The smaller labs are the ones that stand to be most seriously affected by any rigid enforcement program.

Some lab chiefs would carry the state's plan even further by applying it to laborato * * * vidual physicians—regardless of their size.

"In order to have a thorough program, you must include those places where the public needs protection the most—inside the doctors' offices," insisted Bernard Kaplan, president of Diagnostic Sciences, which maintains a chain of ten labs in Jersey.

Other states have acted within the past few years to strengthen their laboratory codes. New York, California and Maryland are rated as especially strong. New York's law provides for licensing of lab personnel at a variety of levels.

Pennsylvania enacted in June a clinical laboratory improvement act which provides for licensing of directors, supervisors and technologists. It also holds that failure of a laboratory to satisfactorily perform on a proficiency test can result in revocation of its approval to offer to the public tests in the same area.

The State Board of Medical Examiners, which registers labs and licenses their directors on the basis of charges brought by inspectors from the State Department of Health. Moreover, the state's Medicaid program (which deals only with Medicare certified labs) recently severed all ties with five other labs after uncovering several irregularities, including the practice of sending Medicaid work to out-of-state labs after certifying they would do the work on their own premises.

Among the laboratories dropped was a Paterson facility which last year recorded the largest volume of Medicaid business of any lab in the state.

The slipshod nature of Jersey's laboratory laws gives rise to several irregularities of their own.

It is possible, for example, for a laboratory to lose its Medicare-Medicaid certification in one or more specialty fields due to atrocious performance, yet still continue to legally

serve the general public in those same fields. And since Medicare-Medicaid certified labs are required to undergo state inspections and proficiency testing, some labs have shielded themselves from any government supervision by voluntarily dropping out of the Medicare-Medicaid programs.

In like manner, it is possible for a laboratory to lose its state certification to perform prenatal and premarital syphilis testing—again due to poor workmanship—and still be legally entitled to perform diagnostic syphilis testing for anyone who is not involved in a prenatal or premarital exam.

It is also possible for a laboratory director to have his license suspended or revoked by the State Board of Medical Examiners and yet still continue to perform as a laboratory supervisor inside the same lab facility doing basically the same work as before. All he need do is hire a new director whose presence may be required for as little as two hours per day.

The Department of Health brought charges against a North Jersey lab director late last year, excoriating him as a menace to the public's health based on findings of several inspection tours of his lab. A summary report by the department carried the stern warning that the director "should never again be allowed to hold a director's license."

Based on this data, the Board of Medical Examiners lifted the director's license in December of last year. But at the same time it ruled that the director could continue to be employed by the same facility provided it was operated by a "responsible" licensed director. The Board further ruled that it could fully reinstate the license of the director after six months if it was satisfied with his performance.

Board Hampered by Limited Enforcement Powers—State Study Uncovers Dirty, Obsolete Medical Labs

(By Randy Young and Joan Whitlow)

Some New Jersey laboratories operate under the most squalid and primitive of conditions and pose a clear-cut threat to the public's health.

That is the picture that emerges from a review of laboratory inspection reports on file with the State Board of Medical Examiners and the State Department of Health in Trenton.

"This lab is tiny, cluttered, unbelievably disorganized and absolutely filthy," stated the inspector's report on Clinipath Laboratory in Westfield, whose director voluntarily surrendered his license in January after the state board had initiated suspension proceedings against him. This action was taken on the basis of findings of examiners from the health department's division of laboratories and epidemiology.

While limited enforcement powers have resulted in the suspension of five licenses of laboratory directors by the board, there are approximately 15 more who would be put out of business if the state had unbridled authority to act against shoddy laboratories, according to Dr. Martin Goldfield, assistant health commissioner for laboratories and epidemiology.

In most cases, said Goldfield, these laboratories are small commercial facilities employing but a handful of workers.

At the same time, he feels that well over half of the state's 325 independent and hospital labs are in need of improvements.

Yet, even the suspension of a director's license is no guarantee he will no longer ply his trade. Since laboratory personnel other than directors are unregulated by the state, several individuals, after losing their director's credentials, have continued performing in the same or other laboratories under fresh titles and under the supervision of new directors.

Moreover, suspended directors are usually free to take the laboratory director's examination given by the Board of Medical Examiners as an important step in regaining their licenses.

The former director of a Bergen County laboratory had his license lifted by the board in December of last year on the basis of charges brought by the State Department of Health. Inspection reports, based on several visits in 1973 by more than one examiner, were devastatingly bad.

"Lab is unbelievably tiny, cluttered and dirty, and fumes from concentrated acids are overpowering," stated a summary report prepared in November of last year. "Blood samples are drawn in the lab, but there are absolutely no facilities to do this hygenically or comfortably."

As for the lab's director, state inspectors charged him with "accepting fees without giving any receipts or making any record of the transaction." They also found that he was incapable of making some of the most basic clinical determinations.

On the basis of the director's participation in the state's proficiency testing program, the inspectors concluded that his record of chemistry analyses "suggests patients have a 50–50 chance of receiving a reasonably accurate analytical result." the monitoring team noted his hematology testing record was somewhat better: "Only one patient in three need fear that an erroneous report will be sent to his doctor.

"Patients with infections are probably the most victimized because the lab's bacteriology proficiency record indicates they are likely either to be treated for organisms they do not harbor or remain untreated for pathogens that are, in fact, in their systems.

"Thus, not only will patients be endangered, but their families and anyone they come even indirectly in contact with may be similarly threatened."

The report stressed that the Bergen lab was no small operation and probably performed $1,000 worth of tests per day. In addition, its director did not confine himself to routine testing, but undertook "many of the most difficult assays that are usually only attempted in a few of the largest, best equipped labs in the state," according to the report.

In conclusion, the Health Department urged that the laboratory be closed down completely, and that "most important of all," its director "should never again be allowed to hold a director's license."

Based on this evidence, the Board of Medical Examiners instituted proceedings against the lab chief late last year, culminating in suspension of his license. The Board ruled, however, that he could continue to be employed by the same laboratory provided the facilities was operated under the "responsible" supervision of another licensed director whose control could consist of not less than two hours of personal guidance daily.

The Board further ruled that it could fully reinstate the license of the suspended director after June 1, 1974, if it was satisfied the lab "may be operated with safety to the public and the clients it serves."

Meanwhile, a fully licensed lab director notified the state in April that he was assuming the directorship of the Bergen facility and that the suspended director would be his supervisor. "I will personally supervise the lab at least two hours a day to insure complete compliance with all the laboratory regulations," wrote the new director.

Prior to this, the Board had levied a $500 fine against the suspended director on charges he continued performing as a lab head and signed lab reports while his license was under suspension.

In June, the newly turned supervisor wrote to the Board requesting restoration of his director's license. While it was denied at a formal meeting of the board soon afterwards, he was informed by the Board that he could apply for an application to take the lab director's examination to be given in December as a prelude to restoring his license.

Another suspended director who continued his lab chores is the former head of a Newark-based commercial facility.

Among the conditions described in an inspection report based on four tours of the now-defunct lab in 1973 were "unbelievable filth," dirty pipettes (instruments used to measure fluids) stored on a piece of dirty gauze, use of reagents outdated since the early 1960s, lack of quality control procedures "even in their most primitive form," and incorrect performance of throat cultures.

To correct all the glaring abuses cited in the report, claimed inspectors, "would, in effect, amount to setting up a laboratory from scratch."

The director's license was suspended by the Board last November on the basis of health department charges, although he was still permitted to work under any "responsible" director approved by the Board and would be eligible for reinstatement of his license once the Board was satisfied with his performance.

In March, the Board approved a request by the one-time director to work as a technician under a new lab chief in a Union County commercial laboratory. In May, its director petitioned the Board to restore his technician's license. The Board subsequently ruled to restore the license contingent on his successfully passing the bioanalytical director's examination.

In another case, the Board voted overwhelmingly in August to revoke the director's credentials of the head of a Morris County laboratory. Stated an inspector's report on his facility:

"This lab must be one of the worst in the state. It is so unbelievably bad it begs description; the lab is filthy and so tiny and cluttered that (the director) had to spend ten minutes clearing enough space to make analysis of my specimen physically possible."

The lab was reportedly left unlocked and untended with "syringes and needles visible and there for the taking." During the course of one visit, an inspector observed the director use his finger to cover the test tube while inverting it to mix reagents with a sample.

His proficiency testing record showed only 45 acceptable analytical results out of a total of 81 for which he was tested. The director claimed, according to the report, that he referred many bacteriological and chemistry analyses to another lab whose director was a friend of his. Further checking uncovered the fact this referral lab was itself responsible for a 40 per cent unacceptable rate on its analyses of proficiency samples and had been marked 'unsatisfactory' for Medicare participation in 1971 and again in 1973.

"Unlike the directors of many of Jersey's worst clinical laboratories," claimed the health department report, the director of the Morris County facility did not appear to be losing business. "On the contrary, he claims he is moving shortly to new premises in which he intends to do 'as many different clinical chemistry procedures as possible'."

Following the revocation of the director's license, his attorney wrote to the state inquiring if his client could obtain registration as a lab technician. The state apprised the attorney that there was nothing to stop him from serving in that capacity since there is no certification of lab personnel in Jersey, except for directors.

A further case saw the Board accept in January the voluntary surrender of the director's credentials of the head of an Ocean County commercial laboratory. It ordered him not to reapply for a director's certificate for at least six months.

Inspectors found the director operating

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out of a laboratory in a garage without a sink and without proper electrical wiring. Examiners found no test tubes on the premises. And since there was no way to dry glassware, the director spent almost ten minutes in front of one inspector trying to dry his wet cuvette with Q-tips.

The inspection team charged that the director's laboratory records, "such as they were," couldn't be deciphered—even by the director himself. "We spent, without any success, almost an hour together trying to relate apparent optical density readings to patients' names," recalled the inspector.

Moreover, the state found records of throat cultures processed in the laboratory, although the director, in refusing proficiency testing of respiratory specimens, claimed he never attempted such cultures. Also found in the process of being completed were slips requesting Medicare reimbursement, although the lab was not certified to perform Medicare work.

The report found the "most frightening aspect" of this case the fact the lab's director "is a young man and therefore presumably has no intention of retiring but, on the contrary, might be expected to try to expand his operation."

As part of its study. The Star-Ledger also reviewed confidential Health Department files on several labs cited for severe deficiencies but against which no administrative action has been taken.

One South Jersey facility was performing so poorly on syphilis serology proficiency tests that its director was asked to attend training sessions at the state health department's laboratory in Trenton. At these workshops, according to the file, the director "was unable to follow what was being taught. In short, we feel that (the director), far from being qualified to direct a clinical laboratory, is incapable of functioning as a bench technician (the lowest level of lab worker)."

Inspection of a north Jersey private laboratory produced findings of "pipettes so discolored and/or etched that it is impossible to tell whether they are dirty or clean, and many have broken tips, laboratory glassware is routinely washed in a dishwasher and usually receives no final distilled water rinse before being used."

Inspectors also found improperly sterilized equipment, and told of an "unbelievably sloppy technique" employed by the director on chemistry analyses.

DEATHS REPORTED FROM OVERSIGHTS: SLIPSHOD LABS RISK LIVES WITH FAULTY TESTS

(By Randy Young and Joan Whitlow)

Careless clinical laboratory work performed in some Jersey facilities has been directly responsible for countless cases of improper medical treatment—at times resulting in needless deaths.

Because of the lax regulatory system governing labs in the state, no one knows for sure how many facilities are performing in a manner dangerous to the public's health or how many cases of faculty diagnoses have ended in tragedy.

Officials from the state health department's division of laboratories and epidemiology recounted, however, several cases which vividly illustrate the severity of the problem.

One case involved a private laboratory which did a blood study for a pregnant woman and failed to recognize that she had an Rh blood factor which could react with the blood of her child and cause the baby's death.

Fortunately, the hospital where the baby was delivered ran another blood test, recognized the problem in time, and took the necessary steps to prepare for the birth of an Rh infant. The child's life was saved.

The next set of parents were not as lucky. The same private lab performed a blood study on another pregnant woman and again missed the Rh factor. This time, the mistake was not picked up by the hospital lab, and no preparations were made for the birth of an Rh baby.

The infant died shortly after birth.

State officials say there have been cases of faulty Rh analyses from a variety of other labs.

Another unrelated case centers on an infant rushed to a hospital in convulsions. The hospital lab ran a blood test and reported the baby had a very high blood sugar level. As a result, the infant was given a dose of insulin in efforts to restore it to normal.

But instead of improving, the child went into severe convulsions and had to be taken to an out-of-state specialty hospital where it was found the baby's blood suger level was down to zero. As a result of this total depletion, the child's brain was permanently destroyed.

The baby died soon afterwards.

An investigation by the state revealed that the child had originally suffered nothing more than mild convulsions associated with fever, not an uncommon occurrence in young children. It was the dose of insulin that directly led to the child's death, according to investigators.

In another case, a south Jersey hospital ran lab tests on several people who became extremely ill following a church supper, and failed in each case to recognize the true source of their illness—typhoid. Several other persons, stricken during the same outbreak, were admitted to another hospital which referred the specimens to the health department's laboratory in Trenton.

The specimens were finally correctly identified and the patients given proper treatment. Twenty-four cases of typoid were finally identified.

At the same time, there are instances where labs have managed to find disease causing organisms present in specimens when independent testing showed there really were none.

A central Jersey lab, for example, was reporting a high number of instances of patients infected with a fairly rare intestinal parasite. The lab insisted there was an outbreak of this parasitic disease, and as a result a number of patients were treated with medications which were very potent and potentially toxic.

Finally, there was an outbreak of an illness at a nearby college, and the first specimens for testing were sent to this same lab. Again, the lab reported finding the intestinal parasite.

The state finally intervened and took some of the specimens to its own lab for analysis. It showed no evidence of the parasite the lab claimed to have found. Instead, the private lab had completely missed the presence of a common bacteria (Salmonella) that had been spread through improper handling of food.

Meanwhile, scores of people had received the improper form of treatment.

While the performance of hospital laboratories is often regarded as superior to that of commercial establishments, a mistake made at a hospital facility is often more dramatic and more tragic since it is dealing with very sick people whose lives may depend on the results of a correct laboratory determination.

Even hospitals with good performance during the day, can drop to dangerously substandard levels during the nights and on weekends when the regular staff is not on duty.

Such was the case when an outbreak of St. Louis encephalitis occurred in South Jersey. Hospitals in the area were doing hundreds of spinal fluid exams over one particular weekend. The results, however, were so grossly inaccurate that the state health department asked doctors not to take any further samples until the regular lab crews returned to duty.

The Department of Health itself feels that many cases of erroneously reported results are caused by ineptness on the part of laboratory personnel, rather than any dishonesty.

The state says it has uncovered, though, several probable instances in which labs have been "sink testing" certain specimens, which means discarding them (usually pouring them down the sink) without really performing the analyses called for. Fictitious results are then reported.

Health department officials also have grave doubts about the quality of lab medicine practiced in the offices of private physicians, where a nurse, receptionist or clerk totally unschooled in laboratory techniques may attempt to perform procedures.

WIDE GAP FOUND IN PRICES FOR THE SAME LAB TESTS

(By Randy Young and Joan Whitlow)

New Jersey's clinical laboratory system lacks any standardization of pricing, with cost variations of 400 per cent and more not uncommon on identical tests run in different facilities.

What's more, the usual practice in Jersey is for doctors to ask the laboratories to bill them directly for services rendered for their patients. The doctor will then increase the charges—sometimes significantly—and in turn bill the patient.

A recent battery of identical laboratory tests run by The Star-Ledger at 17 different facilities—nine hospital outpatient and eight commercial—showed prices ranging from $10.50 at a large north Jersey commercial lab to $45 at one urban area hospital. The tests included sodium, potassium, uric acid and blood urea nitrogen analysis.

Costs within the hospital group varied from $17 to $45. Within the commercial category, the range was $10.50 up to $35, the latter charged by one central Jersey lab located in the basement of a private home.

The average cost for the hospital group was slightly higher than for the commercial: $26.70 for the hospital labs, and $24.18 for the commercials.

Another survey showed the price of a 12-test chemistry profile ranging from $8.50 at a large north Jersey lab to $35 at a north Jersey hospital. The price of a throat culture varied from $4 at a large commercial lab to $15 at a smaller one.

MANY DOCTORS ARE UNAWARE OF "TRUTH-IN-BILLING"

One sizeable Jersey lab bills the patient directly $15 for a panel of tests consisting of a 25-test chemistry profile, a complete blood cell count, protein-bound iodine test, and a serologic test for syphilis. Many smaller labs are known to charge between three and six times that amount.

The differences in costs can often be traced to automation. The larger, more mechanized labs are able to perform analysis much cheaper than the smaller facilities which must work manually. Hospital labs are often more expensive than private facilities since the laboratory there is expected to help underwrite the costs of other hospital departments which are not nearly as profitable.

Some of the smaller labs will send out certain tests to other, better equipped laboratories. The bill is then typically hiked when it gets back to the original lab, and upped still more by the doctor before it is remitted to the patient.

The head of one private laboratory says he bills a physician $1.65 for a blood sugar analysis. The same lab would bill the patient directly $2.50 for the blood sugar. But almost no physician in Jersey, he added, will charge a patient less than $5 for a blood sugar, whether it is performed inside his office or at an outside lab.

New Jersey has attempted to prevent doctors from overcharging their patients for work performed in clinical laboratories by requiring, under the terms of a nine-month-old law, a complete disclosure of laboratory costs. But according to knowledgable sources in the field, the law has had negligible impact.

Formally entitled the "truth-in-billing" act, the statute requires physicians to inform their patients, or third-party payers such as Medicare and Blue Shield, how much they, the physicians, were charged by the laboratory for performing specific work. It also obliges doctors to disclose the name and address of the laboratory.

While the law itself does not prohibit laboratory mark-ups by doctors, the theory behind it is that doctors will be reticent about excessive charging if their patients know precisely how much the lab work was worth.

But information from authorities in the field indicates that no more than a small percentage of doctors is fully in compliance.

"Very few doctors in Jersey are adhering to the law," commented the president of a large private laboratory, "and those who are take the simplistic view of telling the labs, 'I won't bill the patient, you do it.' "

Stated the director of another north Jersey lab: "I haven't heard of one doctor who's following it. The public doesn't even know about it. If it did, people would start demanding receipts."

One prominent Mercer County physician told The Star-Ledger the only time he notifies his patients of the actual lab costs is when that information is requested by the patient. The doctor said he tacks on a nominal $1 fee to the real lab costs to cover his own professional services.

The medical profession itself feels that vast numbers of doctors are totally unaware of the truth-in-billing edict, but that those who do know about it are in substantial compliance.

"I think there's a legitimate question if one-half of the doctors know it exists," contended Vincent A. Maressa, executive director of the New Jersey Medical Society. "But I feel those who know about it are following it."

Maressa claims the burden should be on state government to fully inform the medical profession of the law's existence. "You can't expect doctors to sit down and read the New Jersey statutes," he said.

The Society has traditionally regarded laboratory markups—meaning those charges beyond a reasonable remuneration to the doctor for drawing the specimen and interpreting the lab results—an unethical practice. While according to most authoritative accounts the number of doctors who exploit the public through profiteering on lab bills is not large, it is still not uncommon for a doctor to take a $5 lab fee and hike it to $10 $15 or even $20.

Assemblyman Carl Orechio (R-Essex), sponsor of the truth-in-billing act, said he had evidence of doctors charging $60 for $12 lab bills. "To some degree, it's still going on," he added.

One byproduct of the truth-in-billing law, according to Dr. Edwin Albano, chairman of the State Board of Medical Examiners, has been for doctors in increasing numbers to perform lab work inside their own offices. Since the services of an outside lab are not employed, truth-in-billing does not apply, and doctors are free to bill the patient directly whatever they wish.

Albano emphasized that the public is largely unaware of the law's provisions.

Beyond this, many claim it is impossible to effectively enforce truth-in-billing since it would require monitoring the offices of 11,000 physicians throughout the state.

"Who's going to enforce it?" asked Maressa. "The law creates a criminal act, yet the State Board of Medical Examiners doesn't have criminal law jurisdiction. You could leave it up to the county prosecutors, but I don't think even they know it exists. And even if they did, they have a lot more pressing concerns."

Orechio expressed uncertainty over the law's impact to date, but claimed, "It cannot hurt. The mere fact the patient has recourse to legal action is psychologically helpful."

One lab director said it would be helpful if doctors were required to post large signs inside their offices informing patients that they are required by law to disclose the name and address of the laboratory used and the charges involved.

An official for New Jersey Blue Shield, the medical-surgical plan which covers limited laboratory expenses for some three million members under Rider J, said the plan sent out a newsletter earlier this year to 12,000 people in the medical field spelling out the new truth-in-billing law. It was further covered at seminars held in hospitals throughout the state.

Through a review of doctors' claims forms submitted to the plan for laboratory expenses, Blue Shield found that most doctors were billing properly, according to John Gould, vice president of finance for the medical-surgical plan. He said this meant that doctors "for the most part" were billing the plan the same charges they were billed by the laboratories.

He noted, however, that Blue Shield has requested that all participating laboratories (about 80 per cent of the nearly 200 commercial labs in the state) bill the plan directly, resulting in limited contact between Blue Shield and doctors in the area of lab charges.

Some critics find an inherent flaw in the fact truth-in-billing does not impose an absolute ban on lab mark-ups by doctors, but seeks to achieve that end through the roundabout method of disclosure. A more sensible device, say reformists, would be institution of direct patient billing by the laboratories, eliminating the doctor altogether as middleman.

While it is conceded laboratory costs would undoubtedly rise under such a scheme, since the labs would be given an extra administrative responsibility, proponents of direct patient billing claim the rise would be far less than the cost of a laboratory test paid directly by the patient to the physician.

Orechio has introduced legislation providing for direct patient billing by labs and appears to favor it over truth-in-billing. But the bill has languished in committee, and Orechio holds little hope for its release.

Meanwhile, New York has been using direct patient billing since May of 1970. According to Albano, the Jersey Board of Medical Examiners took the New York program under "serious review," but concluded it would not be "feasible or practical" in this state.

Albano claimed such a method would pose a "hardship" on the labs and would result in escalating laboratory costs to the public. Labs, he said, would likely be saddled with delinquent bills from the public (a problem they rarely have with physicians), pushing lab rates even higher.

William J. Jones, Jersey's Medicaid director, said laboratories are presently hiking the bills they submit for Medicaid reimbursement about 50 per cent above what they charge physicians for the identical tests. Jones objected to the practice, claiming "laboratories should charge patients the same as they charge the doctors. If a test is worth $5, the patient certainly shouldn't be billed $10."

Medicaid has adopted Blue Shield's "500 policy" rate schedule for reimbursement purposes and will pay no more than the ceilings set by Blue Shield for specific procedures.

LICENSING LABS: STATE HOPES BILL WILL BRING UNIFORMITY, SAFETY

(By Randy Young and Joan Whitlow)

New Jersey's clinical laboratories would be subjected for the first time to a tough program of licensing based on their ability to perform efficiently under the terms of a proposal drafted by the State Department of Health.

The plan—entitled the New Jersey Laboratory Improvement Act—would apply uniformly to the state's 325 hospital and independent labs and would replace the patchwork collection of rules and regulations that have done little over the years to improve the quality of Jersey laboratories.

Past efforts at laboratory reform have made virtually no headway in the Jersey Legislature despite the importance attached to them by the past two administrations in Trenton. Meanwhile, other states like New York, Pennsylvania, Maryland and Connecticut have taken giant strides in the field by adopting strict surveillance programs.

New Jersey Health Commissioner Dr. Joanne Finley regards the proposed improvement act as essential to insure the safety of the public and generally upgrade the standards of the lab industry.

Dr. Edwin Albano, chairman of the State Board of Medical Examiners, has also endorsed the proposal and would carry it one step further by applying it to lab facilities located inside the office of private physicians. "They should be compelled to participate to see if they're putting out quality work," said Albano. "It would be for the patient's benefit."

As conceived by the Department of Health, the laboratory improvement act would accomplish the following:

Establish a laboratory evaluation program based on proficiency testing (sending labs test samples for analyses) as well as unannounced on-site inspections for the purpose of evaluating the supervision, records, procedures and general operation of the lab "to determine their effect upon the health and safety of the people of this state."

Prevent labs from performing analyses in those areas where they are incompetent. In addition, the act grants the health commissioner the power to summarily suspend without a hearing the license of a lab which he or she feels "poses an imminent threat to the public health, safety or welfare," and may order immediate corrective action as a requisite to restoration of the license.

Machinery would exist for a licensee who contests the summary suspension to be granted a hearing within 48 hours, although the lab would still remain closed during that interval.

Develop appropriate consultation and training activities for the purpose of improving those laboratories which fail to meet acceptable standards.

Require the licensing of all hospital and independent labs as well as any lab facility serving four or more private doctors. Each facility would require a license, even if separate ones have a common owner.

Assistant State Health Commissioner Dr. Martin Goldfield, one of the prime architects of the improvement proposal, claims that up to 15 laboratories in the state—most of them small commercial facilities—would be put out of business if a stringent lab enforcement law was enacted.

But he explained, "The purpose of the act

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is not to put labs out of business. Rather its goal is to require the upgrading of the quality of laboratory tests and to stop labs from offering to perform tests which they have neither the competence nor resources to perform."

Goldfield feels that the threat of lab closure and fines for violators will serve as important levers in compelling laboratories to undergo proper education and training to improve their performance.

The Department of Health presently sponsors laboratory workshops and seminars as a means of providing lab personnel with information on updated techniques, quality control procedures and a host of related matters. But according to Goldfield, these sessions are attended most consistently by those people from the best performing labs.

"The worse the performance of the lab, the less interested the lab is in improving its performance," he asserted.

While Goldfield insisted that ineptness is the greatest contributing factor to poor lab work, some facilities engage in far more reprehensible activities. For example, Goldfield said the state has uncovered several probable instances in which labs have been "sink testing," which means discarding the specimens (pouring them down the sink) without really testing them, and then fabricating results.

In addition, Goldfield said he had knowledge of some labs sending out the proficiency testing samples mailed them by the state to other labs for analysis. One South Jersey lab, he said, is directed by a doctor who in the past has put his secretary's name on the testing vials and had them analyzed at a local hospital.

"Apparently he doesn't trust his own lab to perform unknowns (proficiency samples), although he trusts it to perform on patients," the assistant commissioner observed.

Goldfield's answer to this practice is a system whereby some proficiency testing would be carried out through samples hand-delivered to the labs by state inspectors.

Goldfield further feels the lab improvement plan would strike at the current practice whereby some medical technologists employed at a hospital or commercial lab will "moonlight" at night by reading Pap smear slides for doctors. These are the tests used to diagnose cervical cancer and each slide should ideally receive a certain amount of time for scrutiny by the examiner. If they reveal irregularities, the proper procedure is for someone with more expertise to review them.

But Goldfield said that some moonlighting technologists are operating assembly-line style, performing the work for several doctors and in such volume that it is not humanly possible for them to devote the proper amount of time to each slide. And because they are moonlighting, there is no supervisory personnel on hand to provide the additional expertise that might be required.

The provision in the lab improvement act granting the state jurisdiction over any operation serving four or more doctors would at once take many of these moonlighters under the regulatory arm of the Department of Health, according to Goldfield.

While laboratories themselves would be subject to licensure under the health department plan, no mention is made of accrediting personnel. Other states like New York and Pennsylvania have enacted lab improvement laws providing for the licensing of different grades of lab workers, including directors, supervisors and technologists.

Goldfield, however, frowned upon such a program, claiming it is costly and cumbersome to administer. It requires setting up separate exams and standards for each level of lab worker, and then a program to keep track of them as they move from job to job to insure that people with currently valid licenses are working in the labs, he said.

Goldfield also pointed to the fact that personnel licensure laws inevitably contain a "grandfather clause" allowing anyone currently in the field, regardless of qualifications, to become automatically licensed. This weakens the law immensely, he said, because it allows the very incompetents the law seeks to restrain to remain in the field until they retire or die.

Jersey's 1953 law providing for the licensure of laboratory directors contained a grandfather clause, the result being that some individuals without high school degrees and without formal chemistry backgrounds are still serving as lab chiefs.

Goldfield also stressed that to date there is no standardization of educational programs for lab personnel—some are good, others are deplorable. And until that standardization is achieved, Goldfield feels personnel licensure should not be attempted.

"I'm not opposed to licensing of personnel in the long run," he noted. "But there should be a few years of licensing of facilities first and let's see what mechanics will be developed for the graded education of personnel from lab assistant to Ph.D. in clinical lab work before personnel licensing is instituted."

Goldfield also claimed his agency should continue to regard as confidential data gathered from its on-site inspections and proficiency testing program. That information is generally unavailable to the public, although one Jersey lab is known to have published the results of its proficiency tests and made them available to doctors.

If labs knew their results would be for public consumption, said Goldfield, the testing program would become a form of competition, not evaluation. Labs would attempt to use the data to gain a competitive advantage over others, he said.

"There would be a greater incentive than ever to attempt to cheat on performance testing, by whatever means, fair or foul, in order to pass the policeman," he commented.

Final Analysis: Lab Directors Split on Best Routes to Reform

(By Randy Young and Joan Whitlow)

The critical need for a uniform and vastly improved program of clinical laboratory surveillance to replace the existing labyrinth of rules and regulations is openly voiced by many of the lab practitioners themselves.

The specifics of such a program, however, produces a wide variety of opinions.

The New Jersey section of the American Association of Clinical Chemists (AACC) favors the licensing of laboratories as well as their directors, supervisors and technologists. New York and Pennsylvania have already adopted licensure programs for these different grades of personnel.

Such an effort, according to Jersey AACC chairman James A. Foreman, would "insure that people in clinical labs are competent" while checking "those people with a marginal knowledge who put out poor work causing treatment for a disease that a person really doesn't have. We want to keep the charlatans out."

Dr. Leonard Dunikoski, legislative chairman for the clinical chemists' group, called for a comprehensive monitoring program embracing mandatory inspection of labs, proficiency testing and accreditation of personnel.

"These are all essential for good quality laboratories," he observed. "But you must have all three components. One or two of them won't go far enough."

Both Foreman and Dunikoski stressed the need for more public information on laboratory quality. The State Department of Health's inspection reports on laboratories and the results of its proficiency testing program are not normally opened to the public.

"Physicians should be aware of the kind of results labs put out," contended Foreman. "There should be some way of pressuring labs to come up to a certain set of standards or meet a level of performance—and those which do not should be closed down."

Dunikoski, director of clinical chemistry at Perth Amboy Hospital, said he favored the publication of performance data on laboratories—a concept strongly opposed by the Department of Health.

Foreman said he thought the public, aware of the massive automation that has overtaken the laboratory industry in the past few years, has come to believe that automation means protection against shoddy work. But he emphasized that the quality of work produced by mechanization is directly linked to the quality of the people who control the machines.

"People are too prone to accept the answers as they come out of the machines, and this can result in numbers of automated mistakes," he remarked.

A number of lab officials strongly favor a surveillance one now administered by the federal government's Center for Disease Control (CDC) to all labs nationwide that engage in interstate trade. That program consists of unannounced on-site inspections, on-going proficiency testing, required safety standards and licensing of personnel.

Dr. Paul A. Brown, president of the American Clinical Laboratory Association, maintains the state should set up an "impartial" monitoring program patterned on CDC's, and run the program itself. By "impartial," Brown insists that no state inspector should survey labs located in his home geographic area, nor should any inspector be permitted to review the same lab more than once.

Brown, chairman of MetPath in Hackensack, the state's largest commercial laboratory, took sharp exception to the fact the results of the state's proficiency testing program are not made public.

"The results are frightening, and because of this, everyone hides them," he said. Brown claimed that MetPath is the only laboratory in the nation to publish in booklet form its testing results and make them available to doctors.

At the same time, Brown claimed the state's proficiency exams are inadequate in terms of type, frequency and depth. "If New Jersey labs had to undergo New York's rigid testing program, more than half would fail," he maintained.

The New Jersey Department of Health has drafted a proposed laboratory improvement act calling for mandatory inspections of labs, proficiency testing and licensure of laboratories, although not personnel. The program would apply to all labs in the state, hospitals as well as commercial.

Bernard Kaplan, president of Diagnostic Sciences, which runs a chain of ten labs in Jersey, said the state's plan "could be of good value," but expressed fear that it might simply add another layer of bureaucracy by requiring interstate labs to be inspected by still another authority in addition to Medicare and the CDC.

The money for such a program, he added, might better be spent by the state for seminars and training programs for laboratory personnel.

"What we lack in Jersey is an ongoing educational program at the state colleges for laboratory personnel," he said. Kaplan claimed the Department of Health" could be of positive value" in providing instructional programs for the independent labs, but complained, "We don't get that kind of cooperation from them."

Kaplan, a lab director for 27 years, also feels the state health department would be handed a dangerous amount of power if its

lab improvement act—enabling the health commissioner to summarily suspend without a hearing the license of a lab he or she feels poses a danger to the public's health—is ever enacted. (The proposal does insure a licensee a hearing within 48 hours, although the lab could be ordered closed in the meantime.)

Asserted Kaplan: "Even if you are closed down for one day, the adverse publicity would be so great you couldn't survive it. We agree anyone not performing correctly should get the hell out of the business. But a person's rights should be adequately protected against any arbitrary act of some bureaucrat."

A recent interview by The Star-Ledger with the directors of four independent labs—all of them members of the New Jersey Association of Bioanalysts—produced no clear-cut consensus on what form of lab regulation is needed in Jersey, other than that it should include hospital and private physicians' labs. The members did, however, express deep suspicions about the proposed laboratory improvement act.

Kenneth C. Sutphen, director of Nutley Medical Laboratory, claimed the proposal could concentrate all regulatory powers in the hands of the assistant health commissioner of laboratories. "This is absolutely horrible," he declared. "It should be in the hands of the pathologists, the doctors and other laboratory people."

The bioanalysts pointed out they were instrumental in helping enact the 1953 laboratory director's licensing act, and contended this phase of the industry has been strongly regulated since then. In addition, they stressed that some 40 independent laboratories in Jersey (out of a total of 193) participate voluntarily in the American Association of Bioanalyst's national proficiency testing program.

Another voluntary program aimed at upgrading the quality of work in laboratories has been conducted over the past several years by Dr. Martin J. Salwen, lab director at Monmouth Medical Center.

The program, sponsored by the New Jersey Society of Pathologists, provides for a daily program of quality control in which labs check the performance of their reagents and equipment by running independent tests with special samples sent to them by the program. The results are compiled by Salwen, who groups the labs according to equipment and methodology, and reports back to the labs, enabling them to compare their quality control performance with that of comparable labs participating in the program.

One of the results of the effort, said Salwen, has been that labs which started out as poor performers have shown with time definite improvement. In addition, some labs in comparing their performance with that of other participants (identified only by numbers so that confidentiality is maintained) have realized they were incompetent to perform certain laboratory procedures, and consequently stopped doing these tests, referring them out instead to other labs.

Salwen's program, which can cost a large lab $2,000 or more annually to join, includes some 50 participants—almost all of them hospital facilities.

But the fact that only 50 out of the 325 independent and hospital facilities eligible to participate have actually done so, points up the severe shortcomings of voluntary programs that New Jersey has relied so heavily on in the past to insure quality lab performance.

How Good Are Our Medical Labs?

(By Aileen Jacobson)

During the past year, a 2½-year-old child was hospitalized for observation in a local suburban hospital after eating what turned out to be some harmless tablets. As a precaution her pediatrician requested 24 hours of routine lab testing. The child remained healthy and active and returned home two days later.

But a routine hematology test, the last one run and analyzed after the patient's discharge from the hospital, showed acute infection, perhaps hepatitis. Shocked, frightened, the parents hurried the child back for more testing and blood samples.

Results of these new tests showed no infection. It seemed the hospital lab had made a mistake. The result indicated so much infection that either the sample was drastically contaminated before analysis or two children's test results were mixed up.

If there had been a mix-up, the mother asked the pediatrician, had a hepatitis-stricken child been sent home because of "normal" test results? "That's a good point," the doctor said, "I'll check it."

When the head of the Communicable Disease Center (CDC) testified at a 1967 congressional hearing that one in four laboratory tests in the United States was "erroneous," he set off a bombshell in the industry. The public shock waves have long since stopped. But not the laboratories' problems. Many American Laboratories today are not much better, on the basis of government studies, than when the fuse of doubt was first sparked.

Checking into a hospital with a case of gastroenteritis brought on by a bad crabmeat salad sandwich, you may be confident of a quick cure. After all, you've seen enough of the good Dr. Welby to trust in hospital care. But you may find yourself being tested by one of a shocking number of government-licensed laboratories—84.6 per cent to be exact—that couldn't identify the guilty, and rather common, microorganism in a proficiency testing sample in 1973. What you might be treated for instead, and with what effect, not even a Marcus Welby would care to speculate.

Only a handful of American laboratories are regulated even today. The CDC licenses only Washington, D.C., labs and those with interstate operations, a mere one-tenth of the nation's estimated 15,000 clinical laboratories. No national agency and few states test the labs in doctors' offices, which bring the total number of medical laboratories up to 200,000. And no government studies ever release the names of laboratories that perform poorly or well.

"Opening a clinical laboratory in Virginia is easier than opening a saloon," says an employee of one of that state's large "independent" (non-hospital-connected) laboratories—which undergoes tests because it performs interstate work and takes Medicare-Medicaid payments.

Maryland recently passed a law, as yet unenforced, that would regulate, to some extent, the laboratories in doctor's offices. Often great money-makers, these labs perform an estimated one quarter of this nation's annual 3 billion laboratory tests. Yet a Maryland study showed that secretaries and office assistants sometimes performed the tests.

And only 16 per cent of these laboratories had an internal quality control program, which the CDC considers essential to assuring reliability.

A few decades ago, American laboratories were often the dumping ground for doctors who couldn't make it in more respected fields of medicine. Today they are the fiefdoms of many $200,000-a-year pathologists, and are part of that circle of mystery and mystification that much of American medicine seems to thrive on. Nationwide scrutiny of the inner processes of these chrome and glass emporiums that transform blood or urine samples into multi-decimaled numbers on a chart started only five years ago.

But in those five years, the volume of laboratory testing has climbed steadily at a rate of 15 per cent per year. Overworked doctors, increasingly substitute additional lab tests for the time they once spent talking with a patient about symptoms and general health.

This growing dependence on lab tests for health care is not something you think about until your own body and future are at stake. It happened once, ironically, to a local pathologist.

Dr. Frances Norris, a Washington area free lance pathologist, has long been an outspoken critic of the hospital laboratory: "Much of clinical testing is incorrect—but it's never discovered . . . A lab technician, irate at a cheated salary, can do slipshod work. This makes it impossible for a pathologist to arrive at a precise diagnosis, because the slide is shoddily prepared. But the pathologist is an employee of the chief pathologist, and if he complains his job is jeopardized."

She is lobbying now for disclosure laws that would allow patients to see their diagnoses and their pathology reports. (One such law has been introduced in the Maryland state legislature.) For now, she won't name names, out of a fear of being sued: "These are very well-monied people," she says.

One lab error, though, affected her personally and helped to stoke her indignation. It was the kind of mistake that would go undetected had she not been a doctor herself and become suspicious.

Dr. Norris had a case of post-partem thrombophlebitis, in which anti-coagulant therapy keeps the blood from clotting more. Periodic blood-clotting and prothrombin tests have to be taken to see how thin the blood is.

She was using a doctor-owned, larger commercial laboratory, but she started to distrust the results. She went to a friend, an internist at a larger hospital. He agreed that additional work was needed . . . "and, sure enough, the prothrombin was far different. I was lucky, being a physician. I could have suffered severe bleeding. This is especially bad for old people, or if I had gotten a severe cut or internal injury."

Name the lab? "To tell you the truth, I'm chicken."

Doctors, and their patients, tend to put great trust in the sleek new machines that have replaced many of the manual pipette-and-test-tube procedures in many labs.

Laboratory work is not as much a "science" yet as some would like to think, though. "Mistakes are always being made," says medical technologist Alice Aldrich, formerly at two local hospitals and now working at Georgetown's Free Cinic. "They're a fact of life in laboratories."

Ms. Aldrich, whose experience is not atypical, remembers that when she first started working at an area hospital, she read the wrong results from blood charts several times—and found out only when the ward personnel called to question her about the suspiciously high results that would indicate that a patient's kidney had shut down.

Human error factors should not, it seems at first glance, affect machine-run tests. But while the CDC sprinkles its reports with expressions like "Unfortunately . . ." and "Even more startling . . ."—phrases to give pause to even the most slavish idolators of American medicine—the new technology itself is being called to the examining table.

At George Washington University Hospital, where the laboratory relies on the manufacturers for training of its personnel and maintenance of the machines, medical technologist Valda Lindbergs, supervisor of the hematology department, has a book full of dozens of pink slips that represent each time a repairman has had to come—and each time the lab had to revert to less pre-

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cise, much slower manual methods for a day or two.

At Mt. Sinai Hospital in New York, a special department now tests medical equipment before it is used in the laboratory or elsewhere in the hospital. The department's director estimates that 30 to 40 per cent of incoming equipment has defects.

The Food and Drug Administration has just started a program to monitor the quality of these machines—and of the chemical reagents, used to help determine a sample result, which the CDC has often faulted for some poor laboratory performances. Likewise, diagnostic "kits," often used in small laboratories, are sometimes recalled by the FDA—but only *after* they have reached the market. No licensing is required.

Many laboratories cannot afford the large machines, which cost tens of thousands of dollars each, and many tests, especially in the field of microbiology which involves the growing and identification of cultures, do not adapt themselves well to mechanization. In these manual tests more than in machine-run procedures the accuracy of the results depends on the carefulness and delicate skill of the medical technologist who himself is caught up in the squeeze of a technological society that expects concentrated rote work for long hours for the low pay of a nonprofessional.

The problems that the CDC uncovers sometimes touch on the bizarre. In one 1972 incident, for instance, 52 per cent of reporting laboratories failed to identify a crucial characteristic of "the world's most common type of anemia." The CDC advised: "one should investigate the possible color blindness in technical personnel . . ."

Opinions differ on how good a laboratory should be. At NIH, one doctor doesn't blink an eyelid at what he calls a "normal" inaccuracy rate of 10 per cent. A 1969 onetime proficiency testing sampling in Virginia that found that 12.6 per cent of the microbiology tests were incorrect did not move state legislators sufficiently to pass a regulation bill. Yet an HEW study called even a 7.6 per cent misidentification rate in microbiology "not satisfactory."

By any of these standards, though, the CDC figures demonstrate an unsatisfactory level of laboratory performance. The accompanying graphs illustrate the progress that CDC-regulated laboratories have made on proficiency testing samples in three areas (the law included D.C. labs in the CDC program). But even that progress is not exactly heartening.

Stated roughly, about half the labs tested in 1970 could not make a grade of 75 (which sometimes is not the actual passing grade). By 1973, only a quarter to a third couldn't get three out of four identifications right—hardly enough to help you face with stout heart a lab's evaluation.

Sources outside the CDC are even more pessimistic about American laboratories today: A National Bureau of Standards study published in 1973 concluded, from its own proficiency testing sampling, that only 28 per cent of laboratories in clinical chemistry could reproduce a correct assay consistently within acceptable limits. It further concluded that the causes of such error were probably systematic—such as miscalibration of equipment.

Of course, many laboratories do fine, fast and accurate work, and many lab technicians, pathologists and Ph. D.s working in labs are competent and dedicated. Some laboratories, though, do not meet the scientific standards essential to a laboratory: accuracy, precision, and systematic reproducibility.

Trying to place blame for shoddy laboratory work when it occurs is like trying to throw a dart at an ever-turning wheel-of-fortune: Doctors blame pathologists and technicians for poor or slow identification. Pathologists blame doctors for sending in poorly marked slides or unnecessary tests or for not interpreting the results properly. Lab directors blame "lazy" or incompetent technologists. Technologists blame poor pay, bad working conditions and inadequate supervision.

What the errors can result in are such episodes as these, garnered from Washington area sources:

An 11-year-old boy suffering an added week of agonizing pain from a hip-joint infection because the laboratory of the hospital he lay in was using an antiquated technique that couldn't determine the right antibiotic to relieve his pain.

A Vietnam veteran dying of black fever when he finally was transferred from another hospital to Walter Reed. There, his malady was correctly identified as malaria—but too late.

A man wasting away with an unidentified but advanced, potentially fatal, contagious case of tuberculosis at a small community hospital, until a sample was sent to the National Institutes of Health laboratories. They found the sample "loaded with TB."

Shoddy work, careless management, poorly trained personnel don't matter much in some fields. But the clinical laboratory is different.

"We can kill people here real easy," said Albert Riggs, vice-president of Litton Bionetic, an independent laboratory, as he looked back toward the rows of labeled test tubes, the sparkling machines, the young man perched over a microscope with a pencil poised over a printed form. "No trouble at all."

The quality of laboratories—or, rather, the frequent lack thereof—first came under public scrutiny in 1967 with Dr. David J. Sencer's one-out-of-four-erroneous testimony.

Dr. Sencer, then and now head of CDC, told the congressional subcommittee of the death of twin babies whose mother's blood had been wrongly analyzed as RH positive. And of a woman who had a breast removed because a test erroneously showed she had cancer. He cited a California study that showed that 34.5 per cent of 328 newborn babies who had died of blood cell disease died because of "avoidable laboratory factors." In another case, 33 patients had been diagnosed and treated for malaria—and turned out not to have it, when specimens were submitted to the CDC for verification.

Another witness at the hearings told of 250 Pap smear specimens that had been thrown out at one laboratory—though "reports" were still sent to the physicians.

Sen. Philip A. Hart (D-Mich.), chairman of that subcommittee, dramatized the lack of trained laboratory personnel by sending off for a medical technician's license through the mail for $15, for one Straybourne Betts. Straybourne Betts was a dog.

According to Dr. Sencer, people with mail order degrees—or no degree at all—can be, and still are, hired in some unregulated laboratories.

Today some people still insist that Dr. Sencer's statistics were based only on American Indian health centers and therefore not valid. Dr. Sencer denies this and says that the figure was, indeed, reflective of the entire country.

The year 1967 seemed to be ripe for government intervention in both the cost and quality of medical practice. The Medicare Act had been passed in 1966, and once the government started paying for medical services it became a little more interested in what it was getting. Laboratory testing, a $3.5 billion-a-year industry, is often used as a money-maker by hospitals. It has since been found to contain huge financial discrepancies: as much as a 400 per cent difference in one locality between charges by a hospital laboratory and an independent laboratory for exactly the same test.

Quality became the more immediate concern, though. Medicare has a laboratory inspection program, separate from the CDC program. But it was left up to the CDC to fulfill the quality requirements of the Clinical Laboratory Improvement Act that was passed in 1967 as a result of Dr. Sencer's fuse-blower.

What happened after passage of the Act is that familiar process by which a sharp-toothed thrust often gets ground down by Congressional caution and government bureaucracy. A few of the flaws in the reformers' fabric:

Exclusion: Doctors' office laboratories, and laboratories that do only intrastate work—the vast majority of labs—were ignored by the legislation.

More Exclusion: The CDC decided to exempt labs that performed less than 100 interstate tests in a year. Now they think that those small labs may be the worst and are changing the requirements to "less than 10".

Grading: At first it was more lenient than the CDC now deems necessary. The CDC was afraid, in part, that if it set standards too high, too many labs would fail . . . , and then what?

Discipline: If the CDC does take disciplinary action against a laboratory, as it did 14 times in 1973, it cannot force the lab to cease functioning intrastate. Nor can it take such action until the lab has failed to meet criteria over an entire year, though this regulation may change.

Excuses: "The incubator broke down" or "the specialist in that field is sick this week" have been accepted with only a reprimand. Until now, too, a laboratory could legally send out its test samples to another laboratory without losing its own license.

The CDC proficiency test samples are neither exotic nor more difficult than a lab's everyday workload. In fact, the results on test samples probably reflect the very best work a lab can do. Yet errors are abundant:

In April, 1972, a quarter of laboratories' identified gonorrhea when it wasn't there—which could have resulted in a lot of unnecessary penicillin shots, not to mention some mighty tall explaining.

In that same period, 35 per cent of the labs did not discover influenza.

In a 1973 test, grades were not recorded because almost a quarter of the participating laboratories couldn't stain the blood sample properly. They would have found that the "patient" might have had leukemia. Of those that could at least stain the slide, over half could not recognize certain types of important cells in the sample.

In another 1973 test (this one in parasitology), three-quarters of the labs identified a specimen stained by the CDC—but only a third identified the same sample sent unstained. The CDC called this event an "interesting fact." They proceeded to explain, in their booklet, how to stain a slide.

The only recent evaluation of laboratories by a group other than the CDC and the College of American Pathologists, the two major regulatory agencies, is a 1973 study prepared for HEW by the Technical Analysis Division of the National Bureau of Standards.

Dr. James D. MacLowry, chief of the microbiology division of NIH, was one of the consultants in administering the test, and he was shaken by the results. Although advocating tougher test samples at first, he soon understood his colleagues' worries.

In one sample, a common stool organism that can indicate anything from a urinary tract infection to an infection of the lining of the heart, was misidentified as everything from a normal culture to meningitis to gonorrhea.

"How a laboratory would make that mistake, I don't know," Dr. MacLowry said of the "normal" identification, "but the fertility of

man's imagination was displayed in this test. It can mean life and death."

Of the gonorrhea misidentification, he said: "It's like calling an elephant a 747."

The equipment could be dirty—some places may try to use a throw-away cup twice—or the environment could be wrong—a change in temperature or someone painting down the hall or the quality of the water could make a difference. Or they could have chosen an antiquated technique, the wrong choice of methodology, or the wrong choice of a reagent. Or the technologist may not be paying attention, may be making the dilution wrong."

Medical technologist Susie Weaver is explaining the things that could go wrong with a test, the factors that could lead to low performance on proficiency testing—and on everyday samples. She is in charge of quality control for Litton Bionetics, an independent laboratory that performs 2,500-3,000 tests every night for doctors in the Washington area. She worked her way up from the routine of slide-staining, pipetting, and microscope-hunching. cell-counting by volunteering for duty with the room-filling, computer-looking SMA 12/60 ("Twelve chemistries per patient, 60 patients per minute"), which she learned to "take apart and put together again." She has replaced literally miles of the delicate glass tubing that the patient samples flow through, bubbles pushing them along, reagents changing their colors for the dozen different tests. She increased the efficiency of the $85,000 machine by getting to know it intimately—and now she runs a tight ship in the whole factory-like assembly-line laboratory.

"It depends a lot on the technician's attitude. If the tech has an 'I don't care' attitude, then he or she can make a mistake. We've had a couple of those here, but they don't stay long," she said. She doesn't know what becomes of them, but presumably they find work elsewhere. She thinks that some of the training in the Washington area is not adequate—based on her own experience in taking courses—and always supervises a new "tech" just out of school very closely.

"You've got to have a conscience in this business. You've got to have a conscience," says Susie Weaver.

The projected cures for laboratory maladies are as diverse and wide-ranging as some of the proficiency testing results:

Disclosure laws, such as those advocated by Dr. Frances Norris and others would be one way for the consumer—the patient—to judge the quality of his own diagnoses—or get a second opinion from another doctor. This causes a giant problem for the medical field. Under the doctor's present code of ethics, he isn't supposed to criticize another doctor in a patient's presence.

Disclosure by the regulatory agencies of the results of their tests, inspections and surveys of particular laboratories by names is another method, advocated by, of course, some medical writers and by Dr. Sidney Wolfe of Ralph Nader's medical action group. Medicare inspection records starting in February, 1973, are now open to the public, due to the pressure of one reporter. The CDC has resisted such pressure, though it has not been taken to court on the matter.)

Both these methods will face opposition from pathologists, as voiced by Dr. Lawrence Skendzel of the College of American Pathologists: "We've got to improve, but we've got to do it in a quiet way, so that we don't lose the patient's confidence. There's a lot of good testing, a lot of people who have devoted their lives to doing good testing."

Tougher state standards, or any standards at all in states, would be another possible solution.

Tougher CDC standards: Criticism of present CDC procedures comes from both without and within the CDC. Dr. Louis LaMotte, chief of the Proficiency Testing and Licensure Division of the CDC, advocates many of the possible changes, like stricter grading and tighter discipline on excuses, though his suggestions grind slowly through the CDC bureaucratic mill.

He isn't as militant about closing down labs, though, as some outsiders are: "I look upon our having to go to court with a laboratory as evidence of our failure, not our success. That means I haven't successfully conveyed to the laboratory the problem or the dimension of the problem."

The CDC has not, in any final measure, failed. But if the proposed changes and tightening of regulations do not take place, or are not far-reaching enough and well-enforced enough, then the accuracy and level of quality of the laboratory test will remain a large, looming question for every doctor who must increasingly rely upon it to diagnose and treat his patient. And the laboratory will continue to be, for the patient, too, one of those mysteries of American medicine that he can't—and shouldn't—totally trust.

Exhibit 2

What You Better Know About Medical Lab Tests

Many diagnostic procedures that help to prevent or cure disease begin with a laboratory test. The doctor takes a blood or urine sample, sends it to a laboratory and in a couple of days the results are in. You accept the verdict—and your bill—unquestioningly.

When done accurately, laboratory tests save lives. They can spot certain diseases in time to do something about them. However, tests that are ordered without good cause or that have to be done over because they were done wrong can only run up your bill. And tests that are done improperly can yield false clues or overlook disease.

Some examples: One government study recently showed that a screening procedure for a type of female cancer either overlooked suspicious cells or wrongly reported malignancy about 30% of the time. In another instance, a private laboratory failed to recognize in a pregnant woman an Rh blood factor that could react with the blood of the unborn child and result in its death. Luckily, the oversight was detected with a second test.

This year laboratories will perform more than three billion tests, ranging from single chemical procedures done by hand to batteries of 20 or more that zip out of automated equipment in minutes. The bill will probably total over five billion dollars. If the present trend continues, by 1980 medical laboratories could be a 15-billion-dollar industry.

Thus it is reasonable to ask how much faith we can place in this business dealing daily with life and death matters and whether the billions we spend really pay off in terms of reduced illness and death.

THE SEARCH FOR ACCURACY

There are 15,000 or so clinical laboratories in the U.S. About half of these are in hospitals. Several hundred more are run by states, counties and cities. That leaves about 6,500 independent labs, some of which are run by laymen. In addition to the 15,000 there are uncounted thousands of small labs run by private physicians out of their offices.

The laws and standards covering these labs overlap, sometimes conflict and occasionally are nonexistent. The result is a patchwork system of regulation that requires over-all excellence of some labs while covering others only on certain procedures and leaving some to set their own version of quality.

Only about 750 labs doing interstate business are licensed by the federal government, under the Clinical Laboratories Improvement Act of 1967. Another 170 (40 in New York State) conform to federal standards but are not formally licensed. The law does not cover most hospital labs doing business in a single state and those in doctors' offices.

The federal licenses are granted by the Center for Disease Control. CDC evaluates labs in several ways, including on-site inspection and scrutiny of employe qualifications. Also, as part of its performance evaluation, CDC has a "proficiency testing" procedure in which licensed labs periodically try to identify specimens provided by CDC and are graded on the basis of right and wrong identification of the specimens.

One recent study by the National Bureau of Standards found that federally licensed labs were incorrectly identifying common bacteria that cause such diseases as strep throat, pneumonia and food poisoning 7.6% of the time, a rate judged "unsatisfactory." For unlicensed labs the rate of error averaged over 20%, with medicare-approved hospital labs and those in physicians' offices the "least precise."

The NBS study is controversial, as CDC's Dr. Louis C. LaMotte Jr. is quick to point out. "In contrast to what the bureau found," he says, "CDC has unequivocable evidence of statistically significant improvement among licensed labs that have participated in the entire program for two years or more. Within a year quality-control deficiencies were reduced by over 50% and performance with proficiency testing samples was improved as well."

CDC itself rates 12% to 15% of licensed and unlicensed labs that participate in CDC programs as below acceptable proficiency in measuring glucose, or sugar, in the blood—a test for diabetes. Nor are all CDC-surveyed labs doing well enough in measuring serum cholesterol or identifying subgroups of blood, which is a crucial deficiency because mismatching in a transfusion could be fatal.

As of now, the results of CDC proficiency testing are not published and made available to doctors so they would know how labs rate. The main deterrent to shoddy work is the threat that a license might be revoked or suspended. So far 24 labs have had their interstate license revoked, suspended or limited, but an erring lab is free to continue operations within the state unless the state concerned has strict standards and enforces them.

There are about 3,000 independent labs that qualify for federal payments under medicare and medicaid through approval by state health departments.

Only a few months ago regulations were extended to apply to labs in the offices of individual doctors or group practitioners who treat medicare and medicaid patients and who have more than 100 specimens a year in a single category referred to them. There is no such regulation of labs that are operated by doctors who confine their testing to their own patients.

The professional associations concerned with testing reply on voluntary compliance with their own standards. The largest program is run by the College of American Pathologists, which has about 9,000 labs signed up in its proficiency testing program. Of these 1,100 submit to on-site inspection by CAP officials. CAP says that although the majority of labs do not qualify for accreditation at first, virtually all make it finally with the help of the pathologists' improvement program. Another group, the American Association of Bioanalysts, has about 1,000 physician-run labs enrolled in proficiency testing.

The majority of all tests performed, however, are done in hospital labs, which are exempt from federal licensing unless the hospital does interstate business. They are also exempt from medicare rules if they choose, instead, to participate in a voluntary program operated by the Joint Commission on Accreditation of Hospitals.

It must be said that many labs, whether in hospitals or privately operated, get better than passing grades most of the time. The best ones, Dr. LaMotte of CDC suggests, seem

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to be those that invest a significant percentage of their operating budgets in quality-control programs that give daily and even hourly assurance that the tests on everyday patient specimens are right, not just the samples tested for proficiency.

TOO MANY TESTS?

Tests are used for diagnosis, monitoring treatment, and disease detection and prevention. Even if accuracy is 100%, though, are all those tests necessary?

Today a technician can slip a test tube containing a sample of your blood or urine into an automatic analyzer, flip a switch and in just a few minutes have the status of 20 or so chemical components. Such multiphasic testing is required at admission by many hospitals. Scores of private doctors and clinics make multiple tests a routine part of physical exams. Automated tests are more accurate and less expensive than those done by hand, but do they pay off in terms of costs and reduced incidence of disease?

At Strong Memorial Hospital, a leading teaching institution associated with the University of Rochester Medical School in New York, the average patient during a 14-day stay in 1970 received 69 tests at a cost of $469, about a quarter of his hospital bill. In that year the hospital did 95% more tests than it had five years before. The records of 855 discharged patients suggest that lab use was excessive. The professor of medicine who initiated the study, Dr. Paul Griner, concluded that some doctors tend to follow general routines, which they apply indiscriminately to each patient. This came to light when the results of white blood cell differential counts that doctors had ordered were held back for 37 patients chosen at random. Not one house medical officer in charge ever called the lab to ask about the unreported results.

After a nine-month program to instruct doctors on the cost and proper use of tests, Dr. Griner reports, the number of tests leveled off instead of continuing to increase at a high rate.

Another research team analyzed the worth of multiphasic tests that are given regularly in the hope of spotting and treating disease early, before symptoms appear. The study spanned seven years and covered about 8,000 persons, divided almost equally into two groups. In the first group only about 20% chose to take the annual checkups including multiphasic chemical and clinical tests available through the Kaiser-Permanente Medical Care Program in California. In the second group about 60% took these checkups yearly. During the study the second group did not have a significantly lower death date. But when the reasons for individual deaths were examined, it was found that in the group in which 60% took the checkups significantly fewer died from "potentially postponable causes"—mostly because of differences in the number of deaths from colon and rectal cancer, breast cancer in women, and heart and blood vessel diseases related to high blood pressure. The apparent prevention benefits of testing showed up most strongly among men and women who joined up between the ages of 45 and 54.

GAUGING THE COST

Though certain laboratory tests have to be done exactingly by hand, the bulk of routine tests for hospital admissions and physical exams can be done by automated equipment at remarkably low cost. A battery of 12 chemical tests, for example, can be done on an analyzer for about $9 or $10. Add a reasonable professional fee for collecting and handling the sample and the total charge might be $20.

It doesn't always work out this way, though. There have been cases in which bills have gone as high as $60 because the hospital or doctor, after receiving the lab bill, has tacked several dollars or more onto each test before passing the buck to the patient.

To discourage this practice, New York State passed a law requiring labs to bill patients directly. This led some big labs to raise their prices substantially because of the increased cost of mailing and collecting bills. The American Medical Association says it is "preferable" that a lab do the billing directly except where it would mean increased cost to the patient; then the doctor should separate his professional services from the lab charges.

Some hospitals have been accused of ordering unnecessary lab tests or overcharging in order to offset red ink in other departments. It is true that hospital lab charges are generally higher than in independent commercial labs, but the hospitals say that's because they provide complete diagnostic and consulting services, not just chemical analyses. As for "laboratory overutilization," the AMA has asked hospitals to take the initiative in informing doctors of the actual costs of tests they order and the effect on the patient's bill, but there is no substantial evidence that much of this is going on.

Now, as national health insurance moves nearer to reality, the debate over the cost and utility of medical lab services may well take a new turn. If millions of tax dollars are to be spent on medical testing as part of federally financed preventive care, there should be many more voices demanding an accounting of what the citizenry gets for its money. At the very least, there should be a campaign to straighten out the hodgepodge of rules and standards that control—or, all too often, leave uncontrolled—these vital health services.

COSTS VARY FROM LAB TO LAB

What you pay for medical tests can vary as much as 300%. This sampling of price ranges of commonly performed tests is from nine commercial labs operating mainly in a mid-Atlantic state. Five of the labs were large corporate operations, while the remainder were small private laboratories. The costs in the table are the prices charged to the patient when billed directly by the lab, not through his physician.

Many jurisdictions forbid advertising lab prices or posting them. If you live in such a place, neither you nor your doctor will be able to compare prices easily. However, some corporate labs and consumer groups are campaigning for increased competition among non-hospital labs through fuller price disclosure.

	Low	*High*
Glucose	$2.75	$6.00
Cholesterol	3.00	8.00
BUN (urea nitrogen)	2.75	6.00
PBI (protein-bound iodine)	4.00	15.00
Blood count	3.75	9.00
Throat Culture (for Beta strep)	4.00	15.00
12-test chemistry profile	8.50	15.00
Uric acid	2.75	6.00
Urinalysis	2.00	5.05

WHAT THE COMMON LAB TESTS TELL

When you're ill, the doctor may need a laboratory analysis to clinch a diagnosis. About 30 common tests provide the clues to most illnesses. Rare or hard-to-diagnose ailments may require whole batteries of tests from the more than 100 generally available to doctors.

Lab tests are also used in regular physical checkups and in medical clinic prevention programs designed to monitor your general health or to spot any abnormality early.

The tests at the right are among those commonly given in a regular checkup. Your own doctor may want more or fewer, depending on your age, health and his view of the value of testing. One test not on the list is the Pap test, a biological test to detect cervical cancer in women. Most physicians recommend it.

TYPES OF TEST	POSSIBLE SIGNIFICANCE OF ABNORMAL READINGS	
	TOO LOW	TOO HIGH
Blood chemistry:		
sugar (glucose)	Overproduction of insulin; faulty absorption of carbohydrates; liver disease.	Diabetes; other disorders of secretion glands.
Cholesterol	Faulty intestinal absorption of fats; other intestinal diseases; hyperthyroidism.	Persistently high values for cholesterol and certain other lipids indicate overconsumption of saturated fats, hereditary disorder of fat metabolism and may foretell heart and artery disease.
Urea nitrogen (BUN)	Liver disease.	Defective kidney function.
Transaminase (SGOT)	No recognized significance.	High level of this enyzme indicates liver disease, coronary thrombosis, cell damage generally.
Uric acid	No recognized significance.	Gout; defective kidney function; possible indicator of kidney stones.
Bilirubin (van den Bergh test)	No recognized significance.	Jaundice due to liver disease or to abnormal blood destruction or to obstruction of bile ducts.
Calcium	Underfunction of parathyroid gland; defective absorption of calcium due to Vitamin D deficiency.	Persistently high levels signify overproduction by parathyroid gland, leading to possible digestive disturbances, demineralization of bones.
Protein, total	Chronic diseases of liver, kidneys, stomach or intestines.	Sarcoid; indication of already critically ill person.
Phosphatase alkaline	Unlikely to occur.	Indicator of liver or bone injury or fracture.
Lactic dehydrogenase (LDH)	No recognized significance.	Liver, muscle and heart disorders; leukemia.
Urinalysis:		
Protein		Kidney disease (some healthy people have a small amount at times).
Sugar (glucose)		Diabetes; renal glycosuria—a normal condition for some healthy people.
Bilirubin		Any amount means red blood cells are being destroyed or bile ducts are blocked.
Blood (microscopic test)		Disease or infection of kidneys or bladder
Hematology:		
Hemoglobin Hematocrit (% of red cells in blood column)	Anemia from excessive bleeding, faulty blood formation or undue blood destruction in the body shows up as low values for hemoglobin, hematocrit and red blood cells.	Values a bit above normal often occur in persons living at high altitudes, but higher abnormal values of hemoglobin, red blood cells and hematocrit may show up in chronic oxygen deficiency, secondary to lung diseases.
Red blood cell count		
White blood cell count	Faulty blood cell production sometimes resulting from x-rays or drugs and certain forms of anemia.	The "white count" is important in testing for pneumonia, appendicitis and other fever-causing illnesses and leukemia; a differential count is done to determine proportion of each kind of cell and helps pinpoint nature and type of infection.

Mr. KENNEDY. Mr. President, I am pleased to cosponsor an amendment to the Clinical Laboratories Improvement Act of 1975 introduced today by my good friend and colleague Senator Javits, the ranking minority member of my committee, who in 1967 authored the original Clinical Improvement Act.

The clinical laboratory industry now costs the American people almost $9 billion a year. Without high quality laboratory services America's health care system is in jeopardy. Until now we have looked to State government, individual laboratories, and practitioners to assure the quality and reliability of their effort. However, I am convinced that this patchwork program does not adequately serve either the doctor or his patient. The time has come for the public and private sectors to develop a system which will meet public need. That is what my bill is all about.

During the past 5 years, Congress has repeatedly committed itself to developing mechanisms to insure quality health care and to stabilize health care costs. My bill helps to achieve both goals with respect to the provision of laboratory testing services.

Reports of clinical laboratory ineptitude appear frequently in our Nation's media. We have learned of a distressing litany. Many laboratories, for example, have never been inspected, dirty and broken laboratory equipment is being used by inexperienced technicians, reagents are unlabeled and outdated, and patient specimens are being tested with used and unwashed pipettes.

A recent study prepared by the National Bureau of Standards has found that although high volume laboratories may be more proficient than smaller laboratories—such as those found in doctor's offices and medicare certified laboratories—the level of quality was still undesirable. For example, 7.6 percent of the interstate laboratory determinations, 16.5 percent of laboratory tests prepared by other large laboratories, and 26 percent of the sample lab work done in medicare reimbursed labs were incorrect. Almost 1 out of 5 microbiological determinations, then, are inadequate. This is poor medical care and it is expensive medical care. It should no longer be tolerated.

This bill, then, now commands our attention because the American health care consumer often finds it impossible to evaluate and judge the quality of laboratory testing which he receives. He has no influence on his physician's choice of laboratory; nor has he any indication of relative costs. Tests which cost $10 in one lab cost $45 in another. True that lower charges may be attributed to automation, but even among the larger, automated labs there is incredible price variations. Why is this the case?

It is not only the price variation that concerns us; we are also troubled by the fact that physicians themselves recognize the low quality of laboratory results. They respond to this situation by reordering tests or by dividing specimens into two samples and sending them to different laboratories for concurrent analysis. The problem of cost is further exacerbated because subclinical illnesses remain undetected and, on the other hand, because false positives result in unnecessary medical treatment.

The bill I am submitting will correct many of these excesses. By establishing an Office of Clinical Laboratories in HEW, the bill addresses the issue of jurisdictional disputes within the Federal bureaucracy. It further broadens the jurisdictional perimeter to licensure and establishment of quality standards for all laboratories and not just those in interstate commerce. The bill permits the States to set their own standards once they meet or exceed those standards established by the Secretary. Moreover, the States will receive technical assistance and grants—up to 75 percent of costs—for the development and regulation of State regulatory programs. And, there is a model certification procedure established for technical laboratory personnel.

My committee will hold hearings on the bill on July 9 and 10. Those interested in presenting testimony to the subcommittee should contact Mr. Arthur Viseltear at 224–7675.

By Mr. BROOKE (for himself and Mr. Metcalf):

S. 1742. A bill to amend the Federal Energy Administration Act of 1974 in order to provide for the prohibition of certain practices which encourage additional use of electricity and natural gas. Referred to the Committee on Commerce.

Mr. BROOKE. Mr. President, today I am introducing legislation, together with Senator Metcalf, to amend the Federal Energy Act of 1974 in order to provide for the prohibition of certain private utility practices which encourage additional use of electricity and natural gas.

Part of the reason our utility costs have risen so dramatically in the past 2 years is that we are suffering from the consequences of rate structures which were designed to promote the use of our precious energy resources. In the fifties and sixties era of cheap power and abundant, price-controlled natural gas, it made economic sense for the utilities to push the use of their products; the expansion of demand meant decreasing marginal costs for them. As a result, our electric utility industry is now staggering under the financial weight of its construction plans which are a necessary response to the demand pressures the industry itself helped create. Capital costs for these building programs, which are charged to customers, are skyrocketing. Now the gas industry claims it can not satisfy the customer demand it helped create at the level of today's controlled prices.

Much of the energy now consumed is not being used in such a way as to promote conservation or optimize the use of capital facilities or fuel resources. In the case of electric power, the problem of costly waste is especially acute. Excessive peak-load demand has created a situation in which, on the average, only 49 percent of electric generating facilities are being utilized.

Although the root cause of this systematic energy waste lies in the structure of our rates, which encourages greater consumption, certain utility practices can be singled out as significant contributors to the problem. All consumers are familiar with the advertising of power and was companies which encourages one to switch to either power or natural gas for heating and cooking. All of us have seen utility companies advertising together with appliance manufacturers to promote the use of gas- or electric-powered machinery in homes and offices.

While many utilities did desist from their promotional advertising when the oil crisis of the early 1970's caught them short of plant and fuel, their past practices were so effective that we will long deal with the consequences. Moreover, now that there is a temporary abundance

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of fuel supplies and now that new electricity generating plants are beginning to come on line, there is no guarantee but the goodwill of the industry that past practices will not be resumed.

Mr. President, the legislation I propose today would set a standard for all the rate structures under which electricity and gas utilities operate. It would prohibit these firms from charging, as part of the expenses allowed in the rate base which are used in computing customer charges, the expenses they might incur in promotional advertising campaigns. This would in fact be a limited prohibition. Firms are allowed to advertise, as they wish, but only those advertisements which promote ways to conserve our precious energy resources would, under this standard, be charged against the consumer. The stockholders would bear the burden of any advertising campaign which was not consonant with the goals our new national energy policies set of optimizing the use of our fuels and power.

Mr. President, I have sponsored other legislation which provides for a comprehensive standard for electric utility rate structures, with comparable provisions regarding electric utility advertising. While such reforms are being debated, I believe we can provide safeguards by modifying the powers of the FEA to include the establishment of standards for rate structures discouraging promotional advertising. Furthermore, this legislation covers natural gas suppliers as well. It is important to prevent demand for natural gas from being artificially inflated in order to influence the debate over deregulation. In an era in which fuel prices will almost certainly change, this is an important protection for customers of gas utilities as well as of electric power.

Mr. President, I hope the Congress will give prompt and favorable consideration to this measure.

By Mr. WILLIAMS (for himself and Mr. Javits):

S. 1743. A bill to provide improved safety and health standards for railroad employees, and for other purposes. Referred to the Committee on Labor and Public Welfare and the Committee on Commerce, jointly, by unanimous consent.

FEDERAL RAILROAD EMPLOYEES SAFETY AND HEALTH ACT

Mr. WILLIAMS. Mr. President, in 1970, safe working conditions for most employees in this country became a genuine possibility with the passage of the Occupational Safety and Health Act. That act gave the responsibility for insuring a safe and healthy work environment to the Department of Labor with the technical and scientific assistance of the Department of Health, Education, and Welfare.

But two important occupations, mining and railroad work, remain outside the protection of the Occupational Safety and Health Act and the Department of Labor. Time has proven that in both instances the better course would have been to accord these employees the same protection as nearly all others now receive.

We recently took the first step to correct this inequity in the mining industry with the introduction of the Federal Mine Safety and Health Amendments of 1975.

It is time now to bring the railroad industry under that same protective umbrella.

I, therefore, introduce for myself and Senator Javits a bill which would transfer nearly all railroad safety and health activities of the Federal Government from the Department of Transportation to the Department of Labor and the Occupational Safety and Health Review Commission. The Department of Transportation would retain only certain advisory and research functions so that we would receive the benefit of its expertise in this industry.

Responsibility for establishing and enforcing job and passenger safety and health standards would be invested in the Department of Labor. An expanded Occupational Safety and Health Review Commission would adjudicate, as it does now under OSHA, those Labor Department citations and proposed penalties which are contested by the affected party.

The Nation's railroads, particularly in the Northeast corridor, are deteriorating rapidly. Trackbed, terminals, stations, maintenance shops, and rolling stock all are suffering from an accumulated number of derailments and other accidents. Since 1967, when the first transfer of railroad safety functions to the Department of Transportation occurred, the number of railroad accidents has increased nearly 50 percent. During the calendar year 1974, there were more than 10,400 railroad accidents.

The condition of rail facilities is reflected in the railroad employee casualty figures. In 1974, 140 employees were killed and more than 15,000 employees were injured on the job. If any of the various proposals to embark on a comprehensive rail maintenance program by hiring substantial numbers of unemployed railroad and other employees become law, the need for improved safety and health rules on the job will be even greater.

Stronger railroad safety and health regulations are imperative to combat the obviously increased risk that railroad employees face on their jobs.

A stronger program could force the railroads to undertake urgently needed repairs and maintenance that they have deferred for years. Improved equipment and facilities would immeasurably enhance the safety and well-being not only of railroad workers, but of rail passengers and the general public as well.

The Department of Transportation has focused its efforts on protecting rail passengers and the public, but these efforts have been inadequate and have not reached through to provide enough protection for rail workers.

By placing greater emphasis on the safety and health of rail workers, they would be better protected, and these additional safeguards would provide better protection for rail passengers and the general public as well.

Since 1970, the Department has had comprehensive authority to regulate rail safety, but it has adopted no safety rules affecting maintenance shops, offices or stations.

Where it has adopted rules, it has not adequately stepped up its response either in terms of number of inspectors employed or number of inspections conducted. From 1970 through 1973, the number of inspectors remained nearly static. Only in 1974 did the Transportation Department hire any significant number of additional inspectors, and the total is still inadequate to meet the clear demand.

Although the Department hired additional inspectors last year, there was a sharp decline in the number of inspections of passenger cars, freight cars, and locomotives. The number of locomotives inspected declined from 73,000 in 1973 to 35,000 in 1974 and the number of freight and passenger cars inspected dropped from 400,000 to 275,000.

In the face of the rapid deterioration in roadbed maintenance and rolling stock and the predictably sharp rise in accidents, this response is intolerable. The Department of Transportation has had time to act. The need for an intensive effort in the area of rail safety demands a change.

Under this bill, the Secretary of Labor would exercise essentially the same responsibilities for standards promulgation and enforcement with respect to rail safety as he does in other industries. He would have the additional authority, now possessed by the Secretary of Transportation, to issue a cease-and-desist order where there is an emergency hazardous situation involving railway employees.

The Occupational Safety and Health Review Commission would hear contested citations and proposed penalties in rail safety situations in the same fashion as it currently does under OSHA. However, to accommodate the special needs and problems in the rail industry, this bill provides that two additional members, one from the industry and one representing railroad employees, would be appointed to the OSHRC, which now has three members. A panel of three, which includes the two rail industry experts could be designated to hear railroad cases.

As a further safeguard to insure the proper level of rail expertise, all Federal Railroad Administration staff currently performing functions which would be tansferred to Labor and OSHRC would also be transferred to these agencies. The bill also establishes under the Secretary of Labor, a Federal Railroad Safety and Health Administration to be headed by an Administrator appointed by the President and with the advice and consent of the Senate.

The Federal Railroad Administration, now existing within the Department of Transportation, would be abolished. Those functions remaining in the Department of Transportation, principally research, investigation and development, would be carried out within a division of the Transportation Department.

Mr. President, I ask unanimous consent that the bill S. 1743, to transfer authority over railroad safety and health from the Department of Transportation to the Department of Labor, be jointly referred to the Committee on Labor and Public Welfare and Commerce.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. MOSS (for himself, Mr. Philip A. Hart, Mr. Magnuson, and Mr. Mansfield):

S. 1744. A bill to regulate commerce by discouraging the needless depletion of natural resources through programs and incentives for recycling and conservation, and for other purposes. Referred to the Committee on Commerce.

Mr. MOSS. Mr. President, today I am introducing a bill entitled the "Resource Recycling and Conservation Act," to increase our opportunities for resource and materials savings through a variety of regulatory incentives for recycling. The bill is similar to a comprehensive resource conservation bill (S. 3954) which was reported by the Senate Commerce Committee in the 93d Congress after receiving testimony from 62 witnesses during 11 days of hearings.

That bill was rereferred to the Senate Public Works Committee, which is currently considering a staff working paper on solid waste. The Public Works working paper incorporates some of the suggestions from last year's Commerce Committee bill; consequently, the bill I introduce today is not intended to be a comprehensive answer to the Nation's solid waste or recycling needs but rather represents a continuation of our efforts in areas in which the Commerce Committee has jurisdiction and expertise. It is my hope that the bill I introduce today will be reported from the Commerce Committee in time to be considered on the floor in conjunction with any amendments the Public Works Committee may recommend to the Solid Waste Disposal Act.

The bill would provide a means for remedying certain policies of the Federal Government with respect to freight rates, procurement, labeling and the tax treatment of recycled oil—all of which appear to have discriminated against recycled materials and products in the past. Additionally, the bill includes a phasein approach to study and develop energy and materials savings opportunities through national product standards.

Solid waste management can no longer be just a local issue. It is a national, State, and local problem which demands a Federal response. Millions of tons of municipal solid waste are mounting daily in our dwindling landfills. The U.S. consumption of materials and resources is far above that of the rest of the world—we use nearly one-third of the world's energy supplies, 40 percent of the world's aluminum, 35 percent of the world's lead, and approximately one-third of the world's copper, tin, zinc, and nickel. Exacerbating the materials problems we face as a nation is the fact that we are dependent on imports for over half of the supply of six selected critical resources: bauxite, chromium, rubber, tin, nickel, and zinc.

Because of our high consumption rates and need for reliable supplies, it is essential that we use our resources and materials efficiently and reduce waste throughout all levels of the materials cycle. This bill is part of a national recycling program. The bill addresses the following: The discriminatory impact and reasonableness of freight rates for recycled materials; labeling policies of the FTC which discriminate against recycled oil; Government procurement policies for recycled materials; the establishment of a National Commission on Environmental Costs to study the feasibility of utilizing charges to internalize the costs of depleting natural resources; and a phase-in regulatory program for product standards after a study on the opportunities for reducing waste and using critical materials more efficiently. The reports and research endorsing the need for these recycling and conservation programs are too numerous to mention.

Additionally, support at the local level is growing rapidly for not only a national solid waste program but also for equitable freight rates and national standards for source reduction. For example, the National League of Cities and the United States Conference of Mayors, and the National Association of Counties have strongly endorsed the need for national product standards as well as the need to direct regulatory agencies to restructure freight rates to reflect a commitment to conservation.

Specifically, section 4 of this bill would expedite the identification and elimination of transportation rates regulated by the Interstate Commerce Commission—ICC—and the Federal Maritime Commission—FMC—which discriminate against the movement of recovered materials. Currently, it appears that possible discrimination in the rate structure is not subject to challenge because of regulatory decisions that recovered materials are not competitive with virgin materials. Under the proposed bill, both the ICC and the FMC would be required to change ratemaking procedures to insure fair treatment of recovered materials where discrimination cannot be justified on the basis of transportation factors.

The bill requires government agencies to set a good example with respect to resource recovery and conservation. Federal agencies and State and local agencies receiving Federal assistance would be required to purchase recycled materials, if they are available at a reasonable cost.

Under section 7 of the bill, the Environmental Protection Agency, in consultation with the National Bureau of Standards, would be required to study, analyze and report on the technical feasibility of reducing waste and conserving the use of energy and materials in short supply through product standards. Any standard for a product would have to meet a balancing test on its technical feasibility and economic ramifications prior to promulgation.

Additionally, a proposed standard would be subject to a final rejection by a simple majority vote of either House of Congress. A National Commission on Environmental Costs would also be established under this bill to gather information on the feasibility of utilizing charges to internalize the costs of environmental degradation and the depletion of natural resources. Internalizing costs in this manner is a potential alternative to standard setting, but needs further exploration and evaluation in terms of cost feasibility and effectiveness.

Mr. President, I ask unanimous consent that the entire bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1744

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act, divided into sections according to the following table of contents, may be cited as the "Resource Recycling and Conservation Act".

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DECLARATION OF POLICY

Sec. 2. (a) Findings.—The Congress finds that the United States has recently experienced severe economic difficulties, including inflation, unemployment, and shortages of food, energy, and other products and materials. Such difficulties and shortages illustrated that Nation no longer possesses an overabundance of natural resources necessary for commerce, economic well-being, and the national security. In the future, greater emphasis must be placed on promoting the conservation of virgin natural resources, promoting resource recovery and recycling, and reducing waste through the efficient use of energy and resources in short supply.

(b) Purposes.—It is therefore declared to be the purpose of the Congress in this Act to—

(1) promote, through economic incentives and minimum standards, the use of materials and products that are not in short supply or that can be used again through recovery, reuse, and recycling, and subject to subsection (c) of this section, to discourage the unnecessary use and depletion of scarce virgin natural resource materials;

(2) prohibit transportation rates which discriminate against recycled materials in favor of virgin materials;

(3) change, with respect to the Federal Government, (A) its procurement practices to encourage the use of reclaimed materials and to minimize the unnecessary purchase of virgin materials and (B) its disposal practices to maximize the use of facilities for the recovery of energy and other resources from waste;

(4) require the development of national product standards to reduce the use of energy and critical materials in short supply;

(5) enable consumers to contribute to resource conversation by establishing a national commission to formulate a practical and convenient national disposal costs system which would internalize waste disposal costs and thus permit consumers to make rational value comparisons among competing products on the basis of total costs, including disposal costs.

(c) Disclaimer.—It is not the purpose of this Act directly to discourage the exploration, development, or extraction of virgin natural resources which is undertaken in accordance with valid environmental protection laws, regulations, and objectives.

DEFINITIONS

Sec. 3. As used in this Act, unless otherwise defined in this Act—

(1) "Administrator" means the Administrator of the Environmental Protection Agency;

(2) "commerce" means trade, traffic, transportation, or exchange (A) between a place in a State and any place outside such State; or (B) which affects trade, traffic, transportation, or exchange described in subparagraph (A);

(3) "disposal cost" means the economic cost (measured in dollars per standard unit of measure) of collecting, transporting to a treatment facility, storing, and processing solid, liquid, and semisolid waste in the waste disposal systems in the United States;

(4) "durability" refers to product lifetime or the length of time a durable good is useful for its intended purpose; it includes the concepts of product design and repairability.

(5) "Federal agency" means any department, agency, or other instrumentality within the executive branch of the Federal Government; any independent agency or establishment of the Federal Government including any Government corporation; and the Government Printing Office;

(6) "procurement item" means any device, good, substance, material, product, or other item which is the subject of any purchase, barter, or other exchange made to procure such item;

(7) "procuring agency" means any Federal agency or any State agency or agency of a political subdivision of a State which is using Federal funds; or any person contracting with any such agency with respect to work performed under such contract;

(8) "product" means any article, device, item, material, or other substance or any part thereof which is manufactured or produced for distribution or sale in commerce to any person for any personal household or business use other than use as material in the manufacture or production of, or as a component part of, another such substance; and any container or packaging material which is used in the distribution or sale in commerce of any such substance;

(9) "reclaimed material" means any material which has been collected or recovered from waste for a commercial or industrial use following end usage as a product;

(10) "recycled material" means any material which has been collected or recovered from waste for a commercial or industrial use whether or not such collection or recovery follows end usage as a product;

(11) "recyclable" and "recyclability" refers to the capability and likelihood of being recovered from waste for a commercial or industrial use;

(12) "reusable" or "reusability" refers to the capability of being and likely to be reintroduced into commerce for purposes of distribution, sale, or use without any substantial treatment, alteration, or change other than sanitary cleansing. The term may include, but is not limited to, any new product, material, or item meeting such requirements;

(13) "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa;

(14) "virgin natural resource material" or "virgin material" means a raw material, including, but not limited to, previously unused copper, aluminum, lead, zinc, iron, or other metal or metal ore; or any undeveloped resource that is, or with new technology will become, a source of raw materials; or any new or virgin textile material which has useful physical or chemical properties which exist, unused, in nature;

(15) "waste" means any discarded, disposed, unused, or otherwise unusable solid, liquid, or semisolid material or materials. The term shall not include any source material, special nuclear material, or byproduct material subject to regulation or control under the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.);

(16) "waste management" means the systematic control of the generation, collection, storage, transport, treatment, utilization, processing, recycling, recovery, or final disposal of waste.

INVESTIGATION OF DISCRIMINATORY FREIGHT RATES FOR THE TRANSPORTATION OF RECYCLED MATERIALS

Sec. 4. (a) Investigation.—The Commission shall within 12 months after the date of enactment of this Act and as appropriate, thereafter—

(1) conduct an investigation, based upon the identification and examination of such rates as are significant to such investigation, of the rate structure for the transportation of recycled materials by transportation carriers subject to its respective jurisdiction and shall, after a hearing has been afforded, determine whether such transportation rate structure is in whole or in part unjustly discriminatory, or, in the case of interstate commerce, unreasonable;

(2) in all cases where the rate structure applicable to the transportation of recycled materials is found to be unreasonable or unjustly discriminatory, issue orders requiring the removal from such rate structure of such unjust discrimination or, in the case of interstate commerce, unreasonableness; and

(3) file annual reports with the President and the Congress on or before the tenth day of December of each of the 3 years following enactment of this Act and such other reports as shall be appropriate to reflect all actions commenced or completed under this section to eliminate unreasonable and unjustly discriminatory rates for the transportation of recycled materials.

(b) Complaints.—Any interested person may file a complaint with the Commission alleging that rates, charges, or tariffs or proposed rate increases for the transportation of any recycled material subject to its regulatory jurisdiction are unjustly discriminatory or, in the case of movements in interstate commerce, unreasonable. Upon the filing of any such complaint, the Commission shall forward a copy thereof to any carrier whose rates or proposed rate increases are challenged. Such carriers shall be given a reasonable opportunity to answer such allegations in writing. The Commission shall thereupon investigate and after a public hearing make a determination. If such rates, charges, tariffs, or proposed rate increases are found to be unjustly discriminatory or in the case of movements in interstate commerce, unreasonable, the Commission shall issue appropriate orders requiring the removal, where applicable, of such unjust discrimination or unreasonableness.

(c) Administrator.—The Administrator shall take such steps as are necessary to insure that the directive contained in subsection (a) of this section will be carried out as expeditiously as possible. The Administrator shall have the right to intervene as a party in any proceeding commenced by or before the Commission under this section.

(d) Proceedings.—In any proceeding under this section—

(1) Upon a showing by any interested person of competition between a recycled material and a virgin natural resource material as provided in subsection (g) of this section and of a difference in transportation rates, charges, or tariffs charged by a carrier or a difference in the rate structures for such competing materials for substantially similar transportation, the burden shall then be upon the carrier whose rates, tariffs, charges, rules, or regulations are under investigation to show that the same are not unjustly discriminatory.

(2) The Commission shall make specific findings based upon the record. With respect to all determinations made by it in accordance with this section, any relevant facts or conclusions, including matters to be officially noticed, shall be introduced into the record, subject to cross examination, in accordance with the rules of evidence governing proceedings under the Interstate Commerce Act as amended (49 U.S.C. 1, et seq.) or the Shipping Act of 1916 as amended (46 U.S.C. 801, et seq.).

(3) The Commission shall give full preference to the hearing and decision in any proceeding under this section and shall conclude such proceedings as speedily as possible.

(4) This section shall be read in para materia, as appropriate, with the Interstate Commerce Act, as amended (49 U.S.C. 1, et seq.) or the Shipping Act of 1916, as amended (46 U.S.C. 801, et seq.).

(e) Review.—Orders issued by the Commission pursuant to this section shall be subject to judicial review or enforcement in the same manner as orders issued by the Commission under the Interstate Commerce Act, as amended (49 U.S.C. 1, et seq.), or the Shipping Act of 1916, as amended (49 U.S.C. 801, et seq.).

(f) Regulations.—The Commission is authorized to prescribe such regulations as are necessary to carry out the provisions and purposes of this section.

(g) Presumption.—For the purposes of this section, a recycled material shown to be practicably usable and intended to be used in a particular manufacturing, industrial, or energy production process, which use would reduce the use of a virgin natural resource material which could otherwise be used, shall be presumed to be competitive with such virgin natural resource material unless such showing is rebutted by a preponderance of the evidence.

(h) Definitions.—As used in this section, the "Commission" means to the extent of applicable jurisdiction, the Interstate Commerce Commission or the Federal Maritime Commission, or both.

(i) Research, Development, and Demonstration.—The Secretary of Transportation, in cooperation with the Interstate Commerce Commission and the Federal Maritime Commission shall establish a research, development, and demonstration program which shall develop and improve transport terminal operations, transport service characteristics, transport equipment, and collection and processing methods for the purpose of facilitating the competitive and efficient transportation of recycled materials.

RECLAIMED MATERIALS PREFERENCE

Sec. 5. (a) General.—A procuring agency shall comply with the requirements set forth in this section and any regulations issued under this section, with respect to any purchase or acquisition of any property having a fair market value of $5,000 or more and with respect to any purchase or acquisition on a recurring or continuing basis of the same or a functionally equivalent material, product, or item where the fair mraket value of the quantity thereof purchased or acquired in the course of the preceding fiscal year was $5,000 or more.

(b) Requirements.—(1) With respect to procurement items purchased through advertisements for bids, no procurement shall be made of any such item unless it is, by comparison with competing items offered for sale by suppliers, composed of the greatest percentage of reclaimed materials and is, to the greatest extent, recyclable or reusable following the use for which it is designed or used, whenever a significant difference exists between such item and competing items with respect to such characteristics.

(2) The requirements of paragraph (1) of this section shall not apply to any procurement by a procuring agency if the procurement item which meets such requirements and regulations (A) is not reasonably available within a reasonable period of time; (B) does not meet reasonable performance standards set by such agency; or (C) is only available at a price which substantially exceeds the current market price for competing items.

(3) Each procuring agency shall make its own determinations and findings with respect to the characteristics of procurement items and competing items and the question of compliance with the requirements of this section. The Secretary of Commerce, through the National Bureau of Standards, and the Administrator shall assist any procuring agency in making any such determinations or findings upon request in writing from such agency. In case of any dispute between a procuring agency and a prospective supplier with respect to any such determination or findings, such supplier may obtain review of such determination or findings in an appropriate district court of the United States.

(4) To the extent that a prospective supplier fails to disclose any information with respect to the percentage of reclaimed materials in a procurement item or the recyclability or reusability of such item, such failure, for purposes of this section, shall be treated as an admission that such item contains no such materials and is neither recyclable nor reusable.

(c) Guidelines.—The Administrator, after consultation with the Administrator of General Services and the Public Printer, shall prepare, and from time to time revise, guidelines for the use of procuring agencies in the implementation of the requirements of this section. Such guidelines shall set forth recommended practices with respect to the procurement of reclaimed, recyclable, and reusable materials and items containing such materials and shall provide information as to the availability, sources of supply, and potential uses of such materials and items.

(d) Other Standards.—In addition to the foregoing, each procuring agency shall be subject to all applicable standards promulgated under section 7 of this Act with respect to all procurement items purchased or acquired by it.

RECOVERY FACILITIES PREFERENCE

Sec. 6. A procuring agency shall, to the maximum extent practicable, manage or arrange for the management of waste generated by it in a waste-management facility which maximum energy and resource recovery.

WASTE REDUCTION

Sec. 7. (a) Product Report.—The Administrator, in consultation with the National Bureau of Standards, appropriate Federal, State, and municipal agencies and other interested persons, within 1 year after the date of enactment of this Act, shall publish (and from time to time thereafter revise) a report (1) identifying products (or classes of products), the manufacturing, distribution, or disposal practices of which may—use an unreasonable amount of energy or virgin materials identified by the President to be (A) critical for the national welfare, and (B) in actual or potential short supply; and (2) giving information on existing technology and practices for reducing the amount of energy or virgin materials used in the manufacturing, distribution, or disposal of such products, including available data on technology and costs, alternative methods of manufacturing, distribution, or disposal, and to the extent possible any recommendations for disposal cost charges or charges to internalize costs made by the National Commission on Environmental Costs established under section 9 of this Act. Such identification and information shall be announced in the Federal Register and copies shall be made available to the general public.

(b) Proposed Product Regulations.—Within 180 days after publication of the report required under subsection (a) of this section, the Administrator, after consultation with the National Bureau of Standards, other appropriate Federal agencies, and representatives of affected industries, shall publish in accordance with section 553 of title 5 of the United States Code proposed regulations establishing standards for the control of any such identified product. Such regulations may include, but need not be limited to, standards which through the administration of fees, product mix standards, or other means found suitable by the Administrator, encourage the durability, recyclability, or reusability of any such product.

(c) Limitation.—No regulation shall be promulgated under this section which requires a change in a manufacturing, distribution, or disposal practice for any product unless the Administrator finds such regulation is—

(A) technically feasible, and

(B) economically reasonable over the lifecycle of the product after a finding by the Administrator that the environmental, economic, and social benefits likely to be derived from the application of such regulation exceed the environmental, economic, and social costs likely to result therefrom.

No regulation shall be promulgated under this section unless the Administrator finds that regulations issued under the Clean Air Act, as amended (42 U.S.C. 1857) or the Federal Water Pollution Control Act, as amended (33 U.S.C. 466) cannot accomplish the purposes of such standards as effectively.

(d) Final Regulations.—The Administrator shall publish a notice for a public hearing on such proposed regulation to be held within 60 days of publication of such proposed regulations. No later than 180 days after publication of the proposed regulations, such regulations shall be deemed final unless the Administrator finds, on the record, that a modification of such proposed regulations is justified based upon a preponderance of evidence adduced at such hearing or unless either House of Congress opposes such proposed regulations by a majority vote. If after any such public hearing, the Administrator finds that a modification of any such proposed regulation is justified, revised regulations shall be promulgated immediately subject to rejection by a majority vote of either House of Congress. All such regulations promulgated under this section shall be reviewed and, if appropriate, revised at least every three years.

(e) National Bureau of Standards.—

(1) General.—The Secretary of Commerce through the National Bureau of Standards, shall develop the resources, facilities, and expertise necessary to assist and advise the Administrator in the exercise of such Administrator's responsibilities under this section, at the request and direction of such Administrator. The Administrator shall utilize such resources, facilities and expertise to assist in the development of product reports and product regulations pursuant to this section.

(2) Conforming Amendment.—Section 1 of the Act of July 22, 1950 (15 U.S.C. 272), is amended by inserting after subsection (f) a new subsection as follows:

"(g) The development of product reports and product regulations pursuant to section 7 of the 'Resource Recycling and Conservation Act.' ".

(f) Seizure.—(1) The Administrator, or upon such Administrator's request the Attorney General, may initiate an action in an appropriate district court of the United States against any product which is manufactured, distributed, sold, or disposed in violation of a regulation promulgated under this section or a finding made under subsection (g) of this section for seizure and condemnation of such product.

(2) In any such action, such product may be proceeded against by process of libel for its seizure and condemnation within any judicial district in which it is found. Proceedings and cases shall conform as nearly as possible to proceedings in rem in admiralty.

(3) Upon the entry of an order of seizure and condemnation under this subsection, the products against which such order is entered shall be disposed of by destruction or sale under the supervision of an officer of the court, or it shall be released to its owner, or a designated responsible person who intervened in the proceeding as a claimant, to be destroyed or brought into compliance with applicable requirements under the supervision of a duly authorized agent of the Administrator. Any such sale shall be conducted in accordance with the provisions of this section and the laws of the jurisdiction in which the sale is conducted. The proceeds of such sale, minus expenses of sale and costs, shall be paid to the United States for deposit in the Treasury as "miscellaneous receipts". No such product shall be released until the owner or designated responsible person has paid to the court all costs incurred and has executed a good and sufficient bond payable to the United States conditioned upon a commitment that (A) the product will be destroyed or brought into compliance with applicable requirements pursuant to the terms of such order and the provisions of this paragraph; (B) the product will not be sold or disposed of contrary to the provisions of the order, this Act and regulations thereunder, and the laws of the involved State; and (C) payment will be made promptly to the Administrator of reasonable and appropriate supervision fees, according to a schedule of such fees to be established by the Administrator. As used in this paragraph, "costs" means, where applicable, court costs and fees, moving and storage expenses, testing and examination costs, and any other expenses incurred in seizing and safeguarding such property.

(g) Exports.—A product intended solely for export is exempt from regulations and standards issued under this section, except that no product may be exported if the Administrator finds that such product will, upon final disposal following export and use, directly or indirectly result in an unreasonable reduction of domestic energy or virgin materials identified by the President to be critical for the national welfare and in actual or potential short supply.

(h) State Authority.—(1) If the Administrator has promulgated a regulation under this section or made a finding under subsection (g) of this section with respect to a product, no State or local government may impose requirements which are different therefrom.

(2) The Administrator may by regulation, upon the petition of any State or local government or at such Administrator's own initiative, exempt State and local governments from the prohibitions of paragraph (1) of this subsection with respect to any State or local requirement which is more stringent than the corresponding Federal requirement, if such exemption will not,

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through difficulties in marketing, distribution, or other factors, result in placing an unreasonable burden upon commerce.

TECHNOLOGY TRANSFER

Sec. 8. The Administrator shall establish and maintain a central reference library for actual performance and cost effectiveness records and other data and information with respect to the various methods of energy and resource recovery from waste and the various systems and technologies for collection, transport, storage, treatment, and final disposal of waste, and other aspects of waste management. Such information shall be made available to State and local governments and other persons. The Administrator shall also implement a program for the rapid dissemination of information relating to all such aspects of waste management, including the results of any research, developments, demonstrations, investigations, experiments surveys, studies, or other information which may be necessary or useful to State and local officials and such other person.

NATIONAL COMMISSION ON ENVIRONMENTAL COSTS

Sec. 9. (a) Establishment.—There shall be established, 120 days after the date of enactment of this Act, a National Commission on Environmental Cost (hereinafter referred to as the "Commission").

(b) Structure.—(1) The Commission shall consist of 12 members, as follows:

(A) three who shall be appointed by the majority leader of the Senate from Members of the Senate, of whom not more than two shall be members of the same political party;

(B) three who shall be appointed by the Speaker of the House of Representatives from Members of the House of Representatives, of whom not more than two shall be members of the same political party;

(C) three who shall be appointed by the President from the personnel of Federal agencies: *Provided*, That the primary employment activity of each such person at the time of appointment is the protection of environmental quality; and

(D) three who shall be appointed by the President from lists of qualified individuals not employed by the Federal Government on the basis of their special training, experience, or qualifications, of whom not more than two shall be members of the same political party.

(2) The members of the Commission shall be appointed for a term of 3 years, except that any individual appointed to fill a vacancy occurring prior to the expiration of the term for which such individual's predecessor was appointed shall be appointed for the remainder of such term and in the same manner in which such predecessor was appointed.

(3) The members of the Commission shall elect one of their numbers to serve as Chairman thereof.

(4) Four members of the Commission shall constitute a quorum at any meeting for the transaction of any function of the Association: Provided, That notice in writing of the date, time, and location of such meeting was given or sent by certified mail to each of the members of the Commission 30 days prior to the date thereof.

(c) Duties.—It shall be the duty of the Commission to—

(1) conduct a comprehensive study, including field testing and controlled experimentation to the extent practicable, of the feasibility and effectiveness of establishing a system of national product disposal cost charges. The study shall include an evaluation of the accuracy with which actual disposal cost, by product or class of products, can be measured;

(2) study and make recommendations as to the best way to administer such a system of national disposal costs charges, including the level and agency or agencies of Government which should have major responsibility therefor and the extent to which refunds or credits should be authorized or mandated of sums paid or amount otherwise due for such disposal charges, including, but not limited to, refunds or credits based on the amount, if any, of recovered material included in a product or with respect to products which when unwanted or discarded are normally submitted to and accepted by a resource recovery facility or with respect to consumers whose waste is submitted to and accepted by a resource recovery facility;

(3) study and make estimates and projections of anticipated revenue during the first 5 years of operation, taking into account any recommended refunds or credits, with respect to each such system studied and tested together with the anticipated costs of administering and enforcing each such system;

(4) study and make recommendations as to the distribution and use of such revenues;

(5) conduct a comprehensive study of the extent to which the costs of environmental degradation can be quantified and the feasibility of establishing a system of charges to internalize the costs and mitigate the adverse effects of such environmental degradation. The Commission shall examine the extent to which the costs of such environmental degradation would be internalized through the application of alternative means of control; and

(6) study all feasible means of disclosing the extent of environmental degradation to consumers, by those responsible for such degradation. The means studied shall include, but not be limited to, disclosures in advertising and labeling of products. The Commission shall examine all reasonable means of effectively informing consumers of the sources of environmental degradation including, but not limited to, environmental costs associated with such products and alternative products which are likely to cause less environmental degradation.

(d) Reports.—The Commission shall submit progress reports simultaneously to the Congress and the President at such times as the Commission deems appropriate. An interim report shall be submitted not later than 2 years after the date of enactment of this Act. The final report of the Commission shall be submitted simultaneously to the Congress and the President within 3 years after the date of enactment of this Act. Such final report and, where feasible, such progress reports and interim report shall include any changes in the law recommended by the Commission to implement the findings and conclusions of its studies. The Commission shall cease to exist 60 days after the date of submission of its final report.

(e) Powers.—(1) The Commission or any member thereof may, for the purpose of carrying out the provisions of this section, hold such hearings; sit and act at such times and places, administer such oaths, and require by subpoena or other order the attendance and testimony of such witnesses and the production of such evidence as the Commission or member deems advisable. Subpoenas may be issued under the signature of the Chairman or any duly designated member of the Commission, and may be served by any person designated for such purpose by the Chairman. Witnesses summoned shall be paid the same fees and mileage that are paid witnesses in the courts of the United States. Such attendance of witnesses and production may be required from any place in the United States to any place designated for such hearing.

(2) In case of refusal to obey a subpoena or other order issued under paragraph (1) of this subsection, by any person who resides, is found, or transacts business within any judicial district of the United States, the district court of the United States for any such district shall have jurisdiction and shall upon the request of the Chairman of the Commission issue to such person an order to appear and produce evidence. Any failure to obey such an order shall be punishable by such court as a contempt of court.

(3) The Administrator of General Services shall furnish the Commission with such offices, equipment, supplies, and services as such Administrator is authorized to furnish to any other agency or instrumentality of the United States.

(4) Each Federal agency is authorized and directed to furnish to the Commission, upon written request by the Chairman thereof, on a reimbursable basis or otherwise, such assistance as the Commission deems necessary to carry out its duties.

(5) The Commission may enter into such contracts, leases, cooperative agreements, or other transactions as may be necessary in the conduct of its duties, with any person.

(f) Compensation and Personnel.—(1) A member of the Commission shall receive compensation only if not otherwise employed in any capacity by the Federal Government. Such a member shall receive $300 per diem when engaged in the actual performance of duties vested in the Commission. All members of the Commission shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of such duties.

(2) Subject to such rules and regulations as the Commission may adopt, the Chairman of the Commission shall have the power to (A) appoint, fix the compensation, and assign the duties of an Executive Director and such additional staff personnel as are deemed necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, classification, and General Schedule pay rates, except that no individual shall be paid at rates in excess of the maximum rate for GS-18 of the General Schedule as set forth under section 5332 of such title; and (B) procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, but at rates not to exceed $150 a day for persons performing such services. In making appointments and procuring services, the Chairman of the Commission shall hire sufficient full- and part-time employees who are competent environmentalists, lawyers, economists, scientists, and engineers.

RECYCLED OIL

Sec. 10. (a) Labeling.—(1) The Director of the National Bureau of Standards shall issue regulations with respect to recycled oil, in accordance with paragraph (2) (A) of this subsection. As of the effective date of such regulations, any decision or regulation of the Federal Trade Commission, or of any State or local government, requiring that recycled oil which is sold for a purpose designated in such regulations of the Director of the National Bureau of Standards be labeled as "previously used" or "reprocessed" oil shall cease to have effect and shall be repealed by operation of law.

(2) As used in this subsection—

(A) "recycled oil" means used oil which has been re-refined or otherwise processed to remove the physical and chemical impurities acquired through use and which is equivalent or better in quality and performance to new oil of reasonable quality for designated purposes, as determined by regulations issued by the Director of the National Bureau of Standards;

(B) "new oil" means oil which has been refined from oil which has never previously been used by a consumer; and

(C) "used oil" means oil which has through use been contaminated by physical or chemical impurities which have not been removed

by subsequent refining, treatment, or other processing.

(b) Excise Taxes.—(1) Section 4221(a) of the Internal Revenue Code of 1954 (relating to certain tax free sales) is amended by striking the second "or" in clause (4), striking the period following clause (5) and inserting in lieu thereof ", or", and by adding the following new clause:

"(6) for use as lubricating oil blended or mixed by any person with used or waste lubricating oil which has been cleaned, renovated, or refined if the resultant mixture is used otherwise than in a highway motor vehicle."

(2) The amendment made by this subsection shall be effective with respect to lubricating oil sold after the last day of the month in which this Act is enacted.

RECORDS AND EXAMINATIONS

Sec. 11. (a) Product.—Each manufacturer or producer of any product which is governed by any standard under a regulation issued under this Act shall—

(1) establish and maintain such records, make such reports, provide such information, and make such tests as the Administrator may reasonably require to determine compliance with such standard or standards and the requirements of this Act;

(2) permit a duly designated officer or employee, upon request, to have access to the records, reports, information, and test results required pursuant to paragraph (1) of this subsection for the purpose of examination and copying; and

(3) make products coming off the assembly line or otherwise in the hands of the manufacturer available for inspection and testing by the Administrator to the extent required by applicable regulations of the Administrator: *Provided*, That the Administrator shall require no more inspection and testing than is reasonably necessary to discharge such Administrator's responsibilities under this Act.

(b) Waste.—(1) Any person who stores, treats, transports, disposes of, or otherwise handles waste, upon request, shall admit any duly designated officer or employee of the Environmental Protection Agency, an involved regional authority, or a State or local agency having jurisdiction to any site or facility subject to such officer's or employee's control and shall furnish or permit such officer or employee access, at all reasonable times, to all records relating to such waste for purpose of examination and copying.

(2) Any such duly designated officer or employee is authorized to (A) enter at reasonable times any establishment, or other place maintained by any person, in which waste is stored, treated, transported, or disposed of; and (B) inspect and obtain samples from any person of any such waste and samples of any containers or labeling for such waste. Each such inspection shall be commenced and completed with reasonable promptness. If such officer or employee obtains any samples, such officer or employee shall give the owner, operator, or agent in charge of the premises from which they are obtained a receipt describing each such sample. If an analysis is made of such sample or samples, a copy of the results shall be furnished promptly to such owner, operator, or agent.

PROHIBITED ACTS

Sec. 12. It is unlawful for any person subject to the jurisdiction of the United States to—

(a) introduce or deliver for introduction in commerce any product which does not conform to an applicable standard set forth in a regulation duly issued by the Administrator under any provision of this Act; or

(b) fail to furnish records or fail to permit access, for examination and copying, to records, information, samples, and test results required pursuant to this Act.

REMEDIES

Sec. 13. (a) Civil Penalties.—(1) Any person who is found by the Administrator after notice and an opportunity for an adjudicative hearing in accordance with section 554 of title 5, United States Code, to have committed an act prohibited by section 12 of this Act, shall be liable to the United States for a civil penalty of not more than $5,000 for each day of violation. The amount of such civil penalty shall be assessed by the Administrator, or such Administrator's delegate, by written notice. In determining the amount of such penalty, the Administrator shall take into account the nature, circumstances, extent, and gravity of the prohibited act or acts committed and, with respect to the person found to have committed such act or acts, the degree of culpability, any history of prior offenses, ability to pay, and effect on ability to continue to do business, and such other matters as justice may require.

(2) Any person against whom a violation is found and a civil penalty assessed under paragraph (1) of this subsection may obtain review in the appropriate court of appeals of the United States by filing a notice of appeal in such court 30 days from the date of such order and by simultaneously sending a copy of such notice by certified mail to the Administrator. The Administrator shall promptly certify and file in such court the record upon which such penalty was imposed, as provided in section 2112 of title 28, United States Code. The findings of the Administrator shall be set aside if found to be unsupported by substantial evidence, as provided by section 706(2)(e) of title 5, United States Code.

(3) If any person fails to pay an assessment after it has become a final and unappealable order, or after the court of appeals has entered final judgment in favor of the Administrator, the Administrator shall refer the matter to the Attorney General, who shall recover the amount assessed in any appropriate district court of the United States. In such action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

(b) Criminal Penalties.—Any person who knowingly commits an act prohibited by section 12 of this Act shall, upon conviction, be fined not more than $25,000 or imprisoned for not more than 1 year, or both.

(c) Specific Relief.—The Administrator, or at such Administrator's request the Attorney General, may bring an action in an appropriate district court of the United States for equitable relief to redress a violation by any person of an Act prohibited by section 10 or 12 of this Act. In any action requesting equitable relief, under any Act administered by the Administrator, or instituted at the request of such Administator, where a risk to public health is alleged and established, the failure by the party requesting such relief to prove that demonstrable harm to health now exists or will result, shall not, in and of itself, constitute a permissible basis to deny such relief. When such risk is established, the court shall consider the probability that demonstrable harm exists or will result and the human health consequences from such harm. The preceding two sentences shall govern all proceedings in actions brought after the date of enactment of this Act and all further proceedings in actions then pending, except to the extent that in the opinion of the court their application in a particular action then pending would not be feasible or would work injustice.

(d) Citizens Civil Action.—(1) Except as provided in paragraph (2) of this subsection, any person, including the Administrator and at such Administrator's request, the Attorney General may commence a civil action for injunctive relief on such person's own behalf or on behalf of the United States, as the case may be, whenever such action constitutes a case of controversy against (A) any person, including a government entity (to the extent permitted by the eleventh amendment to the Constitution), alleged to be in violation of any regulation or order issued in accordance with this Act; or (B) the Administrator, where there is alleged a failure by such Administrator to perform any act or duty required of such Administrator under this Act. The district courts of the United States shall have jurisdiction over actions brought under this subsection without regard to the amount in controversy or the citizenship of the parties. An action under subparagraph (A) may be brought in the district court for any judicial district in which venue is proper under section 1391 of title 28, United States Code. An action under subparagraph (B) may be brought only in the district court for the District of Columbia.

(2) No civil action may be commenced—

(A) under paragraph (1)(A) of this subsection prior to 60 days after notice of the alleged violation is given to the Administrator and to any alleged violator by the person commencing the action;

(B) under paragraph (1)(A) of this subsection if the Administrator or the Attorney General has commenced and is diligently prosecuting an action in a court of the United States to require abatement of the alleged violation;

(C) under paragraph (1)(B) of this subsection prior to 60 days after notice of intent to commence such action has been given to the Administrator, in such manner as the Administrator may prescribe by regulation.

(3) In any action under this subsection, the Administrator or the Attorney General, if not a party, may intervene as a matter of right. In any case in which an action is barred under paragraph (2)(B) of this subsection, any person may intervene as a matter of right in the pending action commenced by the Administrator or the Attorney General.

(4) The court, in issuing any final order in any action under this subsection, may award costs of litigation (including reasonable attorney and expert witness fees) to any party, whenever it determines that such an award is appropriate.

(5) Nothing in this subsection shall be construed to restrict any right which any person or class of persons may have under any statute or at common law to seek enforcement of any applicable regulation or order or any other relief.

(6) When any civil actions brought under this subsection involve the same defendant and the same issues or alleged violations but are pending in different courts, such pending proceedings may be ordered consolidated for trial in accordance with this paragraph. Upon application of such defendant to one such court, such court shall, unless good cause is shown, order all such actions under this subsection involving the same defendants and the same issues or alleged violations to be consolidated for trials in (A) the court agreed upon by stipulation among all the parties; or (B) the court selected by the defendant or the court in a judicial district convenient to such defendant's principal place of business. Such order of consolidation shall not apply so as to require the removal of any case the date for trial of which has been fixed. The court granting such order shall give prompt notification thereof to the other courts having jurisdiction of any case covered by such order, and upon request by any such court may reconsider and amend, modify, or withdraw such order.

GENERAL PROVISIONS

Sec. 14. (a) Regulations.—In addition to any specific grant of authority in this Act, the Administrator is authorized to prescribe such regulations as are necessary and appropriate to carry out such Administrator's function under this Act.

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(b) Judicial Review of Regulation.—(1) Any judicial review of any final regulation issued under this Act shall be conducted in accordance with the provisions of sections 701 through 706 of title 5, United States Code, except that with respect to relief pending review, no stay may be granted of any agency action unless the reviewing court determines that the party seeking such stay is likely to prevail on the merits in the review proceeding and that such party is likely to suffer irreparable harm pending the determination of such proceeding unless such stay is granted.

(2) Any party to a judicial review proceeding under this subsection may request permission from the court to present additional evidence. If such party establishes, to the satisfaction of the court, that such evidence was not available when the Administrator issued the final regulation or regulations under review and is material, or that the failure of the Administrator to include such evidence in the agency proceeding was arbitrary or capricious, the court may, upon such terms and conditions as it deems proper, order such evidence (and any material tending to controvert it) to be taken before the Administrator and presented to the court in the review proceeding. Upon the basis of such additional evidence, the Administrator may modify the findings as to the facts or make new findings. The Administrator shall present any such additional evidence taken to the court, together with any such modifications in the findings and any recommendation for the modification or setting aside of his or her original order.

(c) Integration With Other Acts.—The Administrator shall integrate all provisions of this Act for purposes of administration and enforcement and shall avoid duplication, to the maximum extent practicable, with the appropriate provisions of the Clean Air Act, the Federal Water Pollution Control Act, the Federal Environmental Pesticide Control Act (7 U.S.C. 135), and such other Acts of Congress as grant regulatory authority to the Administrator. Such integration shall be effected only to the extent that it can be done in a manner consistent with the goals and policies expressed in this Act.

(d) Availability of Information.—The Administrator shall make available to the public, upon request and at cost of reproduction and mailing, any and all information obtained or developed under this Act except to the extent that such information constitutes a trade secret, except that such information may be disclosed by the Administrator—

(1) to other Federal Government departments, agencies, and officials with reasonable need for such information for official use, upon request;

(2) to committees of Congress having jurisdiction over the subject matter to which the information relates;

(3) in any judicial proceeding relating to the provisions of this section under a court order formulated to preserve the confidentiality of such information without impairing the proceeding; and

(4) if relevant in any proceeding under this section, except that disclosure shall preserve the confidentiality to the extent possible without impairing the proceeding.

PACKAGING AND LABELING

Sec. 15. Section 12 of the Fair Packaging and Labeling Act of 1966 (15 U.S.C. 1461) is amended by replacing the period at the end thereof with a colon and adding the following: "*Provided*, That notwithstanding any provision of this Act or any law of any State or political subdivision thereof, any recyclable or recycled solid waste material, which is not a consumer commodity, and which historically has been labeled and sold on the basis of gross weight with a stated maximum percentage of such weight for tare or packaging, may continue to be labeled and sold in that manner and without any other weight designation."

FEDERAL POWER COMMISSION REVIEW

Sec. 16. The Federal Power Commission is authorized and directed to review, and modify where necessary, its existing policies, rules, and regulations as they affect the operation of public utilities and natural gas companies to bring such policies, rules, and regulations into conformance with the purpose of this Act. The Federal Power Commission is further directed to adopt policies, rules, and regulations which provide incentives for public utilities and natural gas companies to (a) participate in pilot plant projects and demonstrations of systems for recovering energy from waste; (b) convert existing facilities and construct new facilities to provide for recovery of energy from waste; and (c) purchase fuel which is produced in an energy recovery facility.

NATIONAL SECURITY WAIVER

Sec. 17. The Administrator may waive compliance with the provisions of this Act, in whole or in part, upon receiving information from the Secretary of Defense that such waiver is in the interest of national security. Upon the issuance of such a waiver, the Administrator shall publish in the Federal Register a notice that the waiver was granted for good cause shown by the Secretary of Defense in the interest of national security, unless the Administrator has been requested by the Secretary of Defense to omit such publication because such publication would be contrary to the interests of national security.

DISCLAIMER

Sec. 18. Nothing in this Act shall authorize the Administrator to directly regulate the exploration, development, or extraction of any virgin natural resource or the initial sale thereof.

EMPLOYEE PROTECTION

Sec. 19. (a) General.—No employer may discharge any employee or otherwise discriminate against any employee with respect to his compensation, terms, conditions, or privileges of employment because the employee (or any person acting pursuant to a request of the employee) has—

(1) commenced, caused to be commenced, or is about to commence or cause to be commenced a proceeding under this Act;

(2) testified or is about to testify in any such proceeding; or

(3) assisted or participated or is about to assist or participate in any manner in such a proceeding or in any other action to carry out the purposes of this Act.

(b) Remedy.—(1) Any employee who believes that he has been discharged or otherwise discriminated against by any person in violation of subsection (a) of this section may, within 30 days after such violation occurs, file (or have any person file on his behalf) a complaint with the Secretary of Labor (hereinafter in this subsection referred to as the "Secretary") alleging such discharge or discrimination. Upon receipt of such a complaint, the Secretary shall notify the person named in the complaint of the filing of the complaint.

(2)(A) Upon receipt of a complaint filed under paragraph (1), the Secretary shall conduct an investigation of the violation alleged in the complaint. Within 30 days of the receipt of such complaint, the Secretary shall complete such investigation and shall notify in writing the complainant (and any person acting in his behalf) and the person alleged to have committed such violation of the results of the investigation conducted pursuant to this paragraph. Within 90 days of the receipt of such complaint the Secretary shall, unless the proceeding on the complaint is terminated by the Secretary on the basis of a settlement entered into by the Secretary and the person alleged to have committed such violation, issue an order either providing the relief prescribed by subparagraph (B) or denying the complaint. An order of the Secretary shall be made on the record after notice and opportunity for agency hearing. The Secretary may not enter into a settlement terminating a proceeding on a complaint without the participation and consent of the complainant.

(B) If in response to a complaint filed under paragraph (1) the Secretary determines that a violation of subsection (a) of this section has occurred, the Secretary shall order (i) the person who committed such violation to take affirmative action to abate the violation, (ii) such person to reinstate the complainant to his former position together with the compensation (including back pay), terms, conditions, and privileges of his employment, (iii) compensatory damages, and (iv) where appropriate, exemplary damages. If such an order is issued, the Secretary, at the request of the complainant, shall assess against the person against whom the order is issued a sum equal to the aggregate amount of all costs and expenses (including attorney's fees) reasonably incurred, as determined by the Secretary, by the complainant for, or in connection with, the bringing of the complainant upon which the order was issued.

(c) Review.—(1) Any person adversely affected or aggrieved by an order issued under subsection (b) may obtain review of the order in the United States Court of Appeals for the circuit in which the violation, with respect to which the order was issued, allegedly occurred. The petition for review must be filed within 60 days from the issuance of the Secretary's order. Review shall conform to chapter 7 of title 5 of the United States Code. The commencement of proceedings under this subparagraph shall not, unless ordered by the court, operate as a stay of the Secretary's order.

(2) An order of the Secretary, with respect to which review could have been obtained under pargaraph (1), shall not be subject to judicial review in any criminal or other civil proceeding.

(d) Enforcement.—(1) Whenever a person has failed to comply with an order issued under subsection (b)(2), the Secretary shall file a civil action in the United States district court for the district in which the violation was found to occur to enforce such order. In actions brought under this subsection, the district courts shall have jurisdiction to grant all appropriate relief including, but not limited to, injunctive relief, compensatory, and exemplary damages. Civil actions filed under this subsection shall be heard and decided expeditiously.

(2) Any nondiscretionary duty imposed by this section is enforceable in mandamus proceedings brought under section 1361 of title 28, the United Sttaes Code.

(e) Exclusion.—Subsection (a) of this section shall not apply with respect to any employee who, acting without direction from his employer (or the employer's agent), deliberately causes a violation of any requirement of this Act.

AUTHORIZATION FOR APPROPRIATIONS

Sec. 20. (a) General.—Except with respect to the specific authorizations for appropriations contained in subsection (b) of this section, there are authorized to be appropriated for carrying out the provisions of this Act such sums as are necessary not to exceed $500,000 for the fiscal year ending June 30, 1975, $2,000,000 for the fiscal year ending June 30, 1976, $500,000 for the transitional fiscal quarter ending September 30, 1976, and $2,000,000 for the fiscal year ending September 30, 1977.

(b) National Commission on Environmental Costs.—There are hereby authorized to be appropriated for the purpose of financing the activities of the National Commission on Environmental Costs under section 9 of this Act such sums as are necessary not to exceed $2,000,000, to remain available until expended.

By Mr. McGOVERN (for himself and Mr. Mathias):

S. 1745. A bill to facilitate the economic adjustment of communities, industries, and workers who may be substantially and seriously affected by reductions in Defense contracts and facilities which are undertaken to realine Defense expenditures with changed national security requirements and to prevent the ensuing dislocations from contributing to or exacerbating recessionary effects on the aforementioned groups. Referred, by unanimous consent, jointly, to the Committee on Armed Services, the Committee on Banking, Housing and Urban Affairs, the Committee on Government Operations, the Committee on Finance, and the Committee on Labor and Public Welfare.

DEFENSE ECONOMIC ADJUSTMENT ACT

Mr. McGOVERN. Mr. President, I introduce for myself and Senator Mathias a bill entitled the Defense Economic Adjustment Act.

This same bill is being introduced today in the House by Representatives Bingham of New York and Whalen of Ohio with a number of cosponsors. So this represents a bipartisan, bicameral initiative to help speed our transition to a peacetime economy.

Economic conversion has been an issue of deep concern to me from the time I first came to the Senate in 1963. For that long I have been searching for workable ways to help transfer excess military resources to peacetime pursuits. Other sponsors of this measure have also pursued this question for many years.

Though no significant action has been taken, the issue has been considered in some depth in years past. In 1963 the Arms Control and Disarmament Agency undertook a series of detailed studies on the economic impact of reductions in arms spending. In 1965, in response to legislation I had proposed and Senate hearings, President Johnson appointed a commission to examine ways of dealing with the dislocations suffered by workers, companies, and communities when arms spending is cut back.

The report of that commission was eclipsed by our escalation in Vietnam, and then buried by the mammoth arms budgets which were used to underwrite that tragic venture. Although we still argued that the machinery should be in place, few Americans saw any need for conversion planning during that period.

Now, at long last, we can be grateful that the war is over and the issue is timely again.

We have been and we will continue to suffer dislocations as a result of shifts in military spending. Indeed, even at current spending rates, the Pentagon projects a loss of 63,000 jobs in DOD and among contractors by June of next year. And while we cannot project the final figure, it is virtually certain that Congress will make significant cuts in the fiscal 1976 arms budget. The Armed Services Committees of both the House and the Senate have already reduced some of the more outlandish procurement programs, and their bills await further challenge on the floor. The success we presumably seek in arms control negotiations and other forums should permit further reductions.

The thesis of this legislation is that the Government which has created a dependency on high military budgets has an obligation to help plan and carry out a smooth transition to work on civilian needs. The bill would give contractors and subcontractors an incentive to prepare for the transition, with the goal of avoiding any abrupt loss of jobs. If they fail, the funds set aside would be available to pay extended unemployment benefits to displaced workers.

But beyond that, this legislation should help us focus on the unemployment prison we create for the American economy by excessive spending on arms.

Especially now, with unemployment at disastrously high levels, we are told that we cannot reduce the military budget—indeed, that we must increase it by some 18 percent, counting AEC arms spending—in part because any cut would add still more to the jobless rolls.

But the truth is that regardless of what we do with the savings, reductions in arms spending will mean more jobs, not less, for the American people. Stated another way, the economic drag of arms spending, far from helping to sustain the economy, has been a major contributing factor in our economic collapse.

In February, the President of the United Auto Workers, Leonard Woodcock, told the Senate Budget Committee that—

> One billion dollars of military expenditures creates an average 20,000 to 30,000 fewer jobs than alternative forms of expenditures. Thus a program to divert $15 to $20 billion from military spending to certain programs in energy transportation, housing, etc., could create 300,000 to 600,000 jobs.

The Public Interest Research Group in Lansing, Mich., has put together a very careful analysis of the employment effects of various kinds of spending. It concludes that for an $80 billion rate of spending on the military, we lose a net of 840,000 jobs nationwide.

One specific example is of special interest to me, because I plan to introduce in a few days a comprehensive national transportation bill. The condition of our railroads, in particular, is a national disgrace. According to the report of the Michigan group, each $1 billion spent on the military creates about 55,000 jobs. We have calculated that investing that same amount in rebuilding decrepit railbeds would create some 70,000 jobs. And it would be work on something we need desperately in this country, instead of on more military overkill which can serve no useful purpose at all.

So this is one way to put the American people back to work: Combine prudent cuts in arms outlays with new investments in the civilian priorities which have already been neglected for too long.

The legislation we propose today would help avoid dislocations in between. It is not a complete answer. Indeed, the best conversion bill of all would be a 5-year projection of all national spending, showing that we will hold the line on arms outlays and specifying what civilian areas will be increased. Certainly the industries involved would be wise enough to follow guidance of that kind.

But until we are willing to plan to that extent, legislation along the lines we propose today will be an absolute need. It is a means to avoid the inevitable disruptions for workers and communities. Beyond that, it is a means to help rebuild a crippled national economy, and to put thousands more Americans back on the job.

Mr. President, I ask unanimous consent that there be printed in the Record at this point a brief summary of the provisions of the bill we have introduced today.

There being no objection, the summary was ordered to be printed in the Record, as follows:

Summary of Main Provisions of Economic Adjustment Bill

1. PURPOSE

To provide economic adjustment assistance to workers, communities, and contractors which may be substantially and seriously affected by reductions in defense expenditures.

2. DEFINITIONS

Defines terms used in bill. Defines "substantially and seriously affected" for communities and contractors, so that bill will cover those who would be hardest hit by reductions in defense expenditures and would have the most difficulty in adjusting.

3. TITLE I, ESTABLISHMENT OF COUNCIL

Sec. 101: Establishes a Defense Economic Adjustment Council with cabinet-level membership. Secretary of Commerce is Chairman. (Note: This council currently exists within the Office of the President, but by executive rather than legislative direction.) Section provides staff for Council.

Sec. 102: Defines duties of Council as follows: developing and coordinating policies and programs, collecting and disseminating information, encouraging State studies and action, providing seed money for planning immediately to communities which have been substantially and seriously affected by reductions, defining in coordination with the Congress priority sectors and projects in the civilian economy and channeling economic adjustment plans into these areas, reviewing adjustment plans, and reporting to the public.

4. TITLE II, COMMUNITY ECONOMIC ADJUSTMENT

Sec. 201: Provides for economic adjustment planning assistance to communities which would be substantially and seriously affected by base or industry closures or reductions. Establishes a mechanism for identifying communities and earmarks a portion of existing funds for economic development for providing these communities with seed money for planning economic adjustment.

Sec. 204: Requires each defense agency facility to file a detailed listing of all equipment, including its condition, the cost of conversion to civilian uses, and the most likely civilian uses. Requires 180 days advance notification to community of any facility closure or substantial reduction. Provides immediate adjustment assistance to communities. Provides for sale of all excess facilities to community at a public

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benefit discount—currently this discount only applies to property which is to be developed as a park or airport. Guarantees retraining and employment benefits to affected government workers.

5. TITLE III, INDUSTRIAL ECONOMIC CONVERSION

Sec. 301: Requires defense contractors to develop conversion plans, the costs of which can be included in the defense contract.

Sec. 302: Provides technical and managerial assistance to contractors in planning for and conducting economic conversion. Assistance is to be provided by federal agencies.

Sec. 303: Amend Defense Authorization Act of 1970 to expand kinds of independent research and development which can be funded in a defense contract to include projects which the Council believes have a potential relationship to an urgent national requirement in a designated non-defense sector. Council and Congress permitted to designate non-defense R&D which can be funded. (Note: Provision will expand government support for IR&D.)

Sec. 304: Provides immediate assistance to contractor whose contracts cancelled within one year of passage of act and who have not received other contracts to take their place. (Such contractors cannot benefit from Section 301–303 because these sections are tied to contracts let after the act becomes law.) Designates project areas and funding and other assistance for such contractors.

6. TITLE IV, ECONOMIC ADJUSTMENT FUND

Establishes a fund, paid for out of contractor's payments from contract, to be used for worker benefits. Contractor to place ½% of funds he receives under the contract in fund, to receive back with interest all funds not expended for worker benefits under certain conditions. Authorizes federal expenditures for Fund if necessary. Also establishes Non-Profit Fund from U.S. Treasury funds to cover workers in nonprofit organizations which have defense contracts.

7. TITLE V, ECONOMIC ADJUSTMENT FOR WORKERS

Provides adjustment assistance in cases in which 5% or more of local work force is affected by reduction in the volume of defense work at a contractor's facility. Assistance includes guarantee of compensation which, when added to other benefits, equals 80% of prior weekly wages, vested pension credit, hospital and life insurance, retraining, and/or moving expenses. Assistance available for up to 2 years, or until worker placed in new job, whichever occurs first. Assistance paid for by Funds of Title VI.

Mr. MATHIAS. I join today my distinguished colleague from South Dakota (Mr. McGovern) and with my colleagues, Jonathan Bingham and Charles Whalen, from the House of Representatives, in introducing the Defense Economic Adjustment Act. Concern for the dilemmas faced by communities left jobless and economically straitjacketed by cuts in defense spending and the closing of military bases has brought Senator McGovern, myself and many others to introduce similar legislation in the past. Anticipation of the effects of America's changing defense requirements following Vietnam caused us to look for a mechanism to assure at least immediate partial economic adjustment to these changes.

This act would establish the Defense Economic Adjustment Council in the Executive Office of the President which would provide assistance to workers in the form of wage compensation, retraining and continued health benefits throughout the adjustment period. It would provide defense contractors and communities affected by base closings and/or reduction in force because of defense cuts immediate assistance in the form of seed moneys to plan conversion to civilian production.

Defense owned or contracted facilities would be required to file with the Council up-to-date reports of inventory of equipment, its present condition, replacement cost and all possible civilian uses of such facilities. In addition, the closing or serious reduction in force of any base or installation would require advance notice to the community of at least 180 days so that an effective short-term plan for economic recovery is possible.

Private defense contractors would be required to plan as part of the contract the conversion of their defense-related activities and to file these plans periodically with the Council throughout the life of the contract. The cost of such a plan would be part of the contract. A fund would also be set aside, consisting of half of 1 percent of total contract amount, to aid workers in their economic adjustment period should they be laid off, downgraded, or in need of retraining. In the case of actual conversion, businesses would be eligible for low cost, long-term loans to help bring about this conversion.

Many defense contractors, like many counties and States, suffer eventually from a lack of diversity. Contractors too long accustomed to an ever flowing tap are sometimes lulled into a false economic security which naturally affects the community in which it exists. It is the purpose of this bill to help these contractors plan sensibly for their own economic survival as well as the community's. Moreover, it makes sense to me to ask those with the management and technical skills already harnessed to devise these conversion plans. Far too often communities themselves must spend precious time on the preliminary steps of making inquiries about inventories, skills of workers and conditions of plants or bases. Through this bill, such facts will be readily available to the community—and the decision of what and how much to do will be the immediate tasks ahead.

My own State of Maryland is certainly dependent on the economies of bases and installations and private defense contractors. In the year ending June 30, 1974, civilian and military pay for workers in defense owned or contracted facilities totalled almost $1 billion. Montgomery and Prince George's County's share of that payroll alone was $416,072,000. Baltimore's was $56,000,000 and Anne Arundel's almost $200 million. These payrolls and workers support local businesses, educational institutions, improved water and sewer facilities, recreation facilities and the housing industry. So it is certainly crucial to us to encourage as much activity as we can in the area of conversion.

As you know, we have a fine example in Frederick County of the conversion philosophy. Frederick County was able to preserve a $20 million payroll and, at the same time, utilize the biological warfare facilities for the purpose of cancer research. And I hope that when we find a cure for cancer, we can find another use for Fort Detrick. There is in the works now a detailed plan for the use of Fort Holabird in Baltimore. We need more plans even if the possibility of closures is not imminent in some places.

The main thrusts of the bill, as I see them, are fourfold: First, the lessening of fear and confusion in affected communities through immediate availability of information and moneys to plan conversions for plants and workers; second, the establishment of a responsible conversion principle in the private defense sector as well as defense installations, and third, more relevant, the conservation of physical plant and equipment, human resources and the healthy economic communities bound together by valuable networks of jobs, friendships, educational and business ties.

And most importantly, this bill will hasten a return to a "peace time" mentality which will provide this country with a strong basic commitment to the goals of better housing, expanded mass transit systems, and the establishment of a progressive planning program based on a hope for something better—not on the debilitating preoccupation by the entire citizenry on war and security. There is an urgent need to return to more human, rational efforts toward domestic economic health.

Mr. RIBICOFF subsequently said: Mr. President, on behalf of the distinguished Senator from South Dakota (Mr. McGovern), I ask unanimous consent that the bill entitled "The Defense Economic Adjustment Act" introduced earlier today be referred jointly to the Committees on Armed Services, Banking, Housing and Urban Affairs, Government Operations, Finance, and Labor and Public Welfare.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 11

At the request of Mr. Brock, the Senator from Oklahoma (Mr. Bartlett) was added as a cosponsor of S. 11, a bill to amend the State and Local Fiscal Assistance Act of 1972 to make Federal revenue sharing a permanent program to provide for periodic increases in the dollar amounts of revenue returned to the States under that act to offset the effects of inflation, and to eliminate certain restrictions on the purposes for which local governments may use funds obtained under this act.

S. 153

At the request of Mr. Hansen, the Senator from Maryland (Mr. Beall) was added as a cosponsor of the bill (S. 153) to amend part B of title XI of the Social Security Act, Professional Standards Review, to provide for the review of dental services by dentists.

S. 394

At the request of Mr. Bentsen, the Senator from Indiana (Mr. Bayh) was added as a cosponsor of the bill (S. 394) to amend the Trade Act of 1974 to clarify the application of the Generalized System of Preferences to certain countries.

S. 560

At his own request, the Senator from Kentucky (Mr. Huddleston) was added as a cosponsor of S. 560, to amend title II of the Social Security Act to increase the amount of outside earnings permitted each year without deductions from benefits.

S. 595

At the request of Mr. Bartlett, the Senator from Florida (Mr. Stone) was added as a cosponsor of the bill (S. 595) to amend the Meat Import Act of 1964.

S. 772

At the request of Mr. Talmadge, the Senator from Arkansas (Mr. McClellan) was added as a cosponsor of S. 772, a bill to enable cattle producers to establish, finance, and carry out a program of research, producer and consumer education, and promotion to improve, maintain, and develop markets for cattle, beef, and beef products.

S. 811

At the request of Mr. Tunney, the Senator from Wyoming (Mr. McGee) was added as a cosponsor of S. 811, a bill to amend the Horse Protection Act of 1970 to better effectuate its purposes.

S. 1447

At the request of Mr. Stevenson, the Senator from California (Mr. Tunney) was added as a cosponsor of S. 1447, the Federal Handgun Control Act of 1975.

S. RES. 60—WITHDRAWAL

Mr. METCALF. Mr. President, I am erroneously listed as a cosponsor of Senate Resolution 60, a resolution authorizing each Member of the Senate to employ additional assistants to work on matters pertaining to committees on which Senators serve.

I ask unanimous consent that my name be removed from the list of cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. RES. 104

At the request of Mr. Brock, the Senator from New York (Mr. Javits) and the Senator from Kansas (Mr. Dole) were added as cosponsors of the resolution (S. Res. 104) providing limited legislative authority to the Select Committee on Small Business.

S. RES. 126

At the request of Mr. Brock, the Senator from Maryland (Mr. Beall) and the Senator from California (Mr. Cranston) were added as cosponsors of S. Res. 126, a resolution endorsing the continued presence of the United Nations peacekeeping forces in the Middle East.

SENATE RESOLUTION 155—SUBMISSION OF A RESOLUTION RELATING TO WHITE CORN STATISTICAL INFORMATION

(Referred to the Committee on Agriculture and Forestry.)

Mr. HUDDLESTON submitted the following resolution:

S. Res. 155

Whereas white corn is grown for human consumption and not for animal feed; and

Whereas the production of white corn has been steadily increasing in the United States in recent years to help meet the world food crisis; and

Whereas the annual white corn production forecasts by the Department of Agriculture have provided valuable assistance to producers, handlers, and processors of that commodity; and

Whereas statistical information on white corn published by the Department of Agriculture has helped provide substantial stability to the marketplace: Now, therefore, be it

Resolved, That it is the sense of the Senate that the Department of Agriculture should continue to publish the annual white corn production estimates and other statistical information relating to the production of that commodity.

Mr. HUDDLESTON. Mr. President, since 1971 the Statistical Reporting Service of the U.S. Department of Agriculture has estimated white corn acreage and production for the leading 10 producing States. The Statistical Reporting Service intends to eliminate surveying white corn beginning with the current growing season.

The elimination of this report leaves the white corn interests without reliable information on which to base their production and marketing. The white corn estimates increase the stability of the marketplace and help growers, handlers, and processors alike.

Mr. President, white corn is a food, not a feed. This crop is grown in 18 States and is an important economic enterprise to these States. The lack of adequate data will deprive the industry of information needed for intelligent production and marketing decisions.

In light of the importance of white corn estimates I submit this resolution in a sincere attempt to have the Statistical Reporting Service continue to publish annual white corn production estimates and other statistical information relating to the production of this commodity.

SENATE CONCURRENT RESOLUTION 38—SUBMISSION OF A CONCURRENT RESOLUTION TO REQUEST THE CHIEF JUSTICE OF THE UNITED STATES TO APPEAR BEFORE A JOINT SESSION OF THE CONGRESS

(Referred to the Committee on the Judiciary.)

Mr. BAYH (for himself and Mr. Kennedy) submitted the following concurrent resolution:

S. Con. Res. 38

Whereas, the Congress is aware of the increasing concern over the needs of the judiciary; and

Whereas, the Congress is aware of the increasing workload at all levels in the court systems of the Nation; and

Whereas, the increasing problems of the judiciary demonstrate the need for greater public concern and for more adequate planning and coordination by the legislative, executive, and judicial branches of the Federal Government; and

Whereas, the Congress can meet its obligation to the judiciary more effectively including the development of appropriate legislation, by hearing the report of the Chief Justice of the United States as the head of the judicial branch of the Federal Government; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled:

That the Congress respectfully requests the Chief Justice of the United States to appear before a joint session of the Congress at an appropriate early opportunity to report on the state of the judiciary.

Mr. BAYH. Mr. President, on February 23, 1975, the Chief Justice of the United States delivered his annual report on the state of the Judiciary in an address to the Mid-Winter Meeting of the American Bar Association. His remarks criticized the legislative branch for action taken during the last session of Congress and for inaction on a number of proposals of the U.S. Judicial Conference. The Chief Justice also called attention to the serious dimensions of caseload problems of the Federal courts, the difficulties encountered in keeping the best legal minds on the Federal bench, and the increasing use of the Federal courts as a "bush league" facility to train would-be private practitioners. Several weeks earlier the Chief Justice had issued a year-end review of the American court system and asked for congressional action on a number of proposals to relieve the burden of the severely overloaded Federal court docket.

If, in fact, there may be a judicial "crisis" because of congressional action, as the Chief Justice warned, I believe the legislative branch, under our tripartite system of government, has the responsibility to avoid such consequences. For nearly 200 years, Congress has consistently acted to assist the Federal Judiciary in their extraordinary effort to protect the rights and the fabric of American society as a whole. We must strive to continue to improve the judicial machinery of the United States, but cannot do so unless we have the best possible information and hear the best evidence regarding what needs to be done.

For this reason, I submit today, along with the senior Senator from Massachusetts, Mr. Kennedy, a resolution to respectfully request the Chief Justice of the United States to appear before a joint session of Congress to report on the state of the Federal Judiciary.

Such a state of the Judiciary message would enable Congress to hear first hand the needs of the Judicial Branch. Such an address would materially contribute to public awareness of the problem of our Federal judiciary and provide the appropriate forum for the Chief Justice to focus national attention on our Nation's judicial system.

I do not believe this resolution poses any violation of the separation of powers doctrine. Article III of the Constitution grants Congress the power "to ordain and establish" inferior courts of special and limited jurisdiction. As a coordinate branch of government, we are called upon through the appropriations process to fund annually all Federal courts. More particularly, the Senate has the duty to advise and consent to the appointment of all Federal judges. Congress has always had the responsibility to see justice dispensed at more than just a minimal or mediocre standard. Traditionally, our system of government has demanded

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excellence of those entrusted with the responsibility to bring impartial and swift justice throughout the Federal judiciary. We must vigilantly strive to continue to maintain the historic function of our courts.

Nor am I concerned that an address to Congress would swirl the Chief Justice into the whirlwind of public debate regarding the function of the judicial apparatus. A "state of the judiciary" message would initiate a constructive dialog between two coequal branches of government. Criticism would no longer be voiced sterilely outside the Halls of Congress. Recommendations could be made for improvement and priorities established for future action.

There is a reason for the public and legal profession to express alarm over the annual report of the Chief Justice. The courts have encountered an unprecedented rise in their caseload during the past 10 years which has clogged the Federal docket.

The Federal district courts have experienced a combined civil and criminal case increase of 45 percent since 1964. During that same period the actual number of criminal trials rose by more than 60 percent. Last year alone the total number of cases filed was 143,284; the courts disposed of 139,159 of those cases. Four years ago these same 400 district courts disposed of 120,000 cases.

The courts of appeals have experienced similar increases in their docket. In 1964, for example, 33 percent of all district court decisions were placed on appeal. Last year over 75 percent of all such decisions found their way into the courts of appeal. Since 1968 the authorized level of appeals courts judgeships has remained constant resulting in an 80-percent increase in cases per judgeship.

By comparison, the Justice Department has taken affirmative steps to meet the new demands of the increased caseload during this same period. From 1964 to 1974, the 94 U.S. attorneys offices increased their prosecutor strength from nearly 700 to 1,200 staff attorneys, a rise of almost 70 percent.

The Supreme Court has not escaped the impact of the increased caseloads of the lower courts. For the October term 1973, the more than 5,000 cases on appeal was higher than at any time in the entire history of the Court. The Chief Justice has pointed out that the Supreme Court today is handling four to five times the cases as did courts including such men as Taft, Holmes, Brandeis, and Hughes.

Adding to the difficulty of the Federal courts is our Nation's staggering rate of inflation. Salaries of Federal judges have been fixed for the last 6 years and we have already seen that during the past 13 months this circumstance has caused more Federal judges to return to private practice than in the previous 34 years. The simple fact is that the family obligations of many of these men have forced their resignation because they cannot afford Government service.

We, in Congress, have imposed a similar freeze on ourselves and the upper level salaries of the executive branch. The time has come to review the decision that requires America's most responsible civil servants to meet 1975's cost of living on salaries fixed by statute in 1969. The diminution in purchasing power during the intervening years has worked an unfair hardship unparalleled in the private sector. It would indeed be sad if history were to record that our system of justice failed because we could not pay the best minds of the legal profession to be our judges, or our Government decayed because it could not attract our brightest citizens to move America ahead.

An address by the Chief Justice would certainly give the Congress and the public a realistic look at the problems posed by the increased caseloads in the Federal courts and the need to examine judicial pay scales. His message, however, could range over as broad a field as the courts encompass. There has been much discussion about the Speedy Trial Act, the need for limitations on diversity jurisdiction, the abolition of three-judge courts, the responsibilities of U.S. magistrates and the professional standard of the attorneys who practice before the Federal courts. All these subjects would be appropriate for comment and direction by the Chief Justice. But he would not be limited to them: there are many other serious and wide-ranging problems too voluminous to mention.

The present system of presenting such matters to Congress is arduous and time consuming. Suggestions for changes in the judicial system follow an arduous path from the U.S. Judicial Conference through the congressional leadership to the appropriate House and Senate committees and finally to the floor of both Houses. Throughout all of these proceedings the chief judicial officer of the United States has no forum to make his voice heard. He can resort to the appropriate body of the legal profession, but should have access to Congress if he is to seek direct redress.

A forceful public presentation to the Congress by the Chief Justice would draw attention not only to the pressing needs of the immediate future, but provide projections for the years ahead. Such an address would be a proper approach from the head of one coordinate branch of Government to the branch responsible for both legislation and appropriation. It would provide an opportunity to demonstrate the extraordinary vigor and strength of our Federal courts, of the absolute necessity for an independent judiciary, and of the all important role of the judicial branch in protecting society and individual rights.

Mr. KENNEDY. Mr. President, I am pleased to join with Senator Birch Bayh today in submitting a concurrent resolution requesting the Chief Justice of the United States to address a joint session of the Congress on the state of the judiciary. I am hopeful that Congress will act on the resolution at the earliest opportunity.

As Members of the Congress are well aware, these are critical times for our judicial system, especially in this period of the rising incidence of crime and the soaring workload of the courts. In the Federal system, the problem affects the courts at all levels—the congested district courts, the Courts of Appeals, and the Supreme Court. But the problem is larger than the Federal courts. It affects not only State and local courts, but also our entire system of law enforcement and criminal justice, including police, prosecutors and defense counsel, grand juries, the corrections system, and the access of ordinary citizens to needed legal services.

In the Crime Control and Safe Streets Act of 1968, Congress announced its commitment to upgrade the quality of law enforcement and criminal justice in the Nation. But after 7 years and over $3 billion in grants by the Law Enforcement Assistance Administration of the Department of Justice, the feeling is pervasive that the program is failing and that massive funds have been wasted. Crime is going up, and the system seems powerless to stop it.

Too often, by default, justice is denied and basic rights are lost, as the legal system creaks under growing burdens it is not equipped to face. The very strength and independence of the judiciary is threatened.

To some extent, we in Congress are to blame for our lack of oversight and outright neglect. In the case of the Federal courts, members of the House and Senate are well aware of the widespread view that the freeze on judicial salaries for the past 6 years is driving able Federal judges off the bench and back into private legal practice, and is a powerful deterrent to able lawyers who would make fine judges. They ask, with reason, why their salaries, like those of the top positions in the executive branch, must be hostages to Congress' shameful inability to deal with its own salary structure.

We are also aware of the widespread complaint that, although Congress has been quick to impose new burdens on the Federal courts in recent years, by enactment of measures such as the Speedy Trial Act, we have been much less responsive to the need for additional tools and resources to carry out the job.

Congress is beginning to be aware of these and other problems. But we do not yet understand them adequately or see them in adequate perspective.

Now, however, the air has cleared after our long and distressing preoccupation with Vietnam and Watergate. Congress is beginning to awaken to the many other urgent priorities we have failed so long to face.

In this period of new awareness and new initiatives, I believe that one of our top priorities must be to deal with the emerging crisis of the judiciary.

We cannot accept a situation in which the judicial branch is the poor third cousin in our system of government. A fundamental respect for the judiciary as a co-equal branch of the Federal Government requires that Congress give its needs the attention they deserve.

The relatively minuscule proportion of the Federal budget that goes to the judiciary—less than one-tenth of 1 percent—belies the basic importance of the judiciary to our free society. As Justice Oliver Wendell Holmes stated of the Supreme Court half a century ago:

> We are very quiet here, but it is the quiet of a storm center.

We cannot allow the problems of the judiciary to go unnoticed as they continue to grow and fester. Inertia is not a proper response by either Congress or the executive branch when its sister judicial branch is threatened.

The best way to begin our effort to restore the proper role of our courts is by making a comprehensive attempt to understand the problems they face. And there is no person better qualified by his position to launch the debate and establish an appropriate perspective than the Chief Justice of the United States. It is for this reason that Senator Bayh and I are submitting the present concurrent resolution, inviting the Chief Justice to address the Congress on the state of the judiciary.

The idea for such an address is neither partisan nor new. To my knowledge, it was originally proposed in 1953 by William P. Rogers, who later served with distinction as Attorney General under President Eisenhower. In 1970, the suggestion was urged by E. Barrett Prettyman, Jr., a distinguished private attorney in Washington. At that time, the proposal was first introduced in Congress by Senator Bayh and myself. But Congress failed to act. Now, in light of the growing need, we feel it is worthwhile—even essential—to renew the proposal, and we hope that Congress will adopt it.

An address by the Chief Justice to Congress on the state of the Judiciary would be a fitting complement to the President's state of the Union address to Congress. Just as the President surveys the broad problems facing the Nation on domestic and foreign policy and proposes new approaches to meet them, so the Chief Justice would survey the problems of the Judiciary and offer his guidance to Congress on their possible solution.

Too often in recent years, Congress has sought legislative solutions to judicial problems without adequate understanding of the complexity of the judicial branch or the intricate relationships between its various parts. Too often, sensible and workable solutions to the problems of the courts have been proposed and then neglected, because of the failure of the commissions that proposed them to survive and pursue the recommendations, or because of the lack of perseverance in seeking their effective implementation.

The time is overdue for Congress to become better informed of the problems and aspirations of the judiciary. We know the general areas where many of the problems are found, but we are only dimly aware of their nature and extent. One thing is clear, however. The problems are serious and getting worse, and we must find better ways to handle them.

By bringing the prestige of the high office of the Chief Justice to the task, I believe that Congress can make a better start toward finding satisfactory answers to the difficult problems of judicial administration and court reform. The problems of the courts could be brought into better focus and clarity in a formal presentation by the Chief Justice to Congress on the State of the Judiciary. He can turn the spotlight of public opinion on the problems.

By contrast, essentially the only effective avenue for redress that exists today for attacking these problems is through the arduous route of recommendations by the Judicial Conference and the Administrative Office of the U.S. Courts. Often, however, in pursuing this avenue, urgent and imaginative proposals are delayed for long periods under the complex machinery by which the proposals must be approved.

We should have no fear that an address by the Chief Justice to Congress will breach the separation of powers between the legislative and judicial branches of our Government. Article III of the Constitution confers on Congress the power to "ordain and establish" the lower Federal courts. Each year, the appropriations committees of the Senate and House consider and recommend legislation to fund all the Federal courts. Frequently, Federal judges—and even Justices of the Supreme Court—testify before congressional committees on appropriations bills or on substantive legislative proposals.

Nor would the appearance of the Chief Justice before a joint session of Congress set a novel precedent. In general, such an appearance is reserved for the President's annual State of the Union Address to Congress. But there are many other examples of such sessions. The forum of a joint session of Congress is also made available for other major addresses by the President. And on many other occasions as well, especially in recent years, as the attached table indicates, other distinguished Americans and foreign visitors have made similar appearances. I believe that an appearance by the Chief Justice would be an appropriate addition to this tradition and would be in the highest interest of the Nation.

Every year, Congress makes its own determination of the priorities and problems of the judicial process, often without as much effective guidance as we should have. I believe that we will be aided by the thoughtful and constructive suggestions of the Chief Justice in a formal address to Congress. I am hopeful, therefore, that Congress will approve the resolution that Senator Bayh and I are submitting.

Mr. President, I ask unanimous consent that a listing of persons other than Presidents of the United States who have addressed joint sessions of Congress in the past be printed in the Record.

There being no objection, the list was ordered to be printed in the Record, as follows:

Persons Other Than Presidents of the United States Who Have Addressed Joint Sessions or Meetings of Congress (1789–1975)

Dec. 10, 1824—Marquis de Lafayette of France.

Jan. 5, 1852—Governor Louis Kossuth of Hungary.

Feb. 12, 1866—George Bancroft, historian.

Dec. 18, 1874—King David Kalakaua of Hawaii.

Sept. 18, 1919—Gen. John J. Pershing.

May 20, 1934—Andre de Laboulaye, Ambassador, French Republic.

Dec. 26, 1941—Hon. Winston S. Churchill, Prime Minister of Great Britain.

May 19, 1943—Hon. Winston S. Churchill, Prime Minister of Great Britain.

Feb. 18, 1943—Hon. Cordell Hull, Secretary of State.

May 21, 1945—Gen. George C. Marshall, Chief of Staff.

June 18, 1945—Gen. Dwight D. Eisenhower, Supreme Commander, AEF.

Oct. 5, 1945—Adm. Chester W. Nimitz, Comdr. in Chief, Pacific Fleet.

Nov. 13, 1945—Hon. Clement Atlee, Prime Minister of Great Britain.

July 1, 1946—Hon. John Gilbert Winant, former U.S. Ambassador to Great Britain.

May 1, 1947—Hon. Miguel Aleman, President of Mexico.

April 19, 1948—Hon. Guillermo Belt, Ambassador, Cuba.

May 19, 1949—Hon. Eurico Gaspar Dutra, President of Brazil..

May 31, 1950—Hon. Dean Acheson, Secretary of State.

Feb. 1, 1951—Gen. Dwight D. Eisenhower.

April 2, 1951—Hon. Vincent Auriol, President of France.

April 19, 1951—Gen. Douglas MacArthur.

June 21, 1951—Hon. Galo Plaza, President of Ecuador.

Sept. 24, 1951—Hon. Alcide de Gasperi, Prime Minister of Italy.

Jan. 17, 1952—Hon. Winston S. Churchill, Prime Minister of Great Britain.

April 3, 1952—Queen Juliana of The Netherlands.

May 22, 1952—Gen. Matthew B. Ridgeway.

Jan. 29, 1954—Hon. Celal Bayar, President of Turkey.

May 4, 1954—Hon. Vincent Massey, Governor General of Canada.

May 28, 1954—Hon. Haile Selassie I, Emperor of Ethiopia.

July 28, 1954—Hon. Syngman Rhee, President of Korea.

Feb. 29, 1956—Hon. Giovanni Gronchi, President of Italy.

May 17, 1956—Dr. Sukarno, President of Indonesia.

May 9, 1957—Hon. Ngo Dinh Diem, President of South Vietnam.

June 5, 1958—Hon. Theodore Heuss, President of West Germany.

June 18, 1958—Hon. Charles F. Garcia, President of the Philippines.

Jan. 21, 1959—Hon. Arturo Frondizi, President of Argentina.

Feb. 12, 1959—Mr. Fredric March.

Feb. 12, 1959—Mr. Carl Sandburg.

March 11, 1959—Hon. Jose Maria Lemus, President of El Salvador.

March 18, 1959—Hon. Sean T. O'Kelly, President of the Republic of Ireland.

May 12, 1959—King Baudouin of Belgium.

April 6, 1960—Hon. Alberto Lleras-Camargo, President of Colombia.

April 25, 1960—Hon. Charles de Gaulle, President of France.

April 28, 1960—King Mahendra Bir Bikram, Shah Deva of Nepal.

June 29, 1960—King Bhumibol Adulyadej of Thailand.

May 4, 1961—Hon. Habib Bourguiba, President of Tunisia.

July 12, 1961—Hon. Mohammad Ayub Kahn, President of Pakistan.

Sept. 21, 1961—Hon. Manuel Prado, President of Peru.

Feb. 26, 1962— Lt. Col. John Glenn, U.S. Marines.

April 4, 1962—Hon. Joaoo Gulart, President of Brazil.

April 12, 1962—Hon. Mohammad Reza Pahlavi Ariyamehr, Shahanshah of Iran.

May 21, 1963—Maj. Gordon L. Cooper, Jr.

Jan. 15, 1964—Hon. Antonio Segni, President of Italy.

May 28, 1964—Eamon de Valera, President of the Republic of Ireland.

Sept. 14, 1965—Lt. Col. Gordon L. Cooper, Jr., and Comdr. Charles Conrad, Jr.

Sept. 15, 1966—Hon. Ferdinand E. Marcos, President of the Philippines.

April 28, 1967—Gen. William C. Westmoreland.

Oct. 27, 1967—Hon. Gustavo Diaz Ordaz, President of Mexico.

Jan. 9, 1969—Col. Frank Borman, Capt. James A. Lowell, and Lt. Col. William Anders.

Feb. 25, 1970—Hon. George Pompidou, President of France.

June 3, 1970—Hon. Rafael Caldera, President of Venezuela.

June 15, 1972—Hon. Luis Echeverria Alvarez, President of Mexico.

AMENDMENTS SUBMITTED FOR PRINTING

ASSISTANCE TO CERTAIN MIGRANTS AND REFUGEES—S. 1661

AMENDMENT NO. 477

(Ordered to be printed and to lie on the table.)

Mr. HUDDLESTON submitted an amendment intended to be proposed by him to the bill (S. 1661) to enable the United States to render assistance to or in behalf of certain migrants and refugees.

Mr. HUDDLESTON. Mr. President, the amendment I am offering is a simple one. It is not designed to alter the purpose of the bill or to restrict flexibility. It is designed only to help us bring order and direction to the existing refugee situation.

I realize that it is far from easy to evacuate more than 115,000 persons, to register them, provide for their temporary housing, feeding and health, conduct the necessary checks, resettle them in our Nation, and provide them with the assistance which would reasonably enable them to make a new life for themselves.

At the same time, it is imperative—both for the good of the refugees and for the good of our own citizens—that our resettlement efforts be undertaken in a comprehensive and orderly fashion.

The amendment would, therefore, require a report to the Congress within 30 days after passage of the legislation. The report would include information regarding the numbers and various categories of refugees, their current status, their employment situation and the demands which they could be expected to make on State and local governments. Furthermore, the amendment requires that the report contain a plan formulated pursuant to specified guidelines for the resettlement of those yet to be settled.

Various committees of the House and Senate have been conducting hearings in the past days on the refugee problem. As a result of these hearings, several points are obvious: Additional funds are needed at once; the existing refugee centers are overcrowded; resettlement is not going as rapidly as we would wish; there is still substantial confusion and uncertainty over final resettlement arrangements.

In such a situation, it is clear that we must act promptly. In doing so, however, we must also act wisely.

I believe that few Members of this body or in this country are satisfied that we have thought through the resettlement process and derived a responsible plan. I submit that the time to do that is now—now before we make major mistakes with the lives of more than 100,000 persons and arouse new problems with which our own States, localities and citizens will have to cope.

This is what this amendment seeks to do—it seeks to require that we focus on the numbers, the various situations involved and that we develop a systematic means of dealing with them.

I believe that a consensus is developing in this Nation—a consensus that acknowledges the responsibility we have to many of these refugees who were forced from their homeland because they associated themselves with us, the responsibility we have accepted so many times in the past of offering those from abroad an alternative way of life, the responsibility of a humane and caring people.

At the same time, I think we have to acknowledge that the assimiliation of those from abroad into our Nation has not always been easy, the move beyond the melting pot has not always been accomplished without strain—both for those who arrived and those in the communities into which they went.

For the refugees from Vietnam and Cambodia, there are special problems which we should admit. These include concerns about new arrivals at a time when our economic and unemployment problems are great. And subconsciously, there is undoubtedly the problem that these persons remind us of the major foreign misadventure of the decade—a misadventure which divided our Nation and its people as never before in this century.

Nevertheless, we may hope that, despite our problems at home and the difficult task of resolving them, the better rather than the darker side of our nature will persevere on the refugee issue, and that we may provide assistance in line with the bright side of our Nation's tradition and ideals.

That course need not, however, mean simply the provision of funds in the fond hope that with the money all will work out well.

Indeed, it can and should mean much, much more. It should mean that we have identified the problems which we face, evaluated them and developed a meaningful, comprehensive and workable plan to overcome them.

If we proceed in that way, we can, I hope, eliminate some of the misunderstandings and the misinformation which seem to abound over the current situation. With more information, we should know where we are and where we have to go. With a plan, we should know what steps to take and what not to. This should enable our own people to understand what we are doing, and it should, hopefully, help us avoid some of the many, many difficulties which can arise from a haphazard resettlement of thousands of people.

NOTICE OF CHANGE IN PLACE AND TIME FOR HEARINGS BEFORE THE JOINT COMMITTEE ON DEFENSE PRODUCTION

Mr. PROXMIRE. Mr. President, as I have previously announced to Senators and other interested parties, the Joint Committee on Defense Production will be holding hearings on May 22 and May 23 on the defense priorities system.

Because of a conflict with other hearings, it has become necessary to change the place and time for the hearing scheduled on May 22. This hearing will now take place at 2:30 p.m. in room S-407 in the Capitol. That is the hearing room of the Joint Committee on Atomic Energy.

The hearings will continue on Friday, May 23, in room 5302 of the Dirksen Senate Office Building, beginning at 10 a.m.

NOTICE OF ROOM CHANGE IN REORGANIZATION OF THE FIFTH AND NINTH CIRCUITS

Mr. BURDICK. Mr. President, as chairman of the Judiciary Subcommittee on Improvements in Judicial Machinery, I wish to announce that the hearing for the consideration of S. 729, to reorganize the fifth and ninth circuits, scheduled for May 20, 1975, in room 2228, Dirksen Senate Office Building, has been moved to room 457, Russell Senate Office Building, beginning at 10 a.m.

NOTICE OF HEARING

Mr. McCLURE. Mr. President, on May 19, the Public Works Committee will hold one day of hearings on S. 364, a bill which would change certain provisions in timber sale contracts administered by the U.S. Forest Service. The bill would permit a timber purchaser to transfer earned but unused road construction credits to stumpage charges on another sale within the same national forest.

The subcommittee will examine the problems encountered by timber purchasers under the current system, and the impact any change would have on Federal revenues, counties receiving a portion of stumpage fees, and the timber purchasers.

The hearings will begin at 10 a.m. on May 19 in room 1114 of the Dirksen Senate Office Building.

Witnesses scheduled to testify include representatives from the U.S. Forest Service, the forest products industry, and the National Association of Counties. The House has scheduled hearings on a companion bill for later the same week.

ADDITIONAL STATEMENTS

NEWS DISTORTIONS BY NATIONAL MEDIA

Mr. ALLEN. Mr. President, the Nation's broadcast networks, the wire services, large metropolitan newspapers, and some of the Nation's news periodicals frequently are accused of possessing built-in bias in their reporting and editing. Generally such statements have been shunted aside by the editors and publishers because they apparently consider themselves experts in almost all fields and, thus, above reproach from the "non-expert" complainants.

Mr. N. J. Finlay of Brewton, Ala., has brought to my attention a "Letter to the Editor" in the Mobile Press, one of the two fine daily newspapers published in Alabama's second largest city. This letter was written by Mr. W. H. "Pete" Kelley, an experienced newsman who until recently served as managing editor of the Florence, Ala., Times Tri Cities Daily, one of Alabama's excellent daily newspapers.

Mr. Kelley was in the Nation's Capital 2 weeks ago when Alabama's Gov. George Wallace testified before a House committee in support of appropriations for the Tennessee-Tombigbee Waterway. Mr. Kelley, by virtue of his journalistic background, is a trained observer, and his letter relates differences between what he observed during that day and the fiction which was reported by some of the national press.

Mr. President, I ask unanimous consent that the letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Media Mistreats GCW

As a former newspaper editor, I often wondered whether Gov. George Wallace was exaggerating stories of how the national news media twisted facts to make him look badly.

Recently, I had an opportunity to observe first hand.

Governor Wallace understated the case.

Wallace went to Washington to testify before the House Appropriations Public Works Subcommittee for the Tennessee-Tombigbee Waterway. He made an excellent presentation, and members of the subcommitte, to a man, said they were impressed.

At a luncheon given in his honor, and attended by approximately 300, Wallace was beseiged by congressmen, residents of other states and other well-wishers who wanted to shake his hand and have their picture made with the Alabama governor. For over an hour, he sat patiently while the audience clamored to see him and granted numerous interviews with every newsman who asked.

I stood nearby and was able to see and hear almost everything that transpired. Wallace did not have time to eat the first bite during the luncheon.

That afternoon, ABC news reported Wallace's appearance as "lacklustre." The brief report also said Wallace was "not healthy enough to win" and "probably not healthy enough to run" for president.

Surely, ABC's Sam Donaldson did not see the same Wallace I saw or attend the same luncheon I did. Yet, I saw him conducting the interview with Wallace.

The Washington Star was even more disgusting. The paper's Mary McCrory reported on Wallace's requested appearance before the Freshman Caucus, Almost every word was critical and negative. She ended her story by saying the mostly-liberal freshmen congressmen could "only hope Wallace is as sick as he looks."

The Alabama governor was cast in a completely unfavorable light and hardly an accurate word was reported. Even what the governor said was twisted to make it appear he was saying something entirely different.

Perhaps I went to the wrong school, because I was taught that newspapermen were to report facts, quote context and present both sides of an issue. The treatment of Governor Wallace appalled and embarrassed me.

Two days earlier, the same newspaper called President Ford a "dummy" and did it in a news story, not an editorial page column.

The newspaper I worked for had a quotation from Winston Churchill under its masthead that read: "Where men have the habit of liberty, the press will continue to be the Fourth Estate, the vigilant guardian of the rights of the ordinary citizen."

Perhaps that is why I only worked for a small daily in Alabama.

Isn't it strange that Governor Wallace now represents the ordinary citizen much better than the nation's big city newspapers and television networks.

W. H. "Pete" Kelley.

STUART SYMINGTON

Mr. EAGLETON. Mr. President, it was with great sadness that the people of Missouri and indeed, the people of the Nation, learned that my distinguished colleague, Senator Symington, would not run for relection in 1976. After 23 years of service in the Senate, he has decided to step down.

I have been fortunate to enjoy a close personal relationship with Senator Symington. When I first came to the Senate in 1968, Senator Symington acquainted me with the complexities of the legislative process and was kind enough to share his masterful knowledge of the workings of the Senate. His advice was then, and continues to be, among the soundest I have ever received.

Although like his close friend Harry Truman, Senator Symington would reject the honor of being called "statesman," his record as a public servant is most worthy of that high praise. Stuart Symington's statesmanship is best demonstrated by his contribution to the foreign and defense policies of our Nation.

As we all know, Senator Symington has been closely associated with national defense matters for most of his career. He served as the first Secretary of the Air Force under President Truman and has been a member of both the Foreign Relations and Armed Services Committees. Certainly, he is one of the most concerned and knowledgeable Americans in this most vital area.

Senator Symington's unique committee assignments have afforded him the opportunity to take an overall view of all aspects of our national well-being. He has used this knowledge to raise penetrating questions about whether we can risk jeopardizing our Nation's economic strength and the confidence of our people in the relentless quest for perceived military strength. And he has caused many in government to realize that national security encompasses many dimensions which go far beyond simple military superiority.

Over the years, he has challenged the Pentagon on policy questions as well as weapons decisions. And because of his reputation and his integrity, the Senate and the Pentagon listen attentively to his recommendations.

When Senator Symington retires the people of the United States will lose a great statesman. The State of Missouri will lose a forceful and eloquent spokesman. And, while I will hopefully retain his friendship and advice, I will lose a senior colleague whose partnership I have valued.

I know I speak for all the people of Missouri in thanking Senator Symington for his distinguished service to our State and in wishing him every success in the future. Senator Symington's seat in the Senate will, of course, be filled. But a special place in American history is surely reserved only for him.

Mr. President, I ask unanimous consent that a number of editorials from Missouri newspapers paying tribute to Senator Symington be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the St. Louis Globe-Democrat, Apr. 23, 1975]

Symington: Through the Years

One of the most phenomenal vote-getters in Missouri history bowed out of the political wars Tuesday.

Sen. Stuart Symington, an Easterner who adopted Missouri and then captured it politically, said he will not be a candidate for election to a fifth term.

From the time in 1952 when he overcame the endorsement of President Harry S. Truman of his opponent to win the Democratic senatorial nomination, Symington was elected four times to represent Missouri in the Senate.

His last race, against Republican Attorney General John C. Danforth in 1970, was his closest. But he still beat his opponent by 36,000 votes.

During his time in the Senate, he had been a contender for the Democratic nomination for president in 1960 and was twice a contender for his party's vice presidential nomination.

Symington is probably best known as the watchdog of America's armed forces for nearly 30 years of public service, not only in the Senate but before that as Secretary of the Air Force.

Known as "Mr. Air Force," or "the Big Bomber Man" of the 1950s and "the Missile Man" of the 1960s, Symington has been viewed as one of the chief architects of the country's postwar defense systems.

As a senator, he preached with prophetic fervor against complacency and unrealistic optimism in the arms race with Russia and other powers.

And his voice became even stronger in 1973 when he was acting chairman of the powerful Armed Services Committee after the chairman, Sen. John Stennis, Mississippi Democrat, was wounded by robbers outside his suburban Washington home.

But although his major interest was defense and military matters, Symington's career in the Senate was attentive to bread and butter issues in his home state.

He had in recent years, for example, been a strong opponent of plans for a proposed airport on the East Side for the metropolitan St. Louis area.

He had thumped continuously for approval of a long-range master plan for Lambert St. Louis International Airport and against the Columbia-Waterloo, Ill., project.

Earlier in his career, he worked successfully to obtain federal funds for such projects as the Jefferson National Expansion memorial on the St. Louis waterfront.

He also had helped keep the Army Aviation Systems Command (AVSCOM) in St. Louis.

It was Symington who reportedly persuaded the Air Force to consider the Phantom jet made for the Navy by McDonnell Douglas in St. Louis when the Air Force was looking for a new combat aircraft.

The retiring senior senator from Missouri was reared in Maryland and educated at Yale and in 1924, married Evelyn Wadsworth, daughter of U.S. Sen. James W. Wadsworth of New York in a glittering ceremony attended by the late President Calvin Coolidge.

But before he entered public life, he worked in various industries, some owned by relatives. He started as a moulder and rose to become a business executive.

By the time he was 36, his talents as an organizer and executive allowed him to go into brief semi-retirement and a short time later he came to St. Louis.

An assignment in 1945 from President Truman as chairman of the surplus property disposal program after World War II was the first of a half-dozen high government posts he was to occupy during the next 6½ years.

An assistant secretary of war for air in 1946, he sounded his first warning that the country must have such a smashing retaliatory punch that it would be a deterrent to any potential aggressor.

In 1947, when the Air Force had won its fight for equality as a separate service, Symington became the first secretary of the Air Force under the reorganized Defense Department.

He was subsequently to serve as chairman of the National Security and Resources Board, the nation's mobilization body, and as head of the Reconstruction Finance Corp. before resigning to return to his home on Ladue road in Creve Coeur.

But the lure of political life led him to accept the urging of St. Louis area friends to file for the Democratic nomination for U.S. Senate in 1952.

He administered a sound 2-to-1 drubbing to his major opponent, then state attorney General J. E. (Buck) Taylor, who had the endorsement of Truman.

He defeated the Republican incumbent, Sen. James P. Kem, by 150,000 votes in the same election in which President Dwight D. Eisenhower carried Missouri by 30,000 votes.

Early in his Senate career, Symington clashed with Sen. Joseph R. McCarthy, who convulsed the government with repeated allegations in the early 1950s that American government was riddled with Communist influence.

Symington once told McCarthy in an angry exchange that he had "better go see a psychiatrist."

The launching by Russian in 1957 of the Sputnik satellite led the Missouri senator to warn that Russia had badly outdistanced the United States in missile technology.

Congress eventually ordered a speedup in the nation's missile program in a period which launched a major revolution in even American educational methods.

But his popularity in Missouri was principally supported by his fights for local issues such as federal dams and projects like the Jefferson National Expansion Memorial.

A 12-month personal effort by Symington finally persuaded the late Sen. Theodore Green (Dem.), Rhode Island, then head of the Senate Rules committee, to clear the way for the Jefferson memorial project.

Congress ultimately approved expenditure of $17.25 million for the project and ground was broken in June, 1959.

After his relatively narrow victory over Danforth in 1970, Symington's wife died on Dec. 24, 1972, but despite his grief he nevertheless plunged again into national and state affairs.

He had announced months ago that he would run for another term in the Senate, but others in the state Democratic party had their doubts about whether he really would make the race.

Even as late as the Jackson Day Democratic powwos in Springfield earlier this month, Symington was telling political associates "there's been no change" in his plans.

But his announcement Tuesday changed all that and opened the way for a major Democratic battle for the Democratic nomination to the U.S. Senate.

[From the St. Louis Post-Dispatch, Apr. 23, 1975]

SYMINGTON A SHAPER OF POLICY

(By Lawrence E. Taylor)

WASHINGTON.—Stuart Symington's absence from the United States Senate in 1977 will mean that the nation has lost a principal advocate for a major overhaul of its foreign and military policies.

Just what effect Symington's decision not to seek a fifth Senate term will have on this critical debate is uncertain, because his influence has seldom been exercised in public.

Instead, he has chosen in 30 years of governmental service to work within the system, even when he strongly disagreed with it.

His voice has often been heard calling for an end to the U.S. military involvement in Indochina, for a reduction of American military expenditures and commitments abroad and for a system to reduce the proliferation of nuclear weapons.

Yet he has almost always spoken as a man who preferred persuasion within the councils of government to the drumbeat of leadership without.

In a way, this was illustrated by Symington's decision to leave the Senate after 24 years. Typically, the Senator kept his own counsel until the last minute. His son and potential successor, Representative James W. Symington (Dem.), Ladue, was not even told until just before his father made the announcement at a St. Louis press conference.

Yet the political future of his son almost certainly figured in Symington's decision. James needs time to mount a Senate campaign, and his father's early withdrawal gives it to him.

The Senator had been hearing from his close advisers and friends that he might have difficulty being re-elected.

Represenative Jerry Litton (Dem.), Chillicothe, Mo., has been gearing up for a possible nomination challenge for months—some say years. State Attorney General John C. Danforth, the Republican who almost unseated Symington in 1970, is waiting in the starting blocks for another chance.

Most everyone knew that the Senator was reassessing his earlier announced decision to run again in 1976, but not a word leaked out in advance to indicate he had changed his mind.

Although these political factors probably were in Symington's thoughts, there were others he must have weighed against stepping down.

As a senior member of the Senate Committees on Armed Services and Foreign Relations, and the Joint Congressional Committee on Atomic Energy, he has been in a unique position of influence.

He has chosen to wield it largely by digging out the hidden information about Government actions and by asking the tough questions that led ultimately to policy changes. Seldom has he emerged publicly as a leader of the fight to make these changes.

Symington, an advocate of superior American military air power in the 1940s and 1950s, came to question its use in Vietnam and, finally, to turn against the war entirely in 1967.

Symington has the reputation of being a tough man in a fight. Past adversaries have described him as a "slasher" when cornered or angered.

William Stuart Symington, 73 years old, was a self-made millionaire by the time he was 40, part of it earned as president of the Emerson Electric Co., in St. Louis.

In 1945, he was nominated by President Harry S Truman, and confirmed by the Senate, to be chairman of the Surplus Property Board. In the next seven years, he served as assistant secretary of war for air, the first Secretary of the Air Force, chairman of the National Security Resources Board and the "cleanup" administrator of the Reconstruction Finance Corporation.

In 1952, after leaving Government service briefly, he ran for the Senate and defeated incumbent Republican Senator James P. Kem. In three more elections he usually led the Democratic ticket in the state, rolling up heavy margins in all but his last campaign.

With him in all those ventures was his wife, the former Evelyn Wadsworth, a talented singer and actress who gave up her career to bear her husband two sons and serve as his closest and most loyal supporter.

Her death in December 1972 left Symington grief-stricken and, as he said yesterday contributed to his decision to retire from public life.

His change in position and the reasons for it won him respect in the Senate, even from those who disagreed with him.

As the war continued, Symington spoke out in opposition frequently, but he avoided antiwar demonstrations and marches, preferring to confine his efforts within the system.

Because of his committee positions, he was instrumental in disclosing the secret war in Laos operated by the Central Intelligence Agency. He played a major role in exposing and ending the secret bombing of Cambodia conducted by the Nixon Administration from 1969 to 1971.

As chairman of the Senate subcommittee on arms control, international organizations and security agreements, he turned up facts that showed many U.S. military bases around the world were useless, wasteful and even contrary to the nation's interests.

But having accumulated a mountain of material on the subject—and having concluded that half of the U.S. foreign bases could be closed—Symington left it to others to lead the public fight on the issue.

His instinctive caution and his seeming unwillingness to grasp the legislative process have earned him some criticism over the years. One long-time associate said, "If you measure influence by a man's willingness to go out and fight and bleed and die for what he believes in, I don't think you can say Symington has it."

But the same associate was quick to add that Symington's influence worked in other ways, difficult to measure.

For all his reluctance to get too far in front on some issues, Symington has occasionally been unable to restrain himself. In 1973, after closed hearings on the CIA's role in the Watergate cover-up, Symington emerged to tell reporters that President Richard M. Nixon "must have known" his assistants were attempting to misuse the agency.

The comment brought angry denuniciation from the White House, but in the end Symington was proved correct.

[From the Kansas City Star, Apr. 27, 1975]

NATIONAL SECURITY NEEDS GUIDE SYMINGTON IN SENATE

(By Joseph A. Lastelic)

WASHINGTON.—Sen. Stuart Symington has built his reputation in the U.S. Senate by attending to the problems of his constituents in Missouri and by narrowing his focus on national matters to what he considers the most important issues.

So no change of style is expected as the senator moves toward the completion of more than three decades in government. He announced Tuesday he would not seek re-election when he completes 24 years in the Senate early in 1977.

At 73 Symington remains a tall, handsome, urban and hard-working senator. His theme remains consistent: National security means not only the military strength to destroy an

aggressor, but a healthy economy and citizens with faith in their government.

"The greatest service I could do is to see that true national security is preserved," Symington said at lunch one day as he talked of his concept of service, about government spending and the huge deficit and the need to re-establish priorities.

"I want to give the military whatever is needed to defend this country," he said. "I'm no pacifist: I'm not for unilateral disarmament."

He talked of the need to recognize the quality of America's arsenal and not just concentrate on quantity. The amount spent should not be the criteria to judge military preparedness, he said. He went on to discuss the economy, to tell of an executive of one of the nation's biggest industrial corporations who told him he feared for the future of his company.

"I'm no alarmist, but I went through the Depression," Symington said. "If you had a $100 bill you were a rich man. In the 30s it made no difference how well or how cheaply you made a product, nobody bought it."

Symington said the administration continues to go to Congress with requests for millions of dollars in foreign economic and military aid and for increases in the defense budget, and that it finds many allies among his colleagues in the Senate. He wants a cutback in government programs. The gold outflow, weakened dollar, the deficit, inflation scares him, he says. There is a lack of coordination and priorities are all mixed up in his view.

"They asked for $1.5 billion for Vietnam last year," he complained," and we couldn't get $75,000 for a dam down around Joplin."

Years ago when everyone else seemed bored with the problem, Symington hammered at the effects of the loss of gold—the balance of payments—an issue still with us. He investigated the stockpiles owned by the federal government, the agricultural program of storing grain at great cost to the taxpayer, the security agreements and commitments by the United States throughout the world. Each investigation was designed to inform the American citizen what his government was doing and to apply pressure for corrective actions.

Now his concern is the spread of nuclear weapons throughout the world. He continues to point up the dangers and to call for safeguards.

His work and concerns have angered a variety of persons throughout the years. In 1963 he began calling for major reductions in military forces in Europe. The Pentagon was baffled and peeved that the first secretary of the Air Force would take such a stand. Even now he remains embroiled in military spending controversies because of his criticisms of the B1 bomber, the Trident submarine and a new aircraft carrier.

Symington gave up on foreign aid in 1965 because he said he had seen too much waste. He supported U.S. efforts in Vietnam, but began to change as he returned to the battle scene. He concluded the United States either had to get into the conflict with all of its might and bring it to a conclusion or get out.

In January, 1966, he had this to say:

"If South Vietnam is not the right place to defend the Free World against totalitarian aggression, we should retire from that country on the best terms possible. This probably would result in a Communist takeover of additional countries and would damage seriously the world position and status of the United States. That would be the price, but it would not be catastrophic.

"If South Vietnam is the right place to defend the Free World against totalitarian aggression, then that fact should be recognized in more practical fashion. We cannot continue indefinitely the plans and programs incident to the current holding operation.

"The time is approaching when we must decide while the decision is still ours to make whether we will move forward or move out. Whichever course we choose, we must take it with courage, with skill and with realism."

The worst years of the war followed.

In August, 1973, Symington said the situation in Cambodia was "beyond repair" and that the United States should withdraw Americans from Phnom Penh and avoid running the risk of new involvement in pursuit of a lost cause.

The problems of the Middle East, of Greece and Turkey over Cyprus, of the North Atlantic Treaty Organization, and the threats from the Soviet Union are caused by the United States being overcommitted militarily and economically in Symington's view.

The senator falls back on his experience, calls on his wide range of friends for answers to whatever is bothering him.

As a businessman who built up his company, Emerson Electric in St. Louis, and became wealthy he came to know the business community. At the Pentagon he became acquainted with industrialists, admirals and generals; when he ran for the presidency he became friends with politicians across the land. His responsibilities on the Armed Services Committee and the Foreign Relations Committee have brought him into contact with the world's leaders. Through Bob Hope, a golfing partner, he was able to meet many in the world of entertainment; through his interest in professional baseball and football he got to know the owners, coaches and players.

Watching Symington at work in his office is something to behold. Ask him a question and if he does not have the answer, up goes the telephone receiver and within minutes the senator will be talking with some important person. He can find out things. He might ask a favor. His friends have been good to him and he does not forget them.

All has not been roses. Symington wanted to be President, but didn't make it. It was widely thought John F. Kennedy would have him as his running mate, but Lyndon B. Johnson got the nod.

Symington wanted to be chairman of the military preparedness subcommittee, but Sen. John Stennis held on to the last. Symington had a chance to be space committee chairman, but realizing he would have to give up other assignments, he turned down that opportunity to stay on the armed services and foreign relations committee. He is the only senator serving on both of those prestigious committees.

So the issues that will be coming before his committees will be the ones on which he will spend most of his time. However, he intends to keep his eye on Missouri, its rural areas and the cities. Job opportunities are a constant concern and he supports projects that develop the state's resources. He takes a liberal position on housing, health care, aid to the elderly, education and civil rights. He knows there is plenty of work and he intends to do his share. Free from having to campaign again he could slow down, but Stuart Symington intends to run, not walk to the finish line.

[From the Springfield Leader-Press, Apr. 23, 1975]

STU IS SALUTED BY OZARKS ADMIRERS

U. S. Sen. Stuart Symington, who has told his Missouri constituents he won't seek a fifth term (see Page One), is fondly regarded by many Ozarks backers and campaign workers.

For instance . . .

"A person capable of being President" is the assessment of the state's senior senator by Springfield attorney Flavius Freeman, former Greene County Democratic chairman. "I think Stuart Symington is one of the really fine men that we have had in government," Freeman added.

Freeman, who was county chairman from 1958 to 1960, described the 73-year-old senator as "a person of strong moral fiber. In government, if you have that kind of person you really don't have to worry . . . you are going to have good government."

Denton Smith, a longtime Democrat, who has known the senator for 22 years, said, "I just thought he was one of the truly great Americans with no exception. He was not for the right or the left. He was for the people."

"All who know of his great contributions," said Sam Hamra, Symington's Southwest Missouri campaign manager in 1970, "will be touched by his choice of ending his senatorial career. All Americans should hope and pray that (he) will continue serving our country in some governmental capacity after his distinguished senatorial career comes to an end."

Tom Sipe, who has known the senator for eight years, expressed concern that Symington may drop out of public view.

"I hope he will be available to this administration and future administrations. He has the type of statesmanship you don't find too often in Washington."

Future officeholders would do well to pattern themselves after Symington, Sipe noted.

"We heard from those during the Watergate hearings who told the young people to stay out of politics. The young people should take a look at Stuart Symington and pursue a career in public office."

Green County's current Democratic chairman, Melvin Payne, declared, "We have lost one of the most outstanding senators the state of Missouri has ever had."

He wonders what the senator's withdrawal from the race will mean in next year's elections.

"I'm just looking for a real race for that seat, probably in the primary as far as the Democratic Party is concerned."

[From the Columbia Missourian, Apr. 4, 1975]

SYMINGTON SERVED STATE WELL

U.S. Sen. Stuart Symington, Missouri's strong Democratic voice in Congress for more than 20 years, will leave the political arena at the end of his term expiring in 1976.

Sen. Symington, 73, decided not to run for re-election but to remain active in the nuclear field, in which he has been involved for more than 30 years. His decision was based on the death of his wife, his health and his belief that the state Democratic party needs a strong leader.

Always an advocate for realizing the problems on the home front first and a strong supporter of U.S. withdrawal from Southeast Asia, Mr. Symington became a powerful figure on military matters. He was active in both the Senate Armed Services and Foreign Relations committees throughout the 1960s and remains involved with military endeavors since his beginning in the Senate in 1952.

Closer to home, Sen. Symington became a favorite of the laborers and farmers in Missouri seeking legislation to promote industry and production in the state. One of the biggest vote-getters in state history, Mr. Symington's popularity with Missourians carried him through four six-year terms in the Senate.

The senator has represented Missouri well and his country and his voice will be missed in Washington. He is a man of candor, conscience and honesty, qualities that are too rare among today's politicians.

Mr. Symington's service to the country, in general, and to Missouri, in particular, will not be forgotten. We wish him well in his future endeavors.

UMI

[From the Stanberry Headlight, May 1, 1975]

Senator Symington Steps Down

Even though there are those smart ones who knew all along that Senator Stuart Symington was not going to make the race again next year, his announcement on Tuesday night of last week was considered in some circles as a "bomb shell."

We never quite had that feeling, for we did believe Missouri's senior senator would try once more for the office. We are sorry that he has seen fit to step down.

Stuart Symington has made a place for himself in the history of the nation and of Missouri. He served in many top-level posts before he became Missouri's Senator, then he went on to hold the office and if he lives until the last of next year, he will have served 24 years in the United States Senate.

They have been years well spent in serving his country. We always viewed Senator Symington as doing what he thought best for his state and his nation. We never believed that he was trying to capitalize on anything he did to gain popular favor as some politicians do.

His judgment was rare. He was honest in the nth degree and he will be missed in the United States Senate. We watched with interest his change in the Vietnam war. At one time he was all for that conflict but as time went on Senator Symington had a change of heart and he became highly critical of the entire plan.

As long as Senator Symington served in the United States Senate; in fact, as long as he held office of any kind, we never ever heard the least bit of auspicion about anything he did. There are few politicians in Washington who can say that.

The news that he would not seek the office again apparently did not come as too great a surprise to many persons. But to us it was a surprise. We were extremely interested in the press conference Senator Symington had in St. Louis, because his right-hand man, Stanely Fike, had called back to Stanberry to let us know of the conference. There was no indication of what the Senator would say, but the fact that he was holding a press conference seemed to be ample proof that he was announcing his retirement.

Stuart Symington made Missouri a great Senator. He is highly intelligent; he knows what it is all about; and he will be missed in the halls of Congress.

Our own personal wish is that this distinguished man will find peace and comfort as he retires from the post he has held so well. Stuart Symington deserves a long, long rest. He has earned it.

[From the Nevada Daily Mail, Apr. 25, 1975]

Distinguished Career

Few Missourians have remained so long and so successfully on the public scene as U.S. Sen. Stuart Symington, who announced this week that he will not seek a fifth six-year term in 1976.

For 30 years, he has held significant posts in the federal government—Surplus Property Board, the first Secretary of the Air Force, chairman of the National Resources Board, administrator of the Reconstruction Finance Corporation and, for the last 24 years, U.S. senator—and distinguished himself in all of them.

In addition, he looked like what he was: A statesman, leader, gentleman and patrician. His tall, erect body, handsome face with keen, penetrating eyes, all topped with a mane of thick silvery hair set him apart from the pot-bellies, sloping shoulders and puffy faces that generally populated the U.S. Senate. Hollywood at its best couldn't have found an actor who could represent a U.S. Senator.

The inner Symington was all and more than the exterior Symington advertised. Patrician that he is, he has never failed to be sensitive to the pulse of his constituency. In this, he has been ably assisted by an exceptionally talented and loyal staff, chief among them his No. 1 aide Stan Fike. Although many members of Congress go through the motion of listening to the folks at home, Symington has always done it seriously and thoroughly. When one contacted him, one knew that the request would go to the top and be acted on—or, if not, why. We will miss that intimate sort of relationship when he leaves the Senate.

But we're glad, in a way, that Sen. Symington has decided to step down. We'd hate to see him have to go through another probably hard-fought primary campaign and possibly an equally difficult general election. At his age, 74 in June, he deserves to rest on his laurels.

Further, campaigning itself was never easy for Sen. Symington. Indeed, it was the hardest sort of work. We recall his first run for the U.S. Senate in 1952 when he came to Nevada seeking support and votes. He went through The Daily Mail office, met every member of the staff, told them who he was and asked them to vote for him.

Then he "circled the square" doing the same thing: Shaking hands with everyone he met, exchanging names and asking for votes. At the end, he was limp with exhaustion. "You know," he said, "this is one of the hardest things I've ever done in my life."

As the years and terms went by, the handshaking and asking for votes came more naturally to Sen. Symington, but it was still something of an ordeal. Even recognizing the important levelling effect of such campaigning, we daresay he often wondered if there weren't a more dignified way for a man to be elected to public office.

Missouri can well be proud of Sen. Symington. In an era when scandal of some sort attached itself to almost every other prominent man in the federal government, Stuart Symington is unblemished. Would that there were—and may there be—more like him.

The announcement of his retirement this week has already unleashed a wild scramble for his Senate seat. In fact the scramble actually had begun—covertly and not so covertly—in anticipation of his retirement.

Warren Hearnes has announced his candidacy for the Democratic nomination despite whatever soot may have fallen on him as a result of a grand jury investigation of his administration as governor of Missouri. Two lesser known Democrats also have filed formally.

The senator's son, U.S. Rep. James W. Symington, is known to be interested but probably wonders about the depth of his Missouri roots and the willingness of the state's voters to confer a father's mantle on a son.

U.S. Rep. Jerry Litton has long been conducting publicity forays outside his northwest Missouri bailiwick and is suspected of having his eye on the Democratic nomination for Senator Symington's seat. Some Republicans are hoping that Attorney General John Danforth will seek their nomination.

May the best man win. And may the winner serve Missouri as well as Stuart Symington.

[From the St. Joseph News-Press, Apr. 24, 1975]

A Great Senator Steps Aside

Since its admission into the Union 155 years ago, the state of Missouri has furnished this nation numerous great United States senators.

The list includes such men who have served as Thomas Hart Benton, David Barton, David Rice Atchison, George Graham Vest, Carl Schurz, William Joel Stone, James A. Reed, Harry S. Truman and Forrest C. Donnell.

And to that list in the hallowed echoes of time now must be added the name of Stuart Symington.

In a manner as gracious as has typified his entire career of public service, Senator Symington on Tuesday announced with finality he would not be a candidate for re-election in 1976, reversing his previous decision.

For nearly 23 years now, Senator Symington has represented Missouri as a bulkwark in the United States Senate. His record is one to acclaim, one of thoroughness of public service, of devoted service to the people of his state and the entire nation. His unselfish contributions have been great and all in this land have profited by the wide-ranging scope of his duty.

On the Foreign Relations and Armed Services committees of the Senate, the voice of Senator Symington has carried dynamic power and far-reaching effect. But never while attending those high rank duties did the senator forgot the people back home, the little people. He was their friend and he constantly proved it.

It was another Missourian, former President Harry S. Truman, who first realized the potential of Stuart Symington for national good. President Truman called him from the presidency of Emerson Electric Manufacturing Co. at St. Louis to come into government. And Stuart Symington responded magnificently.

Under President Truman he served as chairman of the Surplus Property Board, as Assistant Secretary of War for Air, chairman of the National Security Resources Board, administrator of the Reconstruction Finance Corporation, and then became the nation's first Secretary of the Air Force.

Now Senator Symington nears his 74th birthday. He looks to the nation of the future. He does not live in the past. He realizes that if re-elected he would be past the three-quarters century mark if he should win a fifth consecutive term.

And so, in keeping with the spirit that has characterized his entire public career, he has stepped aside. He will not run for re-election next year.

Missouri, the entire nation, owes this grand American a great debt.

[From the Springfield Daily News, Apr. 23, 1975]

Senator Is "Truly Great"

(By Tom D. Ellis)

Sen. Stuart Symington's announcement Tuesday that he will not seek re-election has brought sorrow to the hearts of close friends in Springfield and renewed respect for his accomplishments in office.

Denton Smith, a longtime Democrat who has known Missouri's senior U.S. Senator for 22 years, said he has supported Symington staunchly to the point where "to me its almost an emotional thing."

"I just thought he was one of the truly great Americans with no exception," said Smith. "He was not for the right or the left. He was for the people."

Smith said Symington's announcement is a "blow" to him but that he realizes the senator is an outstanding example for anyone seeking public office.

"I think the country has lost a great servant of the people. He is one of the greatest men our nation has developed and I hope that we can find a replacement that can bring as much honor and distinction to our state as men like Harry Truman and Stuart Symington."

Tom Sipe, who has known Symington for about eight years and organized his appearance at a Democratic chili supper here in October, expressed concern that the senator may drop out of public view. But he said he doubts that will happen.

"I hope he wil be available to this administration and future administrations," Sipe said. "He has the type of statesmanship you don't find too often in Washington."

Sipe also said Symington will serve as a good pattern for future officeholders:

"We heard from those during the Watergate hearings who told the young people to stay out of politics. The young people should take a look at Stuart Symington and pursue a career in public office."

Melvin Payne, chairman of the Greene County Democratic Party, also praised Symington.

"We have lost one of the most outstanding senators the state of Missouri has ever had," he said. "I'm surprised and then I'm not surprised."

Symington's southwest Missouri campaign manager in 1970, Sam Hamra, said he was saddened by the senator's announcement Tuesday even though he had "advance knowledge of his decision."

"All who know of his great contributions during many years of service to our country will be touched by his choice of ending his senatorial career," Hamra said. "All Americans should hope and pray that Sen. Symington will continue serving our country in some governmental capacity after his distinguished senatorial career comes to an end."

Payne wondered what Symington's withdrawal from a senatorial race will mean in next year's elections.

"I'm just looking for a real race for that seat, probably in the primary as far as the Democratic Party is concerned."

Former Missouri Gov. Warren Hearnes has filed for the seat and political observers have wondered if Symington's son, Missouri Congressman Jim Symington, D-2nd District, and another U.S. Representative, Jerry Litton, D–6th District, will run.

Smith and Litton have hesitated to seek the seat while Symington was still in office. He said it will remain to be seen who files next.

Sipe said Litton would have run whether or not Symington sought re-election. He said Litton was laying the groundwork for his campaign before Symington's announcement.

[From the Chronicle-Herald, Apr. 24, 1975]

It Seems to B.

Personally, I am very sorry to see Senator Stuart Symington quit the United States Senate. He is a good Senator, a good Missourian, a patriotic citizen and an authority on world armaments and military affairs.

I have known the Senator for more than 30 years. When IU held the place that he is quitting, he proved to be a friend in need when he furnish me his private airplane to fly to Kansas City to keep an engagement after Senate duties demanded I stay in Washington "past train time."

And he was ever on the giving end of our friendship. He came to me and sat by my side when I was before the Senate commerce Committee when they questioned me about my appointment as Assistant Secretary. He was ever ready to lend a hand in the Senate on anything I needed there and again he did me honor when he left a busy Washington schedule and came to Macon to appear at my recognition dinner. I appreciate him for this personally but I appreciate the service he has given his state and his nation much, much more.

When Governor Phil Donnelly died, I flew with the Senator to Lebanon to pay my homage and respect to our departed friend. I was a guest in the Symington home on the way out.

In everything where I have had cause to observe Senator Symington, he has been a pleasant, dignified gentleman, a man with high ideals and deep sincerity, just the sort of man Missouri needs to fill the important task he is relinquishing. I know his decision is a "tough" one but I felicitate him on it, even though it is a deep debit to our state and national politician leadership.

[From the KMOX Radio, Apr. 25, 1975]

We don't know who will be elected President of the United States in 1976. But we are sure that the next President, whether Republican or Democrat, will turn to a distinguished Missourian for special assignments on behalf of our nation.

That Missourian is Senator Stuart Symington, who announced this week that he will not be a candidate for a fifth term in the Senate next year. Typically, Stuart Symington placed the nation and state before himself.

He has achieved one of the most distinguished public service careers in American history. For 30 years, Stuart Symington has served American Presidents, the people of Missouri and the nation in appointive and elective posts. He was Assistant Secretary of War under President Truman and the nation's first Secretary of the Air Force. One of the world's top experts on defense, he was Chairman of the Senate Foreign Relations and Armed Services Committees.

The senator is a military expert and is the architect of our nation's post-war defense. Yet he spoke out against continuing military involvement in Southeast Asia and was a vigorous critic of wasteful spending by the military.

Although he is concerned with global strategy, Senator Symington has never forgotten the bread-and-butter issues back home. He was the prime mover in the Jefferson National Expansion Memorial on the riverfront and an outspoken backer of expanding Lambert Field and, of course, a tireless worker for the welfare of Missouri industry.

Although Stuart Symington will soon leave the Senate, we are confident that the next President will seek his counsel as other Presidents have for 30 years. America still needs him.

[From the Columbia Missourian, Apr. 24, 1975]

Symington Served State Well

U.S. Sen. Stuart Symington, Missouri's strong Democratic voice in Congress for more than 20 years, will leave the political arena at the end of his term expiring in 1976.

Sen. Symington, 73, decided not to run for re-election but to remain active in the nuclear field, in which he has been involved for more than 30 years. His decision was based on the death of his wife, his health and his belief that the state Democratic party needs a strong leader.

Always an advocate for realizing the problems on the home front first and a strong supporter of U.S. withdrawal from Southeast Asia, Mr. Symington became a powerful figure on military matters. He was active in both the Senate Armed Services and Foreign Relations committees throughout the 1960s and remains involved with military endeavors since his beginning in the Senate in 1952.

Closer to home, Sen. Symington became a favorite of the laborers and farmers in Missouri seeking legislation to promote industry and production in the state. One of the biggest vote-getters in state history, Mr. Symington's popularity with Missourians carried him through four six-year terms in the Senate.

The senator has represented Missouri well and his country and his voice will be missed in Washington. He is a man of candor, conscience and honesty, qualities that are too rare among today's politicians.

Mr. Symington's service to the country, in general, and to Missouri, in particular, will future endeavors.
not be forgotten. We wish him well in his

[From the Aurora Advertiser, Apr. 24, 1975]

A Well Merited "Well Done"

An outstanding United States Senator from Missouri, Stuart Symington, has decided to end his congressional career when his term expires in 1976.

We think he merits deep gratitude from the citizens of Missouri and the nation for his long, devoted and sincere service which we regard as second to none of the U.S. senators from this state in the past four decades—not even excluding that rendered by Harry S. Truman when he was in the senate. History may well, we think, rank him alongside Senator Thomas Hart Benton (1820–50) at the top level of Missouri's great senators.

We here in Aurora and the area south of it have a special reason to remember Senator Symington with affection and gratitude. For it was Senator Symington, wielding his then great influence with the armed forces, who led the Corps of Engineers to reverse their decision and build the Central Crossing bridge over Table Rock lake now such a valuable feature of local and economic geography.

Most Aurorans will recall, too, that terribly hot day when Senator Symington stood in the blazing sun on the city hall lawn serving as Grand Marshal of Aurora's Centennial parade, his clothes drenched through with perspiration.

Senator Symington was, and is, a democrat. He was, and is, something of a liberal. We often disagreed on the issues, but never on his integrity and his purposes. Not once over his long tenure as senator has Aurora sought his help in such matters as the sewer plant grant, the nursing home grant, the hospital project, and received less than his best efforts. Individuals who asked for his assistance in matters before federal government agencies got his assistance, and, if what was asked was possible and proper, usually ended up with it.

We think the democrat party to which he was so loyal missed a bet in 1960 when it was bemused by the Kennedy charisma and beguiled by the expensive press-agentry used to promote the race of the Massachusetts senator and did not nominate Stuart Symington for president.

We know, for we conducted the poll ourselves and checked every ballot, that the Missourian was the overwhelming choice of democrat party chairmen in most of the states of the Union in the spring of 1960. When all the glamour of the potential "Camelot" had blanketed the land, however, the sober considerations of March, April and May had been forgotten, and JKF was nominated.

We think Stuart Symington would have been a great president and left more behind him than the memory of euphoria over beautiful people in the White House. Certainly we think that if he had been the choice there either would have been no Vietnam, or Vietnam would have long since been resolved with a defeated communist north and a strong and viable democratic south, and far fewer American and Vietnamese dead.

So, as he steps down from national leadership, for Senator Symington was more than a senator from Missouri, we think the people of Missouri, in particular, owe him the obligation of expressing a merited "Well done."

[From the St. Louis Sentinel, May 1, 1975]

A Giant Retires

News of the decision of Senator Stuart Symington not to seek reelection in 1976 removes from the political area a giant of a legislator. At 73, the senior senator from Missouri has given his health and the recent loss of his wife as overriding factors in his decision. As a member of the Foreign Relations Committee, Senator Symington served not only his state, but his country well. He had also been Secretary of the Air Force and in that capacity familiarized himself with the entire Defense establishment.

We here in Missouri will remember Stuart Symington's public career as being one of integrity, courage and forthrightness. His position on the issues of human rights for all Americans was consistent and unwavering. We endorsed Senator Symington when he ran against the present Attorney-General John Danforth in the last election. And while Mr. Danforth was an outstanding candidate, we pointed out that for the voters of Missouri to turn their backs on Stuart Symington after a quarter of a century in public service would be an indefensible act. The voters agreed, although the Attorney-General ran a superb race. As the Senator moves off the public scene, it will also mean, apparently, the retirement of his faithful administrative assistant, Stanley Fike, who was almost his alter ego. Stan Fike, a former Missouri newspaperman, has been an effective member of the senators' team, although he shunned the public eye. At the close of this term, Capital Hill will miss this team. Missouri will miss them most.

[From the Daily Dunklin Democrat, Apr. 25, 1975]

A Sense of Loss

We can only express disappointment and sorrow in the announcement this week that Missouri will lose its senior U.S. Senator and the nation will lose one of its most distinguished statesmen at the end of next year. Stuart Symington is retiring from the U.S. Senate and active politics, a move which this newspaper expected but which nevertheless saddened us when it came. Although we believed the announcement would be forthcoming, when it came this week we found ourselves totally unprepared for its impact.

Losing Stuart Symington from the U.S. Senate will be, for this state, a monumental loss that will not be overcome for many years. Perhaps no Missourian save the late Harry S. Truman, ever established himself so firmly as a leader in the U.S. Senate as has Stuart Symington. His membership on both the Senate Foreign Relations Committee and the Senate Armed Services Committee—a dual assignment that is unique in the Congress—established his presence and his influence on the major decisions of the nation for more than two decades.

It is difficult not reminisce, at least briefly, about Symington and his place in Missouri. In 1952 he came to Missouri as something akin to a suspicious guest by a majority of the state's citizens; his earlier citizenship in Missouri had been brought about by his presidency of Emerson Electric, but then he had left St. Louis for Washington where he started in a series of top federal jobs that eventually led to his serving as the nation's first Secretary of the Air Force. In 1952 he was returning to Missouri, after a somewhat temporary citizenship, to seek the Democratic nomination for the Senate. As a way of explaining something of his personality, it should be noted that Symington, during that sultry primary campaign, overcame not only his better-known Democratic opponent but overcame much of the apathy that originally greeted his candidacy. From then on, the relationship between Stu Symington and the state of Missourn was solid bedrock.

The Symington transformation from politician to statesman occurred in a remarkably short period of time, considering the vagaries of making such a change. Arriving in Washington as one of the nation's foremost cold-war warriors, he seemed at first to be trying for the title of the Senator from McDonnell Aircraft. He was an exponent of a strong military, particularly a strong Air Force. Free from the myopia that has rendered many a congressman immune to change, Symington began to recognize that the nation's military strength was not the only one that needed preserving during the turmoil of the 1960s and the 1970s. He eventually began worrying about fiscal responsibility, balance of payments and overcommitments around the world. He joined efforts to correct all of these problems, while making significant contributions to minimize nuclear proliferation and military overkill.

It was the politician in every ambitious public servant that made Stu Symington seek the presidental nomination in 1960; failing that, it was his concern for his state and his nation that brought about his transformation from politician to statesman in the years that followed.

Interestingly, despite his great concern and interest in matters affecting the nation, Symington has never lost sight of his responsibilities to his home state. His staff, headed by his administrative assistant, Stanley Fike, is one of the best if not the best in Washington; constituents' problems are handled efficiently—and, as we might add, with amazing effectiveness. The Symington office has always concerned itself with problems, whether they were collective ones concerning the Middle East or individual ones concerning the Bootheel. Most senatorial offices don't even make an effort to deal with both kinds of problems; the Symington office not only deals with both but handles each extremely well.

It would almost be blasphemy to speculate at this point on who will succeed him in the Senate. The truth is, his elected successor will find campaigning the easier part of the bargain. Replacing Symington in the circles of the Senate will be an impossibility for years to come.

Symington has reached the semi-retirement years, although many of his colleagues choose to stay much longer. This was a factor in his decision. Still another was the tragic loss in 1972 of his beloved wife, Eve, a fact which still saddens those who admired and loved her. Both undoubtedly were overriding factors in his decision to retire at the end of his term in 1976. Understanding the decision, however, is different for us than learning to accept it and live with it.

Missouri and Missourians will miss Stuart Symington far more than either realizes at the moment. The man's personality, his influence and his statesmanship are intangible, but nevertheless real and present in both the state and the nation. No man is indispensable—but Stu Symington will be irreplaceable for many years to come.

[From the Hannibal Courier-Post, Apr. 24, 1975]

He Will Be Missed

His shoes will be hard to fill.

For 23 years Stuart Symington has served **Missouri** in the U.S. Senate with dignity and distinction, and his is a record seldom equaled in that sometimes errant assemblage.

He was not native of our state, having **been** born in Maryland, but Sen. Symington **in** his long career of public service has always had the interests of Missourians at **heart.**

He has been a gentleman in every sense of the word, and his knowledge of domestic **and international affairs** has made his voice **a potent force** to be reckoned with.

Whatever he did, he did it with dignity. When he first came to national prominence in the early 1950s, Sen. Symington was a supporter of a strong military posture, and his support of air power in those days gave him the title of "Mr. Air Force."

But over the years, particulary after the Vietnam War began to polarize the nation, Symington became disillusioned with our use of military power, and since 1967 he has been an outspoken critic of the Pentagon.

But his criticism of the military establishment has been done in a responsible manner. Unlike other national figures, Symington has avoided participation in anti-war demonstrations, nor has he reduced himself to loud and obnoxious denunciations of the Defense Department in order to gain followers in the anti-war movement.

On the contrary, Symington has preferred to work within the governmental process, voicing his views quietly and firmly, not necessarily for public consumption, but in order to impress upon those in power the need for a different kind of military policy.

Being an elder statesman, his voice has a greater ring of authority and believability to it, far different from some of his younger compatriots in the Congress.

Hannibal residents, it seems, might find Symington's decision to step down a little surprising. After all, the senator, when he was here a couple of months ago for Democrat Days, indicated very strongly that he would seek a fifth term.

But apparently when he attended a similar function in Springfield, Mo., two weeks ago, the speculation of whether he would run again or not had grown to a fever pitch, and Symington evidently felt the effort was, this time at least, a little less than wise.

Symington's departure, of course, will result in a wild scramble in Missouri for his seat. It's very difficult to say who will come out on top, but Symington's son, U.S. Rep. James Symington, D–Ladue, appears to be the front runner at the moment.

Also said to be interested in the job is U.S. Rep. Jerry Litton, D–Chillicothe, and, as Missourians well know, former Gov. Warren Hearnes is actively compaigning, a bid that almost seems futile now in light of recent allegations concerning his conduct as governor.

And it is possible another name might be added to the list, that being Rep. William Hungate of Troy. Mr. Hungate has not as yet made known his intentions, and any such decision will have to be made in light of his successful career in the House and his key spot on the House Judiciary Committee.

Whoever gets the Democratic nomination will in all likelihood oppose Republican John Danforth, the present attorney general and Symington's opponent in his last election. Danforth was narrowly defeated in that election, and if he runs again, he will be a tough candidate to beat.

At any rate, Missourians can be proud of the long and successful record of Sen. Symington, and of the notoriety he has brought to out state. We would hope his successor will continue that tradition.

For the last two decades, Mr. Symington has been "the" Senator from Missouri. He will be missed, not only by Missourians, but by the nation as well.

[From the Daily Statesman-Messenger, Apr. 24, 1975]

Sen. Stuart Symington

He came from out of the field of big business, and didn't enter politics until he had compiled an outstanding record as an industrialist.

But Missourians will miss Senator Stuart Symington, who this week announced that he would not seek another term.

He has been one of the most valuable and most successful political leaders in Missouri's history. He has compiled a record of statesmanship and service that few have equaled—none have excelled.

He is one of the few men in history from any state to serve at the same time on both the Armed Services and Foreign Relations committees, making him one of the most international and world political problems. recognized, not only in America but throughout the free world, for his keen insight into international and world political problems.

When he steps down at the end of his current term he will be missed by all Missourians.

Immediately, the scramble for the Senate post begins, long before Sen. Symington's term ends.

There will likely be a hard fight among Democrats for the nomination. But the Democratic winner is likely to face Attorney General John Danforth in the general election. And for the Democratic nominee—that won't be an easy task.

But, regardless of the outcome, Missourians have enjoyed 24 years of outstanding service from Sen. Stuart Symington—a record of service to state and nation that can be a source of pride for all Missourians.

[From the Springfield Leader-Press, Apr. 24, 1975]

Applause for "Stu"

Missouri will lose an outstanding senator and a rightly respected voice in the nation's capital as a result of Stuart Symington's announcement that he will not seek re-election in 1976.

We hope, however, that the nation will not lose a capable public servant because of the senator's decision. He has served in a number of administrative capacities, in and out of government, before and there is no reason, to our way of thinking, why he couldn't do so again. It would be a sorry thing to lose the talents of a man so knowledgeable in the fields of foreign affairs and military matters.

Sen. Symington is 73 years old and he has almost 23 years of service as a senator behind him. But he is still active and mentally alert. His decision to retire, as he said, came because "during previous campaigns my wife was my political partner. When I lost her, frankly, it cooled down my ambitions." Mrs. Symington, the former Evelyn Wadsworth, died in 1972.

There are some who were surprised at the senator's announcement, especially at this comparatively early date, but his explanation for that was that, when he attended the Jackson Day gathering here this year, he noticed that a number of Missouri Democrats appeared anxious to know his plans.

Sen. Symington first was elected to the Senate in 1952, when he defeated Republican Incumbent James P. Kem, of Kansas City, by a majority of 150,351 votes. Before that, however, he had served seven years as president of the Emerson Electric Manufacturing Company in St. Louis and in six high executive positions to which he had been appointed by President Harry Truman, and for which he was confirmed by the Senate without a dissenting vote.

These included Secretary of the Air Force (he was the first to hold that job), chairman of the Surplus Property Board and of the national Security Resources Board, as well as administrator of the Reconstruction Finance Corporation.

The senator's announcement of his retirement opens the way for what may well be a good-sized field of Democratic aspirants to succeed him, including his son, Rep. James Symington of Missouri's 2nd District.

If the younger Symington decides to seek his father's seat, it would be quite natural for the retiring senator to support him. He could in fact, hardly be expected to do otherwise. But when he was asked who he would support as his successor, he said "I make it a point to stay out of primaries."

That, for a good party man like the senator, is a good policy, though it may be difficult for him to follow in this case. Several Democrats have expressed interest in making the primary race if the senator is not in it. Former Gov. Warren Hearnes already has announced. Rep. Jerry Litton, fast-rising young House member from Chillicothe, has let it be known that he is interested and, of course, so has the senator's son. Formal announcements also have been made by Joseph Teasdale, former Jackson County prosecutor and an unsuccessful aspirant for governor in 1972, and Michael J. Kennedy, also of Kansas City.

On the Republican side, Attorney General John Danforth, as things look now, is the probable candidate. Danforth gave Sen. Symington his closest race in 1970, when the senator won by only 37,000 votes.

During his early years in the Senate, Symington was regarded as a "superhawk" on military matters. Lately, however, he had become more moderate in his views—so much so that some of his colleagues put him in the "dove" category.

The Missouri senator was a truly powerful man in the upper house of Congress. He was a member of both the Foreign Relations Committee and the Armed Services Committee—the only senator serving on both potent panels. As such, he made it a point to gain a thorough knowledge of the fields in which they dealt.

[From the Drexel Star, May 1, 1975]

The announcement by Sen. Symington last week that he was not going to seek reelection kinda left a funny feeling. We worked on the Senator's first campaign back in 1952 and our association has been close all these years. He has been a good Senator and never at any time did he turn down any request we made of him.

[From the Kansas City Times, Apr. 24, 1975]

Symington's Years in the Senate

Stuart Symington's decision not to be a candidate for the United States Senate in 1976 comes as no surprise to those who knew how devastated he was by the death of his wife in 1972. Even after that sorrow, the senator continued in distinguished service to Missouri and the nation. But now he has decided that the four terms that began after his election in 1952 are enough.

Symington's public service career covers a momentous period of American history, and he was one of the actors on a variety of stages. He came into the Truman administration in June, 1945, with the Surplus Property Board. He was assistant secretary of war for air which led to his appointment as the first secretary of the Air Force when the armed services were unified. Later he was chairman of the National Security Resources Board and administrator of the Reconstruction Finance Corporation.

As senator he served on the prestigious Armed Services and Foreign Relations committees and came to national prominence when he challenged Sen. Joseph McCarthy in the Army-McCarthy hearings in 1954. In the midst of one hot exchange Symington suggested that the Wisconsin senator would benefit from seeing a psychiatrist.

Through the 1950s Symington often was mentioned as presidential material. His principal run at the White House came at the 1960 Democratic National Convention won by John F. Kennedy.

As a senator, Symington is an acknowledged authority in defense matters, particularly as they relate to air power, the principal strategic deterrent and weapon in a nuclear age of H-bombs, long-range aircraft and missiles.

In recent years he has been a vocal critic of American foreign policy and what he considered overextension abroad in both Asia and Europe. Balances of payment and trade have been of particular concern to him; he has worried about the stability of the dollar and the vulnerability of nuclear installations overseas.

With all his involvement in world and national affairs, Symington has kept fences mended at home. Kansas Citians probably will remember him best as the man who put the pressure on organized baseball and assured Kansas City of a major league franchise for 1969 after Charlie Finley got permission to depart for Oakland in 1967. The result was the Royals. There can be no question that Symington's blunt references to anti-trust legislation turned the trick.

It has often been said that Stuart Symington looks like the actor central casting would choose to play the part of a dignified, modern, U.S. senator—tall, handsome, silver-haired and gracious. He has played that part naturally, for he is a true gentleman, a man of honor and integrity and inborn courtesy. Now over the next year and one-half the scramble will be on in Missouri to take his place. Someone will occupy the Symington seat in the Senate. It may be a while before his stature is matched.

[From the St. Louis Globe-Democrat, Apr. 24, 1975]

Senator Symington's Stature

Stuart Symington had sufficient stature before being elected United States Senator to be remembered by Missourians with respect and appreciation. Those who know him personally would add affection to the list of emotions he aroused in people.

Stu Symington is a tremendously impressive man of vast ability. A sound businessman and troubleshooter for industry and government before the days of American involvement in World War II, Symington could have capped a career by returning to private life and fortunes after serving as the nation's first Secretary of the Air Force. Instead he turned to politics with the urging of this newspaper, and was elected to the Senate in 1952.

The Globe-Democrat is proud to have supported Symington from the start of his distinguished career until the end. While differing sharply with him on occasion, and while not concealing disappointment with his reverses of position in critical areas, most notably in his assessment of national defense needs, this newspaper scores the Symington years as a definite plus for the people of Missouri.

Sen. Symington, a native Easterner, took to Missouri and Missourians took to him with easy comfort. A man of aristocratic bearing, he found himself welcomed wherever he went. The vote margins he rolled up in winning four terms to the Senate rank him as one of the state's most popular political figures in history.

Symington's appeal to a broad section of voters was immeasurably enhanced by the respect he enjoyed with international and national leaders in government, in the military, in business, finance and labor.

The advantages he enjoyed because of his seniority have added to his ability to serve Missourians well and effectively. Stu Symington is a man who put his heart into everything. He was an achiever who had a head start on others from the day he entered the Senate as a freshman.

Symington's wisdom in international affairs is evidenced by his early sightings on the troubles in the Middle East. Compared to lesser lights he appears omniscient.

Long concerned over the tremendous financial burdens the nation was assuming in overseas obligations, Symington retreated from being one of the strongest advocates of military strength because he said the nation simply could not afford the costs.

While it can be argued that he is mistaken in his latter-day appraisal, there can be no quarrel with his efforts to halt the proliferation of nuclear weapons throughout the world.

Symington has worked conscientiously for effective arms control. Now as an elder statesman, he is entitled to his view that he has

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"grown tired of old men in government passing laws forcing young men to die in battle in causes not essential to the United States." Symington earnestly believes he is contributing to efforts to stop the killing. History may prove him wrong, but his integrity is not open to debate.

It takes a man of considerable stature to retire to make way for a younger man. While it appears that Sen. Symington hopes to pass his Senate seat on to his son, he is a realist who knows that the people of Missouri will make that decision.

In his last hurrah, Stuart Symington rates a resounding vote of approval from the people of Missouri for a job well done.

[From the Clinton Daily Democrat, May 2, 1975]

A Needed Man

Missouri and the United States are fortunate that Senator Stuart Symington (D-Mo.) still has 18 months to serve before he retires from the office he has filled with excellence since 1952.

Symington's experience is unmatched in the Senate of the United States.

—He became manager during the great depression of a struggling industry, Emerson Electric at St. Louis, and made it a success.

—He took his expertise to Washington, D.C., at the request of fellow Missourian, President Harry S. Truman, and served in many tough assignments, climaxing his Executive Branch career as the first man appointed to head the then new Department of the Air Force.

—He took this valuable experience from private business and the federal Executive Branch to the Senate when Missourians elected him to that office in 1952.

Government leaders listened to Senator Symington from his first days in that exclusive body, since he already was a man of towering stature on the national scene.

That stature has increased yearly since then—and with good reason which is baldly apparent today.

—He was one of the first leaders to warn the nation that it faced grave economic danger because of its unfavorable trade balance. Simply, that meant more dollars were going overseas than were coming back to the U.S.

—While his record, both as a man and government leader, proved beyond doubt his commitment to a militarily strong United States, he was one of the first to investigate and warn of the danger of certain secret commitments made to foreign governments, and to question maintaining certain foreign military bases which were no longer needed. His basic argument was to the point: The excess military bases detracted from this country's military strength and the money and manpower should be channeled to make muscle instead of fat; that the secret commitments overextended what this country could reasonably accomplish—plus the danger of plunging us into an unwanted conflict which could cost lives and treasure.

—He warned early in the U.S. Vietnam involvement that this country should either throw a Sunday punch at North Vietnam or immediately seek a political solution to the conflict.

Citizens of this area know of his help to individuals, to farmers and his vision as to how the Harry S. Truman Dam & Reservoir could enrich the Golden Valley. Evidence that he was correct is already showing in recent population figures which report that the seven Truman Dam counties have had a population growth of seven percent since 1970. That growth reversed steady population loss since 1890. And the basic tourist industry the project will create when completed is still ahead.

People of Missouri understand why the loss of his wife, Evelyn, strongly influenced Symington's decision not to run for the Senate for a fifth term. Their's was a love and closeness which is realized all too seldom in real life.

Even so, we submit that on the record, personal and public, we hate to see Senator Stuart Symington bow out of public life. Men of his experience, foresight, stature and character are too few. And if this nation ever needed such men it needs them now and for the foreseeable future.

If it is possible to draft him for another term we so move.

If not, we join a host of Missourians in thanking him for his years of tremendous service to this area, the state, nation and world.

And we wish him the best of everything he so richly merits during his retirement years.

[From the Rolla Daily News, Apr. 27, 1975]

Senator Stuart Symington announces the end of his distinguished career covering 24 years in the U.S. Senate. This leads me to thumb through a thick folder of correspondence with "Stu" Symington, including many letters answered by his long-time administrative standby, Stan Fike. I always addressed Symington as "Senator," never "Stu." Stan always referred to him as "The Boss." I supported Symington throughout his career, most enthusiastically during his earlier years when he was a "Hawk" on defense matters. He wanted the war in Vietnam won early with all-out effort. When he became "dovish" my enthusiasm waned but never my over-all appraisal of his dedication to this nation. Stu has earned a rest but his great knowledge of security and defense should still be utilized to help keep this country strong.

[From the Daily News-Democrat, Apr. 24, 1975]

Symington Steps Down

It is with regret we note the decision of Senator Stuart Symington to not seek reelection next year. While the decision was not totally unexpected it is still somewhat of a shock, if for no other reason than Senator Symington and Missouri have been synonymous for so many years.

As do all public servants, Senator Symington has his admirers and his detractors. In our opinion his stewardship on balance was a major plus for our state and our nation.

Never flamboyant or a headline hunter Symington was a man who preferred a businesslike, systems approach to government. He was more concerned with results than with style.

When we think of Senator Symington the phrase that most often comes to mind is that he is a reasoning man.

We mean in this in the best sense.

Cool, objective reasoning always seemed to be the senator's basis for decision and action.

His stepping down will be a loss for Missouri and the country. That we can replace him with as able and dedicated a man remains to be seen.

We can hope.

[From the Columbia Daily Tribune, Apr. 25, 1975]

Symington Will Retire: Big Footprints To Fill

The biggest political news in these parts is the announcement by Sen. Stuart Symington that he will not seek re-election in 1976.

The senior Missouri senator said he does not have as much enthusiasm for the job since the death of his wife in 1972, and he noted that other Missouri Democrats were wondering what he might do. Symington is 73 and would be 80 before finishing another term if elected.

Symington will leave big footprints for his successor. Through the years he had developed a specialty in foreign affairs with emphasis on things military and economic. He had become perhaps the most credible senator on the arms race. He served on both the Armed Services and Foreign Affairs committees. His long experience in military affairs, first as a hawk and then as one who saw earlier than most of his colleagues the impossible position the United States was getting into with its military commitments around the world, made him a unique spokesman for curtailing activities in Vietnam and de-escalating the arms race. When the Pentagon or the Joint Chiefs of Staff came up against Symington they had a match.

So a great vacuum will be left, and who will try to fill it? Possible candidates include Republican Attorney General John Danforth, Symington's son Jim who is serving in the U.S. House of Representatives and former Gov. Warren Hearnes, among others. Of them all, Danforth is the front runner at the moment having already run a close race with Symington in 1970 which helped his political stature even in defeat.

The Democrats are in not such a solid position. Joseph Teasdale, the former Jackson County prosecutor who lost out in the 1972 gubernatorial primary, and Jerry Litton, the popular congressman, are interested Democrats along with Hearnes and the younger Symington. But there is no clear cut favorite like Danforth is for the Republicans.

In any event, Symington did the right thing in announcing as early as he could. As long as he was a possible candidate the other Democrats had to stand alcof. Now they can mix it up with more hope of developing a strong aspirant or two by election time.

But for now the primary event is Symington's retirement. He will be missed in the United States government.

[From the Sunday News & Leader, Apr. 27, 1975]

Memories: The Time Stu Blew His Stack

(By Dale Freeman)

No attempt at objectivity today.

We write, with admitted bias, of one of our heroes, the senior senator from Missouri.

His beloved Evie no longer at his side, William Stuart Symington, Jr., announced with sadness last week that he will not be a candidate for re-election in 1976 to the U.S. Senate seat he will have held for two dozen years.

Stuart Symington will be leaving in the same way he arrived, the same way he conducted his private, public and professional life over the years. With style. With class. The French have a better word for it: elan.

Editorialists and columnists, friends and (some) foes have been singing his praise for the past few days, and rightly so—recalling with applause his outstanding contributions to Missouri and to the nation over a 30-year period.

In sort of a premature requiem to a heavyweight, they remember him as a self-made millionaire who gained business fame as a doctor of ailing industries; of his leadership to administering a half-dozen troubled federal agencies under President Truman; as the first Secretary of the Air Force; as one of the architects of our modern defense program; as Missouri's most popular vote-getter; as a one-time super-hawk who became convinced that the United States could not police the world; as a leading Senate authority on military and foreign affairs; as the fellow who told the late Sen. Joe McCarthy (who called him "Sanctimonious Stu") that he should see a psychiatrist; as a fierce competitor; as a man with a keen, near-photographic mind who always does his homework. And on and on . . .

What stands out most in our mind concerning Stuart Symington's illustrious career? It was the time he got hoppin' mad, hot as a hornet, over something that most Americans—and probably a good many of his constituents—would consider a picayunish thing. And after almost two decades, he still heats up when he thinks about it.

This Ozarker was there in person for most of it, but to refresh our memory, we went back to Paul Wellman's book about Symington the other night to let one of Symington's closest friends and confidants, Charlie Brown, tell the whole story (as related to Wellman).

It all revolves around what is now known as the Central Crossing, that $1.4 million bridge that spans Table Rock Lake between Viola and Shell Knob in Barry County.

"We had a bridge problem in southwest Missouri when I was running my first time in Congress (in 1956)," Wellman quotes Brown. "The Table Rock dam had been built to impound the waters of the White River, and the backwaters of the reservoir were inundating a steel bridge across that stream. The bridge had been built by the people of two small communities, Viola and Shell Knob, which were on opposite sides of the river, and they had bonded themselves to erect it so that they could all attend the same church and send their children to the same school.

"To those people in the little twin villages, the loss of 'their bridge' meant that the Viola church members would have to drop out of the church, because they couldn't drive 35 to 40 miles around to another bridge every Sunday, and they would lose their community center, the little school house.

"Some of them came to me," Brown recalls. "Well, I frankly didn't expect to get elected—no Democrat had in that district since the Year One, almost. So I asked the people to talk to Senator Symington who was touring Missouri at the time. They sent a delegation to wait on him at Cassville and tell him about losing 'their bridge.'

"Symington listened attentively and said, 'I'll look into it.' He asked for a report from the Corps of Engineers about the Shell Knob bridge.

"The Corps of Engineers passed the buck to the Missouri State Highway Commission. The highway commission said that all the bridge relocations in the Table Rock area had been approved, the contracts signed, and the matter was closed.

"That was when Symington got mad. He said, 'It ISN'T closed! You're inundating a bridge that these people paid for themselves! You're not paying them for it. You're not replacing it. You're pushing them around, because they're so few in number, and you're not going to get away with it.'

"By this time it was January 1957, and Congress had convened. I had been elected to Congress, and Symington and I went to the Corps of Engineers, then we went to the chairman of the Appropriations Committee, then back to the Corps, then to the governor of Missouri, and back to the Missouri State Highway Commission.

As we recall, the battle went on for months, from one agency to another.

"You would have thought that the Shell Knob bridge was America's answer to the Sputnik. Symington was so determined that the bureaucrats weren't going to mistreat those people like that," Brown recalled.

"Well," he concluded, "we got the bridge replaced. The people of the Viola Shell Knob community in Missouri still have their church and their joint community activities in the schoolhouse (in 1960, when Wellman's book was written), have their direct mail service and a shorter distance to market their milk."

For awhile, some of us used to call it the Stu-Charlie bridge. It somehow seemed more appropriate than Central Crossing.

We don't know how the folks around Viola and Shell Knob feel about Stuart Symington these days, but this Ozarker will sorely miss his presence in the Upper House.

And we don't even want a bridge. If we ever did, we know where we'd go first.

Peace.

STUDENT LOANS: SUCCESSES AND REMEDIES

Mr. JAVITS. Mr. President, the guaranteed student loan program has been the subject of attention because of its mounting costs in interest payments and defaults by students and because of administrative problems. A number of journalists have closely followed these developments, and have raised public awareness of these real and mounting problems. Last fall, the Washington Post ran a very informative and balanced series of articles by Mr. Eric Wentworth, a leading reporter covering education. This series, entitled "The Knowledge Hustlers," was based on sound journalistic research, cited a number of real abuses, and fairly portrayed the current efforts to solve the problems. This was a good example of the press informing the public of a major problem which affects millions of current and potential students who need a Federal loan program to help them pay for their own education. Yet, the same newspaper had, on April 27, devoted a full page to an article on student loans which said virtually nothing about the positive accomplishments of the program and efforts currently underway to address the important problems facing the guaranteed student loan program. Hence the record needs to be made complete which I do herewith.

Since enactment in 1965, the program has assisted more than 4½ million students to borrow from private, nongovernment sources approximately $8 billion to pay the costs of postsecondary education. The vast majority of these students could never have obtained financial credit without the Government guarantee on the loan. The program is also an example of Federal-State cooperation, as States like New York operate their own programs with the assistance of reinsurance and interest subsidy by the Federal Government.

Both HEW and the Congress have been addressing the growing problems of defaults and alleged frauds in the program. I have cosponsored, with Senators BEALL, SCHWEIKER, and STAFFORD, a bill, S. 1229, prepared by HEW to remedy some of these problems. The Education Subcommittee of the Labor and Public Welfare Committee is now carefully reviewing this program, as the authorization expires in slightly more than a year. U.S. Commissioner of Education Terrel H. Bell, the official responsible for the program, has testified before the Education Subcommittee and has been striving to overcome these problems. He has given them highest priority, and should be given the opportunity to resolve these difficulties without being subjected to only half the story being in the press. Dr. Bell has written to the Washington Post to present in detail the more balanced factors of program accomplishments and administrative remedies already underway. He was also candid in presenting the problems of the loan program. The Post has published this letter on May 10, showing their willingness to show both views. I think Commissioner Bell is correct to point out that there are two sides of the story on student loans. I ask unanimous consent that the full text of Commissioner Bell's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C., *April 30, 1975.*

Mr. KEN BOYD,
In care of Letters to the Editor, Washington Post, Washington, D.C.

TO THE EDITOR: I am concerned about the publication recently of a number of articles that concentrate on certain negative aspects of the Office of Education's Guaranteed Student Loan Program (GSL) which is, I believe, a good and essentially sound program of student assistance. Because they are lacking in balance, articles such as "Uncle Sam's Squeeze on Students" (Washington Post, April 27) do serious injustice to the program and, by implication, to students.

Certainly I am willing to concede imperfections in the program but I think the record must be set straight by pointing out how well it has been serving millions of students throughout the Nation.

The very size of GSL is indicative of the good the program has done—relieving much of the financial pressure educational costs put on students and their parents. In less than 10 years, more than 4½ million students have received 7.7 million individual loans totaling more than $8 billion. The Office of Education has paid the interest for most students at a cost to date of over a billion dollars. Also, to stimulate loan capital, we have put almost $236 million into special allowance payments for lenders.

The issue of education consumer protection often is addressed in isolation by our critics, reflecting their lack of understanding of the program's complexity. It encompasses more than 8,700 schools and colleges and more than 19,000 lending institutions. Most of the schools and lenders are doing an excellent job. However, there are some who abuse the privileges of participation, and specifically the right of students to consumer protection. The April 27 Post article totally ignores the strong actions taken over the past years to protect consumers.

In the past two years we have removed 341 educational institutions from our eligibility list, for a variety of reasons. On April 17 new regulations went into effect that will greatly expand our ability to deal with cases of malpractice by giving us the authority to limit, suspend, or terminate school and lender participation in the program. Among other things, these rules require refunds to students who drop out without completing their course work. We also require private institutions to provide information about job opportunities given to graduates.

Within the past year we have withdrawn recognition status from two accrediting agencies. We have sharply limited the recognition status of three others until deficiencies have been corrected. Another accrediting body has become markedly more effective because of our insistence that its consumer protection procedures be overhauled.

In February I published a notice that spells out our policy on the payment of claims. It made quite clear that no student will be asked to pay back a loan for which no educa-

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tion was received. In March we published proposed rules on claims payments.

All of this has been done to protect the student and we are puzzled at the complete failure of the Post to report these aspects of the program.

Since I assumed the post of U.S. Commissioner of Education 10 months ago we have made a great deal of progress in strengthening overall management of the Guaranteed Student Loan Program. We have enlarged the staff, particularly in the Regional Offices, so that we have better and more localized control. I have recommended legislation to eliminate lending by proprietary schools. Our experience has shown that a disproportionate number of loan problems originate with this type of lender-school.

Indeed, the Office of Education has been active in student consumer protection for some time. We were the key agency in the FICE (Federal Interagency Committee on Education) subcommittee on education consumer protection; we provided funding for two national conferences on this subject; we developed a formal system to act on student complaints, and we developed new criteria for recognizing national accrediting agencies and State approval agencies that feature education consumer protection measures.

The great majority of the 4½ million students who have had the benefits of the Guaranteed Student Loan Program have used the program to move upward in our economic system. The program has been instrumental in making taxpayers out of hundreds of thousands of potential welfare clients. The private sector primarily provides the loan capital, so it is not a total drain on the taxpayer.

I want to admit that the Office of Education has made mistakes in managing this huge program. It is difficult to keep it entirely protected from sharp operators who try to "rip off" the students and the Government. Then, too, there are weaknesses in the authorizing legislation. We are now in the process of working with the Congress to improve the program and to provide more protection against fraud and abuse.

The Post has, in my view, failed to explain to the public the many benefits that students have derived from the loan program. It is a vital part of our student financial aid program and deserves plaudits as well as some reasoned, constructive criticism.

Sincerely,

T. H. BELL,
U.S. Commissioner of Education.

THE FUTURE COURSE OF ECONOMIC POLICY

Mr. TOWER. Mr. President, the debate over the future course of economic policy in this country has intensified over the past several months. On the one hand, there are those who would push for a rather expansive package of policy initiatives in the hope that the economy can be put back on its feet in the very near future. On the other hand, there are those who argue that we must move cautiously in stimulating economic activity so that we will not prematurely rekindle the fires of inflation.

Few observers have been as articulate as Arthur F. Burns, Chairman of the Federal Reserve Board, in outlining the dangers of expecting too much too soon from economic policy. In a speech presented before the 12th annual meeting of the Society of American Business Writers on May 6 of this year, Chairman Burns outlined the steps by which we have arrived at our present economic difficulties. In his speech, Chairman Burns notes that the "creeping inflation" doctrine of the 1950's and 1960's was a dangerous one, and that our present economic difficulties are traceable to the chronic bias of the Federal budget toward deficits. In his opinion, we can no longer afford to ignore the crippling effect which inflation has had on the Nation's economic well-being.

I ask unanimous consent that Chairman Burns' speech be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE CURRENT RECESSION IN PERSPECTIVE

(By Arthur F. Burns)

I am glad to meet with this distinguished group of business and financial journalists in a leisurely setting. As a policymaker, I feel I have much in common with the members of your profession. Both you and I must be alert to every twist and nuance of the changing economic scene. Both you and I must keep busy searching the business skies for some clues to the economic future. I find this aspect of my work exciting and intriguing, as I am sure you do. But it does involve a certain risk for both of us.

Sharing—as we do—the problem of continually meeting deadlines, we are in danger of becoming so preoccupied with the very short run that we fail to see economic events in perspective. For that very reason, I have wanted to take advantage of your invitation, so that we might ponder together the historical developments which have brought our economy to its present condition. This is a large and highly important subject. I cannot hope to do full justice to it on the present occasion. Nevertheless, I shall make a start this evening.

As you are well aware, these past few years have been trying times for the American people. Not only have we lived through the agony of Vietnam and Watergate, but some of us have even begun to wonder whether our dream of full employment, a stable price level, and a rising standard of living for all our people is beyond fulfillment.

Early last year, economic expansion began to falter in our country, as it did in other countries around the world. At the same time, the pace of the inflation that had been building for more than a decade accelerated sharply further. As the year advanced, it became increasingly clear that our economy was moving into a recession.

During the past two quarters, the real gross national product has declined by 5 per cent, and the level of industrial production is now 12 or 13 per cent below last September. The unemployment rate has risen swiftly. The decline in business activity since last fall has been the steepest of the post-war period, and yet the advance of the price level—while considerably slower than last year—is continuing at a disconcerting pace.

No business-cycle movement can be comprehended solely in terms of the events that occur within that cycle or the one preceding it. The economic currents of today are heavily influenced by longer-range developments—such as changes in economic and financial institutions, the course of public policy, and the attitudes and work habits of people. By examining the historical background of recent economic troubles, we should be able to arrive at a better understanding of where we now are. Although these interruptions were watched with concern and some anxiety by practicing economists and other interested citizens, they will be passed over lightly by economic historians concerned with large events.

The reason is not hard to see. Putting aside monthly and quarterly data, and looking only at annual figures, we find that total employment rose every year from 1961 through 1973. So also did disposable personal income and personal consumption expenditures—both viewed on a per capita basis, and in real terms. This sustained upward trend of the economy came to an end in 1974.

The successive phases of the long upswing from 1961 to 1974 provide a useful perspective on our current problems. Some years ago, in my work at the National Bureau of Economic Research, I observed a pattern in past long upswings—an initial stage that may be called the "industrial phase" followed by what is best described as the "speculative phase." The imbalances that develop in this latter phase lead inevitably to the final downturn. The events of the past 15 years conform rather closely to this pattern.

The current recession is best viewed, and I believe it will be so regarded by historians, as the culminating phase of a long economic cycle.

There have been numerous long cycles in the past—that is, units of experience combining two or more ordinary business cycles. One such long cycle ran its course from 1908 to 1921, another from 1921 to 1933. And if we go back to the nineteenth century, we encounter long cycles from 1879 to 1894 and from 1894 to 1908. These long cycles differ in innumerable ways from one another. But they also have some features in common—in particular, each culminates in an economic decline of more than average intensity.

The beginning of the long cycle that now appears to be approaching its natural end may be dated as early as 1958, but it is perhaps best to date its start in 1961. The upward movement of economic activity which began in that year was checked briefly in 1967 and interrupted more significantly in 1970.

The period from 1961 through 1964 may be regarded as the industrial phase of the long upswing. Productivity grew rapidly—increasing in the private nonfarm sector at an annual rate of 3.6 per cent between the final quarters of 1960 and 1964, or well above the average rate of the preceding decade. Unit labor costs were then remarkably stable, and so too was the general price level. Real wages and profits rose strongly. During this period sustained economic expansion, unemployment fell from 7 per cent of the labor force to 5 per cent, while the rate of use of industrial capacity rose substantially.

The second—or speculative—phase of the long upswing began around 1965 and continued through much of 1974. This ten-year period was marked by a succession of major interrelated, and partly overlapping speculative waves that in varying degrees gripped other leading industrial countries as well as the United States.

The first speculative movement involved corporate mergers and acquisitions. In the euphoria of what some commentators have called the "go-go" years, rapid growth of earnings per share of common stock became the overriding goal of many business managers. Other yardsticks of corporate performance—such as the rate of return on new investments—were neglected, and so were the serious risks of increased leverage of common stock.

The aggregate volume of large corporate acquisitions, which for some years had been running at about $2 billion per year, jumped to $3 billion in 1965, to $8 billion in 1967, to $12½ billion in 1968, and then tapered off. This was the great era of conglomerates, when a variety of unrelated businesses were brought together under a single corporate management. Entrepreneurs who displayed special skill in such maneuvers were hailed as financial geniuses—until their newly built empires began to crumble. Being preoccupied

with corporate acquisitions and their conglomerate image, many businessmen lost sight of the traditional business objective of seeking larger profits through better technology, aggressive marketing, and improved management. The productivity of their businesses suffered, and so too did the nation's productivity.

The spectacular merger movement of the late 1960's was reinforced, and to a degree made possible, by the speculative movement that developed in the market for common stocks. The volume of trading on the New York Stock Exchange doubled between 1966 and 1971, and for a time trading volume on the American Exchange rose even faster. The prices of many stocks shot up with little regard to actual or potential earnings. During the two years 1967 and 1968, the average price of a share of common stock listed on the New York Exchange rose 40 per cent, while earnings per share of the listed companies rose less than 2 per cent. On the American Exchange, the average price per share rose during the same years more than 140 per cent on an earnings base that again was virtually unchanged.

Much of this speculative ardor came from a section of the mutual fund industry. For the new breed of "performance funds," long-term investment in the shares of established companies with proven earnings became an outmoded concept. In their quest for quick capital gains, these institutions displayed a penchant for risky investments and aggressive trading. In 1965, a typical mutual fund turned over about one-fifth of its common stock portfolio; by 1969, that fraction had risen to nearly one-half. As Wall Street then had it, the "smart money" went into issues of technologically-oriented firms or into corporate conglomerates—no matter how well or poorly they met the test of profitability.

Speculation in equities was cooled for a time by the stock market decline of 1969–70, but then it resumed again and took on new forms. Money managers began to channel a preponderant part of their funds into the stocks of large and well-known firms—apparently with the thought that earnings of those companies were impervious to the vicissitudes of economic life. A huge disparity was thereby created between the price-earnings ratios of the "flavored fifty" and those of other corporations. Share prices of these "favored" companies were, of course, especially hard hit in the subsequent shake-out of the stock market.

Speculation in common stocks was not confined to the United States. From the late 1960's until about 1973, nearly every major stock exchange in the world experienced a large run-up in share prices, only to be followed by a drastic decline. Indeed, speculation reached a more feverish pace in some countries than in the United States. On the Tokyo stock exchange, for example, both share prices and the trading volume actually doubled in the twelve months between January 1972 and January 1973, and then suffered a sharp reversal.

The third speculative wave that nourished the long upswing of our national economy occurred in the real estate market. Homebuilding fluctuated around a horizontal trend during the 1960's. The vacancy rate in rental housing was at a high level from 1960 to 1965, then fell steadily until the end of the decade, and thus helped pave the way for a new housing boom. Between January of 1970 and January of 1973, the volume of new housing starts doubled. Since then, homebuilding has plunged, and in some sections of the Nation it has virtually come to a halt. Failures of construction firms and unemployment among construction workers have reached depression levels. These unhappy developments stem in large measure from the excesses of the housing boom that got under way in 1970.

Inflationary expectations clearly played a substantial role in bolstering the demand for houses. But the boom was fostered also by an array of governmental policies designed to stimulate activity in the housing sector. These governmental measures, however well-intentioned, gave little heed to basic supply conditions in the industry or to the underlying demand for housing.

In response to easy credit and Federal subsidies, merchant builders moved ahead energetically, put up one-family homes well ahead of demand, and thus permitted the inventory of unsold homes to double between 1970 and 1973. Speculative activity was even more intense in the multi-family sector—that is, in apartments built for renting, and particularly in condominiums and cooperatives, which accounted for a fourth of the completions of multi-family structures by the first half of 1974.

The boom in housing was financed by a huge expansion of mortgage credit and construction loans. Real estate investment trusts played an exceptionally large role in supplying high-risk construction loans for condominiums, recreational developments, and other speculative activities. The growth of real estate trusts was extraordinary by any yardstick. Their assets, amounting to less than $700 million in 1968, soared to upwards of $20 billion by 1973. Unsound practices accompanied this rapid growth and, as a result, many real estate trusts now face difficult financial problems.

The speculative boom in real estate was not confined to residential structures. It extended to speculation in land, to widespread building of shopping centers, and to construction of office buildings. By 1972, the vacancy rate in office buildings reached 13 per cent, but this type of construction still kept climbing.

The real estate boom in the United States during the early 1970's had its parallel in other countries. Speculation in land and properties became rampant in the United Kingdom. In 1972 alone, new house prices rose 47 per cent on the average. The amount of credit absorbed in real estate ventures rose so rapidly that the Bank of England felt forced to place special controls on bank lending for such purposes. And in Germany, the boom in residential construction during 1971–73 left an inventory of about a quarter million unsold units—more than a third of a peak year's output—that now overhang the market.

It is in the nature of speculative movements to spread from one country or market to another. Just as the speculative wave in real estate was beginning to taper off in 1973, a new wave of speculation got under way—this time in inventories. That was the fourth and final speculative episode of the long economic upswing from 1961 to 1974. It involved massive stocking up of raw materials, machinery, parts, and other supplies in the United States and in other industrial countries.

The inventory speculation of 1973 and 1974 was the outgrowth of a boom in business activity that had raised its head by 1972 in virtually every industrial country of the world. The synchronism of economic expansion in these countries was partly coincidental, but the expansion that stemmed from ordinary business-cycle developments was reinforced by the adoption of stimulative economic policies almost everywhere. As a result, production increased rapidly around the world, and led to a burgeoning demand for raw materials, machine tools, component parts, and capital equipment—goods for which our country is a major source of supply. The pressure of rising world demand was reinforced in our markets by the devaluation of the dollar, which greatly improved our competitive position in international trade.

By the beginning of 1973, as business firms attempted to meet intense demands from both domestic and foreign customers, serious bottlenecks and shortages had begun to develop in numerous industries—especially those producing steel, non-ferrous metals, paper, chemicals, and other raw materials. In this environment of scarcities, the rise in prices of industrial commodities quickened both here and abroad. The dramatic advance of food prices in 1973, and later in energy prices, greatly compounded the worldwide inflationary problem. In our country, these price pressures were suppressed for a time by price and wage controls, but the general price level exploded when controls were phased out in late 1973 and early 1974

One of the unfortunate consequences of inflation is that it masks underlying economic realities. As early as the spring of 1973, a perceptible weakening could be detected in the trend of consumer buying in this country. The business community, however, paid little attention to this ominous development. The escalating pace of inflation fostered expectations of still higher prices and persistent shortages in the years ahead, so that intensive stockpiling of commodities continued. Inventories increased out of all proportion to actual or prospective sales. In fact, the ratio of inventories to sales, expressed in physical terms, had risen by the summer of 1974 to the highest figure for any business-cycle expansion since 1957—another year when a severe recession got under way.

In summary, the period from 1965 to 1974 was marked by a succession of interrelated, partly overlapping, speculative waves—first, in buying up of existing businesses; then, in the stock market; next, in markets for real estate; and finally, in markets for industrial materials and other commodities.

A prolonged speculative boom of this kind can seldom be traced to a single causal factor. In this instance, however, a dominant source of the problem appears to have been the lack of discipline in governmental finances.

The industrial phase of the long upswing drew to a close in late 1964 or early 1965. By then, the level of real output was very close to the limits imposed by our nation's physical capacity to produce. By then, the level of wholesale prices was already moving out of its groove of stability. Nevertheless, our Government did nothing to moderate the pace of expansion of aggregate monetary demand. On the contrary, it actually embarked on a much more expansive fiscal policy. The tax reductions of 1964 were followed in 1965 by fresh tax reductions and by a huge wave of spending both for new social programs and for the war in Vietnam. These misadventures of fiscal policy doomed the economy to serious trouble, but we were slow to recognize this. Indeed, substantial tax reductions occurred again in 1969 and 1971, and they too were followed by massive increases of expenditures.

Deficits therefore mounted, and they persisted year in and year out. Over the last ten complete fiscal years—that is, from 1965 through 1974—the Federal debt held by the public, including obligations of Federal credit agencies, rose by more than 50 per cent. The large and persistent deficits added little to our nation's capacity to produce, but they added substantially to aggregate monetary demand for goods and services. They were thus directly responsible for much of the accelerating inflation of the past decade.

Monetary and credit policies were not without some fault. As every student of economics knows, inflation cannot continue indefinitely without an accommodating increase in supplies of money and credit. It is very difficult, however, for a central bank to maintain good control of money and credit when heavy governmental borrowing drives up interest rates, and when the public is unwilling to face squarely the long-run dangers inherent in excessively stimulative economic policies.

To make matters worse, laxity in our national economic policies spilled over into private markets. The "new economics," of which less is now heard than before, held out the possibility, if not the actual promise, of perpetual prosperity. Many businessmen and financiers came to view the business cycle as dead, and to expect the Federal Government to bail out almost any enterprise that ran into financial trouble. All too frequently, therefore, the canons of financial prudence that had been developed through hard experience were set aside.

Many of our business corporations courted trouble by permitting sharp reductions in their equity cushions or their liquidity. In the manufacturing sector, the ratio of debt to equity—which had been stable in the previous decade—began rising in 1964 and nearly doubled by the end of 1974. Moreover, a large part of the indebtedness piled up by business firms was in the form of short-term obligations, and these in turn grew much more rapidly than holdings of current assets.

Similar trends developed in some segments of commercial banking. Large money-market banks came to rely more heavily on volatile short-term funds to finance their business customers, and at times they increased their loan commitments to businesses beyond prudent limits. A few bank managers, too, began to concern themselves excessively with maximizing short-run profits, so that the prices quoted for their common stock would move higher. Capital ratios of many banks deteriorated; questionable loans were extended at home and abroad; insufficient attention was given here and there to the risks of dealing in foreign exchange markets; and too much bank credit went into the financing of speculative real estate ventures.

A variety of loose practices also crept into State and local government finance. Faced with rapidly expanding demands for services and limited sources of revenue, some governmental units resorted to extensive short-term borrowing and employed dubious accounting devices to conceal their budget deficits. Statutory debt limits were circumvented through the creation of special public authorities to finance the construction of housing, schools, and health facilities. Some of these authorities issued so-called "moral obligation" bonds, which investors in many instances regarded as the equivalent of "full faith and credit" obligations. The novel financial devices seemed innocuous at the time, but they have recently become a source of serious concern to investors in municipal securities.

A nation cannot realistically expect prosperous economic conditions to continue very long when the Federal Government fails to heed the warning signs of accelerating inflation, when many of its business leaders spend their finest hours arranging financial maneuvers, and when aggressive trade unions push up wage rates far beyond productivity gains. After 1965, the strength of the American economy was gradually sapped by these ominous trends. Productivity in the private nonfarm sector, which had grown at an annual rate of 3.6 per cent from 1961 through 1964, slowed to a 2.2 per cent rate of advance from 1964 to 1969, then to 1.5 per cent from 1969 to 1974. Expansion in the physical volume of national output likewise declined during successive quinquennia. The rate of inflation, meanwhile, kept accelerating.

With the pace of inflation quickening, seeds of the current recession were thus soon across the economy. Rising prices eroded the purchasing power of workers' incomes and savings. Corporate profits diminished a fact that businessmen were slow to recognize because of faulty accounting techniques. New dwellings were built on a scale that greatly exceeded the underlying demand. Inventories of commodities piled up, often at a fantastic pace, as businessmen reacted to gathering fears of shortages. Credit demands, both public and private, soared and interest rates rose to unprecedented heights.

These basic maladjustments are now being worked out of the economic system by recession—a process that entails enormous human and financial costs. Our country has gone a considerable distance in developing policies to alleviate economic hardships, and these policies have been strengthened recently. Nevertheless, the recession has wrought great damage to the lives and fortunes of many of our people.

This recession has cut deeply into economic activities. It must not, however, be viewed as being merely a pathological phenomenon. Since we permitted inflation to get out of control, the recession is now performing a painful—but also an unavoidable—function.

First, it is correcting the imbalances that developed between the production and sales of many items, also between orders and inventories, between capital investment and consumer spending, and between the trend of costs and prices.

Second, business managers are responding to the recession by moving energetically to improve efficiency—by concentrating production in more modern and efficient installations, by eliminating wasteful expenditures, by stimulating employees to work more diligently, and by working harder themselves.

Third, the recession is improving the condition of financial markets. Interest rates have moved to lower levels as a result of declining credit demands and of the Federal Reserve's efforts to bolster the growth of money and credit. Commercial banks have taken advantage of the reduced demand for loans to repay their borrowings from Federal Reserve Banks, to reduce reliance on volatile sources of funds, and to rebuild liquid assets. The rapidly rising inflow of deposits to thrift institutions has likewise permitted a reduction of indebtedness and addition to their liquid assets.

Fourth, the recession is wringing inflation out of the economic system. Wholesale prices of late have moved down, and the rise of consumer prices has also slowed. Although general price stability is not yet in sight, a welcome element of price competition has at long last been restored to our markets.

These and related business developments are paving the way for recovery in economic activity. No one can foresee with confidence when the recovery will begin. The history of our country indicates clearly, however, that the culminating downward phase of a long cycle need not be of protracted duration.

Signs are multiplying, in fact, that an upturn in economic activity may not be far away. For example, employment rose in April after six successive months of decline. The length of the workweek also stabilized last month. The rate of layoffs in manufacturing is now turning down, and some firms have been recalling workers who formerly lost their jobs. Sales of goods at retail—apart from autos—have risen further. Business and consumer confidence has been improving. And prospects for an early upturn in economic activity have been strengthened by passage of the Tax Reduction Act of 1975.

Our nation stands at present at a crossroads in its history. With the long and costly cycle in business activity apparently approaching its end, the critical task now is to build a solid foundation for our nation's economic future. We will accomplish that only if we understand and benefit from the lessons of recent experience.

Since World War II, a consensus has been building in this country that the primary task of economic policy is to maintain full employment and promote maximum economic growth. We have pursued these goals by being ever ready to stimulate the economy through increased Federal spending, lower taxes, or monetary ease. Neglect of inflation, and of longer-run economic and financial problems, has thus crept insidiously into public policy making. Our Government has become accustomed to respond with alacrity to any hint of weakness in economic activity, but to react sluggishly, and sometimes not at all, to signs of excess demand and developing inflationary pressures.

The thinking of many of our prominent economists has encouraged this bias in our economic policies. During the 1950's and 1960's, they frequently argued that "creeping inflation" was a small price to pay for full employment. Some even suggested that a little inflation was a good thing—that it energized the economic system and thus promoted rapid economic growth.

This is a dangerous doctrine. While inflation may begin slowly in an economy operating at high pressure, it inevitably gathers momentum. A state of euphoria then tends to develop, economic decision-making becomes distorted, managerial and financial practices deteriorate, speculation becomes rampant, industrial and financial imbalances pile up, and the strength of the national economy is slowly but surely sapped. That is the harsh truth that the history of business cycles teaches.

To emphasize this truth, I should now like to offer this distinguished group of journalists a bit of professional advice. Since few of you are reluctant to pass along hints as to how I should do my job, I have decided to suggest to you what the really big economic news story of 1975 is likely to be.

The story has to do with the drama now unfolding on Capitol Hill in the implementation of the Budget Control Act adopted last year. If I am right in thinking that our present economic difficulties are largely traceable to the chronic bias of the Federal budget toward deficits, there can be no doubt about the importance of what is now being attempted. No major democracy that I know of has had a more deficient legislative budget process than the United States—with revenue decisions separated from spending decisions and the latter handled in piecemeal fashion. Budgets in this country have just happened. They certainly have not been planned.

We are now attempting to change that by adopting integrated Congressional decisions on revenues and expenditures. My advice to you journalists is to follow this new effort closely. It has a significance for our nation that may carry far into the future. But nothing can be taken for granted here. We have tried budgetary reform once before under the Legislative Reorganization Act of 1946, and it failed. It failed partly because of the challenge to cherished Committee prerogatives, partly also because Congress as a whole balked at accepting so much self-discipline. I would urge you to study the history of that earlier effort and to watch the present undertaking for tell-tale signs of similar faltering.

The potential gain for our nation from budget reform is enormous even in this first year of "dry run." If, in fact, the work of the new budget committee produces in the Congress a deeper understanding of the impossibility of safely undertaking all the ventures being urged by individual legislators, a constructive beginning toward a healthier economic environment will have been made. On the other hand, if the new budget procedures are scuttled, or if they are used with little regard to curbing the bias toward large-sized Federal deficits, there ultimately may be little anyone can do to prevent galloping inflation and social upheaval.

I am inclined to be optimistic about the outcome. More and more of our people are becoming concerned about the longer-range consequences of Federal financial policies. Perspective on our nation's economic problems is gradually being gained by our citizens and their Congressional representatives. A healthy impatience with inflation is growing. You journalists are becoming more actively involved in the educational process. I therefore remain hopeful that we shall practice greater foresight in dealing with our nation's economic problems than we have in the recent past, and that we will thus build a better future for ourselves and our children in the process.

DEAN WILTON C. SCOTT HONORED BY GOLDEN CROWN AWARD

Mr. TALMADGE. Mr. President, Wilton C. Scott, dean for extended services at Savannah State College, has been honored by the Golden Crown Award of the Columbia Scholastic Press Association.

This award, 1 of 50 throughout the Nation, is given to those who have contributed, directly or indirectly, over the years to the advancement of scholastic journalism and to the success of its various programs. It is well-deserved recognition of the outstanding work being done by Dean Scott at Savannah State College.

I ask unanimous consent that his citation from the Columbia Scholastic Press Association be printed in the RECORD.

There being no objection, the citation was ordered to be printed in the RECORD, as follows:

GOLDEN CROWN AWARD

The Columbia Scholastic Press Association on the occasion of its Fifty Years of Service to the School Press of the United States and Overseas has reviewed the roster of those currently participating, directly or indirectly, in its continuing programs and has selected Wilton C. Scott as one of the Fifty whose devotion to the hopes and aspirations of the journalistically inclined Youth of America is of such signal moment, noble generosity and unparalleled achievement that they have inscribed a new and brilliant page in the educational history of the Nation we serve and revere.

In testimony thereof, this Association presents its Certificate symbolic of a Golden Crown as evidence of its gratitude for services rendered, its high esteem and affectionate regard.

FINANCIAL STATEMENT OF SENATOR DOMENICI

Mr. DOMENICI. Mr. President, the way to restore trust in public officials is for public officials to practice complete openness in their dealings. For this reason, I am again this year making public information from my 1975 Federal income tax return and an accounting of my financial net worth and business holdings.

I do this as my personal way of contributing to a restoration of confidence in government.

Mr. President, I ask unanimous consent that these documents now be printed in the RECORD.

There being no objection, the documents were ordered to be printed in the RECORD, as follows:

FINANCIAL NET WORTH DISCLOSURE STATEMENT

(By U.S. Senator PETE V. DOMENICI)

FEDERAL INCOME TAX INFORMATION FOR 1974

Income, $53,843.86 (salary of $43,207.16; interest of $34.13; sale of land at Montgomery and Eubank in Albuquerque, N.M., $4,843.75; income from D & V Company, a family partnership, $1,422.24; New Mexico 1973 income tax refund, $378.66; honoraria of $1,150; Senate Campaign Committee Account, $1,207.92; and Domenici Senate Associates, $1,800—an organization of small contributors established under Standing Rules of the Senate Rule No. 42, filed under Senate Procedures, 12–31–74, to help defray additional Senate expenses, including printing, mailing and photographic expenses).

Contributions of $600 from the New Mexico State Republican Party, used entirely for rent for Domenici's Las Cruces office prior to completion of the new Federal Building in that city.

Gross adjusted income of $51,668.80, after $2,175.06 adjustment for excess of expenses over reimbursements for office and travel expenses associated with official Senate duty.

Itemized deductions of $20,028.56, including New Mexico income taxes and property taxes of $3,417.31 and interest paid of $7,914.30.

Standard dependent deductions of $7,500 for Domenici, his wife Nancy, and their eight children.

PERSONAL NET WORTH STATEMENT

Gross assets: Cash on hand, $1,700; cash value of life insurance, $6,400; securities, $22,621 (Bank of America, $621; Edith Land Co., $22,000); household goods, $8,000; 1971 Oldsmobile, $2,800; real estate and family trust holdings, $290,869.00 (home in Rockville, Md., $100,000; 1/10 interest in Kent Investment Co., real estate in Rio Puerco, N.M., $35,000; ⅛th interest in Cushing, et al., real estate holdings in Albuquerque, N.M., $15,000; D&V Partnership, $24,423; ¼th interest in Huber, Domenici, et al., $70,000; mausoleum crypt, $1,490; Domenici, et al., holdings at Navajo Lake, San Juan County, N.M., $7,500; interest in the trust of the will of C. Domenici, my late father, $37,456.

Liabilities: Real estate mortgage on my Rockville, Md., home (through the District of Columbia National Bank) of $64,495; and debt to Albuquerque National Bank, $28,500.

Net worth: $239,394.78.

The only four transactions Domenici has conducted since his election to the Senate have been the sale of his home in Albuquerque, the sale of four lots in that city, sale of a parcel of land in that city, and the purchase of his new home in Rockville, Md. He has dissociated himself completely from his previous law practice and all other business ventures requiring his participation.

THE SHELTERED LIFE

Mr. BIDEN. Mr. President, with the passage of the Congressional Budget Act of 1974 the Federal budget took on a new dimension called "tax expenditures." These are nothing but subsidies to corporations or individuals provided through the taxing system. These subsidies are provided by simply not collecting taxes that might otherwise be payable. Although they represent benefits of about $80 to $90 billion, they have never received systematic scrutiny in the past. Certainly if these were direct cash payments by the Federal Government they would be looked at much more carefully.

Hopefully we are coming to the end of the time when tax expenditures will be passed by with barely a glance. By law they are now required to be considered as a part of the budget. The Budget Committees of the Senate and House of Representatives are directed to study them. In fact, tax expenditures were the subject of discussion at several meetings of the Senate Budget Committee that I attended. A number of the members of that committee, including myself, are clearly concerned that tax expenditures receive the attention they deserve.

One of the witnesses who testified before the Senate Budget Committee was Prof. Stanley S. Surrey of the Harvard Law School. Formerly an Assistant Secretary for Tax Policy at the Treasury Department, Professor Surrey's testimony was most helpful and illuminating.

Professor Surrey has written an article entitled, "The Sheltered Life" which was published in the New York Times magazine on April 13, 1975. It is a most interesting discussion of tax expenditures and how they work—or do not work. Such an article should prove most useful in our consideration of the subject over the next year. Therefore, I ask unanimous consent that the content of this article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE SHELTERED LIFE

(By Stanley S. Surrey)

To most people, the Federal income tax is a complex system designed to extract large sums from their pocketbooks—about $150 billion, or more than half the Government's total income. Few realize, however, that while collecting these taxes from individuals and corporations, the Government is simultaneously paying between $80 and $90 billion to some of them. It does this by simply not collecting any or all the taxes it might on certain types of activities—those that, because of their claimed value to society, are permitted special tax benefits. If the Government were first to collect this $80- to $90-billion in the regular income-tax sweep and then to disburse it again for these benefited activities, we would refer to the process as a subsidy. Indeed, this often overlooked form of Government spending through the tax system amounts to nearly twice the total of all other Federal subsidies. And it can be argued that it is more wasteful and less fair than almost every other subsidy.

The existence and size of this assistance aspect of the income tax has been little understood by the public or even the Congress. Moreover, both have been scarcely aware of its basic inequity: Since the special tax benefits a person may claim generally increase as his income rises, the poor gain little from them, while the wealthy may utilize them as a major way to supplement their incomes at Government expense.

Incredible as it may seem, this huge item of Government subsidy—which is called "tax expenditures"—has only recently been accounted for publicly. Until 1968, when the Treasury published the first tax-expenditure budget, few in Congress or in the various agencies whose activities were being aided by the tax expenditures knew what was really being spent through the tax system. And it was not until this year that the item of tax expenditures was included in the Federal budget. The disclosure was required by the Congress in a little-noticed provision of the Budget Reform Act of 1974.

The tax-expenditure table included in the budget, revealing as it is for the amounts

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and activities involved, does not disclose the large waste and gross unfairnesses of the tax-expenditure system. Nor does the accompanying budget explanation relate the table to the task of tax reform. Yet the Congressmen who argued for the inclusion of the table in the budget, along with other tax experts, believe that a proper understanding of tax expenditures is essential to tax reform and that the tax-expenditure table will turn out to be an important first step in achieving it in any meaningful way.

In fact, the table as it relates to the process of tax reform is particularly relevant right now, since the tax bill recently passed by the House and the Senate includes a provision for the partial repeal of one of the most important tax expenditures—the depletion allowance under which producers of oil and natural gas can ignore the first 22 per cent of their gross income (up to a maximum of 50 per cent of net income) in calculating their Federal income taxes. The vote to repeal the allowance for big companies and to reduce it for small ones was the result of recent reforms in Congressional procedures, as well as the election of many new liberal Congressmen in the 1974 elections, but it could also suggest that the circumstances are right for further efforts at tax reform.

Every tax-reform issue fought over in the House Ways and Means Committee tax-reform bill of 1974 involved items in the tax-expenditure table. Whether those items will remain, whether new tax expenditures will be added—these are the real issues of tax reform today. The table explains why some of our wealthiest individuals pay little or no income tax and why some businesses on Fortune magazine's list of the nation's largest corporations also pay little corporate tax. The table shows why the real rate of tax paid by individuals whose income exceeds $100,000 is between 30 per cent and 40 per cent, with some in this group paying far less or even nothing—even though the law states that they should pay at rates of 50 per cent to 70 per cent. It explains why the average real rate for corporations is around 35 per cent—well below the 48 per cent rate stated in the tax laws—with some corporations paying far less and with the real rate varying erratically among industries and within any industry.

It is important to understand that the concept of tax expenditures is essentially a way of classifying certain provisions of the tax laws, and there are some who challenge the classification as misleading. Irving Kristol, for example, has written that those who use the terms "tax expenditure" and "tax subsidy" to refer to tax benefits "are implicitly asserting that all income covered by the general provisions of the tax laws belongs of right to the Government, and that what the Government decides, by exemption or qualification, not to collect in taxes constitutes a subsidy. Whereas a subsidy used to mean a governmental expenditure for a certain purpose, it now acquires quite another meaning—i.e., a generous decision by Government not to take your money."

But these statements are simply wrong. The concept of tax expenditures does not imply that all income belongs to the Government and any decision to tax less than all that income is an act of governmental generosity. Rather, it is based on the idea that a proper income tax includes in its tax base all sources of income and allows deductions for all the expenses incurred in obtaining that income. If a special provision excludes some types of income, allows deductions for personal expenses associated with consumption spending rather than the earning of income, or allows special business deductions not reflected under proper accounting standards, then it becomes something engrafted onto the income tax for a special purpose—that of subsidy or assistance. When Congress excludes from current tax one-half the income received from export activity—and so forgoes revenue of $1-billion—it is in effect giving a cash subsidy of that $1-billion to companies that engage in export trade. When Congress permits a homeowner in computing his income tax to deduct his mortgage interest and his real-property tax, at a revenue cost of $10-billion, it is really running a housing-assistance program of $10-billion for homeowners, which makes these tax expenditures for home ownership our largest housing program, exceeding by far the direct budget programs for public housing and low-income housing.

Indeed, the proponents of these special provisions understand this quite clearly, for their arguments in defense of the provisions are not framed in terms of proper tax structure or tax equity, but in terms of incentive and assistance for this or that industry or activity or hardship. Here and there theoreticians may disagree on an item included or left out of the tax-expenditure table, but these disagreements are not shaped by Kristol's misunderstanding.

Furthermore, it is only when we realize that these special tax deductions and allowances really function as subsidies that we can understand their huge inequity. A Congressman rarely perceives that if, say, he introduces a bill to give a $1,000 tax deduction for expenses for home insulation as an energy-saving measure—a goal he believes to be in the public interest—he is really giving $700 to a homeowner in the 70 per cent tax bracket (for that is what such a person saves in taxes when he deducts $1,000 from his income), only $140 to a home-owner in the 14 per cent tax bracket and zero to a homeowner whose income is so low that he does not pay taxes. No direct assistance program of grants or loans to homeowners that operated in this upside-down fashion would ever be considered by the same Congressman. Yet almost daily we find such special deduction assistance tax bills being introduced in a variety of areas, and each, if adopted, would mean a new tax expenditure. (Even when the tax expenditure involves a credit against tax payments, so that each taxpayer receives the same benefit, the system does not benefit those too poor to pay taxes.)

The table in the budget gives an over-all picture of the extent of tax expenditures. Figures published by the House Ways and Means Committee, which allocates the tax-expenditure assistance among the income groups in the country, from low-income taxpayers to the wealthy, reinforce the impression that the tax-expenditure system is grossly unfair.

To be sure, the benefits of some tax expenditures fall mostly to lower- or lower-middle-income taxpayers—for example, public assistance payments and disability-insurance benefits are not taxable. And a number benefit middle-income taxpayers—unemployment-insurance or workmen's compensation benefits are not taxed, and consumers may deduct interest they pay on loans and credit-card balances.

Viewed on a per capita basis, however, it is clear that tax expenditures overwhelmingly favor the upper brackets. On the average, based on 1972 estimates, an individual at the $3,000 to $5,000 level received $10 in tax-expenditure assistance; in the $25,000 to $50,000 bracket, $1,358; in the $100,000 to $500,000 bracket, $29,264; and in the $1-million bracket, $725,000.

Information based on averages, furthermore, does not tell us the extent to which some wealthy individuals escape tax because of the tax-expenditure system. The rules against disclosure of tax returns prevent particular identification. But unidentified examples do exist, such as those made public by the Treasury in 1968. (The practice of publicizing such examples should be continued, but the present Treasury and even the tax committees that have access to the data refuse to make them available.) Thus, some individuals whose actual incomes are in the hundred thousands or even millions pay little or no income tax and can show up in Internal Revenue statistics as low-income individuals because their taxable incomes have been so reduced by tax-expenditure benefits. Representative James C. Corman hinted at this situation in the Congressional Record in January:

> To study the extent of tax avoidance among wealthy Americans, the Ways and Means Committee last year examined the tax returns of 20 high-income individuals, whose names were chosen for the most part without prior knowledge about their taxes. These returns showed clearly the injustice of our tax laws. Some of the 20 paid very high tax rates because they did not make excessive use of deductions and exclusions. Most, however, paid very low effective tax rates, and two paid no tax at all on incomes over $500,000. A third tried valiantly to escape all tax by claiming $900,000 in tax-shelter losses, and a fourth paid only $25,000 in tax, even though his income exceeded $2-million. There was widespread use of tax shelters, percentage depletion, the capital-gains deduction and gifts of appreciated property to charity . . .
>
> If the actual data were made known to the public, the result would be a national scandal that would surely produce serious tax reform. Every informed tax lawyer knows of individuals with very high incomes whose actual tax payments are on the same level as those of restaurant employes or mechanics or others who service their affluent style of life.

As for corporations, we are beginning to learn how various industries and particular corporations benefit from the tax-expenditure table as a result of a new S.E.C. rule requiring disclosure in corporate financial documents of why actual income-tax payments differ from what they would be at a 48 per cent rate, the rate in the tax law. Here also the Treasury and the tax committees could give us information, but since 1968 they have refused. However, Tax Analysts and Advocates, a Washington public-interest organization, has carefully sifted the S.E.C. data and regularly publishes tables showing the effective rates of tax. Picked almost at random are a few examples for 1973 that show how low are the taxes paid by some corporations—i.e., how large are their benefits under the tax-expenditure table—and how erratic is the distribution of those benefits. Thus, in the drug industry, actual tax payments for Baxter were 13.31 per cent of corporate earnings; G. D. Searle, 32.7 per cent; Abbot, 32.7 per cent; Johnson & Johnson, 46.7 per cent; in chemicals, Olin, 24.7 per cent; Allied 25.2 per cent; Celanese, 34.9 per cent; du Pont 41.7 per cent; in autos, Chrysler, 19.1 per cent; Ford, 32.7 per cent; General Motors, 46.4 per cent.

How do wealthy taxpayers take advantage of tax expenditures? Some of them search among the tax expenditures for the so-called "tax shelters," a term applied to ways by which individuals in tax brackets at 50 per cent and above may escape those high rates. In the real world, they are well-to-do doctors, investment bankers, lawyers, actors, Governors and the like. In the files of the I.R.S., they may be poor folk with hardly a dollar to their names. They enjoy this dual status because their investments in real estate, oil wells, cattle farms, motion pictures, sports teams, leased equipment, ships and other activities show up in red ink on the I.R.S. returns but in black ink on their own financial records. And this transformation occurs mainly because of items in the tax-expenditure table. "Depreciation of rental housing or buildings in excess of straight-

line," "expensing of farm costs," "excess of percentage depletion over cost depletion," plus other tax-assistance devices produce excessive tax deductions which produce losses for purposes of the tax return. The tax deductions may be so excessive that they offset—"shelter"—both income from the tax-favored investment itself and income from other activities of the investor, and thereby change a real millionaire into an I.R.S. pauper.

Other wealthy taxpayers look for benefit in the tax-expenditure category labeled "revenue sharing and general purpose fiscal assistance," which refers to the fact that income in the form of interest on bonds issued by state and local governments is not taxed. Thus Nelson Rockefeller, in his hearings on his selection as Vice President, revealed that he annually received about $1-million in such tax-exempt interest so that he paid no Federal tax on that amount. By putting their money into such bonds, the trusts from which he received the tax-free funds were following a prudent investment policy for wealthy people, since for a person in this 70 per cent bracket, a tax-free bond paying 6.6 per cent is the same as a taxable bond paying 22 per cent, and such taxable bonds do not exist.

In effect, the exemption of interest on state and municipal bonds from Federal tax is a form of Federal assistance to the states and cities, accomplished by reduction of their interest costs. As a program of assistance, however, this tax expenditure is particularly wasteful. For the Federal Government annually loses $4-billion in revenues—the taxes that investors normally would pay on their bond-interest income—but the states and cities gain less than $3-billion in reduced interest rates. The difference is siphoned off by the wealthy individuals and banks that buy the bonds. The tax inequity and wastage in this form of tax expenditure cannot be defended.

Another tax expenditure favorable to the wealthy is listed on the tax-expenditure table as the subcategory "Capital gain: individual" under the main heading "Personal investment." Perhaps more than any other, this item explains why so many wealthy people pay income taxes far lower than their actual income would seem to require. For this item refers to the special treatment of income that results from the sale of appreciated stocks, real estate, oil properties and other capital assets. On this type of income, the tax rate is cut in half—for the very wealthy, this means a 70 per cent tax rate becomes a 35 per cent rate. In addition, all of the appreciation in value of a capital asset is not subject to income tax if an individual dies holding the asset. Therefore, the 70 per cent tax rate of a wealthy individual is reduced to zero on the rising value of a capital holding so long as he doesn't sell it but retains it and passes it on to his heirs. The combined value of these two items to taxpayers is between $7-billion and $10-billion, depending on the condition of the stock market.

Defenders of the special treatment of capital-gains income have argued that it is not really income at all, but rather a nonrecurring gain different from wages, salary, interest and other such items. Most economists, however, regard as income any increase in a person's net worth during the year, and this would include capital gains. Normal intuition tells the public that a capital-gain dollar can buy a Cadillac or a yacht just as can any other income dollar. Next came the argument that it was unfair to tax the capital gain all in one year, but today we do average income for tax purposes, including capital gains, so this rationalization must be abandoned. Now the argument is that capital gains represent only inflationary price increases. This is harder to counter, since inflation does produce a rise in value that reflects general price-level changes and not a real shift in values. But the inflation argument neglects several points. Often the asset has been purchased with borrowed money, and inflation decreases the cost of that debt to the investor. Also, since the tax collector does not collect the tax on an appreciated asset until it is sold, the Government actually "lends" the income tax on the accrued appreciation to the taxpayer for the period of time that he holds the asset, and this "loan" is at an interest-free rate. Over time, this benefit alone would offset the effect of inflation.

So the defenders of special treatment for capital gains turn to still another argument, useful in a recession period: The United States, they contend, needs more capital investment if we are to resume an upward economic path. Those using this approach sometimes will advocate that the rate of tax on capital-gains income should be reduced by even more than half, and urge, for example, that for stocks held over 15 years the exclusion should be 80 per cent. This would mean that a wealthy investor would pay 14 per cent on his gain (70 per cent on the taxable 20 per cent). This is ironic, since 14 per cent is the rate an unskilled worker pays on his first dollar of taxable wage income. This proposal is advanced to assist, according to one Senate supporter, "many middle-income Americans who invest in growth stocks in their late 40's and 50's and would like to sell those stocks on retirement to invest in income-producing stocks."

It is politic, of course, to argue that the special treatment of capital-gain income is beneficial to "middle America," but there is much to suggest that the claim is specious. An article in the November, 1974, Commerce Department "Survey of Current Business" informs us that .2 of 1 per cent of all families—those with income over $100,000, or 140,000 families out of 70 million—own 30 per cent of the individually held stock in this country; 1 per cent own 51 per cent of that stock and 10 per cent own 74 per cent. Any proposal supporting or increasing the capital-gain tax expenditure simply means that the benefits will continue to go to a relative handful of the wealthiest families in this country.

I.R.S. data show that while only 6.5 per cent of tax returns at the $10,000 income level and 12 per cent at the $20,000 level contain capital-gain income, over 50 per cent do so at the $100,000-and-above level, and seven out of eight returns do so at the million-dollar level. The average capital gain in 1971 did not reach $3,000 until the $20,000 income class. But the average gain became $20,000 for incomes between $50,000 and $100,000, $220,000 for incomes between $200,000 and $500,000 and almost $2.5-million for the millionaire group. Over-all, more than half of the capital gains are received by those with incomes of $30,000 or more—only 2 per cent of the families paying income tax. Thus, choosing capital-gain benefits as the method of encouraging investment for economic recovery involves major sacrifice of tax fairness. A better choice is the course taken by Congress in the recent tax bill—large tax reductions aimed at lower- and middle-income groups and an increase in the investment credit for business investment.

The tax-expenditure table makes it possible to design a program to correct the inequities and inefficiencies brought about by these tax expenditures—to accomplish "tax reform"——with some precision. For each tax-expenditure listing, we should ask if the public and the Congress really believe the Federal Government should be assisting the particular activity involved, as a matter of national priority. This is the same question that is asked each year about direct expenditures of Federal money itemized in the budget. For many tax expenditures, the likely answer to the question is a clear "no." In the category "International affairs," do we really want Congress to subsidize our corporations to invest abroad or to export? In "Natural resources, environment and energy," do we want to subsidize oil and timber companies? In "Business investment," do we want to subsidize the construction of office buildings or shopping centers? Where the furnishing of Government assistance is hard to justify, then the subsidy in the form of a tax expenditure should be dropped.

In some cases, however, the answer to the question will be "yes"; the activity encouraged by the expenditure can be considered a legitimate national goal. In these cases, the task of tax reform becomes a bit more complex. In most cases, the best approach would probably still involve doing away with assistance in the form of a tax expenditure, but it would also involve increasing the benefits provided directly under the Federal budget by compensatory amounts.

For example, the construction of low-income rental housing is currently encouraged by both direct Federal assistance in programs of Housing and Urban Development and by tax expenditures. The combined assistance appears necessary to get rental housing built that is within the financial reach of low-income people. But the tax-expenditure part of the assistance involves wastage for the Government and tax-shelter escape for the wealthy. The solution is to improve the direct-assistance programs and eliminate the tax expenditure.

Similarly, while home ownership is a national goal, the huge tax-expenditure assistance granted to homeowners who deduct mortgage-interest payments and real-estate taxes from their taxable income is clearly inequitable, since the least-affluent homeowners may gain the least benefit. The tax assistance should be re-examined in the context of new direct programs to promote home ownership by subsidizing home mortgages directly, or by other direct budgetary devices.

The same approach would be necessary to eliminate the waste and inequity created by the exemption of interest on state and municipal bonds. Federal help for the financing of state and city governments is accepted as a legitimate goal, but it could be accomplished far better if the states and the cities could elect to issue taxable bonds—paying interest rates high enough to compete for investors' funds—on which the Federal Government would directly subsidize, say, 45 per cent of the interest payments. There would be no waste, since all of the direct subsidy would go to the states and cities and would not be shared with the investors. And there would be no tax escape, since the bonds would be taxable. There would be little or no additional cost to the Treasury, since it would simply be transferring a tax-expenditure cost to a direct budget-expenditure cost.

The fact that tax-expenditure analysis offers clearer answers to the problem of tax reform and budget reform does not mean that such reform will be easy to achieve.

For one thing, tax expenditures relate to so diverse a sampling of Government activities that any concerted approach would be difficult to engineer. Moreover, the task of shifting assistance from the tax system to a direct-budget approach—for example, eliminating tax expenditures to assist housing while increasing direct subsidies for housing—would require a higher degree of coordination than now exists in Congress between the tax commitees, which decide on tax assistance, and the housing committees which decide on direct-budget assistance.

More to the point, perhaps, the number of those who benefit from tax expenditures is large, many of them are among the

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wealthiest people in the country, and all of them are hugely motivated to defend the effective Government subsidy they currently enjoy. The weight of their natural resistance to changing the tax-expenditure system is great.

However, there may well be hope ahead for those who seek tax reform in little-noticed provisions in the Budget Reform Act of 1974. In that act, the Congress, besides requiring the President to present the tax-expenditure table, also required the new House and Senate committees on the budget established under that act "to request and evaluate continuing studies of tax expenditures, to devise methods of coordinating tax expenditures, policies and programs with direct budget outlays."

Moreover, the new Congressional Budget Office created to assist Congress in controlling the budget is directed to provide information on bills providing tax expenditures. In addition, each standing House committee is now required to study on a continuing basis the impact of tax policies affecting subjects within its jurisdiction.

The tools for coordinating tax-expenditure policy with budget policy, and the work of tax committees and other committees having jurisdiction over the activities assisted by tax expenditures, now exist. These procedural steps, when combined with a new spirit in the Congress and with the knowledge that people really desire an end to the inequities of the income tax, can mean there is now a much better chance to achieve real tax reform.

ECONOMIC RECOVERY AND BEYOND

Mr. HANSEN. Mr. President, in my opinion this Nation is indeed fortunate to have William E. Simon as its Secretary of the Treasury.

His is a thankless job in times like these as was his previous job as head of the Federal Energy Office.

No one has worked harder at both jobs nor with more dedication and consistency to the principles in which he believes.

Time and again he has testified before various committees of Congress as to the causes of our energy problems and what Congress should do to solve them.

As Secretary of the Treasury and Deputy Secretary before, he has consistently recommended that Congress cure its excess spending habits and practice fiscal responsibility in its overall appropriations.

He has warned time and again that inflation can be cured only by biting the bullet of a balanced budget and control of deficit spending.

Last week Secretary Simon testified in hearings before subcommittees of the Committee on Finance on investment needs of the future and the need as we emerge from the recession to focus greater public attention on the longer range problems of our country.

We must be equally concerned, he said, whether the period of the recovery and beyond will bring sustained economic progress or a sorrowful repetition of the boom and bust cycles of the past.

Mr. President, Secretary Simon's testimony was so impressive that I believe most Senators, whether they agree entirely with his views or not, would do well to consider his proposals. I ask unanimous consent that the following summary of his testimony be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

STATEMENT BY THE HONORABLE WILLIAM E. SIMON

Mr. Chairman and Members of this Distinguished Committee:

I welcome this opportunity to appear before you this morning on a subject of timely and urgent concern: Our capital investment needs for the future.

For several months, many economic policy makers in Washington have been preoccupied with the problems of ending the recession, slowing the rate of inflation and steering the nation back to a course of stable, durable economic growth. Today there are many signs that the economic slide is gradually decelerating, and we can be increasingly confident that we will be on the road to recovery before the end of this year.

As we emerge from the recession, it is especially important that we now begin to focus greater public attention on the longer-range problems of our country. While the process of recovery will require careful and vigilant management, we must be equally concerned whether the period of the recovery and beyond will bring sustained economic progress or a sorrowful repetition of the boom and bust cycles of the past.

Certainly there is no subject more central to our hopes for the future than our ability and our willingness to meet the capital investment needs of coming years. Those needs are impressively large, and they will demand a full-scale effort. In my testimony this morning, I want to draw upon an abundance of documentary evidence showing that the United States has not been keeping pace in its capital investments and that we must devote more of our resources to this purpose if we are to achieve our most basic economic dreams for the future. To summarize, the record shows that:

During the 1960s, the United States had the worst record of capital investment among the major industrialized nations of the Free World;

Correspondingly, our records of productivity growth and overall economic growth during this period were also among the lowest of the major industrialized nations;

As other nations have channeled relatively more of their resources into capital investment and have acquired more modern plants and equipment, they have eroded our competitive edge in world markets:

Our record on capital investments reflects the heavy emphasis we are placing on personal consumption and government spending as opposed to savings and capital formation;

Our record also reflects a precipitous decline in corporate profits since the mid-1960s;

While the U.S. economy remains sufficiently large and dynamic to overcome our investment record of recent years, our economic growth will be tied much more directly to the adequacy of our capital investments;

Estimates of future needs vary, but it is relatively clear that in coming years we will have to devote approximately three times as much money to capital investments as we have in the recent past; and

It is an economic fact of life that increased productivity is the only way to increase our standard of living. For the sake of future economic growth—jobs, real income and reasonable price stability—the inescapable conclusion is that government policies must become more supportive of capital investment and that we must make a fundamental shift in our domestic policies away from continued growth in personal consumption and government spending and toward greater savings, capital formation and investment.

Some analysts have concluded that it will not be possible to meet our future capital investment needs. I disagree. I firmly believe that we are capable of achieving our basic investment goals, but I also believe that they represent one of the most formidable economic challenges of the decade ahead.

I. CAPITAL INVESTMENT EXPERIENCE

The beginning point for our consideration of capital investment—and one that should be of keen concern to everyone—is the pattern of economic growth during the decade of the 1960s. The average annual rate of real economic growth during that period for the twenty nations belonging to the Organization of Economic Cooperation and Development (OECD) ranged from a high of 11.1 percent for Japan, to a median of about 5 percent for Australia, the Netherlands and Norway, to a low of 3.6 percent for the United Kingdom. The United States during this time experienced an average growth rate of 4 percent a year—17th among the 20 nations (Table 1).

Of the many economic, political and social factors that influence economic growth rates, none is more important than the level of capital investment. Economists generally agree that the factors affecting growth include: (1) the accumulated base of capital goods; (2) the current pace of new capital investments; (3) the effective application of new technology; (4) the quality of the national labor force—its education, training, discipline and commitment; (5) the infrastructure of transportation, communication, financial and service facilities; (6) access to industrial raw materials; (7) managerial skills; and (8) the organization of the economic system. The mix of these basic economic variables—along with other specific factors not listed—varies from country to country and changes over time. It is also possible to substitute one, or a combination, of these productivity variables for specific inadequacies. Most analysts agree, however, that a strong rate of new capital investment is required to generate sustained growth. In fact, the effectiveness of all of the other factors that determine productivity are heavily dependent upon the quantity and quality of capital goods made available by new investment.

The United States retains a position of economic leadership because it has been blessed over a long period of time with a favorable mix of all of the important economic variables, along with political stability and improving social mobility. For many years our advantageous ratio of capital to labor has been acknowledged as the basis of the remarkable rise of the U.S. economy. Even now spending for plant and equipment continues to increase and these outlays still exceed the amounts invested elsewhere because of the large size of the U.S. economy (Table 2). In 1974, gross private domestic fixed investment totaled $195.6 billion, up from $194.0 billion in 1973 and $131.7 billion in 1970. Investments in business structures and producers' durable equipment totaled $149.6 billion in 1974, up from $136.8 billion in 1973 and $100.6 billion in 1970.

Nonetheless, even though plant and equipment expenditures will continue in the future as the economy grows, it is unrealistic to assume that the historical patterns of investment and productivity will be adequate to meet the priorities of the future. And I certainly am not suggesting that we can fulfill every claim presented by society. The disappointing record of Federal deficits in fourteen of the last fifteen years ending with FY 1975—or forty out of the last forty-eight years—and the unfortunate boom and bust

pattern of economic performance over the past decade indicate that we have not been able to effectively identify and manage our national economic priorities. Some analysts have claimed that future economic growth will release unused resources to fulfill new claims against the national output. To the contrary, the intensity of claims for available resources will likely increase in the future.

The assertion that additional government spending programs can be added without disrupting the allocation of resources in the private sector has been refuted by the events of the past decade, particularly the increasing inflation pressures and shortages of materials and production capacity.

Comparative rates of investment

Recognizing the relatively low rate of U.S. economic growth in the 1960s, it is worthwhile to look now at the relative rate of capital investment in this country. Although the amounts of capital investment continue to increase in the United States and our capital-to-labor ratio is still relatively high, other nations during recent years have allocated a substantially larger share of their resources to new capital formation. Furthermore, the gap between the U.S. level of investment, measured as a share of national output, and the commitments of other leading industrial nations has increased. A study prepared by the Department of the Treasury indicates that total U.S. fixed investment as a share of national output during the time period 1960 through 1973 was 17.5 percent. The U.S. figure ranks *last* among a group of eleven major industrial nations; our investment rate was 7.2 percentage points below the average commitment of the entire group. When only nonresidential investment is considered the level of commitment is naturally lower for every nation but the relative position of the United States is not changed.

The reduced pace of capital investment in the U.S. economy has also been emphasized by Professor Paul W. McCracken, former Chairman of the Council of Economic Advisers and now Senior Consultant to the Department of the Treasury. Using historical figures, reported in constant dollars, for the amount of nonresidential capital formation per person added to the labor force he estimates that commitments in the United States during the 1970s are 22 percent below the level reported in the 1956 to 1965 decade. In terms of business capital investment per worker, the United States still maintains a considerably higher capital to labor ratio than in Europe and Japan. However, our advantage has declined as other nations have increased their capital investments per worker. The Department of Commerce estimates that since 1960 the existing base of plant and equipment assets has nearly doubled in France and Germany and more than tripled in Japan. The cumulative total of such assets in the United States increased at most by about 50 percent during the same period.

Factors influencing U.S. rate of capital investment

In evaluating the relatively slower rate of capital investment in the United States, several moderating factors should be considered.

First, the unusually large size of the U.S. economy and its relatively advanced stage of development, including the accumulated total of previous capital investments, creates a different investment environment. In 1974 the U.S. national output was $1.4 trillion, which is approximately equal to 90 percent of the combined total for the nine countries in the European Economic Community and Japan. Having already created such an impressive productive capacity it is to be expected that our rate of additional growth might be lower than the development rates of other nations who are striving to achieve our relatively advanced level of economic activity.

A *second* and even more important influence has been the historical priority placed on consumption within the U.S. economy. We are a consumption-oriented society and this pattern has been developing for several decades. The emphasis on consumption has undoubtedly caused much of the rapid development of the U.S. economy because it has created a strong demand for goods and services needed to sustain output, employment and investment. In 1974 personal consumption totaled $877.0 billion, or 63 percent of our gross national product; total government purchases of goods and services totaled $308.8 billion, or 22 percent; gross private domestic investment, which includes the change in inventories, was $208.9 billion, or 15 percent; and net exports of goods and services amounted to $2.0 billion or 0.1 percent of total national output. Personal and government consumption outlays have long dominated the GNP totals, and this pattern of economic activity is deeply ingrained in our society. As a result, despite our high per capita incomes, the accumulations of gross savings flows required for capital investment are lower in the United States than elsewhere. It is also important to note that the level of gross private savings in the United States has remained stable throughout the postwar era.

A *third* important factor affecting the pattern of U.S. investment compared with other nations is the relatively large share of total capital outlays we commit to the services category, which includes housing, government and other services. According to a study published by the Organization for Economic Cooperation and Development (OECD), the United States allocated 70 percent of its total investment to the services category during the 1969 to 1971 time period. The U.S. figure is significantly higher than that reported by the other five major industrial nations included in the study (Table 3). Accordingly, the U.S. share of investment committed to the manufacturing sector, 19.7 percent, was considerably lower than the figures reported by France (27.8 percent), West Germany (25.2 percent), Japan (26.8 percent), and the United Kingdom (23.3 percent). Our heavy investment in the services category tends, of course, to emphasize consumption and moderate the growth in productivity. This arrangement may satisfy immediate consumer preferences, but we must weigh those preferences against long-term concerns about domestic productivity and international competitiveness.

A *fourth* influence on the pattern of capital investment in the United States is the relatively large share of our investment that must be used for replacement and modernization of existing facilities. It is estimated that 62 percent of U.S. capital investment during the time period 1960 to 1971 was used for replacement needs, compared to the United Kingdom, 61 percent; Canada, 52 percent; France, 54 percent; West Germany, 53 percent; and Japan, 31 percent. The divergent pattern reflects the advanced status of economic development in some nations and the postwar experience of Europe and Japan in restoring their devastated industrial facilities following World War II. The Department of Commerce estimates that 60 to 70 percent of the U.S. stock of plant and equipment has been added since 1960, compared to approximately 75 percent of the capital goods of West Germany and France and 85 percent of Japan's industrial capacity. It should be emphasized that this heavy replacement requirement does provide a continuing opportunity to introduce new technology into the U.S. economic system. Since the annual value of U.S. capital investment is so large, it cannot be assumed that the entire U.S. industrial system is technologically obsolete, even though some specific sectors have suffered a sharp competitive deterioration. Nevertheless, the otherwise imposing outlays for replacement and modernization do not add to the total productive capacity of our economy.

A *fifth* and final factor influencing the national rate of capital investment is the pattern of government policies. Government can affect investment either directly through the incentives it provides or indirectly through various tax and regulatory policies and its own pattern of spending.

A review of the diversified economic incentives available in other nations indicates the very active investment role played by many foreign governments. Basic industries are frequently controlled by the government with total, or at least dominant, public ownership. Special financial and operating assistance is also frequently provided for preferred private companies to assist their development if it is considered to be in the national interest. The United States has avoided most of the capital allocation and special incentive programs used in other countries. I strongly favor this private sector approach and believe that it has been a positive factor in the development of our economy.

There are some Federal programs which provide direct financial support through the Economic Development Administration, the Small Business Administration and 169 different government credit programs, but the major influence of Federal Government on capital investment comes through the Federal budget. Government budget decisions now represent approximately one-third of the total GNP and this figure will rise even higher if spending trends of the past twenty years are continued. The government also influences private sector activities by providing capital grants, research funding and other incentives which stimulate investment. For example, the FY 1976 budget prepared by the President calls for outlays of $4.6 billion on general science, space and technology programs, $2.2 billion on energy activities and $9.4 billion for environmental and natural resources. Part of these outlays will involve capital investment needs.

The Government is also exercising increased influence over private investment decisions through the growing number of safety, health and environmental standards. Precise estimates are difficult, but it has been estimated that during 1972, 8 percent of the textile industry's capital investments and 12 percent of the steel industry's investments were related to health and safety standards mandated by the government. While such standards may be highly desirable, we should recognize that these investments do not increase the Nation's total productive capacity.

Many State and local governments also provide special incentive programs to attract capital investment into specific geographical areas. Such incentives include capital grants, advantageous credit arrangements, relocation and manpower training grants, special site and building assistance, infrastructure investments, and preferred tax and utility arrangements. While such incentives have influenced the location of some facilities, the total amount of capital investment has probably not been increased.

The private sector continues to be the best means of increasing capital investment in the United States and our government has fortunately not attempted to control the pattern of such investments.

Negative results of inadequate capital investment

While the historical pattern of capital investment in the United States may satisfy our immediate goals, there are serious economic risks in having a slow rate of capital investment for an extended period of time. The emphasis on immediate consumption has occurred because American consumers have historically preferred to spend 91 percent of their disposable after-tax income. The government has basically supported this independence of choice although its tax and spending policies have unfortunately exercised an increasing influence on private decisions. But we must now question the future adequacy of past investment patterns if we are to adequately prepare for the economic future of our great nation.

Various studies have indicated the close relationship between capital investment and various measures of economic growth and productivity. A dynamic economy is needed to create jobs by applying new technology and expanding production capacity. A productive labor force is also necessary for producing goods and services to meet rising demands for an improved standard of living and as a means of holding down inflation. When productivity increases, the effects of rising wages are offset so that unit labor costs can be held down and prices are more stable. Inadequate capital investment also limits new job opportunities and creates unemployment. Specific examples of production capacity shortages became painfully apparent to the Cost of Living Council (COLC) as it administered the program of wage and price controls from August 1971 until June 1974. Recognizing the inflation pressures created by these numerous capacity constraints, the COLC followed a definite policy of requiring specific capital investment commitments from private industry as a basis for price decontrol decisions. The COLC also became very concerned about future inflation problems that could result from raw materials shortages and increasing capacity shortages in several basic industries as economic growth occurs. Unfortunately, productivity gains in the United States have been disappointing, particularly when compared with the experience of other leading nations.

The rapid growth of the U.S. economy to its present size and the relatively low level of inflation until the late 1960's has been based on the creativity and productivity of the system. Americans have greatly benefitted from this growth, not only in personal economic gains but in terms of national security and international leadership. Continued prosperity, however, cannot be taken for granted; it must be earned. We must be willing to allocate more of our resources to the future and fewer to satisfying immediate demands. This is a difficult concept for some to accept because they prefer current consumption. With so many needs still unsatisfied in a land of relative plenty, this feeling is understandable. Our ability to fulfill these needs will only be restricted, however, if we now fail to prepare for the future. The simple truism that we sometimes ignore it in setting national priorities. And we can no longer afford to ignore the fact that as the real output of other nations has increased more rapidly than our own, our competitive advantage has gradually been eroded.

II. FUTURE CAPITAL INVESTMENT REQUIREMENTS

Economic projections are always difficult, but estimating future capital needs is particularly uncertain at this time because costs and priorities continue to change rapidly. It is obvious, however, that future capital requirements will be enormous—larger than anything we have ever faced before. Clearly we will need to increase the quantity and quality of housing; develop new energy resources; improve the quality of our environment; rehabilitate the existing transportation system and develop a better urban transportation system; continue the mechanization of agriculture; construct new office buildings, communications systems, medical facilities, schools and other facilities; and meet the massive needs for new plant and equipment. In all of these sectors we must not only replace and modernize existing facilities but also add new capacity, particularly in many of our most basic industries.

The Department of Commerce estimates that capital requirements for producers' durable equipment and nonresidential structures will total $3.4 trillion during the 1974 to 1985 period. If annual outlays for residential construction, which have averaged $50 billion during the past four years, are added to this figure, the total capital needs rise to well over $4 trillion. Details of their estimate include:

GROSS PRIVATE DOMESTIC NONRESIDENTIAL FIXED INVESTMENT

[In billions of current dollars]

	1974	1985	Cumulative 1974–85
Total producer's durable equipment	$100.0	$276.7	$2,188.8
Nonresidential structures	54.7	151.3	1,197.3
Total	154.7	428.0	3,386.0

Energy investment requirements

One area of capital investment that is particularly critical for the future is energy. To achieve greater self sufficiency in energy, enormous capital investments will be required. We basically have two alternatives. The first one is to meet our increased energy investment requirements by reducing outlays in other sectors. While energy priorities are indeed important, it would be most unfortunate to disrupt the entire economic system in this way. A second—and more desirable—approach is to include these new requirements within an enlarged total investment goal. Our purpose should not be to redistribute the economic pie, but to continue enlarging it so that everyone will have a bigger share.

Recognizing that the ultimate cost of energy investment needs will be influenced by many variables, it appears that capital requirements over the next decade will total about $1 trillion stated in current dollars to include the effects of inflation. Energy investments will comprise an important share of the total capital requirements discussed above but their financing is manageable if they are given a high priority as part of a comprehensive national energy program. The specific amounts to be spent in each category will depend upon the energy policies adopted and dynamic developments within the economy. Nevertheless, the range of possible needs is indicated in four separate studies prepared by the Federal Energy Administration, National Petroleum Council, National Academy of Engineering and Arthur D. Little, Inc. All four studies are stated in *constant 1973 dollars* to make them comparable. If necessary adjustments are made for potential inflation and the increased needs that have been identified since the studies were prepared the resulting capital needs expressed in current dollars, will approximate $1 trillion between now and 1985.

III. GOVERNMENT POLICIES

Unfortunately, the Federal Government has reported a deficit in fourteen out of the past fifteen years ending with FY 1975. During the single decade FY 1966 through FY 1974, the cumulative Federal deficits totaled $103 billion. Net borrowings for supporting over one hundred "off-budget" Federal programs totaled another $137 billion during that decade. As a result, the Federal Government wtihdrew one quarter of a trillion dollars out of the capital markets. But this record is only a prelude to our present situation when Treasury financing requirements will total about $75 billion in calendar year 1975 in order to finance the massive Federal deficits expected. While much of the current deficit results from the recession, which has caused tax revenue losses, increased unemployment compensation benefits and other outlays resulting from the "automatic stabilizers" used to fight recession, a review of the budget details indicates that traditional spending programs are also rising rapidly and new programs are proposed almost every day. As indicated in Table 4, the spending figures included in the original budget submitted by the President last February called for outlays of $313.4 billion in Federal spending in FY 1975 and $349.4 billion in FY 1976. Recent projections by the Office of Management and Budget indicate that FY 1975 outlays will be $324.2 billion, an increase of 20.8 percent over FY 1974 outlays. It should be obvious that government spending—both for temporary stimulus and traditional programs—is increasing at a rate that is creating serious resource allocation problems far into the future and that these pressures will not conveniently disappear as we gradually emerge from the recession later this year.

Looking beyond the recession problems of 1975, we seem to face the dilemma of having an apparently irresistible force of growing government spending meeting the immovable object of future capital investment requirements. But we should no longer consider the growth of government spending and related deficits to be an irresistible force. To do so will inevitably lead to even more serious economic problems of unemployment, reduced real gains in our national standard-of-living and even more inflation resulting from inadequate physical capacity and reduced productivity. We must recognize the basic reality that when we apply too much pressure on our capacity to produce goods and services, the inevitable result is inflation and shortages. The underlying growth trends of the U.S. economy will continue to provide for further economic progress, but we cannot realistically expect to satisfy every new claim within our economy by simply shifting resources from the private to the public sector. Adding new government commitments is not feasible if the total productive capacity of the economy is exceeded.

This guideline has been frequently violated as total demand has increased too rapidly for the economic system to absorb. When this happens, the economy begins a boom and bust sequence with severe inflation and unemployment distortions. Nor can we wish away the problem by claiming that there is plenty of slack in the 1975 recession and that we can ignore problems of overheating the economy until later years. The escalation of government spending levels summarized in Table 4 has already seriously eroded our future fiscal flexibility and the lagged impact of current spending decisions will directly affect the future. In short, if we are to achieve our crucial goal of adding at least $4 trillion of private capital investment by 1985, we must first establish more moderate and sustainable fiscal and monetary policies.

Tax policies

Federal tax policies affect capital investment decisions by determining the after-tax earnings available for investment and by establishing incentives or disincentives for future investment. An OECD study of tax policies indicates that total government tax collections in the United States during the years 1968, 1969, and 1970 were a smaller proportion of the gross national product than in most other industrial nations. The U.S. figure of 27.9 percent for those three years was above that of Switzerland (21.5) and Japan (19.4 percent) but below the levels reported for many European nations, ranging from Italy (30.1 percent) to Sweden (43.0 percent). Since the study was completed, the United States undertook major tax policy changes in 1971 and in March of 1975, but the comparative relationships have probably not changed very much. There is, however, a major difference in the distribution of the tax burden. Only 18.1 percent of the U.S. tax revenues in 1971 were provided by taxes on the consumption of goods and services. Other industrial nations relied much more heavily on consumption taxes: France, 34.8 percent; West Germany, 28.1 percent; United Kingdom, 26.6 percent; Canada, 28.7 percent; and Japan, 20.7 percent.

The definite tilt toward personal and corporate income taxes in the United States is consistent with our historical preference for immediate consumption. It is not my purpose to criticize this historical priority, but the future requirements for capital investment indicate that tax policies should be reviewed. Just such a review has been underway in the Department of the Treasury in preparing for the tax law changes completed last month and in anticipation of a joint review with the Congress in the coming months of possible tax reform initiatives. I do not want to make any specific recommendations this morning because we are still working on our analysis and recommendations. We will want to review the options with Congress before specific actions are suggested. I will merely refer to some of the policy areas that need to be reviewed:

1. *Corporate income tax.*—These taxes directly influence the cash flow available for investment. The rate has vacillated slightly above or below the 50 percent level for many years. While a reduction in the rate of taxation would probably be the most straightforward approach to enhancing investment incentives, any change would represent a major shift in policy and would require extensive Congressional consideration. The Tax Reduction Act of 1975 did increase the corporate surtax exemption from $25,000 to $50,000 and decrease the "normal" tax from 22 to 20 percent on the first $25,000 of earnings. These changes, however, do not affect the tax impact on the great bulk of corporate earnings subject to the corporate surtax.

As part of this on-going review of tax policies we also need to consider the influence on investment of our two-tier system of corporate taxation in which income is taxed once at the corporate level and again at the shareholder level. This approach discriminates against corporate investors generally and small equity investors particularly. An individual in the 20 percent tax bracket in effect pays 48 percent at the corporate level and then an additional 20 percent on what is left for a total tax burden of 58.4 percent, or nearly three times his individual rate. If the individual is in the 70 percent bracket, he pays 48 percent at the corporate level and then an additional 70 percent on what is left. His total tax burden is 84.4 percent. If the same business could be conducted in a noncorporate form, the investors would pay only 20 and 70 percent respectively.

Our tax system puts a great penalty on companies that must incorporate. Companies that do incorporate are those that have large capital needs that must be raised from many persons. We should keep in mind that our system of taxation bears more heavily on corporations than do the tax systems of almost every other major industrial nation. In the last few years our major trading partners have largely eliminated the classical two-tiered system of corporate taxation. Through a variety of mechanisms they have adopted systems of "integrating" the personal and individual income taxes so that the double taxation element is radically lessened.

2. *Investment Tax Credit (ITC)*.—Business firms have strongly supported the ITC as a major stimulus to additional capital investment. Empirical studies do indicate that the amount of investment in machinery and equipment has increased when the ITC has been put into effect and has declined when it is suspended. Some critics believe, however, that the ITC simply influenced the timing and types of investment rather than increasing the total amount. Whichever view is correct, there was strong support for the investment tax credit provision in the Tax Reduction Act of 1975 which increased the credit to 10 percent for two years and removed the lower percentage limitation for utilities.

Unfortunately, this investment tax credit has had an uncertain status once it was initiated January 1, 1962 and businessmen are justifiably concerned about the stability of an incentive which has already been removed twice and then reinstated.

3. *Depreciation guidelines*—The amount of capital recovery charges permitted for tax purposes also influences the after-tax earnings available for private investment. In 1954 the Internal Revenue Tax Code was changed to permit depreciation charges to be made on an accelerated basis. The official guidelines were again liberalized in 1962, and in 1971 the Asset Depreciation Range (ADR)—along with the investment tax credit—was added to the regulations.

The ADR rules allow companies to select a time period for calculating depreciation within a range of 20 percent above or below the Treasury guideline which specifies useful life periods for various assets. Despite these adjustments, American businesses complain that they have a competitive disadvantage compared with some other nations. American firms using both the ADR and the investment tax credit can recover 55 percent of the value of new investments during the first three years. By comparison, the allowances in other nations are as follows: Canada, 100 percent; France, 90.3 percent; Japan, 63.9 percent; United Kingdom, 100 percent; and West Germany, 49.6 percent. It should be added that the U.S. position becomes more comparable by the seventh year. Various business groups have proposed further liberalization, such as a wider ADR percentage, but further consideration should be part of the general tax reform analysis involving the Department of the Treasury and the Congress.

4. *Special Incentives*—The government is frequently asked to provide special incentives in the form of reduced or delayed taxes, accelerated depreciation schedules, capital grants or other benefits to enhance the rate of return on capital investments. While such incentives are usually requested on the basis that they will contribute to the achievement of some national priority, it is usually difficult to justify such special treatment. When special advantages are given to a specific industry or geographical region, others become relatively disadvantaged and it is very difficult for government authorities to determine which claims should be favored, particularly in a dynamic economy where priorities can change rapidly. While there may be a few specific situations where the government should intervene in the allocation of resources which is now handled efficiently by the private markets, my overwhelming preference is to avoid the economic distortions which are found to occur.

Corporate profitability

The final area of concern that I want to address here is the future outlook for corporate profitability. Such profits are, of course, *the* major incentive for additional investment and an important source of funds for financing outlays, along with various external sources. In a fundamental sense profits are the driving force of our system—the engine that pulls the economic train for the 85 percent of our work force still in the private sector—and they are just as much a "cost" of doing business as payments to workers, supplies of materials and services, taxes, etc.

Unfortunately, corporate profits are too often thought of as an unnecessary claim required by greedy businessmen rather than the basic incentive in our economic system. Public opinion surveys in the 1930s and in more recent years are consistent in indicating that the general public thinks that profits account for approximately 28 percent of the sales dollar. The fact is, however, that profits account for approximately 5 cents out of each dollar of sales. Actual earnings of business firms are thus far below what the general public—and some Members of Congress—perceive them to be. In fact, corporate profits will have to improve substantially in order to provide the necessary incentives and to make the necessary contribution to future investment outlays. My concern is that the negative attitudes about profits held by many Americans might become an unfortunate part of public policy. We must avoid legislation and regulation that is punitive of profits honestly earned. The result could only be that capital formation would be inhibited, and the real purchasing power to wage earners would rise more slowly. We must always be alert to the fact that profits translate into jobs, higher wages, and an increased standard of living for all of our people.

One important reason why there is so much misunderstanding about corporate profitability is that our accounting system has not yet been able to adapt to the disruptive effects of the double-digit rate of inflation we have suffered. Inflation hurts investment by increasing the prices of new assets and eroding the purchasing power of corporate earnings. Taxes must be paid on reported earnings even though these figures are exaggerated by inventory valuation profits and the inadequacy of capital recovery allowances, which are based on the historical costs of existing assets rather than the inflated outlays required for new assets. Inflation also disrupts investment by discouraging savings once the general public recognizes that the purchasing power of such commitments is eroded so quickly.

IV. SUMMARY

As we strive to end the most severe economic recession in our postwar experience, my deep and abiding concern about the future adequacy of capital investment will perhaps appear to be ill-timed to some analysists. There is extensive slack in our economy with an unemployment rate near 9 percent and reduced rates of plant capacity utilization in many specific industries. The economic slide, however, will not last much longer, and we will again be reporting real growth gains before the end of the year. As the pace of economic activity accelerates, we will likely rediscover shortages of labor and production capacity. In fact, some industries still have high plant capacity utilization ratios, and many types of skilled labor will be difficult to find even in the early stages of economic recovery. In 1971 it was widely believed that extensive slack existed but the economy was again operating at a very high rate of capacity by 1972 and shortages and explosive inflation soon occurred.

Our statistics on plant capacity have always been uncertain measures, and current economic conditions have motivated the Department of Commerce to give top priority to a comprehensive survey of production capacity as a basis for preparing more meaningful estimates of plant capacity utilization rates. It is ironic that such a fundamental factor in preparing national economic policies has been based on such uncertain economic statistics.

Dr. Pierre Rinfret, President of a well known economic consulting firm, Rinfret Boston Associates, Inc., has published an

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impressive study of the national production capacity which indicates that our current government statistics grossly underestimate the rate of capacity utilization in American industry and that there is virtually no reserve capacity. His study estimates that the capacity utilization rate for manufacturing industries was 85.6 percent in 1974 (Table 8) a figure well above the government's estimate for 1974, of 78.9 percent. It should also be emphasized that the concept of operating at 100 percent of physical capacity is misleading. Over the last fifteen years the government figures indicate that manufacturing capacity utilization has averaged only 83 percent despite some periods of intense output. The highest figure reported by the government during these fifteen years was 91.9 percent for 1966. Most companies need to preserve some reserve capacity to handle unexpected output requirements and to substitute for operating assets which need repairs or replacement. Therefore, the existing government figures do not accurately measure the realistic level of capacity utilization.

Looking beyond the current problems of recession and sustaining an economic recovery, the additional capital investment of at least $4 trillion from 1974 to 1985 represents a major challenge to the future growth of our economy. We must also give careful attention to the problems of specific industries in attracting needed investment for balanced growth. I am confident that these basic goals can be accomplished. But the desired results will require government policies which will moderate inflation and balance the Federal budget over time in order to avoid diverting needed capital away from investment and into the financing of chronic Government deficits. A continuation of the fiscal and monetary distortions of the past decade will only frustrate our capital investment efforts and lead to still more serious economic problems in the future.

FULL FUNDING FOR NASA

Mr. TUNNEY. Mr. President, I would like to take a few moments to express my views in H.R. 4700, the authorizing legislation for fiscal year 1976 for the National Aeronautics and Space Administration. I strongly support full funding for NASA, and for that reason, I strongly supported passage of H.R. 4700, and I am pleased that the Senate approved this important legislation.

I am aware that some would have us cut our funding for NASA, or end it altogether. That seems to me to be a shortsighted attitude, which, in the long run, may cost us dearly.

The NASA budget request for fiscal year 1975 is $3.539 billion. The bill authorized the expenditure of some $3.544 billion. Both of these amounts represent less than 1 percent of our projected Federal budget of close to $370 billion for fiscal year 1976. For the price, I believe we are getting benefits so fundamental and so important to our future that we can hardly afford not to pay for them.

First, we can expect to continue to expand our knowledge of space itself, and consequently extend man's capacity to understand and utilize the hostile environment beyond the Earth's atmosphere. We have seen in past years how our knowledge of space both within and without our solar system has helped us to know more adequately the fundamental facts about the origins of the solar system, man's capacity to adapt to unfriendly circumstances, and ultimately the key to the origins of life itself. Our need for such knowledge did not end with our trips to the Moon or the Skylab program.

Knowledge about space is worthwhile in and of itself. On these grounds alone, we would be well justified in continuing manned space programs like the Space Shuttle, and unmanned programs, such as Viking.

Of course, our benefits do not end there. NASA's work and our space program have paid bountiful dividends here on Earth. We can cite a few of the thousands of examples. Unmanned satellites such as Landsat and Seasat have enabled us to map Earth's resources comprehensively for the first time, the first necessary step toward the coherent resource planning which is a must for the future. Knowledge about the solar environment and our own atmosphere have allowed us to minimize disruptions in our worldwide communications network, a vital lifeline around the globe. Weather and geological information gathered from our manned and unmanned space vehicles has vastly expanded our capacity to understand Earth's environment and man's interactions with it, giving us the capacity to minimize man's harm to nature and nature's harm to man. Breakthroughs in space medicine have been translated into lifesaving health benefits here at Earth.

In short, the NASA program has produced undeniable and incalculable gains in man's scientific and technological knowledge, and better understanding of the steps necessary to preserve the planet and improve living conditions here on Earth. As chairman of the Science and Technology Subcommittee of the Commerce Committee, I am fully aware of the role science and technology must play in our Nation's future. I am even more aware of the central role which NASA has played in making this country the scientific and technical leader of the world. If we are to preserve our lifestyle, and to solve successfully the increasingly complex environmental and resource riddles facing us, NASA will continue to be an indispensable cog in our scientific and technical apparatus.

The alternative to full NASA funding is the steady decline of NASA matched by the steady deterioration of our scientific capacity. We should not delude ourselves in the belief that we can gear up quickly to reverse any such decline. It is taken us almost two decades and many billions of dollars to create a technological complex of NASA's sophistication. It would be unbelievably difficult, perhaps impossible, for us to repeat that process. The decision we make today on funding will mark our degree of commitment to the future of NASA—whether to begin the dismantling process or allow it to function as an important part of our complex for dealing with the future. I believe we must decide in favor of full funding, and for that reason, I will vote in favor of H.R. 4700.

There's another reason why this authorization is crucial. It is not just a bill to preserve our scientific know-how. It will also help to assure jobs for hundreds of thousands of Americans in the aerospace industry and related fields.

It is been estimated that 72 percent of NASA's spending goes into payrolls. That means that over $2.5 billion of the $3.5 billion we authorize here today could go into job creation. That is pretty encouraging, when we consider the bleak unemployment statistics we face today, especially when those jobs are producing high-quality results—the kind NASA produces.

In my home State of California, for example, it is estimated that full funding for NASA would mean almost 52,000 jobs—2,200 civil service and permanent NASA jobs, and 49,700 contractors' positions. Also, 27,000 jobs will be provided by the Shuttle program alone, as well as 500 or so for the Landsat program, 400 to 500 positions for the vital Seasat concept, 100 jobs in the large space telescope study, and about 2,000 posts in connection with the high energy astronomical observatory. All of those programs perform important scientific functions, and they will put Americans to work. The number of jobs in California by the end of fiscal year 1976 will be about 6,000 more than it will be at the end of fiscal year 1975. And that increase will occur with virtually no increase in funding. Any time we can get more jobs without massive increases in authorizations, we should support funding for such a program. That is what the NASA program will give us, and it is a very good reason for us to back it with Federal dollars.

Direct NASA funding of jobs is not the whole story, either. Every NASA job results in the creation of 2.8 other jobs in peripheral activities. In California, that means over 200,000 jobs will result from our efforts. In the Nation as a whole, more than a half million jobs could be created directly or indirectly through NASA funding. That makes the economic justification for funding NASA as persuasive as the scientific reasons.

In short, I regard the NASA authorization as vital to our country's scientific and economic well-being. It is one of the very best investments we could make. The dollars we spend on NASA funding will be returned to us many times over during the coming years. The people employed, the hardware created, and the knowledge generated will be invaluable in providing better lives for us and our children and in solving the complex problems lurking in our future. NASA's record and its promise make this funding legislation a long-term bargain. Cutting NASA funding may gain us a few dollars for the present, but it could cost us immeasurably in the future. I am gratified that the Senate has seen the importance of NASA's continued vitality to our country's future and acted to secure that future. Approval of H.R. 4700 was a large step in that direction.

DEATH OF KIVIE KAPLAN

Mr. BROOKE. Mr. President, Kivie Kaplan, a crusader for civil rights, a philanthropist and a dear friend, died as he had lived, traveling on a mission of good works.

He had labored long and well as President of the National Association for the Advancement of Colored People and as the builder and chairman of its Life Membership Committee. He is also recognized as a "prime contractor" in the building of the NAACP into what he called, "the oldest, largest, most feared and most respected civil rights organization".

He had, as a Jew, lived and worked in the highest tradition of Judaism.

He had served his country and fellowman with patience, perseverance, and total dedication to the principles of equal opportunity and equal justice under the law.

To those of us who were privileged to know him, Kivie will be remembered as a quiet, gentle man who did good deeds all the days of his life and who somehow always managed to smile and to recommend smiling to others.

Mr. President, a grateful people extend to his loving wife, Emily, and his devoted children, Edward, Sylvia, and Jean, and to his grandchildren, family and host of friends, our deepest sympathy.

We have truly lost a good and righteous man.

THE TAX REBATE

Mr. BIDEN. Mr. President, during consideration of the Tax Reduction Act, along with several of my colleagues, I supported efforts to eliminate the tax rebate provisions. Virtually every poll taken indicates that the rebate will not be spent on new consumer goods and thus will not accomplish its purpose of stimulating the economy. In other words, Mr. President, we are not getting sufficient "bang for the buck."

In his typical tongue in cheek fashion, Art Buchwald described the probable use of the rebate in a recent column in the Washington Post. As Buchwald indicates, the money will be used to pay higher food, fuel, and governmental costs. This is no doubt a laudable purpose—after all, who would not want some extra money? However, that is not what we were trying to do by enacting the Tax Reduction Act. What we were supposedly doing was stimulating the economy and, as Buchwald makes clear, the rebate provisions do not aid in this effort.

Mr. President, I commend this column to the attention of my colleagues and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TAKING THE FUN—AND PROFIT—OUT OF THE TAX REBATE

(By Art Buchwald)

The day Malcolm Dundee's $200 income tax rebate was scheduled to arrive, a large crowd gathered on his lawn. Word had gotten out that Dundee was to be the first person in Clarion Falls to get the rebate, and the town was full of excitement. His congressman, Jeremiah Lowball, had flown in from Washington for the occasion, the Clarion Falls High School band had suited up in their blue-and-gold uniforms and a television crew from Grimstead had set up their cameras to record the historic event.

Dundee had made his children get dressed up in their Sunday clothes, and he and Mrs. Dundee stood nervously on their porch awaiting the arrival of their check.

"Here it comes!" someone shouted as the mail truck hove into view.

It stopped at the curb and the mailman got out holding the familiar brown government envelope with the green check peeking through the cellophane window.

A TV correspondent pushed a microphone in front of the mailman's face and he said, looking into the camera, "Neither snow, nor sleet, nor heat of day would stop me from delivering this tax rebate to Malcolm Dundee of 110 West Zitherford Drive."

The crowd broke into a cheer and the band struck up "Pennies From Heaven."

"Give him room," someone yelled, "to deliver the check."

"It's out of my hands," Lowball said. "We voted you a rebate to spur the economy but we can't tell you how to spend it."

The mob reluctantly opened up a path on the sidewalk.

Dundee was beaming, and his wife squeezed his hand. "Did you ever think we'd see the day," she whispered to him, "when we'd get a tax rebate?"

"I dreamed about it," Dundee whispered back, "but I never thought it would happen."

The mailman walked slowly up the walk as Dundee waited, hand outstretched.

Suddenly from out of the crowd a man jumped forward and grabbed the check.

"Hey, what are you doing?" the mailman said.

"This check belongs to me," the man said.

"Who are you?"

"I'm from the electric company. We've just raised our rate and the $200 check should cover it."

Another man grabbed part of the check and said, "I'm from the telephone company and this check belongs to us."

"Be careful," Dundee cried, "you'll tear it."

A third man joined the melee and grabbed the envelope.

"I'm from the bank. Dundee owes this for interest on a loan we made to him to pay his income taxes."

A fourth man pushed the banker away. "Not so fast. I'm from the county real estate tax assessor's office and this check must go for the surcharge we put on Dundee's house."

"Over my dead body," said another man. "I'm from the state income tax bureau. We have a lien on all tax rebates Dundee gets from the federal government."

The men were now rolling on the ground trying to get their hands on the brown envelope. They were joined by a collector from group health, the gas man, a water inspector and a lawyer who helped fill out Dundee's tax return.

In no time at all the check was in shreds. Mrs. Dundee was in tears.

"Congressman, can't you do something?" Dundee said.

PERSONAL FINANCIAL REPORT OF SENATOR MATHIAS

Mr. MATHIAS. Mr. President, I have made a personal disclosure of assets and liabilities to the Select Committee on Standards and Conduct on behalf of Mrs. Mathias and myself. I ask unanimous consent that the report be printed in the RECORD, so that it may be available to the public and to the press.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

MAY 14, 1975.

Hon. HOWARD W. CANNON,
Chairman, Select Committee on Standards and Conduct, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to Senate Rules 42 and 44, I have submitted the information required.

In addition to that disclosure, Mrs. Mathias and I wish to follow the practice that we established when I was a member of the House of Representatives of informing the public of what we own and what we owe. We have listed our assets, our liabilities, taxes paid and our income over and above Congressional pay. A copy of this voluntary report is enclosed for your information and an additional copy will be submitted for publication in the Congressional Record.

Sincerely yours,

CHARLES MCC. MATHIAS, Jr.,
U.S. Senator.

Enclosure.

DISCLOSURE OF FINANCIAL INTERESTS

ASSETS

Equity in Federal Retirement System
Life Insurance
Livestock and Farm Machinery
Real Estate

House: RFD#2, New Design Road, Frederick, Maryland, Liber 623, Folio 90, Frederick County. Purchased 1958.

House: 3808 Leland Street, Chevy Chase, Maryland, Liber 3328, Folio 060, Montgomery County. Purchased 1965.

Half interest in Farm: 41.66 acres, Frederick Election District, Liber 587, Folio 339, Frederick County. Purchased 1957.

Half interest in House: 306 Redwood Avenue, Frederick, Maryland, Liber 577, Folio 489, Frederick County. Purchased 1956.

Lease and option in Farm: 370 acres, Kabletown District, Jefferson County, West Virginia, Liber 196, Folio 337, Jefferson County. Leased 1963.

STOCKS

Farmers and Mechanics National Bank, 1,551 shares.

Capitol Hill Associates, 4 shares.

Citizens Bank of Maryland, 19 shares.

Frederick Medical Arts, 15 shares.

G. D. Searle & Co., 90 shares.

First Pennsylvania Corporation—common, 137 shares.

First Pennsylvania Corporation—preferred, 2 shares.

Massachusetts Investors Growth, 139.446 shares.

The Detour Bank, 7 shares.

The Great Atlantic & Pacific Tea Company, 6 shares.

Warner Lambert Pharmaceutical Company, 152 shares.

Maryland National Corporation, 258 shares.

Farmers Cooperative Association, 3 shares.

Liabilities

Debts due on mortgages, collateral and personal notes to:

First National Bank of Maryland, Baltimore, Maryland	$40, 500. 00
Frederick County National Bank, Frederick, Maryland	3, 200. 00
Farmers & Mechanics National Bank, Frederick, Maryland, mortgage, farm, Frederick County --------	46, 000. 00
Walker & Dunlop, mortgage 12/31/74 3808 Leland Street, Chevy Chase, Maryland --------------------	25, 217. 40
Walker & Dunlop, mortgage 12/31/74 306 Redwood Avenue, Frederick, Maryland--	1, 251. 24
Total interest paid-----	8, 704. 18

Interests in Trusts or Remainders

Trust established under the Will of Grace Winebrener Trail, Circuit Court for Frederick County, Maryland, Equity No. 7707.

Trust established under the Will of Charles McC. Mathias, Sr., Orphans Court, Frederick County, Maryland, Estate No. 8983.

Trust established under the Will of Fanny Gore Cutler, Suffolk County Court, Boston, Massachusetts, No. 046024572.

Year, 1974.
Investment income, $2,105.20.
Interest income $365.47.
Honoraria (net), $9,300.00.
Net rents, $1,300.00.

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Federal Income Tax paid, $6,668.98.
State & local taxes paid, $5,208.89.

PROPOSED WHITE HOUSE CONFERENCE ON WOMEN

Mr. HOLLINGS. Mr. President, I would like to speak today in behalf of Senate Joint Resolution 25, a joint resolution introduced by Senator Inouye authorizing the President to convene a White House Conference on Women next year as part of our Nation's Bicentennial celebration.

I can think of no better time and no better forum for affording the women of our country an opportunity to assemble to discuss their common problems and to inaugurate some definitive programs for improving the status of women in the United States.

Certainly 1976 would be a good starting point from which the Nation could proceed to settle some of the real problems women face today. We will be focusing our attention on the revolutionary beginnings of the country at that time, and it will be an opportune time to remind ourselves of the integral role women have played in the history of the greatest democratic nation in the world. As we know, in the past, a White House conference has been instrumental in finding ways to solve problems in areas such as old age, youth, labor, and minority status, and it would offer an excellent vehicle for assimilating the diverse opinions and ideas surrounding the status of women and effecting a meaningful national program aimed at solving such problems as equal credit opportunities, availability of child care services, and flexible hours for working mothers.

I would point out that 1975 has been proclaimed International Women's Year by the United Nations. There has been almost no official interest in the event across the country. I agree with Senator Inouye that passage of this resolution would raise the level of consciousness in America concerning the problems of women, and I would urge my colleagues in the Senate to support its enactment.

Many of us in the Congress have worked long and hard trying to bring about meaningful change for women. We have not always been successful. But I think we can prove that America is still a nation dedicated to equality and fairness if, in 1976, we make a maximum effort in this area. And I think that authorization of a White House Conference on Women would demonstrate the good faith of the Government in being dedicated to improving the status of women.

For that reason, I support Senate Joint Resolution 65, and I urge my colleague in the Senate to do the same.

EQUAL EMPLOYMENT OPPORTUNITY ENFORCEMENT

Mr. JAVITS. Mr. President, the chairman of the Committee on Labor and Public Welfare, Mr. Williams, and I are both deeply distressed by reports which have appeared in the press this past week, and by two reports issued by the General Accounting Office last week, which indicate gross inadequacies and inefficiencies in the enforcement of equal opportunity legislation by the Department of Labor, the Equal Employment Opportunity Commission, and the Civil Service Commission.

I ask unanimous consent that a joint statement on behalf of Senator Williams and myself on this vital subject be printed in the Record. I also ask unanimous consent that a September 10, 1974, letter from myself and Senator Williams to then Chairman John Powell of the Equal Employment Opportunity Commission detailing our earlier concerns on this matter, also be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Joint Statement of Senators Williams and Javits on Equal Employment Opportunity Enforcement

Last week the General Accounting Office issued a report evaluating the activities of the Office of Federal Contract Compliance of the Department of Labor and the various other Federal agencies with compliance responsibilities under the Federal Contract compliance program.

We are shocked by the apparent existence of pervasive maladministration and inefficiency which are pointed up in the report. We are equally distressed by the continuing inadequacy of the Federal Government's entire equal employment opportunity program, as administered by OFCC, the Equal Employment Opportunity Commission, and the Civil Service Commission.

The letter of the law is clear and unequivocal and it must be implemented by those agencies of the government to which it has been entrusted.

As a result of the continuing ineffectiveness of the government effort to eradicate employment discrimination, we have ordered the staff of the Committee on Labor and Public Welfare, on which we serve as Chairman and ranking minority member, to conduct an immediate investigation of the entire range of activities in the employment discrimination area in order to determine what remedies must be applied in order to insure that the law, as contained in Title VII of the Civil Rights Act and Executive Orders 11246 and 11375 is complied with.

We will not permit this unconscionable situation to continue. When the report is complete we will take whatever further legislative or oversight actions are necessary to speed compliance with the law.

The level of achievement of equal employment opportunity is wholly inadequate when measured in terms of the number of years that this issue has been recognized as a leading cause of social injustice in this country and in light of the numerous Congressional efforts to assure the full eradication of employment discrimination.

Despite the adoption of major amendments in 1972 to strengthen that agency's role, its effectiveness continues to be hampered by a low level of enforcement and administrative problems.

The Labor and Public Welfare Committee has continued an on-going investigation of this agency for several years now. Based on preliminary information which we had received, during 1973 we requested the General Accounting Office to conduct a thorough investigation of the operations of the EEOC, report back to the Committee the problems that they found, and offer recommendations as to how the agency's performance could be improved.

When we received the first preliminary findings from the GAO in June of 1974, the record of ineffective enforcement coupled with major internal administrative problems at the agency was clearly presented. At that time, we submitted a summary of the GAO's findings by letter to the then Chairman of the EEOC as suggestions to the agency for its improvement. We have attached that letter to this statement so that our efforts in this area become a matter of public record. The investigation of that agency is continuing, and we are hopeful that additional findings of the GAO will be helpful in fulfilling that agency's vital role.

Similarly, at the end of last month, Mr. President, we received a report from the GAO on its investigation of the operations of the Office of Federal Contract Compliance. That report was the outgrowth of a series of hearings on the status of women in employment which were conducted by the Fiscal Policy Subcommittee of the Joint Economic Committee. The initial investigation was confined to an evaluation of efforts at improving equal employment opportunity for women. However, the GAO found that there was reason to believe that the entire federal contract compliance program was not meeting its responsibility of enforcing equal employment opportunity among all federal contractors and the inquiry was broadened to include the entire area of OFCC responsibility. The report by the GAO, which was made public last week, reinforces this initial conclusion. It points to serious deficiencies in the compliance efforts by the Department of Labor's OFCC, and the various Federal compliance agencies assigned responsibility to insure that the Federal prohibitions against discrimination by Federal contractors are effectively carried out.

The Federal Contract Compliance program, as embodied in Executive Order 11246, is designed to insure that Federal contractors and sub-contractors are providing fair and equal job opportunities for all persons. Federal contractors employ approximately 25 million workers, more than one-fourth of the total work force in the country. The Federal contractor enforcement program is administered by 11 Federal Agencies who are responsible for the actual contract compliance functions. Overall supervision and policy determination is the responsibility of the Department of Labor through the OFCC. It is indeed tragic that these rights are not being effectively enforced.

The report from the GAO points up an unconscionable number of serious deficiencies in the operations of the entire federal contract compliance system, and notes several areas where lax administration and a lack of procedures have resulted in weak and erratic enforcement.

Executive Order 11246 requires that when Federal contractors do not meet the requirements for fair employment set out in the order, the various compliance agencies must initiate enforcement actions, which may include contract cancellation or debarment from future contract bidding. The GAO report notes that at this time 10 years after the issuance of the Executive Order only a single debarment action has taken place. The Department of Labor and the OFCC also have not yet developed a fully operational system for assessing the progress Federal non-construction contractors have made or are making in achieving equal employment opportunity for minorities and women. Similarly, Mr. President, the report shows that the Department and the OFCC are virtually ignoring the necessary follow-up and monitoring of compliance programs in the non-construction industry necessary for effective compliance. For example, the report notes that since 1972 the Department has evaluated the non-construction compliance program of only one of the 11 compliance agencies.

The report also notes that there are numerous wesknesses in the entire system. For example, certain of the compliance agencies are shown to be approving affirmative action programs which do not meet the minimum guidelines established by the OFCC; most of the compliance agencies are not reviewing an adequate proportion of the contractors for whom they have responsibility; and, in direct derogation of Department guidelines, some compliance agencies are authorizing contract awards without the required pre-award reviews.

One fact is particularly indicative of the laxness with which the enforcement program is being carried out. As noted on page 30 of the report, twelve of the then thirteen compliance agencies have not yet even identified all of the contractors for which they have responsibility. This fact, Mr. President, is inexcusable.

The Federal Government spends in excess of $50 billion per year on Federal contracts. It has established rules and regulations requiring that any Federal contractor receiving such public money must adhere to the national policy of equal employment opportunity. Yet, those Federal agencies which have the responsibility for insuring that these requirements are met are not even aware of all of the contractors whose compliance they must assure. We must admit, Mr. President, that is close to total irresponsibility.

The report notes another fact that we have been aware of for some time; there is virtually no communication between the OFCC and its compliance agencies and the Equal Employment Opportunity Commission. Despite the existence of a memorandum of agreement between the two agencies, which appears to require a close and cooperative effort, the real facts show that these two agencies frequently not only do not know what the other is doing with respect to the identical employer, but are often working at odds with each other. The GAO found, for example, several instances of compliance agencies issuing preaward clearance for contractors who had several EEOC complaints against them. This area deserves further attention, since it is both a waste of valuable government resources and unfair for the Federal Government to subject employers to repeated inconvenience and disruption of their operations on similar or identical issues when a cooperative and concerted effort could achieve a much more effective climate for insuring equal employment opportunity. Further, where there are conflicting and inconsistent requirements or agreements by the OFCC and the EEOC, which inevitably occurs without close cooperation, the employer involved will feel encouraged to evade compliance altogether by playing the one agency's requirements and procedures off against the other.

We attempted to remedy this situation in 1972 when we provided for the Equal Employment Opportunity Coordinating Council. This body, comprised of the top Federal officials responsible for equal employment opportunity, has the assigned task of providing for policy coordination in this area. It is obvious to us that this has not been fully effected and we will re-emphasize the need for that body to function effectively.

These facts are bad enough, Mr. President, but there is one other area of equal employment opportunity which we cannot overlook. For the Federal Government to enforce equal employment opportunity requirements on employers in the private sector, it must also put its own house in order. It is a well-known fact that employment discrimination in the various federal agencies is frequently as prevalent and as blatant as that of the worst private sector violator.

We have had occasion to address this problem before. In 1972, when we adopted the Equal Employment Opportunity Act of 1972, we added a new section 717 to Title VII of the Civil Rights Act of 1964 which reaffirmed the principle that the Federal Government must itself eliminate discrimination in its own ranks, and which established certain requirements and rights within the Federal employment sector toward this end.

Our review since that time, Mr. President, leads us to the conclusion that the Federal agencies have been less than fully committed to achieving this goal. Since the adoption of the 1972 amendments, we have carefully observed and monitored the progress which the Federal agencies have made in this area. It appears to us, virtually without exception, that the commitment to equal employment opportunity in the Federal sector and compliance with nondiscrimination requirements has been minimal at best.

The Committee on Labor and Public Welfare has several investigations currently underway to determine more precisely the level of compliance in the Federal sector. We are also aware, Mr. President, of the periodic reviews that have been done in this regard by the U.S. Civil Service Commission, which has the overall responsibility for enforcing these rights. However, the problems which we are uncovering are abysmal, and have confirmed our worst fears as to haphazard and cavalier treatment of these important rights. We feel that the Commission is relying too much on the judgments of the agencies and is not paying enough attention to the rights of the employees and needs to reform its performance accordingly.

Last month we received a report from the GAO of an investigation undertaken at our request of the National Aeronautics and Space Administration (NASA). This report points up our worst fears and is, we believe, typical of the kinds of problems that are encountered by aggrieved employees in many Federal agencies.

Without enumerating all of the findings and recommendations that the GAO has included in its report, we would like to note that the report indicates generally that the current system of agency handling of equal employment opportunity complaints, as prescribed by Civil Service Commission procedures, is not effective in rooting out the causes of employment discrimination. During its investigation, the GAO has noted that 24 per cent of employees interviewed at NASA indicated that they would not file a discrimination complaint even if they felt that they had been discriminated against and 58 percent of the equal employment counselors themselves indicated that they felt that employees had no confidence in the current complaint system. Similarly, 35 percent of the employees did not know the first steps to take in registering a complaint; 72 percent did not know that a complaint had to be filed within 30 days after the discriminatory act occurred, and 55 percent did not know that their names could be kept confidential.

These figures reflect one part of the total picture of the lack of understanding and commitment on the part of the agency. There are other portions of the report which are similarly critical of the hiring and promotion systems of the agency, the procedures used in evaluating the agency's affirmative action plans, and the system of candidate referral from the Civil Service Commission.

While this Committee has already conducted extensive studies and reviews of the Federal and private equal employment enforcement effort, we do not intend to stop here. As long as we continue to receive reports of the maladministration of equal employment programs, and the persistence of discrimination against minorities and women, we will continue to strive for improvement by the government, both as an employer, and as the guarantor of fair employment practices in the Nation.

We are currently continuing investigations in nine Federal agencies and will begin a study of the hiring practices of 10 selected agencies this fall. We are also continuing our review of the operations of the EEOC, with the aim of assisting in the establishment of an effective and efficient system of Title VII enforcement throughout the Nation. We have shared our views with the agency, and we have seen some positive changes made in its operations as a result, but many more are needed. We will continue to accelerate this effort.

We also feel, Mr. President, that the Committee will have to become more actively involved in the administration and enforcement efforts of the Civil Service Commission pursuant to the 1972 amendments.

In sum, Mr. President, our work to date has shown us that there is much that remains to be done in the area of equal employment opportunity in this Nation, and that neither this Committee, nor the Congress, can rest on the accomplishments of 1964 and 1972 with the adoption of the major Civil Rights laws designed to achieve this end. Equal employment opportunity continues to be a matter deserving of the highest National importance, and this Committee and the Congress must continue to take all legislative or oversight actions which are necessary to insure that the attainment of this goal not be allowed to lag or be eclipsed by other matters.

Washington, D.C., *September 10, 1974.*

Hon. John H. Powell, Jr.
Chairman, Equal Employment Opportunity Commission, Washington, D.C.

Dear Mr. Chairman: This past January we requested the Comptroller General to obtain detailed information on the Equal Employment Opportunity Commission's implementation of Title VII of the Civil Rights Act of 1972. The Subcommittee staff has analyzed this data and identified a number of issues which should be thoroughly reviewed. We know that you are already cognizant of the need for improvement in the Commission's operations and trust that these comments and findings will assist you in addressing the problems which appear to have hindered the implementation and positive impact of the 1972 amendments.

COMPLIANCE PROCESS

Successful implementation of the Act depends upon the effectiveness of the non-litigation methods of enforcement since the litigation process itself cannot be expected to handle the large volume of charges referred to the Commission. It is imperative therefore that the investigative-conciliation function handle a large majority of charges in an effective and timely manner. The investigative-conciliation stages appear to suffer significant deficiencies.

Investigation constitutes a major bottleneck, accounting for the bulk of the steadily increasing backlog of unresolved charges. At the conclusion of Fiscal Year 1973, 83 percent of the active charges were in the investigative and preinvestigative stages. As of February 5, 1974, this proportion had increased to 90 percent.

Part of this increase can be attributed to insufficient manpower resources. As of January 15, 1974, 20.4 percent of the budgeted investigator and conciliator positions were vacant. This may be partly attributed to the lack of advancement opportunities, attractive job offers from other agencies, and the demands of the job. However, the resulting heavy workload and lack of motivation operates to place tremendous pressure upon the EOS investigator in two ways: (1) charges cannot be handled in a timely fashion and heavy backlogs have developed; and (2) the investigator is frequently forced to emphasize quantity considerations at the expense of quality investigations.

The apparent poor quality of investigations has been noted frequently. Some conciliators indicate that they must often re-investigate cases to obtain remedial information. The Justice Department reports that their investigators must often re-investigate cases referred to them by the Commission because the original investigations are inadequate. Part of the high rejection rate of cases referred to litigation centers is also attributable to the poor quality of investigations.

The de-emphasis of quality considerations is apparent from the fact that quality is not included as a variable in the Performance Measurement System (PMS). Therefore, when PMS is used as a performance measurement tool, individuals are judged on the number of determinations made. Investigators are encouraged to complete a large number of investigations without regard to the thoroughness of the investigations or the number of successful conciliations achieved from their investigations. It is essential that a program which deals with such a sensitive matter as discrimination, and which seeks an impact on well-entrenched institutional, forces such as seniority systems, should build quality criteria into its performance evaluation system.

The situation is aggravated by training that is lacking in proper planning, preparation and goal orientation. Classroom experience is often repetitive and uncorrelated with practical situations. In addition, training activity appears uncoordinated and fragmented. The Employee Development and Training Branch, the Decision Division and field offices are all conducting training. There exists no single division which has the responsibility for training or even for coordinating the training efforts of the various divisions.

In regard to the conciliation process, the success record has not improved overall in the last 5 years. Only 43 percent of the conciliations were successful in 1973 (down 15 percent from 1971). Much of the recent reported increase in successful conciliations is due to the use of Predetermination Settlements (PDS). In addition, we find that if the two factors included in the calculations of the PDS success rate (namely, unsuccessful to investigation and unsuccessful to determination) were included in the computation of the conciliation rate, the rate would drop from 51.5 percent to 43 percent, a considerable reduction. Some of the same problems noted with regard to the poor quality and the backlog in investigations are probably also responsible for failure to show significant improvement in the success rate. Indeed, the investigations themselves are a major contributor to the low success rate of conciliations.

LITIGATION PROCESS

The passage of the 1972 amendments provided for the first time an Office of General Counsel (OGC) to conduct litigation in behalf of the Commission. It was expected that litigation centers would handle only a small residual of the charges. However, the ineffectiveness of the investigative-compliance process has led to a significant number of unsuccessful conciliations being forwarded to the litigation centers. The length of time required for approval of cases is over three months, and each case that is referred is already an average of three years old. In spite of the large number of cases referred, the number of cases actually initiated or filed by the centers is far below the goals they set; for the first half of Fiscal Year 1974, less than 50 percent of the planned cases were initiated and only 2 of 21 planned regional cases were initiated. It appears that both over-burdening and poor organization are responsible.

That 80 to 90 percent of the unsuccessful conciliations are rejected as unsuitable for litigation indicates that the coordination between litigation centers and district offices is inadequate. According to the Office of General Counsel, most cases are rejected because of insufficient evidence. This is at least partially attributable to the fact that the standard used by litigation centers for finding cause is preponderance of the evidence while the standard adopted by the district offices calls merely for reasonable cause. No attempts to adjust these differing standards seem to have been made. Neither have the litigation centers availed themselves of the use of discovery. As a result, major morale and credibility problems have developed at the litigation centers.

Finally, in respect to overall personnel strength, upon examination of the fiscal year 1973 workload, there seemed to be no relation between charges received, charges resolved and positions allocated or on board. EEOC officials could state only that they eventually hoped to secure 60 EOS personnel for each district office, but could offer no rationale for that number. It is evident that as yet no systematic allocation method has been devised. The same holds for the personnel at litigation centers. In large measure, this is due to the state of the present data-collection systems.

DATA COLLECTION SYSTEMS

Another major impairment can be found in the lack of an accurate record-keeping system. Evidently, EEOC has experienced record maintenance problems for some time. A 1972 EEOC report implies that of the 32 district offices analyzed, 22 had discrepancies of 20 percent or greater in their charge inventory accounts. Many charges and cases are simply and irresponsibly lost. Of 75 charges and cases studied in two district offices, 23% could not be located. This situation, unfortunately, still remains. Recent follow-up information, which tested the validity of 77,402 charge records, found:

Approximately 6,000 charges assigned to investigators which were not reported as assigned to investigation.

10,346 charges reported as returned from deferral which had not previously been reported as deferred.

11,433 deferred charges on which additional actions were reported without return from deferral being reported.

5,186 charges reported as investigation complete were not reported as assigned to an investigator.

This is but a partial list of the discrepancies found. In view of the need for a statistically reliable data-keeping system in any large national policy organization as a basic management decision tool, the situation is in need of immediate rectification. Part of the problem seems to be with the Equal Employment technicians who are responsible for record maintenance and the general control function of the district office. As of January 15, 1974, the EET position was experiencing an EEOC-wide vacancy rate of 22 percent. Several district offices indicated that their control units were continually understaffed to the point where investigators were being diverted to perform tasks normally handled by technicians. Several officials indicated that the professionalization of the technical position is warranted in order to ensure that high quality personnel are retained. In addition, there is inadequate training of EOS personnel on the importance and mechanics of reporting changes in the status of charges.

The Commission has apparently never attempted to develop an integrated Management Information System. Instead, each information system is discrete and has been developed at the request of various headquarter groups. We were informed that no one has been responsible for the coordinated development of the various systems, and that no one has exercised centralized control over information systems development.

The Complaint, Statistical Record System (CSRC) records information to reflect EEOC field activity such as the status of investigations. The Work Measurement System (WMS) was developed to record work performance and cost effectiveness of line operations. These systems are neither integrated nor coordinated, logically they should be in order to obtain an accurate picture of manpower utilization.

The Commission has also developed a resource allocation system designed to insure optimum utilization of its investigative and litigative resources. Under this system, respondents are separated into one of four tracks.

In enacting the Equal Employment Opportunity Act of 1972, Congress recognized a change in the definition of employment discrimination to include employment systems that perpetuate discrimination. In accordance with this, Track I respondents included large national companies and unions upon which resolution of charges involving personnel management systems would potentially yield the largest national impact.

During fiscal years 1973 and 1974, only 12 percent of the investigative and 15 percent of the litigative resources were allocated to this group. In addition, as of April 15, 1974, all fiscal year 1974 cases were still in the early investigative stages. In light of this, it is hard to conceive that efficiency has been significantly improved.

Also, after the respondents are selected for Track I, all activities relating to cases involving these respondents are suspended pending review of each case. In one instance, this resulted in the suspension of a significant successful conciliation attempt, involving a $50,000 settlement.

Although the ATT settlement, which serves as a prototype for Track I, was considered successful in terms of monetary benefits, it has failed to resolve EEOC's charge backlog. The settlement has also been difficult and expensive to monitor. One full-time national coordinator and 31 field investigative man years have been used to monitor the settlement. When asked about the impact of the ATT settlement, Office of Compliance officers admitted that their information system was inadequate for a proper evaluation of the ATT settlement. This would seem inexcusable as every consideration should be given to the measurement of impact in terms of future resource allocation adjustments.

Track II cases cover respondents which are multi-unit employers with potential regional impact. EEOC is also behind in its field activity in this area.

In respect to Track III and Track IV, charges resolved are not being separately distinguished under the present track system. There has apparently been no demonstrated need to separately report the number of Track III and Track IV charges resolved. We can not concur with this. We recognize the right of all individuals, regardless of size of establishment, number of charges, or potential national impact, to avail themselves of their rights under the law. It would seem important for management to closely monitor and evaluate all types of complaints, their sources, and types of charges resolved in order to optimally allocate resources.

Thus, it seems that the resources allocation system has not demonstrably improved efficiency nor is the present information "feedback" system providing adequate data which can be utilized in determining future readjustments to resource allocation. Furthermore, the Resource Allocation System is not integrated with the CSRS or WMS systems. Also, there has been no determination within EEOC as to whether cases should be given priority based on national impact or number of charges. Yet, a resource allocation system exists.

Finally, there is the Performance Measurement System. According to EEOC, the PMS is an attempt to measure how well Federal

programs are operating in terms of actual results versus budgeted resources consumed and to report this information to key executives in a usable form to support vital decisions. There is a separate PMS system for compliance and litigative processes.

The PMS system for compliance stipulates numerical goals for charges resolved, charges investigated, charges conciliated and charges determined. These goals are supposedly based on realistic appraisals of EEOC's capabilities. On the basis of this criteria, charges determined and charges conciliated are below their projected goal for fiscal year 1974.

In addition, several important measurements seem lacking which deal with the utilization and coordination between various agencies: (1) the number of unsuccessful conciliations which are rejected as unsuitable for litigation; (2) the quantity and quality of State agency involvement and coordination; and (3) the performance of the district counsel who serves as the private liaison between EEOC and the private bar.

UNDERUTILIZATION AND LACK OF COORDINATION WITH OTHER AGENCIES

It may be argued that to some extent the steadily increasing backlog of charges is due simply to increased awareness on the part of the public of their rights and can't be absorbed merely by improving the efficiency of the existing Federal manpower and that, consequently, the use of other public and private resources is required. However, we have found that the EEOC has failed to utilize other agencies and organizations currently available to it.

Title VII requires that appropriate enforcement agencies be given first jurisdiction (for 60 days) over cases and authorizes payment under section 706 for services rendered to EEOC to assist in implementing its statute. This relationship makes it possible for EEOC to have a portion of its workload processed at the State level. However, until very recently, the States were not even recognized by EEOC as potential backlog reduction resources. As a result, state and local agencies are under-utilized. EEOC doesn't even have the basic data on state resolutions. Currently, they are recorded as administrative closures under the PMS, but the data collection system does not break down the administration of how many were the result of state charge resolutions. Consequently, under the current compliance performance measurement system, the district office–State agency relationship is not measured and no information on State capabilities is available. If state and local resources were better utilized, it might be possible to achieve projected goals.

In addition, there is very little coordination between the EEOC and private bar resources. Yet, EEOC in developing its resource allocation system, made the assumption that many Track III and IV charges were to be sent to private litigation groups.

Likewise, there seems to be little coordination between EEOC and other relevant Federal agencies such as the Department of Justice and the Office of Federal Contract Compliance. We feel that cooperation could have a positive effect.

The problem areas that we have mentioned in this letter are in need of serious revision if the fiscal year 1975 goals are to be achieved.

Consequently, we are requesting specific recommendations from you on each of the problem areas mentioned above.

We have asked the Comptroller General to provide us with in-depth analytical information on these aspects which are hindering the development of the Act. We trust that serious evaluative and remedial efforts will continue to be undertaken in an effort to correct these problems.

Sincerely,
HARRISON A. WILLIAMS, Jr.,
Chairman.
JACOB K. JAVITS,
Ranking Minority Member.

DEATH OF FORMER SENATOR KEATING

Mr. KENNEDY. Mr. President, on May 5, Kenneth Keating died at the age of 74. A former Member of this body, Mr. Keating was known for his personal integrity and devotion to public service.

Kenneth Keating served his country with distinction in many different ways. He loyally served the Nation in World Wars I and II. As a Congressman, and later as a Senator, a member of the New York State Court of Appeals, Ambassador to India, and Ambassador to Israel, he was an outstanding public servant who inspired respect and affection from all who knew him.

The difficult situation in the Middle East made Mr. Keating's recent service as Ambassador to Israel a challenging and difficult undertaking which he carried out with great skill and understanding. His presence was a source of confidence for all of us concerned about the achievement of a lasting peace in the area. His contributions were substantial, and his service will be remembered.

Mr. President, I was proud to serve for 2 years in the Senate with Kenneth Keating. He had many friends on both sides of the aisle, and we shall miss him.

ST. ADALBERT SCHOOL, CLEVELAND, OHIO

Mr. TAFT. Mr. President, I wish to pay special tribute today to St. Adalbert School in Cleveland's inner city. St. Adalbert's roots were begun in 1922, when a group of black Roman Catholics in the east central area banded together to establish a Catholic Church that would speak to the needs of the black people. After only a year, the people petitioned Bishop Schrembs to establish a school for the neighborhood needs for education. By 1924 the school opened, under the auspices of the Sisters of the Blessed Sacrament. In 1960 a new school was built, and Our Lady of the Blessed Sacrament—St. Adalbert School became the newest alternative school structure in Cleveland's inner city. St. Adalbert continues to be the only school of its kind in the east central area.

The school was founded, not as a citadel for Catholic education, but rather as an alternative to public education. Throughout the year, St. Adalbert has met the particular educational, moral, and spiritual needs of innercity children, in an effort to provide their students with strong Christian values with which to judge their lives on the street. Crime and dope are among the every day problems of these children; St. Adalbert is dedicated to eradicating them from our society by educating the children. St. Adalbert provides individual attention to the personal, family, and societal problems of their students, with the belief that Christian values can and will change the problems of society.

At the present time, the school enrolls 300 students; 45 percent are Catholic, and 55 percent are members of other denominations. As a community school, St. Adalbert's main concern is with poor black students who would not normally have the opportunity for a satisfactory education. Children enrolled whose families are financially well off, share a larger part of the financial burden, although this amounts to only about 50 families of the 200 families who attend the school. In this community-oriented school, the St. Adalbert Community School Parent-Teacher Unit is the policymaking board for the school. Their main concern is to see that the needs of the black people are met. This includes clothing and food distribution, as well as nonpartisan political activities, recreation, and youth activities.

This year marks the 50th anniversary of the St. Adalbert School in educating the children of Cleveland's east central area. Although the school faces some sad financial facts, the members of the community are hoping for 50 more years of alternative education, providing for the needs of the impoverished blacks in the community.

THE OIL DEPLETION ALLOWANCE

Mr. HATHAWAY. Mr. President, several months ago this Chamber echoed with the protests of what the repeal of the oil depletion allowance would do to the major oil companies. We were told that the search for oil would come to a halt if this highly profitable tax deduction were to end. We were told that the major oil companies would be brought to the edge of bankruptcy, if not further, if we were to take from them this 22 percent encouragement to explore and develop oil and gas fields.

Most of my colleagues, a majority anyhow, did not believe those tales of agony, and this Chamber, as well as the Members of the lower Chamber, voted to end the oil depletion allowance for the major oil companies.

I have been reading the papers of late, looking for some adverse reaction to our action. Well, Mr. President, that has not been the case. Profits are still high, and the oil industry executives still enjoy salaries that are beyond my limits of comprehension. I did note, however, a story in the Wall Street Journal which addresses itself to this problem: a story of a man who has made one fortune in the oil drilling business, and is willing, the repeal of the oil depletion allowance notwithstanding, to take one more gamble on hitting a gusher. The most interesting fact about his objective is that the American taxpayers are not going to be subsidizing his efforts. If he makes it, he will be richer than before, and the American public will have additional fuel for their homes and industries. If he misses it is his money he is putting on the line, and not that of a Maine potato farmer or a Florida shrimp fisherman.

This is still the land of opportunity for those who are willing to take the risk. I fought for, and supported, the effort to repeal the oil depletion allowance out of a deep feeling that the American public should no longer provide risk capital for the oil industry. This story reaffirms that position.

Mr. President, I ask unanimous consent to have printed in the RECORD the newspaper story of one man who wants to make another bundle in the oil industry—on his own.

There being no objection, the article

was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, May 1, 1975]

OLD WILDCATTER CITES HIGH OIL PRICE, SEEKS ONE MORE BIG ONE

(By Bill Paul)

WICHITA FALLS, TEX.—In 1931, while millions of Americans stood in bread lines, D. Houston Bolin became a millionaire, Mr. Bolin owned an interest in the first successful "deep-hole" oil wells drilled in the Chalk Hill oil field on northwest Texas, a field that still produces more than 200 barrels of oil a day and last month alone earned Mr. Bolin a tidy $32,000.

This year, while millions of Americans stand in unemployment lines, the 78-year-old Mr. Bolin will try to make a million—one more time. Within the next several days, Bolin Oil Co. of Wichita Falls will start drilling in King County, Texas, on land Mr. Bolin considers quite promising. "I don't care how many big strikes I've had over the years," he said, "I've just got a yen to do it all one more time. I feel like I've got one more big one in me."

Even if Mr. Bolin's "last" big venture should prove a bust, his $900,000 or so 1974 pretax income, plus assets of many millions, will soften the blow. "I need more money like I need a wart on my nose," he says. "Actually, I don't want anymore, but if I say that I sound old and foggy and I'm not that."

Mr. Bolin, a short, portly man who describes himself as "just a good country boy," lives in a 17-room mansion that his wife, Delores, has furnished in priceless antiques from Europe and decorated with a museum of 16th and 17th Century paintings by such artists as Brueghel.

OIL IN THAT THERE WELL

While Mr. Bolin knows little about antiques, he knows a lot about oil. As he sits in his office chawing a plug of tobacco, Mr. Bolin pulls out a map of King County and begins describing his latest dream.

"There's never been a better time to look for oil," he says, noting that the energy crisis has driven the price of oil up to around $12 a barrel, some four times what it was a couple of years ago. "The Arabs changed the whole ball game. This country is in a fix for oil, and," he adds while jabbing a finger at the map, "I just know there's oil on this land. All the tests look good. I'm going to make beaucoup money."

Not even the recent changes in the oil-depletion allowance, and the resulting higher taxes that oil men eventually will have to pay, dim Mr. Bolin's enthusiasm. Thus, anytime Mr. Bolin or anyone else drills a well, he had better be pretty sure there's oil under that spot, because otherwise he will have a tough time trying to recover the heavy expenses.

Mr. Bolin cites some favorable signs for his next well. Just the other day, some men sold their interest in wells on land adjacent to his for about $22 million. Six months before that, the same men had sold their interest in a number of nearby wells for about $16 million. "That's the boat I'm trying to ride," Mr. Bolin says with a smile.

RAGS TO RICHES

That boat was far out of reach in the Bolins' early days. During the 1920s, for example, when many Americans were amassing wealth, Mr. Bolin lived with Delores in a room over his small oil-equipment supply store. Mrs. Bolin could see her husband at work through the cracks in the floor.

But that all changed with the big strike in 1931. As reported in the Wichita Falls Record News of March 24, 1931, when Mr. Bolin's well started shooting oil 100 feet in the air, "a mighty cheer went up from the 1,000 or more throats that resounded for miles around." The story says that "a shower of high-grade petroleum drenched the wheat fields in all directions."

If it seems tempting to round up some dollars and copy Mr. Bolin's style to become a millionaire, forget it. The catch is that if Mr. Bolin didn't already have big money, his chances of making it would be slim because drilling costs can run into the millions of dollars per well. "If you've got a million dollars that you would otherwise have to give to Uncle Sam, then you're ready to be an oil man," he says. "But if you're selling stocks and bonds to raise the dough, forget it."

There are always several failures for every successful well, so even Mr. Bolin may have to be content with the 200 or so leases with producing wells that he already owns in his own name. Additional leases are owned by Bolin Oil Co., a venture with his three sons, which also does oil drilling.

One senses that Mr. Bolin is worried about running out of time the way other people are worried about running out of money. "I just want to get back in there for another couple of years," he says with visible emotion. "I just want one more big one."

THE BALANCED GROWTH AND ECONOMIC PLANNING ACT OF 1975

Mr. HUMPHREY. Mr. President, yesterday, Senator JAVITS and I announced that we will soon introduce the Balanced Growth and Economic Planning Act of 1975.

The purpose of the legislation is to put the Nation back on the road to prosperity by reorganizing our Government machinery to accomplish for long-term economic policy what Congress did for short-term economic policy last year when it passed the Budget Reform Act.

The Federal Government has become the last bastion of unplanned activity in the modern world. All other industrial nations plan. Businesses, universities, foundations, and families have learned that they have to plan in order to achieve their goals with the available resources.

The Federal Government, too, must learn to look ahead to at least try to see down the road. That is what our bill is designed to do in a free, democratic, and orderly way. I hope many of my colleagues will join me in sponsoring this important new legislation.

Mr. President, I ask unanimous consent that a fact sheet describing the bill and remarks made by Senator JAVITS, Leonard Woodcock, Wasily Leontier, J. Irwin Miller and myself at the press conference, and an article from the Washington Post, May 13, 1975, by Hobart Rowen, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FACT SHEET ON THE BALANCED GROWTH AND ECONOMIC PLANNING ACT OF 1975

The purpose of the Balanced Growth and Economic Planning Act is to establish procedures within Congress and the Executive Branch to formulate systematically and comprehensively long-term national economic goals and to recommend policy that will match goals and resources.

BASIC ASSUMPTIONS

The bill proceeds on two basic assumptions: first, that the economy will perform better with planning procedures and, secondly, that economic choices will be more explicit and widely debated so that Congress and the public can participate fully in the making of economic policy.

Under the proposed new procedures economic policy will be developed from an improved information base, it will be better coordinated, it will consider emerging and long-term problems to a greater extent than is the current practice, and it will take into account the views of state and local officials and the public.

VOLUNTARY PLANNING

The Balanced Economic growth plan that results from the new procedures will establish long-term economic objectives, paying particular attention to the attainment of the goals of full employment, price stability, balanced economic growth, an equitable distribution of income, efficient utilization of private and public resources, balanced regional and urban development, stable international relations, and meeting essential national needs in various sectors of the economy. The plan will identify the resources required for achieving the objectives and recommend legislative and administrative actions to achieve them.

Implementation of the plan within the Federal Government will be achieved through coordination of policy and actions among Government agencies. Implementation in the private sector and in States and localities will be achieved through voluntary co-operation.

ECONOMIC PLANNING BOARD

The bill sets up an Economic Planning Board in the Office of the President, provides for Congressional review and approval or disapproval of each proposed plan, and establishes procedures for public participation in the planning process.

The Economic Planning Board is composed of three members, appointed by the President with the advice and consent of the Senate. The Board will operate in close association with the Council on Economic Planning, composed of members of the President's Cabinet, and other high-ranking officials. There is also an Advisory Committee on Economic Planning composed of 4 members appointed by the President, 4 members appointed by the Speaker of the House, and 4 members appointed by the President of the Senate.

It is the Board's duty to submit a proposed balanced economic growth plan to the Council for its approval. In drafting the proposed plan, the Board is required to seek the active participation of regional, State, and local agencies and private persons through public hearings and other appropriate means to insure that the views of all segments of the economy are taken into account. The Board is responsible for evaluating and reporting on achievement of the goals and objectives in any approved plan, determining whether major Federal programs are consistent with any approved plan, and coordinating the long-term planning activities of Federal agencies.

The function of the Council is to review any proposed plan submitted by the Board, and transmit it together with revisions to the President. The functions of the Advisory Committee are to help provide the Board and the Council with the views of broad segments of the public, including business, labor and consumer interests, about matters relating to the formulation and implementation of any plan, and to establish advisory subcommittees.

The Division of Economic Information is established in the Economic Planning Board. The purpose of the Division is to help the Board obtain information and estimates directly from Federal agencies and to assist in the dissemination of information to State and local governments and to private persons so that they can make informed economic decisions and participate effectively in the planning process. An initial function of the Division will be to survey and assess government information gathering programs and recommend reforms.

SUBMISSION OF PROPOSED PLAN BY PRESIDENT

The President is required to submit to Congress, every 2 years, a proposed Balanced Economic Growth Plan together with a report prepared by the Board to aid in the consideration of the proposal. At the same time, the President submits copies of the proposed plan to the Governor of each State and to other State and local officials.

CONGRESSIONAL REVIEW

It is the duty of the Joint Economic Committee to hold public hearings on the proposed Balanced Economic Growth Plan after its submission to Congress, to consider the views on the plan of each standing committee of Congress and the reports of the Governors, and to report to the House and Senate within 105 days after its submission a concurrent resolution approving, disapproving, or modifying in whole or in part, the proposed plan. The Committee must also make a report with findings and recommendations with respect to each of the main recommendations in the proposed plan.

LOCAL PARTICIPATION

The Governor of each state may submit, within 60 days from the submission of the proposed plan by the President, a report to the Joint Economic Committee responding to the proposed plan. A governor's report should include the views of citizens within the State after public hearings have been held within the State.

The purpose of this part of the bill is to provide for the widest public participation. The Governors, local officials and citizens of each State are given the option of commenting on the proposed plan at the same time it is being considered in Congress.

CONGRESSIONAL ACTION

Congress must act on the proposed plan within 135 days from its submission by the President by adopting, modifying or rejecting the concurrent resolution reported by the Joint Economic Committee.

If the concurrent resolution disapproves the entire proposed plan the President must revise and resubmit it. If any portion of the proposed plan is disapproved by Congress, that portion may not be implemented by the President or the Director.

REMARKS OF SENATOR HUMPHREY ON BALANCED GROWTH AND ECONOMIC PLANNING ACT OF 1975

The bill that Senator Javits and I will introduce later this week. The Balanced Growth and Economic Planning Act of 1975, is the most important piece of legislation I have authored in twenty-five years of public service. I say this because the legislation will fundamentally reform the Federal government's management of economic affairs, which in turn will significantly improve the performance of the American economy. This legislation is the key to putting the nation back on the road to economic prosperity.

Last year Congress passed the Budget Act so that short-term economic policy can be made in a rational, orderly way. It is time that we looked at long-term economic policy in the same rational way.

We must begin looking ahead, calmly, intelligently, and systematically if we are to make progress toward meeting our goals and at the same time dealing successfully with the kinds of economic crises and international shocks that have occurred in recent years.

We cannot hope to find full employment, price stability, and economic growth the way a beachcomber hopes to find seashells. Our goals will not be brought in with the morning tide. They will not turn up by luck or by nature.

But the point is not engage in planning just for the sake of planning. The kind of planning Americans do want must be suited to our own unique and peculiar needs. It must make it more likely that we will solve our economic problems and achieve our goals.

Our bill is therefore based on the following fundamental principles:

First, planning must be open and democratic. Long term economic policy is too important to leave to the economists. There must be full citizen participation, and state and local officials must also be fully involved.

Second, Congress must study, debate, approve, disapprove or modify any plan. We don't do things in this country by executive fiat. Ours is a representative form of government and we will continue to define our goals and make our choices through our elected representatives.

Third, we must make it possible for the private sector to function more smoothly and more efficiently and with greater knowledge. We need better and more timely information about the economy. We need to improve both the way information is gathered by the government and its availability to the public.

I feel sure that this legislation will spark a vigorous national debate on economic planning. That is as it should be because such a debate would be of historic importance to the American people. For the debate to be productive, however, I believe we ought to view planning in the context of something Abraham Lincoln said in his famous house divided speech:

"If we could first know where we are, and whither we are tending, we could then better judge what to do and how to do it."

In the present economic and social circumstances, I am afraid we know where we are, but we don't where we are headed. Because we can't see the road clearly we don't know what to do. The nation is like a car chugging down a foggy road without a reliable steering mechanism. It's my view that planning in this country would provide a map of the country ahead, it would clear some of the fog from our view of the road, and it would steady the steering mechanism of the car.

The need for greater economic planning arises from the poor performance of our economy. In the past, the U.S. economy has been a source of productivity and pride to all of us. The system provided the best hope for combining economic well-being with personal liberty. But in recent years the performance of the American economy has been a source of bitter disappointment. We have just gone through the worst period of inflation since the Civil War, and we are now experiencing the highest level of unemployment since the Depression. Economic growth is completely out of balance, with shortages in some areas and surpluses in others. As a result, our standard of living is today lower than it was eleven years ago.

Despite this poor economic record, I have not seen any substantial effort to reform the economy, or our piecemeal and shortsighted economic policies. Instead, we continue to put bandaids on our economic problems, with a little tax cut here, an energy tax increase there, a jiggling of the money supply, and so forth. These short-term efforts, although necessary, are inadequate because they fail to address the following realities:

First, there is no one in government today looking ahead to spot problems such as shortages before they become crisis. Nor do we do an adequate job of estimating the long-term impact of government policies.

Second, the current inflation and recession—caused in part by the energy crisis, food and commodity shortages, supply bottlenecks, and structural barriers in our economy—have made it painfully clear that our economic problems are interrelated and cannot be dealt with in an isolated, uncoordinated way. Yet, the federal government grows like topsy, with little attention given to getting the government organized about its involvement in the economy.

Third, we are not going to meet our critical needs in areas such as employment, price stability, housing, education, health, and transportation unless we establish some long-term goals and focus our economic policies on the achievement of those goals.

Finally, I also believe that we have to know not only what the federal government is going to do, but what state and local governments can and are willing to do, and what the impact of government actions will be on the private economy. And this needs to be better coordinated by making the planning process open to all segments of our society.

The Balanced Growth and Economic Planning Act is an effort to come to grips with these realities and to create procedures within Congress and the Executive to provide a comprehensive, long-term economic policy. You have a fact sheet before you decsribing the details of the bill and we would be happy to answer any questions.

It has been correctly observed that the federal government has become one of the last bastions of unplanned activity. Private corporations, universities, foundations, and many local units of government and others with llimted resources are committed to long-term planning. They know that the chances of meeting their goals are slim if they do not look beyond their immediate needs.

The Federal government has an obligation to the people under the Employment Act of 1946 to do as much to intelligently plan government activities. If we do less, in my opinion, we jeopardize our basic economic system because we will continue on a roller coaster ride from crisis to crisis. If we do not plan, we will have food and commodity shortages; if we do not plan, we will have wage and price controls; if we do not plan, we will continue to have high unemployment and inflation. The American people do not want crisis economic policy and they will demand something better.

I believe that the Balanced Growth and Economic Planning legislation we are releasing today is a major step in providing the modern tools we need to improve the performance of the economy. A major piece of complimentary legislation is the Equal Opportunity and Full Employment Act of 1975, which would focus federal planning and policy on providing full employment. I intend to hold hearings before the Joint Economic Committee in June to carefully integrate these two major policy areas.

In the last six months Senator Javits and I have had the benefit of the expert counsel of the members and supporters of the Initiative Committee for National Economic Planning. This distinguished group, representing business, labor, consumers, and the intellectual community, have worked with us to develop sensible legislation to establish a process of economic planning in this country. I am delighted that members of the Initiative Committee are here today to launch a campaign to enact economic planning leigslation in the ninety-fourth Congress.

REMARKS BY SENATOR JACOB K. JAVITS

In the next few days, Senator Humphrey and I will introduce the Balanced Growth and Economic Planning Act of 1975. I regard this bill as one of the most important we shall deal with in this Congress, and a logical and necessary compliment to the Budget Act passed last year.

Many people are reluctant to consider the need for planning in this country because of its pejorative connotations. At bottom they are convinced that planning means regimentation, the loss of economic freedom and the end of the American free enterprise system.

This concern proceeds from the assumption that planning will dictate economic activity and supplant the free market. This assumption is highly erroneous in the case of our bill for several reasons: first, the

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Economic Planning Board cannot tell anyone what to do—its powers are those of persuasion—not direction. Second, the planning process brings in all parties and interests and requires the approval of Congress—it will open up economic debate in this country rather than limit it.

I view this press conference today as the opening of a great national debate on the American economy, its directions in the next decade, and the role of economic planning—free of coercion direct, or indirect—in a democratic society. We have to face squarely the issue of whether this nation intends to pursue an essentially unplanned course—relying on increasingly questionable means to promote growth, reduce unemployment, and check inflation—or to recognize the absolute necessity for a coordinated, rational approach to our interconnected problems.

Our economy is in its worst state since the Depression. Large-scale unemployment—almost 9% and rising—means tragedy for individual families and lost production for the nation—a cumulative loss of real potential output estimated at almost $350 billion over the next five years. Meanwhile, basic human needs are inadequately fulfilled: large numbers of Americans lack basic medical care, housing costs are soaring beyond the reach of even middle class families, New York City is flat broke, and an enormous unemployment rate among teenagers—40% for black teenagers—attest to the inability of our society to provide useful employment for this volative age group. Is it possible to believe that we have reached this state because this is what the American people want?

Moreover, it is increasingly difficult to argue that merely reflating consumer demand for the same products that have used our resources so profligately and have produced so much environmental damage will solve our economic problems. Bad as is our present condition, the outlook for the longer term could be far more serious if we do not begin to deal wisely with certain fundamental and structural aspects of the economy.

Let me list a few areas in which we have yet to reach agreement or even begin to move to provide long-term solutions: energy, long-term capital requirements, endemic high unemployment, transportation, and food and raw material requirements. We know these problems will not solve themselves. The longer we delay, the more we foreclose our options and the greater the cost of ultimate solutions.

We also know that our problems are interconnected—an enormous tangle that cannot be unknotted by pulling on one string. Short-run solutions and treating issues in isolation can progressively worsen our economy, undermine our national strength and weaken our national character. Already a number of economists are fearful of a new round of inflation picking up speed in 1976, producing renewed shortages in productive capacity, accentuating the unresolved worldwide problems over food, energy, and raw materials, and leading to an even worse recession by late 1977.

The prospect is intolerable. But, honestly, how do we intend to deal with such possibilities? We cannot solve our economic problems through piecemeal legislation. We face the same urgent need for a comprehensive, rational approach that led Congress to pass the Budget Act for annual budget purposes and to submit to the discipline of the budget process. Our legislation today seeks to do for the government's role in dealing with the national economy what the Budget Act did for the budget.

Planning will be what we make it. There is absolutely no evidence that planning leads to a particular economic system. Planning is a neutral tool that adapts to the character of a country. Planning is socialistic in Russia because of Marxist policy. In France, however, the planning process conforms to French political philosophy and in fact has been regarded as favoring the business community.

In want to stress that planning has nothing whatsoever to do with greater government interference in the private sector. Opponents do not seem to believe that rational planning can be a force for improving competition or for abolishing outdate government regulation. Why not? Why should a government planning agency have a bias against capital formation or economic growth?

It is also assumed that in the absence of planning there will be less government regulation of the economy. Since we had wage and price controls in the absence of planning and are likely to have worse controls in the future if we persist in short-term remedies, the opposite is the more likely case. There will be more overlapping and inconsistent regulation in the absence of planning.

However, government involvement in the economy is here to stay. Government is more involved because our economy is far more complex, because we face environmental and resource limitations for the first time, and because social objectives are pursued more vigorously. None of these constraints will vanish in the absence of planning. Instead, the pressures on the economy will continue to mount, we will continue to waste resources, and we will fritter away our economic strength through short-term, contradictory and perhaps even self-defeating measures.

Statement by Leonard Woodcock, President of the UAW

We are grateful to Senators Humphrey and Javits for the introduction of this bill. I hope, as I am sure my colleagues hope, that the subject matter will provide the impetus for a great debate on the decision of national economic planning.

The need for long-range democratic economic planning on a national basis has never been more urgent. We have lived too long with boom and bust. Experience has taught us that the unseen magic of the so-called free market does not work.

We have learned the bitter lesson that the failure to make intelligent, long-range economic decisions has touched the lives of all Americans—especially working people—and injured them in their pursuit of happiness.

The Federal Reserve System and the Council of Economic Advisers have made short-range decisions which have been disastrous—foolish, irrational or selfish economic decisions made by these few have ruined the lives and futures of the many.

Our economic well-being and our basic freedom of choice too often have been decided by the wrong people, for the wrong reasons, in the wrong time frame.

A growing number of Americans, from all walks of life, see the need for a mechanism to enable us to plan democratically for prosperity, full employment and stability—to meet the nation's economic and social needs.

It is time to begin to plan. Americans will no longer tolerate an economy run by accident or caprice.

Rampant inflation, serious recession, massive unemployment and national misery have been the natural results of our failure to plan the national economy in any rational way.

This bill provides a framework for democratic national economic planning. It provides the instrument—the procedure. Substance will follow—based upon national will.

I am enthusiastic about this bill for a number of reasons.

First, it establishes the principle of national planning, long overdue.

Second, it establishes a crucial role for the Congress, which is directly responsible to the people.

Third, it provides for important local input from ordinary people, so that decisions are not made in a lofty vacuum.

Fourth, it mandates a coordinated government effort, rather than a fragmented system where one hand is out of touch with the other.

The bill is distinctively American—which is Federalism in action.

I hope that the Congress, the Administration, and the American people can focus on the issue, and let the debate begin.

Statement by J. Irwin Miller, Chairman of Cummins Engine Co.

Every major American Business today is intensely perfecting its skills at short- and long-range planning, and using these plans to guide major business decisions.

Business has been forced to plan, to set priorities, to allocate assets, because nearly all its necessary assets, whether one speaks of capital, labor or raw materials, are either in short supply, or are becoming very much more costly.

If business did not plan careful cost-effective use of scarce assets, it could not long survive, and some businesses in fact will not survive.

As business looks at the nation, much the same conditions seem to lie in its future as well. We are short of oil, and do not ourselves control adequate supplies of such essential raw materials as tin, nickel, chrome, platinum, zinc. We are not generating enough capital for investment, nor enough revenues to prevent decline in cities, schools and the environment.

Finally, we seem to have no means for stopping inflation other than unemployment, no means for eliminating unemployment other than inflation.

Without taking careful look at the consequences of our combined public and private actions, we have allowed problems to multiply, swings in the economic cycle to become more erratic, and prospects for a stable economy to diminish.

Business needs economic stability if it is to flourish and serve. Yet economic instability appears to be the only realistic prediction for the decade ahead, if we continue as at present.

I do not understand how the nation, given its current outlook, can achieve a reasonable and necessary measure of economic stability, unless the Congress and the Executive have at all times available to them intelligently formed and farsighted economic plans aimed at preserving stability, and simultaneously promoting growth and minimizing inflation and unemployment. We need also (as business does) to perfect an economic model which can allow us to foresee with an adequate degree of reliability the total consequences of any contemplated program of government actions.

Planners are not rulers or implementors in business. No more should they be in government. Our historic system of checks and balances is essential to the continuance of responsible democratic government, responsive to the needs of all the people. Within our democracy, however, planning is now a necessary and vital tool for the accomplishment of any long-term economic objectives, public or private. The U.S. government should, in the extraordinarily difficult days which appear to lie ahead, avail itself of every useful aid for making wise and farsighted decisions.

Statement by Wassily Leontief, Harvard University, Nobel Laureate in Economics, Co-Chairman of the Initiative Committee for National Economic Planning

The founding of this country was a bold response by determined, self-confident people to a challenge which they had to meet. The subsequent development of our private and public institutions is a history of con-

structive responses to a succession of difficult questions, each of which had to be answered before the country could move ahead.

The trouble in which the American economy now finds itself is not an unfortunate accident, neither has it been brought about by someone's malevolent intent or by uncommonly incompetent leadership. This trouble reflects the failure of our institutions to keep up with the accelerated change in the technological and economic structure of modern society and with its advancing needs and aspirations.

Those who compare the functioning of the market mechanism in a free economy—the interplay of the impersonal forces of demand and supply—with the automatic operation of a gigantic electronic computer are right. However, anyone who has had practical experience with large computers knows that they do break down. No one would ever dream of stacking, at the end of the day, a complicated problem into the machine, pushing the starting button and going home in the expectation of finding the correct answer neatly printed out when he returns next morning. If left unattended overnight, the computer would probably give a wrong answer, come to a standstill, or even burn out.

The framers of the bill, "The Balanced Growth and Economic Planning Act," propose to establish an adequate institutional framework for keeping the complex and delicate mechanism of the American economy in good working order. This involves much more than watching a few aggregative pointers on a stripped-down statistical dashboard and shifting back and forth two levers: one controlling the budget deficit, the other regulating the discount rate.

It requires lifting the hood, observing, and if necessary adjusting, the operation of all moving parts of the engine, and occasionally replacing those that turn out to be defective. What the government and the public need is a Service Manual describing gears, nuts and bolts—not just a Keynesian "Owners Manual," of the kind usually found in the glove compartment of a new car, which tells you only how to replace a bulb or change a tire. In other words, maintenance of our national economy in good working order is predicated on a steady, massive flow of detailed, up-to-date factual information.

The effectiveness of the planning process will depend not so much on the coercive or regulative powers of the government—of these we have enough and they are used as often as not without much rhyme or reason—but rather on organized factual knowledge and analytical foresight more nearly perfect and complete than any individual company or private citizen can possibly attain.

Let us hope that the publication of the draft bill, "The Balanced Growth and Economic Planning Act," will mark the beginning, not of an acrimonious emotional debate, but of a constructive, serious discussion which will contribute to remedying the weaknesses that a first draft would naturally contain. The fact that two prominent members of the Congress, from different sides of the aisle, are sponsoring the proposed legislation, and that in addition to those present, many business and labor leaders, members of the scientific intellectual community, and concerned citizens have expressed their support of this initiative, justifies the belief that this hope will not be disappointed.

[From the Washington Post, May 13, 1975]

Humphrey-Javits Bill Urges Long-Term Economic Plans

(By Hobart Rowen)

Senators Jacob Javits (R. N.Y.) and Hubert H. Humphrey (D. Minn.) yesterday announced they are introducing legislation that would for the first time require the federal government to do long-range economic planning.

Both senators compared the bill in importance to the Employment Act of 1946 and to the Budget Act passed last year, and said it is essential for the rational management of the nation's economic affairs.

But they acknowledged, as well, that the concept of "planning" is controversial and that it would not have an easy passage through Congress.

The idea behind economic planning, Javits and Humphrey said, is that the development of full employment and price stability "can no longer be left to luck." They pointed to the program to put a man on the moon, and the Marshall aid plan of the post-World War II period as isolated examples of successful U.S. planning. And they noted that nations have long since adopted the planning concept on a regular basis.

Opponents fear that planning will mean more government interference with private business affairs.

"It takes time to change perspectives," Humphrey said, "but in any event, I hope this bill will spark a vigorous national debate."

The bill, titled the Balanced Growth and Economic Planning Act of 1975, would amend the Employment Act to set up an economic planning board of three members that would develop a plan for economic growth.

The plan would be submitted to the President after being reviewed by a council consisting of cabinet officers and other designated high officials. Beginning in 1977, the President would submit a plan to Congress every two years, with copies to all governors of the states, and to other local officials.

The Joint Economic Committee of Congress would review the plan, and report to the House and Senate within 105 days a concurrent resolution approving or disapproving it.

The sponsors left somewhat vague a definition of what would be encompassed in the "economic growth plan." A fact sheet said that long-term economic objectives would be set out for full employment, price stability, balanced regional development, and an equitable distribution of income—among other things.

But asked if these goals would be set out in specific numbers or percentages, Humphrey said they would not. "We first need to get the structure of the organization established," Humphrey said. But later the Senator said that the use of numbers may be necessary.

According to Javits, the economic objectives of the government will be made explicit, "but there would be no coercion." To carry out any specific recommendations of the planning board, Congress would have to agree on specific legislation.

Humphrey observed that the need for setting out national goals "arises from the poor performance of the economy." Inflation, recession, and the energy crisis, have demonstrated, he added, that "our economic problems are interrelated and cannot be dealt with in an isolated and unco-ordinated way."

The sponsoring Senators recognized that many opposed planning "because of its pejorative connotations." Just last week, for example, First National City Bank president Walter Wriston rapped the planning idea. He told a meeting of the Society of American Business Writers that if planning advocates "came right out and said they wanted to create an economic police state, their cause would never get off the ground."

Javits said that such assumptions are "highly erroneous," because the Humphrey-Javits bill relies on the power of persuasion, and would open up economic debate, instead of limiting it.

We had wage and price controls in this country when we had no economic planning," Javits said, "and in all probability we had controls precisely because we had no planning."

He noted, however, that "government intervention and involvement in the economy is here to stay . . . our economy is far more complex (than it used to be). . . . None of these constraints will vanish in the absence of planning."

By implications, the legislation severely criticizes the President's Council of Economic Advisers for failure to develop a long-range economic plan.

This point was made explicit by Leonard Woodcock, president of the United Auto Workers, a member of a private business-labor-academic group in favor of planning that appeared at a press conference with Javits and Humphrey to endorse their bill.

Other planning advocates who spoke at the press conference included Nobel Laureate Wassily Leontief, and J. Irwin Miller, chairman of the Cummins Engine Co.

THE IMPORTANCE OF SWIFT CONGRESSIONAL ACTION TO REFORM INTERNAL REVENUE SERVICE AND INSURE TAXPAYER PRIVACY

Mr. BENTSEN. Mr. President the Subcommittee on Administration of the Internal Revenue Code recently conducted important hearings on taxpayer privacy. Five former Commissioners of the Internal Revenue Service unanimously endorsed congressional attempts to limit disclosure of tax information to other Government agencies.

I commend Senator HASKELL, chairman of the subcommittee, for conducting these hearings. Greater legislative oversight of the activities of the Internal Revenue Service, through congressional hearings such as these, will help insure that our tax laws are enforced and administered in a more equitable manner.

Mr. President, revelations of abuses involving our tax system clearly demonstrate the importance of prompt enactment of legislation to insulate the Internal Revenue Service from political abuse, to protect the privacy of taxpayers, and to insure that our tax laws are administered in a fair and equitable manner. Last year I introduced my proposed Internal Revenue Service Reform and Taxpayer Privacy Act to help achieve these objectives. In January I reintroduced this bill, S. 442.

Abuses involving the administration of our tax laws have been vividly demonstrated by the House Judiciary Committee's impeachment inquiry, the final report of the Senate Watergate Committee, as well as the revelations of the political activities of the IRS special services staff, which operated between July 1969 and August 1973. Just recently we learned about an operation called "Project Leprechaun" which reportedly involved widespread spying by IRS agents into the private lives of public figures in Miami, Fla. These agents were apparently attached to the Justice Department's Organized Crime Strike Force.

The enactment of legislation to prevent these abuses and to protect the privacy of tax returns will greatly bolster public confidence in our system of government.

Such legislation will demonstrate to the American people that their leaders in Washington can respond to the tragic

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lessons of Watergate with strong and constructive political reform legislation.

S. 442 which I introduced earlier this year includes six major items:

First, criminal penalties would be imposed against the use or attempted use of the IRS for the purpose of political harassment.

Second, the General Accounting Office, which is an arm of the Congress, would be directed to audit the operations of the IRS and report its findings annually to the Senate Finance Committee, the House Ways and Means Committee and the Joint Committee on Internal Revenue Taxation.

Third, strict procedural safeguards would be established to prevent the President and the White House staff from misusing confidential tax information.

Fourth, increased criminal penalties would be imposed against anyone who knowingly and without authorization discloses confidential tax information.

Fifth, a taxpayer would be allowed to file suit for damages against any person who knowingly and without authorization discloses the taxpayer's confidential tax information.

And, sixth, clear limitations would be established on the access of Federal and State agencies to confidential tax information.

The new law I propose will carefully restrict the existing practice whereby confidential tax returns and tax information are often distributed to a large number of Federal, State, and local government agencies which play no role whatsoever in the enforcement of our Federal tax laws. Unrestricted dissemination of confidential tax information throughout all levels of government poses a grave threat to our right to privacy. Since the American Revolution we have cherished this very fundamental human value. The right of privacy was included twice in the Bill of Rights—in the fourth amendment which protects all Americans against unreasonable searches and seizures and in the fifth amendment which guarantees the privilege against self-incrimination. Congress must continually make every effort to prevent any abuse of this precious right.

My proposed legislation will also help prevent political misuse of the Internal Revenue Service which can seriously undermine public confidence in the enforcement of our Federal tax laws. This bill will help insure that our tax laws are administered fairly and impartially.

Several examples of misuse of the Internal Revenue Service were described in the final impeachment report of the House Committee on the Judiciary.

In 1970 the White House obtained tax information on Gov. George Wallace of Alabama and leaked this to the press.

In 1972 the White House demanded an IRS investigation of Democratic National Committee Chairman Lawrence O'Brien.

On September 11, 1972, White House Counsel John Dean personally gave the Commissioner of Internal Revenue a list of 575 names of staff members and contributors to Senator McGovern's Presidential campaign. John Dean asked that the IRS investigate or develop information about the people on the list.

All these were indefensible attempts to misuse the IRS. Under my proposal all would be specifically outlawed and subject to stiff criminal penalties.

These grave abuses of our tax system clearly demonstrate the need for prompt passage of remedial legislation.

However, it must be emphasized that even if the tragic events of Watergate had never occurred, other incidents in which our Federal tax system has been flagrantly abused by Federal, State, and local officials would still dictate the need to enact my legislative proposals.

Within the last few weeks, we learned about "Operation Leprechaun" which reportedly involved widespread spying by IRS agents into the private lives of prominent figures in Miami, Fla.

Most Americans are unaware of just how many agencies of the Federal Government have access to individual tax returns. For example, according to IRS statistics, during 1973, 15 Federal agencies requested and received tax returns from the Internal Revenue Service.

In addition, practically all State governments and many local governments receive Federal tax returns.

Such widespread distribution of confidential tax information is clearly open to serious abuse, and in fact, abuses have occurred.

Employees of Federal agencies have acquired confidential tax returns for their personal use.

Officials of State and local governments have given confidential tax information to private credit agencies.

In addition, there have been well-publicized efforts to authorize the Department of Agriculture to inspect the Federal tax returns of our Nation's farmers.

The legislation that I have introduced will help prevent abuses of this kind in the future.

It is essential that Congress take swift action on this legislation.

AGRICULTURE: A BUBBLE JUST WAITING TO BURST

Mr. McGOVERN. Mr. President, the "Outlook" section of yesterday's Washington Post contained an article describing, in human as well as statistical terms, the perilous state of much of agriculture in America today. This article—"Costs, Risks, Debts: The Farm Plagues," is especially timely. The House failed to override the President's veto of a very mild farm bill this week.

Every Member of the Congress should read and reread this exceptional article by Dan Morgan. I cannot recall a work of journalism in a large metropolitan newspaper that described modern agriculture so accurately.

Mr. Morgan tells of the enormous increase in debt load borne by American farmers, and the shockingly small returns which a farmer or rancher earns on an investment of nearly half a million dollars.

He describes the collapse of our cattle industry, from a value of $34 billion to one of $21 billion, in just a year. He tells how ranchers not only lost all of the equity built up over many hard years, but lost also their investment of sweat and toil—a loss, in human terms, that is far greater than any which can be measured in dollars.

The message for all Americans is that we simply cannot afford to force farmers and ranchers to bear all of the burden, all of the risk, of producing for a market without any real underpinning.

For a collapse in agricultural prices in 1975—an event that is not entirely impossible—some contend it is likely—would plow under not only hundreds of thousands of farm families, but it would bring down hundreds of rural banks, thousands of main street businesses and food-related industries, and the millions of jobs which are dependent thereon.

Mr. President, this analysis is not one-sided, it is not an appeal for any special interest at the expense of another. But facts and the logic of this example of newspaper reporting at its best constitute a clear appeal to the policymakers of this Nation to take a sober look at the real world of American agriculture, and to do something—before it is too late.

I ask unanimous consent that this meritorious article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Costs, Risks, Debts: The Farm Plagues

(By Dan Morgan)

Paul and John Kruse would almost certainly object to being lumped together with the nation's money managers.

They are farmers and, like farmers everywhere, they take pride in the earthy hardships of their calling. In the early Nebraska spring, the frozen barnyard of their farm had turned to foot-deep mud, negotiable only by tractor.

In a warm workshop the brothers reminisce about winter tasks: checking a sow with litter at 2 a.m., or fighting their way into the cold mornings when the barnyard water tanks were frozen and the tractor's failing engine made a bump-bump-bump noise starting.

For all that romance, finance rather than the farmyard has become the main preoccupation for the Kruse brothers as for other American farmers.

The Kruse brothers probably handle as much money in a year as many middle-income city dwellers earn and spend in a whole lifetime.

Their indebtedness averages $700,000 to $800,000 most of the time—about the level of a medium-sized business. That is what it takes to operate their cattle feeding and corn raising farm, which normally holds 1,500 to 2,000 cattle.

Today most of the feed-lots are full of mud but no cattle. The Kruses have scaled down their operation in response to sagging cattle prices. They are tightening their belts and have taken out a mortgage on their farmland, for the first time in years, to pay the bills.

In some respects their operation typifies the economic crunch in American agriculture. The high costs, the bills, the enormous requirements for credit and capital and, above all, the risks are forcing farmers all over America to become money managers on a grand scale.

Four or five times a year, they make decisions that can mean savings or losses 10 times what is at stake when an executive who lives in the city buys a home.

At dusk one cold early April evening, down in the Missouri River bottomland north of Kansas City, Joe Naylor gazed out at the field he had just plowed.

What to plant?

His decision could mean the difference between profit and loss this year.

Corn might give good yields from the rich gummy soil, he figured. But corn would need lots of chemical fertilizers, very costly this year. Soybeans on the other hand, wouldn't require nitrogen. And they'd stood up well in last year's drought when corn was hard hit. Naylor leaned toward soybeans. He'd skimp on fertilizer, hold spray and seed to $20 an acre and "do it myself."

Naylor has been right more than he has been wrong since he started farming in 1960. But in today's farm economy not even good sense is enough.

Factors beyond farmers' control can often affect the outcome. Monetary fluctuations can effect imports and exports, and events such as the failure of the Peruvian anchovy catch can boost soybean prices, since fish meal and soybean meal are both used for animal feed.

In 1973, he recalls, "Mr. Nixon devalued the dollar and the Peruvians didn't catch enough fish and all at once soybeans were $3.84, highest I'd ever seen 'em."

Naylor sold his soybeans at $5 a bushel. They went to $8. That $3 difference would have meant another $15,000 for Naylor on a 5,000 bushel crop.

The requirements for capital and credit in agriculture have reached staggering proportions.

Consider the following:

In the depths of the Depression, the average loan for annual farm operating costs was around $4,000; today it is over $100,000.

Farm debt reached $95 billion in January.

Buying farm property is beyond the means of many would-be-farmers now, especially young ones. Studies suggest that it requires an average of more than $100,000 to buy an adequate spread in most farm states, and over $400,000 in California and Arizona.

Some feel the ballooning of credit needs, land values and risk in general raises fundamental questions.

"We know that, regardless how difficult conditions may seem, an average man with average health and a good setup can work his way out of a $4,000, $11,000, $45,000 or even an $81,000 debt," a Colorado banker said.

"But when we bring this indebtedness up to $150,000 and he fails one year's operation and his loan then goes to almost a quarter of a million dollars, we simply don't work our way out by hoping conditions will improve."

The trend poses "deep and troublesome questions about the future of America's traditional land tenure system," said Don Paarlberg, director of economics at the U.S. Agriculture Department.

He estimated that $390,000 worth of capital investment in land, machinery and other assets is needed to provide a family farmer with income comparable to that of nonfarm wage-earners.

"We may be at a stage when it is no longer possible for most farmers to supply by themselves all the factors of production," said Paarlberg. "It may be that more and more of the land will have to be supplied by one person and the working capital by another."

To some, this vision of the future smacks of an advanced corporate feudalism. Reformers argue that the drive for farm expansion, more modern equipment and chemical and technological solutions to farm problems has been nurtured by agribusiness to sell more machinery and fertilizer. Farmers, they maintain, should break the credit cycle by turning back to more traditional methods.

Whether or not that is still possible, developments of recent years have plainly intensified the struggle for economic survival. Land values have been pushed up more than 30 per cent, excluding younger buyers and inviting outside investors.

A boom-bust cycle of farm pricing has set in, exposing all but the strongest to financial strains.

"It would have been impossible for me to go into farming nowadays," said an older Kansas farmer. With a few exceptions, a rich parent provides the surest access to the credit needed to start farming.

These concerns are uppermost in the conversations of Midwestern farmers interviewed during an eight-day trip through Kansas, Missouri, Iowa and Nebraska—America's food belt.

Yet the love of farming, a desire to farm, a determination to perservere add up to a tradition that still runs deep in the American countryside. It was expressed this way by a Nebraska farmer, Loren Schlitz, age 37:

"If I didn't love it, I wouldn't be here. I dunno. I think it's something you see what you did from day to day so much better than any other job. Just like in spring—you look across a field and see exactly how much you got done in a day. You're sittin' in a factory turning out the same old thing, and when you get done that night, you actually don't see how much you got done, as much as on a farm."

Garden City, in southwest Kansas, is the home of some of America's largest, wealthiest family farmers and ranchers. Truman Capote's saga of crime and punishment, "In Cold Blood," had its gory beginnings on the prairie near here. Two youths killed the family of Herbert Clutter in the futile hope of finding piles of cash stashed in his farmhouse.

Tragic as the event was local farmers still smile at the misguided notion that inspired it.

Some of the wheat and cattle farms in the area are worth a small fortune. But very little of the wealth is in cash. The riches take the form of land, cattle, crops and equipment. It is an affluence that often rests upon a shaky pyramid of debt and mortgages.

The adage that farmers live poor so they may die rich—die with valuable land that they can bequeath to their offspring to start the cycle anew—applies even in this booming country. For Garden City is a striking example of American agriculture's staggering requirements for ever-expanding amounts of capital and credit.

It is true that farmers around Garden City probably live better than most. Some have been to Europe or to ski resorts in Colorado. And there are farmers like Cecil O'Brate, who has moved his family into a sprawling new home in town and set up a one-room office in Garden City. O'Brate is branching out, diversifying, making the transition from farmer to businessman. He bought a welding company "on a shoestring" and also operates a farm implement company.

O'Brate's office is adjacent to that of his business adviser, Danny Trayer, who recently established a private consulting firm to meet the growing needs of farmers for analyses of their business efficiency, estate planning and income tax assistance.

Trayer's service augments that of the local agricultural extension service's quarterly computer readouts to farmers, detailing their cash flow, expenses, income, crop value and capital commitments.

It is also true that Garden City bustles with business activity. The town's half-dozen modern motels put out their "no vacancy" signs by 5 p.m. during the planting season because of the influx of salesmen pushing seeds, fertilizer, machinery and pesticides.

A vistior is lucky to find a room available at the neglected old downtown hotel, the Warren, which charges $7.21 a night.

Evenings, well-to-do people gather in a crowded supper club next to the Wheatland Motel. Finance seems to dominate. There are half a dozen banks or loan companies, including the Production Credit Association, the agricultural credit union which is a member of the federal farm credit system. It is housed in an opulent, ultramodern glass edifice that some farmers call ostentatious.

Loan officer Frank Kinney said southwest Kansas farmers are sharpening their managerial skills out of sheer necessity. Kinney who occasionally uses a technocratic turn of phrase that seems oddly alien in prairie country, said agriculture today "isn't a whole lot different from a diverse manufacturing process with different lines of products."

Garden City's prosperity is real. Yet is also somehow misleading. There is a whiff of Las Vegas in the air. At the airport, a local man in Stetson and boots saunters among arriving passengers, telling all who will listen that the slump in cattle prices has wiped out 10 years of his profits.

Many cattlemen have suffered such losses, bankers confirm, though few have gone bankrupt. "They are bent but not yet broken," a Kansas City banker said briskly. At the start of 1973, cattle in the United States was worth $43 billion; a year later the value was down to $21 billion.

The cattle market has behaved erratically, rising or falling by more than $10 a hundred pounds three times since 1973.

At the grass roots, the impact has been shattering.

Over at the Fidelity State Bank, Hoy B. Etling, a shrewd agricultural loan officer with the hands of a farmer, recalls the debacle. In the spring of 1973, the banks were routinely issuing notes to farmers and feedlot operators to cover the full purchase price of cattle. A few months later the bankers saw the value of those same cattle halved. To cover themselves, they demanded more collateral from farmers, including land. The Fidelity Bank hasn't been strained, said Etling, but some others have been.

Farmers and bankers alike in this part of the country are disturbed by the increasing demands for cerdit and capital. The financial statement of a single successful local farmer indicates the dimensions.

In 1974, Harry Lightner raised corn, wheat and milo, a grain sorghum, on 1,397 acres south of town. The value of the assets he manages is well over $1 million. The computer printout for his operation indicates capital assets of $1,401,983, including land worth $775,000, buildings, equipment, grain in storage, cattle, buildings and 640 acres of leased farmland.

That year he grossed $247,926, placing his operation in the top 2 per cent of American farms—those that sell more than $100,000 worth of products annually.

But the bottom line of all this was a net farm income of only $15,800.

Farmer-businessman O'Brate is disturbed about the implications.

"If somebody doesn't get aware of it, this country's going to run out of food, because our costs are so high now, we're either going to have to get paid for it or we'll go broke ... that's all there is to it," he said.

The Klevsteuber Farm, 20 miles south of Garden City, is the envy of many a local farmer who believes that expansion is the key to his economic problems.

It covers some 4,000 acres (including leased land) of the flat prairie. A motorist driving toward the farm from Garden City goes first through rolling, sandy hills and then arrives in the Kansas of folklore. Tumbleweed blows across the highway. Miles are measured in the dirt access roads that lead off the highway with exact recurrence.

Dennis Kleysteuber is a blond, chunky man who is almost the prototype of the young professional farmer. He takes a two-week skiing vacation in Colorado, pays himself a $15,000 salary from the proceeds of the Kleysteuber family farm corporation and reads a pile of periodicals and newspapers, including the Wall Street Journal and a Chase Manhattan Bank economic survey.

To work on his books, Kleysteuber can retire to a paneled, air-conditioned farm office.

A business graduate from Kansas State, Kleysteuber talks articulately about economics. Several years ago, the farm was incorporated, with his father, brother-in-law and himself receiving stock. A small, but growing number of farmers in the United States incorporate their operations to facilitate dividing the assets of their estates among their heirs.

The Kleysteuber farm, for all its modern attributes and size, seem to be suffering from the same problems of debt and costs which dog lesser operations.

"We're living right now on depreciation, or did last year," he said, referring to tax write-offs on equipment which allow farmers to reduce some of their obligations to the Federal government.

Loans on the farm are approaching a million dollars, and last year the farm lost $52,000, after paying all expenses totaling $802,000. The losses came in the feedlot and cow-raising operations. "We've lost a tremendous amount of money. It's been almost a disaster and we're still at the mercy of the prices," he says.

The Kleysteubers reduced their losses somewhat by feeding their own corn to their cattle. But that reduced the amount they could sell at the record high prices of 1974.

Cows which the corporation purchased two years ago for $80 to $90 a hundred pounds were sold in 1974 for $30 to $40 a hundred pounds—after the Kleysteubers had added 400 pounds to their weight by feeding them expensive grain. To raise money to pay off short-term debts, the corporation has mortgaged farmland.

Dennis Kleysteuber is more fortunate than many young Americans who aspire to a farming career. As the son of a prosperous, landowning farmer with a sizable equity, his opportunities are considerable. For other young people without an established farming parent or some equity of their own, the road is far rougher, if it is not blocked altogether.

The cases of Ray and Helen Davison, both 31, both caught in a web of debt, legal tangles and tax worries, is typical of the plight of underfinanced young people.

The Davisons are now living in a farmhouse belonging to friends about four miles out of Bedford, Iowa. Ray Davison is short, introverted, sharp-featured. His wife is bright, saucy and very well informed on political and economic matters. In the company of their two children, who play around the farmhouse kitchen, the word "bankruptcy" is never said out loud. But, in fact, the Davisons filed for bankruptcy last month.

Seven years ago, Davison gave up his job at a local service station to fulfill his dream. He was able to lease some acreage from an out-of-town doctor and start farming.

The Davisons slowly built up assets of $50,000 to $60,000, mostly in equipment, and some $7,000 in savings.

However, last year Davison was hit by a double blow: the economic slump which halved the value of the several hundred head of cattle he was fattening, and a drought-caused failure of his corn crop.

After selling his cattle and what he had of a crop, there was not enough money to pay debts. And his lender, the Production Credit Association in the county seat of Clarinda, refused to extend his loans.

Today, Ray Davison is broke. He has more than $50,000 in debts; and he has put his equipment up for sale. Last fall, in addition, the doctor whose farm he was leasing sold the property and the new landlord did not allow the Davisons to stay.

Davison, his attorney has told him, owes $6,000 in 1974 income taxes as well. That is because he had to sell all his cattle and crops but had few offsetting expenses since local lenders cut off the credit he needed to pay bills.

When the man from the Farmers Home Administration bank asked him last fall, "How did you get yourself in such a mess?" Davison responded:

"Seven years of working my butt off."

Davison's main problem is credit worthiness. Older farmers with land or other assets built up have weathered the storm in western Iowa for the most part. They are tightening belts, going into savings or refinancing their land.

Yet the Production Credit Association was not willing to carry Davison along.

"About $100,000 to $150,000 is what we would have had to have to continue our type of operation." Helen Davison said recently. "The PCA loan came up for renewal in November. We went over umpteen times to try to get it renewed. They wouldn't tell us, 'Yes, we're closing you out,' or 'Yes, you have to quit farming.' They should have told us one way or the other. They kept shoving at us, 'You don't have enough net worth.' We went through our whole savings this winter, then they told us no."

The Davisons said they have also been turned down by Farmers Home Administration in Clarinda for a livestock disaster loan under the $2 billion Federal loan guarantee program approved by Congress last year. "They said we were too much of a disaster," said Mrs. Davison.

Now Ray Davison is doing chores for a neighbor.

"He's determined we're going back in farming next year," Mrs. Davison said. "We like farming. I hate it when my husband works around the clock in the planting season . . . When he comes home at 4 a.m. from plowing because it looks like rain the next day. But the rewards you get! My famous last words were I wouldn't marry a farmer. But you know you always eat your famous last words."

Chuch Ehm is one of those small town Midwestern bankers who seems to know more about the pulse of his community than anybody else in town. He is deeply worried about young farmers like the Davisons, caught up as they are in agriculture's escalating financial stakes.

If the stakes force out young farmers, the family farming way of life that has assured the economic and social health of Midwestern communities will pass, he reasons.

Ehm is vice president of the Iowa State Savings Bank, a down-to-earth, old-fashioned sort of institution, in Creston. Men clad in overalls and high rubber boots mill around waiting to consult with one of the tieless bank officials who work right out in the front room. There are linoleum floors, standup radiators and a bulletin board covered with hand-scrawled advertisement for "precision sharpening of scissors or shears" or "all kinds of roofing and guttering."

Ehm strides down the street, past the ancient Iowana Hotel, with its clubroom for railroad men, past the still more ancient, boarded-up railroad station. Half a dozen times, people stop to say hello before he reaches the local buffet restraurant.

Ehm is elated. That very morning he set a young farmer up in business. The customer for an $18,000 loan was a young man who had arranged to lease some farmland. He needed the money to buy livestock, fertilizer, corn and beans. But he had a few assets to put up for collateral. He also lacked a wealthy, land owning father to guarantee the loan. Chuck Ehm by some fast talking persuaded the wealthy older farmer who was leasing the land to cosign the bank note. A young farmer had a start.

If a sociologist were researching the reason for the health of rural communities in Iowa, he or she might conclude that one reason was local bankers like Church Ehm.

Ehm has his roots in local soil. He knows the farms, knows the character of the people farming them and probably knows how often they oil their machinery.

Ehm's father came to Iowa from Germany years ago. His youngest brother still lives on the farm purchased by the father and Ehm himself owns a farm.

Why did he come back to Creston after graduating from Iowa State University?

"It has something to do with rural America," he said. "And service to people."

The rural communities around Creston are fairly typical of those left in the wake of the great rural migrations to the cities in the 1950s and 1960s. The trend has reversed in the last couple of years, spurred by the agricultural boom that began in 1972 and by the economic troubles of the cities.

But for many little farm communities, it is already too late. In places with names like Gravity, Sharpsburg, Diagonal and Shannon City, the scene is Main Street in the nostalgic film "The Last Picture Show"—only five years later. Garbage dumps, empty wooden houses, burned down hulks along main street, perhaps a hardware store or grocery, occasionally a post office or bank that is open for check-cashing (but no deposits) a few hours a week.

The loss of young people has been a fatal tragedy for these towns. During the 1960s, the proportion of farm people over 55 rose by a third while the share under 14 declined by half.

Those towns that have survived often have been helped by chance, or the determination of a few local citizens with nerves steady enough to resist being panicked by deteriorating surroundings.

The tiny town of Clearfield (pop. 500) has been aided by both. The county kept the local high school open, while closing others in neighboring towns. There is a hard surface road to other main highways. And Dale Juergens, the local banker and Lions Club booster, has fought for the town's survival.

The Lions Club raised money for a community center and restaurant and sold subscriptions for the local paper when businesses started to close.

Clearfield now has two gas stations, a nursing home, mortuary, seed dealer, two grain elevators, hog-buying station, grocery, two churches and a movie theater.

How does Juergens explain Clearfield's renaissance?

"A lot of it is attitude and confidence," he said. "In some of those other communities it must be that people gave up. But most of all what kept us going was a few good years of farming. Our whole prosperity depends on agriculture."

All across the Midwestern farm belt, growers are preparing to plant "from fencepost to fencepost" in response to the Ford administration's request for all-out production.

It is a situation that makes many farmers very uncertain about their economic prospects. In several states, such as Iowa, farmers are trying to organize voluntary planting cutbacks. They fear that the massive corn crop that could be harvested in good weather would force prices down.

Critics of the administration's farm policies say the government expects the farmers themselves to take all the risks—to plant as much as possible, but with little protection should massive harvests collapse prices. President Ford's veto of emergency farm legislation to increase price supports and income guarantees to farmers proved that, they maintain.

As farm state Sen. Hubert H. Humphrey (D-Minn.) says, no other part of the American economy is asked to take such risks; no other section of the economy is locked into a production cycle that can be adversely affected by so many factors, from unpredictable weather to suddenly soaring fixed costs.

In fairness, the critics say, a way must be

found for consumers and taxpayers to share some of the risk. It is not fair, they insist, that those at the bottom of the food production chain should accept the most risk.

Yet many farmers themselves seem divided on the kind of government protections they desire.

An Iowa farmer, for example, said, "Get the government out of agriculture." But in the same breath he denounced Agriculture Secretary Earl L. Butz, who favors just that.

Some farmers clearly would like to return to the programs of the 1960's, when the government "managed" agriculture, supported the price of products, accumulated big reserves and told farmers how much land to plant.

But others blame the government for stockpiles of that era for stabilizing prices at a level satisfactory to consumers, not farmers. They seem unenthusiastic about a return to government planting controls. Yet some in Washington feel that farmers ultimately will have to accept that in return for more stable prices.

Farmers' opinions, naturally enough vary according to their specific economic headaches. Fruit and vegetable farmers in Michigan chafe at government regulations, from quality standards to minimum wages for migrant laborers.

But tobacco farmers in North Carolina depend on the government's planting allotments to protect them from free market competition, and dairy farmers want higher government price supports and limits on imports.

Others are as angry as consumers at profiteering middlemen in the food processing chain. They insist that they are suffering as badly as consumers in other respects, too. Net farm income dropped from $32 billion to $27 billion between 1973 to 1974 and is expected to dip still lower this year.

More than anything, farmers say they want one thing: a fair return on their escalating investments.

BRITAIN—SICK MAN OF EUROPE

Mr. EAGLETON. Mr. President, with the fall of Indochina and the collapse of Secretary Kissinger's Middle East negotiations, the United States is, quite naturally, reappraising and reevaluating its foreign policy for the year ahead.

Today I would like to touch briefly on one aspect of that reappraisal policy.

Europe and NATO are very much on our minds. The strength of our European relationship depends in large measure on our long-standing friendship with Great Britain. For generations now we have been able to count on the British for, at the very least, moral support—or polite silence even when we were wrong, as in Indochina. The American-British relationship has withstood the test of time and the test of adversity.

Mr. President, I am deeply disturbed by recent developments in Great Britain. A great nation is rapidly becoming the "Sick Man of Europe." Unlike the far-flung Ottoman Empire at the turn of the century, Britain's illness is not one of geographical overextension. The British Empire was dissolved responsibly, largely the result of political accommodation rather than lost battles.

Her illness goes to the very care of her compact society. By every test of strength and stability—societal cohesion, economic vitality, industrial productivity—Britain is far less well off than she was 20 years ago.

I was moved recently by two television broadcasts of Eric Severeid. Long a friend and admirer of Britain dating back to his World War II broadcast coverage in Britain along with Edward R. Murrow, Mr. Severeid paints a grim picture of Britain today.

Neither Mr. Severeid nor I have the instant or easy answers to Britain's dilemma. Nevertheless, Britain's plight and Britain's future must cause us to think deeply and constructively. The reappraisal of American policy should begin with the trauma of our closest ally.

Mr. President, I ask unanimous consent that the text of Mr. Severeid's two CBS broadcasts of May 5 and 6, 1975, be printed in the Record.

There being no objection, the broadcasts were ordered to be printed in the Record, as follows:

CBS Evening News With Walter Cronkite: Monday, May 5, 1975

Roger Mudd. Eric Sevareid has just returned from an assignment in West Germany, and here's his commentary on what he found there, three decades after the war ended.

Eric Sevareid. In Southeast Asia, where the vital security interests of the United States do not lie, the century's longest war—thirty years—has ended. In Europe, where our vital interests do lie, the century's longest peace reaches the thirty-year mark this week.

Thirty years ago, this reporter crossed the River Rhine into a German scene of total destruction and abject, exhausted people. We were in the same region the other day and everything has come full circle. Then, a pack of American cigarettes bought obeisance. Today, an American, with his debased dollars, feels humiliated by the mighty German mark. The greatest warrior race has become the greatest merchant race. The conquered of that time are economically stronger than any of the surrounding conquerors today. Germany, too, has felt the general western recession but mildly, compared to other countries, and they are pulling out of it already.

Responsible Germans keep a low profile about their astonishing success. It is the frankly stated wish of leaders like Willy Brandt that Germany not become an economic super-power in Europe, and they foresee unhappy political and psychological consequences should that occur. They want Britain to stay in the Common Market—and the British vote on this in a month's time—partly to dilute their own power in the European community, to reassure the French most of all.

More remarkable even than the German economic miracle is the German political miracle. Few societies have ever gone from the dictatorial, authoritarian tradition to open democracy and managed to stay there, but the Federal Constitution has lasted now a quarter century and shows only minor strains.

There is an air of confidence. The parochial nationalism of the previous generation is muted. Paranoia has all but disappeared. The new, young generation is remarkably objective about their society, free of guilt feelings about the past and properly so, pan-European in outlook, quite willing to get along with the east, and regarding East Germany itself as a different nation.

This is an immensely important and hopeful thing for the future of the west—a democratic, stable, rational Germany. In terms of our own long-range interests, this surely over-balances the collapse into Communism of Indochina.

But there is a giant fly in the European ointment, with a more serious potential than what is happening in Portugal, Italy, and Turkey. And that is the condition of Great Britain. One comes away from London with a sense that a great industrial system is not only running down but breaking down. The conflict is still mostly articulated in the old accents of tolerance, but beneath the surface, the tension gathers. An endless economic crisis is approaching some kind of political and social confrontation of rather ominous proportions—another story for another time.

CBS Evening News With Walter Cronkite: Tuesday, May 6, 1975

Roger Mudd. Rapid and drastic political change is now most noticeable in Southeast Asia, but it's also occurring in western Europe and in Britain, which is the subject of Eric Sevareid's commentary.

Eric Sevareid. The President will go to Brussels this month to tell the Atlantic allies that America's word is still its bond. He will also touch down in Spain, scene of a coming political transition. He will not visit Portugal, trying to find a new footing after a generation of authoritarian rule. And he will not visit Britain, our closest ally, always regarded as the strongest and most reliable. But it's a serious question whether it can be so regarded any longer.

It is not merely that her military strength is ebbing and her economic strength weakening but that Britain is drifting slowly toward a condition of ungovernability. It is now a debatable question whether Parliament or the great trade unions are calling the political tune. The country, as one English writer puts it, is sleep-walking into a social revolution, one its majority clearly does not want but does not know how to stop. As a rough analogy, Wilson's government is at the stage of Allende's Chilean government when a minority tried to force a profound transformation of society upon the majority—not that the backlash in Britain need be militaristic, but some kind of backlash is building up, with no certain policy and no certain leader.

In the last year, the cost of living rose some twenty-one-percent but average wages by thirty-two-percent, and worker productivity steadily falls, as does business investment. The city of London is financially broke. Property taxes rose by seventy-five-percent in two years. Thousands of middle-class people move out of the city every year, like New York. Unemployment, Britain's special nightmare, rises steadily, and great corporations are insolvent, one after another.

Behind all this are the doctrinaire socialists, the true believers, for whom the picture in their heads is more real than the reality around them. One of the troubles with Marx was that he lived before Freud; human psychology was not his strong suit. The socialists persist in thinking that a worker in a nationalized factory will feel he owns it and will joyously work the harder. The opposite happens, for everybody's property is nobody's property and is so treated.

Their emphasis is on sharing wealth over producing wealth, on equality over liberty. The end of this is almost certainly the loss of the wealth and, less certainly, the loss of the liberties. It is no small matter that the regime is trying to force all British journalists, editors included, into one monopoly union, sure to be dominated by what we call the radical chic and what they call the trendy left.

The powerful Communist influence in trade union leadership is no longer disputed. What do they want? Not a Communist Britain in the foreseeable future, much more likely a chronically weak, dispirited Britain, able to play no effective role in the world or the alliance. That would suit very nicely the long-range strategies of the Soviet Union.

UMI

MINNESOTA CORRESPONDENT REFLECTS ON AMERICA'S INVOLVEMENT IN VIETNAM

Mr. HUMPHREY. Mr. President, much will be written about the Vietnam war. There will be volumes of postmortems. I call to the attention of the Senate a recent article by Mr. Ronald Ross of the editorial staff of the Minneapolis Tribune. Ronald Ross served as the Minneapolis Tribune's correspondent in Vietnam from 1965 to 1970, and has followed developments there since then in his role as a Tribune editorial writer. When Saigon fell 10 days ago, his editors asked him to set down his personal reflections on the conflict. This article is the result.

I ask unanimous consent that the article entitled "The Vietnam War Is Over: What Was It All About?" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE VIETNAM WAR IS OVER: WHAT WAS IT ALL ABOUT?

(By Ronald Ross)

A letter to my daughter:

You often asked me, when you were a little girl living in Hong Kong, what the Vietnam War was all about. Now that it has ended I will try to explain.

A lot of it has to do with American fears of the spread of communism after the second World War. To some extent those fears were justified. By 1950 Americans could see that Communists ruled in Russia, Eastern Europe, China and North Korea, and appeared to be threatening in other parts of the world, including Vietnam and the rest of Southeast Asia. Many Americans thought then that hordes of Communists, led by Russian and Chinese spies and soldiers—all lumped together in a huge global conspiracy—were about to take over everywhere.

Today, of course, we know that Russia and China have little in common—even their communism is different—that "global communism" is a myth. But it is a myth that many Americans—some of them in very important positions—believed in. And they believed that it had to be fought wherever it threatened.

Lyndon Johnson, who might have been a great president if it hadn't been for his obsession with Vietnam, was quite capable of telling people in the 1960s, for example, that if we didn't stop the Reds in South Vietnam, tomorrow they would be in Hawaii, and next week they would be in San Francisco.

The United States got really involved in Vietnam for the first time when it supported France's return to its Indochina colonies after the defeat of Japan in 1945. That support soon was translated into massive amounts of military aid with the surfacing of Ho Chi Minh's Vietnamese independence movement, which the French tried in vain to crush. When the French were defeated in 1954 by the Communist-led revolutionaries, the United States stepped into the breach, or quagmire, as some have called Vietnam for the Americans.

An anti-Communist president, Ngo Dinh Diem, was installed in Saigon—the capital of the southern half of Vietnam—and the first American advisers were sent out to help him. That was in President Eisenhower's days. From that small beginning, the American presence grew until there were 550,000 troops in South Vietnam in 1970, when President Nixon was in the White House. Getting involved in Vietnam we know now was a mistake, but once America's leaders got locked into it, they found it hard to get out. And in the 1950s and 1960s the leaders were backed by a majority of the American people.

If you have ever seen films of Sen. Joe McCarthy in action you will understand something about the mood of America in the 1950s. McCarthy finally was broken, but his malevolent anti-Communist crusade left many deep scars on American society and drove out of office many fine diplomats and scholars who could have helped policy-makers in the decisions they were making about Vietnam.

Those were times when you would have thought that many Americans had lost their senses. In a way, they had. They had certainly lost their sense of perspective. Many of them were not to regain it until much, much later. And there are some who still haven't. Those also were the days of Secretary of State John Foster Dulles and his messianic, muscle-flexing diplomacy. Dulles even wanted to drop an atomic bomb on Indochina at one time, but, mercifully, wiser heads prevailed.

John Kennedy inherited much of Dulle's vision of America's role in the world. When that was put together with Kennedy's illusions about counter-insurgency and the new weapons that were being developed for the U.S. military, it seems now that a "Vietnam" somewhere in the world was probably inevitable.

There also was an underlying streak of racism in the attitude of many Americans, and that led some of their leaders, including presidents and secretaries of state, to make the big error of underestimating the Vietnamese: "Charlie Cong" to some generals, and "gooks" to a lot of GIs.

It was an error that was to cost the lives of more than one and a half million soldiers (only 56,000 of them American) and the lives of hundreds of thousands of civilians (all but a handful of them Asian).

Vietnam was not America's finest hour abroad. Nor was it America's finest hour at home, where the better things about JFK's New Frontier and LBJ's dreams for his Great Society crumbled under mounting inflation and political and social dissent.

There was little to be seen of America's generosity or intellectual ferment, but plenty of its arrogance, its violence, its passion for manipulation. America was to look even worse under Richard Nixon and Henry Kissinger, the co-authors of the last chapter of America's tragic Vietnam story.

Nixon was ideally suited by temperament to succeed to "Lyndon's war"—manipulating men and machines to prove that America was not a "pitiful, helpless giant" and wrapping his actions in a cloak of secrecy and mistrust. If he had stayed within the limits Johnson had aet (at least publicly), Nixon might have survived, but he chose instead to send the U.S. cavalry after more Reds in Cambodia—launching death and destruction on that little country in the name of saving American lives. (There really was a cavalry unit out there. It went to war in helicopters. Now it's back in tanks.)

The campuses exploded, but Nixon might have survived even that had it not been for his paranoia about secrecy. It was his and Kissinger's vain efforts to hide massive, pre-invasion bombing in Cambodia that led to White House orders to wiretap U.S. officials and reporters suspected of leaking the story. That was the first link in the miserable chain of clandestine operations that produced the White House "plumbers" and, eventually, the Watergate scandals. With those, Nixon was out.

For six years, Nixon and Kissinger, and then Gerald Ford and Kissinger, strung out the last chapter—from 1969, when a settlement could have been reached, through the Christmas 1972 bombing of Hanoi, the 1973 signing of the Paris agreements and the return of the American POWs, to the resignation of President Thieu on April 21 of this year and his flight to Taiwan on April 26 and the surrender of Saigon to the People's Army of the north and the Revolutionary Government of the south on April 30.

It might have gone on longer. Even until the last weeks, there still were hundreds of American military advisers in South Vietnam and billions of dollars worth of American guns, planes, bombs, helicopters and tanks. In Washington, President Ford and Kissinger still were pushing Congress hard to give Thieu even more. But Congress balked, finally responding to the feelings of millions of Americans that enough was enough. As the book closed in the White House, it opened on Saigon, renamed Ho Chi Minh City, Vietnam at last was for the Vietnamese.

Kissinger lingers on, continuing to treat domestic politics and the country's public opinion as something to be manipulated so that he can be free for dealings with other nations, preferably America's "adversaries" who, he once said, gave him less trouble than America's friends.

Some years ago, in a rare unguarded moment, Kissinger explained his own vision of himself to the Italian woman journalist, Oriana Fallaci: "The main point stems from the fact that I've always acted alone. Americans admire that enormously. Americans admire the cowboy leading the caravan alone astride his horse, the cowboy entering a village or city alone on his horse . . . a wild West tale, if you like."

"When people really digest what has happened, then they will begin to see that the Kissinger style of diplomacy is incompatible with our ideals as a people."

Those were the words of a wise man spoken last week here in Minneapolis. He is Maurice Visscher, regents professor emeritus at the University of Minnesota. In 1966, he helped form Minnesotans Against the War. That was a time when many prominent people in Minnesota, including Sens. Humphrey and Mondale and some of the senior executives and editors of this newspaper, thought that what America was doing in Vietnam was right.

Do you remember the Beatles' song: "I read the news today oh boy . . ."? Well, there always was news about Vietnam in the newspapers and on radio and television, as far back as the 1960s, when Kennedy was in the White House, and even further back when the French were in Vietnam.

There was plenty of deception by government officials, but information always was available, at least to those who cared to take an interest. If there was any sense in which it could be said that Americans were not well-informed, it was not that they lacked facts. Rather, it was that the press in those early days did not try hard enough, or was not bright enough, to make sense of them. One of the reasons for this failure was that many reporters and their editors agreed with Presidents Eisenhower, Kennedy and Johnson that the line against "global communism" had to be held in Vietnam.

It was not as though the United States was not warned about getting involved in Vietnam, either. There were always a handful of Americans saying, "No."

There were foreigners with insight and experience saying "no" too: Gunnar Myrdal, the famous Swedish social anthropologist; U Thant, the gentle Burmese. And then there was the French president, Charles de Gaulle. France was forced out of Indochina. Under De Gaulle, France was to give up Algeria. Surely he knew what he was talking about.

As far back as 1961, when there were only a few hundred American soldiers in Vietnam, De Gaulle told Kennedy: "You now want to assume our succession to rekindle a war that we ended. I predict to you that you will, step by step, become sucked into a bottomless military and political quagmire. . . ."

But few American politicians ever paid much attention to the French. The French were too cynical; worse, they were losers. It was a French general who first said there

was "light at the end of the tunnel." That was Henri Eugene Navarre, commander of all French forces in Indochina, and he said it in September 1953—barely eight months before the French defeat at Dien Bien Phu.

Despite France's experience, America's Cold War warriors took up the trail. Secure in their myths and moral pretentions, they kept sending young Americans out to die in the search for that "light." All for nothing. Sometimes the absurdity of it all was shattering. I came to appreciate the true whimsy of "Alice in Wonderland," and when that no longer sufficed, the near silence of Samuel Beckett: "You must go on, I can't go on, I'll go on."

For a young woman who has grown up in a reasonably rational home, the whole Vietnam War must be very hard to understand, particularly since a lot of what you might have read about the big battles in Vietnam and and the Pentagon's "pacification" and "nation-building" schemes obscured what really was happening out there.

It was not "foreign aggression." It wasn't even a "civil war" though I have used those words myself in an attempt to catch the flavor of Vietnamese struggling against Vietnamese. It was a revolution. There is no other word to describe it, for that's what the Vietnamese have known it to be since the 1920s.

That shouldn't be hard for Americans to understand. The Vietnamese revolution had its own Declaration of Independence (proclaimed by its founding father, Ho Chi Minh. 30 years ago this August) and its own Redcoats and Hessians—the French, the Japanese, the British, who held Vietnam until the French returned, and finally, when the French lost, the Americans and their allies.

As for the war, itself, is wasn't wall-to-wall war every day of the week, you understand, though it must have seemed that way to your mother from TV and the headlines. A lot of the war was like being in a series of college locker-rooms, where it was "frig" this and "frig" that. "When you can kill hell out of them out there, goddamit, you feel real good." That was Maj. Gen. James Hollingsworth in April 1972.

It was all very macho—males testing themselves, going out on combat. "humping the boonies." Some of the American press was like that, too, I regret to say. It's a pity there weren't more women reporters out there to have pricked all that macho.

There were a few, though among them Oriana Fallaci and Gloria Emerson, who reported from Vietnam for the New York Times for more than two years.

Here is a sample of Ms. Emerson's thoughts about the men who fought the war (much the same could be said of some of the senior U.S. diplomats out there, too): "Many officers were small men with a talent for deceit. They lied about bodycounts, military targets, the war they insisted they were winning and even the morale of their troops. They were men with pleasant manners and dim minds . . . and carefully turned up sleeves to show a bit of muscle . . . for whom only other Americans were real. . . . It always surprised me that so many of them were such fussy men, always quite anxious to prove how hard-core they were and that there was really something between their legs."

The GIs, generally, she adds, "were very much smarter and understood so much more than their officers." How true. And many of them, fighting for a losing cause in a strange faraway land, continued to make personal sacrifices and perform acts of bravery that were all the more remarkable.

Not all the officers were of the mold that Ms. Emerson wrote about, though I must agree they certainly seemed to be in the majority; maybe that's what the army does to men. But there were bright and sensitive ones, too, and several of them became my close friends. There was much that their country was doing in Vietnam that they deplored. On the whole, however, the war was a massively nasty business, stripping away from many it touched the little decencies that are a hallmark of civilized people.

An incident I witnessed stays with me to this day. A regiment of the 1st Air Cavalry, the glamour unit of the early days of the American war, had just come back from a running battle up the Ia Drang valley in the Central Highlands.

It had been a long and dirty battle; I had been along for part of it. The regiment (which bore Custer's number, ironically) had claimed a big bag. After we had all showered, we gathered in the officers' mess. Some of the officers were missing, and quite a number of GIs had been killed. But the officers were in great form, laughing and flirting with a couple of Red Cross nurses. The chaplain bought a round of drinks.

Another time I was having a drink in the bar at the top of Saigon's Mia Loan hotel, which was, in truth, a seven-story whorehouse, but the bar was a good place to get away from everything. Pete Kumpa of the Baltimore Sun and I used to wander up there from time to time to get the "air." The 18-year-old son of a well-known Southern senator turned up, drunk as a young Bourbon lord, $200 in his pocket and a Polaroid camera in his hand. He had just come up from the Mekong Delta, where he was flying helicopters. He was, he said, going to take pictures in every room on every floor of the hotel. I heard later that he had tried, but finally got thrown by an enraged soldier who couldn't have cared less that the chopper-jockey was a warrant officer and a senator's son to boot.

War stories. They weren't all bad; there were a lot of Americans out there who really tried hard to do something for the Vietnamese. I still have some twinges of nostalgia—like the nostalgia of an aging ex-colonial—for the good things, the fine meals at Rene's Golden Lotus and a small but trusted parcel of friends, Vietnamese, American, German, British, French. Rogues, some of them, but they had some style.

Anyway, it's all over now for the Americans—for the time being at least. "Chacun son tour. . . . Aujourd'hui le tien, demain le mien," as Francois Sully used to say. "To each his turn. Today yours, tomorrow mine." (Sully, one of Newsweek's finest, was killed in Vietnam.)

"It's over," a young Revolutionary Government official told an Associated Press correspondent in Hue last week. "But what a cost. Thirty years of people being killed and our land destroyed. Now there is much to do."

But don't think for a minute that it couldn't happen again. Don't let the men who run this country push it under the rug. Insist that you see what's under that rug, and when you have, hang it up in the fresh air and give it a good beating.

BUSINESS WEEK ARTICLE ON TRANSPORTATION REGULATION

Mr. KENNEDY. Mr. President, Business Week magazine in its May 12 issue ran an excellent cover story entitled "Transportation: Freedom from Regulation?" The debate over regulatory reform of transportation is a complicated one and sometimes does not receive the attention that it deserves. The Business Week article is, however, an exception. It is one of the more comprehensive pieces I have seen on the subject for some time.

The Subcommittee on Administrative Practice and Procedure, which I chair, has been taking a close look at airline regulation. Many of the issues developed at our hearings were touched on in the Business Week article. The subcommittee has found that lower air fares without substantial reduction of air service is both possible and desirable. I ask unanimous consent that the article and my letter to Business Week be printed in the RECORD.

There being no objection, the article and letter were ordered to be printed in the RECORD, as follows:

TRANSPORTATION: FREEDOM FROM REGULATION?

Never in the memory of anyone connected with transportation has there been such a large and concerted outcry calling for its deregulation. "The American consumer is being forced to pay from $4-billion to $10-billion a year for the high shipping rates and inefficiency of railway operations caused by Interstate Commerce Commission regulations," saya Senator Robert Taft (R-Ohio) in a characteristic statement representing the mood of the times. "We need to return America to the free-enterprise system and end wasteful federal bureaucracy."

The issues in deregulation are three: whether there should be freedom for new or existing transportation companies to enter markets; whether there should be freedom to stop serving markets; and whether there should be freedom to let the marketplace set prices in open competition subject only to antitrust laws.

Those in favor of deregulation believe that regulation was created in a different economic era, specifically when railroads had a monopoly on transportation. They argue that after the trucking industry grew big enough to challenge this monopoly, Congress—as deregulators see it—made a mistake. Instead of deregulating railroads and letting competition work, Congress brought the trucking industry under the regulatory umbrella. Subsequently, it regulated some water carriers and all surface freight forwarders.

Today, advocates of deregulation insist, there is no need to build fences around transportation companies or even transportation industries. In fact, doing so keeps rates artificially high, and the nation, which can ill afford it, is obliged to subsidize a lot of waste in the transportation of its goods and people. Just as the Interstate Commerce Commission was created to meet an economic need of the time, the Civil Aeronautics Board was created to promote and protect a fledgling industry. Today, aviation is a huge and powerful industry that should have more competition from innovators, say the deregulators.

Critics of deregulation, on the other hand, argue that this country has the best, most efficient, and lowest-cost-to-consumers transportation complex in the world. It is also, they point out, the only one that is still largely in private hands, and it got this way and prospered, by and large, thanks to intelligent regulation. The regulatory system is not, they admit, perfect by any means and is certainly subject to improvement. But allegations of huge waste fostered by regulation have no factual support. Tearing down the regulatory fences without fully understanding why they were put up in the first place would be a national disaster.

Nevertheless, in today's post-Watergate superinflation world, in which so much of the public distrusts big, entrenched business, labor, and government, such calls for transportation deregulation have enormous popular appeal. A view once held universally by academic economists but by few others has now become a rallying cry for everyone from free-market conservatives to extreme liberals, with consumer-activist groups scattered throughout the spectrum.

PUSHING FOR REFORM

Riding the wave of this belief and trying to combat inflation by eliminating waste, the Administration is vigorously pushing for

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regulatory reform. Although it is not going nearly far enough to satisfy the deregulators, the Transportation Dept. thinks it has a program that can pass Congress.

As part of this, they want more freedom of entry and more flexible rate setting. However, the first priority for government action is the railroad industry—because it is the sickest. And, ironically, that part of the program appears to favor more—rather than less—regulation.

Even as President Ford this week called for an across-the-board reduction of federal business regulation, Transportation Dept. officials were mapping plans to do just the opposite: increase federal control over the railroad industry. The plan, in fact, violates the Administration's abhorrence of another kind of federal intrusion in the free-market economy—allocation of credit by other than market forces.

The scheme calls for a massive $2-billion loan-guarantee program for railroads. To get this cheap money, reasonably healthy roads would first have to merge with one or more losing lines in accordance with a grand design for restructuring the national railroad network.

The program being drafted for the railroads, which is due for submission to Congress this week, is part of an over-all Administration strategy to "rationalize" the nation's transportation system. As such, it calls for a good deal of "deregulation" and a greater reliance on market forces for setting prices and developing new and more competitive carriers in transportation. But it also recognizes the need for the government to help channel billions of dollars into new transportation investment—especially in the railroad industry. Largely because of this investment program, which will increase the federal role in railroading, the new Transportation Secretary, William T. Coleman, is soft-pedaling the deregulation issue.

"There is no talk of deregulation if by that you mean no regulation whatever," says Coleman. He adds, "The Administration's aim is to modernize and reform the regulatory system."

For example, Coleman would like to simplify rail merger regulations in order to promote consolidation of rail facilities and the development of a more efficient rail system. He proposes that many of the ICC's procedures on mergers be waived. This appears to be consistent with removing the heavy hand of government from private business transactions such as mergers, but in reality it is not. It simply replaces the presence of the ICC with that of the Transportation Dept.

The catch in the Coleman plan is that railroads could obtain waivers from present merger regulations only if they merged with certain other railroads stipulated not by the ICC but by the Transportation Dept. And only then would the railroads get the loan guarantees.

Says Coleman: "I hope I can create a situation in which the first railroad knows it better go through the gate, and the others as a matter of defense will go through the gate. I hope that eventually I can say, 'Well, you're too late, the gates are closed.'" The scheme apparently fits the Administration's over-all deregulation strategy because the loan plan is viewed as a temporary measure, designed to create a more efficient and viable rail system. After that goal is achieved, Coleman hopes the government will remove itself from funding and merger issues as the railroads regain investor confidence and access to capital markets.

THE STRUGGLE OVER FREEDOM

The other part of the Ford program is more directly related to removing government controls on transportation. Briefly, it calls for:

Rate freedom: In the first year, railroads will be able both to raise or lower rates by 7% without the ICC's prior approval. The limits would increase to 12% in the second year and 15% in the third. After the third year, the results will be evaluated.

Standards: Carriers can base rates on their variable costs and do not have to factor fixed costs into their rate base. This would allow railroads, which have higher fixed-cost rate bases, to lower prices in competition with trucks and barges. When a railroad tried to do this in 1963 by lowering rates on ingot molds to variable costs, barge competitors took it to court and were upheld.

Entry requirements: New entries into the trucking business would get ICC operating approval if they could show that they would operate more efficiently than present carriers. In addition, subsidiaries of large companies hauling their own freight would be permitted to haul products of other subsidiaries or affiliates of the parent company without ICC approval.

In the airline field, the Administration favors an even greater range of price freedom, perhaps as much as 15%—up or down—immediately, as well as a simplification of procedures designed to encourage present airlines to compete more vigorously in strong markets. Coleman also hints at reviving earlier proposals to permit a company to own more than one form of carrier, which would allow railroads to expand into trucking.

The Administration's plan is sure to face stiff opposition in Congress, however, where a number of competing transportation plans have already been tossed into the legislative hopper. It is not clear that Congress will accept a plan such as Ford's for reviving rail service—for instead of a temporary loan-assistance plan, many lawmakers are calling for near-nationalization of the railroads. In areas such as less ICC control over prices and market entry, the trucking industry—both management and labor—is sure to dig in its heels. And despite Coleman's contention that times have changed, there is still great concern among many lawmakers that such abuses of free-market competition as rebates and discrimination against small shippers would crop up again if government vigilance lessened.

One criticism of the rail loan-guarantee program comes from ICC Vice-Chairman A. Daniel O'Neal, who characterizes it as an exercise in "funny money." Says O'Neal: "We need to bite the bullet and provide real money—cash—for the railroads."

He has been joined by other ICC officials, including George Chandler, director of its Rail Services Planning Office, which has been evaluating the U.S. Railway Assn.'s preliminary plan for revitalizing rail service in the Northeast and Midwest. Calling the USRA financing plan inadequate, Chandler has proposed a $2-billion federal program in which the government would match, dollar for dollar, new railroad investment by giving the railroads cash grants paid for out of new federal fuel taxes. Other plans call for a railroad trust fund paid for by surcharges on freight bills and federal ownership of the railroad right of way.

Representative Brock Adams (D-Wash.), who heads the new House Budget Committee, is a leading regulatory expert in Congress. He has introduced his own bill, which also allows greater rate freedom. But he would not allow railroads total freedom to reduce prices, as the Administration would. "It does not make sense to give them financial assistance and then allow it to be given away through decreased rates," he says. Otherwise, his proposal closely parallels the Administration program.

DRAWING THE BATTLE LINES

But others are not so agreeable to Ford's deregulation plans. Farm groups are especially concerned that greater rate freedom will mean higher prices for rail transport of grain; the Administration has therefore backed away from proposals to exempt railroads totally from regulation when they carry farm goods. "We'd like to, but it's political dynamite," admits Jack Snow, a top Coleman aide. But he concedes that the rate freedom proposed for railroads, giving them a range of uncontrolled price flexibility, will help them attract more farm business or carry existing business at more economic rates.

Truckers are especially upset at the deregulation plan, and they are particularly critical of the Administration's move to open up entry. "In the minds of many economists, and some government officials, there seems to be a belief that if the supply of transportation services is increased, the demand for service will also increase. This misconception is obvious," asserts Edward V. Kiley, vice-president of the American Trucking Assns., who argues that it would simply mean more people getting a smaller slice of the pie.

Airlines, too, are opposed to many deregulation arguments. "Would deregulation lead to lower labor and fuel costs?" asks Paul R. Ignatius, president of the Air Transport Assn. of America. He adds: "If it doesn't, how would it lead to lower fares?" He also questions the need for freer entry and exit. He believes that it would lead to instability and the loss of service to many communities that have made heavy investments in air terminal facilities.

But the issue has been joined once again—and this time with more momentum behind it because of the sad state of rail transport. With a large number of freshmen Congressmen sympathetic to knocking down institutional icons such as the ICC and CAB, the Administration may find some legislative allies willing to push its program through.

Understandably, when they first became aware of this phenomenon, transportation company executives were badly frightened. To a man, they retreated behind such bromides as, "Let's not throw out the baby with the bathwater," or "Let's not pull down the building until we have something to take its place." John L. Weller, who has had a long career in transportation as both an executive of operating companies and an investment banker specializing in transportation securities, calls the proposal to cure transportation's ills by bleeding "silly".

But lately transportation executives have gained confidence that they can win in a showdown fight over deregulation, and some of them are even anxious to get on with it. While there is widespread support for freedom of entry, there is virtually no enthusiasm among politicians for freedom of exit. Governor Milton J. Shapp of Pennsylvania, for example, has bitterly opposed virtually every attempt to drop railroad routes in his state. The transportation establishment cannot believe there could be freedom of entry without freedom of exit.

What is really at issue in the fight over regulation, particularly now, is how much waste it causes. But some of what deregulators think of as waste is actually the result of an unarticulated but age-old federal philosophy that transportation is an instrument of social policy. If many freight rates and passenger fares are higher than they would be without regulation, it is because the excess is used to cross subsidize high-cost transportation services elsewhere that are deemed by some governmental body or other to be socially important. These are the services that regulators mostly will not let transportation companies abandon.

WHAT KIND OF SUBSIDIES?

One reason that the established transportation companies are not so frightened as they were at first is that the political clout in Congress may be swinging toward their side. For instance, consumers who must pay $182 to fly from New York to Los Angeles may find the recent World Airways, Inc., proposal for an $87-fare based on a lack of cross subsidization attractive, but they do not have the financial backing or staying power of business and labor—the two groups that benefit the most from the present system.

There is talk that direct subsidies would be a cheaper and more efficient way to meet the needs of social policy. This is exactly what the National Railroad Passenger Corp. (Amtrak) and several railroad commuter operating agencies are designed to do.

"If cross subsidies are out, how about direct subsidies?" asks the ICC's O'Neal. "Advocates of free entry believe them to be more honest because they can be measured in dollars and cents. But can they assure you that Congress thinks it will be 'more honest' to appropriate increasingly harder-to-obtain tax funds to subsidize the transportation industry, parts of it, or factories or communities abandoned by that industry? I wonder whether the ultimate in direct subsidies—nationalization—wouldn't look better to a Congress besieged by demands for better transportation than would direct subsidies to private business."

WHICH FREEDOMS?

This gets down to the nitty-gritty of the problem. If transportation executives thought for one minute that Congress would excuse them from money-losing social responsibilities, the prospect of deregulation would not worry them. Political realities and past experience, however, have given them good cause for concern.

The fundamental reason the New York Central and Pennsylvania RRs fought for a merger—and the reason the ICC bought it—was to eliminate waste trackage and cut costs. To this day, local, state, and federal politicians have successfully kept the Penn Central from abandoning any but an insignificant amount of lightly used track.

For a time, the CAB attempted to rationalize the air transport industry, particularly the subsidized regional segment of it. There are scores of infrequently used commercial airports, many of which are not far, in driving time on interstate highways, from another airfield, so the CAB tried to increase the quantity of service at hub airports and close other fields nearby. It adopted a use-it-or-lose-it policy under which the board would give an airline permission to stop serving any airport at which enplanements dropped below a set rate. But political pressures quickly forced the board to abandon the policy.

"The first places we'd take a look at leaving if we had freedom of exit would be Ely and Elko, Nev.," says an official of United Air Lines, Inc. "Can you imagine us doing so and waving goodbye to Senator Howard Cannon of Nevada, head of the aviation subcommittee?" During March, just over 1,300 passengers got on or off United's two flights a day at Ely and less than 800 passengers traveled through Elko.

Deregulation purists who believe in free-market fares argue that transportation should not be made an instrument of social policy. Communities, factories, and shippers will be served at a price, say these deregulators, and if these users are too small or too far off the main line, the price will go up. If the price is too high to be competitive, the community, factory, or shipper will move elsewhere

In the worst possible world for existing transportation companies, one in which freedom of entry was permitted but freedom of exit was not, the airlines see the most frightening consequences. They foresee "sharpshooters" with second-hand jets and non-union labor converging on the heavy-traffic city pairs and "cream skimming" with rock-bottom prices. This will inevitably lead to corner cutting, which raises serious questions about safety.

Today, with the present price structure and CAB regulation, airlines generally police their own safety standards. (The CAB does not regulate safety per se.) In an unregulated world, the size of the Federal Aviation Administration would have to be enormously increased to do it for them—and the public. Increasing the size of one regulatory body in order to eliminate another is not generally considered progress in the industry.

Actually, however, other constraints would probably be put on airlines. It would be relatively easy to abolish the CAB, but it would be hard to abolish airline regulation. With existing and new airlines all trying to serve the densest markets at peak travel times, airports like New York, Chicago, Los Angeles, Miami, and so on would quickly run out of landing and take-off slots, ramp space, baggage-handling facilities, and fueling facilities. Quasi-governmental bodies like the Port Authority of New York and New Jersey would have to begin regulating aviation.

If the CAB were abolished, as consumer advocate Ralph Nader demands, and if airlines set fares under Robinson-Patman and various other anti-trust laws, regulation to prevent economic damage would be replaced by litigation after it had occurred. Within five years, a huge cadre of lawyers would develop in the Justice Dept. to specialize in aviation cases. "And that," says a long-time transportation observer in Washington, "is essentially what we've already got in the CAB."

Finally, assuming that the energy crisis persists, the Federal Energy Administration would eventually have to impose controls.

EFFECTS OF COMPETITION

Over airline objections, the Transportation Dept. is going to seek pricing zones and freedom of entry for the industry. "We recognize that pricing flexibility is criticized on the assertion that only the strong firms will take advantage of it," says Robert H. Binder, Assistant Secretary of Transportation for policy, plans, and international affairs. He characterizes the opposition view this way: "They will either drive prices up or, in the alternative, drive the prices down temporarily to destroy competition and then increase prices when the competition is gone."

He adds: "Liberalized entry and the threat of potential entry is the enforcer that assures that pricing flexibility will not be misused. With liberalized entry, the strong firms will not be able to drive the price up because of the threat of competition. And they will have little incentive to underprice their services to drive out old competitors because there is always the threat of new competitors. Instead, we think that existing firms will improve their efficiency and keep their prices low enough to keep the new firms out."

Not all "wastes" from regulation is caused by social policies, of course, and the need for cross subsidies. There is some inefficiency simply from the fact that transportation companies are protected from competition and are not slugging it out for business like everyone else. How much waste comes from this, not even the academic economists can agree on.

Professor Thomas G. Moore, now at Stanford University, has come up with the most dramatic numbers. And because of their size, they are quoted so many times and in such high places, including by the Council of Economic Advisers and by Senator Taft, that they have gained much credence. What Moore did was to estimate the various losses incurred from ICC regulation through inefficient use of common carrier trucks, private trucks, rails, and water carriers and through the inefficiencies that arose because a higher-cost carrier carried volumes he believes should have gone to the low-cost carrier. The year he choose for this study was 1968. His low estimate was approximately $4-billion; the high was almost $9-billion. Since then, with inflation and growing inefficiencies, he has increased the high side to $16-billion.

Professor John R. Meyer of the Harvard Business School, himself an eminent transportation economist and a sincere deregulator ("Not that it would make much economic difference, but it would get rid of a lot of underbrush," he says), laughs at these numbers. "I have to hand it to Tommy; he keeps his name in the headlines," says Meyer. "But I really can't see where he comes up with that much waste. I don't think there's anything like it. Given the deterioration of the rail plant, the excellence of the highway network, and the specialization of truckers, I am very dubious that over the short run there would be savings of more than $3-billion." However, Meyer is a firm believer in deregulation because it would eventually force a more efficient reallocation of capital.

There are several apparent flaws in Moore's assumptions. John A. Creedy, a widely respected transportation thinker who is also the president of the Water Transport Assn., which represents the common carrier inland and coastal waterway industry, gets indignant at several of them. Some 15 years ago, he claims, the courts ruled that frozen chickens traveling in truckload lots were an exempt agricultural commodity and therefore freed from regulation. Thus segregated from general freight, which often does not travel in truckload lots and which consequently undergoes repeated and costly terminal handling, the transportation charges on frozen chickens went down an average of 20%. "To extrapolate from that single, 15-year-old incident involving frozen chickens to a sweeping assumption that the ICC regulation causes 20% waste in the whole transportation industry is absurd," says Creedy.

He also cites in his own industry something called the mixing rule. This says that if barges carrying exempt commodities are combined with those carrying regulated commodities in a river tow, everything comes under regulation. As the power of towboats has increased, and with it the efficiencies of the inland waterway industry, operators have found it increasingly difficult to assemble a tow that is all one or all the other. Sympathetic to their plight, the ICC has never imposed the mixing rule. But Stanford's Moore calculates an estimated waste into his over-all number as though the commission had. "It isn't much, but it's there," says Creedy.

Creedy believes strongly that there is nothing the matter with transportation regulation that more penalties would not fix. He proposes to keep the Interstate Commerce Act intact but wants to assess triple-damages against anyone who violates its provisions. This, he believes, would make the transportation industry self-regulating.

SOURCES OF WASTE

In December, 1970, Dr. Hendrik S. Houthakker, then with the Council of Economic Advisers, sent key Congressmen a memo from the CEA "suitable for discussion with interested parties." It was not, he took pains to emphasize, an Administration call for deregulation. In it he proposed that ICC control over rates, entry, and exit be terminated, that rate bureaus be outlawed, and that rates for all modes of transportation be encouraged to descend to a floor of marginal cost.

Since the proportion of marginal or "out-of-pocket" costs for the motor carrier industry is far higher than it is for railroads, this would have tended to raise truck rates and lower rail rates. Supposedly, a lot of traffic would have been captured by the railroads, benefitting both them and the public through lower rates. The fact that this did not happen is also factored into Moore's total as a loss from traffic carried by truck instead of rails. But it overlooks the fact that price is not the shipper's only consideration. Many prefer trucks because of their greater reliability, dependability, flexibility, and so on. Furthermore, Moore apparently assumes that rail rates would not go back up on the traffic railroads lost to truckers—if they got it back.

The empty backhaul problem in the motor carrier industry is cited as another huge area of waste that would disappear under deregulation. Depending on who you talk to,

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the total mileage driven by empty trucks in the U.S. varies from 5% to 40%. The high figure is cited by the deregulators and by Agriculture Secretary Earl L. Butz. According to the American Trucking Assn., it includes pickups driven for personal transportation, trucks that specialize in commodities like automobiles, which can very rarely find a return load, and trucks that are empty because there is simply an imbalance of freight to be transported. "To contend that such vehicles operate empty because of federal regulation is the height of irresponsibility," says the ATA.

Where there is an empty backhaul problem is with exempt agricultural truckers and with private carriers. An owner-operator trucker who carries produce to a big-city market cannot legally carry regulated traffic back even though he makes a persuasive argument that the cost of the produce delivered to market might be less and the wastage of diesel fuel would be eliminated.

The regulated truckers point out, however, that they, not he, have a statutory requirement to serve the public and that their ability to do so depends on a large traffic base in both directions. Giving an exempt carrier a full backhaul, they insist, only deprives a regulated carrier of his full fronthaul. It shifts the costs and waste from one truck to another; it neither eliminates them nor adds to the total amount of freight being carried.

Similarly, men like Sam H. Flint of Quaker Oats Co. and Levon Soorikian of International Telephone & Telegraph Corp. complain of waste in transportation. Flint would like the trucks that bring in the raw materials for Quaker Oats' pet food subsidiary to be allowed to take out the canned pet food. Soorikian complains that corporate trucks carrying products of one ITT subsidiary in interstate commerce cannot pick up a cargo from another subsidiary for the return trip. Again, the regulated carriers argue that to do so would shift loads and costs unfairly. If the corporations really wanted to eliminate waste, says one, they should use common carrier, regulated trucks for both directions.

Out of all these impassioned arguments, it seems evident that total deregulation is not in the cards but that there will be changes. Sums up Congressman Adams: "I am willing to accept the fact that the regulatory system is not working well. But I do not believe that total deregulation will solve the problem. The abolition of the ICC tomorrow would not produce a deluge of money into the coffers of the railroads. It would probably mean rate wars, loss of essential service, and higher freight rates with further diversion of traffic to other modes. However, the problem of regulatory lag, of inflexible rate-making procedures, of across-the-board general rate increases can be addressed within the framework of the Commerce Act. I think we ought to try to tune the engine before we junk the car."

Coleman: He Runs an Open Shop

William T. Coleman, Jr., 55, picked by President Ford last February to serve as Transportation Secretary, is the Administration's "point man" in pushing its regulatory reforms through Congress. No stranger to Washington's ways, Coleman has served in federal hot spots before: He was one of the original members of the Federal Price Commission in 1971. Immediately prior to his current stint in Washington, he was a partner in the prestigious law firm of Dilworth, Paxson, Kalish, Levy & Coleman in Philadelphia.

Although a former director of Pan American World Airways, Inc., and a labor negotiator for the Philadelphia area transit system, Coleman admits that he needs to brush up on regulatory issues. Last week, for example, after reviewing Administration plans with BUSINESS WEEK staffers, he hurried up to Harvard University, where he obtained his law degree, for a crash course on various aspects of transportation economics. Although he is committed to reducing federal regulation, he remarked last week that the mind-boggling amount of federal administrative law was a significant factor in contributing to his own financial success.

An open shop. A distinguished civil rights attorney, the diminutive Coleman was the first black law clerk of Supreme Court Justice Felix Frankfurter and has been active in the National Assn. for the Advancement of Colored People. He is running a generally open shop at the Transportation Dept. and has made contact with almost every special-interest group in transportation. His job ranges from supervising the development of regulatory legislation to providing transit subsidies to assuring the safety of aircraft and autos. He emphasizes his freedom from White House meddling—a problem of his predecessors—and says: "No one over there tells me who to hire or fire."

To prepare himself for the Transportation job, he consulted with present U.S. Ambassador to Britain, Elliot L. Richardson, who held three Cabinet posts in the Nixon Administration, at Richardson's home in suburban Washington, where Coleman now plans to live. "He gave me seven secret rules for running a bureaucracy," said Coleman recently, "and they're staying secret."

The Maze of Transportation Agencies

RAIL

Federal

Interstate Commerce Commission (1887)[1]—Rates, routes, service, entry/abandonment, mergers for 450 railroads.

Federal Railroad Administration (1967)—Research and development for improving rail systems, safety standards.

National Transportation Safety Board (1967)—Investigates probable cause of major accidents and recommends corrective action for rails, airlines, trucks.

State

Each of the 48 contiguous states has a commission, with much the same powers as the ICC, for intrastate operations.

AIR

Federal

Civil Aeronautics Board (1938)[2]—Rates, routes, service, entry/abandonment, mergers for 36 scheduled and nonscheduled interstate airlines.

Note: Dates in parentheses are when authority first assumed.

Federal Aviation Administration (1958)—U.S. airways, airport development, pilots and aircraft, safety standards, research and development.

State

Aeronautics boards in Texas and California regulate intrastate airlines; some others regulate intrastate commuter operations.

HIGHWAY

Federal

Interstate Commerce Commission (1935)—Rates, routes, service, entry/abandonment, mergers for 15,000 common carriers, but not agricultural carriers or private trucking operations.

Federal Highway Administration (1967)—systems, highway safety standards.

National Highway Traffic Safety Administration (1967)—Motor vehicle safety standards.

State

Highway or transportation departments responsible for roads.

WASHINGTON, D.C., *May 13, 1975.*

EDITOR,
Business Weeks,
New York, N.Y.

I found "Transportation: Freedom from Regulation" one of the more comprehensive articles to appear on the subject for some time. I recently chaired an extensive series of Senate subcommittee hearings on airline regulation and would like to share with your readers three points that might supplement some of the issues raised in your article.

First, the somewhat rhetorical question of how deregulation can bring lower air fares to an industry showing little profit today and no excess profits historically deserves a straight answer. The fact is that Civil Aeronautics Board regulation of prices tends to cause this structurally competitive industry to compete away its high-fare revenues with high-cost excess capacity. Rigid CAB price control affords the airlines no substantial competitive outlet except increasing capacity, which in turn burns up potential profits faster than jet engines burn precious fuel. It may be good advertising, but it is bad regulation, when multi-million dollar aircraft leave so frequently and fly half-empty.

Second, the 26 years of air transportation in California and the more recent experience in Texas provide some empirical indication of what air fares would be with less CAB price and entry control. *Intra*state airlines in those states offer air fares that are much less—often 50% less—than those charged by *inter*state CAB-regulated carriers. These low fares are offered along with perfect safety records, timely and convenient jet service to large and small communities, fuller airplanes, and reasonable profits for the carriers.

Third, your article accepted as fact the cross-subsidy notion that high passenger fares produce excess revenues that pay for air service to small communities. Thus, the cross-subsidy argument claims, if less regulation—including relaxation of entry and exit barriers—produces meaningful price competition and lower fares, there will be no excess revenues to pay for small town service and airlines will abandon flights to those communities. This "cross-subsidy" argument is the most cherished shibboleth of some segments of the regulated air industry, and it has frightened away many well-meaning reformers. It is also unsupported and probably unsupportable.

On lucrative routes, capacity competition already eats up potential excess revenue that the cross-subsidy myth claims is paying for small town flights. The CAB itself recently confirmed the conclusions of others on this point when, after a four year investigation, it found that where fares exceed costs the excess revenues merely subsidize wasteful capacity competition, not air service.

Less regulation—including the removal of artificial exit and entry barriers—will not result in a wholesale abandonment of routes by airlines. The fact is that current CAB regulation imposes very minimal service obligations on the trunk airlines. In addition a recent study by United Airlines—which controls 20% of the domestic passenger market—indicated that most "unprofitable" routes are in reality small segments of longer flights, and that with no exit barriers many would continue to receive non-stop service for competitive, promotional and other profit-related reasons. Finally, the federal government directly subsidizes air service to the tune of 70 million dollars a year. If some essential routes are endangered by regulatory reform, a refining of the direct subsidy program would be the better and cheaper solution than perpetuating a system that inflates most air fares by 15 to 50 percent.

I agree with your assessment that there will be reform without immediate and total deregulation. The hard question for the Congress and air transportaton policymakers is how much and how soon. It is a question many would like to see faced and answered during this Congress.

Sincerely,

EDWARD M. KENNEDY.

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[1] The ICC also regulates some commodities for common carrier barge lines, bus operators, surface freight forwarders, and oil pipelines.

[2] The CAB also regulates air freight forwarders and U.S. operations of international airlines.

THE ERADICATION OF FIRE ANTS

Mr. HOLLINGS. Mr. President, I would like to bring to the attention of my colleagues in the Senate a concurrent resolution adopted by the State of South Carolina memorializing Congress to take the required measures to implement a program for the eradication of fire ants.

The Department of Agriculture has recently announced its decision to suspend the fire ant control program as of June 30 of this year. Such a move would have a disastrous effect on those Southeastern States plagued by this dangerous and burdensome pest, and Senator THURMOND and myself have contacted President Ford about this decision. We must continue to have an effective fire ant control program so long as this particular pest is a problem.

On behalf of Senator THURMOND and myself, I ask unanimous consent that this resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

A CONCURRENT RESOLUTION TO MEMORIALIZE CONGRESS TO TAKE SUCH MEASURES THAT MAY BE REQUIRED TO INSURE THAT SUFFICIENT FUNDS ARE PROVIDED TO SUCCESSFULLY IMPLEMENT THE PROGRAM FOR THE ERADICATION OF THE FIRE ANT IN SOUTH CAROLINA

Whereas, the fire ant (Solenposis Salvisima Richteri Forel) again threatens many acres of land in South Carolina; and

Whereas, reports from many counties in South Carolina reveal that increasing numbers of fire ants have infested an inordinate amount of land in the State; and

Whereas, fire ants cause extreme hardship in the harvesting of crops, thereby increasing agricultural costs which are passed to the consumer; and

Whereas, it has been established that unless controlled the fire ant will multiply and will occupy more and more land area and as a result jeopardize land area beyond the boundary of South Carolina; and

Whereas, the fight to control and eradicate this persistent and treacherous fire ant will require federal assistance for any state eradication program to be effective. Now, therefore,

Be it resolved by the Senate, the House of Representatives concurring:

That Congress be memorialized to take such measures as may be required to assure that sufficient funds are included in the budget of the United States Department of Agriculture to permit the allocation of enough funds to the State of South Carolina to successfully implement a program for the eradication of the fire ant.

Be it further resolved that copies of this resolution be forwarded to the Chairman of the Agriculture Committees of the House and Senate of Congress, each United States Senator from South Carolina and each member of the House of Representatives of Congress from South Carolina.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, a wise 18th century philosopher once wrote:

> We owe it to our ancestors to preserve entire those rights which they have delivered to our care: we owe it to our posterity not to suffer their dearest inheritance to be destroyed.

This is the spirit of the United Nations Genocide Convention.

After the ravages and terror of the Second World War, the nations of the world banded together to create an institution designed to protect the rights of man and preserve the peace. The United Nations has become the conscience of mankind. It is that organization charged with protecting the rights of all humanity.

The human rights conventions adopted by the United Nations are an expression of those rights. They represent the wisdom of mankind on the evils which are to be avoided and the rights which must be preserved for men to live free and happy lives. The fundamental purpose of the human rights conventions is to seek to preserve these human rights and pass them on intact to generations not yet born.

Mr. President, millions of Americans have died to preserve freedom and liberty both here and abroad. They have left us a glorious heritage.

We must do all we can to preserve that heritage. Once again I urge the Senate to ratify the United Nations Genocide Convention.

MISS ROBIN HUEBNER

Mr. BURDICK. Mr. President, my State of North Dakota claims as its own a number of famous and outstanding people, from Eric Sevareid to Peggy Lee. According to Sunday's Washington Post, we will soon be able to claim one more, Miss Robin Huebner of Dickinson, N. Dak.

At the age of 13 and with no dance instructor to train her, Robin won acclaim and high honors at the Women's Junior National Gymnastics Championships held in Virginia last weekend.

I am very pleased that this young North Dakotan won such outstanding recognition.

I ask unanimous consent that the Washington Post article describing her success in the women's junior championships be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Remember Robin Huebner: She Just Might Be Great

(By Paul Attner)

Remember the name: Robin Huebner. She just might be America's next great women's gymnastics star.

Huebner, only 13, captured the hearts of the fans at the women's junior national gymnastics championships last night at George Mason University and walked away with a surprising number of medals, considering her limited background in the sport. In the process, she also impressed many of the gymnastics experts at the meet.

"She is going to be a really good one," said Ruth Ann McBride, coach of the local MarVaTeens club and the former coach of Olympian Roxanne Pierce. "She's got everything it takes to go somewhere."

Huebner is from Dickinson, N.D., hardly a booming center of gymnastics. There is no dance teacher in Dickinson (population 13,000) so Huebner has learned floor exercise routines and techniques from film. She has been in gymnastics less than four years, yet develops her own floor exercise and balance beam routines.

Only her limited experience in floor exercise prevented her from winning the all-around title at this meet. She finished second to Donna Turnbow of the Kips team from Long Beach, Calif., a far more experienced performer in a well-developed program.

"She (Huebner) practices maybe three or four hours a day in her high school program," said her coach, Les Fischer. "She really doesn't work nearly as much as many of the girls in this meet. But she works hard. We have to get help for her on floor exercise. If we do, she'll be in good shape."

To get her to the meet, the citizens of Dickinson contributed money to a travel fund. She rewarded them with second places in both the uneven bars and the balance beam. In competition last night in the four individual events she scored 8.95 in beam and a sparkling 9.1 in uneven bars.

But beyond her scores is that immeasurable factor: charisma. With a pixie haircut, a dazzling smile a lot of poise and grace she attracts the attention of fans and judges alike. This same type of appeal is what has made Olga Korbut a household name to many American families.

While Huebner enjoyed the plaudits, 12-year-old Jenniffer Huff of the MarVaTeens and Winchester Va., learned something about the heartaches of sport. In her first major national championship Huff was unable to hold onto first place in the free exercise after an 8.3 routine and finished last. After her performance she sat behind the stands and cried.

She did better in the vaulting, scoring 8.9 to finish sixth. "I think the pressure got to her a little," said McBride, who had hoped Huff would win the all-around. "She'll know better, next time what it takes to win a meet like this."

McBride might have another future champion in 9-year-old Barbara Sachs, daughter of Jerry Sachs, president of Capital Centre. She put on a floor exercise exhibition last night, and then her father helped lug around mats and handed out awards.

The two best individual performances last night were turned in by Turnbow, who had a 9.3 routine on the uneven bars, and Christa Canary of Chicago, who had a spectacular vault that earned her a 9.15 mark.

S. 1216—EPA CONSTRUCTION GRANT FUNDS

Mr. HUDDLESTON. Mr. President, last month I was pleased to join with the distinguished Senators from Georgia, Mr. TALMADGE and Mr. NUNN, as a cosponsor of S. 1216. This bill would revise the formula for the allocation of the $9 billion in EPA construction grant funds which the Supreme Court recently ordered spent. The formula would be revised in such a way as to base the allocation of the $9 billion in fiscal year 1976 to the States one-half on the basis of population and one-half on the basis of the most recent "needs" survey. This "needs" survey was conducted under authority granted under Public Law 93–243, which was an amendment to the 1972 Water Pollution and Control Act—Public Law 92–500.

The revisions in the distribution formula called for in S. 1216 would be of substantial benefit to numerous localities. In my home State of Kentucky alone, the following projects would be in a better position to receive assistance from EPA should S. 1216 become law: Winchester, Augusta, Bowling Green, Somerset, Campbellsville, Jeffersontown, Mount Sterling, Greenup County Environmental Commission, Richmond, Shelbyville, Corbin, London, Berea,

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Millersburg, and Grayson. My colleagues may want to check back home with their respective environmental bureaus or departments to determine the potential benefits for their States.

As it now stands, EPA intends to allocate the $9 billion in accordance with the formula in effect for the years in which the money had been impounded. This distribution formula was devised in 1972 and certainly does not reflect the conditions that exist today. If it did reflect today's needs, one would wonder to what use EPA intends to put the most recent "needs" survey, a survey conducted at great expense of time and money.

Why EPA would not want to allocate fiscal year 1976 funding for its construction grant program in a manner consistent with its own recommendations for future funding as contained in its February 10, 1975, report to Congress, "Cost Estimates for Construction of Publicly Owned Wastewater Treatment Facilities," is indeed baffling. It is particularly baffling in light of Administrator Train's February 4, 1975, testimony before the Senate Public Works Committee's Environmental Subcommittee. Mr. Train stated that "'needs' is the most rapidly growing aspect" of the construction grant program. He went on to say that as a result of insufficient funds, "we must identify needs carefully and fund them on the basis of intelligently selected priorities." I firmly believe that S. 1216 establishes just such a basis.

Yesterday's goals are not necessarily in line with the realities of today. Accordingly, I urge that S. 1216 be expeditiously and favorably reported by the Public Works Committee in order that EPA's construction grant might be brought in line with the wastewater treatment needs of today.

THE NATION'S WATER RESOURCES

Mr. BURDICK. Mr. President, recently citizens concerned for and involved in the management of our Nation's water resources came to Washington to participate in the 1975 National Conference on Water. The conference focused on important water policy issues such as water and energy, water and food and fiber, flood damage reduction, and Federal-State relations.

A participant in a panel chosen to discuss Federal-State interplay was Vernon Fahy, engineer-secretary of the North Dakota State Water Commission. Mr. Fahy is recognized as a leader in Midwest natural resource circles. His views reflect the feelings of many Midwesterners and merit the consideration of all of us. Talking about Federal-State water management relations, for example, Mr. Fahy said,

> "I am convinced that we must return to the situation in which states exercise the powers with the Federal government acting as coordinator. Continuation of Federal encroachments into states rights can only bring chaos to the field of water resource management.

These may come to be prophetic words—especially so if Federal policymakers are not sensitive to valuable State and local contributions to the formation of water policy. For the benefit of my colleagues, I ask unanimous consent that Mr. Fahy's remarks to the National Conference on Water be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS OF VERN FAHY

Mr. Chairman, Fellow Panelists, Participants, Ladies and Gentlemen:

I am honored that I have been invited to participate with people such as you who have developed positions of leadership in various facets of the nation's natural resource activities.

It is most appropriate that our discussions center around governmental policies and programs for the next decade. I believe that the next five to ten years will be the most critical in the nation's history insofar as water resource development is concerned. The national energy crisis and its attendant problems have triggered an awareness of the need to revise much of our thinking with respect to the vast resources of this country. No longer can we assume that Americans have everything in abundance and that there are no limits to the availability of the resources necessary to maintain our present way of living.

The energy crisis has focused particular attention upon the water resources of this nation, for without water, energy independence is impossible to attain. Because of the limitations of present energy development technology, it appears that the western states will once again be the scene of the opening of a new frontier—a western states energy frontier. The success that we have in developing this frontier hinges to a great extent upon how well and how wisely we handle the limited water resources of the region.

At this point, I should make it clear to you that my remarks are based entirely upon my experience in local and state government. This may help to explain to you why I seem to have difficulty in understanding a good many of the policies and administrative practices of federal boards and agencies. My state is one of the most highly agricultural states in the union and its people are eager to do everything possible to preserve the agricultural productivity of the land and the way of life of its people. Among the coal producing states, we are somewhat unique in that we have large amounts of water and coal side by side.

It is estimated that 40 percent of the nation's lignite reserves lie in western North Dakota in relatively close proximity to the great Missouri River which, in this area, has a long-time average annual flow of 18 million acre-feet. Garrison Dam impounds approximately 24 million acre-feet of water with vast quantities of coal lying adjacent to this reservoir on either side.

Although this seems to create a rather bright picture as to the availability of water, it must be remembered that the remainder of our state including the tributary areas to the Missouri River is extremely deficient in the availability of water for all uses. This means that our state must plan very carefully to assure that its share of the waters of the Missouri River are put to beneficial use in other areas of our great state.

Our Governor, our Legislative Leaders, and our people recognize the need for this state to make a meaningful contribution to the solution of the nation's energy problems, however, they are also keenly aware that our principle role may one day be in contributing to the solution of a serious food and fiber crisis. It is for this reason that the Garrison Diversion Project is supported so strongly in our state. Although we are having some difficulties with this project at the present time, we have every reason to believe that it will one day produce the benefits that have been promised for so long.

North Dakota is a strong supporter of the Missouri River Basin Commission, an agency which was created at the insistence of the ten states through which the Missouri River flows. North Dakota and other member states have been of the opinion that planning on a basin-wide basis will solve many of the problems which confront us as we attempt to meet state objectives. Unfortunately, the Basin Commission concept is not living up to its great potential. This is not the fault of the chairman and his staff, nor of the state and federal members who serve as its policy makers. If, as I believe, there is a weakness in the Missouri River Basin, it stems from the fact that there appears to be no commitment to the Basin concept at higher Washington, D.C. levels. Time and again we have seen programs or policies or actions initiated which will affect the basin states and these have been initiated outside the framework of the River Basin Commission. We find now that states who have joined together in order to more effectively program and coordinate activities which overlap state boundaries are becoming disillusioned by federal programs which are being imposed without reference to the Basin Commission.

Slightly more than a year ago, the Secretary of the Army and the Secretary of the Interior created an Ad Hoc Committee composed of federal officials to develop water marketing policies dealing with the upper Missouri River reservoirs.

At that point, the only concession to the River Basin Commission was in the naming of its chairman as a coordinator of the Ad Hoc Marketing Committee. When some of the state members became aware of this federal committee, they insisted that the states involved be given some role in the making of this policy. Although, the entire matter did not become a Basin Commission assignment, the states were successful in having some input to the decision making. Now after more than a year of deliberations, the argument between the Corps of Engineers and the Bureau of Reclamation concerning which agency should be the lead agency, has been settled in favor of the Bureau of Reclamation. The agreement which designates the Bureau of Reclamation as the lead agency in the sale of industrial water supplies from the mainstem reservoirs, indicates that the states would be allowed first right of approval for such sales. It is ironic that states that have contributed so great a cost to the development of large impoundments to serve river basin needs are now told that the Federal Government has assumed ownership of stored waters.

In recent months, we have learned that the Corps of Engineers has dredged up a provision of the Rivers and Harbors of 1899 which allow it to assume control of additional state waters by a declaration of navigability which, in North Dakota, borders upon the ridiculous with respect to a great majority of our water courses.

The criteria for determining the navigability of a stream appears to be so broad that the Corps could assume control over any water course in a state.

This control would not only affect the construction of roadways, bridges, irrigation structures, boat landings, docks and levees, but it would also affect the state's rights to allow withdrawals from those streams so designated. Also, the Corps could control drainage projects that would discharge waters into a water course or impoundment. In addition to the Corps control, the governmental agreements that exist among many agencies would bring the Environmental Protection Agency, the Fish and Wildlife Service and other federal agencies into the determination of the use of the states' waters. This federal encroachment is entirely unacceptable to the states and steps must be taken to have Congress write a definition of navigability that would pertain

to only those water courses which can be used for commercial navigation purposes. The involvement of the River Basin Commissions in the determination of navigability is essential to the protection of states rights.

The Justice Department has also proposed another method of encroachment upon the rights of states to control their water resources. The move by the Justice Department is included in a bill that has been prepared for introduction that would attempt to identify and quantify the reserved, appropriative, and other rights to the use of water by the United States. The Interstate Conference on Water Problems has taken the lead in analyzing this threat to water resource management among the states. This is being discussed by another panel and I will not go into any further detail except to say that the River Basin Commissions were not asked by the Justice Department to provide a state viewpoint on the preparation of this proposed legislation.

It certainly is not proper for me to be so critical without offering some suggestions for improvement in water resource management besides the general statement that "we need less federal intervention".

I believe that the River Basin Commission can and should play a stronger role in the coordination of water resource management programs among the states. I believe that this was the original premise upon which the Basin Commission concept was established and I think that it can be workable if the Federal Government will develop a commitment to that concept.

States that form a unique part of a River Basin or who have problems which are unique to only a few states should join together to develop sophisticated regional management programs. In North Dakota, we are expending up to $2 million to develop a planning and research program which will be a complete indepth management information system utilizing computer technology to measure alternatives, impacts and results of various water and energy related programs upon the people and their communities. The system is designed so that results and changes in impacts of each major water or energy development can be reliably predicted in advance. These predictions will cover such things as impacts upon air and water quality, population, wildlife, agriculture, local government and the overall effects of programs on the state's ability to manage growth. From this, we hope to be able to make intelligent judgments concerning developments in our state and to devise methods to handle the impacts caused by those developments.

I believe that the states of North and South Dakota, Montana and Wyoming could join together in the development of this kind of a management pool in order to manage the tremendous impact of energy development upon the people of the four states.

The Federal Government through the Water Resources Council could be of tremendous help in a regional planning effort such as this by making Title III funds available in amounts adequate to assist in the planning effort. The developments in this four-state region could then be coordinated with the other states in the Missouri River Basin, and ultimately, we would have a total basin management concept.

A planning concept which includes long-range guidelines for energy conservation measures should be developed by an appropriate federal agency. These federal guidelines should recognize that there are regional differences in uses of energy and that a conservation measure for the highly populated areas may not be appropriate for rural regions.

Perhaps the greatest potential for conservation of our water resources will be realized in the development of alternative sources of energy. Adequate federal funding should be made available for this effort which may entail the construction of demonstration projects and grants for energy conservation research.

Many of us who work with federal agencies in the planning of water resource projects become highly frustrated when we are confronted with decisions that are based on the benefit-cost ratio. We can see indirect project benefits that are not easily quantifiable in dollars but these are given little, if any, weight in the final determination of project evaluation. Although some effort is being directed toward adjusting the methods for evaluating a project, much more needs to be done.

Here is an example of an indirect benefit which may be equally as important as direct benefits. North Dakota has proposed the construction of a flood control project which provides major benefits to Canada through alleviation of agricultural flooding along the international border. The disputes among local political subdivisions and landowners on either side of the border have reached such a level of intensity that the State Department and the Canadian External Affairs Department have been called upon to work toward a settlement of the problem which currently is threatening to cause an international incident. The cost-benefit ratio on this project is marginal in spite of the international aspects which cannot be measured in dollars.

A number of our western states, like North Dakota, are semiarid with futures irrevocably linked to an agricultural base—a fact which gives meaning to our deep concern that development of our water resources to meet national goals must be done within the legislative and constitutional frameworks of the states.

We are aware of the need for decreasing our dependence on foreign sources for oil and that our rich coal deposits are vital to this effort. We fully intend to participate to a reasonable degree in helping to meet national energy goals, but this participation will be based on the belief that our agricultural base must be preserved.

In committing certain portions of the waters of North Dakota for energy related uses, we shall always be mindful of the need to protect and conserve this valuable resource so that future generations will inherit a quality of life blessed by the availability of ample amounts of waters for all beneficial uses.

I realize that this presentation appears to be extremely simplistic, however, I am convinced that we must return to the situation in which the states exercise their powers with the Federal Government acting as coordinator. Continuation of federal encroachments into states rights can only bring chaos to the field of water resource management.

MUNICIPAL CLERKS WEEK—SENATE JOINT RESOLUTION 45

Mr. INOUYE. Mr. President, the City Council of the City of Manhattan Beach, Calif., has recently proclaimed its support of Senate Joint Resolution 45, which I have introduced to designate the second week in May as Municipal Clerks Week.

I ask unanimous consent that this proclamation be printed in the RECORD.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

PROCLAMATION

Whereas, it is recognized that the City Clerk performs the highly valued functions of administering the municipal elections and keeping the records of the City; and

Whereas, it is further recognized that the City Clerk maintains records about the community;

Now, therefore, The City Council of the City of Manhattan Beach, California, does hereby resolve, declare, find, determine and order as follows:

Section 1. That the City Council of the City of Manhattan Beach does hereby support the national movement to recognize the importance of the position of City Clerk designating the second week in May as "Municipal Clerks' Week."

Mr. INOUYE. Mr. President, the 15th Annual Conference of the Louisiana Municipal Clerks Association held in St. Francisville has recently passed resolution in support of Senate Joint Resolution 45, which I have introduced to designate the second week in May as Municipal Clerks Week.

I ask unanimous consent that this resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION

Whereas, the International Institute of Municipal Clerks, and the Louisiana Municipal Clerks' Association, are of the opinion that the Clerk of a Municipality performs a vital role in the proper execution of local government, and

Whereas, the International Institute of Municipal Clerks and the Louisiana Municipal Clerks' Association are professional organizations of Municipal Clerks, and have contributed materially to the betterment of communities throughout our State and the United States, and

Whereas, recognition of these stalwart, dedicated public servants, working at the grass root level for better government, has long been overdue,

Now, therefore, be it resolved, that the Louisiana Municipal Clerks' Association cite the Honorable Daniel K. Inouye, United States Senator from the State of Hawaii, for the introduction of S.J. Resolution No. 45, in the United States Senate, authorizing and requesting the President of the United States to issue annually a Proclamation designating the second week in May, of each year, "Municipal Clerks' Week", and that a copy of this Resolution be sent to him as evidence of our appreciation.

Introduced and adopted this 26th day of April, 1975 at the Fifteenth Annual Conference of the Louisiana Municipal Clerks' Association, held in St. Francisville.

Mr. INOUYE. Mr. President, the mayor of the city of Lakeport, Calif., has recently proclaimed the city's support of Senate Joint Resolution 45, which I have introduced to designate the second week in May as Municipal Clerks Week.

I ask unanimous consent that this proclamation be printed in the RECORD.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

PROCLAMATION

Whereas, municipal government, in order to best serve the needs of the citizenry, must be operated with efficiency and in an orderly manner; and

Whereas, the efficiency and order with which government carries out its public functions is strongly reliant on procedures and records; and

Whereas, the Municipal Clerks administer the procedures and keep the records; and

Whereas, an organized source of knowledge about a community and its government activities is vital to the smooth governing of that municipality; and

Whereas, the Municipal Clerks provide and maintain such a body of knowledge; and

Whereas, municipal government must be

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conscientiously represented in affairs of its community; and

Whereas, the Municipal Clerks provide an important part of this representation; and

Whereas, the strength of local government depends upon the citizens' opinion of it, and such opinion is formed largely by the image set forth by the municipal government employees; and

Whereas, the Municipal Clerk is the municipal official most closely in daily contact with the citizenry, and therefore in a key position to mold sound public opinion.

FARM POLICY

Mr. HUDDLESTON. Mr. President, I have criticized President Ford's veto of the emergency farm bill as being "shortsighted." I felt that his action represented a failure to recognize that inflation had hit the farmer just like everyone else. In my opinion there is no question that assuring the farmer a decent income is, in the long run, in the best interest of the consumer because it will stimulate increased production which will hold prices down.

I believe the American farmer is being victimized by increased production costs. Farmers need economic protection if they are going to respond to the Government's appeal to expand food production.

It is my further opinion that Congress must move ahead to enact permanent omnibus agricultural legislation.

Mr. President, the Lexington Herald is the third largest newspaper in Kentucky with circulation of over 55,000. This newspaper has always been a stanch supporter of agriculture and is considered the voice of central Kentucky. On May 5 an editorial appeared in the Herald calling upon Congress to reconstruct a farm policy for America.

Mr. President, I ask unanimous consent that this editorial entitled "Congress Must Make New Farm Policy" be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CONGRESS MUST MAKE NEW FARM POLICY

President Gerald Ford's veto of the emergency farm aid bill was motivated, he says, by concern for both farmers and consumers.

By vetoing the bill, Mr. Ford assures us, he is saving money and helping to keep the cost of food and other agricultural products down. To pay more subsidies would, he added, be a return to already discredited policies. But the sad situation most American farmers now face is proof plenty that the policies (or nonpolicies) of Mr. Ford and Agriculture Secretary Earl Butz are themselves discredited.

The American farm economy is rapidly approaching a crisis. Before 1972, when the Nixon administration finished dismantling the old system of agricultural supports and controls, the farm economy at least kept things running. Farmers and consumers grumbled, but there were no actual shortages and productivity increased regularly.

The Nixon-Butz-Ford approach has changed all of this. Butz seems proud of the free-market status of our agricultural markets, but the abilities of foreign nations to buy our essential goods with no apparent restrictions has caused havoc which is apparent to everyone.

The fact is that the risks in farming, which were formerly shared by the federal government, now rest entirely with the farmers and consumers. Mr. Ford seems incapable of grasping the simple fact that Earl Butz and his troglyditic notions about the marketplace are exposing both farmers and consumers to the whims of not only weather and production but also of foreign nations' needs.

It is now up to Congress to reconstruct a farm policy for America. That policy must recognize that the government, as representative of both farmers and consumers, has an obligation to take some of the risk now being borne by those groups.

CHINESE MARKET EXPORT POTENTIAL

Mr. HUMPHREY. Mr. President, I wish to point out a recent article entitled "China Represents Enormous Market Potential," in the May issue of Grain Sorghum News.

This article points out the sharp increases in agricultural exports to the People's Republic of China since trade was renewed with that country in fiscal year 1973. In fiscal year 1974, our exports to that country rose from $200 million to $852 million. In the current fiscal year of agricultural exports have declined because of the improved Chinese harvest.

Nonetheless, prospects for future trade appear promising although the Chinese are making every effort to increase their own production in order to reduce imports.

The article indicates that in the current year our agricultural exports to Asia will exceed those to all of Europe, and that this is the most dynamic sector of our agricultural trade.

Mr. President, I ask unanimous consent that this informative article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DESPITE RECENT SETBACKS—CHINA REPRESENTS ENORMOUS MARKET POTENTIAL

Despite recent setbacks in U.S. farm trade with the People's Republic of China, that country continues to represent an enormous potential market, according to Richard Goodman, associate administrator of the Foreign Agricultural Service.

Goodman pointed out that during the two fiscal years ended last June 30, agricultural products accounted for about 85 percent of total U.S. exports to the PRC. In the first year of renewed trade with that country (fiscal 1973), these farm shipments amounted to $200 million, mostly cotton, corn and wheat. And in the second year (fiscal 1974), they rose to $852 million with substantial increases in cotton, corn and wheat and $142 worth of soybeans.

In the current fiscal year, U.S. exports to China will be below last year's, mainly because of sharp declines in imports of U.S. wheat and cotton.

Nonetheless, prospects for U.S. trade with the PRC in grains, soybeans and cotton look promising.

Since grain exports began in the fall of 1972, the U.S. has shipped to China a little under 8 million metric tons of wheat and corn valued at nearly $828 million. During this period, grain exports accounted for more than 50 percent of total U.S. exports to the PRC.

Prospects for continuation of this grain trade are uncertain, however, in view of recent cancellations by the PRC of sizable imports of U.S. wheat.

The PRC currently has 3-year agreements with Canada, Australia and Argentina to provide a total of 3.4 to 4.0 million tons of wheat and 350,000 tons of corn annually through 1976.

But Goodman explains that until recently, the U.S. was viewed by the Chinese as a residual supplier. It remains to be seen if this country will remain a residual supply source or not.

Goodman pointed out that there are a number of reasons why the PRC may not continue to increase its total imports:

1. The PRC has made considerable progress in expanding its own grain production.
2. Substantial grain reserves are providing insurance against a poor harvest.
3. Prospects are improved for availability of chemical fertilizers and better water control.
4. Birth control measures are helping hold population growth down.
5. An improved transportation network is facilitating internal movement of grain.

In the current year, ending June 30, U.S. agricultural exports to Asia will exceed those to all of Europe. The most dynamic growth in U.S. agricultural trade is with Asia and has been for several years. The opening of the PRC to American trade has been important to that growth, according to Goodman.

By the same token, agricultural trade has been a major lever in opening the PRC once again to American commerce, travel and other exchanges.

"With China having the largest population in the world—a population that continues to expand and seek better living and improved food security—there is every reason to hope that American farm products might continue to find a growing market there," Goodman concluded.

HAS THE DEPARTMENT OF DEFENSE EXCEEDED CONGRESSIONAL AUTHORITY?

Mr. McINTYRE. Mr. President, the Department of Defense has engaged in the practice of managing certain defense research and development contracts in a manner which may be considered either in violation of the law, or in violation of established reprograming procedures as agreed upon with the Congress. This involves either tacit or explicit authority by the Department for contractors, who are developing major weapon systems, to use their own funds to cover costs incurred during the current fiscal year when amounts obligated by the Government within congressional authorizations and appropriations have been exhausted before that year is over.

This matter was brought to the attention of the Secretary of Defense by letter dated January 6, 1975, and the Comptroller General was requested by letter dated January 7, 1975, to provide an opinion regarding the legality of this practice. Copies of these letters appear on pages 579 and 580 of the RECORD for January 16, 1975, when I addressed Senators initially on this issue.

The Secrtary of Defense and Comptroller General both replied by letters dated February 24, 1975. These replies were not considered satisfactory and I requested the Comptroller General by letter dated Feburay 24, 1975, to review the OSD letter and take certain actions. Copies of these three letters were printed on pages 6480 and 6481 of the RECORD for March 13, 1975, the second time that I spoke to this matter on the floor of the Senate.

The Comptroller General conducted a comprehensive review of this matter and reported his detailed findings by letter dated March 17, 1975, which covered

eight major weapon system programs. I ask unanimous consent that a copy of this letter be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without obligation, it is so ordered.

(See exhibit 1.)

Mr. McINTYRE. Mr. President, this is a highly complex and technical matter with potential implications involving interpretations of law, congressional prerogatives, reprograming procedures, and armed services procurement regulations and policies.

The Assistant Secretary of Defense—Comptroller—in his response of February 24, 1975, stated as follows:

> We believe that the actions of the Department of Defense in this area have been legal and proper and do not circumvent the reprograming procedures. However, we do not believe that the practice of contractors using their own funds in situations comparable to those indicated above, should be either widespread or encouraged. In this regard, I am advising the services that such practices should be further curtailed and in the future will not be pursued without prior notification to the Secretary of Defense.

These remarks are both responsible and constructive. I have recommended language to be included in the Armed Services Committee report on the pending fiscal year 1976 military procurement authorization bill which encourages the Department of Defense to act expeditiously in advising the services that such practices should be further curtailed and in the future will not be pursued without prior notification to the Secretary of Defense. I am also recommending that copies of such implementing actions be provided to the Congress. The Comptroller General will be required to maintain cognizance over this matter and report to the committee on any significant developments as they occur.

EXHIBIT 1

WASHINGTON, D.C.,
March 17, 1975.

Hon. THOMAS J. MCINTYRE,
Chairman, Subcommittee on Research and Development, Committee on Armed Services, U.S. Senate.

DEAR MR. CHAIRMAN: Your letter of January 7, 1975, asked us to review the legal implications of current practices of the Department of Defense (DOD) in tacitly or explicitly authorizing contractors to spend funds in excess of Government contractual liability, with the expectation on the part of the contractors of reimbursement either from subsequent year appropriations or through claims procedures. You further requested that the matter be considered by our staff and field offices, and that our findings be reported to you. By letter dated January 6, 1975, you also requested a report from DOD on this matter.

In an interim reply dated February 24, 1975, we indicated some of the potential legal consequences in a conceptual context, and said that we would reply further when we had accumulated relevant facts for the programs involved. Your subsequent letter, also dated February 24, asked us to conduct a detailed examination of pertinent contractor and DOD records and to report our findings, comments, and recommendations to you by March 14, 1975. For convenience of reference, pertinent portions of our February 24 letter will be repeated herein as appropriate.

The Assistant Secretary of Defense (Comptroller) has furnished us a copy of his February 24, 1975, report to you, which we have reviewed and considered in the preparation of these comments. The programs identified in the Assistant Secretary's report are as follows:

Estimated contractor commitments in excess of Government liability

[Dollars in millions]

(1) Navy/NATO Patrol Hydrofoil Missile Ship (PHM)	None
(2) Air Force B–1 Advanced Strategic Bomber (B–1)	15.2
(3) Army Utility Tactical Transport Aircraft System (UTTAS)	21.6
(4) Army Advanced Attack Helicopter (AAH)	7.9
(5) Air Force A–10 Aircraft (A–10)	1.6
(6) Air Force Advanced Medium STOL Transport (AMST)	29.8
(7) Air Force Airborne Warning and Control System (AWACS)	11.4
(8) Air Force Advanced Airborne Command Post (AABNCP)	8.0

Pursuant to your request, we asked our Regional Offices to review the status of all major weapon systems in development within their respective areas. Our Regional personnel reviewed contract fund status reports, progress billing records, contract allotment histories, and other pertinent documentation available at the System Program Office (SPO) or Project Office for each system. In addition, for each of the eight programs listed above, we instructed the Regional Offices to interview contractor management and financial personnel. The results of our field investigation are summarized in Attachments 1 through 8 which are presented in the sequence of the programs listed above. In a very few cases, it was not possible to schedule interviews within the limited time available. We will proceed to conduct interviews in these cases as rapidly as possible and will issue a supplemental report in the event our findings differ significantly from the information contained herein.

Funds for the programs in question are authorized and appropriated under the heading "Research, Development, Test, and Evaluation" (RDT&E). The governing legislation for Fiscal Year 1975 is Pub. L. No. 93–365, 88 Stat. 399 (DOD Appropriation Authorization Act) and Pub. L. No. 93–437, 88 Stat. 1212 (DOD Appropriation Act). The RDT&E appropriations are lump-sum appropriations for each of the military departments, available for obligation until June 30, 1976. Amounts authorized (title II, Pub. L. No. 93–365) and appropriated (title V, Pub. L. No. 93–437) are set forth below (in millions):

	Authorization	Appropriation
Army	$1,878.397	$1,799.339
Navy	3,153.006	3,006.914
Air Force	3,389.517	3,274.360

Since the RDT&E appropriation is not a line-item appropriation, the amounts appropriated for each department as given above represent the only legally binding limits on RDT&E obligations except as may be otherwise specified in the appropriation act itself.

Amounts recommended for each of the eight programs, taken from the various committee reports, are set forth in the following table (in millions):

Program	Authorization	Appropriation
(1) PHM	$15.7	$15.733
(2) B–1	454.973	444.973
(3) UTTAS	54.06	52.66
(4) AAH	60.8	60.78
(5) A–10	81.405	81.405
(6) AMST	55.8	55.8
(7) AWACS	219.7	210.0
(8) AABNCP	67.7	62.74

With a few exceptions, the contracts involved are cost-reimbursement contracts of the cost-plus-incentive-fee (CPIF) type. In this type of contract, a target cost and target fee are negotiated initially, along with a fee adjustment formula. The actual fee, determined after performance, depends on the relationship of total allowable costs to the target cost. See Armed Services Procurement Regulation (ASPR) § 3–405.4 (1974). The initial target estimates form the basis for recording obligations against the applicable appropriation for purposes of section 1311 of the Supplemental Appropriation Act of 1955, as amended, 31 U.S.C. § 200 (1970), which provides in part—

"(a) * * * no amount shall be recorded as an obligation of the Government of the United States unless it is supported by documentary evidence of—

"(1) a binding agreement in writing between the parties thereto, including Government agencies, in a manner and form and for a purpose authorized by law, executed before the expiration of the period of availability for obligation of the appropriation or fund concerned for specific goods to be delivered, real property to be purchased or leased, or work or services to be performed; * * *."

We approved this method of recording obligations in 34 Comp. Gen. 418, 420–21 (1955).

The contracts are funded "incrementally," that is, appropriations are requested and provided in fiscal year installments based on the estimated needs for a given year. Current policy and guidelines are found in S. Rep. No. 93–385, 93d Cong., 1st Sess. 112–115 (1973). Incremental funding used in RDT&E is to be distinguished from the "full funding" concept used in military procurement programs, wherein funds are requested and provided at the initial stage of procurement actions on the basis of the entire estimated cost of the procurement, regardless of the anticipated fiscal year timing and rate of obligations. See DOD Directive No. 7200.4 (October 30, 1969).

In several cases (e.g., UTTAS, AAH), DOD has awarded competitive contracts to two or more contractors to simultaneously develop prototypes, with the procuring department to ultimately select a single contractor for the award of the production contract.

The legal implications of a contractor's expending or obligating funds in excess of Government contractual liability for a given fiscal year fall generally under two headings: (1) the contractor's position regarding the recovery of such funds through claims procedures, and (2) implications in terms of Federal statutes prohibiting obligations or expenditures in excess or advance of appropriations.

A contractor's ability to present a valid claim in the event of nonreimbursement for company funds expended will depend on the precise terms of the contract and the degree of compliance or noncompliance therewith by both parties. The crucial contract provision is the Limitation of Funds (LOF) or Limitation of Government Obligations (LOGO) clause. ASPR § 7–402 requires a Limitation of Cost/Funds clause to be inserted in all cost-reimbursement research and development contracts. The precise clause in any given contract depends on whether the contract is funded fully or incrementally and whether or not the contract provides for cost-sharing. The clause used in the UTTAS and AAH contracts is the LOF clause set forth in ASPR § 7–402.2(c) (Attachment 9).

The purpose of the LOF clause is to—

" * * * give the Government unilaterally an effective tool to prevent the overexpenditure of appropriated funds by establishing the estimated cost as the limit of the Government's obligation to make payment, but providing a method whereby the Government may at its election increase the estimated cost and authorize the contractor to con-

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tinue performance." *Weinschel Engineering Co.*, 1962 BCA para. 3348 (1962).

In brief, under the LOF clause, the contractor must notify the Contracting Officer in writing when he expects to incur costs within the next 60 days in excess of 75 percent of the total amount then allotted to the contract. If the Contracting Officer does not allot additional funds to the contract, the contractor is under no obligation to continue performance, and the Government is under no obligation to reimburse the contractor for costs incurred in excess of the total allotment. When and to the extent that the amount allotted to the contract is increased, any such excess costs shall be allowable "to the same extent as if such costs had been incurred after such increase in the amount allotted."

Cases involving the LOF clause before the Armed Services Board of Contract Appeals and the Court of Claims appear to support DOD's conclusion that, where the Government has strictly adhered to the terms of the contract, the contractor is not entitled to reimbursement for excess costs. Thus, reimbursement has been denied where the contractor failed to give timely notice of the overrun. *General Electric Co.* v. *United States*, 412 F.2d 1215 (Ct. Cl. 1969); *Acme Precision Products, Inc.*, 61–1 BCA para. 3051 (1961). Also, the notice must be given to the person with authority to act on it, i.e., the Contracting Officer. In *Weinschel Engineering Co., supra*, the Board denied recovery where the contractor had continued to perform using its own funds after funds earmarked for the project had been exhausted, but failed to notify the Contracting Officer until after the overrun had been incurred, although other Government officials had knowledge of the overrun. The Board stated:

"* * * A contractor has no right to usurp the Government's prerogative to control the expenditure of public funds by violating the Limitation of Cost clause and continuing to incur costs after the funds 'earmarked' for the project have been exhausted." *Id.*, at p. 17,236.

There are situations, however, where the contractor may be able to recover despite failure to comply with the LOF clause, for example, if the overrun was reasonably unforeseeable, *General Electric Co.* v. *United States*, 440 F.2d 420 (Ct. Cl. 1971), *Magnavox Company*, 74–1 BCA para. 10495 (1974); or if the Government urged continuation of performance, *Consolidated Electrodynamics Corp.*, 1963 BCA para. 3806 (1963). In *Thiokol Chemical Corp.*, 60–2 BCA para. 2852 (1960), overrun costs were allowed despite noncompliance with the Limitation clause where the Government had accepted and used the items involved (docket motors) and where the Board found that the "Government here would never have permitted appellant to discontinue performance of the contract."

The fact that the Government has funded prior overruns will not alone be sufficient to override the Limitation clause. *United Shoe Machinery Corp.*, 68–2 BCA para. 7328 (1968). But prior funding was relevant in *Clevite Ordnance, Division of Clevite Corp.*, 1962 BCA para. 3330 (1962), and the contractor recovered where he had been assured by the Government that the overrun would be funded when new appropriations became available, the Board finding that the Government's actions constituted "constructive authorization" to proceed.

Our investigation indicated that contractors operating under the LOF clause had given timely notice of projected FY 1975 overruns. It further appears that the military department in each case has instructed the appropriate contractor that costs incurred in excess of the amounts allotted are incurred at the contractor's risk. The military departments have generally indicated to the contractors that sufficient funds would be requested in FY 1976 to provide reimbursement of any contractor-funded overruns, but that there can be no assurance that Congress will appropriate such funds. All contractors said they were aware of the risks involved in proceeding with company funds.

Our review of correspondence and interviews with contractor personnel revealed no instance of overt pressure by the Government to continue performance with company funds.

It should be noted however that all contractors emphasized that a consequence of interrupting performance for 2 or 3 months at the end of a fiscal year would be to increase the total cost of the contract. In one case, a Contracting Officer, in denying additional funds, pointed out that cost management would be "a most important factor" in evaluating contractor performance to determine the award of the production contract. Thus, while that Contracting Officer's statement is not incorrect, it could be construed, in the context in which it was made, as a subtle inducement to the contractor to continue performance with company money.

It is apparent from the foregoing that a contractor's claim will depend on a series of complex factual interrelationships, to be developed through testimony at an adversary proceeding. The outcome of litigation, as DOD points out, is unpredictable. Based on the facts we have been able to develop, however, with the possible exception noted above, available precedent would not appear to support recovery.

An additional possibility for the contractor would be to attempt to develop some form of *quantum meruit* claim (fair value of services rendered). We denied such a claim in B–176498, October 2, 1973, because the claim presented no basis for finding a contract "implied in fact" for the contractor-funded performance, and we pointed out that grounds for recovery did not exist where the contractor appeared to be acting as a "pure volunteer." A further problem in supporting such a claim would be to establish that the Government has benefitted as a result of the contractor-funded performance. Contractor opinions in this respect were extremely varied and do not enable us to form a meaningful conclusion. The question of the existence and nature of such benefit in any given contract would probably be resolved only through litigation.

The LOGO clause (Attachment 10), used in most of the Air Force contracts under consideration, presents more difficulties. The clause, developed by the Air Force and not used to our knowledge by any other department, is designed to impose cost discipline on the contractor and to protect the Air Force against a contractor's being able to stop work on short notice.

Under LOGO, a schedule of planned fiscal year allotments covering the period of performance is agreed upon at the outset of the contract. The allotment for each fiscal year is specifically made subject to the availability of funds. If the contractor believes that his total costs through any fiscal year will exceed the cumulative obligations through that fiscal year, he must notify the Contracting Officer in writing 16 months prior to the beginning of the fiscal year in which he expects to incur such costs. A significant difference between LOF and LOGO is that, under LOGO, unless the Government fails to timely allot an initial increment of a planned fiscal year allotment, or prospectively revises the funding plan downward, the limitation of Government liability "shall not be authority for the Contractor to cease or slow the performance of work" under the contract and "may not be used as the basis for extending schedules or otherwise altering performance" (para. (g)). DOD apparently believes that this clause would protect the Government against having to reimburse the contractor for excess expenditures.

In a report to the Chairman, Preparedness Investigating Subcommittee, Senate Committee on Armed Services, entitled "Contractual Features and Related Matters in the AWACS Aircraft Program," B–163058, June 30, 1971, we cautioned that, if the parties are unsuccessful in accurately forecasting funding requirements, "the provisions of the [LOGO] clause could prove so financially burdensome on the contractor that they could constitute the seed for contract disputes."

To our knowledge, the LOGO clause has never been interpreted or discussed in a reported decision of any court or administrative body. Thus, there is no guidance to support definitive conclusions regarding a contractor's rights thereunder. We believe, however, that there is a substantial likelihood that the clause would not be interpreted as obligating the contractor to perform in any and all events.

There is ample precedent for a court's refusal to enforce a contract provision it deems "unreasonable" under a particular set of circumstances. As one example, under construction contracts, the Government frequently furnished the contractor with boring logs intended to indicate the presence or absence of subsurface water. Through the fault of no one, the logs are occasionally incorrect and the contractor incurs additional expenses in pumping and "dewatering" operations. The Court of Claims has consistently allowed claims for additional compensation in these circumstances, despite an express provision in the contract stating that the Government does not guarantee the accuracy of the boring logs. It has been held in a long line of cases that the exculpatory clause cannot be given its "full literal reach" and does not relieve the Government of liability for changed conditions "as the broad language thereof would seem to indicate." *United Contractors* v. *United States*, 368 F.2d 585, 598 (Ct. Cl. 1966); *Woodcrest Construction Company* v. *United States*, 408 F.2d 406, 410 (ct. Cl. 1969); *Foster Construction C.A. & Williams Brothers Company* v. *United States*, 435 F.2d 873, 888 (Ct. Cl. 1970); *Fattore Company* v. *Metropolitan Sewerage Commission of the County of Milwaukee*, 454 F.2d 537, 542 (7th Cir. 1971). Thus, the mere fact that the contract places a risk on the contractor is not necessarily dispositive.

It is not inconceivable that the notification period (17 months) might be deemed unreasonable in certain cases, for example, where a contractor could establish that its accounting system precluded timely discovery of the overrun. There is also, in our opinion, considerable doubt over the contractor's obligation to continue performance if the Contracting Officer denies additional funds after timely notice. To obligate the contractor to perform in this situation would, in effect, give the character of a fixed-price contract. As with the LOF situation, we discovered no instance of overt pressure to use or obligate company funds in excess of amounts allotted, but if DOD is interpreting LOGO to require performance even after funds have been denied, the concept would arguably be inapplicable since the "obligation" to perform would presumably arise under the contract.

In sum, there are many questions under LOGO still to be resolved, and it is impossible to predict the outcome of a claim in the absence of precedent. At the very least, however, we believe that recovery for excess expenditures where the Government, after timely notice, has refused to allot additional funds to the contract, cannot be categorically foreclosed.

As pointed out earlier, a primary goal of contract funding procedures is to prevent the overobligation of appropriated funds. The statutory restraints in this respect are

Revised Statutes § 3679, as amended, 31 U.S.C. § 665 (1970) (the "Antideficiency Act"), and Revised Statutes § 3732, as amended, 41 U.S.C. § 11 (1970), set forth in part below:

"31 U.S.C. § 665(a):

"No officer or employee of the United States shall make or authorize an expenditure from or create or authorize an obligation under any appropriation or fund in excess of the amount available therein; nor shall any such officer or employee involve the Government in any contract or other obligation, for the payment of money for any purpose, in advance of appropriations made for such purpose, unless such contract or obligation is authorized by law."

"41 U.S.C. § 11(a):

"No contract or purchase on behalf of the United States shall be made, unless the same is authorized by law or is under an appropriation adequate to its fulfillment, except in the Departments of the Army, Navy, and Air Force, for clothing, subsistence, forage, fuel, quarters, transportation, or medical and hospital supplies, which, however, shall not exceed the necessities of the current year."

Under DOD's approach of recording obligations for the instant contracts on a target price basis for purposes of 31 U.S.C. § 200, described herein-above, the obligations so recorded would not exceed amounts made available for the contracts during FY 1975, and thus would not violate the above statutes. However, we do not believe that the recording of obligations is the sole factor relevant in assessing possible violations of 31 U.S.C. § 665 and 41 U.S.C. § 11. Thus, in 42 Comp. Gen. 272, 275 (1962), we stated with regard to the generally accepted purport of these prohibitions:

"These statutes evidence a plain intent on the part of the Congress to prohibit executive officers, unless otherwise authorized by law, from making contracts involving the Government in obligations for expenditures or liabilities beyond those contemplated and authorized for the period of availability of and within the amount of the appropriation under which they are made; to keep all the departments of the Government, in the matter of incurring obligations for expenditures, within the limits and purposes of appropriations annually provided for conducting their lawful functions, and to prohibit any officer or employee of the Government from involving the Government in *any contract or other obligation for the payment of money for any purpose, in advance of appropriations made for such purpose;* * * *." (Emphasis added.)

The question arises, therefore, whether a Contracting Officer may "commit" the Government to reimburse a contractor in advance of appropriations becoming available in the next fiscal year. We have not objected to contracts entered into subject to the availability of appropriations in certain circumstances, as long as the contract made it unequivocally clear that no Government liability could arise until the appropriations became available. 21 Comp. Gen. 864 (1942); 39 Comp. Gen. 776 (1960); B–171798, August 18, 1971. In the present context, if it were clear through judicial precedent that a given course of conduct by the Government would give rise to a valid claim for reimbursement, we might conclude that such conduct constituted involvement of the Government in an obligation (although not in the "§ 200" sense) for the payment of money within the scope of the Antideficiency Act and hence would constitute a violation thereof. As indicated, we would require a clear line of judicial or quasi-judicial precedent to support such a finding. Since such precedent at present does not exist, we cannot conclude that the actions of the military departments with respect to the contracts here under consideration constitute a violation of the Antideficiency Act.

It appears that contractor funding in excess of contract allotments, or at least the potential exposure to such liability, is a problem inherent in the nature of research and development contracting in the framework of an inflationary economy. As long as these contracts are incrementally funded, there may be a point beyond which money to fund overruns is simply not available, so as not to lose the company's competitive position, there is considerable impetus on the contractor to continue performance, even if it means assuming the risk of loss. Since all contractors agreed that interruption of performance would increase total cost, and since the projects involved are of major importance, the outright prohibition of contractor funding may not necessarily be desirable or feasible. Nevertheless, the practice obviously has an impact on congressional prerogatives, and we concur with the Assistant Secretary of Defense that it should not be encouraged.

In reviewing the Attachments to this letter, it must be noted that, where the "contractor funding" figures include noncancellable commitments, this indicates contractor exposure and not actual cash flow or contractor billings to the Government. This exposure is a potential liability that would be realized in the event the contract were terminated at the end of the fiscal year without additional funding. Even in such a case, the liability would be offset, at least in part, by termination costs, and would therefore not necessarily represent out-of-pocket expenditures on the part of the contractor.

Some of the attachments hereto contain business privileged information within the purview of 18 U.S.C. § 1905 and are marked "Competition Sensitive." Such information should be safeguarded to prevent release as public information.

Pursuant to the consent of Mr. Fine of your staff, we are furnishing a copy of this report to the Committee on Armed Services, House of Representatives. We plan to make no further distribution of this report unless you consent or publicly release its contents.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

RAISE SOCIAL SECURITY EARNINGS LIMITATION

Mr. HUDDLESTON. Mr. President, I have asked to be included as a cosponsor of S. 560, introduced by Senator CHURCH to amend title II of the Social Security Act to increase by almost 20 percent the amount of outside earnings permitted each year without deductions from benefits. At the present time an individual may earn only up to $2,520 a year. Above that amount, earnings are reduced $1 for every $2 earned, until the worker reaches age 72. This bill would increase that limit to $3,000.

An earnings limitation of $2,520 causes hardship for those individuals who must work to supplement their benefits. Our retired citizens living on fixed incomes and facing ever increasing price rises are having an increasingly difficult time making ends meet. It is our older Americans who suffer most from the effects of inflation, particularly in the areas of nutrition, health, housing, and transportation. More and more we are seeing that an average social security benefit of $184 per month—or about $2,208 per year—for retired workers is not enough to meet ordinary financial obligations, and that they must turn to some other employment or continue their present employment.

Additionally, the person who is hurt most is the one with the greatest need for more income than his benefits can provide. An individual with a yearly average benefit of $1,500 in social security benefits is going to have to earn a good deal more in order to earn a decent standard of living than one who is receiving benefits of $3,500 per year. However, both may earn only up to $2,520 a year or they suffer a $1 or $2 reduction in benefits.

Furthermore, it is only the individual who continues to work who is penalized. A wealthy person who draws tens of thousands of dollars a year from investments, pensions, or annuities may still draw a social security check. At the same time the retiree who has worked for a salary all his life and who might need to continue working as a matter of economic survival cannot do so without a penalty.

Finally, those who are able to work and want to work in their later years must be respected for their ambition and interest in adding to productivity. Many older workers can contribute the benefits of the skills they have accumulated in a lifetime of work. By working they gain the advantage of much needed extra income and the knowledge that they still have an important role in society and are capable of contributing to the community in which they live. These individuals who are able to work and want to work should not be unduly penalized for doing so.

THE SEIZURE OF THE "MAYAGUEZ"

Mr. HATHAWAY. Mr. President, earlier today I heard that U.S. military aircraft, while inspecting the vessel seized illegally by Cambodia, were fired upon, after which they attacked and sank three Cambodian vessels.

The Cambodians acted wrongly in taking this ship.

The President's reaction of seeking, through diplomatic channels, the restoration of this property, was right.

My question to this body, and to the President is, On whose orders did our war planes visit this site? And on whose orders did they respond to the firing, and sink three of the Cambodian ships?

The lessons of the past 13 years were numerous and difficult ones for Americans. It was not too long ago that similar activities took place in the Gulf of Tonkin, and reaction and overreaction escalated us into war in Vietnam. We must not repeat this error. We should not brook any interference from any nation with regard to our ships on the high seas, but neither should we enter into another armed conflict with any nation until such time as all diplomatic efforts have been made to regain our property.

There are serious questions to be asked the Department of Defense with regard to what appears to be a unilateral decision to enter into armed conflict with Cambodia.

If the President has ordered the Department of Defense to take this action,

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pending any reaction to our efforts to regain the ship through diplomatic channels, then he has made an error in judgment, but one that he will be held accountable for by the Congress and the people of the United States.

In the event the Department of Defense sent its scouts abroad without expressed permission from the Commander in Chief, it must be held accountable for its unilateral decisions by the President, the Congress, and the people.

Either way, Mr. President, I anticipate some very fast answers from the White House regarding this serious breach to the peace that, apparently, was so short lived in Indochina.

INDOCHINA WAR STATISTICS—DOLLARS AND DEATHS

Mr. ABOUREZK. Mr. President, the Indochina Resource Center has just compiled a complete set of statistics on various aspects of the war in South Vietnam, Cambodia, and Laos. These include U.S. aid to Indochina and all other external financing, the costs incurred by the United States since the Paris peace agreement, the total U.S. bombing tonnage in Indochina, and most importantly, the total number of casualties.

It is a gruesome compilation. According to their report, a total of 5,732,100 casualties were suffered between January 1961 and January 1973. Of this, almost two million were deaths. The costs of this war in terms of lives and economics are certainly some of the worst ever experienced by man. Let us hope and pray that the Indochinese people can now experience a lifetime of peace and tranquility in spite of their governments and outside influences. They, perhaps more than any other peoples in the world, deserve at least this.

Mr. President, I ask unanimous consent that the text of the report compiled by the Indochina Resource Center be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

INDOCHINA BALANCE SHEET—DOLLARS: DEATHS

1.—EXTERNAL FINANCING OF THE WAR IN VIETNAM

[In millions of dollars]

	[1] 1966	1967	[2] 1968	1969	1970	1971	1972	1973	1974	Total 1956–74
e. Sino-Soviet expenditures:										
Economic:										
People's Republic of China	75.0	80.0	120.0	90.0	60.0	105.0	90.0	NA	NA	
Soviet Union	150.0	200.0	305.0	385.0	345.0	320.0	210.0	NA	NA	
Total	225.0	280.0	425.0	475.0	405.0	425.0	300.0			
Most recent CIA estimates [3]					735.0	755.0	465.0	[4] 670.0	1,295.0	5,325.0
a. Military:										
People's Republic of China	95.0	145.0	115.0	140.0	100.0	115.0	230.0	NA	NA	
Soviet Union	360.0	505.0	415.0	175.0	90.0	165.0	375.0	NA	NA	
Total	455.0	650.0	530.0	315.0	190.0	280.0	605.0			
Most recent CIA estimates [3]					205.0	315.0	750.0	330.0	400.0	3,950.0
U.S. expenditures:										
Economic (fiscal years):										
Economic [6]	593.5	494.4	398.2	314.1	365.9	387.7	386.8	313.4	[8] 389.9	
Food for Peace [5]	143.0	73.7	138.5	99.4	110.8	188.0	67.8	188.3	[7] 230.1	
Total	736.5	568.1	536.7	413.5	467.7	575.7	454.6	[4] 501.7	620.0	4,883.5
Military (fiscal years):										
Military aid	875.1	1,208.5	1,153.2	1,710.8	1,727.6	1,895.0	2,348.5	2,270.5	1,010.0	14,249.2
U.S. operations [10]	4,924.9	18,891.5	25,346.8	26,089.2	21,372.4	12,805.0	7,001.5	3,029.5	691.0	121,151.8
Total	5,800.0	20,100.0	26,500.0	28,800.0	23,100.0	14,700.0	9,400.0	5,300.0	1,701.0	135,401.0

Note: Totals (in billions of dollars): Sino-Soviet economic aid, 5.325; Sino-Soviet military aid, 3.950; Sino-Soviet aid, 9.275; U.S. economic aid, 4.8835; U.S. military aid, 14.2492; U.S. aid, 19.1327; U.S. military expenditures, 135.401; U.S. expenditures, 140.2845; Foreign economic aid, 10.2085; Foreign military aid, 18.4993; Foreign aid, 28.4077; Foreign military aid, 139.3510; Foreign expenditure, 149.5595.

NOTES

Figures used in this survey represent the *highest* estimates for Sino-Soviet aid to North Vietnam. For example, the March 5, 1975 CIA estimates for Sino-Soviet aid during 1970–1974 have been used. These figures total more than $1 billion more than the previous estimates for those years.

Lowest possible figures were used in calculating U.S. military aid. For instance, until FY 75 some 80 per cent of PL 480 Food for Peace aid was used to generate counterpart funds that in turn were used to purchase U.S. military supplies. Thus, Food for Peace in fact constituted a source of additional military aid for the Saigon government during the period in question. For the purposes of this survey, however, Food for Peace aid was treated as economic aid, reducing total U.S. military aid by nearly $1 billion.

No attempt has been made to calculate undervaluations of U.S. equipment and materiel delivered to the Saigon government. Journalist Tad Szulc has cited (*Rolling Stone*, October 1974) Pentagon undervaluations of 50 to 90 per cent.

The figure $140.2845 billion for total U.S. expenditures on the war should not be taken as representing the full cost of the war. Senator Mansfield recently cited the *Statistical Abstract of the U.S.* figure of $352 billion (*Congressional Record*, March 21, 1975, 7983). Economist Tom Riddell, writing in the October, 1973 *Progressive*, sets total war costs at $676 billion.

SUMMARY

By U.S. government figures:

The U.S. spent and the Saigon government benefited from:

97.1 per cent of all foreign military expenditures in Vietnam

93.8 per cent of all foreign expenditures in Vietnam .

78.3 per cent of all foreign military aid to Vietnam.

67.4 per cent of all foreign aid to Vietnam

48.7 per cent of all foreign economic aid to Vietnam.

U.S. aid to Saigon represented:

92 per cent of Sino-Soviet economic aid to North Vietnam and the Provisional Revolutionary Government

3.6 times Sino-Soviet military aid

2.1 times total Sino-Soviet aid

Altogether, the U.S. spent:

15.1 times total Sino-Soviet expenditures on Vietnam

34.3 times total Sino-Soviet military expenditures on Vietnam.

Furthermore:

96.5 per cent of U.S. expenditures went directly for military purposes

74.5 per cent of U.S. aid went directly for military purposes.

42.6 per cent of Sino-Soviet aid went directly for military purposes.

FOOTNOTES

[1] National Security Study Memorandum No. 1, in Congressional Record, May 10, 1972.

[2] Report of Vice-Admiral de Poix, Director, Defense Intelligence Agency, transmitted to Congressman Les Aspin, May 18, 1974.

[3] Central Intelligence Agency, Defense Intelligence Agency, and Bureau of Intelligence and Research (Department of State), estimates of March 5, 1975.

[4] Report of Congressman Paul N. McCloskey, Congressional Record, March 14, 1974, 6776.

[5] U.S. Agency for International Development, Fiscal Year 1975 Submission to the Congress, "Indochina Postwar Reconstruction Programs," p. 49.

[6] Ibid., annual economic aid totals less Food for Peace totals.

[7] U.S. Department of Agriculture, Commodity Credit Corporation, telephone interview, January 1975.

[8] 1974 economic aid total in 3, less 7.

[9] Congressional Research Service, February 1974 Update of Total War Cost Figures.

[10] 9, less annual military aid figures from 5.

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2. U.S. AID TO INDOCHINA (SINCE FISCAL YEAR 1949)

a. The past (1) Under Truman: $1,300[1]; (2) 1953–75, country breakdown

[In millions of dollars]

President and fiscal year	Military	Economic	Food for Peace	Total
VIETNAM [2]				
Eisenhower: 1953–61	526.3	1,466.6	78.3	2,071.2
Kennedy: 1962–63	955.4	658.1	193.5	1,807.0
Johnson:				
1964–65				
1966	875.1	593.5	143.0	1,611.6
1967	1,208.5	494.4	73.7	1,776.6
1968	1,153.2	398.2	138.5	1,689.9
Nixon:				
1969	1,710.8	314.1	49.4	2,124.3
1970	1,727.6	365.9	110.8	2,204.3
1971	1,895.0	387.7	188.0	2,470.7
1972	2,398.5	386.8	67.8	2,853.1
1973	2,270.0	313.4	188.3	2,771.7
1974 [3]	1,010.0	[4] 389.9	[5] 230.5	1,630.0
Ford: 1975	700.0	[6] 282.0	[7] 54.0	5,036.0
Total	6,430.4	6,050.6	1,565.4	24,046.4
LAOS				
1953–61	98.4	266.0	1.1	365.5
1962–65	142.8	159.2	2.6	304.6
1966	54.3	57.2	.4	111.9
1967	56.0	56.1	1.3	113.8
1968	81.7	62.9	1.5	146.1
1969	79.8	52.0	.2	132.0
1970	77.9	51.4	1.9	131.7
1971	163.9	48.9	.6	213.4
1972	220.7	48.9	3.3	272.9
1973	334.4	48.0	2.3	384.7
1974	[8] 108.0	[9] 40.6	[5] 3.6	152.2
1975	[10] 30.0	56.0	NA	86.0
Total	1,447.9	948.1	18.8	2,414.8
CAMBODIA				
1953–61	[1] 67.6	217.6	2.3	287.5
1962–65	23.6	7.5	4.6	35.7
1966–59				
1970	8.3			8.3
1971	184.0	70.0	6.8	260.8
1972	187.2	37.1	20.5	249.8
1973	140.8	67.5	29.1	237.4
1974	[11] 419.1	[12] 95.0	168.3	682.4
1975	[10] 275.0	110.0	[13] 81.0	466.0
Total	1,305.6	609.7	312.6	2,222.9

TOTAL INDOCHINA

Pre-1953	1,300.0
Fiscal year 1953–61	2,724.2
1962–65	2,147.3
1966	1,723.5
1967	1,890.4
1968	1,836.0
1969	2,256.3
1970	2,344.3
1971	2,944.9
1972	3,370.8
1973	3,393.8
1974	2,464.6
1975	1,588.0
Total	29,984.1

B. THE FUTURE—PENDING ADMINISTRATION REQUESTS, APRIL 1975

[In millions of dollars]

Fiscal year	Military	Economic	Food for Peace
VIETNAM			
1975 supplemental	722	507	
1976	1,293	A	
197T	355		
1977	1,000		
CAMBODIA			
1975 supplemental	222		73–100
1976	425	8	
LAOS			
1976		C	
Southeast Asia Incremental	124		
Total A+B+C=		959	
Total military	4,141		
Total requests[1]			

[1] Total requested $5,680,000,000.

U.S. AID TO INDOCHINA COMPARED WITH U.S. AID TO 131 OTHER NATIONS AND TERRITORIES, 1945–1974

Since 1945 the U.S. has given $128.534 billion in aid grants;

Of this sum: $26.491 billion has gone to South Vietnam, Laos, and Cambodia since the French left;

$28.033 billion has gone to Indochina counting aid sent to the French before 1954.

Of the aid grants since the French left:

$22.505 billion went to South Vietnam

$2.282 billion went to Laos

$1.204 billion went to Cambodia

The U.S. has therefore sent:

20.6% of all post World War II aid grants to Indochina;

21.8% of all post-World War II aid grant to Indochina counting aid to the French; and

17.5% of all post-World War II aid grants to South Vietnam.

The government of South Vietnam has therefore received more U.S. aid funds—not loans—than any other government or administration in the world:

17.5% of all U.S. aid grants since World War II have gone to a country with 0.8% of the population of U.S. aid recipients.

Sources

Foreign Assistance and Related Programs Appropriation Bill, 1975, Report, March 10, 1975.

1974 Information Please Almanac, Atlas, and Yearbook, Dan Golenpaul and Associates, USA, 1973.

Note

In computing the total U.S. foreign assistance since World War II, aid to the Soviet Union has been admitted, as well as any loan aid. Loans to the governments of South Vietnam, Laos, and Cambodia amount to less than $200 million of the total and have not been deducted.

U.S. AID TO INDOCHINA—SUMMARY

In the period since South Vietnam, Laos and Cambodia ceased to be outright French colonies, the United States has sent $28.684 billion in aid.

Including aid sent under the Truman administration during the first Indochina war, the United States has sent a total of $29.984 billion in aid.

Of the aid sent since 1953, 66.9 per cent has been direct military aid, 83.3 per cent of total Indochina aid has gone to Saigon, and 57.4 per cent of total Indochina aid has been direct military aid to Saigon.

For the rest of FY 1975, FY 1976, FY 197T ("Transition") and FY 1977 the Ford administration is requesting $5.312 billion in aid which is equivalent to 17.7 per cent of all U.S. aid to Indochina.

FOOTNOTES

[1] Foreign Assistance and Related Programs Appropriations Bill, 1975, Report (No. 94), March 11, 1975, p. 5.

[2] U.S. Agency for International Development, Fiscal Year 1975 Submission to the Congress, "Indochina Postwar Reconstruction Programs," pp. 49, 57, 76.

[3] Congressman Paul N. McCloskey, Report, Congressional Record, March 14, 1975, 6776

[4] 3, less 5.

[5] U.S. Department of Agriculture, Commodity Credit Corporation, telephone interview, January, 1975.

[6] U.S. Agency for International Development, Economic Assistance, Vietnam desk, telephone interview, April 1975.

[7] Congressional Record, Fiscal Year 1975 Concessional Food Aid Allocations, March 13, 1975, 6584.

[8] House Report 93–1255, August 1974.

[9] Foreign Assistance and Related Programs Appropriations, Fiscal Year 1975, Senate Hearings, p. 1450.

[10] PL 93–559, Foreign Assistance Appropriations Act, Fiscal Year 1975, authorized figure.

[11] Foreign Assistance and Related Agencies Appropriations for 1975 Hearings, House of Representatives, Part 1, p. 1068.

[12] Foreign Assistance and Related Programs Appropriations, Fiscal Year 1975, Senate Hearings, p. 1449.

[13] Congressional Record, March 13, 1975, 6584; and additional $50 million is available under "Cambodian Reserve."

3. WAR COSTS FROM JAN. 27, 1973 (PARIS AGREEMENT) TO JUNE 1975

[In millions of dollars]

	Fiscal year—			
	1973 (February–June)	1974	1975	Total
Vietnam:				
Military	675.0	1,010.0	700.0	2,385.0
Economic	176.0	389.9	282.0	847.9
Public Law 480 [1]	80.7	230.1	54.0	364.8
Total	931.7	1,630.0	1,036.0	3,597.7
Cambodia:				
Military	64.5	419.1	275.0	758.6
Economic	27.8	95.0	110.0	232.8
Public Law 480	6.5	168.3	81.0	255.8
Total	98.8	682.4	466.0	1,247.2
Laos:				
Military	79.9	108.0	30.0	217.9
Economic	19.4	40.6	56.0	116.0
Public Law 480	1.4	3.6	?	5.0
Total	100.7	152.2	86.0	338.9
SEA incremental [2]	416.0	691.0	281.0	1,388.0
Grand total	1,547.2	3,155.6	1,869.0	6,571.8

[1] Public Law 480. Food-for-peace.

[2] Southeast Asia incremental DOD costs related to the phase-down of the Indochina conflict (mainly bases in Thailand)

Note: $6,571,800,000,000 equals 23 percent of all U.S. aid since 1953.

SOURCES

Fiscal year 1973. Five-sixths of fiscal year 1973 totals, contained in information furnished by the Committee on Government Operations Subcommittee on Foreign Operations and Government Information to Congresswoman Bella S. Abzug, Feb. 20, 1974.

Vietnam military. Congressman Paul N. McCloskey, Report, Congressional Record, Mar. 14, 1975, 6776.

Vietnam fiscal year 1974 economic. Ibid., less Public Law 480.

Fiscal year 1974 Public Law 480. U.S. Department of Agriculture, Commodity Credit Corporation, telephone interview, January 1975.

Fiscal year 1975 economic. Agency for International Development, Economic Assistance, Vietnam desk, telephone interview, April 1975.

Vietnam fiscal year 1975 Public Law 480. "Fiscal Year 1975 Concessional Food Allocations," Congressional Record, Mar. 13, 1975, 6584.

Laos fiscal year 1974 military. House Report 93-1255, Aug. 1, 1974.

Laos fiscal year 1974 economic. Foreign assistance and related programs appropriations, fiscal year 1975, Senate hearings, p. 1450.

Fiscal year 1975 Laos and Cambodia. Public Law 93-559, Foreign Assistance Appropriations Act, fiscal year 1975, authorized figure.

Fiscal year 1974 Cambodia military. Foreign assistance and related programs appropriations, fiscal year 1975, House hearings pt. 1, p. 1068.

Fiscal year 1974 Cambodia economic, Ibid., 1449.

Fiscal year 1975 Cambodia Public Law 480. Congressional Record, Mar. 13, 1975, 6584.

Fiscal year 1973 S.E.A. Incremental. Prorated, from "Budget of the Government of the United States."

Fiscal year 1974-75 SEA incremental. U.S. Department of Defense, Comptroller's Office, telephone interview, February 1975.

4. U.S. EXPENDITURE BY COUNTRY

[In millions of dollars]

Country	U.S. aid	U.S. military operations	Total
Vietnam	24,046.4	112,833.6	136,880.0
Cambodia	2,222.9	1,508.1	3,737.0
Laos	2,414.8	6,810.1	9,224.9
Total since 1953			149,835.9

SOURCES

U.S. aid. From "U.S. aid to Indochina" table.

U.S. military operations. Taking Congressional Research Service total war cost figures (from DOD) for annual incremental costs, less 1965 $100,000,000 incremental, less military aid allotments for Indochina, less Laos (3) plus Cambodia (3).

Military operations, Cambodia and Laos. Senator Stuart Symington, "Cambodia Bombing," Congressional Record, July 13, 1973, 24519; "Air War in Indochina," (revised edition, Beacon Press: Boston, 1972) for cost of bombing of Laos and Cambodia, which constitute the greatest part of U.S. military operations in the 2 countries.

5. COSTS OF THE AIR WAR IN INDOCHINA

[In millions of dollars]

Fiscal year	Fighter-bomber sorties	Cost of fighter-bomber sorties	B-52 sorties	Cost of B-52 sorties	Value of aircraft lost	Totat cost
1966	184,000	1,550	3,700	120	840	2,510
1967	328,000	2,690	7,400	270	1,100	4,060
1968	366,000	3,260	15,300	580	1,460	5,300
1969	375,000	3,640	20,500	850	950	5,440
1970	268,000	2,810	19,800	840	1,020	4,670
1971	153,000	1,780	12,400	550	600	2,930
1972	117,000	1,444	16,700	750	1,000	3,190
1973 [1]	96,000	1,260	20,500	990	590	2,840
1973 [2]	28,000	360	7,800	380	30	770
Total	1,915,000	18,790	124,100	5,330	7,590	31,710

[1] One-half 1973.

[2] Cambodia, Jan. 1-Aug. 11, 1973.

Sourcas: "The Air War in Indochina," p. 101.

"FY 72 Fighter-bomber sorties, and B-52 sorties." Senator Stuart Symington, "Cambodian Bombing," Cong. Record, July 18, 1973, 24520 "FY 72-73 sortie costs." Extrapolation from "The Air War in Indochina." "Cambodia FY 73 sorties." UPI dispatch, Aug. 14, 1973.

6. If Americans had suffered from the war on the same scale as the people of Indochina . . .

1. Vietnam:

Vietnam is about the size of New Mexico. South Vietnam is about the size of Florida. The population of South Vietnam is roughly 20 million. 1,710,000 Vietnamese killed since 1960=17,955,000 Americans or everyone living in New York State.

3,098,000 Vietnamese wounded since 1960=32,550,000 Americans, or the entire populations of South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Tennessee, Arkansas, and Kentucky.

2. In the two years since the signing of the Paris Agreement on Ending the War and Restoring Peace in Vietnam (January 27, 1973 to January 27, 1975).

150,000 Vietnamese soldiers have been killed=1,575,000 Americans, or the population of *Detroit*.

290,000 Vietnamese soldiers have been wounded=3,045,000 Americans, or almost everyone in *Chicago*.

15,000 Vietnamese civilians were killed in 1973 alone=157,000 Americans, or most of Pres. Ford's home town, Grand Rapids, Michigan.

70,000 Vietnamese civilians were wounded in 1973 alone=735,000 Americans, the population of Cleveland.

1,413,000 Vietnamese became refugees in that two-year period=13,850,000 Americans. equivalent to forcing all the people in *Texas, Oklahoma*, and *Washington, D.C. to leave their homes.*

3. Cambodia:

Cambodia is about the size of Missouri. The population is over 7 million. 600,000 Khmers have been killed or wounded =18,254,000 Americans, or the entire population of Maine, New Hampshire, Vermont, Connecticut, Rhode Island, Massachusetts, and New Jersey. 3,390,000 Khmers have become refugees=103,092,000 Americans, or almost everyone in the United States living west of the Mississippi and north of Ohio.

4. Laos:

Laos is the size of North Carolina and Virginia combined. The population is 3 million (no U.S. government figures for killed and wounded) 700,000 refugees=49,693,000 Americans, or all the people in the three most populous states, California, New York, and Illinois.

Sources:

Vietnam. Cumulative statistics from Department of Defense:

States. 1974 Information Please Almanac.

Refugees. Senate subcommittee on refugees, Study Mission Report for the Subcommittee to Investigate Problems Connected with Refugees and Escapees, "Human Problems in South Viet Nam and Cambodia: Two Years after the Cease-Fire," January 27, 1975.

Cambodia. Sydney Schanberg, *New York Times*, September 8, 1974.

Laos. Senate subcommittee on refugees, "War-Related Civilian Problems in Indochina," Part II, 21-22, April 1971.

7. TOTAL CASUALTIES

January 1961-Jan. 27, 1973

	Killed	Wounded	Total
Americans	56,226	153,654	209,880
South Vietnamese:			
Military	1,135,557	1,911,043	3,046,600
Civilian	415,000	935,000	1,350,000
Subtotal	1,550,557	2,846,043	4,396,600
Indochinese: (Cambodia, Laos, North Vietnam)	200,000	300,000	500,000
Total	1,806,783	3,299,697	5,106,480
Since the Ceasefire: Jan. 27, 1973-Jan. 27, 1975:			
Americans			
South Vietnamese:			
Military	150,140	290,480	440,620
Civilian	15,000	70,000	85,000
Subtotal	165,140	360,480	525,620
Cambodians	(1)	(1)	(1)
Grand total	1,971,923	2,660,177	5,732,100

[1] Over 100,000 killed and wounded.

U.S. DEATHS, HOSTILE AND NON-HOSTILE CAUSES AND WOUNDED

Year	Deaths in hostile action	Deaths in non-hostile action	Wounded	Total
1961	11	2	2	15
1962	31	21	41	93
1963	78	36	218	332
1964	147	48	522	717
1965	1,369	358	3,308	5,035
1966	5,008	1,045	16,526	22,579
1967	9,378	1,680	32,371	43,429
1968	14,592	1,919	46,799	63,310
1969	9,414	2,113	32,940	44,467
1970	4,221	1,844	15,511	21,567
1971	1,380	968	4,817	7,165
1972	300	251	587	1,138
1973 [1]	[2] 12		12	24
Total	45,941	10,285	153,654	209,880

[1] January 1-27.

[2] Includes both killed in action and status changes.

Source. Pentagon Information Office.

VIETNAMESE CASUALTIES BY YEAR

	Johnson years—1964-68		
	ARVN killed	PRG/DRV killed	Civilians killed
1964	7,457	16,785	
1965	11,243	35,436	25,000
1966	11,953	55,524	50,000
1967	12,176	88,104	60,000
1968	27,915	181,149	100,000
Total	70,744	376,998	235,000
Total, Johnson years		682,742	

	Nixon years—1969-73		
	ARVN killed	PRG/DRV killed	Civilians killed
1969	21,833	156,954	60,000
1970	23,346	103,638	30,000
1971	22,069	98,094	25,000
1972	39,587	131,949	65,000
1973 [1]	1,726	5,625	
1973 [2]	13,778	45,057	15,000
Total	122,339	541,317	195,000
Total, Nixon years		1,541,398	
Total, Johnson/Nixon years		1,541,398	

Year	ARVN killed	Wounded	PRG/DRV killed	Wounded	Civilians killed	Wounded	Refugees	Total war victims
1960	2,223	2,788	5,669	8,503				19,183
1961	4,004	5,449	12,133	18,199				39,785
1962	4,575	7,195	25,148	37,737				74,467
1963	5,665	11,488	23,575	35,362				76,090
1964	7,467	17,017	16,785	25,177				66,446
1965	11,243	23,118	35,436	53,154	25,000	75,000	772,000	994,951
1966	11,953	20,975	55,524	83,286	50,000	100,000	906,000	1,227,738
1967	12,176	29,448	88,104	132,156	60,000	115,000	436,000	872,884
1968	27,915	70,696	181,149	271,723	100,000	200,000	2,522,000	3,373,483
1969	21,833	65,276	156,954	235,431	60,000	140,000	590,000	1,269,494
1970	23,346	71,582	103,638	155,457	30,000	95,000	620,000	1,099,023
1971	22,069	59,823	98,094	147,141	25,000	75,000	404,000	831,127
1972	39,587	109,960	131,949	197,923	65,000	135,000	2,020,000	2,699,419
1973 [1]	1,726	6,542	5,625	8,437			2,000,000	22,330
Subtotal	195,764	501,357	939,793	1,409,686	415,000	935,000	10,270,000	14,666,600
Since cease-fire:								
1973 [2]	13,778	51,364	45,057	67,585	15,000	70,000	818,700	1,081,484
1974	11,499	51,822	79,806	119,709	NA	NA	594,300	857,136
Subtotal	25,277	103,186	124,863	187,294	15,000	70,000	1,413,000	1,938,620
Total	221,041	604,543	1,064,656	1,596,980	430,000	1,005,000	11,683,000	16,605,220

[1] Jan. 1-28.

[2] Jan. 28-Dec. 31.

Sources:

ARVN—Army of the Republic of Vietnam; PRG—Provisional Revolutionary Government; DRV—Democratic Republic of Vietnam.

Casualties ARVN and PRG/DRV 1960-72. Department of Defense.

PRG/DRV wounded. DOD projects 1.5 wounded per death.

Jan. 1-28, 1973. Government of Vietnam.

Jan. 28-D3c. 31, 1973. "Relief and Rehabilitation of War Victims in Indochina: 1 Year After the Ceasefire," Study Mission Report, Subcommittee to Investigate Problems Connected with Refugees and Escapees, Jan. 27, 1974, p. 9.

1974. Humanitarian Problems In South Vietnam and Cambodia: 2 Years After the Ceasefire, Study Mission Report, Subcommittee to Investigate Problems Connected With Refugees and Escapees, Jan. 27, 1975, p. 8. 1974 figures computed by subtracting 1973 figures from total figures.

Civilian casualties. Ibid., p. 7. Wounded computed by subtracting Subcommittee death estimated from subcommittee casualty estimates including deaths.

Refugees. Ibid., p. 4.

January 1-28, 1973 refugees. Estimated nonregistered refugees, including some 1,000,000 in Saigon ineligible since 1964 to register.

PRG/DRV killed since ceasefire. Saigon Government estimate was 156,222, in "Report, Vietnam-Factfinding Trip, Feb. 24 to Mar. 3, 1975—The North Vietnam-South Vietnam Confrontation," by Congressman McCloskey, Congressional Record, Mar. 14, 1975 6776.

Casualties in North Vietnam:

Civilian casualties

1965	25,000
1966	50,000
1967	50,000
1972	50,000
Total	185,000

There are no accurate figures available. These estimates are based on former Defense Secretary McNamara's estimate in May 1967 that the three years of bombing was killing or seriously injuring 1,000 non-combatants per week (*Pentagon Papers*, Gravel ed., Vol. iv, p. 172). The National Security Studies Memorandum No. 1, commissioned by Henry Kissinger in 1969, estimated 57,000 persons killed in the bombing of North Vietnam 1965-68. The figures for 1972 bombing are also not available. North Vietnam reported (AP in *New York Times*, January 5, 1973) that 1,318 residents of Hanoi were killed and 1,261 wounded in ten days of bombing in December 1972.

Cambodian war casualties:

Cambodian refugees. There are no reliable figures on the number of refugees. However, in a GAO report reprinted in the March 20, 1975 *Cong. Record*, 7891, it was stated the "roughly three million of the five million [under control of Lon Nol's government] have become refugees." The Study Mission report for the Subcommittee to Investigate Problems Connected with Refugees and Escapees, "Humanitarian Problems in South Vietnam and Cambodia: Two Years After the Cease-Fire," January 27, 1975, reported that as of December 1974, there were 3,389,050 refugees in Cambodia. (p. 31). In Sydney Schanberg's article of September 8, 1974 in the *New York Times*, it is also stated, "The refugee rolls have soared by 200,000 in that time to an estimated total of 3 million people . . . Nearly half the people of Cambodia are now refugees."

Cambodian casualties. There are no reliable figures on killed and wounded in Cambodia over the past five years. The State Department, Cambodia desk, estimates about 50,000 government forces have been killed or wounded between 1972 and the first half of 1974, with about 35,000 "enemy" killed during the same period. State Department estimates for January and February 1975 are around 40,000 killed and wounded on both sides. These figures are obviously underestimated. Sydney Schanberg, in his September 8, 1974 New York Times article stated, "By the lowest possible estimates more than 300 Cambodians are killed or wounded every day. So far, at least 600,000 Cambodians have become casualty statistics, nearly one-tenth of the country's population of 7 million." In April 1975 Schanberg revised his estimated upwards to 1 million casualties. In the Senate Subcommittee on Refugees January 1975 report the figure for civilian casualties since the war began is "well over 450,000." (p. 35).

Laos war casualties:

There are no reliable estimates on the number of Laotians killed or wounded during the war, but the numbers are in the hundreds of thousands. In a Washington Post article of March 4, 1970, it was reported that 100,000 Meo tribesmen have died in the last nine years of war in Laos. Civilian casualties are impossible to determine. In "Refugee and Civilian War Casualty Problems in Laos and Cambodia," a report of the Refugee Committee, May 7, 1970, civilian casualties are given: 5,500 for 1967, 2,658 for 1968, and 3,674 for 1969 (p. 44). These figures are underestimates.

8. U.S. BOMBING TONNAGE IN INDOCHINA

	Tons	Sorties
1964-73:		
South Vietnam	3,223,553	946,142
North Vietnam	881,302	362,542
Laos	2,083,100	541,344
North Laos	320,722	
South Laos	1,762,378	
Cambodia [1]	96,598	3.316
Cambodia total	539,129	49,640
Indochina total	6,727,084	1,899,668
Indochina:		
1964	3,440	
1965	174,121	
1966	449,856	
1967	842,557	
1968	1,272,547	
1969	1,218,629	
1970	800,418	
1971	616,593	
1972	957,162	
1973	391,761	
1964-68	2,742,521	
1969-73	3,984,563	
Total	6,727,084	

[1] March 1969-March 1970.

Sources: 1965-72: Senator Stuart Symington, Congressional Record, July 18, 1973, 24519-24520. Tonnage, June 1964-December 1974, Jan 1-Aug. 15, 1973. Pentagon statistics supplied by Congressman Les Aspin.

UMI

BOMBING TONNAGE

SOUTH VIETNAM

	June 1964–December 1964	1965	1966	1967	1968	1969	1970	1971	1972	Jan. 1–27, 1973	Total
F/B sorties	7	65,921	123,645	165,103	230,258	150,321	74,212	16,123	76,664	6,695	878,942
B-52 sorties	0	1,538	4,290	6,375	16,505	11,525	4,069	2,416	19,430	1,650	67,798
Total sorties	7	67,459	127,935	171,478	246,763	161,846	78,281	18,539	96,094	7,747	946,142
F/B tons	3,250	86,620	153,102	293,275	334,967	308,912	141,195	52,163	187,708	13,004	1,574,196
B-52 tons	(1)	31,540	84,230	173,970	472,308	323,492	110,928	61,625	353,354	27,910	1,639,357
Total tons	3,250	118,160	237,332	467,245	807,275	632,404	252,123	113,788	541,062	40,914	3,223,553

[1] Started June 1965.

NORTH VIETNAM

	August 1964	February–December 1965	1966	1967	1968	1969	1970	1971	1972	Jan. 1–27, 1973	Total
F/B sorties	7	25,408	81,137	105,576	92,224	285	1,003	1,705	46,186	1,663	355,187
B-52 sorties	0	0	280	1,420	682	0	0	0	4,440	533	7,355
Total sorties	7	25,408	81,417	106,996	92,906	285	1,003	1,705	50,626	2,196	362,542
F/B tons	154	40,554	123,194	205,785	208,068	659	832	1,842	120,981	4,251	706,320
B-52 tons	0	0	5,710	41,625	18,971	0	0	0	97,502	11,096	174,904
Total tons	154	40,554	128,904	247,410	227,039	659	832	1,842	218,561	15,347	881,302

CAMBODIA

	March 1969–December 1970	January–March 1970	April–December 1970	1971	1972	January–Aug. 15, 1973	Total
F/B sorties	20	0	13,552	15,154	6,702	7	35,438
B-52 sorties	2,406	890	1,626	1,336	1,868	7	8,126
Total sorties	2,426	890	15,190	16,490	8,570	7	42,896
F/B tons	31	0	19,421	29,947	16,513	89,366	155,278
B-52 tons	70,500	26,067	48,719	33,567	36,899	168,099	383,851
Total tons	70,531	26,067	68,140	63,514	53,412	257,465	539,129

LAOS

	June–December 1964	1965	1966	1967	1968	1969	1970	1971	1972	January–April 1973	Total
Laos F/B sorties	7	9,923	47,690	44,402	75,247	142,502	97,480	82,314	31,260	10,920	541,738
Laos B-52 sorties	7	24	647	7,718	3,377	5,567	8,518	8,876	2,644	1,835	39,206
Total Laos sorties	7	9,947	47,737	52,120	78,624	148,069	66,998	91,190	33,904	12,755	541,344
North Laos F/B tons	25	8,643	8,186	10,903	31,505	81,670	55,363	38,992	22,057	14,993	272,348
South Laos F/B tons	0	6,295	52,366	72,008	113,529	274,881	179,643	177,995	57,665	19,142	953,524
Total Laos F/B tons	36	14,938	60,552	82,911	145,034	356,551	235,006	216,987	79,722	34,135	1,225,872
North Laos B-52 tons	0	0	0	0	0	(1)	4,217	6,513	25,097	22,547	58,374
South Laos B-52 tons	0	469	13,068	44,991	93,199	158,484	214,033	223,949	39,308	21,353	808,854
Total Laos B-52 tons	0	469	13,068	44,991	93,199	158,484	218,250	230,462	64,405	43,900	867,228
North Laos tons	25	8,643	8,186	10,903	31,505	81,670	59,580	35,505	47,154	37,540	320,722
South Laos tons	0	6,764	65,434	116,999	206,728	433,365	393,676	401,944	96,973	40,495	1,762,378
Total Laos tons	36	15,407	73,620	127,902	238,233	515,035	453,256	437,449	144,127	78,035	2,083,100

[1] Starts February 1970.

THE JACKSON 5

Mr. TUNNEY. Mr. President, I had the opportunity last weekend to attend a concert performed by the singing group, the Jackson 5, at Shady Grove in Maryland. I was accompanied by my two sons, Teddy and Mark. In the Tunney household, we think the Jackson 5 are a great musical team. Not only are they superb musicians but their vocal artistry is of the highest caliber. I think that my sons own every long-playing record that they have made. I was pleased to find that in person the Jackson 5 are as good as they sound on records. Not only can they sing and play music, but they also are outstanding dancers and have a totally agreeable stage presence. On the present concert tour, the five brothers are aided by three sisters and a younger brother. The entire younger generation of the Jacksons appear equally talented. They have to be one of the most extraordinarily gifted musical families in American history. I want to use this moment of my colleagues' time to publicly commend Mr. and Mrs. Joseph Jackson, the parents of this tremendously appealing family, for having given to them the love, the training, and the time to make them what they are. Despite Mr. and Mrs. Jackson's justified pride in their children's achievements, they have maintained a rare quality of humility which has been obviously passed on to the younger generation of Jacksons. All in all, my sons and I thoroughly enjoyed ourselves as did the 2,800 other persons in the audience.

NATIONAL NURSING HOME WEEK

Mr. BROCK. Mr. President, I would like to take this opportunity to join with President Ford in saluting the American

Health Care Association for the efforts of its members in providing quality care to our Nation's infirm elderly and chronically ill. The association represents some 8,000 health care facilities with approximately 600,000 patient beds. This week they are observing National Nursing Home Week, May 11–18, 1975, and have cordially invited all to visit their nearby nursing homes. As the President so aptly noted:

> Such civic involvement is a useful way of bringing the community into the lives of nursing home residents and thus making their days more interesting and enjoyable.

Therefore, I urge each of my colleagues to accept this invitation.

As a member of the Senate Special Committee on Aging Subcommittee on Long-Term Care, I and my fellow members have been examining the inadequate public policy toward nursing homes and the deficiencies that exist in a number of these facilities. The Subcommittee report, "Nursing Home Care in the United States: Failure in Public Policy," documents our findings. However, at this time, I think we should give some recognition to the great number of unheralded nursing homes and dedicated health professionals, supportive staff, and volunteers who provide quality health services to the elderly.

At this time I would like to submit for the record a recent article from a fine Tennessee newspaper, the Jackson Sun, by Ms. Bettye Anderson on a good nursing home and the attitudes of the residents toward it.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Jackson (Tenn.) Sun, Apr. 27, 1975]

RESIDENTS REFLECT ON LIFE IN HOMES

(By Bettye Anderson)

"Time gets long, but we laugh and talk with one another. You wouldn't want a better home," said Harriett Hennings, a resident of Mission Convalescent Home for the last five years.

The 72-year-old Mrs. Hennings, one of about 30 residents of the Glass Street home, said the modern, brick residence is "really a nice place to stay and these are good people to stay with."

Sitting in the doorway of her neatly decorated room, Mrs. Hennings pulled her chair closer and folded her hands in her lap as she reminisced about her home near Denmark.

"We never stray far from where we're born," she smiled, recalling the house where she spent her entire life before entering the convalescent home.

Generally, most nursing home residents interviewed by The Sun are satisfied with their present residence although they long for the days when they lived in their own homes and were among family and friends.

"All my real people are dead," said Mrs. Hennings. "But, I've got lots of friends and people here to talk with."

Mrs. Hennings, like many residents at the home, enjoys being active even if activity means walking from room to room or outside to a lawn chair.

"I love to stir," the slightly-built woman said. "When it's warm, I sit outside. Sometimes I get out there and pick up paper in the yard.

"If you sit too long, you get stiff," she noted.

However, some residents are not ambulatory and can't visit with patients in neighboring rooms.

For example, 45-year-old Eugenia Jones has crippling rheumatoid arthritis and until about three weeks ago could not even use her wheelchair.

"But the Lord was with me and brought me through it," said the 10-year nursing home patient.

"I've been sick the better half of my life," she explained. "The best you can adjust, the better off you are. You have to accept things you can't change. If you rely on the Lord, he will help you accept it."

However, Miss Jones said she enjoyed reading the Bible, other books and the newspaper and watching the daytime television shows.

After an 8:30 breakfast Miss Jones said she often writes letters to family and friends. At 10, she gets her bath and dresses, with the help of a nurse. Lunch is served between 12:30 and 1 and then the television stories "are a lot of company," she said.

Religion plays a large part in the lives of the elderly and disabled in area nursing homes. Many attend church services on Wednesday nights and Sundays. For those who are unable to attend services are piped in over the public address system at the Mission Convalescent Home.

Residents also participate in games, and once a month enjoy a celebration for those who have birthdays that month.

Many enjoy excursions away from the home and visits relatives and friends.

Leecie McNeal, for example, likes to go to the nearest ice cream establishment for an ice cream cone.

The 69-year-old Mrs. McNeal, a resident at Armour-Cathey Nursing Home on Cloverdals, goes out at least twice a week and on Sundays. Her home on Cartmell is "just two hops and a jump away," she said.

Although Mrs. McNeal spends the biggest part of her day "right in this chair," she has plenty of company in the room she shares with three other women. The neat quarters are decorated with red, white and blue bedspreads and red curtains.

Most residents agree the food served in nursing homes is "fine." Besides the meals, which provide generous portions of meat and vegetables, residents have fruit juice in midmorning and afternoon, and snacks are always available.

Dining areas are neat and pleasant. Many residents sit in the same spot to eat everyday and do not like to change places.

Some nursing home residents get lonesome, some get depressed and cry, and others want to go home, supervisors said.

"Molly often talks about going home," said 79-year-old Oce Moore of McNairy County. He and his wife Molly live at the Armour-Cathey nursing facility.

Sipping a soft drink as he sat in a rocker on the shady porch of the Armour-Cathey home, Moore (a retired farmer and sawmill worker) said he would like "to be able to farm again."

An early riser (he gets up at 4:30 a.m.), Moore's first chore of the day is to raise the American flag over the nursing home. Throughout the day, he helps others by rolling wheelchair patients to the dining room and helping the disabled to get a drink or other needed items.

Moore, like residents at both nursing facilities, saye he enjoys hearing birds sing and often feeds them.

"I love to hear the birds sing," said Mrs. Hennings. "I wake up about four or five o'clock and there is a little mockingbird out there (pointing out the window of her room) on a bush nearly every morning.

"Spring makes you feel good," she said, noting that the world was coming alive after a long winter.

BRITAIN: THE LOW-GROWTH STATE

Mr. BROCK. Mr. President, each day our economic situation becomes a little more confusing. Where are we going? What price will we pay to get there? Is our economy truly recovering? Indeed these are important questions and the American people want answers to them. However, as we strive for those answers, I believe it is necessary to look at the world around us.

The Washington Post recently carried an editorial calling attention to the plight of Britain. There are many similarities in some of the solutions being proposed in the United States and those already at work, or not at work as the case may be, in Britain. Mr. President, I ask unanimous consent that the editorial from the Post be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BRITAIN: THE LOW-GROWTH STATE

Britain's new budget candidly acknowledges the country's economic troubles, but they are troubles on a scale that no budget can solve. More than any other major nation, Britain is living on money borrowed abroad. There are several theoretical solutions to these deficits, but as a practical matter neither of the parties has managed to build an effective public consensus for any of them. The decline in Britain's relative standing, in terms of wealth and economic power, has a large and unwelcome significance for American policy. It is an American habit of mind, both official and otherwise, to assume that Britain will continue to be an interlocutor for this country in Europe, and a steadying influence on European affairs.

Unfortunately, Americans and everyone else must reckon with the prospect that Britain will necessarily be increasingly absorbed in her own internal affairs. National influence tends to lag many years behind the actual state of national strength. But the steady decline of British productivity, measured against that of the three major countries of Western Europe, is inevitably eroding the weight that Britain carries on the continent.

The past 15 years have been, for the British economy, a creeping disaster. There have been no sudden declines or spectacular crises of the sort that draw great public attention. On the contrary, there has been steady growth—but at a very low level. British rates of economic growth have been consistently the lowest for any major nation. (The second-lowest growth rate is, incidentally, the United States', which explains why a number of Americans are beginning to take an uneasy interest in the relevance of the British example to our own case.)

In 1960 Britain's Gross National Product—the total value of all goods and services sold—was still slightly higher than West Germany's or France's. It was well over twice Italy's. But by last year, British GNP was less than half of Germany's, and only two-thirds as large as France's. In fact, it was only slightly higher than Italy's. But slow growth is far from the only symptom of malfunction.

The rate of price inflation in Britain is one of the highest in the industrial world. But since the wage inflation is even higher, the depreciation of the currency has become a mechanism for transferring wealth from the middle class and business to the working class. That is why the toleration for inflation among the unions is at present unlimited. The rise in consumer prices over the past year has been 20 per cent, but hourly wage rates have gone up an average of 32 per cent.

Rapid inflation is a peculiarly sharp threat in a country that earns a substantial part of its living in international banking and finance. That is where the British government's budget dilemma this month arose. The government feared that if it took no serious action, some of the foreign lenders and depositors would start edging toward the fire escapes in the purposeful manner of people who not only smell smoke but hear a crackling noise. But while it had to impose restraints, the government was severely limited by the referendum coming on June 5 over Britain's membership in the European Common Market.

British working people already tend to blame their economic hardships on the Common Market. Prime Minister Harold Wilson's Labor Party is severely split. The right wing is supporting Mr. Wilson, who, after much indecision, has decided to try to keep Britain in the Market. The left wing is campaigning strenuously to take the country out. Since the Conservative opposition also wants to stay in, a negative vote in the referendum would undercut the leadership of both big parties to the advantage of Labor's left half, as well as the Scottish nationalists and various other fragments. While the budget had to reassure lenders and bankers, it also had to do as little as possible to inflame voters as they approach the referendum.

The solution, as the Wilson government has presented it, is a series of very stiff taxes on just about everything—but no cuts in spending and services until next year. The excise taxes on beer, cigarettes and whiskey are up. The value-added tax on a television set is now 25 per cent. Income tax rates for most people are up. Altogether they add up to $3 billion a year; the equivalent in this country would be $24 billion. This budget has further exacerbated the tension within the Labor Party, since unemployment is high and rising. The left wanted a stimulative budget to put people back to work, instead of these sharply deflationary tax increases. The party will probably manage to hold together, since the desire for political survival is a marvelously strong glue. But whether it will be able to carry forward a coherent program is a closer question.

Economic trouble on this scale is never, at bottom, mere economics. On both sides of the channel, over the years, people have made a series of silent but tremendously significant choices. On the continent they have mainly chosen to pursue high productivity and the rapid accumulation of wealth, despite all of the uncomfortable and disruptive changes that it requires in people's lives. In two of those countries, West Germany and Sweden, GNP per capita is, at current exchange rates, higher than in the United States. Britain, in contrast to most of its Common Market partners, chose stability and security at the expense of growth. It was a decision not only to preserve everybody's job, but everybody's right to keep doing that job in the accustomed way. Unhappily, it has brought a decline in British industrial competitiveness that now threatens the jobs and security that it was intended to protect. British governments are not going to have much attention to spare for the concerns of Europe across the channel, or for the Atlantic world in general.

NATIONAL HISTORIC PRESERVATION WEEK—PART II

Mr. BEALL. Mr. President, Historic Preservation Week, 1975, gives us an opportunity to reflect upon the lessons of our Nation's history. This year is especially significant because we are so near to the celebration of the Bicentennial of the founding of this Republic.

In our modern, materialistic society, we too often lose sight of the role religion played in the founding and growth of America. Even though we are a Nation of great religious diversity, our forefathers, for the most part, adhered to the Judeo-Christian values which are the pillars of organized Western religion. In recent years many of these values and concepts have eroded, a process which I believe has been to our detriment. A society needs standards and values if it is to remain healthy.

Mr. President, I would hope that the vitality of the historic preservation movement and the Bicentennial celebration will give us as an opportunity to recapture not only the Spirit of 1776 but also the substance, the values, and the commitment of that era. We should never forget that a deeper strength enabled 13 diverse colonies to successfully rebel against the world's most powerful empire.

I would hope that churches, synagogues, and religious organizations of all faiths and denominations would become actively involved in preserving our heritage and celebrating our Bicentennial. I believe that we need a truly successful Bicentennial celebration in 1976 to help us recover psychologically from the political, economic, and foreign policy adversities which have befallen us in recent years. Thus the Bicentennial can serve to renew the American spirit, rededicate us to the cause of liberty, and strengthen our ties to the traditional virtues upon which our Nation was founded.

Mr. President, on April 20, Dr. F. Norman van Brunt, D.D., pastor of the Grace United Methodist Church in Baltimore, gave a commemorative service marking the Bicentennial of the outbreak of the Revolutionary War. Dr. van Brunt served as chairman of the Baltimore City Bicentennial Committee and he currently chairs the Bicentennial Committee of the Maryland Council of Churches United. At one time Dr. van Brunt served as a visiting chaplain to the U.S. Senate and it is safe to say that his is both a distinguished man and a very outstanding clergyman. Mr. President, I ask unanimous consent that Dr. van Brunt's Bicentennial sermon entitled "Redigging the Wells" be printed in the RECORD.

There being no objection, the sermon was ordered to be prined in the RECORD, as follows:

REDIGGING THE WELLS

(By F. Norman Van Brunt, D.D.)

There are those who have raised questions about the date on which the Bicentennial of this nation should begin or should have begun and also those who have questions about the terminal time. Some want it to be 1976 with the climax on July 4th. Others believe that the Revolution began with the passage of the Stamp Act in 1765 and that we are already ten years into the bicentennial with almost nothing having been done to commemorate many important dates in the life of the emerging nation. The interesting thing is that the Revolution was not just a war that was fought between the colonists and the mother country. It was a movement precipitated by God-given rights that were violated and the unique aspect of it was that never in the history of man had there been the coming together of perhaps a dozen gifted men whose minds were so creative that they were able to give the leadership that made possible the emphasis of those God-given rights in a new light.

Thus, the celebration of the Bicentennial of this nation covers the span of a generation, not just a year. It is appropriate to think of the Revolution as reaching from 1765 to 1789. However, that is a matter which will not be universally accepted across this nation. Most people will celebrate July 4, 1976 and that will be the Bicentennial for them. However, the date of April 19, 1775 is written unequivocally in the annals of our history. On that date:

> By the rude bridge that arched the flood,
>   Their flag to April's breeze unfurled,
> 'There' once the embattled farmers stood,
>   And fired the shot heard round the world.

Two hundred years ago yesterday on the green at Lexington, the first blood was spilled into the brown earth of this land that marked the point of no return in the struggle for the freedom they believed God gave to them. It is not our purpose this morning to dwell upon the acts at Lexington and Concord but rather on certain principles which those historic scenes represent.

Now two hundred years later we are engaged in a struggle which many believe may be the contest to confirm the very future of this nation and its influence. In the midst of this attempt to find our way, we are experiencing confusion confounded and while our national leaders make efforts at bold pronouncements, it becomes more obvious with each passing day that some things seem to have vanished from our life and we are courting confusion and often further confounding the life of the nation in its intercourse with the world. So on this anniversary we look back at the decisions that were made, at the action that was taken, and we ask ourselves what motivated them? Somehow in these later years, we seem to have gotten off the track. We appear as a nation stunned by our position in the world asking ourselves "how did we get here and how do we get out of here?'

It may help us this morning if we turn briefly to the old narrative recorded in the Book of Genesis. That story says, "And Isaac dug again the wells which had been dug in the days of Abraham his father; for the Philistines had stopped them after the death of Abraham; and he gave them the names which his father had given them." What we see in that description of a heroic act is the recovery of an old gain which had been lost. Water in those desert areas was the substance of life. Without it those who dwelt there were hopeless. So when Isaac returned to the old places where Abraham had lived, they were confronted with a need. They had to have water. Isaac knew that Abraham had dug wells and he searched until he found the places where those wells had been, for he remembered that water was to be found there.

Through the years, the Philistines, the enemy, had wrought destruction and made the people ineffective by filling up all the

wells of water. The land lost its value because the element of life needed was no longer to be found. Isaac stood in the place of his father and saw what had been done and something more than the need of water compelled him to move into action for a new day. There was a loyalty to what his father had done which touched him very deeply. He knew full well that what his father had accomplished was absolutely basic to the ongoing of the people who were to be the sons of Abraham in future generations. So in a time when others would have said, "What is the use?" Isaac dug again the wells of Abraham and called them by the names his father had given them. This old story from Scripture is so relevant to us as we stand on the brink of the Bicentennial of this nation.

There are two things that confront us now as faced Isaac when he returned to the home of his father. The times demand that we face the future "all untried." There are new things that we have to do. They are demanded of us. We cannot shirk them. However, there are some old things that have to be regained because without them we will be impotent to fulfill the demands of these untried times. I do not mean that this Bicentennial must be a kind of emotional bath which we must undergo—although some cleansing is absolutely necessary. Maybe a good dose of emotion in the right way might help us immeasurably. However, while there may be moments when our spines will tingle as we recall, perhaps dramatically, the great moments two hundred years ago, the most demanding thing must happen in those quieter moments when we reflect upon ourselves and where we are.

I remember a few years ago reading an account of a revival of the perennial favorite—Thornton Wilder's "Our Town." That drama of another generation situated at Gordon's Corner, New Hampshire portrayed the simple life of humble people in rural America. After the production someone saw a fellow and a girl leaving the theatre. The fellow was flamboyant and emotionally charged with the nostalgia created in those moments of simple drama. Putting his arm around the lady he said, "Well, baby, that's where we came from." The girl was much more reflective, seeming to be spiritually moved by what she had seen. Her reply to him was significant. "Yes," she said, "but look where we are now." Her thoughts were obviously ones of dissatisfaction.

Running through the mind of America today is the thought of dissatisfaction. How did we get where we are? Why is our nation torn from "sea to shining sea" with conflict and hostility, strife and unrest? How do we solve the seeming unsolvable problems confronting us now? We must go on! We cannot go back and live in the eighteenth century. However, we can redig the wells of our fathers, for without the water of life we are not going to solve the issues of the future. They were dealing with such basic concepts of life that what they saw then we must see now.

Let me share with you briefly this morning what I think we must recover as a people. First, I think we must recover our identity as a people. They were united. We are divided. The founding fathers were rooted in purpose because they were rooted in a belief in the eternalness of what they were fighting for and in the eternal qualities based upon a belief in the Fatherhood of God. They were given that identity because of the foundations upon which they stood. They knew who they were. The patriotism they possessed was vital because they believed that what they were struggling for was rooted and grounded in right. There was no equivocation of purpose. They knew they were right. A year later Thomas Jefferson expressed it for all of them:

"We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain inalienable rights, that among these are Life, Liberty, and the Pursuit of Happiness—That to secure these rights, Governments are instituted, deriving their just powers from the consent of the governed, that whenever any form of government becomes destructive of these ends, it is the right of the people to alter or to abolish it, and to institute new government, laying its foundations on such principles, and organizing its powers in such form, as to them shall seem most likely to effect their safety and happiness . . . And for the support of this . . ., with a firm reliance upon the protection of Providence, we mutually pledge to each other our lives, our fortunes and our sacred honor."

I submit to you, my brothers and sisters—those men knew who they were. There seems to have been in the inexorable course of time a movement away from those principles until today instead of drinking at the wells of our fathers, we are content with cisterns that have become contaminated.

A few years ago one evening Mrs. Van Brunt and I were on a street car in Frankfurt, Germany. We were impressed by the people of West Germany. They came through the experience of World War II and the shame heaped upon them by the deposits who had wrested power from them seemed to get a new grasp upon their purpose. While riding quietly that evening we were suddenly jolted by a great deal of noise and confusion in the back of the car. It turned out that it was created by a group of American teenagers, sons of military personnel stationed in that city, who had been drinking. They became so obnoxious that the motorman stopped the car and threatened to have them put off. They, in turn, almost put a motorman off of his own vehicle. Some German men came to his rescue and set the record straight. We sat in the car a bit fearful of what had happened as we saw the scorn written upon the faces of the German passengers. I leaned over to Mrs. Van Brunt and said, "Don't let anyone on this car know we are Americans." What a shameful thing to have done! We should have stood up in that car that night and said, "We are Americans also and we are ashamed of these people who have given you a bad image of America. All the people of America do not behave like that." We kept quiet and got off as soon as we could.

That is what seems to be happening in so many areas today. Why do not those of us who feel deep within ourselves the meaning of America stand up and let it be known? There are more in this land who believe in America than those who would replace our philosophy with some form of dictatorship. It would help us confirm our identity. God knows it is needed. Yet most of us are like the Van Brunts in that foreign city—we want to get off at the first stop.

The founding fathers stood up and said who they were. They were not a majority—their kind never were a majority during all of the Revolutionary period—the success of their venture was grounded in their identity. We must go back and redig that well. We need to recover spiritual values in this land because they are the promises upon which good life is built. Selfishness has reared its ugly head among us. Materialism has become our god. It seems more important to have our pleasures and affluence; our appliances and our automobiles than to insure life for our grandchildren. This is not the premise upon which this nation will stand for another two hundred years. Our founding fathers gave us the example. We must hold to what is right because it is right, not because it is legal or desirable.

Spiritual values are rooted in moral principles. Those principles do not change, the preachings of some social scientists to the contrary not withstanding. The direction we are going today, in this hour of permissiveness, has been tearing apart the very institutions which God created for the continuation of life among human kind. Why can we not see it? We are struck by fad—whatever comes along that seems innovative we must have now. Principles of the fathers are of no concern. The lack of the sense of history has created for us "a cut flower civilization." How long can it last? Unless we come to our senses we are destined to learn the lessons of history all over again. Government operates on the basis of expediency with little regard for what is right. The only possibility of recovering from this dilemma is to turn about and dig again the well of spiritual values that were dug by our fathers.

Finally, we need to recover our national purpose. I have only one thing to say about this. We are a nation which came up out of tyranny and we must stand today as the example to the emerging nations of this world, not as a nation which grabs and gains to fulfill the expediences dictated by selfish interests, but that the welfare of people and the means we use to accomplish that welfare stands the test of time. In 1832 Alexis de Tocqueville, the French historian, visited America. When he returned to France he wrote an assessment, a part of which seems apropo of this hour. He said:

> I sought for the greatness and genius of America in fertile fields and boundless forests; it was not there.
> I sought for it in her free schools and her institutions of learning; it was not there.
> I sought for it in her matchless Constitution and democratic congress; it was not there.
> Not until I went into the churches and temples of America and found them aflame with righteousness did I understand the greatness and genius of America.
> America is great because America is good.
> If America ceases to be good, America will cease to be great.

So we must, I think, redig the well of national purpose—not to be the greatest but to be people who are good.

So we celebrate today the bicentennial of the beginning of the War of the Revolution. It is not to exalt the battles where the blood of patriots was shed. It is rather to exalt the purposes which were so ingrained in the minds of the founders that it seemed the only way at that time to wrench the basic freedoms of a people out of the hands of tyrants. It is to exalt the basic greatness and goodness of America to this very hour. It is to say that more and more of those who believe that the life of this nation is best served by redigging the wells of identity, spirtual values and national purpose, that we can survive this moment in time, must step forth as did the patriots in 1775 and put ourselves in a position to say we will uphold this with all we have and all we are. We will not abide the muckraking that has passed for purpose and policy in the face of political expediency. We will build for the future as we stand upon those principles which do not pass away.

When the War of the Revolution had ended and the Constitution was finally framed, Benjamin Franklin met a well known Philadelphia lady who said, "Dr. Franklin, have you given us a monarchy or a republic?" Benjamin Franklin replied, "We have given you a Republic—if you can keep it." "If you can keep it."

Two hundred years have passed—now we stand on the concourse of time and we must move into the third century. We have a Republic still—can we keep it? I say we must redirect our energies and go back and dig the wells of our fathers, bringing forth the principles once again that do not change. This is a time of great opportunity. It is not a time to stand in the corners of this nation

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and wring our hands and say "what shall we do?" It is the time to sound the trumpets and give thanks that God in his providence and mercy has brought us through to this hour and solemnly determine and covenant that, as the people of American at the beginning of the third century, we shall boldly march forth to reinaugurate the principles of goodness and truth—

That we may tell our sons who see the light
high in the heavens—Their heritage take:
I saw the powers of darkness put to flight I
saw the morning break.

THE PRESIDENT'S VETO OF THE EMERGENCY PRICE SUPPORTS FARM BILL AND THE NEED FOR REEXAMINING AMERICAN FARM POLICY

Mr. THURMOND. Mr. President, I supported the emergency price supports farm bill which the President has vetoed and feel that his decision, no matter how well motivated, will be damaging to the farmers of America.

The major arguments offered by the President in opposition to this legislation are that it would lead to greater budget deficits and higher food prices. I support the efforts of this administration to attempt to maintain fiscal responsibility, and I think we should do everything possible to curtail further rises in food prices. However, on this particular issue, I think the President has been ill advised regarding the critical need for this legislation and its possible economic consequences.

First, let us briefly examine the necessity for this legislation. To put it very mildly, there have been drastic changes in the prices of agricultural products and inputs in the past several years. The year 1973 saw a dramatic increase in the price of most farm products, resulting from previous curtailments in world agricultural production, and rapid increases in world demand.

However, this upturn in farm prices was relatively short lived, and the prices of most commodities have declined sharply since that time. Very recently, we have experienced a 5-month decline in prices received by farmers, and I sincerely hope that last month's slight turnaround signals brighter days ahead for our Nation's productive but poorly rewarded farm sector.

Compared with the recent cycle in prices of farm products, the trend in costs of farm inputs has been virtually all in the upward direction and generally more extreme. Much has been said about the severe impact of higher fuel, fertilizer, labor, machinery, and other production costs, which farmers have recently experienced. Even USDA's very conservative estimates of average production costs for 1975 crops have climbed to levels that are generally well above target and loan prices proposed in the emergency price supports legislation.

At this point, it should suffice to say that the typical American farmer has lost valuable ground on the treadmill of cost-price squeezes. Now, he is put in the position of having to produce more, absorb gigantic production costs increases, and yet, probably receive less for what he grows. Finally, these impossible objectives are to be achieved without regard to the probable consequences for that typical American farmer.

The consequences of declining farm prices and rising production costs are already being deeply felt by farmers in my State of South Carolina. A record-high number of farmers in South Carolina have already had to ask for loan extensions and/or refinancing. Many have had to liquidate all or part of their operations in order to meet credit obligations. The outlook for this crop year does not look good, and it appears that it may be disastrous for many cotton farmers after the veto of this bill.

Mr. President, I ask unanimous consent that a concurrent resolution recently adopted by the General Assembly of the State of South Carolina be printed in the RECORD at this point and referred to the appropriate committee for prompt consideration.

There being no objection, the concurrent resolution was ordered to be printed in the RECORD, as follows:

A CONCURENT RESOLUTION

To memorialize the Congress to take the necessary measures to assure farmers and ranchers an equitable return on their farm and fiber products, thereby protecting the American public against a possible severe shortage of food and fiber in the near future

Whereas, eighteen members of the Sumter County Agricultural Society made a trip to Washington, D.C., on March 13, 1975, to present certain facts to the South Carolina Congressional Delegation relating to the overall economic conditions and outlook for agriculture in this area; and

Whereas, the following facts and information were presented for their consideration:

1. Due to depressed farm commodity prices, a record-high number of farmers and ranchers in South Carolina have had to request extensions and renewals of their loans in an effort to make economic adjustments.

2. In the past twelve months we have seen a backward financial trend develop among a large percentage of the more successful farm operations in the State. It is evident that many operations will be forced into liquidation during the course of 1975 due to marketing factors over which the farmers have no control.

3. Due to inflation and profit-taking by many agricultural suppliers, the total input costs, based on 1974 projections, were underestimated by approximately twenty-five per cent in this area.

4. Farm receipts on the following commodities have decreased over the past twelve months, as indicated:

Cotton: From $.70 per pound to $.36 per pound.

Soybeans: From $8.00 per bushel to $5.50 per bushel.

Corn: From 3.25 per bushel to 2.50 per bushel.

Beef: From .60 per pound to 22 per pound.

5. At the same time the market value of farm commodities has declined, the input cost of farming has increased, as follows:

Farm machinery: Up forty per cent.
Fertilizer: Up forty-one per cent.
Chemicals: Up forty-five per cent.
Fuel: Up thirty-seven per cent.
Labor: Up fourteen per cent.
Utilities: Up thirty per cent; and

Whereas, this group met with the Director of CRO and other officials of the United States Department of Agriculture, and the following observations were made by members of the group:

1. The principal objective of USDA is to eliminate all surplus commodities and allow the economy to operate on a supply-and-demand basis. This objective is to be achieved without regard for consequences to the American farmer, and without regard for the fact that there is presently only an approximate sixty-day food supply on hand in the event of a national disaster.

2. It was stated by the USDA official that the actions of the Secretary of Agriculture and the USDA have no effect on farm market prices. We believe this premise to be entirely false.

3. USDA expects American farmers to compete on the world market at competitive prices; yet the federal government regulates input costs to farmers by setting controls on labor, oil, export and import quotas, and working conditions.

4. It is apparent that USDA is more consumer oriented than producer oriented; and

Whereas, we feel that the economic existence of farmers and ranchers in South Carolina is seriously threatened by the foregoing conditions. Now, therefore,

Be it resolved by the Senate, the House of Representatives concurring:

That the Congress of the United States be memorialized to take such measures as may be necessary without delay to assure farmers and ranchers an equitable return on their farm and fiber products, thereby protecting the American public against a possible severe shortage of food and fiber in the near future.

Be it further resolved that a copy of this resolution be forwarded to the United States Secretary of Agriculture, the United States Senate and House Agriculture Committees, and to each member of the Congress from South Carolina.

Mr. THURMOND. Mr. President, this resolution further illustrates the severity of the cost-price squeeze and requests that Congress take prompt action to assure farmers an equitable return on their farm products, in order to protect the American public against possible severe shortages of food and fiber in the near future.

Now, Mr. President, this leads me to the second key point I would like to make regarding the veto of this farm bill. I have emphasized that I felt this legislation was necessary to avert financial disaster for many farmers. Additionally, farmers and consumers need the greater measure of stability in food and fiber prices that this legislation would provide. Furthermore, I basically disagree with the USDA cost estimates and economic consequences of the higher target prices in this bill.

The extravagant costs of this legislation, as cited by the administration, are predicated on the assumption that the prices of major farm commodities — wheat, corn, soybeans, and other feed grains—will fall below the specified target prices in the next several years, thus necessitating massive subsidy payments to farmers. Given the present world demand for foodstuffs and the expected recovery from the current recession, I question the accuracy of these predictions. Furthermore, the cost estimates of the staff economists of the Senate and House Agriculture Committees are far less than those put forward by USDA.

Additionally, consumers may incur higher food costs in the long run because this legislation was not approved. Extreme price instability and extensive

farm unit failures, which I believe will result from the rejection of this bill, are likely to create future commodity shortages and resultant higher food prices for consumers.

Naturally, there is considerable disagreement among agricultural economists regarding the need for reasonable stability in farm commodity prices, the relationship between price variation at the farm level and retail food prices, and the proper role of the Federal Government in farm policy.

On the one hand, the present USDA hierarchy, led by Secretary Butz, argues strongly for a free market-oriented farm policy. Such a policy is typically characterized by periods of great price instability, which some economists contend are necessary to bring about continued economic efficiency in agriculture.

If farmers purchased their inputs in a truly competitive market, if they did not have to cope with great variation in the weather and the possibility of natural disaster, if farmers could readily adjust the size and nature of their crops in response to market changes, if farmers could be certain of prices and readily compete with industry for hired laborers—if a number of factors were not such as they are, then I could readily embrace a totally free market with no support programs for American agriculture. However, given the present real world constraints and the fact that industrial workers received guaranteed wages but farmers have little assurance on commodity prices, I think there is a need for reasonable target and loan price guarantees to provide security for farmers and adequate food supplies for the remainder of our society.

In between these extremes there is adequate room for a reasonable, responsible farm policy based on free enterprise with stability. It is such an intermediate approach which most agricultural economists are now supporting. Such a policy would provide for target and support prices at reasonable levels, somewhere above the average variable, "out-of-pocket" costs of production, but below average total cost of production.

In other words, farmers would be encouraged to produce crops for which market demand was sufficient to enable them to recover production costs. They would be partially protected against sudden, drastic declines in commodity prices. Yet, target prices would be carefully monitored and set low enough to allow the market to efficiently allocate agricultural resources to commodity areas where demand was highest.

This kind of intermediate, rational agricultural policy recognizes the need for flexibility to cope with changing market demand and productivity gains. It also makes it possible to avoid excessive payments and unwanted surpluses. Fundamentally, it affirms the need for reasonable stability in commodity prices. Extreme instability, such as we have had in the last two years, is harmful to farmers, food handlers and processors, and consumers. Such instability creates unnecessary cost in the form of increased risks and inefficiency of resource use.

This, then, is the kind of responsible agricultural policy that I would hope Congress and the administration could unite behind. It is a concept that recognizes the importance of agriculture to society; the unique, highly competitive structure of American agriculture; and the many problems of food and fiber production. Properly implemented, it would combine the best points of a market-oriented agriculture with reasonable guarantees of market stability, achieved by spreading some of the cost of agricultural risks among all of us who depend on farm products for our survival.

I hope that the administration will reconsider its course toward farm policy in the future. President Ford is right in wanting to reduce Federal expenditures and hold down food prices. However, I think his veto of this bill will not accomplish those worthy goals. We need a strong, viable agricultural sector—not a crippled, uncertain one.

Mr. President, I ask unanimous consent that an excellent article on "The Effects of Unstable Prices in Agriculture," by Dr. Max I. Loyd of Clemson University, Clemson, S.C., be printed in the RECORD at the conclusion of these remarks. Dr. Loyd's article, while somewhat technical, provides an objective analysis of some of the advantages and disadvantages of instability in farm commodity prices. I commend it to my colleagues and others interested in farm policy.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EFFECTS OF UNSTABLE PRICES IN AGRICULTURE

(By Max I. Loyd)

Extreme fluctuation in prices of most major U.S. crops during the past two years has been unlike anything experienced since the 1920's. In 1973, cotton and soybean prices reached about three times 1972 levels. Most other farm prices showed dramatic increases during the same period.

We may not be on the other side of the cycle for several commodities. Crop prices usually reach a seasonal low during peak harvest and trend upward to reflect approximate carrying charges until the next harvest. However, cotton, corn, and soybeans have trended downward since the 1974 peak harvest and haven't shown much promise of improving.

Cotton and beef cattle producers are either selling their products at a substantial loss or are trying to hold out for better prices. Some optimists feel that the current setback is temporary and that prices will improve substantially. A more realistic view, given current world supply and demand conditions, is that prices will continue wide fluctuations but will remain well below 1973 levels for the next year or two. It appears that currently a downward cyclical trend is more than offsetting the normal seasonal upward trend.

WHAT CAUSES SUCH EXTREME FLUCTUATIONS?

The supply of and demand for agricultural products is such that relatively small changes in supply or demand cause relatively large changes in price. Increases in supply because of weather or favorable grower expectations (with other conditions constant) result in more production and lower total returns to producers. In this case consumers get more for less. On the other hand, a decrease in supply—as might be caused by scarcity of inputs or poor weather—results in consumers paying more and getting less. Changes in demand, if in the opposite direction from changes in supply, magnify the effect on price.

Surplus stocks of U.S. farm products in the 1950's and 60's kept domestic and world prices near the CCC loan rate levels. These stocks were virtually used up before the 1973 harvest.

The dramtic increase in agricultural prices in 1973 resulted from curtailed world production and increased world demand. The current decline in prices is due to increasing world supply and stagnant or decreasing demand. Soybean, cotton, and feed grain prices would have dropped even more dramatically in recent months if the combination of spring floods, summer drought, and early frost had not cut U.S. production. Although an increase in production was expected in 1974, corn and soybean production was down one-fifth and cotton production was down one-eighth from 1973.

Many farmers are now in a quandary about what to do in 1975. The banker will answer this question for some—if they cannot sell their products forward at a projected profit and do not have sufficient net worth to cover potential losses, they will not be able to get production financing.

EFFECTS OF INSTABILITY

Several economic studies have evaluated the effects of stable versus unstable prices. These studies show that producers gain from stabilization of price fluctuations caused by shifts in supply. Producers may lose from stabilization of fluctuations caused by shifts in demand if the unexplained variation in demand is autocorrelated—that is, if the unexplained variation in a given time period is related to the unexplained variation in a previous period. A recent study has shown that even in this worst case for producers, consumers gain more than producers lose so that the economy as a whole gains from stable prices.[1]

The above study is based on a mathematical evaluation of "consumer surplus" and "producer surplus," using linear supply and demand functions. Consumer surplus is the difference between the amount consumers would be willing and able to pay for a commodity and the amount actually paid. Producer surplus is the difference between the income producers would be willing to produce for and the amount they actually receive.

This is a brief description of the concepts involved in price-stability studies. If you think it sounds complicated, you should see the mathematical formulas involved! These studies are based on theoretical demand and supply curves and show the direction, but not the magnitude, of effects. A practical approach is to observe the real world effects of instability on resource use. For example, in 1973, with rising cotton prices, farmers and ginners "geared up" to supply more cotton by buying as many pickers as manufacturers could build and by installing new gin equipment. In contrast, 1975 cotton acreage is projected at slightly over two-thirds of 1973 and 74 acreage. This means that about one-third of the harvesting and ginning capacity will be idle.

The agricultural and consumer protection act of 1973 recognizes the disruptive effects of extremley low prices. The act provided 1975 target prices of 38 cents per pound for cotton, $2.05 per bushel for wheat, and $1.38 per bushel for corn. However, most farmers consider these target prices to be unrealistically low.

Extreme price fluctuations also result in increased risk and inefficient resource use by processors and handlers of farm products. Processing firms have been among the strongest advocates for price-stabilization programs and specifically for more realistic target prices.

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[1] Turnovsky, Stephen J.: Welfare Gains From Price Stabilization, American Journal of Agricultural Economics, V56-4, Nov. 1974.

THE ROLE OF PRICES IN THE U.S. ECONOMY

Prices play a vital role in a mixed economy. Prices ration the economy's output among consumers according to their wants and ability to pay. Product prices are reflected in resource prices, which allocate resources among industries. In particular the movement of resources from declining industries to growth industries is important to a dynamic economy. This provides a strong argument against stabilization programs.

Some agriculturists argue that unstable prices are desirable and that previous stabilization programs inhibited economic growth and caused the current high food prices. This argument is questionable in view of the remarkable ability of U.S. agriculture to produce abundant food at low cost.

On the other hand, rigid price regulation can be harmful. The present market-oriented program is designed to overcome previous deficiencies of stabilization programs. An intermediate solution might be possible which would provide for flexibility but prevent harmful effects of highly unstable prices. Target prices could be set above average variable cost without causing inefficient use of resources if the target price is sufficiently below average total cost to encourage movement of resources from declining to growing industries.

Careful monitoring of target prices would be needed for such a stabilization policy to encourage new technology, to allow for changes in market conditions, to avoid excessive payments and unwanted surpluses, or to accumulate reserve stocks if desired.

In summary, unusual conditions during the past two years have caused wide price fluctuations. There is much disagreement about stabilization policy; however, economic studies have shown that the overall economy gains from stable prices.

CONCLUSION OF MORNING BUSINESS

The PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1976—CONFERENCE REPORT

The PRESIDENT pro tempore. Under **the previous order, the Senate will now proceed to the consideration of the conference** report on House Concurrent **Resolution** 218, which the clerk will report.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. Con. Res. 218), setting forth, on an aggregate basis only, the congressional budget for the United States Government for the fiscal year 1976.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the following members of the staff of the Committee on the Budget be granted the privilege of the floor during the consideration and votes on the conference report on House Concurrent Resolution 218: Douglas Bennet, John McEvoy, Arnold Packer, Sid Brown, Robert Boyd, Franklin Jones, David Blackburn, Bruce Thompson, Bill Stringer.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the vote on the conference report take place by 12:30 p.m., immediately prior to the vote on the Johnston amendment to the bill S. 200.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the text of the conference report be printed in the RECORD at this point.

There being no objection, the conference report was ordered to be printed in the RECORD, as follows:

CONFERENCE REPORT (S. REPT. No. 94–113)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the concurrent resolution (H. Con. Res. 218) setting forth, on an aggregate basis only, the congressional budget for the United States Government for the fiscal year 1976, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That the Congress hereby determines, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on July 1, 1975—

(1) the appropriate level of total budget outlays is $367,000,000,000;

(2) the appropriate level of total new budget authority is $395,800,000,000;

(3) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $68,820,000,000;

(4) the recommended level of Federal revenues is $298,180,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $3,400,000,000; and

(5) the appropriate level of the public debt is $617,600,000,000, and the amount by which the temporary statutory limit on such debt should accordingly be increased is $86,600,000,000.

And the Senate agree to the same.

EDMUND S. MUSKIE,
WARREN MAGNUSON,
FRANK MOSS,
W. F. MONDALE,
ERNEST F. HOLLINGS,
ALAN CRANSTON,
HENRY BELLMON,
ROBERT DOLE,
J. GLENN BEALL, Jr.,
PETE V. DOMENICI,
Managers on the Part of the Senate.

BROCK ADAMS,
JIM WRIGHT,
THOMAS L. ASHLEY,
ROBERT N. GIAIMO,
NEAL SMITH,
JAMES G. O'HARA,
SAM GIBBONS,
PARREN J. MITCHELL,
BUTLER DERRICK,
Managers on the Part of the House.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the concurrent resolution (H. Con. Res. 218) setting forth, on an aggregate basis only, the congressional budget for the United States Government for the fiscal year 1976, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

OUTLAYS

The House resolution provided for total outlays in the amount of $3[illegible]8.213 billion. The Senate amendment provided for outlays in the amount of $365 billion. The conference report provides for total outlays in the amount of $367 billion.

BUDGET AUTHORITY

The House resolution provided for total new budget authority in the amount of $395.938 billion. The Senate amendment provided for new budget authority in the amount of $388.6 billion. The conference report provides for total new budget authority in the amount of $395.[illegible] billion.

DEFICIT

The House resolution provided for a budget deficit in the amount of $70,032 billion. The Senate amendment provided for a deficit in the amount of $67.2 billion. The conference report provides for a budget deficit in the amount of $68.8 billion.

REVENUES

The House resolution provided for Federal revenues in the amount of $298.181 billion; and, to achieve that level, it provided that revenues should be decreased by $4.4 billion. The Senate amendment provided for Federal revenues in the amount of $297.8 billion. The conference report provides for Federal revenues in the amount of $298.180 billion; and, to achieve that level, provides that revenues should be decreased by $3.4 billion.

The conference substitute (1) accepts the House assumption that major provisions of the Tax Reduction Act scheduled to expire December 31, 1975, will be extended by the Congress, lowering revenues by $4.4 billion; (2) accepts the House position with respect to raising additional revenues through enactment of tax reform legislation, but reduces from $3 billion to $1 billion the amount to be realized in Fiscal Year 1976; and (3) assumes that, as a result of recent tax collection experience, an additional $2 billion in revenues will be received during Fiscal Year 1976.

PUBLIC DEBT

The House resolution provided for a public debt level of $619.9 billion; and to achieve that level, provided that the temporary statutory limit on the public debt should be increased by $88.9 billion. The Senate amendment provided for a public debt level of $617.6 billion. The conference report provides for a public debt level of $617.6 billion; and that, to achieve that level, the temporary statutory limit on the public debt should be increased by $86.6 billion.

FUNCTIONAL CATEGORIES

The aggregate budget figures in the report represent the best judgment of the managers as to the appropriate levels of spending and income for fiscal 1976. That judgment could change if economic conditions change significantly between May and September, when the Senate and House Budget Committees will submit a Second Concurrent Resolution to set aggregate ceilings for fiscal 1976.

The functional category figures in this report are intended to serve as guidelines for the Congress, to explain the steps by which the conference reached the aggregate totals, and to provide a benchmark for the Second Concurrent Resolution. The estimates of the managers for budget authority and outlays in each functional category are as follows:

National defense (050)

The House Resolution assumes budget authority of $100.5 billion and outlays of $90.2 billion.

The Senate amendment assumes budget authority of $101.0 billion and outlays of $91.2 billion.

The Conference substitute assumes $100.7 in budget authority and $90.7 in outlays. This is an increase of $0.2 billion in budget authority and $0.5 billion in outlays above the House amounts and a decrease of $0.3 billion in budget authority and $0.5 billion in outlays below the Senate amounts. In arriving at these amounts, the managers considered and agreed to the following:

(a) If Congress should decide not to limit increases in defense salaries and retirement allowances, there are sufficient funds within this total to support that decision.

(b) All funds requested for military assistance to Southeast Asia were deleted from fiscal 1976 estimates, including the outlay effect of the 1975 supplemental request.

(c) The balance of the reductions are the result of revised inflation estimates, reductions in program growth, and financial adjustments.

International affairs (150)

The House Resolution assumes budget authority of $4.7 billion and outlays of $5.0 billion.

The Senate Resolution assumes budget authority of $6.0 billion and outlays of $4.9 billion.

The Conference substitute allows $0.2 billion in budget authority for the Special Financing Facility and assumes that the estimate for foreign economic assistance will be reduced by $0.9 billion in budget authority and $0.4 billion in outlays below the budget as submitted.

The managers agreed to the House level for foreign economic assistance, assuming major reductions in Indochina Postwar Reconstruction. The managers also agreed that token budget authority should be provided for the Special Financing Facility to indicate the Congress anticipates a legislative proposal for this purpose.

General science, space and technology (250)

The House Resolution assumes budget authority of $4.7 billion and outlays of $4.6 billion.

The Senate amendment assumes budget authority of $4.7 billion and outlays of $4.6 billion.

The House and Senate estimates were substantially the same. The managers agreed to the Senate's figures.

Natural resources, environment and energy (300)

The House Resolution assumes budget authority of $14.1 billion and outlays of $11.5 billion.

The Senate amendment assumes budget authority of $13.4 billion and outlays of $11.7 billion.

The Conference agreed to budget authority of $13.8 billion, and outlays of $11.6 billion.

Agriculture (350)

The House Resolution assumes budget authority of $4.3 billion and outlays of $1.8 billion.

The Senate amendment assumes budget authority of $4.3 billion and outlays of $2.0 billion.

The Conference agreed to the House estimates. By this action the Conference does not either include or exclude outlays for the farm bill recently vetoed, because the conferees assume that outlays in fiscal 1976 will be minimal if that bill or a similar bill becomes law.

Commerce and transportation (400)

The House resolution assumes budget authority of $11.0 billion and outlays of $18.5 billion.

The Senate amendment assumes budget authority of $9.5 billion and outlays of $16.6 billion.

The conference substitute assumes $11.3 billion in budget authority and $17.5 billion in outlays. The estimates include a total of $0.8 billion in outlays for small business, postal service and rail rehabilitation projects now being considered by the House-Senate conference on the Emergency Employment Appropriations Act of 1975. The estimates also contain $3.3 billion in budget authority to continue advance highway apportionments and $6.3 billion in highway outlays. Outlays of $0.4 billion are provided for housing legislation expected to pass in fiscal 1975. Funding for other rail improvement projects recommended by the Senate is included, with $600 million in budget authority and outlays. Other items include additions to the Administration's budget of $0.2 billion in budget authority and outlays for the Washington Metro; $0.2 billion in budget authority and outlays for Postal Service subsidies; and $0.3 billion in budget authority and $0.2 billion in outlays for additional small business loans.

Community and regional development (450)

The House resolution assumes budget authority of $10.8 billion and outlays of $9.0 billion.

The Senate amendment assumes budget authority of $6.0 billion and outlays of $6.6 billion.

The conference substitute assumes $11.0 billion in budget authority and $8.65 billion in outlays.

The House resolution assumes $5.0 billion in budget authority and $2.5 billion in outlays for accelerated public works programs. The Senate amendment did not include this assumption. Since the accelerated public works program is intended to provide economic stimulus, the Conference agreed to retain the House budget authority estimate and an outlay estimate of approximately $2.1 billion to be available either for an accelerated public works program or some other appropriate stimulative program that Congress may decide to enact, such as emergency financial assistance to state and local governments.

Education, manpower and social services (500)

The House resolution assumes budget authority of $19.0 billion and outlays of $20.4 billion.

The Senate amendment assumes budget authority of $20.7 billion and outlays of $19.4 billion.

The conferees agree to budget authority of $19.0 billion and outlays of $19.85 billion in this function. These figures assumes that all programs in this function can be funded at least at their fiscal year 1975 funding level, the regular on-going programs be increased, and that the number of public service employment jobs also be increased. The conferees reached a decision to add $0.45 billion to the $3.1 billion already in this function for public service jobs in view of the job-creating effect of the $0.6 billion assumed in function 400 for rail assistance.

Health (550)

The House resolution assumes budget authority of $33.1 billion and outlays of $30.7 billion.

The Senate amendment assumes budget authority of $32.6 billion and outlays of $31.0 billion.

The Conferees agreed to the House figures.

Income security (600)

The House resolution assumes budget authority of $141.3 billion and outlays of $124.9 billion.

The Senate amendment assumes budget authority of $138.5 billion and outlays of $125.1 billion.

The conferees agreed to budget authority of $140.9 billion and outlays of $125.3 billion in this function.

This total includes $0.8 billion for the extension of emergency benefits for insured unemployed for an additional 13 weeks. It also assumes savings in fiscal year 1976 through legislative and administrative improvements in programs such as food stamps, aid to families with dependent children, and social security.

The managers intend that there be no cap on benefit increases as proposed in the President's budget. The managers intend that the resolution provide sufficient funds to extend both emergency benefits for the insured unemployed and also special unemployment assistance for the uninsured unemployed.

Veterans benefits and services (700)

The House Resolution assumes budget authority of $18.0 billion and outlays of $17.5 billion.

The Senate amendment assumes budget authority of $17.6 billion and outlays of $16.9 billion.

The Conference agreed to the House assumptions of $18.0 billion in budget authority and $17.5 billion in outlays for this function. The managers on the part of the Senate agreed to these figures because of the probability that Congress will reject Administration proposals to reduce the eligibility period for veterans' readjustment benefits and to require reimbursement from private health insurers for VA health care. The Senate amendment did not assume increases in budget authority and outlays for either. The House assumed $0.7 billion in budget authority and outlays for these probable expenditures to which the conferees agreed.

Law enforcement and justice (750)

The House resolution assumes budget authority of $3.3 billion and outlays of $3.4 billion.

The Senate amendment assumes budget authority of $3.3 billion and outlays of $3.4 billion.

The Conference agreed to the House figures.

General government (800)

The House resolution assumes budget authority of $3.3 billion and outlays of $3.4 billion.

The Senate amendment assumes budget authority of $3.3 billion and outlays of $3.2 billion.

The conference committee agreed to $3.3 billion in budget authority, the same as the House and Senate estimates, but to $3.3 billion in outlays, $50 million below the House assumption and $100 million above the Senate assumption.

Revenue sharing and general purpose fiscal assistance (850)

The House resolution assumes budget authority of $7.3 billion and outlays of $7.2 billion.

The Senate amendment assumes budget authority of $7.3 billion and outlays of $7.2 billion.

Essentially, the assumptions of both houses were the same for this function, but the conference committee agreed to round out the House estimate to the nearest tenth of a billion dollars.

Interest (900)

The House resolution assumes budget authority of $35.0 billion and outlays of $35.0 billion.

The Senate amendment assumes budget authority of $35.3 billion and outlays of $35.3 billion.

The Conference substitute provides $35.0

billion in budget authority and outlays, the same as the House estimate and $0.3 billion lower than the Senate estimate.

Allowances

The House resolution assumes budget authority of $1.7 billion and outlays of $1.5 billion.

The Senate amendment assumes budget authority of $1.3 billion and outlays of $1.1 billion.

The Conference agreed to $1.4 billion in budget authority and $1.2 billion in outlays.

The conferees assume that the levels agreed upon are sufficient to cover civilian agency pay raises under existing law and outlays that may be required for humanitarian assistance for Indochina refugees, as well as other contingencies.

Undistributed offsetting receipts (950)

The House resolution assumes budget authority of —$16.2 billion and outlays of —$16.2 billion.

The Senate amendment assumes identical amounts.

The conference substitute accepts the Senate estimate.

Both the House resolution and the Senate amendment assumed $4.0 billion in receipts from leases of mineral rights on the Outer Continental Shelf, rather than $8.0 billion estimated by the Administration.

BUDGET AUTHORITY AND OUTLAYS: FISCAL YEAR 1976

[In billions of dollars]

Function	Budget authority			Outlays		
	Senate	House	Conference	Senate	House	Conference
050—National defense	101.0	100.5	100.7	91.2	90.2	90.7
150—International affairs	6.0	4.7	4.9	4.9	5.0	4.9
250—General science, space, and technology	4.7	4.7	4.7	4.6	4.6	4.6
300—Natural resources, environment, and energy	13.4	14.1	13.8	11.7	11.5	11.6
350—Agriculture	4.3	4.3	4.3	2.0	1.8	1.8
400—Commerce and transportation	9.5	11.0	11.3	16.6	18.5	17.5
450—Community and regional development	6.0	10.8	11.0	6.6	9.0	8.65
500—Education, manpower and social services	20.7	19.0	19.0	19.4	20.4	19.85
550—Health	32.6	33.1	33.1	31.0	30.7	30.7
600—Income security	138.5	141.3	140.9	126.1	124.9	125.3
700—Veterans benefits and services	17.6	18.0	18.0	16.9	17.5	17.5
750—Law enforcement and justice	3.3	3.3	3.3	3.4	3.4	3.4
800—General government	3.3	3.3	3.3	3.2	3.4	3.3
850—Revenue sharing and general purpose fiscal assistance	7.3	7.3	7.3	7.2	7.2	7.2
900—Interest	35.3	35.0	35.0	35.3	35.0	35.0
Allowances	1.3	1.7	1.4	1.1	1.5	1.2
950—Undistributed offsetting receipts	—16.2	—16.2	—16.2	—16.2	—16.2	—16.2
Total	388.6	395.9	395.8	365.0	368.2	367.0

Note: Details may not add to totals due to rounding.

Edmund S. Muskie,
Warren Magnuson,
Frank Moss,
W. F. Mondale,
Ernest F. Hollings,
Alan Cranston,
Henry Bellmon,
Robert Dole,
J. Glenn Beall, Jr.,
Pete V. Domenici,
Managers on the Part of the Senate.

Brock Adams,
Jim Wright,
Thomas L. Ashley,
Robert N. Giaimo,
Neal Smith,
James G. O'Hara,
Sam Gibbons,
Parren J. Mitchell,
Butler Derrick,
Managers on the Part of the House.

Mr. MUSKIE. Mr. President, today, we ask the Senate to take one more step in the process of improving congressional management of the Federal budget. The Senate has before it the conference report on the first concurrent resolution on the budget for fiscal 1976. I urge Senate approval of the report.

Before getting into details on the report, I want to say that so far the new process is working precisely the way those of us who helped write the Congressional Budget and Impoundment Control Act thought it should. It also is working more smoothly than many of us had any right to expect it would this early in its career.

As a result, we have before us a budget that is tailored to the needs of the economy. And we have before us a budget which has been written in the open, with every detail subject to public examination and debate. There is no mystery about how it was put together and why it calls for the spending patterns it recommends.

As the act requires, the managers of the conference have agreed upon a combination of revenue and outlays which have been chosen with care to meet the needs of a nation and its people during the worst recession in more than 30 years. We are persuaded that the target for outlays of $367 billion will help stimulate the economy and put Americans back to work without generating new inflationary pressures.

We have agreed upon a pattern of spending that gives highest priority to those programs which get Americans back to work and help them in other ways to weather this recession.

During the course of the conference, some major amounts of money were moved among the functional categories. In every case, the reason for the move was to provide a maximum amount of spending for antirecession programs and to keep increases in the base of permanent, long-range spending to a minimum.

Thus, the conference managers have increased the amount of money that will create new jobs. They have balanced those increases with cuts in programs where spending can be deferred without leading to a loss of jobs. And they present these changes with unanimous support. All 10 managers for the Senate have signed the report.

When we brought the first concurrent resolution before the Senate last month, I said that the Federal budget is more than an exercise in cost-accounting. It is an annual affirmation of national hopes and goals. It is couched in terms of dollars, but its real meaning is in the purpose for which those dollars are spent—in the education of children, the defense of the Nation, and the support of retired workers.

Today, however, I will concentrate on the numbers, on accounting for the changes which the conference recommends in the budget ceilings and revenue estimates which the Senate and House approved on May 1.

One change is in the revenue recommendations. The Senate recommended revenues of $297.8 billion in its resolution. The conference managers recommend a higher revenue estimate of $298.2 billion, based on three factors:

First. Congress probably will extend major provisions of the Tax Reduction Act of 1975 into next year;

Second. The revenues for fiscal 1976 probably will be at least $2 billion higher than the Treasury Department originally calculated them to be; and

Third. Congress will enact tax reforms that will produce about $1 billion in additional revenues during fiscal 1976. The House resolution was amended on the House floor to recommend tax reforms to produce $3 billion in new revenues, with a majority of the members of the Ways and Means Committee supporting the amendment. The Senate did not assume any tax reform in its resolution.

The conference also recommends a change in the target ceiling for outlays to $367 billion, which is $2 billion higher than the ceiling approved by the Senate and $1.2 billion lower than the ceiling set by the House. All of the increase above the original Senate resolution outlay figure would go to job-creating temporary programs.

The combination of the revenue and outlay recommendations would produce a fiscal 1976 deficit of $68.8 billion—somewhat higher than the Senate figure; somewhat lower than the House figure. However, the conference deficit figure assumes an extension of the Tax Reduction Act, which was not included in the Senate resolution. This will reduce revenues by an estimated $4.4 billion in fiscal year 1976.

The most important change in the conference budget proposal is in the increase in funds that would be directed into temporary recovery.

The House approved about $9 billion for public works and other temporary job-creating programs. The Senate approved $4.5 billion for similar temporary recovery spending. The conference recommends temporary recovery spending of $7.5 billion.

The higher figure is closer to my personal preference. I wanted to allocate more than $4.5 billion to temporary job-creating programs but that was not the

will of the Budget Committee or of the Senate.

The higher figure is possible, in part, because of the revised estimate of revenue which was made after the Senate approved the first concurrent resolution. It also is possible because the conference agreed to a tighter ceiling on defense spending than that which the Senate approved.

The higher level of spending for job-creating programs are divided among the functions of commerce and transportation, community and regional development and education, manpower and social services.

The conferees left open the question of how some $2 billion of the temporary recovery money would be spent. It could take the form of public works projects or it would be used for emergency help for State and local governments, many of which have been hard hit by both recession and inflation.

Without emergency help, many cities in this country will be forced to make a choice between raising taxes and cutting services or postponing major projects, either of which would run directly counter to the Federal Government's efforts to stimulate the economy.

Finally, these increases in funds for job-creating programs made it possible to reduce recommended outlays for unemployment insurance by nearly $1 billion below the original Senate figure.

The Congressional Budget Act requires the Senate to consider and report a second concurrent resolution on the budget in September. If economic conditions have changed significantly by then, Congress will want to change its outlay and deficit figures to meet the new situation.

As part of our preparation for that resolution, I have asked the Director of the Congressional Budget Office to prepare two reports on the Nation's economy, one for delivery on June 30 and the second on August 15. Those reports should help tell us whether the assumptions we have made about the behavior of the economy in the weeks ahead are correct and whether the policies we have adopted are valid.

I have asked Ms. Rivlin also to analyze the temporary recovery programs envisioned in this budget resolution and to prepare a report on various approaches Congress might take to launching such programs when they are needed and withdrawing them when stimulus is no longer appropriate. Ms. Rivlin advises me that she has begun her analysis and that she will report to Congress by August 15 on experiences with such temporary programs both in the United States and abroad.

Now the question remains: What are we going to do with these numbers during the summer?

When we are voting on the second and binding resolution in September, will these targets be more or less intact? Will our self-discipline have worked?

Success really will be a measure of self-discipline, because neither I nor the other members of the Budget Committee has the power to enforce these totals. We will be happy to work with all committees as their legislation goes forward to explain how these targets were achieved. The Congressional Budget Office is establishing an advisory monitoring system which will give us an understandable tally sheet on a very regular basis showing what we have already spent, what seems likely to come to the floor, and how much room there is left beneath the targets. But the decision to vote "yea" or "nay" for this spending bill or that will be up to the individual Members, as it always has been.

Applying the first concurrent resolution will not be easy, but neither have any of the other steps we have taken to date in this new process. The objective of fiscal responsibility remains valid, however, and I believe we now know it is achievable. We can emerge in September with a success far beyond what the skeptics ever envisioned for the first year of this new process.

Congress also must prepare for a so-called "transition quarter" which will occur from July 1 to September 30, 1976, during the shift to the new October 1 fiscal year under the terms of the Congressional Budget Act. Due to the press of time, neither the Senate nor the House Budget Committee has been able to include the transition quarter in its deliberation on this first concurrent resolution. I think it is fair to say, however, that both budget committees will agree that our approach to this interim period should be one of restraint. Activities of the Federal Government must, of course, be maintained at necessary levels, but new program initiatives clearly should be deferred until fiscal year 1977, which begins on October 1, 1976, wherever possible.

Mr. President, I submit that this conference report is one of the most important pieces of legislation to be presented to the Senate in many years.

The choices will not be easy. Many legitimate demands will have to be deferred. But with this budget proposal as a guideline, I believe we can meet the most urgent needs of Americans and, at the same time, restore their confidence in the Nation's economic future.

Mr. President, I urge the Senate's support of the conference report.

At this point, I express my appreciation again to the distinguished Senator from Oklahoma (Mr. Bellmon), the ranking Republican on the Senate Committee on the Budget. In the deliberations of the Committee on the Budget and on the Senate floor, he was a staunch supporter of our efforts in protecting the Senate position in conference. He attended every moment of those deliberations, which I think, on the whole, were constructive if, at times, reflecting vigorous dissent between the House and Senate conferees. Once again, I say "thank you" to Senator Bellmon and yield to him at this point.

Mr. BELLMON. Mr. President, I thank our distinguished chairman. The experience of working out a resolution on the budget with the House is certainly one that everyone who participates will remember for a long time. The House Members seemed to be pretty determined in their positions and it was only through the leadership of our chairman that we were finally able to come to a compromise and have the resolution which we are considering now.

Mr. President, this first concurrent resolution marks the end of the initial step in our implementation of the Congressional Budget Act. The resolution is the product of many hours of debate between joint conferees, and as such, it contains compromises between the differing positions of the two Houses of Congress. However, I believe the resolution represents more than simply compromises worked out in joint conference. It is the first positive result of the efforts of Congress to gain control of the budgetary process.

The resolution represents a compromise between many differing points of view. In my own case, I should have preferred a lower spending level and a lower deficit. In spite of my personal preferences, I support this resolution as the best result obtainable. I urge other Members of the Senate to do the same. Once these limits are fixed, Congress must act to see that they are not broken.

I wish to take this opportunity to reflect for a moment on the implications of the process we have set in motion.

For the first time and, I might add rather belatedly, Congress is now required to come to grips with the issues and hard choices involved in setting spending levels and priorities. No longer can we consider each spending program singularly, with no awareness or concern of its effect on the total level of Federal spending. No longer can we suddenly discover late in the session that we have, inadvertently perhaps, spent far beyond the anticipated level of receipts. From this time forward, Congress will have current information regarding the relationship between income and outlay. Our decisionmaking process should now be informed and deliberate.

As a part of our decisionmaking process, Congress must now examine the current and projected state of the economy and the effects of past action upon current conditions. Timely adjustments will undoubtedly be needed. A major responsibility of the budgeting procedure is to recommend these changes as conditions develop.

The spending levels recommended in this resolution for the various functional categories were not arrived at easily. They are the product of extensive and, in many cases, intensive and heated debate. As a result, I can recommend them to the Senate as being well thought out. They represent our best judgment as a way to cure the recession while minimizing to the greatest extent possible return to an intolerable rate of inflation.

With the adoption of the resolution, we move on to our next task, which involves working with the various authorizing committees and the Appropriations Committee to see that the Senate follows this fiscal discipline. We have a responsibility to the American people to get Government spending under control and to administer the budget in a responsible manner. This process gives us an excellent opportunity to show the American people that we are serious about setting spending levels and then living within

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them. If we proceed to ignore these ceilings, we will have thrown away what I believe to be a unique chance to show the Nation that we are indeed serious in our efforts to enforce fiscal discipline on the Federal Government.

Chairman Muskie referred to our responsibility constantly to monitor the economy through the summer months so as to gage properly the effects that the stimulus contained in this budget is having on the economy. This task must be performed in conjunction with our responsibility to bring a second concurrent resolution to the floor of the Senate in September. At that time, we shall have the opportunity and duty to adjust the budget where necessary to compensate for the changes in the then existing economic outlook.

With this second concurrent resolution in mind, I would urge my colleagues to give this budget time to work before the cry for more spending is raised. The process provides for orderly adjustments when conditions warrant.

Congress must now proceed in an orderly and responsible manner to live within the constraints of this resolution. Otherwise, we run the risk of further weakening the already declining public confidence in the ability of the Government to cope with and solve our financial problems.

As I have previously cautioned, we must reorient our problem-solving decisions to place less emphasis on shortrun solutions which tend to exacerbate future problems. We must view problem solving in a longer term environment and this new budgetary process gives us the opportunity to do just that.

Finally, I join Senator Muskie in his thoughts regarding the "transition quarter." It is a period of time with which we have not yet dealt in a budgetary context. We must address ourselves to it at an early date. In the meantime, I urge that it be treated with "benign neglect"; that no programs be enacted to begin during this period. To do otherwise, is to subvert the budget process.

Once again, I commend our able chairman, the senior Senator from Maine, for his leadership during this arduous process. He has been fair, effective and resourceful. This first concurrent resolution could never have come to the floor without his inspired and dedicated leadership.

Mr. President, I ask unanimous consent that Harold Gross of Senator Cranston's staff be granted the privilege of the floor during the remainder of the debate on this resolution.

The PRESIDING OFFICER (Mr. Leahy). Without objection, it is so ordered.

Mr. MOSS. Mr. President, I am pleased to speak in support of the first concurrent resolution on the budget for fiscal year 1976. I believe that the resolution represents a major step forward in bringing the Federal budget under control and in establishing national priorities. In my view, the new process which the Congress adopted in enacting the Congressional Budget Act last year is one of the most significant and positive changes in Government in decades. The debate on the resolution in this body has already served to identify issues and to provide an exchange of information on the Federal budget in a way heretofore unknown. In my view, the end result will be of great assistance to the authorizing committees in considering and developing measures which appropriately address budget-related needs.

The resolution considered by the Senate earlier this month which provided a basis for the conference report before us today, resulted from extensive committee seminars, hearings, and consideration of recommendations and viewpoints from people of various disciplines and persuasions. Like other products of the legislative process, it does not reflect the complete views of any single member of the committee. But is it reasonable, responsible, and responsive to the Nation's budgetary needs as determined by the committee at this time. It is important that the new process which the Congress has adopted succeed if we are to bring the Federal budget under control consistent with the Congressional Budget Act of 1974 from which the new process evolved. For these reasons as well as those reflected in my speech before this body on April 29, I have firmly supported the resolution, even when it did not precisely square with my own views.

Some recommend more Federal spending now to stimulate the economy. However, I think we should consider the stimulus and jobs included—in this resolution—over a million adult jobs and three quarters of a million summer youth jobs in the recent tax cut—which is expected to yield a million to a million and a half jobs and provide longer hours for an equal number of workers, some of whom are on part time and the other actions the Congress has already taken in recent months to stimulate the economy and create jobs; for example, the Emergency Jobs and Unemployment Assistance Act.

The economy has not fully benefited from the effects of these measures. I think the prudent course is to give these remedial actions a chance to work and to assess their impact on the economy prior to enacting the second concurrent resolution in September. This will afford an opportunity to consider additional recovery programs or to make other adjustments based on the economy's actual performance.

I share the concern of those who advocate a smaller deficit. However, we have over 8.9 percent unemployed including over 2 million heads of households. This is costing the Federal Government about $69 billion and State and local governments $5 billion annually in lost revenues and unemployment compensation. Our economy is also losing over $200 billion annually from lost production. Whatever figures we can cite do not begin to tell the real story of human suffering. Congress did not create the deficit, but people are looking to the Congress for help in alleviating the causes of the recession from which the deficit results, turning the economy around, and getting Americans back to work.

How much spending is enough to do this is itself a delicate question. I believe this resolution offers the best strategy at this time for meeting the Nation's needs and bringing the economy back to something closer to full employment. That is the only way to stop deficit spending.

I especially want to commend the committee leadership—Chairman Muskie and Senator Bellmon—and all the members of the staff of the new Senate Budget Committee, for their noteworthy contributions to what, in my view, history will record as an important step in budgetary reform.

Mr. DOLE. Mr. President, today we are going to take up the matter of the conference report on House Concurrent Resolution 218, the first concurrent resolution on the budget. Since the Budget Act requires that this first concurrent resolution be adopted by May 15, which is tomorrow, there will be a great deal of pressure to simply whisk it through.

I urge my colleagues to again consider the levels of expenditures and deficit embraced by this resolution. The Senate has approved an outlay figure of $365 billion—conference increased this by $2 billion. The resulting deficit is $1.6 billion over the Senate proposal. I do not fault the Senate conferees for the resolution we are now considering for I was one of the conferees, and I believe all the conferees from the Senate worked very hard and valiantly to be responsible in this historic occasion. It was indeed a difficult task.

Mr. President, I am opposed to the conference report. I believe the spending limits are too high. I will not be satisfied with the claim that the conference figures are somewhere between the proposals of the House and Senate. I felt that the Senate figures were too high to begin with, and was unsuccessful in offering an amendment during floor debate to lower the totals.

This is our last chance to demonstrate our absolute concern for the health of our economy and a restraining influence on growing deficits. While the proposed budget contains much needed stimulus to our economy, sooner or later we will have to accept the fact that we cannot continue to mortgage the future or our country.

Mr. HOLLINGS. Mr. President, I rise to urge adoption of the conference committee report on the budget resolution. We have been through a long and laborious process in formulating and passing this milestone legislation. The final result is, inevitably, a compromise. I did not get my way, but neither did any other Senator. Some of my colleagues have been pushing for a higher level of budget expenditure and deficit spending. Others, myself included, have argued in favor of restraint and holding the deficit down. During the course of Senate debate on the budget resolution—and in our many committee meetings—I have expressed and reiterated my concern lest the Federal Government monopolize the money markets via these huge deficits, thereby

retarding a broadly based economic recovery.

I wish the conference committee figure had been closer to the Senate's suggested figure. But here again, compromise was necessary, and I will vote in favor of approving the work of the conference. I believe we have provided the means to generate economic recovery. And if we follow this up with generous amounts of restraint in the months ahead, I believe we can succeed in keeping that recovery on a sound footing.

Let me say in conclusion that this first experiment with the new budgeting process holds out great promise for the future. The Budget Committee had many obstacles with which to contend, and it had to operate without the full resources and capabilities which will be available to it in the future. But there was a willingness to make it work—not just in the committee itself, but here on the floor of the Senate. This augers well for the future. Certainly the new budgeting procedure is long overdue. And with the kind of performance and attitude I have seen in recent weeks and months, I believe the Budget Committees will make an enduring contribution to the prosperity and well-being of the American people.

Mr. CRANSTON. Mr. President, after both Houses of Congress act on the conference report on the first concurrent resolution on the budget, the Congress will have taken its first major step in carrying out its responsibilities under the new congressional budget process.

We will have set an upper guidepost for Federal spending, and we will have agreed upon a budget which reflects a congressional view of national priorities.

Now, the test will be whether we can hold ourselves within the overall budget.

I believe that it is essential that we attempt to do so.

For, these are the main thrusts of the budget reform discipline we have imposed upon ourselves:

First, to eliminate the long-standing, fiscally irresponsible congressional practice of piecemeal budgeting—that is, appropriating funds for one perceived need after another without ever looking at the total on the bottom line, or the amount of revenues available to spend.

Second, to permit Congress to reassert its constitutional power of the purse in establishing national budget priorities.

It is clearly a congressional responsibility, not a Presidential one, to determine among competing programs the spending priorities of the Nation.

Now, for the first time under the new budget reform process we have done so.

And we have come some distance, but not far enough, from the peculiar priorities the President suggested in the budget he released to us in February.

The President's budget imposed cuts on the elderly, the disadvantaged, the poor, the sick, and the unemployed, while requesting a turn-around real growth budget for the military, and a sizable increase in overseas assistance.

These were priorities badly in need of reversal, and to some extent Congress has reversed them.

These are the worst economic times since the Great Depression.

This is no time to force those who are least able to bear a greater burden to bear the biggest brunt of Federal revenue losses caused by the recession.

By making modest cuts in the Schlesinger defense request, the fiscal year 1976 congressional budget reduces from 26.9 to 24.7 percent the percentage to be spent on national defense, and from 1.8 to 1.3 percent the percentage spent on international aid.

At the same time, the congressional budget allocates $5.25 billion more than the amount requested by the President for education, manpower, and social services.

This allows for Federal education programs to recover from the adverse effects of last year's inflation, and provides more than $3.3 billion in fiscal year 1976 for public service employment jobs to help get people back to work.

The President requested only $2.4 billion for this purpose—by no means enough to meet the immediate need.

By percentage, this category has been increased from 4.2 to 5.4 percent of the budget.

The congressional budget also makes significant increases in the percentages allocated for commerce and transportation, and for community and regional development.

In the commerce function, Congress provided $400 million for the badly depressed housing industry, for which the President made no provision in his budget.

This category also includes substantial amounts for the rehabilitation of our railroads, including additional public service jobs in railbed improvement.

The share of the budget occupied by this category was increased from 3.9 to 4.7 percent.

In community and regional development, the congressional budget provides $2.75 billion more than the President requested—almost entirely for temporary recovery programs to stimulate the economy.

These programs will hopefully be designed to end as the economy recovers, so that they will not overheat the economy at the wrong time, nor add to long-range Federal spending.

Again, the President's budget made no provision for these programs to aid economic recovery.

The budget process makes us aware—perhaps for the first time—to relieve unemployment—to provide assistance to the sick or the elderly—or to provide better education for our children, for example, we must find the money somewhere.

In better times, we might consider raising taxes.

But this is not the time for a tax hike to achieve higher revenues than the $298.2 billion that the congressional budget provides for in fiscal year 1976.

Hopefully, as our stimulative recovery programs begin to work on the economy, higher revenues than are anticipated will be generated, as people go back to work and as business profits increase.

In addition, the congressional budget envisages raising $1 billion in additional revenues through tax reform in fiscal year 1976.

I support this modest goal.

I see it as merely the beginning of a long-range effort to eliminate inequity from our tax system, by reevaluating tax incentives and advantages and insuring that all Americans with sufficient earnings pay a fair minimum tax.

That is certainly not the case now.

But the $1 billion taken into account in the congressional budget may mark our achievable ability to produce revenue by this means in the short run.

It then becomes clear that unless we disregard our budget discipline—an alternative I believe has disastrous consequences—if we want to spend more than this budget permits in one category, we must take it out of another.

There are those who advocate creating a larger deficit to accelerate the rate of recovery.

I believe we should restore our economy to health as rapidly as we reasonably can—and far more quickly than the President and his advisors deem possible—but I believe that enlarging the deficit proposed in the budget resolution—$68.82 billion—involves too many long-range risks which could quickly eradicate any short-range economic advantage.

In my view, further reallocation of our budget is necessary.

The congressional budget recommends an upper guidepost for defense, as it does for other areas.

But it does not require that the amount allocated be spent.

I firmly believe that each dollar spent unnecessarily on defense could be better used to provide additional temporary recovery programs, which would—unlike defense dollars—not commit us to expensive, long-run programs which will continue to burn up our financial resources wastefully long after the economy has recovered.

Further savings can be achieved by adopting an approach to the defense budget that Secretary Schlesinger himself suggested in his defense posture statement:

That is, recognizing the connection "between the safety, interests, commitments, and foreign policy of the United States on the one hand, and the size, composition, and deployment of the Defense Establishment on the other."

While the Secretary's full statement of this position assumes that DOD correctly perceives the amount of money necessary to carry out assigned missions—an assumption that bears further examination—it does recognize the intimate relationship between mission and budget.

It is readily apparent to me that the Schlesinger defense budget is built on a number of questionable assumptions and judgments which Congress ought specifically to review.

It is also clear that none of these were accounted for in the reductions from the Schlesinger request contained in the congressional budget.

UMI

I encourage Senators, in making spending decisions affecting the national defense function, to examine closely the assumptions and policy judgments the Secretary has made, on which his funding requests are based.

Senators who, like me, disagree with one or more of the debatable assumptions can realize substantial savings in defense spending by eliminating the manpower or weaponry that result from these assumptions.

Using this approach—and by disagreeing with some, but by no means necessarily all, of the assumptions—I believe it is easily possible to achieve substantial further savings from the defense request.

The following debatable assumptions are found in the Schlesinger defense budget:

First, that the Vladivostok agreement means that both nations must race to reach its ceilings.

Second. That we must maintain "essential equivalence" in strategic weapons, despite our present possession of a secure deterrent for the foreseeable future.

Third. That development of sea and air launch cruise missiles, which would adversely affect arms control negotiations, should proceed, with a potential price tag of $10–16 billion.

Fourth. That we need a hard target capability for the Trident II SLBM.

Fifth. That current world conditions require further development and procurement of advanced ICBMs and SLBMs despite our current overkill capacity.

Sixth. That we need to procure an additional 50 Minuteman III missiles at a cost of $270 million for flight testing and possible future deployment, even though we already have the 1000 Minuteman missiles originally desired.

Seventh. That we need to continue an ABM effort, to defend our ICBMs.

Eighth. That the present world situation requires the creation and equippage of three new Army divisions.

Ninth. That we need to maintain U.S. forces in Taiwan, Korea, Thailand, Japan, and the Philippines which leads to a total estimated cost for the Asian force posture of between $20 and $25 billion per year.

Tenth. That we need overall to maintain over 500,000 military personnel overseas in 33 countries.

Eleventh. That we need an airborne surveillance command and control system—AWACS—housed in a large airplane, at a cost of $111 million per unit, to provide battle management in tactical air warfare.

Twelfth. That we need to modify 747s and DC 10s to a convertible cargo/transport configuration at a cost of $680 million.

Thirteenth. That we need to authorize $130 million in new budget authority for procurement of the SAM-D missile, even though its production has been delayed because its guidance system does not work.

Fourteenth. That we need to develop a new battle tank at a cost of $1.9 million each.

Fifteenth. That we need a new tanker/cargo aircraft to support general purpose forces.

Sixteenth. That we need to authorize $4.2 billion in new budget authority for shipbuilding a variety of ships.

Seventeenth. That the possibility of nuclear air attack justifies spending $88 million on civil defense this year, with far vaster expenditures to follow once we move in this direction, and

Eighteenth. That we need both an all-volunteer Army with a fully-subscribed recruitment quota, a $463 million annual advertising budget, and a highly competitive pay scale—and also a selective service system costing $47.9 million annually, for "the development of alternate contingency processing procedures designed to increase the system's capability to meet the DOD manpower requirements in a major military crisis should existing procedures prove inadequate."

In addition to these 18 points, some potential savings may be realized from funds from prior years' budgets which have become "unprogramed" and can be transferred for use in fiscal year 1976, and the cash balance of defense stock funds. These funds are used to acquire inventories of consummable materials and supplies.

Still another possible reduction is the Inventory Replenishment Fund. This fund is used to buy weapons—with U.S.-appropriated dollars—to sell to other countries.

These and other funds—including billions for intelligence—buried deep within DODs budget deserve close scrutiny.

Our national needs are too great, and our national resources too limited, to accept even so much of the hug Schlesinger "turn-around" defense budget uncritically, as the congressional budget suggests.

For, if we can trim from the defense budget that which is unnecessary or dangerous, or simply wrongheaded—we will find the funds to meet our other national needs.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the order for the vote on the conference report at 12:30 p.m. be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I think we are ready for the vote on the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. MUSKIE. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. MOSS. I move to lay that motion on the table.

Mr. BELLMON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, what is the pending business?

CONSUMER PROTECTION ACT OF 1975

The PRESIDING OFFICER. Under the previous order the Senate will now resume consideration of the pending business, S. 200, which the clerk will state by title.

The assistant legislative clerk read as follows:

> A bill (S. 200) to establish an independent consumer agency to protect and serve the interest of consumers.

The Senate continued with the consideration of the bill.

Mr. MANSFIELD. Mr. President, is the time controlled now?

The PRESIDING OFFICER. The time is not controlled.

AMENDMENT NO. 446

The PRESIDING OFFICER. The pending question is on amendment 446 to S. 200, which the clerk will state.

The assistant legislative clerk read as follows:

> The Senator from Louisiana (Mr. JOHNSTON) proposes amendment No. 446.

The amendment is as follows:

> On page 15, beginning with line 6, strike out through "consumers" in line 10, and insert in lieu thereof the following:
>
> The Administrator shall have standing to obtain, in the manner prescribed by law, judicial review of any Federal agency action reviewable under law that substantially and directly affects the health or safety of consumers.
>
> On page 17, line 5, insert the following:
>
> Notwithstanding any other provisions of this Act, a determination of an agency not to take the action requested shall not be subject to judicial review unless the requested action substantially and directly affects the health or safety of consumers.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 12:10 P.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 12:10 p.m. today.

There being no objection, the Senate, at 11:52 a.m., recessed until 12:10 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. HELMS).

CONSUMER PROTECTION ACT OF 1975

The Senate continued with the consideration of the bill (S. 200) to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes.

Mr. PEARSON. Mr. President, I ask unanimous consent that Mr. John Kirtland and Mr. Arthur Hill of my staff be allowed the privileges of the floor during debate on this measure.

The PRESIDING OFFICER (Mr. CULVER). Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, I yield to the distinguished majority leader.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, the time to be charged to both sides.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I yield to the distinguished Senator from Georgia (Mr. NUNN) to make a request.

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1976—CONFERENCE REPORT

Mr. NUNN. Mr. President, I ask unanimous consent that it shall be in order for me to enter a motion to reconsider the vote by which the conference report on House Concurrent Resolution 218 was approved, that the papers which have been forwarded to the House be returned to the Senate, and that the House be requested to return the papers.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, if the House accedes to the request of the Senate, I should like to take it up immediately after the vote on the Johnston amendment. I ask unanimous consent that there be a time limitation of 30 minutes, the time to be equally divided between the Senator from Georgia (Mr. NUNN) and the Senator from Maine (Mr. MUSKIE) with the usual conditions.

Mr. JOHNSTON. Mr. President, reserving the right to object, as I understand this motion as the Senator from Georgia just explained it to me, it could involved a cut of 700,000 to 800,000 troops and personnel from the Department of Defense. I do not think that is the kind of cut that should be considered on 30 minutes' debate. I hate to upset the agreement, where the majority leader has just agreed to reconsider, but I really think that is a most weighty measure, if I understood the explanation correctly.

Mr. NUNN. I certainly agree with my friend and colleague from Louisiana that it is a very important matter. It is a budget resolution which, if we are going to take the budget process seriously, is certainly one of the most important items we will consider this year. Of course, my objection goes to the cuts in the Department of Defense budget, which I shall get into later. But in light of the fact that the Senate has already acted without a rollcall vote, in light of the fact that the majority leader is being most cooperative in giving us some time at least to discuss this matter, and in light of the fact that I anticipate a rollcall vote following at least a 30-minute discussion on a point that I think everybody can understand, I do ask that the Senator from Louisiana give strong consideration to complying or agreeing to the unanimous-consent request by the majority leader. We will have a chance to vote up or down on this.

Of course, once a concurrent resolution is passed, it is always in order to come back with another concurrent resolution. In my opinion, based on the rather hasty analysis that has been done on this, it may very well be that once the Department of Defense and the administration recognize what has been done in this particular resolution, they may come back and ask for another consideration. If we do not do that, of course, we have always the option of exceeding the resolution on the authorization and appropriation measures. The Senator from Georgia hopes that will not be done, because I hope that the budget process will work.

In light of all the circumstances, yet agreeing with my friend from Louisiana about the importance of this, I hope that the majority leader's unanimous-consent request will not meet objection.

Mr. JOHNSTON. Mr. President, I want first to congratulate the Senator from Georgia for his alertness to what may be the implications and congratulate the majority leader for his usual fairness in seeing that the Senate gets a full opportunity to know what it is voting on. But in all fairness to the country, if these implications, even may be correct, the Senate ought to consider it in full. I simply have to object to 30 minutes' debate. Therefore, I object.

Mr. MANSFIELD. Mr. President, then I do not know what is going to happen, because we are in difficulty over in the House. They are preparing to vote on the bill. The papers may not be returned, and this is about the only chance that we have to face up to this issue.

Furthermore, I want to get the pending business underway, which will be set aside temporarily, on which cloture has been invoked. I would extend the time to an hour; otherwise, I think we are in great difficulty.

Mr. JOHNSTON. I have no objection; I shall accede to the majority leader's statement.

Mr. MANSFIELD. With the same stipulations.

Mr. HELMS. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, parlimentary inquiry.

The PRESIDING OFFICER. The Senator from North Carolina will state it.

Mr. HELMS. Has the Senator from Georgia made his motion, and if so, has the motion been agreed to?

The PRESIDING OFFICER. The majority leader has made the motion and the motion has been agreed to, for 1 hour—a unanimous-consent agreement.

Mr. HELMS. I thank the Chair.

The PRESIDING OFFICER. The motion to reconsider has not been offered by the Senator from Georgia.

Mr. HELMS. That is what I had in mind.

Mr. MANSFIELD. We cannot do that until the papers get back. We cannot do anything until we have the papers. Is there an objection, before it goes that far? If there is, I would like to know now. Will there be an objection to the motion to reconsider?

Mr. HELMS. Not at all. Not from this Senator.

CONSUMER PROTECTION ACT OF 1975

The Senate continued with the consideration of the bill (S. 200) to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes.

Mr. JOHNSTON. Mr. President, what is the pending question?

The PRESIDING OFFICER. The pending question is on agreeing to the amendment of the Senator from Louisiana.

Mr. JOHNSTON. And under the unanimous-consent agreement, the Senator from Louisiana has 10 minutes?

The PRESIDING OFFICER. That is correct; and the Senators have 5 minutes each remaining of the time allotted for the amendment.

Mr. JOHNSTON. Mr. President, I believe the Senator from Louisiana was never recognized under the unanimous-consent agreement, but rather a unanimous-consent request by the distinguished Senator from Georgia was being propounded and discussed. Am I not correct?

The PRESIDING OFFICER. There was a unanimous-consent agreement for the vote to occur on the amendment at 12:30 p.m., and the intervening time to be equally divided.

Mr. RIBICOFF. Mr. President, I am pleased to yield 3 or 4 minutes of my time to the distinguished Senator from Louisiana, so that he can have almost 10 minutes.

Mr. JOHNSTON. Mr. President, that will be suitable, and I thank the distinguished Senator from Connecticut.

Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. JOHNSTON. I request that my colleagues who are not familiar with this amendment listen to me. This is not, first, an attempt to kill this bill; it is an attempt to make the bill a better bill, and if the amendment is agreed to I shall vote for it.

Mr. President, there has not been a bill to come through the Senate, which has been less understood than this bill, in quite some time.

Indeed, two basic questions were propounded on this floor yesterday to be answered ultimately by staff. In all good faith, because of complication of the bill, the questions were misunderstood; the answers were incorrect.

The first question was, is the right of the administrator subject to review? The answer was yes, it is. In fact, the right of the administrator to state a consumer interest and to promote it in the agencies or in the courts is not subject to review.

The second question was, does this agency have any greater right to proceed than does an individual? The answer is very plainly that individuals in almost every agency must prove an interest and failing to prove that interest they have no right to appeal.

UMI

I have only had a chance to look at the FTC, the SEC and the CAB.

Mr President, I ask unanimous consent that two court decisions and a statute involving those agencies be printed showing that lack of interest.

There being no objection, the 2 court decisions and statute were ordered to be printed in the RECORD, as follows:

[U.S. Court of Appeals, District of Columbia Circuit, No. 12404]

WILLIAM LEIGHTON, PETITIONER, AGAINST SECURITIES AND EXCHANGE COMMISSION, RESPONDENT

Argued Jan. 31, 1955.

Decided Feb. 10, 1955.

Proceeding to review Securities and Exchange Commission's refusal to investigate and regulate issuance and sale of travelers checks. On motion by Commission to dismiss the Court of Appeals held that even if action of Securities and Exchange Commission in declining to entertain request to investigate and regulate issuance and sale of travelers checks constituted an order of the Commission, nevertheless it was within discretion of Commission, and such an order was not reviewable.

Motion granted.

Administrative Law and Procedure—701.

Licenses—18½ (57).

Even if action of Securities and Exchange Commission in declining to entertain request to investigate and regulate issuance and sale of travelers checks constituted an order of the commission, nevertheless it was within discretion of commission and such an order was not reviewable. Securities Act of 1933, §§ 1 et seq., 9(a), 20 as amended 15 U.S.C.A. §§ 77a et seq., 77i, 77t; Administrative Procedure Act, § 10, 5 U.S.C.A. § 1009.

Mr. William Leighton, petitioner pro se.

Mr. William H. Timbers, General Counsel, Securities and Exchange Commission, with whom Mr. Alexander Cohen, Special Counsel, Securities and Exchange Commission, was on the brief, for respondent.

Before Edgerton, Bazelon and Fahy, Circuit Judges.

Per curiam.

William Leighton, the petitioner, sought to persuade the Securities and Exchange Commission to assume jurisdiction to investigate and regulate the issuance and sale by the American Express Company of travelers checks, contending they are securities within the meaning of the Securities Act of 1933.[1] The Commission refused. Leighton then petitioned this court to review the Commission's refusal, contending jurisdiction resides in this court under Section 9(a) of the Securities Act[2] and Section 10 of the Administrative Procedure Act.[3] The Commission has moved that we dismiss the petition for lack of jurisdiction.

Were we to assume that the action of the Commission in declining to entertain petitioner's complaint, or to investigate the matters pressed by him, constituted an order of the Commission nevertheless it would be one within the discretion of the Commission under Section 20 of the Securities Act[4] and, in any event, not such an order as would be reviewable by this court under Section 9(a) of the Act. See Vrooker v. Securities and Exchange Commission, 1 Cir., 161 F.2d 944, 949. The discretionary character of the Commission's action likewise remove it from Section 10 of the Administrative Procedure Act, which excepts from its provisions for judicial review agency action committed by law to agency discretion. The motion to dismiss accordingly will be granted.

It is so ordered.

FOOTNOTES

[1] 48 Stat. 74 et seq., as amended, 15 U.S C.A. § 77a et seq.

[2] 48 Stat. 80, as amended, 15 U.S.C.A. § 77i.

[3] 60 Stat. 237, 243, as amended, 5 U.S.C.A. § 1009.

[4] 48 Stat. 86, as amended, 15 U.S.C.A. § 77t.

[U.S. District Court, N.D. Georgia, Atlanta Division, No. 15091]

ORIAN A. SAUCKE AGAINST FEDERAL TRADE COMMISSION

Oct. 22, 1971.

Proceedings on defendant's motion to dismiss mandamus proceeding. The District Court, Edenfield, J., held that mandamus petitions growing out of plaintiff's personal financial affairs and relating to plaintiff's eviction from his former residence and subsequent inability to find suitable housing through federal agency did not invoke jurisdiction of federal court and did not state claim upon which federal court could grant relief.

Motion granted.

1. Courts—265

Mandamus petitions growing out of plaintiff's personal financial affairs and relating to plaintiff's eviction from his former residence and subsequent inability to find suitable housing through federal agency did not invoke jurisdiction of federal court and did not state claim upon which federal court could grant relief.

2. Trade Regulation—811

Exercise of enforcement powers by FTC is discretionary and is applicable only in cases of public interest. Federal Trade Commission Act, §§ 5, 6, 15 U.S. C.A. §§ 45, 46; Fair Credit Reporting Act, § 621, 15 U.S.C.A. § 1681s.

3. Mandamus—73(1)

Mandamus was not available to compel exercise of FTC investigative powers, particularly where plaintiff sought to have FTC seize certain records relevant to plaintiff's financial status. Federal Trade Commission Act, §§ 5, 6, 15 U.S.C.A. §§ 45, 46; Fair Credit Reporting Act, § 621, 15 U.S.C.A. § 1681s.

Orlan A. Saucke, pro se.

John W. Stokes, Jr., U. S. Atty., Julian M. Longley, Jr., Asst. U. S. Atty., Atlanta, Ga., Joseph Martin, Jr., Gen. Counsel, Harold D. Rhynedance, Jr., Asst. Gen. Counsel. Robert E. Duncan, Atty., F. T. C., Washington, D. C., for F. T. C.

Order.

Edenfield, District Judge.

[1] This is the first of four pro se mandamus petitions which have been filed by plaintiff. Two of the petitions relate to problems growing out of plaintiff's personal financial affairs.[1] The other petitions relate to plaintiff's eviction from his former residence[2] and his subsequent inability to find suitable housing through a federal agency.[3] While plaintiff may in fact have some serious legal problem, the complaints presented to this court simply do not invoke the jurisdiction of a federal court, nor do they state any claim upon which a federal court could grant relief.

In this action plaintiff requests mandamus relief requiring the Federal Trade Commission to seize certain records relevant to plaintiff's financial status. These records are in the possession of various credit bureaus in Georgia, Iowa, Minnesota, and Wisconsin, and allegedly contain erroneous credit information which is damaging to plaintiff. The FTC has moved to dismiss the petition.[4]

[2, 3] It is well settled that an action in the nature of mandamus requires the existence of a specific duty owed to plaintiff. *E. g.*, In re Wingreen Co., 412 F.2d 1048 (5th Cir. 1969). No such duty is alleged in this action and it clearly appears that no such duty exists. The exercise of enforcement powers by the FTC is not only discretionary but is applicable only in cases of public interest. 15 U.S.C. §§ 45, 46, and 1681s. Such being the case, mandamus is not available to compel the exercise of FTC investigative powers particularly where plaintiff seeks to have the FTC assist him in his personal financial affairs. FTC v. Klesner, 280 U.S. 19, 50 S.Ct. 1, 74 L.Ed. 138 (1929); Stancato v. Department of Justice and FTC, Civil Action No. 69–1378 (D.C.Cal., Aug. 14, 1969).

Therefore, defendant's motion to dismiss is granted and the Clerk is directed to dismiss plaintiff's petition for failure to state a claim upon which relief can be granted.

It is so ordered.

FOOTNOTES

[1] This action and Civil Action No. 15669.

[2] Civil Action No. 15591.

[3] Civil Action No. 15670.

[4] Subsequent to the filing of defendant's motion to dismiss plaintiff informally contacted the court regarding his cases and was advised that his petitions did not appear to set forth a federal cause of action. The court informed plaintiff that prior to any ruling on the sufficiency of his petitions, he would be given an opportunity to obtain counsel and file any additional documents which he wished the court to consider. Plaintiff has responded by requesting appointment of counsel and filing an amendment. The request for appointment of counsel is denied and the amendment fails to cure plaintiff's fatally defective petition. The amendment contains a vague allegation that plaintiff is under the jurisdiction of a federal agency. While the purpose of this allegation is unclear, it clearly does not establish federal jurisdiction. Furthermore, even assuming that the amendment states a claim under subchapter III of the Consumer Credit Protection Act (15 U.S.C. § 1681 *et seq.*), such an action may not be maintained against the FTC, which is the only named defendant.

49, § 1482—FEDERAL AVIATION PROGRAM, CH. 20

§ 1482.—COMPLAINTS TO AND INVESTIGATIONS BY THE ADMINISTRATOR AND THE BOARD—FILING OF COMPLAINTS; COMPLAINTS AGAINST MEMBERS OF THE ARMED FORCES

(a) Any person may file with the Administrator or the Board, as to matters within their respective jurisdictions, a complaint in writing with respect to anything done or omitted to be done by any person in contravention of any provisions of this chapter, or of any requirement established pursuant thereto. If the person complained against shall not satisfy the complaint and there shall appear to be any reasonable ground for investigating the complaint, it shall be the duty of the Administrator or the Board to investigate the matters complained of. Whenever the Administrator or the Board is of the opinion that any complaint does not state facts which warrant an investigation or action, such complaint may be dismissed without hearing. In the case of complaints against a member of the Armed Forces of the United States acting in the performance of his official duties, the Administrator or the Board, as the case may be, shall refer the complaint to the Secretary of the department concerned for action. The Secretary shall, within ninety days after receiving such a complaint, inform the Administrator or the Board of his disposition of the complaint, including a report as to any corrective or disciplinary actions taken.

Investigations on initiative of Administrator or Board

(b) The Administrator or Board, with respect to matters within their respective jurisdictions, is empowered at any time to institute an investigation, on their own initiative, in any case and as to any matter or thing within their repective jurisdictions, concerning which complaint is authorized to be made to or before the Administrator or Board by any provision of this chapter, or concerning which any question may arise under any of the provisions of this chapter, or relating to the enforcement of any of the provisions of this chapter. The Administrator or the Board shall have the same power to proceed with any investigation instituted on their own motion as though it had been appealed to by complaint.

Entry of orders for compliance with chapter

(c) If the Administrator or the Board finds, after notice and hearing, in any investigation instituted upon complaint or upon their own initiative, with respect to matters within their jurisdiction, that any person has failed to comply with any provision of this chapter or any requirement established pursuant thereto, the Administrator or the Board shall issue an appropriate order to compel such person to comply therewith.

49, § 1486—FEDERAL AVIATION PROGRAM, CH. 20

§ 1486.—JUDICIAL REVIEW—ORDERS SUBJECT TO REVIEW; PETITION FOR REVIEW

(a) Any order, affirmative or negative, issued by the Board or Administrator under this chapter, except any order in respect of any foreign air carrier subject to the approval of the President as provided in section 1461 of this title, shall be subject to review by the courts of appeals of the United States or the United States Court of Appeals for the District of Columbia upon petition, filed within sixty days after the entry of such order, by any person disclosing a substantial interest in such order. After the expiration of said sixty days a petition may be filed only by leave of court upon a showing of reasonable grounds for failure to file the petition theretofore.

Venue

(b) A petition under this section shall be filed in the court for the circuit wherein the petitioner resides or has his principal place of business or in the United States Court of Appeals for the District of Columbia.

Notice to Board or Administrator; filing of record

(c) A copy of the petition shall, upon filing, be forthwith transmitted to the Board or Administrator by the clerk of the court, and the Board or Administrator shall thereupon file in the court the record, if any, upon which the order complained of was entered, as provided in section 2112 of Title 28.

Power of court

(d) Upon transmittal of the petition to the Board or Administrator, the court shall have exclusive jurisdiction to affirm, modify, or set aside the order complained of, in whole or in part, and if need be, to order further proceedings by the Board or Administrator. Upon good cause shown and after reasonable notice to the Board or Administrator, interlocutory relief may be granted by stay of the order or by such mandatory or other relief as may be appropriate.

Conclusiveness of findings of fact; objections

(e) The findings of facts by the Board or Administrator, if supported by substantial evidence, shall be conclusive. No objection to an order of the Board or Administrator shall be considered by the court unless such objection shall have been urged before the Board or Administrator or, if it was not so urged, unless there were reasonable grounds for failure to do so.

Review by Supreme Court

(f) The judgment and decree of the court affirming, modifying, or setting aside any such order of the Board or Administrator shall be subject only to review by the Supreme Court of the United States.

Mr. JOHNSTON. What my amendment does, Mr. President, is to take away from the Administrator the right to delay proceedings by appeal to the courts and protracted reviews. The Administrator would still have that right, Mr. President, to present a claim, to gather information, to act as an advocate, to act as an ombudsman, to act in every way to represent the interest of the consumers except to engage in protracted legal delays when his plan has first been turned down by the agency.

Mr. President, in effect, what my amendment would do would be to prevent this bill from being a consumer overkill in much the same way that the seatbelt law became an overkill provision for protection of consumers.

Unless this amendment is agreed to, Mr. President, we will find, I believe, that every Federal agency will be subject to years of review, as indeed FTC was on natural gas rates in my State, as the ICC was on proceedings with railroad cases, and as every Federal agency has been upon occasion.

If it were a question of the consumer having no voice and not being able to be represented, then I would say vote against this amendment. But all the amendment does is take away that right to resort to the courts when the proceeding has been turned down after a full hearing by the agency itself.

Mr. President, the Administrator will still have, if this amendment is agreed to, the right to intervene in any proceeding or activity. The Administrator will still have the right to intervene by written or oral submissions in the Federal agency proceeding. He will still have the right to intervene on appeal. He will still have the right to gather information. He will still have every right except the right to subject consumers, agencies, and businesses in this country to protracted delays and expensive legal appeals.

I think it is exceedingly simple. I realize the difficulty of trying to explain this bill, which is totally misunderstood, in this amendment, but I submit, while we still have the chance, let us make this a reasonable bill, one that truly represents the consumers and does not simply serve the interests of the legal profession in this country.

Mr. RIBICOFF. Mr. President. I yield 1 minute to the distinguished Senator from Florida.

Mr. STONE. I thank the distinguished Senator from Connecticut.

If this amendment were to be agreed to, it would mean that, for example, a no-frills lower air fare otherwise approved by the CAB, were it not to have been approved, the consumer advocate could not have had it reviewed. On the other side of the coin, where the 4-percent air fare increase was approved and within a few weeks the airlines themselves realized that they had killed their consumer business and were back asking for review, that type of an increase could have been reviewed.

What this would do, then, in effect, is remove the ability to review economic decisions, and if the consumer advocate cannot review an economic decision, what kind of a decision really could be reviewed?

That is to say nothing of the examples raised by the Senator from Florida yesterday, where the Federal Trade Commission after secret proceedings terminated its investigation into consumer abuses in the condominium industry and the cooperative housing industry.

The instance where there is the most likelihood of abuse in terms of time-consuming litigation and unnecessary burdens on businesses is where the ACA appeals an agency action in which it did not intervene or otherwise participate. During the markup of this bill, I offered an amendment which was designed to alleviate the possible harm of such court initiation. The amendment was accepted in a modified form. It requires the Administrator to state the reasons for his failure to intervene or participate in the agency proceedings. The court then has the power to determine that those reasons are not sufficient and that the interests of justice would be impeded if the ACA were allowed to file suit.

In the case where the ACA did participate in the agency proceeding, it should have the same rights as every other party and be able to appeal not only in those instances where the health or safety of consumers is involved but also in the important area of economic concerns.

So it seems to the Senator from Florida that the guts of the bill is the ability by the consumer advocate not merely to appear before a Federal agency but to review an interest, a decision of that agency which adversely affects a consumer interest in a substantial fashion.

Mr. RIBICOFF. Mr. President, the amendment proposed by the Senator from Louisiana would really torpedo this entire consumer agency and would make it impossible for the ACA to seek judicial review when economic concerns of individuals and consumers are involved. I therefore oppose it. Now the ACA may seek judicial review of a Federal agency action which may substantially affect a health, safety or economic concern of consumers.

The Johnston amendment would limit the ACA's ability to seek judicial review to only agency actions which affect consumer health or safety. It would make it impossible for the ACA to seek judicial review when an economic concern of consumers was involved.

What we have here in the Johnston amendment, is an attempt to give the ACA less rights than any other party to an agency proceeding.

In a recent speech at the White House Conference on Domestic and Economic Affairs, the President cited surveys indicating that the average American family is paying $2,000 a year—a national total of $130 billion—in excessive and unnecessary costs resulting from ineffective Government regulation.

Department of Justice Antitrust Chief, Thomas Kauper, has estimated the price-fixing and other anticompetitive actions by businesses raise price levels by as much as $80 billion each year.

These figures are staggering. The effect of the Johnston amendment would be to keep the ACA from seeking judicial reviews of just those very agency actions which are costing American consumers billions and billions of dollars each year in unnecessary costs.

When the CAB considers airlines rate increases, when the ICC considers truck-

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ing rate increases, when the FCC considers telephone rate increases, when the FTC prosecutes false and misleading advertising—in all these instances and many, many others throughout the Federal Government, the economic concerns of consumers are clearly and dramatically affected by what the agencies decide to do.

For these reasons, I oppose the Johnston amendment as an undue and unjustifiable restriction on the power of the ACA to represent the economic concerns of consumers in the Federal courts.

Mr. PERCY. Mr. President, if the Senator will yield briefly, I join him in opposing the Johnston amendment. It would prevent the Consumer Protection Agency from moving into some of the most scandalous situations involving ICC rate fixing, where the consumer simply does not have a voice.

We know billions of dollars have been added to the costs of shippers, and the consumer pays that bill without having an adequate voice. It is absolutely essential and necessary, it would certainly seem, in connection with the housing scandals that we had across the country where section 235 was perverted by builders, labor unions, and others. The Agency for Consumer Advocacy should have the right to appeal decisions and speak on behalf of the consumer, using the courts if necessary.

Mr. President, for this and many other reasons I respectfully oppose the amendment of the distinguished Senator from Louisiana.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana.

On this question the yeas and nays have been ordered, under a unanimous-consent agreement, with the vote to occur at this time.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Kentucky (Mr. Ford), the Senator from Louisiana (Mr. Long), and the Senator from Montana (Mr. Metcalf) are necessarily absent.

I further announce that the Senator from Alaska (Mr. Gravel) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Maryland (Mr. Beall), the Senator from New York (Mr. Buckley), and the Senator from Arizona (Mr. Goldwater) are necessarily absent.

The result was announced—yeas 29, nays 63, as follows:

[Rollcall Vote No. 174 Leg.]

YEAS—29

Allen
Baker
Bartlett
Bellmon
Brock
Byrd,
  Harry F., Jr.
Curtis
Dole
Domenici
Eastland
Fannin
Garn
Griffin
Hansen
Helms
Hruska
Johnston
Laxalt
McClellan
McClure
Nunn
Scott,
  William L.
Stennis
Stevens
Taft
Talmadge
Thurmond
Tower
Young

NAYS—63

Abourezk
Bayh
Bentsen
Biden
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Eagleton
Fong
Glenn
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stevenson
Stone
Symington
Tunney
Weicker
Williams

NOT VOTING—7

Beall
Buckley
Ford
Goldwater
Gravel
Long
Metcalf

So Mr. Johnston's amendment (No. 446) was rejected.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. RIBICOFF. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 418

Mr. HELMS. Mr. President, I call up my amendment No. 418, which is at the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 29, lines 20 and 21, strike out the phrase "determine that (A) such information, so far as practicable," and insert in lieu thereof the following: "exercise great care to determine that (A) such information".

Mr. HELMS. Mr. President, the amendment that I am offering is simple. Its purpose is straightforward and clear. It seeks to insure that all parties against whom consumer complaints are filed are afforded certain basic elements of procedural due process, and it provides freedom of information.

As the bill now reads, the Agency is required to notify parties against whom complaints are filed of all complaints of any significance, unless the Administrator determines that it would not be in the consumer's best interest to do so. In that event, notification would not be required.

The amendment which I am submitting requires the Agency to notify all persons concerned of each and every complaint filed against them and upon which the Agency intends to act. Furthermore, neither the Agency for Consumer Advocacy nor any other agency is permitted to initiate action based upon any complaint until 60 days after all persons concerned have been notified. In other words, this provision simply insures that defendants will be notified that a complaint has been filed against them. It will put them on notice that they may be investigated, subjected to an agency proceeding, or taken to court. This is simply justice. It is an element of fairness that is basic to our American concept of government and law.

Additionally, the present language of the bill provides that the Agency for Consumer Advocacy shall maintain a public document room in which consumer complaints are to be made available for public inspection and copying. Under this language, however, the Administrator may in his discretion withhold information. The amendment I offer requires the Agency to make available all complaints as well as copies of all official documents relative to each complaint in addition to annotations of actions taken in response to such complaints. Neither the Agency for Consumer Advocacy nor any other agency is permitted to initiate any action until 60 days after a copy of the complaint upon which the action is based is placed in the document room.

This amendment does not permit anonymous complaints. The bill as it now reads would. In my view, it is fundamental to American law that a party complained against be allowed to be confronted with his accuser. To allow anonymous, confidential complaints would be to introduce into American law a concept so patently unjust as to shock one's conscience. Have we not learned the lesson of the secret inquisitions of old, of the historic injustices that our forefathers fought to protect us against?

Finally, this amendment allows the party complained against to comment on any such complaint, with the comment also being displayed in the public document room. This feature exists in the present bill and is retained in the amendment. In addition, any agency to which a complaint is referred shall notify the Administrator of what action, if any, it intends to take with respect to the complaint, and a copy of such notice must be displayed in the document room.

As stated, this amendment is simple and direct. It represents an attempt to afford the defendants due process and fair treatment. In our zeal to protect the consumer, we must not abandon the basic safeguards of American justice that we have come to value so dearly.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Carolina.

Mr. RIBICOFF. Mr. President, I oppose this amendment.

Mr. HELMS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. Mr. President, did the Chair rule there was not a sufficient second?

The PRESIDING OFFICER. There is a sufficient second. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Kentucky (Mr. Ford), and the Senator from Iowa (Mr. Clark) are necessarily absent.

I further announce that the Senator from Alaska (Mr. Gravel) is absent on official business.

I further announce that, if present and voting, the Senator from Iowa (Mr. Clark) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Maryland (Mr. Beall), the

Senator from New York (Mr. Buckley), the Senator from Arizona (Mr. Goldwater), the Senator from Maryland (Mr. Mathias), and the Senator from Alaska (Mr. Stevens) are necessarily absent.

The result was announced—yeas 41, nays 50, as follows:

[Rollcall Vote No. 175 Leg.]

YEAS—41

Abourezk
Allen
Baker
Bartlett
Bellmon
Brock
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Chiles
Curtis
Dole
Domenici
Eastland
Fannin
Fong
Garn
Griffin
Hansen
Helms
Hruska
Johnston
Laxalt
Long
McClellan
McClure
Montoya
Morgan
Nunn
Packwood
Randolph
Roth
Scott,
  William L.
Sparkman
Stafford
Stennis
Stone
Taft
Talmadge
Thurmond
Tower
Young

NAYS—50

Bayh
Bentsen
Biden
Brooke
Bumpers
Burdick
Cannon
Case
Church
Cranston
Culver
Eagleton
Glenn
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Magnuson
Mansfield
McGee
McGovern
McIntyre
Metcalf
Mondale
Moss
Muskie
Nelson
Pastore
Pearson
Pell
Percy
Proxmire
Ribicoff
Schweiker
Scott, Hugh
Stevenson
Symington
Tunney
Weicker
Williams

NOT VOTING—8

Beall
Buckley
Clark
Ford
Goldwater
Gravel
Mathias
Stevens

So Mr. Helms' amendment (No. 418) was rejected.

Mr. RIBICOFF. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. PERCY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JOHNSTON. Mr. President, I ask unanimous consent to present an agreed-upon amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, I send an amendment to the desk. This is simply a clarifying amendment to make it clear that the right of the administration to find a consumer interest may be reviewed on appeal, as indicated in the colloquy yesterday. It is simply to correct a misimpression.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk proceeded to read the amendment.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 42, between lines 13 and 14, add the following new subsection:

"(3) The Administrator's determination pursuant to subsections 6(a)(2), 6(a)(3), and 6(d) that an agency action may substantially affect an interest of consumers shall be subject to review during judicial review of a final agency action.

Mr. RIBICOFF. Mr. President, I am willing to accept the amendment of the Senator from Louisiana.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 417

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, I have an amendment at the desk, No. 417, which I call up and ask for immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk proceeded to read the amendment.

Mr. HELMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 52, immediately below line 16, insert the following new section:

"CIVIL LIABILITY FOR ACTIONS OF THE AGENCY

"Sec. 27. (a)(1) Notwithstanding any other provisions of law, any person injured as a result of any act or omission of the Administrator, or any officer or employee of the Agency, or of any officer or employee of any other agency (as defined in section 551 of title 5, United States Code) of the Federal Government who, while acting within the scope of his office or employment, makes or causes to be made, any false or misleading disclosure, statement, or other publication to any agency or to the public, which disclosure, statement, or publication results in a reduced consumer demand for or sales of any product, good, or service, may bring a civil action for monetary damages against the United States.

"(2) The United States shall be liable, respecting provisions of this subsection, in the same manner and to the same extent as a private individual under like circumstances, but shall not be liable for punitive damages.

"(b)(1) The district courts of the United States, together with the United States District Court for the District of the Canal Zone, the District Court of Guam, and the District Court of the Virgin Islands, shall have exclusive jurisdiction to hear and determine any action brought under this section in accordance with the provisions of subsection (a) of this section.

"(2) Any action against the United States under this section shall, at the request of any party to such action, be tried by the court with a jury.

"(c) Appellate review of an action brought under this section shall be had in the same manner and subject to the same requirements as an action brought under section 1346(b) of title 28, United States Code.".

On page 29, lines 20 and 21, strike out the phrase "determine that (A) such information, so far as practicable," and insert in lieu thereof the following: "exercise great care to determine that (A) such information".

Mr. HELMS. Mr. President, the advocates of consumerism insist that the American consumer needs protection from the business community. They argue that the consumer is a victim of false claims, harmful goods, and deficient services. They propose that we establish what is now called an Agency for Consumer Advocacy to eradicate these evils and aid the consumer.

It is true, of course, that businessmen do make mistakes. Through negligence or zeal, they may produce inadequate goods or present a misleading advertisement. Like everyone else, American businessmen are fallible beings, subject to human error. These capabilities for error are rooted in human nature. But they do not exist solely in the commercial establishments of this country.

What disturbs me, Mr. President, is the fact that the proposed Consumer Protection Act of 1975 overlooks the possibility for human error in the Agency for Consumer Advocacy. This Agency will be empowered to issue public statements regarding the quality or safety of a product or service. Because so many products and services will be under the scrutiny of this Agency—and many of these products are extremely complicated from a technical standpoint—we can be certain that the Agency will, sooner or later, make a false public statement about the safety of a product, or its utility, or its general value. Through error, indifference, or negligence, such mistakes are bound to occur.

And when they do, the consumer will suffer with the producer. The producer may suffer a crushing financial loss when his product is wrongfully removed from the market. But it is the consumer who will be denied the product that he desires; or he may be compelled to pay a higher price for a product after it returns to the market, and after the producer has increased the price to cover his loss. It is difficult to avoid the conclusion, Mr. President, that this bill may produce the opposite effect intended and in many instances actually harm the consumer's interest. So, neither is the consumer properly served, nor is justice promoted in the event the agency commits an error.

If the act is adopted in its present form, the Administrator will have broad powers over the thousands of commercial enterprises of the Nation. Yet, the act seems to assume—and it is a false assumption—that in the exercise of this power, the Administrator will never make a mistake. The act provides no protection whatever to the businessman whose products or services are wrongfully condemned by the Administrator.

The purpose of my amendment is to provide this protection. This amendment will allow any injured party to sue for damages in a Federal district court, if the Administrator of the Agency makes a false or misleading statement concerning any product or service offered to the public.

The need for this amendment is clear enough when we examine section 11(c)(1) of the act. Under this provision, "The Administrator, in releasing information concerning consumer products and services, shall determine that (A) such information, so far as practicable, is accurate." We may safely assume that the judicious Administrator will take proper measures to make certain that any information he publicizes about the safety or quality of a product or service is accurate and not misleading or incomplete; but reasonable men will differ as to what a "practicable" determination of the facts might be. Indeed, the act pre-

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sumes that the Administrator himself will be the judge of the "practicability" of his own determinations.

In anticipation of the possibility that the Administrator may make a mistake and fail to take proper action, the Consumer Protection Act that we considered last year, S. 707, purported to protect the businessman by requiring the Administrator to retract his false or misleading statement. As I pointed out in a statement of July 17, 1974, in this Chamber, this retraction provision did not offer any real protection to the businessman. A retraction may be helpful if the mistake is caught in time, but what good is a retraction after a company has been ruined? What justice is accorded to the businessman who suffers economic injury as a result of a false statement that has been indelibly impressed upon the public mind?

The revised Consumer Protection Act of 1975 offers even less protection in that it contains no provision whatever requiring the Administrator to retract a false or misleading statement. Section 11(c)(3) of the act simply states that, "Notice of all changes in, or any additional information which would affect the fairness of information previously disseminated to the public shall be promptly disseminated in a similar manner." At best, it may be inferred from this provision that the errant Administrator will issue a public retraction at his own discretion.

As a second assurance against unfair actions, the act further provides under section 11(c)(4) that, "Where the release of information is likely to cause substantial injury to the reputation or good will of a person, the Administrator shall notify such person of the information to be released and afford him a reasonable opportunity, not to exceed 10 days, to comment or seek injunctive relief." All this means is that some unfortunate business will receive notice that its product or service is about to be condemned.

Mr. President, I have said it before and I shall say it again: mere notification is no real protection to the businessman. In the first place, the judgment of the Administrator prevails, whether he is right or wrong. If he is wrong, notification is not going to aid the business that is going to be publicly maligned.

Besides, the act provides that the Administrator does not have to give any notification at all. If, in his judgment, he decides that an "immediate release" of information is essential to protect the health or safety of the consumer, then he may proceed under his own discretion and deny the businessman an opportunity to challenge the statement. In other words, there is no way for a company to prevent the publication of a false or misleading statement; and after it has been published there is no way in which a company can be compensated for wrongful injury.

These are not remote possibilities arising under this act. They are clear and present dangers. The tragedy of the Marlin Toy Co. of Horicon, Wis., is a case in point. This small company, employing 75 individuals, has been driven to bankruptcy. How did this happen? Through administrative negligence and error in the Federal Government.

For many years, the Marlin Toy Co. manufactured a toy known as the flutter ball. It was a clear, plastic ball, containing a plastic butterfly and plastic pellets. The toy sold well. It was popular with children. But in November of 1972, at the outset of the Christmas season, the Food and Drug Administration notified—notified, I repeat—the Marlin Toy Co. that its flutter ball was banned and would have to be withdrawn from the market. The Food and Drug Administration reasoned—and I am certain that the FDA took all reasonable measures that its information was correct—that the ball was unsafe, even though no injury had ever been reported. According to the FDA, however, there was a possibility that the ball might break, and if so, that a child might swallow or inhale the plastic pellets.

The Marlin Toy Co. suffered a severe financial setback, but proceeded to redesign the toys without the pellets, hoping to regain its losses in the following year. The company submitted the toy to the FDA, and the FDA assured Marlin that the toy was now acceptable. The Marlin Toy Co. was back in business—but not for long. Through administrative oversight, the Consumer Products Safety Commission neglected to remove the product from the holiday list of banned toys. The Commission admitted its mistake and apologized, assuring the Marlin Toy Co., that it would issue a corrected list. By this time, however, it was too late. The damage had already been done, and the Marlin Toy Co., was in a state of financial ruin. As of February 1974, the Marlin Toy Co. had suffered a loss of $87,000, not counting its losses in future sales and goodwill. The factory is now an empty shell, and most of the employees have been laid off.

Because the Federal Tort Claims Act does not permit recovery for such offenses as misrepresentation or false statements by Federal authorities, the distinguished Senator from Wisconsin (Mr. PROXMIRE) introduced a private bill during the last session to grant relief to the Marlin Toy Co. I cosponsored this bill, and the Consumer Products Safety Commission offered its support as well. If the Marlin Toy Co. is compensated for the wrongful damages, it may yet survive.

But if the Consumer Protection Act is passed, Mr. President, it is reasonable to believe that there will be more Marlin Toy companies put out of business, more bankruptcies, and more people put out of work because of bureaucratic mistakes. Indeed, the likelihood of similar errors is greatly increased under the Agency for Consumer Advocacy. If the Consumer Products Safety Commission cannot adequately handle a matter involving the safety of a simple plastic ball, we can well imagine the difficulties that the Agency for Consumer Advocacy will experience. For this new agency will be dealing with a great variety of sophisticated and technical products, concerning not only their safety, but their durability, their usefulness, and their general worth.

In a recent column by Nicholas von Hoffman of the Washington Post, the calamity of the Marlin Toy Co. was brought to the attention of the American public. As Mr. von Hoffman has observed, the Marlin case raises a crucial issue. The buyers need to be informed about the products they are using, but "now the question is how can public administration learn to protect the buyer and the seller too?"

My amendment, Mr. President, is designed to protect both the buyer and the seller. It will create a new section (27) on page 52 of S. 200, immediately below line 16. Subsection (a), paragraph 1 of this section provides that any person may bring a civil action for monetary damages against the United States, if the Administrator, or any officer or employee of Agency for Consumer Advocacy, as defined in section 551 of title 5, United States Code, of the Federal Government, makes or causes to be made a false or misleading statement which results in reduced sales or consumer demand for any product or service.

Paragraph 2 exempts the United States from punitive damages, but otherwise holds it liable in the same manner as a private individual.

Subsection (b) confers exclusive jurisdiction over actions brought under this section upon district courts of the United States, and the U.S. District Court for Guam, the Canal Zone, and the Virgin Islands.

Paragraph 2 grants the right of trial by jury to any party to any action arising under this section, and subsection (c) provides that appellate review of any action brought under this section shall be had in the same manner and subject to the same requirements as an action brought under section 1346(b) of title 28, United States Code.

To conform the language of section 11(c)(1), previouly mentioned to this amendment, this amendment provides that the paragraph shall be amended to state that the Administrator shall exercise great care to determine that information is accurate.

Mr. President, the Agency for Consumer Advocacy has extensive powers under this act. Some have argued that its powers are too extensive. In the interest of governmental restraint of power, in the interest of justice, and in the interest of both the consumer and the business community, I urge support of this amendment.

I think the point has been made, Mr. President. There ought to be some protection for people who are wrongfully maligned and damaged by the Federal Government. They ought to have recourse. That is the purpose of this amendment.

Mr. PERCY. Mr. President, I have looked carefully at the amendment offered by our distinguished colleague (Mr. HELMS). I was struck by the fact that we were both deeply concerned about the same thing.

Certainly, we do not want this agency to be in a position where it could unfairly damage any business firm.

For that reason the Senator from Illinois introduced an amendment to the bill some 2 or 3 years ago, which is now part of the committee bill, in section 11, Limitations on Disclosures, where we provide in paragraph 4 on page 30 of the bill as follows:

> (4) Where the release of information is likely to cause substantial injury to the reputation or good will of a person, the Administrator shall notify such person of the information to be released and afford him a reasonable opportunity, not to exceed ten days, to comment or seek injunctive relief, unless immediate release is necessary to protect the health or safety of the public. The district courts of the United States shall have jurisdiction over any action brought for injunctive relief under this subsection, or under section 10(b)(7).

The purpose of that was to be certain that a firm or company was notified that there was going to be a complaint so that they could respond, and so that if there were to be a publication of the complaint it would be simultaneous, along with the answer.

Within the Government Operations Committee, we tried this in several specific cases where, though it was not provided for by law, as it is here. One vivid instance involved certain pharmaceutical companies. I remember the Senator from Connecticut (Mr. RIBICOFF), suggested at that time.

> Let us now establish the principle in government that we are trying to establish for the Agency for Consumer Protection. Accordingly, we promptly contacted the 10 pharmaceutical companies involved and apprised them of the situation.
>
> Under the provisions I have cited, if any company wants to reply, it can reply simultaneously with the complaint that is made. Generally when a charge is made it is on page 1, and when an answer comes later it is on the obituary page.

The Senator from Connecticut could not have been more helpful in the case involving the pharmaceutical companies. Now we embody the procedure of prior notice in law as a protection in this particular section.

Mr. RIBICOFF. If the Senator will yield, the Senator from North Carolina might be interested that somewhere in the long consideration of the bill I anticipate that an amendment will be offered taking away this protection.

As manager of the bill I will oppose it. It does seem to me that we do raise something of a problem by setting up a standard for this agency that we do not have in any other regulatory agency, and it could very well be that the Judiciary Committee should be considering whether all regulatory agencies should be subjected to such a procedure or rule as that suggested by the Senator from North Carolina. Otherwise we are putting a burden on this agency that no other agency has.

Mr. HELMS. Mr. President, if the Senator will yield, I agree with that. However, this is a new bureaucracy that we are creating—and I am not all that concerned about placing a burden of responsibility on it.

Mr. PERCY. Mr. President, it would appear to the Senator from Illinois that this proposed remedy might constitute a tremendous burden for this one agency, because those who would want to frustrate its activities could constantly challenge it in court, tie up the administrative personnel, and tie up the ACA's funds. We do not really know what would be the effect of such a proposal.

I think it should be looked at, though. I would fully support the Committee on the Judiciary looking into it to see whether the principle that the distinguished Senator is trying to incorporate for this one agency might not be considered for all regulatory agencies, as well as the Agency for Consumer Advocacy, which is not a regulatory agency, but will function like an ombudsman.

Mr. RIBICOFF. Mr. President, there would be a greater burden on this agency than any other agency, and this is the one agency that has no rulemaking power and no right to issue any regulations.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. RIBICOFF. I yield.

Mr. HELMS. It will have access to the news media. That is where much of the damage will be done, I would say to the distinguished Senator.

Mr. RIBICOFF. Mr. President, I would say they have no more access to the news media than any other agency of the Federal Government.

Mr. HELMS. But it is involved in most sensitive areas of commerce, I would say to the Senator.

Mr. President, I am encouraged by the comments of both of the distinguished Senators, and I appreciate what they are saying. I am tempted to withdraw my amendment if I can secure from each of the Senators the assurance that they will join the Senator from North Carolina in urging the Judiciary Committee to examine this whole question.

Mr. RIBICOFF. The whole question, not just as it applies to this agency.

I would hope then, that when an amendment is introduced to eliminate this protection the Senator from North Carolina will support the Senator from Connecticut in trying to defeat the amendment.

Mr. HELMS. The Senator from North Carolina will go along with the Senator from Connecticut. Yes, the Senator from Connecticut can count on that.

In light of the discussion here on the floor, Mr. President, I think we have made some progress along the lines I desire. Therefore, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

The bill is open for further amendment.

AMENDMENT NO. 433

Mr. PEARSON. Mr. President, I call up my amendment 433 in the nature of a substitute to S. 200.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk proceeded to read the amendment.

Mr. PEARSON. Mr. President, I ask unanimous consent to dispense with the further reading of the amendment in the nature of a substitute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PEARSON. Mr. President, on this amendment on page 7, there is an omission which was inadvertently made, at the time the amendment was printed.

In view of the fact that we are operating pursuant to the provisions of rule XXII of the rules of the Senate, I ask unanimous consent that on page 7, line 11—and I understand this has been discussed with the managers of the bill—following the word "reappointed" that the words "or his successor is appointed" be added.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment in the nature of a substitute, as modified it as follows:

AMENDMENT NO. 433

Strike all after the enacting clause and insert in lieu thereof the following:

"That this Act may be cited as the 'Consumer Protection Act of 1975'.

"STATEMENT OF FINDINGS AND PURPOSES

"SEC. 2. (a) The Congress finds that the interests of consumers are inadequately represented and protected within the Federal Government; that regulations have been adopted and policies have been promulgated by the Federal Government without first securing available information as to the potential costs and benefits of such regulations and policies; and that vigorous representation and protection of the interests of consumers are essential to the fair and efficient functioning of a free market economy. As a result of this lack of effective representation before and within Federal agencies and courts, consumers suffer economic harm and other adverse consequences in the course of acquiring and using goods, services, and credit available in the marketplace.

"(b) The Congress therefore declares that—

"(1) Effective consumer advocacy before and within Federal agencies would help such agencies to exercise more fully and effectively their statutory responsibilities, in a manner consistent with the public interest and with effective and responsive government. It is the purpose of this Act to protect and promote the interests of the people of the United States, as consumers of goods and services that are made available through commerce, by establishing independent Offices of Consumer Counsel within the executive branch and certain agencies of the Federal Government.

"(2) It shall be the purpose of each Office of Consumer Counsel to represent the interests of consumers before and within the Federal agency of which it is a part and before the Federal courts in matters relating to such agency; to receive and transmit consumer complaints; to develop and disseminate information of interest to consumers; and to perform other functions to protect and promote the interests of consumers. In the exercise of its functions, powers, and duties, each such Office shall be independent of all other offices and officers of the agency of which it is a part.

"(3) It is the purpose of this Act to promote the protection of consumers with respect to the—

"(A) safety, quality, purity, potency, healthfulness, durability, performance, repairability, effectiveness, dependability, availability, and cost of any real or personal property or tangible or intangible goods, services, or credit;

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"(B) preservation of consumer choice and a competitive market;

"(C) prevention of unfair or deceptive trade practices;

"(D) maintenance of truthfulness and fairness in the advertising, promotion, and sale by a producer, distributor, lender, retailer, or other supplier of such property, goods, services, and credit;

"(E) provision of full, accurate, and clear instructions, warnings, and other information by any such supplier concerning such property, goods, services, and credit;

"(F) protection of the legal rights and remedies of consumers; and

"(G) provision of estimates of the costs and benefits of programs and activities established by regulations and laws of the Federal Government.

"DEFINITIONS

"SEC. 3. As used in this Act, unless the context otherwise requires—

"(1) 'agency action' includes the whole or any part of an agency 'rule,' 'order,' 'license,' 'sanction,' or 'relief' (as defined in section 551 of title 5, United States Code), or the equivalent thereof, the denial thereof, or the failure to act;

"(2) 'agency activity' means any agency process, or phase thereof, conducted pursuant to any authority or responsibility under law;

"(3) 'agency proceeding' means agency 'rulemaking,' 'adjudication', or 'licensing' (as defined in section 551 of title 5, United States Code);

"(4) 'commerce' means trade, traffic, commerce, or transportation, within the jurisdiction of the United States, (A) between a place in a State and any place outside of such State, or (B) which affects trade, traffic, commerce, or transportation described in clause (A);

"(5) 'consumer' means any individual who uses, purchases, acquires, attempts to purchase or acquire, or is offered or furnished any real or personal property, tangible or intangible goods, services, or credit for personal, family, agricultural, or household purposes:

"(6) 'Consumer Counsel' means, with respect to a Federal agency, as defined in this section, the officer who is appointed pursuant to this Act to represent the interest of consumers in accordance with this Act;

"(7) 'Federal agency' or 'agency' means the Departments of Agriculture, Defense, Commerce, Health, Education, and Welfare, Housing and Urban Development, Interior, Justice, Labor, Transportation, and Treasury, the Civil Aeronautics Boards, the Consumer Product Safety Commission, the Energy Research and Development Administration, the Environmental Protection Agency, the Federal Communications Commission, the Federal Energy Administration, the Federal Maritime Commission, the Federal Power Commission, the Federal Trade Commission, the Interstate Commerce Commission, the National Aeronautics and Space Administration, the National Transportation Safety Board, the Securities and Exchange Commission, and the Small Business Administration;

"(8) 'Federal court' means any court of the United States, including the Supreme Court of the United States, any United States court of appeals, any United States district court established under chapter 5 of title 28, United States Code, the District Court of Guam, the District Court of the United States Customs Court, the United States Court of Customs and Patent Appeals, the United States Tax Court, and the United States Court of Claims;

"(9) 'interests of consumers' means any health, safety, or economic concern of consumers involving real or personal property, tangible or intangible goods, services, or credit, or the advertising or other description thereof, which is or may become the subject of any business, trade, commercial, or marketplace offer or transaction affecting commerce, or which may be related to any term or condition of such offer or transaction. Such offer or transaction need not involve the payment or promise of a consideration;

"(10) 'participation' includes any form of submission;

"(11) 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Canal Zone, Guam, American Samoa, and the Trust Territory of the Pacific Islands; and

"(12) 'submission' means participation through the presentation or communication of relevant evidence, documents, arguments, or other information.

"ESTABLISHMENT

"SEC. 4. There is hereby established within each Federal agency an independent Office of Consumer Counsel. Each such Office shall be directed and administered by a Consumer Counsel. Each Consumer Counsel shall be appointed by the President, by and with the advice and consent of the Senate, for a term not to exceed four years and shall be compensated at a rate not in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of title 5, United States Code. Each Consumer Counsel shall be an individual who, by reason of training, experience, and attainments, is qualified to represent effectively and independently the interests of consumers. Upon the expiration of his term, each Consumer Counsel shall continue in office until he is reappointed or his successor is appointed and qualifies. A Consumer Counsel may be removed by the President for neglect of duty or malfeasance in office.

"POWERS AND DUTIES OF CONSUMER COUNSEL

"SEC. 5. (a) Each Consumer Counsel shall be responsible for the exercise of the powers and the discharge of the duties of the Office, and shall have the authority to direct and supervise all personnel and activities thereof.

"(b) In addition to any other authority conferred upon him by this Act, each Consumer Counsel may, in carrying out his functions under this Act and to the extent funds are appropriated—

"(1) select, appoint, employ, and fix the compensation (subject to the civil service and classification laws) of such officers and employees as are necessary to carry out the provisions of this Act, and shall prescribe the authority and duties of such officers and employees;

"(2) employ experts and consultants, in accordance with section 3109 of title 5, United States Code. Each Consumer Counsel may compensate individuals so employed for each day (including traveltime) at rates not in excess of the maximum rate of pay for Grade GS–18, as provided in section 5332 of title 5, United States Code, and may, while such experts and consultants are so serving away from their homes or regular place of business, pay them travel expenses and per diem in lieu of subsistence at rates authorized, by section 5703 of title 5, United States Code, for persons in Government service employed intermittently;

"(3) promulgate, in accordance with the applicable provisions of the Administrative Procedure Act, title 5, United States Code, such rules, regulations, and procedures as may be necessary to carry out the provisions of this Act, and to assure fairness to all persons affected by the actions of the Office, and to delegate authority for the performance of any function to any officer or employee under his direction and supervision;

"(4) utilize, with their consent, the services, personnel, and facilities of State, regional, local, and private agencies and instrumentalities;

"(5) accept voluntary uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b));

"(6) conduct conferences and hearings and otherwise secure data and expression of opinion;

"(7) accept unconditional gifts or donations of services, money or property, real, personal, or mixed, tangible or intangible;

"(8) designate representatives to serve or assist on such committees as he may determine to be necessary to maintain effective liaison with other Offices of Consumer Counsel and with State and local agencies carrying out programs and activities related to the interests of consumers;

"(9) appoint such advisory committees as he deems necessary or appropriate to assist him with respect to his functions under this Act. Each Consumer Counsel may compensate the members of any such advisory committees (other than those who are regularly employed by the Federal Government) in the manner provided under paragraph (2) of this subsection. All meetings of such committees shall be open to the public, and interested persons shall be permitted to attend, appear before, or file statements with any such committee, subject to such reasonable rules or regulations as the Consumer Counsel involved may prescribe; and

"(10) perform such other administrative activities as may be necessary for the effective fulfillment of his duties and functions.

"(c) Each Consumer Counsel shall prepare and submit a monthly report, on the activities of his Office of Consumer Counsel, to the head of the Federal agency of which such Office is a part, and he shall prepare and submit to the President and to the Congress simultaneously, not later than April 1 of each year beginning April 1, 1976, an annual report on such activities. Each such annual report shall include a description and analysis of—

"(1) the activities of his Office, including its representation of the interests of consumers;

"(2) the relevant Federal agency actions and Federal court decisions affecting the interests of consumers;

"(3) the appropriation by Congress for the Office, the distribution of appropriated funds for the current fiscal year, and a general estimate of the resource requirements of the Office for each of the next three fiscal years; and

"(4) the extent of participation by consumers in the activities of his Office, and the effectiveness of the representation of consumers before the agency of which his Office is a part.

"(d) Each office and officer of the agency of which an Office of Consumer Counsel is a part shall provide such Office with such information and data as the Consumer Counsel requests, except as provided in section 11 of this Act. The budget requests and budget estimates of each Office of Consumer Counsel shall be submitted by the agency of which it is a part directly to the Congress, and moneys appropriated for the use of such an Office shall not be used by the agency of which it is a part for any other purpose.

"OFFICE FUNCTIONS

"SEC. 6. Each Consumer Counsel shall—

"(1) represent the interests of consumers within and before the agency of which his Office is a part and before the courts, to the extent authorized by this Act;

"(2) conduct and support research, and studies, to the extent authorized by section 10 of this Act;

"(3) submit recommendations annually to the appropriate committees of the Congress and the head of the agency of which his Office is a part, on measures to improve the operation of such agency and of the Federal Government in general in the protection and promotion of the interests of consumers, including, but not limited to, any reorganization recommendations;

"(4) receive, transmit to appropriate officials, and make publicly available consumer complaints, to the extent authorized in section 8 of this Act;

"(5) conduct conferences, surveys, and investigations, including economic surveys, concerning the needs, interests, and problems of consumers: *Provided*, That such conferences, surveys, or investigations are not duplicative in significant degree of similar activities conducted by other Federal officials or agencies;

"(6) cooperate with State and local governments and encourage private enterprise in the promotion and protection of the interests of consumers;

"(7) keep the appropriate committees of Congress fully and currently informed of all the activities of his Office, when asked or on his own initiative;

"(8) encourage the adoption and expansion of effective consumer education programs;

"(9) encourage the application and use of new technology, including patents and inventions, for the promotion and protection of the interests of consumers;

"(10) encourage the development of informal dispute settlement procedures involving consumers;

"(11) encourage meaningful participation by consumers in the activities of his Office;

"(12) publish information and material obtained and developed in carrying out his responsibilities under this Act, including, but not limited to, a consumer register of matters that may be useful to consumer; and

"(13) perform such other related activities as he deems necessary for the effective fulfillment of his duties and functions.

"REPRESENTATION OF CONSUMERS

"SEC. 7. (a)(1) Whenever a Consumer Counsel determines that the result of a relevant proceeding or activity of the agency of which his Office is a part may substantially affect an interest of consumers, he may as of right intervene as a party or otherwise participate for the purpose of representing an interest of consumers, as provided in paragraph (2) of this subsection. The Consumer Counsel shall refrain from intervening in any proceeding as a party, unless he determines that such intervention is necessary to represent adequately an interest of consumers. The Consumer Counsel shall comply with the relevant Federal agency statutes and rules of procedure of general applicability governing the timing of intervention or participation in such proceeding or activity and, upon intervening or participating therein, shall comply with laws and agency rules of procedure of general applicability governing the conduct thereof. The intervention or participation of a Consumer Counsel in any proceeding or activity in accordance with this subsection shall not affect the obligation of the Federal agency conducting such proceeding or activity to assure procedure fairness to all participants.

"(2) Whenever a Consumer Counsel determines, with respect to the agency of which his Office is a part, that the result of any relevant Federal agency proceeding—

"(A) which is subject to the provisions of section 553, 554, 556, or 557 of title 5, United States Code;

"(B) which involves a hearing pursuant to the administrative procedural requirements of any other statute, regulation, or practice;

"(C) which is conducted on the record after opportunity for an agency hearing; or

"(D) which provides for public notice and opportunity for comment; may substantially affect an interest of consumers, he may as of right intervene as a party or otherwise participate for the purpose of representing an interest of consumers in such proceeding.

"(b) At such time as a Consumer Counsel determines to intervene or participate in a proceeding under subsection (a)(2) of this section, he shall issue publicly a written statement setting forth his findings under subsection (a)(1) of this section and stating concisely the specific interest of consumers to be protected. Upon intervening or participating, he shall file a copy of such statement in the proceeding.

"(c) To the extent that any person, if aggrieved, would by law have such right, a Consumer Counsel shall have the right, in accordance with the following provisions of this subsection, to initiate or participate in any Federal court proceeding that involves an action of the agency of which his Office is a part;

"(1) A Consumer Counsel may, as of right, and in the manner prescribed by law, initiate a civil action in a Federal court for the review of a relevant Federal agency action that the Consumer Counsel determines may substantially affect an interest of consumers. If the applicable Consumer Counsel did not intervene or otherwise participate in such Federal agency proceeding or activity out of which such agency action arose, the Consumer Counsel, before initiating a proceeding to obtain judicial review, shall petition such agency for rehearing or reconsideration thereof, if the statutes or rules governing such agency specifically authorize rehearing or reconsideration. Such a petition shall be filed within 60 days after the Federal agency action involved, or within such longer period as may be allowed by applicable procedures. The Consumer Counsel may initiate a judicial review proceeding immediately if the Federal agency does not finally act upon such a petition within 60 days after the filing thereof, or at such earlier time as may be necessary to preserve the Consumer Counsel's right to obtain effective judicial review of the Federal agency action. If the applicable Consumer Counsel did not intervene or otherwise participate in the relevant Federal agency proceeding or activity, the court shall determine whether the Consumer Counsel's initiation of a judicial proceeding pursuant to this subsection would impede the interests of justice. When the Consumer Counsel initiates a judicial proceeding arising out of a relevant agency proceeding or activity in which he did not intervene or otherwise participate, he shall file a statement setting forth the reasons for such failure, for the court's consideration in connection with its determination as to whether the initiation of such a proceeding would impede the interests of justice.

"(2) A Consumer Counsel may, as of right, and in the manner prescribed by law, intervene or otherwise participate in any civil action in a Federal court if such civil action involves the review or enforcement of an action of the agency of which his Office is a part, if he determines that such civil action may substantially affect an interest of consumers.

(3) The initiation, or other participation of, by a Consumer Counsel in a judicial proceeding pursuant to this subsection shall not alter or affect the scope of review otherwise applicable to the agency action involved.

"(d) Whenever a Consumer Counsel determines it to be in the interest of consumers, he may request the relevant Federal agency to initiate a judicial proceeding for review, or to take such other action, as may be authorized by law with respect to such agency. If such Federal agency fails to take the action requested, it shall promptly notify the Consumer Counsel of its reasons therefor, and such notification shall be a matter of public record.

"(e) Appearances by an Office of Consumer Counsel under this Act shall be in its own name and shall be made by qualified representatives designated by the respective Consumer Counsel.

"(f) In any Federal agency proceeding in which a Consumer Counsel is intervening or participating pursuant to subsection (a)(2) of this section, such Consumer Counsel is authorized to request such Federal agency to issue, and such agency shall issue, such orders as are authorized pursuant to its statutory powers for the copying of documents, papers, and records, for the summoning of witnesses and the production of books and papers, and for the submission of information in writing. Such orders shall only be issued by a Federal agency upon a statement or showing by the Consumer Counsel of general relevance and reasonable scope of the evidence sought, if such a statement or showing is required by the general rules of procedure of such agency.

"(g) A Consumer Counsel is not authorized to intervene in proceedings or actions before State or local agencies and courts.

"(i) Each Federal agency shall review its rules of procedure of general applicability, and, after consultation with its Consumer Counsel, shall issue any additional rules which may be necessary to provide for such Consumer Counsel's orderly intervention or participation, in accordance with this section, in its proceedings and activities which may substantially affect the interests of consumers.

"(j) Each Consumer Counsel is authorized to represent an interest of consumers which is presented to him for his consideration upon petition in writing by a substantial number of persons or by any organization which includes a substantial number of persons. Each Consumer Counsel shall notify the principal sponsors of any such petition, within a reasonable time after receipt of any such petition, of the action taken or intended to be taken by him with respect to the interest of consumers presented in such petition. If a Consumer Counsel declines or is unable to represent such interest, he shall notify such sponsors and shall state his reasons therefor.

"CONSUMER COMPLAINTS

"SEC. 8. (a) Whenever a Consumer Counsel receives from any person any complaint or other information which discloses—

"(1) an apparent violation of law, agency rule or order, or a judgment, decree, or order of a Federal court relating to an interest of consumers; or

"(2) a commercial, trade, or other practice which is detrimental to an interest of consumers;

he shall, unless he determines that such complaint or information is frivolous or outside the jurisdiction of the agency of which his Office is a part, promptly, transmit such complaint or information to the Federal official which has the authority to enforce any relevant law or to take appropriate action. Each Federal agency shall keep its Consumer Counsel informed to the greatest practicable extent of any action which it is taking on complaints transmitted by him.

"(b) Each Consumer Counsel shall promptly notify producers, distributors, retailers, lenders, or supplies of goods, services, and credit of all complaints of any significance concerning them received or developed under this section, unless such Consumer Counsel determines that to do so is likely to prejudice or impede an action, investigation, or prosecution concerning an alleged violation of law.

"(c) Each Consumer Counsel shall maintain a public document room for public inspection and copying (without charge or at a reasonable charge, not to exceed cost), containing an up-to-date listing of all consumer complaints of any significance which he has received, arranged in meaningful and useful

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categories, together with annotations of actions taken in response thereto. Unless a Consumer Counsel, for good cause, determines not to make any specific complaint available, complaints listed shall be made available for public inspection and copying: *Provided*, That—

"(1) the party complained against has had a reasonable time to comment on such complaint and such comment, when received, is displayed together with the complaint;

"(2) the Federal official to whom the complaint has been referred has had a reasonable time to notify the Consumer Counsel what action, if any, he intends to take with respect to the complaint; and

"(3) no unsigned complaints shall be placed in the public document room.

"CONSUMER INFORMATION AND SERVICES

"SEC. 9. (a) In order to carry out the purposes of this Act each Consumer Counsel shall develop on his own initiative, and shall, subject to the other provisions of this Act, gather from other offices and officers of the agency of which his Office is a part and from any other source, and shall disseminate to the public (in such manner, at such times, and in such form as he determines to be most effective), information, statistics, and other data, including, but not limited to, any matter over which his agency has jurisdiction concerning—

"(1) the functions and duties of his Office;

"(2) consumer products and services;

"(3) problems encountered by consumers generally or conditions, situations, developments, or practices which may adversely affect consumers; and

"(4) notices of hearings, proposed and final rules and orders, and other pertinent activities of the agency of which his Office is a part that affect consumers.

"(b) All Federal agencies which possess information which would be useful to consumers are authorized and directed to cooperate with their respective Consumer Counsels in making such information available to the public.

"STUDIES

"SEC. 10. Each Consumer Counsel is authorized to conduct, support, and assist research, studies, plans, investigations, conferences, and surveys concerning the interests of consumers: Provided, That such activities are not duplicative of other efforts of the respective agencies.

"ACCESS TO INFORMATION

"SEC. 11. (a) Upon written request by the Consumer Counsel, each Federal agency is authorized and directed to furnish or allow access to all documents, papers, and records in its possession which such Consumer Counsel deems necessary for the performance of his functions and to furnish at cost copies of specified documents, papers, and records. Notwithstanding this subsection, a Federal agency may deny its Consumer Counsel access to and copies of—

"(1) information classified in the interest of national defense or national security by an individual authorized to classify such information under applicable Executive order or statutes, and restricted data whose dissemination is controlled pursuant to the Atomic Energy Act (42 U.S.C. 2011 et seq.);

"(2) personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy;

"(3) information which such Federal agency is expressly prohibited by law from disclosing to another Federal agency, including, but not limited to, such expressly prohibited information contained in or related to examination, operating, or condition reports concerning any individual financial institution prepared by, on behalf of, or for the use of an agency responsible for regulations or supervision of financial institutions;

"(4) information which would disclose the financial condition of individuals who are customers of financial institutions; and

"(5) trade secrets and commercial or financial information described in section 552(b) (4) of title 5, United States Code—

"(A) obtained prior to the effective date of this Act by such Federal agency, if the agency had agreed to treat and has treated such information as privileged or confidential and states in writing to the Consumer Counsel that, taking into account the nature of the assurances given, the character of the information requested, and the purpose, as stated by the Consumer Counsel, for which access is sought, to permit such access would constitute a breach of faith by the agency; or

"(B) obtained subsequent to the effective date of this Act by the Federal agency, if the agency has agreed in writing as a condition of receipt to treat such information as privileged or confidential, on the basis of its reasonable determination set forth in writing that such information was not obtainable without such an agreement and that failure to obtain such information would seriously impair performance of the agency's function.

"(b) Before granting a Consumer Counsel access to trade secrets and commercial or financial information described in section 552 (b)(4) of title 5, United States Code, the agency shall notify the person who provided such information of its intention to do so and the reasons therefor, and shall, notwithstanding section 18(b) of this Act, afford him a reasonable opportunity, not to exceed 10 days, to comment or seek injunctive relief. Where access to information is denied to its Consumer Counsel by a Federal agency pursuant to this subsection, the head of the agency and the Consumer Counsel shall seek to find a means of providing the information in such other form, or under such conditions, as will meet the agency's objections.

"LIMITATIONS ON DISCLOSURE

"SEC. 12. (a) Except as provided in this section, section 552 of title 5, United States Code, shall govern the release of information by a Consumer Counsel or any employee or agent of his Office.

"(b) No officer or employee of an Office of Consumer Counsel shall disclose to the public any information which was received solely from its Federal agency when such agency has notified the Consumer Counsel that the information is within the exceptions stated in section 552(b) of title 5, United States Code, and the Federal agency has determined that the information should not be made available to the public; except that if such Federal agency has specified that such information may be disclosed in a particular form or manner, such information may be disclosed in such form or manner.

"(c) The following additional provisions shall govern the release of information by a Consumer Counsel pursuant to any authority conferred by this Act, except information released through the presentation of evidence in a Federal agency or court proceeding pursuant to section 7 of this Act:

"(1) A Consumer Counsel, in releasing information concerning consumer products and services, shall determine that (A) such information, so far as practicable, is accurate, and (B) no part of such information is prohibited from disclosure by law. A Consumer Counsel shall comply with any notice by his Federal agency pursuant to section 11(b) of this Act that such information should not be made available to the public or should be disclosed only in a particular form or manner.

"(2) In the dissemination of any test results or other information which directly or indirectly disclose product names, it shall be made clear that (A) not all products of a competitive nature have been tested, if such is the case, and (B) there is no intent or purpose to rate products tested over those not tested or to imply that those tested are superior, inferior, or preferable in quality over those not tested.

"(3) Notice of all changes in, or any additional information which would affect the fairness of information previously disseminated to the public shall be promptly disseminated in a similar manner.

"(4) Where the release of information may cause substantial injury to the reputation or good will of a person, the Consumer Counsel shall notify such person of the information to be released and afford him a reasonable opportunity, not to exceed 10 days, to comment or seek injunctive relief, unless immediate release is necessary to protect the health or safety of the public. The district courts of the United States shall have jurisdiction over any action brought for injunctive relief under this subsection, or under section 11(a)(5) of this Act.

"NOTICE

"SEC. 13. Each Federal agency considering any action which may substantially affect an interest of consumers shall, upon request by its Consumer Counsel, notify him of any proceeding or activity at such time as public notice is given.

"SAVING PROVISION

"SEC. 14. Nothing in this Act shall be construed to limit the right of any consumer or group or class of consumers to initiate, intervene in, or otherwise participate in any Federal agency or court proceeding or activity, nor to require any petition or notification to the appropriate Consumer Counsel as a condition precedent to the exercise of such right, nor to relieve any Federal agency or court of any obligation, or affect its discretion, to permit intervention or participation by a consumer or group or class of consumers in any proceeding or activity.

"EXEMPTIONS

"SEC. 15. (a) This Act shall not apply to the Central Intelligence Agency, the Federal Bureau of Investigation, or the National Security Agency, the national security or intelligence functions (including related procurement) of the Departments of State and Defense (including the Departments of the Army, Navy, and Air Force), the military weapons program of the Energy Research and Development Administration, and the broadcast license renewal proceedings of the Federal Communications Commission.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 16. For purposes of this Act, existing appropriated funds should be utilized to the greatest extent possible. However, there are authorized to be appropriated such sums as are necessary, not to exceed $500,000 for each Office of Consumer Counsel for the fiscal year ending June 30, 1976, $125,000 for the fiscal year transition period from July 1, 1976, through September 30, 1976, and $500,000 for the fiscal year ending September 30, 1977.

"EVALUATION BY THE COMPTROLLER GENERAL

"SEC. 17. (a) The Comptroller General of the United States shall audit, review, and evaluate the implementation of the provisions of this Act.

"(b) Not less than 30 months nor more than 36 months after the effective date of this Act, the Comptroller General shall prepare and submit to the Congress a report on his study conducted pursuant to subsection (a) of this section, which shall contain, but not be limited to, the following:

"(1) an evaluation of the effectiveness of consumer representation activities authorized by this Act;

"(2) an evaluation of the effect of the activities of the Consumer Counsels on the efficiency, effectiveness, and procedural fairness of affected Federal agencies in carrying out their assigned functions and duties;

"(3) recommendations concerning any legislation he deems necessary, and the reasons therefor, for improving the implementation of the objectives as set forth in section 2 of this Act.

"(c) Restrictions and prohibitions under this Act applicable to the use or public dissemination of information by Consumer Counsels shall apply with equal force and effect to the General Accounting Office in carrying out its functions under this section.

"MISCELLANEOUS PROVISIONS

"SEC. 18. (a) Nothing in this Act should be construed to limit the discretion of any Federal agency or court, within its authority, including a court's authority under rule 24 of the Federal Rules of Civil Procedure, to grant a Consumer Counsel additional participation in any proceeding or activity, to the extent that such additional participation may not be as of right, or to provide additional notice to the respective Consumer Counsel concerning any agency proceeding or activity.

"(b)(1) No act or omission by any Consumer Counsel or any Federal agency relating to such Consumer Counsel's authority under sections 7 (a), (d), (f), (i), and (j), 8, 9, 12, and 13 of this Act shall affect the validity of an agency action or be subject to judicial review: *Provided*, That—

"(A) a Consumer Counsel may obtain judicial review to enforce his authority under sections 7 (a), (d) (f), (i), and (j), 9, and 13 of this Act: *Provided, further*, That he may obtain judicial review of his Federal agency determination under section 7(f) of this Act only after final action by such agency and only to the extent that such determination affected the validity of such action;

"(B) a party to any agency proceeding or a participant in any agency activity in which its Consumer Counsel intervened or participated may, where judicial review of the final agency action is otherwise accorded by law, obtain judicial review following such final agency action on the ground that the Consumer Counsel's intervention or participation resulted in prejudicial error to such party or participant based on the record viewed as a whole; and

"(C) any person who is substantially and adversely affected by any action taken by a Consumer Counsel pursuant to section 7 (f), 9(a), or 12 of this Act may obtain judicial review, unless the court determines that such judicial review would be detrimental to the interests of justice.

"(2) For the purposes of this subsection, a determination by a Consumer Counsel that any proceeding or activity of the agency of which his Office is a part may substantially affect an interest of consumers or that his intervention in any proceeding is necessary to represent adequately an interest of consumers shall be deemed not to be a final agency action.

"PUBLIC PARTICIPATION

"SEC. 19. (a) After reviewing its statutory authority and rules of procedure, relevant agency and judicial decisions, and other relevant provisions of law, each Federal agency shall issue appropriate interpretations, guidelines, standards, or criteria, and rules of procedure, to the extent that such rules are appropriate and are not already in effect, relating to the rights of individuals who may be affected by agency action to—

"(1) petition the agency for action;

"(2) receive notice of agency proceedings;

"(3) file official complaints (if appropriate) with the agency;

"(4) obtain information from the agency; and

"(5) participate in agency proceedings for the purpose of representing their interests. Such interpretations, guidelines, standards, criteria, and rules of procedure shall be published in proposed and final form in the Federal Register.

"(b) Each Federal agency shall take all reasonable measures to reduce or waive, where appropriate, procedural requirements for individuals for whom such requirements would be financially burdensome, or which would impede or prevent effective participation in agency proceedings.

"(c) Any rules of procedure issued by any Federal agency pursuant to this section shall be published in a form and disseminated in a manner that is designed to inform, and that is able to be understood by, the general public.

"COST AND BENEFIT ASSESSMENT STATEMENTS

"SEC. 20. (a) In furtherance of the purpose and policy of section 2(b)(3) of this Act, and except as otherwise provided in this Act, each Federal agency which is authorized to promulgate rules (as defined in section 551(4) of title 5, United States Code) shall prepare a cost and benefit assessment statement with respect to any rules to which section 553(b) of title 5, United States Code, is applicable, and which are likely to have a substantial economic impact. Each such statement shall be short and concise, and, together with such supporting documentation as the agency in its discretion determines to be necessary or appropriate, shall consist of the following three elements:

"(1) estimated costs, that are foreseeable as a result of the effective implementation of such rule;

"(2) estimated benefits, that are foreseeable as a result of the effective implementation of such rule; and

"(3) the apparent relationship, if any, between such costs and benefits.

To the extent deemed practicable by the agency responsible for its preparation, each cost and benefit assessment statement shall indicate in an appendix the assumptions, if any, which were made by it regarding the means, or alternative means, and attendant costs of compliance with the proposed rule, including any manufacturer's costs and consumer costs reflected in the price of any product affected by such rule.

"(b) With respect to any proposed rule subject to the requirements of subsection (a), each Federal Register notice of proposed rulemaking shall request interested persons to submit to the applicable agency, in writing, comments, materials, data, information, and other presentations relevant to the preparation of the required cost and benefits assessment statement.

"(e) Each agency shall, to the extent it deems necessary or appropriate, seek to obtain comments, materials, data, information, and presentations relevant to the costs and benefits, if any, likely to ensue from effective implementation of any proposed rule, within the time prescribed for consideration of the proposed rule, from other Federal agencies and persons. No extensions of time for comment shall be granted solely for the purpose of receiving any such presentations with respect to such benefits.

"(d) Each person who contends that effective implementation of a proposed rule will result in increased or decreased costs, may furnish to the applicable agency the information upon which he bases such assertion, and which is in his possession, is known to him, or is subject to his control. Such information shall be furnished to the agency in such form, manner, and detail as such agency in its discretion prescribes. Whenever any relevant information, which an applicable agency deems necessary or appropriate to the preparation of a cost and benefit assessment statement, is or may be in the possession or control of a person who may be directly affected by the proposed rule, such agency is authorized to request such relevant information as reasonably described by it, and such person shall furnish such relevant information promptly to such agency. Such request for information shall be enforceable by appropriate orders by any court of the United States. Such information as is furnished shall be considered a statement for purposes of section 1001 of title 18, United States Code.

"(e) A cost and benefit assessment statement prepared pursuant to subsection (a) shall be first published at the end of the year in which it was prepared in the Federal Register in a report which shall contain all cost and benefit assessment statements applicable to rules promulgated during the preceding 12 months. All relevant information developed or received by the applicable agency in connection with the preparation of such statement shall be available to all interested persons, subject to the provisions of section 552 of title 5, United States Code.

"(f) The President, or his designee, shall issue, pursuant to the provisions of this subsection, (1) regulations providing guidelines for Federal agencies as to the nature and content of any cost and benefit assessment statement required by subsection (a) of this section and (2) regulations which shall insure that any agency shall be able to obtain information deemed by it to be necessary or appropriate to the preparation of any such cost and benefit assessment statement. Such regulations shall be issued by the President upon the recommendation submitted to the President by the Director of the Office of Management and Budget and the Comptroller General of the United States. In issuing or modifying any regulations implementing this section, the President shall proceed in accordance with the procedures prescribed by subsections (b) and (c) of the new section inserted by section 202, Public Law 93–637 (88 Stat. 2193; 15 U.S.C. 57 (a), (b), (c)). The President shall provide public notice of proposed rulemaking to implement this subsection within sixty days of the effective date of this Act. After issuance of any regulations implementing this section, the President shall transmit them to the Congress, together with all recommendations submitted to the President pursuant to this subsection. Such regulations shall take effect 90 legislative days after such transmittal to the Congress by the President, unless either House of Congress by resolution of disapproval, pursuant to procedures established by chapter 35, title 44, United States Code, and by section 1017 of the Congressional Budget and Impoundment Control Act of 1974 (31 U.S.C. 1407), disapproves such regulations.

"(g) No Federal officer or agency shall submit proposed legislation to the Congress which is likely, if enacted, to have a substantial economic impact, unless such legislation is accompanied by a cost and benefit assessment statement. The statement required by this subsection shall be prepared in accordance with the provisions of subsection (a) of this section. The requirements of this subsection may be postponed upon the request of a committee of Congress having jurisdiction over such legislative proposal, for a period not to exceed 30 days from the date of submission to the Congress of such legislation.

"(h) In addition to the definitions in section 3 of this Act, the following definitions shall apply with respect to the provisions of this section:

"(1) 'benefit' includes any direct or indirect, tangible or intangible, gain or advantage which the agency, in its discretion, deems proximately related to the promulgation of a proposed regulation or the enactment of the proposed legislation. The term shall include such nonquantifiable benefits as the agency identifies and describes. Benefits may include the costs that would be likely to result from the agency's failure to act, but which are likely to be avoided by the agency's action;

"(2) 'cost' includes any direct or indirect expense, including component costs of production and supply, and any loss, penalty, or disadvantage which the agency, in its discretion, deems proximately related to the promulgation of a proposed regulation, or the enactment of proposed legislation. The term shall include such nonquantifiable costs as the agency identifies and describes;

"(3) the term 'legislation' or 'law' means a statute of the United States or any amendment thereto; and

"(4) the term 'rule' means 'rule' as defined by section 441(4) of title 5, United States Code.

"(i) The Comptroller General of the United States shall monitor and evaluate the implemention of this section. In addition to any other reports or studies made by the Comptroller General relating to this section, he shall, three years after the effective date of this section, conduct a comprehensive review of this section including an evaluation of the advantages and disadvantages of cost and benefit assessment statements and of the nature and extent of Federal agency compliance with this section. The Comptroller General shall prepare and submit to the Congress and to the Congressional Office of the Budget a report based on such study and review. Such report shall include, but need not be limited to, his recommendations as to the necessity or advisability of the provisions of this section, and of the need to amend subsection (k), or any other provision, of this section.

"(j) No court shall have the jurisdiction to review, or enforce or shall review, or enforce and, except for the general review of the effectiveness of this section provided for in subsection (i), no officer or agency of the United States, other than the agency responsible for the preparation of a cost and benefit assessment statement and the duly authorized committees of the Congress, shall have the authority to review, or enforce or shall review, or enforce, in any way the compliance of any cost and benefit assessment statement with this section, or, except where the agency preparing such a statement seeks to enforce in court its request for information, the compliance, by such agency with any other requirement of this section, including the manner or process by which such statement is prepared: *Provided*, That a Federal court may, upon the request of any interested person, review and enforce compliance with the provisions of this subsection.

"(k) The requirements of this section shall supersede the requirements of any existing executive order or law imposing any economic, cost-benefit, inflationary, or other similar impact assessment requirement. No requirement of this section shall alter or supersede any Federal agency statutory requirement, regulation, or lawful practice which such agency determines to be inconsistent with any of the requirements of this section. Further, no agency shall be required to prepare and issue a cost and benefit assessment statement required by this section, if information which would be contained in such statement is encompassed within another statement required by law to be prepared in connection with the promulgation of the applicable rule.

"(l) The provisions of this section shall become effective upon the effective date of implementing regulations submitted by the President under subsection (g) of this section.

"EFFECTIVE DATE

"SEC. 21. (a) This Act, other than section 20 of this Act, shall take effect 90 calendar days following the date on which this Act is enacted, or on such earlier date as the President shall prescribe and publish in the Federal Register.

"(b) Notwithstanding subsection (a) of this section, any of the officers provided for in this Act may be appointed in the manner provided for in this Act at any time after the date of the enactment of this Act.

"SEPARABILITY

"SEC. 22. If any provision of this Act is declared unconstitutional or the applicability thereof to any person or circumstance is held invalid, the constitutionality and effectiveness of the remainder of this Act and the applicability thereof to any persons and circumstances shall not be affected thereby.".

Amend the title so as to read: "A bill to establish an independent Consumer Counsel within certain Federal agencies in order to protect and serve the interests of consumers, and for other purposes.".

Mr. PEARSON. Mr. President, this amendment establishes independent "Offices of Consumer Counsel" within Federal agencies whose activities directly affect the consumer interest. The duties and activities of each Consumer Counsel closely parallel those granted the Administrator of the Agency for Consumer Advocacy established by S. 200.

BACKGROUND TO THE DEBATE

Mr. President, the efforts of those who have sought increased protection for the consumer in the public forums of American society are well known and commendable. Public awareness of the "consumer interest" has increased. Consumerism has become an economic and social fact of life.

In past years, most Americans believed that the traditional institutions of our society were sufficient to meet what they perceived to be the consumer interest. Business concerns were to produce in sufficient quantities those goods and services needed in a modern society. Government was charged with the responsibilities of promoting increased production and an expanding economy while protecting the health, safety, and welfare of the public.

Somewhere along the way, this viable and utilitarian system became suspect. On the one hand, the American public demanded ever increasing quantities of goods and services. On the other hand, the public called upon Government to assume a more aggressive role in promoting the consumer interest. As the economy expanded, so did the number and scope of consumer-oriented programs approved by Congress.

Mr. President, the impact of such programs on the private sector, both in economic and social terms, is substantial. And even though each is designed to benefit the consumer, that same consumer could not be blamed if he found this vast array of Federal mandates and managers somewhat incomprehensible. Indeed, only those enterprises with massive personnel and financial resources are able to monitor effectively the multitude of Federal agency actions which directly affect their interests.

Those who administer Federal consumer programs are charged with the duty to insure due process, not only to the consumer, but the regulated as well. The administrator of a particular program or agency performs executive, quasi-legislative and quasi-judicial functions in promulgating rules, standards, or regulations which affect all concerned interests.

The Senate has testimony to the effect that business interests outnumber consumer interests in Federal proceedings by 100 to 1. All too often, the consumer side of national issues is not heard. Those who administer consumer-oriented programs are, in many cases, left with the alternative of relying either on business interests for expert testimony, or on their own best judgment as to what the consumer interest might be. It is prudent, therefore, that we move forward to promote consumer advocacy in the Federal administrative process.

PURPOSE OF S. 200

Mr. President, S. 200 has been proposed to promote consumer advocacy. Its primary function is to establish a single consumer advocate within the Government. It is suggested that with adoption of this proposal, the confusion and lack of representation now evident in our consumer effort will be abated.

I do not deny that the voice of the consumer has gone unheard in the cacophony of the Federal regulatory process. Nor do I deny the need for Congress to act expeditiously in providing attentive consumer advocacy in the administrative and judicial processes.

However, I question the claims of those who maintain that S. 200 provides the most viable approach. And I doubt whether one individual, and a single staff, can effectively monitor public affairs of direct importance to the consumer at all times, in all places, and under all circumstances.

I question, finally, whether a single administrator, as envisioned in S. 200, should be vested with the enormous responsibility to decide the primary "consumer interest" in all situations involving Federal agency action. ACA will be only as effective as a single person—the Administrator—wants it to be; or stated another way, the competence of ACA will reflect the competence of its administrator, and little more.

AN ALTERNATIVE TO S. 200

Mr. President, I believe the Senate should consider an alternative to S. 200; one which seeks to accomplish the same objectives as the bill, but which uses a different mechanism tailored more precisely to the Federal Establishment. Accordingly, I propose my substitute amendment as a means of obtaining substantial reform in behalf of the consumer, at minimal cost and dislocation to the Government.

My substitute proposal addresses itself to two basic questions with respect to S. 200:

First, whether the goal of consumer advocacy is best achieved by the creation of a single agency for consumer advocacy with a single administrator; and

Second, whether the broad information-gathering authority, as contained in section 10 of the bill, is an appropriate extension of power to the Government's consumer advocate.

Mr. President, the proponents of S. 200, as reported by the committee, have answered these two questions in the affirmative. The bill provides a single consumer advocate. Under the bill, the ACA would be required to be expert in all fields of Federal agency action at all

times. And the ACA would have broad subpena powers, broad powers to interrogate major business enterprises—powers that lead agencies, charged directly with promoting the consumer interest, do not have.

Mr. President, my substitute would answer these two critical questions in the negative. Instead of establishing a single agency, it would establish within each of 24 major Federal departments and agencies, an independent "Office of Consumer Counsel."

Each Consumer Counsel would be appointed by the President, by and with the advice and consent of the Senate, for a term of 4 years. He would have much the same power within his parent agency as is provided the Administrator of the Agency for Consumer Advocacy in S. 200.

Most important of all, each Office of Consumer Counsel would have independence. My amendment provides that each consumer advocate be appointed for a 4 year term by the President, with the advice and consent of the Senate. Each Office is provided with a budget authority of $500,000 each year, with such budget to be submitted directly to the Congress. Finally, each Consumer Counsel has full authority to sue the parent agency if, in his judgment, such suit is in the best interests of the consumer.

POWERS OF CONSUMER COUNSELS

Of all consumer advocacy functions, the most important is the representation of consumer interests in administrative and judicial proceedings. Section 7 of the substitute amendment grants each Consumer Counsel full authority to participate in administrative proceedings, if the interest of consumers in such proceedings, in his judgment, is compelling.

Section 7 of my amendment also grants authority to a Consumer Counsel to initiate any civil proceeding involving the review of an action taken by the relevant Federal agency of jurisdiction, which in his determination substantially affects the interest of consumers. However, if the Consumer Counsel has not participated in the formal administrative proceedings which led to the agency's decision, he must petition the agency for review or rehearing prior to initiating a court action. The agency is given 60 days to act on such petition, after which time the Consumer Counsel may file an appropriate action in a Federal district court. This procedure parallels comparable provisions of S. 200.

Mr. President, as previously noted, I do not believe that a separate Agency for Consumer Advocacy, as envisioned in S. 200, will have resources adequate to meet the demands of the consumer interest.

In implicit recognition of this fact, proponents of S. 200 have conferred upon ACA information-gathering authority over and above that normally granted to an agency of the Federal Government. I believe such authority is inappropriate in this instance.

Accordingly, I have deleted from my substitute the section 10 "dragnet" authority to elicit information from business on business activities. Independent consumer counsels, under my substitute, would have the same access generally to business records as their parent agencies of jurisdiction. If Congress believes that Government needs more information about business, then Congress ought to authorize the responsible agencies to secure such information directly.

Mr. President, by providing Federal agencies with independent Offices of Counsumer Counsel, we can assure that attention will be focused on all aspects of those agencies' work which relate directly to the interests of the consumer. Under the substitute, the independent Consumer Counsels, in the case of the 24 enumerated Federal agencies, would have the powers and the opportunity to insure effective advocacy. Those Consumer Counsels, in the final analysis, would become specialists in their parent agencies' work, and they could be truly effective.

In conclusion, Mr. President, the goals I seek are not dissimilar to those which proponents of S. 200 have set out in their proposal. The proposal I have submitted, in my judgment, is a more efficient and less costly alternative.

I would hope that those who recognize the need to provide the American consumer with a voice commensurate with that of other interests would closely examine this proposal, and lend it their considered support.

This is a fundamental recommendation and a change in the provisions of this bill. And yet, that being true, it is simple of explanation. Rather than an independent overall consumer agency, the substitute purports to establish within 24 agencies, bureaus, and administrations an independent Consumer Counsel.

Section 2, paragraph (7) of the amendment, in the nature of a substitute, contains those agencies, and they are identified and made precise. This is distinguished from the bill itself which, as I understand it, provides for the administrator to intervene in any agency proceeding that relates to consumer interests.

The second major and fundamental provision of this substitute provides for a modification of section 10 of the bill itself, in that the very broad powers of acquiring and disseminating information are very much restricted, and that rather than the sweeping authority to go forth and submit interrogatories and acquire information from the business sector, that the Consumer Counsel in each individual agency shall have the power to acquire and use the information that his agency now has the authority to use. If further information is required, then that agency in itself can request such information.

So, Mr. President, with those fundamental changes, we have a Consumer Counsel in each agency identified rather than the new agency. It is the judgment of those who worked on this particular substitute that there would be greater knowledge, greater expertise, greater ability to handle the precise consumer problems that come up if an independent Consumer Counsel were placed in each individual agency rather than having a large agency seeking to not only go into agency after agency.

Each Consumer Counsel is appointed by the President, confirmed by the Senate. He is independent, as I indicated. The budget authorizations are set forth here, to be submitted independently to Congress.

Mr. President, we think this meets a great number of the objectives of S. 200, and we think at the same time it provides those consumer protection elements which are essential and which are good in this particular bill.

So, Mr. President, let me reiterate that each Consumer Counsel has all of the authority, all of the rights and duties and obligations set forth in S. 200, with the exception, as I have mentioned, of the acquisition of information in section 10.

Mr. President, with that explanation, I reserve the remainder of my time.

Mr. President, it is my intention to ask for the yeas and nays on this particular substitute.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second. There is a sufficient second.

The yeas and nays were ordered.

Mr. PEARSON. I yield on my time to the distinguished Senator from Idaho for a unanimous-consent request.

Mr. McCLURE. Mr. President, I ask unanimous consent that Al Timothy and Jim Norell of my staff be accorded the privileges of the floor at all stages of the proceedings on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. I oppose this amendment. It sets up a consumer office in each agency. These offices would not be able to have the independence necessary to adequately represent the interests of the consumers. They would be subject to the same pressures that the agency itself would have. It would be wasteful because it would really create perhaps 30 to 35 new bureaucracies in the Government.

There would be duplication without coordination. These offices would lack information-gathering powers, and they could turn out to be at least as costly as the ACA.

The distinguished Senator from Kansas asks for $500,000 for each office. We think there is nothing to be gained by this proposal. The whole idea of an independent agency to look out for the problems of consumers before the other regulatory agencies is absolutely essential. I oppose the amendment.

The PRESIDING OFFICER. Who yields time?

Mr. PEARSON. Mr. President, I shall not respond at length. I think the Senator and I have an understanding of what is involved, and all those interested have an understanding.

I merely recite the fact that on page 11 of the substitute offered the independence is spelled out. I understand the Senator's position, and I do not feel that further debate on this particular proposal is necessary or would add a great deal.

While it is a substantial change, as I have said, the modifications are quite

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simple, and I am prepared to vote on this matter.

The PRESIDING OFFICER. Has all time been yielded back on the amendment in the nature of a substitute? The question is on agreeing to Mr. PEARSON's amendment in the nature of a substitute, as modified.

The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. HARTKE) and the Senator from Louisiana (Mr. LONG) are necessarily absent.

I further announce that the Senator from Alaska (Mr. GRAVEL) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY), the Senator from Arizona (Mr. GOLDWATER), the Senator from Maryland (Mr. MATHIAS), and the Senator from Alaska (Mr. STEVENS) are necessarily absent.

The result was announced—yeas 22, nays 70, as follows:

[Rollcall Vote No. 176 Leg.]

YEAS—22

Baker
Bartlett
Beall
Bellmon
Brock
Curtis
Dole
Eastland
Fannin
Garn
Griffin
Hansen
Hruska
Laxalt
McClure
Nunn
Pearson
Taft
Talmadge
Thurmond
Tower
Young

NAYS—70

Abourezk
Allen
Bayh
Bentsen
Biden
Brooke
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Domenici
Eagleton
Fong
Ford
Glenn
Hart, Gary W.
Hart, Philip A.
Haskell
Hatfield
Hathaway
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Magnuson
Mansfield
McClellan
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Packwood
Pastore
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevenson
Stone
Symington
Tunney
Weicker
Williams

NOT VOTING—7

Buckley
Goldwater
Gravel
Hartke
Long
Mathias
Stevens

So Mr. PEARSON's amendment (No. 433), in the nature of a substitute, as modified, was rejected.

Mr. RIBICOFF. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JAVITS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RIBICOFF. Mr. President, I would like to just make a comment concerning my friend from Kansas.

Mr. FORD. President, may we have order?

The PRESIDING OFFICER. May we have order in the Senate?

Mr. RIBICOFF. I would not want this vote to be interpreted as a reflection on the consistent efforts that the Senator has made on behalf of the consumers. As a ranking member of the Commerce Committee, the Senator from Kansas has been continuously in the forefront on all matters affecting the consumer. I recognize his sincere belief that his method is preferable to the one that had been advocated by the committee. I differ with the distinguished Senator on this particular proposal, but my respect for him is unbounded when it comes to the problems of the consumer. I do not believe there is a Member of this body who has worked as hard and continuously in behalf of all the consumers of America as Senator PEARSON of Kansas.

Mr. JAVITS. Mr. President, I yield myself 1 minute to make the same statement as my colleague from the majority side. I too, have worked closely with Senator PEARSON in consumer matters. He has no reason to yield to anyone in his concern.

We differ on this particular type of approach, but I am confident that in the future, as he has in the past, he will do his utmost to produce the best kind of consumer protection under whatever we all decide is the proper law. I thank my colleague.

Mr. PEARSON. Mr. President, I thank the distinguished Senator from Connecticut and the distinguished Senator from New York. They are most gracious in their comments. I would have preferred instead a few more votes.

AMENDMENT 452

Mr. KENNEDY. Mr. President, I call up my amendment No. 452 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) proposes amendment No. 452.

The amendment is as follows:

On page 30, line 16, after "(4)" insert "(A)".

On page 30, immediately below line 25, add the following new subparagraph:

"(B) Nothing in this paragraph shall affect the rights of the public to obtain information under section 552 of title 5, United States Code.".

Mr. KENNEDY. I yield myself such time as I may require.

Mr. President, I have had an opportunity to talk to the floor manager of the bill and the author of the provision in the bill to which the amendment I offer is directed.

What we are attempting to do with this amendment is to insure that certain rights for the public to obtain information, which is guaranteed under the Freedom of Information Act, will not be restricted by any of the language contained in the relevant paragraph of this act.

It seems to me that the various requirements included in this section generally, such as notification to any company or individual whose reputation or goodwill is substantially injured, in order to give them adequate time, not to exceed 10 days to comment or respond, is of significant value.

The other provisions of this section which insure that information released at the Administator's initiative is going to be accurate, disclosures by the Administrator are not going to suggest a rating of products not tested, and that any additional information which would affect the fairness of information previously disseminated to the public shall be promptly disseminated in a similar manner, are valuable and would be retained. They seem to me to be highly desirable.

The purpose of this proposal is to insure, however, that information that could be obtained under the Freedom of Information Act from various Government agencies—recognizing the nine exclusions which are contained in the Freedom of Information Act, involving trade secrets, investigative reports, private medical files, national security issues—can equally be obtained from the Consumer Advocacy Agency. To the extent that the Freedom of Information Act applies to all other Federal agencies, it shall also apply to this particular agency.

It seems to me that this amendment is fully consistent with the whole thrust and the purpose of the proposed legislation.

Mr. President, last fall the Congress strengthened the procedures and reaffirmed the basic principles of the Freedom of Information Act. That act guarantees to every American the right of access to Government information, with the full force of the courts to back up that right.

The purpose of my amendment to paragraph 11(c)(4) of the bill to establish an Agency for Consumer Advocacy is simple and straightforward: to insure and clarify that this paragraph does not undercut, circumvent, or derogate the force or intent of the Freedom of Information Act. My amendment would state in plain language that nothing in the paragraph amended affects the rights of the public—both substantively and procedurally—to obtain information from the Agency under section 552 of title 5, the Freedom of Information Act.

The paragraph I am amending presently requires notice to a person before the Administrator releases information that might adversely affect him. Specifically, if the information to be disclosed is likely to cause substantial injury to the reputation or good will of the person, the Administrator must give him reasonable notice, not to exceed 10 days, before disclosing the information, except where matters of health or safety are involved. The person so notified then has the opportunity to comment on the Administrator's proposed disclosure, or to respond to the disclosure. If the provisions of paragraphs (2) and (3) of this section or paragraph (7) of subsection 10(6) are not complied with, then that person may go to court to enjoin the Administrator's affirmative compliance with those paragraphs.

Mr. President, as I earlier stated, I fully support inclusion of that notice requirement. But the way paragraph (4) now reads, it might be misinterpreted as providing the legal authority for the person notified to obtain an injunction to block

release of the information, even if that information must be released on request under the Freedom of Information Act. Under this interpretation, which I do not believe was intended by the committee or the bill's sponsors, a new exemption would be grafted onto the Freedom of Information Act for the Consumer Advocacy Agency. Such an exemption would not only be unintended; it would be most unwise.

A number of agencies, including, for example, the Food and Drug Administration, the Environmental Protection Agency, and the Defense Department, attempt to give notice to private parties where the agency tentatively proposes to release information obtained from those parties which might constitute trade secrets or confidential commercial or financial data. The Freedom of Information Act presently contains an exemption, in section 552(b)(4), for this type of information. So under the Information Act, notice to the person who submitted the information is designed to protect his interest against substantial harm to his economic interests, his competitive position. This was the pronouncement of a recent case on the subject decided by the D.C. Court of Appeals, National Parks and Conservation Association versus Morton.

But the information included in paragraph (4) of section 11(c) goes beyond trade secrets or information whose release might cause injury strictly to a business' competitive position. It includes injury to "reputation or good will." This category could possibly cover every piece of information which a person does not want released because it may cause some embarrassment or cast some negative light on his business activities or product. It is precisely this kind of information which discloses consumer deception or fraud, or reveals shoddy or unsafe products. And it is precisely this kind of information which the public should have, which the Freedom of Information Act would require to be disclosed, and which S. 200 should not allow to be shrouded in secrecy.

To summarize, Mr. President, my amendment does not derogate the notice provision in paragraph (4) of section 11(c), so long as the procedural time limits provided by the Freedom of Information Act are followed by the Agency. My amendment does not prevent a person from obtaining relief against the Administrator to prevent violation of sections 11(b) (2) or (3) or section 10(b) (7). It does make clear and unmistakable the application of the Freedom of Information Act to information requested from the Agency for Consumer Advocacy. And in so doing, it again indicates Congress commitment to open Government and the free flow of information to the public.

Mr. RIBICOFF. I say, in behalf of the Senator from New York and the Senator from Illinois (Mr. PERCY), who is the author of subsection 4, that we accept the amendment of the Senator from Massachusetts, which would clarify the act with regard to the release of information under the Freedom of Information Act.

This in no way cuts back the protection contained in this section. It makes the paragraph, itself, clear.

However, it should be pointed out that we want to make sure when we go to conference that in no way is there any inconsistency with other limitations on disclosure of information written into the basic act.

I have discussed this matter with the Senator from New York and the Senator from Illinois, and we accept the amendment.

Mr. KENNEDY. Quite clearly, those protections that are guaranteed in this measure and other sections should be respected. It certainly is not my intention to compromise those safeguards in this proposal.

I thank the Senator from Connecticut and the ranking members of the committee.

I yield back the remainder of my time.

Mr. DOLE. Mr. President, will the Senator from Massachusetts yield?

Mr. KENNEDY. I am glad to yield.

Mr. DOLE. I do not believe I have any objection to the amendment, but I am not certain what it would do. Is this already provided for in S. 200? Would the Senator from Massachusetts explain the purpose of the amendment, as to whether it would do anything which is not now in S. 200?

Mr. KENNEDY. Under the Freedom of Information Act, if there is any information dealing with deceptive practices or fraud, or, for example, if you have a refrigerator or other household product that is defective but does not constitute a danger to health or safety, but where the release of information could impugn the goodwill of the company or the corporation, under paragraph (4) of section 11(c) of this legislation an injunction might be obtained. If this information were in one of the other regulatory agencies, however, under the Freedom of Information Act a member of the public could obtain such information on request. So it merely coordinates this particular provision to the requirements of the Freedom of Information Act.

As I said, it would not affect what is the desired end of the committee, to provide notice and insure fairness and equity in terms of the distribution of the information by the Administrator. But there is a host of different kinds of business activities that may be considered by the various government agencies which do not fall into the various categories that are recognized as exclusions under the Freedom of Information Act, although if they were made public, they could fall within the definition of being injurious to the reputation or good will of the business involved.

So it does not seem to me that we want to write in a special exclusion for this agency, restricting it from providing information to the public when, actually, they would be able to obtain it under the Freedom of Information Act if it had been developed in any of the other Government agencies. It is purely to apply this right, which has been recognized under the Freedom of Information Act, to this legislation.

Mr. DOLE. The point that the Senator from Kansas is making is that certain agencies acquire certain information based on the premise or promise that it will remain confidential. My point is that we should not try to expand the Freedom of Information Act. I think the Senator from Massachusetts has made clear that certain areas are so protected and that certain information gathered by certain agencies, if it is gathered on the basis of confidentiality, still would be protected. Is that correct?

Mr. KENNEDY. I want to make it very clear that such information—for example, all trade secrets and confidential financial information—are protected under the Freedom of Information Act from mandatory disclosure and would be protected under this amendment.

All the protections which exist and which have been debated for years by Congress and incorporated into the Freedom of Information Act, would absolutely be protected with this provision.

On the other hand, information recognized to be of legitimate interest for release under the Freedom of Information Act also would be available under this provision. It is really basically to conform this legislation to the provisions of the Freedom of Information Act, not to make more restrictive the burden on the public to obtain information which, if it existed in the other Federal agencies, would be available under the Freedom of Information Act. It seems to me that this is wholly desirable.

I agree with the Senator from Kansas that areas which would fall within the definition of the nine exclusions—like trade secrets, confidential commercial or financial information, law enforcement records, information involving individual privacy, medical files, national security—absolutely would continue to be protected from required disclosure as they are under the Freedom of Information Act.

Mr. DOLE. I thank the Senator from Massachusetts.

I have no quarrel with the amendment. I think I understand its purpose. But I just want to emphasize or underscore that we are not changing the law in any way. The Senator is just trying to underpin the present law and make it very clear.

However, there are times when certain information is obtained by a Federal agency with reference to financial matters or trade secrets, and that still will be protected, as I understand it.

Mr. KENNEDY. The Senator is absolutely correct. Nothing in this amendment would change that.

The PRESIDING OFFICER (Mr. BARTLETT). The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. RIBICOFF. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BURDICK. I ask the Senator from Connecticut to clarify what effect the bill will have on our vital food export program. I am referring especially to the

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Public Law 480 program and private sales of food abroad. Would S. 200 affect these programs?

Mr. RIBICOFF. This bill should in no way affect these programs. The administration of Public Law 480 does not require the agency to conduct formal proceedings. Similarly, it is my understanding that the Government's monitoring of the private sale of food to persons abroad does not involve formal agency proceedings. Consequently the ACA could only present its views in these cases to agencies informally under section 6(a)(3). This section specifically provides that:

> Such submissions shall be presented in an orderly manner and without causing undue delay. Such submissions need not be simultaneous with that of any other person.

Thus, ACA will not be able to force delays in administration of these programs. It will just have the same opportunity any other citizen does to present its views to an agency.

Mr. BURDICK. What if these agency actions involve matters of foreign policy?

Mr. RIBICOFF. The ACA will have no authority to tell the Government what our foreign policy should be. The ACA will be concerned solely with consumer interests. Where the State Department determines, in its discretion, that national security considerations require certain action, the ACA cannot require the State Department to act differently.

Mr. BURDICK. Will the ACA have the right to disrupt longstanding contracts Americans have with buyers of food around the world?

Mr. RIBICOFF. The ACA cannot dictate in any way to private businesses or disrupt contracts already made. The ACA can only act as an advocate, presenting its views to Government agencies for their consideration and action.

Mr. BURDICK. Can the Senator then assure me that S. 200 will not disrupt our food export program or make our balance of payment problems critical?

Mr. RIBICOFF. I can wholeheartedly assure the Senator of this fact.

Mr. BURDICK. I thank the Senator.

AMENDMENT NO. 450

Mr. DOMENICI. Mr. President, I call up my printed amendment No. 450.

The PRESIDING OFFICER (Mr. BARTLETT). The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. DOMENICI. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Yesterday, we considered this amendment for a few moments and decided to set it aside and try to work out a compromise to be sure those people who were aggrieved and might want to seek injunctive relief would have adequate time. We have now worked out the difficulty, and I send to the desk a modification of my printed amendment No. 450.

The PRESIDING OFFICER. Is there objection to the amendment being modified?

The Chair hears no objection, and it is so ordered.

Amendment No. 450, as modified, is as follows:

> On page 27, line 20, delete "days", and add "working days after receipt of such notice".
>
> On page 27, line 20, after "relief", add the following sentence: "Whenever notice is served by mail, such notice shall be considered to be received three days after the date on which it is mailed."
>
> On page 30, line 20, delete "days" and add "working days after receipt of such notice".
>
> On page 30, line 22, after "public" add the following sentence: "Whenever notice is served by mail, such notice shall be considered to be received three days after the date on which it is mailed."

Mr. DOMENICI. Mr. President, my amendment will just clarify the 10 days that parties aggrieved have to get into court to seek injunctive relief. Basically, we have defined notice as being 3 days after mailing, if such is used. Then we have given the party or individual or entity 10 working days from and after receipt of that notice, whether it be the notice described here or actual delivery of notice. I have discussed this with the manager of the bill and others, and it seems to be a compromise that I am willing to accept and I hope they are.

Mr. RIBICOFF. Mr. President, I accept the amendment. I take this opportunity to pay tribute to the Senator from New Mexico for his constructive and cooperative attitude. He has many good ideas. We have been able to work them out, last year and this year, and I am more than pleased to accept his amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 439

Mr. TAFT. Mr. President, I call up my amendment No. 439 and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> On page 37, after the period on line 4, insert the following new sentence: "The Administrator shall have the right to intervene or participate in proceedings brought within the jurisdiction of the National Labor Relations Board administering sections 8(b) (4) and (7), and sections 10(k) and 10(l), of the Labor Management Relations Act of 1974 in title I thereof (29 U.S.C. 151 et seq.).".

Mr. TAFT. Mr. President, this amendment by myself and the distinguished Senator from Kansas (Mr. DOLE) goes into the whole question of exemptions from the ACA of certain activities of the National Labor Relations Board.

While I voted for the Weicker amendment the other day, which would have eliminated the total exemption in the bill at the present time, I can sympathize with some of the arguments made by those who oppose the Weicker amendment, because there are certain matters within the jurisdiction of the National Labor Relations Board which relate so directly to the closed bargaining process, unfair labor practices, and that type of thing between the employer and the employee groups that it is possible that, had the Weicker amendment passed, the ACA might have involved itself in situations in which the interest in trying to determine and settle labor disputes would have exceeded any likely or possible consumer interest. However, there are a couple of areas in which I definitely do not feel that is true. This amendment is designed to try to deal with those areas.

Specifically, what we are dealing with is the area of secondary boycotts and jurisdictional strikes. Specifically, the secondary boycott provisions of the act as set forth in section 8(b) (4) seek to prevent a labor organization from unlawfully enmeshing neutrals who might be other employers or other persons including employees and consumers from being involved in a labor dispute which is not their own or concerning which they have no interest. Indeed, section 8(b)(4) in the proviso recognizes and permits publicity. other than picketing, for the purpose of truthfully advising the public, including consumers and members of a labor organization that a product or products are being produced by an employer with whom the labor organization has a primary dispute.

I point that out again, "for the purpose of truthfully advising the public." If the consumer advocacy agency has any duty to perform, I wonder if it is not one of truthfully advising the public with regard to a dispute of this kind so that the public may make its own judgment. The public certainly, in that regard, includes consumers and members of a labor organization.

Again, in section 8(b)(7)(c) the statute makes specific reference to the protection of consumer interests. The proviso of this section states:

> *Provided* further, That nothing in this subparagraph (c) shall be construed to prohibit any picketing or other publicity for the purpose of truthfully advising the public (including consumers) that an employer does not employ members or have a contract with, a labor organization, unless an effect of such picketing is to induce any individual employed by any other person in the course of this employment, to pick up, deliver or transport any goods or not to perform any services.

I submit that the statute makes it abundantly clear that it was the intent of Congress to recognize the existence of public and consumer interests and that there is no logical justification for concluding that labor-management relations are too remote in time, space, and effect to warrant elimination of at least this labor area from the coverage of an ACA.

Mr. RIBICOFF. Mr. President, I oppose this amendment. It is similar in many ways to the Weicker amendment, which was already voted on yesterday.

Mr. TAFT. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The question is on agreeing to the amendment. The yeas and nays are ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from North Carolina (Mr. MORGAN) is necessarily absent.

I further announce that the Senator from Alaska (Mr. GRAVEL) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY), the Senator from Arizona (Mr. GOLDWATER), the Senator from Maryland (Mr. MATHIAS), and the Senator from Alaska (Mr. STEVENS) are necessarily absent.

The result was announced—yeas 36, nays 57, as follows:

[Rollcall Vote No. 177 Leg.]

YEAS—36

Allen
Baker
Bartlett
Bellmon
Brock
Byrd, Harry F., Jr.
Chiles
Curtis
Dole
Domenici
Eastland
Fannin
Fong
Garn
Griffin
Hansen
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Laxalt
McClellan
McClure
Nunn
Roth
Scott, William L.
Sparkman
Stennis
Stone
Taft
Thurmond
Tower
Weicker
Young

NAYS—57

Abourezk
Bayh
Beall
Bentsen
Biden
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Church
Clark
Cranston
Culver
Eagleton
Ford
Glenn
Hart, Gary W.
Hart, Philip A.
Hartke
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevenson
Symington
Talmadge
Tunney
Williams

NOT VOTING—6

Buckley
Goldwater
Gravel
Mathias
Morgan
Stevens

So Mr. TAFT's amendment was rejected.

Mr. RIBICOFF. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. PERCY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

AMENDMENT NO. 462

Mr. McCLURE. Mr. President, I call up my amendment, No. 462, and ask that the amendment be stated.

The PRESIDING OFFICER. The clerk will state amendment No. 462.

The legislative clerk proceeded to read the amendment.

Mr. McCLURE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 19, between lines 3 and 4, insert the following:
>
> The Administrator may not intervene or otherwise participate in any Federal agency proceeding or activity or in any civil proceeding in a Federal court, if such intervention, initiation, or participation is intended to restrict or limit, or have the effect of restricting or limiting, the manufacture, sale, or possession of firearms, antique firearms, ammunition, or components of ammunition. As used in this paragraph, "firearm" means any firearm as defined in section 921(a) (3) of title 18 of the United States Code. As used in this paragraph, "antique firearm" shall mean any antique firearm as defined in section 921(a)(16) of title 18 of the United States Code. As used in this paragraph, "ammunition" means any ammunition, or components of ammunition, including fixed cartridges and shells, primers, bullets, propellants, cartridge cases, and shells designed for use in any firearm. As used in this paragraph, "ammunition, or components of ammunition", shall also mean commercially manufactured blackpowder, percussion caps, safety and pyrotechnic fuses, quills, quick and slow matches and friction primers, intended to be used solely for sporting, recreation, or cultural purposes in antique firearms as defined in section 921(a) (16) of title 18 of the United States Code, or in antique devices as exempted from the term "destructive device" in section 921(a) (4) of title 18 of the United States Code.

The PRESIDING OFFICER. The Senator will suspend. The Senate will come to order.

The Senator may proceed.

Mr. McCLURE. Mr. President, I ask unanimous consent that the following Senators be added as cosponsors to that amendment.

> Senators Fannin, Goldwater, Domenici, Eastland, Laxalt, Hansen, Garn, Thurmond, Eagleton, Church, Dole, Helms, Buckley, Schweiker, McGee, Stevens, Hruska, Beall, Packwood, Roth, William L. Scott, and Bartlett.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I yield to the Senator from Georgia (Mr. NUNN) for a unanimous-censent request.

UNANIMOUS-CONSENT AGREEMENT—CONFERENCE REPORT ON HOUSE CONCURRENT RESOLUTION 218

Mr. NUNN. Mr. President, I ask unanimous consent, pursuant to an earlier understanding, although not a formal agreement, that this amendment be set aside for the purpose of having, hopefully, a very short period of time, maybe 15, maybe 20 minutes of debate. I would specifically request 20 minutes of debate and colloquy on the budget resolution conference report which has already passed.

So I ask unanimous consent that this amendment be set aside for a period of 20 minutes to be divided between myself and the Senator from Maine for the purpose of discussing the budget resolution conference report.

Mr. McCLURE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLURE. If the unanimous consent is allowed, would the time be charged against the time of the Senator from Idaho?

The PRESIDING OFFICER. No, it would not be charged.

Mr. McCLURE. I thank the Senator.

I have no objection.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Georgia is recognized.

Mr. STENNIS. Mr. President, now, may we have order, Mr. President, I think the remarks are of interest to all the membership.

The PRESIDING OFFICER. May we have order in the Senate?

The Senator from Georgia is recognized.

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1976—CONFERENCE REPORT

Mr. NUNN. Mr. President, this morning I had understood that the conference report on the first concurrent budget resolution would have a rollcall vote at 12:30 p.m. I arrived at about 20 minutes of 12 to make a speech against this resolution, for reasons which I shall go into in a moment, and I found that the resolution had already passed.

The Senator from Maine, the chairman of the committee, made every effort, I am sure, to notify various people he thought might have objections to get them to appear. He can speak on this point better than I, but he ran into problems with the House and their time frame on this particular resolution. Therefore, there was no rollcall vote.

So, even though I would like to have a rollcall vote to register a "no" vote on this resolution for the reasons I shall delineate, that is not possible at this time and, therefore, the Senator from Maine has agreed to a brief colloquy on a very important point concerning the Department of Defense budget.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. NUNN. I am glad to yield to the Senator.

Mr. MUSKIE. I think it might be helpful to Senators to understand the procedural picture this morning.

When I left the Senate yesterday I had an agreement with the leadership that the budget resolution conference report would be the first item of business this morning. There was no understanding with respect to a rollcall vote except that the Senator from West Virginia (ROBERT C. BYRD) made it clear we would not want a rollcall vote called before noon for the convenience of the Members of the Senate. That was agreeable to me, and I had no opinion at that point as to whether a rollcall vote would be desirable.

When I arrived this morning, I came to the floor shortly after 10 for the purpose of proceeding with the business. At that point, the distinguished Senator from Georgia (Mr. TALMADGE) had a special order to make some remarks on the action of the House yesterday on the agriculture bill veto. He had the floor, and Senator BYRD had scheduled a 30-minute morning hour, so it was clear we would proceed about 11 o'clock and we did so.

At that point, no Senators other than myself and the distinguished ranking Republican (Mr. BELLMON) were on the floor. We each made a statement; we inquired as to whether other Senators were interested in participating in the discussion. There were none of which the Senate aides were aware. There were none of which my staff was aware, and we did check specifically with the office of the distinguished Senator from Virginia (Mr. BYRD) because of his ongoing interest in these matters. He indicated he was not interested in participating.

At that point, I was advised by the distinguished Chairman of the House Budget Committee that the House ought to have the papers before noon.

I remind Members that the Budget Act requires that final action on the conference report be taken by May 15 and the House had other business scheduled for today which, if it were started at noon, probably would preclude the taking up of the budget resolution today and might put it over until next week when we would be well beyond our statutory deadline.

Since at that point I had no indication that other Senators were interested in being involved in the discussion, and because I had this urgent call from Congressman ADAMS, I checked with Senator BELLMON and we both agreed perhaps we could proceed by voice vote to get the matter over to the House and proceed, and that is what happened.

Now, if I did what I have said, it is in no way critical of Senator NUNN. I know of his long-standing interest in the Defense budget and fully understand why he wants to raise these questions and discuss them. I would have welcomed that discussion this morning, as I do this afternoon.

I simply express my regret to Senator NUNN that somehow we were both caught up in rapidly occurring parliamentary events, and that is where we are.

I am personally happy to engage in any discussion that would serve the Senator's interest.

Mr. NUNN. I thank the chairman, my colleague from Maine, and I certainly have no points to cast on him. I understand the exigencies he was operating under and I certainly understand the circumstances.

I do hope in the future that on matters as important as this conference report and the budget resolution, there would at least be notification by the various members of the committee that are handling the matter even though no rollcall vote is contemplated. I would hope under normal circumstances—and I know this morning's circumstances were not normal—there would be a rollcall vote on something setting the overall level of the Government expenditure for the fiscal year that is forthcoming.

Mr. President, first of all I object to the conference report for a reason that I think many Members share, and that is that the overall deficit is too high. It does go up considerably from the Senate deficit, but I also understand the conferees have to reach a compromise, and that is not the major point I would like to make today.

The major point I would like to make is that when we started this year, the administration requested an outlay ceiling of $94 billion, and at the very beginning of this process Senator MCCLELLAN announced, after due deliberation and study of the defense budget, that he felt we could cut $5.2 billion off budget authority and $2.1 billion out of outlays.

The net result of this budget resolution which has just passed is that we will be cutting out of outlays or we possibly can be cutting out of outlays certainly a minimum of $3.3 billion.

The other point I would like to make is that this is not really the most likely outcome. The most likely outcome is that we are going to be cutting $5.1 billion out of outlays.

The reason for this is, I suppose, a little complicated, but it needs some explanation.

In the report that the conferees passed, they make it clear on page 9 that the conference report sets a total target limit—and this is a target, not an absolutely binding limit—a target limit of $90.7 billion on outlays for the Defense Department—a $3.3 billion cut from the President's request.

But unlike any other department in Government, they have a provision on page 4 in discussing the national defense budget, labeled (a) on page 4, that states as follows:

> (a) If Congress should decide not to limit increases in defense salaries and retirement allowances, there are sufficient funds within this total to support that decision.

Mr. President, what this means is that if we do not go along with the request of the President of the United States to put a 5-percent cap on military and civilian salaries of employees of the Federal Government, then that $1.8 billion additional cost, according to the Budget Conference Committee report, can come out of the $90.7 billion in outlays.

If we assume for a moment that the cap will be removed by Congress—in all likelihood it will be, based on the House resolution which has already passed—then that means that instead of a $90.7 billion outlay ceiling, what we practically have as a real target is an $88.9 billion ceiling.

I am not here, Mr. President, to take a position at this time one way or the other about whether these caps are desirable, or whether there should be a full cost-of-living allowance. That is not the purpose of this colloquy. But I think we should assume a couple of things for a moment: No. 1, that this budget resolution is a serious resolution; No. 2, that the targets, even though they are targets, are the basis on which the total has been arrived at. If we start exceeding these targets on various items, like national defense and others, instead of having an estimated deficit of about $68.8 billion, we will have a deficit much larger than that as we proceed through the years.

Mr. HOLLINGS. Will the Senator yield?

Mr. NUNN. I am glad to yield.

Mr. HOLLINGS. I was in a conversation this morning with Senator MUSKIE and Senator BELLMON. The Senator knows, as well as I, serving together on the Budget Committee, our entreaties and considerations during the markup were that we always took the position that the cap did remain. When we were in conference, I was looking at the additional amount. We had an additional $500 million cut. I had talked with the Secretary of Defense and since there had been an end in Vietnam, it was stated that we could have the $500 million cut.

I have to say that in no way did the House want any pay caps on it, but in my mind we were equally adamant and left the pay caps stay. With the additional $500 million cut I could attribute that cut, as a conferee, to the phaseout or the end of the war in Vietnam.

Mr. NUNN. I thank the Senator from South Carolina. I know of his interest in this matter as we have deliberated.

Mr. CHILES. Will the Senator yield?

Mr. NUNN. I am glad to yield.

Mr. CHILES. I associate myself with the remarks of the Senator from Georgia.

Serving on the Budget Committee and also serving on the Appropriations Committee, I took the figures that the distinguished chairman of the Appropriations Committee had set forth as being the amount he felt the budget could be cut, and we started working from there. I believe in all of our deliberations on our side of the Budget Committee we were cognizant of this and had long deliberations between the difference in budget authority and the difference in outlay, how drastic would be the cuts in outlay in order to effect those cuts, and what kind of steps we actually had to take.

On several occasions on our side of the budget we had much deeper cuts than some of the members of our committee moved. Those cuts were defeated on the basis that it could be so severe to the R. & D. portion of the budget, to personnel and to procurement, that, in order to effectuate those cuts, you would have to go so deep that you could really cut not at all fiber but you would cut into muscle and bone.

Our feeling—and the strength of our committee was very strong—was that we could do much more toward budget outlay which would affect future spending and certainly have a drastic effect on future spending, and try to drive the direction of where future spending would go. But when you went too far on outlay, then you ran into a great danger.

I concur with the Senator from Georgia on the proposition we are faced with here that if this does mean that the caps are totally removed, then we have real problems.

I think it is probably good that this is a walk-through process that we are going through. In no way do I want to minimize what I think is the level, the bottom line of spending. We should not hold ourselves to that. I think the Budget Committee staff needs to be on the floor every time we are passing a new kind of money bill to see how that will affect the overall spending. Thank goodness, this is not poured into concrete, or what we did this morning I think drastically would hurt the military.

I again want to thank the distinguished Senator from Georgia for bringing this to the attention of the Senate. I think this is a valuable colloquy in which he has engaged.

Mr. NUNN. I thank my colleague.

I would like to complete my analysis of this matter and then I shall be glad to yield. I hope the Senator from Maine will help me on the time problem because I believe this point should be made.

As the Senator from Florida said, if we follow directly the implications of this budget resolution and adhere to the targets, in my opinion, if the pay caps are removed, what we would be telling the Federal employees, particularly those in DOD, is "We are going to raise your pay but we are going to take your job away."

The analysis that we made in the Armed Services Committee, and I admit it is a hasty analysis, is that we feel that the most likely result of this particular resolution, assuming it is adhered to, and assuming that the pay cap is removed, is that it will cost 700,000 to 800,000 jobs in the Department of Defense. That includes military and civilian jobs. If you take 700,000 or 800,000 jobs in the Department of Defense, you have closed bases all over this country. You have a result, I believe, that no one could logically propose.

I will give my analysis of that. The implications of a $5.1 billion reduction in outlays—again, this is assuming that caps are removed—is $3 billion higher than the $2.1 billion reduction recommended by the Senate Appropriations Committee. It is $3.6 billion higher than the real, actual reductions found after detailed examination of the program by the Armed Services Committee in the authorization bill. The Armed Services Committee reductions were based upon the same kinds of items recommended in the statement of managers. That included an elimination of military assistance in Southeast Asia, reductions in program growth, inflation estimates, and financial adjustments. Yet the Committee on Armed Services, on which I serve, was only able to find $1.5 billion in outlay reductions after a detailed review of all the line items.

Of course, as we know, the authorization bill does not encompass the entire defense budget. In budget authority, the Armed Services Committee exceeded the recommendation of the Budget Committee, if you take this on a proportional basis and allocate it throughout the entire military budget and not just the part of the budget that has been handled by the Armed Services Committee.

The authorization bill that we passed in the Armed Services Committee that will be debated next week does cover all of the research and development, most of the procurement, and all of the military, civilian and reserve strengths. So it is a large part of the overall total.

Let us assume for a moment that other authorizations and appropriations actions could reduce an additional $1 billion more than the Armed Services Committee bill. In other words, that Senator MCCLELLAN and the Appropriations Committee can find an additional $1 billion that will be added to the $1.5 billion that we have already cut in terms of budget outlays. This would still leave $2.6 billion in outlays to be cut to achieve the recommendation of the statement of the managers—an additional $2.6 billion.

We made a detailed analysis in the Armed Services Committee. However, the budget outlay recommendation made by the conference committee exceeds any reasonable outlay that can be achieved, in my opinion, by the Armed Services Committee or the Appropriations Committee without damaging the national security of this country.

I have had a brief analysis of this done by the staff, and I have talked to Senator MCCLELLAN's staff, and they also have done a very hasty analysis. This size reduction in outlays most likely will have to be made by cutting military and civilian personnel and by closing bases. A cut of this magnitude in 1 year, in our opinion—assuming that we do not want to do away with research and development and assuming that we do not want to do away with procurement—most likely would require a civilian personnel cut of between 700,000 and 800,000. In my opinion, this massive, undirected cut would create such turmoil and turbulence in our military forces and would require such cuts in forces, bases, and hard military muscle that it would be totally irresponsible.

I think we should be aware of this as we work our way through this admittedly difficult process involving the concurrent resolution.

Mr. STENNIS. Mr. President, will the Senator yield me 1 minute?

Mr. NUNN. I yield.

Mr. STENNIS. Mr. President, I commend the Senator for the work he has done on the Budget Committee. He has been working consistently for reductions. His analysis as to the figures, as I understand them, is undoubtedly correct. Reductions already have been made by the Armed Services Committee in the authorization bill for hardware, weapons, R. & D., and related matters—substantial reductions. Still, it would not meet the requirements of this budget resolution in its present form because of the discriminatory portion that applies to the Department of Defense, and it would be brought right on over into the personnel. Those reductions and outlays would have nowhere else to go. They fall into the category of civilian employees and the uniformed men. It would not apply to retirement; it would not apply to other things. It would have to fall into those categories with respect to reductions. It would be indiscriminate, nationwide, and it would have to be perfected in a short time.

The PRESIDING OFFICER. The Senator's 20 minutes have expired.

Mr. NUNN. Mr. President, I ask unanimous consent that we might have an additional 6 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered. The time will be equally divided between the Senator from Georgia and the Senator from Maine.

Mr. NUNN. The Senator from Maine has been very kind in allocating to the Senator from Georgia a good portion of his time.

In response to the Senator from Mississippi, I say that I agree completely with his analysis. It might be that we could find some more in R. & D. and procurement by taking out items we have not taken out so far. I feel that we have cut pretty severely already.

Even if we found another billion dollars in R. & D. and procurement, beyond the billion dollars that Senator MCCLELLAN is going to find—and this is by approximation—if we are going on with this budget outlay reduction, with massive layoffs of civilian employees of the Department of Defense and with massive base closings, we are going to see the reduction of our forces which are already below the Korean war level; and if we cut some more in committee, we are going to see that number go down beyond what anyone would prudently want for the national security of our Nation.

I thank the Senator from Maine for being most generous with his time.

Mr. MUSKIE. I am more than happy to do so. I still feel defensive about this morning's foul-up, and I am happy to contribute in the way of time and information in any way I can. I am not sure that I can do it in 3 minutes. I hope I can use time out of my hour on the pending measure, in order to cover the matter more thoroughly.

First, let me make this point. The concurrent resolution this year does not contain targets on functional categories. The only numbers in the concurrent resolution this year having to do with the Defense Department budget is the overall outlay target of $367 billion and the overall budget authority target of 395.8 billion as a result of the conference report. How the $367 billion is to be divided among the 16 functions of the budget has yet to be determined finally by Congress and by the committees.

It is our hope that as we move through the appropriations process, the guidelines which the Budget Committee has developed with respect to the functional categories will be examined closely by the authorizing committees and by the Appropriations Committee, so that we can come close to the overall target of $367 billion when our work is completed.

To ignore the functional categories as they have been developed by the Budget Committee, I think, would be to lose a very important disciplinary tool. They are not binding. That should be made clear. We deliberately chose that course this year, because we felt that it would be difficult enough for the Senate and the House to adjust to this discipline with the overall totals, without getting into these 16 functional categories in a binding way. So I make that point.

Second, with respect to the category 050, which is the defense category, there was a difference between the House number and the Senate number, going into conference, of $1 billion. The Senate amendment assumed outlays of $91.2 billion, and the House resolution assumed budget outlays of $90.2 billion. The House conferees, on the basis of a vote which was taken on the floor of the House, took the position that their $90.2 billion was sufficient to absorb the impact of lifting pay caps. They assured us that from their point of view, their $90.2 billion ceiling, which was $500 million lower than ours, was sufficient to absorb the impact of lifting the pay caps.

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That number, the staff tells me, is $600 million for retired pay and approximately $1.2 billion for active duty pay, so that the total impact is $1.8 billion. The House took the position—they are very strong about it—that their $90.2 billion ceiling on defense would absorb that.

What other differences were there between the House numbers and the Senate numbers which in their view justify that conclusion? There are two, mainly. One, they had eliminated all military assistance for Southeast Asia. That number was $1.4 billion in outlays in the President's budget base. Only $500 million had been eliminated. Our action had been taken before the collapse of South Vietnam. So the House had eliminated $900 million more in their defense budget total than the Senate budget had done. In addition, the House had deducted $900 million in outlays from so-called financial adjustments.

Mr. President, I ask unanimous consent to have printed in the RECORD the detail on what the House had done with respect to financial adjustments.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FINANCIAL ADJUSTMENTS

(a) Receipts from sale of oil from naval petroleum reserves—The House adjusted the estimates provided in the President's budget to reflect the current status of legislation. The Senate did not adjust the President's estimates.	BA O	−1,745 − 944
	BA O	(+ 277) (+ 300)
(b) Sale of strategic materials—The House assumed that new legislation required to continue sale of strategic and critical materials would not be approved by the House and adjusted the President's estimate accordingly.	BA O	(+ 433) (+ 443)
(c) Family housing—These funds were included by the House in anticipation of a FY 1976 budget amendment to cover increased costs of maintenance and utility costs in the family housing area.	BA O	(+ 295) (+ 236)
(d) Financial adjustments—Each year certain adjustments are made by the Congress to transfer funds. These result in part from funds made available from the sale of equipment which does not need replacement and funds which are made available by applying a surcharge to direct foreign military sales, and in part from unobligated balances brought forward from prior year appropriations.	BA O	(−1,000) (− 700)
(e) Stock fund cash balances—The DOD budget shows an increase in the stock fund cash balances from $300 million on June 30, 1974, to $1,193 million on June 30, 1975. DOD states that a cash balance of $700 million is sufficient to cover cash flow reasonably. The House reduced the estimate to $700 million.	BA O	(− 500) (− 500)
(f) War reserves and inventory replenishment fund—Inventory replenishment fund of $300 million and war reserve for allies of $201 million require change in legislation which is not probable. In addition, $845 million for U.S. war reserves is requested. This seems to be an overstatement of requirements.	BA O	(−1,000) (− 600)
(g) Foreign military credit sales—This reduction reflects final Congressional action on the 1975 Foreign Military Assistance Appropriation by projecting the approved level into FY 1976.	BA O	(− 260) (− 150)
(h) Rejections of rescissions/deferrals	BA O	--------- (+ 27)

Mr. MUSKIE. With those two figures—$900 million in financial adjustments and $900 million more in military assistance to Southeast Asia—they had $1.8 billion, which in their judgment covered the decision they had taken on pay caps. This is where the numbers came out after our discussion.

The House was adamant in its position, because the House had taken a vote, and that vote was critical to passage of the concurrent resolution in the House. The resolution passed by just four votes. So the House conferees were not about to upset that decision on pay caps.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. MUSKIE. Mr. President, may I have 5 minutes out of my time on the pending measure, rather than additional time?

The PRESIDING OFFICER. The Senator from Maine is recognized for 5 minutes.

Mr. MUSKIE. The Senate conferees, on the other hand, did not feel that we were in a position to commit the Senate to a lifting of the pay caps without having had a vote on it in the Budget Committee or a vote on it on the floor of the Senate. So we felt it unresolved so far as the Senate conferees are concerned, and I apologize for the ambiguous language in the report. I shall read it, because it was intended to bridge this gap between the Senate and the House conferees. The only reason we did it this way was that we do not have ceilings on functional categories in this year's resolution. We only have the overall. This is what we put in the report:

> If Congress should decide not to limit increases in Defense salaries and retirement allowances, there are sufficient funds within this total to support that decision.

The first half of that sentence is a gesture toward the Senate; the last half of that sentence is a gesture toward the House.

Next year, we cannot do that sort of thing, because next year we will have ceilings in the resolution on each of these 16 functional categories, and we cannot get that kind of ad hoc compromise between the two groups of conferees.

Mr. President, I must say that I have found the distinguished Senator from Georgia a very useful and effective source of information on the defense budget, in the Budget Committee deliberations. I compliment him for the interest he has taken and for the effort he has made to raise these questions this afternoon. These are matters that the Senate should consider head-on and directly, so that we just do not slide around them. I appreciate that.

Where we are on this point on the Senate side is that a decision has not been taken in any committee, so far as I know, with respect to lifting pay caps. That decision has not been taken. That is yet to be taken.

Second, the decision has not been taken on what should be done with the overall defense number if the cap is lifted. Nobody, so far as the Committee on the Budget is concerned, has made that decision.

Mr. NUNN. On that point, will the Senator yield for one question?

Mr. MUSKIE. Yes, I yield.

Mr. NUNN. I believe the Senator has already made this clear, but to make it abundantly clear, did the conferees intend to make massive cuts in Government DOD personnel, either civilians or military or both, in this report? Was that an intention of the conferees?

Mr. MUSKIE. It was not. As a matter of fact, that subject was not discussed.

Mr. NUNN. I used the word "massive." I ask, for example, did the conferees intend to make cuts as much as 100,000 people in personnel?

Mr. MUSKIE. No such intention was expressed on either side of the conference. Our discussion of the defense number was pretty much limited to—I think totally limited—to the question of the money available from military assistance to Southeast Asia and the financial adjustment item. Those were the only two. We did not take a position with respect to personnel or with respect to the other matters which the Senator has properly raised. Whether or not in the language of the report there are sufficient funds within this total to support that decision would depend upon individual Senators' views on what our total spending ought to be for defense. It is not a position that has been taken so far as the conference is concerned. I am delighted to clarify that point.

Mr. DOMENICI. Will the Senator yield?

Mr. MUSKIE. I yield to the distinguished Senator from New Mexico, who was a very valuable member of the conference for the Senate.

Mr. DOMENICI. I thank my distinguished chairman. I might answer that question also for the distinguished Senator from Georgia.

As he will recall, on the Senate side, throughout the debates on the budget, we discussed only the administration's proposed 50,000, more or less, troop cut in the President's $94 billion outlay budget, and various efforts were made to say we could cut substantially more troops. I think the Senator will remember that on the Senate side, we continually voted, repeatedly voted those down in arriving at our $91-plus billion outlay figure.

There is nothing in the record, in the conference, which would indicate that in the compromise with the House, where we basically split the difference in outlays, we intended to depart substantially from the position we had taken with reference to troop strength or overall civilian or military strength, other than as it was recommended in either the Senate appropriations recommendations or the President's budget. I think we at no time contemplated massive personnel cuts of the type the Senator has described.

The hangup is a very difficult one, because they were mandated by a resolution on caps, as the Senator knows. We were not. The Senate did not mandate us in that regard.

Basically, I think when we are saying if the caps are put on, there is enough money in the budget, it should not be construed to mean that we are saying that if the Senate feels that the amount herein is needed, and then more is needed for the caps, and the House insists that it be taken out of the meat, muscle, and personnel by the amount described by the Senator, either 1.2 or 1.9 depends on whether we treat retired and all active personnel the same.

Mr. NUNN. I thank the Senator.

Mr. President, I ask for 5 more minutes of my time on the main bill, rather than additional time, for this.

I thank the Senator from New Mexico. I thank the Senator from Maine.

As I have said before, I think the Senator from Maine has done a yeoman job in getting this resolution through in time for the statute. He has done an excellent job on committee, he has spent hundreds and hundreds of hours. This is the most difficult assignment I think anybody could have this year. It is difficult enough in any year, but in a budget year, when we have, no matter what we do, an inevitable deficit, it is difficult. This dialogue today in no way reflects on my admiration for the tremendous job the Senator from Maine has done.

I understand the background and the compromises that were necessitated, in all likehood, in the committee report. But I do think it is important for the Senate and Congress to realize that we think, based on an analysis of this particular resolution, the likely result of it is that we are going to be saying to Department of Defense personnel, we are going to raise your pay, but we are going to take your job away. We think that is the only result that can flow out of this unless there are some changes and adjustments made as we move through the processes, and unless we decide to cut somewhere else in order to prevent a massive loss of jobs by civilians and by military personnel.

In closing, I again would like to emphasize that I am taking no position on the question of caps at this time. We did not ever confront that directly in committee. We have not confronted it in the Committee on Armed Services. I know there are strong arugments on each side. But what I have felt and am prepared to point out in this colloquy is the likely result that could flow from this particular provision.

Mr. MUSKIE. May I say in closing, Mr. President, that I appreciate the remarks of the distinguished Senator from Georgia. I assure him of this: as far as the Committee on the Budget is concerned, we are involved in a learning process. We have much to learn from the Committee on Appropriations, from the Committee on Armed Services, from the other authorizing committees. We shall undertake, through the course of the weeks between now and next September, to follow the deliberations of the authorizing committees closely so that we can become more familiar with the values and the imperatives of all of these programs and all of the 16 functions of government.

We shall particularly monitor this one. With the help of the distinguished Senator from Georgia, who is a member of both committees, I am sure that we shall improve our ability to respond to the national interest in all of these competing fields—and they do compete. That is one thing we see in the Committee on the Budget and so we saw in the conference committee, the intensity of the competition between all these programs, all these interests, for the Federal resources. It is a tough competition to be in the middle of.

I am most grateful to the distinguished Senator from Georgia for raising this subject this afternoon.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that I may use 1 minute of my time on the consumer bill.

The PRESIDING OFFICER (Mr. HELMS). Without objection, it is so ordered.

Mr. McCLELLAN. Mr. President, I have listened with interest to this colloquy. I have prepared a statement that I would have made had I had the opportunity to be here at the time the conference report was considered. I had no notice of it. I did not know it was going to be brought up. Therefore, I ask unanimous consent to have this statement printed in the RECORD at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR McCLELLAN

The FY 1976 budget request for National Defense is $107.7 billion in new budget authority and $94.0 billion in outlays. After careful consideration of all the factors involved in the required March 15 report to the Budget Committee, the Committee on Appropriations recommended a target ceiling in budget authority of $5.2 billion below the budget request and an outlay reduction of $2.1 billion. It was the judgment of the defense Subcommittee that this reduction was the absolute maximum that could be made in defense spending consistent with present national security requirements and the prevailing atmosphere of international tensions. Some Subcommittee members were convinced that this reduction was too great, and they may prove to be right. Anyway, no member at that time indicated that he thought it could be further reduced.

Nevertheless, in its report, the Senate Budget Committee *further reduced* National Defense budget authority by $1.5 billion and outlays by $0.7 billion over the amount of the cut recommended by the Committee on Appropriations. The Conference Committee then further reduced these estimates by $300 million in budget authority and $500 million in outlays.

In summary then, the Conference Committee reduced budget authority $7.0 billion below the President's request with an accompanying reduction in outlays of $3.3 billion.

This further reduction in defense spending I believe can prove hazardous and if this trend continues may soon imperil our national security. The burden of reordered priorities and reduced spending should I believe be borne more equitably by all sectors of the budget and not by National Defense alone.

In addition to my concern over the total magnitude of spending cuts recommended by the Conference Committee, I am also quite concerned that the outlay reductions are not commensurate with either the budget authority reductions made or with the implicit assumption that there will be little if any civilian or military personnel reductions. The Conference Committee report states "If Congress should decide not to limit increases in Defense salaries and retirement allowances, there are sufficient funds within this total to support that decision". In fact, removal of the "pay cap" will require approximately $1.8 billion more in outlays than originally estimated for the Defense Department, and this will be additive to the Conference Committee's reductions. This means that Defense will need to make a total outlay reduction of $5.1 billion. Without *very* substantial personnel reductions, military or civilian or both, I see no way to achieve such a large outlay reduction without making reckless and irresponsible additional reductions in defense spending.

As stated previously, the report of the Appropriations Committee to the Senate Budget Committee suggested that a budget authority reduction of $5.2 billion, coupled with an outlay reduction of $2.1 billion, was at that time deemed feasible. These figures assumed that the "pay cap" proposed by the President would be placed on civilian and military salaries. Quite frankly, after holding the majority of our hearings on the Defense budget for fiscal years 1976, it now appears that it may not now be advisable to meet the spending reductions recommended by the Appropriations Committee and certainly not the additional cuts implicit in the Concurrent Spending Resolution.

Mr. McCLELLAN. I make this further observation: I have tried to take a middle ground on this issue between cutting the military, slashing it $10 billion or $15 billion or so each year, and continuing to spend more than a lot of people think is necessary. I have tried to take a middle ground.

I believe that is the sensible thing to do.

This year, at my urging, the committee, particularly the Defense Subcommittee, reported out and recommended a cut of $5 billion, as I recall it, as we had in the year previous. As we hear the testimony now in these hearings, it is becoming apparent to me that it is going to be most difficult to meet this ceiling, to hold it within the ceiling that we have recommended, unless we are willing, as pointed out here by the distinguished Senator from Georgia, to make considerable slashes in personnel of our military establishment, or to cut drastically in research and development, or to cut drastically in our weapons procurement program. It has to come from somewhere.

We are getting it down to a bare-bones situation, in my judgment, taking into account the dangerous conditions in the world today.

I think we better stop, look, and listen, Mr. President, before we go too far in the wrong direction.

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Mr. PERCY. Mr. President, I again commend the distinguished chairman of the Budget Committee and the members of the committee, including the ranking Republican member and the minority members.

I ask one question, and I am sorry I was not able to be here for the beginning of the discussion. As I understand the conference report, it does contemplate an expanded public employment program and includes $2 billion for either countercyclical State and local government fiscal assistance, or new public works projects. It essentially splits the difference between the Senate and the House passed bills; is that correct?

Mr. MUSKIE. In dollars, of course, the Senate provided nothing for either of these approaches. When it was clear that we would have to move toward the House outlay figure, we then undertook to make the case for countercyclical assistance, as contrasted to local public works projects.

Because the House felt very strongly about its local public works approach, what we did, again, was bridge the gap by opening the door to both for consideration of the Senate and the House, but we put in $2.1 billion as the outside figure.

Mr. PERCY. I have one last question to ask our distinguished colleague, because I think his preeminence in this field, his judgment, and his opinion will be a very helpful factor.

As he knows, the Senator from Illinois has been very concerned about our passing a bill which gives back a lot of tax rebates to people who realize that we are giving it back when we do not have it to give. We are just adding to our debt. We are going out to borrow this money that is being given back from taxes already paid in order to stimulate the economy.

The Senator from Illinois hopes that it is going to stimulate the economy, but he has a high regard for the intelligence level of people who are going to wonder why they are getting the money back when they know it is just simply adding to the Federal debt.

It is the opinion of the Senator from Illinois that the people of this country are willing and ready to pay for more of our cost expenditure programs as we go along rather than constantly adding it to the Federal debt.

Would the distinguished chairman of the Budget Committee look with an open mind and with some degree of favor to revenue-raising measures that might be introduced, such as gasoline tax, increased taxes on tobacco and alcohol and other kinds of taxes, including removal of, say, the deductibility of State and local gasoline taxes from our Federal tax return and the dyeing of fuel oil so that it cannot be used in diesel trucks and thereby get around the tax imposed on diesel fuel by State and Federal Governments? We have a tremendous amount of fraud in that area, which could virtually be eliminated, as Canada has done, by simply dyeing the heating oil so that it cannot be used in diesel trucks.

Would the distinguished chairman of the Budget Committee look with favor upon enacting measures now that will help bring in revenue to start to pay for some of these new programs that we have instituted to help offset the recession and also try to bring down the deficit, hold this ceiling that we have now imposed, and possibly give us a little more margin to spare?

Mr. MUSKIE. Of course, the conference report does now commit us to tax reform legislation, which would have the effect of raising revenues on a selective basis in the interest of reform as well as funding some of these outlays.

Apparently there is also in motion something in the order of an energy tax of some magnitude. There is some wide difference of opinion on what that ought to be.

If we really want to begin a program of energy conservation and energy research and development, I think we are going to have to move in that direction. It is a question, in my judgment, of timing.

I would not want to see any substantial increases of taxes of that order at this point, when we are trying to move the economy upwards for the benefit of the stimulus that we have in this budget.

But I think as we recover, as we move out, then we have to begin to look at energy taxes, for example, for the purposes I have described and perhaps beyond.

I would not want to see the reduction in the progressive income tax offset by increases in more regressive kinds of consumer taxes. I think that would be extremely counterproductive, not only in the short term but in the long term.

But I think the Senator is absolutely right in focusing upon the importance of taking at the right time those steps with respect to revenues as well as outlays which would move us toward a budgetary balance in due course, as the result of a rational kind of process, with that target in view.

Mr. PERCY. I thank the Senator for his comments. We thank him for the tremendous devotion he has had to this principle and concept, which is virtually revolutionary to the Congress of the United States.

Think of it: For us to really be now a responsible body, to think in terms of an overall budget, and to relate each of the budget bills that come on board, the appropriation bills as they are voted on, to see how it fits in the context of an overall budget.

I also express great appreciation for the work that has been done by the Appropriations Committee, who have done a Herculean job and who have understandingly looked upon this as a device that can be extraordinarily helpful to them, because they had really been fighting the battle all alone before. Now we are all a part of that process.

So I hope that we will scrutinize very carefully our expenses, make absolutely certain, as to every bill we bring on the floor of the Senate, that we either see that it fits within the guidelines that we have tried to establish or that we produce new revenue for it or drop out other items of lesser priority.

I think it will be a tremendous encouragement to the American people if they see we are running the American family now, in the appropriation, authorization and budgetary process, very much as any well-ordered family must operate for themselves, or a business operates, and the business of government should be run in a businesslike way. I think we have made a giant step forward, with the cooperation of every Member of the Senate.

Mr. MUSKIE. I thank my good friend from Illinois.

Mr. MAGNUSON addressed the Chair.

Mr. MUSKIE. I would like to say just a word, if I may, about the time frame in which we operate.

We found this morning that the 30 days the Budget Act provides for, say, congressional action on the resolution is a very tight period. Each House must act, and the House incidentally must wait 10 days into that period before it can move on the first concurrent resolution, so we may find it necessary to stretch out this period so that we will not be caught in a kind of a bind which regrettably deprived the Senator from Georgia (Mr. NUNN) of the opportunity to make the points he made this afternoon before the Senate finally voted, because the purpose of this is to give every Senator and every committee an opportunity to make an input into this process.

Mr. President, I yield to the Senator from Washington.

Mr. MAGNUSON. Mr. President, I yield myself 2 minutes on the bill. I want the record to show that had there been a rollcall vote this morning I would have voted "aye" on the conference report.

When the Senator from Maine talked about the difficulties timewise yesterday the full Appropriations Committee appropriated some $9.5 million in the supplemental over and above what we would consider. It was after the fact.

We are going down right now to consider almost half a billion dollars for the Vietnam refugees. All of this stuff adds up, and most of it is sent up by the Office of Management and Budget, by the administration, and it is of an emergency nature. So, of necessity, it would be pretty hard, with all of the time spent by the Budget Committee in the past 2 or 3 months, to anticipate these things, and they are going to amount to another $20 billion.

But the reason I want to vote for the conference report, I do think that the conferees and the two committees did a magnificent job in anticipating some of these things. In my own HEW bill how do I know exactly what it is going to be? Usually that is taken up by the budget, by all of us here, but you give us, I think, enough leeway in which to take care of these matters and establish some priorities that are long needed.

There will be a fight about establishing priorities. As the Senator from Maine well knows, everybody competes with everybody else, and even within HEW itself they compete with one another as to who gets what, and this is so in the health research field. But I think this first stab at this budget control was overall a good one, and I want the record to show that I would have voted "aye" had there been a rollcall vote on the conference report.

Mr. MUSKIE. I thank the Senator.

I might say that the consolidated supplemental is covered in our totals.

Mr. MAGNUSON. Yes.

Mr. MUSKIE. And also the humanitarian assistance for the refugees.

Mr. MAGNUSON. Health programs.

Mr. MUSKIE. All of these are covered. But it is difficult to anticipate.

Mr. MAGNUSON. It is difficult to estimate this. You do not know.

Mr. MUSKIE. Yes.

Mr. MAGNUSON. So I think on our first stab at this there is enough leeway to work out these things.

Mr. MUSKIE. We will learn as we go along.

Mr. MAGNUSON. We will have to learn as we go along.

Mr. MUSKIE. I yield the floor, Mr. President.

CONSUMER PROTECTION ACT OF 1975

The Senate continued with the consideration of the bill (S. 200) to establish an independent consumer agency to protect and serve the interests of consumers, and for other purposes.

Mr. McCLURE. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. McCLURE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McCLURE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. McCLURE. Mr. President, this amendment, which is numbered 462, is a modification of the earlier amendment which I introduced, No. 410. They both deal with the same subject matter. The purpose is to prohibit the Agency for Consumer Advocacy from intervening in matters that concern the manufacture, sale, or possession of firearms and firearm ammunition.

My amendment affects consumers who in this case are the millions of Americans who daily purchase ammunition and firearms for lawful and constitutional purposes—for sport or for protection in their homes or places of business.

The need for this amendment is clearly exemplified by the current controversy over consideration of a ban on firearm ammunition by the Consumer Product Safety Commission. The CPSC has in the past denied petitions urging a ban because it felt it had no authority under either the Hazardous Substance Act or the Consumer Product Safety Act. But District Court Judge Flannery upon the action of a Chicago-based antigun lobby issued a court order requiring the Commission to consider a total ban of firearms ammunition. The outcry from consumers against any consideration of a ban was overwhelming and remains so.

The consumers of ammunition by the hundreds of thousands inundated the CPSC and Congress with letters and petitions in opposition to a ban, or even any consideration of a ban, of the product they consume. These consumers clearly rejected any call for so-called "consumer protection". The controversy over any CPSC consideration of an ammunition ban indicates the kind of activity that will likely occur under a massive bureaucratic structure that the legislation currently being considered establishes.

The consumers read the situation well, because this attempt to force the CPSC to ban ammunition is nothing more than an attempt to force back-door gun control. An Agency for Consumer Advocacy should not have this power. My amendment denies them the authority and clearly sets forth in statute, definition of firearms and ammunition so the intent of Congress will be unmistakable. Firearms and firearms ammunition are defined in this amendment in the same way they are defined in the 1968 Gun Control Act.

With the list of sponsors and cosponsors of this amendment, I hope the Senate will agree and that we can adopt this amendment and clarify the situation so that we do not get in, in this legislation the same kind of controversy that is embroiling the Consumer Products Safety Commission.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. McCLURE. I am happy to yield to the distinguished Senator from Nebraska.

Mr. HRUSKA. Is it not true that the U.S. district court, in ruling on this matter, put it on the one basis—I am speaking about the court's decision in The Committee for Handgun Control, Inc. v. Consumer Product Safety Commission case—that the intent of Congress has not been clearly shown to the extent that it wanted to exclude ammunition from the jurisdiction of the Consumer Product Safety Act?

Mr. McCLURE The Senator is absolutely correct. The legislative history is abundantly clear, however, that the contrary is true and the congressional intent was to specifically exclude firearm ammunition from the act.

Mr. HRUSKA. Is it not also true that the last time the Senate acted on the proposition of banning private ownership of handguns for the general public and had a vote on the subject, which was a substitute amendment to the Handgun Control Act of 1972, the vote was 7 in favor of banning private ownership and 84 against banning of private ownership of handguns?

Mr. McCLURE. The Senator is correct. Of course, the Senate has spoken on that issue.

Mr. HRUSKA. Does the Senator from Idaho agree with the Senator from Nebraska that a vote of 7 to 84 is a very clear expression of the intent of the Senate on the subject?

Mr. McCLURE. Well, it is scarcely possible to get a clearer expression in this Chamber.

Mr. HRUSKA. There is an indication in seven votes, is there not, that it was not a pro forma vote? It was a vote on the merits?

Mr. McCLURE. That is absolutely correct.

Mr. HRUSKA. It is my hope that the amendment of the Senator from Idaho will be agreed to, and that it will become a part of this bill.

Mr. McCLURE. I am mindful of the fact that the Senator from Nebraska has introduced a different amendment which probably, under the terms of rule XXII, cannot be offered. But I would be remiss if I did not comment that the Senator from Nebraska has exercised a great deal of foresight in formulating that broader amendment. I appreciate his support on this amendment.

Mr. HRUSKA. It is my hope that the vote will be overwhelming in favor of the Senator's amendment.

Mr. McCLURE. I thank the Senator from Nebraska.

Mr. THURMOND. Mr. President, I am pleased to cosponsor the amendment offered by the Senator from Idaho to the Consumer Protection Act of 1975. This amendment would prevent the Agency for Consumer Advocacy from intervening in matters affecting the manufacture or sale of firearms and ammunition.

While I am opposed to this Agency for Consumer Advocacy bill as presently written, I would hope that any legislation that might be passed would contain a provision such as the junior Senator from Idaho is proposing. I have always resisted efforts by Congress to impose Federal registration, licensing, or ownership standards on firearms. Moreover, if any form of ammunition or gun control should be considered, I would certainly hope that it would be the elected representatives of the people who have to make that decision, rather than appointed agency officials who can pick and choose the "consumer interests" they desire to pursue.

In my opinion, persons who are willing to break existing laws governing the use of firearms would not be deterred from obtaining weapons by whatever gun control regulations might be proposed by this Agency. A far better deterrent would be tough, mandatory sentences on persons convicted of the use of firearms in the commission of felonies, and I am cosponsoring legislation with Senator DOMENICI to accomplish this.

However, I reiterate that I think it is wise to clearly indicate by law that this Federal Consumer Advocacy Agency is not authorized to engage in any form of firearm or ammunition control. I sincerely hope this amendment will be adopted.

Mr. FANNIN. Mr. President, I am pleased to cosponsor the amendment introduced by Senator McCLURE to exempt firearms and ammunition from the authority of the proposed Agency for Consumer Advocacy.

S. 200, if enacted, would establish a new independent Federal agency to represent the interests of "consumers" in controversies before Federal agencies. For the many reasons I indicated in my Senate statement of May 8, I am opposed to the establishment of yet another level of bureaucracy to the already burgeoning Federal bureaucracy. I am concerned over all of the additional paperwork, effort, costs, and inefficiencies, and the loss of individual freedom that would mean to consumers.

I question the assumption behind this legislation that a single agency can represent consumers as a class. The ACA Administrator will represent certain groups of consumers while ignoring others. That concept makes one wonder who or what is meant by consumers.

Certainly one major group of consumers in my home State of Arizona is the large number of persons who purchase and use firearms and ammunition for hunting and sporting purposes. There are those, including some Members of Congress, who would like to ban all guns and ammunition, as once was tried with alcohol. The Consumer Product Safety Commission, one of the many agencies already in existence which represent the interests of consumers, has been considering a total prohibition on the sale of firearms and ammunition. Such a ban would certainly not be in the best interests of my Arizona constituents who hunt and shoot.

Yet when and if the Agency for Consumer Advocacy is created, I can perceive advocates representing hysterical antigun groups petitioning the ACA Administrator to intervene in controversies involving weapons and ammunition and to recommend banning their sale or use—the very thing that such groups have been unsuccessful in persuading the Congress to do so far.

I certainly would not want the new consumer protection agency to be occupied with protecting consumers out of their right to use firearms and ammunition for legitimate purposes. I do not believe that supporters of the proposed new agency would want that to happen either.

Accordingly, I am pleased to endorse the amendment proposed by my distinguished colleague from Idaho which would protect this important group of citizen consumers. I ask that my fellow Senators join me in this effort to prevent the ACA Administrator from intervening or participating in any proceeding involving the manufacture, sale or possession of firearms or ammunition.

Mr. KENNEDY. Mr. President, I oppose the amendment offered by the Senator from Idaho because it seems to directly counter the most important feature of the Consumer Protection Act.

As I understand it, the Senator's amendment would prohibit the new Agency for Consumer Advocacy from addressing the issue of firearms and firearms ammunition in any way.

Yet, the author of S. 200, the Senator from Connecticut, announced when he introduced this bill last January that the act would establish an independent nonregulatory Agency for Consumer Advocacy. That Agency would advocate the interest of consumers before agencies and the Federal courts and it would provide the public with information about consumer matters.

Senator RIBICOFF said emphatically, that the Agency—

> . . . will act solely as an advocate and spokesman for consumer interests.

And now the Senator from Idaho seeks to deny the Agency from responding to one of the most vital interests of concern to every consumer in this country.

The Senator from Idaho would deny to every American information about firearms and ammunition. Such information could very definitely be an important "consumer interest."

Mr. President, the new Agency for Consumer Advocacy will be authorized to provide the public with information about consumer matters.

I wonder if the Senator from Idaho can adequately explain why the public should not have information about firearms and ammunition for firearms.

Can he explain why the public should be denied information about the output of such lethal commodities that are introduced to the American market in such astounding numbers?

Over 7 billion rounds of ammunition are made available for sale in the United States each year. And approximately 5 million new weapons enter the marketplace every year.

I have authored firearms control legislation since 1971. And during the consideration of these measures, one important feature has always been evident: The American people must redefine the role of the firearm in our society. The way to do that is through information and public awareness programs. We cannot expect the public to learn about ways to reduce the dangers and risks from too many firearms by withholding information.

My intention in opposing the amendment by the Senator from Idaho is simply to prevent the closing of any avenue that could possibly aid in restricting firearms violence.

Under no circumstances can I see that the Consumer Protection Act would be a vehicle for imposing controls on firearms. But I strongly feel that this measure can provide a useful and effective way for the American people to obtain essential information about the dangers of arming themselves.

Consumer advocacy is clearly designed to protect buyers against products and commercial practices that can be harmful or fatal.

With over 25,000 gun deaths recorded in 1 year, there is no way to escape the sickening fact that guns are dangerously and recklessly used by too many people.

Gun suicides claim 10,000 lives; and gun accidents account for 3,500 deaths each year. So we know that when guns are in hand, people will use them.

But the steps we take to reduce the violence caused by guns are too often designed more to cater to the interests of munitions producers, rather than to deal with the possible misuse of weapons and ammunition.

I am convinced that the public must receive sufficient information about the dangers of firearms, in order to redirect the national mystique about gun ownership.

For that reason, Mr. President, I strongly oppose the amendment offered by the Senator from Idaho. We must make full use of every method that can provide useful information and guidance about the dangers of firearms and ammunition. Restrictions on such information can only serve to obstruct the public demand for a reduction of firearms misuse.

I believe that the new Agency for Consumer Advocacy should properly be engaged in advocating safe and reasonable firearms usage. At the same time, the Agency should underline the intrinsic dangers to health and safety that prevail in a society with at least 150 million firearms—and with 5 million new weapons added each year.

This amendment to restrict the agency's activity with firearms does not need to be adopted.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. RIBICOFF. Mr. President, I move to table the amendment.

The PRESIDING OFFICER. The question is on the motion to table.

Mr. McCLURE. Mr. President, I ask for the yeas and nays on the motion to table.

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second.

Mr. RIBICOFF. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McCLURE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Connecticut to table the amendment of the Senator from Idaho. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The clerk will suspend. It is a very important rollcall and the Senators are entitled to hear their names when called.

The clerk will not proceed until the Senate is in order.

The Senate is still not in order. The Chair asks that the well be cleared and the Senators take their seats.

The clerk will not proceed until the Senate is in order.

The clerk may proceed.

The assistant legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Indiana (Mr. HARTKE), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

I further announce that the Senator from Alaska (Mr. GRAVEL) is absent on official business.

I further announce that if present and voting, the Senator from Illinois (Mr. STEVENSON) would vote "yea".

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY) is necessarily absent.

The result was announced—yeas 27, nays 67, as follows:

[Rollcall Vote No. 178 Leg.]

YEAS—27

Brooke
Case
Cranston
Culver
Fong
Glenn
Hart, Gary W.
Hart, Philip A.
Hathaway
Humphrey
Inouye
Jackson
Javits
Kennedy
Mathias
McGovern
Mondale
Nelson
Pastore
Pearson
Pell
Percy
Proxmire
Ribicoff
Tunney
Weicker
Williams

NAYS—67

Abourezk
Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Biden
Brock
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Clark
Curtis
Dole
Domenici
Eagleton
Eastland
Fannin
Ford
Garn
Goldwater
Griffin
Hansen
Haskell
Hatfield
Helms
Hollings
Hruska
Huddleston
Johnston
Laxalt
Leahy
Long
Magnuson
Mansfield
McClellan
McClure
McGee
McIntyre
Metcalf
Montoya
Morgan
Moss
Muskie
Nunn
Packwood
Randolph
Roth
Schweiker
Scott, Hugh
Scott,
  William L.
Sparkman
Stafford
Stennis
Stevens
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Young

NOT VOTING—5

Bayh
Buckley
Gravel
Hartke
Stevenson

So Mr. RIBICOFF's motion to table Mr. McCLURE's amendment No. 462 was rejected.

Mr. McCLURE. Mr. President, I move to reconsider the vote by which the motion to lay on the table was rejected.

Mr. DOMENICI. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Idaho.

Mr. McCLURE. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLURE. Mr. President, is not the question now on the adoption of the amendment?

The PRESIDING OFFICER. It is.

Mr. McCLURE. Mr. President, the yeas and nays were ordered, were they not?

The PRESIDING OFFICER. That is correct.

Mr. McCLURE. Mr. President, I ask unanimous consent the order for the yeas and nays be vacated.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The question is on agreeing to the amendment of the Senator from Idaho, amendment No. 462.

The amendment was agreed to.

Mr. McCLURE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 404

Mr. TAFT. Mr. President, I call up my amendment No. 404, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. BROCK). The amendment will be stated.

The legislative clerk read as follows:

Mr. TAFT, for himself, Mr. THURMOND, and Mr. McCLURE, offers amendment No. 404.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "Consumer Representation Act of 1975".

STATEMENT OF FINDINGS AND PURPOSE

SEC. 2. (a) The Congress hereby finds and declares that the interests of consumers are often inadequately represented within the Federal agencies to the detriment of the fair and efficient functioning of a free market economy; that better consumer representation can be achieved in some circumstances if consumers are represented by an advocate; that in other circumstances, representation is better achieved by evaluating multiple consumer views or addressing the impact of actions upon consumers; and that vigorous advocacy of different consumer interests is essential to decisionmaking that is informed, timely, and in the best interests of the public.

(b) The Congress therefore declares that it is the purpose of this Act to establish consumer advocates to engage in active representation of consumer interests where appropriate and to require more systematic evaluation of consumer interests; and this Act should be so interpreted by the executive branch, the independent regulatory agencies, and the courts so as to implement the intent of Congress to protect and promote the interests of consumers.

DEFINITIONS

SEC. 3. As used in the Act, unless the context otherwise requires, the term—

(1) "Director" means the Director of the Office of Consumer Affairs;

(2) "Administrator" means the Administrator of each Office of Consumer Representation;

(3) "agency action" includes the whole or part of an agency "rule", "order", "license", "sanction", "relief", as defined in section 551 of title 5, United States Code, or the equivalent or the denial thereof, or failure to act;

(4) "agency activity" means any agency civil process, conducted pursuant to any authority or responsibility under law, whether such process is formal or informal;

(5) "agency proceeding" means agency "rulemaking", "adjudication", or "licensing", as defined in section 551 of title 5, United States Code;

(6) "commerce" means commerce among or between the several States and commerce with foreign nations;

(7) "consumer" means any individual who uses, purchases, acquires, attempts to purchase or acquire, or is offered or furnished any real or personal property, tangible or intangible goods, services, or credit for personal, family agricultural,. or household purposes;

(8) "Federal agency" means any executive department, or independent regulatory agency or commission of the United States;

(9) "individual" means a human being;

(10) "interest of consumers" means any health, education, safety, or economic concern of consumers involving real or personal property, tangible or intangible goods, services, or credit, or the advertising or other description thereof, which is or may become the subject of any business, trade, commercial, or marketplace offer or transaction affecting commerce, or which may be related to any term of condition of such offer or transaction. Such offer or transaction need not involve the payment or promise of a consideration;

(11) "participation" includes any form of submission;

(12) "person" includes any individual, corporation, partnership, firm, association, institution, or public or private organization other than a Federal agency;

(13) "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, the Canal Zone, Guam, American Samoa, and the Trust Territory of the Pacific Islands; and

(14) "submission" means participation through the presentation or communication of relevant evidence, documents, arguments, or other information.

APPLICATION TO SMALL BUSINESS AND AGRICULTURE

SEC. 4. (a) The particular varied needs of small business and agricultural enterprises shall be considered by all levels of government in the implementation of the procedures provided for throughout this Act.

(b) In order to carry out the small business aspect of the requirement set forth in subsection (a), the Small Business Administration shall (1) to the maximum extent possible provide small business enterprises with full information concerning the procedures provided for throughout this Act which particularly affect such enterprises, and the activities of the various agencies in connection with such provisions, and (2) as part of its annual report provide to the Congress a summary of the actions taken under this Act which have particularly affected such enterprises.

(c) In order to carry out the agricultural aspect of the requirement set forth in subsection (a), the Administrator shall, before intervening in any United States Department of Agriculture proceeding, consider (1) the interests of consumers in obtaining an adequate supply of food, and (2) the interests of farmers in maintaining an adequate level of income and production.

(d)(1) To the extent feasible the Director of the Office of Consumer Affairs shall seek the views of small business and agricultural interests in connection with establishing the Federal agency's priorities, as well as in promulgating the rules to implement this Act.

(2) In administering the programs provided for in this Act, each Administrator shall respond in an expeditions manner to the views, requests, and other filing by small business and agricultural enterprises.

(3) In implementing the provisions of this Act, each Administrator shall give due consideration to the unique problems of small business and agriculture in order to avoid unnecessary hardships on those enterprises and activities.

EXEMPTIONS

SEC. 5. This Act shall not apply to the Central Intelligence Agency, the Federal Bureau of Investigation, or the national security or intelligence functions (including related procurement) of the Departments of State and Defense (including the Departments of the Army, Navy, and Air Force) and the military weapons program of the Energy Research and Development Administration.

UMI

DISCRIMINATION

SEC. 6. No person shall on the grounds of sex, race, religion, age, or national origin be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity carried on or receiving Federal assistance under this Act. This provision will be enforced through agency provisions and rules similar to those already established, with respect to racial and other discrimination, under title VI of the Civil Rights Act of 1964. However, this remedy is not exclusive and will not prejudice or cut off any other legal remedies available to a person alleging discrimination.

EFFECTIVE DATE

SEC. 7. (a) This Act shall take effect ninety calendar days following the date on which this Act is enacted, or on such earlier date as the President shall prescribe and publish in the Federal Register.

(b) Any of the officers provided for in this Act may (notwithstanding subsection (a)) be appointed in the manner provided for in this Act at any time after the date of the enactment of this Act. Such officers shall be compensated from the date they first take office at the rates provided for in this Act.

SEPARABILITY

SEC. 8. If any provision of this Act is declared unconstitutional or the applicability thereof to any person or circumstance is held invalid, the constitutionality and effectiveness of the remainder of this Act and the circumstances shall not be affected thereby.

TITLE I—OFFICE OF CONSUMER AFFAIRS

ESTABLISHMENT

SEC. 101. (a) There is hereby created in the Executive Office of the President an office to be known as the Office of Consumer Affairs (OCA). The Office shall be directed and administered by a Director who shall be appointed by the President, and who shall serve as a Special Assistant to the President for Consumer Affairs. There shall be in the Office of Consumer Affairs a Deputy Director who shall be appointed by the President. The Deputy Director shall perform such functions, powers, and duties as may be prescribed from time to time by the the Director and shall act for, and exercise the powers of, the Director during the absence or disability of, or in the event of a vacancy in the Office of the Director.

(b) No employee of the Office of Consumer Affairs while serving in such position may engage in any business, vocation, other employment, or have other interests, inconsistent with his official responsibilities.

(c) There shall be in the Office of Consumer Affairs a General Counsel and not more than five additional officers. Each such officer shall be appointed by the Director, subject to the approval of the President, under the classified civil service, shall have such title as the Director shall from time to time determine, and shall receive compensation at the rate now or hereafter prescribed for offices and positions at level V of the Executive Schedule (5 U.S.C. 5316).

POWERS AND DUTIES OF THE DIRECTOR

SEC. 102. (a) The Director shall be responsible for the exercise of the powers and the discharge of the duties of the Office of Consumer Affairs, and shall have the authority to direct and supervise all personnel and activities thereof.

(b) In addition to any other authority conferred upon him by this Act, the Director is authorized, in carrying out his functions under this Act, to—

(1) subject to the civil service and classification laws, select, appoint, employ, and fix the compensation of such officers and employees as are necessary to carry out the provisions of this Act and to prescribe their authority and duties;

(2) employ experts and consultants in accordance with section 3109 of title 5, United States Code, and compensate individuals so employed for each day (including traveltime) at rates not in excess of the maximum rate of pay for grade GS-18 as provided in section 5332 of title 5, United States Code, and while such experts and consultants are so serving away from their homes or regular place of business, pay such employees travel expenses and per diem in lieu of subsistence at rates authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently;

(3) appoint advisory committees composed of such private citizens and officials of the Federal, State, and local governments as he deems desirable to advise him with respect to his functions under this Act, and pay such members (other than those regularly employed by the Federal Government) while attending meetings of such committees or otherwise serving at the request of the Director, compensation and travel expenses at the rate provided for in paragraph (2) of this subsection with respect to experts and consultants: *Provided*, That all meetings of such committees shall be open to the public and interested persons shall be permitted to attend, appear before, or file statements with any advisory committee, subject to such reasonable rules or regulations as the Director may prescribe;

(4) utilize, with their consent, the services, personnel, and facilities of other Federal agencies and of State, regional, local, and private agencies and instrumentalities, with or without reimbursement therefor, and to transfer funds made available under this Act to Federal, State, regional, local, and private agencies and instrumentalities as reimbursement for utilization of such services, personnel, and facilities;

(5) enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary to carry out the provisions of this Act, on such terms as the Director may deem appropriate, with any agency or instrumentality of the United States, with any State, or any political subdivision thereof, or with any person;

(6) accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b));

(7) adopt an official seal, which shall be judicially noticed;

(8) conduct conferences and hearings and otherwise secure data and expression of opinion;

(9) designate representatives to serve or assist on such committees as he may determine to be necessary to maintain effective liaison with Federal agencies and with State and local agencies carrying out programs and activities related to the interests of consumers; and

(10) perform such other administrative activities as may be necessary for the effective fulfillment of his duties and functions.

(c) Upon request made by the Director, each Federal agency is authorized and directed to make its services, personnel, and facilities available to the greatest practicable extent within its capability to the Office of Consumer Affairs in the performance of its functions.

(d) The Director shall prepare and submit simultaneously to the Congress and the President, not later than April 1 of each year beginning April 1, 1976, an annual report, which shall include a description and analysis of—

(1) the activities of the Office of Consumer Affairs;

(2) the major Federal agency actions and Federal court decisions affecting the interests of consumers;

(3) the assistance given the Office of Consumer Affairs by other Federal agencies in carrying out the purposes of this Act;

(4) the performance of Federal agencies in protecting the interests of consumers.

FUNCTIONS OF THE OFFICE OF CONSUMER AFFAIRS

SEC. 103. (a) The Office of Consumer Affairs shall, in the performance of its functions, advise the President as to matters affecting the interests of consumers; and shall protect and promote the interests of the people of the United States as consumers of goods and services made available to them through the trade and commerce of the United States.

(b) The function of the Director shall be to—

(1) communicate with each Office of Consumer Representation established pursuant to title II of this Act for the purpose of encouraging and assisting in development, implementation, and coordination of the activities of the respective Offices. The Director shall endeavor to make available to each such Office, appropriate assistance in the preparation of consumer benefit analysis or in such other functions as the Offices may undertake pursuant to title II of this Act;

(2) conduct and support research, studies, and testing to the extent authorized in section 5 of this Act;

(3) submit recommendations to the President on measures to improve the operation of the Federal Government in the protection and promotion of the interests of consumers;

(4) obtain information and publish and distribute material developed in carrying out his responsibilities under this Act in order to inform consumers of matters of interest to them, to the extent authorized in this Act;

(5) conduct conferences, surveys, and investigations, including economic surveys, concerning the needs, interests, and problems of consumers: *Provided*, That such conferences, surveys, or investigations are not duplicative in significant degree of similar activities conducted by other Federal agencies;

(6) cooperate with State and local governments and encourage private enterprise in the promotion and protection of the interests of consumers;

(7) perform the functions assigned to the President's Committee on Consumer Interests in Executive Order 11566 of October 26, 1970;

(8) receive and act upon consumer complaints in the following manner: Upon receipt of a consumer complaint or other information disclosing a possible violation of (1) any law of the United States, or (2) any rule or order of any Federal agency concerning consumer interests, the Director shall promptly transmit such complaint or other information to the Federal agency's Office of Consumer Representation for appropriate action and may in its discretion also refer such complaint or other information to the private persons or industry against whom the complaint is made;

(9) publish, in language readily understandable by consumers, a consumer register which shall set forth the time and place and subject matters of actions by Congress, Federal agencies, and Federal courts, and other information useful to consumers;

(10) encourage the adoption and expansion of effective consumer education programs;

(11) encourage the application and use of new technology, including patents and inventions, for the promotion and protection of the interests of consumers;

(12) encourage the development of informal dispute settlement procedures involving consumers;

(13) encourage meaningful participation by consumers in the activities of the Office of Consumer Affairs;

(14) promote the consumer interests of farmers in obtaining a full supply of goods and services at a fair and equitable price; and

(15) perform such other related activities as he deems necessary for the effective fulfillment of his duties and functions.

CONSUMER INFORMATION AND SERVICES

SEC. 104. (a) In order to carry out the purposes of the Act the Director shall develop on his own initiative, and, subject to the other provisions of this Act, gather from other Federal agencies and non-Federal sources, and disseminate to the public in such manner, at such times, and in such form as he determines to be most effective, information, statistics, and other data including, but not limited to, matter concerning—

(1) the functions and duties of the Office;

(2) consumer products and services;

(3) problems encountered by consumers generally, including commercial and trade practices which may adversely affect consumers; and

(4) notices of Federal hearings, proposed and final rules and orders, and other pertinent activities of Federal agencies that affect consumers.

(b) All Federal agencies which possess information which would be useful to consumers are authorized and directed to cooperate with the Director in making such information available to the public (to the extent such information is not exempt from disclosure pursuant to title 5, United States Code, section 552).

LIMITATIONS ON DISCLOSURES

SEC. 105. The Director shall not disclose to the public or any State or local agency any information in a form which would reveal trade secrets and commercial or financial information as described in section 552 (b)(4) of title 5, United States Code, obtained from a person privileged or confidential unless the Director determines that the release of such information is necessary to protect health or safety.

STUDIES

SEC. 106. The Director is authorized to conduct, support, and assist research studies, plans, investigations, conferences, demonstration projects, and surveys concerning the interests of consumers.

CONFORMING AMENDMENT

SEC. 107. (a) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following:

"(60) Director, Office of Consumer Affairs.".

(b) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following:

"(100) Deputy Director, Office of Consumer Affairs.".

(c) Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following new paragraphs:

"(135) General Counsel, Office of Consumer Affairs.

"(136) Assistant Directors, Office of Consumer Affairs.".

TRANSFER OF CONSUMER PRODUCT INFORMATION COORDINATING CENTER

SEC. 108. (a) All officers, employees, assets, liabilities, contracts, property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with the functions of the Consumer Product Information Coordinating Center in the General Services Administration are transferred to the Office of Consumer Affairs and all functions of the Administrator of General Services administered through the Consumer Product Information Coordinating Center are transferred to the Office of Consumer Affairs.

(b)(1) Except as provided in paragraph (2) of this subsection, personnel engaged in functions transferred under this section shall be transferred in accordance with applicable laws and regulations relating to transfer of functions.

(2) The transfer of personnel pursuant to this section shall be without reduction in classification or compensation for one year after such transfer.

AUTHORIZATION OF APPROPRIATIONS

SEC. 109. There are authorized to be appropriated to carry out the provisions of this title not to exceed $4,000,000 for fiscal year ending June 30, 1976.

TITLE II—CONSIDERATION OF CONSUMER INTEREST BY THE FEDERAL AGENCIES

ESTABLISHMENT

SEC. 201. (a) There is hereby established an Office of Consumer Representation within each executive department and independent regulatory agency and commission. Each Office shall be directed and managed by an Administrator who shall be appointed by such agency.

(b) The Administrator of each office is authorized to appoint within his office a Public Counsel and two Assistant Administrators, one for economics and one for complaint handling. The Administrator shall have such other professional and support staff as are necessary to adequately represent within his agency the interests of the consumers.

(c) Each Federal agency is directed to provide sufficient funding within its budget for its Office of Consumer Representation to enable it to carry out its functions under this title. The budget request for the Office of Consumer Representation shall be separately stated.

POWERS AND DUTIES OF THE ADMINISTRATOR

SEC. 202. (a) Each Administrator shall be responsible for the exercise of the powers and the discharge of the duties of the Office of Consumer Representation within his agency, and shall have the authority to direct and supervise all personnel and activities thereof.

(b) In addition to any other authority conferred upon him by this title, the Administrator is authorized, in carrying out his functions under this title, to—

(1) accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665 (b));

(2) conduct conferences and hearings and otherwise secure data and expression of opinion;

(3) perform such other administrative activities as may be necessary for the effective fulfillment of his duties and functions.

(c) Each Administrator shall be subject to the Civil Service and classification laws, select, appoint, employ, and fix the compensation of such officers and employees as are necessary to carry out the provisions of this title and to prescribe their authority and duties.

FUNCTIONS OF EACH OFFICE OF CONSUMER REPRESENTATION

SEC. 203. (a) The functions of each Office of Consumer Representation shall be to—

(1) represent and protect the interests of consumers before its agency to the extent authorized by this title;

(2) submit such reports as may be required by the Office of Consumer Affairs or its agency on measures to improve the operation of its agency in the protection and promotion of the interests of consumers;

(3) obtain information and publish and distribute material developed in carrying out its responsibilities under this title in order to inform consumers of matters of interest to them, to the extent authorized in this title;

(4) receive, transmit to the appropriate bureaus, division, and persons within its agency and make publicly available, consumer complaints to the extent authorized in section 7 of this title;

(5) keep the Office of Consumer Affairs fully and currently informed of all its agency's activities substantially affecting consumer interests, when asked or on its own initiative;

(6) encourage meaningful participation by consumers in the proceedings of its agency; and

(7) perform such other related activities as it deems necessary for the effective fulfillment of its duties and functions.

CONSUMER REPRESENTATION

SEC. 204. (a) Each Federal agency shall keep its Administrator informed of all major proceedings and activities pending before the agency which may substantially affect an interest of consumers.

(b)(1) Whenever an Administrator finds that the result of any proceedings or activity before the agency may substantially affect one or more interests of consumers, he may (i) represent an interest of consumers as an advocate in the proceeding or activity pursuant to section 5 of this title and (ii) request the agency for and assist in the preparation of a consumer benefit analysis pursuant to section 6 of of this title.

(2) When the Administrator makes such determination, he shall issue publicly a written statement setting forth concisely the reasons for his determination. Notwithstanding the foregoing, the Administrator shall, upon petition in writing in a proceeding by a substantial number of persons, request his agency for and assist in the preparation of a consumer benefit analysis whether or not he has determined to represent an interest of consumers pursuant to section 5.

(c) The Administrator shall have access to all the information, data, and other materials customarily made available by his agency to its staff: *Provided*, That where the Administrator appears as a party in a proceeding under section 5, he shall be subject to the agency's rules of practice and procedure generally applicable to other parties to the proceeding. The Administrator may obtain information from other agencies through his agency or by independent request. When the Administrator makes an independent request, he shall be deemed a "person" within the meaning of section 552, title 5, United States Code. The Administrator shall be subject to laws governing public disclosure of information applicable to any officer or employee of his agency.

CONSUMER ADVOCACY

SEC. 205. (a) In any agency proceeding or activity in which the Administrator has determined pursuant to section 4, to represent an interest of consumers as an advocate, the Administrator may:

(1) Pursuant to the agency's rules of practice and procedure of general applicability, intervene as a party, appear as amicus, or otherwise participate for the purpose of representing an interest of consumers in any proceeding which is subject to the provisions of section 553, 554, 556, or 557 of title 5, United States Code, relating to administrative procedure, or which involves a hearing pursuant to the administrative procedural requirements of any other statute, or which is conducted on the record after opportunity for an agency hearing, or which provides for public notice and opportunity for comment. In any such proceeding, the Administrator may request the agency to issue and the agency shall issue such orders as are authorized by the Federal agency's statutory powers and rules of general applicability, for the copying of documents, papers, and records, summoning of witnesses, production of goods and papers, and submission of information in writing. The participation of the Administrator in any proceeding shall not affect the obligation of the agency conduct-

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ing such proceeding to assure procedural fairness to all participants.

(2) With respect to any proceeding of this agency not covered by paragraph (1) of this subsection, or any other activity of his agency which the Administrator determines may substantially affect an interest or interests of consumers, the Administrator may participate by presenting written or oral submissions.

(b) The Administrator may in the manner prescribed by law apply for leave to intervene as a party or otherwise participate in any civil proceeding in a Federal court which involves the review or enforcement of an action of his agency.

(c) When the Administrator determines it to be in the interests of consumers, he may request his agency to initiate such proceeding or activity as may be authorized by law with respect to such agency. If the agency fails to comply with his request, it shall promptly notify the Administrator of the reasons therefor, and such notification shall be a matter of public record.

CONSUMER BENEFIT ANALYSIS

Sec. 206. (a) If the Administrator determines to request a consumer benefit analysis in a proceeding, he shall promptly transmit his request to the appropriate official in the agency, who shall comply with the requirements of this section.

(b) The consumer benefit analysis requested by the Administrator shall assess in detail—

(1) the short- and long-term costs and benefits to consumers, if any, of the agency proceeding;

(2) the short- and long-term costs and benefits, if any, to other relevant interests;

(3) the real costs to the public, if any, of developing and administering or enforcing action taken by the agency in the proceeding;

(4) alternative means, if any, for achieving the same or similar result sought by the agency in the proceeding, and a comparison of their benefits and costs to consumers as well as other competing interests; for purposes of this subsection, "alternative means" shall include realistic alternatives, including those which require further action by a Federal agency or Congress;

(5) effect on productivity, competition, employment, and supply and demand of important materials, including energy;

(6) the relationship of the action taken to Federal, State, or local regulatory programs or actions (including those not directly involved in the proceeding), and the need, if any, for more interagency coordination; and

(7) any other criteria specified by the Administrator or the Office of Management and Budget or the General Accounting Office.

(c) When published in final form as specified by subsection (f), the evaluation must be a product of the agency's independent analysis of all relevant data, and shall discuss the reasons for failing to take into account any responsible data submitted by the Administrator and interested persons (at the hearing or otherwise) which is not included within the analysis of the body of the consumer benefit analysis, or for failing to choose a proposed alternative course of action less damaging to a significant consumer interest.

(d) A draft of the consumer benefit analysis shall be published no later than thirty days after such time as public notice of the proceeding is given, except that a draft of an evaluation requested pursuant to section 4(b) shall be published within twenty days of the request.

(e) Each agency shall establish procedures pursuant to which—

(1) the Administrator may publicly request views in specific matters identified by him, and

(2) all interested persons (including interested Federal, State, and local agencies) may have reasonable time to submit comments and data to be considered by the agency in its preparation of the consumer analysis.

(f) The consumer impact evaluation shall be published in final form no later than twenty days after announcement of the final action taken by the agency, and the consumer benefit analysis shall be subsequently updated upon request by the Administrator.

(g) The Administrator shall assist in the preparation of the consumer impact evaluations and shall provide information to the agency with respect to subparagraphs (1), (4), and (6) of subsection (b) of this section.

CONSUMER COMPLAINTS

Sec. 207. (a) Whenever the Administrator receives from the Office of Consumer Affairs or from any person any complaint or other information which discloses—

(1) an apparent violation of any law administered by his agency or of any rule or order of the agency relating to an interest of consumers; or

(2) a commercial, trade, or other practice within the jurisdiction of his agency which is detrimental to an interest of consumers; he shall, unless he determines that such complaint or information is frivolous, promptly transmit such complaint or information to the appropriate bureau, division, or person within the agency which has the authority to take appropriate action. The agency shall keep the Administrator informed to the greatest practicable extent of any action which it is taking on complaints transmitted by the Administrator pursuant to this section.

(b) The Administrator shall promptly notify producers, distributors, retailers, lenders, or suppliers of goods and services of all complaints of any significance concerning them received or developed under this section unless the Administrator determines that to do so is likely to prejudice or impede an action, investigation, or prosecution concerning an alleged violation of law.

(c) Each agency, with the assistance of the Administrator, shall maintain a public document room containing, for public inspection and copying (without charge or at a reasonable charge, not to exceed cost), an up-to-date listing of all consumer complaints of any significance which the Office of Consumer Representation or agency has received, arranged in meaningful and useful categories, together with annotations of actions taken in respect thereto. Unless the agency, for good cause, determines not to make any specific complaint available, complaints listed shall be made available for public inspection and copying: *Provided*, That—

(1) the person complained against has had a reasonable time to comment on such complaint and such comment, when received, is displayed together with the complaint;

(2) the bureau, division, or person of the agency to which the complaint has been referred has had a reasonable time to notify the Administrator what action, if any, it intends to recommend with respect to the complaint.

PUBLIC PARTICIPATION

Sec. 208. (a) Each Federal agency shall review its rules of procedure of general applicability, and, after consultation with the Administrator, issue any additional rules which may be necessary to provide for the Administrator's orderly intervention or participation, in accordance with this section, in its proceedings and activities which may substantially affect the interests of consumers. Any additional rules adopted pursuant to the requirements of this subsection shall be published in proposed and final form in the Federal Register.

(b) Any rules of procedure issued by any Federal agency pursuant to this section shall be published in a form and disseminated in a manner that is designed to inform, and that is able to be understood by, the general public.

JUDICIAL REVIEW

Sec. 209. Nothing in this Act shall be construed as altering or affecting in any way either the law governing the substantive standards or the scope of judicial review otherwise applicable to the agency proceeding or activity involved.

AUTHORIZATION FOR APPROPRIATION

Sec. 210. For purposes of this title, existing resources should be utilized to the greatest extent possible. However, there are authorized to be appropriated such sums as are necessary, not to exceed $300,000 per Office of Consumer Representation for the fiscal year ending June 30, 1976.

Mr. TAFT. Mr. President, I advise the Senate at the outset that the yeas and nays have been ordered on this amendment.

I do not expect to speak for more than 5 or 10 minutes at the most. I am sure Senator McClure will have some few remarks, and perhaps Senator Thurmond, another cosponsor, will have some remarks as well.

Mr. McCLURE. Will the Senator yield for a unanimous-consent request?

Mr. TAFT. I yield.

Mr. McCLURE. I ask unanimous consent that the name of Senator Bartlett be added as a cosponsor of the amendment just passed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. Mr. President, we have witnessed for more than 10 years the struggle of this deliberative body with a simple idea. How can we procced to have governmental bodies made more responsive to the needs and desires of consumers in the marketplace? This seemingly obvious question has spawned an endless series of proposals, vehement arguments, and highly divisive views. The continuing debate on S. 200 has been no exception.

This Chamber now has S. 200 before it. That bill responds to the question by once again proposing to establish a new independent bureau that will make its views felt throughout the land by force of litigation with all other agencies. The new response—as the old ones—perpetuates the divisions of the Chamber that have plagued us before. To some of my distinguished colleagues the new bureau is a Pariah. To others, it is a Dodo bird. To me—and I believe to all of us—this vehement polarization of the issues must be a source of grave concern.

If it is the will of the body to respond meaningfully to the basic question of service to consumers, then let this be done. But let it be done in a way that resolves the acrimonious debate and deals realistically with our current problems in the curent world. I, for one, believe there is such a way. It lies in the substitute that I place before you today, only after careful study and deliberation.

The key to this new proposal—like the question—is a relatively simple one. If the goal is to make the governmental bodies—in their myriad forms—responsive to consumer needs, then the governmental bodies must be dealt with directly. The solution cannot lie in the creation of still another new bureaucracy, nor in the concept that we can litigate ourselves into a consumer utopia. Nor can it lie in the spectacle of a monolithic mythical Mr. Consumer authorized to speak on all questions for all people—and therefore intelligently to no one. Rather, the solution lies in finding simple ways to cause agencies—all of the agencies which deal with consumer interests—to consider and balance service to our myriad needs in the marketplace.

I want to emphasize that the best solutions to problems are often the simplest and most direct. The advantage of my proposal is that it goes directly to the source of the problem—each of the agencies themselves. If all or even some of the agencies have failed to give adequate consideration to consumers, then these agencies—not just those targeted by some distant bureaucrat—should be required to focus the proper attention on consumer interests. The overwhelming majority of American consumers expect this course of action and their expectations ought to prevail.

My proposal seeks to focus proper attention on consumer interests in three basic ways. First, title II would establish within each agency an independent office of consumer representation. Each office would have two ways to focus its agency on consumer concerns: First, to advocate in agency proceedings, and second, to demand that the agency address consumer issues by a consumer impact evaluation. Impact statements have proved enormously valuable in requiring adequate consideration of environmental issues. A similar discipline in the consumer field should prove equally valuable. Impact statements together with advocacy where that is appropriate should provide a more balanced, flexible and considered approach to consumer protection. Some circumstances may call for a balanced consumer evaluation. Some for advocacy of more narrowly and clearly identified goals. The flexibility of the consumer offices to meet different problems in different ways is essential if we are to avoid treating consumers as a bunch of sheep willing to be spoken for by one super Government litigator.

Second, my proposal would create consumer representatives who will be familiar with the problems of each agency, as well as the industries they regulate. I simply do not believe that one agency—no matter how well funded or even well staffed—can obtain sufficient familiarity with each agency's procedures, problems and expertise to do consumers justice and to avoid massive mix-ups even if we were willing to face the horrendous thought of a single bureaucracy with individuals divisions specializing in the work of every part of Government. The advantage of creating the representative within each agency itself is twofold. It will have full access to all internal agency information and will thus not have to wage war to get it. And it will be free of the bureaucratic entanglements of a super agency and thus be motivated as an independent entity to do the best job as it sees fit.

Third, my proposal would benefit the course of agency litigation affecting consumer interests without at the same time making litigation the sole avenue for benefiting consumers. I think it obvious that the present bill—no matter how well-intentioned—will inevitably convert much of Government into a litigation free-for-all—a bonanza for lawyers, but a nightmare for the agencies, the consumers—and, indeed, the public.

About the only people who really are going to benefit by it, in my opinion, are the attorneys hired by the Agency for Consumer Advocacy and those hired on the other side by the various agencies already in existence, to answer the charges brought by the Agency for Consumer Advocacy. That is an element of the budget that has not been dealt with in the authorizations and the discussion of the cost of this bill.

Some consumer issues no doubt will require litigation for resolution. But let us limit that kind of confrontation to the circumstances that call for it. Life is too short and government too complex to look to litigation for solutions except as a very last resort.

There is, of course, one possible advantage to a single agency. It should theoretically, be able to avoid duplicate or conflicting efforts. Title I incorporates this advantage by creating a lean and efficient Office of Consumer Affairs to serve as a coordinating and policy body. There are sound reasons for having some entity with enough perspective and distance not to lose the forest for the trees.

The substitute is a responsible and effective one. Those of us concerned with recession, inflation and budget deficits, will agree, I think, that it carries a sufficiently small price tag—under half of the cost of the other one at the outset, and I think the ultimate cost of the bill which is not the substitute will be enormously in excess of the original authorization we are talking about.

Those of us concerned with the long-range problems of regulatory reform will agree, I think, that it will do the least damage to the regulatory process while that reform is under study. It would, I think, be a tragedy for study commissions to come to a workable set of recommendations only to find them inapplicable to the chaos that a new bureaucracy will create. And those of us genuinely concerned with agency sensitivity to consumer problems, I think, will agree that my proposal gives consumers the voices—and I mean the plural voices—they need and should have.

Finally, it is important, in closing my remarks, to say something about accountability. A large bureaucracy has difficulty being accountable to anyone—including consumers. That, I believe, is what the discontent with agency action is all about. Under the substitute bill, each office would be accountable to the agency head, who would have the ultimate responsibility to see to it that the office did its job no matter how discomforting that might become at times. Each office would also be accountable to consumers—and this is just as important—because each office would have fewer interests to represent and would have a reasonable measure of independence.

This substitute bill will not make everyone happy in every respect. Perhaps no bill on this subject ever could. But it does accomplish the major goals that may properly be sought—and it does so without disruption and exhorbitant cost. I would commend it to each of the Senators as a way to a middle ground that will permit this body to resolve and rest this perennial issue with responsibility and community of purpose.

Let me make clear at this point, too, that this bill is in no way a proposal of this administration. The President has indicated that he is against setting up, even within the various respective 34 agencies that we have studied, which in some way affect the consumer interest, what I would set up, a consumer agency for this responsibility, with any aditional personnel for this purpose. He may be right, but I am afraid that, practically, he is not, because these agencies are simply not doing the job today of properly representing the consumers in many instances. I think this aproach can do it and should do it.

In regard to the administration's position, many of the objections that I have to the bill which is not the substitute are voiced in a letter from the Honorable Casper Weinberger, Secretary of Health, Education, and Welfare, dated May 12, written to the distinguished Senator from New Jersey, the Honorable Harrison A. Williams, chairman of the Committee on Labor and Public Welfare.

Mr. President, I ask unanimous consent that this letter be printed in the Record, along with a comment on the particular effect of the Food and Drug Administration of the legislation, as a part of my remarks.

There being no objection, the material was ordered to be printed in the Record, as follows:

Secretary of Health, Education,
and Welfare,
Washington, D.C., May 12, 1975.

Hon. Harrison A. Williams, Jr.,
Chairman, Committee on Labor and Public Welfare, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: As you know, the Senate is considering S. 200, a bill to establish an agency for Consumer Advocacy. I wish to express my strong opposition to this measure since I feel such an agency is not only an unnecessary layer of bureaucracy but it also has the potential for adversely interfering with the work of the Food and Drug Administration (FDA) and its efforts to protect consumer interests. In view of the government's increased awareness of consumer issues and the extensive changes recently introduced in our methods and procedures to involve consumer advocates, there is no need for such an agency.

Enclosed is a description of the major efforts underway in the FDA to be responsive to the needs of consumers. It indicates that consumer representation and participation is extensive throughout the operation of the Agency. It further describes how the establishment of a consumer agency would tend to interfere with the efforts of the FDA.

What most would-be intervenors are complaining about is that the institutions of government are not presenting or considering original propositions which are being developed among private groups; the answer is not to create another institution, but to see to it that the barriers to private participation are eliminated and that there is adequate public participation and consumer

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representation within the governmental decision making process.

In recognition of this, President Ford has directed the heads of all departments and agencies of the Executive Branch to review their procedures to make certain that consumer interests receive full consideration in all Government actions. His guidelines for this review are two: that all consumer interests should receive a fair chance to be heard in the Government decision making process; and that the costs and administrative requirements of Federal rules and regulations on the private sector should be held to a minimum.

If a consumer agency is established, I am fearful that it would inject itself into proceedings without regard to the program responsibilities of other agencies and would have adverse effects on the work we are attempting to accomplish.

I therefore urge that we be given an opportunity to proceed instead along the lines of regulatory reform outlined by the President in his October 8, 1974, Economic Message to the Congress and his letter of April 17. 1975, to Congressional Leaders.

Sincerely,

Caspar W. Weinberger,
Secretary.

The Food and Drug Administration and Consumer Advocacy Agency Legislation (S. 200)

An Agency for Consumer Advocacy is not needed.

The consumer movement of the 1960's and 1970's has made Federal agencies fully sensitive to the interests of consumers in their proceedings. There is now under way an effort to reform those Federal rate-making agencies—such as the Interstate Commerce Commission and the Civil Aeronautics Board—whose decisions in the past have sometimes tended to increase prices for consumers. Such reform is more effective than merely providing an institutional spokesman for consumers to try to counteract the forces promoting higher prices.

Many other Federal agencies, including FDA, have done much to involve consumers in their programs and improve exchanges of information with consumers. The following are among many developments in FDA which have helped bring consumers into its decision making processes:

1. Private citizens, consumer organizations, and consumer advocates participate directly in FDA proceedings. This involvement will be made even more meaningful by the agency's new procedural regulations, which clarify the ground rules for participation in our proceedings by all interested parties, including consumers. All citizens can petition FDA to take action and, as interested parties, are eligible to make appearances before the Agency and participate in its proceedings.

2. Each of the classification panels for FDA's massive product reviews—over-the-counter drugs, biological products, and medical devices—has as a nonvoting member a representative of consumers interests, as well as a nonvoting representative of industry interests, who play an important role in the deliberations of these committees. These consumer and industry representatives may attend even the closed session of the panels. FDA established a unique procedure for selection of these representatives whereby the consumer groups make nominations and assist in selecting the representative.

3. The new National FDA Advisory Committee is another important mechanism for obtaining views of the public in FDA actions. This Committee was a consolidation of several prior advisory committees and can give FDA guidance on difficult benefit-risk judgments the agency must make in which consumer views are important.

4. At FDA's request, the Department of Justice does not challenge the "standing" of citizens to challenge FDA actions in court. We are willing to allow our actions to be tested upon the merits and believe that any citizen has the right to take us to court and secure such a test.

5. The FDA is closely monitored by consumer advocates and the press. FDA's freedom of information policy and open calendar have made it quite easy for consumers to question agency decisions. An extensive number of consumer advocates watch FDA on a full-time basis and take full advantage of their rights to participate in FDA proceedings and to obtain information about FDA activities.

6. The Federal Advisory Committee Act has helped open advisory committee proceedings to consumers. This provides a significant opportunity for consumer participation in FDA proceedings.

7. The FDA's official publication, *FDA Consumer*, has become a more consumer-oriented magazine in which many articles appear presenting information directly useful to consumers. Similar efforts have been made to make FDA's pamphlets and publications more understandable by consumers. The agency's films, such as the award-winning "Read the Label," have further enhanced FDA's consumer education and information programs.

8. FDA has long had consumer affairs officers in its regional offices who work directly with consumer groups around the country. Any consumer can complain directly to FDA, and many complaints are the subject of follow-up investigations. In this manner, FDA has been a pioneer in its use of consumer input to aid the agency in carrying out its mission.

DELETERIOUS IMPACT OF BILL ON FDA ACTIVITIES

1. Section 4(c) of the bill provides that upon request by the administrator of the agency each Federal agency is authorized and directed to make its services, personnel, and facilities available to the greatest practicable extent within its capability to the Agency for Consumer Advocacy. FDA would probably be a leading target for requests by the Agency and it should be emphasized that FDA sometimes lacks adequate staff and facilities to perform its own mission, much less to take on extra work on behalf of the Agency for Consumer Advocacy. Such redirection of staff effort would seriously and adversely affect FDA operations.

2. An Agency for Consumer Advocacy should not be given any special rights above and beyond any other citizen or group that wants to participate in an FDA preceeding. For the most part, S. 200 grants the Agency only the same rights that any other party would have. However, section 6(f) seems to authorize the Administrator of the Agency to request a Federal agency to issue subpoenas on behalf of the Agency in cases where other private parties may not have such a right. This seems to give extraordinary rights to the Agency.

Mr. TAFT. Mr. President, I ask unanimous consent that there also be printed at the close of my remarks a section-by-section analysis of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

[See exhibit 1.]

Mr. TAFT. I also wish to call to the attention of the Senators that there has been put on their desks a copy of the amendment before them, in the nature of a substitute, called the Consumer Representation Act of 1975.

I yield the floor.

Exhibit 1

Consumer Representation Act of 1975

(Section-by-section analysis)

TITLE I

Section 1

Section 1 creates an Office of Consumer Affairs (OCA) in the Executive Office of the President, and provides for staffing consisting of a General Counsel and not more than five additional officers.

Section 2

Section 2 is basically a housekeeping provision, granting OCA, among other things, the power to hire employees, employ experts and consultants, appoint advisory committees of private citizens and federal and local government officials, and to designate representatives to serve on liaison committees coordinating federal and local consumer programs and activities. Section 2 also directs the OCA to prepare for Congress and the President an annual report describing the activities of the OCA, the major federal actions affecting consumers, the effectiveness of the federal agencies in protecting the interests of consumers and the consumer-related assistance given by the OCA to the federal agencies.

Section 3

Section 3 sets forth the basic responsibilities of the OCA. Aside from giving consumer advice to the President, the most important of these responsibilities, set forth in § 3(b)(1), is to oversee and coordinate the activities of the individual Offices of Consumer Representation established by Title II in each of the federal agencies. This Section also directs the OCA to act as a clearinghouse for consumer complaints (§ 3(b)(8)), and to publish a consumer register setting forth the time, place and subject matters of actions by Congress, the federal agencies and the federal courts affecting consumers. The Section sets forth numerous other oversight activities—including a direction to encourage application of new technology (§ 3(b)(11)) and development of informal dispute mechanisms—which underscore the policy-making as opposed to the detailed administrative role to be played by the OCA.

Section 4

Section 4 establishes a separate authority and direction for the OCA to act as an information coordinator, collecting, assembling and digesting for consumers information affecting them as it can be gathered from all sources.

Section 5

Section 5 limits the authority of the Director to disclose trade secrets and other commercial or financial information except when he determines disclosure to be necessary to protect consumer health or safety.

Section 6

Section 6 authorizes the OCA to conduct and support consumer research and investigations.

Section 7

Section 7 contains housekeeping conforming amendments for other statutes.

Section 8

Section 8 transfers the functions of the Consumer Product Informations Coordinating Center in GSA to the OCA.

Section 9

Section 9 authorizes an appropriation of $4 million for the first fiscal year.

TITLE II

Section 1

Section 1(a) establishes an Office of Consumer Representation within each agency. The definition Section in the beginning of the bill (§ 3(8)) defines federal agency to mean any executive department or independent regulatory agency or commission of the U.S. This means in effect that there will be only one Office of Consumer Representation (OCR) in each of the major executive departments to act as the consumer representative for all the activities of each individual agency acting within the major departments. For example, the OCR for the DOT would have responsibility for the FAA, the NHTSA, etc.

Section 1(b) authorizes each OCR to hire a Public Counsel and two assistant administrators, one for economics and one for complaint handling. Section 1(c) requires the major executive departments and the independent regulatory agencies to provide sufficient funding—to be specifically requested in budget requests—within their budgets for the OCR. In this connection, Section 10 directs the departments and regulatory agencies to utilize existing resources as much as possible, and in addition authorizes an appropriation not to exceed $300,000 for each OCR.

Section 2

Section 2 is a housekeeping provision authorizing the OCR to hire officers and employees, to conduct conferences and hearings and to perform such other administrative activities as may be necessary for the effective discharge of the OCR's duties and functions. It is contemplated that the OCR will be held accountable for the performance of its duties by the head of the executive department or independent agency in which it is established.

Section 3

Section 3 sets forth in general terms the functions of each OCR—

To represent and protect the interests of consumers before its agency;

To publish information of interest to consumers;

To submit reports to the executive department or agency in improving consumer protection activities, and to transfer to the appropriate divisions and bureaus therein all consumer complaints received;

To coordinate with the OCA and keep it fully informed of its own activities; and

To encourage consumers to participate in the proceedings of its department or agency.

Section 4

Section 4 constitutes what is essentially the core provision of Title II and indeed the entire bill. It establishes the basic framework within which the OCR is to operate to provide consumer representation before the executive departments and independent regulatory agencies.

Section 4(a) requires at the outset that each department and regulatory agency inform the OCR of all major proceedings and activities which are pending before them and which may substantially affect an interest of consumers. Because the OCR resides within each agency, it is in effect privy to activities of the agency which affect consumers.

Section (b) establishes this basic independence by granting the OCR two basic tools—authorizing the OCR to represent an interest of consumers as an advocate and to demand that the agency prepare a consumer benefit analysis. This provision requires that the OCR carefully consider in light of all the circumstances which tool it will use by publishing the reasons for any action it takes. The provision also provides that on application by interested persons—private interests or public interest groups—the OCR shall in any event require and assist in the preparation of a consumer benefit analysis.

Section 4(c) provides specifically that each OCR shall have complete access to all information made available to the staff of the agency itself. Section 4(c) also provides, however, that if the OCR chooses to intervene as a party in a proceeding before the agency, it will lose this complete access and will be treated as any other party for purposes of discovery and litigation. The provision thus assures that the OCR will have no greater rights than any other litigant and the agency proceedings. Finally, subsection (c) authorizes the OCR to request information from any other federal department or agency in the same manner as any private person—thus having "discovery" rights vis-a-vis the rest of government that are no less or greater than individuals outside the agency—again whether they be private or public interest groups.

Section 5

Section 5 spells out the OCR's advocacy role in greater detail.

Section 5(a), for example, authorizes the OCR to intervene as a party in any public hearing pursuant to its agency's general rules of practice and procedure, and directs the agency to grant any discovery requests of the OCR that are appropriate under its general rules of practice. This provision thus ensures parity of treatment. The provision also (§ 5(a) (2)) authorizes the OCR to participate in informal activities that are not public hearings and that affect consumers by presenting written or submissions.

Section 5(b), the judicial review provision, authorizes the OCR to apply for leave to intervene as a party or to participate in some lesser status (such as an amicus) in court actions brought to review an action of its department or regulatory agency. This provision does not permit the OCR to initiate a review action itself, and it preserves the reviewing court's inherent power to refuse intervention where inappropriate, as in a situation where the OCR had not participated as a party in the agency proceeding on review.

Section 5(c) authorizes the OCR to request its agency or department to initiate proceedings and activities, and to be given notice of the reasons for failure to do so.

Section 6

Section 6 sets forth the consumer benefit analysis provisions in more detail. Essentially, the provision requires an executive department or independent agency to commence preparation of a consumer benefit analysis on demand by the OCR (§ 6(a)) and to assess in that analysis the short- and long-term costs and benefits of the action proposed to consumers, the real costs of enforcement and administration, alternate means for achieving the same goals, the effects on productivity and competition, and the relationship of the proposed action to other governmental activities. The provision requires further that the analysis be published first in draft form (§ 6(d)) so that all interested persons can comment (§6 (d)), and that it be published in final form no later than 20 days after announcement of the final agency action (§ 6(f)).

Section 7

Section 7 makes provision for the handling of consumer complaints and for establishment of public document repositories. Each OCR is to take responsibility for complaints relating to its agency or department.

Section 8

Section 8 deals with public participation, authorizing departments and agencies to issue additional rules of practice to provide for orderly participation in its proceedings and activities by the OCR (§ 8(a)) and by the public at large (§ 8(b)).

Section 9

Section 9 provides that the bill itself is not intended in any way to alter the governing law and standards otherwise applicable to agency actions.

Section 10

Section 10 is the appropriation provision discussed above in connection with § 1 of Title II.

Mr. THURMOND. Mr. President, I rise in support and am pleased to cosponsor the amendment of the senior Senator from Ohio, which is in the nature of a substitute for S. 200.

This proposal is a sound and responsible one, unlike S. 200, which I cannot support in its present form. The amendment of the Senator from Ohio recognizes the diverse nature of consumer interests. Furthermore, it does not create an all-powerful super-agency, which could arbitrarily pick and choose the consumer interest it desires to pursue.

I am backing this proposal because it is far more fiscally responsible than S. 200, which would cost the taxpayers an additional $60 million over the next 3 years. It is my understanding that this amendment carries a price tag for fiscal year 1976 of approximately $4.3 million, of which more than half is already in the President's budget. I think the President would be far more willing to accept this proposal, because of its much lower cost and because it does not have many of the other objectionable features of S. 200.

The concept contained in this amendment of a consumer representation office within each existing Federal agency is a good one. These various consumer representation offices would be coordinated by the Office of Consumer Affairs, which would be given statutory authority within the executive office of the President.

Each consumer representation office would have the advantage of thoroughly understanding the unique functions and programs of the Federal agency with which it is alined. Yet, each consumer office would be free to vigorously advocate the position of consumers in any proceeding of the parent agency. Furthermore, the offices of consumer representation would be empowered to request an economic analysis of proposed agency actions to determine the benefit or cost to the public. If necessary, the offices could petition to participate in Federal civil court proceedings involving actions of the parent agency. Additionally, the consumer representation offices would be able to act on consumer complaints and resolve consumer problems.

I think this proposal is a major step in the right direction to make the consumer voice heard within the Federal bureaucracy. Significantly, it would accomplish this desirable end without greatly adding to the Federal bureaucratic complex, without creating an expensive, all-powerful new agency, and without treading on the rights of private businesses.

I sincerely hope that my colleagues in Congress will see the wisdom of this proposal and the many faults of S. 200. If they carefully evaluate both, I believe they will wisely choose to support this amendment.

Mr. McCLURE. Mr. President, I rise in support of the substitute which has been offered by the Senator from Ohio and was cosponsored by Senator Thurmond and myself. I do not think any of us questions the fact that consumer interests sometimes have not been adequately represented before some of the Federal agencies. I am certain, as has been said before, that the pending legislation is a move in the direction of making certain that Federal agencies

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take adequate notice of the consumer interest in the decisions that are pending before those Federal bureaus and agencies. What many of us fear in the pending legislation is the creation of an independent administrator in an independent agency accountable to no one at all.

I think the people of this country are getting sick and tired of a government bureaucracy which operates without any lines of authority or responsibility. They are sick and tired of writing to their congressmen to find out why something happened to them or did not happen to them in the inner workings of a Government agency whose civil servants are almost faceless and oftentimes cannot be found.

I know that before I was elected to Congress, some 9 years ago, I always assumed that those decisions which were not made at the local level were made upstairs somewhere, and I, as an individual citizen, could find the local people where those local decisions were made. But if it were more than just a simple little question to be asked and answered, it was referred somewhere in the bureaucracy and I could never find out where. I assumed that, once I got elected to Congress, I would go to the top of the agency and I would find out where those decisions were made.

It will come as no surprise to any Member of this body that that is not the way it works, either. If it is a broad, general policy decision, yes, we can find out who made that policy decision by going to the head of the agency or the bureau. But if it is one of those difficult questions that is neither a broad policy question nor a simple individual question that is answered on the local level, it is neither decided at the top nor at the bottom; it is decided somewhere in that great mass of the Federal Civil Service, which has no visibility and no accountability to the people that it governs.

That is why many of us are concerned about creating not just another bureaucracy, but another bureaucracy that is accountable to no one. The problems that we have had in terms of the service of this Government to the people that it is supposed to be concerned with and serving become even more remote, even more mysterious. I think the people of our country have had enough of that. They want us to move in the other direction, not move in terms of building less accountability into the system. They want to know what their Government is doing and why. They want to get to the civil servant who made the decision and discuss their problem. We are building here, under the pending bill, a bureaucracy that removes Government even farther away from them.

If we need a couple of examples of what I am talking about, if one says, it cannot happen because this is consumer representation, well, who was it who decided that we ought to have a seatbelt interlock. It was not Congress. Congress mandated safety. We made the broad, general policy decision, and some bureaucrats mandated the seatbelt interlock. And what did the consumers of this country say? "We don't want it."

Congress had to come back in, then, afterward, and on a very specific and very narrow issue repeal the action that had been taken under a delegation of authority from Congress.

That will be multiplied a hundred times over if the pending legislation is passed.

Another example was the one we sought to correct, and I hope did correct, in the amendment just adopted which I offered with regard to ammunition. Congress had specifically said, "We will not, under consumer product safety, get into the business of firearms or ammunition controls." Yet in spite of that specific decision by Congress, the bureaucracy, under the prodding of a court interpreting the language, I think, erroneously, but nevertheless under the prodding of a court, looked into an area where Congress had said, "You will not go," and the result was that again Congress had to act to remove an abuse of the authority which was gathered unto itself by a bureaucracy, under the prodding of a court in this particular instance.

I think the issue is that of accountability. How do we find the person responsible for a decision in a bureaucracy that has grown like Topsy?

There are problems in consumer safety. There are problems in consumer responsibility, and in the responsibility of businesses and Federal agencies toward the consumers of this country.

What we seek under the amendment is a different approach to that problem, and I think a more responsible approach to the problem, by seeking to see that the agencies themselves live up to their inherent responsibilities by directing and structuring their own internal machinery to do the job that ought to be done.

I have a great deal of respect for the sponsors of this legislation, the concerns that they express, and the concerns that they are responding to, but I really believe that the attempt to create a new bureaucracy to oversee the old bureaucracy is a recognition of the failure of the Congress of the United States to do its job; because if the regulatory agencies are not doing their jobs, if these independent bureaus and agencies of the Government are not properly responding to the consumer interests in this country, that is our fault because we are so busy passing new laws we will not take the time to find out how the old ones are working.

Now, rather than try to find out how the old ones are working, we are going to pass a new one and pass the buck to a whole new bureaucracy, to take the responsibility which the people of the United States elected us to discharge.

That is why I support the amendment in the nature of a substitute which has been offered by the Senator from Ohio, because I think it is our responsibility and within the area of our own responsibility and accountability to the millions of people who individually voted for those of us who serve here to see that the regulatory agencies work, rather than saying, "We give up, we cannot make them work; we are going to create a new bureaucracy to take over our responsibility so that once again we can duck the issue; when a consumer has a problem, we can say, 'That is not our fault, we have no responsibility, take it to the Consumer Advocacy Agency.'" It is a neat way for us to shirk our own responsibility.

The substitute does not offer that. It simply provides that we, in the discharge of our own responsibilities, are going to try to see that the agencies and bureaus function as they were intended to, and if they do not, then to come back to us; it is our fault. That I believe the voters have a right to expect of us, and I hope when the Senate acts upon this substitute it will keep that fact in mind, and that we will not, then, create another layer of bureaucracy outside of the checks and balances of this Government, but stay strictly within them—at least, certainly, no farther outside than they are already.

For that reason, I hope that the Senate will adopt the proposed substitute.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio.

Mr. RIBICOFF. Mr. President, basically the Taft amendment is similar to the Pearson amendment, that the Senate voted on and defeated overwhelmingly an hour or so ago. I would set up a consumer office in each and every agency and department. These offices would not be able to have the independence necessary to adequately represent the interests of consumers. As part of an agency or department they would be subject to the same pressures and problems which prevent the agencies themselves from representing consumer interests.

Further, it would be very wasteful because it would create perhaps 30 to 35 new bureaucracies in the Government, and there would be great duplication with no coordination.

The ACA will be able to get an overview of consumer problems that these individual officers would not. These officers would lack information-gathering powers.

The Senator from Ohio asks $300,000 for each office and an addition $1.5 million for the Office of Consumer Affairs. In fact, a $300,000 budget is really too small to accomplish anything meaningful. A meaningful sum would have to be about $1 million in each and every agency or bureau. This would be far more costly than the ACA.

Mr. President, I oppose the Taft amendment.

Mr. TAFT and Mr. McCLURE addressed the chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. McCLURE. Mr. President, will the Senator from Ohio yield to me for a minute,

Mr. TAFT. I will be glad to yield to the Senator from Idaho.

Mr. McCLURE. Mr. President, I yield time from my own time on the substitute.

I think is only one other factor that might be mentioned, and that is that while we speak now as though we are acting for the consumers, a recent independent survey indicates that 75 per cent of the people of the United States are opposed to the action that we are taking.

Just as they said after the fact they did not want the seatbelt interlock, just as they have said after the fact that they did not want the Consumer Product Safety Commission involved in the ammunition ban, they are telling us now before we act they do not want us to do what we are about to do.

They have indicated in the same survey that 80 percent are in favor of regulatory reform as an alternative to the creation of a new bureau, and that is exactly what the Taft substitute does.

I think we would be acting in concert with what the people want in this country if we adopt the substitute, and I think the opposite of what they want if we adopt the pending bill.

Mr. TAFT. Mr. President, I do not want to get into a protracted debate at this late hour on this issue. I think that Senators have thoroughly examined it.

Replying to the remarks of the distinguished chairman of the committee, I would point out that really it is not a question of getting way from activity relating to consumers in the various departments. Either way we are going to have it.

The only question is whether we are going to have the various respective departments, which are now charged with an area of regulation and responsibility in our Government, acting for the consumers or against them.

We would have an agency for consumer advocacy to look into the respective departments to oppose them on the positions they are taking, and to tell them they have to take a certain stance. They are going to build up a bureaucracy within their own house anyway with a whole bunch of lawyers, as I mentioned before, all designed to answer and to defend themselves against the attacks of the consumer advocacy agency.

This, to me, is a totally futile process. Inevitably it is going to lead to budget expenditures in the neighborhood of what we are talking about in setting up the various respective offices within the already existing Government departments.

The total cost, of course, of the bill in the authorization that is already admitted, as I understand, by the committee, because of the amendment they accepted yesterday, is a $68 million figure over a period of 2 years.

The cost by any calculation of the figures that we have given on the setting up the agencies within the various departments already existing, plus the independent office in the White House, would be something in the neighborhood of $11 million per year. So that we do have, even at the outset, half of that cost.

I do not say that all of that has to actually come out of the current budget or be added onto the current budget. I believe in many of these departments existing responsibilities within the agencies can be cut back, and ought to be cut back, and that we ought to force the various departments involved which have, in some instances, excessive budgets in the regulatory field, or that are carrying out duties that are totally unnecessary and meaningless insofar as consumers are concerned, in fact, sometimes inimical to the consumers, such as my criticism of the ICC to use their budgets to set up the independent actor for the consumers within their own agency from already existing budgets.

So I do not think the cost picture is exactly as has been represented, and I feel we have here a viable substitute and one that would in the long run be far greater in the interests of the consumers than the bill that is before us without the substitute.

What I fear is, and I do not see any reason why it should not be true, if we set up this independent Consumer Advocacy Agency and it does not work the way we think it should, then within 3 or 4 years we will see it back here in the Congress trying to set up another agency so it can police the Agency for Consumer Advocacy.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to Mr. Taft's amendment (No. 404) in the nature of a substitute.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Indiana (Mr. Hartke), the Senator from Illinois (Mr. Stevenson), and the Senator from Massachusetts (Mr. Kennedy) are necessarily absent.

I further announce that the Senator from Alaska (Mr. Gravel) is absent on official business.

I further announce that, if present and voting, the Senator from Indiana (Mr. Bayh), and the Senator from Illinois (Mr. Stevenson) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from New York (Mr. Buckley), and the Senator from Maryland (Mr. Mathias) are necessarily absent.

The result was announced—yeas 28, nays 64, as follows:

[Rollcall Vote No. 179 Leg.]

YEAS—28

Allen
Baker
Bartlett
Beall
Bellmon
Brock
Byrd,
  Harry F., Jr.
Curtis
Dole
Eastland
Fannin
Garn
Goldwater
Griffin
Hansen
Helms
Hruska
Laxalt
McClellan
McClure
Nunn
Scott,
  William L.
Stennis
Taft
Talmadge
Thurmond
Tower
Young

NAYS—64

Abourezk
Bentsen
Biden
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Domenici
Eagleton
Fong
Ford
Glenn
Hart, Gary W.
Hart, Philip A.
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Leahy
Long
Magnuson
Mansfield
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stevens
Stone
Symington
Tunney
Weicker
Williams

NOT VOTING—7

Bayh
Buckley
Gravel
Hartke
Kennedy
Mathias
Stevenson

So Mr. Taft's amendment (No. 404) in the nature of a substitute was rejected.

Mr. RIBICOFF. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. PERCY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 431

Mr. HRUSKA. Mr. President, I call up my amendment No. 431.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. HRUSKA. Mr. President, I ask that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 42, between lines 7 and 8, insert the following:

(c) Notwithstanding any other provision of law, authority and jurisdiction to restrict, limit, regulate or condition, or any measure having the effect of restricting, limiting, regulating or conditioning the manufacture, sale, possession, or use of firearms, ammunition, or any components of ammunition, including (without limitation) black powder and gun powder, shall be vested only upon and by legislation expressly and specifically providing for its applicability to such firearms, ammunition, or any component of ammunition, including (without limitation) black powder and gun powder.

Mr. HRUSKA. Mr. President, amendment No. 431 to S. 200, would provide that any measure having the effect of restricting, limiting, regulating, or conditioning the manufacture, sale, possession, or use of firearms, ammunition, or any components of ammunition, including black powder and gun powder, can be vested only by specific and express legislation enacted by the Congress.

My amendment would go beyond that of the amendment offered by the Senator from Idaho in that it would require positive legislative action by the Congress before any measure, including the pending bill, can confer authority to regulate the sale or manufacture of firearms or firearm ammunition, or ammunition, or ammunition components. Absent affirmative action by the Congress, no regulatory action by any Federal agency in this area, notwithstanding existing law, could be exercised contrary to express statutory authority and the intent of the Congress.

The Consumer Product Safety Commission, established by the Congress in May 1973, has recently become involved in the regulation of handgun ammunition. Its involvement is fraught with difficulty and controversy, and at the present time is subject to judicial interpretation and administrative review. Let me briefly summarize the status of this matter.

In June 1974 the Consumer Product Safety Commission received a petition from the Committee for Handgun Control, Inc., to ban the sale of handgun am-

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munition to the general public. The Commission decided on September 5, 1974, to deny the petition on the grounds that it did not have technical jurisdiction over handgun ammunition. In denying the petition of the Committee for Handgun Control, Inc., the Commission stated:

> Nevertheless, the Commission does not believe that Congress, in establishing the Commission and transferring to it the authority to administer the FHSA, *intended* to confer upon the Commission the authority to ban handgun bullets as requested by and for the reasons cited by the petitioner. This belief is based upon a careful review of the provisions of the Federal Hazardous Substances Act and its legislative history. The practical effect of the requested ban on handgun bullets, if successful, would be a virtual ban of handguns. There is clearly no authority under any act which the Commission administers to regulate handguns.

U.S. District Judge Flannery, however, overruled this decision and held, on December 19, 1974, that the Commission must consider the petition on its merits. See *Committee for Handgun Control, Inc.* v. *Consumer Product Safety Commission, et al.*, Civil Action No. 74–1387 (D.O.C.). In reaching his decision Judge Flannery allowed that—

> If the Commission remains convinced that Congress would object to the Consumer Product Safety Commission giving consideration to the merits of plaintiff's petition, the proper course is for the Commission to seek clarification from Congress. (supra)

In addition, the Office of General Counsel, Consumer Production Safety Commission, in responding to a request by the Commission for a memorandum on the question of handgun bullets as a "hazardous substance," recommended that the Commission decide that it has jurisdiction over handgun bullets. The Commission, however, meeting on September 6, 1974, rejected that recommendation and stated that in its view, Congress had not "intended" to confer upon the Commission the authority to ban handgun bullets as hazardous substances.

As I have indicated, however, Judge Flannery rejected the Commission's finding and looked to a "plain reading of the statute" test to decide against the Commission. He also ruled that the Commission reconsider the petition on its merits. To comply, the Commission, on February 14, 1975, published the petition in the Federal Register and solicited written comments from all interested persons and groups for a period of 60 days. In the period between February 14 and April 15, 1975, the Commission was inundated with letters and comments from respectable citizens who registered their opposition to the court's decision on handgun ammunition regulation. I know this is true because I have received hundreds of letters and postcards expressing opposition to the decision and also copies of letters sent to the Commission. I am sure that many of my colleagues in the Senate have received similar letters, both in number and in opposition to this ruling.

Mr. President, subsequent to Judge Flannery's December 19 ruling, Congressman John D. Dingell of Michigan, Senator Ted Stevens of Alaska, and the National Rifle Association, filed motions with the court seeking to intervene as parties to the action. The Consumer Product Safety Commission did not file papers concerning these motions.

Additional motions filed by the three parties included those which would have had the court vacate the order that the Commission undertake a consideration of the merits of the petition. The motions to intervene were denied on February 14, 1975, by Judge Flannery. The motions to vacate were not considered since the intervention was denied.

In addition, a number of bills have been introduced in the Congress to prohibit the Consumer Product Safety Commission for restricting the sale or manufacture of firearms or ammunition. These bills include S. 143, sponsored by the Senator from Idaho (Mr. McClure), and S. 1007, sponsored by the Senator from Kansas (Mr. Dole). Each of these measures prohibits the Consumer Product Safety Commission from issuing any regulations or orders restricting the sale or manufacture of firearms, firearm ammunition or ammunition.

Mr. President, I want to register strong opposition to the rulings of Judge Flannery that: First, the Consumer Product Safety Commission has jurisdiction and authority to ban handgun bullets, and second, that Congress has failed to express its clear intent not to confer this authority on the Consumer Product Safety Commission by enactment of the Consumer Product Safety Act—Public Law 92–573. It is only through a tortured interpretation of the statutory provisions and legislative history that Judge Flannery reaches these conclusions.

OBJECTION TO THE COURT'S RULING

With regard to the first finding of Judge Flannery that the Consumer Product Safety Commission has jurisdiction over handgun bullets, I must respectfully object to that conclusion. In his opinion, Judge Flannery pursues the following line of reasoning to reach his result. First, under the Federal Hazardous Substances Act—Public Law 86–613—specifically 15 U.S.C. 1261(f)(1)(A), a hazardous substance is defined as:

> (A)ny substance or mixture of substances which . . (v) is flammable or combustible, or (vi) generates pressure through decomposition, heat, or other means, if such substance or mixture of substances may cause substantial personal injury or substantial illness during or as a proximate result of any customary or reasonably foreseeable handling or use, including reasonably foreseeable ingestion by children. (15 U.S.C. 1261(f)(1)(A)).

Utilizing section 1262 of the Hazardous Substances Act, the court then concludes that the administrator of the act, formerly the Secretary of Health, Education, and Welfare but now the Consumer Product Safety Commission, has authority to determine which substances meet the definition of "hazardous substance" pursuant to the statute.

The court then proceeds to reason that the administrator of the act, on his own initiative, investigated the question of whether small-arms ammunition qualified as a hazardous substance, and determined that it did. He then issued a regulation to the effect that a narrow labeling requirement was in order containing the usual name of the ammunition, a warning regarding the danger to children, and the name and place of business of the manufacturer. This regulation is still in effect. See 16 C.F.R. 1500.83(a)(6).

The court finally sums up its line of reasoning thusly:

> Hence, it is without dispute that small-arms ammunition does constitute a hazardous substance with the Act's definition and that the administrator of the Act has jurisdiction to regulate the hazardous substance.

In short, the court concluded that because the general definition of "hazardous substance" under the Federal Hazardous Substances Act appears to include handgun ammunition, and the administrator also decided it did, issued a regulation under the labeling requirement authority and then, in fact. the Consumer Production Safety Commission has jurisdiction.

Mr. President, it is my contention that the Consumer Product Safety Commission Act expressly exempts firearms and firearms ammunition from the jurisdiction of the Consumer Product Safety Commission. Section 3(a)(1)(E) of the Consumer Product Safety Act—Public Law 92–573—states:

> Any article which, if sold by the manufacturer, producer, or importer, would be subject to the tax imposed by section 4181 of the Internal Revenue Code of 1954 (determined without regard to any exemptions from such tax provided by section 4182 or 4221, or any other provision of such Code), or any component of any such article.

Furthermore, section 4181 of 26 U.S.C. provides as follows:

> § 4181. Imposition of tax.
>
> There is hereby imposed upon the sale by the manufacturer, producer, or importer of the following articles a tax equivalent to the specified percent of the price for which so sold:
>
> Articles taxable at 10 percent—
> Pistols.
> Revolvers.
> Articles taxable at 11 percent—
> Firearms (other than pistols and revolvers).
> Shells, and cartridges.

Mr. President, it seems clear to me that the items contained in section 4181 of the Internal Revenue Code are, indeed, exempt from the jurisdiction of the Consumer Product Safety Commission. Unfortunately, Judge Flannery did not take occasion to address these statutory provisions in his written opinion. It is because of these conflicting and almost, far-reaching conclusions by the court that I have introduced my amendment.

LEGISLATIVE INTENT EXPRESSED

In addition, Mr. President, I cannot agree with the judgment of Judge Flannery that the Congress has not expressed itself with regard to the applicability of the Consumer Product Safety Act to firearms or firearm ammunition.

Legislative intent is not then an item to be considered separate and apart from the language of the statute in determining the meaning of the statute as to jurisdiction or anything else. Among the aids used to determine proper statutory construction of statutes are: Statements at committee hearings, legislative debates—where the statements reflect a common agreement among the legislators—and legislative action on a proposed amendment.

Among the most telling of actions in the legislative history of the Consumer Product Safety Act surrounds an amendment offered in the House of Representatives by Mr. Bingham of New York. The purpose of his amendment was to restore to the bill the coverage of firearms and ammunition.

Mr. Moss, of California, a principal sponsor of the bill, spoke in opposition to the amendment because "neither the Committee on Interstate and Foreign Commerce nor the special Commission on Consumer Product Safety made any kind of an inquiry into firearms." He also stated:

> I do not believe we should here attempt to mislead the public. I am afraid that is what would happen if we were to suddenly have a firearms act without any kind of history as to what we intended. I believe it is an important enough subject to be dealt with as a separate subject.—(*Congressional Record*, at p. 31406, September 20, 1972)

Congressman Wiggins also opposed the amendment, stressing that if it were passed:

> What we (would) have, no more or less, is a gun control bill by administrative rule rather than by act of Congress. (Supra, at p. 31406)

Congressman Randall concluded the debate just prior to the rejection of the Bingham amendment with this observation:

> We all know, of course, that the Consumer Product Safety Commission created by this bill will have the power and authority to lay down standards as to what products are safe and what products are hazardous. If the amendment of the gentleman from New York should pass, there would be nothing to keep the Commission from declaring that all guns of any and every type, and ammunition of all sorts, are dangerous and hazardous products and thereby achieve through indirection what the antigun lobby has never been able to enact directly—their avowed objective to outlaw all guns and ammunition. (Supra, at p. 31407).

Mr. President, Congress may take on to itself regulatory authority over a particular area of Federal concern, and where Congress has occupied the field, there is no place for supplementary much less conflicting requirement. Congress expressed an intention to preempt decision-making with respect to a ban on ammunition as evidenced in the Gun Control Act of 1968. That legislation responded to widespread national concern that existing Federal control was inadequate, recognizing the use of firearms in violent crimes increased. The House Judiciary Committee was persuaded that "the proposed legislation imposes much needed restrictions on interstate firearms traffic and at the same time not interfere with legitimate recreational and self-protection uses of firearms by law-abiding citizens."

CONCLUSION

In summary, Mr. President, based on the questionable interpretation of the statutory provisions surrounding handguns and handgun ammunition jurisdiction by the Consumer Product Safety Commission, and the expression of legislative intent of the Congress in this area, I feel compelled to offer my amendment.

Mr. President, I modify my amend-

lent in this massive bureaucracy of ours.

ment by the insertion, in line 7, after the word "powder", the following words: "as defined in 18 U.S. Code section 921".

The PRESIDING OFFICER. Is there objection?

Mr. RIBICOFF. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. RIBICOFF. Mr. President, I raise a point of order that the amendment of the Senator from Nebraska is not germane.

The PRESIDING OFFICER. Does the Senator from Nebraska wish to be heard?

Mr. HRUSKA. Mr. President, I did not hear the ruling.

The PRESIDING OFFICER. Under the rule of germaneness, there is nothing in this bill that relates to the sale of firearms or ammunition, those specific products. Therefore, the Chair holds the point of order to be well taken.

Mr. HRUSKA. Mr. President, I regret that that is the ruling of the Chair. I shall not contest it, call it to a vote, or appeal it. It is to be regretted because, of course, this amendment could have been taken up prior to the cloture motion. It was not. But there will come another day when we can go into it in more detail and on its merits. I thank the Chair.

Mr. RIBICOFF. I thank the Senator for his courtesy.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MOSS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 437

Mr. DOLE. Mr. President, I call up my amendment No. 437, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. DOLE. Mr. President, I ask that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 51, between lines 22 and 23, insert the following new section:
>
> "BUDGET REPORTS
>
> "Sec. 25. (a) The Director of the Office of Management and Budget and the Director of the Congressional Budget Office shall each transmit annually to the Congress a report containing an estimate of the amount of funds expected to be allocated for each fiscal year to any office representing consumer interests located within any department or agency other than the Agency for Consumer Advocacy.
>
> "(b) Such estimate shall be included in any committee report accompanying any bill making appropriations for the Agency for Consumer Advocacy.".
>
> On page 51, line 24, strike out "25" and insert in lieu thereof "26".
>
> On page 52, line 11, strike out "26" and insert in lieu thereof "27".

Mr. DOLE. Mr. President, this amendment would require the Directors of the Congressional Budget Office and the Office of Management and Budget to report annually to Congress the estimated amount of funds to be allocated each year to any office representing consumers in any Government agency other than the Agency for Consumer Advocacy.

The amendment further requires that these estimates will be included in any committee report accompanying any appropriations bill for the ACA.

This provision will enable the Congress to determine precisely how much money the Government is allocating to consumer protection each fiscal year. By monitoring total Government spending for consumer programs, Congress will be able to gauge more accurately the efficiency of all such programs. Moreover, these annual reports will be of benefit to the Congressional Budget Committees in analyzing expenditures in the various functional categories of Federal spending.

Mr. President, this amendment will demonstrate further the determination of the Congress to provide fiscally responsible programs to assist consumers throughout the Government.

Mr. President, this amendment has been discussed with the ranking minority member, with the chairman, and with staff members, and I think the amendment is acceptable.

Mr. RIBICOFF. Mr. President, I accept the amendment of the Senator from Kansas.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 435

Mr. DOLE. Mr. President, I call up amendment No. 435.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Kansas (Mr. Dole) proposes an amendment numbered 435.
>
> On page 12, line 23, strike out the word "and".
>
> On page 12, between lines 23 and 24, insert the following new paragraph:
>
> "(15) coordinate its activities with the activities of other executive departments and agencies with respect to consumers; and".
>
> On page 12, line 24, strike out "(15)" and insert in lieu thereof "(16)".

Mr. DOLE. Mr. President, I read the pertinent section, which would insert a new paragraph:

> Coordinate its activities with the activities of other executive departments and agencies with respect to consumers;

The purpose and the intent of this amendment is to qualify the working relationship of any future Consumer Advocacy Agency with already established executive offices having similar responsibilities.

Specifically, this amendment would require that the ACA coordinate its activities with those of consumer divisions within other Federal departments and agencies. In that way, we could avoid some of the duplication of effort and waste of man-hours which is so preva-

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While the sponsors of the bill might contend that such a mutuality of purpose among governmental units with "consumer interest" labels is implicit throughout the legislation, I think those of us who have reservations about a new independent bureaucracy are entitled to that reassurance in actual language form. That is, this is not something we can take for granted.

There is good reason to be concerned, also, that without the "coordination" stipulation, competition—and even adversity—are likely to develop between the ACA and another element of the Federal organization having supposedly a common, if not identical objective: that of protecting consumers. Accordingly, we should act to incorporate into the law this provision to forestall such an undesirable intragovernmental conflict.

If we are truly seeking to represent consumers, we must do so in a way that will foster cooperation and unanimity throughout the rather large proconsumer community at the executive level. It is my hope that the adoption of this amendment will contribute to that objective.

This is another amendment that has been discussed with the chairman of the committee, with the ranking minority member, and with the members of the staff, and I believe the amendment is acceptable in its present form.

Mr. RIBICOFF. Mr. President, I accept the amendment.

The PRESIDING OFFICER (Mr. Bumpers). The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

AMENDMENT NO. 419

Mr. BROCK. Mr. President, I call up amendment No. 419.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Tennessee (Mr. Brock) proposes an amendment numbered 419:
>
> On page 51, strike out lines 20 through 22, and insert in lieu thereof: "are authorized to be appropriated to carry out the provisions of this section not to exceed $2,000,000 for each of the fiscal years 1976, 1977, and 1978.".

Mr. BROCK. Mr. President, this is simply a funding amendment to allow the agency to conduct such support activities as it desires, under section 24, without depleting the resources of the agency from the essential purpose of consumer protection, which the bill was designed to achieve.

I believe the amendment is acceptable to the ranking member of the committee as well as the committee chairman. I will be delighted if they will comment.

Mr. RIBICOFF. Mr. President, the amendment is acceptable to the manager of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 424

Mr. BROCK. Mr. President, I call up my amendment No. 424.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Tennessee (Mr. Brock) proposes an amendment numbered 424:
>
> On page 47, line 1, strike out "first".

Mr. BROCK. Mr. President, this is a very simple amendment which deals with some confusion that has arisen with regard to the cost-benefit statement prepared.

On page 47, it refers to the fact that it shall be first published at the end of the year in the Federal Register.

We are not trying to delay, and I do not think that was the intent of the language, but just in order to clarify the language and be sure we understand this is an annual requirement, and as soon as they can come up with these publications, that is what they are intended to do, I am striking the word "first" simply for clarification purposes.

Mr. RIBICOFF. Mr. President, the amendment is acceptable to the manager of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 422

Mr. BROCK. Mr. President, I call up my amendment No. 422.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Tennessee (Mr. Brock) proposes an amendment numbered 422:
>
> On page 48, line 1, strike out the period at the end thereof and insert ", and shall issue regulations implementing this subsection within one hundred and eighty days of the effective date of this Act.".

Mr. BROCK. Mr. President, this is simply a clarifying amendment. The purpose of the amendment is to insure that we have regulations to implement the purposes of the section in a specific time frame.

Last October, the President said that he was going to require executive agencies to implement an inflation impact statement, and here it is, 6 months later. Some agencies have complied; others have not. Others are in specific disagreement with OMB on what the language meant.

All I am trying to do is to put a limit of 6 months on the issuance of regulations, sufficient to promulgate the effect of this particular section. I hope the amendment is acceptable.

Mr. RIBICOFF. Mr. President, the amendment is acceptable to the manager of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 460

Mr. BROCK. Mr. President, I call up my amendment No. 460.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Tennessee (Mr. Brock), for himself and Mr. Nunn, proposes an amendment numbered 460:
>
> On page 32, after line 24, insert a new section (d):
>
> (d) Nothing in this Act shall be construed to affect the duty of the Small Business Administration to aid, counsel, assist, and protect the interests of small business concerns, pursuant to section 631(a) of the Small Business Act of 1958 (15 U.S.C. 631(a)), and the Small Business Administration remains the sole executive advocate for the interests of small business concerns.

Mr. BROCK. Mr. President, here, again, we have what I perceive to be a need for clarification. I do not believe it is the intent of the committee or of Congress in any way to limit access to the Small Business Administration on the part of the small business community. What we are saying in this amendment is that nothing in the act should so limit SBA in their desire to aid, counsel, assist, or protect the interests of the small business concerns.

Mr. RIBICOFF. Mr. President, the amendment is acceptable to the manager of the bill and ranking minority member.

Mr. PERCY. I am very happy to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 458

Mr. BROCK. Mr. President, I call up my amendment No. 458.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> On page 45, line 6, strike the period and insert a semicolon and add two new sections on the following lines:
>
> "(4) the estimated cost of compliance for small business concerns with the agency rule; and
>
> "(5) the effect on the competitive position of small business concerns if the proposed rule is implemented.".

Mr. BROCK. Mr. President, here we have a section on page 45 which deals with the cost and benefit assessment statements. We have, at the moment, three criteria. One is estimated costs that are foreseeable as a result of the effective implementation of such a rule; two is estimated benefits; three is the apparent relationship, if any, between such costs and benefits. What we are attempting to do here is add the estimated cost of compliance for small business concerns as distinct from business in general and the effect on the competitive position of small business concerns if the proposed rule is implemented.

Here we desire to single out the small business community again, as we have done several times in the bill, with additional protective devices to see that they are not abused or unfairly disadvantaged by action of their own Government. They have sufficient competition now, and any step that we can take to support their contribution to the competitive free enterprise system, I think, is well founded.

Mr. RIBICOFF. Mr. President, this amendment is not acceptable to the manager of the bill. I wonder if the distinguished Senator from Tennessee would defer consideration of this amendment at this time to see if it is possible to work something out overnight.

Mr. BROCK. Then, Mr. President, I ask unanimous consent to withdraw the amendment without losing my right to resubmit it in similar form.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment was withdrawn.

Mr. BROCK. Mr. President, I yield the floor.

AMENDMENT NO. 463

Mr. DOLE. Mr. President, I call up amendment No. 463.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 5, immediately below line 24, add the following new subsection:
>
> (e) There is established within the Agency for Consumer Advocacy an office to correspond with each executive department and multiheaded independent regulatory agency of the Federal Government, to include as a minimum, but not be limited to, the Departments of Agriculture; Commerce; Defense; Health, Education, and Welfare; Housing and Urban Development; Interior; Justice; Labor; State Transportation; and Treasury, and the Civil Aeronautics Board; Consumer Products Safety Commission; Federal Communications Commission; Federal Maritime Commission; Federal Power Commission; Federal Trade Commission; Interstate Commerce Commission; Nuclear Regulatory Commission; and Securities and Exchange Commission. Each such office shall be under the direction of an office administrator appointed by the Administrator and responsible to him. Such office shall be administered in accordance with the provisions of section 4 of this Act.

Mr. DOLE. Mr. President, the Senator from Kansas does not intend to press this amendment. I do hope to discuss it briefly and then ask the chairman, or perhaps the ranking minority Member, to respond.

The intent of the amendment is to lay out some specific guidelines relative to the internal structure of any newly established Agency for Consumer Advocacy.

Very briefly, the amendment would add a new subsection calling for the ACA to have, within its own organizational framework, an office to correspond with certain executive departments and independent regulatory agencies of the Federal Government. Such offices would, thus created, be under the direction of an office head responsible to the Administrator.

What we are concerned about is that we do not, in the new agency which will be created, devote 90 percent of the time and resources to one Federal agency and zero to the others.

Because of the broad interpretation which could be applied to the requirement for separate offices, I am specifying that 11 executive departments—with Army, Navy, and Air Force being grouped under Defense—and at least nine independent commissions or boards be included in the definition. The named agencies would be determined according to their rulemaking and enforcement capacity, as well as their character of being multiheaded.

The purpose of this amendment—for which I think there has been some support in both the committee hearings and the minority views—is two-fold. Primarily, it is to insure that consumers will be represented in all areas of the Government, but it is also to guard against the possibility of the ACA's concentrating all its resources in one special sphere.

In my opinion, we need to build into the act, if not through the amendment which I understand is objectionable, at least through some informal colloquy, that this is the intent of the committee, this is the intent of the legislation, to make certain that we represent consumers in all areas of Government; and second, that there is not any effort to concentrate all the efforts or a lion's share of the efforts in one area of Government.

There should be some provision for internal agency structuring that will be consistent with the bill's purpose of protecting all consumers uniformly. That is, there should be within the ACA organization a separate office to correspond with at least the major elements of our bureaucracy—preferably with some expertise to handle the consumer problems which are unique to each.

While it is perhaps premature to suggest that a zealous administrator could focus his agency's attention on one particular Federal activity with the notion of "doing it in," it seems to me that the potential would be there without some provision for decentralized authority and responsibility. My amendment would establish the breakdown necessary to satisfy such a concern.

Mr. RIBICOFF. If I may respond to the distinguished Senator from Kansas, who has made many, many substantive contributions to this legislation, I am very sympathetic with what the Senator is trying to achieve. My feeling is that the agency should be structured along the lines suggested by the Senator from Kansas. I do feel, though, that it would be unwise at this time to freeze in such a structure, because we do not know from time to time what problems in the economy and the country will take precedence over other problems.

I say that it would be our intention on the Committee on Government Operations, should this become law, to be very zealous in our oversight of this agency. We have provisions in the bill that, after 3 years, it has to come back to Congress for a new authorization. At that time the Congress can take a thorough look at it. The GAO has duties here to monitor this agency.

I would be surprised, personally, if the agency were not structured along the lines suggested by the distinguished Senator from Kansas, but I do believe it would be unwise at this time to freeze such a structure in by way of amendment.

Mr. PERCY. Mr. President, if the distinguished Senator will yield for just a moment, just as a matter of legislative history, I wish to associate myself with the remarks of Senator Ribicoff.

I think it would be unwise to structure it in law, but I think it would be wise for the agency to consider establishing and using this amendment as guidelines. It would probably be good organization for them to follow the suggestion of the distinguished Senator from Kansas, but I think if we do it as a matter of legislative history rather than as a part of law in this case, it will provide a little more flexibility.

Mr. DOLE. I appreciate the comments of both the chairman and the ranking minority member. I share the view that it is difficult to legislate how the resources and manhours of any new agency shall be used. There are agencies—the FTC, for example—where there are more consumer-related problems and cases and hearings than other agencies. Therefore, based on the colloquy with the chairman and the ranking minority member, I believe we have offered at least some guidelines and some hope and some direction to the Administrator and to those who will be responsible for the direction of the new Agency.

Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment was withdrawn.

Mr. RIBICOFF. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PERCY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 407

Mr. PERCY. Mr. President, I call up amendment No. 407.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> On page 7, line 2, after the word "citizens" insert a comma and add the following new language: "including consumers and business representatives,".

Mr. PERCY. The purpose of the amendment, Mr. President, is simply to make certain that with respect to the advisory committees already provided for in the bill, in addition to officials of the Federal, State, and local governments, and so forth, we clearly provide for consumers and business representatives alike to allow that there is a good dialog conducted among the various interested participants.

Mr. RIBICOFF. Mr. President, the amendment of the Senator from Illinois is acceptable to the manager of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment (No. 407) of the Senator from Illinois.

The amendment was agreed to.

AMENDMENT NO. 408

Mr. PERCY. Mr. President, I call up my amendment No. 408.

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The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Illinois (Mr. Percy), for himself and Mr. Javits, proposes an amendment as follows:

On page 3, beginning on line 20, add the following new subsection:

"(C) price and adequacy of supply of goods and services;".

Reletter the following subsections.

Mr. PERCY. Mr. President, the intent of this amendment, to be incorporated in the bill on page 3, is to clarify the fact that price and adequacy of supply of goods and services should be taken into account along with such matters as safety, quality, purity, potency, healthfulness, durability, et cetera, of the product; and preservation of consumer choice and a competitive market, and other purposes to be promoted by the Agency for Consumer Advocacy.

We have inserted here that ACA should take into account the protection of consumers with respect to price and adequacy of supply of goods and services, which certainly is important to consumers.

Mr. RIBICOFF. Mr. President, the amendment of the Senator from Illinois is acceptable to the manager of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. BROCK. Mr. President, may I take just a minute to ask the Senator a couple of questions?

I think I understand the intent of the amendment. Obviously price and availability are important factors in consumer needs. I am not quite sure what the effect of this amendment is on, apparently, the application of the Agency for Consumer Advocacy dollar. Is it the intention of the Senators to underscore the fact that sometimes price has a great effect on supply, such as wage and price controls, that can result in shortages, or is something else involved that I have not thought of?

Mr. PERCY. No, I think these are two factors of deep interest and concern. After all, we are interested, as we say in this particular section, in the quality of the product, in the purity of the product, in the safety of it, in its performance, in its repairability—all of those are important. But obviously the consumer is interested in price also; and supply, to. For instance, in the whole field of pharmaceuticals, the question of the cost differential between generic pharmaceuticals and brand name products, has been of major concern to the Congress of the United States, particularly when the U.S. Government is a very big procurer of such products. We certainly want specifically to indicate to the Administrator of this act, that price is a critical factor in assessing and promoting the interests of consumers.

Further, if the price is reasonable and the product is good, durable, repairable, and safe, but it is unavailable and is in very short supply, this adversely affects consumers, because it could, by the artificial nature of the shortage of the product, have an impact on price. So that to have the Agency for Consumer Advocacy inquire as to why a product or product line that has been offered and afforded to consumers is not available to them and cannot be procured in adequate quantity, once the market is established and the demand is there, is once again a question we feel is quite germane to the responsibility of an Agency for Consumer Advocacy.

Mr. BROCK. One of the things that has bothered me, and I understand what the Senator is saying, is that quite often our regulatory agencies, rather than achieving a competitive effect, have achieved an anticompetitive effect. The ICC is an example. I think the Senator would agree that there has been some inhibition to the competitive process under that particular regulatory agency.

When they limit competition, and then they put a floor under prices, as they do, they do so under the justification that it will allow them to maintain a quantity of supply. I do not want us getting into a situation where the Consumer Protection Agency is supporting that kind of illogic. I hope that is not the effect of the amendment. I am sure it is not the Senator's intention.

Mr. PERCY. Staff points out that businessmen themselves have raised the question that when regulations have been issued which require safety adjustments to be made on a product, that in itself may make the product unavailable for some time.

Mr. BROCK. Yes.

Mr. PERCY. That might be a matter of concern to the agency.

Mr. BROCK. All right. I accept that. Maybe it would help if I pose a hypothetical case for the Senator which would very quickly resolve this Senator's question.

I pray that the good Lord will give us the wisdom never to repeat the excesses of the past, particularly with regard to something like the wage and price controls. But if some future Congress were to exercise such lack of wisdom again, would it not be within the scope under the Senator's amendment for the Consumer Protection Agency, or the Agency for Consumer Advocacy, if you will, to protest an imposition of a price so low as to inhibit the adequacy of supply?

Mr. PERCY. Absolutely. That is a perfect example of where the Senate and the House enacted laws which regulated price, that overly restricted demand. In the city of Chicago, we had to have 250 meat inspectors added to the payrolls to try to stamp out the black market that developed overnight because the price was so unrealistically low. The price factor just put all of the meat that was above the counter down below the counter, because shops simply refused to sell it at a price at which they could not replenish their inventories.

This is the very kind of case where it appears as though legislating a price at an artificially low level is not in the interest of the consumer. It restricts supply, it cuts down production, and, in the long run drives prices up.

Mr. BROCK. The Senator and I are in full agreement. If this agency can protect the American people from the excesses of their legislative branch I am all for it.

Mr. PERCY. I do not think the floor manager of the bill can promise that it will do all of those things, but what it can be is an articulate voice. I can only hope that the Members of the Senate and the House of Representatives would listen to that voice. Sometimes in the heat of an issue we rush ahead emotionally to try to resolve a problem with a piece of legislation when someone who is really looking at the balanced overall view of the consumer would come back and say: Wait a minute. You had better take a look at what you are doing because you are really harming the consumer, you are not helping the consumer, even though on the surface it may look to the contrary.

I thank very much, indeed, the distinguished Senator, who has had a long and deep business experience and yet is alined with the consumer and knows as a good producer that the producer grows as he benefits the consumer.

I think this colloquy has certainly helped explain and expand on this particular amendment which, I trust, is ready for adoption.

Mr. RIBICOFF. Mr. President, the amendment is acceptable to the manager of the bill.

The PRESIDING OFFICER (Mr. Stone). The question is on agreeing to the amendment (No. 408) of the Senator from Illinois.

The amendment was agreed to.

AMENDMENT NO. 406

Mr. PERCY. Mr. President, finally I call up amendment No. 406.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read the amendment as follows:

The Senator from Illinois (Mr. Percy), for himself and Mr. Javits, proposes an amendment as follows:

On page 34, line 24, after the word "consumers" insert a comma and add the following new clause: "including but not limited to the factors enumerated in section 2(b) (3),".

Mr. PERCY. This amendment, Mr. President, inserts at the bottom of page 34 of the bill, in subparagraph 11, a phrase which refers back to the section that we have just discussed and amended and would, therefore, incorporate that amendment by reference at this particular point in the bill.

Mr. RIBICOFF. Mr. President, the amendment of the Senator from Illinois is acceptable to the manager of the bill.

The PRESIDING OFFICER. Is all time yielded back? The question is on agreeing to the amendment of the Senator from Illinois.

The amendment was agreed to.

The PRESIDING OFFICER. Who yields time?

Mr. PERCY. Mr. President, I would just like to address one question to the manager of the bill, Senator Ribicoff.

Some persons have claimed that the Agency for Consumer Advocacy might get involved in matters impinging on the foreign trade policies and actions of the United States.

Could the manager of the bill elaborate on this point for purposes of clarification?

Mr. RIBICOFF. Yes. In answer to your question, foreign trade policies and actions of the United States are an inherent part of its foreign affairs function. As such, they clearly affect relations between the United States and other governments. Any interference with our foreign policy would clearly provoke undesirable international consequences which the United States has a right to avoid.

If allowed, interference in such areas would cause an impracticable and unnecessary interference with actions taken by the United States in the public interest.

Accordingly the bill specifically exempts the national security functions of the Department of State from the bill's provisions. Of course, the views of the public, including those of the consumers in the ACA, can readily be given to agencies concerned with developing policies and actions involving foreign trade.

For example, in the case of issues affecting international trade in textile products, consumers as well as other interested parties are given full opportunity to let their views be known to the agencies involved, following the publication of appropriate notices in the Federal Register.

Section 2(b)(2) of the proposed legislation is specific, however, that nothing in this act is to be construed to supersede, supplant, or replace the jurisdiction, functions, or powers of any agency to discharge its own statutory responsibilities. This would, of course, include the power and responsibility of other agencies to regulate the trade or commerce of the United States.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield?

Mr. RIBICOFF. I am pleased to yield to the majority whip.

ORDER FOR RECESS UNTIL 8 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 8 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF CERTAIN SENATORS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow after the two leaders or their designees have been recognized under the standing order, the following Senators be recognized, each for not to exceed 15 minutes and in the order stated: Messrs. Harry F. Byrd, Jr., Helms, Tower, Garn, Fong, Curtis, Stone, Thurmond, Domenici, Fannin, Buckley, Bartlett, Taft, William L. Scott, Laxalt, McClure, and Nelson.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. Mr. President, may the Senator from Illinois be added to the debate in the morning?

Mr. ROBERT C. BYRD. Yes.

Mr. PERCY. For a period of not to exceed 5 minutes.

ORDER FOR THE RECOGNITION OF SENATOR PERCY TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that prior to routine morning business, and following the order for the recognition of Mr. Nelson tomorrow, the distinguished Senator from Illinois (Mr. Percy) be recognized for not to exceed 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE TRANSACTION OF MORNING BUSINESS AND RESUMPTION OF CONSIDERATION OF S. 200 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that tomorrow following the conclusion of the orders for the recognition of Senators, there be a period for the transaction of routine morning business of not to exceed 15 minutes with statements limited therein to 5 minutes each, at the conclusion of which period the Senate resume consideration of the pending business, S. 200.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSUMER PROTECTION ACT OF 1975

The Senate continued with the consideration of the bill (S. 200) to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. Mr. President, it is with great reluctance that I have opposed enactment of S. 200 as presently drafted. For reasons which are peculiar to Alaska and which I shall enumerate hereafter, I find myself forced to conclude that creation of an Agency for Consumer Advocacy would be directly contradictory to the most fundamental interests of Alaska and, therefore, must be resisted.

As my colleagues know, Alaska is a State blessed with a great bounty of natural resources—resources which in the years to come may make the 49th State a focal point in the achievement of our national goal of energy and mineral self-sufficiency.

Sensible development of these resources in an efficient, expeditious, and environmentally sound fashion has become one of the goals of Alaska's citizens. Indeed, the future economic viability of our State and the Nation is dependent upon our sensible, but aggressive, use of these resources.

We in Alaska are confident that the necessary technical and scientific skills to accomplish this monumental job are currently available. We are sure that North Slope oil can be tapped and safely transported over a trans-Alaska pipeline to the benefit of all citizens of this Nation and with only negligible environmental impact. In fact, we are now engaged in that great undertaking as we all know.

How we got this far is a difficult story to tell, but one that bears some repeating here for the lessons it can teach us as we consider this legislation.

Those of you whose privilege it has been to visit our State know that there are few, if any, areas of the globe which can match it for natural and untainted beauty. The heavy hand of industrial pollution and the ravages of urbanization have not yet touched Alaska, and Alaskans are proud of that fact.

We take a back seat to no American in our dedication to maintaining the purity of our landscape.

Yet we will not allow that concern to prohibit the economic development of our State in a way which will guarantee Alaska's citizens the same standard of living that other Americans now have.

What we propose to do, and what we are doing, is to balance these often conflicting interests so that the best of both may be achieved with minimal adverse impact on either. We believe that the trans-Alaska pipeline case is an ideal example of this "Alaskan solution" and we are proud that we have been able to provide national leadership in this area.

Because environmental protection has always been a cornerstone of Alaskan life we did not oppose enactment of the National Environmental Policy Act and the creation of the Environmental Protection Agency. Both the act and the Agency have provided us with a high standard of conduct by which we can assess our own environmental protection efforts. Make no mistake about it, they have not made our lives any easier, but they will make our lives and the lives of our children better in the long run.

This brings me to the reason why I feel compelled to register my strong objection to the legislation now before us. I believe, based on a considerable amount of study of the hearing records and background of S. 200 and its predecessor S. 707, that the enactment of this type of legislation will jeopardize the significant environmental and economic achievements which Alaskans have made over the years.

S. 200 proposes to create an agency which would be empowered to intervene and participate in every formal or informal action of the Federal Government where an "interest of consumers" is thought to exist. More than that, the Agency for Consumer Advocacy is given the extraordinary authority to employ interrogatories, use host agency subpena power and appeal Federal agency decisions to the courts.

Now, these powers would perhaps be tolerable were it not for the fact that the bill's proponents have refused to confine the consumer advocate to a jurisdiction clearly related to consumer concerns. Rather, they have said that virtually anything may be considered an "interest of consumers" and thereby have created an agency without bounds.

There can be little question that the framers of this legislation long ago wanted a consumer advocate who could become deeply involved in environmental issues.

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I would urge you to pay particular attention to a comment made by Lee C. White, chairman of the Energy Policy Task Force of the Consumer Federation of America. Mr. White, who was formerly the Chairman of the Federal Power Commission, said the following on March 27, 1973, during Senate committee hearings on this bill's predecessor, S. 707:

> I think it is possible for consumer groups and for environmental groups to be in total disagreement on whether it (the pipeline) ought to come down through Alaska or whether it ought to come down through Canada, or whether it should come down at all.
>
> It seems to me in those circumstances that it is possible that the consumer advocate can be very useful and very helpful to the Government in assigning different teams to be advocates within the same proceeding and through as much light and information and analysis and argumentation into the process as is possible.—Lee C. White, Chairman of the Energy Policy Task Force of the Consumer Federation of America, Hearings Transcript, p. 362.

The conclusion I necessarily draw from this testimony, and from the fact that the Environmental Protection Agency is clearly covered by S. 200 as an agency over which the ACA will have jurisdiction, is that we are being asked to create yet another layer of bureaucracy to complicate and compound the administration of Federal environmental legislation. This I am unwilling to do, and my reasons are several.

First, anyone who has dealt with the EPA knows there is little cause to fear that it is not doing the job Congress gave it. In fact, many of my colleagues frequently seem to think it is doing too good a job. Certainly, in this complex and delicate public interest area over which it has jurisdiction, the EPA does not need badgering by another agency concerned only with the consumer interest.

I must confess that I do not regard S. 200 as a simple little bill which will cause a few ripples. I am mindful of a recent comment of Judge Henry J. Friendly, chief judge of the U.S. court of appeals for the second circuit, which is referred to in the minority views on S. 707. In commenting on the problems raised by certain "simple" provisions of the National Environmental Policy Act, he states:

> One must wonder whether the framers of the seemingly simple formulation (in NEPA) that any Federal Agency which proposes any action that "would have a significant effect upon the quality of the human environment" must prepare an impact statement, could have remotely conceived the volume of litigation it would spawn. In practical effect it has come to mean that any proposed federal action having a conceivable effect on the environment will become the subject of a suit, whether successful or not.

NEPA-generated litigation will not even hold a candle to the volume of litigation which an ACA can be expected to create. Remember, one of the ACA's main purposes is to litigate the decisions of other agencies.

The only result of all this for Alaskans is delay and disruption of Federal decisionmaking processes upon which so much of our State's future depends, and I for one am not willing to wager that future on an untried and unprecedented legislative experiment.

This is not an idle fear when one studies the above-mentioned testimony and reads the news releases and study the compilation of voting records of some of the consumer associations. In the 1973 voting record compilation of the Consumer Federation of America, 13 votes were identified as key rollcall votes on consumer issues for the first session of the 93d Congress. Three of these votes concerned amendments to S. 1081, the bill to authorize construction of the Alaska pipeline. While at least two of these votes were concerned with issues of importance to consumers, I was seriously troubled by a third vote flagged as a key consumer vote. This concerned an amendment to delay authorization of the trans-Alaska pipeline pending further study of the Canadian alternative. The Consumer Federation states that "(a) yes vote is a right vote for consumers." The vote for a further delay in construction of the pipeline, in my opinion, if anything, was an anticonsumer vote because of the delay which would have been caused in the delivery of new oil to the American consumer.

The vote on the Canadian route versus the Alaskan route, in my opinion, was not a consumer issue. I am afraid that unles the language in S. 200 is amended, the concepts of environmental protection and consumer protection will become blurred with the average American coming out the loser. With the debate regarding the routing of the gas pipeline now going on as well as the unque position Alaska now finds itself in relation to the sensible development of its natural resources, I must insist upon the following amendments before I can support S. 200.

My first amendment would limit the authority of the ACA in the following way. It is necessary to exempt the routing of the Alaskan pipeline. I must insist that the Agency for Consumer Advocacy be specifically excluded from this area. I am afraid that if this is not the case, the Federal Government would be intervening in pipeline routing decision in Alaska representing consumers located in the heavily populated areas in the Midwest and Eastern States.

My second amendment would restrict the activities of the ACA to prevent it from becoming involved in lobbying activities on the local, State, or Federal level. I believe this amendment is necessary to keep the employees of the ACA directed toward the task of their agency would be created for and not allow them to get involved in lobbying on such matters as resource problems which affect the State.

Mr. President, unless both my amendments are accepted, I cannot support S. 200.

AMENDMENT NO. 411

Mr. STEVENS. Mr. President, I would like to call up my amendment 411.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk proceeded to read the amendment.

Mr. STEVENS. Mr. President, I ask unanimous consent that the further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask unanimous consent to strike all of the amendment on page 2, line 3, that is, all following line 3 on page 2.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. STEVENS. Now, Mr. President, I would also ask to strike the numbering of (1) on line 4, page 1, and I ask unanimous consent to strike that. It is surplusage now.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendment, as modified, is as follows:

> On page 37, between lines 11 and 12, insert the following new section:
>
> (c) Notwithstanding the preceding provisions of this Act, the Administrator shall not intervene in any agency or judicial proceeding or activity with respect to—
>
> The grant or enforcement of any right-of-way, permit, lease, or other authorization that is necessary for, or related to, the routing or construction of any oil or natural gas pipeline system located in whole or in part in the State of Alaska, or the enforcement of any environmental law relating to routing or construction of any oil or natural gas pipeline located in whole or in part in the State of Alaska;

Mr. STEVENS. I thank the Chair.

With those deletions, the amendment is identical now to the amendment offered by Senator Percy for himself and Mr. Javits. It was actually offered on my behalf in my absence and this amendment now is identical to the amendment that was agreed to at the time this bill was before the Senate in the last session.

Its impact is to remove from the authority of the administrator the right to intervene in agency or judicial proceedings with regard to the enforcement of rights of way, permits, leases, or other authorizations necessary for the routing or construction of any gas pipeline located in whole or in part in the State of Alaska.

Mr. President, my reason for offering this amendment is that my State will produce, we believe, at least one-third of the oil that is to be produced in the future from lands in the United States and probably 50 percent of the new natural gas.

The construction of our pipelines, in and of themselves, become cause celebres, and we believe that with the proceedings that will take place before the Federal Power Commission, before the Department of the Interior, under the protection of the National Envionmental Protection Act, and also under the Rights-of-Way Act that was passed by Congress in the last session, many of them will actually, finally, have to be approved by the Congress iteself.

We just do not see any reason to insert the jurisdiction of another agency into the review of the questions.

I have discussed the matter with the managers of the bill. I am hopeful that in accordance with the action taken the last time the bill was on the floor that the managers of the bill will accept the amendment.

Mr. RIBICOFF. Mr. President, the amendment of the Senator from Alaska is acceptable to the manager of the bill and the ranking minority member, Mr. Percy.

The PRESIDING OFFICER (Mr. Stone). Is all time yielded back?

Mr. STEVENS. I yield back any time I have.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alaska (Mr. Stevens).

The amendment was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. RIBICOFF. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 412

Mr. STEVENS. Mr. President, I call up my amendment No. 412.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

> On page 17, line 23, strike the word "courts." and substitute the words "courts, or to engage directly or indirectly in lobbying activities before State or local agencies, or the Congress, in the manner prohibited by section 1913 of title 18, United States Code.".

Mr. STEVENS. Mr. President, this is also the amendment I offered the last time the bill was before the Senate.

I think it is probably the intent of the primary managers of the bill, in any event, because of the prohibitions already contained in section 1913 of title 18, United States Code, but just to make certain that all those connected with this agency realize that they are bound by this provision, I offer this amendment again.

I hope that the managers of the bill will accept this amendment. It will prevent lobbying activities on the State or local level by the consumer advocates.

I think they are not intended to be involved in that type of activity, but just to make sure, I offer the amendment.

Mr. RIBICOFF. Mr. President, the amendment of the Senator from Alaska is acceptable to the manager of the bill.

The PRESIDING OFFICER. All time is yielded back.

The question is on agreeing to the amendment of the Senator from Alaska.

The amendment was agreed to.

Mr. RIBICOFF. Mr. President, on Monday, the Senate adopted an amendment to S. 200 put forward by the Senator from North Carolina (Mr. Morgan).

The amendment provides that the Administrator shall not participate or intervene in any agency or judicial proceeding at the State or local level, and that it shall provide information to State, or local officials only at their request.

Mr. President, this amendment modified a provision worked out with the Senator from Montana (Mr. Metcalf) during full committee markup of S. 200. Accordingly before accepting the amendment of the Senator from North Carolina, I checked with the Senator from Montana and he indicated that he would not oppose adoption of Mr. Morgan's amendment. However, I do not want to leave the implication that the provision which was adopted on Monday has the enthusiastic approval of the Senator from Montana. The Senator from Montana would prefer that the ACA have full authority to intervene or participate at the State or local level at the request or of State or local officials. I understand that Senator Metcalf still strongly holds this position, notwithstanding any action the Senate took this past Monday on this provision.

Mr. JACKSON. Mr. President, the Senate has invoked cloture on the Consumer Protection Act of 1975 by an overwhelming margin and we are about to vote on final passage of this vitally important legislation. This is a proud moment for those of us in the Senate who have labored for many years to produce a consumer protection bill that will assure an effective voice for consumers in Federal regulatory proceedings, and at the same time prevent delay or undue burdens for business in the regulatory process.

During the years this legislation has been under consideration there have frequently been scare stories and alarmist objections that the Agency for Consumer Advocacy (ACA) will bring the regulatory process to a halt, that it will operate to harass businessmen, that it will impose excessive burdens on business, and other charges. There is a growing understanding that these charges are simply false.

The Consumer Protection Act is intended to be a "pro good business" as well as a "pro consumer" bill. I believe that as the interests of consumers are articulated by the ACA under this legislation it will become apparent to all businesses that the interests of consumers and the interests of business need not be inimical to each other. This is already understood by a growing number of major American corporations which have expressed support for S. 200. The list includes: Montgomery Ward, the Polaroid Corp., Zenith, Inc., United Artists, the Atlantic Richfield Co., and Gulf & Western, Inc. to name just a few.

During Government Operations Committee consideration of S. 707 last year and S. 200 this year, 34 major changes have been made to assure that the Agency for Consumer Advocacy does not cause delay in the regulatory process or undue burdens on business. These include special protections for small business against burdensome interrogatories, provision for GAO review of ACA activities, a provision that all Federal agencies must make a cost benefit analysis of proposed regulations prior to issuance, and many other changes.

I believe that these changes have satisfied the legitimate concerns of businessmen without impairing the overall effectiveness of the Agency. Rarely is a piece of legislation subjected to the detailed analysis and scrutiny which the Consumer Protection Act has been subjected to over the years. I am pleased that we have now arrived at a solution to the problems of balancing consumer, regulatory, and business interests in a constructive manner.

I would also note that the ACA will be, at least in its early years, a very lean organization. S. 200 provides the Agency with an authorized budget of $15 million. This budget limitation itself will serve to focus the ACA on those Federal regulatory proceedings in which there are truly vital consumer interests involved. The Agency simply will not be able to waste resources by frivolous interventions in unimportant cases. During these early years, the Congress will be especially concerned to see that the ACA develops as an effective and responsible consumer advocate and future authorization levels will be directly related to the ACA's performance.

The need for an agency to act as an advocate for consumers during the course of the Federal regulatory process has been well demonstrated and documented over the past 5 years of Senate and House consideration of this legislation. The major factor giving rise to this need is the unique nature of consumer interests, which is largely responsible for the absence of effective consumer representation before Federal agencies. Consumers are usually poorly organized and ill-equipped to effectively present their point of view to a Federal agency. This occurs because regulatory decisions which may make the difference of only a few dollars to an individual consumer do not make it worthwhile for an individual or even a relatively large group of individuals to present their views in the course of a Federal agency proceeding.

The Consumer Protection Act does not establish a new regulatory agency or any new regulatory process. It does not create any lew legal remedies. S. 200 merely creates an agency which can serve as an advocate for consumers in the course of otherwise authorized regulatory activities which affect millions of consumers. The legislation does not provide for intervention in every Federal agency proceeding, but only proceedings where "substantial consumer interests" are involved. Specifically the act seeks to protect consumer interests in "marketplace" transactions in which consumers are participants. The act assures that existing legal rights and remedies which consumers already have can be more effectively raised by the Agency in their behalf. In addition, the ACA will transmit factual information about consumer interests to the attention of regulatory agencies for consideration in connection with pending proceedings. Much of the problem of adequately representing consumer interests will be solved by simply improving the flow of relevant information to agencies so that this information can be taken into consideration. These simple improvements in the existing mechanisms for considering the impact of agency decisions on consumer interests will not impair or impede the regulatory process, and they will greatly enhance the goal of providing the Ameircan people with a better quality of goods and services at reasonable costs.

I am pleased by the resounding support

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which the Senate gave this legislation yesterday in the cloture vote, and I urge my colleagues to give this measure their continuing support as we move toward final Senate passage of S. 200.

CONSUMER AGENCY NEEDED TO IMPROVE GOVERNMENT

Mr. ABOUREZK. Mr. President, the establishment of an Agency for Consumer Advocacy is long overdue. As a cosponsor of S. 200, I urge the Senate to approve the bill promptly and restore some of the confidence which the public has lost in the processes and decisions of Government.

I am not surprised that polls show the public distrusts the Government, and believes that special interests have too much influence. When groups have huge lobbying budgets for their Washington offices and law firms, they get their point across to the rulemakers. In Washington, where a voice and a budget and a spokesman can mean influence, the consumer loses out.

If any evidence were needed of the ability of business to mobilize for lobbying, I would point to the mail that has been arriving in Senate offices about this very bill. I am not belittling the people who wrote. The letters are well written, sincere, and timely. They are, however, an example of how business, labor, and other well-organized interests make their wishes known, and do so very effectively.

The average family is simply unable to regularly gather information, notify fellow citizens, and apply pressure at the right place at the right time to be equally influential. For 14 years Congress has been trying to rectify the situation. I believe that an independent, nonregulatory consumer advocate within the Government is the proper approach.

When the Congress or a court or an executive agency makes a decision of public policy, the precondition should be maximum discussion, input, and argument among diverse interests and public scrutiny of the process and result. Unless people can see that all sides have been fairly heard, that officials have acted on the best information available about the consequences of a decision, the public is justified in suspecting that the Government has not served the public interest.

Often consumers do not even know that decisions on the price and supply of fuel, the safety of food and drugs, the cost of an airplane ticket, or the closing of a veterans hospital are being considered. Representing consumers where they have not been adequately heard will be the responsibility of this Agency at the dozens of Government hearings and offices every day.

Public policy which is more far-sighted, equitable, and credible will be the result. I urge the Senate to approve the Consumer Protection Act of 1975.

Mr. BROOKE. Mr. President, the business community has lost public confidence in large measure.

In 1965 less than 50 percent of the public showed a low measure of approval for business. Today it is more than 67 percent.

In 1965, only 52 percent believed that too much power is concentrated in a few large corporations. In 1973, 75 percent believed that.

A recent Harris poll reported that 77 percent believed that Federal regulatory policies should be more restrictive toward businesses. Only 1 percent thought that there was too much Government regulation.

Another survey showed that 75 percent believed that Government should set minimum quality standards for all consumer products. Seventy-seven percent believed that a Federal department of consumer affairs was needed. And 68 percent believed that there should be greater Government control over advertising, sales, and market activities.

These strong antipathies toward business have contributed to the present consumer movement, a movement which has been gaining momentum since the late 1960's.

The consumer has come to feel that his legitimate interests are ignored if not conspired against. The consumer has become aware of a wide range of questionable and often unsafe consumer practices by the business community and by the Government. And these practices have cost him dearly.

The worsening economic condition, the onslaught of double-digit inflation and a deepening recession, have added further fuel to the consumer cause. In the past 7 years, the cost of living has spiraled by almost 50 percent. Inflation raised prices by 12.2 percent last year, the highest inflation rate since price controls were removed at the end of the Second World War. Significantly, the public feels that many of these price increases are unwarranted.

It is, therefore, not an overstatement to say that American business is in serious trouble. David Rockefeller of the Chase Manhattan Bank has warned that unless business becomes more responsive to complaints and criticism, "we may expect to see many aspects of free enterprise drastically altered by an enraged society."

If then we are to avoid destruction of the free enterprise system, if we are to avoid increasing regulation of business by Government, we—the Congress and the business community—must act now, together, to restore public confidence. Delaying or obstructionist tactics by either Congress or the business world will only lead to a further deterioration of public confidence.

The need for a Consumer Advocacy Agency is great. The American consumer, and virtually everyone is a consumer, has never been formally represented in the Federal Government.

The President has had a consumer adviser for some years now, but this person has never had the legal authority to take action on behalf of aggrieved consumers. Establishment of the proposed Consumer Protection Agency would provide that authority.

Too often in the past, the interests and concerns of the product-and-service-buying public have been lost in the bureaucratic shuffle involved with the proposal, debate, passage, and implementation of new legislation. The ACA would act as an advocate for these formerly unrecognized interests.

As a cosponsor of the Agency for Consumer Advocacy bill, I believe it is excellent legislation. It would benefit all concerned.

It would focus consumer concern in one agency for the first time. Right now, when consumers are faced with unsafe or shoddy merchandise, or a service that does not live up to its promise they are unsure of who to write to for assistance. Letters of consumer concern have been scattered among the Members of the House and Senate, and among the various Federal agencies and commissions. Often little or no action is taken in behalf of these worried consumers. With the establishment of the ACA, consumers would have people who are working specifically on their problems. The sometimes weak, half-hearted consumer efforts by agencies which are mainly concerned with other areas would become concerted efforts that would produce results.

The agency, if established, is bound to receive thousands of letters a year from consumers who are unhappy with certain goods or services. The Administrator is instructed to follow up on these letters, which, in effect, would become the consumer's link to the Federal Government. The ACA Administrator would: First, keep a tally of letters directed at specific businesses and then, at certain times, pass these complaints along to that business along with suggestions to prevent future complaints; second, pass along all relevant complaints to the proper Federal agency and, again, submit suggestions for the protection of consumer interests; third, watch for any complaints that seem to point out a violation of Federal or State law in relation to consumer interests, and then to take the appropriate action to end this unlawfulness; fourth, make sure other Federal agencies also "follow up" on complaints submitted to them by the ACA; and fifth, to make available for public inspection all complaints and replies to these complaints. The Administrator may also, under his informational powers, authorize the research and publishing of a report in a particular area of consumer complaint.

Establishing an Agency for Consumer Advocacy would help insure that Federal agencies are familiar with the views and interests of the consumer, thereby enabling such agencies to carry out responsibly their statutory obligations.

Another important function of the ACA is its ability to represent the consumer in the courts. The Administrator would be able "to obtain judicial review of any Federal agency action reviewable under law." Critics of the ACA have charged that the Administrator would be "meddling" in many court cases and holding up important court decisions. This is an unjust charge. I believe that this judicial function would simply mean

that consumer interests would be properly represented for the first time. This would, hopefully, prevent any court decision from being overly protective of business interests. And, through its informational function, the ACA would inform the public of all relevant decisions affecting consumers. Of course, this Agency and its Administrator would have no authority to enact any regulations or enforce any sort of a decision.

I also believe the information-gathering and dissemination powers of this new Agency would benefit the consumer. The surveys, investigations, and conferences that the ACA would initiate in the field of consumer affairs would provide important information to other agencies on the concerns and needs of consumers.

Critics of the proposed structure of the Agency for Consumer Advocacy argue that establishment of independent nonregulatory, special interest agencies is a poor way to run the Government. However, this country has traditionally relied on the adversary system to produce governmental and judicial decisions that are as fair and as consistent with the public interest as possible.

This act does no more than to make this adversary process more complete by including representatives of interests heretofore largely neglected. Neither Federal agencies nor businesses can fairly object to permitting all sides to be heard.

Other critics feel that the Agency will create interagency confusion and interfere in affairs that are irrelevant to consumers. I believe that the ability to participate in the so-called informal activities, as well as "formal" proceedings of Federal agencies is absolutely necessary to the effectiveness of this Agency. The presence of the consumer advocate would not create any confusion in the Federal Government, it would only help to make an important voice be heard. We all know that a great number of important decisions are made in the informal activities of Federal agencies. It is often said that as much as 90 percent of all agency activites are "informal." If this Consumer Advocacy Agency cannot participate in these informal activities, its power would be greatly reduced.

Despite its potential effectiveness, however, the Consumer Protection bill is relatively modest in size and cost. The cost would be $15 million the first year or 1/60th of the budget of the Department of Commerce, the Department charged with promoting commerce and industry. The Agency would cost approximately 17½ cents per person. It would be a wise buy.

Yet, despite all these benefits, Congress has now spent more than half a decade trying to enact an effective consumer advocacy and protection agency.

Last year the House of Representatives passed the Consumer Protection Act of 1974 by an overwhelming vote of 293 to to 94. But in the Senate, we fell one vote shy of cutting off a filibuster and bringing the issue to a vote.

However, with the continued endorsement of progressive business concerns, the recent change in the filibuster rules, and increasing consumer awareness, the prospects for passage of a Consumer Protection Agency are considerably brighter this year. I hope that the Congress will procrastinate no longer in passing this essential legislation. I urge all Senators to vote for the passage of S. 200.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that a statement and a resolution by the Senator from Alaska (Mr. GRAVEL) on the bill be printed in the RECORD.

There being no objection, the statement ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR GRAVEL

AGENCY FOR CONSUMER ADVOCACY

The bill to establish an Agency for Consumer Advocacy, which we have been considering in the Senate these past several days, embodies a fundamental principle of our constitutional form of government. Our government of checks and balances is an adversary system which derives its strength and vitality from its technique of pitting various elements against one another, but with all working for the common public good. The Agency for Consumer Advocacy is an extension of this basic idea. It will assure the American public an even greater voice in the operation of their government by establishing an advocate for the people vis-a-vis the already existing agencies.

The support of the people of Alaska for the creation of an Agency for Consumer Advocacy was recently expressed by the unanimous passage in the Alaska State Senate of Senate Joint Resolution No. 29, expressing its endorsement of S. 200, and calling for early and affirmative action on this legislation. I ask that the resolution be printed in the RECORD.

The resolution is as follows:

SENATE JOINT RESOLUTION No. 29

Be it *Resolved* by the Legislature of the State of Alaska:

Whereas S. 200, the Consumer Protection Act of 1975 is currently pending before the United States Congress; and

Whereas if this legislation were enacted it would establish an independent, nonregulatory Agency for Consumer Advocacy to speak for consumers in our Nation's capital; and

Whereas the proposed agency would be authorized to advocate the interests of consumers before federal agencies and courts and would provide the American public with information about consumer matters; and

Whereas the agency would act as a clearinghouse for consumer complaints and would maintain an up-to-date file of complaints for public inspection; and

Whereas passage of the proposed legislation would benefit each and every citizen of this great country; be it

Resolved by the Alaska State Legislature that it staunchly supports passage of S. 200 and urges the United States Congress to take early affirmative action enacting the proposal.

Copies of this resolution shall be sent to the Honorable Abraham Ribicoff, Chairman, Senate Government Operations Committee; the Honorable Jack Brooks, Chairman, House Government Operations Committee; and to the Honorable Ted Stevens and the Honorable Mike Gravel, U.S. Senators, and to the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

Mr. BAYH. Mr. President, I am pleased that cloture was invoked yesterday on S. 200, the legislation which would create an independent, nonregulatory Agency for Consumer Advocacy. This landmark bill, the product of many months of hard work and compromise during this Congress as well as past Congresses is aimed at assuring a voice for American consumers in matters affecting their own health, safety, and pocketbooks.

Proposed legislation to create a consumer protection agency has been exhaustively considered by the Congress since it was proposed in 1969. The Senate has considered this legislation three times before—it passed a consumer protection bill in 1970 by a vote of 74 to 4, and in 1972 and 1974 votes on similar bills were blocked by filibusters. In each of those instances, I supported this legislation. Now, once again, the Senate has the opportunity to properly protect the interests of consumers within the Federal Government. I am looking forward to the 94th Congress as the Congress which at last sees the enactment of the Agency for Consumer Advocacy.

The most important function of the Agency for Consumer Advocacy under this legislation will be to represent consumer interests before Federal agencies and courts, and to provide the public with information about consumer matters. It will participate as an advocate in Federal agency proceedings, speaking for the financial, safety, and health interests of consumers. The ACA will also be authorized, where necessary to protect consumers' interests, to seek judicial review of an agency proceeding which by prior law is subject to review.

Over the years there have been some who have voiced reservations about the creation of a Consumer Protection Agency, fearful that it would encroach upon the legitimate prerogatives of both Federal agencies and the business community. For those critics I would like to stress that the ACA will in no respect have the power to regulate the activities of business. It will have no authority to force other Federal agencies to take any particular regulatory actions. On the contrary, the ACA will act solely as an advocate and spokesperson for consumer interests.

The need for such a consumer spokesperson is self-evident. Ten to fifteen percent of the consumer's purchasing power is said to be wasted because consumers are unable to get the information they need to find the best buy. An estimated $14 billion annually is wasted in supermarkets alone through deceptive and confusing packaging and labeling practices, which prevent the consumer from finding the best buys. Additional billions are wasted on ineffective drugs, nonnutritious foods, and cosmetics.

Other statistics point to an even more urgent need for a Consumer Protection Agency. About 20 percent of deaths and injuries throughout the country during the last year are said to have been related to household consumer products:

The U.S. Public Health Service estimates that toys injure 700,000 children annually. According to the Toy Manu-

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facturers Association, 15 percent of the toy related accidents are caused by faulty toys;

The National Commission on Product Safety reports that 60,000 people annually are injured by cosmetics severely enough to restrict normal activity or require medical attention;

Approximately 1,500 recall campaigns involving 45,453,823 motor vehicles were initiated by the Department of Transportation over the last 7½ years.

Whenever we experience skyhigh mortgage rates or highly inflated price rises or fare hikes, whenever we have a political milk deal or an international wheat deal, the consumer is usually the first to feel the squeeze and often the last to be heard.

In part the consumer experiences these misfortunes because the agencies and departments of the Federal Government have failed to adequately consider the needs and concerns of consumers in the course of the decisionmaking process, and in part consumers experience these misfortunes because there is no agency responsible for the dissemination of consumer-oriented information.

While I feel that the consumers of this country deserve to have their own advocate in the halls and meeting rooms of the Federal Government, I have also been concerned with the objections raised by members of the business community to the creation of a new layer of Federal bureaucracy. Particular concern was raised by a number of small businessmen, concerned with the financially burdensome provisions of the disclosure requirements under the legislation. In response to this legitimate concern, S. 200 provides an exemption for any company with assets of under $7.5 million, net worth of under $2.5 million, or average net income of under $250,000 from the interrogatory section of the bill.

Another legitimate concern that has been expressed to me be members of the business community has related to the potential for the ACA to engage in fishing expeditions by seeking unnecessary information from businesses. The ACA is given only limited powers under this legislation to gather consumer related information by sending out questionnaires to those engaged in business activities which substantially affect consumers' interest. Business can challenge these requests in court and they will be enforced only if the recipient shows that they are excessively burdensome. Moreover, the ACA cannot use this power if the information is already available publicly or from another agency. The ACA has no independent subpena power, but it does have the same right to ask a host agency to use its subpena power as any other party under the Administrative Procedure Act.

Another legitimate concern expressed by the business community has related to trade secrets. The ACA would be prohibited from obtaining trade secrets under S. 200. It would be subject to the same criminal liability for the exposure of trade secrets or any other confidential information acquired from another agency if that agency stated that the information is exempt from disclosure under the Freedom of Information Act.

There has also been concern expressed over the effect of the ACA on informal negotiations between government and business. I should like to point out that under this legislation, the ACA may not request to appear at the same time a member of the business community is making his presentation.

The ACA does have the right to participate in agency proceedings by presenting written or oral submissions in an orderly manner and without causing undue delay.

A majority of businesses have nothing to fear from this legislation. The ACA will help a majority of American businesses to keep their good name, and will help promote the consumers' faith in both American business and the governmental process. I feel strongly that this legislation deserves the support of the business community, as well as all other segments of our society which will receive direct benefit from a spokesperson for consumer interests.

Mr. President, I support the fundamental principles of the consumer advocacy bill, and hope that the Senate, will enact this much needed legislation.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene tomorrow at 8 a.m. following a recess. After the two leaders or their designees have been recognized under the standing order, the following Senators will be recognized, each for not to exceed 15 minutes, and in the order stated: Messrs. Harry F. Byrd, Jr., Helms, Tower, Garn, Fong, Curtis, Stone, Thurmond, Domenici, Fannin, Buckley, Bartlett, Taft, William L. Scott, Laxalt, McClure, and Nelson; to be followed by Mr. Percy for not to exceed 10 minutes.

At the conclusion of these orders, there will be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 5 minutes each.

At the conclusion of routine morning business, the Senate will resume consideration of the pending business, S. 200. Rollcall votes will occur thereon.

ORDER FOR ROLLCALL VOTES TO OCCUR AFTER 12:30 P.M.

I ask unanimous consent that no rollcall votes occur before 12:30 p.m. so as to allow committees to perform their work without interruption.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, there will be rollcall votes on amendments to S. 200. Hopefully, final passage of that measure will occur tomorrow—hopefully, I say again—and there will be rollcall votes on final passage.

Then, following the action on S. 200, it is the intent of the leadership to call up the bill, S. 1661, to enable the United States to render assistance to or in behalf of certain migrants and refugees.

Following the action on that bill as of now it would appear that the Senate will probably take up S. 1730, a bill to improve the reliability, safety, and energy efficiency of transportation and to reduce unemployment by providing funds for work in repairing, rehabilitating, and improving essential railroad roadbeds and facilities.

Also waiting in the wings and scheduled for action very soon are the following measures: The supplemental appropriations bill which was reported from the Committee on Appropriations yesterday; S. 522, a bill to implement the Federal responsibility for the care and education of the Indian people; S. 182, a bill to authorize the appointment of Alexander P. Butterfield to the retired list of the Regular Air Force; S. 846, a bill to authorize the further suspension of prohibitions against military assistance to Turkey; the military authorization bill which has been reported from the Committee on Armed Services. These measures are not necessarily listed in the order in which they will be taken up.

There is a conference report on the housing bill that is coming along. Next Tuesday will be the 10th day and the last day for the President under the Constitution to veto the surface mining bill if he decides to veto it. If so, at some point next week, the Senate may be confronted with a possible override of that measure.

As to the disputed election in New Hampshire, the committee report hopefully will be coming along in the very near future, but I doubt that the Senate will be able to take up that matter, until after the recess.

Mr. President, it looks as though we have plenty of action ahead of us tomorrow, Friday, Monday, Tuesday, Wednesday, and so on, with rollcall votes occurring daily.

RECESS UNTIL 8 A.M. TOMORROW

Mr. RIBICOFF. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 8 a.m. tomorrow.

The motion was agreed to; and at 5:45 p.m. the Senate recessed until tomorrow, Thursday, May 15, 1975, at 8 a.m.

NOMINATION

Executive nomination received by the Senate May 14, 1975:

IN THE AIR FORCE

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility, designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Martin G. Colladay, 513-14-5329FR (major general, Regular Air Force), U.S. Air Force.

HOUSE OF REPRESENTATIVES—*Wednesday, May 14, 1975*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

*Let the peace of God rule in your hearts * * * and be ye thankful.*—Colossians 3: 15.

O God of Peace amid the difficulties of these days we take a moment to lift our hearts unto Thee, seeking wisdom for our ways, strength for our souls and light for our lives. May Thy Spirit come to fresh life in us that we may better serve Thee and our Nation.

Bless the leaders of our people. Touch Thou their hearts with spirit-hand and make them souls that understand. Grant unto them courage and confidence as they endeavor to solve the problems that confront them and to establish a better and richer order of life for our citizens. May the good seed we sow this day bear fruit in an abundant harvest of justice and liberty for all.

In the spirit of the Master we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Heiting, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 4795. An act to amend the Rail Passenger Service Act to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the current resolution (H. Con. Res. 218) entitled "A concurrent resolution setting forth, on an aggregate basis only, the congressional budget for the U.S. Government for the fiscal year 1976."

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 4723. An act authorizing appropriations to the National Science Foundation for fiscal year 1976.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 1236) entitled "An act to extend and amend the Emergency Livestock Credit Act of 1974, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Talmadge, Mr. McGovern, Mr. Allen, Mr. Humphrey, Mr. Dole, Mr. Curtis, and Mr. Bellmon to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 719. An act granting a renewal of patent numbered 92,187 relating to the badge of the Sons of the American Legion;

S. 720. An act granting a renewal of patent numbered 54,296 relating to the badge of the American Legion;

S. 721. An act granting a renewal of patent numbered 55,398 relating to the badge of the American Legion Auxiliary; and

S.J. Res. 59. Joint resolution authorizing the President to invite the States of the Union and foreign nations to participate in the International Petroleum Exposition to be held at Tulsa, Okla., from May 16, 1976, through May 22, 1976.

PEACE OFFICERS MEMORIAL DAY

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, tomorrow, this Nation will mark the occasion of "Peace Officers Memorial Day." On this day we honor the memory and contributions of the hundreds of law enforcement officers who have given up their lives on the frontlines in the war against crime.

On this occasion, I have reintroduced H.R. 2379 legislation which seeks to establish a law enforcement officers memorial in our Nation's Capital. We have no such national memorial in existence today which is a profound tragedy which deserves remedy.

The lives of all police and other law enforcement personnel are in daily peril due to the large deranged elements in our society who have targeted these symbols of authority for murder. Already in 1975, 41 law enforcement officers have been killed in the line of duty, and in the last 10 years there has been an increase of 200 percent in the numbers killed.

It would be fitting for the Congress to commit itself on this occasion to passing H.R. 2379 and appropriating the necessary funds to insure that this national memorial could be completed in time for our Bicentennial celebration which must include some meaningful tribute to the many contributions which law enforcement has made to our Nation's history.

On this day, let us pay tribute to those in law enforcement who have given up their lives so that we could remain a free people. Let us also commit ourselves to better protecting those who serve in law enforcement today for their effectiveness is critical to the preservation of our great Nation.

UNITED STATES CANNOT TOLERATE SEIZURE OF THE "MAYAGUEZ"

(Mr. LLOYD of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LLOYD of California. Mr. Speaker, the seizure of the American ship, *Mayaguez*, by the new Cambodian regime, cannot and must not be tolerated by the United States. President Ford has my support in implementing action to obtain the release of the ship.

I agree with the current efforts to release the *Mayaguez* through diplomatic channels. But, force should not be ruled out if diplomatic attempts fail.

Recently the present Cambodian Government detained a Panamanian ship for several days prior to release. I hope that this would be Cambodia's course of action; certainly we should allow time for this to occur according to a published schedule.

What is involved here is the national integrity of the United States and international maritime law. As a man familiar with the law of the sea, and knowing that many nations are dependent on the world's seas for commerce, I say this action against the *Mayaguez* represents a global threat.

Therefore, we cannot tolerate irresponsible, unilateral actions from states unmindful of the disastrous consequences of such challenges to the United States and other maritime nations of the world.

WE HAVE NOT LEARNED OUR LESSON

(Mr. HARRINGTON asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. HARRINGTON. Mr. Speaker, we have only the sketchiest information, but I think this new development is unfortunate for all of us. It would appear that this country, absent the restraint that would indicate that the lesson has been learned, is once again engaging in military operations off the coast of Southeast Asia.

One can only hope, despite obvious differences of opinion, that whatever course has been undertaken will be pursued with some appreciation for what this country has undergone.

I can only express my regret, sorrow and total disagreement with the actions that have been so precipitously and precariously undertaken. I feel that they are the kind of actions that will be shown to have been unnecessary. I think it has already been shown that these tendencies and policies are held in utter disrepute by most of the people of this country.

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DISAPPOINTMENT IN FAILURE OF HOUSE TO OVERRIDE PRESIDENTIAL VETO

(Mr. BERGLAND asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BERGLAND. Mr. Speaker, the failure of the House to override the President's veto of the emergency farm bill on yesterday was a great disappointment to me. Our action endorsed the continuation of this administration's bankrupt farm and food policy and I fear, seriously damaged plans to devise a new approach to this question.

Since the early 1930's farm policies have been designed to curtail farm output and have worked with varying degrees of success.

During the past 10 years export demand has developed to the point where I believe the time has come to break with the policies of the past and embark upon a new approach.

American farmers simply cannot meet the exploding world food needs which will probably increase by 50 percent in the next 20 years barring any unexpected change in population growth patterns. American farmers can however, help the world feed itself, but Government planning and aid is essential to this effort. Farmers simply cannot bear the enormous risks being forced upon them by this administration's policy of no policy.

The vote on yesterday suggests to me that Earl Butz is now clearly in control and we can expect less attention will be paid to this vital food issue than is accorded housing, health care, energy, transportation, and other public policy questions.

Had we been able to override the President's veto of this 1-year farm bill, the Congress would be in a position to negotiate with the administration on a number of neglected concerns. What should we now do? Advise and consent?

TO IMPROVE THE FEDERAL EMPLOYEE HEALTH BENEFIT PROGRAM

(Mr. GUDE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GUDE. Mr. Speaker, one of the largest "purchases" which the average citizen makes during his lifetime is health insurance and the Federal employee health benefit program is the largest group health insurance program in the world.

In my dealings over the years with thousands of Federal employees who live and work in my congressional district, I have found that Government employees are paying for a service in which they have no say. Since its inception in 1959, the Federal Employees Health Benefit Act has given the Civil Service a free hand to enter into contracts with private health insurers—in secret.

However, I see absolutely no justification for keeping the civil servant in the dark when it comes to negotiations conducted on his behalf for a service which has such a tremendous impact on his life.

This is why I am tomorrow introducing a measure to inject a little "sunshine" into this closed negotiating process. My bill requires that notice of any reduction of health benefits or any exclusion of any type of provider of health services be published in the Federal Register 180 days before such proposals take effect. The bill further provides for simultaneous notification that the Civil Service will hold public hearings 120 days prior to any such proposed reductions or exclusions take effect.

It is simply a matter of giving the subscriber who pays hundreds of millions of dollars for this service a rightful say in the plans which crucially affects the health care of his family.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

CALL OF THE HOUSE

Mr. FREY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 203]

Ambro
Barrett
Bingham
Bonker
Chisholm
Clay
Conyers
Diggs
Dingell
Drinan
Eilberg
Foley
Ford, Mich.
Fraser
Harsha
Hayes, Ind.
Hébert
Hinshaw
Hungate
Ichord
Karth
Mathis
McDade
Metcalfe
Milford
Mills
Mollohan
Moorhead, Pa.
Pattison, N.Y.
Rangel
Roe
Ruppe
Scheuer
Sisk
Staggers
Steiger, Wis.
Teague
Wydler

The SPEAKER. On this rollcall 395 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SETTING TIME FOR DEBATE ON HOUSE CONCURRENT RESOLUTION OF THE BUDGET—FISCAL YEAR 1976

Mr. ADAMS. Mr. Speaker, before calling up the conference report on House Concurrent Resolution 218, I ask unanimous consent that debate on the conference report be limited to not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from Ohio (Mr. LATTA) and myself.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. ADAMS. Mr. Speaker, I understand that there may be a message from the Senate on these papers which have been messaged over, but they are requesting them back. Therefore, I would yield my time back at this point.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair would like to make a statement.

We are anxious to get on with the conference report on the budget control concurrent resolution as soon as possible, but we will proceed at this time with the rule on the Refugee Assistance Act, House Resolution 461. If the other conference report is reported back, then we will go ahead with that.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Secretary was directed to request the House of Representatives to return to the Senate the concurrent resolution (H. Con. Res. 218) entitled "Concurrent resolution setting forth, on an aggregate basis only, the congressional budget for the U.S. Government for the fiscal year 1976," together with all accompanying papers.

The SPEAKER. Without objection, the request of the Senator is agreed to.

PROVIDING FOR CONSIDERATION OF H.R. 6755, ENABLING THE UNITED STATES TO RENDER ASSISTANCE TO, OR IN BEHALF OF, CERTAIN MIGRANTS AND REFUGEES

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 461 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 461

Resolved, That upon the adoption of this resolution it shall be in order to move, clause 2(1)(6) of rule XI to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6755) to enable the United States to render assistance to, or in behalf of, certain migrants and refugees. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Florida is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the able gentleman from Illinois (Mr. ANDERSON) pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 461 makes in order the consideration of H.R. 6755, the Indochina Migration and Refugee Assistance Act of 1975. House Resolution 461 provides for an open rule with 2 hours of general debate.

House Resolution 461 waives points of order against clause 2(1)(6) of rule XI of the Rules of the House of Representatives—the 3-day rule.

The purpose of H.R. 6755 is to authorize assistance for the transportation, temporary maintenance, and resettlement of Cambodia and Vietnamese refugees. The assistance would be provided under the framework of the Migration and Refugee Assistance Act of 1962. The bill directs the President to report on a regular and current basis as to the administration of this legislation and the expenditure of funds.

Mr. Speaker, we all know there are problems relating to this matter. America, throughout its history, has had compassion and concern for the needy and distressed people of the world. These people are in our country, or will soon be here. We have the obligation to provide reasonably for them. I understand they are to be distributed reasonably and fairly over the whole country so that there will not be any extraordinary burden upon any part of the country.

Mr. Speaker, this bill was designed so that the Federal Government will pay the cost of the provision for these people so that it will not fall upon any particular State or community where these people may have to be resettled. Mr. Speaker, this is a meritorious and humanitarian program and should be favorably considered by the House. I hope the rule will be adopted.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 6755, the refugee assistance authorization, which this rule would make in order for consideration, is nearly identical to the original administration bill which I was privileged to cosponsor. This resolution is an open rule with 2 hours of general debate, and it waives the 3-day rule. If ever there was a need for an emergency waiver of the 3-day rule, this is it. Available funds for transporting and processing these 115,000 refugees have been exhausted and a tremendous bottleneck has been created on and around Guam as well as in the relocation centers in the United States. It is imperative that this Congress move today on this authorization so that these refugees can be moved tomorrow into the mainstream of American life.

Mr. Speaker, I was frankly ashamed of the antirefugee sentiment which surfaced just after the evacuation of Saigon. I could not believe that a country about to celebrate its 200th anniversary of independence from tyranny would now turn its back on others fleeing tyranny. I do not know to what extent this sentiment was representative or the passing passions of the moment. But I do know that after dispassionate reflection, majority sentiment in this country has been turned around and that negative passions have been replaced by positive compassion for these refugees. We have not forgotten our own origins and traditions and principles; the heart of America is still good, and it is still reaching out, despite internal troubles, to embrace the homeless and tempest-tossed, yearning to breathe free.

Mr. Speaker, we are about to close the final chapter on our Vietnam tragedy. By our action here today in providing for the refugees from that war we can at least insure that the final chapter will be a proud one, depicting a reaffirmation of our humanitarian traditions and moral responsibilities.

Mr. PEPPER. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. Yes, I yield to the gentleman from Florida.

Mr. PEPPER. Mr. Speaker, I commend the gentleman from Illinois (Mr. ANDERSON) for the excellence of his statement.

I am sure the able gentleman from Illinois and the Members of this House share the hope that at some reasonably early date, the Government of North Vietnam or South Vietnam will exhibit such respect for the rights of their people, such regard for their privileges as citizens, that the people who are here from any part of Vietnam will feel that they can with safety return to their homeland.

Mr. ANDERSON of Illinois. Mr. Speaker, I certainly join with the gentleman in expressing the very identical sentiments that he has just expressed, that we will see a time come when they will recognize human rights and freedom of ingress into and egress from that country.

Certainly, within my comprehension of this issue, it is important to recognize that those people have the right of voluntary return.

Mr. PEPPER. Mr. Speaker, I thank the gentleman.

Mr. SEIBERLING. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. Yes, I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Speaker, I want to subscribe to the remarks of the gentleman from Illinois and also those of the gentleman from Florida. I would support this resolution, but I would like to ask this of the gentleman from Illinois:

Mr. Speaker, the gentleman from Illinois made a statement that we are closing the last chapter of our activities in Southeast Asia, and I wonder, in the light of what is happening today, if he can really be sure of that or if he thinks we are on the verge of opening up a new chapter.

Mr. ANDERSON of Illinois. Of course, I am not in a position to fully respond to the gentleman's question.

It is a legitimate concern, surely; and I know that he has reference to the sinking of Cambodian gunboats and the original incident which brought that about, apparently, the capture of the American merchant ship *Mayaguez* in the Gulf of Thailand. I have not personally been briefed as to all of the events surrounding the detention and the capture of that ship or the actions that were taken subsequently thereto that led to the latest reports of armed action, naval action, being taken in the Gulf of Thailand; but I would certainly express publicly the hope, as I did yesterday, that there would be full and complete consultation with the Congress on this matter, and that before any extensive actions are undertaken, either to recapture that vessel or otherwise, there would be a full and complete recitation of all of the facts surrounding the original capture, and that there would be the kind of consultation that I think is required under the War Powers Act which was passed in the last Congress.

Mr. SEIBERLING. Will the gentleman yield further?

Mr. ANDERSON of Illinois. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Of course, the War Powers Act is one thing. I am reading from another law, which says, and it is in several different public laws:

> . . . no funds heretofore or hereafter appropriated may be obligated or expended to finance the involvement of United States military forces in hostilities in or over or from off the shores of North Vietnam, South Vietnam, Laos, or Cambodia, unless specifically authorized hereafter by the Congress.

I would ask the gentleman if he thinks the President has any right, under the law, to engage military forces in activities in, over, or off the shores of Cambodia without the prior approval of the Congress.

Mr. ANDERSON of Illinois. The legislative provision to which the gentleman refers, of course, was enacted, as I recall it, in 1973.

Mr. SEIBERLING. Correct.

Mr. ANDERSON of Illinois. And it was enacted at a time when we clearly were at war, both in Cambodia and in South Vietnam. I know from press reports that at least one member of the administration voiced the opinion that from a legal standpoint, prohibition of armed activity or military action would apply only to that particular contest or armed conflict between our country and the countries of North Vietnam and Cambodia, but it would not apply to a rescue operation undertaken to try to recover not just a ship, but, of course, more importantly, the 39 men of the crew aboard that ship: that, strictly speaking, the 1973 act did not apply to that kind of incident.

I would be frank to say to the gentleman that I have not researched the law carefully enough on this point to know what is the proper interpretation.

Mr. LONG of Maryland. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I will in just a moment, but first, if I may, I would like to complete my response to the gentleman from Ohio (Mr. SEIBERLING).

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Mr. Speaker, I would just solicit some patience and understanding on the part of my colleagues on that side of the aisle. I said yesterday that I felt that this President would fully consult with the Congress before undertaking any major action in the Gulf of Siam, or in the area of the former theater of activities there in Indochina, that he would fully consult with the Members of Congress before taking any initiative of any kind. There has been a sort of a cascading of developments just within the last few hours that apparently, if the news report is correct, have escalated that situation to a certain extent. But, Mr. Speaker, I continue to express every hope and confidence that the President will consult with the Congress. I do not believe at this point that we need be concerned that there is going to be any deliberate attempt to either circumvent the provisions of the 1973 law, or the War Powers Act itself.

Mr. SEIBERLING. I assume the gentleman from Illinois would concur that this law is still in effect, and that it expresses in plain language the prohibition of such actions; does he not?

Mr. ANDERSON of Illinois. The law is in effect. Again I am relying only on secondary reports, on hearsay evidence, that the action in the Gulf of Siam occurred apparently today, and was in response to an attack that was made upon personnel of the U.S. Government, and that there was an actual exchange of fire, and as a result we reacted in the manner that we have been discussing.

I do not believe, however, that that indicates that we are going to get into a major military action without prior consultation with the Congress. I refuse to accept that premise at this moment.

Mr. SEIBERLING. Would the attack have taken place if our Armed Forces had not been present?

Mr. ANDERSON of Illionis. Obviously I suppose it would not.

Mr. SEIBERLING. I thank the gentleman.

Mr. ANDERSON of Illinois. I now yield to the gentleman from Maryland (Mr. Long).

Mr. LONG of Maryland. Mr. Speaker, I thank the gentleman from Illinois for yielding; I believe this would be consistent with the President's powers under the War Powers Act if the action has taken place while the merchant vessel was being seized. But if the bombing is being done as an act of retaliation, it seems to me, the President would be violating the terms of the War Powers Act.

Mr. ANDERSON of Illinois. Mr. Speaker, I would caution the gentleman against premature judgments of that kind. I do not think that the gentleman from Maryland nor I, or perhaps any other Member of this body at this moment have received all of the facts, or are in possession of evidence of what really did happen, and why it happened, to be making and trading angry charges of the Presidential violation of the law. I cannot accept the interpretation of the gentleman from Maryland pending a fuller understanding of what all the facts are.

Mr. Speaker, I now yield to the distinguished gentleman from Florida (Mr. Fascell).

Mr. FASCELL. Mr. Speaker, I would certainly want to support the statement the gentleman has just made. I do not think it serves any useful purpose, really, at this moment to get into a legal argument about who did what.

The point that I want to make, and I am distressed that I have to say this to my colleagues; that we do not know the facts.

The Subcommittee on Political and Military Affairs of the Committee on International Relations attempted yesterday morning at 9 o'clock. As soon as we could, we attempted to get briefed on the facts; to fulfill our responsibility to ourselves; the committee; and to our colleagues in the Congress. We got very little information from the State Department representative who was sent down to brief us.

Events have cascaded. I have no way of verifying or not verifying events. So I agree with the gentleman it is too early to jump to any kind of conclusion, but it is not too early to say that we are at least entitled to the facts so we have some idea about what is going on.

We have scheduled a meeting for 3 o'clock this afternoon for the Subcommittee on Political and Military Affairs and the Committee on International Relations. We cannot get any confirmation from anybody downtown that they will send anybody to the meeting who will tell us anything. I think in the best spirit of giving the President whatever opportunity he needs, whatever legal right he has, whatever presumption he has, the benefit of the doubt—and I am in favor of all of that—I think in the spirit of cooperation with the Congress, particularly in the light of recent history, the last thing we need is to be kept in the dark about this crisis situation.

Mr. ANDERSON of Illinois. Let me say in response to the gentleman from Florida it is now a quarter to 1. If I understood him correctly, his committee will not be meeting for more than 2 hours. I will certainly work with him and use whatever influence I have to see that he gets some information on this point.

I do not question his right or the right of members of the subcommittee to be fully informed on the circumstances that led to the seizure. There may be good and valid military reasons why some security has to be maintained on various options that might be undertaken. I do not know, but I think the gentleman at least is entitled to an explanation of what led to the seizure, and I will work with him to try to see that he gets it.

Mr. FASCELL. I appreciate that very much. I am sure it will be helpful. Of course, I want to make it abundantly clear I am not speaking for myself; I am not even speaking for the subcommittee; I am speaking for the institutionalizing of the process of communication between the Executive and the Congress in a satisfactory fashion when the country finds itself in a dangerous situation. I take nothing away from the President; I take nothing away from the Congress. I do not believe, however, even the leadership of the House and the Senate have been briefed on this issue. Somewhere, somehow, even in an emergency, we have to be able to communicate intelligently if for no other reason than to stop the kind of speculation and argument that has occurred on the floor of the House today with charges and countercharges which do no justice to the President, do no justice to the country, and certainly do no justice to the Congress.

Mr. ANDERSON of Illinois. I thank the gentleman for his contribution. As always, he has spoken out very eloquently and in a sincere fashion, and I think that if he will exhibit some forbearance and some patience pending his committee meeting at 3 o'clock this afternoon, some information is going to be forthcoming for him and for others.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank the gentleman for yielding, and I thank him for taking this time to present in clear terms the President's position. I have to say, as I listened to some of my colleagues on the other side—the last speaker excluded—I am inclined to think that they are literally blaming the President for the situation. I think if we take their argument in its essence, what they are saying is maybe we should learn to stay out of international waters. When we are in international waters, things like this piracy incident can happen, but to indicate that we should not have a response and a strong response by the President to me is unbelievable. I am sure the vast body of the people support the statements of the gentleman from Illinois and certainly the actions of the President.

Ms. ABZUG. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentlewoman from New York.

Ms. ABZUG. I thank the gentleman for yielding.

I appreciate the point made by my colleague, the gentleman from Florida (Mr. Fascell), but I would suggest that in view of the nonclarification here, and in view of the potential provocation—although I fully respect the committee system—I think under the law what the Congress is entitled to is a direct report from the White House with respect to any steps that have already been undertaken, because under the War Powers Act certainly there has to be advice to the Congress and consultation and notification.

I would like to point out one other thing. I do not agree with the interpretation of legal counsel to the White House. This body has acted and refused to waive the powers that it has under those other actions which say that there shall be no military action in and over the land, waters, and shores of Cambodia, Laos, and Vietnam. We specifically acted to reassert our insistence that that prohibition remain in force.

So I think, since there is a lack of clarification, but more than that, we do not have to have legal argumentation or constitutional argumentation, I want us to be able to act properly to safeguard the rights of those Americans—and all Americans—and the rights of these people here. I believe a direct report to the Congress is required, not just a possible appearance at a committee at a moment of crisis like this, so that we can be there at the beginning and not complain later on that there was an emergency and we had no opportunity to participate.

Mr. ANDERSON of Illinois. Mr. Speaker, I thank the gentlewoman for her contribution.

Let me simply close this discussion by suggesting that perhaps for purposes of clarification I should inform her that the other interpretations of the possible applicability of the 1973 Supplemental Appropriation Act was not an official opinion. It was voiced by Mr. Buchen, the White House Counsel, and he took pains to add he was speaking personally and not as the representative of the President.

Again, I think this has been useful but I am sure if Members will exhibit some patience and forbearance there will be some additional information forthcoming.

Mr. Speaker, I have no further request for time.

Mr. PEPPER. Mr. Speaker, I yield 3 minutes to the able gentleman from Michigan (Mr. Riegle) to address himself to the rule.

Mr. RIEGLE. Mr. Speaker, I rise in support of the rule today. I want to talk about that, but before I do, I want to support the previous remarks of the gentleman from Florida, the chairman of one of my subcommittees, Mr. Dante Fascell, and the concerns he expressed about the problem just recently under discussion, and I support him fully.

But if I could have the attention of my colleagues in the House right now, once we pass this rule and get to the refugee assistance as a whole, I am going to be offering an amendment today which I think is a very important one. I take a minute now to speak about it.

There is no question but that this country has an obligation to do what it can now to resettle the South Vietnamese refugees. My concern is that we also have a very large number of people in the United States who might be called American refugees, who are themselves in situations of extreme economic hardship and deprivation through no fault of their own, and they are in all age groups and levels and every congressional district. There are a great many of them in my congressional district.

My amendment would propose to expand this humanitarian refugee program so that any benefits which are made available to the South Vietnamese nationals have to be made available equally to American citizens who meet the same tests of economic hardship and personal circumstance.

In other words, it would be to say that, we are not going to have a double standard, we are not going to treat one group in one way and another group in another way, people who have the same problems will be treated in different ways, but instead, we will have to have programs that step up to the problems of all persons in this country who have a problem of dire economic consequence that they are unable to meet by themselves.

This to me will be a test, really, of how deeply this humanitarian impulse runs within the President and this administration and also within the Congress. So my proposal is to see to it that people in America who suffer equal hardship receive equal treatment, something, I think, which is just and sound. If we really want to see this country of ours accept and assimilate the South Vietnamese refugees, I think the best way to accomplish that is to say we are not going to have two kinds of treatment or a double standard but, in fact, that the benefit programs will be made available equally to people in our own society who desperately need help. We can see to it that they receive the same kind of help. We cannot do it for one at the expense of another.

I am prepared to support the South Vietnamese assistance if we can treat the people of America in the same way, if we can have this kind of equity. But if the Congress does not accept this amendment and we say to people across the land, to our young or to our retirees who are destitute and not in a position to help themselves, that we are not concerned about their problems and not willing to do anything for them while at the same time we spend hundreds of millions of dollars for the South Vietnamese, then I will not be able to support the bill.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. PEPPER. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. RIEGLE. Mr. Speaker, I yield to the gentleman from California (Mr. Goldwater).

Mr. GOLDWATER. Mr. Speaker, I wonder if the gentleman could clarify what he is talking about. I think we are all concerned with those people who are recently here in the United States; but what benefits is the gentleman talking about that the refugees are getting that unemployed Americans are not getting?

Mr. RIEGLE. I might say to the gentleman, that is a very good question. As the administration witnesses appeared before our Committee on International Relations, they were asked this question, namely, what specifically will be involved in these assistance and resettlement programs? Are we talking about job retraining? Are we talking about resettlement expenses? Are we talking about travel expenses to go to some parts of the country? Are we talking about housing allowances? Are we talking about food allowances? If so, how much and in what amounts?

There were no answers provided. In other words, the administration is not prepared to say exactly at this time what the refugees will receive or what the individual amounts will be or what the total amounts will be.

If I may say one more thing to the gentleman, the money that is being authorized today is just a downpayment. In other words, there is nobody in this Chamber that can tell us how it will be spent in terms of specific help to people or what the ultimate costs will be.

Mr. GOLDWATER. Mr. Speaker, if the gentleman will yield further, I might clarify that. I happened to be at Camp Pendleton recently. They are getting blankets. They are getting cots. They are getting tents and they are getting sleeping facilities and they are getting food.

Is this the type of thing that non-American refugees the gentleman says should be getting the same?

Mr. RIEGLE. I would say American refugees who are equally deprived should get the same kind of help; but my longer term concern is what happens after they get out of the camps? What about job training? What about housing allowances, food and clothing allowances?

Mr. GOLDWATER. We do not know to what extent that will be.

Mr. RIEGLE. That is exactly right. That is why my amendment says that whatever decision is made, whatever assistance is provided, that same assistance would be provided to Americans under equal conditions of hardship.

The SPEAKER pro tempore. The time of the gentleman has again expired.

Mr. PEPPER. Mr. Speaker, I yield the gentleman an additional 2 minutes.

Mr. RIEGLE. Mr. Speaker, I yield to the gentleman from Maryland (Mr. Sarbanes).

Mr. SARBANES. Mr. Speaker, I believe some of the problems raised by the gentleman would be put to rest if he understood that once the refugees would be settled in the final place where the refugees were being sent, that thereafter any public assistance, any health assistance, or any other assistance of that sort that might be coming from public funds with respect to those refugees would be governed in the same manner as help for other Americans.

Mr. RIEGLE. Mr. Speaker, no; I do not agree with the gentleman, for this reason, that we have a problem with Americans in this country who are destitute, who likewise need help in perhaps relocating to another area of the country, who may need help with job training and who may need help in the forms that I listed. That is why I want to insure that everything that is made available under the general refugee program will be made available to other needy Americans. We do not have an answer on this. That is why I hope the gentleman will have no objection to my amendment, because it merely says that anything we end up making available to South Vietnamese, that we will make available to needy Americans under similar circumstances of hardship.

Mr. SARBANES. I understand. All I

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want the gentleman to do is to think through the circumstances of these refugees, when he makes this assertions they should be treated equally, because their circumstances are, of course, unequal, and that stems from their relocation in these settlement camps and all the problems that run with that.

Now, we do not have a program for Americans to go to resettlement camps at Camp Pendleton and live in a tent, although we have such a program for the refugees. We have to have the refugees there. That is not where we want them to be or where we want them to end up.

Now, with respect to their eventual location, they will be governed in receiving assistance in a similar manner as other Americans.

Mr. RIEGLE. Mr. Speaker, let me say that we have people sleeping outside without tents in this city and in my city in Flint, Mich. I suspect we have them in Baltimore. We have a situation where we have large numbers of people today who are every bit as destitute as the newly arrived South Vietnamese. There is no provision coming to us today in this bill or from the White House to take care of the equivalent needs of Americans.

Mr. PEPPER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BRINKLEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 406, nays 0, not voting 27, as follows:

[Roll No. 204]

YEAS—406

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hastings
Hawkins
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Maguire
Mahon
Mann
Martin
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Michel
Mikva
Miller, Calif.
Miller, Ohio
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Calif.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman
Patten
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncallo
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—0

NOT VOTING—27

Barrett
Bingham
Brown, Mich.
Burton, John
Esch
Ford, Mich.
Hagedorn
Hall
Hayes, Ind.
Hébert
Hinshaw
Jenrette
LaFalce
Madigan
Mathis
Metcalfe
Milford
Mills
Mineta
Mollohan
Moorhead, Pa.
Preyer
Rees
Ruppe
Sisk
Skubitz
Udall

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Brown of Michigan.

Mr. Barrett with Mr. Rees.

Mr. Moorhead of Pennsylvania with Mr. Hall.

Mr. Mollohan with Mr. Milford.

Mr. Sisk with Mr. Esch.

Mr. Udall with Mr. Skubitz.

Mr. LaFalce with Mr. Mills.

Mr. Jenrette with Mr. Hagedorn.

Mr. John L. Burton with Mr. Metcalfe.

Mr. Bingham with Mr. Ruppe.

Mr. Ford of Michigan with Mr. Madigan.

Mr. Hayes of Indiana with Mr. Preyer.

Mr. Minetta with Mr. Mathis.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Without objection, the action whereby the House agreed to the request of the Senate for the return of the papers on the conference report on House Concurrent Resolution 218 is hereby rescinded.

There was no objection.

FIRST ANNUAL REPORT ON THE NATIONAL COUNCIL ON EDUCATIONAL RESEARCH—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Education and Labor:

To the Congress of the United States:

I am pleased to send you the first Annual Report of the National Council on Educational Research as required by Public Law 92–318, Title III (Section 405(c)(3)(f) of the General Education Provisions Act, as amended).

The Council is the policymaking body of the National Institute of Education which was created by the Congress to provide national leadership in the conduct of educational research and development.

I remain committed to a strong Federal role in research and development in education and to support the National Institute of Education and the National Council on Educational Research as the primary vehicles responsible for the Federal role. The Institute is now well advanced in its program directed toward specific and pressing educational problems.

The National Council on Educational Research is providing guidance to the Institute during the development of this program.

I know that the Congress will join with the Administration in supporting and strengthening the National Institute of Education and in encouraging the National Council on Educational Research to continue providing the vigorous policy direction and advice which will assist the Institute to meet its goals.

GERALD R. FORD.

THE WHITE HOUSE, *May 14, 1975.*

APPOINTMENT OF CONFEREES ON H.R. 4700, TO AUTHORIZE APPROPRIATIONS TO THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Mr. TEAGUE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4700) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes, with a Senate amendment thereto, disagree with the Senate amendment, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Texas? The Chair hears none, and appoints the following conferees: Messrs. TEAGUE, FUQUA, DOWNING of Virginia, SYMINGTON, FLOWERS, MILFORD, ROE, MOSHER, WINN, and WYDLER.

REQUEST FOR APPOINTMENT OF CONFEREES ON H.R. 4723, AUTHORIZING APPROPRIATIONS TO THE NATIONAL SCIENCE FOUNDATION

Mr. TEAGUE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4723) authorizing appropriations to the National Science Foundation for fiscal year 1976, with a Senate amendment thereto, disagree to the Senate amendment, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. BAUMAN. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

CONFERENCE REPORT ON HOUSE CONCURRENT RESOLUTION 218, FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1976

Mr. ADAMS. Mr. Speaker, I call up the conference report on the House concurrent resolution (H. Con. Res. 218) setting forth, on an aggregate basis only, the congressional budget for the U.S. Government for the fiscal year 1976.

The Clerk read the title of the concurrent resolution.

The SPEAKER. The Clerk will read the conference report.

The Clerk read as follows:

(For conference report and statement, see proceedings of the House of May 9, 1975.)

Mr. ADAMS. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I rise in strong support of the conference report on the first budget resolution. The report is a reasonable compromise between the positions of the House and the Senate and, in my opinion, should be adopted by the House.

The conferees agreed to the following targets for the principal budget aggregates contained in the resolution:

Outlays: $367 billion, which was $2 billion above the Senate position and $1.2 billion below the House position;

Budget authority: $395.8 billion, $7.2 billion above the Senate position and approximately $100 million below the House position;

Deficit: $68.82 billion, $1.6 billion above the Senate position and $1.2 billion below the House position; and

Revenues: $298.18 billion, approximately $400 million above the Senate position and the same as the House position.

Mr. Speaker, the revenue target is based on a series of assumptions by the conferees: First, that the major provisions of the Tax Reduction Act of 1975 will be extended to the end of the fiscal year, which will lower revenues by about $4.4 billion; second, that approximately $1 billion in revenues will be realized in fiscal year 1976 through enactment of tax reform legislation, rather than the $3 billion contemplated in the House-passed resolution; and, third, that an additional $2 billion in revenues will be raised in fiscal year 1976 in view of the Treasury's recent tax collection experience.

As a result of these major decisions by the conferees, the resolution establishes a level of $617.6 billion for the public debt, equal to the Senate position and $2.3 billion below the House position.

The conferees also established budget authority and outlay estimates for each of the major functional categories of the budget. These estimates serve to explain how the conferees arrived at the principal budget aggregates contained in the resolution. Page 9 of the conference report contains a table setting forth the amounts agreed to by the conferees for each functional category.

I would like to bring to the House's attention the conferees' decisions on three major subjects before the conference:

First. President Ford's proposed 5 percent cap on increases in Federal pay, retirement, and other benefit costs. The Senate resolution did not include funds to permit payment of full cost-of-living increases in pay, retirement, and other benefit programs. The House resolution included the full amounts needed to make these payments. The conferees accepted the House position on all proposed caps.

Second. Economic stimulus. The House resolution included funding for approximately 1,700,000 jobs in fiscal year 1976. The conferees also provided for considerable economic stimulus—a total of 1,664,500 jobs over and above the President's budget submission. As my colleagues know, the Senate resolution did not have nearly so strong an economic stimulus thrust. The conferees went much more than halfway in meeting House concerns that the economy be given a substantial boost. Thus, the conference accepted the Senate proposal for stimulating employment through railroad rehabilitation projects, and agreed upon a public service employment level of 385,000 for fiscal year 1976.

Third. Additional employment-generating public works programs. The House resolution contained $5 billion in budget authority and $2.5 billion in outlays for a new accelerated public works program, the Emergency Local Public Works Capital Development and Investment Act. The Senate resolution did not contain funds for any similar program. The conferees agreed to retain $5 billion in budget authority and $2.1 billion in outlays for additional economic stimulus to be provided either through an accelerated public works program of the type being considered in the House, or through some other appropriate stimulative program, such as emergency financial aid to States and localities, that the Congress may ultimately enact.

Adoption of this resolution will complete the first important phase of the new budget process. In my opinion, the Congress performance should be highly commended, and I want to thank all Members of the House, regardless of their views on individual spending matters, for fully supporting the new budget process.

Mr. Speaker, I believe that this represents a fair compromise between the positions of the two Houses. Yesterday I placed in the RECORD at page 14119 a table which compares that figures of 1974, the President's budget estimate of 1975, the President's budget estimate as submitted for 1976, the House position, the Senate position, and the final conference position. There is also included the figures indicating the budget authority, recommended in general terms but not as part of the conference report itself, for each of the functional categories, and below that a report on each of the outlay figures. I hope my colleagues in the House will vote to accept the conference report.

I say to my colleagues, as I did at the time that the resolution was passed, I think this represents a very important step as far as the Congress is concerned in attempting to reestablish in appropriate form our constitutional responsibilities to have control over spending and, in particular, control over general fiscal policy of the United States.

Mr. LATTA. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I believe it would be a serious mistake to concur in the budget and deficit figures that are contained in House Concurrent Resolution 218 and am therefore constrained to speak in opposition to this conference report.

In setting the deficit for fiscal year 1976 at $68.8 billion the conferees have reduced the deficit somewhat from the amount as passed by the House originally but it is still excessive.

The conferees completed action on

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House Concurrent Resolution 218 on May 9. Following are the five aggregate figures arrived at, as compared with the original House and Senate figures:

[In billions of dollars]

	House	Senate	Conference
Outlays	368.21	365.00	367.00
Budget authority	395.93	388.60	395.80
Deficit	70.03	67.20	68.82
Revenue	298.18	297.80	298.18
Debt	619.90	617.60	617.60

What makes the figures in this resolution all the more frightening is the prospect that the deficit could well go much higher than that, up to $100 billion range, if Congress continues approving spending legislation as in the past.

The Federal borrowing needed to support a deficit of that magnitude would push interest rates up and crowd out private borrowing needed to operate businesses, keep industry humming, and create jobs. Such spending would set off another round of aggravated inflation which in turn would inevitably bring on recession. It is not a pleasant prospect.

The resolution is questionable for other reasons. It proposes too much and the wrong kind of stimulative spending for public works and public service jobs. Our experiences in the past have demonstrated over and over again that public works programs place heavy burdens on the Federal budget and do not really stimulate the economy on a short-range basis. Their impact is later when the need for stimulus has passed, and then serve to aggravate inflation. Public service jobs tend to simply transfer to the Federal Government costs that should be borne by other levels of governments. In spite of such drawbacks, the resolution earmarks billions for such purposes.

The conference report on House Concurrent Resolution 218 embraces other numerous unbudgeted items. Many of these items might well have merit at another time but that time is not now when one considers the magnitude of our budgetary problems.

It is regrettable that the conferees did not accept the so-called cap on salaries. Even though the cap on salaries and retirement was removed by the House—and I believe that was a serious mistake—the cap on salaries was included in the Senate figures. The conference action had the effect of removing it. Given the job security of Federal personnel and their relative wage levels. I believe this is a very legitimate place to hold the line on runaway Federal spending and to set an example for the private sector.

On the other hand, suggestions made to effect savings have been rejected. Proposals were made to improve the administration of various benefit programs and otherwise eliminate undue spending, amounting to over a billion dollars in fiscal year 1976. They were rejected outright.

Mr. Speaker. it is for reasons such as I have discussed here that causes me to sound the call once again for some fiscal discipline on the part of the Congress. My "no" vote on the conference report is to give a glimmer of hope that we can make meaningful strides toward achieving the fiscal discipline which is so badly needed.

Mr. ADAMS. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan (Mr. O'HARA).

Mr. O'HARA. Mr. Speaker, I rise in support of the conference report.

Mr. Speaker, I think the conference report represents a number of improvements over the Senate bill. In most aspects the House resolution was followed in this conference report, so I believe all those who supported the House resolution at the time it was before the House could in good conscience support the conference report now before us.

I would like to try to clarify some of the matters that were taken up during the conference which are not fully amplified by the conference report.

I would like to have the attention of the gentleman from Washington (Mr. ADAMS), the chairman of the committee, with respect to these matters.

Mr. Speaker, on page 6 of the conference report under function 500, "Education, manpower, and social services," the conference report indicates that the House resolution assumed outlays of $20.4 billion and the Senate amendment assumed outlays of $19.4 billion, for a $1 billion difference.

Then the conference report points out that the conferees agreed to outlays of $19.85 billion in this function. These figures assume that all programs in this function can be funded at least at the fiscal year 1975 funding level, that regular ongoing programs be increased, and that the number of public service employment jobs also be increased.

Then the conference report says:

> The conferees reached their decision with regard to public service employment in this function, which involves a reduction in the House estimate, in view of the job creating effect of the $0.8 billion assumed in function 400 for rail assistance.

Now, that is my understanding, that those two were intermingled in the decision of the conference; is that correct?

Mr. ADAMS. Mr. Speaker, the gentleman is correct. Those two were intermingled at the time of the conference, but they both involved job creating functions and public service-type jobs.

Mr. O'HARA. Right, and we did not have the $600 million of rail assistance in the House resolution.

Mr. ADAMS. We did not. That was a Senate provision.

Mr. O'HARA. It was my understanding that when the compromise proposal was offered to settle the difference in function 500, it was agreed by the conference that to the extent the $600 million for rail assistance, that had not been in the House resolution, were not used for that purpose, rail assistance, the amount to be used for public service employment under function 500 could be correspondingly increased. Is that the understanding of the gentleman?

Mr. ADAMS. That is correct.

Mr. O'HARA. I thank the gentleman for assisting and clarifying that.

Mr. Speaker, I would like to direct the chairman's attention to one other provision of the conference report, function 900, "Interest," on page 8 of the statement of the managers. The third paragraph of that statement says:

> The Conference substitute provides $35.0 billion in budget authority and outlays, the same as the House estimate and $0.3 billion lower than the Senate estimate. If interest payments are lower due to changes in the economy, the conferees agreed, up to $100 million in outlays could be made available for education, manpower and social services, and for community and regional development, to be divided equally between the two functions.

Mr. ADAMS. That is correct. We have been told recently that the Treasury has underestimated revenues by about $7.5 billion. If such underestimates continue, the result will be to reduce the size of the national debt and the interest required to be paid. If less interest need be paid, the amount of the reduction can be used for these other purposes.

The SPEAKER. The time of the gentleman has expired.

Mr. ADAMS. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. O'HARA. Mr. Speaker, then it was simply because the increased revenues, decreased debt, and smaller interest costs were not finalized at the time the resolution went to conference that we do not make the appropriate change in the actual conference report; but I nevertheless understand that our interest costs will probably not be as high in the coming fiscal year as was our original estimate, because of the changes in the estimates of revenues and debt.

Mr. ADAMS. That is correct. There is a possibility that as much as $300 to $400 million less in interest might be needed because of increased revenues likely to be received in 1975 andl 1976.

Mr. O'HARA. I thank the chairman, and I consider that the provision with respect to the $100 million of interest and what will be done if we do make that saving to be an important provision.

Mr. Speaker, I support the conference report. It provides substantially the same amount of economic stimulation and of job creation as did the House resolution. That, of course, is inadequate, but it is more than the Senate resolution provided. I think it is a good conference report, given the point at which we started, and I support the adoption of the report.

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina (Mr. BROYHILL).

Mr. BROYHILL. Mr. Speaker, I have serious reservations about the conference report on House Concurrent Resolution 218 that is before the House at this time. Furthermore, I believe all Members of the House of Representatives should be equally concerned.

As it was reported from conference, the resolution places a stamp of approval on a fiscal year 1976 deficit totaling $68.8 billion, a sum which far exceeds the deficit for any one fiscal year in our Nation's entire history. Beyond that, it is not just the deficit figure as such that is cause for deep concern. Equally significant is its potential impact as giving a go-ahead signal for a variety of spending programs being acted on or under consideration in the Congress.

Actually, the resolution could in fact represent a meaningful achievement if the fiscal year 1976 deficit could be held at the level no higher than contained in House Concurrent Resolution 218, even though that is still too high, but from the flow of budgetbusting legislation going through the House, unfortunately that seems unlikely. I refer to such items as the multibillion-dollar so-called emergency employment appropriation bill, the education appropriation bill, and the lunch program bill, and others under active consideration. All of these increase spending far beyond present levels.

If the budget control process is to be effective in holding down spending and averting inflation and recession, full cooperation by the Congress in exercising needed fiscal discipline is absolutely essential. If that is not done even the best of intentions in passing spending programs would backfire, because with worsening inflation and recession the people will be in a far worse situation than without the legislation enacted supposedly for their benefit.

In the minority views on House Concurrent Resolution 218, page 85, a table prepared by OMB appears, outlining where the fiscal year 1976 Federal deficit could be headed, taking into consideration the tax-cut legislation and various spending proposals pending before the Congress. At the time the report was filed it was estimated that the new congressional spending proposals could add an additional $30 billion to the estimated fiscal year 1976 deficit, bringing it up over $100 billion. That table has since been updated and the projection now is for new spending proposals to potentially reach approximately an additional $32 billion, which could put the deficit threat well over $100 billion. I am including as part of my remarks a copy of the chart for the information of the membership of the House:

[In billions of dollars]

	Latest estimates	Previous estimates
What will be the budget deficit?		
The current estimate (with tax bill as written)	60.0	60.0
If Congress rejects President's hold-down legislation—add	12.0	12.0
If features of tax bill become permanent—add	5.0	5.0
New congressional spending proposals	32.0	30.0
Potential deficit threat	100.0	100.0
New congressional spending proposals:		
Antirecession grants to State and local governments	5.0	5.0
Broadened unemployment compensation benefits	1.8	4.0
Additional public service jobs	[1]12.0	3.0
Increased public works projects for State and local governments	[2]1.5	3.0
(Veto sustained)		2.2
(This item removed)		1.9
New housing subsidies	1.1	1.9
Increased urban mass transit and highway projects	1.2	1.8
Health insurance subsidies for the unemployed	1.0	1.5
Increased school feeding and related programs	2.3	1.4
Increased veterans benefits	1.3	.8
Additional small business loans	.4	.4
Other increases in a wide variety of spending programs	4.9	3.2

[1] OMB estimate.

[2] $3,000,000,000 (1977).

Our past experiences and the advice we get emphasize that undue Federal spending will unleash further vicious inflationary spirals and this in turn will bring about recession. Obviously, we should do whatever we can to prevent that from occurring, which would bring much suffering to our Nation. I believe it is absolutely essential that we either eliminate or defer spending programs such as are cited by OMB in every way possible in order to keep our economy healthy and productive for the benefit of all our citizens. It is for this reason that I must express opposition to the conference report on House Concurrent Resolution 218 and the concept it seems to represent that we can spend our way into prosperity. That does not work and the sooner that lesson is learned the better.

Mr. LATTA. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, I rise in opposition to the conference report on House Concurrent Resolution 218, legislation setting forth, on an aggregate basis only, the congressional budget for the U.S. Government for fiscal year 1976.

This legislation continues the same economic philosophy that has caused our problems in the first place—increasing Federal spending, and along with these increases come larger and more devastating Federal deficits that can only be financed by an inflationary growth in the money supply or increasing Federal borrowing in the private money markets which crowds out private investors and stunts private industry growth. An editorial in the April 29, 1975, Wall Street Journal clearly points out that we are following the same road of economic destruction that has failed so miserably for Great Britain, and that unless this trend can be reversed, we will also be victims "of the welfare-state-manic-Keynesian syndrome." The full text of this article follows, and I urge every colleague who is inclined to support this conference report to read it carefully:

[From the Wall Street Journal, Apr. 29, 1975]

GOOD-BYE, GREAT BRITAIN

"Steady as She Sinks," proclaims the April 25 cover story of The Economist, the British weekly journal of news and opinion. It is the British economy, of course, that is sinking. But that's not news. What makes this issue of The Economist valuable—it should be bound in leather and made required reading in every U.S. school of economics—is that it so finely, albeit unwittingly, traces the ultimate consequences of the welfare-state-manic-Keynesian syndrome.

Britain's current contribution to the world is to reveal the ultimate result of economic and social policies rapidly gaining ascendancy in the United States. To wit, the state must fulfill all needs, especially medical care. Income must be redistributed, principally through taxes on the returns from capital. After all, transfer payments and redistribution stimulate the economy (don't they?). The inflationary results can be contained by various forms of price control (can't they?). And if problems arise, the solution lies in finding the magical proper balance between government spending and taxes.

Thus we have Denis Healey, the Chancellor of the Exchequer, announcing his latest budget, widely praised as "brave" and "courageous" because in the midst of world recession he has imposed another $3 billion in taxes on an economy whose chief problem is that it already is strangling on taxes. By some mad twist of logic, known only to British politicians and economists, this "mildly deflationary" move is designed to run the unemployment rolls up to one million, punish the unions for pushing up wage rates so fast (32.6% annual rate in March), and position the economy so that it can take advantage of next year's forecast of a world trade boom.

We learn that The Economist itself does not think it fair of Margaret Thatcher, the Conservative Party leader, to describe the budget as "typically Socialist." After all, Mr. Healey did not increase the 52% corporate tax rate. Nor did he increase the 83% marginal tax rate on earned incomes above $48,000 or the 98% marginal tax rate on "unearned income"—interest and dividends for example—above $48,000. And he does provide for government assistance to selected private industries in the amount of $240 million, especially those the government divines will be able to increase exports.

There are other interesting statistics. Because of the effect Britain's 20% inflation has in moving workers up the progressive tax schedule, combined with Mr. Healey's two point tax increase, a Briton earning $24,000 this year will have to get a pay raise of $9,600 merely to maintain his purchasing power. A worker now getting $12,000 needs another $3,000 to stay in the same place.

Public spending rises to $128 billion from $105 billion or to 60% of gross national product. In that the U.K.'s gross national product is about one-eighth the size of ours, this is the equivalent of a $900 billion federal budget. Mr. Healey boasts that the "social wage"—all the government goodies such as health, education and welfare—now amounts to $2,400 a year for every member of the working population. To get this in perspective, it has to be pointed out that Britain's per capita income last year was $3,085.

Britain, it is regularly noted, always seems to somehow "muddle through" despite the best efforts of its government. One reason has been that, in their imperfect understanding of economics, the income redistributors have always overlooked a few opportunities to confiscate wealth. Through these tiny cracks in the tax laws, otherwise known as "loopholes," the private economy has always been able to spy enough incentive to keep producing. As a result of the current economic crisis, however, the Labor government made a determined search for these tiny cracks and has found most of them.

Because most of what businesses pay their managers in increased wages is taken away by the government in taxes, there have been exotic schemes to permit managers to live off business perquisites. These are being closed up. A year from now, employes will be taxed on any private medical insurance cover they receive, the government having determined that private medical treatment is a great incentive to keep producing. Mr. Healey also promises to tighten up on capital gains taxation, and has already closed an accounting loophole whereby corporations could avoid some taxation by selling shares they owned and taking the loss, and buying them back the next day.

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> The British government is now so clearly headed toward a policy of total confiscation that anyone who has any wealth left is discounting furiously at any chance to get it out of the country. Mr. Healey wisely halted the importing of gold coins, which could be rather easily smuggled out, and he's slapped a 25% value-added tax on jewelry, along with radios, televisions and electrical appliances. The result of all this is of course to bring investment to a screeching halt by drying up both available funds and potential returns. The price can only be still slower economic growth, and still lower living standards for all the British, rich and poor.
>
> Good-bye, Great Britain. It was nice knowing you. Since we're following down the same road, perhaps we'll meet again.

Admittedly, the aggregate totals in the conference agreement are a compromise between the House and Senate versions, and in that sense the conference committee did its job. It is now up to us to reject this conference agreement with the intention of bringing the budget into balance, and restoring economic stability.

As I argued during the general debate on this resolution and during the offering of my balanced budget amendment, we are not creating long-term permanent jobs by financing accelerated public works programs, giving out tax rebates to individuals in the year after they were collected, increasing unemployment compensation, expanding welfare assistance, giving away tax dollars to assist foreign countries, continuing to pay our farmers not to grow certain crops, and burdening the taxpayers with $35 billion in interest in fiscal year 1976 to cover the financing of the new debt and the refinancing of old debt. We can only create long term permanent jobs by reducing Federal spending and the Treasury penetration in the private money markets thereby allowing economic growth in the private sector and the creation of permanent jobs for the unemployed.

The day of reckoning has come, and I urge all of you who share my belief that we must move the economy in the direction of long term recovery to vote with me to defeat this conference report, and to join with me in supporting a balanced budget for fiscal year 1976.

Mr. LATTA. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio (Mr. WHALEN).

Mr. WHALEN. Mr. Speaker, I rise in support of the conference report on House Concurrent Resolution 218.

The size of the Federal deficit—$68.8 billion—in the conference report on the first concurrent resolution on the budget raises three important questions about its impact on the economy.

First, what impact will the deficit have upon unemployment? In an October 7, 1974, speech I referred to unemployment as "Public Enemy No. 1." Today, the situation has become worse, with the unemployment rate approaching 9 percent.

Assuming that the GNP will rise at a rate of only 3 percent due to reduced labor force growth and other factors, it will take 3 years of growth at a rate of 7 percent per year to reduce the GNP gap enough to lower the rate of unemployment to 5 percent. The Federal deficit of $68.82 billion contained in the conference report should have a desirable stimulative effect upon the economy by fueling the growth of the GNP and reducing unemployment. Indeed, according to the House Budget Committee, the higher deficit in the congressional budget is projected to result in at least 1 percent less unemployment than the lower deficit in the budget recommended by the administration.

Second, will the $68.82 billion deficit aggravate inflation? The deficit contained in the budget resolution should not aggravate inflation, since the immediate impact of the deficit spending will be upon the effects of the recession, our more pressing economic problem. Federal deficit spending, coupled with the increased consumer purchasing power spurred by the tax rebates and reductions, should provide the needed fiscal stimulation to combat the recession. In addition, a policy of moderate monetary expansion on the part of the Federal Reserve would significantly aid this effort against the recession.

Thus, our first concern should be the recession. For the short-run, the size of Federal deficit financing under the budget resolution is appropriate for meeting the impact of the recession. The key question in this regard, which is difficult to answer at this time, is the depth of the recession. Nevertheless, recovery from the recession is unlikely to rekindle double-digit inflation until the slack in the economy has been largely taken up. It is at the time when the recovery is underway that the problem of inflation must be addressed. Then, as Dr. Franco Modigliani of MIT has pointed out, the goal will be to "prevent the recovery from overshooting into the zone of accelerated inflation." The First National City Bank, in its May economic letter, expressed the view that when that time comes the inflation may not be as severe as others have predicted:

> All in all, therefore, there is unlikely to be a rapid return to the inflation-ridden days of 1973 and 1974. Although the recession's major impact has been jammed into a relatively brief span, it has been of sufficient severity to dissolve the conditions of excess demand that sustained double-digit inflation. It is likely to take more time than is now generally appreciated to restore those conditions.

As we move out of the recession, we will have to develop an adroit policy flexible enough to head off inflationary pressures which might arise during the upturn. With careful planning, I believe this can be done. For the immediate future, however, our attention is more properly focused upon the recession.

Third, will the deficit "crowd out" private borrowing? According to the Andersen-Jordan economic model, there is a tendency for any rise in Government spending to be offset by an equivalent decline in private spending. However, it was the consensus of the banking leaders who appeared before the House Budget Committee to testify on the budget resolution that there should be no major problem through the rest of the current calendar year of creditworthy borrowers being pushed out of the financial markets. As Leonard J. Santow of Schroder Capital Corp. observed:

> The softness in the economy and the large inflows at financial intermediaries will mean considerable elbow-room in the financial markets.

As Albert Wojnilower of the First Boston Corp. noted, until there is a substantial economic recovery, it is more appropriate to speak of "substitution" of Federal for private borrowing, rather than "crowding out." Federal borrowing for the short term will move in to fill the vacuum created by the sharp drop in private credit demands. As the recovery begins, private credit demands will pick up and Federal borrowing requirements will decrease.

Federal spending, plus the effect of the Tax Reduction Act, should operate to increase spendable income throughout the economy. If the Federal Reserve assists the antirecessionary measures through moderate expansion of the money supply, there will be no "crowding out" effect.

Mr. ADAMS. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. MAHON).

Mr. MAHON. Mr. Speaker, I look upon the problem before us today to be one of deciding whether or not we want to adopt a set of principles for handling our fiscal affairs. I do not look upon the vote which we are about to cast as a vote for economy or as a vote against economy. I look upon it as a vote to establish a system through which economies and better management could be achieved. I do not say "will be achieved," but "could be achieved."

We give ourselves a method by which we can better address the problems which have confronted us for so long in this body. The purpose here is to set in motion a procedure which could bring about more awareness of our fiscal problems and enable us to acquire more fiscal discipline. For me to vote against the measure would indicate, to me, that I was not in favor of trying to establish a system which could, in the long run, be effective in promoting fiscal discipline, which is so urgently required.

Mr. Speaker, I would not want my words to be interpreted as favoring the full content of the measure before us. I am not in favor of some of the provisions or figures that are included. We will work on the figures between now and September and thereafter. But I want to preserve my position as saying that, in my view, greater discipline is certainly needed than is provided in the conference report today. But it is a step in the right direction because it is a step toward the adoption of a set of principles. Much more must be done, but at least we can now, if we adopt this conference report, have the mechanism for moving in the direction of greater discipline.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I will be happy to yield to the distinguished Speaker.

Mr. ALBERT. Mr. Speaker, I desire to associate myself with the main thrust of the gentleman's argument. I consider this one of the most important votes that

this House will take this year. We must continue this process, which will give us an opportunity, eventually, to have our own budget and to assume our own responsibilities over the pursestrings of the country under the Constitution.

To defeat this conference report, in my opinion, would set back the good work that has been done toward trying to bring this process into being.

Mr. Speaker, this is indeed a historic moment for the Congress and for the people of the United States we represent. We now have before us the conference report on the first budget resolution—a measure which signifies in no small way the willingness of the House to reassert its responsibility for the taxing and spending policies of the Federal Government.

Since the founding of the Republic the Congress, and especially the House, has had special responsibility placed upon it by the Constitution for the formulation of sound financial policies for the Nation.

Too often in recent years, however, the Congress has failed to meet its responsibilities for overseeing the finances of the Nation. We had not provided ourselves with access to the technical resources necessary to oversee the large and complex budget of a modern industrial society. We had failed to create a structure which would provide for orderly budgeting. And, most important, we seemed to lack the will to reconcile overall spending and taxing policies.

Two of these problems have now been remedied. We have established the Congressional Budget Office to provide us with the technical expertise we need. And we have established a committee structure to help set budget priorities. Under the chairmanship of BROCK ADAMS, the House Budget Committee, working with its counterpart in the Senate, has done an outstanding job and has produced a budget package which certainly can be supported as the fiscal program of the Democratic Party.

So, we have dealt with two of our important problems, obtaining expertise and creating a structure through which the Congress can work its will upon overall spending and taxing. Now, in the vote we are about to take, we face the final and most difficult problem—summoning the will to reassert our prerogatives and our responsibilities for the Nation's budget, reaffirming that we, the elected Representatives of the people, will no longer abdicate our responsibilities in this most difficult and important of areas to the executive branch.

The conference report on the budget resolution now before us cannot please every Member of this Chamber in every detail. But the resolution is responsible. It is the product of lengthy and serious deliberations. It represents a carefully fashioned and comprehensive approach to setting the Nation's priorities. It has the confidence of the people of this Nation, who are looking to the Congress to find a way out of the current recession and back into a pattern of stable economic growth. And, most important, this resolution represents a broad consensus—a consensus worthy of our support—concerning how this Government should conduct its financial affairs over the coming year.

In short, the House must support this first budget resolution. For, not only is the resolution worthy of our support, but also it is the only means by which we can reassert the constitutional prerogatives of this body to fashion taxing and spending policy. Only through our support of this resolution will we provide the Congress with an opportunity to fulfill its proper role in conducting the financial affairs of our Nation. I urge all Members of the House to support the resolution.

Mr. MAHON. Mr. Speaker, I want to thank the distinguished Speaker for his statement, and I want to repeat that I think it is urgently necessary that we adopt the conference report, and I believe we will.

Mr. LATTA. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Speaker, I want to take this opportunity to congratulate the chairman of the House Budget Committee for providing the leadership which has brought us to this point. Although the projected deficit is deplorable I concur with many of the remarks of the chairman of the House Appropriations Committee, and I consider this process very vital. I think it is a historic moment we have today.

I am sure other Members will remember that several Congresses ago in the House rules there was established a procedure under which the Congress was supposed to establish a budget for the Federal Government. This procedure was never completed. On two occasions it got to conference committee, but the House and Senate conferees never agreed on a report. The procedure failed.

Mr. Speaker, I think it is much to the credit of the chairman of the House Committee on the Budget that this process has now nearly been completed.

Mr. ADAMS. Mr. Speaker, I thank the gentleman for his very kind comment.

Mr. Speaker, I now yield 5 minutes to the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. Mr. Speaker, when the House considered the budget resolution, I voted against passage of the budget resolution. That vote won the ire of some of my colleagues. I received some gentle rebukes, and I received some very harsh rebukes for my having voted against the budget resolution.

I voted against it primarily because I thought it was deficient in economic stimulus, the stimulus needed to deal with the dramatic rates of unemployment that characterize my district and many other congressional districts. My major concern was with the extent to which we could provide economic stimulus, thereby creating jobs.

Fortunately, I was assigned as one of the conferees on this bill. I stayed and watched the Members work so very hard. I observed the give and take between our position of preserving the economic stimulus as it was and the Senate's opposite position in that area.

I am very happy to report that, as the Members know, the bulk of what we had in for economic stimulus is in the matter before us. Therefore, despite the fact that I think that there is not enough stimulus, I recognize that we have preserved what there was; and I am very happy to be able to support this resolution.

It seems to me that those of us who are concerned about the inadequacies of economic stimulus, the deficiencies, the lack of sufficient stimulus, ought to bear in mind that if we lose out on this conference report, we face the danger of coming up with another kind of package which may well reduce the economic stimulus and thus reduce the possibility of creating jobs.

I am very happy to support the conference report. I think the Budget Committee concept that has been started is an important one. I am not acting so much in terms of the orientation of some of my colleagues. I am oriented in terms of this budget process finally being used to establish national priorities in this country.

Mr. Speaker, for the reasons that I have laid out before the House, I urge the support of the conference report and the adoption of House Concurrent Resolution 218.

Mr. LATTA. Mr. Speaker, I have no further requests for time.

Mr. ADAMS. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Speaker, I want to congratulate the conference committee on the job that they have done. They have come back with a budget that provides for a $10 billion stimulus and perhaps jobs for 1.6 million American workers.

Mr. Speaker, I think everybody should have very strong second thoughts about voting against this resolution. There is a lesser deficit than we had in the original resolution before the committee, and I think that we all ought to now set forth the position of the House, and perhaps at a later time we can consult on a medium position with the President.

Mr. Speaker, the conference committee has offered us a resolution that is worthy of our approval today. Through the process of reasoning, the House had proposed aggregate totals built on assumptions that would offer adequate funding for important programs and assist in recovery of the economy. I am convinced that the resolution developed in conference preserves the means to reach these goals. I commend to you both the process whereby the first concurrent resolution was developed and the substance of that resolution.

In fiscal year 1976 a total of 1,655,000 jobs will result from the expenditure of $10.6 billion in stimulation to the economy. This is help we need now to reduce the unemployment rate, a rate that has been climbing upward month by month. As a member of the House Budget Committee, I know that we have provided for stimulus to highway and housing construction, improvements to the

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environment, accelerated public works and public service jobs. The American people are looking to us to provide mechanisms and the initial impetus to allay this country's faltering economy.

In passing House Concurrent Resolution 218, the House had approved a budget deficit of $70.032 billion. There were those of us who were and are seriously concerned about the size of the deficit. The resolution on which we vote today has reduced this deficit to $68.8 billion, a level that when accurate revenue assumptions are made, is very close to that recommended by the President. I believe our resolution contains more realistic premises based on more current and better information. I am well aware of the dangers of a large deficit, as are my fellow House Budget Committee members. Let me assure you that the need for the deficit was carefully weighed both by the House and in conference; the deficit figure is no higher than it must be to help turn this economy around. We will not let the deficit figure get out of control—we now have a process to insure control. I urge that each of us support it with an affirmative vote today. I am asking that we support the establishment of a benchmark to help us make better decisions in the coming months.

Mr. ADAMS. Mr. Speaker, I yield 4 minutes to the gentleman from Georgia (Mr. Landrum).

Mr. LANDRUM. Mr. Speaker, I wish I could support this conference report. I wish that I could have supported the resolution originally brought to the House from the committee. I believe that I stated clearly my reasons for not supporting the concurrent resolution when we debated it earlier this month.

The conference report brings to the House the proposition of voting for a budget outlay of $367 billion. It assumes budget authority for $395 billion, setting up a deficit of $68.82 billion, and estimates and assumes that we are going to get revenue in the amount of $298.18 billion. It assumes an increase in the debt ceiling to $617.8 billion.

The big trouble with this conference report, Mr. Speaker, as was a big trouble in the concurrent resolution passed by the House originally, is that it is full of assumptions and ill-considered estimates.

Let me direct attention to one assumption that is about as ridiculous as I can think of having a responsible legislative body act upon. This conference report accepts the instructions in the House concurrent resolution to the Committee on Ways and Means to close loopholes and raise revenue in the amount of $3 billion.

Well, it is true that the conference report reduces that $3 billion to $1 billion, but nevertheless left in the instruction to the Committee on Ways and Means to close loopholes to raise that $1 billion in revenue. And it assumes, with this $68 billion, that we do that, that we collect, we levy and collect new taxes in the sum of $1 billion. If we do not, then the deficit can go to the amount called for in the original House concurrent resolution; $73 billion. When you add to that the off-budget outlays, you go immediately to $84 billion. And if the assumptions are just slightly off about employment, unemployment, and the recovery of the economy, then you will have to inevitably add another $14 billion or $15 billion, and you end up with $100 billion deficit.

Let us get back to this instruction to the Committee on Ways and Means. Thirty-seven members of the Committee on Ways and Means, fine, able people—at least 36 of them—and we are telling them to get busy and close loopholes.

Whose loopholes? What loopholes?

Look in the budget, look in our revenue laws and you will find one loophole, or what some designate as loophole, interest on home mortgages. Do you want to deny the homeowner this benefit? Another thing that could be taken out is contributions to private colleges. Another is contributions to religious organizations. Whose loopholes are you closing, Mr. Reuss? What is your pet loophole? Do you want to tax municipal bonds? Where would you direct that we go to raise this billion dollars? And if you could go, how would you get 37 members of the Committee on Ways and Means to agree with you?

What we are called upon to do here today is to approve a conference report that says this House of Representatives is in favor of spending $68 billion more than we are going to collect, and perhaps several billion dollars more than that if the assumptions in the report do not come to reality.

So the Members are going to have to go home and say to their constituents, "I voted to charge you, your children and your grandchildren with additional deficits for spending money to provide services and facilities that we would like to have, but that we can live without."

It is time we told the people from up here what we tell them at home when we asked them to send us here. I told them I would work for and vote for a sensible, stable budget and try to stay within the revenues obtainable, and that is what I am trying to do.

The SPEAKER. The time of the gentleman has expired.

Mr. ADAMS. Mr. Speaker, I yield 1 additional minute to the gentleman from Georgia.

Mr. LANDRUM. I thank the gentleman.

Mr. GIAIMO. Mr. Speaker, will the gentleman yield?

Mr. LANDRUM. I yield to the gentleman from Connecticut.

Mr. GIAIMO. I thank the gentleman for yielding.

Will not the gentleman agree that what we on this Budget Committee are doing here today is not voting a deficit of $68 billion, but rather the committee is recognizing that Congress in its actions in this fiscal year will have to vote deficits in that amount? We are recognizing what Congress is going to vote; the Budget Committee is not setting it: The gentleman knows that.

Mr. LANDRUM. I will say to my dear friend I think what we are talking about here is a matter of semantics or rhetoric, purely so, and anyone knows that there is no other way for it to be interpreted. Anyone knows that there is no other way to evaluate it. I can appreciate what the gentleman says. Of course, it is a fact that we are in a bind, but we are in a bind because we have been spending beyond our means. Let us stop some of these expenditures. Let us give the taxpayers of this country some relief.

Mr. ADAMS. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. Vanik).

Mr. VANIK. Mr. Speaker, as a member of the Ways and Means Committee, I am particularly concerned with the action of the conference with respect to raising additional revenues by $1 billion through enactment of tax reform legislation.

Chairman Ullman of our committee has announced a schedule of tax reform hearings beginning early next month. The extended schedule of hearings will not permit committee markup action until the week before the August recess. It is highly unlikely that House action can be completed this year with final action deferred until sometime next year.

Under these circumstances, the only way the Ways and Means Committee can produce an additional $1 billion in revenues in fiscal 1976 is to make such revenue raising legislation a part of the debt ceiling bill which we will consider next month. I know there is a great reluctance to attach tax issues to the debt ceiling—but realistically, I know of no other way in which we can realistically comply with the directive of the Budget Committee to provide an additional billion dollars in revenues in fiscal 1976.

Mr. ADAMS. Mr. Speaker, I yield such time as he may consume to the gentleman from Connecticut (Mr. Giaimo).

Mr. GIAIMO. Mr. Speaker, it is with a feeling of temerity that I rise in support of the conference report. To one who has dwelt for any length of time with the great debates in the House over national budgetary policy, the complexity and difficulty of the task of formulating a resolution of that policy come home with compelling force. The subjects of the national debt and the size of the deficit may appear old-fashioned in times of national peril, but in the long run what we do on these matters will vitally affect and limit the actions of those who will come after us.

In helping to hammer out the figures in this resolution, first in committee, then on the floor of the House, and finally in conference with the other body, I have done my best to keep a clear perspective on the principal issue confronting us today. Simply, it is recession coupled with inflation. In attacking one, we cannot at the same moment ignore the other. Given these two conflicting but far from mutually exclusive problems, solutions which attempt to attack both will doubtlessly not satisfy those who believe one merits more attention than the other.

In this body today there are those who believe that the deficit targeted in this resolution is too high, and that a high deficit may mean more inflation. I, as a matter of fact, believe this. On the other hand, there are those who say spend more here, there, or everywhere and get people back to work. Who in good conscience would want our people unemployed, leading unproductive lives?

The point of view from which I have endeavored to evaluate our national economic policy encompasses both liberal and conservative fiscal beliefs. Let us face the facts head on: The recession has brought about large Federal expenditures and loss of badly needed tax revenues. Therein lies most of the deficit. But, large deficits kindle inflation and it is imperative that we draw the line somewhere.

The conferees have, I believe, struck a middle ground from which Congress, at last, can gage its future actions. We have tried to provide sufficient budgetary stimulus, in the form of expenditures for jobs, without committing ourselves irrevocably in the future to built-in expenditures. We have also, after careful review of the inflationary trend and an assessment of the private sector in terms of money supply and interest rates, tried to see how far we could reasonably go without crowding out the private sector and starting a new wave of inflation. In my opinion, we found a balance that provides reasonable targets and still reflects the basic commitments of both the House and the Senate. These targets are both realistic and prudent. I urge adoption of the conference report.

Mr. ADAMS. Mr. Speaker, I yield such time as she may consume to the gentlewoman from New York (Ms. Holtzman).

Ms. HOLTZMAN. Mr. Speaker, in reluctantly supporting the conference report on the first joint resolution on the budget, I do not wish to indicate complete approval of it. Among my reservations about this congressional budget are the following:

First. It allows an inflationary $4.5 billion increase in defense spending;

Second. It does not reflect a careful scrutiny of the military budget, nor any study of intelligence spending;

Third. It does not contain adequate stimulus for the economy, accepting instead an unemployment rate in excess of 7 percent for fiscal year 1976;

Fourth. It provides only minimal assistance to State and local governments in dire financial straits because of the recession; and

Fifth. It contains an unnecessarily high deficit because the Budget Committees did not make and because they were so newly created could not make a substantial effort to close tax loopholes and eliminate wasteful spending.

Nonetheless, I am supporting this resolution because it is a substantial improvement over the President's budget, and because it represenst Congress' first attempt to exercise unified control over Federal revenues and expenditures.

The President's budget called for greatly increased defense spending—to $94 billion, $3.3 billion higher than this resolution—while starving vital programs to meet human needs and combat the recession. It sought to take away from elderly and disabled Americans their legally mandated and desperately needed cost-of-living increases. It anticipated an unemployment rate close to 8 percent for fiscal 1976. It sought cuts in health care, education, aid to the elderly, and in fact, in every category of Federal expenditure except energy and defense. The conference report makes significant improvements in each of these areas.

Most importantly, the Congress has shown, in this resolution, its intention to assert its constitutional power over the Federal budget. The Federal budget determines the allocation of economic activity between the public and private sectors. The budget also describes the choices of which public programs are supported and how well they are to be funded. It is here that the questions of national priorities are most squarely faced.

Control over the Federal budget, therefore, gives the Congress the opportunity to tackle such issues as the cost to America of its unconscionably high infant mortality rate, of lost productive capacity through debilitating hunger and a too high rate of illiteracy, of our decaying urban centers and deteriorating mass transit systems. Preparing a budget also requires that we look into the waste and inefficiencies produced by counterproductive Government regulation and tax incentives.

As a member of the House Budget Committee, I criticized its failure to undertake the comprehensive review of national priorities that I believed was necessary and was its responsibility. I have reservations about this resolution because it does not reflect such a review. I support the resolution, however, because I believe that it is a first step—an essential first step but a wobbly one—toward the redirecting of Federal expenditures, by the Congress, toward this country's basic human needs.

Mr. ADAMS. Mr. Speaker, I yield 1 minute to the gentleman from Michigan (Mr. Conyers).

Mr. CONYERS. Mr. Chairman, I made known my opposition to the House budget resolution when it passed through the Chamber 2 weeks ago. I was 1 of 19 Members who voted against that resolution not because we were hypnotized by a deficit figure but because the budget really did not reflect any kind of policy that this Government ought to engage in or any objectives that ought to logically flow from the budget. It did not seek to remedy in more than a perfunctory way the tremendous economic crisis engulfing this country. Specifically, it did not attempt to reduce to any meaningful extent the depression level of unemployment which exists in many parts of the country and which is growing worse daily.

Rather, the preoccupation of so many members was with the deficit as if that were the measuring stick by which to develop a budget. In this, I think they were seriously in error.

I strongly oppose the present conference report for different reasons than the gentleman from Georgia, and I think it is time that many of us who represent areas where unemployment and ravaged cities are creating more and more of a problem realize that we cannot go back to our constituents talking about some intangible notion of a deficit when the fact of the matter is that we are not creating a full-production economy; we are not stimulating employment; and we are not adding to the gross national product.

As has been previously acknowledged, the necessity of a deficit stems from the deteriorated economy in the first place, not from reckless Government spending. If unemployment stood at 4 percent, the President's budget would have exhibited a $12 billion surplus rather than a $51.9 billion deficit, and likewise the congressional budget would also have demonstrated a sizeable surplus.

But the House's budget resolution was aimed at a 7.4 percent unemployment rate by the end of fiscal 1976; that was the most optimistic forecast that the authors of the resolution could venture. Time and again Members of the House were told in discussions with the chairman and staff of the Budget Committee that 7.4 percent was the lowest rate of unemployment we could realistically expect to achieve; and we were warned that if the present policies do not work, which I believe they will not, the rate will probably be somewhat higher.

I find that the present conference report embodies all the deficiencies of the original House budget resolution and is in fact worse than the resolution that narrowly passed the House. Instead of putting money into people and jobs, which it would seem conscience should dictate in this depressed time, we are pouring more money into that bottomless sieve at the Defense Department. The conferees added an additional half billion dollars to the already bloated level of defense spending when instead they should have been looking for ways to channel more money into the civilian sector of the economy, where the benefits would have been real rather than imagined.

As Prof. Seymour Melman of Columbia University has so ably pointed out, the excess billions of dollars that are routinely being pumped into lavish and unnecessary defense spending programs are depriving the productive, civilian economy of needed investment capital, technological resources, and research and development capital. The $1,500 billion that the United States has put into creating a sustained military economy is equal to 63 percent of the total money value of everything that is manmade on the surface of the United States. The permanent war economy, in which the Federal Government uses more than half its tax revenue to pay for past, present, and future wars, causes the decay from within of the country's relative production capabilities, resulting in the loss of millions of jobs.

If the Federal Government had spent the $39.7 billion which it had proposed to spend at the end of the Vietnam hostilities for fiscal year 1972—from the vantage point of 1969—in the areas of education, manpower, social services, health, and related programs, we would surely have created five million new jobs and there would have been a multiplier effect of considerable magnitude. If that money had been spent as proposed, the economy would not now be in the seriously deteriorated condition it is in. But the money continued to be poured into the Defense Department for more unnecessary hardware and overkill capabilities.

At the time we debated the House budget resolution the official rate of unemployment was 8.7 percent. Now it is 8.9 percent. What did the conferees do in the area of education, manpower, and social services? They cut the outlay figure for this functional category from $20.4 billion to $19.8 billion, $600 million was cut from needed programs for people and $500 million was added to defense at a time when uncounted millions of people, somewhere between 20 and 25 million, are in real need of jobs and when our national military strength is unquestionable, when we have enough strategic nuclear warheads to obliterate the 219 largest Soviet cities 36 times over.

I have heard all the arguments about how fiscally irresponsible the Congress would be if it did not approve its own budget resolution after creating the mechanism to establish its own budget committees and to reassert its constitutionally delegated authority over revenues and expenditures. I find none of those arguments to be even remotely persuasive in leading me to cast a vote for this sadly misguided effort. I cannot vote simply to approve the process without regard to the product. It would be better in my opinion for the Congress to have no budget at all than for it to have a budget which will seriously hamper our efforts to enact the types of legislation necessary to pull the country out of the depression.

I find that I have no choice but to oppose the conference report.

Mr. LATTA. Mr. Speaker, I yield 1 minute to the gentleman from Michigan (Mr. CEDERBERG).

Mr. CEDERBERG. Mr. Speaker, I have been interested in the colloquies that have been going on here today. It would appear that everyone seems to think there is something binding about this resolution. As a matter of fact I think we ought to realize this is a dry run. Nobody I know of in discussing it with many people believes that we are going to live within a $68 billion deficit. As I see what is happening in various committees, we are going to have $80 billion plus deficit. That does not sound like budget control to me.

Members can vote any way they want to on this. If it makes one feel good that he is voting against it because the budget is too high or the deficit is too high or if one wants to vote against it because it is not high enough, this is the time to do it because this is a dry run. Next year we will get down to real action but I see no reason to get very excited about this or take too much time on it.

Mr. CONYERS. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Michigan (Mr. CONYERS).

Mr. CONYERS. Mr. Speaker, does not this reflect, even though it is not binding, the position a Member would take on a $68.8 billion deficit?

Mr. CEDERBERG. It has not yet. It may not in the future. I do not know what committee the gentleman is from, but has his authorizing committee paid any attention to this? I do not think it has. I have not seen any authorizing committee that has paid any attention to it. I do not think many members of authorizing committees know what is in here as it pertains to their committee. We have here a practice exercise. It was good for the Budget Committee to go through it and get the feel of it this year, so everybody can do what he wants to do.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Texas.

Mr. WRIGHT. The Armed Services Committee only this past week did report out an authorization bill which they were careful and assiduous to keep within the budget figures.

Mr. CEDERBERG. Oh, that was going to happen anyway even if we did not have this.

Mr. MIKVA. Mr. Speaker, I rise today to reaffirm my support of the new congressional budget procedures. Today, by voting on House Concurrent Resolution 218, the budget resolution conference report, Congress has taken another important step toward once again becoming an equal partner in establishing national priorities.

There was little doubt that in recent years Congress had been losing its authority over the Federal budget. Legislators were using the same procedures to examine recent budgets that they had used since 1921. But in 1921, the Federal budget was $5 billion, not the more than $300 billion of the several last years.

Until the budget reform legislation, Congress has simply not had the staff to give an exhaustive, cohesive analysis of a $300 billion budget. Consequently, in the past, Congress reacted to the President's budget requests on a piecemeal basis, adding or subtracting amounts for various programs. The grand total was never really looked at until action was taken on all of the pieces.

That process was hardly a model of rationality. The reforms were meant to change that—really to bring a commonsense approach to how the people's money will be spent. The reforms were designed to make Congress work within its own budgetary limits.

But the budget reforms were not conceived as a panacea. They were not intended to automatically end budget deficits, nor to magically solve the disagreements about national priorities. The age-old questions of where and how to spend—whether for defense, or education, or highways, or energy development, or health—will be decided by debate and discussion among the people and their representatives.

In short, the reforms were designed to make the budget-making process more rational, to make Congress more accountable. And that has begun to happen during the early stages of the new procedures. There has been more public debate about priorities and about how allocations should be made to stay within the limits of the budget resolution. And there will be more debate.

Mr. Speaker, the new budget procedures, an important part of which we are testing today, will begin to allow Congress to demonstrate to the people that it can operate efficiently and effectively. In the past, Congress has too often been passive in allowing the executive branch to take the full initiative on the budget. And even when Congress did react, it did so in a haphazard, piecemeal way.

By voting on the first budget resolution today, Congress has moved a step closer toward achieving greater fiscal responsibility and, in the process, restoring the critical balance of power between the legislative and executive branches.

Mr. ASHBROOK. Mr. Speaker, I urge the defeat of the conference report to House Concurrent Resolution 218, the first concurrent resolution on the budget.

This resolution is a blueprint for national disaster. I do not think that I am exaggerating when I say that the proposed $68.8 billion Federal deficit threatens the very foundations of our economy.

For years I have warned my colleagues that there must be some limit on Government spending. I have urged time and time again that we should consider the long-range consequences of our actions.

The Congress, however, has enacted new spending program after new spending program without regard to cost. It has ignored the fact that one day all the irresponsible spending programs would have to be paid for.

Our recklessness has finally caught up with us. Today we are burdened with inflation, unemployment, and high interest rates. We are suffering the worst recession since the Great Depression of the 1930's.

Why has this happened? Where does the blame lie? Our economic problems stem from Government overspending. They have been primarily caused by the large budget deficits which liberal politicians have embraced in order to finance a host of new Federal programs.

For years the Government has been spending far more than it has been taking in. To finance the deficits, the Government has been borrowing on a massive scale. In fact, Federal borrowing is dominating the capital market. Approximately $0.60 out of every $1 being borrowed today is by the Federal sector.

The impact on the economy is devastating. As Government borrowing increases private borrowers are crowded out of the market. Interest costs soar. Money for business expansions and house mortgages dries up.

Since people either cannot get or cannot afford mortgages, the housing industry slumps. People in the construction trades as well as those working in industries that make the necessary materials are thrown out of work.

Since businesses are unable to secure adequate capital, job-producing plant expansion grinds to a halt. New enterprises never get off the ground. It becomes increasingly difficult to finance inventories. The economy plunges into recession.

You would think that the liberals in Congress would have learned something from this disastrous episode. Unfortunately, however, that does not seem to be the case.

In fact, the majority of the House Budget Committee refuses to acknowledge that the massive Federal deficits have been responsible for the recession. In their upside down world, it is the recession that is causing the deficits. The Budget Committee's report (No. 94–145) flatly states:

> Budget deficit increases that are occurring in fiscal years 1975 and 1976 are not the products of profligate Federal spending but of deteriorating economic conditions.

The facts, however, point strongly against the committee's views. Look at the record. Only once in the last 15 years has the Federal budget shown even a small surplus. Since fiscal year 1969 alone there has been a $171.9 billion increase in the Federal debt.

According to the advocates of deficit spending, such large "economy-stimulating" outlays should have brought us prosperity. I seriously doubt whether anyone would contend that this has happened.

Unfortunately, however, many Members still cling to the liberal economic myths of the past. After the Congress has spent us into the recession it is now proposed that the Congress spend us out of the recession.

"More stimulus is needed," cry the liberal spenders. The Budget Committee calls for even more public service jobs, accelerated spending for public works projects and additional housing construction. Only by massive deficit spending, we are told, can prosperity be restored to the United States.

Mr. Speaker, this is not the answer to our economic troubles. This is just a rehash of the same liberal economic views that we have heard for 40 years. They were wrong then and they are wrong today.

Now is simply not the time to add billions of dollars to our Federal deficit. This is the road to fiscal chaos and economic ruin.

The real answer—the only answer—is for the Congress to cut Government spending and to start balancing the budget. Until Government begins to live within its means our society will continue to be plagued by inflation, unemployment, and high interest rates.

That is why I supported two important amendments during the consideration of this legislation.

First, I voted for the Rousselot amendment which would have given our Nation a balanced budget. Reckless deficit spending has created the current economic mess. Another large dose of deficit spending can only bring more inflation, more unemployment, and higher interest rates.

The hour is growing late. It is time to put our own house in order. It is time to put a lid on Government spending. The Rousselot amendment, which was defeated by a vote of 311 to 94, would have been a major step toward a more productive and stable economy.

I also voted for the Latta amendment which would have reduced the budget deficit to $54.1 billion. Even this lower figure is much, much too high.

I supported the amendment, however, because it would have brought our Nation almost $20 billion closer to fiscal responsibility. Unfortunately, the big spenders in Congress prevailed again on this vote by a margin of 248 to 159.

I cannot support the reckless and irresponsible Federal spending that is called for in House Concurrent Resolution 218. For the sake of our Nation I urge the defeat of this conference report.

Mr. FRENZEL. Mr. Speaker, we are indebted to the Conference Committee for reducing the target deficit to a figure slightly under the House version. Nevertheless, the frightening fact remains that we are, in this resolution, certifying a target budget deficit of nearly $70 billion.

That target is bad enough, but what is more frightening is that we have already passed bills, and will surely pass other legislation, which call for spending over this target both in budget items and in off-budget items. The scariest aspect of this resolution is that our spending will, in fact, undoubtedly exceed our target.

The process by which this resolution comes to us has been a helpful one. Even though I am terribly disappointed in the large deficits accepted, or almost mandated, by the resolution, I am pleased that we have gone through the process. The system obviously has failed to impose spending discipline on us, but no one expected miracles to change bad habits of long standing. The main advantage of the process, so far, has been to spotlight attention on those bad habits.

I shall oppose the resolution.

Mrs. MINK. Mr. Speaker, I rise to urge my colleagues to vote in favor of passage of the conference report on House Concurrent Resolution 218.

The conferees have clearly recognized the importance of the economic stimilus which this budget resolution provides. As was our intent in establishing the budget authority and outlay figures which we did in our original presentation to this House late last month, the current measure reflects the urgent need to take the unemployed out of the unemployment lines and put them back on production lines. The increase in public service employment which this budget resolution encourages has the effect of halting Government expenditures for unemployment benefits while increasing tax revenues from reactivated employees, increasing productivity, and shoring up consumer confidence.

Members of the conference have agreed with many of the economic assumptions made by the House Budget Committee. These reflect congressional sentiment that there be no ceiling on Federal civilian and military pay or retirement cost-of-living increases, and further that provisions of the Tax Reduction Act of 1975 be extended until the end of fiscal year 1976. On the matter of revenues, there is an estimated $1 billion increase through expected tax reforms.

Further, the levels of economic stimulus and job-creating programs are equal to those which the House approved, and funds are included in the conference draft for the Speaker's accelerated public works program. In addition, the draft recognizes the need to extend both emergency benefits for the insured unemployed and provide special unemployment insurance for the uninsured unemployed.

All funds for military assistance to Southeast Asia have been eliminated from the target levels for budget authority and outlays, while anticipated funding fos humanitarian assistance for Indochina refugees has been included.

The administration's proposal to reduce the eligibility period for veteran's readjustment benefits has been rejected, and this is also reflected in the resolution we have before us today.

I believe it is evident from the manner in which the congressional budget committees have approached their task to implement the Budget and Impoundment Control Act that Congress can effectively monitor and determine fiscal policy for this Nation in a cohesive way, and with compassionate concern for the citizen. Our task has been vastly complicated by the economic disaster which confronted us in the early months of this year. But in spite of that, and the necessity to accept the large budget deficit which even the administration's program put forth, we have been able to present a comprehensive plan for action, and for the most effective use of the tax dollar that is possible and practical.

I strongly urge the Congress to support these initiatives and to join in this immensely important process at this critical time.

Mr. OTTINGER. Mr. Speaker, I oppose the conference report on the budget for the same reasons I opposed the House budget resolution, but with even greater force because the conference report is worse. It does even less to attack the problems of unemployment and economic recession in the country. It does even less to reorder our national priorities.

The conference report adds a contemplated half billion dollars in military spending to a budget which already contemplated a 9-percent rise in constant dollars, while it reduces the amount contemplated for spending in job-producing programs in the vital areas of transportation, community development and manpower, education, and social services by more than $1.7 billion.

The product of the conference, therefore, even more than the House budget resolution fails to address the real problems of economic decline in the country and fails to shift the focus of the budget debate from one of concentration of reduced spending in the vain hope that by debate from one of concentration on reduced, to one which would focus on putting the country back on its feet again and obtaining full employment.

Mr. ADAMS. Mr. Speaker, I have no further requests for time.

The **SPEAKER**. Without objection, the previous question is ordered on the conference report.

There was no objection.

UMI

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 230, nays 193, not voting 10, as follows:

[Roll No. 205]

YEAS—230

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Ashley
Aspin
AuCoin
Baldus
Baucus
Beard, R.I.
Bedell
Bergland
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Breaux
Breckinridge
Brooks
Brown, Calif.
Burke, Mass.
Burton, Phillip
Carney
Chisholm
Conte
Corman
Cornell
Cotter
D'Amours
Daniels, Dominick V.
Danielson
Davis
de la Garza
Delaney
Dent
Derrick
Diggs
Dingell
Dodd
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Eilberg
English
Evans, Colo.
Evins, Tenn.
Fascell
Fisher
Fithian
Flood
Florio
Flowers
Foley
Fountain
Fraser
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gonzalez
Green
Gude
Hall
Hamilton
Hanley
Hannaford
Harkin
Harris
Hays, Ohio
Hechler, W. Va.
Hefner
Henderson
Hicks
Hightower
Holland
Holtzman
Howard
Howe
Hubbard
Hughes
Hungate
Ichord
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Keys
Koch
Krebs
Krueger
Leggett
Lehman
Litton
Lloyd, Calif.
Long, La.
Macdonald
Madden
Maguire
Mahon
Mann
Matsunaga
Mazzoli
McCormack
McDade
McFall
McHugh
McKay
Meeds
Melcher
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Neal
Nedzi
Nix
Oberstar
Obey
O'Hara
O'Neill
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pickle
Pike
Preyer
Price
Rees
Reuss
Richmond
Risenhoover
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Russo
Ryan
Santini
Sarbanes
Scheuer
Seiberling
Sharp
Shipley
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
St Germain
Staggers
Stanton, James V.
Stark
Steed
Stokes
Stratton
Studds
Sullivan
Symington
Taylor, N.C.
Teague
Thompson
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waxman
Weaver
Whalen
White
Whitten
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wirth
Wolff
Wright
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—193

Abdnor
Anderson, Ill.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Badillo
Bafalis
Bauman
Beard, Tenn.
Bell
Bennett
Biester
Bowen
Brinkley
Brodhead
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Burton, John
Butler
Byron
Carr
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conyers
Coughlin
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Dellums
Derwinski
Devine
Dickinson
Downing
Duncan, Tenn.
du Pont
Early
Edwards, Ala.
Emery
Erlenborn
Esch
Eshleman
Evans, Ind.
Fenwick
Findley
Fish
Flynt
Ford, Tenn.
Forsythe
Frenzel
Frey
Gilman
Ginn
Goldwater
Goodling
Gradison
Grassley
Guyer
Hagedorn
Haley
Hammerschmidt
Hansen
Harrington
Harsha
Hastings
Hawkins
Heckler, Mass.
Heinz
Helstoski
Hillis
Holt
Horton
Hutchinson
Hyde
Jacobs
Jarman
Jeffords
Johnson, Colo.
Johnson, Pa.
Kasten
Kelly
Kemp
Ketchum
Kindness
LaFalce
Lagomarsino
Landrum
Latta
Lent
Levitas
Lloyd, Tenn.
Long, Md.
Lott
Lujan
Madigan
Martin
Mathis
McClory
McCloskey
McCollister
McDonald
McEwen
McKinney
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mosher
Mottl
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nichols
Nolan
O'Brien
Ottinger
Pettis
Poage
Pressler
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Regula
Rhodes
Riegle
Rinaldo
Roberts
Robinson
Rousselot
Runnels
Ruppe
Sarasin
Satterfield
Schneebeli
Schroeder
Schulze
Sebelius
Shriver
Shuster
Sikes
Skubitz
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stuckey
Symms
Talcott
Taylor, Mo.
Thone
Treen
Vander Jagt
Waggonner
Walsh
Wampler
Whitehurst
Wiggins
Wilson, Bob
Winn
Wylie
Young, Alaska
Young, Fla.

NOT VOTING—10

Barrett
Ford, Mich.
Hayes, Ind.
Hébert
Hinshaw
Metcalfe
Milford
Mollohan
Nowak
Wydler

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Hayes of Indiana for, with Mr. Hébert against.

Mr. Ford of Michigan for, with Mr. Metcalfe against.

Until further notice:

Mr. Barrett with Mr. Mollohan.

Mr. Nowak with Mr. Milford.

The result of the vote was announced as above recorded.

GENERAL LEAVE

Mr. ADAMS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the conference report on House Concurrent Resolution 218 just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

PERSONAL EXPLANATION

Mr. HAYES of Indiana. Mr. Speaker, on rollcall 205, adoption of the conference report on House Concurrent Resolution 218 on the budget, I was unable to respond due to being unavoidably detained while proceeding to the House Chambers due to an emergency halt of auto traffic on Independence Avenue at its intersection with Capitol Plaza.

Had I voted, I would have voted "aye" in favor of the conference report. This announcement, consistent with my "aye" vote on May 1, 1975, on final passage of House Concurrent Resolution 218, is made with the belief that the Congress is by this experiment going to be able to more firmly exercise its constitutional responsibilities.

Our next vote on such a resolution will not be experimental. It will be real and to a great degree its success will ultimately depend upon the ability of Congress to order spending and revenue priorities in a way which recognizes the needs of the elderly, the young, and the ordinary person in society upon whom the full weight of financing our Government rests.

In the past our Constitution has been severely strained by administrations which have seized Congress' appropriations and defied its ability to respond to the needs of America as it is charged to do.

Our experiment thus takes on added weight, far beyond being a response to econometric models and forecasts. It is instead a reassertion of this branch of the Government. Hopefully this preparation will prove to be our best guide for the real test coming.

ENABLING THE UNITED STATES TO RENDER ASSISTANCE TO, OR IN BEHALF OF, CERTAIN MIGRANTS AND REFUGEES

Mr. EILBERG. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6755) to enable the United States to render assistance to, or in behalf of, certain migrants and refugees.

The SPEAKER. The question is on the motion offered by the gentleman from Pennsylvania (Mr. EILBERG).

The motion was agreed to.

The SPEAKER. The Chair designates the gentleman from Arizona (Mr. UDALL) as Chairman of the Committee of the Whole and requests the gentleman from Indiana (Mr. ROUSH) to assume the Chair temporarily.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6755), with Mr. ROUSH (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN pro tempore. Under the rule, the gentleman from Pennsylvania (Mr. EILBERG) will be recognized for 1 hour, and the gentleman from New York (Mr. FISH) will be recognized for 1 hour.

The Chair recognizes the gentleman from Pennsylvania (Mr. EILBERG).

Mr. EILBERG. Mr. Chairman, I yield such time as he may consume to the distinguished chairman of the Committee on the Judiciary, the gentleman from New Jersey (Mr. RODINO).

Mr. RODINO. Mr. Chairman, first I would like to extend to the chairman of the Subcommittee on the Judiciary which has been considering H.R. 6755 my heartiest congratulations, both to him and to the members of the committee, including the ranking minority member, the gentleman from New York (Mr. FISH), who have diligently pursued this legislation, which is legislation of an emergency nature.

Despite the fact that this is legislation of an emergency nature, I want to assure the committee and the House that this legislation has been very carefully considered. There has been very deliberate and searching inquiry before the subcommittee, reported to the full committee, and the full committee extensively inquired.

Mr. Chairman, there are few occasions when one can confidently stand in this spot and say to the House: "This is the right thing to do." Today, for me, is one of those rare times.

Our tragic military involvement in Cambodia and Vietnam is mercifully at an end. Our human involvement with the people of that region continues.

Many thousands of Vietnamese and Cambodian citizens have fled their native lands in fear of their lives and have turned to this country for shelter. There have been suggestions that we should deny them a haven and the chance for a new life. Some have said that their fear is exaggerated, that no blood-letting looms in the newly established regimes in Southeast Asia.

Perhaps, and I fervently hope this is the case.

But for now, which of us is to say that a person's fear for his or her safety at the hands of military and political enemies of a quarter century's standing is groundless?

It is said that we should close our borders to these unfortunate people because our economy is in a deep recession and our job market already overburdened.

As a practical matter, the addition of such new jobseekers as there may be, many of whom will not compete for the kinds of jobs which are in short supply, is simply not going to be even a tiny factor in our unemployment situation. More to the point, did we ask these questions about the refugees from Hungary, Cuba, or Czechoslovakia, or have we asked them about the Soviet Jews we have welcomed in recent months?

There are many reasons why we should care for the Asian refugees. They are in need, without home or country. There is no alternative as a practical matter. We have done as much and more many times before.

Ultimately, however, we must do this because it is the only right thing to do. We are a nation of immigrants, and when we reject our humble foreign origins we will have ended our reason for being as a nation. We must pass this bill, not merely for the refugees, but for ourselves, for it is to ourselves that we must finally be true.

And to be true to ourselves we must extend the hand of welcome, not grudgingly, but with a good heart and with the recognition that we have contributed to the plight in which these people find themselves.

This issue leaves no room for partisanship. I heartily agree with the President, and I honor those in both parties in our committee who have labored so hard on these questions. I believe we must grant the necessary authorization to bring the great humanitarian goal of our evacuation program to fruition.

Mr. FISH. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Michigan (Mr. HUTCHINSON).

Mr. HUCHINSON. Mr. Chairman, I want to compliment the chairman of the full committee, the gentleman from New Jersey (Mr. RODINO) for the statement he has just made. I also want to indicate my full support for this bill. I think we have no viable alternative. I think it is only right that this Nation of ours continue its long tradition of accepting to its shores refugees from political oppression. As I say, I think that there is no realistic alternative. I think that this group of people, which may amount to around 125,000 with no more than 30,000 heads of families, can easily be absorbed into our economy. In fact, when we remember that last year under our immigration laws more than 400,000 people were admitted to the United States, then this group is not very large, and when they are equitably distributed through the United States, they will contribute, I firmly believe, much to our economy and will not be a burden upon it. I hope the House will support this bill in the form in which the committee has reported it.

Mr. EILBERG. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, there are few of us on the floor today who were serving in the Congress when the United States initially became involved in the war in Southeast Asia. But, all of us have taken some part in this involvement—in the Congress and outside of the Congress—supporting, criticizing, speaking for or demonstrating against the war effort. Whatever role any Member of this body today played during that turbulent last decade the fact remains that the Congress did authorize and appropriate billions and billions of dollars for instruments of destruction. During this period our country underwent a period of deep introspection causing us to constantly reevaluate our role in the world community. We have learned a great deal from our experience in Indochina during this critical period and fortunately we can now close that chapter in our history.

The bill before us today, the Indochina Migration and Refugee Assistance Act of 1975, in some ways begins a new chapter, a chapter which we trust will lend itself to an era of reconstruction rather than the destruction we have witnessed over the last decade. By authorizing funds to assist in the resettlement of refugees we are replacing "weapons of wars" with funds for transportation to safe havens, health care, food and blankets and most importantly an opportunity for a new life in this country—a life of dignity and hope.

Certainly, efforts to grant assistance to these people should not be considered a burden but a redeeming obligation.

We have witnessed over the past couple of weeks a refugee movement of unprecedented proportions. During this time over 100,000 refugees have been transported thousands of miles across the Pacific Ocean. This represents an historic movement for the United States since it is only the second time in our history that we have become a country of first asylum, and it is the first time that our Government has directly assisted refugees in escaping persecution in their native country.

I am hopeful and confident that the response of the Congress and the American people to these refugees will be consistent with our immigrant heritage and our demonstrated willingness on past occasions to accept with open arms the destitute, the oppressed, and those who flee persecution.

It is needless to recite the long list of humanitarian actions by our country in providing a haven for the homeless and a refuge for those attempting to escape tyranny over the last three decades.

We are now faced with a situation where large numbers of Vietnamese have already reached the United States or are in the process of being transported here in the very near future. We must—as we have always done—respond in a compassionate manner to help these unfortunate people to help themselves.

As my colleagues know, legislation was introduced on Wednesday, May 7, 1975, at the request of the administration by the distinguished chairman of the full Judiciary Committee. Because of the urgency of the situation, my Subcommittee on Immigration, Citizenship, and International Law has proceeded with all deliberate speed. My subcommittee reported the bill with amendment to the full committee on the evening of May 7, and the full committee ordered the bill re-

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ported with amendment to the House on Thursday evening, May 8. I say this to emphasize the Judiciary Committee's view of the urgency of the legislation before us at this time.

While we have processed this legislation on an emergency basis, we have not sacrificed thoroughness for expediency, nor deliberation for reaction. My subcommittee received extensive testimony from Ambassador L. Dean Brown, the Director of the Indochina Interagency Task Force, and other key members of that group for the better part of 2 days last week.

On April 16, I spoke here of the need for the President to present the Congress with detailed long-range plans for the resettlement of those Vietnamese able to depart from South Vietnam. Based on the hearings, we are satisfied that such a plan is taking shape, that the situation appears to be as well under control as is reasonably possible under the circumstances, and that the bill before us represents the appropriate legislative approach.

The funds authorized in this bill will be used for: First, the movement of refugees to the continental United States and to third countries; second, food, medical care, and screening at both staging and reception sites; third, resettlement assistance in communities which will be provided under the auspices of the voluntary agencies; fourth, vocational and language training; and fifth, reimbursement to State and local governments for the health care, welfare, and social services which they provide to these refugees.

Before discussing the legislation further, I want briefly to describe the relief operations as they are currently underway. The refugee situation has two distinct phases—reception and resettlement. We are currently involved in a particularly critical stage of the first phase—the transportation and processing of masses of incoming refugees. Speed is of the essence due to the danger posed to the health and even survival of the refugees because of overcrowding. As a vivid illustration, I am sure many of you saw the picture in last Saturday's paper of the refugees from South Vietnam arriving at Guam on the U.S. vessel *Pioneer Commander*.

According to the most recent figures received today from the Indochina Task Force, 121,605 refugees from Indochina have entered under U.S. control as of May 14, with more in the pipeline. Of this number, more than 61,000 remain afloat on vessels or are at Pacific safe havens or restaging areas.

Approximately 59,000 are currently being processed through the reception centers at Travis and Eglin Air Force Bases or at Camp Pendleton or Fort Chaffee. An additional 15,531 have been processed and left Government control.

Based on the testimony we heard, as well as on-site inspection of one of the resettlement centers by members of my staff, the principal danger to be avoided is the development of a bottleneck situation. This is particularly critical at the present time when a large number of the refugees remain on ships and cannot disembark until room is made for them at the restaging areas at Guam or Wake Island and again at the resettlement camps in the continental United States.

The capacity of these camps is limited and refugees must be moved out in the last step of the process before new refugees may be moved in. In other words, there must be a continual flow of refugees from the ships through the Pacific processing and restaging areas and into and out of the resettlement camps. The authority for and appropriation of immediate additional funding is necessary if this movement is to continue.

The final goal of this process is the resettlement of the refugees across the country. This is currently underway, under the very capable direction of church-related and other voluntary agencies active in the immigration and refugee field. In the absence of Federal funding, these agencies are exhausting their very limited resources with the result that the resettlement end of the process is in danger of coming to a halt.

A principal long-range aim of the resettlement program is to avoid a buildup of the refugees in any one area, largely in order to minimize their impact on specific labor markets. The resettlement plan and the bill before us are also aimed at minimizing the burden placed by the refugees on the public services and agencies of State and local governments. From what we know about this group of refugees, we full anticipate that once they are settled, they will be an asset, rather than a liability to the country, as are the Hungarian and Cuban refugees. However, the costs incurred by the refugees during the necessary resettlement phase are, without question, a Federal responsibility, and should be met by the Federal Government.

As I have previously stated, H.R. 6755 authorizes funds for a temporary program to provide special reimbursement to the States for financial and medical assistance and social services provided to needy Vietnamese and Cambodian refugees in the United States. It also provides funds for transportation, special education programs, and employment assistance. The authority for this temporary assistance program is the same as the present authority contained in the Migration and Refugee Assistance Act of 1962. However, and I emphasize this, the program authorized by this legislation differs from the Cuban program authorized in the 1962 act in that it is limited in duration. The authorization extends only through the end of fiscal year 1977. For this reason, the bill before us tracks, but does not amend the 1962 act, which is permanent legislation.

I am aware—as my colleagues are—that these are hard times in America. However, this does not change the fact that we have a moral obligation to welcome the refugees of the Vietnam war in the best American tradition, as we welcomed the Hungarians and the Cubans before them.

I would remind those who have voiced their opposition to the admission of these Indochina refugees that our Government had little choice other than to accept and provide for these refugees. During an appearance before our committee, Ambassador Brown presented the options available to the United States once these refugees reach Guam in the following manner:

> The choice before us is to force them to return to their own country, which they fled from for fear of persecution—to leave them at sea—or to accept responsibility for them.

Quite properly consistent with our immigrant heritage, and recognizing that these are people who are now without a country, the United States has accepted responsibility for them. In my opinion, the plight of the Vietnamese refugees both requires and deserves an immediate and compassionate response on the part of the Congress and the country.

Furthermore, notwithstanding attempts in both the subcommittee and the full committee to have an authorization ceiling inserted in the legislation, the bill which your committee reported contains an open-ended authorization. While in principle, I am generally opposed to open-ended authorization, I believe, and the committee felt that it was necessary to provide such an authorization in this legislation for various reasons. First, the estimates as to the total number of refugees under U.S. control fluctuate daily. Second, we are unable to accurately determine at this time the number of refugees who will eventually be resettled in the United States, and this figure is contingent upon the response of the international community. Lastly, we must recognize that we are in a totally fluid situation and emergent situations may arise at any time.

However, there is an initial cutoff date of June 30, 1976, for any funds which will be used for third-country resettlement and for other overseas refugee activities. There is a final cutoff date of September 30, 1977, for the activities of, and services provided by, the Department of Health, Education, and Welfare.

It is essential that we resume the flow of refugees as soon as possible and provide them with necessary health care, clothing, education, vocational training, and resettlement assistance. Likewise, moneys must be immediately made available to the voluntary agencies which are primarily responsible for integrating these people into American society. We have been continuously assured that this will be accomplished in a manner that avoids the displacement of American workers and the high concentration of refugees in any particular locality. At the same time, the funds authorized in this bill are primarily designed to insure that refugees become as quickly as possible self-supporting and productive taxpaying citizens of this country.

I urge my colleagues to support this urgently needed legislation.

Ms. ABZUG. Mr. Chairman, will the gentleman yield?

Mr. EILBERG. I yield to the gentlewoman from New York.

Ms. ABZUG. I just wanted to ask a question first.

Mr. EILBERG. All right.

Ms. ABZUG. In the description of the bill by the gentleman himself and by the chairman of the committee, it was stated that the purpose of this legislation

before us and the legislation it tracks was to provide assistance to those refugees who had to leave their homeland because of fear of political persecution. Would the gentleman say that was the focal purpose of the bill before us?

Mr. EILBERG. Yes. In the definition of aliens in section 3, I direct the gentlewoman's attention to page 2, section 3, lines 14 through 19 of the bill, where it says:

> (A) because of persecution or fear of persecution on account of race, religion, or political opinion, fled from Cambodia or Vietnam; (B) cannot return there because of fear of persecution on account of race, religion, or political opinion; and (C) are in urgent need of assistance for the essentials of life.

Ms. ABZUG. I thank the gentleman.

Mr. EILBERG. Mr. Chairman, I now yield 3 minutes to the gentlewoman from New York (Ms. ABZUG).

Ms. ABZUG. Mr. Chairman, I believe we must assist the refugees that have been brought here albeit under questionable circumstances provided the screening process weeds out those among them who are not financially in need, are war criminals, were parasites in Vietnam and Cambodia and provided adequate effort is made for those refugees who wish to return to their land. The intent of this bill is to aid political refugees. As a compassionate people, we all want to heal the wounds of war as best we can, and to effect reconciliation. Therefore, I believe we must also take this opportunity to assist our own political refugees who were earlier victims of this war, at the same time that we address the problems of the Cambodian and Vietnamese refugees.

The war is not over, cannot be over, as long as 20,000 young Americans remain in exile, as long as 12,500 are still listed as deserters, as long as several thousand men and women have criminal records because of their war resistance acts, and as long as 637,000 veterans have less than honorable discharges.

The amendments I am about to offer would help only one category of resisters—those who fled this country knowing that they would be prosecuted and jailed for adhering to their political convictions. They and their families have suffered a great deal, and the wounds of this war will not be healed until they too have been helped to start new lives.

The administration's clemency program has attracted only a small percentage of those who fled. It is still punitive and hedged with conditions. It is not amnesty.

The amendments I introduce would not grant amnesty either. That must be done in separate legislation. Early in this session I introduced with cosponsors H.R. 2568, which is now pending in the Judiciary Subcommittee. I intend to recirculate that bill for more cosponsors. Hopefully we will have a chance to act on that bill in this session. It would grant universal, unconditional amnesty, easing the plight of those in every category of draft resistance.

However, the amendments I offer en bloc today would indicate that the time has come to correct injustice. They would expand the category of persons eligible to assistance in relocation and resettlement to include our own exiles. They would simply change the word "alien" to "person" and add "United States" to "Vietnam" and "Cambodia."

Some have already returned home; others would be encouraged to return by the passage of this legislation.

If we can be generous to those who fled the possibility of persecution in Vietnam and Cambodia—as I think we must, whether or not their fears were realistic—then we can do no less for our own citizens who tried to tell us, long ago, that the war was immoral and inhuman.

Mr. SCHEUER. Mr. Chairman, will the gentlewoman yield?

Ms. ABZUG. I yield to the gentleman from New York.

Mr. SCHEUER. Mr. Chairman, I want to congratulate my colleague from New York on her remarks and the purposes of her amendment. It is certainly clear from the reports of the Kennedy hearings in the press today that we got a very mixed bag in this group of refugees. There are undoubtedly those who were sincere, decent people who wanted to get out and feared for their safety. But we now have excellent reason to believe that the pimps and harlots, the war profiteers and tiger cage masters, and others of the same ilk have also come in admidst the rush and chaos of the well meaning but ill-planned and poorly executed evacuation effort.

Still, Mr. Chairman, they are here—in infinite variety with all the nobility and grandeur that war elicits in some, and the moral sleaziness and squalor that it reveals in others. They are here and we had best manage as well as we can to make their new lives tolerable. We should give the adults work training and a chance to earn a living and be independent, taxpayer citizens. A chance, indeed, we would do well to provide the perhaps 20 million Americans who want to work but cannot find jobs. Education and health care for their kids? Of course. And for all kids in America.

We should hold out the warm hand of welcome and compassion, now that they are all here, knowing that mistakes were made and errors of judgment committed on both sides, but recognizing that recriminations are futile and that now, with the war ended, our Nation must take a collective deep breath and start anew.

If we vote today to spend millions of dollars to provide compassionate relief and assistance to these Vietnamese refugees, we must finally determine that the same compassion and relief must finally be extended to those of our children who are refugees from America. There remain many thousands of young American men who must live away from their families and friends, in exile at home or abroad, because they refused to participate in a war which the overwhelming majority of Americans now consider to have been misguided at best and immoral at worst. These young men are the victims of war as much as—perhaps more than—many of the refugees who managed to escape only because of their wealth and connections.

It is time for a declaration of full and unconditional amnesty. As we offer these Asian refugees the warmth and safety of America, we must invite our own young men finally to come in from the cold. President Ford has declared that the Vietnam war era is over. It should be over, too, for the men who were among the first to realize that it should never have begun. There were many and varied ways in which a determination not to participate in the war was expressed. I honor the conscientious objectors who gave alternative service. I honor those draftees who had the courage to refuse to take the symbolic step forward and knowingly accepted the consequences. I have less regard for those who bugged out and went AWOL or slipped across borders. Nevertheless—putting all that behind us, as I deeply feel we must—if we are sincere in our desire finally to end the tragedy of Vietnam, and if we truly wish to replace conflict with compassion, then let us make peace with ourselves. We must welcome our own young people back to America with the same magnanimity we extend to the refugees from Southeast Asia.

I congratulate the gentlewoman from New York on her remarks.

Mr. FISH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it is with a great deal of pride that, as a member of the Subcommittee on Immigration, Citizenship, and International Law, I join with the chairman of the subcommittee, the gentleman from Pennsylvania, and the chairman of the full committee, the gentleman from New Jersey, in presenting to the House today H.R. 6755. Our committee has been called upon in the last year and a half by this House to deal with many extremely difficult constitutional issues. On this occasion, we have an opportunity to transmit into legislative form one of the finest traditions, one of the finest characteristics of the American people, that of humanity and goodness.

The chairman of the full committee mentioned that this was not brought to us in haste, even though the measure was only introduced on the 7th of this month. The fact is, our subcommittee had oversight jurisdiction over the evacuation, and subsequently the refugee movements, for the past 5 weeks, and have been in innumerable consultations with the Interagency Committee set up in the administration. We were familiar with the issues when the matter came before us this past week.

I should also note the bipartisan nature of this matter. In each and every category of refugee where parole was requested of the Attorney General, two Republicans and two Democrats on the House Judiciary Committee and a like number, equally bipartisan in the Senate, approved the granting of parole under the practice of being consulted by the Attorney General.

This bill also has the support of the Republican Policy Committee and was reported out of our subcommittee unanimously. Not only did our subcommittee do its work well, but I think the Members would be interested to know that in our

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numerous briefings, both informal and formal hearings with the Interagency task force, we also had an input into the conduct of their authority in the movement of refugees. Examples are the screening of undesirables, and the ascertaining of the financial status of refugees so that refugees of means leaving areas such as Camp Pendleton, will be on their own financially.

One should also compliment the Interagency Task Force, a real model of cooperative governmental effort put together under emergency conditions, having to deal with highly unusual, complex matters, and I think they have comported themselves with great credit to our country under difficult times.

The matter of urgency has been mentioned, and I would like to underscore the urgency. For every day the Congress does not act to provide the funds for the resettlement of these refugees currently in the United States or enroute here, we have a problem of casting the entire financial burden on the voluntary agencies, some nine agencies, with a long history of involvement in Southeast Asia, who have undertaken the responsibility of the processing centers in the United States and the movement of these people in their final resettlement.

The estimates in our bill called for $600 per refugee to be paid to the voluntary agency. I think it is important to note that this is less than one-half of what the voluntary agency will actually spend on each refugee. Presently there is no money in any account in the Federal Government that can reimburse the voluntary agencies that are currently expending their own money on this responsibility.

I might add that we are in the rainy season on Guam. We are approaching the typhoon season. It could come any day now. Guam is at absolute capacity, with 50,000 refugees. It cannot absorb any more that are off the shore in ships and are being retained there because of the lack of funds and because of the slowness in processing. The facilities are not the kind of facilities you and I would like to be in during the typhoon season.

I should also say that your subcommittee and the full committee fully explored many of the issues that will be inquired into this afternoon. For example, the impact on employment in the United States, the dispersal thinly of these refugees who already, I am pleased to announce, have been resettled in 48 States of our Nation. We explored the possibility of cooperation with other nations, with disappointing results, but an effort was made with over 100 other nations to seek their help in resettlement.

We also went into great detail on the impact of refugees needing social services in State and local governments in terms of health, in terms of welfare, and in terms of education.

There have been some newspaper accounts of dissatisfaction, of unhappiness, on the part of some of the refugees. I think the committee would be interested in the figures that are current as this morning.

Of those refugees who have expressed a desire to be repatriated, in Guam, 45 who were inadvertently herded onto transport planes by Thai soldiers that they happened to get in the way of at the time refugees were being boarded, in overcrowded conditions, onto planes.

Another group in Guam, three fishermen who were picked up by our Navy but who were not out seeking asylum, but who were merely fishing.

In addition to that, in the United States some 15 to 25 South Vietnamese soldiers who were in this country totally unrelated to the refugee issue, and are currently assisting our efforts in the processing centers of the United States, may well ask to go home to their families.

In addition to those few hard figures, there are the nonrefugees who are in the United States as students, as businessmen, as diplomats, that we have not yet heard from. But I can assure the committee that through Vietnamese language newspapers at Pendleton, through a Vietnamese language radio at Pendleton, every effort is being made to broadcast publicly to the refugees that they have the option, if they wish, to return to Vietnam.

Mr. CONYERS. Mr. Chairman, will the gentleman yield?

Mr. FISH. Yes, I yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Chairman, I thank my colleague, the gentleman from New York (Mr. Fish), for yielding.

I would like to ask the gentleman a question: Is it not a fact that the evacuation process was a complete disorder, that it was in disarray, and that it was really handled about at the level of efficiency with which we prosecuted the war?

Mr. FISH. No, I do not agree with the gentleman. The evacuation process, by that I mean the evacuation by swept-wing and helicopter, from Tan Son Nhut in Saigon was accomplished under the most difficult conditions and with great efficiency.

If the gentleman is referring to the pell-mell exit from South Vietnam by refugees, under their own auspices, which was either by private boats or by other vehicles, I imagine that that did look like quite a scene, the same as any mass exodus of refugees would, but that was not an evacuation over which the United States had any control.

Mr. COHEN. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Maine.

Mr. COHEN. Mr. Chairman, I thank the gentleman for yielding.

I commend the gentleman in the well, not only for his statement, but also for his service on the Committee on the Judiciary. I also thank the chairman of the subcommittee, the gentleman from Pennsylvania (Mr. Eilberg).

However, I must admit that I still have some reservations with the amount of money involved and the justification for that amount of money. There can be no doubt, however, about the purpose, intent, and urgency of this particular measure. In recent days these refugees have become caught in a riptide of public anger and resentment. I think it is our duty to rise above the emotions of the moment and point to our history and our heritage, and what, I hope, will be our legacy. I hope it will not be said that America's message to the world is that we will spend billions for bombs to preserve your freedom, but we will not offer our freedom in order to preserve your safety.

Mr. FISH. Mr. Chairman, I thank the gentleman from Maine (Mr. Cohen), a member of the Immigration Subcommittee, for his statement.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. FISH. Yes, I yield to the gentleman from California (Mr. Leggett).

Mr. LEGGETT. Mr. Chairman, certainly the committee should be commended on their alacrity in effectuating or helping to bring about the resettlement.

I am somewhat concerned in that from past experience we have found that actions of this type are just the tip of the iceberg. I know we all like to get a good idea of where we are going.

I notice that on the last page of the report the committee indicates that in spite of its hearings, they do not really know at this point how many refugees we are concerned with, and likewise no dollar amount is put on it because we do not know how much we are concerned with. I think we should learn a little bit from history, in that the first year of the Cuban refugee program, as I recall, we were talking about something less than 50,000 refugees, and we spent about $35 million. Then that went up to $60 million and then $70 million and then $120 million and then $130 million. I think, according to the analysis presented, last year we spent $125 million on the Cuban refugees, a large portion of that for reimbursing Florida and some other States for welfare. In any event, by and large, to date our known cost for Cuban refugees is about $1 billion.

Costs have gone up about 100 percent since those early days when the Cubans came in, and I am just wondering now if we are not laying the foundation, despite the fact that we have a time limit on this bill, for perhaps a $2 billion or $3 billion expenditure. Considering that, I am wondering whether perhaps we might not go a little slower and see where these people are going and where they are going to get the jobs and perhaps consider authorizing a 6-month bill rather than moving straightaway on a 2-year authorization program.

Mr. FISH. Mr. Chairman, I thank the gentleman. He has raised a lot of questions.

Let me point out that with the exception of the HEW services provided for the next fiscal year, what we are talking about is a program that would be for the balance of this fiscal year and fiscal year 1976, which means 14 months before the expiration of most of the provisions, with the exception of the HEW part.

The second point I would make is that there is in section 4 a reporting requirement giving the Committee on the Judiciary direct oversight responsibility so that we can stay on top of this.

As to the numbers, the parole authority agreed to by the members of the committee does not exceed 150,000. So no figure beyond that could be considered in this refugee assistance program unless the committee was made aware and consented to a figure in excess of 150,000 persons.

Mr. LEGGETT. That is not a legal limitation in the bill.

Mr. FISH. No, that is not a legal limitation in the bill, but it is by custom and practice that parole has not been granted without consultation and agreement of the Congress.

The bill contemplates considerably less than 150,000. We have only 121,605 refugees from Indochina who are currently under U.S. control. In addition, there are those afloat in the Pacific, and we are not sure exactly how many there are of them because they have been picked up by ships of other nations, and the number has not been precisely determined as of this moment.

In further response to the inquiry of the gentleman from California (Mr. Leggett) there is no evidence at all that the present Government of South Vietnam is going to allow any further refugees or citizens of that country to leave to seek haven in this Nation.

The gentleman from California has mentioned one other matter, and that is about the difference in expense. It is my recollection that there is only a $100 difference between what was computed for the maintenance of the Cuban refugees in the 1960's, and that was for a figure of $500, and what we are asking for today, $600. I think in the terms in which the gentleman from California placed it, this shows that we are really at a rock-bottom figure.

Mr. Chairman, at this moment I yield to the gentleman from New York (Mr. Gilman).

Mr. GILMAN. Mr. Chairman, I compliment our colleague, the gentleman from New York (Mr. Fish), the subcommittee's ranking member, and the gentleman from Pennsylvania (Mr. Eilberg), the chairman of the subcommittee, for their diligent efforts in bringing to this floor, so expeditiously, this worthy legislation.

Mr. Chairman, I rise in support of H.R. 6755, the Indochina Migration and Refugee Assistance Act, which establishes a temporary program, through September 1977, to transport Cambodian and Vietnamese refugees to the United States and to help sustain them with the necessities of life until they can gain a foothold in our land. This measure provides funds to move approximately 20,000 refugees to third countries which are willing to receive them. It is anticipated that approximately 130,000 men, women, and children of Southeast Asia will seek refuge in our Nation. To date approximately 121,000 refugees from Indochina have entered U.S. governmental control.

Some recent irresponsible statements calling for the return of the refugees to Vietnam, not only do this country a disservice, but repudiate everything that this great Nation has stood for.

America is a nation of immigrants. Countless times in our history we have opened our arms to new waves of immigrants—to the old, to the weary, and to the downtrodden. Following World War II, the United States absorbed 1.4 million displaced persons; after the Hungarian uprising in 1956, we took in 50,000 Hungarian refugees and provided a homeland for 600,000 Cubans following the Cuban crisis. We must not now forget our heritage or our moral obligation to any of these helpless refugees who have turned to us in their hour of need, many of whom cannot return to their native lands because of fear of persecution.

Accordingly, I urge my colleagues to support H.R. 6755.

Mr. FISH. Mr. Chairman, I thank the gentleman for his statement.

Mr. Chairman, let me conclude by saying that one of the communications that was received by the committee was a letter from the National Council of Catholic Bishops, and the National Council of Catholics, in which Archbishop Bernardin said:

> The war in Vietnam is over. The human suffering of the war goes on. It is natural that we should wish to put the war behind us. But it is inconceivable that we should turn our backs on the suffering which continues.
>
> Thousands of people have fled their homes in Southeast Asia. Many have already come to our country, and many more will soon come. They call out to our Christian compassion and our commitment to American ideals. We must respond.

Mr. EILBERG. Mr. Chairman, I yield 5 minutes to the gentleman from Maryland (Mr. Sarbanes).

Mr. SARBANES. Mr. Chairman, I think it is important to underscore at the very outset that what we are dealing with here is an authorization—not an appropriation—bill. This bill represents, if passed, a judgment by this House that there ought to be such a refugee program with the limitations and restrictions that are contained in the Migration and Refugee Assistance Act of 1962, with which this legislation, which is temporary in nature, corresponds. It refers to that 1962 legislation and carries with it the provisions of that legislation. The question of the dollar amount is, of course, a matter which is being dealt with by the Committee on Appropriations and must in any event subsequently be confronted by this House in the course of making any appropriation in whatever amount is deemed necessary.

At the time that our committee acted, which was last week, the situation was changing daily and will continue to change daily, and it was partly for that reason that it was deemed desirable not to include a dollar figure in the authorization legislation.

I point out to the members of the committee that the Committee on Appropriations acted just yesterday on the dollar figure. In other words, they were able to act 5 to 6 days after we acted within our committee on this matter and, therefore, were able to act on much more current information.

Let me very quickly review that information, because I think it is of interest to the Members of the House. There are now within what is termed the U.S. system that has been established 121,605 refugees. This is as of May 14, 1975. Of that number of 121,605, 15,531 have been out-processed from the restaging sites in this country. In other words, they are now out in American society. Forty-three thousand, two hundred and eight-one are in the restaging sites at Camp Pendleton, Fort Chaffee, and Eglin Air Force Base, the three restaging sites that have been designated for dealing with the refugees. Sixty-one thousand four hundred and forty-three are at the west Pacific restaging sites, particularly Guam, with just over 50,000, and Wake Island with some 7,600, and another 1,350, it is estimated, are aboard ship moving toward the Western Pacific restaging sites. So that is where the total figure of 121,605 refugees comes from.

We have moved with speed because there is clearly needed an authorization to provide for the funding of the various programs involved in moving these refugees into Guam, forward from Guam to the United States, and then resettling them in this country and providing them with the necessary services.

The executive department has—at least, in their testimony to us—been very careful about drawing down funds that are not properly authorized for this purpose. I commend them for that. Obviously, the Congress is concerned about the power of the purse and the proper expenditure of appropriated moneys, and the executive branch has tried, I think, to stay within existing statutory restrictions. They now seek this authorizing legislation and then subsequently an appropriation to follow behind it in order to give them the resources to move forward with the program.

The refugee movement is now being impacted, in part because we have not yet moved through this legislation, in particular as it affects the efforts of the voluntary agencies to move the people out of the three restaging sites in this country, and also as it affects the efforts to move them from Guam to the United States.

The estimates are that the population of Guam is at capacity, 50,233 people. They may take a few more unloaded from ships, since leaving them aboard ship is not a good health measure. But they are heavily loaded in Guam. They are at full capacity. There is a need to move refugees forward, and the camps in this country are not at full capacity. So we have got to move this process along.

There are a couple of matters that I think it is important to get before the members of the committee in an effort to understand this. One, of course, is to have some sense of the refugee profile, the profile of this refugee population. We have talked about the figures.

The CHAIRMAN. The time of the gentleman has expired.

Mr. EILBERG. Mr. Charman, I yield 2 additional minutes to the gentleman from Maryland.

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Mr. SARBANES. I thank the gentleman.

We have talked about the number as 121,000. Of the first group that came out which was the group evacuated by us, which is the one we have done a profile on, 45 percent are under 16 years of age; some 70 percent of those people speak English; and they have high employment skills.

We do not anticipate the next group will reflect necessarily the same profile since that is essentially the group that set to sea and was picked up in the South China Sea.

It is important for Members to understand what it means to be on parole. People remain in a real sense at the discretion of the Immigration and Naturalization Service. By the express language of the statute, parole of an alien into the United States is not an admission. In contemplation of law, an alien under parole is deemed to be standing at the water's edge although he is allowed to be physically present within the United States. The Immigration and Naturalization Service has power to restrict movement and to direct as to where people should be resettled so as to take into account the unemployment problem. Of course the announced policy which is being pursued is to resettle the refugees evenly across the country.

The Executive branch has made a commitment to the Governors that State and local authorities will suffer no fiscal hardship for this program and will be reimbursed 100 percent for the costs of health and welfare and social programs which may be incurred by State and local governments so there is a clear effort that none of those burdens will fall upon the localities.

We are faced with an enormous human problem. It is here. It is before us. Whether one feels that the problem should have been here is a different question. That goes back to earlier policy, as to what might have been. But events have transpired, developments have occurred, and we have now a situation in which 121,000 people have been brought under American control and we have the serious responsibility as to what we are going to do with these people.

This legislation seeks to authorize a program as a major step in response by the Congress to meet that situation. I urge its adoption by the Members.

Mr. FISH. Mr. Chairman, I yield such time as he may consume to the gentleman from Massachusetts (Mr. Conte).

Mr. CONTE. Mr. Chairman, I rise in support of this bill to authorize emergency assistance for the transportation, temporary maintenance, and resettlement of Cambodian and Vietnamese refugees.

It is expected that some 130,000 men, women, and children will seek refuge in this country, and an additional 20,000 will be resettled in other nations.

Almost all of these people are already at U.S. sites in the Pacific or in the continental United States. Mr. Chairman, I want to impress upon my colleagues the fact that the refugees are here. Now.

We are not debating about what policy to pursue at some hypothetical future date. These refugees are under our jurisdiction now, and we cannot turn our backs on them. We can not ignore our basic moral obligation to offer them humanitarian assistance.

These people left their homeland in fear for their lives, in most cases leaving behind the greatest part of their cultural roots and material possessions. We must now provide the means for their rapid assimilation into American society.

The United States is a nation of immigrants and we should not forget that heritage.

According to the 1970 census, there are only about 780,000 American Indians in the United States. That means that less than 0.04 percent of our population can truly be called native American.

People have come to the United States for many reasons over the years. They have come to escape religious intolerance, political oppression, and lack of opportunity.

The United States has stood as a beacon, offering freedom and opportunity for oppressed peoples everywhere.

The United States has a special obligation to these Vietnamese and Cambodian refugees. We brought them here, and we must now provide for their temporary relief and resettlement.

I urge the adoption of this bill.

Mr. FISH. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. Hyde).

Mr. HYDE. Mr. Chairman, in times of serious stress the greatness of a people is often demonstrated. Conversely, the smallness of some people is exhibited and the tragic plight of 125,000 homeless refugees presents such an occasion.

The bitterness expressed by some of my constituents against extending any humanitarian aid to these refugees confuses the victims of Communist aggression with its perpetrators. When America ceases to respond to the helpless and the homeless then we cease to be America.

I was shocked to read the remarks of a well-known Member of the other body who is currently urging warmer relations with Castro's Cuba. This distinguished gentleman suggested that 90 percent of those refugees would be better off returning to Vietnam. I find it amazing that even a moderately informed person would conclude that living under Communist tyranny, which is to say living in a concentration camp, is preferable to living in America.

Remarks have been made characterizing these refugees as political refugees. I can only say that these tragic people are victims of guns, cannons, mortar shells, bayonets, and hand grenades rather than politics. To equate their plight with our draft dodgers and deserters does not rise to the level of the ludicrous.

We have welcomed and assimilated over 500,000 Cuban refugees, many Hungarians, Czechs, and other Europeans fleeing Communist tyranny. Surely this is what this country is all about.

Mr. Chairman, this country was built by immigrants. They have brought diversity and strength to our Nation. Surely there is a place in this richest of nations for the most humble and dispossessed.

Mr. Chairman, I fully support this effort to alleviate the human suffering of so many whose only sin may well have been trusting in America.

Mr. EILBERG. Mr. Chairman, I yield 5 minutes to the gentlewoman from New York (Ms. Holtzman).

Ms. HOLTZMAN. Mr. Chairman, I rise in strong support of this bill to provide humanitarian assistance for resettlement of Indochinese refugees. We as a nation have always acted as a refuge and a haven to those fleeing for a better life. It is not the time now to turn our backs on that tradition.

As we consider this legislation, I think it is also appropriate to consider some related matters which the bill does not address, but which are on the minds of many. There are questions that still need to be answered as to why the evacuation took place in such a disorganized manner, why we waited so long, why American soldiers had to die. Did we leave people behind we should have brought out and did we bring out people who wished to remain behind?

Many questions about that evacuation still have to be answered.

It is also important to remember that much of the opposition to this bill has come because we have not shown the same generosity of spirit and we have not extended the same helping hand to those in our own country who are in desperate need—the poor, the elderly, the disabled, the children. I would suggest that it is incumbent upon us as a nation to show this kind of generosity to our own citizens.

I would hope also that, as we bring the refugees to our shores and provide a haven and a sanctuary for them, we would remember those of our own citizens who have no haven or no sanctuary, who are still abroad and living in exile, who refused to serve in the Vietnam war, and that we would bring them home as well.

I do want to take this opportunity, Mr. Chairman, to advise the Members of some matters which we on the subcommittee have raised. First, there has been some questioning by me personally as to what is being done about those persons who seek to return to Vietnam. I have been advised by the Interagency Task Force that, for this very small number of people, efforts will be made to return them through the U.N. High Commissioner. In addition, the task force informs me that all refugees are being given appropriate advice about their right to return to Vietnam, should they wish to do so. I think it is important to make that clear.

Second, I would like to set the record straight about certain actions that the Immigration Service is going to take regarding these evacuees. I wonder if the chairman of the subcommittee would be good enough to respond to the following questions for the purpose of developing the legislative history?

Mr. EILBERG. Mr. Chairman, I will be happy to respond.

Ms. HOLTZMAN. It is my understanding, and the committee report so states on page 7, that the Immigration Service is going to require every evacuee and refugee to sign a statement, subject to the penalties of perjury, to the effect that the person has not ordered, assisted or participated in the persecution of any person because of race, religion, or political opinion.

Mr. EILBERG. I would answer in the affirmative, but that statement will also include that that person is not in any excludable category under the present code.

Ms. HOLTZMAN. Is it correct also that a person who signs such a statement falsely will be subject to the penalties of perjury and to the other penalties that are provided already in the immigration laws for the signing of false documents in connection with entry into the United States?

Mr. EILBERG. That is correct.

Ms. HOLTZMAN. And with respect to somebody who refuses to sign such an affidavit or statement, that person will be subject to an inquiry in the regular course by the Immigration Service, is that correct?

Mr. EILBERG. That also is correct.

Ms. HOLTZMAN. I thank the chairman for his assurances and wish to compliment him for the excellent job he has done in connection with this bill.

Mr. CONYERS. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Chairman, what about the Vietnamese general that shot the citizen point blank, whose picture was all over all the magazines? Is he going to sign that kind of a requirement, too?

Ms. HOLTZMAN. I do not know to whom the gentleman is referring.

Mr. CONYERS. I am talking about the picture of the soldier, the officer who was holding a pistol point blank, firing at another Vietnamese. Is he subject to that same provision?

Ms. HOLTZMAN. It is my understanding that everybody will be required to sign this affirmation or affidavit.

The CHAIRMAN pro tempore (Mr. Roush). The time of the gentlewoman has expired.

Mr. FISH. Mr. Chairman, I would like to yield 1 additional minute to the gentlewoman from New York.

Mrs. FENWICK. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I thank the gentlewoman for yielding to me. I am shocked to learn, and I wonder how it could have come about that we are asking these helpless people to take these oaths. What does it mean, that we are doing this? I think that is a terrible thing. How did that happen and who instituted this?

Ms. HOLTZMAN. If I may answer the gentlewoman, a person coming into this country is already screened with respect to whether or not that person is a member of the Communist Party or adheres to a totalitarian form of government; whether or not the person has committed any criminal offenses. We on the committee are concerned about allowing into the mainstream of the United States a criminal element—whether they are murderers, political torturers, assassins or the like. We think there ought to be some screening for this purpose. Screening per se is not a new practice nor is the requirement of an oath.

Mrs. FENWICK. My understanding was that these oaths were taken of people who wished to enter the United States on an immigration quota, or to be citizens. It never occurred to me to ask of these refugees, to require a kind of purity oath or something of that sort; we do not let them in even though they may be in danger, if they have done something wrong.

Mr. SARBANES. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I yield to the gentleman from Maryland.

Mr. SARBANES. Mr. Chairman, the problem that is involved is establishing an appropriate basis with respect to the parole authority and what might flow thereafter. The same question, with the addition of this one regarding political prosecution, was asked of the Cuban refugees coming in.

They are, in a sense, under our jurisdiction now and we can act accordingly, but eventually how they are treated with respect to the use of parole authority and thereafter, how they may be treated in terms of adjusting their status from simply being on parole to being citizens, is the problem.

Mrs. FENWICK. I thought being in danger was enough.

Mr. EILBERG. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. Danielson).

Mr. DANIELSON. Mr. Chairman, I thank the Chairman for yielding to me. I support this bill in principle. There are one or two points, though, which I hope someone will bring out and clarify, since they concern me greatly.

The gentleman from California (Mr. Leggett) pointed out a while ago that when the Cuban refugee situation commenced in 1959 or 1960, we talked about $35 million and possibly 50,000 refugees. That has wound up to 670,000 refugees and about $1 billion—that is b-i-l-l-i-o-n. In this situation we are talking about 130,000 refugees and perhaps $407 million. I do not quarrel with that, and I shall vote for it.

However, I want to point out that this bill has a built-in cutoff date of September 30, 1977, which is 2 years from now. During that period, the Federal Government is to pay the cost of local resettlement, training for employment, health, social services, the essentials of life, income, maintenance and—I presume—education on behalf of these refugees.

The gentleman from Maryland (Mr. Sarbanes) pointed out that 45 percent are believed to be under the age of 16 years. To me, that immediately signals that we will have a very high education cost for the younger members of this refugee group. The education of students in primary grades in California today is about $1,400 per capita per year.

I should like to know, is there any provision in this law, which I do not find, which will guarantee that the Federal Government, which is the host government for all of these refugees, rather than the local units of government or local school districts or local cities, will bear the burden of meeting those costs after September 30, 1977, goes by?

We are talking about an awful lot of hundreds of millions of dollars, my fellow Members of this Congress, and I would like to know this: After September 30, 1977, who is going to pay the bill for education and the essentials of life and the rest?

My own school districts are very heavily burdened. I am sure they will receive their fair share of these refugees and will do so with open arms, but I feel it should be the burden of the Federal Government to pay the cost, at least the cost of education, after the time of September 30, 1977.

Mr. Chairman, my time has about expired, but I invite a response from whomever is able to make one.

Mr. EILBERG. Mr. Chairman, will the gentleman yield?

Mr. DANIELSON. I will be happy to yield to the gentleman.

Mr. EILBERG. Mr. Chairman, I would say to the gentleman the bill does indeed expire in September 1977. We have received assurances from HEW and the Inter-Agency Task Force that 100 percent reimbursement would be supplied during that period in any impact area. We would anticipate that, following 1977, if the condition continues, this Congress will continue its efforts in any impact area, just as we did in the Cuban situation.

Mr. DANIELSON. Then as I understand it, we do have the assurance of the executive department that the Federal Government will pick up the bill after September 30, 1977. And, of course, the funds for that would have to be authorized and appropriated by this Congress.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FISH I yield the gentleman from California, Mr. Danielson) 1 additional minute.)

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. DANIELSON. I yield to the gentleman from New York.

Mr. FISH. Mr. Chairman, I thank the gentleman for yielding.

I think the last statement put in the Record was that the gentleman stated we have assurance that the Federal Government would pick up the tab. Would the chairman agree with me?

Mr. EILBERG. That is correct.

Mr. FISH. We have no such assurance that the Government will pick up the tab on the HEW side of the bill, after September 1977.

Mr. DANIELSON. The gentleman says we do not have?

Mr. FISH. We do not. I certainly know of none. We are talking about HEW supportive services, such as health, and so on. I think we should differentiate be-

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tween that and education. There are proposals for grants to students who are under the jurisdiction of committees that are presently being considered, and that HEW side, section 2(b)(2) of the existing immigration law, has authority for them to supply grants to students.

Mr. DANIELSON. I am willing to have anyone put in the Record an answer to this real question.

Mr. EILBERG. Mr. Chairman, will the gentleman yield?

Mr. DANIELSON. I yield to the gentleman.

Mr. EILBERG. Mr. Chairman, it is contemplated the impact shall be spread nationwide. Already, over 48 of the 50 States have offered to take these people, and we hope they will be assimilated by that time. There has not been a case-by-case study. It is impossible to answer the gentleman's question until there has been this kind of review.

Mr. FISH. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. Burgener).

Mr. BURGENER. Mr. Chairman, I want to rise in strong support of the measure, and I commend the subcommittee and the full committee for acting with dispatch and with great care.

On Saturday last, May 10, I did spend a good part of the day at the refugee camp at Camp Pendleton, in San Diego County, one of the counties which I am privileged to represent, and I would like to report briefly on that visit.

I was most impressed with everything that I saw. There are currently some 18,000 at camp out of a total of 25,000, meaning that some 7,000 have been processed through and are relocated in a number of our 48 States.

However, I would point out that this outflow has come almost to a stop, and the number being processed out at least as of last Saturday, was down to 200 or 300 per day. Therefore, the camp is full, and the process is very slow. It indicates the need for this legislation.

Mr. Chairman, I would like to go on record as commending the Marines for a truly outstanding job, all the way from camp commander General Graham down to the most recent recruits. I would point out that the officers and men of the Marine Corps are doing this job in addition to their regular duties. Therefore, many of them have worked 16, 18, and 20 hours per day, voluntarily, and have even had their families assisting them in this duty. The morale is very high, and they enjoy it.

The regular mission of Camp Pendleton goes on: the training and the combat readiness goes on. The refugees are located in a totally different and separate part of the camp, for logistical and security reasons.

The living conditions are spartan, which is understandable, because the Marines had about one-day notice. Most of the refugees are living in tents and a few of the luckier ones are in quonset huts. They are very, very crowded; and the tents, of course, are hot in the daytime and cold at night. I think they are hopeful that they will not be there for several months, as we hope, indeed, they will not. In any event, the food is good. It is plain and ordinary, but it is nutritious. They feed 24 hours a day. There are long lines waiting to go through the mess hall. Why? I have asked this question of the camp commander. It would be quite easy for him to shorten the lines, but by choice, the Vietnamese refugees and the family groupings want to spend time at breakfast, lunch, and particularly dinner; they like to linger over the table instead of getting back to the tent. Therefore, it is their choice to wait in a long line so that they will have more time at the table.

The Marines have asked the Vietnamese to organize themselves in a kind of structure, somewhat corresponding to the Marine chain of command, in order to help. They have done that. They have held elections in the camp areas and have elected people to help the marines in carrying out their responsibilities.

The family units are exceedingly strong. They have made an effort to keep their family units together, even when it means overcrowding a tent, because that is the way the refugees want it. The family units consist of 4, 8, 10, 12, 14, and 16 people. There are mothers, fathers, children, aunts, and uncles, and cousins. They family unit is very, very strong. I think that is a good thing. I am sure that the members of the committee agree.

If there are some bad actors, some bad characters, some criminal elements, and indeed, there may be, it would seem to me that they would not find themselves so much in a strong family unit. I found no evidence of this element. Some 60 to 70 percent of them speak English and speak it quite well. They have already organized citizenship classes, although there is no guarantee that they would eventually achieve citizenship. I personally hope that they do. I hope that in the long run they qualify.

Mr. Chairman, the immigration processing was most interesting and that, too, goes on 24 hours a day. Under oath they must declare what their possessions are. I looked through 40 or 50 random of these statements of fact which are made under oath, and I was surprised to see the great discrepancy or variance in their assets, all the way from having absolutely nothing except the clothes on their back to one fellow who had $7,000, another one who had $2,000, one who had a kilo of gold, which is 2.2 pounds, others with 10 ounces and 20 ounces and so on.

An interesting aspect is that those with the most assets seem very proud to declare them, very proud that they had been able to accumulate them.

If they have assets, they are asked to pay their own air fare out of the camp to wherever they are going throughout the 48 States. That is proper. There is a temporary airline office set up on the camp.

I would say, if I were to hazard a guess now, that the average assets would be $200, $300, or $400, something in that range.

Mr. Chairman, the need for this bill is obvious. The pipeline has to be cleared so that these people can move on. They are highly skilled, most of them, and many of their skills are needed. And their tent space is needed by others yet to arrive.

I interviewed one and chatted with him, and he said that he was a chemist, and that he had a job waiting for him in New Jersey. I commended him for that, and I hope that he will find his way there soon.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FISH. Mr. Chairman, I yield 1 additional minute to the gentleman from California.

Mr. BURGENER. Mr. Chairman, I thank the gentleman for yielding me the additional time.

Mr. Chairman, if I were to characterize the attitude on the part of the refugees I would characterize it as being grateful and very pro-America. I think that is exceedingly important. Their morale is high. These people are our friends. These are people who worked very hard for the cause that did not turn out like either of us wanted it to turn out, and I am proud that they are here. I think we owe them this much. I think they will make a contribution to this country.

Mr. Chairman, I commend the committee for its diligence, its speed, and its detail on this legislation.

Mr. FISH. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania (Mr. Shuster).

Mr. SHUSTER. Mr. Chairman, I am deeply anguished by this legislation. We Americans, indeed, are a compassionate people and we certainly are a Nation of immigrants. I have searched my soul in trying to find a way to be able to support this legislation, but as I have done so I keep coming back to the haunting question of how in God's name can I support $500 million over the next 14 months in refugee aid, worthy as it is, when I believe that the spending path we are on may well destroy America?

How in God's name can I and those of us who have voted against many, many worthwhile domestic programs because of the deficit spending path that we are on, turn around and vote for this bill? Those of us who opposed the farm bill to aid American farmers, not because it was unworthy, but because we do not have the money; those of us who opposed the emergency employment bill, expanding the Older Americans Act, increasing the school lunch program for America's children, increasing nurses' training, home purchasing assistance, and so forth, many worthwhile programs, worthy programs which we have opposed because we felt they had to be sacrificed for a more worthy national objective. That objective being to preserve the economic foundation of our country.

Mr. Chairman, I think, harsh as it is, that we must face the reality that we cannot do everything. There are 500,000 children in the world who are going to starve in the next year or so, we are told. Should we bring them here? We as a nation just cannot do everything. I think as difficult and as painful as it

is, we must face the reality, we must reorder our priorities and focus on strengthening America.

Mr. Chairman, I would conclude by referring to the eloquent language of my colleague, the gentleman from Maine (Mr. Cohen), and I would say: Let it never be said that the American message to our children is that we will spend billions to preserve the freedom of other people, but we will not preserve our own children's freedom by saving the very economic foundations on which America is built.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. SHUSTER. I will be glad to yield to the gentleman from Pennsylvania.

Mr. BAUMAN. Mr. Chairman, I would just like to observe that the gentleman from Pennsylvania has expressed the feelings of a great many people. I think that the gentleman from Pennsylvania probably qualifies slightly more than the gentleman from Maryland in having voted against many spending bills, but I believe that the gentleman from Pennsylvania will agree that the Congress has voted for assistance in many instances to areas where disasters have occurred such as floods, cyclones, and natural disasters. The Congress has voted and acted upon these emergencies. And I would cite as an instance the subject of the emergency assistance for the Penn Central Railroad that both the gentleman from Pennsylvania and I voted for.

Mr. SHUSTER. I agree with the gentleman from Maryland, and the gentleman helps make my point. My point is that since there is not enough money to go around to solve the crying basic domestic needs here in America, then I think that we must face a very difficult choice, and make the choice in favor of doing what we believe is best for preserving and protecting the fundamental strength of America rather than spending that money, money that we do not have, on a refugee program. I wish we had this money. I wish we could spend this and double this on a program to help not only the Vietnamese refugees but to help the starving, the ill-fed, the ill-clothed across the world. Indeed, there is more to be done than we conceivably can do, and I am simply saying that we should focus on giving priority to our problems here at home.

Mrs. SMITH of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. SHUSTER. I yield to the gentlewoman from Nebraska.

Mrs. SMITH of Nebraska. I thank the gentleman for yielding.

What are our options if we do not provide the money? What would the gentleman do with these people?

Mr. SHUSTER. The gentlewoman makes a very good point. I reject completely the notion that we are simply a rubberstamp here which now must go along with a fait accompli. It is the administration which has made the decision to proceed, and it is for us to either approve or disapprove. If we disapprove, then it is up to the administration to come back with alternatives, and there are several alternatives which at least may be partial solutions.

Mr. COHEN. Mr. Chairman, will the gentleman yield?

Mr. SHUSTER. I yield to the gentleman from Maine.

Mr. COHEN. I thank the gentleman for yielding.

I would just like to inquire of the gentleman: He says it is the administration's problem and now it is up to the administration to solve it. How did the gentleman vote when it came to providing aid to evacuate those people?

Mr. SHUSTER. I voted against it. I certainly did.

Mr. COHEN. If the gentleman will yield further, he did not vote for any authority to evacuate?

Mr. SHUSTER. That is correct. I voted against it. I voted against it because that vote that day simply was the first step, and when that was passed, it foreordained our having to be here today to face this kind of a problem.

The CHAIRMAN. The time of the gentleman has expired.

Mr. EILBERG. Mr. Chairman, I yield 3 minutes to the gentleman from Connecticut (Mr. Dodd).

Mr. DODD. Mr. Chairman, first of all, I would like to congratulate those members of the subcommittee and the full committee for the expeditious way in which they moved this legislation. I would like to point out that many of the questions that are being raised here today by my colleagues in the House, are questions which plagued us in the subcommittee and in the full committee. We were concerned about the cost of this program, and we have come to recognize how difficult it is, given the time element and given the figures and the numbers of people involved, to come up with exact cost items with regard to trying to do something for these people.

We were also concerned about the type of person coming into this country, the so-called criminal element and those people who would have the financial means of paying for their own transportation and their own costs.

I raised these questions in subcommittee. I was concerned about the amount of currency and gold being exchanged. We were satisfied at the conclusion that we would not ask the taxpayers of this country to subsidize the cost of relocation, the cost of financial assistance to those people who are more able to take care of themselves than my colleagues and I are, or the other people here.

The point I would like to make, though, is the criticism that is being raised—and it is legitimate criticism—as to why we are not doing more for the unemployed in this country and why we are not doing more for those people who are being affected by this crisis, economic crisis, plaguing this Nation. The issue before us today is one issue and that is whether or not we are going to do something for these refugees. It is a tragedy that the current administration has decided not to support the unemployed in this country, and that the President has said numerous times that he would veto legislation involving additional programs and financial aid to assist those people who have been laid off of their jobs, or those people on fixed incomes.

But the issue today does not involve that question. We are being asked today to decide whether or not we are going to support refugees who had to leave their native lands because of economic, religious, and political oppression. That is the sole issue before us. There is no other issue. So I would beseech my colleagues if we are to deny these people free access to this country, we would be denying the very fabric of this Nation. We might as well tow away the Statue of Liberty and begin all over again, if we deny these people access to this country. It would be a great tragedy to ever allow that to occur.

There is not a person in this country, except the American Indian, who cannot go back to his own parents or his grandparents or his great-grandparents and point to some kind of oppression—religious, economic, political, whatever—that allowed them to come to these shores. So I ask the Members, despite the tremendous pressures on us to try and get this country back on its feet again, that we do not use that as a wedge to deny these people an opportunity to come to this Nation.

Mr. KETCHUM. Mr. Chairman, will the gentleman yield?

Mr. DODD. I yield to the gentleman from California.

Mr. KETCHUM. Mr. Chairman, I thank the gentleman for yielding.

I would like to indicate to the body I am in complete support of the bill before us but I would like to correct a statement that the gentleman in the well just made regarding the administration support for our unemployed in this country. The Ways and Means Committee has just completed passing the bill asked for by the administration to extend the special unemployment benefits.

Mr. DODD. I thank the gentleman.

Mr. FISH. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. Peyser).

Mr. PEYSER. Mr. Chairman, I think we have seen a dramatic change in the attitude in the country in the last 4 or 5 days. Initially when the problem of the refugees was facing our country, there was much talk of a million people entering this country and hundreds of thousands of jobs being involved. I think based on this misinformation many people, considering the problems we have domestically today, immediately became concerned.

Since then the public has learned what the facts are in this refugee program, many of these facts have been stated today on the floor of the House. I have found in my own mail in the last 3 days nearly a 10-to-1 reversal of what I was hearing initially. People now are saying: "We must help these people. We must move forward now and open our arms and hearts as we have always done." I would like to compliment Mr. George Meany president of the AFL–CIO for his recent statement in support of this refugee program.

I think we in this Congress today will also support this program. I doubt if there will be 50 votes against this legis-

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lation. I think that is going to be an indication to the world that America still responds to those who are in need.

In my own district I have a small college, Elizabeth Seton College, headed by Sister Eileen Farley. That college has notified the authorities they would open up one of their own houses to accommodate 24 Vietnamese refugees and shortly those refugees will be arriving at the college. I think Members will find a response of this nature growing all over the country.

I hope when we reach the amendment stage of this legislation we will not get caught up in wrangling and arguing about amendments that obviously are not going to pass this House of Representatives and which by their very nature I think demean the Congress.

I have heard the question raised by my good friend, the gentleman from Michigan, who brought up the point that the evacuation from Vietnam was really a mess and this was for some reason a reason we should not take this action today. I would like to remind the House there was another evacuation not that many years ago in a place called Dunkirk that was certainly by all measures the most disorderly and confused evacuation that ever took place, but the net result of that evacuation was to bring soldiers, our allies, out of Europe safely into England so they could fight again. I do not think it makes any difference how that evacuation took place, whether it was orderly or disorderly, as long as we got out as many people as we could and we take the proper action today.

Mr. EILBERG. I yield 2 minutes to the gentleman from Michigan (Mr. Conyers).

Mr. CONYERS. Mr. Chairman, I would like to report on the views of my constituents in Detroit. Contrary to the report of the previous Member, there has not been a dramatic reversal by 10 to 1 in favor of approving millions of dollars of refugee aid.

The citizens in Detroit are not nonhumanitarian or anti-Vietnamese. They do not feel that we should refuse to open our doors to people from any country escaping for their very lives, as we have traditionally done for true refugees in times past. But they are not at all certain that the more than 100,000 persons just brought in from Vietnam are really political refugees in the accurate sense of the word.

We are bringing in thousands of children who certainly are not fleeing from persecution. And we are bringing in adults whose lives were no more endangered than the relatives they left behind. In fact, both the North and South Vietnamese Governments have requested the return of these, and have even promised secure homes for the children. By encouraging and maintaining these "refugees" in the United States, however, we will be filling childless American homes with foreign youngsters while thousands of our own orphans languish in institutions waiting for adoption. And we will be increasing the competition for the few job openings with the sudden addition of from 35,000 to 70,000 Vietnamese applicants to the millions of U.S. job seekers already becoming frustrated in their attempts to find work.

The decision we are being called upon to make ultimately revolves around the question of how best we can spend the several hundreds of millions of dollars now under debate. Should we spend them on Vietnamese "refugees" or should we spend them on Detroit "refugees," who by the hundreds of thousands are without work or any job prospect.

The immediate bill before this one was the acceptance of the conference report on a budget which countenanced an unemployment rate of 7.4 percent on its opening page. Since we first began debating that conference report and bill, the unemployment rate has continued to go up. And the overall jobless figure for Detroit, of course, is at least triple 7.4 percent already.

The citizens of my district desperately need work. They need housing. Some of them need food. I was at an elementary school in January where they were serving cold lunches in the dead of winter. The bologna was frozen to the bread because they could not afford hot lunches. It is to these needs then that I speak. And it is these needs which call for the support of the Riegle amendment if it is introduced.

I think we should recognize that the "great American dream" is still just that—a dream—for many of our own citizens. It should be evident to all, as it is to me, that our first obligation is to these who are closest at hand, our domestic refugees, living in economic and social deprivation. Although we certainly should not have an isolationistic spirit, yet it remains that it would be equally wrong or worse to give to others that which we refuse to give to our own.

My record will show that I have consistently labored for the rights of all minorities. In fact, it is precisely my support for Asian Americans, Latino Americans, and Black Americans, who for so long have been excluded from justice and equality and meaningful assistance to opportunity, which compels me to take this stand.

It makes no sense to take aid which millions of unemployed Americans desperately need, and give it to those whose need has not only not been determined, but whose need might not exist at all if it had not been for our folly in removing them from their own country in the first place. The logic of the whole refugee situation, from beginning to end, eludes me. The whole removal operation was haphazard and unplanned and uncoordinated, to say nothing of its being unjustified.

Who decided which persons could qualify to become refugees? The decision was finally a circumstantial one: whoever clawed his way over an embassy wall, or paid his way with bribes, or overpowered another in line, or had a friend among the American elite, or had been a past collaborator with the corrupt military, became a refugee.

Who decided what reasons were sufficient for entry into the United States? As it turned out, the arbitrator was panic, fear of change, fear of bombings—even by Americans—the fulfillment of a lifelong dream, a sense of adventure, or a chance to share in the materialistic benefits long associated with the American presence. It certainly was not fear of the Communists or even of personal death that motivated most to come here. And no bloodbath resulted for those left behind. In fact, the New York Times reported:

> Refugees appeared to be fleeing in panic, rather than for political reasons . . . Not one said it was because he or she hated or feared the communists.

What rationalizations can then be summoned to defend a refugee assistance bill? Is it because we are saddled with an extra 120,000 or more persons we now know not what else to do with? Is it because other nations have refused to accept these we thought we could pawn off on them? Is it because there is now no way of knowing for sure who among them might be a criminal, a profiteer, or a former guard of tiger cages? Is it because the vast unemployment rate of our own people has reached such astronomic proportion that we feel than another 30,000 heads of Vietnamese households competing for our jobs would not make much difference?

Whatever the reasons, the symbolism of this action, if this bill is approved, will be unmistakable. We will be saying to all the poor and deprived and disadvantaged and unemployed Americans that they have no needs this Government is bound to recognize before the tribunal of political expediency.

Mr. FISH. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. Goldwater).

Mr. GOLDWATER. Mr. Chairman, I rise today to express strong misgivings about the new funding authority contained in this bill. This legislation proposes to authorize the appropriation of such sums as may be necessary for the payment of costs incurred in helping Southeast Asian refugees. I believe that American has a clear responsibility to assist these people. This legislation declares that the Congress recognizes and accepts that responsibility. I do not quarrel with that aspect of the legislation.

However, I do have deep reservations about any funding approach that adds to the current $50 billion to $70 billion Federal deficit. I am particularly concerned about any approach that does not take into account the possibility of utilizing existing, but unexpended funds. I believe we can do it without further adding to the staggering Federal deficit.

I am suggesting that the Congress provide for the reallocation of any and all Department of Defense Southeast Asian military and economic assistance funds to the Southeast Asian migration and refugee assistance program. Testimony made on the floor of the other body by Senator Hatfield in the introduction of Senate bill 1696 suggested that there may be possibly $147 million in unexpended funds in the pipeline.

What I would like to strongly urge and suggest to the committee that should amendatory language be added by the Senate or offered in a conference on these two bills, the language be accepted. Such language takes a more fiscally responsible approach.

Mr. EILBERG. Mr. Chairman, will the gentleman yield?

Mr. GOLDWATER. I yield to the distinguished chairman.

Mr. EILBERG. Mr. Chairman, the provisions of the subcommittee and the Senate provisions which require a reduction in the authorized amount by the amounts saved in the AID and DOD appropriations is a very complicated procedure, particularly since AID and DOD can give us no reasonably accurate figures that could be relied upon at this time. It would be cleaner and easier, both legally and administratively, to merely return unused DOD and AID funds to the Treasury.

Mr. GOLDWATER. Mr. Chairman, I might point out that because of the rules of the House, I am unable to offer an amendment suggesting that we utilize funds already in the military and economic assistance pipeline.

I would like to ask the gentleman from Pennsylvania (Mr. Eilberg) if these are in essence newly appropriated funds, and if they are, will they not add to the current deficit?

Mr. COHEN. Mr. Chairman, will the gentleman yield?

Mr. GOLDWATER. I yield to the gentleman from Maine.

Mr. COHEN. I would point out to the gentleman in the well that we had some testimony before the committee this morning on an informal basis on revenue from the State Department and Defense Department. They anticipate some $70 million is in the pipeline, which would be returned to the Treasury. I made exactly the same suggestion as the gentleman in the well, that we allocate this amount of money to the program. They pointed out that they intended to turn it back to the Treasury.

Mr. GOLDWATER. Mr. Chairman, I would like to ask the chairman of the committee if, when he goes to conference, he would accept language in the Senate bill to provide for the use of existing funds in the Department of Defense Southeast Asian Military and Economic Assistance program already in the pipeline and which may be available.

Mr. EILBERG. We will, of course, review that legislation at that particular time, but I have stated what our position is.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. FISH. Mr. Chairman, I yield 1 additional minute to the gentleman from California.

Mr. SARBANES. Mr. Chairman, will the gentleman yield?

Mr. GOLDWATER. I yield to the gentleman from Maryland.

Mr. SARBANES. Mr. Chairman, it is important to point out to the gentleman in the well that those moneys now in the pipeline cannot now be expended, since the purpose for which they are in the pipeline, military assistance to South Vietnam, no longer exists. Those moneys will revert to the Treasury. They will be recovered.

To try and engage in a process at this point in time before the end of the fiscal year in which we seek to recover them and transfer them is a complicated and difficult matter. We did, in fact, look into that, but the general conclusion was that this is a process which is extremely difficult to effect, and in any event is for no net result since the final outcome with respect to those moneys is that they will come back to the Treasury since the purpose for which they were appropriated is no longer existent.

Mr. GOLDWATER. I would assume that the gentleman would not object to that type of procedure if it was possible.

Mr. SARBANES. The problem is the difficulty in effecting such a procedure.

Mr. GOLDWATER. It can be effected by appropriate language in the authorization bill if only the Congress wishes. The point I am trying to make here is, if there are moneys available, even if we take them out of foreign assistance funds, this would be preferable to creating new money, which is only going to add to the deficit. This approach would be responsible.

Mr. KETCHUM. Mr. Chairman, I rise in support of H.R. 6755, the Indochina Migration and Refugee Assistance Act.

The President has asked Congress to provide additional funds for the transportation and resettlement of Vietnamese refugees. The request was for $507 million, preferably with an open-ended authorization, so that the relief efforts may be continued.

House Resolution 6755 would accomplish this goal. The funds may be used to provide transportation, maintenance, and resettlement of the refugees as well as medical and social services. Also, this bill would allow State and local agencies undertaking the care of evacuees to be reimbursed for their services. This is very important. If such agencies had to bear the costs involved on their own, it would place an unreasonable strain on their financial resources.

I believe that providing refuge and assistance to those Vietnamese nationals whose lives were threatened by the Communist takeover of Saigon is consistent with our Nation's best traditions of offering liberty to the oppressed. During the last generation alone, this country has absorbed 650,000 Cubans and 38,000 Hungarians seeking relief in the land of the free. In the course of our history, the United States has provided a new home for millions of people looking for a better and safer way of life. All of us here are descendants of immigrants. Let us not deny to others the opportunities extended to our forefathers.

An amendment may be offered to require refugees to reimburse the Federal Government for their resettlement costs if they are found to have assets. I think this is an excellent proposal and completely consistent with present law. Our citizens stranded and destitute in foreign countries are provided transportation, through the State Department, to the nearest U.S. port of entry. Upon arrival, the Department of Health, Education, and Welfare will provide medical care if needed through medicaid and sometimes pay the costs of travel to the individual's home. Citizens making use of this service are required to repay the Government if they are able. Thus, we have precedent for such an amendment.

I urge my colleagues in the House to favorably act on this bill. We are now approaching our Bicentennial anniversary. Let us not forget what it is that made our country great.

Mr. EILBERG. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. John L. Burton).

Mr. JOHN L. BURTON. Mr. Chairman, I thank the chairman for yielding this time to me.

I really am outraged that this Congress is put in the position of having to vote on this legislation because John Foster Dulles, in 1954, sabotaged the Geneva accords that ended the French-Indochinese war. Had this Nation let the accords be implemented, we would have had a Communist government in Vietnam, as we do today, but we would not have lost 55,000 Americans, wasted $165 billion, or been confronted with the problem of the refugees and the spending of a half billion dollars for their support.

I also resent being asked to appropriate $405 million to resettle refugees when we are denying people in this country even very meager existences. I resent the fact that if this Congress does not appropriate the money, local property taxpayers and State treasuries will have to absorb the funds for the refugees in local welfare costs.

The burden that falls upon us today is the result of a stupid policy made by John Foster Dulles in 1954. There was no meaningful program to get the Americans out of South Vietnam by Ambassador Martin. Such a program could have forstalled the number of refugees who are here, some of whom fled with valid reason, and others out of sheer panic, created partially because Graham Martin refused to have an orderly evacuation program.

I do not know how I will vote on this bill. I will probably vote for the money because it is in effect a fait accompli, but I will resent having to pay for John Foster Dulles' sabotaging the 1954 Geneva accords.

Mr. Chairman, I would now like to ask one question of the distinguished subcommittee chairman. I have received a communication from constituents who were involved in flying some of the people out of Indochina.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. EILBERG. Mr. Chairman, I yield 1 additional minute to the gentleman.

Mr. JOHN L. BURTON. They have been informed by the Immigration and Naturalization Service that they will be responsible for fines up to $1,000 per person for people who were not "legally" through with their paperwork when they were flown out of the country.

I realize an amendment to this bill would not be germane, but I would hope that the distinguished chairman of the subcommittee would work with me to find some administrative remedy so that these people do not bear the burden for

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the total screw-up caused by several administrations and finally by Ambassador Martin, whose policy, I thing, contributed to the evacuation chaos and to the unorthodox, improper administrative procedures used.

Mr. EILBERG. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman.

Mr. EILBERG. I will be glad to do that. I will also ask the gentleman to appear at our oversight hearings so that he can document these details more fully.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman.

Mr. LEGGETT. Mr. Chairman, I would like to commend the gentleman for bringing up this very important strategic problem right now, where there is an attempt to charge a man who brought out some 200 young refugee orphans. They could not get the papers together. As I understand it, there is an attempt to charge him a fine of $1,000.

I think if we are going to do that, we certainly should think of assessing our Ambassador, maybe, for people we were unable to bring out in the regular course.

Mr. JOHN L. BURTON. Or we could get the 16 tons of gold back from Nguyen Van Thieu.

Mr. LEGGETT. Exactly.

Mr. FISH. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio (Mr. WHALEN).

Mr. WHALEN. Mr. Chairman, I rise in support of H.R. 6755, the Indochina Migration and Refugee Assistance Act.

As you may recall, I was among those who spoke in opposition to H.R. 6096, the Vietnam Humanitarian Assistance and Evacuation Act. Regrettably, some have interpreted opposition to H.R. 6096 as a manifestation of hostility toward the Vietnamese refugees. This certainly was not my reason for opposing the bill. I viewed the proposal as an unworkable measure. In fact, we should note in retrospect. that the funding provisions in H.R. 6096 would not have been sufficient to accomplish the evacuation and resettlement of Vietnamese refugees.

Mr. Chairman, like the speaker who preceded me in the well, I opposed our military involvement in Indochina. Yet, this does not erase the fact that many Vietnamese have had to flee their homeland in fear of retribution and possible loss of life because of their support of U.S. policy in Vietnam. Nevertheless, many of our citizens have expressed their concern about the economic impact of this mass immigration to the United States. This factor is far outweighed by the spirit of freedom that America has retained since colonial times. Our shores have always been a refuge for the politically and religiously oppressed. Most of us are in America today because our forefathers sought to escape oppression abroad, and it is my hope that our citizens will accept these refugees today, just as previous generations have assisted the victims of earlier oppressions.

The American economy is strong enough to support these Vietnamese. Congress, in passing H.R. 6755, can provide the funds needed for an orderly integration of the refugees into our society. In my opinion, failure to pass a measure granting assistance would, in effect, be turning our backs on our heritage.

Mr. EILBERG. Mr. Chairman, I yield 4 minutes to the gentleman from New Jersey (Mr. HUGHES).

Mr. HUGHES. Mr. Chairman, I appreciate the gentleman's yielding.

First of all, I want to congratulate the chairman, the subcommittee and the chairman of the full Committee of the Judiciary for the expeditious manner in which they brought this matter to the floor.

I want to say at the outset that I support H.R. 6755. Reluctantly. I am concerned and disturbed over how we have apparently lost the control over events. I am as upset as the gentleman from Pennsylvania over the fact that we now have to provide $405 million, or perhaps more, to resettle refugees. I did not participate in the policy decisions necessitating the present authorizing legislation. Neither did any other Member of this House. That was an administration decision. However, we are now sent the bill for the costs.

I found out early, when I arrived in Congress, that there are a lot of moneys spent before anyone gets a chance to vote on the appropriations bill. In the instance of foreign aid, 75 percent of the money was spent before I had a chance to vote on it.

However, I respectfully ask the gentleman from Pennsylvania, what are our options at this point? What choice do we have? I do not see that we have any. We have roughly 120,000 Vietnamese who are going to be settled in this country. We cannot ship them back. No. 1, this is not the American way, and No. 2, we cannot subject these people, to whom we owe some obligation, to an uncertain fate in their homeland.

In a real sense they will join a growing number of refugees in this country who are suffering loss of jobs and income due to the recessionary and inflationary pressures brought about, in large measure, by the inability of our economy to provide for the annual commitment of billions of dollars to Southeast Asia.

The refugees in my district are the poor, the unemployed and those living on fixed incomes who are as much the victims of our foreign policy failures in Southeast Asia as those this legislation now seeks to resettle here.

I did have serious questions and misgivings about this legislation. I have talked with the good subcommittee chairman. One of my concerns was whether or not this authorization bill and the appropriation bill were broad enough to provide funding to enable those refugees who wished to go back to Vietnam the option, as well as the funds to do so.

As I understand it, there is provision under the 1962 act to allow funds for just that purpose, through the office of the U.N. High Commissioner.

I will yield to the chairman to ask him if that is correct.

Mr. EILBERG. Correct.

Mr. HUGHES. In addition to the three fishermen who were inadvertently picked up by our ships, I am sure there are others who, on reflection, now have decided that they want to go back to Vietnam, back to their homes; and I would want to make certain that our policy is to accord them that privilege.

Mr. SARBANES. Mr. Chairman, will the gentleman yield?

Mr. HUGHES. I yield to the gentleman from Maryland.

Mr. SARBANES. I have a comment with regard to the last point that the gentleman in the well made.

There is no intention or desire to hold refugees here who do not wish to be here but wish to return to their homes. In fact, that is being made clear to them in Guam and again in the resettlement camps in this country, so that the option of returning, if that is what the refugee wishes and seeks, is certainly available.

Mr. HUGHES. As the gentleman knows, I had an amendment to offer today that would clarify that point in the event of any doubt. As long as we have this legislative history, and the assurances of the committee that this issue is presently covered by the 1962 act, then I am satisfied.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. HUGHES. I yield to the gentleman from New York.

Mr. FISH. Mr. Chairman, I appreciate what the gentleman in the well has said. I am familiar with the proposed amendment which the gentleman has before us. I assure the gentleman that it was a matter of some discussion among members of the subcommittee and the Interagency Task Force. However, I am sure that the interest that the gentleman has in mind would be far better served through the existing mechanism, the U.N. Mission for Refugees, which is known to the North Vietnam and has physically, for months, been in Vietnam and is there currently, along with ICEM, who are in charge of the movement of those who want to go back to Vietnam. Any change in that structure that would require bilateral action between the President of the United States and either North Vietnam or the Provincial Government of South Vietnam would only delay the objective that the gentleman has in mind.

Mr. HUGHES. Mr. Chairman, I thank the gentleman for his statement. I would state that having that assurance, and relying upon the Chairman's interpretation of existing law. I am happy to withdraw my amendment.

Mr. FISH. Mr. Chairman, at this time I yield 3 minutes to the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. Mr. Chairman, I rise in support of H.R. 6755, and commend the Committee on the Judiciary for reporting out this bill.

However, I am a member of the Committee on International Relations, and the committee did hold extensive hearings on this matter, not only when the

original bill for evacuation and refugee relief was before us, but also on the subject matter that is before the House today.

I, like many of the Members, have received letters from people opposing the refugee program, and opposing the coming to our shores of these people who have fled from their native land. I have also received some letters in support. I would like to read one of them to the Members, because I think it makes the point far better than I do. It is addressed to me, and it reads:

> Please count us as five "ayes" who are grateful to be alive and well and living and eating in California! If we cannot extend a welcoming hand to those who have lost everything, then we do not deserve the good fortune that was made easier for us by those who struggled before us. Do we only help those who confront us with heavy threats? If so, then we reinforce feelings that if you want something from us, hold a gun to our head, but don't expect a hand if you are down, out and vulnerable!
>
> P.S.—This is despite our current state of half the income and double the prices!

Some persons allege that these refugees were not and are not in danger. Obviously they thought they were; many fled at great peril to their lives in small boats on the open sea.

How can we second judge them? If, in fact, some of the refugees, on reflection, decide they want to return to Vietnam they can eventually do so.

Mr. Chairman, I urge an "aye" vote on this legislation.

Mr. FISH. Mr. Chairman, at this time I yield 5 minutes to the distinguished gentleman from Ohio (Mr. DEVINE).

Mr. DEVINE. Mr. Chairman, I thank the gentleman from New York for yielding me this time.

Mr. Chairman, I have had mixed emotions about this legislation from the beginning. I have attended a number of meetings concerning this matter, in trying to put this entire matter into what I consider proper perspective. I would say at the outset that my mail at first was running 5 to 1, and now it is running about 5 to 2 against, 5 to 2 against the United States assimilating these refugees from Southeast Asia.

In discussing this with other people, and I am not a member of the Committee on the Judiciary, I find that there are roughly 125,000 refugees that have come into our custody. Of these only about 35,000 are considered to be heads of households, and that among this group we have either well educated or more highly educated people, the majority of whom speak the English language, and I further found that about 60 percent of this group are children.

The letters that I have been receiving in opposition to this overall assimilation of these people are based primarily on the idea that we have many, many welfare problems in this Nation; that we have too many people who are getting food stamps, and we have too many people who are unemployed, so that these people are logically concerned with whether or not these people would come into our country and take the jobs away from these people who are presently unemployed, and who would like to be employed.

Of course, on the other hand, we have those people who say that those who are opposed to having them come into our country are racists. I think that that is distressing. They have also said that those who are opposed to them coming into our country are being shallow in conscience and morality, and in their sincerity. I do not believe that is a fair assumption because persons who would resist this I think are concerned, and sincerely concerned, primarily with our own people.

On the other hand, I have received information from persons who should know that under our legal immigration quota system we absorb about 400,000 people a year, and they have not had any great effect on our unemployment or on our welfare situation. So in looking at the overall picture here, it seems to me that in a true American tradition we should assist those persons who are in need. We cannot turn our backs particularly on these people from South Vietnam who were helpful to our people when we were involved in that conflict.

I must say in passing—I do not know whether the gentleman from California is still on the floor who deplored and placed all of the recriminations on John Foster Dulles for his policy in 1954—he should not overlook his good friend Robert McNamara and his limited war, which I think also contributed to this. Of course, those others who say, Oh, let us have no recriminations, are those who last year said, Let us provide no military aid to the South Vietnamese, which could have prevented the situation in which we find ourselves today.

But by and large I think this is a worldwide responsibility and not just belonging to us in the United States. I think again the United Nations has utterly failed—utterly failed—because they have not been helpful at all in assimilating refugees. We in the United States have contacted over 100 nations to see whether they would absorb some of these people, and the response has been extremely poor.

I will say our friends from the north, in Canada, have agreed to accept 3,000, which is very commendable. Some of the West African countries have said, "Yes, we will take 100 each." But this is something we should spread out among the member nations of the United Nations to help the people in need, to help people in the Free World.

So I say I have mixed emotions on this. I think I will ultimately vote to support the resolution. I am not too sure of the dollar amount.

I read the "dear colleague" letter this morning written by the gentleman from Indiana (Mr. ROUSH) that had an amendment that, I think, will be helpful. But I think that we in America should not turn our backs on these people or even think about sending them back. We should do the best we can under the circumstances.

Mr. EILBERG. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. RUSSO).

Mr. RUSSO. Mr. Chairman, I rise in support of H.R. 6755.

The House Committee on the Judiciary—and especially the subcommittee chaired by the gentleman from Pennsylvania (Mr. EILBERG)—has worked long and hard in developing a balanced legislative response to the problem which confronts us all in the resettlement of the tragic refugees from Southeast Asia.

The committee was challenged to deal with a fluid, complex, and admittedly emotional issue with wisdom and compassion, coupled with an open eye to reality. It was a challenging task, coming as it did in the wake of confused, indeed puzzled, reaction by the American public. They look to us to explain and clarify, and in this case they expect us to find a solution to what could be a problem of staggering dimensions—thousands of homeless strangers in a land beset by its own inner turmoil and economic chaos. Which will prevail—our fixation on our own, very real problems; or our astounding ability to empathize and extend a hand of genuine assistance.

Many questions continue to baffle us, but rather than sit bewildered, sorting out the various themes in this unprecedented story of human dislocation within our own borders, we are compelled to act.

There is, beneath the complexity, a simple truth. These are people who need help. There are many answers we do not know right now. But we do know that these people, who poured onto ships, into planes, are sleeping in tents. They have left their culture behind, and this is no small disruption for a person whose ancestral roots stretch back thousands of years. Put yourself in this unenviable position, imagine packing what you can carry on your back, leaving your hometown forever, and journeying to, say, India. You did not have time to pack summer clothes, or learn the language and you do not know if you will have food or shelter. You did not have time to find out if they were putting a welcome mat out for you. Suddenly you are there.

If the resettlement is a matter of moral responsibility to us, it is a matter of life to these refugees. They must have the opportunity to form new dreams, put down new roots, become a part of this strange place. What a gargantuan and perhaps frighteningly strange land we must seem. But then, this country was once strange to our own ancestors.

My point is that this legislation is crucial to the resettlement. And besides the practical provisions of transportation and shelter, perhaps we will ease some of the homesickness and readjustment problems by demonstrating our concern with the passage of this bill.

This is not an easy period for our country, nor perhaps the best time to receive and absorb the refugees. We are still caught in the throes of our own agonizing reappraisal of Vietnam. We have been deeply wounded as a nation. But if we have been wounded, what of these people? What of their country?

Perhaps we are wiser now. Perhaps more mature. But nevertheless it is a period of transition for us, and perhaps not the best time to summon up visions

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of our grandeur and generosity. Or is it? What better tonic is there than to recall and once again act in the best traditions of our democracy, a democracy that embraces people from nearly every corner of the globe, regardless of—and here is the familiar phrase we must never forget and from which we draw our greatness—regardless of race, creed, or color. If there is a country that dares to say—

> We the people, in order to form a more perfect union . . .

It is America. No wonder people want to come to our country.

So rather than cower in the corners of our own misgivings and self-doubts at a time when it is tempting to do so, let us expand our consciousness to include these newcomers, and help them with their adjustment to their new land. This legislation is the place to begin.

Mr. FISH. I yield 2 minutes to the gentleman from South Dakota (Mr. Pressler).

Mr. PRESSLER. Mr. Chairman, I rise as a U.S. Army Vietnam veteran to support this bill. I did vote against the original Vietnamese Evacuation Act based on a feeling that it was ill-conceived and based on some of my experiences of living in that country. Today we have quite a different situation. The Vietnamese in question who are already in this country. We must take care of them.

I do, however, have a question which I hope can be answered. It is: Would this bill in some instances put Vietnamese students at an advantage over our American students in terms of assistance, both financial assistance and otherwise, or would those students fit into the pattern of American students? I am told in many instances some Vietnamese students would be at an absolute advantage over American students as a result of this bill, and that troubles me.

Mr. FISH. Mr. Chairman, if the gentleman from South Dakota will yield, I would like to respond to the gentleman.

We are talking about 2,000 South Vietnamese and Cambodians who are here either on exchange visas or student visas. In many instances they are recipients of State Department scholarships. At present their status would be exactly like an American-born student at a college who is receiving a scholarship except for one factor, that by virtue of being foreigners, they would not be permitted under their status to seek employment to supplement their income. This is an advantage any American student would have at college.

What has occurred in the last few weeks in addition to the suspension of deportation for these students is that the Immigration and Naturalization Service has said this category of foreign students may seek employment. So if anything, I would say to the gentleman they have now reached a parity with their American counterparts in colleges rather than a preferential status.

Mr. PRESSLER. I thank the distinguished gentleman from New York for his comments, but does not the bill provide authority for HEW to grant outright scholarships to Vietnamese students in some instances which are not available to U.S. students?

Mr. FISH. The Department of HEW considers that under section 2(b)(2) of the Migration and Refugee Assistance Act of 1962 it has this authority. There is other legislation pending in another committee of the House which is considering a cash grant or a monetary stipend for those refugees presently in college, but new grants are not contemplated in any part of this legislation which is before us now.

Mr. PRESSLER. I thank the distinguished gentleman from New York.

Mr. EILBERG. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan (Mr. Riegle).

Mr. RIEGLE. Mr. Chairman, to those Members who may be on the floor that were not on the floor when I spoke earlier on the rule, I would like to just take a short time to elaborate on an amendment that I will offer later, which is an amendment that would insure that any special programs, special assistance made available to South Vietnamese refugees for humanitarian assistance, would likewise be made available to other Americans in this great country now living under conditions of equivalent hardship. The idea here is that I want to make sure that we do not establish a double standard. As things now stand, if this bill and the authorization passes exactly as it has been presented, it means in effect there is a national origins test. In other words, to qualify for the help, they have to be Vietnamese or possibly Cambodian, if there are any; but if they happen to be Americans in this country with equivalent problems, under this bill as it has been brought to us, they would not be eligible for this kind of special help, whatever it turns out to be.

I think that kind of double standard is a mistake I want to make clear that we do need to assist the refugees. I want to do that as long as it is in the context of providing exactly the same help to the people in this country who have exactly the same needs, who happen not to be South Vietnamese, but happen to be Americans. I think that is the way to promote the maximum amount of good will and humanitarian feeling. I think that is the way to speed the process of assimilation of South Vietnamese into the American system; but if we fail to adopt this kind of amendment and, in fact, set up the national origins test and establish a double standard, I think it is real hyprocrisy.

I will say to the Members here shaking their heads, I see very little humanitarian impulse coming out of the White House to help American people who are destitute and who have real economic problems in this country.

I rejoice at whatever humanitarian effort I see; but if we draw a line and say it is only available for South Vietnamese and not available for Americans in this country who have equivalent hardship, we make a great error.

I want to see this program expanded so that it is available to everyone.

Mr. FISH. Mr. Chairman, I yield 2 minutes to the gentlewoman from New York (Ms. Abzug).

Ms. ABZUG. Mr. Chairman, I want to ask a few questions. Maybe some of this was answered today.

Will the normal screening process take care of those who are, let us say, parasites from another society that come here only to be parasites in this society?

The gentleman would not have us support persons of disreputable character?

The reason I raise this question is that there has been testimony this afternoon before Senator Kennedy's refugee committee that a good number of the refugees that have come in from Vietnam and Cambodia appear to be of questionable character. I know that this great body and the President of the United States would not want to use the funds of American taxpayers, as compassionate and humane as they are, for inhumane purposes.

Mr. EILBERG. Mr. Chairman, I might say to the gentlewoman that the testimony before our subcommittee did not indicate that half of the refugees were disreputable in any sense, but that approximately half the refugees would be in need of assistance. We did explore that and were told that there might be 7 or 8 percent of undesirables among the group that would not be admissible after they were properly checked out at the centers; but those people would be retained in detention centers of some kind with the purpose and object of removing them to some other country as soon as possible, as occurred during the Cuban crisis.

Ms. ABZUG. The other questions I have are, if there are persons who were guilty of acts equivalent to those of war criminals, No. 1, and No. 2, if there are persons who have no need of financial assistance, and No. 3, if there are persons of general criminal character, would the screening process take care to see that we are not obligated to make payments to those kinds of persons?

One other question while I have the floor.

Mr. Chairman, I will support this bill because it presents an acceptable humane concept and a concept that must be refined. As the Members know, I am going to present an amendment that will say we have our own American political refugees, those in exile in Canada and Sweden who refused to fight in this illegal and immoral war and who are also entitled to assistance.

I think we should help our own American political refugees, but there are other political refugees we have caused to come about. Have we considered that and aided, for example, others who were exiled from Chile because of their differences with their government?

Mr. FISH. Mr. Chairman, I yield 1 minute to the gentlewoman from New Jersey (Mrs. Fenwick).

Mrs. FENWICK. Mr. Chairman, I think it is sad, some of what we have heard here today. I cannot imagine frightened and helpless people being scrutinized and screened and questioned. When one is hungry, food is what one needs. When one is a refugee, what one needs is shelter.

The West African countries, which have had no part in this tragedy—and we could well take an example from

them—are not making all these extravagant demands of these people. They are responsible; they have been asked to accept the burden of these refugees, and they have accepted it. We ought to follow their example.

We ought to be moved with humanitarian concerns and not with narrow efforts to put the refugee into some category, or set conditions which may send them back to where they are in danger. I cannot see how this country has come to this attitude toward people in trouble. It is not characteristic.

Mr. EILBERG. Mr. Chairman, I yield myself such time as I may consume.

Very briefly, Mr. Chairman, in order to relieve the concerns of some of the Members about how their constituents would feel about this issue, the subcommittee is in receipt of the study indicating the status of public opinion after each emergent refugee situation. That study shows—and we will make it part of the record when we go back into the House—that invariably upon the emergency occurring, public opinion has been in opposition to the admission of refugees; but that subsequently there has been an acceptance of the admission of those refugees. Therefore, I anticipate that this is what will occur. In fact, there are evidences of its occurring already in this country.

I might say that since this subcommittee and our full committee have reported the bill out, there has been virtually no information which would indicate national opposition, so I would just like to relieve my colleagues of that concern, for whatever it may be worth.

Another concern I would like to try to satisfy is the response of the international community. Our subcommittee has been pressing—I would say mercilessly—the executive branch, and in turn the United Nations High Commissioner and the Intergovernmental Committee of European Migration to spread the burden among the third nations as much as possible.

I am satisfied, Mr. Chairman, that these international agencies have the message and that, in fact, we have some commitments which indicate very well the distribution of some of these people to third countries. I would add also that of the 50 States of the Union, we have agreements of sponsorship by States or organizations or individuals from 48 of the 50 States, which I think is a good sign.

Finally, Mr. Chairman, I cannot stress too much, in conclusion, the fact that there is an emergency as far as the situation is concerned. We are out of money. We still have refugees floating around in boats with no place to put them. We have staging areas filled to capacity. We have reception centers filled to capacity. Volunteer agencies are ready and willing to go to work and are working at the present time, but are out of money. It is absolutely essential that this House, if it is to maintain the very best of American traditions, move expeditiously in passing this bill.

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. EILBERG. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. Mr. Chairman, I would just like to answer the concerns of the gentlewoman from New Jersey.

I think it is important for the gentlewoman to recognize—I would like to state this to every Member of the House—that the refugees are being cared for and fed now. It is the concern of the committee and it is the intention of this bill to make sure the refugees get that humanitarian aid.

With respect to the screening procedures, at this point the screening procedures—and they were in existence before the subcommittee even got into this matter—under the law involve security checks for a variety of matters, including the ones I mentioned before, as to whether or not a person is going to commit treason in this country, whether a person has committed a crime, such as murder, is a member of the Communist Party, whether a person has trafficked in drugs, and the like. These screening procedures do not in any way interfere with or inhibit the feeding, the shelter, the care of the refugees.

The committee had an additional concern with respect to screening for whether or not these people engaged in persecution on account of race, religion, national origin, or political opinion.

Let me assure the gentlewoman that these persons are being processed rapidly. In my judgment nothing the committee did in any way inhibits the processing of these refugees.

Mrs. FENWICK. Mr. Chairman, will the gentlewoman yield, or is there no more time?

The CHAIRMAN. The gentlewoman has half a minute remaining.

Ms. HOLTZMAN. Mr. Chairman, I yield to the gentlewoman.

Mrs. FENWICK. My alarm and concern arose from the fact that refugees are people who are frightened and are taking refuge. The gentlewoman seems to imply that the same things apply when an immigrant comes in and wants to work in this country. I do not think those same rules are applicable. I think it is quite right to determine that someone is of high moral character when they seek to become a citizen here.

Ms. HOLTZMAN. Let me respond by saying that by collecting this information now we will permit the Immigration Service to take appropriate action at a later time.

Mrs. FENWICK. It all hangs over their heads anyway.

Mr. HÉBERT. Mr. Chairman, I deeply regret that I am unable to be here to cast my vote in favor of the President's bill for aid to Vietnamese refugees.

Because of a previous commitment in my own district and the uncertainty that the vote would come on this date, I asked to be paired in favor of the President's position and for the legislation.

I did not want there to be any doubt about the position I have taken in this instance. For that reason, I am making this statement.

Mr. DERWINSKI. Mr. Chairman, I rise to support the Indochina Migration and Refugee Assistance Act, and as I do so, I address myself to an issue far larger and more historic than the recent bitter and divisive Vietnam war period.

Who are these refugees? They are refugees from communism, the same as were the Cubans, Poles, Hungarians, Balts, Czechs, and others, almost 2 million of whom the United States has accepted to our shores since the Second World War. They are war victims, some of whom fled North Vietnam, losing everything, in 1954, and who have now had to flee South Vietnam.

If this Nation, whose greatness has come from its many immigrants, will not welcome the Vietnamese refugees, who will? The United States admits 400,000 immigrants each year, so those we absorb from the Indochinese countries cannot possibly exceed even half that total.

Mr. Chairman, I do not see the Vietnamese refugees as a threat to our job market since many have families here already and, of course, many are children and old people who will not be entering the labor force. It is my judgment that most of those who will be seeking employment in the United States will be skilled, middle-class persons who can contribute to our economy. They will be most unlikely to increase our problems by adding to our welfare rolls or crime rate since they have strong traditions of personal pride, hard work, and family devotion, just as our Chinese and Japanese immigrants have proven to have.

Mr. Chairman, we are all immigrants and almost 45 million Americans are exiles who have come to this land of freedom. We all know of the great contributions immigrants have made to make ours a greater nation. For all we know, one of the youngsters now in a military camp awaiting processing as a Vietnamese refugee, will in his or her lifetime make a tremendous contribution to the further growth and vitality of this country.

I have no doubt that when the emotional debate of the day runs its course, those of us who support this measure will be proven to have exercised sound judgment.

Mr. GIAIMO. Mr. Chairman, regardless of an individual's feelings on the merits of the Vietnam war, it has been a bitter experience for the United States. It is understandable, therefore, that many Americans want to forget the pain of this tragedy by ignoring those who have fled from it. However, while our involvement in Vietnam is essentially over, the plight of the South Vietnamese refugees remains and cannot be overlooked by the United States.

I would hate to think that either opposition to the war, relief at its conclusion, or bitterness at its outcome have numbed our sensitivity to the plight of those who were able to flee its ravages.

Many South Vietnamese believed in and supported our policies, and they have left their country because they dared not live under the new regime. Most of these people have turned to the United States as the only country which could offer them an opportunity to rebuild their shattered lives.

I refuse to believe that the people of the United States have forgotten their history. At one point or another, we have all been immigrants. Some of our earliest settlers came here to avoid religious persecution or a debtors' prison.

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Some came to escape famine or pogroms. Some came for political freedom or economic opportunity. Some were brought here against their will. Regardless of their background, these immigrants-turned-Americans have contributed to the growth of the United States and to the better life which this Nation universally symbolizes for the homeless or oppressed.

Now, when we are being asked to accept a new wave of immigrants, is not the time to turn our backs and disregard our moral and humanitarian commitment to assist those who seek refuge in our country.

Some people object to the new immigrants because of the state of our economy. The combination of inflation and recession is a serious problem, but it has not been caused by and will not be aggravated by these South Vietnamese refugees.

Only an estimated 35,000 heads of household will require jobs. At the same time, the United States already allows 400,000 legal immigrants into the country each year. In addition, approximately 8 million illegal aliens in the United States hold an estimated 1 or more million jobs. Finally, the United States already allows 41,000 temporary workers to enter the country each year because they are willing to do work which Americans refuse to do.

In light of these figures, the impact of the Vietnamese refugees on our labor forces will be insignificant. Furthermore, history shows that most immigrants are quickly absorbed into the labor force and do not burden the economy for a long period of time.

In the name of decency and compassion, the United States should help provide a new home for those people who have fled from South Vietnam. The legislation which the House of Representatives considers today will provide temporary assistance to enable these people to enter the mainstream of American society.

I support this program because it is the proper thing to do in light of our history.

Mr. EVANS of Indiana. Mr. Chairman, I rise in support of the Indochina Migration and Refugee Assistance Act.

Many of the letters I have received in the past few weeks from people of the Sixth District say that America should care for her own poor and hungry people first, and that we cannot afford to care for the 130,000 South Vietnamese refugees whom the President evacuated to this country.

I appreciate the concern of those who have written to me. However, the decision has already been made by the administration to allow the refugees to come to our country. Whether we like it or not, since the Federal Government made the decision to bring the refugees here, the Federal Government should shoulder the responsibility of picking up the tab. Moreover, unless the Federal Government assumes these costs, State and local governments will have to make assistance available to the refugees.

In preparing for today's debate, I checked some recent Supreme Court decisions having to do with aliens and their eligibility for various State and Federal assistance programs. In *Graham* v. *Richardson,* 403 U.S. 365, a 1971 decision, the Court ruled that aliens lawfully admitted to the United States may not be excluded from public assistance programs which are either Federal or State funded. The Court stated that—

> A State's desire to preserve limited welfare benefits for its own citizens is inadequate to justify . . . making noncitizens ineligible for public assistance, and . . . restricting benefits to citizens and longtime resident aliens.

As the Court pointed out, aliens, like citizens, pay taxes and may be called into the Armed Forces.

Mr. Chairman, it would be clearly unfair for the individual States to be forced to take on the financial costs associated with a decision which they took no part in. We cannot place a larger burden on the people of some States than other States, and it is therefore only fair that the Federal Government assume the cost.

I would also like to point out that the committee estimates that there will be no more than 35,000 new entrants in the job market from the refugee population; no funds can be used after fiscal year 1976 for other than functions carried out by the Department of Health, Education, and Welfare; and no funds authorized by the bill will be available at all after the following year, fiscal year 1977.

As the distinguished chairman of the Judiciary Committee has so eloquently stated, we are a nation of immigrants. Are the American people opposed to admitting refugees whose government lost a war? Are we afraid that the South Vietnamese will not be assimilated into our society? Or do we not want to be reminded of a long, painful, divisive war?

Mr. Chairman, I do not know the answers. However, it is true that immigrants have not always been welcomed here. By the late 19th century, after decades of an influx of people from many parts of the world, the American people began to close the door. Fears of displacement in the labor market and prejudice against immigrants from certain parts of the world led to the enactment of legislation restricting the rights of aliens. For example, the California constitution at the turn of the century prohibited land ownership by aliens. The anti-alien land law prohibited aliens from having any interest in land used for agricultural purposes. A Pennsylvania statute prohibited aliens from killing wild birds or animals except in the defense of a person or property. And there were many laws designed to keep aliens from securing employment.

The words "Irish need not apply" are the distillation of a generation of fears several decades ago.

Our experience tells us that our fears were, for the most part, groundless. We have a tradition in America, a tradition of being a big country, a land of opportunity, a free nation. I, for one, do not think our traditions have withered.

Mr. BAUMAN. Mr. Chairman, I rise in support of H.R. 6755, to provide assistance to the refugees who have fled South Vietnam. Many of these refugees have supported the United States for many years, and would be in serious danger if they had stayed in South Vietnam. Others want no part of communism and look to America as a beacon of hope as we have been for thousands of previous immigrants and refugees. As a nation we cannot turn our backs on these people.

I can readily understand those who question the wisdom of admitting these refugees during a time of economic uncertainty. During a period of domestic doubt and anxiety, it is not easy to open your arms to the homeless of a faraway country whose very name stirs bitter and divisive memories. There are valid questions about how so many people, whose background and culture are so different from ours, will be assimilated into our country.

However, I feel that as we learn more about the South Vietnamese seeking refuge in the United States, many of these questions will be put to rest. Then the traditional generosity of America will come to the fore. For example, many of those South Vietnamese have worked for the American Embassy or for U.S. companies in South Vietnam. They speak English and have numerous skills. Many of them are professional people. Some have American sponsors who have volunteered to help them find homes and build new lives, and more American sponsors are stepping forward every day, seeking an opportunity to help.

U.S. immigration figures for the last several years enable us to gain a better perspective on our ability to assimilate these people into our society. In 1970, the United States accepted almost 80,000 immigrants from Southern Asia and the Far East. In 1971, the figure was almost 90,000. By 1974, we had accepted over 110,000 immigrants from this part of the world. This virtual flood of immigration has gone virtually unnoticed except by specialists. Somehow we have managed to assimilate these hundreds of thousands of Asian immigrants. Somehow we will manage to make approximately 100,000 Vietnamese welcome in our homeland.

I have great faith in the spirit of the American people. There has been some hostility, but in the last several weeks there has been an outpouring of offerings of money, clothes, food, and personal assistance from the American people. We will help these Vietnamese make new lives as we always have helped those who came to us for refuge, on a person-to-person basis of individual sharing. The U.S. Government can help with money and with logistics. But the American people will be doing the job that must be done over the next several years. I know we can do it.

Mr. FRENZEL. Mr. Chairman, I support H.R. 6755, the Indochina Migration and Refugee Assistance Act.

I have been disappointed that my mail has revealed opposition to this bill. People in my district have complained about aid to Vietnamese refugees, principally because of the state of our own economy and the distress of many of our own people.

We do not want the refugee problem. Surely the refugees, themselves, would prefer not to be here under these circumstances. But they have no other place to go.

Our responsibilities are not unlimited, but I believe we have to accept some responsibility for these people. The committee has done well to process a bill so quickly after the failure of our previous bill. I was disappointed in the failure and hope that H.R. 6755 will be passed promptly and decisively.

All of us would like to devote our full energies to solving domestic problems. The need to deal with these humanitarian problems comes at a poor time. The extra expense occurs when we can least afford it.

But, even though each of us would prefer another set of conditions, we must face the actual facts, and the actual needs. I hope we will react as Americans have always reacted—to extend a helping hand to those who cannot help themselves.

In recent times, also inconvenient times, we have extended that helping hand to Hungarians and to Cubans. Over our history we have been a nation of immigrants, offering refuge to many different peoples of all races who fled tyranny for the opportunity of our Republic.

Dispite the general tone of my daily mail bag, I have noted these traditional American feelings throughout my district. County commissioner, city councilmen, church leaders, and just plain people have expressed their desire to help personally as well as to have their country offer help. I support their feelings—just as I support this bill today.

Mr. RHODES. Mr. Chairman, the bill we have before us today provides humanitarian relief for refugees who have fled their homeland to avoid living under repression from invaders. It is proper and fitting, in our American tradition that we provide adequate funds to assist in resettlement of these people who seek a new life on our shores.

There has been considerable comment regarding the refugees. We have passed the point of decision as to whether or not they are coming. The issue now is how we will meet this responsibility.

I cannot see why our great country will have difficulty in assimilating them into our population. We are a nation of immigrants. The estimated 130,000 persons involved are less than one-third of the 450,000 immigrants we accept every year.

Many of the Vietnamese and Cambodian refugees are dependants, and will not be immediately entering the job market. There are an estimated 35,000 who will be seeking employment. This represents .0004 percent of our more than ninety million civilian work force in this Nation. Special efforts will be made to avoid resettlement in areas of high unemployment.

H.R. 6755 establishes a temporary program through 1977 to bring in refugees and care for them while they are being resettled here, and in other countries. Much of the responsibility for these victims of war has been assumed by traditional volunteer groups in the United States. It is right that the Federal Government recognize and meet its humanitarian commitment—and the Congress should accept its responsibilities and pass this bill that symbolizes the heritage we have built in this Nation over 200 years as a haven for those seeking freedom and opportunity.

We should not set up special barriers, conditions, oaths, job requirements for these people. We should, and will enforce existing regulations that apply to aliens entering our country. H.R. 6755, and its accompanying appropriations measure should be passed so that we can get on with the job of caring for these refugees.

Mr. KEMP. Mr. Chairman, I rise in support of the refugee assistance bills before us today—one to provide the authorization for the program, the other to provide its funding.

These measures will help provide refugees from war-torn and now Communist-controlled lands of Southeast Asia with new hope and promise—opportunities for tomorrow given by descendants of those who were given the promise of America in yesteryears. As others held the doors of this new land open for our forebears, so too should we now hold those same doors open for these new immigrants—these Americans of tomorrow.

There are many reasons why we should undertake this specific endeavor, and I will comment upon them in one moment.

But, first, I think it should be stressed that we are dealing here with questions of far greater significance than whether we will provide Government assistance for this undertaking. They are the larger questions of America's commitment to its own greatness as a Nation comprised of peoples of every divergent national origin, race, heritage, religion, and creed and of whether we are still a Nation of growth and hope. To answer these questions in the negative would be to abandon outright our tradition as a haven for those of other lands, drawing the line at which that tradition will be only a part of our history and not a part of our future.

Few things, if any to me, could more dramatically illustrate the decline of a great Nation and its people than the adoption of such a point of view. And, there is strong historical evidence that if we do shut our doors to these individuals—for they are all individuals—we will have taken that first step into a dark chapter of selfishness and isolation.

This, we must not allow to happen, for, as President John F. Kennedy told us eloquently: "We are indeed a Nation of immigrants."

And, whether one takes the view that we are a melting pot where assimilation has been the goal and homogeneity the product or a mosaic where cultural heritages have been isolated and preserved, the fact remains: We all came from across the oceans or are descendants of those who did.

It is said that the only "true Americans" are full-blooded American Indians, and it is certainly true that this was their land before the advent of the European colonists. But, we are all truly Americans—we who are the offspring of those who became a part of the American promise, a promise that every man, woman, and child could pursue fully opportunities for economic, cultural, intellectual, religious and political growth, regretful though some manifestations of prejudice are.

We are not a Nation made up of those who believe they are better than others because their forebears or they reached our shores first. The groundswell in recent days of strong support for the refugee resettlement bills we now debate reflects this.

This issue is not one of emotion alone, although I am proud of those emotions in the American people which cause us to hold out a helping hand to those less fortunate than we. There is nothing at all wrong with feeling such emotion. It is the same unifying emotion which one experiences when one hears "God Bless America" and feels it, no matter what God that person might worship.

There is much reason for what we are doing too.

The right to emigrate—the right to leave one's own country—is the most fundamental of all human rights. It is that ultimate right which must be exercised when one's other rights have been so destroyed that meaningful existence is next to impossible. This right to emigrate is recognized through and guaranteed by the Universal Declaration of Human Rights to which the member countries of the United Nations are to adhere. It is this Declaration which has provided the leverage in international affairs to make it more possible to assure migration of Jews from the Soviet Union, as well as others who dissent from the totalatarian nature of applied communism.

This right to leave has an obvious logical corollary: acceptance by another nation. It does one little good to have a right to leave—and an opportunity to leave—if one has no nation to which to migrate. While there is no obligation under international law to be a recipient of such emigrates, I believe there does exist such a moral and ethical responsibility, especially to those who flee from an aggressor viewed as our enemy as well.

This right to leave is here to be honored for about 130,000 South Vietnamese and Cambodian refugees. That is not a large number of people. As a graphic demonstration, for example, all these refugees—130,000—would fill Rich Stadium in Orchard Park, N.Y., less than two times. In addition, they will be settled throughout 53 States and territories of the Union; and, of course, a large number may wish to emigrate to France or French-speaking lands because of the strong French cultural heritage in their homelands.

When we talk about these 130,000 people, we are not talking about them competing for 130,000 American jobs either. That is unbelievably misleading. Many are children; others will be nonworking spouses. According to an estimate provided me this week by the Department of State, only about 30,000 will be entering the immediate job market looking for full-time jobs. And, it is wrong to think

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that all of these will compete with those sought by the current American labor force. As was the case with many immigrants coming to this country, a vast number of jobs which they fill will be newly created in association with the influx of this cultural and economic group. Chinese restaurants and laundries, German beer gardens, pasta manufacturing plants are but a few examples of expansions in American commerce generated by influxes of ethnic groups.

In addition, we are here talking about the most productive, industrious segment of the South Vietnamese and Cambodian populations, essentially their middle and upper classes. There is a high degree of professionalism and specialized training, and while many will have to be either retrained or recertified, the process will be of short duration and with a high success rate. A productive person is a productive person no matter in what society he or she finds oneself. There is no reason to believe that doctors, accountants, teachers, merchants will not be as successful here as they were there.

There is also a very high level of English proficiency—speaking, writing, reading—because of their association with Americans there over the past dozen years. According to the Department of State, nearly 70 percent of the adults—an astoundingly high percentage—speak English.

That "times are tough" here in the States is not a sufficient basis to deny these refugees new hope either. In 1931—during the darkest days of the Great Depression—America was a refuge to over 97,000 "new Americans" into a total population of about 123,000,000. During that great depression, from 1931–40, we welcomed 528,000 immigrants to our shores. Were we a different people then? I think not.

America's principal spokesman for organized labor, George Meany, AFL–CIO chief is not afraid of their impact on our labor force. Several days ago, he reminded all of us that those who would reject the South Vietnamese and Cambodians as unwanted foreigners who would be happier somewhere else that—

> The United States has had a long tradition of opening its doors to immigrants from all countries.

We must not lose sight of the fact that, according to the U.S. Immigration and Naturalization Service, there are probably as many as 1,000,000 illegal aliens in this country—not here lawfully and for quite different purposes than those from Southeast Asia. If this problem were corrected, we could relocate the South Vietnamese and Cambodians into 30,000 of these jobs, and have enough left over for about 970,000 Americans already here—a reduction in nationwide unemployment of between 1.2 to 1.5 percent.

My conclusion is that these people can be fairly easily assimilated into our economy—the means of mobility found most assuring by prior immigrant groups—and into our society. And rightfully so, that they can, and that we will afford them that opportunity.

Those who seek refuge after a war leave with children clinging to their arms. They seek opportunity—but opportunity for their children to live a life in peace, in a country whose people have a tradition of evaluating men for what they do, not for where they were born; a tradition of respecting individuals not on the basis of their name, or the color of their skin, but on their character and decency.

It was in that context that we welcomed the huge migrations of Irish, Germans, Italians, and Greeks during the last century; that we were a haven for over half a million Eastern Europeans—Poles, Czechs, Slavs, Germans, Croatians, Serbs, Hungarians, et cetera—at the end of the Second World War, when their lands too had been overrun by Communists and Soviet puppet governments installed and another 200,000 Eastern Europeans in the early 1950's; that we assimilated about 40,000 Hungarians after the revolt of 1956; and, that we welcomed over 700,000 Cubans in the 1960's.

Why, might it be asked, must we provide relocation assistance—U.S. tax-supported aid—to these particular refugees? Remembering that we did this for almost all immigrant groups since the Second World War, it is because this was no gradual migration. These refugees did not have time to sell their homes and businesses—if they had them—to withdraw funds from banks, et cetera. Besides, what buyers would they have found for such homes and businesses? And, like almost all Americans, the equity in their homes and businesses constituted the bulk of their wealth and savings. Most had to leave almost everything behind. Sure, we hear reports about some getting out with gold or precious stones, but those are exceptions; they are not the norm by any standard. Look at the substantial successes of the Cuban communities in this country as evidence that they will very quickly become tax-generating—helping to support America so it can help its own people and others.

What would be the consequences—specific and general—of our doing nothing?

First, I believe—if Government assistance were outright denied—that there would be a strong response within the private sector of the economy to assist these people—a response not felt fully at this point because of the probability of Government assistance.

A large number, however, would then be forced to look elsewhere, and many might not find it. A large number of those might be forced by circumstances to return to South Vietnam or Cambodia. Many would be imprisoned or executed—we know that for a fact. Have we forgotten the firing squads of Castro's Cuba? Have we forgotten the number already executed in South Vietnam and Cambodia or North Vietnam in the 1950's? Have we also forgotten the tactics of the Communists when they took over other Asian countries—where the extensive bloodbaths were not immediate but took place over the next several years? At best, these people would have their property confiscated—there is no such thing as private property in a Communist society; they would be forcefully relocated with families being broken up forever; and, worst of all, they would be compelled to live in a society they had chosen to leave.

I could not help but feel very strong emotions when I read that some of those who escaped in small crafts upon the open sea had died on their way to Guam or the Philippines.

I began these remarks with a short quote from President Kennedy. Let me end them with a quote from his youngest brother, the Senator from Massachusetts, EDWARD M. KENNEDY.

In a speech on May 7, entitled "Vietnamese Refugees: Our Latest Immigrants," he summed up his feeling, my feeling, and I believe that of millions of other Americans when he said:

> I am troubled that this Nation of immigrants—whose bicentennial is nearly here—is struggling over whether our doors will remain open to the latest group of refugees. . . . For us, the war is truly over. . . . But as the curtain falls on war, the tragedy is not finished—nor is the responsibility of the United States. For the suffering continues. . . . We cannot ignore this suffering. We cannot ignore the needs of orphans, of the wounded and maimed, and the countless other war victims who cry out for protection and help. . . . But most of all I call upon all Americans to receive the Vietnamese warmly. They fled in fear, from a nation torn by war, from a life marked by devastation and death. We can do no less to end their suffering and bring a new purpose to their shattered lives than by accepting the challenge of their arrival, and meeting this new problem in a positive manner.

Mr. Chairman, we can do no less. If we did, it would follow us—haunt us as a dark chapter in our national experience—until the last days of this Republic.

Mr. BRADEMAS. Mr. Chairman, I rise in support of H.R. 6755.

Passage of this legislation is in keeping not only with the best in the American heritage, but with the teachings of our Hebrew-Christian religious traditions as well.

Mr. Chairman, in this latter connection, I insert at this point in the RECORD the text of the statement issued on May 6, 1975, by Archbishop Joseph L. Bernardin of Cincinnati, president of the National Conference of Catholic Bishops, and following Bishop Bernardin's statement, the text of a brief comment on the archbishop's statement issued by Bishop James S. Rausch, general secretary of the NCCB:

Archbishop Joseph L. Bernardin's Statement of the Vietnamese Refugees

The war in Vietnam is over. The human suffering of the war goes on. It is natural that we should wish to put the war behind us. But it is inconceivable that we should turn our backs on the suffering which continues.

Thousands of people have fled their homes in Southeast Asia. Many have already come to our country, and many more will soon come. They call out to our Christian compassion and our commitment to American ideals. We must respond.

Negative reactions voiced by some Americans to this new group of suffering human beings are dismaying but in some ways understandable. Our economy is under strain. Unemployment is high. The refugees are a living reminder of a tragic episode—the Vietnam war—which many would prefer to forget. The racism which has stained our national life before colors and distorts the manner in which some perceive these refugees.

Such reactions can be understood but they cannot be accepted. They must not be allowed to impede the generosity which the present emergency demands of us.

There is reason to believe that the anxieties expressed so far represent exaggerated and unfounded fears concerning the impact which the coming of the refugees is likely to have on our national life and economy. Their number is very small in relation to our total population. Every effort will be made to disperse them throughout the country instead of concentrating them in a few areas. Furthermore, preliminary government surveys indicate that these are predominantly family units, and the proportion of women and children is high. It is most unlikely that there will be an extremely large number of Southeast Asian men in this group to add significantly to competition for jobs.

Some sacrifices will be required of us of course. The coming of the refugees underlines the need for programs and policies to reduce the impact of economic difficulties upon the most vulnerable among us, be they Americans or newly arrived Southeast Asians. With concerted effort on the part of both the public and the private sectors in America, however, what needs to be done can and will be done.

In line with our longstanding national commitment to voluntarism, voluntary agencies, especially religious ones, will play a central role in the refugee resettlement program which is now beginning. Since World War II the Catholic Church has been responsible for the resettlement of one million persons in the United States; in the past eight years alone, Migration and Refugee Services of the United States Catholic Conference has assisted half a million. In similar crises in the past—Hungary, Czechoslovakia, Cuba—Catholic agencies at the national and diocesan levels have resettled well over half the total number of refugees. We stand ready and willing to perform the same service now.

The urgent, immediate need is for homes and jobs for the refugees. It is intolerable to think that these people, many of whom have already suffered greatly, should have to live a day longer than necessary in the primitive conditions of hastily improvised camps and tent cities. Their movement into American communities must begin as quickly as possible. As it occurs, they must be greeted warmly and given the help they need to begin their new lives among us. They need material assistance, but they also need our acceptance and our love.

American Catholics have special motives for generosity. In many cases our own parents, grandparents, or great-grandparents came to this country from other lands, often in circumstances of suffering and deprivation not unlike those experienced by the refugees from Southeast Asia. Here they found opportunity for a new start. We are the beneficiaries of the generosity they enjoyed. We can be no less generous in our turn.

We know, too, that many of the refugees have fled their land out of fear of oppression because of their faith. So did the forebearers of many of us. It is now for us to enable them to enjoy the blessing of religious liberty which we are fortunate enough to take for granted for ourselves.

Finally, we believe firmly that our response to the refugees is a mirror of our love of God. Jesus tells us that what we do for the needy, we do for Him. "I was a stranger and you welcomed me . . . As often as you did it for one of my least brothers, you did it for me." (Mt. 25, 35–40).

As Catholics, as Americans, and as human beings we recognize in the refugees a duty and a privilege, and above all an opportunity for loving service.

Statement of Bishop Rausch

In light of Archbishop Bernardin's clear and forceful statement of the policy of the conference, I wish to express my hope that American Catholics will act promptly to make known to members of Congress and other public officials their readiness to assist in the refugee resettlement program.

Mr. MEZVINSKY. Mr. Chairman, aid for the refugees from South Vietnam and Cambodia is proper and decent. But let us not forget those Americans who fought there. They deserve and need our compassion and help. The veterans themselves speak eloquently on that issue and I would like to insert these remarks written by Vietnam era veterans at the University of Iowa.

Statement by University of Iowa Veterans Mick Bilney and Dick Osborne, May 14, 1975

The program under consideration before the House today is part of the continuing history of compassion and humanitarianism the United States has shown to people in need everywhere. It is a measure of our country's greatness that such an issue receives consideration from those who represent the American people. However, we feel that the House should also consider and be compassionate toward a group of people who are citizens of this country and who have suffered as much as the Vietnamese refugees. They are the Vietnam era veterans, those people who served to protect that system which allows the members of the House to sit here today. These veterans are victims of a general apathy regarding their problems of employment, housing, education, and physical and psychological well-being.

Congress has passed laws which attempt to deal with these problems. Many of these laws do not meet minimal needs and others do not have effective enforcement clauses. The reception which the Vietnam era veteran has received is radically different from that afforded veterans of other eras. They are often feared, maligned, and are generally ignored. They hear the empty rhetoric of a government which proclaims its "commitment" while cutting the programs which would help them. What are they thinking as they hear of a program which would provide tuition assistance to refugees in the amount of $2,500 a year and then remember when in 1974 the House of Representatives turned down a $1,000 tuition grant program for the Viet vet?

There has been much talk in the past few months of commitment. Commitment to Vietnam, commitment to our allies, and so on. The President said at his last press conference, "we have an unbelievable commitment." What is that commitment?

The membership of the House of Representatives in 1975 is different from that of 1974. Let the membership of the House of Representatives in 1975 be different also in that their commitment to veterans be established on sound programs which meet more than minimal needs and include input from the people who will be affected by those programs.

That system which the Vietnam era veteran served can provide the means for the veterans to become productive citizens. As you show your compassion for the refugees, remember that the Vietnam-era veteran deserves no less.

Mr. PREYER. Mr. Chairman, as we debate today the President's request for assistance to refugees from Southeast Asia we participate in another chapter of what has been the longest war in our history as a Nation.

It is difficult to find many redeeming aspects to such a tragedy but surely two of them are the memory of our fighting men who gave their lives out of loyalty to their country and this effort of our country to provide refuge for those who have fled because they supported our cause.

We cannot change what has happened but we should all be concerned that our performance now reflect honor upon those men and understanding of the plight of the refugees.

There are those who would seek to make this a time for recrimination and there are others who would advise that Americans forget all that has happened.

I hope we will reject both of those options. We need now to come to terms with the tragedy of Vietnam and move on to other problems confronting our Nation. We need to put behind our grief but not our memories and not our efforts to learn what we can from our mistakes.

To dismiss what has happened would be to forget the sacrifice of thousands of good American men, the 30-year-long bloodshed of millions of Vietnamese and the nation-rendering differences among ourselves fired by events in that faraway land.

For many Vietnam has been an easy issue. They have confirmed views of the right and wrong associated with it. For many of us it has not been so easy, and our reaction to what has happened there has been mixed. For many of us, attitudes have evolved over the last 10 years, changing as events and our understanding of them has changed.

Those of us in the Congress have had to answer many of the same questions that millions of Americans have asked themselves: What went wrong? Who was right? What if we had not intervened? Should we have committed our men to the war? Could it have been won by the South Vietnamese under different circumstances? And more.

Now history will have to answer some of these questions and, like much in life, some will never be answered.

There are two which have been asked me which are particularly difficult because they are usually asked by sincere people who want to believe so much in an answer.

What do you say to a parent who asks if his son's death was in vain? What do you say to someone who asks what Vietnam means to our sense of honor as a nation and to our purpose in foreign affairs?

I do not believe our men died in vain. I believe that all of us, whatever our attitude about the war, can be proud of them.

Duty has a special meaning to a soldier which only those who have defined it with their lives can really know. Yet, if we believe in our country as a good Nation committed to serving the right as best we can see it, then surely we believe that those who commit their lives in the defense of that purpose have a nobility that transcends all the debates over policy and strategy.

Perhaps I am old fashioned, but I do

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not believe that anyone who dies for his country has died in vain.

I do not believe these events repeal our strength as a nation, nor should they deny our reliability as an ally.

Let no nation read the events in Indochina as a failure of American will. We spent more than $124 billion of our national resources in defense of South Vietnam. We gave them the world's fourth largest air force. We dropped more bombs on their enemy than we dropped on all our enemies in every part of the world in World War II. We gave them ammunition and equipment that allowed them to outfire their enemy often as much as 14 to 1. We sacrificed American blood on their soil.

No nation has ever done so much for another nation.

Whatever the critics of America may say abroad or at home, our commitment to Vietnam came about because of essentially humanitarian and selfless motives.

Whatever mistakes we made along the way, arrogance and abuse were not our guiding emotions.

Whatever may be our disagreements as a Congress and a Nation about the implementation of the evacuation of Saigon or the plans for handling the vast numbers of refugees, I do not believe many Americans are motivated by a lack of compassion and understanding for these people.

Few can be pleased that we have to assume such a burden at such a time of economic stress in our own country but few can really argue that we should abandon those who risked their lives in support of our national policy.

The refugee issue is but another challenge to the efforts of the United States to provide leadership for the free world.

We took it upon ourselves to save democracy after World War II. In France and Germany, in Italy and Iran, in large and small places around the world that policy succeeded. If we have critics in those countries today, they are critics who criticize us in lands which are free and where the modern-day families of our own ancestors have a dignity which would have perished without our efforts. That is reward in itself.

During the late 1950's and 1960's we set out to help a government in Saigon. We did so with a high sense of national purpose. Tragedy followed.

Humanity does not ride on a single conflict. Our losses in Southeast Asia may give us a new maturity. The preservation of freedom may take different strategies.

Let us remember that we are a nation of extraordinary accomplishments because of simple strengths. Now is the time for us to call on those strengths with a new resolve to our continuing interests in support of free men elsewhere in Asia and around the world.

The passage of this bill is essential to the maintenance of that commitment.

Mrs. MINK. Mr. Chairman, I rise in support of H.R. 6755, the bill before us today which would provide assistance to or in behalf of migrants and refugees from Southeast Asia who are being allowed into this country under the administration's current refugee assistance program.

The debate on whether or not these refugees ought to be allowed into this country is over. We must now concentrate our efforts on how best to assist these people settle in the United States. After all they are already here.

Congress must relieve State and local governments of the financial burdens which these new arrivals in these communities will pose to the maximum extent possible. The Committee's recommended funding level is, I believe, adequate for that purpose, and for the limited scope of services which the bill envisions. I am pleased to see that the Department of Health, Education, and Welfare has pledged to the committee that for the duration of the proposed legislation, that is, through the end of fiscal year 1977, HEW is prepared to pay 100 percent of the health, social service and income maintenance costs related to the refugee resettlement program. HEW proposes to reimburse State and local governments for any of these expenditures in behalf of refugees who become public charges. HEW does not include reimbursement for additional education costs.

I note that the Committee received assurances from voluntary agencies which have been working together with the Department of State and HEW that such agencies will avoid settling Vietnamese and Cambodians in economically hard-pressed areas, and that every effort will be made to disperse them throughout the United States; that the Committee has urged the executive branch to conduct a vigorous international campaign to obtain assistance of the world community in dealing with these Indochinese refugees; and that the committee has amended the proposed legislation to require regular, current and comprehensive reports to the Congress on the implementation of the provisions of the assistance program.

Mr. Chairman, these actions are taken in difficult times, under difficult circumstances. Many people in this country, distressed by our Nation's economic plight and by their own personal hardships which may have resulted from that plight, have reacted bitterly to the fact that so many thousands of foreigners may now become so totally dependent on this huge expenditure of Federal tax dollars. Many others, newly arrived in this country themselves, and for whom no similar assistance programs have been available, have also had occasion to question the motives of the Government which might, in their view, act or react capriciously. There comes a time when a reordering of priorities can no longer be ignored or put off "until another time." I suggest that such a moment has come.

The issue does not die when this money is authorized and appropriated. This Nation's attitudes toward people we have brought into the United States do not suddenly change when it has been determined that none of "those people" are going to be living in "my neighborhood," or that none of "my money" is going to pay to keep "some foreigner" alive, or that "my job" is not going to be taken away by "one of those Asians." These issues will be with us until we undertake a careful examination of attitudes.

With that caution, Mr. Chairman, I urge a favorable vote on H.R. 6755 so that the immediate problems of the presence of these people may be addressed with dispatch.

Mr. MOORE. Mr. Chairman, I rise in support of H.R. 6755, which will make it possible to provide assistance to refugees from Vietnam and Cambodia, reimburse State and local governments for the services they provide to our new immigrants, and pay the travel costs of those who wish to return home or settle in other countries.

We are a nation of immigrants and have traditionally welcomed to our shores people who are dissatisfied with political conditions in their homelands or are in danger of retribution for their political activities. The melting-pot aspect of our Nation is one of her most distinctive features, and one of the reasons for her greatness. At one point we all were immigrants.

In this case we have a special duty, because the beneficiaries of today's bill were in imminent danger due to their support of American activities in Indochina. Whether those activities were ever advisable is no longer the point. We sent our forces in to do a job, tied their hands so that it could not be completed, and then pulled out, leaving these countries in a shambles and now in the hands of the Communists. Thousands of people tied their futures and their very lives to our interests through employment with our missions or political identification with our goals. They are the ones most likely to suffer under the new Communist regimes. I thank God we have been able to rescue as many as we have.

Unemployment is indeed a serious problem in this country, and many Americans are concerned about the additional impact of these refugees. It appears, however, that their effect will be minimal. Current estimates of total evacuees are running about 130,000, of whom only some 35,000 will need jobs. This is only four-hundredths of 1 percent of our civilian work force and only 3¼ months' worth of our normal yearly immigration. Special efforts are being made by the Labor Department to be sure that the refugees are relocated in areas where unemployment is least severe. Finally, many of the people already have family ties in the United States, which was why they were evacuated in the first place.

No matter how small the effect, I do not like any additional pressure on our employment opportunities; I do not like bringing thousands of additional people into this country; and I do not like the additional tax pressures this bill will cause. None of our choices are easy, however, and this one requires special thought and prayer. But as we did not refuse the Hungarian and Cuban refugees who fled from communism during the 1950's and 1960's, we cannot refuse these now. The whole Indochina situation has been a tragedy for us and caused us a loss of international respect. If we turn these people away, our divisiveness will increase and our foreign image will sink to a historic low.

We cannot set these people once again adrift on the open sea. We cannot force them to return to the country they fled out of fear for their lives. Their presence in this country is authorized by long-standing refugee provisions in the Immigration and Nationality Act. This bill settles the only two questions left to be asked: How long it will take to move them through and out of the camps—and I might add that our experience in World War II should make the very idea of permanent camps abhorrent to all Americans—and who is going to pay the bill. These people are here because of national policy, and the Nation as a whole should pay the costs of their health and welfare, not the State and local governments. This is provided for in the bill and deserves the support of all Members and the American people as well.

The CHAIRMAN. All time has expired. Under the rule, the Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Indochina Migration and Refugee Assistance Act of 1975".

SEC. 2. (a) Subject to the provisions of subsection (b), there are hereby authorized to be appropriated, in addition to amounts otherwise available for such purposes, such sums as may be necessary for the performance of functions set forth in the Migration and Refugee Assistance Act of 1962 (76 Stat. 121), as amended, with respect to aliens who have fled from Cambodia or Vietnam, such sums to remain available until expended.

(b) None of the funds authorized to be appropriated by this Act shall be available for the performance of functions after June 30, 1976, other than carrying out the provisions of clauses (3), (4), (5), and (6) of section 2(b) of the Migration and Refugee Assistance Act of 1962, as amended. None of such funds shall be available for obligation for any purpose after September 30, 1977.

SEC. 3. In carrying out functions utilizing the funds made available under this Act, the term "refugee" as defined in section 2 (b)(3) of the Migration and Refugee Assistance Act of 1962, as amended, shall be deemed to include aliens who (A) because of persecution or fear of persecution on account of race, religion, or political opinion, fled from Cambodia or Vietnam; (B) cannot return there because of fear of persecution on account of race, religion, or political opinion; and (C) are in urgent need of assistance for the essentials of life.

Mr. EILBERG (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: on page 2, after line 19, add a new section, as follows:

SEC. 4. The President shall keep the Committee on the Judiciary of the House of Representatives and the Committee on Foreign Relations of the Senate currently informed of the use of funds and the exercise of functions authorized in this Act.

AMENDMENT OFFERED BY MR. BEDELL TO THE COMMITTEE AMENDMENT

Mr. BEDELL. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. BEDELL to the committee amendment:

Page 2, line 20, insert "(a)" after "SEC. 4."

Page 2, immediately after line 24, insert the following:

"(b) In addition to performing the functions required by subparagraph (a) of this section, the President shall, not less than thirty days after the date of enactment of this Act and not later than the end of each thirty day period thereafter, transmit to the Committee on the Judiciary of the House of Representatives and the Committee on Foreign Relations of the Senate a report describing fully and completely the steps taken to carry out the provisions of section 2 of this Act. Such reports shall continue until the funds available under this Act have been expended, or until September 30, 1977, whichever occurs first."

Mr. EDGAR. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Sixty-four Members are present, not a quorum.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred and four Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to the provisions of clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes in support of his amendment.

Mr. BEDELL. Mr. Chairman, I wish to call up my reporting amendment which is at the Clerk's desk.

This amendment would add a new subparagraph (b) to section 4 of the committee bill. It would complement the bill's current reporting provision by requiring that the President provide the Congress with a complete report on the nature and scope of his refugee resettlement assistance program at least once during every 30-day period following the date of enactment of this act.

Let me make one point clear at the outset. I favor the provision of the necessary resettlement assistance to Vietnamese and Cambodian refugees. The United States cannot turn its back on these individuals simply because our direct involvement in Indochina is over. We should help legitimate refugees, just as we have helped countless numbers of refugees in other parts of the world in years past.

At the same time, however, there is absolutely no reason to steamroll an open-ended and loosely defined refugee resettlement assistance program through Congress. During their testimony before the House Appropriations Committee, Ambassador Brown and other administration spokesmen said that their resettlement assistance figures are only estimates and that at this time more specific information is not available. I think that it is imperative that Congress require detailed reporting as the program develops so that we may better fulfill our responsibility to the taxpayer.

We should proceed with this task in a rational and responsible manner. If we are going to authorize and appropriate funds for refugee resettlement assistance, we should at the very least be entitled to know how such funds are being spent.

I am aware of the time element involved here. The refugees need prompt action on this bill. And they will get it. However, such timeliness does not abrogate our responsibility to demand accountability from the administration as to the specific uses of these funds. Nor does it preclude the possibility of providing such accountability. We must insist on it.

My amendment, by requiring the administration to make periodic and detailed reports on the administration of the refugee resettlement assistance program and on the expenditure of funds for the program, will insure that Congress oversight responsibilities are exercised.

Mr. EILBERG. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment offered by the gentleman.

Mr. Chairman, I do not quarrel with the concept of the amendment to the committee amendment, but this matter was thoroughly considered by the subcommittee, and in the subcommittee the ranking member of our subcommittee offered the subcommittee amendment which is part of the bill.

The gentleman from New York (Mr. FISH) first borrowed that language from the Migration Refugee Assistance Act of 1962, and subsequent to 1962 these committees have been kept informed currently, have been currently informed, on the various expenditures that have been made pursuant to that bill and amendments to that bill.

I say, Mr. Chairman, that the fallacy, it seems to me, in the amendment offered by the gentleman is that he would have reports made by the executive branch every 30 days. It seems to me, Mr. Chairman, that when we are dealing with such an emergency situation where events change from day-to-day—we all know the excitement and uncertainties that have occurred, for example, during the last 30 days—we want to be kept not informed every 30 days, which imposes an automatic and perhaps meaningless burden on the administrative branch, but we want to be kept currently informed, and that means we may be kept informed on a daily basis rather than on a monthly basis.

I would say, Mr. Chairman, that the committee has intended and intends to vigorously pursue its authorization and oversight functions, and in order to accomplish this objective, it expects the full cooperation of the executive branch. If we do not get that cooperation, we will go after them, so that I really think that when the gentleman says, "Let us have a report every 30 days," he is offering something less than the committee amendment, and I ask the Members to vote the amendment down.

UMI

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. EILBERG. I yield to the gentleman from New York.

Mr. FISH. I thank the gentleman for yielding.

I agree with the chairman. Certainly I am sympathetic with the intent of the amendment, but I think the gentleman would be the last person to really wish on us the results of his amendment, which would be actually to restrict and to modify the existing language in our bill. As the gentleman from Pennsylvania said, it is not a matter of waiting for days. It may be tomorrow morning that we wish to conduct oversight hearings.

I would like to reiterate, as we told the House committee before, that over the last 5 weeks sometimes we met on a daily and hourly basis, I recall, with responsible persons in the executive branch. I would not let them think downtown that they would have to report to us only every 30 days.

Mr. BEDELL. Mr. Chairman, will the gentleman yield?

Mr. EILBERG. I yield to the gentleman from Iowa.

Mr. BEDELL. I thank the gentleman for yielding.

I certainly agree with what the gentleman says. There certainly is not any intention to restrict it in any way. This amendment does not change the wording of the bill or the committee amendment in any way. It simply guarantees that at least monthly we will get some reports from the President, and there is not anything in my amendment that would prevent us from getting information sooner, or at any time if we request the information.

Mr. EILBERG. In reply, I will say simply that the gentleman's amendment adds nothing to the obligation that we are undertaking in the bill, the obligation that we are presently exercising through our subcommittee's oversight function.

Mr. BEDELL. If the gentleman will yield, it does require that the President report at least one of every 30 days, in addition to performing the function required in subparagraph (a).

The CHAIRMAN. The time of the gentleman has expired.

Mr. MINETA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to speak in favor of this amendment. Simply stated, without this requirement for frequent and specific reporting to the Congress, the legislation proposed by the committee will allow the administration to continue its sorry record of mismanagement insofar as the refugee evacuation is concerned.

In spite of references to the contrary, the administration has not conducted the evacuation or the resettlement in an orderly, systematic fashion. There is no complete, coordinated plan at this time.

I do not distrust the President, rather, I distrust the process used by the executive branch so far. I have personally experienced total frustration with the State Department, the Immigration and Naturalization Service, and the Interagency Task Force. Our requests for specific answers to specific questions have been met with delay, disdain, evasion, and misinformation.

Mr. BEDELL's amendment will force the administration to bring order out of chaos. It will force the administration to spend hard-earned taxpayer dollars prudently. I do not believe either goal is irresponsible or out of line

I urge an "aye" vote on the Bedell amendment

The CHAIRMAN. The question is on the amendment to the committee amendment offered by the gentleman from Iowa (Mr. BEDELL).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. BEDELL. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 158, noes 261, not voting 14, as follows:

[Roll No. 206]

AYES—158

Abzug
Addabbo
Alexander
Ambro
Anderson, Calif.
Ashley
Aspin
Baldus
Baucus
Beard, R.I.
Bedell
Bennett
Bingham
Blanchard
Blouin
Bonker
Bowen
Brademas
Brodhead
Brooks
Burke, Calif.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Casey
Chisholm
Clausen, Don H.
Clay
Collins, Ill.
Conyers
Corman
Cornell
Danielson
Davis
Dellums
Dent
Derrick
Derwinski
Downey
Drinan
Early
Edgar
Edwards, Calif.
English
Evans, Ind.
Fenwick
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fraser
Fulton
Gaydos
Ginn
Grassley
Green
Hall
Hamilton
Hannaford
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Hefner
Henderson
Hicks
Holland
Howe
Ichord
Jacobs
Jenrette
Jones, N.C.
Jones, Tenn.
Karth
Kastenmeier
Kazen
Keys
Koch
Krebs
Leggett
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Lujan
Macdonald
Madden
Maguire
McHugh
Meeds
Melcher
Meyner
Mezvinsky
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Mink
Mitchell, Md.
Moffett
Moss
Mottl
Natcher
Neal
Nichols
Oberstar
Obey
Ottinger
Patterson, Calif.
Pattison, N.Y.
Perkins
Randall
Rangel
Rees
Reuss
Richmond
Riegle
Risenhoover
Rose
Rosenthal
Roush
Roybal
Runnels
Santini
Scheuer
Schroeder
Seiberling
Sharp
Shipley
Simon
Smith, Iowa
Snyder
Spellman
St Germain
Stark
Stokes
Studds
Traxler
Vander Veen
Vanik
Vigorito
Waxman
Weaver
White
Whitten
Wilson, Charles H., Calif.
Wirth
Wolff
Yates
Yatron
Young, Ga.

NOES—261

Abdnor
Adams
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
AuCoin
Badillo
Bafalis
Bauman
Beard, Tenn.
Bell
Bergland
Bevill
Biaggi
Biester
Boggs
Boland
Bolling
Breaux
Breckinridge
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Carter
Cederberg
Chappell
Clancy
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Conte
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
de la Garza
Delaney
Devine
Diggs
Dingell
Dodd
Downing
du Pont
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edwards, Ala.
Eilberg
Emery
Erlenborn
Esch
Eshleman
Evans, Colo.
Fascell
Findley
Fish
Flood
Flowers
Flynt
Forsythe
Fountain
Frenzel
Frey
Fuqua
Giaimo
Gibbons
Gilman
Goldwater
Gonzalez
Goodling
Gradison
Gude
Guyer
Hagedorn
Haley
Hammerschmidt
Hanley
Hansen
Harsha
Hastings
Heckler, Mass.
Heinz
Helstoski
Hillis
Holt
Holtzman
Horton
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Jarman
Jeffords
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, Okla.
Jordan
Kasten
Kelly
Kemp
Ketchum
Kindness
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Lehman
Lent
Litton
Long, Md.
Lott
Madigan
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McKay
McKinney
Michel
Mills
Minish
Mitchell, N.Y.
Moakley
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Nedzi
Nix
Nolan
Nowak
O'Brien
O'Hara
O'Neill
Passman
Patman, Tex.
Patten, N.J.
Pepper
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Regula
Rhodes
Rinaldo
Robinson
Rodino
Roe
Rogers
Rooney
Rostenkowski
Russo
Rousselot
Ruppe
Ryan
Sarasin
Sarbanes
Satterfield
Schneebeli
Schulze
Sebelius
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Nebr.
Solarz
Spence
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stuckey
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Waggonner
Walsh
Wampler
Whalen
Whitehurst
Wiggins
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wright
Wydler
Wylie
Young, Alaska
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—14

Barrett
Brown, Calif.
Butler
Dickinson
Evins, Tenn.
Hébert
Hightower
Hinshaw
Howard
Metcalfe
Milford
Mollohan
Roberts
Roncallo

So the amendment to the committee was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

AMENDMENT OFFERED BY MS. ABZUG

Ms. ABZUG. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. ABZUG: On page 1, line 10, strike out "aliens" and insert in lieu thereof "persons".

On page 2, line 1, strike out "Cambodia or Vietnam," and insert in lieu thereof "Cambodia, Vietnam or the United States".

On page 2, line 13, strike out "aliens" and insert in lieu thereof "persons".

On page 2, line 16, strike out "Cambodia or Vietnam" and insert in lieu thereof "Cambodia, Vietnam or the United States."

POINT OF ORDER

Mr. EILBERG. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman from Pennsylvania will state his point of order.

Mr. EILBERG. Mr. Chairman, I make the point of order that the amendment is not germane.

This bill deals with a particular class of people: refugees from Indochina, that is, Cambodia and Vietnam. The subject matter of the amendment offered by the gentlewoman from New York (Ms. ABZUG) has to do with amnesty, a matter which is within the jurisdiction of the subcommittee chaired by the gentleman from Wisconsin (Mr. KASTENMEIER), and is being separately considered by that subcommittee, actively considered.

This bill will cover those aliens, refugees, who have been paroled into the United States under section 212(d)(5) of the Immigration and Nationality Act. In addition, the term "refugee," as defined in the bill and as that term is interpreted under international law and under section 203(a)(7) of the Immigration and Nationality Act, does not include U.S. citizens, and the bill was not intended to cover that category or class of people.

The CHAIRMAN. Does the gentlewoman from New York (Ms. ABZUG) wish to be heard on the point of order?

Ms. ABZUG. Yes, I do, Mr. Chairman, wish to be heard on the point of order.

Mr. Chairman, this amendment which I have offered is not an amnesty amendment. There is reason for us to consider that on another occasion, and I will be recirculating for additional cosponsors, H.R. 2568, a bill for unconditional amnesty, which I believe the Committee on the Judiciary is considering, among other measures on this subject; and hopefully we will act on that.

The bill before us deals with providing assistance to a certain class of individuals, namely, those who have had to flee their homeland because of fear of prosecution because of their political opinions, among other things.

Earlier in the debate, I questioned the chairman of the subcommittee as to the purpose of the legislation which is before us. I asked the chairman whether this legislation and, also the Migration and Refugee Assistance Act of 1968 the legislation it tracks, was intended to provide assistance to refugees who had to leave their homeland because of fear of persecution on account of race, religion, or political opinion and who cannot return there because of fear of persecution on account of race, religion, or political opinion and consequently have urgent need for assistance for the essentials of life.

The chairman responded by saying yes, that the local purpose of this legislation was as provided in section 3, which was to provide assistance and relief to those who were refugees because of persecution or fear of persecution on account of the three categories that I read previously.

Mr. Chairman, my amendment is germane because it does not seek to add another class of persons. What my amendment says is that there are several persons or several groups eligible within the class, the class being those who have to flee their homeland because of fear of persecution because of their political opinions. That is the purpose of the legislation. We would not be addressing this question of assistance if these people were just ordinary refugees. What we are saying is that they are here in the country because they fear persecution because of their political opinions, and that was the same reason we originally gave relief to the Cubans under the legislation which this bill tracks.

My amendment, I submit, is germane. It merely adds another group of persons and makes them eligible within the class. They are also persons who fled their country because of fear of personal and political persecution.

The American political refugee, the person who resisted the war in Vietnam because it was illegal and immoral, was forced to go into exile in Sweden and in Canada and is unable to return because of fear of prosecution, is entitled to the same kind of assistance that the Vietnamese and the Cambodian refugee is entitled to.

Do we not have a responsibility, first and foremost, to the American political refugee?

Is it not to them that we should feel a prior responsibility? Is it not really the essence of germaneness in the last analysis to provide for our own political refugees as we provide for political refugees from other lands? Certainly we should include them under the same category and under the same conditions as we provide relief for these others.

Therefore I submit that the purpose of this amendment is germane which says:

> . . . strike out "aliens" and insert in lieu thereof "persons" . . .

And which says to:

> . . . strike out "Cambodia or Vietnam", and insert in lieu thereof "Cambodia, Vietnam, or the United States" . . .

In so doing we are merely enlarging the number of groups that are eligible for assistance under this act. Therefore, Mr. Chairman, I believe the amendment falls within the germaneness rule.

The CHAIRMAN. Does the gentleman from Maryland desire to be heard on the point of order?

Mr. SARBANES. I do, Mr. Chairman.

Mr. Chairman, the class to which H.R. 6755 addresses itself is to aliens who, in turn, meet other requirements contained within the legislation The permanent legislation to which this pending legislation is related, since this is temporary legislation, is Public Law 87–510, the Migration and Refugee Assistance Act of 1962. which also deals with aliens as a class to which that legislation pertains.

The jurisdiction of the committee bringing this legislation to the floor of the House would not run to the programs proposed to be covered if the class were expanded to "persons" rather than "aliens," the jurisdiction of this committee rests upon its immigration and naturalization jurisdiction, and pertains to the class of aliens which is set out in the legislation in the Migration and Refugee Assistance Act of 1962.

Therefore, whatever the merits or the substance of the contentions of the gentlewoman from New York (Mrs. ABZUG) are, her amendment would not be germane to the legislation now pending before us.

Ms. ABZUG. Mr. Chairman, may I be heard briefly on the remarks of the gentleman from Maryland?

The CHAIRMAN. The gentlewoman will proceed.

Ms. ABZUG. Mr. Chairman, the legislation to which the gentleman from Maryland refers did not pertain, because it dealt with persons who were in the Western Hemisphere. The report indicates that the reason the new bill refers to Indochina is to enlarge the groups eligible for assistance from Cubans to Vietnamese and Cambodians. I do not think the rule of germaneness is determined by the jurisdiction of a committee. The situation is that we are dealing with the bill that is before us now, and the question of whether this committee would have had jurisdiction over this or a bill with changed wording does not go to the question of germaneness. Therefore, I press my point, and simply say that my amendment merely brings in a third category of eligible persons, and the fact that they are or are not aliens does not preclude them from being covered for the purposes provided for the class for whom the bill addresses itself, namely, those who have been uprooted as a result of their political opinions from their homeland for fear of persecution.

The CHAIRMAN (Mr. UDALL). The Chair is prepared to rule.

The gentlewoman from New York (Ms. ABZUG) has offered an amendment to the bill which, in several places, strikes out "aliens" and inserts "persons," and would strike "Cambodia or Vietnam" and insert "Cambodia, Vietnam or the United States," to which the gentleman from Pennsylvania (Mr. EILBERG) has made the point of order that the amendment is not germane to the bill.

The Chair has examined the bill and the report, and would characterize this bill as one which enables the United States to render assistance to a certain class of individuals, specifically, as stated on page 6 of the report, those individuals who are refugees from Indochina, and who are aliens.

The amendment, however, offered by the gentlewoman from New York, would extend the coverage of this act to another class of individuals, specifically persons of the United States, who are citizens, but not aliens, even though they might be in a broader sense considered "political refugees."

The precedents of the House indicate that to a bill dealing with the relief of one class, an amendment seeking to include another class is not germane, both because one individual proposition is not germane to another individual proposition and because such amendment would broaden the scope of the bill.

The Chair refers to Deschler's Procedure, chapter 28, section 10.2, and Cannon's Precedents, volume 8, sections 2959 and 3046. The Chair believes that these principles are applicable in the present situation. By striking the word "aliens" and inserting in lieu thereof the word "persons" and by including a new class of persons within the coverage of the bill, the amendment would broaden the bill beyond its original scope. The Chair, therefore, feels that the amendment is not germane, and the point of order is sustained.

AMENDMENT OFFERED BY MR. RIEGLE

Mr. RIEGLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Riegle: Page 2, line 2, immediately before the period insert "; except that no funds made available under this Act may be used to furnish to any such alien any assistance which is not available to an individual facing equivalent personal economic hardship who is not a refugee from Cambodia or Vietnam and who is an American citizen".

Mr. RIEGLE. Mr. Chairman, earlier in the day, both during the period that we were debating the rule and for the period when we were on general debate on the bill itself, I had some opportunity to discuss in passing the gist of the amendment which I have offered. To recap, this amendment is designed to make sure that special assistance that is going to be made available to the South Vietnamese refugees not be made available solely on the basis of national origin. That is the test today—national origin, and as such, American citizens with equivalent economic hardship are denied the assistance and benefits of these programs.

I am suggesting the test really ought to be what we might call a means test or a needs test so that everyone in America, refugees and nonrefugees alike qualify equally. Otherwise, we run into a situation where in this country today we have got at least, in my judgment, 10 million people out of work, and several hundred thousand or millions of those in situations where they are absolutely destitute and have no place to turn. Under the authorization in this bill they in effect are being told that there is no help for them or there is no special program for them of the very kind that we are now in the process of creating for the South Vietnamese.

Mr. Chairman, I do not want to be misunderstood in terms of my feeling about humanitarian requirements either today or at any time, either in the past or in the future. I care very deeply about humanitarian needs, whether they be for people in this country or for people abroad. There is no question but what we have to do what we can to help South Vietnamese refugees who are now here. Like many, I am troubled about the process that took place leading up to these people coming here, but we cannot change that now.

My concern now is to see to it that the program that we set out to develop not be one that is based on a double standard. I must say that I sense some hypocrisy in the notion that somehow we can feel more strongly—more strongly—for displaced foreign nationals, in this case the South Vietnamese who now find themselves in this country, than we can feel for Americans who are in this country who are in exactly the equivalent circumstances in terms of economic need and in terms of the bleakness of their own prospects.

I would say to the Members I know there are some districts in this country that have been harder hit than others by the economic situation in which we find ourselves. I have a district with a 21 percent unemployment rate, but I honestly believe that even with that many folks in my district out of work, they are prepared to do what is necessary to help the South Vietnamese refugees if at the same time we are prepared to make exactly the same help available to Americans who have equivalent needs and requirements.

What they do not want is a double standard, and if we are going to open a window up to provide this help, which I think we should and which I think we have to, if an American goes up and stands in that line to receive the same help and the same assistance, and if he be asked to step out of the line because he does not qualify because he is not a South Vietnamese or he is not a Cambodian, that is not humanitarian and that is not humanitarian interest, in my judgment, and I think it is hypocrisy.

I must say in the course of 10 years of history of the war in Vietnam I saw very little humanity coming out of the White House in terms of what was happening to the civilians in Southeast Asia. We dropped enough bombs to wipe everyone out and we did wipe out a great many, and the fact that some survived was as much blind fortunate as anything else.

But the fact is that they are here now, it is a fact, and it is said we must provide for them. I think that is necessary, but to draw the line and say that this humanitarian impulse and assistance cannot be made available to Americans who need it is as phony as it can be. It is a double standard. That is what the people in the country resent.

I must say I am very disturbed by the inference drawn by the White House and others that somehow this country of ours is racist, in terms of its response to the South Vietnamese, or is selfish. The main response I hear in my district and around the country is that they are willing to help the South Vietnamese but they do not want a double standard where Americans are denied exactly the same help. This amendment is designed to correct that.

Mr. CONYERS. Mr. Chairman, will the gentleman yield?

Mr. RIEGLE. I yield to the gentleman from Michigan (Mr. Conyers).

Mr. CONYERS. Mr. Chairman, I thank the gentleman for yielding.

The amendment authored by our colleague from Michigan is both logical and humane. I think its inclusion is about the only way this legislation could be acceptable to me and I congratulate the gentleman for offering it. It is a sound addition that is sorely needed.

Mr. TRAXLER. Mr. Chairman, will the gentleman yield?

Mr. RIEGLE. I yield to the gentleman from Michigan (Mr. Traxler).

Mr. TRAXLER. Mr. Chairman, I thank the gentleman for offering this very fine amendment. I definitely associate myself with the gentleman's remarks. I represent a district in Michigan that has over 16 percent unemployment. I think this is the kind of treatment native Americans deserve. It is equality and eliminates the double standard.

Mr. SARBANES. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think it is very important to give this amendment careful attention. It has been suggested that there is hypocrisy or phoniness at work here. I would reject that suggestion out of hand. I do not believe it aptly characterizes the work of the subcommittee, the full committee, or the House of Representatives.

I understand the thrust of the gentleman's amendment and I understand the concerns to which it is responding, but I do not feel it serves our purposes in discussing the substance of his amendment to suggest any phoniness or hypocrisy within the confines of this institution.

The provision which will govern, and the committee has gone into this very carefully, is that once the refugee is placed in a community, in other words once he is moved from either Pendleton or Chaffee or Eglin to where he is being relocated, from that point on he will be subject to the same monetary tests that any American would have to meet in order to receive assistance, to receive financial assistance, social services, health care, and other similar programs. So at that point the refugee has no advantage with respect to how he is treated in comparison with how Americans are treated.

The reach of this amendment—and it is very important that the Members appreciate this—goes well beyond that situation. This amendment would make it impossible to provide services for the incoming refugees unless similar services were provided for Americans. Let me underscore what those services are. They include movement to the United States from the South Pacific. They include settlement at one of the three camps, either in California, Arkansas, or Florida, and sustenance for the period in which the refugee is living in totally displaced circumstances. They would include for those refugees who could not afford to pay their own way from the settlement camp to the place of permanent location the transportation costs for those who could not meet that cost themselves. That is perceived as being a highly desirable provision. The objective of course is to disperse the refugees as much as possible evenly throughout the country.

So at the point when the refugees are placed in a similar environment as most Americans, in other words are located permanently, beyond that point if they come in to seek financial assistance they must meet a means test.

They must meet the same needs test with respect to their financial position that any American would have to meet.

As to previous services that are being provided, it is true that there is not a program that allows an American to go to Camp Pendleton and live in a tent. There is no such program at this time. I admit that.

Mr. Chairman, I will not yield further at this time. The gentleman from Michigan (Mr. Riegle) took his time to explain his amendment. There is a serious thrust to the amendment. I would like to respond seriously to the thrust and substance of the amendment.

Now, it is true there is no such program, but at this point in the process, all we are seeking to do is move this totally displaced person, who has fled from his home, who has come to a totally strange land, who is in a strange environment with the whole problem of whether he can live before him, to move him out of temporary circumstances and seek to relocate him in the society generally. At that point in time, we are trying to move him along in the chain in terms of final relocation. That is the objective, I assume, of what we are all trying to do.

I would hope everyone in this body would agree that the ultimate objective is to seek to locate these people throughout America in permanent surroundings. Sponsors are seeking now to receive them. Religious and voluntary agencies have come in and offered their assistance in this matter.

This amendment, if we will read it carefully, would mean that those services could not, in fact, be provided to the refugees. It would not mean that such services would be provided to Americans. The wording of the amendment, in effect, would preclude those services being provided to refugees to move them on in the process.

Mr. Chairman, I urge rejection of the amendment.

Mr. FISH. Mr. Chairman, I move to strike the requisite number of words.

I wonder if I could have the attention of the gentleman from Maryland (Mr. Sarbanes) who just made a very eloquent analysis of what the amendment will do and why it should be rejected. I have been asked, why was not a point of order reserved? Would the gentleman not agree that the reason this amendment did not have such a point of order made against it, is because it is a limitation on the availability of funds that would otherwise be available for refugees in resettlement?

Mr. SARBANES. Mr. Chairman, that is correct. The interesting thing about the amendment is that it would not include Americans into a class that would be covered by the benefits, which would have made it subject to a point of order, but the amendment works the other way, as a limitation upon the services that have been provided for the refugees. That is the only effect of the amendment. Since it was a limitation, the judgment was made that it was in order; but I point out that makes it even more urgent that the substance of the amendment be rejected.

Mr. FISH. Mr. Chairman, may I say to the gentleman from Maryland, once a refugee is in an area in which he is going to be resettled, that all the social services and health services that he would be entitled to would be identical to those provided by the local sovereignty for the American citizens. There is no difference in the treatment.

Mr. SARBANES. At that point the refugee is subject to the same financial needs test as an American that needs those services, once he is relocated.

Mr. FISH. The section on inland transportation is what we are providing the refugees that would not be available to any other American. If this amendment is adopted, therefore, that whole inland transportation area would be affected. We would effectively gut the entire dispersal program that is so very important in this legislation.

Mr. SARBANES. We would raise the serious problem of heavy concentrations within very close geographical location of the three resettlement centers in the United States, which everyone is seeking to avoid. It is a stated objective of our policy to avoid that happening.

Mr. FISH. I thank the gentleman.

Mr. RIEGLE. Mr. Chairman, would the gentleman yield to the author of the amendment, as long as he has time left?

Mr. FISH. I yield to the gentleman from Michigan.

Mr. RIEGLE. Mr. Chairman, I appreciate the gentleman yielding to me, because I think the explanation the gentleman has just gotten is not correct. As a matter of fact, the same witnesses who appeared before the Judiciary Committee appeared before the Committee on International Relations. It is not clear exactly what the program is going to be. There is not anybody in this Chamber today who can tell us precisely and exactly what benefits and program there will be that is going to be made available to the refugees.

This amendment simply says that if such help is going to be made available over and beyond that which is otherwise available to American citizens with equivalent economic need, those benefits would have to be applied and made available to American citizens. That would not be through this bill. The administration would have to come up with another piece of legislation to do that.

I would hope the administration would. This establishes the equity and equal treatment.

Mr. FISH. If the gentleman listened to the gentleman from Maryland a moment ago, the one big difference is the transportation from the processing areas that is not available to all Americans equally. We are going to end up, instead of dispering these refugees, with large concentrations in Florida, Arkansas, and southern California.

Mr. HUTCHINSON. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Michigan.

Mr. HUTCHINSON. Mr. Chairman, the effect of the amendment would be that we would not be able to move these refugees away from Camp Pendleton. They would remain there, and we would not be able to move them anywhere else in the country.

Mr. EILBERG. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Very briefly, Mr. Chairman, much has been said that I would say, except that I want to make very clear that the adoption of this amendment, as the gentleman from Michigan (Mr. Hutchinson) said, would keep the refugees at the resettlement centers where there is this high concentration of refugees and they would be congested in the areas. It would impede their movement which is directly contrary to what we want to do.

We want to disperse them around the country, and the effect of this amendment would keep them right there. Most of the benefits are already available to American citizens, namely, health, welfare, social services, education, employment programs, which are under current programs established by State and local governments. These services are already available to U.S. citizens.

The amendment would make no funds available for U.S. citizens, and would not have the effect of halting the movement of refugees out of reception areas.

Mr. CONYERS. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, what we are trying to do is to suggest that the Government has a responsibility to care for all of the needy in America, not just the latest arrivals. There seems to be a great deal of steam building up around the notion that there may be some additional costs. But what if there are? One thing is for sure, there will not be any additional costs of transportation from the South Pacific to the United States because the people are already here.

There will not be any great problem about some of the other matters raised. There would be transportation costs involved. There would be programs of retraining and job placement that a great number of Americans are very vitally concerned about and would be as eager to participate in as any Vietnam refugee, So, I would look upon this as an equalizing amendment for the domestic refugees, as it were, who are already inside this country.

The Members, in another piece of legislation, can consider whether or not we want to at least provide the same things that we are providing for the Vietnamese who are coming in under the provisions of the bill. I think it makes eminently good sense, and I commend my colleague from Michigan for introducing the amendment.

Mr. RIEGLE. Mr. Chairman, will the gentleman yield?

Mr. CONYERS. I yield to my colleague from Michigan.

Mr. RIEGLE. Mr. Chairman, I thank the gentleman for yielding to me. I want to say, in response to the gentleman from Maryland, that when I earlier raised the question of double standard, what I think is a certain amount of hypocrisy in the request, I was referring to the administration's request, as I think

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the gentleman knows, and at no time made any inference about the committee itself.

I think what the President wants to do is, he wants to come running through to get his blank check. There is no total figure here. It says "whatever funds may be required." He wants to run through, get that blank check to use for whatever he later decides to do for the South Vietnamese. There are no limitations or requirements in this bill, as I read it. That is exactly what he wants. He wants to come in and get out of here with a blank check and do whatever he should decide in the future to assist South Vietnam and pay absolutely no attention whatsoever, not an ounce of concern whatsoever, in terms of any proposals to deal with equivalent problems that Americans in this country have, not just in my district but in yours and in the district of the gentleman from Michigan and everybody else here who have situations in their districts where they need job retraining, where there are people who may well need to relocate to another part of the country where there are jobs available. And that is the kind of equity and that is the kind of equality we are talking about here.

I say to the Members if we allow the President to come in here, get this blanket authority and get out without looking at the equivalent problems Americans have, then we are establishing a double standard, and we are doing it at the expense of the people in this country who are being ignored and who are not being helped—and they number in the millions. If you come to my district, you will see they are there. I want to see them helped.

Mr. CONYERS. Mr. Chairman, I think what the gentleman is trying to make clear is that this amendment is not going to wreak any havoc or any harm upon the legislation that is under consideration. It merely holds the President to an accountability that does not exist without this amendment.

I urge its sincere consideration.

Mr. SARBANES. Mr. Chairman, will the gentleman yield?

Mr. CONYERS. I yield to my friend from Maryland.

Mr. SARBANES. I thank the gentleman for yielding.

I want to respond to the gentleman in the well, very quickly, on a couple of points.

First of all, it is not a blank check. We have to vote an appropriation, and at that proper time we will determine and resolve the amount.

Second, I would say to the gentleman, would that the Chief Executive would come to this Congress and say, "Give me that job bill you are working on"——

Mr. RIEGLE. This makes him do that.

Mr. SARBANES. "Give me that housing bill you are working on," and so forth. But this refugee problem now before us is our responsibility here today, the responsibility of the Congress, and I would hope we would not seek to hold these refugees hostage to that other legislation. I feel as deeply about the need for that legislation as the gentlemen do.

Mr. CONYERS. Mr. Chairman, I am not going to be able to yield to my friend any more, because it is my perception that this amendment does not harm to the legislation that the Subcommittee on the Judiciary brought before us, and I urge its passage.

Mr. PEYSER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, in one sense, I apologize to the House for taking any more time on this amendment. I want to say that the gentleman from Maryland, in his comments just a moment ago, really hit the nail right on the head. I find that when you really get worked up over an issue, it is probably the best time not to speak.

On the other hand, what I see happening here—and I am amazed, frankly, at some of my good friends over here who are offering this and other amendments—to see this action being taken in this House that have the effect of holding these South Vietnamese refugees as prisoners ourselves for legislation that I agree should be passed is absolutely outrageous. I agree we ought to have more job legislation and more housing legislation. And if the Members look at my own record, they will find that I vote for them anywhere and at any time that I can. But that is not the issue here.

If we had this kind of an amendment 100 years ago in this Congress, half of the people in this room would not be here.

Half the people in this country probably would not be here.

I do not know how some of the Members voted last year on the Food for Peace program. I think you voted for it, Mr. RIEGLE, as I remember, and you should have; but if we apply this type of amendment, the Members would say, "No, no, we are not going to give food to those starving people, whether people are starving in India or starving at other points of the world, until we have voted all of those things for our own people."

Mr. Chairman, I am just saying that I want to do these things for our people, but we are dealing today with a disaster that has been suffered in South Vietnam with people whose lives have been endangered, and if this country and this Congress cannot respond without this kind of foolishness, I think it is really a crying shame. I would hate to have the American public think that we are seriously considering taking this kind of action. We need to get the job done. We need the money for our own people, but let us not do it at the expense of these people; let us beat the amendment overwhelmingly.

Mr. HUNGATE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I, too, express apologies at taking the time, although it will not be much time. I feel that this is an important subject. I do not plan to offer any amendments or take any more of the Members' time than necessary, but I would like to be heard at this time on this amendment.

I think this amendment is well-intentioned, and I like the remarks of the gentleman from Michigan. I am not sure about his amendment. It may be like a fire hose that doesn't quite reach the fire. I am not sure that it is accomplishing its purpose.

I have heard discussion here about phoniness and hypocrisy. It reminds me of the story of the Evangelist who was working one night. He said, "Now, how many of you people has the devil got acting as hypocrites?" About half of them raised their hands. He said, "I see he has the other half of you lying."

I think this is as fine a group as there is anywhere, and I would not bring up anything like that, but I think it is also a mirror of the American people, and that ought to scare them to death.

Abdication? Yes, we have abdicated our authority. We are abdicating our responsibility. They talk about the dollar figure. There is no dollar figure here. The man told us right. What we are doing is delegating to the great Committee on Appropriations. We are delegating the authority to fix an amount. Let us not make any mistake. The Committee on Appropriations is putting some ceiling on it, but we are giving a blank check. I regret that.

The Members may recognize some of this. Our vote is a test on how this Congress will measure up to our spiraling deficit. Citizens groups and editorials across the country echo the hope that, finally, Congress will show some sense of responsibility toward controlling our Federal deficit.

Mr. Chairman, we must work within the $70 billion deficit figure. How can we work within it today if we are going to break it?

This legislation may cost $500 million.

You may have heard this before: "I believe that Congress response is best described as overkill."

The worst aspects are its cost implications at a time of unthinkable deficits and still-rampant inflation. This unbudgeted Federal expense simply does not fit today's priorities. The general condition of the economy would seem to call for no new Federal expenditures now.

I am taking this from other people's writing. They write better than I. I am just quoting them, and these are the words they spoke in this very Chamber, only yesterday.

This has to be regarded and accepted as a budget buster-bill. I say it is vitally important, because this is the first test of the will of this Chamber to live by the decision it made on the budget less than 2 weeks ago.

The vote will be the first and, therefore, the most crucial test of our will to stand by the provisions of our budget resolution.

If the House should repudiate the budget resolution in this first test, the American people may conclude that the much-heralded budget procedures—explained to the public as a long-needed change to business-like management of the Federal budget—is nothing but empty rhetoric. We cannot fill these bills with empty rhetoric.

Second, the bill will cause a substantial outlay of money that cannot be

recovered. No one denies that the direct nonrecoverable outlays will run into millions of dollars.

This is a matter of fiscal responsibility, economic reasoning, and commonsense.

We are all aware of the budget deficit problem. It is serious, and this bill would make it worse.

With the present fiscal squeeze, this Congress will have to cut back spending on many good programs. With spending on good programs being curtailed, it should be obvious that spending on bad programs must be cut off entirely.

I would be willing to send some of those farmers whom we turned down yesterday to Vietnam and then just bringing them back would make us willing to support them and provide food for this country. We are worried about food for the world, but we are not worried about the farmers. I suppose that is narrow and parochial, and that is the way it is; but I do hope that we could some day find the same compassion for the people of this country as we find for those around the world.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. HUNGATE. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Chairman, I would like to comment on the statement made by the gentleman from New York, we are going far and above opening the doors of the country to people coming in, which is part of our national tradition. We are getting into a form of subsidy that the other side of this body does not like when it applies to people in this country. For those who say that we are holding these people hostage to get jobs for American people, I would say that is a lot better than when Ambassador Graham Martin was holding American people hostage to get other people out of Saigon.

Mr. RANDALL. Mr. Chairman, if the gentleman will yield, the gentleman mentioned the farm bill, and I think it was a strange coincidence, but was it not the same day that the President vetoed the farm bill that he requested a billion dollars for Vietnam aid?

Mr. HUNGATE. That is right, it was the very same day.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan, Mr. RIEGLE.

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. RIEGLE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device; and there were—ayes 71, noes 346, not voting 16, as follows:

[Roll No. 207]

AYES—71

Abzug
Ambro
Beard, R.I.
Bedell
Blanchard
Blouin
Bonker
Brinkley
Brodhead
Burke, Calif.
Burton, John
Carney
Carr
Chisholm
Clay
Collins, Ill.
Conyers
Dellums
Dent
Dodd
Downey
Early
Esch
Evans, Ind.
Fithian
Florio
Ford, Mich.
Ford, Tenn.
Gaydos
Gonzalez
Harkin
Harrington
Hawkins
Hechler, W. Va.
Heckler, Mass.
Holland
Jacobs
Jenrette
Krebs
Lehman
Levitas
Maguire
McHugh
Miller, Calif.
Miller, Ohio
Mitchell, Md.
Moffett
Mottl
Neal
Nolan
Oberstar
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Randall
Rangel
Richmond
Riegle
Roush
Schroeder
St Germain
Stark
Stokes
Studds
Traxler
Weaver
Wilson, C. H.
Wirth
Wolff
Young, Ga.

NOES—346

Abdnor
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, Tenn.
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Boggs
Boland
Bolling
Bowen
Brademas
Breaux
Breckinridge
Brooks
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, Phillip
Butler
Byron
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Conable
Conlan
Conte
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Derrick
Derwinski
Devine
Dickinson
Dingell
Downing
Drinan
du Pont
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harris
Harsha
Hastings
Hayes, Ind.
Hays, Ohio
Hefner
Heinz
Helstoski
Henderson
Hicks
Hillis
Holt
Holtzman
Horton
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lent
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Macdonald
Madden
Madigan
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McKay
McKinney
Meeds
Melcher
Meyner
Mezvinsky
Michel
Mikva
Mills
Mineta
Minish
Mink
Mitchell, N.Y.
Moakley
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nichols
Nix
Nowak
O'Brien
O'Hara
O'Neill
Obey
Ottinger
Passman
Patman, Tex.
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Rees
Regula
Reuss
Rhodes
Rinaldo
Risenhoover
Robinson
Rodino
Roe
Rogers
Rooney
Rose
Rosenthal
Rostenkowski
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebell
Schulze
Sebelius
Sharp
Shipley
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stuckey
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Tex.
Winn
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—16

Barrett
Broomfield
Collins, Tex.
Diggs
Fulton
Hébert
Hightower
Hinshaw
Howard
Metcalfe
Milford
Mollohan
Roberts
Roncalio
Seiberling
Shriver

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MRS. MINK

Mrs. MINK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. MINK: Page 2, line 9, strike out the period at the end of line 9, and insert, a comma, and the following: "excepting education assistance."

Mrs. MINK. Mr. Chairman, one of the provisions of this legislation that we are considering today deals with the matter of reimbursing State and local public agencies that provide assistance in the areas of health services and education to the evacuees that eventually will be settled in their communities. I fully recognize the fact that most of the money that is being appropriated by this bill will be spent for the care and assistance which these individuals will be required to have while they are held in the various staging areas, whether in Guam, California, Arkansas, or Florida. My concern is that once the individuals are distributed, hopefully equitably, throughout the country, that there will, nevertheless, be costs which must be borne by our States and local communities.

I think much of the concern that has been expressed by our constituents comes from their reluctance to bear any greater tax burden because of this national policy. I quite agree with this concern.

My amendment merely makes it possible, in the event that there are funds left over in this particular provision after September 30, 1977, that these funds can continue to be used for the purposes of educational assistance to these refugees. It seems to me that this is absolutely essential. It is the kind of assurance that our school districts and our communities are demanding. We are told repeatedly by news reports that over half of the evacuees are young children.

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These children will require educational support.

The Department of Health, Education, and Welfare refused to tell the committee that it would be willing to provide educational assistance on any kind of a permanent basis. They refused to commit that kind of program which was given the children of the Cuban evacuees, so if we are unable to get that kind of assurance from HEW now, the least we can do is to make sure that the funds we are providing under this legislation will continue to be available so long as there are any funds for the purposes of sustaining educational programs in our communities.

It is of little consequence that the Secretary says, "Well, there will be such a few number of students in the schools that there is not going to be any burden." Let me tell the members of the committee that when we bring in a student from a foreign area who is completely unfamiliar with not only our language, but our ways, our culture, our Government, and our school system, it is going to require a comprehensive program to make that child quickly a part of our community. I am sure that is the intention of this body, to make it possible for these young children to become integrated as soon as possible. This is going to require special attention, special education in bilingual programs and bicultural activities.

My own State receives 5,000 or 6,000 imigrants from Asia each year and we find that this creates enormous problems and burdens on our local communities. I want to share this with the Members and ask that in voting for this bill today, we make sure that whatever educational programs are authorized by this legislation and implemented by the administration, will continue to be provided for our school districts well beyond the cutoff day of September 30, 1977, if there are funds.

Under my amendment as long as the Appropriation Committee funds this program, this educational assistance can continue. It is imperative that we give our local communities this kind of support and assurance that they are not going to have to pay for the special education services needed by these children. There are over 50,000 children in this group, and I think that these children need more than just 2 years of support.

Mr. Chairman, I urge all Members to give their careful attention and support to my amendment.

Mr. EILBERG. Mr. Chairman, I rise in opposition to the amendment.

Very briefly, Mr. Chairman, we would make this an open-ended authorization bill but all programs will expire on September 30, 1977. If we do this for education, what about other services? What about health? What about social services? What about employment programs? I think an argument could be made for all those, and it seems to be wrong to single out education.

Mr. Chairman, I am against open-ended authorizations generally speaking, and I am not terribly happy about having an open-ended authorization bill even for the 2 year limited period proposed in this bill, but it seems to me that we have an emergency in which quick action may be called for, and the simplest way is to have this done by the committee that can do the best—that is, by the Appropriations Committee with assistance provided by the Authorizing Committee.

What we would be doing here would be to provide an open-ended authorization for education alone. The gentlewoman is concerned, obviously, about the possible impact in her State caused by a high concentration of refugees. I think that she tends to overlook the intense hearings we had in which we went over this subject very, very carefully with HEW, with representatives of the Interagency Task Force, and every effort is being made to spread the people around the United States and to other countries.

I would like to point out that in the history we have of Vietnamese refugees, the other notable example, in France, indicates that they are easily assimilated. They are well spread around. Some 20,000 of them are there. Most of them have jobs. There is a problem with less than 1 percent as far as the need for social services is concerned. I say we should allow the executive branch, in this case HEW, to make a study of this situation on a case-by-case basis and determine whether any impacted areas develop, which we certainly hope will not occur.

If the results are that there are no impacted areas, then there certainly is no need to have an indefinite, open-ended authorization.

I suggest, Mr. Chairman, that the refugee situation, as it develops in the next few months, should be studied carefully, and I know it will be studied with the oversight of this committee. I would be the first one to suggest to our subcommittee that we extend the limit beyond September 1977, if there is any impact of the kind that the gentlewoman is concerned with in her State. I just do not see the need for this amendment at this time.

Mrs. MINK. Mr. Chairman, will the gentleman yield?

Mr. EILBERG. I will be happy to yield to the gentlewoman.

Mrs. MINK. It is not a concern that I have in respect to any foreseeable impact in my State. Hawaii has received only a few refugees thus far. I think what we are all concerned with is that there are no reports being submitted by the Administration to give us any idea who will have any impact, and how much of an impact it will be. My concern is the section contained in the committee report on page 10, in which the Secretary of HEW sent a report to the gentleman's committee saying that, if there are high concentrations in certain localities, we hope then to look into this issue.

I am not in my amendment suggesting that a certain specified amount be spent for education. Indeed, none may need to be required. But if such should be the case, then my amendment would say these funds should continue to be spent for education if there are any funds left in this account after September 30, 1977, because education support should not be arbitrarily cut off, and must by its nature be required for more than 2 years.

Mr. EILBERG. My recollection of the testimony was that they would look at the situation with a positive assurance there would be 100-percent return during that 2-year period if there is a high concentration and a substantial impact on a particular school district.

It is not a matter of "We will see what we can do." It is a guarantee that there will be that kind of assistance. And if the gentlewoman would answer the question, if we do this for education, what about the other services? What argument can the gentlewoman make for picking education and not other services?

Mrs. MINK. I assume that kind of assistance you are discussing would be in the category of an emergency. We would expect this would not be required for longer than 2 years. But education assistance is not something you can terminate after 2 years. The youngsters are going to require this at least throughout their elementary years and through high school

Mr. EILBERG. I fail to see the differentiation the gentlewoman makes.

Mr. DANIELSON. Mr. Chairman, I rise in support of the amendment.

I would like to state that, while it may be true that other services should be continued beyond September 30, 1977, it is certainly true that the facilities for education should be continued. Education is, without doubt, the one most esential service to be provided if we are going to properly assimilate these new refugees into our society.

The committee has stated in its report that:

> The Committee anticipates that HEW will develop procedures to insure that local communities will not be adversely affected by the resettlement of refugees.

What local communities need to know, and as soon as possible, is what their plans and policies will be. In particular, school systems—which must hire bilingual teachers and aides, provide instructional materials, and do many other things—need to know what funds will be available to them, and when they will be available.

In the committee report an HEW official is said to have stated that:

> If there are only a couple or 10 children in one school system, we do not feel that that would require a special per pupil impact aid provision.

Regardless of the size of the school system, the point is that someone must pay the cost of educating these refugee children. The impact of 10 children on a small school district could cause a serious difficulty for that district, and the question is whether the Federal Government is going to pay it, or whether the local school systems will be forced to assume the cost.

School budgets are relatively fixed, and in most cases the school systems have no means of obtaining additional funds to meet unexpected needs and extra costs such as those imposed by the refugee children.

The Federal Government is imposing these children upon the local education agencies, and the Federal Government should pay the costs, certainly for the first year, and thereafter until the refugees have been assimilated into our society and the parents have found jobs and have begun paying taxes.

It is granted that at this point no one knows how many refugees there will be in any one State or locality, or what their language and education status is, or how long they will need help, or many other of the variables. What we are asking is that just as soon as some of these factors are known, the administration come up with a definite plan as to how it will reimburse local school systems for the costs of educating refugee children. That plan should be submitted in writing to the Congress, so we can study it and evaluate its effects on our local areas, and propose such changes as we think may be in order.

It has been implied that local schools can simply assimilate the refugee children and that there will be no substantial added costs. This overlooks the fact that class sizes throughout the country are fixed, frequently by State law or municipal ordinance, or by the availability of facilities and teaching staff, aides, and by teacher union agreements. When additional children are to be accommodated, there are definite additional costs which must be paid, on a per-pupil basis; the system does not permit us to add more children without paying additional costs.

The national average expenditure for each pupil in the school system is about $1,300 to $1,400 for this current year, according to statistics released by the National Center for Educational Statistics of the Department of HEW.

Bilingual children are "high-cost" children. Because of their limited English-speaking ability, and their inability to read ordinary textbooks or other instructional materials, it costs on the average about $400 additional per child to provide adequate education for such children. This means that the real cost per child for these refugee children will be a total of about $1,700 per child, for this coming school year.

If the estimate from HEW is correct, and a half of the 113,000 refugees are of school age, this means that the total expense to be paid by State and local education agencies in educating the refugee children will be $96 million for this coming school year—56,500 children times $1,700—and we do not know how long this will continue.

To require local educational agencies to furnish this service without remuneration adds an intolerable burden to that part of our governmental system which is least able to bear it. The public schools are laboring under extreme financial difficulties. In the State of California, for example, the School Boards Association recently completed a survey which showed that 213 school districts, representing about 60 percent of the education expenditures in the State as a whole, reported that they will be $221 million short of being able to meet the impact of inflation on their operating budgets. Many other States can cite equally discouraging figures.

In the case of the State of California, assume that we will receive only 10 percent of the refugees and therefore 5,650 children to be educated—a figure which I am sure is very low. But if you then take our State average per-pupil expenditure as adjusted for inflation, which amounts to about $1,400 per child for this coming year, the taxpayers of our State will have to pay $7.9 million to educate refugee children. But then if you add the high-cost factor of $400 per child, the total bill will be about $10.17 million for our State alone.

Mr. Chairman, I urge the adoption of the Mink amendment since this educational burden will not extend beyond September 30, 1977.

Mr. PHILLIP BURTON. Mr. Chairman, will the gentleman yield?

Mr. DANIELSON. I yield to the gentleman from California.

Mr. PHILLIP BURTON. Mr. Chairman, I, too, would like to associate myself with the gentleman's remarks.

It is going to be my posture to try to hold the committee bill as best we can, but this particular amendment of our colleague, the gentlewoman from Hawaii, is in order. If we do find that there is a certain heavier number of Vietnamese in one community than in another, the educational program is just as essential to it, and I think this amendment gives real meaning and viability to this very important piece of legislation.

Mr. DANIELSON. Mr. Chairman, I thank the gentleman very much. These refugees are the guests of all of the United States, not simply of the local communities in which they will be settled.

Mr. Chairman, I urge the support of the Mink amendment.

Mr. FISH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment.

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. Mr. Chairman, I thank the gentleman for yielding.

I just want to express my own reluctant opposition to this amendment. While I respect very much the gentlewoman from Hawaii, and surely there are possibly adequate safeguards, I think that purpose is best served if the basic authorization question can go back to the House Committee on the Judiciary instead of turning it over to the Committee on Appropriations.

Mr. FISH. Would it be the view of the gentlewoman from New York, from the testimony that we had from representatives of HEW, that this amendment which excepts educational assistance would mean that we would lose foster-care assistance for children, day care, and the head-of-the-household provisions that are all part of child care but differ from education and that therefore this amendment is concerned with just a part of the total problem of supportive services of HEW?

Ms. HOLTZMAN. That is correct. I would like to see the Subcommittee on Immigration in a position to review that problem at a later time so that we can see that the problem is fairly dealt with.

Mr. FISH. Mr. Chairman, if we are talking here about uniformity and about these children being the responsibility of the entire country, I do not think justice can be done to this problem by the addition of three words in this authorization bill. This should be directed to the competent jurisdiction and not addressed to this bill. I know the gentlewoman from Hawaii is concerned as Hawaii has one of the finest and costliest educational systems.

I can only guarantee to the gentlewoman that up to the period in late December 1977, there will be the 100 percent HEW reimbursement to the State and local services, including education, and they will be at the Hawaiian standard, and total reimbursement for the gentlewoman.

Mrs. MINK. There is nothing in the committee report or the bill which suggests that HEW is going to reimburse anybody 100 percent for their educational costs for the refugee children. If there were such assurances I am sure there would not be this kind of concern expressed by the people in California, and in my State. It is purely discretionary, it is my view that it is arbitrary, but if it is offered it should be permitted to extend beyond the cutoff date of December 31, 1977.

Mr. FISH. I do not want to take the time of the entire committee to refute what the gentlewoman from Hawaii has said, that there is no record. I would prefer it if the gentlewoman would take my word that there will be 100 percent reimbursement, and at the rate of the existing State and localities' going rate, which would be in this case a higher one than normal.

Mr. Chairman, I recognize the intent of the amendment, but regretfully I cannot accept it, because there is absolutely no desire to repeat the Dade County situation where they were inundated with Cuban refugees. The entire purpose here is to disperse the refugees. As I said earlier, as of this moment 48 States have received resettled refugees, and the entire purpose of this is to avoid the impact whether it be on the educational, labor, or whatever.

Mr. EDWARDS of California. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment offered by the gentlewoman from Hawaii (Mrs. Mink).

I had not intended to speak, but the debate has made me uneasy because it is very possible that certain of the States will have a huge financial burden because of additional school expenses. And we are assured by members of the committee, and we were assured in the debate when the bill was adopted by the full Committee on the Judiciary, and I supported the bill there, and I intend to support it again, that somehow or other this money would be repaid to the States.

The gentleman from New York (Mr.

FISH) says that this is in the bill. I do not see it in the bill.

I would like to ask the Chairman of the subcommittee, the gentleman from Pennsylvania (Mr. EILBERG) where it is in the bill. We should not accept a letter from HEW because HEW does not make these decisions; we make the decisions.

Mr. EILBERG. Mr. Chairman, if the gentleman will yield, in response to the inquiry of the gentleman from California (Mr. EDWARDS), it does not appear in the bill. The committee heard extensive testimony by Miss Taft, who was the representative of HEW for extensive care, and her language was that if there were just a few children involved in a school district that they would not consider that as justifying such an impact that it would be required to be reimbursed, but if a community indeed had such an impact as we have discussed, that there would be 100 percent reimbursement to that community. That was the assurance that was given us during the course of the testimony by the HEW representative at our hearings.

Mr. EDWARDS of California. Mr. Chairman, I thank the gentleman from Pennsylvania for that response, but I do not think that promises of any agency should be a substitute for law, especially when we are authorizing hundreds of millions of dollars.

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of California. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. Mr. Chairman, I wish to tell the gentleman from California that I very much share the gentleman's concern. It seems to me that the best way to deal with the question of any inequities or any undue burden that any State or locality will have to bear is not to authorize this program in perpetuity, and turn over the authority to the Committee on Appropriations, but to retain the authority to the Committee on the Judiciary of the House to iron out any inequities under the program.

I share the gentleman's concern, and it is for that reason that I oppose, reluctantly, the amendment offered by the gentlewoman from Hawaii (Mrs. MINK).

Mr. EDWARDS of California. The gentlewoman is correct that we will not have this subject come up again before us, because we will give up our authority; is that correct?

Ms. HOLTZMAN. That is correct, if I may answer the gentleman. If the gentlewoman's amendment is accepted, then we remove the question of education aid from authorization bills. That concerns me.

Mr. EDWARDS of California. The gentlewoman is referring to her amendment? Is she going to offer her amendment so that there will have to be a new authorization?

Ms. HOLTZMAN. I intend to offer my amendment, but the same concern that gave rise to my amendment arises here, namely, that after 2 years, under the committee bill, we can reexamine how the education program is working. With the gentlewoman's amendment, the Committee on the Judiciary will not have to reexamine the education program, and that troubles me very much. I want to make sure that there is not going to be any inequity in the distribution of education funds. We may have very strange interpretations of impact aid under this bill, and I would like to make sure there is no inequity.

Mr. EDWARDS of California. I thank the gentlewoman.

Mr. Chairman, although the Department of Health, Education, and Welfare has estimated that 50 percent of the 113,000 refugees from Vietnam and Cambodia are of school age, Ms. Julia Taft, the Deputy Assistant Secretary of Health, Education, and Welfare for Human Development, has told the House Appropriations Subcommittee on Foreign Operations that there specifically is no proposal to repay State and local education agencies for the costs incurred in educating them.

The current average per pupil expenditure for school systems throughout the United States is approximately $1,300 per year. This means that unless something is done to remedy this situation, the State and local education agencies throughout the country, and the taxpayers who support those agencies, will have to assume $73,450,000 in added costs during the coming academic year for the education of the refugee children.

To require educational agencies to furnish this service without remuneration adds an intolerable burden to that part of our governmental system which is least able to bear it. The public schools of our country are laboring under extreme financial difficulties. In the State of California, for example, the School Boards Association recently completed a survey which shows that 213 school districts, representing about 60 percent of the educational expenditures in the State as a whole, reported that they will be $221 million short of being able to meet the impact of inflation on their operating budgets. Many other States can cite equally discouraging figures.

In response to expressions of concern about the costs of educating the refugee children, HEW representatives have explained that by spreading out the refugees throughout the 50 States, they hope to reduce the impact on the educational system. However, regardless of the extent to which the children may be spread out, the costs of their education still must be paid, at least until such time as their parents have been integrated into our society and have begun earning their way and paying taxes.

Our country has an obvious moral responsibility to accept these displaced persons. However, the Federal Government also bears a responsibility to reimburse hard-pressed State and local agencies for the costs which they will inevitably incur in providing necessary education for the refugee children. To do otherwise would impose on the local taxpayer a burden which is unreasonable and unacceptable.

I urge the approval of the gentleman from Hawaii.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Hawaii (Mrs. MINK).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mrs. MINK. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 80, noes 327, not voting 26, as follows:

[Roll No. 208]

AYES—80

Abzug
Anderson, Calif.
Bingham
Brademas
Brodhead
Brown, Calif.
Burke, Calif.
Burton, John
Burton, Phillip
Chisholm
Clay
Conyers
Corman
Danielson
Dellums
Diggs
Drinan
Early
Eckhardt
Edwards, Calif.
Esch
Fisher
Fithian
Flood
Ford, Mich.
Ford, Tenn.
Fraser
Goldwater
Gonzalez
Green
Hannaford
Harkin
Harrington
Hawkins
Hechler, W. Va.
Helstoski
Jacobs
Johnson, Calif.
Johnson, Colo.
Keys
Krebs
Lagomarsino
Leggett
McCormack
Meeds
Melcher
Meyner
Mikva
Miller, Calif.
Mineta
Mink
Mitchell, Md.
Moorhead, Calif.
Moss
Nix
Nolan
O'Hara
Ottinger
Patterson, Calif.
Randall
Rangel
Richmond
Risenhoover
Rosenthal
Roybal
Scheuer
Schroeder
Seiberling
Simon
Spellman
Stanton, James V.
Stark
Stokes
Thompson
Traxler
Udall
Vanik
Waxman
Wilson, C. H.
Young, Ga.

NOES—327

Abdnor
Adams
Addabbo
Alexander
Ambro
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Breaux
Breckinridge
Brinkley
Brooks
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carney
Carr
Carter
Casey
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Davis
de la Garza
Delaney
Dent
Derrick
Derwinski
Devine
Dickinson
Dingell
Dodd
Downey
Downing
du Pont
Duncan, Oreg.
Duncan, Tenn.
Edgar
Edwards, Ala.
Eilberg
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Florio
Flowers
Flynt
Foley
Forsythe
Fountain
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hansen
Harris
Harsha
Hastings
Hayes, Ind.
Hays, Ohio
Hefner
Heinz
Henderson
Hicks
Hillis
Holland
Holt
Holtzman
Horton
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Jenrette
Johnson, Pa.
Jones, Ala.

Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Kindness
Koch
Krueger
LaFalce
Landrum
Latta
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
McClory
McCloskey
McCollister
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Mezvinsky
Miller, Ohio
Mills
Minish
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Pa.
Mosher
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nowak
O'Brien
Oberstar
Obey
Passman
Patman, Tex.
Patten, N.J.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Pritchard
Quie
Quillen
Railsback
Rees
Regula
Reuss
Riegle
Rinaldo
Robinson
Rodino
Roe
Rogers
Rooney
Rose
Rostenkowski
Roush
Rousselot
Runnels
Ruppe
Russo
Santini
Sarasin
Sarbanes
Satterfield
Schneebeli
Schulze
Sebelius
Sharp
Shipley
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spence
St Germain
Staggers
Stanton, J. William
Steed
Steelman
Steiger, Ariz.
Stephens
Stratton
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Thornton
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vigorito
Waggonner
Walsh
Wampler
Weaver
Whalen
White
Whitehurst
Wiggins
Wilson, Tex.
Winn
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—26

Barrett
Broomfield
Cederberg
Fulton
Hébert
Heckler, Mass.
Hightower
Hinshaw
Howard
Metcalfe
Michel
Milford
Mollohan
Morgan
O'Neill
Price
Rhodes
Roberts
Roncalio
Ryan
Shriver
Steiger, Wis.
Teague
Whitten
Wilson, Bob
Wirth

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MS. HOLTZMAN

Ms. HOLTZMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. HOLTZMAN: Page 1, line 8, insert immediately after "necessary" the following: ", but not to exceed $507,000,000,".

Ms. HOLTZMAN. Mr. Chairman, I would like to be very brief. In essence, the purpose of my amendment is to set a ceiling on the amounts authorized in this bill. As the bill stands now, it is an open-ended authorization for a 2-year period. I think that, consistent with our responsibilities as an authorizing committee, there ought to be a ceiling on this bill so that, in the event an additional amount is needed, we can play a role in scrutinizing the requests. The ceiling I suggest is $507 million—the amount the President requested.

Some people may say that the amount authorized should be the amount suggested by the Appropriations Committee. I disagree. The Appropriations Committee has suggested $405 million, but that is based on certain assumptions with respect to the number of refugees coming into this country.

I think the assumptions may be wrong, and I agree with the statements that have been made that the situation is in a state of flux. We need to allow ourselves some leeway which my amendment accomplishes.

I do think it is incumbent upon us, in authorizing legislation, to put a limitation on the bill. Then, if additional funds are needed, the Judiciary Committee can play a role in overseeing the program. This does not—let me emphasize—put us on record in support of a specific amount. My amendment simply allows the Committee on Appropriations to appropriate whatever is necessary, up to the $507 million initially requested by the President of the United States.

AMENDMENT OFFERED BY MR. BLOUIN AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MS. HOLTZMAN

Mr. BLOUIN. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. BLOUIN as a substitute for the amendment offered by Ms. HOLTZMAN: On page 2 line 2 strike out the period and insert: "*Provided*, That such sums do not exceed $405,000,000."

Mr. BLOUIN. Mr. Chairman and Members of the House, we are talking about the same subject. This is simply a different level of authorization. It seemed to me that this was probably the fairest, most logical way to get both figures before the committee.

The appropriation bill which will follow will appropriate moneys, as I understand it, in the sum of $405 million. My amendment, if adopted, would set the authorization level at the exact, same amount of money, no more, or less—the same amount of money.

Mr. Chairman, I have an inherent fear or maybe an overconcern as to open-ended appropriations and open-ended authorizations. I do not like funding programs under that procedure. I have never thought too kindly about that.

I seem to remember that the chairman a few moments ago mentioned himself that he did not like the concept of open-ended funding. I think that all our amendments do is to give the chairman and all of those in this body who are concerned about fiscal responsibility an opportunity to demonstrate that concern.

It also gives us, as a Congress, the necessary requirement of reviewing this whole authority before any additional moneys over that $405 million lid are ever committed or before the bill is extended beyond that September 30, 1977, cutoff date.

It seems to me, then, that we literally put ourselves in the position of having to take another look at it, and I think that is just where we ought to be. If we are really going to assume the leadership as a body in attempting to formulate the direction of policies internally and externally, it seems to me that we have to start with this type of lid on authority. Wherever we end up, whether it is at the level suggested by the gentlewoman from New York (Ms. HOLTZMAN) or at mine or at any others, is really secondary to the purpose and the lid on the authority within this legislation.

That is all it does, purely and simply. I do not think there is much else anyone can say about it except that I cannot understand how anyone can oppose it.

Mr. Chairman, I would like to hear some of the reasons for the opposition, if there is any.

Mr. FISH. Mr. Chairman, I rise in opposition to the amendment of both the gentlewoman from New York and the substitute amendment of the gentleman from Iowa.

This has been a matter of tremendous concern and discussion in the subcommittee and the full committee over the past week. It has been the majority view in both bodies that a cap of either figure would not be in the best interests of the program.

I can sympathize with the issues raised here in the last few minutes as to the need for a limitation. I would answer the gentleman by saying that the program is limited in terms of time. Most of it ends in a 14-month period from now, at the end of fiscal year 1976, except for the HEW aspects, which terminate at the end of fiscal year 1977, 15 months thereafter.

There is also section 4 providing for current reporting by the President to the House Committee on the Judiciary and to the Senate Committee on Foreign Relations. That is where we are going to get perhaps even weekly reports or reports as frequently as we wish to have them on the implementation of this bill.

One of the major reasons that it was difficult to come up with any cap figure was because of the question of the supportive services that these refugees would need.

Mr. Chairman, the gentleman from Iowa and the gentlewoman from New York, certainly from her participation during every minute spent in the last few weeks on this matter, know that we have a good profile on the first large group of refugees. These were people identified as employees of the U.S. Government, as employees of companies, American companies, and others as relatives of Vietnamese nations admitted to permanent residence, or of American citizens who came from Vietnam.

These people are educated and have a high incidence of speaking English. What we do not know is the makeup of the 62,000-plus people who are either en route to the western Pacific restaging areas or who are already at the western Pacific restaging areas. The actual figure today is 62,793.

The Members will recall that these are the people who went out under their own steam in sampans, commercial boats,

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fishing boats, and what-not, and were picked up in the South China Sea, not just by U.S. vessels, but by foreign-flag carriers. They do not fit the profile of the first group that was identified in the evacuation, and therefore may, because of this reason, require considerably more supportive services.

Another factor in here, and it is important, is that the figures change. In the last 24-hour period alone almost a 1,000-figure change was made to the number in the western Pacific restaging areas. It is just one of those factors that we are not totally aware of now.

Finally I would like to have the attention, particularly, of the gentlewoman from Hawaii (Mrs. Mink) and the gentleman from California (Mr. Danielson) because this relates to their concern for that aid which was presented to us with respect to HEW's supportive services. These figures had to be given to us early in May when we were undertaking our consideration of this measure. The figure is $125 million for subsequent welfare and medical care under HEW for the fiscal year 1976 and the remaining month and a half of this fiscal year, and it would be totally inadequate for the 15 months thereafter in fiscal 1977 that is contemplated in this authorization bill.

It well may be that the 507 figure may not be reached, or that it may be exceeded.

I can assure the Members from the testimony of HEW given before the Committee on Appropriations today, or perhaps it was yesterday, that the $407 million figure is totally inadequate, and they will have to come back for a supplemental appropriation because they can demonstrate, as I hope I have been able to demonstrate to you, that we do not know at this time what will be needed in the way of supportive services, and rather than having to come back with a new authorization bill and an appropriation bill and a supplemental, the better course would be to leave it open.

Mr. HALEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it is very seldom that the gentleman from Florida comes to the well of this House to make a speech of any kind, but I wish to say this to the Members of the House: That I can see no good reason why we could not put a ceiling on the moneys that we authorize here.

In the committee in which I have the honor to serve as chairman, I have tried to do that for 20-some-odd years. We should put a ceiling on this. Why should not the Congress and the people know how much money a program is going to cost? If it is going to cost more, then the thing to do is to let them come back here to the Congress and justify the expenditures of the Federal moneys which are the taxpayers' money, and give an accounting on why they want it.

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. HALEY. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. I want to thank the gentleman for his remarks. I agree with the gentleman that it is fundamental to the legislative process that we set a limit in authorization bills.

I agree with the gentleman from New York (Mr. Fish) that there is uncertainty as to the exact amounts needed—and that is why I set as the ceiling in my amendment the amount that the President requested rather than the amount the Committee on Appropriations set. But uncertainty is no reason why the Congress and the House Judiciary Committee should not be involved, if additional amounts requested exceed the present limits. What we are saying, if we reject my amendment, is that we do not trust ourselves to legislate on this matter, and I, for one, think we can trust ourselves. I appreciate the gentleman's support.

Mr. HALEY. I thank the gentlewoman.

Mr. SARBANES. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I would hope the position we find ourselves in with the two amendments before us, each with a different dollar figure, might perhaps underscore what I think was a wise decision by the subcommittee and the committee not to put in a dollar figure with respect to this authorizing legislation. Not a dollar—not a dollar—can be spent until it is appropriated, and any appropriation must be in specific dollar amounts. So the argument that somehow this House is losing control over the amount of dollars that will go into this program is not correct. No dollars can get into this program until the Committee on Appropriations brings forward a dollar appropriation amount and it is approved by the House.

In this authorizing legislation we in effect made the judgment that there was a need and a necessity to have such a program. If we are going to put in a dollar authorizing figure, we have to make some judgment as to what that figure ought to be in an extremely fluid situation in which the facts are changing daily. It would seem to be the better approach for the authorizing committee to make the fundamental decision as to the need for the program, to connect that fundamental decision with the limitations and restrictions that are in the Migration and Refugee Assistance Act of 1962 which govern how that money can be used and place limitations upon it. It is not enough to look only at H.R. 6755. One must also go to the Migration and Refugee Assistance Act of 1962 and look at its provisions because it is incorporated here in terms of the statutory scheme for this assistance for Vietnamese and Cambodian refugees.

The second thing is this is not an open-ended authorization because there is a time limitation upon it. At a point in time not all that far away, if there is a desire still to continue the program, the administration will have to return to the Congress for a further authorization. In the time covered by the legislation, which is until June 30, 1976 for most of the program, and a year later for the part of it carried out by HEW, in the interim period the dollar figure level will be controlled by the action of the Committee on Appropriations and the House.

To seek to establish an authorization dollar figure, it seems to me, is to depart from what in this instance makes for a wise legislative strategy. But I want it clearly understood not a dollar can get out of this House and into any of these programs until the dollar amount has been approved by the House, and that would be acted upon after reports of the Committee on Appropriations.

Ms. ABZUG. Mr. Chairman, will the gentleman yield?

Mr. SARBANES. I yield to the gentlewoman from New York.

Ms. ABZUG. I thank the gentleman for yielding.

I am a little confused by this. We are all on committees which authorize legislation, and we usually set a dollar amount.

Mr. SARBANES. Sometimes we do, and sometimes we do not.

Ms. ABZUG. We put down an amount that we think should be expended. The question I am asking is, in view of the fact that we have a lot of problems with this legislation—many of us are supporting it, but there are many questions—there is a responsibility, it seems to me, on the committee which considers the substance to give some guidance in terms of the amount of money and ceiling at least, that should be imposed. I cannot understand the gentleman's reasoning except that he is unwilling to have a final amount set or have any ceiling. I think it is sloppy draftsmanship, and I think it is inappropriate for authorizing legislation to omit a sum certain and a shirking of responsibility on the part of an authorizing committee. I do not understand what the gentleman is saying up there all this time, although I respect him greatly.

Mr. SARBANES. First, I regret greatly that the gentlewoman from New York does not understand the argument I was trying to make. What we are trying to do, and this is a matter of how to proceed legislatively on this issue, is for the authorizing committee to make the judgment as to whether we should have a program and what the general limitations upon it should be, but the determination as to the dollar amount is to be made by the Appropriations Committee, which it must be in any event.

The gentlewoman from New York is not going to lose her input into the dollar figure because the figure that comes to her from the Appropriations Committee will be before her for action then.

If this legislation did not have a time factor on the legislation, in other words if the time factor were indefinite and in addition there was not a dollar figure, then I think there would be merit to the gentlewoman's argument, but there is a time limitation.

Mr. EILBERG. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, I would like to try not to bring in open-ended legislation, but it is hard not to in this instance. But let me first, in response to both gentlewomen from New York, say I would like to remind the gentlewomen and the Members that this is an emergency situation, and to bear that out I will read from the report of the House Committee on Appropriations on this measure, on this matter, where they report out $405 million. I will read two sentences:

> . . . the Committee wants to make it clear that at this time it is impossible to determine how many refugees will finally be processed or the actual per capita costs that will be involved in the refugees. Because of the current fluid situation and the lack of availability of hard figures at this time, the Committee felt Congress should move cautiously in this area until the situation begins to stabilize.

Then separately the committee states this:

> The Committee recommends the amount in the bill for the purpose of funding this portion of the refugee program on a stopgap basis until more definitive data is available to determine what the actual needs will be.

It is obvious from the report of the Committee on Appropriations that they regard this as we do, that this is a very fluid situation. This Congress has many things to do and I personally think there is no need for us to come back to this Chamber in 3 or 4 weeks or 2 months from now perhaps and go over this same groundwork again. It seems to me we will be serving the needs of the House and of the country if we deal with this as well and as expeditiously as we can.

We do not know how many refugees are going to third countries. We do not know, of those who are at sea and over whom the United States has no control at the present time, how many will need welfare support. We are dealing with a fluid and emergency situation that may change radically in the weeks ahead. This is a very extraordinary situation. I say again I am generally opposed to open-end authorization, but it seems to me we will be serving the needs of the House and the best interest of the country by allowing in this case an open-end authorization.

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. EILBERG. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. I thank my chairman for yielding.

I would like to note first that I think the other amendment that has been offered, that sets $405 million instead of $507 million as a ceiling, is really not appropriate because it does not recognize that we should provide legislative flexibility to meet future needs.

On the other hand I would like to ask the distinguished chairman of the subcommittee, What is the problem with having the House reconsider this program if more than the $507 million which the President originally requested is needed? The reason is that this bill has no standards or guidelines for the distribution of educational assistance, health assistance or the like. Instead, we are relying on the Migration and Refugee Assistance Act of 1962. If there should be a need for additional money, we will have the opportunity to see whether the resettlement problem has been appropriately dealt with. At that time the legislative committee may wish to set some guidelines to improve the operation of these programs.

Mr. EILBERG. Mr. Chairman, if I may respond to the gentlewoman, I hope she does not think I am in any way trying to shirk my duty or responsibility by not working, because she as a member of the subcommittee knows how hard this subcommittee has been working for several weeks, frequently day after day and long into the night.

It could very easily be that the figure may go over $507 million. I do not think the gentlewoman wants to and I do not think we need to go through the very laborious process we have gone through in the last few weeks. The gentlewoman and I and others who worked so hard on this measure could be spending the time on other constructive legislation to serve the national needs.

Mr. GIAIMO. Mr. Chairman, I move to strike the requisite number of words.

I rise in support of the gentlewoman's amendment.

Mr. Chairman, as a Member of the Committee on Appropriations, I can appreciate the argument that we do not have to worry about setting a dollar figure here, because we will take good care of it in the Committee on Appropriations. That may or may not always be the case, but it seems to me it does not hurt in this Congress to have extra oversight in the expenditure of public funds. If we have two, rather than one oversight function the public does not suffer. While it means that we have to work on it twice in the Congress, I think we protect the public interest. In many areas we want legislation which sets an understandable figure, not for appropriation purposes, but it says, "Yes, we, the legislative committee, are in favor of such and such a program and we think the people of the United States ought to spend an overall amount of so many millions of dollars on it." From there we identify the expenditures and have an appropriation. Now, what is wrong with that?

Miss JORDAN. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentlewoman from Texas.

Miss JORDAN. Mr. Chairman, I would like to associate myself with the gentleman's remarks and observe that it is the height of abdication of authorization responsibility for the Committee on the Judiciary to have to come to this floor without placing any parameters on the amount of money that should be spent on this worthy cause.

I support the Holtzman amendment, and I think the gentleman in the well feels the same way.

Mr. GIAIMO. Exactly; I feel the same way. I am wholeheartedly in favor of this program to lend assistance for South Vietnam refugees. I want this program and I want it to pass; but I certainly think we ought to tell the American people tonight that we are for this program and that it is a $507-million program at best, rather than say to the American people, "I am for a refugee program and I have no concern at all as to what the cost may be. It will be such items and such amounts as may be requested by the Executive or the Appropriations Committee."

I see no harm in having an authorization figure in this area.

Then I must also say, it disturbs me not to have an authorization for the reasons that the gentleman from Texas has just stated. For years we in this Congress have been fighting, to do what? To get away from the idea of saying to the Executive, "Here, we have a tough situation, Mr. Executive. You take it and handle it. Don't bother us with it."

Let Congress set the amounts. Let us set the authorizing figure. Let us say the size that we want this refugee program to be. If it is not enough, I will say to the gentleman from Pennsylvania, let the President come back in with another request for authorization.

Mr. EILBERG. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Pennsylvania.

Mr. EILBERG. Mr. Chairman, we had extensive testimony on the budget of estimates of $507 million. All the witnesses, I say all the witnesses indicated to us this was a rough estimate. The figure of $507 million is not a proven figure. It is not a precise figure. It is a very rough figure. So I do not understand the magic of the figure $507 million, which is being presented by the gentleman and the gentlewoman.

We heard carefully from many, many witnesses, these were just emergency figures.

Mr. GIAIMO. Mr. Chairman, I understand it is emergency legislation. They need it in a hurry. To the credit of the gentleman and his committee it was voted out in a hurry. I see no harm in holding their feet to the fire by mandating an authorized amount.

If they have to come back in a month or a week or whatever, we can act quickly by legislating as we are doing today. We will demonstrate that this Congress can move and act quickly. I do not see that we take away from the process if we add an additional congressional safeguard; namely, the authorizing procedure.

Mr. Chairman, I support the amendment offered by the gentlewoman from New York.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. Blouin) as a substitute for the amendment offered by the gentlewoman from New York (Ms. Holtzman).

The question was taken; and on a division (demanded by Mr. Blouin) there were—ayes 18, noes 77.

So the amendment offered as a substitute for the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New York (Ms. Holtzman).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. EILBERG. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic de-

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vice, and there were—ayes 353, noes 54, not voting 26, as follows:

[Roll No. 209]

AYES—353

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
AuCoin
Bafalis
Baucus
Bauman
Beard, R.I.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boland
Bonker
Bowen
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Carter
Casey
Chisholm
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conlan
Conyers
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Dickinson
Dingell
Dodd
Downey
Downing
Drinan
du Pont
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
English
Esch
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Frenzel
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Goodling
Gradison
Grassley
Green
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hastings
Hawkins
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hillis
Holland
Holt
Holtzman
Horton
Howe
Hubbard
Hughes
Hungate
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Krebs
Krueger
LaFalce
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Macdonald
Madden
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
McCloskey
McCollister
McCormack
McDade
McDonald
McHugh
McKay
McKinney
Meeds
Melcher
Meyner
Mezvinsky
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
O'Brien
Oberstar
Obey
Patman, Tex.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Pritchard
Quie
Quillen
Randall
Rangel
Rees
Regula
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Roe
Rogers
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shuster
Simon
Sisk
Skubitz
Slack
Smith, Nebr.
Snyder
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Wampler
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, C. H.
Wilson, Tex.
Winn
Wolff
Wright
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NOES—54

Ambro
Anderson, Ill.
Aspin
Badillo
Baldus
Biester
Boggs
Bolling
Brademas
Brown, Calif.
Burgener
Butler
Chappell
Clancy
Collins, Tex.
Conable
Conte
Eilberg
Erlenborn
Eshleman
Fenwick
Findley
Fish
Forsythe
Fraser
Gonzalez
Gude
Guyer
Hayes, Ind.
Hutchinson
Hyde
Koch
Lagomarsino
Madigan
McClory
McEwen
McFall
O'Hara
Ottinger
Passman
Patten, N.J.
Peyser
Railsback
Robinson
Rodino
Sarbanes
Sikes
Smith, Iowa
Solarz
Steiger, Ariz.
Walsh
Waxman
Wydler
Yates

NOT VOTING—26

Barrett
Beard, Tenn.
Broomfield
Cederberg
Corman
Diggs
Duncan, Oreg.
Hébert
Hightower
Hinshaw
Howard
Metcalfe
Michel
Milford
Mills
Mollohan
Morgan
O'Neill
Price
Rhodes
Roberts
Roncalio
Shriver
Teague
Wilson, Bob
Wirth

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. DAN DANIEL

Mr. DAN DANIEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Dan Daniel: Page 2, line 1, immediately after "Vietnam" and their families insert: "and who prior to such flight had performed unique services of vital importance to the furtherance of American interests".

Mr. DAN DANIEL. Mr. Chairman, I can understand the desire of any and all South Vietnamese who wished to leave that land. I am aware, as well, of the very real concern on the part of many Americans at the prospect that large numbers of South Vietnamese may soon be competing for what few jobs there are available in our present economy.

And further, if press reports are to be believed, there are many among the refugees whose recent pasts can best be described as unsavory.

On the other hand, there is one group of South Vietnamese and Cambodians to which this country has a real debt. These are the people who have served the U.S. interests in Southeast Asia and who have performed services the nature of which would place their lives or their freedom in jeopardy.

Agencies of the U.S. Government know who these people are. And they know the debt which is owed to them. These people stood by us when we needed them. We can do no less in return.

Mr. EILBERG. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Was it the gentleman's intention when he presented his amendment to withdraw his amendment at this time? It was my impression it was his intention to do that at this time.

Mr. DAN DANIEL. It is my intention not to ask for a vote on the amendment.

Mr. EILBERG. I say that for the enlightenment of the Chair and the Members.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia (Mr. Dan Daniel).

The amendment was rejected.

The CHAIRMAN. Are there further amendments to the bill? If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. McFall) having assumed the chair, Mr. Udall, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6755) to enable the United States to render assistance to, or in behalf of, certain migrants and refugees, pursuant to House Resolution 461, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

Mr. EILBERG. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 381, nays 31, answered "present" 5, not voting 16, as follows:

[Roll No. 210]

YEAS—381

Abdnor
Abzug
Adams
Addabbo
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Mass.
Burlison, Mo.
Burton, Phillip
Butler
Byron
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Conable
Conlan
Conte
Cornell
Cotter
Coughlin
Crane

D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey
Downing
Drinan
du Pont
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fulton
Fuqua
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Hastings
Hayes, Ind.
Hays, Ohio
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Holland
Holt
Holtzman
Horton
Howe
Hubbard
Hughes
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Meeds
Melcher
Meyner
Mezvinsky
Michel
Mikva
Miller, Calif.
Mineta
Minish
Mink
Mitchell, N.Y.
Moakley
Moffett
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
O'Brien
O'Hara
O'Neill
Oberstar
Obey
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Rinaldo
Risenhoover
Robinson
Rodino
Roe
Rogers
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—31

Andrews, N.C.
Bevill
Brooks
Burleson, Tex.
Carney
Clay
Collins, Tex.
Conyers
Dent
Duncan, Tenn.
Gaydos
Haley
Harsha
Hawkins
Hechler, W. Va.
Hefner
Hungate
Jenrette
Jones, N.C.
Lujan
Miller, Ohio
Mitchell, Md.
Montgomery
Mottl
Randall
Runnels
Shipley
Shuster
Snyder
Stokes
Traxler

ANSWERED "PRESENT"—5

Burke, Calif.
Burton, John
Collins, Ill.
Ford, Tenn.
Riegle

NOT VOTING—16

Alexander
Barrett
Burke, Fla.
Corman
Hébert
Hightower
Hinshaw
Howard
Metcalfe
Milford
Mills
Mollohan
Patman, Tex.
Roberts
Roncalio
Shriver

So the bill was passed.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Shriver.
Mr. Barrett with Mr. Metcalfe.
Mr. Alexander with Mr. Milford.
Mr. Howard with Mr. Roncalio.
Mr. Mollohan with Mr. Burke of Florida.
Mr. Corman with Mr. Roberts.
Mr. Hightower with Mr. Patman.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. EILBERG. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 6755 just passed.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON ENERGY RESEARCH, DEVELOPMENT, AND DEMONSTRATION OF COMMITTEE ON SCIENCE AND TECHNOLOGY TO SIT TOMORROW, MAY 15, 1975, WHILE THE HOUSE IS IN SESSION

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Subcommittee on Energy Research, Development, and Demonstration of the Committee on Science and Technology may sit on Thursday, May 15, 1975, while the House is in session.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

SPECIAL APPROPRIATIONS FOR ASSISTANCE TO REFUGEES FROM CAMBODIA AND VIETNAM

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 462 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 462

> *Resolved*, That upon the adoption of this resolution it shall be in order to move, clause 2(1)(6) of rule XI and clause 7 of rule XXI to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6894) making appropriations for special assistance to refugees from Cambodia and Vietnam for the fiscal year ending June 30, 1975, and for other purposes, and all points of order against said bill for failure to comply with the provisions of clause 2, rule XXI are hereby waived.

The SPEAKER. The gentleman from California (Mr. Sisk) is recognized for 1 hour.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois (Mr. Anderson), pending which I yield myself such time as I may consume.

Mr. Speaker, a reading of the resolution makes it clear that this is a waiver of points of order to make it possible to consider an appropriation bill tonight.

I urge the adoption of the resolution, and I reserve the balance of my time.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this resolution waives two clauses of House Rule XXI. It waives clause 2 which prohibits appropriations for matters not previously authorized; and it waives clause 7 which is the 3-day rule for Appropriations Committee hearings and reports. Again this is a matter of two emergency waivers. Before final action is taken on this appropriation bill for refugee assistance, we will have taken action on the refugee authorization. The resolution also waives clause 2(1)(G) of rule XI.

I earlier commended the House Judiciary Committee on its thorough yet expeditious reporting of the authorization request; and I now wish to extend that commendation to the Appropriations Committee. We have demonstrated in these two bills that we can act quickly and responsibly in a genuine emergency, and the current refugee situation certainly qualifies under that heading.

Mr. Speaker, the legislation which this rule makes in order appropriates $305 million for the relocation and resettlement of Indochina refugees through June 30, 1976, and another $100 million in assistance for refugees in the United States. As has already been made clear during discussion of the authorization, these funds are urgently needed to break the current bottleneck at the various refugee centers and assist private and public agencies with the resettlement process and related services. Mr. Speaker, while the administration had originally requested $507 million, this was based on an estimate of 150,000 refugees. The actual number now stands at around 115,000, and thus this reduction of $102 million tends to reflect needs based on these most recent figures. The President's Director of the Interagency Task Force on Refugees, L. Dean Brown, has termed this bill, "a solid endorsement of the President's request," and he went on to say, "We will work with this, and if it does not work, we will come back for more."

Mr. Speaker, I think the major concern of many Americans has been the potential impact of such a large influx

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of refugees on an already strained economy. But the fact is that of the 115,000 refugees, about 60 percent are children, some 20,000 have American sponsors, and only about 30,000 are heads of households and thus potential job seekers. Early profiles indicate that the majority of these are highly skilled and educated and can be absorbed easily into our labor force. We are all aware of the fact that when the French were defeated at Dienbienphu and Vietnam was partioned, some 700,000 Vietnamese fled from the north to the south. What is little noted is the fact that 60,000 migrated to France and most were easily absorbed into that society. If France, which is one-fourth the population of the United States, can absorb half the number of refugees now at our doors, I am confident that this great "melting pot" can handle the refugee challenge without serious discomfort or dislocation. We owe it to ourselves and our heritage as a Nation of immigrants and the land of the free to open our doors and welcome these new immigrants.

Mr. SISK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. MAHON. Mr. Speaker, pursuant to the rule just granted, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6894) making appropriations for special assistance to refugees from Cambodia and Vietnam for the fiscal year ending June 30, 1975, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 1 hour, the time to be equally divided and controlled by the gentleman from Michigan (Mr. Cederberg) and myself.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. Mahon).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6894), with Mr. Meeds in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Pursuant to the unanimous-consent agreement, the gentleman from Texas (Mr. Mahon) will be recognized for 30 minutes, and the gentleman from Michigan (Mr. Cederberg) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas (Mr. Mahon).

Mr. MAHON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I shall at the proper time ask unanimous consent for all Members to revise and extend their remarks in connection with this bill providing appropriations for Vietnam and Cambodian refugees.

Mr. Chairman, I think if we will proceed expeditiously, we can dispose of this bill rather quickly, and then we would hope to agree to the conference report on the jobs bill, which has been pending since about March 12.

Mr. Chairman, I would like to say that in view of the fact that we have just had lengthy debate on the authorization bill for aid to refugees, it should not be necessary to have similar debate now on the appropriation bill. I think most Members who wanted to speak on this legislation have already expressed their views. Therefore, I am hoping that we can move along rather expeditiously.

Let me say to the House that in handling a bill of this nature in the Committee on Appropriations, we utilize the subcommittees of the Appropriations Committee. The hearings and markup on this bill were conducted by the Subcommittee on Foreign Operations chaired by the gentleman from Louisiana (Mr. Passman).

I am not going to undertake to discuss the bill at this time. I will later insert certain of my remarks in the Record, but I yield now to the distinguished and able chairman of the subcommittee, the gentleman from Louisiana (Mr. Passman) to explain the bill.

Under leave to revise and extend I am inserting the following remarks which more fully explain my position on this bill:

Mr. Chairman, the bill before us would provide $405 million for emergency and temporary assistance to refugees from Cambodia and Vietnam. This amount is $102 million less than that requested by President Ford on May 6, 1975.

The Appropriations Committee is recommending this reduction because of the uncertainties about the actual number of refugees that will settle in this country and what amount of financial assistance over what time period will be required for them.

The Appropriations Committee plans to monitor very carefully the refugee program, and in fact, I am directing the committee investigative staff to conduct an investigation of the refugee activities and particularly the nature of the refugees who are entering this country, their skills, and financial resources.

Additionally, Mr. Chairman, I would like to stress my hope that every effort will be made by the administration to settle these refugees throughout the Nation and to insure that no intensive refugee population concentration will occur in any part of the country, as happened during the Cuban refugee program.

It is my hope that these refugees can be assimiliated into the mainstream of American life very quickly and that this program can be of short duration.

Mr. Chairman, we have just had extensive debate on the authorization bill and many of the issues that were discussed then are applicable now also.

I am hopeful that we can quickly move to a vote on this bill.

Mr. PASSMAN. Mr. Chairman. I shall not take too much time on this bill because all the issues were discussed in connection with the authorizing legislation which we just adopted a few minutes ago.

Mr. Chairman, this bill provides for a total of $405 million for assistance to refugees from Cambodia and South Vietnam. This amount is $102 million less than that requested by President Ford on May 6 and also $102 million less than the amount we authorized just a few moments ago.

In making this appropriation, the committee affirms its belief that this Nation has a responsibility to provide emergency temporary assistance to these refugees, in keeping with its historical tradition of helping those who seek the shelter of the United States because of political or religious persecution.

In making the funding recommendations contained in this bill, the committee wants to make it clear that at this time it is impossible to determine how many refugees will finally be processed, or the actual per-capita cost that will be involved in this refugee operation.

Because of the current fluid situation and the lack of availability of hard figures at this time, the committee felt that Congress should move cautiously in this area until the situation begins to stabilze.

The appropriation is divided into two different categories, one category is under the Department of State, and the other is under the Department of Health, Education, and Welfare.

The committee recommends an appropriation of $305 million for the Department of State item, a reduction of $77 million below the budget request of $382 million. We made this reduction because we felt that the per-capita costs of taking care of the refugees were just a little high and because the Number of refugees requiring aid was not fully known at this time.

Some of these programs will require major obligations to be made early in the year and if those amounts are reduced too drastically there is a possibility the refugees will have to be held at the staging areas longer.

Under the Department of Health, Education, and Welfare item, they asked for $125 million and we recommend $100 million, a reduction of $25 million.

I can assure the Members, Mr. Chairman, that this is a very tight bill and I believe this is the very minimum by which we can handle the refugees.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

I would like to address a question to whoever feels equipped to answer it on the other side. In title II, section 201, there is a general provision which prohibits any aid under this bill from going to the present government in Vietnam, North or South. The question I have is, Does this imply in some way that these funds are to be used in any manner within the area of Vietnam? It was my impression in the debate on the authorizing

bill which we just heard that these funds are only to be used in the United States or for bringing refugees from the staging areas.

Mr. PASSMAN. If the gentleman will yield, that is correct. We have a provision in the bill prohibiting the funds from being used elsewhere.

Mr. BAUMAN. If the gentleman will yield further, none of these funds will be used in Vietnam?

Mr. PASSMAN. Absolutely not. None of these funds can be spent in Vietnam.

Mr. BAUMAN. I thank the gentleman.

Mr. CONTE. Mr. Chairman, prior to coming to Congress as a State Senator, I also was a trial lawyer, and I learned very early in my legal career that many cases were lost by talking after the case was won.

Mr. Chairman, I rise in support of this bill to appropriate $405 million for assistance to Cambodian and Vietnamese refugees.

This money is divided into two categories: $305 million for the State Department to cover movement and resettlement costs, and $100 million to HEW for medical and social services to refugees moving to the United States.

The bill prohibits the use of these funds by North Vietnam or the provisional revolutionary government in Saigon, and also bars aid to these governments by international organizations or voluntary groups using funds under this Act.

The committee has cut $108 million from the President's request in this bill. We found in the testimony before our committee that a great deal of uncertainty is associated with the actual number of refugees that will finally stay in this country and the extent to which the refugees will actually need Federal assistance.

In accord with the spirit in which we recently authorized these funds, we must be generous in approving the funds needed to implement the refugee assistance program. We reduced the President's request with the understanding that if the actual cost of the program is greater than expected, the appropriation might be adjusted at a later date.

But by the same token, it would be inappropriate to reduce the level of funding contained in this bill. A large portion of the funds provided are for one-time, startup expenses within the staging areas and rehabilitation centers. Funds are also needed for transportation from the staging areas to these centers, and on to the refugees new homes.

A reduction in this appropriation could slow down the entire relocation process and for that reason I urge against such an action.

It is not expected that these refugees will be a burden upon American society. Every effort is being made, in cooperation with appropriate volunteer agencies, to relocate refugees as widely as possible. in order to prevent the evolution of refugee enclaves. We hope to avoid the kinds of impact problems associated, for example, with the settlement of the vast majority of Cuban refugees in the State of Florida.

The number of heads of household who will be seeking employment amounts to about 35,000, or less than 0.1 percent of our present work force. Every effort will be made to avoid resettling refugees in high unemployment areas.

A preliminary survey of the refugees shows that over 50 percent were professionals, skilled workers, clerical workers, and journalists. There was practically no illiteracy. Almost 70 percent of the first group of heads of household spoke English already.

Many of the people who were evacuated were employees of American contractors and businesses in Vietnam. Others have American friends and relatives.

What I am trying to show, Mr. Chairman, is that these people will not be a burden. They will be productive members of American society. They are grateful for the relocation assistance being provided, but they are ready to make their own way.

Questions have been raised about the resources of some of the refugees. The information we received shows that very few people were able to bring out any significant resources. But those who are able to pay are providing their own transportation to their new homes.

Mr. Chairman, the money provided in this bill is intended to cover the next 14 months. For those concerned about the amount, I would simply like to point out that we were spending this much money each week during the height of the Vietnamese war.

The least we can do is provide the means for these people to establish new lives for themselves, and I urge the adoption of this bill.

Mr. SIKES. Mr. Chairman, the need for funds for the refugee program is quite clear. The Vietnamese and Cambodian refugees are in our country because they had no where else to go. They fled from communism—some because of fear for their lives; others because they simply did not want to live under a Communist form of government. Most of them were our friends and active supporters during the war in Indochina. Their situation is a tragic one and we cannot turn our backs on them now.

I realize there has been hostility by some toward the refugees. Much of this is due to the fact that the public did not realize what is proposed. The refugees are being processed at three staging areas and moved out as quickly as possible to areas where they will be settled permanently under sponsorship of friends, relatives, or charitable organizations. There they will expect to use their skills and to begin a new life in America. They will be distributed as widely as possible in order to avoid too great an impact on any one part of the Nation.

Some of the apprehension which first was felt about the refugees was that they would be released indiscriminately in the staging areas to compete for jobs, to complicate educational and other problems, and to present difficulties associated with a major influx of people of a different culture and customs. This is not the case. These in the staging areas can leave only under the sponsorship of local citizens for limited times. They are not indiscriminately seeking jobs. Most of them have shown appreciation for a chance at a new life. Their attitude and example have generally been above reproach.

Whatever problems may be encountered, we cannot avoid the responsibility entailed. We must help these unfortunates who no longer have a country and who hope to begin a new life in this land of freedom and opportunity.

Mr. ADDABBO. Mr. Chairman, I wish to add my voice to those here in the House today who have spoken in support of the bill we have before us, which would provide humanitarian aid to the refugees from Cambodia and South Vietnam.

I was not an ardent supporter of this Nation's policies in Southeast Asia, and I am convinced in my mind that the final result of these policies was predestined long ago. But whichever of us were right or whichever were wrong, that is not the question we face in this Nation today. Yet, I believe it plays a part of the antagonism that has arisen to face the refugees.

Our people were lied to and deceived by their leaders about Vietnam and Cambodia, not once but many times. And when the truth emerged as it has so slowly but surely, many of our people were hurt and angry. And it is perhaps natural they have turned their frustrations on those people for which so many American lives were shed.

Our people today are worried about many things. They worry about their jobs and their homes, their educational systems and how to live at peace and in harmony with their neighbors of differing creeds and colors. They worry about crime and high taxes, and they see cities and States at the verge of collapse, and they wonder if the system will work any longer. In international affairs, we are reaping the grim harvests of years of miscalculation in many areas. Our people see bleakness whichever way they turn, and so they are as fearful as they are frustrated.

There is no denying the bitterness that exists, and there is little likelihood that what we in Government do and say here today will make it disappear overnight.

But I am convinced, as much as I am convinced that this Nation has decades and generations ahead of it filled with the potential for greatness, that our people will set aside their own fears, their own frustrations and their bitterness, and aid these newcomers among us.

The CHAIRMAN. If there are no further requests for time, the Clerk will read.

The Clerk read as follows:

TITLE I

DEPARTMENT OF STATE

Other

SPECIAL ASSISTANCE TO REFUGEES FROM CAMBODIA AND VIETNAM

For necessary expenses, not otherwise provided for, for the relocation and resettlement of refugees from Cambodia and Vietnam,

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$305,000,000, to remain available until June 30, 1976.

AMENDMENT OFFERED BY MR. ROUSH

Mr. ROUSH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Roush: Page 2, line 8, after the word "Vietnam", strike out "$305,000,000" and insert "$264,219,750".

Mr. ROUSH. Mr. Chairman, I recognize the restlessness of the House at this hour. The vote on the authorizing legislation shows overwhelming support for the refugee program, as I believe it should. I would like, Mr. Chairman, just to reread a sentence which was read during the debate on the authorizing legislation. It states this:

> Because of the current fluid situation and the lack of availability of hard figures at this time, the committee felt Congress should move cautiously in this area until the situation begins to stabilize.

I would repeat that this is emergency legislation and we should move cautiously. Mr. Chairman, there are certain facts we know, and the legislation before us is not based on those facts. My amendment is. I want to emphasize that this is not an antirefugee amendment—not at all. The figures I am presenting have not been just taken out of a hat somewhere, but are based on logic.

Mr. Chairman, I had a Member, a colleague, comment on the fact that I had offered this amendment in committee and it was defeated. He said:

> Roush, the trouble is you based it on logic, and this Congress is not going to do anything that is logical.

I am going here today to do something that is very logical. Let me turn to the figures I am presenting. If the Members would take their reports and would refer to the bottom of page 2, they would find that under title I there are four different categories of assistance that are being contemplated by this title of the bill. They will see some of the figures.

Let me point out, for example, in the No. 1 category, $15 per day for 30 days, 150,000 people in staging areas; $15 per day for 60 days, 130,000 people at processing centers, which includes food, utilities, medical care, et cetera. These figures are exaggerated. This is what I have done. I have called the Department of State. Day before yesterday they gave me a figure of 115,237 refugees now under our control.

I called yesterday and that figure stood firm. I called today and that figure stands firm. So what we are dealing with is 115,237 people. I have rounded that to 115,250 people. To arrive at a figure for the first 30 days the refugees are under our control I have subtracted from the 115,250 people, 14,700 who have already been processed. Using that figure at $12.50 per person per day for the first 30 days, I come to a figure of $37,687,500.

Turning to the additional 60 days, that is on top of the 30 days, the testimony, and I sit on this subcommittee, showed there were 12,000 of these people who are dependents of Americans. There are 8,000 who have sponsors. Those people will not be there for more than 30 days, so I subtract 20,000 from the 115,250, leaving 95,250 who will need assistance. Again instead of using $15 per day per person, I use $12.50 and arrive at a figure of $71,437,500. The total result is that instead of having, as the President requested, $185 million, I arrive at a figure of $109,125,000. The committee had a figure of $155 million in this category.

Let us turn to the second category, which is the airlift. The chairman said we have to move these people out of the camps in which they are now located. My computation is using the figure of $439 per person, not $530 because testimony showed it was cheaper to send these people commercially than by military aircraft. Using that figure of $439 per person who would be airlifted, and multiplying that times the entire amount under our control, we come up with a figure of $50,594,750.

They have added $30 million to that because they say that is needed to transport materiel. Since the figure of 130,000 refugees is reduced by 8 percent, I reduce that $30 million by approximately 8 percent, and I have a figure of $27,500,000. Adding this to the $50,594,750 I get in that particular category a figure of $78,094,750.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

(By unanimous consent, Mr. Roush was allowed to proceed for 3 additional minutes.)

Mr. ROUSH. Mr. Chairman, we come to the resettlement costs. What I have done here is take away from the figure which I have come to of 115,250 persons, the 12,000 American dependents, and I came up with a figure of 103,250. Using the dependents figure of $600 per person for resettlement, I come up with a figure of $62 million.

I accept the committee's figure on the movement of refugees to third countries, of $15 million. I come up therefore, Mr. Chairman, with a figure of $264,219,750. Now that makes sense.

We have been hearing a great deal of talk about appropriating prudently here. I do not believe in this emergency legislation that we should appropriate beyond the facts as they exist right now. Therefore, Mr. Chairman, I respectfully submit that my figures are based upon logic and upon fact, and knowing this House to be filled with logic and reason I appeal to the House to accept my amendment.

Mr. PASSMAN. Mr. Chairman, I rise in opposition to the amendment.

Members may recall that 40 minutes ago we had an amendment reducing the amount and it was voted down. Less than 30 minutes ago this House passed by a vote of 381 to 31 an authorization for $507 million. This subcommittee has already reduced this item down to $405 million; a reduction of $102 million below the request.

Most of the money contained in this section where the amendment is offered would be spent within the next 90 days.

This is the very minimum by which this program can be financed and keep the refugee movement going forward. I certainly plan to keep the House informed on the expenditure of these funds and I am sure the legislative committees plan to monitor this program very closely also.

We could tie these people up in staging centers if we accept this amendment.

Now, within the last few minutes, I have been informed that already the number of refugees have increased over the day before.

I believe this is a very minimum by which this program can be funded and I certainly try not to ever mislead the membership.

Mr. ROUSH. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Indiana.

Mr. ROUSH. Mr. Chairman, the chairman has referred to transporting these refugees from the camps. I would point out in contemplating my amendment that I used a figure beyond that of the committee. The committee accepted a figure of $65 million. Under my amendment, I take a figure of $78 million. I think I am being more considerate in trying to get these people moved from camp to camp than is the chairman.

Mr. PASSMAN. We voted down the gentleman's amendment in the full committee and I believe the reasons are even stronger today to again vote this amendment down.

Mr. Chairman, I would like to yield to the very able and valuable member of the Foreign Operations Subcommittee, the gentleman from Maryland (Mr. Long).

Mr. LONG of Maryland. Mr. Chairman, I thank the gentleman from Louisiana for yielding. I voted for the Roush amendment yesterday and since that time new information has transpired to alter my position. There are apparently more people involved in this than we were informed yesterday.

In addition to that, it must be noted that none of this money will be wasted. It will not go to the refugees if there is an excess. It will be spent on the various services that will be handling this; if there is any money left over, it will be returned to the Treasury.

Basically this is conscience money. The American people feel pretty badly about what has been happening in Southeast Asia. There is an overwhelming feeling that we do not want to put on any image of parsimony. We want to give the appearance of generosity.

I oppose the Roush amendment.

Mr. PASSMAN. Mr. Chairman, I yield back the balance of my time.

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words.

I rise in opposition to the amendment.

Mr. Chairman, I yield to the gentleman from California (Mr. Mineta).

Mr. MINETA. Mr. Chairman, I wonder whether it is the intent of Congress that the Federal Government would retain 100 percent of the cost of relocation, health, education, and welfare and employment services in terms of costs of the refugees?

Mr. PASSMAN. That is absolutely correct.

Mr. CONTE. Regular order, Mr. Chairman.

The CHAIRMAN. The gentleman from Massachusetts (Mr. Conte) has the floor.

Mr. PASSMAN. I am very sorry. I apologize.

Mr. CONTE. Mr. Chairman, I yield to the gentleman from California.

Mr. MINETA. It is also the intent of the committee that this money is not to be used for reimbursement to the Department of Defense?

Mr. CONTE. There may be some reimbursement there of money that has already been spent. There are two categories of assistance in this bill. The one, which the amendment offered by the gentleman from Indiana is trying to cut down is for reimbursement to the Defense Department for transportation and daily maintenance costs. Some of which has already been spent. Then there is the special assistance program of $100 million, which is for public health, welfare and social services, Medicaid, and bilingual and vocational training. That will be directly reimbursed to the States.

Mr. MINETA. I thank the gentleman.

Mr. CONTE. Mr. Chairman, this $77 million in this account is excessive, but it should be clear that there is insufficient data at this point to give a really good estimate on how many refugees are coming in. We had some 15,000 coming in. There are possibly 7,000 or 8,000 people in Singapore; 5,000 in Hong Kong; and there are other boats in Taiwan, Japan, and elsewhere where there are refugees that may be coming in. There are small clots of people all over the world who have escaped in one way or another, mainly by sea, that may be coming in. The committee has already made some reduction in this item, and it would be a serious mistake to reduce it further.

Further reductions could only slow down the process of getting these people relocated as soon as possible and I urge my colleagues to defeat this amendment.

(By unanimous consent Mr. Downing of Virginia was allowed to speak out of order.)

LATEST NEWS BULLETIN ON U.S.S. "MAYAGUEZ"

Mr. DOWNING of Virginia. Mr. Chairman, this bulletin just came over the UPI Bangkok:

> Radio Phnom Penh said Thursday the Khmer Rouge will release the U.S. merchant ship *Mayaguez*, seized by the Cambodian Communists earlier this week.
>
> The announcement was made in a 19-minute communique read over radio Phnom Penh by Information Minister Defense Minister Hu Nim, in what was the first public reference by the Cambodian Communists to the seizure of the *Mayaguez* since it was captured on Monday.
>
> "Our RGNUC (Royal Government of National Union in Cambodia) will order the *Mayaguez* to withdraw from Cambodian territorial waters and will warn it against further espionage or provocative activities," Hu Nim said.
>
> "This applies to the *Mayaguez* or any other ships, like the ship flying the Panamanian flag which was released on May 9."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana (Mr. Roush).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. ROUSH. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

SOCIAL AND REHABILITATION SERVICE

SPECIAL ASSISTANCE TO REFUGEES FROM CAMBODIA AND VIETNAM IN THE UNITED STATES

For assistance to refugees from Cambodia and Vietnam in the United States, to remain available for obligation through June 30, 1976, $100,000,000.

AMENDMENT OFFERED BY MR. COUGHLIN

Mr. COUGHLIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Coughlin: Page 2, strike out lines 15 through 17 and insert in lieu thereof the following:
>
> "For assistance to refugees from Cambodia and Vietnam in the United States, to remain available for obligation through June 30, 1976, $100,000,000, provided, that none of the funds appropriated under this paragraph shall be obligated or expended for payments or services for which such refugees would be eligible and that are funded under existing federal programs."

Mr. COUGHLIN. Mr. Chairman, there is a right way to do things and there is a wrong way to do things. What my amendment does is to say that once these refugees have come to this country; once they have been transported here; once they have been part of our society, that they will be integrated into our society under existing Federal programs and will not be the subject of special new categorical programs.

This amendment does not apply to the so-called front end funds that bring the refugees here for resettlement.

All my amendment says is that if these refugees, once resettled, require services provided for by existing programs for which they are eligible, these services will be provided by existing programs and not by a new program. It would not change the amount of money appropriated. It would have nothing to do with funding front-end transportation for refugees here. It would only say that if there were existing programs, it would fund them under those programs.

There are a couple of very good reasons why this is the right way to do it and not the wrong way to do it.

First, a new categorical program means a new bureaucracy downtown—and the Members know that and I know that—to administer that program. And, second, while the authorization only applies for 2 years, we all know—the Members know and I know—how difficult it is to discontinue a program once we have started it.

Why should we create a special category for Vietnamese refugees? We absorbed 80,000 Hungarian refugees through our normal social services. We absorbed 450,000 displaced persons through the same method and 189,000 Eastern Europeans through the same method. And each year—each and every year—we absorb into this country over 400,000 immigrants through our existing Federal programs. The only other special program we have is the Cuban refugee program, and that was developed because those refugees impacted on a particular part of this country.

These refugees, we have been assured, and by contract with the agencies who are going to resettle them, will be dispersed throughout the United States, and they can well fit into our existing programs.

It is agreed that the use of existing programs means that the States will have to contribute part of the services provided for such things as welfare and medicaid and vocational and bilingual education, but just as they did, just as the States did, for the Hungarians and the Eastern Europeans and the displaced persons.

Surely, with this limited number of immigrants, the States can absorb this. It seems to me this is the right way.

We talk about proliferation of categorical programs in this country, proliferation of new programs. Here is a way to stop it. Here is a way not to start a new program that we will have a hard time unwinding.

Mr. DEVINE. Mr. Chairman, will the gentleman yield?

Mr. COUGHLIN. I will be glad to yield to the gentleman.

Mr. DEVINE. I thank the gentleman for yielding.

I rise in support of the gentleman's amendment. I agree that we have too many agencies downtown now, and we all know they have a way of going on in perpetuity and not a temporary thing.

I intend to support the gentleman's amendment.

Mr. COUGHLIN. I thank the gentleman for his remarks.

I will just remind the Members to think of the howls of protest that will come from their individual States 2 years from now if we try to discontinue this program. It is just one more program that we do not need, because it can be handled under existing programs.

Mr. PASSMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment. It is just this simple: If the Members want the Federal Government to pay the full cost, vote against the amendment. If the Members want the States to assume part of the cost, vote for the amendment.

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment of the gentleman from Pennsylvania.

It would be a mistake not to provide 100-percent reimbursement to the States and localities for expenses incurred in connection with the refugee program.

Many cities and States are in serious financial condition.

In my own State of Massachusetts, the Governor is making substantial reductions in State expenditures for health, education, and other vital social welfare programs.

The Federal Government should not further strain the resources of our States with the Vietnamese refugees.

The Vietnamese war was an enterprise of the Federal Government, and a seriously misguided one. By the same token, the Vietnamese evacuation was a Federal enterprise, and a worthwhile, charitable one. But the charitable instincts of a nation should not have their costs borne by the States and localities.

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If everyone's intentions prove true, and there is no particular impact of these refugees on a specific State or part of the country, then the program will not be continued. In most cases those refugees in need will be eligible for existing programs such as SSI and medicaid, and they can be paid for under the regular Federal-State maching grant formula.

But until we determine what the impact is going to be on different parts of the country, we should fund this program on a 100-percent Federal reimbursable basis.

We need to get better estimates of the needs of these refugees and the demands which they will place on State and local resources. For that reason, Mr. Chairman, I urge the defeat of this amendment.

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. CONTE. Yes, I yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Chairman, I cannot imagine that the States would have less humanitarian instinct than this great body, because I would think that they would feel some obligation themselves to help out in this proposition.

Mr. CONTE. Mr. Chairman, let me ask the gentleman this: Who was it that got us into this mess? Was it the 50 individual States or was it the Federal Government that got us into the war in Vietnam? Why should the gentleman now say to the States that they should pick up the tab for the Vietnamese refugees?

Mr. Chairman, this amendment should be soundly defeated.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I agree with the gentleman in the well. I think the best way we can get this conflict behind us as soon as possible is to quit talking about it.

If we are going to pass amendments like this, we are going to have a dispute going on between the States and the Federal Government.

We can help prevent that by voting against this amendment.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, I would like to associate myself with the remarks of the gentleman in the well.

I think that if there is any obligation here at all, it is on the part of the Federal Government and certainly not the States.

Mr. Chairman, I urge that the amendment be soundly defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. COUGHLIN).

The question was taken; and on a division (demanded by Mr. COUGHLIN) there were—ayes 9, noes 49.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk concluded the reading of the bill.

Mr. MAHON. Mr. Chairman, I move that the committee do now rise and report the bill back to the House without amendment and with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the Chair, Mr. MEEDS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 6894) making appropriations for special assistance to refugees from Cambodia and Vietnam for the fiscal year ending June 30, 1975, and for other purposes, pursuant to House Resolution 462, he reported the bill back to the House with the recommendation that the bill do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed, and that the gentleman from Louisiana (Mr. PASSMAN) and myself may include extraneous materials.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CONFERENCE REPORT ON H.R. 4481, EMERGENCY EMPLOYMENT APPROPRIATIONS FOR THE FISCAL YEAR ENDING JUNE 30, 1975

Mr. MAHON. Mr. Speaker, pursuant to the order of the House on yesterday, I call up the conference report on the bill (H.R. 4481) making emergency employment appropriations for the fiscal year ending June 30, 1975, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of May 12, 1975.)

Mr. MAHON (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement of the managers be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAHON. Mr. Speaker, we bring before the House today the conference report on the emergency employment appropriation bill. This is a unique appropriation measure designed to provide for the emergency acceleration of existing Federal programs and projects in order to help increase employment opportunities throughout the Nation.

The funds in the bill represent a blend of two approaches to the unemployment problem—funding of programs such as public service employment to directly create jobs and funding of accelerated Federal building and purchase of automobiles for Government use, further development of the Nation's recreational and public land resources and other similar programs.

CONFERENCE SUMMARY

The conference agreement being presented today represents a compromise total of $5,306,508,000 for emergency employment activities. This is $635,128,000 less than the House bill and $776,139,000 less than the Senate bill. The total excludes $700 million contained in the Senate bill for rail transportation improvement and employment. A motion will be offered that the House insist on its disagreement to the Senate amendment providing for this unauthorized program. The $5.3 billion total includes $485 million for direct and insured loans and $92,362,000 for liquidation of contract authority.

GROWING UNEMPLOYMENT

Mr. Speaker, last year at this time the unemployment rate was 5 percent. By the end of October the figure had crept to 6.

When the 94th Congress convened, the unemployment rate stood at 7.2 percent and indications were that the situation would continue to deteriorate. By the end of January, unemployment had jumped a full percentage point to 8.2 percent.

During the period of late February and early March, the Committee on Appropriations, through its subcommittees and with the participation of most of the members of the committee, mobilized an intensive effort to identify existing Federal programs where additional funding could immediately be applied to create additional jobs.

On March 12, the House passed the emergency employment appropriations bill by a vote of 313 to 113. The Senate passed the bill on April 25 with 62 amendments. On this Monday the conferees finished their deliberations and the conference report was filed that evening—the day before yesterday.

Mr. Speaker, the unemployment rate is now 8.9 percent, the largest figure since the great depression of the 1930's. The thrust of this bill is to accelerate existing Federal programs, activities and projects which will immediately provide jobs. The bill does not undertake large new Federal programs which could not and would not impact on the economy in a timely fashion. The bill has the potential of helping to alleviate unemployment without establishing large, costly new programs which would have an impact in the future when hopefully the economy is on the upturn and which would probably be virtually uncontrollable once started.

BILL HIGHLIGHTS

Mr. Speaker, the conference total being presented to the House today is some $635 million less than the bill which passed the House. This is a net figure and is more than accounted for by the decrease of $800 million in funds for the Postal Service.

The total is some $776 million under the bill as passed by the other body. Again, this is a net figure but it is largely accounted for by $700 million for the unauthorized program of rail transportation improvements to which I have referred.

Without mentioning every item in the bill, I wish to identify the major features contained in the conference agreement. The bill includes:

$1,625 million for public service jobs.

$375 million to fully fund the job opportunities program of the Economic Development Administration.

$102,625,000 for economic development assistance and regional action planning.

$325,425,000 for the acceleration of projects under the Corps of Engineers and the Bureau of Reclamation.

$385 million for the loan programs of the Small Business Administration.

$73 million for the purchase of vehicles by the General Services Administration and the Treasury Department.

$159,965,000 in appropriations and $84 million for liquidation of contract authority in the Department of the Interior and the Forest Service for such activities as reforestation and timber stand improvement, fire prevention, habitat fencing, erosion control, hatchery improvements, and the construction and improvement of roads and trails and recreation facilities.

$70,755,000 for necessary improvements to facilities of the Veterans' Administration, including hospitals and medical facilities.

$106 million to accelerate construction of the watershed and flood prevention operations of the Soil Conservation Service.

$440 million for the General Services Administration for the construction and needed repair, alteration, and improvement of public buildings in numerous locations across the country.

$100 million for the construction and improvement of small postal facilities across the country.

$150 million in appropriations and an increase of $300 million in the loan level for needed rural water and sewer grants.

$458,050,000 for summer youth employment.

$70 million for the work incentives program.

$30 million for community service employment, and

$119,800,000 for part-time employment under the college work-study grant program.

Mr. Speaker, I believe the recommendations of the House conferees represent a reasonable and acceptable compromise under all the circumstances and I urge adoption of the conference report.

Mr. Speaker, under leave to revise and extent my remarks, I include a summary table of the conference agreement presented to the House:

SUMMARY OF CONFERENCE ACTION ON H.R. 4481

	Budget estimates, 1975	Amounts recommended in—			Increase (+) or decrease (−), conference report compared with—		
		House bill	Senate bill	Conference report	Budget estimates, 1975	House bill	Senate bill
Chapter I—Agriculture and related agencies:							
New budget (obligational) authority		$271,250,000	$271,250,000	$271,250,000	+$271,250,000		
Direct and insured loan level		(485,000,000)	(485,000,000)	(485,000,000)	(+485,000,000)		
Chapter II—HUD and related agencies: New budget (obligational) authority		71,105,000	70,930,000	70,930,000	+70,930,000	−$175,000	
Chapter III—Interior and related agencies:							
New budget (obligational) authority		171,689,000	216,255,000	192,641,000	+192,641,000	+20,952,000	−$23,614,000
Liquidation of contract authority		(83,162,000)	(85,112,000)	(84,362,000)	(+84,362,000)	(+1,200,000)	(−750,000)
Chapter IV—Labor-Health, Education, and Welfare: New budget (obligational) authority	$2,037,700,000	2,251,500,000	2,392,100,000	2,318,150,000	+280,450,000	+66,650,000	−73,950,000
Chapter V—Public Works:							
New budget (obligational) authority		117,955,000	328,925,000	325,425,000	+325,425,000	+207,470,000	−3,500,000
Liquidation of contract authority			(8,000,000)	(8,000,000)	(+8,000,000)	(+8,000,000)	
Chapter VI—Commerce and related agencies: New budget (obligational) authority		760,000,000	968,750,000	864,375,000	+864,375,000	+104,375,000	−104,375,000
Chapter VII—Treasury, Postal Service, and related agencies: New budget (obligational) authority		1,724,975,000	551,325,000	681,375,000	+681,375,000	−1,043,600,000	+130,050,000
Chapter VIII—Transportation and related agencies: New budget (obligational) authority	5,000,000	5,000,000	705,000,000	5,000,000			−700,000,000
Total:							
New budget (obligational) authority	2,042,700,000	5,373,474,000	5,504,535,000	4,729,146,000	+2,686,446,000	−644,328,000	−775,389,000
Direct and insured loan level		(485,000,000)	(485,000,000)	(485,000,000)	(485,000,000)		
Liquidation of contract authority		(83,162,000)	(93,112,000)	(92,362,000)	(+92,362,000)	(+9,200,000)	(−750,000)
Grand total	2,042,700,000	5,941,636,000	6,082,647,000	5,306,508,000	+3,263,808,000	−635,128,000	−776,139,000

Mr. FLOOD. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Pennsylvania, the subcommittee chairman.

Mr. FLOOD. I thank the gentleman for yielding.

Mr. Speaker, chapter IV of this bill, the Labor-HEW chapter, contains a total of $2,318,150,000. This is an increase of $280,450,000 over the budget request.

For public service employment under title VI of the Comprehensive Employment and Training Act, the bill provides $1,625,000,000, the exact amount requested by the President. This amount, together with $875,000,000 for title VI that was appropriated at the end of the last Congress, would provide a total appropriation in fiscal year 1975 of $2,500,000,000.

In addition, the Congress has appropriated $400,000,000 this fiscal year for public service employment under title II of CETA. And finally, there was a carryover of public service employment funds from fiscal year 1974 to fiscal year 1975 of $600,000,000.

If you add all of these figures together, you will see that the public service employment funds in this bill, together with funds previously appropriated or available during fiscal year 1975, total about $3.5 billion.

Obviously, since it is already mid-May, virtually all of the public service jobs money in this bill would actually be spent in fiscal year 1976.

For summer youth employment, this bill contains $456,350,000, an increase of $43,650,000 over the amount requested by the President and over the House bill. This amount would provide about 840,000 job opportunities for young people this coming summer. That is an increase of about 80,000 jobs over last summer.

The conference report contains language concerning the distribution of this summer youth money, and insures that no area will receive fewer job slots than it received last summer.

The bill contains $30,000,000 for community service employment for older Americans under title IX of the Older Americans Act. This amount, together with $12,000,000 that was appropriated earlier this fiscal year, would provide a total of $42,000,000 for title IX to continue the Operation Mainstream program and the senior community service employment program. Virtually all of this money would actually be spent in fiscal year 1976.

Under "higher education," the bill includes $119,800,000 for the college work-study program. Of that amount, $60,000,000 would remain available until September 30, 1975, and the remainder would be available until June 30, 1976.

For the work incentives program, the bill includes $70,000,000, and contains language permiting the funds to be used to pay the States the Federal share of their fiscal year 1974 reported expenditures for which they were not reimbursed. It is estimated that about $5,800,000 of

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the $70,000,000 would be required to do this.

The bill contains $15,300,000 for the summer youth recreation program to be administered by the Community Services Administration. There was no budget request from the administration on this program. In addition, the bill includes $1,700,000 for the summer youth transportation program.

Finally, this chapter of the bill contains two language items which do not involve additional appropriations. The first is language authorizing the Secretary of Health, Education, and Welfare to hire and asign not to exceed 146 additional health professionals to serve in the National Health Service Corps.

The second item provides that any amounts appropriated under "Higher education" for basic opportunity grants for fiscal year 1974, which are in excess of the amount required to meet the payment schedule announced for the academic year 1974–75, shall remain available for payments under the payment schedule announced for the academic year 1975–76. The amount of money that would be carried forward to next academic year is $135,000,000.

I would like to insert a table at this point in the RECORD showing the amounts included in chapter IV of this bill.

EMERGENCY EMPLOYMENT APPROPRIATION BILL (H.R. 4481)

CHAPTER IV

Item	Budget request	House bill	Senate bill	Conference agreement
DEPARTMENT OF LABOR				
MANPOWER ADMINISTRATION				
Comprehensive manpower assistance:				
a. Summer youth employment	$412,700,000	$412,700,000	$500,000,000	$456,350,000
b. Summer youth transportation			2,300,000	1,700,000
Community service employment for older Americans		24,000,000	36,000,000	30,000,000
Temporary employment assistance:				
a. Public service employment	1,625,000,000	1,625,000,000	1,625,000,000	1,625,000,000
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE				
Office of Education:				
Higher education: a. College work-study		119,800,000	119,800,000	119,800,000
Social and Rehabilitation Service:				
Work incentives		70,000,000	70,000,000	70,000,000
RELATED AGENCIES				
Community Services Administration:				
Community services program:				
a. Summer youth recreation program			26,000,000	15,300,000
b. Emergency energy conservation services			10,000,000	
c. National summer youth sports program			3,000,000	
Total, chapter IV	2,037,700,000	2,251,500,000	2,392,100,000	2,318,150,000

Mr. MICHEL. Mr. Chairman, I yield myself 5 minutes.

Mr. Speaker, I rise in opposition to the conference report on H.R. 4481. I did not sign the conference report and there were a number of others from both bodies who did not sign the conference report. I have some hope that the House will reject it in spite of political odds which seem overwhelming. For example:

The bill passed the House 313–113.

It contained $5.9 billion in budget and loan authority, and was $5.7 billion over budget estimates considered by the House.

It was passed in the face of massive deficits, on the order of $90 billion, for fiscal years 1975–1976.

It passed in the face of determined and persuasive arguments that the bill was fiscally irresponsible, and as a method for putting people to work, was ineffective at best, and counter-productive at worst.

The unemployment situation has not improved.

The conference report is $644 million under the House bill, and $775 million under the Senate bill.

The conference report is "only" $2.7 billion over budget estimates, since budget estimates were subsequently transmitted for $2.6 billion which was unbudgeted at the time the bill passed the House.

Why, in the face of these political realities, do I urge a no vote on this conference report?

Because on May 1, this House came within 2 votes of rejecting the first concurrent resolution on the budget, which recommended a deficit of $73 billion in fiscal 1976.

Earlier today, we voted 230–193 for a conference report which recommended a deficit of $68.8 billion.

I believe these votes, where the Democratic Caucus controls a majority of 289 to 144, suggests that many Members of this House looked fiscal irresponsibility squarely in the eye, and said no.

And Members who voted for a deficit of $73 billion or $69 billion now must face the responsibility of making individual congressional actions fit within the total.

Members on both sides of that issue should vote to reject this conference report. Let me give you a bill of particulars.

First. This is not a jobs bill for the unemployed. It should be titled "The Congressional Incumbents Reemployment Act of 1976." It was conceived and carefully drawn to protect certain highly competitive jobs in the Nation's Capitol which pay approximately $42,500 a year, and which consistently have an employment rate in excess of 99 percent.

Agencies were literally asked for shopping lists, and their response showed conclusively that our bureaucracy can be responsive—when given a blank check on the American taxpayer.

Projects and programs were selected on the basis of their political benefit, and in total disregard of the level of unemployment in areas which would receive Federal funds.

Second. The bill would hinder, not stimulate, economic recovery. We in this House will learn, sooner or later, that the private sector, not the Government printing press, is the only effective source of long-term economic growth and prosperity in a free society. This bill does not create money or jobs. It simply provides for Federal borrowing, on the order of $4.7 billion, which will displace an equivalent amount of private investment and employment.

A large part of the $4.7 billion in borrowed funds will pay for nonproductive Federal employment to administer the various projects and programs in this bill, and for public service jobs, far too many of which are plain political patronage, and the sleight-of-hand reemployment of State and local employees, so that Uncle Sucker picks up the tab.

We will also learn, sooner or later, that deficit spending and inflation are prime causes of unemployment, and not politically preferable alternative policies which will put people back to work. At a given level of consumer spending, and labor productivity, employment will fall as consumer prices rise. During the past few years, increases in productivity and aggregate consumer spending have not been sufficient to offset rising consumer prices, and the result has been high unemployment, and a high rate of inflation.

For the benefit of my colleagues who do not fully appreciate how ineffective and discredited is the policy of "pump-priming", let me point out that our current condition of high unemployment and inflation persists during the current 1975 fiscal year when the Federal deficit is currently and conservatively estimated at $44.7 billion.

Third. This conference report is the first test of budget control. Today the Office of Management and Budget estimates the potential deficit for fiscal 1976, including threatened congressional action, at $98.8 billion. Today this House approved a deficit of $68.8 billion. How do we reconcile this discrepancy?

Let us start with this bill, which is a

fiscal and a legislative travesty. Jim Lynn, the Director of OMB, will recommend to the President that this bill be vetoed. I will strongly concur in that recommendation.

I urge my colleagues in this House to reject this conference report, to strike a blow for economic freedom and prosperity, and to show the American people that we reject our traditional role as the happy warriors of squandermania.

Mr. Speaker, so far as the Labor-HEW items in the bill are concerned and for which I am responsible as the ranking member on that subcommittee, Members may be interested in the following summary.

Public Service Jobs. The $1,625,000,000 in the conference report will provide 180,000 jobs on a yearly basis. The average weekly pay is $160. In contrast, the average weekly unemployment compensation payment nationwide is $50 to $60, so the same amount of funds being allocated for PSE would assist three times as many people through the unemployment compensation system.

Summer Youth Jobs and Transportation. The $458,050,000 will generate about 840,000 jobs for 9 weeks of the summer, at an average of 26 hours per week at the minimum wage of $2.10 per hour. The number of jobs is approximately 80,000 over last year.

Community Service Employment for Older Americans. The $30 million, together with the $12 million appropriated earlier, will provide about 14,000 jobs at a cost of about $3,000 each. Funds are already available for the elderly under the public employment program, under which it is estimated that 15 percent of the jobs are made available to those 45 or older. Over $200 million is also available under various administration on aging programs which are beneficial to the elderly.

At present, $20 million is available under CETA for the older workers program—Operation Mainstream—and $22 for jobs for the elderly under Labor Department programs under the Older Americans Act, for a total of $42 million.

College Work-Study. The $119,800,000 will provide part-time employment to about 250,000 students during this academic year, during the summer, and in academic year 1975–76. Of the amount, $60 million is for use immediately, and $59.8 million is to be used to increase amounts already appropriated for the next academic year.

Work Incentives. The $70 million to assist welfare recipients to obtain employment and which will continue the present program for which funds are currently being exhausted. Of the amount, $35 million is for training and employment activities.

Summer Youth Recreation. The $15.3 million would fund the program at the 1974 level. The program supplies organized activities for disadvantaged youth too young to work, and creates job opportunities for enrollees in the Summer Youth Employment program.

National Youth Sports Program. Funds for these programs were not included in the House version nor in the conference report. Conferees indicated that if moneys are allocated, it would be as part of the Second Supplemental Appropriations Bill.

And finally, Mr. Speaker, I shall include a summary table of all the items that were considered in the conference.

CONFERENCE COMMITTEE RECOMMENDATIONS ON DOLLAR AMOUNTS IN DISAGREEMENT, EMERGENCY EMPLOYMENT APPROPRIATIONS ACT, 1975

	Amounts recommended in—			Conference compared to House—House bill
	House bill	Senate bill	Conference report	
TITLE I				
Chapter I: No dollar amount in disagreement				
Chapter II: Environmental Protection Agency: Abatement control	350,000	175,000	175,000	−175,000
Chapter III:				
U.S. Fish and Wildlife Service: Construction and anadromous fish	21,496,000	24,647,000	23,066,000	+1,570,000
National Park Service:				
Planning and construction	22,100,000	29,361,000	26,880,000	+4,780,000
Road construction	(12,700,000)	(14,650,000)	(13,900,000)	(+1,200,000)
U.S. Geological Survey:				
Surveys, investigations, and research		1,500,000	750,000	+750,000
Mining enforcement safety administration, salaries and expenses		2,775,000	1,250,000	+1,250,000
Bureau of Indian Affairs: Operation of Indian programs	5,000,000	10,000,000	7,500,000	+2,500,000
Subtotal, Department of the Interior:				
New budget (obligational) authority	74,035,000	93,722,000	84,885,000	+10,850,000
(Liquidation of contract authority)	(27,162,000)	(29,112,000)	(28,362,000)	+(1,200,000)
Forest Service:				
Forest land management	56,080,000	56,580,000	56,580,000	+500,000
Construction and land acquisition	18,000,000	21,000,000	19,500,000	+1,500,000
HEW:				
Indian health facilities	12,574,000	22,453,000	17,676,000	+5,102,000
National Foundation on Arts and Humanities, salaries and expenses		5,000,000	2,500,000	+2,500,000
Total Chapter III:				
New budget (obligational) authority	171,689,000	216,255,000	192,141,000	+20,452,000
(Liquidation of contract authority)	(83,162,000)	(85,112,000)	(84,362,000)	(+1,200,000)
Chapter IV:				
Department of Labor:				
Manpower administration comprehensive manpower assistance	412,700,000	502,300,000	458,050,000	+45,340,000
Community service employment for older Americans	24,000,000	36,000,000	30,000,000	+6,000,000
Subtotal, Department of Labor	2,061,700,000	2,163,300,000	2,113,050,000	+51,350,000
Community services program		39,000,000	15,300,000	+15,300,000
Total, Chapter IV	2,251,500,000	2,392,100,000	2,318,150,000	+66,650,000
Chapter V:				
Corps of Engineers, Civil:				
Construction, general	58,055,000	226,350,000	226,350,000	+168,295,000
Flood control, Mississippi River and tributaries		25,000,000	25,000,000	+25,000,000
Operation and maintenance, general	48,000,000	22,405,000	22,405,000	−25,595,000
Subtotal, Corps of Engineers	106,055,000	273,755,000	273,755,000	+167,700,000
Bureau of Reclamation:				
Construction and rehabilitation	9,600,000	42,920,000	42,920,000	+33,320,000
Upper Colorado River storage project		2,450,000	2,450,000	+2,450,000
Colorado River basin project		2,400,000	2,400,000	+2,400,000
(Liquidation of contract authority)		(8,000,000)	(8,000,000)	(+8,000,000)
Loan program		1,600,000	1,600,000	+1,600,000
Subtotal, Bureau of Reclamation	11,900,000	55,170,000	51,670,000	+39,770,000
(Liquidation of contract authority)		(8,000,000)	(8,000,000)	(+8,000,000)
Total, Chapter V: New budget:				
(Obligational) authority	117,955,000	328,925,000	325,425,000	+207,470,000
(Liquidation of contract authority)		(8,000,000)	(8,000,000)	(+8,000,000)
Chapter VI:				
Department of Commerce:				
Economic development assistance programs		163,250,000	81,625,000	+81,625,000
Administration of economic development assistance programs		3,500,000	1,750,000	+1,750,000
Regional Action Planning Commissions		42,000,000	21,000,000	+21,000,000
Subtotal, Department of Commerce	375,000,000	583,750,000	479,375,000	+104,375,000
Total, Chapter VI	760,000,000	968,750,000	864,375,000	+104,375,000

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CONFERENCE COMMITTEE RECOMMENDATIONS ON DOLLAR AMOUNTS IN DISAGREEMENT, EMERGENCY EMPLOYMENT APPROPRIATIONS ACT, 1975—Continued

	Amounts recommended in—			Conference compared to House—House bill
	House bill	Senate bill	Conference report	
Chapter VII:				
Department of Treasury:				
Federal Law Enforcement Training Center: Salaries and expenses	3,500,000	250,000	250,000	−3,250,000
U.S. Secret Service	6,500,000	3,600,000	5,050,000	−1,450,000
Subtotal, Treasury Department	79,975,000	45,225,000	75,275,000	−4,700,000
U.S. Postal Service: Payment to the Postal Service Fund	900,000,000		100,000,000	−800,000,000
Federal Buildings Fund: Real property operations	100,000,000	75,000,000	75,000,000	−25,000,000
General Supply fund	280,000,000	66,100,000	66,100,000	−213,900,000
Subtotal, General Services Administration	745,000,000	506,100,000	506,100,000	−238,900,000
Total, Chapter VII, New budget (obligational) authority	1,724,975,000	551,325,000	681,375,000	−1,043,600,000
Chapter VIII: No dollar amount in disagreement				
Grand Total: (liquidation of contract authority)	(83,162,000)	(93,112,000)	(92,362,000)	(+9,200,000)

Mr. CEDERBERG. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Michigan.

Mr. CEDERBERG. Mr. Speaker, I associate myself with the remarks of the gentleman from Illinois. I could not in good conscience sign the conference report. I think it is highly inflationary and it will not place jobs where we want to place them.

As I said when we had the bill before us, I come from a State which has probably the highest unemployment in the whole of the United States. I have looked this bill through and I cannot find anything for my State in it. There is not anything targeted to take care of the areas of unemployment. I think as the gentleman from Illinois has properly said it is a bill for us, more than it is for those who are unemployed.

Mr. KEMP. Mr. Speaker, will the gentleman yield??

Mr. MICHEL. I yield to the gentleman from New York.

Mr. KEMP. Mr. Speaker, I appreciate the gentleman yielding.

I, too, associate myself with the gentleman's remarks.

The gentleman made a very important point tonight in talking about jobs and how they are created. He mentioned the conference agreement and the displacing of $4.7 billion of private spending. It is that private spending that must be invested if we are to have jobs that pay taxes and not just consume taxes.

So I want to urge the Members of this House to heed the remarks of the gentleman. I, as a member of the Appropriations Committee, will certainly join the gentleman in attempting to defeat this poor attempt at creating jobs. I think the No. 1 problem in the country today is to stimulate investment out of savings with which to put people back to work in the private sector.

Mr. MICHEL. Mr. Speaker, I thank the gentleman for his remarks. I would like to summarize. The budget estimate is $2,042,700,000. As it passed this House the bill had a figure of $5,373,474,000. The Senate bill had a figure of $5,504,535,000.

We have a conference agreement with a figure of $4,729,146,000. That is $2,686,000,000 over the budget. This is a good reason for voting down the conference report and living within the figures we adopted earlier in our overall budget resolution.

Mr. DEVINE. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Ohio.

Mr. DEVINE. Mr. Speaker, how many new Government automobiles are included in this bill?

Mr. MICHEL. I think that the automobile figure was reduced.

Mr. CEDERBERG. Mr. Speaker, if the gentleman will yield, this is another example. My State has the problem of unemployment in the automobile industry. There were 120,000 automobiles in this bill when it went to the other body, and now we have 21,051 left.

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Speaker, do I understand the gentleman to say this is $2.7 billion over the budget?

Mr. MICHEL. It is $2,686,446,000 over, to be exact.

Mr. FRENZEL. So anyone who supported the budget resolution and who votes for this is certainly going to be violating whatever spirit of an attempt there was to set a figure in that budget resolution.

Mr. MICHEL. That is the point I was trying to make and the thrust of my remarks.

Mr. FRENZEL. I support the gentleman's statement and the thrust of his remarks. I certainly shall vote against the conference report.

Mr. MAHON. I yield myself such time as I may consume.

Mr. Speaker, the latest figures show that the unemployment rate is 8.9 percent, about 9 percent. When we have unemployment we have unemployment compensation. We also have a huge loss of revenues because these workers are not paying taxes. It is costing us billions of dollars and we need to put these people back into productive work. One way to do it is to have a jobs bill, a bill that will put people to work. I think then that if we want to save some of the unemployment compensation funds and increase revenue, we should try to provide productive jobs for the unemployed.

Now, I was rather surprised at the misinformation that was inadvertently given to the House by my colleagues. We voted today for the budget control resolution. It was said that if we voted for the budget control resolution, we would have to vote against this conference report.

Well, let me say to my colleagues that the jobs bill, the money in this bill, was in the budget control figures that we voted on today. So we are not going above the budget control legislation which we approved today when we vote for this conference report.

We need to keep this whole matter in as good a focus as we possibly can.

It was indicated that the President is against all this legislation, all but about $2 million. The request by the President includes $1.6 billion for public service jobs. The public service jobs are probably the most questionable program in this bill. If the administration could support public service jobs under the conditions which exist, certainly it can support jobs for various programs to benefit this country and the cities alike in various types of programs by the Army Corps of Engineers, summer employment for youth, jobs in the forests and Interior Department areas, and numerous other constructive, productive jobs.

It seems to me that while we need to keep the spending as low as possible, the best thing we can do under the circumstances is to approve this conference report. I believe the House will decide to do so.

Mr. MICHEL. Mr. Speaker, I want to yield myself 2 additional minutes to respond very briefly to my distinguished chairman.

True, the job bill was included in the Congressional budget developed by the gentleman's own party but certainly was not included in the President's budget in this amount. That is the point I have been making all along. How can we vote this kind of increase and stay within that $68 billion deficit the gentleman was talking about. Surely there will have to be adjustments downward in defense, housing, health, transportation, education or what not, if we are to come anywhere near the $68 billion budget deficit. The gentleman surely is aware of that.

Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am delighted to yield to the gentleman.

Mr. MAHON. Mr. Speaker, the jobs bill was part of the entire budget resolution package, along with such other areas of spending, such as agriculture, defense, education, and foreign aid. It was a part of the package that had been approved by the House in its budget resolution. The jobs bill will not take anything out of other programs.

Mr. MICHEL. I have to say to the distinguished chairman, we have currently about 300,000 or 325,000 people in public service jobs. This $1.6 billion would provide 180,000 additional jobs. There are 7 or 8 million unemployed. Is this bill going to make the difference? We could put three times as many people on extended unemployment compensation, for the same amount we are spending for the 180,000 additional public service jobs.

Initially, people thought this was a great panacea, but after hearing the testimony on the way this program is operated, people have changed their minds from the day it was proposed. We have a good opportunity now to vote down this conference report and come up with an alternative proposal for putting people back to work.

Mr. MAHON. If the gentleman will yield further, I do not agree with many of my colleagues that are in support of public service jobs. But the President submitted a budget estimate for this purpose.

Moreover, the bill is designed to provide 800,000 or 900,000 jobs. The great majority are not in the public service area.

Mr. CEDERBERG. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Michigan.

Mr. CEDERBERG. Mr. Speaker, if I might ask my chairman, does the chairman of the Committee on Appropriations seriously believe that we are going to live within the $68 billion deficit in fiscal year 1976?

Mr. MAHON. I have no crystal ball. I hope that we will. I believe that we have got to work toward greater fiscal restraint, and I cannot say that we will live within it. I am afraid that we will not, and I am sure the gentleman is afraid that we will not. However, maybe with the budget control legislation under which we have a better opportunity to look at the whole package of expenditures and revenues, we can begin to discipline ourselves better. I hope we can live within that figure, but frankly, I am afraid we cannot. But it will not be the jobs bill that pushes us over that figure because it is already included in it.

Mr. CEDERBERG. I cannot understand how we can if we go along with this bill, plus the $5 billion bill coming out of the Committee on Public Works, plus many other things pending in the legislative committees. I think it will take nothing less than a miracle.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Texas.

Mr. WRIGHT. Mr. Speaker, I simply, asked the gentleman to yield in order that one thing might be clarified, that being the effect of the enactment of this conference committee report upon the projected budget.

I am sure the gentleman from Illinois, as well as the gentleman from Michigan, will be pleased to know that enactment of this conference committee report will exert no additional adverse impact that was not fully accounted for in the budget resolution which the House adopted in the conference committee report form today, because the sums earlier contemplated were not taken account of in that resolution.

Mr. MICHEL. Mr. Speaker, I yield 4 minutes to the gentleman from Massachusetts (Mr. Conte).

Mr. CONTE. Mr. Speaker, Members of the House, I take this opportunity only to inform the House that when we read the amendments in the conference report and when we get to amendment No. 61 in disagreement, at that point I will offer an amendment to have the House recede and agree to an amendment of $200 million.

Let me explain what happened here. Senator Bayh on the Senate side put in an amendment for $700 million for the maintenance and rehabilitation of our rights-of-way and our railroad tracks in this country to help put back to work 30,000 people. There is an authorization bill that has passed the Senate committee. It is now before the committee headed by the gentleman from Pennsylvania (Mr. Rooney) in the Committee on Interstate and Foreign Commerce.

This amendment of mine provides that it does not go into effect until there is an authorization bill, because we do not want to violate and trespass on the jurisdiction of the committee headed by the gentleman from Pennsylvania.

What will it do? It will do this: If the gentleman from Pennsylvania (Mr. Rooney) and his committee see fit and feel that this is a good piece of legislation, the minute it passes and becomes law, there will be $200 million available immediately to put people to work. I took this floor when the bill was passed, and I spoke against the public service jobs anl I said that we are blowing billions and billions of dollars down the drain on public service jobs. It is like blowing up a balloon with a hole in it. At the end, what have you got? You have got an empty balloon. That is what is happening on these public service jobs. When it is all over with, we have nothing.

If we take this money and use it on the railroad tracks, which are faulty, which are unsafe, and we have tremendous evidence that they are unsafe—there is plenty of evidence that the railroad beds are unsafe—I am sure that the gentleman from Pennsylvania and his committee will build in some tough guidelines where this money is going to go; what railroads it is going to go to, then at least when it is over with we have got something to show for it. We have got some good roadbeds on which our railroads can carry our freight and passenger cars.

So, I hope that when we get to amendment No. 61, the House will go along with me.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Pennsylvania.

Mr. ROONEY. Mr. Speaker, I am in sympathy with the gentleman's statement, and I hope that this body will work its will and pass some kind of legislation and will pass an appropriation to take care of the problem of upgrading the tracks, especially in the northeast part of the United States. But, Senator Bayh's $700 million or the $200 million of the gentleman from Massachusetts will do nothing more than rake leaves in the northeastern part of the railroad sector of the United States.

We need between $3 billion and $10 billion in funds to upgrade the tracks in the Northeast alone. My very distinguished colleague from Kansas (Mr. Skubitz) has listened to endless testimony on this subject. We are having hearings on June 23, June 24, and June 25. We are going to have hearings on this subject. I would hope that the gentleman from Massachusetts (Mr. Conte) would withhold his amendment until we have hearings in our subcommittee.

Mr. CONTE. Mr. Speaker, I yield no further.

Let me tell the House this is wrong. We had Mr. Asaph Hall, the Acting Administrator of the Federal Railroad Administration, before the committee of the gentleman from California (Mr. McFall), and some of the other Members sitting here today were on that committee. $200 million will put 30,000 unemployed railroad maintenance workers back to work tomorrow for the rest of the year.

Let us not fiddle while Rome burns.

Mr. O'NEILL. Mr. Speaker, I strongly endorse this conference report as a major counterrecessionary legislative measure of this Congress. The Emergency Employment Appropriations Act has the full endorsement of the Democratic leadership in the House. It is a vital part of the democratic program of economy recovery which we have promised to the American people. It will create more than 900,000 jobs in the areas of construction, development of our Nation's recreational and public land resources, summer youth employment for economically disadvantaged youths, and flood control projects.

While our present recession is felt by all, directly or indirectly, it is those segments of the population particularly hard hit—minorities teenagers and part-time workers that this bill addresses. It is an emergency measure to meet our national employment emergency needs. It is high time for us to act responsibly to stimulate employment. I urge all my colleagues to support this conference report.

Mr. MAHON. Mr. Speaker, I have no further requests for time, and I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present. The Sergeant at Arms will notify absent Members.

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The vote was taken by electronic device, and there were—yeas 293, nays 109, not voting 31, as follows:

[Roll No. 211]

YEAS—293

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
Badillo
Bafalis
Baldus
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Bevill
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brodhead
Brooks
Brown, Calif.
Brown, Mich.
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Carter
Casey
Chappell
Chisholm
Clausen, Don H.
Clay
Cleveland
Cohen
Collins, Ill.
Conte
Conyers
Cornell
Cotter
Coughlin
D'Amours
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Diggs
Dingell
Dodd
Downey
Drinan
du Pont
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
English
Esch
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fish
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fraser
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Goodling
Green
Gude
Guyer
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Hicks
Hillis
Holland
Holtzman
Horton
Howe
Hubbard
Hungate
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Keys
Koch
Krebs
LaFalce
Leggett
Lehman
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lujan
Macdonald
Madden
Madigan
Maguire
Mahon
Mathis
Mazzoli
McClory
McCloskey
McCormack
McDade
McFall
McHugh
McKay
McKinney
Meeds
Melcher
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murtha
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
O'Brien
O'Hara
O'Neill
Oberstar
Obey
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pike
Pressler
Preyer
Price
Pritchard
Quie
Railsback
Randall
Rangel
Rees
Regula
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Rodino
Roe
Rogers
Rooney
Rose
Roybal
Ruppe
Russo
Ryan
Santini
Sarasin
Sarbanes
Scheuer
Schroeder
Schulze
Seiberling
Sharp
Shipley
Sikes
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
St Germain
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Stokes
Stratton
Studds
Symington
Taylor, N.C.
Teague
Thompson
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Walsh
Waxman
Weaver
Whalen
White
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wright
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—109

Abdnor
Anderson, Ill.
Andrews, N.C.
Archer
Armstrong
Ashbrook
Bauman
Beard, Tenn.
Bell
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Cederberg
Clancy
Clawson, Del
Cochran
Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, R. W.
Derwinski
Devine
Dickinson
Downing
Duncan, Tenn.
Edwards, Ala.
Erlenborn
Eshleman
Fenwick
Findley
Forsythe
Frenzel
Frey
Goldwater
Grassley
Hagedorn
Hansen
Henderson
Holt
Hughes
Hutchinson
Hyde
Ichord
Jarman
Johnson, Colo.
Kasten
Kelly
Kemp
Ketchum
Kindness
Krueger
Lagomarsino
Latta
Lent
Levitas
Lott
Mann
Martin
McCollister
McDonald
McEwen
Michel
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Myers, Pa.
Nichols
Pettis
Pickle
Poage
Quillen
Rhodes
Robinson
Rousselot
Runnels
Satterfield
Schneebeli
Sebelius
Shuster
Skubitz
Smith, Nebr.
Snyder
Spence
Steelman
Steiger, Ariz.
Steiger, Wis.
Symms
Talcott
Taylor, Mo.
Thone
Waggonner
Wampler
Whitehurst
Wiggins
Wilson, Bob
Winn
Wydler
Wylie
Young, Alaska
Young, Fla.

NOT VOTING—31

AuCoin
Barrett
Biaggi
Brinkley
Corman
Flynt
Gradison
Hébert
Hightower
Hinshaw
Howard
Landrum
Matsunaga
Metcalfe
Milford
Mills
Mollohan
Murphy, N.Y.
Patman, Tex.
Roberts
Roncalio
Rosenthal
Rostenkowski
Roush
Shriver
Stephens
Stuckey
Sullivan
Treen
Vander Jagt
Whitten

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Howard for, with Mr. Hébert against.

Until further notice:

Mr. AuCoin with Mr. Stuckey.
Mr. Barrett with Mr. Roberts.
Mr. Murphy of New York with Mr. Whitten.
Mr. Biaggi with Mr. Patman.
Mr. Rostenkowski with Mr. Landrum.
Mrs. Sullivan with Mr. Hightower.
Mr. Mollohan with Mr. Metcalfe.
Mr. Rosenthal with Mr. Milford.
Mr. Flynt with Mr. Mills.
Mr. Corman with Mr. Gradison.
Mr. Roush with Mr. Stephens.
Mr. Brinkley with Mr. Shriver.
Mr. Matsunaga with Mr. Vander Jagt.
Mr. Roncalio with Mr. Treen.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AMENDMENTS IN DISAGREEMENT

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 2: Page 4, line 1, insert: ", to remain available until October 31, 1975."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 2 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 4: Page 4, line 19, insert: ", to remain available until October 31, 1975."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 4 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 6: Page 4, line 24, insert: ": *Provided*, That $2,300,000 shall be available to assist in constructing a sewage system and treatment plant in cooperation with the towns of Harpers Ferry and Bolivar, West Virginia, to serve such towns and the Harpers Ferry National Historical Park."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 6 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 8: Page 5, line 9, insert:

"GEOLOGICAL SURVEY

"SURVEYS, INVESTIGATIONS, AND RESEARCH

"For an additional amount for 'Surveys, investigations, and research', $1,500,000, to remain available until October 31, 1975."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 8 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert: "$750,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 9: Page 5, line 14, insert:

"MINING ENFORCEMENT AND SAFETY ADMINISTRATION

"SALARIES AND EXPENSES

"For an additional amount for 'Salaries and expenses', $2,775,000: *Provided*, That these funds shall remain available until expended for the construction of facilities."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 9 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert: "$1,250,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 12: Page 6, line 14, insert: "to remain available until October 31, 1975,".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 12 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 23: Page 8, line 13, insert: "*Provided*, That, notwithstanding any other provision in law, amounts contained herein, together with amounts heretofore appropriated for 'Community service employment for older Americans' may be expended to continue projects now being conducted as part of the National Operation Mainstream program authorized by title III of the Comprehensive Employment and Training Act of 1973 (Public Law 93–203)."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 23 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 24: Page 9, line 3, insert:

"HEALTH SERVICES ADMINISTRATION

"HEALTH SERVICES

"Notwithstanding any other provision of law, the Secretary of Health, Education, and Welfare is hereby authorized to hire and assign not to exceed 146 additional health professionals to serve in the National Health Service Corps."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 24 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 25: Page 10, line 3, insert: : "*Provided further*, That any amounts appropriated for basic opportunity grants for the fiscal year ending June 30, 1974, which are in excess of the amount required to meet the payment schedule announced for the academic year 1974–75, shall remain available for payments under the payment schedule announced for the academic year 1975–76."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 25 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 26: Page 10, line 12, strike lines 12 through 23 and insert:

"For an additional amount for 'Work Incentives', $70,000,000, for carrying out a work incentives program as authorized by part C of title IV of the Social Security Act, including registration of individuals for such program, and for related child care and supportive services, as authorized by section 402(a)(19)(G) of the Act, including transfer to the Secretary of Labor, as authorized by section 431 of the Act, which, together with the previously authorized current year appropriation, shall be the maximum amount available for transfer to the Secretary of Labor and to which States may become entitled, pursuant to section 403(d) of such Act, for these purposes, for the current fiscal year and for any period in the prior fiscal year provided the prior fiscal year expenditures are claimed on quarterly statements of expenditures received by the Secretary of Health, Education, and Welfare prior to February 1, 1975."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 26 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 33: Page 13, line 1, insert:

"UPPER COLORADO RIVER STORAGE PROJECT

"For an additional amount for 'Upper Colorado River Storage Project', $2,450,000, to remain available until expended, which shall be available for the 'Upper Colorado River Basin Fund'."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 33 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 34: Page 13, line 6, insert:

"COLORADO RIVER BASIN PROJECT

"For an additional amount for 'Colorado River Basin Project', to remain available until expended, $10,400,000, of which $8,000,000 is for liquidation of contract authority provided by section 303(b) of the Act of September 30, 1968 (82 Stat. 894)."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 34 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 35: Page 13, line 14, insert: "to remain available until expended,".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 35 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 36: Page 13, line 17, insert:

"LOAN PROGRAM

"For an additional amount for 'Loan Program', $1,600,000, to remain available until expended."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 36 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 37: Page 14, line 1, insert: "*Provided further*, That $3,000,000 shall be available until expended, and shall be transferred to 'Regional Development Programs', Regional Action Planning Commissions, to carry out programs authorized by Title V of the Public Works and Economic Development Act of 1965, as amended."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 37 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert the following: "$1,000,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 58: Page 20, line 18, insert: "Appropriations hereby made to the Federal Buildings Fund shall not be subject to the provisions of section 210(f)(4) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)(4)) requiring repayment with interest."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 58 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 61: Page 41, line 9, insert:

"FEDERAL RAILROAD ADMINISTRATION

"RAIL TRANSPORTATION IMPROVEMENT AND EMPLOYMENT

For payment of financial assistance to assist railroads by providing funds for repairing, rehabilitating, and improving railroad roadbeds and facilities, $700,000,000 of which not to exceed $7,000,000 shall be available for administrative expenses of the Secretary to remain available until December 31, 1976: *Provided, however*, That these funds shall be available only upon enactment of authorizing legislation."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

> Mr. MAHON moves that the House insist on its disagreement to the amendment of the Senate numbered 61.

PREFERENTIAL MOTION OFFERED BY MR. CONTE

Mr. CONTE. Mr. Speaker, I offer a preferential motion.

The Clerk read as follows:

> Mr. CONTE moves that the House recede from its disagreement to Senate amendment Number 61 and concur therein with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate, insert the following:
>
> "CHAPTER VIII
>
> "DEPARTMENT OF TRANSPORTATION
>
> "FEDERAL RAILROAD ADMINISTRATION
>
> "For payment of financial assistance to assist railroads by providing funds for repairing, rehabilitating, and improving railroad roadbeds and facilities, $200,000,000 of which not to exceed $1,500,000 shall be available for administrative expenses of the Secretary to remain available until December 31, 1976: *Provided, however*, That these funds shall be available only upon enactment of authorizing legislation: *Provided, further*, That none of these funds shall be available to commuter rail systems."

Mr. MAHON. Mr. Speaker, I have moved that the House insist upon its disagreement with the Senate amendment. The other body put into this jobs bill the sum of $700 million—I repeat, $700 million—for the restoration of the railroads.

Now, I agree that we have to do something perhaps dramatic and certainly that will be very costly about the railroads. The railroads are essential to the economic health and prosperity of the country and the railroads are generally in trouble. But the House conferees did not accept the $700 million appropriation added by the other body. No hearings have been held in the House Committee. How the money will be spent is not clear. Where the money would be spent is not clear.

The point I am making, Mr. Speaker, is that there is no authorization at all. The Appropriations Committee does have wide ranging authority, because the Appropriations Committee deals in the appropriation of funds for the various agencies and departments of the Government. There are some who say from time to time that the Appropriations Committee oversteps itself, and at times the Appropriations Committee in the past has overstepped itself.

As chairman of the committee, I am sensitive about that matter. We think the Appropriations Committee is important, but it is not so important that it is authorized to trample upon the authority and prestige and responsibility of the legislative committees. Some might look to the Appropriations Committee and say, "Upon what meat do these Appropriations Committee members feed that they have grown so great?"

We have not grown so great. We are just trying to do our job, and our job is to appropriate money for programs when the Congress has decided—through its regular legislative bills—on a program.

But, the Congress has not yet decided on a program to rehabilitate the railroads. It will, in my judgment, do so. If it does so, and there are proper safeguards and we know what we are doing and do not have to act blindly and be subject to the criticism of our people that we irresponsibly provided $700 million without any guideline or any controlling authority, that is a different matter altogether. So, with all sympathy for the railroads and with all respect and deference to my colleagues who would want to support the amendment offered by the gentleman from Massachusetts, I say that this is not the time or the place to appropriate $200 million for purposes when we are not clear about what those purposes would be.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I am glad to yield to the gentleman from Pennsylvania, the chairman of the subcommittee, as I understand it, of the Committee on Interstate and Foreign Commerce.

PARLIAMENTARY INQUIRY

Mr. SHUSTER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SHUSTER. Mr. Speaker, how is the time divided?

The SPEAKER. The time is divided equally between the gentleman from Texas (Mr. MAHON), who has 30 minutes, and the gentleman from Illinois (Mr. MICHEL) who has 30 minutes or such small fraction thereof as he may decide to use.

Mr. SHUSTER. I thank the Speaker.

Mr. MAHON. Mr. Speaker, in deference to my colleague, the gentleman from Pennsylvania (Mr. ROONEY), who is chairman of the subcommittee having legislative responsibility for this program, which we do not feel the Committee on Appropriations should usurp, I will yield. It is true that the amendment says that unless the authorization is passed, the funds cannot be made available, but that is no way for responsible people, in my judgment, to legislate. I yield 3 minutes to the gentleman from Pennsylvania.

Mr. ROONEY. Mr. Speaker, I appreciate very much the distinguished chairman yielding to me.

There is no one in this body, Mr. Speaker, who is more concerned about putting people to work than I am, because in my congressional district, as in many other congressional districts, we have great unemployment.

But, let me tell the Members this: This $200 million is just a miniscule amount of money as far as upgrading the tracks in this country. We have had testimony after testimony, and the gentleman from Kansas (Mr. SKUBITZ), the ranking minority member of my committee, can testify that every railroad executive who came before our committee could not give a dollar number as far as upgrading the tracks in the northeastern part of the United States. They estimated between $3 and $5 and $10 billion.

Witness after witness said this is what is going to be needed. This $200 million is not going to be a guarantee to the taxpayers. We are not going to know where this money is going, and I think at this time it is very foolish to even consider it.

I have told my colleagues on the other side of the aisle and I have told my colleagues on this side of the aisle who are concerned about this type of legislation that I was going to hold hearings on the 23d, the 24th, and the 25th of June, that I would hold extensive hearings to get all of the information, to find out where this money is going to go, to protect the taxpayers and make sure the people who are needed are going to work in the area that needs it.

I am sure many unions in this country support this legislation, but, Mr. Speaker, I want to protect the American taxpayer, I want to protect the unions, I want to protect the railroads, and most of all, I want to protect the American taxpayers so far as this outlay of $200 million is concerned.

I want to say one other thing in concluding my remarks. I have heard testimony about all of the money that is going to be spent, the rehabilitation of the rail tracks in this country. Seventy to seventy-five percent will not go into jobs but it will go into materials and 25 to 30 percent will go into labor. So how is this going to put people back to work?

Mr. SHUSTER. Mr. Speaker, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman.

Mr. SHUSTER. Mr. Speaker, I fail to understand if that 75 percent is not going into jobs, it would go into labor, where it will go if it does not go into jobs?

The SPEAKER. The time of the gentleman has expired.

Mr. MAHON. Mr. Speaker, I yield 2 additional minutes to the gentleman from Pennsylvania (Mr. ROONEY).

Mr. ROONEY. Mr. Speaker, we have had testimony after testimony before our committee that it will take 4 to 5 years for industry in this country to produce the material to build the tracks in this country, and I am talking about United States Steel, I am talking about Bethlehem Steel who cannot produce the tracks that are needed in the immediate future.

Mr. SHUSTER. Mr. Speaker, will the gentleman yield further?

Mr. ROONEY. I yield to the gentleman.

Mr. SHUSTER. Mr. Speaker, I thank the gentleman for yielding.

I certainly agree with the gentleman's point that it will take in fact not 5 years but 10 years to achieve all of the rehabilitation that is needed, that it will take over 10 years and, indeed, with a cost of over $3 billion. Does that mean we should not begin now with a modest $200 million?

Mr. ROONEY. We can begin our hearings on June 23, we can get the facts. We can get all of the facts. We can get industry and we can get labor to testify before our committee and then come up with an authorization that will guarantee the workers, that will guarantee everybody that everybody is going to get a fair shake.

Mr. SHUSTER. Mr. Speaker, if the gentleman will yield further, if this is a national emergency, why do we wait until June? Why do we wait? Why do we not proceed now, at least in a modest way, to create real jobs? Not leaf-raking jobs, but real jobs for the people of America.

Mr. ROONEY. $200 million will not even, Mr. Speaker, rake the leaves off the tracks in the northeastern part of the United States.

Mr. MAHON. Mr. Speaker, I have no additional time at the moment.

Mr. MICHEL. Mr. Speaker, I yield 20 minutes to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Speaker, the sad state of unemployment troubling our Nation today is of extreme concern to all Americans. Our national rate of unemployment is now wavering around 9 percent. Several of our Nations geographic areas are tortured by unemployment rates as high as 23 percent. The bill we have before us is the result of many long hours of consideration by the Committee on Appropriations in both the House and the Senate. During the two sessions of the joint conference, the conferees labored to present a bill that would be acceptable to both the House and Senate. With one exception, I am satisfied that the conferees have produced such a bill. The bill is responsive to the needs of our Nations unemployed in the period of economic crisis. The one exception which I alluded to is the failure of the joint conferees to reach any agreement on Senate amendment No. 61.

The amendment provides $700 million to provide jobs for repairing, rehabilitating, and improving railroad roadbeds and facilities with $7 million for administrative expenses. The amendment further provides that the funds shall only be available upon enactment of authorizing legislation. My amendment will reduce funding to $200 million for jobs on construction crews to rehabilitate the rail rights-of-way and $1.5 million for administrative expenses of the Department of Transportation. Further, my amendment retains the requirement for authorizing legislation as well as providing that no funds shall be available to commuter rail systems.

The present rate of unemployed rail workers exceeds 30,000. The, Federal Railroad Administration advises that this amendment would enable the rail carriers to employ these men throughout calendar year 1975. Further, the Federal Railroad Administration advises that regulations will be formulated with all due expedience in order to insure our efforts to provide these jobs immediately upon passage of authorizing legislation.

The reason for excluding commuter rail systems is that they are eligible for funding of such programs from the Urban Mass Transit Administration. I am pleased to report that authorizing legislation has already been reported out of the Senate Commerce Committee and is expected to reach the Senate floor early next week. Similar authorizing legislation is awaiting action before the House Interstate and Foreign Commerce Subcommittee on Transportation.

This amendment will provide a multitude of jobs in an industry hit hard by the unemployment situation. The bill before you now provides funding for positions in the Youth Conservation Corps to providing extra typists in our libraries. We cannot deny the fact that many of these positions are less than essential. After all, the purpose of this bill was to create jobs. My amendment will do exactly that, it will create jobs in an industry where unemployment is high. In addition, the creation of these jobs will serve a vital and essential improvement to our national rail transportation system. Our rights-of-way are in deplorable condition. I am privileged to sit on the Appropriations Subcommittee on Transportation as the ranking minority member. During the course of our hearings we heard from the various Federal safety regulatory agencies who advised of the increasing rate of derailments and other rail accidents due to the poor shape of the rights-of-way. The NTSB estimates rail accidents in excess of 11,000 accidents and derailments before the end of fiscal year 1975. Further, we learned of our financially troubled rail carriers who laid off the vast majority of their construction crews in order to economize.

With the exception of a handful of prosperous railroads, who incidentally would not unduly benefit from this amendment, virtually all of our rail carriers are operating under some degree of deferred maintenance.

It is a vicious cycle that is a major contributor to the demise of several of the rail carriers. The tragic end results are a reduction in transportation services to the public and an increase of the unemployment rolls. Fellow Members—this relatively small addition to the bill can accomplish so much more than the other programs. We will have relatively little to show for the other programs in this bill upon their termination. However, my amendment will result in more improved and safe rail rights-of-way. The Senate report makes it clear that the funds shall be made available to those bankrupt and near bankrupt rail carriers whose trackbeds are in such poor condition. I am satisfied that the various authorizing bills before the House and Senate contain such guidelines.

A point worthy of consideration is that with the addition of this $200 million amendment, the total bill will be $444.3 million less than that level of funding which previously passed this House.

Might I interject that I feel confident that if this amendment passes, the Senate would be amenable to reducing the level of funding to $200 million.

If the amendment fails, I fear we will be headed back to conference with another costly delay to our unemployed who need this bill so badly.

Fellow members—let us rise to the chance to produce not only jobs for the sake of jobs, but a much needed benefit in the long run. I solicit your support.

Mr. YATES. Let us suppose the gentleman from Massachusetts or other Members of the House do not like the law that comes out of the committee. The money under the gentleman's amendment would nevertheless go to pay for the operation of that law because we would have voted that money in advance.

Mr. CONTE. Mr. Speaker, I will yield no further to the gentleman.

However, the amendment is very clear. The $200 million does not go into effect until there is an authorization bill passed by the gentleman from Pennsylvania's committee, the House of Representatives, and the Senate will have to work there will.

Mr. SHUSTER. Mr. Speaker, will the gentleman yield?

Mr. CONTE. Yes, I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. Mr. Speaker, I thank the gentleman for yielding.

I have had great problems with this bill because it, by and large, provides make-work rather than real jobs. However, Members of the House, if there is any segment of this bill under consideration which deserves the support of the House, it is the amendment proposed by the gentleman from Massachusetts.

Members of the House, this amendment, modest though it is, provides for $200 million to create 30,000 jobs, not leaf-raking jobs, but jobs to revitalize our railroads in America.

It was this body and, indeed, the great Committee on Interstate and Foreign Commerce and the subcommittee chaired by the distinguished gentleman from Pennsylvania (Mr. ROONEY), which brought into being the U.S. Railway Association.

Let me quote what the U.S. Railway Association, created by this body, had to say:

> The Association's rehabilitation strategy recognizes that some sacrifice in operating efficiency may be required in the light of overall material and financial considerations. However, the result may be higher long-run costs, poorer service and possible decline in market share. For example, effective and profitable piggyback service is impossible if the railroads' main lines cannot sustain a dependable high-speed operation. Further, day-to-day operating costs can be affected by lower maintenance levels. Examples of these are:
>
> Increased costs resulting from derailments and damage claims,
>
> Increased day-to-day basic maintenance just to keep trains in operation, which is far less efficient than programed renewals,
>
> Increased train and engine crew costs resulting from increased times to get trains over the road,
>
> Increased per diem payments and other car utilization costs because the cars simply do not move as quickly both over the road and through terminals, and
>
> Lost revenue because the railroad cannot adequately handle business.

Mr. Speaker, we cannot have a viable rail system unless we bring about improved maintenance of our trackage.

If there is any segment of this bill under consideration which deserves support, it is that segment which proposes to provide for the creation of real jobs, jobs to refurbish the trackage of our Nation's railroads.

Mr. Speaker, I urge support for this amendment.

Mr. HEINZ. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Pennsylvania.

Mr. HEINZ. Mr. Speaker, I rise in support of the Conte amendment, and I respectfully urge my colleagues to support it as well. I rise also—and I confess some bias—in support of this kind of legislation. As of March 11 of this year I introduced authorizing legislation of the kind referred to in the gentleman's amendment. It was at this time that the distinguished chairman of the Subcom-

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mittee on Transportation indicated his desire for hearings. But it is only today, as we confront a real issue, that a hearing date 6 weeks in the future has been set. All this delay is taking place at a time when unemployment has reached the highest level in 30 years, when unemployment in the railroads and among the maintenance of way employees is rising at the rate of several thousand per month. All this delay is taking place at a time when we all recognize that our railroads are in a precarious situation.

I think we all recognize also, as the gentleman from Massachusetts (Mr. Conte) pointed out, that if the committee, after it holds hearings at the end of June should also schedule markup in July, and should be so fortunate as to move legislation before the congressional recess in August, we might well defer any funding action in authorizing legislation, if enacted before August, until late this fall.

What, besides the plight of the economy, is wrong with that? One thing that is wrong with that is that if you are going to put people to work productively the best time to do it is now, because now is the fair-weather months, and that is when most of the important maintenance of way work can be done on the railroads—not this fall or this winter when there is a seasonal slowdown in such work.

If we want to do something about turning our economy around, then we want to do it now. If we want to get the steel mills cranked up to produce more railroad track, we are just going to postpone doing it another 6 months if we wait until September, October, or November.

Mr. Speaker, I say that the Conte amendment should be accepted. If we care about putting people to work, if we care about not being penny-wise and pound-foolish, if we can that for every Federal dollar spent we can create up to two other jobs in steel mills, lumber mills, and in the mills that make equipment and machinery used in installing and laying railroad track, then we will vote for the Conte amendment.

Mr. CONTE. I thank the gentleman from Pennsylvania.

Mr. MICHEL. Mr. Speaker, I yield 2 minutes to the gentleman from Kansas (Mr. Skubitz).

Mr. SKUBITZ. Mr. Speaker, I rise in opposition to the amendment offered by the gentleman from Massachusetts (Mr. Conte). I do so even though I find it difficult to disagree with the reasons that the gentleman from Massachusetts presented. I do feel that jobs to maintain the rail beds of this country, which are so badly needed, are necessary, and more good can be accomplished by doing this sort of work than from leaf-raking jobs in the present proposal. But it seems to me that there is a right way and a wrong way for this body to operate. It seems to me that the appropriate way is for the Subcommittee on Transportation to hold its hearings on the legislation that is pending before us, and then come forth with an authorizing bill. I happen to be a cosponsor of Mr. Heinz' bill that is pending before our committee, and I support that bill. But I think it is appropriate that we hold hearings on that bill to make a determination of how much money is needed, how much we should ask for, what kind of work we should do, and under what conditions we should spend that money.

Mr. Speaker, I rise in support of the committee position. I hope that the Conte amendment is defeated.

The SPEAKER. The time of the gentleman has expired.

Mr. MAHON. Mr. Speaker, this matter has been fully debated.

There being no further request for time, Mr. Speaker, I urge that when the vote comes the House vote "no" against the Conte motion which would provide $200 million for the unauthorized program of assistance to railroads. The funds were not in the House bill. They were not in the conference report. The $700 million was in the Senate bill. I urge the House to vote "no" on the pending issue, and we can at a later time, when the authorization is before the House, debate what further action to take.

The SPEAKER. The question is on the preferential motion offered by the gentleman from Massachusetts (Mr. Conte).

The question was taken, and the Speaker announced that the noes appeared to have it.

RECORDED VOTE

Mr. CONTE. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 141, noes 253, not voting 39, as follows:

[Roll No. 212]

AYES—141

Abzug
Adams
Addabbo
Annunzio
Ashley
Badillo
Beard, R.I.
Bedell
Biester
Blanchard
Blouin
Boland
Brademas
Brodhead
Brown, Ohio
Buchanan
Burke, Mass.
Burton, John
Burton, Phillip
Carney
Carr
Cleveland
Cohen
Conte
Conyers
Cotter
D'Amours
Daniels, N.J.
Delaney
Dellums
Dent
Dodd
Downey
Drinan
du Pont
Early
Edwards, Calif.
Eilberg
Emery
Esch
Evans, Ind.
Fenwick
Flood
Florio
Ford, Mich.
Forsythe
Fraser
Gaydos
Giaimo
Gilman
Goodling
Grassley
Green
Gude
Hagedorn
Hall
Hanley
Harkin
Harrington
Hastings
Hayes, Ind.
Heckler, Mass.
Heinz
Helstoski
Hillis
Holtzman
Hughes
Jacobs
Jeffords
Johnson, Pa.
Keys
Koch
Krebs
Latta
Madden
Maguire
McCloskey
McCormack
McDade
McFall
McKinney
Meyner
Mezvinsky
Mikva
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moorhead, Pa.
Morgan
Murphy, Ill.
Murtha
Nedzi
Nolan
O'Hara
Ottinger
Patten, N.J.
Pattison, N.Y.
Pettis
Peyser
Pressler
Price
Rangel
Richmond
Riegle
Rinaldo
Rodino
Roe
Rosenthal
Roush
Sarasin
Sarbanes
Scheuer
Schneebeli
Schulze
Sharp
Shipley
Shuster
Simon
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stark
Stratton
Studda
Traxler
Tsongas
Udall
Vander Veen
Vigorito
Walsh
Waxman
Whalen
Wolff
Yatron
Young, Ga.
Zeferetti

NOES—253

Abdnor
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Aspin
Bafalis
Baldus
Baucus
Bauman
Beard, Tenn.
Bell
Bennett
Bergland
Bevill
Bingham
Boggs
Bolling
Bonker
Bowen
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Mich.
Broyhill
Burgener
Burke, Calif.
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Clay
Collins, Ill.
Collins, Tex.
Conable
Conlan
Cornell
Crane
Daniel, Dan
Daniel, R. W.
Danielson
Davis
de la Garza
Derrick
Derwinski
Devine
Dickinson
Dingell
Downing
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Ala.
English
Erlenborn
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fisher
Fithian
Flowers
Flynt
Foley
Ford, Tenn.
Fountain
Frenzel
Frey
Fulton
Fuqua
Gibbons
Ginn
Goldwater
Gonzalez
Guyer
Haley
Hamilton
Hammerschmidt
Hannaford
Hansen
Harris
Harsha
Hechler, W. Va.
Hefner
Henderson
Hicks
Holt
Horton
Howe
Hubbard
Hungate
Hutchinson
Hyde
Ichord
Jarman
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Kindness
Krueger
LaFalce
Lagomarsino
Landrum
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Macdonald
Madigan
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
McClory
McCollister
McDonald
McEwen
McHugh
McKay
Meeds
Melcher
Michel
Miller, Calif.
Miller, Ohio
Mineta
Mink
Moore
Moorhead, Calif.
Mosher
Moss
Mottl
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nichols
Nix
Nowak
O'Brien
O'Neill
Oberstar
Obey
Passman
Patterson, Calif.
Pepper
Perkins
Pickle
Pike
Poage
Preyer
Pritchard
Quie
Quillen
Railsback
Randall
Regula
Reuss
Rhodes
Risenhoover
Robinson
Rogers
Rooney
Rose
Rostenkowski
Rousselot
Roybal
Runnels
Ruppe
Russo
Santini
Satterfield
Schroeder
Sebelius
Seiberling
Sikes
Sisk
Skubitz
Slack
Smith, Nebr.
Snyder
Spence
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stuckey
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Thornton
Ullman
Van Deerlin
Vanik
Waggonner
Wampler
Weaver
White
Whitehurst
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wright
Wydler
Wylie
Yates
Young, Alaska
Young, Fla.
Young, Tex.
Zablocki

NOT VOTING—39

AuCoin
Barrett
Biaggi
Brown, Calif.
Chisholm
Cochran
Corman
Coughlin
Diggs
Eshleman
Fish
Gradison
Hawkins
Hays, Ohio
Hébert
Hightower
Hinshaw
Holland
Howard
Karth
Metcalfe
Milford
Mills
Mollohan
Montgomery
Murphy, N.Y.
Patman, Tex.
Rees
Roberts
Roncalio
Ryan
Shriver
St Germain
Teague
Thompson
Treen
Vander Jagt
Whitten
Wiggins

So the preferential motion was rejected.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Corman.
Mr. Hays of Ohio with Mr. Roberts.
Mr. Mollohan with Mr. Mills.
Mrs. Chisholm with Mr. Brown of California.
Mr. Montgomery with Mr. Eshleman.
Mr. Barrett with Mr. Teague.
Mr. Howard with Mr. Cochran.
Mr. Metcalfe with Mr. Rees.
Mr. Roncalio with Mr. Hawkins.
Mr. St Germain with Mr. Gradison.
Mr. Whitten with Mr. Coughlin.
Mr. Biaggi with Mr. Milford.
Mr. Ryan with Mr. Fish.
Mr. Diggs with Mr. Patman.
Mr. Thompson with Mr. Shriver.
Mr. Murphy of New York with Mr. Treen.
Mr. Holland with Mr. Vander Jagt.
Mr. Karth with Mr. Wiggins.
Mr. Hightower with Mr. AuCoin.

The result of the vote was announced as above recorded.

The SPEAKER. Without objection, the motion offered by the gentleman from Texas (Mr. Mahon), is agreed to.

There was no objection.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to and all amendments in disagreement just agreed to, and that I may include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

HOUR OF MEETING ON THURSDAY, MAY 15, 1975

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 10 a.m. tomorrow, Thursday, May 15, 1975.

Mr. ROUSSELOT. Mr. Speaker, I reserve the right to object. I would like to ask a question of the distinguished majority leader.

We adjourned at 2 o'clock on Monday and 3 o'clock yesterday. Why can't we just come in at the normal time? Do not tell me there are 50 Republicans going to New York. I have checked, and there are less.

Mr. O'NEILL. It is my understanding that there is an annual congressional trip to New York and I also understand that among those who are going are more than 2 to 1 Republicans to Democrats.

Mr. ROUSSELOT. Apparently the taxpayers are paying for it. I imagine we are all going up for food stamps.

The SPEAKER. Is there objection to the request of the gentleman from Massachussetts?

Mrs. SCHROEDER. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

MOTION OFFERED BY MR. O'NEILL

Mr. O'NEILL. Mr. Speaker, I move that when the House adjourns today, it adjourn to meet at 10 a.m. tomorrow, Thursday, May 15, 1975.

The SPEAKER. The question is on the motion offered by the gentleman from Massachusetts (Mr. O'Neill).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, on that I demand a recorded vote.

A recorded vote was refused.

So the motion was agreed to.

INCONSISTENCY IN NEW YORK

(Mr. ROSE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROSE. Mr. Speaker, yesterday the Governor of New York and the mayor of New York City paid a visit to this body, conferring with the leaders of the House of Representatives and seeking help in paying the bills of the Nation's largest city.

Their timing could not have been worse.

Governor Carey and Mayor Beame came up the Hill with their hands out just 1 hour after the New York delegation—by a 2 to 1 margin—had voted against the American farmer.

This vote to sustain the President's veto of the emergency farm bill was extremely shortsighted. This legislation had been written by a bipartisan coalition of farm experts in both Houses. It was designed to increase food production, to save the jobs of farmers and to insure a bumper crop of grain to help feed the world's hungry.

But most of the New Yorkers, following the advice of Earl Butz, apparently swallowed arguments that passage of this bill might increase costs to the American consumer.

That is their option of course.

But it takes a great deal of arrogance or insensitivity or maybe even that New York quality of chutzpah to vote against helping the Nation's farmers and then ask those of us who represent rural areas to subsidize the subway riders in New York City.

What happens to consumer costs in North Carolina when Congress supports mass transit so New York can keep its 35-cent fare?

Some of our colleagues apparently have not learned that the Nation's economic woes are not limited by the Hudson River and the Long Island Expressway. The problems confronting this Nation extend way beyond the northeast rail corridor, and they include the Nation's farmers.

For their far-sighted approach to the legislative process and their support in yesterday's vote, I would like to thank Ms. Chisholm, Mr. Solarz, Mr. Richmond, Mr. Rangel, Mr. Badillo, Mr. Bingham, and Mr. Ottinger, as well as the upstate Members—Mr. McHugh, Mr. Pattison, Mr. McEwen, Mr. Hanley, Mr. LaFalce, and Mr. Nowak.

I would urge their colleagues to widen their vision to encompass the problems of others as future votes are taken.

GOVERNMENT LAWLESSNESS

(Mr. DELLUMS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DELLUMS. Mr. Speaker, "Government lawlessness," the widespread bureaucratic practice of distorting, ignoring, and subverting the congressional mandates contained in legislation, is the greatest threat to meaningful self-government. I strongly feel the basic cause of this is the lack of mechanisms which would allow citizens some means of protection against officials in their day-to-day contact with the bureaucracy. For this reason. I am introducing today the Bureaucratic Accountability Act of 1975 which proposes concrete steps toward strengthening responsible and reliable government through amendments to the Administrative Procedures Act.

The aim of this legislation is to confine the bureaucracy to its legal purposes by the democratic method of increasing its responsibility, its answerability, both to citizens and to the intent of Congress.

Nothing can substitute a political will to reform, but this will remain ineffective or even unformed without the necessary institutional procedures. These mechanisms cannot guarantee that Congress will pass wise and democratic substantive legislation, but they do allow hope when such legislation is indeed passed and citizens may rely on seeing it carried out. This hope is the basis of active democratic reform and confidence in the capabilities of government.

Therefore the approach of this bill is two-fold. First, it extends the rights contained in the APA to those situations that are of direct concern to our citizenry. Second, it strengthens the ability of Congress to actually control the actions of the Presidential branch. In both cases, the status of the objection is strengthened, democratically arrived-at legislation against the subjective political and bureaucratic desires of an uncontrolled administration.

The "Bureaucratic Accountability Act" is to insure that citizens may receive an accurate idea of their rights and of the procedures of the bureaucracy. I believe this is an important extension of responsibility participation in the work of the Government.

SUMMARY OF "BUREAUCRATIC ACCOUNTABILITY ACT OF 1975"

Sections 101 and 102 (a)—Extension of rulemaking requirements: The Administrative Procedures Act sets forth some minimal due process requirements to be followed whenever the bureaucracy issues "rules" that affect the citizenry. These include adequate prior public notice of the intended rule, opportunity for written comments by interested persons, and opportunity to petition for changes or exceptions. Opportunity for oral argument is discretionary, and final administrative decisions are not confined to any record established by these proceedings.

At present. the requirements apply mainly to the regulatory agencies. The time has come to extend these APA procedures to social programs and other aspects of "positive Government." Allowing the citizens to present their case, and requiring the bureaucracy to hear

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all relevant views, are increasingly indispensable tools of effective government.

Therefore, this bill eliminates the existing exemptions of "matters relating to public property, contracts, loans, grants, benefits" from the rulemaking requirements of notice and comment.

Section 102(b)—New criteria for rulemaking requirements exemptions: This section regulates those cases in which there is a legitimate public interest served by exemptions from the public notice opportunity to comment requirements. First, the present exemption for military and foreign affairs functions would not diminish the power of the agencies to omit APA rulemaking procedures when their observance is found to be inappropriate because of a need for secrecy in the interest of national defense or foreign policy. This exemption should be on the same basis now applied in the Freedom of Information provision. It contains an exemption for rulemaking involving matters specifically required by Executive order to be kept secret in the interest of national defense or foreign policy.

The present exemption of interpretive rules and general statements of policy is eliminated. These agency decisions are often just as important as rules proper. The division between "rules" and "interpretive statements" is inefficient for deciding what should or should not be exempted.

The bill substitutes a more functional classification, based on language already in the APA: "impracticable, unnecessary, or contrary to the public interest." Grant-in-aid decisions cannot be exempted, in accordance with the procedures set up in section 501.

Section 201—Subpena power: The APA does not presently contain a grant of subpena power. It does provide that where agency subpena authority exists, subpenas must be made available to private parties in adversary proceedings to the same extent that they are available to agency counsel.

Most agencies which conduct formal proceedings under sections 556 and 557 of the APA do have subpena power. Such power is granted in the agency's legislation or in the particular substantive statute under which the proceeding is conducted. Some agencies which conduct such proceedings either have subpena power which is in some way limited or inadequate to the needs of all parties, or have no subpena power at all. The basic purpose of section 2 of the bill is to fill existing gaps by providing within the APA a grant of subpena power for all agency proceedings, both rulemaking and adjudication, which are required to be conducted on the record with opportunity for a hearing.

Section 301—Payment of expenses incurred before agencies: Our system of government relies on the spontaneous cooperation of the citizenry. This includes active participation in the administrative process, either by defending rights that Congress has sought to protect the "privacy attorney general" concept already recognized by the courts—or by providing information and perspectives that the bureaucracy would not have the resources to discover. When this private participation aids in vindicating public policy, the citizen should not be penalized by excessive financial burdens. Costs of participation should be kept at a minimum, and the agency should have the option of subsidizing those who otherwise would not be able to make a contribution.

Section 401—Sovereign immunity: "Sovereign Immunity" is a common law doctrine that prohibits suits against the sovereign without his consent. It is used by the Government arbitrarily and unpredictably, and frustrates the orderly legal planning of the citizen. The removal of this doctrine in the days of active positive government is a long overdue reform endorsed by most of those concerned with administrative law.

Section 501—Enforcement of standards for grants: The aim of this section is to insure the maintenance of Federal standards of performance and policy aims in those State and local programs that depend on Federal funds.

This bill defines grant-in-aid programs as "programs pursuant to which the Federal Government transfers funds to State and local governments and public and private nonprofit organizations to provide general public services or finance programs for special groups.

Secondly, all grant decisions are made subject to the public notice-and-comment procedures of rulemaking. This was done in section 102 above. This will allow objections to be heard before a State or local program is approved and funded. Relevant materials are required to be made available to interested persons.

Thirdly, procedures for hearing complaints concerning grant plan applications and the administering agency and the State or local grantee.

The agency will hear complaints when they are made in the name of a substantial number of those persons affected by a grant-in-aid program, or when the agency decides an important policy question is involved. The agency is also given less disruptive ways of enforcing Federal standards than the complete termination of the program.

Grantees are required to hear complaints from any person adversely affected by their administration of the program. Minimum standards for grantee complaint procedures are set up.

NATIONAL TRANSPORTATION WEEK

The SPEAKER pro tempore (Mr. McFALL). Under a previous order of the House, the gentleman from Missouri (Mr. RANDALL) is recognized for 60 minutes.

Mr. RANDALL. Mr. Speaker, as chairman of the Transportation Subcommittee on Government Operations our subcommittee has oversight and the new rules of all transportation—air, land, and water. The week of May 11 to 17, 1975, has been declared National Transportation Week and various transportation organizations across the Nation have observed the week.

It is proper that every American take time to reflect on the significance of a healthy, safe, and dependable system of transportation in this country. The word "system" is of great importance to all of us as we ponder actions which directly affect the future of transportation and which will determine the development and direction of our Nation's great rail, air, highway, waterway, and pipeline modes of transportation. They are all systems which are complex unto themselves and which interact with further complexity with each other. Any action which substantially affects one will undoubtedly have a ripple effect upon one or more of the others.

This is a concept which we as lawmakers must honor and respect if we are to produce more constructive than harmful legislation. We must also remain constantly aware of the fact that most of the other great issues which face us are directly related to the field of transportation. The economy, energy consumption, unemployment, pollution, and national defense are but a few areas of critical concern which are directly concerned each and every time we debate a measure which affects transportation.

We, as a Congress, have made some great progress in attempting to assure the health, safety, and dependability of our sprawling systems of transportation. In the last Congress, Public Law 93-633, the Transportation Safety Act of 1974, made great strides toward the end of safer movement of hazardous materials by all modes of transportation. It also rendered the National Transportation Safety Board an independent agency, free of any stigma which might have attached to it as an arm of the Transportation Department.

The regional Rail Reorganization Act, Public Law 93-236, took the first of possibly many steps toward insuring the economic health of our railroads.

We continue to operate under the auspices of the Airport and Airway Development Act of 1970, which is to be considered for extension this year.

Congress has passed numerous measures concerning transportation, some after long and deliberate debate, some with a kiss and a prayer under urgent circumstances, but there has never been a time which required greater attention and coordination between the various committees of the House which are concerned with transportation than now. As chairman of the Government Operations Subcommittee on Transportation, I have instructed my staff to establish close liaison with the Committees on Public Works, Interstate and Foreign Commerce, and Appropriations in planning the subcommittee activity. Meetings to effect this end have already been held. Duplicative hearings have already been averted in the matter of ground proximity warning systems which are being required on all passenger carrying aircraft. As you are aware, it is the responsibility of the Committee on Government Operations to eliminate conditions which lessen the economy and efficiency of the Federal Government, and we are beginning this effort at home, here in the Congress.

As a subcommittee, and with the able assistance of CHARLES THONE, the ranking minority Member, we intend to take

a long and thoughtful look at the entire transportation picture. We have begun studies into the FAA, the ICC, the St. Lawrence Seaway, and the Maritime Commission. I would again note that we have repeatedly found that a study of one area or agency inexorably leads into consideration of matters affecting another mode of transportation. Matters which affect trucking have direct impact on railroads. Matters which affect transportation of hazardous cargo by air affect just about every other mode, since the materials must be brought to and taken from the airports by trucks, rail, or sea.

During this National Transportation Week, I wish to make known to the public some of the specific issues which will be confronted during this Congress by the Subcommittee on Government Activities and Transportation.

Subjects which are presently under study or which will soon be under study include:

FAA response to National Transportation Safety Board safety recommendation, especially those which deal with airplane crash survivability; FAA rules governing the air transportation of hazardous cargo, with particular attention to responsibility for packaging and handling; training of air traffic controllers, with special emphasis on the FAA Academy in Oklahoma City, Okla.; ICC regulations, particularly those rules which contribute to waste or inefficiency; the St. Lawrence Seaway, especially the impact of containerized cargo and rail competition on its economic future; and finally, the economy and efficiency with which funds available under the Airport and Airways Development Act of 1970 have been put to use.

National Transportation Week is being celebrated in my district with barge rides on the Missouri River and with complimentary train rides through the Kansas City area. I hope next year more in our country may participate in these and similar activities across the Nation, in hopes that everyone will develop an awareness of the magnitude and multiplicity of problems which face us and will continue to face us for decades to come. The purpose of these few words today is to restate my commitment to the development of a proud, efficient system of transportation in America. I wish that there were a single concept or principle which, if developed, would lead us as a Nation quickly and securely down the road to a robust, reliable system of transportation, but there does not appear to be one. We will, in the alternative, continue to study and correct those problems which come before us, and hopefully, with each passing Congress, contribute to that end.

NATIONAL TRANSPORTATION WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nebraska (Mr. THONE) is recognized for 10 minutes.

Mr. THONE. Mr. Speaker, I wish to add my support to the fine remarks of the gentleman from Missouri (Mr. RANDALL) and join him in support of the activities of National Transportation Week. I also wish to thank the gentleman for his recognition of my work on the Subcommittee on Government Activities and Transportation. I share his concern for the continued viability of this most important industry.

The economy of the State of Nebraska and the rest of the Midwest and plains States is almost totally dependent on the modes of transportation available. The vast bulk of agriculture production must be moved by truck, train, and barge to its destination in other parts of the country. Raw and semifinished products and fuel must be shipped in for the manufacturing process and the finished product transported yet again.

In many ways the massive increase in highway and interstate construction in recent years has tended to aggravate the transportation problems of rural areas. The resultant increased use of the private automobile has led to a lessened dependence on public transportation. Increased use of trucks for transportation of goods has created problems for the railroads. The energy crisis forced us to place this in a new perspective.

As a nation we are beginning to realize these problems must be faced directly and a balanced transportation system developed that takes advantage of motor vehicles, trains, watercraft, and air. Convenience, cost and efficiency must all be considered.

These ramifications are now being seriously studied—maybe for the first time—by the regulatory agencies, the executive branch and Congress. Our subcommittee is aware of legislation emanating from all three of these sources dealing with these problems.

Over the next months, I look forward to working with Chairman RANDALL and the other members of the subcommittee on the problems of the transportation industry.

NATIONAL TRANSPORTATION WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. HOWARD) is recognized for 10 minutes.

Mr. HOWARD. Mr. Speaker, the occasion of National Transportation Week presents a most appropriate opportunity for all of us in the Congress to reappraise the role of Government in coping with the many and complex problems that confront our increasingly urbanized society in the field of transportation.

Until this year, the Public Works Committee's transportation jurisdictions centered primarily on highways and inland waterways. This committee, on which I have been privileged to serve since my first term in Congress, has contributed significantly in those two specific areas to the development of the world's most advanced transportation system.

The St. Lawrence Seaway, which gave the United States fourth seacoast and brought deepwater ocean shipping 1,000 miles inland from the Atlantic to the Great Lakes ports, was initiated by the Public Works Committee more than 20 years ago. And in the same era, the committee authorized construction of the 42,500-mile Interstate Highway System. Now approaching completion, this magnificent system today is the safest and most-traveled road network on earth, as well as the greatest public works program in the history of mankind.

But, successful as those two great undertakings have been, our society and its needs are changing so rapidly that there is no time for a self-congratulatory pause; we must act without delay to develop new and even better instruments for the problems of the immediate future.

If current demographic trends continue, we will have added some 50 million persons to our population by the year 2000. Where and how well they will live will depend to a significant extent on how wisely we plan now for their transportation requirements.

Much of the responsibility for that planning effort is now lodged within the Public Works and Transportation Committee, because of the 1974 congressional reorganization which extended the committee's jurisdiction to all surface transportation excepting railroads, and to all civil aviation.

As chairman of the Surface Transportation Subcommittee, I am convinced that one of our most urgent priorities is the development of a national transportation policy that will take into account the capabilities of all modes of transportation and direct them toward the needs of the future. I pledge my every effort, Mr. Speaker, to the development of such a policy.

CUTTING THE BUDGET: A SUMMARY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CRANE) is recognized for 5 minutes.

Mr. CRANE. Mr. Speaker, for a number of years now, I have been concerned about the growing deficits in the Federal budget and the impact of these deficits on inflation and capital investment. Release of the President's budget for fiscal 1976, with its $52 billion deficit, heightened my apprehension and the steady escalation of the estimated budget deficit since then has done nothing to allay my fears about the direction in which our economy is headed. At the time the House budget resolution was considered, a number of Congressmen, myself included, made an effort to stipulate that expenditures should not exceed revenue in fiscal year 1976, but, unfortunately, that effort was defeated 311 to 94.

Ultimately, however, such an effort raises two important questions, namely, what specific programs are to be cut to reduce the fiscal year 1976 deficit to zero and how likely is it that such cuts will be approved given the present disposition of Congress.

Answering the second question first, it is obvious that, at the moment, Congress is disinclined to opt for a balanced budget because most members seem to be pre-

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occupied with recession despite the fact that inflation is the root cause of recesssion. However, if the coming budget deficit of $70, $80, or $100 billion sets off another inflationary spiral as many people are persuaded it will, that mood may change and Members of Congress may be willing to look at possible alternatives, particularly if they are set out in specific terms. Therefore, for that reason, if for no other, specific alternatives providing for a balanced budget should be presented.

However, there is another consideration—the role Government should play in the economic life of this country. As one who has long believed in the concepts of free enterprise and limited Government, I not only want to see deficit spending curtailed but Government subsidization and regulation reduced. History clearly shows that increasing the role of Government not only decreases personal liberty but, through intervention in the free market system, hampers economic growth. Understandably, all Americans want a larger piece of the economic pie, but governmental regulation of the size of the slices is far less likely to produce that result than letting the free enterprise system bake a bigger pie.

Therefore, I have prepared a proposal that would not only produce a balanced budget in fiscal 1976, but would reduce Government intervention in, or control over, various aspects of American life. Frankly, this proposal represents what I would like to see happen, politically and philosophically as well as financially, but I recognize that, given the makeup of the present Congress, the chances for adoption of all, or parts of it, are minimal at best. However, I would hope that, by making these suggestions, I will stimulate interest in and discussion of a balanced budget and how it may be achieved.

I should also note that this proposal represents a rough outline rather than a polished final draft. I would hope that, as discussion of it proceeds, criticisms will be made, refinements will be suggested and imperfections will be worked out. Unfortunately from a research standpoint, and fortunately from the standpoint of the taxpayer, the resources of an individual Congressman are not comparable to that of the Budget Committees, the executive branch or OMB, so there are bound to be some things that need to be corrected or improved. However, even organizations like OMB have had difficulty estimating expenditures and revenue, especially the latter, so that problem should not constitute a fatal drawback.

When the President proposed this fiscal year 1976 budget last February 3, he stated revenues would be $297.5 billion, he suggested outlays of $349.4 billion and he proposed a deficit of $51.9 billion. Using the figures in the President's proposed budget and postulating opposition to spending programs that either have increased or will increase the deficit, my feeling is that we cannot only cut approximately $52.5 billion from the President's original budget, but that we can keep the revised budget in balance for fiscal 1976.

To achieve this, I am recommending that approximately $6 billion be cut from the defense budget in the areas of personnel support facilities and military assistance, that $4¼ billion be trimmed from foreign aid, that $190 million be cut from space and technology, that approximately $3 billion be trimmed from natural resources, environment and energy, that just over $800 million be chopped from agriculture, that $4.6 billion be taken from community development, that over $8¼ billion sliced from commerce and transportation, that over $4 billion be taken out of education, manpower and social services, that over $700 million be trimmed from health, that $10.5 billion be cut from public assistance and income security, that $269 million come out of veteran's benefits, that $1.15 billion be cut from law enforcement and justice, that $800 million come out of general government and that $7½ billion be subtracted from budget allowances.

In proposing these cuts, I have not left any sacred cows. All 14 functional areas of Government have come in for attention, with the nature and size of the cuts being determined by 6 basic premises.

The first premise is that any program vital to national security not be cut. However, as you will notice, this is not intended to provide a blanket exemption for the defense budget; in fact the $6 billion in defense cuts I am proposing are larger than either of those proposed by the House and Senate Budget Committees and will enable us to shift $1 billion to badly needed weapons research and development.

The second premise is that businesses, agricultural interests, and individuals should rely on their own skills and initiative and not on the Government. Consequently I am proposing that, wherever possible, Government subsidies to the able-bodied—corporate and otherwise—be eliminated.

The third premise is that excessive Government regulation has had much to do with businesses and others getting into the kind of economic difficulty that results in requests for subsidies. Furthermore, such regulation, while intended to promote competition and help the consumer, has had just the opposite effect. Therefore, I am calling for the elimination of a number of Government regulatory agencies on the grounds that they are counterproductive for the businessman, expensive for the consumer, and hard on taxpayers. Proof of that may be found in recent White House estimates to the effect that unnecessary and ineffective Government regulations are costing the average American family $2,000 a year.

The fourth premise is that programs that have not worked, or can easily be delayed, should be either dropped or postponed. Certainly foreign aid falls into this category; we have been Santa Claus to the the world for years now and the world could not seem to care less.

The fifth premise is that, as a matter of equity, all groups should be treated alike. Accordingly, I am suggesting that special interest group programs either be eliminated or cut back to a per capita level no higher than that being provided to all other Americans.

The sixth and last premise is that all other program reductions be as uniform as possible. Therefore, I am recommending that all programs that seem desirable but are not vital to national security, be rolled back to fiscal year 1974 levels. Surely, on these programs, we can get by with what we spent less than 2 years ago. And, by instituting such a rollback policy, we will encourage, if not force, greater administrative efficiency and an effort to eliminate waste and duplication.

Included in the cuts I am suggesting is: A 200,000-man troop reduction for the U.S. Army; the phaseout of unneeded military bases, the elimination of the food-for-peace program; reduction of our contribution to the United Nations and to multilateral assistance programs; elimination of funding for the Agency for International Development, the Peace Corps, and the Job Corps; foregoing participation in the special financing facility program that would help other countries with their balance-of-payments problems; postponing construction of waste treatment plants and the Interstate Highway System for at least 1 year and, elimination of subsidies for airlines, railroads, buslines, shipping, agricultural interests, the Postal Service, students, and individuals who are perfectly able to take care of themselves.

In addition, my proposal would cut out funding for programs such as urban renewal, Model Cities, subsidized housing, and for regulatory agencies such as the ICC, the CAB, and the FTC. Moreover, the proposal would not only eliminate the food stamp program but also envisions the amendment of the welfare program and the unemployment compensation program so that those who are not really in need do not become a burden on those who are working. And, finally, these proposals envision acceptance of the President's 5 percent cap on entitlement programs while rejecting his call for energy cost rebates to individuals, State, and Federal agencies.

All in all, these cuts, coupled with the other terminations and rollbacks contained in this proposal, offer what I believe to be a reasonable way of balancing the budget and buttressing the free enterprise system without endangering national security. Obviously, a certain amount of subjectivity is involved in these proposed cuts and, just as obviously, not everyone will agree with all the premises developed in making them, but they do represent a starting point from which I hope discussion will proceed.

Such discussion is certainly needed. If we do not do something to reduce Federal spending for fiscal year 1976, the deficit we will face will not only require government at all levels to soak up better than 80 percent of the available capital in this country, but it will also set off another inflationary spiral. Such a combination can only lead to a follow-up onslaught of recession and unemployment, which is the very thing that so many people are concerned about today.

Congress should realize that it cannot spend the country out of the recession without rekindling inflation and driving up interest rates, which in turn, will retard both investment and future economic growth as well as compound all the present problems that have given us our current 8.9 percent unemployment rate.

Therefore, it only makes sense for all Americans to consider any and all ways of cutting the budget. Imperfect though it may be, I invite my colleagues to evaluate my proposal in this light and pass along any suggestions they might have for improving it. Copies are available in my office and a printed copy should be out in a matter of weeks for all those who are interested. For those who believe, as I do, that "inflession" is still the number one domestic enemy against which we must intensify the fight, time is of the essence.

THE HONORABLE WAYNE HAYS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. Myers) is recognized for 1 minute.

Mr. MYERS of Pennsylvania. Mr. Speaker, one of our colleagues celebrated his 64th birthday yesterday and since he represents a congressional district that is a neighbor to the one I represent in Pennsylvania, I desire to pay my respects and offer my congratulations to him and his constiuents.

Congressman Wayne Hays wears his years well, Mr. Speaker. His years have not diminished his energy and concern for this House. Sometimes, without even trying, he is good for our side of the aisle. He keeps us on our toes, while occasionally stepping on them, but I respect him for his forthrightness and dedication to what he thinks is right. I hope that I reflect the best wishes of all of my colleagues in wishing him many more birthdays as a Member of the House of Representatives.

LIBERALS OVERLOOK RED BLOODBATHS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. Ashbrook) is recognized for 15 minutes.

Mr. ASHBROOK. Mr. Speaker, efforts in the press to downplay Communist brutality continue. Many of us have tried to set the record straight but the liberal reporters clearly do not want to learn and do not want to be confused by the facts.

First, it is necessary to note that bloodbaths do not necessarily happen the day, week, or month after a country falls to communism. As was so often illustrated in China, there may have been "speak out" sessions where simple people were urged to air their gripes, point the finger, complain. All complaints were recorded for proper retribution at a later time. Those taking over villages, cities, and governments often spoke of conciliation and working with the "old order" in the early part of their organizing efforts. The brutality came later. Reeducation was a code term to mark someone for brainwashing or execution.

In Communist China, at least 15 million people were slaughtered in political liquidation campaigns from 1949 to 1958.

In Tibet, one of the most horrendous genocides was inflicted on a small nation resulting in the extermination of 300,000.

In North Vietnam, to solidify their hold, at least 50,000 countrymen were executed in the land reform programs of the 1950's.

In South Vietnam, civilian victims of Communist terror from 1957 through 1971 is over 36,000.

Reports from Cambodia and Vietnam right now—repeat, right now—indicate executions and a reign of terror as a part of Communist takeover.

The records do not stop there. The staggering loss of life extends to Eastern Europe and Cuba which are detailed later in these remarks. It is this broad picture that liberal reporters overlook in their effort to rewrite history sympathetically to Communist butchers.

Having read thousands of articles over the past 25 years on the subject of communism and having become accustomed to the managed news and brainwashing technique of the left, I did not think I could ever read an article which would top them all. The Schanberg article clearly does top them all. It is the most dishonest, propagandistic article on communism I have ever seen. In it he says "it will be nice when Americans get out of the killing business in Indochina" and "it is difficult to imagine how their lives could be anything but better with the Americans gone."

His anti-American posturing is bad enough but he arrogantly ignores the operating principles of communism to mislead his readers by flat out referring to their brutality and murder as—quote—abnormal behavior—unquote, clearly implying this is isolated and not to be confused with their expected actions. Note his entire quote:

> Wars nourish brutality and sadism, and sometimes certain people are executed by the victors but it would be tendentious to forecast *such abnormal behavior* as a national policy under a Communist government once the war is over. (emphasis added)

This might be tendentious from his biased point of view, Mr. Speaker, but any objective study of Communist tactics, past and present, will belie his assertion. What normally happens is twofold: First, their executions, reeducation programs, concentration camps, repressions are done outside of the coverage of TV cameras and the sight of reporters like Schanberg who does not want to admit they happen anyway; second, a silence, a cold-blooded calm comes over the country whose borders are sealed, whose communications with the rest of the world are curtailed.

The result of this is that suppliant reporters like Schanberg will call this silence "peace."

Mr. Speaker, I cite here just some of the record of communism which has been normal—not abnormal. While it always can be hoped the Communists will turn from their bloodthirsty ways, it is irresponsible to rewrite history in this way, especially when they have their anti-American knives whetted so sharply. Schanberg alludes to the hopes that the "more gentle and flexible Khmer character" will be reflected in a Cambodian Communist government.

ATROCITIES IN VIETNAM AND CAMBODIA

The present tragic events now unfolding in Cambodia and South Vietnam raise ominous signs once again of the prospects of a Communist-style bloodbath in Southeast Asia. It is urgent that the on-going controversy over the fact or fiction of bloodbaths not be allowed to place in jeopardy the lives of those marked for extinction by the North Vietnamese, the Vietcong, and the Khmer Rouge.

Nothing new about this. Dr. Tom Dooley told about what happened to a teacher who did not conform to Communist tactics.

As for the teacher, whose unforgiveable crime was the conducting of classes in religion, Dr. Dooley continued:

> As for the teacher, he must be prevented from teaching again. Having been forced to witness the atrocity performed on his pupils, he endured a more horrible one himself. One soldier held his head while another grasped the victim's tongue with a crude pair of pliers and pulled it far out. A third guard cut off the tip of the teacher's tongue with his bayonet. Blood spurted into the man's mouth and gushed from his nostrils onto the ground. He could not scream; blood ran into his throat. When the soldiers let him loose he fell to the ground vomiting blood; the scent of blood was all over the courtyard.

With but slight variation, the above Communist measures were vigorously invoked throughout the entire central-eastern region between the Baltic and the Mediterranean Seas. Moreover, the figures cited are very conservative because they span only the early years of the Communist takeover period.

HUNGARY

In the public mind, the major bloodletting period by the Communist is generally assigned to the mid-forties and early fifties. However, the harbinger of the terror to be visited on the States of Central-Eastern Europe appeared 25 years earlier in Hungary, in 1919, when the Communist Bela Kun regime succeeded in creating a Soviet Hungary. Although of short duration, the terror and disruption lasted for 4 months and was the reason that communism never secured a foothold in Hungary during the decades which followed or until the Red Army rammed it down Hungary's throat.

But the bloodbaths suffered during the initial Communist takeover were not the only instances of bloodletting suffered by the peoples in the Communist-dominated nations. As a direct consequence of exploitation, Hungary exploded in 1956.

YUGOSLAVIA

Unlike the other Communist satellites, Yugoslavia did not have the direct presence of the Soviet Army following World War II, as it did during the end of the war, to aid its native Communists in the takeover of the reins of power. Much of the spadework, however, was done during

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the war years by Marshall Josip Tito's forces against his natural enemies, the Christian anti-Communists, under the guise of fighting Germany.

Finally in September 1944, the Soviet Army entered northern Serbia and thus, the genuine patriot of Yugoslavia, General Mihajlovic, exhausted from fighting both the German's and Tito's guerrillas and unsupported by the West, was finished. Many of his anti-Communist troops who were not captured by the invading Communist armies or by Tito's partisans fled to the American Zone—where they found safety, or to British-occupied Carinthia—where they found treachery.

The British, out of ignorance, or deception by their own diplomats such as Guy Burgess who later defected to the U.S.S.R., and by James Klugmann, wartime chief of Balkan intelligence for the British Middle East Command who later became "director of education" for the Communist Party of Great Britain, sent back thousands of the general's men to Tito's partisans who immediately massacred them without benefit of trial.

Their numbers included over 11,000 young Slovenians including civilians, several thousand unarmed Croatian soldiers, and about 3,000 anti-Communist fighters from Ljotic's movement, and 1,000 Montenegrin cetnici, according to the excellent study on Yugoslav communist prepared by Dr. Charles Zalar for the Senate Internal Security Committee.

In a work entitled "Requiem for Massacred Slovenes," it was noted that:

> The quiet mountains and hidden valleys of Slovenia were the scenes of mass executions during the whole months of May and June 1945. By a terrible mistake the Christian leaders of the Western World had sent to their deaths over ten thousands of convinced anti-Communists; these young men were the first victims in the defense of the West against Eastern barbarism.

Wrote Bishop Bernard J. Topel of Spokane—

> Not only men, but also women and children, even babies and grandparents were murdered at Tito's whim. Sometimes the killing came after sadistic torture that is so much a part of Communism.

Tens of thousands of Yugoslavs fled to refuge abroad. A great number of Yugoslav prisoners of war who were held in concentration camps by the Germans and Italians refused to return to the "new liberated" homeland.

But this was only the beginning. Those patriots Tito's Communist-led partisans missed in the massacres during the wartime mopup, his secret police finished off during the postwar period. Under the lofty-sounding name of the "Department for the protection of the people," otherwise known as the infamous OZNA, 200,000 persons were liquidated.

Marshall Tito, the butcher of Belgrade, in a speech at Tuzla, in September 1946 stated piously, according to Martin Ebon in his work, "World Communism Today:"

> Those who will persist in hindering the creation of a better future, the reconstruction of our country, the creation of something better and new, will have to disappear from the face of this earth. We will have no pity toward them and will act toward them as against our worst enemies. We cannot stop halfway.

And indeed he did not.

THE NEED FOR NATIONAL WELFARE REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. Robert W. Daniel, Jr.) is recognized for 5 minutes.

Mr. ROBERT W. DANIEL, JR. Mr. Speaker, since its inception in 1936, Federal aid to families with dependent children—AFDC—has been growing at a dizzying rate. Total caseloads have increased 20 times from December of 1936 to December of 1974. More specifically, the ratio of children on AFDC to the Nation's population of persons under 18 years of age has grown substantially during that period, from 1 in 50 to 1 in 8 presently. The ratio in a number of the Nation's large urban centers has grown even more alarmingly: Chicago and Detroit, 1 in 5; New York and Newark, 1 in 4; and St. Louis, Baltimore, Boston, and Washington, 1 in 3.

It took 15 years, from 1940 to 1955, for the AFDC rolls to double. Ten years later the 1955 figure had doubled again; and by 1970, only 5 years later, those rolls had doubled once more.

Accordingly, the multiplying AFDC rolls have been accompanied by vast expansion of Federal expenditures for the program. In fact, Federal AFDC expenditures have risen over the last 20 years from over $545 million to well over $4 billion. The AFDC portion of the Federal budget has risen 6,800 percent from 1937 to 1974. The past decade alone has seen the Federal Government's participation in payments to families triple.

At every level of Government, increasing fiscal distress has been experienced as this and a number of other public assistance programs have grown alarmingly. The results have been apparent not only in fiscal but in human and administrative terms: An invitation to generational dependency and an involvement in a growing and increasingly cumbersome bureaucratic maze.

In recent years a number of States have undertaken basic reform of their own State codes, regulations, and administrative practices in an effort to bring the AFDC program under control. By tightening eligibility and cracking down on fraud, several States have managed to cut the welfare rolls and simultaneously improve assistance to those citizens in critical need. California was the first State to enact welfare reform legislation in 1971. During the period prior to welfare reform in California, welfare rolls were increasing at the rate of 40,000 a month. Since reform was instituted in that State, caseloads not only leveled off but actually decreased at the rate of approximately 8,000 per month. The 1971 Welfare Reform Act enabled California to utilize its savings to enact a 27-percent increase in grant levels; institute the first annual cost-of-living increase; and by 1974 increase grants by 41 percent.

One of the byproducts of the 1971 Welfare Reform Act was that at least 42 of the 58 counties in California were able to reduce their property taxes, and overall savings to the taxpayers were estimated to exceed $1 billion between the period from 1971 to 1974.

Other States embarked upon similar reform efforts, tightening grant and eligibility requirements, strengthening child support provisions, instituting fraud control measures, and developing work requirements. But the experience of the State, county, and city officials in the country has been that they can only do so much—that there remains a substantive body of law in the Federal Social Security Act and accompanying DHEW regulations that perpetuates the irrational allocation of public assistance funds and serves as a barrier to complete reform.

The Subcommittee on Fiscal Policy of the Joint Economic Committee completed a congressional study of the Federal welfare laws and regulations and its results are deeply disturbing. It shows that the current welfare system encourages low income and unemployed fathers to avoid work and to desert their families. It also encourages single women and unmarried couples to have children by awarding large financial bonuses for the first child, with lesser inducements for additional children.

The congressional study concludes that the welfare system is so structured in the United States that it financially encourages unemployment, higher birth rates, and separation of families.

It is ridiculous to have a welfare system that encourages single and married women to have children and fathers not to work and to abandon their families.

Last August I spoke on the floor of the House calling my colleagues attention to the congressional study and urging "that the Congress give its full support to a complete reevaluation of the welfare system as it is desperately needed."

Every welfare reform proposal offered in recent years has ranged from simply piling on more welfare programs to providing a guaranteed annual income for everyone. I do not think any of these so-called solutions even begin to deal with the problem.

The bill I am introducing today, the National Welfare Reform Act of 1975, is quite different from past proposals for reform. Its goal is to stem the growth of the welfare rolls, not to increase it. At the same time, we want to insure that those who are genuinely in need of assistance are able to get it.

But above all, I believe that it is time that we limit public welfare to its original purpose: helping those who are really incapable of helping themselves. I do not believe that able-bodied citizens should be permitted to enjoy a relaxed lifestyle at the taxpayers' expense. This is especially true, with taxpayers having to scrape hard to maintain their present standard of living in the face of a declining economy and rampant inflation. To allow their tax dollars to be siphoned off by welfare recipients who are merely

unwilling to work or by those who have been experts at receiving fraudulent benefits is unforgivable.

The bill that I am offering today will save the taxpayers an estimated $1.7 billion each year without hurting the truly needy recipients of welfare by tightening grant and eligibility requirements, strengthening child support provisions, instituting fraud control measures, and developing work requirements.

If we do not enact my bill or one of the similar welfare reform proposals offered by members of both parties, our efforts to assist the truly needy will fail.

WILL FISHING FLEET BE SAVED?

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. Heckler) is recognized for 5 minutes.

Mrs. HECKLER of Massachusetts. Mr. Speaker, I recently wrote to the Subcommittee on Fisheries, Wildlife, and the Environment urging immediate action on H.R. 200, which provides for a 200-mile fishing limit, in light of the failure of the United Nations Law of the Sea Conference to resolve the dispute involving territorial fishing rights.

I wrote to my colleague, Congressman Robert Leggett, chairman of the subcommittee:

> The conference has been meeting periodically since 1958 and the American people have come to view the lack of action with growing impatience. . . . Our fishing stock is a vital part of our national resources and we must take action to prevent its depletion by foreign powers, just as we do not allow depletion of inland resources by other countries.

The Fall River Herald News in its editorial of May 12, points out the deficiencies of the Law of the Sea Conference and emphasizes the need for immediate congressional action on the 200-mile fishing limit.

It is a thoughtful and well reasoned piece which I commend to my colleagues, and include it at this point in my remarks:

> ### WILL FISHING FLEET BE SAVED?
>
> Slowly, perhaps too slowly, the international conference on the law of the sea now being held in Geneva is moving toward revision of existing codes. For one thing, the draft charter drawn up by the conference provides for a 200-mile economic zone in which coastal nations will have full control of all marine resources. This provision, if ratified, will resolve a very knotty problem for New England, one which has plagued the area for years, the problem of protecting its own fishing fleets from foreign interlopers.
>
> The provision in the draft charter amounts to extending the off-shore limits of coastal countries to 200 miles, a distance which it is generally thought would give New England's fishing fleet ample protection against the trawlers from other countries, principally the Soviet Union, which have been depleting the region's supply of fish for years.
>
> Although the provision is desirable, it will not do for New England's fishermen simply to sit back and relax, assuming their battle has been won. The draft charter is simply a preliminary document which will be fought over for at least a year or two. The next sessions of the conference are scheduled for New York next year. Then the final document must be approved by the nations conferring. The whole process is bound to drag on while New England's supply of fish goes on being systematically depleted.
>
> The conference on the law of the sea is laudable and headed in the right direction, but it is doubtful whether it will achieve its goals in time to salvage New England's fishing fleet.

HOW LONG WILL WE BE KICKED AROUND?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. Young) is recognized for 10 minutes.

Mr. YOUNG of Florida. Mr. Speaker, how long is the United States of America going to be kicked around?

The Khmer Rouge of Cambodia have seized one of our unarmed merchant ships on the high seas in an act of blatant piracy.

This is but the latest in a series of insults to the most powerful Nation in the world.

The Viet Cong demand the return of U.S. military equipment used to fight their aggressions in South Vietnam, and then used by refugees to escape from the Communist takeover.

North Vietnam, having signed the Geneva Protocol, refuses to observe its requirements and tortures and maims U.S. prisoners. That same government refuses to account for more than 1,000 missing prisoners.

Arab nations seize oil fields and equipment developed with U.S. funds and know-how, and then turn around and extort vast sums and political concessions from us, using those very oil resources.

India, with millions of its peasants going hungry, explodes an expensive atomic device, and then accuses the United States of "warmongering" when we resume arms sales after a 10-year embargo to its neighbor.

U.S. diplomatic envoys are murdered without cause or reprisal. Consider the roster of the last 3 years alone:

John P. Egan, Honorary Consul in Cordoba, Argentina.

Roger P. Davies, Ambassador to Cyprus.

Cleo A. Noel, Ambassador to the Sudan.

The European nations whose industrial vitality today is primarily due to U.S. dollars and assistance during the past 30 years, now turn on us and force two devaluations of the American dollar.

Ecuador uses surplus ships, given them from our own Navy, to seize and hold for ransom U.S. tuna fishing boats.

Panamanian Foreign Minister Jose Torres uses firebrand radicalism to inflame mobs and cow the Department of State into offering up the Panama Canal as a sacrificial lamb.

"Have-not" nations such as Ceylon break up the International Law of the Sea Conference by demanding that the United States give up all of its mineral rights on the seabed and finance their development by other nations.

The United Nations, supposedly dedicated to world peace and cooperation, financed largely by the United States and given a home by the United States, spends most of its sessions attacking the United States and our policies.

The list is endless. The indignities mount daily. Our properties abroad, our citizens, our ships, our economy, our philosophy. Nothing is immune. Unless there is a positive change, the United States will become as Gulliver in the Land of the Lilliputs, bound helpless by a thousand tiny immobilizing threads.

Mr. Speaker, I respectfully suggest that maintenance of the dignity and restraint appropriate to a superpower is all well and good, but in the absence of any such restraint by our attackers it is time for us to reconsider this position. So far, it has resulted only in an endless succession of insults and abuses.

We have been kicked around long enough. We have more than proven that we can exercise a quiet restraint in the face of attacks by immature and aggressive political entities. Having made our point, it is now incumbent upon us to also exercise the swift and direct discipline which is the best response to immature political and social behavior.

This is not the first time a Communist nation has presumed to seize one of our ships. The lesson of the *Pueblo* is all too fresh in our minds. We were polite and dignified and used the "correct channels." What happened? We were humiliated before the world. After an aeon of torture and mental agony, the *Pueblo's* crew was returned. Instead of chastising the aggressors, we conducted an inquiry into the behavior of the commanding officers. I fail to comprehend such perverted logic.

Obviously, the communists comprehend our weakness all too well. If one nation can commit such an outrage and get away with it, then yet another and another and another can do equally well. The Ecuadoreans have been doing it for years without suffering any consequences.

The fledgling Communist government of Cambodia has an acute understanding already of the uses of world power politics. Having set itself as the oppressed underdog in a battle with the "aggressive imperialist United States," and won due to our restraint, it is once again testing the limits to which we can be pushed.

I, for one, say let us not be kicked around any longer.

If a foreign government can seize an unarmed U.S. merchant ship in international waters, what is to stop any country in the future from interdicting our ships in any other part of the world? What is to stop any Nation abutting an important sealane from claiming a violation of its territorial waters and seizing our ships? What would happen then to the United States—a Nation whose economy depends on world trade?

I need not remind my colleagues that the most important shipping lanes in the world are those adjacent to nations which do not strike a particularly friendly attitude toward the United States—

The Suez Canal;

The Panama Canal;

The Straits of Malaysia;

The Gulf of Aden; and

The coastal lanes of Africa, so essential for supertankers. If but one single nation can establish as a precedent its

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right to seize merchant shipping vessels of the United States on the basis of an allegation of control over international waters, then a Pandora's box has been opened of countless future evils.

World trade is essential to our economy and to our continued prosperity. Not only are we dependent on foreign markets for our exports, but we are also highly dependent on developing nations for vital raw materials. Right now, we import more than 50 percent of our aluminum, chrome, manganese, tin, nickel, and zinc. By 1985, we will be importing more than 50 percent of our iron, lead, and tungsten needs. Almost 100 percent of our rubber is imported, as well as 50 percent of our hardwood lumber. These imports come from nations such as Thailand, Venezuela, Chile, Turkey, and Indonesia—countries which have seen other small nations flaunt the United States and win, and who are themselves flexing their muscles against us.

We have felt and are still feeling the economic impact of "oil blackmail." The success of the OPEC cartel has inspired Algeria to demand it expand its scope of operations to include price increases for other vital raw materials as well.

While developing nations are putting the economic squeeze on the United States' economy, the Soviet Union is rapidly expanding its Navy into a major fleet, capable of swift action anywhere in the world's oceans. The recent large-scale Soviet naval maneuvers proved clearly that the Soviets are able to dominate the major shipping lanes at will.

If the United States gives in to a single miniscule revolutionary government over a single merchant ship, we have virtually invited similar forays on a larger and larger scale, and of a greater and greater threat to our economic and military well-being.

Mr. Speaker, we have learned the tragic lesson of the failure of appeasement during World War II. But events of the past few years make it appear that memories are shorter than lives. We have appeased our adversaries until we are the laughingstock of the world. We have given up and given in beyond all requirements of global harmony. We have bound our Commander in Chief with a War Powers Act that compels him to wait while the Congress dawdles, debates, restricts, and pontificates. There are even those who claim the President acted illegally in the evaculation of U.S. citizens and their dependents from South Vietnam. Where would those evacuees be now if the President had waited for the Congress to act? Dead? Tortured?

I suggest to my colleagues that the time for fine rhetoric, long debate, amendment under the 5-minute rule, and other polite converse is past.

In today's world, as in yesterday's appeasement is a losing policy. It has cost us our foreign business properties. It has cost us billions in oil payements. It has cost us the lives of our citizens. And now it threatens our naval commerce.

The time for decision is right now. The Khmer Rouge must not be allowed to continue holding our merchant ship. This communist action is yet another gauntlet thrown at us in the world arena, and if the United States fails to pick it up this time, we will be liable to all the sad consequences of continued appeasement.

Calmly, swiftly, and decisively, the United States of America must act to let the world know that our prior restraint in the face of repeated provocation will, in the future, be replaced by direct action appropriate to the circumstances and to the need to protect our national interest.

AT LONG LAST, PROPOSALS TO CHANGE THE FEDERAL RESERVE ARE GETTING ATTENTION—EVEN FROM A FEDERAL RESERVE BOARD GOVERNOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PATMAN) is recognized for 15 minutes.

Mr. PATMAN. Mr. Speaker, this morning's New York Times carries a very interesting interview with John E. Sheehan who is retiring as a member of the Federal Reserve Board.

As I have said on this floor on innumerable occasions, there is no reason for the secrecy about the operations of the Federal Open Market Committee because its monetary decisions are well known by the "experts" who have the most to gain or lose. Its just the people who are kept in the dark under the present secrecy arrangements.

Let me quote this paragraph from Governor Sheehan's comments:

> I have interviewed the money market dealers and banks. They have very large staffs, made up in part of former Federal Reserve people. They are paid to figure out what the Fed is up to, and they are very good at it. They are usually right on the money in perceiving our actions and intentions.
>
> With our policy of non-disclosure until 45 days after our meetings, are we really protecting the minnows from the sharks?

Mr. Speaker, Governor Sheehan also raises other key questions about the structure of the Federal Reserve—once again, these are questions which we have raised consistently in the Banking and Currency Committee of the House and on the floor of the House. I am glad at long last to see the New York Times and a member of the Federal Reserve Board at least raising questions about the need for more information from the Federal Reserve and a structure which is more in line with our theory of accountability in a democracy.

These broad questions were raised during my first term as chairman of the Banking and Currency Committee when we conducted a massive investigation of the first 50 years of the operations of the Federal Reserve System. I am hopeful that this new public debate will at long last bring these badly needed reforms into reality.

Mr. Speaker, the Banking and Currency Committee, on August 25, 1964, published a report on its investigation entitled "The Federal Reserve System After 50 Years," and made these specific proposals:

> A. To emphasize the public character of the Federal Reserve
>
> 1. Provide for the retirement of the Federal Reserve stock.
>
> 2. Vest all power to conduct open market operations in the Federal Reserve Board.
>
> B. To increase the effectiveness of monetary policy by assuring the recruitment of an outstanding Federal Reserve Board and an adequate response to advances in economic knowledge
>
> 1. Remove the present requirement that the President, in selecting Governors of the Federal Reserve Board "* * * shall have due regard to a fair representation of the financial, agricultural, industrial, and commercial interests and geographical divisions of the country." Instead require only that the Governors be men of integrity devoted to the public interest.
>
> 2. Reduce to five the number of Governors of the Federal Reserve Board.
>
> 3. Reduce to 5 years the terms of office of the Governors and allow for reappointment.
>
> 4. Make the term of the Chairman of the Board of Governors coterminous with that of the President.
>
> 5. Raise the salaries of the Governors.
>
> C. To insure public control over the expeditures of public moneys
>
> 1. Provide for a public audit by the Comptroller General of all expenditures by the Federal Resercve Board and the Reserve banks.
>
> 2. Provide for paying into the Treasury as miscellaneous receipts all capital gains and itnerest received by the Federal Reserve from U.S. Government securities.
>
> 3. Authorize appropriations by the Congress of the expenses of the Federal Reserve banks and the Federal Reserve Board.
>
> D. To provide guidelines for monetary policy and assure coordination of all of the Government's economic policies in achieving the goals of the Employment Act of 1946.
>
> 1. Require that the President set forth in his periodic economic reports, in conjunction with his recommendations on fiscal and debt management policy, guidelines concerning monetary policy, domestic and foreign—including the growth of the money supply, as defined by him—necessary to attain the goals of maximum employment, production, and purchasing power of the Employment Act of 1946.
>
> 2. Express the sense of Congress that the Federal Reserve operate in the open market so as to facilitate the achievement of the President's monetary policy; and require that the Federal Reserve, if its monetary views and actions diverge from those recommended by the President, file with the President and the Congress a statement of reasons for its divergence, in form like the President's Economic report.
>
> E. To allow for greater specialization in performing the monetary control function
>
> 1. Permit the Federal Reserve Board to concentrate on monetary policy by transferring its present bank supervisory functions to the Comptroller of the Currency, the FDIC, or alternatively, to a newly created Federal banking authority.

Mr. Speaker, these recommendations made 11 years ago are still valid and had they been put into effect earlier we might have avoided much of our present economic difficulties. Let us hope that we have action in this Congress.

Mr. Speaker, I want to place in the RECORD at this point the interview with Governor Sheehan which appears in today's New York Times under the byline of Edwin L. Dale, Jr.:

INSIDER VIEWS THE FED

(By Edwin L. Dale, Jr.)

WASHINGTON, May 13.—Why shouldn't the Federal Reserve System's key Open Market Committee disclose its monthly decisions on monetary policy as soon as they are made? Why shouldn't Congress be told of the intermediate-term aim of policy that really counts—the six-month target for money supply growth—instead of the rather meaningless one-year target just disclosed by Arthur F. Burns, the Reserve's chairman?

Should the presidents of the 12 Federal Reserve banks, five of whom serve at any one time on the Open Market Committee, be subject to appointment by the President and confirmation by the Senate?

Why shouldn't there be someone from a labor union on the Reserve Board?

These somewhat radical questions have been raised by John E. Sheehan, who is retiring at the end of the month as a member of the Federal Reserve Board to become president of the White Motor Corporation. Mr. Sheehan is anything but a radical, and he has a deep regard for the Reserve as an institution and for Mr. Burns.

But his questions, arising from his experience of almost three and a half years as an energetic and inquisitive member of the board, are likely to provide meat and drink for the broad investigation of the nation's banking system, including the functioning of the Federal Reserve, that has been announced by the House Banking Committee.

Consider, for example, the question of disclosure of the Open Market Committee's decisions as they are made.

Mr. Sheehan stressed in a recent interview that he has not made up his mind on this issue. But he commented:

"I have interviewed the money market dealers and banks. They have very large staffs, made up in part of former Federal Reserve people. They are paid to figure out what the Fed is up to, and they are very good at it. They are usually right on the money in perceiving our actions and intentions.

"With our policy of non-disclosure until 45 days after our meetings, are we really protecting the minnows from the sharks?"

Mr. Sheehan reflects on the possibility of having Open Market Committee meetings conclude on Fridays, with an announcement of decisions after the close of markets on that day, including the committee's target range for the key Federal funds interest rate, which the Reserve essentially controls. That would provide a weekend for contemplation at home and abroad.

He concedes a problem raised by his colleague, Henry C. Wallich. This is that disclosure to anticipate Reserve moves if the figures on, for example, the money supply, were not moving in accord with the announced target range in the following weeks.

"But I think the problem should be examined," he says. "I'd like to see serious papers exploring it. Anyway, we're not talking about skinning widows and orphans." As for the disclosure to Congress, Mr. Sheehan revealed that the Open Market Committee had never before adopted a one-year target for growth of the money supply until Congress asked it this year to disclose this target.

Dr. Burns told the Senate Banking Committee early this month that the one-year target was growth in the narrowly defined money supply—demand deposits and currency—in a range of 5 to 7½ per cent. The "meaningful" figure, long used by the committee, is the six-month target, according to Mr. Sheehan, and he sees no reason why this should not be disclosed.

"If the Federal Reserve's independence is constrained," Mr. Sheehan said, "the primary cause will not be serious errors of policy but its refusal to communicate what it is doing and why.

The announcement of the House Banking Committee investigation by its chairman, Henry S. Reuss, specifically raised the issue of the composition of the Open Market Committee and its powers and the terms of the members of the Reserve Board. Mr. Sheehan has some thoughts here, too.

He believes that, if the terms of the board members are shortened from the present 14 years, they should not be less than 10 years on the ground that the Reserve is "the Supreme Court of finance." But he is strongly opposed to packing the board with economists, as it now is, saying it "should be more representative of the various elements of society, including labor."

The views of one individual, even a board member, would not matter so much if they did not come at a time of national soul-searching about the central bank and its monetary policy. Mr. Sheehan even wonders about the central role of the chairman—a tradition that has grown up under a series of very strong chairmen such as William McChesney Martin Jr. and Dr. Burns.

Mr. Sheehan is a deep admirer of Arthur Burns. But he wishes now that he had dissented more often from decisions proposed by the chairman when he genuinely disagreed.

"I wanted to present the Fed as a solid phalanx, to reassure the markets," he said. "I don't like 4–3 votes. But I probably erred. It is traditional in the Fed to perceive the chairman as the chief executive. But he should be first among equals, more like the Supreme Court."

The Fed is a conservative institution, slow to change. But it has already begun to change in the area of disclosure, and it is being pushed hard by Congress. There is at least a possibility that if it is "out in front" it might head off an effort—which almost everyone would regard as dangerous—by Congress to dictate the details of monetary policy.

THE NEW CAPTIVE NATIONS: CAPTIVE NATIONS WEEK JULY 13–19, 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, this July 13–19, Americans throughout the Nation and citizens of some 17 different countries will be observing the 17th observance of Captive Nations Week. The week was legislated by Congress in 1959 and signed into Public Law 86–90 by President Eisenhower. Since then, every President has annually proclaimed the week, and most of our Governors and mayors of large cities have done likewise. Despite our domestic concerns and numerous problems in the Free World, the established tradition of the week has been strongly perpetuated by Americans with both a firm moral consciousness and conviction toward all the 29 nations in Communist captivity and an unshakable political rationale that underscores these captive nations as our most formidable allies. This in itself expresses the real, existing moral fiber of our country and augurs well for our future, both in terms of our national security and the persistent values of our democratic civilization.

In all that has been written recently about the tragedy of Southeast Asia, no one has provided a more accurate and sound perspective on this tragedy than has Dr. Lev E. Dobriansky, professor of economics at Georgetown University and also president of the Ukrainian Congress Committee of America and chairman of the National Captive Nations Committee. Dr. Dobriansky, who authored the Captive Nations Week Resolution in 1959, has written extensively on the politico-economic imperialism of both Moscow and Peking and has developed a captive nations genetical analysis that substantiates empirically what he calls an historical dominoism, the current effects of which we today witness in Southeast Asia.

In his article on "The Despairing West and The Confident East," published in the summer issue of the internationally renowned The Ukrainian Quarterly, Dr. Dobriansky adds both South Vietnam and Cambodia to his familiar, long scorecard of captive nations. As in the past, he also with scientific patience raises the question, "Who is next?" His analysis of détente points to new additions to his long list, based on historical perspective, cumulative causation, and Communist exploitation of captive resources, particularly those in the Soviet Union itself. Détente, as currently pursued, accommodates and abets this exploitation by imperialist Moscow in its fixed quest for world supremacy. Because of its uniqueness, I strongly commend this article to the reading of every American who is intelligently concerned with freedom and the future of our Nation:

THE DESPAIRING WEST AND THE CONFIDENT EAST

(By Lev E. Dobriansky)

About a week after the signing of the Paris Accord in 1973, Pat Buchanan, President Nixon's speechwriter, asked me in Washington's University Club, "Well, Doc, what do you think?" My response was, "Pat, I give the three free nations two to three years before the communist takeover." Though two-thirds accurate so far, this prediction was, of course, no product of any uncanny prescience but rather an educated guess based on perceptions afforded by captive nations genetical analysis, some appreciation of the classical ways of communist psycho-political warfare, the severe compromises engendered by the Paris agreement, and the confused attitude of the majority of our people who had been exposed to a succession of policy vagaries and errors extending back to the 50's.[1] By and large, we failed for some time to comprehend the revolutionary warfare being waged by the communist syndicate, and as late as 1970 an Asianization, rather than a Vietnamization, policy was the wiser course both for our troop withdrawals and a secure Southeast Asia.[2] However, it is not intended here to rehash this sad episode of U.S. policy; instead, our aim is to place its results in accurate perspective and dwell on detente and its prospects for the future.

TWO NEW CAPTIVE NATIONS

On the occasion of the 17th Observance of Captive Nations Week—July 13–19—it can only be with sadness and a deep sense of tragedy that we realistically view South Vietnam and Cambodia as the most recent additions to the already long list of captive nations. Some analysts are already indulging in all sorts of spurious semantic distinctions and rationalizations about a united Vietnam, coalition governments, intra-communist rivalry and so forth, but the glaring fact is that two free and determined national entities have fallen under the cover of communist domination. To believe otherwise is the height of naiveté.

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[1] See writer's *Do You Know The Captive Nations? Who's Next—South Vietnam?*, USGPO, Washington, D.C. 1972; also *On The Threshold of New Captive Nations*, USGPO, 1973.

[2] Author's "Asianization—Not Vietnamization—Is the Winning Concept." *The WACL Bulletin*, Korea, September 1970.

Perspectival reason and some homework on the cumulative causation of expansive, imperialist communist power, with its ultimate center in Moscow, would alas demonstrate the empirical, historical dominoism involved in this process. Our familiar scorecard of captive nations depicts this process in chronological form and lays a basis for the perennial question that trends and developments continue to justify:

THE CAPTIVE NATIONS—WHO'S NEXT?

Country, people, and year of Communist domination

Armenia	1920
Azerbaijan	1920
Byelorussia	1920
Cossackia	1920
Georgia	1920
Idel-Ural	1920
North Caucasia	1920
Ukraine	1920
Far Eastern Republic	1922
Turkistan	1922
Mongolia	1924
Estonia	1940
Latvia	1940
Lithuania	1940
Albania	1946
Bulgaria	1946
Yugoslavia (Serbs, Croats, Slovenians, etc.)	1946
Poland	1947
Romania	1947
Czecho-Slovakia	1948
North Korea	1948
Hungary	1949
East Germany	1949
Mainland China	1949
Tibet	1951
North Vietnam	1954
Cuba	1960
Cambodia	1975
South Vietnam	1975

WHO'S NEXT?

Laos? Thailand? Republic of China? South Korea? Philippines? Portugal?

The above is source for despair enough. Nonetheless, any sober, politico-economic analysis of the current world situation can lead only to one tentative conclusion: an increasingly despairing West, including Japan, and a progressively confident East, meaning the totalitarian communist regimes, including Cuba. The sharp, growing contrasts of relative stability in the East and instability in the West are punctuated almost daily by self-assured statements on growth, systemic superiority, and controlled progress in the former and grave observations on zero-growth, dwindling faith in institutions, and extensive disintegration in the latter. Doomsday utterances about the decline of Western civilization, another pervasive Great Depression, uncontrolled inflation, financial collapse, uncertainty about the comparative strength of democratic government, and general social upheaval clearly reflect the spreading despair in the West and also an unquestionable source of expansive confidence in the East. In all of this, equally clear is the already evident necessity for a basic reassessment and redirection of our basic policy toward the East, primarily toward the Soviet Union itself.

This writer shares none of the grim, doomsday outlooks concerning the West and, with some understanding of the captive nations, notably those in the U.S.S.R., devaluates considerably the stability imputed to the totalitarian, communist regimes. On their own, by fair, pragmatic decisions the democracies of the West can and will cope with the paramount politico-economic problems confronting them, but if the concatenational nature of these problems continues to be minimized and overlooked, the risk of failure will rise markedly and a disaster course will become more discernible, providing needless substantiation for the doomsday coterie.

In short examples, our costs in Vietnam would have been meager had the U.S.S.R. and Red China not invested heavily in the fraternal venture, and the proliferation of these costs domestically has affected us to this day. In the Mideast the concatenation of cumulative events and costs, involving Soviet arms, guidance on oil strategy, precipitation of the Yom Kippur War, and further deep involvement in Syria and the course of peace negotiations, reaches into the generation of the West's acute energy and financial problems, affecting, whether he's aware of it or not, the pinched economic state of every laboring American.

If, as the Institute of International Social Research discloses, isolationism has risen in this country so that one in every five Americans believes our problems can basically be solved independently of this concatenative effect, the East has gained as a consequence in terms of its political warfare policy of "peaceful coexistence."[3] There is nothing easier to handle than ostriches with heads in the sand. Plainly, "interdependence" on the international scale has little meaning if the concatenative effect of forces and events in different parts of the world is scarcely recognized, reaching well into the USSR itself. In great measure, one of the ultimate sources of our costly problems is imperial Moscow and its bid for world supremacy.

If the Cold War, in reality and not rhetoric, is supposed to be receding, this certainly doesn't show in the deepening instabilities of major Free World areas. However, what is beginning to show more clearly is the fact that the patchwork diplomacy of detente, as currently pursued, is nothing but a shifting facade for Cold War operations, with us paying a far higher price than Moscow. In the Far East, Russian-backed North Korea has stepped up its military and subversive pressures on the Republic of Korea; Japan still smarting from our diplomatic insults in '71, faces internal communist pressure with undoubted backstage assists from Moscow; our loyal ally, the Republic of China, fears a sell-out by us to Peking whose cool, psychological stance aims at the so-called solution of the "Taiwan problem"; the spectre of Red China's reconciliation with Moscow hovers over the area and beyond; and a European Security Conference, long advanced by Moscow, is about to consecrate Russian hegemony over the post-war East European bloc, in short, Moscow's outer empire.

This grim picture of instability, uncertainty, stress on the defensive, and doubt about American leadership in the Free World extends to the Mideast, Western Europe and Latin America. Moscow's hand in the Yom Kippur war, its support of the PLO, its long-known strategy on oil, its arms flows to Syria, Egypt and others, and its skillful play on frictions in the turbulent Mideast area are manifestations of traditional expansionist involvements of Moscow that possess all the earmarks of Cold War and its objectives of excluding American influence in the area and thus reducing its power image in the world at large. It would be a tragic historic irony if the extinction of Israel were the result of the compromising efforts of an American Secretary of State bearing a Jewish heritage. Moving toward Western Europe, it is patently evident that NATO has been seriously weakened by the mismanaged Cyprus affair, the Greek upheaval, the financial and economic crisis in Italy, the turn of events in Portugal, and the surge on the part of indigenous, large communist parties in France, Italy and Portugal to enter coalition governments. Led by Suslov and others, Moscow is highly active in cultivating the opportunities for a Finlandization of Western Europe, and the security problems for NATO loom greater than ever before. In Cuba, Peru and Latin America generally, Moscow's presence and influence grow substantially.[4]

MAKINGS OF AN INTERNATIONAL WATERGATE?

In terms of principles, ideals, our tradition of accepting challenges with candor and truth, and dutifully informing the American people the nature and basic source of the threat to our security, the foregoing and more seem to suggest the makings of an international Watergate. Perhaps nowhere is this more pointed than in our relations with the USSR. As one excellent presentation stresses "The Soviet Union does not accept the 'ideological coexistence' and there is no reason why the West should compromise its own fundamental values and ideas."[5] With application to the Soviet Union, the necessary linkage of detente and human rights assumes far greater significance and practical import than it could possibly anywhere else in the world. And this for several reasons.

One is the continual and unremitting threat posed by Moscow to our national security and that of other significant parts of the Free World. Two is the unique and peculiar composition of this contrived state, a land empire-state which, with the exception of the lower-scaled Peoples' Republic of China, has no comparability anywhere. And the third essential reason resides in Moscow's long and continuous record of the cruel suppression of human and national rights, which, taken in toto, far exceeds in magnitude and extent totalitarian records of Nazi Germany, Fascist Italy and others.

Among countless, similar experiences, it was the writer's pleasure to appear last summer on the Today Show in New York, discussing detente and the USSR. Mention is made of this because of the characteristic obscurantism of the interviewer who, after being told the rudimentary facts about the various nations in the Soviet Union, their subjection to economic imperio-colonialism, etc. continued on his own merry, preconceptual, and fallacious way to lump all the various distinct and different nations and peoples in the USSR as either "Russians" or "the Soviet people." This type of obscurantism is, unfortunately, widespread throughout the media and is also found at the highest levels of our government. There is little evidence to show that Dr. Kissinger understands appreciatively this essential fact. Needless to say, no matter how one defines "detente," if the object of the term is falsely and poorly understood, the content of the relationship can scarcely be maximally beneficial to us. The perpetuation of conceptual errors with regard to the USSR can only insure some error in judgment, policy and deed, and certainly forecloses the seizure of opportunities contributory to the advancement of our interests. Thus the prospect of an international Watergate based on false conception and a myriad of tenuous deals with the prime, proxying Cold War aggressor.

It should be emphasized that the essential ideas and observations set forth here stem from a fundamental captive nations genetico-analysis founded in the empirical evolution of Soviet Russia and then the Soviet Union from 1917 to the present. What is of poignant significance is the striking parallelism that has evolved in the current period between the salient thoughts and messages of Alexander I. Solzhenitsyn, Andrei Sakharov and other Russian and non-Russian intellectuals and the content and conclusions of the long-established captive nations structure of analysis. As I pointed out elsewhere, "In calling for the withdrawal of Russian power to the national borders of Russia and the renunciation of Marxism-Leninism they, and countless behind them in the USSR, are in essence calling for the freedom of the crucial non-Russian nations in the USSR, the surcease of Russian imperio-colonialism, and the open admission of the bankruptcy of Marxist philosophy in the whole area of the captive nations."[6] In fitting tribute to the two Russian intellectuals, it should also be emphasized that it has been many decades since any leading Russian voice expressed itself in behalf of the national self-determination and freedom of the non-Russian nations and peoples in the USSR. Kerensky went to his grave muttering the old Holy Mother Russian Empire complex.

As a further indication of the atmospherics of an international Watergate, as construed above, the growing, critical discussion on "detente" reveals considerable confusion as to its nature and intent, so much so that all sorts of characterizations are assigned to it, ranging from "fraud" to "our last hope for peace." The word is certainly another addition in the long succession of foreign policy slogans. However, the views expressed on our side appear to fall into three categories: (1) the dictionary definition of relaxation of tensions, (2) the subjectivist view, as given by the late General Abrams and others, of reactions, euphoric or otherwise, to objective circumstances, and (3) the instrumentalist view of Secretary of State Kissinger and others, interpreting detente purely as a process.

Placing aside the psychosomatic notions of detente, it is not unreasonable to accept with some qualification the definition of Dr. Kissinger: "Detente is a process of managing relations with a potentially hostile country in order to preserve peace." As a point of departure, the acceptance invites a number of observations that are fundamental to the efficacy of the process itself. One, of course, is how does the opposing party view the same process. The evidence is more than abundant to show that Moscow views "detente" as an important conduit for its fixed policy of "peaceful coexistence" which, unmistakably and unequivocally, means systemic ideo-political warfare against American "capitalism," "imperialism" and the rest of it.[7] It is noteworthy that Moscow's apologists, such as Boris N. Ponomarev, who in 1974 headed the so-called parliamentarians of the USSR in a visit here, always coupled "peaceful coexistence" with "detente." Detente may be purely a process of management and negotiation for us—non-ethical, non-ideologic and pragmatic—but if we fail to comprehend Moscow's conception of it, we may find ourselves in a progressively insecure position both within and without.

Viewed in terms of the overall development of US-USSR relations the past 25 years, detente as a process is a technique advocated in the old policy of liberation but without statements of objectives and intentions other than "peace" and "building a structure of peace." It can also be validly interpreted as a forthright follow-up on early and long extended Soviet gestures of disarmament leading to the SALT talks, the balanced reduction of forces, all-European security, trade and cultural exchange. These gestures by Moscow were pushed in the 50's. In the so-called era of negotiation, not confrontation, detente as a process turns into a diplomatic offensive and confrontation on all of these Soviet-initiated fronts, necessarily adjusted to our domestic circumstances and conditions. If one overwhelming advantage at minimum cost might be realized by the process, it is the prospect of a purgative effect concerning much of the content of the process itself. Up to the Indo-China debacle it could be maintained that the pursuit of detente in Asia and in Eastern Europe hadn't violated any basic principle to which we as a nation subscribe. However, at the same time, it hasn't really advanced our basic principles, and as George Meany with much justification has pointed out: "We are not building lasting structures of peace. We are building castles of sand on the watery foundations of petty greed, wishful thinking, irresponsibility, self-indulgence, and plain old ignorance."

THE DEFENSE ECONOMIC ADJUSTMENT ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 10 minutes.

Mr. BINGHAM. Mr. Speaker, the drive to reorder national priorities and reduce defense spending is stronger in the 94th Congress than it has ever been before. Congress is determined to increase the efficiency of the defense dollar, beginning this month with cuts of $3 to $4 billion in the military procurement authorization requested by President Ford. It is important to realize that such reductions mean more than just hardware not purchased, fewer men in uniform, or smaller cost overruns. To communities, defense contractors, and their employees across the Nation, budget cuts translate into closed bases and cancelled contracts, which may be all well and good from a national perspective, but can have disastrous effects on the local level. Thousands of defense workers may find themselves out of work, without job prospects, and unable to obtain adequate assistance either in finding new employment or in retraining themselves. Local economies and defense industries feel the wrenching effects of lost business and closed facilities. What, for example, would happen to the 69,000 workers and 4,100 companies in hundreds of communities involved in the B-1 program if Congress were to slice that $749 million request from the military procurement bill? And while often a local disaster, these cutbacks are not classified as natural disasters which can trigger a wide range of Federal aid programs to meet the crisis. The prospect of such disruption forces many community leaders and elected officials to support military cutbacks only in "someone else's district."

For these reasons, Representative WHALEN and I, together with 29 cosponsors, have introduced today legislation designed to provide desperately needed aid to those communities and industries, and most importantly, to those people who are unfortunately victimized by the lack of long-range planning in the drive for an efficient Defense Establishment. Senators MCGOVERN and MATHIAS have introduced identical legislation in the Senate.

In general terms, the Defense Economic Adjustment Act would furnish Federal assistance in conversion planning for communities and industries. It would require the Department of Defense and defense contractors to think ahead about conversion of defense facilities for civilian use. Finally, it would offer special benefits and other assistance to employees of defense contractors whose jobs are lost due to a substantial reduction in the volume of work performed by the contractor. This three pronged assistance effort would make it possible for those who are most seriously harmed by defense budget reductions to transfer their resources and skills to the civilian economy.

More specifically, the bill includes the following features:

For communities, it would provide the planning assistance which is vital to a successful transition from dependence on defense facilities to a thriving civilian economy. Communities would be notified of any closing or reduction of Government-owned defense facilities 180 days in advance, so that effective planning could be undertaken and put into effect. In the case of base closures, which pose a special set of problems, particularly in the area of real property disposal, the act would mandate better recordkeeping by DOD of the condition of capital and real property at each base, and would facilitate transfer to the community at closure. Communities would also be made immediately eligible for all other currently available forms of adjustment assistance, such as grant programs administered by the Commerce Department.

For future defense contractors, the bill would provide technical and management assistance in planning for diversification and conversion of defense facilities to civilian use. The kinds of independent research and development which may be funded by DOD would be expanded to include projects which have a potential relationship to urgent national requirements in nondefense areas, such as energy and fuel efficiency. Perhaps most significantly, defense contractors would be required to develop and keep up to date plans for switching over their personnel and facilities to producing goods and services for nonmilitary markets. With this sort of planning, successful transitions can be made; planning is what has been missing in the past.

Defense contractors whose contracts, now in force, are completed, canceled, or reduced, within 1 year of the date of enactment, would receive special assistance. That assistance would take the form of technical and management help in planning and carrying out conversion projects, grants to cover 50 percent of the cost of planning, long-term low interest loans for conversion costs, and immediate eligibility for currently extant assistance to economically depressed industries. Conversion projects would be in the areas of fuel efficiency, mass transit, energy, resource recovery, and low- and moderate-income housing.

The heart of the Defense Economic Adjustment Act is the assistance it would provide to employees of defense contractors whose jobs are lost. Given alternative sources of employment, many defense workers are able to make the transition from defense to civilian work easily. But many others, particularly highly skilled blue collar workers, engineers, and scientists, need assistance in moving from the highly sophisticated and technological world of defense to the less technology-dependent civilian job market. Our bill would guarantee 2 years of unemployment compensation which, when added to other benefits, equals 80 percent of prior weekly wages. It would also provide for continuance of vested pension credit, medical and life insurance; and for retraining and moving expenses. This special aid would reduce the hardship suffered by employees, enabling them to survive in reasonable comfort until new employment is found.

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[3] Richard E. Rotman, "Uncertainties Cause Americans To Turn From World Concern," *The Washington Post*, July 6, 1974.

[4] See James D. Theberge. *The Soviet Presence in Latin America*, New York, 1974, p. 38.

[5] *Detente: An Evaluation*, Subcommittee on Arms Control. U.S. Senate, GPO, Washington, 1973, p. 3.

[6] *The Illusions of Detente*. Remarks of Hon. Edward J. Derwinski, USGPO, 1974, p. 1.

[7] See *The Theory and Practice of Communism* Part 4, Hearings, Committee on Internal Security, USGPO, 1974, pp. 2422–2423.

To pay for the Federal assistance mandated by the bill, a trust fund would be established in the Treasury Department. Contractors would pay to the fund half of 1 percent of the payments received under defense contracts, and will receive back with interest unexpended portions. A nonprofit fund would also be established, funded from general revenue, to pay for benefits to employees of nonprofit institutions holding defense contracts. Other necessary appropriations would also be authorized.

The entire assistance program would be overseen by the Defense Economic Adjustment Council within the Executive Office of the President. Although the Council is already established as an interagency body by Executive Order, the bill would locate it in the President's Office, give it statutory footing, and provide expert staffing.

We believe that Congress has a special responsibility to assist communities, industries, and workers adversely affected by changes in Federal spending decisions. This idea has been supported by previous Congresses. Two relatively recent examples of congressional action in this area are Public Law 92-385, which provides assistance to small businesses hurt by limitations on strategic arms, and Public Law 93-618, which furnishes aid to communities, industries, and workers hurt by imports. We need to centralize and supplement already extant programs of assistance to those affected by defense cutbacks. That is what this bill would do.

This new legislation is made especially necessary now by the recession. Our economic woes impose greater hardships upon those affected by contract terminations and base closures than might be the case during better times. In fact, the recession can only be made worse by the economic disaster that will befall those I have mentioned unless this kind of measure is enacted.

Let me emphasize that I am in favor of reductions in defense spending in many cases. But my colleagues and I believe that it is incumbent upon the Congress to provide some protection for those adversely affected by changes in Federal spending decisions in this area. This bill can provide that protection, and allow Congress to make defense spending decisions with confidence that defense-dependent workers, communities, and industries will not be permanently harmed. With the enactment of this bill, we can insure that transitions from defense-based to civilian markets in these communities are made smoothly, according to carefully developed plans, with special attention to urgent national priorities such as energy, and with assistance to tide over those people most directly and harmfully affected by the change.

Mr. Speaker, I include a summary of the bill and a list of cosponsors at this point in the RECORD:

SUMMARY OF MAIN PROVISIONS OF DEFENSE ECONOMIC ADJUSTMENT ACT

1. PURPOSE

To provide economic adjustment assistance to workers, communities, and contractors which may be substantially and seriously affected by reductions in defense expenditures.

2. DEFINITIONS

Defines terms used in bill. Defines "substantially and seriously affected" for communities and contractors, so that bill will cover those who would be hardest hit by reductions in defense expenditures and would have the most difficulty in adjusting.

3. TITLE I, ESTABLISHMENT OF COUNCIL

Sec. 101: Establishes a Defense Economic Adjustment Council with cabinet-level membership. Secretary of Commerce is Chairman. (Note: This council currently exists within the Office of the President, but by executive rather than legislative direction.) Section provides staff for Council.

Sec. 102: Defines duties of Council as follows: developing and coordinating policies and programs, collecting and disseminating information, encouraging State studies and action, providing seed money for planning immediately to communities which have been substantially and seriously affected by reductions, defining in coordination with the Congress priority sectors and projects in the civilian economy and channeling economic adjustment. plans into these areas, reviewing adjustment plans, and reporting to the public.

4. TITLE II, COMMUNITY ECONOMIC ADJUSTMENT

Sec. 201: Provides for economic adjustment planning assistance to communities which would be substantially and seriously affected by base or industry closures or reductions. Establishes a mechanism for identifying communities and earmarks a portion of existing funds for economic development for providing these communities with seed money for planning economic adjustment.

Sec. 204: Requires each defense agency facility to file a detailed listing of all equipment, including its condition, the cost of conversion to civilian uses, and the most likely civilian uses. Requires 180 days advance notification to community of any facility closure or substantial reduction. Provides immediate adjustment assistance to communities. Provides for sale of all excess facilities to community at a public benefit discount—currently this discount only applies to property which is to be developed as a park or airport. Guarantees retraining and employment benefits to affected government workers.

5. TITLE III, INDUSTRIAL ECONOMIC CONVERSION

Sec. 301: Requires defense contractors to develop conversion plans, the costs of which can be included in the defense contract.

Sec. 302: Provides technical and managerial assistance to contractors in planning for and conducting economic conversion. Assistance is to be provided by federal agencies.

Sec. 303: Amend Defense Authorization Act of 1970 to expand kinds of independent research and development which can be funded in a defense contract to include projects which the Council believes have a potential relationship to an urgent national requirement in a designated non-defense sector. Council and Congress permitted to designate non-defense R&D which can be funded. (Note: Provision will expand government support for IR&D).

Sec. 304: Provides immediate assistance to contractors whose contracts cancelled within one year of passage of act and who have not received other contracts to take their place. (Such contractors cannot benefit from Section 301–303 because these sections are tied to contracts let after the act becomes law.) Designates project areas and funding and other assistance for such contractors.

6. TITLE IV, ECONOMIC ADJUSTMENT FUND

Establishes a fund, paid for out of contractors' payments from contract, to be used for worker benefits. Contractor to place ½% of funds he receives under the contract in fund, to receive back with interest all funds not expended for worker benefits under certain conditions. Authorizes federal expenditures for Fund if necessary. Also establishes Non-Profit Fund from U.S. Treasury funds to cover workers in nonprofit organizations which have defense contracts.

7. TITLE V, ECONOMIC ADJUSTMENT FOR WORKERS

Provides adjustment assistance in cases in which 5% or more of local work force is affected by reduction in the volume of defense work at a contractor's facility. Assistance includes guarantee of compensation which, when added to other benefits, equals 80% of prior weekly wages, vested pension credit, hospital and life insurance, retraining, and/or moving expenses. Assistance available for up to 2 years, or until worker placed in new job, whichever occurs first. Assistance paid for by Funds of Title VI.

COSPONSORS OF BINGHAM-WHALEN DEFENSE ECONOMIC ADJUSTMENT ACT

1. William Armstrong (R-Colo).
2. Herman Badillo (D-NY).
3. Edward P. Beard (D-RI).
4. George Brown (D-Calif).
5. John Conyers (D-Mich).
6. Thomas Downey (D-NY).
7. Robert Drinan (D-Mass).
8. Don Edwards (D-Calif).
9. Joshua Eilberg (D-Penn).
10. Donald Fraser (D-Minn.)
11. Mark Hannaford (D-Calif).
12. Michael Harrington (D-Mass).
13. Philip Hayes (D-Ind).
14. Edward Koch (D-NY).
15. John LaFalce (D-NY).
16. Ralph Metcalfe (D-Ill).
17. Helen Meyner (D-NJ).
18. Edward Mezvinsky (D-Iowa).
19. Patsy Mink (D-Hawaii).
20. Richard Ottinger (D-NY).
21. Edward Pattison (D-NY).
22. Shirley Pettis (R-Calif).
23. Thomas Rees (D-Calif).
24. Paul Sarbanes (D-Md).
25. James Scheuer (D-NY).
26. John Seiberling (D-Ohio).
27. Stephen Solarz (D-NY).
28. Louis Stokes (D-Ohio).
29. Paul Tsongas (D-Mass).
30. Antonio Won Pat (Guam).

EPA SUPPORTS STRONG CRITICISM OF GARRISON DIVERSION UNIT ENVIRONMENTAL IMPACT STATEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, on April 4, I wrote to the Honorable Russell Train, Administrator for the Environmental Protection Agency, concerning a report by the Institute of Ecology which was highly critical of the Bureau of Reclamation's North Dakota Garrison Diversion Unit.

The report, entitled "A Scientific and Policy Review of the Final Environmental Statement for the Initial Stage, Garrison Diversion Unit," was prepared by the Environmental Impact Assessment Project of the Institute of Ecology. The detailed study was prepared largely by professors of economics, engineering, conservation, and natural resources at a number of Midwestern universities.

The report is a withering blast at the Bureau of Reclamation's project. As the Institute noted:

> The Final Environmental Statement (FES) prepared by the Bureau of Reclamation for their Garrison Diversion Unit in North Dakota, does not represent a comprehensive and objective examination of the complete impacts of the Garrison Diversion. . . . Information included in the FES is grossly inadequate and defies objective evaluation. Further, the Bureau's analysis of its own data is often inaccurate, insufficient or misleading. . . . Major adverse impacts are ignored and alternatives to the project are not considered. It appears, despite precautions to the contrary in CEQ guidelines, that the FES was prepared as a justification of the Garrison Diversion Unit rather than a detailed analysis of its environmental impacts.

In my letter to Administrator Train, I asked:

> Does the Environmental Protection Agency have any comments on the Institute of Ecology's study?

On May 7, I received a reply from Mr. Sheldon Meyers, Director, Office of Federal Activities, EPA. Mr. Meyers reported:

> Our Denver Regional Office . . . has conducted a review of both volumes of the Institute's evaluation of the Garrison Project. We believe that the study represents the most comprehensive analysis to date of the final EIS. Hopefully, this analysis will be useful to the Bureau of Reclamation . . . in improving both the quality of the EIS process and the environmental acceptability of their projects.
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> In essence, then, it is clear that our review of the Bureau's final EIS is substantially in agreement with the conclusions reached in the Institute's analysis . . . .
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> As the Bureau of Reclamation releases more detailed impact statements on individual project features and irrigation service areas . . ., EPA will become even more intensely involved in the evaluation of the project.

Mr. Speaker, the EPA letter is a staggering indictment of the Bureau of Reclamation's work on the Garrison project. In essence, EPA has said that a group composed largely of independent nongovernmental academicians has prepared a more accurate environmental impact statement after 4 to 6 months of work than the Bureau has since NEPA become law in 1969.

The Bureau of Reclamation has tried to do everything in its power to push the Garrison project ahead. Nothing can hide the fact, however, that it is an environmental disaster. In addition, the estimated cost of the project has increased from $207 million in 1965 to over $240 million in 1975 and its cost/benefit ratio is highly suspect. The project has also become a major issue of bad feeling between the United States and Canada, since the Garrison Diversion Unit, if completed, would severely and adversely affect the water quality of the Souris River which flows into Canada.

Mr. Speaker, this year we have an opportunity in the public works appropriations bill to place a moratorium on this environmental and economic madness. This project should be stopped—at least until the Bureau with all its bureaucrats can put together an environmental impact statement as thorough and convincing as the one prepared by the Institute of Ecology.

I would like to enter the full text of the EPA letter in the RECORD at this point:

WASHINGTON, D.C., *May 7, 1975.*

Hon. CHARLES A. VANIK,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. VANIK: On behalf of Administrator Train, I would like to thank you for your letter of April 4, 1975, regarding The Institute of Ecology's analysis of the final environmental impact statement (EIS) for the proposed Initial Stage of the Garrison Diversion Unit in North Dakota.

Our Denver Regional Office (Region VIII) has conducted a review of both volumes of the Institute's evaluation of the Garrison Project. We believe that the study represents the most comprehensive analysis to date of the final EIS. Hopefully, this analysis will be useful to the Bureau of Reclamation (and other Federal agencies) in improving both the quality of the EIS process and the environmental acceptability of their projects.

As you know, water quality issues raised by this project have been the focus of EPA's concern. The Institute's evaluation of water quality problems which may arise should the project be completed is extremely pertinent, and accurately points out many of the deficiencies in the Bureau's final EIS.

In EPA's August 16, 1974 review of the final EIS (copy enclosed), we raised many of these same issues. Specifically, Administrator Train's letter notes:

"The final EIS leaves many important environmental questions unanswered, and more importantly, project proposals as presented in the final EIS do not include sufficient built-in plans for mitigating adverse environmental impacts. . . ."

In addition, our review states:

". . . EPA has very serious objections of an environmental nature regarding the completion of the Garrison Diversion Unit as outlined in the final EIS."

In essence, then, it is clear that our review of the Bureau's final EIS is substantially in agreement with the conclusions reached in the Institute's analysis, especially with regard to the overall adequacy of the final EIS and the adverse impacts on water quality in the United States and Canada. Additional issues raised by The Institute of Ecology are also of great importance, but several of them (e.g., economic and social impacts) are outside the scope of EPA's authorities.

Let me assure you that EPA is continuing to be actively involved in working towards solutions of the many environmental problems associated with this project. On January 13, 1975, I wrote Reclamation Commissioner Stamm regarding the Bureau of Reclamation's computer model of potential water quality problems from irrigation return flows. A copy of this technical evaluation is enclosed for your information. In addition, EPA has participated in technical and policy meetings with the Department of the Interior, the State Department, the Council on Environmental Quality and the Canadian government regarding the issue of Canadian non-acceptance of Garrison project irrigation return flows slated for discharge to the Souris and Red Rivers.

We intend to continue our active participation in these and other areas. We believe that these types of activities constitute a continuing reevaluation of not only the final EIS for this project, but also of the project itself. As the Bureau of Reclamation releases more detailed impact statements on individual project features and irrigation service areas (as they indicated in the final EIS), EPA will become even more intensely involved in the evaluation of the project.

Again, let me thank you for your interest in the environmental implications of this project. Please feel free to contact me or Mr. John A. Green, Regional Administrator of our Denver Office, if you have additional questions.

Sincerely yours,
SHELDON MEYERS.
Director, Office of Federal Activities.

INTERNATIONAL WOMEN'S YEAR

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 10 minutes.

Ms. HOLTZMAN. Mr. Speaker, today I had the pleasure of sponsoring, along with Representative FENWICK, Senators HUMPHREY and PERCY, and 118 House and Senate cosponsors, a Congressional Symposium on International Women's Year (IWY). Distinguished panelists gathered to develop an agenda of action for the Congress and for the upcoming UN Conference on IWY, to promote equality of women throughout the world.

International Women's Year offers a unique opportunity for women of the world to join hands in an effort to give voice to the concerns of over half the world's population. For me, the goals of IWY constitute priorities for congressional action, and I would like to share with my colleagues the text of a speech I gave at the opening of today's symposium.

The text of the speech follows:

STATEMENT BY REPRESENTATIVE ELIZABETH HOLTZMAN

Some say International Women's Year attempts too little. Many think it goes too far (including half of the membership of the United Nations which has refused to ratify it). There are those who find it hypocritical and others who think it futile.

I believe, however, that International Women's Year offers an unparalleled opportunity for women of the world to join hands in a recognition of their common plight. By acknowledging that the condition of womankind is universal, we can overcome national frontiers, language barriers, and cultural differences, and we can give voice to the aspirations of over half the world's population.

It is entirely fitting that the United Nations sponsor International Women's Year. According to the UN Charter, its objectives include "encouraging respect for human rights and for fundamental freedoms for all without distinctions as to . . . sex."

But we women will not be satisfied by empty words. That is the purpose of our symposium: to flesh out a concrete agenda for action.

Allow me to suggest a minimum platform for IWY:

I. We must insist that the United Nations itself change its hiring policies which discriminate against women. At present:

There are 19 Undersecretaries General—all male;

There are 16 Assistant Secretaries General but only one woman;

Less than 16 percent of the 11,000 professional employees at the UN are women. Women, however, make up 55 percent of the non-professional staff; and

Male employees are entitled to greater travel and pension benefits for their spouses than are women employees.

In short, the United Nations, if it accomplishes nothing else during this Women's Year, should at the very least become an equal opportunity employer of women.

II. We must insist that the member countries include more women in their own delegations to the U.N. Look at the record:

In the 29 years of the UN's existence, only 3 governments have appointed women to head their UN missions;

In 1972 only 10 percent of a total of 1,113 delegates were women—usually holding the lowest posts;

In 1972, 60 percent of the permanent missions had no women on their diplomatic staffs;

In 1973 there were 180 women delegates to the General Assembly compared with 2,369 males;

Only 2 women have even been elected President of the General Assembly. (But that is 2 more than have ever been elected President or Vice President of the United States during its almost 200 year history.)

III. We must insist that each country abolish laws and practices that discriminate against women. We must rid the world of policies that deny the humanity of women by conceiving of them primarily in terms of their breeding function.

These policies are reflected in the fact that:

Only 76 of the 138 member countries are parties to the UN Convention on the Political Rights of Women;

Only 46 of the 138 member countries are parties to the UN Convention on the Nationality of Married Women;

Only 27 of the 138 member countries are parties to the UN Convention on Consent to Marriage, Minimum Age for Marriage and Registration of Marriages; and

Only 42 of the 138 member countries are parties to the UN Convention for the Suppression of the Traffic in Persons and of the Exploitation of the Prostitution of Others.

The United States is not a member party to any of these Conventions.

We must recognize that most women in the world are kept in poverty and illiteracy. We must call on every country to insure that all women are accorded fundamental rights to determine their own destiny, to participate in fashioning the laws which govern them, and to be accorded equal opportunity to share in the economic benefits of their countries; in short:

The right to vote;

The right to education;

The right to equal employment;

The right to regulate their own childbearing:

And equal rights with men to hold and dispose of property.

IV. Finally, in the United States, the most significant step we can take to fulfill the expectations of IWY is to ratify the Equal Rights Amendment. That must be done.

The Supreme Court has still not ruled that women are "persons" under the 14th Amendment. Consequently, without the Equal Rights Amendment, it will take years of painstaking, laborious efforts to eliminate only a few of the inequities that women confront in this society. Let us examine some of these.

A. The Federal government itself discriminates against women in employment. Of 94 U.S. Attorneys, none are women. Of 580 Federal judges, 6 are women. We have had 3 women Cabinet members in our history and no women Supreme Court justices.

HEW, IRS, VA, FCC, ICC, CAB, FTC and SEC have all been cited by the Civil Rights Commission for failure to enforce prohibitions against sex discrimination in industry and education.

B. In the private sector, the figures speak for themselves. A full-time working woman makes, on the average, 60 percent of a man's salary. Women represent 39 percent of the labor force but make up 18.6 percent of the managers and administrators, 9 percent of the scientists, 4 percent of lawyers and 1 percent of engineers.

The EEOC has a backlog of 100,000 cases and enforcement leaves much to be desired.

C. Laws to punish the crime of rape in the United States humiliate women. The victim's past sexual history is still considered relevant in the prosecution for rape. Yet, it would be considered absurd to ask a robbery victim if he had ever given away money, as evidence that he had consented to the robbery.

D. Child care is central to women. Women cannot have economic independence—that is, work—without day care centers for their children. Yet, day care was one of the first items cut from the Administration's budget. In 1973 working mothers had 6 million children under the age of 6, but only 920,000 day care slots were available.

E. Our Social Security System is based on the premise that women's rights are derived through men:

(1) Married women who have worked usually wind up receiving derivative, widow's benefits rather than their own;

(2) Women who have done house work are not eligible for retirement coverage; and

(3) Because women earn less than men, they receive lower benefits and pay a larger proportion of their earnings under the regressive payroll tax. Yet, two-thirds of the women in the work force are single, separated, divorced, widowed, or have husbands who earn less than $7,000 a year.

F. With respect to pension and other benefits generally, courts and lawmakers are more willing to extend benefits presently enjoyed by women to men than they are to extend men's benefits to women.

G. The image of women presented in the media has not improved despite much criticism. Examples: "Fly me, I'm Carol," the nagging wife, the mother deeply concerned with cleanliness, the expert coffeemaker and the room deodorizer. Commercials rarely portray a woman as a scientist or professional; the authoritative voice that explains is almost always male. New TV series which feature female lawyers or policewomen always portray them as cute, sexy, perhaps clever but with a tinge of "scatterbrainedness".

We would recoil from media portrayal of blacks as always singing spirituals or eating watermelons. We need to recognize and prohibit similar stereotypes of women which pervade the media.

* * * * *

In addition to "equality" and "development", International Women's Year has as one of its objectives "peace". Not the peace of the gallows or the silence of enslavement, but a peace based on the recognition of the value and dignity of every person.

We should take this year to reflect on the patterns of aggression and domination that have characterized the relationships between men and women—and understand how these patterns have become enshrined in laws and customs everywhere.

The promise of peace and equality go hand in hand.

BASIC QUESTIONS IN OIL PRICING LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado (Mr. WIRTH) is recognized for 5 minutes.

Mr. WIRTH. Mr. Speaker, several major legislative proposals dealing with energy policy will soon be sent to the floor of the House. They represent the product of at least 4 months of work on the part of many Members of this House. When, 4 months ago, we set out to formulate a national energy policy, I think there existed wide agreement on goals. We wanted a policy which matched maximum domestic energy supply with minimum foreign dependence, and we sought the maximum energy conservation consistent with protection of the consumer and the environment. While there continues to be basic agreement on these goals, significant differences exist regarding how we can best achieve these goals.

At the heart of the disagreement is the central question of energy prices: how high they should be and how they should be set. Should we follow a course of Government regulation or should we seek to use the market as the arbiter of energy prices? Indeed, should we employ both Government regulation and market forces to set energy prices? It is my belief that resolution of these questions will, more than anything else, contribute to a solution of our energy problems.

In an effort to assist my colleagues in focusing on this central issue of energy prices I am submitting today the eight basic questions which I believe underlie the formulation of a pricing policy. These questions have evolved during my deliberations as a member of the Subcommittee on Energy and Power, which has now completed a major review of energy policy under the able direction of Chairman DINGELL.

A further discussion of each of these eight questions will be found in the Extension of Remarks of tomorrow's RECORD. I am hopeful my remarks will prove useful to my colleagues as we work to understand and resolve the complex and important problems of national energy policy. I submit the eight questions herewith:

BASIC QUESTIONS IN OIL PRICING LEGISLATION

1. *Maximum Production:* What price and tax incentives are required to maximize domestic petroleum production?

2. *World Price and Foreign Supply:* What pricing and tax policy is most likely to achieve the greatest overall success in lowering world petroleum prices?

3. *Conservation:* What pricing and tax policy is likely to produce needed conservation with minimum amounts of economic disruption?

4. *Consumer Protection:* What pricing and tax strategy can achieve 1, 2, and 3 above, without imposing intolerable burdens on consumers?

5. *Employment:* What pricing and tax strategy can achieve its goals while maximizing opportunities for domestic employment and stable economic growth?

6. *Administrative Efficiency and Simplicity:* What pricing and tax policy offers the prospect of maximum production, conservation, consumer protection and economic stability with the least amount of administrative cost of complexity and economic dislocation?

7. *Political Viability:* Given the urgency of putting into effect a national energy policy, what pricing and tax strategy holds the greatest promise of winning the early approval of the Congress and the Executive, and the support of the consuming and producing public?

8. *Oil Company Profits and Industry Structure:* What regulatory and tax strategy will serve to maximize industry competition and minimize opportunities for market manipulation by the industry?

GEN. EARL EDWARD ANDERSON—AN ILLUSTRIOUS MARINE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia (Mr. STAGGERS) is recognized for 5 minutes.

Mr. STAGGERS. Mr. Speaker—

> "I tread in the footsteps of illustrious men."
> "We fight our country's battles
> On the land as on the sea."

It is said that opportunity always answers the knock of capable men. In the fateful decade of the 1930's, an energetic and foresighted young West Virginian was preparing for opportunity's nod in the public schools of the State and in the university. War clouds were gathering across the seas, but in America's preoccupation with a waning depression, few of us considered it a matter of personal interest. Nevertheless, military training was available at the university, and young Anderson took advantage of the opportunity, as he has taken advantage of countless opportunities as the years went by. Along with his university diploma, he received a commission in the U.S. Marine Corps. On that commission he built a career of service to his nation which may not be outmatched by any other member of that illustrious military oganization.

After a brief training program, Anderson was assigned to the U.S.S. *Yorktown*. A few months later came Pearl Harbor, but the *Yorktown* happened to be in the Atlantic. Immediately the ship was transferred to the Pacific, in time for the Marshall-Gilbert campaign, the Salamaua raid, and the battles of the Coral Sea and Midway. One writer asserts that the latter two were the greatest naval battles in all history. By 1942, Anderson ranked as captain. The next year Anderson was sent to the Naval Air Station at Dallas. Here he was awarded the gold wings of a naval aviator, with the rank of major.

Returning to the Pacific in 1944, he assumed command of Marine Bomber Squadron 443, and a little later he became executive officer, Marine Aircraft Group 61:

The war ended, but not military service for Anderson, now a lieutenant colonel. Alternating between instructional assignments in practically every training center for the Marine Corps in the United States, he went back to the Pacific every time trouble broke out in that unruly area. In Korea he was commanding officer, Marine Observation Squadron Six, and then assistant chief of staff, First Marine Aircraft Wing.

Back to the United States for more training activities, but then Vietnam intervened. Here he received a Legion of Merit, and for participation in more than 40 combat missions he received gold stars in lieu of his seventh and eighth Air Medals. In Vietnam also he was promoted to major general, the first active duty Marine naval aviator to reach four-star rank.

Other medals and citations settled upon him as thick as autumn leaves; Distinguished Service Medal; bronze and gold stars in profusion; citations for this, that, and the other; awards from foreign countries. The list covers a half-page, single typed.

Civilian honors likewise were far from lacking. He has a juris doctor degree from George Washington University, and served as editor-in-chief of the university law review. He has a license to practice before the Supreme Court of the United States. In 1973 he was elected West Virginia's Son of the Year by his native State. The list of honors is endless. I must forbear.

After 35 years of service, General Anderson is about to retire from active duty. The Nation owes him much. He is still in the vigor of manhood. Whether the Nation can afford to dispense with his talents and his enormous capabilities is doubtful. He is on the list of the country's illustrious men. If he is needed, he will respond.

It is very difficult for me to understand—and others have joined—just how such a fine and qualified leader could be passed over in the naming of a new Commandant of the U.S. Marine Corps. I am advised he was recommended by the present retiring commander and many other leaders who are familiar with General Anderson's outstanding military record and proven leadership.

Needless to say, he has served the United States with honor, as well as the Marine Corps, from his second lieutenancy to the Assistant Commandant of the Marine Corps. It is indeed a sad day when this has not been recognized and General Anderson has been passed over as Commandant of this fine branch of service.

DOMESTIC MONETARY POLICY SUBCOMMITTEE REPORTS OUT A STRONG AUDIT BILL

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. PATMAN. Mr. Speaker, this morning the Domestic Monetary Policy Subcommittee reported out H.R. 4316—a bill to require a full-scale, top-to-bottom audit of the Federal Reserve System—by a 6-to-1 vote.

The subcommittee adopted some minor strengthening amendments recommended by the General Accounting Office, but the reported bill is virtually as introduced by myself and 109 Members of the House of Representatives. This legislation does not place prior restraints on the type of audit and gives the GAO the same type of authority to scutinize the Federal Reserve System as it enjoys in other departments and agencies of the Federal Government.

Mr. Speaker, the 6-to-1 vote—with all Democrats present voting for the bill—is highly gratifying to those of us who believe that the Federal Reserve System should be accountable to the Congress and the American people. It is a victory for people who believe in open government and who believe that the world's biggest economic agency bears scrutiny by the GAO and the Congress.

Mr. Speaker, it is an absurdity that the Congress has so long delayed auditing an agency that handles transactions in excess of $30 trillion annually and which holds almost 20 percent of the national debt in the portfolio of the Federal Open Market Committee. This is an absurdity which is being corrected through this legislation and I am very pleased that the Subcommittee on Domestic Monetary Policy has started the ball rolling in such excellent fashion.

Mr. Speaker, I want to take this occasion to commend the members of the subcommittee who voted to report out this bill: JOSEPH MINISH of New Jersey, HAROLD FORD of Tennessee, MARK HANNAFORD of California, JAMES BLANCHARD of Michigan, and WILLIAM BARRETT of Pennsylvania.

Mr. Speaker, it is my hope that the full Banking, Currency and Housing Committee will be taking up this bill soon after the Memorial Day recess and I know that Chairman REUSS is interested in seeing that this legislation moves forward.

PART IV: IN OPPOSITION TO REVERSE DISCRIMINATION

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, on Sunday, May 4, I attended a breakfast held by the Metropolitan New York Coordinating Council on Jewish Poverty. There were a number of speeches made at the breakfast discussing the needs of the Jewish poor. I am appending at this time the statement of Mr. Harold Jacob, president of the United Jewish Council of the East Side, Inc.:

TEXT OF SPEECH DELIVERED BY MR. HAROLD JACOB, ON MAY 4, 1975 AT AN ASSEMBLY OF JEWISH POVERTY WORKERS AND POLITICAL FIGURES IN THE NEW YORK COMMUNITY

Good morning ladies and gentlemen. I have been asked to speak here this morning on behalf of the Jewish poor, but before I begin I would like to point out that I may have a slight difficulty in speaking. As most of you know who have heard me speak, I am usually hollering and I just want to assure you that this is the same Heshy Jacob.

Getting down to serious busines, you have heard Jerry Becker and Bernie Warach speak to you about the problems of Jewish poverty. I would like to give you a few insights into some of the specific problems we of the Lower East Side have been faced with. I have been involved in some of the aspects of Jewish poverty for the past 4 years. It all got started when, 4 years ago, Mr. S. Elly Rosen came to the Lower East Side and explained to us that there were many Jewish poor living in our community who were isolated, unaccounted for and totally unserviced for even the necessities of life. I personally was not aware of the extent of the problem and the mammoth

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task that began to present itself to me in terms of establishing assistance for this segment of the population was definitely at hand. Mr. Rosen explained the specifics involved in joining a community corporation, what a delegate agency is and does, and helped us understand how we could go about getting some Jewish representation.

Although there are a multitude of problems I would discuss, in the interest of brevity I will confine myself to three crucial ones. They are housing, lack of existing services geared specifically to the Jewish client and inadequate funding for delivery of these services.

Let me preface my discussion of the housing problem with a short statement. Our community, which was once the largest Jewish community in the United States, is today but a fraction of its once glorious size and reputation.

In contrast to what was once a lively, functioning community, we are faced with a population of which 50% is elderly and many of whom are living in areas where Jewish life is now just a memory. Some of these elderly, due to the areas in which they live that were once Jewish and are not totally devoid of Jewish life, are faced with isolation so severe that they feel that their environment is totally hostile to them. They feel they have no place either physically or spiritually.

Our Council was the leader in the battle over the Seward Park Extension Project, the controversy which was widely publicized and in litigation for two and a half years in the New York courts. While the Mayor and the Housing Authority ruled in our favor to try and help the elderly and poor of our community, the Federal courts, not knowing all of the underlying factors and the suffering of the Jewish poor, overturned that decision. Finally after many months, a compromise was made with which we can survive although it is quite difficult to live with. At this point I would like to thank the two attorneys, present at this assembly, who did all of the work on that case and on behalf of the Jewish elderly and poor. They are Mr. Kalman Finkel and Mr. Sheldon Silver.

The message I wish to convey to you concerning this issue is that while scatter-site housing and other such concepts may look good on paper, they are not practical in a working sense. Housing must be built for the community's specific needs. Jews must be near synagogues; they must be able to avail themselves of kosher food in order to sustain themselves.

The next problem I will discuss is the lack of existing services geared specifically to the Jewish client. While the City and Federal Governments offer many services for the poor, in many instances the Jewish client is left out. When he enters a Welfare center or delegate agency, he finds the people and language totally foreign. For the majority of Jewish elderly Yiddish is their primary language. In many cases the only languages spoken by the staff of the delegate agencies and centers are English and Spanish. This elderly Jew, who for all his life has never known what it means to take something for nothing, does not understand the concept of Social Security and S.S.I. and certainly not welfare. If we are to make him understand that it is his right to receive these services, the least we can do is make sure that the personnel delivering these services are comprehendable and that they are getting their message through.

Now we come to problem number three, inadequate funding. Our council, which is located on the Lower East Side, is in one of the twenty-six poverty areas designated by HRA. We receive a mere $99,000 in funding to service all the Jewish poor in our area. They number about 20,000. The Community Corporation receives approximately 4 million dollars in funds to service no more than 100,000 poor. It is not enough for Congress to merely fund OEO for millions of dollars, but they must also monitor the agencies to see if all the poor are receiving their fair share of these funds. Our Council, even with the lack of funds, is the finest agency in the area. Last year we serviced 3,000 people.

Due to the lack of time I cannot delve into this subject matter any further but, I would like to end with a famous story.

Before attacking Czarist Russia, Napoleon Bonaparte went to see the Rabbi of Brezhan to seek his advice on this matter. The rabbi answered him with this famous parable. He repeated to him the story of a Jewish farmer traveling through the Russian countryside and coming across a Russian landowner who was stuck in the mud with his carriage and four great horses. The Jewish farmer stopped and asked him if he could offer any assistance by attaching his two small horses to the carriage and let them haul it out of the mud. The landowner did not believe that the two small horses could accomplish this feat but having no other choice allowed the farmer to try. The farmer hitched his horses to the carriage and whipped them and lo and behold they dragged the carriage out of the mud. The landowner stood aghast, totally amazed that the two small horses were able to accomplish what his four great horses could not. When he asked the farmer how this was possible the farmer answered with a question 'Where did you buy the front right horse?' 'In London' the landowner answered, 'and the front left horse, where did you get him?' and so on for all four horses. The farmer then explained, 'these two small horses came from the same mother so that when I whip one the other felt the pain and pulled just as hard. Your horses were all pulling one at a time and maybe even in different directions. 'So it is with Russia,' said the Rabbi of Brezhan to Napoleon. 'Russia is the motherland and its soldiers are fighting for the motherland and for each other, while your soldiers are mercenaries fighting with little feeling.'

HOME HEALTH CARE—PART XV

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, together with 85 House cosponsors. I have introduced H.R. 4772 and H.R. 4774, the National Home Health Care Act of 1975. The bill has been given equally strong support in the Senate where it has been introduced as S. 1163 by Senators Frank Moss and Frank Church, respective chairmen and the Senate Subcommittee on Long Term Care and Committee on Aging, Hugh Scott, Senate minority leader, and Senators Williams, Domenici, and Tunney.

To discuss the need for home health care and the public support this proposal is receiving, it is my intention to place statements in the Record several times a week by experts and lay persons commenting on the legislation.

This is the 15th in the series:

American Foundation
for the Blind, Inc.,
Washington, D.C., May 12, 1975.

Representative Edward I. Koch,
U.S. House of Representatives,
Washington, D.C.

Dear Mr. Koch: Mr. Clyde W. Waugh, national president of the Blinded Veterans Association, has forwarded your letter of May 1 and enclosure to me.

The American Foundation for the Blind, American Association of Workers for the Blind, and the Blinded Veterans Association are in full accord with the legislation introduced by you and Rep. Pepper to provide for long-term care services and home health services to minimize the need for institutionalization. Enclosed is a copy of our statement on national health insurance legislation filed with the House Committee on Ways and Means in April, since the Subcommittee on Health announced that it was receiving file statements in lieu of public hearings. As you will see, we advocated provision of certain basic rehabilitation services to older blind persons, as well as long-term care services, as part of a national health insurance program to reduce the need for institutionalization and make it possible for older blind persons to continue living in their own homes.

The cost of residential rehabilitation center services to enable blind persons to achieve maximum functional independence and return to their own homes varies from approximately $2,000 to $4,000. The cost of similar services on a home health basis for individuals unable to spend 13–16 weeks at a rehabilitation center would be approximately $1500 to $2500. You undoubtedly already have figures for the costs of extended or permanent nursing home care—these costs in some areas of the country would be $6,000 to $8,000 a year, or higher.

With specific regard to the elderly, blind, and visually handicapped population, there is no question that a substantial number are prematurely institutionalized when adequate rehabilitative services and long-term care services would enable them to continue living substantially more independent lives in their own homes.

We hope that the House Committee on Ways and Means will enact legislation providing for a comprehensive national health insurance program, including the essential components you are advocating.

Very truly yours,

Irvin P. Schloss,
Director, Governmental Relations Office.

United Cerebral Palsy Association of the Pittsburgh District,
Pittsburgh, Pa., March 25, 1975.

Congressman Ed Koch,
Longworth Office Building,
Washington, D.C.

Dear Congressman Koch: Enclosed please find a brief statement on our need for home health service assistance in the Pittsburgh, Pennsylvania area.

I hope this will help in your strategy to pass H.R. 2389. We are certainly in full support of this measure and our clients would greatly benefit from federal-state reimbursement for home health services.

Good luck in your attempts and if we can be of any further assistance please feel free to contact us.

Most sincerely,

Allen Condeluci,
Adult Program Director.

[From the Cerebal Palsy Association of the Pittsburgh District]

Home Health Care Statement

In Allegheny County, Pennsylvania, United Cerebral Palsy of the Pittsburgh District is the prime programmer for individuals with cerebral palsy and their families. We provide a wide spectrum of services from infants to adults, that are therapeutic in nature.

The adult program consists of three major facets:

Socialization,
Developmental, and
Community Placement.

In each of these areas our major goal is to assist the developmentally disabled adult achieve the highest functional level possible. We stress independent living and tailor our programs to meet these needs.

Overall we are successful in our attempts; however, there is one major obstacle that considerably restricts our program, particularly our community placement program. This road block is the lack of home health care availability in our area.

As stated earlier, United Cerebral Palsy addresses its adult program toward functional independence. This focus has been requested by our clients and respected by our staff. However, in any independent living development we must realize the physical limitation many developmentally disabled individuals do have. They can go only so far.

With this in mind then, we must consider some ancillary assistance in order to realize total independence for the severely involved adult. Assistance that is not medically oriented, or out of the financial reach of the Supplemental Security Income recipient.

In Pittsburgh there are many elderly and disabled adults (not only Cerebral Palsy, but also Multiple Sclerosis, accident victims, stroke, war vets, etc.) that could become totally independent within the community if such a service were available. These are the people who will ultimately end up in a nursing home, or state hospital if this need is not met when their current caretakers pass on.

Let me reiterate that the population I am talking about are not convelescent, or individuals in need of total care. Rather these are disabled adults and elderly who need only a few hours of home health assistance to be totally independent.

Not only would such a home health service keep this population in the community, hence in line with the normalization principle, (provision of a living situation as culturally normal as possible), but would also create a substantial savings for both state and federal government. For example, in Pittsburgh, United Cerebral Palsy is planning a special apartment project to place 30 developmentally disabled adults in the community. Fifteen of the potential residents currently live in the Pennsylvania State Schools and Hospitals.

The remaining fifteen are currently residing in the community but will be admitted to a state hospital or nursing home upon the death of their present caretaker. In Pennsylvania the daily cost to maintain an adult in the state hospitals is set up at $39.00. This totals to $14,285.00 per year. We have computed that in our program we can place the same adults in the community for approximately $8.00 per day or $2,920.00 per year that includes a non-medical home health service. This represents a substantial savings to our state and federal budgets, by defining and separating the higher cost medical service from the lower priced home health services. However, dollars and cents should not be our guiding light in this matter. What is more important is that many of our nations elderly and disabled citizens could become independent and remain in the community as dignified human beings if such a service was available.

We strongly feel that our government should realize that there is a sharp distinction between social needs and medical needs. If a home health service was available under Medicaid to provide the home health assistance as well as skilled nursing, when applicable, the possibility of independent community living will become a reality for many disabled adults.

SUPPORT FOR ISRAEL—REMAIN THE SAME

(Mr. GUDE asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, at a time when our foreign policy is undergoing a worldwide reappraisal, I want to take this time to add my voice to those urging that one particular aspect of our policy—support for Israel—remain the same.

The ties between the United States and Israel are strong. We are bound culturally, by the common origins of so many of the citizens of both nations, and we are bound politically by a shared commitment to democratic government and those basic rights and freedoms which both our governments guarantee to their citizens. There is no question in my mind that these ties exist and that they are strong. My contact both with my own constituents and with Americans around the country convinces me that the overwhelming majority of the American people support Israel and wish our government to continue its strong support in political, military, and economic terms.

Israel is important to this country not only for those attitudes and backgrounds we share, but is also fundamental to a balanced power structure in the Middle East. The Middle East is a strategic area—geographically in terms of its relationship to Europe, Asia, and Africa and in its proximity to the Soviet Union—and economically because of its vast reserves of oil which will become increasingly important as developed nations exhaust their own reserves. It has long been an important element of our policy to prevent this region from falling under the dominance of any single power, either global or regional, and it is clear at this point that the preservation of Israel as an independent state is essential to the maintenance of that policy.

There is also no question about the fact that today Israel is threatened. Rhetoric changes, as do the faces of the various leaders in the region, but through the rhetoric the objective of the more radical Arab States and leaders remains clear—the destruction of Israel. Little has happened since the war of 1967 to convince me that they have moderated their goals in the Middle East. The increasing use—and tolerance—of terror and guerrilla tactics is compelling evidence of the real motivation and the extent to which they will go to achieve their objectives. While the Arab States differ in their policy goals and the aggressiveness with which they pursue them, the pressure tactics of the more radical Arab States and the Palestinian terrorists too often determines the tactics of all the states, pushing the more moderate into support of radical policies. The preservation of Israel as an independent state is going to take more than strong words and diplomatic representations on our part. It is going to take substantial military and economic support, but I believe it is vital that we provide it.

United Nations Security Council Resolution 242 calls for the establishment of "secure and recognized borders." These borders must not be vulnerable, temporary lines of demarcation which the Arabs have sought to destroy. According to Security Council Resolution 338, the borders must be negotiated by the governments directly involved. To my mind this is the key principle. I have always supported such direct negotiations with the goals of secure borders and equal recognition. The major powers cannot impose such an agreement on the belligerents, but they can act as a catalyst in helping to achieve such an agreement, and it is this role which Secretary Kissinger has sought to play. Despite his recent setbacks, the role is still a viable one, and I urge our Government to continue striving to bring the two sides together.

In addition to that, however, we must also continue to take positive action to maintain the military and economic balance of power in the Middle East by providing Israel the arms she needs to defend herself and to maintain economic supports to ease her considerable fiscal burden. Such a policy will serve the cause of world peace, for in a real sense, the avoidance of a great power confrontation depends on the preservation of the cease-fire in the Middle East.

CHEMICAL WARFARE—IT'S UNNERVING

(Mr. OTTINGER asked and was given permision to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, on Wednesday, April 30, ABC Newsman Edward P. Morgan aired a piece on chemical warfare for the Shape of One Man's Opinion. One of the issues he discussed is one which concerns me—proliferation. My view is that since binaries would be safe to transport, that they not only would appeal to third world countries, but that they could also become that much more accessible for terrorist activity.

This possibility became quite real to me yesterday morning while reading a newsstory that 53 steel bottles of mustard gas had been stolen in West Germany, and that a terrorist group may be involved in the theft. The effects of mustard gas, a precursor of our present day stocks of nerve gas, were vividly described in an article I submitted in the Record on April 28, pages 12073–12075.

To move toward development of the binary nerve gas system is to make this kind of situation that much more likely. I submit Mr. Morgan's opinion and the news article for the Record:

Shape of One Man's Opinion

This is Edward P. Morgan, ABC News Washington, with the Shape of One Man's Opinion. A look at gas from the unnerving Army after this word.

Even before our military influence in Indochina collapsed, the U.S. Army, it seems, was busy thinking up a better idea: a new weapon—not to be used in Southeast Asia, of course, but as a counter against the Soviet Union: nerve gas.

We have foresworn the use of biological warfare and presumably have destroyed our stockpiles of biological weapons. But chemical warfare the Pentagon clings to like Buck Rogers with his ray gun. The posture is not only lethal but internationally embarassing.

At the UN conference on disarmament in Geneva, the United States has refused to table anything important which would put a crimp in the use of chemical weapons. Other nations, notably Japan, have done so. The American argument appears to be that

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verification of commitments is necessary, that a nation's word on what stockpiles it has and what it will or will not do with them is not enough.

Ironically, America appears already to have enough nerve gas. We have stockpiled in the United States alone, most of it at the Tooele Army Depot in Utah, approximately 20,000 tons of the stuff, abundantly more than enough, according to experts, to kill every living human on earth. One-fiftieth of one drop can be fatal in 15 or 20 minutes.

But the Pentagon is restive. It wants a whole new generation of nerve gas weapons called binaries. Their advocates call them, pardon the expression, safe. Presumably they won't leak and kill sheep, as happened at the Dugway Proving Grounds in Utah seven years ago. That's because the lethal chemical components are kept packed separately—and thus inert—in an artillery shell until the shell explodes.

Though it was voted down by the House last year, the Defense Department has renewed a request for $8.8 million to build a facility to produce binaries. However, Harvard biochemist Matthew Meselson, an expert in this field, told the Arms Control Association in Washington last week he estimated it would actually cost a billion to *produce* binary nerve gas weapons and perhaps three-quarters of a billion more to dispose of the existing stockpile.

Congressman Richard Ottinger, New York Democrat, is leading a fight in the House to kill the $8.8 million item, for fear it will expand into just the explosive, expensive item Prefessor Meselson predicts it will.

There is another frightening aspect here: proliferation. If the United States prepares to produce binaries, the pressure will be on other countries to do the same. The Soviet Union is not known to be monkeying with binaries but it "must be presumed" she does have a "strong defensive capability" with nerve gas.

One estimate of the cost of producing binaries is five bucks a gallon. What a bargain for a third world country that con't afford, say, to develop a nuclear capability!

With biochemistry and biological sciences advancing at great rates, Meselson suggests, we should encourage an international consensus that such knowledge not be exploited for military purposes. Have we got the nerve?

This is Edward P. Morgan, ABC News, Washington with the shape of one man's opinion.

Around The World—Terrorist Use of Gas Feared

Bonn.—Fifty-three steel bottles containing mustard gas have been stolen from West German ammunition bunkers, and there are fears that they may be in the hands of terrorists, The Manchester Guardian reported.

The mustard gas was made in Britain during World War II and the bottles were handed over to the West German army to be destroyed.

A terrorist group threatened over the weekend to attack Stuttgart with Soviet SA–7 missiles, bombs and mustard gas unless an amnesty was granted to all political prisoner. The group also demanded the release of members of the Baader-Meinhof urban guerrilla group who are to go on trial in Stuggart May 21.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Roncalio (at his own request), for 3 legislative days on account of official business.

SPECIAL ORDER GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Thone and Mr. Howard, (at the request of Mr. Randall), for 10 minutes, today, and to revise and extend their remarks.

(The following Members (at the request of Mr. Pressler) to revise and extend their remarks and include extraneous material:)

Mr. Myers of Pennsylvania, for 1 minute, today.

Mr. Ashbrook for 15 minutes, today.

Mr. Crane, for 5 minutes, today.

Mr. Robert W. Daniel, Jr., for 5 minutes, today.

Mrs. Heckler of Massachusetts, for 5 minutes, today.

Mr. Young of Florida, for 10 minutes, today.

(The following Members (at the request of Mr. Ford of Tennessee) and to revise and extend their remarks and include extraneous matter:)

Mr. Gonzalez, for 5 minutes, today.

Mr. Patman, for 15 minutes, today.

Mr. Fulton, for 10 minutes, today.

Mr. Flood, for 5 minutes, today.

Mr. Bingham, for 10 minutes, today.

Ms. Abzug, for 10 minutes, today.

Mr. Vanik, for 5 minutes, today.

Mr. Burke of Massachusetts, for 30 minutes, today.

Ms. Holtzman, for 10 minutes, today.

Mr. Drinan, for 15 minutes, today.

Mr. Wirth, for 5 minutes, today.

Mr. Staggers, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Ketchum to extend his remarks following the remarks of Mr. Goldwater in the Committee of the Whole.

Mr. Edgar, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $764.50.

(The following Members (at the request of Mr. Lagomarsino) and to include extraneous material:)

Mr. Hastings.

Mr. Steelman.

Mr. Frey in two instances.

Mr. Derwinski in three instances.

Mr. Dickinson in three instances.

Mrs. Fenwick.

Mr. Crane.

Mr. Guyer.

Mr. Frenzel in three instances.

Mr. Michel.

Mr. Bell.

Mr. Ketchum.

Mr. Broomfield.

Mr. Martin.

Mr. O'Brien in 10 instances.

Mr. Ashbrook in five instances.

Mr. Findley.

Mr. Rhodes.

(The following Members (at the request of Mr. Ford of Tennessee) and to include extraneous matter:)

Mr. Addabbo.

Mr. Nowak.

Mr. McDonald of Georgia in five instances.

Mr. Evins of Tennessee.

Mr. Gonzalez in three instances.

Mr. Anderson of California in three instances.

Mrs. Spellman in five instances.

Mr. Mazzoli in three instances.

Mrs. Keys.

Mr. Bennett.

Mr. Miller of California in two instances.

Mr. Evans of Indiana.

Mr. Stark.

Mr. Rogers in five instances.

Mr. Hightower.

Mr. Charles H. Wilson of California.

Mr. Madden.

Mr. Santini.

Mr. McCormack in two instances.

Mr. Charles Wilson of Texas in 10 instances.

Mr. Bedell.

Mr. Rosenthal.

Ms. Holtzman.

Mr. Young of Georgia.

Mr. Giaimo in five instances.

Mr. Thornton in two instances.

Mr. Wirth.

Mr. Harrington in two instances.

Mr. Stratton.

Mrs. Mink.

Mr. Downey of New York in two instances.

Mr. Hannaford.

SENATE BILLS AND JOINT RESOLUTION REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 719. An act granting a renewal of patent numbered 92,187 relating to the badge of the Sons of the American Legion; to the Committee on the Judiciary.

S. 720. An act granting a renewal of patent numbered 54,296 relating to the badge of the American Legion; to the Committee on the Judiciary.

S. 721. An act granting a renewal of patent numbered 55,398 relating to the badge of the American Legion Auxiliary; to the Committee on the Judiciary.

S. J. Res. 59. Joint resolution authorizing the President to invite the States of the Union and foreign nations to participate in the International Petroleum Exposition to be held at Tulsa, Oklahoma, from May 16, 1976, through May 22, 1976; to the Committee on International Relations.

ENROLLED BILL SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 4975. An act to amend the Rail Passenger Service Act to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes.

BILL PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did on May 14, 1975, present to the President, for his approval, a bill of the House of the following title:

H.R. 4975. An act to amend the Rail Passenger Service Act to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes.

ADJOURNMENT

Mr. FORD of Tennessee. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 37 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, May 15, 1975, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1016. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a report on the value of property, supplies, and commodities provided by the Berlin Magistrate, and under the German Offset Agreement, for the quarter ended March 31, 1975, pursuant to section 819 of Public Law 93–437; to the Committee on Armed Services.

1017. A letter from the Administrator of General Services, transmitting the semiannual report on the stockpiling of strategic and critical materials, covering the period ended December 31, 1974, pursuant to section 4 of the Strategic and Critical Materials Stock Piling Act [50 U.S.C. 98c]; to the Committee on Armed Services.

1018. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report on recommendations and actions related thereto contained in the report of the Board of Visitors to the U.S. Military Academy, dated April 28, 1973, pursuant to section 6(b) of the Federal Advisory Committee Act (H. Doc. No. 94–149); to the Committee on Government Operations and ordered to be printed.

1019. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report on recommendations and actions related thereto contained in the report of the Board of Visitors to the U.S. Military Academy, dated April 25, 1974, pursuant to section 6(b) of the Federal Advisory Committee Act (H. Doc. No. 94–150); to the Committee on Government Operations and ordered to be printed.

1020. A letter from the Director, U.S. Water Resources Council, transmitting a report on a comprehensive study of the water and related land resources of the Red River below Denison Dam; to the Committee on Interior and Insular Affairs.

1021. A letter from the Acting Assistant Secretary of the Interior, transmitting a copy of a proposed contract with Environmental Research Institute of Michigan, Ann Arbor, Mich., for a research project entitled "Research and Development Contract on the Application of Geophysical Techniques to Surface and Underground Oil Shale Mining," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

1022. A letter from the Acting Assistant Secretary of the Interior, transmitting a copy of a proposed contract with The Ansul Co., Marinette, Wis., for a research project entitled "Development of an Automatic Fire Protection System for Mobile Underground Metal Mining Equipment," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

1023. A letter from the Acting Assistant Secretary of the Interior, transmitting a copy of a proposed contract with E. I. du Pont De Nemours and Co., Wilmington, Del., for a research project entitled "Perform a Research Project on Deep Blasting for In Situ Leaching of Orebodies," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

1024. A letter from the Acting Assistant Secretary of the Interior, transmitting a copy of a proposed contract with Ford, Bacon and Davis, Inc., New York, N.Y., for a research project entitled "A Project for Development of Improved Mining Methods for Highwall Reduction in Contour Mining," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

1025. A letter from the Acting Assistant Secretary of the Interior, transmitting a copy of a proposed contract with Battelle Memorial Institute, Richland, Wash., for a research project entitled "Research and Development Contract to Investigate Feasibility of Improving Efficiency of Surface Mining Equipment by Extending Rope Life," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

1026. A letter from the Acting Assistant Secretary of the Interior, transmitting a copy of a proposed contract with FMC Corp., San Jose, Calif., for a research project entitled "Develop and Test an Underground Auger Panel Extraction System," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

1027. A letter from the Acting Assistant Secretary of the Interior, transmitting a copy of a proposed contract with Foster-Miller Associates, Inc., Waltham, Mass., for a research project entitled "Development of a Complete Fire Retardant Froth Foam Topping and Seal Checking System for Remote Mine Sealing," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

1028. A letter from the Acting Assistant Secretary of the Interior, transmitting a copy of a proposed contract with Joy Manufacturing Co., Pittsburgh, Pa., for a research project entitled "Shortwall Face Conveyor," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

1029. A letter from the Office of Legislative Affairs, Agency for International Development, Department of State, transmitting reports covering the quarter ended March 31, 1975, on the programing and obligation of contingency funds and on famine and disaster relief, pursuant to sections 451(b) and 639 of the Foreign Assistance Act of 1961, as amended (88 Stat. 1803); to the Committee on International Relations.

1030. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the Public Health Service Act and the National Research Award Act of 1974 to strengthen and improve the program of National Research Service Awards, and for other purposes; to the Committee on Interstate and Foreign Commerce.

1031. A letter from the Administrator, Federal Energy Administration, transmitting a report on changes in market shares for petroleum products during the months of December 1974, and January 1975, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

1032. A letter from the Postmaster General, transmitting a draft of proposed legislation to amend title 39, United States Code to authorize the Postal Service to give certain personnel the powers of special policemen, to provide penalties for the violation of regulations governing postal property, and for other purposes; to the Committee on Post Office and Civil Service.

1033. A letter from the Director, National Legislative Commission, the American Legion transmitting statements of the financial condition of the organization as of December 31, 1974; to the Committee on Veterans' Affairs.

1034. A letter from the Secretary of the Army, transmitting a draft of proposed legislation to eliminate or modify certain statutory reports to Congress; jointly, to the Committees on Armed Services, and Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ULLMAN: Committee on Ways and Means. H.R. 6698. A bill to amend section 1113 of the Social Security Act to make permanent the program of temporary assistance for U.S. citizens returned from abroad, subject to specific limitations on the aggregate dollar amount of such assistance which may be provided and on the period for which such assistance may be furnished in any particular case (Rept. No. 94–209). Referred to the Committee of the Whole House on the State of the Union.

Mr. REUSS: Committee on Banking, Currency and Housing. H.R. 6516. A bill to amend the Equal Credit Opportunity Act to include discrimination on the basis of race, color, religion, national origin, and age, and for other purposes; with amendment (Rept. No. 94–210). Referred to the Committee of the Whole House on the State of the Union.

Mr. FOLEY: Committee on Agriculture. S. 555. An act to amend the Consolidated Farm and Rural Development Act; with amendment (Rept. No. 94–211). Referred to the Committee of the Whole House on the State of the Union.

Mr. FOLEY: Committee on Agriculture. S. 441. An act to amend the Forest Pest Control Act of June 25, 1947; with amendment (Rept. No. 94–212). Referred to the Committee of the Whole House on the State of the Union.

Mr. MOAKLEY: Committee on Rules. House Resolution 468. Resolution providing for the consideration of H.R. 5727. A bill to establish an independent and regionalized U.S. Parole Commission, to provide fair and equitable parole procedures, and for other purposes (Rept. No. 94–215). Referred to the House Calendar.

Mr. YOUNG of Georgia: Committee on Rules. House Resolution 469. Resolution providing for the consideration of H.R. 6219. A bill to amend the Voting Rights Act of 1965 to extend certain provisions for an additional 10 years, to make permanent the ban against certain prerequisities to voting, and for other purposes (Rept. No. 94–214). Referred to the House Calendar.

Mr. YOUNG of Texas: Committee on Rules. House Resolution 470. Resolution providing for the consideration of H.R. 6674. A bill to authorize appropriations during the fiscal year 1976, and the period beginning July 1, 1976, and ending September 30, 1976, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedies, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe2 the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes (Rept. No. 94–215). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

Br. Mr. ADDABBO:

H.R. 6951. A bill to amend title 39, United

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States Code, to eliminate certain restrictions on the rights of officers and employees of the U.S. Postal Service, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 6952. A bill to amend the Small Business Act with respect to Government contracts and small business concerns; to the Committee on Small Business.

By Mr. AuCOIN:

H.R. 6953. A bill to provide for the free entry of certain scientific equipment for the use of Oregon State University, Corvallis, Oreg.; to the Committee on Ways and Means.

By Mr. BURKE of Massachusetts (for himself, Mr. Nix, Mr. Pepper, Mr. Railsback, Mr. Riegle, Mr. Risenhoover, Mr. Rodino, Mr. Roe, Mr. Rosenthal, Ms. Schroeder, Mr. Seiberling, Ms. Spellman, Mr. Stark, Mr. Vanik, and Mr. Bob Wilson):

H.R. 6954. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. BYRON (for himself, Mr. Cohen, Mr. du Pont, Mr. Kindness, and Mr. Richmond):

H.R. 6955. A bill to prevent the estate tax law from operating to encourage or to require the destruction of open lands and historic places, by amending the Internal Revenue Code of 1954 to provide that real property which is farmland, woodland, or open land and forms part of an estate may be valued, for estate tax purposes, at its value as farmland, woodland, or open land (rather than at its fair market value), and to provide that real property which is listed on the National Register of Historic Places may be valued, for estate tax purposes, at its value for its existing use, and to provide for the revocation of such lower evaluation and recapture of unpaid taxes with interest in appropriate circumstances; to the Committee on Ways and Means.

By Mr. CASEY (for himself, Mr. Burgener, Mr. Broyhill, Mr. Burleson of Texas, Mr. Cochran, Mr. Hubbard, Mr. Kindness, Mr. Nix, and Mr. Waggonner):

H.R. 6956. A bill to amend the Flood Disaster Protection Act of 1973 to make compliance with its provisions voluntary; to the Committee on Banking, Currency and Housing.

By Mr. CASEY (for himself, Mr. Milford):

H.R. 6957. A bill to amend the authorization for the project for hurricane-flood protection at Freeport and vicinity, Tex.; to the Committee on Public Works and Transportation.

By Mr. CASEY (for himself, Mr. Lehman, and Mr. Melcher):

H.R. 6958. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for expenses incurred by a taxpayer in making repairs and improvements to his residence, and to allow the owner of rental housing to amortize at an accelerated rate the cost of rehabilitating or restoring such housing; to the Committee on Ways and Means.

By Mr. CLAY (for himself and Mr. Carney):

H.R. 6959. A bill to restore to Federal civilian employees their rights to participate, as private citizens, in the political life of the Nation, to protect Federal civilian employees from improper political solicitations, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. CONABLE:

H.R. 6960. A bill to amend the Elementary and Secondary Education Act of 1965 to provide that programs for migratory children shall include the children of migratory horse groomers; to the Committee on Education and Labor.

By Mr. DODD:

H.R. 6961. A bill to amend the Internal Revenue Code of 1954 with respect to certain charitable contributions; to the Committee on Ways and Means.

By Mr. FLORIO (for himself and Mr. Santini):

H.R. 6962. A bill to improve the reliability, safety, and energy efficiency of transportation and to reduce unemployment by providing funds for work in repairing, rehabilitating, and improving essential railroad roadbeds and facilities; to the Committee on Interstate and Foreign Commerce.

By Mr. FLOWERS:

H.R. 6963. A bill to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax from $60,000 to $200,000; to the Committee on Ways and Means.

By Mr. HALL (for himself, Mr. Jones of Alabama, Mr. Roe, Mr. O'Neill, Mr. McFall, Mr. Wright, Mr. Johnson of California, Mr. Roberts, Mr. McCormack, Ms. Abzug, Mr. Breaux, Mr. Studds, Mr. Holland, Mr. Howe, Mr. Oberstar, Mr. Nowak, and Mrs. Lloyd of Tennessee):

H.R. 6964. A bill to authorize a local public works capital development and investment program; to the Committee on Public Works and Transportation.

By Mr. HAMMERSCHMIDT:

H.R. 6965. A bill to amend the Internal Revenue Code to encourage the continuation of family farms, and to provide that farmland, woodland, or open land which comprises part of an estate may be valued, for estate tax purposes, as such rather than at its fair market value, and to provide that real property which is listed on the National Register of Historic Places may be valued, for estate tax purposes, at its value for its existing use, and to provide for the revocation of such lower evaluation and recapture of unpaid taxes with interest in appropriate circumstances; to the Committee on Ways and Means.

H.R. 6966. A bill to amend the Internal Revenue Code of 1954 to exempt cooperative housing corporations, condominium management associations, and residential real estate management associations from taxation on certain types of income; to the Committee on Ways and Means.

H.R. 6967. A bill to amend the Internal Revenue Code of 1954 to allow individuals a deduction for volunteer services performed in Veterans' Administration hospitals; to the Committee on Ways and Means.

By Mr. Hays of Ohio:

H.R. 6968. A bill to extend the Appalachian Regional Development Act of 1965; to the Committee on Public Works and Transportation.

By Mr. JOHNSON of Colorado:

H.R. 6969. A bill to adjust target prices, loan and purchase levels for the 1975 corps of upland cotton, corn and wheat; to the Committee on Agriculture.

By Mr. JONES of Alabama (for himself, Mr. Roe, Mr. Duncan of Oregon and Mr. Sarbanes):

H.R. 6970. A bill to authorize a local public works capital development and investment program; to the Committee on Public Works and Transportation.

By Ms. JORDAN (for herself, Mr. Rodino, Mr. Brooks, Mr. Flowers, Mr. Seiberling, Mr. Mezvinsky, Mr. Mazzoli, Mr. Hughes, Mr. McClory, Mr. Railsback, and Mr. Cohen):

H.R. 6971. A bill to amend the Sherman Antitrust Act to provide lower prices for consumers; to the Committee on the Judiciary.

By Mr. LITTON (for himself, Mr. Steelman, Mr. Long of Maryland, Mr. Brown of Michigan, Mr. Thompson, Mr. AuCoin, Mr. Hughes, Mr. Hicks, Mr. Duncan of Tennessee, Mr. Hechler of West Virginia, Mr. Broyhill, Mr. Edwards of Alabama, Mr. Lott, Mr. Howard, Mr. Coughlin, and Mr. Henderson):

H.R. 6972. A bill to prohibit, except in cases of extreme emergency, assistance under the Agricultural Trade Development and Assistance Act of 1954 to any country which does not make reasonable and productive efforts, especially with regard to family planning, designed to alleviate the causes of the need for assistance provided under such act; to the Committee on International Relations.

By Mr. MEEDS:

H.R. 6973. A bill to provide under or by amendment of the Alaska Native Claims Settlement Act, for the late enrollment of certain Natives, the establishment of an escrow account for the proceeds of certain lands, the treatment of certain payments and grants, and the consolidation of existing regional corporations, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MURTHA:

H.R. 6974. A bill to amend the Internal Revenue Code of 1954 to allow an individual to elect a tax credit for 50 percent of his charitable contributions in lieu of the deduction allowed for such contributions; to the Committee on Ways and Means.

By Mr. MURTHA (for himself and Mr. Staggers):

H.R. 6975. A bill to amend title 23 of the United States Code to add 522 miles to the Interstate System and provide for the inclusion of a critical north-south highway corridor; to the Committee on Public Works and Transportation.

By Mr. OBEY (for himself and Mr. Brown of Michigan):

H.R. 6976. A bill to protect the public health and welfare by providing for the inspection of imported dairy products and by requiring that such products comply with certain minimum standards for sanitation and that the dairy farms on which milk is produced and the plants in which such products are produced meet certain minimum standards of sanitation, and for other purposes; to the Committee on Agriculture.

By Mr. OBEY (for himself, Mr. Bingham, Mr. Florio, Mr. Roe, and Mr. Simon):

H.R. 6977. A bill to amend titles II and XVIII of the Social Security Act to include qualified drugs, requiring a physician's prescription or certification and approved by a formulary committee, among the items and services covered under the hospital insurance program; to the Committee on Ways and Means.

By Mr. QUILLEN:

H.R. 6978. A bill to establish a program of comprehensive medical, hospital, and dental care as protection against the cost of ordinary and catastrophic illness by requiring employers to make insurance available to each employee and his family, by Federal financing of insurance for persons of low income, in whole or in part according to ability to pay, and by assuring the availability of insurance to all persons regardless of medical history, and on a guaranteed renewable basis; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. RANGEL:

H.R. 6979. A bill to establish a program of reduced tuition rates to encourage older Americans to attend institutions of higher education, and to establish a program to gather data relating to employment opportunities for older Americans; to the Committee on Education and Labor.

By Mr. ROYBAL (for himself, Mr. Anderson of California, Mr. Ginn, Mr. Hannaford, Mr. Howard, Mr. Jones of Alabama, Mr. Mineta, Mr. Roe, Mr. Roncalio, and Mr. James V. Stanton):

H.R. 6980. A bill to authorize a local public works capital development and investment program; to the Committee on Public Works and Transportation.

By Mr. SIKES:

H.R. 6981. A bill to provide additional financial assistance for consumer education and market development programs pertaining to U.S. fisheries; to the Committee on Merchant Marine and Fisheries.

By Mr. THOMPSON (for himself, Mr. Kelly, Mr. Matsunaga, Mr. Mills, and Mr. Waxman):

H.R. 6982. A bill to provide for the establishment of an American Folklife Center in the Library of Congress, and for other purposes; to the Committee on House Administration.

By Mr. VANDER VEEN:

H.R. 6983. A bill to suspend until July 1, 1976, the duty on certain elbow prostheses if imported for use, or for free distribution, by certain public or private nonprofit institutions; to the Committee on Ways and Means.

By Mr. WAMPLER:

H.R. 6984. A bill to amend title II of the Social Security Act to provide that an individual may become entitled to widow's or widower's insurance benefits, subject to the existing actuarial reduction, at age 50 whether or not disabled; to the Committee on Ways and Means.

By Mr. WIGGINS:

H.R. 6985. A bill to amend the Voting Rights Act of 1965, and for other purposes; to the Committee on the Judiciary.

By Mr. WON PAT:

H.R. 6986. A bill to require the Guam Shipyard Facility to function at its maximum productive capacity, and for other purposes; to the Committee on Armed Services.

By Mr. ANDREWS of North Dakota:

H.R. 6987. A bill to amend section 15(7) of the Interstate Commerce Act to permit interested persons to seek injunctive relief in certain situations where the Interstate Commerce Commission has not completed proceedings on new rate schedules within the period of the suspension of such schedule; to the Committee on Interstate and Foreign Commerce.

By Mr. BONKER:

H.R. 6988. A bill to broaden the income tax base, revise the minimum tax and to otherwise reform the income, estate, and gift tax provisions; to the Committee on Ways and Means.

By Mr. BRINKLEY:

H.R. 6989. A bill to amend the Social Security Act to provide for inclusion of the services of licensed (registered) nurses under medicare and medicaid; to the Committee on Ways and Means.

By Mr. BROYHILL:

H.R. 6990. A bill to amend the Communications Act of 1934 with regard to the renewal of broadcast licenses, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CLEVELAND (for himself, Mr. Wright, Mr. Alexander, Mr. Blanchard, Mr. Broomfield, Ms. Burke of California, Mr. Dickinson, Mr. Duncan of Tennesee, Mr. Emery, Mr. Fithian, Mr. Guyer, Mr. Hefner, Mr. Johnson of Colorado, Mr. Ketchum, Ms. Keys, Mr. Kindness, Mr. Lott, Mr. McCloskey, Mr. Mathis, Mr. Montgomery, Mr. Rees, Mr. Rhodes, Mr. Stephens, Mr. Won Pat, and Mr. Young of Alaska):

H.R. 6991. A bill to amend title II of the Federal Water Pollution Control Act to provide for State certification; to the Committee on Public Works and Transportation.

By Mr. CORNELL (for himself, and Mr. Drinan):

H.R. 6992. A bill to amend title 38 of the United States Code to promote the care and treatment of veterans in State veterans' homes; to the Committee on Veterans' Affairs.

By Mr. ROBERT W. DANIEL, JR.:

H.R. 6993. A bill to amend title IV of the Social Security Act to improve and make more realistic various provisions relating to eligibility for aid to families with dependent children and the administration of the aid to families with dependent children program, and for other purposes; to the Committee on Ways and Means.

By Mr. de la GARZA:

H.R. 6994. A bill to amend the act of March 4, 1927, to authorize the Secretary of Agriculture to accept and administer on behalf of the United States gifts or devises of real and personal property for the benefit of the National Arboretum; to the Committee on Agriculture.

By Mr. DELLUMS:

H.R. 6995. A bill to amend chapter 5 of title 5, United States Code, relating to agency rulemaking, to provide that such chapter applies to matters relating to public property, loans, grants, benefits, or contracts, and for other purposes; to the Committee on the Judiciary.

By Mr. DRINAN (for himself, Mr. Mitchell of Maryland, and Mr. Pattison of New York):

H.R. 6996. A bill to require the submission of reports to the Congress prior to the issuance of a license for the export of certain arms, ammunition, or implements of war; to the Committee on International Relations.

By Mr. DRINAN (for himself, Mr. Baucus, Mr. Hannaford, Mr. Hawkins, Ms. Holtzman, Mr. Maguire, Mr. Mitchell of Maryland, Mr. Pattison of New York, and Mr. Stokes):

H.R. 6997. A bill to provide for increased congressional oversight of foreign military sales conducted under the Foreign Military Sales Act; jointly to the Committees on International Relations, and Rules.

By Mr. PRESSLER:

H.R. 6998. A bill to amend the act of August 31, 1922, to prevent the introduction and spread of diseases and parasites harmful to honeybees, and for other purposes; to the Committee on Agriculture.

By Mrs. SPELLMAN:

H.R. 6999. A bill to amend section 1661 of title 38 of the United States Code in order to entitle veterans to 2½ months of educational assistance for each month of service on active duty and to extend the maximum entitlement to such assistance to 45 months; to the Committee on Veterans' Affairs.

By Mr. HANNAFORD:

H.R. 7000. A bill to amend title XVIII of the Social Security Act to require the continued application of the nursing salary cost differential which is presently allowed in determining the reasonable cost of inpatient nursing care for purposes of reimbursement to providers under the medicare program; to the Committee on Ways and Means.

By Mr. PRICE:

H.R. 7001. A bill to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, and for other purposes; to the Joint Committee on Atomic Energy.

Mr. PRICE (by request):

H.R. 7002. A bill to amend the Atomic Energy Act of 1954, as amended, to provide for approval of sites for production and utilization facilities, and for other purposes; to the Joint Committee on Atomic Energy.

By Mrs. BURKE of California:

H.R. 7003. A bill to provide for the establishment of multipurpose service programs for displaced homemakers, and for other purposes; to the Committee on Education and Labor.

H.R. 7004. A bill to amend the Public Health Service Act to promote the health and welfare of children in need of adoption by facilitating their placement, and for other purposes; jointly to the Committees on Interstate and Foreign Commerce and Education and Labor.

By Mr. KASTENMEIER (for himself, Mr. Railsback, Mr. Danielson, Mr. Drinan, Mr. Badillo, and Mr. Pattison of New York):

H.R. 7005. A bill to amend title 42, United States Code; jointly to the Committees on Education and Labor, and the Judiciary.

By Mr. KEMP (for himself, Mr. Carter, Mr. Hinshaw, Mr. Martin, Mrs. Holt, Mr. Dent, Mr. Beard of Rhode Island, and Mr. Robinson):

H.R. 7006. A bill relating to the settlement of debts owed the United States by foreign countries; to the Committee on International Relations.

By Mr. KEMP (for himself, Mr. Ichord, and Mr. Kelly):

H.R. 7007. A bill to reestablish the fiscal integrity of the Government of the United States, through the establishment of controls with respect to the levels of its revenues and budget outlays, and the preparation of the budget, and for other purposes; to the Committee on Rules.

By Mrs. SPELLMAN (for herself, Mr. Hechler of West Virginia, Mr. Mitchell of Maryland, Mr. Hicks, Mr. Pattison of New York, Mr. Thompson, Mr. Conte, Mr. Solarz, Mr. Harrington, and Mr. Stokes):

H.R. 7008. A bill to amend the Public Health Services Act to provide for a national program of medical injury compensation insurance; to the Committee on Interstate and Foreign Commerce.

By Mr. WHITEHURST:

H.R. 7009. A bill to create a fund in the Treasury of the United States to be known as the Fund for Endangered Wildlife, to be administered by the Department of the Interior; to the Committee on Merchant Marine and Fisheries.

By Mr. BINGHAM (for himself, Mr. Whalen, Mr. Armstrong, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Brown of California, Mr. Conyers, Mr. Downey of New York, Mr. Drinan, Mr. Edwards of California, Mr. Eilberg, Mr. Fraser, Mr. Hannaford, Mr. Harrington, Mr. Hayes of Indiana, Mr. Koch, Mr. LaFalce, and Mr. Metcalfe):

H.R. 7010. A bill to facilitate the economic adjustment of communities, industries, and workers who may be substantially and seriously affected by reductions in defense contracts and facilities which are undertaken to realine defense expenditures with changed national security requirements and to prevent the ensuing dislocations from contributing to or exacerbating recessionary effects on the aforementioned groups; jointly to the Committees on Banking, Currency and Housing, Armed Services, Education and Labor, Government Operations, and Ways and Means.

By Mr. BINGHAM (for himself, Mr. Whalen, Ms. Meyner, Ms. Mink, Mr. Ottinger, Mr. Pattison of New York, Mrs. Pettis, Mr. Rees, Mr. Sarbanes, Mr. Scheuer, Mr. Seiberling, Mr. Solarz, Mr. Stokes, Mr. Tsongas, and Mr. Won Pat):

H.R. 7011. A bill to facilitate the economic adjustment of communities, industries, and workers who may be substantially and seriously affected by reductions in defense contracts and facilities which are undertaken to realine defense expenditures with changed national security requirements and to prevent the ensuing dislocations from contributing to or exacerbating recessionary effects on the aforementioned groups; jointly to the Committees on Banking, Currency and Housing, Armed Services, Education and Labor, Government Operations, and Ways and Means.

By Mr. DINGELL (for himself, Mr. Moss, Mr. Rooney, Mr. Van Deerlin, Mr. Eckhardt, Mr. Ottinger, Mr. Moffett, and Mr. Maguire):

H.R. 7012. A bill to provide for enhanced

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competition in the energy industry, and for other purposes; jointly to the Committees on Interstate and Foreign Commerce, and the Judiciary.

By Mr. KEMP (for himself and Mr. Montgomery):

H.J. Res. 457. Joint resolution relating to obtaining a full and accurate accounting for members of the U.S. Armed Forces missing in action in Southeast Asia and U.S. contribution to the United Nations; to the Committee on International Relations.

By Mr. RAILSBACK:

H.J. Res. 458. Joint resolution designating the composition known as The Stars and Stripes Forever as the national march of the United States; to the Committee on Post Office and Civil Service.

By Mr. WHITEHURST:

H.J. Res. 459. Joint resolution to authorize the return of the remains of Pocahontas to the United States and the establishment of an appropriate memorial commemorating her place in American history; to the Committee on Interior and Insular Affairs.

By Mr. WYLIE:

H.J. Res. 460. Joint resolution proposing an amendment to the Constitution of the United States with respect to the offering of prayer in public buildings; to the Committee on the Judiciary.

By Mr. du PONT:

H. Con. Res. 278. Concurrent resolution expressing the sense of Congress concerning recognition by the European Security Conference of the Soviet Union's occupation of Estonia, Latvia, and Lithuania; to the Committee on International Relations.

By Mr. RANGEL:

H. Con. Res. 279. Concurrent resolution elimination of illegal drug traffic; jointly to the Committees on Interstate and Foreign Commerce, and International Relations.

By Mr. ROYBAL:

H. Con. Res. 280. Concurrent resolution expressing the sense of the Congress with respect to the establishment of a Federal Audiovisual Procurement Office; to the Committee on Government Operations.

By Mr. VANDER VEEN (for himself, Mr. Beard of Rhode Island, Mr. Blanchard, Mr. Carney, Ms. Chisholm, Mrs. Collins of Illinois, Mr. Conyers, Mr. Cotter, Mr. Diggs, Mr. Duncan of Tennessee, Mr. Ford of Michigan, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Hicks, Mr. Mitchell of Maryland, Mr. Nix, Mr. Rodino, Mr. Rooney, Mr. Rosenthal, Mr. Solarz, Mr. Stark, Mr. Thompson, and Mr. Waxman):

H. Con. Res. 281. Concurrent resolution expressing the sense of the Congress that during the Nation's present economic crisis, and so long as the national unemployment rate remains at 6 percent or more, the emergency unemployment program established by the Emergency Jobs and Unemployment Assistance Act of 1974 should be extended to continue benefits for involuntarily unemployed individuals when 25-percent or more of workers entitled to compensation thereunder are unable to find jobs during the period for which they are eligible for benefits; to the Committee on Ways and Means.

By Mr. FLOOD (for himself, Mr. Anderson of California, Mr. Barrett, Mr. Beard of Rhode Island, Mr. Dingell, Mr. Eilberg, Mr. Evins of Tennessee, Mr. Hannaford, Mr. McEwen, Mr. Moore, Mr. Mollohan, Mr. Sikes, Mr. Rose, Mr. Wolff, and Mr. Zeferetti):

H. Res. 463. Resolution in support of continued undiluted U.S. soverignty and jurisdiction over the U.S.-owned Canal Zone on the Isthmus of Panama; to the Committee on International Relations.

By Mr. MIKVA (for himself, Mr. Frey, Mr. Frenzel, Mr. Baucus, Mr. Abdnor, Mr. Badillo, Mr. Burgener, Mr. Bedell, Mr. Beard of Rhode Island, Mrs. Burke of California, Mr. Blouin, Mr. Bonker, Mr. Bafalis, Mr. Blanchard, Mr. Carr, Mr. Cleveland, Mr. Cochran, Mr. Conable, Mr. Conyers, Mr. Coughlin, Mr. Downey of New York, Mr. du Pont, Mr. Edgar, Mr. Emery, and Mr. Fascell):

H. Res. 464. Resolution to amend the Rules of the House of Representatives to provide that House conferees may conduct business only at conference meetings open to the public; to the Committee on Rules.

By Mr. MIKVA (for himself, Mr. Frey, Mr. Frenzel, Mr. Baucus, Mr. Mazzoli, Mr. Mitchell of New York, Mr. Mottl, Mr. Ottinger, Mr. Pattison of New York, Mr. Quie, Mr. Roncalio, Mr. Rosenthal, Mr. Ryan, Mr. Scheuer, Mr. Solarz, Mrs. Spellman, Mr. Stark, Mr. Studds, Mr. Waxman, Mr. Charles Wilson of Texas, and Mr. Charles H. Wilson of California):

H. Res. 465. Resolution to amend the Rules of the House of Representatives to provide that House conferees may conduct business only at conference meetings open to the public; to the Committee on Rules.

By Mr. MIKVA (for himself, Mr. Frey, Mr. Frenzel, Mr. Baucus, Mrs. Fenwick, Mr. Fisher, Mr. Ford of Tennessee, Mr. Forsythe, Mr. Fraser, Mr. Gilman, Mr. Gradison, Mr. Gude, Mr. Hagedorn, Mr. Harkin, Mr. Harris, Mr. Ketchum, Mrs. Keys, Mr. Kindness, Mr. Koch, Mr. Krebs, Mr. Lagomarsino, Mr. Lehman, Mr. Lent, Mr. Long of Maryland, and Mr. McCloskey):

H. Res. 466. Resolution to amend the Rules of the House of Representatives to provide that House conferees may conduct business only at conference meetings open to the public; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. SHRIVER:

H.R. 7013. A bill for the relief of tenants of Scully lands in Marion County, Kans.; to the Committee on the Judiciary.

By Mr. HAGEDORN:

H. Res. 467. Resolution to refer H.R. 6948 "A bill for the relief of Robert H. Carleton," to the Chief Commissioner of the Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII:

123. The SPEAKER presented a petition of the Rhode Island League of Cities and Towns, Providence, R.I., relative to general revenue sharing; which was referred to the Committee on Government Operations.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 6674

By Mrs. SCHROEDER:

Page 2, line 9, strike out "$4,445,250,000" and insert "$4,200,000,000".

Page 2, line 17, strike out "$886,300,000" and insert "$871,300,000".

EXTENSIONS OF REMARKS

USDA AND HEW—TANDEM WELFARE PROGRAMS

HON. JAKE GARN

OF UTAH

IN THE SENATE OF THE UNITED STATES

Wednesday, May 14, 1975

Mr. GARN. Mr. President, the Department of Health, Education, and Welfare last week reported that the Nation's welfare rolls now total a near record 11,147,071, a figure only 8,888 below the all-time peak in 1973. This number, staggering though it may be, no longer represents the largest Government assistance program for the poor. Striding out in front we now find the food stamp program, which aided 19.1 million participants in March. Translated into dollars for fiscal 1975, the projected Federal cost of food stamps is conservatively estimated at approximately $5 billion as compared to a total fiscal 1974 cost of $2.9 billion.

It is difficult to comprehend that only a decade ago when the Food Stamp Act was enacted, recipients numbered a mere 367,000 at a cost to the American people of $26 million. Now there are 52 persons receiving food stamps for every one who began when the legislation was enacted.

As our depressed economy pushes the rolls of welfare and food stamp recipients every skyward, a two-headed monster is rearing its head. Food stamps has become another variety of a welfare program. What this means is that two giant bureaucracies in Washington—HEW and USDA—are running parallel welfare programs.

This situation is fundamental to many of the problems which plague the overall welfare system of our Nation today. Local welfare officers who must administer both programs are having to thread their way through a bureaucratic morass. Can we be surprised at the high error rate when welfare workers and employees must perform two differ and complicated procedures for processing applications. Two separate bureaucracies running welfare programs is one bureaucracy too many.

Had food stamps met its original objectives, it might not have grown to its present proportions. The program started in the early 1960's was a small program with basically a twofold purpose. There was a problem of agricultural overproduction and food stamps was viewed as a vehicle to help the small farmer by raising the price of farm commodities by distributing farm food surpluses through normal food outlets while at the same time raising the nutrition levels of the truly needy.

There is little evidence that the program has succeeded on either count. As far as helping poor farmers is concerned, I am certain my colleagues hear the same cries I do from the farmers in their own States who complain that they receive only a small percentage of the retail price. The majority of the retail food dollar is not received by the farmer but is siphoned off to pay for transportation, processing, and so forth. Very little of this supposed increase in retail sales caused by food stamps goes into the pockets of the farmer.

The second objective of the program has failed more dramatically than the first. For a program designed to improve the nutrition level of the needy, there is little, if anything in this program which requires or encourages the purchase of nutritional foods. Recipients may use their stamps to purchase steak instead of hamburger or a convenience food instead of pot roast when nutritional benefits may be equivalent; or they may shop at costly convenience markets instead of regular supermarkets. In fact, there is evidence that less nutritional but more palatable commodities are occasionally substituted for what should be essential foods.

The incidence of malnutrition above the poverty line should be sufficient proof that income supplementation in the form of food stamps will not eradicate or even reduce malnutrition. If we are truly concerned about nutrition we should seek out alternatives such as educating the poor on the importance of nutrition or actually lowering the cost of nutrition to those individuals whose diets are deficient.

Food stamps has failed to serve its two masters. The decrease in malnutrition has only been slight in the last 5 years in spite of a 400-percent increase in Federal food assistance programs.

Our welfare and health care systems are administrative nightmares leading us down the road to bankruptcy. The costs of these programs to the American taxpayer exceed the entire budget of all but a few countries. New York alone spends more for public assistance than the gross national product of some medium-sized countries.

It appears that Congress has long since forgotten that there is a practical limit to the growth of the Federal Government's role in domestic assistance programs. If these programs continue to expand unchecked, total Government spending will grow to more than half of our national output. I need not insult my distinguished colleagues by explaining how this spending will be financed. And as our capital markets are drained, less and less will be left for private industry and for new productivity to create the jobs we need.

The growth of our domestic assistance programs has taken place in an unplanned, patchwork pattern. The result is that we have too many programs trying to achieve similar objectives. We must now, more than ever, take steps to eliminate the gaps and rationalize our efforts.

The old American spirit of self-reliance and individual initiative has not been served by Congress and the administration. At the best we have given scant help to the truly needy who are unable to make their way alone in the world. But at worst, we have diminished the American sense of pride and self-reliance.

U.S. PROSECUTORS SHOULD BE PROSECUTED

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. CLAY. Mr. Speaker, some months ago, the Justice Department injudiciously without a shred of evidence began an investigation of me for narcotics trafficking or association at least with those who were so involved. Now, as the facts rapidly unfold detailing the Government's complete lack of a case involving me, it becomes evident that the Justice Department is investigating the wrong party. The real culprit in this whole travesty is U.S. Prosecutor Liam S. Coonan. Mr. Coonan, a much decorated and highly praised criminal strike force prosecutor apparently lacks the character, integrity, and moral rectitude necessary to determine the fate of those rightly or wrongly accused of Federal crimes. If his aggressive attempts to manufacture false evidence against me are typical of his prosecutorial modus operandi, then many persons in prison now should be released immediately.

Mr. Speaker, this man has acquitted himself as ruthlessly and irresponsibly as a little man with big powers possibly can. He has been accused of attempting to create a narcotics case against me by offering to drop charges against those awaiting trial and to reduce sentences for those already convicted if they would just implicate me in a drug-related crime. But apparently Mr. Coonan has found that even convicted felons are more honorable than some of those who convicted them.

Mr. Speaker, it is my belief that Mr. Coonan ought to be investigated. The Attorney General ought to appoint a Special Prosecutor to carefully analyze cases prosecuted by Liam Coonan for the purpose of determining the validity of the evidence, whether or not it was legally obtained and whether or not it was fabricated or falsified.

I am not nearly as concerned about the frivolous charges made against me as I am about those less able to defend themselves. I have certain resources at my disposal that most Americans do not. In addition, my entire career has been one of fighting the degenerate exploiters in our society. So one more serpent poses no real threat to me. In my 20 years of public life, I have encountered the pros, met them on their battlefields, used their weapons, ignored their battle plans, routed their troops, and overrun their lines. Mr. Speaker, I stand here today as living testimony that the Liam S. Coonans in our society only succeed if we allow them to.

Mr. Speaker, not only do I recommend to the Attorney General that Mr. Coonan be fired, but also that he be prosecuted for gross negligence, malfeasance in office, and conspiracy to obstruct justice.

THE SITUATION OF HUNGARIANS IN ROMANIA

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. ADDABBO. Mr. Speaker, between 1965 and 1968, I have often spoken about the discrimination and harassment exerted by the Romanian Government against its almost 2.5 million Hungarian minority, concentrated mostly in Transylvania.

After remaining stationary for several years, the situation started to worsen again since the spring of 1974 and the events force me and my colleagues to raise our voices. A special poignancy is lent to the question by the Presidential proclamation of last week sent to the Congress for approval. This proclamation awards the most-favored-nation status to Romania.

Unfortunately, the performance of Romania in the fields of human and civil rights is a poor one. The educational situation of the Hungarian minority on the secondary and university level is grossly inadequate and university graduates are scattered nationwide into purely Romanian areas, facts admitted by our State Department.

Job discrimination continues unabated as some new testimonies of recently emigrated people show which are attached to the speech of the distinguished gentleman from New Jersey (Mr. Patten).

Lately the rich archival and library materials of the churches which contain much of the historical record of the Hungarians who had ruled the province of Transylvania for almost 1,000 years is being made inaccessible. A law was passed in October 1974 which transfers into state archives and museums all art objects, records, books, letters, archival materials, and documents which are over 40 years old and could be of importance to the history of the people of Romania. As there are no qualified archivists who read Hungarian, Latin, and classical Greek, the materials would not be cataloged and made accessible to scholars and are even in the danger of partial destruction.

Even in Hungarian majority areas local, state, and county officials are mostly Romanian, especially on the higher echelons. The distinguished gentleman from Indiana (Mr. Madden) provided some eloquent proof for this state of affairs.

Considering the real situation, we must proceed very carefully with any approval of a most-favored-nation status for the Romanian Government at a time of severe recession in our country. At the minimum we must ask our State Department to raise the issue of continued harassment and oppression of national and religious minorities in Romania in their talks with the representatives of the Romanian Government, otherwise

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the whole affair becomes a farce as far as our commitment to human rights and equal opportunities are concerned in our foreign policies.

"CLUSTER'S LAST STAND"

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. STARK. Mr. Speaker, an editorial in Postal Record by the National Association of Letter Carriers President James H. Rademacher has come to my attention. It is entitled—"Postal Disservice." The caption is most apt.

The Postal Service's lack of service is especially evident in its policy concerning curbside mail boxes. In a move to economize, a certain segment of the public is failing to receive the delivery service to which they are entitled. The discrimination is blatant, the repercussions are severe.

Communities in my district have voiced their displeasure and their indignation over the newly instituted curbside policy and I believe their discontent is legitimate. In his remarks, Mr. Rademacher outlines the postal abuses that my constituent must live with. The Postal directive is not confined to my area, however, and I am sure many of my fellow members have heard from individuals and towns in their own area. Congress can make a difference. Not only must we wrestle with a proposal for a permanent Postal subsidy, we can work to insure swift enactment of a bill introduced in the House by my friend from Texas, the Honorable OLIN TEAGUE. The remedy is within our grasp and for that reason I call my colleagues' attention to the following article:

POSTAL DISSERVICE

(By James H. Rademacher)

Inflation, recession, depression and unemployment are all terms which can be used to excuse dereliction of duty and avoid responses which otherwise would require affirmative answers. With apologies to a Postmaster General who has yet to get his feet wet, we find we must comment on the continuing discrimination which is practiced by the United States Postal Service in matters affecting delivery service to mail receptacles.

If an American citizen—postal patron is entitled to delivery service, that entitlement should be fulfilled whether it be in lean years or otherwise. The assurance of the most efficient means of mail delivery should be a guarantee whether a postal customer has just purchased a home in a new development or if he has been situated for any period of time. When postage rates are determined, the costs are expected to guarantee equivalent services, irrespective of the particular location of the resident. With economy uppermost in the minds of those who establish policy, service continues to be absent from the priority list within the world's largest communication network.

We refer to the ongoing attempts of management to force postal patrons to erect mail receptacles at curblines and we also deplore the continuing construction of cluster boxes which postal officials contend are not resulting in worse service—"only trimming accommodations no longer considered essential." The problem here is that the determination of essential accommodations remains in the hands of management. In testimony recently presented to a Congressional Committee, USPS spokesmen indicate a savings of about a nickel daily when mail is delivered to a cluster box grouping rather than at a doorstep. Recipients of such delivery can not request a rebate from the savings which cause so great inconvenience.

Cluster boxes are generally being arranged in new subdivisions where developers are apparently persuaded to cooperate with the innovation. In addition to the use of cluster boxes as a substitute for legitimate mail delivery, more and more patrons are being urged to transfer receptacle boxes to curblines. Additionally, in new developments where it is more economical to serve from vehicles to curbline delivery, customers have no say and are forced to comply with outdated postal regulations. For example, in a copy of a letter received at union headquarters, more than 80 petitioners are demanding house delivery in a new development at Youngstown, Ohio. The group was rejected in its demands in a very curt response from the Youngstown SCF Manager/Postmaster who concluded his reply by stating "delivery to your area will be mail service to curbline boxes." In stressing the need for doorstep delivery, the petitioners very eloquently pointed to these problems involved with deliveries being made at curbline:

Safety of children. Receptacles located at the curb create a worsening problem of keeping youngsters from venturing into streets.

Outright discrimination in maintaining two different delivery plans within one development.

Elderly persons fear falls and other hardships when required to receive mail at curbside, especially in inclement weather.

Vandalism is on the increase, including tampering with mail and mail receptacles.

California Senator John V. Tunney has expressed interest in the problem of curbside delivery and has introduced legislation providing that USPS may not require installation of mail boxes at the curbline. He was joined in his concern by numerous city managers including J. Wayne Dernetz of Del Mar, California who complained:

Gross unsightliness located up one side and down the other of neighborhood streets.

At a time when citizens are cooperating by removing rooftop antennae, installing cable television, improving landscaping, improving the appearance of fire plugs, no one is paying any attention to the problems created by curbside rural-type mailboxes.

Some customers would be willing to even pay a service fee rather than have the beauty of their property diminished by construction of ugly curbside mailboxes.

The NALC has lodged a strong complaint about cluster boxes and curb delivery during testimony on legislation which would establish a permanent subsidy for the Postal Service. The Union proclaimed, however, no subsidy should be granted without an assurance that the American people will have the very best possible service to their doorsteps on city delivery routes. This continuing disservice to the American people is now a growing concern of many members of Congress who control the purse strings which can well make it "Cluster's last stand" and bring curbside to porchside.

GENES ARE KEY TO ABILITY

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. DICKINSON. Mr. Speaker, a rather interesting and informative article appeared in the April 6, 1975, issue of the Birmingham News. It is a column written by noted educator Dr. Max Rafferty in which he puts to rest the myth that environment is the most important part of a child's education process.

As Dr. Rafferty so eloquently points out, "If kids are born stupid, then they are."

The article follows:

IF KIDS ARE BORN STUPID, THEN THEY ARE

(By Dr. Max Rafferty)

Mediate—nay, chew upon—this recent statement by Joann Rodgers in the National Observer: "You may give a child excellent parental attention, a good home, fine schools and cultural experiences; but if the youngster wasn't born smart, he'll probably never be smart."

Now, before you start to cloud up and rain all over Miss Rodgers, let me point out that she was merely recapping the conclusions of the 1974 First International Congress of Twin Studies, sponsored by the Mendel Institute of Medical Genetics and Twin Research.

Take a long look at some of the findings, all of which fly directly in the teeth of the educational establishment's slogans and shibboleths over the past 30 years:

1. "Genes play an overwhelmingly dominant role in determining one's basic level of intelligence . . . Manipulation of the external environment after birth has little effect."

2. "The intelligence of adopted children is much more often closely similar to their biological mothers—whom they never saw—than to the intelligence of their adoptive mothers, adoptive fathers or adoptive brothers and sisters."

3. "The IQs of identical twins are more alike and get progressively more alike with age, while the IQs of nonidentical twins are more often dissimilar and become progressively more so with age."

The psychologists responsible for these bombshells are Dr. Joseph Horn of the University of Texas, Dr. Ronald Wilson of the University of Louisville and Dr. Adam Metheny, also of Louisville. Their bona fides are, I submit, impeccable and their research stood up against all challenges.

Here's why the waves they made in American education are still spreading:

A basic tenet of today's educational theory is the infinite perfectability of the individual through "proper" schooling. If a child appears stupid, it's somebody else's fault. His parents neglected him. Society failed to supply good housing for him. Uncle Sam didn't give him enough food stamps.

The merest suggestion that the kid was in fact born stupid, is growing up stupid and will eventually die still stupid regardless of whether he lives in Watts or in Beverly Hills will bring down upon you whole platoons and regiments of screaming school people, gnashing name-callers, and indignant ink-slingers, for all the world like so many maddened piranha. "Undemocratic" and "bigoted" will be the mildest expletives you'll receipt for.

So now the experts are saying, in effect, that environment—including school—really doesn't have much effect on intelligence—which is innate—and a whole generation of environmentalism is crumbling and toppling like a sand castle at high tide.

Note the implications—Project Head Start, for example. This apple of every bureaucrat's eye during the late Sixties, devouring billions of tax dollars the way the Cookie Monster shovels in cookies, turns out to be a cipher in terms of making "deprived" children better, smarter or more amenable to learning. Hear Dr. Horn's report to the Congress:

"Gains made by Head Start children were

minor and temporary and probably attributable to extra attention they received rather than to the . . . program itself."

Then, too, there's the whole matter of forced busing. The whole rationale for this court-mandated weirdo is the assumption that changing the black child's school environment is going to make him somehow a better student and increase his ability to learn. But if the Horn-Wilson-Metheny conclusions are valid, where any child—black or white—goes to school is relatively unimportant. His genes and chromosomes are the things which will determine his mastery of subject matter, not his school address or whether his classmates are black, white or polka-dotted.

Does all this make education irrelevant?

Nope. It just keeps it from getting too big for its britches.

NO TRADE WITH CUBA

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. McDONALD of Georgia. Mr. Speaker, the protracted campaign by the Soviet bloc and its supporters to end the political and economic quarantine of Fidel Castro's Communist stronghold continues.

Indeed, the drive for "normalization" of United States-Cuban diplomatic and trade relations now reportedly has the support of the Secretary of State.

"Normalization" of American relations with revolutionary Cuba means that the United States would be picking up the tab for subsidizing the tottering Cuban economy which now costs the Soviet Union a minimum of $2 million in foreign aid every day.

It is not in the interest of our country to prop up the Cuban Marxist-Leninist regime.

The following editorial from the Chattanooga News-Free Press focuses on the issues involved, and I commend it to my colleagues and all freedom-loving Americans:

PROMOTING SURRENDER TO CUBA

Sen. George McGovern, D.S.D., has said in Communist Cuba, where he is visiting, that both he and Cuba's Red dictator Fidel Castro feel that "inevitably" the United States will establish trade and diplomatic relations with Communist Cuba.

Why?

Sen. McGovern, in view of the many past policy mistakes the United States has made in coddling Communist enemies, may be predicting accurately what is going to happen. Castro surely is talking about what he wants to happen. But why should we let it happen? There is no good reason for the United States to do any such thing.

Castro has chosen to be an enemy of the United States and of freedom.

In his early days when he was still just a colorful outlaw guerrilla in the mountains of Cuba, he had a propaganda claque going in the United States, playing him up.

This took place although officials in our government had clear evidence that he had participated in a revolutionary overthrow attempt in Bogata, Columbia, in which Castro seized a radio station and broadcast: "This is Fidel Castro from Cuba. This is a Communist revolution."

While the American people were not told clearly that Castro was a Communist revolutionary, our government knew he was. He still is. It was a mistake of our leadership to allow him to come to power. It would be a mistake of our leadership if he were allowed to have American trade-aid and diplomatic support while he remains in power.

Castro is exporting Communist revolution throughout the hemisphere. We have advertised in Asia that American support is not trustworthy, causing many friends and would be friends to back away from us and begin trying to make accommodations with the Communist aggressors. Do we now want to advertise to the other nations of North and South America that we are not firm in opposing Communism here, either, and that we will even end up aiding the Communist revolutionary Castro?

It is reported that because of nontrade between the United States and Red Cuba, Russia is being forced to subsidize the Cuban economy to the tune of one to two million dollars a day.

Can you think of any good reason for the United States to relieve the Russian Communist aggressors of this burden in supporting Cuban Communist aggressors?

Can you think of any reason for us to help make permanent the captivity of the people of Cuba who want freedom but who have been engulfed by Castro Communism with Russian support?

Can you suggest any assurance we may have that Russian missiles—perhaps with nuclear warheads—are not still in Cuba, aimed at the Southeastern United States?

There is no good reason for us to do anything about our Cuban policy at this time, Sen. McGovern and Fidel Castro to the contrary notwithstanding. But be on guard. The campaign is getting under way for another American surrender to Communism—this time not on the other side of the world, but 90 miles from our shores.

THE 100TH BIRTHDAY OF FRANK VARAGNE

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. CHARLES H. WILSON of California. Mr. Speaker, on the occasion of the 100th birthday of Frank Varagne of Gardena, Calif., I wish it known that this is a remarkable person, and I am proud to represent the district in which he lives.

Frank Varagne was born on May 24, 1875 in Walbridge, Ohio. The son of immigrants from France, he was a man of the soil. His labors as a farmer were in the finest of American tradition, and this is not an easy life. During those years the loss of his beloved Liza led to his rearing four fine children, these being Harold, Leger, Evelyn, and Ruth. These children in turn gave him 6 lovely grandchildren and he now has 17 great-grandchildren to share his golden years.

For 30 years Frank Varagne has been a fine citizen of Gardena. He has been an active member of St. Anthony's Church for all of these 30 years. His wants are modest, yet his interests are wide. He is known to be an ardent fan of the Los Angeles Dodgers. And his own interest in automobile racing has taken him often to the "500" race in Indianapolis, where many celebrities have recognized him and come to know him there where they share common interests and the love of good sportsmanship.

If you test the memory of Frank Varagne, you find that it is very keen, whether the subject be facts and knowledge about radio, historical events or the current events of today. He follows the issues carefully and keeps himself fully informed at all times through the news programs which are his favorites.

He is a gentle man, humble in the eyes of God and his fellow man, never seeking praise or recognition. Proud he is, as he has right to be. And with a sense of humor that makes him widely loved by so many.

We are fortunate that America has been the homeland of this outstanding, honest citizen. And it is a very great honor to wish him a happy 100th birthday.

THE FACTS OF LIFE

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. McCORMACK. Mr. Speaker, on April 24, in a paper presented to the American Association of Petroleum Geologists, Dr. V. E. McKelvey, Director of the U.S. Geological Survey, made some very important points about the energy situation in this country. In reading his remarks, it is important to consider the following facts: If we are able to limit the growth of our total energy consumption to 2 percent per year—which will be a dramatic reduction—we will double our energy consumption in about 35 years, we obtain over three-fourths of our present energy from petroleum and natural gas; as our supplies of petroleum and natural gas dwindle, this Nation will become dependent for virtually all its energy on coal and nuclear fission.

In his paper, Dr. McKelvey said that:

> It is obvious that the changeover from the two fuels which provide three-fourths of our entire energy supply will have immense impact upon the energy sources chosen as alternates. Intricate technologies must be developed and perfected, vast amounts of capital must be assembled, immense facilities must be put into place, and hundreds of thousands of people must be recruited, organized, trained, and directed. Yet, we have only the barest glimpse of the true nature and dimensions of the task before us.

In his paper, delivered by Dr. George Gryc, of the Survey's Menlo Park, Calif., office, McKelvey reviewed the trends and events that preceded the present energy situation. He stressed the urgent need for creativity in approaches to the discovery, recovery, and production of naturally occurring sources of energy.

McKelvey said:

> We have been jarred by the embargo, the production curtailments, and the spiraling prices for oil since October 1973; but if we let it go at that, we shall have missed the most important point to be learned from all the travail that has ensued.

McKelvey emphasized:

> That point is that the oil of the Middle East is an exhaustible resource, and given the continuation of rates of increase in production that were in effect during the past

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ten years, the physical capacity of the Middle Eastern province would have been reached within most of our lifetimes.

To underline his theme, McKelvey pointed out that—

> If all the proved reserves of the Middle East—about 315 billion barrels—happened to be located in Kansas, the U.S. requirements alone would exhaust the supply in less than 30 years at an annual growth rate in consumption of four percent, assuming this were physically possible to do. Even if we were to allow no growth at all in consumption above the present level, we would be out of oil in 50 years. If we reduced consumption to two-thirds of our present rate, our conservation would buy only 25 additional years. The fact is that fixed supplies will eventually be depleted at any rate of consumption; and if we are to survive, we are obliged to continue the relentless search for new resources to serve our needs—changing, adapting, innovating, creating—as our predecessors have been doing, on the whole, successfully, for at least a thousand generations.

Although various estimates of the amount of oil and gas that might be recovered from known and unknown fields have a "comfortable ring" about them, the realities associated with getting additional volumes of oil and gas turned into pipelines are something else, McKelvey said:

> It will require an all-out, unremitting effort, involving continued levels of activity which the petroleum industry has not seen since the peak of the boom in the mid-1950's, and much greater outlays of capital. All this, for what can only be considered a holding action to prevent the collapse of our system until the new sources of energy can be developed and brought on stream.

Actually, the leaders of the oil exporting countries, in seeking to maximize the value of their own wasting assets, have given consuming Nations pointed notice, many years ahead of time, of the need for actions to shift dependence upon oil to more abundant energy sources, McKelvey pointed out:

> This is good advice, even in the light of large discoveries that have been made recently in such areas as the North Sea, Mexico, Indonesia, and in a number of African and South American countries, because as large and welcome as these discoveries are, they can in no way be counted on to supply more than a fraction of the demand for energy that can plainly be foreseen in the closing years of this century.

McKelvey said:

> It is plain that the world's largest energy consumer—as a service both to itself and its neighbors—ought to make more of an effort to pull its own weight. It is singularly well equipped to do this in view of its long experience in large-scale energy production and its immense endowment of alternate fuels. The extent of our resources is not the major question; the availability is. The shortage areas are time, investment capital, technology, and social, economic, and political ingenuity.
>
> Some have imagined that conservation is the touchstone with which we can command our energy problems to disappear; however, in all but the initial stages, conservation will prove to be exceedingly difficult and elusive, and at best, it can contribute only part of the solution to our problem. The relationship between energy conservation and energy production is not on an either or basis. The implacable requirement facing us is for both. We have no choice; we are bound by the harshest necessity both to conserve energy and to produce it in every practicable way we can find.

McKelvey concluded:

> It has been said that petroleum is first found in the minds of men, and this is no less true for other sources of energy as well; the resources are here, waiting the application of human capabilities and will. While it is God who creates rocks, it is man who creates resources by actions which match materials to human needs.

TRIBUTE TO WALLY NYMAN

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. ANDERSON of California. Mr. Speaker, on May 22 the Rotary Club of Hawthorne, Calif., will honor a man who demonstrates those qualities which I consider finest in the human being: love of family, dedication to profession, concern for community, and a true and genuine love for one's country.

Wally Nyman, my longtime friend, will retire this year after a most distinguished career as an educator and administrator. Wally's work will long be remembered by those of us who appreciate selfless determination to improve the lot of all human beings.

Born in Michigan in 1914, Wally came to California at a young age where he received his early education, graduating from Inglewood High School in 1931. He continued his scholastic ambitions at the University of California, Los Angeles, where he earned his bachelor of arts degree in history in 1935.

After a brief teaching assignment in Fresno, Calif., Wally returned "home" to Leuzinger High School in 1938 to assume teaching responsibilities there. Wally assumed another responsibility that year, he married his lovely wife, Edith.

In 1943, Wally entered the U.S. Navy where he served as a communications officer on the U.S.S. *Baltimore* during the Second World War.

Following his discharge from the Navy in 1946, Wally returned to Leuzinger High School where he instructed for the next 4 years. It is remarkable that despite these other time-consuming obligations, Wally managed to obtain his master of science degree in 1950 from the University of Southern California.

Recognized for his prowess in the field of education, Wally became principal of Hawthorne High School in 1950, serving in that capacity for the next 12 years. He will retire as assistant superintendent of Personnel for the Centinela Valley high school district, a post he has served so well these past 15 years.

Mr. Speaker, Wally Nyman is a man to whom knowledge and learning has always been a challenge; a man whose best efforts, and finest years, have been devoted to helping others strive to know, to learn, and to believe.

His countless contributions to his community will not soon be forgotten. His active participation in the Rotary Club, the YMCA, the Centinela Valley Community Chest, the Hawthorne Coordinating Council, and the Family Services Council serves as an inspiration to us all.

Mr. Speaker, Lee and I are sure that his wife, Edith, and daughter, Christina, are as proud of him as we are.

As the Roman historian Sallust said in ancient times, "every man is the architect of his own fortune," this can be said of Wally Nyman, for his fortune is knowledge and compassion, and there is none more admirable.

OTHER PATHS TO FOLLOW BEYOND THE CLASSROOM

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. DERWINSKI. Mr. Speaker, I wish to insert into the RECORD an article by Stephanie Price, a student at Marian High School, Chicago Heights, Ill., which appeared in the school paper, the Marian Megaphone. I believe this article to be a well-reasoned and timely message to this year's class of high school graduates, as well as a commonsense approach to education for those students who wish to further their education and to those students who are still undecided as to their future goals.

The article which appeared in the May 2, edition of the Megaphone, follows:

OTHER PATHS TO FOLLOW BEYOND THE CLASSROOM

(By Stephanie Price)

Does the prospect of college bore you, break you or give you the blues? Although our society impresses upon us the need for further schooling in a classroom situation, numerous alternatives are available, and sometimes more rewarding.

If a college classroom situation rushes your learning or inhibits you, many highly recommended home study trade and business schools may attract you. They enable you to work at your own pace and concentrate on one particular job skill. Some of the courses offered are mobile engine service, refrigeration and air conditioning, bookkeeping, drafting, accounting, secretarial, radio and T.V. service and repair, electronics, interior decorating, and real estate.

Still, some of you are turned off by the idea of any kind of further schooling. For you, on-the-job training or apprenticeship programs can be of help. This will teach you a skill through first hand experience. Dental assistants, photographers, construction workers, carpenters, plumbers, models, tool and die makers, and welders are only a few of the opportunities open to you.

What about those who wish to travel and actually experience different lifestyles around the world? The army, navy, marines, and air force are constantly recruiting young people. Here also is the choice of specializing in an interesting trade or even making a career of the service itself.

In our competitive society we are forced to plan for the future at an early age, many aiming toward college. But for those who are discouraged at the thought of college, alternating doors are waiting. All it costs is a little time and effort on your part to find them.

AMERICA AND THE TERRIBLE LOGIC OF VIETNAM

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. CRANE. Mr. Speaker, many in the United States speak of the end of the war in Vietnam as if it represented something other than victory for Communist aggression and something other than defeat for both the United States and the cause of freedom, independence, and self-determination in the world.

The United States committed more than 500,000 men to battle, and lost more than 50,000, in order to prevent aggression from succeeding. We failed in that attempt. We failed not because of a superior enemy or overpowering odds but, quite to the contrary, because of a failure of will. Because success did not come quickly, we welcomed defeat. This is what the Communists counted upon and events have proven them correct.

While many in the Congress believe that the abandonment of South Vietnam was virtuous, history may tell a far different story. The distinguished deputy editor of the London Telegraph, Peregrine Worsthorne, was in Washington during the time in which Vietnam was abandoned. His reports are instructive.

Mr. Worsthorne notes that:

> It was a disturbing experience to be in Washington during this past week . . . Congress . . . has elevated its determination to refuse further aid into an act of almost heroic virtue, treating President Ford's impassioned pleas with derisive contempt, as if it was upholding honor while he was seeking to impugn them.

When Secretary of State Kissinger appeared before the Senate Appropriations Committee, Mr. Worsthorne reported:

> He was treated like a criminal in the dock, with the Senators seeming to take pride in proclaiming their faith in American impotence, in the pointlessness of further intervention, as if their recognition of the inevitability of defeat was a form of high courage which would earn them an honoured place in history.

Mr. Worsthorne declared that:

> I watched them filing out, their heads held high, posturing proudly before the television cameras, for all the world as if sealing the fate of South Vietnam was their finest hour, the moment when they walked with destiny.

I wish to share with my colleagues the report of this perceptive British observer as it appeared in the London Daily Telegraph and insert into the RECORD at this time the article, "America and The Terrible Logic of Vietnam," by Peregrine Worsthorne:

AMERICA AND THE TERRIBLE LOGIC OF VIETNAM

(By Peregrine Worsthorne)

It was a disturbing experience to be in Washington during this past week. At one level, in rejecting utterly the Administration's case for last-ditch aid to give the South Vietnamese a final chance, the Congress and the media have reason on their side. Why pour further American money and equipment down the drain? After all, Churchill refused to send those RAF squadrons to succour France in 1940. But he did so with an anguished heart, knowing that Britain's very life depended on saying "no."

This, however, has not all been the mood of Congress. It has elevated its determination to refuse further aid into an act of almost heroic virtue, treating President Ford's impassioned pleas with derisive contempt, as if it was upholding American pride and honour while he was seeking to impugn them.

When the Secretary of State went before the Senate Appropriation Committee to argue the President's case, he was treated like a criminal in the dock, with the Senators seeming to take pride in proclaiming their faith in American impotence, in the pointlessness of further intervention, as if their recognition of the inevitability of defeat was a form of high courage which would earn them an honoured place in history.

I watched them filing out, their heads held high, posturing proudly before the television cameras, for all the world as if sealing the fate of South Vietnam was their finest hour, the moment when they walked with destiny.

LITTLE SENSE OF SHAME

What is extraordinary and shocking about the manner in which the United States has observed the collapse of its client state is its undertones of self-congratulations, not so much a trauma, more a cause for satisfaction. Only the President and the Secretary of State insist on using the language of shame, and they are mocked for it; more than mocked; castigated and reviled; accused almost of an un-American activity.

It could be that this will be only a passing phase, and that as the reality of the Communist take-over in Saigon begins to impinge there will be a recovery of concern about the consequences of the American washing of hands; washing of hands ceasing to be respectable once it is seen to be taking place in a bloodbath. But I doubt it. For it is difficult to exaggerate the extent to which there is now a vested interest among all those who observe foreign affairs to see no evil; to make the best of a bad job.

So much moral capital has been invested in the effort to get America out of Vietnam, so many newspaper editorials, political speeches, and pulpit sermons, such a wealth of passion, that it seems almost impossible for the American people to recognise that this withdrawal crusade—for such it has become—may also lead to disaster, just as the crusade to get America in led to disaster. Indeed the way in which America is trying to end its involvement in Vietnam is strangely similar to the way in which it all began.

The Washington establishment then, those Kennedy New Frontiersmen, could not bear to see the ugly possibilities inherent in the original involvement, so utterly convinced were they of its moral necessity. There is exactly the same belief in the possibility of limited consequences, about the decision to disengage.

What one noticed in Washington last week was the same kind of moralising fantasies that caused America to mislead herself about Vietnam in the first place, repeating themselves like some dreadful echo from the past.

"Because America's motives are so right in getting out," the argument runs, "no evil can flow from it. The American retreat from empire will be quite different from all other retreats from empire, just as the American advance into empire had been assumed to be going to be quite different from all other advances into empire. Surely the world will understand. America is abandoning her allies for the best of motives; dishonouring her obligations out of high-minded altruism. When we do these things, it is not like other nations doing them, because we are Americans, God's elect."

As American intervention began, so is it ending—in self-deception, self-righteousness and Utopian dreams, with one form of euphoria replacing another, one lot of puerile assumptions about the innocence of American disengagement succeeding an earlier lot about the innocence of American entry.

It seems to me terribly important that this state of affairs should be properly understood in Western Europe. The truth is that America is getting out of Vietnam in the same dangerous way as she got in; that is to say, in a cloud of unknowing, the only difference being that whereas the mistake in the past sprang from a naive innocence about the dangers of one form of rhetoric—the rhetoric of power—the mistake today springs from naive innocence about another form of rhetoric: the rhetoric of impotence.

But the appalling lesson that they learnt about the dangers inherent in the use of power has not taught them to be cautious, as it should, about the inherent dangers of the non-use of power. The price and cost, and potential tragedy of the destriction of American power are today no more understood than a few years ago were the price and cost, and potential tragedy of its creation.

MCCARTHY-LIKE ATMOSPHERE

Take the extraordinary case of the backlash against the CIA. Doubtless its intelligence-gathering and covert operations had got out of control. But so now has the reaction against them.

It has meant nothing less than the demoralisation of a large part of the American foreign policy establishment, most of whose work at some point has involved them in CIA work, either directly or tangentially. So they wake up each morning waiting to read some revelation in the newspapers which will involve them in ruinous "scandal."

With so many members of Congress bent on cleansing the Augean Stables, how could it be otherwise? The atmosphere is not wholly unlike that of the McCarthy years, with CIA links—now held to be tantamount to Fascist links—replacing Communist links as the smear.

On visits to Washington over the years I have been staying at the Metropolitan Club, which is the equivalent of White's, the Travellers and the Athenaeum rolled into one. It is there, at lunchtime, that the establishment meet. During the Kennedy years it was, for a British visitor, a wonderfully touching and nostalgic experience to listen to the American pro-consuls discussing the business of empire like characters out of Kipling. The place was alive with the small-talk of great affairs. But no longer.

That necessary confidence that binds a governing class together in mutual trust has melted away under the heat of Congressional inquiry and media attack. Nobody trusts anybody.

The point that needs to be understood seems to me this: 15 years ago the relationship between the White House and Congress, between the media and both, the vocabulary of public discussion in the press and television, the moral mood, all these might have led me to expect, and guard against, the excesses of imperial adventure.

Today there is cause to expect, and guard against, the excesses of post-imperial guilt. Whereas the mood in Washington then was pregnant with one form of imprudence, so today is it pregnant with another.

Both the President and the Secretary of State have warned about this, but the latter is assumed to be lamenting only his own predicament, and the former echoing only that lamentation like a puppet. (Quite wrong, incidentally, Ford is very much his own man, and very much more impressive than is yet apparent).

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EFFECT ON PEKING

What, then, is it that they fear? Let me be specific. It is that:

Communist China will lose interest in rapprochement with the United States, the whole value of which, from Peking's point of view, rested on assumptions about the determination of the United States to resist the Soviet Union. Any sign of a diminution of that determination—and how can acceptance of defeat in Vietnam not be taken as such a sign?—will, therefore, tend to undermine the delicate relationship between the United States and China.

This in turn will prompt China to look for a new source of strength against the Soviet Union, to replace the flattering American giant: obviously Japan, which must also be reconsidering its total military reliance on the United States. The logic of Vietnam, in short, is to compel both China and Japan to come together, a diplomatic and military revolution of incalculably dangerous significance.

The North Koreans will use this moment of American disarray to launch a new attack on South Korea, and China will no longer have the incentive to use its influence to prevent such a move.

There are two American defence treaty commitments. Is it conceivable in the present American mood that Congress would allow this to be honoured?

Communist parties in Western Europe, sensing American lack of continuing sensitivity to the spread of Communist influence will grow less cautious, and be encouraged to do so by the Soviet Union. Because the United States has adopted a low profile in face of a Communist take-over in one Nato ally, Portugal, this will encourage the French and Italian parties to expect the same passive reaction to similar political development there, with results that would destroy the cohesion of Nato.

West European Conservative and Social Democratic forces, sensing a turning of the tide in world affairs, will begin to grow resigned and fatalistic.

And most important of all, the United States itself, observing these developments, about which in the present condition of fractured political leadership it will be able to do nothing, will grow increasingly isolationist, concluding that its only sensible course is to concentrate exclusively on protecting its own interests.

A by-product of this would be fierce economic nationalism since, in the absence of satisfying and promising outlets for the use of American power in the diplomatic and security areas, the full thrust of American pride and purpose would be degraded into areas of economic domination, where American power can still get results.

STOPPING THE ROT

Such are some of the fears of the American Administration, quite openly expressed. Are they reasonable or paranoid? In my view they are reasonable. But if they are not, it is almost more alarming, since an American political and social climate that can induce paranoia among its leaders is itself a matter of the gravest possible concern.

Perhaps Congressional obstruction, and media criticism and a general popular mood of deep disillusion with American foreign policy have driven the Administration mad. But that is the most disturbing conclusion of all, since, if this Administration does not renew American faith in the defence of freedom, there is none other on the political horizon more likely to do better—or even half as well.

It would be nice to end on a note of cheer. "Come on," I said to an old Washington friend whose judgment over the years I have come to respect, "tell me something comforting." He thought for a long while, brow furrowed by the strain, and I began to fear the worst. Then, to my infinite relief, his face began to lighten.

"The destruction of Israel," he said, "that's going to set the alarm bells ringing. Nothing else will bring us to our senses and stop the rot."

How dark must be the tunnel of despair if that is the only light of hope at the end of it.

BUREAUCRATICIZING THE HOSPITALS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. ASHBROOK. Mr. Speaker, Government involvement in medicine—especially the medicare and medicaid programs—is costing billions of dollars a year. With the rising costs of medical care there has been various efforts by the Federal and State governments to try to bring costs down.

It can be understood why this is being done. The reduction of costs is necessary.

It does seem to me, though, that costs have gone up as Government involvement has increased. Medicine, like so many other areas, also has suffered from the inflationary spiral.

The desire to cut costs is commendable. However, this worthwhile goal seems to often result in quite something else. And that is more Government involvement in medicine with doctors and other medical personnel having to spend ever-increasing amounts of time on filling out governmental forms.

The small businessman continually is hit with more paperwork from the bureaucrats in Washington who think that they know what is best in numerous local communities—one community quite different from another. The same thing is being seen in medicine.

Total governmental control of medicine is becoming the form of American medicine. PSRO's—Professional Standards Review Organizations—which I have previously discussed in this body are under the final control of bureaucrats in Washington. Numerous other requirements are placed on the medical profession by bureaucrats in Washington.

Under the same law that mandated the PSRO's was language mandating "utilization review." Basically, this requires hospitals to operate by certain "norms" and to review full written justification for the admission of patients receiving medicare or medicaid. This justification then must be prepared and reviewed by a utilization review committee.

Under the regulations, small hospitals particularly are hit hard. First, they sometimes do not have the numbers necessary under the conditions prescribed to make up the utilization review committees. Second, the paperwork requirements for small hospitals seriously reduce their ability to provide medical services as they do not have the large staffs necessary to handle the paperwork. The result is less medical care and higher costs. Government is called upon to help solve the problem at least part of which it helped cause.

Who ever said Government was not creative? It is constantly creating headaches for numerous businesses and services throughout the country. And it is usually the little guy who is hurt be he the small businessman, the customer, or the doctors and patients in smaller hospitals.

At this point, I include in the RECORD the text of an article by James J. Kilpatrick entitled "The Hospital and the Bureaucrats" from Nation's Business of May 1975:

THE HOSPITAL AND THE BUREAUCRATS

(By James J. Kilpatrick)

Several months ago, a small-town physician in Oklahoma, Dr. Claude H. Williams of Okeene, cried out in despair against what he termed a "death sentence" on his community hospital. Late in March, Health and Welfare Secretary Caspar Weinberger granted a three-month reprieve. But unless the terms of the reprieve are more helpful than they now appear to be, Okeene's little 34-bed hospital is doomed. Bureaucracy will have killed it.

Dr. Williams' plight is duplicated many times over. Of the nation's 7,100 hospitals, nearly 1,800 have fewer than 50 beds; of these, almost 400 have fewer than 25 beds. These are the small rural hospitals, having staffs of only as many as six doctors. Typically, the institutions are the proud results of community effort. Daniel Webster's famous tribute to Dartmouth finds an echo here: They are small, these hospitals, but there are those who love them.

The story provides a textbook example, on a scale that anyone can understand, of bureaucracy gone berserk. The story therefore has its good aspects, for bureaucracy has its good aspects; bureaucracy is not intrinsically evil. The problem, one surmises, is that bureaucrats of the best intentions often dwell in an ethereal world of their own, light-years removed from the realities they seek to regulate. It seems unlikely, somehow, that Secretary Weinberger or his aides know much about the hospitals at Okeene, Watonga, Cherokee or Alva, all in northwestern Oklahoma. These institutions are real, and the Secretary's regulations have them in trouble.

Under various programs of Medicare and Medicaid, tax funds are provided to pay for the hospitalization of patients under Social Security or public assistance. In many institutions, such patients constitute more than half of the patient load. Payments for their care are indispensable to a hospital's survival. The two programs are costly: In the coming fiscal year, the President's budget asks $7.4 billion for Medicaid, more than $10 billion for Medicare.

It doubtless is true, as various critics have charged, that some doctors and some hospitals, seeing such vast sums available, have abused the programs. That is, they have admitted patients who never should have been admitted; or they have kept patients hospitalized after they should have been discharged. It was in a commendable effort to prevent these abuses that the government, last November, laid down its utilization review regulations. They were to have become effective on Feb. 1. Under the reprieve, the effective date now is July 1.

This is how the system works. The Okeene Municipal Hospital must prepare a written set of "norms" for all categories of prospective admissions. Such "norms" are defined as "numerical or statistical measures of usually observed performance." You are a person on Social Security, living somewhere in the boondocks of Blaine or Kingfisher County, and you come down sick. You make it into the Okeene hospital, where a doctor orders your admission.

Within 24 hours, a full written justification for the admission must be prepared and reviewed by a utilization review committee. This "staff committee" is to be composed of "two or more physicians with participation of other professional personnel," or by a "group outside the hospital which is similarly composed." The reviews may not be conducted "by any person who is financially interested in any hospital or by any person who was professionally involved in the care of the patient whose case is being reviewed."

At the time Dr. Williams cried out for relief, the Okeene Municipal Hospital had a staff of two doctors. The hospital at Watonga had three, the 20-bed hospital at Waynoka had one. Ten institutions in the general area had a total of only 26 doctors. It is a fair assumption that most of the doctors have at least some financial interest in some hospital; they would thus be disqualified from serving on a review committee, even if their 60-hour workweeks could be stretched to include committee service. In practice, every doctor attached to a small hospital becomes professionally involved in the care of every patient. This is rural practice.

How is your admission to be reviewed and justified according to the predetermined "norms"? Dr. Williams says flatly, "No way." The hospitals do not have the clerical staff, let alone the time, to fill out elaborate reports on every Medicare or Medicaid admission, detailing "the diagnosis or symptoms indicating the need for the admission, the physician's plan of treatment, and other supporting material (*e.g.*, recent test findings, recent case history, schedule of tests planned, *etc.*) the group or committee may deem appropriate." No way.

But if the admission is not thus reviewed and justified, no payments will be made for the patient's care.

Between now and July 1, "alternative means" are to be explored. According to a spokesperson at HEW, it might be possible for a nurse or a records librarian to make an initial determination that a particular admission met the written "norms." If in doubt about the admitting doctor's judgment, the nurse or librarian could telephone some other doctor somewhere else. The other doctor, somewhere else, would then drop whatever he was doing in order to approve or disapprove the judgment of his distant colleague. It sounds, somehow, a little improbable.

Utilization review is only one of the burdens placed upon the small institutions. Back in July of 1974, an inspector for the Social Security Administration descended upon the Okeene Municipal Hospital. Subsequently he prepared a seven-page, single-spaced statement of "deficiencies and plan for correction." The document is a masterpiece of bureaucratic harassment: "Storage of garbage is not stored properly." In reports of staff meetings, "the names of discussants was [sic] not given." As to records, "there is no registered record administrator which makes periodic visits to the hospital to evaluate the records." The author of this infuriating document could not spell "examination;" he could not spell "privileges." "Caesarean," "judgment" or "specialization." His most serious citation, having to do with the supposed lack of an emergency water supply, later was acknowledged to have been "an error."

This is bureaucracy in action, out in the boondocks. The reality, as distinguished from the theory, is that rural physicians are swamped by the everyday demands of patient care. Overwhelmingly, these are doctors of honor and integrity. They are working formidable hours, with limited clerical and nursing staffs, and they are providing a kind of community hospital service that is indispensable to their people. They can cope with most of the medical and surgical situations one would expect—they can cope with epidemics, with the farmer who manages to get a leg caught in a baling machine, and with other emergencies—but they cannot tend to their patients and tend to the big-city demands of bureaucracy also.

Because these observations seem to have focused on a single area in Oklahoma, probably it should be emphasized, for the record, that Dr. Williams is no isolated dissident. In Louisiana, Dr. H. Ashton Thomas, executive vice president for the Louisiana State Medical Society, has objected as severely. The utilization review requirements, he says, are the work of "technocrats," unfamiliar with actual hospital care. The small hospitals of Louisiana, in his view, could comply only by "paper-faked deals." Dr. F. Michael Smith, Jr., of Thibodoux, is still more emphatic. Compliance, as he sees it, means "sham, subterfuge and perjury."

How did these critical problems develop? They developed somewhat in the fashion of the Mad Hatter's watch. If you remember your Alice in Wonderland, the watch needed repair and the Mad Hatter asked the March Hare to minister to the timepiece. It still ran two days wrong. "I told you," says the Hatter, "that butter wouldn't suit the works." The March Hare says defensively that "it was the *best* butter," and the Hatter grumbles that some crumbs must have gotten in as well: "You shouldn't have put it in with the bread knife."

That is what has happened here. With the most proper and virtuous intentions, the Medicare and Medicaid people set out to repair a minor malfunction in the government's hospitalization machinery. They proceeded to impose a bewildering array of regulations geared to the largest big city hospitals. It would be unkind to suggest that the bureaucrats knew that enforcement would demand still more bureaucrats, and that the labors of these bureaucrats would produce work for still more bureaucrats, and so *ad infinitum*. In charity, let it be said that the bureaucracy was motivated solely by an earnest desire to provide high-quality hospital care, and to protect the taxpayers from unscrupulous rip-off.

All right. Where do we go from here? A Congress firmly controlled by liberal Democrats soon will turn to the business of national health insurance. Before long, the taxpayers will be asked to finance not $7 billion for Medicaid and $10 billion for Medicare, but $50 or $60 billion for everyone. The federal government then will be pervasively involved be claims, payments, reviews, justifications, appeals and the preservation of medical records from the cradle to the grave.

We ought to think about where we are going. No matter how national health insurance may be financed and administered, new armies of inspectors, coordinators, auditors and supervisors will be required. In the name of accountability, new volumes of rules and regulations will have to be composed. National "norms" of admission and treatment inevitably will appear. Government's standards will replace individual judgment. Doctors and hospitals that deviate from certifiable procedures eventually will weary of bureaucratic combat. The tendency will be to "go by the book," to take the easy way.

At some point—and that point is nearer than most Americans think—the people must wake up to what is happening to the private practice of medicare in our country. The doctors know what is going on, but they are an inarticulate bunch, for the most part, ill-equipped—and lacking the time—to communicate with people who may be concerned when they're sick but remain indifferent when they're well. Meanwhile, small-town Americans need to look to their small hospitals. The institutions are suffocating under a bureaucratic blanket, and may not survive.

SHRUNKEN DREAM

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. MILLER of California. Mr. Speaker, I am inserting into the RECORD today a recent editorial from the New York Times on the state of housing construction in the United States. This perceptive editorial points out that, while the Congress has initiated a program to stimulate the sale of backlogged homes, we must now conceptualize long-term solutions to our housing dilemma.

The slowdown in housing starts affects many different sectors of the population. In my home district, Contra Costa County, Calif., the unemployment rate among construction workers far exceeds the national jobless rate. Among those in home building, two-fifths of all workers are jobless. And, of course, far more than only those construction workers are economically affected. The communities in which these workers reside suffer from the resident's reduced purchasing power.

In addition to the economic impact of stagnation in home building, there is the social side of the problem. Throughout the United States, hundreds of thousands of Americans live in substandard, dilapidated, energy-inefficient, decaying homes. A systematized national home construction program would improve the living conditions for these citizens, and the resulting social benefits would be obvious.

The editorial clearly indicates that homes are becoming economically unfeasible for the average working family. It is a call to action for this Congress, and I urge my colleagues to note its important message.

The article follows:

SHRUNKEN DREAM

The cost of the American dream—that rose-covered cottage or split-level ranch in suburbia—is now up to $41,300 (new) or $35,600 (used) and is unavailable to anyone with an income of less than $23,300. Since the average family's income is half of that, the average family is just out of luck.

For the more affluent family, what used to be the $35,000 "luxury" model is a routine $60,000 to $70,000. With inflation and today's high construction costs and interest rates, five out of six American families cannot afford the American dream at all.

These depressing figures come from a recent Congressional Joint Economic Committee report. The shocking message behind the figures is that the high cost of housing has finally outstripped most people's ability to pay for it. Even the currently increased availability of mortgage money has done little to stimulate sales. And the new tax law that will give 5 per cent of the purchase price of a new house as a tax reduction to move current unsold stock is no permanent solution.

The answer from builders is apparently to be a reduced, stripped-down product; a shrunken dream that will cost as much as the previous standard model. A better answer—finding ways to increase the attractiveness and livability of smaller, less costly houses on smaller lots—is often made difficult or impossible by the rigidity of existing Housing and Urban Development Department regulations and local codes.

These restrictions do not apply to mobile homes, which account for almost 28 per cent of all new housing because they are the only realistically priced dwelling units. The construction industry, which could offer far greater amenities than mobile homes with far less environmental damage, cannot even begin to compete under present rules.

The inevitable conclusion is that an appallingly large number of Americans are now housing-deprived; and virtually nothing is being done about it. Nor is anyone facing the prospect of a considerable lowering of the American standard of living and environment.

The solution is not temporary tax gimmicks for overpriced houses, but innovative design and legislative reforms. Thus far, both industry and government have failed either to define or deal with the real dimensions of the problem.

RESOLUTION OF JACKSONVILLE, FLORIDA CITY COUNCIL

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. BENNETT. Mr. Speaker, today I would like to insert in the RECORD a resolution of interest to all my colleagues. This resolution, passed by the Jacksonville, Fla. city council on April 8, 1975, strongly urges Congress to focus its attention on the needs of permanent programs administered by local governments. These permanent programs have been neglected and underfunded by Congress due to the emphasis on temporary public service programs. This resolution merits our close attention. It makes sense to me. The text of the resolution follows:

RESOLUTION 75–355–104

(A resolution urging the Congress of the United States to alleviate unemployment by increasing funding of presently existing permanent programs rather than by creating temporary public service employment programs; providing an effective date.)

Whereas, the economic condition of this country is deteriorating; and

Whereas, fiscal legislative remedies in the past have taken the form of programs designed to create temporary public service jobs; and

Whereas, there are numerous presently existing meritorious permanent programs administered by local governments which are not adequately funded; and

Whereas, economic stimulus would be just as effective and have a greater utility to society if the Congress of the United States increased funding to presently existing permanent programs administered by local governments in lieu of funding temporary public service employment programs; now, therefore

Be it resolved by the Council of the City of Jacksonville:

Section 1. The Congress of the United States is urged to alleviate deterioration of the economic health of the nation with fiscal legislation that would increase funding of presently existing permanent programs which are in dire need of funds rather than by creation of temporary public service employment programs.

Section 2. The Council Secretary shall provide copies of this resolution to the Honorable Lawton M. Chiles, Jr., the Honorable Richard B. Stone, and the Honorable Charles E. Bennett.

Section 3. This resolution shall become effective upon signature by the Mayor or upon becoming effective without the Mayor's signature.

NOWAK URGES SWIFT ACTION ON EMERGENCY JOBS BILL

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. NOWAK. Mr. Speaker, the pending conference report on H.R. 4481, making emergency employment appropriations for the fiscal year ending June 30, includes increased funding that greatly enhances the opportunities for areas such as Buffalo and Erie County to obtain additional economic planning and development assistance from the Commerce Department's Economic Development Administration.

I would like to take this opportunity to urge swift congressional clearance of this multifaceted legislation, which also includes funds for summer jobs for youth, community service jobs for older Americans, part-time jobs for college students, and acceleration of public works construction and maintenance projects.

This measure is essential to our efforts to accelerate our national economic recovery. In comparison to the need, this legislation indeed is a modest proposal. By itself, this bill is not going to provide an overnight panacea to cure unemployment. Yet, I believe it will provide the strong stimulus on several economic fronts that has been postponed too long. There are too many persons in this country who need help now, right now. They cannot afford the luxury of waiting for the crystal ball predictions of economists to become realities.

This Nation always has found its pocketbook large enough and its generosity broad enough to provide assistance in various forms around the globe. It would be indefensible, therefore, to deny the help needed now by our own sorely tried citizens.

I am particularly pleased with the conference report's total funding of $456 million for EDA, which in recent years has been denied adequate funding levels to give its potential an adequate national test. Because of high unemployment, Buffalo and Erie County have been declared eligible for special EDA assistance. Earlier this spring, for example, Buffalo received a $1.4 million EDA grant to support land preparation work for the South Ellicott Industrial Park project.

The bulk of the $456 million fund—$375 million—will be used in conjunction with $125 million already appropriated for quick-starting community improvement projects. Buffalo has applications pending with EDA for approximately $2 million for such projects. The additional $81.6 million earmarked for EDA is to supplement the agency's economic planning, technical assistance, and business loan guarantee programs. In this area, the newly created Buffalo and Erie County Economic Development Task Force has pending a request for $130,000 for planning and staff support.

Frankly, I would have preferred that more money in this bill went into EDA-type programs and public works construction, which involve immediate job creation and long-term community facilities that help spur growth in the private sector. On balance, however, the general thrust of this bill is toward the prompt and positive action the Federal Government must take to help revitalize the economy.

INVESTMENT CLUBS PROMOTE CAPITALISM

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. BROOMFIELD. Mr. Speaker, in an era when the defense of economic freedom is so timid, it is heartening to learn about Campaign 1976, a program sponsored by the National Association of Investment Clubs with the cooperation of the New York Stock Exchange and a number of prestigious organizations and corporations.

The objective of Campaign 1976 is to promote the basic ideas of capitalism and to encourage individuals to participate by buying shares of stock.

The association, organized by four investment clubs in 1951, is composed of thousands of small clubs whose members meet periodically to discuss investments and to pool modest amounts of money in the stock market. Hence, it teaches individuals sound investment principles and helps them build investment experience without risking large sums of money.

The idea of investment clubs is not new. During the past 20 years over 2 million people have become owners of industry through investment club membership. But Campaign 1976 is unique and commendable in using club promotion as a tool to teach capitalism.

This Nation's economy is experiencing some difficulties today, as it has in times past, but let us not forget our free economic system has made possible material abundance beyond the dreams of earlier ages and peoples in less fortunate lands. Amidst anti-free-enterprise proposals and deterioration, Campaign 1976 is refreshing and timely. I want to share information about it with my colleagues. Thomas E. O'Hara, chairman of the association's board of trustees, describes the campaign of investor education in an editorial in the May 1975, issue of Better Investing, the association's publication designed to provide club members with investment ideas each month. I would like to insert this editorial in the RECORD:

CAMPAIGN 1976

For many years, the National Association of Investment Clubs has worked to do its part in helping to maintain a strong capital market and a growing economy by introducing individuals to the benefits of owning a part of American industry.

Perhaps now more than ever, industry depends upon a free flow and availability of capital, and, in turn, greater employment depends upon the vigorous, productive industry made possible by sound capital markets.

Recognizing these needs, NAIC has now conceived and is building CAMPAIGN 1976, an action program aimed at interesting more of our citizens in individual ownership of industry.

Investment education has been NAIC's forte, and with this as the base, and with the cooperation of business and industry, their related associations and organizations and the securities industry, millions of our citizens will be acquainted with the program.

Mr. James J. Needham, Chairman of the Board of the New York Stock Exchange, is the Chairman of the Governing Committee of CAMPAIGN 1976. The following are the distinguished persons and organizations who have joined the Governing Committee to date:

CAMPAIGN 1976 GOVERNING COMMITTEE

Chairman: James J. Needham, Chairman of the Board, New York Stock Exchange.

Karl Bendetsen, Director, Champion International Corp.

Arch N. Booth, President, U.S. Chamber of Commerce.

Richard M. Brodrick, President, National Investor Relations Institute.

W. Donham Crawford, President, Edison Electric Institute.

Justin Dart, Chairman, Dart Industries.

Jerome H. Holland, Director, various corporations.

E. Douglas Kenna, President, National Association of Manufacturers.

Paul Kolton, Chairman, American Stock Exchange.

Juanita M. Kreps, Vice President, Duke University.

Gordon S. Macklin, President, National Association of Securities Dealers.

Charles H. Prout, Vice President, Cutler-Hammer, Inc.

Raymond A. Rich, Chairman, U.S. Filter Corporation.

Robert W. Sarnoff, Chairman, RCA Corporation.

Carl Spielvogel, Vice Chairman, Operations, the Interpublic Group of Companies, Inc.

O. Pendleton Thomas, Chairman, B. F. Goodrich Corporation.

J. W. Walter, Chairman, Jim Walter Corporation.

C. V. Wood, Jr., President, McCulloch Oil Corporation, and Chairman, Committee of Publicly Owned Companies.

Each has agreed to work toward enlisting other corporations in the program which, in turn, will be asked to invite still other companies to join in the effort. This compounding of participation should lead to a burgeoning national movement with tremendous potential impact.

In concept, the plan is quite simple, inexpensive and yet meaningful.

Eight pieces of literature have been produced for distribution beginning in the last quarter of 1975 and continuing through seven additional quarters. Each of the small folders succinctly discusses the import of a particular economic factor as it affects the individual. Subjects covered are pricing goods, the benefits of high productivity, the need for profits, why capital is important, the role of free trade, the implications of world trade and the ramifications of inflation.

It is felt that when every citizen understands how he or she is affected by all these components of the economy, a greater understanding and appreciation of capital markets, business and industry can be achieved. A natural outgrowth would be a desire to participate in and contribute to free enterprise by becoming an owner of American business.

The organizations taking part in Campaign 1976 will distribute the literature to their employees, shareholders, public customers and other groups as each decides.

It is our hope that many people will, as a result, want to learn more about how business and industry operate, their problems and their successes. Education becomes the key.

We believe that few mediums can match the Investment Club as a way for people in all walks of life, of all ages and all levels of income to learn how industry works and at the same time become owners of that industry with modest sums. Learning together is what Investment Clubs are all about, and through this method, NAIC has introduced over 2,000,000 of today's investors to ownership of industry.

The literature of Campaign 1976 urges people to take whatever path they like to learning and suggests Investment Clubs as one route toward investment education.

Campaign 1976 is designed (1) to make a major contribution to bringing about a better understanding of business, investment and economic factors and how they relate to creating more and better jobs, and (2) to interest a large number of individuals in becoming owners of industry.

For details of the program and samples of the literature write Campaign 1976, The Investment Education Institute, 1515 E. Eleven Mile Road, Royal Oak, Mich. 48067.

H.R. 6573

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. FRENZEL. Mr. Speaker, last week passed a budget resolution targeting a deficit we can not afford and do not really intend to comply with anyway. The day before yesterday we voted on the fourth of the budget rescission bills forwarded by the President. That took us once again back in the world of fiscal realities.

H.R. 6573, reported by the Appropriations Committee, rescinds a total of $17,-873 of budget authority. That is not bad, but it is $220,000 less than could have been dropped had the committee followed the rescission recommendations.

The committee, and particularly the subcommittee on HEW and related agencies, has tried to act responsibly. In fact, I think that they are to be commended for deleting unnecessary and largely duplicative funding for the areas of health services evaluation, community mental health center construction and District of Columbia facilities construction. However, in a period when we obviously need to tighten the Federal belt, $220 million funded under a continuing resolution, no less, for health manpower programs seems extravagant.

No one contests the need for expanded nursing and paraprofessional assistance in the medical field, but these particular programs are not urgent now. In fact, in light of the fact that we will be considering the Health Revenue Sharing and Health Services Act later this week, it seems premature to handle them now.

H.R. 6573 was simply another case of allowing expenses of too much money for too little benefit. However, I supported it because it does reduce expenditures slightly. I can only hope that in the future we will try harder to be a little more responsive to our Nation's fiscal needs. The committee has muffed another chance to save the taxpayers some money.

SENATOR GOLDWATER AND FOREIGN POLICY

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. DICKINSON. Mr. Speaker, we were privileged to have a great American, Senator BARRY GOLDWATER, in Montgomery, Ala., to help in the observance of the Annual Law Day U.S.A. Senator GOLDWATER addressed a joint meeting of the Montgomery County Bar Association and the Montgomery Chapter of the Federal Bar Association at the Law Day Banquet at Maxwell Air Force Base.

As is his custom, Senator GOLDWATER was very frank in his comments about recent happenings in the foreign policy field, and he made some very cogent remarks about our will and ability to fulfill our commitments abroad. I would like to share his statements with other Members of the Congress and insert the text of his speech in the RECORD at this point:

ADDRESS BY SENATOR BARRY GOLDWATER

It is a great privilege to share with you tonight your commemoration of Law Day in this year which marks the beginning of our Republic's Bicentennial celebrations. The Founding Fathers taught us in many ways what the true meaning of the rule of law is to a free people.

Shortly after taking up his commission as commander of the patriot armies, Washington promised his countrymen:

"When we assumed the soldier, we did not lay aside the citizen; and we shall most sincerely rejoice with you in that happy hour when the establishment of American liberty upon the most firm and solid foundations shall enable us to return to our private stations."

Eight years later, Washington fulfilled that pledge. Having been invited to lead his army in insurrection against the state governments, which had dismally failed to attend to the financial sufferings of the army, the commander in chief addressed a mass meeting of his officers in camp in Newburgh. In an effort to dissuade the army from intervening into civilian affairs, he assured his companions that "despite the slowness inherent in deliberative bodies" the legislatures would "act justly." He implored them, "As you value your own sacred honor, as you respect the rights of humanity, and as you regard the military and national character of America, to express your utmost horror and detestation of the man who wishes, under any specious pretense, to overturn the liberties of our country. . . ."

When Washington finished his prepared speech, the crowd remained sullen. His biographer, James Flexner, relates that Washington reached in his pocket and pulled out a piece of paper from a member of the Continental Congress that would show the officers what that body was trying to do. He would read it.

But something was the matter with their commander. He seemed unable to read the paper. He paused. He fumbled in his waistcoat pocket. And then he pulled out something that only a very few intimates had seem him wear, a pair of glasses. He explained, "Gentlemen, you will permit me to put on my spectacles, for I have not only grown grey but almost blind in the service of my country."

This simple statement won over the audience to Washington's persuasions, as they looked with respect at the commander who had led them so far and long.

Historians believe that had Washington been unable to surpress the insurrection, the resulting chaos would probably have left behind several small nations, ripe for conquest by outside powers. Flexner writes:

"Americans can never be adequately grateful that George Washington possessed the power and the will to intervene effectively in what may have been the most dangerous hour the United States has ever known."

A friend and admirer of George Washington also left a legacy of rule by law. This patriot, who had starved and frozen with Washington at Valley Forge, who had served his country as Congressman, diplomat and Secretary of State before filling the seat of Chief Justice of the United States for thirty four years, understood the need for solving problems in the court room and not on the battlefield.

In arguing for the Constitution at the Richmond convention, delegate John Marshall explained that it was the purpose of this charter to create an independent legal system that would settle disputes peaceably.

"What is the service or purpose of a judiciary," he asked his fellow delegates, "but to execute the laws in a peaceable, orderly manner, without shedding blood, or creating a contest, or availing yourselves of force?"

One hundred and fifty three years later, a future justice of the Supreme Court, Robert H. Jackson, wrote: "Struggles over power that in Europe call out regiments of troops, in America call out battalions of lawyers." John Marshall's biographer Leonard Baker, contends that this concept of Marshall, restated by Jackson, better than anything else, "explains the stability of the American Government." Baker continues: "No government of another major power has lasted so long, has been so much the product of rationality rather than violence."

But legal order presupposes the preservation of basic social institutions upon which the freedom of all depends. How to secure both order and liberty, in the face of hostile forces from outside our community who refuse to bring disputes into a legal forum?

Marshall's answer, given during the undeclared naval war between this Nation and France, was:

"Experience, the parent of wisdom, and the great instructor of nations, has established the truth of [the] position, that, remotely as we are placed from the belligerent nations, and desirous as we are, by doing justice to all, to avoid offense to any, yet nothing short of the power of repelling aggressions will secure to our country a rational prospect of escaping the calamities of war or national degradation."

This statement gives us some insight into the practical attitude which guided the Founding Fathers in the formation of the Republic.

However much they may have wished to avoid foreign troubles, they recognized that the Nation cannot be safe if its defensive capabilities are shackled by unrealistic rules.

It must be remembered that the framers had witnessed at firsthand the inefficiency of the Continental Congress in the management of military affairs during the War of Independence. Of the fifty-five framers who attended the Constitutional Convention, no less than thirty had performed military duty in the Revolution.

The framers also held fresh memories of Shays Rebellion, in which Governor Bowdoin of Massachusetts had single-handedly called out the militia and raised an army to restore order, before the reluctant and divided legislature could be moved to action.

It is my strong belief that the framers strived to write a workable charter, one that would survive the ages. It is my further belief that the framers were concerned with grave dangers of internal disorder and foreign pressures, both military and economic, and that they chose to build a government able to cope with these kinds of problems.

Thus, for the first 184 years of our Republic, the Constitution has been interpreted as to permit United States Presidents to take defensive actions in response to, anticipation of, foreign dangers to our citizens, property or security.

As early as 1798, John Adams unilaterally issued an order allowing American merchant vessels to arm without the approval of Congress. This was questioned in the legislature on the grounds that if the President could take the measures which he had taken, "He, and not Congress, had the power of making war."

The Congress debated the matter extensively, but rejected any legislation that would regulate the President's actions. From the printed debate in the House of Representatives, it is clear the Congress distinguished between offensive and defensive military measures, recognizing that the President can take proper actions for the defense of the country, without restriction by Congress and without a declaration of war.

The Speaker of the House, Mr. Dayton, argued that the President, as commander in chief, was the official "whom the constitution as made execusively the judge" of employing the armed vessels of the United States wherever he "though the common defense and general welfare required."

The President was also supported by Congressman Sewall, who ridiculed the idea that, "our citizens going without the territory of the United States are to be no longer objects of our attention" and "were to be abandoned to the elements or to the hostility of mankind, wherever they went."

This view of the President's primary responsibility for the public safety has been followed by nearly every President since. Only three years later Thomas Jefferson sent into the Mediterranean, on his own authority, a squadron of four ships with instructions that should hostilities be commenced by the Barbary powers before its arrival, "this force will be immediately employed in the defense and protection of our commerce. . . ." His orders provided that pirate attacks against our shipping will be "repelled and punished." It was only after actual fighting had erupted that Jefferson came to Congress for support.

Prior to our official entry into World War II, President Roosevelt, without consulting Congress, sent troops to occupy Greenland and Iceland and order United States warships to protect the British lifeline in the Atlantic. He knew that a Congress which had extended the draft in the same year by barely a single vote could not be counted upon to authorize these actions at the time they were needed.

According to a documented study my office has made of these incidents, Presidents have deployed troops into crisis areas and used force or the threat of force on more than two hundred occasions since the founding of the Republic without any prior declaration of war. These events show a consistent and growing practice by which President's have responded to foreign threats with the force they believed was necessary, and technologically available, in the particular moment of history. Although these measures have been reviewed and debated in Congress many times, not once before the 1970's had Congress approved any legislative proposals to halt or prohibit any such defensive action.

From this usage and Congressional acquiescence arises an impressive source of constitutional interpretation, which has been accepted by the Supreme Court on at least two occasions as a basis for rejecting congressional attempts to reverse its earlier idea of exectuive authority.

But the President need not rely upon practice to establish his authority. The basic source of his power rests in the Constitution itself.

First, the opening sentence of article II of the Constitution reads:

"The executive power shall be vested in a President of the United States of America."

This is not a passive grant, but includes the traditional power of protecting the national safety that has been historically recognized by the law of nations as a right of the executive.

Second, the President is "the sole organ of the nation in its external relations, and its sole representative with foreign nations." At least six sitting members of the Supreme Court have accepted this description of executive power by John Marshall and interpreted it to mean that the President has "*primary* responsibility for the conduct of foreign affairs."

Third, section 2 of article 11 designates the President as "Commander-in-Chief." This power has been traditionally defined to encompass "the conduct of all military operations in time of peace and of war, embracing control of the disposition of troops, the direction of vessels of war and the planning and execution of campaigns. . . ."

Fourth, section 3 of article II vests with the President the duty and right to "take care that the laws be faithfully executed." The Supreme Court has construed this power to include enforcement not only of statutes and treaties, but also of "the rights, duties and obligations growing out of the constitution itself, our international relations, and all the protection implied by the nature of the government under the Constitution."

This, as I say, has been the historical interpretation of the Constitution. With the advent of the 1970's however, when the going started getting tough in Vietnam, Congress suddenly reversed itself and began to claim dominion over a host of military and foreign policy powers. In 1973, Congress enacted over the President's veto, the war powers resolution. This document asserts for Congress control over the entire field of troop commitment and deployment.

The law is triggered by the introduction of American forces, without a declaration of war, (1) into hostilities or imminent hostilities, (2) into the territory, air space or waters of a foreign nation, when equipped for combat, or (3) in numbers which substantially enlarge United States forces equipped for combat already located in a foreign nation, such as NATO areas.

When military forces are introduced in one of these situations, the President must report on it to Congress within 48 hours and periodically thereafter. The President cannot use the Armed Forces for longer than 60 days, unless Congress votes specific authority. He is given an additional 30 days only if the safety of our troops demand their continued use in the course of removal.

The President cannot take defensive measures, even during this 60 or 90 day period, if Congress orders the withdrawal of United States forces sooner. The law provides that the President must obey such a congressional directive.

Also, since 1973, Congress has imposed a ban on the use of any funds to finance the involvement of American military forces in hostilities in, or over, or from off the shores of, North and South Vietnam, Laos or Cambodia. In addition, Congress had enacted a provision requiring the withdrawal of NATO forces proportionate to any balance of payments deficit caused by stationing our troops in Europe.

Recently, while President Ford was taking unto his own hands the protection of Americans in Phnom Penh and Saigon, Congress was spinning its wheels debating amendment after amendment to the supporting legislation that the President had asked for to demonstrate unity in our national policy. These amendments proposed to restrict the number of Americans who would operate our mission in Saigon, establish a ten-day time limit to accomplish the evacuation, and require the President to report every detail of the evacuation operation to Congress every few hours, among many other restrictions.

What we were primarily concerned with in this debate was a repetition of what history has been filled with in the past—a threat to American lives, American property and American freedom overseas. My point is to keep the War Powers Resolution, and its offspring, in debate, in the hope that at some time in the future this matter can be considered by the American people in the form that it should be, a constitutional amendment.

The unfortunate developments in Indo-China are pointing out, very graphically, to the American people that under this law, the President cannot protect American lives and property overseas anymore without authority of Congress, and, if he tries, they can call the whole thing off at any time.

To me, one of the weak points of the entire episode we are going through is that it has crippled, not only the President, but through him, the United States in its ability to remain a respected and believed power able to express its historic prerogatives across the world.

I can tell you from personal experiences in the Pacific, and from rather constant communication with friends around the rest of the world, the rank of this country is slipping and it is slipping fast.

Whether or not we can stop it, I do not know. I hope and pray we can. I think we can. But it is going to take a decision of the American people and the Congress, both. The President cannot do it alone.

The question I shall leave with you is whether rule by law can survive a weakened America, which seems indecisive about even protecting its own citizens? Do we have the will to act in an honest way to those people in the rest of the world to whom we have made promises? It is to the American people where we must truly seek a rebirth of our strength and determination. This is why I have laid this problem before you tonight.

A TRIBUTE TO RANDY CAIN

HON. JACK HIGHTOWER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. HIGHTOWER. Mr. Speaker, it gives me a great deal of pleasure to share with my colleagues the success of one of my constituents in an organization that prepares high school students for a vital role in our free enterprise system.

Randy Cain of Pampa, Tex., has just completed a year as national president, high school division, of the Distributive Education Clubs of America. This organization is made up of students throughout the Nation who gain valuable experience in various aspects of business, including marketing, merchandising, and market research, through jobs that they hold while in high school. The DECA organization does not limit itself to the narrow definition of business, but also has a broad program of charitable and civic activities designed to assure that members will develop the sense of responsibility so important in our society.

Randy Cain's accomplishment and the vigor of the Pampa distributive education program and DECA chapter are in the best tradition of American perseverance and dedication.

THE 10TH ANNIVERSARY OF THE HEADSTART PROGRAM

HON. MARTHA KEYS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mrs. KEYS. Mr. Speaker, this week marks the 10-year anniversary of the Headstart program. It has been and continues to be a pioneering force in the field of preschool education and child development.

One of our highest priorities must be the education of our children in a way that they can realize their full potential as human beings and become productive citizens. If we are to tackle effectively the problem of burgeoning welfare rolls and rising crime statistics, then we must use every lever to enable the educational process to be successful. The importance of early childhood years to the future development of an adult is well known.

We must begin at that age level, particularly for children who for one reason or another do not have the opportunities at home to prepare them for a successful and healthy elementary school experience. Headstart has done this.

Since its inception in 1965, more than 5.3 million children have participated in the Headstart program. Today the Headstart program operates in every State and U.S. territory. In Kansas, there are 28 programs reaching thousands of children.

In addition to its educational function, the Headstart program offers children medical and dental screening, nutritional, and social services. It is important to point out that parents and volunteers are involved in every aspect of Headstart. This has focused attention on the importance of parental involvement in the education of their children.

The success of Headstart has led to the initiation of other programs such as Homestart where trained personnel go to the home to assist in the education of preschool children and Follow Through which continues through third grade the educational services offered by Headstart.

The Headstart program provides an excellent example of what can be accomplished by people working together and it should be continued. Millions of children have benefited from these efforts. Our country will reap the rewards.

CHERI MANGHAM SCORES A FIRST FOR NROTC

HON. CHARLES WILSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. CHARLES WILSON of Texas. Mr. Speaker, most of my colleagues in the House know me as a man who supports a strong National Defense Establishment and as one who has publicly expressed fears about the quality of the Armed Forces now entrusted with the defense of this country.

I would like to speak today, however, about one member of our Armed Forces about whom I have no such reservations—a young woman who has been tested and found not only qualified but superior in the talents she will bring to the U.S. Navy.

Last month Cheri Jane Mangham of Nacogdoches, Tex., became the first woman in the United States to graduate from the Naval Reserve Officer Training Corps program. She was No. 1 in the class of 25 ensigns at Jacksonville University in Jacksonville, Fla., on the basis of her performance record in the NROTC and her grade point average of 3.35 on a 4-point scale.

Her spectacular success in the program—maked by service as battalion executive officer in charge of drilling, duty execution, and conduct of students—is even more remarkable since she completed the 4-year NROTC scholarship program in only 3 years.

Cheri transferred to Jacksonville University from Stephen F. Austin University in Nacogdoches. She was greatly encouraged in her decision to join the Navy by a former Navy nurse and a former Navy lieutenant commander who is now mayor of Nacogdoches—her mother and father.

Although Cheri majored in international relations, her military studies included naval orientation, sea power, navigation, electronics, missiles, radar, and military management. Those courses have prepared her for the next step in her naval career—and it is a very big step. She plans to become an intelligence officer for an aviation squadron, and she is now at Lowry Air Force Base in Colorado for training.

In a recent interview with a Jacksonville newspaper, Cheri talked about the problems she has encountered in the male-dominated NROTC program:

> I knew it would be difficult. But if a woman has capability and wants to do something different with her life, there is no reason why she shouldn't.

This year is International Women's Year, a time when the many accomplishments of women are being highlighted and their potential for more involvement is being investigated. Cheri's past achievements and future prospects contain the success of the women's movement in microcosm. As a former Navy lieutenant, I salute Cheri for a job well done.

"BIG BLUE MARBLE"

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. RANGEL. Mr. Speaker, the ongoing controversy about which programs are to be aired on television is an understandable one since advocates on both sides exhibit rational arguments supporting their respective views. In the midst of this controversy, a program which is appealing to those who favor more programs geared to the large audience of children, is gaining international reknown. "Big Blue Marble," the first international children's television series, is a unique television program now being aired over more than 120 stations across the country. This 26-minute program visits three countries weekly, contains animated folktales, a "how to" segment, and a special "Dear Pen Pal." It is geared toward those viewers between the ages of 8 and 15, carrying them around the world through visual impact, and telling each other how they live.

The "Big Blue Marble" is offered free to stations as a public service by ITT. This is a wonderful idea. for it is a step in the right direction toward opening the communication barriers for the future adults of our world. "Big Blue Marble" is a means of overcoming the ignorance exhibited by so many of us stemming from a belief that those different from ourselves are less smart or not as good. The program contributes to a greater appreciation and tolerance for other people and cultures and comes at a time in a child's life when these attitudes are critically being shaped.

The program has won a special citation by Action for Children's Television—ACT—a committee of concerned citizens privately monitoring and attempting to influence positively television programing for children. I applaud this new program, and encourage its growth to every television station across the Nation.

I place at this point in the RECORD several newspaper articles describing the Nationwide impact of the "Big Blue Marble":

[From the New York News, Apr. 20, 1975]

THE WORLD'S A RAINBOW ON "BIG BLUE MARBLE"

(By George Maksian)

Each week thousands of youngsters go hopscotching the globe without once leaving their living rooms thanks to the magic of television's latest children's success, "Big Blue Marble," which is seen on 130 stations across the nation, including Channels 11 and 13 here (Sundays at 9 a.m. and Fridays at 8 a.m., respectively).

The youngsters visit such far-away lands as Tunisia, Bali, Jamaica, Kenya, Egypt, Thailand, Ireland, Switzerland, Colombia and Yugoslavia, to see how other children live, work, play and grow up.

Comes the fall, viewers wil be given an extra treat when the series goes behind the Iron Curtain to Russia. "It will mark the first children's series to visit that country," said producer Henry Fownes, who co-created the program with Bob Garrison and Ken Snyder.

"I was in Moscow late last month negotiating the deal. And I got word today that they approved it. They said I was to have my crew in Moscow by May 10. Those Russians work like an army sergeant. They don't give you much notice at all.

BETTER THAN OLGA

"After we arrive in Moscow, we'll head straight to Rostov in the south near the Caspian Sea. There we're going to do a piece on a gymnast who's supposed to be even more astounding than the Olympic champion Olga Korbut. We also plan to visit a children's railroad, which is entirely run by youngsters, from the engine car to selling tickets. Children's railroads are very common in socialist countries," he added.

"We'll head back to Moscow on the 18th (May), where we're going to film a segment on 'Pioneer Palaces,' This is a fascinating project, the most unique thing I've ever seen.

"There are 35 such places in Moscow, and 35,000 in the entire Soviet Union," he continued. "Not all, of course, are former palaces. Most are newly constructed buildings. These centers are for youngsters who want to learn everything from sculpture to modern dance. They even have a reproduction of a MIG fighter plane, where children can go in and examine all the parts.

"The Russians are very serious about their children and their education. As one Russian said to me during my visit, 'There's only one ruling class in Russia and that's our children.'"

STRONG FAMILY TIES

Fownes, who already has filmed programs in such Iron Curtain countries as Poland, Czechoslovakia, Hungary and Yugoslavia, believes children are alike the world over. "It doesn't make any difference where they live," he said, "they have the same interests as our children. The only difference I sense is that there's less juvenile delinquency over there. But my observations are really limited," he admitted. "I'm usually very busy working. But generally you don't see kids roaming the streets as you do here."

The producer continued: "In Europe and elsewhere, there are strong family ties. Children from an early age are given responsibility and are expected to live up to it. They also get the respect that goes along with it. I think this is a very healthy thing.

"I'm not knocking America, you understand. But I believe that in this country our children are not required to pull their own weight. We're a very affluent nation. Over there, part of the growing-up process is to have a job and to have responsibility."

One of the most popular features of the program is the "Dear Pen Pal" segment. "This alone brings in an average of 5,000 letters a week," said Fownes. "Any American child who wants a foreign pen pal friend simply writes to the televised box number, giving his or her name, address, sex, age, special intersts, and saying whether a boy or girl pen pal is wanted.

"The 'Big Marble' computer then matches the American child with one from another country of the same age and interests. Within weeks, the U.S. child gets a postcard telling whom to write, and where."

The producer said the series will be syndicated around the world next year to about 70 nations, or roughly 50% of the children in the world.

"Big Blue Marble," which is offered free to stations as a public service by ITT (their only requirement is that the program be presented without commercial interruption), gets its name from the picture of the earth snapped from moon orbit by Col. Frank Borman in October 1968. When his space capsule pulled away from the earth and he got his first look at the planet from space, he exclaimed, "My God, it looks like a big blue marble!"

SCENES OF POVERTY

"The title gives the impression that the world's a big, beautiful place," said Fownes, "but it's not enough to show just the icing, the pretty parts of the world. On our series, we also go into the poverty, the anguish and the misery. We'll show, for instance, a poor shoe shine boy in Bogota, Columbia, and his struggle to exist. And we've done segments on blind skiers in Aspen."

Fownes said the aim of the series, which made its debut last September and was given a stamp of approval by Action for Children's Television, is to instill in youngsters a sense of understanding appreciation and tolerance for people, countries and cultures around the world. "If it does that, I'll consider the show a success," he said.

[From the Des Moines (Iowa) Register, Apr. 6, 1975]

"BIG BLUE MARBLE" FILMS WORLD'S CHILDREN

(By Jo Ann Levine)

NEW YORK, N.Y.—What can you do with a world that looks like a marble when seen from outer space?

Hold it close and warm in your hand, play games with it, discover what everybody else is doing with it.

That is just what "Big Blue Marble," the child-size name for the first international children's television series, does as it films children around the world telling each other how they live—and laugh.

Sandwiched between 10 hellos and 10 goodbyes in different languages, this 26-minute weekly program, uninterrupted by commercials, is in its first season on 120 stations in the United States.

Bob Garrison, the series' co-producer, says that Alpha-Venture, Inc., expects by the end of 1976 that "Big Blue Marble" will be syndicated to about 70 nations, or roughly 50 percent of the children in the world.

The series, which cost $3 million to research and complete 26 weeks of programing, is offered by International Telephone & Telegraph Corporation (ITT) as a public service to any station which agrees to offer it without commercial interruption.

The program has won a special citation by Action for Children's Television (ACT), a committee of concerned citizens privately monitoring and attempting to influence positively television programing for children.

Each program features children in three countries outside the United States and one segment on children in the United States. Each program also includes a section on how to make something, a folk tale, some jokes, and a pen-pal section.

One program starts with an animated skit: "Waiter, get me France," says one character. France lights up on a map while the characters explain that "France is between Spain and Germany." A nine-year-old girl talks about the sand yachts which her family race along Normandy Beach. Then the next segment is in Hong Kong, where a little girl named Carolyn takes viewers around her father's snake farm.

While Carolyn, another child, and the manager of the farm lug a python, Carolyn explains that the snake is so heavy it takes three people to carry it. After unpacking some elephant snakes, watching a cobra being milked, and noting that "snakes are good citizens," Carolyn confides that her father wants her to take over the farm some day. She isn't sure she wants to because "I may want to do something more unusual."

Viewers, who are expected to be from about 8 to 15, then are shown how to make designs with paint and potatoes before moving on to Holland where a miniature city called Madurodam is filmed in such a way that at first it appears to be regular size.

Other programs include a child milking goats in Switzerland, another working on a fishing trawler in Iceland, a 15-year-old girl from Virginia living with six other girls in a New York City penthouse while on a ballet scholarship, and a dog-training school in England where the teacher explains there are no disobedient dogs, only inexperienced owners.

Four crews travel around the world filming stories for the program which is edited in New York.

Clare O'Brien, the series' educational director, said that reactions from children indicate they are most interested when children do the talking, and that they enjoy watching children who are able to effect things on their own.

One teacher in California said, "Before the show, my class used the term, "foreign children.' After seeing several of the shows, they dropped the word, 'foreign.'"

[From the Newport News (Va.) Press, Mar. 27, 1975]

TV TRAPS CHILDREN, PRODUCER SAYS

(By Jo Ann Levine)

NEW YORK.—If adults had learned what Bill Bryan wants children to learn about watching television, they would keep it at a distance, move it out of the center of attention in a home, and be its master.

As producer of the local WCBS children's show "Patchwork Family," Bryan says that just because there is a block of children's shows running for six hours on Saturday does not mean that children are supposed to watch them all, or watch any indiscriminately.

"It is the responsibility of the parents to watch a program and to gauge that program either with or for the child," said Bryan.

The parents are the only ones who know the child. They are the only ones who know about the individual sensitivity.

"You have to say to the child, 'You have your viewing time (and I'm not the first one to say this). You can watch tomorrow from 8 to 10, it is an honor system.' You may even say, 'Make a choice (but try and keep an eye on it, too).'"

To Bryan, a good children's show does not talk down to children, and it keeps a "certain removal of distance." It allows the child to be a more independent critic of what he is watching, rather than forcing him to look.

With "Patchwork Family" Bryan says he has tried to have a cast with a "Take-me-as-I-am quality," and no people who come on and act as "I'm going to make you love me, kids."

It is the forcing which he feels has pervaded children's television: "Tell Mommy you want those cornflakes." Or, "You'd better tune in tomorrow."

"That's one thing I like about public television," Bryan cautioned. "They have this quality of removal of distance—whether consciously or unconsciously, or whether it is innate good taste; they do less of it.

"Children are interested in any subject. I don't care what it is, as long as you gear it for their age and present it in an interesting way."

To help parents put television into perspective for themselves and their children, Bryan says:

"Television is not show business. It can be entertainment but it is not a consuming entertainment. How can it be when it is interrupted every 15 minutes by a commercial? Or when all of a sudden a slide says, 'We bring you a special news bulletin'?

"It is an informal device," he adds, "and therefore it is due only part of your time. In the old days, the average American saw just over one movie a week. Why should you demand something great every night? It can trap you, so you have to maintain your own distance from it."

Asked if he would suggest that people take television out of their homes, he said quickly, "I know people who have done it and have been delighted with it."

Then after a pause, he added, "No, I don't think so, because I think television can be quite valuable and entertaining. It should be treated in a more casual way; it should be the raison d'etre of your evenings at home."

[From Grit, Apr. 27, 1975]

COURAGE ON THE SLOPES

(By Mike Lipman)

Vicki DeCastro has learned to ski pretty well on the slopes near Aspen, Colo.

That's not too unusual for a 15-year-old girl, except for one thing—Vicki is legally blind.

"I felt pretty good about getting up on skis," Vicki reminisced after a day on Buttermilk Mountain at Aspen. "That morning I fell a lot as I came down off Buttermilk. But by afternoon I had stopped falling. I had the most fun coming down the second time off the top of the mountain."

Vicki is from Sheridan, Wyo., and attends school in Colorado. That she and many other blind and partly blind youngsters and adults are learning to ski is the result of a program begun by another blind skier, Jean Eymere.

It all came about because Eymere refused to accept defeat when he became blind.

The story of the skiing experiences of Vicki, Eymere, and others will be told in an episode of Big Blue Marble to be shown later this year. The award-winning weekly television series geared toward youngsters eight to 15 is seen on more than 120 stations in this country and is scheduled to be shown abroad.

Eymere was a member of the French "B" Olympic ski team in 1956 and was the top downhill racer among European university students. In 1970, as a result of diabetes, he lost his sight.

Aided by a friend, Brian Webber, of Springfield, Mass., Eymere learned to ski all over again. Few would realize, as they watch him ski at Aspen now, that Eymere, 38, is blind.

Soon after he recovered his skill, Eymere got the idea that if he could be blind and ski, others could too. So in 1971 he created a program known as Blind Outdoor Leisure Development (BOLD).

He approached the Aspen Ski School and Aspen Highland Ski School with his idea. Both now furnish instructors at no charge for blind skiers. Lions Club International, whose projects often deal with sight, also supports the program.

The BOLD program, open to all ages, has spread from Aspen to Los Angeles, San Francisco, Detroit, Milwaukee, and Chicago. Eymere attends skiing clinics and provides instruction.

The first thing a BOLD ski student does is "see" the skis, boots, and poles by feel. Then come lessons in putting on boots and using the other equipment. Next, a student dons skis and learns to walk and slide.

In a one-to-one relationship, the instructor teachers the student how to position himself To do this, the teacher faces the student, sets him into the proper stance, and skis backward holding onto him.

After the student learns to get set, the instructor skis behind him with his arms wrapped around the novice and the latter's skis between his.

Then comes the big test—soloing. The student begins on the small hills, learns to snowplow (cross the skis to slow down or stop), uses the chair lift, and so on.

"Quite often, a blind student progresses quicker than a sighted person," said Eymere. The reason is that the blind student is not afraid, he said.

Eymere estimated BOLD has taught about 50 youngsters to ski since it was organized. Last year, blind youngsters learned to ski on 157 days at Aspen. The youngest was nine; another was a 53-year-old man just as enthusiastic as the youngsters.

For Eymere, who lives in Aspen with his wife, Wils, aud their two sons, Oliver and Dominique, it's a case in which the blind leading the blind has produced remarkable results.

[From Teacher magazine, May-June 1975]

BEING 'CHOOSY' ABOUT TV

(By Kathy Sterling and Jane Cohen)

"BIG BLUE MARBLE"

For a documented trip around the world try "Big Blue Marble" (check local listings). Except for public broadcasting, this is the first regularly scheduled children's show uninterrupted by commercials (they appear in a block at the end of the show). Each show visits three countries, contains animated folktales, a "how to" segment and the special "Dear Pen Pal."

Students can participate in "Dear Pen Pal" by writing to: Dear Pen Pal, Box 4054, Santa Barbara, Calif. 93103. The letter must specify the country the child is interested in and whether he or she would prefer corresponding with a boy or a girl (Maybe they will change that with time and pressure.)

An international correspondence may start as a summer project but last for years. Discuss what your students want to learn from their pen pals. Can they locate their countries on a map? What can they share about their own lives? Have an international costume party and serve foods that originate in other countries. You might, for example, serve french bread and chili. Include songs in foreign languages.

Ask your school or local librarian for help with your research or call on the language teachers at the nearest high school or college. Above all, find out if any students have relatives who speak another language or can help with the food. Although the project is international in scope, don't forget to include your own community.

Special films and teaching aids for classroom use in connection with "Big Blue Marble" are available to teachers at a modest cost. For details and further information, contact: Alphaventure, 717 Fifth Avenue, New York, N.Y. 10022.

Enjoy your summer!

[From the Philadelphia Tribune, Apr. 4, 1975]

"BIG BLUE MARBLE" YOUNGSTER TOURS U.S. CITIES

Youngsters who enjoyed seeing 12-year-old Richard Ace, Jr. play the drums with his father's reggae band on a recent segment of "Big Blue Marble," the international children's television series, will get the chance to see Richard perform in selected U.S. cities.

The young and talented Jamaican is now making a cross-country tour with his Dad's band. They have been in Detroit, Chicago and Minneapolis.

Other cities lined up so far include: New York City, April 3–4, Indianapolis, April 2, Los Angeles, March 31–April 1. The rest of the tour is being arranged.

The "Blue Marble" segment in which Richard appeared was filmed in Jamaica as each program of the 26-week series features children in three countries outside the United States and one segment on children in the U.S.—showing how they live and laugh.

The series, which cost $3 million to research and complete 26 weeks of programming is offered by International Telephone and Telegraph Corporation (ITT) as a public service to any station which agrees to offer it without commercial interruption. In its first season it is running on 120 stations in the United States.

Bob Garrison, the series' co-producer, says that Alpha-Venture, Inc., expects by the end of 1976 that "Big Blue Marble" will be syndicated to about 70 nations, or roughly 50 percent of the children in the world.

The program is being considered for an Emmy nomination, has been named best new children's series by the Boston Globe and has won a special citation by Action for Children's Television (ACT), a committee of concerned citizens privately monitoring and at-

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tempting to positively influence television programming for children.

Each program of "Big Blue Marble" also includes a section of how to make something, a folk tale, some jokes and a pen-pal section.

"Big Blue Marble" is not designed to teach specific disciplines," says Clare Lynch O'Brien, the show's educational consultant. "Instead, it aims to increase awareness, familiarity and curiosity about all the fascinating things to be found in the world."

Four crews travel around the world filming stories for the program which is edited in New York.

In the segment in which Richard played his drums, the show sailed from Jamaica to the Sulu Islands in the Philippines to observe a 9-year-old who works on the village farm. Finally, castles, dragons, rabbits, frogs and Indians—all made from sand—were displayed at the Annual Sand Castle Contest in San Diego, Calif.

"Big Blue Marble" takes its name from the picture of the Earth snapped from Moon Orbit by Col. Frank Borman. It showed the world looking like a marble. The show is aimed at children 8–15 and special films and teaching aids are used in conjunction with the series.

[From the Pittsburgh Courier, Apr. 5, 1975]

NEW SITAR STAR IS A TEENAGER

Indian sitar music, introduced to major U.S. audiences by Ravi Shankar and the Beatles, comes to the world of children's television on this week's "Big Blue Marble."

Fifteen-year-old- Rajesh Sanghi, a native of India's capital, New Dehli, is seen practicing the complex stringed instrument under the watchful eye of his guru, Ustad Amjad Ali Khan. During the five-minute segment, filmed on location, Rajesh also explains the instrument's history and plays a famous Indian classic.

Young Rajesh has been studying the sitar for three years. The instrument is difficult to play and requires spiritual discipline as well as musical skill.

BEGINNINGS

The sitar criginated in India or Persia and probably was developed during the 13th century. It is used primarily to play classical music of India called "ragas."

The complex instrument has six to seven main strings, which the musician plucks with a wire plectrum, or pick, worn on the right forefinger. It also has 12 to 20 sympathetic strings, which are not plucked, but vibrate when the main strings are played. The sitar, usually made of wood, has a long, broad neck and a pear-shaped body.

The Indian musician, Ravi Shankar, ranks as the world's best-known sitarist. The Beatles and several other rock musicians in Western countries have adapted the instrument for several of their more spiritual music.

TO BALI

Also on "Big Blue Marble" this week, Balinese children dance the "trampong." The young dancers perform in Western costumes to the music of a Balinese percussion orchestra, called a "gamelan."

"The Moose's Coat," an old North American Indian story from Manitou, Canada, is this week's animated folktale. The story tells how the moose ended up with a baggy coat and ugly horns while the other animals were given different coats.

Finally, young Christie Rice of Florida tells about her favorite sport, tarpon and bone fishing.

FIRST WORLWIDE SERIES

"Big Blue Marble," the first worldwide children's television series, shows how children in different lands work, play, live and grow up. Presented without commercial interruption as a public service by International Telephone and Telegraph Corporation, the weekly series is shown on 120 U.S. commercial and educational stations. It is slated for international distribution later this year.

AWARD-WINNING SERIES

Action for Children's Television (ATC), outspoken consumer interest group concerned with quality children's programming, has honored the series with its "Achievement in Children's Television" Award. Also, the National Association for Better Broadcasting (NABB) has selected "Big Blue Marble" as the best new television series for children and teens.

The Christian Science Monitor called "Big Blue Marble" a hit, and the hit, and the Boston Globe named the series the best children's show of 1974. "Big Blue Marble" is currently in contention for an Emmy Award as the Outstanding Entertainment Children's Series.

THE SOVIET UNION: AN ORCHESTRATED SOCIETY

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. MICHEL. Mr. Speaker, as Communist aggressors move to establish control over ever more nations of the world, it is useful to pause and consider just what kind of a society may be in prospect for the peoples who are now to be governed by Marxist doctrines.

In that regard, where better to look than to the granddaddy of all the Communist nations, Soviet Russia?

The Russian system, if it is nothing else, is just that—a system. Omnipotent and allpervasive, the Communist ideology permeates every aspect of life in the Soviet Union. Religion, home life, education, the arts and history alike are systematically controlled by the government, and orchestrated to produce the effect desired by those in charge.

In an era of détente, we should not forget that, not forget what it means to live in a Communist nation. Some incisive thinking on this subject was offered this week by the Peoria Journal-Star, which took an editorial look at Russian plans for the celebration of the 30th anniversary of V–E Day, and found much evidence of the sort of orchestration of which I speak.

The editorial makes good reading for all of us, and so I would ask that it be printed here in the RECORD:

ORCHESTRATING RED HISTORY

The Soviet Union is staging the most grandiose war celebration of even its history of celebration to mark the 30th anniversary of what we call V–E day—the end of World War II in Europe.

It is a curious phenomenon that has raised eyebrows at the scope of these activities this year, an unprecedented avalanche of books, movies, TV shows, art exhibits, even an opera to mark this anniversary and glorify World War II.

It is another example of how the Soviet system makes a decision and then inundates all forms of expression including the "arts" to produce a propaganda deluge.

Then you wonder, why?

Because you know it is calculated.

That is a hard one to answer.

But the new demonstration of the massive size and comprehensive nature of Soviet control and guidance of all forms of expression also demonstrates one way in which it is used—they give their own calculated, unvaried version of "history" with more regard for Red propaganda than for accuracy or truth.

Hence, all this material treats the war as almost exclusively a Russian achievement, but also describes it as "a war begun by capitalists and ended by Communists."

In fact, of course, it was a war begun by National Socialists in close and secret alliance with Soviet Russia, herself.

What really happened was that Communist and Nazi negotiators reached a secret accord in Moscow even while the Soviets were stringing along an open show of "negotiations" with Britain and France for a common front.

That agreement guaranteed Hitler a peaceful eastern border for the attack on France, and the war actually began with east and west to divide Poland between them. (Plus the "gift" of Latvia, Lithuania and Estonia, which countries were snuffed out by Soviet armies as Hitler was snuffing out his targets.)

The partnership was a huge success in mutual conquests and they then began to discuss longer term plans for literally dividing the world.

Hitler urged Russia to take India for starters and to eventually gobble up Asia, while he concentrated on Europe.

They finally "fell out" because both wanted Greece, Yugoslavia and the Middle East. Hitler wanted it, looking back to the classic World War I alliance of Germany, Middle Europe and Turkey. Russia wanted the Dardanelles and full control of the Middle Eastern outlets from her Black Sea coasts.

They couldn't agree, although they got far enough along in scheduling the "digesting" of proposed step-by-step conquests to figure that after a considerable gap they'd be ready for the final assault in a new war in 1980—on the United States! (We were neutral at that time!)

(Details on this did not become available to us until we got the German records after World War II.)

With his easy victory in France and the gobbling up of all Europe, Hitler began to look upon his former partner-in-crime as a more tempting target and more dangerous neighbor than Britain. So instead of finishing the original job, he launched his surprise attack on Russia.

The record is clear of both Stalin and Molotov being horrified and explosive about this breach of faith. The German alliance with Japan, also secretly worked out, shook them even more until a brilliant spy let them know that Japan was far more interested in the rice bowl of Southeast Asia than in the Siberian steppes and war with Russia.

None of this, of course, is included in the great commemoration of their "Great Patriotic War", much less in the ideologic bunkum about a war "begun by capitalists and gloriously ended by the wondrous might of Communism."

In fact, it was a war born by "National Socialist" Germany and the "National Communists" of Russia.

It was the capitalists who re-armed Russia when she was flat and desperate, delivering the materials of war over whole continents from the south and through the oceans. And it was the "capitalists" who rocked German forces back hundreds of miles into Germany and then waited for the Russians to make it from the other direction—for weeks.

Sort of upside down history.

But that is a basic fact we can't afford to forget. There is no such thing as "free press" in any complete socialist system. Every means of expression is not merely controlled in the sense of censorship but actually directed by the government for the purposes of fact control and mind control of the people.

They don't just abridge liberty of expression. They orchestrate the arts, the entertainment, the news, the books, and everything to create whatever fake "truth" suits the purposes of the people in power in the Kremlin.

When investing useful facts to replace true ones is a way of life, and a daily "system", you have to be careful.

And you have to consider, also, what activities and what problems exist in this kind of system that require such total orchestration even after 50 years.

If their purposes are good and their system very successful, you would think they could relax a little bit at least.

Until they do, we had better be a bit less careless than we have been of late in just regarding these things as "another political system" and a "different culture" that "suits them" even if it wouldn't suit us.

It is neither a philosophy nor a culture.

It is a raw tool for power.

When power is the God, it is dangerous to forget that fact.

EXPLAINING CITY GOVERNMENT TO YOUNG PEOPLE

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. RHODES. Mr. Speaker, Dorothy Theilkas, the chairman of the task force on Career Education Committee for the city of Phoenix Commission on Youth, has done a fine job of explaining local government to fourth graders in a pamphlet titled "Your City Government: Sanitation and Streets."

In her imaginatively illustrated pamphlet, Mrs. Theilkas systematically explains the sanitation and street operations of the city of Phoenix. "Wild Bill," a fictitious character created by Mr. Bill Keans who is now Phoenix's new cleanup symbol, introduces children to the sanitation inspectors and workers whose job it is to take care of the complex sanitation and street systems. The pamphlet impresses upon the young reader the importance of respecting the efforts made to keep the city clean and safe.

An example of Mrs. Theilkas' writing style can be seen in the following paragraph describing landfills:

> Every town and city must decide on the area that is best to dispose of its garbage and trash. The Sanitation Engineers and Department Heads study and plan for the best possible areas and how much the land will hold. Then the City Council decides where the landfills will be after they have checked all the facts and talked to the people who live near the fill. Also, our Parks and Recreation Department studies the landfill plans too. Because, when they are filled in we make them into parks, playgrounds, bike trails, and just wonderful green areas around the City.

Nearly everyone would concede the importance of educating our young people about how their government works, at all levels. Mrs. Theilkas' highly successful attempt at explaining city government to young readers in Phoenix can hopefully be emulated by other cities.

SPELLING IT OUT

HON. TENNYSON GUYER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. GUYER. Mr. Speaker, with the fall of South Vietnam, Cambodia, and now Laos, together with anxiety and fear in the hearts of those who feel they may be next, it is imperative that the United States disengage itself from discussions of who should wear the mantle of shame or blame, and rid itself of self-flagellation.

In the wake of the seizure of the unarmed merchant ship, the *Mayaguez*, in the Gulf of Siam by the crew of a Cambodian gunboat, the eyes of the world, not just those of America, are on us.

Just this week, my hometown newspaper, The Republican-Courier, in Findlay, Ohio, published this editorial:

SPELLING IT OUT

Ever since Cambodia and South Vietnam have "gone down the drain," there has been a great deal of talk about reassessing U.S. policy here, there and everywhere. We would like to suggest one place, Korea, and just what can be done there to ease any situation in the future.

Why Korea? The answer almost jumps at anybody who looks at a map. It is the only remaining nation on the Asiatic mainland in which we have any vital interests. And almost next door to Korea is Japan.

It can be said with certainty that the U.S. has some type of commitment to the South Koreans. What should be done now, we feel, is for that commitment to be stated publicly, so that no question remains, and for the President to say bluntly whether or not we intend to fully honor that commitment under any and all conditions.

One of the tragedies of Vietnam was that the whole mess grew and mushroomed over a space of years under several different Presidents and different Congresses. As a war, it went nowhere because we never intended to "win" in the military sense of the word.

Finally, under clouds of doubt, uncertainty and lack of support from the people, the whole thing collapsed. We accepted a ceasefire that nobody expected would work. And now South Vietnam is gone.

This need not happen to Korea. What we should do now is tell everybody in the world exactly what our intentions are and just what we will do if Korea is attacked.

It should not be necessary to get "eyeball-to-eyeball" with the Soviet Union or the Peoples Republic of China before they understand just what they are up against.

Most of all, by laying it on the line now, the President will find out quickly just what the American people think about the situation. If they approve, fine. If not, adjustments would have to be made. We should never again get into any Vietnam-like situation without overwhelming support of the people.

In the meantime, let's put our cards on the table. There is no room for miscalculation.

Mr. Speaker, it is small wonder that the people of Korea look to the United States for some word of reassurance that we will seal our words with our deeds.

On May 10, an estimated 2 million persons gathered in Yoido Plaza, Seoul, Korea to cheer and proclaim their support of Korean President Park Chung Hee in his negotiations with President Ford and this Congress.

This rally was the Korean manifestation of asking the United States if we in fact will honor our commitments to South Korea. In the same spirit, the rally warned Kim Il-Sung, the North Korean leader, not to confuse South Korea with South Vietnam or Cambodia in strength or courage.

They let it be known that Korea is not built for jungle warfare, nor does it lend itself to undetected guerilla approaches which worked to the advantage of the Vietcong and the Khmer Rouge in the fall of Vietnam and Cambodia.

Even the opposition group, the New Democratic Party, certainly no endorser of President Park under other circumstances, gave firm support to the President in his measures of security and surveillance of Communist activities and checking the flow of capital out of Korea.

When their country's freedom is at stake, the Korean people back their brave and determined President. They may not always agree with his policies, but they stand together when their country is in jeopardy.

Mr. Speaker, many people here and abroad wonder how we regard Korea. Scattered criticism of President Park's administrtion is frivolous and untimely in the face of the greater issue of survival and alliance. It seems no time to be sitting in judgment of cosmetic procedures of an internal nature, at a time when other dominoes may tumble as did South Vietnam and Cambodia. Remember, Mr. Speaker, civil rights in Saigon are gone for good, not a few of them but all of them.

It is perilous to rely upon some Tooth Fairy to bring about a Shrangri-la of ideal democracy in Korea and place it under our pillows while we sleep and rest from our recent harrowing experience.

If Korea goes, where will the next stand take place? If Japan, why not Korea, where and when it still counts.

If Korea and Japan join the conquered countries, shall we say Alaska is far, far away from the predators?

The American people are tired of war and weary of heartbreak. We never again want to go through the nightmare of that tragic entanglement in Vietnam that took so many, cost so much, and left so little. I am confident we neither want another war, nor are we inviting one.

There is no such thing as a fortress America. There may never again be such a thing as safety on this Continent. The time of sleep is over and the time for decision is already at hand.

One of my distinguished friends, Korean-born Dr. Hancho C. Kim, in an article—editorial in the New York Times of Wednesday, January 8, 1975, and another in the Washington Star of Sunday, April 27, 1975, declared that we can neither let down the regime of President Park nor take on a war of attrition anywhere at this present time. As Dr. Kim puts it:

> We are too weak to be anything but strong. Like it or not, we must pick our line of outposts once again because that is the way of the world. And having chosen it, we must in our weakness be prepared to stand upon it, beyond that weakness, with all the strength we know we have. If we do that, we may not have to do anything more. Korea

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is our symbol of symbols, our own strong line of defense, governed by a capable, courageous, and determined man, Park Chung Hee. When we draw that line, we know that in President Park, we have a strong right arm on our side.

Mr. Speaker, we need not fear slipping into another war by daring to speak up and stand up at a time so many eyes look to us for leadership and so many ears are cupped to hear words of assurance.

We in the United States are not the warlocks, nor are we the marauders. We now more than ever want to be the architects of a true and lasting peace. But, we will not fulfill that dream unless we manifest strength and loyalty to those principles and bonds that have made us the greatest nation on Earth.

Mr. Speaker, let one and all know that it is the eagle that is our national symbol, not the chicken.

A SENSELESS DISPLAY OF POWER?

HON. ANDREW YOUNG

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. YOUNG of Georgia. Mr. Speaker, this Nation has just recently extricated itself, on the eve of its 200th year as a Republic, from a tragic involvement in a distant land. It was a war to no avail and no purpose, a war which wrenched apart the very sinews of our nationhood for more than a decade.

A new government, formed as a result of our mistaken steps in Southeast Asia, but as untried as the new republic of 200 years ago and as uncertain in its halting steps toward mature statecraft, seized a U.S. merchant vessel. Our President has just responded today to this act with an unparalleled assertion and application of U.S. military power.

Let my colleagues of this House, Mr. Speaker, read the text of a most important message sent on behalf of the churchmen of our Nation, those keepers of the conscience, and the beacons of our national shame:

TEXT OF TELEGRAM TO PRESIDENT FORD

My conscience requires me to make the following statement for communication to the members of the United Church of Christ and to the public at large:

If the United States is to have one shred of moral integrity left to it, we, the people of this country must rise up and denounce our government's senseless use of military force against Cambodia. There is no justification for using force of arms to solve a problem that could be handled in a civilized manner through diplomatic channels and the force of world opinion. It is imperative that each of us demand an immediate end to the attacks being made by our armed forces in Cambodia. Even now we should utilize the United Nations and any other diplomatic channels that are open to Cambodia to redress the actions of the President and his military advisers which have placed this nation in an untenable situation.

ROBERT V. MOSS,
President, United Church of Christ.

HOW MUCH PROGRESS HAVE BLACKS MADE?

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. RANGEL. Mr. Speaker, while the average American is currently feeling the recessionary crunch as we approach the Bicentennial, the average black American has consistently suffered economic recession, if not depression, irregardless of the health of the economy. Although we are fully aware of this imbalance, there is a much more stubborn force that maintains and perpetuates these inequities. Therefore, the progress that is thought to have been made by blacks in this country, is not really progress at all, as statistics continue to show that the discrepancy between white and black attainment continues to grow.

Our distinguished colleague, the Honorable WILLIAM L. CLAY has addressed this problem in a recent column in the Boston Globe. I would like to share it with my colleagues at this point in the RECORD:

HOW MUCH PROGRESS HAVE BLACKS MADE?

(By WILLIAM L. CLAY)

Many blacks, to remain sane no doubt, grow up in America believing that discrimination and inequality illustrate nothing more than a long-term historical event. Slavery, then emancipation; segregation, then a successful civil rights movement. Progress? Doubtless. But coming down from our euphoria, we've learned in the last eight years or so that some of the problems are a great deal more intractable (if soluble at all) than those mere legal barriers to fundamental civil rights.

Beneath that thin layer of courts and legislatures lies the whole American institutional infrastructure, resistant and poisoned to the core—universities and public school systems, businesses, city halls, labor unions, families and neighborhoods, police departments, fire departments and on and on. The results are socio-economic statistical measurements that show our relative status in America as largely unchanged.

Let's look at the most recent record in the salient categories:

Income: In 1973 the median income for white families in America was $12,600. For black families it was only $7270. From 1969 to 1973, the median income for white families grew. For black families, it did not, meaning the income differential is widening, not narrowing. (Other evidence suggest it has widened still more since 1973.) Even the much sought after college degree has given false promises. In 1969 a black with four years of college made $8715, a mere $102 more than a white with four years of high school. The white college graduate made over $11,000. It's no small wonder then that in 1973, 31.4 percent of all blacks found themselves below the low income level of $4540, a plight endured by only 8.4 percent whites.

Employment: In a trend that has persisted in an even trajectory since the Korean War, blacks and other minorities are twice as likely to be unemployed as whites, black teens over 2½ times as likely as white teens. However high the overall rate is, the American formula instructs us to double it for the black rate.

Education: In 1973, 8.3 percent of blacks between 25 and 34 had completed four years of college. For whites, the figure was 19 percent.

Family: Between 1965 and 1974, the proportion of black families headed by a woman rose from 24 to 34 percent. Among white families, only a slight increase was registered—from 9 percent to 10 percent.

Housing: In 1970, 23 percent of the 6.2 million housing units occupied by blacks were classified as "substandard." The corresponding white rate was only 7 percent.

Health: For the last two decades, the infant mortality rate for blacks has been approximately double the rate for whites and black mothers still die in childbirth at about five times the rate of their white counterparts. But if we have a harder time coming into this world, we have an easier time going out. Among blacks, the average life expectancy is now 69.3 for females and 61.2 for males. Corresponding figures for whites are 75.6 and 68.3 years, a better than six-year differential.

These are the real indices of residual racism and stubborn inequality in America today. And if the barriers are less visible they are indeed more damaging to our psyches and material welfare precisely because they are less visible.

It would appear that, the great victories taken into account, black Americans have little to celebrate in this nation's Bicentennial.

DEFICITS DESTROY JOBS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. ASHBROOK. Mr. Speaker, today the House of Representatives adopted a budget that calls for a $68.8 billion deficit for the next fiscal year. This would be the largest deficit in our Nation's history.

Liberal economic theorists argue that such a large budget deficit will stimulate the economy and produce jobs. In reality, however, large deficits destroy jobs.

Why is this so? Deficits must be financed. Simply stated, financing takes place by printing more money, borrowing more money, or a mixture of both.

Printing more money with no backing leads to greater inflation and higher prices. Federal Government borrowing results in crowding out others who are trying to borrow. This harms industries like construction which are so dependent on credit.

When the Government has to borrow more and more, it crowds out mortgage money. Money and resources are taken from mortgages and construction loans for homes, and commercial and industrial building.

It has been estimated that for every $10 billion the Federal Government borrows, 500,000 new housing starts cannot begin due to lack of mortgage funds. This lack of housing starts results in the direct loss of over 1 million jobs and the indidect loss of over 2 million more in affiliated industries. The construction industry depends on supplies made by numerous other industries—from plumbing equipment to paints to nails to electrical appliances.

In a recent advertisement the AFL–

CIO leaders state "Borrowing money is part of the American way of life." But everyone knows—particularly the rank-and-file worker—that when you borrow too much you get overextended. The result is bankruptcy.

Unfortunately, that is where our country is heading—toward national bankruptcy. And the bigger deficits are only speeding that along—at the cost of jobs and production.

It was indeed unfortunate to read AFL–CIO President George Meany's statement yesterday calling for not a gigantic $68.8 billion deficit out $100 billion. That is totally irresponsible and does not represent the thinking of rank and file union members whose jobs are already threatened by inflation and Government bureaucratic program which destroy their jobs.

FOCUSING ON THE MALPRACTICE CRISIS

HON. JAMES F. HASTINGS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. HASTINGS. Mr. Speaker, our colleague, Congressman H. JOHN HEINZ III, of Pennsylvania, who serves with me on the Public Health and Environment Subcommittee of the Interstate and Foreign Commerce Committee, recently addressed the Pennsylvania Medical Society in Harrisburg.

Mr. HEINZ urged strong and quick State legislative action to avert the medical malpractice crisis, and also urged the medical profession to move boldly to sweep clean its ranks of incompetent or negligent physicians.

I insert the text of Mr. HEINZ' thoughtful remarks to be included in the RECORD:

FOCUSING ON THE MALPRACTICE CRISIS

A generation ago, a Congressman invited to speak to a group of medical leaders about national legislation and the health care system wouldn't need much time. He could talk about the Public Health Service and the Indian Health Service, or the National Institutes of Health and Federal biomedical research efforts—but there wasn't much more than that. He could probably say everything that needed to be said about all the Federal health programs, shake hands, and leave within minutes.

But this generation has seen a near revolution in national health legislation. We could easily consume the entire morning discussing just a few of the recent Federal involvements in health.

Last December, for example, Congress enacted the new Health Planning and Resources Development Act—perhaps the most important health legislation since medicare;

Health manpower education and training still lingers in Congress, the focus of efforts by some to enact what amounts to a universal doctor draft—a highly controversial proposal of questionable constitutionality;

Several Members of Congress have proposed amendments to broaden medicare and medicaid coverage—including a suggested adoption of a Federal catastrophic illness benefits program.

We could spend the entire day exploring proposed amendments to PSRO—or some of the various health care regulation schemes floating around Congress disguised as national health insurance bills.

But in the little time I have this morning, I would like to focus on a problem in our health care system that I know concerns each of you deeply—the crisis in medical liability insurance protection. Unlike many politicians these days, I am not here to urge Federal intervention to solve this problem. I think Congress intervenes all too quickly and all too frequently in problems that can be solved elsewhere.

Instead, I'd like to tell you why everybody would be much better off if Congress stayed out of this mess known as the medical malpractice crisis.

I am not denying that a real crisis exists. There can be no doubt about that. You have experienced explosive increases in malpractice insurance prices, with Pennsylvania physicians facing increases of up to 250 percent and individual premiums as high as $15,000 or more. Now, on top of these gigantic jumps, 4,000 Pennsylvania doctors are threatened with loss of all insurance coverage on December 31, 1975. They have no place to turn for necessary liability protection.

The effects of soaring premiums are already showing up . . . as they must . . . in higher medical bills to the patient. One example in Illinois is particularly disturbing. A hospital—as the result of a 500 percent increase in liability insurance premiums—charges $12 per bed per day just to pay for that protection. HEW Secretary Weinberger estimates that increased premium costs, when combined with the higher costs of the defensive medicine practiced by wary physicians, could total as high as $7 billion per year.

But while higher costs can be passed on, loss of insurance—now threatened in some states such as ours—would be simply devastating. Doctors would cease the practice of medicine since any uninsured medical action could result in a bankrupting personal injury claim. In Pennsylvania, we could lose 20 percent of our physicians at the stroke of the new year. Care would simply not be available for two to three million Pennsylvanians.

Even short of total loss of coverage, the medical liability insurance crisis further exasperates the current maldistribution of medical care. Some doctors have retired early rather than keep part-time practices requiring insurance premiums identical to those of a full-time practitioner. Similarly, women physicians with young children may not practice at all during child-rearing years when faced with a steep premium. And still other doctors may practice where insurance is available at a lower price, rather than where their services are most needed.

Still another possible development would be the avoiding by doctors of certain high-risk medical procedures which, while of potential help to a patient, might also result in a malpractice suit.

Clearly, there is no disputing that a crisis is upon us. Not only are costs of insurance soaring but the very availability of care is threatened as well.

The need for action is quite clear. In the short run, we must assure that insurance coverage is available to all physicians and hospitals. In the long run, the number and size of injury claims requiring compensation must be controlled. But to do so, we must first identify and treat the causes of this crisis. Only then can we determine not only what should be done but just as importantly, which level of government should act.

Many problems have been identified as contributing to the malpractice mess. For instance:

The increasing frequency of personal injury suits of all kinds—we have become a litigation-oriented society that sues at the drop of a scalpel.

For another, Americans' expectation of medical care approaches a standard of perfection. Oversold on the benefits of medical technology, we fail to recognize the complexity of medicine and the risks of failure, and in some cases, the injuries that can occur where neither negligence nor incompetence is a factor.

For a third, the traditional physician-patient relationship has been modified. We live in a highly mobile society with highly specialized medical care. As a result, health care is less personalized than it once was. Since people are more likely to sue strangers than old and trusted friends, little wonder that malpractice claims have increased.

All these factors relate to the medical system. Various studies have identified several features of the legal and insurance systems that may encourage suits, increase the size of claims or make defense against them difficult if not impossible.

What is the remedy? Legislative proposals have been offered:

That would amend the statute of limitations laws that allow claims to be made decades after an alleged injury is suffered. The lengthy delays now allowed in filing claims, make a defense virtually unconstructable.

That would modify the doctrine of informed consent which burdens the doctor with the nearly impossible task of explaining virtually every medical procedure and its potential risks.

That would place ceilings on size of claims to be paid.

That would regulate by a sliding scale the size of contingency fees paid to a plaintiff's attorney.

And that would test alternate systems for compensating those injured by medical malpractice and maloccurence. These alternatives—of which we presently know very fittle, include mandatory arbitration and the much acclaimed but virtually untested "no-fault" approach.

Some of these steps need to be taken—and soon. But I see no reason why they should be taken by the Federal government. The crisis is not nationwide. The availability of medical liability is not a problem in every State. Approximately half the States are not experiencing significant problems—and for the majority, the difficulty is one of the cost of the insurance, not its availability. In only seven States or so is there an imminent threat of loss of coverage.

TRIBUTE TO KENNETH B. KEATING

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. BELL. Mr. Speaker, I would like to join my colleagues who paid tribute last night to Kenneth B. Keating. I too was saddened to learn of his death.

As a public servant, Ken Keating distinguished himself in all three branches of the Government: as a Member of both the House and the Senate, in the New York Court of Appeals, and as Am-

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bassador to India and Israel. I recognize Ambassador Keating's diverse contributions to the State of New York and to the Nation as a whole, and I am grateful for his dedication. Kenneth Keating's leadership will be sorely missed.

HUBERT ALBERTZ—FREEDOM FIGHTER

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. DICKINSON. Mr. Speaker, Hubert Albertz is a little, ordinary man. Little in size—he is only 5 feet, 4 inches. Ordinary in terms of his employment—a building supervisor, or janitor, if you will. But measured in integrity, courage, and dedication to a cause in which he believes, Hubert Albertz stands more than 10 feet tall.

A Belgian immigrant, Hubert Albertz came to America like so many millions—looking for freedom—a chance to work and make his own way. Instead, he found compulsory unionism. He has spent almost half of his more than 70 years doggedly and determinedly fighting it.

It all began in 1947, when Hubert Albertz had the audacity to openly question a proposed dues increase in a meeting of his AFL–CIO Service Employees' Union Local 32E in New York City. He just wanted to know how the union funds were being used. For this he was hounded out of his union, out of his job, and out of his home.

Forced to move to an another section of New York City, Hubert Albertz began a tireless effort for reinstatement in his local union that has continued to this day. He has had some success in that, for pension eligibility, the union has assigned him to another local. But Hubert Albertz will not rest until he is completely vindicated and reinstated in his original local—32E.

Last Friday night Hubert Albertz's long fight—his years of harassment, frustration, and suffering—were finally recognized by at least one group of Americans who know what compulsory unionism can do to a man. The National Right To Work Committee selected Hubert Albertz for its highest honor—the John Seeley Memorial Award.

Like Hubert Albertz, John Seeley knew what freedom means. So strongly did he oppose compulsion that he gave up his job of 27 years, rather than pay dues to a union he felt was not representing the workers' interests. The award is presented annually to the person most clearly emulating the qualities of leadership, integrity, and dedication to the right-to-work principle which marked Seeley's lifetime.

The National Right To Work Committee could not have made a better choice. John Seeley and Hubert Albertz—freedom fighters.

MAGNETOHYDRODYNAMICS

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. EVINS of Tennessee. Mr. Speaker, as this Nation faces potential energy shortages, the necessity of finding alternative methods and more efficient means of producing electric power is becoming increasingly important.

The scientific community is conducting research into various potential sources of energy which holds great promise for the future. One of these promising new methods is magnetohydrodynamics—MHD—a process of producing electric power by burning coal some 30 times more efficiently than present methods.

Research on MHD has been carried on for years, but as funding has increased in recent years, scientists are encouraged by the results. I am pleased to report that a major portion of the MHD research is carried on in the great Fourth Congressional District of Tennessee, which I am honored to represent in the Congress.

Two facilities in Tullahoma, Tenn., are carrying on cooperative research in this area. Certainly I support and commend this work which is continuing at the Arnold Engineering Development Center and the University of Tennessee Space Institute.

This research is certainly in the national interest and the Nation looks forward to continued progress.

I have recently been provided with a report prepared by Dr. Harold L. Falkenberry, Chief, Power Research Staff, Office of Power, Tennessee Valley Authority, concerning the research currently underway at UTSI.

Because of the interest of my colleagues and the American people in this most important subject, I place the report herewith in the RECORD.

The report follows:

TVA'S CONSTRUCTION OF MHD FOR POWER GENERATION AND THE IMPORTANCE OF MHD DEVELOPMENT AT UTSI

1. The attraction of combined MHD/steam cycle power plants lies in the ability of such systems to provide improved thermal efficiencies over conventional steam plants. Such improvement in turn, would yield reduction in thermal pollution and reduction in fuel requirement (thus permitting us to conserve our domestic fuels and reduce our dependence on foreign oils). Furthermore, the inherent ability of the MHD generator to control sulfur emissions and the potential capability to burn coal directly could provide utilities with an attractive means to utilize this Nation's vast coal reserves—provided, of course, that technical problems facing MHD applications can be solved and that the power plants that eventually evolve are economically viable. The potential of using coal or coal products without prior purification seems to us the primary advantage of MHD over competing advanced energy conversion systems. We believe the work at UTSI addresses itself to the first steps in the development of this potential.

2. We have noted the developments of the UTSI MHD program with much interest over the past three years and have been encouraged by the experimental results thus far. We are particularly pleased with the findings that direct coal combustion in MHD generators appear technically feasible.

3. Since the beginning of the UTSI MHD development program for power plant applications, TVA has contributed a total of $100,000 toward this program. We also continue to provide the required pulverized coal for test operations. The Power Research Staff has maintained a close working relationship with the program activities and has provided advice and perspective, much of which has been accepted in establishing the basic scope and objectives of the program.

4. In January 1975, UTSI began a new three-year contract term with the Federal Energy and Development Administration (ERDA) in which substantially larger-sized equipment than presently used will be built and tested and in which a superconducting magnet will be acquired to conduct tests with substantially higher magnetic fields.

5. Sufficient ERDA funding is presently available and it appears that ERDA intends to continue full support of the UTSI effort. Therefore, TVA or other utility financing appears not to be required nor has it been sought thus far. It is expected, however, that as the national MHD development program proceeds to construction and operation of larger test facilities, the utilities will be asked to provide a site and supporting services.

6. We have been informally discussing with Dr. John Dicks at UTSI the possibility of TVA's providing a site at one of our power plants for any future test facility. We believe this arrangement would have a number of advantages and would help encourage the location in Tennessee of work associated with a subsequent pilot or demonstration plant. We plan to continue to discuss these possibilities with Dr. Dicks.

7. Despite the technical program that has been achieved in MHD thus far, we recognize that MHD is still in the early stage of development and that a substantial engineering effort must be undertaken before MHD could become a commercial reality. Preliminary estimates by ERDA, for example, place the operations of a demonstration plant no earlier than about the end of the 1980's. Therefore, the plans by electric utilities for power plant expansion for the next 10 to 15 years, must of necessity, include power generation systems other than MHD.

8. We are maintaining a role in the planning of a national MHD development program by active participation in an industry committee that oversees the funding of MHD by the Electric Power Research Institute (EPRI) and that assists in coordinating MHD program plans between EPRI and ERDA. Specifically, TVA is represented by a member that chairs the MHD Working Group of that committee. Our participation in this group and other task forces that review and provide recommendations on MHD program matters has allowed us to keep a current awareness of the progress and further needs of all major MHD development efforts.

9. It may be noted that through the then Manager of Power (TVA), Mr. G. O. Wessenauer, TVA was represented in the first Federal board to review the status of MHD and to recommend the course of future MHD development for power plant application (see OST report).[1]

10. Also, in recognition of the need for more advanced MHD development at UTSI, TVA submitted an MHD program proposal to Dr. Dixie Lee Ray in 1973 for consideration in her five-year national energy R&D program to the President. The scope and objectives we had outlined therein are basically identical to those now contained in the recent UTSI/ERDA agreement.

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[1] "MHD For Central Station Power Generation: A Plan for Action," prepared for the Executive Office of the President, Office of Science and Technology by Panel on Magnetohydrodynamics (MHD), June 1969.

MARXISM - LENINISM - MAOISM-ARTHUR KINOY THOUGHT: THE NIC, PART II

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. McDONALD of Georgia. Mr. Speaker, in my extension of remarks on May 13, 1975—pages E–2397–8—I developed the background material on the origins of a new revolutionary Marxist organization, the National Interim Committee for a Mass Party of the People or NIC.

As you will recall, the NIC leadership staged a so-called "celebration" on Sunday, May 4, in Lafayette Park just across the street from the White House. The NIC's rally was to honor the victory of the bloodstained Communist conquerors of South Vietnam.

This was, as far as I can determine, the first public demonstration of any note or size by this new revolutionary organization.

Founded by Arthur Kinoy, who wrote in his monograph on the mass party of the people that this revolutionary movement draws its "inspiration and courage from contemporary struggles of the Vietnamese, Cuban, and Chinese peoples," the NIC is building a revolutionary socialist political party on a nationwide basis.

The NIC three prime reasons for organizing a new radical political party: First, the political party is the traditional American form for seeking to take and hold political power; second, political campaigning provides a useful propaganda tool for indoctrinating the public; and third, the important practical consideration that the "traditional legitimacy" of the political party gives it the ability to "maintain its legality and ability to function openly as long as possible" before revolutionary armed struggle tactics are used.

Mr. Speaker, here we have yet another example of a revolutionary cabal seeking to manipulate legal loopholes and our constitutional respect for the political process and the right to dissent in order to prepare for an armed takeover.

Let us examine the NIC's statement of political purpose, a pamphlet entitled "An Open Letter to Activists and Organizers of the Past and Present on the Need for a Mass Party of the People."

The open letter states:

> The National Interim Committee for a Mass Party of the People was formed in September 1973, at a meeting of people from different parts of the country. For several months before, there had been informal discussions about the possibility and necessity of moving in the direction of organizing a new, broad-based party of the people.
>
> We felt it was critical to involve in such discussions as many people as possible from different sectors of society before taking any formal steps. Therefore, it wasn't until June 1974 that we called an enlarged Interim Committee meeting to discuss a first statement of the political principles which unite us. This statement, the Open Letter, comes out of the discussions at that meeting. Many of us who have signed it were at the meeting.
>
> * * * overall it represents our best efforts so far to state our basis of agreement, from which we can move on together.

Open letter plainly states that the goal of the NIC is a "dictatorship of the proletariat," page 7:

> Such a party would have as its fundamental program for this era the transfer of power from the capitalist state and the corporations to the people.

After explaining the legal advantages of using the organizational form of a political party, the open letter moves into a diatribe against the free enterprise system.

The NIC calls for a new social system in which, if its conditions were met, the family would be destroyed and children raised communally by strangers. As a corollary to the call for the induction of women into the working masses of the future socialist state, the NIC promotes homosexuality under the guise of "freedom of sexual orientation" as a "basic freedom we must affirm and struggle for as an important part of human liberation."

As did the Weatherman faction of SDS, the White Panther Party and the drug-crazed Yippies, the NIC seeks "to develop a culture of resistance to capitalist oppression. It must challenge the individualistic and bourgeois attitudes which are fostered by capitalist society." And the NIC, as do the alternate culture freaks, looks to the "traditions and survival cultures of the Native Americans, blacks, Puerto Ricans, and Chicanos" in developing its new "culture of resistance."

The National Interim Committee for a Mass Party of People exhibits an extreme hatred for America and dedicates itself to overthrow and destroy this country. When the NIC states its mass party of the people must engage itself in "struggles in every area," must prepare for "militant mass intervention" in alliance with international revolutionary struggles, and must "organize appropriate forms in the development of these struggles to overthrow and destroy imperialism," the NIC is clearly talking about using "armed struggle" tactics whenever it feels the time is ripe for it.

The relevant passage from Open Letter—pages 16–17—reads:

> "The party of the people will be totally dedicated to the destruction of imperialism at home and abroad. The main enemy of millions of people engaged in life and death struggles from one end of the globe to the other is U.S. and world imperialism. The party must not only organize support for these many liberation struggles which are shaking the very foundations of imperialist rule, it must be prepared to open within the imperialist country itself struggles in every area against those policies of the imperialist ruling class which perpetuates its domination around the world. * * * events are exploding which require and will continue to require militant mass intervention by the people internationally. A party of the people, built in the homeland of the most powerful imperialist rule, must as a basic and fundamental aspect of its purpose help organize appropriate forms in the development of these struggles to overthrow and destroy imperialism as a world system of exploitation.

Further to the theme of NIC support for armed struggle against our Government, the NIC Newsletter, reported in March 1975, of a problem concerning the political stance of NIC member David Dellinger.

Dellinger, who described himself in an SDS Radical Education Project brochure in 1969 as a "Communist, although not of the Soviet variety," came under fire from the NIC because he refused to sign the Open Letter. NIC explained:

> He is in basic political agreement, but didn't feel he could sign because of a couple of formulations; e.g., implied agreement with the necessity of armed struggle.

Since Mr. Dellinger participated in the "expanded NIC meeting" held at Antioch School of Law here in Washington over the weekend of May 2–4, 1975, and participated as a speaker in the NIC's "victory celebration" for the Vietcong, it would appear that he has managed to "resolve his contradictions."

For the information of my colleagues, the published signers of NIC's Open Letter include:

Mark Amsterdam—N.Y.C. (National Lawyers Guild and Center for Constitutional Rights).

Peg Averill—political artist, Washington, D.C. (former Kent State antiwar activist).

Sally Avery—New American Movement, Durham, N.C.

Ella Baker—N.Y.C.

Norma Becker—War Resisters League, N.Y.C. (Fifth Avenue Peace Parade Committee).

Henry Beitscher—Philadelphia, PA.

Shepard Bliss—Cambridge-Goddard Graduate School, Cambridge, MA.

Krista Brewer—*The Great Speckled Bird*, Atlanta, GA.

Owen Brooks—Greenville, MS.

Al Brotsky—National Lawyers Guild, San Francisco, CA.

Leonard Calabrese—Radical Historians, Chicago, IL.

Joe Carnegie—Fight Back, N.Y.C.

Charles Cassell—Organization for Political Equality Now (OPEN), Washington, D.C.

Virginia Collins—Southern Conference Educational Fund, New Orleans, LA.

Walter Collins—Southern Conference Educational Fund, Louisville, KY.

Rhonda Copelon—N.Y.C. (National Lawyers Guild and Center for Constitutional Rights.)

Benito Diaz—Adams-Morgan Tenants Union, Washington, D.C.

Brian Doherty—Bread & Roses Music Collective, Washington, D.C.

Joan Drake—Lancaster Bail Bond Project, Lancaster, PA.

Janet Gallagher—Brooklyn, N.Y.

Ailleen Goodwin—Socialist Education Center, Chapel Hill, N.C.

Ted Glick—Committee to Support Puerto Rican Independence, Washington, D.C. (former Harrisburg 8 defendant indicted on kidnap-conspiracy charges).

Bob Greenblatt—Brooklyn College, N.Y.

Jim Haughton—Fight Back, N.Y.C.

Moses Harris—Black Economic Survival, N.Y.C.

Dorothy Healey—New American Movement,

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Los Angeles, CA. (former chairman of the Communist Party of Southern California).

Robert Hinton—D.C. Statehood Party, Washington, D.C.

Barbara Honig—Peace & Freedom Party of California, Los Angeles.

John Horton, Union of Marxist Social Scientists, Los Angeles.

Carol Horowitz—National Prisoner Project [of ACLU], Washington, D.C.

Charles Horowitz—Washington, D.C.

Andrei Joseph—Mission Hill Health Movement, Roxbury, MA.

Michael Kane—Boston, MA.

Alice Keller—Chicago Women's Liberation Union, Chicago, IL.

Arthur Kinoy—N.Y.C. (National Lawyers Guild and Center for Constitutional Rights).

Nancy Lessin—Health worker, Roxbury, MA.

Bob Lewis—N.Y.C. (National Lawyers Guild and United Electrical Workers).

Staughton Lynd—Chicago, IL.

Carl Marzani—Veterans of the Abraham Lincoln Brigade, N.Y.C.

Alan McSurely—AFT Local 2322 (AFL-CIO), Washington, D.C.

Don Miller—Southern Conference Educational Fund, Jackson, MS.

Miles Mogelescu—New American Movement, Minneapolis, MN.

Bill Munger—Socialist Party, U.S.A., Washington, D.C.

Gail Pressburg—Philadelphia, PA.

Ro [Rosemary] Reilly—N.Y.C. (former staffer of NLG's Coalition to Stop Guard Jury Abuse).

Ron Ridenour—ACLU of Southern California, Los Angeles (and in 1969 a member of the CPUSA's Southern California Student Club).

Lilian Shirley—Cambridge, MA (formerly an organizer for the Harrisburg Defense Committee).

Fred Solowey—National Lawyers Guild, Washington, D.C. (formerly with the Harrisburg Defense Committee).

Vivian Stromberg—Teacher Action Caucus, N.Y.C.

Ray Sundance—Berkeley, CA.

Barbara Webster—N.Y.C. [Mrs. Arthur Kinoy]

Burton Wechsler—National Lawyers Guild, Washington, D.C.

John Welch—New American Movement, N.Y.C.

Howard Zinn—Newton, MA.

Rosyln Zinn—Newton, MA.

In January, 1975, the NIC Newsletter reported on the advances it had made in developing its "mass party." Replete with the usual New Left obsessions with "participatory democracy," women's liberation and "third world" participation. NIC reported:

> From the very beginning of our discussions almost two years ago we have constantly stressed the necessity for achieving a broad-based composition seriously representing Blacks, Women, Third World and working people, before the emergence of any crystalized national organizing form. We have also emphasized the necessity for any national form to reflect widespread geographic participation and to rest solidly upon local bases rather than developing as a heavily top-down structure.

NIC continued:

> The very openness of of our process and our caution is not prematurely freezing organizational forms has acted as a catalyst in opening significant discussions and begining relationships with important sections of Black and Third World leadership and organizations. Of particular importance in this respect have been the discussions with Walter Collins, the executive director of the Southern Conference Educational Fund, and his discussions with Black groups throughout the South.

NIC stressed its initial successes in forming alliances with radical and violence-prone minority groups:

> Other important relationships exist or are beginning to Fight Back, Black Economic Survival, Puerto Rican Socialist Party, American Indian Movement and the Congress of Afrikan People. In a number of cities women active in the organization of women's unions and other aspects of the women's movement have participated in the initial and ongoing discussions.

The National Interim Committee for a Mass Party of the People has begun serious steps to implement its proposed alliance with violence-prone racial and ethnic minority groups.

During April, the NIC's full-time "national traveler," Ted Glick, made a 3-week tour of Iowa, Colorado, Montana, Washington, and California to develop contacts with militant Mexican-American organizations including the Denver-based Crusade for Justice, La Raza Unida, and CASA—Center for Autonomous Social Action. And in the South, NIC has established contacts through the Southern Conference Educational Fund, SCEF, in the States of Florida, Alabama, Mississippi, and Louisiana.

In an even more dangerous development, the NIC and the Congress of Afrikan People, CAP, jointly hosted a meeting on March 14–15, 1975, in Newark, N.J., to develop "the basic strategy required to build a mass, united political movement in 1975 and 1976."

A report on the CAP/NIC conference written by NIC organizer Shepherd Bliss, copies of which were available at the recent "expanded NIC meeting" at Antioch Law School as were copies of the newsletters, pamphlets and other documents used in this report, quoted several group leaders on the need for armed struggle.

Keith Demarrias, American Indian Movement:

> We see the struggle as more armed than electoral. We are backed against the wall, but we will support you as much as we can.

Le Roi Jones, aka Amiri Baraka, the founder and leader of the Congress of Afrikan People, was reported as saying:

> Baraka—quotes Lenin that 'we must amass all forms of struggle and organization,' ruling out none. Mao speaks of three magic weapons: vanguard party, united front, armed struggle. In the U.S. today we have none of these. We must develop all three.

One of the principal climate-makers of the 1967 riots in Newark, N.J., LeRoi Jones formed the Congress of Afrikan People in September 1970. For its first 3 years, Jones used the CAP to promote racial tension and a form of primitive communism known as "communalism." Late in 1974, Jones announced his rejection of "black nationalism" as "incorrect" and publicly embraced Marvism-Leninism-Mao Tsetung Thought as the only "correct" theory of revolution.

Among the groups reported by the NIC as attending that March CAP/NIC meeting, and a follow-up meeting on April 6, 1975, were:

All African People's Revolutionary Party, Washington, D.C.

American Christians Toward Socialism, New York City

American Indian Movement, New York City

Asian Americans for Action, New York City

* Black Economic Survival, Brooklyn, N.Y.

Black Panther Party, Oakland, Ca.

Black Women's United Front [a CAP front], Newark, N.J.

Boston Area Socialist Feminist Organization, Cambridge, Ma.

* Boston Labor League, Boston, Ma.

Bronx Tenants Organization, Bronx, N.Y.

Coalition of Black Trade Unionists, New York City

* The Collective, East Orange, N.J.

* The Commentator, Jersey City, N.J.

Community Action Team, Newark, N.J.

* Congress of Afrikan People, Newark, N.J.

El Comité, New York City

The Feminist Party, New York City

* Fight Back, Brooklyn and Harlem

The Guardian, New York City

* Human Rights Party, Ann Arbor, Mi.

Madison Agenda for People, Madison, WI.

Mid-Atlantic Radical Historians Organization, N.Y.C.

* National Interim Committee for a Mass Party of the People, delegations from N.Y.C., Boston; Northhampton; Lancaster, Pa.; Passaic County and Somerville, N.J.; Washington, D.C.; and San Francisco.

National Lawyers Guild, Dorchester, MA

National Tenants Organization, New York City

*New American Movement—New York City, Boston, Pittsburgh and Durham, N.C.

October League, Brooklyn and Detroit

*People Against Racism in Education, New York City

People's Party, Summit, N.J.

Political Economy Program Center, Washington, D.C.

Prairie Fire Distributing Committee, New York City

Puerto Rican Socialist Party, New York City

Socialist Revolution.

National Conference of Black Lawyers, New Brunswick, N.J.

New York City Taxi Rank and File Coalition, New York City

United Black Workers, Newark, N.J.

War Resisters League, New York City

Wisconsin Alliance, Madison, Wis.

Women on the Move, New York City

Worcester Tenants Association, Worcester, Mass.

Workers Viewpoint, New York City.

Persons attending the March meeting included Sally Avery, NAM; Amiri Baraka, CAP; Joe Brennan, Wisconsin Alliance; Gil Banks, Joe Carnegei and Jim Haughton, Fight Back; Phil Carrol, Human Rights Party; Keith Demarrais, American Indian Movement; Claire Davis, the commentator; Moses Harris, Black Economic Survival; Jesse Gray, National Tenants Organization; David Harris, and Sherman Miller, October League; Ted Glick, NIC; Federico Lora, El Comité; Ngola, CAP; Arthur Kinoy, NIC; Russ Neufeld, Prairie Fire Distributing Committee—a nationally active Weather Underground Organization support group; Sandi Polaski, Boston Labor League; Cheryl Small, All African People's Revolutionary Party; and Nancy Wechsler, Boston Area Socialist Feminist Organization.

Mr. Speaker, LeRoi Jones is as great an influence among black revolutionaries today as was Eldridge Cleaver of the Black Panther Party in 1970 when he organized the terrorist gang of urban guerrillas known as the Black Liberation Army. His organization, headquartered in Newark, N.J., has branches in many other U.S. cities.

Arthur Kinoy, another intelligent and committed Marxist-Leninist revolutionary, has gathered into a loose coalition a broad range of U.S. radical leaders and revolutionary groups, including the above ground support group for the Weather Underground Organization.

These groups represent a clear threat to the internal security of the United States, and I am calling on the House Judiciary Committee, which has jurisdiction over internal security matters, to begin a full investigation of the activities of the National Interim Committee for a Mass Party of the People and of its alliance with the Congress of Afrikan Peoples.

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*Groups now committed to developing a 1976 electoral strategy.

TRIBUTE TO DR. ELCY McGOVERN

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. KETCHUM. Mr. Speaker, I am honored today to call to the attention of the Congress the accomplishments of one of Kern County, Calif.'s most active and dedicated residents, Dr. Elcy McGovern of Bakersfield. Dr. McGovern has served her community and Nation in countless ways with dedication and selflessness. On Saturday, May 24, 1975, she will be honored by Kern County Economic Opportunity Corporation. I am proud to be able to participate in this way.

Dr. McGovern has made a notable contribution to the educational program in the county of Kern, and has shown a great sensitivity to the needs of people. Her retirement from the education field did not curtail her interest. For the past 7 years, she has contributed her time, energy, and knowledge in her service to the Kern County Economic Opportunity Corporation.

Her complete dedication and support to the agency has been demonstrated in her active membership on the executive board, as an appointee of the superintendent of schools. She has served as a member of the by-laws and procedures committee, evaluation committee, personnel committee, delegate agency committee, executive committee, and as secretary of the board of directors.

Certainly, she is deserving of this recognition. Everyone who has been privileged to know and work with Dr. McGovern knows well the enormous dimension of her self-sacrificing compassion for others. It is a distinct pleasure to speak on Dr. McGovern's behalf today, and I am sure that my colleagues join with me in tribute to this fine person.

VERNON E. JORDAN, JR.: A TRIBUTE TO MORRIS ABRAM

HON. ANDREW YOUNG

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. YOUNG of Georgia. Mr. Speaker, on May 1, 1975, at the 69th annual dinner of the American Jewish Committee in New York, N.Y., a distinguished Atlantan, Morris Abram, was awarded the American Liberties Medallion.

Another distinguished Atlantan, Vernon E. Jordan, Jr., executive director of the National Urban League, spoke in tribute to Mr. Abram for his outstanding career in the law, higher education, and Government service.

Mr. Abram, in his speech accepting the award, gave a message of hope and confidence in the future of America.

I commend to the House the addresses by Mr. Jordan and Mr. Abram:

Remarks by Vernon E. Jordan, Jr.

In the letter inviting me to join in paying tribute to my dear, good friend, Morris Abram, it was suggested that I say whatever I pleased about him.

And so, in the spirit of that invitation, I would like to make a revelation about Morris tonight.

And that is, during the many times in which Morris and I have met in fierce combat on the tennis courts, I have never yet been able to beat him.

This lays to rest the myth of black superiority in athletics.

The courtroom, as opposed to the tennis court, is another matter. Morris is justly renowned as one of America's great lawyers. Speaking as a lawyer myself, sheer technical expertise in the law is, however admirable in itself, only part of the story. The real test of a lawyer lies in the use to which he puts his skills; the extent to which he champions unpopular causes.

And here, Morris' record speaks for itself. Morris put his skills and his talents into the fight for human rights. I well remember his long, uphill struggle to combat the vicious county-unit rule in Georgia that effectively disenfranchised urban communities and especially blacks. I well remember his participation in civil rights suits at a time when such action was not only unfashionable, but downright dangerous.

Today, Morris continues to use his legal skills and his compassion for the neglected of our society as chairman of the commission investigating the nursing home scandals.

Throughout a distinguished career in private practice, higher education, and government service, Morris has maintained an intimate involvement with two groups in our society—Jews and blacks. He is a former President of the AJC whose many activities on behalf of the Jewish community, including those living in liberty in Israel and in oppression in Russia, is well known to you.

He has also brought his deep commitment and concern for justice to the cause of civil rights and black progress. This is especially evident in his position as Chairman of the United Negro College Fund, where I was privileged to be his executive director some years ago, his service on the board of Morehouse College and his Chairmanship of the Field Foundation.

It seems to me that these two major personal commitments of Morris' should also be basic commitments of our entire nation.

At a time when the state of Israel finds itself the target of international recriminations, unfounded UNESCO actions and costs of terrorism, our nation should stand fast to its commitment to a country that symbolizes the idealism, the hope and the opportunity of democracy in an increasingly undemocratic world. It should be said loud and clear that Israel, unlike Vietnam and Cambodia, is a free, democratic nation whose survival is in our own national interest and whose populace is willing and able and eager to stand up for itself and preserve its freedoms.

This is also a time of national withdrawal from the struggle for freedom at home. Black people find themselves the target of manipulated so-called "social issues," economic Depression and a rollback of many of the gains of the 1960s. It should be said loud and clear, especially on this eve of America's Bi-Centennial, that the promises of the Second Reconstruction must be redeemed, and that equality must remain a prime national goal.

Blacks and Jews alike must recognize, in the words of Whitney Young, that while we may have come over in different ships, we're in the same boat now. And the re-emergence of a recycled, George Wallace, makes intergroup cooperation more urgent than ever. If the parameters of American politics are set by the likes of a Wallace, both blacks and Jews will feel the hot breath of repression and hardship.

That is why I believe Morris' prime concerns should be those of all of us. He has devoted his career to what's right; to what's good, to what's decent in America.

If I had to sum up Morris' career in a brief phrase, I would say: "He has made a difference in the lives of people." Throughout his life, he has done things that made a difference. His career as a lawyer made a difference to people whose votes were suddenly counted in the state of Georgia. His career as an educator made a difference to countless young men and women not just at Brandeis, but on the forty-one campuses of the member colleges in the United Negro College Fund.

When you think about it, that's quite a tribute—to have made a difference in people's lives. So many people go through distinguished, even brilliant, careers without ever really touching their fellow men. They accumulate wealth, honors, prestige, even power, but when they depart, it is as if they had never existed. Others touch their fellows in a purely negative way, inflicting pain and punishment upon those affected by their decisions or their deeds.

But Morris has had a positive effect upon countless persons, some of them here tonight to join in honoring him; others spread throughout our land, some in high places some in humble ones, some who may not even know his name. But all can trace some betterment of their lives to Morris' actions and to his dedication to the cause of human rights.

Morris—we're just a couple of little Southern boys up here in the North, but this evening wouldn't be complete without a fellow-Atlantan to say a short piece about you. Down home, we talk on a lot longer, but tonight I'll observe the Northern style of brevity.

I just want to add two points of importance. One, I think of no one more deserving of this treasured American Liberties Medallion than Morris Abram, whose life and work perfectly exemplifies American liberty in action.

And, two, I intend to beat Morris Abram

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on the tennis court, as the song says, I shall Overcome!

Ten years ago tonight I spoke in this room. My theme was Hope. Two old friends were on the dais: one the grandson of slaves, the other of Confederate veterans. Each had fought publicly for the Civil Rights Act of 1964. The friends were Rev. Martin Luther King, Jr., and Mayor Ivan Alan, Jr., both of Atlanta.

Now, Martin King Jr. has been dead for almost a decade though his spirit and redemptive message are imperishable. His personal qualities and examples abide with us in the continuing life of his father who does us the honor of coming here tonight from Atlanta.

The ten years which have passed ravaged many hopes but they have also brought forth a new group of leaders in the forefront, one of whom is my friend and my brother in every confidence and dream—Vernon Jordan, Jr.

In such a setting I thought I could discuss a thorny but important question: Black-Jewish relations. I do so in full awareness that there are many views to this question and that my own, as so many of mine on other issues change with times and circumstances.

First, I would note that the subject preoccupies what would seem to be an inordinate amount of thought, time and discussion in a nation in which both Blacks and Jews are distinct minorities. In a nation of ethnic groups we seldom think of English-Italian, Iirsh-German, Chicano-Puerto Rican relations. Nor do we with much frequency or intensity analyze Jewish-Italian, or Jewish-Puerto Rican or Jewish relations with any other ethnic group.

The subject is apparently one of significance to Jews, to Blacks and to the thinking public.

Recently, the New York Times, in a much heralded article, announced that "Blacks and Jews Were Drawing Closer Again," citing supporting comment from Jews and Blacks, including an editorial from the Amsterdam News which was hailed as a harbinger of a spring of understanding and cooperation following a winter of vague discontent.

Black-Jewish relations preoccupy many leaders and thinkers simply because they are important to the social and political health of this country and to its progress towards justice.

Jews and Blacks historically have been vulnerable people. The state of their security can almost be said to serve as barometric measures of the social climate. When the state trespasses on the liberty of the Jew, the freedom of all is soon in peril; when joblessness of the Black (always higher than that of the general public) begins to escalate, you can be sure that the economy is on the slide and even Chrysler will be in trouble.

One reason Jewish-Black relations are important is that both are an urban people. Blacks are only recently so. In 1910, 27.4% of the Black population was urban compared with a corresponding white figure of 48.7%. By 1960, fully 73.2% of the Black population was urban, well ahead of the white percentage which stood at 65.5%. By the 1980s, the Black population will be almost entirely urban, which is substantially true of the Jewish population. The points of interaction and contact between Jew and Black are therefore maximal.

Jews and Blacks have had a conspicuous relationship during a period still fresh in memories of both people when their leaders fought side by side in the civil rights struggle of the 1960s and in some cases even long before. For all these reasons and more, the subject is relevant to all. It certainly is to me.

From the very beginning of my consciousness the subject of Blackness in America and Jewishness in me have been determinative facts of my life. I have had to struggle long and hard and confessedly with only partial success first to understand the paradox of discrimination in what was said to be freedom's home and to overcome racial prejudice in myself while demanding that everyone treat me, a Jew, equally.

Though I make no claim to have been either miraculously exempt from, or immunized against, endemic racism in America, I can assert that my pure self-interest and that of every American, demands that the Black, Chicano, Puerto Rican and the impoverished of all groups be brought into the main stream of American opportunity.

This has not proved to be easy, even when the historic sufferers have stood shoulder to shoulder. It will be impossible, if instead of making common cause against the enemies of justice, we engage in common squabbles amongst ourselves.

But as one swallow does not make a spring, one feature story in the New York Times does not paper over differences of views. Where these exist between Jew and Black they should be frankly addressed, the common ground found, occupied and seeded and the divergent views not ploughed under, but respectfully exposed and explored.

I should like to explore briefly as examples three important current issues:

BLACKS AND ISRAEL

Many Jews have been misled into a belief that Black support for Israel is almost nonexistent. First, there is very little evidence that support for the security and independence of Israel as a Jewish state has appreciably diminished overall in the United States in the white or Black communities. Second, there is no question where the Vernon Jordans, Roy Wilkins, A. Philip Randolphs, Bayard Rustins and the King family stand on this question. Third, there is a circle of Black young and Black intellectuals who apout nonsense about a victimed Third World and would have us believe that these 40 or so nations are being threatened and oppressed by the beleaguered little State of Israel. As a personal note, I heard these absurdities in the late 1960s from the children of middle class whites—some of whom were Jewish. It made no sense when the oil gorged states of the Middle East could be classified amongst the oppressed of the earth and today, when oil is more precious than gold, it is an exercise in Orwellian doublethink. But Black or white young or old, uneducated or intellectual, anyone who is willing to sacrifice democratic Israel to Arab tyrants and oligarchs is not a fighter for freedom or a friend of Jews or Blacks who overwhelmingly desire and treasure freedom.

EQUAL OPPORTUNITY, QUOTAS, AFFIRMATIVE ACTION, LAISSEZ-FAIRE

I have tried by the use of the above catch words to indicate that one of the most controversial and divisive subjects in the Black-Jewish dialogue has come about because the issues have been generally poorly defined, and catch words have been used in place of logic. No one opposes equal opportunity: How can she?

No one really believes that under so-called laissez-faire—a regulation free society—merit always triumphed either at the Harvard Admissions Committee or at the Chase Manhattan Bank. But quota is a chilling word to a Jew and the prospect of hire by quota for all types of jobs at all levels should be frightening to anyone who rides over a bridge built by engineers, up an elevator checked by technicians, submits to anaesthesia or pays money to go to a university.

Nature has not been overly generous—not, at least, since before Adam and Eve were driven from the Garden and ordered to work and sweat. If mankind is to be fed, sheltered, clothed and its dependents cared for the world needs increasingly all the fully developed skills of all of its people. Let there be no impediment to development or placement on the grounds of race; let there be careful reexamination of all traditions in respect of entrance and qualification to opportunity; let there be affirmative efforts to move the disadvantaged forward, with "disadvantaged" defined without regard to race, color, creed or national origin. For 89 years, from 1865 to 1954, people such as those on this Dais fought to make this nation's economic, social and political eyesight color and religious blind and urged the Fourteenth Amendment to the Constitution as support for this equalitarian principle. I think that anyone who, on the grounds of expediency, opportunism or frustration, seeks today to justify the classification of Americans on the grounds of race is making a serious strategic mistake which, if successful, may some day haunt us all.

Finally, on this point, I believe that the degree and intensity of affirmative action should depend on the history and pattern of discrimination in the particular profession, industry or institution involved. The remedy should be of a dosage applicable to the *malaise*. On such grounds perhaps the plumbers may be properly the subject of more vigorous efforts than the United automobile workers.

Ultimately, an overpopulated hungry and depleted world is going to require the full efforts of all of its people at their highest performance levels—a necessity which meets also the demands of justice.

CRIME IN THE STREETS

No issue provokes more emotions, creates more fears, and evokes more racist feelings than urban violence. This is surely not an issue in which there is any special Black-Jewish relationship except that of proximity in certain communities. The victims of urban crimes of violence tend disproportionately to be Black and the incidence of violent crime is growing faster (but from a lower base line) in the suburbs than in the central city. If violent crime in which the Black man is involved has any confrontational implications, it must, at least on statistics, be perceived primarily as a Black attack on Black. The 1973 FBI Uniform Crime Reports lists Blacks as victims of 52% of the murders in the U.S. and as perpetrators of approximately the same percentage of homicides.

I am not attempting to analyze the root causes of rising crime except to assert that it is not manifest of racial feeling and certainly not of anti-semitism. But I am surely not attempting to minimize the dreadful effects that urban violence has had on race relations in general. Violence, as much as any other factor, has throttled down the engines of racial and economic progress and in some instances thrown them violently into reverse.

The violence of which I speak may well have social and economic roots. But in the words of the Black intellectual, Orlando Patterson: "Gone now are the epic riots which at least had some meaning and reflected a certain hope, even in their flames, since they were at least spontaneous group expression of outrage and clearly recognizable deprivations. The mood of violence has shifted from the collective to the individual level, from the socially understandable to the level of private criminality."

And here I might add that individual criminals who find it convenient or stimulating to band together under an imposing shibboleth or banner do not reverse that process . . . crime is always a non-negotiable demand for society's capitulation.

Now private criminality no doubt has its own causes and explanations, but no society that wishes to remain such can let the search for a long range cure interfere with the ability of the state to protect the victims from the victimizers. The America we have cherished will not be the same if we have to wait until its social inequities are straightened out before criminal violence is brought within tolerable limits.

In the fight to drive the rate down to these limits, police, courts, jails all have their place, but tonight I would like to suggest another weapon—perhaps as powerful as any and the least used of all—peer and community resistance, and condemnation.

Whatever else private criminality is—and that is what Patterson called it—it is often associated with the private acquisitive instinct whether the person is robbed on a street or in a nursing home. Nursing home operators who steal and are exposed, as they should be, lose caste and status in their communities. Community pressure against them may ultimately be one of the strongest weapons in the arsenal for the reform of the nursing home industry.

I know firsthand that violence on the campus stopped when some faculty and student leaders decided that enough was enough. Though the worst and most disgraceful phase of the United States involvement in the Southeast Asian war occurred during the Christmas bombing of 1972, scarcely a bottle was thrown into a single window in an American university.

University presidents in 1969 could stand up to the student arsonists and murderers, but this did no good as long as some faculties and student leaders could only bring themselves to deplore violence in the context of an expression of a profound and sympathetic understanding of the causes that supposedly provoked it. Violence-prone students got the message loud and clear. The signal was implicit—condonation accompanied by a mild tap on the wrist with a wink of tacit camaraderie. So the violence festered and grew and did not abate until peer moral and common sense pressure changed the mood of the community and then it stopped. And there may be some parallels in this experience with the current wave of urban violence: When a community has had enough; when it wishes to fully cooperate with the police and the courts; when it truly wishes to become its neighbor's keeper; when it speaks through its natural leaders—and this must include its elected officials—and says it has had enough, the rate may well taper off.

I am not asking—no fair man could—that community leaders relent one whit in their attacks on poverty, ignorance, disease and racism, but let none ever couple these in discussing private criminality so that the signal of indignation is confused by overtones of condonation. . . . Let us never again offer a sociological flag as refuge for the scoundrel.

The problems of the mid-1970s are not those of the mid-1960s. I am not optimistic about the same things in the 1970s as I was a decade ago. The problems are different, the mood is changed, the evils to be overcome are even more complex and intractable. Yet I still am optimistic and hopeful. If one values a society, as I do ours, despair is a closed option no matter how difficult our problems may be or how seductive are the Siren songs of cynicism. Rather, one must work to improve and change. An America which faced the cataclysmic fall from opulence, optimism and innocence in the '30, then experienced a dreadful generation of war, and then overcame the legalized racism of 300 years and has just accepted defeat in an unjust war with a sigh of national relief, surely has the energy and maturity to solve its present quotient of problems.

BASIC QUESTIONS IN OIL PRICING LEGISLATION

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. WIRTH. Mr. Speaker, members of the Energy and Power Subcommittee under the able direction of Chairman JOHN DINGELL have been studying the issue of oil pricing in great detail for several months. I would like to share with other Members of the House what I feel are the eight critical questions which surround the issue of oil prices. These eight questions formed the basis of my inquiry into the subject; determining the best response in each area will, I believe, make clear to Members the course we should follow with respect to the price of oil. I should like now to pose these questions and discuss each briefly:

BASIC QUESTIONS IN OIL PRICING LEGISLATION

1. *Maximum Production:* What price and tax incentives are required to maximize domestic petroleum production?

2. *World Price and Foreign Supply:* What pricing and tax policy is most likely to achieve the greatest overall success in lowering world petroleum prices?

3. *Conservation:* What pricing and tax policy is likely to produce needed conservation with minimum amounts of economic disruption?

4. *Consumer Protection:* What pricing and tax strategy can achieve 1, 2, and 3 above, without imposing intolerable burdens on consumers?

5. *Employment:* What pricing and tax strategy can achieve its goals while maximizing opportunities for domestic employment and stable economic growth?

6. *Administrative Efficiency and Simplicity:* What pricing and tax policy offers the prospect of maximum production, conservation, consumer protection and economic stability with the least amount of administrative cost of complexity and economic dislocation?

7. *Political Viability:* Given the urgency of putting into effect a national energy policy, what pricing and tax strategy holds the greatest promise of winning the early approval of the Congress and the Executive, and the support of the consuming and producing public?

8. *Oil Company Profits and Industry Structure:* What regulatory and tax strategy will serve to maximize industry competition and minimize opportunities for market manipulation by the industry?

MAXIMUM PRODUCTION

U.S. production of petroleum has been declining rapidly in recent years. There is general agreement that virtually all of the cheap and readily accessible oil and gas has already been found. While the exact extent of price elasticity with respect to energy supply remains a subject of debate, there is nearly universal agreement on three points:

First. Currently, domestic production is declining and will continue to do so in the immediate future. However, substantial increases in supplies from new exploration and from enhanced recovery might well be brought on by higher prices. For example, both private and public estimates suggest some 50 to 60 billion barrels of additional oil may be derived from more expensive tertiary recovery techniques alone. Exactly what price levels will bring on each of these sources remains in doubt. However, experts at both the Brookings Institution and FEA, for example, suggest that by 1985 a $12.50 as opposed to a $8 domestic price would result in some 4 million additional barrels of domestic production daily.

Second. If choices are to be made between expensive foreign oil and equally expensive domestic oil, then there is greater economic benefit to be derived from the employment and investment associated with the domestic oil production. This is especially true if one's goal is to avoid dependence on foreign oil beyond certain levels.

Third. Even in the face of artificial prices generated by the OPEC cartel, the price mechanism and market forces will produce a more efficient allocation of resources than will a regulatory mechanism; governmental policy goals in this area are best administered through the tax system. It should be understood that, on this question, price controls are a second-best alternative.

WORLD PRICE AND FOREIGN SUPPLY

Two basic schools of thought exist regarding how to influence the world oil price. One school contends that the current world price is essentially a "political" price administered by the OPEC cartel and relatively immune to economic forces. The other contends that the world price for oil is a product of both economic and political forces. For those holding the latter view, a further disagreement exists with respect to whether greater influence can be achieved through a determination to hold domestic prices down or through a policy of allowing them to rise.

If the world price is subject to economic influences, and if higher domestic prices can cause greater production and conservation in the United States, the combined effect should be a downward pressure on world oil prices due to reduced demand for foreign oil.

If, on the other hand, the world price is now more subject to "political" than economic influences, the case can be made that adoption of a strategy of higher domestic prices linked with the mandatory conservation measures now likely to be enacted would constitute a strong signal to other oil-producing nations that we have the political will and strength to impose sacrifices on ourselves and resist the pressure to pay higher prices on larger and larger amounts of foreign oil. Moving to a strategy of higher domestic oil prices will make clear that unless world prices drop, the global surplus will grow and revenues of OPEC and other producers will decline.

CONSERVATION

Whether or not the price mechanism can or should be used as a conservation device is a matter of considerable debate. Yet most economists are in agreement that permitting the price of domestic petroleum products to reach the world price level would produce some domestic

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energy saving, especially within the industrial sector where a number of industries have already shown a marked capacity to respond to higher prices by increasing efficiency. For 1985, for example, FEA analysis projects a difference in consumption level on the order of millions of barrels per day, depending on whether prices are at $7 or $11 per barrel.

The principle that price can and should be used as a conservation device has already received endorsement by the Ways and Means Committee with its gasoline tax. The potential for conservation achieved through price strategies is demonstrated not only by the experience of other countries—especially in Europe—but also by the dramatic response of American consumers to the lower operating costs of foreign automobiles.

CONSUMER PROTECTION

One of the most difficult aspects of the debate over price policy for oil is the seeming dilemma that the cost of more expensive energy typically is most heavily borne by the lower-income individuals and the marginal institutions least able to pay. Conservation brought on by higher prices will, in the absence of offsetting measures, impact disproportionately on low-income consumers. Their discretionary spending on energy is relatively small; but energy as a necessity takes a far greater part of their disposable income.

Since most measures now under consideration contemplate some increase in energy costs, the issue seems to be how best to offset these costs for unprotected and highly vulnerable consumers. Proposals calling for controlled prices at higher levels fail to make any provision for the consumer; this is especially true where such higher prices are permitted for larger and larger amounts of previously controlled oil. While it is nearly impossible—and perhaps undesirable—to completely offset higher prices for low-income consumers, a well-designed tax and rebate system could serve as a major balancing factor.

EMPLOYMENT AND ECONOMIC IMPACT

A price strategy should include among its goals the avoidance of unemployment and economic dislocation, reduced migration of investment capital, and the elimination of excessive payments for imports. Alternatives now under consideration differ significantly in their potential impact in each of these areas. Phased decontrol and/or higher taxes promise not only to stimulate new jobs in exploration and production, but also would reduce import-related losses of capital and redirect consumer spending into less import-dominated sectors of the economy. Estimates are that as many as 250,000 additional domestic jobs which would result from higher domestic energy production and redirected consumption.

To a limited degree these goals might also be realized under a system of regulated prices. Yet in each case there would be a requirement for additional regulation and administrative mechanisms to control the movement of capital. The differences in the effect of price strategies on employment and economic dislocation relate directly to the issue of administrative efficiency discussed below.

ADMINISTRATIVE EFFICIENCY

Marked differences in administrative efficiency and complexity exist between a system of price controls and a system of taxes administered on market sales. The current two-tiered system for oil prices and the attendant system of refining entitlements would become more complex and less efficient under the more elaborate system of controlled prices now proposed by some. While these proposals represent an improvement over the status quo because of their stimulus to new production and conservation, these gains are significantly undermined by a yet more dense set of price tiers and attendant requirements for offset agreements. The Wall Street Journal recently set these costs at a level near $10 billion for the current, more simple system. While no one should believe that a windfall profits tax on oil revenues would itself be a simple thing, such a tax would permit the elimination of a substantial set of administrative procedures now required by the FEA. Under price controls the cost of these administrative procedures and inefficiencies must be added to the costs which consumers ultimately pay. Under a system of market prices, taxes, and rebates, the existing IRS bureaucracy assumes the responsibility.

POLITICAL VIABILITY

Widespread agreement exists on the need for a rapid establishment of a comprehensive energy policy. Guidelines with respect to oil and gas prices lie at the core of such a comprehensive policy. Delay in resolving the pricing issue occasions delay in every other facet of energy planning.

In choosing between pricing strategies, therefore, every consideration should be given to selection of a price strategy which can win support in both Houses of Congress and within the executive branch. It is abundantly clear that any policy calling for an open-ended continuation of oil price controls and allocation will encounter stiff resistance from many quarters of Capitol Hill, and in all likelihood will encounter at least an initial veto at the White House. Such a delay would be justified to avoid the flat-out deregulation advocated by the President, but phased deregulation linked to a strong windfall profits tax represents an alternative pricing strategy which omits the drawbacks of the President's plan and which could command the early support of both the Congress and the Executive.

OIL COMPANY PROFITS AND INDUSTRY STRUCTURE

Closely related to the questions of administrative efficiency and consumer protection is the question of what levels of profit are appropriate for the domestic petroleum industry and the question of what relationship exists between industry structure and energy prices. Monopoly pricing by vertically and horizontally integrating companies constitutes a potential for inefficiency, market interference, and withheld supply which is at least as serious as the inefficiencies and market interference brought on by Government regulation or cartel pricing by the OPEC nations.

How best to respond to these threats through either antitrust action, altered tax policies, or Government oversight actions constitutes a central part of an overall national energy policy. What remains is that the industry cannot be depended upon to police itself with regard to either monopoly pricing or hoarding of supplies.

COMMUNIST TACTICS AND THE DOMINO THEORY IN LAOS

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. MICHEL. Mr. Speaker, recent events in Southeast Asia, if they have done nothing else, should have put to rest two very popular but totally specious myths of recent years.

The first is that coalition governments in which Communists take part can endure. The sad reports from Laos give the lie to that argument anew, although it must be said that almost 60 years of empirical evidence should have disposed of it long ago. Ever since the ill-fated Mr. Kerensky attempted to form a coalition government in St. Petersburg, Russia, in 1917, the record clearly shows that not one such coalition has survived for very long.

This historical record has grave implications for us today, not only in Asia, but in such places as Portugal as well, and those who concern themselves with American foreign policy would do well to bear it in mind.

The second myth is that the domino theory was foolish and invalid. Indeed, we now see that it was both wise and operative. The domino theory said that if one of the nations of Indochina fell, the others would not be far behind.

Indeed, they were not; only days separated the tragedies of Phnom Penh, Saigon, and Vientiane. Are there more dominoes in the line? There is no reason to think not, and indeed, the Thais, a sagacious people who have preserved their independence when their neighbors have not, are girding and posturing for just such an eventuality.

In an editorial yesterday, the Chicago Tribune recounted the recent history of Laos, and its implications for us today. For the edification of my colleagues, I ask that that editorial be printed here in the RECORD:

FOURTEEN YEARS IN LAOS

The 14-year-old coalition government of Laos has gone the way of every coalition government in which the Communists have taken part: It has become a Communist government.

The chief remaining anti-Communist cabinet members have resigned and fled to Thailand; the capital city of Vientiane is occupied by the Communist Pathet Lao troops; and the neutralist premier, Prince Souvanna Phouma, has warned his people that it is necessary to look at the facts and "reach an accord with history."

It was on March 23, 1961, that the late President Kennedy announced his determination to "support the goal of a neutralist and independent Laos" and warned that "if the Communists were able to move in and dominate this country, it would endanger the security and the peace of all of Southeast Asia."

Later that year the three rival princes—right-wing, Communist, and neutralist—agreed on a neutralist government and on Souvanna Phouma as premier. Averell Harriman, American delegate to the Geneva convention at which the agreement was reached, insisted that this would not mean the loss of Laos to Communism.

Despite another coalition agreement in 1973, the inevitable has happened—tho the sequence mentioned by Mr. Kennedy has been reversed. Instead of precipitating the fall of Viet Nam and Cambodia, the peaceful fall of Laos was precipitated by the military collapse of the other two.

But in fact the formalities in Laos merely recognize the fact that the Communists have controlled the countryside for years. One of Souvanna Phouma's former aides is head of the Pathet Lao army, and his half-brother is political leader of the Communists. The coalition government in Laos survived for 14 years only because, for nearly half of that time, it has been little more than a paper government.

So now we go back to President Kennedy's script, and the next domino in line is Thailand. The Thais have seen what happened in South Viet Nam and in Cambodia, and are hastening to deal with the Reds thru negotiation rather than thru the threat of force.

It's true that the collapse of Cambodia and South Viet Nam was dramatic and costly in every way; but the collapse of Laos is likely to prove just as final. And the Thais will find little comfort in noting that in the same 14 years it took for the Communists to win control of Laos, they have virtually won American acceptance of their conquest of another country half way around the world. . . .

WE CANNOT TOLERATE THE SEIZURE OF OUR SHIPS

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. MARTIN. Mr. Speaker, the United States must not tolerate the seizure of our ships on the high seas. If we dawdle, we will signal our adversaries that we are indeed helpless. While efforts to recover the *Mayaquez* by diplomacy are an appropriate first level of response, if this fails in short order we must move directly to its aid.

I would propose that due notice be given the Cambodian pirates as follows. Tell them that within 72 hours we will expect the *Mayaquez* to be returned with the crew unharmed and cargo intact. Thereafter, our forces will proceed to secure control of the vessel and tow it away.

We shall clearly inform them so that there be no misunderstanding: If they scuttle our freighter, we will be compelled to retaliate by sealing off all their harbors; if they kill or injure any of the crew of the *Mayaquez*, we will be compelled to retaliate in kind by bombing their military bases. They must understand that further rash actions will have severe consequences.

If we fail to deal firmly, we will have to expect repetitions of such foolishness in the future. It is the spineless foreign policy stance of the liberal majority in Congress that has tempted this outrage in the first place.

HEAD START MARKS 10TH ANNIVERSARY

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. PICKLE. Mr. Speaker, today we celebrate National Head Start Day, commemorating the 10th anniversary of this very successful program to aid young children from poor families.

This effort to give the underprivileged special health care and educational opportunities prior to their formal entrance in the first grade has served more than 5 million children during the last decade. It was an integral part of President Johnson's war on poverty, and this is one "war" which I believe that the great majority of Americans feel we must pursue to a successful conclusion.

We owe a great debt of gratitude to those who have worked long and hard to make this venture a success, especially those more than 100,000 volunteers—many of them parents—who are now active.

The Hays County Citizen has done a retrospective article on the Head Start program in the county. I would like to insert this for the benefit of my colleagues:

THE 10TH ANNIVERSARY—LOCAL CENTERS WILL OBSERVE NATIONAL HEAD START DAY

(By Melissa Millecam)

Two Hays County Head Start Centers will celebrate the 10th anniversary of the establishment of the program as National Head Start Day is observed May 14 accross the country.

One of president Lyndon Johnson's "War on Poverty" programs, the Kyle Day Care Center and the Henry Bush Child Development Center in San Marcos have given hundreds of local children a better chance to make it in school. Their first "graduates" are now teenagers in junior high school.

Much has changed over the years as the program became more refined, but not the dedication and hard work of staff and the community in making both programs successful.

The Head Start programs are now funded by the Office of Child Development, Department of Health, Education, and Welfare, and administered by the Community Action. Head Start Director John Roberts also guides similar centers in Lockhart and Blanco.

SHRIVER VISITS KYLE PROGRAM

One of the first centers to open was the Kyle Day Care Center in June, 1965, the year that Head Start was established under the Office of Economic Opportunity.

The public schools operated the eight-week summer program in which 51 youngsters participated, under the direction of Ernest Kimbro. The short summer session was aimed at giving children from low income families a start before they entered public school and in the first few years had general goals of developing children's curiosity, self-image, self-discipline and helping Spanish-speaking youngsters grasp the English language.

Other early directors were Jim Matlock and Mrs. Riso Milhollon.

In 1966 the program was spotlighted with a visit from Sargent Shriver, then national OEO director, and a delegation of OEO officials, including San Marcan Bill Crook, then the regional OEO director.

During the fact-finding visit, Shriver interviewed teachers, parents and children alike to learn how the program was progressing.

The Head Start program operated at the Kyle Elementary School at first and later was moved to a building at St. Anthony's Catholic Church.

In 1969 Dora Rodriguez, the present director, joined the program as a teacher aide, after her son enrolled in Head Start. She later became a teacher and finally director of the center.

Also that year the program was expanded from a summer program taking in a large number of children to a year-around full-day center working with a smaller number but on a more intensive basis. The director that year was Mary Cariker, followed in 1970 by Betty Sue Crain, and finally in 1973 by Ms. Rodriguez.

"The goals now are aimed at developing the whole child-physically, emotionally, socially and intellectually." Ms. Rodriquez noted. Entering at age 3, a child may spend two years in the program before going on to kindergarten.

Both centers use "behavior modification"—emphasizing the positive instead of the negative—in highly individualized teaching of prereading, math and handwriting, as well as in organized play, developing individuality and social activities.

Since 1969 the Kyle Day Care Center has served 105 children and 65 low income families with 20 children enrolled this year.

The program is a community-based project with help coming from many quarters. Among those are the Catholic church, providing the building without charge; volunteers from the Baptist Church, who work with parents and help with eye glasses and examinations; special services provided by the schools for handicapped children; the county commissioners for giving sand and gravel; the Kyle City Council, which helped dig a new gas line; Tenorios Grocery, for providing supplies; the school pre-employment program which provides high school students as aides; the San Marcos health clinic; CETA, which provides three workers; Southwest Texas State University, for help in speech therapy; and parents, who add many volunteer hours to the program.

Other workers at the center are Oralia Sandoval, teacher, Ida Lois Dressen, cook, Antonio Aguirre, janitor and Glora Mosqueda, driver.

SM CENTER SERVES OVER 400 CHILDREN

The Henry Bush Child Development Center opened in 1966 as a full-day program, initially called the Mary Street Day Care Center. The program got off the ground as the result of a survey conducted by the Community Action Agency, then directed by Margaret Herrera.

When the survey showed a need for a place to care for young children while their mothers worked, a committee of interested citizens was formed. Included in that first committee were Mrs. Bob Cooper, Mrs. Joe Rodriguez, Mrs. Frank Villanueva, Minnie Flores, Catherine Hardeman, Elida Mendez, Mrs. James Smith and Henry Bush as chairman.

As the program was organized the Presbyterian church board made available the parsonage rent free where the center has grown ever since.

The Mary Street Day Care Center opened its doors Oct. 3, 1966 with 10 children and four staff members, including Belle Townsend, who has been director since it opened.

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Esperanza Hernandez and Olivia Ybarra, both teacher aides, were also on the original staff and have continued there for the nine years it has been open.

Henry Bush was one of the most active supporters of Mary Street Day Care Center, from playing Santa Claus for the children to guilding the center's board. When he died in November, 1969, the center was renamed the Henry Bush Child Development Center in his memory.

Since 1966 close to 400 three and four year olds have been served by the program, which has the same kind of goals as the Kyle Center. Nutritional needs are also met as the children are provided with breakfast, lunch, and an afternoon snack.

Parents are also very active in the program, electing representatives to a policy council which reviews the budget and checks the center's policies.

The program has outgrown its facilities at the parsonage on Mary Street, and the Presbyterian Church has continued its assistance by providing extra room in the church itself. This year 39 children are enrolled in the program. "If it weren't for the church letting us use the building, we would have to cut back to 20 children," Ms. Townsend noted.

Other workers at Henry Bush are Eufrasia Espinoza, teacher aid, and Jane Hernandez, cook.

The Henry Bush parents may plan a "homecoming" of sort for its graduates in observance of National Head Start Day next Wednesday. Otherwise, it will be learning and playing as usual in both programs. Both centers, however, always welcome visitors.

HEW SACRED COW

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. ASHBROOK. Mr. Speaker, in the past some people have characterized the defense budget as being a sacred cow in our society. The defense budget was supposedly immune to legitimate criticism and to needed spending cuts.

If that ever was the case, it is clear that America has a new sacred cow—the Department of Health, Education, and Welfare. Not only is its budget shrinkproof, HEW is devouring an ever larger proportion of our national budget with every passing year.

In the fiscal year ending June 30, HEW will have spent $109.9 billion. This is $301 million a day, 365 days a year. More than a third of our entire national budget will have been consumed by HEW.

And HEW expenditures are growing at a truly alarming rate. If its expenditures grow at the same rate as they did in the past decade, HEW spending will go over the $500 billion mark by 1985. This would be far in excess of our present total national budget.

The Congress, moreover, seems unwilling to take the actions necessary to bring HEW spending under control. H.R. 6573, the fourth budget rescission bill, is a prime example of what I am talking about.

The administration has proposed rescissions involving four HEW appropriation accounts. These rescissions total $238,323,000. The Committee on Appropriations approved $17,873,000 of this total. That is only 7 percent of the amount requested.

It is time that the Congress made the budget-cutting decisions that our current economic situation demands. HEW spending must be reduced. If we fail to act this sacred cow will devour our Nation.

EDWARD F. (PETE) KENNELL, CHAIRMAN OF THE ALBANY HOUSING AUTHORITY AND DEPUTY DIRECTOR OF THE ALBANY URBAN RENEWAL AGENCY

HON. SAMUEL S. STRATTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. STRATTON. Mr. Speaker, the other day in Albany, N.Y., there departed suddenly and prematurely from our midst one of the city's outstanding public servants, and one of our great leaders in the fight for improved racial understanding and equality. I refer to Edward F. Kennell, known to his friends as "Pete."

Pete Kennell has been the chairman of Albany's Housing Authority and at the same time deputy director of the Albany Urban Renewal Agency. In this dual capacity Mr. Kennell largely has presided over the remarkable transformation that has taken place in Albany in recent years, tearing down dilapidated slums and building in their place hundreds of new, modern housing units for our low-income and disadvantaged families.

Pete Kennell, a graduate of Harvard College, was active in many other civic enterprises in the Albany area. His departure leaves a very large, gaping hole in our community fabric; his unusual energy, his balance, his dedication, and his keen mind have all been assets that we can ill afford to do without today in any city in the fight for better racial understanding, harmony, and progress.

Under leave to extend my remarks I include a news article from the Albany Knickerbocker News of April 21, 1975, an editorial from the Albany Times-Union of April 23, 1975, a letter-to-the-editor of the Knickerbocker News of May 2, 1975, and a copy of the program of the community memorial services for Pete Kennell, including a listing of his personal background and accomplishments:

[From the Albany Knickerbocker News, Apr. 21, 1975]

"MAN OF BALANCE" MOURNED: EDWARD KENNELL "MAN WHO KNEW HOW TO DEAL WITH POLITICIANS, PEOPLE AND GET THINGS DONE"

(By Joann Crupi)

"You can hear him all day long talking in that loud voice of his to people on the phone or people who came into his office," one Albany City Hall aide said. "He was busy all day long with people who wanted housing or a job or help getting into school."

He was Edward F. Kennell, chairman of the Albany Housing Authority's (AHA) board of directors and deputy director of the Albany Urban Renewal Agency.

Mr. Kennell, 59, died Friday. Funeral services were to be conducted today at the Wilborn Temple in Albany.

His wake Monday at the Morning Star Missionary Baptist Church in Albany was crowded with friends and local officials.

Outside the church, an Albany policeman directed vehicles and pedestrians along congested Quail and Spring streets. Inside, women with white uniforms and tags marked "usher," led visitors to seats or standing room in the tiny church. At the front of the church lay Mr. Kennell's casket, with an arch of funeral wreaths overhead.

Mourners heard a series of eulogies on Mr. Kennell's generosity, spirit and work in Albany's black community.

Among the speakers were David Riker, director of the Albany Urban Renewal Agency; Joseph Laden, AHA executive director; Joseph Leone, former chief of the Albany Urban Renewal Agency and current director of the New York State Association of Renewal and Housing Officials; Sam Johnson of the Albany Inter-Racial Center; Leonard Weiss of the Albany Interfraternal Council; Lawrence Burwell of the Albany Urban League and the Rev. William Roland of the Albany Interdenominational Ministers Conference.

Burwell spoke earlier Thursday about the impact Mr. Kennell, a native of Boston and graduate of Harvard and Fisk universities, had on Albany.

"Ed Kennell had the greatest impact of any black person in this community I've known since being here for 10 years," Burwell said. "His impact was in housing, health, education, welfare and employment. And that doesn't count the one-to-one relationships he had with people."

Mr. Kennell was "still a social worker at heart," even after he left the job he held for 16 years as director of the Albany Inter-Racial Center to become deputy director of the city urban renewal agency in 1961," Burwell said.

"He had the balance to deal with politicians and people," Burwel added. "He knew how to get things done, how to get through the maze."

Mr. Kennell once said his role within the administration of Mayor Erastus Corning was "race relations." In that role, he had his share of critics.

But that was all muted as Mr. Kennell was mourned.

Survivors include his widow, the former Phyllis Grady; a daughter, Jacqueline; a son, James, all of Altamont; his mother, Mrs. Janice Kennell, and his sister, Donalda Kennell, both of Nashville, Tenn.

[From the Albany Times-Union, Apr. 23, 1975]

MR. KENNELL, PUBLIC SERVANT

The untimely death of Edward F. Kennell last Friday ends the career of one of the most tireless workers for the improvement of Albany.

Mr. Kennell was the first black to be named commissioner of any upstate housing authority. He was appointed in 1947 by Mayor Erastus Corning. He became chairman of the Albany Housing Authority last January. In another role as deputy director of the Albany Urban Renewal Agency, Mr. Kennell also had labored for years for the city's redevelopment programs and housing projects.

His community service did not stop with his official municipal positions, however. Mr. Kennell was 1975 chairman of the United Way campaign of the Albany area, and he had been director of the Albany Inter-Racial Council. In all of his community service he was known for the energy and verve he brought to the tasks before him.

Mr. Kennell will be missed by the city government as well as the entire community. We join in sympathy to family and friends.

[From the Albany Knickerbocker News, May 2, 1975]

EULOGY FOR MR. KENNELL

To the Editor:

People come and go and most times little note is taken of their passing by any other than the immediate family. All too seldom is a community blessed with the presence of an Edward F. Kennell, whose death has created a void which may never be replaced. The City of Albany has lost one of its most dedicated and productive citizens.

This decade has witnessed an era of the disclosure of the lack of understanding and appreciation of human dignity. One of the foremost advocates of the unfortunate and oppressed was Ed Kennell. Known affectionately by his friends as "Pete," he worked selflessly and steadfastly to give aid, succor and understanding to countless numbers of needy people in our city. He was constantly at work raising funds to help with housing, food, education, clothing and all human needs, in a quiet, dignified and gracious manner. His personality was gentle, never seeking the limelight or recognition for himself. He chose to do God's holy work with dignity and grace. He was a gentle man whose purpose was to help others. His labors were of love. It was not possible to refuse a request from Ed Kennell, for he sought not for himself, but always on behalf of others.

Those whose lives were touched by Ed Kennell are better people. Our community is a better place in which to live because he was part of it. May his memory be as a blessing for all of us, and may we best honor him by pledging ourselves to continue his work.

LEONARD A. WEISS.

MEMORIAL SERVICES FOR EDWARD FRASIER KENNELL

SPECIAL MEMORIAL SERVICES AT THE MORNING STAR MISSIONARY BAPTIST CHURCH, ALBANY, N.Y.

Presiding: Rev. M. S. Hunter.

Organ Prelude.

Special Memorial Services: Beta Pi Lamda Chapter, Alpha Phi Alpha Fraternity.

Resolutions

City of Albany, New York, Hon. Erastus Corning, 2d, Mayor.

Albany Boy Friends, Louis Johnson, Herbert L. Bryan.

Albany Urban Renewal Agency, David F. Riker, Director.

Albany Housing Authority, Joseph Laden, Exec. Dir.

N. Y. S. A. U. R. O., Joseph Leone.

The Group, Mrs. Geraldine Jefferson.

Inter-Fraternity Council, Leonard Weiss.

Advisory Council, State Division of Human Rights, Mrs. Wardell Robinson.

M. C. Lawton Civic and Cultural Club, Mrs. Lucretia Diggs.

Albany Inter-Racial Council, Samuel Johnson.

Urban League of Greater Albany, Lawrence Burwell.

N. A. A. C. P., Dr. Harry Hamilton.

The Ministers' Alliance, Rev. William Roland.

The Albany Girls' Club, Mrs. Ruth Walsh, Dr. Sybil Hoyle.

The United Fund, Mrs. Ersa Poston.

The Harvard Club, Richard Goodman.

Musical Selection, Julian Parrish.

Benediction.

MEMORIAL SERVICES AT THE WILBORN TEMPLE, FIRST CHURCH OF GOD IN CHRIST, ALBANY, N.Y.

Presiding: Rev. M. S. Hunter, Pastor, Morning Star Missionary, Baptist Church.

Organ Prelude.

Processional.

Invocation.

Scripture Lesson: 4th Chapter, Gospel of St. James.

Musical Selection: The Choirs.

Obituary: J. W. Jennings.

Solo: "Just A Closer Walk With Thee," Artis Kitchen.

Eulogy: Rev. M. S. Hunter.

Benediction.

Recessional.

Interment: Graceland Cemetery, Albany, New York.

Bearers

Active: Bernard Bryan, Herbert Bryan, William Hoyt, Clifford Johnson, Louis Johnson, Jesse McElevene, Junius Reese, Walter Yarbrough.

Honorary: John Brown, Alan Bush, John E. Haith, David Harris, Joseph Laden, Joseph Leone, Homer Perkins, David Riker, Kenneth Vaughn.

Music under the direction of Mrs. Dematress Taylor.

EDWARD FRASIER KENNELL

Born: October 24, 1915, Boston, Massachusetts.

Relatives: Edward Kennell, father, Mary Jane Kennell, mother, Harriet Kennell, stepmother, Donallda K. Ryan, sister, Cecil M. Ryan, brother-in-law, Cecil J. Ryan, nephew.

Graduate: Boston Latin School, Fisk University, Harvard University.

Family: Married June 6, 1943 in Schenectady, New York to Phyllis Grady Kennell, Jacqueline Kennell, daughter, James Kennell, son.

Occupation: Chairman, Albany Housing Authority, Dep. Dir., Albany Urban Renewal Agency. Former Executive Director, Albany Inter-Racial Council.

Affiliations: Morning Star Missionary Baptist Church, Albany Boy Friends, Beta Pi Lambda Chapter, Alpha Phi Alpha Fraternity, N.Y.S. Ass'n of Urban Renewal Officials, The Group, Inter-Fraternity Council, Citizens Advisory Council, State Division of Human Rights, Urban League of Greater Albany Area, N.A.A.C.P., The Albany Girls' Club, The United Fund, The Harvard Club, The Albany Area Chamber of Commerce.

Died: Friday, April 18, 1975, in Guilderland, New York.

SHARED EDUCATIONAL EXPERIENCES, INC.

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. HARRINGTON. Mr. Speaker, in light of the intense interest that our Nation has placed on career education; and in light of the problems facing young people in obtaining the necessary skills to adapt to today's changing society, I would like to call attention to a career education program which was initiated and fostered by the Western Electric Co. in Boston.

This program called Shared Experience encourages learning through a personal one-to-one association between a student and professional sponsor in a career area of a student's choice. A program coordinator interviews the students to determine their fields of interest and then attempts to match them with appropriate sponsors from the business and professional worlds.

Since its inception—September 1971—4 years ago, the Western Electric Co. has provided the staff, facilities, and resources in matching approximately 500 students from 11 colleges and universities in the greater Boston area. Based on extensive feedback from students, sponsors, and college administrators across the country, the Shared Experience concept has been incorporated into Shared Educational Experiences, Inc. in order to expand this cooperative education venture nationwide. It is hoped that SEE, Inc. will become a national model of an effective career education program, and that the efforts of the Western Electric Co. will be an example to other corporations in recognizing their role in the area of career education.

THE DELUSION OF DÉTENTE

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. BAUMAN. Mr. Speaker, the fall of South Vietnam, at almost the same time that the Communists were gaining victory in Cambodia, followed quickly by the purging of non-Communist elements in the government of Laos, provides some crow to eat for those who scoffed at the so-called Domino Theory. But these events also have called into question our entire foreign policy, based as it is on the illusion of détente with the Communists.

We are familiar with the effects of the Communist victory in Southern Asia. The governments of Thailand, the Philippines, Indonesia, are publicly "reassessing" their foreign policies, presumably pondering whether they should follow the lead of Laos, and become prospective dominoes before they are pushed.

On the other side of the world there is an ironic situation in Portugal. Commander Jesuino, Portuguese Minister of Information, is in the United States seeking "understanding." Secretary Kissinger is reportedly miffed, both at Jesuino, and at U.S. Ambassador Frank Carlucci, for advocating some understanding of this government. Secretary Kissinger disapproves of Portugal for allowing too many Communists in their government. How can he possibly be surprised, either at Portugal or Carlucci, when he has been relentlessly promoting détente for as long as he has had any influence in the government? Why is it acceptable for Secretary Kissinger to seek "understanding" and mutual agreements with the brutal masters of the Kremlin, but not acceptable to seek understanding of a government which has not yet turned completely to communism?

The San Diego Union of May 3 has printed an excellent editorial calling for a reappraisal of détente from yet another perspective—the disastrous effect which détente has had on NATO and the

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Atlantic Alliance. The editorial concludes, pointedly:

> Détente, it is plain, has helped our enemies and has done us no good whatever. Furthermore, it has shaken the confidence of our allies. Now, in the wake of Vietnam, we would be well advised to ask ourselves if it is not, in the long run, better to have a meaningful détente with our friends than a worthless détente with our enemies.

I endorse those thoughts, and commend this editorial to my colleagues.

The "Delusion" of Détente

As we raise our eyes from the embers of Vietnam and look in other directions we must concur with the wag who said, "The whole world is a rat race and the rats are ahead."

A case in point is NATO, the grand alliance that has held Soviet imperialism at bay for 25 years. Now, NATO is in trouble, partly because of the dynamism of Soviet diplomacy and the size of the Soviet's military buildup, and partly because of misplaced American priorities as to the relative importance of the thing we call "detente."

The Soviet power has grown with almost dramatic speed. The Russians are spending more on military defense by far than the United States, and their progress is almost terrifying. They have developed a massive and modern fleet, and are procuring the bases necessary to make it a worldwide strategic force.

The NATO European command is now faced with a formidable force of 26,000 Warsaw Pact tanks, an array of tactical nuclear weapons and armies at least twice the size of the NATO forces.

NATO, itself, is in tragic disarray. Great Britain is impoverished, suffering brutally at the hands of a leftist government that is disinterested in defense. Portugal is turning slowly leftward, as is Italy. Greece and Turkey, former stalwart anchors of the NATO flank on the Mediterranean, are totally disenchanted. Turkey can no longer be regarded as a United States base in that area and Greece, suffering brutal internal political and economic problems, is about to leave NATO completely.

It is against this backdrop that the United States should hasten to reexamine its attitude on detente.

If our interest in mollifying the Soviet Union through detente suggests a corresponding disinterest in our relations with NATO, the alliance could very well collapse, with the NATO nations trying, one way or another, to accommodate with the Soviet Union.

It is time for the leadership of our country to see detente as an abstraction, simply a theatrical camouflage on the Soviet Union's part, for pursuing its political war.

Stripping off the camouflage, we see that detente did not keep the Soviets from arming the North Vietnamese in violation of the Paris Peace accord. It did not cause the Soviets to work for peace during the October, 1973, Middle East war. It has resulted in the two Strategic Arms Limitation meetings, SALT I and SALT II, which actually limited nothing and, since the Soviet Union is ready and willing to spend far more on arms than is needed for defense, it has moved her clearly into the position of No. 1 in the nuclear world. In that world, it might be observed, being No. 2 is not better than being No. 20.

Detente, it is plain, has helped our enemies and has done us no good whatever. Furthermore, it has shaken the confidence of our allies. Now, in the wake of Vietnam, we would be well advised to ask ourselves if it is not, in the long run, better to have a meaningful detente with our friends than a worthless detente with our enemies.

CALL FOR REOPENING OF INVESTIGATION OF THE ASSASSINATION OF JOHN KENNEDY

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mrs. SPELLMAN. Mr. Speaker, recently I was visited by several students from the University of Maryland who represented many of their peers who are concerned about the Warren Commission and the investigation into the Kennedy assassination. Members of the Organization of Students To Investigate the Investigation of the Kennedy Assassination, Mr. Floyd Lamore, Mr. Michael Diamond, Ms. Terri Welfenbach, Mr. David O'Neill, Ms. Maryann Hainley, Mr. Daniel Kinder, and Ms. Christina Mazzanti presented me with a petition from the University of Maryland containing 1,175 signatures in support of resolutions before this House calling for the reopening of the investigation of the assassination of John Kennedy.

These students are sincerely concerned that the FBI, the organization investigating the assassination, had a "predilected opinion of the outcome of their investigation." The students believe that the Warren Commission decided to withhold and suppress evidence contrary to the predilected opinion of the FBI. It is the coverup aspects of the assassination investigation that are of the greatest concern to these students, and I share this concern.

In support of their belief that some coverup existed in the investigation, the students presented me with a copy of the transcript of the executive session of the Warren Commission of January 22, 1964. I would like to include for the Record this portion of the transcript, along with the accompanying petition from the Organization of Students to Investigate the Investigation of the Kennedy Assassination.

Mr. Speaker, these students are taking their summer to work on a petition survey of Prince Georges County, Montgomery County and the counties comprising the district of our distinguished colleague, Congressman Paul Sarbanes, in an effort to further determine the beliefs and concerns that exist on this subject. They are also planning a symposium to be held on the University of Maryland campus, tentatively scheduled during the second week of June. This symposium will be made up of experts in the field as well as concerned citizens and Members of Congress.

Mr. Lamore and his fellow students have emphasized again and again that it is the coverup aspects of the assassination investigation that are of major concern to them. If the FBI, the CIA and the Secret Service are not doing their job, and if, in the process, they covered up their mistakes, the American people should know about it.

Mr. Speaker, I support these and other efforts to answer the many puzzling questions that have arisen around the investigation of the Kennedy assassination, and I applaud the efforts of the Organization of Students to Investigate the Investigation of the Kennedy Assassination.

The January 22, 1964, transcript of the Warren Commission executive session and the petition of the organization follow:

To: The Honorable Gladys Noon Spellman,
Congresswoman, 5th District, Maryland

We the undersigned, do hereby Petition the Honorable Gladys Noon Spellman, Congresswoman from the fifth district of Maryland, to support in particular, House Resolution No. 204 and in general, a full and open investigation by either body of Congress on the Kennedy Assassination. The essence of House Resolution No. 204 is to reopen the investigation of the assassinations of John F. Kennedy, Martin Luther King and Robert F. Kennedy. Its sponsor is Representative Gonzalez of Texas.

We think the Warren Commission was inaccurate, dishonest and incomplete in their investigation, findings and their conclusion that there was no conspiracy and that Lee Harvey Oswald acted alone in assassinating President Kennedy. We question the "lone assassin" theory in light of previously suppressed and/or ignored evidence; evidence which plainly suggests more than one gunman and thus a conspiracy.

House Resolution No. 204 is in rules committee at this time and we would appreciate your efforts to support this resolution and follow its progress through till a vote before the House.

As your constituents, we most humbly appreciate your attention on this petition and being familiar with your record of involvement, feel that you will take an active position of approval of the resolution.

United States of America,
General Services Administration,
Washington, D.C., March 19, 1975.

Mr. Harold Weisberg,
Route 8,
Frederick, Md.

Dear Mr. Weisberg: Some years ago you requested a copy of a transcript of the executive session of the Warren Commission of January 22, 1964. At that time, as we informed you, there was no transcript of that session. A transcript of the reporter's notes for that session has been prepared and is now available for research. Enclosed is a copy of the transcript.

Sincerely,

Miss Jane F. Smith,
Director, Civil Archives Division.

Transcript of Executive Session of the President's Commission on the Assassination of President Kennedy of January 22, 1964

Gentlemen, I called this meeting of the Commission because of something that developed today that I thought every member of the Commission should have knowledge of, something that you shouldn't hear from the public before you had an opportunity to think about it. I will just have Mr. Rawkin tell you the story from the beginning.

Mr. Rawkin. Mr. Wagner Carr, the Attorney General of Texas, called me at 11:10 this morning and said that the word had come out, he wanted to get it to me at the first moment, that Oswald was acting as an FBI Undercover Agent, and that they had the information of his badge which was given as Number 179, and that he was being paid two hundred a month from September of 1962 up through the time of the assassination. I asked what the source of this was, and he said that he understood the information had been made available so that Defense

Counsel for Ruby had that information, that he knew that the press had the information, and he didn't know exactly where Wade had gotten the information, but he was a former FBI Agent.

That they, that is, Wade before, had said that he had sufficient so that he was willing to make the statement.

Ford. Wade is?

A. The District Attorney.

Ford. Carr is the Attorney General.

Boggs. Right, of Texas.

Rawkin. I bought that to the attention of the Chief Justice immediately, and he said that I should try to get in touch with Carr and ask him to bring Wade up here, and he would be willing to meet with him any time today or tonight to find out what was the basis of this story. I tried to get Carr and he was out campaigning in Texarkana and so forth, and so it took us quite a while to get back to him and talk to him. I just got through talking to him and he told me the source of the information was a member of the press who had claimed he knew of such an agent, that he was an undercover agent, but he now is coming with the information as to his particular number and the amount he was getting and the detail as to the time when the payments started. Wade said he as well as him did not know the name of the informant but he could guess who it was, that it was given to his assistant, and he was sure that he knew, and he said he was trying to check it out to get more definite information. Carr said that he could bring Wade in some time the first of the week, but in light of the fact that it was this man of the press and that they did not think it would be broken by the press immediately, although there had been all kinds of stories down there but Carr said there were some 25 to 40 different stories about this being the case admonishing the press themselves, but this was the first time that he got something definite as to how they were handling it or how it could be handled by himself. But I was concerned of an undercover agent. He thought that the press would not bring the story without some further proof, and they are working on that now, he said. So he thought that if he brought Wade back on Monday or Tuesday, that that would still take care of any major problem. When he first told us, he said the press had it and he was fearful because he hadn't even gotten this from Wade. He got it from another man that the press would bring it before we could know about it and the Commission would be asked all kinds of questions without having information about it. Now he said Wade told him that the FBI never keeps any records of names.

Mr. Boggs. Wade is the District Attorney for Dallas County?

Rawkin. Right.

Q. And the other man, Carr, is the Attorney General?

A. That is right.

Q. And the other people who have knowledge of this story?

A. He indicated that the press down there had knowledge of this story, and that the information came from some informant who was a press representative, and he, that is, Wade, could guess who it was but his assistant knew and he never asked him. They were trying to get more explicit information.

A. Lee, would you tell them?

Mr. Dulles. Who were you talking with when you got this information, Wade himself?

A. I was talking with Carr.

Boggs. There is a denial of this in one of these FBI records, as you know.

A. Yes.

Cooper. In this file we had yesterday, one of the lawyers for this fellow who claims to represent——

Boggs. Thornhill, I think.

Cooper. Oswald or one of them, Ruby, told about this, do you recall it, he said it was being rumored around.

Rawkin. Yes, it was being rumored that he was an undercover agent. Now it is something that would be very difficult to prove out. There are events in connection with this that are curious, in that they might make it possible to check some of it out in time. I assume that the FBI records would never show it, and if it is true, and of course we don't know, but we thought you should have the information.

A. Lee, would you tell the gentlemen the circumstances under which this story waa told?

A. Yes, when it was first brought to my attention this morning——

Boggs. What time was this, Lee?

A. 11. 10.

Boggs. That is after the Ruby episode of yesterday?

A. That is right.

Q. Yes.

A. And Mr. Carr said that they had used this saying before the Court that they thought they knew why the FBI was so willing to give some of these records to the Defense Counsel, and they were * * * to the Defense Counsel being able to get the records and asking the Court to rule that they couldn't get them.

Q. That is, the District Attorney was?

A. That is right, and he said a number of these records were furnished by the Texas authorities, and that they should not be given up to the Defense Counsel, and that the reason he thought that they were so eager to help Ruby was because they had the undercover, that Oswald was the undercover agent and had the number of his badge and so forth, he was getting two hundred a month and so forth, and that was the way it was explained as his justification to the Court as a basis for determining the records and that that was the excuse the FBI, the reason the FBI had for being so eager to give the records up. That is the way it was developed. Now Mr. Jaworski, who is associated with the Attorney General working on this matter was reported to you before, and, * * * Story, I don't talk to Story about it but I did talk to Jaworski and he said he didn't think Wade would say anything like this unless he had some substantial information back of it, and thought he could prove it, because he thought it would ruin many in politics, in Texas, to be making such a claim, and then have it shown that there was nothing to it.

A. And Jaworski is an able lawyer, mature and very competent. We have complete confidence in him as a person. Now that is the evaluation of the situation.

Ford. No. He hasn't made any investigations himself?

A. No, he has not.

Ford. Has Wade or anyone connected with Wade?

A. No.

Dulles. Talking about Story, just a few minutes ago just telling him I wasn't going to be down in Texas, I had told him I was going to be down at the time, he didn't indicate that he had anything of any importance on his mind. Maybe he won't offer it to him obviously.

Rawkin. I don't know that it was even brought to his attention.

Dulles. I don't believe it was, now. Of course, he is not in the hierarchy.

A. Well, I think they were planning on telling the Attorney General and Jaworski.

Ford. How long ago did they get a feeling that there was some substance to the rumors that apparently had been—I just assumed, and I didn't ask them that, that Carr called me and seemed to be in a matter of great urgency at 11:10 this morning, and that he was fearful that they would bring in the papers before we would even get to know about it, and that is the way he was talking and acting about it.

Cooper. He felt there was . . . He didn't know the name of the informant?

A. No, he did not.

Q. What then would lead him to think it had substance?

A. Well, he said that the reason he thought it might have substance was because Wade had heard these rumors constantly, and his assistant had gotten this information from the informant as to a definite badge number, and the amount and the date.

Cooper. How would you test this kind of thing?

A. It is going to be very difficult for us to be able to establish the fact in it. I am confident that the FBI would never admit it, and I presume their records will never show it, or if their records do show anything, I would think their records would show some kind of a number that could be assigned to a dozen different people according to how they wanted to describe them. So that it seemed to me if it truly happened, he did use postal boxes practically every place that he went, and that would be an ideal way to get money to anyone that you wanted as an undercover agent, or anybody else that you wanted to do business that way with without having any particular transaction.

Ford. There might be people who would see what was going on with that particular box, because the postal authorities do watch, they have means of watching in many places that no one could see. They can watch the clerks as to what they are doing in these boxes, and they can watch the individuals that are going in and out. They do that only when they have an occasion to be suspicious, but they might, in watching for somebody particularly, they might also see other things that they just have to note. That is a possibility.

Dulles. What was the ostensible mission? I mean when they hire somebody they hire somebody for a purpose. It is either . . . Was it to penetrate the Fair Play for Cuba Committee? That is the only thing I can think of where they might have used this man. It would be quite ordinary for me because they are very careful about the agents they use. You wouldn't pick up a fellow like this to do an agent's job. You have got to watch out for your agents. You have really got to know. Sometimes you make a mistake.

Ford. He was playing ball, writing letters to both the elements of the Communist parties. I mean he was playing ball with the Trotskyites and with the others. This was a strange circumstance to me.

Dulles. But the FBI get people right inside you know. They don't need a person like this on the outside. The only place where he did any at all was with the Fair Play for Cuba Committee.

Boggs. Of course it is conceivable that he may have been brought back from Russia you know.

A. If he was in the employ from 1962, September 1962, up to the time of the assassination, it had to start over in Russia, didn't it, because didn't he get back in February? When did he get back here from Russia?

A. I think it was February; February of this year.

Q. Of '62. Was it of '62?

A. Oh yes, that is right, it was '62.

Dulles. They have no facilities, they haven't any people in Russia. They may have some people in Russia but they haven't any organizations of their own in Russia.

A. Yes.

Dulles. They might have their agents there. They have some people, sometimes

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American Communists who go to Russia under their guidance and so forth and so on under their control.

Cooper. Of course there are rumors all around Dallas, of course the FBI is acquainted with rumors too.

A. One of the strange things that happened, and it may have no bearing on this at all, is the fact that this man who is a defector, and who was under observation at least by the FBI, they say they saw him frequently, could walk about the Immigration Office in New Orleans one day and come out the next day with a passport that permitted him to go to Russia. From my observations of the case that have come to us, such passports are not passed out with that ease.

Dulles. Mr., I think you are wrong on that.

A. I could be.

Dulles. Because the passports are issued valid for anywhere except specified countries. There is a stamp as I recall that says not good for Communist China, North Vietnam, and so forth. For a long time they had on the stamp not good for Hungary. But any American, practically any American, can get a passport that is good for anywhere. An American can travel and Russia is one of the countries that you can now travel to.

A. Well, maybe you can.

Dulles. You can get them quick.

A. I think our General Counsel and I both have some experience in cases that have come before our Court which would indicate that that isn't exactly the fact.

Dulles. I think in the State Department. . . .

A. They have great difficulty, some of them, in getting a passport to go to Russia.

Boggs. Particularly for someone who has any Communist. . . .

A. Oh, yes.

Dulles. Is there any evidence the State Department has that record in the files? I don't think that record has ever turned up.

Cooper. They admitted there wasn't any.

A. What record, that he was a defector?

Dulles. Yes, I don't think the State Department or in the Passport Bureau, there was no record. It didn't get down to the Passport offices. That is one of the things we ought to look into.

A. The State Department knew he was a defector. They arranged for him to come back.

Dulles. But it don't get . . . passport files or the passport records. They are issuing hundreds and thousands of passports. They have their own particular system.

A. Yes.

Dulles. They don't run around from time a man comes in. If they don't find any clue, and they don't according to our record here they don't find any warning clue in his file—they should have a warning clue in his file but as I recall they don't.

Cooper. That is what they admitted, that they had not supplied the warning.

Dulles. And the Passport Office don't on its own usually go around and inquire. They wait until it is assigned there. Then they follow it up.

Cooper. This may be off the point a bit, but as I re-read the report, the chronology of the FBI checks on Oswald, they knew that he had gone to Texas. They learned from Mrs. Payne: they knew where Mrs. Oswald was living. They talked with her. They knew where he was working.

Boggs. Sure. That is all in the file.

Cooper. I know that. I say they knew where he was working.

Boggs. I am sure you went over that material that we received a few days ago. You will find the report from the FBI dated back last summer, and months before that and then months after that, why some agent would make a report on it.

A. I thought first you should know about it. Secondly, there is this factor too that a consideration, that is somewhat an issue in this case, and I suppose you are all aware of it. That is that the FBI is very explicit that Oswald is the assassin or was the assassin, and they are very explicit that there was no conspiracy, and they are also saying in the same place that they are continuing their investigation. Now in my experience of almost nine years, in the first place it is hard to get them to say when you think you have got a case tight enough to convict somebody, that that is the person that committed the crime. In my experience with the FBI they don't do that. They claim that they don't evaluate, and it is uniform prior experience that they don't do that. Secondly, they have not run out all kinds of leads in Mexico or in Russia and so forth which they could probably—It is not our business, it is the very ——

Dulles. What is that?

A. They haven't run out all the leads on the information and they could probably say—that isn't our business.

Q. Yes.

A. But they are concluding that there can't be a conspiracy without those being run out. Now that is not, from my experience with the FBI.

Q. It is not. You are quite right. I have seen a great many reports.

A. Why are they so eager to make both of those conclusions, both in the original report and their experimental report, which is such a departure? Now that is just circumstantial evidence, and it don't prove anything about this, but it raises questions. We have to try to find out what they have to say that would give any support to the story, and report it to you.

Cooper. Sure.

A. I think it was in October.

Rawkin. They had a report on many, they had an agent go and see him when he was in prison.

Boggs. In New Orleans?

A. In New Orleans.

Q. Right.

A. And he lied to them before the police. He said his wife was a Texas girl, and he married her in Texas, and a whole string of stuff, and in Dallas they had a report prior to that that was definitely contrary to it.

Boggs. The fellow Butler, who works for the profit organizations that Dr. Oxnard heads to disseminate and tie Communist propaganda to Latin America, is the one who confronted him on the streets in New Orleans. I know Butler. He is a very fine young man. It was . . . Butler says that this was the first time that they established that he had been in Russia and that he had defected at one time and then returned. You have that undoubtedly in your files, that film, that tape that was made and borrowed in New Orleans?

A. Yes.

Boggs. Of course on that tape—I listened to that tape—he gives the normal Communist line, reaction to everything.

A. That is right.

Q. The same old stereotyped answer?

A. Yes.

Cooper. How do you propose to meet this situation?

Boggs. This is a serious thing.

Ford. Who would know if anybody would in the Bureau have such an arrangement?

A. I think that there are several. Probably Mr. Belmont would know every undercover agent.

Q. Belmont?

A. Yes.

Q. An informer also would you say?

A. Yes, I would think so. He is the special security, of the division.

Dulles. Yes, I know.

A. And he is an able man. But when the Chief Justice and I were just briefly reflecting on this we said if that was true and it ever came out and could be established, then you would have people think that there was a conspiracy to accomplish this assassination that nothing the Commission did or anybody could dissipate.

Boggs. You are so right.

Dulles. Oh, terrible.

Boggs. Its implications of this are fantastic, don't you think so?

A. Terrific.

Rawkin. To have anybody admit to it, even if it was the fact, I am sure that there wouldn't at this point be anything to prove it.

Dulles. Lee, if this were true, why would it be particularly in their interest—I could see it would be in their interest to get rid of this man but why would it be in their interest to say he is clearly the only guilty one? I mean I don't see that argument that you raise particularly shows an interest.

Boggs. I can immediately—

A. They would like to have us fold up and quit.

Boggs. This closes the case, you see. Don't you see?

Dulles. Yes, I see that.

Rawkin. They found the man. There is nothing more to do. The Commission supports their conclusions, and we can go on home and that is the end of it.

Dulles. But that puts the men right on them. If he was not the killer and they employed him, they are already it, you see. So your argument is correct if they are sure that this is going to close the case, but if it don't close the case, they are worse off than ever by doing this.

Boggs. Yes, I would think so. And of course, we are all even gaining in the realm of speculation. I don't even like to see this being taken down.

Dulles. Yes. I think this record ought to be destroyed. Do you think we need a record of this?

A. I don't, except that we said we would have records of meetings and so we called the reporter in the formal way. If you think what we have said here should not be upon the record, we can have it done that way. Of course it might. . . .

Dulles. I am just thinking of sending around copies and so forth. The only copies of this record should be kept right here.

Boggs. I would hope that none of these records are circulated to anybody.

A. I would hope so too.

Rawkin. We also give them to you Commissioners. Now if you don't want them, those are the only ones who get them but Sides himself: off the record.

CARDINAL MINDSZENTY

HON. MILLICENT FENWICK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mrs. FENWICK. Mr. Speaker, on May 6, one of the great spiritual leaders of our century, Jozsef Mindszenty, died at the age of 83 in Vienna. Cardinal Mindszenty spoke out against both Nazi and Communist oppression even when it placed him in grave personal danger. The Nazis arrested him, because he protested the annihilation of Hungarian Jews. The Communist government jailed him and convicted him of treason in 1949, because of his opposition to the authoritarian and atheistic regime.

Mr. Speaker, we should not forget the 1949 "treason trial" in Budapest and Cardinal Mindszenty's gaunt appearance after weeks of Communist brutality. One of the lessons which we in the West learned from the cardinal's trial was that the so-called "people's republics" of Eastern Europe in no way represent fairness or justice. The Hungarian Government revealed itself for what it was: A tightly-ruled authoritarian regime. It showed the extent to which elemental human freedoms can be debased. Freedom of speech, religion, and assembly—all taken for granted in the United States—were easily trampled by the Hungarian Communists in 1949.

Cardinal Mindszenty is dead, but as a lonely and courageous religious leader, standing isolated in the courtroom, speaking against tyranny of the left as bravely as he had against tyranny of the right, he will be remembered by all who cherish freedom.

LULAC HOLDS STATE CONVENTION

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. ANDERSON of California. Mr. Speaker, on May 23 through May 25, the League of United Latin American Citizens, LULAC, will convene for their 27th annual State convention in Long Beach, Calif.

Under the coordination of LULAC's Paramount Council, presided over by Margaret Pacheco, the LULAC convention will gather to perpetuate concepts which are the foundation of this fine organization's purpose—to instill in its members the democratic principle of individual political and religious freedom, the equality of social and economic opportunity, and to strive toward development of an American society where the cultural resources and integrity, of all people are recognized to be a necessity for a worthwhile, meaningful, and enriched civilization.

The growing importance of the Latin American people in our country makes it essential that every citizen have an understanding of the cultural and spiritual origins we share with these great people.

I am especially pleased that in my State of California, LULAC councils have generally been in the forefront of initiating programs capable of implementing the ideals of their beliefs.

The first council organized in California was headed by Jess Vela in 1927 and was based in Orange County. The spirit that Vela's efforts produced soon spread to Los Angeles, Norwalk, Downey, Paramount, Long Beach, San Pedro, Gardena and countless other cities throughout our State.

LULAC's immediate goal in California is to rectify the employment problem faced by Spanish-speaking citizens. During the past several years, a LULAC committee, headed by Frank Galaz of the Gardena council, and Fidel Gonzales, past State chairman of LULAC, exposed various examples of discrimination against Latinos by many of California's major employers. They are presently taking the necessary legal steps to solve these problems.

In addition to working on fair employment practices, LULAC has been working toward greater educational opportunities for Latin Americans, for often it has seemed that higher education was beyond reach of the Latin American society. Through individual efforts, and the assistance that LULAC Educational Service Centers provide, Latin American people now have educational opportunities and resources available that they were deprived of for so many years. These new centers work to develop new levels of awareness in an attempt to motivate students in meeting the community's needs and solving problems one might have from an educational standpoint. The centers which operate in California work together and coordinate their efforts throughout California to reach as many Latin American youths as possible.

Mr. Speaker, these are but a few of the accomplishments LULAC has attained. Their active participation in the betterment of life for their people is indeed a noble contribution to our Nation. Their concern in the areas of housing, health, the media, economic development, civil and women's rights are admired by all who share a sense of equality and compassion for our fellow citizens.

I am particularly pleased that in my congressional district, individuals such as Isaac De La Rocha from the Long Beach Council, Joe Sanchez from the Greater Long Beach Council, Jay Leon of the Gardena Council and Victor Valdez of the San Pedro Council have played such a vital role in the development and implementation of LULAC programs.

We are sure that with the dedication of these people, the 27th annual LULAC State Convention will serve as a prologue of further accomplishments for this organization.

Mr. Speaker, at this time I would like to insert into the Record the official LULAC code:

> Respect your Citizenship and preserve it; honor your country, maintain its tradition in the spirit of its citizens and embody yourself into its culture and civilization.
>
> Be proud of your origin and maintain it immaculate, respect your glorious past and help to defend the rights of all the people.
>
> Learn how to discharge your duties before you learn how to assert your rights; educate and make yourself worthy, and stand high in the light of your own deed; you must always be loyal and courageous.
>
> Filled with optimism, make yourself sociable, upright, judicious, and above all things be sober and collected in your habits, cautious in your actions and sparing in your speech.
>
> Believe in God, love Humanity and rely upon the framework of human progress, slow and sound, unequivocal and firm.
>
> Always be honorable and highminded; learn how to be self-reliant upon your qualifications and resources.
>
> In war serve your country, in peace your convictions; discern, investigate, meditate, and think, study, at all times be honest and generous. Let your firmest purpose be that of helping to see that each new generation shall be of a youth more efficient and capable and in this let your own children be included.

NEW YORK—THE STATE OF THE CITY

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. ROSENTHAL. Mr. Speaker, New York City faces a grave fiscal crisis and has appealed to the President for help. If the administration insists on a blueprint for future action before agreeing to assist New York City, an excellent basis for discussion can be found in a series of editorials currently appearing in the New York Times.

Yesterday, I inserted the first three editorials in this series—"The State of the City"—in the Congressional Record, and today I wish to bring the fourth to the attention of our colleagues, Mr. Speaker.

Today's installment discusses housing and energy. The Times editors make the essential point that even with an equitable and realistic regulation of rents "a considerable expansion in Federal rent subsidy, rehabilitation and construction funds will be needed to assist renters with low and moderate incomes."

The editorial follows:

State of the City: Housing and Energy

> "The time has come for the city or state to take over all rent-controlled apartments. We are not asking for any cash, just mortgages covering the condemnation value of our property."
>
> That statement of surrender comes from the chief spokesman for owners of 900,000 New York City apartments seeking to get out from under the vagaries of rent control, rising real estate taxes, high fuel and utility charges and kindred afflictions of infinite variety.
>
> In terms of equal desperation tenants complain that decent housing is unobtainable at rents any but the wealthy can afford—and much of it is shoddy at any price. Even where apartments are built with exemption from municipal taxes, they now come in at monthly rents of $125 a room or higher, triple or quadruple what used to be considered a tenable middle-income figure.
>
> Uncollected realty taxes are expected to total a quarter-billion dollars this year, and landlords shrug off the scheduled 10 per cent increase in the tax rate July 1. "The money just isn't there to pay it," is their almost unanimous comment. Savings banks squirm as defaulted mortgage payments reach astronomic totals, but they do not foreclose for fear of even more staggering losses if the banks become owners. Abandonments at the rate of 30,000 per year convert entire neighborhoods into wasteland; arson in abandoned apartments is a growing menace.
>
> At least 30,000 new or substantially rehabilitated family units annually for the next decade is the officially calculated housing need for this city. Yet public and private rehabilitation—and there are some brave efforts in this direction—is near a standstill. Many existing low-rent housing developments are fear-swept jungles. Federal rent supplements offer a glimmer of hope—a dim glimmer.

THE EMPTY SKYSCRAPER

> In the soaring skyscrapers that are the external symbol of New York's commercial

UMI

greatness more than a tenth of the space is vacant—a total of 27.5 million square feet of unfilled offices. By cutting rents to half or less their original level, operators of shiny new towers in midtown Manhattan made a modest dent in their backlog of surplus space in the last year, but much of their gain was at the expense of Lower Manhattan buildings.

The twin peaks of the World Trade Center, with two million of their nine million feet still unrented, are monuments to unplanned expansion—misspending by the Port Authority of reserves that should have gone to mass transit but that were used instead for unfair competition with commercial builders. As if all this were not dismaying enough, the combination of municipal tax policy and of quest for speculative advantage has put a premium on the destruction of sound and often handsome buildings in prime sections of the downtown district. The owner comes out ahead by paving over the vacant property as parking lots; the city is left with an ugly ruin.

The only palliative currently being applied is the promising, though still decidedly limited one, of rehabilitating commercial and loft buildings for residential use, an approach that has worked well in SoHo and a few other areas. A more expansive application of the same principle to brand new construction is getting municipal encouragement through tax abatement for structures that heap luxury apartments on top of commercial floors, shops and showrooms; but this is only for the rich.

It is evident that the city's need for livable housing for middle-class and low-income families will never be met by such methods. The overwhelming immediate need is to preserve and upgrade the existing stock of sound housing, not to let more and more buildings sink into decay, mortgage and tax default, and total abandonment.

The many months it took to get a feeble bill for a passalong of skyrocketing fuel costs through the City Council, despite consistent pressure from Mayor Beame, provides fresh proof that rent policy is too close to the ballot box to be safely left to political decision. The present creaky control structure, a patchwork carried over from World War II, ought to be replaced either directly by the State Public Service Commission or by some counterpart agency.

In recent years the P.S.C. has proved an independent watchdog in policing utility rates; gone is the subservience it once showed to the big power companies and to the Bell System. Similar independence is needed in the housing field if some element of equity and realism is to characterize determination until over-all supply of housing is adequate to allow deregulation.

Even with that, a considerable expansion in Federal rent subsidy, rehabilitation and construction funds will be needed to assist renters with low and moderate incomes. Preferential loans and special mortgage terms, backed by governmental guarantees, can do much to encourage conversion of marginal rental units to cooperatives and condominiums. Unlocking the door to new construction at reasonable rents depends on action by the building unions and employers to ease restrictive work rules and to avoid another round of inflationary pay boosts in talks now under way.

HIGH COST OF ENERGY

The high cost of shelter for householders and business alike is pushed higher still by electric rates well above those that prevail in any other community. No city is more dependent on electric power than New York, making Consolidated Edison, the monopoly supplier, as vital an element in the well-being of the metropolis as City Hall.

The dependence is far from a happy one, though the company's managerial competence has improved enormously since a systemwide power failure blacked out the city and Westchester County almost a decade ago. High costs are inescapable in an underground distribution network that is eight times as expensive to install and repair as overhead lines would be. More than half of Con Edison's bill to its customers directly reflects outlays for fuel and taxes.

A coordinated interdepartmental approach is needed to the economic, environmental and technical problems this giant utility presents, but the Lindsay administration's attempts along this line accomplished little and the Beame administration is not even trying. Responsibility for holding down light and power costs has fallen back primarily on the P.S.C. and the State Power Authority. The most that seems in immediate prospect is a more rational rate structure aimed at discouraging the present profligate waste of energy and at cutting Con Edison's long-term need for new generating equipment.

HUSSEIN OFFERS ISRAEL PEACE

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. FINDLEY. Mr. Speaker, 1 week ago, King Hussein of Jordan gave one of the most important foreign policy addresses of this decade. Speaking at the Citadel Military Academy in Charleston, S.C. he stated publicly, perhaps for the first time, the absolute willingness of the Arabs to make peace with Israel. The significance of what he said cannot be overstated. Using his own allusion, King Hussein "bit the bullet" for the Arab peoples. He publicly abandoned, on behalf of the Arab nation, decades of enmity for the Israelis and offered them precisely what they have rightly sought for so long—the opportunity to live in peace and security in their national homeland.

Whatever mistrust the Israelis may have for some Arabs, they should, I believe, recognize King Hussein as a straightforward neighbor. It was Hussein who, rather than appease fanatical elements within the Palestinian movement, crushed their insurgency, and thereby made Israel's borders vastly easier to defend against terrorist attacks. It was Hussein who attempted to forestall the October 1973 War against Israel, and withstanding enormous pressures from Egypt and Syria, yielded only a token force to the battle in the last days of the war.

It is King Hussein who offers what he says may be the last chance for peace, and perhaps is.

In an extraordinary public admission, one which must have taken enormous courage, Hussein stated flatly that the Arabs have changed their position. Speaking explicitly for Egypt, Syria, and Jordan he categorically stated:

> We accept the conditions for peace that have been laid down—recognition of Israel, nonbelligerency, Israel's right to exist within recognized borders, and our willingness to make and support a final peace.
>
> All of these we accept on condition that Israel withdraw from all Arab territory and recognize the legitimate rights of Palestinians in their homeland. It is as simple as that.

His thinly veiled reference to Egypt's Nasser and Syria's Jedid, who have now been replaced by "enlightened new leadership," amounts to a repudiation of past policies of hatred and attempted destruction of Israel.

In fact, it is apparent from King Hussein's speech that the Arabs are willing to eat a good measure of crow if that will help to bring about peace. And it is also apparent that before he spoke he must have cleared every word of his speech with Presidents Sadat and Asad.

What more can the proponents of peace in the Middle East reasonably demand than that which was offered on behalf of all Arabs last week? What more will the United States insist upon as it tries to establish a formula for a lasting peace?

In House Concurrent Resolution 192, which I introduced on March 24, 1975, I set forth the basic principles which I believe to be essential to peace in the Middle East. The statement of King Hussein at the Citadel is wholly consistent with those principles. Because of the importance of the King's statement, and the growing urgency between Arabs and Israelis, I insert the text of King Hussein's remarks at this point so that every Member of Congress might have an opportunity to read them:

ADDRESS OF HIS MAJESTY KING HUSSEIN OF THE HASHEMITE KINGDOM OF JORDAN, AT THE CITADEL, THE MILITARY COLLEGE OF SOUTH CAROLINA, MAY 6, 1975

Mr. President, members of the faculty, the Corps of Cadets, and distinguished guests.

As a former Cadet and an alumnus of Sandhurst, I was especailly pleased to be invited here to The Citadel, and doubly appreciate the honor you have bestowed upon me. I am not really an academic type and I feel hesitant sometimes about accepting a degree. But among you, I feel right at home.

I recognize that the System of The Citadel which begins at the "Gate"—from "Knob" status to distinguished graduate—imposes certain restrictions, restrictions that may on rare occasions be broken. With vivid memories of my own days as a cadet, I shall now, Mr. President, invoking the traditional privilege as a Chief of State, ask that amnesty be granted those cadets undergoing confinement or tours of penalty.

By the nature of my position, I have had to become, you might say, something of a military strategist and a political scientist. So, although I have not had the benefit of instruction from your distinguished faculty, I might be able to pass some of your courses, maybe even enough to earn a degree. I'm happy, however, not to be put to the test.

Today I am indeed proud to become an alumnus of The Citadel.

While I was a cadet at Sandhurst, I was involved in an episode which I still vividly recall.

After a night out in London, I returned to the college to find fire trucks just leaving the campus, having been summoned by a prankish fire alarm. The next morning at an early parade, the college commander demanded that the officer cadet who rang the alarm should step forward. When no one volunteered, the entire college was confined to barracks until the guilty party confessed.

This seemed a bit unfair to those of us who had not been in the college when the alarm rang, and especially to me because I had the opportunity to try out a new racing car at the Goodwood track that very day.

After brooding on this for some time, I asked permission to see the college commander. When I was permitted into his

presence, I saluted sharply and blurted out, "I did it, sir."

"You did what?" he asked.

"I rang the fire alarm, sir."

He paused for a moment, and then said, "How could you? You were on leave in London."

"That's true, sir. So were many others."

He smiled slightly, and then said, "I see your point, Hussein."

Within an hour, I was something of a hero to all those who were released from confinement to barracks because they hadn't been in the college when the alarm rang. I'm sure, General Seignious, that you would have agreed with the commander's decision not to inflict mass punishment.

I did try out that car, by the way, but never did race it. The garage, under orders I suspect from the Jordan Embassy, never tuned it up sharply enough for Goodwood racing. Probably just as well.

The duty to set right an obvious wrong is an obligation we all recognize, whether it be in a military school, or in relations between nations. It is at the heart of the concept of Justice.

It is also, Mr. President, at the heart of the Great Issue I wish to discuss today—War or Peace in the Middle East.

There are few problems on the planet Earth more demanding of the collective wisdom of mankind than a just settlement of the difficulties that have arisen between the Arab Nation and Israel. Although the Arabs comprise many States, they do form one Nation, in that they share the same language, religion, tradition, culture, history and geographic area. It is in this sense that I use the term.

The drama of this conflict between the Arab Nation and Israel, with its attendant human suffering, has unfolded in a grim 30-year tragedy. We have witnessed Act I—the founding of Israel; and Act II—the Wars, 1956, 1967, 1973. Today we are observing the formulation of Act III—the ultimate conclusion. Shall it be peace, the peace we all desire—or a violent catastrophe, possibly involving the entire world in armed struggle and suffering?

How did the problems and misunderstanding of the first two acts occur? And what can we all do to insure the Third Act will not enlarge and perpetuate the tragedy? My views are those of one who has been both an observer and a participant in this human experience for the past 23 years and whose country has been in the forefront of the conflict from its beginning. It is against this background that I would like to assess the events and developments of the recent past, consider their impact, and develop some conclusions.

As you know, the state of Israel came into being in 1948 after the British decided to give up their Palestine mandate, and the United Naitons passed a resolution partitioning Palestine. Between November 1947, when the UN vote was taken, and May 1948, when the mandate ended, there was fierce terrorist activity, and the first Arab-Israeli war was fought thereafter. The result was that when the truce was signed nearly 800,000 Palestinians were driven from their homes or had fled because they could not live under Israeli rule.

For nearly 20 years, most of the displaced Palestinians lived in refugee camps in Jordan, Syria, Lebanon, and the Gaza Strip. There were frequent incursions over the border by Palestinians and fierce reprisals by the Israelis. Bitterness and hatred grew stronger with every passing year. Cease fire agreements were made and broken, while both the Arabs and the Israelis kept building up their military strength.

In June, 1967, the "Six Day War" erupted between Israel and three Arab states—Egypt, Syria, and Jordan. At its conclusion, the military capability of the three Arab states was utterly destroyed, and Israeli forces were occupying territory in all three countries—the Sinai Peninsula of Egypt, the Golan Heights of Syria, and the West Bank of Jordan, including the old city of Jerusalem.

In November of that year, the Security Council of the United Nations unanimously adopted a resolution—No. 242—designed to form the basis of a solution. Its preamble stated a basic principle written into the charter of the United Nations—that no nation may acquire the territory of another nation by force. It then proceeded to outline the conditions that were to be accepted by both sides. They included: Arab recognition of Israel; an end to belligerency; the right of Israel and the Arab states to live within recognized borders; the freedom of passage through the Suez Canal; a just solution of the Palestine problem; and the withdrawal of Israeli forces from the Arab territory they had captured and were still occupying.

The terms were accepted in principle by all. But then began the challenge of implementing the peace.

That was in 1967—eight years ago. What has happened since then?

The United Nations has repeatedly confirmed the terms of the resolution, and repeatedly sent conciliatory missions to the area. Nearly every major nation has offered to mediate, and the problem has been on the agenda of half a dozen summit meetings. Unfortunately, all of them failed. There was no progress on any point, and Israel continued to occupy Arab territory.

Then occurred the October War in 1973, which in 30 days, in terms of military equipment, was the most costly war ever fought.

After a cease fire had been arranged, there began a series of diplomatic interventions by the United Nations and the great powers. The United States and Russia sponsored a conference at Geneva that quickly adjourned. Once again, nothing seemed to be working.

Then in mid-1974 began one of the more remarkable events in diplomatic history—the "shuttle" diplomacy of your Secretary of State, Dr. Henry Kissinger. He did succeed in arranging a separation of forces in the Sinai Peninsula, and the Golan Heights. But when he returned recently to seek a further separation of Egyptian and Israeli forces, he found their positions had become irreconcilable, and departed for home, a greatly disappointed man. That he did not succeed has been called by some a failure.

If there was a failure it was not Dr. Kissinger's. No man has worked more tirelessly, more valiantly, with greater patience or greater dedication, than your Secretary of State in trying to resolve the issues which divide the area. He must be commended for his efforts and be urged to continue them and, indeed, under President Ford's leadership, to redouble them.

The failure of the negotiations reflected a failure by Israel to jettison an already discredited policy—a failure by Israel to reexamine and reject its notion that security derives from holding the territory of its neighbors. In fact, it is Israel's continued embrace of that notion that prevents it from realizing its security goals.

What I have said so far has dealt with history. What of the future?

As a true friend of the United States—and happy to be accepted as one—I believe I can contribute helpful and somewhat different points of view on the Middle East problem. These are views which I have expressed to your President, the Secretary of State and members of the Senate and the House. I think it was particularly opportune to have exchanged views with your leaders at a time when they were conducting a serious reassessment of United States policy for the Middle East, and to learn that our respective views are not very far apart.

Although the area has been an unending battlefield, a scene of interminable chaos and tragedy and is now in yet another state of crisis, I am convinced the prospect of peace in the Middle East still exists and in some respects may be closer than it has ever been before. Significant changes have taken place which give new hope.

Perhaps the greatest single new hope for peace stems from the historic change in the Arab position. And I have asked your leaders to recognize this in their reassessment. In the years before, and immediately after the 1967 War, we were in no mood for anything but retribution. We refused to recognize the existence of Israel, much less negotiate with her. Since then there has been time for reflection and growth in the Arab world. Greater strength has produced greater confidence. Heightened responsibility has brought a broader maturity. With enlightened new leadership in Egypt and Syria we have reassessed our policy. Realistic and constructive new attitudes and measures have been adopted. As a result, starting with our cautious acceptance of the 1967 UN Resolution, today we in Jordan, as well as in Egypt and Syria, are ready, even eager, to make peace. We accept the conditions for peace that have been laid down—recognition of Israel, non-belligerency, Israel's right to exist within recognized borders, and our willingness to make and support a final peace.

All of these we accept on condition that Israel withdraw from all Arab territory and recognize the legitimate rights of the Palestinians in their homeland. It is as simple as that.

There have been other important recent changes in the Arab world. They do not affect our attitude toward seeking peace with Israel, but they increase the urgency of something being done about it. Although the Middle East has always been a key area in international military and political strategy, it has now become a major center of economic power. Because of this the stakes are immeasurably higher in this crisis than before, and the urgency for solution has never been greater.

For most of the 20th century, and until very recently, the Arab Nation was generally ignored by the International Community. We had little voice or influence in the affairs of the world. The remarkable change which occurred within the past five years has now placed us prominently on the world stage. The Arab Nation has become the principal source of supply for the world's energy needs. Its energy resources have provided it with financial means rivalling the great industrial nations. Its rate of economic and industrial growth exceeds that of the other areas of the world. Future projections are even more impressive.

The old political order is being replaced by a new economic order of world importance. Peace is essential if the opportunity to share this prosperity is to be realized.

These changes which have occurred in the Arab world are truly of historic proportions and they will require equally historic decisions. Unfortunately, the decision most vital to everyone involved is not one which the Arab Nation can make. It is a decision for Israel. The decision, at long last, to return all territories she occupied by force and make peace. Despite the changes within the Arab world since the 1967 War, Israel has not budged from the territory she took then or the policies she has followed since that war. You have an expression in this country, "to bite the bullet" and that is what Israel must now do—"bite the bullet," and withdraw from Arab territory. That, I know, will be a major decision for Israel to make. Israel has demonstrated it can wage war, yet security eludes her. It may take more courage on the part of her leaders to make peace than to provoke war. Courage is the test of leadership. Withdrawal is the key to both peace and the real security Israel's leaders claim they so ardently desire.

Israel claims that her overwhelming concern is fear for her security. On analysis this is difficult to reconcile with reality at this point in history. If I may paraphrase a quotation from one of your former Presidents, in my opinion, the only thing Israel really has to fear is fear itself. She unfortunately appears to have confused fears of the past—in other times and other places—with her security for the future. Old Jersualem is not the Germany of World War II and Palestinian refugees are not the Nazis of Hitler. Prior to 1948, Arabs and Jews lived side by side in harmony as friends and neighbors for centuries. Perhaps, the fact that many of the founders of Israel and many of its present leaders and citizens were persecuted in Europe by Europeans, and are alien to the Middle East and its people, explains in part the attitudes of Israelis and their supporters. But European persecution in the past cannot justify the denial of rights to other peoples in 1975. Today, right now, there are thousands of families, men, women, and children, in my Kingdom who were born and raised in the holy city of Jerusalem, but are barred from returning to the holy city. Yet, refugees to Israel from Poland, East Germany, the Soviet Union and other corners of the world live there and claim it as their exclusive home. Is it not reasonable that we find this difficult to accept?

I have suggested that Israel is confusing her problems of security today with haunting fears from the past when she should be exploring the promises of the future. More concretely, her concept of military security has become antiquated—a fact this audience should appreciate. To contend, in this modern military age of sophisticated weapons and supersonic speeds, that long-term security can be measured in territorial miles may be a good propaganda ploy—or, as some have suggested, a guise for permanent expansion—but it has no military validity. Travelling under this false badge of security, Israel now occupies ten times the territory she was originally given. I am sure the United States, private citizens as well as government, did not intend that the billions of dollars which have been poured into Israel, out of compassion, would be used to conquer and occupy new lands. Yet that is what has happened. The United States bears a special responsibility in this regard for you are Israel's major ally and her most important benefactor. If condition for peace is withdrawal, should not a condition for assistance be the same?

You must help Israel realize that she will only have true security when her neighbors are willing to live in peace with her. That is what the Arab States are offering her now. An offer, despite her protestations of peace, which Israel refuses to accept. It is a dangerous and disturbing siutation. For if, as we have recently observed, Israel would not bring herself to relinquish a few miles in the Sinai, despite Egyptian concessions and your strong urgings, how can we expect her to withdraw from the rest of the lands? Eight years ago I said, Israel could have territory or she could have peace, but she could not have both. I can only add that if she continues to persist in her present occupation policy she could end up with neither.

Nations have been at crossroads many times in their history and as often as not have chosen the wrong road. The Middle East is littered with lost opportunities for peace. The crossroad we now face is an important one because the stakes have become so high that to choose the wrong road this time could be catastrophic. And there is no assurance that if we miss this opportunity there will be another. Time could not be more critical. The area is too volatile, the alternatives too limited and the pressures too great and uncontrollable to permit the present condition of "no war—no peace" to survive for long.

As has been so often the case in this century, the role of the United States once again is crucial. I am grateful you are reassessing your policy in the Middle East. I think it is vitally important that your Congress and the President join together in the policy to be followed for it is essential to your greatness and your credibility that you speak to the world with one voice on matters of basic policy.

I would hope that yours is not the only other reassessment. The Arab States have reassessed their policy. It is now time for Israel, as well, to reassess her policy. In fact, it is crucial to the problem—and it is the response Israel gives that will determine the answer to our question—War or Peace in the Middle East?

May God guide us all in our efforts to insure that it is Peace.

ENDING THE RECESSION IS NOT ENOUGH

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. HARRINGTON. Mr. Speaker, an article by Walter Heller, "The Dangers of an Upturn," appeared in the Wall Street Journal of Tuesday, May 13.

In that Op. Ed. piece, Mr. Heller makes the point that simply ending the recession and beginning recovery, if that involves no more than continuing the current depressed level of economic activity, is simply not acceptable as a goal for economic policy.

Reducing inflation is not the paramount goal at this time; ending the individual and social disasters caused by high unemployment is the goal we should all be seeking. If we can reinvigorate our economy, we will have more than adequate time to deal with the possible attendant problems of inflation which might be caused by true recovery, perhaps a year or a year and a half from now.

Given the importance of the prescriptions he outlines for the Congress with regard to the economic policy we should be developing, I would like to insert Mr. Heller's article in the RECORD at this time for the information of my colleagues:

THE DANGERS OF AN UPTURN

(By Walter W. Heller)

That much heralded business upturn, not far off, will be the economic non-event of 1975. For while *business* will turn up, unemployment will hang high and unused capacity will be huge. The great danger is that Messrs. Burns and Simon, gaining aid and comfort from the upward *direction* of activity, will ignore the abysmal *level* of the economy and press their Holy War against inflation with recovery-aborting fervor.

Right now, we are in the darkness that comes just before the dawn. Unemployment is still rising, to a peak between 9% and 10%. Much consumer demand is being met from inventories instead of new production. Prospects for autos and housing range from feeble to anemic. Plant and equipment outlays are still being marked down.

But as the 1975 tax cuts pour into the economy, as inventories are drawn down and production steps up to meet the consumer demand, and as the pace of government spending (especially on defense) picks up, the economy should begin a rebound. Starting by July or August, it should carry real GNP upward at a 6%-7% pace in the second half of the year.

Still and all, the dawn will break cold and grey for the unemployed. The jobless rate will hover near 9% throughout 1975. And this year's rebound will not become next year's recovery unless the forces that are turning the economy around are buttressed by monetary and fiscal policies for sustained expansion.

Before tossing our hats in the air at the first signs of an upswing, we should reflect a moment on the path of the stimulants that will bring it about:

Tax cuts. After pumping money into the economy this quarter at a $50 billion annual rate, the injections will drop to a $15 billion rate in succeeding quarters. (In contrast, the 1964 tax cut, in today's terms, would have produced a sustained $26 billion rate of injection.)

Budget stimulus. Even assuming expenditures in the neighborhood of $365 billion in fiscal 1976 and continuation of about $12 billion of the tax cuts next year, the budget will swing significantly toward restriction (by some $10 billion to $15 billion in full-employment terms between the first half of 1975 and the first half of 1976) at a time when recovery is still in its early stages.

Money supply. After the temporary current spurt in money supply growth, the Federal Reserve will be tempted to go back to its "standard" 6% growth target. If it does, this alone could condemn us to a paltry 4%–5% rate of increase in real GNP in 1976.

Inventories. The big spur to production implicit in the drop in inventory liquidation rates from a peak of perhaps $20 billion to the neighborhood of zero by the end of the year is hardly likely to be sustained via inventory accumulation in 1976.

THE WHIPLASH OF RHETORIC

Yet under the whiplash of the Ford-Simon-Burns rhetoric, even the *prospect* of an unturn is being used to mobilize the nation's continuing fears of inflation in a campaign against more expansionary budgetary and monetary policy. The upturn itself will give aid and comfort to that campaign. The forces then arrayed against vigorous policies for expansion would indeed be formidable:

The Federal Reserve, still smarting from charges of election-year overexpansion in 1972, will let its deep-seated anti-inflationary bias be its guide.

The White House, following its inherent economic conservatism, seems ready to settle for a mild expansion and slow absorption of the unemployed.

Congress, intimidated by scare-talk about deficits and inflation and determined to demonstrate its fiscal responsibility under the new budget procedures, is likely to be imprudently "prudent." That is, in guarding against the distant threat of renewed inflation, it seems unwilling to deal boldly with today's deep recession.

This dangerously timid and restrictive mood—which, if it persists, could lead us from the 1974–75 recession, after a brief spurt, into a 1976 stagnation—seems to be rooted in neglect of some factors and misperception of others.

First, in its blind preoccupation with inflation, it seems to forget that (a) the ferocious inflation of 1973–74 is rapidly ebbing, (b) there is no reason to expect the forces that generated over one-half of that inflationary upsurge—two years of disastrous crop failures, a quintupling of oil prices and dollar devaluation—to recur during the expansion of the mid-1970s, and (c) a miserly monetary policy and restrictive fiscal policy would blunt both the upswing and productivity that can help us subdue inflation in the short run and the expansion of savings

and capital spending that can forestall shortages in the longer run.

Second, in assessing the economy's capacity to absorb stimulus, we seem to forget that (a) this recession is twice as deep as any previous postwar recession, (b) while real GNP has dropped 8% in the past 18 months, potential GNP has also been rising (by 6%, if we use trend growth), thereby idling about $200 billion of our annual productive capacity, and (c) American industry is now operating at only two-thirds of capacity. It remains a chilling reality that three consecutive years of 7% real growth would still leave unemployment at more than 6% and that present policies provide no assurance that even 7% growth will be maintained in 1976.

Third, even the redoubtable John Dunlop, in expressing the fear that bottlenecks in primary processing industries will abort recovery, seems to forget (a) that operating rates in primary processing industries are running below 70%, and (b) that many of the 1973–74 shortages reflected a frenzied flight into commodities—partly protective, partly speculative—as much as, perhaps more than, a genuine scarcity of materials for productive use, and (c) that many of these materials are only now being disgorged in 1975's massive inventory liquidation. True, that inventory liquidation makes the huge idle capacity today somewhat deceptive. But inventory gorging and hoarding also blew the bottleneck problem in 1973–74 out of all proportion.

Fourth, two major misapprehensions about the budget continue to plague the country and inhibit the Congress. One myth is that the huge federal budget is somehow the result of government profligacy. The facts are that (a) nearly $60 billion of the projected 1976 deficit is due simply to the ravages of recession (about $45 billion of reduced revenues and $15 billion of increased unemployment costs) and (b) the $4 billion overestimate of offshore oil lease revenues and a $6 billion or so underestimate of domestic expenditures bring Mr. Ford's deficit to some $70 billion—small wonder that Republican Senator Bellmon angrily accuses the White House of "phony" budget numbers.

A companion myth is that civilian spending is the main source of upthrust in the federal budget today. But it is defense purchases, already running several billion dollars above projections, that are programmed (according to the Special Analyses section of Mr. Ford's budget) to rise some $25 billion, at annual rates, in the next five quarters. Leaving aside the energy program and the rise in unemployment benefits, the Ford budget for fiscal 1976 projects an 11% increase in defense expenditures, 9% for income security, 6% for income security, 6% for health and zero for education, manpower and social services.

THE COST OF STAGNATION

Fifth, those who shrink from vigorous expansionary policies are also forgetting the huge costs of continued stagnation, not only in the human terms of intolerably high unemployment and intolerable losses of output, but in terms, already mentioned, of the productivity advances and capital formation foregone in a stagnating economy.

Is this an argument for pulling out all the stops? No, but it is an argument for stopping all the pulls—the downward pulls of niggardly monetary policy, a fading tax cut and parsimonious budget policy.

The Fed should lose no time in assuring the country that it will accommodate expansion, even if this means going beyond the newly declared 5% to 7½% monetary growth range, as it surely does.

The Congress should move promptly to make crystal clear, preferably by early reenactment, that the $12 billion to $13 billion of tax cuts beyond the rebate, Social Security payments and housing credit *will* continue in 1976.

Congressional spending and deficit targets should be adjusted to allow an added $5 billion to $10 billion for recovery programs targeted to areas of high unemployment and effective only as long as national unemployment exceeds a triggering level, e.g., expanded unemployment compensation and public service jobs and a new program of counter-cyclical assistance to hard-hit state and local governments, all of which would gradually self-destruct as the economy regains its health.

A year from now will be plenty of time for another look at expansionary policies. Even if we follow a resolute program of expansion, one that would boost real GNP at an 8% annual rate, we would still find the U.S. economy in mid-1976 with 7½%-8% unemployment, with output running some $125 billion below its potential, and with shortages and bottlenecks still no threat. That will give us plenty of time to review the bidding and determine whether, when, and how restraint should be applied. To do it at the first sign of an economic upturn would be an abject confession of economic bankruptcy.

The danger of an upturn, then, is that the Burns-Simon axis will mistake the warm and gentle zephyrs of the rebound for the gathering winds of a new inflation—to be leaned against in the best (or worst) Fed tradition and to be used as a club against bold congressional action. The consequence? The rebound may never become a recovery. If the White House and the Fed, hypnotized by the fear of inflation, quickly turn from expansion to restriction, they will snatch defeat from the jaws of victory.

AMERICA'S 21 MILLION ELDERLY MEDICARE BENEFICIARIES DESERVE THE HIGHEST QUALITY NURSING CARE

HON. MARK W. HANNAFORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. HANNAFORD. Mr. Speaker, I have today introduced a bill, H.R. 7000, to amend the Medicare Act to require the Social Security Administration—SSA—to continue to recognize the nursing cost differential which is presently used in determining the reasonable cost of providing nursing care for our older Americans.

I was deeply concerned to learn that the SSA is proposing to eliminate this nursing differential factor in providing quality care for the Nation's senior citizens.

In my own 34th Congressional District in California, we have nearly 44,000 citizens of retirement age who depend on our Federal medicare program to meet their continuing health needs.

It seems to me, Mr. Speaker, that we in the Congress have an obligation to assure that this congressionally-mandated Federal health care program for older Americans continues to maintain the very highest standards of quality care for our senior citizens who have worked and contributed to the program and who now have a right to expect the best medical care our Nation's health delivery system can offer.

Instead of reducing the quality of care in the medicare program and cutting out vital nursing services to our elderly citizens, the SSA should be busy finding ways to improve the quality and upgrade the standards of care provided these older Americans.

If this proposed elimination of the nursing salary differential is implemented, the additional cost to health care institutions of providing the needed extra nursing services will simply have to be shifted to other private patients receiving care in the same institution.

This, however, would be clearly contrary to the congressional mandate as expressed in the medicare law, Public Law 89–97, which states that—

> The costs with respect to individuals covered by the (Medicare) insurance programs . . . will not be borne by individuals not so covered . . .

If SSA intends to go through with their proposal, they will be doing what Congress has specifically prohibited them from doing: shifting, according to SSA's own estimates, some $120 million of Medicare costs annually to non-Medicare patients or to hospitals. Such a proposal would be inequitable, arbitrary, and, in my opinion, clearly unlawful.

It is certainly ironic that SSA itself, in its Medicare regulations published in 1971, recognized the inequity of its present proposal when it stated:

> It is appropriate that the greater costs of providing these (inpatient routine nursing care) services, which are attributable to caring for (Medicare) beneficiaries . . . be recognized by the program and its reimbursement.

A graphic example from my own Congressional District in California of some of the most serious adverse effects of SSA's proposal to eliminate the medicare nursing cost differential has just been brought to my attention.

It has to do with the Long Beach Memorial Hospital Medical Center, one of the outstanding health care institutions in the Nation, which is not only the largest nongovernmental hospital in California, but also prides itself on having rates lower than any other community hospital in any large city in California.

Mr. Millard J. Hines, a prominent business and civic leader in southern California for many years, president of Industrial Paper Distributors, Inc. of Long Beach, and a member of the finance committee and the board of trustees of Long Beach Memorial Hospital, is so deeply concerned about the harmful effect of this SSA proposal that he has written a letter to President Ford strongly urging him to take a personal interest in the matter and asking that he use his authority to see that this proposal is withdrawn.

Mr. Hines has taken the liberty of sharing his fine letter to the President with me, and I would like to include pertinent sections of the letter at this point in the RECORD:

> It is as a private citizen and businessman that I am writing this letter to strongly protest the ill advised and unlawful proposal to eliminate the 8½ percent Nudsing Salary Cost Differential for aged Medicare patients.

UMI

> It is a fact that the failure of Medicare and MediCal to pay just costs for hospital care provided the aged and indigent at Memorial will result in a loss in excess of $3 Million for the current fiscal year. If this newly conceived, grossly unfair, arbitrary and unilateral action is implemented, Memorial will lose another $100,000 this year.
>
> In a not-for-profit hospital like Memorial this means that rates charged other patients must be increased once again. This continued shifting of additional Medicare costs to the private patient ultimately will bankrupt the non-profit community hospitals in this nation. This, in turn, will result in higher costs to government and dangerous reduction in the quality of care provided Americans.
>
> In an inexplainable act dating back to 1969, the Social Security Administration eliminated the 2 percent overall allowance for such increased costs as inflation and in its place gave the hospitals the 8½ percent Nursing Salary Cost Differential. Because aged Medicare patients required above average routine nursing care, research studies at that time at Memorial showed that the 8½ percent Nursing allowance was in fact substantially lower than the 2 percent overall allowance and markedly lower than the cost of providing additional routine nursing care for the over 65 patient. Local studies revealed that aged Medicare patients, in fact, received 20 percent more nursing care than other patients.
>
> Further, it was made indelibly clear in 1969 that if any change in the 8½ percent figure were considered that the adjustment would be based upon further research. This has not been done. It should be done. It is appalling that government would attempt to eliminate this differential without so much as a single study or other credible evidence showing that it should be modified in any fashion.
>
> To be certain that you would not think that this protest is coming from a hospital that is making excessive charges, I would like to point out that Memorial is not only the largest non-government hospital in California, but in addition, has rates lower than any other community hospital in any large city in California. The development of quality care at low cost has been possible because of the unselfish dedication and generosity of the citizens of our city. We think this local, grass-roots support is the heart of America's health care delivery program. We strongly oppose irresponsible proposals such as this because they undermine our efforts and move us closer and closer to expensive, low quality hospital care. This, I am confident, you also oppose.

Mr. Speaker, I have also received an excellent letter from Mr. John Brewer, executive vice president of the Hospital Council of Southern California. Mr. Brewer's letter strongly supports the statements Mr. Hines addressed to the President. I would like to include a portion of Mr. Brewer's letter in the RECORD:

> Our 250 hospitals in the Hospital Council of Southern California are extremely concerned in regard to the proposed deletion of the 8½% nursing salary cost differential for Medicare patients.
>
> In Public Law 89–97 (Medicare Law) Congress mandated that Medicare costs be borne by the Medicare program. The termination of the nursing differential violates this congressional intent, for it will shift Medicare program costs to non-Medicare patients, an amount SSA estimates at $120 million per year. If SSA enacts this proposal, it will force hospitals to increase their charges to non-Medicare patients as their only means of recovering their losses. We do not think this is desirable or in the best interests of hospitals or the public.

Equally concerned with the far-reaching adverse ramifications of the Social Security Administration's proposal are the Kaiser Foundation Hospitals, whose general counsel, Arthur B. Rosenfeld, addressed a strong letter of protest to the Commissioner of Social Security, from which I quote:

> Experience shows that elderly patients need more routine nursing care than younger patients. A recent study conducted at the Hayward, California hospital of Kaiser Foundation Hospitals concluded that Medicare beneficiaries require 14 percent to 18 percent more nursing care than non-Medicare patients. There can be no question that a differential is still appropriate.
>
> The general principle of reasonable cost reimbursement in the Medicare Program is that "the share of the total institutional cost that is borne by the program is related to the care furnished beneficiaries so that no part of their cost would need to be borne by other patients." "Conversely, costs attributable to other patients of the institution are not to be borne by the program." Unless it can be shown that Medicare beneficiaries do not need more routine nursing care than other patients, elimination of the routine nursing salary cost differential violates this principle. The fact is that Medicare beneficiaries need and receive proportionally more routine nursing care than other patients.

Mr. Speaker, another outstanding health care leader in my home State is Mr. Samuel J. Tibbitts, president of the Lutheran Hospital Society of southern California. In his recent letter to me, Mr. Tibbitts has well summarized the major objections to SSA's proposal to terminate the nursing salary differential for elderly Medicare patients:

> The nursing differential is required to reimburse our hospitals for the disproportionately large amounts of routine nursing care required by these patients. To compensate for this additional burden on our nursing staffs, we allow all our hospitals a 22 percent additive to their staffing requirements in routine care areas for patients over 65 years of age.
>
> We continue to recognize an even greater staffing burden as the age level of patients rises. Since 1966, the number of patients over age 75 has increased considerably in our hospitals.
>
> In summary, it is evident that aged Medicare patients constitute a real additional burden on the total resources of our health care institutions, and ignorance of that fact may lead to the deterioration of the quality of patient care.

I have also received a letter from Mr. William M. Whelan, executive vice president of the California Hospital Association, on this important matter. I would like to include in the CONGRESSIONAL RECORD at this point a portion of Mr. Whelan's fine letter:

> There is no question that hospitals will develop serious financial problems if in fact the differential is to be eliminated. Elimination of the differential will clearly require California hospitals to shift costs to direct payers, impede their ability to provide charity care, force the elimination of vital community services and could bring financial insolvency to hospitals that are just now able to break even.
>
> The nursing care differential is now paid only where it is required, in the routine nursing care area for Medicare beneficiaries. If Medicare is to function appropriately and in accordance with the intent of the Medicare Law, it is only right that Medicare continue to pay its rightful share of hospital costs and, thus, not eliminate the nursing salary cost differential.

In addition, Mr. Speaker, I would like to include in the RECORD the very concise and well-reasoned letter of protest on this subject written to President Ford by Mr. John Alexander McMahon, president of the American Hospital Association:

> APRIL 21, 1975.
>
> President GERALD R. FORD,
> *The White House,*
> *1600 Pennsylvania Avenue, N.W.*
> *Washington, D.C.*
>
> DEAR MR. PRESIDENT: On behalf of this country's hospitals, and the patients they serve, I urge you to direct the Social Security Administration to withdraw its proposal to terminate the nursing salary cost differential for aged Medicare patients. (40 *Federal Register* 14934, April 3, 1975.)
>
> The Congress has mandated that Medicare costs are to be borne by the Medicare program; Medicare costs are not to be shifted to non-Medicare patients or to providers of health care. The Medicare law, P.L. 89–97, clearly states that "the costs with respect to individuals covered by the [Medicare] insurance programs . . . will *not* be borne by individuals not so covered . . ." (Section 1861 (v)(1). Emphasis is mine.)
>
> By proposing to eliminate the nursing salary cost differential for aged Medicare patients, the Social Security Administration (SSA) apparently intends to do what Congress has expressly forbidden it to do: it proposes to shift, according to its estimates, $120 million of Medicare costs per year to non-Medicare patients or to hospitals. Such a step would be inequitable and unlawful. Non-Medicare patients and the hospitals of this nation can ill afford to assume the financial burden of the Medicare program.
>
> SSA has recognized that aged Medicare patients require greater than average amounts of routine nursing care. Indeed, this fact of hospital life has been an important feature of the Medicare program since July 1, 1969. Because "of the above average cost of inpatient routine nursing care" furnished to aged Medicare patients, the Medicare regulations have provided an 8½ percent salary cost differential on routine nursing provided to these patients. (See 36 *Federal Register* 12606, July 2, 1971.) These regulations say:
>
> "Studies have indicated that aged patients . . . on the average, receive inpatient routine nursing care that is more costly on the average per day basis than the average of the remainder of the adult non-maternity patient population. *It is appropriate that the greater costs of providing these services, which are attributable to caring for [Medicare] beneficiaries and which are sufficiently supported by studies*, be recognized by the program and its reimbursement." (Emphasis again is mine.)
>
> What SSA acknowledged in 1971 remains true today. Aged Medicare patients continue to require disproportionately large amounts for nursing care; they continue to incur greater than average routine nursing costs. Yet SSA now proposes to terminate this necessary 8½ percent nursing care differential—without apparent benefit of a single study or a single fact which justifies such action.
>
> SSA offers three explanations for its proposal. (40 *Federal Register* 11934, April 3, 1975.) However, not one of the explanations is relevant, let alone a justification of the action which SSA proposes.

> First, SSA notes that since 1972, Medicare benefits have been extended to certain disabled persons and to persons with end-stage renal disease, beneficiaries who are not aged, and who may not require above average routine nursing care. The Medicare program has been so extended. But SSA appears to overlook the fact that only care for aged beneficiaries—and not these new Medicare beneficiaries (save a few maternity or pediatric patients)—qualifies for the nursing care differential. Moreover, these new Medicare beneficiaries constitute a very small portion of the Medicare population. There are about 21.4 million aged Medicare beneficiaries, less than 1.8 million disabled Medicare beneficiaries, and only about 21,500 end-stage renal Medicare beneficiaries.
>
> Second, SSA suggests that aged Medicare patients now receive more treatment in intensive care, coronary care and other special care units, where the higher unit nursing costs for such patients are built into the reimbursement formula for treatment in such. However, the existing regulations expressly take this into account: no routine nursing care differential is now paid for such patients. The growth of special care units provides no justification to eliminate the routine nursing care differential with respect to aged beneficiaries who continue to receive treatment in regular care facilities. Indeed, the vast majority of aged Medicare beneficiaries are still treated in such facilities.
>
> Third, SSA claims that the 1972 changes in Medicare cost apportionment requirements somehow eliminate the need for the nursing care differential. To the contrary, the 1972 changes in cost apportionment—which require separate calculation of routine cost and special care unit cost—assure that the nursing care differential is paid only for routine nursing care of aged beneficiaries. This refined application of the differential is hardly a reason for its elimination. It is an additional compelling reason for its retention.
>
> In short, the nursing care differential is now paid only where it is required, that is, to reimburse hospitals for the disproportionately large amounts of routine nursing care required by aged Medicare beneficiaries. If the Medicare program is to function in accordance with intent of Congress and the Medicare law, if Medicare is to pay its rightful share of hospitals costs, then this differential must be retained.
>
> When the nursing care differential was first adopted, SSA proposed to undertake further studies "to ascertain what variations in differentials should be established" in the future and "to obtain other pertinent data on nursing care costs" in order to assess the continued appropriateness of the 8½ percent factor. 20 C.F.R. § 405.430(c)(1). SSA stipulated that such studies would be a condition precedent to any modification of the differential. To our knowledge, SSA has not conducted any such studies. The American Hospital Association stands ready to cooperate with SSA in planning and executing such studies. But AHA and its members cannot accept elimination of the differential without so much as a single study or other credible evidence showing that it should be modified in any fashion.
>
> On behalf of the hospitals of the United States, I respectfully urge you, Mr. President, to withdraw this baseless, unlawful proposal. Because of their interest, I have taken the liberty of sharing this letter with Caspar W. Weinberger, James B. Cardwell and James T. Lynn.
>
> Sincerely,
> [s] JOHN ALEXANDER MCMAHON,
> *President.*

Finally, I want to print the full text of my bill, H.R. 7000:

H.R. 7000

A bill to amend title XVIII of the Social Security Act to require the continued application of the nursing salary cost differential which is presently allowed in determining the reasonable cost of inpatient nursing care for purposes of reimbursement to providers under the medicare program

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the last sentence of section 1861(v)(1)(A) of the Social Security Act is amended by striking out "and (ii)" and inserting in lieu thereof the following: "(ii) provide in any event for the allowance of an inpatient routine nursing salary cost differential of at least 8½ percent, as a reimbursable cost of inpatient nursing care, in recognition of the above-average cost of furnishing such care to aged patients, and (iii)".

ESEA 10 YEARS LATER

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. HAMILTON. Mr. Speaker, with scarcely a notice, the Nation has quietly slipped by a significant anniversary. Ten years ago this April the Congress and the President enacted the Elementary and Secondary Education Act of 1965—ESEA. Even in the midst of Vietnam, budget deficits, and high unemployment, it is worth asking ourselves whether this landmark education bill is succeeding and what we have achieved with the $17 billion appropriated under ESEA over the past decade.

In a financial sense, ESEA's contribution to education has been modest, amounting to about $40 per year per pupil, about 3 percent of the total school budget each year. But the number of dollars is not the only determinant of impact. I have come to believe that ESEA has had an impact far beyond its dollars, with an enormous multiplier effect throughout education.

In the past 10 years a remarkable consensus has emerged about the Federal role in education that almost causes us to forget the virulent conflicts over the church-state relationship, desegregation, distribution formulas, and fear of Federal control of education that prevented passage of any large-scale Federal aid to elementary and secondary schools for many years. Today renewal of the ESEA is never in doubt—it passed the House of Representatives in 1974 by the lopsided vote 328 to 26—reflecting the consensus that, although aid to education is no panacea, the Federal Government has a role in helping local school districts cope with special national problems, such as the educational problems of disadvantaged children, education is basically a local function, and Federal dollars and direction should be limited. The ESEA is no longer viewed as a high-risk experiment but as a solid block in the Nation's educational superstructure.

ESEA has highlighted the special needs of children and insisted that emphasis in education be on the child. That may seem simplistic, but it may be the most enduring contribution of the ESEA. In these past years, we have drastically changed the focus of education away from school buildings, teacher problems, and school administration to the question of how to enable millions of children to perform better in school and how to equip schools and teachers to help them. "Instead of blaming the children for failing to fit the school, ESEA asked the schools to fit the child, to assess the particular needs of their students, and to devise individualized and effective prescriptions for them," writes Samuel Helperin, one of the architects of the act.

The ESEA has had other benefits, too. It energized the movement toward equal educational opportunity with special provisions for children of migrant workers, juvenile delinquents, children who speak one language at home and another at school, and preschool children. A basic principle behind ESEA is that disadvantaged children are entitled to above-average educational expenditures. The ESEA has also involved parents and the community in the schools through the use of parent advisory councils and other mechanisms, and it has promoted cooperation between public and nonpublic schools by centering funds in the public schools while insisting that they had an obligation as public trustee for all children.

ESEA has also promoted an emphasis on better evaluation of educational programs to assure that public funds result in advances in learning. The emphasis of the ESEA on measuring the educational outcome of educational programs by academic performance has added impetus to the improvement of the evaluation and accountability of the programs. ESEA has strengthened State educational agencies in every State, which have become better staffed and more professional. State departments of education have added over 2,000 needed staff members and increased planning, training, evaluation, and management systems.

The critical test of ESEA, of course, is whether it has helped children learn. No final answer can be given to that question because the factors in a child's education are too complex to single out any one factor for credit. But tests do show that today's young readers, for example, seem better, on the average, than those of previous years.

ESEA has also had it problems. Academic achievement is not rising everywhere; some of the money has not been well spent; the needs of many children are not being met; and some provisions of the act, such as the provision to establish national education research laboratories, have not worked well. But, on balance, the 10th anniversary of ESEA is worth noting. The act has had some impressive achievements. It has gained broad acceptance and, though it may not measure up in all respects to some of the claims of its staunchest supporters, the evidence is looking better all of the time.

This newsletter was written on the basis of an article by Samuel Halperin, entitled "The Great Education Act: ESEA 10 Years Later."

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ENGINEERS ACCEPT LOWER WAGES TO INCREASE JOBS

HON. RAY THORNTON

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. THORNTON. Mr. Speaker, one of the great strengths of America is the willingness of its people to share in overcoming difficulties.

Last month, the 2,500-member Operating Engineers Union, Local 382, agreed to reduce wages in order to help reduce the costs of construction projects and get jobs started in Arkansas. This action reflects a genuine concern by working people that we must find ways of improving employment opportunities for our unemployed. I wanted to share the report of this story which appeared in the Arkansas Democrat, and I hope it will encourage us to establish programs to put our unemployed to work without requiring them to bear the whole cost of our faltering economy:

Union Lowers Wage Scale

With the approval of about 100 of its 2,500 statewide members, the Operating Engineers, AFL–CIO, Local 382, has executed an agreement lowering members' wage rates.

The agreement was announced Friday by V. H. "Bill" Williams, the union's business manager, and Ray Spillers, chairman of the Labor Committee of Associated General Contractors of Arkansas.

Williams said he initiated the wage-reducing agreement to create more jobs.

The reductions range from $2.82 an hour to $1.24 an hour, dropping rates from $9.20 to $6.38 at the top level and from $6.40 to $5.16 an hour at the bottom level.

The lowered wages will help reduce construction costs and make it easier for contractors employing union members to win construction contracts over those who hire nonunion workers, Williams said.

The new rates apply only to work done under construction contracts obtained by contractors after Friday's announcement. Work being done under existing contracts will not be affected.

The union membership includes operators of cranes, draglines, bulldozers, shovels, motor patrols, end loaders and backhoes for such site preparation work as clearing, excavating, grading and compaction.

However, many operators of such equipment do not belong to the union. That—along with a general slackening in construction—has helped put union members out of work.

Williams said he figured 20 to 25 per cent of the union's members were out of work because of the construction slowdown.

"Your contract wage rate may be $10 or $12 an hour, but that doesn't mean anything if the contractor isn't competitive and there isn't any work for our members," Williams said in a prepared statement.

"We went to the contractors asking for this agreement," he said. "We believe it makes sense to help the contractor be more competitive and get work started rather than have our people out of work drawing no pay."

He said it was obvious to him that "the wage rates had priced our workers out of jobs because the contractor couldn't perform the work on a competitive basis," and he asked for authority to negotiate lower wage rates.

"It is my responsibility to keep these people working," Williams said.

The union's 15-member executive board approved, Williams said.

He said about 100 union members who attended two meetings where the question was considered gave the question unanimous voice-vote approval each time.

Spillers said the action by the union "could be a landmark decision for Arkansas and this part of the country." He praised Williams for a "bold step."

"I believe it will motivate other labor leaders and workers to join with contractors in helping reduce the costs of construction projects and get jobs started," Spillers said.

"A substantial amount of new construction work is held up because of the tremendous escalation in cost," he said.

He said the contractors respected the union for taking the initiative in helping contractors to be more competitive. The action, Spillers said, "will put people back to work."

Though apparently not the first time ever for a union and an employer to agree on lower wage rates in Arkansas, this agreement is the first wage-lowering contract to be reported in recent history.

The new agreement, like the one it amends, will expire April 30, 1976.

Newsmen attempted to determine how much of a construction cost reduction might be traceable to the lowered wage scales.

One contractor at the news conference said that recent bids on a Fort Smith contract for construction of a Whirlpool factory included $140,000 bid for site preparation work. That bidder indicated this amount could be reduced by $10,000 if nonunion workers were hired. The nonunion rates are roughly comparable to the rates of the new agreement, he said.

REMARKS OF VA ADMINISTRATOR RICHARD L. ROUDEBUSH

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. O'BRIEN. Mr. Speaker, all of us in Congress face a daily struggle to keep big Government responsive to the needs of individual Americans.

But we are not the only arm of the Government faced with this problem. One of the largest personal service agencies in the Federal Government is the Veterans' Administration. Each of our constituencies are tiny in comparison to the VA's which numbers more than 29 million veterans of all wars. If you add the close relatives of these veterans, you find that the VA provides services that touch half our Nation's population.

Staying responsive to the needs of such a vast number of people is a massive job by any standard. The chain of command is a long one, running from the Administrator here in the Washington central office to the individual VA employee who makes personal contact with veterans.

Obviously any operation of that size has imperfections and people are quick to point them out. Yet despite these problems, the Veterans' Administration does an outstanding job handling thousands, sometimes even millions of veteran-connected cases daily.

Today I would like to call your attention to the remarks given by Richard L. Roudebush, Administrator of Veterans' Affairs at the VA's 16th Regional Management Institute on April 24.

I think they will give you some insights into how the VA maintains its responsiveness and remains a credit to the Federal Government:

Remarks by the Honorable Richard L. Roudebush

The fact that this Regional Management Institute has been an annual feature for sixteen years says a great deal about its value to the Veterans' Administration and is a positive commentary on the way it has been conducted.

This is a prestigious event. You know of the reputation it has gained over the years and of the attention given it by Central Office and throughout VA. This institute has been important for the last fifteen years and it has been productive.

But I think that now, in the sixteenth year of its existence, there is an even greater need for the study of good management practices in VA and that there are even more compelling reasons for each study to produce tangible results.

If Congress provides the funds we have requested, you and I will have administrative responsibility in a sixteen and one-half billion dollar enterprise starting the first of July.

This is such a large sum of money that I have it underlined here on my speech copy. It is too large an amount for any of us to really comprehend . . . yet you and I and others throughout VA are going to be asked to allocate it properly and spend it wisely next fiscal year.

Just five years ago, when the Tenth Regional Management Institute was conducted, Administrator Don Johnson spoke at this banquet and noted that VA was making plans for an eight and one-half billion dollar budget.

Now I don't suggest a strict relationship between the size of our budget and the state of our managerial skills. I don't even know for sure what measurements we could apply to see if management is twice as good as it was five years ago.

I am sure that it is not twice as good and I don't think we could reasonably expect it to be.

But I am equally sure that as more of the resources of our government . . . more of the taxpayers dollars . . . go into this huge agency of ours that administrative skill becomes more important and administrative accountability more critical.

I am not speaking just of top management within VA, although I know that my own responsibility increases as VA grows, and I know that it is to top management that Congress and the public look in event of administrative breakdown.

I am speaking also of the many employees to whom top management tasks fall at all levels of VA operation, of those who make decisions regarding programs and operations throughout the system.

The American people are paying more for their government than ever before and it follows that they are entitled to more administrative skills and the greater productivity that will result.

And . . . while I am on the subject of money . . . I hope that those in charge of your sessions have emphasized the point that professional pay calls for professional performance and that individual levels of efficiency that were appropriate and tolerable ten, or even five years ago are in many cases no longer acceptable.

I think it is also good to remind ourselves that while operating funds for VA have gone up steadily, year after year, this is a trend that is not necessarily irreversible. We may be called on to do more with less and we must develop the ability to do so.

But money, with all its implications . . . more money, less money, the need to spend wisely, the need to earn our salaries . . . is not the only reason that this is a particularly important time to stress better management within VA.

We serve more veterans and more veterans' dependents today that at anytime in the past and prospects are that our clientele will continue to grow.

The fact that we also have more employees to provide this service does not, I believe, diminish the need for higher standards of achievement on the part of each employee.

This is true because we are also being called on to administer a greater number of programs and they are programs of a more complex and more sophisticated nature.

As new concepts concerning needs of veterans in this changing world emerge and as new methods of meeting these needs are perfected, there must be an accompanying evolution of management methods to accommodate to these developments.

This is not new to you, of course, and it is not news to VA. VA's ways of administering help have changed constantly and stress has always been put on improvement.

But it seems to me that we are today at a crossroads of events and influences that will make the future considerably different from the past.

The Vietnam War has ended but has left a large number of veterans who need assistance of various kinds. Veterans of World War II and Korea are reaching the age where more and more of them will need medical care and financial help. Over one million World War I veterans and even a few Spanish American War veterans are still with us and have special needs.

Not only are there more veterans living today than at any time in our history but they have a wider range of ages than ever before and their needs are equally diverse. And, because people live longer now, there will for the foreseeable future be a large veteran population ranging from young to very old.

There are also the needs of the dependents of all these veterans to consider.

Further, we are changing our ways of doing things as we learn more about the requirements of those we help and as we institute the more complex and more sophisticated programs I have spoken of.

Management needs have changed as we have moved away from the old practice of providing a hospital bed for every veteran with medical problems and have opened outpatient clinics, made arrangements for home care, helped states build facilities and have otherwise offered a variety of health services.

Management needs have changed as we have gained the ability to save lives and to restore usefulness with more advanced medical techniques.

Management needs have changed as we put Vet-Reps on college campuses, provided free long-distance telephone service for our veterans, put mobile vans on the road, put into service new methods of data retrieval and as we have done the countless other things that make VA today so very different from the VA of just a few years ago.

Management needs will continue to change as programs are altered and improved, as those to whom our mission is directed change and as the society of which they are a part changes.

There is another side to all this, of course, and perhaps it is more positive. The other side is that our service has been *able* to change and improve because we have improved our management skills . . . and that this process will continue.

Both sides describe the usefulness of this institute. You are here to learn how to meet changing conditions. And you are here to learn how to make constructive changes of your own.

But maybe I speak too much of change. Certainly there will be no change in the mission of our agency and I hope there will be no deviation in the loyalty and dedication that VA employees have traditionally shown toward that mission.

And certainly there must be no change in our recognition that we are here . . . first, last and always . . . to provide service to veterans and their survivors and dependents.

Service is . . . and has got to be . . . the guiding principle of VA because it is all we have to offer.

Good administrative policies and good administrative practices . . . at any level, at your installation or in Washington, in your office or mine . . . are good only if they produce good service at the only level where service exists . . . at the meeting place between a VA employee and the veteran or dependent who needs our help.

The ultimate test of good management, and the only worthwhile test, is how effectively our veterans are taken care of.

VA is an agency that deals entirely with individuals, their plans and their problems. Our business is conducted, generally, through a matchup of one veteran and one public servant.

If the employee fails, it does not mean that all of VA fails, but it does mean that our effectiveness has been diminished and it does add up to failure in the opinion of the veteran.

I know you are aware of the consequences of such a breakdown in the fulfillment of our responsibilities and don't need them spelled out for you. But I hope you are more than just aware of these consequences.

I hope you are skillful in describing them to those you supervise and skillful and insistent in helping them to correct practices that may lead to our giving less service than we should or giving it less effectively.

To me, these are management skills and they make you extremely valuable to VA if you have them.

I hope you can go one step further in this direction. I hope you can help the people you work with to see the great significance of what they are doing . . . help them to see the great force for good that they may be both for the individuals they assist and for society.

It is on such on-the-job self respect by large numbers of employees that the morale of an agency is built. It is from individual pride and satisfaction that agency pride develops.

I have a strong feeling that if you can help build respect, pride and esprit de corps among your associates many of your management problems will take care of themselves.

ABOLISH EPA AND OSHA

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. McDONALD of Georgia. Mr. Speaker, our deteriorating economy is the result of the fiscal, monetary, and regulatory policies of the Federal Government.

Deficit spending as a fiscal policy necessitates expanding the money supply by means of the Federal Reserve System and the consequence is inflation and rising prices.

On top of this the Government adds its avalanche of regulations, which restrict freedom of action, stifle initiative, and outlaw innovation—all the conditions necessary for the rapid adjustment and growth of the economy.

The fiscal and monetary policies are designed to bring the economy to its knees—the regulatory policies, to keep it there.

Two regulatory agencies that are most effective in stifling economic growth are the Environmental Protection Agency, EPA, and the Occupational Safety and Health Administration, OSHA. The following excerpt from an article by Allen Fulford, which appeared in the April 23, 1975, issue of the Southeast Farm Press, demonstrates how these agencies affect just one segment of our economy—agriculture.

Project this to all aspects of the economy and you can see why, if our economy is to survive and remain productive, these and other such agencies must be abolished.

The article follows:

[From the Southeast Farm Press, Apr. 23, 1975]

EPA And OSHA Costing Farmers

(By Allen Fulford)

Well, we just heard that USDA is cutting off funds for the control of the fire ant.

One of the reasons given is that the EPA will not allow but one application of mirex every 12 months.

USDA says to effectively control the fire ant an area must be treated at least three times, six months apart. They say efforts based on one application every 12 months are token at best; and therefore a waste of money.

ANOTHER ROUND

Chalk up another round for EPA. How many rounds will it take before EPA scores a knockout punch? EPA and OSHA have already put this nation on it's knees. How much can we take before being flattened?

EPA and OSHA regulations have probably contributed more to inflation than any other single factor including the increased price of imported crude oil, yet our national news media, public watchdogs that they are, refuse to even approach the truth about EPA and OSHA.

CONSUMER UNAWARE

The average American had no idea that Congress was even thinking about the current Federal Insecticide, Fungicide and Rodenticide Act that EPA now administers and the creation of the Occupational Safety and Health Act.

I believe that if the average American knew what these two agencies were doing he would demand that they be abolished or their absolute power be curtailed drastically. But the average American is not going to know because the national news media is not going to tell him.

They would rather report scandals like Watergate, what the bird watchers in New York thought about killing those birds in Kentucky or maybe that some freak from the concrete abyss of Chicago thinks about putting a safe insecticide like Mirex out in Georgia to kill a pesky fire ant. Personally, I would like to see some of these self anointed experts on our environment forced to stand in a bed of fire ants about five minutes. But that's not likely to happen either.

WRITE LETTERS

What can farmers do then? Write letters. Sound simple? It is. But how few letters our lawmakers receive from their constituents. One Senator told a friend of mine that he figured one letter represented the views of 50,000 people.

That was based on the average number of letters he received on each bill that he voted on. Very few farmers realize the impact that just one letter has. It is way past time farmers

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let themselves be heard and not just talking to each other at country stores and other gathering places.

NIT-PICKING

dustry people concerning nit-picking rules

Some of the facts related to me by in- and regulations they are forced to adhere to by EPA are enough to create a national scandal.

Rules and regulations are passed on to industry without any regard to cost or possible consequences. These added costs are passed on to the farmer but he cannot add these costs to his selling price; he has to take what the "Market" is. But you can bet EPA and OSHA's influence is reflected in everything he buys—equipment, repair parts, pesticides, tools, fertilizer, etc.

LABEL COSTS

Talk to any basic manufacturer about the cost of getting a label for a pesticide starting from scratch. I wonder sometimes why they even try.

Last spring I was talking to the office of one of our Georgia Lawmakers about the reentry standards being proposed for cotton by EPA. They were trying to keep anyone from going into cotton fields until seven days had elapsed after applying Parathion. I inquired how EPA could ignore expert testimony given at hearings all over the U.S. and still propose such ridiculous regulations. His answer was, "Mr. Fulford, this crowd is doing just as they damn well please."

LICENSE REQUIREMENTS

Well, I believe him. Farmers are really going to believe, too, when they get through going to school and taking exams for a license to apply pesticides. That's right. In case you haven't heard, anyone who applies a restricted use pesticide after October 21, 1976 will have to be certified. That means every farmer in our country.

Imagine if you will, farmers everywhere sitting in classrooms attending classes on pesticides and then taking an exam to see if they are qualified to apply them. Sound ridiculous? It is, especially, in view of the excellent safety record farmers everywhere have in the application of pesticides.

Can you imagine how much this venture is going to cost? how many wasted hours? the red tape? the bureaucratic lollygagging and just plain needless effort that will be expended by this monster created by congress?

TO LIVE IN AMERICA BE A REAL AMERICAN

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. DERWINSKI. Mr. Speaker, consistent with the House debate on the Indochina Migration and Refugee Assistance Act, I wish to place in the RECORD at this time, an article by Michael Kilian of the Chicago Tribune, May 4, which with a light touch, dramatizes some of the objections we heard on the floor today from Members who, for various alleged reasons, opposed this bill.

The article follows:

TO LIVE IN AMERICA BE A REAL AMERICAN

(By Michael Kilian)

Seeing the generous American spirit in action is enough to warm the cockles of the heart.

To about 212 degrees Fahrenheit.

Consider the response of so many of our glorious elected leaders to the decision to allow between 50,000 and 70,000 South Vietnamese refugees to immigrate to the United States.

You would have thought the South Vietnamese were black welfare mothers trying to crash the Daughters of the American Revolution.

A proposed resolution welcoming the refugees was resolutely voted down by a margin of 7 to 1 in the Seattle city council. Other politicians in such enlightened provinces as California yelled and screamed about how the South Viets would bring in strange jungle diseases and take away American jobs.

Instead of congratulating President Ford and the Pentagon on their last-minute rescue or some 6,000 refugees from Peoples' Liberation beheading squads, the carping liberals on Capitol Hill complained that Ford violated their precious War Powers Act in doing so.

What are a few heads when it comes to the sanctity of liberal legislation? Besides, most of those refugees really aren't "people," but merely members of the South Vietnamese middle class.

Such hypocritical knavery is to be expected of elected leaders, especially those on Capitol Hill. But I wondered if they truly reflected the attitudes of the millions of average Americans who have made our country what is is today.

To find out, I set forth with a tape recorder. To get a truly representative response, I also borrowed my neighbor Mad Marvin's time machine. Here is the transcript:

Q. Mr. Lopez, are you opposed to the immigration of South Vietnamese refugees to the United States?

A. Sure, man. They just gonna bring in diseases and take away our jobs. We got a recession here and we oughta take care of our own first. I got it bad enough makin' payments on my motorcycle. Why they want to come to America, anyway? Why don't they stay in their own place?

Q. Mrs. Bernstein, are you opposed to the immigration of Cuban refugees to the United States?

A. Yes! They'll come in here with their cigar leaves and ruin Miami. They don't even speak English. If they don't like that Castro of theirs, that's their problem.

Q. Mr. Antonelli, are you opposed to the immigration of Jewish war refugees to the United States?

A. You betcha. We fight the war for them; what more do they want? I didn't build no concentration camps. They just come in and take our businesses. I work hard for what I got. Send them to Palestine where they belong.

Q. Mrs. Kosinski, are you opposed to letting more Italian immigrants into the United States?

A. I am. They shiftless and gangsters and smell up the neighborhood with their cooking. We got a nice neighborhood. We work hard for our houses in steel mill. No Italians!

Q. Mrs. Kelly, are you opposed to letting Polish refugees immigrate to the United States?

A. Sure, that I am. They may be Catholic, but they don't speak English. They don't know how to vote. 'Twasn't easy for us, you know. We're not going to give up what's ours to any Poles.

Q. Mr. Haynesworth, are you opposed to allowing Irish immigrants into the United States?

A. What, those drunken bog-trotters? They need not apply. We didn't cause their potato famine. If they have no potatoes, let them drink whisky. But not here. America for the Americans.

Chief Running Fox, are you opposed to letting English immigrants settle in America?

A. Me opposed. No English. America for Americans.

HOUSE OF REPRESENTATIVES—*Thursday, May 15, 1975*

The House met at 10 o'clock a.m.

Rev. Edward H. Porter, Hughes United Methodist Church, Wheaton, Md., offered the following prayer:

Our Father, we thank You for the blessings of community whereby Your gifts feed us, teach us, defend us, and enrich us in many ways.

We pray for our Nation—assist its residents to enlarge their responsibility for one another. Help its leaders to lead wisely. Bring us all to a deeper devotion to the common good.

Give health of body, mind, and spirit to the Members of this Congress. Sustain them in the anguish of difficult decisions, the rigor of hard work, and the role of dedicated servant.

Help them to trust in You in the times of turmoil and testing knowing that the hands into which we commit ourselves are tender and dependable. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment concurrent resolutions of the House of the following titles:

H. Con. Res. 44. Concurrent resolution providing for the printing of a revised edition of the House document, "Our American Government. What Is It? How Does It Function?";

H. Con. Res. 117. Concurrent resolution providing for the printing as a House document of the hearings and panels of the Select Committee on Committees; and

H. Con. Res. 146. Concurrent resolution authorizing the printing of a revised edition of the booklet entitled "The History and Operation of the House Majority Whip Organization—94th Congress."

The message also announced that the Senate had passed a bill and joint and concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. 1509. An act to prohibit pyramid sales transactions, and for other purposes;

S.J. Res. 41. Joint resolution to provide for the reappointment of Thomas J. Watson, Jr., as citizen regent of the Board of Regents of the Smithsonian Institution;

S.J. Res. 42. Joint resolution to provide for the reappointment of Dr. John Nicholas Brown as citizen regent of the Board of Regents of the Smithsonian Institution; and

S. Con. Res. 36. Concurrent resolution authorizing the printing of additional copies of Senate hearings on proposed constitutional amendments to limit abortions.

PRESIDENT'S ACTION SHOULD BE PRAISED

(Mr. FUQUA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FUQUA. Mr. Speaker, the swift and decisive action of the President of these United States in connection with the pirating of the American ship *Mayaguez* will serve to prevent repetition of such aggression and the serious consequences of such acts.

An American merchant ship has the right to sail on the high seas and this Nation has an obligation to protect that right.

This is what American policy should be—firm, forceful, and fair. We were not the aggressors, we sought no territory, we sought only to regain possession of an American ship and the release of American sailors who have a right to expect protection from their fellow Americans.

Had this act been allowed to go unchallenged, there would have been others. Our actions in this instance were both firm and decisive. Our ship had been seized on the high seas, an affront to international law and to all men everywhere—although certain narrow-minded elements fail to recognize the larger implications.

Let us hope that the issue has been joined.

If there be recurrences, let us pursue this same policy. Let us never use force in anger, but let us never fail to use force to preserve world peace.

Perhaps out of this tragedy the world will have learned valuable lessons.

Those who have been called upon to make the supreme sacrifice should not be allowed to have made that sacrifice in vain. Let this be the foundation of our foreign policy. We will walk to the ends of the Earth in search of peace, but we shall also use our defensive might to protect the rights of Americans to sail the high seas.

THE PRESIDENT'S ACTION IN "MAYAGUEZ" RETRIEVAL IS TO BE COMMENDED

(Mr. DAN DANIEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAN DANIEL. Mr. Speaker, the action by the President earlier today in Southeast Asia will reestablish our country's credibility around the world

His performance was in the true American tradition, and reflects credit upon the American people and upon himself.

COMMENDATION TO PRESIDENT FORD FOR FIRM AND SUCCESSFUL LEADERSHIP IN "MAYAGUEZ" INCIDENT

(Mr. STRATTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STRATTON. Mr. Speaker, I want to join with my colleagues this morning in expressing my congratulations and commendation to the President of the United States for the firm, aggressive, and successful leadership which he has taken in the *Mayaguez* incident. I think this is one of the few high points that we have had in our foreign and military policy in the past few months, and I am delighted at the outcome. I think the action the President has taken demonstrates, first of all, that in spite of all our difficulties in Vietnam, we can be firm when we have to, and we do have the will to exercise our military power in the defense of our own interests when the occasion demands.

The thing that has impressed me most in this incident is that the President did consult with the leaders of Congress at every step of the way. In addition, there were substantial briefings of other Members of Congress. Mr. Speaker, I believe we have here in this case a clear demonstration of the kind of cooperation that should exist between the Congress and the White House on foreign policy. It was successful this time, and I hope it continues in the months and days ahead. The handling of the *Mayaguez* case should demonstrate clearly to the rest of the world that Americans cannot be pushed around, and that we can and will respond promptly and firmly to all challenges.

THE "MAYAGUEZ" AFFAIR

(Mr FLYNT asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. FLYNT. Mr. Speaker, with the confirmation that the United States has retaken the *Mayaguez* and successfully rescued its crewmembers, I want to commend the President and express my support for his prompt and forceful response to an intolerable act of piracy.

I supported the President in his efforts to secure release of the *Mayaguez* through diplomatic efforts, but when these diplomatic efforts proved fruitless, he acted with courage and wisdom in his decision for decisive military action.

As a result of the President's decisive action, the lives of the captured crewmen have been saved, and the United States has exhibited in the strongest possible terms that we are a nation that has both the will and the capability to resist blatant acts of aggression promptly and effectively. I am confident that had the President not responded with promptness and force as he did, the United States would have become involved in a series of similar humiliating incidents, and I commend him and our American forces for their service to our country.

SS "MAYAGUEZ": PROUD NEW CHAPTER IN AMERICAN HISTORY

(Mr. BROOMFIELD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOMFIELD. Mr. Speaker, a difficult and dangerous moment has been turned into a proud new chapter in our history.

From the President, who made the tough decisions coolly and decisively, to the Congress, which set aside partisanship to provide unified support, to our combat forces who carried out a dangerous and difficult operation with courage and precision, the world saw an America which commanded its admiration and respect.

By our strong but measured response, we showed our allies and enemies alike that we can still unite as a nation and respond to a clear and arrogant threat to our interests in a bold but responsible manner.

In one convincing action, the President has reaffirmed our willingness to fight for our commitments and reenforced the freedom of international sea lanes for all nations of the world.

Through all of the incredible pressures of the crisis, the White House adhered scrupulously to the requirements of the War Powers Act in keeping the Congress apprised of developments involving the commitment of the U.S. troops to combat. I was very pleased with the close and careful consultation the White House offered the Congress.

SS "MAYAGUEZ": A SUCCESSFUL OPERATION

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I just want to commend those gentlemen from the other side, particularly the reasonable voices in this House who have risen to applaud the President for the strong action he has taken within the last several days. Up until late yesterday there were some pretty timid voices being aired publicly around the country, particularly from the other body, suggesting delay, more patience, more consultation. If we had gone that course everything would have been lost. So I commend those who have stood firm here in support of the President today.

I would also further suggest that in view of our not being as welcome as we once were in some of these countries around the globe, we do well to maintain our superiority in air and sea power. The oceans are broad and expansive and as good as our carriers are we certainly cannot afford any further cutbacks and maintain our security. More than ever we need this flexibility.

In consideration of the Armed Forces procurement bill later on today, I think we would do well to keep this in mind.

SS "MAYAGUEZ": EFFECTIVE WAY OF DEALING WITH IRRESPONSIBLE ACTION

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD.)

UMI

Mr. SIKES. Mr. Speaker, the President took forthright action in putting down an act of piracy committed by an irresponsible government in seizing an American ship and its crew. It was obvious that the new Communist government in Cambodia felt that it could take its turn in twisting Uncle Sam's tail without repercussion. They expected to keep the ship and extort a king's ransom for the crew. They even attempted a typical Communist face-saving maneuver by ordering the ship and crew out of their waters after it had been recovered by U.S. forces. Even their own people know that you cannot believe what Communists say.

President Ford has shown the world America does have the courage to stand by our principles. This time we remembered there are effective ways to deal with irresponsible actions. The Communists understand this language. The American people will applaud. Hopefully, this is a sign of new policies and new concern for America's world stature.

America now can hold its head high again.

SS "MAYAGUEZ"—COMMUNICATION FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94–151)

The SPEAKER laid before the House the following communication from the President of the United States; which was read and referred to the Committee on International Relations and ordered to be printed:

THE WHITE HOUSE,
Washington, May 15, 1975.

The Honorable the SPEAKER,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: On 12 May 1975, I was advised that the SS *Mayaguez*, a merchant vessel of U.S. registry enroute from Hong Kong to Thailand with a U.S. citizen crew, was fired upon, stopped, boarded, and seized by Cambodian naval patrol boats of the Armed Forces of Cambodia in international waters in the vicinity of Poulo Wai Island. The seized vessel was then forced to proceed to Koh Tang Island where it was required to anchor. This hostile act was in clear violation of international law.

In view of this illegal and dangerous act, I ordered, as you have been previously advised, United States military forces to conduct the necessary reconnaissance and to be ready to respond if diplomatic efforts to secure the return of the vessel and its personnel were not successful. Two United States reconnaissance aircraft in the course of locating the *Mayaguez* sustained minimal damage from small firearms. Appropriate demands for the return of the *Mayaguez* and its crew were made, both publicly and privately, without success.

In accordance with my desire that the Congress be informed on this matter and taking note of Section 4(a)(1) of the War Powers Resolution, I wish to report to you that at about 6:20 a.m., 13 May, pursuant to my instructions to prevent the movement of the *Mayaguez* into a mainland port, U.S. aircraft fired warning shots across the bow of the ship and gave visual signals to small craft approaching the ship. Subsequently, in order to stabilize the situation and in an attempt to preclude removal of the American crew of the *Mayaguez* to the mainland, where their rescue would be more difficult, I directed the United States Armed Forces to isolate the island and interdict any movement between the ship or the island and the mainland, and to prevent movement of the ship itself, while still taking all possible care to prevent loss of life or injury to the U.S. captives. During the evening of 13 May, a Cambodian patrol boat attempting to leave the island disregarded aircraft warnings and was sunk. Thereafter, two other Cambodian patrol craft were destroyed and four others were damaged and immobilized. One boat, suspected of having some U.S. captives aboard, succeeded in reaching Kompong Som after efforts to turn it around without injury to the passengers failed.

Our continued objective in this operation was the rescue of the captured American crew along with the retaking of the ship *Mayaguez*. For that purpose, I ordered late this afternoon an assault by United States Marines on the island of Koh Tang to search out and rescue such Americans as might still be held there, and I ordered retaking of the *Mayaguez* by other marines boarding from the destroyer escort *Holt*. In addition to continued fighter and gunship coverage of the Koh Tang area, these marine activities were supported by tactical aircraft from the *Coral Sea*, striking the military airfield at Ream and other military targets in the area of Kompong Som in order to prevent reinforcement or support from the mainland of the Cambodian forces detaining the American vessel and crew.

At approximately 9:00 p.m e.d.t. on 14 May, the *Mayaguez* was retaken by United States forces. At approximately 11:30 p.m., the entire crew of the *Mayaguez* was taken aboard the *Wilson*. U.S. forces have begun the process of disengagement and withdrawal.

This operation was ordered and conducted pursuant to the President's constitutional Executive power and his authority as Commander-in-Chief of the United States Armed Forces.

Sincerely,

GERALD R. FORD.

RESIGNATION AS A MEMBER OF HOUSE SMALL BUSINESS COMMITTEE

The SPEAKER laid before the House the following resignation from the House Small Business Committee:

WASHINGTON, D.C., *May 14, 1975.*

Hon. CARL ALBERT,
Speaker, House of Representatives,
The Capitol, Washington, D.C.

DEAR MR. SPEAKER: As you know I was reelected to serve on the House Budget Committee. Therefore, with regret, I tender my resignation from the House Small Business Committee.

With kind regards, I am,
Sincerely yours,
PARREN J. MITCHELL,
Member of Congress.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

THE "MAYAGUEZ" AFFAIR

(Mr. EDWARDS of Alabama asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. EDWARDS of Alabama. Mr. Speaker, I am very proud of our country and our President today. When the chips were down, we did not shirk our responsibility in a time of crisis.

The President did a superb job of dealing with a very tense situation concerning the Cambodian seizure of the *Mayaguez*. He tried every diplomatic avenue, but when these avenues turned out to be deadend streets, he moved decisively with a restrained use of our military forces to protect American lives and property.

It grieves me that American lives were lost in this operation, but do not tell me that there might have been a better way. Let us have no Monday morning quarterbacks on this one. The time came when a show of strength was required and President Ford did not flinch. He displayed on our behalf a national resolve to take swift and appropriate action. If Vietnam was a low point for the United States, then the recapturing of the *Mayaguez* and the saving of all its crew is certainly the first step on the road back.

Someone has referred to the tyranny of the weak and the weakness of the strong. It is easy for a small upstart of a country to flex its tiny muscles and attempt to inflict damage and embarrassment on a powerful country like the United States. It is not so easy for the strong nation to respond in a firm but measured way.

I think we met the test. We could have acted like a helpless giant, as we did in the *Pueblo* affair, or we could have blown Cambodia off the face of the earth. I believe President Ford's strong, decisive, and prompt response was appropriate for the situation and he should be commended for his sound judgment.

IT IS GREAT TO BE AN AMERICAN

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker, it is great to be an American.

My congratulations to President Ford and the U.S. military for this necessary successful military operation.

Let other nations around the world take notice that America is still strong and will stand up for what is right.

I offer my condolences to the family and loved ones of those Americans who lost their lives.

CALL OF THE HOUSE

Mr. BAUMAN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. PEPPER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 213]

AuCoin
Barrett
Biaggi
Bingham
Boland
Breckinridge
Chisholm
Clausen,
  Don H.
Clay
Conyers
Coughlin
Crane
Danielson
Dickinson
Diggs
Drinan
Eckhardt
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Foley
Ford, Mich.
Giaimo
Gradison
Harsha
Hayes, Ind.
Hébert
Heckler, Mass.
Heinz
Hightower
Hinshaw
Howard
Kastenmeier
Macdonald
Madden
McCollister
McDonald
McKinney
Metcalfe
Mink
Mollohan
Murphy, Ill.
Murphy, N.Y.
O'Hara
Pattison, N.Y.
Railsback
Rees
Risenhoover
Roberts
Roncalio
Ryan
Santini
Scheuer
Shuster
St Germain
Stanton,
  James V.
Teague
Treen
Udall
Vander Veen
Waggonner
Wiggins
Wilson, Tex.
Wright
Young, Ga.

The SPEAKER. On this rollcall 367 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

ELECTION AS MEMBER OF COMMITTEE ON SCIENCE AND TECHNOLOGY

Mr. RHODES. Mr. Speaker, I offer a privileged resolution (H. Res. 471) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 471

Resolved, That Larry Pressler, of South Dakota be, and is hereby, elected a member of the Committee on Science and Technology.

The resolution was agreed to.

A motion to reconsider was laid on the table.

RESIGNATION FROM COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

The SPEAKER laid before the House the following resignation from the Committee on Interior and Insular Affairs:

WASHINGTON, D.C.,
May 15, 1975.

Hon. CARL ALBERT,
Speaker of the House, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I hereby tender my resignation from the Interior and Insular Affairs Committee effective immediately.

I would like to take this opportunity to express my deep appreciation to the Committee Chairman, the Honorable James Haley, for his assistance and guidance during my tenure. During the two and one-half years that I served under his leadership, I came to know him as a man of high principle and superior capability. Although I did not always agree with the majority views of the Committee, Chairman Haley exhibited a remarkable fairness in providing an opportunity for discussion of divergent opinions. His willingness to "sound out" all Members of the Committee in a forum void of partisan politics is a tribute to this great institution.

It is with a good deal of regret that I resign from the Committee but look forward to working in conjunction with them in the years to come.

Sincerely,
WILLIAM M. KETCHUM,
Member of Congress.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

ELECTION AS MEMBER OF COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. RHODES. Mr. Speaker, I offer a privileged resolution (H. Res. 472) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 472

Resolved, That Shirley N. Pettis, of California be, and is hereby, elected a Member of the Committee on Interior and Insular Affairs.

The resolution was agreed to.

A motion to reconsider was laid on the table.

FORD BOOSTS AMERICAN MORALE

(Mr. YOUNG of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. YOUNG of Florida. Mr. Speaker, President Ford's bold and courageous action in sending Marines to retrieve the *Mayaguez* and her crew from the Communist pirates has given American morale a much-needed shot in the arm.

For too long, we have suffered the indignities perpetrated on our Nation by foreign aggressors.

For too long, we have exercised a diplomatic and military restraint in the face of repeated provocation, a restraint which has weakened our global image and our national pride in being the leader of the free world.

For too long, we have been forced to sit helplessly by as our ships, our men, our properties have been seized by others.

President Ford has at last drawn the line. He has made it clear to the rest of the world that we have had enough, and that we will no longer tolerate these aggressions against our Nation.

By acting swiftly and decisively, he has retrieved not only the *Mayaguez*, but also our national pride. He has restored confidence in the United States as the greatest Nation in the world, a nation willing to stand up for itself and its citizens.

I applaud the President for his action, and say that I am always proud to be an American, but today for some reason, that feeling is just a little something extra.

THE "MAYAGUEZ" AFFAIR

(Mr. GOLDWATER asked and was given permission to address the House for 1 minute.)

Mr. GOLDWATER. Mr. Speaker, the Congress should be proud of the way in which President Ford has handled the *Mayaguez* hijacking. His firm, measured response to an obviously illegal act that threatened the freedom on the seas was most appropriate. The credibility of the United States was at stake in this affair. Dilatory action by the United States clearly could have led to another *Pueblo*-type debacle.

I am especially relieved that all 39 crewmen of the *Mayaguez* were safely recovered. The faith and confidence of their families and loved ones have been rewarded. And, their safe recovery was accomplished in a manner in which the entire Nation can be proud.

It is a sad commentary that the recovery of our crew and vessel seized in an act of piracy cost the lives of two U.S. marines and resulted in several casualties. The Marines have long been proud of their "first in, last out" tradition. They again lived up to that tradition and demonstrated that in the defense of liberty and freedom they are always willing to pay the necessary price. Further, the actions of the Navy and Air Force made the recovery of the ship and crew possible and clearly minimized the risks and loss of life throughout the entire operation.

President Ford's actions have clearly demonstrated that the recent events in Vietnam are not indicative of a general loss of American courage and determination. His decisiveness has reinforced the international credibility of the United States. It is to his credit that the entire operation was balanced, timely, and appropriate. I commend him for his handling of the whole incident.

THE "MAYAGUEZ" AFFAIR

(Mr. SISK asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. SISK. Mr. Speaker, I wish to lend my full support to President Ford in the actions he authorized to free the American merchant ship *Mayaguez* which was seized by the new Cambodian regime.

Mr. Ford acted with deliberation, yet with boldness and firmness in freeing the ship and protecting its crewmembers. His actions should be clear evidence to all in the world that this Nation is prepared to protect its citizens and its property.

At a time when many are questioning the resolve of American foreign policy or its willingness to stand up to its aggressors, Mr. Ford did not hesitate to place the full military weight of this Nation behind a decision which was right and proper.

There should be no doubt in anyone's mind that this Nation will not be pushed around, and that we are prepared to use whatever force is necessary to protect American lives and property.

I commend the President, and I think we all owe him our thanks.

As one of the authors of the War Powers Act, I was deeply pleased to see that Mr. Ford complied fully with the act by keeping Congress completely aware of all actions taken to free the *Mayaguez* and its crewmembers.

The President and the U.S. Armed Forces acted boldly and in the best interests of this country. We should stand behind them.

UMI

DEPARTMENT OF DEFENSE PROCUREMENT AUTHORIZATIONS

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 470 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 470

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the the Committee of the Whole House on the State of of the Union for the consideration of the bill (H.R. 6674) to authorize appropriations during the fiscal year 1976, and the period beginning July 1, 1976, and ending September 30, 1976, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed four hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the able gentleman from California (Mr. Del Clawson), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 470 makes in order the consideration of H.R. 6674, the DOD authorization bill for fiscal year 1976. House Resolution 470 provides for an open rule with 4 hours of general debate. And it also provides that the bill shall be read for amendment by titles instead of by sections.

H.R. 6674 provides specific authorization for appropriations totaling $26,539,023,000 for fiscal year 1976 and $5,474,017,000 for the transition period between July and October 1976. By categories these authorizations include the following: $16,878,650,000 in fiscal year 1976 and $2,965,400,000 in the transition period for procurement of vessels, aircraft, missiles, tracked combat vehicles, torpedoes, and other weapons; and $9,660,373,000 in fiscal year 1976 and $2,508,617,000 in the transition period for research, development, test and evaluation.

Mr. Speaker, I urge the adoption of House Resolution 470 in order that we may discuss and debate H.R. 6674.

Mr. Speaker, I yield to the gentleman from California.

Mr. DEL CLAWSON. Mr. Speaker, I thank the gentleman from Florida, and I yield myself such time as I may consume.

Mr. Speaker, as the gentleman from Florida, (Mr. Pepper) has so ably explained, this rule provides for 4 hours of general debate. The bill will be open to all germane amendments. There are no waivers of points of order in the rule. In order to expedite the amending process, the rule provides that the bill will be read for amendment by titles instead of by sections.

Mr. Speaker, I support the rule and the bill which it makes in order. The bill authorizes funds for military weapons procurement and research and development for fiscal year 1976 and the fiscal year transition period from July 1, 1976, to September 30, 1976. The authorization in this bill $26,539,023,000 in fiscal year 1976 and $5,474,017,000 in the transition period is $3,706,085,000 below the amount requested by the Department of Defense.

Mr. Speaker, this bill represents, in my opinion, the minimum amount necessary for America to sustain its military strength. Certainly the events of recent weeks and days and hours have emphasized again the need for this country to maintain a strong defensive posture. I urge adoption of the rule so that the House can proceed to consider the bill.

Mr. Speaker, I have no requests for time, and I reserve the balance of my time.

Mr. PEPPER. Mr. Speaker, I have no requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The **SPEAKER.** The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. FLOWERS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The **SPEAKER.** Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 367, nays 26, answered "present" 1, not voting 39, as follows:

[Roll No. 214]

YEAS—367

Abdnor
Adams
Addabbo
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Bafalis
Baldus
Baucus
Bauman
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biester
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, Phillip
Butler
Byron
Carney
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Corman
Cornell
Cotter
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dent
Derrick
Derwinski
Devine
Dickinson
Dingell
Dodd
Downing
Drinan
du Pont
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edwards, Ala.
Eilberg
Emery
English
Erlenborn
Esch
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hefner
Helstoski
Hicks
Hillis
Holland
Holt
Horton
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
McClory
McCloskey
McCormack
McDade
McDonald
McFall
McHugh
McKay
Meeds
Melcher
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Ohio
Mills
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nowak
O'Brien
O'Hara
O'Neill
Oberstar
Obey
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Regula
Reuss
Rhodes
Riegle
Rinaldo
Robinson
Rodino
Roe
Rogers
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schulze
Sebelius
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vigorito
Waggonner
Walsh
Wampler
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

NAYS—26

Abzug
Aspin
Badillo
Beard, R.I.
Burke, Calif.
Burton, John
Carr
Chisholm
Dellums
Downey
Early
Edgar
Edwards, Calif.
Harrington
Hechler, W. Va.
Holtzman
Kastenmeier
Miller, Calif.
Moffett
Nolan
Rangel
Richmond
Stark
Stokes
Waxman
Wirth

ANSWERED "PRESENT"—1

Henderson

NOT VOTING—39

Alexander
AuCoin
Barrett
Biaggi
Bingham
Brown, Calif.
Brown, Mich.
Clay
Conyers
Coughlin
Diggs
Eshleman
Ford, Mich.
Gradison
Hébert
Heckler, Mass.
Heinz
Hightower
Hinshaw
Howard
Macdonald
Madden
McCollister
McEwen
McKinney
Metcalfe
Mink
Mollohan
Murphy, N.Y.
Patman, Tex.
Rees
Risenhoover
Roberts
Roncalio
Schroeder
Seiberling
St Germain
Vander Veen
Young, Ga.

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Hébert with Mrs. Mink.

Mr. Murphy of New York with Mr. Metcalfe.

Mr. Patman with Mr. Ford of Michigan.

Mr. Mollohan with Mr. Bingham.

Mr. Macdonald of Massachusetts with Mr. Coughlin.

Mr. Biaggi with Mr. McEwen.

Mr. Alexander with Mr. Gradison.

Mr. Rees with Mr. Brown of Michigan.

Mr. Roberts with Mr. Heinz.

Mr. Hightower with Mr. McCollister.

Mr. Madden with Mr. Eshleman.

Mr. Barrett with Mr. Clay.

Mr. Risenhoover with Mr. AuCoin.

Mr. St Germain with Mr. Howard.

Mr. Seiberling with Mr. Conyers.

Mr. Roncalio with Mr. Vander Veen.

Mr. Diggs with Mrs. Schroeder.

Mr. Young of Georgia with Mr. Brown of California.

Mrs. Heckler of Massachusetts with Mr. McKinney.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PRICE. Mr. Speaker, I ask unanimous consent that all Members may have 3 legislative days in which to insert, revise, and extend their remarks in the Record on the debate which will follow on H.R. 6674.

The **SPEAKER.** Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6674) to authorize appropriations during the fiscal year 1976, and the period beginning July 1, 1976, and ending September 30, 1976, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active-duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes.

The **SPEAKER.** The question is on the motion offered by the gentleman from Illinois.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 6674, with Mr. Rostenkowski in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The **CHAIRMAN.** Under the rule, the gentleman from Illinois (Mr. Price) will be recognized for 2 hours, and the gentleman from California (Mr. Bob Wilson) will be recognized for 2 hours.

The Chair recognizes the gentleman from Illinois (Mr. Price).

Mr. PRICE. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, H.R. 6674 is the annual authorization bill of the Committee on Armed Services. It is a clean bill superseding H.R. 3689 on which hearings were held.

The bill authorizes appropriations for procurement of major military weapons and for research, development, test, and evaluation—R.D.T. & E.—which are essential technical activities leading to procurement and insuring the maintenance of a strong technological base. The bill also authorizes the active duty military and Selected Reserve strengths of the Armed Forces; the number of civilian employees in the Department of Defense; and military training student loads. Certain other requirements and limitations are imposed with respect to procurement and personnel actions.

The annual authorization requirement, as the Members well know, covers only a part of the defense budget—ranging between 20 and 25 percent. This year the arithmetic is complicated by the fact that we must authorize for an additional 3 months, to accommodate the transition to a new fiscal year—beginning October 1, 1976—mandated by the Congressional Budget Act of 1974.

To summarize for the 15-month period, the President requested a total of $129,945,000,000 in new obligational authority for the Department of Defense. Of this amount, $35,719,125,000 constituted the authorization request. The committee bill authorizes $32,013,040,000, a reduction of $3,706,085,000.

How did we arrive at this $3.7 billion reduction? We took more than $2 billion from the amounts requested for procurement and R.D.T. & E. covered in titles I and II, respectively, of the bill. We also deleted from title I a proposed inventory replenishment fund of $300 million, which the Department of Defense had requested for the purchase of weapon systems in anticipation of foreign military sales. And finally, we eliminated a request for $1,293,000,000 for assistance to South Vietnam. These actions are summarized in the table at the top of page 10 of the committee report.

The committee added language to the bill to provide a ceiling of 5 percent on pay increases for members of the Armed Forces during the period January 1, 1975 to June 30, 1976—with two provisos. The restriction shall apply only if: First, a similar "cap" is placed on pay increases for Federal civilian employees under the general schedule; and second, during the period of the limitation, there in no change in the surtax on military commissaries. Thus, the effectiveness of the pay ceiling depends upon other actions by the Congress. If these actions are taken, an additional $828,000,000 would be saved in fiscal year 1976.

The committee does not authorize expenditures for military personnel or for operations and maintenance. However, it does authorize personnel strengths, which have a considerable impact on the spending for those categories. Personnel costs, including both military and civilian personnel, now account for more than 50 percent of the defense budget. Our committee authorized a total military strength of 2,099,954 active duty personnel. This is the amount requested by the administration, but it is 49,133 less than were authorized in fiscal, year 1975. The committee does not believe that further strength reductions are prudent at this time. The active forces are covered in title III of the bill. See pages 66–70 of the committee report.

The reserve strengths requested by the military departments were authorized with two changes. The committee increased the authorized average strength of the Army Reserve from the 212,400 requested to 226,000; and it increased the authorized average strength of the Navy Reserve from the 93,972 .requested to 112,000. These upward adjustments are consistent with the committee's view that increased emphasis should be placed on our reserve assets at a time when active forces are declining but manpower costs are increasing. Nevertheless, the reserve authorizations are 9,000 below the strength authorized for fiscal year 1975. The Reserve Forces are covered in title III of the bill. See pages 70–72 of the committee report.

The committee authorized a total of 985,000 civilian defense personnel for fiscal year 1976. This authorization for the first time applies to the Defense Department as a whole rather than to the separate military services, so as to allow more flexibility in personnel management. Civilian personnel are covered in title V of the bill. See pages 72–75 of the committee report.

Other members of the committee will present detailed explanations of the various titles of H.R. 6674. I would like at this time to make certain observations about the committee's approach to this legislation and about the world situation as it bears on our national security.

The Congressional Budget Act sets a deadline of May 15 for committee reports on authorization legislation. Although the terms of the Act do not become fully effective until next year, our committee was determined to meet the deadline this year. Accordingly, the full committee and its several subcommittes have been working literally around the clock. The hearing program began on February 18 and concluded on May 6. This involved a general review of military posture and detailed consideration of aircraft and missile procurement by the full committee, 23 days of meetings by the Research and Development Subcommittee, which I chaired; 13 days of meetings by the Personnel Subcommittee, chaired by Mr. Nedzi; and 9 days of meetings by the Seapower and Strategic and Critical Materials Sub-

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committee, chaired by Mr. Bennett. To these gentlemen, and to Mr. Hébert, who chairs the Subcommittee for Investigations and who assisted me greatly in presiding at the full committee when I was engaged in subcommittee work, I want to express my deep appreciation. Also, I wish to commend all members of our committee for their hard work and patient consideration of the many complex matters covered by this legislation.

The Committee on Armed Services, with the help of its skilled and dedicated staff, has examined the requested authorization in great detail and has brought its best judgment to bear. Let me assure the Members, this annual authorization is not a cursory review. It involves an examination of many hundreds of line items, not only in hearings but in numerous meetings, both preparatory and followup, with persons in the Department of Defense, the military services, and elsewhere. For example, in the review of R.D.T. & E., we examined every line item and in each instance recommended action based on the merits of the individual program. In effect, we made a reassessment of the need or requirement for each weapon system, reviewed progress in each program, and considered the viability of lower cost alternatives. A number of the less promising programs were eliminated and adjustments made in many others.

One of the key features of House reform, as reflected in the rules for the 94th Congress, is the new emphasis given to each committee's oversight of the executive agencies within its area of assigned jurisdiction. The Committee on Armed Services takes its oversight responsibilities very seriously. Not only do we have a Subcommittee for Investigations, chaired by the gentleman from Louisiana (Mr. Hébert), but our detailed review of the annual authorization by the full committee and its several subcommittees is itself an oversight function of the most exacting kind. We review programs and we monitor programs. A perusal of the report on H.R. 6674 will show that the committee has recommended various courses of action and called for the submission of numerous followup reports by the Department of Defense or the services in the interest of needed classification or more effective program performance.

This close and continuing scrutiny, I firmly believe, is consistent with the recent congressional reforms and with the endeavor of the Congress to regain its rightful place in the making of defense and foreign policy decisions. We do not engage in "meat ax" budget cuts. To make a general dollar reduction without specifying where the reduction is to be made, leaves the decision wholly to the Secretary of Defense and is an abdication of responsibility by the Congress. I hope the Members will bear this in mind when "meat ax" amendments are offered from the floor.

It is easy enough to claim responsibility for the Congress, Mr. Chairman, but it is not easy to exercise it. The exercise of responsibility by the Congress in matters of national defense at this time in our national life, in my judgment, demands that we keep our defenses strong.

These are indeed the times that try men's souls. The Nation staggers with a heavy burden of problems—unemployment, inflation, deficits of unprecedented size, energy shortages that will change our way of life. The shockwaves of our failure in Vietnam are being felt in many lands, and new constellations of force and influence will result. Soviet Russia preaches détente but practices an arms buildup of truly threatening diminsions. The Middle East remains a tinderbox, there are stresses and strains in NATO, and elsewhere tensions and conflicts prevail.

It is the counsel of prudence and commonsense that we should look sharply to our defenses and keep our powder dry. We are not alone in this world and we cannot retreat from this world. We must strengthen our defenses, rebuild our alliances, stand by our friends, and persuade our enemies to stay in the path of peace.

The cuts we have recommended in the authorization request are not cuts into the bone and muscle of our national defense. Some have referred to these as "phony" reductions. There is nothing phony about the elimination or deferral of expenditures which need not be made in the next fiscal year. For example, the committee reduced the Navy authorization request for shipbuilding and conversion by more than $1 billion without stopping or deferring the construction of a single ship.

The Navy, in its present practice of requesting total program authorizations, includes a large amount as an escalation reserve to compensate for future inflation. In the committee's view, these estimates, which stretch 6 or 8 years into the future, are speculative at best. The committee believes that escalation reserves can be more realistically estimated for 2 years in advance, and appropriations for future escalation can be made in future years as required. Consequently, it was possible to reduce the escalation reserve by more than $1 billion, certainly not a phony saving.

The committee approved the Navy's fiscal year 1976 request for 23 new ships because the Navy fleet must be modernized and maintained at needed levels. Navy ships have declined in numbers from 900 in 1968 to less than 500 this year. One in five of these ships is more than 25 years old. In the judgment of Adm. James L. Holloway III, Chief of Naval Operations, the Navy should have at least 600 ships by 1985 to retain its first-class position.

Mr. Chairman, amendments will be offered from the floor to cut out this program or that—the B–1 bomber, the new Trident nuclear submarine, so many aircraft of one kind or another. I urge the Members to oppose all these weakening amendments. They are weakening because they cut into the muscle and bone of our national defense.

The U.S. bases its defense on the concept of the triad or triple deterrent. This concept is used in two senses: First, a triad of forces ranging from strategic nuclear through theater (tactical) nuclear, to general purposes forces; and second, within the category of strategic nuclear forces, a triad of land-based, sea-based, and bomber-carried missiles. The triple deterrent is our insurance policy. It covers us against enemy breakthroughs in technology, or in the last resort, against surprise attack. It insures our capability to make the appropriate response to any emergency or contingency.

This is a big insurance policy, an expensive one, but the only one that will buy us protection in the nuclear age. It requires a defense that is both broad in base and abreast of the latest technologies. That is why we need bombers as well as missiles on land and sea; that is why we need to replace aging B–52's with B–1's; and Polaris/Poseidon with Tridents, which are newer, faster, quieter, and have bigger payloads.

Mr. Chairman, the decisions we make today determine the kind of force structure we will have in the future. Weapon systems take 6, 8, 10, or more years to design, develop, produce and deploy. They remain in active inventory for 20, 30, or even 40 years—as in the case of support ships. Department of Defense planning must look many years down the road.

We in this Congress also should take a long look. We are, in a very real sense, making the decisions that will affect the safety and security of our children, and our children's children. Let it be said, when the history of these times is written, that the Members of the 94th Congress went about doing their constitutional duty of providing for the common defense with prudence and wisdom, having in mind not only their own security but that of their children, who will be taking the United States into the 21st century—as a great and powerful nation, still the leader of the free world. This I hope and pray.

One last word, Mr. Chairman: The Constitution calls upon the Congress to provide for the common defense and the general welfare. This is not an either-or proposition. They go together. The defense budget is not some limitless pool from which we can pump funds ceaselessly into the welfare budget. In "real program" terms, we have to spend more money in both sectors to offset inflation, to assimilate new technologies, and to respond to genuine needs. It was with such considerations in mind that the committee developed H.R. 6674, the bill now before you.

Mr. Chairman, I yield such time as he may consume to the gentleman from Louisiana (Mr. Hébert).

Mr. HÉBERT. Mr. Chairman, I rise today to talk about the aircraft procurement account authorized by the House Armed Services Committee for the Department of Defense budget during the fiscal year 1976 and the 3-month transition period, fiscal year 197T. However, before I go into that, I want to say a few very special and personal words about my good colleague and friend, and present chairman of the House Armed Services Committee, the Honorable Mel Price, of Illinois. As you know, this year, for certain reasons, the committee chairmanships were in some cases redistributed. As a result of that, I stepped down, and Mr. Price was appointed as my successor. That could be a little difficult for some people, but that was not the case here. As a matter of fact, I tell you quite frankly that in some ways it was a lot easier for me, because now he has to worry about all of the headaches I used to have to worry about.

But, seriously, I want to take a few moments to reflect on the leadership that this committee has experienced under Mel's guidance. I think that I can truthfully say that he has gone about the committee's business with tolerance, and tact. He has given everybody a fair break; he has given equal time to those who are normally considered prodefense and to those who are normally considered antidefense. No one can complain that they were not heard. No one can complain that subject matter of special interest to each individual, was not openly and freely discussed, and, of course, everyone had the opportunity to submit dissenting views. In a number of cases when Members were not present for some crucial policy, or crucial discussions of personal interest to them, the chairman urged unanimous consent not to close the debate on an issue so that an individual could make his case at a time when it was convenient for him to do so. As a result of the discrete bipartisan leadership shown by Chairman Price, the Armed Services Committee put together an authorization bill that has had a thorough examination. I think it is one of the best bills that has come out of this committee. A lot of hard work went into it and one man can take particular credit for the accomplishments which have been made. I most respectfully refer to the Honorable Mel Price of Illinois.

Now I am going to briefly review with you some of the action taken by the committee. First, I am going to talk about the cuts we made in aircraft procurement and related items, and then briefly about a few of the additions we made to this account. I am going to break it up into three categories; the Army, the Navy, and the Marine Corps combined, and then the Air Force.

First, the Army. The hottest fight we had in committee this year was over procurement of the AH–1S attack helicopter equipped with a TOW missile. The fundamental argument was whether the Army should continue to purchase a single-engine helicopter for its mission or whether it should purchase a multiengine helicopter, the AH–1J, which proponents claim would give the Army a greater armament carrying capacity, and increased performance and safety features. The problem in this area is not as simple as it sounds. The Army eventually hopes to purchase a new advanced attack helicopter—AAH—which would also be a multiengine helicopter.

I want to especially commend one member of the committee, the Honorable Bob Mollohan of West Virginia, who was most persuasive with his cogent arguments in favor of procurement of the AH–1J multiengine helicopter. His persistence, logical arguments, his expertise in helicopter operations, the soundness of the facts he presented, literally persuaded this committee to reveal the plans of the Army for purchase of the AH–1S helicopter. I am sorry to say my colleague, Mr. Mollohan, is not with us today. I know, if he were here, you too would be persuaded by his knowledge. I hope the committee will support his views. The committee has placed words in the bill which in substance state that no moneys allocated for the Department of the Army's procurement of aircraft for fiscal years 1976 and 197T shall be used for procurement of the AH–1S helicopter. In the committee report we have directed that the Department of the Army once again review its procurement needs for attack helicopters through the 1980's.

Now I am going to talk a little bit about cuts we have made in the Navy and Marine Corps aircraft procurement. Throughout the hearings, one of the subjects that troubled us was military attack aircraft. It is a complex subject, but let me put the problem to you this way. These days aircraft tend to have multimissions, and these missions might include visual attack mission or all-weather attack missions, and a combination of fighter and attack missions, and a whole range of interrelated attack aircraft requirements. The question that is often asked is, "Why do we need so many different varieties of attack aircraft?" Well, without going into detail, let me just say that there are good reasons for having different types of attack aircraft in the military inventory.

On the other hand, there does seem to be some redundancy in the use of certain types of aircraft for this purpose. One of the aircraft which came under scrutiny was the A–7E attack aircraft known as the Corsair II. I want to emphasize that the reason for the committee's action to cut out moneys for the A–7E's was not that it is not a good attack aircraft, or that its continued procurement in future years may not be necessary, but rather that certain other types of attack aircraft which the Navy badly needs had not been requested in the Department of Defense program presented to this committee. Essentially, the committee reasoned that some of the money cut out of the A–7E program would be better utilized in the A–6E program. The net result was that we decreased overall spending on attack aircraft for the Navy during this fiscal year and the transition period.

We made another cut in a Navy program to modify the P–3C and the S–3A, to give them the capability of carrying the harpoon missile. You may recall that the Navy's harpoon missile is very versatile. It can be launched from surface ships, submarines, and aircraft as well. However, on examination of the requirement to utilize these particular Navy aircraft for this mission, the committee decided that the requirement was not urgent and could be better put off for further study without damage to our defense posture. The savings here amounted to $27.5 million.

Now I want to go to the Air Force aircraft procurement. One aircraft which came under considerable fire by this committee is the E–3A known as AWACS which stands for airborne warning and control system. This is basically an airborne radar system, but, of course, it is highly sophisticated. The system has been mounted in the body of the Boeing 707, 4-engine jet aircraft. The idea behind the system is to provide the military commander an airborne platform through which he can monitor activities of aircraft in the air and installations on the ground. The Air Force wanted six AWACS during the fiscal year 1976, but the committee authorized only three. The savings amounted to approximately a little over $260 million.

The committee voted to delete the entire request in this authorization bill of $185.8 million for the advanced airborne command post. There were a number of reasons for this action, but the most significant is the fact that there has been an excessive cost escalation in this program. In addition, the Members questioned the need to add to the numbers of airborne command posts which we already have in the inventory.

So far I have talked about aircraft procurement cuts. I want to briefly comment on a few additions. We found that unless some action is taken by the Congress this Nation will be without an ongoing procurement of an all-weather airborne attack capability. This is an intolerable situation and was so recognized by the committee. The committee therefore acted to add $14.3 million to the Navy aircraft procurement account for the fiscal year 1976, for the purpose of keeping open the A–6E line. Further inquiry will be made by the committee into the Department of Defense rationale for cutting off the only source of all-weather airborne attack capability left in this country.

The committee also voted to add $115 million to the aircraft procurement account for fiscal year 1976 for the purpose of providing A–7D aircraft to the Air National Guard. This committee has been concerned for some time that the readiness posture of the Guard, as well as the Reserve, be upgraded to augment our regular military forces. The committee recognized that in order to achieve the excellence expected of the Guard, we must provide it with first-line equipments. The Guard must be able to maintain units which are capable of deploying with our active forces. Consequently, the committee voted to provide the Guard with 24 A–7D's to upgrade the present Air Guard inventory.

I think that I have fairly well summarized the major actions taken by the Armed Services Committee on aircraft procurement. But before I conclude, I would like to leave you with a few observations.

I understand that some of my colleagues intend to introduce amendments to the aviation portion of the procurement bill, probably on the B–1 bomber and the AWACS, airborne radar system. I want to reemphasize what I mentioned earlier. This committee gave all aircraft procurement proposals a thorough going over under Chairman Price's leadership. It was clearly the judgment of the great majority of our Members that this Nation, particularly at this time in our history, can ill afford to procrastinate over alternative weapons systems, when the preponderence of evidence brought before the committee points to the need for a manned bomber of B–1 capabilities well into the 1990's, and the unquestionable value and viability of an airborne radar system for battlefield communications command and control.

Both of these programs have been popular whipping boys for a number of years. I think it is about time that we stopped kicking them around and pay more attention to the serious business of upgrading our military capabilities in a timely fashion to meet the military challenges of the decades ahead.

Mr. BOB WILSON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the bill the Armed Services Committee brings to the floor today, H.R. 6674, provides the authorization for appropriations for weapons procurement, and research and development, and the strength levels for active-duty, Reserve, and civilian personnel of the Department of Defense. As our chairman has explained, the bill covers the 15-month period from July 1, 1975, to September 30, 1976. It is necessary for this bill to be enacted before appropriations can be made to run our defense establishment during the 15-month period. Therefore, it is absolutely necessary that we pass this bill.

You know that. You know that we are going to pass the bill in some form after completion of proceedings under the 5-minute rule next week.

The question is, therefore, what size bill we are going to pass and how many changes, if any, the House might make before giving its approval to the legislation.

A bill of this size includes literally thousands of procurement and research-and-development items with various levels of funding authorized for each plus a myriad of decisions about personnel strengths. Obviously not all of us agree on every item in the bill, and the legislation before us is a compromise—as good legislation always is—embodying the best judgments of the overwhelming majority of the committee after months of detailed consideration.

Before this debate is concluded, we will undoubtedly consider many amendments to change, increase, reduce or eliminate various programs authorized in the bill. I think debate on such amendments is a useful and healthy activity. But I want to say something today about the effect of our actions on the size of the bill as a whole and on the atmosphere here and in the country as we begin the debate.

The chairman has described the major committee changes in the bill; and the subcommittee chairmen and ranking minority members of the subcommittees will, I know, be discussing in detail the specific changes made in the various titles of the legislation. I shall, therefore, avoid repetition of detail.

I would like to take a moment to express my appreciation and my congratulations to my good friend and distinguished colleague Chairman PRICE for the effective way he conducted the committee's review of this legislation in his first year as chairman and for continuing the committee's tradition of nonpartisan consideration of defense matters.

I would also like to particularly express my personal appreciation to the members who served as ranking minority members on the subcommittees which took an active role in considering this particular legislation: Mr. DICKINSON, on the Research and Development Subcommittee; Mr. SPENCE, on the Seapower and Strategic and Critical Materials Subcommittee; and Mr. TREEN, on the Military Personnel Subcommittee. As the debate proceeds, you will learn—as I already have—that they have immersed themselves in the subject matter of their subcommittees and have become valuable specialists in national defense matters.

I am also proud of the diligence and the conscientiousness with which all of the members on our side of the aisle on the committee approached their work on this legislation. Their attendance at subcommittee and committee meetings was extraordinarily good, and they have made a real contribution to the very effective piece of legislation we bring before you today. I express my appreciation to all of them.

Mr. Chairman, I am concerned about the attitude that some people take which implies that the committee has not done its work properly because it has not cut the bill deeply enough. I am concerned about an atmosphere here in the House that presumes that budget problems automatically provide a justification for cutting national defense and an atmosphere which indicates the only question is how much we should cut this bill.

To me, more important than any particular item, is the overwhelming consideration that we should not cut the total dollar amounts in the bill at all and that we should not close our ears to suggestions that increases may be desirable.

I say this for two reasons:

First of all, I think the committee has cut the bill as far as we can safely cut it without weakening national defense.

Second, I think—more than any other time that I can recall—our action on this bill today will be, for better or worse, a signal to the world.

I said that I thought we had cut this bill as much as we could. We have made reductions of $3.7 billion from the authorization requested for the 15-month period covered by the legislation. It will be alleged that some of these reductions are bookkeeping changes. To an extent that is true. We eliminated $1.2 billion for assistance to South Vietnam which, of course, is no longer required. Even excluding this item, however, and even excluding the proposed $300 million inventory-replenishment fund requested in anticipation of foreign military sales, the total of specific reductions in titles I and II of the bill is $2.1 billion. This is the largest reduction in my memory of the legislation. This $2 billion in reductions is all made—do not forget—in our investment authorizations; that is, in the areas that determine the level and the quality of weapons our Armed Forces will have. The areas that we have cut represent just one-fourth of the total defense budget request, but it is the part of the defense budget which determines the quality of our military preparedness.

This bill is frankly a compromise between what we think we really need and what we can afford. There is no question that the severe budget deficit facing us and the severe economic conditions of the country have influenced us to hold defense spending down to the maximum extent possible. From a purely defense standpoint, the authorizations in this bill are inadequate. We should be modernizing our naval forces at a faster rate. We are unacceptably low in our inventories of some systems. We are spending at a rate on research and development which allows the Soviets to gain on us steadily. And we are in a trend which shows a consistent relative increase in comparative Soviet power—a trend that can only be reversed with many years of increased effort on the part of the United States. The authorization bill we present today, therefore, is truly compromise legislation dictated, in part, by economic constraints.

But equally important, as I said, is the signal which we now give to friends and potential foes around the world. There is no doubt that our resolve is being questioned in the wake of the Vietnam experience. There is no doubt that the act of piracy by the Cambodians so successfully resolved by the show of strength was a test of American willpower and responsiveness. There is no doubt that our allies in Europe, as well as in the Pacific, are watching for our next move with anxiety and anticipation. If we were to make major cuts now, it would be a sign of deep concern to non-Communist nations throughout the world. By contrast, voting down proposed cuts and passing the bill without further reductions—preferably by a large majority—would be a very reassuring signal for the cause of freedom everywhere.

Mr. Chairman, I stated earlier that I was concerned about the atmosphere here in the House which seems to approach this legislation from a standpoint of seeing what can be cut. I am also concerned because I think there is perhaps a different tempo running in the country which is more realistic but which, perhaps, this House has not yet grasped. This would not be the first time that the American people were well ahead of their political leaders. I would like to quote to you something said by Eugene V. Rostow, chairman of the Foreign Policy Task Force of the Coalition for a Democratic Majority, when he was testifying before our committee on this legislation. You all know that I do not usually go around quoting Democrats. But this bears repeating. Mr. Rostow said:

> There is another current running in the country and running very strongly. The experience I have had is, of course, an immense privilege that I shall always be proud of having tried to meet. It is also an obligation, and it means that people like me and many of the men and women with whom I have served are going around the country doing their best speaking to students, speaking to citizens' groups, writing articles and so on, because we are the repositories of an experience that can't be escaped.
>
> Now, in my travels recently I found an immense anxiety. The people know something is wrong, the people know there is no détente, the people know things are not going well. They are concerned.

I have quoted this because I have been struck so often in recent months by this mood of reality in the country myself. Quite frequently the false sense of euphoria because of détente seems to be most infectious on this particular Hill. The typical Americans I have talked to are not fooled by the negotiating posture of the Russians and are deeply concerned about America's place in the world. They are prepared to support adequate expenditures for national defense.

The proposal of Mr. Rostow's group is, I think, evidence of this welling-up of concern. What his group, the Coalition for a Democratic Majority, proposed is a $10 billion increase in the defense budget. In spelling out their proposal for the committee, they recommended an increase in research-and-development expenditures between $1.7 and $2 billion. They recommended a $4 billion increase for modernization and improvement of our naval forces. Among their other recommendations are a $500 million increase in antitank missile procurement, a $300 million increase in expenditures for tanks, a $400 million increase in expenditures for air defense and a $600 million increase for land-force modernization and improvement. Anyone who is familiar with the drawdowns on our equipment because of the Middle East war and anyone who is familiar with the minimum inventory of some of these systems which we maintain compared to what the Middle East war taught us about expenditure rates on a high-intensity battlefield could hardly argue with the logic of the group's proposal from a military standpoint. The membership of the coalition's task force includes some noted liberals in the country and is hardly to be confused with unthinking support for the Pentagon. The group includes Max M. Kampelman, former counsel to Vice President HUMPHREY; Norman Podhoretz, editor of Commentary magazine; Henry Fowler, former Secretary of the Treasury; Don Irwin, mayor of Norwalk, Conn., and former Democratic member of our committee; Albert Shanker, president of the American Federation of Teachers, AFL–CIO; attorney D. Bruce Shine, member of the Democratic National Committee; Peter J. Rosenblatt, former special consultant to Senator EDMUND S. MUSKIE; and Paul Seabury, professor at the University of California at Berkeley.

This is not the military-industrial complex speaking. This is a group of noted liberal Democrats. But they recommended a $10 billion increase in defense spending.

In summary, Mr. Chairman, the needs of national security are determined by the international situation in which we find ourselves and by the military developments of potential enemies—not by how much some people would like to spend on social programs or by some theoretical division of budgetary allowances. Your committee has recognized this reality and has based its recommendations on providing the minimum required. This bill is the bottom line on national security. Many distinguished citizens in both parties believe that prudent considerations of defense would dictate a higher level of authorizations. Your committee has held the bill down because of the severe economic restraints facing the country. The committee has made cuts in such a way as to avoid weakening our Defense Establishment. The American people will support the level of spending required to assure the Nation's defense. Whatever it is.

Let us show as much commonsense as the people we represent. Let us not reduce this bill.

Finally, let us remember that the action you take on the bill, and the manner of taking it, is in itself an act of national policy. The world is watching what we do. Let us send a signal that will not be mistaken—by overwhelmingly passing this bill.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. BOB WILSON. I will be happy to yield to the gentleman.

Mr. ROUSSELOT. I thank the gentleman for yielding.

Mr. Chairman, I wish to compliment my colleague from California (Mr. BOB WILSON) who is the ranking Republican member on the Armed Services Committee, for his continual and regular effort to make sure that our country is properly equipped to do the job in defense that is so necessary. The gentleman has been very consistent in his efforts to make sure that our country is able to maintain the peace wherever it is called upon to do so, but most especially in the defense of our own shores should the Nation ever be called upon to do so.

I know that sometimes it has not been supposedly popular, because during the South Vietnamese war it bacame a hard task to come before this House and try to talk about the necessity of maintaining adequate weapons systems and providing for the research and development for the future.

I know that the gentleman from California has provided, along with the rest of the committee, a real service to the country in making sure that our Government is not caught short.

We must make sure there is not another Pearl Harbor, because our potential enemies have misjudged our willingness to maintain adequate weapon systems.

Mr. BOB WILSON. Mr. Chairman, I thank the gentleman.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. BOB WILSON. I will be happy to yield.

Mr. JOHNSON of Colorado. I thank the gentleman for yielding.

Mr. Chairman, I am curious about the situation about the Lance missile. Will somebody be going into that later?

Mr. BOB WILSON. Yes. That will be covered later, on research and development.

Mr. JOHNSON of Colorado. I thank the gentleman.

Mr. PRICE. Mr. Chairman, the fiscal year 1976 authorization request for $10,181,388,000 is the largest amount, in actual dollars, ever requested by the Department of Defense for research, development, test, and evaluation.

I as well as other members of the Research and Development Subcommittee and full committee were—and remain—concerned over this level of expenditure. There are many ways, Mr. Chairman, of reviewing a request of this magnitude. One obvious view is from the standpoint of—can we afford such expenditures for R.D.T. & E.? A second—and in my opinion, better view—is can we afford at this time not to have a R.D.T. & E. program of this magnitude?

I have served as chairman of the Research and Development Subcommittee for over 11 years. Each and every year I have come to realize more and more the importance of research and development to our military strength and national security. The axiom that superior military technology can give a nation a decisive advantage over its adversaries has been demonstrated time and time again during the past 6 centuries.

In the last 20 years technological advances have taken even greater strides. Today's smart bombs, infrared systems, advanced computers, and high-energy lasers make our national security even more dependent upon technology.

For these reasons, Mr. Chairman, I retain the strong conviction that this Defense request must be viewed not in terms of whether we need more R.D.T. & E. or less R.D.T. & E.—but in terms of whether or not this R.D.T. & E. will enable us to maintain our technological superiority and defense posture and provide for a safe America.

Mr. Chairman, it is no startling revelation that all is not well in the world today. During the past year the governments of many of our allies have been subjected to varying degrees of turbulence. We can add to this, Vietnam, Cambodia, and the recent piracy of one of our merchant ships.

I do not suggest in any way justification of our Defense budget on the basis of a few isolated events. However, these are real-world occurrences—facts of life—and I am suggesting that we structure our defense posture to meet these and other contingencies accordingly.

If it requires a $10 billion research budget to develop and deploy whatever is necessary to show our potential adversaries that they will never be able to achieve a real military advantage over this country, then it is worth every cent of the investment.

Mr. Chairman, this belief did not cause the committee to rubberstamp the Defense Department's request. Just spending a lot of money will not insure our national security. Our R.D.T. & E. program must be properly structured, guided, and directed. As the architects of our research program, the Department of Defense has done a credible job. Like the Congress, however, they are not and cannot be expected to be perfect. They, at times, view priorities differently. They, too, have their share of bureaucrats whose only purpose is to perpetuate their programs. For these and other reasons, the committee is compelled to conduct a

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comprehensive review of the proposed Defense program. The objective of the committee has been and will continue to be to work cooperatively wtih the Department of Defense in serving the best interests of our national security.

The Research and Development Subcommittee examined over 3,000 individual programs and projects in the fiscal year 1976 authorization request. The examination was further complicated by the fact that the committee had to authorize for appropriations, funds for the 3-month transitional period between July and September 1976. The programs were discussed at varying lengths with Defense witnesses during the 31 hearings that were held by the subcommittee. As in the past, the subcommittee recommended action that was based on the merits of the individual programs, a reassessment of the need or requirement for each weapon system, the Department of Defense planned course of action, program progress, and the viability of lower cost alternatives.

The committee again thoroughly assessed the need for the B–1 as well as the possible alternatives to it. Several experts in the research and development community offered alternatives to the B–1. The committee set aside an entire afternoon to receive testimony from these people. Some proposed continued use of the B–52; some proposed using cruise missiles in lieu of the B–1. In the overall analysis, there is no viable substitute for the B–1. We do not have a cruise missile today. Cruise missiles are inherently slow. They do not have provisions for electronic countermeasure, ECM, nor can they evasively maneuver. Further the delivery system for a cruise missile coupled with our peripheral systems would amount to a considerable percentage of the projected cost of the B–1. Repowering the B–52 would cost over $40 million per aircraft and would still lack the penetration capability of the B–1. A stretched version of the FB–111 would enable us to strike only 10 percent of the desired targets, unrefueled.

Mr. Chairman, when considering the alternatives to the B–1, it is obvious that what you see is not what you get. What you do get is a lot less capability at the same cost of the B–1.

The committee concluded that we do need the B–1. We do need its penetration capability; we do need its range and we need the best bomber possible when we consider that over half our strategic weight is bomber carried.

The strategic bomber leg of the Triad is perhaps more critical today than it was 5 years ago. Today the Soviets have a manned strategic bomber, the Backfire, with performance characteristics that are widely apart from those of the B–1. They developed this bomber capability in a relatively short period of time. They are capable of doing even better than their existing Backfire manned strategic bomber.

Beyond the thought of a nuclear confrontation, have we forgotten the effectiveness of the bomber during the Southeast Asia conflict?

As a Nation, we are committed to a policy of nonaggression, but as I stated last year—inevitably and unavoidably, in the absence of clairvoyance, we must be prepared to fight almost every kind of war that could be thrust upon us. I believe, Mr. Chairman, that the committee's action on the research and development authorization will provide adequately for the development of those weapons systems which are needed to enable us to satisfy this requirement.

The committee made numerous reductions in the research and development authorization request. Ten programs were eliminated in their entirety. The total reduction for fiscal year 1976 and 197T amounted to $695.3 million, or a 6-percent reduction. The fiscal year 1976 authorization is $9,660,373,000; and for fiscal year 197T, it is $2,508,617,000.

Several of my distinguished and dedicated colleagues will offer amendments to reduce this authorization even further. I urge the Members of the House to think long and hard before adopting any proposed amendment.

I urge you to ask yourself in every instance whether the proposed amendment, if adopted, will compromise in any way our ability to deter war or insure our national security. This is not a rhetorical question. This is the gut issue that underlies every amendment.

I also urge you to exercise caution in arriving at decisions that are based solely on costs.

Mr. Chairman and Members of the House, I urge you to consider:

Whether an amendment to delete the funds for chemical warfare is wise since we have first-hand knowledge that the Soviets are advancing in every aspect of both offensive and defensive chemical warfare. The Soviets chemical agent Soman is not a myth. It is a reality. It is not a defensive piece of equipment. It is a lethal chemical munition;

Whether deferral or cancellation of the Trident program will be the final step that permits the Soviets to change the balance of technology to their advantage;

Whether an Army with an inferior tank makes sense. The finest tank in any inventory today is not American;

Whether, in the light of the limited progress of SALT II and the talks at Valdivostok, we can reduce or terminate our efforts in advanced ICBM technology; and finally,

Whether you think it would be wise to have a second rate manned strategic bomber the end of this century.

Mr. Chairman—Members of the House—research and development is a difficult area to comprehend. It is a difficult area to authorize appropriations for. We authorize the expenditure of billions of dollars with the expectation that the technology will culminate in an operational, deployable, and effective systems.

I know that there are many demands being placed upon our economy and this level of Defense spending is of grave concern. But I ask you to share with me today the awareness that defense is one area where second best will not suffice.

Mr. Chairman, I ask the Members of the House to support the R.D.T. & E. portion of this bill as reported by the Committee on Armed Services.

Mr. Chairman, I yield 15 minutes to the gentleman from Florida (Mr. BENNETT), chairman of the Seapower Subcommittee of the Armed Services Committee.

Mr. BENNETT. Mr. Chairman, first of all I want to congratulate President Ford on his positive and effective action to snuff out in its beginning the situation in Cambodia that might have been a tragedy of mammoth proportions.

I, of course, support H.R. 6674, and I expect to talk in detail about the Navy part of it and about some other aspects of it.

We are still watching at this moment the drama in Cambodia of a modern-day lesson in seapower. We need to have the sealanes open to us and our ships, at all times without molestation.

Our economy here at home is dependent, among other things, on rubber and tin from the Indochina area of the world. If our ships cannot go safely into this area, we cannot be sure we will receive the materials we so greatly need. Even more important, perhaps, is the need to be assured by our naval forces that international law will be upheld in the interest of world peace; and that we discourage by the presence of an adequate navy the violation of law and the starting of war.

We are also watching the necessity of having strike forces which can respond quickly, without being hampered by a lack of oil and logistics in the crisis area; itself a good reason for having nuclear-powered ships which can take care of the situation.

Recently the City Council of Jacksonville, Fla., which I represent, along with my colleague from Florida (Mr. CHAPPELL), passed a resolution in which they said the Congress of the United States is urged to alleviate the deterioration of the economic health of the Nation with fiscal legislation that would increase funding of presently existing, permanent programs which are in dire need of funds, rather than creating temporary public service employment programs.

Mr. Chairman, I voted yesterday for the legislation which provided for the temporary-type jobs—which my city council felt was perhaps not the best thing to do—because I felt it was needed. Like my city council, I do believe it is absolutely essential that wherever we can, we have employment in fields which will make a permanent contribution to America and lead to permanent-type jobs rather than temporary-type jobs. I do not even quarrel with somebody who says that we should not have any at all of these temporary-type jobs, although at the moment I myself feel that we need some of them. I can understand their point of view.

However, when we can employ people in something which is greatly needed, as we can in the defense structure, I think it makes sense to do it. I think it makes sense to do it because we are getting something we need. I think it makes sense to do it because we are giving a permanent-type employment, not just a temporary-type employment.

Mr. Chairman, the day before yesterday I received a document from the AFL–CIO. It said:

> The Executive Council of the AFL–CIO unanimously adopted the enclosed statement on National Defense at its meeting on May 6 in Washington, D.C. You will note we urged that consideration be given to increasing the Pentagon budget and that extreme caution be exercised in voting on any amendments which would cut the request of Secretary Schlesinger.

Mr. Chairman, I am going to ask later on that the entire paper be inserted into the RECORD, but I would like to read a few portions of it to show what the Executive Council unanimously adopted. It says:

> In recent years Soviet military might has surged far beyond a mere defensive capability.
>
> The Soviet arms budget is growing by 5% a year, by conservative estimates. Since the first SALT agreements were signed, the Soviets have developed four new missile systems including new multiple warheads and multiple independently targeted re-entry vehicles (MIRVS). Their new missiles are far larger than ours and, if equipped with multiple warheads, could give them a vast strategic superiority.

And then, reading further:

> In the conventional field, the Soviets now have 50% more men under arms than the U.S. not counting their enormous paramilitary forces. Together with their Warsaw Pact allies they have four times the number of tanks we have, three times the heavy artillery, and twice as many heavy mortars.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. Yes, I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, I would like to commend the gentleman from Florida (Mr. BENNETT) for the leadership that he has shown in connection with the naval section of this bill, as chairman of the Seapower Subcommittee.

I would like to ask the chairman, the gentleman from Florida (Mr. BENNETT), in line with his earlier remarks, if it is not clear that without our naval power and without our carriers, we could not have carried out the successful rescue operation that we have just carried out in the *Mayaguez* incident.

Mr. BENNETT. In my opinion, the gentleman is 100 percent correct.

Mr. STRATTON. Does not the gentleman from Florida (Mr. BENNETT) share my concern, particularly over the fact that came out in connection with this incident, that the facilities that we constructed in Thailand at great cost to the American taxpayers are apparently no longer going to be available to us in that area of the world for any air or naval operations? Does that not underscore the importance, in the opinion of the gentleman, that we at least should proceed with the enlargement of the facilities at Diego Garcia so that we have some place at which to refuel our naval carrier if a new incident of piracy should occur in that part of the world?

Mr. BENNETT. I certainly believe we should use Diego Garcia as a fueling station, and that the very modest request made by the Navy in this is essential.

I am now reading further from the AFL–CIO statement:

> The Soviet navy now has as many surface combat ships as the U.S., and more than three times our submarine strength. Their ships are newer and faster, and have immense and sophisticated firepower.
>
> The United States, in contrast, appears to have begun a drift toward unilaterall disarmament. Current defense spending constitutes the lowest percentage of our GNP since our demobilization after World War II. In constant dollars, our defense spending has steadily declined; yet the proportion of our defense budget that goes for manpower and other personnel benefits has risen substantially.
>
> Our allies and adversaries alike must now question our capabilty to effectively wage war—and only the capability, clearly perceived, can effectively deter war.

Then the AFL–CIO continued:

> We urge our representatives to arms control and arms limitation talks—SALT, and the Mutual and Balanced Force Reduction (MBER) negotiations—to continue to press for agreements that will end the arms race. But such agreements must clearly be mutual, not one-sided; they must be balanced, not ridden with subtle concessions on our part; and they must be enforceable, not ringing public-relations declarations of no practical consequence.

Then they finally concluded:

> To achieve this goal may require us to spend more for defense than the budget proposed by Secretary Schlesinger, which, by the Administration's own projections, will probably not even keep pace with the inflation in the coming year. If fat can be found in the present budget, and if greater defense capacity can be achieved at no further cost, we will warmly approve. But if greater costs are required—so be it. No burden we must bear is too heavy to endure if the alternative is to live under dictatorship, or the constant prospect of war.

Mr. Chairman, in the 27 years since I have been in the Congress I have had many occasions to congratulate the AFL–CIO, but I do not think I ever had a more sincere opportunity to give congratulations to them than that which I tender them now for what they have expressed in their report. I think that the committee would be well advised to heed this report, and it is important in my opinion that we listen to the thoughtful comments of that council. I congratulate the AFL–CIO for its needed leadership on this vital issue.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. I do not now have the time to yield to the gentleman. If the gentleman will permit me to continue and finish my statement, then I shall try to yield to the gentleman, but I have not used the gentleman's name.

Mr. Chairman, the Seapower Subcommittee of the Armed Services Committee has held extensive hearings in connection with the programs for the construction of naval vessels and in connection with the studies of our naval shipyards. We remember hearing some years ago from Admiral Moorer that we should be a Navy of 850 ships. We also remember hearing from Admiral Zumwalt that we should have a navy in the area of 800 ships. Presently we are down to under 500 ships and the Navy desires to bring this size up to over 600 in the 1980's. We are now building at a rate which will let us get up to the 600 ship level. At this point I am very mindful of the statement made to our committee by Eugene V. Rostow, spokesman for the Democrats on Foreign Policy of the Coalition for a Democratic Majority, who said, and I quote:

> We therefore recommend an increase in our defense capacity, especially for the Navy. The best diplomatic signal the United States could give the world now would be a sharp increase in our defense programs, going beyond the programs recommended in Secretary Schlesinger's recent message to the Congress. It is the first responsibility of the Ninety-Fourth Congress, controlled by large Democratic Majorities, to provide for the common defense.

The shipbuilding portion of the budget that was presented to you today provides $4.4 billion, and allows for the construction of 23 new naval vessels. This may seem like a large number of ships, but Admiral Holloway has testified to us that the Navy should be building at a rate of 35 ships a year, not 23, in order to attain a Navy of 600 ships in the mid-1980's.

With this program, we are gaining 1 nuclear-powered ballistic missile submarine, 2 nuclear-powered attack submarines, 1 nuclear-powered guided missile frigate, 2 patrol hydro-foil missile ships, 10 patrol frigates, 2 destroyer tenders, 2 fleet oilers, and 3 fleet ocean tugs. Thus, 7 of the 23 are auxiliary ships, and 12 more are small naval vessels, leaving only 4 major naval ships being built this year. In order to get these ships, the Navy has voluntarily retired nearly half of its aging fleet.

I do not, at this point, try to draw any comparisons between the U.S. fleet and the Soviet fleet. The two have different missions. Our Navy has to be sure that we can sail anywhere we want to, when we want to. The Soviet mission is simpler. It is keeping us from sailing where we want to sail, when we want to sail there. Hence, the Soviets have built up a large submarine fleet with a large cruise missile capability. To meet this, we need our submarines, our destroyers, our surface ships carrying helicopters and antisubmarine warfare planes, and we need our surface ships with capability against cruise missiles and airplanes.

More importantly, we emphasized the need for a nuclear Navy that can move quickly to the areas of crisis without having to worry about fuel. Because of congressional concern in the past, the nuclear reactors for the *Nautilus* and *Sea Wolf* were provided from Atomic Energy Commission funds. Because of congressional concern, we have at present authorized a group of nuclear frigates to act as escorts to our carriers. We have even had to mandate the construction of frigates in order to get them built, over the objection of systems analysts. It was the congressional pressure on the part of all of Congress that made the *Nimitz*, *Eisenhower*, and *Vinson* nuclear-powered, after the horrible mistake of providing conventional power for the *John F. Kennedy*.

To continue our efforts in building up the strike power of the Navy, so that it is no longer dependent on black-oil-train logistics, we have added **$60 million for** the long-lead-time items for a new nuclear-powered strike cruiser. In part, this is to show the U.S. resolve for seeing to it that we meet the present exigencies, as it is in part to show the committee's determination to get on with the policy of title VIII of last year's authorization act.

In connection with that policy, Admiral Moorer said just before he left his post as Chairman of the Joint Chiefs of Staff—

> I urge that the Department of Defense adopt it and get on with the task of building nuclear-powered naval strike forces which I sincerely believe will be essential in the years ahead. The experience of our Navy during the 1973 October War is providential warning—which appears already to have been forgotten—that the Navy strike forces must not continue to be dependent on oil for propulsion in an actual war situation.

A nuclear-powered strike cruiser has been in the 5-year plan for fiscal year 1977–78, and we might just as well get on with it. It will give us one more of the seven needed to complete the escorts for the four nuclear-powered aircraft carriers presently authorized and under construction.

Our bill provides $4.4 billion for the shipbuilding program, a sum which is $1 billion less than the President requested. This large reduction was the result of postponing the authorization for extension of very distant escalation, which is dealt with in the report. We deferred the authorization of reserves for further contractual obligations for escalation, for labor and material costs due to inflation, until the fiscal year in which these funds are obtained, but provided a hedge of an additional year of escalation reserves in the event that actual escalation payments should exceed the fund authorized for the current fiscal year.

We also removed $150 million requested as a reserve against claims for shipbuilding contractors, which are now pending. We did so without prejudice to any future claims based upon settlement of decisions of the Armed Services Board of Contract Appeals. We believe that approval of the requested 150 million at this time would be considered as an endorsement of the claims and would tend to undermine the Navy's bargaining position.

In summary, Mr. Chairman, we have brought to you a shipbuilding program which begins to set the Navy on the road to a 600-ship Navy, and we have done so with a reduction of $1 billion in this year's requests.

Mr. Chairman, that concludes my remarks except that I would like to say it is a real pleasure and inspiration to work on a problem which is really a challenge because we all know we really do need to have a strong Navy. It has a major part to play in whether there will be wars or no wars in the future. A strong U.S. Navy is a good preventive measure to decrease the chances of us having to go to war.

The Navy, unlike some of the branches of service, is extremely vital to reduce pressure for the escalation of or a beginning of a war. Therefore, I am very hopeful that the Congress as a whole will approve the Navy provisions we have in this bill; and if any change is made it will add to, not decrease, these facilities.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. I yield to the distinguished gentleman from Ohio.

Mr. SEIBERLING. I thank the gentleman for yielding.

I, of course, subscribe to the gentleman's philosophy that we need a strong national defense. I think everyone in this House does. I would like to ask a few questions to try to clarify the gentleman's position as indicated in his statement.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PRICE. Mr. Chairman, I yield 2 additional minutes to the gentleman from Florida.

Mr. SEIBERLING. If the gentleman will yield further, he indicated that the Soviet Union has several times more men under arms than the United States. If the United States were in the position of the Soviet Union, with a 2,500-mile common border with a hostile power that has the largest population of any nation on Earth, would we not probably have a larger number of men under arms? In other words, is the Soviet Union's position comparable to that of the United States?

Mr. BENNETT. I am not pointing a finger of blame at Russia. I am really trying to present to the Members our own national security. I would say that when a nation is as dedicated to spreading communism and Soviet imperialism throughout the world as Russia is, and when she is more heavily armed than we are, and shows no indication of the desire not to use her arms to dominate other peoples, it is wise for us to see to it that we have reasonable protection in our defense. All those facts and figures have to be considered with regard to what strength we have to obtain and maintain.

I in no way cast any stones at Russia.

Mr. SEIBERLING. Will the gentleman yield further?

Mr. BENNETT. I yield to the gentleman from Ohio.

Mr. SEIBERLING. I am not suggesting that there is any blame to be assessed. I am merely suggesting that the gentleman is comparing apples to oranges, because the Soviet Union's strategic position and their defensive needs, in view of the fact that they have a powerful and hostile China on their borders, are far different than ours.

Mr. BENNETT. I must say if we are going to take that kind of little trip down the lanes of imagination, we might just as well come to a little imagination as to why and what if Peking and Moscow should throw in together; because, after all, a great many of these Russian troops are under arms projected defensively against the Chinese. I do not really think Russia expects the United States or Western Europe to attack Russia. I think there might be some concern to Russia that the Chinese might attack.

Mr. BOB WILSON. Mr. Chairman, I yield to the gentleman from South Carolina (Mr. Spence) such time as he may consume.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, I would like to get the attention of the gentleman from Florida (Mr. Bennett), the distinguished chairman of the Subcommittee on Seapower and Strategic and Critical Materials in regard to the colloquy just a moment ago with the gentleman from Ohio (Mr. Seiberling).

Did not the prestigious and highly respected Institute of Strategic Studies of London, England, recently release a detailed study that showed that the present naval development of the Soviet Union and the power they have generated far exceeds any conceivable defense requirements? Did they not say that these new Soviet naval forces are clearly designed for offensive rather than strictly defensive operations?

Mr. BENNETT. That is not only their observation but also the observation of every other thoughtful person I know of in this field.

Mr. STRATTON. I thank the gentleman from Florida and I appreciate the gentleman from South Carolina yielding.

Mr. HICKS. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. I yield to the gentleman from Washington.

Mr. HICKS. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, as a member of the Seapower Subcommittee of the Armed Services Committee, I rise in support of H.R. 6674.

Today I would like to address myself to the 5-year shipbuilding program.

Last year the Seapower Subcommittee held 24 hearings and took over 1,500 pages of testimony on the current status of shipyards, 1974. We heard from both the private shipyards and the naval shipyards. We heard from the departments. The one problem which seemed to be the most difficult was the inability of the industry to plan. We received testimony that it takes over 10 years from the original Department of Defense approval of a shipbuilding program until the last ship of the program is commissioned. In between there are many ups and downs in the program. Indeed there are many programs which have been started only to be choked off before their completion. The constant up and down of the shipbuilding industry, coupled with the industry's inability to plan beyond the current year is what has caused so much consternation in the industry.

We looked at the overall situation and concluded that the answer would be to get a 5-year shipbuilding program which the Congress would authorize year-by-year, as the best means of cutting down on this kind of turbulence. We received approval for this idea from the Deputy Secretary of Defense, from the Secretary of the Navy and from the Chief of Naval

Operations. Despite all of these agreements, the Department of Defense has so far been unable to come up with any kind of a 5-year shipbuilding program to be enacted or even recommended. We have been long suffering in our search for such a program.

Since that program has not come to the committee, we have included in the law a requirement that the Department of Defense present such a program to the committee for enactment when it submits the fiscal year 1977 budget.

Toward the end of the full committee hearings, the Assistant Secretary of Defense for Program Analysis and Evaluation, the Honorable Leonard Sullivan, came before the full committee and recommended a 5-year program generally for the Department. Yet, we understand through our informal sources within the Department, that this is the very section which is objecting to the 5-year shipbuilding program the most.

Only when the Navy has laid out a 5-year program, and the Congress has examined it and authorized that kind of a program, can we begin to get some sort of order into the overall shipbuilding program.

It is exactly this same philosophy which has led the committee to look at each shipbuilding program individually with an eye to evening out the overall program and to see that programs do not have rapid rises and falls, but continue on an even keel. If we cut back on this or that program in the hopes of saving money this year, the only result will be to make the entire project more costly in the end or to cut off the program now, with the result of making the present programs much more costly. The evenness in handling shipbuilding programs is something which we in the Congress must assure.

Mr. SPENCE. Mr. Chairman, I rise in support of H.R. 6674. Since there are other programs included in the bill, which can be best addressed by other Members, I will confine my remarks to the Navy program.

Our Navy is, and has always been, an insurance policy for our national survival. Throughout our 200-year history the Navy has assured our ability to export our goods and to import raw materials by keeping the sea lanes open. Only the Navy has provided us the means for protecting our interests overseas, and supporting our allies. And, I point out that we have more than 40 national defense treaties in force at this time.

Although our country is situated on a large land mass, we are essentially an island Nation, dependent upon seaborne commerce with other nations of the world for our prosperity and security. For example, 35 percent of the oil we use comes to us by sea, over sea lanes guaranteed by our Navy.

We have a multipurpose navy, and one of these purposes is the provision of a well hidden nuclear deterrent force—our Polaris/Poseidon submarines and the follow-on Trident system.

The Navy is more important to us now, given world conditions, than at anytime since Pearl Harbor. Where, in the past, we could rest our foreign policy on land bases and a system of alliances, this is no longer the case. We have been forced out of our land bases in many countries. We have seen the use of our oversea bases restricted, when most needed, as during the Arab-Israeli War. And, as a result of what our Asian allies perceive to be a change in our policy toward that area, we are being ousted from Thailand and our base rights in the Philippines are being studied by that Government.

Compare this to the situation of the Soviet Union, which is expanding its influence throughout the world with naval bases in every ocean. The Soviets recognize the value of a strong navy and now outnumber us in strategic missile launching submarines, nuclear-powered submarines and major surface combatants. They are continuing to build, at a rate much higher than our own, highly sophisticated and well-armed ships.

The downward trend in our own naval forces, coupled with the growth and increased activity of the Soviet Navy, has created conditions of risk which are of great concern to the Chief of Naval Operations, and to me.

Admiral Holloway's words to the Armed Services Committee should be carefully considered, and I quote him:

> The Navy's ability to deter hostilities or prevent infringement of our national interests is no longer clear-cut or unambiguous.

He also told the committee that:

> Our current forces are powerful, but relative to expanding Soviet Naval power, our advantage is, in some areas, now very thin.

Witnesses before our Seapower Subcommittee have painted the picture of a navy dwindling in numbers and growing only in age. Our Navy, at less than 500 ships, now stands at its lowest number since before Pearl Harbor. Nearly 1 in every 5 of these ships is more than 25 years old.

The average age of our aircraft carriers is over 19 years; our cruisers, over 26 years; destroyers, 16 years; and 81 auxilliary ships average more than 24 years old. Older ships contain outdated technology, are less battle worthy—if indeed seaworthy—and are highly difficult and expensive to maintain.

As the older ships have been retired, some, but not enough, have been replaced. Because the costs of ships, along with everything else, has increased, sufficient funds have not been made available to maintain our Navy at optimum size.

We have built some excellent ships over the past few years, but at a rate too slow to stop the attrition of age. While we have built ships with greater capabilities than their World War II counterparts, there is a point where excellence and capability can no longer offset the numerical superiority of enemy forces. I believe that we are now at this point, and that we are running risks which are unacceptable to the people of this country.

One of these risks is demonstrated by the act of piracy against the United States merchant ship *Mayaguez* last Monday, while operating in international waters. Because of quick and decisive action on our part, we were able to show the world that we will not allow such action be successful. However, if we permit our Navy to grow smaller and become impotent, as some seem to want, who is to say where this piracy, by irresponsible governments, will end?

H.R. 6674 provides for 23 new ships, 7 of which are service ships—tenders, oilers, and tugs—3 are submarines, and only 13 are surface combatants. Last year, the Congress approved 22 new ships. While this is a substantial improvement over the average of 12 new ships a year between 1968 and 1975, this number is required merely to sustain the Navy at its present low numbers. A rate of 30 new ships a year is required to attain a 600-ship Navy, and to sustain it, at that size.

For this reason, H.R. 6674 is a "bare bones" authorization as far as Navy ships are concerned.

Our Seapower Subcommittee, and the full committee, looked at each shipbuilding request very carefully. We concluded that each ship in each program was needed, and well justified. We did not believe that we could recommend that any ship be cut, or deferred, without harming the overall national interest. We found that past deferrals—in the case of the Trident and Patrol Frigate—have added more than $1.1 billion to the future costs of those programs.

While the committee does not recommend any program cuts or deferrals, we have identified more than $1 billion in requested reserve funds which need not be obligated until later years, and we have deleted them. These funds were requested in accord with a longstanding Department of Defense policy requiring the Navy to budget for predicted future inflation and the possible settlement of claims.

H.R. 6674 would also require the Secretary of Defense to submit a 5-year plan for future shipbuilding when the President submits his fiscal year 1977 request. We believe that, if our Navy is to remain second to none, goals should be set which extend for a period longer than a year or two.

Included in this year's program are funds for the fourth Trident ballistic missile submarine. The Trident will not only replace the Polaris/Poseidon submarines when they are retired in the 1980's, but it is a much faster, quieter, and more survivable system. Carrying 24 missiles instead of 16, and the ability to hit targets at twice the range of present submarines, the Trident is not only a more potent deterrent, but it is also more cost effective. At the current building rate, the first Trident probably will join the fleet in 1979 and the last, Trident No. 10, in 1985.

The committee, in H.R. 6674, also reconfirms the commitment of Congress to nuclear-powered surface combatants. This commitment has been voiced by the Congress time and time again over the past decade and was written into law in last year's authorization act. This year, we have recommended that funds be provided to complete another nuclear-powered guided missile frigate—DLGN–

42—and that $60 million be provided for long-lead items for a nuclear-powered strike cruiser.

I would also point out that, while the amount authorized this year for Navy ships is considerably larger than the amount approved by Congress last year, because of inflation, there was no real gain in program value.

Mr. DELLUMS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announced that he will vacate proceedings under the call when the quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN pro tempore (Mr. GIAIMO). One hundred one Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call will be considered as vacated.

The Committee will resume its business.

At the time of the quorum call, the gentleman from South Carolina (Mr. SPENCE) had been recognized.

Mr. SPENCE. Mr. Chairman, as I was saying, the Committee was aware of the rapid increases in the cost of Navy ships, due mostly to general inflation. I wish that there was some cheap, cutrate way to provide for our national security. I have not thought of one, nor have I heard a good suggestion. While many point to the high cost of defense, few seem to realize that we have the most to lose.

I also wish that the cost of insurance on my house was less; however, I would sacrifice many things that I now enjoy in order to pay the necessary premium.

For much the same reason, simply because of higher costs, this Congress should not permit the insurance provided by our Navy to lapse into ineffectiveness. H.R. 6674 will restore some of our lost naval power. I support it, and urge you to support it.

Mr. DELLUMS. Mr. Chairman, I notice the absence of a quorum and I make the point of order that a quorum is not present.

The CHAIRMAN pro tempore (Mr. GIAIMO). Obviously a quorum is not present.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The Chairman pro tempore (Mr. GIAIMO). One hundred and one Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

Mr. PRICE. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri (Mr. ICHORD).

Mr. ICHORD. Mr. Chairman, I thank our distinguished chairman for yielding to me at this time.

Mr. Chairman, clauses 1 and 2 of section 8, article I of the Constitution place the responsibility upon Congress to provide for the common defense and to raise and support armies. The bill H.R. 6674, which the Armed Services Committee brings to this body under the leadership of the distinguished gentleman from Illinois (Mr. PRICE), is the first step of this House in carrying out that responsibility for the fiscal year 1976 by providing the authority for appropriations for major weapons procurement, for research and development, and setting the manpower levels for the Department of Defense and the military services.

As are many Members of this body, Mr. Chairman, I too am concerned about the serious fiscal problems which the Federal Government faces as evidenced by the Federal budget deficit of $70 billion.

I would remind the Committee, Mr. Chairman, that here we are carrying out not only a primary responsibility of Congress, but one which is constitutionally mandated.

Personally, Mr. Chairman, I would prefer to live in a world where no military expenditures were required. We cannot afford the luxury of thinking in terms as to how we would have the world to be, rather than how it is.

This authorization is $3.7 billion under the total departmental requests. Unfortunately, I submit, we did not think we were in a position to meet the request of Professor Rostow, spokesman for the Task Force on Foreign Policy for the Coalition for a Democratic Majority.

Professor Rostow, Mr. Chairman, came before the committee and requested the addition of $8 billion or $10 billion to meet the growing threat of the Warsaw Pact Forces. Professor Rostow testified that in his opinion, unless we set a new and responsible course, the next 2 years may see the military balance shift decisively toward the Soviet Union and its allies.

He pointed out, Mr. Chairman, that there is no place for politics in the consideration of our defense budget and that, as they did in the Truman years, liberals and Democrats must again take the lead in rallying America to increase our defense capabilities, both nuclear and conventional.

I hope, Mr. Chairman, that all of the Members of this body will take the hearing record and read the statement of Professor Rostow over the weekend before we consider this bill for amendments.

We cannot afford, Mr. Chairman, and Members of the Committee, to be lured by the euphoria of détente into taking action that will seriously degrade our Nation's defense capabilities at this particular point in history.

Mr. Chairman, if I have time remaining, I yield back the balance of my time.

Mr. BOB WILSON. Mr. Chairman, I yield 10 minutes to the gentleman from Alabama (Mr. DICKINSON).

Mr. DICKINSON. Mr. Chairman, I rise in support of H.R. 6674 and wish to address my remarks principally to title II of the bill, which has to do with research, development, tests, and evaluations.

Mr. Chairman, nearly two centuries ago a Scottish jurist and historian named Alexander Tyler said:

> A democracy cannot exist as a permanent form of government. It can only exist until the voters discover that they can vote themselves largess out of the public treasury. From that moment on, the majority always votes for the candidate promising the most benefits from the public treasury, with the result that democracy always collapses over a loose fiscal policy, which is always followed by dictatorship and or a monarchy.

Mr. Chairman, I sincerely wonder if we are going to see this prophecy come true in our lifetime. Are we as a nation going to continue to spend less and less on defense and more and more on social services, and specifically welfare? Are we reaching the point when half our tax dollars go to support social programs which are welfare oriented?

The biggest culprit of them all, welfare, starting with the Great Society, is like a snowball rolling faster and faster down a hill, only these are money covered slopes. The Great Society programs continued to suck up the people's tax dollars while producing little permanent good. Mr. Chairman, I recognize that it is the function of government, among other things, to take care of those who cannot take care of themselves, but I think we have long since passed that point.

But, it makes no difference in what area we are interested and in what programs we would give the highest priority, whether it be in public works, whether it be in health, whether it be in education. All of these come to nothing if, in the final analysis, we do not provide for an adequate national defense to protect and safeguard these rights and privileges for the American people.

Mr. Chairman, I support my distinguished colleague from Illinois, the chairman of the full committee, and also the chairman of the Research and Development Subcommittee, who emphasized the need for a strong research. Each year the Research and Development Subcommittee conducts an extensive review with the Department of Defense representatives to structure a technology program that will assure our national security.

Mr. Chairman, we have seen our strategic capability, in comparison with the Soviets, steadily but consistently eroded. Whether we want to talk about the total throw-weight of ICBM's, whether we are talking about the number of ICBM's or our ability to deliver ordnance on target, whether we are talking about our naval surface or submarine ships, we have seen the U.S. position of superiority fall below that of the Soviet Union. I submit, Mr. Chairman and members of this Committee, that the only major area in which we have a real superiority is in the area of technology.

This comes out of our research and development efforts. If we short change ourselves here there is no such thing as doubling up and catching up later, because these are such long-term leadtime items that we are incapable, as any other nation is incapable, of just spending more money to catch up.

We have a lead in technology, but we must continue to exert the utmost effort to see that this area does fall behind the efforts of the Soviets. Let me just point to a few items that I think are dramatic.

I quote Admiral Moorer, the recently retired Chairman of the Joint Chiefs of Staff, when he appeared before our subcommittee just recently, in April. He said that when he first started filying naval aircraft over 30 years ago, by a strange coincidence it was called the F–4. One F–4 in today's modern fleet costs more than a complete squadron of F–4's when he first started flying. One F–4 aircraft today weighs more than a complete squadron when he started flying. What is more, an F–4 of today can fly faster straight up than the F–4 he learned to fly could fly straight down, wide open. And that is an old airplane.

I recently had the privilege of flying in an F–15. Mr. Chairman, let me report—it is no secret, I am sure, to those who are familiar with aircraft—we broke the sound barrier going straight up. We went mach plus.

Last year, I had the privilege of attending the Farnborough Air Show in England, where the United States demonstrated its technological capability. The SR–71 broke the world speed record traveling from New York to London. Mr. Chairman, the SR–71, which is our high altitude reconnaisance airplane, flew from New York to London in less than 2 hours; 1 hour and 55 minutes.

To give the Members some idea of the magnitude of this accomplishment, if a person had fired a .30/06 rifle at the same time that the SR–71 went through the gate, as they call it, leaving New York, it would have beat the rifle bullet, assuming it would have maintained its velocity, to London by 7 minutes. This aircraft, which is old now—it has been in the inventory over 10 years—traveled at such a rate that it had to go out over the Baltic Sea to turn around and land at Farnborough. The skin temperature on this airplane reaches 900°F. This is surely one of our technical accomplishments that no country has yet duplicated.

But we cannot rest on our laurels and continue to think we will maintain our superiority without spending the necessary money in research and development to go forward.

The F–111, Mr. Chairman, was a quantum jump in air technology. I do not know how many people are familiar with it, but this is the greatest airplane flying operationally today. It has a terrain-following radar so that in all weather—night, day, storm, whatever—the pilot can set his altitude over the ground to go over mountains, to go over trees, to go over forests, and still come right back down over the deck and still escape radar detection. No other country has this capability, and we are building this capability into the B–1, but this is a technological advancement that no other nation enjoys, no one has. It has only been because of our foresight and our ability and willingness to spend money on R. & D. that we are able to have this technological advantage.

We are now putting satellites in orbit that will ultimately give us location for navigation of ships on the sea and our aircraft. This system is so accurate it will pinpoint a ship or plane's position within feet, as close as from one wall to the other wall of this Chamber. This is a technological advantage that this country enjoys because we have been willing to devote our money, our effort, our time, our energy, and abilities to develop what we must have in this country.

We recently visited the Mideast. When the 6-day war started, we were told the Israelis were not particularly interested in our TOW missile because they did not feel they needed this for antitank defense.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BOB WILSON. I yield 5 additional minutes to the gentleman.

Mr. DICKINSON. Israel was very capable of defending their tanks. Lo and behold, in the Yom Kippur war, they found they no longer had air supremacy because the Soyuz Quad 23 millimeter Russian gun, plus the hand-held heat-seeking missile, the Sagger, denied to the Israelis the air supremacy they had enjoyed in the Six-Day War, and so they sent out an SOS in a hurry. They issued a distress call for our TOW missile, the antitank missile, which ultimately was provided to them. This is the best antitank weapon that has been developed today. It is wire-guided. It is accurate. But if we did not already have it developed and did not already have it in inventory, Mr. Chairman, it would not have been available to provide to the Israelis. The same is true of our other major technological developments.

What I am saying—and I would like to say, Mr. Chairman, I am very disappointed that more people are not here who are not members of the Armed Services Committee, because most of us here are familiar with these facts—many of the voices in the Congress and out that have been most strident in the opposition to a strong defense have been those who are most vocal and outspoken of trying to get aid for Israel when Israel really needed aid.

Where did the aid come from that went to Israel in the form of tanks and other weapons? It was a drawdown from our inventory which was already on hand and in-house and developed, from Europe and from the continental United States; and it is too late, once it is needed, to go into production and to go into research and development to produce and manage these weapons. We must have them on hand.

The very people who are most earnestly beseeching aid for Israel, if they had their way, we would not have had the weaponry to provide the defense to Israel which was provided.

Therefore, Mr. Chairman, if there is one area in which we should spend money, one area in which we should be unstinting, one area in which we should be imaginative, where we should go forward with all due speed, it should be in the area of research and development. We should do everything within our ability and capability to see that we will not occupy second place in technology.

Using the B–1 bomber as an example, I am not ready to support the production of this weapons system. There is the philosophical argument here as to whether or not we want to continue to try a theory of manned bomber plus the ICBM's, plus the Trident submarines; but the important point is that if we do not go forward with research and development and develop the technology necessary, it is too late to argue about it once it is actually needed. Therefore, whether the B–1 bomber costs $34 million per unit, as it was originally designed to cost, or whether it costs $85 million per unit, which is projected by the 1982 time frame, or whether it costs $100 million, this is a question to be decided when and if we decide to go into production, but at this point we would certainly be pennywise and pound-foolish, Mr. Chairman, if we did anything to diminish our capability and ability in our technological development.

I, Mr. Chairman, would strongly urge the members of this committee and the Members of this House to support 100 percent the R. & D. budget.

Mr. PRICE. Mr. Chairman, I yield 12 minutes to the gentleman from Michigan (Mr. NEDZI).

Mr. NEDZI. Mr. Chairman, titles III through VI of H.R. 6674 respectively deal with the active duty, Reserve, and civilian personnel strengths in the Department of Defense, as well as the military student training loads, for fiscal years 1976, and the transition period. The levels authorized, with the exception of the Reserve Components, are strength ceilings which may not be exceeded by the Department of Defense.

The Committee recommendations for title III, which deals with active duty end strengths are as follows:

	Fiscal year 1976	197T
Army	785, 000	793, 000
Navy	528, 651	535, 860
Marine Corps	196, 303	196, 498
Air Force	590, 000	590, 000
Total	2, 099, 954	2, 115, 358

The end strengths recommended are those requested by the Department of Defense. This total strength represents a manpower level for 1976 almost 50,000 below the number the Congress authorized last year, and 587,133 lower than the fiscal year 1964 strength, the last pre-Vietnam year.

Implicit in this recommendation is the committee's view that the Department of Defense is proceeding in the right direction in its management of manpower activities. The committee received a great deal of evidence on the development of requirements for, and management of, the manpower resources of the Department of Defense. It was apparent that, unlike the situation in the not too distant past, progress is being made to maximize the utility of all forms of personnel.

In light of these positive efforts, it was determined that the imposition of reductions or inflexible guidelines by the Congress at this time might actually hobble further progress. In addition to this concern, however, was a recognition that imposed reductions would cause further turbulence in a structure still recovering from major personnel contractions as a result of the Vietnam drawdown. A period of stability in strength levels will be beneficial to the structure. Nevertheless, the overriding consideration in recommending the requested strengths was the fact that the Department's manpower managers are producing substantive results and that actions which might jeopardize this progress should be avoided.

In the Army for 1976, with a manpower level identical to that authorized last year, three additional divisions will be created in the Active Force. The recommended strength for the Navy represents a reduction of 11,729 from that authorized last year including a decline of 1,474 in the officer ranks. Major Navy force changes will be the retirement of two attack carriers, a decrease of five fighter attack squadrons, and an increase of three attack submarines. In the Air Force, the recommended strength is 37,000 personnel below that authorized last year. The major changes in force planned for fiscal year 1976 are a reduction to 30 percent in the strategic bomber alert rate, an increase in fighter crew ratios from 1.1 per aircraft to 1.25, the transfer of 32 KC–135's, four RF–4 squadrons, and two C–130 squadrons to the Reserve components, and the activation of three F–5E tactical fighter training squadrons.

The recommended figures for the transition period for the Army and Navy evidence increases which are apparent but not real. As you know, an end strength control requires only that the number set not be exceeded on one specific day, the final day of the fiscal year. In altering the fiscal year, which the transition period accomplishes, the operative date becomes September 30—a point in the year subsequent to the heavy recruiting months at the end of the school year—thus representing peak time in strength for these services.

Title IV authorizes average strength floors for each of the Reserve components. The Committee recommendations are:

	Fiscal year 1976	197T
Army National Guard	400,000	400,000
Army Reserve	226,000	226,000
Naval Reserve	112,000	112,000
Marine Corps Reserve	32,481	33,013
Air National Guard	94,879	94,543
Air Force Reserve	51,789	53,642
Coast Guard Reserve	11,700	11,700

With the exception of the Army and Navy Reserve, these recommendations represent the administration's requested levels.

The administration request for the Navy Reserve was 93,972 in fiscal year 1976 and 92,000 in the transition period. The committee recommends an average strength of 112,000 for this component for each of these periods. In the Army Reserve, the committee recommends a strength of 226,000, as opposed to the 212,400 level requested. Even with these specific increases, the total reserve manpower request is approximately 9,000 below the total authorized last year.

While supportive of the requested strengths for the Reserve components overall because of the increased emphasis being placed on our relatively cheap Reserve assets in these times of declining active forces and increasing expense of manpower, the committee was convinced that the requested number for the Army and Navy Reserve did not reflect long term mobilization requirements for these components. In the Navy Reserve, the administration request was established prior to a comprehensive study on the requirements for this organization which appears to establish this number more appropriately at 112,000. This figure will prevent the disestablishment of over half of the Navy's Reserve Seabee battalions whose worth has been demonstrated frequently.

In the Army Reserve, the evidence before the committee was that the requested figure was based upon recruiting estimates which have proven to be understated. With a current strength in excess of 226,000, and because this component has mobilization requirements in excess of 250,000, the committee believes a level of 226,000 to be the appropriate level.

End strengths for civilian personnel of the Department of Defense are addressed in title V. Mr. Chairman, this is an area on which the committee received a great deal of testimony from disparate sources to the effect that end-strength controls contribute to inefficient actions by the Department of Defense. The problems arise in attempting to coordinate two distinct types of control imposed during the authorization and appropriation process—that is, end strength versus available dollars—in a manner which will allow full utilization of these resources.

It was apparent from this evidence that some alternate approach was necessary in order to alleviate the unnecessary problems encumbering the present system. The committee determined that while an end strength control should be maintained in order to provide an overview of all categories of defense manpower for authorization purposes, it should apply to the Department of Defense as a whole in contrast to past procedure which set limits on civilian personnel by service. Providing a Department of Defense-wide ceiling will allow flexibility in allocating resources between the services to meet unique problems that arise during the fiscal year. Thus, the committee recommendation for fiscal year 1976, which is approximately 9,000 less than were authorized last year, is the administration request.

Additionally, the Department's ability to exercise the ½ percent esealation authority—which, as you know, allows the Secretary of Defense to exceed the authorized number by ½ of 1 percent when he determines it is in the national interest to do so—will be clarified in the language accompanying the legislation so as to alleviate any managemental or fiscal inefficiencies—such as unnecessary reductions in the permanent work force—which might arise from compliance with an end-strength control. In this manner, the committee believes the problems experienced by the Department of Defense will be substantially ameliorated, yet the committee will be able to maintain effective oversight over this very substantial portion of Defense manpower.

In the past 2 years, the authorization for civilian personnel has excluded from its number those civilian personnel employed in civil functions—primarily personnel of the Army Corps of Engineers—summer hire type programs, employees of the National Security Agency, and what are called indirect hires. The committee bill retains the first three exclusions but recommends that the number of indirect hires—foreign nationals employed by the Department of Defense—be authorized under a separate ceiling at a level of 96,000 for fiscal year 1976, and the transition period. The committee believed that a more direct exercise of control was desirable to insure that it would be directly aware of any significant actions with regard to these personnel.

Title VI establishes military training student loads for fiscal year 1976 and the transition period. The committee recommendations have been adjusted downward slightly for the Navy and Naval Reserve to adjust for a computation error in the original figures received from the Department of Defense. The average loads recommended are:

	Fiscal year 1976	197T
Army	83,101	75,185
Navy	69,513	70,571
Marine Corps	26,489	26,788
Air Force	51,225	52,280
Army National Guard	9,788	9,481
Army Reserve	7,359	5,518
Navy Reserve	1,661	2,106
Marine Corps Reserve	2,769	4,088
Air National Guard	1,952	2,180
Air Force Reserve	810	836

The committee noted some substantial reductions in this area due to departmental initiatives, for example in flight training by the use of simulators, and in the fully funded graduate education programs. While cognizant of this progress, there are aspects of the training establishment which bear future scrutiny, and the Committee intends to do so.

Also, in the personnel area, the committee has included sections 702–705 of the bill. The effect of this language will be to:

First, allow a serviceman to be assigned outside the United States prior to the completion of 4 months' training, if the individual has completed basic training and specialty training, and as long as it is not to an area subject to hostile fire; and

Second, eliminate the requirement that a reservist perform 4 months of initial active duty for training in favor of a period sufficient to allow completion of basic and necessary specialty training. In each of these cases, corresponding sections in the Military Selective Service Act are amended in similar fashion. These recommendations will allow more efficient use of personnel absent the present arbitrary requirement, and in the Reserves act as an inducement for recruiting. It is estimated that this language, which is identical to a recent Department of Defense proposal, will eliminate unproductive periods in the training and utilization of military personnel.

As you will note, Mr. Chairman, there are no changes of great significance to the administration's requested manpower levels in this bill. This fact belies the extensive scrutiny this request received, including a unique day of hearings in which we invited experts from the Brookings Institution to challenge the administration's policies. Based on this, our recommendations reflect the recognition that the Department of Defense is proceeding in the right direction by effecting internal efficiencies and an appreciation of the fact that congressionally directed reductions in our military forces at this juncture would transmit political signals overseas that could be misread.

Because of the changeover in fiscal years, the committee will be going through the authorization process again this year and will continue to provide strong direction to insure that military manpower is optimized in defense of the Nation.

Mr. BOB WILSON. Mr. Chairman, I yield 10 minutes to the gentleman from Louisiana (Mr. TREEN).

Mr. TREEN. Mr. Chairman, I rise in support of H.R. 6674, but before getting into the substance of the bill I would like to take this opportunity as ranking minority member of the Personnel Subcommittee to compliment my esteemed colleague, the gentleman from Michigan (Congressman NEDZI), chairman of the Personnel Subcommittee, for his leadership on this subcommittee. Throughout our hearings he demonstrated a high degree of expertise, I think a unique dedication to the task before the committee, and a steady determination to get all of the relevant facts as well as to hear opposing views, and a splendid tolerance and patience toward each and every member of the subcommittee. It is an honor and privilege to serve with him and under his leadership.

Mr. Chairman, I wish to direct my remarks specifically to title III which deals with active duty manpower levels.

Mr. Chairman, the Personnel Subcommittee worked diligently in an effort to avail ourselves of all pertinent information on the subject matter in these titles. We heard testimony from each of the Service Departments and the directorates within these departments specifically involved so that in each case we were privy to, and able to examine in detail, the rationale behind the request. In addition to departmental representatives, however, the subcommittee also heard evidence from a broad spectrum of independent organizations including representatives of the Brookings Institution, the Reserve Officers Association, and the National Guard Association.

From all of this evidence, I was left with distinct impressions on several different issues. As we all know, the military has recently sustained a period of convulsions in its structure caused by our military involvement in Vietnam. Our forces grew by a million men from 1964 to the peak of our involvement in 1968, and since that time have been reduced by almost a million and a half. As our foreign policy and commitments have readjusted to account for our disengagement in Vietnam, so has our military structure conformed to reality by this personnel reduction.

Last year it became clear that no further adjustments for the Vietnam experience were warranted, and, absent further major national decisions adjusting our foreign policies and our definition of the national interest, the force structure we have presently was necessary for the Nation's security and to carry out national commitments in Western Europe, and Asia.

I was convinced, as was the majority on the committee, that further major personnel reductions in the military end strength ceilings could only be suffered if a conscious decision were made to restructure our foreign policies and revise our judgments of what is necessary to maintain national security.

No such decision has been made, nor should it be in my estimation. Thus, the committee's orientation was to pursue efficiency in personnel utilization within this structure. In this regard, I am pleased with the results we see this year.

In the Army, three new divisions will be formed this year. In fact, this 16-division force for 1976 will be accomplished with almost 200,000 less personnel than it took for a 16-division force in 1964. This is a tremendous achievement when you realize that this will amount to about a 20-percent increase in our division forces without an increase in manpower. This progress was possible by internal efforts which have converted 60,000 support spaces to combat forces since 1973. Within the Army alone there has been a personnel decrease of approximately 1,000 at the Pentagon. General Weyand, the Army Chief of Staff, told us that we can expect a sizable decrease in the number of lieutenant colonels and colonels in the Army in the near future.

It was clear to me and to the committee that the Army management is energetically committed to producing the leanest and most qualified peacetime Army the United States has ever seen. And I think much of the credit for this is due to the conscientious, dedicated and very capable effort of the Secretary of the Army, Bo Callaway.

The Navy will see a decline of 11,729 in its strength in 1976. This decline correlates to the bottoming out of the active fleet at 490 ships, and is the point from which the proposed 600-ship Navy of the future is planned. Within this content, the Navy will achieve a more efficient officer-to-enlisted ratio by the reduction of 1,474 officers in 1976.

The Air Force, which appears to have effectively incorporated the essence of the private sector's management techniques, is reducing 37,000 in authorized strength over last year as it fine tunes the content of its force.

After all of this, the question arises in my mind as to whether we have accomplished what is the driving goal of all military expenditures, the purchase of a defense establishment adequate to provide security for our Nation in a world unstable in its relationships. I do not know the answer to that question to a certainty, but I do not consider all of the signs to be comforting.

Objectively, I see the U.S. Army achieving a 16 active and 8 Reserve division force in fiscal year 1976, even though the Joint Chiefs of Staff tell us that a 30 division force is necessary to minimize the risks to our national interest.

The Navy is at its lowest level in terms of warships since before Pearl Harbor, a fact that other nations must perceive.

The Air Force appears to be capable of fulfilling its assigned missions. Still, I am not encouraged to see that assessments of its capability are founded in part on combat skills and technological advantages, rather than on the number of planes, for these qualitative advantages could well be transitory.

These are cold, hard military matchups which have not been fashionable to address publicly in the past several years, yet their existence is of mounting significance as conventional forces become increasingly important in a world of strategic parity.

These facts concern me and they assist only a little in answering the question of whether we have an adequate defense posture. What I can say with assurance after our recent examination of the manpower component of the defense establishment is that this year we will have a military force more efficient in its structure and more oriented toward combat than we had last year at this time. This perception of progress, after 7 years of decline, may be the single most comforting aspect of our current defense posture.

Mr. Chairman, underlying our consideration of appropriate levels was a concern that any reductions, at this time in particular, might signal weakened resolve on the part of the United States to defend its interests and commitments. Reductions in addition to those the committee has already made—in the wake of the recent occurrences in Southeast Asia—would promote an unfortunate and I believe dangerous perception in the eyes of the world as to our military posture.

For this reason and because these levels will allow continued hardening of our military structure, I strongly urge the approval of the strength levels recommended.

Mr. BENNETT. Mr. Chairman, I yield 5 minutes to the gentleman from Alabama (Mr. NICHOLS).

Mr. CARR. Mr. Chairman, I make the

point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Twenty-seven Members are present, not a quorum. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 215]

Addabbo
Alexander
Anderson, Ill.
Andrews, N.C.
Ashley
AuCoin
Barrett
Biaggi
Boland
Breaux
Brown, Calif.
Buchanan
Burke, Calif.
Burke, Fla.
Burton, John
Byron
Carney
Cederberg
Chisholm
Clancy
Clausen, Don H.
Clay
Cleveland
Cochran
Conyers
Daniel, Dan
Danielson
Dent
Derrick
Diggs
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Esch
Eshleman
Evans, Ind.
Evins, Tenn.
Fish
Flowers
Ford, Mich.
Fraser
Frey
Fulton
Gradison
Harrington
Harsha
Hawkins
Hays, Ohio
Hébert
Heckler, Mass.
Hefner
Heinz
Hicks
Hightower
Hinshaw
Holland
Holtzman
Howard
Hutchinson
Hyde
Jarman
Jenrette
Johnson, Calif.
Kastenmeier
Kelly
LaFalce
Landrum
Latta
Lloyd, Tenn.
Madden
Madigan
Mazzoli
McClory
McCollister
McEwen
McFall
Metcalfe
Mineta
Mink
Mitchell, Md.
Mollohan
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Pattison, N.Y.
Pepper
Quillen
Randall
Rees
Reuss
Risenhoover
Roberts
Roncalio
Ruppe
Russo
Santini
Satterfield
Scheuer
Sebelius
Seiberling
Shipley
Shuster
Snyder
Spellman
Spence
St Germain
Steiger, Wis.
Stephens
Stokes
Stuckey
Teague
Udall
Ullman
Van Deerlin
Vander Veen
Vigorito
Waxman
Whitten
Wiggins
Wilson, C. H.
Wolff
Young, Ga.
Zeferetti

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ROSTENKOWSKI, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 6674, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 307 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. When the Committee rose, the Chair had recognized the gentleman from Alabama (Mr. NICHOLS).

Mr. NICHOLS. Mr. Chairman, this year the Army is asking for authority to procure 662 tanks, as well as $6.2 million to procure special tools in long production leadtime items to support the fiscal year transition and fiscal year 1977 program. During the transition period, an additional 248 tanks have been requested by the Army. Again in the transition, $17.9 million has been requested for long leadtime items in support of fiscal year 1977 program. The Marine Corps is also requesting procurement authority for 154 of these M–60 series tanks. The funds involved for the Army are $387.8 million in fiscal year 1976 and $147.4 million during the transition. The Marine Corps' procurement authorization request is $86.4 million for fiscal year 1976 only.

The tanks to be procured are mixed. This mix is broken down as 720 M–60A1 tanks and 190 M–60A3 tanks for the Army, and all of the 154 of the Marine Corps buy will be the M–60A1 model.

The M–60 tanks are the primary armored fighting vehicle of the Army and Marine Corps, and are diesel-powered, fully-tracked tanks with four-man crews. The M–60A1 model differs by the addition of a better fire control mechanism, an elongated turret, and a gun stabilizer, giving it a "shoot-on-the-move" capability. The M–60A3 is further improved by the inclusion of a laser rangefinder.

The reason for what may appear to be an extra large purchase of these vehicles is that the U.S. Army has a critical shortage of prime asset tanks. Since October 1973, security assistance requirements to our allies have siphoned off approximately 1,000 tanks from the U.S. inventory, leaving our own forces with a critical shortage. Today, if we were to have to go to war, we would only have approximately 48 percent of the necessary tanks in our inventory. The tanks lost to the inventory through security assistance have had a significant impact on the combat readiness of the U.S. Army, and are directly comparable to wartime equivalent loss of 30 tank battalions.

The Marine Corps has not been directly affected by this loss of equipment for foreign military sales or the military assistance program, but until such time as they procure the last vehicles in this 3-year buy, they, in turn, have an insufficient number of prime asset tanks to accomplish their mission.

Compounding the problems due to losses through security assistance sales and grants is the difficulty which the Army, as the procurement agent, is experiencing in expanding the M–60 series tank production base. It is planned to increase production capacity to 103 tanks per month, in order to get as many "prime asset" tanks into the inventory as quickly as possible.

These prime asset tanks are defined as the M–60 series tank armed with 105mm guns and powered by a diesel engine as well as older model M–48A5 tanks which have been upgraded to fill reserve inventories with the addition of 105mm guns and a diesel engine. These vehicles are the minimum capability tanks which can survive in combat against modern Soviet armor.

The continued erosion of the inventory has been the direct result of limiting tank production for the past 10 years to the minimum base sustaining rate coupled with the enormous impact of drawdowns to meet our allies and emergency needs. Low rate production over a period of time has had the effect of drying up the tank industrial base. Turret and hull casting has been one of the primary areas affected and there is only one qualified supplier producing cast turrets in the entire United States at this time. The Army is attempting to certify, prior to fiscal year 1976, a second source from among several bidding firms.

So, at first glance, this line item request may appear to be excessive, but upon examination we find it to be a critical, necessary remedial action, and I urge its strong support by any Member of this body.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield for a question?

Mr. NICHOLS. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman tell us the total cost the Government will incur to replace the tanks given to Israel in 1974? Do we have that figure?

Mr. NICHOLS. I am sorry, I do not have that at my fingertips. I suggest the gentleman inquire of the gentleman from New York (Mr. STRATTON) when he appears later in the debate.

Mr. BOB WILSON. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia (Mr. ROBERT W. DANIEL, JR.).

Ms. ABZUG. Mr. Chairman, will the gentleman yield?

Mr. ROBERT W. DANIEL, JR. I yield to the gentlewoman from New York.

Ms. ABZUG. Mr. Chairman, I find it very encouraging that for the first time in history, a group of members of the House Armed Services Committee has proposed an alternative to the Pentagon budget. As they point out in their statement:

> Each year the bill Congress deals with is presented to Congress by the Pentagon. The Pentagon gives nearly all the testimony that is taken on the requests. The Pentagon provides nearly all of the statistical backup data. The Pentagon does nearly all of the lobbying. As a result, the bill reported to the House floor is a Defense Department creation from start to finish, with only small marginal changes made each year.

The Committee on the Armed Services cut $3.7 billion from this procurement request, but this still leaves $26.5 billion for fiscal year 1976 and $5.4 billion for the transition period. The Senate Armed Services Committee cut $4.8 billion from the budget, but this includes—as does the House cut—such items as $1.3 billion for South Vietnam, a request which has become academic. The alternative budget cuts some $6 billion.

I congratulate my colleagues; this is a good start. But it points up the fact that other segments of society must become involved in debate on our military budget. It is absurd to leave these fantastic appropriations in the control of people who stand to gain from them.

I support the alternative budget, but I also support much more drastic cuts in Pentagon requests. I maintain that we are not adding to our security, but detracting from it, by continuing these vast expenditures on dead-end hardware, nonproductive jobs and belligerent postures.

Why do we need $104 billion worth of planes, missiles, ships, tanks, guns, ammunition, troops? Why do we need a

farflung empire bristling with missiles whose use can only result in devastation? This total budget request is the largest ever made by the Pentagon—and at a time when we supposedly are promoting détente and conducting SALT talks with the Soviet Union.

Defense Department spokesmen led by Secretary Schlesinger have said that it is necessary to stiffen our military posture around the world, on the land, in the sea and in the air. Meanwhile, President Ford is saying that:

> No enemy of the United States should now determine . . . that the time has come to challenge us.

Even more incredible was Secretary of State Kissinger's statement that our foreign policy must now become more "abrasive" and that "the United States must carry out some act somewhere in the world which shows its determination to continue to be a world power."

These are the blusterings of frightened children, ill becoming the statesmen of the mightiest nation ever known on earth. Such talk does not contribute to world stability but instead spurs the fear and distrust that have haunted us since the start of our mad venture into Indochina. Our military overreaction to the *Mayaguez* incident does little to inspire confidence.

The military governments we support all over the world may be worrying about our commitments to them—of money, that is—but the ordinary people of this world would like to see less sword rattling and more food. So would my constituents.

They are bitter about the administration's desire to cut out funds for human needs, to feed the military monster. The President is misreading the mood of the American people as reflected in every poll taken this year. Americans are through with sacrificing for slaughter.

The war in Indochina will ultimately cost far more than the $150 billion already spent on shoring up unpopular regimes. As David Nyhan points out in the Boston Globe, March 30, 1975:

> Wars are heavily mortgaged. Veterans benefits can double or triple original costs, and interest on the debt piles up. The most conservative estimate on the ultimate tax dollar cost of our involvement in Indochina is more than $350 billion—almost exactly the size of the federal budget this year. . . .

Prof. James Clayton of the University of Utah says of the decade of the sixties:

> The war in Vietnam has cost 10 times more than Medicare and medical assistance, 14 times more than support for all levels of education, and 50 times more than was spent for housing and community development. We have spent several times more money on Vietnam in 10 years than we have spent in our entire history for public higher education or for police protection.
>
> Put another way, the war has cost us more than one-fourth of the value of current personal financial assets of all living Americans, a third again as much as all outstanding home mortgages, and seven times the total U.S. money now in circulation.

And we wonder why we have inflation and recession.

Now the Secretary of Defense comes to ask for an all-time high in military spending. The total $104.7 billion total requested is $15.7 billion higher than last year. Spending for conventional forces alone will increase during the next fiscal year by $7.7 billion, largely to expand the number of Army divisions from 13 to 16. This, in turn, requires a $7.3 billion boost in procurement spending, mostly for tactical air forces. The Navy's shipbuilding program accounts for the other major increase—yet for $2.3 billion the Navy will not receive a single new ship. This amount covers only inflation and cost overruns.

Nobody subsidizes the "cost overruns" of the working family with two or three children. They have to struggle with inflation as best they can. The administration even wants to deny health insurance for the unemployed; it's "too costly." But we are asked to give the Navy contractors millions of dollars to take care of their budget problems.

The Secretary admits that this is a "turnabout" budget which will increase the proportion of our resources spent on war. He calls it "defense" but I maintain that it is quite the opposite: it is a provocative budget which, along with the bristling words of the President and the Secretary of State, will cause considerable alarm.

My colleagues will be questioning the need for troop increases, Navy and Air Force subsidies, and other debatable items. I will confine myself to what I consider the most dangerous part of this budget: the continued funding for Schlesinger's "counterforce" programs—because this is the most threatening concept.

As you know, three specialists recently told the Senate Subcommittee on Arms Control that Secretary Schlesinger's policy could put the United States almost back where it started with the Soviet Union. Gerald C. Smith, who was our delegation chief in the first SALT talks, expressed concern that this policy can undermine the basic nuclear concept which the United States and the Soviet Union accepted in 1962, that neither could prevent the other from destroying it in a nuclear attack.

Wolfgang Panofsky, director of the Stanford Linear Accelerator at Stanford University, called the current Pentagon policy of "flexible response," "a prescription for escalation."

Paul Doty, professor of biochemistry at Harvard University, declared that—

> With the exception of the ABM treaty, no serious limitations (of strategic weapons) are yet in view; no new weapons systems have been cut back, no new developments have been stopped. The SALT II treaty we expect will bring us to the brink of really controlling strategic arms: either we will move forward into a new era or arms control will have failed.

All three agreed that the SALT talks should proceed without introducing new issues that might arouse Soviet suspicions, and that major reductions should be made in the nuclear weapons accepted at Vladivostok.

Those levels, set at 2,400 strategic nuclear delivery systems on each side, would allow both sides to build up, rather than cut down, on arms.

As the 94th Congress opened, I introduced a resolution (H. Res. 12) calling upon both sides to freeze development and deployment of nuclear weapons at present levels.

Both the United States and the Soviet Union now have enough nuclear weapons to destroy the other several times over—what Gen. Maxwell Taylor has called "strategic redundancies." But the overall U.S. nuclear arsenal is far greater than the Soviet's. We maintain three distinct strategic nuclear forces, each of which could totally destroy Russia: some 500 bombers, 1,054 land-based intercontinental ballistic missiles—ICBM's—and 656 submarine-launched missiles. Together, these systems could unleash 8,000 nuclear weapons anywhere in the world. Their destructive power is equivalent to 370,000 Hiroshima-size bombs.

The Soviets have a smaller strategic force: 140 bombers, 1587 ICBM's, and 666 submarine-launched missiles. The launchers carry only about 2,600 nuclear weapons, however. While we have 750 MIRVs deployed and ready, the Soviets are still in the testing stage.

It was our development of MIRV's, even during the SALT talks, that made obsolete the Soviet's chief defense, the land-based ICBM's. Now, the Pentagon would push us toward 10,000 MIRV's by 1977, 20,000 by 1985. But there are only 200 major cities in the Soviet Union. And its citizens, like ours, can die only once. Why do we need this tremendous overkill?

Secretary Schlesinger admits that neither country can disarm the other "for the next several decades." He seems to be peering into the future looking for a threat. The only threat, it turns out, is that the Soviets may catch up to us in one area only, during the next decade. But the Secretary wants to change our strategy.

For many years, each side has been in a defensive posture, knowing that the others' missiles were targeted on cities. This situation, known as "mutual assured destruction" prevented either side from risking a first strike. Dr. Schlesinger's new strategy would retarget our missiles to aim at Soviet defenses, as well as cities—thus being able to destroy their retaliatory forces with the first strike. This gives justification to Soviet hawks who would push Russia into a first-strike position, and the race is on once again.

A new program of research and development was started last year to improve the accuracy of missiles and develop MARV's—maneuverable nuclear warheads that can be redirected in flight by a sensor in the warhead and an onboard computer—the better to destroy Soviet defenses. During debate on the military procurement bill, I introduced an amendment that would have deleted some $250 million for R. & D. of the following programs designed to build this counterforce capability:

UMI

The Mark 500 warhead for the Trident submarine;

Improved targeting of sub-launched ballistic missiles;

Terminally guided MARV's;

Improved yield on Minuteman III;

Increased accuracy on Minuteman III;

Missile performance measurement system for Minuteman and

A new fixed-base ICBM.

This year's increase in strategic weapons systems seems small by comparison with the total budget—only $300 million. But, as Mr. ASPIN has pointed out, this is only "the camel's nose under the tent." The eventual cost of these New, "improved" weapons will run to some $27 or $28 billion, he says. I will oppose these developments at every opportunity.

And what are we getting for all that money? Not real defense but greater insecurity as the threat of war increases. Instead of looking for potential threats a decade or two away, why doesn't the Secretary—and the President—look at the real, immediate threats to the country? These threats come from unemployment, depression, inflation, hunger, fear and a prevailing sense of distrust of government. Are we going to let our economy slide until there are riots in the streets?

There is a popular misconception that military spending creates jobs. The closing of a base or the trimming of a particular military contract is always—understandably—greeted with fear by those whose jobs are affected. But there are ways in which these jobs can be converted into constructive civilian jobs—and with a much greater return per dollar.

A study done by the U.S. Bureau of Labor Statistics shows that $1 billion will provide 75,812 jobs in the Defense Department; but $1 billion will provide 80,041 jobs in health care, or 104,019 jobs in education.

Even Arthur Burns, Board Chairman of the Federal Reserve System, has said:

> I certainly agree with the basic observation that military expenditures do little or nothing to add to our nation's economic strength. They add to our burden without increasing our economic potential.

The Coalition on National Priorities and Military Policy points out that dollars spent on defense are dollars not available in the civilian economy. The decline in auto sales, for instance, in November 1974 as compared to November 1973 was estimated at a billion dollars—the cost of one Trident submarine. The Potomac River could be cleaned up for $1.4 billion—which is the cost increase in Pentagon research and development from fiscal year 1974 to fiscal year 1975. Two thousand national health service scholarships could be provided for the $22.5 million that it will cost to expand the naval base at Diego Garcia.

Approval of Pentagon requests has become so automatic that it is almost unquestioned. If one includes the amount still being spent for past wars, 56.1 percent of the budget financed by general revenues goes for military-related purposes. This means the average family of four with a $15,000 annual income is spending $953.14 of its 1974 Federal income taxes for the military. Most Americans have a vague, uneasy feeling that there is something wrong—but they have not the faintest idea how much they are being asked to pay for inefficiency and boondoggle. When they do become aware, they rise up and demand a change. Many of my constituents are doing just that, and I am sure yours are too. Why is the administration trying to cut programs that help the elderly, the very young, the poor, they ask, and yet bailing out industries and huge corporations unable to run their businesses efficiently? It is a good question.

I expect that the 94th Congress will approach this budget in a very different fashion. Many new Members were elected specifically on anti-war platforms and do not view these annual demands for funds as sacrosanct.

The Center for Defense Information, headed by a retired rear admiral, estimates that the budget could be cut by $19 billion and still leave us the foremost military power. Last year a study by Brookings Institution showed how the budget could be cut by $25 billion.

I mentioned that there are ways of converting the economy without loss of jobs. We should have a National Planning Board exploring plans such as that of Dr. Seymour Melman of Columbia, who would require conversion planning as a condition for military contracts, and set up management/labor committees at each facility to work on it.

Other plans would enable the citizen to decide how tax dollars should be used. The World Peace Tax Fund, which I sponsor, would allow citizens to pay for peace instead of war.

Nicholas von Hoffman has advanced the startling suggestion that there be balloting on the various categories of Federal spending.

There is no lack of ideas—only a lack of will on the part of the administration and the Pentagon. I urge the Congress to exert its will by cutting our many items in this procurement bill that contribute nothing to our real defense.

Mr. ROBERT W. DANIEL, JR. Mr. Chairman, I rise in support of H.R. 6674.

Mr. Chairman, in the past few weeks, the fall to the Communists of South Vietnam, Cambodia, and now perhaps Laos has seriously changed our standing in the world community. Allies now doubt whether they can count on our support in the event of aggression against them.

The Soviets must now wonder if they could more easily win a confrontation with the United States. Even a fifth rate power like the new Cambodian Government believed it could commit acts of war against our merchant vessel on the high seas.

If nothing else, events of recent months should remind us that diplomacy, détente, peace, and national security are all based on reality, and the ultimate reality is military power. Potential enemies often remain at peace only because they have a mutual respect for the military power of each other. Diplomacy flourishes, in part, because one nation knows another has the ability and will to maintain its commitments. Détente exists because the Soviet Union and the United States both appreciate the futility of mutual destruction when mutual cooperation could aid both countires.

We realize now what many Americans had forgotten. Diplomacy, détente, peace, and national security cannot exist only through the hoped-for goodwill of other nations.

Today we begin to consider our Nation's defense authorization bill that will set our military priorities for the coming year. Each year, the Members of this body hear familiar, though I think valid, arguments for the maintenance of a strong national defense that is undeniably expensive. We know that the development of new, modern weapons systems takes years. If we are to deploy a new system, whether it is a ship, aircraft, antisubmarine weapon, or missile, we must act now if we are to have them available in the 1980's.

We know that in our society a man's labor is highly valued. As a result, more of our defense budget must be allocated to personnel costs than is the case with other nations. If we are to make changes in the defense budget, a disproportionate part must come in the areas of research and development weapons procurement, and military construction.

But, this year, perhaps more than any years since World War II, we must realize the consequences of an inadequate defense.

The bill that our committee has reported to the floor is an expensive bill. The majority of the committee, Democrats, and Republicans alike, does not feel, however, that the bill spends taxpayer dollars unwisely. This year the Congress will pass laws and appropriate funds that will result in a budget deficit that may pass $66 billion. The exact impact on the economy is unknown, but must be potentially harmful. As a result of the huge deficit, rampant inflation may yet begin again. Our committee has considered this bill in light of the economic restrictions that should apply to any legislation this year. We also considered the bill in light of the potential dangers of an inadequate defense force.

Some in the Congress, I realize, will be apt to propose further cuts in the authorization levels.

As a partial answer to those who would seek additional cuts in the defense budget, I would ask them to consider remarks delivered recently by the Secretary of Defense, James Schlesinger. Speaking to the Economic Club of New York, Mr. Schlesinger said:

> There will be those among you, I suspect, who have accepted such terms as swollen, bloated, and inflated as applied to the Defense Budget. Inflated, to be sure, in the correct meaning that the Department of Defense, like all other institutions, is a victim of the erosion of purchasing power. Swollen and bloated, by contrast, would seem to be in direct conflict with the known facts.

Testimony before the Armed Services Committee clearly demonstrated the known facts to us. The proposed Defense Department budget, before cuts were made by our committee, was expected to represent some 5 percent of our Nation's output capacity. This is the lowest point since the pre-Korean demobilization. The defense impact on the economy has been cut in about half since the peak of the Vietnam involvement. It is down by about 30 percent compared with defense budgets before Vietnam.

The reductions reflect more than an expanding economy. In actual numbers, the U.S. Army has been cut in half compared to 1968. Compared with the Army's size before the Vietnam era, we see that is 200,000 men smaller. Admittedly, the all volunteer army that we have today is more expensive to maintain per man than pre-Vietnam, but this was a political choice.

As a percent of total Government spending, including that of State and local governments, proposed defense spending is the lowest percentage since before Pearl Harbor.

With regard to the Navy, this next year will see our fleet at the lowest point, below 500 ships, since 1939. The Navy is now half the size of the pre-Vietnam Navy. A number of the ships in the active fleet are World War II vintage, and these vessels are rapidly becoming obsolete.

During this time of American military reduction, the Soviet Union has continued a constant increase in real expenditures in their military budget, which Secretary Schlesinger estimates at between 3 and 5 percent per year. These increases come in the face of rhetoric about détente and relaxed tensions.

The Soviets for their part prefer to base détente on strength. As Secretary Schlesinger stated:

> The Soviets continue to state quite categorically that peaceful coexistence is a consequence of the expansion of Soviet military power.

One would naturally expect the Secretary of Defense to call for support of the defense budget and to marshal arguments in its favor. Fortunately, Mr. Schlesinger is not alone in his call for an adequate defense. Among the supporters of a strong national defense is the Executive Council of the AFL–CIO. In their statement of May 6, 1975, the council said:

> We urge our representatives to arms control and arms limitation talks . . . to continue to press for agreements that will end the arms race. But such agreements must clearly be mutual, not one-sided.
>
> Until such agreements are attained, our military power must be sufficient to effectively deter even the threat of attack.
>
> To achieve this goal may require us to spend more for defense than the budget proposed by Secretary Schlesinger, which by the Administration's own projections, will probably not even keep pace with the inflation in the coming year. If fat can be found in the present budget, and if greater defense capacity can be achieved at no further cost, we will warmly approve. But if greater costs are required—so be it. No burden we must bear is too heavy to endure if the alternative is to live under dictatorship, or the constant prospect of war.

The attitude of the AFL–CIO Executive Council is commendable. Just as with social programs, if the Government could print and spend all the money it wanted, then we could increase the defense budget. But these are trying economic times and we must restrain all spending to a reasonable level. This reasonable level is achieved in the bill reported by the Armed Services Committee. To do less, however, I feel seriously endangers our Nation's diplomatic status, the prospects of peace and détente, and our national security.

Another view on the defense budget is expressed by Mr. Eugene V. Rostow, currently a professor of law at Yale University and a former Under Secretary of State under President Lyndon Johnson. Mr. Rostow now serves as the chairman of the Foreign Policy Task Force of the Coalition for a Democratic Majority. Let us consider a portion of his report from the Task Force of the Coalition for a Democratic Majority released last month.

"Soviet policies of expansion are based on a military array which is growing at the rate of 5 percent a year in real terms," the report states. It continues:

> The Soviet armament effort has no parallel in modern history. Meanwhile, our own expenditure for defense is declining in real terms, and in many categories amounts to unilateral disarmament. It has fallen to the lowest point since the period just before the Korean war.
>
> It follows, at a minimum, that we should build up our military capabilities in order to avert a catastrophic military imbalance. But the defense budget proposed by the Ford administration would keep our defense posture constant, if the rate of inflation turns out to be no more than 10 percent, and all the other cost estimates on which the budget rests prove to be accurate. A static defense program is not enough, in view of the increasing pressures of Soviet policy, and the Soviet defense build-up. That build-up must be countered, if the basic security of the nation is to be assured, particularly by increases for the Navy, for our ready force, and for research and development. The estimated costs of the increased capabilities recommended in the recent Task Force statement issued by the Coalition for a Democratic Majority, would be of the order of $10 billion. . . .
>
> The most important problem of our foreign policy is that we and our allies seem to be in a mood of somnambulism similar to that which paralyzed France, Britain, and the United States during the thirties. If we and our allies had been able to wake up then, the Second World War, and all that flowed from it, could easily have been prevented. We and our allies have the capacity to prevent an even more terrible war today.
>
> The United States should be the master, not the victim, of its fate. The dangers before us demand a great and concerted national effort—a sharp and dramatic turn in the direction of policy. That turn will require earnest political debate. But it will require something more—a resolve to face the issues, and undertake that debate.
>
> Thus far, at least, resolve has been the missing factor in the politics of national defense. It is the key factor.

Since Mr. Rostow's task force issued its report, the Communist victory in Southeast Asia was completed. If any good can come of recent events in Southeast Asia, perhaps it will be the determination that we carefully and rationally consider our national defense needs. We also know now that the world watches the proceedings in this Chamber as a test of our resolve. We cannot afford to falter now.

No sane person would rather spend dollars for a new ship than a new school, produce a fighter plane instead of a new home, or research a new weapon instead of a cure for cancer. These are the choices that defense critics say we must make.

I would disagree. The real choices are between an adequate defense or an end to peace, détente, national security, and freedom.

Upon reflection, I suppose there are two ways to maintain peace. The first stems from strength enough to deter potential aggression. The other results from the total domination by one's adversaries. Unless we provide the means to insure peace through strength, we may find peace imposed at the cost of our liberty. I urge my colleagues in the House to support defense authorization at a level adequate to our needs.

Mr. BENNETT. Mr. Chairman, I yield 6 minutes to the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. MONTGOMERY. Mr. Chairman, I rise in support of H.R. 6674, the defense authorization bill for fiscal year 1976 and the transition period.

I intend to address my remarks to title IV of the bill which deals with reserve Forces, a subject of great interest to me, and one on which I have some personal information and experience.

As I have been saying for several years to the Members of this House, Reserve Forces are a good buy for the taxpayers as they provide a significant amount of protection at a small cost. This is a fact which has been receiving growing attention as manpower costs dominate a deffense budget being severely squeezed by competing national priorities and a runaway inflation.

While I do not believe that the necessary costs of national defense should be ignored for any reason, I am realistic enough to recognize that we must seek the most efficient and cost-effective methods of providing this security in the current economic situation. That is why I continue today, as I have in the past, taking every opportunity to impress the house with the cost benefits of reserve forces.

For fiscal year 1976, the committee is recommending, with two exceptions, the strengths requested by the administration for the Reserve components. The chairman of the subcommittee has outlined these strengths so I won't repeat the numbers, but I do want to make a few comments about the Reserves.

Although the primary thrust of my remarks is that the Reserves should receive additional support and new missions, I want to take this opportunity to acquaint the House with the extensive reliance we place today on the Guard and Reserves. In the Army, the Reserve components make up 50 percent of our total combat force, and provide 25 percent of the maneuver battalions for the nondeployed active divisions. I might add that these units provide this asset at a fraction of the cost of an active unit with the same function.

In the Air Force, the Guard and Reserve today provide 56 percent of the Nation's tactical airlift aircraft, 40 percent of the tactical reconnaissance aircraft, 43 percent of the crews for aircraft with a strategic airlift mission, and, in a relatively new mission, will provide 21 percent of the jet tanker aircraft by the end of fiscal year 1979.

It is also important to note that these Air Guard and Reserve units can accomplish the mission at one-half the cost of an active unit.

The Selected Reserve today provides nearly 900,000 trained men and women in mobilizable, deployable units, or 30 percent of the organized military forces of the Nation, for only 5 percent of total defense outlays. It is accurate enough for purposes of comparsion to say, for example, that a combat unit can be maintained in the Army National Guard or Army Reserve for about one-tenth what it costs to maintain an identical unit on an active, full-time status.

The National Guard, in particular, delivers more for every dollar expended than any other component of the Armed Forces, for it performs vital emergency functions for the States on an almost daily basis. For its State mission, the Guard utilizes the same manpower, facilities and equipment that are required for its national defense function, thus getting double use from its dollars. It is important to note that these forces are located in over 2,500 communities throughout the Nation readily available for immediate use in emergencies.

Obviously, a Guard or Reserve organization cannot develop the same degree or proficiency and readiness in 280 to 300 training hours per year that an active unit can produce with 52 weeks a year at its disposal. The important thing that has been taking place in the past few years, however, is that our Reserve Forces have demonstrated that they can attain the levels of proficiency required to deploy quickly and fight effectively.

It is not an exaggeration to say that a massive transformation has been taking place in the Guard and Reserve in the past decade. With unprecedented support and assistance from the Active Military Forces, the Guard and Reserves have been steadily transforming themselves into a modern, capable, rapidly responsive military force with important missions, up-to-date force structures, and productive training.

A variety of programs have been adopted by the Military Establishment to produce improvement in the readiness of the Reserve Forces, and there is ample evidence that further improvement is assured. A closer working relationship between Active and Guard/Reserve organizations has developed, typified in such programs as the Army's affiliation and mutual support systems.

In only one area have accomplishments fallen short of objectives. That is in the effort to provide quantities of modern equipment for Guard and Reserve Forces. In today's world environment, our Guard and Reserve must be trained, equipped, manned forces-in-being, ready to mobilize and deploy to a potential combat area in mere weeks to augment the Active Forces. They can not do this unless modern, combat-serviceable equipment is immediately available to them. Without that equipment, they are a marginal defense asset.

Today, too many of our Guard and Reserve units are still making do with obsolete tanks, radios, jet fighters, and other critical items, and even those are in short supply. In general, the Reserve Forces today possess only 70 percent of the equipment they require for training, and less than 50 percent of what they would need for deployment and combat. What they do have in their possession contains a very heavy percentage of outmoded items that could not meet the test of combat against a well-equipped enemy.

Much of the equipment that was to have been used to modernize the Reserve Forces has been shipped to some of our foreign allies this past year. At a time when more than 1,700 of the Army Guard's 2,500 tanks were outdated M–48A1's and M–48A2's, for example, nearly 1,000 modern M–60's and M–48A3's were being shipped to foreign friends. Similar examples may be found in each of the Reserve components.

There is a serious need, therefore, for an orderly, long-range program to properly equip the Guard and Reserve. This will give them the combat capability our national security requires. They have demonstrated that they can keep their units manned to the required levels under the all-volunteer system. They have proved that they can attain training levels that are required. Of the three prime ingredients of combat-readiness—manpower, training and equipment—only the latter is missing.

Mr. Chairman, I would also like to make note of another action taken by our committee in this legislation concerning the Reserve components. The committee has recommended language which will relax an arbitrary four months' service requirement for the assignment of personnel overseas, and a similar time requirement in active duty for training for members of the Reserve.

This recommended language will assist recruiting in the Reserves by shortening the active duty requirement for those who wish to continue their civilian education without interruption. It will also save a substantial number of wasted man-years in both active and Reserve forces amounting in dollar terms to above $8 million annually in the Army components alone.

Mr. Chairman, all in all the Armed Services Committee has come up with legislation which balances the necessities of national defense with the demands of the economy. I believe that the bill which is before the House today will allow the Nation to maintain a strong Reserve capable of accomplishing its mission and on which increased responsibilities can be placed if defense funds decrease further.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I will be glad to yield to the gentleman.

Mr. LEGGETT. Mr. Chairman, I want to commend the gentleman on the statement he is making. I think what the gentleman is talking about is doing the job and saving money, and I think that is what we are all trying to do in national defense, is to accomplish the objective.

I think we have a particularly difficult time right now to accomplish our target, with high manpower costs, and the gentleman made a very important contribution when he pointed up that we can accomplish some of these targets by doing it through the Guard and the Reserve.

I would like to ask the gentleman, does the gentleman think it is reasonable, though, that we not only save money on manpower in the Reserves and also save money on equipment for the Reserve components? Does the gentleman think we can do it both ways?

Mr. MONTGOMERY. I wish we could. This was my next point. I appreciate the gentleman's comment.

There is no question that we can save money in the manpower field. The National Guard only costs one-tenth of what it costs to keep a regular, active-duty infantryman. The Air Guard Reserves cost one-half. But this is not true of equipment, and I would like to move into that last phase of my talk.

Mr. LEGGETT. If the gentleman will yield, they need better equipment and they need first-class equipment.

Mr. MONTGOMERY. That is correct. And they do not have it. But my point is that somebody is going to have to pay for it. If we do have one problem in the Reserve, which the gentleman has pointed out, we do not have the equipment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BENNETT. Mr. Chairman, I yield 1 additional minute to the gentleman.

Mr. MONTGOMERY. The big problem that we do have in the National Guard, in the Reserve, is that we are only 70 percent equipped to carry on these units. We have the manpower, we have the strength, but we do not have the equipment. If we could bring up the equipment, this would certainly solve some of our problems.

Mr. HILLIS. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I will be glad to yield to the gentleman.

Mr. HILLIS. I thank the gentleman for yielding.

I want to commend the gentleman on his statement he just made concerning the current status of the National Guard and I associate myself with his remarks. But is it not a fact, with the gentleman's experience in this area, these organizations are doing a topflight job in getting out and recruiting and getting the young people to come in and serve weekends in a drill status? Summer camps, and respond to calls for service to their communities in case of disasters. They are willing to do this in the service of their country; are they not?

Mr. MONTGOMERY. That is correct. Since we have gone to the all-volunteer status, the Guard, in my opinion, has improved on the quality of the personnel they are getting.

Speaking of the equipment, I know that the gentleman had an amendment

adopted in our committee which I hope will be enacted by the full House, which will give a squadron of A–7's to the National Guard. They are certainly needed.

Mr. BOB WILSON. Mr. Chairman. I yield such time as he may consume to the gentleman from Indiana (Mr. Hillis).

Mr. HILLIS. Mr. Chairman, the use of Reserve and Guard Forces in the total force concept is gaining clear recognition as an effective supplement to our Active Forces. As this trend continues so comes the need to assure that our Reserve Forces are modernized to the extent that they will be available as ready, complementary forces when needed. This trend is being followed because the difference in combat effectiveness between equally equipped Regular and Reserve Forces is insignificant and because Reserve Forces can be operated at costs dramatically lower than those required for the maintenance of our Regular Forces. Since the manpower of our Regular Forces does take up a major portion of the defense dollar it does make sense to place greater reliance on our Reserves and to make stronger efforts toward adequately training and equipping the Reserve Forces for participation in any conflict.

For the moment, I want to limit myself to the discussion of the Air National Guard in this respect. As indicated by Secretary Schlesinger, the desire to push the Air National Guard more and more into the general purpose Air Force mission exists. However, in order to accomplish this goal, operational units must be adequately equipped in order to train effectively for and accomplish existing and planned tasks. Presently, the tactical arm of the Air National Guard is equipped with approximately 800 aircraft averaging 17 years in age, and some of these aircraft are of mid-1950 vintage. The majority of these aircraft could not be realistically deployed for combat.

In the instance of the Air National Guard, needed equipment simply has not been received fast enough to allow a thorough and complete integration of Reserve components within the Regular force. Several factors have contributed to this situation. The cost of the latest tactical fighter aircraft is high—$12 to $15 million—and historically the equipment received by the Guard has directly resulted from Regular Air Force modernization programs. However, with our foreign involvements, this process has slowed down with replacement equipment going elsewhere.

I believe that it is of prime importance that steps be taken to modernize the Air National Guard. If the Guard is to make a meaningful contribution to our security needs as planned, we can no longer afford to delay modernization. I believe it would be in our best interest to increase Air Force aircraft procurement funds by $115 million to be used to supply the Air National Guard with A–7D aircraft. We have added funds to the defense budget for this purpose over the last 2 years. The A–7D is a combat proven, cost effective attack bomber and it has been specifically designated for use by the Air National Guard. While the Air Force plans to gradually transfer Active Force A–7D's to the Guard over the next several years, there are strong indications that this effort will slip as A–7D's are retained in the Active Force longer than originally planned. If we are indeed planning to use the Air National Guard within the total force concept, modernization is essential now. I believe that the addition of $115 million will give the Air National Guard the funds necessary to adequately modernize to meet required objectives.

Mr. BOB WILSON. Mr. Chairman, I now yield 3 minutes to the gentlewoman from Maryland (Mrs. Holt).

Mrs. HOLT. Mr. Chairman, I would like to take just a moment to commend President Ford on his responsible, diplomatic efforts, followed by strong decisive action, to recover our merchant ship and our men from Cambodia.

Mr. Chairman, I rise in support of H.R. 6674.

We spent a lot of time looking into this defense authorization bill beginning in February with testimony from the Secretary of Defense. I particularly would like to commend the gentleman from Michigan (Mr. Nedzi), the chairman of our subcommittee, for the depth and comprehensiveness of the inquiry into our manpower requirements.

Mr. Chairman, I want to discuss today particularly the civilian personnel end strengths contained in this bill and the new framework for the authorization control over this segment of defense personnel. This is only the second year that the Congress has authorized a ceiling on the number of civilian personnel in the Department of Defense. Last year the committee was wary of the collateral problems that might result from such control.

During our hearings this year we received a great deal of testimony to the effect, that in fact, this control in its present form had complicated the management process for civilian personnel. Based on this evidence, the committee has offered the authorization framework to provide additional flexibility. The committee's recommendation would accomplish more flexibility in two ways: First, as opposed to an authorization of separate levels for civilian personnel within each of the services, the committee action would provide a Department of Defense-wide ceiling. This will allow the allocation of civilian positions between services as the year progresses when unforeseen priorities occur which cause unprogramed requirements in a specific function. This change alone should substantially alleviate the problems of dealing with an end strength ceiling. However, in addition to this, the committee has further clarified a provision in last year's law intended to avoid inefficient actions such as unnecessary reductions in force in order to comply with the ceiling on the effective date. Last year and again this year, the Secretary of Defense is provided unique authority to exceed the authorized ceiling by one-half of 1 percent if he considers it to be in the "national interest" to do so. The Department of Defense has apparently been reticent to exercise this authority except in emergency situations.

Mr. Chairman, the committee has made clear in its report that its authority should be specifically utilized to avoid precipitate reductions in force or forced firings prior to the end of the fiscal year and subsequent immediate hirings in order to comply with the control. We have all realized this kind of action in our district, and actions of this sort have apparently occurred in facilities such as naval shipyards and other industrially funded activities.

The committee action is specifically directed at precluding such a recurrence.

Once having established this framework, the ceiling for fiscal year 1976 is set at 985,000 and for the transition period, 991,441. The fiscal year 1976 figure recommended is approximately 9,000 less than the Congress authorized last year, which, in turn, incorporated the 32,327 decrease from the previous year. I think it should be clarified, Mr. Chairman, that the apparent increase for the transition period is not one in actuality, but rather a result of a different reporting date, September 30 versus June 30, on which the approximately 8,000 schoolteachers employed by the Department of Defense become visible on the rolls due to the cycle of their profession.

One of the categories was excluded last year, indirect hire foreign national civilians. This exclusion has not been continued this year; rather, the committee believed that because of the size of this contingent, and the need for a more direct involvement in the management of this category of personnel by the Congress, a separate ceiling of 96,000 is recommended.

The CHAIRMAN. The time of the gentlewoman from Maryland has expired.

Mr. BOB WILSON. Mr. Chairman, I yield 1 additional minute to the gentlewoman from Maryland.

Mrs. HOLT. Mr. Chairman, those are the committee recommendations with regard to civilian personnel. The resolution of the many issues we faced was not an easy one. I think we have gone into it fully. The civilian personnel contingent deserves unique and careful treatment by the Congress to insure that the exercise of our responsibilities does not unnecessarily hinder efficient management, nor work undue hardship on those willing to work in our national defense installations. These personnel need a very positive control by the Department of Defense to maximize their usefulness.

I feel strongly that detente is a definition of the Soviet-American relationship made possible by a balance of power. Peace for the United States depends solely on our American military strength, and weakness would only invite more aggression in the world today, as evidenced by the experience we have just come through, indicating our need for a strong defense posture.

Therefore, Mr. Chairman, I urge my colleagues to support H.R. 6674.

Mr. BENNETT. Mr. Chairman, I yield 7 minutes to the gentleman from New York (Mr. Stratton).

Mr. STRATTON. Mr. Chairman, I rise in support of H.R. 6674. I want to join the chairman of our committee in urging the Members of the House to resist the political temptation of wholesale cuts in this legislation.

I want to stress for Members that the Armed Services Committee did not simply cut to some arbitrary levels or make a few reductions. Part of our job also was to give direction where we thought it was necessary for better management of the Defense Establishment. Frankly, in some programs we found that what the Defense Department was doing did not always seem logical; and we did not hesitate to provide new direction.

I also would like to point out, Mr. Chairman, that this bill, as the gentleman from Illinois (Mr. Price), the chairman, indicated, represents a reduction from the request of the Department of Defense of $3.7 billion.

The procurement legislation which is before us here is roughly one-third of the entire defense budget, so that means that in saving $3.7 billion we have actually saved almost a half of the entire $7 or $8 billion cut which was included for defense spending in the budget resolution adopted just the other day by both the House and the Senate.

So if the Members want to live within that budget resolution there is no need for any additional cuts in this legislation because we have already done the job in our committee, and I think we have done it in a realistic way and a responsible way. There is no justification for any further meat-ax approach.

Let me illustrate this point by reference to the field of missiles and related weapons procurement:

We did not make too many reductions in this area for a simple reason; that is, that we found that our inventories of antitank and other tank missiles and of tanks and related weapons systems were often inadequate and in some cases, disturbingly low. If it were not for the extreme economic constraints facing this Congress, one could make a very good case for increasing the level of authorization for some systems above that asked for by the Department of Defense and the coalition for Democratic majority—the AFL–CIO and Brookings have made that case.

The experience of the Middle East war taught us a year and a half ago—that our planned reserve of weapons was sometimes unrealistically low. The rate at which missiles and other weapons were expended in the Middle East war was much more rapid than our planning contemplated. In one afternoon in that war more tanks were lost than the United States produces in over a year. That is a very significant fact, and we are just beginning to appreciate its implications.

Because of the drawdown on U.S. inventories to resupply Israel and the impact of foreign military sales, our inventory levels are still inadequate in some systems. However, this did not mean that the committee simply approved the amounts requested by the military departments. In the case of the Lance missile we found that the Department of Defense had approved production of a nonnuclear warhead for the Lance missile for sale to the Netherlands and Belgium and was in the process of approving sale of the nonnuclear warhead to Israel. But at the same time we found that the Department of Defense had not approved production of the nonnuclear warhead for our own Army because a dubious study had questioned the "cost effectiveness" of the system. Actually the committee has, for several years, urged development of a nonnuclear warhead for Lance. We do not believe the Congress could accept the argument that the United States can afford to produce this warhead for other nations but cannot afford to produce it for ourselves. Therefore, we have included language in the bill, beginning on line 20 of page 2, that no funds authorized for appropriation shall be obligated or expended for development or production of a nonnuclear warhead for Lance until such a warhead has been certified by the Department of Defense for production for the U.S. Army.

I want the record to show very clearly that the committee does not, in any sense, want to prevent our NATO allies or Israel from getting a nonnuclear Lance. We think it is a good system. The Israelis want it because it is the kind of missile system they can use on longer launches to hold their casualties down in a conflict. We want them to have it. But this attribute will be equally true for our own forces—and so we want our own forces to have that weapon.

At the same time, the committee discovered that the Department of Defense was asking authorization for an alternative to Lance that would use a warhead compatible with the Lance system. But since Lance is already in being and deployed with our forces in Europe, we hardly thought it was cost effective to develop a new system. So we deleted this new authorization request from the research-and-development title of the bill—at a saving of $8 million.

In another case the committee found that the cost had risen sharply on the Harpoon surface-to-surface missile system for the Navy. This is an important capability which the Navy needs, and the committee has been urging development of such a system for years. At the same time, the cost escalation on the system in 1 year is unacceptable.

Therefore the committee in our report has directed the Navy to qualify a second source for the missile and be prepared to present plans later this year for a competitive procurement in an effort to bring the price down. The committee found that in other missile systems the use of competitive procurement was very effective in getting a more favorable price for the Government—and we believe this device should be employed in this case.

These are examples of what I have been talking about— about how the committee cut—but cut wisely and responsibly, of the committee not simply approving or disapproving dollar requests as such—but making policy concerning the proper management of the defense establishment—which is, after all, our major responsibility.

To give just one other example, in one of the little noticed but most important items of the bill is a general provision drafted by the committee which requires the military departments to obtain the technical-data packages for major weapons systems which cost over $100 million to develop and procure. This is an effort by the committee to get at the ever-increasing cost of weapons. By getting hold of the technical-data packages available in-house we will be able to provide the option for more competitive procurement and then we will give the services greater fixibility in working to reduce the cost of weapons systems.

In summary, Mr. Chairman, the committee has tried—and I believe successfully—as the agent of the House, to take a constructive positive role in policy determination on defense programs. This bill before you today is evidence of the committee's effort. The bill is responsive to the economic constraints facing us in this particular year while still attempting to provide the minimum requirements of national security. It is a good bill. It is a sound bill. It is a responsible bill.

I urge the Members to give it their wholehearted support.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman yielding.

I notice in the committee report the gentleman and the committee has mentioned alternatives to various weapons systems. Did the committee get into much detail on the possible alternatives to the B–1 bomber? I favor the continuation of the B–1 bomber but I feel the whole House should know of the committee findings.

Mr. STRATTON. The committee went into great detail on alternatives to the B–1 bomber. I might say the Member in the well was one of the more active supporters of possible alternatives to the B–1 bomber, namely the FB–111 aircraft; but the House and the Senate struck out all funds for the FB–111, so the most viable alternative has now been eliminated.

Mr. ROUSSELOT. Does the gentleman believe we should go ahead with the B–1 bomber on the basis that there is not really a good alternative?

Mr. STRATTON. I think that is undoubtedly the position we are confronted with, that there is at the moment no really acceptable alternative since the House, unwisely in my judgment, knocked out the funds. I think in view of the situation that confronts us around the world today any hesitation in proceeding with a B–1 bomber at this time could be misconstrued by both our friends and potential enemies.

Mr. ROUSSELOT. I appreciate the gentleman's comment because I know he has been a serious advocate in looking for other alternatives. I appreciate his comment, as it is even more meaningful in view of the time he has spent on reviewing weapons.

Mr. PRICE. Mr. Chairman, I yield 10 minutes to the gentleman from California (Mr. Leggett).

Mr. LEGGETT. Mr. Chairman, I thank the gentleman from Illinois for yielding.

My colleagues in the Armed Services Committee and what few other Members of the Congress have deemed it appropriate to attend here this afternoon to review our authorization bill for one of the largest items and most important items, I might add, that the United States is concerned with, have been discussing this bill now, as I read the statistics, for something like 2½ hours, and we have about 1½ hours left.

I believe I am one of the first speakers to speak perhaps without the wholehearted approval of everything we do and I can lay my foundation and my credentials. We have got the greatest defense system going. We certainly have done a commendable job, it would appear from the information we have received, in Southeast Asia over the past 48 hours.

I have a large defense district and certainly when I argue for moderation in defense spending it is not a politically popular thing that I do, particularly in my area.

I think we have to keep in mind however, the overall perspectives and I think by and large this year the committee has done a good job. We have worked very hard and we have had very diligent, consistent, time-consuming meetings; I have not been able personally to attend the R. & D. Subcommittee hearings as much as I would like but I do want to commend the chairman of the R. & D. Subcommittee, the chairman of the full committee, and Mr. Battista, our counsel for the excellent critique of the defense request and the R.D.T. & E. and also developing a rapport with the committee such that the bulk of its recommendations have been acceptable and were accepted.

We have reduced the R. & D. in the bill by some $521 million in the fiscal year 1976. At first blush that is very good, but considering the fact that the request was made for about $1.5 billion more in fiscal year 1976 than actually was enjoyed by the Department of Defense in 1975, we can see we have still allowed for a rather healthy increase.

There are some other items in research and development that I think the committee should relate to when we have amendments on Monday. I would refer to the reports, the supplementaries, filed by himself and some of my colleagues, where we point out throughout the matter that we can, in fact, save further money in research and development in areas like some of the preproduction programing for the B–1 bomber.

I am one of those hybrid types that supports research and development for the B–1, but do not support making a decision on the B–1 this year. I think it would be a mistake to do that. The bill has all the money for the B–1 in it. I think a very serious effort should be made to moderate that decision to conform with the education of the Senate Armed Services Committee last week.

Now, my colleague, the gentleman from New York (Mr. Stratton) who is very learned in a great number of weapons systems, has talked about the reductions made in the bill. I do not think we should be mesmerized by the reductions we have made. We should take credit for some of them, the ones that are cosmetic, I admit to them. We talk about a $1.2 billion reduction in the bill. This is commendable; but on the other hand, how can we talk about $1.2 billion going to the Vietnamese to support themselves in fiscal year 1976? We cannot take credit for that $1.2 billion.

So then we come down to $2.5 billion, because there is no possibility for the Vietnamese to get that $1.2 billion. Then we have to recognize what the gentleman from Florida (Mr. Bennett) has done on the Navy program and that is to recognize that really we do not know whether our programs will escalate 4 percent or 12 percent. To use a figure of 7 percent might be too high or too low. As a result, what he said is to forget about escalation beyond a couple years until in practice we have wage and price controls in the odd years, both years.

Therefore, let us cost our programs for past programs, of which there is $2.2 billion in this bill, let us cost all those programs as if they will not escalate beyond 2 years and have all this magnificent number ships that we arc going to build under this program. Let us not allow for the escalation of those beyond the 2-year period. If we do that and ignore the refunding of $250 million for claims for Navy overcharges, which are now in dispute, we save $1.1 billion. So take that off the $2.5 billion, because we have not changed any of those ships we have built. We just readjust our accounting to pick up the $1.1 billion. So now we are down to $1.4 billion and from that we should necessarily deduct the $550 million. That leaves about $900 million or $850 million and for that item there was really no possibility that the Department of Defense was going to get $300 million for war materials. Even the very aggressive House Armed Services Committee recognized it ought to come out and it came out of there almost unanimously. without my assistance and without provocation and the $300 million was struck, because it was an attempt for a grab by the Department of Defense.

Then we came down to about $550 million. Certainly on these items the committee is entitled to credit for two items; one, they cut AWACS in half at $100 million plus a copy of the early warning system that ought to be cut.

The Department has indicated that the 12 airplanes—we built 6 and we are authorizing 3 in this bill—would be a useful increment to give us a high radar, long-lead capability in picking up a great number of things. I might add that it might help us in policing our 200-mile fishing limit which we are going to enact out of my Fish and Wildlife Committee in the next 30 to 60 days, hopefully.

Some of that program was good, but certainly it was wise to cut out a large part of that. We made the admonition, as I think some Member has talked about, that this program is really for Europe. There are no bombers coming over this way and no tactical aircraft coming over this way. If it is a good program, perhaps the Europeans and NATO people ought to participate. I believe if we are going to go forward with this program with anything like the 30 or 40 planes that have been discussed and with the $12 billion or $6 billion, whatever it might be, certainly the NATO forces ought to participate.

Then, we are back down to the airborne command post which we cut out, finally. We spent some money on this program, and I guess some of that is spilled milk, but these folks, if they are going to get us in a nuclear war and manage the war, I suspect ought to be right here on the ground making those decisions rather than flying high in the sky in a converted 747 where they are perhaps in euphoria and not really aware of the decisions where the rubber meets the road in national defense. So, that is what we have done.

The statement has been made that we do not need to cut this bill any more because we are right on the budget. As a practical matter we are not right on the budget. The conference report we agreed to on the floor yesterday stated that the Department had requested $29.85 billion. We had proposed in an item in the conference report, which again was not necessarily binding on the House since it was fragmentary, $25.3 billion would keep us within the spending limit of about $68 billion. The House bill, as it currently stands and ignoring all the gymnastics which I have talked about, is $26.5 billion, or about $1.3 billion above the budget. We can get to this number of the budget either easily by going after it in what we call a sledge hammer approach and arrive at the $1.3 billion budget reduction either by way of the ASPEN-type percentage reduction, or we can eat away at it and express our will on the B–1 and perhaps AWACS.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BOB WILSON. Mr. Chairman, I will magnanimously yield 2 additional minutes to the gentleman from California.

Mr. LEGGETT. Mr. Chairman, I appreciate the gentleman yielding this extra time to me.

Mr. Chairman, there are going to be some amendments offered, all of which I do not support necessarily, but I would say that on Monday we ought to give very serious attention and ought to have a full House here. I want to say that I intend on Monday, when we have amendments, to have a full House here. I am going to call quorum calls Monday to make sure that we have got full participation at what I consider a very important time. I would hope that we can get a full House.

Of course, the main thing I wanted to talk about today was the main item I covered in my separate concurring remarks on this legislation. That is the need to limit MaRV testing. It will save us something like $32 billion over the next 20 years. It is beyond the perspective of most of us to contemplate, but I think it is very worthwhile, and I do intend to have some charts and graphs here and to go into a rather complicated discussion of the contract facts.

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Mr. CONYERS. Mr. Chairman, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Chairman, I want to say that I think the gentleman's statement is superb, and I would like him to express in these additional views—which I also support—the notion about the B–1 bomber. He says this decision will be made over the next few years. We should not jump the gun and pour several billions of dollars in it until test airplanes have had a chance to show their stuff.

Mr. LEGGETT. Yes. My reason for that is this: We have pretty nearly fully funded three test airplanes. There is a fourth test airplane in this bill. I will support taking out $77 million production money plus the preproduction money. I think that with a $70 billion deficit, when the country is almost on its backside, with its feet up in the air, it is a bad time to make a reduction of a $20 million program.

I think we ought to abate this decision until a later time and use the aircraft and see if they are worth anything.

Mr. Chairman, when the military authorization bill comes up for amendment next week, I will offer an amendment which will take no money out of the bill and will have only a minimal effect, or possibly no effect, on the conduct of the Defense Department during the coming fiscal year. Nevertheless, I regard this as possibly the most important military proposal I have made.

My amendment will add the following language:

> "Sec. 202. No funds are authorized to be appropriated for testing of a Maneuvering Re-entry Vehicle (MaRV) on a ballistic missile system."

Maneuvering re-entry vehicles, in their high-accuracy version, will be capable of changing course and homing in on their target, much like the "smart bombs" used in Vietnam. This homing mechanism will provide a radical improvement in accuracy. For example, the later model Soviet missiles today probably have an accuracy of a bit more than .5 mile. Terminal-homing MaRV could improve this to 0.02 mile; a 25-fold improvement. This upgrading of accuracy is of little importance to an attack against civilians or industrial targets. But it is of extreme importance in the context of a first strike against an ICBM hard silo complex. We have heard a great deal about the large size of Soviet warheads, but accuracy is far more important than explosive power if the missile is to be used against ICBM silos. The mathematics is rather involved, but the significance of accuracy can be illustrated by pointing out that the accuracy improvement cited above would be equivalent to increasing the power of Soviet warheads 15,625 times. Today the United States is approximately 5 years away from an initial test of a high-accuracy MaRV system, and perhaps 10 years away from initial deployment. The Soviet Union is probably 5 years behind us.

But if we continue on our present course, the day will come when the Soviet Union has a high-accuracy MaRV. At this point, even a very small submarine-launched warhead will have better than 99 percent probability of destroying one of our ICBM silos. When combined with MIRV—maneuvering reentry vehicle—MaRV will give the Soviet Union the power to destroy nearly all our ICBM's in a short-warning first strike. Our ICBM's will therefore be useless as deterrent weapons. At this point, the United States will have suffered a loss of national security which will be irrecoverable. Of course, we will be able to deploy our own MaRV, and in fact we will probably do so 5 years before the Soviets. But an American MaRV is not an effective counter to a Soviet MaRV; it will give us a first strike capability against their ICBM's—which will do us no good since it is not our policy to strike first. It will do absolutely nothing to decrease the validity of the Soviet anti-ICBM capability.

We will be able to move to an air-mobile or land-mobile ICBM system, but this will be less secure than the fixed-based ICBM system we have today. To reiterate, there will be no move available to us which will restore us to the state of deterrent security we enjoy today. But while the mobile system will be less secure than our present system, it will be far more expensive. Assuming 5 percent annual inflation, we could maintain our present fixed-based Minuteman system through the year 2000 for about $9 billion. In contrast, the Department of Defense concedes even at this early stage that a mobile system to be phased in during the late 1980's could cost $40 billion, broken down as follows:

	Billions
Research and development	$4
Procurement	20
Operation and maintenance through year 2000	12
Operation and maintenance of Minuteman before mobile systems are phased in	4
Total	40
Difference between Minuteman and mobile systems	31

THE SOLUTION

An American MaRV will create even more severe problems for the Soviet Union than a Soviet MaRV will create for us. Therefore, it is in the interest of both sides that MaRV deployment be prevented. This can only be done by international agreement; such an agreement is possible only if the Soviet Union can have high confidence that we have not deployed terminal MaRV. They can have this confidence only if they know we have not tested terminal MaRV.

MaRV like MIRV, cannot be verified in the deployment stage; there is no way to determine by external inspection whether or not a missile incorporates MaRV. But MaRV testing is detectable and verifiable. Therefore, it is of vital importance that the United States not shut the door on a no-MaRV SALT agreement before such an agreement can be attained.

There should be no doubt that once this door is closed, it can never be reopened. We have already made one irrecoverable mistake in the case of MIRV. Even if high-accuracy MaRV is available, an effective anti-silo first strike is not feasible in the absence of MIRV: the combination of the two is required. If you have only single warheads on each of your missiles, it makes no sense to attack the other side's missile silos, since you will use up your own missile force as quickly as you destroy his; in fact, you will use up your own force more quickly because some of your attacking missiles will not be successful. But MIRV allows one attacking missile to destroy several of the other side's ICBM silos—assuming of course the warheads are sufficiently accurate.

If the Soviets did not have MIRV, the Department of Defense would have no cause for concern over the vulnerability of our ICBM silos. In the late 1960's and early 1970's, it seems highly probable that the Soviet Union could have agreed to a ban on MIRV; our MIRV program was 5 years ahead of theirs, and such an agreement would have been very strongly in their interest. But in 1969, we proceeded to test MIRV, even though there was no military need to do so. We thus closed the door on any possibility of preventing a Soviet MIRV, and we must now live with it.

Today, Secretary of State Henry Kissinger, says, "I wish I'd never heard of MIRV." But it is too late.

The question now before us is whether we will make the same mistake twice. Will we allow technological momentum to foist upon the American people a weapon system which will simultaneously decrease their military security and burden them with enormous expense?

Fortunately, the time frame available to us gives an excellent opportunity for constructive action. As I have explained above, we will not be ready to test high-accuracy MaRV for perhaps 5 years. This gives sufficient time to arrive at a no-MaRV SALT agreement, even considering the snail pace at which such negotiations are generally conducted.

But such an agreement can only be reached if the Soviet Union has absolute confidence that we have not tested high-accuracy MaRV. As the authorization bill presently stands, the Department of Defense has the authority, although not the capability, to test this system. The Department of Defense has both the authority and the capability to test various maneuvering re-entry vehicles which, while designed for ABM evasion or technology research rather than for high accuracy, to a Soviet observer would not be easily distinguishable from a high-accuracy system. At present we do not have the technology for a high-accuracy MaRV and the Soviets know it. But over the next year or two their confidence in our technological incapability will progressively decrease; if tests of maneuvering re-entry vehicles of any type are conducted during this period, a point will be reached at which the Soviets will no longer believe us when we say we have not tested high-accuracy MaRV, a MaRV ban will no longer be possible, and we will have lost the ball game as far as dollars and security are concerned.

This is why I regard it as essential

that the military authorization bill incorporate a flat prohibition against testing of maneuvering reentry vehicles.

Since the ramifications of my amendment tend to be complex, I conclude with a series of questions and answers which I believe will resolve any doubts which may arise concerning this amendment.

First. After our defeat in Vietnam, isn't it necessary for us to be extra firm to demonstrate our continuing national resolve? You do not demonstrate resolve by weakening your own security. Whatever resolve-demonstrating we need to do can be done by continuing research and development on this system. But if we test it, we destroy its value as a bargaining chip and demonstrate not resolve but foolishness. Five years ago, a similar objection was raised in the Senate against an amendment to suspend the MIRV program. The objection prevailed, the amendment lost, and as a result the Secretary of Defense is now uncertain about the vulnerability of our ICBM's, and the Secretary of State says "I wish I'd never heard of MIRV." If this amendment fails and a no-MaRV agreement is not reached, a future Secretary of Defense will not be uncertain about the vulnerability of our ICBM's; he will be sure they are vulnerable. And a future Secretary of State will wish he had never heard of MaRV. But it will be too late.

Second. What if we reach a SALT ban on MaRV testing and the Soviets continue to do research and development on MaRV, get it right up to the point where they are ready to test, then they abrogate the treaty and begin to test and deploy at a rapid rate? Won't this give them an immense advantage over us? It is because of this potential problem that I have not advocated reducing research and development. We also can carry our terminal MaRV program right up to the pretesting stage. If the Soviets abrogate the treaty and begin to test, we will know it and can carry out tests ourselves; at worst, they will have a few weeks' head start on a 5-year development program.

Third. What about the evasive MaRV? This is a low accuracy ABM-evasion device now part of the Trident program, and which has recently been tested on a very small scale. Evasive MaRV is not a counterforce system, but an evasive MaRV test can be used to disguise a terminally guided high accuracy MaRV test. Therefore, I recommend that evasive MaRV testing be banned as well, and my proposal is worded accordingly. Since the Defense Department has no plans to deploy evasive MaRV, we can afford to put this system on the shelf while we seek further SALT agreements.

Fourth. What if this proposal does not go against the successful ABM precedent, wherein it is alleged that testing of Safeguard gave us the bargaining chip to conclude a successful agreement? Without commenting on the dubious value of the bargaining chip strategy as applied to ABM, it is clear the two programs are no way comparable. ABM deployment is verifiable; MaRV deployment is not. Therefore, as soon as you test MaRV, the bargaining chip disappears.

Fifth. Doesn't NAVSTAR do the same thing as MaRV, and render the MaRV question moot? No, it does not. NAVSTAR is not a usable strategic system, since it can be taken out by a prepositioned destroyer satellite loaded with dynamite.

Sixth. What about the question of whether the large Soviet throwweight would give them an anti-silo capability if they combined it with the best non-MaRV guidance systems? The answer is rather complex. Such missiles would give the Soviets something of an anti-silo capability, but with two qualifications: improved hardening of our silos would hold this capability to a marginal level of confidence, and the capability would be confined solely to their ICBM's—the small yield of their SLBM's would preclude anti-silo capability in the absence of terminal MaRV. A first strike launched by Soviet ICBM's against U.S. ICBM silos has the disadvantage of excessive warning time; we would have sufficient warning to get our bombers safely into the air before the missiles struck, thus rendering the strike ineffective. This is the highly publicized "synergistic" relationship between manned bombers and ICBM's. But if the Soviets get an anti-silo capability in their submarine-launched missiles—this is possible only with terminal MaRV—the short flight time of the SLBM's will permit a simultaneous strike against our bombers and ICBM's. We would then be reduced to a single-armed deterrent: our own SLBM's. While even the SLBM's are doubtless sufficient to deter Soviet nuclear aggression, I think we will all feel more comfortable if we can keep our eggs in more than one basket.

Seventh. Isn't it irresponsible unilaterally to give up something in the hope the Soviets will be good fellows and follow along? We won't be giving up anything, since we don't have it yet. We won't be ready to test this year in any case, so this proposal will take not 1 cent out of the bill and will not influence our actual high-accuracy programs. What it will do is send a clear signal to the Soviets that will keep the door open for the SALT agreement that will prevent the Soviets from deploying MaRV.

Eighth. What has been the Soviet reaction to this idea? Our negotiators have not proposed it to them, according to William Hyland, Director of Research and Intelligence for the State Department. Our negotiators are thinking only of the relatively unimportant problems of numbers of missiles.

Ninth. Have we not already conducted so many MaRV tests that the opportunity for a MaRV ban has passed already? No tests of high-accuracy MaRV have been conducted. In 1967 we conducted two tests of a system called maneuverable ballistic reentry vehicle—MBRV—and two tests of what was called the boost-glide reentry vehicle—BGRV. In 1969 we conducted two tests of the advanced control experiment—ACE. In 1975 we conducted one test of the Trident Mark 500 evader MaRV; a second test is scheduled for mid-May. While all of these systems are technically described as MaRV's none were designed for high accuracy, and none offered better accuracy than contemporaneous non-MaRV systems. In fact, all but the advanced control experiment had considerably less accuracy than conventional systems deployed at the time. We have not tested MaRV missile guidance systems; we have not integrated MaRV missile guidance with control systems, we will not be ready for a first test of this system for 4 to 5 years, and this is obvious to the Russians or any other technically sophisticated observer. So the window for an effective SALT agreement is still there. But it gets narrower every year.

Tenth. If the Soviets deploy MaRV, can we not simply counter by deploying our own MaRV? This would be an inappropriate and ineffective response. The significance of a Soviet MaRV lies in its ability to attack our ICBM silos; an American MaRV would do nothing to impair that capability. Instead, we would have to counter the Soviet MaRV by getting our ICBM's out of the silos and into some kind of mobile system on land or in the air.

Eleventh. What is the point in an amendment that does not save any money? This amendment will save a great deal of money, but it will save it in the long run. The Department of Defense concedes that a mobile system will cost possibly $40 billion between now and the year 2000, as opposed to $9 billion if we do not have to replace our present Minuteman silo-based missiles—5-percent annual inflation is assumed in both cases. If we wait until MaRV begins to show up as a significant item in the budget, some time in the mid-1980's, it will be too late. If we do not show the necessary vision now and next year, our children will have no choice but to pay the price for our lack of foresight.

Twelfth. Would not this $30 billion be well spent if it will give us greater security? It will give us less security than we have today. An air-mobile system will be subject to prelaunch destruction by a short-warning submarine-based missile, just as our bombers are subject to destruction today. The "synergistic" properties of a bomber-ICBM mix will be lost, and we will no longer have a true triad.

With a land mobile system, in which the missile is transported by road or rail, the missiles might not be pinpointed by Soviet spies. They might not be pinpointed by Soviet satellites. But we could never be sure.

Today, we are sure our ICBM's cannot be destroyed. We are sure they cannot even be attacked without giving us the opportunity to send our bombers safely into the air. If the Soviets do not deploy MaRV, we can retain the first assurance with moderate confidence and the second assurance with very high confidence. But if we drop the ball and fail to reach a no-MaRV agreement, both assurances will be lost.

If we continue on our present course, we will box ourselves into spending much more money for much less security. By passing this amendment, the House will

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be able to reverse course and give the American people more security for less money.

I will also offer an amendment to delete funds for modification of Civil Reserve Air Fleet—CRAF.

The bill contains $22 million in fiscal year 1976 for modification of Boeing 747 and McDonnell Douglas DC–10 airliners to serve as military freighters in time of national emergency. This is a relatively small amount, but it mushrooms quickly: $24 million in the transition quarter, and nearly $1 billion by the time the project is completed. In my view, this program is unnecessary and redundant.

At enormous annual expense, we maintain a bloated, tail-heavy, top-heavy force in Europe, and dozens of smaller versions of the same thing all around the world. We do this because the Department of Defense tells us we cannot rely on airlift or sealift in an emergency; we must have the troops on the scene.

But at the same time we have been told we must have an airlift. Moreover, we have been told the Air Force cannot make do with Boeing 747's; it must have C–5's, which cost twice as much and have one-tenth the service life. So we paid an enormous price to equip the Air Force with C–5's.

Now we are told the C–5's would not do the job; among other things they cost so much we could not buy enough of them. This is adding insult to injury and should not be tolerated.

If we were to cut our European troop commitment in half, a better case could be made for the CRAF modification. But I find it difficult to justify the Pentagon's desire, not only to have its cake and eat it too, but to keep the plate and the silverware in the bargain.

Finally, I will offer an amendment to delete funds for procurement of the Trident submarine during the coming fiscal year. The arguments on Trident have been hashed over many times, and it will serve no purpose for me to repeat them at this point. I will make only one specific point: If we authorize the money requested in this bill, we are not going to get Trident ships any sooner. The keel on the ship we are asked to authorize in this bill will not be laid until 1978 because the contractor simply does not have the capability. Therefore, it would be prudent to delay this authorization until such time as it can actually be used; thereby giving us more time to reconsider the entire question which is the best way to go with our submarine-based deterrent.

Mr. BOB WILSON. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois (Mr. O'Brien).

Mr. O'BRIEN. Mr. Chairman, as a prolog to my remarks, I would like to join some of my friends in extending compliments to the gentleman from Michigan (Mr. Nedzi) and the gentleman from Louisiana (Mr. Treen).

Under the skillful chairmanship of the gentleman from Michigan (Mr. Nedzi), aided by the gentleman from Louisiana (Mr. Treen) as ranking minority member, the hearings relating to military personnel which were held were exhaustive and comprehensive and provided a superior basis from which to draw well reasoned and reliable conclusions.

Mr. Chairman, I would like to address some four popular and seductive misconceptions which may become factors in our consideration of this bill.

First, that this authorization bill is the product of an inefficient department in the vast administrative bureaucracy: If the rest of the executive agencies were given the same intense scrutiny, if they had their feet held to the fire in the same manner that DOD has, then we would be a long way toward having cost-effective government. The Defense budget rationale, after the carefully considered cuts effected by the Armed Services Committee, should not be reduced on the basis of pseudoefficiency. To cut this bill further would reduce our military forces below a minimum adequate defense posture.

The second basic misconception is that in an era of or because of the anesthetic atmosphere surrounding the notion of détente, we can further reduce our defense spending. This is a beguiling but fallacious conclusion because our primary potential adversary, the Soviet Union, has clearly embarked on a concerted policy of expansionism. Witness the just-concluded international naval maneuvers deploying over 200 ships worldwide, culminating in mock nuclear attacks on the United States. Their naval forces in the Mediterranean outnumber ours. There is a huge numerical disparity in their favor in the critical Indian Ocean. They are expanding both their sea- and land-based missile forces. The Soviet conventional forces completely dwarf those of the United States.

On a more somber note, détente and open channels of communication between the United States and the U.S.S.R. have had no appreciable effect in cooling down the last two major war situations involving the United States. The key factors in defusing the October war were not détente and diplomacy. It was the successful Israeli crossing of the Suez Canal. Détente and diplomacy may have led to the Paris Accords, but they certainly did not seem to function when the North Vietnamese invaded the South.

Détente and diplomacy did not help us in these last terrifying 48 hours—a cool and decisive President and a handful of well-equipped, courageous marines, sailors, and airmen did the job and turned near-disaster into a brilliant victory.

A third major misconception is that now that Vietnam is truly over, we can take a well-earned rest, and pragmatically allow the rest of the world to mend its own fences. We should never again allow ourselves to become some sort of "policeman" for the rest of the world; but neither can we turn our back on our traditional and necessary mutual security arrangements worldwide. NATO is under severe strain. Our treaty relationships in the Far East are under severe strain. Our capability to influence the drift toward another war in the Middle East is under severe strain. We dare not add to our allies' qualms about our resolves and our commitment to defense by cutting this budget past prudent levels and embarking on a dangerous program of unilateral disarmament.

The fourth and last major misconception is that the weapons systems that are requested for procurement in this bill are unnecessary, "gold-plated" items, most of which can be reasonably replaced with a bargain-basement alternative. A case in point is the B–1 bomber. Fifty-eight percent of our strategic deterrent lies in manned bombers.

The SALT talks have by no means come to any definitive, authoritative conclusions. To halt this program, or seriously impede its progress, could quite simply lead to a situation in years ahead where we have neither effective genuine arms limitation nor a strategic deterrent capable of deterring. This is by no means the only system under attack in opposition to this bill, but is an excellent example of how an unwise and ill considered search for economies can undermine security. Doing away with, or cutting back on, proven systems in the gauzy hope that they may be replaced by theories will place this Nation on an irresponsible, if not suicidal, course.

An adequate defense in a troubled world of armed camps is an expensive proposition. Economies can be made. Economies have been made.

But defense efforts can never be based on what we can afford. Defense programs are not merely optional programs that we can take or leave alone, programs to be dropped in times of difficulty and economic distress.

In the words of the distinguished Yale law professor, Eugene Rostow—

> We can never afford not to do what must be done to insure the safety of our people, the safety of our national interests and the safety of our democratic institutions.

Let us provide for an adequate and reasonable defense. Mr. Chairman, I urge support for H.R. 6674, as presented.

Mr PRICE. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan (Mr. Conyers).

Mr. CONYERS. Mr. Chairman, the Armed Services Committee report on the defense authorization bill includes 52 pages of additional views, an encouraging indication that several members of the committee, and hopefully of the entire House, are seriously questioning the Pentagon's requests for the procurement of increasingly costly and complex instruments of war. For far too many years, the Congress has deferred to the Pentagon's experts and essentially rubberstamped their wasteful and bloated budgets.

I am dismayed by the scarcity of Members here for this debate, and am certain that if a $25 billion authorization for virtually any other Government program were being debated today, we would have the benefit of many more in the Chamber than are here presently. The unusual scheduling of the general debate and reading for amendments may be contributing to the poor attendance, but I hope that more are present on Monday to show the Nation our concern for soaring defense costs of questionable worth.

Each of the additional and dissenting views in the report addresses the issue in a different but equally valid manner. Congressman Leggett focuses on the MaRV ballistic missile system and details the inherent danger of arms race stimulation in developing this maneuverable and accurate missile. My colleague from Wisconsin (Mr. Aspin) contends that this authorization is too big and is misdirected. His analysis, in my view, is certainly compelling and I will support his ceiling amendment. Pat Schroeder has performed the much needed and long overdue service of offering a carefully drawn alternative defense budget, something conspicuously lacking in the past. Mr. Lloyd also persuasively advocates a meaningful funding cutback, and Mr. Downey rightly directs us to closely scrutinize and examine with heightened attention all the provisions of this bill, and weed out the impact of the military's "new toy" mentality which would have us replace weapons systems long before they are useless or obsolete.

As my good friend and colleague, Ron Dellums, points out, one of the most questionable and expensive military items is the unnecessarily large deployment of American troops abroad. Demonstrated to my satisfaction is the lack of any justification for the troop placements he criticizes, and the adoption of the troop cut amendment lowering this overseas force by 70,000 would represent a sizable savings with no danger to our own or our allies' security.

All these statements deal in a strong way with these huge military expenditures which have, over the last 30 years regardless of our foreign policy at any particular time, seriously weakened our economy and probably destroyed the productive and technological edge we always claimed over other industrial nations. Invaluable resources and individual talents have been siphoned off to the Military Establishment where little of social use is produced, and countries such as Japan and West Germany have taken the lead in many civilian enterprises. It is mind boggling to consider the tremendous strides in peaceful development and technology we have forfeited over the years by such excessive regard for the creation and stockpiling of weaponry. Also, too often strategic doctrine followed the achievement of a new weapons technology, causing defense industries to develop costly and complex instrumentation for sale to our Government which was all too willing to buy it and far too afraid of not buying it.

I propose a new and more meaningful definition of the Nation's security that transcends a "security" based only on missiles, tanks, and submarines. America's national security must by definition include job security for our workers, personal security for our city dwellers, income security for our families, nutritional security for the poor and elderly, educational security for our children, and equal opportunity security for everyone. If the Congress would provide for its people with the same devotion it pampers the Pentagon with, an increasingly cynical citizenry might become convinced that the Congress does, in fact, act in the best interests of the Nation. A recognition is urgently needed that this concept of security should be our paramount goal and lead to a Federal budget guaranteeing full employment, economic stability and peace.

Mr. BOB WILSON. Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. White).

Mr. WHITE. Mr. Chairman, events of the last few days have demonstrated how important a national image of firmness is to maintain our credibility, and therefore to maintain peace. If our national defenses slip behind our detractors, Communist-aligned nations will be tempted to risk military adventures against our allies, and an underestimation of our resolve could lead to a shattering of peace.

One of the pieces in our total defense credibility is our AWACS system, airborne warning and control system.

AWACS

The AWACS concept is not new. The Navy has been using it for years, and it has proven highly successful to coordinate seagoing air and surface task forces. There is a difference, however, and that is that in the sea environment there are fewer technical problems to overcome to achieve a very high degree of reliability.

There is no question in my mind, nor did there appear to be in the minds of the Armed Services Committee members, that AWACS is a viable concept, and would be an invaluable asset to the battlefield commander.

The problem, as we saw it, was that there were still some technical problems to overcome to increase the usefulness and reliability of some of the aircraft's electronic systems, when in use over a hostile land environment.

In a land-based environment, the enemy has a greater opportunity to use countermeasures, such as mobile jammers, to interfere with the information picked up by the aircraft. It is in this area that efforts are being made to beef up the capabilities of the AWACS to live in a hostile electronic environment.

However, do not be misled by that. The aircraft, even in its present configuration, is still a very formidable weapons system. For instance, I feel certain that it would have been a welcome addition to our task forces in the recent Cambodian incident, because it has a deep-penetrating surveillance capability over land.

The problems with AWACS are technological ones which are well within the present state of the art to overcome. None of the specific criticisms that I have heard to date are serious enough to make me want to junk the system. In perspective they are minor problems, associated with the growing pains of advanced system technology.

AWACS is a very versatile weapons system, for all sorts of missions, on land and over water. Our Armed Forces need this added capability to keep up with the pace of modern tactical and strategic warfare concepts. Either we do that, or we will be left at the starting gate.

Mr. PRICE. Mr. Chairman, I yield 10 minutes to the gentlewoman from Colorado (Mrs. Schroeder).

Mrs. SCHROEDER. Mr. Chairman, this has been a rather frustrating day, I think, for many of us. I missed the vote on the rule because the policeman would not let me drive into the Capitol lot because I did not look like a Member, and the day has continued downhill from there. Here we are discussing one of the largest dollar amounts in any budget we will consider in this House. And we find that many Members are away. In fact, I believe over 100 Members are away. I think that is tragic.

Further, we have the amending process for this bill scheduled on Monday, which traditionally in the House has been a day that we have debated such vital issues as kite flying in the District of Columbia. So I find it discouraging.

Mr. Chairman, this is an important and difficult bill. The Armed Services Committee has worked very hard on it. I think the committee has made some strides this year, and I want to commend them for the changes permitting more oversight of the Department of Defense than we have had in the past.

I did some figuring before I came over here, and I found out something really very interesting. This year's budget—not next year's, which is what we are talking about—but this year's budget for defense of $82.1 billion, if it were divided into the average family unit in America, 3.6 people, we could find that the average American family is spending $1,345.84 for defense this year.

I think that what we in the Congress should ask is are Americans getting everything that they deserve for their security with that kind of expenditure.

I also looked at the strip mining bill, which Mr. Ford has threatened to veto, claiming it is too inflationary. But I found out that the strip mining bill was going to cost the average American family of 3.6 people 12 cents a year. This kind of comparison helps put things in perspective.

Much of the debate on the Department of Defense budget is emotional—on both sides. It is difficult to get to the facts. One side stands up and screams, "You are taking cookies out of the mouths of the children and you are taking roofs away from old people," and the other side says, "You are giving the country away to the Communists and they will be here in the morning if you don't give the Defense Department every dime they ask for." And, of course, the DOD defenders claim there is no waste in their budget.

The truth is somewhere in between.

I was very proud of some of my Armed Services Committee colleagues this year. I think we made an attempt that has never been made before, and I hope it will be made again. We put together an alternative to the Defense Department's budget proposals. I wish every committee in the House would prepare such an alternative budget for the departments they oversee to compare with the administration's proposals. Of course, everyone will not agree with everything in an alternative proposal, but at least we on the Armed Services Committee have something to start from this year and we have had some good give and take. We structured our alternative proposals on a factual base. Surely it is a more responsible factual approach to the yearly defense budget debates than

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talking about taking cookies out of the mouths of children or letting the Communists come in here in the morning. What we are really talking about is oversight—making sure that tax dollars are being spent responsibly and wisely.

There are days when I often think that in jest I should offer an amendment to cut 10 cents from the military budget, because for sure there would be some people who would say there is not 10 cents in the budget that can possibly be cut, and there are others who would disagree. None of us should be knee jerk reactionaries on either side of the defense budget debate, but attempt to engage in factual, objective oversight.

This is a very important time in this country, and I cannot emphasize it enough. The war is over, and many people have said:

> Well, the war in Southeast Asia, in South Vietnam, is over. Now we don't have to worry any more—back to normal, the old cold war.

We need to talk about many open wounds, about the scars in this country, and about what our posture will be in the world. Which way will we continue to go? How will we direct our forces? How will we arrange our priorties? And what kind of role do we see for ourselves in the world? Are we going to attempt to continue to be the superpoliceman? Are we going to see the whole world as a chessboard with red squares and black squares, and are we going to insist on being everywhere to defend everybody we have labeled as part of the "free world"?

I have some question in my mind as to what happens when we convince everybody that we are the only ones in the free world who can truly defend the free world. I sometimes think that we get off on that just a little bit too heavily. I think maybe that is what went wrong in Vietnam, and I wish we could have a more meaningful dialog about that.

We may have demoralized the South Vietnamese troops by convincing them we had the best pilots, by convincing them we had the best equipment, by convincing them that we knew how to fight better than they did. Eventually we convinced them, and they lost their morale in our so doing. Maybe my analysis is wrong; maybe it is right; but I think morale is one of the most important things that any army has. We must never do anything to destroy another country's morale.

Yes, equipment is important too, and today we are talking about equipment. But so often we forget about people programs, and we forget about the people. We hear, too, the emotional arguments about security and, of course, we must offer security. But, security also means having a job, having food to eat, and being safe in your neighborhood.

So what we want to do when we talk about security is not just talk about the security of our defense systems, but also about our internal security and our domestic security. A look at the history of the world shows that many more governments have fallen from within than have fallen from an attack from without; but of course, we must be prepared for both.

I encourage everyone to go back and read the Declaration of Independence.

One of the things the Framers decided was to go to war over civilian control of the military. It is one of the main points in the Declaration of Independence there. Civilian control of the military is very important. Reread the Declaration of Independence sometime and imagine what it would take for one as a person to go and enlist in George Washington's army—they were without pay. Go over and look at the tent George Washington lived in, which could hardly be called elegant. I do not think any of us would want to camp in it. Think of it. Think what it really took to get these men so dedicated to the cause of freedom that they wanted to fight.

Our ancestors felt strongly about civilian control in the Army. That is one reason why I am upset that we do not have more of the Members of the House here. We can count the Members present on one hand. Most of those here have already heard the arguments on this bill, because they are on the committee. This is a very significant part of our budget and one of the most important factors in our whole country and its international posture.

Mr. CONYERS. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from Michigan.

Mr. CONYERS. I commend the gentlewoman for her remarks.

The problem with the lack of attendance, as the gentlewoman found out last night when she objected to our coming in early, is that the leadership agrees to this procedure. This is not the will of the Congress but the fact that we have traditionally decided to downplay the emphasis on the military and especially the procurement bill. I do not think it happens by accident every year but this is part of the deliberate procedures that I think are so denigrating to the actions of the 91st Congress.

Mrs. SCHROEDER. I thank the gentleman. I think one of the problems we have especially in the military area is that we tend to want to defer to the "experts" because we become frightened that we may not be 100 percent right. But the experts have not been 100 percent right. They were 100 percent wrong on Vietnam. However, we should have more dialog. As an example, our committee should meet with the Committee on International Relations and talk about the very basics of foreign policy and what those mean as respects our defense posture. We should demand a true dialog—not just have the administration tell us what they want us to know. I am tired of the attitude that if we do not give the Defense Department everything that say they need that we will be in deep trouble.

Mr. STRATTON. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Chairman, the gentlewoman is not suggesting that the committee is responsible for the fact that we have so few Members on the floor, is she? I have always assumed that Thursday was a normal legislative day. There is some tradition that we do not work too hard on Fridays. We did have 307 Members at the last quorum call. I think for the gentlewoman to try to imply that somehow the committee leadership set it up so no one would be on the floor is not entirely accurate.

Mrs. SCHROEDER. I apologize if that is what the gentleman understood. There were 75 percent of the membership who responded at the last quorum call and many of them are on the New York trip now. I understand last Thursday also was not important, because many Members went to the Kentucky Derby.

Mr. STRATTON. Maybe it is because the committee has done such a fine job that the membership is satisfied with the fine job we have done on this bill and they do not want to be here to oppose it.

Mrs. SCHROEDER. The Members do not schedule the bringing up of bills.

Mr. CONYERS. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Chairman, of course the fact of the matter is that the Members do not know the fine job that has been done, as the gentleman from New York suggested, and of course most of the people who are not here are on the New York trip, and the gentleman knows Monday is not the day to take up this huge $32 billion bill for the amendment process. That is not usual and it is the leadership responsibility and not the responsibility of this committee. But certainly this whole operation did not just happen.

I commend the gentlewoman in the well for her remarks on this.

Mr. STRATTON. Mr. Chairman, if the gentlewoman will yield, the Speaker was on the floor today and as a member of the whip organization for many years the Speaker made it very clear to us at the beginning of this year that Mondays and Fridays were going to be working days in this Congress. Many Members—I do not know whether the gentleman from Michigan was included—have been complaining about the Tuesday-to-Thursday group and the Speaker took the leadership to say we are going to be working every day and there is no reason why we should not be taking up a $28 billion bill on Monday just as well as on Tuesday.

Mrs. SCHROEDER. The record of meetings of this House speaks for itself. I think we should look at what the House does, not what they say it does.

Mr. ROUSSELOT. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

The CHAIRMAN. A quorum of the Committee of the Whole has not appeared.

The Chair announces that a regular quorum call will now commence.

Members who have not already responded under the noticed quorum call will have a minimum of 15 minutes to report their presence. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 216]

Abzug
Addabbo
Alexander
Andrews, N.C.
Ashley
AuCoin
Badillo
Bafalis
Barrett
Beard, R.I.
Beard, Tenn.
Bedell
Bevill
Biaggi
Boggs
Boland
Bowen
Brinkley
Broomfield
Brown, Calif.
Brown, Mich.
Buchanan
Burke, Calif.
Burleson, Tex.
Burton, John
Burton, Phillip
Byron
Carney
Chisholm
Clancy
Clay
Cleveland
D'Amours
Daniel, Dan
Danielson
Davis
de la Garza
Dent
Derrick
Diggs
Downing
Drinan
du Pont
Duncan, Tenn.
Eckhardt
Edwards, Calif.
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fisher
Flynt
Foley
Fountain
Fraser
Frey
Fulton
Gaydos
Goodling
Harrington
Harris
Harsha
Hastings
Hawkins
Hays, Ohio
Hébert
Heckler, Mass.
Hefner
Heinz
Hicks
Hightower
Hinshaw
Holtzman
Howard
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Jones, N.C.
Jones, Tenn.
Jordan
Kastenmeier
Kelly
Koch
LaFalce
Landrum
Latta
Leggett
Lehman
Levitas
Litton
Lloyd, Tenn.
Madden
Madigan
Mazzoli
McClory
McCloskey
McCollister
McDade
McEwen
McKinney
Metcalfe
Michel
Mikva
Milford
Mink
Mitchell, Md.
Mitchell, N.Y.
Mollohan
Montgomery
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Nichols
Nix
Nowak
O'Brien
O'Neill
Peyser
Pike
Quie
Railsback
Randall
Rangel
Reuss
Riegle
Risenhoover
Roberts
Rodino
Roncalio
Rose
Rosenthal
Runnels
Ruppe
Russo
Satterfield
Scheuer
Sebelius
Shipley
Shuster
Sisk
Snyder
Spellman
St Germain
Staggers
Stanton,
  James V.
Steed
Steiger, Ariz.
Stephens
Stokes
Stuckey
Symms
Taylor, Mo.
Teague
Udall
Ullman
Van Deerlin
Vander Veen
Vigorito
Waxman
Whitten
Wiggins
Wilson, C. H.
Winn
Wolff
Wydler
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zeferetti

Accordingly the Committee rose; and the Speaker having resumed the chair Mr. ROSTENKOWSKI, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H.R. 6674, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 258 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Committee will rise informally in order that the House may receive a message.

MESSAGE FROM THE PRESIDENT

The Speaker assumed the chair.

The SPEAKER. The Chair will receive a message.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Heiting, one of his secretaries.

DEPARTMENT OF DEFENSE PROCUREMENT AUTHORIZATIONS

The SPEAKER. The Committee will resume its sitting.

The Committee resumed its sitting.

The CHAIRMAN. When the Committee rose the gentlewoman from Colorado had concluded her statement.

The Chair recognizes the gentleman from Illinois (Mr. PRICE).

Mr. PRICE. Mr. Chairman, I yield 10 minutes to the gentleman from California (Mr. DELLUMS).

Mr. DELLUMS. Mr. Chairman, we meet today at a time of difficult choices and very limited resources. We meet at a time when we must come together around issues of priorities. It is clear to me—and I am certain that it is clear to other Members—that we do not have the economic capability and wherewithal to solve the myriad of human problems domestically or internationally. Therefore, we must make decisions based upon sound and rational thinking, and hopefully against a backdrop of humanitarian and humanistic values.

I have submitted to Members several times in recent years, when this bill has reached the floor, the following statement: That if we are to preserve the military budget as sacrosanct, then our human services programs will continue to be weak and ineffective and ineffectual programs they have been for many years.

We cannot continue to spend over $100 billion a year perpetuating war and death and destruction and also solve the many human problems we are confronted with in this country. Tens of thousands of people are unemployed in all our congressional districts. Our educational districts throughout this country lack resources. Our housing market is in serious trouble. Health is still a critical issue.

If we are to solve these problems, Mr. Chairman, then we must make difficult decisions about how we spend our resources.

It seems to me that we have a responsibility to address this budget beyond the rhetoric of the moment—beyond the demogoguery and emotion of the moment—by facing these questions with sanity, with reason.

I believe we must reduce our bloated and wasteful military budget.

But I am confronted this year, as I have been in the past, with this notion: "All of us agree that we must reduce our military budget, Mr. DELLUMS, but this must be the worst possible moment to do it."

Every year I hear that. I would submit this rhetorical question to the Members: When will be achieved that millennium, when will we achieve that moment when the President and the Secretary of Defense and the Secretary of State and others will allow us to move into this area because no one's feathers will be ruffled? When will the millennium come when there will be peace throughout the world unless we make decisions to help achieve that?

When will that magic moment come when I will hear the leadership of the Congress say, "RON, now is the time to reduce the military budget."

When will that moment come?

I think that moment is upon us. We are being kicked out of Thailand, Taiwan, and the Philippines—I repeat, kicked out; not that we have fought with reason and rationality, not because of foreign policy determinations, not because we have made a conscientious determination with regard to Taiwan, Thailand, and the Philippines. We are being kicked out. Is that the image we want to project to the world, that we are saying we do not want to communicate, that we are not a strong Nation to the world?

What will we communicate? Ineptness, inadequacy, and lack of courage. Not to drop a bomb—oh, we have that ability, we have just proven in the last 24 hours that we can beat the hell out of the Cambodian people, who cannot even put three airplanes in the air and do not even have one battleship.

We have proven something powerfully to the world. We can beat the Cambodians to death; but that is not our strength. It seems to me that our strength lies instead in our ability to come to grips with the critical questions that are before us, not with emotion, but with some reason.

Where are some of the greatest places that we waste our military spending? Where does the Pentagon spending do the least for our economy, and yet buy the smallest contribution to our national security?

The answer is in our huge excess overseas troop commitments, where economic assistance funds could be released for use at home with no loss in power or strength abroad.

Let us talk about where these troops can be cut. I will concede to my colleagues that we cannot at this moment deal with the issue of Europe, because of Mutual Balanced Reduction Talks now going forward.

But there are other places in the world.

The President of the United States said in his most recent speech that we must embrace South Korea. So, let us look at South Korea for a moment. We have approximately 42,000 troops in South Korea, give or take a few thousand.

The Pentagon plays games with figures, depending on when the military authorization bill is coming up in Congress. The stated mission of those troops is to provide ground combat support to the South Korean Army. The South Korean Army has over 600,000 persons un-

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der arms. Many of them are combat experienced as the result of their recent involvement in South Vietnam. Who are the ostensible enemies of the South Koreans? The North Koreans. The North Koreans have a little over 300,000 troops, and have not fired a shot in 22 years, with the exception of occasional sniper fire.

So I asked Secretary Schlesinger—

> How can you justify on military grounds a forward deployment of 42,000 troops?

His response, and we can read it in the record, was—

> The gentleman from California is correct. We cannot justify on military grounds the forward deployment of troops in South Korea. We are there to provide a political presence.

My question is, Why do we need 42,000 troops to provide a political presence? Why not 4,200 or 420? What is so magic about 42,000 troops? Why 42,000 troops providing resources to one of the most powerful, best equipped armies on the face of the earth?

So it has now taken us over 2 years to argue effectively that the South Koreans can take care of themselves and then within the last 72 hours I have heard the most absurd argument I have ever heard. The reason we are there is not because the North Koreans will overwhelm the South Koreans, but so that we have a political presence there, to prevent South Korea from invading North Korea. Utter absurdity.

So how do we win in the Congress of the United States when we give them all these facilities and they run a hundred miles an hour in the opposite direction?

I find no justification, no backup, no support. I challenge that argument. So, I think we can reduce many of our troops in South Korea.

I am going to give the members of the committee some figures to show how we can achieve a 70,000 troop cut. Japan is another place where we have a large amount of troops, 52,000 troops. The Secretary of Defense has given us two reasons why we have troops in Japan.

Reason No. 1: We do not want to see Japan again become another major military power in the world. But think about that for a moment. Because it means explicitly and implicitly that we have made a commitment to defend Japan with conventional troops, and we have not made that decision either in this House or in the other body. We have not made that decision. There are enormous ramifications for that statement.

Let us look at the second argument, that we need a refueling spot in the Western Pacific. I would grant that, but 52,000 troops pumping gas have to be the largest gasoline station in the world. Why do we need that many troops doing that there? We do not.

So, with reason, logic, and rationality, we can reduce some of our troops. Why do we have 1,000 troops on the Island of Bermuda? It is good duty, suntans, nice weather, but has anyone on this floor stood up and given me a justification for 1,000 troops on Bermuda? Could we take 10 of them away? Could we take 500 of them away, or all of them? Give me a rational reason for their presence there.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PRICE. Mr. Chairman, I yield 1 additional minute to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, the issue of overseas military manpower reduction should not be viewed as an issue of the moment, but one which has been presented to Congress with increasing urgency over the last 4 or 5 years as one of the most substantial decisions Congress will make about military spending, and we should not deal only on the basis of this or that month's political rhetoric, but on our long-term conception of the country's needs and the role of Congress.

Perhaps the best way to provide some background on the whole issue is to review the legislative history of the two previous troop-cut amendments: In early 1973, with my appointment to the House Armed Services Committee, I became interested in the rationale behind the extraordinarily far-flung American troop commitments. I believed that there should be a substantial motive behind deployment of over half a million men all around the globe, a deployment which made up such a large part of the Pentagon budget. To discover this rationale, I asked the Pentagon over 70 specific questions—about each of our military missions abroad. I asked, for example, why, given the evident capacity of the South Koreans to take care of themselves, we have such a high level of troops there. What justification exists for top-heavy command structures in southern Europe? What about small deployments we maintain in so many countries—Iran, Australia, Cyprus, Ethiopia, Morocco, and numerous military assistance advisory groups, MAAG? DOD's inadequate response to my original questions and further clarifying responses can be found in the Congressional Record, volume 119, part 18, page 23130. These answers are extremely general and vague, and confirm my suspicion that the real reason for most commitments is historical accident and bureaucratic inertia—not ongoing realities of the seventies.

From that interchange, I came to the conclusion that: First, we are greatly overcommitted overseas, and second, that there is no present justification for half a million men stationed abroad. I, therefore, prepared an amendment that would cut the overseas troop commitment in half. The general arguments for this amendment are still valid today, so I will quote from testimony I gave in 1973:

One purpose of the amendment is to reassert congressional control over our overseas military presence. For years, Congress has approved these manpower levels without seriously questioning basic rationale for these amendments.

Yet we must be aware that manpower levels requested by DOD were not arrived at by constitutional processes of congressional control; in fact they represent an abdication of our control—not only to the Executive, but to foreign countries.

The key point here is that there are no specific treaty obligations that force Congress to approve any level of troop commitment. Exact figures for each country are the result of executive agreements, and are not submitted to Congress for approval. Furthermore, such figures are the result of political foreign-policy calculations—and are not based on military matters to which we may legitimately defer to military experts.

This last point is crucial. There is only one question the Pentagon is professionally equipped to answer with assurance: Whether a force level in a certain country is necessary or sufficient to repeal the threat that is responsible for its presence overseas. Yet in almost no case is the Pentagon able to give us this assurance.

In 1973, we were challenged by an argument that came up every time this type amendment has been proposed: that this was "the worst possible time" for any cut, even if justified objectively. That year the delaying tactic was the just-opening mutual balanced force reduction talks, which we were assured would create a substantial reduction—with Soviet concessions also—in a short time. That was 2 years ago; now MBFR is no longer mentioned, because it is obvious to most observers that it has not achieved anything yet and is not likely to in the future.

In 1973, I had this to say about the "worst possible time" attitude:

The central issue that now faces this body is whether we will take any action at all concerning our overseas troops, or whether we will abdicate our responsibility and let our outmoded, expensive commitment continue for another year.

I really should say, another 5 years, because if we do not act now, we will in essence be accepting the bureaucratic plea that we leave everything up to them. We must wait for a time when no negotiations are going on anywhere—when our allies no longer see an advantage in having us spend money on them—when no bureaucrat can think of any possible bad effect from a new direction in foreign policy. In other words, we will have to wait for the millennium, when the foreign policy establishment no longer resents congressional initiative.

That time will never come. For the sake of our constituents, who are being squeezed by higher prices, higher taxes, and poorer civilian government services—for the sake of the developing era of negotiations, where we see our best hope for progress in national security—for the sake of the men stationed in useless jobs overseas, whose talents could be better used at home—for the sake of all these, I say the time has come to act now, to take a concrete, helpful step toward adjusting to the new international realities in ways that will directly benefit the American people.

Debate in both 1973 and 1974 tended to get tangled up in the issue of Europe. Many people felt that overseas troop reduction really meant withdrawal from NATO and were surprised to learn of large numbers of troops all over Asia and scattered around the globe.

To completely separate the question of NATO and U.S. relations with Europe pertaining to troop cuts, the proposed decrease has been reduced now to 70,000—

always with the provision that exact location of cuts be left to Pentagon officials. This means that Europe need not be affected.

The question of our commitment to NATO is completely separate from the question of troop cuts. This amendment in no way raises suspicions about the strength of that commitment.

Great emphasis has continuously been given to symbolic values of any cut, be it 100 or 100,000 persons. But in the long run, a meaningless military commitment does not add up to a meaningful political commitment. Events of recent days should teach us two things: A commitment should be clearly defined, and no commitment should be undertaken that is more than the American people are willing to sustain. When these two rules are ignored—as Indochina shows—a tragedy becomes also a defeat for American foreign policy and American influence.

For example, apply those two rules to Korea. Our present commitment is militarily meaningless, as Secretary Schlessinger all but admitted before the committee this year. Yet it represents a very vague, shadowy kind of commitment, with unknown consequences. Either we should really help Korea militarily, which will probably require a greatly expanded commitment, or we should forego this very expensive symbol that owing to economic pressure at home is very unstable. But the present ambiguous situation has all the potential for disaster.

In 1974, I made the same point in the following words: It is true that political realities have a symbolic dimension, but this must have some connection, however tenuous, to military and financial realities. Our present level of overseas troop commitments has lost even that connection. I urge you to join me in bringing these levels closer to reality.

In July 1973, the Democratic Caucus Policy Steering Committee unanimously recommended approval for the following resolution:

> Whereas, the United States presently maintains numerous military bases and deploys forces both on shore and afloat in many foreign areas; and
>
> Whereas, our current overseas force levels are excessive both in terms of our own national security and the most efficient use of the defense dollar; and
>
> Whereas, no treaty obligations or any other agreement for which the approval of Congress is required prescribes specific force levels of United States forces abroad; and
>
> Whereas, many of our overseas deployments are not related to any concrete military threat; and
>
> Whereas, maintenance of such bases and forces contributes to this country's continuing and widening balance-of-payments deficits; and
>
> Whereas, the current United States military base structure and force deployment abroad constitute a serious drain on the budget and consume an inordinate portion of tax revenues that would otherwise be available for other essential needs; and
>
> Whereas, such reduction would be consonant with our Nation's defense needs, and compatible with policies under the Nixon doctrine of reasonable military and economic foreign aid to allies; now therefore be it
>
> *Resolved*, by the House Democratic Caucus, that it is the sense of the House Democratic Caucus that United States forces stationed abroad—both ashore and afloat—be reduced, such reduction to be accomplished in stages over the next fiscal year.

Dut to lack of a quorum, full caucus action was never taken and the amendment asking for a 50-percent cut did not succeed in winning a majority when the vote was taken in late July 1973.

In 1974, Representative O'Neill offered an amendment calling for a 100,000 reduction, which received substantial support. The new Congress, one which faced the electorate last fall, is aware how serious these economic problems are, and is not likely to tolerate continued extravagance on meaningless prestige items.

I believe this is the year for a troop cut. The facts of the current situation are clear: the administration budget and the Pentagon both claim that military spending is untouchable, and that all sacrifices must come from the civilian sector—and from the most vulnerable groups in that sector. This only brings to the surface what has always been true: wasteful military spending directly means neglect of the most pressing social problems.

Where do we find the greatest waste in military spending? Where does Pentagon spending do least for our economy and yet buy the smallest contribution to real national security? The answer is the huge excess in our overseas troops commitments. Here is where substantial funds could be released with no economic dislocation at home and no loss of usable power or security abroad.

I do not think it is necessary to emphasize the importance of cutting the Pentagon budget. One of the outstanding characteristics of the last few years has been a sense of helplessness about creative social reform. First we thought the winding-down of the Indochina war would release needed resources. Then we thought that détente and the SALT talks would prove to be more than slogans. But by now it should be clear that unless Congress acts, there will be no savings coming from the bureaucracy, and that our only choice is between releasing these resources and social hopelessness.

Mr. Chairman, I will introduce at the appropriate time, an amendment to reduce our overseas forces by 70,000 troops. That can be accomplished without in anyway touching our NATO forces.

Cut 23,000 in Thailand; all our forces there.

Cut 20,000 in Japan; still leaves 32,000 there.

Cut 15,500 in South Korea; still leaves 26,500 there.

Cut 8,000 in Philippines; still leave 8,000 there.

Cut 2,000 in Taiwan; still leaves 3,000 there.

Cut 200 in Bermuda; still leaves 800 there.

Cut 800 in Cuba; still leaves 2,200 there there.

Cut Morocco by 500; still leaves 500 there.

We can reduce bloated and wasteful deployment of our overseas forces and save between $2 and $3 billion and use those funds to deal with the problems our people are confronted with. We do not need irrationality and demagoguery; we can do it with rationality and reason.

Mr. CARR. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I yield to the gentleman from Michigan.

Mr. CARR. Mr. Chairman, I rise in support of the remarks of the distinguished gentleman from California. I commend him for his industriousness and thoughtfulness in his attempts to bring rational judgment to bear regarding the necessary levels of our troop commitments abroad. The gentleman has just pointed out that the U.S. armed services contain excess numbers of overseas troops in eight countries. The gentleman has made significant comment about the inadvisability of our bloated troops levels in South Korea. In my judgment, Mr. Chairman, the events of the past 2 weeks and the climax of events in the last 24 hours require a reexamination of our commitment, of our military credibility to South Korea. Nine days before the SS *Mayaguez* was attacked and seized by a Cambodian patrol boat, a South Korean freighter bound from Bangkok to Borneo was also fired upon by a Cambodian patrol boat and narrowly escaped capture. Two days later according to the Los Angeles Times of Wednesday, May 14, the South Korean Transport Ministry issued a warning to all Korean merchantmen to be on the lookout for Cambodian ships in the Gulf of Thailand in the South China Sea.

Mr. Chairman, if I am to believe U.S. naval authorities, this "ally" of ours—South Korea—upon which we have spent several billion dollars in military assistance, failed to share this critical information with our Government and thereby possibly contributed to the creation of an incident that cost many lives, much property damage, severe national anguish, and threatened world security. I would hope, Mr. Chairman, that we would consider these additional facts when we deliberate the merits of Mr. Dellums' troop cut amendment particularly as to the 42,000 U.S. overseas troops in South Korea.

Mr. PRICE. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. Lloyd).

Mr. LLOYD of California. Mr. Chairman, we are here talking about a bill that in part I do not agree with and in part I do agree with. This is not a very dramatic statement to make on this floor, but there are certain programs in the defense bill which I think we ought to address ourselves to.

I happen to be in support of the B–1 bomber. I think we can, in the light of the remarks of my colleague from California (Mr. Leggett) extend the procurement and make it a more meaningful application at this time within the economic arena, which exists today in the United States.

One area I would like to address myself to is the area of the A–10 aircraft. The A–10 is an attack aircraft, an air support aircraft, and it is intended to be used by the Air Force to provide close air support for the troops.

It started out as an aircraft that was going to cost approximately $1.5 million, and I quote from a case history from

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the Defense Management Journal "Design to Cost." And it is designed to cost. It costs a lot of money. The design cost figure of the A–10 was $1.5 million unit flyaway. The Air Force designed cost figure is based on the quantity of 600 aircraft, the production rate of approximately 20 per month. The major item weapons system involved in the A–10 was the Gau–8 system, which has price tag of $85 million.

As the Members know, the A–10 is to provide a close air support role to ground forces during the 1978 or later time frame. Ordinarily, the system would be considered a fairly good one, and we did have some fly-offs between the A–10 and the A–9 and the A–10 and the A–7, and I would like to point out that, in these fly-offs, in general the pilots said that they preferred the A–10. However, they also made some other statements in there, and three of them said they preferred the A–7 at certain altitudes and others said they preferred other aircraft for certain things that they thought the aircraft would perform or do a better job at.

Operating conditions, however, under the circumstances that we would be flying this aircraft, would be in weather conditions under a 1,000-foot ceiling and within a 1-mile visability range.

This aircraft, the A–10, is an aircraft that has been asked for by the Army. It is being provided for the Air Force. But, in reality, I do not think it is that much better than the A–7. I think that for the role we are talking about that it is a small percentage factor better than the A–7. I do not deny that the weapon system is a good one, particularly if we could get it for the $1.5 million that we are talking about. But we are not going to get it for that? No, we are now up to $2.3 million for this weapons system. On that basis, and because it is cheaper than the A–7, with which we had the fly-off, it was the one they chose. But we are not talking about $3.3 million and we are not talking about $3.4 million.

If you are a little confused by these figures, as I am, we can project them out to $4.5 million. What we are really getting is a $1.5 million airplane in 1970 dollars which may or may not be somewhere around the figure of $4.5 million when we finally get it in the late 1970's or first part of the 1980's. And that is what is wrong with this system. I think it is now time to go back and review the total buy on this specific aircraft. That is the point I wish to address myself to in this weapons systems.

This aircraft systems has to be reviewed in the light of these final costs. This is where we are being had. We are talking about the B–1, and I said I would support it. We are talking about an $85 million per copy airplane, and I sincerely hope we are able to keep it under $100 million.

My time is up, but I think we have to review these kinds of things.

Mr. PRICE. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa (Mr. Blouin).

Mr. BLOUIN. Mr. Chairman, I came to Congress this past January totally convinced that the time has come in this country to begin to provide the process and the tools necessary to begin the reordering of major priorities within this Nation and within our budget, convinced that it is time to decrease the destructive construction and increase attention to human needs in this Nation.

The authorization before us today runs contrary to that philosophy, and I am, therefore, prepared to vote against its final passage unless drastic reemphasis develops through the adoption of most of the amendments yet to come.

I do believe in a strong defense in this country. I do believe in advancing technology with an eye on the future as well as the present safety and protection of the people in this Nation, but I do not believe in overkill. I do not believe in creating more destructive war materials simply to have them. I do not believe in defense industry contracts merely to help them stay afloat and create new jobs. There are far better ways to achieve this goal. I believe it is time that we begin to divert a sizeable part of the defense-oriented industrial complex to a more positive, contributing type of production, using Federal money to bring this conversion about, to retrain those employees affected, and to relocate them when necessary.

Mr. Chairman, in the area of defense spending, the American public is far ahead of this Congress in sharing that opinion; and maybe one day the Representatives of this body will begin to listen.

Mr. Chairman, how many times must we continue to tell the American poor to step aside while more bombs are made simply to stockpile them? How many times must we continue to raid the pocketbooks of the middle class to fund a weapons system that is already capable of blowing up the world several times over? How many times will we continue to feed the ever-growing military complex that devours money like some kind of popcorn and justifies it by feeding on people's fears instead of hopes?

How many years will it take to truly begin to turn that corner?

Mr. Chairman, I think the time to make that turn is now.

Mr. BOB WILSON. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. Ketchum).

Mr. KETCHUM. Mr. Chairman, I shall not use the 2 minutes allotted to me. I had intended merely to revise and extend my remarks, but having heard some of the comments made in this well just a short period of time ago, I would like the world to know that this is one Congressman who is very happy that the United States had the force and the will to, for once, stand up to the world and tell them, "No more."

Mr. Chairman, I am very proud of my President, and I am very proud of my country that, for once, we would not allow ourselves to be intimidated by a two-bit country.

I would like to remind the Members here in this House today that in a democracy one of the greatest social services we offer is freedom and light, and our defense establishment offers us this, and for this we must pay a price.

Mr. Chairman, earlier this year, Secretary Schlesinger in his statement to Congress accompanying the administration's request for defense funds for fiscal year 1976, described national defense most succinctly. He stated:

> I am sensitive to the fact that National security is not a product that brings explicit and tangible benefits to us, although most of us are acutely aware when it is absent. As Sir John Slessor once noted: "It is customary in democratic countries to deplore expenditure on armament as conflicting with the requirements of the social services. There is a tendency to forget that the most important social service that a government can do for its people is to keep them alive and free".

Thus when we speak of national defense, we are, in effect, speaking of freedom and national survival.

But how strong is our national defense with which to guarantee the freedom and survival of citizens? And, if it is strong enough this year, how about in succeeding decades? Are we keeping abreast of technological and scientific advancements of other nations, particularly the Soviet Union? Will we continue to exercise a leadership role based on economic and military supremacy? These are questions of grave concern and ones to which I believe we in Congress must address ourselves.

Presently, the United States maintains a strategic force that is designated the Triad. It is a three-part system comprised of strategic land-based missiles, land-based aircraft, and missile-carrying submarines. Furthermore, there are secondary systems, such as land-based aircraft in Europe and carrier-based aircraft, which are also capable of carrying nuclear weapons. However, these are usually not considered when we speak of the nuclear warfare capabilities of the United States.

Our land-based deterrent is made up of 1,000 Minuteman missiles and 54 older Titan II missiles. Five hundred and fifty of the Minuteman missiles are of the latest model and are armed with MIRV's, an acronym meaning multiple independently targetable reentry vehicle. Each MIRV contains three warheads each capable of striking a different target. The other 450 Minuteman missiles are each capable of striking one target. The 54 Titan II missiles each have one warhead capable of striking a single target. It is quite possible that these missiles will be phased out in the next few years.

Our ocean-based deterrent is on board 41 Polaris submarines. The first 10 of these boats are each armed with 16 Polaris A–3 missiles. Each of these missiles has three warheads. However, they are not independently targetable and therefore each missile can strike only one target. The remaining 31 Polaris submarines are in various stages of modification to carry 16 Poseidon B–3 missiles. Each of these missiles is armed with a MIRV, usually carrying 10 warheads. Thus, a single Polaris submarine, armed with Poseidon missiles, could strike 160 targets.

The strategic aircraft component of the Triad is presently composed of approximately 330 B–52's and 66 FB–111A's, assigned to active squadrons. Most of these aircraft are armed with short range attack missiles—SRAM—as well as gravity bombs. It is proposed that the B–52's be replaced by the B–1, a proposition that I fully support.

The B–1 is intended to replace the B–52's by providing a credible survival and retrievable element to the Triad. Some of the B–52's it will replace are 20 years old. The Air Force expects the service life to be about 30 years, and when the B–52 flies its last operational training mission, its design will be about as old as military aviation history was at the time the B–52 was designed.

In terms of cost, the Air Force reports that since the B–52 was strengthened for low-altitude penetration and more sophisticated avionics added, the cost has been approximately $2.75 billion for the total force. A rehabilitation program, as some have suggested, would not only be extremely expensive, but a risky proposition as well. Dependence upon a refurbished 20-year-old weapon system for a first line of offense is clearly a serious breach of our security.

The B–1 is being developed to modernize the present strategic bomber force. It is designed to penetrate enemy airspace below the defensive radar detection threshold and deliver strategic nuclear weapons on selected targets with a high degree of reliability, accuracy, and a minimum of collateral damage. In conjunction with sea- and land-based delivery systems, it is designed to deter a a Soviet first strike.

The B–1, only two-thirds the size of the B–52, is to carry nearly twice the B–52's payload. Its variable geometry wing will enable it to fly at a speed of mach 2.2—2.2 times the speed of sound—at high altitudes, to climb above 50,000 feet, to cruise at mach 0.85 at near treetop level, and permit faster takeoff from shorter runways than those required by the B–52. This alone allows for the dispersal to over 320 military and civilian airfields in an emergency. The B–1 will have improved hardness against nuclear blast effects, greater penetration speed, lower sustained penetration altitude, and smaller radar cross section than the B–52. A total of 244 B–1's are expected to be produced.

The B–1 will be armed with 24 SRAM's, loaded internally, with the option of loading 8 more SRAM's, on wing pylons. The SRAM is a nuclear armed missile with a range of about 100 nautical miles. It can follow terrain or take a semi-ballistic path to target. A unique feature of the SRAM is its offset capability, which means the aircraft launching the missile does not have to be pointed at the target. It can be released while the aircraft is flying parallel to, or away from, a target—a 360-degree homing capability. This means that an attacking B–1 would not have to penetrate to the most heavily defended areas to hit its target. As I noted earlier, it is currently operational on B–52's and FB–111's.

It is often asked: "Why retain aircraft in a strategic arsenal in an age of ballistic missiles capable of attacking targets in minutes rather than hours?"

The basic arguments in support of retaining strategic aircraft are based on prudence. While it is most unlikely that the Soviet Union will ever develop the capability of destroying all of our land- and sea-based missiles at once or, assured to stop every incoming ballistic missile, we must guard against that remote possibilty.

Another basic argument is that of "throw-weight." The Soviets have a tremendous advantage over the United States in the size of their missiles. Since the only way that the United States can redress this disadvantage is by aircraft, it is prudent that the United States replace the aging B–52's with more modern and more capable B–1's. Of perhaps even graver consequence, is a section of the Vladivostok Arms Control Agreement, commonly called SALT II. This section allows each side to increase the diameter of its missile silos by 15 percent. Since the Soviet missile silos are about 20 feet in diameter, and ours about half of that, the Soviets have an option of vastly increasing the size of their launchers and the accompanying missiles. These much larger missiles would almost certainly be armed with MIRV's and might even be powerful enough to destroy a significant portion of our land-based missiles—some analysts have suggested as much as 95 percent. Since our national policy is that of responding, it would be most prudent to have aircraft that could be launched on warning and then recalled if the warning proved false. Quite obviously, a ballistic missile cannot be launched and then recalled.

There is no doubt that the B–1 is an expensive aircraft. It is presently anticipated that the entire development and procurement of 244 B–1 bombers will be $20 billion. According to Mr. R. Anderson, president of Rockwell International, the B–1 program will have a tremendous impact on our economy. Over 5,000 subcontractors and supplier companies in 48 States are taking part in the research and development. More than $56 billion will be added to our gross national product; it will provide a potential of 192,000 jobs, and it will be responsible for the payment of more than $17 billion in Federal and State taxes.

On a less tangible level, the program will contribute considerable information in various fields of technology. These may well extend beyond the aircraft industry. I do not present these arguments on grounds that they should determine whether or not the B–1 should be procured. Rather, I present them on the grounds that the price tag of the B–1 should be seen in perspective.

The real question is, then, how high is the cost for producing a new aircraft? Gen. David C. Jones, Chief of Staff of the Air Force, has said:

> In addressing whether we can afford the B–1, the easy answer would be that we can't afford not to buy it, but that begs the question. A more thoughtful response might be, that there is no more important area in which national resources should be invested than maintaining United States security.

Ultimately, the basic argument for procurement of the B–1 is national survival, with the type of government we are accustomed to. This, too, is an intangible. But freedom and national security, as Air Marshal Slessor stated, "are the most important social services that a government can do for its people."

The B–1 is essential to the security of our country. Unless the United States maintains a strong and well-rounded national defense that serves as a deterrent to any potential attacker, we will seriously jeopardize our national security. The United States can ill-afford to sit back and view the rest of the world through rose-tinted glasses content to allow other countries to further develop their defenses while we allow ours to slide.

In the end, therefore, the question that must be answered is whether or not we are willing to pay the price to keep America strong.

Mr. PRICE. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. Downey).

Mr. DOWNEY of New York. Mr. Chairman, I would just like to ask the gentleman from California (Mr. Lloyd) a few questions, if I might.

The gentleman mentioned before that he was in favor of the B–1 bomber, but opposed to the A–10 aircraft. Some of the reasons he gave for being opposed to the A–10 were cost overruns.

I ask the gentleman, How does that relate, if the gentleman is using that as a criterion, to this position with respect to the B–1?

Mr. LLOYD of California. Mr. Chairman, if the gentleman will yield, I think there is a great relation, I say to the gentleman from New York (Mr. Downey), in the fact that the B–1 is a second generation after the B–70. I am comparing the A–10 in its development stage—and there is a truism to this—as though it were like the B–70.

Mr. DOWNEY of New York. The A–10 to the B–70?

Mr. LLOYD of California. Yes. I think that we need to go back to ground zero on this and review the infrared pattern and review this huge flying tank, which is really what it is supposed to be, really a platform for the operation of the 30-millimeter machinegun.

Mr. DOWNEY of New York. But these overruns themselves, according to the gentleman from California, should not be a factor with respect to the B–1, but should be a factor with respect to the A–10?

Mr. LLOYD of California. Absolutely not. I think that we are talking about a certain weapons system, and I think cost overruns are involved in both systems, and I know that is what the gentleman would want me to say, and I am not disagreeing with the gentleman.

Mr. DOWNEY of New York. But, stating it in terms of the cost overruns, there is a difference of 3 to 1, so what we are really talking about is 12, 13 or 14 percent for both programs.

Mr. LLOYD of California. I really have great difficulty, I would say to the gentleman from New York (Mr. Downey) in starting at a certain price to produce each plane, and going all the way now to a projection of $4.5 million.

Mr. DOWNEY of New York. They are contradictory figures in terms of how much the airplane costs. The gentleman is saying $4.3 million, and the Pentagon is saying it is about $2.2 or less.

Mr. LLOYD of California. They say it is $2.2, and it was on the basis of $2.3 that this aircraft was chosen, was really one of the reasons that it was picked over the A–7, suggesting it was going to be cheaper than the A–7. The point is it is not.

Mr. DOWNEY of New York. Let me point out that, cheaper or not, the flyoff conclusively proved that the A–10 accomplished the close air support mission with much greater capability.

Mr. MYERS of Pennsylvania. Mr. Chairman, if the gentleman will yield, is the gentleman suggesting that we disband every social program that has cost overruns connected with it?

Mr. DOWNEY of New York. No, the gentleman must have missed part of my question. I am just curious since Mr. LLOYD and I were talking about a particular aircraft with relation to each other.

Mr. MYERS of Pennsylvania. I gather from the gentleman's question that everything that is not accurately estimated so far as costs are concerned, before it is built, or before it is implemented, should be disbanded? I would inquire of the gentleman does that mean that we should also disband every social program that has a cost overrun?

Mr. DOWNEY of New York. In case the gentleman from Pennsylvania missed the question, the gentleman from California (Mr. LLOYD) is highlighting one of the problems of the A–10, namely, cost overruns and ignoring that very problem in the B–1 bomber, a program he supports. I submit that this is a contradiction that my esteemed colleague from California should recognize when he disparages the A–10. I happen to believe the A–10 is a cost-effective weapon system we should all support.

Mr. MYERS of Pennsylvania. The gentleman is saying, then, that he would be in favor of cost overruns in the subway system, but that he would be against it in the B–1 bomber; is that what the gentleman is stating?

Mr. LLOYD of California. No, I happen to be in support of the B–1. What the gentleman from New York is saying is correct; that they have a similarity, but I believe that basically and fundamentally the A–10 is not an acceptable weapons system.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WAGGONNER. Mr. Chairman, I would like to take a moment to highlight one area of the defense program which has particularly impressed me this year—the sharpening of Army combat power within the constraints of stable manpower and essentially constant dollar resources.

In various discussions and inquiries, I have learned that since mid-1974, the Army has eliminated seven major headquarters, slashed the size of its Pentagon staff, consolidated many training functions under the "one-station-training" plan, and cut back support activities at virtually every installation. Rigorous management efficiencies have been instituted to reduce the manpower "pipeline," stabilize personnel assignments, and make better use of troop training time.

I am informed that through such efforts from fiscal year 1973 through the end of fiscal year 1976, the Army will have converted about 60,000 manpower spaces from its support structure into new combat muscle. This will enable it to form 48 new fighting battalions and to increase the number of Active Army divisions from 13 to 16, subject to our approval. I am told these steps will raise the percentage of combat forces from 45 to 53 percent Army-wide, and from 62 to 69 percent in U.S. Army, Europe.

This is impressive management indeed, when we realize that the new 16 active division force is being forged within a fixed manpower strength of 785,000 soldiers, or about 200,000 less than were required in 1964—the last time 16 active divisions were maintained in peacetime.

Let me stress that from everything I see, Army manpower may in fact be too low. Our own forces have drastically reduced during a period when the Soviet Army has reached formidable new heights of modernization, combat-effectiveness, and size. At the same time, the structure and stability of world relationships have become much more unpredictable and unstable. What we need to display now is not irresolution but a firm indication of national resolve.

For this reason, I think the Armed Services Committee has done well to maintain defense manpower at or above requested levels. We need to give the services an incentive to get the most out of the assets they already have—not destroy their morale with salami-tactics. Any cuts at this point would certainly hit muscle, initiate wasteful turbulence, and disrupt an orderly transition toward better combat posture.

I urge support for the committee's manpower proposals and for a restoration in joint conference of the cuts which I understand have been made in this area on the Senate side.

Mr. SCHULZE. Mr. Chairman, let me take this opportunity to refute the allegations of the Public Interest Research Group in Michigan that high defense spending produces high unemployment. The conclusions of the PIRGIM's study, "The Empty Pork Barrel," are fallacious because of a fundamental error in methodology.

If the study were right, then as defense spending rises there must be a concurrent rise in unemployment. As defense spending decreases, unemployment must also decrease. Quite simply, this has not been the case. The PIRGIM study is based only on the years 1968 through 1972. Let us take a look at what happened during that period as compared to the years 1964 through 1968.

From 1964 to 1968, the GNP grew by 37 percent, and from 1968 to 1972 it grew by 34 percent, about the same amount. In the former period, though, there was a 57-percent increase for defense, and in the later period a decrease—4 percent in current prices, or 30 percent in real terms, adjusting for inflation.

In fact, the record is exactly opposite to what the PIRGIM study would have us believe. Unemployment fell by 26 percent from 1964 to 1968, while defense spending was rising. It rose by 72 percent from 1968 to 1972, while defense spending was falling.

Mr. Chairman, I do not challenge the motives of the Public Interest Research Group in Michigan. I would simply suggest that we be careful in the use of studies and statistics of such limited scope. We, as Members of Congress, have a responsibility to examine carefully serious allegations such as those contained in the PIRGIM study before we present them on the floor of the House of Representatives. These statistics are misleading, they are narrow, and the charges which result from their dissemination are damaging.

This study alleges that unemployment in six States—New York, Illinois, Michigan, Ohio, Pennsylvania, my own State, and Wisconsin—is affected drastically by defense spending. But if this were true, recent unemployment trends should prove it. The truth is, however, that in the six "losing" States, unemployment fell by 24 percent from 1964 to 1968, at a time when defense spending fell by 24 percent. This was an even better record than in those States cited in the study as areas which would benefit the most during times of increased defense spending.

Another problem with this PIRGIM study is that it does not take into account military and civilian personnel overseas. The study begins by assuming a zero defense budget, and calculates the unemployment generated if the money were spent for other purposes. From this total, PIRGIM deducts the unemployment generated by defense purchases from industry and direct defense employment in the United States. The result is a startling loss of 840,000 jobs. The study entirely overlooks the fact that defense spending also provided employment for 1,195,000 military and civilian personnel overseas. This is irresponsible and misleading. Had there been no defense program, these 1,195,000 people would have been in the United States—and looking for jobs! Without our defense program, there would have been an increase in unemployment of 335,000, not a decrease of 840,000.

The closest that the PIRGIM study comes to supporting its allegation that defense spending costs jobs is in the table on Page 12. The table follows:

TABLE 8.—JOBS CREATED PER $1,000,000,000 OF EXPENDITURE

Jobs created by—	If spent to create jobs in industry	If spent to create jobs in government
$1,000,000,000 spent in civilian sector	65,000	[1] 100,000
$1,000,000,000 spent in military sector	55,000	79,000
Jobs foregone by spending on the military	10,000	21,000

[1] State and local government.

The first column is approximately correct, although I suggest that the spread is about 7,000, not 10,000. The second column is far from the mark and the correct figures for 1973 should read:

	Jobs per $1 billion of direct payroll
State and local governments	94,959
Nondefense Federal	64,170
Composite nondefense	90,560
Defense	89,006

The difference is therefore, 1,544—substantially less than the 21,000 suggested. It is possible that those who compiled the PIRGIM study were drawing figures from different years.

In conclusion, Mr. Speaker, let me point out two important facts which were also conveniently overlooked in the study. The first is that multipliers and other secondary effects would tend to reduce or eliminate the differences in direct job count. Also, the foregoing comparisons involve direct Government employment or Government purchases from industry. Had the authors of the PIRGIM study included these important facts into their analysis, the conclusions or allegations of the study would have been radically different.

I call upon my colleagues to consider carefully the facts I have just outlined before jumping on the PIRGIM bandwagon. Although the study is an interesting example of what can be done with figures and statistics of a limited nature, and an exercise in information gathering, I hardly believe that it is a credible or responsible brief.

Mr. MURPHY of Illinois. Mr. Chairman, I wish to take this opportunity to publicly acknowledge the progress made by the U.S. Army over the past 3 years. From an Army almost entirely dependent on the draft to satisfy its manpower needs, it has reached the point where personnel requirements are now met entirely by volunteers. And, even more impressive, the quality of this force, measured by educational qualifications and traditional indicators of discipline, has been substantially raised through high standards for entrance and retention. To be certain, our present economic situation has helped the Army in recruiting. But, I submit that a sizable segment of young Americans, male and female, are seeing the Army as an opportunity to serve their country and themselves.

Service to the United States has always been a hallmark of the Army. In this period where Federal spending must be held to the minimum, it is encouraging to note that the Army is giving the American people a sizable return on their investment. Army initiatives in management improvements—excising marginal activities, eliminating redundant headquarters, and converting excessive tail into needed teeth—are paying dividends now. In the future these efforts will insure that the United States is provided the most efficient Army that it has ever had in peacetime.

I applaud the positive achievements of our Army and encourage my fellow Members of Congress to do likewise.

Mr. DAN DANIEL. Mr. Chairman, it did not take long after the end of the Second World War for President Truman to recognize the continuing aggressive nature of communism.

His policy of containment was endorsed by the 82d Congress and it has been our Nation's policy under five succeeding Presidents and 12 Congresses.

This present Congress has pledged itself to openness and candor. It would be very much in order to see those traits practiced in this debate today. The issue is not dollars authorized, it is not numbers of troops and where they are stationed. The issue is whether we intend to provide for the protection of those we were sent here to represent.

Once we have answered these questions, the options are simple. We can authorize a reasonable level of funding to meet our commitment to the American people, or we can, if we conclude there is no external threat whatsoever, revert to providing for the various State militia. The issue is clear cut. So is the solution.

For myself, I find I am in the camp of the AFL–CIO Executive Council in the matter. The council's statement on national defense concludes:

> Until such agreements are attained, our military power must be sufficient to effectively deter even the threat of attack.
>
> To achieve this goal may require us to spend more for defense than the budget proposed by Secretary Schlesinger which, by the administration's own projections, will probably not even keep pace with the inflation in the coming year. If fat can be found in the present budget, and if greater defense capacity can be achieved at no further cost, we will warmly approve. But if greater costs are required—so be it.
>
> No burden we must bear is too heavy to endure if the alternative is to live under dictatorship, or the constant prospect of war.

Mr. HAYES of Indiana. Mr. Chairman, it is my intention to offer an amendment to title V of H.R. 6674, the Defense authorization bill, which will exclude industrially funded activities of the Department of Defense from the computation of civilian manpower ceiling strengths.

This amendment is not directed at civilian manpower ceilings as a concept, nor does it attempt to challenge the basic assumptions of civilian manpower ceilings as conceived by Congress in prior authorizations. It challenges the application of the ceilings on self-supporting activities of the Department of Defense which respond to supply an demand created by unrelated defense appropriations.

Because industrial funds aim at military production in a fashion similar to private industry, manpower costs are minimized. But civilian personnel ceilings render this goal impossible.

The imposition of a ceiling will cause the work force at an installation to decline. However, fixed costs of operation remain constant. In fact, workload and funding may remain constant or increase at an industrially funded facility as congressional appropriations create work. The direct result of the imposition of the manpower ceiling on an industrially funded activity is an increase in cost per man-hour to produce a similar volume of material.

A typical example would be this: The Department of the Navy orders an industrially funded activity to decrease its workforce in response to a Department of Defense manpower allocation. Meanwhile, in response to congressional appropriations, the Air Force has increased its order for interceptor radar equipment from the same facility. The industrially funded activity must make more radar equipment with less manpower and at a greater cost.

Manpower ceilings on industrially funded activities give the illusion of reducing manpower costs, but instead increase costs. Contractual work will rise as Congress appropriates funds to accomplish defense material goals. At the same time, the number of employees will remain constant or shrink as the Department of Defense is forced to apply civilian manpower reductions at these activities.

The committee in its deliberations and in its report specifically pointed out an example of how this situation obtains in industrially funded activities such as a naval shipyard. A shipyard is and should be wholly responsive to its customers, and yet might suffer employee reductions at the conclusion of a fiscal year in order to comply with its share of a reduction in force even though its workload does not merit action. The committee, however, in its attempt to ameliorate these difficulties does not go far enough.

It has been Congress' intent to require that the Department of Defense use the least costly form of manpower consistent with military requirements—Public Law 93–365.

This amendment will make that intent effective.

By excluding civilian personnel engaged in industrially funded activities of the Department of Defense from the civilian manpower ceiling, industrially funded facilities will be able to reduce and increase civilian personnel strictly in regard to workload supported by existing funding.

Upon the adoption of this amendment, the following would be excluded from computation of end strengths, as furnished by the Committee on Armed Services:

DEPARTMENT OF DEFENSE, INDUSTRIAL FUND CIVILIANS (DIRECT-HIRE), END STRENGTHS

	Fiscal year—	
	1975	1976
Army	77,698	76,115
14 Depots (supply and maint)	39,761	[1] 39,497
7 Arsenals	19,480	18,530
1 Missile maint facility	6,982	7,982
7 R.D.T. & E. activities	7,475	6,436
Transportation management	4,000	3,670
Navy	162,241	164,616
8 Shipyards	60,685	64,428
15 Ordnance activities	21,634	20,972
9 Public works centers	11,615	12,410
8 Aircraft maint activities	28,349	28,360
7 Printing and duplicating	1,462	1,462
12 Military sealift command	5,161	5,587
55 R.D.T. & E. activities	32,722	30,784
2 Missile maint facilities	613	613
Marines: 2 supply centers	1,180	1,180
Air Force	45,265	42,946
Airlift services (MAC)	3,608	3,645
6 Depots (maint only)	40,454	38,121
7 Printing and duplicating	532	505
19 Laundry and drycleaning	671	675
Defense agencies	1,832	1,805
DSA clothing factory	1,625	5,600
DCA defense commercial communications office (contract admin.)	207	205
DOD total	288,216	286,662

[1] Close 1 act. in fiscal year 1976.

Mr. ROYBAL. Mr. Chairman, I rise in opposition to H.R. 6674, the military procurement and research and development authorization bill.

UMI

Each year, we are led to believe that at some future date we will see a decrease in the military procurement authorization bill. We were told that once the Vietnam war ended, there would be less of a need for military armament. But once the Paris Peace Accords were reached, the promise was not realized because we now had to resupply an ally. Now the long Vietnamese struggle has come to an end, but rather than finding a cutback in arms procurement, we are told we need over $32 billion worth of military armament to prove to the world that we are still a strong nation. At some point, the rhetoric in the Department of Defense must surely clash with the curtain of reality.

Each year as I review the military procurement budget, I am amazed that the Armed Services Committee and in fact the entire Congress can find so little to cut in such a massive budget. This year, for instance, out of a total budget request of $32 billion, we could only find $700 million to cut. There are those who will say that this $700 million is a false figure, but the other two alleged cuts are really paper transactions. One cut of $1.3 billion was for military aid to South Vietnam and every person will agree that this is a moot request. Another $1.02 billion, which allegedly was cut from the shipbuilding request, has merely been pushed back to next year's military budget. Thus, we are left with the less than 3-percent cut that the Armed Services Committee traditionally makes in the defense budget.

What I find even more disconcerting is that in times of economic crisis, when some Members are calling for a balanced budget, it is these same Members who cannot find any program in the defense budget that should be cut. The defense budget is the one area in the Federal budget that is the most inflationary. Everyone is aware that every dollar spent on defense only generates 1 additional dollar in civilian spending, whereas the ratio for spending for social programs is variously estimated at between 4 to 1 and 5 to 1. But even worse, there are many Members and many economists who are fond of defining inflation as too many dollars chasing too few goods. The total defense budget, estimated at over $104 billion, produces no consumer goods. The defense budget puts money into the stream of commerce without producing the consumer goods necessary to support the expenditure. Thus, the defense-spent dollars contribute directly to an increase in the inflationary pressures.

I believe that we can prudently cut the military procurement budget and still maintain the strength and integrity of the Defense Establishment.

The B–1 bomber is an expensive yet unnecessary luxury in our weapons arsenal. The Defense Department has conceded that the B–52's are capable of performing their military function until the 1990's. The only advancement of the B–1 bomber is that it will fly a little lower and a little faster than the B–52. However, when we note that each B–1 will cost at least $85 million, and that the cost of the entire fleet will be in excess of $20 billion, it is clear that we cannot afford this luxury.

Beyond this, the B–1 bomber merely duplicates other existing defense systems. The Department of Defense wants to construct a triad of deterrents to nuclear war. This means that we will have missiles, submarines, and now the B–1 bomber to attack anyone who should strike against us first. There is no need to duplicate what our other two defensive systems can already accomplish.

Second, we should cut out funding for the maneuvering reentry vehicle—MaRV—on ballistic missile systems. This weapon is designed to destroy an opponent's missiles before they can be launched. This is a first strike characteristic rather than a defensive or retaliatory tactic. At this point, neither the United States nor the Soviet Union has gone very far into the development of the MaRV. But, if we should authorize development and procurement of this weapon, we can expect that the Soviet Union will also start its own MaRV program. Rather than authorizing the funds, we should seek to ban the development of this weapon at the SALT talks.

Lastly, it is clear that we could cut $.5 billion in procurement and research and development funds for the AWACS program. This aircraft is one that has never had a well defined mission. At first, it was conceived as a strategic air defense system for the Continental United States. Later, when it proved incapable of handling this threat, its mission was shifted to that of coordinating the air component of a full scale conventional war in Europe. But it was found that it was vulnerable to radar jamming, and its mission has been downgraded to that of defense of European airspace. The design of the plane brings into question whether it will be able to even accomplish this mission. In view of these continually changing plans, I believe we can cut this from the Defense budget without affecting our air defense.

Mr. Chairman, the huge budget deficits that we face in the next 2 fiscal years means that no program is sacrosanct. I hope that in the future, Members of the Congress will take a harder look at the defense request so that we can make a more realistic cut in its already bloated budget.

Mr. BOB WILSON. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time has expired.

Pursuant to the rule, the Clerk will now read the bill by title.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—PROCUREMENT

SEC. 101. Funds are hereby authorized to be appropriated for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons as authorized by law, in amounts as follows:

(a)(1) During the fiscal year 1976:

AIRCRAFT

For aircraft: For the Army, $362,300,000, however, no funds authorized for procurement of Army aircraft shall be obligated for AH–1S aircraft; for the Navy and Marine Corps, $3,056,600,000; for the Air Force, $4,445,250,000, of which $115,000,000 shall be used only for the procurement of A–7D aircraft for the Air National Guard.

(2) During the period July 1, 1976, to September 3, 1976:

AIRCRAFT

For aircraft: For the Army, $59,400,000; for the Navy and the Marine Corps, $585,500,000; for the Air Force, $886,300,000.

(b)(1) During the fiscal year 1976:

MISSILES

For missiles: For the Army, $455,600,000, except, that no funds authorized for appropriation by this or any other Act shall be obligated or expended for development or production of a nonnuclear Lance warhead for any other nation, until a nonnuclear warhead for the Lance missile system for the United States Army has been certified for production by the Department of Defense; for the Navy, $1,000,500,000; for the Marine Corps, $52,900,000; for the Air Force, $1,768,500,000.

(2) During the period July 1, 1976, to September 30, 1976:

MISSILES

For missiles: For the Army, $56,500,00; for the Navy, $309,100,000; for the Marine Corps, $10,700,000; for the Air Force, $277,400,000.

(c)(1) During the fiscal year 1976:

NAVAL VESSELS

For naval vessels: For the Navy, $4,422,400,000.

(2) During the period July 1, 1976, to September 30, 1976:

NAVAL VESSELS

For naval vessels: For the Navy, $474,200,000.

(d)(1) During the fiscal year 1976:

TRACKED COMBAT VEHICLES

For tracked combat vehicles: For the Army, $915,000,000; for the Marine Corps, $101,500,000.

(2) During the period July 1, 1976, to September 30, 1976:

TRACKED COMBAT VEHICLES

For tracked combat vehicles: For the Army, $272,600,000; for the Marine Corps, $400,000.

(e)(1) During the fiscal year 1976:

TORPEDOES

For torpedoes and related support equipment: For the Navy, $19,200,000.

(2) During the period July 1, 1976 to September 30, 1976:

TORPEDOES

For torpedoes and related support equipment: For the Navy, $197,400,000.

(f)(1) During the fiscal year 1976:

OTHER WEAPONS

For other weapons: For the Army, $74,300,000; for the Navy, $26,300,000; for the Marine Corps, $100,000.

(2) During the period July 1, 1976 to September 30, 1976:

OTHER WEAPONS

For other weapons: For the Army, $9,700,000; for the Navy, $4,400,000.

Mr. PRICE (during the reading). Mr. Chairman, I ask unanimous consent that title I be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and

the Speaker having resumed the chair, Mr. ROSTENKOWSKI, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6674) to authorize appropriations during the fiscal year 1976, and the period beginning July 1, 1976, and ending September 30, 1976, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes, had come to no resolution thereon.

"B–1 BOMBER—IS THIS THE BEST WAY TO SPEND 50 BILLION DEFENSE DOLLARS?"

(Mr. SEIBERLING asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, the debate that has just terminated, the general debate on the procurement authorization bill, touched on a great many points. I would just like to touch on one.

Reference was made to the B–1 bomber, and I would like to offer for inclusion in the RECORD at the conclusion of my remarks the testimony before the Committee on Armed Services this April by the Honorable Richard L. Garwin who has been an expert consultant to the Department of Defense for many years, in which he states that the B–1 will buy us "the shadow rather than the substance of first-class military power," and urges as an alternative the production of Boeing 747 transports with cruise missiles, which he believes would give us far more power as a strategic force than the proposed fleet of B–1's, and would cost only 10 percent as much.

When we realize that it will cost $84 million just to manufacture each B–1 and that the entire program is a $30 to $50 billion program, we are talking about an enormous saving.

The prime contractor, North American Rockwell Co., says that my congressional district is the Nation's second largest district in terms of the current B–1 prototype business. Nevertheless, I intend to vote against the $200 plus million in this bill for going into the full production phase on the B–1. The entire project is of dubious validity, but certainly we should do no more than maintain this program in the present research and development phase until we can get a real understanding of the cost effectiveness as compared with other ways of spending our limited defense dollars.

Mr. Garwin's testimony is as follows:

TESTIMONY OF RICHARD L. GARWIN

INTRODUCTION

It is a pleasure for me to be able to respond to the Committee's request for comment on the B–1 program and its alternatives. [Of course, these are my personal views and not necessarily those of any group with which I am or have been associated.] On defense-related matters I testified to committees of the Congress in 1972 in support of the SALT I Agreements and also in support of increased emphasis on defense exploratory development. On June 7, 1973 I testified to the Senate Armed Services Committee on the Defense Department budget proposal. On March 13, 1975, I participated for the Senate Budget Committee in a round-table discussion with Dr. Malcolm Currie, Director of Defense Research and Engineering, of the Defense Department budget request for FY-1976.

BACKGROUND

A brief biography is attached. As a physicist and technical manager, I have worked for 22 years in industry both on basic research and very broadly on modern technology. I have been Director of Applied Research in the IBM Research Division. For 25 years I have worked for one or two months a year or more as a consultant to the United States government or to its contractors on matters of national defense or intelligence, where I have made technical and programmatic contributions to the design of nuclear weapons, to ABM and air defense systems, to military aircraft and submarine and antisubmarine warfare, to the interpretation of intelligence and to the creation of national technical means of verification of agreements, etc. The greatest opportunities for constructive interaction with the Department of Defense extended throughout my two four-year terms as a member of the President's Science Advisory Committee from 1962 to 1965 and 1969 to 1972. During that period, I was a member or chairman of such panels as the Strategic Military Panel, Military Aircraft Panel, Antisubmarine Warfare Panel, Naval Warfare Panel, and of several *ad hoc* panels dealing with defense problems or opportunities.

In addition to my involvement in defense matters on behalf of the Executive Office of the President, I served on the Defense Science Board in the Department of Defense itself, for instance chairing a Task Force on Advanced Tactical Fighter Aircraft which reported to Secretaries Laird and Packard in 1969, many (but not all) of whose recommendations are visible in the current tactical fighter programs.

B–1 BOMBER

But I cannot agree with the proposed funding for the B–1 bomber program. I have followed the B–1 program from its inception. The B–1 was hardly put into valid competition with alternative programs at the time of its transition to full-scale system development, and continued expenditures on the B–1 will indeed buy us *"the shadow rather than the substance of first-class military power."* The Secretary of Defense warns against that danger in another context unless there is acceptance by the Congress *"not only of the Administration's budgetary request, but of the strategic concepts on which it is based."* But funds available for real military capability are just as surely diminished by commitments to new programs of $20 billion or $40 billion initial cost and very high operating cost, as much as they are by the Congress's refusal to authorize funds for effective systems. History aside, let me explain why, under the same strategic view adopted by the Department of Defense, we should choose an alternative to the B–1 program.

The FY–1976 request for the B–1 develoopment is $672 million, additional to the $2,027 million committed through 1975. Although there may be fringe benefits from B–1 bombers, the only justification for consideration of a substantial fleet of these bombers, each of which will cost more than $80 million, is its role for the delivery of nuclear weapons in strategic war. Before we had ICBMs and SLBMs, the strategic bomber was our sole U.S.-based deterrent, and even now, with large numbers of Minuteman and Poseidon, the B–52, together with its tankers, constitutes an important component of the strategic deterrent. This comes about, of course, because the bomber can be launched on warning (even somewhat ambiguous warning) of SLBM launch or ICBM launch, and can be airborne and invulnerable to strategic attack for hours (far longer than the fraction of an hour required to determine whether the United States is in fact under large-scale nuclear attack). To play this role, the bomber must be demonstrably survivable in escaping its home air field. It must be warned. A substantial fraction of the bombers must be able to penetrate through Soviet air defenses to strike their targets. Furthermore, if the bomber does not have enough range to fly from its home air field to its targets and to a recovery base, then air-refueling tankera must exist and must also safely escape their bases under nuclear attack. Some eight or ten hours later, the bomber targets come under attack. The bomber contribution to the strategic force comes about because of its basing mode, because it can return after being launched, and, of course, only if it can deliver its weapons on target. One of the alternatives which was largely ignored at the time of the initiation of B–1 development in June 1970 is the possibility of filling the advanced-bomber role with a stand-off bomber, which does not in fact penetrate the air space of the Soviet Union but instead launches long-range cruise missiles, which fly with bomber-like speed the rest of the way to their individual targets, delivering a nuclear warhead more powerful than that of Minuteman III. At that time, the Air Force was contemplating a SCAD program, in which the cruise missile was primarily a decoy rather than a means of attack, and the long-range cruise missile was not considered in its own right. Nor were the various aircraft characteristics properly evaluated as to their contribution to the strategic mission.

Now, Dr. Currie has reported the results of The Joint Strategic Bomber Study, revealing *"that bomber force cost-effectiveness was crucially dependent upon a relatively few factors.*

For all forces, survivability against an SLBM patterned attack depends most upon reaction time. Dispersed basing, threat levels, air vehicle hardness, and speed are substantial but secondary considerations.

Cruise missile penetrativity, good against fighters because fighters are overwhelmed by the large numbers. Thus the cruise missile is a potentially powerful complement to the penetrating bomber."

But now in March 1975, the Defense Department has the results of the Joint Strategic Bomber Study; by virtue of its air-launched cruise missile (ALCM) and submarine-launched cruise missile (SLCM) programs, it has a much better understanding of the characteristics, performance, and cost of strategic cruise missiles; and it has recognized the importance of designing our force not only to achieve a given capability within a given initial cost but also to have low operating costs. I believe that we are now at the point where we can make a firm decision to abandon the B–1 program after the prototype aircraft and to commit the bomber portion of the force to a cargo-type aircraft carrying nuclear-armed strategic cruise missiles of range about 1500 nautical miles. Such a missile is, of course, under development as the SLCM, which would have a range of more than 1500 nautical miles, at perhaps Mach 0.7 and 200-foot altitude. There is no reason to believe that such mis-

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siles cannot be developed and manufactured for less than $1 million each. A single C–141 could easily carry 50 such missiles and two launchers, while a 747-type aircraft could carry as many as 100. Indeed, DOD is seeking $5.2 million in the FY–1976 budget for the Advanced Tanker/Cargo Aircraft, a modified commercial wide-body jet. This aircraft could indeed have a third capability, namely that of a strategic cruise-missile launcher, where the cruise missiles would be carried in loadable racks in the cargo space, with automatic feed to a couple of launchers. Indeed, Congressional questioning of Air Force spokesmen regarding the FY–1975 budget revealed that there was an agreement between the Office of the Secretary of Defense and the Air Force whereby the Air Force would not have to analyze a triple-capable configuration, but could leave out of consideration a stand-off cruise-missile launching capability for the Advanced Tanker/Cargo Aircraft.

[In response to a question at the Hearing 4/17/75 I promised to submit for the record documentation for this statement. The following is reproduced from the Senate Armed Services Committee Hearings, 93rd Congress, Second Session, on S. 3000—Part 6 Research and Development March 22, 26, 27, 29, April 1 and 2, 1974 (page 2734). In turn this material was supplied for the record by the Air Force spokesman.

". . . no requirement could be established for a new aircraft to carry air-launched cruise missiles (ALMC). The ALMC is being designed to complement and support the bomber during penetration of enemy defenses, and this complementarity will be enhanced when the bomber carries the missile . . . Although no specific costs were estimated for the cruise missile capability, undoubtedly they would be quite significant . . . The combination of potentially high costs, degradation of systems effectiveness by proliferating its uses, and the fact that there is no valid justification for a unique force of cruise-missile launchers led to an agreement between Air Force and OSD not to pursue this capability."]

But physically that possibility is there, and if we are choosing the best among alternatives for survivable, effective strategic weapons, then we must consider also this cruise-missile-launching airfcraft.

Would such an aircraft survive and take off from its base as well as a B–1? Not only do we have Dr. Currie's report of the Strategic Bomber Study that reaction time is of primary importance, with speed, hardiness and dispersed basing secondary, but we also have the results of that study that the KC–135 tankers are adequately survivable. Therefore, I believe that it can be taken as assured that the Advanced Tanker/Cargo Aircraft/Cruise Missile Launcher can be built with adequate reaction time to take off safely in the threat environment.

Can the cruise missiles penetrate to the target? Although Dr. Currie's testimony suggests that "cruise missiles are effective against advanced fighters and are countered by extensive advanced-capability SAMs" the cruise missile would of course be programmed to fly around fixed SAM sites, and because of the very low altitude of the cruise missiles, even mobile SAMs would have difficulty detecting and intercepting them. In all, although some cruise missiles will be lost to such advanced SAMs, I believe that a 3000-warhead cruise-missile force would have a far higher fractional penetration capability than would, for instance, a 150-aircraft B–1 force. How much would such a cruise missile force cost? Loading only 50 cruise missiles into each of 60 modified 747s, the aircraft at about $30 million would be $1.5 billion; 3000 cruise missiles would between $1.5 billion and $3 billion. A further substantial benefit of this stand-off cruise-missile launching system, in contrast with a system based upon the retention of large number of penetrating aircraft, is a greatly-reduced operations cost. The current stategic bomber force incurs a direct operating cost of about $2 billion annually, plus an indirect operating cost of approximately the same amount, for a total of about $4 billion annually. B–52 crews, FB–111 crews, and eventually B–1 crews must train continuously for the very exacting high-speed, low-altitude, terrain-following penetration run for hours over enemy territory. Furthermore, such training service is very hard on the aircraft life. By contrast, a stand-off cruise-missile launcher needs no such expensive continuing training. With modern automatic commercial navigation systems to guide the aircraft, all that needs continuing practice is the crew readiness and rapid-reaction take-off, which is far less demanding on the aircraft and builds up far less fatigue than does the extended low-level penetration.

Furthermore, the bomber role as fulfilled by a stand-off cruise-missile launcher needs no associated tankers, thereby maintaining capability in the face of enemy attack far more severe than is required to disrupt a penetrating bomber attack which relies on tanker support.

Dr. Currie's testimony states: "An all stand-off cruise-missile force (using wide-bodied transports) is not promising because it invites attack on the relatively few weapons carriers before their cruise missiles can be launched." If indeed cruise missile launchers are vulnerable to fighter attack before their cruise missiles can be launched (say, 500 miles from Soviet borders), how much more vulnerable must the B–1 be if it must fly not only 500 miles from the borders but all the way in to its target? If the B–1 survives because of its numbers, a solution is to buy as many wide bodied jets as one would have bought B–1s, although only a fraction of them need be equipped with cruise missiles or cruise-missile launching capability. But, in fact, Soviet ability to conduct intercepts at such distances from her borders is not now foreseen, especially in the context of support by our ICBM force for the penetration of cruise missiles.

Finally, Dr. Currie notes ". . . the extreme sensitivity of the performance of the penetrating bomber to the quality of its ECM . . . This sensitivity is so crucial that continuous reevaluation of ECM interactions are required over the long term." From my continuing contact with this field, I do not believe we can ever have adequate confidence in the ECM capability of our bomber force against Soviet home-deployed SAMs, when the chips are down. In the ICBM field, although jammers against ABM radars were always a possibility, we chose the route of saturation by multiple warheads, and I believe that the prudent course for the airfield-based component of the deterrent is to rely on numbers of penetrating cruise missiles for assured penetration.

To sum up my recommendations regarding the B–1 program:

No more funds should be authorized for the B–1 program.

Funds already appropriated should be spent only on flight test and evaluation of the prototype aircraft, and unspent funds should be returned.

Emphasis should be placed for the bomber portion of the strategic deterrent on the early definition of the advanced tanker/cargo aircraft/cruise missile launcher and the accompanying cruise missile. The savings in requested funds for FY–1976, FY–197T, and FY–1977 amount to about $2,401 million.

CONCLUSION

In summary, by denying funds for the B–1, one can reduce the Defense Department budget by some $2 billion or more over the next two years, and begin the transition from the shadow of military power to the reality of first-rate military power, at a savings which will probably exceed $3 billion per year indefinitely in averaged procurement and operation costs. I emphasize that this saving does not involve a reduction in U.S. strategic capability or a change in strategic philosophy. In fact, a full force of stand-off launching aircraft and cruise missiles can be available sooner than could the fleet of B–1 aircraft.

LEGISLATIVE PROGRAM

(Mr. ROUSSELOT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROUSSELOT. Mr. Speaker, I take this time to discuss what the calendar will be for next week.

Mr. STRATTON. Mr. Speaker, if the distinguished acting minority leader will yield, I will be happy, as acting majority leader, to respond to his inquiry.

Mr. ROUSSELOT. I yield.

Mr. STRATTON. There is no further legislative business for today, and upon the announcement of this program for next week, I will ask unanimous consent to go over until Monday.

The program for the House of Representatives for the week of May 19, 1975, is as follows:

On Monday we have the Consent Calendar, and we have seven bills on suspension:

H.R. 4073, the Appalachian Regional Development Act;

H.R. 12, Executive Protective Service;

H.R. 5217, Coast Guard authorization;

H.R. 5710, Marine Protection Research and Sanctuaries Act;

H.R. 5447, National Advisory Committee on Oceans and Atmosphere;

H.R. 6054, Office of Environmental Quality; and

H.R. 5709, Offshore Shrimp Fisheries Act.

The votes on all of those suspensions will be postponed until the end of all of the suspensions, and at the conclusion of the suspensions the House will take up:

H.R. 6674, the defense authorization and undertake to consider amendments under the 5-minute rule, and will conclude that legislation on Monday.

On Tuesday, we have the Private Calendar, and also we have two suspensions:

H.R. 6516, the Equal Credit Opportunity Act amendments; and

H.R. 6698, social security assistance for U.S. citizens returned from abroad.

The votes on those two suspensions will also be postponed until the end of all suspensions.

In addition there are two other bills scheduled for Tuesday:

H.R. 5247, Local Public Works Capital Development and Investment Act, which is subject to a rule being granted; and

House Resolution 371, International Women's Year Conference.

On Wednesday and Thursday we have:

H.R. 6860, Energy Conservation and Conversion Act, subject to a rule being granted; and

H.R. 5727, Parole Reorganization Act, under an open rule, with 1 hour of debate.

I will also say to the gentleman that at 11 o'clock on Thursday we will receive former Members of the House, in keeping with the longstanding tradition.

Of course, conference reports may be brought up at any time, and any further program will be announced later.

I will say to the gentleman that, as he is well aware, the House is scheduled to adjourn at the close of business on Thursday, May 22, until noon on Monday, June 2.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman comment further. If the rule is granted on the Energy Conservation and Conversion Act, is it possible we will go into a Friday session on the basis that the act might take more time to cover than anticipated? Do we contemplate a Friday session?

Mr. STRATTON. If the gentleman will yield, there is no plan to hold a Friday session. It is contemplated we will complete that particular legislation prior to the close of business Thursday.

Mr. ROUSSELOT. If the strip mine legislation is vetoed, and I have no prior information, is it contemplated we will vote on that prior to the recess?

Mr. STRATTON. If the gentleman will yield further, I would respond on that point. I would like to add that if the President should issue an Executive order decontrolling old oil, then we would have on the floor next week a resolution of disapproval, and if there is such an order we would have 5 legislative days in which to act. Our plan would be to have the Rules Committee consider the disapproval resolution, House Resolution 439 on Monday, and take it directly to the floor on Tuesday.

In response to the gentleman's specific question, if the President vetoes the strip mining bill, there is a possibility we would take that up next week.

We would also like to notify our committee chairmen and members that during the week of June 23 we will be considering five appropriation bills that should completely fill out the week before we adjourn prior to the 4th of July: the HUD appropriation bill, the State-Justice, the Public Works, the Labor-HEW, and the Agriculture appropriation bills.

Mr. ROUSSELOT. If the gentleman could help us on some additional items, is the Democratic leadership really convinced we would be able to do all the things suggested here and still take up the energy bill if it is granted a rule?

Mr. STRATTON. The leadership is convinced.

Mr. ROUSSELOT. And we would have no Friday session.

Mr. STRATTON. That is correct.

Mr. ROUSSELOT. Also do I understand that the former Members' time is from 11 to 12 on Thursday, so we will not be coming in early for business on Thursday?

Mr. STRATTON. The gentleman's assumption is correct.

Mr. ROUSSELOT. I thank the gentleman.

ADJOURNMENT TO MONDAY, MAY 19, 1975

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION FOR COMMITTEE ON MERCHANT MARINE AND FISHERIES TO HAVE UNTIL 4 O'CLOCK ON FRIDAY, MAY 16, 1975, TO FILE REPORT ON H.R. 5447

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries may have until 4 o'clock tomorrow afternoon, May 16, 1975, to file its report on H.R. 5447, to authorize appropriations for the National Advisory Committee on Oceans and Atmosphere.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION FOR COMMITTEE ON WAYS AND MEANS TO FILE REPORT ON H.R. 6900

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that the report of the Committee on Ways and Means on H.R. 6900, a bill to provide an additional 13 weeks of benefits under the emergency unemployment compensation program and the special unemployment assistance program, to extend the special unemployment assistance program for 1 year, and for other purposes, may be filed by midnight tonight, May 15, 1975, along with any additional or dissenting views.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

SECOND ANNUAL REPORT OF THE NATIONAL HEART AND LUNG ADVISORY COUNCIL—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94–152)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce and ordered to be printed:

To the Congress of the United States:

Enclosed is the "Second Annual Report of the National Heart and Lung Advisory Council," prepared in accordance with the requirement of Public Law 92–423, the "National Heart, Blood Vessel, Lung, and Blood Act of 1972."

The National Heart and Lung Advisory Council has again prepared a thoughtful Report that addresses a number of important research policy questions. With regard to the Council's Report, there are recommendations that are in accord with the Administration's views (e.g., for inter-Council collaboration) as well as recommendations that are at variance with Administration policy (e.g., on the Council's proposed budget).

The Report indicates that "the Council has tried to estimate as realistically as possible the funds which are required to implement the National Program" of the National Heart and Lung Institute. The Council recommended funding levels without considering budget constraints. Therefore, it is not surprising that the budget recommendations of the Council considerably exceed those of the President's 1976 Budget, which must take fiscal constraints and competing national needs into consideration. It should be noted that the budget for the National Heart and Lung Institute has increased greatly in recent years: from $195 million in 1971 to $286 million in 1974, to $293 million proposed for 1976.

The Administration acknowledges the accomplishments of the National Program as described in the Council's Report, and continues to view the heart and lung program as an area of high priority. The Report of the Council merits serious consideration and is being carefully studied and evaluated. I am forwarding the Report to the Congress so that it is available for deliberations.

GERALD R. FORD.

THE WHITE HOUSE, *May 15, 1975.*

SPONSORING EXECUTIVE AGREEMENTS REVIEW ACT OF 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. STEELMAN) is recognized for 5 minutes.

Mr. STEELMAN. Mr. Speaker, considering the diminishing role of Congress in determining foreign policy as a result of the growing number of executive and other international agreements, I am today joining 27 members of the International Relations Committee as a sponsor of the Executive Agreements Review Act of 1975.

The policy of the executive branch to bypass Congress by the use of these agreements is not in accord with the intent of the Constitution. With regard to our recent prolonged involvement in Southeast Asia, I believe it is clear that Congress needs to reassert its responsibility in the conduct of foreign affairs, and this bill will provide for congressional review of all executive agreements.

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This legislation, I believe, is vital to the strengthening of the role of Congress in foreign affairs, because it permits Congress to play an integral role in the shaping of foreign policy.

These agreements have commited the United States to the security of South Korea, Japan, Tawian, Portugal, Spain, and Bahrein. The agreements with South Korea, Japan and Tawain are pursuant to the bilateral treaties the United States has with them, but the commitments for Portugal and Spain have been classified as agreements concerning base rights in these countries. The executive branch uses these agreements for all types of commitments, ranging from security to trade and postal exchanges. The executive branch is bypassing the Congress, and thereby the American people, by the use of these agreements to form many of the major commitments the United States has to other countries.

Executive agreements are now concluded without the very important consent of the elected representatives of the people. Also these agreements which have been used to establish relations with other countries, establish military bases overseas and commit the United States to the defense of other nations can be concluded upon the sole discretion of one man, the President, without advice and consent. Before we make one more commitment of peace, money or material, Congress needs to reassert the separation of powers doctrine and the system of checks and balances in foreign commitments.

The legislation I am introducing today is identical to that of Chairman MORGAN and other members of the International Relations Committee. I believe this bill is a logical and necessary extension of the Case-Zablocki Act, Public Law 92–403, which requires the transmission of all executive agreements to Congress. The Secretary of State would be required by this bill to transmit all executive agreements which in any way establish or renew a national commitment of security, military or financial aid in any form, to Congress. These agreements become operative 60 days after their transmission, unless by a concurrent resolution Congress disapproves of the agreement.

The agreements with Portugal, Spain, and Bahrein would be included in this bill. In the future Congress would have the power to control such agreements.

With great concern in recent Congresses that the legislative branch has not been able to play its role in foreign policy because of executive and other international agreements, I believe that this measure can bring Congress back into a substantive role in determining the course of our foreign policy. I hope this bill will serve as a catalyst in the creation of a mutual role of both the executive and legislative branches in forming foreign policy. Through a mutual role, American commitments can and should be supported by both the executive and legislative branches of our democracy.

This cooperation does not mean that Congress will be involved in the direct negotiations, but permits the Congress to give their approval and support. This bill removes the total burden of our complex foreign policy from one man.

With such a measure, requiring congressional support for national commitments, I believe American allies and friends will have a greater trust in American promises. In light of recent comments made by some of our allies, especially in Asia and Europe, I believe this measure is vital to maintaining strong commitments abroad. This measure could prevent the embarrassment to our country caused by the Thieu letters and other such agreements.

I believe that we will see this bill will not only strengthen the congressional role in foreign policy, but the commitments made will be strengthened and more greatly respected.

WORLD COURT SHOULD SETTLE LEGAL ISSUES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY) is recognized for 5 minutes.

Mr. FINDLEY. Mr. Speaker, I rejoice in the success of President Ford's action which led to the rescue of both the ship and crew off Cambodia.

The action entailed great risk but at stake was a great principle—freedom of the seas. If the United States, as one of the two world superpowers, had equivocated in dealing with this act of piracy, the safety of all ships at sea would have been jeopardized.

In my opinion, the President acted entirely within his constitutional authority. He is called by history, tradition, and the Constitution to use military force to a reasonable extent to protect U.S. lives abroad. Considering what was at stake in terms of principle, the use he made of military force was reasonable.

The President could wisely take a further step related to this incident. He could give even greater standing to the principle of freedom of the seas, and the underlying concept of the rule of law not force in international affairs by inviting Cambodia to join the United States in placing any and all legal issues which may arise in connection with the incident before the International Court of Justice at the Hague for adjudication. The United States should offer in advance to accept the judgment of the court.

Cambodia has already made allegations against the United States of espionage, provocative action, violation of territorial rights. No doubt Communist propaganda mills will grind out other charges. The world will be watching to see how we respond.

By inviting Cambodia to join in letting the Court settle all such issues, our Government would effectively disarm its critics.

The United States is the world's foremost exponent of the rule of law. Here is an opportunity for the United States to prove it means what it says.

The rescue was an exercise in power, and, in my view, a prudent one. The referral to the Court would raise the issue to an even higher plane and prospect. It could open a new era in which disputes between even the greatest and smallest of powers are settled ultimately by the application of legal principles and conventions.

For all these reasons, I have transmitted this recommendation to the appropriate officials in the State Department.

SPEECH OF DR. FRANK W. SHELTON BEFORE AMERICAN ASSOCIATION OF RETIRED PERSONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. SKUBITZ) is recognized for 5 minutes.

Mr. SKUBITZ. Mr. Speaker, Dr. Frank W. Shelton recently addressed the American chapter of the American Association of Retired Persons. I insert his remarks at this point in the RECORD:

LIFEBOAT

About 2:00 AM on April 15, 1912 the soulful human "Nearer My God to Thee, Nearer to Thee—E'en though it be a cross that raises me" floated through the dismal mists of the cold north Atlantic, 711 women, children and a few men huddled in lifeboats, listening and crying as the last strains were suddenly obliterated by the waves. And with those last strains 1,513 men—mostly brave—were drowned.

The mighty Titanic went to the bottom after striking an iceberg on its maiden voyage. It had been touted by its architects, builders and owners as unsinkable. And, as such, adequate lifeboat facilities seemed unimportant in the great ship's design.

When the ship's officers realized the extent of the disaster, women and children were ordered to the lifeboats. This discrimination was accepted, because we were still in the waning years of the age of chivalry.

The captain's decision to let some individuals live and sentencing others to die was a dramatic example of the "lifeboat ethic". The hypothesis upon which this ethic is based is that in the event of catastrophe, a moralistic and rational determination must be made as to which lives shall be saved with limited lifesaving capabilities. In other words—shall some be saved or shall all drowned by overcrowding and sinking the only means of survival—the lifeboat? In wartime and similar disasters, the lifeboat ethic is also known as "triage"—which is the saving of savable wounded and letting the hopeless cases go.

Even though it may be hard for us in Kansas to realize it—we in the United States today can be viewed as being in an overloaded lifeboat while the ocean outside is full of drowning millions from the so-called "developing nations". What should we lifeboat passengers do? Remember, in this proposition the lifeboat United States is overloaded.

Some of those in that boat helped to build it; while others had exploited the builders—and still others had sat by and watched, while eating out of the lunch buckets supplied by the builders. Unless the numbers in the boat are reduced, it will be swamped and all will drown.

Dr. Garrett Hardin in analyzing the dilemma, says that it is morally abhorrent to save oneself while others flounder—and that some people feel guilty about their good fortune to be in the fine boat U.S.A. Of course those with the guilty feeling can get out and yield their place to others. "This may solve the problem of the guilt-ridden persons's conscience, but it does not change the ethics of the lifeboat. The person to whom the guilt-

ridden person yields his place will not himself feel guilty about his good luck. If he did, he would not climb aboard".

Other nations, and millions of able-bodied people in our country, have long adopted this ethic for their survival, and they have been imposing on our charitable nature and our productivity for their selfish purposes. This has been magnified by those with guilt complexes and the "do-gooder" elements among us who find charity to outsiders more dramatic and satisfying than charity at home.

However, whether we like it or not, all the evidence confirms that the population explosion and our past wastrel practices—which have dissipated our natural resources—bring us face to face with adopting the "lifeboat ethic" or being destroyed as a desirable nation of free men.

The pioneers of this nation did not fight, sweat and die to have their efforts consumed and destroyed by Johnny-come-latelys and other opportunists. They aspired for and built a free and wonderful land for their children—in which the quality of life would be ever improving. But, since the turn of the century, self-serving and internationally oriented politicians, academicians and profiteers have opened our gates to internal and alien parasites, and they have picked the taxpayers pockets to send over 300 billions of dollars to undeserving foreign lands.

Now—we have reached the hour of decision. Either we determine to save our nation and the hard-earned American-way-of-life or we will be swamped by the world's population explosion. In 1930 the world population was less than 2 billions—today it is over 4 billions. Each day the world has 200,000 more mouths to feed. In 25 years the world population will be over 6.5 billions and by 2050 it will reach 12 billions.

To my personal knowledge—for over 60 years the people of the United States have been called upon to save India from famine. And, today, that country is in worse shape year by year—and is demanding more and more assistance because they multiply like flies and do little to reduce their plight. Because of our charity, they are capable of reproducing faster.

The same malpractice is a scandal in our own country, where we nurture millions of able-bodied sluggards whose only creative activity is the destructive reproduction of so-called underprivileged, generation after generation.

Let us look through the eyes of others at the over-population in and around our lifeboat:

The Environmental Fund says, "We have reached, or nearly reached, the limit of the world's ability to feed even our present numbers adequately." And, in November 1974, Senator J. W. Fulbright warned that "We Americans are not only living beyond our economic means; we are damaging the world's ecology by depleting irreplaceable raw materials."

At the New Mexico "World Food Conference" in October 1974, A. W. Laggeneggar, President of the New Mexico Farm & Livestock Bureau, opined that, "The really serious aspects of the world food situation involve over-population and inadequate incentives for economic development." In the December 10, 1974 Miami Herald, James McCartney stated that, "In the long run if population can't be controlled, there will not be enough food anywhere."

At the World Food Conference in Rome, Kissinger emphasized the need to bring the world's population explosion under control if the food crisis is to be mastered. He declared that, "At some point we will inevitably exceed the earth's capacity to austain human life."

Don Paarlberg of the U.S. Agriculture Department, said if population can't be controlled "there is no answer to the food problem."

"Population growth is insidious. Its like a cancer," says Dr. R. T. Ravenholt, director of the Agency for International Development's Office of Population. "It moves silently and may not be perceived until it is too late, eating up all the resources and eventually crippling a nation."

We senior citizens—who endured the last big depression and remember the pre-welfare-state years when the dollar was worth a dollar and people had pride in workmanship—we are in the lifeboat together. We had a big hand in building that boat. We are the ones who can take the lead in saving our nation from the impending destruction of the American-way-of-life. For it is we—the senior citizens—who are being and will be most seriously and adversely affected by inflation and the ill-advised proposals to combat the energy shortages.

President Ford has said "A breakdown of world order and world safety is threatened." The President of France believes he has identified four horsemen of a threatened modern Apocalypse—energy, food, population and finances.

None of these problems can be separated from the population explosion. And, as stated in the Congressional Record on December 18, 1974, page 40811, "The fact that there is a new and unprecedented world crisis of monumental proportions is no longer disputed by top government officials." Further, it is agreed that there is no way the United States can feed the world.

If ever there was a time when this country needed leadership with guts, gumption, grey-matter and greatness—now is the hour. But, what do we have at all levels of government—and particularly in the nation's capital—ineptness, vacillation, a prime interest in a foreign home-land, near-sighted planning, ego-centric evaluations, double-talking, special-interest determinations, "The King and I" syndrome, bureaucratic and military superpowers, and impractical, destructive, politically motivated decisions.

Recent Administration and Congresisonal proposals and orders to solve the energy and economic crisis reflect the influence of theoreticians rather than experienced practitioners; Wall Street rather than Main Street; bureaucrats rather than private citizens; privileged politicians and big business executives rather than small business men, farmers, ranchers and senior citizens; and politics rather than patriotism—and last, but not least, foreign home-land interests rather than America First.

Those proposals admittedly will accelerate and skyrocket the already unprecedented inflation. It will be the coup de grace for small businessmen, ranchers, farmers and those on fixed incomes. Senator Proxmire estimates the $3.00 per barrel tariff and 37-cent per thousand gas tax will raise the price of natural gas 300 percent; and the cost of heating and cooking in the average home will increase from $260. to $1,000. per year.

Dale E. Saffels, Chairman of the Kansas Corporation Commisison, said Ford's proposed 37-cent tax on natural gas, alone, will cost Kansans about $240 million per year; and would increase gas prices 50 percent. That tax also would increase fuel costs of public utilities by 93 percent, which would be passed along in home utility bills.

In the opinion of Robert Robel of the Governor's energy council, Ford's proposal to tax natural gas will cost the average Kansas family $570. per year. In talking to dealers, I estimate that ranchers will have to pay about $350 per ton for fertilizer on their pastures as against $60 per ton in 1973. Even Administration representatives admit that Ford's fuel tax plan may increase inflation by 3.5 percent and will cost the consumer $50 billion per year.

Then there are plans to give income tax refunds on 1974 taxes. But what about the small businessmen, ranchers and those on fixed incomes who lost money or had incomes below taxable limits?

The huge inflationary aspects of the oil tariff and gas tax have been hidden in a smoke screen. Millions under labor contracts will get escalations in pay to cover the consumer price index rises caused by the big jumps in all petroleum related products. The millions of Federal employees, who just received a 7.4 per cent cost of living increase, are among those who will get pay jumps. These pay increases in turn will raise the consumer index, which again will cause more pay increases. Each such pay increase will add to the cost of products to consumers. The cost-push will skyrocket.

It is estimated that the Ford petroleum and gas proposals will cause a $100 billion increase in the cost of living in the next 12 months and an inflation rate of 18 to 20 percent. Even the Administration spokesman's 3.5 per cent increase would make an inflation rate of 16 percent.

For 40 years our government's economic policies and philosophies have been ruled by professors (largely Ivy League), so-called intellectuals and a New York based international clique. Every practical and worthy suggestion to solve today's crises were rejected by the King's Court. Unfortunately, Ford himself is far removed from reality—having been feeding at the government trough and playing the Washington log-roll game for over 26 years.

Our leaders should set Churchillian examples to rally the nation to fight for the American-way-of-life. Instead, there has been no move to cut government salaries. Both civilian and military personnel are being treated, not only with pay raises, but also with a multitude of pay-raise promotions. The hundreds of generals, admirals, colonels, etc., in our military would make the farcical Mexican army look like a band of privates. Further, the thousands of "double-dealers"—the military brass that retires and takes other top government jobs; those who have military pensions and civil government pay—are in many instances making well over $50,000 per year. They get escalations in both their pay and their pensions.

Then there is Kissinger who flies all over the world, taking his family at our expense—with the large entourage of secret service men. He even had them on his honeymoon. He has another big plane flying an armored car for his protection. Then there are the vacation trips, such as skiing at Vail, the large numbers of government employees are transported, wined and dined to "confer" with the President and others. Of course the many Congressional junkets all over the world are a continuing enormous "legal" filching from the public coffers—take for instance overseas trips by the lame-ducks of the last Congress.

All these costly and unnecessary trips, together with thousands of others, consume millions of gallons of fuel and millions of dollars.

Then there are the elaborate playgrounds, across the country and around the world, called military bases. There are over 300 military golf courses in the United States alone. These consume fertilizer, fuel and manpower—all much needed on our farms and ranches. And our foreign aid programs give away other millions of tons of fertilizer and fuel—thus making severe shortages and exorbitant prices here at home. Recently an aircraft carrier took all the families of the ship's compliment, together with pets and automobiles, on a cruise. Why didn't the news media give us more lowdown on that?

The President has asked for alternate plans. However, his advisers must prevent him from considering such alternates. Alf Landon last week suggested several practical alternates, and I am proposing the following suggestions which will face up the major issue of population explosion which the politicians appear to duck.

UMI

First—We have always abhorred war—still we have fought several when we believed our American-way of-life was endangered. Such wars always resulted in the killing of those that we considered to be our enemies. Often we had to round up and deport aliens if they might be a hazard to our cause.

Second—We must recognize that this war is more insidious than any in the past because it creeps on us like cancer, and we have not had a violent confrontation to awaken us to the dangers. Further, the powerful forces who profit from our lethargy have misled us over the years and have prevented our education to the magnitude of the crisis.

Third—We must pragmatically and scientifically determine the optimum population for our country—the 50 states—based on the resources which remain at our disposal. And, we must trim our country's population to meet the optimum. A cursory estimate would suggest a population of about 185 millions as opposed to the present 215 millions.

Fourth—We should allow free enterprise and free markets to govern our economic life.

Fifth—We must cut governmental bureaucracy and expense, and we must balance the budget.

Sixth—Our citizens, and particularly our children, should be educated in economics and made aware that quality of life is not synonymous with dollars. More of our people need to learn trades and have pride of fine workmanship. Craftsmanship and intellectual development should be applauded at least as much as physical prowess.

Seventh—Night sports and other energy consuming spectacles should have a moratorium until there is a domestic surplus of energy over and above the household and industrial requirements. Large sports arenas, gymnasiums and racing events should be severely restricted in the use of energy consumed which is disproportionate to the mass intellectual and physical benefits derived from their use. The use of company-owned and government-owned vehicles and planes and boats for pleasure should be heavily penalized.

All of these can be attained without the country being nursemaided by additional bureaucrats—but it will require patriotic leadership rising above the present mediocrity.

The optimum population can be achieved by taking our military forces out of their domestic and foreign playgrounds and using them to assist the immigration officials. The influx of some 10,000 illegal aliens each day must be stopped—incidentally, that is adding another Independence, Kansas to our population each day. Those forces also need to sweep the nation clear of some 15 millions of illegal aliens. They hold an estimated 5 million jobs in our country. Hiring of such aliens should be a criminal offense.

Immigration (those allowed to legally enter our country) should not exceed emigration (those leaving our country). This would cut our population growth by 500,000 per year. Then there is the movement into the 50 states of some 100,000 people per year from our commonwealth territories. They arrive as U.S. citizens, and many go immediately on relief. Puerto Ricans form a large body of these people. It is estimated that they number around 4 millions in the states. Most of them should be returned home. Again the influx should be balanced with those citizens moving to the territories.

Our welfare roles must be pared rather than having able-bodied young recipients procreating on relief generation after generation. Other means have failed, so sterilization of the chronic able-bodied young reliefers may be the answer. Also, felons, incompetents and the insane should not be permitted to reproduce—since experience shows that they cannot support families and they have a high percentage of indigence among their offspring.

If we recognize our dangers and if we have the will, our optimum population can be achieved and our quality of life maintained. We say "Nothing is too good for our children". Let us dedicate ourselves to the future realization of that proposition—rather than having them inherit that slogan as hollow rhetoric.

I am sure that this proposal will be shocking to many and will not fit some ideologies. And I do not suggest that my prescription is complete and should not be subject to amendment, but it is based on facts and the fundamental proposition has not been nationally propounded. It would put a crimp in the profits of some quick-buck promoters, and it will not fit the short-sighted growth goals of some industrialists. But, all Americans will benefit by an improving life quality; whereas, our present rapid descent will bring us all to a primitive rather than quality way of life. At least it does not call for a $60-billion deficit in next year's Federal budget. Instead the budget should be reduced.

May I ask your thoughtful consideration of our prospects in your evaluation of these suggestions. Thank you.

THE NEED TO BE PREPARED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. Gonzalez) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, during the past couple of days we have had once again a dramatic reminder of the need to be prepared. It is a lesson we seem incredibly prone to forget—despite Pearl Harbor, despite the lightning emergency of the Yom Kippur war, and despite even the most recent emergency at sea, involving the ship *Mayaguez*. That incident is not even over yet, as we debate this bill.

What all these emergencies prove, and what we can never forget, is that we do not have the time to gear up and get ready for action. There is no time for planning, for a leisurely preparation. Our military forces have to be ready, willing, and able to act in an emergency. What is more—and even more important, we have to be able to maintain action. We have to have not only strength to act, but strength to continue to act, for as long as need be, to protect our people and our interests, wherever they are challenged.

Yet, I see in this bill a less than adequate response to that kind of need.

In building a force that can sustain its action, we have to have an adequate base of logistical support. It is this logistical support that involves a huge number of civilian personnel. That brings to mind title V of this bill, which places severe restrictions on the number of civilians who may be hired. The report of the committee places further restrictions on just what civilians are going to be fired—namely, restrictions on how many civilians the Navy can fire. It directs that all the reductions in fact be made by the Army and Air Force. But I see nothing persuasive, no evidence, that these services are any less in need of replenishment, of logistical support, of inventory repair and rebuilding.

I think that the level of manpower called for in this bill is insufficient to meet the basic, the vital needs of our services, if those services are going to be ready for extended action—as events of these last days indicate they could be, at any time.

So I have questions about this bill, and I raise these in the hope that they will be specifically answered during the course of this debate. These are my questions:

First. Referring to title V of the bill, is it correct that the manpower ceiling envisioned and provided for would result in the loss of about 10,000 civilian positions in the Air Force?

As I read it, the ceiling you provide for is identical with the Defense Department request, and according to the Secretary's annual report, that calls for a reduction of 10,000 civilians in the Air Force. Is that correct?

Second. How can you be assured that the Air Force can absorb these reductions, when the committee says that the Navy cannot take any reductions at all—and in fact, the committee would require the Department of Defense to clear any Navy cuts with you beforehand? How can you be so assured that the Air Force can be cut by 10,000, without endangering its basic mission?

Third. I ask these questions because I know for a fact that the Air Force Logistics Command is already unable to do all the work assigned to it. If these cuts are imposed, this command will be reduced below its pre-Korea levels. I know for a fact that the command simply will not be able to do its job with such low manpower levels. I believe that if the committee had studies of the situation, it would have in fact recommended an increase in the manpower levels, rather than approved the cuts submitted by the administration. I think that serious, objective study, careful consideration, and sober thought, would show that if the Defense Department is going to perform its mission, it needs more people than are provided for in title V of this bill.

ALEXANDER SENDS TELEGRAM TO PRESIDENT FORD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. Alexander) is recognized for 5 minutes.

Mr. ALEXANDER. Mr. Speaker, yesterday I sent the following telegram to President Ford:

The Honorable Gerald R. Ford,
The President of the United States,
The White House,
Washington, D.C.

Dear Mr. President: I applaud your efforts to protect the rights of American vessels to safe transit on the high seas. Our allies and adversaries alike must be assured that the United States will defend the lives and property of Americans.

Safety of world commerce is vital to the U.S. as well as other nations and acts of piracy must be met with appropriate force to discourage a continued deterioration of global stability.

Sincerely,

Bill Alexander,
Member of Congress.

DISMAL GRAIN INSPECTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. Mezvinsky) is recognized for 15 minutes.

Mr. MEZVINSKY. Mr. Speaker, a recent series of articles in the Des Moines Register by James Risser has painted a dismal picture of grain inspection of a substantial percentage of American feed grain exports. This is best documented in the port of New Orleans which handles more than one-third of all American grain exports. Grain inspectors have been indicated for accepting bribes from shipping companies to permit grain to be loaded on dirty ships, some of them hastily converted oil tankers, in violation of Federal sanitary standards. Some inspectors have pleaded guilty to these charges and one has been convicted. The Federal investigation also includes other gulf ports, and it appears that the scandalous situation exists there as well.

It seems clear to me that corruption in grain grading and ship inspection flourishes in the conflict of interest which exists because grain inspectors are the employees of private agencies, largely controlled by grain and shipping interests. Under the Grain Standards Act, inspection may be handled only by private inspection agencies, precluding the use of Federal inspectors. The enforcement of Federal standards is, in other words, left to private groups. The inspectors are licensed for competence and are supposedly supervised by the USDA. There is strong evidence that the surveillance has been shoddy and incomplete and that the USDA has not responded to the evidence of corruption.

The gravity of the situation demands immediate corrective action. I am preparing legislation which would prohibit private funding and control of grain inspection and thus eliminate a situation which invites corruption. Moreover, I plan to call for a thorough review by the General Accounting Office.

The seriousness of these incidents obviously extends far beyond the indictment of a few inspectors and another scandalous tale of corruption and inadequate surveillance by both the USDA and the Congress. The impact upon our economy and the foreign policy of this Nation is obvious and potentially devastating, even if the extent is not presently calculable.

Our feedgrain export program—precisely at the time we are in need of expanding it—could be sharply curtailed by foreign governments tired of not getting what they pay for and angry about the filthy and insect-ridden shipments. According to reports reviewed by the Des Moines Register, there have been increasing complaints from foreign countries about misgraded, contaminated and insect-infested grain. Great Britain, Italy, Nicaragua, Algeria, and Japan, among other nations, have filed complaints. If these countries have no faith in our grain inspection system, they may well refuse to buy.

This could severely damage our agricultural economy, the midwestern farmer, and our balance-of-payments situation. The production of feedgrains is one of our major advantages in foreign trade and is a significant source of income for the farmer. All of this could be forfeited if we do not act promptly.

Moreover, these episodes damage the credibility of the United States and could undermine our foreign policy. In addition, we may have contributed to disease and sickness abroad.

I was shocked to learn of these bribery scandals, but it quickly became apparent that the situation could have been and ought to have been foreseen long ago. Given the inherent conflict of interest that exists between the grain inspectors and the private groups which hire them, the corruption that has been discovered was practically inevitable.

Under the Grain Standards Act private inspection agencies are responsible for grading and inspecting grain exports. In New Orleans and Houston, for example, inspectors are hired by the New Orleans Board of Trade and the Houston Merchants Exchange, whose members include officials of grain and shipping companies and international financial institutions.

The grain inspectors in New Orleans and Houston were indicted for accepting bribes from shipping companies, which found it more profitable to pay off inspectors than to spend thousands of dollars cleaning their ships. These indictments may merely scratch the surface of the corruption existing in our major exporting ports.

One of the indicted New Orleans' inspectors, for example, certified as being clean and free of insects and foreign materials a ship that carried corn which was found to be contaminated when it reached Nicaragua. This 1973 incident drew an angry complaint from the Nicaraguan Government, but no action from the USDA.

Needless to say, the grain companies—many of whom are probably represented on the New Orleans Board of Trade—stand to gain thousands of dollars whenever an inspector falsely upgrades a shipment of grain.

Ironically and unbelievably, the Grain Division of the USDA reduced its staff of inspection supervisors during the very period when U.S. exports were increasing because of our export policy and world demand. The USDA cut its review of grain inspections by more than 50 percent. Reducing surveillance could hardly have been justified by past performance of the inspection system. More than 6 years ago, USDA officials received warning that grain inspectors were taking bribes. The USDA also knew that Japan has been so dissatisfied with the private inspection system that they now routinely appeal the inspection examinations as a doublecheck on the accuracy.

I do not think we can simply rely on the USDA to give us a clear picture of the problems that exist in our ports. Therefore, I am calling for a General Accounting Office investigation of this deplorable situation. We must learn just how far the bribes and corruption extend in this crucial segment of our grain trade.

It is clear to me that we need immediate legislation to remove the overwhelming conflict of interest that now exists with inspectors being hired by the very people who have the most to gain by manipulating them. The law needs to be changed to make Federal inspectors mandatory. This in itself will not guarantee that bribery would not continue, but it is outrageous and absurd to continue an arrangement allowing grain inspectors to be front men for the very groups they are supposed to be regulating.

Mr. Speaker, the first of the articles referred to was recently inserted in the Record on May 12 by Senator Clark. The other two articles from the Des Moines Register follow:

[From the Des Moines Register, May 11, 1975]

USDA Ignored Grain Bribes for 6 Years—Admits Laxity After Inspectors Indicted

(By James Risser)

Washington, D.C.—U.S. Agriculture Department (USDA) officials were warned six years ago that federally licensed inspectors were taking bribes in connection with the grading of export grain and the inspection of ships used to carry the grain abroad.

The USDA also had evidence as early as 1972 that something was drastically wrong with inspection procedures at New Orleans, La., export elevators.

The danger signals are contained in department documents examined last week by The Register.

They contain a variety of warnings from foreign purchasers of U.S. grain from U.S. Embassy personnel, and from USDA officials about the possibility of a bribery system and about problems in New Orleans.

INDICTMENT CITED

But until a bribery scandal surfaced recently with the indictment of grain inspectors at New Orleans and at Houston, Tex., high department officials ignored fervent pleas that the bribery question be investigated and that supervision of inspectors be beefed up.

In fact, at the time U.S. grain exports were booming in the late 1960s and early 1970s, the Grain Division cut its staff of inspection supervisors from 300 to 220.

During the same period, surveillance of the grading and ship inspection activities of the inspectors was reduced by more than half, records show.

"LESS THAN ADEQUATE"

"Our supervision has indeed been less than adequate," Ervin L. Peterson, administrator of the Agricultural Marketing Service, acknowledged. Peterson, whose agency includes the Grain Division, said "we are taking steps now to see that our supervision is improved."

Staff cuts in the grain division were "unwise" but apparently came about because of the division's efforts to comply with budget reductions ordered by President Nixon and by USDA Secretary Earl Butz, Peterson indicated.

The extent of the bribery scandal, and the existence of additional federal investigations into the possible involvement of shipping and grain company officials, was disclosed by The Register May 4.

CONFLICTS SEEN

The investigation in Washington, New Orleans, and Houston showed that the inspection system contains inherent conflicts of interest primarily because the inspectors, although federally licensed, are employes of boards of trade and other private organizations controlled by grain, shipping, and other business interests.

The role of the Grain Division has been to license the inspectors, to supervise their work on a spot basis, and to conduct appeal inspections at the request of a shipper who disagrees with an inspector's ruling.

Seven grain inspectors in New Orleans and five in Houston, all federally licensed but employed by private inspection agencies, were indicted recently on charges they took bribes to certify that export ships were clean, insect-free, and acceptable for loading with grain. Five of the New Orleans inspectors have pleaded guilty, and another was convicted in federal court.

INCREASING COMPLAINTS

In January, 1969, John A. Browning, chairman of the Grain Division's Board of Appeals and Review, spent three weeks in Europe talking with government officials and those in the grain trade about an increasing number of complaints about misgraded, contaminated and insect-infested grain.

In a number of the countries, Browning was warned that it was commonly believed inspectors at the American ports were taking under-the-table payments.

Upon his return, Browning wrote a strongly worded report to Howard H. Woodworth, director of the Grain Division saying:

"The Grain Division should make doubly sure there is no bribery of inspectors or falsification of certificates or misgrading of the grain or improper sampling.

MANPOWER, FUNDS

"We should have the manpower and funds to supervise and keep inspectors under surveillance on weekend and night loading at those export points where foreign complaints indicate the lower grade grain was loaded."

Browning continued that "after listening to complaints for three weeks and seeing the look on people's faces and in their eyes when they accuse the inspection system of being subject to bribery, I cannot stress too strongly the part good inspection practices, constant supervision and quality control must play in helping this country retain the overseas grain market."

Apparently referring to the fact that inspectors work for agencies allied with the grain export trade, Browning wrote that "it is very difficult for people in other countries to understand our licensing of inspectors and supervision procedure."

Asked about the report, Woodworth said the Grain Division "is not staffed to find conspiracies of briberies," which he said is up to federal law enforcement officials.

"A LEAN STAFF"

Woodworth, who went along with budget and manpower cuts in the Grain Division, said he has built "a lean but efficient staff."

"I'm not an empire builder or a bureaucrat," he added.

Woodworth acknowledged, however, that his supervisory personnel at the ports "weren't very resourceful in guarding against briberies on the cleanliness of ships."

He portrayed ports as centers of corruption and said that in the case of grain exports, the name of the game is to get the grain past the sampler and onto the ships. "They're always finding ways to get by with everything they can."

THROUGH 1975

The recent indictments in New Orleans and Houston allege bribery payments going back as far as 1970 and continuing up through 1974.

Peterson, who became administrator of the agricultural marketing service three years ago, said he had not been aware of the Browning report on possible briberies until informed by The Register.

In January, 1973, in a report on a complaint from Nicaragua, about the quality of U.S. corn shipments, Woodward contended the licensed inspectors have a 98 per cent accuracy rating.

But he acknowledged that Grain Division supervisory personnel were conducting on-site surveillance of the inspectors in only about 2 per cent of all export grain shipments.

He said that some of his staff, "for peace of mind and in keeping with past on-site surveillance practices," wanted to increase surveillance to about 10 per cent.

NEW EMPLOYEES

Woodworth said in the 1973 report that it would require 14 new federal employees at an annual cost of $198,000 a year.

As an alternative, Woodworth proposed to increase surveillance at "the known problem elevators in the New Orleans circuit" by transferring people there from other Grain Divisions offices.

Woodworth's report was made in response to a demand by Peterson that the division look into complaints from the Nicaraguans and take "whatever actions required to insure the accuracy of any grain inspections made by the designated grain inspection agency involved."

The agency was the New Orleans Board of Trade, which is run by New Orleans business interests and employs licensed grain inspectors to examine ships and grain going out of two large elevators there.

NEW ORLEANS ELEVATOR

Woodworth told The Register that the Grain Division has had problems with one New Orleans area grain elevator in particular, where, he said, elevator personnel "took advantage of our mechanical sampling and made sure we didn't get representative samples of grain."

Woodworth's report also detailed how the Grain Division had cut back its activities between 1963 and 1973:

Field offices were reduced in number from 48 to 35, and inspection supervisors from 300 to 220.

Grain supervision inspections, involving checking on the work of some 800 inspectors and 3,000 licensed grain samplers had decreased from 170,000 a year to less than 65,000.

Supervisory inspections of processed products also had dropped, from 50,000 a year to less than 35,000.

EXPANDING SALES

All this had occurred while the U.S. was rapidly expanding its overseas sales of grains and other food products.

Copies of Woodworth's 1973 report, outlining weaknesses in the inspection system, were sent to Butz's top aide, Undersecretary J. Phil Campbell, department records show. It also went to Assistant Secretary Richard Lyng and to Raymond A. Ioanes, administrator of the Foreign Agricultural Service.

Peterson told The Register that the whole thrust of the Grain Division's work has been misguided. Rather than concentrating on statistical review of the insepctor's accuracy, the division should have been cracking down on the private inspection agencies to see that their inspectors were performing honestly, he said.

[From the Des Moines Register, May 15, 1975]

Reveal Corn Misgraded in New Orleans—Inferior Shipment to Nicaragua

(By James Risser)

WASHINGTON, D.C.—U.S. grain inspectors at New Orleans, La., misgraded a 427,000-bushel corn shipment to Nicaragua in 1972, with the result that the Nicaraguans received an inferior grade of corn containing damaged kernels and "foreign material."

The misgrading was compounded by evidence that U.S. Department of Agriculture (USDA) personnel misled the Nicaragua government in the first place about the kind of corn it would receive.

The incident, described in a USDA file stamped "classified" brought a strong protest from the Nicaraguans and touched off an internal controversy at the Agriculture Department about the adequacy of federal procedures for inspecting and grading U.S. export grains.

NO SURVEILLANCE

The file, examined by The Register, shows there was no federal surveillance of the privately employed inspectors and graders during the two days the corn was inspected and loaded onto a Nicaragua-bound ship.

It has been learned that the inspector who examined the ship itself, and certified it as being clean and free of foreign material and insects, was among the inspectors later indicted by a federal grand jury in New Orleans on charges of bribery.

The ship-hold inspector was Raymond S. Schultz, an employe of the New Orleans Board of Trade who was indicted last August on 66 counts of taking payments from shipping companies and from a ship-cleaning firm. None of the counts involved the Nicaraguan shipment, however.

Schultz pleaded guilty to 10 counts of bribery, was fined $500 and placed on 4 years probation.

A Des Moines Register investigation over the past six weeks in New Orleans, Houston, Tex., and Washington, has disclosed that:

The federal investigation of bribe payments to inspectors is continuing, has spread to other major grain ports and includes a probe of possible involvement of shipping and grain company executives.

Federal agents also are looking into the possible misgrading of U.S. grains, to determine whether foreign purchasers and countries that get U.S. humanitarian food aid may have been sent substandard or contaminated grains.

The inspection system is plagued by conflicts of interest because, although they are federally licensed, the grain and ship inspectors are employed by boards of trade and other private agencies which are controlled by grain, shipping and other business interests.

The Agriculture Department was warned as long as 6 years ago that an inspector bribery system might be in operation, and also knew at least 3 years ago that there were inspection irregularities at New Orleans in particular. But during this time, and while U.S. grain exports were booming, the department reduced by half its surveillance over the inspection process.

The Nicaraguan complaint occurred during the export boom. Agriculture Department files show that at about the same time, other foreign purchasers of U.S. grains were complaining strongly that the quality of grain being shipped was deteriorating.

The corn purchased by the Nicaraguan govenment was shipped from the New Orleans Public Elevator by the Louis Dreyfus Corps. in November, 1972, aboard the MV North Duchess, according to USDA records.

SHIPMENT GRADING

After Schultz had inspected and approved the ship, inspector Richard Blades, also of the New Orleans Board of Trade, graded the shipment as containing 227,777 bushels of U.S. No. 2 yellow corn and 190,852 bushels of U.S. No. 2 white corn, copies of the inspection certificates on file in USDA offices in New Orleans show.

On Jan. 3, 1973, Ervin L. Peterson, administrator of USDA's Agricultural Marketing Service (AMS), said in a memorandum that the Nicaraguans had filed "a strong complaint" alleging excess broken corn and foreign materials in the shipment.

"It was also reported that the corn was misgraded by the licensed inspector at the time of loading," said Peterson, adding that "the adequacy of the federal supervision of the licensed inspection personnel" had to be examined.

DEMANDED PROBE

Peterson demanded an immediate investigation by Howard W. Woodworth, director of AMS's grain division, and called for "the institution of whatever actions required to ensure the accuracy of any grain inspections made by the designated grain inspection agency (the New Orleans Board of Trade) involved."

Woodworth's report two weeks later, while defending his office's surveillance of the inspection process, admitted, in effect that the Nicaraguans had been misled by USDA grain export personnel and that the grain also had been improperly graded.

A reinspection of the corn by the AMS Board of Appeals and Review showed that the yellow corn should have been given the next lower grade of U.S. No. 3, or even U.S. No. 4, because of excessive amounts of damaged kernels and foreign material.

The board assigned several possible grades to the white corn, depending on the particular samples which were checked, but none of the grades was as high as the U.S. No. 2 assigned by the inspector.

WHITE CORN

The white corn graded either U.S. No 3, or "U.S. sample grade" which is lower than U.S. No. 4. Also, some of the samples indicated the town should have been designated "mixed" rather than "white" because of the high percentage of corn of other colors mixed in with the white corn.

Other samples of the white corn also were rated "weevily" by the board, indicating the presence of insects.

During the two-day loading process. "There was no surveillance of the loading or sampling of the corn at the public elevator" by grain division personnel in New Orleans, Woodworth acknowledged.

He contended, nevertheless, that the testing results "represent an acceptable level of inspection accuracy" and were within expected variations. He said, however, that the grading inspector had been "cautioned about an apparent lenient interpretation of 'broken kernels.' "

COST DIFFERENCES

Another Agriculture Department official involved in agricultural exports said, however, that the discrepancies in grades could not be justified and would mean substantial cost differences to the shipper and the purchaser.

Woodworth said that before the sale a representative of the Nicaraguan government had come to officials of AMS and of USDA's foreign agricultural service (FAS) for advice on what type of corn to buy. The Nicaraguan official specified that the white corn must be suitable for food purposes.

The USDA personnel recommended the purchase of U.S. No. 2 corn, but "did not caution the Nicaraguan representative that a U.S. No. 2 corn grade is a general purpose grade and permits a maximum of 5 per cent damaged kernels and a maximum of 3 per cent broken corn and foreign material, and, in the case of white corn, a maximum of 2 per cent of corn of other colors," Woodworth wrote.

NOT CAUTIONED

"In addition," he said, "the AMS and FAS representatives did not caution the Nicaraguan representative that U.S. corn was more fragile than Argentine corn, and that care should be exercised in loading and unloading the corn to maintain the quality of the corn."

The corn later was loaded and unloaded with mechanical trimmers and pneumatic equipment, both of which tend to break dry corn, he said.

Woodworth said he believed that most of the corn was, at the time of loading, "at the bottom of Grade 2 or the top of Grade 3."

An FAS official said the dispute over the quality of the corn eventually was settled privately between the Dreyfus Corp. and the Nicaraguan government, without any USDA involvement.

Woodworth acknowledged that with export business up, the grain division office in New Orleans could use more personnel to oversee the work of the inspectors. However, the beefing-up of the office did not take place until mid-1974, when it became known that inspection procedures in New Orleans were under investigation.

THE "MAYAGUEZ" INCIDENT—PRESIDENTIAL OVERREACTION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 10 minutes.

Ms. HOLTZMAN. Mr. Speaker, President Ford's decision to use force to free the merchant ship *Mayaguez* and its crew has resulted in needless bloodshed.

At the present time, the ship and its crew are in American custody, but at the cost of at least one marine dead, and many others wounded. The Pentagon expects the American death toll to rise as further reports come in.

The President's resort to force in this case appears to have been illegal and unconstitutional. At least five provisions of law specifically prohibit the involvement of U.S. military forces in combat "in or over or from off the shores of" Cambodia. Furthermore, under the war powers resolution, the President may engage in hostilities without the prior consent of Congress only in cases of an armed attack which constitutes an extreme national emergency. This was clearly not such a case.

Equally disturbing is that the use of military force in this incident, and the resultant casualties, appear to have been unnecessary. Diplomatic efforts were underway to recover the ship and its crew. Nothing would have been lost by waiting to see whether they would bear fruit. Indeed, according to the latest reports, at the very time the President was ordering marines into the operation, the Cambodian Government was announcing that it would return the crew of the *Mayaguez*. As the marines were invading Tang Island searching for the crew, the crew was already on its way back in a Thai fishing boat. At best the whole situation reflects terrible intelligence. At worst it is a reflection of faulty Presidential judgment and overreaction.

Let there be no mistake about it. We have won no "victory." We have proved nothing to the world, except that this President is willing—as were his predecessors—to make hasty and ill-considered use of American military force against tiny countries, regardless of the law, regardless of the cost in American lives, and regardless of the ability to achieve the same ends peacefully.

THE ELECTRIC UTILITIES RATE REFORM ACT OF 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 15 minutes.

Mr. DRINAN. Mr. Speaker, I would like to bring to my colleagues' attention a bill which I have recently introduced, the Electric Utilities Rate Reform Act of 1975 (H.R. 6696). This legislation requires State regulatory authority to establish rate schedules which distribute costs to classes of consumers according to the actual cost incurred by the utilities.

The need for reform in the regulatory rate structure for electric utilities has become all too evident. Monthly electricity bills have shot up between 20 and 50 percent in the past year, and there is no end in sight to the upward rate spiral. Even now, utilities from coast to coast are seeking permission to pile record increases on top of record increases in order to finance their fuel and operating costs. Given the present rate structure, such continued increases will bring on a consumers' revolt.

Mr. Speaker, the existing rate structure benefits those who use the most electricity, a hard fact which hurts the small consumer and businessman who pay a disproportionate share of the actual cost. Under the traditional declining block rate, the larger users of electricity are charged progressively lower rates per kilowatt hour, and in addition, utilities generally offer lower rates for such sought after markets as all electric residential and hot water heating. These declining rates and promotional designs are now obsolete in view of this country's significant energy problems and the high costs which now adhere to the utilities' operations.

The consuming public should no longer subsidize the large energy users, nor should such promotional schemes be allowed by State regulatory commissions. With the high costs and scarcity of fuel, each class of customer should pay a flat rate for its electricity or a rate which reflects the actual cost of that electricity. To allow the present system to continue as it has will mean that we are providing no incentive for saving energy, nor are we properly distributing the cost of the electricity in a fair manner.

THE EFFECT OF HIGH ENERGY AND GROWTH COSTS

Mr. Speaker, the electricity rate structure did not arouse the consuming public when energy was plentiful and inexpensive, but electricity bills have become extremely high in the last year and a half. With the extraordinarily high fuel adjustment charges which have been assessed recently, it is common for a family to pay well over $100 for a 2-month billing period.

The average charge for electricity over the past 10 years indicates the reason for this consumer unrest. From 1964 to 1969 the average residential revenue per kilowatt hour declined from 2.31 cents to 2.09 cents. By 1973, however, the rate was back to 2.38 cents and in 1974 it went to 2.50 cents and 2.60 cents per kilowatt hour in many areas.

As the consuming public has seen in the past year, though, the cost per kilowatt hour for electricity is only the base price. With the advent of the fuel adjustment charge, utilities have been able to pass on the cost of their rising fuel prices by attaching a fuel adjustment charge. In some cases, these extra charges are almost equal to the bill prior to the surcharge. The fuel adjustment innovation has greatly pushed consumer prices up, with electric and gas utilities increasing their prices by an estimated $6.5 billion during 1974. According to a recent survey released by the Senate Subcommittee on Budgeting, Management, and Expenditures, this $6.5 billion figure is greater than the total of all rate increases approved during the last 25 years. Rate increases range up to 1,400 percent in the District of Columbia, 900 percent in New York, 750 percent in Maine and Tennessee, and 300 to 500 percent in a variety of other States.

Mr. Speaker, my home State of Massachusetts has been particularly hard hit by the prevailing electricity costs. Monthly electric bills for an average Massachusetts home increased more than 21 percent between January 1973 and January 1974. This made the Bay State utility rates the second highest in the Nation, after New York. According to a report by the Federal Power Commission, Massachusetts consumers were paying $14.05 for 500 kilowatt hours of electricity on January 1973, while the cost rose to $17.10 by the beginning of 1974. While the rate was increasing 21.7 percent in Massachusetts, the average increase nationwide was 12.3 percent. Despite the dramatic increases which have already occurred, there is presently pending before the Massachusetts Department of Public Utilities rate increase applications which total nearly $130 million. On a per capita basis, these proposed increases are as high or higher than those pending anywhere in the Nation.

It is not difficult to understand why the electricity charges have gone up so substantially. The price of residual fuel oil which is burned by many powerplants has increased daramatically over a 4-year period from 1972 to 1975. In that time, the cost per barrel of oil rose from $2.40 to an astronomical $13 per barrel. This represents an increase of more than 440 percent. The price of distillate fuel, which is most often used in "peaking" plants has also gone up sharply. Between 1973 and 1974, its price has more than doubled.

Coal is the most commonly used fuel for power production, with 53 percent of all electric steam generation being produced from coal. This power source has also risen sharply in price in recent years. however. Power companies and utilities which were paying on the average of $7.80 a ton for coal in 1970 must now pay an estimated $28 a ton. In some cases, "spot" purchases—those not supplied under previous contracts—have been made at up to $40 a ton or more. Nor has nuclear fuel presented an enviable cost record. Although the fuel is not as hard to obtain at reasonable prices, the cost of nuclear powerplants and the frequency with which they are "down" makes nuclear power no bargain investment.

The high cost of plant construction has been an additional factor which has led to utility rate increases. Fossil fuel steam baseload plants have a lead time of approximately 7 years, and their cost is about $690 per kilowatt. For the larger plants, this means that a price tag of $300 to $800 million is common.

Peak loading plants in the form of combustion turbines are another commonly installed powerplant, and they are also the least capital intensive. Their cost is approximately $80 to $125 per kilowatt which makes them a relative bargain. It must be emphasized, however, that combustion turbines are by far and away the least efficient utilizers of fossil fuels. They are only used during the peak loading times of the day for electricity generation as their operating costs are extremely high and energy inefficient.

Nuclear powerplants are easily the most expensive and capital intensive generating stations. Their cost is about $775 per kilowatt for a 1,000-megawatt plant. This means that an average price for a major nuclear power station is in the neighborhood of $775 million, and costs are continuing to escalate in their construction. A very long leadtime is required to put them "on the line," with approximately 10 years being required. In addition, it is quite difficult to obtain the requisite Government approvals and permits which are necessary to build and operate nuclear facilities. The cost for fuel is cheaper, but the cost of the plant more than makes up for this savings.

THE DECLINING BLOCK RATE SYSTEM

In view of this steeply increasing energy and plant cost, the declining block rates and promotional devices no longer make sense in the determination of electricity rate structures. The average consumer is not able to afford the prices which must be charged, and the utilities are not receiving a fair rate of return for the power which they are generating.

Industrial users buy about 35 percent of the electricity produced, and yet they pay for only 23 percent of the total bill. For example, in 1972, the average price per hour paid by residential customers was 2.42 cents, while the average price paid by industrial customers was just 1.16 cents per kilowatt hour. The rate varies from State to State, with New Hampshire charging residents an average of 2.92 cents per kwh while industry is charged an average of 2.30 cents. On the other hand, Maryland charges residential consumers an average of 2.08 cents per kwh, but asks only 0.82 cents from industry.

These electricity rates are unfairly structured so that the more electricity a consumer uses per month, the less he or she will pay. The rates gradually decrease as a consumer reaches the succeeding categories of 50 kilowatts, 100 kilowatts, 700 kilowatts, and finally 1,000 kilowatts per hour. As indicated above, the highest users may be charged between 50 percent to 150 percent less than the average homeowner.

This type of declining block rates, Mr. Speaker, significantly hurts certain types of residents, such as those who live in the city. The average city resident consumes much less electric power than the average suburban resident, often times up to 100 percent less. Residents of big cities are not generally in need of most of the new generating plants. Existing plants, plus a few minor additions in some cases, would be sufficient to supply electricity for their and small business' needs. But city residents are in "service areas" which supply a great deal of electricity to industrial facilities and fast-growing suburbs. Consequently, city people, despite their low use of electricity, find themselves paying higher electricity rates based on the large energy needs of a select group of large electricity users.

The fallacy of our existing rate structures has been proved by the advent of the fuel adjustment charge. Previously, utilities always had to proceed through a rate schedule hearing in order to be granted higher rates. Due to fast rising fuel prices, however, electric utilities across the Nation asked the regulatory commission to be able to pass on higher fuel costs automatically through higher rates without a formal rate increase request. This permission was granted, and the result is that utilities with fuel adjustment clauses no longer have to fight fuel price increases. They pass the higher costs along to their customers directly and this has severely hurt the average consumer. Thus, it has gotten to a point where everyone is protected except the ordinary citizen.

Mr. Speaker, we have now reached a situation where increasing fuel prices and electricity bills clearly call for a major reform of such promotional devices as the declining block rate. Small consumers and businessmen should not be called upon to subsidize the electricity needs of large office buildings and industry.

PRICING PEAK LOAD ELECTRICITY

The electricity rate structures which are now in use levy the same charge per kilowatt hour regardless of whether the power is used during peak or offpeak demand periods. And yet pricing peak power at the same price as offpeak power is a tremendously inefficient and wasteful practice. The extra equipment for peak service typically consists of highly inefficient and expensive to operate natural gas or distillate oil burning turbines, with the result that peak power is far more expensive to generate. Public utilities must provide generating power stations which are capable of meeting peak power needs despite the fact that peaking equipment is only on the line for a short time during the day.

The present rate design promotes the use of electricity during peak demand hours and forces prices up for all consumers. Since there are no penalties for peak power usage, normal energy use between the hours of 4 p.m. and 7 p.m. requires the costly expansion of base load generating capacity so as to meet the increased average demand which is felt during these peak hours. The Federal Energy Administration estimates that if the demand curve of electricity were smoothed out, as by discouraging excessive peak load use, $60 billion in powerplant additions could be saved over the next 10 years.

Present rate designs promote electricity use on an overbuilt system designed to meet high peaks and wasteful use. Generally these systems have to be built so as to allow a 20 percent extra peaking capacity. In some cases, the ratio of average demand to peak demand ranges up as high as 50 to 75 percent. This variation has a tremendous impact on cost and rates as would be expected. Indeed, one utility executive was recently quoted as saying that a 1 percent improvement in load factor would mean as much to his company as a $10 million rate increase.

To meet the increased peak load needs, utility companies operate special intermediate and peak load equipment. Typically, intermediate load equipment is operated from 8 to 12 hours a day or 1,000 to 4,000 hours per year, while peak load equipment is operated from 4 to 8 hours or less than 1,000 hours per year. The generators normally used have been developed from our jet engine technology which allows for fast startup power generation. The preferred fuel is natural gas, but oil distillates are also usuable. The big problem with this sort of generation, however, is the fuel efficiency which is considerably less than that of large steam plants. In the decade from 1963 to 1972, because of the increased need for electricity, the use of these inefficient combustion turbines have increased by nearly fiftyfold. I submit, Mr. Speaker, that much of this inefficiency could be eliminated by charging more for this peak hour electricity.

Our current rate structures discriminate against lower and middle income households which are required to pay the capacity charge associated with all residential users. They pay evenly high prices even though they do not generally have the appliances and facilities which cause peak load problems. With peak load pricing, on the other hand, customers big and small would pay more for electricity during the day when the demand is high. Consequently, during weekends and late at night the rates would drop significantly, providing an incentive for using electricity at low rate hours. Simply doing the laundry and the dishes in off-hours could result in a smaller electricity bill while curbing the utilities' need for expensive new energy-producing capacity.

Commercial customers are less differentiated than residential users as to the time of their energy consumption. Small commercial users such as small merchants and businesses, who often pay rates exceeding their cost of service, would find their bills lowered with peak load pricing. Larger commercial users, though, such as office buildings and apartment houses would find their bills increased if they maintain present typical time patterns of consumption. These types of users, however, have significant opportunities to alter consumption patterns. Tenants of large office buildings may stagger employee working hours, utilize heating and/or cooling storage units, and install better insulation. All of these measures would help to conserve energy.

Large industrial users, whose consumption is typically uniform, are very often more efficient consumers of electricity. In some cases, large industrial users even have their own peak generating equipment. By introducing peak load pricing, large industrial users would face price increases for their energy consumption, but certain steps could be taken to ameliorate these increases. For example, low grade waste steam can be reprocessed so as to provide for electricity generation during peak hours.

Some utilities have already started using peak load pricing with considerable success in different parts of the country. Utilities in the mid-West, Seattle, Virginia, and Long Island, have implemented this basic reform. Considering the tremendous advantages which could accrue from its nationwide use, it is incumbent upon the Federal Government to see to it that such pricing becomes the rule rather than the exception in the near future.

THE ELECTRIC UTILITIES RATE REFORM ACT OF 1975

Until the present time regulatory commissions have traditionally chosen to leave the design of rate structures to the discretion of utility companies. Not surprisingly, the choice by the utility management was one which would promote growth. Almost without exception, the chosen schedule was one of the declining block charges, without peak load pricing.

The pricing practices of the electric utilities produced exactly what the utilities desired in the 1960's.

Electricity demand grew substantially, and prices to the consumer were actually lowered. But by the 1970's, the great effects of electricity growth became more of a problem than an asset to the utilities. The utilities were still growing, but the price of oil began to rise, preventing the rates of return which were desired.

Mr. Speaker, the huge price tag for energy and utility expansion now calls for a basic restructuring of electricity rates. It is for this reason that I have introduced the Electric Utilities Rate Reform Act of 1975, a bill which if enacted would decrease significantly the price of electricity to most consumers. The legislation is designed to distribute more fairly electric costs to all classes of consumers, individuals as well as large industries. The premise of the bill is based on actual cost, whereby users pay rates which are commensurate with the cost of the electricity which they consume. The average American should no longer be called upon to subsidize large users of energy, especially in these days of energy shortages and high prices.

The proposed legislation mandates minimum standards known as "cost of service pricing," for the establishment of retail rates for various users. The rates would reflect the actual proportionate cost imposed on the utilities by the user's demand. Consequently, promotional rate designs would be prohibited. In addition, users whose demand adds to peak loads and thus imposes higher costs on the utility would pay more per kilowatt hour than those who draw on power reserves during nonpeak periods. Since electricity would thus be priced to encourage conservation, the need for new electricity generating plants and for increased rates to finance this new capacity would be lessened significantly.

The Rate Reform Act has several other important features. Public utility commissions would be prohibited from permitting utilities through fuel adjustment clauses in monthly bills to pass through automatically to consumers increased costs of generating capacity fuels. Instead, the commissions would be required to find that these added costs were absolutely necessary and prudently incurred and charged to consumers only in accordance with cost of service principles. The proposed legislation would also authorize funding to the commissions for adequate personnel and other resources to implement the required rate reforms and designs most suited to the various locales.

The price impact of this proposed legislation would vary for different classes of consumers. Residential consumers would be the main beneficiaries since they are relatively small consumers. Those who consume electricity for space heating and cooling purposes, which are heavy load users could mitigate their bills by avoiding heavy use during peaking hours. Because industrial and commercial users are relatively large users as well, they would experience larger bills. These could be mitigated, however, by switching portions of their consumption to off-peak periods and by taking other energy conservation steps.

Mr. Speaker, it is most important that the Congress take action such as that proposed in the Electric Utilities Rate Reform Act. The electric utilities are greatly cutting back the construction of new plants, which means that this country could experience significant shortages of electricity in the future. Due to the industry's apparenty financial crisis of inadequate revenues, a 47 percent cutback in new planned generating stations is now on the boards. In addition, there is no evidence that significant new capacity will be brought about. In view of this situation, and the fact that consumers are now heavily overcharged by existing rate structures, I feel that the Congress must act to reform these antiquated rates.

The solution embodied in the Rate Reform Act would go a long way toward eliminating the causes of soaring electricity rates and the need for costly new generating capacity. The regulatory reform approach was recommended in the final report of the energy policy project of the Ford Foundation, and has been similarly recommended by many leading energy economists. Rate reform is a viable alternative to massive Federal subsidy intervention and it would prevent a further spiralling of electricity price increases. The concept is a viable one, Mr. Speaker, and it should be given immediate attention.

For the benefit of my colleagues, I would now like to insert the text of the Rate Reform Act:

H.R. 6696

Be it enacted by the Senate and House of Representatives of the United States of

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America in Congress assembled, That this Act may be cited as the "Electric Utilities Rate Reform Act of 1975".

FINDINGS

SEC. 2. The Congress hereby finds that—

(a) the continued generation and transmission of an adequate supply of electrical energy is critical to the Nation's defense, a sound and stable economy, and the general health and welfare of the people of the United States;

(b) rapid changes in the economic environment of the electric utility industry call for adaptation by the regulatory authorities in their ratemaking practices which influence total revenues and, therefore, the return on capital of electric utilities;

(c) present utility pricing practices and local regulatory ratemaking practices often result in a disproportionate distribution of the costs of generating and transmitting electricity among different classes of customers;

(d) the disproportionate distribution of costs in electric rate schedules often results in some classes of customers paying less than the full cost of the service they receive, including the costs of capacity needed reliably to meet their demand during peakload periods, and thereby encourages wasteful use of energy;

(e) sales below actual cost of service encourage excessive consumption of electrical energy and unnecessary construction of electricity generating facilities at a time when the Nation gravely needs to conserve its energy resources;

(f) the unnecessary construction of generating capacity by the electric utility industry is creating burdens on the financial markets which will be difficult to meet;

(g) the capital inadequacy of the electric utility industry has impaired its ability to finance conversion of generating facilities from oil to coal and to invest in equipment necessary to limit adverse environmental effects of energy production;

(h) shortages and unreliable supplies of electricity caused by the financial problems of the utilities now exist or are imminent and jeopardize the normal flow of interstate and foreign commerce by creating severe economic dislocation, including loss of jobs, closing of factories and businesses, and curtailments of vital public services; and

(i) existing rates and rate bases are significant elements in the present and future generation, transmission, and conservation of electricity, and affect interstate commerce.

PURPOSES

SEC. 3. The purposes of this Act are—

(a) to establish minimum standards of electric ratemaking in order that the actual costs of generating and transmitting electricity are equitably distributed among all customer classes;

(b) to insure that all electric utility customers are charged prices which are proportionate to the actual cost of the service they receive;

(c) to encourage the conservation of electricity by all users;

(d) to avoid the construction of unnecessary electricity generating facilities;

(e) to restore the electric utility industry to financial soundness and reliability of service; and

(f) to affirm and maintain the power of regulatory authorities to regulate the sale, generation, and transmission of electricity, including the specific application of the principles of regulation in individual cases, subject to the provisions of this Act.

DEFINITIONS

SEC. 4. As used in this Act—

(a) "corporation" includes any corporation, joint stock company, partnership, association, business trust, organized groups of persons whether incorporated or not, receiver or receivers, trustee or trustees;

(b) "fuel adjustment clause" means that part of a rate schedule for sales of electric power which reflect changes in the fuel component per-kilowatt-hour of delivered energy cost;

(c) "long-run incremental costs" means those costs which utilities will incur in adding generating capacity necessary to meet additional demand for electricity;

(d) "peakload periods" means annual, seasonal, and diurnal periods of time in which the consumption of electricity exceeds the average consumption of electricity for such periods of time;

(e) "rate base" means the value established by a regulatory authority upon which a utility is permitted to earn a specified rate of return;

(f) "regulated public utility" or "utility" means a corporation which is engaged in the business of furnishing or sale of electric power if rates for such furnishing or sale have been established or are subject to approval by a regulatory authority; and

(g) "regulatory authority" means any agency of a State, the District of Columbia, or a territory or possession of the United States, or political subdivision thereof, or any agency of the United States which has jurisdiction to establish or regulate rates or charges for the sale of electric power.

STANDARDS FOR COST OF SERVICE PRICING

SEC. 5. Regulatory authorities shall implement and maintain rate schedules which distribute costs to customer classes in accordance with the costs these classes impose on utilities by their consumption patterns. To meet this requirement—

(a) all utility rate schedules made lawful by a regulatory authority shall provide for the sale of electricity to different customer classes at different prices only to the extent that such prices reflect documented differences in the actual costs of service to such customer classes;

(b) all utility rate schedules made lawful by a regulatory authority shall provide for the sale of electricity during peakload periods at prices higher than prices for the sale of electricity during off-peakload periods: *Provided*, That such prices are documented by differences in the actual costs of service during such periods; and

(c) all utility rate schedules made lawful by a regulatory authority shall provide for the sale of electricity at prices which reflect the long-run incremental costs of service so as to distribute all such costs proportionately among customer classes to the degree their consumption patterns are responsible for such costs: *Provided*, That such cost differences are documented.

RATES FOR CUSTOMERS USING SMALL AMOUNTS OF POWER

SEC. 6. Nothing in this Act shall prohibit any utility from establishing or maintaining rates for electric power at less than cost to customers using no more than 300 kilowatt-hours per month for the purpose of alleviating the burden of high electricity prices to low-income households.

STANDARDS FOR TREATMENT OF PROMOTIONAL AND ADVERTISING EXPENSES

SEC. 7. No regulatory authority, for ratemaking purposes, may allow recoupment of promotional and advertising expenses, unless such expenses finance efforts encouraging the conservation of electricity or the shifting of the consumption of electricity from peak load periods to off-peakload periods.

STANDARDS FOR TREATMENT OF FUEL ADJUSTMENT CLAUSES

SEC. 8. No regulatory authority may allow or otherwise make lawful, as part of any rate schedule, a fuel adjustment clause permitting monthly changes in the utility's lawful rate equal to the changes in the cost to the utility of generating fuels, including all applicable taxes, tariffs, or similar charges without—

(a) requiring prior notice of the changed cost of fuel and the adjusted rate before any rate change can be implemented;

(b) public proceeding to establish that the utility continually manages fuel purchases, uses, and generating facilities prudently and efficiently;

(c) such rate adjustments distributing fuel costs and charges consistently with the standards established in section 5 of this Act; and

(d) reserving the power to subsequently determine that the adjusted rates or parts thereof are unlawful and subject to refund.

STANDARDS FOR EXPEDITING THE RATEMAKING PROCESS

SEC. 9. (a) No regulatory authority may suspend or otherwise defer the operation of a utility's rate schedule properly filed with it and defer the use of the rate, charge, classification, or service established by such schedule for a period longer than ten months from the date such schedule accompanied by all required supporting documentation is filed, or ten months beyond the time when it would otherwise go into effect, whichever is later. The proposed change of rate, charge, classification, or service shall go into effect, upon motion of the utility, at the end of such period and shall continue in effect until the proceeding on the proposed change has been concluded and a final order issued approving or otherwise disposing of the proposed change.

(b) In the case of a proposed increased rate or charge, the regulatory authority shall, by order, in a manner to be determined by the regulatory authority, require the interested utility to keep accurate account of all amounts received by reason of such increase, and upon completion of the final determination on the rate schedule, shall by further order require, in a manner to be determined by the regulatory authority, such utility to adjust the lawful rate or to refund, with interest, such portion of such increased rates or charges as by its decision shall be found unlawful.

(c) For purposes of this section, any rate schedule properly filed and pending with a regulatory authority prior to the effective date of this Act shall be deemed to be filed as of the effective date of this Act.

EFFECTIVE DATES

SEC. 10. (a) This Act shall be effective upon enactment, with the exception, however, of section 5 hereof, which shall become effective after five hundred and forty days following such date of enactment.

(b) The Federal Power Commission shall report to the Congress by the last day of each succeeding year after the effective date of this Act describing in detail the measures undertaken by the regulatory authorities to comply with the provisions of this Act.

SEVERABILITY

SEC. 11. If any provision of this Act or the applicability thereof to any entity or circumstances is held invalid, the remainder of this Act and the application of such provision to other entities or circumstances shall not be affected thereby.

FINANCIAL ASSISTANCE TO NON-FEDERAL REGULATORY AUTHORITIES

SEC. 12. (a) The Federal Power Commission is authorized to make grants to non-Federal regulatory authorities, in accordance with regulations established by the Commission, in such amounts as are necessary to compensate such authorities for additional costs incurred in complying with the provisions of this Act.

(b) There are authorized to be appropri-

ated such amounts as are necessary to carry out the provisions of this section.

PRESIDENT FORD'S COURAGEOUS DECISION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. ZABLOCKI) is recognized for 5 minutes.

Mr. ZABLOCKI. Mr. Speaker, the seizure of the American merchant ship, the *Mayaguez*, by a Cambodian naval vessel earlier this week, was a reprehensible and serious violation of international law. As a result of this provocation, the situation over the last few days has indeed been tense, sensitive, and serious. Wisdom and prudence was on the side of acting with caution and yet with firmness.

I commend President Ford and our Nation's leaders for making the courageous decision to retrieve the seamen and the freighter, *Mayaguez*, albeit a calculated risk was involved. It is with pride and appreciation that I join in praise and congratulations to our troops for the valor and courage they have demonstrated in the operation. We are especially pleased that the ship's entire crew was rescued, including a fellow Wisconsinite, Mr. Salvatore Puntillo. I join with his family and friends in the joy of his safe release.

At the same time, we sincerely regret the loss of any U.S. Marines and those injured in the operation, and join in sympathy to their loved ones. The American people are greatly indebted to and grateful for their sacrifice.

It is our sincere hope that this bold and successful action will prove to be a lasting deterrent against future similar acts of piracy and other potential violations of international law.

Regrettable as were the circumstances necessitating this reasoned use of force, one clearly positive aspect of the situation is that the worth of the war powers resolution has once again been demonstrated. Among other considerations, the President has properly filed a prompt report appropriately in compliance with section 4(a)(1). While such a 4(a)(1) report would normally activate the section 5 and succeeding "congressional action" procedures of the resolution, the fact that our troops are disengaged from the situation makes that a moot point. However, if such congressional followup action were in order, I, for one, would vote in favor of a resolution supporting the President's action.

OVERSEAS DEVELOPMENT COUNCIL PUBLISHES AGENDA FOR ACTION 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BRADEMAS) is recognized for 5 minutes.

Mr. BRADEMAS. Mr. Speaker, the end of the tragic Vietnam decade has brought this Nation to a historic juncture. We must reassess our role in the world and the directions our foreign policy will take in the decade now before us.

We must step back to gain perspective on a period of almost total involvement in one corner of the globe in order to grasp what has changed in the rest of our shrinking world.

In short, Mr. Speaker, we must determine where the new challenges lie so that America can continue to assert its leadership in the world community.

Mr. Speaker, the Overseas Development Council this week published a thoughtful analysis, "The United States and World Development: An Agenda for Action 1975," which can illuminate an important area of this inquiry.

This analysis deals with the rapidly evolving nature of the developing world and the demands and responsibilities these changes place on our own country.

For the developing nations of our Southern Hemisphere have not been static.

A principle theme of this new book is that, indeed, a major challenge faces the United States and the rest of the industrialized world from the emerging economic and political power of many previously underdeveloped lands, the "Third World" nations. That challenge is to design a world order which will accommodate the aspirations for equality of these newly powerful nations within a framework of stability for the industrialized countries of the Northern Hemisphere.

An equally challenging problem, to American moral leadership, is the formation of an even more impoverished community of nations now known as the "Fourth World." These are the nations which have suffered most through the present world economic stagnation.

Mr. Speaker, the Overseas Development Council is a private, nonprofit center founded in 1969 to increase American understanding of the problems faced by the developing countries and the importance of these countries to the United States.

"Agenda for Action 1975" is the third in an annual series of assessments by ODC of U.S. foreign policy toward the developing world.

As the Reverend Theodore M. Hesburgh, CSC, president of the University of Notre Dame and chairman of the Council's Board, and James P. Grant, Council president, write in their introduction to this year's assessment, the interdependence of nations has become a reality. This study therefore deals with "the problem of world development rather than only that of the poor countries."

Father Hesburgh and Mr. Grant call for new global "social compacts" arising from the recognition of this interdependence, and state that:

> Human equality is a subject that has increasingly preoccupied us during this century, and the growing pressure from the world's poor majority to come. In the short period since World War II, we have seen the development of mutuality among the advanced nations and the development of political freedom and juridical equality for all nations. It is only within the past eighteen months that a new search for economic equality has opened in earnest as the developing countries of the South, led by oil exporters, have begun to press their claims. This initiative comes at a time when the world has the capacity and knowledge to make a decent life for every person.
>
> The challenge from the developing countries to the existing international hierarchy of power is part of an even broader theme of this Agenda—the argument that the world appears to be on the verge of one of the great economic, social, and political discontinuities of history. A global transformation is beginning to emerge that includes, but goes beyond, the immediate consequences of increasing interdependence; indeed, it is as if the molecular structure of the world order were changing. In the rich and poor nations alike, solutions to major issues such as the food and energy crisis and stagflation increasingly involve a web of relationships requiring new global approaches if reasonable rates of growth are to continue. New global as well as domestic "social compacts"—involving significant changes in life styles—are needed to meet these new circumstances.

Mr. Speaker, some of the major issues dealt with in this valuable book include the following:

Continuing economic distress of the poorest Fourth World nations;

Precarious world food situation in the absence of a system of reserves;

Emergence of OPEC countries as major aid donors;

Difficulty of negotiations ahead to realize the potential for expanded world trade as result of 1974 Trade Act;

Recycling of petro-dollars causes greater problems in developing countries than in industrial nations;

Danger that the Law of the Seas Conference may collapse in 1975.

Mr. Speaker, the "Agenda for Action 1975" was prepared under the direction of Mr. James W. Howe, a senior fellow with the Council. I recommend this volume to the attention of my colleagues.

PERSONAL STATEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. NOWAK) is recognized for 5 minutes.

Mr. NOWAK. Mr. Speaker, on May 14, I was in a meeting in the Senate Office Building, and was unable to return to the floor in time to cast my vote on the conference report on House Concurrent Resolution 218. I would like the RECORD to show that had I been present and voting, I would have voted "yea" on roll No. 205.

PROPOSED RULE TO ACCOMPANY H.R. 6900, THE EMERGENCY COMPENSATION AND SPECIAL UNEMPLOYMENT ASSISTANCE ACT OF 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. CORMAN) is recognized for 5 minutes.

Mr. CORMAN. Mr. Speaker, today the Ways and Means Committee unanimously approved H.R. 6900, the Emergency Compensation and Special Unemployment Assistance Act of 1975. The purpose of this bill is to extend unemployment benefits under the Federal supplemental benefits and special unemployment assistance programs. It would add 13 weeks to the maximum number of benefit weeks under both programs

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payable through June 30, 1976, extend with certain amendments the special unemployment assistance program through 1976, and entitle the Virgin Islands to borrow money from Federal general revenues as is necessary to continue its unemployment insurance program.

It is the Ways and Means Committee's intention to go before the Rules Committee as soon as possible and request an open rule for this bill, with the condition that any amendments that are to be offered on the House floor be filed 48 hours prior to the beginning of debate. Because of the nature of these two unemployment benefit programs, slight changes can be very costly, result in difficult administrative problems and have a dramaticaly different impact on different States. In order to inform the House of the possible impact of changes in H.R. 6900 as reported, the committee will need the requested 48 hours to review and analyze any proposed amendments.

The reason for this brief statement is not to explain H.R. 6900 but simply to advise the Members of the 48-hour review period which the committee is going to request from the Rules Committee.

RESOLUTION ON LATIN AMERICAN AND CARIBBEAN FOREIGN POLICY PRINCIPLES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. Fascell) is recognized for 10 minutes.

Mr. FASCELL. Mr. Speaker, today I am introducing House Concurrent Resolution 282, the Latin American and Caribbean Foreign Policy Principles Resolution. The resolution reflects my deep concern that the United States devote to our hemisphere neighbors the attention which they merit as well as my conviction that the United States must construct a new and coherent legislative framework for our foreign policy toward Latin America and the Caribbean.

This resolution in and of itself would neither repeal nor amend any existing laws. It would create no new laws. It is rather exactly what the title implies, a statement of principles. It is my hope that in the weeks and months ahead the resolution will serve as a focal point for discussing the pros and cons of all aspects of our relations with the hemisphere. Discussion of separate security, political, economic and cultural issues in relation to each other should help shape a general consensus to guide Congress in making specific legislative decisions on particular issues when they reach the floor of the House. The existence of such a legislative framework, setting forth the principles to which Congress is committed, will enable both the executive and Congress to work together more effectively in the area of hemisphere foreign policy. Moreover, the existence of such a framework will hopefully foster better relations with our neighbors by decreasing the likelihood that well intentioned but misguided amendments in Congress will unintentionally undermine the complex framework of inter-American cooperation and friendship.

This resolution is being introduced in the Senate today by my friend and colleague from Florida, the Honorable Lawton Chiles as well as the distinguished Senator from Texas, the Honorable Lloyd Bentsen. The resolution is a joint effort which reflects many weeks of work. While the final product is ours I do want to express my appreciation to many individuals in the State Department and elsewhere whose comments were solicited on various aspects of the resolution. A special vote of gratitude goes to the Commission on United States-Latin American Relations whose efforts and report prompted a number of us in Congress to undertake our own review of hemisphere policy. We are appreciative of the assistance given us by the Commission and its able and effective staff.

AGRICULTURE SHOULD BE INCLUDED IN MONITORING FOREIGN INVESTMENTS IN THE UNITED STATES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Montana (Mr. Melcher) is recognized for 5 minutes.

Mr. MELCHER. Mr. Speaker, on May 7, the President issued Executive Order No. 11858 setting up a White House Committee on Foreign Investment in the United States to monitor foreign investments in this country, set up advance consultations on foreign governmental investments, and study the implications of growing foreign ownership of American assets for U.S. national interests.

I laud the President's action, but I would like to recommend as vigorously as I can that the U.S. Department of Agriculture be made a full participant in the committee. The committee is now composed of the Secretaries of State, Treasury, Defense, and Commerce, plus the President's assistant for Economic Affairs and the Executive Director of the Council on International Economic Policy.

There is a great deal of concern across the Nation about purchase of farmland by foreign investors, and that extends from concern about a large tract of coastal land in South Carolina to Midwestern corn/hog properties and on to west coast irrigated tracts. Foreign purchase of U.S. farmlands is widespread, but we have no idea of their full extent.

In the past few years, the U.S. trade balance has been maintained by rapidly increasing agricultural exports. There is some evidence that Arab governments, Italian nationals, the Japanese, and others are beginning to acquire land to produce some of their own food requirements in this country. Just how they propose to operate, we do not know.

We need to know what is happening in this area, and we need to know what the implications are for farm programs, for food supply, for our exports and trade balance, and any and all other potential effects.

I am communicating with the President urging him to include the Secretary of Agriculture on the list of Committee members to be sure that reporting on, and analysis of, purchase of a part of our foreign agricultural production capacity, and of our food industries, be given the careful attention it deserves. The implication of foreign investments in the farm and food field need to be given consideration by others than just people preoccupied with defense, banking, diplomatic, industrial, and economic aspects.

Executive Order No. 11858 follows:

Executive Order 11858: Foreign Investment in the United States

By virtue of the authority vested in me by the Constitution and statutes of the United States of America, including the Act of February 14, 1903, as amended (15 U.S.C. 1501 et seq.), section 10 of the Gold Reserve Act of 1934, as amended (31 U.S.C. 822a), and section 301 of title 3 of the United States Code, and as President of the United States of America, it is hereby ordered as follows:

Section 1. (a) There is hereby established the Committee on Foreign Investment in the United States (hereinafter referred to as the Committee). The Committee shall be composed of a representative, whose status is not below that of an Assistant Secretary, designated by each of the following:

(1) The Secretary of State.

(2) The Secretary of the Treasury.

(3) The Secretary of Defense.

(4) The Secretary of Commerce.

(5) The Assistant to the President for Economic Affairs.

(6) The Executive Director of the Council on International Economic Policy.

The representative of the Secretary of the Treasury shall be the chairman of the Committee. The chairman, as he deems appropriate, may invite representatives of other departments and agencies to participate from time to time in activities of the Committee.

(b) The Committee shall have primary continuing responsibility within the Executive Branch for monitoring the impact of foreign investment in the United States, both direct and portfolio, and for coordinating the implementation of United States policy on such investment. In fulfillment of this responsibility, the Committee shall:

(1) arrange for the preparation of analyses of trends and significant developments in foreign investments in the United States.

(2) provide guidance on arrangements with foreign governments for advance consultations on prospective major foreign governmental investments in the United States;

(3) review investments in the United States which, in the judgment of the Committee, might have major implications for United States national interests; and

(4) consider proposals for new legislation or regulations relating to foreign investment as may appear necessary.

(c) As the need arises, the Committee shall submit recommendations and analyses to the National Security Council and to the Economic Policy Board. It shall also arrange for the preparation and publication of periodic reports.

Sec. 2. The Secretary of Commerce, with respect to the collection and use of data on foreign investment in the United States, shall provide, in particular, for the performance of the following activities:

(a) The obtainment, consolidation, and analysis of information on foreign investment in the United States;

(b) the improvement of procedures for the collection and dissemination of information on such foreign investment;

(c) the close observation of foreign investment in the United States;

(d) the preparation of reports and analyses of trends and of significant developments in appropriate categories of such investment;

(e) the compilation of data and preparation of evaluations of significant investment transactions; and

(f) the submission to the Committee of appropriate reports, analyses, data and recommendations relating to foreign investment in the United States, including recommendations as to how information on foreign investment can be kept current.

Sec. 3. The Secretary of the Treasury is authorized, without further approval of the President, to make reasonable use of the resources of the Exchange Stabilization Fund, in accordance with section 10 of the Gold Reserve Act of 1934, as amended (31 U.S.C. 822a), to pay any of the expenses directly incurred by the Secretary of Commerce in the performance of the functions and activities provided by this order. This authority shall be in effect for one year, unless revoked prior thereto.

Sec. 4. All departments and agencies are directed to provide, to the extent permitted by law, such information and assistance as may be requested by the Committee or the Secretary of Commerce in carrying out their functions and activities under this order.

Sec. 5. Information which has been submitted or received in confidence shall not be publicly disclosed, except to the extent required by law; and such information shall be used by the Committee only for the purpose of carrying out the functions and activities prescribed by this order.

Sec. 6. Nothing in this order shall affect the data-gathering, regulatory, or enforcement authority of any existing department or agency over foreign investment, and the review of individual investments provided by this order shall not in any way supersede or prejudice any other process provided by law.

Gerald R. Ford.

The White House, *May 7, 1975.*

INTERNATIONAL REASON AND SANITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. Early) is recognized for 5 minutes.

Mr. EARLY. Mr. Speaker, I am certainly relieved, as I am sure are all of my colleagues in the Congress and the American people, that the President's actions yesterday were successful in recovering the merchant ship *Mayaguez* and its entire crew. Even now, the information we have on the cause and circumstances surrounding this incident is very sketchy. At this stage we know that American casualties were suffered. How many and how badly, we do not know. But, I for one, am bent on getting all of the facts, and getting them quickly.

It is deeply regrettable that force had to be used—that the incident could not have been settled through diplomatic channels. We simply have had too much bloodshed in our recent past, and I would think—I had hoped—that particularly those nations so recently engaged in bloodletting wars, would have the strongest desires to deal with international situations peacefully. I am tired, and the people of this country are tired, of front-page headlines that spell American casualties.

In a world supposedly civilized, nations—all nations, new and old—must realize that they cannot act rashly and impetuously; that the gun rarely settles anything justly or permanently. We, all of us, must return to the use of reason and sanity in our dealings with each other.

COMPREHENSIVE ENERGY BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado (Mr. Wirth) is recognized for 5 minutes.

Mr. WIRTH. Mr. Speaker, this afternoon John Dingell, chairman of the Energy and Power Subcommittee of the Committee on Interstate and Foreign Commerce submitted the subcommittee's comprehensive energy bill. This bill will, hopefully, come before the full committee next week.

I hope that all of my colleagues in the House will carefully examine this bill. Needless to say, it is not perfect; but with the exception of the pricing section, I believe that it comes very close to being an excellent legislative product.

The pricing section—essentially meaning: How much should a barrel of oil cost?—is extremely difficult and complex, substantively and politically. For a week I have been speaking to various aspects of the pricing issue, and hope that the elements of this discussion, which can be found in the Record, will be helpful to my colleagues.

Energy is as complex and difficult an issue as we face in this country today, and I urge the careful study, analysis, and thought of my colleagues as we move toward a comprehensive legislative program.

THE PROPRIETY OF ACCEPTING CERTAIN NONPAID TRANSPORTATION

(Mr. FLYNT asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. FLYNT. Mr. Speaker, the Committee on Standards of Official Conduct, of which I have the honor to be chairman, yesterday approved advisory opinion No. 4 dealing with the propriety of acceptance by Members and staff of the House of Representatives of nonpaid transportation under various circumstances.

The committee acted in response to written and oral requests for guidance in the use of both commercial and private transportation facilities.

I believe the opinion clearly defines the circumstances under which acceptance of such transportation would not be improper, as well as those under which acceptance should be declined.

Copies of the opinion will be sent today to all Members, and I include the opinion at this point in the Record:

Committee on Standards of Official Conduct, U.S. House of Representatives, Advisory Opinion No. 4, Issued May 14, 1975, on the Propriety of Accepting Certain Non-Paid Transportation

REASON FOR ISSUANCE

The Committee has been requested in writing to express an opinion on the propriety of Members and staff of the U.S. House of Representatives accepting non-paid transportation provided under a number of circumstances. In order that all may be on notice, the response to that request is made in this Committee Advisory Opinion.

BACKGROUND

It is necessary and desirable that Members and employees of the U.S. House of Representatives, being public officials, maintain maximum contact with the public at large to provide information on the work of the House and to gain citizen input into the legislative process. To accomplish this, considerable travel is required. Under some circumstances, such travel may be appropriately provided by other than commercial means. Conversely, in some circumstances non-paid transportation offers should be declined. It is the intent of this Advisory Opinion to address both situations.

The distinction turns on the *purpose* of the transportation. At times, it will be clear that there is a single identifiable purpose. At other times there may be more than one purpose involved. The Committee stresses that the opinions hereafter stated deal with the *principal* purpose for taking the trip, such purpose to be fairly determined by the person involved, before acceptance of any non-paid transportation.

NONPAID TRANSPORTATION OFFERS TO BE DECLINED

If the principal purpose of the trip is political campaign activity, and the host carrier is one who would be prohibited by law from making a campaign contribution, such nonpaid transportation would amount to a political contribution in kind, and should not be accepted.

If the trip is principally for non-campaign purposes, and the person involved were to request the host carrier to schedule transportation expressly for the convenience of the congressional passenger, such request could be interpreted as abuse of one's public position and should be avoided.

NONPAID TRANSPORTATION OFFERS WHICH MAY BE ACCEPTED

If the purpose of the trip is principally representational or even personal, and if the host carrier's purpose in scheduling the transportation is solely for the general benefit of the host, and the transportation is furnished on a space-available basis with no additional costs incurred in providing the accommodation, it would not be improper to accept such transportation.

If the purpose of the transportation is to enable the congressional passenger, in his role as a public official, to be present at an event for the general benefit of an audience, the accommodation should be construed as accruing to the benefit of the audience—not the passenger—and it would not be improper to accept such transportation.

The above principle can be similarly applied to situations in which a congressional passenger is transported in connection with the receipt of an honorarium. Under such circumstances, the transportation may be accepted in lieu of monetary reimbursement for travel to which the passenger would otherwise be entitled.

Congressional officials, like other public officials and private persons, are on occasion invited as guests on scheduled airlines' inaugural flights. Specific authority to provide such non-paid transportation is contained in 14 CFR 223.8 and 399.34. Assuming that the conditions of these sections are strictly met, the Committee finds that there would be nothing improper in the acceptance of such inaugural flights.

PARKINSON'S DISEASE

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

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Mr. PEPPER. Mr. Speaker, on the first of March of this year the distinguished Secretary of Health, Education, and Welfare, the Honorable Caspar W. Weinberger, made a very significant address at the 16th Annual Bob Hope Dinner of the National Parkinson Foundation at the Fontainebleau Hotel of Miami Beach, Fla., in my congressional district. My wife, who is the chairman of the Women's Division of the National Parkinson Foundation has long been the chairman of this dinner and I had the honor to act as toastmaster. Bob Hope, for the 16th time, honored the dinner with his presence and participation by his own inimitable appearance and the presiding over the many talented performers who provided the delightful entertainment for the evening. Secretary Weinberger, speaking from his broad background and knowledge of health matters and particularly out of his general supervision over the National Institutes of Health, spoke very significantly of research in its relation to the provision of health care in our country and especially of the problem of Parkinson's disease with which the Institute of Neurological Diseases and Stroke in the National Institutes of Health is primarily concerned. Secretary Weinberger spoke on the progress that has been made in acquiring a knowledge of the causes of Parkinson's disease and how to deal with it. He expressed the dedication of the Department of Health, Education, and Welfare to the continuation of this research and to finding a cure for this crippling and killing disease. The Secretary warmly commended Mrs. Jeanne Levey, who with her husband, many years ago founded the National Parkinson Foundation and the Parkinson Research Institute in Miami, an arm of the foundation, and the great work that the National Parkinson Foundation has done in the treatment of Parkinson's patients and in research in the Parkinson's field. He recognized that the National Parkinson Foundation has the largest number of Parkinson's patients of any institution concerned with that disease and, therefore, the contribution the foundation can make in cooperation with the National Institutes of Health in finding the cause and the cure of Parkinson's disease.

I may add that since the Secretary spoke at this very meaningful dinner there has been established in Miami by the National Parkinson Foundation, under the inspired leadership of Mrs. Jeanne Levey, the Bob Hope Parkinson Research and Clinical Center, consisting of a fine, new building of four stories, splendidly adapted to the treatment of Parkinson's patients and especially adapted to research in Parkinson's disease and the treatment of the whole person afflicted with that disease in one center. Bob Hope was present at the dedication of this new research center and spoke in his usual inimitable way in commendation of Mrs. Levey and the work of the Parkinson Foundation. My wife and I had the privilege of participating in this dedication. All who are concerned about this disease, of which there are about 1 million in the United States constantly afflicted, will profit from reading the able address of Secretary Weinberger at the Bob Hope Dinner and I include the Secretary's address in the RECORD following these remarks:

TRANSCRIPTION OF TAPE RECORDING

(Remarks by The Honorable Caspar W. Weinberger, Secretary of Health, Education, and Welfare before the National Parkinson Foundation, Inc., Miami, Fla., on March 1, 1975).

Following an introduction by Congressman Claude Pepper, Mr. Weinberger made the following remarks:

Thank you very much, Senator. That's a very generous welcome and I'm extremely grateful to you and it's a great honor to have the opportunity to be here and join all of you in paying tribute to Mrs. Levey and to the magnificent work that she has done. Your Mayor said a little while ago that he knew that you could hear him because he could hear you and I think that that's a very fitting description of tonight. I'm not going to continue long because I know that we're all waiting eagerly to hear the performance of Bob Hope and his Company. But I did want you to know that the very distinguished record of Senator Pepper with which you are thoroughly familiar is similarly regarded by all of us in Washington and it is an honor to have the opportunity to be introduced by him tonight.

Yesterday I had occasion to talk to the President and he, when he knew that I was coming down to Florida, expressed his great interest and hoped that he would be able to be part of the Dedication of the Parkinson Research Foundation building a little later this month; and he also asked me particularly if I would convey his deep appreciation of the contributions that all of you here tonight have made and of his great happiness at the willingness to contribute that has made possible this very fine institution. I assure him I would convey all of his personal greetings to all of you and I'm very honored, of course to have the opportunity to do that on behalf of President Ford.

You know one morning a few weeks ago a very unusual and attractive lady came to see me in my office and during the visit she told me of a very fine new building that her organization had just finished. She said it didn't have a cent of federal money in it, that it was all loaned and it was all paid for down to the last nail before it was finished. I told her I very much wished that we could have her in the Federal Government, that we could really use her and we're not likely to be able to achieve this kind of solvency in Washington soon, I'm afraid. Nor are we likely to be able to hire Mrs. Levey, although we would certainly like to. But we are going to do the next best thing and that is to work with her and with the Foundation which she more than anyone else has brought into being. It's a real inspiration to be here. When you can see what she has accomplished in the past 16 years with her spirit and her drive, you know why she has won the admiration of all who know her here and that her reputation has spread a long way to Washington and beyond.

What I think we must resolve to do tonight is to help maintain the momentum that she has created. I'd also like to say a word as a fellow Californian about Bob Hope, who has done such an enormous amount for so many people and so many causes all over the world. This is his 16th year in helping the Foundation and he's been responsible for raising over 5 million dollars in contributions and as a Californian of course I know the very great contributions he's made to a number of other worthy causes throughout our state, as well as the country. As an official of the United States Government I'm delighted to have the opportunity to pay tribute to him for the very magnificent work that he has done with our troops overseas year after year at great cost and personal expense and effort and time on his part. It's been an inspiration for all of us and it's an honor to be on the same program with Bob.

The Institute that we come to honor tonight has been created in a great spirit, similar to that Bob Hope and others have exercised in their voluntary work. The voluntary movement is largely responsible in many ways too for the work of government. Behind almost every governmental program there is a volunteer group which has originated interest in that subject and has moved government to enter it. That has been the way in a number of different kinds of research into a number of different kinds of disease and it is certainly the fact with respect to Parkinson's disease too. Your organization is unique in a number of ways. It's the only institution of its kind in the country and probably in the world that devotes itself exclusively to the needs of Parkinson patients. In the usual neurological clinic, this is one of many nervous system disorders being treated. In the great Institute which Dr. Tower heads so ably in Washington, that is the case. But here all of the attention is focused on Parkinson's disease and so a very powerful spirit of hope and optimism has been generated here and we know that that is going to replace the despair that is the common lot of so many who suffer from this terrible disease.

Secondly your Institute is unique also in the services that it offers its patients. Its physical facilities and rehabilitative therapy are unparalleled and what is more your program here is one in which the whole patient is treated. You just aren't looking at the disease or its symptoms, you're looking at the whole patient and how he can be made a happier, more whole citizen and therefore you concentrate training also on his family and on others who will be taught to care for him.

Finally the Institute has uniform records on the largest population of Parkinson patients of any in the world and our efforts at NIH, at the National Institutes of Health, have greatly benefited from this achievement. Our department, as you know, is heavily committed to research into Parkinson's disease. Our Food and Drug Administration is responsibile for the safety and efficacy of drugs and in fact it now has under review a new drug combination for Parkinson's disease. Our Social and Rehabilitative Service, which is another of the units of our department through the states, provides funds for rehabilitation for many kinds of patients including some with the disease that we are concerned with tonight.

But the agency that offers the greatest hope in terms of impact is, of course, the National Institute of Neurological Diseases and Stroke, and you heard from its very distinguished director, Dr. Tower. Dr. Tower can give you far more detailed and scientific reviews than our program tonight has, but I want to mention a few of the more active research areas and give you some sense of the reason that we feel optimistic for the future after a great many years of pessimism in dealing with this disease.

In the research that we're doing now, the main action is in the study of drugs and how they will work. Most of you know that the recent advances we have made in drug therapy centered around the one drug of L-dopa and the amount of benefits that we've had and the amount of care with which we must use that drug. Our scientists have played a very crucial role in basic research going back more than 20 years and that led to the L-dopa and you heard the interesting story of how that was put together by workers all over the world from Dr. Tower.

But that's been more of a beginning than an end. It's provided a great many prime

research opportunities whereas before we could mainly observe and simply try to make the patient's life as bearable as possible. But L-dopa has done a number of things, including extending the patient's life and making him much more able to live a more normal life and at the same time given our scientists an opportunity to find out what happens to that drug in the body and find out what happens to the patients who take it. The problem that we are most concerned with now is the fluctuating effect of L-dopa and that again emphasizes the care with which it must be used and how carefully it must be monitored by trained physicians at all times. In some patients you have the "on and off" effect whereby the drug loses what benefits it has given before and suddenly it's like turning off a light switch. A great deal of attention is being devoted at NIH and here and elsewhere to try to find out the cause of that.

Another area of the Parkinson research that is very exciting now concerns the virus and we are particularly interested in the kinds of viruses that live in brain cells for a long time in a dormant way, sometimes for decades before they emerge and are the cause of many illnesses. And a virus has long been suspected in one form or another in Parkinson's disease causes and for many years physicians have diagnosed Parkinson patients who had flu and there were thousands in that category who provided a wealth of circumstantial evidence but none that was direct. And now we believe that we do have, and it was discovered at Mt. Sinai in New York, a type of influenza virus antigen in brain tissue from 6 patients who had had post-encephalitic parkinsonism. NIH has a substantial virus research program underway and the scientists have established that these types of viruses are indeed responsible for some diseases. A rare form of the disease called parkinsonism dementia occurs among the Chamorro-speaking people of Guam in the Mariana Islands much more frequently than others in the world and we have special units there studying why this should be the case and trying to help us find out if we cannot apply some of that knowledge, when we learn it, to other types of parkinsonism around the country and indeed around the world. These patients in Guam have formed an extremely important research population for basic study by our scientists and we expect to continue to operate this facility and we believe that our scientists there may some day indeed make scientific history.

One question of great interest here is whether the new drugs actually arrest the disease itself or if they merely mask its symptoms. At the moment we don't have any indication of any halt in the progressive cell loss but we do have an indication that the L-dopa and other adjunctive drugs can prolong life for something like a year and a half. And whether it does prolong life is academic in a sense because one thing we do know and that is that it improves the quality of life for so many victims of this disease. We don't know when we really will be able to arrest and cure the disease, but we do know that we will continue to work at it and we know that we're living in a very exciting time when each day may well bring a breakthrough in this disease as it has in so many others.

But there are many doors still left locked in this and arthritis, in cancer and in heart disease. One thing however that we do have strongly in our favor, we have a national spirit that enables us to accomplish very great things in this country and we have a sensitivity to human suffering and a will to help. We have a great many times in our history scaled a number of heights that we thought were leading us to the top, only to find that we had reached merely another plateau and we have always had the heart and the eagerness and the enthusiasm to realize that it was only a plateau and to take up again the struggle to reach the top and to breakthrough and to find the solution; and that is the solution of the spirit and the hope that we can bring to this disease.

That is what our department is committed to doing, that is what our government is committed to doing and that is why we have been so fortunate to have the work of people like Dr. Tower. That's why we've been so fortunate to have the partnership that comes from a voluntary organization put together through the inspired work of one indomitable woman and it is delightful indeed for me to have the opportunity to pay just tribute to her and through her to assure you that our partnership will continue. Our government will continue its extraordinarily important work to bring an end to the suffering that so many thousands of people undergo as an apparently permanent condition in the past and to assure you that it will not be a permanent condition of suffering in the future because our spirit is great and our ability as a country is great. We should never forget it and I'm sure that that kind of spirit will bring about again solutions that we all so urgently and so desperately need.

WHITE COLLAR CRIME

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, white collar crime is increasing more rapidly in the United States than any other kind of crime. It feeds like a cancer upon our country's economy and life. Its perpetrators in many instances are people regarded with respect and enjoying prestige in the business and social world and, yet, such men and companies of erstwhile repute have defrauded the American people of colossal sums of money. So today one of the great challenges to our National and State Governments and to our people generally is the problem of white collar crime—how to deal with it, how to curb it.

On September 11, 1974, I spoke on white collar crime at a seminar held in New York City under the auspices of de Hellerman & Co., Inc. I hope those interested in this subject may find something of profit in my remarks on this subject. Hence, Mr. Speaker, I include them in the body immediately following these remarks:

CONGRESSMAN PEPPER'S SPEECH, WHITE COLLAR CRIME SEMINAR, NEW YORK, SEPTEMBER 11, 1974

Chairman of program: Our next speaker, Mr. President, has had a long and very distinguished career, both in his own state and in the Federal government, but we are particularly interested in Congressman Pepper's very substantial and long involvement with crime. He had a distinguished career as an Instructor at universities and Law Schools and in the House of Representatives, he has taken a particular interest in these matters which was clearly recognized by his peers in the Congress, for in the 91st and 92nd Congress, he was Chairman of the Select Committee on Crime in the House; he has numerous honorary degrees and he was the winner in 1967 of the Albert Lasker Public Servant Award. I know that you are much more interested in hearing him than hearing me go on about him, and therefore I introduce Congressman Pepper:

Congressman Pepper: Thank you very much, Chairman Haley, Ladies and Gentlemen. Today if one has been in politics as long as I have, he is grateful if the introducer is just kind, he doesn't have to be so graciously complimentary, as you were. I commend all of you who are participating in this Symposium on one of the critical subjects that is facing our country today, another and duly developing in emphasis of crime—what we call "White Collar Crime", or some prefer to call it "Economic Crime."

Of course, there are certain types of crime that we tend to tolerate in our country. I heard of an instance of that not long ago when a truck driver early one morning drove up to a roadside restaurant for breakfast. He parked his truck in front of the restaurant, went inside, ordered bacon and eggs, butter, toast and coffee and was just about to begin to eat his breakfast, when three motorcycles roared up to the restaurant, stopped, and three black leather jacketed riders sauntered arrogantly into the little restaurant. They saw the gentleman sitting there with a plate in front of him. They walked up behind him, looked over his shoulder, one of them just reached down and picked up his coffee and walked away with it. The truck driver looked at him, but he didn't say anything. The other fellow picked up a handfull of bacon and walked away. The truck driver's eyes followed him, but without any comment. The other fellow picked up his toast and walked away with that. He looked at him, too, but he didn't say anything. Finally, the truck driver got up, walked over to the cashier, paid his check and left. The motorcycle toughs drank their coffee, and then finally one of them sauntered over to the lady cashier, and he said, "Lady, did you see what happened there awhile ago?" She said, "Yes Sir." "Well," he said, "That fellow wasn't much of a man was he?" She said, "No Sir, he wasn't much of a truck driver either, he just ran over and flattened three motorcycles and drove off."

If we were to go to Attica, in New York, or Raiford, in Florida, or to many of the other institutions in this country of penal character, we would find generally certain types of individuals confined there. Generally, they are people of rather obscure backgrounds, little preparation in education or training for a competitive role in life; they have come ordinarily from environments which are not conducive to the highest aspirations, they are what we call the "Criminal Types" in America. They are the people who primarily commit the violent crimes, crimes against the person, crimes directly by violence against our property.

And we think it is an enormously tragic thing when we learn of someone being robbed or burglarized or assaulted; and yet, we have come to find out now that four times as much property is taken from the people of this country by a so called "economic" or "white collar" crime as is taken from them by robbery, burglary, larceny or theft. It always makes a big headline in the paper or in the media when there is a bank robbery. Yet we are told that six times as much money is taken from the bank by the people on the inside of the bank as by bank robbers. And so we have, instead of a six per cent increase in so-called violent crimes which has been recently noted by the figures of the FBI, in the field of economic crime apparently the increase is very much more rapid and has become very much more serious to the American people. In fact, it is estimated that at least $40 billion a year (some say $42 billion) are taken from the American people by white collar or economic crimes. That divides up into about $200 for every man, woman, and child in the United States every year on account of the perpetration of this kind of crime.

In the morning's *Time*, in the middle of the front page, here are the headlines: "Realty Company Indicted In Plan for Fort Lee Bridge", dated September 10. Investigators Funding Corporation of New York

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and four of their top officials were indicted today by a Federal Grand Jury on charges of authorizing payments of a million four hundred thousand dollars in bribes in order to try to win approval of plans for a $250 million high-rise commercial project near the George Washington bridge in Fort Lee. Now the people that had to do with that, I can't say of course, whether the people will be convicted or not, but no doubt those officials who had to do with that perpetration of crime for which they were indicted probably did not come from broken homes, they probably did have an education, possibly a college education; they had risen to positions of considerable responsibility in their organizations and, I am sure, of respect in the communities in which they live. They ranked with the best people, as we say, they were a part of the good people of this country. Yet today in a prison in Illinois a former Governor, former Chairman of the Presidential Commission to investigate violent crimes, former Judge of the second highest level of courts in our country, the Court of Appeals of the Federal District is in prison for the commission of felonies, making a bribe, income tax evasion, and the like. I don't need to mention other conspicuous statements associated with our national government in Washington which have shocked even a rather callous public opinion. To what do we attribute this kind of crime and what sort of crime is it, generally? Well, I have here a little bit of a compilation that has come from the authorities which have put together some facts about this matter. Just let me read a few: These are in respect to stock transfers and transactions.

25 men indicted by a Federal Grand Jury in Tampa, Fla. in alleged plot to counterfeit millions of Walt Disney stocks and TWA bonds.

16 persons, 9 Americans, several Europeans, indicted by Federal and State Grand Juries in New York for conspiring to cash $3,400,000 worth of stolen stock—$14½ billion in counterfeit corporate bonds.

Another one, several persons indicted in Los Angeles by a Federal Grand Jury for theft of $30 million in stolen securities and the like.

And we are told that it is estimated that in the last several years $400 billion of securities have been stolen from the security houses and financial institutions of this country. Well, I have just mentioned a few in the area of stocks and securities.

Another category is anti-trust: 11 corporations, and 7 executives, including (and they name these various corporations) indicted by a Federal Grand Jury on charges of conspiring to fix concrete block prices in the Chicago area.

Another one: 5 companies and 5 officials (including Indianhead, Inc., etc.) indicted on charges of conspiring to fix prices of nylon wire.

Six individuals and 7 vending machine companies indicted on charges of conspiring to fix prices on hot and cold beverages, sold in trucks in Atlanta, Georgia.

Another prominent group of corporate leaders indicted by a Federal Grand Jury in Philadelphia on charges of conspiring to fix prices of coremite sand (sp?) used for making molds for iron and steel products.

One other miscellaneous area: several prominent corporate executives indicted on bribery, conspiracy and security charges in connection with a scheme to bribe election commissioners into buying the company's voting machines and violating SEC rules about loans to officials.

A man here, a former Vice President and one of the major airlines in the United States, convicted with a certain man (a former sales promotion director of this national airlines) and four printing companies and their presidents on charges of arranging kick-backs for the printing of the company's magazine (they name the magazine). Another man was named in another indictment.

One of the outstanding drug houses in the United States indicted by a Federal Grand Jury on 60 counts of shipping adulterated or misbranded drugs, dangerous to human health, in violation of the Pure Food Drug and Cosmetics Act in 1971, the Center for Disease Control reported that 150 cases of septicemia or blood poisoning and 50 deaths had been associated with the use of this solution by this drug house in 25 hospitals. The government is appealing the judge's dismissal of the case on the ground of prejudicial publicity.

Another one of the big companies of this country indicted for a violation of the Munitions Control Act for trading with Portugal by shipping bullet proof windows to Portugal without U.S. clearance. The government charged that attempts to give Portugal the technology to make its own armored and amphibious vehicles after efforts to purchase them legitimately in the United States were blocked by the State Department.

And one more. Indicted for conspiracy to import computer cards into this country by using false customs papers. Another outstanding corporation in the United States. And over here, there is a deputy—just listen to this one: A former United States Deputy Comptroller of the Currency, President of a large national company convicted on charges of conspiring to defraud five United States banks and three Swiss banks of $8,100,000. Those are just typical.

How do we account for that kind of conduct What do we do about it? Well, in the first place, we are trying to do a bit about it. I want to commend the United States Chamber of Commerce for publishing 400,000 copies of this excellent little booklet, 92 pages, entitled, "White Collar Crime". It is very informative—as I said, it puts the prestige of the United States Chamber of Commerce behind an effort to eradicate this sort of conduct from the business structure of our nation. We've only had limited reports as to the extent of this kind of crime. These statistics show that there were 28,000 arrests for forgery and counterfeiting in 1972—up 43% since 1960, and 57,000 arrests for the crimes of fraud and embezzlement in 1972—83% in a decade. These statistics were based on only 2400 reported police agencies, however, serving 86 million people in our country. Another interesting FBI statistic indicating the rise in White Collar crime showed an increase of 417% from 60 to 72 in arrests of those buying, receiving and possessing stolen property. We are told by the Department of Justice that there are 61 different offenses that are pretty well recognized in this whole area of White Collar or Economic crime.

Well, any prosecuting attorney will tell you that the most difficult funds for him to obtain from appropriate authorities are funds to investigate and to prosecute this kind of crime. Revolt is not so pronounced as in the case of victims who have been brutalized in some way or robbed of their possessions which were very meaningful to them. However, last year LEAA, the Law Enforcement Assistance Administration did make $500,000 available to the district attorneys of the country in an effort to assist them in prosecuting this kind of problem. Lately, that amount has been tripled to $1½ million now which has been made available to the district attorneys. Sixteen participating district attorneys, that is local attorneys, have shown in respect to that inquiry the following results in the last few months: 2,100 investigations have been made, 1,100 indictments have been returned; 449 convictions have been obtained, 130 of them were for felonies.

Well, it is difficult to know what to do about any aspect of this problem of crime. In respect to violent crimes, which my Committee on Crime conducted an inquiry into for four years on certain aspects of white collar crimes, you know that 50% of the violent crimes are committed by people, mostly boys, under 18 years of age, and two-thirds by people (mostly boys) under 26 years of age. Nine out of ten of those offenders are school drop-outs. So if we could do something about the problem of school drop-outs, we'd be able to make a very great contribution to the reduction of crime in the country. The other great in-put into the crime population are the people coming back again and again out of our penal institutions. Most of them committing more than one crime, while they are out on some kind of probation from the penal institution.

So if we could change our structure—I visited with my Committee, Attica, on Friday of the week that the tragedy occurred and we found there conditions that were deplorable and they are as true in my State of Florida, in Raiford, and all over this country as a matter of fact. But we've never been able to get the money, we've never been able to develop the public support, indeed, the public however grievously the public suffers from the perpetration of crime to do the things necessary to prevent and appropriately to punish that kind of crime. All the more difficult is the problem of dealing with White Collar crime which we are talking about here today. I think on the whole that corporate morality in America is higher than it has ever been. But when a company participates in price fixing, what difference is there in principle between that and people of a lower social and intellectual scale fixing a horse race? Both of them are violating, cheating at the rules of the game. And any company that participates in illegality for restraint of trade, price fixing, or other illegal acts, may well be inviting embezzlement by its own employees to perpetrate some kind of crime by them to the detriment of that company and to their country.

So the first thing that I would suggest is that we try as best we can to raise the level of personal morality and integrity not only among the business people but particularly among the political people of this country. And we are now having shocking instances of the necessity of that demand by the public. All the elections are indicating a very low vote over the country, and I suspect that a lot of that is attributable to the fact that people are disillusioned with those who are in public life and they just don't want to participate in it because they don't think they are going to get very much in return for whatever ballot that they cast.

And so that is the first thing: Try to inspire higher individual standards of integrity on the part of all who participate in the activities, particularly, the leadership of our country.

The second is obviously in the field of White Collar crime particularly; we have got to provide more money, better techniques, more effective investigatory authorities and agencies and personnel, more diligent pursuit of those who have been involved in this kind of crime, and then when we get into the courts, it may well be—although we don't like to think of the vindictive spirit in dealing with crime—but none the less it must be somehow a changed concept of this country that if a man comes up before a court for stealing a few hundred dollars or engaging in soms relatively minor felony he goes to prison for a time, but if he steals a million dollars from his bank or from his corporation, or if he participates in a stock fraud scheme that fleeces many billions of dollars from the American people, but all he will get relatively is a pat on the wrist from the judge who imposes sentence. My Crime Committee had a case not untypical; a

preacher named Jackson formed what he called a Baptist Foundation. I'm a Baptist and I was a little regretful to find that my faith was associated with that kind of an enterprise. It really didn't have anything to do with the Baptist Church, that was the name that he chose. He prepared a beautiful brochure; that is, he didn't prepare it, he had competent public relations people to prepare it for him. And then he got a crooked accountant to prepare a spurious assets sheet (statement of assets), and then, unhappily, one of the outstanding credit agencies in this country, after a visit of only two hours by an inferior subordinate to Reverend Jackson, included in its own respective report, the statement of assets of that company which had been prepared by a crooked proprietor and a crooked accountant, and had been therefore ingratiated into the attention and apparently the approval of this nationally recognized company.

Well, we know technically that they put some fine print down at the bottom of the page, saying that we are not responsible for the assets sheet. But when a respected credit reporting company reports assets of a company that is putting securities on the market, obviously the average observer is inclined to give credibility to it because he attaches credibility to the name of that credit reporting company. So we made some recommendations in that kind of thing. Incidentally, they fleeced the public, banks, insurance companies, and other people out of about $26 million through that fradulent scheme. And incidentally, there was a corrupt broker that fixed the market, made the market fraudulently for those securities and enabled this crowd which included many gangsters, to fleece the public, as I said, of about $26 million. So we recommended two or three things in that category. One was: that anybody who printed a false statement intending for other people to rely upon it where they represent themselves as having assets of over $1 million would be subject to a penal offense if they included false statements or false information in their brochures. And, secondly, we recommended that the SEC tighten up its surveillance of stock brokers who participate in that kind of fraudulent scheme. And, third, we recommended that when investigating authorities discover that a scheme of that character is in operation, and they discover assets that can be attached and held for the reimbursement of the people who have been defrauded, that there be authority of law that will permit those assets to be sequestered and can be held subject to the distribution of judicial authority, possibly in retribution or in recompense of those who have sustained that kind of fraud. And, last, we need to cultivate all over the United States the closest kind of cooperation among federal, state and local authorities. In respect to horse racing, we found that there was a type practice of fixing horse races in many respects, some of them here in the state of New York. Gangsters had taken over certain of the race tracks in the country, we were able to show.

We proposed that it be made a federal offense, as well as a state offense, to fix a horse race or to do anything of that character because the FBI is all over the country, the federal authorities are throughout the Nation. We also recommended that there be task forces of the several states where racing is engaged in to permit more effective coordination of effort among the several statea and the like. So these are just some of the things that may be done but after all, the only real answer to this kind of problem is to try to inculcate into the conscience of the people of this country respect for law and order, the rights and the property of other people, and somehow a universal sentiment of that character must be developed in the business world, in the political world, among the citizens of this country to try to put integrity into all aspects of our lives.

I conclude with one little incident that I heard of: A fellow applied to a bank for an improvement loan (a home improvement loan) of $2,000.00. The bank granted him the improvement loan. They investigated a while later and found out that instead of using the loan to improve his home, he had used that money to get a divorce. Well, he was of course arrested and indicted and he was on trial. And the judge asked him, he said, look here, Mr. so-and-so, why did you take that $2,000 which you got for a home improvement loan and go and do something else with it, get a divorce? He said, Well, judge, that was the best way I could spend that money to improve that home, and you just don't realize what an improvement it is.

Thank you very much.

WELL DONE

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, President Ford and the officers and men who planned, participated in and executed the successful operation to rescue the U.S. vessel *Mayaguez* and its crew are to be congratulated on a job well done. The task and the decisions that had to be made were exceptionally difficult. The success achieved demonstrates clearly the resolution and ability of the United States to respond reasonably and effectively to dangerous and unanticipated events.

It is reassuring to know that at the decisionmaking level the legally constituted mechanism for crisis management, the National Security Council, met frequently. From their deliberations it would appear that under severe pressure only carefully considered action was approved. This should help restore confidence in the integrity and effectiveness of our governmental mechanism for crisis management—confidence which had been severely eroded.

As from any event there may be some lessons which we should learn from this incident. Among issues which should be pursued more fully in my judgment are:

The effectiveness of our mechanism for evaluating potential dangers to our merchant marine and the speed with which appropriate warnings are issued and protection provided;

Mutual obligations of the United States and Thailand in the situation and the impact of our operation on our long term policy interests in the area.

The adequacy and timeliness for Presidential-congressional consultations before and during periods of crisis.

It is my intention as chairman of the International Political and Military Affairs Subcommittee to pursue each of these matters. First, I intend to ask the General Accounting Office to study the adequacy of our system for protecting our mariners and minimizing the danger of future incidents like the one involving the *Mayaguez*. Second, the subcommittee will hold hearings following the Memorial Day recess on U.S. policy in the Far East and explore among other questions the issue of the implications of our actions for Thailand. Third, it is my intention to work with both the House leadership and the White House to reach a clearer mutual understanding of what is meant by consultations before and during foreign policy crises; who should be included in such consultations and what mechanisms, if any, should be formally constituted to facilitate cooperation, trust, and understanding between the President and the Congress which are vital in a moment of crisis.

RESOLUTION OF THE TEXAS HOUSE OF REPRESENTATIVES REGARDING FEDERAL EXPENDITURES

(Mr. MAHON asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MAHON. Mr. Speaker, all thoughtful Americans are deeply concerned over the fiscal plight of the country. They are disturbed over the escalating cost of government at all levels. They are especially upset over Federal Government spending, deficits, inflation, and associated problems.

The Texas House of Representatives has passed a resolution under the sponsorship of Representative John Hoestenbach with respect to our fiscal plight, and it has been sent to me and other members of the Texas delegation in Congress by the distinguished Speaker of the Texas House of Representatives, the Honorable Bill Clayton, with the request that the resolution be placed in the CONGRESSIONAL RECORD. It is a thought-provoking document which deserves serious consideration. It reads as follows:

HOUSE RESOLUTION No. 22

Whereas, Inflation has become the primary problem facing the United States today; and

Whereas, Since time immemorial, a major source of inflation has been the result of government's attempt to acquire resources to finance its activities; and

Whereas, Rather than increasing taxes to acquire these resources, the government tends to create and spend money it does not have by issuing ever increasing amounts of paper currency and putting a disproportionate emphasis on bonds and other government securities, which results in large and persistent budget deficits; and

Whereas, This deficit spending is a major cause of the long-term inflation present in this country today, since it creates a swollen money supply, tends to raise interest rates (which induces people to hold less cash relative to their income), and puts pressure on the Federal Reserve Bank to finance the deficits; and

Whereas, For the four years from 1970 to 1973, the total deficit in the federal budget amounted to $63.5 billion, or an average of $15.9 billion per year, the laregst since the World War II period; and

Whereas, Eliminating the deficit, which would require a substantial reduction in federal spending to bring budget outlay into balance with budget receipts, would be an important step toward stopping inflation; now, therefore, be it

Resolved by the House of Representatives of the State of Texas, That by this Resolution the House of Representatives of the 64th Legislature hereby memorialize the President of the United States and the Congress of the United States to take affirmative action to balance the federal budget as a means of fighting inflation; and be it further

Resolved, That a copy of this Resolution be forwarded to each Senator and Representative in the Congress from Texas with

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the request that this Resolution be officially entered into the Congressional Record as a memorial to the Congress.

ON ENDING THE PROHIBITION AGAINST A FAMILY'S ASSISTANCE OF SSI RECIPIENTS

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, the Supplemental Security Income program, which was intended to assist the elderly, the disabled, and the blind, prohibits additional assistance from outside sources by deducting such income from the SSI recipient's potential benefits. This is particularly cruel when an elderly, disabled, or blind person's own immediate family wishes to assist the SSI recipient to rise over a bare subsistence standard of living.

I became acutely aware of this problem as the result of the sad case of a retarded young constituent whose family paid for him to attend a school for the retarded but who, as a result of these payments, was denied SSI payments.

On August 5, 1974, the Commissioner of Social Security, James Cardwell, advised me that his department was "deeply concerned about the effect of our present interpretation" and was "conducting an in-depth evaluation of the present title XVI treatment of support and maintenance as income with a view toward finding administrative or legislative options which may remedy the present situation." Commissioner Cardwell concluded:

> I am hopeful that I will be able to review these options very shortly and that we will find a solution so that no supplemental security income applicant is disadvantaged by the unearned income provisions of the law.

On March 20, 1975, after I contacted the Social Security Administration again, Commissioner Cardwell informed me that no decision had been reached.

It seems clear that congressional action is required. Accordingly, I have today introduced legislation to amend title XVI of the Social Security Act to provide that support and maintenance—in cash or kind—furnished to an eligible individual by members of his or her immediate family shall be disregarded—and shall not serve to reduce his or her supplemental security income benefits—to the extent that it does not exceed $200 a month.

Under present law, any cash contributions received by an SSI claimant are considered as unearned income and if above $60 a quarter, result in a dollar-for-dollar reduction of the SSI benefit for the amount exceeding $20 in each month. Thus, if a son contributes $140 a month in cash to his widowed mother to cover her rent of $100 a month or her food, her SSI benefits would be reduced $120, which in many States would result in an SSI benefit of only $26 a month and in all States in a very small benefit. On the other hand, if instead of giving her cash he pays her landlord and buys her food, she would only suffer a reduction of at most $68.66 a month in her SSI benefit.

This bill will encourage members of the immediate family to supplement the frugal SSI benefit, thus enabling the beneficiary to rise above a less than bare minimum subsistence level. The $200 a month limitation in the bill provides enough flexibility to make a meaningful contribution to all individuals without permitting excesses. Most contributions will be considerably less. The legislation will also eliminate the need for subterfuges to disguise cash contributions as in-kind payments, thus enhancing respect for law and the dignity of all involved.

The bill follows:

H.R. 7033

A bill to amend title XVI of the Social Security Act to provide that support and maintenance (in cash or kind) furnished to an eligible individual by members of his or her immediate family shall be disregarded (and shall not serve to reduce his or her supplemental security income benefits) to the extent that it does not exceed $200 a month

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1612(a) of the Social Security Act is amended—

(1) by inserting "(subject to the sentence following paragraph (2)(F))" after "kind"; and

(2) by adding at the end thereof (after and below paragraph (2)(F)) the following new sentence:

"Notwithstanding any other provision of this title, support and maintenance furnished in cash or kind to any individual (and his eligible spouse, if any) in any month by members of such individual's (or spouse's) immediate family shall not be taken into account for purposes of paragraph (2)(A) to the extent that the total of the support and maintenance so furnished to such individual and spouse in that month does not exceed $200; and, under regulations prescribed by the Secretary, clause (i) of such paragraph shall apply in the case of an individual (and his eligible spouse, if any) receiving support and maintenance from his or their immediate family in excess of such amount only if its application would increase the amount of the benefits payable to such individual under section 1611. For purposes of the preceding sentence, the term 'immediate family' with respect to any individual (or spouse) includes the parents, children, grandparents, grandchildren, brothers, and sisters of such individual (or spouse)."

SEC. 2. The amendments made by the first section of this Act shall apply only with respect to benefits payable for months after the month in which this Act is enacted.

LAW OF THE SEA: TOO MUCH VENTURED, NOTHING GAINED

(Mr. HUGHES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HUGHES. Mr. Speaker, the second United Nations Law of the Sea Conference has concluded 2 months of talks with nothing to show for the experience.

Many people in my State had hoped that some fair agreements could be hammered out among the 144 nations which reconvened at Geneva after a disappointing session last year in Caracas. I was particularly concerned that the matter of establishing a protective zone for commercial fishing be negotiated.

In fact there were those who testified against this Nation adopting, unilaterally, a 200-mile protective zone in recent hearings before the Merchant Marine and Fisheries Committee.

Wait, they said, until we hear from Geneva.

Well, now we have heard.

Chairman JOHN MURPHY of the House Oceanography Subcommittee brings word that our State Department was prepared to concede everything short of the Hawaiian Islands to sign a treaty.

According to an account I shall insert after these remarks, the Treasury Department, the Defense and Interior Departments and the White House budget officials in attendance were sharply critical of State's agreement to a plan which would have required that nations with undersea technology submit to an International Seabed Resource Authority.

Chairman MURPHY, to his credit and to the credit of this Congress, fought that proposal. He and other Members of the U.S. delegation pointed out that this would compel the United States to turn over to a multinational authority many of its seabed discoveries for development with proceeds allotted principally to other nations.

I understand, Mr. Speaker, that it is in the long-term interest of all nations to reach agreements for the development of the seabed's estimated $3 trillion in minerals and to settle real and potential conflicts over territorial boundaries.

But these agreements must be fair to all parties, including, yes, the United States.

I hold the opinion that it will take a number of years to reach such accords, particularly when you consider the inevitable conflicts between land-locked and coastal States and those which possess technological capabilities to develop the seabed and those which do not.

In the meantime, this Nation must, as have others, move to conserve and protect its own sea resources.

We should move in the next few weeks to report out of the House Merchant Marine and Fisheries Committee H.R. 200 which will save what is left of some fish species depleted to the point of extinction by the trawler operations of other nations.

At this point I submit for the RECORD a United Press International dispatch from Geneva headlined "UN Sea Talks Produce Little" as well as a recent column by Jack Anderson entitled "Law of the Sea Parley Ended in Feuds, Accusations":

UN SEA TALKS PRODUCE LITTLE

GENEVA.—The United Nations Conference on the Law of the Sea ends two months of talks this week with little to show for its efforts.

Delegates from 150 nations were expected to wind up the conference Friday with agreement on only one item—to meet again next year.

"The differences have just been too big and the conference too large to permit even a consensus on major issues," a U.N. official said today.

Conference President H. Shirley Amerasinghe of Sri Lanka said last month the 2,000 delegates might go home with nothing but personal effects and memories.

"He wasn't far wrong," one Western ambassador said today.

The meeting was called to work out an agreement governing exploration and exploitation of the world's oceans. The delegates will hold another session next year and probably at least one more meeting after that.

Chairmen of the three main committees were trying to complete a basic negotiating text to be studied by the delegates before the next session early in 1976.

Many participants blamed the lack of progress on the absence of such a single text when the conference opened March 17.

"The way things look now, we would be happy if our grandchildren see final agreement on a Law of the Sea convention," an Ecuadorian delegate said.

Hopes of reaching a future agreement center on the ability of the various national interest groups to meet in the interim and work out joint proposed articles.

Such sessions would cut down the number of negotiating proposals put before the next conference.

The United States and Soviet Union, along with other industrialized coastal states, want to establish a 12-mile territorial sea with an "economic zone" of 200 miles.

More than 30 Latin American, African and Asian states, however, back a 200-mile territorial sea in order to retain complete jurisdiction over foreign fishing off their coasts.

Some coastal nations want to extend absolute control over mineral resources as far as 600 miles from their coasts, but the United States has called for sharing proceeds from deep sea mining beyond 200 miles.

LAW OF THE SEA PARLEY ENDED IN FEUDS, ACCUSATIONS

(By Jack Anderson)

WASHINGTON.—Ten weeks ago, the representatives of 144 nations gathered in Geneva with high hopes of settling coastal boundaries, saving vanishing sea animals and sharing fairly the seabed's $3 trillion worth of minerals.

The Law of the Sea conference has now ended in shambles. Some delegates spent more time in the cocktail lounges and on the ski slopes than at the negotiating sessions. Others engaged in angry recriminations and petty squabbles. There were whispers of "black box" spy sensors off coastlines.

At one point, a Soviet interpreter was replaced by a KGB agent who ostentatiously leafed through a black notebook full of clippings about the U.S. recovery of a sunken Soviet submarine. Another time, the senior American official dozed off in the middle of an important discussion.

From a confidential report by House Oceanographic Chairman John Murphy, D-N.Y., and from interviews with other participants, we can now access the debacle and how its failure affects the American taxpayers.

"The sharks of Geneva, whose only interest appears to be to delay the treaty in order to force increasingly greater concessions from the U.S., (have) doomed our efforts," summed up Murphy in his report.

What the congressman meant, and what other sources agree with, is that the State Department was hellbent on a treaty virtually at any cost. This led the United States to offer to give up much of its seabed mining potential to world authority dominated by small, increasingly greedy nations.

So outraged were some Treasury officials over the State Department's cave-in that they described it as "disastrous . . . an atrocity . . . a debacle." The secret position papers of the various U.S. departments show that not only Treasury experts but also Defense, Interior and White House budget officials sharply disagreed with the State Department.

Murphy, whose report called the giveaway plan "a national disaster of tragic proportions," fought against it at Geneva. He pressed his arguments vigorously at a backroom meeting with State Department representatives.

As Murphy was making his points with intense earnestness, the senior American official, aging undersecretary of state Carlyle Maw, nodded off twice into quiet oblivion.

At the heart of the dispute was a proposal by Sri Lanka's Christopher Pinto. This would require nations with an undersea technology, such as the United States, to submit to an International Seabed Resource Authority.

Under the Pinto plan, the United States would be compelled to turn over many of its valuable seabed discoveries to the multinational authority for development. Thereafter the proceeds would be parceled out mainly to have-not nations.

The small nations, citing the U.S. success in salvaging a Russian submarine from the ocean bottom, argued that the United States was ahead of the rest of the world in seabed mining and would wind up collecting most of the valuable tomato-sized nodules of nickel, manganese, copper and cobalt from the murky ocean floor.

The State Department, eager to please the Third World countries, pushed for approval of the Pinto plan. But other U.S. delegates considered the plan, although idealistic, to be impractical. It would mean that the United States, in the midst of a recession, would be expected to finance the mning of the ocean bottom for the benefit of the less developed nations.

U.S. Ambassador John Stevenson tried in vain to keep the Central Intelligence Agency's undersea adventures with the Glomar Explorer out of the discussions. He urged the U.S. delegation to downplay the importance of the undersea craft and, if possible, not to discuss it at all.

Canada's John Cooper gamely tried to convince delegates that the break-through by the CIA might not be as dramatic as it sounded. But Pinto wouldn't let the issue drop. In cloakroom conversations, he stressed that the success of the Glomar Explorer made clear the need for the third World nations to control the proposed world seabed authority.

The Russian reaction is described in Murphy's confidential report. "The interpreter for the USSR was changed," recounted Murphy. "The gentleman who replaced him was identified as a KGB agent . . .

"The Russian agent sat with a black notebook containing news stories and photographs of the Glomar and its retrieval of the Russian sub. (He) slowly turned the pages in an obvious manner so that the American negotiators could see what he was doing.

"It was the usual game of Russian one-upmanship, an attempt to embarrass and put at a psychological disadvantage their American counterparts."

The Soviet delegates, Murphy added, were "not allowed to associate with or appear friendly toward U.S. representatives even though some of them have known our people since World War II."

Murphy was appalled to learn, meanwhile, that the Center for Naval Analysis spent $400,000 of the American taxpayers' money to computerize data so the center could predict what various groups and sub-groups at the conference would do.

But the Defense Department refused to share its computer predictions fully with other U.S. agencies at the conference, wrote Murphy, thus leaving the Treasury at a disadvantage in pushing its views.

The Pentagon people also were concerned over the effect oceanic agreements might have on the "little black boxes," which they have planted in the seas. These boxes contain secret sensor equipment. One such "little black box," according to Murphy, was helpful in locating the sunken Russian sub.

As the negotiations began to fall apart, some delegates abandoned the conference rooms for the cocktail lounges, where they drank too heavily. Others took a five-day Easter break right in the middle of the talks. And the United States cordially pressed a 13-seat minibus into service shuttling delegates to the ski slopes.

Declared the Murphy report: "I must with great reluctance conclude that the interest of the U.S. . . . must be served in the months ahead . . . by immediate unilateral government actions."

"IS DEMOCRACY WORKING?"

(Mr. HUGHES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HUGHES. Mr. Speaker, the Washington Post last Sunday, May 11, featured an interview with David J. Bardin, the exceptionally capable New Jersey Commissioner of Environmental Project.

The interview, entitled "Is Democracy Working?" relates the Commissioner's experiences in working at the Federal and State levels of government and as a consultant to the Israeli government for 4 years.

Mr. Bardin sees "ridiculous, unnecessary roadblocks to decisions for no good reasons."

So do I. I commend the interview to the readers of the RECORD:

"IS DEMOCRACY WORKING?"

(By David Bardin)

When I sat in Washington for 11 years I tended to be a state's righter in the sense that I didn't want to see too much accumulation of power. I also was pushing hard with most of the federal bureaucracy for assuming those roles which we thought the states simply weren't performing. There was a conflict. It's much clearer to me today, partly as a result of the Israeli experience and partly as a result of the New Jersey experience and work I've done with some of our sister states. On the one hand, there is a dangerous arrogance that we in the federal bureaucracy were in danger of assuming. On the other, in all of the theory of local government and government close to the people, it's terribly difficult to implement.

New Jersey is a unique example, or an extreme example, of carrying home rule to the nth degree. We have 567 separate municipalities and every square inch of the state is incorporated. And this is true after we have cities that are big towns by anybody's standards. Yet the system has led to the proliferation of many, many that are too small for many of the municipal functions assigned to them. They're wonderful in terms of getting neighborhood control of the local institutions. And they are wonderful in terms of creating positions, usually not very well paid, but at least that offer the dignity of office for many people.

Now what's happening in New Jersey has been happening for some years, and I would expect would continue to happen, is that the county, which has been traditionally weak and still today is not a major unit of government, tends to accumulate powers. Twenty years hence, our 21 counties look to be major instrumentalities in the arts of government. The other device, which is not as efficient although it is more democratic, is the accumulation of responsibilities in special regional agencies by delegation of the municipalities.

One of the big questions in all this is whether democracy is working, either in the sense of the people actually deciding or in the more realistic sense of popular satisfaction or popular feeling about the legitimacy of government institutions and government decisions. We, all of us in government, have a sense, rightly or wrongly, that it's harder to exercise these responsibilities today than it was 10 years ago because there's less faith and more suspicion.

What is happening in America is as a result of a changed position in international affairs. Our relative standard of living is declining. Almost nobody's talking in those terms, nobody likes to face that. The country, just like most human institutions, couldn't think of something like doubling of the price of energy. There's no program which the mind of federal man or state man or country man or local man or private sector man can devise that will make the pain equal for all people. I don't see that we have much choice left. We think we do. We have the illusion of having choice.

State government in New Jersey is amateurish compared to the federal government I knew. The investment in people and training and the quality of programs is very low. I'm shocked. When I was in Israel, I criticized what I saw there. I said, "You're a developing country, you've got to bring yourselves up to American standards." I was shocked there to see bills that did not get paid right away. Hire people to do things and you have to wait months.

I see exactly the same thing with the New Jersey operation. I see ridiculous, unnecessary roadblocks to decisions for no good reason. And virtually no will to change it. You have the same thing in the federal government, but they always seem to be in great institutional areas—like the Jones Act preserving coastal shipping to American bottoms so that natural gas from Alaska was liquefied and shipped to Tokyo instead of being shipped to California. It's a monster of irrationality.

Here, where it's government closer to the people, our whole budget is $2.8 billion if we can raise the taxes to pay for it. Here government's a tiny institution. The governor and the two houses of the legislature and the secretary of state and the treasurer all have their offices in the same building right over there. The one with the golden dome. And the budget bureau and several others. All you have to do is walk across the hall and straighten things out. I can pick up the phone and call any cabinet officer. I can call the governor. I can go over there as I was this morning. And yet you don't disentangle. It's the most asinine thing. The basic reason is simple. They don't invest money in management institutions, professionalism and expert advice. I find that very discouraging.

When you see the money going down the drain first-hand, as you occasionally do, you've got to be discouraged. I'm presiding over a sewer construction program, waste water treatment and interceptive plant program, which in New Jersey is based on the notion that the funds will be funneled through the state. But the operating and planning and designing and building agencies in every case will be local, a typically regional conglomeration of municipalities. Not the county as such, not the municipal government as such, but a special agency created by the consent of each of the participating municipalities.

I have civil servants working for us on a pay scale substantially below the federal pay scale who are supposed to be good engineers, be able to evaluate plans from a strictly engineering point of view, good environmentalists who can evaluate the impact of sewer construction directly on the environment, indirectly on growth and all the secondary effects of growth. They must also be diplomats, holding the hands of mayors, convincing them to join despite all of the real conflicts of interest and the political hazards of doing anything. It's an incredible job. No rational mind would design such a system. What's happened is a great, great inefficiency goes into the decision-making apparatus, presumably in the name of democracy.

AMERICA CAN BE PROUD

(Mr. BAUMAN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. BAUMAN, Mr. Speaker, the President's handling of the seizure by Cambodia of the American merchant ship *Mayaguez* has been in marked contrast to the way similar incidents have been handled in the past. After giving diplomatic negotiations a reasonable opportunity to work, we went in with a well-planned, well-executed military operation, and successfully took back the ship and its crew. This success have given many of us a renewed pride in the United States, a pride which it has sometimes been difficult to feel in the recent past. Believe me, Mr. Speaker, it feels good to be proud of your country.

Compared to the vacillation which followed the capture of the *Pueblo* by North Korea, the decisiveness with which President Ford acted to retrieve the *Mayaguez* is commendable. In a world which had ample reason to doubt the will of the United States to protect its own interests, the President has demonstrated that we will not tolerate piracy of our ships or kidnapping of our citizens. One shudders to think what the consequences might have been had the President not acted quickly. I am grateful that he did so.

Perhaps this decisiveness will be a turning point in American dealing with other countries. Our desire for détente and disengagement has led some people to wonder whether we were on our way to becoming patsies for the world. Hopefully the resolve and decisiveness displayed in the *Mayaguez* incident will soon be reflected in the way we approach such problems as Cuba, the Panama Canal, Portugal, and relations with other Communist countries.

For the U.S. Marines who conducted this successful operation I have nothing but admiration and congratulations. Their courage under fire validates the proud tradition of the Marines as some of the finest fighting men in the world. The U.S. Navy is also to be congratulated for its outstandingly skillful handling of a difficult situation.

Thank you, Mr. President. All Americans can hold their heads just a little higher today.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Hannaford, for May 19 to May 22, 1975, on account of official committee business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Pressler) to revise and extend their remarks and include extraneous material:)

Mr. Steelman, for 5 minutes, today.
Mr. Talcott, for 10 minutes, today.
Mr. Findley, for 5 minutes, today.
Mr. Skubitz, for 5 minutes, today.

(The following Members (at the request of Mr. Lloyd of California) to revise and extend their remarks and include extraneous material:)

Mr. Gonzalez, for 5 minutes, today.
Mr. Alexander, for 5 minutes, today.
Mr. Mezvinsky, for 15 minutes, today.
Ms. Holtzman, for 10 minutes, today.
Mr. Drinan, for 15 minutes, today.
Mr. Zablocki, for 5 minutes, today.
Mr. Brademas, for 5 minutes, today.
Mr. Nowak, for 5 minutes, today.
Ms. Abzug, for 10 minutes, today.
Mr. Corman, for 5 minutes, today.
Mr. Fascell, for 10 minutes, today.
Mr. Hayes of Indiana, for 5 minutes, today.
Mr. Melcher, for 5 minutes, today.
Mr. Flood, for 5 minutes, today.
Mr. Early, for 5 minutes, today.
Mr. Annunzio, for 5 minutes, today.
Mr. Wirth, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Pressler) and to include extraneous matter:)

Mr. Hastings.
Mr. Frey in four instances.
Mr. Latta.
Mr. Crane.
Mr. Rousselot in two instances.
Mr. Kasten in two instances.
Mr. Martin.
Mr. Bafalis.
Mr. Ashbrook in three instances.
Mr. Harsha.
Mr. Kemp in two instances.
Mr. Bell.
Mr. Derwinski in three instances.
Mr. Heinz.
Mr. Abdnor.
Mr. Anderson of Illinois.
Mr. Skubitz.
Mr. Treen.
Mr. Hillis.
Mr. Symms in four instances.
Mr. Wylie.

(The following Members (at the request of Mr. Lloyd of California) and to include extraneous material:)

Mr. Anderson of California in three instances.
Mr. Gonzalez in three instances.
Mr. Dan Daniel.
Mr. Helstoski.
Mr. Lloyd of California.

Mr. Moakley.
Mr. Mazzoli.
Mr. Brademas in six instances.
Mr. Florio.
Mr. Wirth.
Mr. Rosenthal.
Mr. Ashley.
Mr. Won Pat.
Mrs. Sullivan in five instances.
Mr. Zablocki in two instances.
Mr. Roush.
Mr. Ichord.
Mr. Rangel.
Mr. McDonald of Georgia.
Mr. Fraser.
Mr. Diggs.
Mr. Santini.
Mr. Early.
Mr. Badillo.
Mr. Vanik.

SENATE BILL AND JOINT AND CONCURRENT RESOLUTIONS REFERRED

A bill and joint and concurrent resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1509. An act to prohibit pyramid sales transactions, and for other purposes; to the Committee on the Judiciary.

S.J. Res. 41. Joint resolution to provide for the reappointment of Thomas J. Watson, Jr., as citizen regent of the Board of Regents of the Smithsonian Institution; to the Committee on House Administration.

S.J. Res. 42. Joint resolution to provide for the reappointment of Dr. John Nicholas Brown as citizen regent of the Board of Regents of the Smithsonian Institution; to the Committee on House Administration.

S. Con. Res. 36. Concurrent resolution authorizing the printing of additional copies of Senate hearings on proposed constitutional amendments to limit abortions; to the Committee on House Administration.

ADJOURNMENT

Mr. LLOYD of California. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 4 minutes p.m.), under its previous order, the House adjourned until Monday, May 19, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1035. A letter from the President of the United States, transmitting budget amendments for the Judiciary for fiscal year 1976 and the transition period ending September 30, 1976 (H. Doc. No. 94–153); to the Committee on Appropriations and ordered to be printed.

1036. A letter from the President of the United States, transmitting a report on the participation of U.S. military forces in the recovery of the merchant vessel S.S. *Mayaguez* and its crew, pursuant to section 4(a) of the War Powers Resolution (Public Law 93–148) (H. Doc. No. 94–151); to the Committee on International Relations and ordered to be printed.

1037. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to approve the sale of certain naval vessels, and for other purposes; to the Committee on Armed Services.

1038. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to approve the sale of certain naval vessels, and for other purposes; to the Committee on Armed Services.

1039. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to approve the sale of certain naval vessels, and for other purposes; to the Committee on Armed Services.

1040. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to approve the sale of certain naval vessels, and for other purposes; to the Committee on Armed Services.

1041. A letter from the Secretary of Labor, transmitting a report on the 1975 Summer Youth Jobs program, pursuant to section 604(c) of the Comprehensive Employment and Training Act of 1973; to the Committee on Education and Labor.

1042. A letter from the Executive Director to the Department of Health, Education, and Welfare, transmitting notice of proposed final regulations governing need analysis for student financial aid, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

1043. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on planned changes in allocations of fiscal year 1975 funds for the International Narcotics Control program, pursuant to section 653(a) of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

1044. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate John H. Holdridge and his family, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

1045. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Galen L. Stone and his family, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

1046. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to provide adequate authority for the protection of buildings and property under the charge and control of the Department of the Treasury, to authorize the appointment of special police, and for other purposes; to the Committee on the Judiciary.

1047. A letter from the Director, National Science Foundation, transmitting a report on Federal support to universities, colleges, and selected nonprofit institutions for scientific research during fiscal year 1973, pursuant to section 3(a)(7) of the National Science Foundation Act, as amended [42 U.S.C. 1862]; to the Committee on Science and Technology.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mrs. SULLIVAN: Committee on Merchant Marine and Fisheries. H.R. 5709. A bill to extend until September 30, 1977, the provisions of the Offshore Shrimp Fisheries Act of 1973 relating to the shrimp fishing agreement between the United States and Brazil; with amendment (Rept. No. 94–216). Referred to the Committee of the Whole House on the State of the Union.

Mrs. SULLIVAN: Committee on Merchant Marine and Fisheries. H.R. 5710. A bill to authorize appropriations for fiscal year 1976 for the purpose of carrying out titles I and III of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended; with amendment (Rept. No. 94–217). Referred to the Committee of the Whole House on the State of the Union.

Mr. NIX: Committee on International Relations. House Concurrent Resolution 136. Concurrent resolution relating to World Food Conference of 1976 in Ames, Iowa (Rept. No. 94–218). Referred to the House Calendar.

Mr. NIX: Committee on International Relations. H.R. 5884. A bill to authorize appropriations for carrying out the provisions of the International Economic Policy Act of 1972, as amended, and for other purposes (Rept. No. 94–219). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 6900. A bill to provide an additional 13 weeks of benefits under the emergency unemployment compensation program and the special unemployment assistance program, to extend the special unemployment assistance program for 1 year, and for other purposes (Rept. No. 94–220). Referred to the Committee of the Whole House on the State of the Union.

[*Pursuant to the order of the House on May 13, 1975, the following report was filed on May 15, 1975*]

Mr. ULLMAN: Committee on Waya and Means. H.R. 6860. A bill to provide a comprehensive national energy conservation and conversion program; with amendment (Rept. No. 94–221). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DINGELL:

H.R. 7014. A bill to increase domestic energy supplies and availability; to restrain energy demand; to prepare for energy emergencies; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ANDERSON of Illinois (for himself, Mr. Andrews of North Dakota, Mr. Burgener, Mr. Duncan of Tennessee, Mr. du Pont, Mr. Eshleman, Mr. Gaydos, Mr. Gradison, Mr. Gude, Mr. Harrington, Mr. Heinz, Mr. Kemp, Mr. Krebs, Mr. LaFalce, Mr. McDonald of Georgia, Mr. Mazzoli, Mr. Mikva, Mr. Mosher, Mr. O'Hara, Mr. Ottinger, Mr. Quie, Mr. Riegle, Mr. Seiberling, Mr. Stark, and Mr. Steelman):

H.R. 7015. A bill to amend title 5, United States Code, to provide that appointments in the competitive service shall be made without regard to any political recommendation; to the Committee on Post Office and Civil Service.

By Mr. ANDERSON of Illinois (for himself, Mr. Baucus, Mr. Beard of Rhode Island, Mr. Brown of Michigan, Mr. Coughlin, Mr. Frenzel, Ms. Holtzman, and Mr. Myers of Pennsylvania):

H.R. 7016. A bill to amend title 5, United States Code. to provide that appointments in the competitive service shall be made without regard to any political recommendation; to the Committee on Post Office and Civil Service.

By Mr. ANDERSON of California (for himself and Mr. Snyder):

H.R. 7017. A bill to amend the Federal Aviation Act of 1958 relating to tariff changes; to the Committee on Public Works and Transportation.

By Mr. ANDERSON of Illinois (for himself, Mr. Goldwater, Mr. Pressler, Mr. Rinaldo, and Mr. Symms):

H.R. 7018. A bill to amend title 2 of the United States Code to provide for the consideration and adoption of the Rules of the House of Representatives for the 95th and each succeeding Congress; to the Committee on Rules.

Mr. BELL:

H.R. 7019. A bill to direct Government instrumentalities not to require nonessential declarations of marital status or the nonessential use of prefixes indicating such status; to the Committee on Government Operations.

By Mr. PATMAN:

H.R. 7020. A bill to amend the Federal Credit Union Act in order to improve the efficiency and flexibility of the financial system of the United States by permitting Federal credit unions to operate more efficiently and to better serve the family financial needs of their members; by reorganizing the National Credit Union Administration; by establishing a central liquidity facility for Federal and State credit unions; and for other purposes; to the Committee on Banking, Currency and Housing.

By Mr. BOWEN:

H.R. 7021. A bill to amend the Internal Revenue Code of 1954 to increase from $1 million to $10 million the exemption from industrial development bond treatment for certain small issues; to the Committee on Ways and Means.

By Mr. BRINKLEY:

H.R. 7022. A bill to enable freestone peach growers to finance a nationally coordinated research and education program to improve their competitive position and expand their markets for peaches; to the Committee on Agriculture.

By Mr. CARNEY:

H.R. 7023. A bill to amend the Securities Exchange Act of 1934 to restrict persons who are not citizens of the United States from acquiring more than 35 percent of the nonvoting securities or more than 5 percent of the voting securities of any issuer whose securities are registered under such act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 7024. A bill to amend the Securities Exchange Act of 1934 to require notification by foreign investors of proposed acquisitions of equity securities of U.S. companies, to authorize the President to prohibit any such acquisition as appropriate for the national security, to further the foreign policy, or to protect the domestic economy of the United States, to require issuers of registered securities to maintain and file with the Securities and Exchange Commission a list of the names and nationalities of the beneficial owners of their equity securities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DINGELL (for himself, and Mr. Wirth):

H.R. 7025. A bill to provide for enhanced competition in the energy industry, and for other purposes; jointly to the Committees on Interstate and Foreign Commerce, and the Judiciary.

By Mrs. FENWICK (for herself and Mr. Patten):

H.R. 7026. A bill to authorize the disposal of asbestos chrysotile from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

By Mr. FOLEY (for himself and Mr. Symms):

H.R. 7027. A bill authorizing and directing the Corps of Engineers to construct a four-lane high-level highway bridge between Clarkston, Wash., and Lewiston, Idaho; to the Commitee on Public Works and Transportation.

By Mr. FORSYTHE:

H.R. 7028. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income $500 of interest on savings in the case of an individual taxpayer; to the Committee on Ways and Means.

By Mr. GILMAN:

H.R. 7029. A bill to amend the Internal Revenue Code of 1954 to provide that pensions paid to retired policemen or firemen or their dependents, or to the widows or other survivors of deceased policemen or firemen shall not be subject to the income tax; to the Committee on Ways and Means.

By Mr. GRADISON:

H.R. 7030. A bill to amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GUDE:

H.R. 7031. A bill to amend the Federal employee health insurance provisions of title 5, United States Code, to require that notice and hearings be provided before the effective date of any reduction of health benefits or any exclusion of any type of provider of health services; to the Committee on Post Office and Civil Service.

By Mr. HEINZ:

H.R. 7032. A bill to amend title XX of the Social Security Act to provide that no State shall be required to apply a means test, or limit benefits on the basis of federally prescribed income levels, in determining the individuals for whom education, transportation, recreation, socialization, or associated services may be provided thereunder, if such services are provided in a manner consistent with certain specified State programs; to the Committee on Ways and Means.

By Mr. KOCH:

H.R. 7033. A bill to amend title XVI of the Social Security Act to provide that support and maintenance (in cash or kind) furnished to an eligible individual by members of his or her immediately family shall be disregarded (and shall not serve to reduce his or her supplemental security income benefits) to the extent that it does not exceed $200 a month; to the Committee on Ways and Means.

By Mr. MOORE:

H.R. 7034. A bill to prohibit the importation of fresh strawberries into the United States during certain periods of the year; to the Committee on Ways and Means.

By Mr. MURPHY of Illinois (for himself, Mr. Jones of Alabama, Mr. Roe, Mr. Howard, Mr. Anderson of California, Mr. Roncalio, Mr. James V. Stanton, Mr. Ginn, and Mr. Mineta):

H.R. 7035. A bill to authorize a local public works capital development and investment program; to the Committee on Public Worka and Transportation.

By Mr. O'NEILL (for himself, Mr. Riegle, Mr. Solarz):

H. R. 7036. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, to provide for the disposal of surplus real property to States and their political subdivisions, agencies, and instrumentalities for economic development purposes; to the Committee on Government Operations.

By Mr. PATTEN:

H.R. 7037. A bill to create a national system of health security; to the Committee on Ways and Means.

By Mr. PERKINS (for himself and Mr. D'Amours):

H.R. 7038. A bill to amend the Education Amendments of 1974 to delay the effective date of certain amendments to the act of September 30, 1950 (Public Law 874, 81st Congress), and for other purposes; to the Committee on Education and Labor.

By Mr. ROGERS (for himself, Mr. Preyer, Mr. Symington, Mr. Carney, Mr. Scheuer, Mr. Waxman, Mr. Hefner, Mr. Florio, Mr. Maguire, Mr. Carter, Mr Baoyhill, Mr. Hastings, and Mr. Heinz):

H.R. 7039. A bill to amend the Public Health Service Act to revise and extend the programs under the National Heart and Lung Institute, to revise and extend the program of National Research Service Awards, to control disclosure of research information, and to establish a national program with respect to genetic diseases; to the Committee on Interstate and Foreign Commerce.

By Mrs. SCHROEDER (for herself, Ms. Abzug, Mr. Anderson of California, Mr. Baucus, Mrs. Boggs, Mr. Baown of California, Mrs. Burke of California, Mr. Carr, Mrs. Chisholm, Mrs. Collins of Illinois, Mr. Conyers, Mr. Dominick V. Daniels, Mr. Downey of New York, Mr. Drinan, Mr. Edgar, Mr. Fascell, Mr. Fraser, Mr. Gude, Mr. Harrington, Mr. Hawkins, Mr. Hicks, Mr. Howard, Mrs. Keys, Mr. Koch, and Mr. McHugh):

H.R. 7040. A bill to establish an Office of Food Administration for a temporary period in order to develop coordinated national policies on domestic and foreign food assistance programs; jointly to the Committees on Agriculture, and International Relations.

By Mrs. SCHROEDER (for herself, Mr. Mezvinsky, Mr. Mitchell of Maryland, Mr. Mottl, Mr. Murphy of New York, Mr. Nix, Mr. Rodino, Mr. Roe, Mr. Rosenthal, Mr. Sarbanes, Mr. Scheuer, Mr. Simon, Mr. Solarz, Mrs. Spellman, Mr. Stark, Mr. Thompson, Mr. Waxman, Mr. Charles Wilson of Texas, and Mr. Won Pat):

H.R. 7041. A bill to establish an Office of Food Administration for a temporary period in order to develop coordinated national policies on domestic and foreign food assistance programs; jointly to the Committees on Agriculture, and International Relations.

By Mr. SEBELIUS:

H.R. 7042. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Glen Elder Unit of the Pick-Sloan Missouri Basin program, Kans., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SHRIVER:

H.R. 7043. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to eliminate medicare taxes as the method for financing the hospital insurance program, and to provide that such program shall instead be financed from general revenues; to the Committee on Ways and Means.

By Mr. SHRIVER (for himself and Mr. Sebelius):

H.R. 7044. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Kanopolis Unit of the Pick-Sloan Missouri Basin program, Kansas, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SISK (for himself, Mr. Baucus, Mr. Beard of Rhode Island, Mr. Bell, Mrs. Burke of California, Mr. Carr, Mr. Diggs, Mr. Ford of Tennessee, Mr. Ottinger, Mr. St Germain and Mrs. Spellman):

H.R. 7045. A bill making appropriations for section 107(a)(6) of the Housing and Community Development Act of 1974 for the fiscal year ending June 30, 1975; to the Committee on Appropriations.

H.R. 7046. A bill to amend the Housing and Community Development Act of 1974 for the purpose of authorizing additional appropriations for fiscal year 1975; to the Committee on Banking, Currency and Housing.

By Mr. STAGGERS (for himself and Mr. Devine):

H.R. 7047. A bill to amend sections 203 and 204 of the Communications Act of 1934; to the Ccmmittee on Interstate and Foreign Commerce.

H.R. 7048. A bill to extend the National Health Service Corps and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 7049. A bill to amend the Public Health Service Act and the National Research Service Award Act of 1974 to strengthen and improve the program of National Research Service Awards, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 7050. A bill to extend appropriations authorizations for communicable disease and other control programs, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STEELMAN:

H.R. 7051. A bill to provide for congressional review of international executive agreements which create a national commitment; to the Committee on International Relations.

By Mr. VANIK:

H.R. 7052. A bill to amend section 302 of the Communications Act of 1934 to authorize the Federal Communications Commission to prescribe regulations with respect to certain electronic equipment that is susceptible to radio frequency energy interference; to the Committee on Interstate and Foreign Commerce.

By Mr. WHITE (for himself, Mrs. Spellman, Mr. Dominick V. Daniels, Mr. Harris, Mr. Mineta, Mr. Taylor of Missouri, and Mr. Jenrette):

H.R. 7053. A bill to amend chapter 83 of title 5, United States Code, to eliminate, subsequent to the death of an individual named as having an insurable interest, the annuity reduction made in order to provide a survivor annuity for such an individual; to the Committee on Post Office and Civil Service.

By Mr. WINN (for himself, Mr. Sebelius, and Mr. Young of Alaska):

H.R. 7054. A bill to authorize the Administrator of the National Aeronautics and Space Administration to conduct research and development programs to increase knowledge of tornadoes, hurricanes, large thunderstorms, and other types of short-term weather phenomena, and to develop methods for predicting, detecting, and monitoring such atmospheric behavior; to the Committee on Science and Technology.

By Mr. WON PAT:

H.R. 7055. A bill to provide Federal assistance to cities with high concentrations of foreign-born persons, and for other purposes; to the Committee on Banking, Currency and Housing.

By Mr. REUSS (for himself, Mr. Delaney, Ms. Abzug, Mr. Addabbo, Mr. Badillo, Mr. Biaggi, Mr. Bingham, Ms. Chisholm, Mr. Downey of New York, Ms. Holtzman, Mr. Koch, Mr. McHugh, Mr. Murphy of New York, Mr. Nowak, Mr. Pattison of New York, Mr. Peyser, Mr. Richmond, Mr. Rosenthal, Mr. Scheuer, Mr. Solarz, Mr. Hanley, Mr. Wolff, Mr. Zeferetti, Mr. Ottinger, and Mr. Rangel):

H.J. Res. 461. Joint resolution for the relief of New York City; to the Committee on Banking, Currency and Housing.

By Mr FASCELL:

H. Con. Res. 282. Concurrent resolution on Latin American and Caribbean foreign policy principles; to the Committee on International Relations.

By Mr. ABDNOR (for himself, Mr. Anderson of California, Mr. AuCoin, Mr. Beard of Rhode Island, Mr. Blouin, Mr. Bonker, Mr. Burgener, Ms. Chisholm, Mr. Cohen, Mr. Downey of New York, Mr. Eilberg, Mr. Frenzel, Mr. Harrington, Mr. Hechler of West Virginia, Mr. Kemp, Mr. Ketchum, Mr. Lagomarsino, Mr. Long of Maryland, Mr. Melcher, Mr. Mitchell of New York, Mr. Mitchell of Maryland, Mr. Moss, Mr. Ottinger, and Mr. Quie):

H. Con. Res. 283. Concurrent resolution to promote and encourage the removal of architectural barriers to the access of handicapped persons to public facilities and buildings; to the Committee on Public Works and Transportation.

By Mr. ABDNOR (for himself, Mr. Walsh, Ms. Schroeder, Mr. Waxman, Mr. Whitehurst, Mr. Bob Wilson, and Mr. Zeferetti):

H. Con. Res. 284. Concurrent resolution to promote and encourage the removal of architectural barriers to the access of handicapped persons to public facilities and buildings; to the Committee on Public Works and Transportation.

By Mr. ANDERSON of Illinois (for himself, Mr. Chappell, Mr. Goldwater, Mr. Pressler, Mr. Rinaldo, and Mr. Symms):

H. Res. 473. Resolution to amend rule VIII of the Rules of the House of Representatives to prohibit a party caucus or conference from issuing binding instructions on a Member's committee on floor votes, and to permit any Member so bound to raise a point of order; to the Committee on Rules.

By Mr. ANDERSON of Illinois (for himself, Mr. Goldwater, Mr. Pressler, Mr. Rinaldo, and Mr. Symms):

H. Res. 474. Resolution to amend rule XI of the Rules of the House of Representatives to eliminate proxy voting in committees; to the Committee on Rules.

By Mr. ANDERSON of Illinois (for himself, Mr. Goldwater, Mr. Pressler, Mr. Rinaldo, and Mr. Symms):

H. Res. 475. Resolution to amend rule XXVII of the Rules of the House of Representatives to prescribe procedures whereby a committee may request that a matter reported should be considered under a suspension of the rules; to the Committee on Rules.

By Mr. ANDERSON of Illinois (for himself, Mr. Pressler, Mr. Rinaldo, and Mr. Symms):

H. Res. 476. Resolution authorizing and directing the Speaker of the House of Representatives to take immediate action to implement a plan for the audio and video broadcasting of House floor proceedings; to the Committee on Rules.

By Mr. ANDERSON of Illinois (for himself, Mr. Pressler, Mr. Rinaldo, and Mr. Symms):

H. Res. 477. Resolution to amend rule XI of the Rules of the House of Representatives to provide that any member in committee may demand a rollcall vote on any matter, and that a rollcall vote shall be required on any motion to report a bill or resolution from committee; to the Committee on Rules.

H. Res. 478. Resolution to amend rule XXVIII of the Rules of the House of Representatives to require that all House-Senate conferences shall be open to the public and that no conference report shall be in order for consideration unless all conference sessions were open; to the Committee on Rules.

By Mr. ANDERSON of Illinois (for himself, Mr. Pressler, Mr. Rinaldo, Mr. Symms, and Mr. Symington):

H. Res. 479. Resolution to amend rule XI of the Rules of the House of Representatives to require that all committee meetings, with only limited exceptions, shall be open to the public; to the Committee on Rules.

By Mr. ANDERSON of Illinois (for himself, Mr. Pressler, Mr. Rinaldo, and Mr. Symms):

H. Res. 480. Resolution to amend rule XI of the Rules of the House of Representatives to require that the record of committee action be made available for public inspection, with certain exceptions; to the Committee on Rules.

By Mr. ROUSSELOT:

H. Res. 481. Resolution in support of the President's actions to secure the release of the U.S. merchant vessel, the S.S. *Mayaguez*, and its men; to the Committee on International Relations.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 6674

By Mr. HAYES of Indiana:

Page 8, line 24, immediately after "excluding" insert the following: "civilian personnel engaged in industrially-funded activities, and excluding".

By Mr. McCLOSKEY:

Page 21, between lines 23 and 24, insert the following:

"Sec. 717. The Secretary of Defense shall take such action as may be necessary and appropriate to ensure that no department or agency of the Department of Defense shall hereafter refuse to sponsor or assist (under any educational assistance program authorized pursuant to law) any member of the Armed Forces or any civilian employee of any such department or agency in undertaking any program of education or training at any of certain educational institutions solely on the basis that such educational institutions voluntarily withdrew after 1968 from participation in the Senior Reserve Officers' Training Corps program."

By Mr. STRATTON:

On page 15, at the end of line 4, insert a new section, section 705, as follows:

"Sec. 705. Notwithstanding any other provision of law, in the administration of chapter 403 of title 10, United States Code (relating to the United States Military Academy), chapter 603 of such title (relating to the United States Naval Academy), and chapter 903 of such title (relating to the United States Air Force Academy), the Secretary of the military department concerned shall take such action as may be necessary and appropriate to insure that female individuals shall be eligible for appointment and admission to the service academy concerned and that the academic and other relevant standards required for the appointment and admission of female individuals shall be the same as those required for the appointment and admission of male individuals, including equal opportunity for appointment under the provisions of sections 4342, 6954 and 9342 of title 10, United States Code."

And renumber the following sections accordingly.

H.R. 6860

By Mr. VANIK:

Strike page 29, line 3 through page 56, line 16, and add the following new sections:

Sec. 211. Gasoline Conservation Tax.

(a) General Rule.—Part III of subchapter A of chapter 32 (relating to petroleum products) is amended by redesignating subpart B and C as subparts C and D, respectively, and by inserting after subpart A the following new subpart:

"Subpart B—Gasoline Conservation Tax

"Sec. 4086. Imposition of tax.
"Sec. 4087. Cross references.

"Sec. 4086. Imposition of Tax.

"(a) General Rule.—In addition to any tax imposed by section 4081, there is hereby imposed on gasoline sold by the producer or importer thereof, or by any producer of gasoline, a tax determined in accordance with the following table:

"In the case of gasoline sold:	The tax per gallon is:
During the period beginning on January 1, 1976, and ending on March 31, 1977	7 cents
During the period beginning on April 1, 1977, and ending on March 31, 1978	15 cents

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During the period beginning on April 1, 1978, and ending on March 31, 1979	22 cents
During the period beginning on April 1, 1979, and ending on March 31, 1980	30 cents
After March 31, 1980	37 cents

"(b) Revision of Table by the President.—If, under section 215 of the Energy Conservation and Conversion Act of 1975, the President revises the table contained in subsection (a), such revised table shall apply, in lieu of the table contained in subsection (a), in determining the amount of the tax imposed by this section.

"Sec. 4087. Cross References.

"(1) For provisions to relieve purchasers of gasoline from gasoline conservation tax in the case of certain uses, see section 6428.

"(2) For credit against income tax for tax imposed by this subpart, see section 42."

(b) Floor Stocks Taxes.—

(1) In general.—Subsection (a) of section 4226 (relating to floor stocks taxes) is amended to read as follows:

"(a) In Generral.—

"(1) Gasoline conservation tax.—

"(A) Imposition of tax.—On gasoline (as defined in section 4082(b)) which, on a gasoline tax increase date, is held by a dealer for sale, there is hereby imposed a floor stocks tax at a rate equal to the difference between (i) the tax (if any) imposed by section 4086 on the sale of such gasoline by the producer or importer, and (ii) the tax which would have been imposed by such section on such sale if that sale had occurred on such gasoline tax increase date. The tax imposed by this subparagraph shall not apply to gasoline in retail stocks held at the place where intended to be sold at retail, nor to gasoline held for sale by a producer or importer of gasoline.

"(B) Gasoline tax increase date defined.—For purposes of this section, the term 'gasoline tax increase date' means January 1, 1976, and any other day on which the rate of the tax imposed by section 4086 exceeds the rate of such tax in effect on the preceding day."

(2) Due date of taxes.—Subsection (d) of such section 4226 is amended to read as follows:

"(d) Due Date of Taxes.—Any tax imposed by paragraph (1) of subsection (a) shall be paid at such time not less than 90 days after the gasoline tax increase date in respect of which such tax was imposed, as may be prescribed by the Secretary or his delegate."

(c) Denial of Certain Exemptions and Refunds.—

(1) Tax-free sales.—Subsection (a) of section 4221 (relating to certain tax-free sales) is amended by adding at the end thereof the following new sentence: "Paragraphs (2), (3), (4), and (5) shall not apply to the tax imposed by section 4086."

(2) Use in further manufacture.—Paragraph (6)(C) of section 4221(d) (relating to use in further manufacture) and paragraph (3)(F) of section 6416(b) (relating to tax-paid articles used for further manufacture, etc.) are each amended by striking out "section 4081" and inserting in lieu thereof "section 4081 or 4086."

(3) Denial of refunds for certain uses.—Paragraph (2) of section 6416(b) (relating to tax payments considered overpayments in the case of specified uses and resales) is amended by striking out "chapter 32 (or under section 4041(a)(1) or (b)(1))" and inserting in lieu thereof "chapter 32 (other than any tax paid under section 4086) or under section 4041(a)(1) or (b)(1)".

(d) Technical and Conforming Amendments.—

(1) The table of subparts for part III of subchapter A of chapter 32 is amended by striking out the last two items and inserting in lieu thereof the following:

"Subpart B. Gasoline conservation tax.
"Subpart C. Lubricating oil.
"Subpart D. Special provisions applicable to petroleum products."

(2) The subpart heading for subpart C of such part III (as redesignated by subsection (a)) is amended to read as follows:

"Subpart C—Lubricating Oil

(3) The subpart heading for subpart D of such part III (as redesignated by subsection (a)) is amended to read as follows:

"Subpart D—Special Provisions Applicable to Petroleum Products"

(4) Subsections (a) and (b) of section 4082 are each amended by striking out "in this subpart" and inserting in lieu thereof "in this subpart and subpart B".

(5) Section 4083 is amended by striking out "section 4081" and inserting in lieu thereof "section 4081 or 4086".

(6) Section 4101 is amended by striking out "section 4081 or section 4091" and inserting in lieu thereof "section 4081, 4086, or 4091".

(7) Section 4226 is amended by striking out subsection (e).

(e) Effective Date.—The amendments made by this section shall take effect on January 1, 1976.

Sec. 212. Credit Relating to Gasoline Conservation Tax.

(a) General Rule.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowable) is amended by redesignating section 42 as section 43 and by inserting after section 41 the following new section:

"Sec. 42. Allowances for Gasoline Conservation Tax.

"(a) General Rule.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of the allowances for such year to which he is entitled under subsection (b).

"(b) Gasoline Conservation Tax Allowances.—

"(1) In general.—Subject to paragraph (2), an individual shall be entitled, for each month within the taxable year, to an allowance equal to—

"(A) the rate of tax in effect for such month under section 4086 (relating to gasoline conservation tax), multiplied by

"(B) 40.

"(2) Limitations.—An individual shall not be entitled to an allowance under paragraph (1) with respect to any month if—

"(A) such individual has not attained the age of 18 by the close of such month, or

"(B) such individual resides during any portion of such month outside of the United States.

"(c) Trusts and Estates.—A trust or estate shall not be entitled to the credit allowed under subsection (a)."

(b) Refund To Be Made Where Credit Exceeds Liability for Tax.—Section 6401(b) (relating to excessive credits) is amended—

(1) by inserting ", 42 (relating to allowances for gasoline conservation tax)," before "and 667 (b)"; and

(2) by striking out "and 39" and inserting in lieu thereof ", 39, and 42".

(c) Withholding Tax.—Subsection (a) of section 3402 (relating to income tax collected at source) is amended to read as follows:

"(a) Requirement of Withholding.—Except as otherwise provided in this section, every employer making payment of wages shall deduct and withhold upon such wages a tax determined in accordance with tables prescribed by the Secretary or his delegate. The initial tables so prescribed shall be the same as the tables contained in this subsection as in effect on the day before the date of the enactment of the Energy Conservation and Conversion Act of 1975; except that the amounts set forth as amounts of income tax to be withheld shall reflect the amendments made by section 212 of such Act. The later tables so prescribed by reason of a change in the rate of tax under section 4086 shall only apply with respect to wages paid on and after the effective date of such change. For purposes of applying such tables, the term 'the amount of wages' means the amount by which the wages exceed the number of withholding exemptions claimed, multiplied by the amount of one such exemption as shown in the table in subsection (b)(1)."

(d) Technical and Conforming Amendments.—

(1) The table of sections for such subpart A is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 42. Allowances for gasoline conservation tax.
"Sec. 43. Overpayments of tax."

(2) Section 3402(c)(6) is amended by striking out "table 7 contained in subsection (a)" and inserting in lieu thereof "the table for an annual payroll period prescribed pursuant to subsection (a)".

(e) Effective Dates.—

(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years ending after December 31, 1975.

(2) Withholding tax amendments.—The amendments made by subsection (c) and subsection (d)(2) shall apply with respect to wages paid after December 31, 1975.

Sec. 213. Special Motor Vehicles Fuels Conservation Taxes.

(a) In general.—Chapter 31 (relating to retailers excise taxes) is amended by redesignating subchapter F as subchapter G and by inserting after subchapter E the following new subchapter:

"Subchapter F—Special Motor Fuels Conservation Taxea

"Sec. 4051. Imposition of taxes.
"Sec. 4052. Cross reference."

"Sec. 4051. Imposition of Taxes

"(a) Special Motor Fuels.—In addition to any tax imposed by section 4041(b), there is hereby imposed a tax (determined under the table contained in subsection (c)) upon benzol, benzene, naphtha, liquefied petroleum gas, casing head and natural gasoline, or any other liquid (other than kerosene, gas oil, or fuel oil, or any product taxable under section 4041(a) or 4086)—

"(1) sold by any person to an owner, lessee, or other operator of a motor vehicle or motorboat for use as a fuel in such motor vehicle or motorboat; or

"(2) used by any person as a fuel in a motor vehicle or motorboat, unless there was a taxable sale of such liquid under this section.

"(b) Noncommercial Aviation.—In addition to any tax imposed by section 4041(c), there is hereby imposed a tax (determined under the table contained in subsection (c)) upon any liquid (other than any product taxable under section 4086)—

"(1) sold by any person to an owner, lessee, or other operator of an aircraft, for use as a fuel in such aircraft in noncommercial aviation (as defined in section 4041(c)(2)); or

"(2) used by any person as a fuel in an aircraft in noncommercial aviation (as so defined), unless there was a taxable sale of such liquid under this section.

"(c) Rate of Tax.—

"In the case of any fuel sold or used:	The tax per gallon is:
During the period beginning on January 1, 1976, and ending on March 31, 1977	7 cents
During the period beginning on April 1, 1977, and ending on March 31, 1978	15 cents
During the period beginning on April 1, 1978, and ending on March 31, 1979	22 cents
During the period beginning on April 1, 1979, and ending on March 31, 1980	30 cents
After March 31, 1980	37 cents

"(d) Revision of Table by the President.—If, under section 215 of the Energy Conservation and Conversion Act of 1975, the President revises the table contained in subsection (c) such revised table shall apply, in lieu of the table contained in subsection (c), in determining the amount of the taxes imposed by its section.

"(e) Exemption for Farm Use.—Under regulations prescribed by the Secretary or his delegate, no tax shall be imposed under this section on any liquid sold for use or used on a farm for farming purposes, as determined in accordance with paragraphs (1), (2), and (3) of section 6420(c).

"(f) Registration.—If any liquid is sold by any person for use as a fuel in an aircraft, it shall be presumed, for purposes of subsection (b), that the tax imposed by such subsection applies to the sale of such liquid unless the purchaser is registered in such manner (and furnishes such information in respect of the use of the liquid) as the Secretary or his delegate shall by regulations prescribe.

"Sec. 4052. Cross Reference.

"For provisions to relieve purchaser of special motor fuels from special motor fuels conservation tax in the case of certain uses, see section 6428."

(b) Denial of Certain Exemptions.—

(1) Sections 4055, 4056, and 4057 are each amended by striking out "under this chapter" and inserting in lieu thereof "under section 4041".

(2) Section 4293 is amended by inserting after "chapters 31 and 32" the following: "(other than section 4051 and 4086)".

(c) Reduction of Existing Excise Tax on Special Fuels Used in Noncommercial Aviation.—

(1) In general.—Subsection (c) of section 4041 (relating to tax on special fuels used in noncommercial aviation) is amended—

(A) by striking out "7 cents" in paragraph (1) and inserting in lieu thereof "4 cents";

(B) by striking out paragraphs (2) and (3); and

(C) by redesignating paragraphs (4) and (5) as paragraphs (2) and (3), respectively.

(d) Technical and Conforming Amendments.—

(1) Paragraph (3) of section 4041(c) (as redesignated by subsection (c)) is amended by striking out "paragraphs (1) and (2)" and inserting in lieu thereof "paragraph (1)".

(2) Paragraph (3) of section 6421(e) is amended by striking out "4041(c)(4)" and inserting in lieu thereof "4041(c)(2)".

(3) The heading for subchapter G of chapter 31 (as redesignated by subsection (a)) is amended to read as follows:

"Subchapter G.—Special Provisions Applicable to Retailers Tax".

(4) The table of subchapters for chapter 31 is amended by striking out the last item and inserting in lieu thereof:

"Subchapter F. Special motor fuels conservation taxes.
"Subchapter G. Special provisions applicable to retailers tax".

(e) Effective Dates.—

(1) For subsections (a), (b), and (d).—amendments made by subsections (a), (b), and (d) shall take effect on January 1, 1976, except that no tax shall be imposed under section 4051 of the Internal Revenue Code of 1954 (as added by subsection (a)) with respect to the use by any person of any fuel sold to such person before January 1, 1976, if such sale would have been taxable under such section 4051 if it had occurred on January 1, 1976.

(2) For subsection (c).—The amendments made by subsection (c) shall apply with respect to sales or uses after December 31, 1975.

Sec. 214. Repayment of Gasoline and Special Fuels Conservation Taxes in Case of Certain Uses.

(a) General Rule.—Subchapter B of chapter 65 (relating to rules of special application for abatements, credits, and refunds) is amended by adding at the end thereof the following new section:

"Sec. 428. Repayment of Gasoline and Special Fuels Conservation Taxes in Case of Certain Uses.

"(a) Use for Farming Purposes.—

"(1) In general.—Except as provided in subsection (g), if—

"(A) any gasoline on which tax was imposed by section 4086, or

"(B) any fuel on the sale of which a tax was imposed by section 4051,

is used by any purchaser of such gasoline or fuel on a farm for farming purposes (within the meaning of section 6420(c)), the Secretary or his delegate shall pay (without interest) to such purchaser the amount determined under paragraph (2).

"(2) Amount of payment.—The amount to be paid under paragraph (1) to any purchaser shall be equal to the sum of—

"(A) the amount of the tax paid under section 4086 on the gasoline referred to in paragraph (1)(A), plus

"(B) the amount of the tax paid under section 4051 on the sale to such purchaser of the fuel referred to in paragraph (1)(B).

"(3) Special rule.—For purposes of this subsection, if gasoline on which tax was imposed under section 4086, or any other fuel on the sale of which tax was imposed under section 4051, is used on a farm by any person other than the owner, tenant, or operator of such farm, such owner, tenant, or operator shall be treated as the user and purchaser of such gasoline or other fuel.

"(b) Local Transit Purposes.—

"(1) In general.—Except as provided in subsection (g), if—

"(A) any gasoline on which tax was imposed by section 4086, or

"(B) any fuel on the sale of which a tax was imposed by section 4051,

was used by any purchaser of such gasoline or fuel during any calendar quarter in vehicles while engaged in furnishing scheduled common carrier public passenger land transportation service along regular routes, the Secretary or his delegate shall pay (without interest) to such purchaser an amount determined under paragraph (2).

"(2) Amount of payment.—The amount to be paid under paragraph (1) to any purchaser shall be equal to the—

"(A) sum of the amount of the tax paid under section 4086 on the gasoline referred to in paragraph (1)(A) plus the amount of the tax paid under section 4051 on the sale to such purchaser of the fuel referred to in paragraph (1)(B); multiplied by

"(B) the percentage which such purchaser's commuter fare revenue derived from scheduled service described in paragraph (1) during the calendar quarter was of his total passenger fare revenue derived from such scheduled service during such calendar quarter.

"(3) Limitation.—This subsection shall apply with respect to gasoline or fuel used by any purchaser during any calendar quarter only if at least 60 percent of the total passenger fare revenue derived during such quarter from scheduled service described in paragraph (1) by such purchaser was attributable to commuter fare revenue derived during such quarter by such purchaser from such scheduled service.

"(4) Commuter fare revenue.—For purposes of this subsection, the term 'commuter fare revenue' has the meaning given to such term by section 6421(d)(2).

"(c) Gasoline Used in Commercial Aviation.—Except as provided in subsection (g), if any gasoline on which tax was imposed by section 4086 is used by any purchaser of such gasoline as a fuel in an aircraft (other than an aircraft in noncommercial aviation, as defined in section 4041(c)(2)), the Secretary or his delegate shall pay (without interest) to such purchaser the amount of the tax which was paid under section 4086 on such gasoline.

"(d) Nontaxable Uses of Special Motor Fuels.—Except as provided in subsection (g), if tax has been imposed by subsection (a) or (b) of section 4051 on the sale of any fuel and the purchaser uses such fuel other than for a use taxable under subsection (a) or (b) of section 4051, or resells such fuel, the Secretary or his delegate shall pay to such purchaser an amount equal to the amount of the tax under section 4051 imposed on the sale of such fuel to him.

"(e) Time for Filing Claims; Period Covered.—Not more than one claim may be filed under subsection (a), (b), (c), or (d) by any person with respect to gasoline or any other fuel used during his taxable year. No claim shall be allowed under this section with respect to gasoline or any other fuel used by such person during any taxable year unless filed by such person not later than the time prescribed by law for filing a claim for credit or refund of overpayment of income tax for such taxable year. For purposes of this subsection, a person's taxable year shall be his taxable year for purposes of subtitle A.

"(f) Applicable Laws.—

"(1) In general.—All provisions of law, including penalties, applicable in respect of the tax imposed by section 4051 or 4086 shall, insofar as applicable and not inconsistent with this section, apply in respect of the payments provided for in this section to the same extent as if such payments constituted refunds or overpayments of the tax so imposed.

"(2) Examination of books and witnesses.—For the purpose of ascertaining the correctness of any claim made under this section, or the correctness of any payment made in respect of any such claim, the Secretary or his delegate shall have the authority granted by paragraphs (1), (2), and (3) of section 7602 (relating to examination of books and witnesses) as if the claimant were the person liable for tax.

"(g) Income Tax Credit in Lieu of Payment.—

"(1) Persons not subject to income tax.—Payment shall be made under this section only to—

"(A) the United States or an agency or instrumentality thereof, a State, a political subdivision of a State, or an agency or instrumentality of one or more States or political subdivisions, or

"(B) an organization exempt from tax under section 501(a) (other than an organization required to make a return of the tax imposed under subtitle A for its taxable year).

"(2) Allowance of credit against income tax.—For allowance of credit against the tax imposed by subtitle A for certain uses of gasoline and other fuels, see section 39.

"(h) Regulations.—The Secretary or his delegate may by regulations prescribe the conditions, not inconsistent with the provisions of this section, under which payments may be made under this section.

"(i) Cross References.—

"(1) For civil penalty for excessive claims under this section, see section 6675.

"(2) For fraud penalties, etc., see chapter 75 (section 7201 and following, relating to crimes, other offenses, and forfeitures).".

(b) ALLOWANCE OF CREDIT FOR CERTAIN USES.—

(1) IN GENERAL.—Subsection (a) of section 39 (relating to certain uses of gasoline, special fuels, and lubricating oil) is amended by striking out "and" at the end of paragraph (3), by striking out the period at the end of paragraph (4) and inserting in lieu thereof ", and", and by adding after paragraph (4) the following new paragraph:

"(5) under section 6428 with respect to gasoline and special fuels used for certain purposes, or resold, during the taxable year (determined without regard to section 6428 (g))."

(2) TECHNICAL AMENDMENT.—Subsection (c) of section 39 is amended by striking out "or 6427" and inserting in lieu thereof "6427, or 6428" and by striking out "or 6427(f)" and inserting in lieu thereof "6427(f), or 6428(g)".

(c) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) The table of sections for subchapter B of chapter 65 is amended by adding at the end thereof the following new item:

"Sec. 6428. Repayment of gasoline and special fuels conservation taxes in case of certain uses."

(2) Section 6206 is amended—

(A) by striking out "AND 6427" in the section heading and inserting in lieu thereof "6427, AND 6428";

(B) by striking out "or 6427" each place it appears and inserting in lieu thereof "6427, or 6428"; and

(C) by inserting after "under section 6427)" the following: ", or by section 4051 or 4086 (with respect to payments under section 6428)".

(3) Section 6675 is amended—

(A) by striking out "or" after "highway motor vehicles)" in subsection (a);

(B) by inserting after "fuels not used for taxable purposes)" in subsection (a) the following "or 6428 (relating to repayment of gasoline and special fuels conservation taxes in case of certain uses)"; and

(C) by striking out "or 6427" in subsection (b) and inserting in lieu thereof "6427, or 6428".

(4) Sections 7210, 7603, and 7604(b) are each amended by inserting "6428(f)(2)," after "6427(e)(2),".

(5) Section 7604(c)(2) is amended by inserting "6428(f)(2)," after "6427(e)(2),".

(6) Section 7605(a) is amended—

(A) by striking out "6427(e)(2)" the first place it appears and inserting in lieu thereof "6427(e)(2), 6428(f)(2)"; and

(B) by striking out "or 6427(e)(2)" and inserting in lieu thereof "6427(e)(2), or 6428 (f)(2)".

(d) EFFECTIVE DATES.—

(1) FOR SUBSECTIONS (a) AND (c).—The amendments made by subsections (a) and (c) shall take effect on January 1, 1976.

(2) FOR SUBSECTION (b).—The amendments made by subsection (b) shall apply to taxable years ending after January 1, 1976.

SEC. 215. PRESIDENTIAL REVISION OF GASOLINE AND SPECIAL FUELS CONSERVATION TAX TABLES

(a) PRESIDENTIAL AUTHORITY.—The President may, after January 1, 1976, revise, in accordance with subsection (b), the gasoline conservation tax table (as defined in subsection (e)(1)) and special fuels conservation tax table (as defined in subsection (e)(2)).

(b) METHOD OF REVISION.—The President may revise both the gasoline conservation tax table and the special fuels conservation tax table by providing that the next increase in the rate of tax under each of such tables and each subsequent increase (if any) in the rate of tax under each of such tables will occur on—

(1) on the first day of the 6th calendar month preceding the day on which such next increase or subsequent increase, as the case may be, would occur under each of such tables, or

(2) on the first day of the 6th or 12th calendar month beginning after the day on which such next increase or subsequent increase, as the case may be, would occur under each of such tables.

A copy of any proposed revision described in paragraph (1) shall be delivered to the House of Representatives and the Senate before the 60th day before the day on which, under such proposed revision, the next increase in the rate of tax would occur under each of such tables; and a copy of any proposed revision described in paragraph (2) shall be delivered before the 60th day before the day on which the next increase in tax under each of such tables would occur without regard to the proposed revision.

(c) PROPOSED REVISION TAKES EFFECT.—

(1) IN GENERAL.—Any proposed revision under subsection (b) shall take effect only if—

(A) the President, not later than the date prescribed by subsection (b), delivera a copy of such proposed revision to the House of Representatives and a copy to the Senate; and

(B) before the close of the 60-day period which begins on the day on which copies of such proposed revision are delivered to the House of Representatives and to the Senate, neither the House of Representatives nor the Senate adopts, by an affirmative vote of the majority of those present and voting in that House, a resolution of disapproval.

(2) RESOLUTION OF DISAPPROVAL.—For purposes of this section, the term "resolution of disapproval" means only a resolution of either House of Congress, the matter after the resolving clause of which is as follows: "That the does not favor the taking effect of the proposed revision under section 215 of the Energy Conservation and Conversion Act of 1975, transmitted to the Congress by the President on ", the first blank space therein being filled with the name of the resolving House and the second blank space there being filled with the day and year.

(d) PROCEDURE IN EACH HOUSE.—

(1) A resolution of disapproval in the House of Representatives shall be referred to the Committee on Ways and Means. A resolution of disapproval in the Senate shall be referred to the Committee on Finance.

(2)(A) If the committee to which a resolution of disapproval has been referred has not reported it at the end of 7 calendar days after its introduction, it is in order to move further consideration of the resolution or to discharge the committee from further consideration of any other resolution of disapproval which has been referred to the committee.

(B) A motion to discharge may be made only by an individual favoring the resolution, is highly privileged (except that it may not be made after the committee has reported a resolution of disapproval), and debate thereon shall be limited to not more than 1 hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(C) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution of disapproval.

(3)(A) When the committee has reported, or has been discharged from further consideration of, a resolution of disapproval, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(B) Debate on the resolution of disapproval shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit, the resolution is not in order, and it is not in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

(4)(A) Motions to postpone, made with respect to the discharge from committee or the consideration of a resolution of disapproval, and motions to proceed to the consideration of other business, shall be decided without debate.

(B) Appeals from the decisions of the Chair relating to the application of the rules of the House of Representatives or the Senate, as the case may be, to the procedure relating to any resolution of disapproval shall be decided without debate.

(5) Whenever the President transmits copies of the proposed revision to the Congress, a copy of such regulations shall be delivered to each House of Congress on the same day and shall be delivered to the Clerk of the House of Representatives if the House is not in session and to the Secretary of the Senate if the Senate is not in session.

(6) This subsection is enacted by the Congress—

(A) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions of disapproval described in subsection (c)(2); and they supersede other rules only to the extent that they are inconsistent therewith; and

(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedures of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

(e) DEFINITIONS.—For purposes of this section—

(1) GASOLINE CONSERVATION TAX TABLE.—The term "gasoline conservation tax table" means the table contained in section 4086(a) of the Internal Revenue Code of 1954, or, if such table has been revised under this section, the most recent revised table.

(2) SPECIAL FUELS CONSERVATION TAX TABLE.—The term "special fuels conservation tax table" means the table contained in section 4051(c) of such Code, or, if such table has been revised under this section, the most recent revised table.

SEC. 216. TECHNICAL AMENDMENTS WITH RESPECT TO CERTAIN TRUST FUNDS.

(a) AIRPORT AND AIRWAY TRUST FUND.—Section 208 of the Airport and Airway Revenue Act of 1970 (49 U.S.C. 1742) is amended as follows:

(1) Subsection (b) is amended—

(A) by striking out "and" at the end of paragraph (2);

(B) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and";

(C) by inserting after paragraph (3) the following new paragraph·

"(4) amounts determined by the Secretary of the Treasury to be equivalent to the taxes received in the Treasury after December 31, 1975, and before July 1, 1980—

"(A) under section 4086 of such Code with respect to gasoline used in aircraft; and

"(B) under section 4051(b) of such Code with respect to special fuels used in aircraft; but only to the extent that the rates of such taxes do not exceed 3 cents a gallon."; and

(D) by striking out "paragraphs (1), (2), and (3)" each place it appears in the last sentence and inserting in lieu thereof "paragraphs (1), (2), (3), and (4)".

(2) Subsection (f)(2) is amended by striking out "and" at the end of subparagraph (A), by inserting "and" at the end of subparagraph (B), and by inserting after subparagraph (B) the following new subparagraph:

"(C) the amounts paid after December 31, 1975, and before July 1, 1980, in respect of fuel used in aircraft under section 6428 of such Code (relating to repayment of gasoline and special fuels conservation taxes in the case of certain uses), but only to the extent that such payments do not exceed 3 cents for each gallon of gasoline or special fuels so used."

(3) Subsection (f)(3) is amended by adding at the end thereof the following new sentence: "This paragraph shall not apply to amounts equivalent to the credits so allowed to the extent that the credits so allowed are estimated by the Secretary of the Treasury to be attributable to so much of the tax imposed by section 4086 of such Code (relating to gasoline conservation tax) or section 4051 of such Code (relating to special fuels conservation tax) as is imposed at a rate in excess of 3 cents a gallon."

(b) HIGHWAY TRUST FUND.—Paragraph (6) of section 209(f) of the Highway Revenue Act of 1956 is amended by adding at the end thereof the following new sentence: "This paragraph shall not apply to amounts equivalent to the credits so allowed to the extent that the credits so allowed are estimated by the Secretary of the Treasury to be attributable to the tax imposed by section 4086 of such Code (relating to gasoline conservation tax) or section 4051 of such Code (relating to special fuels conservation tax)."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1976.

By Mr. VANIK:

On page 31, strike line 1 and substitute the following new paragraph,

" '(3) TAX TABLE. —

"If the domestic consumption of gasoline for the calendar year preceding the year in which the determination is made exceeds the domestic consumption of gasoline for 1973 by a percentage which is—		The total tax imposed by this section shall be the following cents per gallon
More than—	But not more than—	
0	1	5
1	2	7
2	3	9
3		10'

On page 31, strike line 1 and substitute the following new paragraph:

" '(3) TAX TABLE.—

"If the domestic consumption of gasoline for the calendar year preceding the year in which the determination is made exceeds the domestic consumption of gasoline for 1973 by a percentage which is—		The total tax imposed by this section shall be the following cents per gallon:
More than—	But not more than—	
0	1	10
1	2	15
2	3	25
3	---	35''

On page 94, line 4, strike out the words, "or subsidies";

On page 94, line 7, strike the words, "or subsidies";

On page 94, line 8, strike sub-paragraph (E) and reletter the subsection sub-paragraphs accordingly;

On page 94, line 14, strike the words, "and subsidies";

On page 95, after line 10, add the following new sentence: "No amounts in the Trust Fund shall be available for expenditures for programs of price guarantees for new energy sources or for research and demonstration of nuclear fission technology."

On page 95, after line 10, add the following new sentence: "No amounts in the Trust Fund shall be available for expenditures for research and demonstration of nuclear fission technology."

On page 116, strike lines 12 through 22 and add the following new subsection,

" '(g) LESSORS.—No amortization deduction shall be allowed under this section with respect to any property of which a person is the lessor."

On page 119, strike lines 12 through 22 and add the following new subsection,

" '(g) LESSORS.—No amortization deduction shall be allowed under this section with respect to any property of which a person is the lessor."

Strike page 126, line 24 through page 133, line 12.

By Mr. WYLIE:

Page 82, strike out line 20 and all that follows down through line 4 on page 83 and insert: "sum of 25 percent of the qualified solar heating and cooling equipment expenditures paid by the taxpayer during the taxable year with respect to any residence to the extent that such expenditures do not exceed $8,000."

Page 122, strike out lines 23, 24, and 25, and insert:

"(B) SOLAR ENERGY EQUIPMENT.—The term 'solar energy equipment' means equipment—

"(i) which, when installed in or on a building, uses solar energy to heat or cool such building or provide hot water for use within such building and meets such criteria as the Secretary or his delegate shall by regulations prescribe;

"(ii) the original use of which commences with the taxpayer; and

"(iii) which has a useful life of at least 3 fixed years.

The Secretary or his delegate shall initially prescribe regulations under clause (i) not later than 2 years after the date of the enactment of this section.".

SENATE—Thursday, May 15, 1975

(Legislative day of Monday, April 21, 1975)

The Senate met at 8 a.m., on the expiration of the recess, and was called to order by the Vice President.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God, our Father, from whom comes every good and perfect gift, grant to us a new mood for this new day. Create in this body a mood of expectancy, confidence, and achievement. In decisionmaking may we be neither impetuous nor dilatory. Granting us strength and courage to move forward as Thou dost show the way.

We beseech Thee to be especially near all who are on perilous duty on behalf of the Nation. Grant to the President and his counselors wisdom to perceive the course which upholds justice and truth and that righteousness which exalts a nation.

And to Thee shall be all thanksgiving and praise. Amen.

A DAY OF PRIDE

The VICE PRESIDENT. The chair recognizes the Senator from Montana, and the Chair states that he feels very proud to be an American today.

Mr. MANSFIELD. Mr. President, I must say that it is unusual to have the Presiding Officer of the Senate, the Vice President of the United States, presiding at this time in the morning. We are delighted to see you. We are impressed with your dedication to your responsibilities.

I join the distinguished Vice President in the remarks he has just made.

Mr. ROBERT C. BYRD. Mr. President, will the Senator from Montana yield time to me for a comment?

Mr. MANSFIELD. I yield to the Senator from West Virginia.

THE RETRIEVAL OF THE "MAYAGUEZ"

Mr. ROBERT C. BYRD. Mr. President, in respect of the military operation which took place yesterday and last night involving the retrieval of the U.S.-flag vessel the *Mayaguez*, I congratulate the President of the United States on the firmness with which he acted. I express my great pride in the Marines and in the various services that participated in the operation, and my gratitude that the operation was successful.

I also express my pride in the American people for the unity of support which they demonstrated in regard to this crisis.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Wednesday, May 14, 1975, be approved.

The VICE PRESIDENT. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees

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may be permitted to meet during the session of the Senate today.

The VICE PRESIDENT. Without objection, it is so ordered.

The Senator from North Carolina is recognized.

IN PRAISE OF THE PRESIDENT AND THE ARMED FORCES

Mr. HELMS. Mr. President, today is one of those moments in history when all Americans should lay aside political considerations, and stand united in praise of those gallant men of our armed services who have demonstrated to the world that the United States has not discarded its sense of honor.

The full details of the retrieval of a merchant ship, flying the U.S. flag, are not yet available. But we do know that America, in the finest traditions of a nation born in courage, honor, and self-respect, has met the challenge of an arrogant and unlawful seizure of property and U.S. citizens. The ship and its crew are on the way home.

Early reports indicate that there may have been casualties among the American Marines sent to retrieve the ship and its crew. If that sad report is true, then this Senator extends his deepest sympathy to their families. But to all of the gallant men involved in this episode, I offer the heartfelt gratitude of what I am confident is the vast majority of Americans who yet realize the value of national honor.

So, Mr. President, let me say again that this is a day to lay aside partisan politics, and extend a hand of gratitude and admiration to the President of the United States, who faced this crisis with courage and wisdom. He will be remembered in history for his conduct in this difficult episode. I, for one, am very proud of him today.

ORDER OF BUSINESS

The VICE PRESIDENT. Under the previous order, the Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. HELMS. Is not the distinguished Senator from Virginia scheduled to be recognized at this time?

The VICE PRESIDENT. Yes; he is, but he is not in the Chamber.

Mr. HELMS. That being the case, Mr. President, I ask unanimous consent that the order be changed, so that I may proceed with a statement I have and that the distinguished Senator from Virginia may be recognized immediately thereafter.

The VICE PRESIDENT. Without objection, it is so ordered.

NATIONAL DEFENSE

Mr. HELMS. Mr. President, I shall be the first Senator of many who will address themselves this morning to a subject of vital importance to our Nation—the subject of national defense. Each Senator will address himself to a specific subject. In my own case, I should like to discuss the future of Portugal and the Azores in the NATO structure.

THE FUTURE OF PORTUGAL AND THE AZORES IN THE NATO STRUCTURE

Mr. HELMS. Mr. President, the fall of Vietnam has already taught us that when the circle of freedom grows smaller, it inevitably affects our basic interests, and those of the world. The events in the Gulf of Siam—and we should not dismiss them as merely an embarrassing incident—demonstrate graphically that weakness, lack of decision, and the failure to identify our goals take their toll of our leadership position. There are those who say that it does not matter to the American people whether Communists or warlords dominate a given group of Asian peasants.

That may be a very comfortable position, if one is willing to discard both courage and honor. It is one that gains easy popularity when our citizens are already fed up with the indecisiveness of a war protracted to support negotiations instead of victory. The fact is that the spread of communism and socialism, no matter under whose auspices, is a matter of direct concern. The principles of freedom cannot operate in an atmosphere of constraint. Our free market economy, for example, will be inevitably choked by the spread of nonfree market economies, and the inevitable decline of creativity and productivity that follows the application of the principles of socialism. Our opportunities for intellectual and cultural interchange will diminish with the suppression elsewhere of thinkers and artists who are sympathetic with our goals. Constraints on private property and the accumulation of private capital will mean the decline of family-oriented societies and free individualism which is so important to the maintenance of free choice and independence.

And of course, the growth of totalitarian power hostile to our system means the increase of the military threat against us, and the shrinking of the number of allies who will join with us in defense of freedom. In the long run, defense policy and foreign policy are inseparable. We have assumed for too long that defense can be subordinated to foreign policy goals. Yet our defenses are the ultimate expression of our sovereignty and independence; without power—even if we never have to use it—we can never achieve our goals. The more that we allow ourselves to believe that negotiations and treaties in themselves can bring peace, the closer we come to war and defeat. No document, no conference, no compromise can bring about stability unless we continually demonstrate our willingness to achieve and use superior defense capability. The days of the so-called "cold war" were the days of the United States unquestioned superiority in the world; the days of détente have been characterized by our loss of influence, power, and psychic ability to respond to challenge.

There is no question about it; our influence has been shrinking; while our foreign policy experts tell us that we can remain indifferent to changes throughout the world. One of the most critical developments in recent years has been our passive indifference to events in Portugal, the implications not only for the freedom of the Portuguese, but for the Portuguese role in NATO and the irreplaceable function of our bases in the Azores.

There is a widespread illusion even now that the recent elections in Portugal resulted in the defeat of the Communists and the triumph of so-called moderate political forces. Based upon these conclusions, it is predicted that Portugal has no intentions of leaving NATO and that the rights of our bases in the Azores—which expired a year ago February—will be renewed, although perhaps with certain prior restraints upon their use. Alternatively, it is argued that Portugal may become a third-world, nonalined country, whose loss will be scarcely felt to NATO; bases in Spain will replace the Azores bases, while the Portuguese contribution to NATO has been negligible in the past because of the African wars.

As a matter of fact, however, the Azores have a strategic location that cannot find a substitute. The mission of our bases there is not merely aircraft staging and refueling at a convenient station in the Atlantic. The Azores base is a center for antisubmarine warfare and ocean surveillance. It is widely reported that it employs top-secret sensor devices and wide-ranging spotter aircraft that monitor the movements of all Soviet shipping in the Atlantic, particularly submarines. It controls the sealanes to the strategic waterway of Gibraltar. With the growth of the Soviet submarine fleet to the largest in the world, the Azores bases are an important element in the defense of our eastern coastline, and in keeping open the international sealanes.

Moreover, the location of mainland Portugal itself is a strategic location; if Portugal were dominated by a hostile government, the consequences for both Europe and U.S. defenses could be tragic.

It is very important, therefore, that we understand the meaning of the recent elections in Portugal. It is one thing to point out that the Portuguese Communists, with a lavish expenditure of funds from outside Communist sources, won only 12.5 percent of the vote. On the other hand, the Socialist Party, with 37.3 percent, and the Popular Democrats, with 26.3 percent, together won nearly two-thirds of the vote. The right of center Social Democratic Center Party received about 8 percent.

But these returns cannot be interpreted on the basis of election returns in the United States. Portugal has had no political life for 40 years. The parties have barely gotten organized. The conservative Christian Democratic Party was proscribed from the elections, and its leader exiled on trumped up charges. Much of Portugal is rural, and the local citizens are not used to participating in national affairs. The press is largely controlled by radical left and Communist unions, and affords the political

parties little opportunity to explain their goals and purposes in a straightforward manner. It is plain that the mass of people rejected the Communists, the one party whose aims were known. It is difficult to judge whether or not they really understood the subtleties of ideological differences in the remaining options.

Moreover, the elections were not elections for a legislature; they were elections for a constituent assembly that is supposed to write a new constitution—which will be accepted or rejected by the Armed Forces Movement.

What counts, therefore, is the amount of control exercised by the AFM and by the Communist Party—not the results of the electorate. The activities of the Communist Party are most significant. The Communist leader, Alvaro Cunhal, arrived in Portugal just a few days after the AFM coup on April 25, 1974. It is perhaps more than coincidence that Cunhal spent his exile mainly in Prague at the center for international operations set up by Soviet Politburo ideological specialist, Boris Ponomaraev. From the center, the theoretical journal, Peace and Freedom, is published in 18 languages, and operatives are trained in the techniques of party organization and labor union activity.

It is appropriate that this Communist operation be staged from Prague, for, in many ways, Czechoslovakia was a test case for the takeover of a free Western country. Like Portugal, Czechoslovakia was a country in which the moderates predominated. The Communists had the support of only 10 percent of the people. Yet through manipulation of the trade union movement and terrorizing the opposition, the Communists took over Czechoslovakia without a shot being fired.

The Czechoslovak model provides a remarkable analogy with the situation in Portugal. With the help of an estimated $100 million which the Soviets have poured into Communist activity in Portugal, Cunhal set up a strong, well disciplined organization which rapidly dominated the press, the unions, and many local official posts. By making the Communists very useful to the AFM, Cunhal won the respect and cooperation of the inexperienced officers. He was able to put over a special labor law consolidating all the unions into one big movement—rapidly taken over by the Communists. He was able to use his bully boys in Lisbon to prevent opposition parties from meeting and staging rallies. More important he is credited by many in instituting the rumor campaign designed to trigger the purported countercoup of March 11, 1975. Whether there was really a coup attempted or not is in dispute; at any rate it provided the excuse to purge the opposition and drove moderates such as General Spinola out of the country.

But more important, the purges which followed the coup silenced the opposition to the extreme radical economic policies which have included nationalization of the banks and major industries, and have forced owners and managers out of the country. Much of the leadership and business talent has already left the country, bringing whatever capital they could. At least 40,000 have settled in Brazil alone, buying homes and beginning permanent lives in exile. This fact alone has serious implications for the future growth and stability of Portugal.

It would be a mistake, therefore, to assume that the AFM has permanent control of the country. The revolution—assisted by the growth of Communist cells among the lower ranks of the armed forces at large—has brought about "democracy" in military life leading to a lack of discipline and an erosion of the command structure. The Socialists, although leading in the elections have simply not done their homework in terms of hard organizing and party discipline.

Moreover, the program of nationalization is already reaping a dividend of economic disruption, inflation, and mismanagement. An economic crisis could either bring social upheaval, or a plea to the socialist countries—such as Eastern Europe and the Soviet Union—to provide aid and economic cooperation. A nation that embarks upon a transition to a nonmarket economy inevitably is drawn away from the free market countries and into the Soviet orbit and influence.

We should, therefore, not make the old mistake of catering to the left Socialists in Portugal in the hopes that they will best the Communists in the long run. The Communists work outside the political process for their victory. The United States—all nations who believe in freedom—should instead seek out and support progressive elements that stand for private freedom and private decisionmaking. We should support those groups that stand for local autonomy and independence, and that are friendly to an anti-Soviet foreign policy. There is no reason why Portugal should slip outside the orbit of freedom and into economic disintegration and left-wing totalitarianism. If the United States is to have a positive foreign policy, we must unflinchingly adopt such goals.

I thank the Chair.

Mr. CRANSTON. Will the Senator yield?

Mr. HELMS. Yes, gladly.

Mr. CRANSTON. Mr. President, I applaud those Senators who have organized this debate. It is very timely that we have a consideration of where we stand on our foreign policy in the aftermath of Vietnam and now also the aftermath of the most recent incident involving that freighter, as we approach the time when we consider the military procurement bill. It seems to me very appropriate that we consider what foreign policy, what American interests, and what American security we are seeking to defend by the overall defense budget and this specific portion of it.

I have been discussing with other Senators hopes and plans for a full-scale debate of all that at the time we take up the military procurement bill.

Unfortunately, I only received word of this discussion that the Senator and others organized late yesterday afternoon and, therefore, was unable to be prepared and to try to bring some Senators that might have contrasting views to debate in a give and take on the Senate floor. I wish I had been aware of it earlier.

I suggest that the Senator and those who arranged this particular presentation, which apparently will not be so much in the form of a debate as statements by a series of Senators, consider joining with me and others to seek to arrange a full-scale debate, where once again we could have broader participation and perhaps participation by Senators with contrasting views to set one against another and consider, at the time that we take up the military procurement bill, whenever that may be, next week or later on some time soon.

Mr. CURTIS. Mr. President, will the distinguised Senator yield?

Mr. HELMS. Yes.

Mr. CRANSTON. Mr. President, could the Senator possibly respond to me before yielding?

Mr. CURTIS. Very well.

Mr. HELMS. Mr. President, I thank the able Senator for his comments. Speaking for myself, I am delighted to discuss the subject of national defense with him and other Senators at any time. I am advised that notice of this discussion was delivered, by hand, to the office of the Senator from California on Tuesday. I regret, of course, that the notice escaped his attention.

But I am delighted to see him here on the floor at 8:21 a.m. That demonstrates his diligence.

Mr. CRANSTON. I wish to say I was here at 8 o'clock and heard the whole matter. I will just add that when we seek to have such a discussion, if we can, at the time the vote on the procurement bill is taken up, I hope we can do it on the time of that bill and not be in this sort of straightjacket of 15 minutes to one Senator and 15 minutes to another, but have give and take so that different ideas can be tested one against another. I would like to work with the Senator to help arrange that.

Mr. HELMS. Very well.

I yield to the distinguished Senator from Nebraska.

THE NEED FOR A STRONG DEFENSE

Mr. CURTIS. Mr. President, I thank my distinguished friend. I congratulate him upon his statement. I congratulate him on his forthright position for the defense of the country.

I believe in the light of our disaster in Vietnam and other world factors that we should put as first priority improving and strengthening the defense of the United States of America. I believe that will save lives. I believe it will prevent war.

If the Senator will yield further, I join him in commending the President of the United States for his action in reference to the piracy by Cambodia of seizing a ship and American citizens on the high seas. The courageous and decisive action by President Ford will do more for the cause of liberty around the world than all of the diplomatic negotiations and conferences that have been held in the last few years and will be held in the next few years.

We have a responsibility not to be the world's bully but to be strong enough so we are respected. The nations of the world will respond to the United States when they realize what our position is, that it is sound and unwavering, and that they can depend upon it.

I do not suggest—in fact, I would oppose—any idea that the United States should go to war to correct every wrong around the world. We cannot do it. But we should never lend our influence to an injustice, and we should be strong enough so that when we take a position the freedom-loving people and the strong nations around the world will line up with us.

No one likes to bet on a losing horse. No one likes to buy stock in a company that is headed for bankruptcy. If we want ours, and if we want to preserve the peace of the world, we had better not be totally devoted to destroying our defense and adding to the welfare state, because if we do we will not have any liberty to enjoy.

The time has come for us to have a defense system that will give free men confidence everywhere, knowing that it will never be used to start a war, but will always be used in the cause of peace.

Again I commend my distinguished colleague, and I commend the President of the United States.

Historians will draw contrasts between this recent seizure and the seizure of the *Pueblo*. I shall not propose to do that. It will be done. History will render the verdict of what kind of actions preserve peace, save lives, and strengthen the United States and freedom around the world.

I thank the Senator.

Mr. HELMS. Mr. President, I thank the able Senator for his comments. I believe my time has expired.

Mr. HARRY F. BYRD, JR. Mr. President, I ask that the Chair notify me at the end of 10 minutes.

The able senior Senator from North Carolina has made an effective presentation of the importance of Portugal and the Azores to the free world. I commend also his assertion that in order to have an effective foreign policy the United States must have a strong defense policy.

I applaud the comments of the distinguished senior Senator from California, who urges a full-scale discussion over and beyond today's discussion as to what America's future role in the world should be. I think that is most important.

Today's discussion by some 16 Senators can set the focus for a subsequent and hopefully even more lengthy discussion of our entire foreign and defense policy.

Like the Senator from California, I would hope that could be done without time restraint. The Senator from Virginia dislikes to operate under time restraints, but the working of the Senate requires that that be done from time to time.

Mr. CRANSTON. Mr. President, will the Senator yield at that point a moment?

Mr. HARRY F. BYRD, JR. I yield to the Senator from California.

Mr. CRANSTON. I thank the Senator for those remarks, and I applaud his participation in today's debate. It was my hope, and I have discussed this with just a few other Senators up to this point, that we might at the time the military procurement bill comes up have some general debate before considering whatever amendment may be offered to it. It would seem to be appropriate at that time to have a discussion which would be free and without restraint, and there could hopefully be give and take rather than presentation of set statements.

Obviously there are many different viewpoints, and should be, and we have many answers to find to questions, in the aftermath of Vietnam and in light of the sizable defense budget and the great problems we face in the world.

So I hope that with the Senator's help such debate at that time can be arranged that it will be profitable from all points of view. I look forward to working with the Senator to that end.

Mr. HARRY F. BYRD, JR. Mr. President, there are varying points of view, and I, like the Senator from California, think it desirable that those varying points of view should be developed in the Senate. I personally would like to see a day or 2 days or 3 days set aside for a full discussion of the matters mentioned by the Senator from California.

I join with the Senator from Nebraska (Mr. CURTIS) in supporting the firm and resolute action taken yesterday by President Ford in saving the lives of American citizens in the Cambodian incident and in retrieving the American ship which was seized on the high seas by the Cambodain Government.

President Ford was faced with a very difficult decision. I think the action he took was appropriate, and one which is in the best interests of the United States. I commend the President.

THE AMERICAN ROLE: U.S. DEFENSE AND FOREIGN POLICY AFTER VIETNAM

Mr. HARRY F. BYRD, JR. Mr. President, with the tragedy of Vietnam fresh in the Nation's memory, the time is ripe for the United States to reexamine its global interests.

We must define our national commitments in the perspective of history with a clear understanding of American goals.

And we must clarify our national purposes, suitably tempered by the capability of the national economy and the Nation's will.

Recently Secretary of State Kissinger has suggested that the Congress is unduly interfering in foreign policy, and that congressional interference is undermining the flexibility needed by the executive branch to conduct its foreign diplomacy.

To a degree he is correct. But although the President is the Commander in Chief, under our Constitution the Congress also has a role to play in the Nation's conduct of international relations.

As recent history has taught us, a nation cannot hope to sustain a successful foreign policy without a consensus.

Our ability to maintain an adequate defense to deter any would-be aggressors and to assure global stability, and our ability to negotiate with firmness depend to a large degree upon our national unity of purpose.

But we cannot impose internal unity, as totalitarian systems do.

I note that Secretary Kissinger recently called for a new national partnership with Congress in which "we can strive for a consensus about our national goals and chart a common course."

I applaud those remarks. I stand ready to work with the Secretary to try to achieve an effective foreign policy—and the time to begin is now.

The United States must not permit disillusionment in Southeast Asia to cause a withdrawal from the world.

As a great power, America has major responsibilities.

Bitter experience has taught us that the United States cannot be a world policeman—or a world Santa Claus.

We must, then, look closely at all our commitments around the world—and be selective in the commitments which we choose to renew.

Today the free world is beset by troubles, with weakness and disorder apparent both between nations and within nations.

In Asia, the United States is being called a nation without morals. Thailand, South Korea, the Philippines, Taiwan, and Japan are unsure of our Nation's resolve.

In Europe, the United States and its NATO allies are confronted by one of the most awesome military machines ever created, the Warsaw Pact.

At the same time the cohesiveness of the NATO alliance is threatened because of the tragic situation in Cyprus, and the left-wing takeover in Portugal.

In the Middle East, the United States remains committed to helping Israel build a secure and peaceful relationship with her neighbors, but the political and military situation remains tenuous at best.

In Latin America, Secretary of State Kissinger has committed the Nation to a treaty terminating U.S. sovereignty over the Panama Canal, despite congressional opposition which is likely to prevail.

Overtures are being made to Cuba in which our Government appears ready to make unilateral concessions to Castro, thereby rejecting the Monroe Doctrine and accepting Soviet penetration of the Western Hemisphere.

As we look around the world, we see that power without resolve is no power at all.

Because of our country's preeminent military and political position among the nations of the world over the last 30 years the United States assumed many obligations and had others thrust upon it.

The values and goals which were threatened in this process, and the precedents which were established in defending our role in the international system produced expectations about our behavior, which in turn established the credibility of our posture.

Without this credibility—a credibility we see threatened today—we would not

only lose the confidence of our allies, but perhaps even more far reaching, we would lose the credibility needed to deter any would-be aggressor.

History has taught us only too well that our international commitments have value only insofar as they are perceived to be credible by both our allies and our adversaries.

In the United States, popular dissatisfaction with what seemed to be an endless conflict in Vietnam led to an erosion of the domestic consensus over the conduct of our foreign policy.

The illusion of détente further dimmed popular awareness of existing military and political threats to the United States, and also contributed to an erosion in the Western alliance system.

Free nations around the world, confused by the ambiguities of détente, seem weakened in their sense of unity and common purpose.

A major danger of détente is that it tends to lull the United States into a false sense of security. Indeed, it tends to mislead the free world.

In an era that is said to reflect "entente, détente, and cooperation" among the globe's major power centers it is, of course, all too easy to misinterpret a potential adversary's intentions, and to allow judgment to become clouded by wishful thinking.

It is not sophisticated today to talk of a Communist threat. Yet, in my judgment, Russia remains committed to the destruction of the free world, although not necessarily by force.

Moscow has an advantage in this effort. While the United States does not seek to impose its values on others, the Russians have no hesitation about forcing other nations to toe the line.

Although we hear of the independence of the Communist nations of Eastern Europe, no one would seriously contend that Moscow does not remain the uncontested gondolier of Warsaw Pact diplomacy.

Lest anyone forget, in 1968 Soviet leader Breznev enunciated the Brezhnev doctrine when the Soviet Union invaded Czechoslovakia.

The Brezhnev doctrine according to the Soviets, gives Moscow the right to intervene at will in the internal affairs of its European satellite countries.

Russia, as I see it, is playing a shrewd game.

The Soviets have come to realize that in order to reach their goals they must utilize all the fundamental elements of national power: political power, economic power, and military power.

Over the years, they have cautiously but continuously expanded their control and influence over more of the world. In the process they have not only increased their elements of national power, but have become more skillful in using them.

Their scientific achievements have been great. They lack capital, management, and technological skills, but they recognize these deficiencies and are taking steps to rectify them. They hold out the hope of détente as a means of obtaining assistance in their technological difficulties, low interest rates, and long-term credits.

Most Americans are, of course, familiar with the United States-Soviet grain deal.

Not only did we let our products go too cheaply, but also the U.S. Government provided what was in effect a $300 million subsidy. And, on top of that, Russia borrowed the money from the U.S. Government to pay for the wheat. In other words, Russia bought our wheat with our money.

Melvin Laird, former counselor to President Nixon, stated flatly:

> The wheat deal was forged to save the Soviets from the results of a disastrous agricultural program.

In addition, we made it easier for them to spend for defense when we subsidized their domestic economy.

Another agreement with Russia in 1972 was the settlement of its debt to the United States.

At the end of World War II, after writeoffs, the Russian debt was set at $2.6 billion.

In 1972 the United States agreed to a settlement of this $2.6 billion debt for $722 million—or about 28 cents on the dollar.

But of that total, $674 million was contingent upon granting to the Russians of most-favored-nation status in tariffs, which the Congress has refused to do. That leaves only $48 million in assured repayment—which is less than 2 percent of the $2.6 billion debt.

Russia said, in effect: "We will pay the United States a small part of what we owe you—provided you give us special trade concessions, including long-term credits and subsidized interest rates provided by the American taxpayers."

This is not the way to do business with Moscow.

We have also permitted a technological drain to the Soviet Union. The Soviets are taking advantage of détente to obtain America's advanced computer science, a major factor in America's overall technological superiority.

Moreover, while the Russians are building a more solid economic base, they exacerbate economic troubles for the West.

Oil was the first economic weapon to be used against us. There seems little doubt that the Soviets influenced Arab action in establishing the oil embargo and drastically and repeatedly raising the price of oil.

This has resulted in hurting the economy of Western nations and aggravating the relationships among nations dependent on Middle East oil.

While I favor keeping open lines of communication between Washington and Moscow let us not make the mistake of relying on the Russian leaders to promote peace and stability.

Moscow has a long track record of doing just the opposite, and it would be foolish for us to suppose that she is going to change course.

Détente has, of course, been a bargain for Russia. But for the United States, frankly, I think détente is coming apart at the seams.

How did détente help us in Southeast Asia?

How is it helping us in the Middle East?

How is it helping us in Europe?

Where détente has been helpful, I think it has been helpful to the Soviet Union.

Although I feel the Soviets will avoid any action that might lead to general nuclear war, at the same time they will continue to maintain and improve nuclear capability and try to achieve nuclear superiority for political ends.

It is, therefore, essential that the United States never lose sight of the fact that while moods and methods, words and gestures may change in Moscow, the underlying goal of the Communist dictatorship remains constant. That goal is the world-wide domination of the Communist system.

If we forget this central fact, we imperil ourselves. Soviet theorists constantly reiterate that no matter what course may be dictated by the opportunities of the moment—and Moscow has changed course often—the ultimate goal remains the same.

Chairman Brezhnev made this clear in June 1972, when he said:

> Détente in no way implies the possibility of relaxing the ideological struggle. On the contrary, we must be prepared for this struggle to be intensified and become an even sharper form of the confrontation between the two systems.

The United States cannot afford to accept a "détente" which paves the way for global domination by the Soviet Union.

In 1975, when our allies are questioning America's commitment to them, it is particularly important that we carefully evaluate the entire defense policy of the United States.

Most of us would prefer a world order based on justice rather than on might. But such an order, unfortunately, has not yet come.

Indeed, the only way we have to build a peace that is effective and lasting is to maintain a strong defense and to bargain realistically.

The implications of these facts for the current SALT negotiations are important to note.

If we are to attain nuclear stability, then we must insist upon strategic equality. We must maintain an adequate strategic defense as a vital element of our own national security and for the security of the free world.

I had reservations about the SALT–1 agreement, which gave the Soviet Union a strategic edge.

For this reason I joined in sponsorship of an amendment to the SALT–1 agreement, calling on United States negotiators to insist on equality with Russia in future agreements.

In a few months the President will be submitting to the Congress a second round arms limitation agreement with Russia, based on principles worked out at his meeting with Chairman Brezhnev at Vladivostok.

Not enough is known about this agreement to make a judgment at this point.

I have assured President Ford that I will keep an open mind about this agreement until it has been reduced to writing and submitted to the Congress for consideration.

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But I am concerned about recent reports which indicate that the Russians may indeed not be willing to settle for strategic equality.

Defense Secretary Schlesinger recently announced that the Soviet Union has begun deploying a new class of large intercontinental ballistic missiles.

Although the ICBM's that were deployed carried only a single warhead, not the MIRV warheads, the Russian MIRV development is discouraging to those of us who want a slow-down in the arms race. It is also a warning signal against rushing into hasty agreements.

I agree with my colleague, Senator Jackson, that it is time to put the Soviets to the test by urging an agreement under which both the United States and the Soviet Union can achieve mutual reductions in the total numbers of strategic delivery vehicles, and in the number of missiles capable of carrying MIRV to lower levels than those contained in the Vladivostok Agreement.

As we consider the proposals for national defense expenditures, let us be realistic. Let us bear in mind that the debate we will conduct here in the United States will have no parallel in the Soviet Union.

The leaders in Moscow are not subject to the kinds of constraints which are present in a democracy.

At the outset of the debate on the defense budget, let us also keep in mind that defense costs are not the reason for the enormous expansion of the Federal budget which has taken place in recent years.

The national defense budget is large. It has risen by 53 percent from 1964 to 1974.

But during the same period, to use just one example, appropriations for the Department of Health, Education, and Welfare increased six-fold.

Yet I do not believe we must write blank checks for the Pentagon. Waste, inefficiency, or unnecessary spending by the military are no more tolerable than such practices in any other department of the Government.

And while I wish that we did not have to spend one single dollar for military purposes, it is clear that peace has its price as well as its rewards.

I, for one, am convinced that in this dangerous nuclear age, readiness in defense is essential to the preservation of freedom.

In more concrete terms, this means that the United States cannot forsake its strategic research and development programs.

It means that we must have a strategic force sufficient to deter nuclear war and a conventional force including naval power second to none, adequate to discourage expansionism on the part of the Communist powers.

We need both—nuclear and conventional—because without the latter a future President will lack a conventional option. We must have an alternative to nuclear war.

For if, in this nuclear age, thermonuclear force is to remain the last and not the only resort, traditional diplomatic and military procedures are more important than ever before, and conventional forces must be ready to indicate the seriousness of a nation's intentions.

But conventional war itself can only be kept within limits if a nuclear war appears less attractive.

Let us also be aware that in this present age, an age of systemic conflict, a conflict of interest between the major powers exists, the desire for global peace notwithstanding.

The United States must, therefore, be capable of establishing political goals in which the question of national survival is not always the immediate issue.

This requires responsible and enlightened leadership, and it requires a public enlightened to the realities of a nuclear age.

Peace can only be preserved if we have the capacity to deal with crises before they lead to general war.

We cannot, therefore, allow wistfulness to cloud our judgment of prevailing power realities.

We must never lose sight of the fact that dollars spent for American defense are an investment in the world peace and stability, and that world peace and stability, in turn, are highly important to our own freedom and prosperity.

Despite the setbacks of recent weeks, our Nation remains strong.

If we have confidence in our institutions and pride in our Nation, we need be second to none.

My colleagues who join me here today, to discuss and assess U.S. foreign policy and our defense posture, will examine in some detail the various problems confronting the Nation militarily and politically around the world.

Let me therefore, conclude by observing one of the most important lessons of history I believe the United States must learn is that power and strength are of no avail if the United States lacks the necessary will to defend its vital interests and carry out its responsibilities as a major world power.

While we are ready to negotiate and seek peaceful solutions to the problems of the world, we have certain principles and interests that cannot be compromised.

The VICE PRESIDENT. The Senator asked to be notified when 10 of the 15 minutes have been used.

Mr. HARRY F. BYRD, JR. I reserve the remainder of my time.

The VICE PRESIDENT. The Senator from Texas (Mr. Tower) is recognized for 15 minutes.

DEFENSE AND FOREIGN POLICY

Mr. TOWER. Mr. President, I think it is fortuitous that this day was selected by those of us who want to discuss defense and foreign policy in the wake of what has happened in Southeast Asia relative to the piratical act of the seizure of an unarmed American merchant vessel.

At the outset, I should like to say that I think the President acted with resolve, and acted expeditiously. I think if he had waited any appreciable amount of time longer the situation might have been such that we could not have retrieved this American vessel nor extricated its crew.

I am sure that the action of the President will receive the approbation of the American people. The immediate reactions I have gotten from my own State have been favorable.

I am also pleased to note that there has been a favorable bipartisan reaction on the part of Members of Congress. I think this is what we would expect of any President, be he Democrat or Republican, and I hope that in the eyes of the rest of the world this enhances confidence in the United States to react, and to react expeditiously, to a situation of this kind.

I think the President's actions will go a long way in restoring confidence on the part of our allies in the will and determination of the United States and at once convince our adversaries that we will not be lightly pushed around.

It is my purpose this morning to discuss the situation in the southern lateral of NATO.

I think that too often we become preoccupied with the European mainland, with the prospect of aggression against Western Europe, and we give too little thought to the vital flanks of NATO, the northern and southern flanks.

Looking briefly at the northern flank of NATO because of the vast buildup of Russian naval power it is feared that ultimately the Norwegian Sea will become a Russian lake and that Scandinavia will ultimately be Finlandized—that is to say, brought into an orbit of influence that is contrary to the best interests of the United States.

I shall leave it to others to discuss the northern flank of NATO and address myself to the southern flank which has shown a rapid deterioration in terms of the geographic and strategic position of the Western alliance.

We have seen what has happened in Portugal, and one of my colleagues has already addressed himself to that issue, and has done so very well.

We can take little heart in the fact that relatively moderate parties polled a majority of the Portuguese elections because the Portuguese Government is under the firm control of the junta that is essentially Marxist in its orientation.

This, of course, illuminates the fact that the Communists have planted clandestine infrastructures in virtually every country in this world and these clandestine infrastructures wield a power out of all proportion to their numbers because of the superior organization and discipline, and because of the support they receive from without.

I think we get a little bit naive sometimes around here in criticizing the activities of the United States in various countries, perhaps the activities of the CIA, and some of the covert actions that have taken place, without recognizing the fact that the Soviets have a whole network of clandestine infrastructures all over this world and that they do not respond to popular will.

They are not well-motivated revolutionaries; they are self-serving. Many of what we consider to be popular rebellions or revolutions that occur in various countries are by no means a reflection of the majority will of the people of those countries, but are a reflection of what the Soviets conceive to be their national interest.

They foment unrest and political chaos in these countries for their own purposes and having, as I noted earlier, superior organization in discipline in their clandestine infrastructures, they wield an influence out of all proportion to their numbers.

This is what we have seen happen in Portugal and, Mr. President, this could be repeated in various other countries in Europe, contrary to the vital interests of the free world.

Let us look at the southern lateral of NATO.

We know what has happened in Portugal, we know that there is now a climate of instability in Spain because the Franco government is not sufficiently institutionalized to weather the possible resignation or retirement of General Franco.

Looking beyond, France has already withdrawn from the command structure of NATO. The political situation in Italy, at best, if I could characterize it as such, is unstable. The Greeks have already invited us to abandon our homeporting facilities there, and we, ourselves, by an act of, I believe, foolishness—and I say that advisedly because I know that a Senator is not supposed to criticize the Senate—but we acted foolishly and contrary to the national interest in cutting off aid to Turkey.

In so doing, we have succeeded in almost driving from NATO one of our most valuable allies. It does not need be recounted that the Turks fought side by side with us in Korea some 25 years ago. They have remained steadfast, proclaimed their friendship, and our response has been, because of the domestic political situation, to kick the Turks, to drive them out of NATO.

Now, what does this mean to us?

Mr. President, let me say parenthetically that all of the mail I have gotten from my constituents on the watter of Turkey and our aid to Turkey has been contrary to my own position. Most of it has come from some very splendid people, Greek-American people who are good friends of mine and whose friendship I value. But the fact of the matter is, in a cause of this sort, we must act in what we preceive our national interest to be.

Let me recount for a moment. The government in Cyprus was overthrown under the aegis and impetus of a military junta in Greece which had been criticized and denounced roundly in the Senate of the United States. The Turks responded in what they conceived to be their responsibility to protect the interests of Turks nationals in Cyprus.

Maybe they responded wrongly. In my view, they did respond wrongly. They should not have committed military force to Cyprus. But I think we should look at the origin of the problem.

Now, because we did not like what the Turks did in Cyprus, we are going to cut off our noses to spite our faces.

Let us look at the strategic position of Turkey.

Turkey borders on the Soviet Union. It borders on Syria. It borders on Iraq. It occupies a strategic position in the eastern Mediterranean.

We have valuable bases there. The Turks provide us with vital intelligence. They control the Dardanelles, which is the vital sea passage from the Soviet Union into the Mediterranean. They keep us advised of Soviet naval movements. They can maintain a naval presence there, and we cannot.

So, Mr. President, I hope that the Senate will give early and favorable consideration to a restoration of aid to Turkey. It is in our vital national interest to do so.

I cannot understand how anyone who professes to be a partisan of Israel could support anything that comes before the Senate of the United States that pushes Turkey out of NATO, or pushes them away from their alliance to the United States.

The Turks do not want to be allied with the radical elements in the Middle East, but we can push them in that direction by our ill-advised action.

I submit, Mr. President, I have only covered a small part of the various aspects of the value of Turkey to the North Atlantic Alliance. We had better be concerned with what is going on there right now. We had better be concerned that we try to reestablish our friendships in that area.

We had better be concerned about Turkey because what, in effect, we are doing by our actions if we fail to reestablish the viability of our alliance with Turkey is to leave the 6th Fleet flapping in the breeze by itself out there in the Mediterranean. This is a matter of very serious consequence for the United States and for the free world.

Mr. President, I will again be critical of the Senate. I think we have dabbled too much in foreign policy. I think in our effort to regain prerogatives, that we have willingly delegated away to the executive branch over the past 40 years, we have gone in the wrong direction.

I would remind my colleagues of the case of the Curtiss-Wright Export Corp. versus the United States in 1936, when Justice Sutherland noted that the conduct of diplomacy is a necessary concomitant of nationality that would reside in the executive branch even in the absence of the specific constitutional authorization; and that the President must exercise extraordinary power in this area that he cannot exercise in terms of domestic matters.

The Senate, the Congress, cannot, on a day-to-day basis, formulate and implement foreign policy. We have done a dangerous bit of dabbling in foreign policy. We have done a dangerous bit of dabbling in foreign policy matters here in the Senate.

I will not address myself to the War Powers Act. I think it was a mistake, and I think it is an example of what we should not do.

Mr. President, I know that a lot of the actions we have taken have been in response to a popular disenchantment with our engagement in Southeast Asia. But let us remind ourselves that we acquiesced to what was going on in Southeast Asia for years, and by our acquiescence we, in effect, put our imprimatur of approval on what the administration was doing, whether it was this administration, the Nixon administration, the Johnson or the Kennedy administration. We put our imprimatur of approval on what was going on.

The VICE PRESIDENT. The time of the Senator from Texas has expired. The Senator from Utah.

Mr. CRANSTON. Will the Senator from Utah yield for 1 minute?

Mr. GARN. I yield.

Mr. CRANSTON. I had wanted to actively participate in this debate when I learned of it, but I did not learn of it in time to be able to do so and to get time to join with those who had requested time.

I think those who have organized and participated in this debate have made a real contribution to the beginning of the discussion of what we should be doing in foreign policy and in defense matters.

In order to be able to participate in this debate as well as future debates, which I hope we will have, I ask unanimous consent that I may have printed in the Record at this point, or immediately following the remarks of the Senator from Utah, a statement of my own concerning some aspects of the matters that are being discussed this morning.

The VICE PRESIDENT. Is there objection? Without objection, it is so ordered.

FOREIGN POLICY AND DEFENSE POSTURE

Mr. CRANSTON. Mr. President, the Nation is approaching its Bicentennial.

We find ourselves in an economic crisis brought on—at least in part—by our tremendous expenditures in tens of thousands of lives and unmeasurable hundreds of billions of dollars, to fight a war we should not have fought, could not win, and were unable to pay for.

Now we are, for the first time in more than 10 years, mostly free of the terrible burden of the war in Vietnam.

It is—at last—over.

Yet we are paying and will continue to pay to provide benefits to veterans who fought in that war—to pay the interest on the national debt which increased substantially as a result of that war—and now to assist the refugees rendered homeless by the outcome of that war.

And that was an outcome which, despite all our vast expenditures, and all our fancy and expensive weapons, all of our commitment of manpower, and all of the frequently repeated assurances of our defense advisers, we are unable to prevent.

There is an important lesson here.

Before we permit our overseas policies and actions—by accident or design—to involve us in another war we should not fight, we must reflect on our role in the world, our foreign policy objectives and the defense posture necessary to maintain that policy.

Then—and only then—will we be in a position to know how much we should spend on defense.

We must decide whether we are to be—as some would make us—the police-

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men of the world—or whether instead there are limits to our willingness to enter wars in corners of the globe where our national interests are limited or nonexistent.

And if we decide there are such limits—when previously we seemed to accept none—then we must question why we need three more Army divisions under arms than we had last year.

We must decide whether we will use our economic resources to provide military aid to existing regimes, however dictatorial, which they so often use to guard themselves against opposition from their own people, however justified that opposition may be in terms of freedom, when we cannot meet our own domestic needs.

And whether we will—as we apparently did—use secret funds hidden in our defense budget to support agents of our Government whose job it is to "destabilize" a democratically chosen government whose economic philosophy we resent.

We are the most powerful Nation in a nuclear world in which the possession of doomsday weapons is ever spreading.

We must decide whether our power imposes special responsibility to exercise restraint and judgment—even when sorely provoked by a little nation.

For, it is apparent that too often we win nothing by demonstrating our power except the universal hatred of the less powerful that a bully so often earns.

We must not again be rushed into a blind commitment to military action—as we were by the Tonkin Gulf resolution. We must first have clearly and carefully determined the facts, examined the alternatives, and weighed the costs.

We must not accept without debate the assumptions about foreign policy, national security, deterrence, global strategy and the role of the United States in the world—among other judgments—that are built into the defense budget.

I believe that all the funds requested can be rationalized only if all these assumptions and judgments are accepted.

If they are not, then substantial savings are presumably possible, without weakening at all our national security.

And, Mr. President, many of those assumptions and judgments are highly questionable.

That is why I am delighted with the suggestions of the Senator from Arizona (Mr. GOLDWATER) the Senator from Idaho (Mr. MCCLURE), the Senator from North Carolina (Mr. HELMS), and the Senator from Virginia (Mr. HARRY F. BYRD, JR.) and other, that we engage in debate in this Chamber on these issues, before we authorize or appropriate funds for national defense.

I look forward to a considered discussion of our policy toward the arms race.

For I believe the endless escalation of the size, number, and cost of strategic weapons is the road to annihilation, not greater security.

The risks of further dispersion—of nuclear blackmail—of accident—of control by irrational persons, whether in or out of organized governments—all increase as the arms race goes on.

What good is our counterforce when the day arrives—as it soon may—when the possibility exists that we will suffer a nuclear strike without ever knowing who was responsible for it?

I want to hear discussed Secretary Schlesinger's expensive concept of "essential equivalence" in the strategic characteristics of our weapons posture.

I believe the Senate, if it considers the matter with due care, may include that this is a radical and dangerous departure from the Nixon concept of "sufficiency."

And I welcome the chance to hear Senators debate and examine the need for several of the weapons systems that the Secretary has asked for, and which he euphemistically calls modernization.

I would be delighted to hear a rational discussion of all of these issues take place.

But we may instead—as we did in this chamber yesterday—and in the Budget Committee in April, see our attempts at such a discussion clouded by a discussion of the kind that seems to occur whenever the DOD budget is discussed—and particularly when cuts are suggested:

Instead of debating whether the requested 18.5 percent increase in budget authority, or the 8.2 percent increase in outlays, is warranted, the DOD budget request has been too often treated as a given, as though these increases were already in place.

We were told yesterday that if we remove the pay and retirement caps in the defense function and still set the defense outlay level at $90.7 billion—as both houses did—we would have to lay off 700,000 to 800,000 military and civilian defense employees, and close bases all over the country.

Mr. President, I strongly disagree.

The same sort of assertion was made in reference to a different defense outlay number containing different assumptions in the mark-up session of the Senate Budget Committee. Then we were told we would have to lay off 175,000 persons.

I disagreed at that time, too.

Let us look at the facts and figures:

Neither the House Budget Committee analysis, nor the approach I suggested yesterday, which could get us to an even lower outlay level, requires massive reductions of in-place manpower.

Indeed, Mr. President, these levels do no require manpower cuts at all.

We have suggested a new approach to an examination of the defense budget, one which would require justification in terms of our strategic posture, foreign policy and assigned mission, to justify procurement and development of weapons systems.

The analysis which was presented yesterday—and this was stated explicitly—assumes we do not want to do away with procurement and we do not want to do away with research and development, and concludes that any total below an amount close to the Secretary's full request involves a major manpower cut.

Naturally, if we ignore the potential cuts in weapons procurement and research and development requests—and if we ignore the funds available for reprograming—or unexpended in the pipeline—and the defense stock funds—and the overallowance for inflation—and the request for civil defense—and for military construction—and for foreign military assistance—and for nuclear weapons production in the ERDA budget, which is a part of the national defense request—then we must cut civilian and military manpower to reach a lower outlay total.

But that was not the approach of the Budget Committees, and ignoring these potential cuts was not what I had in mind yesterday when I asked Senators to examine 18 questionable assumptions in the defense budget, which lead to increased expenditures.

The House Budget Committee allowed for removal of the pay and retirement caps, which would add $1.7 billion to the President's function 0.05 outlay request.

It then subtracted $1.4 billion in monetary assistance to Southeast Asia which was in the President's budget, but which the Congress has refused to appropriate.

It subtracted $1.8 billion to correct the "deflator" factor concealed in the defense budget, which compensated DOD for inflation at the rate of 15.1 percent when the actual rate was closer to 9 percent.

It next subtracted $900 million to be taken from the inventory replenishment fund, and various other funds all buried in the DOD budget.

Then it disallowed $1.3 billion of the real program growth requested by Schlesinger for fiscal year 1976. The House-Senate conference restored $500 million of this amount, leaving a reduction of only $800 million from the real program growth request.

Mr. President, this $800 million in outlays can be eliminated from the fiscal year 1976 budget without touching military or defense manpower, by cutting or delaying the following from the DOD request:

[In millions]

Outlays:	
AWACS	$285.6
Site defense	132.4
SAM–D	118.1
Sea launch cruise missile	101.8
XM 1 tank	53.2
Civil defense—nonpersonnel	72.0
Selective service	47.9
Total	811.0

In my separate views in the Senate Budget Committee's report, I went to some lengths to show how the DOD memo which was the source of the 175,000 number used a series of misleading hypotheses to reach its conclusion.

The memo certainly made no attempt to take into account the analysis being used by the House and Senate Budget Committees. This tactic—which tended to terminate the exploration of the defense budget in the Senate Budget Committee—must not be allowed to prevent serious consideration of the realities of the defense budget request.

I certainly believe that a serious and comprehensive debate on our national defense policy and budget is in order.

I hope we can achieve that debate.

I am delighted that Senators which are participating in this morning's debate agree that an appropriate time to do so would be at the outset of the coming floor consideration of the military procurement bill.

The Senator from Virginia (Mr. HARRY F. BYRD, Jr.) responded to my proposals in this regard a few minutes ago, with the suggestion that that debate should go on for as many as 3 days.

I concur.

THE MILITARY BALANCE IN EUROPE

Mr. GARN. Mr. President, the subject of my remarks this morning is the question of the military balance in Europe, and the possibilities for force reductions in that area. Discussions and negotiations over troop and armament levels in Europe have been going on between the North Atlantic Treaty Organization and the Warsaw Pact since, roughly, the end of the Second World War. However, the negotiations entered a deeper, more formal phase in 1968, with the invitation from 14 NATO nations to the Soviet Union and other Eastern European nations to discuss force reductions in a setting isolated from such political questions as the reunification of Germany. Following this invitation, there was a period of diplomatic skirmishing, leading, eventually, to direct preliminary discussion in Vienna in January 1973, and to substantive negotiations beginning in October of that same year. These substantive negotiations have gone on intermittently since that time.

In these negotiations, the critical issue has been that of the military balance in Europe, rather than the issue of actual force reductions. From the beginning, the NATO nations have insisted that any reduction in forces be accomplished in a balanced manner, taking into account the area defined as subject to reductions, the nature of the forces present in Europe, and the logistical problems inherent in the geography of the two alliances. To explain this last point a bit further, Mr. President, the removal of an equal number of troops by the Soviet Union and the United States would have a grossly unbalanced impact on the military balance in Europe, given the fact that the Soviet Union is physically present in Europe, only a couple of hundred miles from the borders of NATO nations, while the United States is more than 3,000 miles away, across an ocean.

Consequently, the language of the NATO nations has always contained words similar to these, which I quote from the NATO Reykjavik Declaration of June 24, 1968:

> Mutual force reductions should be reciprocal and balanced in scope and timing.

Clearly the NATO nations have understood that the geography of the two alliances provides advantages to the Warsaw Pact nations which will require greater reductions in the East than the West, if a balance is to be maintained. This is a point that cannot be too strongly emphasized. In his joint communique with Secretary Leonid Brezhnev, following his 1972 trip to the Soviet Union, then-President Nixon omitted for the first time the word "balanced" from the language relating to force reductions; this omission gave rise to great concern among some officials here, and within the European Community.

Of course, the Warsaw Pact nations refuse to acknowledge these geographical and political considerations, and refuse to use the word "balanced" in discussing force reductions. In joint communiques, it is thus impossible to use the word, but the historical understanding must be maintained. For instance, in a joint statement issued by the NATO and Warsaw Pact nations on June 28, 1973, the word "balanced" does not appear in connection with force reductions. However, in a clarifying press statement, the head of the Netherlands delegation made plain the traditional understanding, in these words:

> This statement in fact presents the NATO concept of "balanced" as it has been defined in various NATO communiques. . . . We consider that the elements of the NATO concept of "balance" are satisfactorily covered in the communique agreed today.

I submit, Mr. President, that we must hold on to this essential concept, and not abandon it under any circumstances, lest we discover that we have given the whole game away.

It may be well, Mr. President, to discuss for a moment just what the game is. Why do we maintain troops and materiel in Europe, where the war ended 30 years ago? I believe that we do have compelling reasons for maintaining a presence in Europe, and I would like to discuss those reasons very briefly.

First, we have ties of a cultural, social and historic nature to the countries of Western Europe. We would be denying our nature to ignore these ties. It is impressive to me that the Atlantic community is virtually the only area of the world where free and democratic institutions still exist, and I believe that these institutions are the product of the cultural heritage we share.

Second, our presence in Europe acts as a stabilizing force, as the countries of Western Europe move toward greater economic, military and political integration. Our presence in Europe is evidence of our willingness to provide a substantial part of the defensive umbrella under which Europe can continue its development.

Third, Europe is the first line of America's defense, a point that we ignore at our peril. While this point may seem to be selfish only, in fact, this line of defense acts as a deterrent to Communist adventurism in Europe, to the advantage of our allies there. The alternative to a European defense is the concept of "Fortress America," a concept that is increasingly untenable in the world of modern technology.

Now, if the forces we keep in Europe are to perform their tasks, as just outlined, it is critical that they, taken together with the forces of our allies, be regarded by potential enemies as a credible force. Since we are interested in defense, these forces must be of such a nature as to deter adventurous impulses on the part of those whose interests lie in instability. Thus we must insist on the balance spoken of earlier, and any actions taken toward reductions in forces in Europe must maintain the balance.

At the present time, it can be argued that there exists a rough balance of forces in Europe, at least in that the NATO forces have the capability to offset Warsaw capabilities over a relatively brief period. I do not intend to discuss the actual makeup of the respective forces under arms in Europe; suffice it to say that the Warsaw Pact nations have a considerable numerical edge in virtually every category, while the NATO nations appear to have the edge in the quality of weapons and forces. A recent publication of the Stockholm International Peace Research Institute described the situation as follows:

> Even though there is no agreement about the current state of balance or imbalance, it might perhaps be possible to say that there is a rough parity between NATO and WTO (Warsaw Pact) conventional forces, all factors taken into account, although it is impossible to express this total conventional balance in numbers and/or percentages.

Though this is, of course, an untested assumption, and I might be inclined to think that it is a trifle optimistic, given the large reserves the Soviets have available so near the West German border, I will assume it to be roughly accurate for purposes of our discussion today.

In the real world, of course, balances are transitory things. The balance of forces in Europe is no different. For one thing, the quantity and quality of Warsaw Pact forces have been consistently upgraded over recent years, with an impact which has been noticed by many of the ministers of the nations closest to the action. Roy Mason, Britain's Minister of Defense, writing in the current issue of the NATO Review, acknowledges that—

> Freedom cannot be guaranteed if we ignore an existing threat such as is posed by the growing military strength of the Warsaw Pact.

I should emphasize, Mr. President, that actions taken on the NATO side can also change the balance. In recent years, we have seen amendments to authorization and appropriations bills which would require the removal of American troops from Europe in numbers up to 100,000 men. These would be unilateral withdrawals, taken independently of the wishes or plans of our NATO allies. Such a withdrawal would have a critical impact on the present precarious balance. On the contrary, Mr. President, I think there are very good arguments for increasing the number of American troops in Europe today.

One is that the worldwide military balance has been upset recently, even though there has been no major shift

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in troop levels in Europe. One factor contributing to the shift is the continued expansion of the Soviet Navy, and the continued growth of the Soviet strategic forces, especially medium- and long-range bombers.

A more important factor, however, is the loss of prestige the United States has suffered in other parts of the world, particularly the Mideast and Southeast Asia. By the way we brought the Indochina conflict to an end, we have demonstrated to the world a massive, almost fatal loss of will. The question will always be, not what firepower we have, but what we will do with it. Thoughtful observers in Europe are now beginning to ask themselves under what circumstances the United States would come to their aid. We must therefore make our position and our state of will clear beyond a doubt. Dr. Eugene V. Rostow, former Under Secretary of State for Political Affairs made precisely this point in a recent article in the Wall Street Journal. Says Dr. Rostow, summarizing the position of a foreign policy task force of the Coalition for a Democratic Majority:

> The best diplomatic signal the United States could give the world now would be a sharp increase in our defense program.

I ask unanimous consent that the article referred to be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

For An Adequate Defense

(By Eugene V. Rostow)

The best diplomatic signal the United States could give the world now would be a sharp increase in our defense program. It will take more than brave words and summit meetings to restore the stability of the world political system. That condition obtains only when our friends and our adversaries are equally convinced that American treaties and other commitments, which are the only cement of the system, radiate genuine deterrent power. At the moment, it is a little difficult to be convincing on that point.

There is a paradox in the state of our opinion about foreign policy. Despite the flurry of bad news in recent months, our basic security position is strong—stronger than has been the case since 1949. The rising pressures of Soviet expansion, and the logic of the nuclear weapon, have forced China, Western Europe, Japan, and many other countries under threat to realize that their security interests and our own are "indivisible," as the French say, and will remain indivisible for the indefinite future. The world is becoming smaller, more interdependent, more dangerous, and more bipolar. We shall remain altogether capable of protecting our interests in that world, if we understand our position as it is, and do what is required to sustain it.

But we do not feel stronger. Quite the contrary. We are uncertain about our course, and are allowing our advantages to erode. Above all, we are bitterly divided, when we should be confronting our problems together with all the optimism, energy and good sense which have always characterized American policy at its best.

How can it be that our position is quite good, objectively, while our subjective perception of it is so melancholy and defeatist?

The explanation for the paradox is that the prevailing American view of world politics, still reeling under the shock of Korea and Vietnam, and attracted as always by nostalgia for the mythical Golden Age of American isolation, has been deeply confused by the misleading Nixon-Kissinger vocabulary for talking about foreign policy. Mr. Nixon did not end the "Cold War," achieve "detente," and substitute "negotiation for confrontation." A condition of "detente" with the Soviet Union has been an unremitting goal of our foreign policy since President Roosevelt's time. It has not been reached. There has been no improvement in our relations with the Soviet Union, save in the realms of public relations and wishful thinking. Soviet policy is exactly what it has been since 1944 or 1945, except that its pressures are greater and more diverse than ever, and more difficult to deal with, because they are backed by more force.

The Soviet Expansion

The Soviet Union continues to pursue policies of expansion which threaten our vital interests in many ways: our interests in access to raw materials; in strategic, naval, and space communication; and in the balance of power itself, through Soviet or Soviet proxy threats to nations whose political independence is vital to our own security, and nations to whose future we are committed for even deeper reasons of history, kinship, and honor. They press steadily to envelop NATO and Japan, and seek to gain power in many other regions of the world.

Soviet policies of expansion are based on a military array which is growing at the rate of 5% a year, in real terms. The Soviet armament effort has no parallel in modern history. Meanwhile, our own expenditure for defense is declining in real terms, and in many categories amounts to unilateral disarmament. It has fallen to the lowest point since the period just before the Korean war.

It follows, at a minimum, that we should build up our military capabilities in order to avert a catastrophic military imbalance. But the defense budget proposed by the Ford administration would keep our defense posture constant if the rate of inflation turns out to be no more than 10%, and all the other cost estimates on which the budget rests prove to be accurate. A static defense program is not enough, in view of the increasing pressures of Soviet policy, and the Soviet defense build-up. That build-up must be countered, if the basic security of the nation is to be assured, particularly by increases for the Navy, for our ready forces, and for research and development. The estimated costs of the increased capabilities recommended in the recent Task Force Statement issued by the Coalition for a Democratic Majority, would be of the order of $10 billion.

The goal of our nuclear policy is to prevent the use or the credible threat to use nuclear weapons in world politics. The heart of the matter is the concept of "second-strike capability," which must at all times be beyond the shadow of a doubt. Second-strike capability cannot be measured by counting the number of ground-based, air-based, and submarine-based launchers on each side, or the number of missiles which can be MIRVed. The key issue is and will remain whether the Soviets can have any reasonable expectation of being able to destroy so large a number of our weapons by a first strike as to create doubt about our second-strike capacity, or our willingness to respond to a nuclear attack as necessary. That question is addressed to the total number of warheads on each side, and the respective capabilities of all Soviet and American launchers.

This is the basic flaw in the Ford-Brezhnev "agreement to make an agreement" announced in Vladivostok. That understanding was addressed to the number of launchers and the number of missiles that could be MIRVed on each side. It tells us nothing about the number of warheads each missile might carry, and the number, yield, capacity, accuracy and range of the warheads themselves, however launched. The Soviet missiles that can be equipped with MIRVs have three to six times the payload of the corresponding American missiles. The result could be an ominous Soviet advantage in strategic warheads, and therefore uncertainty about the American second-strike.

The Vladivostok guidelines would build a dam across half the river. It is this gap which persuaded the C.D.M.'s Task Force to support continued research and development expenditure for the B–1 bomber, intended to replace the aging B–52. SALT I did not deal with missiles delivered by bombers at all. And the Vladivostok communique speaks only of missiles delivered by "strategic" bombers. The Soviets are making an impressive "medium" bomber capable of delivering missiles on many American and American-protected targets. We should therefore proceed with the B–1 pending an agreement that equitably and verifiably limits bombers and all other missile launchers.

The Soviets are building towards superiority in strategic forces, spending annually about twice as much on them as we do, while we have unilaterally frozen the level of our strategic forces.

The Secretary of State has asked, "What in the name of God is superiority? What do you do with it? How do you use it?" The Soviets can answer this question. They are squeezing their economy and their people for the sake of a military goal they believe has meaning today. It offers them the credible possibility of being able to make or to threaten selected strategic attacks against our military dispositions and our allies, while keeping enough warheads in reserve to discourage a reply on our side against either military or civilian targets. We can deny that such a capability, if achieved, would give them, at a minimum, an immense advantage in the diplomacy of blackmail they have practiced for more than 30 years?

The Task Force Statement therefore urges research and development expenditures on several aspects of our strategic weapons program. These proposals go beyond those of the administration, although they are modest when compared with the Soviet budget. Such action is indispensable if we are to insure that no American President should ever have to choose between yielding vital American interests or destroying the Soviet—and the American—people.

THE IMMEDIATE CHALLENGE

Critical as the problem of nuclear balance is, our greatest immediate challenge is to maintain an adequate U.S. military potential in the non-nuclear field. Thus far nuclear stalemate has given the Soviets the opportunity to inspire conventional wars and proxy wars—an opportunity which has become nearly a license with the decline since Korea of the will of the Western allies to insist on the enforcement of the United Nations Charter. The policy of deterrence must apply at the conventional as well as the nuclear level.

Comparing Soviet and American conventional military potential is a somber exercise. Soviet general purposes forces are increasing steadily in strength and mobility, backed by formidable sea power and air-lift capacity. The Soviet Union has 50%; and perhaps 100% more men under arms than the United States, 3.4 million (or about 4 million) for the Soviets to 2.2 million for the United States, depending on whether one lists border guards and internal security units among the Soviet forces, and how one deals with the high ratio of support to combat troops in all American formations. The Soviet Union has four times as many tanks as the United States, and as least five times our tank production rate. They are ahead of us three to one in artillery tubes, two to one in heavy mortars and 40% in tactical aircraft, which they are producing at double our own rate. Their air defenses are far greater both in home deployment and in mobile or transportable systems.

The Soviet Union's new blue water Navy is expanding at an astonishing pace. They have almost as many surface ships as we do, and over three times as many submarines, other than ballistic missile submarines. Here again, their building programs are far, far greater than our own.

On net the Task Force Statement concludes, "our conventional military resources are in many important respects inferior" to those of the Soviet Union. And our programs for revitalizing and restoring those resources are so modest "that we are falling further and further behind."

The statement does not recommend a crash program, seeking to catch up to the Soviets in every category, overnight. It does recomment an increase in expenditures, particularly for the Navy, for ready forces, and for certain critical weapons and weapons systems, designed "to maintain a prudent deterrent against aggression."

A MOOD OF SOMNAMBULISM

The most important problem of our foreign policy is that we and our allies seem to be in a mood of somnambulism similar to that which paralyzed France, Britain, and the United States during the thirties. If we and our allies had been able to wake up then, the Second World War, and all that flowed from it, could easily have been prevented. We and our allies have the capacity to prevent an even more terrible war today.

The United States should be the master, not the victim, of its fate. The dangers before us demand a great and concerted national effort—a sharp and dramatic turn in the direction of policy. That turn will require earnest political debate. But it will require something more—a resolve to face the issues, and undertake that debate.

Thus far, at least, resolve has been the missing factor in the politics of national defense. It is the key factor.

Mr. Rostow is Sterling Professor of Law at Yale University and former Under Secretary of State for Political Affairs from 1966 to 1969. He is also chairman of the Foreign Policy Task Force of the Coalition for a Democratic Majority. This article summarizes the Task Force's report, made on April 2.

Other members of the Task Force included Henry Fowler, former Secretary of the Treasury; Max M. Kampelman, former counsel to Vice President Humphrey; John P. Roche, former special assistant to President Johnson; Norman Podhoretz, editor of "Commentary"; Albert Shanker, president of the American Federation of Teachers; and Professors Jeane J. Kirkpatrick, Lucian W. Pye and Paul Seabury.

Mr. GARN. Mr. President, I also ask unanimous consent to have printed in the Record at this point a report from Europe by Mr. Anthony Lejeune, which appeared in the Richmond Times-Dispatch for April 8. This report underlines the point I made a moment ago about the questions which are now arising in the minds of Europeans about U.S. reliability.

There being no objection, the article was ordered to be printed in the Record, as follows:

Domino Theory Back With a Bang: Europeans Are Beginning To Question Reliability of the U.S.

(By Anthony Lejeune)

London.—Israel is not alone among America's friends (or, for that matter, America's enemies) in being affected by what is now happening in Southeast Asia. The horrifying pictures, seen night after night on television, have had considerable impact in Europe too.

For what these pictures show—bluntly—is great numbers of people fleeing, dying and being trapped by a Communist army because America got tired of defending them.

Few Europeans are so hypocritical as to impute any kind of moral blame to America. America's allies, after all, had refused to share the burden. Indeed some went further, ostentatiously dissociating themselves from the whole long attempt to save Vietnam from the Communists.

The British government at least gave verbal support—but nothing more. When Dienbienphu was besieged, John Foster Dulles asked Britain to join in sending an allied relief expedition. The British government refused, no relief expedition was ever sent, and Dienbienphu fell, thus setting the pattern for everything which followed.

It is true, as most Europeans would readily admit, that America's expenditure of blood and treasure in Vietnam was quixotic, far exceeding any obligation. The Europeans themselves, ever since the end of World War II, have been the beneficiaries of American generosity on an unprecedented scale. They have no absolute right (and they know it) to rely on the United States indefinitely for a large part of their defense.

But that is not the point: The point is that the United States did undertake the defense of South Vietnam, repeatedly declared her intention of preventing a Communist victory, but finally gave in to a well-orchestrated and sustained political and military assault.

The time-factor was (as Europeans perhaps understood better than Americans) vital from the beginning. The Communists think in terms, not just of this year or next, but of generations. They are prepared to continue the struggle, now advancing, now making a tactical retreat, lying low for a while, then moving forward again, for as long as it takes—until they win. If their opponents have a shorter span of endurance, or simply of attention, the result is inevitable.

America's military mistake in Vietnam, as British experts often pointed out, was to expect a rapid win. It took 12 years for the British army to overcome the Communist threat in Malaya, and the problem there was much less difficult. In guerrilla warfare of this kind, the proper tactics—the only tactics with a real chance of success—involve slowly accumulated intelligence followed by gradual clear-and-hold operations.

The United States army, like the British army before, could have learned these tactics; but every war against the Communists is fought on two levels, military and political, and the capacity for political endurance was lacking—or was subverted.

What reason is there, Europeans ask, to suppose that the same thing would not happen in Europe? No doubt American forces and supplies will continue to be available, in the foreseeable future, as insurance against more complicated and protracted dangers. The threat to withdraw aid from Turkey, on what, with regard to the main conflict, are irrelevant political grounds, is in some ways even more disturbing to Europeans than the cut-off of aid from Vietnam.

Certainly the European members of NATO could, and arguably should, do more for themselves. Britain has just set a bad example by announcing new reductions in her defense spending, on top of all the previous cuts. But that, again, is not the point.

The domino theory has come back with a bang. America's allies need to know which domino America really would fight to save. What is negotiable? Who is expendable? Uncertainty could make the whole alliance start to crumble. Kissinger's next, and urgent, task must be somehow to reassure countries which, if they feel they can no longer rely on American help, may begin seeking their security elsewhere.

Mr. GARN. Mr. President, Dr. Rostow spoke of defense expenditures in general, but a strong case has been made by many of our NATO allies that forces on our side of the balance in Europe should be increased at this time. For instance, a recent article in the Canadian Defense Quarterly reported the position of the United Kingdom as follows:

> The U.K. view was that hopes of strengthening détente through MBFR were a dangerous illusion in the face of Russia's increasing conventional military superiority in Europe. Since Soviet forces remained usable as instruments of political influence, a commensurate increase in NATO forces was required rather than a reduction.

That there is today a widely perceived military imbalance is shown, I believe, by the action of the Cambodian Government in seizing a merchant ship belonging to a U.S. corporation. I am not talking about the domino theory—which must surely be established as a fact by now—but about the very real destabilization which has taken place in Southeast Asia following our withdrawal, and in other parts of the world. The fact is that unless some action is taken immediately to redress the imbalance, we can expect to see many more cases of adventurous nations "biting the tiger's tail," as Senator Buckley puts it. Under these circumstances it is essential that we give clear signals to the rest of the world, and that we give them immediately. I am pleased that the President has taken such decisive action in the case of the Cambodian act of piracy with an American ship. This is certainly a clear and unmistakable signal to the world that we will not be pushed around by anyone.

In Europe, our signal should be unequivocal that any force reductions will be carried out only in accordance with the principle of balance so long insisted upon by the entire NATO alliance. That alliance is facing critical strains at the present time, and we should carefully avoid any unilateral or bilateral action which would increase those strains.

On the larger scale, we need to approach international diplomatic situations with more realism, and less of the naive idealism which has characterized our dealings with Communist nations in recent years. To quote again from the Rostow article included earlier:

> There has been no improvement in our relations with the Soviet Union, save in the realms of public relations and wishful thinking.

To make the point even more clearly, I would like to include in the Record at this point a Soviet view of détente, and an editorial comment on that view by the Wall Street Journal. The Soviet view was given by A. I. Sobolev, chief of the department of history of the international Communist movement at the Institute of Marxism-Leninism, and appeared in the Journal on April 30. The editorial appeared the same day. I ask unanimous consent that these two items be printed in the Record at this point.

There being no objection, the material

was ordered to be printed in the RECORD, as follows:

A SOVIET VIEW OF DÉTENTE

(By A. I. Sobolev)

(The following is a condensed version of an article from the Moscow periodical, Rabochity Klass I Sovremennyy Mir (Working Class and Contemporary World). Mr. Sobolev is chief of the Department of History of the International Communist Movement at the Institute of Marxism-Leninism. His article was translated by the Foreign Broadcast Information Service of the U.S. Department of Commerce and edited by this newspaper. An editorial on the subject appears today.)

The tremendous social, political and ideological changes taking place in the world are setting the revolutionary vanguard of the working class in capitalist countries many complex new problems requiring theoretical substantiation and a political revolution.

The intensity of social contradictions, the mass nature of the strike movement, the bitterness and scope of the struggle against the monopolies—all this shows that the working class is entering a new stage of the class struggle, which is developing in a situation of the further deepening of the general crisis of capitalism, the aggravation of all its contradictions, and fundamentally important changes in the international arena.

The general crisis has embraced all aspects of life of capitalist society—basis and superstructure, economy and policy, ideology and culture—and is exerting a constantly growing influence on the struggle of the classes.

What, then, are the chief characteristic features of the modern stage of the general crisis of capitalism?

First, the world system of socialism, which is developing in the ascendant and which is a decisive factor in world development, has taken shape and strengthened. World capitalism has suffered defeat in the great historical confrontation. Imperialism wanted to hold back the development of world socialism, weaken its economy, undermine the world Socialist system, disunite the Socialist countries, restore capitalist usages in them and overthrow socialism in Cuba, in Korea and in Vietnam. But imperialism was unable to overpower world socialism, to oust it or to weaken it. The world system of socialism has emerged strengthened from this confrontation, but the world system of capitalism—weakened.

Capitalism has just the historical initiative, which has firmly passed to the world system of socialism. This is a very important feature of the general crisis of capitalism.

COLONIALISM'S COLLAPSE

Second, under the influence of the change in alignment of forces in the world arena and under the blows of national liberation revolutions, the colonial system of imperialism has collapsed and dozens of new young states have been formed, many of which have embarked on the road of democratic development and become an active anti-imperialist force. The achievement of political independence by the peoples of Guinea-Bissau, Angola and Mozambique signifies the collapse of the last colonial empire.

Third, despite fierce resistance from monopoly capital, narrowing—in the final analysis steady, although uneven—of capitalism's sphere of domination and sphere of influence is taking place.

Fourth, all of the contradictions inherent in the capitalist mode of production have intensified and new ones have appeared as the result of the increasing antagonism between the scienitfic and technical revolution and conservative-anarchic forms of capitalist relations, the development of state monopoly capitalism and the rapid spread of international monopolies, which imparts to them an increasingly antipopular cosmopolitan nature.

Fifth, the crisis of capitalism's economic system is developing in ever increasing depth, and this crisis has very different forms of manifestation; economic instability, the slowing down of the rate of development, production slumps, currency and financial upheavals, the energy crisis and intensively developing inflation.

Sixth, the crisis of the political system of capitalist society has developed and intensified, which manifests itself in the growth of political instability, in the crisis of bourgeois to manage with old methods.

The uniqueness of present-day political life lies in the fact that the monopolists cannot always—by no means always—implement their reactionary fascist designs. There is now a different level of class activeness and class struggle of the people's masses. Reaction is afraid that the hasty use of fascist methods may lead to the defeat of its political mechanism. The popular democratic revolution in Portugal, the new victory of democracy in Greece, the successes of the leftwing forces in France and Italy, and the growth of the activeness of the working class in Japan and other countries are all an indicator of the intensification of the democratic, revolutionary trend.

The masses' struggle for the democratization of society is the main obstacle on the path of the reactionary circles of the capitalist countries. It is indicative that the democratic trend is developing not with the aim of preserving bourgeois democratism, but is proceeding along the lines of becoming real people's power.

Seventh, an ecological crisis has emerged and is gaining increasing force as an expression of the growing conflict between the monopolies' desire to utilize the achievements of the scientific-technical revolution for the purposes of obtaining maximum profits and the predatory utilization of natural resources and the geographical environment.

Eighth, a crisis of bourgeois ideology has emerged, which has several aspects. Capitalism is incapable of putting forward any concept of social progress whatsoever. Even the ideologists of capitalism cannot defend modern capitalism in a sufficiently well-argued manner.

Ninth, a crisis of the moral-ethical foundations of the capitalist society has emerged and is increasingly developing, which is expressed in even greater alienation of people and the growth of crime and violence.

On the whole, the present stage of the general crisis of capitalism is characterized by the further deepening of the chief contradiction of the epoch—that between socialism and capitalism—and the intensification of the world historic antagonism and rivalry between them. The capitalist system is increasingly becoming a threat to peace, democracy, freedom and social progress of mankind.

A relaxation of international tension is taking place, which the Soviet Union and the other Socialist countries are striving to make irreversible. The broad dissemination and recognition of the Leninist principle of peaceful coexistence between the states with opposite social systems is a major historical achievement of the CPSU, all the fraternal communist parties, the international working class and all revolutionary forces and opens up new, immeasurably more favorable prospects for the further struggle of the working class and all working people for peace and democracy, for national independence, fundamental revolutionary transformations and socialism.

Essentially the broad dissemination and forced recognition by the capitalist countries of the principle of peaceful coexistence is a new stage in the development of the world antagonism between socialism and capitalism and in the development of world revolutionary progress. A historic comparison is taking place within the framework of peaceful coexistence. that is, the advantages of socialism are being manifested increasingly fully, the economic competition between the Socialist and the capitalist countries is intensifying, more active use is being made of political methods to protect the interests of social progress, and an offensive ideological struggle is developing between the international working class, armed with Marxism-Leninism, and the monopoly bourgeois with its unscientific views.

INTERNATIONAL RELATIONS

On the one hand, peaceful coexistence is a specific but essentially basic form of the class struggle on the world arena between ascendant socialism and a capitalism which is going through a period of acute crisis, a leading form of solving the chief contradiction of the epoch. On the other hand, peaceful coexistence is an international legal norm of relations between states which presupposes the observance of such norms as the renunciation of interference in other countries' internal affairs, recognition of territorial inviolability and national sovereignty, and so forth.

The concept of peaceful coexistence under certain conditions has also become acceptable to that section of the dominant bourgeois which soberly appraises the historical realities which have taken shape: the change in the correlation of forces in the international arena in favor of world socialism and the growth of the economic potential and defense capability of the Socialist countries. Under the pressure of these historical circumstances, certain circles in the leading capitalist countries have been forced to accept the principles of peaceful coexistence as an international legal norm. Of course, the bourgeois has its own understanding of this principle and would like to extract certain advantages from it.

In certain press organs the policy of peaceful coexistence is reduced only to the struggle for peace and is given a purely pacifist coloration. Certain circles are also spreading the thesis that peaceful coexistence is helping the imperialists to solve their own contradictions, and that it is primarily the imperialist circles which are interested in it.

It is essential to stress once more that the policy of peaceful coexistence is a specific and highly effective form of the class antagonism and historic rivalry between world socialism and world capitalism. This policy is an important integral part of the world revolutionary process.

It becomes increasingly difficult in the course of peaceful coexistence for capitalism to use various extraordinary measures (intensifying authoritarian power, speculating on the threat of war, slanderous arguments about the aggressive intentions of the Socialist countries and so forth) to solve their contradictions. That is why peaceful coexistence does not lead to the weakening of the contradictions of capitalism, but in the long run, if one can put it this way, locks capitalism's socioeconomic relations within the framework of its natural laws, on which soil its contradictions develop most fully.

NEW OPPORTUNITIES

Peaceful coexistence creates very favorable conditions for the development of the class struggle and for the rallying of the democratic forces and their offensive on the positions of the monopolies. Peaceful coexistence, proceeding from Lenin's position of denial of the export of revolution, at the same time creates ever greater difficulties for the export of armed counterrevolution, which opens up new opportunities for the development of the revolutionary struggle. The Communist parties of many countries are of the opinion that under the conditions of the Cold War, it was difficult to imagine

the overthrow of the fascist regimes in Portugal and Greece, the rallying of the leftwing forces in a number of countries, the shift to the left of the axis of political life in France and Italy and so forth.

Under the conditions of peaceful coexistence the Socialist countries can render considerably greater aid to all peoples who are embarking on the path of revolutionary transformations, particularly the peoples of the developing countries. The expansion of aid to the peoples embarking on the path of social progress leads to the further alternation of the correlation of forces in the international arena in favor of the reovlutionary classes.

All this attests that from the world-historic viewpoint, the policy of peaceful coexistence firmly and consistently pursued by the CPSU and the other fraternal parties is a component part of the world strategy aimed at the consolidation of the forces of world socialism and at raising its prestige and revolutionary-transforming role.

WHATEVER HAPPENED TO DÉTENTE?

The North Vietnamese are using Soviet-supplied tanks and artillery to consolidate their grip on the South; and the Portuguese Communist Party, having polled 12% in elections there, is warning the non-Communist majority not to get the idea it should run the country. It would seem the moment to ask, whatever happened to détente?

If indeed the better question is not whatever was détente in the first place? The word has a vaguely comforting ring, but what is its meaning? Is it anything beyond atmospherics, the comforting word and the comforting exchange of heads of state?

Does détente mean military disarmament? Surely not on the Soviet side. They have proceeded with four new classes of intercontinental missiles, the building of a major navy, and increases in military manpower. Their total military spending has rapidly increased, while ours has failed even to keep pace with inflation and is steadily falling behind Soviet totals.

Does détente mean that in exchange for American trade and technology, the Soviets will pursue a less adventurist foreign policy? This, we take it, has been the sophisticated understanding of détente from the American side, certainly one subscribed to by businessmen promoting Soviet-American trade. But in the light of Vietnam and Portugal, any such bargain would seem to apply only to the long run—in which, as Lord Keynes said, we will all be dead.

What, for that matter does détente mean to the Soviets? This is at least somewhat clearer, as the accompanying A. I. Sobolev article attests. While Mr. Sobolev represents the hard-line Institute of Marxism-Leninism, Kremlinologists consider this article a soft-line one. But it makes abundantly clear that "peaceful coexistence" is in the end a tactic of class warfare.

The essence of Mr. Sobolev's argument is that since the capitalist world is so obviously collapsing, the smart thing for the Soviets to do is to let events take their course and pick up the pieces. The Soviets have found that a direct confrontation merely alerts the West to danger. Better for them to relax tensions, and work behind the scenes. As Mr. Sobolev says, "Under the conditions of peaceful coexistence the Socialist countries can render considerably greater aid to all peoples who are embarking on the path of revolutionary transformation."

What this means is clearly evident in Vietnam, where the Soviets poured in weapons used in gross violation of the Paris accords. It was the movement of Soviet-supplied tanks, artillery and anti-aircraft weapons into the Central Highlands that made the South Vietnamese position there militarily untenable, precipitating the withdrawal and subsequent psychological collapse. Lest anyone think Indochina is a special case, the Soviets have been similarly extravagant in supplying arms to Syria, and as they have in the past, will surely do so again for Egypt if President Sadat grows ready to dance to their tune.

Portugal is a more complicated case. We may never know the full explanation for the remarkable leftwing penetration of the military. When asked how the Communists finance their elaborate organization, Party Chief Alvaro Cunhal talks of buying ballpoint pens for 20 cents and selling them for 40 cents. Perhaps the electoral showing there may yet guide Portugal to what Communist thinkers call "bourgeois democracy," the kind in which elections decide who rules. But the nationalization of banks and Communist control of printing unions and much of the press might also yet lead to "people's democracy," the kind known in, say, East Germany.

Both events in Portugal and the Sobolev analysis underline the warnings issued a few weeks ago by The Economist: "The danger to the democracies of Europe no longer comes mainly from the risk of a direct Soviet invasion, although that risk could become a serious one again if the armies in Western Europe grow much weaker. It comes from the possibility that the Communist parties in a number of European countries may be able to climb to power, and then be undislodgeable from it, by breaking the rules of the democratic system."

So this is détente. Even this kind of détente, so long as we do not mislead ourselves about its meaning, is preferable to bristling hostility. But if on the Soviet side the relaxation of tension is merely tactical, obviously direct confrontation could quickly return if, when and where the Soviets find it convenient. Its convenience will be measured in terms of the "correlation of forces." If the U.S. is to live with this kind of détente, the first prerequisite is maintaining the military balance of power. Here the question ought to be not whether the administration's military budget is too much, but whether it is enough.

Beyond that, the U.S. needs to prepare for the kind of competition it faces. It should put aside squeamishness and stand ready to offer finances if doing so will promote democracy, though whether such financing will help or hurt is a decision to be made by indigenous leaders on the scene in Portugal or elsewhere. But the U.S. ought at least to voice rhetorical concern over threats to democracy; no U.S. President ought in present circumstances to give a state of the world address, as President Ford has just done, without mentioning Portugal. We should of course use what influence we have in places like Spain to promote orderly democratic development as an alternative to a leftwing coup. But we should also make clear to the Soviets that atmospherics and trade cannot go on oblivious to world events.

Mr. Sobolev's scenario is nowhere near as inevitable as Marxism-Leninism teaches him. The developing nations have in fact shown little tendency to develop into Communist states. The decline of the Western democracies is not irreversible; their long history includes many resurgences from sloughs of despond like the current one. But neither are such resurgences inevitable; it depends on a reawakening of courage and will in the West, on a determination to make the best of whatever opportunities for peace present themselves, but not to allow comforting slogans to obscure an actual world in which the dangers are very real.

Mr. GARN. Mr. President, as Mr. Sobolev indicates:

> The policy of peaceful coexistence is a specific and highly effective form of the class antagonism and historic rivalry between world socialism and world capitalism.

This is a matter that has never been in doubt in the Soviet Union, and has been doubted in the United States only by those who believe only what they wish to believe, and not what the Soviets have always said and done. It is also a point that is becoming clearer to everyone as time goes on.

The ideal place for us to begin to practice this realism would be at the Conference on Security and Cooperation in Europe. The initial phases of the conference are now concluding, and there is the intention to convene a 35-nation "supersummit" in Helsinki, Finland, later this year. There are issues of vital importance to be discussed in connection with European security and cooperation, some that are intimately bound up with the issue of force reductions. But if we approach the conference as we did the SALT talks, believing that all is sweetness and light in the Soviet Union, we will lose our shirts. I would argue that no conference should be held until after some agreement has been reached on force reductions. The anxiety of the Soviet Union to promote this conference suggests that such an approach might be more productive than all the years of talks that have gone on so far.

While I will not treat the CSCE in detail, I ask unanimous consent that four editorials on the subject be included at this point in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Baltimore Sun, Mar. 30, 1975]

WESTERN GOALS FOR A GRAND SUMMIT

Some time this summer or fall the world may be treated to the spectacle of 35 summiteers flying off to Helsinki for a grand conclusion to the Conference on Security and Co-operation in Europe (CSCE). If held, the gathering would invite comparisons and contrasts with the Congress of Vienna after the Napoleonic wars and the Versailles negotiations after World War I. There has never been a formal peace conference to end World War II, and there probably won't be one as long as Germany remains divided. But the CSCE would be the closest possible thing to it.

The Soviet objective in tenaciously promoting a European security conference has long been apparent. It is to gain a wider acceptance of Moscow's hegemony in Eastern Europe and to give East Germany a greater feeling of legitimacy. These are not matters on which the Western powers have been willing to give ground lightly. That the West is now preparing to send its heads of government to a meeting with the Warsaw Pact powers reflects the many changes that have taken place under the general heading of détente. West Germany has signed normalization treaties with the Soviet Union, Poland and East Germany. The NATO powers have extended diplomatic recognition to East Germany. The United States and the Soviet Union have put their bilateral summit meetings on an annual basis. These are important diplomatic developments, but they have not been accompanied by any liberalization in the Soviet system.

While this is one of the failings of détente, it is also one of the reasons Western nations may yet be able to turn the CSCE to their advantage. During preparatory negotiations

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in Geneva, some progress has been made in drafting agreements to pierce the Iron Curtain that literally still exists. The Russians have tentatively approved texts that would, if implemented, facilitate cross-Curtain emigration, visits, marriages, magazine and newspaper subscriptions and cultural exchange. While insisting on the inviolability of postwar frontiers, they have acknowledged West German yearnings by accepting the possibility, however remote, of peaceful border changes. Soviet bloc negotiators also have accepted exchanges of observers for NATO and Warsaw Pact maneuvers, though they are still balking at Western insistence on prior notification of such maneuvers.

Many pilots—including guarantees against radio jamming—will have to be clarified to the West's satisfaction before its heads of government should finally agree to go to Helsinki. The Russians will try to force the pace, not least because Soviet party chief Brezhnev wants to show Kremlin hardliners that his détente policies can achieve the European settlement that has long eluded Moscow. But unlike Mr. Brezhnev, the Western heads of government are answerable to all their people, not just a Politburo. If they allow their principles to be traduced by failing to obtain better human conditions in Europe, the CSCE will become the Soviet ploy cautious Westerners have always feared.

[From the New York Times, April 14, 1975]

Ending World War II

(By William Safire)

WASHINGTON.—In case you hadn't heard, World War II will soon be coming to its official end. The Russians won.

In Helsinki and then Geneva, delegations from 35 nations have been meeting for the past two years at the European Security Conference, preparing for the grand summit finale this summer at which the heads of state are to gather and make legitimate the Soviet conquest of Eastern Europe.

Naturally, the Soviet Union has long been looking forward to this triumph. To get the conference started, it agreed in 1971 to a four-power arrangement on Berlin, and in 1973 to exploratory talks on a mutual reduction of troops in Europe, which have led nowhere but seemed hopeful at the time.

Since the Soviets have been salivating at the chance to make their Iron Curtain a permanent division of Europe, one might think that the United States is extracting great concessions in return.

But all the Russians have been offering is "confidence-building measures," such as prior notification of military maneuvers, which have no real military meaning, and economic and scientific cooperation projects that the Soviets need more than we do. No quid pro quo there, unless you consider détente an end in itself.

The British, the Belgians and the Dutch—with some belated interest on the part of the United States—have been pressing for freer movement of people between East and West, placing in this basket freedom of contact between creative artists, specific guarantees of credentials for journalists, the opening of "reading rooms" to insure access to foreign periodicals, and agreements to make available television time for the airing of other countries' documentaries.

The Russians are turning aside demands for specifics, instead offering flabby language like "nations shall endeavor to encourage" human rights, which already exists in the United Nations Charter and permits the Communists to interpret it any way they choose.

When the West Germans wanted a provision saying that border changes could be made by peaceful agreement in the future—reunification is still their goal—the Soviets artfully put that in the "Sovereign Equality of States" section of the draft document, and not in the part about the "Inviolability of Frontiers" where it might have had some meaning.

The United States delegation is demoralized. Since our position has been to denigrate the importance of the whole conference, the United States delegation in Geneva is half headed by our Ambassador to Czechoslovakia, who has his hands full in Prague; his deputy in Geneva has returned to Washington and not been replaced, and the rest of the frustrated staff passes along this story:

When the American Secretary of State met in Geneva two months ago with Soviet Foreign Minister Gromyko, the European Security Conference was discussed at length; afterward, Mr. Gromyko gave a detailed briefing to the Soviet delegation on what had transpired. But the United States delegation was left in the dark and had to ask their Soviet counterparts what had gone on. That close-to-the-vest technique is exactly what led us up the garden path on the SALT negotiations.

President Ford, who plans to attend a NATO meeting soon, did not refer to the European Security Conference in his State of the World address; perhaps he felt that ignoring the problem—as he did Portugal—would make it go away. But if he is serious about making détente a two-way relationship," Mr. Ford should put a high price on any legitimization of Soviet victories.

First, no European security summit conference should be convened until the Soviets agree to much more than a token reduction of troops in Europe and a timetable for future withdrawals.

Next, a subject we should insist be put on the agenda for debate is the Brezhnev Doctrine, under which the Soviets claim the right to put in their tanks to crush uprisings against their puppet regimes. If that is not a matter of concern to "European Security" and relevant to the "Inviolability of Borders," what is?

Finally, the Soviets should be made to understand that their deeds—in providing North Vietnamese with the means of victory and extremist Arabs with hopes for a "final solution" to the Iraelis—speak louder than any protestations of détente. Linkage should live again: no deal in the Middle East, no deal in Europe.

Would demands for these quids pro quo scuttle the Helsinki Summit? Perhaps; at a time when the Soviet Union is riding high and the United States President is helpless against a large group of willful men in Congress, a two-year postponement of the biggest gathering of heads of state since Queen Elizabeth's coronation might not be a bad idea.

Thirty years have passed since V-E Day. America's power has dwindled from days of dominance through an era of parity to a stage of uncertainty. Why, at this worst moment, are we allowing ourselves to be drawn into a Supersummit at which the only purpose is to declare the Russians the victors of World War II?

[From the New York News, Mar. 23, 1975]

What's Up Their Sleeve?

The Soviet Union is applying all sorts of pressure on the U.S., Canada and West Europe for a swift, early-summer wind-up of the marathon European Security Conference.

Specifically, Moscow wants a full-dress summit session convoked on or about June 30, at which the heads of state would put the final okay on an agreement.

The Reds' desire for haste is understandable. They already appear to have gotten most of what they wanted, and hope to rush the proceedings to a conclusion before Western negotiators have second thoughts or look too closely at the empty bag the Russians are offering in return.

From all indications, the Soviet Union stands to gain a clear, free world-endorsed title to the lands and people conquered in World War II. The captive nations would be condemned to perpetual Communist bondage.

For its part, the Kremlin has only come up with some vague "concessions" on eased travel restrictions, wider cultural contacts and a freer flow of information between East and West. Even this is still up in the air—which is where the Soviets would like to leave it.

In short, it looks, feels, tastes and smells like a typical Moscow sucker play—all take and no give.

We would be fools to let ourselves be hustled by those con artists. And we would be even worse than fools if we signed any document that—directly or indirectly—certified the USSR's right to the fruits of its aggression.

[Washington Post, Mar. 24, 1975]

Was the Security Conference Worth It?

(By Peter Osnos)

GENEVA.—The prolonged and cumbersome negotiations of the 35-nation Conference on Security and Cooperation in Europe appear at last to be entering their final stages. Among the questions still to be answered is whether the exercise was worth it.

If Soviet Communist Party leader Leonid Brezhnev has his way, which is now virtually certain, the conference will climax in the coming months with a gathering in Helsinki of the heads of state or government of all the participating countries—virtually every nation in Europe, plus the United States and Canada.

The Helsinki summit should find President Ford around a table with Brezhnev, French President Valery Giscard d'Estaing, British Prime Minister Harold Wilson, Marshal Tito of Yugoslavia, Chancellor Helmut Schmidt of West Germany and dozens of others, including Pope Paul VI.

"Just imagine the nightmare of organizing this production," one Western ambassador observed the other day. "If we take a group photograph who is going to stand in the middle?"

But bringing together so many luminaries, it is generally agreed here, does have a potential significance of its own—an opportunity for some bilateral talks in a guaranteed atmosphere of good will since all the actual haggling will have gone on in advance.

It was Brezhnev and his Soviet colleagues, backed by their Eastern European allies, who long pushed for this conference and have been urging it toward a speedy conclusion at every opportunity. Once the end finally is at hand, Moscow is bound to present it as a major step toward reducing tensions in the world.

To some extent, the mood of Soviet jubilation may rub off on Western leaders.

The highlight, of course, will be the signing of the lengthy declaration under preparation in Helsinki and then Geneva since the summer of 1973 that contains affirmations of almost every principle honored by modern mankind—peace, sovereignty, equality and justice. The purpose of the document, as the name of the conference indicates, is to bring a greater measure of security in Europe and to enhance East-West cooperation.

There will be sections, still in various stages of drafting, on building mutual confidence through, for example, advance notification of military maneuvers; on expanding contacts in commerce, science, education and environment; and on improving the general flow of people and ideas across the ideological and political borders that divide Europe and East and West.

What apparently troubles many senior Western and neutral diplomats is that the prolonged bargaining has required so many

compromises and modifications to satisfy the interests of all the participating states, that the net results on many of these points are inevitably vague and open to differing interpretations.

In the final analysis, they say, little of substance will have been changed.

Secretary of State Henry A. Kissinger remarked at a press conference last month that the discussions in Geneva "have become so abstruse and esoteric, reaching sometimes such issues as the placement of a comma, that it is hard to explain all of the issues now before the conference." That was no exaggeration.

For months, U.S. and Soviet officials pondered where the commas should go in a sentence on the conditions for peaceful changes in European frontiers—a matter of central importance to the West Germans who hope some day to reunify their country and to the Soviets who want the "inviolability" of borders guaranteed.

Once the effort was concluded, the sentence still had to be translated into the six different official languages of the conferences, each with its own grammar and syntax. Reconciling them all on the fine points may never be possible.

Even some of the more tangible provisions—aimed, for instance, at increasing the availability of Western newspapers and magazines in the Soviet Union and other Eastern European states—are hedged with references to each country's "modalities" for taking such actions. The carefully labored phrasing entails no obligations.

The participating states, says the paragraph on newspapers, "will encourage their competent firms and organizations to conclude agreements and contracts designed gradually to increase the quantities and the number of titles of newspapers and publications imported from the other participating states."

Other aspects of the human contacts area, such as family reunification and greater opportunities for travel and tourism, are addressed in similarly broad terms as desirable objectives rather than concrete plans.

It may turn out that one of the most substantive paragraphs in the declaration will be the one on working conditions for journalists, granting multiple entry visas for the first time to Western correspondents in the Soviet Union, the right of television reporters to bring in their own crews and other benefits. According to Western delegates, this approach was sold to the Soviets on the reasoning that the success of the conference will depend to a large extent on the way it is presented in the media. Hence, the sweeteners.

Specific military issues get comparably loose treatment. After months of deadlock on the important definition of confidence building measures, the Soviets agreed in the past few weeks to provide advance notification to all European states on maneuvers within limits still to be decided. But in this compromise, too, the notification, under the Soviet proposal, is to be on a strictly "voluntary basis."

The most downbeat Western assessment of the conference is that it has served the political and propaganda objectives of the Kremlin—namely the once-and-for-all recognition of the post-war division of Europe—without accomplishing the Western aim of exacting meaningful, binding concessions in the human rights area.

Other neutral and Western diplomats, however, regard that view as excessively gloomy. They say that the declaration will carry "considerable moral force" and that engaging the Soviets in any way on matters as sensitive as its internal controls on people and ideas is progress.

"These problems have been the subject of intensive discussion here," one Western ambassador said, "and there will be pledges of good intentions signed all around. Now if nothing happens, we can go to the Soviets and ask why not."

The orderly development of detente, according to this argument, can only be helped by dialogues of this kind.

But that does not resolve the thorny problem of how the results of the conference are to be monitored. The Soviets favor a permanent organization. The Western states say that adding an international bureaucracy would serve little purpose. They want another "high-level" meeting in several years to evaluate the results of the talks.

That subject remains to be thrashed out, along with a number of other points. Whereas some months ago there were delegates who thought no overall agreement could ever be reached, it is now accepted that a declaration will emerge, perhaps as early as June or July, and that the summit sought by Brezhnev will be convened.

Despite Western claims that a decision on whether a summit is justified must await the final bargaining, it is a foregone conclusion here that Ford, Schmidt, Wilson and the others see no reason to insult Brezhnev on this score.

It is just possible, however, that a summit could be blocked by one of the smaller states; Greece, for example, contends that Turkey's invasion of Cyprus last summer violated every noble tenet of the principles on security.

Since the conference runs on consensus, one objection from Athens, or any other European capital, would bring the summit preparations to a complete halt. And there would be nothing the Kremlin could do.

Mr. GARN. Mr. President, I am very pleased at the action of the President of the United States in the Cambodian situation. He certainly has given a clear signal to the world that we are not going to continue to allow our tail to be bitten. I am pleased that he did send in the troops. I am pleased that the ship and the American crew members have been rescued.

I hope that the Cambodians and the other Communists in Southeast Asia know that we are not going to continue to put up with it; that we are not going to back down; that if they do not stop it and leave us alone, we are going to step on them with a big, heavy foot. I am very pleased at what has transpired in the last 24 hours.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. GARN. I yield.

Mr. McCLURE. First, I commend the Senator for his perception of the problem and the contributions he is making in Congress in this as well as other fields.

I should like to ask a couple of questions in the time remaining, if the Senator will respond.

One question is with regard to the balance of forces in Europe. Are the NATO forces and the Warsaw Pact forces actually balanced in Europe now?

Mr. GARN. Certainly not in terms of actual numbers. In Central Europe, for example, the Warsaw Pact nations have some 871,000 men, and in NATO we have 777,000. They have some 17,000 battle tanks. We have approximately 7,000.

In addition, the Soviet Union has 39 complete divisions which can be activated and mobilized within a month; and the balance factor that must be considered in addition to the numbers I mentioned before is the proximity of their forces and the proximity of the Soviet Union, compared to our distance across an ocean.

Mr. McCLURE. If we seek force reductions in Europe, are there alternatives that we could pursue for force reductions in Europe?

Mr. GARN. There are several reductions that could be made, or alternatives. One that is constantly talked about by the Warsaw Pact nations is simply that we take out x number of troops and they take out x numbers of troops. I certainly cannot buy that. That would be mutual reductions, not balanced reductions, because it would maintain the superiority that they have at the present time.

The other alternative, which I would favor, would be asymmetrical reductions, whereby they would take out more than we, to correct the imbalance that now exists. Of course, we could have the alternative of reductions that would change the balance or improve it for one side or the other. As I have stated, we would want to improve it for our side.

Definitely, in my opinion, we must maintain at least the present balance that we have, and we must continue to talk about balanced reductions, not just mutual reductions.

Mr. CRANSTON. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. GARN. I yield.

Mr. CRANSTON. Much to my regret, I have to leave the Chamber in order to preside over a hearing of the Committee on Labor and Public Welfare.

I ask unanimous consent that two members of my staff, Bill Jackson and Hal Gross, may have the privilege of the floor until this debate on foreign policy and defense is completed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. The Senator from Utah has referred to the fact that the forces in Europe are not exactly balanced at the present time, that some imbalances exist at the present time. What would be the impact of a unilateral withdrawal on our part?

Mr. GARN. In light of what I have said in my remarks, I think it would be a great catastrophe if we unilaterally agreed to a greater imbalance in Europe, particularly in light of our recent withdrawal in Southeast Asia. The importance of giving a signal to the rest of the world that we will keep our commitments, that we will stand up for the agreements we have signed in NATO and other countries, is paramount in this country at this time.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). The time of the Senator from Utah has expired.

Mr. McCLURE. Mr. President, I ask unanimous consent that the order for recognition of Senators be altered, to substitute Senator DOMENICI for Senator FONG, and that Senator FONG then be recognized.

The PRESIDING OFFICER. Without objection, it is so ordered. The distinguished Senator from New Mexico (Mr. DOMENICI) is recognized.

Mr. DOMENICI. I thank the Senator from Idaho.

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THE SEIZURE OF THE "MAYAGUEZ"

Mr. DOMENICI. Mr. President, I have some prepared remarks, but before I refer to them, I will take this occasion to commend the President of the United States for the action he has taken in the last few days with reference to the very serious problem that arose in Cambodia.

On May 12, the day before yesterday, I sent a telegram to the President of the United States. I told him I did not think any reason existed for us to tolerate the act perpetrated by Cambodia against the American men and the American vessel.

I urged him, as Commander in Chief, to take whatever steps were necessary to retrieve the ship and our men.

I further indicated to him that if anything was needed from Congress to support his action, this Senator was ready to act.

I indicated in that telegram that further delay appeared to risk the lives of American merchant marines and to erode the international integrity of America's traditional freedom of the seas, that this could lead only to continued harassment and challenge to America's position as leader of the free world.

Mr. President, I ask unanimous consent to have the telegram printed in the Record.

There being no objection, the telegram was ordered to be printed in the Record, as follows:

[Telegram]

May 13, 1975.

The President,
The White House,
Washington, D.C.

Mr. President: No reason exists for the United States to tolerate the act of piracy perpetrated by Cambodia against American men and an American vessel. I urge you as Commander-in-Chief to take whatever steps are necessary to retrieve the ship and our men. If anything is needed from Congress to support your action, this Senator is ready to act. Further delay appears to risk the lives of American merchant marines and erode the international integrity of America's traditional freedom of the seas. This can only lead to continued harassment and challenge to America's position as leader of the Free World.

Pete V. Domenici,
U.S. Senator.

AMERICAN FOREIGN POLICY AND NATIONAL DEFENSE

Mr. DOMENICI. Mr. President, I am pleased to take part in this discussion on American foreign policy and various national defense issues. Today is a most appropriate time to enter into this dialog, because we are facing a confused and troubled time in our Nation's history.

The central question that is on every concerned American's mind, is whether the United States will continue to lead the Western World, or whether our leadership will flounder on our own domestic disunity. There has been a breakdown in consensus among our people on the future role and interests of the United States in international affairs. Unless this consensus is restored, we face a bleak and uncertain future.

Not in recent history have our foreign commitments been subject to such criticism and questioning, both by our allies and the American public. These criticisms of our foreign posturings are not inconsequential. America has 492,000 troops in 29 countries throughout the world. We are associated with 4 regional defense alliances and we have contracted mutual assistance treaties with over 40 nations. This year, we are furnishing military and economic assistance to approximately 100 countries. Is the United States to continue this assistance? Are these commitments and agreements still in the national interest? Can the United States abandon our alliances, and if so, what will be the consequences?

For the last 30 years, there has been a bipartisan concensus that for the realistic implementation of collective security and deterrence, we should maintain military deployments in Europe and Asia. The U.S. force levels and overseas deployments are based on accomplishing two basic national security objectives: First, to act as a safeguard in preserving the United States as a free and independent nation and to protect our people, and second, to contribute to the security of other nations with whom we have treaties or whose security impacts on our security.

Our deployments in Western Europe form an interlocking network which is designed to forestall or withstand, any attack by the Warsaw Pact on NATO Europe. These deployments exist to give strength and credibility to the NATO alliance and they demonstrate the seriousness of our commitment. The continued freedom and independence of Western Europe is fundamental to our own physical security. Not only is Central Europe our own front line of defense, but even more important, we must never doubt that given our deep cultural and historical ties with Western Europe, our own society would suffer severely were these nations to fall under Soviet influence. If the NATO alliance does not remain intact, the resulting major imbalance in military power will be an intimidating factor in our political alinement for years.

Our deployments in Asia are directed by the rapidly changing events there. As a result of the termination of our involvement in South Vietnam and the opening of a new relationship with the People's Republic of China, we have been able to reduce our forces in Asia substantially. However, northeast Asia will continue to be an area of military concern, because it is one area where the interests of the United States, the U.S.S.R., the PRC, and Japan converge. We must continue to give visible evidence of the seriousness of our commitment to the stability of the region and to provide a credible ability to respond quickly and effectively to unforeseen events.

Secretary Schlesinger has presented the beneficial aspects of our foreign deployments in the most recent annual Defense Department report. With deployments of a general character, we are in a position to:

First, contribute immediately to collective security and the deterrence of attack in critical strategic area;

Second, lay the groundwork for reinforcements and provide a strong initial defense in the event of an attack;

Third, prevent major losses of territory and the terrible human and material costs of taking the counteroffenisve;

Fourth, keep the nuclear threshold high;

Fifth, project power into other areas so as to deter or respond to unforeseen contingencies; and

Sixth, stabilize relationships in these areas because of our presence as one of only two superpowers, and because of the great potential that lies in back of our presence.

Not only are our foreign deployments of specific strategic value, they also serve the purpose of sending a diplomatic signal to our allies and our adversaries, of the firmness of our commitments. If the United States casts an image of resolution, other nations will act accordingly; if the United States casts an image of recklessness, other nations will react in quite a different way.

The direction of American foreign policy is uncertain, because its source—public opinion—remains uncertain. I believe that one of the principles upon which this Nation is founded is that a fully informed electorate can govern itself wisely. This means that when the people are kept in the dark, then a vital part of democracy fails. A free and resolute people must be an informed people.

In a recent speech to the Los Angeles World Affairs Council, Prof. Eugene Rostow said the following:

> The only rightful source of American policy is an informed public opinion. No President, however gifted, can carry out an effective foreign policy without the support of public opinion—the crystallization of a sound public opinion in any democracy, and especially in our democracy, requires a frank dialogue between the government and the people—sustained, intense, detailed and thorough. It is nearly impossible for public opinion to understand the patterns beneath the flow of events unless our leaders trust the people, and explain the world with which they have to deal.

The American people have to be told more than ever before. They have to support whatever policy is created, and to support a policy, they have to understand its origins. The American people will support a responsible foreign policy, if they are trusted with full knowledge.

The problems we are facing today are problems of self-image. We must reaffirm our national values. Self-interest and principle are inextricably intertwined in the foreign policies of all nations, and at the present, both principle and self-interest point clearly toward a strong national defense posture for our country and a strong reaffirmation of our commitments to other nations.

No single major event—an attack on a Pearl Harbor as we had prior to World War II, or sinkings of our American ships such as before World War I—will occur, as some believe, to unite the citizens in a single cause and restore national balance. Americans are not going to get reunified by any one easy event like that, because that is not the game plan of those who wish to do away with our freedom. Our enemies will do nothing foolish

like bomb Pearl Harbor. This means that we will have a more difficult time in bringing together Americans behind a single foregin policy.

We had, in addition, the luxury of time in previous wars. We could afford to be unprepared, then mobilize, and move to victory. The state of weapons back then permitted such a course of action. But, that luxury no longer exists. If we wait, and wait, until some "great" event galvanizes public opinion, then we will wait until our oblivion. The weapons of our era are too final to give us time to "gear up" and turn auto plants into tank plants, and shipyards into subyards. Our job, then, as opinion leaders and policymakers is let the American people know in advance why we have to be constantly prepared and why we have commitments overseas. The time when American foreign policy can be the exclusive province of a well-intentioned small group of experts is long gone. The American people now demand to know what our commitments are, why we have made them, and what these commitments might entail.

It seems to me that, this morning, we are beginning the processes that I am discussing here. It is my hope that this dialog with the American people will continue for months to come on all aspects of our foreign policy, that our leaders, from the President on down, will not be afraid to share it with them, and to be frank with them. There is no doubt in my mind as to what their response will be, given that set of facts.

Mr. GARN. Mr. President, will the Senator from New Mexico yield for a question?

Mr. DOMENICI. I am delighted to yield.

Mr. GARN. I wonder if the Senator is alarmed about the trend that appears to be taking place toward a new isolationism. Are the remarks of the Senator concerning public participation directed toward this area and the problem that appears to be occurring?

Mr. DOMENICI. There is no question in my mind that there is a growing feeling of isolationism among our people. Yes, my remarks are directed at the concern of which the Senator inquires.

It seems to me that history indicates that every time we have had serious problems at home we have made the wrong decision and turned our energies and our resources totally inward, which is a very natural kind of thing to do. When one is in trouble he wonders whether he ought to be doing anything for anyone other than himself.

History has clearly indicated that has only made the problem worse, whether it was an economic problem or whether it was a problem of aggression in far-off lands of a type we did not like.

So indeed I am concerned. In fact, I think the jury of American public opinion is out right now as to how much isolationism, total economic and military isolationism, they want.

That is precisely why I submit that if we are open and inform the public, and if it is an intelligent posture, we must trust an enlightened America and its media to help us. Then I think public opinion will lead to the opposite position from that of isolationism.

Mr. GARN. I thank the Senator. I agree completely with what he has said. I commend the Senator from New Mexico for his remarks.

Mr. DOMENICI. I thank the distinguished Senator from Utah.

Mr. CURTIS. Mr. President, will the distinguished Senator yield?

Mr. DOMENICI. I am delighted to yield.

The PRESIDING OFFICER. The time of the Senator from New Mexico has expired.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the distinguished Senator from Florida (Mr. Stone) be recognized at this time in place of the distinguished Senator from Nebraska (Mr. Curtis) and the distinguished Senator from Hawaii (Mr. Fong).

The PRESIDING OFFICER. Without objection, the Senator from Florida (Mr. Stone) is now recognized.

FOREIGN POLICY AND NATIONAL DEFENSE

Mr. STONE. Mr. President, under the illusion of détente with China, our President asked for accord and intervention to free the *Mayaguez* and its crew; and what our country heard in response was a thunderous silence.

For us to rely on the good will of Soviet adversaries in the face of repeated incidents worldwide and over recent years indicating with total clarity an attempt to weaken the free world or the West will invariably be seized upon to the height of folly on our part.

In the area of the Caribbean and Latin America, I wish to refresh the recollection of my colleagues as to a little incident that took place several years ago; and I would ask the question, in recalling that incident to my colleagues, Did or did not the Soviet Union introduce offensive missiles into Cuba? Were we or were we not on the verge of a nuclear war? Did we or did we not have to take the chance of putting in a blockade around an island 90 miles from our shores?

Did or did not the Soviet Russians admit that they had the missiles there, and assert that they had withdrawn those missiles? Did or did not the present regime in Cuba, with the assistance of the Soviets, train and launch a guerrilla movement under Che Guevara in Latin America? Are there or are there not urban guerrilla movements taking place right now in Latin America? Are or are not Americans being kidnapped and held hostage throughout Latin America? If the answer to those questions in our recollection, mind, and memory is yes, then we must ask ourselves, can it happen again? Or has it even stopped happening yet?

SOVIET PRESENCE IN THE CARIBBEAN

While it may be premature to gage the full impact of the recent "OKEAN"-type Soviet naval exercise, which included a simulated nuclear attack on the United States, one thing is unmistakenly certain, the erosion of the Monroe Doctrine in the Caribbean is accomplished fact.

Since the early 1960's, Moscow's principal espionage center in the Caribbean, was located in Cuba, which by that time had already become a base for operations of the Soviet Navy.

Just prior to the October 1962 missile crisis, Russia had supplied *Komar* and *Kronstadt* torpedo boats and sub chasers and after virtually taking control of the Cuban Navy, the real presence of the Soviet Navy in the Caribbean became manifest in 1969.

In July of that year, and specifically from July 11 to August 12, 1969, eight Soviet vessels manuevered in the Caribbean. This included one guided missile cruiser—*Gronzy*—one missile frigate, one guided missile destroyer, one submarine tender, two diesel submarines, one naval oiler, and one commercial tanker.

After this initial and powerful showing of the flag in an area that had been the exclusive domain of the United States and its allies, other visits followed to wit: May 8 to June 7, 1970 Soviet vessels visited Cienfuegos Bay in Cuba. This included for the first time an ECHO II-class nuclear powered guided missile submarine. It was in this instance that the United States showed its deep concern for the establishment of the Soviet submarine base at Cienfuegos Bay, Cuba.

Actually, what the Soviets sought was a life support facility where they could service nuclear powered attack submarines in the vicinity of their area of maneuvers without having to send crews and vessels all the way to the White sea ports in the Balkans. The base at Cienfuegos offered a tremendous advantage because it offered shelter to servicing operations from the prime eyes of our reconnaissance aircraft and vessels. In addition, it has a political purpose and specifically, that of the well-known salami tactics with which the Russians probed for the United States reaction to their piecemeal encroachment of the Caribbean Basin. The base at Cienfuegos is still manned by Soviet personnel. Other visits of the Soviet Navy to the Caribbean occurred from September 3, 1970 to January 8, 1971, involving nine ships. This included also an amphibious landing ship and a hydrographic survey ship. On November 30, 1970 to January 8, 1973, three vessels visited Cuba and again, the Cienfuegos Bay. February 10 to March 17, 1971, four vessels with another nuclear powered submarine visited Cienfuegos Cuba. From October 31, 1971 to January 23, 1972 five vessels visited Cienfuegos, Cuba; from March 7, 1972 to May 17, 1972, three vessels visited Cienfuegos, Cuba; and May 4, 1972 to May 15, 1972 two vessels, one including a diesel powered ballistic missile submarine visited the Bay of Nipe, Cuba, on November 23, 1972 to February 21, 1973, seven Soviet vessels including four ACI intelligence collecting vessels, maneuvered in the Caribbean waters south of Jamaica; August 1973 to October 1973, five vessels, including one atomic submarine, visited Cuba. April 1974 to June 1974, four Soviet Vessels visited Cuba. September to November, 1974, three Soviet vessels operated in the Caribbean. This group included a guided missile cruiser. February to April 1975, two guided missile destroyers and one tanker visited Cuba and toward the end of their maneuvers participated in the simulated attack against the United States.

In addition to the presence of the Soviet Navy in the Caribbean, one should take notice of the increasing presence of the Soviet Air Force in the area.

During the Missile Crisis of October, 1962, the Soviets had introduced long-range bombers on the island which were withdrawn after the Khrushchev-Kennedy Agreement. In 1970, using as its reason the airlifting of aid to earthquake-stricken Peru, the Soviet Air Force put in motion an exercise whereby several beartype lone-range aircraft stopped in Cuba on their way to Peru. The aid, thus given to Peru was minimal, but the experience gained by the Soviet air crews was incalculable.

This opened the area to increasing frequent reconnaissance flights by Russian aircraft which fly nonstop to Cuba to cooperate with the naval units operating in the area. Similar type aircraft participated in the recent naval exercise.

It is undeniable that this increased showing of its armed presence by the Soviets in the Caribbean has dealt our prestige a setback. The countries who recently gained their independence and which now form the Caribbean Union have shown increased hostility toward the United States, at least a part of which can be attributed to the Soviet armed presence in the area.

I would suggest to my colleagues, Mr. President, that several weeks ago it happened again, because for the first time in the history of this hemisphere the Soviet Union, in conducting its worldwide naval exercises called OKEAN 75, conducted naval and air maneuvers in the Caribbean. At least two major Soviet warships of the *Krivak* class based in Cuba conducted naval maneuvers in the Caribbean. At least two TU–95 Bear warplanes, based for that exercise in Cuba, maneuvered out of Cuba as a part of that Soviet naval exercise. For the first time in our history that took place. The Bear warplane is a nuclear missile-carrying capable warplane.

What is the significance of having a forward maintenance facility capable of taking care of Soviet nuclear submarines on the island of Cuba? What was the significance of having naval and air maneuvers conducted in the Caribbean by the Soviets for the first time? What was the significance of Fidel Castro saying, right after the visit of one of our colleagues—it might even have taken place during the visit; in fact, I think it did—that when the Soviets withdrew their missiles, he, Castro, disagreed, "but maybe they showed more maturity when they withdrew those offensive missiles." Put that in quotes, because there has been no verification of that fact. We hope it is a fact, or we trust it is.

The significance was not that the Soviet Union showed maturity. The Senator from Florida suggests that the significance was that we had an overwhelming naval and air capability in the area at the time, with the willpower to use it, and that in response to that overwhelming firepower and willpower the Soviets "showed maturity."

If we unilaterally weaken our will power or our fire power by conveying away from our control the Panama Canal or Guantanamo, or if, what is more to the point, we unilaterally weaken our military and defense capabilities and, in specific point, our naval capabilities, we would have to spread ourselves so thin that we no longer would possess the capability of persuading the Soviets to show maturity when and if they did attempt, with ever-willing allies, to reintroduce offensive capabilities on to the land territory of Cuba. I say the land territory of Cuba because the marine territory of Cuba does possess the Soviet offensive capability in the form and in the presence, frequently and repeatedly, of Soviet nuclear submarines.

Our Nation has shown itself an expert in willingness to go more than half way to accommodate the desires, the interests, the requests not merely of friends, not merely of allies, but on adversaries.

But when the point comes, as it did with the *Mayaguez*, that unilateral concessions approach the point of groveling, and do nothing more than induce repeated aggression, at that point, if we possess our will power and our defense capabilities, we would be able to draw the line in the name not only of our national interests but of human freedom, human liberty, and even the preservation of peace in difficult circumstances.

So, in conclusion, the Senator from Florida would urge that our defense capabilities be maintained in the Caribbean and in the Latin American area not only for our own national interests, not only for our hemispheric interests and the interests of all the nations and peoples in this hemisphere, but in the interests of being able to draw a line in the name of peace and for the purpose of preserving peace and for the purpose, we hope, of increasing and enhancing freedom and liberty in this, our home hemisphere.

Mr. McCLURE. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. GARN). Does the Senator yield?

Mr. STONE. I yield.

Mr. McCLURE. The Senator touched on this in his remarks, and I want to commend him for those remarks and his perception of the situation in the Caribbean. He is in a peculiarly sensitive portion of the country and, therefore, is able to feel and sense the threat because of his proximity in that area.

The Senator stated that there is still a threat from Soviet or Communist-inspired subversion in Latin America originating in Cuba; is that correct?

Mr. STONE. That is correct, and with the active assistance of the Soviets, without any question.

Mr. McCLURE. And yet the United States seems to be edging toward a policy of recognition of Cuba in the face of the continued overt acts of aggression inspired from that country.

Mr. STONE. That seems to be the case. I would reluctantly and regretfully admit that we seem to be edging in that direction. Two distinguished University of Miami professors published a book which was reviewed by the Miami News in an article several days ago. I ask unanimous consent that that article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CUBA WILL NOT LOOSEN TIE TO SOVIETS, TWO PROFS SAY

(By Humberto Cruz)

Lifting U.S. sanctions against Cuba will not weaken significantly Havana's ties with Moscow or force the Cuban government into a moderate stand, a new book by two experts on Soviet affairs says.

"The Soviet Union does not appear to see any such risks," wrote professors Leon Goure and Morris Rothenberg of the University of Miami. The authors of the newly-published monograph, "Soviet Penetration of Latin America," say Russia is more interested than Cuba in the resumption of Cuban ties with the U.S.

Goure is professor of international studies and director of Soviet studies at the U-M. Rothenberg, a research professor at U-M, is a former director of the office of intelligence research for the USSR and Eastern Europe and of the office of UN political affairs, both of the State Department.

"The question of proper policy toward the United States is sure to present continuous difficulties in Soviet-Cuban relations," they said.

"Castro has never been comfortable about coexistence, or detente. Moscow and Havana will continue to have different perceptions regarding the United States."

Because of Castro's heavy economic dependence on Moscow, the book says, he has been forced to follow Soviet dictates on international relations. Russia, the authors say, is more interested in building up opposition and hostility toward the United States in Latin America than in attaining "outright communist regimes."

"Detente is also considered by Moscow as a factor limiting U.S. freedom of action," the book says. To the Soviets, detente "does not apply to anti-imperialist struggles," but it does bar any "export of counter-revolution" by the United States.

Some of the main points made by the authors are that:

The Soviets believe that the continued existence of Cuba as a communist state tied to the Soviet bloc is a "safe bet."

The belief that the restoration of U.S. Cuban-trade could result in considerable political benefits for the U.S. is false because it doesn't take into account the extent to which Cuba's foreign trade has been "economically integrated into the Soviet bloc."

It is "very doubtful" that economic considerations play a large role in Havana's or Moscow's interest in the lifting of the sanctions anyway. What they want is the opportunity to spread Soviet influence throughout Latin America by gaining U.S. acceptance.

The prospects for large-scale U.S.-Cuban trade appear to be dim. The U.S. no longer has a sugar import quota from Cuba "and any imports would have to be at the expense of sugar sales from other Latin American countries," which are likely to object.

The book says there seems to be a decline in Latin America's fear of the Soviet Union and communism. Besides Cuba, 14 Latin countries trade with Russia, more than twice the number 10 years ago.

And the Soviets are taking advantage of this, says the book, by a "marked upgrading in the sophistication, training and linguistic ability" of Soviet diplomatic and intelligence personnel assigned to Latin America.

Mr. STONE. This article is to the effect that recognition, trade, aid, in their view

as expert and informed objective scholars, would not to any substantial or major extent divert the foreign or domestic policy of the Republic of Cuba under its present regime from the Soviet bloc and its influence.

Mr. McCLURE. I think the Senator from Florida would agree with the Senator from Idaho that it would be in the interests of the United States to have formalized relations with a peaceful neighbor in Cuba. But I can understand the Senator from Florida saying that unilateral recognition without some kind of step on their part to reduce their aggressive actions would be counter to the best interests of the United States rather than to the supporting of the best interests of the United States.

Mr. STONE. The Senator from Florida would respond to the distinguished Senator from Idaho by saying not merely aggressive but repressive conduct.

Mr. McCLURE. I think the Senator for his statement. I hope some of the policymakers, in addition to those in the Chamber at this time, for the U.S. Government may heed his remarks.

Mr. STONE. I thank the Senator.

Mr. CURTIS. Mr. President, will the distinguished Senator yield?

Mr. STONE. I yield.

Mr. CURTIS. I commend our distinguished friend from Florida for speaking up in behalf of the defense of the United States.

I commend him for calling attention to the Senate and to the country of the situation with respect to Cuba.

I commend him for pointing out that for us to condone and extend recognition and trade to the center of communism in Central and South America would be a slap in the face of every freedom-loving country in that area. It would create doubt in the mind of all people as to which side the United States is on.

There are many lessons to be gained from Vietnam. One of them certainly is that the Communists anywhere on the face of the globe are not agrarian reformers. They are still cruel aggressors and the enemies of liberty, and I commend the distinguished Senator.

Mr. STONE. I thank the Senator.

The title of "agrarian reformers," I must respond for just one brief moment to the Senate, was beginning to be applied to the Khmer Rouge in a buildup of how peaceful, how agrarian, how anticity they had become and were becoming. It took their own overt action again to eliminate that nonsense, that PR, that is foisted upon us from time to time in an attempt to confuse who are our adversaries and who are our friends and allies.

It was best said, I believe, in the Old Testament when the injunction was given to mankind as follows:

> If I am not for myself, who will be for me? If I am only for myself, what am I And if not now, when?

The time, I am sure, is well overdue when this Nation recognizes who we are and how well we merit defending ourselves, who our friends are and, therefore, we should not merely consider ourselves, and that we must not and cannot postpone these defensive, appropriate, and meritorious actions.

The PRESIDING OFFICER (Mr. GARN). Under the previous order, the Senator from Nebraska is recognized for not to exceed 15 minutes.

IMPROVEMENT AND STRENGTHENING OF THE DEFENSE OF THE UNITED STATES

Mr. CURTIS. Mr. President, I am happy to join with my colleagues this morning in speaking out for the improvement and strengthening of the defense of the United States.

What would have happened in the last few days if the United States had not had the equipment, the weapons, and the trained manpower to compel Cambodia to return not only a vessel but 41 citizens of America?

I raise my voice in praise of President Gerald Ford. He is a much bigger man around the world today than he has ever been in his life because he has shown leadership, he has been positive, he has been firm, he has served the cause of peace. He put an end to aggression, and he has served notice upon a world that is discouraged about what happened in Vietnam, and many of them about to lose confidence in America, and now they know that America is not through, that America does not fall on its knees and surrender to communism.

President Gerald Ford acted in the interest of the people. He acted in the interest of saving lives. It was successful. Millions of thoughtful and patriotic people throughout the United States will applaud what he has done.

Free people around the world will approve and many enslaved people, likewise, will applaud, because they say: "Here is a nation that stands for something."

Mr. President, as I said a minute ago, one of the lessons of Vietnam, and there are many, is that the Communists are still aggressors.

Another lesson of Vietnam is this: To prolong a war that one cannot end is immoral, contrary not only to the interests of the country involved, but to all mankind and it results in the loss of life, increased loss of life, and the loss of liberty.

Mr. President, I believe, along with many of the well-qualified, ethical scholars, that the highest morality in wartime is the application of adequate force to reach the military objective in the shortest possible time with the least loss of life.

That was not done in Vietnam. We had a no-win policy. We had a policy of restraint. We have, also, some of the sorriest pages in our 200 years of glorious history as a Nation.

Mr. President, as we view the situation in the world today, it is incumbent upon us that we reassess our situation. We should decide who our friends are that can be helpful to the United States, and will be, and we should also decide to improve and strengthen the defense of America, not to make war but to preserve the peace.

The advocates of a strong defense were not responsible for the years and years and years and years of war in Vietnam. It was dragged out and restrained and all sorts of theories advanced other than victory by those who held different views.

I believe that what has happened in the last day or two gives the United States a new start in world leadership, but I also believe that even if we gave up all aspirations of world leadership—which we cannot, we cannot escape it—failure to improve the defense now endangers the very liberty of the citizens in every State in the Union.

Oh, an invading army does not have to reach us and conquer all the territory; they can take possession of the sea-lanes, the air, the communications systems, the trade routes, and thus influence and control the daily lives of people living in this Nation and other nations.

Mr. President, along with strengthening our national defense—and that should be of highest priority for the Congress of the United States—we should stop spending day after day with legislation to harass and hamper private enterprise that prolongs the recession. That is what such bills as the consumer advocate bill does.

Instead of that, we should turn our attention to making the United States a stalwart for peace in the world.

Somehow, if a nation's government is tilted toward the Communist world, we forgive all of their failures in domestic policy and say: "Well, we should have trade and aid and diplomatic exchanges."

If, on the other hand, a country is anti-Communist, if a country has a record of providing its citizens with human liberty, somehow there are those in the United States who will always say: "Well, here, they have not solved this problem, therefore, we better boycott them."

Mr. President, the American people are intelligent and they know there are sources in the State Department and there are voices raised in this forum and elsewhere which never have anything good to say about an anti-Communist government and never have anything bad to say about a government that plays hand in glove with the Communist conspiracy.

Mr. McCLURE. Will the Senator from Nebraska yield?

Mr. CURTIS. Just briefly, yes.

Mr. McCLURE. The Senator has touched on one problem that has rather intrigued me. I commend him for his statement because it brings out a point I think the American people ought to understand.

Does the Senator have any idea that the Soviet Union might not accept a military presence on a base even in a country with which they might have some political difference?

Mr. CURTIS. Oh, yes, sure they would.

Mr. McCLURE. Turning away from it.

Mr. CURTIS. Sure, they would. They would decide it on the basis of what is best for their country and to advance their sphere of influence.

Mr. McCLURE. At the same time, we are talking about relaxing tensions with Cuba, we seem to be pursuing the policy of turning our back on other valuable allies.

The Senator made some note of that. I commend him for that statement.

Mr. CURTIS. I thank the Senator.

On the one hand, while promoting closer ties with the Soviet Union and other Communist nations, these advocates tell us that we must not base our foreign policy on our perception of the internal policies of another nation. They tell us that even if the Soviets have a social system with which we disagree, we should formulate policy solely on the basis of our own interest and, therefore, should ignore how a nation treats its people, especially minorities.

On the other hand, when discussing nations such as Chile, Spain, Brazil, and South Africa, many of those who tell us to close our eyes to the internal policies of the Soviets, suddenly tell us that we have a moral obligation to repudiate these nations because their internal policies do not coincide with the "liberal" ideal.

I want to speak specifically about South Africa.

The South Africans have been proven allies in two world wars, in the Korean war, and the Berlin airlift.

They have always been on the side of the West. South Africa has a long record of constructive cooperation with the United States in many other fields of scientific research and in Antarctica. South Africa actively supported the U.S. space program by operating, with great efficiency, a deep space tracking station and it provides facilities for a missile tracking station.

The United States is actively pursuing détente with other countries whose domestic policies are unacceptable to the United States. Soviet warships are presently visiting Boston and an American missile frigate is in Leningrad. Yet the United States bars its naval vessels from entering South African ports.

Détente with the Soviet Union and China is not contingent upon U.S. approval or disapproval of the domestic policies of those countries. The same criteria should at the very least be applied to South Africa—or do different U.S. moral principles apply to large and to small countries?

The United States supplies vast amounts of arms to both sides in the Middle East conflict, and to a number of African and Latin American countries. Not all these countries have an equally favorable record of support for the U.S. cause. This makes the embargo on South Africa seem all the more discriminatory.

The 1963 United Nations resolution calling on all nations to refrain from selling "arms and ammunition" to South Africa is not mandatory. It does not fall within the purview of chapter VII of the charter. In announcing the United States' decision to place an embargo on U.S. arms sales to South Africa the U.S. Ambassador at the United Nations on August 2, 1963, reserved its freedom of action by stating:

> The Council should be aware that in announcing this policy the United States, as a nation with many responsibilities in many parts of the world, naturally reserves the right in the future to interpret this policy in the light of requirements for assuring the maintenance of international peace and security.

The United States has thus specifically reserved its freedom of action.

Now, Mr. President, we cannot have it both ways. If it is in our interest to close our eyes when Communists torture and kill millions and repress all dissent—just so we can maintain "good relations" with nations whose sworn intent is world domination and the end of freedom, then it surely is in our interest to have working relations with nations which want to be friends of the United States, pose no threat to anyone, but whose internal policies may not be particularly to our liking.

One such nation which fits the latter category is the Republic of South Africa.

In this colloquy, however, we are addressing the U.S. strategic position in the world and that is the matter I would like to address today.

I believe it is time for a reassessment of our policy of ignoring South Africa and here is why I feel that way.

The Republic of South Africa has an intrinsic strategic value deriving from its geographic location. A look at a map of the world would immediately substantiate this in the global, regional, and continental perspectives. The implications flowing from South Africa's physical positioning are extended by factors such as prevailing world politics, tensions, conflicts, and regional and local confrontations; the geographic location of oil producers and consumers; the emergence of the third world; the ethnic and cultural composition of the population of South Africa and the industrial development on the continent of Africa.

The strategic significance of South Africa's physical connection with the continent of Africa is enhanced by the high level of social and industrial development in the country. Its government is stable, its economic and scientific achievement is without peer on the continent.

The 28 million square mile area constituting the Indian Ocean is bordered by 40 countries containing the world's richest known supplies of fuel oils and minerals.

Africa has all of the world's 53 most important minerals, including 96 percent of the world's diamonds, 42 percent of its cobalt, 60 percent of its gold, 34 percent of its bauxite, 23 percent of its uranium. Much of this is located in southern Africa.

Already the United States imports 98 percent of her manganese, of which 54 percent comes from Africa; Zambia and Zaire provide the United States with 47 percent of her cobalt requirements; South Africa meets 24 percent of U.S. chrome requirements, and Madagascar provides 22 percent of U.S. graphite needs—and the list can be extended. The obvious route by which vast quantities of these minerals reach the U.S. ports is the Mozambique Channel/cape route.

The cape route is currently Western Europe's—and NATO's—most important supply route for oil: 57 percent of Western Europe's oil requirements are transported along it. Already 20 percent of the U.S. oil requirements from abroad are routed via the cape and this figure is expected to rise to 60 percent by the 1980's. Twenty-five percent of Europe's food supplies are also carried by this route.

The difference in distance between New York and the Persian Gulf around the cape and through the Panama Canal is 5,000 nautical miles in favor of the cape route.

More than 12,000 ships call at South African ports annually. In addition, 11,000 to 14,000 annually sail around the cape without call but still relying on South African facilities in cases of emergency and meteorological reports.

Even when the Suez Canal is in full operation again, the cape route will remain a major route for the very large crude oil carriers, particularly since there is the likelihood that, in times of conflict, the Suez Canal will be reclosed.

The cape route is, furthermore, predominantly a Western trading route. This is clearly demonstrated by the following:

> In April 1974, about 980 ships passed Cape Point and of these only 5.27% were Communist flagflyers—the others were merchant ships with cargo destined for the ports of Western nations. As a Western trading route, its security can, therefore, rightly be considered a Western responsibility.

On December 16, 1971, the U.N. General Assembly passed a resolution—resolution 2832 (XXVI)—designating the Indian Ocean as a "zone of peace" for all time, simultaneously calling for the elimination of all bases in the Indian Ocean.

The U.S.S.R. has consistently paid lipservice to this resolution while surreptitiously circumventing it: Since actively entering the Indian Ocean in 1968, the U.S.S.R. has acquired naval facilities in one form or the other in Ethiopia, Somalia, Kenya, Tanzania, Mauritius, North and South Yemen, Aden, Iran, Kuwait, India, Pakistan, Ceylon, and Singapore, with the potential of adding Madagascar and, eventually, Mozambique to this list. Some of these facilities are substantial.

In addition to these naval facilities, the U.S.S.R. is engaged in an active program in certain key areas of enlarging and expanding the naval facilities of the host country—facilities the Soviet Navy is freely able to use. This means that the U.S.S.R., despite her protestations, has de facto naval bases in the Indian Ocean.

Considering only combatant ships and excluding auxiliary and support ships and mine-clearing operations in Bangladesh, the number of ship-days accumulated by the Soviet Navy in the Indian Ocean rose from nil in 1967 to 529 in 1968, 1,670 in 1970, 2,387 in 1972, and 2,487 in 1973. The highest number of ship-days recorded by the U.S. Navy in this period was in 1973 with 1,410, or about a thousand less than the equivalent Russian figure.

The same period was marked by a progressive withdrawal from the ocean by the British Navy. Given the active penetration of the U.S.S.R. into the Indian Ocean since 1968, and more particularly

the motives behind this active penetration, it would seem that the words of Adm. Elmo Zumwalt spoken when he was still Chief of U.S. Naval Operations, that the Indian Ocean "zone of peace" view is "a very dangerous concept," cannot lightly be dismissed, and that the development of Diego Garcia, by the United States on its own, is inadequate. Diego Garcia, of course a tiny, British-controlled island in the middle of the Indian Ocean.

These developments bring sharply in focus the importance for the United States and, indeed, also Western Europe, of the most vital naval station in the whole of the Southern Hemisphere—Simonstown near Cape Town, South Africa.

This facility is already fully equipped with routine facilities such as repairs, bunkering, refueling, and refitting. It boasts a synchrolift dock for handling submarines. Strategic reserves of ammunition are available for emergencies. Apart from that, the base is backed up by a sophisticated industrialized and technological society which is capable of providing for all the needs of such an establishment.

At Silver Mine, a few miles from the actual base, but an integral part of it, is a vast underground maritime communications center built into a hillside overlooking the ocean. This center is equipped with highly sophisticated electronic computer devices which chart the movements of every ship sailing in the Southern Hemisphere. The system not only pinpoints the exact geographical positions of ships, but also identifies them—country of origin, type, armaments carried, if any, et cetera.

Another aspect of this installation is its worldwide radio communications network which enables the defense force to keep in immediate contact with aircraft, ships, and submarines from South America to the Indian Ocean and as far as Antarctica.

These facilities, together with the country's support capability, make South Africa ideally suitable as a partner for maritime operations in the southern Indian and Atlantic Oceans.

Despite the facts which I have cited, it has been official U.S. policy to pretend that the Republic of South Africa is not of strategic importance to the United States.

And when Secretary Kissinger began a slight "tilt" toward South Africa, anguished cries went out from elements in the Congress, claiming that any military involvement with South Africa would represent a "moral betrayal" of our principles. These same elements tell us to forget what has happened in Southeast Asia. These same elements now want us to cut off aid to Chile and begin aid and trade to Cuba.

How long, Mr. President, will this dual standard be tolerated? I would suggest that recent world events make it absolutely essential for the survival of not only the United States but for the survival of our remaining allies—that we have complete reassessment of our strategic position in the world. That reassessment must be done in the light of reality and cannot ignore friendly nations again when we may very soon be dependent if we are to remain a world power.

Mr. McCLURE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. STONE). The clerk will call the role.

The legislative clerk proceeded to call the roll.

Mr. FONG. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the Senator from Hawaii (Mr. FONG) is recognized for not to exceed 15 minutes.

ASIA AND THE PACIFIC VITALLY IMPORTANT TO AMERICA'S NATIONAL SECURITY AND ECONOMIC WELL-BEING

Mr. FONG. Mr. President, it is with a deep sense of honor and responsibility that I participate in this valuable and timely discussion on the various aspects of our country's defense posture and its implications for our Nation's future security and economic well-being.

My remarks today will be primarily oriented to the Asia-Pacific area which is only natural for a Senator representing the mid-Pacific State of Hawaii.

To set my remarks in context, however, it is necessary to examine briefly the current situation worldwide in terms of foreign policy and national defense. These matters are very much interrelated and, as my remarks will show, reinforce my own view that the United States must strengthen its defense structure and forces and must strengthen our ties and alliances with freedom-loving nations around the globe.

No one who is concerned about the survival of freedom and freedom-loving peoples in this world can take any comfort from the events of the past 3 weeks.

LOSS OF 40 MILLION MORE PEOPLE TO COMMUNISM TRAGIC

The litany of countries and people who have fallen under the yoke of Communist regimes is a tragic and sobering one. South Vietnam with some 20 million people now Communist. Cambodia with 7½ million people now under Communist rule. Laos, with 3.3 million people, is for all practical purposes now within the Communist orbit.

On the other side of the world Portugal, once our staunch friend and ally, has now gone to the far left and, with Communists determined to take control in due time, the 8.6 million people of Portugal also appear doomed to Communist rule.

This is a grand total of nearly 40 million people who, within a very brief space of time have, or will have, fallen under Communist determination.

There are Americans who care not that peoples in other lands are now subject to the repressive and antifreedom Communist regimes. Besides, they say, these are just tiny countries of little importance to the United States.

But I say that these tragic events are of tremendous importance to the future of freedom in the world and to the security and economic well-being of the United States of America.

WORLD MORE DANGEROUS NOW THAN 2 MONTHS AGO

For the simple truth is that the world is now a far more dangerous place and the United States faces far greater problems in keeping the peace than it did just 2 months ago.

Portugal, for example, has already announced that it will not allow the United States to use air bases in the Azores in any airlift of military equipment to Israel such as was so crucial in the last outbreak of war in the Middle East. It was U.S. assistance, timely and quantitatively, which helped maintain the balance of power in the Middle East and thereby averted an eyeball to eyeball confrontation between the super powers—the Soviet Union and the United States.

Farther down the road, a Communist takeover in Portugal could inspire further Communist inroads in Spain, and it is not inconceivable that Communist regimes could control the entrance to the Mediterranean through the Straits of Gibraltar. The United States could find it no longer has access to the Mediterranean.

Back in the Pacific area, with Vietnam, Cambodia, and Laos behind the Bamboo Curtain, the danger to Thailand has increased manyfold. Undoubtedly, in Burma, Malaysia, Indonesia, and the Philippines, Communist insurgent forces have been given a great morale booster. And it is only logical and reasonable to expect that they would redouble their efforts and be additionally supplied with military arms and equipment now that North Vietnam will not be receiving such large quantities from the Soviet Union and the Peoples Republic of China.

With the loss of South Vietnam, Cambodia, and Laos to Communist forces and the resultant humiliation of the United States, the flashpoints of danger in the Far East have shot up quite a few notches. With the victory of North Vietnam, it is only logical and reasonable to assume that the Communist regime of North Korea has been immeasurably heartened and quite possibly emboldened to make new attacks on the 33.5 million free people of South Korea. Again, the war materiel from the Soviet Union and the Peoples Republic of China that had been planned for North Vietnam could well be diverted to North Korea, with all the potential for war that that would entail in the peninsula.

With the fall of South Vietnam, Cambodia, and Laos, the 36.3 million people of Thailand are in far greater peril than when its neighbors were still free. As the United States demonstrated in the case of South Vietnam that it is an unreliable ally, the Government of Thailand, which heretofore had allied itself with the United States felt compelled to request that all U.S. military forces leave Thailand. In order to stave off possible reprisals by its new Communist neighbors, Thailand judges itself unable to assist the United States in freeing the U.S. merchant ship *Mayaguez*, an unarmed

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vessel which was seized by Cambodian naval forces earlier this week.

Who now can truthfully say it does not matter to us in America whether all of Southeast Asia goes Communist. We did not have these incidents when Cambodia, Laos, and South Vietnam had regimes friendly to America.

I am relieved that President Ford's prompt and vigorous action brought about the safe release of the crew and recovery of our merchant ship, the *Mayaguez*, and also the release of the Thai fishermen. I pay highest tribute to our valiant military personnel for their courage and their sacrifice.

INCREASED JEOPARDY FOR UNITED STATES AND ALLIES

And so we see, Mr. President, how quickly and, for us, how adversely the turn of events in Southeast Asia has increased the jeopardy for U.S. interests in that area of the world.

As I have already pointed out, Mr. President, it is not only the U.S. interests which are in greater danger now than they were 2 months ago, it is other nations of the Far East such as Japan, Taiwan, Singapore, Australia, and New Zealand.

I would remind my colleagues that a U.S. merchant vessel is not the only ship whose right to peaceful navigation in international waters was violated by the new Communist regime of Cambodia. On May 4, a South Korean freighter was fired upon and nearly captured in the same area of the *Mayaguez*. On May 8, a Panamanian ship was stopped by a Cambodian gunboat. And in the same week, a Thai fishing boat was seized.

Hardly had the Communists taken over Cambodia when they instigated multiple acts of piracy against ships of free countries plying the waters off Cambodia in peaceful trade and commerce.

With North Vietnam, the Khmer Rouge, and the Pathet Lao no longer requiring such tremendous quantities of arms and ammunition, will their suppliers be tempted to instigate wars of liberation and insurgency to a greater degree than heretofore and perhaps in areas not now plagued by such internal Communist attacks?

Are the 110 million people of Japan in greater peril now than they were before?

Are the 16 million people of the Republic of China on Taiwan in greater peril than they were before?

Are the 41.5 million people of the Philippines in greater peril now than they were before?

With the debacle in Vietnam and with America having failed to keep its commitments in Southeast Asia, are the 3.3 million people of Israel in greater peril than before?

VIETNAM LOSS HAS REPERCUSSIONS IN MIDDLE EAST

Here is what an Associated Press dispatch said on May 12, just 3 days ago under a headline "United States Defeat Emboldens Palestinians":

> The defeat of American-backed governments in Indochina has boosted the morale of Palestinian guerrillas in their struggle against Israel.
>
> Today Vietnam, tomorrow Palestine, rejoiced the current cover of Palestine Revolution, the weekly organ of the Palestine Liberation Organization.
>
> The United States departure from Saigon and Phnom Penh was taken as a lesson throughout the Palestinian movement, from chieftain Yasir Arafat to machinegun toting guerrillas in remote hill camps.
>
> The lesson to them is that underdog revolutionaries can get what they want against seemingly overwhelming odds if they persist in the battle against American imperialism and its agents.
>
> Translated to the Middle East, that means renewed hope of beating the U.S.-backed forces of Israel.
>
> "Comrades, your victory over American imperialism and its agents in your country has given us limitless confidence to pursue and strengthen the struggle the same way you did." Arafat cabled the Viet Cong after their triumphant entry into Saigon.
>
> The end of the American presence in Indochina encourage (sic) some radical groups in the conviction that victory is possible only through combat, and that negotiations with Israel are pointless anyway.
>
> "The will to fight must be stronger than the will to bargain and capitulate," commented the weekly Al Hadaf, organ of the Popular Front for the Liberation of Palestine, in drawing lessons from the Vietnamese experience.

When our Secretary of State Henry Kissinger proposed a Middle East settlement calling for Israeli withdrawal from much of the Sinai Desert backed up by a pledge of support by the United States in the event that Egypt declaration of nonbelligerency proved to be temporary, Israel rejected the plan.

Why? Because Israel did not deem a pledge by the United States as sufficient guarantee in light of our failure to keep our pledges to South Vietnam.

So it is clear that the defeat of U.S.-supported countries in Southeast Asia has already had repercussions far from Indochina. The tremors of our debacle there are spreading like shocks of an earthquake around the world.

ASSESSING U.S. SITUATION TODAY

Mr. President, I received a letter from Dr. David N. Rowe, recently retired after 31 years on the faculty of Yale University, which summarizes very clearly where the United States of America is today. Professor Rowe told me that last March he made an extensive tour of Southeast and East Asia, visiting Taiwan, Manila, Singapore, Kuala Lumpur, Saigon, Hong Kong, Seoul, and Tokyo.

Here is what Professor Rowe wrote me:

> May I say, Senator, that in my opinion as a professional student of United States foreign policy and in particular of its Pacific relations, that the United States is today in mortal danger.
>
> We are, in fact, in my view, standing right on the edge of a precipice, and it will not take much to push us over the edge into national oblivion. This is because we have seemingly become convinced by the Communist propaganda and our own picture of our interests, that it doesn't matter that we are losing progressively and step by step. The Communists will not ever give us another Pearl Harbor, to arouse us into flame! Their policy is the opposite, namely to cut off our right arm one inch at a time, so that, lulled by the false idea that none of our losses is vitally dangerous, we will in the end succumb to their successive and steady detractions from our power and our will to use the power we have.
>
> The American people and their Congress are the center of this matter. The recent constitutional crisis of the Presidency has now given all too much power and influence to the Congress as to the control of foreign affairs, and with the national popular mood being what it is, we are paralyzed and unable to act. Unless this tendency is reversed, not only stopped, we are going to go down the drain of history. My children, and certainly their children, will live under Communist domination unless we stop and reverse the course of Communist aggression against free people.

Let me also cite, Mr. President, comments of Sir Robert Thompson, one of the few free world military leaders who was successful against Communist insurgents. It was Sir Robert who devised Britain's successful anti-insurgency campaign against local Chinese Communists in Malaya in 1950.

According to an interview in the Chicago Tribune of April 27, "Vietnam, Thompson insists, is the most recent proof of a disintegration of willpower that has made the Western Alliance a sitting duck for the communists."

Thompson is quoted directly as saying:

> The retreat of the United States before Moscow, like that of Napoleon, is going to litter the world with corpses. You have shown that you are not prepared to stand on fundamental issues—for instance, the sanctity of treaties. This is a blatant breach of an agreement by North Vietnam and you are letting them get away with it. . . . You have a Congress which has only one foreign policy line—that if you surrender the killing will stop.
>
> And you have a President in the position where he has no army, no air force, no navy, no money, and no message. Look at the map; you are in full retreat before Moscow at the present time. * * * Once a country goes communist it comes under the communist umbrella—and here's the point—forever! Forever! Their staying power is forever! Where's yours?

I also quote, Mr. President, from a letter I received from a gentleman who said he was an immigrant from World War II and who is now an American citizen:

> Not long ago after the second world war America donated to the world enemy Russia many countries in Europe, including my former country Lithuania. By this American action I lost my country, my freedom, my people, family and home. Threw me from country to country, treated me like a criminal, called me names, displaced person and foreigner. * * *
>
> All Asian and Europe minor countries do not trust America anymore, because America doesn't keep its word and can not protect his friends from communist aggression, no reason for them to fight because they lose anyway. * * *
>
> Thirty years ago America donated to communist Europe, today Asia, it will soon come tomorrow for America, because America can not fight and win against all the world, because they do not have any friends left. * * *

As for Vietnam and Cambodia, this man wrote me:

> This tragedy for these countries is going to end, but will begin for our country America. First, Middle East, Portuguese, Indonesia, Thailand, Philippines, Turkey, Greece and other free countries.
>
> These countries will automatically surrender to the communist if received pressure from them, because they know that America can not protect them from communist aggression and for them no reason to fight, lose anyway.

Then he asked the chilling question: "Has this Senator prepared plans for American orphaned children and which country will accept our children?"

Indeed, Mr. President, which country will accept our orphans?

ONLY AMERICA CAN SAVE AMERICA; NO OTHER COUNTRY CAN

The plain fact of the matter is there is no country that can save America. We must save ourselves.

If we do not take the steps to insure our survival as a free nation, we cannot count on any other nation to guarantee life, liberty, and the pursuit of happiness for Americans.

FREE NATIONS MUST EXERT GREATER EFFORTS

Nevertheless, starting with the premise that free nations all over the world are in far greater peril today than they were 2 months ago, I believe every nation and every freedom-loving people must take steps against takeover by authoritarian regimes, be they Communist, Fascist, anarchist, or whatever.

Every nation and every freedom-loving people must rededicate itself to the defense of freedom against onslaught from whatever quarter.

THIRD WORLD COUNTRIES TAKE HEED

The so-called third world nations cannot remain oblivious to Communist gains and authoritarian triumphs in other countries. Outnumbering the United States in world forums like the United Nations and the Interparliamentary Union, the third world nations take a seeming delight in trying to embarrass and humiliate the United States. I say to the third world people: If the United States falls, you will have lost the greatest force for self-determination, independence, and liberty the world has ever known.

You of the third world know the United States does not threaten to take over your land or your government or your people. Had the United States been an expansionist power, the Philippines could still be U.S. territory, Japan today would be a U.S. colony, the former U.S. sector of West Germany would be today a European toehold for the United States, and Micronesia would be U.S. territory, too.

What territory has any Communist power given up? What neighbor of a Communist country sleeps easy at night?

The answer in both cases is "none."

Every nation and every freedom-loving people must become stronger economically, militarily, and morally. The task of defending freedom is so enormous and costly that the United States of America cannot do the job all alone.

We are hard-pressed just to take care of our own national economy and defense and to meet our solemn treaty agreements with NATO countries, with Middle East countries, with Japan, the Republic of China on Taiwan, the Republic of Korea, and the Philippines.

NO TIME FOR DEFENSE RETRENCHMENT

Because America's burden is heavy, because our national economy has been in trouble, and because America is no longer involved militarily in Southeast Asia is no excuse for defense retrenchment. On the contrary, the danger signals are flashing red for us all over the world.

As AFL–CIO President George Meany said in a recent speech:

> Every basic Communist tactic of seizing power is now on display throughout the world—naked aggression in Indochina; political blackmail in the Middle East; an outrageous putsch in Portugal; a heating up of the cold war in Korea, and a diplomatic and propaganda war in international institutions.
>
> Nobody, but nobody, with common sense can believe that the Mideast, Vietnam, Portugal, Greece, Turkey, the UN—nobody can believe that these are separate, dismembered developments that have no relation to our policies or to the over-all policies of the Communist world.

Now is the time for America to strengthen our national defense structure and forces. We must reevaluate our foreign policy and determine how we will prevent Uncle Sam from being pushed around, humiliated, and harassed any longer.

Prince Sihanouk, nominal leader of the Cambodian Communists, was quoted in the Paris newspaper, Le Monde, as saying:

> We did what they said we could never do. We defeated the Americans.

Like it or not, this is how the Communist world—and let's face it, how much of the rest of the non-U.S. world—interprets recent events in Southeast Asia. Such an attitude can evoke a spate of tests for America around the world to see how much farther we will fall back.

North Korea may instigate trouble against South Korea to see whether, in panic, the U.S. Congress will demand the withdrawal of all U.S. forces in the Republic of Korea.

We can expect further tests elsewhere—diplomatically, against the Philippines for example, to get the United States kicked out of our naval base at Subic Bay and out of our Air Force base at Clark Field.

Already, the fall of Cambodia has compelled the Thai Government to publicly announce the United States must quit all our bases in Thailand.

Will Japan come under pressure to close down the U.S. air and naval base on its territory? One-third of Japan's export market is in Southeast Asia. Will Communist control of Southeast Asia threaten Japan economically and politically?

The more friends America loses in the Far East and Pacific, the more forward bases we must abandon, the more difficult it will be for the United States to keep the sea lanes open for trade and commerce and the more difficult it will be for America to assist Japan and other now-free countries under our mutual security pacts.

All of these possibilities underscore for me the necessity for the United States to beef up our defense mix of forces in our own territory and under our own control.

To disarm or further weaken U.S. defenses would be the worst possible course of action for us to take in our ever-more dangerous and unstable world.

PACIFIC-FAR EAST PICTURE

Let me draw a picture of the Pacific-Far East and the U.S. defense posture there. Other Senators today will describe the situation in other parts of the world.

First of all, the Pacific ocean is enormous, the largest body of water on the face of the Earth.

Covering nearly 64 million square miles, it is twice as large as the Atlantic ocean.

Between Panama and the China Sea, it is 11,000 miles wide. But between Alaska and the Soviet Union on the Bering Strait, it is only a few miles wide.

More than one half of the world's population of 4 billion people live in the Pacific basin or in countries rimming the Pacific ocean. These include the United States with the west coast States of California, Washington, and Oregon directly on the ocean, likewise Alaska; and the State of Hawaii in the mid-Pacific ocean; 2,500 miles from the U.S. west coast. Included also in the Pacific nations are the People's Republic of China, Indonesia, Japan, Malaysia, the Republic of China, the Soviet Union, the Philippines, Vietnam, and various other nations.

From the time that men became waterborne on seagoing vessels, the oceans and seas of the world have been of tremendous importance to their economic life and progress.

Because trade and commerce among nations are so important—indeed are the lifeblood of a number of nations such as Japan—freedom of the seas has been a cardinal tenet of international relations.

At the same time, however, throughout history piracy and interdiction of sealanes have been practiced even as they were practiced this week off the coast of Cambodia.

FREEDOM OF THE SEAS VITAL TO U.S.

Freedom of the seas and uninterrupted shipping and commerce are of vital importance to the United States even though we have many natural resources and a fair degree of self-sufficiency.

According to the "Special Report—Critical Imported Materials," of the Council on International Economic Policy, published in December 1974, the United States is—

> Both a leading supplier and purchaser of internationally traded raw materials. About one-third of our exports and imports are non-manufactured. Our total trade in these commodities last year amounted to roughly $45 billion from which we realized a trade surplus of more than $1 billion.

The Council reports went on to say:

> We are a leading supplier of raw materials to Western Europe and Japan, as well as many less developed nations. The United States plays as important a role in international grain and oilseed trade as do the Persian Gulf countries in crude oil trade.

Further, the Council report stated:

> Over two-thirds of our industrial raw material imports come from Canada, Australia, South Africa and other developed countries. . . . While there is relatively little trade in minerals between Communist countries and the rest of the world, the United States relies on the USSR for significant amounts of two important items—platinum group metals and chromium.

According to the Council:

> On an overall basis, U.S. import dependence on . . . critical industrial materials (other than energy) is modest, about 15% of our consumption . . . our situation with respect to particular critical materials varies

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greatly: for example, we have exportable surpluses of phosphate but are totally dependent on foreign tin.

In analyzing our situation further, the Council said:

> The loss of supply could seriously hurt our economy, adversely affect our national security or reduce our foreign policy maneuverability. The lost supplies do not have to account for a large portion of our needs to be highly disruptive. For example, the crude oil embargo covered only 15% of our petroleum and 8% of our energy needs.

Department of Interior figures show the United States is wholly dependent on imports for more than half our needs of the basic raw materials used in our Nation's industrial economy. These are bauxite, chromium, manganese, tin, tungsten, and zinc. We are totally dependent on imports of tin, as I mentioned earlier.

TRADE AND COMMERCE PROVIDE JOBS FOR AMERICANS

When I speak of our Nation's economy, Mr. President, I am endeavoring to show that these materials are vital to keep our industries operating and to provide jobs for millions of Americans. With most of the materials imported and coming to the United States by ship, we begin to realize all the more how vital freedom of the seas and peaceful commerce and trade are to the livelihood of our people and the economic health of our Nation.

STRONG NAVY ESSENTIAL FOR TRADE BY SEA AND FOR SECURITY

One of the most successful means of preserving and protecting the freedom of the seas is to have a strong U.S. Navy, highly visible on the oceans and seas of the world.

A strong Navy requires refueling and repair facilities, supply replenishment areas, and a number of essential support services available at convenient locations around the world. Some of these are provided by foreign countries who consent to our ships making ports of call; others by our own facilities set up on forward bases with the consent of the host government.

A strong Navy is indispensable to America for security reasons. After all, we are a three-ocean nation—Atlantic, Pacific, and Arctic—and the seas are no longer protective moats for our homeland. On the contrary, the oceans serve as highways for submarines armed with intermediate-range ballistic missiles—mobile sealaunchers for nuclear bombs. With the advent of the nuclear submarines, the task of defending the United States shores and hinterland escalated enormously. So we must have a strong and versatile, modern, fast naval force to cope with the submarine threat.

From the end of World War II until the 1960's, the United States maintained virtually unquestioned naval supremacy. The Soviet Navy—except for submarines—generally ranked fourth, after the United States, British, and French navies. Because of the lack of a far-ranging fleet, the Soviet Government was unable to influence the Anglo-French Suez expedition in 1956, the U.S. naval forces landing in Lebanon in 1958, the U.S. naval quarantine which forced the Soviets to withdraw strategic weapons from Cuba in 1962.

SOVIET NAVAL BUILDUP

Since then, the Soviets have made prodigious efforts to remedy their deficiency on the high seas. In mid-1964, Soviet warships were ordered out of their traditional coastal areas and they set up a continual presence in the Mediterranean. Today, the Soviets average about 50 ships on station in the Mediterranean.

Along with the decision to "go to sea," the U.S.S.R. began ambitious shipbuilding programs, which have produced modern missile-equipped ocean-going ships: the KARA class cruiser, the MOSKVA class helicopter cruiser, and the KIEV class aircraft carrier. In addition, Soviet shipyards began producing the YANKEE class nuclear-powered ballistic missile submarine. Today, they have more modern nuclear submarines than our U.S. Navy.

SOVIET STRATEGIC AND CONVENTIONAL FORCES

On a broader spectrum, according to the Foreign Policy Task Force of the Coalition for a Democratic Majority, and I quote:

> The Soviets are well advanced in their campaign to control the Middle East and the Mediterranean basin. The achievement of this goal would decisively tip the world-wide military balance in favor of the Soviet Union, and its allies, and would leave us isolated in a bitter, hostile, and disillusioned world. . . .

Insofar as strategic forces are concerned, the task force said:

> Soviet strategic forces have been growing dramatically during the past decade, and this growth has continued unabated since the SALT I agreements of May 1972. The agreements foreseen at Vladivostok show little or no promise of slowing down this cancerous rate of growth. . . .

Further, the task force pointed out:

> While the Soviets build toward superiority in strategic forces, spending annually about twice as much on them as we do, we have unilaterally frozen the level of our strategic forces. Moreover, we have denied ourselves qualitative improvements that are within reach and are needed to implement our developing strategic doctrine. . . .

Pointing out that the nuclear stalemate that we have been able to maintain so far allows the Soviets the opportunity "to insure conventional wars and proxy wars" (like Vietnam), the task force then offered a sober comparison of American and Soviet conventional forces.

> The Soviet Union has half-again as many men under arms as the United States: 3.4 million to 2.2 million. . . . Direct comparisons are here even more difficult than in the strategic case, and there are great uncertainties about equipment, logistics, training and readiness. But we know that the Soviet and Warsaw pact armies are heavily equipped with tanks and artillery. The Soviet Union alone is estimated to have four times as many tanks as the United States (and five times the annual production rate, even after the projects U.S. step-up in 1975), three times as many artillery tubes and twice as many heavy mortars. While total numbers of Soviet tactical aircraft exceed those of the U.S. by about 40 per cent, they are believed to be producing such aircraft at double the U.S. rate. And their air defenses are not only far greater in their home (strategic) deployment but also in mobile or transportable systems (both missiles and artillery).
>
> At sea, the Soviets have moved rapidly from a coastal defense to a "blue water" navy, with almost as many surface combat ships as the United States, and over three times as many submarines (other than ballistic missile submarines). Here again, their building programs are far, far greater than our own. Their surface ships tend to be smaller, but emphasize speed and intense firepower, and they have been dramatically increasing their at-sea activity rates. They are ahead of the U.S. in surface-to-surface antiship missiles, and have nuclear antiship missiles, which we do not. In a direct conflict, these weapons could take a heavy toll of our fleet at the outset. The Soviets are behind us in endurance and in their ability to resupply their navy while it is under way. In aircraft carriers, with fifteen in service, the U.S. still enjoys a virtual monopoly, but the Soviets now have a program under way which has already produced one carrier and soon will produce another. They possess a formidable attack submarine fleet, although the U.S. currently has far greater antisubmarine resources and capabilities.

As a matter of fact, according to the task force:

> In terms of real defense capability, the United States is in many respects pursuing a course of unilateral disarmament, especially with regard to the Navy and other conventional forces. We are now spending a smaller fraction of our GNP on defense than has been the case for more than twenty years. Defense spending now takes only 26 cents of every federal tax dollar, compared with 45 cents in 1964—this was before the Vietnam buildup—and 57 cents in 1956. (This was when the U.S. was enjoying peace.)

The task force declared that:

> In the face of the Soviet military build-up and Soviet foreign policy, our defense budget is an invitation to disaster.

OUR DEFENSE BUDGET "AN INVITATION TO DISASTER"?

What makes our defense budget an "invitation to disaster"?

Gen. George Brown, Chairman of the Joint Chiefs of Staff and our top military adviser, has publicly declared that:

> We no longer possess that predominance of strategic power which, for over a quarter of a century has protected the peace of the free world and the security of the United States.

General Weyand, Army Chief of Staff, is struggling to provide our Nation with 16 combat divisions and supporting forces—the same as we had before Vietnam—with only 785,000 men and women in Army uniform.

Since 1968, we have cut our Army in half, while the Soviets added 20 combat divisions. Our Army strength now is almost 200,000 personnel below pre-Vietnam totals.

Admiral Holloway, Chief of Naval Operations, must make do with the lowest number of ships since 1939—2 years before Pearl Harbor.

General Jones, Air Force Chief of Staff, has some of the best trained personnel and some of the finest aircraft and equipment in the world, but he has less of both than at any other time since World War II.

Only our Marines have escaped drastic cutbacks. They remain at three active combat divisions under General Cushman.

The realities of our defense budget are that: All the resources added for the Indochina war—manpower and purchasing power—have been removed from the defense budget—and more. As I mentioned earlier, the defense burden on the economy measured against our gross national output of goods and services is the smallest since 1950, the year the Korean war began. In terms of labor force, it is the smallest since 1940, a year when we were woefully unprepared for the war thrust upon us 1 year later by Japan and Germany. The defense shares of public sector resources—manpower and dollars—are the lowest since before Pearl Harbor.

U.S. FORCES STRETCHED THIN IN ASIA-PACIFIC AREA

Certainly, Mr. President, from my personal observation, American defense forces are stretched very, very thin in the Asia-Pacific area. Last October, I visited some of our forward bases in Japan, including Okinawa, in Korea, and in Guam. I visited the Republic of China on Taiwan and talked with our military advisory leaders there. I visited the Trust Territory of the Pacific Islands, where it may be necessary to install bases on the island of Tinian and where we must retain our important missile testing facilities at Kwajalein.

While I was on Kwajalein last October, I witnessed the reentry of the first intercontinental ballistic missile ever launched from an airplane in flight, one of our huge cargo planes. It was a MIRV and it was right on targets in the Kwajalein lagoon corridor. Obviously, this adds an entirely new dimension to our strategic deterrent forces. If we can do this, however, it is only a matter of time until the Soviets can also do this.

So we face the prospect that ICBM's either from land launchers as far away as the Soviet Union or eventually from roving aircraft launchers can be targeted on key cities on the U.S. mainland and on our mid-Pacific defense establishment in Hawaii. But we know that our land and air launchers can retaliate in similar fashion.

What we will have is another stage of the nuclear stand-off, with continued likelihood that, because of the mutual destruction possible, the super powers will not resort to nuclear warfare. That leaves conventional warfare, against which we must be prepared and ready.

In conventional warfare, it is essential that we have forward bases and friendly countries in those forward areas. The *Mayaguez* incident proves that. Would we have retrieved the crew and our merchant vessel if we had not had an aircraft carrier and other naval vessels in the vicinity and trained personnel ready to carry out their assignments?

Returning now to our forces in the Western Pacific, in Japan, the American military presence has slowly declined, at first in response to political pressure, but recently because of defense fund cutbacks. We now have only a U.S. Navy installation at Yokosuka, a Marine air station at Iwakuni, and an Air Force base at Yokota. Air Force units continue to operate out of Okinawa, but no longer do we have nuclear weapons stored there or the U.S. Army units associated with Vietnam. The Marines still retain their base on Okinawa, providing capability for a modest landing force.

In Korea, we deactivated an Army division, leaving us with one division still there, plus several fighter squadrons. On Taiwan, the American presence is down from a high of over 9,000 to only 4,000 today, with further reductions in prospect before June 30 this year.

Our forces in the Philippines stand at 16,000, down from a 1969 high of 25,000.

In Thailand, from a high of 48,000 U.S. military personnel, we will be down to 19,500 by the end of June and, with the debacle in Cambodia and Vietnam, it appears we shall have to remove all our remaining personnel.

From a 1969 high of 764,000 U.S. military personnel in the Western Pacific, our forces there now total less than 140,000. Our Naval forces in the Western Pacific have been cut by about two-thirds, now consisting of three carrier task forces and three and one-third patrol squadrons.

Much of the reduction stems from U.S. withdrawal from the Vietnam war. But budgetary cutbacks have taken their toll, too.

WE NEED FORWARD BASES IN PACIFIC-ASIA AREA

There are those in the United States who say all U.S. military personnel and forces should be brought back from the Western Pacific. Of course, the question then arises: "Back to where?" Hawaii? We could certainly accommodate larger units there. And certainly our Pearl Harbor Shipyard facilities need beefing up so that our workforce and the capability of this vital yard can be kept at maximum efficiency.

Can we pull back our forces to Guam? Here we face limitations of land area and basic facilities.

Bases on Tinian would have to be constructed from scratch, as there is nothing there now that is usable for the Navy and Air Force with jet equipment, nuclear weapons, and so on. So Tinian as a forward base is some years down the road.

The next pullback area is the west coast of the U.S. mainland.

SIGNIFICANCE OF U.S. PRESENCE IN WESTERN PACIFIC

To my way of thinking, the military personnel we have in the Western Pacific are so relatively small that they do not pose a threat to any nation. Yet they are symbolic of America's deep interest in the free nations of Asia and of America's determination to keep sea lanes and air space open for trade, commerce, travel, and communication by the international community.

Our forces in the Western Pacific countries on bases with their consent serve much the same purpose as U.S. forces in Europe. They are tangible evidence of our desire to maintain the territorial integrity and independence of the host nations inviolate from any aggressor. They are all part of what we and our host countries hope will prove to be viable deterrents to war.

The farther from our shores we can keep war, the better. And the more nations we can help to survive aggression by Communist forces the better.

FREE NATIONS ON FRONT LINES IN WESTERN PACIFIC

Just as France, Belgium, the Netherlands, and West Germany are on the front line of European defense, so Japan, Korea, the Philippines, the Republic of China on Taiwan and other free countries are on the front lines of Asian-Pacific defense.

The capital of Seoul in South Korea is less than 30 miles from artillery fire from North Korea, and the Communist regime in the north has been very bellicose toward South Korea. Like North Vietnam, North Korea does not want to leave its southern neighbor alone. South Korea has done a remarkable job of building up its economy while strengthening its defenses. All it asks is that we keep our agreement to help her modernize her defense forces. This we should by all means do, for the South Korean forces will fight very hard to defend their country.

Taiwan is just a few short miles offshore from the People's Republic of China, which contends that Taiwan is one of its provinces and which has attacked Taiwan from time to time over the past 25 years. Taiwan has a well-trained and highly disciplined military force of more than 500,000 men, and they will fight to the end to defend the Republic of China. All the Republic of China forces want is a little easier credit terms on the military equipment they buy from us. The cost to the United States would be nominal and the benefits would far outweigh the nominal interest cost.

Japan, a fledgling democracy, is right in the heart of the Far East, having the People's Republic of China as its huge neighbor to the west, the Soviet Union as another neighbor. If Japan is lost to the free world, we shall have lost one of the four mightiest industrial powers on Earth.

So when we look at the situation objectively, without racial bias or rancor, we see that America's interest in freedom and self-determination and independence in the Asia-Pacific area is as important as our interest in Europe and the Middle East.

I agree with General Brown that:

> Military power in plain sight, close at hand and ready to fight, greatly influences perception on both sides. Any changes we make in the size and location of our forces anywhere in the Pacific will be taken as indicators of U.S. intent.
>
> We should not hastily cut back our military forces and bases in the Pacific. We need to continue our forward deployment strategy and security assistance.

It is inevitable, however, that as our overseas bases have dwindled, it is all the more imperative to maintain strong forces on bases on our own territory subject completely to our own jurisdiction and, in addition, to maintain a strong Navy able to patrol the oceans and serve as protectors of the freedom of the seas.

Although we all deplore the arms race that has been forced upon us by aggressive nations whose goal, so they have reminded us, is to dominate the world,

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still we in America know that we must provide for our own defense. There is no other country that will do it for us.

We need to signal to the rest of the world that we are concerned about Communist inroads in Southeast Asia, about the left-wing coup in Portugal, about the disarray of NATO's southern flank, and about the threatening consequences that flow from these events.

We can do that by taking firm steps to improve our national defense system.

NEED TO IMPROVE U.S. DEFENSES

The Foreign Policy Task Force which I have cited previously recommended, in its analysis, measures that would strengthen both our strategic and our conventional forces, at a cost of $8 to $10 billion. The reason I note their cost estimates is that I understand this Task Force is composed of 34 scholars and former Government officials described as "liberals and Democrats." I make this point clear so no one will think Republican hawks wrote the report.

There are undoubtedly many who would quarrel with their specific recommendations as to how to provide badly needed increments to our national security mix. But no one can quarrel with the fact that the dangers for our Nation have increased in the months since last January, when the President submitted his budget request.

If we can reverse our trend from what has been far too long unilateral disarmament and rebuild until we have unequivocally superior defenses—conventional as well as strategic—we will go a long way to restoring respect for the United States among friends as well as foe. Possibly we could recoup some of the loss of leadership we suffered in Southeast Asia.

By bolstering our national defenses promptly, effectively, and visibly, we shall certainly bolster America's diplomatic efforts toward peace around the world.

If we can accomplish this for $8 to $10 billion more, it would be money well spent. After all, $8 billion would mean an extra cost of not quite $58 a year per each American adult—$1.11 a week. A $10-billion cost would work out to not quite $72 a year per adult American—only $1.38 a week. Surely these costs would be bearable, particularly when our national security is involved.

AMERICAN PEOPLE SUPPORT STRONG DEFENSE

Let me read a postal card I just received from a person in New York City, I quote:

> Do *not* cut our Defense Budget, I beg you.
>
> Our people want Defense superior to Russia.
>
> Our survival as a nation is at stake.
>
> We look to our Senators to keep us a free people and not a slave state!
>
> Cut the budget elsewhere—not on Defense!"

On this same point, let me read from a letter I received from a gentleman from Arkansas:

> DEAR SENATOR FONG: It has been brought to our attention very vividly through the news media, magazines, radio, TV and word of mouth that Congress will very soon vote on the Defense Budget and probably to cut the Defense Budget very drastically. We think that this is the wrong move if we are to protect the United States. It is just as simple as that. We think there is no need to put out money for thousands of other projects within our own confines and not defend our shores. We believe that the front line has shrunk now to our own doorstep.
>
> There is no one of us asking for more taxes, but there are millions of us who would prefer to pay taxes in defense of our own country than to lose our national security and the preservation of our way of life and of the greatest government on the face of the earth.
>
> We sincerely hope that you will vote to maintain our Defense Budget at its highest level and possibly add to our national defense.

I truly believe that, if Congress and the administration would level with the American people about the world situation and about the state of our own defenses in the face of of growing peril, there would be an outpouring of support from the American people in favor of more funds for procurement, for modernization of our forces, and for research and development to make sure we remain technologically in the forefront on defense matters.

To paraphrase our late President John F. Kennedy, I believe the American people would bear any burden and make any sacrifice in order to preserve the United States as a free, independent country.

To convince them to bear that burden and to make that sacrifice, however, we in Congress and the administration must evolve policies that will command the respect and concurrence of the American people. We cannot have 535 Secretaries of State in Congress and we cannot pull the rug out from under the President and expect the American people to rally round.

I believe the American people would give Congress and the administration wholehearted support if we take steps to insure that the sea and air lanes will remain open so that peaceful trade and commerce can be carried on without piracy, without extortion, and without harassment.

We in the island State of Hawaii particularly know what it is to suffer when our shipping lifelines and our air transportation services are interrupted or cut off. Surface vessels bring in 98 percent of our consumer goods. Air carriers handle nearly 100 percent of our transport of people and sustain our vital tourist industry, one of our leading economic pillars.

Because of our cultural and ethnic ties with Far East and Pacific countries, we in Hawaii trade extensively with them. Every drop of crude oil imported into Hawaii—and this is our only source of energy—comes from Indonesia. We import food products from Japan, Korea, the Republic of China, Hong Kong, and the Philippines. We import cloth and finished garments from nations of the Far East, and many, many other agricultural and seafood products and manufactured goods.

Similarly, mainland United States carries on extensive trade with countries of the Pacific and Asia. We sell vast quantities of grains raised by American farmers and many different kinds of manufactured items. In 1974, U.S. exports to the Far East-South Asian region grew by a whopping 44 percent. Because of the various disruptions in trade, this growth is expected in 1975 to be about 23 percent, for a total of $29 billion, with Japan taking about 46 to 48 percent of the total.

As William J. Casey, Chairman and President of the Export-Import Bank noted:

> America's two-way trans-Pacific trade amounted to $34.8 billion in 1973. That was $2.6 billion more than our trade with the European Community.

AMERICA CANNOT IGNORE ASIA-PACIFIC AREA

So we in America cannot ignore the Asia-Pacific area nor can we turn our backs on those nations. International trade and commerce are vital to America's economic well-being and national security. Growing international trade and commerce mean more jobs for Americans, incentives for capital investment, dividends for stockholders, and badly needed taxes to help run our Government.

Healthy and harmonious trade relations help to strengthen the free nations of the Asia-Pacific region who are our best customers. The stronger they are, the better able they are to resist diplomatic pressure or blackmail and the better they can deter aggressive attacks on them.

With sufficient economic strength, all can do more to bolster their own defenses and thereby help to insure their survival.

WHAT THE BASIC ISSUE IS

After all, this is what the conflict all boils down to: whether we as free people have the will and the determination and the perseverance to remain strong and ready against communism or any other brand of totalitarianism and authoritarianism, whether from within or from without.

A custodian at a junior high school in California wrote to me last week and expressed the issue very succinctly. He wrote:

> I know something about the horrid communist form of gov't through people I have met. These people fled other countries and had terrible tales to tell. I believe in America. I believe in the Constitution and the bill of rights. Our country was founded on these great principles. . . . I love this great country and wouldn't want to live anywhere else. Would you? We need to be vigilant to make sure our freedoms are preserved.

When I receive letters and postal cards and wires such as I have in recent days, I am all the more determined to do all that I can to help insure the survival of our Republic and the precious freedoms we Americans enjoy.

I urge my colleagues to vote for more defense muscle and to formulate policies that will guide our Nation through the very dangerous months and years ahead. None of us would ever want history to record, after our service in Congress, the grim epitaph feared by reporter Bill Miller in the Manchester, N.H., Union Leader last February 22:

> Here Lies the United States of America,
> A Great Nation Which Almost Made It!
> Exit XX Century.

Mr. McCLURE. Mr. President, I ask unanimous consent that the time assigned to Senator THURMOND be reserved to the end of the list.

The PRESIDING OFFICER (Mr. STONE). Without objection, it is so ordered.

Under the previous order, the Senator from Arizona (Mr. FANNIN) is recognized for not to exceed 15 minutes.

BILATERAL RESPONSIBILITY OF DEFENSE COMMITMENTS

Mr. FANNIN. Mr. President, this morning, I am very pleased to have the privilege of talking on the bilateral responsibility of the defense commitments of the Free World.

I wish to discuss a situation which I feel is of immediate importance to the American people and the defense of the free world. The situation to which I refer is the lack of an adequate commitment on the part of many countries of the free world to share the responsibility of defense. The United States has carried the major burden of defense since World War II. Our immediate postwar responsibilities to our allies were immense given the wide-spread devastation.

The world situation has changed dramatically. Thirty years of varying degrees of prosperity have changed the world order. The commitments made and responsibilities assumed by the United States for an overwhelming share of the defense of the free world is no longer a viable solution to actual defense requirements. Events in recent years, and more pointedly, in recent days—in fact, presently happening—clearly illustrate the necessity of the other free nations of the world carrying a heavier load of that commitment.

There is no question that the defense of all free nations is essential to our own personal security. The interdependence of the free nations has never been more obvious. That interdependence necessitates a bilateral responsibility of defense commitments.

Mr. President, 30 years ago the United Nations was founded with great fanfare and naive hopes for the maintenance of future peace. That international institution was dedicated to the preservation of world peace; to the development of friendly relations between nations; to the promotion of principles of equal rights and self-determination; and to the cooperation of member nations in overcoming economic, social, and cultural problems.

The United Nations was, of course, established in this great country of ours. The United States today believes in these goals, the same goals established at that time.

These are noble goals. The United States subscribed to these goals in helping to establish the United Nations. The United States today believes in these goals. However, it has become increasingly obvious that the U.N. is a failure as an organization and that the original goals have been subverted. The nature of the U.N. has changed drastically, and I now believe that it not only is a waste of U.S. tax money to support the U.N., but it is contrary to our own national interest and that of the free world. It saddens us to come to that conclusion. This reality heightens the necessity of mutual dependence by free world countries.

Recent events in Western Europe and Asia have spurred a renewed interest on the part of free nations to review their defense postures. Mr. President, it is my opinion that the United States should work with these nations to assure them of our continuing support as a complement to their own sound, internal defense structure. It should not in any way be our purpose to abandon the free nations of the world who continue to view the United States as a country of military and moral strength.

Mr. President, it appears to me that the development of the relationships between the NATO countries is a healthy example in point. In cooperation with our NATO allies, we have devised a common strategy to meet changing conditions and realities. Within that common strategy, our allies are working with us to improve their force contributions, to get better results from their defense efforts and to help meet the special burdens falling on the United States as a result of stationing our forces in Europe. Europe has continued to increased its share of the defense burden as they should. For some time after World War II, we furnished a large share of NATO's troops and weapons until our allies could rearm themselves. At the present time, Europe provides 90 percent of the ground forces, 80 percent of the ships, and 75 percent of the aircraft deployed in Europe. Their defense expenditures increased 10 to 15 percent in constant prices between 1970 and 1973.

Their forces are for the most part being modernized and improved in accordance with agreed NATO priorities in whose formulation we have played a major role. Mr. President, this development with NATO is a healthy one which should serve as an example to other nations of the free world.

I especially would like to refer to some of the other areas of the world. The areas of the world which most concern me are Asia and the Middle East. Our involvement in Southeast Asia has brought heartache and bitterness to the inhabitants of these countries and to the American people. It should be clear that the remaining free nations of Asia have difficult days ahead in their own defense efforts. It is equally clear that the only true deterrence to Communist takeover in Asia is a strong determination to withstand aggression and the military capability to back up that determination. The United States should supplement those efforts but we cannot supplant them.

Japan must play a crucial role in the self-defense responsibilities in Asia. Today, however, Japan is dependent upon the United States for virtually its entire defense.

Mr. President, we know that this will continue for some time, but we also know that the Japanese have the ability to contribute a great deal more financially in providing an umbrella, not only in their area, but in many areas of the free world. We have had a relationship with Japan that has been in effect now since World War II. This relationship has proven the ability of a victor to assist a nation that has gone down to defeat in making an almost unbelievable comeback. Japan was a devastated nation, but one with great determination, and they have made an industrial comeback that has been the envy of most of the countries of the world. We have participated in that endeavor, being the greatest foreign contributor to their efforts in making this remarkable recovery.

But we have a responsibility to the American people to recognize the responsibility that the Japanese have to our Nation.

We have been successful in rebuilding and helping them to rebuild their industries which have become highly competitive with the United States in many parts of the world. It was inevitable that they would be competitive in parts of the world where we did not have the same advantages that accrue to the Japanese people.

We were, as a nation, very proud that they were able to step forth and fill some of the vacuum in areas where the needs were the greatest.

But it has gone beyond that to where we have been the recipient of a good share of their exports, and it is doubtful that this Nation can continue to accept the same conditions that exist today. That is why we have inaugurated a program of trade relationship through the trade bill that was recently passed, in order to have a better quid pro quo with other nations of the world such as Japan.

We want to continue the wonderful relationship we have, but this relationship of complete dependence must cease, and the Japanese must accept the burden of defense which their productive economy can sustain.

As we consider what has happened in our country, with the decline in many industries, we can begin with our industries that have suffered perhaps the most, our electronic and auto industries. This is not only true of the Japanese imports, but we can talk about the fact that almost 20 percent of the cars being sold in America today are imported cars. This is something that we must recognize as quite a barrier to employment in this country.

This is not on a quid pro quo exchange of goods. We allow cars to be imported with a 3.5-percent tariff imposed, and with few nontariff barriers. However, when we ship motor vehicles to other countries of the world we not only have higher tariffs in all those other countries, but we have very serious nontariff trade barriers.

If we are going to work with the countries of the world that are dependent upon us for their defense, then they must work with us to a far greater extent than they have in the past. No longer can we accept the responsibility of covering the seas, covering the different areas of the world with protective facilities. This is very true of the Middle East countries. We have been protecting their waters. It is evident from what has been covered this morning by our colleagues just what has happened as far as naval facilities the United States has today as compared with the Russians.

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But, Mr. President, many free countries of the world would collapse if their supply of Middle East oil were cut off, this matter is involved in what has been happening as far as the naval facilities are concerned. As has been brought out this morning, we have not kept pace with the Russians in that regard.

But when we talk about the dependence of so many countries of the world on imports, we are quite dependent ourselves, but others are much more dependent. For example, Japan depends on oil for 75 percent of its total energy needs, of which 93 percent is imported from OPEC nations; 45 percent of the United Kingdom's energy is derived from petroleum, of which 87 percent is imported from OPEC nations. Germany, France, and Italy show a comparable dependence on Middle East oil. Germany—55 percent total energy from oil, 93 percent of oil from OPEC; France—66 percent total energy from oil, 94 percent of oil from OPEC; Italy—80 percent total energy from oil, 77 percent of oil from OPEC.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BUCKLEY. Mr. President, I believe under the order I have 15 minutes.

The PRESIDING OFFICER. That is correct.

Mr. BUCKLEY. I will be glad to yield 2 minutes to the Senator from Arizona.

The PRESIDING OFFICER. The Senator is recognized for an additional 2 minutes.

Mr. FANNIN. Mr. President, to continue with the dependency we have and other nations of the world have on OPEC countries, I stated that Italy has 80 percent total dependence for its energy from oil, with 77 percent of the oil from OPEC nations.

These nations and others similarly situated would be devastated by a cutoff of Mideast oil. The Soviet Union's military buildup in the Mediterranean gives me great concern for the continuing availability of Mideast oil. Those nations whose dependence on Mideast oil is greater than that of the United States must share responsibility for assuring its continuing availability.

Mr. President, in this great country of ours we talk about the development of energy resources and what we will be able to do in the future. It is very evident that we could not come to the rescue of other nations of the world or free nations of the world as we have in the past when disaster struck. This is no longer possible. Our availability of petroleum products is going down and down, whereas our utilization has been increasing.

We have stopped that increase to a certain extent, but we have not been able to increase our development and exploration for oil. This development is partly due—and many of us recognize it as our own responsibility—to our lack of determination in many respects to develop other energy resources and to complete the facilities we need to make products available to this country.

Mr. President, my comments this morning were intended to illustrate what I believe is a realistic approach to the defense of the free world. The United States cannot view itself nor can other nations view the United States as the sole defender of freedom. Those who enjoy the blessings of freedom must realize the burdens which necessarily accompany the benefits. This policy has never been more clearly necessary than it is today.

The PRESIDING OFFICER. Under the previous order, the Senator from New York (Mr. BUCKLEY) is recognized for not to exceed 13 minutes.

THE NEED FOR THE MODERNIZATION OF THE U.S. STRATEGIC BOMBER FORCE

Mr. BUCKLEY. Mr. President, I thank the Senator from Arizona for his contribution to this morning's review of the various facets of our defense needs.

I would like to address my remarks to the need for the modernization of the U.S. strategic bomber force.

There have been several consistent threads of U.S. defense policy since the dawn of the nuclear age in 1945. Perhaps the most important of these has been the policy of deterring a nuclear war by maintaining a thoroughly credible posture for conducting such a war if it became necessary. To do this, we have elected to diversify the means of delivery between land, sea, and air-based systems so that unanticipated improvements in the defense capabilities of our adversaries against one mode of delivery will not nullify the credibility of our entire deterrent. Clearly, a strategic nuclear force which is not credible in its ability to respond to nuclear attack will not deter.

This policy of diversity in the means of delivery of nuclear weapons has been referred to as the nuclear "triad" and has been the subject of tense efforts by the Department of Defense and the Congress to keep the capabilities of our land-based missiles, our strategic bombers, and our submarine-launched ballistic missiles ahead of the technology for defending against it.

The present mainstay of our strategic bomber force is the B–52 Stratofortress. This eight-engined jet bomber was designed in 1948 to keep ahead of the only two means known at that time for defending against an attack by a bomber. By specifically designing the bomber to operate at high altitudes, it would be immune from the antiaircraft guns which the Soviet Union possessed in large numbers after World War II. Moreover, it could operate high and fast enough to be able to deal with the early jet fighters which the Soviets were deploying in the early 1950's in very large numbers, specifically the Mig-15 and the Mig-17.

Gradually, however, the technology changed insofar as the capabilities of the Soviet defense system against bombers was concerned. During the 1950's, the Soviets deployed large numbers of high altitude surface-to-air missiles including the SA–1 Guild and the SA–2 Guideline missile. These developments made high altitude attacks for which the B–52 was designed highly dangerous. Unless countered, such advances in Soviet defense technology would seriously impair the deterrent capability of the B–52 bomber force by reducing its ability to survive in a conflict.

This vulnerability has been offset through a number of expedients. The most important has been the modernization of 250 of the existing B–52 bomber force so as to improve their performance and survivability at low altitudes. At the present time, these aircraft are the heart of the U.S. strategic bomber force since they are the only ones which can survive under present Soviet air defenses; the balance of the B–52 force remaining vulnerable to the vast Soviet SA–2 and SA–5 air defense network.

I am confident that the bomber force we now possess is an effective contributor to our overall deterrence posture, and it has proven its durability and effectiveness in many of the important confrontations with the Soviet Union we have had in the past 2 decades. To cite only one of many examples, the B–52 force—along with the then much used B–47 medium bomber force—provided a striking display of strength along the periphery of the Soviet Union during the Cuban missile crisis. Placing the strategic bomber force on an airborne alert provided a highly visible display of Presidential resolve that contributed much to bring the crisis to an end.

It is important to note that there is no way that land-based missiles can be placed on the sort of visible alert that will telegraph the seriousness with which we view a particular prolonged crisis.

No element of the environment in which we live has changed more inexorably over the past several decades than has military technology. This has been particularly true since World War II where there has been a regular pattern of advances in the host of exotic technologies which are part of the development of strategic weapons. The regularity with which advances have been made in strategic nuclear forces and in defense technologies make it no longer possible to rely on the B–52, however modified for very much longer. It is imperative that the United States move on to a new generation strategic bomber force. Furthermore, we must keep in mind that it is not feasible, because of the complexity of modern weapons, to make a decision to develop a new weapon one day, and get the weapon in the hands of the troops on the next. It takes years.

The current strategic bomber now in advanced development, the B–1, has been in research since 1963, and it will not be available for deployment in significant numbers until the early 1980's. Thus, a decision to modernize the bomber force must be made well in advance of the deployment of new defense systems that will nullify the threat of our existing bombers as a credible deterrent force. Only by acting now can we maintain a high degree of confidence in our strategic nuclear deterrent.

Thus, there will be this keystone to maintaining the peace.

The nature of the long-term threat to the bomber force is perhaps better understood than is the threat to the ICBM force and the submarine launch ballastic missile force. For this reason it is possible to plan more confidently many years

in advance to deal with the potential threats as they appear. As matters now stand, the B–1 will be better able to deal with the primary threats likely to emerge to its survival than any alternative or any existing bomber. These threats include:

Depressed trajectory submarine launch ballistic missile attacks against the airfields on which the B–1 is stationed—the B–1 can be airborne in the time which elapses between warning of an SLBM launch and the time of impact;

Low altitude antiaircraft artillery and missiles; because the B–1 can fly at high speeds at very low altitudes, its period of visibility to hostile missile and antiaircraft gunfire is so short as to make it extremely difficult to defeat; and

Manned interceptors such as the Mig-23 and the Mig-25; the B–1 is able to deal with threats of this kind more easily because of its reduced radar visibility, higher speed, and greater endurance than other existing aircraft.

On the other hand, the existing B–52/FB–111 bomber force will become increasingly vulnerable to these threats. Therefore, any long-term reliance on them will decrease necessarily the credibility of our airborne deterrent.

A loss of credibility in the bomber force would compel reliance on the land-based and the submarine forces. The ICBM force, on the other hand, is becoming increasingly threatened by high-yield accurate MIRV systems.

Now, in advanced development, the Soviet Union has such a preponderance of power in its giant missiles that even without the kind of accuracy we would require with our smaller missiles, they can develop kindred counterforce.

Also, we must anticipate that there are possibilities of advances in antisubmarine warfare technology which would, in turn, make our seemingly invulnerable submarine force a less than certain deterrent in the years ahead.

No one can be confident, Mr. President, in predicting what path technology will lead in the next decade or so, but it is unlikely to be more hospitable to the existing U.S. strategic force including all elements: bombers, missiles, and submarines. If we are to maintain our credibility with our adversaries in a political crisis; if we are to insure that any U.S. President has the confidence he needs to force any potential nuclear-armed adversary to back down in a crisis, we must have the most modern versatile and effective strategic nuclear force we can afford.

Mr. LAXALT. Mr. President, the Soviet Union now possesses a clear superiority in strategic nuclear forces. In my estimation, the current imbalance is likely to grow worse and in doing so will present this Nation with a clear and present danger.

The Defense Department has long adhered to the concept of the triad. To assure the survival of the United States, sufficiency if not superiority in manned bombers, intercontinental ballistic missiles—ICBM's—and submarine launched ballistic missiles—SLBM's—was once considered an absolute necessity. But now, according not only to Pentagon figures but to those of the International Institute for Strategic Studies as well, we appear to have lost our formerly overwhelming superiority in both ICBM's and SLBM's. While we still maintain a numerical preponderance in bombers, the utility of that superiority in the absence of strong support from the other parts of the triad is open to serious question.

According to the IISS, the U.S. Strategic Air Command now possesses 1,054 ICBM's, including Minuteman One, Two, and Three, and 54 leftover Titans. The Soviet Union has over 1,500 ICBM's including 288 of the massive SS–9's, and over 1,000 SS–11's.

According to Dr. Malcolm R. Curry, the new Director of Defense, Research, and Engineering:

> These missiles will provide the Soviets with carefully balanced new strategic forces which combine accuracy, high numbers of reentry vehicles, a hard target kill capability, and potential for ever increasing destruction.

As if our ICBM situation was not bad enough, we are currently beginning to lag the Soviet Union in SLBM's as well. Accordingly to IISS, the United States now possess 656 SLBM's in 41 Polaris-Poseidon submarines while the Soviet inventory includes more than 720 such missiles in more than 70 submarines. Although it should be pointed out that a number of the Soviet missiles are not of Polaris let alone Poseidon capability, the Soviet rate of construction of high quality Yankee class submarines has recently proceeded at an accelerate rate.

With respect to heavy bombers, although we still maintain a numerical advantage, the Soviets have upgraded their force. The new Backfire bomber, which possesses an operational capability for intercontinental flights superior to that of the heavy Bison bomber is now being equipped with air-to-surface standoff weapons. These bombers diversify the Soviet intercontinental attack force and increase its effectiveness. Their free fall bombs have a hard target capability and unlike missiles, they can be recalled or retargeted in flight. Bombers are also reusable and they have a poststrike reconnaissance capability which can be used in either conventional or nuclear warfare.

Mr. President, I realize that with the development of multiple-independently targeted reentry vehicles or MIRVS, the question of warhead numbers must figure into any strategic analysis. But recently, it has become apparent that the Soviets are drastically narrowing our superiority in this area as well. Together with their long acknowledged preponderance in megatonnage and throw-weight, it will soon be fair to say that across the board the United States is inferior to the Soviet Union in strategic capability.

A major reason for this, of course, is the recent cutbacks in real U.S. defense expenditures. In an era of détente, the Congress has seen fit to cutback sharply the percentage of real U.S. resources devoted to strategic forces. Needless to say, there have been no such cutbacks on the part of the Soviet Politboro.

The situation of Soviet as compared to U.S. expenditures was clearly outlined by Secretary Schlesinger in his statement of June 22, 1974. At that time, he said:

> In the next fiscal year, as a consequence of Congressional cuts and inflation, DOD expenditures will represent about 5% of total economic capacity or the lowest point since pre-Korea demobilization.

Hence, as measured on the basis of percentage of GNP, DOD's spending has been reduced by almost 50 percent since its Vietnam high, and it is even down by 30 percent as compared with the pre-Vietnam period. Moreover, as a percentage of total Government spending, including State and local, defense expenditures are now at their lowest point since before Pearl Harbor.

Meanwhile, the Soviets have not reduced but have actually increased their real expenditures by from 3 to 5 percent per year. While it is very difficult for us to calculate accurately precise figures on Soviet military expenditures, there is no doubt that such expenditures have risen dramatically of late.

Latest dollar projections developed by some of our intelligence agencies indicate that the Soviet Union is now outspending the United States on defense by 20 to 25 percent. In every meaningful category of defense expenditures, the Soviets now outspend us. Calculated in constant U.S. prices, the Soviet Union now outspends the United States by 25 percent in procurement, 20 percent in overall research and development, 20 percent in general purpose forces, and by better than 60 percent on strategic nuclear offensive forces.

It is alarming to say the least that the Soviets are continuing to acquire ever more lethal hardware while our own acquisitions remain stationary. But we must also ask ourselves to what uses will the Soviets put the preponderance of strategic power they currently possess. Needless to say, there are a number of possibilities.

Further erosion of our military capability could easily encourage the Soviet Union to brandish its own power in crisis areas. Soviet actions during the October 1973 Mideast war indicate their willingness to take risks with world peace and stability. We might well ask ourselves to what lengths they will go if our own resolve lacks the cold hardware which should accompany it.

At a time when the United States is actively engaged in various disarmament negotiations and summit meetings, we must remember that bargaining power is synonymous with military strength. Historically, as their military advantage has grown, the Soviets have exhibited a greatly reduced interest in serious negotiations.

Third countries, fearful for their own security, may find closer alinement with the Soviet Union to be a safer course. Lesser powers currently under the Soviet spell may be stirred to initiate brazen acts. Nuclear proliferation among allies and adversaries alike might also be further stimulated as a consequence of a perceived weakening of American posture .

Finally, we have all heard analyses which purport to indicate that the United States has lost the ability to act decisively in foreign policy. I for one, do not believe this for a minute and recent events off Cambodia appear to sup-

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port this view. However, I can see how a foreign power not attuned to the finer nuances of our society could easily be misled into making a dangerous and possibly fatal mistake. The problem, of course, in the nuclear age is that such a mistake would be fatal not only for the aggressor but for a large portion of the industrialized world.

Mr. President, we are tempting fate. We are lulling ourselves to sleep with self-serving arguments about overkill and we are neglecting very serious dangers which the current imbalance in strategic forces and defense spending present for the very survival of our society. We must not allow such folly to continue.

The PRESIDING OFFICER. Under the previous order, the Senator from Oklahoma (Mr. BARTLETT) is recognized for not to exceed 15 minutes.

OUR FUTURE AS A WORLD POWER

Mr. BARTLETT. Mr. President, when will the Congress admit its own limitations in the handling of foreign affairs? The answer to this question may be crucial to our future as a world power.

The disastrous chain of world events in recent weeks, highlighted by the fall of South Vietnam and Cambodia, have intensified doubts about America's foreign policy. While in the past, criticisms of our Nation's policies have been frequent and vocal, they were generally of a different type than the legitimate questions heard today. In the past, questions centered around the wisdom of our policies—today we are asked whether we have a policy at all. Formerly, others wondered why a specific policy was adopted—now the issue is "who makes foreign policy, the President, the Congress, or both, or neither one?" In earlier times, our manner of meeting a commitment too frequently was often challenged—in recent times, we have been challenged as to whether we have any such commitment.

The temptation in times like these is to designate a single factor, such as congressional ineptness for the outcome in Vietnam and Cambodia. For many years in the future, political scientists will be dissecting and diagnosing U.S. involvement in Southeast Asia and the ultimate debacle which occurred there. Years of analysis may be required to give the proper weight to all factors, but it is not too simplistic to say that congressional action ultimately contributed nothing in this area to preserve freedom or enhance our national power, influence, or prestige.

Regardless of analytical variations, one conclusion on which there is unamity is that we lost. Actually, what we lost is a matter of disagreement. Did we lose a war or just not win a war? Can anyone say that we did not lose national prestige? Though some may argue that prestige was lost by our entry into the Vietnam conflict, it can scarcely be argued that our prestige is not lower today as a result of the ultimate downfall of those we defended. Whether our national honor has been damaged might be subject to debate, but can anyone maintain that we have not lost creditability? Congressional vacillation, however well intended, has contributed to losses of prestige and creditability.

Has there been a real, or only an apparent, loss in our commitment to freedom? Who in Congress can make a case that our commitment is stronger than the commitment of Russia and China? While we debated, the Russians and Chinese were pouring in support to their allies—and the world knows it.

Regardless of our views as to what went wrong, few Americans enjoyed the sight of our Ambassador scurrying aboard a helicopter as Saigon prepared for surrender. We are not used to an ally's defeat for any reason, much less at least accelerated because of our failure to supply needed support. Congress literally fiddled while Vietnam burned. Let us hope that we have not become accustomed to our recent role. So that there may be no misunderstanding, my position is not that we should return to the role of world policeman nor is it my view that all world problems can be neatly categorized in packages of black or white. The point is that for at least a decade, American foreign policy in Southeast Asia has left much to be desired—and that growing congressional involvement has been part of the problem rather than part of the solution.

In the days and years ahead, we, as a nation and as a government, must attempt to salvage something of value from that war.

Certainly, various ingredients went into the downfall of Cambodia and South Vietnam. Many of these were out of control and must be left for the consciences of other countries, their peoples, and leaders.

No amount of finger pointing or breast-beating will rescue Vietnam or Cambodia from Communist domination. However, the role which Congress played there must be evaluated. For the future, there is one central issue to which these remarks are addressed: What is the proper role for Congress in foreign affairs?

Since the inception of the Republic, the question of Congress' role in foreign policy has been debated. The debates included a pronouncement by the U.S. Supreme Court, Charles Evans Hughes presiding, that congressional participation "in the exercise of the power over foreign policy is significantly limited. In this vast realm with its important, complicated and delicate problems, the President alone has the power to speak or listen as a representative of the Nation—in the field of negotiation the Senate cannot intrude and Congress itself is powerless to invade it." United States against Curtis Wright Corp.

President John Kennedy said:

> It is the President alone who must make the major decisions of our foreign policy.

However, to the contrary, our former colleague and a constitutional scholar, Senator Sam Ervin, said that:

> When the legislative branch ceases and desists from responsibily and effectively exercising its constitutional powers with respect to foreign affairs, the Republic will come to an end.

History reflects the occurrence of periodic shifts in the balance of power in foreign policy between the Congress and the Chief Executive.

But, for most of our nearly 200 years, the Congress has taken a back seat to the President. Most leaders of Congress have bragged in times of international crisis that political partisanship ends at the water's edge.

This unanimity of support for the ballooning of the Vietnam war was evident in the 88 to 2 vote in favor of the Gulf of Tonkin resolution. However, eventually widespread dissatisfaction by the people in an unpopular war prompted many Members of Congress to object to the war, President Johnson to decide against reelection, and President Nixon to gradually withdraw all American combat troops from South Vietnam.

From this devastating experience, most Americans wanted Congress to be a safety valve to the Presidency to prevent a repeat of sending Americans abroad in an unpopular war. So I believe most Americans agree enthusiastically in the constitutional requirement that only Congress can declare war or engage Americans in lengthy foreign military combat.

Thus, the War Powers Act of 1973 with the Church-Case amendment forbids the involvement of American troops in Southeast Asia. Overreaction and unconstitutionality may be determined from President Ford's use of troops in the evacuation of Americans and foreign nationals from Cambodia and South Vietnam; and from efforts to free the predominantly American crew and their American freighter, the *Mayaguez*.

So, born of an unpopular war, prodded by the illegal misuse of Presidential power in the Watergate scandals, and supported by a one-sided Democratic majority, Congress has succeeded in strongly asserting itself in foreign affairs during the last years.

Unfortunately, the results have at best been mixed, and probably more accurately, have been dismal.

In President Ford's April 10 speech, he enumerated a number of instances in which he believed Congress had gone too far, acting beyond its purview in attempting to define the tactics as well as the underlying strategy of U.S. foreign policy. An illustration given by the President was the Jackson-Vanik amendment in which the Congress, acting over the objections of our Secretary of State involving ourselves in the internal affairs of another nation, sought to enlarge Jewish emigration from the Soviet Union. Instead the Soviets restricted the flow of emigrants and abrogated an agreement which could have brought considerable economic benefit to this country. Nothing was gained and much was lost.

Nor has the congressional action in cutting off aid to Turkey brought us any closer to an equitable settlement of the Cyprus problem; instead it has weakened the eastern flank of NATO and soured, perhaps irreparably, our relations with two traditional and staunch allies standing between the Soviet Union and the Middle East—Turkey and Greece.

Most disconcerting to me was the inept handling by Congress of our affairs in Southeast Asia.

After the Paris accords of January 28, 1973, President Nixon's policy was a continuation of Vietnamization with sufficient military aid to South Vietnam to carry on an effective offensive-defensive war against North Vietnam. But the Congress reduced requested appropriations by 600 million and 700 million respectively in each of the fiscal years, reflecting a 50-percent average cut.

On January 28 of this year, President Ford sent an urgent message to Congress requesting an emergency supplemental military appropriation for South Vietnam and Cambodia. On April 16, Cambodia surrendered to the Khmer Rouge, and on April 29, the South Vietnamese surrendered to North Vietnam and the Vietcong—and by that time, neither House of Congress had voted on the President's requests for assistance.

The propriety of the request or the amount is now irrelevant, but it is relevant that the Congress stood by and let our two allies fall without a floor vote on that urgent Presidential request.

On the one hand, Congress had succeeded in asserting itself in regard to our foreign policy in Southeast Asia, but on the other, because Congress totally failed to enunciate a policy in regard to Vietnam and Cambodia, no one knew what our policy was. Our contributions which were most significant resulted from only negative actions and inactions. Establishing a foreign policy by default is inexcusable.

Congress has a valid role in foreign affairs. But the danger is that the collective ego of Congress will make it impossible for Congress to realize its own serious limitations. Certainly, control of the purse strings is a proper congressional role. Congress should be able to assist in the articulation of broad policy, but realistically it must either accept the policies of the President or adopt its own—it cannot play a major role in foreign affairs by endless dialog and handwringing.

The failure of Congress to declare a clear policy in Southeast Asia and to respond quickly to Presidential requests for emergency military aid raises the question of whether two committees of 534 Members can engage responsibly on a wide front in foreign affairs.

Proponents of Congress might point out that the Democratic caucuses of both the House and Senate spoke clearly on March 12 and 13, respectively, when each voted overwhelmingly against military aid to both Cambodia and South Vietnam. This raises the question whether a majority caucus rather than the entire membership of either body should decide such a vital question.

Should a caucus, subcommittee, or a full committee decide such a serious emergency question, or should it in any case go to the floor for full consideration by the entire membership?

Certainly I believe Congress failure to act was critical in the psychological impact of the losses of Cambodia and South Vietnam on our other allies around the world. I believe it is crucial that our foes as well as our allies see us stay to the bitter end rather than cutting the umbilical at the most perilous moment.

Already we are seeing the inevitable reaction to our vacillation and lack of will.

The formerly discredited domino theory is taking on more respect as Laos teeters on the brink of Communist control while our allies in Thailand, the Philippines, and Taiwan have all begun a reassessment of their commitments with the United States. Our current problem with the now famous American freighter, the *Mayaguez*, is a fallout of the domino logic.

I do not know the precise role which Congress should play in foreign affairs. But we must begin a period of self-examination. Secretary Kissinger has called for a major reassessment of American foreign policy objectives and methods. This is essential.

Obviously, one of the questions which must be explored is whether Congress, made up of two committees, one with 100 members and another with 435, can effectively dance every dance in foreign affairs. By its very nature, foreign policy must have a definite firmness, yet a reasonable flexibility capable of quick formulation and clear articulation. Is Congress inherently limited in this role? I favor extending as much as possible the effective participation of Congress in foreign affairs.

Somehow, we must restore—through a partnership between the Executive and the Congress—an unfailing confidence by which foreign governments, friend and foe alike, as well as our own citizens, will know that when the President speaks that he speaks authoritatively for the entire country.

I wince each time I hear President Ford or Secretary Kissinger attempt to assure our allies of our constancy in fulfilling our foreign commitments. At this stage of our history, it appears to be a questionable pledge. It is not a lack of confidence in the commitment or will of President Ford, but doubts about the disposition of Congress. There is reason for Congress to have doubts about itself.

Perhaps such unanimity is impossible with the congressional and executive branches under control of opposing political parties. I do not think that is the case. Perhaps we should limit and carefully define the areas of congressional responsibility, and develop cooperative approaches with the administration in order to forge clear-cut foreign policies while, as in the past, we forget our partisan differences in most matters at the water's edge.

President Lincoln's call to his Congress was most appropriate to our problems of the last few years:

> The dogmas of the quiet past are inadequate to the stormy present. The occasion is piled high with difficulty, and we must rise with the occasion. As our case is new, we must think anew and act anew. We must disenthrall ourselves and we shall save our country.

We must, like Lincoln, "rise" to this occasion, and hopefully, "we shall save our country."

Mr. McCLURE. Mr. President, I ask unanimous consent that 5 minutes of the time assigned to the Senator from Nevada (Mr. LAXALT) be assigned to the Senator from Nebraska (Mr. HRUSKA).

The PRESIDENT OFFICER (Mr. HUDDLESTON). Without objection, it is so ordered.

The Senator from Nebraska is recognized for not to exceed 5 minutes.

Mr. WILLIAM L. SCOTT. Mr. President, will the Senator yield?

Mr. HRUSKA. I yield one-half minute.

Mr. WILLIAM L. SCOTT. Mr. President, I ask unanimous consent that Mr. Coneely, a member of the staff of the Committee on Armed Services, be permitted the privilege of the floor during this colloquy.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HRUSKA. Mr. President, I yield 1 minutes to the Senator from Hawaii.

PROMOTION OF TOURIST TRAVEL

Mr. INOUYE. Mr. President, earlier this week, the House of Representatives passed H.R. 5357, and yesterday this measured was referred to the Committee on Commerce.

This morning, the Committee on Commerce, in executive session, unanimously voted to request that the committee be discharged from further consideration of this measure and that the Senate immediately consider the House-passed bill.

That portion of this bill which relates to domestic tourism is almost identical to the one that we passed unanimously last year. At that time, the House was not ready to consider it because of the lateness of the session. It is an important matter. It authorizes appropriations to the Secretary of Commerce for the promotion of tourism by the U.S. Travel Service. Much has been said about this, and we have had many hours of debate.

Mr. President, I ask unanimous consent that the Committee on Commerce be discharged from further consideration of H.R. 5357, a bill to authorize appropriations to the Secretary of Commerce for the promotion of tourism by the United States Travel Service, and that the Senate proceed to the immediate consideration of the bill.

The PRESIDING OFFICER. Without objection, the committee will be discharged from further consideration of the bill.

The bill will be stated by title.

The assistant legislative clerk read as follows:

> A bill (H.R. 5357) to authorize appropriations to the Secretary of Commerce for the promotion of tourist travel.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. INOUYE. Mr. President, I believe the following statistics clearly indicate how important tourism is to our economy:

First, 313,000 American jobs were created or supported through international tourism alone last year. Four million Americans work at tourism-related jobs.

Second, $4.7 billion was contributed to the U.S. economy by international tourists in 1974.

Third, every visitor arriving in the

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United States from overseas last year was a "living $487 export."

Fourth, 14,123,047 tourists visited the United States in 1974, representing a "temporary population" larger than 48 of the 50 States.

Fifth, visitors coming to this Nation last year left about $340 million in local, State and Federal taxes to help support roadways, schools, welfare, et cetera.

Sixth, tourism within the United States is exceeded only by grocery purchases in terms of dollar expenditures. It is a $61 billion industry in this Nation.

Seventh, tourism is the No. 1 income producer in three States—Florida, Hawaii, and Nevada—and among the three top industries in 43 other States.

Eighth, more than 30 million international visitors are expected to join Americans in celebrating their Bicentennial during 1975–76.

Clearly, the tourism industry is vital to our economy. The same may be said for tourism's contribution to the quality of our life. Expert testimony today suggests that vacations, holidays, and leisure time are not only an integral part of the American life style, but equally important, they are necessary for good mental health.

Despite tourism's demonstrated value, the United States ranks 13th among the nations of the world in terms of funds spent to promote international tourism, and no money is authorized to be spent for domestic tourism promotion.

Recently, in a message to a conference of State travel officials, sponsored by the U.S. Travel Service, the President of the United States said:

> Never before has tourism had such an impact on so many of our national interests. It is a vital aspect of our nation's economy and, more than ever, an important factor in our relations with other countries. Tourism has growing value as a source of foreign currency. It can appreciably strengthen the vitality of our economy at a time when this is our primary national task.

Mr. President, H.R. 5357 is intended to help the United States capitalize on the many benefits tourism offers.

Specifically, the bill would authorize the following levels of funding for the U.S. Travel Service—the agency of Government charged with the promotion of tourism:

International tourism promotion—USTS

	Millions
1. Transition 1976	$5
2. Fiscal year 1977	25
3. Fiscal year 1978	30
4. Fiscal year 1979	30

Domestic tourism promotion—USTS

1. Transition 1976	$0.625
2. Fiscal year 1976	2.5
3. Fiscal year 1977	2.5
4. Fiscal year 1978	2.5

Mr. President, a 3-year extension of USTS' basic authorization under the International Travel Act of 1961, as amended, is not only justified by what the agency has accomplished, but is necessary if the domestic and foreign commerce of the United States is to be strengthened by encouraging foreign residents to visit the United States.

Recently, Mr. James A. Miller, vice president of the American Society of Travel Agents, Inc., very succinctly stated the need for USTS participation in domestic tourism promotion. He said:

> The major deficiency in the functioning of USTS since its establishment 15 years ago is that this agency has had no responsibility or authority in connection with the promotion of domestic tourism. As a result, the promotion of tourism to the United States by USTS has been severely handicapped and the role of the federal government in promoting tourism within the United States has been non-existent.

Mr. President, I would hope that the funds USTS is authorized to receive to promote domestic tourism under this legislation would be used for promotional purposes, specifically to stimulate tourism in our country.

Mr. President, I urge that the Senate pass H.R. 5357.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

THE NEED FOR THE MODERNIZATION OF THE U.S. STRATEGIC BOMBER FORCE

Mr. HRUSKA. Mr. President, I wish to associate myself with the thoughtful remarks of the junior Senator from New York with regard to this country's absolute need for the B–1 bomber as a component of our strategic forces.

There are three basic reasons why the B–1 bomber is essential to the security of our Nation. First, it is a much-needed replacement for the B–52, a fine aircraft but which one day will be obsolete. Second, it is needed to counter advances the Soviet Union has made in its impressive strategic weapons arsenal. Finally, as a reusable and thus recallable weapon system, it can be a vital tool of diplomacy. Let me elaborate on each one of these points.

The B–52 first became operational in 1955. These early models have already been removed from the Air Force's inventory. The B–52's currently in use, the G and H models, were delivered to the Air Force between the years of 1958 and 1962. Their average age is over 15 years. Their extensive and very effective use during the Vietnam war has made it necessary to engage in extensive structural modifications to avoid the grounding of those bombers and to maintain their life into the 1980's. When we enter into the next decade, these bombers will be 20 years old. The technology which produced this bomber will be 20 to 30 years old. By contrast the B–1 bomber would be an up-to-date aircraft capable of coping with the technology of the 1980's.

For example, although the B–1 is but two-thirds the size of the B–52, its radar image is only about one-thirtieth of the B–52's. The B–1 would be able to penetrate to its target at two-thirds lower altitude and at a speed of 55 percent greater at this low altitude than that of the B–52's. These technological improvements are of the greatest importance to the success of whatever missions these bombers might be called upon to perform. Without these advantages we could very well be asking future airmen to fly one-way missions to their deaths.

Another advantage of the B–1 is its swing wing and the turbofan F–101 jet engines which allow it to take off in approximately one-half of the runway distance presently required by the B–52. As a result, these bombers could be much more widely dispersed. In fact, the Air Force has indicated that, in the United States, the B–1 would command more than three times the usable runways than can be used by the B–52. This potential for wide dispersability will make the B–1 more survivable in the case of the first strike by a hostile nuclear power.

Furthermore, the B–1 is hardened whereas the B–52 is not. This means that the B–1 will have far greater survivability in the case of radiation from a nuclear weapon explosion. Its stronger structure will increase its chances of withstanding the pressures which result from such an explosion.

Finally, the B–1 would be able to penetrate enemy air defenses. Thus, it would be far more effective than a "stand-off" bomber which would have less flexibility and less capability. While the B–52 armed with air-launched cruise missiles, would be able to attack targets without penetrating air defenses it could not perform a mission of reconnaissance or attack various targets of opportunity as could the B–1.

All of these advantages, and they are many, might not be necessary if it were not for the rapid and ominous build-up in the Soviet Union's weapons arsenal. Other speakers will give us some idea as to dimensions of this build-up and the threat it conveys not only to our own freedom and existence but also to those who look upon the United States as a friend and ally.

For the United States to allow itself to enter the 1980's without an advanced integrated weapons system, such as the TRIAD, would be an open invitation for certain elements of the Soviet Union leadership to consider the possibility of a first strike against our country. We must not dismiss the possibility of this happening. As the Soviets increase both their offense and defense capabilities, they might be tempted to try one knockout first strike against our strategic forces. The TRIAD system, with its mix of intercontinental missiles, submarine-launched missiles and strategic bombers is the best insurance we can have against such a surprise attack. This system would assure a potential aggressor that a first strike against our forces would insure their own immediate destruction.

My third point is one which some Senators in this Chamber may want to consider very carefully. The B–1 as a reusable and recallable weapon will give future Presidents of the United States added flexibility in deciding upon alternative courses of action.

Unlike the two other elements of the TRIAD system, the B–1 bomber can be used to demonstrate a national intent. With a missile the only decision to be made is whether to launch or not to launch it. The B–1 bomber, however, can be launched, directed, redirected and recalled all within a short period of time.

Thus, they can provide a President

with options for selective, controlled responses, including the use of nonnuclear weapons. The ability of a future President to have at his command these various options could mean the difference between a diplomatic success or a nuclear catastrophe.

As the Congress prepares to examine the question of the B–1, let us remember that the TRIAD system was not designed to be a tool of aggression. The underlying goal of TRIAD is that of deterrence. That goal, however, can only be achieved through the establishment of a complete defense system which has the offensive capability to make would-be aggressors reject aggression against our country as an unacceptable course of action.

Mr. President, the B–1 bomber will not be a panacea for all of our defense problems. It is not meant to be. What it will be, however, is an integral part of our TRIAD system, a system designed to help protect and preserve the free people of our country and those whose freedom depends upon our own.

The importance of the B–1 to our national defense posture cannot be stressed enough. It is an integral and essential component of our strategic forces. Although we have ceased military action in Southeast Asia, we have other commitments around the world that will require our attention, both military and diplomatic, in the years ahead. The B–1 is basic to that mission.

I have highlighted the basic arguments for the B–1, Mr. President, but I would not presume to advance the overall strategy of the Defense Department in this area at this time. To assist all persons who have an interest in gaining a better grasp of this subject, I ask unanimous consent to have printed in the RECORD, at the close of my remarks, two statements which were made last year before the Defense Appropriations Subcommittee on which I serve. They will be helpful to Senators in their consideration of this vital and important concern. One of the statements is by Admiral Moorer, Chairman of Joint Chiefs of Staff; the other is by Secretary of Defense Schlesinger.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT BY ADM. THOMAS H. MOORER

I appreciate this opportunity to present my views on the military posture of the United States. In my opinion, no task assigned senior U.S. military leaders is more important than the duty of keeping the Congress and the American people fully informed on military matters. In the final analysis, our military posture and our national security can be no stronger than the determination of the American people to defend our Nation and its freedoms. This collective will is both developed and represented, in large measure, by Congressional attitudes and decisions. Your role in this process is vital.

In my prior assessments of the military balance and in the over 100 appearances before Congressional Committees, it has always been my intention to relate the military issue at hand to the actual and potential challenge facing the United States on the international scene. That remains my intention in this, my fourth assessment as Chairman of the Joint Chiefs of Staff.

The military posture of the United States can be judged meaningfully only by relating our military forces—both strategic and general purpose—to those of our most powerful potential adversary—the Soviet Union.

In this regard, the negotiation and signing of the Treaty on the Limitation of Anti-Ballistic Missile Systems (ABM Treaty) and the Interim Agreement on Certain Measures with Respect to the Limitation of Strategic Offensive Arms (Interim Agreement) constituted first steps in our effort to restrain the obvious and destabilizing momentum of the USSR strategic force buildup and to establish some control over the deployment of significantly increased strategic forces by both the US and USSR. The force levels for the US and USSR established by the ABM Treaty are equivalent, but the numerical ICBM and SLBM force levels authorized for the Soviet Union by the Interim Agreement are larger than those authorized for the United States. Because of technological and other strategic offensive advantages possessed by the United States, this temporary imbalance was considered acceptable, particularly when weighed against the advantages of reaching some agreement on limiting strategic arms. In the Joint Resolution authorizing the acceptance of these agreements, however, you will recall that the Congress specified the President should seek a future agreement which "would not limit the United States to levels of intercontinental strategic forces inferior to the limits provided for the Soviet Union." Compliance with this Congressional mandate is a primary objective of the current follow-on negotiations to conclude a permanent agreement.

I report to you today that aggressive modernization programs, which could place the United States in a position of strategic inferiority in the foreseeable years ahead, now are being undertaken by the Soviet Union. These programs, although aggresive, are within the terms of the Interim Agreement now in effect. If we are to maintain our relative position, we must continue the development and deployment of the strategic systems required by the President and must continue to insist upon the equivalence which the Congress so wisely has called for as an ultimate goal in our Strategic Arms Limitations negotiations.

With regard to the balance between the general purpose forces of the Soviet Union and the United States, I have noted with apprehension for the past several years that a major shift in the naval balance is taking place. The U.S. still has the edge with regard to the projection of our naval power as a result of the global reach of our fleets through our carrier and amphibious task forces. The USSR, however, is building a modern and increasingly powerful naval force capable of interdicting sea lines of communiaction and obstructing this projection of our military power across the oceans to assist our allies. The exact role of the new Soviet carrier force is not clear, but we may be sure that it portends a new era in the projection of seapower by the USSR.

The tactical air forces of the Soviet Union are in the midst of a major and significant modernization program. The program appears to be directed at overcoming the long-standing qualitative advantage held by U.S. tactical air forces in the ground attack role. The Soviet tactical air forces hold major quantitative and some qualitative advantages in the air superiority role.

The Soviet weapons and equipment observed in the Middle East, together with other evidence, clearly show that the large USSR ground forces also are being modernized with new tanks and new combat vehicles, as well as new and sophisticated combat support weapons and systems. Additionally, there are indications that the Soviet Union is developing air mobile units with ground attack helicopter support which, when combined with its new tanks and combat vehicles, will increase the tactical mobility and firepower of its ground forces.

The strategic programs of the Peoples Republic of China (PRC), by contrast, are proceeding somewhat slower than estimated last year. We still expect the Peoples Republic of China, however, to deploy by the end of this decade a small, but effective, ICBM force which will be capable of striking all of the Continental United States. PRC general purpose forces are being modernized, but also at a relatively slow rate—when compared with those of the US and USSR. Nevertheless, the Peoples Republic of China is continuing to increase its overall military power.

Events of the past few months in the Middle East once again have proven that the military balance must be assessed on the capabilities of potential adversaries rather than on their announced or estimated intentions. Intentions change much more quickly than capabilities and often change solely on the basis of the opportunities that a lack of opposing capability presents. Therefore, the only sound course of action for our future defense planning is to analyze, as best we can, the military balance between the United States and opposing forces based on the capabilities of existing forces projected over the next few years.

Before I turn to the first set of charts, I would like to remind you of the principal caveats.

First, the US force data are drawn from the currently projected Five Year Defense Program. USSR and PRC data are based on the latest intelligence estimates and projections. Both US force data and USSR estimates assume that the ABM Treaty and the Interim Agreement will remain in force for the next five years.

Second, the intelligence organizations can estimate with a fair degree of precision the forces our opponents will have operational in the next year or two. Beyond that point, the estimates become less certain.

Third, while the intelligence organizations cannot predict quantitative deployments very far into the future, they can provide a good indication of the kinds of weapons systems which may be deployed several years from now.

Finally, some degree of personal judgment cannot be avoided in comparing the military posture of one nation with another. Consequently, some of my colleagues may disagree with me on specific details, but I believe there is a general consensus within the Defense Department on the fundamental aspects of these comparisons. You will have, of course, other opportunities to discuss these matters when each of the Service Chiefs presents his report on the major programs of particular concern to his Service. For this reason, I will give somewhat more attention to the ongoing initiatives of the USSR and PRC than to those of the US.

STRATEGIC FORCES

I have emphasized in the past that no task is more important, from a military perspective, than that of developing, maintaining, and protecting a credible strategic deterrent. Detente, offering the opportunity for relaxation of tension, requires that we be strong enough to negotiate with confidence and to insure that our good will is not misconstrued as lack of will, thereby encouraging confrontation. This task presents many challenges because, in making an assessment of the military capabilities of our potential adversaries, we cannot afford to look only at the capabilities of those forces in being today. The long lead time of modern strategic weapon systems demands that we also devote our best efforts to the evaluation of the relative military balance as it is likely to evolve in the years ahead and as it is likely to be perceived in the eyes of our potential adversaries, our allies, and the rest of the world. If we are to maintain a credible strategic deterrent, actual military strength

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is essential, but the appearance of military strength cannot be neglected.

Significant US and USSR initiatives—strategic offensive systems

Shown on Chart 1 are the ongoing US and USSR strategic offensive initiatives which will have significant impact on the strategic balance. I will highlight these initiatives so that the dynamic nature of military balance for the foreseeable future can be fully understood.

Report of the Secretary of Defense
James R. Schlesinger

Mr. Chairman and Members of the Committee:

It is my privilege to present to you the FY 1975 Defense Program and Budget. This is the first budget in a decade or more that does not include support of United States forces in combat. At the same time, it is a budget that must carry us, through maintenance of a military equilibrium, on the passage from the cold war toward a period of enduring peace. In such a difficult period of transition, I have a special duty to review with you the fundamental strategic issues that we face and the basis on which we are developing what we consider to be the lowest prudent peacetime defense posture.

Admiral Thomas H. Moorer, the Chairman of the Joint Chiefs of Staff, will present his customary report on our military posture. He will discuss in more detail than I shall here the current and developing balance of military power.

A. THE INTERNATIONAL SITUATION AND THE DEFENSE ESTABLISHMENT

Our defense budget proposals, of necessity, reflect our perspective on the United States role in the world. It is understandable, of course, that there will be divergencies in judgment among Americans on that role, and those divergencies will be reflected in different estimates of what the defense budget should be. As the Psalmist tells us, "Where there is no vision the people perish." Hence, I would like to share with you our vision.

The United States today, as opposed to the period before 1945, bears the principal burden of maintaining the worldwide military equilibrium which is the foundation for the security and the survival of the Free World. This is not a role we have welcomed; it is a role that historical necessity has thrust upon us. The burden of responsibility has fallen on the United States, and there is nobody else to pick up the torch if the United States fails to carry it.

In fulfilling this responsibility we recognize that we are dealing in a world which is militarily dominated by two states—ours and the Soviet Union. There is no other nation that possesses a military capability comparable to these two states. Consequently, in judging the military balance, and in deciding upon our own force posture, we do so primarily with the Soviet Union in mind.

This does not suggest that we are not hopeful with regard to the future peaceful evolution of world politics; quite the contrary. Considerable progress has been made during the last five years in improving the international political climate. The President has taken many important initiatives: opening up new lines of communication with the Soviet Union and with the Peoples' Republic of China, helping to settle long-standing disagreements between East and West such as Berlin, beginning in practical ways to put limits on armaments, and ending our military involvement in the hostilities in Indochina. There has been a new spirit of cooperation between East and West, reflected in these practical arrangements, that offers the possibility—as yet it is no more than that—of a more durable peace in the future. And as you know, United States force levels have declined substantially in the wake of these Presidential initiatives, and the share of our national resources committed to defense has been significantly reduced.

Neither am I suggesting that the difficulties in the international situation imply that there will be an unconstrained arms race or frequent confrontations between East and West. It is precisely to avoid these circumstances, and to put boundaries around arms competition, that we are engaged with the Soviet Union in SALT II. And it is to achieve a similar objective, through a more stable balance at lower force levels in Central Europe, that we and our NATO Allies are engaged in negotiations on Mutual and Balanced Force Reductions with the Warsaw Pact states.

While we pursue negotiations about mutual reductions of arms, in furtherance of detente, it is my judgment that we must maintain a worldwide military equilibrium. Short of that, we create the possibility of vacuums and temptations that could undermine detente and the hope for improved political relations with the East.

A policy requiring us to maintain our military strength and alliances while we are actively pursuing detente with the Soviet Union and the Peoples' Republic of China may appear to some as incongruous. We have a long tradition in this country of arming with great haste when war comes upon us, and disarming with even greater haste when the war is over; and we have tended, often, to view our relations with other nations in terms of absolutes—friend or foe, ally or adversary, cold war or detente.

Unfortunately, the real world is more complicated. Today, I hardly need argue that a feast and famine approach to national defense is no longer feasible, let alone desirable. Our experience in this century has amply demonstrated that satiating our military establishment in wartime and starving it in peacetime brings us neither peace nor long-term alleviation of the heavy burden of defense. In both blood and treasure, it will cost us less to maintain a reasonably stable level of defense effort until it is possible to achieve genuine mutual reductions in armaments.

The Soviet Union shows that it, at least, sees no inconsistency between detente and increasing military capabilities. We see continuing increases in Soviet budgets, forces and forward deployments. The Soviet Union is making significant improvements in its strategic nuclear forces and, in concert with its partners in the Warsaw Pact, maintains large and ready general purpose forces. These forces are, in fact, the most usable elements of their considerable and diversified military power. We would serve ourselves and our Allies poorly indeed if we relied solely on fond hopes or soft words while failing to take practical account of improving Soviet capabilities.

The Soviet Union has historically been a relatively prudent and sober power and I trust it will continue to be so. I hope that as a result of our mutual recognition that there is no good alternative to peaceful cooperation, we shall gradually achieve a world in which security is based upon something more than a balance of arms. But until such a time arrives we must recognize the need for a stable balance of military forces. As a minimum, we must keep a visible strategic nuclear balance, contribute to a balance of general purpose forces in central Europe where the bulk of Soviet and Warsaw Pact forces are arrayed against NATO, and together with our Allies maintain a balance of naval forces to ensure the freedom of the seas and the protection of our sea lines of communication, as has been the long tradition of the United States.

1. *The Strategic Nuclear Balance*

There have been two aspects in the development of Soviet strategic forces, one long-term and the other more recent, that affect our present strategic forces planning and the deterrent value of our strategic systems. The long-term and quite well known factor is that over many years the Soviets have been steadily closing the gap in nuclear capabilities between them and us.

For a period of time prior to 1960 the United States had a virtual nuclear monopoly. By 1960 it was perceived that our monopoly advantage would ebb; and, in fact, it not only began to ebb, but by 1966–67 the Soviet Union had a very substantial intercontinental counter deterrent. During the early 1960's it was stated quite clearly by President Kennedy—and also by a large majority of Americans in both parties—that the United States needed alternatives other than suicide or surrender, that it needed options which did not imply immediate escalation to major nuclear war.

If anything, the need for options other than suicide or surrender, and other than escalation to all our nuclear war, is more important for us today than it was in 1960, because of the growth of the capabilities possessed by other powers. These additional options do not include the option of a disarming first strike. Neither the USSR nor the United States has, or can hope to have, a capability to launch a disarming first strike against the other, since each of us possesses, and will possess for the foreseeable future, a devastating second-strike capability against the other. This almost certainly will deter the deliberate initiation of a nuclear attack against cities, for it would bring inevitable retaliatory destruction to the initiator. Thus, this basic deterrent remains intact.

A development of more recent years is the accelerated improvement in Soviet missile technology. The Soviet Union now has the capability in its missile forces to undertake selective attacks against targets other than cities. This poses for us an obligation, if we are to ensure the credibility of our strategic deterrent, to be certain that we have a comparable capability in our strategic systems and in our targeting doctrine, and to be certain that the USSR has no misunderstanding on this point.

It is true that in addition to retaliatory targeting against urban and industrial centers, our war plans have always included military targets. The purpose of having war plans whose dimensions are generally understood by potential foes is, first, to deter rash actions. But secondly, if deterrence fails, the war plans provide the National Command Authorities—the President and his advisers—with well thought-out, detailed sets of options.

In the past, most of those options—whether the principal targets were cities, industrial facilities, or military installations—have involved relatively massive responses. Rather than massive options, we now want to provide the President with a wider set of much more selective targeting options. Through possession of such a visible capability, we hope to reinforce deterrence by removing the temptation for an adversary to consider any kind of nuclear attack. Therefore, the changes we are making in our strategic planning this year are specifically intended to shore up deterrence across the entire spectrum of risk. We believe that by improving deterrence across the broad spectrum, we will reduce to an even lower point the probability of a nuclear clash between ourselves and other major powers.

But if, for whatever reason, deterrence fail, we want to have the planning flexibility to be able to respond selectively to the attack in such a way as to (1) limit the chances of uncontrolled escalation, and (2) hit meaningful targets with a sufficient accuracy-yield combination to destroy only the intended target and to avoid widespread collateral damage. If a nuclear clash should occur—and we fervently believe that it will not—in order to protect American cities and the cities of our allies, we shall rely into the wartime period upon reserving our "assured destruction" force and persuading, through intrawar deterrence, any potential foe not to

attack cities. It is through these means that we hope to prevent massive destruction even in the cataclysmic circumstances of nuclear war.

This adjustment in strategic policy does not imply major new strategic weapon systems and expenditures. We are simply ensuring that in our doctrine, our plans, and our command and control we have—and are seen to have—the selectivity and flexibility to respond to aggression in an appropriate manner. We do not intend that the Soviet Union should have a wider range of options than we do.

Even after these adjustments to our present policy, there remains a serious potential problem for the future of our strategic policy and forces. In recent years, the USSR has been pursuing a vigorous strategic R&D program. This we had expected. But its breadth, depth, and momenum as now revealed comes as something of a surprise to us.

During the past year alone, the Soviets have tested four new ICBM's (the SS–X–16, SS–X–17, SS–X–18, and SS–X–19), and have developed their first MRV-submarine-launched missile. The new ICBM's are of especial interest. Three of the four have been flown with MIRV's, and all of them are being designed for increased accuracy. The very large SS–X–17 and SS–X–19 are considered as successors to the relatively light SS–11. They will have from three-to-five times the throw-weight of the earlier model SS–11's, which now constitute the bulk of the Soviet ICBM force. If all three new and heavier missiles are deployed, Soviet throw-weight in their ICBM force will increase from the current 6–7 million pounds to an impressive 10–12 million pounds.

This throw-weight, combined with increased accuracy and MIRV's could give the Soviets on the order of 7,000 one-to-two megaton warheads in their ICBM force alone. They would then possess a major one-sided counterforce capability against the United States ICBM force. This is impermissible from our point of view. There must be essential equivalence between the strategic forces of the United States and the USSR—an equivalence perceived not only by ourselves, but by the Soviet Union and third audiences as well. This was the essence of the SALT I agreements.

With these things in mind, we are seeking in SALT II to ensure that the principle of essential equivalence is upheld. We are also proposing in the FY 1975 budget several strategic R&D programs conducted within the SALT I agreements as hedges against the unknown outcome of SALT II and the uncertain actions of the USSR. The United States is prepared to reduce, stay level, or if need be increase our level of strategic arms, but in any case that level will be fixed by the actions of the Soviet Union. If the Soviet Union insists on moving ahead with a new set of strategic capabilities, we will be forced to match them. We would prefer, however, to reduce the present balance in such a way that strategic equivalence can be achieved at the lowest cost and least destabilizing level of forces.

2. *The NATO-Warsaw Pact balance*

There are some who feel that the United States entered indiscriminately into security commitments in the post-World War II period, and that it is time to review those commitments. I agree that we ought to review our commitments. But the worst thing of all would be if the United States, in reviewing commitments now believed by some to have been entered into indiscriminately in an earlier period, were to abandon these commitments indiscriminately—because many of those commitments are vital to our security, and to the place and role of the United States in the world today. We can retreat to the North American continent, and we can perhaps survive there indefinitely. But it would be a changed world, and one in which many of the better aspects of the American society would be increasingly subject to strain.

NATO is perhaps our most important commitment. I hardly need remind this Committee of the fundamental ties between the United States and Europe, or to recall for you all we have done in this century to help insure European freedom and vitality. Nor need I tell you that American and European interests in the larger issues of mankind are indivisible. It is for these larger reasons, as well as our own immediate national interests, that we have worked so hard, over so many years, under so many Administrations, both Democratic and Republican, to establish a solid foundation for Western security, and to help insure political stability and economic well-being.

As far as I am aware, there is no fundamental disagreement with these basic assumptions of our European policy. It is instead on certain manifestations of that policy about which there is disagreement—whether the NATO conventional forces are adequate for deterrence and defense, and whether the United States is bearing a disproportionate share of the collective defense burden of the Alliance.

It is precisely to these two aspects of our NATO policy that I have devoted so much attention in my discussions with the NATO Defense Ministers. My purpose has been to begin a process aimed at achieving over the next three years two fundamental security objectives necessary to sustain an adequate defense posture:

First, the construction of a satisfactory basis for maintaining an adequate overall NATO security posture for the long haul, including balanced forces with rational missions credible to our adversaries and ourselves.

Second, an equitable adjustment of burdens to put United States participation in NATO, and the United States military presence in Europe, on a solid, durable foundation acceptable both to the United States Congress and public, and to our Allies.

The objective of NATO strategy is deterrence, and the forces we field to achieve deterrence are both nuclear and conventional forces. The role of these forces has changed over time. In NATO's early days, the United States enjoyed a clear superiority in nuclear forces. This allowed early NATO strategy to be based on the "tripwire" concept, by which conventional ground forces in Europe were designed to serve primarily to trigger nuclear retaliation by the United States against a Warsaw Pact attack.

Now, as the Soviet Union reaches nuclear parity with the United States, deterrence will be strongly reinforced if there is a balance of conventional as well as of nuclear forces. This clearly does not mean that we no longer require a nuclear deterrent. Nor does it mean that the American nuclear commitment to the security of the Alliance has been outdated. The commitment is firm. But it does mean that our nuclear forces may no longer carry the same dominant weight in the balance of deterrence that they did in an earlier period, and this places a higher value on NATO's conventional military capabilities. Thus a strong conventional capability is more than ever necessary—not because we wish to wage conventional war but because we do not wish to wage any war.

I have discussed with our NATO Allies what I call the "NATO triad", which is different in concept from our strategic triad. It is based upon strategic forces primarily provided by the United States, tactical nuclear forces that would be available in the event that Western Europe started to be overrun, and a stalwart conventional capability. I believe that the European Allies are aware of the implications of nuclear parity, and are now more interested in a stalwart conventional capability than they have been since the inception of NATO in 1949. This new perception is vitally important because the decision to use nuclear weapons will be an agonizing decision not lightly entered into by anybody nor lightly concurred in by the member nations of NATO.

While many agree with the need and importance of conventional forces, there is controversy over the balance of military forces between NATO and the Warsaw Pact. It has sometimes been suggested that NATO does not have, and cannot afford to acquire, a conventional option which does more than serve as a trip-wire for nuclear war. I disagree. Our analysis suggests that NATO has the essential ingredients for such a balance. If the NATO countries do not falter in their defense programs, and if we can concert our defense efforts more effectively, there is no reason why NATO should not be able to achieve and sustain an adequate defense posture for the long haul.

NATO has fielded a large military force of high quality. It is a force of considerable strength. It continues to improve. In many respects it is not the equal of the Warsaw Pact force opposing it—for instance, in maneuver divisions and tanks. NATO's main reinforcements, those from the United States, are not so close as those of the Soviet Union. But NATO has some strengths of its own, such as tactical air forces, and the Warsaw Pact has some weaknesses and vulnerabilities, such as logistics and the uncertain reliability of some Pact members. NATO could give a good account of itself in defense, provided NATO gives itself the defensive weapons and military cohesion it needs. Of course, NATO is dependent on each member keeping up its individual efforts. All must do their fair share if the present disparities between NATO strength and that of the Warsaw Pact are not to become insuperable.

This realistic and positive assessment of NATO's conventional defense capabilities does not mean the existing correlation of forces between NATO and the Warsaw Pact is satisfactory for our security. While NATO does have substantial conventional defense capabilities—and it is important that the Soviet Union realize this—there remain objective disparities, and any Mutual and Balanced Force Reduction agreement must address these disparities if it is to enhance stability.

The second major objective I have pursued with our European Allies is the achievement of an equitable adjustment of the defense burden. In fairness, we should acknowledge at the outset that NATO defense has been far from a single-handed effort by the United States. Of the peacetime forces deployed in the European areas, our allies contribute approximately 90 percent of NATO's ground forces, 80 percent of the ships, and 75 percent of the aircraft. In the critical central region of Europe, the United States contributes only 23 percent of NATO's manpower—compared, for example, with the Soviet Union's share of 46 percent of Warsaw Pact manpower.

I am confident, from my meetings with the Defense Ministers, that the Allies do appreciate the need to achieve a more equitable sharing of the defense burdens. In fact, they have been moving in this direction for the past several years, as evidenced by the real increases in their defense budgets—increases that have occurred notwithstanding the process of detente, and at a time when our own defense budget and forces have shown substantial real reductions. I am hopeful that allied defense budgets will continue to increase overall during the next few years, although the present economic prospects in some countries are discouraging.

The Allies are of course also aware of the present Congressional requirement that full offset of the United States balance of payments deficit on defense account in FY 1974 be obtained and that compensatory reductions in United States forces stationed in Europe as part of our NATO commitment be made if offset arrangements are inadequate. I believe, although I cannot at this time promise, that offset arrangements with the Federal Republic of Germany and with our other Allies will fulfill the requirement of the law without requiring unilateral redeployment of United States forces from Europe. These arrangments will make an important contribution to the burden sharing objective we seek.

I do not intend, however, to rest our burden sharing objective on the Defense balance of payments account. The balance of payments accounts are only one indicator of the respective burdens being borne by each Ally. What we seek, as I have mentioned, is an adjustment of general burdens which will put United States participation in NATO, and the United States military presence in Europe, on a more solid footing.

But after a more equitable sharing of the defense burden, there is, frankly, no satisfactory alternative in the near term to the continued presence in Europe of substantial numbers of United States forces. Reductions in United States forces in Europe would be prudent only through successful negotiation with the Warsaw Pact. While we are seeking greater efficiencies in the use of our forces, and are working with our Allies to achieve a more efficient and effective allocation of our collective resources, early improvements of this nature are not likely to permit unilateral United States force reductions so long as the Warsaw Pact continues to improve its capabilities.

The Mutual and Balanced Force Reduction negotiations do hold out a real prospect for reductions. It is not a certain prospect, for we do not seek reductions at any cost, but only reductions that contribute to security in Europe. We and our NATO Allies have put forward proposals which would achieve both a more stable balance and reduced levels of forces and we hope progress can be made. Neither purpose would be served by mechanical reductions yielding a precarious correlation of forces. Both are served by the approach to negotiations being taken by us and our Allies.

Mr. McCLURE. Mr. President, I ask unanimous consent that the order of recognition of the Senator from Ohio (Mr. TAFT) and the Senator from Virginia (Mr. WILLIAM L. SCOTT) be reversed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the Senator from Virginia (Mr. WILLIAM L. SCOTT) is recognized for not to exceed 15 minutes.

Mr. WILLIAM L. SCOTT. Mr. President, I am interested in and concur with the thoughts expressed by the distinguished Senator from Nebraska with regard to the B–1 bomber.

It happens that Senator TAFT and I are on the Committee on Armed Services, and we both need to be present at that committee. That is why, when the Senator was not in the Chamber at the time, the order of our recognition was reversed. However, inasmuch as I have not commenced my remarks, if the distinguished Senator wishes, I will be glad to yield and permit him to proceed, whatever might be his pleasure.

Mr. TAFT. I thank the distinguished Senator, but I see no reason not to go ahead with the present arrangement. I am sure that I will learn a great deal, as we all will, by listening to the remarks of the distinguished Senator from Virginia.

Mr. WILLIAM L. SCOTT. The Senator is most kind.

DEFENSE SPENDING

Mr. WILLIAM L. SCOTT. Mr. President, I would like to discuss briefly a trend in defense spending which causes some concern, and that is the relationship between defense spending for manpower and operations and maintenance, compared with spending for investment which is defined as the sum of procurement, research and development, and military construction—or, to put it more simply, between defense spending for men and operations versus that for hardware.

My concern is that personnel related costs—obviously, we are concerned about the personnel in our Armed Forces—may price us out of the ability to wage war or to defend the country.

MANPOWER AND OPERATIONS AND MAINTENANCE VERSUS INVESTMENT SPENDING—FISCAL YEARS 1964–74

Let us look at some of the facts. Defense budget outlays in fiscal year 1964 were $50.8 billion and 10 years later, in fiscal year 1974, they were $78.4 billion, an increase in defense outlays for the 10-year period of $27.6 billion. Of that $27.6 billion increase, $26.2 billion went for manpower and operation and maintenance costs—$21 billion for manpower and $5.2 billion for operation and maintenance—and only $1.5 billion of the increase for all of investment. In other words, 95 percent of the increase in defense budget outlays between 1964 and 1974 have gone to manpower and operation and maintenance, and only 5 percent to investment.

Remember that investment is defined as all of military procurement, research and development, and military construction. Of course, when we realize that military construction in part relates to personnel, the difference in the spending for men and operations compared with that for hardware is even greater.

At this moment, Mr. President, the Committee on Armed Services is considering a military construction authorization bill of $3.9 billion, about 60 percent of which is related to personnel.

I might note here that the points made above can be dramatized even further by realizing that manpower costs reflect over 500,000 fewer military personnel in 1974 than in 1964.

Mr. President, I ask unanimous consent to have printed in the RECORD a table that indicates the amount spent by the Department of Defense for the years from 1954 through 1976 and breaks it down as to pay and operation and maintenance costs as well as investment.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF DEFENSE OUTLAYS, FISCAL YEARS 1954–76

[In billions of dollars]

Fiscal year	Pay and operation and maintenance (O. & M.) costs	Investment, procurement, R. & D., and military construction	Total
1954	22.5	21.1	43.6
1955	20.3	17.1	37.4
1956	21.3	16.7	38.0
1957	21.9	18.3	40.2
1958	22.4	19.0	41.4
1959	23.3	20.4	43.7
1960	23.1	20.0	43.1
1961	24.1	20.5	44.6
1962	26.2	22.0	48.3
1963	26.8	22.7	49.5
1964	28.2	22.6	50.8
1965	29.3	17.8	47.1
1966	33.7	21.4	55.1
1967	41.1	27.2	68.3
1968	45.0	33.1	78.0
1969	49.0	29.7	78.7
1970	50.5	27.4	77.9
1971	49.8	25.7	75.5
1972	51.6	24.3	76.0
1973	53.0	21.8	74.8
1974	54.4	24.0	78.4
1975 (estimate)	60.6	24.2	85.8
1976 (estimate)	65.1	27.7	92.8

Mr. WILLIAM L. SCOTT. I also ask unanimous consent, Mr. President, and I think it would be of interest to the Senate, to have printed in the RECORD another table prepared by the Department of Defense that shows personnel costs as a percentage of the Department of Defense budget.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

PERSONNEL COSTS AS PERCENT OF THE DOD BUDGET

[Outlays in billions of dollars]

	Fiscal year—						
	1954	1964	1968	1973	1974	1975	1976
DOD budget total (outlay)	43.6	50.8	78.0	73.8	78.4	84.8	92.8
Personnel costs:							
Military basic pay [1]	7.6	8.5	12.8	17.6	18.1	18.9	19.4
Military special pay and allowances	3.6	4.5	7.1	5.6	5.6	6.2	6.5
Civil service payroll	4.8	7.3	10.3	13.0	13.4	14.6	15.4
Family housing	--	.5	.4	.6	.7	.9	1.1
Military retired pay	.4	1.2	2.1	4.4	5.1	6.3	6.9
Total pay and allowances	16.4	22.0	32.6	41.2	43.0	46.8	[3] 49.2
Percent personnel costs	37.6	43.3	41.8	55.8	54.8	55.2	53.0
End military strength (in thousands)	3,302	2,685	3,547	2,252	2,161	2,129	2,100

[1] Basic pay plus items denominated in basic pay.

[3] Includes $1,200,000,000 contingency for 5 percent pay increase.

Mr. WILLIAM L. SCOTT. The first table provides data on defense manpower, on operation and maintenance, and on defense spending for the 10 years that I have referred to previously. It also has the estimates for 1975 and 1976. A third tabulation that I have shows the military and civilian pay raises since 1945. Mr. President, I ask unanimous consent to have it printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF DEFENSE—PAY AND PRICE INDICES INCREASES SINCE 1945

Effective date	Military and civilian pay increase		Pay and purchase price indices (fiscal year 1964–100)				Effective date	Military and civilian pay increase		Pay and purchase price indices (fiscal year 1964–100)			
	Regular military compensation [1] (percent)	Classified civilian salaries (percent)	Fiscal year	Regular military compensation [1]	Classified civilian salaries	Purhcase price [2]		Regular military compensation [1] (percent)	Classified civilian salaries (percent)	Fiscal year	Regular military compensation [1]	Classified civilian salaries	Purchase price [2]
Jul. 1, 1945		15.9	1946		50.2		July 1, 1964		4.2	1961	91.0	92.9	99.3
July 1, 1946	[3] 23.7	14.2	1947	61.4	57.4		Sept. 1, 1964	1.4		1962	91.0	92.9	98.8
July 1, 1948		11.0	1948	61.4	57.4		Sept. 1, 1965	6.4		1963	92.8	96.5	99.4
Oct. 1, 1949	21.6		1949	61.4	63.7	78.2	Oct. 1, 1965		3.6	1964	100.0	100.0	100.0
Oct. 28, 1949		4.1	1950	73.0	65.4	76.2	July 1, 1966	2.8	2.9	1965	102.1	106.3	102.3
July 1, 1951		10.0	1951	76.2	66.3	83.2	Oct. 1, 1967	4.5	4.5	1966	107.8	109.2	104.2
May 1, 1952	10.9		1952	77.5	72.9	83.1	July 1, 1968	4.9	4.9	1967	112.0	113.2	106.8
March 1, 1955		7.5	1953	84.4	72.9	82.4	July 1, 1969	9.1	9.1	1968	116.7	117.1	109.7
April 1, 1955	2.8		1954	84.4	72.9	80.9	Jan. 1, 1970	6.0	6.0	1969	124.2	124.2	113.7
Jan. 1, 1958		10.0	1955	84.8	74.8	85.5	Jan. 1, 1971	6.0	6.0	1970	140.1	139.6	119.3
June 1, 1958	6.3		1956	86.1	78.4	88.8	Nov. 14, 1971	13.1		1971	148.5	148.0	126.3
July 1, 1960		7.7	1957	86.1	78.4	94.8	Jan. 1, 1972	5.5	5.5	1972	173.3	156.5	131.0
Oct. 14, 1962		5.5	1958	86.5	82.3	96.2	Jan. 1, 1973	5.1	5.1	1973	193.2	164.8	136.6
Oct. 1, 1963	8.4		1959	91.0	86.2	98.1	Oct. 1, 1973	4.8	4.8	1974	208.4	174.9	152.2
Jan. 5, 1964		4.1	1960	91.0	86.2	97.6	Oct. 1, 1974	5.5	5.5	1975	222.6	184.3	184.5

[1] Regular military compensation is the sum of basic pay, quarters allowance, subsistence allowance, and the tax advantage on these allowances (which are not subject to income tax).

[2] Noncompensation component of the deflator for Federal purchases of goods and services.

Source: 1949–74, Department of Commerce.

[3] This was a 23.7 percent increase in basic pay. The equivalent in RMC terms has not been computed.

Mr. WILLIAM L. SCOTT. This tabulation shows that there have been military and civilian pay raises each year since 1964.

This is one of the major reasons for the increase in personnel-related costs.

REASONS FOR INCREASED COST OF MANPOWER

I will not dwell on why personnel-related costs have gone up significantly in the past 10 years. The reasons should be sufficiently clear to all—military pay raises each and every year since 1964, a significant military pay raise in 1971 which went mainly to the junior officer and enlisted ranks, increases in military medical benefits, increasing costs of retired pay due mainly to increased numbers of retirees and along with the higher pay scales and automatic Consumer Price Index adjustments of retired pay, and so on.

Many of these increased benefits were related to the development of the all-volunteer army concept. I do not intend to discuss the desirability of the all-volunteer army, but I do feel that the effort to have an all-volunteer army has resulted in greater personnel-related costs.

SOME FACTS ON THIS PRESENT RETIREMENT SYSTEM

Let us look for a moment at some of the facts of the present miltiary retirement system as another illustration of the significant increase in the cost of military manpower.

Currently, there are over 1 million military retirees. It is estimated that there will be 1.8 million by fiscal year 2000. The fiscal year 1976 cost of retirement will be $6.9 billion, and by 1980 it is estimated to rise to $11 billion.

The liability of the retirement system is about $150 billion. Contrary to the concept that we have with regard to the civilian government employee, this is all unfunded liability, $150 billion. That means that the amount would have to be invested at 3.5 percent interest into the future to cover the current obligations of the system.

Military retired pay was less than 1 percent of the overall defense budget outlays in 1954. In fiscal year 1964, it was 2.4 percent. It will be over 7 percent of the total defense budget in the coming fiscal year 1976.

Retired pay has increased from $1.2 billion in 1964 to $6.9 billion in fiscal year 1976, an increase of $5.7 billion. This is almost a sixfold increase in 13 fiscal years.

It has been estimated, making reasonable pay and price index assumptions, that military retired pay disbursements will exceed $450 billion between 1976 and the year 2000. We are only talking about 25 years.

TRENDS IN INVESTMENT SPENDING

While some of these manpower cost increases may generally be understood, it might be well to review some of the defense investment spending over the years. In actual dollars, the investment portion of the defense budget has remained reasonably level over the past 20 years, except for the peak Vietnam war years from 1967 to 1970, when expenditures for aircraft, equipment, and other weaponry were high. This can be noted from the first table that I just put into the RECORD.

Investment spending has stayed roughly at the $22 billion level for fiscal year 1954 to 1974, with an average yearly variation from this figure of $2.25 billion, except for fiscal years 1967 to 1970, the peak Vietnam war years.

In terms of real purchasing power, however, defense investment spending has gone down significantly. The $21.1 billion in fiscal year 1954 would equal about $37 billion in 1974 prices; or, put differently, investment spending has been reduced from an effective $37 billion in fiscal year 1954, compared to $24 billion in fiscal year 1974.

REASONS FOR RELATIVELY STABLE INVESTMENT SPENDING—FISCAL YEAR 1954–74

Let us look at the reasons for the relatively stable investment spending between fiscal year 1954 and fiscal year 1974.

The Department of Defense has been able to keep its investment outlays relatively level for the past 20 years for two basic reasons. First, it has significantly reduced the quantities of weapons systems procured. For example, in the decade 1956–65 it procured more than 1,000 fixed wing aircraft per year whereas recent annual procurements have been about 500. Basically, technology, inflation, reduction in quantities procured, certain inefficiencies in the procurement process, revisions to specifications, have lead to a dramatic increase in the unit cost per weapons systems. The money that bought 100,000 fighter aircraft in World War II, when adjusted for inflation, would buy fewer than 1,000 F–14 fighters today.

A second reason that the Department has been able to keep its investment outlays relatively level for the past 20 years was through a significant falloff in strategic force investment. In earlier years, fiscal years 1956–62, the average strategic investment was about $25.3 billion per year—in fiscal year 1976 dollars. The period fiscal years 1956–62, of course, saw significant spending for such strategic systems as Minuteman, Polaris, B–52's and various tactical systems.

CONCLUSION

In conclusion, Mr. President, it seems clear that the predominant increases in the defense budget over the last 10 or even 20 years have been for manpower and not for investment which is defined as the so-called "hardware systems" and research and development. In my opinion, investment spending will have to be increased over the next 5 to 10 years as new generations of aircraft, ships, and strategic systems replace their older counterparts.

We cannot allow our equipment and materiel to become obsolete and inferior to that of any potential enemy.

For example, new tactical aircraft, the

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F-14's, the F-15's, and the light weight fighters, will replace, among other aircraft, the F-4's, which are a mid-1950's technology.

Is is, therefore, not surprising to see investment spending increase from $21.8 billion in fiscal year 1973 to an estimated $27.7 billion in fiscal year 1976.

If any significant reductions are to be made in the defense budget, it must be done through cost cuts in manpower costs and not in investment. If significant cuts are to be made in manpower certain tough policy decisions must be addressed, such as our commitments to NATO, Korea, and other parts of the world.

We need to review the concept of defending the world from a superpower viewpoint, that is policing the world ourselves. We must urge greater participation by other free nations.

I am not willing to base our Nation's future security on détente nor to bankrupt our Nation by guaranteeing freedom to all people or giving them all keys to our Treasury.

We need a new understanding, under which all nations of the free world assume their fair share of the burden of remaining free.

U.S.-SOVIET NAVAL BALANCE

Mr. TAFT. Mr. President, I commend the distinguished Senator from Virginia for a very comprehensive analysis of the personnel versus capital investment problem that we have insofar as our national security needs are concerned.

It is particularly appropriate at this time, I think, that I should go on and discuss particularly the naval threat and the problems that I see in that area, because it does seem to me that in building up our fleet and naval weapons we are going in the direction the distinguished Senator has already indicated, of trying to get the armed services in a position where, with the minimum number of personnel, we feel that we are sufficiently equipped and that we have sufficiently advanced systems so that we are capable of defending ourselves and meeting our defense needs.

It is particularly appropriate, I think, too, to talk this morning about the naval situation, when we have just seen in the Cambodian conflict of the last few days the necessity of sea power in order to keep the sea lanes open. We have seen projections of sea power into an area where I hope we do not find repetitions of the need. But the existence of the capability to meet that threat is, in my opinion, far more likely to result in deterrence of additional incidents of this kind than would be the case if we do not keep ourselves adequately equipped and supplied to meet such situations.

Mr. President, I expressed myself some days ago on the subject of the United States-Soviet naval balance. As I noted at that time, the United States is essentially an island. While our overland connections to the north and to the south are not insignificant, over 60 percent of our border is shoreline. Our basic orientation has always been to the east and west, to the Atlantic and Pacific Oceans and the resources and markets that lie beyond them.

The sea is our lifeline. Our foreign trade, imports and exports, was worth over $139 billion in 1973; 45,795 foreign-flag ships entered our ports in that year; and an increasing percentage of the vital raw materials for our industries came from overseas, including over 84 percent of our bauxite, 64 percent of our chromite, 42 percent of our copper, 84 percent of our manganese, 92 percent of our nickel, and 36 percent of our petroleum. The importance of this trade, and the already startling degree to which we depend on imported natural resources increase each year.

In many ways our position on the sea in this century is similar to that of Britain in the 200 years preceding the First World War. If we are somewhat less dependent on imports and exports than was England, we nonetheless bear the same burden of maintaining the worldwide freedom and security of the seas that Britain bore before us. The American flag at the mast of an aircraft carrier has become the same symbol of power for peace, order, and commerce that the Union Jack on a cruiser was 70 years ago. Like Britain in the early part of the century, we face a challenge to our seapower—a challenge from a new naval power with strong interests in disrupting peace, order, and commerce we seek to protect. Then, the challenge was Imperial Germany, where the genius of Admiral Tirpitz and the Kaiser's drive for a "place in the Sun" sent dreadnoughts, battle cruisers, and U-boats down the ways at a pace which Britain was strained to match. Today, the challenge comes from Moscow, not Berlin, but its meaning for the dominant naval power, the United States, is much the same as it was then for Britain.

Since Admiral Zumwalt, then Chief of Naval Operations, stated the Soviet Navy was No. 1 in the world, there has been a great deal of inconclusive debate over the accuracy of his assertion. While his statement was relative to the ability of each navy to perform its assigned mission, most of the debate has been in terms of numbers and ship types. Yet even in those terms, a case can be made for the admiral's opinion. The Soviet Union currently has 1,062 naval vessels in commission; we have less than 500. They have 340 submarines to our 115. They have 54 major fleet units built since 1960 in commission, excluding submarines and amphibious ships; we have 66. But our slight numerical edge in those recent ships is partly offset by the fact that a large number of their major units are equipped with antiship missiles, a potent armament that not one of our major units presently carries. The Russians have, in addition, over 150 missile-armed attack boats.

The picture is even more clear if we look beyond ship numbers to capabilities. There are two Soviet naval capabilities which relate directly to the United States-Soviet naval balance: Their anti-carrier capability and their submarine capability.

The Soviet answer to our aircraft carriers has not been to build carriers of their own; they are, indeed, building aircraft carriers, but they are not for fighting against our carriers. The Soviet answers to our carriers in their antiship missiles. The first Soviet antiship missile became operational in 1958; the "Styx" missile, which sank the Israeli destroyer *Eilat* in 1967, has been in the Soviet inventory since 1960. Today, the U.S.S.R. has at least seven different types of these missiles in service, some with a range in excess of 400 miles and some of a ballistic missile nature which is very difficult to defend against if at all possible to defend against.

Mr. HANSEN. Mr. President, will the Senator yield at that point?

Mr. TAFT. I would be glad to yield to the distinguished Senator from Wyoming.

Mr. HANSEN. Mr. President, I wish to ask my distinguished colleague from Ohio if the Soviet Navy is really as technologically sophisticated as many people believe it is. Comparing it by American standards do we find that it is not all that sophisticated, maybe a little on the crude side?

Mr. TAFT. I thank the Senator for his question. I think we have got to face up to this because there is a lot of misunderstanding about it.

The Soviet ships are very impressive technologically, including by American standards. They are very heavily equipped with sophisticated electronics-specialized radars, jamming equipment, electronic deception and intelligence-gathering devices, and equipment for electronic counter-countermeasures. In some areas of naval technology the Soviets are superior: For example, their ships generally have better sea-keeping qualities than ours—that is to say, they are more stable in bad weather. I have already mentioned that the Soviets are far ahead of us in the field of antiship missiles.

The Soviets, we must remember, do things differently than we do: They do not just copy us. But that does not mean they do not do them well. For example, they coat their submarines with a rubberized material that absorbs sonar impulses. We do not even attemp that; yet, it works—it makes their submarines harder to detect. They also have a different approach to antisubmarine warware—they use narrow-band sonars, where we use wide band. This sometimes leads us to say, "We must be superior, because they are not doing what we do just the way we do it." That is a very dangerous vanity. There are sometimes better, or equally good, ways to do a job that are very different from our way. We sometimes underestimate Soviet capabilities because we do not see they are not trying to copy us; they have their own ideas as to how a job should best be done, and are doing it in a very impressive way.

Mr. HANSEN. If the Senator, Mr. President, will yield further, then it is fair to assume that the argument that is made by those who want to cut back on the Military Establishment and, particularly, to cut back in the sophistication and diversity in our naval armada are trying, in the Senator's judgment, to persuade us that our relative greater degree of sophistication insures us of defense superiority, while such a position is not warranted by the facts; is that a fair statement?

Mr. TAFT. I think the Senator has made a very fair statement and one that I hope that gets broad circulation because I think there is misunderstanding about this.

The Soviets are spending great amounts of money in this and great efforts. They have some techniques that are classified and in the intelligence area, but that, I think, presents a major threat that we have got to recognize.

Mr. BROCK. Mr. President, will the Senator yield?

Mr. TAFT. I would be glad to yield to the distingushed Senator from Tennessee.

Mr. BROCK. The Senator has commented on funding by Congress. I would like to change his focus.

Let me say at the outset I very much share the concern of the Soviet naval threat, and I think it poses an enormous security hazard to the United States unless we are prepared to cope with it, and I think we fully can cope with it, but the question I have is more to the policies adopted afterward by the Department of Defense itself. Are they adequate? Are they responsive to the threat, the growing threat, of Soviet naval strength?

Mr. TAFT. I think the Senator raises a very good question. I am not entirely sure that they are. Particularly in the committee consideration of this year I was disturbed by the cutting back on research and development proposals of the Navy, which are minimal when we are talking about the overall amount of money involved that can be very, very key in meeting the technical threat.

Frankly, Senator, I am not certain. Certainly many of the leaders in the Department of Defense are aware of the Soviet challenge and are very concerned about it. The Secretary of the Navy, for instance, is very worried by the rapid advance in Soviet naval capabilities, and I am convinced he is doing his utmost, often under very difficult conditions, to insure that we respond to all aspects of the Soviet threats.

I have, let me say, great confidence in his ability. I am certain we will move to meet the Soviet challenge in all those areas where Secretary Middendorf can exercise a decisive input. I am not entirely, however, satisfied with the position of the whole Department of Defense.

In terms of Department of Defense response to certain projects, I think there is a certain lack of innovative thinking. One good example of what I mean is the surface effect ship program. I noted earlier that, whereas a modern submarine can do over 30 knots, our latest antisubmarine escort can make only 28. The surface effect ship is a concept which could give us an 80-knot antisubmarine ship. Yet this program has not really been pushed by DOD today. The Navy is all for it, but it seems to meet considerable resistance at higher levels. This is hard to understand, since a successful surface effects ship would enable us to jump ahead of the Soviets, instead of just trying to catch up to them.

Mr. BROCK. I appreciate the Senator's response because he has illustrated the reason I asked the question that I did, and that I had a similar concern with.

I do not think we are doing an adequate job, and I do not think it is in either the Defense Department or in Congress, and particularly in research and development. Let us face it, when you have to spend $1 billion for one submarine and over $1 billion for one aircraft carrier, and we are not doing any more in research and development, it does not do any good to have a submarine or a carrier that is not technologically superior and will be 10 years from now.

I am not concerned about today's defense. There is no question in my mind about the overall strategic superiority of the United States. But when I look at the explosion of Soviet expenditures in total defense and, particularly, in research and development, I do not think we are putting near enough into research and development.

We perhaps are putting more than we should in relation to hardware and not near enough into long-term research and development where we could achieve breakthroughs and where we could enhance or maybe assure the security of the United States.

Mr. TAFT. I think the Senator is absolutely correct. Let me give another example of one program which, if successful, would give us the means and would enable us to achieve a significant lead.

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

Mr. McCLURE. Mr. President, I would ask unanimous consent that the time remaining that was assigned to the Senator from Nevada (Mr. LAXALT) be assigned to the Senator from Wyoming (Mr. HANSEN).

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Wyoming is recognized.

Mr. TAFT. Mr. President, will the Senator yield me 2 or 3 minutes?

Mr. HANSEN. I would be happy to yield to my distinguished friend from Ohio.

Mr. TAFT. Another program which, if successful, would enable us to get a significant lead over the Soviets is the thrust augmented wing. This is an R. & D. program which holds very real promise of producing a VSTOL aircraft that would have performance comparable with that of a normal aircraft. Such a development would, in turn, enable us to put effective, high-power aircraft at sea on almost every ship in our Navy—every ship that now has a helicopter could become a small aircraft carrier. Yet, despite the enormous potential of such a development, DOD has been lukewarm about the whole project. Frankly, I think any program with the broad implications of the TAW should be pushed on a "crash" basis, in view of the developments of the Soviets.

Let me note also, Senator, in relation to the TAW, that in fiscal year 1975 even the small amount of money requested by DOD and approved by the Armed Services Committee—$19.3 million—was cut by the Senate Appropriations Committee by $10.7 million. I really find it hard to understand that action, and I certainly hope such a misunderstanding will not reoccur this year.

We do have the money that is asked for in the budget today, and I trust it will not be knocked out again by the Appropriations Committee. I am going to testify on it, but we have a plane ready to fly now, prototype ready to fly, that can take off absolutely straight up and land without the problems of the conventional VSTOL aircraft. We have the design. We have not really gone on to get to this flying stage yet and, it seems to me, we have developed this capability, and why we cannot go ahead with it now beats me.

I would note that the United States still has not deployed any anti-ship missiles.

Each of these missiles is a serious threat to an aircraft carrier. They can be launched from surface ships, submarines, or aircraft. Today, the Soviets have over 108 surface and 324 submarine launchers for long-range antiship missiles, and 598 surface plus 88 submerged launchers for shorter range SSM's.

To this one must add over 300 naval bomber aircraft carrying antiship missiles. This capacity means that the Soviet Union can launch simultaneously over 1,400 antiship missiles, each one of which has the potential capability of disabling an aircraft carrier. The United States today has 14 carriers;that is a ratio of 100 missiles per carrier, without the Soviets having to reload their missile launchers.

This extremely impressive—to me, frightening—capability to counter our aircraft carriers is matched by a Soviet capability to attack the sea lanes on which we depend. This "sea denial" capability is primarily a factor of the Soviet submarine fleet.

In total, the Soviets today possess about 340 submarines—the United States has 115. Of that total 68 are nuclear powered attack submarines—the kind used to attack shipping. Forty of those 68 carry antiship missiles. These are supported by about 230 conventional attack submarines, of which 28 carry antiship missiles.

To counter these almost 300 attack submarines, the United States today possesses 99 destroyers and 66 other escorts. Thus, the Soviets have about two submarines for each American antisubmarine escort ship. Yet, as Admiral of the Soviet fleet Gorshkov notes, in World War II for each German U-boat, there were 25 British and U.S. warships, and 100 aircraft, and for every German submariner at sea there were 100 British and American antisubmariners yet, nevertheless, this significant numerical superiority of defenders was insufficient to force the attackers to fully curtail their active operation.

We get some perspective on what the number of 300 attack submarines means if we look at the number the Germans had in World War II. I am certain every man in this Chamber remembers the dark days when the U-boats seemed to rule the Atlantic, when few allied convoys got through to England without heavy losses, and when it appeared that German naval power might well succeed in starving the British into surrender.

How many submarines did the Germans have in their battle for the Atlantic? When war broke out in September of 1939, Germany had a total of 57

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submarines. Of these, only 39 were ocean-going attack submarines. Again, if war broke out today, the Soviets would have about 300—about 10 for each the Germans had.

The crucial phases of the U-boat war were conducted with very few boats. In June of 1940, the Germans had 19 U-boats at sea—two-thirds of their total operational boats. During that June, they sank 63 ships, totaling 355,431 tons.

In September of 1940, a year after the outbreak of war, Germany had only 27 attack submarines, 12 fewer than at the outbreak of the war. By February 1941, the Germans were down to 21. Yet during the following month of March, the Germans sank 43 ships, totaling 236,000 tons.

Again, I think this gives a useful perspective on what 300 Soviet submarines mean in terms of ability to cut the sea lanes.

These two Soviet capabilities—anti-carrier and sea denial—should, I believe, deeply concern every American. They should certainly worry every Member of the U.S. Senate. It is we who bear the responsibility of providing adequate material resources to counter these capabilities, to enable America to maintain the freedom of the seas on which she depends—just as the Secretary of Defense, the Secretary of the Navy, and the Chief of Naval Operations are responsible for using those resources in the proper manner to meet the specific threat. I can only hope that when history looks back upon this time, it will be able to say that all parties met their responsibilities.

There are several additional points that I believe should be made:

The aircraft carrier is still the only type of ship which can effectively project power ashore. That is why the Soviets are now building aircraft carriers—their first should be commissioned any day now. With all their cruisers and their missiles, and their long tradition of deriding aircraft carriers, the Soviets have been forced to realize that only an aircraft carrier can project naval power—through its aircraft—beyond an opponent's seacoast into the heart of his country.

It is true, however, that anti-ship missiles have increased the carrier's vulnerability in a naval engagement. This is a real problem. It is one that will require new ideas to solve—along with new types of ships and new ways of deploying our ships. The Navy, OSD, and the Congress will all have to take action to solve this potentially very serious problem. On the part of the Congress, that will mean voting above the current levels for R. & D. and ship procurement.

In order to meet the Soviet challenges in some cases we need to continue building the same types of ships we are building now. Submarines are a good example—our 688—class attack submarines are better than their Soviet equivalents, and our need is for more of them.

In other cases, we will need more ships of a basic type, but it is questionable whether the present designs are the best, in view of Soviet developments. For example, it is certain we will, in the future, need new aircraft carriers to replace existing ships which will have to be retired because of age. But instead of replacing them on a one-for-one basis with, say, *"Nimitz"*-class carriers, we might be much wiser to replace each retiring carrier with two or three smaller carriers designed for VSTOL aircraft. Such carriers are inherently less vulnerable to anti-ship missiles, because they can launch and receive aircraft even with extensive damage to the flight deck. More importantly, diversifying our striking power into greater numbers of ships is the single most effective way to thwart the Soviet anti-carrier capability.

But in many areas, we do need to develop whole new ship designs, weapon systems—and, I might add, fundamental concepts of how to fight a war at sea. The Soviets are highly innovative in all these areas, and we must be more imaginative and innovative than they are if we are not to lose command of the sea to them. One good example of an area where we need to innovate is anti-submarine warfare.

In World War II, a submarine had a maximum submerged speed of about 8 knots, and it could sustain that speed for only about 45 minutes. An escort vessel of the same period had a speed of 26–30 knots. Today, a Soviet *"Victor"*-class nuclear powered attack submarine can make over 30 knots, submerged, for days on end; but the new patrol frigate we are building for anti-submarine warfare will still go only about 28 knots—the same speed as a World War II escort, and slower than the submarine it is supposed to attack.

Another area where we need innovation is in small combatants, particularly fast missile boats. These boats—similar to PT boats, but armed with anti-ship missiles—are inexpensive yet powerful. They are particularly well suited to confined areas, such as the Persian Gulf and the Eastern Mediterranean. The Soviets have over 140 fast missile boats; China has about 80. The United States has two such craft, with two more building; the Navy has requested only 26. Our—the PHM—is superior to the Soviet and Chinese designs, being a hydrofoil boat; but the essence of employing such vessels is to use them in squadrons in large numbers. Because of the small numbers envisioned for our fleet, they will become, in effect, "high-mix" ships; ships which cannot be lost, hence, should not be risked. This illustrates a situation where we have the technical innovation, but lack the conceptual innovation needed to respond effectively to the Soviets.

In sum, we need a great deal of innovation to meet the Soviet challenge. At the same time, we need larger quantities of ships: And we must do a case-by-case analysis to determine whether we need more of what we have, or something new.

Finally, looking at DOD overall, I find a certain reluctance to relate the basic division of defense resources to our national requirements. We are, by nature, a seapower and an airpower, not a landpower; and we can only afford to maintain a large amount of landpower as a luxury, something done after we insure the unquestionable adequacy of our sea and airpower. Today, the adequacy of our seapower is very questionable; yet we see no move by DOD to shift resources, on a large scale, from land to seapower. I am afraid this reluctance stems more from fear of the internal conflict this would produce within DOD, than from a realistic assessment of America's grand strategy.

In short I am not certain DOD is doing enough to meet the Soviet naval challenge. It may be that we, in the Congress, should be pressing them to do more and to do it differently.

Mr. BROCK. Well, the Senator struck a responsive chord.

When I got out of the Navy in 1956, on my way out I went by Moffett Field and stopped to look at the test of the aircraft. In 1956, it was flying inside a hanger on a tether with a counterrotating prop. We are almost 20 years beyond that date and we have yet to develop that. We have the development, but we have not——

Mr. TAFT. The exciting thing about the plane that must be understood, it is not like the other aircraft.

Mr. BROCK. I know that.

Mr. TAFT. It is new and capable of performing in a comparable way in ordinary flight with any of our supersonic aircraft today. It is designed to do that and still have the distal capability.

Yet we are going very, very slowly on it. This is the kind of thing we have got to be doing to keep up with the Soviets and ahead of them in a technological way.

Mr. BROCK. I completely concur.

Mr. TAFT. I thank the Senator for his remarks.

I yield to the Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming.

THE RESTORATION OF CONFIDENCE IN AMERICA

Mr. HANSEN. Mr. President, millions of Americans today are proud of the courageous correct action President Ford has taken to retrieve the *Mayaguez*. This has done more to restore confidence in Washington and to repair the tarnished image of America worldwide than any event of the past year.

This country is solidly behind the President. The effect of that action has been to reestablish in significant degree world respect for the United States.

Mr. President, without the strong defense establishment maintained by the United States, it would have been impossible to even contemplate retrieving the *Mayaguez* by force. If the United States were not the most powerful nation in the world, the President would not have been able to make the decision he did to take positive action, as confidently or as expeditiously as he did. Obviously, no other nation stood ready to come to the rescue of the *Mayaguez*. The world knows that this is a powerful nation that views power as an obligation and not a privilege, and that has been pointed out a number of times on this floor today already. This is a Nation that does not abuse the power it has. The President could, because we have this

power, with great confidence, order the action necessary to retrieve this American vessel, without fear of intervention by those who have chosen to ally themselves with the new, reckless and naive Government of Cambodia. The *Mayaguez* incident is further strong evidence against ever allowing the United States of America to become a second-rate military power.

I would like to take this occasion to compliment the distinguished Senator from Ohio for calling attention, specifically, to some of the illusions that I think all too many Americans suffer in these days Those illusions are believing, without facts to back the beliefs, that all is well, despite the fact that, in terms of real dollars, we have been cutting back on the military budgets of our country, in my opinion, for all too long.

Congress—and only Congress—can insure that America remains No. 1.

The President has the constitutional responsibility as commander in chief to see to the national security, We applaud along with Americans all over this country today—President Ford for his ability to act resolutely, courageously and quickly. In the long run, this kind of affirmative action will enhance world peace and promote respect for the rights of others.

America, by virtue of this action in Cambodia, serves notice on the rest of the world that we have been misjudged badly should our withdrawal from Indochina be thought indicative of a failure to stand for principle throughout the world.

The retaking of the *Mayaguez* and the recovery of its entire crew is the kind of definitive action, as all military history has proved time and again, that saves lives, makes less likely the possibility of war, and encourages respect for the rights of others.

Mr. President, I have been somewhat disturbed and saddened by some reports that came across in the media this morning of criticism of the President for not having consulted sufficiently with the leadership of the Congress. I have heard in recent days and weeks that there are those in this body and in the other body, and I think it includes people on both sides of the aisle, who have position papers prepared that anticipate the President's actions on significant issues that he will have to face so as to be ready with an immediate response no matter which side of an issue he comes down on, criticizing him and trying to undercut the leadership that he has displayed.

I do not know whether that is true or not. I could not state, as far as my personal knowledge is concerned, that it is true. But I say, Mr. President, as I read and follow what takes place, and the criticisms that are made from time to time by people who first attack the President from the right, and then from the left, it seems to me that there is some rather compelling evidence to indicate that that is the case.

If that is the situation, and I must admit that it seems that it could be, I am saddened by it. This would seem to me to illustrate a lack of responsibility, a lack of dedication and a lack of commitment to our country that ought to come first.

I believe, Mr. President, that putting such a high priority on personal political considerations does not serve our Nation well. We could all serve America better. In the long run it would be smarter politics, though I am certainly in no position to advise my colleagues as to the astuteness of a particular political position. But I do not think the typical American is as uncomprehending or as easily misled or deceived as some people seemingly conclude he is by virtue of the statements that they make.

These are tough times. They are times when we all know by virtue of the tragedy that occurred in Indochina, that America, more effectively to discharge the leadership role which it has, needs to have, first, a restoration of confidence in the minds of Americans in the leadership of America. Second, we need, as one people, to reassert the kind of decisive action, the ability to reach a conclusion and to take a course of action, that will command the respect and admiration of the rest of the world.

I am lecturing no one in particular, Mr. President. But I hope that despite the impending 1976 Presidential elections, it could be understood, that the more than 200 million Americans at home, in every hamlet and city of this country, want to have this country's actions and this country's future placed first and above every other consideration.

The PRESIDING OFFICER. The time of the Senator from Wyoming has expired.

The Senator from Idaho is recognized.

Mr. McCLURE. Mr. President, I ask unanimous consent that 5 minutes of the time assigned to the Senator from South Carolina (Mr. THURMOND) be assigned to the Senator from Tennessee (Mr. BROCK) and the remainder of that time be assigned to Senator HELMS.

The PRESIDING OFFICER. Without objection, it is so ordered.

A REESTABLISHMENT OF INTEGRITY

Mr. BROCK. Mr. President, I appreciate the generosity of the Senator from Idaho.

I would like to associate myself with the remarks of the Senator from Wyoming. I appreciate his candor and his courage in speaking forth. I thoroughly agree with what he has had to say. I must say that I woke up this morning with a prayer of thanksgiving for the President of the United States. I believe he took an enormously courageous step in reestablishing the integrity of this Nation after it has been much battered in recent weeks and years. I, for one, want to say that I not only appreciate his courage and his leadership, but I am deeply grateful that that man was in that office at that particular time to act in the interest of the American people.

We simply must learn the lesson of history. We have a talent for forgetting it. We made a horrible and unforgivable mistake about 6 years ago when another naval ship of the United States was seized. We lacked the ability, the will or whatever to respond. As a result, we had a major breach of our national security that has damaged this country extensively and will continue to do so in years to come.

This time we acted in a different fashion. National security was not involved in the direct sense of the ship. But national security was very much involved in the sense that this Nation is the only thing that stands between mankind and the return to the dark ages of slavery. It is about time we knew that, because the rest of the world understands it and understands it very clearly, both friend and foe alike.

A sense of relief has swept not only the people of the United States but the people of the free world at the reassertion of American will, integrity, and principle. It is a remarkable and refreshing thing to behold. I believe the President deserves our thanks and our prayers for his continued efforts in this regard.

I know the families of 39 or 40 men feel this way, but I think 220 million Americans feel the same way. I appreciate it.

I do believe there is one lesson to be learned, and that is this: We have allowed the lapse of our national security forces to the point where we could very quickly, in the next few years, come into fundamental jeopardy. We might not have saved those men. It was very close as to whether or not the *Coral Sea* and the attendant naval vessels could get there in time to save not just the ship, because that was not consequential, but 40 American lives, to act in the interest of American nationals wherever they might be.

We have allowed our Navy to become much weakened. We are at the lowest level of funding since 1951. It is about time somebody stopped talking about the increase in defense expenditures when we have had an absolute reduction in those expenditures for the last 5 consecutive years in constant dollars. That is a dangerous course to take. It is dangerous not just in Southeast Asia, but it is dangerous worldwide. If you want to look at a tinderbox, look to the Middle East where the 6th Fleet may be the only reason this country has not been involved in a war in that particular area. We were there when we had to be there, and we had the forces to be sure that other people were not there.

We do not have to look back before 1973 to remember the instance when the Soviet Union threatened to move in and the President decided as how they might have to climb over the 6th Fleet. They decided that was too high a mountain to climb.

Maybe we need to understand in this small instance just how essential the capacity for response to the national security is in an uncertain world. I hope and pray that the Congress will reconsider some of its actions to reduce not just our research and development, which I was discussing with the Senator from Ohio, but the hardware, the muscle, of our ability to maintain the peace. That is the fundamental question—not

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how to engage in war but how to maintain the peace. You do it through strength, through integrity, through action on principle rather than expediency. That is what the President of the United States demonstrated with great clarity in the last 24 hours. I, for one, am humbly and deeply grateful that we had a man of his integrity and capability in that office in these hours. For myself, I want to extend my gratitude to him.

Mr. HANSEN. Will the Senator yield?

Mr. BROCK. I yield.

Mr. HANSEN. I ask my distinguished colleague from Tennessee, while we do not yet know what the losses might have been in terms of American lives in retrieving the crew and this ship, does the Senator see a relevance in the decisiveness and the swiftness of our actions there, in terms of lives saved possibly elsewhere around the world—in Korea, or wherever? Is there some relevance in our response there and what could happen, or what might have happened otherwise?

Mr. BROCK. There is no question on that. The Senator's point is well taken.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, I want to commend the distinguished Senator from Tennessee for his remarks. He has been preaching a sound gospel. The Senator from North Carolina wishes that the people of the entire country could have heard his fine presentation this morning. In fact, I wish that a few more Senators had been present here today to hear it.

Mr. BROCK. I thank the Senator for his remarks.

THE PANAMA CANAL

Mr. HELMS. Mr. President, the events of last evening which brought about the return of the freighter *Mayaguez* and the captured crewmen remind us once again—as the distinguished Senator from Tennessee and others have said today—that the only policy which brings us respect and admiration is a policy that firmly asserts our rights, and takes the necessary steps to see that those rights are protected. The freighter *Mayaguez* is only one ship. Yet it illustrates how important it is that international shipping be free from harassment, and, in this case, piracy.

If this is only one ship, then, think how important the Panama Canal is to world shipping and to the economy of the free world. It is roughly estimated that 70 percent of all goods entering or leaving the United States travel through the Panama Canal. And many other countries, such as Japan, depend upon the canal for efficient operation of their shipping and manufacturing operations.

Yet for over a decade, the U.S. State Department has been proposing a pusillanimous policy of surrendering our sovereignty over the canal to the Republic of Panama, a nation of less than 2 million people. For 10 years, the State Department has been promising that we will give up the canal, despite the strong opposition in the Congress and in the Nation to this irresponsible policy. Naturally this has unduly raised the hopes of the Panamanians. If you keep promising someone a handsome present, then naturally that someone gets irritable if it is not given right away. The State Department has merely fueled the fires of unreasonable aspirations.

The result of this ridiculous spectacle of the most powerful nation in the world promising to give away its own territory has not been gratitude, but an increase in Panamanian contempt toward the United States and stepped up threats to create riots and violence if the Congress does not capitulate. For example, Gen. Omar Torrijos, the Panamanian dictator, recently said that Panama had "reached the limit of its patience," in negotiations with us.

He went on further to say:

> The canal's operations could come to a total halt if the U.S. Congress refuses to approve a new treaty more acceptable to Latin American countries.

This, of course, is outright blackmail. And it is not an isolated example of the threats made by the Panamanian regime. Riots were staged just last year at the U.S. Embassy in Panama City, and the Panamanian Ambassadors to the U.N. and to the United States have continually made unscrupulous warnings containing the promise of violence if their demands are not met. Blackmail, Mr. President, that is what it is.

Indeed, this kind of behavior has been encouraged by the State Department. The original promise to surrender our sovereignty was made in 1964 after the Communists organized riots in the zone, and brought about an ignominious capitulation by our diplomats at that time.

Congress has demonstrated time and time again that it will not stand for the implementation of this State Department policy, this State Department giveaway of U.S. sovereignty in the Panama Canal. Yet the Secretary of State, Dr. Kissinger, goes right ahead as if Congress did not exist. Let it be said now, if the Secretary of State convinces the President to send down a treaty surrendering U.S. sovereignty, I am convinced that Congress—and under the Constitution, both Houses must pass on the disposal of territory and property—will reject that treaty. If the irascible leaders of the Panamanian dictatorship carry out their threats of violence, it will be our State Department that must assume the blame if the canal is closed down as a result of violence or guerrilla warfare. It is not Congress that is bringing about this confrontation; it is the Secretary of State and his policies in this regard.

Yet, Secretary Kissinger, just this weekend, once again promised the delegates to the meeting of the Organization of American States that the negotiations for a new canal are "almost completed."

The news accounts went on to say that Panamanian Foreign Minister Juan A. Tack is aware of the "strong opposition in the U.S. Congress," but that Ambassador Ellsworth Bunker will go to Panama later this month "to iron out the last outstanding problems before the treaty can be signed," and that failure to ratify it could cause a "very serious situation."

I say to Mr. Bunker that he had better come to Congress and do his ironing, because, under the Constitution, he does not have any authority to give away this property.

Let me say now that Congress will not allow itself to be blackmailed either by the U.S. Secretary of State or by the Foreign Minister of Panama.

The President of the United States should reject the dangerous course now being pursued by the State Department and heed the counsel of Congress. The world is on notice that Congress will not accept the treaty. Just as firm, decisive action brought about an immediate positive response in the Cambodian situation, a firm restatement of our rights in the Canal Zone would clear the air and lay the ground for building a desirable and constructive relationship with the Republic of Panama. We should make all necessary preparations for civil and military defense of the canal, but there is no reason whatsoever for an open adversary situation to develop with our Panamanian friends. As long as we play the role of "Uncle Sucker," we will be treated as prey for attack. But if we resume our former stature and firmly uphold our rights—so demonstrable in the courageous developments last night—we will be treated with respect and genuine cooperation.

Our position in the Canal Zone is proper and indisputable.

The United States, under the 1903 treaty, secured the grant in perpetuity of full sovereign control over the Canal Zone and title to all privately owned land and property in it, estimated by the Secretary of the Army on June 30, 1974, to have cost $166,362,173.

The total net investment of the U.S. taxpayers in the Canal enterprise, including defense, 1904–74, was $6,880,370,000.

Colombia, the sovereign of the Isthmus prior to November 3, 1903, has recognized the title to the Panama Canal as vested "entirely and absolutely in the United States." (Thomson-Urrutia Treaty of 1914–22.)

The validity of the U.S. title has been confirmed by the U.S. Supreme Court. (*Wilson* v. *Shaw*, 204–24 at 33–35.)

The United States has met its treaty obligations in its management of the Canal for the benefit of all nations, including those of Latin America.

Panama has been the greatest single beneficiary of the canal, which has given it the highest per capita income of all Central America.

Indeed, there is no reason why the 1903 treaty should be abrogated.

We are now entering a new era of diplomacy and foreign policy. The policies created 10 years ago, and now being implemented by Secretary Kissinger, are out of date. We have learned how important it is to stand up for our rights, and we should do so in the Canal Zone.

The PRESIDING OFFICER (Mr. GARY W. HART). Under the previous order, the Senator from Idaho is recognized for not to exceed 15 minutes.

Mr. McCLURE. Mr. President, I thank the Senator from North Carolina for a very clear statement. He is, as usual, very understandable, although oft stated, remain rather obscure. The Senator from North Carolina is not one of those, because he expresses himself very clearly and forcefully.

Mr. HELMS. I thank the Senator.

Mr. McCLURE. Mr. President, I ask unanimous consent that a statement by the Senator from South Carolina (Mr. THURMOND) be printed at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR THURMOND

The action of the new Communist regime in Cambodia against the United States and other countries' ships in the international waterways raises a very grave problem, not only in that part of the world, but in any other area dominated by the Communists. This irresponsible behavior of the Communist leadership of Cambodia reminds us once again of the necessity of permanent alertness against any similar action by the Communists any place else in the critical areas. I support fully any strong measures to be taken by the U.S. military forces to insure the freedom of navigation for our ships any place in the world.

The problem of freedom of waterways is indivisible; and, as far as our hemisphere is concerned, an important if not decisive link in our waterways is the Panama Canal—the control of which by the United States is the necessary prerequisite of our freedom of movement and viability of our defense establishment in the area of our vital economic and political influence. The significance of the Panama Canal for the defense system of our Pacific-Atlantic waterfront cannot be overestimated or overstated. I have stressed this many times and on many occasions. But the new provocative behavior of the Communists in Cambodia renews my concerns and forces me to stress once again the necessity for positive and uncompromising stand on our sovereignty rights in the Panama Canal Zone.

The waterways of the Atlantic would become very vulnerable and freedom of navigation extremely difficult to maintain if the Azores Islands and Madeira Island became the subject of control by a Communist controlled government hostile to us and attempting to disrupt freedom of movement to our merchant marine and naval forces. In this respect, recent developments in Portugal must be watched with great concern. The dominant control of political power in this country switched in recent months into the hands of inexperienced Marxist-oriented military officers who lead the country along the path of nationalized economy and Marxist ideology. The use of our base in the Azores is essential for our freedom of action in the Mediterranean area and became especially pronounced during our assistance operations to Israel in October, 1973. Without the base in the Azores these operations would have become prohibitively difficult if not impossible. My concern about the freedom of waterways extends to all parts of the world, but in particular, I invite the attention of the Senate to the key links in this very important problem—the Panama Canal and the Azores Islands.

Mr. McCLURE. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by Representative STEVE SYMMS, of Idaho's First Congressional District, together with newspaper articles appended thereto.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WILL WE GIVE UP THE PANAMA CANAL?

It is no secret that for some time now the U.S. State Department has advocated revising the status of the Panama Canal Zone. Since 1903, when the original treaty was signed, that status has remained unchanged. The treaty stipulated that the United States would have exclusive and perpetual sovereignty over the Canal Zone and its crucial waterway. But for some strange reason the State Department wants to change all that.

Just recently Assistant Secretary of State William D. Rogers cleared up the confusion by making the State Departments intentions crystal clear. He explained that their position "consists of recognizing Panama's full sovereignty over all its territory" (by which they falsely include the Canal Zone). He went on to warn that if the United States took any other stance "it could lead to a confrontation with Panama. We seek a modernized relationship with Panama in order to avert a confrontation which could threaten our strategic interests in the Canal," he said.

I would suggest to Mr. Rogers that the confrontation is taking place with Panama at this very moment and ours is a position of total surrender. It is a battle not of bullets and bombs, but of diplomatic wisdom and strength. And we are losing the battle by default.

Ever since the anti-American junta took power of the tiny country of Panama in 1968, dictator Torrijos has been threatening to march on the Canal Zone and seize it by military force. The purpose of this tactic is not to draw the United States into a war with Panama. That is the last thing they would want. No, they merely want to make fainthearted State Department officials shiver in their boots, in hopes of gaining various concessions in the process. It is obvious that their strategy of verbal intimidation is succeeding even more than they had hoped. So fearful is our State Department of a "confrontation" as they put it, that they are prepared to hand Panama practically the whole ball of wax as a gesture of appeasement.

It is not necessary to emphasize the importance of the Panama Canal to our national security, both strategically and economically. Any agreement on our part to relinquish our rightful control of this area and thus jeopardize our future access to the Canal would be a deadly mistake. I can think of few actions by the State Department that would be more irresponsible or contrary to the best interests of the people of this nation.

The State Department must be reminded of this fundamental fact—that the Panama Canal Zone is *not* Panamanian territory, it is United States territory exclusively. Giving back this land to Panama makes as much sense as returning the Louisiana Purchase to France or Alaska to the U.S.S.R. It is not a matter of State Department officials deciding on the correct position, for that is plainly obvious. It is simply a question of whether or not they will show enough courage and enough commitment to the people they represent to take that position.

APPEASEMENT—SURRENDER THE PANAMA CANAL?

(By John Chamberlain)

The West has already lost its access to one strategic waterway, the Suez Canal.

If and when the Egyptians manage to clear and open the Suez with or without U.N. surveillance, the presence of a superior Soviet fleet in the eastern Mediterranean will certainly have an effect on its use. The West will send its ships through Suez on sufferance.

Yet with the handwriting on the wall in the Middle East, the U.S. seems ready to toss away its ownership rights to the 647 square miles of Panama Canal Zone territory which it bought from the newly emergent nation of Panama in 1903. The "tale of two canals" could end with the so-called Third World telling the ship-owning nations, the "developed countries," what they must do to get passage from one hemisphere to another without having, like Vasco Da Gama, Magellan and Sir Francis Drake of old, to round the Cape of Good Hope in one direction or Cape Horn in the other.

The loss of Suez is a fait accompli; we need not discuss that here. But the decision on Panama, while it may already have been settled in Secretary Henry Kissinger's mind, will have to be made in the U.S. Senate.

Will our congressmen be bluffed by Gen. Omar Torrijos, dictator of Panama, who has threatened to send 6,000 Panamanian guardsmen to occupy the Canal Zone by force if we fail to make a new treaty setting a date for ceding the canal territory to Panama as its "rightful" owner?

The "moral" right of Panama to the canal zone is certainly far from clear. The sovereign nation of Colombia, which is currently asking for its own "cut" in any change in Canal operations, has made it plain that it considers the zone was originally taken by President Theodore Roosevelt from Colombia, not from any Panamanian "nation."

Whether the U.S. instigated the revolution in which the Panamanians declared their independence of Colombia or not, the truth is that Teddy Roosevelt succeeded in making a "package" deal at the time. The presence of warships kept Colombia from retaking its dissident province of Panama.

In return for the help that was implicit in Roosevelt's waving of the Big Stick, the grateful Panamanians (as they were then) sold us the Canal Zone outright. It was a legitimate transaction, given the legitimacy of the Panama government. In case the whole business should now be judged illegitimate after 70 years of U.S. ownership, the canal should revert, not to Gen. Omar Torrijo's government, but to Colombia.

The U.S., in building the canal, certainly conferred a number of very desirable boons not only on Panama, but on the world in general. We did a great job eradicating yellow fever in the Canal Zone, and in Panama itself. We brought all of western Latin America—Ecuador, Peru, Chile, and the Pacific Ocean states of Central America—into a profitable relationship with Europe and the Atlantic and Gulf Coast cities of North America.

As Donald M. Dozer, an American historian who has specialized in U.S.-Latin American relations, points out, the economy of Panama showed the highest average annual increase in gross domestic product in the decade of the 1960s of any economy in the Western Hemisphere. Despite the almost universal world inflation, the U.S. has not raised canal tolls since 1914, when the waterway was first opened.

Aside from whatever original skulduggery accompanied the U.S. role in sustaining the Panamanian revolt against Colombia, we have nothing to apologize for in our administration of the Canal Zone. Prof. Dozer has suggested that, far from ceding the Canal Zone to a country that never legitimately owned it, we should admit it to the U.S. as the 51st state. Actually, we have the same right to be in the Canal Zone that we have to be in Hawaii, where we sustained the ousting of a native government.

Will Congress listen to Prof. Dozer? Probably not. The U.S., in common with the West in general, has totally given up on its power

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to protect its interests in a world that is openly contemptuous of our weakness.

[From the Miami Herald, Mar. 8, 1975]

Raid Blocks New Paper in Panama

PANAMA.—A planned new newspaper, "La Opinion Publica," may have been stillborn Friday as a result of government confiscation of all its editorial material.

Government officials, headed by Lorenzo Sanchez Galan, director of communications media for the Ministry of Government and Justice, Thursday raided the printer's offices and hauled away all the editorial material for Friday's first edition.

Asked why the material had been confiscated, a government official said it was for "administrative reasons."

Although theoretically government permission is not required to publish a newspaper, the publishers were told "this paper will not be published."

The publishers, "Centro de Estudios Nacionales S.A.," had complied with the law by notifying Minister of Government and Justice Ricardo A. Rodriguez Tuesday of their intention to publish "La Opinion Publica."

One of the raiders said the publishers "have challenged the government through 'The Miami Herald.' "

On Thursday, "The Miami Herald" published a report saying the new newspaper "is expected to test the government's assertion that there is freedom of the press here."

Up until Thursday evening, none of the largely government-controlled newspapers here had made any reference to the planned publication of "La Opinion Publica."

The paper was to have been printed by "Editora Verdad S.A.," whose proprietors are Ramon Jimenez, Alfredo Jimenez and Jose Salvador Munoz.

Early last year, Ramon Jimenez was detained briefly and forced to abandon plans to publish another newspaper to have been known as "Quiubo."

Thursday's raid therefore marks the second time in a year that the government has smashed attempts to publish an opposition newspaper.

If thwarted, the publishers, mostly attorneys, plan to test the legality of the government's action through the courts.

Unfortunately, the Panamanian judiciary are on their annual vacation until March 31.

"La Opinion Publica" had prepared articles critical of the government's attitude in the Panama Canal treaty negotiations and of new import duties, among other things.

On Tuesday, the publishers had applied for membership in the Inter American Press Association. Thursday they notified the IAPA of the government's action.

J. KILPATRICK

FEBRUARY 4, 1975.

WASHINGTON—An ominous little story appeared a couple of weeks ago in the Washington Post under a dateline of Panama City. It was headed "U.S.-Panama Accord Seen in Early 1975." This was Marlese Simons' lead:

"A U.S. concession to surrender jurisdiction over the Panama Canal Zone at the end of five years has led to confident predictions by an authoritative source that a new U.S.-Panama canal treaty would be ready for signature next year."

Very well. Let us sound the alarm bells and summon such able warriors as Congressman Dan Flood of Pennsylvania and Senator Jesse Helms of North Carolina. For the past 20 years, Flood has been raising Catonian cries in the House. Helms has made himself a Senate leader of the fight to prevent a giveaway of vital rights and property in the Canal Zone. This "concession to surrender" cannot possibly be approved.

We ought to understand, all of us, what is at stake in these negotiations, both as to the canal past, and as to the canal future.

Under the treaty of 1903 the U.S. acquired rights "in perpetuity" over a 10-mile-wide zone of Panamanian territory. The rights included all power and authority the United States would possess "if it were sovereign." By direct purchase from private owners, the United States also acquired title, in fee, to certain lands now involved.

In 1914, after a tremendous and costly feat of engineering, we opened the Panama Canal to the shipping of the world. For 60 years the Canal was operated without an increase in tolls. Some 70 per cent of the tonnage through the canal in recent years has originated in, or been destined for, the United States. Apart from its commercial value, the canal has had immeasurable strategic value also. Flood calls it "the jugular vein of this hemisphere," and the description is apt.

Panama has benefitted also. More than 40 per cent of Panama's foreign exchange earnings, according to a State Department paper last year, and nearly one-third of Panama's gross national product are directly or indirectly attributable to the presence of the canal.

What of the future? Panama now exists under the iron rule of General Omar Torrijos, who seized power in October of 1968. He is notoriously pro-Arab and pro-Communist. Before any surrender of jurisdiction is approved, we should ask ourselves how in the name of common sense the U.S. could benefit from Panamanian control. The prospect is for nationalization; the prospect is for Torrijos to do in Panama what General Nasser did in Suez.

Now, it is understandable that Panama chafes under the continued U.S. presence. Sen. Alan Cranston of California, who favors a new treaty, has asked how Americans might feel if the British still held perpetual rights along the Erie Canal. Doubtless the present situation is indeed a "source of conflict," and after 10 years of intermittent negotiations, Ambassador Ellsworth Bunker doubtless is correct in saying the Panamanians are "impatient."

But there comes a time when great powers must behave as great powers. Now every source of conflict can be removed. Some conflicts must be endured; they must be lived with. Not every wounded sensitivity can be soothed. When every reasonable and prudent concession to Panama has been made, a line has to be drawn; No more. And sorry about that.

The Treaty of 1903 is not engraved in stone. It has been twice amended, once in 1936, again in 1955. It is entirely possible that further amendments can be agreed to, relinquishing unneeded land for Panamanian development, further increasing payments to Panama, and providing for some Panamanian participation in administration of the Canal. But the rumors now afloat smack of appeasement; they smack of the same cockeyed judgment that gave us the wheat deal with the Soviet Union. That was called a victory for détente. One more such victory, and we are done for.

[From the Miami Herald, Mar. 24, 1975]

Canal Zone Workers Fret Over Future

PANAMA.—Recent statements by Brig. Gen. Omar Torrijos, Panama's military strongman, that the U.S. presence in the Panama Canal Zone would be eliminated in three years have created concern among Canal Zone employes.

Their concern and disquiet may be premature, but it also is attributed in part to the failure of Special Ambassador Ellsworth Bunker, chief U.S. negotiator for a new Panama Canal Treaty, to keep Canal Zone employees informed of progress on the negotiations as they relate to employment, as he had promised to do a year ago.

With Torrijos' statement that the 315-man Canal Zone police force would be eliminated upon ratification of any new treaty, the Canal Zone Police Union has called upon Bunker to give them some immediate answers.

If the police and other employees don't get the answers soon they plan to take their problem to the Panama Canal subcommittee of the House of Representatives. The committee, headed by Rep. Ralph Metcalfe (D., Ill.) is due in the Canal Zone April 2 for a four-day stay.

Bunker had promised in a statement a year ago that Canal Zone employees would be "taken care of" in the negotiations. "There are two ways you can interpret that," says Canal Zone Police Union President William R. Drummond.

According to a Panama Foreign Office spokesman, the phaseout of U.S. jurisdiction over the 550-square-mile Canal Zone is to take place during the three years after ratification.

Ratification may be some distance away however. Soures now indicate the negotiators may agree upon a new treaty by June but it still faces heavy going to gain U.S. Senate approval.

Another source close to the negotiations indicated that the Canal Zone police would be offered jobs in a security guard force for the Canal locks and piers. The salaries are less than police salaries, however.

Also to be phased out during the three-year period—a time frame confirmed by State Department sources in Washington—are other aspects of U.S. jurisdiction in the Zone including the courts, fire department, postal service and parts of the educational system.

This would affect about half of the 3,600 U.S. citizen employees of the Panama Canal Company and Canal Zone Government.

It is expected that at least minimal provisions will be made for relocating affected employees, either by placing them in other jobs or by repatriation to the United States.

A Panama Foreign Ministry spokesman says provisions for Canal Zone employees are likely to be modeled on those negotiated in 1967 which, among other things, provided that there would be no salary reduction.

Still, Canal Zone employee concerns that they will not be "taken care of" may be premature since their status is among the remaining third of the new treaty provisions yet to be negotiated.

Also still to be settled is the amount of compensation Panama is to receive and the duration of the new treaty.

"The Americans want something beyond the year 2000," says the Foreign Ministry spokesman, "and we want something less."

Panama has been demanding $100 million a year in compensation. It has not accepted a U.S. offer of $45 million annually which would include a $25 million annuity or rental and $20 million as a share in the Canal tolls, according to the Foreign Ministry spokesman.

U.S. Prepares To Recognize Panama Owns Canal Zone

WASHINGTON.—The United States is prepared to recognize Panama's full sovereignty over the U.S.-administered Canal Zone and share with Panama the operation and defense of the strategic waterway, a high State Department official said Thursday.

Assistant Secretary of State William D. Rogers also warned that a breakdown in the current negotiations, or rejection of an eventual negotiated treaty by the Senate, "could lead to a confrontation with Panama . . . and a real possibility that the canal would be closed in the process."

Rogers, Washington's top official for Latin American affairs, appeared Thursday before the Senate foreign relations subcommittee on Western Hemisphere affairs, chaired by Sen. Gale W. McGee, D-Wyo.

"Our negotiation stance . . . consists of recognizing Panama's full sovereignty over

all its territory (the Canal Zone) and the attributes of partnership in both canal defense and operation," Rogers said.

Panama, in turn, would grant the United States "use rights" which Rogers said are "critical to continued and effective United States control of the canal operation."

Rogers' warning about a possible confrontation with Panama reflects State Department concern that the new treaty now being negotiated by veteran diplomat Ellsworth Bunker faces an uphill battle in Congress.

"There is no real alternative to negotiation and eventual ratification of a new treaty," Rogers told the subcommittee. "There is, in short, no real solution short of a total solution."

Rogers said that with the current negotiations, which began 11 years ago, "we seek a modernized relationship with Panama in order to avert a confrontation which could threaten our strategic interests in the canal."

Rogers said Panama had "demonstrated thus far that it recognizes a new treaty must accommodate United States interests, which include operation and defense of the canal by the United States for a reasonably extended period of time."

Two major issues have been deferred until the last stages of the negotiations—the duration of the new treaty and the question of a U.S. option to expand the canal, he said.

[From the Miami Herald, Mar. 8, 1975]

Raid Blocks New Paper in Panama

PANAMA.—A planned new newspaper, "La Opinion Publica," may have been stillborn Friday as a result of government confiscation of all its editorial material.

Government officials, headed by Lorenzo Sanchez Galan, director of communications media for the Ministry of Government and Justice, Thursday raided the printer's offices and hauled away all the editorial material for Friday's first edition.

Asked why the material had been confiscated, a government official said it was for "administrative reasons."

Although theoretically government permission is not required to publish a newspaper, the publishers were told "this paper will not be published."

The publishers, "Centro de Estudios Nacionales S.A.," had complied with the law by notifying Minister of Government and Justice Ricardo A. Rodriguez Tuesday of their intention to publish "La Opinion Publica."

One of the raiders said the publishers "have challenged the government through 'The Miami Herald.' "

On Thursday, "The Miami Herald" published a report saying the new newspaper "is expected to test the government's assertion that there is freedom of the press here."

Up until Thursday evening none of the largely government-controlled newspapers here had made any reference to the planned publication of "La Opinion Publica."

The paper was to have been printed by "Editora Verdad S.A.," whose proprietors are Ramon Jimenez, Alfredo Jimenez and Jose Salvador Munoz.

Early last year, Ramon Jimenez was detained briefly and forced to abandon plans to publish another newspaper to have been known as Quiubo."

Thursday's raid therefore marks the second time in a year that the government has smashed attempts to publish an opposition newspaper.

If thwarted, the publishers, mostly attorneys, plan to test the legality of the government's action through the courts.

Unfortunately, the Panamanian judiciary are on their annual vacation until March 31.

"La Opinion Publica" had prepared articles critical of the government's attitude in the Panama Canal treaty negotiations and of new import duties, among other things.

On Tuesday, the publishers had applied for membership in the Inter American Press Association. Thursday they notified the IAPA of the government's action.

[From the Miami Herald, Latin American edition, Mar. 21, 1975]

Envoy Rogers Predicts Senate OK for a Fair Panama Canal Package

(By Phil Gailey)

WASHINGTON.—A high-ranking State Department official predicted Thursday that Senate opposition to a new Panama Canal treaty can be overcome "when we present them with a package that is fair and protective of the interests of both countries."

William D. Rogers, assistant secretary of State for Inter-American Affairs, warned that if Congress rejects the new treaty currently being negotiated with Panama "it will be widely regarded in Latin America as a regrettable step backwards" in U.S. relations in the hemisphere.

Rogers made these remarks at a State Department briefing to report on his recent trip to Latin America.

Thirty-seven senators—three more than necessary to block a treaty—already have signed a resolution opposing any concessions on the question of U.S. sovereignty and jurisdiction over the Panama Canal and the 10-mile wide canal zone.

Rogers conceded that the Ford Administration faces "a very hard and challenging effort in the U.S. Senate." However, he predicted that some of the senators who signed the resolution will change their minds when they are presented with the specifics of a new treaty that protects U.S. interests in the canal.

"I'm confident that this treaty will commend itself not only to men of goodwill everywhere, but also to the Senate," Rogers said.

Rogers said the United States can no longer consider the canal issue a bilateral problem. It is also a major thorn in the side of Washington's relations in the hemisphere in general, he added.

Rogers returned Monday from a nine-day trip to seven countries in the hemisphere—Argentina, Uruguay, Chile, Peru, Brazil, Venezuela and Colombia.

The assistant secretary's trip was viewed here and in Latin America as an effort to smooth the way for Secretary of State Henry Kissinger, who plans to visit some of those same countries sometime in April.

The exact timing of Kissinger's trip, Rogers said, will depend on when he concludes his diplomatic efforts in the Middle East. An itinerary is still being worked out.

Based on his own experience, Rogers predicted that Kissinger will be "warmly received" in the countries he visits.

During his trip, Rogers said he discussed the canal issue, the controversial U.S. trade bill and Cuba with Latin officials.

Rogers said he found that interest in the prospects of normalizing relations with the Castro government was of less interest in some of the countries he visited than other matters on the U.S.-Latin agenda.

Asked if he found a consensus on the Cuba issue, Rogers said, "I can't say if there was or was not. The purpose of my trip was not to find a consensus. That will be one of the purposes of the secretary's trip. He has said he will consult other governments in the hemisphere on the matter when he makes his trip."

Rogers said Kissinger's Houston speech March 1, in which he indicated the United States is ready to support efforts within the Organization of American States to lift the political and economic sanctions against Cuba, was regarded in the hemisphere as a whole as "a carefully considered statement and a real contribution . . . not just rhetoric."

In that same speech, Kissinger also criticized Latin countries for participating in "tactics of confrontation between the developing and developed worlds."

Canada OK's Loan to Cuba

OTTAWA, CANADA.—The Canadian government has agreed to lend $100 million to the National Bank of Cuba to finance exports from Canada of such goods as railway equipment and ships as well as fish processing and paper plants, the Trade Department said Thursday.

Department officials said they were advised of the signing of a "memo of understanding" by message from Trade Minister Alastair Gillespie, who is in Havana with a 27-member Canadian trade mission.

The financing arrangements are being handled through the Canadian Export Development Corp.

The officials quoted Gillespie's cabled message as saying: "The memo covers a program of mutual interest in capital goods and services . . . to be completed within one year.

"The money will be made available to the Cuban bank by EDC in cooperation with Canadian chartered banks at internationally competitive rates of interest.

"Among projects being discussed are fish processing plants, paper moulding plants, railway cars, locomotives and ships for the transportation industry, power generation and engineering services."

[From the Miami Herald, Mar. 23, 1975]

After Canceling Canadian Firm Investors Welcome, Panama Boss Insists

(By Don Bohning)

Brig. Gen. Omar Torrijos, Panama's military strongman, has moved to reassure foreign investors that they are still welcome in Panama despite the cancellation of negotiations with Canadian Javelin Ltd. for exploitation of rich copper deposits in the country.

His government, Torrijos declared, "is neither confiscatory, nor anti-anyone . . . we are merely pro-Panamanian."

Torrijos cited the vast Cerro Colorado copper deposits, for which Canadian Javelin says it already had invested $25 million in exploration and preliminary engineering, and the Panama Canal as Panama's two principal resources.

"We do not wish both of our principal economic resources, the canal and the copper deposits of Cerro Colorado, to be in foreign hands unless they serve our national interests," Torrijos said in a statement last week.

"Our people profoundly believe they must control their own destiny. The mining potential is far more significant than the canal, which has been a divisive physical and social factor in Panama."

Torrijos promised that Canadian Javelin would be compensated and given a "generous indemnization, for the magnificent labor they performed . . .

"We do not, and will not, alienate foreign investors," said Torrijos. "Therefore, by cordial mutual consent, we expect to satisfy Javelin and its stockholders, many of whom are Panamians as well as North American."

To show its good faith, Torrijos said Panama will make an initial payment of $5 million to Javelin "while working out terms of a final agreement."

There is speculation the reason for the conciliatory Torrijos statement regarding Javelin and foreign investors is to allay fears that termination of the negotiations with Javelin had aroused.

In order to attract the foreign technology and capital necessary to exploit the Cerro Colorado deposits, it is essential that a sat-

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isfactory arrangement be reached with Canadian Javelin.

It's estimated that the exploitation of Cerro Colorado will require a $700-million investment.

Torrijos said Panama planned to contract the services of an internationally recognized financial institution to organize and manage financial aspects of the project and with a "universally recognized mining operator" for extraction and processing of the ore.

Torrijos said he is confident Panama can secure the financing necessary and that a special commission already had held initial discussions with "some of the world's most reputable mining companies."

In addition to his views on Canadian Javelin and Cerro Colorado, Torrijos also had more to say about the current U.S.-Panama negotiations for a new canal treaty and the Panamanian position.

He hinted again that negotiators may be discussing the relinquishment by the United States of control over the 10-mile wide Canal Zone within three years.

"We have reason to believe that within three years there will be no North American occupation of the Canal Zone, except for some 14 military bases we are willing to lease," Torrijos said.

It was the second time within a week Torrijos had suggested the three-year period of continued U.S. control of the Zone.

"It behooves the United States to act with justice towards Panama," Torrijos said of the negotiations. "The Canal Zone has become a symbol of the domination of a small nation by a powerful one—the last colonial enclave of the United States."

[From the Miami Herald, Apr. 11, 1975]

Will Ford Cede Canal Zone on His Own?

Balboa, C.Z.—U.S. citizens working and living here are fearful that the Ford Administration may try an end run around Congress and cede control of the Canal Zone to Panama by executive order.

A canal administration spokesman termed the fear "totally unfounded," but many Americans here, their morale battered by successive claims of the Panamanian chief of government, Brig. Gen. Omar Torrijos, remain unconvinced.

Recently, Torrijos claimed that three years after ratification of a new Canal treaty currently being negotiated by Panama and the United States, all trace of U.S. jurisdiction over the 550-square-mile Canal Zone will have disappeared.

To the uncertainty which the talk of this short transition period has brought to about half the canal administration's 3,600 U.S.-citizen employes, mostly in jurisdictional fields such as the police, now has come the fear that the U.S. government may act before any treaty is ratified.

Attributing it, to sources "with a high degree of credibility," a Canal Zone civic council president, Douglas C. Schmidt, gave this scenario at recent hearings held here by the House Panama Canal Subcommittee.

"In May or June of this year, a new treaty will be signed by the chief executives of Panama and the United States.

"Jurisdiction or sovereignty over the Canal Zone has already been conceded.

"The treaty will not be ratified by the United States Congress until 1977," Schmidt told subcommittee chairman Rep. Ralph H. Metcalfe (D., Ill.) and member Matthew J. Rinaldo (R., N.J.).

The thinking here is that because of setbacks to U.S. foreign policy in Indochina, Portugal and the Middle East, there is little chance of a new treaty being ratified by Congress either this year or next.

To avoid the treaty becoming a political issue in next year's elections, ratification will be postponed until the new Congress convenes in 1977.

Such being the case, "a congressional committee will be asked to review treaty clauses during the interim prior to ratification in 1977," Schmidt said.

"With the consent of this congressional committee, by executive order, Canal Zone police, courts, postal and customs systems will be terminated effective with the signing of the treaty," Schmidt said.

The thinking here is that the United States (and particularly the State Department which few in the Canal Zone trust) beset with other world problems and facing pressure from Latin America on the canal issue, do not want an explosive situation developing in Panama.

Further, such a move would ease pressure on Torrijos to make good his promise to wrest control of the Canal Zone from the United States.

To support this view, Schmidt cited the case of France Field, a former Navy air station at the Atlantic end of the Canal Zone.

Under the Nixon Administration, legislation was proposed to Congress that would have granted Panama the right to use France Field to expand the congested Colon Free Zone.

"But when legislation regarding France Field was held up by Congress, the same objective was attained through the use of an obscure existing agreement dealing with furnishing sites for customs houses," Schmidt said.

France Field formally was turned over to Panama on March 14.

"What assurance can be given to (Canal) Company-government employes that, even in the absence of a new treaty, functions essential to U.S. citizens (that is, police, schools, customs, health facilities) will not be dissolved?" Schmidt asked.

A Panamanian union leader, Saturnin Mauge, President of Local 900, theorized to the subcommittee that the president could issue an executive order "re-renting the entire Canal Zone to Panama for the minimal cost of a dollar annually."

This could be done with the proviso that Panama would exercise jurisdiction as if it were the sovereign state, Mauge said.

"Such an executive order will receive congressional censure, but it will not need congressional approval and it may satisfy, temporarily the demands of Panama," Mauge said.

U.S. DEFENSE AND STRATEGIC POSTURE

Mr. McCLURE. Mr. President, the Senate has had the opportunity to hear this morning—and the Nation has had the opportunity to hear—the expression of a wide array of Senators discussing the foreign policy and defense policy decisions confronting this Nation. This was a rather remarkable group of statements by a very large segment of the Senate, expressing their deep concern over the matters that confront the United States and the policy decisions which must be made by this administration and this Congress.

I was particularly struck by the impressive breadth and detail with which the Senator from Hawaii addressed the questions of the Pacific Basin, and I commend to the entire country a careful reading of the extensive remarks which he prepared for the colloquy this morning.

There is a tendency on the part of the United States, in the post-Vietnam era, to turn away from the Pacific Basin. to turn away from an area of critical importance to the United States and toward the area where the great majority of the people in the United States found their heritage. Because most of us came as immigrants to these shores not from the Pacific Basin but from across the Atlantic, we are told that it is natural that we should look across the Atlantic for our ties and not across the Pacific for our important interests.

As the Senator from Hawaii clearly stated, nothing could be further from the truth; and I hope that in this era, as we turn away from the involvement in Vietnam, we do not lose sight of the remaining interests which the United States has in the Pacific and the reasons why that area is vital to the security of the United States and to the well-being of the American people.

It would be difficult to go back through the list of statements this morning and pick out individual remarks that highlighted the individual statements, because they are both concise and comprehensive.

I think the dialog, as it was, covered the entire range of foreign affairs and defense concerns of the U.S. I hope that the Senators who are not present this morning—unlike the Senator from Virginia and the Senator from North Carolina, the Senator from Wyoming and others who have been here throughout the colloquy, and the Senator from Florida, who participated earlier—will have the opportunity and will take the time to look at some of the thoughtful remarks made by my colleagues this morning.

During this discussion, a wide range of serious problems pertaining to the defense of the United States and our general strategic posture in the world have been clarified by distinguished Members of this body.

The interrelation of all aspects of defense in the free world precludes a discussion of such matters as the defense budget in isolation. All actions or inactions in any area have a perceptible effect upon every other. Abandoning a country or abrogating a treaty sends shockwaves through our entire alliance structure and tilts the delicate East-West balance of power. The loss of an ally or American forward base in one area of the world requires an examination of the resulting new vulnerability throughout our entire strategic posture.

Our strategic posture in the world must now be completely re-examined in light of the events in Indochina. The fall of Cambodia, and Vietnam to Communist military forces, and the weakening of Laos must not be casually dismissed. We need a new analysis of where we now stand and what the future options are. Ever since the surrender of President Minh to the North Vietnamese, we have had numerous appeals to take a new look to the future. Even those who wish to suspend any further discussion of what exactly transpired in Indochina should not object to such an assessment. We cannot now obliterate Vietnam from our national memory any more than we could casually dismiss the consequences of what was happening there during the past 10 years.

Many have contended that assisting Vietnam was unwise. Some public opinion polls in the United States demonstrate sympathy with that point of view. Nonetheless, both the duration and magnitude of the actual assistance which the United States provided the Republic of Vietnam remains as incontestable evidence of an American commitment to the independence of that nation. No silence on Vietnam now can eradicate the record of the amount of money spent, the American and Allied casualties suffered, or the supporting funding votes by the Congress for over a dozen years.

Through our assistance Vietnam became a powerful military ally. Bemoaning the facts will not help. We must face the fact that now this ally and much American equipment have been lost to the Communists. These are dramatic military and political changes which we must recognize and cope with.

The conflict, especially in the last 2 years after the consummation of the so-called Paris Peace Treaty, became quite simply a test of wills between Hanoi and Saigon with the ability to translate willpower into combat power in Moscow and Peking. Ho Chi Minh propnesied some years ago that:

> The people of the United States do not have the determination to persevere in the struggle in South East Asia.

Now the record clearly shows that while American support for South Vietnam was halved and then halved again in this 2-year period, material assistance to the North escalated dramatically. These aid cuts and the movement of 19 out of 20 North Vietnamese divisions to the South made the military triumph of Hanoi inevitable. We see the Vietnam experience as an example of how the Congress wages war. You can almost say that the hand of Congress set up the dominoes in their precarious position.

Obviously, the fates of Cambodians, Laotians, and Vietnamese were integrally tied together as all three countries fell in 1 month. Similarly the increased guerrilla warfare now taking place in both Thailand and Malaysia demonstrates an increased aggressiveness by the Communists in the area. Kim Il Sung, the Communist dictator in North Korea, recently met with Mao Tse-tung in China and made threatening comments about a resumption of aggression against our ally, the Republic of Korea. The dominoes are not so much falling as cascading. The Communists have seized three countries in the past month and greatly augmented support for their forces in two others. Both Thailand and the Philippines have publicly questioned the usefulness of their close relations with the United States. In a meeting over the past weekend in Kuala Lumpur senior officials of Indonesia, Malaysia, the Philippines, Thailand, and Singapore began serious consideration of veering from their close relations with the United States in favor of becoming neutralists.

Because of the unnecessary fall of Indochina, many countries quite justifiably have questioned America's credibility as a powerful and reliable ally. They even ask quite bluntly as Prime Minister Lee Kuan Yew did at the White House last week, about our determination to sustain countries resisting armed aggression. Consequently, any movements now to either abandon additional allies or arbitrarily slash our own potential military capabilities may be perceived abroad as evidence of increasing isolationism.

In an interview this past week Secretary of State Kissinger commented that we cannot expect the Soviet Union to police the world for us. While we do not seek to police the world ourselves, we certainly will not ask the Soviets to do it for us. But we must inquire of both the Soviets and the Chinese Communists just what they intended by supplying the very weapons of war that cause the instability requiring the intervention of a "policeman." If the détente policy so assiduously pursued by the Secretary of State means anything it should indicate that the Soviets and Chinese should reduce, rather than increase, support for their aggressive allies like North Vietnam.

The United States has conscientiously avoided threatening actions against Communist countries. Even at the height of the Vietnam war we never allowed our own or South Vietnamese ground forces to enter North Vietnam. And in some cases, such as Cuba, our policy has actually included preventing people forced from the country by a Communist dictatorship from attempting to liberate their homeland. Under the guise of first "peaceful coexistence" and then "détente" we have transformed a position of resistance, and isolation of communism, to one not only of cooperation but even extension of assistance. Yet where, I ask, is the evidence of similar détente in either the internal or external policies of the Soviet Union or Communist China?

One aspect of détente that we must once again carefully reexamine in the clear light of recent events is our trade policy with the Communist powers. Even prior to the rejection by the Soviets of last year's bill we had extended extraordinarily generous amounts of material and financial arrangements in numerous trade agreements. We allowed the Soviets to benefit from our great advances in computer technology. Such technology can be employed in anything from maintaining elaborate police state data banks on all citizens to the calculations of more accurate trajectories for nuclear missiles. We have allowed the sale of precision ball bearing grinders to the Soviets. These bearings are used in the guidance systems of rockets. We have sold entire productive processes in the form of complete plants and thereby provided both greater efficiency and capacity for the military industrial complex of the Soviet Union. And unlike our own industrial capacity which focuses on consumer goods, the Soviets have continued to devote an inordinate share of their industrial might into the production of war materials.

We also have transferred single copies of numerous productive processes, equipment and designs to Communist China so they also could more readily bridge the technological gap with the Free World. Both Russia and China have consistently been bailed out, by the United States, of their regular agricultural disasters which accompany their collectivized farming system. And last, and possibly most aggravating, we have often funded these transactions through long term loans at rates of interest far below what American citizens may pay here. We have spent money to build up the military might of the Soviet Union which could have been used by the American people to purchase needed consumer goods in this country. In short, we have used the greatest benefits of our free economy in order to salvage the programed debacles of the Marxist economic system. And we have done this at the expense of the American consumer.

What, may I ask, is the point of bestowing so much assistance upon countries that daily maintain they are our adversaries? By any objective standard we are weaker and less secure than we were when this entire process began. Both the Soviet Union and Communist China have continued to undermine our strategic posture and alliances around the world. They not only provided the critical escalation of military assistance necessary to unleash the massive North Vietnamese invasion, but in addition the last reporters leaving Phnom Penh noted with surprise both the number and quality of weapons supplied to the Khmer Rouge forces by their Communist allies. In Portugal, the Soviets have extended enormous amounts of financial and moral support for Cunhal's Communist Party which may yet seize total power and possibly fatally undermine the NATO alliance. In the Middle East the Soviets have consistently tried to foment trouble—carefully below, but just below, the level of large-power confrontation.

Far too little attention has been paid to these actions because they have all been covered by the fuzzy blanket called détente. The total collapse of our allies in Indochina at the hands of Moscow and Peking should tell us something about the real lesson of détente.

What precisely have we gained by détente that can possibly equal such tremendous losses. How much longer can we afford to continue with this increasingly suicidal policy? How many more alliances must be shattered, and how many allies must be destroyed before we recognize that an adversary relationship exists which we can no longer disguise with pleasant rhetoric or friendly handshakes.

The only benefit that defenders of détente can cite is that the superpowers have not launched nuclear war. But throughout the 1950's when we successfully contained communism and did not aid its growth, we also had no great power clashes. Only when we allowed the penetration of our own hemisphere by the Russian satellite in Cuba did we come close to the brink of nuclear war in October 1962. And only when we failed to act decisively against Communist advances in Indochina did we suffer enormous casualties and the first defeat for our country in history.

Our distinguished colleague, the Senator from Arizona (Mr. Goldwater) spoke the truth in 1964. And I believe this from the bottom of my heart: Had

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he been elected to the Presidency, South Vietnam would be a land of peace and freedom today. And more importantly, there are thousands of men who would be home with their families today instead of asleep in their graves.

The Western World is crumbling from within due to debilitating economic policies and political sabotage by legal Marxist parties. This, coupled with a failure to meet external Communist threats, may make questions of a nuclear exchange moot. We seem to help the Communists faster than they can help themselves. Possibly, in the end, like Saigon, the cities will be saved but the people and their liberties lost.

The United States has the capacity to reverse this disastrous trend. But we need to explain what has happened and acquire the willpower to make the necessary hard decisions. We can continue to negotiate with our adversaries, but the results of such agreements must really be reciprocal so that neither we nor our allies are increasingly endangered.

As we have said, the balance of alliances in the world and the strategic postures of the Communist and free worlds have become seriously altered in the past several years. Only by restoring the balance of forces in the world can we hope to have both stability and peace in the future. Should the Congress in the coming months withdraw American forces from either Europe or Asia we will further erode the fragile stability left in both continents and make mutually negotiated reductions impossible.

If the Congress unilaterally delays or eliminates our very modest programs for the development and production of the B–1 bomber, the Trident submarines, or Minuteman 111 missiles, future strategic negotiations with the Soviets will see us in an impossibly compromised position. The Russians have proceeded with tremendous buildups in all these areas and they allocate far more resources than we do to vital research and development for the future. Paper agreements will not save us from the consequences of a severely unfavorable strategic balance of forces in the world. We must learn from the Indochina experience that in the end persistance and military superiority lead to victory. Firepower and willpower are both needed. Popularity, paper agreements, and rhetoric have no influence on the final results. What happened in Southeast Asia could occur in a worldwide theater if the United States does not face the truth and prepare to meet it.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point an article in the U.S. News & World Report, dated May 12, 1975.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WITH SOUTH VIETNAM'S FALL—IS THAILAND THE NEXT DOMINO?

BANGKOK.—The "domino theory"—sworn to by many people, scorned by others—will soon be tested here in Thailand.

Two dominoes, South Vietnam and Cambodia, have already fallen to the Communists. A third domino, Laos, if for all practical purposes controlled by Communists in Hanoi.

Now Thailand, once a staunch ally of the U.S. and a base for American air attacks on North Vietnam, is beginning to feel the heat as its neighbors collapse.

In faraway Washington, also, concern is felt about the domino impact of the Communist successes in Indo-China on Thailand and other Asian nations. Secretary of State Henry Kissinger underlined this concern at a news conference on April 29, saying:

"There is no question that the outcome in Indo-China will have consequences not only in Asia but in many other parts of the world.

"To deny these consequences is to miss the possibility of dealing with them. So, I believe there will be consequences. But I am confident that we can deal with them, and we are determined to manage and to progress along the road toward a permanent peace that we have sought, but there is no question that there will be consequences."

Thailand is already afflicted by Communist-run insurgencies in three separate areas—the Northeast, the North and in the Southern tip, along the border with Malaysia, China and, to a much greater extent, North Vietnam have given political support, some weapons and even training to the Thai rebels.

Once Hanoi has tightened its grip on the Indo-China peninsula, the flow of supplies across the Laotian and Cambodian borders is expected to increase. Some experts believe that recruiting inside Thailand will be made vastly easier by the Communist successes in Cambodia and South Vietnam.

OUTLASTING A WELCOME

Hoping to ease the anticipated pressure, Thailand already is moving to establish better relations with Hanoi and Peking. The Bangkok Government announced on May 1 that an "enormous withdrawal" of U.S. troops and planes would soon start. Up to 8,000 of the 25,000 U.S. servicemen there are expected to leave.

Hanoi earlier made it clear that it has little interest in a working relationship with Bangkok as long as U.S. forces are still on Thai soil.

Some diplomats believe it is already too late for Bangkok to mend its fences with North Vietnam. Says one:

"After all, Thailand provided bases from which Americans atacked the North Vietnamese. Thailand sent 'volunteers' to fight in Laos, at least 17,000 of them, and the 'Black Leopard' Division to fight Communists in South Vietnam. Hanoi isn't going to forget that easily or soon.

"Also, the Vietnamese Communists are somewhat to the left of the Chinese, and they will feel it important to throw their weight behind many revolutionary forces in Southeast Asia. Thailand is a made-to-order target for intensified insurgency—but without a direct invasion."

Some Thai officials hope that Peking, once it has diplomatic relations with Bangkok, will curb North Vietnam's expansionary designs. Other officials are not at all sure of that. Peking has diplomatic links with Burma and Malaysia—but radio stations in Southwest China continue to support "liberation movements" in both countries.

A RESTRICTED REBELLION

Communist insurgency in this country is relatively new—dating back only to the early 1960s. There has never been any fullscale uprising; fighting has been largely confined to light skirmishes between insurgent bands and police or local militia.

The bulk of Thailand's 120,000-man Army has never been put into the struggle, although units are based in the disaffected areas. Nevertheless, one rebel attack on an armoured cavalry post in the North recently cost the lives of 17 Thai soldiers. Another firefight, in the Northeast on April 24, resulted in the death of 12 people, including an Army colonel and a major.

The three areas of insurgency:

The North. In the rugged terrain along the border with Laos, Meo and other hill tribesmen have been in revolt since 1967. Although most of the weapons and other supplies come from Laos, Thai officials fear that China may send in supplies through Northeast Burma.

The South. Poor plantation laborers and tin-mine workers form the backbone of the rebel organization. Some support is provided by ethnic Chinese Communists who are still dug in in jungle hideouts in neighboring Malaysia. Thai officials expect new weapons to be smuggled in by junk from Communist-controlled Cambodia.

The Northeast. This is by far the most dangerous of the insurrections. The rebels are Thai citizens but ethnic Laotians, most of them with relatives in the Communist Pathet Lao—a partner in the coalition Government in Vientiane. Some of the Thai rebels have been trained in Hanoi, and the Thai rebels have been trained in Hanoi, and supplies move easily across the Mekong River into Thailand. Laos is the "secure border area" that facilitates revolution in a neighboring country.

All told, the insurgents probably do not number more than 8,000 men under arms—3,000 in the North, 3,000 in the Northeast and 2,000 in the South, plus some Communist-led Moslem separatists in the deep South. The rebels probably can count on 10 times that number for support in nonmilitary activities.

In theory, the insurgents are all led by the illegal Communist Party of Thailand, but the propaganda and the ideology come from the "Voice of the People of Thailand," a radio station based at Kunming, China. A training camp called "Hoa Binh"—which, ironically, means peace—is in North Vietnam.

ATTRACTING RECRUITS

Recruiting, particularly in the North and Northeast, is relatively easy for trained Communist cadres. The people are poor and uneducated, and have long been neglected by the Government in Bangkok. And as the flow of weapons from North Vietnam increases, youths in the villages find the romance of taking up guns irresistible.

The Government, on the other hand, has difficulty recruiting officials to work in villages where living conditions are primitive, dialects are hard to learn and chances for promotion are few.

As a result, dealing with the rebels is left largely in the hands of the Thai military, which is in woeful shape. A senior officer explained:

"We are not in a position to defend ourselves. If the Khmer Rouge had kept going after taking Pnompenh, or if the Pathet Lao had crossed the Mekong River, they could have walked almost unhindered to Bangkok."

The Thai Armed Forces are also divided on the nature of the danger One group wants internal security to be given top priority; another group insists the military should be geared up to resist aggression from outside. A Thai general comments: "Why worry about being invaded by a large army when we can't even subdue the guerrillas operating inside the country?"

One thing stressed by officials in Bangkok: Thailand is not going to go Communist except at gunpoint. The question, then, is whether the country needs and can afford a bigger, more-effective military force.

Since 1965, the United States has given this country more than 600 million dollars' worth of military equipment, plus additional millions in "funded assets"—an arrangement by which the U.S. pays part of the cost of a frigate, for example, and the Thais pay the remainder. The U.S. also outfitted 20,000 Thai troops who served in Vietnam and 17,000 who fought in Laos.

Furthermore, the United States provided employment and profits when it began using

Thai air bases for the wars in Indo-China. A deepwater port with huge warehouses was built at Sattahip, along with an air base for B–52 bombers at nearby U Tapao.

Now U.S. protection is to be withdrawn within a year, unless Thai leaders change their minds, and the flow of military support seems certain to dry up. There is a degree of bitterness in Bangkok directed at the U.S. over its failure to do more in the last days of Vietnam and Cambodia. Deputy Prime Minister and Defense Minister Pramarn Adireksarn, for example, says the U.S. "can't be trusted." And referring to congressional restraints, Pramarn declared, "The U.S. cannot do what it promises, even if it wants to."

American military commanders believe that a U.S. pullout from Thailand is inevitable, no matter what the Thais finally decide they want. Nevertheless, suggestions are heard that a compromise might be worked out to keep some American forces here.

The U.S. Air Force now has eight tactical squadrons in Thailand—five of F–4 Phantoms, two of F–111s and one of A–7 Corsairs. In addition, there are 15 B–52s at U Tapao, plus support aircraft, totaling 350 planes.

Experts maintain that, with the exception of key bases at U Tapao and Sattahip, the Thai installations could be given up without damaging the U.S. military position. U Tapao would be designated home for a skeleton air force, and Sattahip would be the port for delivery of ammunition and supplies.

Sattahip, especially, is of strategic importance to the U.S., which is facing possible loss of facilities at Subic Bay in the Philippines.

DECISION IN WASHINGTON

The key to what happens may well rest in the hands of Congress. Without appropriated funds, the bases would have to be given back to Thailand.

On the Thai side, the decision depends to a large degree on the extent of hostile Communist activity along the nation's borders.

The Government wants to maintain some of its ties with America. It claims that the U.S. has pledged to honor its military commitments to Bangkok despite planned and future withdrawals of the American forces. With enemies on nearly every border, Thailand realizes it needs the U.S.—as friend and ally.

Mr. McCLURE. Mr. President, did the Senator from Florida wish some time?

Mr. STONE. No; I thank the Senator.

Mr. McCLURE. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Virginia has 5 minutes remaining of his time.

A RED-LETTER DAY IN THE OFFICIAL LIFE OF PRESIDENT FORD

Mr. HARRY F. BYRD, JR. Mr. President, in the judgment of the senior Senator from Virginia, Wednesday, May 14, 1975, was a red-letter day in the official life of President Gerald Ford.

The Senator from Virginia earlier commended President Ford for his firm and resolute action in retrieving an American ship which had been taken over on the high seas. I commended him for his action in saving the lives of 40 American crewmen.

If the President had temporized, if those crewmen had been taken to Cambodia, it would have been very difficult or impossible to have saved them if the Cambodian Government was determined that they would not be saved.

I commend the President for a second action that he took yesterday, May 14. The President and the Federal Reserve Board turned down New York City's request for financial assistance from the Federal Government. New York City, its mayor and the Governor of the great State of New York, came to Washington to seek Federal funds to bail out New York City for the excesses which, through the years, it has gone to in regard to the spending of public funds. If the Federal Government gets into the business of bailing out localities throughout the Nation which overspend, there will be no limit. It will be a quagmire without a bottom.

President Ford accurately asserted, I believe, that the loan "would provide no real solution, but would merely postpone New York City coming to grips with its problem."

The President was on sound ground, too, when he told the mayor of New York City—and this can apply to many other places as well—

> We must stop promising more and more services without knowing how we will cover their costs.

I think he would be on sound ground also in making that statement as it applies to the Federal Government, as it applies to the Congress of the United States, and, I might say, as it applies to his own administration. More and more programs are being advocated, both by Congress and by the administration without appropriate regard as to how those programs will be paid for.

I was most interested in the statement by Federal Reserve Board Chairman Arthur Burns, who told a group of New York Congressmen yesterday that no prudent man would lend New York City money in the city's current financial condition. The Federal Reserve Board turned down New York City's request for a loan.

I do not single out New York City for any reason of hostility. It is one of the great cities of the world. I like to go to New York City. It is a great city, a wonderful city.

But I think the politicians of that city, just as the politicians of other communities over the Nation, must realize that they cannot give in to all of the demands of the various pressure groups unless, they are willing to vote the taxes to pay the costs. They do not want to do that.

I think President Ford yesterday struck two important blows for the best interests of our Nation—in one case, of the taxpayers of our Nation; in the other case, in regard to the captured ship, he struck a blow for the best interests of our Nation in the matter of world opinion and the protection of American lives and property. I am happy to commend him for both of these actions.

Mr. HANSEN. Will the Senator from Virginia yield?

Mr. HARRY F. BYRD JR. I am happy to yield to my distinguished friend from Wyoming.

Mr. HANSEN. Mr. President, I compliment the distinguished Senator from Virginia. He is a realist. He is a person who understands what the economic facts of life are and I regret that there are not more who have his deep understanding and perception in both bodies of Congress.

The one underlying fact that I think underscores the preeminence of Americans throughout the world, the one basic reason that we have freedoms to the extent that we have them is that, among other things, in addition to a constitutional form of government, we have, by way of contrast with the rest of the world, the best free enterprise economy. It is that fact, and it is the burdens and responsibilities that that fact imposes upon government officials everywhere, that underscore precisely what my distinguished friend from Virginia has just been saying about New York City. It is an easy thing to be a great guy to everybody so long as one reaches into somebody else's pocket to take the money to pay the bill, or, provided one does not pay the bill at all. That has been pretty much a course that has been followed for all too long by our Nation's biggest city.

What we need to do, and what New Yorkers need to understand and most of them probably know, is that we have to pay sooner or later for what we receive. As quickly as the Congress of the United States can comprehend the logic of that fact, the better off we shall be.

The Senator from Virginia has often spoken on this subject and I know of no one better qualified than he to point out what the facts of life are.

We have a great country. It can be a greater country than it is today. It will be a greater country than it is today if it can be decided what we can do and what we cannot do, as has been pointed out by the Senator from Virginia.

I compliment him for his contribution.

Mr. HARRY F. BYRD, JR. I am grateful to my dear friend from Wyoming for his overly generous and kind comments.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. I yield to the Senator from North Carolina.

Mr. HELMS. I, too, wish to compliment my able friend from Virginia. As always, his fiscal analysis is exactly right.

I might say that in my judgment the vast majority of American people are in total agreement with the Senator from Virginia. The vast majority of Americans understand the necessity for prudence; they understand that they cannot spend more than they take in for very long without getting into trouble. And they are aware of the fiscal irresponsibility of this Congress. They understand and appreciate the philosophy of the Senator from Virginia.

I commend him most highly for his comments, and I wish to be associated with his remarks.

Mr. HARRY F. BYRD, JR. I wish to say, "Thank you so much," to my distinguished friend from North Carolina for his very kind and generous comments.

Mr. President, during the course of the morning some 16 Members of the Senate have been discussing the Nation's foreign policy and defense posture in the aftermath of Vietnam.

A recent article in the quarterly review Modern Age, entitled "Power and

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Purpose in American Foreign Policy," examines in some detail the questions that have been raised here this morning.

I believe the article from Modern Age will add to the debate this morning, and I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

POWER AND PURPOSE IN AMERICAN FOREIGN POLICY

(By James E. Dornan, Jr., and Peter C. Hughes)

THE AMERICAN MISSION IN WORLD POLITICS

More than two hundred years ago, at the close of that period of American history which has been felicitously designated "the seedtime of the Republic," John Adams set down his thoughts on the historical significance of the American experience with republican government. "I always consider the settlement of America with reverence and wonder," he wrote, "as the opening of a grand scene and design in Providence for the illumination of the ignorant and the emancipation of the slavish part of mankind all over the earth." Adams was by no means alone in the view that the United States, as an almost-unique embodiment of social and civic virtue, was destined to make a major contribution to the political reformation of mankind. Such convictions have been prominent throughout the nation's history: statesmen with political outlooks as divergent as those of Hamilton and Wilson have beguiled themselves with the belief that the American system would become the political model for the entire world, and that American power might be the instrument for the establishment of representative government on the widest possible scale. The crusading spirit perhaps most fulsomely expressed in John Kennedy's inaugural address thus appears to have deep roots indeed in the nation's political character.

To such beliefs about the unique nature of the American polity can also be traced the origins of what George Kennan has called the "legalistic-moralistic" approach to foreign policy, in which American values and interests broadly interpreted become the primary standard for judging the behavior of other nations. As Kennan has emphasized, the United States has been particularly prone to judge international events from its own special perspective, and commonly has failed to consider adequately the legitimate views of other nations in the process. We have thus frequently been accused of exhibiting a narrow "absolutism" and a hypocritical moralism in our foreign relations.

These criticisms are not totally without foundation. Throughout its history the American nation has pursued foreign policy goals indistinguishable from those of other nations. Like others it has sought security, economic advantage, prestige, and influence in the international arena. Like others it has sought to protect advantage and influence once attained. And as they advanced the nation's interests American statesmen have often ignored or violated the canons of international law and morality. But so consistent and pervasive have been the assertions of higher purpose that most students of American diplomacy have concluded both that these claims have been more than mere rationalizations for other drives, and that they have had a significant impact upon the selection of end and means in American foreign policy as well. To that extent, American diplomacy does exhibit a pattern different from that of other nations.

In recent years many critics have come to consider the belief that the United States has a distinctive role to play in world politics to be deleterious to the development of a successful foreign policy. Even before the Vietnam War, there existed an ample literature urging a scaling down of American pretensions and a redefinition of the goals of American policy in more modest and prudent terms. As the nation's involvement in Vietnam deepened, that view became a consensus; and although even the academic critics of America's "crusading interventionism" by no means abandoned the view that the United States should play a large role in world politics, it became virtually *de rigueur* in the scholarly community to espouse the so-called "limitationist" viewpoint concerning the goals of American policy.

But it was not only in the intellectual community that opinion concerning the goals appropriate for American diplomacy began to change. Discontent with the seemingly endless war in Southeast Asia among the public at large clearly undermined the consensus over the means and ends of American foreign policy which had existed since the outbreak of World War II, and reawakened the urge toward withdrawal from an activist role in world affairs which had been dormant for nearly three decades.

Even after the withdrawal of the 500,000 American troops from Vietnam, however, the United States remains very much involved with the external world. Today America has 492,000 troops in some twenty-nine countries around the world. It is associated with four regional defense alliances and has contracted mutual assistance treaties with over forty nations. More than 900 additional treaties and agreements of every conceivable type bind us to dozens more, and to a host of international organizations and agencies as well. In 1975 the United States is furnishing military and/or economic assistance to approximately one hundred countries. Inadvertently and with the best intentions, Ronald Steel has pointed out, the United States has acquired an "accidental empire," one that embraces much of the world in a network of military pacts, economic ties, and political commitments. That "empire," it is now clear, cannot be readily abandoned, for the United States, like other great powers before it, has learned that it can no more ignore the obligations and commitments that have been both assumed and thrust upon it in the twentieth century than it could declare itself a great power by decree, as it attempted to do early in the nineteenth. Thus the debate engendered by the Vietnam War continues, now encompassing the broadest possible questions concerning America's role in world politics in the final decades of the twentieth century.

AMERICAN FOREIGN POLICY PRIOR TO WORLD WAR II

The current debate centering upon the extent, the methods and the purpose of American involvement in international politics is the inevitable culmination of the post-World War II revolution in America's relations with the outside world. Prior to the twentieth century, the internationalist and interventionist thrust implicit in the American self-vision from the nation's earliest days lay concealed behind a hardheaded realism in the choice of foreign policy objectives and in the actual conduct of diplomatic relations with other nations. Moreover, a fortuitous geographic position and the exigencies of international history had made possible a policy of isolationism or, more accurately, of non-alignment, which concealed from the American people the importance of an effective foreign policy.

Thus it was, as Charles Burton Marshall has noted, that the United States "came to maturity without having, in Whitman's phrase, to 'learn to chant the cold dirges of the baffled and sullen hymns of defeat'." Neither did the various international adventures of the early twentieth century or even Wilson's "great crusade" of 1917 mark any significant departure from the earlier tradition. There is little evidence to suggest that the nation as a whole fully appreciated the significance of the Spanish-American War, especially of the territorial acquisitions which followed in its wake; and surely neither Mr. Wilson nor his constituents viewed World War I as marking a permanent commitment by the United States to active participation in international politics. Indeed, for Wilson himself, as his critics are fond of noting, America fought the Great War out of a conviction that "the world must be made safe for democracy, and in order to usher in a new era in world history in which an institutionalized rule of law would replace war as the final arbiter of disputes among nations. The rapidity and fervor with which the nation reembraced isolationism when it became apparent that Wilson's dream bore little relationship to reality is fitting testimony to the twentieth-century strength of the tradition of nonalignment, however transmogrified in inspiration that tradition may have become since its origins.

FROM WORLD WAR II TO VIETNAM

It was not until after World War II that the United States came to believe that its own vital interests, not to mention its ultimate hopes and expectations for mankind, demanded an active role in world affairs. This was the ultimate significance of the much-discussed "revolution in American foreign policy" during which the vistas of United States policy expanded to encompass the entire globe. The contrast with the decade of the thirties was particularly sharp, as more than one commentator has observed:

"In the 1930's the United States had retracted into a pathological isolation: Americans had rejected even the noncompulsory jurisdiction of World Court, made the decision to retire from the Philippines, refused to build up fortifications on Guam, and abandoned their neutral rights at sea. . . . Yet during the following decade Americans fought a global war, led the mightiest coalition in history, became deeply involved politically in all parts of the earth, made the pivotal decisions that affected the future everywhere, and an American President bestrode the world like Caesar Augustus of old. In the light of its traditional foreign policy this sudden stupendous global influence of America constituted a veritable revolution. one of the most dramatic in history."

The consequences of this notable change in the operational pattern of America's relations with the external world have been many, and in fact are only beginning to be understood. But surely among the most important is one which until recently has been little observed: for the first time in its history, the United States has been compelled to act on the basis of its traditional, imperfectly examined and inadequately articulated understanding of international politics, and for the first time as well it has been forced to confront the consequences and implications of its classic definition of national purpose. Is the United States in its principles and behavior fundamentally different from the other national units which participate in international relations? Is the American political system the embodiment of the natural rights of man, and thus of a set of political values felt to be the legitimate political inheritance of all mankind? Is the United States destined to help other men to achieve that inheritance? And if so, by what means is it to accomplish this end?

Needless to say, this confrontation, which ultimately involves nothing less than the self-vision of the nation itself and the relationship between that vision and the nation's behavior in world affairs, would inevitably lead to errors at the level of design and reverses at the level of execution; and it was no less inevitable that these errors

and reverses would stimulate a reaction at home. From the beginning of the nation's postwar involvement in international relations there have arisen frequent charges that our policy-makers have acted unwisely in one way or another, and dissatisfaction with the results of policy has also led from time to time to a questioning of the general sweep of the nation's global strategy itself.

Resistance to the postwar "revolution" in American policy, it is worth remembering, came from both ends of the political spectrum. The Henry Wallace Democrats of the middle and late '40's, rejecting the mounting evidence that Roosevelt's "grand design" for postwar cooperation with the Soviet Union was doomed to failure, bitterly denounced the gradual development of the containment policy, and anticipated as well the central thesis of later New Left critics in insisting that the United States bore the principal responsibility for the onset of the Cold War. Taft Republicans, on the other hand, although harboring few illusions concerning the goals of Soviet foreign policy, strongly opposed any advance military guarantees to the nations of Western Europe, while appearing to suggest at the same time that the United States ought to have done much more to prevent Mao's accession to power in China. The discontent in both camps was fed by the rather ambiguous outcome of the Korean War, and by public dissatisfaction with our initial efforts to "contain" communism in Asia during the Eisenhower-Dulles Administration. If American foreign policy during the Eisenhower years seemed to suffer—as critics of all political persuasions have charged—from a severe case of muscle paralysis, it is not only the faulty understanding of the nation's leaders which must be blamed: that faulty understanding clearly mirrored the state of mind of the nation at large. Indeed, there is little indication that matters have improved much in the interim.

To be sure, the Kennedy era was to have changed all this. The torch of leadership, we were told, had been passed to a new generation, more wise and more able than that which it had succeeded, and we could thenceforth anticipate a foreign policy at once relevant and efficacious. The rhetorical seeds of the 1961 Inaugural rather quickly fell on the stony ground of Cuba, Laos, and Vietnam, however; and it soon became apparent to most interested observers that the seemingly-vast military and economic power of the United States was succeeding neither in enhancing American security nor in promoting international order and stability. There was little if any improvement under Johnson. Much more comfortable with domestic than with foreign policy in any event, he quickly became totally immersed in the Vietnam conflict, and in the last analysis he proved unable to imbue American diplomacy with direction or coherence. Increasingly as the Johnson years wore on, a new kind of challenge to American foreign policy was heard. A growing body of criticism began to call into question the motives and intentions of our policy-makers, and professed to discern a widening gap between the desires of the national leadership and those of the people at large—or, at least, of the more informed and intelligent among them. The Vietnam adventure, it was said, represented still another manifestation of the "arrogance of power"; some opponents of the war directly asserted that the United States has assumed the imperial mantle recently laid aside by Britain and France. According to these critics, American foreign policy required a substantial redirection, and that could be only accomplished by altering the nation's political system itself. While there is no evidence that these views were ever accepted by more than a tiny minority of the American people, it does appear that the steady denunciation of our Asian policy which emanated from the political Left both fed popular dissatisfaction with the Vietnam War and contributed to a growing disenchantment among the public with our foreign policy generally.

THE NIXON YEARS

Both President Nixon and his National-Security-Adviser - become-Secretary-of-State believed (even before 1969) that popular discontent with Vietnam had undermined the consensus concerning America's role in the world which had sustained United States foreign policy since the 1940's. Both Nixon and Kissinger, in fact, believed that virtually all of the forces and factors which had shaped world politics during the first two postwar decades had ceased to be operative.

The principal changes were said to be six in number. First, Japan and the nations of Western Europe, the latter gradually drawing closer together economically and politically, have recovered from the ravages of World War II, and are capable once again of assuming major roles in the world political system. Second, the new nations of Africa and Asia have substantially matured since the early post-independence period, and now appear able to resist external aggression and hold their own in relations with bigger powers. Third, the one-time communist monolith has been shattered, replaced by a loosely organized bloc whose members quarrel as often as they cooperate. Fourth, U.S. military preeminence has given way to a condition of strategic parity between the U.S.S.R. and the United States, reducing American freedom of maneuver in crisis situations but simultaneously creating new possibilities for détente based on a "stable balance of terror." Fifth, the old "isms"—the once-vibrant ideologies which for twenty years animated the foreign policies of the great powers—have lost their vitality, and more traditional national goals such as security and economic progress have become the primary concerns both of the United States and the Soviet Union. Finally, our own foreign policy is now inhibited by serious internal constraints, one of the several aftermaths of the Vietnam War. Our citizens' "psychological resources" have been exhausted, their "moral strength" has been undermined, and the nation's ability to play a major role in world politics is therefore considerably diminished.

Mr. Nixon's world view thus combined both pessimism and optimism. Although the power of the United States is in decline, especially relative to that of the Soviet Union, other changes which are occurring in the world are more favorable to American interests, especially if the latter are more restrictively defined than in the past. A substantially reduced role for America in maintaining world security, Mr. Nixon believed, was both desirable and possible; moreover, for the first time since the end of World War II, there exists an opportunity to create a "new structure of relations" with our traditional adversaries and thereby achieve a "durable peace" which will survive at least until the end of this cantury. Particularly if the economies of the U.S. and the U.S.S.R. could be bound together through a series of interlocking agreements, the Soviets would have a "vested interest" in continually-improving relations with the West. Somewhat later, as events in the Middle East and the massive post-SALT Soviet military build-up aroused doubts about the assumed Soviet desire for a constructive relationship with the United States, administration spokesmen began to stress the necessity of avoiding nuclear war as the primary rationale for the policy of détente.

Mr. Nixon's efforts to redirect American foreign policy, of course, were considerably reinforced by the views of Mr. Kissinger. At least since 1965 Kissinger has believed that the Soviet Union and Communist China are basically satisfied and status-quo powers, increasingly anxious for cooperative relationships with the United States. His views on defense policy also strongly buttressed Mr. Nixon's new approach to American foreign policy. Since virtually the start of his academic career in the mid-fifties Kissinger has believed that the maintenance of a strategic balance between the two major powers is relatively easy when both sides possess invulnerable second-strike forces. He is also convinced that, beyond their deterrent effect, strategic nuclear weapons have very little operational significance for foreign policy. Precisely because of the awesome power of nuclear weapons, he has insisted, once a "stable" nuclear balance has been achieved no rational leader would be tempted either to launch an all-out war or to try to utilize strategic weapons to advance his nation's political interests. Hence, he has been relatively uninterested in the niceties of the nuclear balance and in the significance of numerical disparities in numbers of missiles deployed by the major powers. Finally, he has long argued that under conditions of nuclear stability thus defined the prospects for significant arms control agreements between the superpowers improve substantially. It was the combination of Mr. Kissinger's views on detente and on military strategy and Mr. Nixon's convictions concerning the possibilities of improved relations with the U.S.S.R. which constituted the driving force behind the Nixon Administration's national security policy.

The often-voiced charge that the Nixon Administration never adequately defined or articulated its foreign policy objectives is thus without merit. Virtually from the outset the administration made the achievement of detente with the U.S.S.R. its primary goal. Vital foreign policy tasks such as repairing strained relations with our European and Asian allies and restructuring the international trade and monetary systems, to say nothing of developing a coherent long-term strategy for dealing with the developing continents, were all sacrificed—and continue to be sacrificed—to the pursuit of improved relations with the Soviet Union. The "shocks" administered to Japan in 1971 and the pronounced deterioration in relations within the NATO Alliance during the first two years of the second Nixon Administration testified clearly to the new pecking order for adversaries and allies within that Administration's policy. At the same time, under the tutelage of Messrs. Nixon and Kissinger the United States renounced, even as an ultimate objective of policy, any intention to effect a fundamental change in the nature of the Soviet regime; indeed, not only great-power status but also a right to "natural expansions" in the Middle East and elsewhere were conceded to the Soviets. Even the much-heralded "opening" to China appears in retrospect to have been primarily designed to goad the Soviets more rapidly down the road to detente.

The Administration's efforts to redefine America's global interests can be similiarly understood. Many critics have suggested that the so-called Nixon Doctrine contained no clear standards defining the conditions under which the United States would use force to defend its interests abroad. Hence, they argued, it remained uncertain what policy the U.S. might follow if and when local defense forces proved inadequate in areas of American concern. Both Mr. Nixon and Mr. Kissinger, however, gave ample indication that they expected direct American involvement to be rarely necessary. The reason once again had to do with their views on the emergent relationship with the Soviet Union. If Soviet-American hostility is waning due to changes in Soviet ambitions, and if wise American diplomacy can be expected to lead to further improvements in relations between the two super-

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powers in the future, then America's fundamental security position is markedly improved. Not only is the danger of a military confrontation with the U.S.S.R. substantially diminished, but there is no longer any need to "contain Communism" through a complex array of treaties and alliances. As the Cold War passes, according to this view, American interests abroad shrink commensurately. Herein may lie the explanation for what was the Nixon Administration's apparent lack of concern over both the relative decline of American military power and the probable political consequences of that decline. In this respect the SALT agreements are the perfect strategic expression of the Nixon Doctrine itself.

THE ADEQUACY OF THE KISSINGER FOREIGN POLICY

The willingness of the Soviet Union to pursue policies of restraint, therefore, is a crucial element in the new grand design for American foreign policy. Unfortunately, thus far there have been few signs of any such willingness on the part of the U.S.S.R., and the argument that Soviet foreign policy objectives in their broadest definition have decisively changed is not a great deal more compelling now than when it was first raised not long after the revolution of 1917. At the very least, Soviet policies in the Middle East and South Asia ought to give one pause. It is worth observing in this connection that great powers do not necessarily require universalist ideologies to sustain policies aimed at global preeminence. As Thucydides taught us long ago, the interests of states tend to expand with their power, and few would quarrel with the proposition that the rise of Soviet power, especially in its military dimension, is one of the salient facts of current international history.

Even the various SALT agreements, frequently cited by the Administration as the principal evidence to date of a favorable trend in Soviet-American relations, contain no Soviet concessions. Although the U.S.S.R. has agreed to halt further antiballistic missile (ABM) construction and consented to build no more ballistic missile launchers after specified totals have been reached, there were no signs that they were contemplating extensive ABM construction in any event and no hard evidence—despite Nixon Administration claims to the contrary—that they had previously intended to add to their arsenal large numbers of missile launchers beyond the total permitted by SALT. Indeed, it would be extremely difficult for the U.S.S.R. to acquire more than the permitted number—950—of sea-launched ballistic missiles during the five-year life of the SALT I agreements under the best of circumstances. Overall the 1972 agreement allows the Soviets a 2414–1710 advantage in missile launchers of all types, and a throw-weight advantage of at least 4–1. The payload and launcher advantages guaranteed the Soviets by SALT I afford them a more-than-adequate foundation for progress toward clear strategic superiority over the United States. The United States, on the other hand, surrendered a highly-promising ABM system, accepted a freeze on offensive launcher systems which complicates our efforts to acquire an effective counterforce capability (*i.e.*, an ability to destroy such military targets as protected missile silos), and won no guarantee that our existing qualitative advantages would not be neutralized by future Soviet technological advances.

In fact, since SALT I was signed the Soviets have embarked upon a program of military development which is staggering in scope and intensity, and which will nullify any remaining American advantages within several years. First, they have continued to test and deploy missiles in their existing ICBM series, and have developed a new, more effective guidance system to improve the accuracy of all their missile systems. Second, they have developed a new launching system for their land-based missiles—the so-called "cold launch" or "pop-up" technique—which will enable them to install larger missiles in existing launchers and also to deploy more than one missile per silo (thus effectively and legally circumventing the effects of the limitations on missile size and on numbers of launchers contained in the SALT I agreement). Third, since 1972 they have tested no less than five new strategic missiles, four of the land-based and one of the sea-based variety, each possessing a larger throw-weight and greater accuracy than its predecessor. Fourth, the U.S.S.R. is proceeding very rapidly with a multiple warhead program, and should surpass the U.S. in numbers of warheads on land-based missiles later in this decade. These warheads will be larger and more counterforce-effective than our own. Finally, the Soviets are deploying two new types of missile-firing submarines, not to mention other major naval vessels such as aircraft carriers, missile cruisers, destroyers, and attack submarines for antisubmarine warfare purposes. They are also beginning to deploy a new bomber, the adjustable-wing, intercontinental range "Backfire," and they may be testing a new supersonic heavy bomber as well.

The agreement concluded by Messrs. Ford and Brezhnev at Vladivostok in November of 1974, should it become embodied in a formal SALT II accord, will have little or no constraining effect on the Soviets' drive to achieve military preeminence over the United States. Indeed, by permitting them to place multiple warheads on 1320 of their missiles it ensures that the Soviets will acquire ultimate superiority in numbers of warheads on land-based missiles as well as in other significant indices of strategic power.

It is thus uncertain in the extreme whether "nuclear parity" with the United States is or ever has been a Soviet objective. On the contrary, available evidence indicates that the U.S.S.R. is seeking superiority over the United States in every significant area of military power. The relevant question, of course, is *why*.

No one would suggest that a Soviet nuclear attack "out of the blue" is probable, either now or in the foreseeable future. What is far more likely is an effort by the U.S.S.R. to exploit its growing strategic advantage for political purposes. The historical record indicates that the Soviets aggressively attempted to exploit their military capability for political purposes even when they were substantially inferior to the United States in strategic striking power, especially during the Khrushchev era. Neither have they been reticent in calling attention, before a variety of audiences, to their existing margin of superiority in intercontinental ballistic missile launchers. Were the Soviets directly or tacitly to bring their strategic advantage to bear during an international crisis, the U.S.—or its allies—might readily be intimidated. Given existing strategic realities, any Western leader would hesitate to challenge a direct Soviet military threat when a vital interest of the U.S.S.R. was at stake, much less employ strategic weapons in the event of lower-level Soviet aggression.

It is for this reason that responsible observers, both here and abroad, have begun to question the credibility of the U.S. nuclear commitment to Europe. When the Soviets acquire a counterforce capability sufficient to threaten portions of the American strategic "triad," these doubts could be transformed into convictions. Under such conditions, the U.S. could lose its remaining power to influence the international behavior of the European powers, to say nothing of the course of events in other parts of the globe. Indications that the timing of the American initiative towards a Middle East ceasefire in 1973 was largely determined by Soviet pressure may be an ominous portent of the future.

Thus idle speculation concerning the likelihood of a Soviet military assault on Europe or of a direct intervention by the Soviets in the Middle East largely misses the point. The vital question concerns the political implications of present and probable future strategic states. As many commentators have observed, the precise military balance as measured by experts may be far less significant in this connection than such attention-getting factors as gross numbers of delivery vehicles, popularly regarded as the true index of military power. It is for these reasons that the Nixon Administration's military posture, variously termed "realistic deterrence" and "strategic sufficiency" must be judged seriously deficient.

Mr. Kissinger, however, has long doubted the efficacy of military power as a tool of diplomacy in the nuclear age, and such issues as these interest him far less than his "web of interest" strategy and the establishment of close personal relations between the Ford-Kissinger team and Soviet leadership. The validity of both approaches to the Soviet-American relationship is of course open to challenge. It is by no means certain that the kinds of economic agreements apparently contemplated will act as a constraint on Soviet efforts to expand her global power and influence, nor is there any reason to presume that these agreements will be of permanent duration. Least of all can it be assumed that pleasant personal relations between Ford and Brezhnev, or for that matter between Kissinger and Dobrynin, will be a significant factor in the Kremlin's policy calculations.

In any case, if the course of Soviet military development holds out little hope that detente has become a reality, neither is the political record very promising. While there is not space within the scope of this essay to analyze thoroughly the general course of international politics since SALT, even a capsule review of recent events is sufficient to indicate that the Soviets have no more sought to contribute to the "momentum of detente" within the political sphere than within the military arena.

There have been no serious concessions by the Soviets in any of the several ongoing negotiations with the Western powers on political and military issues. The talks on mutual force reductions in Europe are presently deadlocked, apparently awaiting the next American accommodations. The Conference on Security and Cooperation in Europe is also deadlocked, in this case over Western European insistence that the Soviets agree to permit more "human contacts" between their people and those of the West. As for other areas of potential political conflict between the two superpowers, the record speaks for itself. Not only were the Soviets intimately involved in the preparations for the Middle East War, but virtually to the day that the oil embargo was lifted they continued to urge the radical Arab states to maintain it in force. There is no evidence to indicate that they have supported Mr. Kissinger's efforts to move the opposing parties towards a mutually satisfactory settlement since the embargo ended. Brezhnev himself has repeatedly stated during the period since SALT I that the ideological and political struggle between the two powers will go on. In fact, at a conference of Eastern European party leaders in mid-1973 he explained that the precise purpose of the Soviet policy of detente with the Western powers was to buy time for the Soviets to acquire total strategic superiority over the West; at that point, he said, the U.S.S.R. would set about to achieve the reorganization of world politics on its terms, which has always been the ultimate objective of Soviet foreign policy.

There is, in short, no evidence whatsoever that there exists at present a true detente

between the U.S. and the U.S.S.R., even if we define detente, in a minimum way, to mean acceptance by both the U.S. and the U.S.S.R. of the pre-SALT military balance as a permanent condition of international life. Much less is there a true detente if that word is defined more broadly as a situation in which both superpowers agree to pursue foreign policies which are essentially status-quo in nature.

A belief in the existence of detente between the superpowers has encouraged false hopes and has stimulated wishful thinking in the West. In the resulting euphoria, thoughtful and objective analysis of the military and political threats we confront from the U.S.S.R. in today's world has been rendered extraordinarily difficult. Even among those on the political Left whose enchantment with the U.S.S.R. has recently faded, there is little appreciation of the significance of the Russian military buildup; and in the highest councils of the present Administration the conviction that detente is a reality is deep-seated indeed. There are thus few obstacles in the path of the Soviet drive toward military and political preeminence.

TOWARD A MORE VIABLE FOREIGN POLICY

If there are a few signs that a true detente exists between the United States and the Soviet Union, on what basis should the United States attempt to conduct relations with the world's other superpower? Should the purpose of this nation's foreign policy in the 1970's be "victory over communism," as the then-leading (and still prominent) spokesman for American political conservatism, Senator Barry Goldwater, advocated a decade ago?" Or is the mere "containment" of the Soviet Union enough? Alternatively, should we drastically reduce American involvement with the outside world, as the "limitationists" advise, or perhaps even attempt a withdrawal to a Fortress America, relying upon our strategic nuclear forces to ensure our survival? To raise these questions is merely to ask what are the national interests of the United States, and how can they be best protected under contemporary conditions?

As with most issues of public policy, perhaps it is best to return to *what is*, to certain observable facts about the behavior of nations and about the universe of international politics. As the French scholar Raymond Aron has recently reminded us, only "a small power restricts its ambitions to physical survival and the preservation of its legal independence and its institutions." A great power, on the other hand. "over and above physical security, moral survival, and the well-being of its inhabitants, acts to achieve an (often) ill-defined purpose, which I should call the maintenance or creation of a favorable international environment." Isolationism in the United States, he adds, has been largely discredited because five times in the twentieth century in moments of profound crisis the United States has found it necessary to undertake a major military intervention in Europe and Asia. The issue, he suggests, is not what the United States might prefer to do, but what it has done and will continue to do: "The real question is whether nonalignment and the refusal of 'entangling alliances' would not give rise some day to crises from which once again, however much it wished to abstain, the American Republic would be incapable of standing aside."

In arguing that, whatever its formal doctrine, the United States would find a policy of isolationism impossible to maintain in practice, Aron is not succumbing to the determination of the power realists or the para-Marxists, who also assert—albeit for quite different reasons—that the United States is compelled to play a substantial role in world politics. Neither is he merely arguing, with Thucydides, that the interests of states tend to expand with their power. On the contrary, he is asserting that power is not the sole, and often not even the primary, determinant of human action, and therefore that the behavior of men and nations cannot be explained in terms of power alone:

"Drawing a distinction between physical security and the creation of an environment favorable to the expansion of the national values, though valid analytically, is rather hazardous. No great power defines its national interest simply as its physical security. Diplomats think and act within a world already structured by animosities, principles, or sympathies which cannot be reduced to calculations of strength or consideration of balance."

If this argument is correct—and the historical experience of all great nations goes far toward confirming it—it suggests at least the beginnings of an answer to the questions raised earlier concerning the purpose of American policy. Self-interest and principle are inextricably intertwined as motives for the foreign policies of all nations, although of course the mix will differ in each individual case; moreover, it is when the demands of self-interest and the demands of principle reinforce one another that policy tends to be most consistent and effective.

In the present instance, both principle and self-interest point clearly to a firm United States policy stand toward the Soviet Union. At the level of principle, it is difficult to maintain that the Soviet regime is morally superior to the American. Whatever may be the thrust of the changes which have occurred in the U.S.S.R. since Stalin, the Soviet regime remains a tightly-controlled, one-party dictatorship. All political dissent in the Soviet Union is carefully circumscribed, and respect for basic human freedom and dignity is virtually nonexistent. The United States, by way of contrast—and, more broadly speaking, the civilization of the West in general—embodies principles of politics which are eminently defensible on ethical grounds, however imperfectly some of those principles may be realized in practice. Thus the Western nations have the right and the obligation to defend their values and principles and the political systems based upon them, and indeed to extend their influence where it is possible and prudent to do so.

At the level of self-interest, it is clear that the threat to American interests abroad and even to our security and survival is increasing rather than diminishing. What is therefore required in response is a policy toward the U.S.S.R. based on a clear apprehension of current realities rather than on desires and dreams. In the words of Defense Secretary Schlesinger, "unless we are to plan only by our peace structure on the hard facts of the international environment rather than on gossamer hopes for the eminent perfectability of mankind. And whatever, the professed fears of Mr. Kissinger regarding the dangers of nuclear war, there *do* exist options for the United States other than holocaust or the supine acceptance of Soviet political and military supremacy.

To be sure, a realistic policy toward the U.S.S.R. cannot, under current circumstances, advocate a crusade to roll back the Iron Curtain or to bring down the Soviet regime by force. As Burke long ago taught us, prudence is the central virtue of politics, and in the nuclear age such a policy could result only in disaster. By the same token, the time has long since passed when we could attempt an international quarantine of the U.S.S.R., or even refuse to negotiate with the Soviets on the whole range of East-West issues. In any event there can be few objections raised against the concept of detente properly defined, or against a policy of detente properly pursued. What the United States requires is consistent firmness and realism in assessing Soviet intentions and policies and in devising responses to them.

Future arms controls agreements, for example, must be based on true equivalence, and must not proceed from the Kissinger assumption that one-sided agreements are satisfactory solely because they contribute to the "momentum of detente." Trade agreements likewise must contain equal economic advantages for both powers, and under no circumstances should strategic materials or military-related technology be transferred to the U.S.S.R. Finally, even arms control and economic agreements limited by these principles must be offered to the U.S.S.R. at a price. That price must be a demonstrated moderation in Soviet behavior, at home and abroad—in Europe and in the Middle East as well as on such issues as submarine deployments in Cuba and the emigration of dissident minority groups from the Soviet Union. Pressure on the U.S.S.R. emanating from Senator Jackson and elsewhere on the latter issue has already led to some modification of Soviet policies. If the Soviets are seriously interested in obtaining access to American technology, a consistent U.S. hard line on the emigration issue—which will serve to demonstrate to others our continuing moral commitment—might well lead to further changes in Soviet behavior. If not, nothing of consequence will have been lost, and an increased knowledge of Soviet intentions and flexibility will have been gained.

The same approach points the way to new directions for American policy elsewhere in the world. Clearly our alliance systems are in a state of disrepair, a consequence of the deliberate subordination of alliance interests to detente under the Nixon Doctrine. A foreign policy rooted in a clear understanding of current political realities would make the revitalization of NATO and the Japanese alliance a first order of business. Both the Europeans and Japan must be persuaded that we have no intention of "decoupling" American security interests from theirs. Beyond that, the firm United States position in Southeast Asia must be sustained, and efforts should be set in motion to create—under the inspiration of one of the more cogent aspects of the Nixon Doctrine—a NATO-style mutual defense arrangement among the noncommunist nations of the region, through which they can assist one another in dealing with local insuregencies and other threats.

It has obviously not been possible within the scope of the essay to specify in detail the kind of foreign policy which we believe necessary for the United States. Enough has been said, we hope, to indicate the nature of the approach. More than a decade ago, in one of his most illustrious books, a well-known professor of international relations wrote cogently of the relationship between power, principle, and world order:

"Whenever peace—conceived as the avoidance of war—has been the primary objective of a power or a group of powers, the international system has been at the mercy of the most ruthless member of the international community. Whenever the international order has acknowledged that certain principles could not be compromised even for the sake of peace, stability based on an equilibrium of forces was at least conceivable."

The professor was Henry A. Kissinger. The hour is now late. But there is still time for the United States to heed his warning, and to substitute for "detente at any price" the difficult decisions and sacrifices dictated by principled realism.

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin is recognized for not to exceed 15 minutes.

UMI

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll

The second assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I yield to the distinguished Senator from Idaho.

MHD AND HELIUM

Mr. McCLURE. Mr. President, I observed with great interest the remarks of the distinguished majority leader regarding the potential use of magnetohydrodynamics—or MHD—for electric power generation. As the Senator from Montana pointed out, MHD offers us an opportunity to increase the efficiency of electric powerplants, while using our abundant domestic coal reserves.

I believe that it is essential, though, that we realize the importance of our helium supplies for this developing technology. Large-scale commercial development of MHD will require superconducting magnets, and these will require liquid helium. In fact, one of the leading U.S. experts on MHD, Dr. Kantrowitz, has estimated the MHD helium inventory for central station use at 40 million cubic feet per year. And, since this is a nonwasting use, an annual 10-percent makeup should be assumed for this inventory.

In addition to Dr. Kantrowitz's estimate, the Stanford Research Institute has prepared a detailed projection for helium use by magnetohydrodynamic generators. As the projection shows, a MHD capacity of 83,000 megawatts in the year 2010 would require an installed helium inventory of 41.5 million cubic feet, with substantial increases thereafter.

Mr. President, I ask unanimous consent that the SRI projection be printed in the RECORD.

There being no objection, the projection was ordered to be printed in the RECORD, as follows:

PROJECTED HELIUM REQUIREMENTS FOR MAGNETOHYDRODYNAMICS, 1985–2050

	Magnetohydrodynamic electrical generation capacity (thousands of megawatts)		Requirements for helium (millions of standard cubic feet)		
	Capacity	Average annual increment	Installed inventory[1]	Average annual inventory increase[1]	Average annual loss[2]
1985..	3	0.6	1.5	0.3	0.2
1990..	15	2.4	7.5	1.2	.8
1995..	30	3.0	15	1.5	1.5
2000..	51	4.2	25.5	2.1	2.6
2010..	83	3.2	41.5	1.6	4.2
2020..	129	4.6	64.5	2.3	6.5
2030..	191	6.2	95.5	3.1	9.6
2040..	272	8.1	136	4.1	13.6
2050..	375	10.3	187.5	5.2	18.8

[1] Based on an inventory of 430,000 pounds of helium refrigerant for 83,000 megawatts capacity, or about 500 standard cubic feet per megawatts of capacity (5,000,000 standard cubic feet per 1,000 megawatts).

[2] Based on estimated current system losses approximating 10 percent per year.

Mr. McCLURE. This is just one more example of a conflict between the administration's stated goal for increased use of domestic energy resources and the actual policy decision which is resulting in the venting of helium to the atmosphere. I hope that in the coming decades we will not have to add MHD to the list of new energy technology which cannot move from R. & D. to commercial development due to a lack of helium.

I yield back the remainder of my time.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business of not to exceed 15 minutes with statements therein limited to 5 minutes.

SENATE RESOLUTION 156—SUBMISSION OF A RESOLUTION AUTHORIZING AND DIRECTING THE COMMITTEE ON RULES AND ADMINISTRATION TO PREPARE A REVISION OF THE STANDING RULES OF THE SENATE

(Referred to the Committee on Rules and Administration.)

Mr. ROBERT C. BYRD submitted the following resolution:

S. RES. 156

Resolved, That the Committee on Rules and Administration is authorized and directed to prepare a comprehensive codification and revision of the Standing Rules of the Senate which will—

(1) provide for an orderly and logical arrangement of the Standing Rules,

(2) incorporate therein rules of the Senate which presently are not, but properly should be, part of the Standing Rules, and

(3) omit provisions which are no longer applicable to the procedures and practices of the Senate.

Such revision shall not make any substantive change in the Standing Rules, or any other rule of the Senate incorporated therein, or make any other change which is inconsistent with the procedures and practices of the Senate.

SEC. 2. The Committee shall report the revision prepared pursuant to this resolution to the Senate as soon as practicable.

Mr. ROBERT C. BYRD. Mr. President, the Senate, since it adopted its first set of rules in the First Congress, has adopted or readopted its complete body of rules on only six other occasions; namely, on March 26, 1806, January 3, 1820, February 14, 1828; March 25, 1868; January 17, 1877; and lastly on January 11, 1884, 91 years ago. Of course, there have been many major amendments by piecemeal to that body of rules adopted in 1884.

The resolution that I have submitted today would authorize or direct the Committee on Rules and Administration to prepare a codification of the existing procedure of the Senate which is now set forth in the 44 standing rules found in the "Rules and Manual of the United States Senate," the two Legislative Reorganization Acts of 1946 and 1970, various amendments to the rules adopted from time to time in the form of Senate resolutions, certain orders adopted by the Senate which directly affect Senate procedure, and particular provisions of certain other laws.

As stipulated above, this body of parliamentary law by which the Senate operates is scattered among various documents, resolutions and laws, so that it is difficult to locate a particular procedure of the Senate expeditiously.

I have no desire or intention to amend the Senate procedure in this project; my sole purpose now is to pull together all the rules and regulations which provide the guidelines by which the Senate operates; and set them forth in numbered rules in an organized fashion according to subject matter and procedural steps. The present number of each rule will be given a new number only when absolutely necessary.

What I am proposing here is to eliminate some provisions of the rules and regulations which have become obsolete, and to change or omit certain words or phrases to make them meaningful according to current procedure of the Senate. For example, rule IX has not been used since the early part of this century, because it has no significance in present Senate procedure.

Some of the rules refer to officers no longer existing in the Senate; that is, rule I stipulates that—

> In the absence of the Vice President, and pending the election of a President pro tempore, the Secretary of the Senate, or in his absence the Chief Clerk, shall perform the duties of the Chair.

The Senate no longer has a Chief Clerk; he is now called the Assistant Secretary of the Senate.

There are many such changes which should be made to bring the written rules up to date.

SENATE JOINT RESOLUTION 82—RELATIVE TO A BEQUEST TO THE GOVERNMENT OF THE UNITED STATES OF AMERICA

Mr. HARRY F. BYRD, JR. Mr. President, the late Walter Thurston of Orange, Va., a long-time Foreign Service officer, left one-half of his estate to the United States of America.

I send to the desk for appropriate reference a Senate joint resolution dealing with that bequest. I ask unanimous consent that the joint resolution and its preamble be printed in the RECORD at this point.

There being no objection, the joint resolution (S.J. Res. 82), with its preamble, was ordered to be printed in the RECORD, as follows:

SENATE JOINT RESOLUTION 82

Whereas, the late Walter Thurston of Orange, Virginia, had been a Foreign Service Officer in the United States Department of State for many years preceding his death, rising to the rank of Ambassador; and,

Whereas, by his last will and testament he made a specific bequest of one-half of the residuary of his estate, amounting to $125,000, to the United States of America; and,

Whereas, it is the desire of the Secretary of State to use such amount for the purpose of furnishing the diplomatic reception rooms of the Department of State as a memorial to Walter Thurston: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of State is authorized to make expenditures not exceeding $125,000, representing the amount bequeathed by Walter Thurston to the United States of America, for the purpose of furnishing or refurnishing the diplomatic reception rooms of the Department of State.

Mr. HARRY F. BYRD, JR. I further ask unanimous consent that a statement concerning this bequest, with an attached biographical sketch, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ALLOCATION OF PORTION OF THE ESTATE OF THE LATE AMBASSADOR WALTER THURSTON TO THE U.S. DEPARTMENT OF STATE FOR THE DIPLOMATIC RECEPTION ROOMS

The late distinguished Ambassador Walter Thurston, Orange County, Virginia, by the terms of his will expressed the wish that half of the residuum of his estate (estimated at $125,000) be given to the Treasury of the United States.

Mr. V. R. Shackelford, Jr., Orange, Virginia, Executor of the estate of Walter Thurston, and many of the Ambassador's closest friends and associates feel that because Walter Thurston devoted virtually all of his adult life to the work of the State Department and that he would have wished that this bequest be used for the benefit of the State Department.

Ambassador Thurston left no heirs. He began his State Department career in 1914 in Mexico at the age of 19. He rose rapidly through in career service serving eventually as American Ambassador to several countries and in high positions in the State Department in Washington, until he retired in 1953. He died in 1974. Thus, it will be seen that from the time that he was only 19 years of age until his retirement in 1953—a span of 39 years, he worked untiringly in the diplomatic service which he loved.

Executor Shackelford has stated "It has been suggested by some of Ambassador Thurston's former colleagues in the State Department that it would be appropriate for his bequest to the Treasury of the United States be used to assist the Fine Arts Committee of the Department of State in furnishing the Diplomatic Reception Rooms of the State Department."

"I knew Ambassador Thurston well while he was a resident of Orange County, Virginia, and feel that the use of the funds bequeathed by him to the Treasury of the United States of America for the foregoing purpose would conform with his wishes as to the ultimate disposition of the bequest."

As American Ambassador with such a long and distinguished career, it is believed that he would have been eminently interested in the Americana Project for furnishing the Diplomatic Reception Rooms in the new State Department building in Washington, because this is where all foreign Kings, Queens, Presidents, Prime Ministers, Foreign Ministers, Cabinet Officers, Parliamentarians and other foreign and American officials of the entire world are entertained.

No one would have been more aware of the importance of the dignified cultural and historical background for American official entertainment of distinguished foreign visitors than Ambassador Thurston.

A unique opportunity is presented by these rooms to display American history and our cultural heritage not only to foreign visitors but to the thousands of Americans who annually visit the Diplomatic Reception Rooms. The Rooms will play a prominent part in the Bicentennial years in Washington.

Therefore, it is felt by his friends and associates that nothing could constitute a more appropriate memorial to Walter Thurston than to use his bequest to the United States Government for the benefit of the State Department.

The Americana Project for furnishing the Diplomatic Reception Rooms has been underway since 1961 when the new State Department building was open. There are nine rooms, a city block and one-half in length. The Congress provided the funds for the building but no funds for the furnishings of the Diplomatic Reception Rooms.

Since 1961, by gifts and loans from generous American citizens, corporations, foundations, etc. the fifth greatest collection of Americana in the country has been assembled in the Diplomatic Reception Rooms at no cost to the taxpayer. The collection of American furniture, paintings and decorative objects in the Rooms are now valued at approximately $15,000,000. However, funds are still needed to pay for acquisitions and for architectural improvements. Ambassador Thurston's bequest to the United States Government in the amount of $125,000 would be sufficient to designate an important segment of this internationally renowned project as an appropriate memorial to Walter Thurston.

Attached is a detailed biographical sketch showing Walter Thurston's long distinguished diplomatic career in the service of the United States Department of State.

FROM STATE DEPARTMENT BIOGRAPHICAL REGISTER, 1954

Walter Thurston—born Colorado, December 5, 1895.

Military academy, private tutors.

Secretary to president of oil company in Mexico.

Clerk to State Department representatives in Mexico 1914–15, 1916.

In charge of American interests in Mexico City 3 months.

Appointed clerk at Guatemala March 26, 1917.

Special Agent of State Department in Guatemala December 22, 1917.

Secretary of Embassy, class four May 3, 1918.

Assigned to Guatemala June 1, 1918.

Class three March 14, 1919.

To State Department January 5, 1920.

Unassigned January-June 1920.

To State Department June 14, 1920.

To Berne July 19, 1920.

To San Jose, Costa Rica, November 16, 1920.

To London March 1, 1922.

Class two September 22, 1922.

Assigned to Managua January 31, 1923.

Foreign Service Officer–4 July 1, 1924.

Foreign Service Officer–3 February 24, 1925.

Consul at Sao Paulo July 15, 1925.

First Secretary at Lisbon Embassy December 13, 1926.

To State Department November 28, 1927.

Assistant Chief, Division of Latin American Affairs, State Department, April 17, 1929.

Foreign Service Officer–2 July 24, 1930.

Chief, Division of Latin American Affairs, State Department, October 11, 1930.

Representative of State Department, 6th Congress of International Chamber of Commerce, Washington, 1931.

Counselor of Embassy at Rio de Janeiro October 7, 1931.

To State Department November 10, 1934.

Counselor of Legation at Asuncion December 24, 1934.

To State Department May 28, 1936.

Counselor of Embassy at Madrid October 1, 1936.

Counselor of Embassy at Moscow April 14, 1939.

Foreign Service Officer–1 May 1, 1941.

Minister-Counselor at Moscow November 14, 1941.

Minister to El Salvador November 14, 1942.

Ambassador to El Salvador March 27, 1943.

Ambassador to Bolivia September 21, 1944.

Ambassador to Mexico May 4, 1946.

Career Minister November 14, 1946.

To State Department November 5, 1950.

Retired August 31, 1953.

Died March 24, 1974.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

REPORT OF THE NATIONAL HEART AND LUNG ADVISORY COUNCIL—MESSAGE FROM THE PRESIDENT

The Vice President laid before the Senate a message from the President of the United States transmitting the second annual report of the National Heart and Lung Advisory Council, which, with the accompanying report, was referred to the Committee on Labor and Public Welfare. The message is as follows:

To the Congress of the United States:

Enclosed is the "Second Annual Report of the National Heart and Lung Advisory Council," prepared in accordance with the requirement of Public Law 92–423, the "National Heart, Blood Vessel, Lung, and Blood Act of 1972."

The National Heart and Lung Advisory Council has again prepared a thoughtful Report that addresses a number of important research policy questions. With regard to the Council's Report, there are recommendations that are in accord with the Administration's views (e.g., for inter-Council collaboration) as well as recommendations that are at variance with Administration policy (e.g., on the Council's proposed budget).

The Report indicates that "the Council has tried to estimate as realistically as possible the funds which are required to implement the National Program" of the National Heart and Lung Institute. The Council recommended funding levels without considering budget constraints. Therefore, it is not surprising that the budget recommendations of the Council considerably exceed those of the President's 1976 Budget, which must take fiscal constraints and competing national needs into consideration. It should be noted that the budget for the National Heart and Lung Institute has increased greatly in recent years: from $195 million in 1971 to $286 million in 1974, to $293 million proposed for 1976.

The Administration acknowledges the accomplishments of the National Program as described in the Council's Report, and continues to view the heart and lung program as an area of high priority. The Report of the Council merits serious consideration and is being carefully studied and evaluated. I am forwarding the Report to the Congress so that it is available for deliberations.

GERALD R. FORD.

THE WHITE HOUSE, *May 15, 1975.*

EXECUTIVE MESSAGES REFERRED

As in executive session, the Vice President laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 10:44 a.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 6755. An act to enable the United States to render assistance to, or in behalf of, certain migrants and refugees; and

H.R. 6894. An act making appropriations for special assistance to refugees from Cambodia and Vietnam for the fiscal year ending June 30, 1975, and for other purposes.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4481) making emergency employment appropriations for the fiscal year ending June 30, 1975, and for other purposes; that the House recedes from its disagreement to the amendments of the Senate numbered 2, 4, 6, 12, 23, 24, 25, 26, 33, 34, 36, and 58 to the bill and concurs therein; that the House recedes from its disagreement to the amendments of the Senate numbered 9, and 37, and concurs therein, each with an amendment in which it requests the concurrence of the Senate; and that the House insists on its disagreement to the amendment of the Senate numbered 61 to the aforesaid bill.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON SS "MAYAGUEZ" SITUATION IN CAMBODIA—(S. Doc. No. 94–56)

A communication from the President of the United States informing the Congress of actions taken by the United States in connection with the seizure by Cambodia of the merchant vessel SS *Mayaguez;* to the Committee on Foreign Relations, and ordered to be printed.

PROPOSED TRANSFER AUTHORITY FOR THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—(S. Doc. No. 94–57)

A communication from the President of the United States transmitting a proposed transfer authority and an appropriation language change for the fiscal year 1975 for the Department of Health, Education, and Welfare (with accompanying papers); to the Committee on Appropriations, and ordered to be printed.

REPORT OF THE WATER RESOURCES COUNCIL

A letter from the Director of the Water Resources Council transmitting, pursuant to law, a report of the Council on the study of the water and related land resources of the Red River below Denison Dam, Arkansas, Louisiana, Oklahoma, and Texas (with an accompanying report); to the Committee on Interior and Insular Affairs.

PROPOSED RESEARCH PROJECTS OF THE DEPARTMENT OF THE INTERIOR

Eight letters from the Acting Assistant Secretary of the Interior transmitting, pursuant to law, copies of proposed research projects (with accompanying papers); to the Committee on Interior and Insular Affairs.

PROPOSED LEGISLATION BY THE POSTMASTER GENERAL

A letter from the Postmaster General transmitting a draft of proposed legislation to authorize the Postal Service to give certain personnel the powers of special policemen, and for other purposes (with accompanying papers); to the Committee on Post Office and Civil Service.

PROPOSED LEGISLATION BY THE FEDERAL MARITIME COMMISSION

A letter from the Chairman of the Federal Maritime Commission transmitting a draft of proposed legislation to make public the financial reports of common carriers by water in interstate commerce and for other purposes (with accompanying papers); to the Committee on Commerce.

PROPOSED LEGISLATION BY THE DEPARTMENT OF THE NAVY

Four letters from the Secretary of the Navy transmitting a draft of proposed legislation to approve the sale of certain naval vessels and for other purposes (with accompanying papers); to the Committee on Armed Services.

PROPOSED DISTRIBUTION OF JUDGMENT FUNDS BY THE DEPARTMENT OF THE INTERIOR

A letter from the Acting Secretary of the Interior transmitting a proposed plan for the use and distribution of the Northern Tonto Apache judgment funds awarded in docket 22–J before the Indian Claims Commission (with accompanying papers); to the Committee on Interior and Insular Affairs.

REPORT OF THE GENERAL SERVICES ADMINISTRATION

A letter from the Administrator of General Services transmitting, pursuant to law, the semiannual stockpile report on the strategic and critical materials stockpiling program for the period July 1 to December 31, 1974 (with an accompanying report); to the Committee on Armed Services.

PROPOSED RULEMAKING BY THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter from the Executive Secretary to the Department of Health, Education, and Welfare transmitting, pursuant to law, a copy of a document entitled "Need Analysis for Student Financial Aid—Notice of Final Rulemaking" (with accompanying papers); to the Committee on Labor and Public Welfare.

PROPOSED LEGISLATION BY THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter from the Secretary of Health, Education, and Welfare transmitting a draft of proposed legislation to strengthen and improve the program of National Research Service Awards, and for other purposes (with accompanying papers); to the Committee on Labor and Public Welfare.

PROPOSED LEGISLATION BY THE DEPARTMENT OF THE ARMY

A letter from the Secretary of the Army transmitting a draft of proposed legislation to eliminate or modify certan statutory reports to Congress (with accompanying papers); jointly, by unanimous consent, to the Committee on Armed Services, the Committee on Appropriations, and the Committee on Post Office and Civil Service.

Mr. RIBICOFF subsequently said: Mr. President, I ask unanimous consent that a communication from the Department of the Army, relative to the elimination or modification of certain statutory reports to Congress, be referred jointly to the committees on Armed Services, Appropriations, and Post Office and Civil Service.

The PRESIDING OFFICER. Is there objection. If not, it is so ordered.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the Vice President:

A concurrent resolution adopted by the General Assembly of South Carolina memorializing the Congress to assure farmers and ranchers an equitable return on their farm and fiber products; to the Committee on Agriculture and Forestry.

Senate Joint Resolution No. 12 adopted by the Legislature of the State of Nevada; to the Committee on Banking, Housing and Urban Affairs:

"SENATE JOINT RESOLUTION No. 12

"Senate joint resolution—Memorializing the Congress of the United States to provide a program of long-term, low interest loans to small businesses

"Whereas, The small businessman has, since the earliest days of this republic, been an integral and necessary part of our free enterprise economy; and

"Whereas, The maintenance of the free enterprise system is based upon free and open competition and the prevention of monopoly and oligopoly; and

"Whereas, In a large number of economic sectors, greater choice of products, more personalized treatment, greater convenience and often, a higher quality of goods and services is made possible because of the small businessman; and

"Whereas, The Congress recognized the importance and necessity of healthy small businesses by the passage in 1953 of the Small Business Act with the primary purpose to aid, counsel, assist and protect the interests of small business; and

"Whereas, A portion of the Small Business Administration's program is the making of direct loans; and

"Whereas, The present funds available for direct loans in this era of national recession is far from adequate to the needs of the many small businesses whose costs remain high because of inflation and fuel costs but whose sales are dropping because of recession; and

"Whereas, Conventional lending institutions either will not make small business loans or will make them only at present high interest rates that will destroy many small businesses; now, therefore, be it

"*Resolved by the Senate and Assembly of the State of Nevada, jointly,* That the legislature of the State of Nevada hereby respectfully memorializes the Congress of the United States to greatly expand the ability of the Small Business Administration to respond to the present dire needs of small businesses; and be it further

"*Resolved,* That such expansion include authority to make long-term, low interest loans to small businesses that will enable them to weather the present recessionary cycle; and be it further

"*Resolved,* That copies of this resolution be prepared and transmitted by the legislative counsel to the Vice President of the United States as presiding officer of the Senate, to the Speaker of the House of Representatives and to all member of the Nevada congressional delegation."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. INOUYE, from the Committee on Appropriations, with amendments:

H.R. 6894. An act making appropriations for special assistance to refugees from Cambodia and Vietnam for the fiscal year ending June 30, 1975, and for other purposes (Rept. No. 94–138).

By Mr. ALLEN, from the Committee on Agriculture and Forestry, with amendments:

S. 1662. A bill to amend the Food Stamp Act of 1964 (Rept. No. 94–139).

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, without amendment:

H.R. 4269. An act to amend the Organic Act of Guam and the Revised Organic Act of the Virgin Islands (Rept. 94–140).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. WILLIAMS, from the Committee on Labor and Public Welfare:

Marshall Jordan Breger, of Texas; Rodolfo Montejano, of California; Samuel D. Thurman, of Utah; Roger C. Cramton, of New York; Robert J. Kutak, of Nebraska; Revius O. Ortique, Jr., of Louisiana; and Glenn C. Stophel, of Tennessee; to be members of the Board of Directors of the Legal Services Corporation.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. STENNIS. Mr. President, as in executive session, from the Committee on Armed Services, I report favorably the nomination of Vice Adm. Thomas R. Weschler, U.S. Navy, for appointment to the grade of vice admiral of the retired list and Rear Adm. Edward W. Cooke, U.S. Navy, for appointment to the grade of vice admiral. Also in the Navy are 56 officers for permanent promotion to the grade of rear admiral—list begins with Lando W. Zech, Jr.; in the Army there are 57 temporary appointments to the grade of brigadier general—list begins with Col. Jack N. Merritt; and, in the Air Force, Gen. Lucius D. Clay, Jr., to be placed on the retired list in that grade. I ask that these names be placed on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. In addition, there are 2,727 in the Navy and Reserve of the Navy for promotion to the grade of captain and below; in the Marine Corps there are 93 permanent appointments to the grade of second lieutenant; and, in the Air Force there are 1,276 appointments to the grade of first lieutenant and second lieutenant. Since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's Desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the CONGRESSIONAL RECORD of April 28, May 1, and May 5, 1975, at the end of the Senate proceedings.)

HOUSE BILLS REFERRED

The following bills were read twice by their titles and referred as indicated:

H.R. 6755. An act to enable the United States to render assistance to, or in behalf of, certain migrants and refugees; to the Committee on Foreign Relations.

H.R. 6894. An act making appropriations for special assistance to refugees from Cambodia and Vietnam for the fiscal year ending June 30, 1975, and for other purposes; to the Committee on Appropriations.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. BELLMON:

S. 1746. A bill to provide additional credit facilities for farmers and other rural residents. Referred to the Committee on Agriculture and Forestry.

By Mr. CURTIS:

S. 1747. A bill to limit to 5 percent cost-of-living benefit increases under the old-age, survivors', and disability insurance and supplemental security income programs established by the Social Security Act through June 30, 1976. Referred to the Committee on Finance.

By Mr. HARTKE:

S. 1748. A bill to provide for the services of certain psychologists under the medicare and medicaid programs. Referred to the Committee on Finance.

By Mr. MAGNUSON (for himself and Mr. PEARSON) (by request):

S. 1749. A bill to extend the provisions of title XII of the Merchant Marine Act, 1936, relating to war risk insurance, for an additional 5 years, ending September 7, 1980. Referred to the Committee on Commerce.

By Mr. JAVITS:

S. 1750. A bill to grant an alien child adopted by an unmarried U.S. citizen the same immigrant status as an alien child adopted by a U.S. citizen and his spouse. Referred to the Committee on the Judiciary.

By Mr. JACKSON:

S. 1751. A bill to authorize the Secretary of the Interior to engage in feasibility investigations of certain potential water resource developments. Referred to the Committee on Interior and Insular Affairs.

By Mr. JACKSON:

S. 1752. A bill to authorize the Secretary of the Interior to engage in feasibility investigations of certain potential water resource developments. Referred to the Committee on Interior and Insular Affairs.

By Mr. SCHWEIKER (for himself and Mr. JAVITS) (by request):

S. 1753. A bill to extend the National Health Service Corps and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. MAGNUSON (for himself, Mr. JACKSON, Mr. RANDOLPH, and Mr. HOLLINGS);

S. 1754. A bill to establish a uniform and comprehensive legal regime governing liability and compensation for damages and clean-up costs caused by oil pollution of the marine environment, and for other purposes. Referred to the Committee on Commerce, the Commitee on Interior and Insular Affairs, and the Committee on Public Works, jointly, by unanimous consent.

By Mr. MONDALE:

S. 1755. A bill to amend the Internal Revenue Code of 1954 to provide for public financing of congressional primary and general elections. Referred to the Committee on Finance.

By Mr. SCHWEIKER (for himself and Mr. JAVITS) (by request);

S. 1756. A bill to extend appropriations authorizations for communicable disease and other control programs, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. HARRY F. BYRD, JR.

S.J. Res. 82. A joint resolution relative to a bequest to the judgment of the United States of America. Referred to the Committee on Foreign Relations.

By Mr. GOLDWATER:

S.J. Res. 83. A joint resolution to authorize the designation of the 7-day period beginning June 23, 1975, and ending June 29, 1975, as "National Amateur Radio Week." Referred to the Committee on the Judiciary.

By Mr. JAVITS:

S.J. Res. 84. A joint resolution to authorize and request the President to proclaim October 1975 as "Hobby Month." Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BELLMON:

S. 1746. A bill to provide additional credit facilities for farmers and other rural residents. Referred to the Committee on Agriculture and Forestry.

Mr. BELLMON. Mr. President, the purpose of this bill is to revise the lending limits of the Farmers Home Administration for farm operating loans and farm ownership loans as well as the total indebtedness limit to adjust for increases in food and fiber production costs and land cost.

The need for the increase in Farmers Home Administration loan limits is unquestionable. The bill increases farm ownership loan limits to $200,000. The present $100,000 limit on farm ownership loans was established in 1970. Nationwide land costs have risen sharply since then. For instance, in Oklahoma, land values have increased 82 percent since November 1970 according to USDA's Economic Research Service. Land prices have increased 72 percent nationally according to ERS. A quarter section—160 acres—of farm land which is not an economic unit by itself, is now selling for as much as 60 percent more than the current $100,000 FHA farm ownership limit.

The total indebtedness limit of the FHA is $225,000 which is also outdated. Under current economic scales of production in farming, the bare minimum economic size farm unit needed to provide employment and income for a farm family to survive is around 640 acres in much of the grain belt. Such a unit would cost at least $350,000 and probably much more. This bill would increase the FHA total indebtedness limit from $225,000 to $350,000. Even with the higher limit a begininng farmer would likely need to rent some land. Increasing the farm ownership and total indebtedness limits would more realistically serve the

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the needs of agriculture, especially young farmers who are trying to get started and who must buy some land in order to get into business.

Even more urgent is the increase in FHA operating loan limits from $50,000 to $100,000 to reflect the increases in operating cost that have occurred since the $50,000 limit was established in 1972.

Everyone who understands agriculture is aware of the increased cost of items the farmer needs for production. Fertilizer prices are up as much as 300 percent in some cases; fuel cost and machinery costs have doubled; and feed costs as well as most production costs have increased significantly. One does not even have to be a farmer or rancher to readily see that the cost of doing business has risen sharply since the last increase in the FHA operating loan limit.

It is now obvious that agriculture commodities will be one of the few products exported that has the capability of offsetting costs of oil imports. Yet the Government is being very short sighted in not providing the means of credit that is necessary for young farmers to start their own farming operating. The family farm has made the U.S. agriculture system second to none. If the U.S. Department of Agriculture does not give family farmers and ranchers the support that is necessary for stable production, ranchers and farmers cannot and will not be able to meet the world's growing demand for food.

Mr. President, I ask unanimous consent that this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1746

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that

SEC. 2. The Consolidated Farm and Rural Development Act is amended:

(a) By striking out the figures "$225,000 and $100,000" in section 305 and inserting in lieu thereof the figures "$350,000 and $200,000 respectively."

(b) By striking out the figure "$50,000" in section 313 and inserting in lieu thereof the figure "$100,000."

By Mr. HARTKE:

S. 1748. A bill to provide for the services of certain psychologists under the medicare and medicaid programs. Referred to the Committee on Finance.

PSYCHOLOGISTS UNDER MEDICARE

Mr. HARTKE. Mr. President, I am introducing a bill to amend titles XVIII, part B, and XIX of the Social Security Act, to include coverage of psychologists' services under the supplementary medical insurance component of the medicare and medicaid programs.

The intent of the Congress in enacting this legislation was to provide a comprehensive health program for our elderly and poor. It is estimated that in excess of 20 million people in the United States, 1 in 10, need help with some sort of mental or emotional disorder. Persons over 65 constitute 10 percent of the population, but occupy 29 percent of. all public mental hospital beds. Ironically, the same age group accounts for only 2 percent of the outpatient services rendered for mental problems. These people are going untreated.

According to HEW testimony before the House Appropriations Committee, 50 percent of the elderly in nonpsychiatric institutions suffer mental disabilities; approximately 3 million noninstitutionalized elderly suffer moderate to severe "psychiatric" disorders. These people need and deserve professional help.

THE NEED AND PRECEDENT FOR RECOGNITION OF PSYCHOLOGISTS UNDER MEDICARE AND MEDICAID

My amendment does not ask the Congress to add any new costly service. It merely seeks to utilize qualified and available mental health manpower to provide services already covered and to meet needs we have already recognized. That there is a need for recognition of psychological services under medicare and medicaid can be well established by comparing our total psychiatric and psychological manpower in mental health delivery. Psychologists have been recognized as independent providers in other Federal programs and they are geographically distributed in such a manner as to assure access by those in need of the services they provide.

The Department of Health, Education, and Welfare has estimated the total professional manpower in health delivery services of psychologists and psychiatrists as follows: 28,332 physicians specializing in psychiatry or neurology—1972; and, 26,927 psychologists in health providing services on a part- or full-time basis—1970.

The American Psychiatric Association, in a 1970 survey, found that 63.8 percent of all psychiatrist time was spent in direct patient contact, 9.1 percent in consultation, 8.4 percent in teaching, 3.9 percent in research, and 14.8 percent in administration. The American Psychiatric Association estimates about 40 percent of all psychiatrists are board certified; 25 percent are foreign trained.

About 61.4 percent of the psychiatrists worked in two or more locations, and 31.7 percent worked in three or more places. Thus most psychiatrists have more than one job. Because of overlapping categories these rounded percentages will not add up to 100 percent.

An American Psychological Association study in 1972 reported similar findings for psychologists: 36 percent identified themselves as clinical psychologists; 19 percent were employed in hospital settings; 6 percent in medical schools, and 15 percent in clinics; 8 percent of the clinical psychologists were engaged in research, and 13 percent were engaged in management or administration; 2 percent were foreign trained.

Psychologists practice in nearly all health care settings, with frequency of practice being approximately equally distributed among private practice, outpatient clinic, and hospital based practice. In hospitals, psychologists may be on the professional staff or the affiliate staff or on the hospital salary payroll. Psychologists are part of most health maintenance organizations, and are involved in most Community Mental Health Centers, sometimes as program directors. They less commonly practice in Foundations for Medical Care, although they are included in such foundations in several States. In California, under legislation that allows single purpose HMO's psychologists have established the California psychological health plan to subcontract psychological services to organized health settings. This pattern shows evidence of potential spread to other parts of the United States.

Psychologists are on the staffs of all accredited medical schools in the United States, and will typically have clinical as well as teaching and research responsibilities in such facilities.

Fee or funding arrangements for psychological services are quite varied, being rather evenly divided between fee-for-service charges and indirect charges included under hospital costs or similar organized health settings. The fee-for-service billing by the psychologist is the most common practice for licensed psychologists functioning as independent professionals, and is probably the least expensive to the consumer in the long run, because it does not include overhead and other indirect expenses of an intermediary institution or professional referral.

Recognition of psychologists as independent qualified mental health service providers has recently been reflected by Charles C. Edwards, M.D., Assistant Secretary for Health, Education, and Welfare:

> The tradition that all service must be provided by a physician or under his guidance is now giving way to practical reality. As an example of this trend, as of January 1, 1975, all government employees' insurance plans will permit payments to psychologists, without requiring a physician's supervision. This more practical attitude should be encouraged by all of us.

A number of other Federal and State programs recognize psychologists as primary health providers.

The Rehabilitation Act of 1973—Public Law 93–112—recognizes psychologists who are licensed/certified according to State statute, along with physicians, for diagnostic and restorative services to beneficiaries.

CHAMPUS recognizes the autonomous practice of clinical psychology in its nationwide health benefits program which covers dependents of military personnel, retired military personnel, and other beneficiaries.

CHAMPVA is a new program for disabled veterans which recognizes psychologists as autonomous practitioners.

Community Mental Health Centers regulations provide that psychologists may serve as program directors.

Veterans' Administration provides that directors of VA mental hygiene clinics may be qualified psychologists or other mental professionals who will be responsible for the formation and general supervision of administrative activities inherent in the professional programs of the clinic.

Veterans' Administration regulations provide that psychologists and other health professionals licensed/certified by the State may provide services on a

fee basis to outpatients through VA clinics.

The work incentive program—WIN—accepts professional evaluations by licensed/certified psychologists as well as physicians, as to evidence of determinable mental impairment.

Work injuries compensation of Federal employees coverage has been broadened so that the definitions of "physician" and "medical, surgical, and hospital services and supplies" include clinical psychologists. (Public Law 93–416)

The Social Security Bureau of Disability Insurance accepts the reports of psychologists without physician referral or endorsement as evidence of disability for social security benefits.

Health Maintenance Organization legislation (Public Law 93–222) includes clinical psychologists among providers of services.

Department of Defense includes psychologists in its policy which provides that—

> Any qualified health professional may command or exercise administrative direction of a military health care facility . . . without regard to the officer's basic health profession.

Some major health-insurance carriers have recognized the disadvantages of mandatory medical referral/supervision and have voluntarily included psychologists as autonomous providers of services in many of their contracts. These firms include, but are not limited to Aetna, Guardian, Liberty Mutual, Massachusetts Mutual, Occidental, Prudential, Travelers, and Teachers Insurance and Annuity Association—TIAA.

Already, 19 States have enacted legislation requiring private major medical health insurance plans to make direct payments to psychologists in the same manner as payments are made to physicians without prior referral or supervision in plans providing mental health coverage. Thirteen States give this kind of independent provider recognition to psychologists under their State medicaid plans.

The geographical distribution of psychology's service providers does not differ significantly by region from the 1970 population census. J. F. Whiting and Herbert Dorken in their article "Psychologists as Health Service Providers" write:

> Psychologist service providers are distributed throughout the United States in approximately the same way that the total population of consumers of psychological services are distributed. Geographic maldistribution, at least regionally, apparently does not apply to psychologists.

A nationwide study of the geographic distribution of psychiatrists shows that they are highly urbanized and heavily concentrated in about 10 States, with overall poor distribution in comparison with the general population.

COST AND UTILIZATION

The inclusion of psychological services under the medicare and medicaid programs would not be costly.

In addition to the simple fact that inclusion of psychologists as independent providers would simply put an end to unnecessary and costly referral, substantial evidence indicates that utilization of mental health benefits do not produce an unwarranted demand for services that will financially endanger a health insurance program. In fact, under programs where these psychological services have been provided, the utilization of mental health benefits reduces medical and surgical utilization; and the early availability of mental health treatment in outpatient facilities reduces the need for high cost institutional care.

At the present time, it has been estimated that in the United States we are spending approximately $3 billion a year for the diagnosis and treatment of mental conditions. The cost of undiagnosed, untreated conditions has been estimated at $24 billion annually, including $10 billion in lost wages, $2 billions in lost taxes, $2 billion in the transfer of spendable income, and $10 billion in improper diagnosis and ineffective treatment. The cost of untreated mental conditions is eight times the cost of direct services.

William Follette, chief psychiatrist, and Micholas A. Cummings, chief psychologist, both of the Kaiser Foundation Hospital and the Permanente Medical Group of San Francisco, Calif., have recently completed a study, yet unpublished, on utilization of psychological services in the Kaiser experience.

The Kaiser Foundation health plan in the northern California region is a group-practice prepayment plan, offering comprehensive hospital and professional services on a direct service basis. The composition of the subscribers is diverse, encompassing most socioeconomic groups. During the period of the study the psychiatric clinical staff in San Francisco consisted of psychiatrists, clinical psychologists, and other mental health service providers. Their 8-year followup of the program produces the following conclusions:

> Persons in emotional distress were significantly higher users of both inpatient and outpatient medical facilities as compared to the Health Plan average;
>
> There were significant declines in medical utilization in those emotionally distressed individuals who received psychotherapy as compared to a control group of matched emotionally distressed Health Plan members who were not accorded psychotherapy;
>
> These declines remained constant during the five years following the termination of psychotherapy;
>
> The most significant declines occurred in the second year after the initial interview, and those patients receiving one session only or brief psychotherapy (two to eight sessions) did not require additional psychotherapy to maintain the lower level of utilization for five years;
>
> Patients seen two years or more in regular psychotherapy demonstrated no over-all decline in total outpatient utilization inasmuch as psychotherapy visits tended to supplant medical visits. However, there was a significant decline in inpatient utilization in this long-term therapy group from an initial hospitalization rate several times that of the Health Plan average, to a level comparable to that of the general adult Health Plan population;
>
> During the entire period of the study, as well as in the insured years before and after the eight years of this study, the utilization of mental health services was consistently for inpatient (hospitalization) one-half per thousand insured, and nine per thousand insured for outpatient services. The average outpatient psychotherapy series remained at 6.6 visits;
>
> Sixteen years of prepayment experience demonstrates that there is no basis for the fear that an increased demand for psychotherapy will financialy endanger the system, for it is not the number of referrals received that will drive costs up, but the manner in which psychotherapy services are delivered that determines optimal cost-therapeutic effectiveness. The finding that one session only, with no repeated psychological visits could reduce medical utilization by 60% over the following five years, was surprising and totally unexpected. Equally surprising was the 75% reduction in medical utilization over a five year period in those patients initially receiving two to eight psychotherapy (brief sessions). The clinic procedure was to offer early and incisive intervention into the patient's crisis problem, get beneath the manifest symptoms to his/her real concerns and offer understanding and therapy within the very first session itself.

Review of the literature shows that mental conditions can result in the higher use of medical benefits and spuriously inflate the cost of health insurance contracts. It has also been found that appropriate intervention and treatment, can rehabilitate individuals with mental conditions into productive lives, reducing their burden on the welfare rolls and State hospital systems.

When comparing the cost of treatment for mental conditions, it becomes apparent that psychotherapy is the treatment of choice in the large majority of cases, with drug therapy running a second choice and hospitalization a third. However, the utilization of mental health services currently measured by dollar costs is just the reverse. Hospitalization tends to be overutilized and could be reduced by one-third. Medication, where prescribed, may be ineffective and too frequently used, avoiding the discovery of the patient's basic problem. Psychotherapy is an insurable benefit and appears to be the most effective way of intervening into mental behavioral conditions.

Failure to diagnose mental conditions and treat them puts an undue burden on the delivery of other health services. There is general agreement that about 60 percent of the patients going to family doctors for physical symptoms have a psychological problem which is either a primary problem or aggravates the physical conditions or interferes with effective treatment regimens.

Studies also indicate that high users of medical services are frequently emotionally disturbed, often suffering from mental depression. Other studies indicate that if appropriate recognition of mental conditions is made, medical utilization by these individuals can be reduced by as much as one-third, offsetting the cost of mental diagnosis and treatment. Studies further reveal that the general practice physician himself frequently does not recognize mental conditions, and, if he does, may not know how to refer the patient for appropriate help.

The cost of training the necessary manpower, the making of manpower available to various segments of the population and the cost of needed research must be borne in mind in calcu-

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lating the cost of services. My amendment brings into the system a readily available manpower resource without reliance upon the primary physician as a referral source for mental conditions, a costly and inefficient way to get people into treatment.

As the single largest group health plan in the United States, as well as the plan with virtually unlimited mental disorder insurance, the experience of the civilian health and medical plan of the Uniformed services should be of particular interest.

The study of the CHAMPUS experience in 10 States which constitute the concentrated use of CHAMPUS in fiscal year 1973 reveals that the insured population under CHAMPUS was 3.26 million of which 1.87 percent utilized the mental disorder benefits. On a per capita basis these extensive mental health services were at an annual cost of $19.82—CHAMPUS cost $16.15 or on a monthly basis, $1.35—per capita.

The total mental health services absorbed 12.8 percent of the total health benefit funds before any adjustment for the savings they afforded from the decrease in utilization of physical health benefits, such as have been demonstrated in every program tracing the adjusted cost of mental health benefits.

The unadjusted percentage of the total health benefit funds utilized by CHAMPUS is nearly twice as high as most plans report. This is probably due to two factors; the nearly unlimited extent of the benefits and the special makeup of the patient population.

The 1974 hearings before the Senate Post Office and Civil Service Committee on the 1973 Federal Employees Health Benefit Act found Blue Cross and Aetna reporting much lower figures. Policies under these two plans provide coverage for about 80 percent of the insured under FEHBA. Aetna reported a mental disorder utilization experience of 1.2 percent and the Blues reported 1.1 percent.

Mental disorder cost for Blue Cross-Blue Shield represented an unadjusted 7.3 percent of total claims and have for several years remained in the 7-percent range. The plans cover over 5 million beneficiaries and based on 1972 utilization rates for mental health services, 65 percent of which were utilized by hospitalized inpatients, show a cost of less than $1 a month per capita.

Particularly significant here are 1971 Aetna cost figures which allocated 8.6 percent to mental disorder coverage; in 1972, with psychologists recognized directly, without physician referral, the cost dropped to 8.5 percent.

Dr. Mendel, in addressing the American Psychiatric Association convention in 1973, reported on prepaid experience with 6,000 welfare patients in southern California. Utilization averaged 5.8 percent of the population with only one case hospitalized. The psychiatric care cost 41 cents per member per month. The importance of this study is that it contradicts the conventional wisdom that the indigent population is a higher risk for coverage than the employed.

There is substantial variance in utilization among age groups, sex, type of enrollment, socioeconomic level, and type of coverage available. Such variance notwithstanding, the growing body of reports make it evident that meaningful mental health benefits are well within feasible limits. Indeed, there is some evidence, particularly from service in organized settings, that the provision of mental health coverage can reduce other health plan utilization. These findings speak clearly to the need for comprehensive mental health benefits with continuity of care and incentives to community based alternatives to hospital care.

Mr. President, I believe that it was the intent of the Congress to provide a comprehensive health program under both medicare and medicaid. This would, of course, include mental health benefits and we have a responsibility to provide the manpower necessary to effect the covered services. The evidence on cost and utilization established under these other programs, clearly indicates that adoption of my amendment to include psychologists services under titles XVIII and XIX would not only be effective in serving our intent but affordable as well.

QUALITY OF SERVICE

Finally, I would like to address the question of the quality of service provided by psychologists. Psychologists are licensed or certified by statute in 47 States and the District of Columbia. The three States without statutes—Missouri, Vermont, and South Dakota—presently have legislation pending.

The standard for licensing developed by the American Psychological Association consists of a doctoral degree, a comprehensive written and oral standard examination, as well as supervised experience.

The Council for the National Register of Health Service Providers in Psychology was established at the request of the Board of Directors of the American Psychological Association to the American Board of Professional Psychology. The National Register of Health Service Providers in Psychology, a voluntary listing, is designed to identify psychologists who are licensed or certified to practice in their States and who are health service providers.

Certification or licensure of psychologists under State law is not by specialty designation per se, no more than are physicians, dentists, or lawyers licensed by specialty practice under their applicable State laws. The Register is designed to complement such statutes by identifying those licensed/certified psychologists who are health service providers

The Council for the National Register has developed a very careful review process to assure that psychologists who are included in the Register will have had the minimum training and experience in the health services field. Specifically, to be included in the Register, the psychologists must have a doctorate degree from an accredited university—except for those "grandfathered" in—and must be licensed or certified by the boards of examiners of psychology in their States or the District of Columbia, and have a minimum of 2 years of supervised health service experience.

The Council for the National Register was established in recognition of the need for the development of a system by which various governmental, health services, other organizations, and individual consumers can identify psychologists who meet the standards of practice in their States and who have training and experience in the health services field. The National Register, working closely with the statutory State boards of examiners of psychologists throughout the country and with other public and professional organizations, identify psychologists who maintain the standards of their profession through State licensing and certification, and who are trained and experienced in the delivery of health services.

The first National Register of Health Service Providers in Psychology will be published in June of 1975. This Register, will identify psychologists throughout the country who meet the above mentioned standards, will assure the public, Government agencies, and others that the persons included meet the criteria established by the Council for the National Register, based on the professional standards of the American Psychological Association.

There are other safeguards within the profession of psychology to insure responsible professional service.

For 20 years the American Psychological Association with its affiliated State organizations has operated a system enforcing its code of ethical conduct.

Organized psychology is developing a system of professional standards review committees at the State level, fashioned to work along the lines of the Federal PSRO system, to review the quality, cost, and appropriateness of service beyond the strictures of ethical conduct. This system is currently operational in 43 States and the District of Columbia, and even at this early stage in its development, it is obvious that it is very effective in identifying and controlling excessive cost, overutilization, and questionable practices. It has also proved helpful in verifying the utility of conventional and innovative therapeutic techniques.

The psychological establishment has expressed support of peer review as an absolute necessity in the continuing development of mental health services as well as for insuring economical and responsible treatment for those who seek mental health services today. They view the Government's PSRO system with hope and believe that if properly developed, PSRO will be a mechanism for determining more effective and appropriate treatment procedures in an area of health service where many questions remain unanswered. Psychologists do not believe that a great deal can be accomplished for the future under a peer review system and a mental health delivery system which retards the effectiveness of an open relationship between the professions working in the mental health area. By assuring access to the different disciplines in mental health, thereby imposing on them the responsibility of working together to find better ways of treating emotional and mental disorders, through PSRO, the Congress will have established the groundwork for rap-

id future progress in mental health. By failing to adequately recognize the interdisciplinary nature of mental health service, the Congress will have not so much damaged the professional of psychology as it will have damaged the opportunities for better service to the public in the future.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1748

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) Section 1861(r) of the Social Security Act is amended (1) by striking out "or (4)" and inserting in lieu thereof "(4)" and (2) by inserting before the period at the end thereof the following: ", or (5) a psychologist licensed or certified as such by a State but only for purposes of section 1861(s)(1) and section 1861(s)(2)(A) and section 1905(a)(5), (6), and only with respect to functions which he is legally authorized to perform as such by the State in which he performs them ".

(2) The amendment made by subsection (a) shall apply only with respect to services performed on or after the date of enactment of this Act.

By Mr. MAGNUSON (for himself and Mr. PEARSON) (by request):

S. 1749. A bill to extend the provisions of title XII of the Merchant Marine Act, 1936, relating to war risk insurance, for an additional 5 years, ending September 7, 1980. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce, by request, for appropriate reference, a bill to extend the provisions of title XII of the Merchant Marine Act, 1936, relating to war risk insurance, for an additional 5 years, ending September 7, 1980. I ask unanimous consent that a letter of transmittal, and statement of purpose and need be printed in the RECORD, together with the text of the bill.

There being no objection, the material and bill were ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C., *April 22, 1975.*

HON. NELSON A. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed are six copies of a draft bill "To extend the provisions of title XII of the Merchant Marine Act, 1936, relating to war risk insurance, for an additional five years, ending September 7, 1980," together with a statement of purpose and need in support thereof.

This proposed legislation has been reviewed by the Department in the light of Executive Order No. 11821 and has been determined not to be a major proposal requiring evaluation and certification as to its inflationary impact.

We have been advised by the Office of Management and Budget that there would be no objection to the submission of our draft bill to the Congress.

Sincerely,

JOHN K. TABOR,
Secretary of Commerce.

STATEMENT OF PURPOSE AND NEED

(Statement of the Purposes and Need of the draft bill "To extend the provisions of title XII of the Merchant Marine Act, 1936, relating to war risk insurance, for an additional five years, ending September 7, 1980.")

The draft bill would extend the life of title XII of the Merchant Marine Act, 1936, for an additional five years. Section 1214 of the Act now provides that the authority under that title shall expire on September 7, 1975.

Title XII of the Merchant Marine Act, 1936, authorizes the Secretary of Commerce, with the approval of the President, to provide war risk and certain marine and liability insurance for protection of vessels, cargoes, and crew life and personal effects, when commercial insurance cannot be obtained on reasonable terms and conditions. The purpose of title XII is to maintain the flow of the U.S. waterborne commerce, including the maintenance of essential transportation services for the Department of Defense.

War risk insurance was provided by the Government in both World War I and World War II and proved effective in protecting the civilian and military commerce of the United States, with total premium receipts in excess of losses paid.

Title XII of the Merchant Marine Act, 1936, was enacted with the outbreak of the Korean War in 1950. It was temporary legislation that would expire in five years. It has been extended at five year intervals since then.

Arrangements necessary to place Government war risk insurance in effect whenever its protection is needed to maintain the flow of the waterborne commerce of the United States have been in effect since 1950. This has been done through the issuance, for a fee, of binders under which Government war risk insurance will attach immediately upon termination of commercial war risk insurance through operation of the automatic termination clauses in the commercial policies. These clauses will terminate the commercial war risk policies (a) simultaneously with the outbreak of war (whether there is a declaration of war or not) between any of the following countries: the United States of America, the United Kingdom, France, the Union of Soviet Socialist Republics, and the Peoples Republic of China, or (b) simultaneously with the occurrence of any hostile detonation of any nuclear weapon of war, whether or not the vessel is involved.

Our binders give back-to-back coverage with the commercial policies. The coverage under the insurance ends 30 days after the insurance attaches. At that time the premiums for the insuring period will be fixed retroactively. Contracting at the end of this 30-day period for the ensuing period would be determined on the basis of the circumstances existing at that time.

We have not yet found it necessary to exercise all the authority that we have had for the past 24 years under title XII. We have authority under that title to issue war risk insurance on foreign-flag vessels which are engaged in the foreign commerce of the United States or which we determine are being operated in the interest of the national economy or national defense of the United States. The only foreign-flag vessels that are included in the program, however, are about 260 vessels of Pan-Hon-Lib registries (which are committed to be made available to the United States in the event of emergency and which are owned or controlled, directly or indirectly, by citizens of the United States) and about 40 other foreign-flag vessels that we have determined are being operated in the interest of the national defense or economy of the United States.

All American-flag vessels, of course, are eligible under our program, and about 800 such vessels are under binders.

S. 1749

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1214 of title XII of the Merchant Marine Act, 1938 (46 U.S.C. 1294), is amended by striking out "September 7, 1975" and inserting in lieu thereof "September 7, 1980."

By Mr. JAVITS:

S. 1750. A bill to grant an alien child adopted by an unmarried U.S. citizen the same immigrant status as an alien child adopted by a U.S. citizen and his spouse. Referred to the Committee on the Judiciary.

SINGLE PARENT ADOPTIONS

Mr. JAVITS. Mr. President, in the 92d Congress, I introduced legislation to amend the Immigration and Nationality Act so as to facilitate the adoption of orphan children from abroad by single American parents.

The act allows married Americans—and certain servicemen—to petition for immediate relative status for otherwise eligible orphans whom they wish to bring to this country for adoption. With increasing frequency however, and with the approval of State legislatures, more and more single people have been adopting children in this country and wish to do so abroad. The distinction in the Immigration and Nationality Act severely discriminates against such parents by requiring them either to go abroad to complete the adoption, or to apply for the children's admission as ordinary nonpreference immigrants—a process which could take years of waiting.

My bill was not enacted during the 92d Congress, but an identical measure introduced in the 93d Congress by Congressman KOCH of New York was passed by the House. The Koch bill, reintroduced this year, has already been passed—with a slight modification—by the House. The House amendment adds the requirement that prospective single parents be of good moral character. While I believe this addition is superfluous since all such prospective parents must be approved for adoption by State agencies anyway, I have added the new language to my original bill so that it now conforms exactly to the text of the House-passed bill. I send this bill to the desk and ask that it be appropriately referred.

By Mr. SCHWEIKER (for himself and Mr. JAVITS) (by request):

S. 1753. A bill to extend the National Health Service Corps and for other purposes. Referred to the Committee on Labor and Public Welfare.

NATIONAL HEALTH SERVICE CORPS AMENDMENTS OF 1975

Mr. SCHWEIKER. Mr. President, I introduce, at the request of the administration, on behalf of myself and Senator JAVITS, a bill to extend the National Health Service Corps, and for other purposes.

The bill, entitled the "National Health Service Corps Amendments of 1975," would authorize the appropriation of $18 million for the program for an additional period of 4 fiscal years, 1975 through 1978.

It would provide the following changes in the program structure:

First. In order to encourage greater

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use of the assisted community resources in the making of ancillary arrangements, the bill would authorize the Secretary to award one grant, not to exceed $10,000, to each assisted community, to enable the community to meet the costs of establishing medical practice management systems, and acquiring supplies or equipment.

Second. To encourage an assisted community to make these arrangements without, or at a cost in excess of, this grant, the bill would also enable the Secretary to make an early repayment of the community's investment from the fees collected for the health care provided by the Corps.

Under existing law the community is reimbursed for this investment. However, because the law now contemplates an immediate fixed division of fees between the Federal Government and the community, in relation to their contribution to the costs—including Corps salary costs—of providing health care services under the program, a community that has made a heavy initial investment in the program must wait a substantial period to recoup that investment. This delay in repayment acts as a substantial disincentive to many health shortage areas to undertake this initial investment.

Third. To encourage a shortage area to become independent of the Corps if it has the capacity to do so, the bill would authorize the Secretary to release to the area any right, title, or interest he may have in equipment or supplies used in connection with the Corps' provision of health care services.

There is precedent for vesting authority in the Secretary to waive accountability to the United States for equipment purchased with Federal assistance under grant programs—section 436 of the General Education Provisions Act, 20 U.S.C. 1232e, and Public Law 85–934, 72 Stat. 1793, 42 U.S.C. 1891 et seq.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1753

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Health Service Corps Amendments of 1975".

EXTENSION OF AUTHORIZATION

SEC. 2. Section 329(h) of the Public Health Service Act is amended (1) by striking out "and" before "$25,000,000", and (2) by inserting before the period at the end thereof the following: ", and $18,000,000 for each of the next four fiscal years".

GRANT TO FACILITATE PROVISION OF HEALTH SERVICES

SEC. 3. Paragraph (2) of section 329(d) is redesignated as paragraph (3), and there is inserted a new paragraph (2) to read as follows:

"(2)(A) The Secretary may award a grant, not to exceed $10,000, to a public or nonprofit private entity to assist the entity in meeting, for an area determined under subsection (b)(1) to have a critical health manpower shortage, any costs of establishing medical practice management systems, or acquiring supplies or equipment. Not more than one such grant may be made with respect to any one such area.

"(B) In the case of any supplies or equipment leased or purchased with a grant under the preceding subparagraph, or leased or purchased by the Secretary under paragraph (1), the Secretary may, at such time or times as he deems appropriate, release to a public or nonprofit private entity all right, title, and interest of the United States, subject to such terms and conditions as he may impose to assure the continued use, for a reasonable period, of the supplies or equipment (or their equivalent) in the provision of health services within the area with respect to which they were leased or purchased."

APPLICATION OF FEES TO COMMUNITY COSTS

SEC. 4. The last sentence of section 329 (b)(2)(C) is amended to read as follows: "If, in aid of the provision of health care and services by personnel of the Corps assigned to an area under subparagraph (A), a public or nonprofit private entity enters into an agreement with the Secretary to provide any services, equipment, or facilities that the Secretary would otherwise be authorized or required to provide under this section in connection with that assignment, the Secretary may use, or provide for the use, of any funds collected under this subparagraph for payment to the entity of all or part of the cost of the services, equipment, or facilities so provided, on such basis over the period of the assignment as the Secretary deems appropriate. There shall be subtracted from that payment the amount of any grant awarded to the entity under subsection (d)(2). Any funds collected by the Secretary under this subparagraph, and not used for such payment, shall be deposited in the Treasury as miscellaneous receipts."

EFFECTIVE DATE

SEC. 5. This Act shall become effective with respect to appropriations for fiscal years ending after June 30, 1975.

By Mr. MAGNUSON (for himself, Mr. JACKSON, Mr. RANDOLPH, and Mr. HOLLINGS):

S. 1754. A bill to establish a uniform and comprehensive legal regime governing liability and compensation for damages and cleanup costs caused by oil pollution of the marine environment, and for other purposes. Referred to the Committee on Commerce, the Committee on Interior anod Insular Affairs, and the Committee on Public Works, jointly, by unanimous consent.

NATIONAL OIL POLLUTION LIABILITY AND COMPENSATION ACT OF 1975

Mr. MAGNUSON. Mr. President, I introduce a bill to establish a uniform, comprehensive legal regime governing liability and compensation for damages and cleanup costs caused by oil pollution from vessels, offshore drilling operations, and shoreline oil handling facilities. I ask unanimous consent that it be referred jointly to the Committees on Commerce, Interior and Insular Affairs, and Public Works.

The PRESIDING OFFICER. Without objection, it is so ordered.

1. BACKGROUND

Mr. MAGNUSON. Mr. President, in March 1967, the 117,000 deadweight ton tanker *Torrey Canyon*, carrying 880,000 barrels of crude oil, ran aground on the Seven Stones Reef off Cornwall, England. However, the almost 19,000,000 gallons of oil which found its way into the English Channel affected more than the nations of Great Britain and France, and the ramifications of this disaster were more than just the destruction of wildlife, marine life, and the befouling of beaches. The wave of popular concern resulting from the *Torrey Canyon* mishap rudely awakened the international community to the dangers and problems associated with the carriage of oil and petroleum products by supertankers. It is to the dual problems of vessel liability for such incidents and compensation for the resulting damages that this bill, which I am introducing today, specifically addresses itself.

As can be seen from the following table, at the time of her grounding, the *Torrey Canyon* was only 1 of 34 tankers in the world which ranged between 100,000 and 150,000 deadweight; only 2 tankers in the world at that time were in a larger class. The average size of tankers being delivered in 1967 was 77,000 deadweight.

Mr. President, I ask unanimous consent that the table be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

WORLD TANKERS BY VESSEL SIZE

[In thousands of deadweight tons]

	10 to 60	60 to 80	80 to 100	100 to 150	150 to 200	200 to 250	Over 250
1967	2,544	109	86	34	1	1	------
1971	2,406	255	163	122	35	113	18

Mr. MAGNUSON. Mr. President, had the *Torrey Canyon* been afloat 4 years later, she would only have been numbered among the 288 largest tankers afloat. By 1971, the average size of tankers being delivered was 165,000 deadweight, one-third again the size of the *Torrey Canyon*. By June 1973, there were future scheduled deliveries of 315 tankers in the 225,000 to 300,000 deadweight class and 116 tankers over 300,000 deadweight. One tanker was close to 500,000 deadweight and plans were being considered for a 1,000,000 deadweight tanker.

To comprehend what deadweight tons means in terms of oil pollution, assume a 300,000 deadweight tanker lost its entire cargo—there is a potential spill of between 2,100,000 and 2,250,000 barrels, or over 88 million gallons of oil. Deadweight tonnage is the combined capacity of a vessel's cargo, stores, water, and fuel bunkers. Each deadweight ton—2,240 pounds—is between 7 and 7.5 barrels of oil or 294 to 314 gallons of oil—42 gallons to the barrel.

Obviously, such a spill could inflict untold ecological disaster upon the marine environment and result in incalculable property damage upon innocent third parties. It was to this latter question—pollution compensation—Mr. President, which the world turned after the grounding on Seven Stones Reef.

2. THE IMCO CONVENTIONS

It was in response to the *Torrey Canyon* grounding, and in the face of other possible disasters which an expanding tanker technology posed, that the Intergovernmental Maritime Consultative Organization—IMCO—a United Nations agency, met in Brussels in 1969. From

that meeting came the International Convention on Civil Liability for Oil Pollution—the CLC. The CLC, speaks to the liability of shipowners whose vessels carry cargoes of "persistent oils"—for example, crude oil and animal and vegetable oils—in bulk. It establishes limits of liability—based on no-fault principles—for pollution damage to the territory or territorial sea of a party to the convention and these limits cover both the costs of cleanup and property damage.

In the CLC as drafted, the owner's limit of liability for each polluting incident was not to exceed the lesser of either $134 for each ton of the ship's tonnage or $14,000,000. Since that time, devaluation has taken place and a new official U.S. price has been adopted for gold, therefore, these amounts today are $160 per ton or $16,000,000.

It should be noted that these limits apply only if the owner is not at fault. Should the incident occur as the result of the actual fault or privity of the vessel owner or operator, he does not receive the benefit of these limits, but is subject to complete dollar liability for his acts.

However, under the CLC, the vessel owner may escape any liability for pollution if it is shown that the damage resulted from:

An act of war, hostilities, civil war, insurrection or a natural phenomenon of an exceptional, inevitable and irresistible character, or

Was wholly caused by an act or omission done with intent to cause damage by a third party, or

Was wholly caused by the negligence or other wrongful act of any government or other authority responsible for the maintenance of lights or other navigational aids in the exercise of that function? (Article III, paragraph 2.)

The shipowner may not be held liable if it is proven that the damage resulted from the negligence of a damaged person, or from an act of omission of a damaged person that was done with the intent to cause damage. In effect, he need not pay the damages of one who caused the accident.

To insure payment up to these limits, the CLC requires the owner of a ship which carries more than 2,000 tons of oil in bulk as cargo and which is registered in a nation party to the CLC to maintain insurance or financial security in the amount of the CLC's limits of liability. When this requirement is met, the vessel will be issued a certificate, and failure to produce a valid certificate will prevent the owner from operating his vessel in the oil trade.

A valid action for pollution damage brought against the shipowner requires that he establish a fund—in the amount of his maximum liability under the CLC—in the nation where the action is brought. The fund will be distributed in proportion to proven claims, and any remaining amounts are returned to the owner. In order to provide an incentive for the owner to minimize damage, the CLC allows the shipowner to stand on equal footing with other claimants to his fund for his expenses reasonably incurred or sacrifices reasonably made to prevent or minimize the pollution damage.

But the CLC did not go far enough to compensate those parties who suffered pollution damage. And the rapid growth in tanker size has far outstripped these inadequate limits of liability. As an illustration, assuming the owners of the *Torrey Canyon* had been able to take advantage of the limits of liability established by the CLC, they would have been held liable for only $8,000,000. In contrast, the claims of the British and French Governments for the *Torrey Canyon* cleanup totalled $16,000,000; settlement of these claims resulted in the payment of only $7,500,000.

To remedy this situation which damaged parties could face, to shift some of the economic burden of the carriage of oil from the shipowner to the cargo owner, and to provide incentive for shipowners to take more comprehensive measures to prevent oil spills. IMCO met again in 1971. The result of this meeting was the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage—The International Fund Convention.

As a supplement to the CLC, the International Fund Convention establishes a revolving fund which is provisioned by annual, mandatory contributions of cargo owners who receive more than 150,000 tons of crude or fuel oil at their facilities during a year. The total amount paid out of the International Fund and the CLC for any single incident cannot exceed $36,000,000. Before devaluation and the change in the official U.S. price for gold, the figure was $30,000,000. However, the terms of the International Fund Convention enable that amount to be raised to $72,000,000. The original figure had been $60,000,000.

Under the International Fund Convention, compensation is paid to any person suffering pollution damage if that person was unable to obtain full and adequate compensation under the CLC because: First, there was no liability under the CLC; second, although the vessel owner was liable for the damages under the CLC, he is financially unable to meet his obligations; or third, the proven damage claims exceed the shipowner's limit of liability under the CLC. But there is a proviso under the International Fund Convention that the damage must be from "persistent hydrocarbon mineral oils"—a narrower definition of "oil" than that found in the CLC which includes not only crude oil, but also animal and vegetable oils.

The International Fund, however, is not held responsible if the damages suffered were caused by: First, an act of war, hostilities, civil war or insurrection; second, oil which escaped from warships or other ships owned or operated by a nation and used at the time of the incident only on government noncommercial service; or third, it cannot be proven the damage was caused by the discharge or escape of oil from a ship. Furthermore, the International Fund may be proportionately relieved from liability if it is proven that the damages resulted either wholly or partially from an act or omission by the damaged party done with intent to cause damage, or from the negligence of the damaged party.

By the vessel owner's adherence to the CLC and certain international conventions which impose safety and pollution prevention standards, the owner or his guarantor can be indemnified for their CLC liability which exceeds the lesser of $120 per ton—formerly $100 per ton—or $10,000,000—originally established at $8,333,333. However, all the following conditions must be met: First, there is adequate insurance or other financial security to cover the limits set by the CLC; second, the pollution damage was not the result of the owner's willful misconduct; and third, the damage was not caused—partially or wholly—by the ship's failure to comply with certain international pollution prevention and safety conventions or applicable amendments thereto.

In any discussion of the CLC and the International Fund Convention, it is important to realize that the International Fund Convention will not become recognized without the prior acceptance of the CLC. In order for the CLC to take effect, eight nations, including five with not less than 1,000,000 gross tons of tanker tonnage, must have either ratified, accepted, approved or acceded to it. At this time, only seven nations have agreed to be bound by the CLC but only one has more than 1,000,000 tons of tanker tonnage.

For the International Fund Convention to become effective, First, the CLC must have come into force, second, in each signatory nation a total quantity of at least 750,000,000 tons of oil must have been received by cargo owners liable for contribution to the International Fund, and third, at least eight nations must have agreed to be bound by the International Fund Convention. Thus far, only Liberia has agreed to the terms of both the CLC and the International Fund Convention.

3. DOMESTIC LEGISLATION

At the same time that the world community was working together to resolve the oil pollution compensation and liability question on an international basis, the United States was taking domestic action to improve liability statutes applicable within its waters. But before reviewing these post-*Torrey Canyon* statutes and legislation, it is important to be cognizant of the few vessel liability statutes which existed prior to 1967.

The Limitation of Liability Act of 1851 (9 Stat. 635; 46 U.S.C. 181 et seq.) is clearly one of the most important and one of the most broadly applicable statutes in the annals of American admiralty law. It was originally enacted for the purpose of placing the American merchant marine on an equal footing—at least in terms of limitations of liability—with the British shipping industry. It was introduced at a time when incorporation, a universally accepted method today for limiting liability, was not being practiced. More importantly, it was not drafted at a time of concern about third party liability for oil pollution damage.

In essence, the Limitation of Liability Act states that the liability of the owner of any vessel—American or foreign—for damage done without his privity or knowledge, shall be limited to the value of the owner's interest in the vessel and "her freight then pending." The Supreme Court has interpreted the statute to mean that the value of the owner's interest is to be calculated after the collision, grounding or other damage-causing incident has taken place. If a vessel discharges its entire cargo of oil, but is totally destroyed, then in the absence of any later Federal statute which supersedes the Limitation of Liability Act, a damage claimant could recover nothing.

All that remained of the *Torrey Canyon* was a single lifeboat worth $50—the total amount of compensation which would have been required of its owners by the Limitation of Liability Act. It should be emphasized that unless a later Federal statute varies the terms of the Limitation of Liability Act, any recovery sought from the owner of a polluting vessel—whether based on a Federal or State statute or a common law action—is limited by the dictates of this 1851 law.

Although there were earlier statutes which prohibited the discharge of oil into the waters, it was not until 1966—a year before the *Torrey Canyon* grounding—that liability for oil pollution damage was addressed as a national problem. In that year, certain amendments to the Oil Pollution Act—the basic Federal oil pollution statute (43 Stat. 604; 33 U.S.C. 431 et seq.)—were enacted. These amendments required any person who discharged or permitted the discharge of oil into or upon U.S. navigable waters to remove the oil from the waters and adjoining shorelines. The Secretary of the Interior was authorized to remove or arrange for the removal of the oil if the polluter failed to carry out his legal responsibilities; the polluter would then be liable to the United States for all reasonably incurred costs and expenses of removal. However, under the 1966 amendments, property owners who were also damaged received no relief from the provisions of the Limitation of Liability Act.

Like the international community, the United States did not seriously consider the pollution consequences of a supertanker technically until the *Torrey Canyon's* destruction. In 1970, the Water Quality Improvement Act (Public Law 91-224) was enacted, which further amended the Federal Water Pollution Control Act (33 U.S.C. 466) and repealed the Oil Pollution Act, 1924, as amended (33 U.S.C. 431). The Water Quality Improvement Act—WQIA—extended a polluter's responsibility for the cleanup of oil to the contiguous zone of the United States and imposed strict liability upon the owners and operators of polluting vessels for the expenses incurred by the Federal Government in removing the spilled oil. To finance the Federal Government's initial cleanup, a revolving fund of $35,000,000 was established.

The upper limit of liability to the Government was set at the lesser of $100 per gross ton of the vessel or $14,000,000. But this limit would be removed if the discharge was the result of willful negligence or willful misconduct within the privity and knowledge of the owner, or operator; he would then be liable to the U.S. Government for the full amount of the removal costs—section 11(f)(1). Certain defenses to liability were allowed the owner or operator. If it could be shown that the discharge was caused solely by an act of God, an act of war, negligence on the part of the U.S. Government, an act or omission of a third party without regard to the third party's fault, or a combination of any of these causes, then liability would be avoided. It should be noted that a third party involved in the discharge of oil could face liability, but the third party also had access to defenses which are similar to those afforded to the vessel's owner and operator.

The WQIA also provided for evidence of financial responsibility to show that the limits of liability imposed for cleanup could be met. However, only vessels or barges over 300 gross tons using any port, place or the navigable waters of the United States had to offer such evidence.

Two years later, another piece of legislation—the Federal Water Pollution Control Act Amendments of 1972 (Public Law 92-500)—was enacted. These amendments essentially incorporated the WQIA oil liability provisions and offered little change in existing oil pollution law. However, the 1972 amendments did subject those who discharged hazardous substances to the same limits of liability for cleanup as for those who discharged oil. The amendments also provided an option for the imposition of a greater civil penalty for the discharge of nonremovable hazardous substances than the civil penalty imposed for the discharge of oil.

It is important to understand that the WQIA and the Federal Water Pollution Control Act Amendments of 1972 (33 U.S.C. 1151) established only liability to the Federal Government for removal of oil. Nothing has been done to improve the position of the injured property owner whose recovery of damages is still curtailed by the Limitation of Liability Act.

It was not until the passage of the Trans-Alaska Pipeline Authorization Act (Public Law 93-153) in 1973 that the ceiling imposed by the Limitation of Liability Act for the recovery of vessel-source oil pollution damages was lifted under certain conditions. Established in the Pipeline Act is a $100,000,000 Trans-Alaska liability fund, funded by a 5 cents per barrel fee levied upon the oil owners at the time his oil is loaded on a vessel.

Under Public Law 93-153, strict liability without regard to fault is placed on the owner and operator of the vessel—jointly and severally—and the liability fund for all damages—including cleanup—resulting from Alaska pipeline oil discharged by the vessel. This strict liability extends to damages and cleanup "sustained by any person or entity, public or private, including residents of Canada." Strict liability terminates once the oil has first been brought ashore at a point under the jurisdiction of the United States. There is exemption from liability if the damage was caused by an act of war, the negligence of the United States or other governmental agency, or the negligence of a party who is claiming damages. The ceiling for strict liability is $100 million with the vessel's owner and operator jointly and severally liable for the first $14 million of claims that are proven valid. The Liability Fund is responsible for the balance up to $100 million. Should the claims allowed exceed $100 million, the claims are to be reduced proportionately and the unpaid portion of any claim may be asserted and adjudicated under other applicable Federal or State law.

The "fund" concept has gained legislative acceptance and was incorporated into Public Law 93-153, the Deepwater Port Act of 1974, which was enacted into law on December 1974. In this statute, a $100 million Deepwater Port Liability Fund is established, funded by a fee of 2 cents for each barrel of oil loaded or unloaded at any deepwater port—the vessel's bunker fuel and Alaska pipeline oil is not subject to this fee. Liability of the vessel owner and operator under this bill is predicated upon the discharge of oil within the safety zone of any deepwater port, or anywhere beyond if transshipment to another vessel at the port is involved. Liability is imposed without regard to fault and encompasses both cleanup costs and damages, but does not exceed the lesser of $150 per gross ton or $20 million. As with earlier Federal statutes, unlimited liability is imposed if the discharge was the result of "gross negligence or willful misconduct within the privity or knowledge of the owner or operator."

Licensees of the deepwater ports also bear responsibility for the discharge of oil from the port itself and from a vessel, but only if the vessel is moored at the port when the polluting incident occurred. The licensee's liability does not exceed $50 million unless the damage was the result of "gross negligence or willful misconduct within the privity and knowledge of the licensee," and then there is no limitation on liability.

Licensees and vessel owners and operators are relieved from liability if it is proven that the discharge was caused solely by an act of war, or by the negligence of the Federal Government in establishing and maintaining aids to navigation.

Up to this point, the Deepwater Port Act of 1972 reflects previous legislative progress. This statute takes the final step by calling for strict liability for all proven oil pollution damages. The Deepwater Port Liability Fund would become liable, without regard to fault, for all cleanup costs and damages in excess of those actually compensated by a licensee or a vessel owner or operator. If the fund, the licensees, or the vessel owners and operators show that the damage was caused solely by the negligence of an injured party, there would be no liability to that party.

Another significant innovation in the Deepwater Port Act—which could lessen an injured party's cost of litigation—is the provision which allows the Attorney General to bring a class action on behalf of damaged citizens whom he feels would be more adequately represented as a class. Furthermore, the statute allows the Secretary of Transportation, as trustee of the natural resources of the marine environment, to recover damages on behalf of the public; compensation received in the public's name is to be used for the restoration and rehabilitation of the injured resources.

With the exceptions of the Trans-Alaska Pipeline Authorization Act and the Deepwater Port Act—which have only limited applicability—Federal statutes are still inadequate to deal with compensating individuals for oil pollution damage which could be caused by a supertanker.

Meanwhile, coastal States have also been legislating to protect their environmental interests. The most notable State statute has been the Florida Oil Spill Prevention and Pollution Control Act—Florida Laws 1970, c. 70-244. This statute, which recently was amended, imposed unlimited, no-fault liability on certain vessels for oil-spill damage to the State of Florida and private persons and also provided for the recovery of the State's cleanup costs. The Florida act withstood an attack before the Supreme Court in *Askew* v. *American Waterways Operators*, 411 U.S. 325 (1973), but the case served to point up the problems which might arise from the inaction of the Federal Government in improving liability laws—a number of State statutes, each with varying provisions.

Askew posed the question of whether, under the Water Quality Improvement Act, a State could impose its own requirements on vessels for the prevention and compensation of oil pollution. Here, the Supreme Court reiterated its earlier position in *Just* v. *Chambers*, 312 U.S. 383, 389 (1941):

> That a State, in the exercise of its police power, may establish rules applicable on land and water within its limits, even though these rules incidentally affect maritime affairs, provided that the state action does not "contravene any acts of Congress nor work any prejudice to the characteristic features of the maritime law, nor interfere with its proper harmony and uniformity in its international and interstate relatons" 411 U.S., at 339.

Unless the Congress enacts comprehensive legislation regarding compensation and liability for oil pollution damage, the Askew case may cause some confusion; some States may impose requirements so radically different from those of other States that maritime trade might be unduly hampered rather than fostered. Conversely, some States may enact no liability strictures at all and thereby possibly become havens for unsafe vessel operations. In the absence of any State or Federal statute allowing the recovery of damages resulting from the discharge of oil by vessels, an injured party's last report is to the common law actions of trespass, negligence, and nuisance. Again, it is especially important to recognize that any of the recoveries allowed under these tort actions will be limited by the value of the vessel and its freight after the accident.

According to legal commentators, trespass—causing an object to enter land—is generally actionable only when the trespass is the result of an intentional intrusion, negligence or an abnormally dangerous activity. But since courts have yet to declare the transportation of oil by vessel as an abnormally dangerous activity, a party damaged by the discharge of oil from a vessel can only base recovery on fault—that is, either negligence or intentional intrusion.

Leaving aside the difficulties inherent in proving negligence or intent, a successful action under the theory of trespass would result in the recovery of damages by people, such as property owners and aquacultural farmers, whose premises were actually invaded by oil. This recovery would not be just for damage to property, but also for lost business profits; once trespass liability is proven, an injured party may recover damages for all injuries which were the natural and probable consequence of the trespass. However, the property owner whose land was not damaged, but who lost business as the result of damaged, adjacent waters—for instance, a hotel owner whose hotel did not front on the water—would have difficulty in recovering under the theory of trespass unless some property interest in the adjacent waters could be asserted.

The most common tort theory for recovering oil pollution damages has been negligence, defined as "conduct which involves an unreasonably great risk of causing damage." To recover in a negligence action, it must be shown that a duty was owed to the claimant, that this duty was breached by the defendant, and that the damage done was a result of the defendant's act or his failure to perform an act. Property owners who are directly damaged by oil will have the best chance of recovery for property damage and lost business profits. But because the courts have held that the lost business profits and lowered property values of persons whose property has not been physically damaged by oil could not be foreseen by the negligent party, recovery is not allowed to people such as our nonbeachfront hotel owner whose property was not physically damaged.

The third theory of recovery for vessel oil pollution is nuisance, which legal commentators have called "a continuing or recurring interference with the use or enjoyment of property over a considerable period." Courts, however, have held that a nuisance suit may arise when "harm to a claimant has been instantaneous and substantial." Nuisance may be classified as private, public, or a hybrid of private and public. The private nuisance is a civil wrong based on the disturbance of private rights in land; action is brought by a private individual. Public nuisance—the interference with the rights of the public—is a criminal offense and recovery may be sought only by public officials. In the hybrid type of nuisance, the private individual must show that the damage done to him by the discharge of oil was distinct in kind from the damage suffered by the public at-large.

Again, the nonbeachfront property owner appears to be left without a remedy to recover his lost business profits. Obviously, waterfront property owners may recover for damages to their property; one case has even allowed recovery to this type of claimant even though the property was not invaded by oil. The court based its recovery on the impairment of the property owner's littorial or riparian rights—fishing, swimming and boating.

One other possible method of recovery—which is as yet untried—is under the maritime concept of unseaworthiness, proving that the discharge resulted from some defect in the vessel or its equipment. This area, though, has been limited in the past to recovering damages only for personal injury and cargo loss.

But before an action for property damages may be brought in either a State or Federal court, jurisdiction of the court over the proceedings must be established. In what is termed an in personam proceeding, an action is brought against the owner of the ship—either a "natural" person or a corporation—only if he is able to be personally served with process or, if he is beyond the reach of the process server, he voluntarily steps forward as a defendant. Without personal service of process upon the owner or his representatives, the court has no jurisdiction in an in personam proceeding.

The other maritime action, an in rem proceeding, results in the naming of the ship as defendant and the ship's seizure by the court. However, for in rem jurisdiction of the court to be established, the ship must be within the court's geographical boundaries. In either proceeding, if there is no jurisdiction, there cannot be an action for damages. This, in a sense, is another limitation of liability for the shipowner and a preclusion of the payment of any compensation to an injured party.

But litigation in any court, especially on a fault theory, is an expensive and time-consuming process which few damaged parties can afford to undertake.

SUMMARY

To fully comprehend the inadequacies of compensation offered by the CLC, the international fund, and Federal oil pollution liability statutes, imagine for a moment that instead of the *Torrey Canyon*, tankers ranging from 200,000 to 500,000 deadweight tons went ground on Seven Stones Reef in 1967. For this illustration, we will convert deadweight tons, which we said is roughly the cargo capacity of a vessel, into gross tonnage. Using our base figure for damages at $243 per gross ton—$16 million damages claimed against the *Torrey Canyon's* 117,000 deadweight tons or 64,400 gross tons—we come up with the following damage figures:

200,000 dwt tanker (110,000 gross tons)	$27,280,000
300,000 dwt tanker (165,000 gross tons)	40,920,000
400,000 dwt tanker (220,000 gross tons)	54,560,000
500,000 dwt tanker (275,000 gross tons)	68,200,000

It must be remembered that these figures reflect 1967 costs; today, inflation would have taken these figures even higher. Clearly with the exceptions of the Trans-Alaska Pipeline Authorization Act and the Deepwater Port Act—available only in limited circumstances—international conventions and Federal statutes fall far short of providing adequate compensation for pollution damage.

Mr. President, over 7 years have passed since the *Torrey Canyon* went aground. In that time, the international community has drafted two international conventions concerning vessel liability and compensation—neither of which has gone into effect. Since 1967, the United States has essentially enacted three statutes—one which establishes liability only to the Federal Government for cleanup and the other two which establish compensation funds of limited applicability. In a time of increasing oil transportation by ships and in an era of a growing tanker technology, we are still being governed by the Limitation of Liability Act—a statute which was enacted over 120 years ago and which still purports to deal with a problem which was not even in existence at the time of its passage.

The time for action is getting shorter. In the past year, we have perhaps received a preview of what is to come: In August of 1974, another tanker, the *Metula*, went aground off Chile in the Straits of Magellan. This tanker, at 210,000 deadweight tons and carrying over 1,500,000 barrels of oil, transported almost twice the cargo of the *Torrey Canyon*.

About 15,000,000 gallons of her cargo leaked into the sea, contaminating 40 miles of coastline. Five months later, in January of this year, the 237,000 deadweight ton tanker *Showa Maru* grounded off Singapore, spilling almost 1,000,000 gallons of oil and polluting the waters of Singapore, Malaysia, and Indonesia. Within days of the *Showa Maru* grounding, the *Jakob Maersk*, carrying 28,500,000 gallons of crude oil, ran aground at the entrance to Leixoes, Portugal and exploded. Fortunately—if an accident of that magnitude can be fortunate—most of the unknown quantity of oil that entered the water burned, although some 20 miles of coastline was affected by the oil that was spilled. Finally, on April 4, 1975, the Liberian Tanker *Spartan Lady*, loaded with 5,900,000 gallons of oil broke in half and sank just 140 miles east of Atlantic City. The omnipresent danger of a supertanker spill is moving ever closer to our shores. What would have happened had the *Metula* or the *Showa Maru* grounded in Puget Sound, or off the coast of Maine, or off Miami Beach? It is unlikely that present laws would be adequate to compensate those whose property was damaged or those whose livelihood was taken away. We cannot afford tragedies of this nature upon our own shores to spur us to action. The time to respond is now—before disaster strikes.

Mr. President, when limits of liability are established, it is a determination of risk-taking, of deciding upon whose shoulders the economic burden shall fall for participation in a particular activity. Up until the present time, it has been decided that innocent parties—the property owner or the fisherman shall bear the costs of oil pollution damage. It is time to shift that economic responsibility to those who directly benefit from the carriage of oil by vessel—the shipowner, the oil industry, and the oil consumer.

If oil pollution damages are reflected in the price of oil, the consumer will have a better concept of its "true cost." Then, in the economic marketplace, he will be better informed in selecting which energy resource is the most attractive in terms of its cost and the benefits derived from its use.

In the bill which I offer today, we are shifting the economic burdens of oil pollution damage to those best able to bear them. This legislation will establish a National Oil Pollution Compensation Fund which will offer full compensation to those who have been damaged by oil pollution. This single, national compensation fund will solve other difficulties by creating uniform, national standards of compensation and limits of liability for oil pollution damages. The fund is to be provisioned by contributions from oil owners who will pay a certain fee per barrel of oil received. In this manner we shall more equitably allocate the risk occasioned by the carriage of oil by ship.

This bill will also create the National Oil Pollution Compensation and Liability Administration to manage the fund; other provisions of this legislation will establish quick and efficient administration remedies for adjudicating and settling claims, thereby avoiding the expensive and time-consuming method of recovering damages offered previously by litigation.

However, this bill speaks not only to the question of marine pollution from ships, but addresses itself to all sources of oil pollution, whether offshore oil rig, deepwater port or onshore refinery or storage facility. It is no longer wise to continue a piecemeal approach to this problem and a comprehensive statute which this bill offers is the best approach. To assist the Senate, the National Ocean Policy Study will be undertaking an analysis of the entire question of ocean contamination.

Mr. President. I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1754

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Oil Pollution Liability and Compensation Act of 1975".

DECLARATION OF POLICY

SEC. 2. (a) FINDINGS.—The Congress finds and declares that—

(1) The damages and cleanup costs resulting from oil spills are matters of major national concern.

(2) The transportation, production, and handling of oil in, on, or near inland and ocean waters create environmental risks, and may impair the rights of shoreline property owners and harm the general health and welfare of citizens of the United States.

(3) Existing law with respect to liability and compensation for oil pollution damage is inconsistent, inadequate, incomplete, inefficient, and inequitable.

(4) The legal rules applicable to oil pollution liability and compensation need to be rationalized and reformed to assure that adequate and timely compensation is available for oil pollution from all sources.

(b) PURPOSES.—It is therefore declared to be the purpose of the Congress in this Act to—

(1) enact a comprehensive national law governing oil pollution liability and compensation;

(2) maximize the incentive for all persons producing, transporting, or handling oil to take all steps necessary or appropriate to prevent the discharge of oil into the marine environment;

(3) establish a strict liability standard for cleanup costs and damages resulting from the discharge of oil;

(4) create a single and all-inclusive compensation fund to pay for all cleanup and damages resulting from such a discharge;

(5) provide adequate funds and an expeditious procedure to compensate those injured by such a discharge; and

(6) provide for the restoration and rehabilitation of the natural resources of the marine environment.

DEFINITIONS

SEC. 3. As used in this Act, unless the context indicates otherwise, the term—

(1) "Administration" means the National Oil Pollution Liability and Compensation Administration;

(2) "Administrator" means the chief executive of the Administration;

(3) "barrel" means 42 United States gallons at 60 degrees Fahrenheit;

(4) "cleanup costs" means all actual costs, including, but not limited to, the costs of the Federal Government, of any State or local government, of any foreign governments, or of their contractors or subcontractors, incurred in (A) removing or attempting to remove, or (B) taking other measures to prevent, reduce, or mitigate damages to the public health or welfare, including but not limited to public and private property, shorelines, beaches, and the natural resources of the marine environment;

(5) "contiguous zone" means the entire zone established or to be established by the United States under article 24 of the Convention on the Territorial Sea and the Contiguous Zone (15 UST 1606; TIAS 5369) or otherwise by law or treaty;

(6) "damages" means all direct and proximate damages, except cleanup costs, suffered by any person on account of a discharge of oil, including—

(A) the value of any loss, at the time such loss is incurred, with respect to any real or personal property that are damaged or destroyed as a result of a discharge of oil;

(B) the cost of restoring, repairing or replacing any real or personal property that are damaged or destroyed by a discharge of oil; any income necessarily lost during the time such property is being restored, repaired, or replaced; and any reduction in the value of such property thereafter, by comparison with its value prior to such discharge;

(C) any loss of income resulting from any loss of real or personal property, including natural resources, that are damaged or destroyed by a discharge of oil, if the claimant can no longer engage in the occupation or business in which such property or resources are necessary, whether or not such property or resources can be restored, repaired, or replaced;

(D) any costs and expenses incurred by the Federal or any State government in the rehabilitation of natural resources that are damaged or destroyed by a discharge of oil;

(E) any loss to citizens of any use of real property or of natural resources as a result of a discharge of oil, if such property or resources are owned, managed, held in trust, or otherwise controlled by the Federal or any State government; and

(F) any injuries that are caused, directly or indirectly, to any person by a discharge of oil;

(7) "deepwater port" has the meaning set forth in section 3(10) of the Deepwater Port Act of 1974 (33 U.S.C. 1502(10));

(8) "discharge" includes, but is not limited to, any spilling, leaking, pumping, pouring, emptying, or dumping, regardless of whether it occurred intentionally or unintentionally;

(9) "facility" includes but is not limited to, any oil refinery, drilling platform, oil storage or transfer terminal, pipeline, or any appurtenances related to any of the foregoing, and that is used, or is capable of being used, to refine, drill for, pump, produce, store, handle, transfer, process, or transport oil; the term does not include a vessel or a deepwater port;

(10) "Fund" means the National Oil Pollution Compensation Fund;

(11) "licensee" means a person who holds a valid license for the ownership, construction, and operation of a deepwater port;

(12) "marine environment" means the navigable waters of the United States (including the lands therein and thereunder), the adjacent shorelines (including waters therein and thereunder), the waters of the contiguous zone, the waters within the safety zone around a deepwater port, and waters superjacent to the continental shelf of the United States; the fish, wildlife, and other living resources of such waters; and the recreational and scenic values of such waters and resources;

(13) "natural resources" means land, fish, wildlife, biota, air, water, and other such resources owned, managed, held in trust, or otherwise controlled by the Federal or any State government;

(14) "offshore facility" means any facility located in, on, or under the navigable waters of the United States or waters of the contiguous zone, or any facility utilized in oil exploration or production activities on the Outer Continental Shelf of the United States;

(15) "oil" means oil of any kind, except animal or vegetable oils, or in any form, including, but not limited to, petroleum, fuel oil, sludge, oil refuse, and oil mixed with wastes other than dredged spoil;

(16) "onshore facility" means any facility located, in, on, or under any land within the United States other than submerged land;

(17) "owner or operator" means (A) with respect to a vessel, any person owning, operating, or chartering by demise, such vessel; (B) with respect to an offshore or onshore facility, any person owning or operating such facility, whether by lease, contract, or other form of agreement; and (C) with respect to any abandoned facility, the person who owned or operated such facility immediately prior to such abandonment;

(18) "paragraph" means a paragraph of the subsection in which the term is used;

(19) "person" means an individual, a public or private corporation, partnership or other association, or a government entity;

(20) "safety zone" means the safety zone around a deepwater port as defined pursuant to section 10(d) of the Deepwater Port Act of 1974 (33 U.S.C. 1509(d));

(21) "section" means a section of this Act;

(22) "Secretary" means the Secretary of Transportation;

(23) "State" includes each of the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Canal Zone;

(24) "subsection" means a subsection of the section in which the term is used;

(25) "transfer" or "transferred" includes, but is not limited to, both onloading and offloading between a facility and a vessel, and between vessels and facilities; and

(26) "vessel" means every description of watercraft or other contrivance that is used, or capable of being used as a means of transportation on water, whether self-propelled or not.

LIABILITY FOR DISCHARGES OF OIL

SEC. 3. (a) VESSELS.—(1) Notwithstanding any other provision of law and except as provided in subsection (c), the owner and operator of a vessel shall be jointly and severally liable, without regard to fault, for cleanup costs and damages which result from a discharge of oil into the marine environment from such vessel. Such liability shall not exceed $150 per gross ton or $20,000,000 whichever is less, except that if it can be shown—

(A) that such discharge was the result of gross negligence or willful misconduct, within the knowledge and privity of the owner or operator; or

(B) that such discharge was the result of a violation of applicable safety or construction standards;

such owner or operator shall be jointly and severally liable for the full amount of cleanup costs and damages.

(2) The owner or operator of a vessel carrying oil which has been transported through the trans-Alaska pipeline and loaded on such vessel at the terminal facilities of the pipeline, shall be jointly and severally liable, without regard to fault, subject to the limits and conditions contained in this subsection, to residents or the government of Canada for cleanup costs and damages resulting from the discharge of oil from such vessel.

(b) ONSHORE AND OFFSHORE FACILITIES AND DEEPWATER PORTS.—Notwithstanding any other provision of law and except as provided in subsection (c), the owner or operator of an onshore or offshore facility and the licensee of a deepwater port shall be jointly and severally liable, without regard to fault, for cleanup costs and damages which result from a discharge of oil into the marine environment from such a facility or port. Such liability shall not exceed—

(1) $50,000,000, in the case of an onshore facility;

(2) $50,000,000, in the case of an offshore facility;

(3) $100,000,000, in the case of a deepwater port.

If it can be shown that such damage was the result of gross negligence or willful misconduct, within the privity and knowledge of such an owner, operator, or licensee, such owner, operator, or licensee shall be jointly and severally liable for the full amount of cleanup costs and damages.

(c) DEFENSES.—Liability for costs and damages resulting from a discharge of oil shall not be imposed on any person pursuant to subsection (a) or (b), if the owner, operator, or licensee involved establishes that such discharge was caused solely—

(1) by an act of war, or as a proximate result of negligence on the part of the Federal Government in failing to maintain adequate aids to navigation; or

(2) by the negligence of the party damaged.

(d) SUBROGATION.—(1) In any case in which the owner or operator of a vessel is held liable, pursuant to subsection (a), for costs and damages resulting from a discharge of oil, such an owner or operator shall be subrogated, if such discharge was caused by negligence on the part of the owner or operator of an onshore or offshore facility or on the part of the licensee of a deepwater port, to the rights of any person who is entitled to recover any damages against such owner, operator, or licensee.

(2) In any case in which the owner or operator of an onshore or offshore facility, or in which the licensee of a deepwater port, is held liable, pursuant to subsection (b), for costs and damages resulting from a discharge of oil, such an owner, operator, or licensee shall be subrogated, if such discharge was the result of the unseaworthiness of a vessel or the negligence of a vessel's owner or operator, to the rights of any person who is entitled to recover any damages against the owner or operator of such vessel.

(3) The provisions of this section shall not in any way affect or limit in any way any rights that an owner or operator of a vessel, an onshore facility, an offshore facility, or a licensee or that the Fund may have against any third party whose acts may have caused or contributed to a discharge of oil.

(e) PROHIBITION.—Any agreement, the effect of which is to hold harmless any person or any Federal, State, or local government from liability for the discharge of oil, even if agreed to by a government entity, is contrary to public policy, void, and of no effect.

THE NATIONAL OIL POLLUTION LIABILITY AND COMPENSATION ADMINISTRATION

SEC. 4. (a) ESTABLISHMENT.—There is hereby established in the Department of Transportation an agency which shall be known as the National Oil Pollution Liability and Compensation Administration.

(b) OFFICERS.—(1) There shall be at the head of the Administration the Administrator of the National Oil Pollution Liability and Compensation Administration. The Administrator shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate now or hereafter provided for level IV of the Executive Schedule pay rates (5 U.S.C. 5315). The Administrator shall report and be responsible to the Secretary, except that decisions of the Administrator shall not be subject to review, delay, reversal, or other action by the Secretary or any other officer or employee of the Department of Transportation.

(2) There shall be in the Administration a Deputy Administrator of the National Oil Pollution Liability and Compensation Administration. The Deputy Administrator shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate now or hereafter provided for level V of the Executive Schedule pay rates (5 U.S.C. 5316). The Deputy Administrator shall perform such functions as the Administrator shall from time to time assign or delegate, and shall act as Administrator during the absence or disability of the Administrator or in the event of a vacancy in the office of Administrator.

(3) There shall be in the Administration a General Counsel who shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate now or hereafter provided for level V of the Executive Schedule pay rates (5 U.S.C. 5316).

(c) FUNCTIONS.—The Administrator shall—

(1) establish and maintain the Fund, in accordance with section 5;

(2) act as trustee of the natural resources

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of the marine environment, in accordance with section 6;

(3) require financial responsibility, in accordance with the provisions of section 7;

(4) establish regulations and provide for the fair and expeditious settlement of claims, in accordance with section 8;

(5) provide public access to information and conduct public education programs, in accordance with section 9;

(6) submit an annual report, in accordance with section 10; and

(7) perform such other functions as are prescribed by law or by the Secretary.

(d) Powers.—In the performance of his functions, the Administrator is authorized to—

(1) appoint, fix the compensation, and assign the duties of such officers and other personnel as may be necessary or appropriate, and to delegate authority of the Administrator to any such personnel:

(2) utilize, with the consent of the agency concerned, the services or personnel, on a reimbursable basis or otherwise, of any Federal Government agency, of any State or local government agency, or of any organization, to perform such functions on behalf of the Administrator as are necessary or appropriate;

(3) make, promulgate, issue, rescind, and amend such rules and regulations as may be necessary to carry out the purposes of this Act;

(4) conduct such studies and investigations, obtain such date and information, and hold such meeting or public hearings as may be necessary or appropriate to facilitate the exercise of any authority granted to, or the performance of any function imposed on, the Administrator under this Act;

(5) enter into such contracts, agreements, and other arrangements as are deemed necessary or appropriate for the acquisition of material, information, or other asistance related to, or required by, the implementation of this Act; and

(6) issue and enforce orders during proceeding maintained pursuant to this Act including, but not limited to, issuing subpenas, administering oaths, compelling the attendance and testimony of witnesses and the production of books, papers, documents, and other evidence, and the taking of depositions.

THE NATIONAL OIL POLLUTION COMPENSATION FUND

Sec. 5. (a) Establishment.—There is established within the Administration a National Oil Pollution Compensation Fund. The Fund shall be a nonprofit corporate entity which may sue or be sued in its own name.

(b) Disbursements.—(1) Moneys in the Fund shall be disbursed for the following purposes and no others:

(A) administrative and personnel expenses of the Fund, after appropriation in an appropriation bill;

(B) cleanup costs resulting from the discharge of oil incurred (i) pursuant to section 311 of the Federal Water Pollution Control Amendments Act of 1972 (Public Law 92–500), (ii) pursuant to any State or local law, or (iii) by the owner or operator of a vessel or onshore or offshore facility or a licensee if it can be shown that such discharge was caused solely by an act of war or negligence on the part of the Federal Government in establishing and maintaining aids to navigation;

(C) all damages not actually compensated pursuant to section 3 of this Act, and for damages whenever the source of the discharge cannot be determined or is beyond the jurisdiction of the United States; and

(D) research into methods for preventing, containing, and removing discharges of oil into the marine environment.

(2) Payment of compensation by the fund shall be subject to the Fund acquiring by subrogation all rights of the claimant to recovery cleanup costs or damages from the discharger. The Fund shall diligently pursue recovery for any such subrogated rights.

(3) Notwithstanding the above, the Fund shall not be liable to pay cleanup costs and damages of any claimant whose negligence was the sole cause of the discharge.

(c) Fee Collection.—(1) The Funds shall be provisioned through the levy and collection by the Administration of a 5-cent-per-barrel fee imposed on the owner of oil (A) when the oil is loaded on or off a vessel at an onshore or offshore facility, (B) when the oil is transferred from a well to a pipeline or a vessel, or (C) when the oil is loaded on or off a vessel at a deepwater port. All moneys in the trans-Alaska pipeline liability fund and the deepwater port liability fund shall be placed in the Fund.

(2) The collection of the fee shall continue until the fund reaches $250,000,000 whereupon collection shall be suspended. The collections shall be resumed when the Fund is reduced below $200,000,000 and shall continue until the Fund again reached $258,000,000. All sums recovered by the Fund from the party or parties responsible for a discharge under the provisions of this Act shall be deposited in the Fund and included in calcualting the balance. All sums not needed for the purposes specified in subsection (b) of this section shall be prudently invested in income-producing securities issued by the United States and approved by the Secretary of the Treasury. Income from such securities shall be applied to the principal of the Fund.

(3) Each person liable to contribute to the Fund under this subsection shall keep such records and furnish such information as the Administrator shall prescribe in regulations. Collection will be at such times and such manner as shall be prescribed in such regulations.

(4) Whenever the money in the Fund is less than the claims for cleanup costs and damages for which it is liable under this section, the Fund shall borrow the balance required to pay such claims from the United States Treasury at an interest rate determined by the Secretary of the Treasury.

(d) Trustee of Natural Resources.—The Administrator; or the authorized representative of any State, shall act on behalf of the public as trustee of the natural resources of the marine environment to recover for damages to such resources. Sums recovered shall be applied to (1) the restoration and rehabilitation of such natural resources and (2) acquisition of equivalent natural resources by the appropriate agencies of Federal or State government.

FINANCIAL RESPONSIBILITY

Sec. 7. (a) General.—Each owner or operator of a vessel or an onshore or offshore facility and each licensee shall establish and maintain under rules and regulations prescribed by the Administrator, evidence of financial responsibility based on the tonnage of the vessel, the capacity of the facility or deepwater port, and other relevant factors. Financial responsibility may be established by any one, or a combination of, the following methods acceptable to the Administrator: (1) evidence of insurance, (2) surety bonds, (3) qualification as a self-insurer, or (4) other evidence of financial responsibility satisfactory to the Administrator.

(b) Direct Action.—Any claim for cleanup costs and damages by any claimant or by the Fund may be brought directly against the bond, the insurer, or any other person providing financial responsibility.

(c) Failure To Comply.—(1) Any person who fails to comply with the provisions of this section or any regulation issued hereunder shall be subject to a fine of not more than $25,000.

(2) The Secretary of the Treasury may refuse the clearance required by section 4197 of the Revised Statutes of the United States, as amended (46 U.S.C. 91), to any vessel subject to this section which has not furnished evidence of financial responsibility to the Administrator.

CLAIMS, SETTLEMENT, AND ADJUDICATION

Sec. 8. (a) Rules and Regulations.—The Administrator shall prescribe and may from time to time amend, regulations for the filing, processing, settlement, and adjudication of claims for cleanup costs and damages resulting from the discharge of oil into the marine environment.

(b) Procedure.—(1) Upon receiving information regarding a discharge of oil, the Administrator shall publish and distribute in the area of the discharge information and material on the filing of claims.

(2) Claims shall be filed with the Administrator not later than 2 years after the date of discovery of damage nor later than 6 years after the date of the incident which caused the damage. The Administrator shall prescribe appropriate forms and details for such claims, which shall include a provision requiring the claimant to make a sworn verification of the claim to the best of his knowledge. Each person's damage claims arising from one incident shall be stated in one form. Damages not included in the claim at the time compensation is made shall be deemed waived. Upon receipt of any claim, the Administrator shall as soon as practicable inform all affected parties of the claim.

(3) If the source of the discharge can be determined and liability is conceded, the claimant and the Administrator or the person responsible for the discharge may arrange a settlement which shall be final and binding upon the parties. If liability is not conceded or if a settlement on the amount of damages cannot be negotiated, any party may request a hearing before an Administrative Law Judge.

(4) If the source of the discharge is unknown or cannot be determined, the claimant and the Administrator shall attempt to arrange a settlement under procedures contained in regulations promulgated by the Administrator. If a settlement cannot be negotiated, the claim shall be submitted to an Administrative Law Judge.

(c) Administrative Hearings.—(1) The Administrator shall promulgate regulations for hearings before an Administrative Law Judge. The Administrative Law Judge shall have the power to administer oaths, and subpena the attendance and testimony of witnesses, the production of books, records, and other evidence relative or pertinent to the issues presented for determination.

(2) Upon receipt of a request for a hearing, the Administrative Law Judge shall promptly schedule a hearing to determine the amount and validity of the damage claim. The hearing shall be held in the area where the damage occurred.

(3) Upon a decision by the Administrative Law Judge and without a request for judicial review, the amount shall be certified to the Administrator who shall promptly disburse the award. Such decision shall not be reviewable by the Administrator or the Secretary.

(d) Judicial Review.—(1) Any person suffering legal wrong, or who is adversely affected or aggrieved by the decision of an Administrative Law Judge may, no later than 60 days after such decision is made, seek judicial review of such decision in the United States court of appeals for the circuit in which damage occurred or for the District of Columbia.

(2) In any case in which the person responsible for the discharge, or the Administration, seeks judicial review, attorneys' fees and court costs shall be awarded to the claimant if the decision of the Administrative Law Judge is affirmed.

(e) Class Actions.—(1) The Attorney

General may act on behalf of any group of damaged citizens the Administrator determines would be more adequately represented as a class in the recovery of claims under this section. Sums recovered shall be distributed to the members of such groups.

(2) If, within 90 days after a discharge of oil in violation of this Act has occurred, the Attorney General fails to act on behalf of a group who may be entitled to compensation in accordance with section 3 any member of such group may maintain a class action to recover such damages on behalf of such group. Failure of the Attorney General to act in accordance with this subsection shall have no bearing on any class action maintained in accordance with this subsection.

(3) In any case where the number of members of the class exceeds 1,000, publishing notice of the action in the Federal Register and in local newspapers serving the areas in which the damaged parties reside shall be deemed to fulfill the requirement for public notice established by rule 23(c) (2) of the Federal Rules of Civil Procedure.

(f) Representation.—The Administrator shall initially request the Attorney General to promptly institute court actions and to appear and represent the Administration or the Fund for all claims under this Act. Unless the Attorney General notifies the Administration that he will institute such action or will otherwise appear within a reasonable time attorneys appointed by the Administrator shall appear and represent the Administration.

PUBLIC ACCESS TO INFORMATION

Sec. 9. (a) General.—Copies of any communication, document, report, or information transmitted between any official of the Federal Government and any person concerning liability and compensation for damage resulting from the discharge of oil into the marine environment shall be made available to the public for inspection, and shall be available for the purpose of reproduction at a reasonable cost, to the public upon identifiable request.

(b) Release.—Nothing contained in this section shall be construed to require the release of any information of the kind described in subsection (b) of section 552 of title 5, United States Code, or which is otherwise protected by law from disclosure to the public.

ANNUAL REPORT BY ADMINISTRATOR

Sec. 10. Within 6 months after the end of each fiscal year, the Administrator shall submit to the President of the Senate and the Speaker of the House of Representatives (1) a report on the administration of the fund during such fiscal year; (2) a summary of the management and enforcement activities of the Administration; and (3) recommendations to the Congress for such additional legislative authority as may be necessary to improve the management of the fund and the administration of the liability provisions under this Act.

RELATIONSHIP TO OTHER LAW

(a) State Law.—This Act shall not be interrupted to preempt the field of liability or to preclude any State from imposing additional requirements or liability for any discharge of oil resulting in damages or cleanup costs within the jurisdiction of any State.

(b) Double Recovery.—Any person who receives compensation for damages of cleanup costs pursuant to this Act shall be precluded from recovering compensation for the same damages or cleanup costs pursuant to any other State or Federal law. Any person who receives compensation for damages or cleanup costs pursuant to any other State or Federal law shall be precluded from receiving compensation for the same damages or cleanup costs under this Act.

(c) Court Jurisdiction.—The United States district courts shall have original jurisdiction of cases and controversies arising out of or in connection with liability for cleanup costs and damages resulting from a discharge of oil in the navigable waters or waters of the contiguous zone of the United States, or from a deepwater port subject to the jurisdiction of the United States, and proceedings with respect to any such case or controversy may be instituted in the judicial district in which any defendant resides or may be found, or in the judicial district in which the damages occurred.

AUTHORIZATION FOR APPROPRIATIONS

Sec. 12. There is authorized to be appropriated for the administration of this Act $10,0000,000 for the fiscal year ending June 30, 1976; $2,500,000 for the transitional quarter ending September 30, 1976; $5,000,000 for the fiscal year ending September 30, 1977; and $5,000,000 for the fiscal year ending September 30, 1978.

Mr. JACKSON. Mr. President, today, I join my colleague, Senator Warren Magnuson, chairman of the Commerce Committee, in the introduction of the National Oil Pollution Liability and Compensation Act of 1975.

In January of 1969, well 21 on platform A located Union Oil's leased Federal parcel—P–0241—developed serious leaks which resulted in what has come to be known as the Santa Barbara Channel oil disaster. More than 100 miles of water, beach, and shoreline property were covered by the crude oil which for 10 days flowed from the well. It was the "Torrey Canyon" of offshore oil drilling and resulted in a Federal ban on oil drilling operations in the channel as well as several hundred million dollars in claims for cleanup costs and damages by Government and private parties. The State of California and local governments along the Santa Barbara coast filed damage claims with the Secretary of the Interior shortly after the blowout totaling $500 million. Numerous private claims were filed with the Secretary and lawsuits were instituted against Union Oil. In all, the three major lawsuits filed sought payment of $2.36 billion in damages and cleanup costs.

Mr. President, the Santa Barbara oil spill was the impetus for a number of changes in our Federal Outer Continental Shelf enforcement program—greater restrictions on well safety, increased expenditure on prevention methods and research, and more stringent enforcement of OCS production activities. The Senate Interior Committee, which I chair, has continually pressed for development and use of methods for preventing oil spills from OCS activities. But, despite our best efforts, accidents may still occur. Should such an undesirable and unfortunate event be experienced by innocent shoreline property owners and the public, I believe we must provide a more efficient and comprehensive method for compensating injured parties. The bill I am sponsoring today is aimed at this goal.

At present, the regulations issued by the Department of the Interior pursuant to the Outer Continental Shelf Lands Act makes lessees financially responsible for the "total removal" of pollution resulting from drilling and production operations. If the lessee fails to undertake the necessary cleanup measure, the regulations authorize and direct the Department's area supervisor to do so at the lessee's expense.

In addition, the Federal Water Pollution Control Act Amendments of 1972—FWQA—prohibits discharges of oil from drilling operations located within 3 miles of shore and authorizes Federal Government cleanup at the operator's expense unless the operator does so "properly."

However, neither the Interior Department regulations nor the FWQA provide for damage compensation to private parties; liability for such damages is left to "applicable law." What is "applicable law" is a question still not definitively answered by the courts. It is the position of the U.S. Government, with respect to operations on the OCS, that liability of its lessees for pollution damage to coastal waters and shorelines is to be determined by looking to the law of the adjacent coastal State in which the damage occurred. By virtue of the Outer Continental Shelf Lands Act, such State law is to be borrowed and applied as "Federal law" in Federal courts.

In theory, then, States may legislate liability and compensation rules for damages to their citizens, waters, beaches, natural resources, and the like caused by oil spills from OCS drilling operations. Yet, only a few States have enacted such laws. Without legislation, common law tort rules would apply to damage claims by fishermen, beach owners, boaters, et cetera. These rules are often vague and require, in most instances, time-consuming proof of fault. Quite often, few damaged parties have the financial resources to engage in an adversary court proceeding with large oil companies.

Quite clearly, this pattern of statutory and case law leaves the damaged property owner facing considerable uncertainty and offers him only the frequently delayed and very expensive court suit route for satisfaction of his claims. For example, it has taken nearly 5 years to settle the claims brought by State and local government against Union Oil in the Santa Barbara case. The statement by the Southern California Council of Local Governments on the Federal proposal for accelerated OCS oil and gas development, says:

> The Santa Barbara oil spill demonstrates the total inadequacy of present liability mechanisms to provide compensation for losses suffered by government, industry and private individuals.

One of the goals of the Senate Interior Committee in seeking enactment last year of S. 3221, the Energy Supply Act of 1974, was to reform the liability rules applicable to damage caused by oil pollution from OCS oil drilling and production operations. The report on S. 3221, says:

> The Committee believes that a comprehensive Federal statute governing liability for all ocean oil spill damages is badly needed. This law should cover OCS operations, tankers, deepwater ports and all other sources . . .

The bill which I am cosponsoring today begins the process of achieving this committee goal.

Mr. RANDOLPH. Mr. President, the risk of oil spills in our domestic waters and the seas near our coasts is a serious and increasing environmental problem. Expanded offshore oil drilling and the creation of deepwater ports for the transshipment of foreign oil carried in supertankers may substantially add to this risk. At the present, however, provisions establishing responsibility for cleanup costs and liability for damages resulting from oil spills are scattered among many Federal statutes. Each of those statutes provides a different test of liability and means for recovery.

The most recent, and I believe the best of these provisions, is contained in the Deepwater Port Act of 1974. Even that act, however, deals only with liability for damages and cleanup costs resulting from the discharge of oil transshipped through deepwater ports. Recognizing the problem of fragmented and inconsistent provisions for oil pollution liability and compensation, section 18(n) of the Deepwater Port Act directed a study of an uniform Federal law providing liability for cleanup costs and damages from oil spills from Outer Continental Shelf operations, deepwater ports, vessels, and other ocean related sources.

This study is proceeding, and I understand that the administration is expecting to submit its report and a proposed uniform oil spill liability law in the near future. The bill being introduced today represents an attempt by the Senate committees involved in this issue to draft such a comprehensive oil pollution liability bill.

I am joining Senators MAGNUSON and JACKSON in cosponsoring this bill to stimulate debate on the issues raised by this legislation. I am under no illusions that this bill represents the final answer to any of these issues. In fact, there are some provisions in this bill about which I have reservations. I and other members of the Committee on Public Works, particularly Senator MUSKIE, chairman of our Subcommittee on Environmental Pollution, will wish to examine the relationship between this bill and section 311 of the Federal Water Pollution Control Act. Section 311, originally included in the Water Quality Improvement Act of 1970, involved the establishment of several key principles in oil spill liability and we will wish to assure that this bill does no violence to those principles.

The debate over a comprehensive oil spill liability law is likely to last through this entire Congress. Not only will we be examining the legal principles involved in a proposed uniform law, comparing them to the principles which existing oil spill liability laws seek to implement, but we will be interested in actual operating experience under section 311, the recently enacted Deepwater Port Act, and the laws governing oil production on the Outer Continental Shelf.

I believe that the introduction of the National Oil Pollution Liability and Compensation Act of 1975 will contribute to that debate, and it is for that reason that I join in the introduction of this bill.

By Mr. MONDALE:

S. 1755. A bill to amend the Internal Revenue Code of 1954 to provide for public financing of congressional primary and general elections. Referred to the Committee on Finance.

A MATCHING SYSTEM FOR PARTIAL PUBLIC FINANCING OF CONGRESSIONAL ELECTIONS

Mr. MONDALE. Mr. President, I am today introducing legislation to provide for partial public financing of primary and general elections for the House and Senate under a system in which small private contributions would be matched by Federal payments.

Under this system, once a candidate for the House or Senate succeeded in raising a modest threshold amount in small private contributions, those contributions and all additional small contributions would be matched on a 1-for-1 basis by the Treasury.

The matching system would apply in both primary and general elections. No candidates would be automatically eligible for Federal payments in the general election, and there would be no flat grants of Federal funds.

THE NEED FOR CONGRESSIONAL PUBLIC FINANCING

Last year, Congress took the historic step of establishing a system of public financing for Presidential primary and general elections.

Along with the limitation on large private contributions, that legislation assures that candidates for President will no longer have to rely on the support of large and powerful special interests to win election to the Nation's highest office. Candidates for the Presidency now know that they must be responsive to the needs of all the people. No longer must they make their peace with special economic interests in order to make the race for President.

But we stopped short of adopting public financing for our own campaigns. The need, however, is fully as great. All of us know the compromises and accommodations the system of unlimited private financing has sometimes forced. They should have no place in a truly democratic system.

We went part of the way last year by limiting the size of private contributions to congressional campaigns. But nothing has been done to replace these large private contributions. Campaigns are often expensive, and often legitimately so. The voters need to know how we stand on issues that concern them, and communication can be expensive.

The money must come from somewhere. If the limit on large private contributions leaves congressional candidates short of the funds needed to run a responsible campaign, pressures will grow to bend the rules. Ambiguities in the law will be seized upon, borderline contributions of money and services may be accepted.

The new Federal Election Commission cannot look over the shoulder of every candidate and every campaign treasurer. We must rely on self-enforcement to a large degree.

A system of partial public financing of congressional elections can relieve some of these pressures on candidates. It can help candidates meet the legitimate expenses of their campaigns, and stay within the law. It can make it possible for candidates to be honest if they want to be.

PROVISIONS OF THE BILL

The matching system for public financing of congressional elections I propose is modeled after the system for public financing of Presidential primaries Congress adopted last year, which in turn grew out of legislation I first introduced in the Senate with Senator RICHARD SCHWEIKER, and which was introduced in the House by Congressman JOHN BRADEMAS.

The bill I am introducing today has the following main features:

In a House race, candidates would have to raise $10,000 in amounts of $100 or less from each contributor to be eligible for matching, after which the qualifying amount and each additional contribution of $100 or less would be matched.

In a Senate race, candidates would have to raise 2 cents times the voting age population—but not less than $10,000—in amounts of $100 or less to qualify, and again the qualifying amount and each additional contribution of $100 or less would be matched.

Only contributions from residents of the State in which the election is held would be eligible for matching. Cash contributions could be matched as long as they are properly certified and adequate records are kept showing the date and amount of the contribution, and the name and address of the contributor. The matching system for public financing of Presidential primaries in present law allows only contributions made by a check or other "written instrument" to be matched, a provision which I believe unnecessarily limits the participation of many small contributors.

Although the matching system would apply in both the primary and general elections, a candidate would have to meet the threshold qualifying amount only once. If the qualifying amount were raised in the primary, therefore, contributions of $100 or less for the general election would continue to be matched on a 1-for-1 basis with no further test of eligibility.

The spending ceilings for all races would be the same as in existing law, and the maximum Treasury payment to any candidate would be one-half of the spending ceiling. This maximum payment level would of course be reached only if all contributions received were $100 or less.

In each House race, the maximum Treasury matching payments in 1976 would come to $38,500 in the primary, and another $38,500 in the general elections.

In Senate races, the maximum Treasury matching payments would range from $55,000 in the primary and $82,500 in the general election in the smallest States, to $637,824 in the primary and $956,736 in the general in California, the largest State.

The above amounts are based on the estimated voting age population for 1976, and an assumed 10-percent cost-of-living escalator for 1975 over the base year of 1974. Complete spending ceiling estimates for all States and House districts for the 1976 election have been prepared by the Center for Public Financing of Elections. I ask unanimous consent that these estimates be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MONDALE. Mr. President, matching funds for congressional races would come from the existing $1 checkoff fund, and there would be no authorization for supplemental appropriations. Congressional races would get fourth priority for $1 checkoff funds after party conventions, the Presidential general election, and Presidential primaries. If it appeared that there would not be enough in the $1 checkoff fund to meet all congressional entitlements, I would support legislation to increase the $1 checkoff to $2.

I ask unanimous consent that a fact sheet giving more details on the bill be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

COMPARISON WITH KENNEDY-SCOTT CONGRESSIONAL PUBLIC FINANCING BILL (S. 564)

Mr. MONDALE. In many respects, Mr. President, the legislation I am introducing today parallels S. 564, introduced earlier this year by Senators KENNEDY and SCOTT and 28 cosponsors. The provisions dealing with congressional primary elections in the two bills are nearly identical, for example.

The main difference is in the treatment of general elections. The Kennedy-Scott bill provides for public financing of 100 percent of the general election costs of the two major party candidates, and proportionately smaller grants for minor and new party candidates. In this it follows very closely the system established in present law for public financing of Presidential general elections.

The bill I am introducing today, however, continues the matching system for primary elections, that is common to both bills, into the general election. For reasons which I will go into shortly, I believe this is preferable to the flat grant system of full public financing for congressional general elections the Kennedy-Scott bill would establish.

What is most important, however, is that a system of public financing of congressional elections be enacted as soon as possible. Senators KENNEDY and SCOTT and the other sponsors of S. 564 have made a strong case for their bill, and have done an excellent job of gathering support for it.

I believe the legislation I am proposing has features which could make congressional public financing more broadly acceptable and hasten its final enactment. This, however, is a matter for the full Congress to decide.

I have worked closely with the sponsors of the Kennedy-Scott bill on public financing legislation in the past, and I look forward to continuing our work together so that the best possible congressional public financing legislation can be enacted in time for the 1976 elections.

ADVANTAGES OF A MATCHING SYSTEM

A system which matches small private contributions with Federal payments has a number of advantages over plans which automatically give some set amount to candidates who gain the nomination of a particular party.

In a matching system, Treasury payments are related as closely as possible to a candidate's current strength. Party affiliation or performance in some past election is not a factor.

Matching does not lock in the present two-party system. It makes it possible for third party and independent candidates to compete without being put at an artificial disadvantage.

Matching preserves a role for the small private contributor, the citizen who wants to do more than simply vote for a candidate, but who may not be able to help as a volunteer.

Matching limits the cost of congressional public financing, since no more than 50 percent of the cost of congressional elections would be covered with public funds. In addition, the threshold qualifying amounts would screen out a large number of nonserious candidates.

Finally, a matching system represents a more deliberate and incremental change in the system of financing congressional elections. Since conditions vary greatly from one congressional district and State to another, it may be better not to depart too fundamentally from the present system until we develop more experience with congressional public financing. Matching permits some public financing in a way which builds on the existing system, and lays the foundation for greater public financing as experience with the system grows.

A BETTER TEST OF CURRENT STRENGTH

A system of public financing should not artificially prop up candidates who have no current or potential public support. Neither should it put obstacles in the way of candidates who do have broad strength with the public. Public funding should be related at least in a general way to public support.

The question is, How should public support—and eligibility for public funds—be tested?

The Kennedy-Scott bill says that in the general election, nomination by a political party is the best test. Others have suggested requiring a certain number of signatures on a petition.

I believe that requiring candidates to gather a significant number of small contributions from a large number of people—as my bill does—is the best and most workable test of a candidate's current and potential public support.

The test of nomination by a political party presents a number of problems, especially in congressional elections.

There are enormous variations in party strength in different States and congressional districts throughout the country. In many States and districts, one major party has overwhelming strength, while the other "major" party, as well as new and minor parties, have little public support. In other areas, independents outnumber the supporters of either major party.

Looking just at the 1974 congressional elections, 99 out of the 435 winning House candidates received 75 percent or more of the vote. These are essentially one-party districts, where the other major party puts up candidates who represent only nominal opposition. Four out of the thirty-four Senate races in 1974 were also won with more than 75 percent of the vote.

Should public funds be used to finance candidates who have little public support, simply because they gain the nomination of a major party? In my judgment, we should move cautiously here. One-party districts are not the democratic ideal, and effective competition is generally preferable. Often, however, one party is dominant simply because of the underlying political makeup of the district. The situation is usually not caused by an imbalance of financial resources, and would not be significantly altered by equalizing those resources.

And what of the independents, and the candidates of new and minor parties? Funding based on their performance in some past election may no longer reflect the current political situation, and retroactive reimbursement based on performance in the current election may come too late to help.

If election performance is not a workable standard, why not signatures on a petition?

There are two problems. First, individual signatures often do not represent much of a commitment to the candidate whose petition is being signed. In that sense, they are not a reliable indicator of public support. But second, if a very large number of signatures is required, meeting the requirement could be an expensive proposition in terms of money and time. To that extent, the signature requirement becomes merely a surrogate for a fundraising requirement, with little added but a time-consuming extra step.

Requiring that a candidate raise a threshold amount in small contributions is a relatively simple and workable way of measuring current and potential support. People are not likely to give even modest amounts to a potential candidate unless they have a significant commitment to that candidate, and if the candidate can get commitments of this sort from a large number of people, it indicates he or she is serious enough to warrant matching Federal support.

It could be argued that it is unfair to permit those who give larger amounts to a candidate to trigger larger Federal matching payments. This gives someone who contributes $100 to a candidate more "influence" than someone who contributes $10. But when the range of contributions is so narrow—only contributions up to $100 can be matched under my bill—it is hard to argue that the difference in impact from one contributor to another is very significant.

FAIRER TREATMENT OF THIRD PARTY AND INDEPENDENT CANDIDATES

In recent years, a growing number of Americans have begun identifying themselves as independents, rather than Republicans or Democrats. In the most recent Gallup poll, 30 percent said they were independents, more than the 23 percent identifying themselves as Republicans. Forty-seven percent identified themselves as Democrats.

Just 4 years ago, Democrats were 45 percent, Republicans were 29 percent, and independents only 26 percent.

A third party candidate was elected to the Senate from New York in 1970, and an independent was elected to the Senate from Virginia in that same year. Last year, an independent candidate was elected Governor of Maine.

A matching system treats an independent or third party candidate in exactly the same way all other candidates are treated. If they can raise the threshold qualifying amount in small contributions, they are eligible for matching.

In any system of flat grants, by contrast, distinctions must be made between the major party candidates and those of new and minor parties, or no party at all. It is difficult to make these distinctions in ways that will be defensible in all situations. Basing a minor or new party candidate's share of public money on performance in an election 2 or 6 years ago does not work well if the party was not in existence during the previous election, if its candidate did unusually well or unusually badly in the previous election, if the issues have changed, and so forth. Retroactive reimbursement based on performance in the current election may help some, but usually not much.

The formula now in place for Presidential general elections—which is also used in the Kennedy-Scott bill—is probably as good a formula as can be devised. In fact, it may work a good deal better for Presidential elections than it would for congressional elections. There is greater party stability in national Presidential elections than in State and local elections. The Republican and Democratic parties run a reasonably strong candidate with fairly broad public support every 4 years, so there is little difficulty in justifying equal public financing for each major party candidate. Serious minor and new party candidates are few, due largely to the electoral college system and to the difficulty of getting on the ballot in a sufficient number of States.

PRESERVES A ROLE FOR THE SMALL CONTRIBUTOR

Some have argued for a public financing system that would ban all private contributions, on the theory, apparently, how small—are tainted.

I do not share that view. Many people want to participate more in the political process, not less. They want to have some greater role in selecting their elected representatives than merely casting their vote. For many this can come from doing volunteer work for the candidates they support. But for many others—because of family, work, or other responsibilities—this is simply not possible.

They can, however, get some of this sense of participation by making a modest financial contribution. They are not trying to buy influence. They simply want to see good people elected, and they do not want to sit passively on the sidelines waiting for election day.

At a time when too many Americans already feel cut out of our political system, when they feel there is little they can do that has an impact on their Government, we should be very cautious in making changes which exclude citizens even more from the political process.

The tradition of voluntarism is a strong one in our politics. Over the years it has been one of the healthiest and most beneficial influences in our political system. It has given many Americans a sense of participation in their Government, and it has strengthened the ties between citizens and their elected representatives. Especially now, we should be doing all we can to encourage voluntarism, including voluntary small private contributions.

LOWER COST

Keeping a 1-for-1 matching system for congressional general elections, rather than providing for 100 percent Federal funding of these elections, will obviously reduce the cost to the Treasury.

My bill provides that no candidate may receive public funding equal to more than 50 percent of the spending ceiling in the primary or the general election. The extra 20 percent allowed for fundraising is not included for purposes of this limit.

Under the public financing system provided in my bill, the cost to the Treasury for House and Senate elections every 2 years would be approximately $74 million, divided as follows:

[In millions of dollars]

	Senate	House
Primaries	9	26
General elections	10	29
Total	19	55

This compares to the estimated $134 million cost of the Kennedy-Scott bill:

[In millions of dollars]

	Senate	House
Primaries	10	31
General elections	24	69
Total	34	100

The main differences in cost are accounted for by the fact that the general elections will cost less than half as much under my bill, and by the fact that the public funding entitlements are 20 percent higher under the Kennedy-Scott bill, because their bill adds the extra 20 percent allowed for fundraising to the public funding ceilings.

My bill provides that the amount needed for congressional public financing is to come from the $1 checkoff fund. If necessary, I would support increasing the checkoff to $2. Funding elections out of the checkoff will assure the American people an important role in determining the extent to which elections are funded with public money.

The percentage of taxpayers checking off $1 on their tax returns has increased dramatically since the option was introduced in 1972. In that first year, only 3 percent of taxpayers checked off a dollar. On the 1973 tax returns, the percentage was up to nearly 14 percent, and for the 1974 returns—which have just been filed—the percentage is over 23 percent. Furthermore H & R Block has found that over 41 percent of the taxpayers using their service in 25 major cities this year checked off $1 when the system was fully explained to them.

If the nationwide participation rate in the $1 checkoff can be increased to a little over 40 percent, there should be enough to cover the 4-year cost of Presidential elections—$70 million; party conventions—$5 million; and House and Senate elections—$148 million. At current income levels, a participation rate of 43 percent would raise $56 million a year—or $224 million over 4 years—enough to cover the estimated $223 million cost of funding all Presidential and congressional elections under the legislation I propose.

A MORE INCREMENTAL AND DELIBERATE APPROACH

Public financing promises to make important and fundamental changes in our political system. These changes are valuable and long overdue. Large private contributions from wealthy and powerful special interests have distorted our political process for too many years, and public financing can free both candidates and contributors from the burdens the old system of private financing imposed.

But it is still not clear what impact public financing will have on the role of parties, on the relative strengths of incumbents and challengers, on the participation of citizens in campaigns and on a number of other aspects of our political system.

Furthermore, there is no firm consensus on what form of public financing is best. Some prefer full public funding with no private contributions. Others, like myself, prefer matching. Others would like to see a voucher system, still others an expansion of tax incentives for private contributions.

Until we have more experience with public financing, there is some value in moving cautiously and deliberately. A matching system allows us to do this.

Matching builds on the present system. It does not displace private financing; rather, it encourages and gives more weight to modest private contributions. It helps diminish the impact of the big contributor, while strengthening the role of the small contributor.

Matching does not provide candidates with more support from the Government than they can get from the people. Candidates must earn what they get, and they get no more than they earn.

The impact of a matching system of public financing on political parties should be essentially neutral. In a system of 100 percent public financing, all financing comes from the Government and little role is left for the parties. In a matching system, however, room is left for the parties as well as for small contributors.

With a matching system, it is possible to increase the level of public funding with little difficulty as experience with the system is gained. Instead of a 1-for-1 match, for example, each dollar of private money could be matched with $2, $3, or $4 of public money. Matching could also be combined with modest "seed money" flat grants to cover campaign startup costs.

Matching is also similar in many ways to the voucher system that some prefer, and it would not be difficult to have a system which combined elements of both. Federal matching payments could be triggered by vouchers as well as by small private contributions, for example.

CONCLUSION

Public financing by itself will not transform our political system. But it can help make candidates as honest and responsive as they want to be, and as their constituents expect them to be. With public financing, a candidate must respond only to his conscience and his constituency. That is as it should be, and that is what I hope the legislation I propose will accomplish.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1755

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Congressional Campaign Financing Act of 1975".

SEC. 2. CONGRESSIONAL ELECTION CAMPAIGN FINANCING.

(a) In General.—Subtitle H of the Internal Revenue Code of 1954 (relating to financing of Presidential Election Campaigns) is amended by adding at the end thereof the following new chapter:

"CHAPTER 97—CONGRESSIONAL ELECTION CAMPAIGN FUND

"Sec. 9061. Short title.
"Sec. 9062. Definitions.
"Sec. 9063. Eligibility for payments.
"Sec. 9064. Entitlement to payments.
"Sec. 9065. Qualified campaign expense limitations.
"Sec. 9066. Certification by Commission.
"Sec. 9067. Payments to eligible candidates.
"Sec. 9068. Examinations and audits; repayments.
"Sec. 9069. Reports to Congress; regulations.
"Sec. 9070. Participation by Commission in judicial proceedings.
"Sec. 9071. Judicial review.
"Sec. 9072. Criminal penalties.

"SEC. 9061. SHORT TITLE.

"This chapter may be cited as the 'Congressional Election Campaign Fund Act'.

"SEC. 9062. DEFINITIONS.—

"For purposes of this chapter—

"(1) The term 'authorized committee' means, with respect to a candidate for Federal office, any political committee which is authorized in writing by such candidate to incur expenses to further the nomination for election or election of such candidate. The authorization shall be addressed to the treasurer of such political committee, and a copy of the authorization shall be filed by such candidate with the Commission. Any withdrawal of any authorization shall also be in writing and shall be addressed and filed in the same manner as the authorization.

"(2) The term 'candidate' means an individual who seeks nomination for election or election to Federal office. For purposes of this paragraph, an individual is considered to seek nomination for election or election if he (A) takes the action necessary under the law of a State to qualify himself for nomination for election or election, (B) receives contributions or incurs qualified campaign expenses, or (C) gives his consent for any other person to receive contributions or to incur qualified campaign expenses on his behalf.

"(3) The term 'Commission' means the Federal Election Commission established by section 310(a)(1) of the Federal Election Campaign Act of 1971.

"(4) Except as provided in sections 9063 and 9064, the term 'contribution'—

"(A) means a gift, subscription, loan, advance, or deposit of money, or anything of value, the payment of which is made on or after the beginning of the calendar year immediately preceding the calendar year in which the election in connection with which such gift, subscription, loan, advance, or deposit of money, or anything of value, is made, for the purpose of influencing the result of such election,

"(B) means a contract, promise, or agreement, whether or not legally enforceable, to make a contribution for any such purpose,

"(C) means funds received by a political committee which are transferred to that committee from another political committee, and

"(D) means the payment by any person other than a candidate, or his authorized committee, of compensation for the personal services of another person which are rendered to the candidate or committee without charge, but

"(E) does not include—

"(i) except as provided in subparagraph (D), the value of personal services rendered to or for the benefit of a candidate by an individual who receives no compensation from the candidate for rendering such service to or for the benefit of the candidate, or

"(ii) payments under section 9067.

"(5) The term 'Federal office' means the office of Senator or Representative.

"(6) The term 'general election' means any regularly scheduled or special election held for the purpose of electing a candidate to Federal office.

"(7) The term 'matching payment period' means the period beginning on the first day of the calendar year in which the primary election and general election for Federal office is held and ending on the date on which such general election is held.

"(8) The term 'political party' means any association, committee, or organization which nominates a candidate for election to any Federal office whose name appears on the election ballot as the candidate of such association, committee, or organization.

"(9) The term 'primary election' means an election, including a runoff election, or a nominating convention or caucus held by a political party for the purpose of nominating a candidate for election to Federal office. If both an election and a nominating convention are held by a political party for the purpose of nominating a candidate for election to Federal office, then the election and convention shall be considered to be one primary election.

"(10) The term 'qualified campaign expense' means a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value—

"(A) incurred by a candidate, or by his authorized committee, in connection with his campaign for nomination for election or election, and

"(B) neither the incurring nor payment of which constitutes a violation of any law of the United States or of the State in which the expense is incurred or paid.

For purposes of this paragraph, an expense is incurred by a candidate or by an authorized committee if it is incurred by a person specifically authorized in writing by the candidate or committee, as the case may be, to incur such expense on behalf of the candidate or committee.

"(11) The term 'Representative' means a Member of the House of Representatives, the Resident Commissioner from the Commonwealth of Puerto Rico, and the Delegates from the District of Columbia, Guam, and the Virgin Islands.

"(12) The term 'State' means each State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands.

"(13) The term 'voting age population' means the voting age population certified under section 608(g) of title 18, United States Code.

"SEC. 9063. ELIGIBILITY FOR PAYMENTS.

"(a) CONDITIONS.—To be eligible to receive payments under section 9067, a candidate shall, in writing—

"(1) agree to obtain and furnish to the Commission any evidence it may request of qualified campaign expenses,

"(2) agree to keep and furnish to the Commission any records, books, and other information it may request,

"(3) agree to an audit and examination by the Commission under section 9068 and to pay any amounts required to be paid under such section,

"(4) certify to the Commission that the candidate and his authorized committees will not incur qualified campaign expenses in excess of the limitation on such expenses under section 9065, and

"(5) certify to the Commission that the candidate is seeking nomination by a political party for election to a specific Federal office or election to such office.

"(b) PRIMARY ELECTION.—To be eligible to receive any payments under section 9067 for use in connection with his primary election campaign, a candidate must certify to the Commission that—

"(1) he is seeking nomination by a political party for election as a Representative and he and his authorized committees have received contributions in connection with that campaign from residents of the State in which such election is held which, in the aggregate, exceed $10,000; or

"(2) he is seeking nomination by a political party for election to the Senate and he and his authorized committees have received contributions in connection with that campaign from residents of the State in which such election is held which, in the aggregate, exceed the greater of—

"(A) $10,000, or

"(B) 2 cents multiplied by the voting age population of the State in which the election for such nomination is held.

"(c) GENERAL ELECTION.—To be eligible to receive any payments under section 9067 in connection with his general election campaign, a candidate must certify to the Commission that—

"(1) he is seeking election as a Representative and he and his authorized committees have received contributions in connection with that campaign from residents of the State in which such election is held which, in the aggregate, exceed $10,000; or

"(2) he is seeking election to the Senate and he and his authorized committees have received contributions in connection with that campaign from residents of the State in which such election is held which, in the aggregate, exceed the greater of—

"(A) $10,000, or

"(B) 2 cents multiplied by the voting age population of the State in which such election is held.

"(d) Amount of Contributions.—For purposes of determining the amount of contributions received by a candidate and his authorized committees under subsections (b) and (c)—

"(1) the term 'contribution' means a gift of money made—

"(A) by a written instrument which identifies the person making the contribution by full name and mailing address, or

"(B) in cash if the candidate and his authorized committees maintain records, in the form the Commission prescribes by regulations, which show the date and amount of each cash contribution and the full name and mailing address of the person making such contribution,

but does not include a subscription, loan, advance, or anything of value or anything described in subparagraph (B), (C), or (D) of section 9062 (4);

"(2) no contribution from any person may be taken into account to the extent that it exceeds—

"(A) $100, when added to the amount of all other contributions made by that person to or for the benefit of that candidate in connection with his primary election campaign, and

"(B) $100, when added to the amount of all other contributions made by that person to or for the benefit of that candidate in connection with his general election campaign;

"(3) no contribution from any person may be taken into account if it is received before the first day of the calendar year immediately preceding the calendar year in which the primary or general election is held or after the date of such election; and

"(4) if a candidate is eligible to receive payments in connection with his primary election campaign under subsection (b), he is also eligible to receive payments in connection with his general election campaign under subsection (c) without regard to the amount of contributions he receives in connection with such general election campaign.

"(e) Separate Contribution Accounts.—For purposes of determining the amount of contributions received by a candidate and his authorized committees under subsections (b) and (c) and section 9064(a), each candidate shall establish a separate account for all contributions he and his authorized committee receive in connection with his primary election campaign and a separate account for all contributions received in connection with his general election campaign.

"Sec. 9064. Entitlement to Payments.

"(a) In General.—

"(1) Primary election.—Every candidate who is eligible to receive payments under section 9063 in connection with his primary election campaign is entitled to payments under section 9067 in an amount equal to the aggregate amount of contributions from residents of the State in which such election is held which are received by such candidate in connection with such campaign.

"(2) General election.—Every candidate who is eligible to receive payments under section 9063 in connection with his general election campaign is entitled to payments under section 9067 in an amount equal to the aggregate amount of contributions from residents of the State in which such election is held which are received by such candidate in connection with such campaign.

"(b) Amount of Contributions.—For purposes of determining the amount of contributions received by a candidate under subsection (a)—

"(1) the term 'contribution' means a gift of money made—

"(A) by a written instrument which identifies the person making the contribution by full name and mailing address, or

"(B) in cash if the candidate and his authorized committees maintain records, in the form the Commission prescribes by regulations, which show the date and amount of each cash contribution and the full name and mailing address of the person making such contribution.

but does not include a subscription, loan, advance, or anything of value or anything described in subparagraph (B), (C), or (D) of section 9062(4):

"(2) no contribution from any person may be taken into account to the extent that it exceeds $100 when added to the amount of all other contributions made by that person to or for the benefit of that candidate in connection with his primary election or general election campaign; and

"(3) no contribution from any person may be taken into account if it is received before the first day of the calendar year immediately preceding the calendar year in which the primary or general election is held or after the date of such election.

"(c) Limitation.—The total amount of payments to which a candidate is entitled under subsection (a)(1) or (2) may not exceed 50 percent of the expenditure limitation applicable to such candidate for the specific campaign under section 608(c)(1)(C), (D), (E), or (F) of title 18, United States Code, as applicable.

"Sec. 9065. Qualified Campaign Expense Limitation.

"No candidate may knowingly incur qualified campaign expenses in excess of the expenditure limitation applicable to such candidate for such campaign under section 608(c)(1)(C), (D), (E), or (F) of title 18, United States Code, as applicable.

"Sec. 9066. Certification by Commission.

"(a) Initial Certification.—Not later than 10 days after a candidate establishes his eligibility under section 9063 to receive payments under section 9067, the Commission shall certify to the Secretary for payment to such candidate under section 9067 payment in full of amounts to which such candidate is entitled under section 9064. The Commission shall make such additional certifications as may be necessary to permit candidates to receive payments for contributions under section 9067.

"(b) Finality of Determinations.—Initial certifications by the Commission under subsection (a), and all determinations made by it under this chapter are final and conclusive, except to the extent they are subject to examination and audit by the Commission under section 9068 and a judicial review under section 9071.

"Sec. 9067. Payments to Eligible Candidates.

"(a) Establishment of Account.—The Secretary shall maintain in the Presidential Election Campaign Fund established under section 9006(a), in addition to any account which he maintains under such section and section 9037, a separate account to be known as the Congressional Election Payment Account. The Secretary shall deposit into such Account, for use by each candidate who is eligible to receive payments under section 9063, the amount available after the Secretary determines that adequate amounts are available for payments under sections 9006(c), 9008(b)(3), and 9037(b).

"(b) Payments from the Congressional Election Payment Account.—Upon receipt of a certification from the Commission under section 9066, but not before the beginning of the matching payment period, the Secretary or his delegate shall, within 10 days after receiving such certification or after the beginning of the matching payment period, whichever is later, transfer the amount certified by the Commission from the Account to the candidate. In making such transfers, the Secretary or his delegate shall seek to achieve an equitable distribution of the funds available under subsection (a), and shall take into account, in seeking to achieve an equitable distribution, the sequence in which such certifications are received.

"Sec. 9068. Examinations and Audits; Repayments.

"(a) Examinations and Audits.—After each matching payment period, the Commission shall conduct a thorough examination and audit of the qualified campaign expenses of every candidate and his authorized committees who received payments under section 9067.

"(b) Repayments.—

"(1) If the Commission determines that any portion of the payments made to a candidate from the Congressional Election Payment Account is in excess of the aggregate amount of payments to which such candidate is entitled under section 9064, it shall notify the candidate, and the candidate shall pay to the Secretary or his delegate an amount equal to the amount of excess payments.

"(2) If the Commission determines that any amount of any payment made to a candidate from the Congressional Election Payment Account was used for any purpose other than—

"(A) to defray the qualified campaign expenses of the candidate, or

"(B) to repay loans the proceeds of which were used, or otherwise to restore funds (other than contributions to defray qualified campaign expenses which were received and expended) which were used, to defray qualified campaign expenses, it shall notify such candidate of the amounts so used, and the candidate shall pay to the Secretary or his delegate an amount equal to such amount.

"(3) Amounts received by a candidate from the Congressional Election Payment Account may be retained for the liquidation of all obligations to pay qualified campaign expenses incurred for a period not exceeding six months after the end of the matching payment period. After all obligations have been liquidated, that portion of any unexpended balance remaining in the candidate's accounts which bears the same ratio to the total unexpended balance as the total amount received from the Congressional Election Payment Account bears to the total of all deposits made into the candidate's accounts shall be promptly repaid to the Account.

"(c) Notification.—No notification shall be made by the Commission under subsection (b) with respect to a matching payment period more than 3 years after the end of such period.

"(d) Deposit of Repayments.—All payments received by the Secretary or his delegate under subsection (b) shall be deposited by him in the Congressional Election Payment Account.

"Sec. 9069. Reports to Congress; Regulations

"(a) Reports.—The Commission shall, as soon as practicable after the end of each calendar year, submit a full report to the Senate and House of Representatives setting forth—

"(1) the qualified campaign expenses (shown in such detail as the Commission determines necessary) incurred by the candidates and their authorized committees for matching payment periods which end during that year,

"(2) the amounts certified by it under section 9066 for payment to each eligible candidate, and

"(3) the amount of payments, if any, required from candidates under section 9068, and the reasons for each payment required. Each report submitted pursuant to this section shall be printed as a Senate Document.

"(b) Regulations, Etc.—The Commission is authorized to prescribe regulations in accordance with the provisions of subsection (c), to conduct examinations and audits (in addition to the examinations and audits required by section 9068(a)), to conduct investigations, and to require the keeping and submission of any books, records, and information which it determines to be necessary to carry out its responsibilities.

"(c) Review of Regulations.—

"(1) The Commission, before prescribing any regulation under subsection (b), shall transmit a statement with respect to such regulation to the Senate and to the House of Representatives in accordance with the provisions of this subsection. Such statement shall set forth the proposed regulation and shall contain a detailed explanation and justification of such regulation.

"(2) If either such House does not, through appropriate action, disapprove the proposed regulation set forth in such statement no later than 30 legislative days after the receipt of such statement, then the Commission may not prescribe any such regulation. The Commission may not prescribe any such regulation which is disapproved by either such House under this paragraph.

"(3) For purposes of this subsection, the term 'legislative days' does not include any calendar day on which both Houses of the Congress are not in session.

"Sec. 9070. Participation by Commission in Judicial Proceedings.

"(a) Appearance by Counsel.—The Commission is authorized to appear in and defend against any action instituted under this section, either by attorneys employed in its office or by counsel whom it may appoint without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and whose compensation it may fix without regard to the provisions of chapter XX and subchapter III of chapter 53 of such title.

"(b) Recovery of Certain Payments.—The Commission is authorized, through attorneys and counsel described in subsection (a), to institute actions in the district courts of the United States to seek recovery of any amounts determined to be payable to the Secretary or his delegate as a result of an examination and audit made under section 9068 or 9609(b).

"(c) Injunctive Relief.—The Commission is authorized through attorneys and counsel described in subsection (a) to petition the courts of the United States for such injunctive relief as is appropriate to implement any provision of this chapter.

"(d) Appeal.—The Commission is authorized on behalf of the United States to appeal from, and to petition the Supreme Court for certiorari to review judgments or decrees entered with respect to actions in which it appears pursuant to the authority provided in this section.

"Sec. 9071. Judicial Review.

"(a) Review of Agency Action by the Commission.—Any agency action by the Commission made under the provisions of this chapter shall be subject to review by the United States Court of Appeals for the District of Columbia Circuit upon petition filed in such court within 30 days after the agency action by the Commission for which review is sought.

"(b) Review Procedures.—The provisions of chapter 7 of title 5, United States Code, apply to judicial review of any agency action, as defined in section 551 (13) of title 5, United States Code, by the Commission.

"Sec. 9072. Criminal Penalties.

"(a) Excess Campaign Expenses.—Violation of the provisions of section 9065 is punishable by a fine not to exceed $25,000, imprisonment for not more than 5 years, or both. Any officer or member of any political committee who knowingly consents to any expenditure in violation of the provisions of section 9065 shall be fined not more than $25,000, imprisoned for not more than 5 years, or both.

"(b) Unlawful Use of Payments.—

"(1) No person who receives any payment under section 9067, or to whom any portion of any such payment is transferred, may knowingly and willfully use, or authorize the use of, such payment or such portion for any purpose other than—

"(A) to defray qualified campaign expenses, or

"(B) to repay loans the proceeds of which were used, or otherwise to restore funds (other than contributions to defray qualified campaign expenses which were received and expended) which were used, to defray qualified campaign expenses.

"(2) Violation of the provisions of paragraph (1) is punishable by a fine not to exceed $10,000, imprisonment for not more than 5 years, or both.

"(c) False Statements, Etc.—

"(1) No person may knowingly and willfully—

"(A) furnish any false, fictitious, or fraudulent evidence, books, or information to the Commission under this chapter, or include in any evidence, books, or information so furnished any misrepresentation of a material fact, or falsify or conceal any evidence, books, or information relevant to a certification by the Commission or an examination and audit by the Commission under this chapter, or

"(B) fail to furnish to the Commission any records, books, or information requested by it for purposes of this chapter.

"(2) Violation of the provisions of paragraph (1) is punishable by a fine not to exceed $10,000, imprisonment for not more than 5 years, or both.

"(d) Kickbacks and Illegal Payments.—

"(1) No person may knowingly and willfully give or accept any kickback or any illegal payment in connection with any qualified campaign expense of a candidate, or his authorized committees, if such person receives payments under section 9067.

"(2) Violation of the provisions of paragraph (1) is punishable by a fine not to exceed $10,000, imprisonment for not more than 5 years, or both.

"(3) In addition to the penalty provided by paragraph (2), any person who accepts any kickback or illegal payment in connection with any qualified campaign expense of a candidate or his authorized committees shall pay to the Secretary for deposit in the Congressional Election Payment Account, an amount equal to 125 percent of the kickback or payment received."

(b) Clerical Amendments.—The caption and table of chapters for such subtitle H are amended to read as follows:

"SUBTITLE H—FINANCING OF FEDERAL ELECTION CAMPAIGNS

"Chapter 95. Presidential election campaign fund.

"Chapter 96. Presidential primary matching payment account.

"Chapter 97. Congressional election campaign fund."

Sec. 3. Effective Date.

The amendments made by this Act apply with respect to elections which are held after January 1, 1976.

EXHIBIT 1

ESTIMATED 1976 CANDIDATE SPENDING LIMITS

State	Estimated voting age population [1]	Primary limit (8 cents multiplied by VAP or $100,000 plus inflation factor) [2]	Additional spending for fundraising (primary) [3]	Total primary spending limit	General election limit (12 cents multiplied by VAP or $150,000 plus inflation factor) [4]	Additional spending for fundraising (general) [3]	Party spending on candidates' behalf [5]	Total general election spending
U.S. SENATE								
Alabama	2,389,000	$210,232	$42,046	$252,278	$315,348	$63,070	$105,116	$483,534
Alaska	207,000	110,000	22,000	132,000	165,000	33,000	44,000	242,000
Arizona	1,421,000	125,048	25,010	150,058	187,572	37,514	62,524	287,610
Arkansas	1,402,000	123,376	24,675	148,051	185,064	37,013	61,688	283,765
California	14,496,000	1,275,648	255,130	1,530,778	1,913,472	382,694	637,824	2,933,990
Colorado	1,687,000	148,456	29,691	178,147	222,684	44,537	74,228	341,449
Connecticut	2,139,000	188,232	37,646	225,878	282,348	56,470	94,116	432,934
Delaware	385,000	110,000	22,000	132,000	165,000	33,000	44,000	242,000
Florida	5,768,000	507,584	101,517	609,101	761,376	152,275	253,792	1,167,443
Georgia	3,229,000	284,152	56,830	340,982	435,468	87,094	142,076	664,638
Hawaii	565,000	110,000	22,000	132,000	165,000	33,000	44,000	242,000
Idaho	524,000	110,000	22,000	132,000	165,000	33,000	44,000	242,000
Illinois	7,569,000	666,072	133,214	799,286	999,108	199,822	333,036	1,531,966
Indiana	3,576,000	314,688	62,938	377,626	472,032	94,406	157,344	723,782
Iowa	1,947,000	171,336	34,267	205,603	257,004	51,401	85,668	394,073
Kansas	1,580,000	139,040	27,808	166,848	208,560	41,712	69,520	319,792
Kentucky	2,267,000	199,496	39,899	239,395	299,244	59,849	99,748	458,841
Louisiana	2,428,000	213,664	42,733	256,397	320,496	64,099	106,832	491,427
Maine	707,000	110,000	22,000	132,000	165,000	33,000	44,000	242,000
Maryland	2,771,000	243,848	48,770	292,618	366,872	73,374	121,924	562,170
Massachusetts	4,031,000	354,728	70,946	425,674	532,092	106,418	177,364	815,874
Michigan	6,029,000	530,552	106,110	636,662	795,828	159,166	265,276	1,220,270

Footnotes at end of table.

EXHIBIT 1—Continued

ESTIMATED 1976 CANDIDATE SPENDING LIMITS—Continued

State	Estimated voting age population [1]	Primary limit (8 cents multiplied by VAP or $100,000 plus inflation factor) [2]	Additional spending for fundraising (primary) [3]	Total primary spending limit	General election limit (12 cents multiplied by VAP or $150,000 plus inflation factor) [4]	Additional spending for fundraising (general) [3]	Party spending on candidates' behalf [5]	Total general election spending
Minnesota	2,623,000	230,824	46,165	276,989	346,236	69,247	115,412	530,895
Mississippi	1,492,000	131,296	26,259	157,555	196,944	39,389	65,648	301,981
Missouri	3,299,000	290,312	58,062	348,374	435,468	87,094	145,165	667,718
Montana	489,000	110,000	22,000	132,000	165,000	33,000	44,000	242,000
Nebraska	1,052,000	110,000	22,000	132,000	165,000	33,000	46,288	244,288
Nevada	384,000	110,000	22,000	132,000	165,000	33,000	44,000	242,000
New Hampshire	547,000	110,000	22,000	132,000	165,000	33,000	44,068	242,000
New Jersey	5,058,000	445,104	89,021	534,125	667,656	133,531	222,552	1,023,739
New Mexico	711,000	110,000	22,000	132,000	165,000	33,000	44,000	242,000
New York	12,663,000	1,114,344	222,869	1,337,213	1,671,516	334,303	557,172	2,562,991
North Carolina	3,639,000	320,232	64,046	384,278	480,348	96,070	160,116	736,534
North Dakota	425,000	110,000	22,000	132,000	165,000	33,000	44,000	242,000
Ohio	7,257,000	638,616	127,723	766,339	957,924	191,585	319,308	1,468,817
Oklahoma	1,880,000	165,440	33,088	198,528	248,160	49,632	82,720	380,512
Oregon	1,576,000	138,688	27,738	166,426	208,032	41,606	69,344	318,982
Pennsylvenia	8,279,000	728,552	145,710	874,262	1,092,828	218,566	364,276	1,675,670
Rhode Island	653,000	110,000	22,000	132,000	165,000	33,000	44,000	242,000
South Carolina	1,833,000	161,304	32,261	193,565	241,956	48,391	80,652	370,999
South Dakota	457,000	110,000	22,000	132,000	165,000	33,000	44,000	242,000
Tennessee	2,828,000	248,864	49,773	298,637	373,296	74,659	124,432	572,387
Texas	8,019,000	705,672	141,134	846,806	1,058,508	211,702	352,836	1,623,046
Utah	730,000	110,000	22,000	132,000	165,000	33,000	44,000	242,000
Vermont	316,000	110,000	22,000	132,000	165,000	33,000	44,000	242,000
Virginia	3,350,000	294,800	58,960	353,760	442,200	88,440	147,400	678,040
Washington	2,387,000	210,056	42,011	252,067	315,084	63,017	105,028	483,129
West Virginia	1,236,000	110,000	22,000	132,000	165,000	33,000	54,384	252,384
Wisconsin	3,069,000	270,072	54,014	324,086	405,108	81,022	135,036	621,166
Wyoming	240,000	110,000	22,000	132,000	165,000	33,000	44,000	242,000

	Primary limit ($70,000 plus 10 percent inflation factor) [6]	Additional spending for fundraising (20 percent)	Total primary spending	General election limit ($70,000 plus 10 percent inflation factor)	Additional spending for fundraising (20 percent)	Party spending limit [7]	Total election spending
U.S. HOUSE							
Each congressional district	$77,000	$15,400	$92,400	$77,000	$15,400	$22,000	$114,400

[1] VAP figures based on estimate made by Department of Commerce, July 1, 1974, published in Federal Register, Feb. 18, 1975 (vol. 40, No. 33, pt. IV, p. 7080).

[2] Basic primary spending limit of 8 cents multiplied by VAP, or $100,000, whichever is greater, to be adjusted according to increases in Consumer Price Index. For purposes of 1976 projections, center chart assumes a 10-percent inflation factor as a reasonable estimate for 1975 over base year 1974.

[3] Additional spending allowed for fundraising in primary and general elections is 20 percent of basic spending limit.

[4] Basic general election spending limit of 12 cents multiplied by VAP, or $150,000, whichever is greater, to be adjusted according to increases in Consumer Price Index. For purposes of 1976 projections, center chart assumes a 10-percent inflation factor as reasonable estimate for average 1975 increase over 1974.

[5] In general election, State and National parties each can spend, on behalf of each party nominee, an amount determined by 2 cents multiplied by VAP, or $20,000, whichever is greater. (Chart assumes a 10-percent inflation factor.)

[6] In States with single congressional district, candidates for House subject to same limits as Senate candidates.

[7] In general election, National and State party organizations can each spend $10,000 on behalf of candidate. (Chart assumes a 10-percent inflation factor.)

EXHIBIT 2

FACT SHEET ON S. 1755, CONGRESSIONAL CAMPAIGN FINANCING ACT OF 1975

I. MAIN FEATURES

A. Establishes a matching system of partial public financing for House and Senate primary and general elections. Small private contributions are matched by Treasury payments on a 1 for 1 basis after an initial threshold qualifying amount is raised in small private contributions. The financing of both primary and general elections is modeled after the Presidential Primary public financing provisions of present law (Chapter 96 of Subtitle H of the Internal Revenue Code). Funding for the Congressional matching payments will come from the existing $1 Check-off Fund, and the program will be administered by the Federal Election Commission.

II. PRIMARY ELECTIONS

A. House—Candidates must raise $10,000 in amounts of $100 or less from private contributions to be eligible for matching, after which the qualifying amount and each additional contribution of $100 or less is matched by the Treasury on a 1 for 1 basis. Spending ceilings are the same as in existing law, with a maximum Treasury payment of one-half of the ceiling. For purposes of this 50% limitation, the extra 20% which present law allows for fundraising is not included in the spending ceiling. Assuming a 10% inflation factor, this means a maximum Treasury payment of $38,500 (one-half of $77,000).

B. Senate—Candidates must raise 2¢ times the voting age population (VAP) of the State, but not less than $10,000, in contributions of $100 or less in order to be eligible for matching. After that, the qualifying amount and each additional contribution of $100 or less is matched 1 for 1. Same spending ceilings as existing law, with maximum Treasury payments of one-half of the ceiling (not including the extra 20% for fundraising). This means a maximum Treasury matching payment ranging from $55,000 in the smallest states to $637,824 in California, the largest state (assuming a 10% increase for inflation.)

III. GENERAL ELECTION

A. Eligibility for matching payments—Same requirements for establishing eligibility for matching payments as in the primaries. However, a candidate must raise the threshold qualifying amount only once. If the qualifying amount is raised in the primary, therefore, contributions of $100 or less for the general election will continue to be matched on a 1 for 1 basis with no further requirements.

B. Matching payment ceilings—The matching payment ceilings are again one-half of the present spending ceilings, calculated without the extra 20% for fundraising. For Senate candidates, the General Election spending ceilings under existing law are higher—12¢ times the VAP with a minimum of $150,000 vas. 8¢ times the VAP and a $100,000 minimum for the primaries. This results in a maximum Treasury matching payment in the general election ranging from $82,500 in the smallest states to $956,736 in California (assuming a 10% inflation factor).

IV. FUNDING

A. Funded out of the $1 Check-off—Funds for congressional public financing would come from the existing $1 Check-off, with no authorization for supplemental appropriations. If the amount in the $1 Check-off Fund is not sufficient, the $1 Check-off could be increased to $2. Congressional elections would receive fourth priority for these funds, after party conventions, the Presidential general election, and Presidential primaries. Funds are to be distributed to Congressional candidates on an equitable basis, taking into account the order in which candidate certifications are received.

B. Cost—Estimated at $74 million every two years, divided as follows:

[In millions of dollars]

	Senate	*House*
Primaries	9	26
General elections	10	29
Total	19	55

V. OTHER PROVISIONS

A. Cash contributions may be matched—Cash contributions are eligible for matching if they are properly certified and if adequate records are kept showing the date and amount of each cash contribution and the full name and mailing address of the contributor.

B. Contributions must be from State residents—Only contributions from residents of the State in which the House and Senate election is held are eligible for matching.

C. Timing of matching payments—Contributions received after January 1 of the year preceeding the year of the election are eligible for matching, but matching payments may not begin before January 1 of election year. Contributions received after the date of the election may not be matched. Once the candidate raises the required threshold amount in small contributions, the Federal Election Commission has 10 days to certify the candidate's eligibility for matching payments. The Secretary of the Treasury then has another 10 days to make the payments for which the candidate is eligible.

D. Primary and general elections treated separately—The $100 limit on contributions that may be matched applies separately to primary and general elections, so that a single contributor may make a matchable $100 contribution for the primary, and another one of $100 for the general. For this purpose, separate accounts must be kept for the primary and general election. However, if a candidate does not use all the funds raised privately and the Treasury matching payments in the primary, unused funds may be carried over and used in the general election, subject to the general election spending limits.

E. Audits and repayments—The Federal Election Commission is required to conduct a detailed post-election audit and obtain repayments when necessary.

F. Criminal penalties—There are severe criminal penalties for exceeding the spending limits, and for unlawful use of payments, false statements to the Federal Election Commission, and kickbacks and illegal payments.

G. Effective date—the provisions of the bill apply to elections held after January 1, 1976.

By Mr. SCHWEIKER (for himself and Mr. JAVITS) (by request);

S. 1756. A bill to extend appropriations authorizations for communicable disease and other control programs, and for other purposes. Referred to the Committee on Labor and Public Welfare.

Mr. SCHWEIKER. Mr. President, due to my responsibility as the ranking Republican on the Senate Health Subcommittee I introduce, at the request of the administration, for myself and Senator JAVITS, a bill to extend appropriations authorizations for communicable disease and other control programs.

The bill would extend through fiscal year 1978, at an annual level of $34 million, the appropriations authorizations for the programs for the control of communicable and other diseases, rat infestation, and lead-based paint poisoning.

The statutory authority for these programs, all of which are administered by the Center for Disease Control of the Public Health Service, would be consolidated in a new section 315 of the Public Health Service Act, modeled primarily on the existing section 317. The bill as part of this consolidation would permit grants to States for the control of lead-based paint poisoning. Thus it would replace the authority in title I of the Lead-Based Paint Poisoning Prevention Act, which authorizes lead-based paint poisoning grants primarily at the local, not State, level.

In addition, the bill would repeal the health emergencies authority of section 317(e), and the venereal disease research and State formula grant authorities in section 318. The administration rationale is that: none of these authorities is presently funded; the health emergencies authority overlaps similar authority in section 311(c) of the Public Health Service Act; and the research authority duplicates National Institutes of Health. It is the Department's position that the flexible authority of the bill and vigorous action on the State level, not formula grants, are the most effective way to provide Federal assistance for the control of health problems. I disagree.

I am convinced, based on the hearing record before the Health Subcommittee, that they are incorrect.

The bill does not provide an extension of the authority for making grants to private organizations for lead-based paint poisoning screening, because HEW thinks it inappropriate for screening—or abatement—activities to be the responsibility of organizations which do not have continuing public health authority. As a sponsor of the Lead-Based Paint Poisoning Prevention Act—Public Law 91–695—and a sponsor of the 1975 amendments to the act to extend it and provide for direct funding of local programs, I cannot support the administration's position.

However, to avoid disruption of ongoing activities, 3 additional years of support under the Lead-Based Paint Poisoning Prevention Act would be permitted for private organizations which are now receiving screening grants. Similarly, grants to those few private organizations now receiving grants for rat control would be continued under the authority of section 314(e) as revised in the administration's proposed Health Services Amendments of 1975.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1756

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Control Programs Amendments of 1975".

COMMUNICABLE DISEASE AND OTHER CONTROL PROGRAMS

SEC. 2. (a) Section 317 of the Public Health Service Act is renumbered as 315 and is amended to read as follows:

"COMMUNICABLE DISEASE AND OTHER CONTROL PROGRAMS

"SEC. 315. (a) The Secretary may provide technical assistance to appropriate public authorities and scientific institutions for activities concerned with control programs.

"(b) The Secretary may make grants to States and, in consultation with the State health authority, to agencies and political subdivisions of States to assist in meeting the costs of control programs. In making a grant under this section, the Secretary shall give consideration to (1) the relative extent, in the area served by the applicant for the grant, of the problems with which the applicant's control programs are concerned, and (2) the design of the applicant's control programs.

"(c) (1) No grant may be made under this section unless an application therefor has been submitted to, and approved by, the Secretary. Except as provided in paragraph (2), such application shall be in such form, submitted in such manner, and contain such information, the Secretary shall by regulation prescribe.

"(2) An application for a grant shall—

"(A) set forth with particularity the objectives (and their priorities, as determined in accordance with such regulations as the Secretary may prescribe) of the applicant for each of the programs he proposes to conduct with assistance from a grant under this section, and

"(B) provide for the reporting to the Secretary of such information as he may require concerning (i) the problems, in the area served by the applicant, with which the control programs are concerned, and (ii) the control programs of the applicant.

"(3) Each recipient of a grant under this section shall keep such records as the Secretary shall prescribe including records which fully disclose the amount and disposition by such recipient of the proceeds of such grant, the total cost of the project or undertaking in connection with which such grant was given or used and the amount of that portion of the cost of the project or undertaking supplied by other sources, and other records as will facilitate an effective audit.

"(4) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipients of grants under this section that are pertinent to such grants.

"(5) Nothing in this section shall be construed to require any State or any agency or political subdivision of a State to have a venereal disease control program which would require any person who objects to any treatment provided under such a program to be treated or to have any child or ward of his treated under such a program.

"(6) All information obtained in connection with the examination, care, or treatment of any individual under any program which is being carried out with a grant made under this section shall not, without such individual's consent, be disclosed except as may be necessary to provide service to him. Information derived from any such program may be disclosed—

"(A) in summary, statistical, or other form, or

"(B) for clinical or research purposes, but only if the identity of the individuals diagnosed or provided care or treatment under such program is not disclosed.

"(d)(1) Payments under grants under this section may be made in advance on the basis of estimates or by way of reimbursement, with necessary adjustments on account of underpayments or overpayments, and in such installments and on such terms and conditions as the Secretary finds necessary to carry out the purposes of this section.

"(2) The Secretary, at the request of a recipient of a grant under this section, may reduce such grant by the fair market value of any supplies (including vaccines and other preventive agents) or equipment furnished to such recipient and by the amount of the pay, allowances, travel expenses, and any other costs in connection with the detail of an officer or employee of the Government to the recipient when the furnishing of such supplies or equipment or the detail of such an officer or employee is for the convenience of and at the request of such recipient and for the purpose of carrying out the programs with respect to which the grant under this

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section is made. The amount by which any such grant is so reduced shall be available for payment by the Secretary of the costs incurred in furnishing the supplies or equipment, or in detailing the personnel, on which the reduction of such grant is based, but such amount shall be deemed a part of the grant to such recipient and shall, for the purposes of paragraph (1) of this subsection, be deemed to have been paid to such agency.

"(e) The Secretary shall submit to the President for submission to the Congress on March 1 of each year (1) a report on (A) the extent of controllable diseases, lead-based paint poisoning, and infestation by rats, and (B) the effectiveness of (i) activities assisted under grants under this section, and (ii) all Federal and other public and private activities, in controlling these problems, and (2) a plan for the coming fiscal year for the control of these problems.

"(f) Nothing in this section shall limit or otherwise restrict the use of funds which are granted to a State or to an agency or a political subdivision of a State under other provisions of Federal law and which are available for the conduct of control programs from being used in connection with programs assisted through grants under this section.

"(g) For purposes of this section, 'control programs' are programs designed and conducted to control communicable and other diseases, lead-based paint poisoning, or infestation by rats.

"(h) For purposes of this section, 'lead-based paint' means paint containing any lead.

"(i) For purposes of this section, 'State' includes territories and possessions of the United States.

"(j) There are authorized to be appropriated $34,000,000 for the fiscal year ending June 30, 1976, and for each of the two succeeding fiscal years, for grants under this section."

(b) Section 318 is repealed.

(c) Section 319 is renumbered as 316.

(d) Section 503(a) of the Lead-Based Paint Poisoning Prevention Act is amended by adding at the end the following new sentence: "Sums appropriated under section 315 of the Public Health Service Act shall be available for the period beginning July 1, 1976, and ending September 30, 1978, to continue assisting private nonprofit organizations in developing and carrying out programs for which grants were made under title I of this Act for the fiscal year 1975."

EFFECTIVE DATE

SEC. 3. This Act shall take effect on July 1, 1975.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 454

At the request of Mr. CHILES, the Senator from New York (Mr. BUCKLEY) was added as a cosponsor of S. 454, a bill to amend the Occupational Safety and Health Act of 1970.

S. 1618

At the request of Mr. ABOUREZK, the Senator from Nevada (Mr. LAXALT), and the Senator from Washington (Mr. MAGNUSON) were added as cosponsors of S. 1618, the American Folklife Preservation Act.

S. 1726

At the request of Mr. ABOUREZK, the Senator from Idaho (Mr. CHURCH) was added as a cosponsor of S. 1726, the Federal Commodity Insurance Act of 1975.

S. RES. 92

At the request of Mr. CLARK, the Senator from California (Mr. CRANSTON) was added as a cosponsor of Senate Resolution 92, a resolution directing standing committee of the Senate to identify laws in their jurisdictions which discriminate on the basis of sex and to make suggestions for changes which would be consistent with the principle of equal rights.

SENATE RESOLUTION 152

At the request of Mr. DOLE, the Senator from Arizona (Mr. FANNIN) was added as a cosponsor of Senate Resolution 152, a resolution requiring all standing committees of the Senate—other than the Committee on Appropriations and Budget—to conduct special oversight activities to their areas of jurisdiction and to report to the Senate thereon no later than December 31, 1975.

SENATE RESOLUTION 157—SUBMISSION OF A RESOLUTION AMENDING THE STANDING RULES OF THE SENATE WITH RESPECT TO SERVICES OF SENATORS AS CHAIRMEN OF COMMITTEES OF THE SENATE

(Referred to the Committee on Rules and Administration.)

Mr. NELSON (for himself, Mr. HATFIELD, and Mr. GARY W. HART) submitted the following resolution:

S. RES. 157

Resolved, That paragraph 6 of rule XXV of the Standing Rules of the Senate is amended by adding at the end thereof the following new subparagraph:

"(i)(1) Subject to the provisions of subparagraph (f) and clause (2) of this subparagraph, the chairman of each standing, special, and select committee of the Senate shall be that Senator who (A) is the member of the majority party with the longest period of continuous service on such committee, (B) is eligible to serve as chairman under the provisions of this paragraph, and (C) does not decline to serve as chairman. If two or more Senators who are members of the majority party have equal periods of continuous service on such committee, each such Senator shall be treated as meeting the requirement of clause (A) for purposes of eligibility for appointment as the chairman of such committee.

"(2) No Senator shall be appointed to serve as chairman of a standing, select, or special committee of the Senate unless he has been approved for such appointment by the Senators who are members of the majority party, under the rules and procedures established by such party. If the Senator who, under clause (1) but before the application of this clause, would be appointed the chairman of any such committee is not approved as provided in the preceding sentence, then, subject to the provisions of subparagraph (f), the chairman of such committee shall be that Senator, excluding any Senator or Senators who are not approved as provided in the preceding sentence, who (A) is the member of the majority party with the next longest period of continuous service on such committee, (B) fulfills the other requirements of clause (1), and (C) is approved as such chairman as provided in the preceding sentence.

"(3) Except as provided in clause (5), beginning with the 94th Congress, no Senator shall be eligible to serve as chairman of a standing, select, or special committee of the Senate for a period extending beyond the expiration of the Congress following the Congress in which he commences service as such chairman, except that—

"(A) a Senator whose service as chairman of any such committee commences during a session of a Congress which begins in an even-numbered year shall be eligible to serve as chairman of such committee until the expiration of the second Congress following the Congress in which he commences his service as such chairman, and

"(B) a Senator who is serving as chairman of any such committee at the expiration of a Congress and who is otherwise not eligible to serve as chairman of such committee during the following Congress may nevertheless continue to serve as chairman of such committee until that date in the following Congress on which the members of the majority party of such committee are initially elected.

"(4) Except as provided in clause (5), beginning with the 94th Congress, no Senator shall be eligible to serve as chairman of a standing, select, or special committee of the Senate during any Congress if he has served as chairman of such committee at any time during any of the six preceding Congresses, not counting any service as chairman of such committee during a Congress permitted by clause (3)(B). If, during any Congress, all Senators who are members of the majority party and who may serve as chairman of such committee under the provisions of subparagraph (f) have served as such chairman at some time during the six preceding Congresses, then the preceding sentence shall not apply with respect to the chairmanship of such committee during that Congress.

"(5) Notwithstanding the provisions of clauses (3) and (4), a Senator who is serving as chairman of a standing, select, or special committee of the Senate on the date on which this subparagraph takes effect shall be eligible to serve as chairman of that committee as long as his service as such chairman remains continuous, but (except as permitted in clause (3)(B)) not beyond the expiration of the 96th Congress."

SEC. 2. Rule XXIV of the Standing Rules of the Senate is amended by adding at the end thereof the following new paragraph:

"3. The appointment of the chairmen of the committees of the Senate shall be governed by the provisions of paragraph 6(i) of rule XXV."

SEC. 3. The amendments made by this resolution shall take effect on the date on which this resolution is agreed to, except that the provisions of clauses (3) and (4) of paragraph 6(i) of rule XXV of the Standing Rules of the Senate (as added by this resolution) shall be applied on and after such date as if they had been in effect at the beginning of the 94th Congress.

Mr. HATFIELD. Mr. President, I am pleased to cosponsor, along with the distinguished junior Senator from Wisconsin (Mr. NELSON) and the junior Senator from Colorado (Mr. GARY W. HART), a resolution which would provide the rotation of committee chairmanships every 4 years.

For many years, the current seniority system has been subject to much criticism from both outside observers and from Members of this legislative body, because it rewards longevity instead of ability. I would be the first to say that most of our committee chairmen, because of their many years of service, are by far the best informed on the legislation coming before their respective committees. But, just as committee chairmen are experts in their respective fields, we also have excellent talent available from junior members which, in many cases, is underutilized. This resolution, if adopted, would move to open up some committees to a fresh perspective and should stimulate new ideas and concepts.

The current effort by many Members of this body to seek a fairer distribution

of committee staff is a direct result of the fact that, up to now, committee chairmen have been relatively free to do what they please. The fact that a chairman has unlimited tenure tends to deaden their sensitivities to the needs of other committee members. Under this resolution, all committee chairmen would certainly be more cognizant of the needs of their fellow committee members, because they would know that at the end of 4 years they would also be sitting at the other end of the committee table.

If we are going to make this legislative body more responsive to the needs of the American people, then we are going to have to change some of our standard operating procedures. We must provide every Member of the Senate with the necessary tools to do their work as they were elected to do. We have to make every effort to insure that every Member of this body has an equal voice and role in shaping the legislation concerning the affairs of our Nation. A new feeling of vitality and life is now present in these Halls, and this resolution, if adopted, will be an additional step in making the U.S. Senate a more responsive arm of our Government.

I thank the Senator from Wisconsin (Mr. NELSON), for his leadership in bringing this proposal to the Senate for its consideration. I sincerely hope that the Senate Rules Committee will be able to hold hearings on this resolution as soon as it finishes its work on the items currently under consideration.

SENATE RESOLUTION 158—SUBMISSION OF A RESOLUTION TO CLARIFY THE INDIVIDUAL INCOME TAX REBATES

(Referred to the Committee on Finance.)

Mr. PACKWOOD submitted the following resolution:

S. RES. 158

Resolved, That the Senate of the United States intends that the individual income tax rebate provided by Title I of the Tax Reduction Act of 1975, Public Law 94–12 is not to be subject to State income tax; and that the rebates do not involve any reduction in the taxpayer's Federal income tax liability as such for 1974, nor do they constitute income to the taxpayer.

Mr. PACKWOOD. Mr. President, I am submitting a resolution today to reaffirm our intention that the States should not tax individual income tax rebates paid under the Tax Reduction Act of 1975. The need to reaffirm this has arisen because the attorney general of Oregon has recently decided that the Federal tax rebate will be made subject to Oregon State income tax. I think the action of Oregon is wrong, and it concerns me that other States may follow this example.

The recently passed Tax Reduction Act of 1975 (Public Law 94–12) provided for a rebate of individual income taxes totaling an estimated $8.1 billion. The purpose of this massive, one-shot rebate was to fight recession by infusing additional purchasing power into the economy. I believe the States are acting against the best interest of consumers and against the wishes of the Congress if they attempt to profit from the rebate payments.

As a cosponsor of the President's proposal to extend general revenue sharing, I respect the need of States for additional revenue. However, taxing the rebates is not the proper vehicle. In fact, I am afraid that an attempt by the States to profit from the rebates may weaken support for revenue sharing.

It is clear from the reports of both the House Ways and Means Committee and the Senate Finance Committee that the Congress did not intend the rebate to be subject to Federal income tax. The Ways and Means Committee report—House Report 94–19, at page 25—and the Finance Committee report—Senate Report 94–36, at page 27—stated that the rebate would not constitute income for Federal income tax purposes.

In addition, I believe that the Congress intended the rebates to not increase or decrease State tax revenues. A number of States allow a tax deduction for Federal income tax. For tax year 1974, Oregon allowed a deduction for Federal income taxes up to $3,000. The attorney general of Oregon has recently decided that the rebate will be treated as a reduction of Federal income taxes paid for 1974. This reduces the State tax deduction for Federal income taxes paid, by the amount of the rebate.

For example, prior to the Tax Reduction Act, an Oregon taxpayer with $12,000 income and $2,000 in Federal income tax would pay State income tax on $10,000. Assume this taxpayer received a $200 rebate. The Oregon decision is to treat the $200 rebate as a reduction of 1974 Federal income tax liability, reducing Federal taxes to $800 and leading to computation of State income tax on $10,200. This makes the rebate subject to State income tax.

Mr. President, I ask unanimous consent that a letter to me from Dr. Lawrence Woodworth, chief of staff of the Joint Committee on Internal Revenue Taxation, dated May 15, 1975, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JOINT COMMITTEE ON
INTERNAL REVENUE TAXATION,
Washington, D.C., May 15, 1975.

Hon. BOB PACKWOOD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PACKWOOD: You have asked me for an explanation of the way in which Congress intended the special refund of 1974 Federal income tax (contained in the Tax Reduction Act of 1975) to affect a taxpayer's State income tax liability.

As you know, the Tax Reduction Act provides for a refund on 1974 tax liability to be paid in one installment beginning in May 1975. It will generally equal 10 percent of tax liability up to a maximum of $200. However, each taxpayer will receive a refund of at least $100 (or the full amount of the tax liability if less than $100). The refund is to be phased down from the maximum $200 to $100 as the taxpayer's income rises from $20,000 to $30,000.

The Act provides that the taxpayer will be treated as if he had made an additional payment to the Treasury against his 1974 income tax liability. This constructive payment is treated as if made on the due date of the taxpayer's 1974 return. In effect, this constructive payment will in most cases be processed by the Internal Revenue Service as an overpayment of tax by the taxpayer and, as such, will be paid to him in the form of a refund of tax. In accord with the general rule that Federal income tax refunds do not constitute income, refunds received under the Act will likewise not constitute income for Federal income tax purposes to the taxpayers who receive them.

In the case of the treatment of the refunds for State income tax purposes, both the committee reports of the House Committee on Ways and Means and the Senate Finance Committee on the Tax Reduction Act contain the following statement:

"By deeming the amount of 1974 tax which is to be refunded under the bill as a payment of 1974 Federal income tax by the taxpayer on the due date of his return, the committee expects that for State income tax purposes, States will treat the Federal refund of this deemed payment as a refund of an overpayment of Federal income tax. Such treatment would also reflect the committee's view that the refunds under the bill do not involve any reduction in the taxpayer's Federal income tax liability as such for 1974." (H. Rept. 94–19, p. 25; S. Rept. 94–36, p. 27)

My understanding is that both committees intended this statement to mean that the special refund of Federal income tax for 1974 should not operate to increase, or to decrease, income tax collections by the States. Some States, for example, impose their tax as a flat percentage of the taxpayer's Federal income tax liability. In such jurisdictions, if the special Federal refunds could be interpreted as reflecting a reduction in the taxpayer's Federal income tax liability for 1974, the effect would be to reduce the taxpayer's State income tax liability and, in turn, State revenues. Congress intended that such a result should not occur.

Some States, by contrast, allow a taxpayer, in computing his State taxable income, to deduct Federal taxes paid by him during the year. In such jurisdictions, Congress intended that the special Federal refund should also not be interpreted as reducing the taxpayer's 1974 Federal tax liability so as to reduce his deduction (on his State return) for 1974 Federal income taxes paid. Such a reduction would, in effect, subject the special Federal refund to tax by the State. However, as I indicated above, Congress intended that the procedures for making the special refund should neither increase nor decrease a taxpayer's State income tax liability.

Sincerely yours,
LAURENCE N. WOODWORTH.

Mr. PACKWOOD. Mr. President, the letter states that the House Ways and Means Committee and the Senate Finance Committee intended for the income tax rebates to be free of State income tax.

The resolution I am submitting today does not attempt to alter the power of a State to establish its own income tax laws. It does, however, clarify to the States that we believe that they are acting contrary to the purpose of the Tax Reduction Act and against the best interests of the consumer and the economy if they subject the Federal income tax rebate to State income tax.

The resolution clarifies our intention that individual income tax rebates paid under the Tax Reduction Act of 1975 should not be subject to State income tax.

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SENATE CONCURRENT RESOLUTION 39—SUBMISSION OF A CONCURRENT RESOLUTION TO ESTABLISH A "NATIONAL HALIBUT WEEK"

(Referred to the Committee on the Judiciary.)

Mr. MAGNUSON submitted the following concurrent resolution:

S. CON. RES. 39

Resolved, by the Senate (the House of Representatives concurring), That the President is authorized to issue a proclamation designating the seven-day period beginning June 2, 1975, and ending June 8, 1975, as "National Halibut Week," and calling upon the People of the United States to observe such week with appropriate ceremonies and activities.

Mr. MAGNUSON. Mr. President, I submit, for appropriate reference, a concurrent resolution authorizing and requesting the President of the United States to proclaim June 2 through June 8 as "National Halibut Week." In addition, this resolution calls upon the people of the United States to observe such week with appropriate ceremonies and activities.

Strong leadership is given annually to this celebration by the Halibut Fishermen's Wives Association, headquartered in my State. This year the association is being assisted by support from other concerned groups including the Fishing Vessel Owners Association, Deep Sea Fishermen's Union, Halibut Association of North America and the Northwest Fisheries Association.

In addition to focusing attention to the nutritional values and succulent taste of the Pacific halibut, this 21st annual celebration will offer an opportunity for those concerned to more closely examine the resource itself and the future of this hardy and historic fleet. The problem of foreign encroachment of this species has been of considerable concern to those in the industry for massive trawling activity by Japan and the Soviet Union fleets have made the management programs of the International Pacific Halibut Commission increasingly difficult.

The Pacific Northwest fishery for halibut is one of the most colorful and historic in our Nation, and it behooves all of our citizenry to be aware of its problems and exert effort to assure its continuance.

SENATE CONCURRENT RESOLUTION 40—SUBMISSION OF A CONCURRENT RESOLUTION DESIGNATING NOVEMBER 19 AS "NATIONAL PHI THETA KAPPA DAY"

(Referred to the Committee on the Judiciary.)

Mr. HATFIELD. Mr. President, today I am submitting a concurrent resolution designating November 19, 1975, as "National Phi Theta Kappa Day." This resolution is identical to House Concurrent Resolution 160, submitted by Representative BOB CASEY of Texas, on February 27, 1975. The resolution is now pending before the House Committee on Post Office and Civil Service.

One of the outstanding achievements of American higher education in recent years has been the tremendous growth in the number of junior colleges and the academic maturing of these institutions. As indicated in the resolution, Phi Theta Kappa has existed for more than half a century, providing recognition for academic achievement among junior college students. Some of the country's finest students are members of the more than 500 Phi Theta Kappa chapters.

I ask unanimous consent to have the resolution printed in the RECORD.

There being no objection, the concurrent resolution was ordered to be printed in the RECORD, as follows:

S. CON. RES. 40

Resolved by the Senate (the House of Representatives concurring),

Whereas on November 19, 1929, Phi Theta Kappa, the national fraternity, was recognized as the only honor fraternity for students attending junior colleges in the United States, and

Whereas Phi Theta Kappa was so recognized as an honor fraternity by the American Association of Junior Colleges, and

Whereas Phi Theta Kappa recognizes academic achievement among the student bodies on the campuses on which it is located, and

Whereas Phi Theta Kappa chapters now number over five hundred and are located in forty-five States: Now, therefore, be it Resolved by the Senate (the House of Representatives concurring), That the President is requested to issue a proclamation designating November 19, 1975, as "National Phi Theta Kappa Day", and calling upon the people of the United States to observe the day with appropriate ceremonies and activities.

SENATE CONCURRENT RESOLUTION 41—SUBMISSION OF A CONCURRENT RESOLUTION ON UNITED STATES-LATIN AMERICAN RELATIONS

(Referred to the Committee on Foreign Relations.)

Mr. CHILES (for himself, Mr. BENTSEN and Mr. INOUYE), submitted the following concurrent resolution:

S. CON. RES. 41

Resolved by the Senate (the House of Representatives concurring), That this Concurrent Resolution may be cited as the "Latin American and Caribbean Foreign Policy Principles Resolution".

STATEMENT OF GENERAL PRINCIPLES

SEC. (a) Findings.—The Congress finds that

(1) the changing character of the international economic and political order presents the United States with serious problems as well as opportunities in its relations with developing countries. Rules which have governed international trade and investment since World War II are no longer adequate and thus there is a greater likelihood that unilateral and arbitrary actions by individual states will disrupt mutually beneficial relationships. These same changed conditions likewise create new opportunities to shape a just and equitable international order, a stable order in which the developed and developing countries share in the world's progress on an equitable basis;

(2) the United States relationship with the Western Hemisphere, the most advanced of the developing regions, is in many ways the testing ground for an evolving relationship with the entire developing world. The governments of Latin America have become important participants in world politics, expanding relationships with other developed and developing countries outside the hemisphere, and advancing new ideas and arrangements in international economics and politics;

(3) much of the strength of American foreign policy is derived from the capacity to recognize important changes in the domestic and international system and adapt the policy of the United States accordingly. In the face of these changes in hemispheric and world politics, there is a need for new policies based on mutual respect and to continue the dialogue to achieve successful adjustments of conflicting interest; and

(4) economic and human issues are the foundations of relations between nations of this hemisphere and that there is a need to focus attention on these in working toward improved policies and relations in this hemisphere in the future, even though important questions from the past still remain to be resolved.

(b) Policy.—Based upon the findings described in subsection (a) and consideration of the best interests of the United States, it is the sense of the Congress that the policy of the United States towards Latin America, the Caribbean and the developing world in general should be guided by the following principles:

(1) The inalienable right of every nation to determine the nature of its internal political and economic system free of outside interference;

(2) The primacy of the right of all people to the basic human rights of life, liberty, and personal security;

(3) The fact that the interests of the United States and those of the various countries of the hemisphere are neither identical nor irreconcilable, that there exist both common interests and conflicts of interests, and that it remains in the interests of all to negotiate differences and to seek practical solutions to problems;

(4) The parallel interests of the United States and other hemispheric nations in developing and maintaining non-exclusionary, non-discriminatory foreign economic policies with each other and with other governments;

(5) The continuing need to modify the policies, laws, and institutions affecting international economic and political relations to adjust to changing conditions and interests; and

(6) The unique nature of the Caribbean requires a tailoring of the general policies of the United States to that area of the hemisphere.

CONDITIONS AND POLICIES AFFECTING HUMAN RIGHTS

SEC. 3. (a) Findings.—The Congress finds that—

(1) it is a conviction of the people of the United States that if the freedom of one person is abridged the freedom of all persons is impaired;

(2) it is the sovereign right of each nation to determine the nature of its economic and political system but that it is also the concern of all peoples when conditions prevail which lead to arbitrary arrest and detention, harrassment, torture and the weakening of the right to fair trial and legal counsel;

(3) the values and ideals which have guided this nation's history require continuous expression in United States foreign policy and increasingly the commitment of the United States to certain basic human rights for all persons should become a matter of primary concern in our relations with other governments;

(4) international conventions, commissions and agreements are important vehicles for the affirmation of the right of all people to the basic human rights of life, liberty, personal security and fair treatment and that for these conventions, commissions and agreements to adequately protect the rights of persons they require the vigorous and sustained support of individual governments, including the United States; and

(5) the degree of compliance to internationally agreed to standards of human conduct is a collective responsibility requiring the continuous international commitment of all the governments of the region.

(b) Policy.—It is the sense of the Congress that the United States should

(1) unequivocally maintain its adherence to the American Declaration of the Rights and Duties of Man and to the Universal Declaration of Human Rights and use every opportunity to demonstrate in public statements and in appropriate bodies its support for multilateral efforts to alleviate situations damaging to human rights;

(2) give full support to the Inter-American Commission on Human Rights of the Organization of American States and work with the other nations of this hemisphere to strengthen the Commission;

(3) insure that reports of violations of human rights and recommendations for their alleviation by such Commission are given full and careful consideration by the General Assembly of the Organization of American States, and

(4) urge all member states of the Organization of American States to permit access of such Commission and grant essential guarantees for the Commission in the course of its investigation and study as a means of assuring that the rights of persons are being upheld in all nations of the region.

ECONOMIC FLUCTUATIONS AND DISRUPTIONS

SEC. 4. (a) Findings.—The Congress finds that

(1) there is an overwhelming interest that all nations share in a stable and dynamic world economy in which each nation can look forward to the possibility of continuous improvement in the quality of life which would be facilitated by a fair and equitable world trading system, uniform standards governing access to supplies and markets, and reasonable and stable prices for commodities and terms of trade for both supplier and purchasing nations;

(2) policies on commodities are among the most critical issues in hemispheric and global economic relations today;

(3) it is in the interest of the United States to assure a well-functioning and stable price and supply system for commodities; and

(4) questions of reforming the rules of monetary, trade, energy, commodities, and investment relations are to a certain degree inter-related and successful adjustment of interests in the commodity system will have a favorable impact on negotiations in these other fields.

(b) Policy.—It is the sense of the Congress that the United States should

(1) reaffirm its commitment to seek structural changes in the institutions and rules guiding world trade practices which will be conducive to increasing world trade and furthering the trade potential of this hemisphere and stabilizing the supply and price of commodity resources of vital importance to the economies of this hemisphere both as imports and exports;

(2) support the elimination of special regional preferential trading arrangements which have the effect of creating discriminatory regional trade blocks and which are in violation of international agreements;

(3) seek expanded trade relations by strengthening the commitment of governments in the hemisphere and throughout the world to the General Agreement on Tariff and Trade and other international means of guiding trade policies toward a more open, equitable and nondiscriminatory world economy unhampered by embargoes, monopolistic pricing and other unilateral measures which may cause disruptions and drastic difficulties in the domestic economies of other nations; and

(4) the United States should seek to mitigate the difficulties to producer and consumer nations caused by commodity fluctuations seeking to negotiate trade issues in multi-lateral, bilateral or other groupings using commodity agreements, supply contract arrangements, or compensatory financing, as a means of advancing these negotiations;

(5) conduct a thorough review of commodity trade leading to recommendations of actions that can be taken in the near future of importance in Inter-American trade in order to effectuate the significant change in United States policy towards commodity trade recommended in this subsection and to demonstrate that new negotiated arrangements can work; and

(6) seek the establishment of international and regional mechanisms for the exchange of commodity supply and demand information to facilitate global progress in the development of means of dealing with commodity issues.

ECONOMIC SANCTIONS

SEC. 5. Findings.—The Congress finds that

(1) given the primacy in United States policy of a multilateral approach to international economic relations, it is nevertheless necessary that the United States have the policy instruments available to deal bilaterally with economic disputes which are not resolved by multilateral means. United States law must provide the authority to act in a reciprocal manner and to an equivalent degree when actions by other governments restrain supply or increase price in such a way as to markedly disrupt the national economy of the United States. In several areas of foreign economic policy, these authorities do not now exist.

(2) recent history has shown that punitive United States policies are not effective in contributing to the resolution of economic disputes and in many instances have simply stiffened the determination of foreign governments to maintain an uncompromising posture. This has been especially true in the case of economic sanctions which come into play when foreign governments expropriate without compensation property belonging to a United States company. Investment disputes have in many instances in recent years unnecessarily soured overall United States relations with particular countries, and in some cases, with entire regions as in Latin America. The transformation of an investment dispute into a political issue seems to have been stimulated in part by legislation requiring policy actions to be taken outside the domain of foreign investment policy as retaliation against expropriation by a foreign government.

(b) Policy.—

(1) Recognizing on the basis of past experience with investment disputes that these broader policy actions have proven ineffectual, it is the sense of the Congress that in general the authorities for United States policy responses to foreign government actions should be limited to the policy area of the dispute in question. United States actions in a trade dispute should be limited to trade policies, and United States actions in an investment dispute should be restricted to investment policy.

(2) It is the sense of the Congress that the legislation should be repealed that requires the United States to suspend bilateral assistance or vote against multilateral economic aid to countries expropriating without compensation property owned by a United States company and that the legislation that denies access to the generalized system of tariff preferences to countries expropriating without compensation property owned by a United States company should be modified to restrict its use to extreme cases. Instead, it would be more appropriate to use investment policies to respond to investment disputes.

(3) It is the sense of the Congress that every effort should be made to resolve trade disputes through negotiations, either multilaterally or by other means, and to avoid reaching the stage where legislative mechanisms come into play, but that in the event that these efforts do not resolve the dispute, the United States government should have the authority to use export controls and export credits as a means of fashioning an equivalent reciprocal response to embargoes and monopolistic pricing by foreign governments are damaging in the United States economy as a whole. The purpose of these carefully specified authorities should be (1) to give the United States government the policy leverage to bargain effectively with the foreign government to resolve the dispute, (2) to limit the use of these policy instruments to actions by other governments which have a significant impact on rates of growth, employment and inflation in the United States economy, and (3) to maintain the bounds of the trade dispute to the trade policy area. Consistent with these propositions, it is the sense of the Congress that the section of the Trade Act of 1974 be modified that denies access to the generalized system of tariff preferences to member States or the Organization of Petroleum Exporting Countries which have not withheld supplies of petroleum from the United States.

(4) It is the sense of the Congress that when negotiations have failed to yield a solution, each investment or trade dispute should be carefully reviewed and that specific recommendations should be made to the President concerning the particular United States government policy response to each dispute. Consultation should occur with appropriate Departments and Agencies of the United States and with the Congress. This process would permit the President to be highly selective in shaping United States policy and to tailor the United States response in both degree and kind to the particular character of the dispute in question.

(5) Recognizing the need to demonstrate true respect for the sovereignty of developing nations, it is the sense of the Congress that just as it is inappropriate to require the curtailment of economic assistance in cases of expropriation, it is generally inappropriate to deny or reduce economic assistance in cases of violations of human rights. This is unwise because such policies would perhaps deny aid to people whose needs are greater in conditions adverse to basic human rights. But at the same time, it is the sense of the Congress that consistent policy requires that United States economic development and military assistance not be increased when violations of human rights have been substantiated. For these purposes, United States policy should be guided by the findings and recommendations of the Inter-American Commission on Human Rights or the United Nations Commission on Human Rights. Nevertheless, in cases of extreme or repeated violations, the United States should review its military assistance credit and sales policies in light of these violations, given the possibility that arms can be used for repressive purposes, and perhaps also re-evaluate its overall policies with the country concerned.

MILITARY ASSISTANCE

SEC. 6. (a) Findings.—The findings that

(1) increases in the level of arms purchases throughout the world involve a significant drain on resources which could be better

used for development purposes and may increase the likelihood of conflict,

(2) several of the nations of Latin America have taken important joint initiatives in the Agreement of Ayacucho to restrict the level of purchases of offensive weapons,

(3) the availability of United States military equipment to governments in Latin America is an important dimension of United States relations with the governments of the hemisphere, and

(4) the legislative restrictions on arms sales to Latin America have not curtailed arms purchases by Latin American governments and have generated resentment and misunderstanding.

(b) Policy.—It is the sense of the Congress that

(1) the legislative restrictions on the kinds of military equipment sold to Latin America be repealed.

(2) the United States should cease to aggressively promote the sale of arms to developing nations and should encourage and, when appropriate, participate in efforts to develop sub-regional, regional, and global arms limitations agreements and agreements on military sales export credit levels among supplier or consumer nations or between supplier and consumer nations. All United States supply policies should be consistent with what the Latin American governments have agreed upon among themselves.

(3) arms transfers by the United States to developing countries should be to the greatest extent possible on a non-concessional basis.

DEVELOPMENT FINANCE

SEC. 7. (a) Findings.—The Congress finds that

(1) economic development and national economic policy is the responsibility of sovereign governments to determine and execute,

(2) there is a disparity between the relative abundance enjoyed by the people of the United States and the limited opportunities and resources available to millions of Latin Americans,

(3) the people of the United States wish to take actions internationally which will benefit less advantaged people in other countries,

(4) a foreign country whose economy is expanding has an increased capability to purchase more goods from the United States, and

(5) several Latin American nations are at a level of development so as to no longer require concessional loans and yet still have difficulty securing access to the capital market of the developed world at credit levels available to developed countries.

(b) Policy.—It is the sense of the Congress that

(1) the United States should continue its commitment to aid for development as being in the interest of the United States, and that assistance from the United States, bilaterally and through multilateral institutions, should be allocated in accordance with the objective of improving the quality of life of the least advantaged people of the developing world,

(2) development assistance is most efficiently and effectively transferred when both the donor and the recipient refrain from making contingent demands on the other not specifically related to the effective use of the resources, and

(3) the United States explore with other developed countries loan guarantee mechanisms which would permit access for those countries at the intermediate level of development to the capital markets of the developed countries on equal terms to developed countries.

FOREIGN DIRECT INVESTMENT

SEC. 8. (a) Finding.—The Congress finds that

(1) the governments of the developing world are increasingly intent on the ownership and to the extent possible, the operation and development of their natural resources,

(2) every state has the right to prescribe the conditions under which transnational corporations operate within their national jurisdiction, within the parameters of international norms,

(3) in a changing world the laws and regulations governing foreign direct investment cannot be expected to remain static and unchanging,

(4) transnational corporations are entitled to expect that if the rules under which they made their initial investments are changed, that the changes will be made in a fair and nondiscriminatory manner,

(5) it is generally the preference of host governments to resolve any problems with transnational corporations within their legal jurisdiction and at the same time the Congress notes the need to uphold international law,

(6) it is generally preferable that problems involving transnational corporations be settled without the direct involvement of the United States and the Congress notes increasing concern of some American transnational corporations with the punitive sanctions mandated by law which suspend bilateral assistance to those countries which expropriate American property without adequate effective, or prompt compensation, and

(7) the transnational enterprise is a complex entity whose operations make it difficult to establish national identity and legal jurisdiction over specific aspects of its operations and as such it may be unable to identify the legal authority to which it is responsible or it may be subject to unfair and discriminatory treatment or it may be in a position to take undue advantage of this situation.

(b) Policy. It is the sense of the Congress that the United States should

(1) continue to make positive efforts to resolve the outstanding differences between the positions of the United States and the Latin American governments in light of the findings of this section;

(2) seek the participation of the Congress in such efforts and discussions both to keep the Congress informed and to convey Congressional viewpoints;

(3) support the work of the United Nations Commission on Transnational Corporations, and the work of the Organization of Economic Cooperation and Development on foreign investment and multinational corporations;

(4) cooperate with Latin American governments and with the United Nations Commission on Transnational Corporations, the United Nations Information and Research Center on Transnational Corporations, and the Economic Commission on Latin America to collect and disseminate information on Transnational Corporations, including information relating to the terms of licensing agreements, restrictive business practices, and royalty payments, consistent with legitimate requirements for confidentiality; and

(5) seek through multilateral negotiations to clarify the legal rights and responsibilities of the transnational corporations to each state in which they operate.

TRANSFER OF SCIENCE AND TECHNOLOGY, INNOVATIONS AND CAPABILITIES

SEC. 9. (a) Findings.—The Congress finds that

(1) scientific knowledge and its effective application are important components, of economic and social development,

(2) every country has its own unique combination of labor, capital, and resources and that technology is best utilized when it takes these factor distributions into account,

(3) the United States has a great concentraction of scientists, research institutes, and technological capabilities and is therefore well-equipped to assist in the development of technologies which are useful to the developing world,

(4) the industrial and trade potential of the world are increased as the barriers to the free flow of science and technology are reduced, and

(5) Latin America is a major potential source of food for the rest of the world.

(b) Policy.—It is the sense of the Congress that

(1) the United States should assist in the transfer of science and technology and the development of scientific and technological capabilities within the hemisphere by establishing an institutional means of cooperating with counterpart Latin American and Caribbean institutions by providing information on technology and technological services. Technology which would be used to directly compete with industries in the United States either for domestic or foreign markets should be sold on a commercial basis.

(2) the United States should, in cooperation with Latin American and Caribbean governments, seek to establish regional Marine Research Centers in Latin America and the Caribbean in which scientists from member countries could jointly undertake marine research projects and studies, thereby strengthening local research and scientific capabilities, and contributing to the conservation and effective utilization of the region's marine resources.

(3) the United States should, in cooperation with Latin American and Caribbean governments, continue to move forward on agricultural consultative groups, support regional agricultural research centers in Latin America and the Caribbean in which scientists from member countries can jointly undertake agricultural research projects and studies.

CULTURAL POLICY

SEC. 10. (a) Findings.—The Congress finds that

(1) cultural and intellectual exchange between North and South America are important ways to improve the understanding of the different countries, culture, and people of the hemisphere, and

(2) the understanding of Latin America and the Caribbean by the United States and of the United States by other hemisphere nations could be much improved.

(b) Policy.—It is the sense of the Congress that

(1) outmoded restrictions on travel and cultural exchanges based on political criteria should be eliminated and that the United States should work with the governments of Latin America to improve and encourage a broader exchange of citizens from different sectors of society to enhance overall understanding and communication in the hemisphere.

(2) national cultural institutions and policies should seek to include an international component for the cultural enrichment of its people, and

(3) the United States should make available information, assistance, and support to those Latin American governments and institutions interested in establishing educational programs for the study of the United States as a means of creating better understanding of the United States in Latin America.

Mr. CHILES. Mr. President, today I am submitting in the Senate and Congressman FASCELL is introducing in the House a concurrent resolution on United States-Latin American relations. Senator LLOYD BENTSEN of Texas and Senator DAN INOUYE of Hawaii are cosponsors of the resolution in the Senate.

We began work on this resolution following hearings held in the Senate Appropriations Subcommittee on Foreign Operations on December 13 of last year. Those hearings showed the difficulties but also the desirability of having a broad framework for our foreign policy toward Latin America and the developing world. It was mentioned by witnesses then that what the Congress does is generally fragmented because of actions by different committees and because of the many pieces of legislation that affect foreign policy. This resolution provides a framework for specific actions and attempts to give some consistency to our policies.

This resolution emphasizes economic and human rights issues in our relations with Latin America and points out that our policies toward Latin America are "in many ways the testing ground for an evolving relationship with the entire developing world."

The resolution offers a comprehensive framework for shaping U.S. foreign economic policy toward commodity producing countries in the new political and economic world we find ourselves in today.

It is not an Alliance for Progress where we are seeking a hemispheric consensus on internal reform and development; it is not a restatement of the special relationship with Latin America where we have said that Latin America is of special importance to us and then acted as if Latin America was unimportant to us; it is not a reaffirmation of the bygone days where we are givers and they are the receivers; and it is not the reassertion of a paternalistic grip on the hemisphere where our relations hinge on security and strategic considerations.

This resolution is born out of a concern for the economic consequences for our Nation of actions by foreign governments affecting the price and supply of commodities and raw materials of vital importance to us. We are living in a world where we are increasingly dependent on other countries for our own wellbeing. We are living in a world where economic policies are increasingly vital to survival and where it is not just the United States, Russia and China along with Western Europe and Japan that decide the fate of the world, but where any nation produces something the rest of the world needs has tremendous power.

Given these new realities, the question is, What kinds of policies make sense?

The kinds of policies we think make sense are the following:

First, a clear statement that economic relations are of primary importance to the United States and are at the center of our relations with the developing world.

Second, that all nations share an interest in shaping the world economy through negotiations between governments to avoid the economic fluctuations and disruptions caused by unilateral actions affecting the supply and price of resources. This resolution advocates a firm commitment by the United States to negotiations, multilaterally, bilaterally, or in other groups, as the principal way of dealing with trade issues. The resolution urges the use of commodity agreements, supply contract arrangements, and compensatory financing as means of making progress to avoid the inflationary results of recent raw material supply and price problems. It calls for a review of commodity trade to find actions that can be taken in the near term to achieve a breakthrough for negotiated rather than unilateral actions on commodities.

Third, it recognizes that punitive sanctions, especially those which come into play in cases of expropriation, have been ineffective in resolving investment disputes and have soured our relations not only with individual countries but in some cases with the entire region. Another source of tremendous friction in the hemisphere has been the section of the Trade Act which denies access to the U.S. market on the basis of the new generalized system of tariff preferences to members of OPEC that either withheld supplies or raised the price of oil. This, of course, included Venezuela and Ecuador as well as others when these countries had kept their supply commitments to the United States throughout the embargo.

These are crude policy tools which have tended to stiffen the determination of countries to resist settlement rather than provide incentives for negotiations. We advocate that these sanctions be repealed or modified.

Fourth, the problem with these sanctions has been that they tend to push the United States to react to actions taken by other governments with policies that have nothing to do with the dispute in question. What is needed is the capacity to respond in a reciprocal manner and to an equivalent degree to unilateral or cartel actions by other governments when negotiations fail to resolve an investment or a trade dispute.

We advocate that a trade policy be used to respond to a trade dispute and investment policies be used in an investment dispute rather than, as now, using trade and aid policies to respond to expropriation.

Each economic dispute is different and requires a different response. We are trying to get away from the old knee jerk policy response that is the same for each problem and argue for a more selective and finely tuned policy to fit each case. This way we are strengthening our negotiating hand by shaping more effective policy instruments and by creating greater incentives to negotiate. At the same time we are demonstrating to the commodity producing countries that we are not approaching these problems of mutual concern in a hostile frame of mind. Quite the contrary. We are trying to remove some of the most difficult issues in United States-Latin American relations to improve the context for future economic relations.

This resolution gives strong support to international accords and institutions protecting human rights and calls for their reinforcement by governments and the strengthening of the Inter-American Commission on Human Rights. The emphasis we give to human rights reflects the viewpoints in the Congress and recommends that the administration give the same priority to human rights as the Congress does. But we suggest that it would be best if aid were not turned on and off because of human rights any more than it should be turned on and off because of expropriation.

There are other recommendations in the areas of development finance, foreign investment, the transfer of science and technology, and cultural policy. These are broad suggestions which indicate some sensitivity to the problems and needs in these areas.

In developing the resolution we have conferred with officials in the State Department. I do not think the State Department would have drafted this quite this way, but they are supportive of this effort, and they believe it is a positive contribution to the development of our policy. The report of the Commission on United States-Latin American Relations was a useful point of departure for us and the Commission has been most encouraging and helpful.

We hope this resolution will be seriously considered in both Houses of Congress. I am pleased that Congressman FASCELL's position as a ranking member of the International Relations Committee virtually assures that the resolution will receive a full and comprehensive hearing with a high likelihood of favorable action. I have talked with members of the Senate Foreign Relations Committee and will continue to do so to see how we can best move on the resolution here in the Senate.

In the meantime, individual actions will be taken on various bills and amendments to deal with the issues raised in this resolution, and we will be trying to advance the ideas in it as specific opportunities arise.

Mr. President, I ask unanimous consent that testimony from hearings on the Senate Appropriations Subcommittee on Foreign Operations dealing with the need for omnibus legislation in this field be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

QUESTION OF DESIRABILITY OF OMNIBUS LEGISLATION: SENATE HEARINGS OF APPROPRIATIONS SUBCOMMITTEE ON FOREIGN OPERATIONS, DECEMBER 13, 1974

Senator CHILES. Many times the problems we have had with Latin America have not been so much that we have decided to do this or that and they have been annoyed with how we have come out, but that we have not focused at all on the issues of concern to them. A Commission report will be written and no one pays attention to it and it never gets acted on.

I don't propose to Congress that this report be adopted from one end to the other. I do not agree with all the recommendations, but it does serve to raise most of the issues and comes out with a position on most of these issues.

With this kind of a check list in a single report it may be a good idea to try to bring together, so Congress would have to focus on it in one piece of legislation, many of the authorities needed to deal with the various dimensions of inter-American economic relations dealt with by the Commission report and try to place them in some coherent context of an overall statement by the Con-

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gress of what U.S. policy should be toward Latin America. How desirable or feasible is this from the point of view of each of you here.

ACTION ON COMMISSION RECOMMENDATIONS

Ambassador Linowitz. Thank you, Senator.

My own feeling is this kind of an omnibus piece of legislation would make a great deal of sense since, as you say, we are doing a job of dealing in bits and pieces with some of these problems.

What I am not clear about is the practicality of undertaking that since my impression is so many of them are covered in various existing forms of legislation or are under the aegis of one committee or another. But as a general statement, I would think these are pieces of a whole and in trying to develop an approach within a certain context all the aspects have to be dealt with together, so I would hope this would make sense legislatively.

Mr. Rogers. I think Mr. Linowitz is quite right. It would be, I think, a very interesting exercise at the very least to attempt to take the Commission's recommendations which, as you say, in very large part require legislative effort for implementation—to take that list of recommendations and attempt to reduce them to statutory form in a proposed bill, in one comprehensive omnibus bill. This would be, I think, a very interesting demonstration of Congress' responsibility with respect to our United States-Latin American policy.

I think it would also help to educate us in the executive branch as to what we should be up here asking Congress for in the coming year. Obviously this is not something which should in any sense reduce our anxiety about the present trade bill and its necessity for United States-Latin American relations, nor should it divert the present legislative processes now underway with respect to the pending new AID legislation.

Beyond that, if it would not cause conflict with those legislative efforts now underway, I would very much like to see this kind of effort made.

Mr. Theberge. I think it would be useful to bring together the Commission's recommendations, at least those items upon which legislation is feasible, into one bill. It seems to me one of the major problems U.S. policy has had in the past is due to the fact the fragmentation of the committee system. You have so many policy items which are passed into law under the aegis of different committees, in different bills, different laws scattered around, and to bring together into one kind of coherent omnibus bill, a single piece of legislation, to the extent that that is feasible, I certainly would support it and I would hope we would be able to do that.

You raised the question of the feasibility of this. I leave that to you and the other Senators and Congressmen here but I would certainly support the concept.

Mr. Erb. I share the concern of the other panelists for the fragmented approach to developing country problems, Latin-American problems, that now characterize the legislative body of laws we have. But I am a little concerned about the possible impact of this approach on relations with other developing regions.

One of the Commission's findings that I believe is of great importance is found on page 11 of the report where they say the principle issues of U.S. policy toward Latin America are not peculiar to United States-Latin American relations but involve global economic and political relationships. That is certainly true in the resource field for example, where commodities of interest to us, bauxite, petroleum, coffee, involve interregional groupings of countries.

Tariff preference is another items which is designed for all developing countries. In the context of European communities approach to formation of what might be called the special communities of relationships with over 40 developing countries, I think any assessment of a United States-Latin American legislative package would have to take into account the possible reaction of foreign governments to this proposal and I think at a minimum the clear relationship to Latin American problems with other developing countries' problems should always be borne in mind and perhaps recognized explicitly in the drafting of any such legislative package.

Mr. CHILES. I ask unanimous consent that an article by Mike Haverstock, "End to Retaliatory Legislation Sought," describing attitudes of our business community toward existing economic sanctions be printed in the Record, and also that pages from the Appropriations Committee Report on Foreign Assistance for Fiscal Year 1975 dealing with assistance to autocratic governments be printed in the Record.

There being no objection, the material was ordered to be printed in the Record as follows:

End to Retaliatory Legislation Sought

(By Nathan Haverstock)

Beset by threats of nationalization in a score of countries overseas, American businessmen are calling for an end to U.S. legislation that provides for the automatic suspension of U.S. aid in all its many forms to countries that move to take over U.S. assets on grounds of overriding, local national interest.

The reasons for the paradoxical change of attitude by business leaders in this country toward retaliatory legislation are many and complex, among them:

A general disillusionment with the effectiveness of past U.S. impositions of aid cut-offs.

A feeling that across-the-board legislative enactments to protect U.S. interests more often hinder rather than help businessmen who are trying to work out solutions to particular problems in particular countries.

The considered opinion of business leaders in this country that the U.S. government and its overseas representatives are not well enough versed in business problems—or sympathetic enough to business—to be astute defenders of business interests in a complex and fast-changing overseas business environment.

More important perhaps than any of these is the growing realization that the U.S. simply cannot afford to jeopardize its global overseas business operations because of real or imagined legislative threats, and thus risk crippling shortages of energy and raw materials on which the U.S. economy depends. This threat looms large in the thinking of U.S. businessmen and the U.S. government in the wake of the much discussed energy crisis and the possibility of further nationalizations of American-owned oil companies in the Middle East.

But the problem is certainly not limited to the Middle East and oil. In a recent interview with the *Mexican-American Review*, Charles Robinson, president of the Marcona Corporation, a firm with a long and profitable record of operations in such countries as Peru, Chile, and Brazil, put it this way: "My concept of the world is that there is a rapid adjustment occurring in the relationships of developed vis-a-vis developing nations. . . . With our own declining natural resources base and our growing need for the sources of energy and raw materials to support our technologically sophisticated way of life, within ten years from now, I believe that the developing nations—which are providing more and more of the resources we need—may well be calling the shots on the use of resources we must have to survive as a nation and a viable economy."

In May of this year, 34 members of the Council of the Americas, whose corporate membership represents U.S. firms accounting for 90 percent of a U.S. investment of 16 billion dollars in Latin America, met with President Richard M. Nixon to exchange views on the future of U.S. business in Latin America. In a session lasting one hour and a half, corporate executives whose views are as diverse as those of General James M. Gavin, chairman of the Arthur D. Little Company; Maurice F. Granville, chairman of Texaco; A. S. Hart, executive vice president of Quaker Oats; Donald M. Kendall, chairman of Pepsico International; David Rockefeller, chairman of The Chase Manhattan Bank; and A. Thomas Taylor, chairman of Deltec International—sounded off on retaliatory legislation.

Their views, as summarized later by Henry R. Geyelin, executive vice president of the Council of the Americas, were that "U.S. business is most deeply concerned with past and potential expropriations without adequate compensation and by the restrictive features in some of the new (legislative) regulations (in Latin America)." On the other hand, Geyelin said, it is felt that "trigger-type mechanisms" and "automatic responses" to expropriations "have not proved successful and have inhibited negotiations for successful solutions or compromises."

In support of this thesis, Geyelin cited a 1970 survey of the Council's membership, which revealed that even back then—before the energy crisis and before the recent concern over the need to safeguard the overseas sources of vitally-needed resources—76 percent of U.S. businesses with Latin American operations were staunchly against retaliatory measures that had been passed by the U.S. Congress acting in what legislators thought were the interests of U.S. business. These measures included the Hickenlooper amendment to the Foreign Assistance Act of 1962 and similar provisions of the Sugar Act of the same year. These provisions of law were passed at a time when the U.S. was undertaking to provide one billion dollars per year, as the U.S. contribution to the new Alliance for Progress program.

These two provisions of law would have seemed to make it mandatory for the President to suspend all U.S. economic assistance, including participation in the price-supported U.S. sugar market, in the case of countries seizing U.S. assets—countries that do not indicate their willingness to negotiate adequate compensation within six months of such seizures. In practice, however, the President under the Hickenlooper amendment has been allowed some flexibility in the matter, and able, when he deems it in the U.S. national interest, to forego the imposition of such economic sanctions.

Last year, provisions similar to those of the Foreign Assistance Act and Sugar Act were given a new lease on life in amendments offered by Henry Gonzalez (Democrat-Texas). The Gonzalez amendment does not include any national interest alternative for the President—sanctions must be imposed short of an express willingness on the part of a country seizing U.S. assets to provide prompt and adequate compensation. Moreover, the Gonzalez amendment makes its mandatory for the U.S. government to vote against any new loan commitments at the international agencies—the World Bank and the Inter-American Development Bank, for example—for countries seizing U.S. companies.

In these regards the Gonzalez amendment restates in the form of law steps spelled out by the President himself in early 1972 in a message to Congress. The President made it clear at that time that his administration would take all of the steps written into law subsequently in the Gonzalez amendment in the case of countries failing to provide prompt and adequate compen-

sation for U.S. takeovers, while at the same time acknowledging any country's indisputable right to nationalize foreign holdings, when this is recognized to be in the national interest. Interestingly, the Gonzalez amendment also spells out the willingness of a country taking over U.S. interests to submit its action to negotiation under the rules of the Convention for the Settlement of Investment Disputes, as an acceptable expression of interest in fair negotiation.

In an attempt to head off passage of the Gonzalez amendment in the Senate, José de Cubas, president and chairman of the Council of the Americas, wrote to J.W. Fulbright, chairman of the Senate Foreign Relations Committee in early September to argue that the Gonzalez amendment—lacking as it does specific language enabling the President to forego the imposition of sanctions—may prove more inflexible than the Hickenlooper amendment of the past. De Cubas also pointed out that to date Latin American nations have shown little enthusiasm about ratifying the Convention for the Settlement of Investment Disputes, and about the court it establishes under the aegis of the World Bank.

Shortly before the passage of the Gonzalez amendment in the House, Representative Charles W. Whalen, Jr. (Republican—Ohio) updated the findings of the 1970 Council of the Americas-supported survey on U.S. business attitudes toward retaliatory legislation. Whalen is a seven-year veteran of service in the House. Before coming to the Congress he was a professor of economics at the University of Dayton, specializing in international business issues.

Whalen's interest in retaliatory legislation was sparked by a trip earlier this year to five Latin American countries. In all five he found vocal opposition to such measures among American businessmen and embassy officials, and among both the private and government sectors of the countries visited. This response prompted the Ohio legislator to undertake his own in-depth survey of key U.S. businessmen whose firms have extensive operations in Latin America.

The results of Whalen's survey of the trustees of the Council of the Americas once again reflect a strong two-thirds majority opposition to retaliatory laws. Speaking as individuals, two businessmen responded as follows:

Charles F. Barber, chairman, American Smelting and Refining Co:

"However justifiable the Hickenlooper and Gonzalez amendments may originally have been in concept, experience has shown that such automatic trigger provisions do not either deter illegal exportations or facilitate settlements of investment disputes once unjust takings of U.S. property have occurred."

T. D. Lumpkin, president, Gulf Oil Company—Latin America:

"Having spent some thirty years in the international oil business I have some fairly strong convictions about any kind of legislation of imperialist type emanating from our Congress, such as the Hickenlooper and Gonzalez amendments. I think they are definitely counterproductive. Moreover, I think that any legislation which emanates from our Congress and which appears to be punitive against the developing countries of the Western Hemisphere represents a demonstration of petulance and frustration which a country such as ours can ill afford."

Those who favor the continuation of some form of legislative injunctions do so for fear, as one executive put it, that "outright repeal of (both amendments) . . . would be tantamount to an invitation to ignore the rights of U.S. citizens to their foreign holdings and would promote economic irresponsibility by (developing) countries." While this fear continues to figure as an important factor in the attitudes of a significant number of U.S. businessmen, there remains the majority position of those reached by the Whalen and Council of the Americas surveys.

Clearly U.S. businessmen with operations in Latin America feel that laws calling for the mandatory imposition of economic sanctions against countries seizing U.S. assets often preclude the possibility of the negotiation of an acceptable settlement. Such laws as the Hickenlooper and Gonzalez amendments, said one top corporate executive, provide some U.S. investors with "a false sense of security"—Uncle Sam will come to the rescue.

This has not occurred in the recent past, nor is it likely to occur in the future, as the U.S. faces up to possibly severe shortagea of fuel and raw materials. For this compelling reason, American business is now becoming increasingly adamant about voicing opposition to retaliatory legislation that hasn't worked, in favor of some new answers, or possibly a revival of some old answers. As one businessman put it in his reply to Congressman Whalen's survey: "I personally am a strong believer in the rather old-fashioned practice of quiet, careful negotiations as a solution" to investment disputes—a view shared by an increasing number of his fellow corporate executives.

Senate Committee on Appropriations Report No. 94–39 on Foreign Assistance and Related Programs Appropriations Bill, 1975

ASSISTANCE TO AUTOCRATIC GOVERNMENTS

It is an unquestionable fact of political reality that by far the majority of states in the developing world are under authoritarian rule. The full spectrum of oppression is represented. In some cases, authoritarianism takes the form of a benevolent paternalism and, as such, is accorded legitimacy by the people. In others, however, the fullness of oppression is forestalled only by virtue of the very backwardness of the country. In these cases, limited transportation networks and means of communications serve to moderate the control the central government can exercise over the rural population.

In some countries, authoritarian rule follows upon the conviction of strong-willed and purposeful leaders that only strong measures can bring their people into the modern world. In sharp contrast, there are those who exercise dictatorial powers, not in service to the people, but in protection of the vested interests of a political and social life.

Many explanations have been propounded for the incidence of dictatorial forms of government in the developing world. It is said that the republican form of government requires a literate body-politic, and that this is absent in much of the developing world. We are also cautioned to remember that many of these countries have no democratic tradition and, in fact, had been under autocratic or colonial rule for centuries prior to independence. There are, moreover, in many of the developing countries, cultural and religious impediments to democratic government.

The unavoidable conclusion to be made from this account is that authoritarian rule is and has been the way of life for much of the world. It lies beyond the power and the responsibilities of the United States to insist that all nations adopt the democratic model as their form of government.

But, it is argued, dictatorships *are* dictatorships and dictatorships are inimical to American ideals. Those who hold this view fail to make distinctions between degrees of autocratic control and believe that the United States should suspend assistance to all authoritarian governments. This Committee cannot agree.

We believe that, for every reason given for cutting our ties to dictatorships, there are other, stronger arguments for continuing our relations with these states, even though their governments are repugnant to our ideals. To do otherwise, to sever all ties, would be to cut ourselves off from the peoples of these countries and to leave them under the dark night of oppression. We can stand afar and curse the darkness, or we can try to bring them light.

This Committee believes, furthermore, that conditions in much of the developing world are such that governments of men would be hard pressed to match the tyranny imposed by hunger, and poverty, and disease. The oppression exercised by these factors of human existence knows no constraints. They impose their will without regard to forms of government or ideals of men. The Committee, therefore believes that, if the most basic of human needs are to be met, the United States must establish relations with the people of all nations. The pursuit of pristine relations in an unsavory world would place hundreds of millions beyond the reach of our assistance.

This Committee does not subscribe to the view that opposition to dictatorships and the provision of assistance to needy peoples are mutually exclusive propositions. This is not to suggest that the United States fully embrace government unresponsive to the human needs of their peoples and disrespectful of the basic rights of all men. Surely, we, as a nation, can have the wisdom to conduct our relationships with discretion.

This will, of course, be more difficult than the blanket suspension of assistance to authoritarian governments. It will require a conscientious and systematic review of our assistance to such governments—a review which ensures that there is a calculable relationship between the provision of assistance and the improvement of the lives of the people. It will require that we ensure that our assistance does improve the lot of the people and is not used for the purpose of shoring-up unpopular dictatorial regimes. It will, finally, require that our assistance not be used, under the guise of security, to further oppression.

In opposition to those who would suspend assistance to all authoritarian governments, there are those, academicians and hard-headed realists, who declare that morality has no place in international affairs. They argue that the over-riding consideration in determining levels of assistance is the enhancement of our national security. Again, this Committee cannot agree.

Our national interest is, foremost, the preservation of our ideals and our form of government. This Committee does not believe that our interest is served by the support of dictatorial regimes in the name of stability. We believe that such short-sighted policies only forestall instability and assure that, when events do occur, they will happen with explosive impact. Most emphatically, we believe that, should we profane our ideals in the interest of short-term security, we would cause the erosion of our greatest strength—that of a nation guided by the dictates of reason and moral principles.

U.S. FOREIGN POLICY TOWARD LATIN AMERICA—A NEW APPROACH

Mr. BENTSEN. Mr. President, it is no exaggeration to state that hemisphere relations are at an alltime low. For those of us who have long been concerned about the slow but steady deterioration in relations with our neighbors, this is a matter of deep concern. A major explanation of this development is the orientation of our foreign policy toward détente with former adversaries. The pursuit of détente is a policy I strongly support but détente by itself does not constitute a foreign policy. It leaves out too much for the world is a sphere, not a triangle. We are now paying the price of this imbalance

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in our foreign policy, an imbalance which has resulted in neglect of pressing problems elsewhere around the globe, in particular pressing problems in this very hemisphere.

Ironically our closest neighbors have been the most neglected. In our concentration on big power diplomacy, we have lost sight of Latin America's and Canada's importance to us, not only strategically and economically, in terms of markets and sources of raw materials, but also as hemisphere neighbors and increasingly important members of the world community with problems and potential we cannot afford to ignore.

Our own national security is closely meshed with the political and economic development of the hemisphere. National security implies not only military strength and an adequate defense structure. It also includes the good will and trust of our neighbors. It includes the careful cultivation of attitudes that make unilateral solutions unattractive. It includes economic well-being for no nation is more insecure than one that is haunted by economic instability.

It is a paradox of this age, in which technological achievements have outstripped human insights, that we can travel in outer space to explore "the dark side of the Sun" and "the dark side of the Moon" while there are "dark" sides of our own planet that remain virtually unknown to us earthbound mortals.

We are ignorant of dramatic events within our own hemisphere that can affect our daily lives for years to come.

Unfortunately, we have not approached foreign affairs with the global perspective that is the gift of the astronauts. Our foreign policy has been fragmented and piecemeal. Our attention shifts from one trouble spot to another—always to the neglect of other areas, where time does not stand still.

We can move from the year of Europe to the age of Asia—and, I suppose, on to the afternoon of Africa—without accomplishing much more than providing good headline copy.

While events continue to move in other parts of the globe—when these events explode into crisis—we turn our attention to the neglected areas in an attempt to patch up the damage that was done while our backs were turned.

A prime example is our neglect of Latin America—the home of 270 million people, with the fastest growing population in the world. At the present rate, its population will reach 600 million by the end of this century. By all forecasts, the United States by that time will have only half as many people as Latin America—but 10 times the wealth.

And already the impoverished masses of Latin America are restless with the hopes and expectations of a better life. Few of these expectations are being met. Too many dreams are being deferred.

Sol Linowitz, our former Ambassador to the Organization of American States, once said:

> Coffee, sugar, and cocoa may be breakfast foods in the United States, but in Latin America . . . they are the stuff revolutions feed on.

Our backs have been turned on Latin America for too long.

From the time of the Monroe Doctrine, 150 years ago, we have viewed Latin America as our own special preserve. We have come to take it for granted. In recent years, we have lost track of what Latin America means to us, not just strategically and economically, in terms of trade and raw materials, but as a hemispheric neighbor and a growing member of the community of nations, with problems and potentials we cannot afford to ignore.

The good neighbor policy and the Alliance for Progress are now little more than slogans of the past. The slogan for today might well be summarized in the headlines: "Leftovers for Latin America."

But there are no such headlines. Reporting from Latin America is minimal—perhaps because public interest is minimal. And so we have the unbroken pattern: lack of interest results in lack of information, and vice versa.

Little has been done, by all the combined media for education, to dispel our widespread ignorance of the history and problems of Latin America. Although there are almost 9 million people in the United States now who have ethnic and linguistic ties to Latin America, how much do we really know about our neighbors to the south?

Our children grow up unable to communicate with Spanish-speaking neighbors just across the border or—or, in many cases, just across the street. They grow up with little awareness of the "other" Americans who share this hemisphere with us. Their history books tell them of the early explorations of the Spanish—and after that the entire South American continent sinks out of sight, like the Lost Atlantis.

Our study of history and politics is weighted heavily in the direction of Europe, which, although more remote geographically is closer to us by kinship. After all, the roots of our past are mainly in Europe.

But what of the future?

We live in an age of unparalleled change, and the habits of the past will not suffice for the challenges of the future. In Latin America, challenges abound, beginning with poverty, illiteracy, hunger, high birth rates and high mortality rates. There is the challenge of massive unemployment is an area where the tools for economic development are limited. There is the challenge of attracting capital to establish basic industries, to catch up with the technologicaly advanced world, and to build markets essential to a healthy economy. A further challenge lies in the need for land reform and agricultural modernization.

All these are challenges to the continent's ability to develop. But are these our challenges? What have they to do with us?

Simply this: Any threat to peace and stability in one part of the world threatens peace and stability everywhere. The future stability of the Western Hemisphere will depend on how effectively the Latin countries deal with their staggering problems.

So the question becomes: Can we continue to ignore our Latin neighbors?

Can we continue to exclude them from our policy considerations while we court the favor of China and Japan, Russia, and the countries of Western Europe?

This may not be the intent of our foreign policy, but it has been the effect. Our closest neighbors feel alienated, left out of the total picture.

The geographic proximity of Latin America has inspired a misleading concept of "Pan-Americanism" which conceals formidable language and cultural barriers. These barriers are heightened by new political and economic trends and by rapidly developing problems that have created points of friction between us—problems that are not necessarily of our making, but for which we have offered no real solutions.

There is much that needs to be done to reform and strengthen our policy towards Latin America.

Statements of good intentions are not enough; reiteration of tired old slogans is not enough; benign neglect is not enough. Problems that are not necessarily of our making but for which we have offered no real solutions are creating points of friction between us. And new political and economic trends are emerging in Latin America which require a rethinking of some of our traditional policies toward that area.

The resolution which I am today cosponsoring with my distinguished colleagues will go a long way towards developing solutions for the increasingly pressing problems confronting hemisphere relations and stability. It is an historic document in that it is the first attempt to develop, through legislation, a framework for our foreign policy towards Latin America, a framework which will serve as a model for our policy towards the rest of the developing world.

Mr. President, one of the most striking features of this resolution is the means by which it was developed. It is the result of several months of close consultation between the Senate and House cosponsors and representatives of the executive branch—from the Department of State, from AID, from Treasury. This is how our foreign policy should be developed, Mr. President. This is what constitutes the spirit of cooperation which President Ford and Secretary Kissinger have so frequently called for and which I heartily endorse. This is what is meant by bipartisanship in foreign policy. The constructive relationship which produced this resolution can be continued and must be continued. It can and must be expanded to establish a productive working foreign policy partnership, a partnership where responsibility is shared and joint decisionmaking is promoted.

AMENDMENTS SUBMITTED FOR PRINTING

EMERGENCY RAIL TRANSPORTATION IMPROVEMENT AND EMPLOYMENT ACT OF 1975—S. 1730

AMENDMENT NO. 478

(Ordered to be printed and to lie on the table.)

Mr. BUCKLEY (for himself and Mr. HOLLINGS) submitted an amendment intended to be proposed by them, jointly,

to the bill (S. 1730) to improve the reliability, safety, and energy efficiency of transportation and to reduce unemployment by providing funds for work in repairing, rehabilitating, and improving essential railroad roadbeds and facilities.

ASSISTANCE TO CERTAIN MIGRANTS AND REFUGEES—S 1661

AMENDMENT NO. 479

(Ordered to be printed and to lie on the table.)

Mr. McGOVERN submitted an amendment intended to be proposed by him to the bill (S. 1661) to enable the United States to render assistance to or in behalf of certain migrants and refugees.

MILITARY PROCUREMENT AUTHORIZATION ACT—S. 920

AMENDMENT NO. 480

(Ordered to be printed and to lie on the table.)

Mr. JAVITS. Mr. President, I am submitting today an amendment to the military procurement authorization bill, S. 920, concerning the cost of manpower and certain manpower programs in the Department of Defense. The amendment calls on the Secretary of Defense to report back to the Congress and to make certain recommendations, for legislation where appropriate, that would improve manpower utilization and reduce, wherever possible, manpower costs in the Department of Defense.

I believe that this amendment is most timely; 53 percent, or $49.2 billion, of the fiscal year 1976 request for the Defense budget is devoted to manpower costs. It is obvious that 53 percent of the Defense budget for manpower programs is an extraordinarily high figure. I feel that the Secretary of Defense perhaps shares my concern and, accordingly, I have drafted my amendment in such a way that the Department of Defense and the Congress can cooperate in seeking ways to provide for manpower programs in the Department of Defense that are adequate for the Nation's defense needs but which are also as economical and efficient as possible.

Mr. President, I ask unanimous consent that the amendment be printed in the RECORD for the information of my colleagues.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 480

Add a new section at the end of the bill:

Six months after the enactment of this Act, the Secretary of Defense shall submit to the Congress a report, together with requests for legislation wherever appropriate, setting forth the measures he proposes to take to increase and improve manpower utilization and to reduce, if possible, manpower costs in the Department of Defense to include recommendations on the following:

1. How significantly to improve:

(a) the ratio of enlisted men to officers in the Armed Forces;

(b) the extent of the reduction of the number and size of headquarters and headquarter staffs serving in the Armed Forces throughout the world and thereby to increase combat strength, and interservice training, in common facilities and with common equipment, of trainees in all branches of the Armed Forces; and

2. How peacetime expansion of the combat arms of any of the services could be accomplished without increasing the number of military personnel in such services, or to give adequate reasons why any exception should be made; and

3. Review the experience with the performance of functions, such as facility maintenance, kitchen duties and personal services to officers of high rank, when performed by civilian contractors hired at extra expense, instead of by members of the Armed Forces; and

4. Review the experience with the payment of bonuses to enlistees selecting to serve in the combat arms of the Armed Forces or to others in the Armed Services; and

5. Review means to increase the length of service of enlistees in the Armed Forces; and the desirability of an enlistment bonus to those enlisting for an appreciably longer period of time; and

6. Review the costs of advertising and other publicity for recruitment of enlistees into the Armed Forces; and

7. Reduce the number and expense of dependents of members of the Armed Forces allowed at the expense of the Department of Defense to accompany members of the Armed Forces while serving overseas.

HEARING POSTPONEMENT

Mr. CHURCH. Mr. President, I wish to announce, for the information of the Senate and the public, the postponement of a hearing scheduled for May 22 before the Energy Research and Water Resources Subcommittee of the Senate Interior Committee.

The subject matter of the hearing was to examine the San Juan-Chama project in New Mexico. The hearing has been rescheduled for June 12, 1975, at 10 a.m. in room 3110 of the Dirksen Senate Office Building.

ANNOUNCEMENT OF A SUBCOMMITTEE MARKUP SESSION ON S. 598

Mr. CHURCH. Mr. President, I wish to announce, for the information of the Senate and the public, the scheduling of a subcommittee markup session for May 22 before the Energy Research and Water Resources Subcommittee of the Senate Interior Committee.

The subject matter of the markup will be to continue examination of the Energy Research and Development Administration's authorization bill, S. 598.

The markup session will be held in room 3110 of the Dirksen Senate Office Building at 10 a.m.

ANNOUNCEMENT OF PUBLIC HEARINGS BEFORE THE PARKS AND RECREATION SUBCOMMITTEE OF THE SENATE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. JOHNSTON. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Parks and Recreation Subcommittee of the Senate Interior and Insular Affairs Committee.

The hearing is scheduled for June 19, beginning at 10 a.m., in room 3110 of the Dirksen Senate Office Building. Testimony is invited regarding four bills which are presently before the subcommittee. The measures are S. 324 and S. 1486, to amend the National Trails System Act by designating the Potomac Heritage Trail located in portions of Maryland, Pennsylvania, Virginia, West Virginia, and the District of Columbia, as a component of the National Trails System; S. 805, to provide for a study of the Dominguez-Escalanate Trail in New Mexico, Colorado, Utah, and Arizona; and S. 1390, to provide for a study of the Pacific Northwest Trail in Montana, Idaho, and Washington.

In addition, the subcommittee will receive formal testimony from the Department of the Interior on S. 327, legislation to amend the Land and Water Conservation Fund Act, as amended, and to establish a National Historic Preservation Fund. Although only the Department will testify on S. 327, any written statements which the subcommittee receives on that measure will be printed in the record of the hearing.

For further information regarding the hearings you may wish to contact Mr. James Beirne of the subcommittee staff on extension 47145. Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Parks and Recreation Subcommittee, room 3106, Dirksen Senate Office Building, Washington, D.C. 20510.

ADDITIONAL STATEMENTS

ACCOMPLISHMENTS OF THE U.S. ARMY

Mr. LAXALT. Mr. President, it is unfortunate, but true, that Americans tend to focus their attention and their energies on dealing with problems. This characteristic sometimes causes us to overlook many of our real accomplishments—our successes, if you will. Such has been the case with America and its Army.

In 3 years, the U.S. Army has gone from an essentially conscript force to an Army composed entirely of volunteers. And, it has done so not by taking the easy way out, lowering standards and taking every walk-in to a recruiting station, but by providing an honest opportunity for service and a challenge to the young men and women of America to measure up to higher entrance and retention standards. By any yardstick—educational level, traditional indicators of discipline, or readiness—today's Army is of higher quality than ever before.

Even while accomplishing what many considered to be an impossible task—becoming an all-volunteer force—not all the Army's energy has been directed at achieving strength goals. A substantial effort has been directed at the internal organization of the force with the result that many nice-to-have but not need-to-have activities have been dropped from the structure, duplicative headquarters have been eliminated, and excessive support forces have been converted into

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those combat forces so necessary to the winning of the first and most important battle.

The result of these efforts is an Army that promises to be the most efficient Army the United States has ever had in peacetime. It is an Army that will provide more return for the defense dollar than ever before. It is an Army of which all Americans may be proud. It is, in short, a success story.

BIGGER STAFFS MAY NOT BE THE ANSWER FOR SENATE

Mr. TALMADGE. Mr. President, there appeared in the Washington Evening Star of May 14 an excellent article by the syndicated columnist, Charles Bartlett, on the proposal for adding approximately 1,000 new staff members to the Senate payroll.

Mr. Bartlett takes the position that this action probably would make worse an already bad situation, which is the view I wholeheartedly share.

As my colleagues know, I am opposed to this proposal which is embodied in Senate Resolution 110, which is pending before the Committee on Rules and Administration. I had an opportunity to testify before the committee in opposition to this resolution. I do not think it is something we can afford at this time. Moreover, to add another bureaucratic layer on the Senate is certainly not needed.

I call Mr. Bartlett's column to the attention of the Senate and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BIGGER STAFFS MAY NOT BE THE ANSWER FOR SENATE

(By Charles Bartlett)

There is mounting frustration in the Senate these days, the near-despair of men who feel swamped by pressures and events. The situation is building sentiment for a substantial enlargement of the senators' staffs.

This resort needs to be examined closely. Woodrow Wilson observed that men who attain government positions either grow or swell. "The trouble," he said, "is that the ones who swell don't explode."

An awesome array of unexploded talent has already accumulated on the Senate payroll. Doubling the committee staffs, as many propose, many merely double the explosive potential.

Sen. Herman Talmadge, D–Ga., has put the prospects bluntly: "We have got a lot of bright-eyed, idealistic young people right out of law school, seeking new worlds to conquer. They spend virtually all their time writing speeches and amendments for senators.

"If you double the staff, you will double the amendments and double the speeches. We will need a new calendar to get through the legislative year."

Or as one veteran Senate committee clerk, Pat Holt, puts it. "There are already too many staff members around the Hill who confuse themselves with senators and I hope the trend will not be encouraged."

The Justice's clerk makes the justice, someone once wrote. The growing tendency of the Senate is to let the lawmakers' clerks make the laws.

Senators do grow desperate because they are losing ground to the pressures.

At least a handful of the younger ones talk seriously from time to time of resigning their offices. Once an Olympian stronghold, the Senate has declined for many of its members into a miserable experience.

"We know we could do much more," one laments, "if the Senate were better organized."

The public's readiness to take pen in hand is one part of the problem. Personal staffs have been tripled over the past 20 years but the volume of mail has multiplied at least eight times. It is crucial to get those answers out because defeat is the price of diffidence.

So the substantive office chores, research which might inspire more original thinking, is more and more deferred to answering letters.

The senators' larger problem is that they are trying to perform like supermen in a chaotic setting. They want to be easier to visit than a county sheriff, quicker to answer letters than a lovesick schoolgirl, and more visible at home than the tallest building.

To meet the expectations which they generate in their campaigns, senators would need the ubiquity of the wind, the wisdom of Socrates and the endurance of a camel.

Lacking these qualities, they have relied more and more on hired talent. Barely able to keep their schedules, they do as little as possible for themselves. At least 21 have personal staffs of over 50 people.

The new idea is to let each senator hire at least two top-salaried persons to help him cope with committee work.

Under the Parkinson principle that work expands to fill the time available, the addition of 1,000 well-paid eager beavers will intensify the frenetic, disjointed atmosphere and make the representation more synthetic than it is already.

The Senators are not suffering from a lack of assistance. As Sen. Claiborne Pell, D-R.I., noted, visiting parliamentarians leave "big-eyed" at the resources available to the Senate.

New additions will only compound the confusion until Senate leaders come to grips with the anachronisms and rationalize their ways of doing business.

UNCLE SAM WOULD BE A WEAK OIL BARGAINER

Mr. FANNIN. Mr. President, many of us in the Congress have been arguing for years that the United States can no longer remain dependent on foreign countries for our domestic energy needs. I have supported this administration's programs for energy self-sufficiency and conservation as a sound basis for freeing ourselves from relying on high-cost oil from the Middle East and elsewhere.

Some of the schemes advocated by some of my colleagues to obtain energy independence strike me as being simplistic, shortsighted, rather foolish, and probably even counterproductive. One such idea is the proposal that the Federal Government act as the sole purchasing agent for all U.S. oil imports.

Mr. President, a recent New York Times article entitled "Uncle Sam Would Be a Weak Oil Bargainer" discusses this scheme and presents persuasive arguments against establishing a new Federal agency to purchase imported oil. Author John Lichtblau concludes that:

> The cost of imported oil would probably be higher under a Federal purchasing system than if brought in by private companies.

As Mr. Lichtblau points out, the OPEC cartel, on which we have become largely dependent for our foreign oil requirements, is a political as well as economic force which has the will and the ability to maintain pricing policy in a period of adversity. The most probable response of OPEC countries to an American import monopoly would be to confront it with an agreed export price above the prevailing world market price. One OPEC member would be inhibited from underselling its cartel partners because it could not do so secretly and because the opportunities for price cutting, which exists currently in a situation with so many possible contractual arrangements, would be terminated.

Mr. President, too often when confronted by a difficult and complicated problem the Congress reacts hastily by passing some kind of "emergency" legislation. Such measures do not usually make the problem disappear, they simply compound the crisis.

The problem of achieving oil independence for our Nation merits the most serious and careful examination by the Senate. We must avoid rash, ill-conceived, easy political solutions. Before this body acts on proposals for establishing a Government oil purchasing monopoly, we must weigh the consequences.

To this end I recommend to my colleagues Mr. Lichtblau's arguments, and I ask unanimous consent that the full text of his article published in the Sunday New York Times of April 20, 1975, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNCLE SAM WOULD BE A WEAK OIL BARGAINER

(By John H. Lichtblau)

Washington's running energy policy debate, which started some two years ago, has recently moved into high gear as the Administration and Congress try to come up with legislation to reduce our dependence on high-cost foreign oil. Some of the proposals are sensible, enforceable and well researched, such as the plan to establish a strategic oil storage reserve and the recognition that the existing price control on "old" oil produced under secondary recovery methods acts as a disincentive to the installation of new secondary recovery projects or the maintenance of existing ones.

However, some of the schemes currently being promoted lack any relation to the real world, both in terms of their effect and their administrability. Chief among these is the plan for a Federal Government agency to act as the sole purchasing agent for all United States oil imports. The oil, purchased under a secret competitive bidding system, would be resold to private companies. This scheme is incorporated in the alternative to the President's energy program proposed by the Democratic majority of the House Ways and Means Committee.

The avowed purpose of all these proposals is to lower the price of imported oil by forcing foreign oil suppliers—presumably state oil companies—to bid against each other in order to gain access to the United States market. Both the Ways and Means Committee proposal and the Church-Hart bill state explicitly that the legislation is designed to weaken the power of the Organization of Petroleum Exporting Countries.

I believe it is more likely to have exactly the opposite effect. OPEC is a very unusual international organization. It has gone from success to success, each more spectacular than the previous one, from the Teheran Agreement in February, 1971, to the gigantic price increase in December, 1973. Since then it has successfully withstood the diplomatic pressure of the United States and other major industrial countries to reduce oil prices and has also withstood the more serious market pressure of the last six to seven months as world demand declined and excess productive capacity started to mount in most OPEC countries.

There are several reasons for OPEC's continued ability to stand up to these pressures. One is that it is more than a cartel. It is also a political organization with an ideology: to bring about a more equal distribution of the world's wealth by transferring funds from the rich industrial nations to the less developed resource-producing nations. The long-term achievement of this goal has a higher priority than any short-term profit maximization, particularly since most OPEC nations are far richer today than they ever dreamed of being two years ago. Thus, they now have both the will and ability to maintain OPEC pricing policy in a period of adversity.

Another factor is that under the current conditions of high excess supply—OPEC's February, 1975, production was 21 per cent below that of September, 1973, the last pre-embargo month—OPEC's need for solidarity is greater than ever since a single serious break in the price discipline could conceivably bring the whole structure down. Once real intra-OPEC competition breaks out, it is likely to become uncontrollable and force oil prices all the way down to pre-Teheran Agreement levels. Since such a price decline would not result in any substantial increase in oil demand, at least for the first several years, the immediate effect would be a radical decline in earnings for all OPEC members.

Hence, OPEC's most likely reaction to an American import monopoly would be to confront it with a single export price or a series of agreed export prices. This is how a cartel could be expected to react. Thus, the proposed Federal oil import agency could well have the effect of strengthening OPEC's cartel policy, at least toward the United States. What is to prevent it from turning the tables and submitting a collective bid above the prevailing world market price? Our only options would then be to accept the bid or do without OPEC oil. They know we can't accept the second choice.

But suppose some OPEC member, for whatever reason, did want to increase its oil exports by underselling its cartel partners. It would have to do so secretly so as not to be branded a saboteur of the organization and risk the considerable political opprobrium that would follow. There would be plenty of opportunities for such deals right now. International oil companies and other importers would love to buy oil below the official tax-paid cost. They would have every incentive to keep such purchases a deep secret from their competitors. Furthermore, such discounts can be given to the private companies in many hidden ways such as longer payment terms, rebates on freight rates, favorable exchange rates or payment for service fees for operations the companies perform in the exporting countries. In some cases, and on a small scale, this sort of discounting is happening now.

A Federal agency, by contrast, would be structurally far less flexible to take advantage of such indirect price reductions. But more important, the OPEC member in question would run a much higher risk of having a confidential price reduction publicly disclosed if the purchaser is a United States Government agency than if it is a private commercial company. The Administration's recent record of preventing the leaking of classified information has not been exactly impressive. Furthermore, the granting of secret discounts for a Federal import agency would put a foreign state oil company at the political mercy of the United States Government, which under any number of conceivable conditions may want to leak that information or may be forced to disclose it.

But even assuming all these obstacles away, there is still the question whether a Federal purchasing agency could obtain oil at the lowest prices available to private companies. The Federal agency would often not know what the lowest prevailing world price for any type of crude oil or product really was, since it would not have the kind of international market intelligence which private oil importers have readily available, and it would not be able to take advantage of favorable spot price movements, since these require immediate responses. Thus, the cost of imported oil would probably be higher under a Federal purchasing system than if brought in by private companies.

Finally, the proposed scheme would be an administrative nightmare. It would be all but impossible for a single agency to act as the sole purchaser of nearly 4 million barrels daily of crude oil for well over 100 American refining companies with many different quality requirements and logistical problems. Crude oil may appear to be a fungible product to outsiders, but it is highly diverse to those who actually use it. The inclusion of some of 2.5 million barrels a day of imported refined products would, of course, add further to the problems of a single Federal import agency and could force many of the independent oil importers out of business.

GEN. ROBERT E. LEE

Mr. HARRY F. BYRD, JR. Mr. President, the Gazette, of Alexandria, Va., America's oldest daily newspaper, has been in the forefront of the effort to restore posthumously full rights of citizenship to Gen. Robert E. Lee. Through its coupon-write in campaign, it has received over 11,500 signatures, by latest count, in support of Senate Joint Resolution 23, a resolution I introduced early this session to accomplish restoration of Lee's full rights of citizenship.

When that resolution passed the Senate on April 10, 1975, it was cosponsored by 19 Senators.

Most recently, on May 5, 1975, the Gazette carried a story in tribute to Elmer O. Parker, the discoverer of the original oath of allegiance sworn to by Robert E. Lee in 1865. That discovery was made in 1970 among miscellaneous Civil War-era records in the National Archives. Without this monumental find, the effort to obtain for General Lee that which he sought for himself in writing almost 110 years ago could not have come as far as it has.

The Gazette article, by Steve Parker, makes quite clear the most important role Elmer Parker has had in this story.

Mr. William A. Collins is associate publisher of the Gazette. Mr. Terry Wooten is its editor.

I ask unanimous consent that the article published in the Alexandria Gazette entitled "His Faith in Lee Spurred Movement" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RESTORATION OF CITIZENSHIP—HIS FAITH IN LEE SPURRED MOVEMENT

(By Steve Parker)

COLUMBIA, S.C.—One man's basic faith in General Robert E. Lee's integrity has spurred the current movement to restore the Confederate general's citizenship.

Elmer O. Parker, now retired and living in Columbia, searched for and found General Lee's oath of allegiance to the United States because of his trust in Lee.

While others believed the document did not exist, Parker did and his job as researcher in the National Archives gave him the opportunity to find it. After months of scouring through unsorted records and documents he discovered the document in 1970.

"The thing that puzzled me was why General Lee would ask other confederate soldiers and officers to take the oath if he wouldn't take it himself. His life was one of consistency and that just did not seem to fit into the nature of Lee," Parker said, explaining his belief in the oath's existence, "That is what sparked me to search for it.

"Still, you can imagine my eyes bugging out when I came across it," Parker said.

Parker's discovery revived the hopes of many that Lee might regain his citizenship. The discovery of the oath was considered essential since Lee's application for citizenship meant nothing without the accompanying oath of allegiance.

At the time that Parker made his find he probably was the only man who believed in the oath's existence. Parker pointed out that several historians stated the document did not exist.

"In a book, 'Pardon and Amnesty Under Lincoln and Johnson,' there is a chapter whch explains why Lee did not take an oath of allegiance." About 17 pages are devoted to the explanation, Parker said.

Another recognized historian, Dr. Douglas Freeman, made the same point in Volume Four of his "Life of Lee," Parker said.

But the document did exist. "It was buried in the archives," Parker said. "No one knew of its existence. It was filed in a container along with other miscellaneous papers where somebody had stuck it in 1865.

"Since the National Archives doesn't rearrange its records it remained there until I found it. Whether or not it was misfiled intentionally or not we'll never know," Parker added.

PARKER FOUND SIGNED OATH

"Until I came up with the oath of allegiance other gestures to restore Lee's citizenship were empty," Parker said.

Shortly after the document was found, Sen. Harry F. Byrd, I-Va., introduced his resolution before Congress.

The Gazette then picked up the campaign by running a coupon collecting signatures supporting the restoration of citizenship. More than 11,500 signatures from across the country and around the world have been received by the newspaper.

The Gazette campaign has been supported editorially by several other newspapers in the United States and some have even picked up publishing The Gazette coupon.

The restoration of Lee's citizenship has been supported by the Senate and is now waiting for action by the House.

"It would seem almost a perfunctory matter now to do what should have been done long ago," Parker said. "In my opinion Congress cannot only add to the honor of Lee but it can add to the honor of Congress by restoring his citizenship."

Lee would have regained his citizenship had he lived some 28 years longer than he did. Congress passed a law in 1898 restoring the citizenship of ex-Confederate soldiers who were alive at the time so that they might fight against Spain.

But, the 1898 law had no posthumous provision and so the deceased Lee was excluded.

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Although Parker's discovery could have far-reaching effects for historians and supporters of Gen. Lee, it has had a minimal effect on Parker's life.

After his find, Parker worked three more years at the National Archives before retiring in 1973 and moving to South Carolina.

Parker wrote an account of his find for the National Archives journal and a Washington area television station and several newspapers reported the find, but personal recognition has been little for the man whose discovery could unite the United States and one of her great men in history.

MULTINATIONALS' VALUE

Mr. BUCKLEY. Mr. President, Mr. F. Perry Wilson, chairman of the board of Union Carbide Corp., has made a thought-provoking contribution to the discussion about the benefits which overseas investments by U.S. companies bring to the U.S. economy. Mr. Wilson's article appeared in the New York Times on March 11, 1975. Because of the relationship of this subject to many areas of interest to Congress, I ask unanimous consent that his article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MULTINATIONALS' VALUE

(By F. Perry Wilson)

In "Conduct of the Corporation" Wilbert E. Moore observes that in some economic situations "nothing fails like success." His aphorism seems particularly appropriate to the position multinational corporations find themselves in these days. Despite—or perhaps as a result of—their economic success, they have become a focal point of criticism that is based on misconceptions, myths, and misinformation.

These corporations exist because they fill a need that requires worldwide coordination in an era of international interdependence and mutual cooperation. Coordination operates within national and international legal frameworks that include regulatory policies and financial-reporting requirements. The assertion that the biggest corporations are treated just like local retail merchants is patently absurd. In the United States alone, for example, the Union Carbide Corporation files some 7,000 separate tax returns and is subject to the jurisdiction of cities, counties, states and Federal agencies. The same extensive monitoring and auditing apparatus is part of the environment in which multinationals do business in virtually every country in the world.

Within this monitoring framework, they are not likely to pile up exorbitant profits at the expense of a host nation or to run roughshod over its national interests without incurring severe long-term penalties. Nevertheless, there are those who maintain that the sovereignty of nation-states is jeopardized by the power of multinationals. Yet, recent history is replete with examples of nations that expropriated with impunity the assets of foreign companies whose annual sales exceeded the nations' gross national products.

There are three other myths about American multinational corporations that persist despite a preponderance of data to the contrary. The myths are that they avoid taxes, export jobs and increase imports. In recent years, however, the Tariff Commission, Department of Commerce and others have found that American companies have increased exports by $3 billion and, in the process, *created* between 500,000 and 600,000 domestic jobs between 1966 and 1970.

Union Carbide's experience supports these findings. The company has conducted and published the results of a study of the social and economic impact of its foreign investments over two decades. It shows that Union Carbide's foreign investments from 1964 to 1973 produced a combined trade surplus (exports over imports) of more than $1.5 billion and in the process created 2,000 additional American jobs.

These positive contributions to the economy are the result of a "pull effect" exerted by the company's investments on exports, largely in the form of allied, intermediate and accessory products needed to complement the product lines of a foreign facility.

The charges that multinationals invest abroad to avoid taxes is similarly without foundation. Union Carbide's share of total income and withholding taxes paid to foreign governments by international affiliates between 1964 and 1973 totaled $484 million. This amounted to an average tax rate of 48 per cent—hardly an incentive to encourage foreign investment. Beyond that, to assume that all of the world's markets can be served by exports from the United States is to ignore completely the competitive realities of international business.

The socio-economic benefits of Union Carbide's investment in a host country are equally important aspects of its multinational operations. The company's foreign investments have a "push effect" on the economics of host countries. The infusion of capital and technology, the introduction of training programs, the addition of jobs and payroll dollars and the creation of thousands of management opportunities for local nationals cannot but help developing nations.

Multinationals have been extraordinarily successful in meeting the needs of the consumers of the world but, in the process, have failed to articulate their contributions to nation-state economies. Into this communications void rush those with ideological messages and global metaphors: Big is bad, small is good, and spaceship earth is now a wholly-owned subsidiary—and as always government intervention is their answer. But clever metaphors are no substitute for thorough understanding, sound empirical data and objective analyses.

"Nothing fails like success." The success of multinationals has attracted a good deal of attention; their failure has been in articulation.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, on January 23, 1950, the then Deputy Under Secretary of State, Dean Rusk, testified in favor of Senate ratification of the United Nations Genocide Convention.

I believe that Mr. Rusk's statement of 25 years ago is equally pertinent and even more persuasive today:

> It is an inescapable fact that other nations of the world expect the United States to assert moral leadership in international affairs. The United States has a record of humanitarian diplomacy, beginning with the early days of the Republiic when President John Quincy Adams expressed the public sympathies of the American people with the Greeks in their struggle for independence from Turkish rule. The United States Government has remonstrated more than once with other governments regarding their persecution of the Jews: with Rumania in 1902 and with Tsarist Russian in 1891 and 1904. . . .
>
> It is a familiar role, therefore, for the United States to take the lead in raising moral standards of international society. And prevailing international conditions make it imperative that the United States continue to play this role.

Mr. President I urge the Senate to ratify the United Nations Convention on the Prevention and Punishment of Genocide.

RETIRED SENIOR VOLUNTEER PROGRAM

Mr. PACKWOOD. Mr. President, I have heard from a number of concerned individuals in Oregon who have written to me in their support for the activities of the Retired Senior Volunteer Programs—RSVP. Because of the importance of the work that these volunteer programs have accomplished, I wish to have printed in the RECORD today the statements of A. L. Kitterman, a member of the Quad-County RSVP Consortium and Elizabeth J. Farley, president of the Oregon Association of RSVP directors. They have strongly urged their retention of the action agency as responsible for training and administration. I ask unanimous consent that these letters be printed in the RECORD.

I also ask unanimous consent to have printed in the RECORD a letter from Lois Filipic, director of RSVP in Cleveland transmitting a resolution related to this matter.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

CITY-COUNTY COMMISSION ON
AGING OF PORTLAND AND MULTNOMAH COUNTY,
Portland, Oregon, April 1, 1975.

HON. BOB PACKWOOD,
U.S. Senator, Dirksen Office Building,
Washington, D.C.

DEAR MA. PACKWOOD: Would you please make our position on the retention of ACTION as administrative agency for R.S.V.P. known to the congress.

We believe that the proposed change would be detrimental to R.S.V.P. and its services to older people.

Our rationale is the same as that of the enclosed from the Ohio Directors Association and the Region V—RSVP Advisory Council.

If changes are necessary, we urge you then to encourage reformation of the ACTION Agency (as Senator Cranston has recommended) rather than dislocation of its volunteer programs.

Sincerely,

A. L. KITTERMAN,
Member Quad-County RSVP Consortium.

Enclosure.

REGION V—RSVP ADVISORY COUNCIL

Illinois—Eugene Verdu.
Indiana—Jeanette Elliott.
Michigan—Genevieve Rakacy
Minnesota—Larry P. White.
Ohio—Lois G. Filipic.
Wisconsin—Sam Romano.

POSITION STATEMENT

The Region V RSVP Advisory Council at its meeting on February 3rd, 1975 adopted a position in support of the retention of ACTION as the administrative agency for the Retired Senior Volunteer Programs for the following major reasons:

(1) ACTION's Administration of RSVP is extremely supportive of creating relevant retirement roles through meaningful volunteer activities for older persons. The success of this Program under ACTION is evidenced by the enrollment of 117,000 volunteers in 666 Programs. RSVP volunteers have volunteered 30,000,000 hours in the first 3½ years of this Program under ACTION.

(2) The accessibility and willingness of ACTION staff to support RSVP volunteers and local project staff made possible by the decentralization of the ACTION agency into 10 Regional offices and many state offices.

This structure has proved very responsive to the needs of a very rapidly growing Program.

(3) The willingness of ACTION to support and cooperate with other programs for the aging as evidenced by the Memorandum of Agreement negotiated between Dr. Arthur Fleming of the Administration on Aging and Mr. Victor Hruska, Director, Older Americans Volunteer Programs, ACTION, and the cooperation at the local level between Areawide Administrations on Aging and the local Retired Senior Volunteer Programs.

(4) The exceptional training for staff and the on-going training provided by ACTION.

The Region V RSVP Council represents 115 RSVP programs (20% of the programs in the United States) with almost 25,000 volunteers. The Council believes that any change in the administration of RSVP would be detrimental to the operation of RSVP and its service to older persons.

APRIL 29, 1975.

To: The Honorable Senator Bob Packwood
From: Oregon Association of Retired Senior Volunteer Program Directors, Elizabeth J. Farley, President
Re: Transfer of RSVP from ACTION to HEW

The following RSVP programs wish to make a statement concerning the retention of ACTION as the umbrella agency for the administration of Retired Senior Volunteer Programs.

Multnomah County—Aline Kitterman.
Columbia County—Edythe Haynes.
Benton County—Elizabeth J. Farley.
Washington County—Gerry Nutt.
Linn County—Peg Hatfield.
Clackamas County—Judy Smith.
Douglas County—Beverly Paulson.

ACTION has been supportive of the Oregon RSVP both on the state and the county level giving them the opportunity to be creative and flexible within their individual communities. The program directors have has been responsible for training with proerning body and feel free to call on them at any time for advice and support. ACTION has been responsible for traininig with professional value and expertise.

The only problem voiced by these directors is the finding of non-federal funds in our communities due to the "seed money" policy.

We strongly support the retention of ACTION as the administrative agency for the Retired Senior Volunteer Program.

We would appreciate your help in letting the proper committee people know of our support of ACTION.

RETIRED SENIOR VOLUNTEER
PROGRAM,
OHIO DIRECTORS ASSOCIATION,
January 30, 1975.

DR. MICHAEL P. BALZANO,
Director, ACTION,
Washington, D.C.

DEAR DR. BALZANO: At the meeting of the RSVP Directors Association on January 29, 1975, the Association reaffirmed unanimously its strong support of the retention of ACTION as the administrative agency for RSVP. We urgenly request that you, as the National Director of ACTION, make our position known to the Congress during the current hearings of the House Select Sub-Committee on Education chaired by John Brademas.

RESOLUTION

ACTION has been and remains highly supportive of both the volunteer concept and the needs of the older American, particularly addressing itself to the need for meaningful activity following retirement.

ACTION provides excellent comprehensive training for new staff and exceptional ongoing training—with particular emphasis on local assessment of program need—including the needs of older persons, voluntarism and project management.

A formal Memorandum of Agreement between the U.S. Dept. of HEW (Administration on Aging) and ACTION has been signed. This agreement calls for increased cooperation and coordination in such areas as training, advocacy for the aging, and review and comment on planning. This agreement provided RSVP with the resources from both ACTION and the Commission on Aging in all States.

The most compelling reason for this request is our conviction that the quality of support provided by, and direct liaison with ACTION on the local level, are far superior to the support envisioned as possible under the administration of a tremendously larger agency in which our program would be a minor part. We believe that RSVP could not function successfully under the many diverse layers of management at the local, state and federal levels.

Sincerely,

LOIS FILIPIC,
Director RSVP, Cleveland.

FARM PRODUCTION COSTS

Mr. HUDDLESTON. Mr. President, on May 13 the USDA announced the findings of a survey conducted by the Statistical Reporting Service regarding the expenditure for living by farm families in 1973. The last such survey was conducted in 1955. The survey found the average size of a farm family was 3.53 members while in 1955 it had been 3.8 persons.

Expenditures for living averaged $10,786 for farm families in 1973 compared to $3,308 in 1955. The Statistical Reporting Service notes that in analyzing the survey results consideration should be given to the fact that net farm income in 1973 reached a record high of about $32 billion, almost double the 1972 level, which might have influenced usual expenditure patterns and relationships.

Mr. President, the May issue of the Soybean Digest contains an article regarding the increasing cost of producing corn and soybeans in the Midwest and South. It is dramatically pointed out that production costs have substantially risen in the past 12 months and at present stand higher than the protection provided the Nation's farmers by commodity loan levels.

Although farm income has increased in recent years and undoubtedly farmers' standards of living have increased, without question there will be serious erosion of this standard by rising input prices. In my opinion farm input price stability must be of upmost concern to this Congress.

Mr. President, I ask unanimous consent that the article "Production Costs on the Rise" published in the May 1975 Soybean Digest be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PRODUCTION COSTS OF THE RISE

Anyone who has or plans to put any kind of a seed in the ground this spring realizes by now that it'll probably cost him a little more to do so. Costs, notably for things like fertilizer or machinery, have soared substantially in the past few years. The $5/bu soybean that seem impossible just a few seasons ago now is almost a must if soybean grower are to even recover their production costs. In fact, that low a price would cause many growers to lose money as would any corn price very much below $2/bu or a cotton price below about 45¢/lb, a small survey of some American Soybean Assn. members indicate.

With all the talk this spring about production costs in connection with the proposals for higher target prices, we decided to ask a sampling of ASA members what it costs them to produce a crop. They figure it will cost them about 15% more to produce soybeans in the South this year than it did a year ago and 12.7% more in the Midwest than it did in 1974. As expected, the variable costs for input items like seed, fertilizers, machinery, etc., are up the most—21.4% in the South and 19.4% in the Midwest.

Southern growers said they expected about the same percentage increase in costs to grow a cotton crop, but Midwest growers said it would require an even bigger percentage increase for them to grow corn in 1975—25.6% more than in 1974, primarily due to a 31.2% increase in the cost of the fertilizer they expect to put on each acre. Interestingly enough, these same Midwest growers plan to spend less per acre on fertilizer for soybeans this year. Enough said they'd cut back on fertilizer rates or put on no fertilizer at all that it offset fertilizer price increases for other farmers, a factor that also showed up somewhat in corn but not to the extent that it did for soybeans.

Although production costs are up sharply, Midwest growers are figuring they can bounce back enough from a rather poor year in 1974 that costs per bushel will be about the same in 1975. They list total costs of $142.66/a in 1974 when they averaged only 35 bu/a—a cost of $4.08/bu. This year they figure costs will climb to $160.71/a for soybeans, but they're looking for an average yield of 39.3 bu/a—an average cost of $4.06/bu.

Southerners also are looking for about a 3 bu/a boost in average yields, but that won't be enough to offset the higher production costs. Their land cost is somewhat cheaper than that in the Midwest, but their production costs for items like chemicals and machinery are higher and their overall average yield expectations are lower. Thus, Southern growers look for last year's $4.84/bu costs to jump to $4.99/bu this season.

Although there weren't quite enough returns in the ASA survey to run valid comparative tables of rice and cotton costs, USDA analysts are expecting those figures to be somewhat higher this year, too. Numbers from ASA returns correspond fairly closely with the USDA figures, but allowing $44/a for land costs, ASA members figured it should cost them $254.16/a for cotton—or 42.4¢/lb on a 600 lb/a yield.

There are plenty of other cost figures available. An Alabama extension specialist lists costs for soybeans at only $113/a but he allows only $15/a for land. On the other hand, he projects a cost of $5.68/bu with a yield of 20 bu/a. Iowa State Univ. figures parallel the ASA numbers generally except land and machinery cost figures are too conservative in ISU's $142.51/a cost for soybeans and $211.89/a for corn, according to the ASA survey. Minnnesota growers figured their costs at $6.05/bu in a survey of ASA members there last winter.

No matter who's providing the cost figures, you can probably bet pretty safely that they'll be up this year compared to past years. But all of the numbers from all of the universities and all of the USDA officials won't do you much good unless you translate them to your own operation. More

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than likely, you're already quite cost conscious after seeing the increases of the past few years, but if you're not, use some of the figures from ASA's survey as guidelines to compare with your own costs, and plot the costs and required crop prices on the graphs to determine profit.

Cost figures for the Midwest and for soybeans in the South are based on a Soybean Digest survey of a limited number of ASA members. The numbers listed in each category are AVERAGES of the figures reported by all respondents—some figures were much higher and some, of course, much lower. We did not attempt to asess what each member included in the various categories but used the figures listed. In some cases for example, farmers may have figured machinery and harvesting-storage categories together while others listed them separately as indicated. Some figure part of the carryover fertilizer as a soybean cost; others do not. Some allowed themselves a good cut for their own labor; others apparently figured their labor was pretty cheap as they indicated nothing for their own efforts. Although some cost figures appear a little too conservative and others perhaps a little high, the total is in line with cost figures from a number of other sources.

MIDWEST SOYBEAN AND CORN COSTS

[Cost per acre]

	Soybeans		Corn	
	1974	1975	1974	1975
Seed	$8.44	$9.94	$9.03	$12.03
Fertilizer	8.92	8.66	39.23	51.48
Herbicides and other pest control chemicals	8.32	10.26	9.65	11.98
Machinery (includes depreciation, fuel, repairs, etc.)	20.66	24.21	23.62	27.42
Harvesting, drying costs	6.04	7.53	13.39	17.12
Hired labor costs	4.29	5.79	4.53	5.60
Other variable costs	4.63	6.78	8.11	9.30
Total out-of-pocket costs	61.30	73.17	107.56	134.93
Land cost (cash rent or 7½ times land value)	70.44	75.71	70.44	75.71
Own labor costs	10.92	11.83	13.05	13.95
Total costs per acre	142.66	160.71	191.05	224.59
Expected yields (bushels per acre)	35.00	39.6	118.6	121.7
Cost per bushel	4.08	4.06	1.61	1.8

SOUTHERN SOYBEAN, COTTON AND RICE COSTS

[Costs per acre]

	Soybeans			Cotton USDA study[1]	Rice USDA study[1]
	ASA survey		USDA study[1]		
	1974	1975			
Seed	$9.22	$10.11	$18.00	$8.75	$21.72
Fertilizer	8.77	12.31	12.56	24.35	36.51
Herbicides and other pest control chemicals	10.88	14.22	9.59	27.39	31.59
Machinery (includes depreciation, fuel, repairs, etc.)	26.43	31.69	31.90	79.47	44.81
Harvesting, drying costs	6.48	7.98	4.50	40.25	59.94
Hired labor costs	10.46	11.99	7.45	14.15	29.39
Other variable costs	6.75	7.64	5.65	10.56	6.34
Total out-of-packet costs	78.99	95.94	89.65	204.92	230.30
Land cost (cash rent or 7½ times land value)	32.90	34.10			
Own labor costs	10.50	10.70			
Total cost per acre	122.39	140.74			
Expected yields (bushel per acre)	25.3	28.2			
Cost per bushel (or pound)	4.84	4.99			

[1] USDA costs for soybeans based on sandy and silt loam soil with 6-row equipment; for cottou costs are North Delta figures for solid planting on mixed soil with 6-row equipment; for rice costs are University of Arkansas figures for the Grand Prairie areas.

"IT'S ACTION, BUT IS IT AFFIRMATIVE?"

Mr. BUCKLEY. Mr. President, the New York Times Sunday Magazine, May 11, 1975, contained an article, "It's Action, But Is It Affirmative?" written by Sheila K. Johnson. The article, to quote words used in its introduction, tells "The saga of how Federal officials came to require that a public university add to its faculty: 0.19 women in engineering, 1.40 orientals in architecture, and 1.38 blacks in social welfare."

The "saga," of course, concerns the affirmative action programs, the officially sanctioned reverse discrimination programs that have been wreaking havoc in American colleges and universities for some time now. On two occasions—May 22, 1973, and September 17, 1974—I have had the opportunity to bring to the attention of Congress the follies and the dangers of this inherently discriminatory practice. "It's Action, But Is It Affirmative?" is a well-researched analysis of the program as it has affected the University of California at Berkeley campus. While reading it, I found myself wondering just how many more speeches and articles it will take to make the Congress and the President realize that there is blatant discrimination in these affirmative action programs and that simple justice demands that they be reexamined and changed so that they truly reflect Executive Order 11246 and the Civil Rights Act of 1964.

Mr. President, I commend the reading of this article to Senators and, therefore, ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IT'S ACTION, BUT IS IT AFFIRMATIVE?

(By Sheila K. Johnson)

BERKELEY.—The University of California's Berkeley campus—home of the Free Speech Movement, alma mater of Patty Hearst—has just earned another dubious distinction. On Feb. 18, it signed with the Department of Health, Education, and Welfare an affirmative-action plan that Peter E. Holmes, director of H.E.W.'s Office for Civil Rights, hailed as the most far-reaching plan his office has yet achieved with a university. Under the plan, Berkeley has agreed, on pain of losing some $13-million in Federal contracts, to eliminate discriminatory hiring practices during the next 30 years by filling at least 100 faculty positions with women and members of minorities.

Berkeley's plan—attacked by feminists as too little, too late, and deplored by others who argue that merit rather than past injustices should govern university hiring policies—will become the model for the University of California's eight other campuses. But it is also being closely acrutinized by other major state systems, such as the University of Wisconsin, to see what the future holds for them; and it may well be used by H.E.W. to extract further concessions from universities such as Columbia and Harvard, which signed earlier, less stringent affirmative-action plans with H.E.W. Prof. Joyce Kallgren, an assistant to one of Berkeley's vice chancellors and herself a Harvard Ph.D., says that, by comparison with Berkeley, Harvard has what amounts to a "sweetheart contract."

How Berkeley came to be such a paragon of compliance is a tale full of sound and fury; whether it is also a tale told by an idiot is something every reader will have to judge for himself or herself. The story really begins on Sept. 24, 1965, when President Lyndon Johnson signed Executive Order No. 112446, stating that all contractors and subcontractors who have contracts in excess of $10,000 with the Federal Government must agree, on penalty of losing those contracts, that they "will not discriminate against any employe or applicant for employment because of race, color, religion, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employes are treated during employment without regard to their race, color, religion, or national origin." On Oct. 13, 1967, President Johnson signed Executive Order No. 11375, which added the word "sex" to these lists of qualities against which an employer must not discriminate but in favor of which he must exercise affirmative action—a difficult double bind that has by no means been resolved.

It is one of life's little ironies that at the time President Johnson signed these two executive orders, many university types (myself included) loudly applauded his unilateral action and criticized businessmen and union officials who protested that they were

interested only in hiring the best (we all knew what racist and sexist practices lay behind that claim). It did not dawn on me or the others that universities would soon be trying to fend off H.E.W.'s accusations against their own hiring policies with the same plaintive refrain. Johnson's executive orders assigned the Department of Labor the task of implementation, although the department was left free to delegate any part of its duties to other agencies in the executive branch. This is how the Department of Health, Education and Welfare became the compliance reviewer for the insurance industry, museums and art galleries, nonprofit organizations, and "medical, legal and educational services."

The initial impact of Executive Order 11246 came primarily in the building trades, where many predominantly white unions were forced to admit large numbers of blacks and Puerto Ricans. It is significant that complaints against universities did not begin to be lodged until after the second executive order had been signed; the push for affirmative action on the campuses has been spearheaded by, and has been chiefly of benefit to, women rather than minorities. On the Berkeley campus, one female activist who claims a large share of credit for calling in H.E.W.'s investigatory team is Isabel Marcus Pritchard, a 36-year-old third-year law student and coordinator of the League of Associated Women, a group of militant graduate students and professionals on the campus. Mrs. Pritchard was one of the plaintiffs in a complaint filed with H.E.W. by the league on April 29, 1971; her suit was based on various grievances against Berkeley's Department of Political Science, in which she was a graduate student for 12 years and which finally awarded her a Ph.D. in June, 1974.

Mrs. Pritchard, incidentally, possesses a collection of purloined copies of documents relating to H.E.W.'s negotiations with Berkeley that would be the envy of Daniel Ellsberg. When asked how she had obtained these documents, she smiled enigmatically and said, "Perhaps the university should give some thought to the fact that most of its lowly employees are women and not all of them are as happy as they may seem." Mrs. Pritchard leaked most of the documents, at strategic moments, to the university's student newspaper.

Floyd L. Pierce, a tall, light-skinned black who is the regional civil-rights director of H.E.W.'s Region 9, based in San Francisco, disputes Mrs. Pritchard's claim that H.E.W. was reluctant to investigate Berkeley until forced to do so by militant women. "We had our eye on Berkeley long before the League of Associated Women filed its suit," Pierce says, "both because we knew Berkeley set the pace for the entire California system, and because we knew that it was one of the top universities in the country." Whatever the case, Pierce first contacted the Berkeley campus in June, 1971, in order to conduct what is known as a "compliance review."

Dates play an important role in this story, because it was not until Dec. 4, 1971, that the Department of Labor issued a set of additional rulings which are known as Revised Order No. 4. Under these new rules, a Federal contractor with 50 or more employes and a contract in excess of $50,000 is not merely required to demonstrate that his employment practices are nondiscriminatory; he must provide the Department of Labor with a written affirmative-action program. Revised Order No. 4 also sets forth specific guidelines for analyzing a contractor's job classifications to determine "underutilization": "'Underutilization' is defined as having fewer minorities or women in a particular job classification than would reasonably be expected by their availability." And, for the first time, Revised Order No. 4 refers to "members of an 'affected class' who, by virtue of past discrimination, continue to suffer the present effects of that discrimination" and who must be specifically included in an employer's written affirmative-action program.

In a gloss on the term "affected class" and with reference to its use of the term "minorities," the Department of Labor also noted that it defines minorities as Negroes, Spanish-surnamed individuals, American Indians and Orientals. It is these groups, and only these groups, that constitute what in India would be called "the scheduled castes" and that, together with women, are the targets of affirmative action. This is an important point to bear in mind when Jews worry that action in favor of a particular group can easily turn into action against a particular group (themselves): The Department of Labor argues that Jews are fully protected by the nondiscrimination requirements of the executive orders, which apply to everyone. At the same time, the department's restriction of the term "minorities" to only four groups also explains why its affirmative-action efforts have so far not extended to Armenian-Americans, Polish-Americans, Italian-Americans, or other ethnic categories.

But to return to the Berkeley story. Revised Order No. 4 propelled private universities such as Columbia and Harvard into producing written affirmative-action plans but, until Oct. 4, 1972, public institutions (such as Berkeley) were exempt from this new ruling.

Thus, when H.E.W. officials arrived on the Berkeley campus in June, 1971, they were ostensibly looking into Berkeley's hiring practices on the basis of some complaints they had received; but, by the time they delivered their findings to the university on Nov. 27, 1972, the ground had shifted radically and they not merely found Berkeley out of compliance with the executive order but demanded a written affirmative-action plan.

During the year-and-a-half that H.E.W. was investigating the Berkeley campus, university officials tried to supply the agency with the data it asked for; but, according to Robert Kerley, Vice Chancellor in charge of administration (that is, the university's nonacademic employes), "it was a bit like being in a ballgame against a team that was making up the rules as it went along." To make matters more confusing, H.E.W. was sending out a variety of players from Washington to look over the campus so that, according to Kerley, "we were constantly reeducating new officials about how a university is organized, what our job classifications are, and such matters as the difference between tenured and nontenured faculty."

After taking a year-and-a-half to reach its conclusions about Berkeley, H.E.W. demanded—as the regulations require—that the university respond to its findings within 30 days. The university requested a month-long extension and, by Jan. 15, 1973, it had submitted an initial report concerning its past efforts at minority and female recruitment and its hopes and good intentions for the future. But, of course, this was far from the detailed affirmative-action program demanded by Revised Order No. 4. Specifically, this regulation requires an employer to analyze his work force to determine how many women and minorities are employed in each job category, and to compare the results with the availability pool in each job category in his particular area. For example, an automobile plant in Gary, Ind., might determine that 20 per cent of its assembly-linemen were black, whereas blacks constituted more than 50 per cent of the availability pool in and around Gary. In order to rectify this 30 per cent underutilization, the automobile plant would have to come up with specific hiring goals and a timetable for meeting them.

Beginning early in 1973, the Berkeley campus set about compiling similar information about all of its academic and nonacademic employees. Availability pools for typists, janitors, gardeners and the like were obtained from the Department of Labor (which gets them from the 1970 U.S. Census), but what is the relevant availability pool for research and teaching assistants (who are usually hired from among a department's graduate students), and what is the relevant availability pool for professors?

Since the basic qualification for almost all university professorships is a Ph.D., the university turned to statistics compiled by the National Research Council on the number of women who are awarded Ph.D.'s each year. However, since it was until recently illegal to inquire into a student's or an employee's ethnicity, no such statistics were available for the number of Ph.D.'s earned by blacks, Orientals, American Indians, or individuals with Spanish surnames. The university eventually used some admittedly inadequate statistics taken from a study by the American Council on Education, which surveyed the ethnicity of college and university faculty members in 1972–73.

These information-gathering and analyzing activities absorbed the time of approximately 10 university staff members, to say nothing of the hours put in by faculty members who wrote position papers, gave policy advice, and worked out complicated computer programs. Berkeley's negotiations with H.E.W. were further complicated by the fact that above its own administration there is yet another set of administrators for the University of California's nine campuses as a whole. Berkeley's administrators thus had to consult not only their own faculty members (who would ultimately have to implement the affirmative-action plan) but also university-wide administrators, who were concerned that anything Berkeley agreed to would automatically implicate the other campuses.

Despite these complications, and the impossibility of ever getting a faculty of almost 1,500 to reach unanimity on anything, Berkeley achieved a measure of consensus by mid-1973. The university was agreed that, while it would have to set specific goals and timetables for hiring women and minority professors, it would not point the finger at individual departments. The administration felt that setting goals department by department would be highly divisive (the chancellor doubtless had visions of angry department chairmen asking him, "Why us and not those bums down the hall?"); the faculty also wanted to avoid politicizing individual appointments. Berkeley's first affirmative-action program, submitted to H.E.W. on Aug. 27, 1973, therefore analyzed its academic work force in terms of divisions—for example, the humanities, the social sciences, and the physical sciences.

On Nov. 16, 1973, in an extremely strongly worded letter from Floyd Pierce, H.E.W. rejected Berkeley's plan, primarily because it had clustered its departments: "Unless the university submits an acceptable Affirmative Action Program within 30 days, I will have no alternative but to conclude that U.C.B. is unable to comply with its obligations as a Federal contractor. Until O.C.R. [the Office for Civil Rights] has been able to review your revised A.A.P. [Affirmative Action Program], we will respond to any request by a Federal agency that H.E.W. certify U.C.B.'s eligibility for contract award by asking that the proposed contract award date be delayed pending completion of our review."

This threat was carried out, so that in late 1973 and early 1974, some $2.8 million in Federal contracts was delayed, and various university departments—particularly in the sciences—became seriously worried about continuing their research projects and meeting their payrolls. As was the case at Columbia University a year earlier, H.E.W.'s move also tended to split the faculty, with the sciences insisting that H.E.W.'s demands be met, not only because they stood to lose more money but also because the minority and female availability pools in these fields are so small that they had little to fear from goals being set department by department.

On March 7, 1974, Vice Chancellor Robert Kerley signed a "conciliation agreement" with Floyd Pierce which had the effect of restoring the flow of Federal money to the university and which promised that the university would have an acceptable affirmative-plan by Sept. 30, 1974. Basically, having concluded that it would have to give way on the issue of analyzing its work force department by department, the university now set out to protect itself from having these goals rigidly applied. It convened some of the best minds in the statistics department and asked them to work out a statistical formula for determining whether a department's underutilization of women or minorities was the result of deliberate discrimination in hiring or whether, given the small size of many departments, it might be due to random chance. A P-value (the "P" stands for probability) was worked out for every department, and only where the probability of discrimination was high was an affirmative-action goal set.

When Berkeley's plan was made public, feminist critics such as Isabel Marcus Pritchard were quick to point out the insidious nature of the P-value test, and statistics professor Elizabeth Scott, who had served on the faculty committee that had helped devise the test, disowned it. Meanwhile law professor Michael Heyman, who became a Vice Chancellor only in August, 1974, and who had managed at that late date both to absorb the history of the previous three years and to write the new plan, waited for some word from H.E.W.

Finally, after more than three months of total silence, Heyman heard from the Washington office of H.E.W. that the P-value test and various other small points still made the plan unacceptable, and that a "show-cause" letter was in the works. Such a letter states that a Federal contractor is not in compliance with the executive orders and gives the contractor 30 days to "show cause" why he should not have his contracts cut off. Anxious not to put the university through yet another period when its Federal funds would be suspended, Heyman offered to fly to Washington to negotiate the university's differences with H.E.W. in person. He and Robert Kerley made several such trips last January, in the course of which the university abandoned the P-value test and agreed to straightforward department by department goals and timetables, while H.E.W. accepted the university's arguments that such timetables would have to be more flexible than those normally accorded to industry.

For example, a small department such as Scandinavian, with six professors, all but one of them with tenure and the oldest member in his 50's, may well require 17 years to hire a woman as an assistant professor.

With these compromises reached, the University of California at Berkeley and H.E.W. held a joint press conference on Feb. 18, at which they announced that Berkeley was now in full compliance with the Department of Labor's guidelines on affirmative action. Ever true to its bureaucratic mandate, however, H.E.W. insisted that since the university's Sept. 30 plan had not been acceptable, a show-cause letter must also be issued; and so there is a letter, also dated Feb. 18, charging that the university is not in compliance with Executive Order 11246. "Exactly how long was the university out of compliance?" asked Isabel Pritchard sarcastically. "Four hours? Four minutes? Don't try to tell me there was no collusion between H.E.W. and the university."

But what about the goals and timetables themselves—those scientifically computed figures that are supposed to usher in a millennium in equal opportunity? After insisting that the university measure its work force against the availability pools department by department, H.E.W. and other critics of the university were chagrined to find that most departments do not seriously underrepresent either women or minorities. It turns out there are really very few blacks with Ph.D's in classics, Orientals with Ph.D's in Spanish, or women with Ph.D.'s in forestry. In departments where the availability pools are so low that the "hires to parity" required are under one full person (for example, Berkeley's civil engineering department needs .19 woman to bring it into line with the availability pool), the university did not set a goal. It only set goals for those departments which need to hire one or more individuals.

If one adds up all the departmental goals, 31 departments would, over the next 30 years, be required to hire a total of 95.71 women; one department—social welfare—needs to hire 1.38 black faculty members; two departments—civil engineering and architecture respectively—need to hire 1.39 and department needs to hire any Spanish-surname or American Indian professors. It is as if an elephant, after prolonged gestation and prodigious labor, had given birth to a mouse.

Not surprisingly, almost no one is happy with these results. Feminists such as Isabel Pritchard are outraged and charge that the university has fiddled with the availability pools. Floyd Pierce looks pained when asked how it feels to have played midwife to a plan that calls for the hiring of 95.71 women and only 1.38 blacks: "Well, I personally don't like it, of course, but the availability figures just aren't there—and believe me, I looked for hard data with which to dispute the university. Women have just been getting Ph.D.'s a lot longer than blacks have been." A black male graduate student puts it more crudely: "Of course women are going to reap most of the benefits; after all, they're the ones sleeping with the men."

Even Michael Heyman has grave misgivings about the final results of his negotiations. "By writing it down in concrete terms—by being forced to engage in this numerology—we have succeeded in communicating to certain departments that they're off the hook. If the availability pool isn't there, then they needn't worry about hiring a woman or a minority individual. All of this is actually counterproductive to achieving real progress in equal opportunity."

The department with the greatest goal to meet is English, a large department with 71 professors, seven of them women, which is supposed to hire 14.56 more women in the next six years. Unfortunately, the department's chairman, Thomas Flanagan, is in a difficult position. For the past few years, he has had only two or three jobs a year to fill, and he says he will be lucky to have a *total* of 14 openings during the next six years. At the same time, it would be illegal, according to H.E.W.'s regulations, for Flanagan simply to earmark all of these positions for women. Revised Order Number 4 states that "goals may not be rigid and inflexible quotas which must be met, but must be targets reasonably attainable by means of applying every good faith effort." But then, as Paul Seabury, a Berkeley professor of political science, wrote three years ago in a famous article in Commentary, "if all that H.E.W. wishes is evidence that universities are bending over backward to be fair, why should it require them to have statistical goals at all? Do they know something no one else knows, about where fairness inevitably leads?"

The aspect of the affirmative-action plan that has met with the least faculty resistance is H.E.W.'s insistence that hiring procedures be broadened and formalized. In the bad old days, it is argued, professors were generally recruited via the "old boy system": A Berkeley professor called up a few of his friends at Harvard, Yale, Chicago and Columbia and asked them to recommend their best students. H.E.W. claims that such informal networks work to the disadvantage of women and minority applicants. Berkeley's affirmative-action plan therefore requires that all positions be widely advertised, not merely in the usual disciplinary bulletins but also in magazines like The Black Scholar and The Spokeswoman.

Such advertisements have produced a vast increase in the number of applications for any one job: Professor Flanagan reports that last year the English department received over 1,000 applications for three positions.

One drawback to all of this is the greatly increased cost. Advertising eats up about $500 for each position, with a total cost to the university of $35,000 this past year. Several departments have had to request extra funds from the chancellor in order to hire full-time secretaries just to process the welter of applications and their attendant paperwork. Berkeley's Chancellor Albert Bowker recently estimated that over-all compliance with the affirmative action requirements will cost the university approximately $400,000 this academic year.

It would be nice to know with certainty that the additional expense and effort will produce an improvement over the "old boy system," but this is by no means clear. When Professor Flanagan was asked whether the English department's broadened labor pool had resulted in his actually hiring someone from a school he might otherwise have overlooked, he shook his head. "No, and I didn't think it would work out that way. In some disciplines, such as statistics, you have to go to a very good graduate school in order to be any good. But it was at least conceivable to me that there might be a great Dickens critic sitting in the woods somewhere. However, Berkeley is a research university, and our department looks for candidates with research potential and sophistication. This means we end up hiring people from top schools—Chicago, Harvard, Johns Hopkins—with our same general outlook."

Aside from the disquieting possibility that statistics may not prove very much one way or another, there is a growing likelihood that they are altogether spurious. Feminist and black critics of the Berkeley plan argue that the availability pools of female and black Ph.D.'s are much larger than the current statistics show, and that these figures must be corrected. But the problems are really much more complex. The National Research Council, which compiled the statistics used by Berkeley on women, has recently begun collecting data about minorities. It found that in 1973, out of a total of 33,727 individuals who received Ph.D.'s, 976 were black, 2,429 were Oriental, 347 had Spanish surnames, and 149 were American Indians. However, of the 2,429 Orientals, only 320 were U.S. citizens; the others were presumably Taiwanese, Hong Kong and Singapore Chinese, and Japanese. And among the 976 black Ph.D.'s, 760 were U.S. citizens, leaving approximately 200 Africans who obtained doctorates in this country.

If H.E.W. decides to count these noncitizen Ph.D.'s in the universities' availability pools, will it not risk being accused of providing equal opportunity for foreigners? Waite Madison, Chief of Higher Education in H.E.W.'s San Francisco office, acknowledges that "this is a problem we will have to deal with soon." His own feeling is that H.E.W. should not be counting noncitizens in the availability pools. But in that case noncitizens should also not be counted as minorities in the university's work force, as, for example, several Japanese and Chinese professors and one Nigerian professor currently are.

The Spanish-surname category poses even greater difficulties. According to Floyd Pierce, the Labor Department prefers this broad definition to narrower constructions such as Chicano (Mexican-American), Puerto Rican, and Cuban-American because it is setting a national policy. "Here on the West Coast the Spanish-surname availability pool will include mostly Chicanos; in New York, it will consist of Puerto Ricans; and in Florida it will apply to Cubans." But of course, Spanish surnames are also found among individuals of Castilian descent as well as Sephardic Jews.

Professor John Polt, chairman of the department of Spanish and Portuguese, finds the whole Spanish-surname category absurd. "We had, at one time in this department, three instructors who were genuine Latin-Americans. One had a Serbian name, one had a Polish name, and one had a Hungarian name." Polt, whose own family name used to be Pollatschek and who had to flee Czechoslovakia in 1938, adds sardonically, "Hitler did this all so much better, you know. The Nuremberg laws computed exactly whether you were 100 per cent or half or 1/16th Jewish. With the H.E.W. system, who is ultimately to say whether you and I are black, Oriental or American Indian?" Already there is a documented case at Berkeley of a student who applied under his father's name and was refused admittance, but who then reapplied under his mother's (Spanish) surname and was admitted with a large grant.

Many professors at Berkeley hope that the whole affirmative-action program will just quietly fade away in the course of the next five years. Even those who cherish its purpose, if not its statistical means, believe that this would be desirable. Others see several different possible outcomes. One is that the whole statistical apparatus will break down under the weight of deliberate falsification. As it becomes clear that there are real advantages to be gained by being a member of a "scheduled caste," it seems likely that more and more individuals will discover a Cherokee ancestor in their background or will change their names to Ramirez. There are also numerous department chairmen at Berkeley who balk at filling out ethnic identity forms, either for their own departmental employes or for their job applicants. One chairman marked down his entire staff as black ("because they all looked rather tanned to me"); another reports that since there are exactly six categories on the form (the four minorities, Caucasian, and "other nonwhite"), he throws a die to determine which column to mark.

Still another possible outcome of H.E.W.'s affirmative-action efforts is that more ethnic Americans, Italian-Americans, or Armenian-Americans should not insist that their availability pools—as well as those of Negroes, Spanish-surnamed individuals, American Indians, and Orientals—be computed and that goals and timetables also be set for *their* proper representation in the universities and elsewhere. In this respect, it is an important precedent that Executive Order 11246 has already been amended once to include women. There is also no reason why the executive order could not be amended to include gays, spastics, paraplegics, blind and deaf individuals, persons over 50, or any number of other groups that have often been discriminated against in the labor market.

Finally, and perhaps the most likely outcome of affirmative action in the near future, there is the possibility that a reverse discrimination suit will be filed in the courts by a white male. Last year, the DeFunis case was declared moot by the Supreme Court because DeFunis was, in fact, admitted to the University of Washington Law School and graduated while his case was going through the courts. (DeFunis claimed he had been unconstitutionally denied admission to the University of Washington Law School because of a program which gave preference to minority applicants over better qualified white applicants.) However, Justice Douglas, who dissented on the finding of mootness, wrote with regard to the merits of the case, "the reservation of a proportion of the law school class for members of selected minority groups is fraught with [dangers], for one must immediately determine which groups are to receive such favored treatment and which are to be excluded, the proportions of the class that are to be allocated to each, and even the criteria by which to determine whether an individual is a member of a favored group."

What a reverse discrimination suit at the faculty level might look like is illustrated by the case of Guy Alitto, who has just received his Ph.D. in Chinese history from Harvard. Alitto (who is, incidentally, a third-generation Italian-American) was a student of Professor John Fairbank and two years ago, when he did some desultory, unsuccessful job-hunting, Fairbank advised him to wait until he had finished his dissertation. This spring, with his dissertation completed and under consideration by a university press, Alitto was interviewed for two jobs, both of which ultimately went to women who were just starting their dissertations—prima facie instances of individuals less qualified than he being hired on the basis of affirmative action. Alitto says he is not the suing type, but his diffidence has forced him to take a part-time job in provincial college in Taiwan.

Meanwhile, H.E.W. has printed copies of the Berkeley plan and some of the attendant correspondence leading up to its final approval. It is distributing these packets, upon request, to universities such as C.U.N.Y., Florida State, Wisconsin, and others. There is some lingering doubt, however, whether the Berkeley plan is fully satisfactory as a future guide. Although the Department of Labor has delegated H.E.W. the task of seeing that universities are in compliance with Executive Orders 11246 and 11375, it retains final jurisdiction; and it approved the Berkeley plan only reluctantly after conducting a 45-day review of its own. In a letter to Berkeley's Chancellor Bowker, dated April 14, 1975, Peter Holmes warned ominously, "The Director [of the Department of Labor's Office of Federal Contract Compliance] has indicated his concern for the manner in which goals for Ladder Faculty are expressed." Translated into plain English, this probably means that the Department of Labor, with its more industrial orientation, is unhappy over Berkeley's extended timetables.

The Departments of Labor and H.E.W. are themselves under pressure from feminist organizations which believe that the Government's actions in forcing universities to comply with the Executive Orders have been totally inadequate. The National Organization of Women and the Women's Equity Action League have a suit against the Departments of Labor and H.E.W. pending in the U.S. District Court for the District of Columbia. And Isabel Marcus Pritchard, as soon as she gets her law degree and passes the California bar exam, plans to devote herself to bringing suits against the University of California.

It would be nice to be able to end an article about affirmative action on an affirmative note. Unfortunately, the whole bureaucratic, legalistic muddle reminds one of nothing so much as "Alice in Wonderland," where the sentence comes first and the verdict afterward, people run to stay in the same place, words means what one chooses them to mean, and everything's got a moral, if only one can find it.

NO-FAULT AND EMERGENCY MEDICAL SERVICES

Mr. MAGNUSON. Mr. President, in my recent book, "How Much for Health," I pointed out that "thousands of auto accident victims are dying each year of 'recoverable injuries' because of deficiencies in the quality and delivery of emergency health services." I have here an article from the April 24 issue of the Washington Post that gives hope for a change. An auto accident victim's life was saved by the system for rapid delivery of quality emergency medical services in Maryland. If the accident had occurred in the man's home State of Virginia, he would be dead, because no such system exists in Virginia.

A national standards no-fault auto insurance law would help make services of this kind available in Virginia and all of the other States. The national standards for no-fault insurance must establish high medical benefits so that every person can afford the average of $613 a day that these services cost. If we assure that the hospitals and ambulance services will receive prompt and complete payment from no-fault benefits—instead of having to wait months or years for a court settlement—for all bills, they could afford to construct adequate facilities to furnish quality emergency medical services to auto accident victims.

The article shows how thousands of auto accident victims lives each year might be saved if Congress would pass a national standards no-fault auto insurance bill to provide the resources.

Mr. President, I ask unanimous consent that the article and the relevant passage from my book be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MAN WHO SURVIVED URGES TRAUMA UNIT FOR VIRGINIA

(By Jane Rippeteau)

At midnight a year ago a black Lincoln Continental carrying two businessmen smashed head on at about 75 m.p.h. into an oak tree off Rte. 450 near Bowie.

Minutes later, two Maryland state troopers arrived, found William S. Wheeler near death inside the mangled wreckage, and summoned a Med-Evac helicopter to take him to the Maryland Institute for Emergency Medicine—the shock-trauma center in Baltimore.

Rescue technicians estimated Wheeler had six minutes to live.

Recovered now with little more than a right leg limp, Wheeler credits Maryland's system of split-second communication, transportation and ultra-modern emergency medical care with saving his life.

A resident of Fairfax County, Wheeler believes that had his accident occurred in his home state of Virginia, where no such system exists, he would be dead.

Using himself as an example of the near miracles performed at the shock trauma center, Wheeler has launched a campaign to have Maryland's rescue operation copied in Virginia.

But medical experts view his idea—line up one or two helicopters and get Gov. Mills Godwin to tell the Virginia state police to airlift victims to Baltimore—as a complicated and difficult task.

The difficulties include:

Cost. Victims brought to the Maryland trauma center are treated; then asked who they are and whether they can pay. The State of Maryland picks up the tab for those too poor to pay. Although officials at the trauma center have said they will accept Virginia victims, they say the State of Virginia must promise to pay the average $613 per day bill for its own indigents.

Distance. Although the trauma center is credited with saving the lives of dozens of critically injured accident victims each year, its success depends in part on how quickly the victim arrives at the center. Most places in Virginia, officials fear, are too far from Baltimore to get victims to the trauma center fast enough to save their lives.

Opposition. Some health officials, while recognizing the benefits of helicopter transportation and sophisticated treatment of accident victims, nevertheless view Wheeler's idea as only one aspect of more complicated, essential regional centers for trauma victims. In other areas where this has been done, some hospitals not designated have opposed the reorganization.

In Maryland, emergency medical care is coordinated on a statewide basis via a communications network linking doctors with policemen and rescue personnel at the scene of an accident. Helicopters are immediately available to evacuate critically injured victims, and five medical centers throughout the state have been designated as specialty centers for critical care.

In contrast, a survey of Northern Virginia police and rescue operations personnel shows that victims are usually rushed to the nearest hospital emergency room, regardless of its capabilities. Helicopters are rarely used to transport accident victims from the scene of an accident, and Virginia officials are not generally aware of a center's capabilities or availability.

"We have the facilities here, but we don't have a system. More lives will be saved here with a good coordinated system," said Dr. Douglas Koth, director of the Arlington Hospital emergency department and a vice chairman of the Metropolitan Washington Regional Medical Program (MWRMP).

The regional medical program has spent three years and $140,000 in federal funds, researching an emergency medical network for the metropolitan area. The group recently applied for a $1.9 million HEW grant that would go, in part, to evaluating area medical facilities to determine which are equipped to be designated as trauma receiving centers.

According to Dr. David R. Boyd, director of HEW's Division of Emergency Medical Services, lives can be saved merely through reorganizing existing medical facilities to make more efficient use of emergency rooms that are now bogged down with routine and nonemergency care.

Boyd advocates designating one emergency room in a regional area for use as a trauma receiving center, and other facilities as specialty care (like burn treatment) units. This leaves the rest of the area's hospitals to "go about the buisness of being a good community hospital."

Eighty percent of the persons using hospital emergency rooms, Boyd said, are not in need of emergency care. Another 15 percent, he said, are conventional emergencies, such as appendicitis cases and simple fractures.

Five percent of emergency room patients are critically injured, he said. Of these, probably half could not be saved. But many of the remaining 2.5 percent might be saved, he said, some of them dying in ambulances enroute to hospitals and some in hospitals where they are given inadequate care.

Forming a regional system is difficult, he said. "It causes a lot of anxiety because nobody wants to be the nontrauma center. (But) everybody's got to give up something for the community good."

Bill Wheeler, however, is impatient with the planning, which he says only signals more delays and lost lives.

"These boards will get the grants in July, and in a year or two we'll have the system," he said. "In the meantime, so many people are going to die. It (the trauma center in Baltimore) has been available for three years and they (Virginia police and rescue personnel) do not use it today. We need the helicopters and we need the governor (Mills Godwin) to tell the state police. The way to do it is to get it going today."

A spokesman for Gov. Godwin said that Del. Warren Barry had discussed Wheeler's suggestion with the governor, and that Godwin had requested more information about it.

Although the Virginia state police have two helicopters, neither are equipped as Med-Evacs, according to a police spokesman.

However, Eagle 1, a Med-Evac helicopter owned by the U.S. Park Police and called upon by Maryland jurisdictions to make emergency rescues, is available to assist in Northern Virginia. It is rarely called from Virginia, according to Lt. Richard Chittick, officer in charge of the park police aviation section.

"It's through ignorance," Chittick said. "Maryland jurisdictions are accustomed to having helicopters respond, Virginia jurisdictions are not."

Chittick said he could recall no recent time when Eagle I had been called to the scene of an accident in Northern Virginia, exclusive of U.S. parklands. He said he had been called "two or three times" recently to transport a patient from one hospital to another.

Chittick said that two-thirds of his rescue missions are in parklands, and the other one-third in Maryland. Ninety per cent of the rescued persons are flown to the Baltimore trauma center.

This is not so in Virginia.

"If there are bodies there and they are mangled and hurt, we call the rescue squad and they take them to the nearest hospital emergency room," said Sgt. Edward P. (Paul) Rockecharlie of the Virginia state police. Even the rescue squad knows of a better hospital further down the road, Rockecharlie said that for liability reasons "it would be a hell of a lot better to have (the victim) die in the nearest hospital emergency room than 15 miles down the road to other hospital."

According to figures provided by both states, as of April 9, 234 persons have died this year as a result of traffic accidents in Virginia. In Maryland, where there are about 23 per cent fewer licensed drivers, there were 168, or 28 per cent fewer, traffic fatalities in the same period. Last year, Maryland's traffic fatality toll of 735 was 30 per cent below Virginia's toll.

Excerpted From How Much for Health

(By Senator Warren G. Magnuson and Elliot Segal)

Automobiles are, obviously, important to the American economy and the quality of American life. One has only to look at the turmoil caused by recent gasoline shortages to realize how central to living the automobile is in America today. But the automobile is also a killer. It is the number one cause of accidental death among people between the ages of 15 and 44, and it is a major killer of people of all ages (27 percent of persons aged 0–4; 49 percent of those aged 6–14; 72 percent of those aged 15–24; 57 percent of those aged 25–44; and 46 percent of those aged 45–65). For every person who is killed in a car accident, there are several who are so severely injured that they will not work or play, happily and without pain, for the rest of their days. The death and disability, the suffering and loss of income and enjoyment caused by motor vehicles, is enormous and unnecessary. We can and must take further steps to increase the safety of motor vehicle travel in the United States. We must create for ourselves, for the 2,000,000 Americans who are involved in motor vehicle accidents each year, an emergency health services system at least as good as the one the U.S. operated for wounded GI's in Vietnam. Thousands of auto accident victims are dying each year of "recoverable injuries" because of deficiencies in the quality and delivery of emergency health services. A recent study found that no rehabilitation program at all was suggested to 88.6 percent of seriously injured motor vehicle accident victims. We must create adequate rehabilitation services for the victims of motor vehicle accidents, so that they can be restored to a useful and productive life.

In 1972, there were 56,000 fatalities from motor vehicle accidents. The total cost, including human suffering and grief to the survivors of the deceased, is incalculable. The strictly financial loss, for one year's highway carnage, is estimated at $17.5 billion. That includes estimated wage losses, medical expenses, administrative and settlement costs, and property damage.

We are convinced that automobiles can and must be manufactured more safely. We are also convinced that we need a completely new system of treatment and compensation for the victims of traffic accidents, one that would save and restore lives and move quickly to replace the lost pay checks of the hospitalized motorist.

That new system is "no-fault" automobile insurance, although it might better be called "no-lawsuit" automobile insurance because it is your own insurance company that must pay you for your personal injury losses without a lawsuit to prove who was at fault. Instead of the complicated (and expensive) process of establishing negligence and freedom from contributory negligence and payment from liability insurance, we would go back to the oldest and best known form of insurance—one in which you buy insurance against loss to yourself and those close to you. Life insurance, fire insurance, theft insurance, and health insurance are all forms of "no-fault" insurance, and this should be the case for motor vehicle insurance. Today the American people spend $1.5 billion a year on lawyers' fees to fight over who was at fault in automobiles accidents. A no-fault auto insurance system would turn that money into emergency health services and and rehabilitation facilities for victims and into premium reductions for motorists.

The President of the American College of Emergency Physicians, Dr. James Mills, testified before the Senate Commerce Committee in 1973 that a nationwide no-fault auto insurance system would, by timely payment of all medical costs to victims, greatly improve the adequacy of emergency medical care. National no-fault should necessarily follow the law which Congress passed that same year providing grants to develop better methods of emergency care and training programs for emergency health personnel. Health professionals cannot be expected to wait twelve months or more to be paid (the average time it takes to settle an automobile negligence claim) and payment should not depend on whether the victim is found by a jury to have been "free from contributory negligence." The person who buys an auto insurance policy has the right to expect that his insurance company will pay for all the emergency facilities and equipment and personnel that it takes to save his life, and for all the communications equipment, mobile medical facilities, and modern transport that it takes to get his child into surgery quickly to assure full recovery, rather than condemnation to a lifetime as a cripple.

Under my plan to establish national no-fault motor vehicle insurance, every victim of an automobile accident anywhere in the United States will have the financial resources to pay for the best emergency transportation and medical services available. At the same time, every private hospital and ambulance service will be assured of timely payment on behalf of every such victim rather than only from those who are rich or who are eventually found eligible for compensation under today's outmoded liability insurance system.

A recent study in the State of Vermont found that "twenty-three percent (of highway victims) died of probably survivable injuries due to problems through the emergency care system" and that "almost half" of those who were taken from the scene of the accident alive but who died afterward "died of injuries that were either definitely or possibly survivable."

Just think what it could mean if, through a modern form of no-lawsuit compensation, we could save the lives of 23 percent of the highway victims who are "scheduled" to die in 1975 or 1976 or 1977. One of those lives could be yours—or that of a loved one.

The President of the Appalachian Regional Hospitals, Theodore P. Hipkins, testified before the Senate Commerce Committee that:

> . . . the principal advantage of a no-fault system of automobile insurance is that all parties involved in the system—the accident victim, the insurer, the state and agencies providing help and rehabilitative service—have positive incentives to restore the individual who is involved in an accident to maximum physical and occupational functions as rapidly as possible.

Compare that with the U.S. Department of Transportation's finding about the negligence-liability insurance system:

> The traditional (system) offers nothing to encourage and much to preclude the early introduction of rehabilitation . . . considerable time, energy, and expense must be devoted to controversy just when rehabilitation measures might most benefit the victim.

It is said to contemplate, but there are cases where auto accident victims shortsightedly fail to start rehabilitation programs because, if they recover and are, for example, able to walk again, the jury might not award them as big a damage verdict. In all too many cases these misguided victims never will walk again because it is probably too late for rehabilitation if they wait until the jury returns its verdict. A proper medical and rehabilitation services program must be started almost immediately and adhered to faithfully if it is to succeed. The biggest irony of all is that as much as one-half of that big damage verdict won't go to the victim—but to his lawyer.

It may well be that the single most significant contribution of nationwide no-fault insurance, once it becomes law, will be the improved availability and adequacy of rehabilitation services for victims.

Under my proposal, for the first time, every victim of an automobile accident will be able to afford and will be encouraged by both his own insurance company and the State agency in charge of vocational rehabilitation to use and take advantage of a complete range of medical and vocational rehabilitation services. Prompt referral, an accountability program, and incentives to victims to return to work all should be combined to reduce the tragic human waste that occurs when victims remain totally or partially disabled rather than resuming rewarding and productive lives.

Dr. Justus F. Lehmann, the Chairman of the Department of Rehabilitation Medicine at the University of Washington, wrote me that he and his colleagues were strongly in favor of no-fault insurance because: We see the terrible aftermath of automobile accidents which may ruin not only the life of an individual but also the future of entire families.

This bill can drastically change the dismal picture which is presented by these patients. The real problem is that the cost of getting these people back on their feet to work or to school is formidable. They end up on welfare . . . in many instances whole families are forced on the welfare payroll.

The President of the Blue Cross Association of America, Walter J. McNerney, testified before the Senate Commerce Committee that no-fault insurance: Will encourage quality of care, will give the consumer his choice, and will assist the public to get its money's worth out of every health care dollar.

It is also a way to cut down on the mental anguish and strain experienced by everyone who has been in an automobile accident. The victim will not have to worry about how his family is going to be able to meet the mortgage payments and buy food while he is convalescing. Freeing the victim from such economic anxieties means he can concentrate all his energies on getting well, and he will in fact recover more quickly and completely.

Surprisingly, in view of all these benefits, if the nation shifts to no-fault, the average motorist in every one of the fifty states will pay a lower annual insurance premium. An independent firm of actuaries, Milliman and Robertson, Inc., was retained by the U.S. Department of Transportation to prepare a cost estimate of my no-fault insurance bill. In every state, adoption of the federal standards set forth would mean a premium reduction. Under my proposal, all reasonable medical and rehabilitation services, wage loss compensation up to $15,000, reasonable amounts for replacement services, and a reasonable amount for death benefits would be assured.

HUMANITARIANISM IN SOUTHEAST ASIA

Mr. GOLDWATER. Mr. President, the city of Tucson in the State of Arizona, as represented by its mayor and city council, recently went on record as urging the President and the Congress to take the steps necessary to insure the humanitarian treatment of all South Vietnamese people and to report fully on 1,300 Americans still listed as missing in action during the Indochina war.

In a resolution relating to humanitarian treatment and evacuation of relatives and children of Vietnamese-American wives, the Arizona city officials expressed fear that the relatives have been placed in jeopardy because of recent events. It asked that a full report of all specific activities relating to the issue be made public.

The Tucson resolution on MIA's in Southeast Asia, in addition to drawing attention to the 1,300 MIA's mentioned 55 known prisoners of war who have not yet returned to this country.

About 400 of the men involved have been deprived of their civil rights because of "presumptive findings of death, too often based on inadequate or just lack of information."

The resolution called the attention of Congress to numerous pieces of legislation which "ease the agony of not knowing for families of those missing in Southeast Asia."

This resolution also asks that a full report be made public.

Mr. President, I ask unanimous consent that both of these memorial resolutions of the city of Tucson be printed in the Record.

There being no objection, the resolutions were ordered to be printed in the Record, as follows:

Resolution No. 9477

Relating to the humanitarian treatment and evacuation of relatives and children of Vietnamese-American wives and children fathered by American servicemen and civilians

To the President and the Congress of the United States of America:

Your memorialist respectfully represents that:

Whereas, there are relatives of Vietnamese-American wives whose lives are presently in jeopardy because of recent events in Vietnam; and

Whereas, there are many Vietnamese children whose fathers are American servicemen or civilians;

Therefore, your memorialist, the Mayor and Council of the City of Tucson, Arizona, prays:

That the President and Congress take the necessary steps to insure the humanitarian treatment of all South Vietnamese people during these uncertain times in Vietnam; and

That should these efforts fail, the President and Congress provide for the immediate, safe evacuation of relatives of Vietnamese-Americans and all children fathered by American soldiers or civilians while stationed in South Vietnam; and

That a full report of all specific activities now or in the future pursued relating to this urgent and pressing issue be made public.

The City Clerk is hereby directed to send copies of this memorial to the President of the United States, Gerald F. Ford, Senator Barry Goldwater, Senator Paul Fannin, Representative Morris K. Udall, Representative Sam Steiger, and Representative John Conlan.

Resolution No. 9465

Relating to the determination of the fate of Americans missing in Southeast Asia

To the President and the Congress of the United States of America:

Your memorialist respectfully represents that:

Whereas, there are 1300 Americans still missing in Southeast Asia, and that of these, 40 men from Arizona and 11 men from Tucson are Missing in Action; and

Whereas, 55 known POW's have not returned; and

Whereas, presumptive findings of Death, too often based on inadequate or just lack of information, has deprived over 400 of these men of their civil rights; and

Whereas, numerous pieces of Legislation pertaining to this subject have been introduced into the U.S. Congress and now demand the support of all legislators; and

Whereas, the President of the United States has promised the representatives of the families of those Missing in Action that everything possible will be done to determine the present status of these men;

Therefore, your memorialist, the mayor and council of the City of Tucson, Arizona, prays:

That the Congress give early and favorable consideration to all legislation pending before the Congress of the United States which eases the agony of not knowing for the families of those missing in Southeast Asia and which may in any way assure the earliest possible return to their homeland of any American held captive by Communist nations, and the President approve same; and

That the President fulfill his moral obligation to the Citizens of Tucson and all

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Americans by establishing the needed priorities, and by pursuing this issue to the fullest in future diplomatic dialogues with all nations; and

That a full report of all specific activities now or in the future pursued relating to this urgent and pressing issue be made public.

The City Clerk is hereby directed to send copies of this memorial to the President of the United States, Gerald R. Ford, Senator Barry Goldwater, Senator Paul Fannin, Representative Morris Udall, Representative Sam Steiger, and Representative John Conlan.

THE U.S. FOREIGN SERVICE AND THE MIDDLE EAST

Mr. McGOVERN. Mr. President, in the course of a recent trip through the Middle East I encountered a remarkable number of thoughtful, dedicated individuals, foreign and American, official and nonofficial. Among these none impressed me more than the professional Foreign Service Officers who staff the United States embassies in the countries I visited—Egypt, Saudi Arabia, Lebanon, Jordan, Syria, Israel, and Iran.

In each of these countries I had the honor of meeting ranking officials of the host government and distinguished private citizens. With few exceptions these meetings were highly instructive. I also made it a practice—whenever possible before meeting officials of the host government—to arrange a briefing by the U.S. Embassy "country team." These briefings provided me not only with necessary background information for my meetings with officials of the host governments; they also provide, in most instances, a wide-ranging, highly professional analysis of the central issues in U.S. relations with the country concerned.

I noted particularly the active awareness of U.S. interests which characterizes the outlook of our professional Foreign Service Officers. We have often heard of the susceptibility of diplomats to "localitis," the tendency to become too much enamored of the countries to which they are accredited, or worse, of groups and factions within those countries. I saw little of this in the Middle East. While not lacking in regard and often affection for the host society, most of our professional Foreign Service Officers exhibit a level-headed awareness that their primary assignment is the advancement of the best interests of the United States.

I particularly appreciated the good judgment and good company of the individual "control officers" who advised and accompanied me on my visits and appointments. I call to the attention of Senators who travel officially abroad that the Embassy officers who accompany them are not only qualified to arrange transportation and appointments; they are also, in most cases, well-qualified to provide the congressional visitor with on-the-spot briefing, background, and sometimes perspective as well.

I discussed with our Foreign Service officers, among other subjects, their problems of communication with the State Department in Washington. The impression I received—to understate the matter—is that their observations and insights are often given short shrift at the senior levels of the State Department and the National Security Council. The Foreign Service officers in the field were too professional to say it explicitly, but their comments added to other evidence that meaningful participation in the policymaking process is confined to the Secretary of State and a small group of intimate advisers.

One result of this exclusivity in policymaking is the frustration—and demoralization—of competent professionals in the field. Another—at least potentially—is the intellectual improvement of policymaking as a small group of experts at the top draw down the capital of their own considerable—but not unlimited—knowledge. One of the susceptibilities of gifted elites is their tendency to confine their serious consultations only to each other. I do not think this has become the established pattern in the making of our Middle East policy, but there does seem to be a trend.

The matter comes to the force at a time when the executive branch is engaged in a reassessment of its Middle East policy. The reason for the reassessment is the breakdown of the step-by-step approach to peace in the Middle East. It is not my intention to criticize or censure the arhcitects of that policy, because I believe it to have been based on a perfectly plausible hypothesis, which, however, did not work out in practice.

Nonetheless, the occasion for the review is not a triumph but a failure of policy. This being so, a certain modesty would seem in order on the part of the policymakers. More important still, it would seem appropriate to broaden the circle of consultation beyond the architects of the failed policy. The obvious first step is a much more liberal drawing upon the Foreign Service ranks. Beyond that, if the top policymakers ever felt really venturesome, they might even glean some nuggets of insight from the much-feared legislative branch.

That, however, is a topic for another day. At this time I wish only to recommend to the Secretary and his close advisers that they renew acquaintance with their talented minions in the field. I urge them to open their policy councils not only to the facts, but to the judgments and ideas which are generated from the staffs of our embassies abroad. Perhaps when the Secretary next travels abroad, instead of limiting himself to the customary "pep talks" to assemblages of American employees, he might consider asking for informal discussions with the country teams. He would, I have no doubt, find the experience instructive—and he might even enjoy it.

WHAT ABOUT THE VICTIMS?

Mr. BUCKLEY. Mr. President, Frank G. Carrington, executive director of Americans for Effective Law Enforcement, Inc., has written an excellent study of the victims of violent crime in the United States. "The Victims" for which I had the privilege of writing a foreward, is a detailed and quite compelling account of how victims of violent crime are ignored at the same time perpetrators of violent crime are often treated with compassion and understanding and even sympathy.

Perhaps nowhere has this strange reversal of values been more clearly seen than in the case of the riot in Attica Prison, New York, in September 1971. Much has been written about the hardened criminals who led that riot, and most of it has been written from a sympathetic point of view. Chief among these accounts, if the majority of favorable reviews is to be believed, is Tom Wicker's "A Time To Die." The May 1975 issue of that excellent magazine, Commentary, contains a refreshingly different review of Wicker's book, written by Michael Novak. It is not necessary to have read "A Time to Die" in order to appreciate Mr. Novak's considerable analytical skill, for the points he makes, while referring to specific incidents in the book, are sufficiently broad in nature to be applied to the conventional attitudes specified in Mr. Wicker's book.

Mr. Novak very successfully explodes many of the myths that have come to be associated with the more-compassionate-than-thou excesses of certain liberals when they write about criminals. Novak points out that Wicker, while devoting considerable space to those he perceived to be the heroes of the Attica riot—that is, the convicts who led the riot—practically ignored the plight of the prison-guard hostages and their families.

This is precisely the kind of attitude that Frank Carrington has written about in "The Victims." I highly recommend Mr. Carrington's book and the review written by Michael Novak, both of which are analytically and critically devastating to some of the more popular liberal myths about crime, criminals and victims.

Mr. President, I ask unanimous consent that both the foreword to Mr. Carrington's book and Mr. Novak's review as published in Commentary be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FOREWORD

(By Senator JAMES L. BUCKLEY)

When it comes to matters of law and order, I am very much an average American. I like to go about my business free from the fear that I may be assaulted or robbed. I like to know that my family and friends are safe on the streets and in our homes. I like to go to bed at night secure in the feeling that my life or property is not in danger.

But should my life or property be endangered by a criminal, I want to have a reasonable basis for believing that he will be apprehended, tried, and punished. I want nothing so much, in short, as to enjoy the blessings of liberty unmolested by those of evil heart and malevolent design. And, as is natural to those of us who have been born into this nation, I look to the law as the ultimate foundation of my freedom. But if for some reason the law is unable to protect me, I begin to get worried.

And I must say that in recent years I have begun to worry. I worry because between 1960 and 1973 serious crime rose by 158 percent while violent crime rose by 204 percent—compared to a 15 percent increase in population. I worry because the risk of being a victim of one of these crimes has increased by 120 percent during the same period, and is still on the increase.

I worry because far too few criminals are arrested, far too few convicted, far too few sent to prison. I worry because, when prison sentences are imposed, prison life becomes a breeding ground for yet further crime. I worry because criminal trials are unnecessarily protracted, because appeals are far too open-ended, and because the entire process has been converted from a determination of guilt or innocence into a determination of the propriety of police behavior.

I worry because by such examples, the lawless in spirit are encouraged to become lawless in practice, and because the American people, in growing numbers, have begun to lose faith in their system of criminal justice. And as they begin to lose faith in this system, they also begin to lose faith in and become alienated from the basic structure of law and government established by the Constitution, among the fundamental purposes of which are "to establish Justice, insure domestic Tranquility, . . . and secure the blessing of Liberty to ourselves and our Posterity."

The basic purpose of government in a free society is to protect the lives, liberty, and property of its citizens. But, as Maurice Nadjari, New York State special prosecutor recently stated at a meeting of the International Association of Chiefs of Police, "Our system of criminal justice has broken down. . . . We are no longer capable of securing the people against crime." And, when national polls show that more than 40 percent of Americans are afraid to leave their homes and walk in their own neighborhoods at night for fear of being assaulted, one begins to question whether government is really fulfilling its most basic and important function, and to wonder whether a society can truly be called free if it does not also have freedom from such a fear.

Crime has become as significant a characteristic of modern day America as any other you are likely to name. Its recent rate of increase is starting, and its impact is pervasive. Where once many Americans living in the suburbs and smaller towns correctly felt they were relatively free of crime, now these suburbs and towns are experiencing increases in crime rates of more than two, and as much as four times those occurring in large cities. No longer is serious crime largely the province of big city streets; now it menaces nearly all of us, everywhere.

Reflected in the uncontrolled growth of crime is a relatively new phenomenon: the direct relationship between crime and narcotics addiction. Figures from New York City indicate that something like 50 percent of all robberies and burglaries are narcotics-related, and comparable figures could probably be adduced for most of our other large urban areas. While the availability of hard drugs has been reduced during the last several years, recent evidence indicates that larger amounts of these drugs are again being smuggled into our country, threatening a renewed outbreak and spread of this deadly social cancer.

The 120 percent increase in the per capita incidence of serious crimes during the last thirteen years means that now on the average at least one of every twenty-five Americans will become a direct victim of crime this year. And if you are black and live in the inner city, your chances of being a victim are greatly increased. The late Stanford University criminologist Herbert L. Packer found, through a study he did in 1970, that slum dwellers were at least one hundred times more likely to be victims of street crime as middle class whites living in the suburbs, although the odds are now increasing for suburban whites, too. Black Americans suffer from crime vastly out of proportion to their percentage of the population. Far from being a code word for racism, among what black Americans want most are more law and order in the form of more police protection, better law enforcement, and increased prosecution of criminals, to protect them from the daily terror and suffering of crime.

Figures released by the FBI for 1973 reveal that there were 8,638,400 major crimes *reported* in America, including 19,510 murders, 51,000 forcible rapes, 382,680 robberies, 416,270 aggravated assaults and 2,540,900 burglaries. These figures are so large that they may seem incomprehensible, but they take on some meaning when expressed in the following way: there were 16 serious crimes committed each minute, one violent crime every 36 seconds; a forcible rape was committed every 10 minutes, a robbery every 82 seconds; an aggravated assault was committed every 76 seconds, while a burglary occurred every 12 seconds and larceny or theft, every 7 seconds. These figures are even higher today.

But one cannot fully appreciate the meaning of these figures until they are understood and seen in human terms, in terms of the victims of these crimes: the store clerk murdered in a holdup, the young girl raped on her way home from school, the elderly widow whose purse and monthly social security funds were stolen, the young couple who returned to find their apartment ransacked and all their significant possessions taken, or the body of the slain policeman, ambushed by a self-styled revolutionary. Then too there are ancillary effects produced by crime: the costs, the fears, the suffering and hardships of children and other relatives of those killed or crippled by criminals. But the ultimate reality of crime can only be felt when it reaches out to touch us, or when we see the bodies or look into the faces of the victims of crime. The ultimate human toll that crime takes can never be measured.

It is to his enduring credit that Frank Carrington has, in *The Victims*, trenchantly brought the reality of crime, and the plight of its victims, to the fore and into public focus. All too often the victims of crime have become a vast class of forgotten Americans, overlooked in official proceedings and ignored by the public. Only recently has a sense of "victim consciousness" begun to develop, a sense of outrage over the plight of victims of crime, a concern for their rights, and a growing realization that ultimately we are all victims of crime—for, not only does the growth of violent death taint our whole society, but the increase and spread of crime engenders a fear that constantly overshadows nearly all us, denies us the right to venture forth at night for recreation or necessity, keeps us out of many areas of our cities, and raises the cost of goods and services which we all consume. *The Victims* promises to play a major role in the raising of that consciousness.

But *The Victims* is more than the story of crime and its victims. It is a thorough, extensively researched indictment of the way in which the American criminal justice system currently operates, a system that, in Carrington's words, "erects an elaborate thicket of contrived and artificial protections around the criminal accused, but that is unable to secure the right of non-criminals to go about their business in peace. . . ."

In the last decade or so, a growing zeal for the rights of those accused of crime and an increasing tendency to lay the blame for crime not so much on its perpetrators as on society, have combined to create such a severe imbalance in favor of the rights of those accused of crime over the rights of those victimized by crime and of the public at large, that we have seriously hurt our ability to deal with criminality while only marginally increasing the protection of the innocent. The search for truth and justice, the vindication of the suffering of the victims, the protection of the innocent—these goals have been largely subordinated to a singleminded preoccupation with the rights of the criminal. The system, under its present constraints, appears either unwilling or unable to punish the guilty, vindicate the victim, and protect the innocent.

The result has been, as Carrington demonstrates, that increasingly, crime pays—and pays increasingly well. Professor Gordon Tullock has made some extrapolations on the rationality of crime as a profession, and calculated that, on the basis of 1965 figures, if you commit a crime, your chances of being arrested are only one in seven, and if you are convicted, only one in sixty that you will be sent to prison. Available evidence indicates that one's odds are even better today. The Wall Street Journal editorialized on this fact in 1973.

"It pays because the average criminal no longer fears being punished, even if he is caught. Overworked police forces, crowded court calendars, misplaced social concern and a penologist reaction against imprisonment on the ground that it fails to rehabilitate, have given criminals the edge—and given society the short end of the stick."

In a lighter vein, I cannot help recalling in this regard the story of Willie Sutton, the dapper and ingenious bank-robber whose exploits during the Forties and Fifties put him on many a front page. Following what proved to be his final arrest and conviction, the sociologists, criminologists, psychologists, and psychiatrists decended upon him in hordes. They pinched and poked and prodded each and every aspect of his life, from toilet-training on, applying each and every available hypothesis they could contrive to explain his life of crime. Almost without exception, these hypotheses began with the assumption that Willie was somehow "abnormal," that his genetic endowment or environmental experience, or some combination of both, virtually compelled him to pursue a criminal career. After months of exasperating study and conflicting conclusions, it suddenly occurred to an enterprising young interviewer to ask a really intelligent question. "Willie," he inquired, "why do you rob banks?"—and clear as a bell, without so much as a moment's hesitation, Willie shot back: "Because that's where the money is."

That simple and honest explanation is worth a world of learned treatises on the cause of crime. Most of those who commit crime do so because they choose to do so; and they choose to do so because the potential rewards, relative to the risk of being captured and punished, are highly attractive. Their choice, on balance, is really quite a reasonable one.

This situation has developed, to a significant extent, as a result of key decisions by the Supreme Court made in the Sixties: in particular the now famous *Mapp* and *Miranda* cases, as well as several others dealing with the admissibility of evidence. These decisions have created a host of legal requirements and technicalities which have created grounds for endless delay and have permitted the release of countless patently guilty felons. They have established artificial, rigid and impractical requirements on the police and the courts which results in the disqualification of factual evidence that is clearly probative. This has converted criminal trials into trials of the evidence while criminals go free.

Senator McClellan's remarks were prophetic when he said in 1969 that the court's rulings threatened "to alter the nature of the criminal trial from a test of the defendant's guilt or innocence to an inquiry into the propriety of the policeman's conduct." The purpose of a trial, of course, is to determine whether the defendant is guilty, which is a question of fact and law. But where a disqualification of evidence on highly technical

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grounds results in the release of the guilty, we do an injustice to the public that is almost as grave as the conviction of an innocent man. Former Chief Justice Weintraub of the New Jersey Supreme Court aptly summarized the injustice which these rulings cause: "When the truth is suppressed and the criminal is set free, the pain of suppression is felt, not by the inanimate state or by some penitent policeman, but by the offender's next victim for whose protection we hold office." With case after case, *The Victims* demonstrates the absurd and tragic effects of these decisions.

How the idea got itself accepted that the effective application of the criminal law is somehow incompatible with due process for the criminally accused is, I must confess, something of a mystery to me. By the same token, I cannot see why the prosecution of criminals cannot be carried out efficiently, and with justice, without endangering the civil liberties of the innocent, for current statistics make it clear that a law-abiding citizen runs a far greater risk of being victimized by a criminal who has been arrested and later released than he does of being unjustly convicted of a crime. This is not to deny that there are hard cases, or that the line between tolerable and intolerable police behavior is sometimes difficult to draw. We deal so often in the criminal law with what are ultimately questions of prudence, and they do not always lend themselves to mechanical resolution. I take it that we are all in favor of due process for the accused, and that we are all in favor of ordered liberty for society as a whole.

Unfortunately, there is no piece of constitutional litmus-paper that we can dip into the circumstantial vat to produce the desired constitutional result. It must be remembered, however, as Sidney Hook has pointed out, that "The potential victim has at least just as much a human right not to be violently molested, interfered with and outraged as the person accused of such crimes has to a fair trial and a skillful defense. As a citizen, most of the rights guaranteed me under the Bill of Rights become nugatory if I am hopelessly crippled by violence and all of them become extinguished if I am killed."

The fact that the commands of the courts have taken on an increasingly rarefied and lenient character has not escaped public attention. Never, I believe, certainly not within my own lifetime, has public esteem for the judicial process been lower; and few factors are so important in this loss of esteem as the widely held opinion that the courts are, as the saying goes, "soft" on criminals. A 1969 Gallup poll indicated that fully 75 percent of the American people felt that the courts did not deal harshly enough with criminals; and in a second poll two years later, in 1971, that sizeable percentage held firm. This is the essence of the crisis.

There are those, I know, who say that we cannot hope to remedy the problem of crime without a thorough overhauling of the nation's social and economic system—the assumption being that poverty, ignorance, and racial prejudice are the ultimate causes of crime. Those who so earnestly advance this argument never adequately explain why so much crime is committed by people who are neither poor nor unintelligent or who have never known a day of racial discrimination in their lives. Even if the assumption were correct, and I do not believe that it is, the ostensible "solutions" that follow in its wake are bound to be viewed by the law-abiding public as at best irrelevant to the immediate realities of crime with which they have to cope. It may be theoretically satisfying to some to explain criminal behavior in terms of inadequate education or economic opportunity, but that is a small comfort to a mother whose 15-year-old daughter is gang-raped on her way to school, as happened recently in Los Angeles. As former Supreme Court Justice Abe Fortas has remarked, we cannot wait until we have rebuilt society according to some utopian, reformist prescription before dealing with the all too commonplace everyday savagery of crime.

There is a peculiar softness to contemporary thought, the defining characteristics of which are the desire to avoid responsibility for the natural consequences of one's own behavior, and the refusal to recognize as legitimate any external constraint on the impulse of one's passions. The strength of this opinion is so great that we behold a widespread avoidance of those things which demand self-sacrifice or discipline, and a seeming unwillingness to impose restraints on others because one is unwilling to impose restraints on himself. This sentiment has had a devastating impact upon the criminal law by robbing society of the conviction that it has the right to demand certain standards of behavior and that it is entirely justified in imposing sanctions upon those who engage in anti-social conduct. This softness, this hesitation to impose rightful sanctions, bespeaks a fundamental lack of conviction in the ultimate foundations of the criminal law—a lack of conviction that the criminals are quick to detect and exploit. If the law is in any way tolerant or indulgent, criminals will be the first to discover the fact. And should they nevertheless run afoul of the law, they cannot help but form a cynical opinion about a legal system in which punishment, precisely because it is employed halfheartedly or irregularly, is thought of as being employed inequitably.

I believe the remarks of Sir Reginald Scholl, a former justice of the Supreme Court of Victoria, Australia, are directly to the point:

"Many years of experience in the criminal jurisdiction have convinced me of two things—that the deliberate wrongdoer . . . will go on planning and committing crimes so long as he thinks the law is weak and yielding enough to give him a chance to evade it, and that he will have no respect for a legal system which is marked by feebleness in the application of its sanctions. . . ."

While it cannot be conclusively proven that a certain series of decisions by the Warren Court led to a direct, related increase in crime, nonetheless, as Carrington is careful to point out, "it can be argued that the more criminally inclined individuals who are on the streets at liberty to prey upon others, the more crimes will be committed"—and key decisions of the Court "often required the wholesale release of patently guilty criminals and unquestionably made it much more difficult for the police to obtain admissible evidence of crime and for prosecutors to convict those accused of crime." In addition, he argues, with some force, that the liberal majority of the Court were pace-setting leaders instrumental in the creation of a widespread judicial and correctional climate of leniency and permissiveness, which may have encouraged the lawless to believe that they could get away with acts of crime with relative impunity.

Whatever the case may be, permissiveness and leniency seem to have become the order of the day. In every area Carrington documents their pervasiveness and harmful effects: low bail for repeater felons—with a corresponding increase in serious crimes committed by those out on bail; excessive plea bargaining for those charged with serious crimes; grants of time consuming pretrial and trial delays; seemingly endless appeals; overly lenient, short and concurrent sentences for repeater felons; early, permissive paroles for individuals who too often return immediately to crime; and the surrender or discipline in many prisons.

A recent criminal justice study done in Atlanta shows, for example, that of 278 adults arrested for assault, 103 were indicted, and 77 went to trial, 63 were convicted, and only 23 ended up in jail. National statistics indicate that nearly two-thirds of all crimes in our country are committed by "repeaters"—people with previous arrest records who go in and out of our criminal justice system as if it were a revolving door. And upwards of 35 percent of all persons awaiting trial are likely to be arrested again for a new offense while roaming free on bail! Carrington's wide ranging examination leaves little doubt that our criminal justice system is seriously crippled and that in large part this is a result of, in Fred Graham's words, a "self-inflicted wound."

Overcrowded courts, with their large backlog of cases, are an important part of the problem. Criminal cases can often take anywhere from six months to two years to be disposed of, and appeals may further delay or deny justice. Various pre-trial procedures which recent Supreme Court decisions have declared to be constitutionally mandated are significant contributing factors to this problem. As former Chief Justice Stanley Fuld of the New York Court of Appeals has observed, "These new procedures have added tremendously to the caseload of the trial courts and have substantially lengthened the time which elapses between arrest and trial." The courts find themselves in a Catch-22 situation: in order to speed up the disposition of cases, many judges become implicitly willing to allow plea bargaining or assign lenient sentences. As Manhattan District Attorney Robert Morgenthau recently noted. "The bigger the backlog, the lighter the sentences." Yet it is all but certain that excessive leniency and permissiveness throughout the criminal justice system have contributed to increasing crime, if only by placing professional criminals back on the street sooner. But if every criminal defendant demanded a trial, the system would most likely collapse from its own weight. Thus, the courts are caught in a vicious circle of increasing crime. Before he left office, former Attorney General William Saxbe came to the conclusion that "Too many dangerous convicted offenders are placed back in society in one way or another, and that simply must stop. With so few dangerous offenders being jailed, something has got to be wrong somewhere. Much of the fault, as I see it, must rest with prosecutions and the courts." And so, we continue to suffer from the corrosive legacy of official permissiveness and of prejudice in favor of the rights of those accused of crime, as opposed to the rights of the actual and potential victims of crime, which legacy has been bequeathed to us by the Warren Court.

The frequent reversals by the Warren Court, combined with its penchant for rigid procedural requirements, have left many of us disturbed and confused as to what course to follow. The lower federal judges are confused; police officials are confused. Even learned professors are confused. Everyone, it seems, is confused—except the criminal. He knows that his chances of being arrested are fairly low; he knows that his chances of being convicted are yet lower; and he knows that, even if arrested and convicted, his chances of being imprisoned are lower still. He knows the restrictions which prevent the police from introducing relevant evidence at trial, and he knows that the present state of the law positively encourages the raising of constitutional objections against police behavior. He knows that these objections can be raised before, during or after trial; and, best of all, he knows that such objections are the surest way to obscure the fundamental question of his own guilt or innocence.

The criminal may have a better grasp of

the ultimate meaning of the Warren Court's revolution in criminal procedure than all our professors and judges combined. Indeed, the greatest book yet to be written on the subject of present-day criminal law would be the one revealing what criminals actually think of such cases as *Mapp* and *Miranda*, and the way in which their behavior is determined by them.

The right to counsel and the privilege against self-incrimination are noble rights indeed, but only a man of remarkable ideological fervor would insist that they can be protected only by rendering inadmissible virtually all voluntary statements not made in the presence of counsel. Similarly, only an ideological zealot would insist that the only way to prevent unlawful searches and seizures is to exclude from judicial consideration all evidence, however relevant, obtained by unlawful means.

In this context Mr. Carrington also quotes Sir Reginald Scholl, former Australian Consul General of the United States, whose wise observations I would repeat here:

"My general feeling on these matters [of the criminal justice system], if I may respectfully state it as a foreign lawyer, is that in your enthusiasm for liberalism at all costs you are, perceptibly more than we are in Australia, throwing the baby out with the bath water. It is no good making individual liberty so cast iron, by constitutional guarantees, that one's neighbors can rob one or rape one's daughter with a better chance of escaping justice than in other civilized countries. How stand life, liberty, and the pursuit of happiness in that situation? It is indeed an empty freedom, a vain individual liberty which is accompanied by a significantly increased risk to oneself or one's family of being the victim of crime. What is the real value of greater individual liberty, so called, if it is obtained at the price of making crime harder to detect and punish, and therefore safer to commit. What is the real value to a decent law-abiding citizen of being in less danger of possible abuse of power by the police but in greater danger of fraud, theft, violence, or death from criminals large or small, organized or unorganized?"

Clearly, our system of criminal justice is fast reaching an impasse. In light of Maurice Nadjari's opinion quoted earlier, perhaps it has already broken down to the point of abject failure. The proverbial wheels of justice have not merely ground to a halt; they have reversed themselves and begun to turn against the innocent victims, and society itself.

In such a situation, it is little wonder that our people are growing increasingly alienated from, and cynical about, their government and its leaders.

What, then, can we do?

Here, as with most of the ills which beset our society, there are no easy answers. But foremost in our efforts, I think, must be what Carrington proposes as our central task: we must develop a "victim consciousness" in our society, and reorient the thinking and the concerns of the criminal justice system towards the rights of the victims of crime, both actual and potential (who are all of us)—thereby restoring a balance to a system that is now weighted heavily in favor of the criminal. If the criminal justice system is once again to fulfill its primary tasks of protecting the innocent and securing justice and safety by punishing the criminal, this is the essential, primary change which must be made.

From such a change will flow many of the sound specific proposals which Carrington puts forward. High on the list, of course, is a substantial modification in the Exclusionary Rule and similar excessive restrictions and requirements imposed on the criminal justice system by the Supreme Court, such as the *Miranda* ruling. Certain recent decisions have already resulted in some minor modifications, and there is reason to believe that the High Court may take significant action along these lines in cases coming before it in the next year or two. In whatever modifications are made, however, it remains important that effective civil means of redress against questionable police actions be available to defendants. In addition, "police crime" is punishable by law. This ought to be protection enough without punishing society through the release of defendants that are clearly guilty.

Changes also have to be made in the system which will make justice more "swift and sure." The truth of the adage "Justice delayed is justice denied" is becoming more and more apparent every day. Judges are increasingly dismissing cases because of excessive delays. The irony is that usually it is not the fault of the prosecutor, but instead a result of the heavy load of court cases, or of legally authorized dilatory action on the part of defense lawyers, such as requests for continuances, postponements, and appeals. Lengthy delays can also result in the unavailability of witnesses and evidence. And when cases do come to trial, they now last an average of two or three times longer than they did litle more than a decade ago. Then there is the proliferation of post-conviction remedies, such as *habeas corpus*, that have resulted from Supreme Court decisions expanding the opportunities for appeals from state court convictions to the federal courts. Justice Harlan expressed it well when he wrote in *Mackey* v. *United States*: "No one, not criminal defendants, not the judicial system, not society as a whole, is benefited by a judgment providing that a man shall tentatively go to jail today, but tomorrow and everyday thereafter shall be subject to fresh litigation on issues already resolved." Carrington offers numerous proposals to speed up justice which are deserving of consideration and implementation.

Perhaps even more important than justice that is swift is justice that is sure and certain. Numerous studies have been made to assess the deterrent effect of sentences. Their dominant conclusion is that, far more than the severity of punishment (where the only real deterrent effect has been found in connection with the death penalty for murder—one of several compelling arguments, by the way, for its reasoned reimposition), the *certainty* of punishment has a significant deterrent effect on crime rates. And yet all too often, as Carrington points out with cases and statistics, legal technicalities let off patently guilty felons; light sentences are given for serious crimes as a result of plea bargaining; and convicts with histories of serious criminal activities are given lenient, seldom supervised paroles. For example, during the years 1963 through 1969, the number of persons arrested in New York on felonious narcotics charges (mainly dealers) increased by over 700 percent, while the number convicted more than tripled. At the same time, however, the number going to state prison remained the same and, therefore, the proportion going to prison dropped from 68 percent of those convicted to under 23 percent.

As *The Victims* advocates, we need increasingly to establish mandatory minimum sentences for particular crimes, circumstances, and such categories of criminals as repeater felons. Sentences need not always be long (which can sometimes be counterproductive) in order to be effective, but they do need to be certain.

I have long been a supporter of such legislation at the national level with regard to the use of handguns during the commission of a federal crime.

Carrington proposes that we undertake a careful study of the British criminal justice system, an idea which I also put forward several years ago. The status of civil liberty in England is in no wise poorer than in our own country; and in some respects, it may even be a good deal better. Yet, English criminal law has gotten along quite well without the exclusionary rule, and without a good many other procedural devices that our system in recent years has considered vital to the just resolution of the criminal process. The differences between English and American criminal practice suggest, at the very least, that there is more than one way of dealing fairly and efficiently with those accused of crime. And these differences are worth examining in detail.

A systematic comparative study of British and American criminal jurisprudence could prove of enormous value if conducted by dispassionate scholars. The United States and Great Britain share a common legal heritage. We hold in common fundamental concepts as to what is required to guarantee a fair trial and to safeguard the rights of the accused. And we share a bias in favor of the defendant in a criminal trial. For years after we won our independence our procedures remained virtually indistinguishable. But in time they began to diverge, and in recent years in most significant ways. Today the British are able to find a defendant innocent or guilty within a few months of his arrest; and a certain finality normally attaches upon conviction. In our country, years can elapse between arrest and the conclusion of a trial; and conviction merely marks the beginning of a procedural ballet which can continue virtually indefinitely. In England today, the incidence of crime is small in comparison with ours, and respect for the law and for the legal apparatus remains undiminished.

A comprehensive study of the kind Mr. Carrington and I recommend may suggest any number of improvements which we can make in our own procedures without sacrificing the substantial rights of the accused, and it may also be instructive in telling us what purely *local* developments in American life may have contributed to our current criminality. This study should cover not only such matters as the exclusionary rule, the right to counsel and the application of the privilege against self-incrimination, but also an examination of the ways in which criminal trials might be expedited and appeals streamlined, as well as comparative studies in the area of corrections and penal reform.

Last, but by no means least, I think it would be instructive to study the role of attorneys in criminal trials and to compare the way in which the adversary system affects the conduct and outcome of trials here and in Great Britain. A number of thoughtful observers in our country have expressed their deep concern that the adversary system is becoming an end in itself, that the ultimate goal of justice is being subordinated to political and theatrical gamesmanship. The courtroom in all too many cases has been turned into a kind of theater of the absurd. Judges are insulted, decorum is scoffed at, and the judicial process held up to ridicule. That such behavior should take place at all is scandalous; but that it should be directed or condoned by members of the Bar is, to me, absolutely intolerable. And I do not see that society is in any way obligated to confer a license to practice upon those whose behavior reveals a thoroughgoing contempt for everything that the law holds dear. Nor do I believe that it would be unjust for the courts or the Bar to remove the licenses of those who make a mockery of the very law whose protection they seek. We could, I believe, profit greatly by British example in this regard, and I commend such a project to the consideration of thoughtful men.

Perhaps central to the effort to create a change in public consciousness, as well as in judicial and other procedures, is Carrington's proposal to establish victims' rights

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commissions in every state of the Union. Be they publicly or privately supported, such commissions would not only assist the actual victims of crime through various legal and economic thickets in their attempts to vindicate their rights and secure justice, but would also aid the potential victims of crime in the future by proposing and supporting changes in the current criminal justice system which will restore a proper balance of rights within the system and which discourage future crime, thereby protecting the innocent. I am much intrigued and impressed by this proposal, and I commend its thoughtful consideration to lawmakers and public spirited citizens and organizations across our country.

The Victims shows us the serious state which our criminal justice system and our nation is in, and it issues a call and an agenda for action. The time to act is now. I hope that legislators and justices will not fail to note and take heed of its message. For crime in this nation cannot continue to rise as it has in the recent past; public esteem for the legal process cannot continue to fall. Unless we come to terms with the problem of crime, I fear that almost everything else we attempt to do will come to nought. A free civil society cannot exist where there is widespread fear of criminal assault; it cannot exist where justice is so long delayed that it is, in effect, denied; it cannot exist when the public believes that its legal system cannot protect the lives and liberties and property of the law-abiding. The danger in our time is less that the innocent will be punished than that the guilty will go free. And that, to my mind, is a far more serious injustice than any our system is likely to inflict upon one who may be wrongfully accused. The truth is that an innocent man has very little to fear from our criminal law; the difficulty and danger, if anything, are that the same might be said regarding the guilty man. And I believe that the public will not long tolerate a continuation of our present condition.

Level-headed common sense is required in dealing with the criminal element in our midst. That common sense was summed up with characteristic wit and economy by columnist and professor John Roche, who remarked: "The beginning of wisdom is to know who is going to shoot you if he gets the chance. From there you can go on to Plato and the classics." This is, I believe, essentially the spirit that animates public sentiment on the subject of crime. It is not a very sophisticated view, perhaps; but it is solid. Hard-headed, perhaps; but not necessarily harsh. And what is more, it is fully compatible with the protection of constitutional liberty—that of society as well as that of the accused.

Whatever else our system of criminal justice might be thought of as accomplishing, the one thing it can do, the one thing it ought to do, the one thing that the public has a right to expect it to do—is to find out who the criminals are, see to it that they are prosecuted, and discourage them by whatever means necessary from committing crime again. If it is argued that this central function cannot be performed consistently with the requirements of the Constitution, then it will not be long before the public begins to call for a new Constitution.

Which brings me to my final thought. In this day when disrespect for authority of all kinds—religious, parental, legal—is so pervasive; when allegiance to anything other than one's own passions is condemned as illegitimate; when "civil disobedience" is used as a defensive cloak for criminal behavior, let us not forget that, for all its failings, our nation and its rule of law are still robust and strong.

But let us also bear in mind that, for all its strengths, the rule of law can only abide so many attacks and that the delicate webbing of civilization can, like the veil of the temple, be rent, and with it, the world's last best hope for freedom. Let us resolve, then, to seek justice; justice for the accused, but justice also for the victims of crime, and for society. Let us resolve to be fair; but also firm. Let us resolve to stand by the fairest system of law that the world has ever known. And in our resolve, let us call to mind the words of Abraham Lincoln, who said: "Let every American, every lover of liberty, every well-wisher to his posterity, swear by the blood of the revolution, never to violate in the least particular the laws of the country; and never to tolerate their violation by others. ... . let every man remember that to violate the law is to trample on the blood of his father, and to tear the charter of his own and his children's liberty. . . . As the patriots of Seventy-Six did to the support of the Declaration of Independence, so to the support of the Constitution and laws, let every American pledge his life, his property, and his sacred honor."

TOM WICKER'S ATTICA

(By Michael Novak)

It is not widely recognized that there is more than one kind of racial attitude among whites in America. Some whites have since birth had extensive dealings with blacks, in a wide variety of situations. Some have come to these dealings without any personal, familial, or cultural involvement in the institution of slavery. Some, like the French and the Hispanics, have come from cultures in which intermarriage between races is a fairly common circumstance. But if in the pluralism of white cultures there are demonstrably different historical experiences with black cultures, our social analysts have not sufficiently noticed the extent to which the interpretation of the meaning of race in America has become "Southernized." Not only do many of the most eminent blacks who have codified white-black relations derive from Southern culture—leaders as diverse as Martin Luther King, Jesse Jackson, and Vernon Jordan; many of our most outspoken white liberals, too, those who are, as it were, almost fixated on this issue, have been Southerners: men like Lyndon Johnson, Bill Moyers, Garry Wills, Larry King, Willie Morris, Ramsey Clark, and Tom Wicker.

American culture is too often examined from the perspective of Massachusetts southward and westward, and so to some extent the voices of Southerners contribute an important counterpoint in the national self-understanding. Yet on matters of race—and on moral questions, more generally—Southern perceptions of urban industrial society tend to distort reality in important ways.

It is characteristic of Southern liberals that they have come late to liberal attitudes on race; usually, they can date to the day and hour the time they first touched a black, embraced a black, or for the first time addressed a black as an individual like themselves. It is also characteristic that they approach the racial question in preeminently evangelical and moralistic terms. Finally, it is characteristic that, sensitive to the moral burden carried by every Southerner in entering the world of Northern white liberals, such Southerners almost unconsciously compensate by trying to give frequent evidences of their morality. The dominant symbols of morality in America are men of sterling character and impeccable family reputations—the "Massachusetts men" Arthur Schlesinger, Jr., speaks so fondly of—the members of "blue-ribbon" panels, the Yankee brahmins. A Southerner like Lyndon Johnson, or even Terry Sanford, or Jimmy Carter, or J. William Fulbright, or Sam Ervin, is necessarily insecure in his moral standing on the national stage. Being Southern is almost like bearing an Italian name: watchfulness is stimulated among the guardians of the narrow gates; one can feel their skepticism.

And for a Southerner who would aspire to true national eminence there is a further obstacle to clear: in learning the ways of the Northern middle class, the liberal professionals, one must also avoid too fawning an approval of "middle-class procedures," "middle-class mores," and "middle-class values." One must imitate the ways but learn to disdain the household gods; irreverence and skepticism are necessary proofs that one has caught the hang of it.

The way is made a little easier because the complexity and ambiguity of Northern industrial life have deprived even the guardians of our national moral symbols of their certainty as to what is right or wrong. The infusion of the fresh faith of converts is a Northern necessity, the justification for all those missionary forays down the years. And so they come: proper, neat, clean, highly purposive and moral young men to teach their jaded teachers the true faith again. Bill Moyers is the very voice of reason and virtue, Ramsey Clark the apostle, Tom Wicker the avenging scribe.

Their way has been especially smooth since the Kennedy era, and most of them, indeed, owe their national emergence to the Kennedy period. For that was the era when Lindisfarne and Camelot—the Celtic fires—replaced the mellower English abbeys as the sources of the nation's moral rhetoric. "Superman Comes to the Supermarket," Norman Mailer once perceived: the sudden wedding of arriviste professionals and moral fervor, when politics was seized from the hands of "mere politicos" and offered to the ambitions of the young, the tough, the willing, the new frontiersmen, the new generation come of age. As pragmatism, and wheeling-dealing, and new bureaucracies, and new techniques began to lose their moral luster, many "Kennedy liberals" moved rhetorically leftward: i.e., they escalated their moral fervor (which was the very reason for their entrance into public life, along with their ambition to be famous men) exactly in proportion as the programs they championed met the ironies and tragedies inherent in every form of politics. They espoused withdrawal, not so much from Vietnam as from "centrist" politics, from liberalism, from a sense of ambiguity and that humane cynicism that must line the stomach of every successful political practitioner, and they began to flirt with "raised consciousness," "radicalization," and "revolution." They did not *become* revolutionaries—or few did—but they denounced the "tough pragmatism" that was the backbone of the New Frontier, and in its place they embraced its high moral rhetoric, which for John Kennedy, at least, was only its outward magic: the poetry that gilds Irish crassness, the wit, the way with words, the famous blarney. They kept the blarney and abandoned the hardball. And, slowly, the Irish New Frontier gave way to political evangelism, the urban Irish toughness to Southern morality.

In their present state, the intellectual and moral underpinnings of what used to be the Northern Left have the consistency of hominy. Description, diagnosis, and analysis have been replaced by moral mush; outrage and sermonettes, doomsaying and paradisiacal vistas, have replaced pragmatic modesty. We are promised all—or nothing. "Middle" is a term of opprobrium. As one might imagine, in the background falls the splash of blood. For what the rhetorical revolutionaries cannot bring themselves to do, some who honor them do not hesitate to do.

The reception of Tom Wicker's odd account of Attica* demonstrates conclusively the lust of Northern liberals to drink the Southern cup, to charge again their anger, outrage, and moral passion. The explicit confessions

of the text and the experience of renewed commitment expressed by the book's reviewers tell us more than we need to know about the intellectual and moral state of mind of those of whom we used to hope so much: the readers of books, the literate and enlightened Left.

Wicker writes of himself, everybody knows by now, in an unnecessary third person. In Norman Mailer's hands, the device allows for multiple personas, ironic distance, a self-mocking and psychoanalytic point of view. In Wicker, it is merely theatrical: Wicker himself as the subject of a novel. The aim may be modesty, the avoidance of the "I"; the net effect is that of television journalism: Wicker's story towers over Attica's as on television Roger Mudd is larger than the capitol.

The structure of *A Time to Die* is rather tightly chronological, although a reflective and personal dimension is added through flashbacks to Wicker's past, occasional disquisitions on prisons in the United States, and sundry philosophical views. The prose, meant to suggest Melville or Faulkner, actually suggests James Jones and the genre of the tough guy with the heart of gold.

On Friday, September 10, 1971, the book begins, Tom Wicker sat "in the executive dining room of the Geographic" with celebrities and men of power, whose names are listed for a full paragraph, enjoying "the best talk in Washington." Wicker "had a vivid sense of having come a long, long way" from his home town of Hamlet, North Carolina. There is a phone call, inviting him to Attica. He did not even know a riot had begun the day before; he hadn't paid attention to the story in the *Times*.

Former Nieman fellow, confident of President Kennedy, former Washington bureau chief of the New York *Times*, and now a thrice-weekly columnist and associate editor of the *Times*, Wicker is as the call arrives one of a dozen most influential figures in one of the most powerful industries in America, the merchants of communications. As a highly paid journalist and as twice now a writer of best-sellers, he is richer, better known, and of greater political potency than most senators and governors. This is the person chosen as one of the twenty-seven "neutral observers" who were permitted by New York State at the scene of the Attica riot, fourteen of them, including Wicker, invited specifically by the rioting inmates.

The most important information in Wicker's book is about Wicker himself. On what he says about Attica at least three preliminary points must be made. First, Wicker never gives us fair criteria by which we might measure "conditions" (the inmates' code word) at Attica. The only prison of which Wicker offers us a first-person account is Attica. Some of the features that appall him are common to all those institutions that Erving Goffman calls "total institutions"—asylums, hospitals, prep schools, convents, monasteries—and some are common to crowded, lower-class urban areas. We do not learn from Wicker that the average term of incarceration at Attica is only seven years, nor that it is one of the most modern prisons in the U.S.; only in the pictures and diagrams do we discover how large, ample, and generous with space it is.

Wicker is shocked that inmates receive only 50 cents a day for their work, without adding in the $10,000 per prisoner it costs the state to keep a roof over their heads, feed them, keep them warm, and maintain their health. He does not note that the prisoners' only complaint about their food is that they receive "too much pork" (a legitimate sore point to the Black Muslims); he does not note that every day after lunch the inmates are handed an apple and cookies for an afternoon snack. (One demand of the rioters was "for fresh fruit daily.") Wicker is not amazed, as the reader is, to find that each cell comes equipped with earphones, so that each inmate can listen to the radio and records without disturbing others.

He is outraged that each cell is closed, so that prisoners cannot look down the corridor without mirrors; he is not surprised, as the reader is, that hand mirrors are permitted, and not gratified that the prisoners are not permanently locked in tiers of open cages instead of private rooms. The grievances of the prisoners are shockingly trivial, and remind one far more of Auberon Waugh's complaints about boarding schools in England than the prison in Arkansas where so many grisly corpses were found or conditions in the mines and mills of Pennsylvania *circa* 1920. Wicke shows not a speck of a tough reporter's cynicism about the complaints of inmates. He calls their neat cells, their daily life, "the lowest condition of existence." Yet lack of personal liberty apart, the prisoners at Attica live better than a majority of people on this planet, not to mention most prisoners in history.

Secondly, Wicker's reporting gives us no clear sense of why the riot started. The prisoners were restive, he suggests, because they were the victims of injustice. Yet no one complained of having been improperly tried, sentenced, or jailed; nor even of illegal loss of life, injury, or brutal treatment. Indeed, compared to the brutality of homosexual rape, vendetta, debt "enforcement," and other violence among the inmates themselves, the incidents Wicker reports of "police brutality" seem well within the range of the expectable amount of intimidation the vastly outnumbered guards would have to insist upon in order to survive. No one complained of being *shot* by a guard. Wicker quotes the leader of the riot: "In all the years I've been in prison . . . I'd never seen guns in the yards. I'd never seen a gun fired from the tower. . . . You never think of the guns as a thing that of itself could cause harm." Prison society is not pleasant, and it can be improved, as no one more than the liberal Russell Oswald, the New York State Commissioner of Corrections, was working to accomplish. But having observed British police in Hong Kong, Italian police in Rome, and French police in Paris, knowing a little of police operations in Eastern Europe, Latin America, and Vietnam, I found the behavior of the guards at Attica even as described by Wicker rather high on the scale of humane conduct in their circumstances.

The prisoners shouted later that they wanted to be treated "AS MEN," in an appropriately upper-class voice. But it was precisely because they had failed to act accordingly, that they found themselves in Attica. They had shown by their proven crimes that they did not deserve the society of men. They were being treated as prisoners, at heavy expense to taxpayers, because they could no longer be trusted with adult male responsibilities. Wicker writes as if their rhetoric of oppression were legitimate; as if rates of recidivism were a failure of the state rather than of individuals themselves—as if the state could do what God himself did not do; make all men good.

Roger Starr has pointed out (COMMENTARY, March 1973) that the McKay Commission, appointed by the state to investigate Attica, "found no evidence" that the riot had been planned, but that it didn't look very hard for evidence. Well, why did it start? My own theory is gleaned indirectly from Wicker (and similar accounts). A concerted effort was going on in the prisons to fill the heads of not terribly bright, uneducated, and uncritical minds with revolutionary illusions. Talking revolution in the ghettos was not very rewarding; people were too smart and even on the meanest streets too many had it better than they ever had, in the South, or in Latin America, or wherever. Thousands were going to colleges, "getting out" and "moving up." In prison, the imagery at least had objective correlatives; inmates, by their own deeds, had indeed condemned themselves to a "police state," even if not the most terror-ridden in the world. Wicker quotes a letter from Sam Melville, the white ex-con "radical" bomber and bank robber, written a month before the riot: "I can't tell you what a change has come over t[he] brothers in Attica. So much more awareness and growing consciousness of themselves as potential revolutionaries, reading, questioning, rapping all the time." Most of the inmates were young; Champen, almost forty, was respected for his maturity. Herb Blyden, another leader, told the inmates in a D-yard speech: "They had never had a chance to rise in a racist and oppressive American . . . prison being no more than the actual representation of the life they were forced to lead even on the outside. . . . And we are the vanguard!" The inmates felt "liberated" by the mere capture of D-yard. It was a species of role-playing, a psychodrama, not meant to be taken seriously—surely, not meant to provoke counter-attack. No one boasted of being internally liberated, never again to commit crime; nor of having any revolutionary plan to help America or the rest of the "oppressed" world. They felt better in the sunlight and air of the familiar yard, with hostages. Revolution? Self-dramatization.

Finally, Wicker is ambivalently "charitable" toward Governor Rockefeller's refusal to go to Attica in person. In his long telephone conversation with the Governor, Wicker does not make, as he himself is obliged to recognize, a convincing case; the Governor has sound reasons which Wicker cannot meet. So Wicker then proceeds to whine and undercut by rhetoric what he could not meet with reason. The Governor, Wicker goes on in classical Southern rhetoric, ending every sentence with this phrase, prefers "the order of things." But Wicker himself in his newspaper columns is, when it suits him, America's leading champion of moral and constitutional "order." Order is not a "middle-class" concept but a condition absolutely essential to a government of laws; order is essential to the Bill of Rights, the Constitution, and democratic procedures. Unless human beings have internalized order, guards must be posted everywhere and everyone must be watched. Without order, neither democracy nor industry nor daily acts of trust are possible. Proper order is the basis for outrage over Watergate, for concern about CIA domestic surveillance, for worry over the rash of bombings, kidnappings, and taking of hostages on airlines and elsewhere. Without order, life is searches, force, a police state. Wicker doesn't have the courage to argue against Governor Rockefeller, or the intelligence to see precisely where the Governor's failure lay.

Rockefeller should *not* have talked to the inmates, as Wicker wanted, for the reasons the Governor gave: no deals with kidnappers and hostage-holders, no conferring of credibility on confused and illusory revolutionary theater. But Rockefeller should not have used surrogates to do the dirtiest work of the state. Rockefeller's habitual style is to do his deeds through hired agents. In a private citizen, the style is contemptible enough; in an executive officer, it is inexcusable. The broken figure of Commissioner Oswald is proof enough that the Governor burned up his subordinates to save himself. The fact that no one on the scene thought to have medical units ready to enter the prison yard after the troopers' assault indicates that the Governor could have played an important role as overall administrator of the restoration of order. If Rockefeller had been there, the citizens

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of New York would not have felt leaderless or suffered from his cowardice. Attica was about responsibility; the Governor failed his.

On Attica, then, Wicker sheds little useful light. The true story of *A Time to Die* is the story of Tom Wicker's testing as a man. There is no mistaking this as the dramatic center of the book. Wicker sees himself leaving for Attica already on page 6 as having an opportunity that "might make him think better of his work, even of his life," and as he leaves, his important lunch companions are "moving to and fro, talking no doubt of Michelangelo." Later, he recalls: "It had occurred to him within minutes of entering the prison . . . that perhaps the time had arrived for his life to be put to the challenge." Before Attica, "his fiction seemed no more promising than it had been a decade earlier. Nor did he think his newspaper work had had enough value to sustain his passionate desire to signify as a writer.

His personal life was breaking up and falling away. . . . [R]eflecting on Attica, he discovered that he had arrived at an age and time—his divorce, the shattering of the stability he had come to depend on, was a large part of it—when neither his profession nor his sense of self yielded him an essential feeling of worth. He liked and believed in his work; but its aloof, critical onlookers' ethic, valid professionally, could not sustain his life." Exhausted later, "he realized how tired he was, how old, how inadequate, how disappointed in himself." Later, in action: "He was caught up in the euphoria of decision, leadership, action. He felt bigger, stronger, better than he ever had. He thought he could handle anything, and he was prepared to try. He felt true to himself." Attica was therapy, Attica was a time of testing, Attica was real life.

By his own account, Wicker failed the challenge of Attica. His role, as one of the observers, was to see to it that "*Nobody gets killed.*" But in the event—although he is still less than willing to face this squarely—what he and his fellow observers did was help to bring the massacre about. Instead of telling the inmates the truth about the troops outside, or challenging their illusions about what the state was prepared to do, or trying to persuade them to put their demands on a realistic basis which might have led to a peaceful settlement, Wicker and the other observers chose *not* to make recommendations, but rather to serve as conduits of the rioters' story to the outside world. When Commissioner Oswald says plaintively, "A committee as powerful as this ought to have been able to swing that group around to meeting with me on neutral grounds," he summarizes the observers' achievements fairly. The observers had been loath to swing the inmates on anything, had acted like nondirective therapists awaiting insight. What came instead was bloodshed.

The name of Wicker's hometown in North Carolina is Hamlet, and it is in the role of Hamlet that the reader sees his efforts to avert that bloodshed defeated, not by the cosmos, but by his own moral and intellectual flaws. Since these flaws are common to many "decent, liberal, progressive" persons in our midst, Wicker's greatest service is to have exhibited them—even if without full awareness of what he has done—for public judgment.

The most immediately striking of these flaws is the desire to have everything both ways. On the one hand Wicker represents himself as a naive person, a "middle-class product of a system he regarded as fundamentally rational." In this character he can express anger and outrage at every indication that society is not "fundamentally rational." On the other hand, he is a realist, too tough-minded to be a revolutionary, to believe in dramatic change; and whenever it suits his convenience, especially his professional convenience as a journalist, he can slip into this character too. Wicker doesn't *really* believe in reason and order; yes, he does. "Wicker, at one level, agreed with the skeptics. . . . On a more intellectual plane, however, Wicker found himself, as have so many liberals and intellectuals in times of challenge to liberalism and reason, unable to concede the futility of sensible conciliation of interests." He gives many little sermons on the inevitable corruption in human nature: "Well, there'll always be an Attica." Wicker "believed human nature would prevail over any system, that justice would flag and power assert itself in any company of men; and that in all societies, the fight for justice and a limit to power would go on, indomitably, inevitably, the cycle dominating the generations, the struggle never ceasing, the victory never won."

Is the cosmos indifferent, as indifferent as the silent Potomac that one day, fifteen years earlier, swept Wicker helplessly along and threw him over a 76-foot falls? Death and life seemed equally significant, then. Or does the cosmos favor progress through struggle? "He wanted to help men and things be better, for once, than they might have been. If he did not really believe that likely, he nevertheless hoped it could happen." Philosophically, Wicker has not decided if he is an existentialist, a progressive pragmatist, a stoic, a Scotch Calvinist. It's all mixed up. He pulls out whichever strand is rhetorically needed for his posture of the moment.

Secondly, Wicker's perspective on America is innocent of history: "Orangeburg, the cities' riots, the Tet offensive, the Chicago convention, My Lai, Cambodia, Kent State, Jackson State—these and other shocks to his conventional understanding of things had carried Tom Wicker, by September 1971, a long way from the comfortable place in the mainstream of action and acceptance that he once had relished. He had suffered professional and social opprobrium for his developing view of a society gone seriously astray from proclaimed ideals; his 'constituency' was made up substantially of alienated and protesting blacks, young people, the disadvantaged."

One marvels before anything else at the stance taken in this passage, in which one of America's most successful and influential journalists manages to turn himself into a lone prophet crying in the wilderness. (Is the "constituency" he refers to intended to describe readers of the *Times?*) More important, Wicker either displays ignorance of or vastly underestimates the bloodshed, violence, and continuing degradation experienced by the white immigrants who settled in the urban industrial centers—and even in rural towns like Batavia and Warsaw and, yes, Attica—and hence he sentimentalizes the sufferings of blacks. He forgets the bloodshed required to end child labor, to make labor organizing legal, to permit strikes, and to make strikes effective. He forgets the hundreds of thousands who perished in the mines or who were burned to ashes in the mills or mangled by machinery.

For example, exactly seventy-four years before Attica, on September 10, 1897, a sheriff's posse of seventy men armed with rifles fired on an unarmed group of "Hungarian" strikers at Lattimer, Pennsylvania, killing twenty-eight and wounding at least forty (many were dragged off by relatives and never became part of the official count). The New York *Times,* informed later that the shooting had not been provoked, editorialized on September 19, 1897: "Now this is merely incredible. . . . America's sheriff's posses do not behave in that way." George McGovern's doctoral thesis recounts the Rockefeller massacres of immigrant miners in Colorado in 1914. Eric Sevareid's autobiography tells of a massacre of strikers in St. Paul, Minnesota, when he was a reporter for the University of Minnesota *Daily*. In 1936, mounted troops bloodied heads and hired thugs tarred and feathered union organizers in Johnstown, Pennsylvania. Nor does all this show anything especially evil about America; the fate of peasants and serfs in Europe at the time of immigration was even worse.

Thirdly, Wicker has an easy solution to complicated moral problems: the exploited, especially if they are black, are always right. He attributes his virtue to the "class sense he had absorbed from his father, the obligation to side with the underdog, the downtrodden, the poor, and the exploited." Given Wicker's own stated "constituency," his source of power and his moral imperative coincide, which is convenient. But what if the "poor and the exploited" at Attica were in the wrong?

Could it have happened that way? What would the inmates have had to do to be wrong? "Honor and heritage required of him that he stand for the underdog, that the place of man was with the workers and the poor against the powerful and the greedy." But some workers see him, precisely, as one of the "powerful" and the "greedy." Coming out of prison the first day, "Wicker suddenly realized he had thought nothing at all about the hostages." He never visits correction officers or their families. The truly invisible people in his book, outside Wicker's vision, and deeply betrayed by him, are the working-class whites of the prison staff. They figure in his book exactly as he describes blacks in Hamlet during his youth: all he hears is their footsteps; all he vaguely feels is their presence.

Wicker is profoundly ambivalent about his own Southern heritage and about the liberalism for which he has exchanged it. Like many Southerners, he openly believes Southern liberals are better than Northern liberals—see to the heart of things quicker. Yet it is required that he disown the South. So on a troop train for ten days in 1946 with twenty-seven blacks and two other whites, "he set the face of his life away from the South." A convert to Northern liberalism, he keeps trying to prove himself worthy. He "envies" those, like William Kunstler, the radical attorney (a fellow observer at Attica), who are more to the Left than he. Above all, he admires men who have "paid the price," who have "earned their right" to liberalism; he always feels unworthy.

Wicker's most profound ambivalence, of course, concerns race. The first time he ever shook hands with a black was at the age of nineteen, at the university; his first human exchange with a black appears to have been on that troop train—a highly charged moment to him, a moment in which the direction of his life changed. "In 1946, he had made the great discovery that blacks were as human and individual as anyone. It was not much to learn, yet it was more than some people learn in a lifetime." It is difficult for those of us brought up in Northereastern industrial cities to believe Wicker can be serious. Our earliest fistfights were with blacks; we played ball with and against each other. We are not without our own forms of racism, but we have long since done blacks the honor of liking or disliking what we see in them, whether one by one or in solidarity. And we have tried to resist attributing all problems, including all the problems of the blacks themselves, to race alone.

Not so Wicker. "Racism, its consequences, the modern attack on it both legal and intellectual, and its endurance in so many forms had been the central public concern of Tom Wicker's life—and one that, in his life's pattern, had set him apart from many of his contemporaries and his peers." And again: "There had been no moment in his adult, professional life when 'the race question' had not been prominent in his mind

and work. Its effect upon him and what he had written, he supposed, was responsible for his presence at Attica."

Thus on page after page, Wicker reduces the issues of Attica to race, to "whiteness," to "blackness." He seems to think of the Latino prisoners as black, and he slides over the whites among the inmates as a kind of embarrassment to the thesis he really wants to sell. "At the heart of the matter was the fear of blackness." Governor Rockefeller "did not appear to realize, even months later, the implications of two cardinal facts—that the attack force was all white and that the rebelling inmates were heavily black and Puerto Rican." But what *are* these implications? Europeans are not notoriously gentle to other Europeans. Officials have seized farmhouses at point of gun from penniless white farmers. Massacres have happened in every decade in American history, and as likely as not whites were the victims of whites. Only 54 percent of the inmates at Attica were black (9 percent were Latino), figures not inconsistent with crime rates among young males in New York State, particularly among the amateurs most likely to be caught.

To imagine every misunderstanding, hardship, injustice, and even brutality done to a black as prompted solely or chiefly by his race is a wretched disservice both to truth and to those who suffer. It is another form of putting them in their place. When in the intense emotion of parting from the inmates, Wicker was called "brother" by a black, and hugged him, "for the first time in his life he sensed that nothing racial stood between him and a human being who happened to be black." He felt himself free, for once . . . *free at last free at last*. . . ." Wicker's mystique of blackness and whiteness may possibly be Scotch-Irish and it is certainly Southern; it is not part of every white culture, and the emotion he describes here does not seem as attractive as he may imagine.

Even the most destructive form of Wicker's racism seems at first glance like exquisite sympathy. After a former prisoner, "G.I." Paris, spoke of "the conditions" in the prison and asked "You unnerstan'?," Wicker writes: "But how could the gap between 'the conditions' of G.I.'s life and his own—let alone those of the truly affluent—be really understood if it had not been lived? How could *he* fully know what 'the conditions' did. . . .?. He sensed the profound inadequacy of his understanding. . . ." How can this be? Wicker is not hesitant about understanding poor whites, or Vietnamese, or characters in fiction or in history books. Only when it comes to blacks and Latinos do his powers of understanding fail. But it is not necessary to *live* someone else's life in order to understand "the conditions" under which that life is lived. "Gaps" among humans can be crossed by understanding—indeed, with a little healthy cynicism, one can sometimes see others more clearly than they see themselves. It is condescending not to face others with the normal amount of cynicism.

Such cynicism deserts Wicker when it comes to blacks, but not as he deals with whites, especially when he believes them gullible or susceptible of emotional blackmail. Wicker's public detestation of threats of a "bloodbath" in Vietnam are well-known; one expects the "bloodbath" newspaper column yearly. Yet through four days of negotiation at Attica, Wicker and the other observers invoke the image of a "bloodbath" repeatedly in order to shock the Governor and state officials. They do not warn the inmates of a bloodbath, however; they protect the inmates' naiveté.

For 300 pages, Wicker tells us the inmates had no trust in the state; in the end he tells us they never wavered in their trust in the state, never imagined the troopers would come in shooting. And why should they? In earlier uprisings at Rochester and at Auburn the state sent troopers in with sticks rather than with guns. One might even argue that at Attica, too, instead of feeding the prisoners and allowing them to organize and to play at revolutionary theater, the state should immediately have sent in a large force without guns and taken back the prison, if not bloodlessly, at least with fewer dead. Why, then, did Wicker and the other observers—who knew that the state was serious—confirm the inmates in the illusions of revolutionary theater?

Underlying everything, more important to his tale than abstract discussion, is this failure to tell the inmates the truth. On Sunday, September 12, Wicker realizes no one has told the inmates about the guns outside, about the pressures for attack; no one has warned them that the state is serious. "If," he says to himself, "the faintest possibility existed that a blunt speech of warning might avoid calamity, he ought to take the microphone and state the truth as plainly as he could." Ashamed of his vulnerability as a Southerner, Wicker rationalizes. Time slips. "But the straw lay there to be grasped at . . . Wicker saw it clearly. He did not doubt the imperative to speak that had been placed upon him by the realization. . . . He knew what was expected of him, what he expected of himself. The moments passed. More hostages came forward. But he did not speak." These lines come at the end of a chapter. Even here, Wicker cannot bear to face his failure. He closes the quoted sentence with a qualifier: ". . . it seems." No seeming about it. He did not speak.

Later, he comes back to it:

"Obviously, a clear understanding of the real alternatives facing them might have made a great difference in D-yard that Sunday afternoon. "Why didn't someone say, 'Listen . . . their position is that they will not move another inch and they're going to come in with guns and shoot you people to death'?" Three years later, Roger Campen [an inmate leader] still was asking himself that question, and Tom Wicker could give no better answer than 'you should have known.' He knew that was hardly an answer at all."

And, still later, Wicker cannot accept the reassurance of his fellow observer, Congressman Herman Badillo: "We did all we could." Wicker was not sure about that. He had not spoken in D-yard the afternoon before. But that was his to live with, not Badillo's."

Great moral failures do not happen suddenly; a thousand small surrenders prepare the way. In Wicker's case it was a long series of surrenders to rhetoric—revolutionary rhetoric—that deprived him first of the ability to see the saving truth clearly and then the courage to speak it when lives were hanging in the balance.

Earlier, on first hearing the inmates' rhetoric, Wicker is fascinated as "a Southerner who responded to eloquence." When Herb Blyden assures his "rapt audience" that the prison is "no more than the actual presentation of the life they were forced to live on the outside," Wicker congratulates him warmly afterward, and writes: "He was a man who spoke with the cutting edge of an essential truth that his hearers knew from their lives to be a truth." Clarence Jones later tells Wicker "how much an institution like this is a microcosm of the outside society. . . . Malcolm X used to tell blacks they were all in prison—that America meant prison for blacks." Wicker in "his evasive Southern way" concedes the point of Clarence Jones and Malcolm X "without anything to do or say that would change or answer it." Instead of conceding, he might have asked Jones, the publisher of the *Amsterdam News,* if he were being rhetorical, self-pitying, or merely manipulative of a poor Southern boy.

The inmates continually boasted of their readiness to die, and "Wicker, at least, had taken it almost literally." Later, however, Champen "explained that the speeches were really dramatizing how bad conditions are." It turned out that 46.8 per cent of the inmates did not expect guns to be used. But Wicker accepted black rhetoric at face value: "The pig only answered to the knife; The Man only yielded to the gun. That was what the brothers believed, what life had taught most of them." Yet in the final test, despite the predictions that hundreds and possibly thousands would be killed, 43 died, counting the guard and two prisoners killed earlier by the inmates. A horrible waste, but nothing approaching the picture drawn by the inmates and spread by the observers. On the one side, of the 211 troopers who stormed D-yard, only 74 men actually fired; and on the other side, the inmates did not kill the hostages when D-yard was attacked. (This does not seem as hard to understand as Wicker makes out. About to be overwhelmed, suddenly choking with tear gas, those who held the hostages had a chance of surviving only if they did not murder; murder when immediate retribution is on its way is not impossible to deter.)

Wicker's attitude toward the leaders at Attica was as uncritical as his attitude toward their rhetoric. He did not know that two prisoners had been executed in some orderly fashion, and that the leaders had more reasons than he suspected for resisting any demand short of amnesty. The leaders played on the crowd like fundamentalist preachers, and the crowd passively responded. Wicker does not explore the dark side of the leaders' personalities; he does not seek out their moral or emotional weaknesses; he accepts them, not quite at face value, but as symbols of revolution, as metaphors for materials locked up in his own psyche. He rails several times at "normal citizens" who saw in these inmates only "murderers, thieves, and rapists," and not their decency and their impressive talents. But here Wicker has things exactly backward. It is he who trivializes the inmates by taking their illusions seriously, by being amazed at their talents, and by averting his eyes from their pathologies, their ignorance, and their flirtations with destruction.

Every human being has enormous capacity for evil and also for good: Wicker included. Cleaving to the "mortal rigor" his mother expected him to live up to, Wicker does not imagine that people like his mother—the mothers in Batavia, ordinary citizens—might be subtler than he. Of the troops at the prison he says, trying to be "charitable," that they were "unschooled in the subtleties of the situation." One wonders. Had they not understood the situation exactly, from the first? Did they not know that the sooner the assault was launched, the less bloodshed there was likely to be? Had they not done this before? Had they not already surmised full well that no "revolution" was beginning in Attica, and that meaner motives lay behind the posturing? Were they not thinking that, if further Atticas arose, they might be the next hostages? For all his "subtlety," Wicker by his own testimony was wrong at every step of the unfolding drama.

Indeed, it seems amazing that a professional journalist should have cared so little about, inquired so weakly into, the masses of people who are constantly at the edges of this text, almost never seen, but experienced as an ominous and hateful presence: the new niggers of America. Wicker hugged black inmates in his farewell he could not look the white hostages in the eye.

Nothing could better symbolize the distortions which the Southern perspective has introduced into our understanding of race relations. The North is not the South, nor the South the North. Attica is not the Arkansas State Prison; Cicero, Illinois, is not Birmingham, Alabama; South Boston is not Little Rock. The North is a different, harsh-

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er world, and blacks who were churchgoers and gentle in the South are often gravely wounded by the amoral, hostile, and fiercely competitive working world of Detroit, Chicago, Cleveland, Pittsburgh, Buffalo, Toledo, and New York. The whites they meet are not from Southern culture, do not have Southern guilts. The rules are different. The game is different. Ideology abounds.

The inmates picked the wrong game at Attica, the game of revolution, and forty-three human beings lost their lives. It is not a game limited to blacks: this particular disease is free of racial bias. Southernized, however, revolution signifies "the blacks"; "oppressed" means black; "minority" means black; "poor" means black; "underdog" means black. All problems are defined as racial problems. But racial mysticism, applied to Northern neighborhoods and towns, will not alleviate the scarcity of jobs; the abuse of the civil right to life and limb by muggings, robbery, and rape; the downward slide of stable communities; the economic competition; the bias of the media in dividing black from white; the scramble for scholarships and decent schools. Racial illusions kill; that is the lesson of Attica, and of Tom Wicker's book.

CLIFFORD DURR

Mr. SPARKMAN. Mr. President, Clifford Durr, a member of the Federal Communications Commission for 8 years during the Roosevelt and Truman administrations, died recently following a brief illness.

Clifford was born and reared in Montgomery, Ala. His education at the University of Alabama was interrupted by service in World War I. Following the war, he returned to the university to earn his degree and a Phi Beta Kappa key. He was elected a Rhodes scholar at Oxford University.

During his tenure on the Federal Communications Commission, Clifford Durr championed the use of broadcast frequencies for noncommercial educational use. He and his wife, Virginia, were active in many areas during their years in Washington, just as they were when they returned to Alabama.

Clifford was an outstanding attorney who had strong convictions and stood by them.

I ask unanimous consent that the obituary published in Tuesday's New York Times be printed in the RECORD.

There being no objection, the obituary was ordered to be printed in the RECORD, as follows:

CLIFFORD DURR, EX-FCC AIDE AND CIVIL RIGHTS LAWYER, DIES

WETUMPKA, ALA., May 12.—Clifford Judkins Durr, a former Federal Communications Commissioner and prominent civil liberties lawyer, died today at the age of 76.

Mr. Durr served on the F.C.C. from 1941 to 1948, during which he fought to establish the principle of reserving broadcasting frequencies for noncommercial educational use. He declined reappointment to the agency by President Truman in 1948. When Mr. Truman asked him why he turned the job down, he replied that he could not conscientiously administer the President's loyalty program.

Later, while briefly a private lawyer in Washington, Mr. Durr represented leading figures involved in various investigations, including the scientists J. Robert Oppenheimer and Edward U. Condon. When he returned to Montgomery in 1954 to practice law, he was for a time the only lawyer in the city who would take cases by blacks charging violations of civil rights.

It was Mr. Durr who arranged to have Rosa Parks, the black seamstress, released on bail in 1955 after she was charged with violating the city's bus segregation ordinance. This arrest led to the Montgomery bus boycott.

In 1972, shortly before his death, former President Lyndon B. Johnson wrote Mr. Durr, following a national conference on civil rights, "A long, long time ago, you taught me so much, by percept and example, about the dignity and opportunity to which each is entitled regardless of color, birthplace, ancestry, and all of the ways in which many have been ignored and disdained."

Mr. Durr was a native of Montgomery and attended the University of Alabama where, following a year's service at the close of World War I, he received his degree in 1919 along with a Phi Beta Kappa key. He was elected a Rhodes Scholar at Oxford and received his degree in jurisprudence in 1922.

In 1933, Mr. Durr entered government service as assistant general counsel of the Reconstruction Finance Corporation, which helped to recapitalize banks that had failed during the Depression. Later he became general counsel, then director, of the Defense Plant Corporation, an agency charged with putting American industry on a wartime footing.

After leaving government, Mr. Durr, instead of entering lucrative private practice in Washington, returned to Montgomery. When asked why he returned to the South, he would quote a line from Br'er Rabbit of the Uncle Remus fables; "De briars, dey may scratch sometimes, but it's my briar patch."

In 1966, Mr. Durr received the Albert and Florina Lasker award of the New York Civil Liberties Union.

He was married for 50 years to the former Virginia Foster, who was active in civil rights causes in Congress during the nineteen-thirties and forties and was a sister-in-law of Supreme Court Justice Hugo L. Black.

Also surviving are four daughters, Mrs. Walter A. Lyon of Harrisburg, Pa., Mrs. F. Sheldon Hackney of Princeton, N.J., Mrs. Virginia D. Parker of Washington and Mrs. Richard V. Colan of Birmingham; a sister, two brothers and nine grandchildren.

A MEMORIAL URGING THE PRESIDENT AND CONGRESS TO OPPOSE HANDGUN CONTROL PROPOSALS

Mr. GOLDWATER. Mr. President, the House of Representatives in Arizona recently adopted a resolution by an overwhelming vote urging the President and Congress to enforce the criminal laws rather than measures to control the use of handguns by honest citizens.

The House vote was 49 to 4 with 7 members not voting.

The resolution insisted individuals have a natural right to defend themselves against assault. It also pointed out that crime statistics only cover the use of firearms in crimes and do not disclose the many instances where the lawful possession or use of firerams for defense have prevented crimes.

Mr. President, I ask unanimous consent that the text of this resolution by the Arizona House of Representatives be printed in full in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

HOUSE MEMORIAL 2002

A memorial urging the President and the Congress of the United States to oppose any handgun control proposals for Federal legislation

To the President and the Congress of the United States of America:

Your memorialist respectfully represents:

Whereas, defense of one's person against assault by another is a natural right recognized by every generation; and

Whereas, every individual's right to the possession of adequate weapons for his defense or the defense of his home and family is essential to the protection of this natural right; and

Whereas, the Bill of Rights of the Constitution of the United States and Article 2, Section 26 of the Constitution of the State of Arizona guarantee to its citizens the right to keep and bear arms; and

Whereas, the handgun is the most effective weapon for self-defense, and its mere possession frequently is sufficient to repel an invader or attacker; and

Whereas, crime statistics only cover the use of firearms in crimes and do not disclose the many instances where the lawful possession or use of firearms for defense have prevented crimes; and

Whereas, such legislation would deny a citizen the right to obtain weapons for self-defense, but would not prevent the acquisition of weapons by criminals or their misuse by criminals; and

Whereas, there are adequate laws now on the books to punish criminals for the misuse of firerams in crimes if properly enforced.

Wherefore your memorialist, the House of Representatives of the State of Arizona, prays:

1. That the President and the Congress of the United States take those steps necessary for the proper enforcement and judicial punishment of criminals, rather than consider legislation to curtail the right of honest citizens to acquire weapons for sport or self-defense.
2. That the Secretary of State of the State of Arizona transmit a copy of this Memorial to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and to each member of the Arizona Congressional delegation.

WALTER HELLER STRESSES IMPORTANCE OF A STRONG RECOVERY

Mr. HUMPHREY. Mr. President, I want to call the attention of my colleagues to an article by Walter Heller in the Wall Street Journal, of May 13, entitled "The Dangers of an Upturn." As always; Dr. Heller has an important message for us on the economy, and he presents it in clear, simple, and compelling terms. First Dr. Heller points out that—

> That much heralded business upturn, not far off, will be the economic non-event of 1975. For while business will turn up, unemployment will hang high and unused capacity will be huge.

Dr. Heller goes on to point out that the anticipated business upturn, welcome though it is, carries with it a danger:

> The great danger is that Messrs. Burns and Simon, gaining aid and comfort from the upward direction of activity, will ignore the abysmal level of the economy and press their Holy War against inflation with recovery-aborting fervor.

Not only are the administration and

the Federal Reserve pursuing too restrictive a policy because of what Dr. Heller calls their hypnotism with "the fear of inflation," but Congress is doing less than it should to provide for a strong and sustained economic recovery. Dr. Heller feels, as I do, that the budget policy which Congress is pursuing is too restrictive. He recommends:

> Congressional spending and deficit targets should be adjusted to allow an added $5 billion to $10 billion for recovery programs targeted to areas of high unemployment and effective only as national unemployment exceeds a triggering level . . .

In general, I feel Congress has done an excellent job under difficult circumstances in its handling of the first congressional budget resolutions. However, I agree with Dr. Heller that the conference report on the budget resolutions which we will vote on today does not provide enough in the way of temporary emergency employment programs. Fortunately, there will be an opportunity for reconsideration of these budget resolutions in September. I only hope that we will heed Dr. Heller's warning that we not relax at the first signs of recovery. As Dr. Heller puts it so well:

> The dawn will break cold and grey for the unemployed. The jobless rate will hover near 9 percent throughout 1975. And this year's rebound will not become next year's recovery unless the forces that are turning the economy around are buttressed by monetary and fiscal policies for sustained expansion.

I ask unanimous consent that Walter Heller's article from the Wall Street Journal of May 13 be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE DANGERS OF AN UPTURN

(By Walter W. Heller)

That much heralded business upturn, not far off, will be the economic non-event of 1975. For while *business* will turn up, unemployment will hang high and unused capacity will be huge. The great danger is that Messrs. Burns and Simon, gaining aid and comfort from the upward *direction* of activity, will ignore the abysmal *level* of the economy and press their Holy War against inflation with recovery-aborting fervor.

Right now, we are in the darkness that comes just before the dawn. Unemployment is still rising, to a peak between 9% and 10%. Much consumer demand is being met from inventories instead of new production. Prospects for autos and housing range from feeble to anemic. Plant and equipment outlays are still being marked down.

But as the 1975 tax cuts pour into the economy, as inventories are drawn down and production steps up to meet the consumer demand, and as the pace of government spending (especially on defense) picks up, the economy should begin a rebound. Starting by July or August, it should carry real GNP upward at a 6%–7% pace in the second half of the year.

Still and all, the dawn will break cold and grey for the unemployed. The jobless rate will hover near 9% throughout 1975. And this year's rebound will not become next year's recovery unless the forces that are turning the economy around are buttressed by monetary and fiscal policies for sustained expansion.

Before tossing our hats in the air at the first signs of an upswing, we should reflect a moment on the path of the stimulants that will bring it about:

Tax cuts. After pumping money into the economy this quarter at a $50 billion annual rate, the injections will drop to a $15 billion rate in succeeding quarters. (In contrast, the 1964 tax cut, in today's terms, would have produced a sustained $26 billion rate of injection.)

Budget stimulus. Even assuming expenditures in the neighborhood of $365 billion in fiscal 1976 and continuation of about $12 billion of the tax cuts next year, the budget will swing significantly toward restriction (by some $10 billion to $15 billion in full-employment terms between the first half of 1975 and the first half of 1976) at a time when recovery is still in its early stages.

Money supply. After the temporary current spurt in money supply growth, the Federal Reserve will be tempted to go back to its "standard" 6% growth target. If it does, this alone could condemn us to a paltry 4%–5% rate of increase in real GNP in 1976.

Inventories. The big spur to production implicit in the drop in inventory liquidation rates from a peak of perhaps $20 billion to the neighborhood of zero by the end of the year is hardly likely to be sustained via inventory accumulation in 1976.

THE WHIPLASH OF RHETORIC

Yet under the whiplash of the Ford-Simon-Burns rhetoric, even the *prospect* of an upturn is being used to mobilize the nation's continuing fears of inflation in a campaign against more expansionary budgetary and monetary policy. The upturn itself will give aid and comfort to that campaign. The forces then arrayed against vigorous policies for expansion would indeed be formidable:

The Federal Reserve, still smarting from charges of election-year overexpansion in 1972, will let its deep-seated anti-inflationary bias be its guide.

The White House, following its inherent economic conservatism, seems ready to settle for a mild expansion and slow absorption of the unemployed.

Congress intimidated by scare-talk about deficits and inflation and determined to demonstrate its fiscal responsibility under the new budget procedures, is likely to be imprudently "prudent." That is, in guarding against the distant threat of renewed inflation, it seems unwilling to deal boldly with today's deep recession.

This dangerously timid and restrictive mood—which, if it persists, could lead us from the 1974–75 recession, after a brief spurt, into a 1976 stagnation—seems to be rooted in neglect of some factors and misperception of others.

First, in its blind preoccupation with inflation, it seems to forget that (a) the ferocious inflation of 1973–74 is rapidly ebbing, (b) there is no reason to expect the forces that generated over one-half of that inflationary upsurge—two years of disastrous crop failures, a quintupling of oil prices and dollar devaluation—to recur during the expansion of the mid-1970s, and (c) a miserly monetary policy and restrictive fiscal policy would blunt both the upswing and productivity that can help us subdue inflation in the short run and the expansion of savings and capital spending that can forestall shortages in the longer run.

Second, in assessing the economy's capacity to absorb stimulus, we seem to forget that (a) this recession is twice as deep as any previous postwar recession, (b) while real GNP has dropped 8% in the past 18 months, potential GNP has also been rising (by 6%, if we use trend growth), thereby idling about $200 billion of our annual productive capacity, and (c) American industry is now operating at only two-thirds of capacity. It remains a chilling reality that three consecutive years of 7% real growth would still leave unemployment at more than 6% and that present policies provide no assurance that even 7% growth will be maintained in 1976.

Third, even the redoubtable John Dunlop, in expressing the fear that bottlenecks in primary processing industries will abort recovery, seems to forget (a) that operating rates in primary processing industries are running below 70%, and (b) that many of the 1973–74 shortages reflected a frenzied flight into commodities—partly protective, partly speculative—as much as, perhaps more than, a genuine scarcity of materials for productive use, and (c) that many of these materials are only now being disgorged in 1975's massive inventory liquidation. True, that inventory liquidation makes the huge idle capacity today somewhat deceptive. But inventory gorging and hoarding also blew the bottleneck problem in 1973–74 out of all proportion.

Fourth, two major misapprehensions about the budget continue to plague the country and inhibit the Congress. One myth is that the huge federal budget is somehow the result of government profligacy. The facts are that (a) nearly $60 billion of the projected 1976 deficit is due simply to the ravages of recession (about $45 billion of reduced revenues and $15 billion of increased unemployment costs) and (b) the $4 billion overestimate of offshore oil lease revenues and a $6 billion or so under-estimate of domestic expenditures bring Mr. Ford's deficit to some $70 billion—small wonder that Republican Senator Bellmon angrily accuses the White House of "phony" budget numbers.

A companion myth is that civilian spending is the main source of upthrust in the federal budget today. But it is defense purchases, already running several billion dollars above projections, that are programmed (according to the Special Analyses section of Mr. Ford's budget) to rise some $25 billion, at annual rates, in the next five quarters. Leaving aside the energy program and the rise in unemployment benefits, the Ford budget for fiscal 1976 projects an 11% increase in defense expenditures, 9% for income security, 6% for health and zero for education, manpower, and social services.

THE COST OF STAGNATION

Fifth, those who shrink from vigorous expansionary policies are also forgetting the huge costs of continued stagnation, not only in the human terms of intolerably high unemployment and intolerable losses of output, but in terms, already mentioned, of the productivity advances and capital formation foregone in a stagnating economy.

Is this an argument for pulling out all the stops? No, but it is an argument for stopping all the pulls—the downward pulls of niggardly monetary policy, a fading tax cut and parsimonious budget policy.

The Fed should lose no time in assuring the country that it will accommodate expansion, even if this means going beyond the newly declared 5% to 7½% monetary growth range, as it surely does.

The Congress should move promptly to make crystal clear, preferably by early reenactment, that the $12 billion to $13 billion of tax cuts beyond the rebate, Social Security payments and housing credit *will* continue in 1976.

Congressional spending and deficit targets should be adjusted to allow an added $5 billion to $10 billion for recovery programs targeted to areas of high unemployment and effective only as long as national unemployment exceeds a triggering level, e.g., expanded unemployment compensation and public service jobs and a new program of counter-cyclical assistance to hard-hit state and local governments, all of which would gradually self-destruct as the economy regains its health.

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A year from now will be plenty of time for another look at expansionary polices. Even if we follow a resolute program of expansion, one that would boost real GNP at an 8% annual rate, we would still find the U.S. economy in mid-1976 with 7½%–8% unemployment, with output running some $125 billion below its potential, and with shortages and bottlenecks still no threat. That will give us plenty of time to review the bidding and determine whether, when, and how restraint should be applied. To do it at the first sign of an economic upturn would be an abject confession of economic bankruptcy.

The danger of an upturn, then, is that the Burns-Simon axis will mistake the warm and gentle zephyrs of the rebound for the gathering winds of a new inflation—to be leaned against in the best (or worst) Fed tradition and to be used as a club against bold congressional action. The consequence? The rebound may never become a recovery. If the White House and the Fed, hypnotized by the fear of inflation, quickly turn from expansion to restriction, they will snatch defeat from the jaws of victory.

NATIONAL SCIENCE FOUNDATION CURRICULUMS

Mr. LAXALT. Mr. President, the Senate recently passed the National Science Foundation authorization bill (S. 1539) and I, as a member of the Committee on Labor and Public Welfare which considered the legislation, concurred in the vote. However, during the course of hearings on S. 1539 the committee received testimony which revealed that NSF was aggressively marketing and promoting their social science curriculums. My colleagues on the committee and I agree that this is a most unhealthy situation. While we recognize that it is in the public interest to aid in the development of social science curriculum, it is definitely not our intention to continence the promotion of the material by NSF using Federal funds to "sell" the programs. This obviously places the private curricula development sector at a disadvantage. Therefore, at my request the following language was inserted into the committee report before the legislation was reported:

> Notwithstanding current controversies, this committee does not seek to pass on the merits of any specific NSF effort to develop or implement social science curriculum at the elementary level. It does, however, very strongly disapprove of any attempt to subsidize the marketing or promotion of such curricula in such a way as to give them a competitive advantage over curricula developed by the private sector. NSF should make its curricula available to local school districts, but it should not attempt to in any way influence the view of those local boards as to the desirability of such curricula.

I, and the rest of the committee members, will monitor the activities of the NSF very closely in the coming year. We hope that they will continue producing high quality curriculum for consideration by the education community, but do not want the Foundation to market their programs with Federal funds.

DOMESTIC ENERGY SUPPLIES

Mr. BENTSEN. Mr. President, few issues facing this country are as critical as the need to develop a comprehensive, coordinated plan for achieving energy self-sufficiency. It is vital to every aspect of our national life, from the economy on. But it takes money to achieve self-sufficiency: Money for loans, money for investment. And, given the state of our capital markets, that may be hard to come by.

Last week, I presided over Committee on Finance hearings into this problem. Two of the administration's leading officials—Secretary of the Treasury William Simon and Assistant Secretary of State Thomas Enders—testified on this issue.

In addition, experts testified on two new and promising sources of energy—coal gasification and the conversion of solid waste into fuel.

Mr. President, I would like to briefly discuss with my colleagues some of the important points raised during these hearings.

Any comprehensive energy program must focus both on increasing domestic energy supplies and decreasing wasteful use of energy. Traditional fuels such as oil, natural gas, and coal are our primary sources of energy and they will be for some years to come. But we must develop new alternative domestic sources of energy to meet our future needs and reduce our reliance on foreign sources of oil. We need an all-out program, with both private and public participation, to produce energy from alternative sources. Coal gasification and solid waste conversion are two promising areas.

Indeed, our country has a wealth of synthetic energy alternatives which we must now attempt to tap.

We are the Saudi Arabia of the world when it comes to coal reserves. According to the National Academy of Sciences there are 3.3 trillion tons of coal in proved reserves and undiscovered resources in the United States.

And the techcnology already exists to convert this coal into a sulfur-free naural gas—into the energy equivalent of 12 trillion barrels of oil.

The big problem is making this process economically and environmentally feasible. We must make every effort to overcome these obstacles, but it will take money.

It takes a tremendous capital outlay to purchase the new equipment for converting coal into gas, and companies are reluctant to make the tremendous investment required because of the fear that the Arab oil-producing countries will undercut them.

Considering the control the Arabs currently exercise on the energy market, I must say the reluctance of companies to make these large-scale investments in coal gasification is understandable.

What are we talking about here? What will it take to overcome the economic and environmental hurdles and begin large-scale production of gasified coal?

Although the technology for coal gasification exists, there are a lot of uncertainties regarding operability, yield efficiencies, and metallurgy.

With respect to the environment, synthetic fuel projects in general require significant supplies of water. For example, water supplies will be a significant factor in decisions to build synthetic fuel plants in the Rocky Mountain States. Ranchers and farmers in States like Colorado and Wyoming have voiced strong concern that coal gasification, coal liquefaction, and oil shale projects will deplete already scarce water resources. A 1973 study by the National Academy of Sciences concluded that not enough water exists for large-scale conversion of coal to other energy forms in the West.

And, coal gasification, of course, involves extensive mining operations and waste disposal problems, with all the environmental concerns they raise. In addition, there has been little experience in regard to actual investment of operating costs of large plants. There are some estimates that gasified coal will cost as much as $3 to $4 a thousand cubic feet. And, since no commercial-sized plants are in operation now in this country, it is not clear whether this price can be significantly reduced over time through technological innovations and the adoption of economies of scale.

The combination of these factors results in high economic and technical risks.

This is where Government can and must help, both with such intangibles as the moral support provided by a constant commitment to the development of synthetic fuels, and with more concrete financial backing.

To this end, I have already introduced legislation to establish an Energy Development Fund. It would provide loan guarantees for developing synthetic fuels, including gasified coal and solid waste conversion.

These loan guarantees would not represent any direct financial outlays by the Federal Government. They would simply encourage companies to embark on expensive energy development projects by offering them protection against Arab-created price fluctuations.

Besides such selective loan guarantees, Government could also make long-term purchase commitments to private industries working through such new avenues to meet our energy needs.

My proposed Energy Development Fund will help private industry meet the cost of developing synthetic fuels. Under my proposal companies would generally be required to provide 25% of the cost of the project. They could then obtain loan guarantees from the Energy Development Fund for the remaining cost. Liability, of course, would be limited to facilities.

Very selective purchasing commitments for synthetic fuels could be made at the discretion of the Board of Directors of the Energy Development Fund. A minimal tariff of only 1 cent per barrel of imported oil would be imposed to raise the necessary operating and startup expenses of the bank. And the Secretary of the Treasury would be authorized to borrow any additional funds that may be needed for the program.

I think it is important that Government assist private industry in meeting the enormous costs of developing synthetic fuels, because the support is not going to come from anywhere else.

Potential investors are concerned that

some of the oil-producing nations which can produce oil for as little as 20 cents a barrel, may again sell petroleum to the United States at low prices and drive synthetic fuels out of the market, bankrupting those who had invested in such facilities.

My proposal would help spread the risk of investment in the production of these synthetic fuels which are important to achieving long-term energy self-sufficiency.

However, the proposal also recognizes that we cannot develop a viable synthetic fuel industry unless private companies retain some of the risk and some of the incentives for efficiency and the adoption of cost-effective technologies. That is why the companies themselves would have to come up with 25 percent of the cost. And, when you are dealing with billions of dollars—that will insure the cost effectiveness.

Another promising energy alternative which we examined during the Finance Committee hearings last week is conversion of organic solid waste to fuel.

This is still highly experimental, but one Environmental Protection Agency report predicts that this process could be producing the equivalent of several hundred thousand barrels of oil per day by 1980. It would also save cities across the country large sums currently spent on municipal waste disposal.

It is encouraging to note here that methane and electricity are already being successfully generated by pilot plants in such places as St. Louis, Baltimore, and San Diego County.

Using solid waste as an energy source offers several distinct benefits:

It replaces the use of fossil fuels;

It produces low sulfur oxide emissions because solid waste has a low sulfur content;

It helps alleviate the solid waste disposal problem and reduces the amount of land needed for disposal sites; and

It is a readily available domestic source of energy.

Cities and counties throughout the country are facing a serious problem in the disposal of solid waste. Traditionally cities have relied on open dumps, incinerators, or landfills to dispose of municipal waste.

But open dumps pollute air and water, constituting a very real health hazard. Incinerators also pose air pollution problems. Landfills are objectionable to local residents for obvious reasons.

A resource recovery system such as solid waste conversion will help reduce the environmental problems associated with solid waste disposal.

Further experience with existing solid waste conversion plants will demonstrate whether this process is economically and environmentally feasible.

My proposed energy development fund will offer loan guarantees to private businesses or municipalities to encourage the development of projects for converting solid waste into fuel.

Closely related to the conversion of organic solid waste into energy is the process of recycling solid waste materials into useful products as a means of conserving energy.

In most cases the use of recycled materials results in considerable energy savings when compared to the use of virgin materials. For example, producing steel from scrap requires only 25 percent of the electricity that is needed to produce the same amount of steel from raw materials. It is estimated that production of a ton of aluminum from natural resources requires over 30 times the energy output needed to deliver an equivalent ton from recycled sources.

Furthermore, there is generally a reduction in air pollution, water pollution, and waste generation when recycled materials are used in place of raw materials in production processes, according to the Environmental Protection Agency.

Congress is now examining various tax incentives to promote solid waste recycling.

While I believe government has a role to play in providing the necessary economic and regulatory climate and in some cases direct incentives and loan guarantees—the principal responsibility for developing this Nation's energy resources should be by private enterprise not government. I spent 16 years running my own business before returning to Washington as a Member of the Senate. I have seen nothing since returning to convince me that government can develop energy resources any more quickly or efficiently or at a lower price to the consumer than private industry. Energy legislation should be directed at strengthening the ability of private industry to do the job, not weakening its ability.

We must begin now to examine our energy needs, coordinate resource development and consolidate our conservation efforts.

In only this way can we insure that our Nation will never again be caught unprepared by another energy crisis.

The House of Representatives is now formulating comprehensive energy legislation. This legislation includes major modifications of our tax laws to both reduce energy consumption and encourage energy production. All tax legislation must originate in the House of Representatives but hopefully, the House will soon complete action and send the energy bill to the Senate.

Congress must formulate a national energy policy. It will be a difficult task, but our Nation has successfully faced equally difficult tasks many times in the past. We can successfully do so again.

THE NEED FOR A STRONG NATIONAL DEFENSE FORCE

Mr. GOLDWATER. Mr. President, recently the National Guard Association of Arizona held its 1975 annual conference in Flagstaff, Ariz., and unanimously went on record as favoring Federal expenditures necessary to keep the defense of the United States superior to that of its possible adversaries.

The Guard Association also urged the Congress to enact legislation providing for the establishment of a national cemetery in the State of Arizona and support for commissary and post exchange stores used by the Federal and National Guard personnel.

In its resolution on defense funds the Guard said "détente" has only eased but not removed the tensions existing between the United States, the U.S.S.R. and the People's Republic of China. It expressed fear that a "sagging" national economy might influence Congress to cut back unnecessarily on the defense budget.

Mr. President, I ask unanimous consent that the text of these resolutions be printed in the RECORD in their entirety.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTION

Relating to the establishment of a national cemetery in Arizona

Whereas, the State of Arizona is one of the few states which doea not have a National Cemetery within its boundaries; and

Whereas, many residents of Arizona who have served with distinction in the Armed Forces of the United States have expressed a desire to be buried in Arizona; and

Whereas, residents of many other states who have served in the military installations in Arizona and others who have returned as veterans or retired in Arizona, have expressed a desire to be buried here; and

Whereas, a deceased veteran who desires to be buried in a National Cemetery must be transported to another state for burial, thereby causing great hardship for his survivors;

Now, therefore, be it resolved, by the National Guard Association of Arizona, in Annual General Conference Assembled this 26th day of April, 1975 at Flagstaff, Arizona, that the Congress of the United States be and it is hereby earnestly requested and urged to enact legislation providing for the establishment of a National Cemetery in the State of Arizona; and

Be it further resolved, that the President of this Association be and he hereby is authorized and directed to send a copy of this resolution to each member of Congress from Arizona, the National Guard Bureau and the National Guard Association of the United States.

Know all men by these presents:

That the National Guard Association of Arizona at the Annual General Conference of the Association Assembled at Flagstaff, Arizona, on the 26th day of April, 1975, adopted the following resolution:

RESOLUTION

Relating to continued congressional support for commissary and post exchange benefits to military personnel

Whereas, Détente has only somewhat eased and has not completely removed the competition and tensions between the United States and the Union of Soviet Socialist Republics and Communist China; and

Whereas, the National Security of the United States depends heavily on a strong, efficient, well trained, and well equipped Military Force; and

Whereas, a "sagging" National Economy will probably influence Congress to cut back on unnecessary Defense Budget expenditures; and

Whereas, certain benefits incident to military service such as use of Commissary and Post Exchange stores by active duty military personnel and National Guard personnel should continue to be available to members of the military as a benefit incident to service;

Now, therefore, be it resolved, by the National Guard Association of Arizona, in An-

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nual Conference Assembled this 26th day of April, 1975, in Flagstaff, Arizona, that the Congress of the United States be and it is hereby earnestly requested and urged to support the Military Forces of the United States by authorizing the maximum necessary federal expenditures to keep the National Defense of the United States superior to that of her enemies; and

Be it further resolved, that the Congress of the United States be and it is hereby earnestly requested and urged to support with federal expenditures such necessary benefits to military service as Commissary and Post Exchange Stores for use by Federal and National Guard personnel; and

Be it further resolved, that the President of this Association be and he hereby is authorized and directed to send a copy of this Resolution to the President of the United States, the Secretary of Defense, the Secretaries of the Army and the Air Force, each member of the Congress from Arizona, the National Guard Bureau and the National Guard Association of the United States.

CONGRESSMAN McFALL ADDRESSES CALVIN BULLOCK FORUM ON NATION'S ECONOMIC POLICY

Mr. HUMPHREY. Mr. President, I wish to bring to the attention of my colleagues an excellent speech given last week by the Honorable JOHN J. MCFALL, the distinguished majority whip of the House of Representatives.

Speaking before the Calvin Bullock Forum in New York, Congressman MCFALL made a careful and most informative presentation of congressional actions to improve the state of our economy. He told the story as I think it should be told:

> This new ninety-fourth Congress produced more significant legislation in its first ten weeks than any other new Congress in forty years. This is because the economic crisis today demands action and because the Congress acted late last year to facilitate action. Procedural reforms made it possible for the new Congress to get organized beginning last December. All through this session, we have been at least a month ahead of other new Congresses.

Certainly, the new Congress has taken a decisive step to stimulate economic activity by enacting promptly the net $22.8 billion Tax Reduction Act, which will bolster consumer incomes and encourage them to increase their spending. This reduction, I might add, is a modest one in terms of the economy's needs and was the minimum essential to promote economic recovery. As Congressman MCFALL points out in his remarks:

> It is well to note that in terms of real impact on the economy, this current tax cut packs less punch than the $12-billion tax cut of 1964. To make an equal impact today, the 1975 tax cut would have to be at least $26 billion.

This year, for the first time ever, Congress has been able to formally set target ceilings on Federal spending, deficit, and other totals in 1976. Last year we passed a historic piece of legislation, the Congressional Budget Act, which has provided us a formalized system of budget control.

With respect to the deficit in fiscal 1976, the majority whip notes:

> The deficit is expected to be $69.5 billion . . . Our House Budget Committee estimates that this is exactly the deficit that would result from President Ford's budget, when his estimates are recomputed on a more realistic basis. The spending total will be somewhere between $368.2 billion as voted by the House and $365 billion as voted by the Senate.

At the Joint Economic Committee we have conducted extensive hearings on financing the deficit projected for fiscal 1976. Most of the witnesses at our hearings believe if the fiscal policies we adopt this year are appropriate, and if the Federal Reserve is cooperative, an even larger deficit could be financed in the money markets without undue disruption. Remember, the recession is the single largest contributor to the budget deficit because of reduced incomes and correspondingly low Federal tax revenues. The only way to avoid such deficits in the future is to provide enough support to the economy now to insure a vigorous recovery leading to sustainable growth in the years ahead.

While we have had some recent evidence that the economy may be bottoming out, there is no equal assurance that unemployment has yet reached its peak, or that it will drop quickly once the recovery takes hold. Congressman MCFALL states:

> Congress is now working on legislation that will create about 2.3 million new jobs, after you eliminate the overlap between the programs. This includes 760,000 jobs expected to be generated by the tax cut. Other jobs bills (enacted or moving through Congress) will create the others.

I have mentioned only a sample of the many actions Congress has taken to bring our economy back on a steadier, more hopeful course. Congressman MCFALL's speech represents the kind of leadership in economic policy that we must show in the Congress.

Mr. President, I ask unanimous consent that Congressman MCFALL's remarks be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

REMARKS OF CONGRESSMAN JOHN J. MCFALL, MAJORITY WHIP OF THE HOUSE OF REPRESENTATIVES, TO THE CALVIN BULLOCK FORUM, NEW YORK, MAY 9, 1975

It's a pleasure to be with you this afternoon. I appreciate this opportunity to address the Calvin Bullock Forum.

I understand that the symbol of this forum is a miniature replica of Lord Nelson's dress sword. So today, we have the sword meeting the Whip.

I want to tell you a little bit about that title—so that you don't take it too literally—and, more importantly, about the job of the Majority Whip in the House of Representatives.

Originally, the "whipper-in" was a fox-hunt official who kept the hounds from leaving the pack. The term was first applied to the rounding up of one's legislative colleagues by Edmund Burke when he saw it going on in Parliament one day in 1769.

Today, the stock in trade of the modern Whip's office is information. Not inside or exclusive information, but plain, straightforward, unbiased information. Our clientele is the Democratic Membership of the House, all 289 of them. To each Member we provide a one-page summary of every bill that comes to the House floor. We give them a daily schedule and other procedural information through a simultaneous telephone call to all Members' offices. Periodically, we issue speech cards and checklists summarizing legislative accomplishments. And finally, the Whip organization, which includes a Chief Deputy Whip, three Deputies, and twenty zone whips, acts as a sounding board, bridging the gap between the Speaker, who is the top official of the House, and the Democratic Membership at large.

Another part of my own duties is serving as assistant Floor leader to the number two official of the House, Majority Leader Thomas P. O'Neill, Jr.

On major legislation, when there is some controversy, the Whip organization will make vote counts in advance. We can see which Members are undecided and take the opportunity to ask them to vote with the Leadership.

But basically, information is the important thing with the Whip's office, as I am sure it is here on Wall Street where stock-traders depend heavily upon it.

I want to share with you one bit of information that interests us both: New York state taxpayers paid $36.8 billion in federal incomes taxes for the year ending June 30, 1974. That is the largest state share in the nation, almost $13 billion more than California, if that is any consolation. It is 13.7 percent of the total $269 billion in fiscal 1974 federal income tax revenues.

So I want to assure you that we know and appreciate your contribution here in New York.

Since you are in the nation's top taxpaying state, I am sure that you would have more than passing interest in the Ways and Means Committee which originates all tax legislation. Many of the things I am going to be talking about today relate to that committee, and I wanted you to know that you can keep a good watch on Ways and Means by reading your Wall Street Journal. Its reporters do an excellent job of finding out what's going on in the committee, even when it is meeting in closed session. Sometimes, even those of us in the Whip's office read the Journal to find out what Ways and Means did the day before.

Today has turned out to be a special day for the economy. It is the day that the first of those 78 million tax rebate checks are being delivered—and spent. (Wave rebate stub)

The tax rebates, and the lower withholding tables that went into effect May 1, will pump $16 million into the economy in the form of spendable income to consumers. These are part of the landmark Tax Reduction Act passed by the Congress and signed by the President six weeks ago. In addition, the act provides $4.75 billion in business tax cuts designed to encourage growth and expansion.

Altogether, this is a net $22.8 billion Tax Reduction Act, providing $24.8 billion in cuts and $2 billion in new revenues.

Having been elected Speaker pro tempore while Speaker Albert was on a presidential mission to China, I was privileged to sign the tax cut bill on behalf of the House before it went to the President.

This tax cut is designed by Congress as a massive response to some of the most severe economic conditions we have faced since the great depression. Industrial production is down more than 12 percent since September. We are trying to tune up the great American economic engine, to get productivity headed upward again and the Dow-Jones industrial average along with it.

It is well to note that in terms of real impact on the economy, this current tax cut packs less punch than the $12-billion tax cut of 1964. To make an equal impact today, the 1975 tax cut would have to be least $26 billion. So this is not an irresponsible or an over-stimulative tax cut.

As a Member of the House Appropriations Committee for thirteen years now, I can as-

sure you that Congress has always been deeply concerned about fiscal responsibility. And this year Congress is better equipped than ever to exercise federal budget control.

The landmark Congressional Budget Act of 1974 is being put into effect this year—a year early—because our economic situation today demands it. As a result, both the House and the Senate last week voted to set target ceilings on federal spending, deficit and other totals for fiscal 1976. It was the first time ever that Congress had taken such action as part of a formalized system of budget control.

By law, the House and Senate must resolve their differences and settle on a first budget resolution by May 15. Its figures will be subject to review by a second budget resolution in September.

A House-Senate conference is at this very moment working out differences in the two bills. By the end of the day, they should have a final bill that is very close to President Ford's overall figures. We expect the bill to come to the House floor next Wednesday. The deficit is expected to be $69.5 billion, which is a little less than the House and a little more than the Senate. Our House Budget Committee estimates that this is exactly the deficit that would result from President Ford's budget, when his estimates are recomputed on a more realistic basis. The spending total will be somewhere between $368.2 billion as voted by the House and $365 billion as voted by the Senate.

President Ford's proposed budget for fiscal 1976 has been revised, either by action of the President or by the effect of court decisions, so that it now projects spending of $355 billion and a deficit of $60 billion. Our House Budget Committee, however, feels that even these figures are understated. The committee estimates that royalties from offshore oil leases will be $4 billion less than the Administration estimates. The committee also estimates that subsidies and welfare payments will be $1 billion more than the Administration estimates. Finally, the committee assumes that the tax cut will be extended through June 30, 1976, thereby reducing the Administration's revenue estimates by $4.4 billion. If the committee's projections prove out, the Administration spending total will rise to $360 billion and the deficit to $69.5 billion.

Both figures are comparable to those in the House and Senate budget resolutions. So we are really all in the same ballpark.

Let me tell you a little story here about numbers games. Last year—way back in October, 1974—there was a great hue and cry about holding Federal expenditures for fiscal 1975 below the magic $300-billion mark. President Ford even made an address to the Congress asking for a $300 billion spending ceiling, and the cry was taken up in some quarters on Capitol Hill.

I was one of those who said it would be impossible to keep outlays at that level. I told that to the President when I was at the White House. I said: "Look at our commitments and our uncontrollable costs. We can't do it." He said: "I know, I just want to keep it from going very much over $305 billion," I said: "We can't even do that. It'll go at least to $308 billion or $309 or more."

Well, wiser heads prevailed on Capitol Hill. On October 11, the House passed a resolution calling for a $300 billion target ceiling on fiscal 1975 expenditures. The Senate made some parliamentary flourishes with the bill, but they never did pass it.

I just checked the current estimates on fiscal 1975 spending with two months left in the fiscal year: $325 billion. And a deficit of $41 billion, $21 billion more than was estimated in October.

Just to show you how things can change—forty-eight hours ago when I was going over this speech, that deficit figure was $45 billion. Then Secretary of the Treasury Simon announced that tax revenues were turning out to be $4 billion higher than expected. Let's wait and see. There's nothing that says it can't change again.

So I have seen these numbers games before. What we need to do now, when we play this numbers game again this year, is to look at some of the determinations that are going to have to be made before we can talk seriously about a final budget figure. It is a good thing that this first budget resolution sets target figures only, subject to revision later in the year.

Let's talk a little bit about those determinations. I am working on one of them right now. I am a member of a House-Senate conference which is working out differences in a $5.9-billion emergency jobs appropriation bill. The bill would provide funds for 310,000 public service jobs, and for public works which would generate another 600,000 jobs. The Senate also wants to include $700 million for railroad track and roadbed maintenance. Most of this is subject to authorizing legislation, and there is some question as to how much the railroads can actually put to immediate use. It would seem to me that one possible solution is to provide $40 million so that the roadbed maintenance can get into the summer. That would give Congress plenty of time to consider authorizing legislation for the entire program.

This emergency jobs bill is figured into our Budget Committee estimates, but it provides more than what the President requested. It is possible that he may veto it. So this is certainly an "iffy" expenditure. We still have to find out one way or another what is going to happen with this bill before we can arrive at a final budget figure.

Another determination that we have to make is on a $5 billion local public works bill now being prepared by the House Public Works Committee. This bill would provide 250,000 jobs, and it is strongly supported by Speaker Albert. I am a co-sponsor of the bill, and I have testified on behalf of it. Again, this bill is included in House Budget Committee estimates but not in the President's budget request. So that is something else we have to get decided.

The House budget deficit figure of $70 billion is made contingent on future tax legislation. The first budget resolution contemplates a $3-billion increase in tax revenues and a corresponding drop in the deficit. Increased collections, as estimated by Mr. Simon, account for $2 billion of that but the other $1 billion is to come from tax loophole plugging. Some of the candidates mentioned were the Domestic International Sales Corporation, the minimum tax, gasoline taxes, state and local bonds and others.

But it remains to be seen what kind of legislation the Ways and Means Committee will actually draft. In that connection, I should say that a major new tax bill is next on the Ways and Means agenda, after the energy bill is officially reported. This new tax bill, besides its loophole plugging and other revenue producing features, is also expected to extend the 1975 tax cut into 1976 and perhaps beyond.

Several other major determinations are pending. The House has already voted to eliminate the President's five-percent cap on social security, federal and military retirement, federal pay and other payments tied to the cost-of-living index. That would add $2.7 billion to fiscal 1976 outlays.

A housing bill, which would subsidize interest rates for middle-income homebuyers, is now in House-Senate conference. It is expected to cost $1.9 billion and to stimulate the construction of 400,000 homes. That would mean 250,000 new jobs in the construction industry. The mortgages would average $30,000, and the aggregate mortgage amount could not exceed $12 billion. Eligible middle-income homebuyers could have their choice of a six-percent interest rate for three years or a seven-percent rate for the life of the mortgage.

Another item pending is the extension of the public service jobs program through fiscal 1976. The Budget Committee recommends an additional 140,000 jobs costing an additional $1.9 billion. That would bring these jobs to 450,000 in fiscal 1976. Now, the Education and Labor Committee, which has legislative jurisdiction over this program, is currently marking up a bill which would increase that figure to 700,000 for fiscal 1976.

Another major unresolved item is energy. The President is counting on $7 billion of energy tax revenues in his budget request; the Budget Committee has deleted it altogether. Major energy bills are being readied for floor consideration, but we will not be able to determine the effects on the budget until we have enacted a national energy program.

A school lunch bill which the House has recently passed would cost $455 million that is accounted for neither in our House budget recommendations, nor in the President's.

Finally, there is always the annual tradeoff between defense and international assistance and the human resources programs in the budget—such items as health, education and veterans.

So these are some of the things that must be determined before we can arrive at final budget figures. Now, I don't mean this to sound especially complicated or unusual. What I have been describing to you is the annual tug-of-war over national priorities between the Congress and the President. The form is somewhat different this year, thanks to the Congressional Budget Act, but the objective is just the same. The Constitution entrusts the legislature and executive with joint responsibility for national policymaking, with the understanding that the two sides must wrangle and work together to achieve it.

So this is par for the course, but I just wanted you to know what the course is in Washington. The important thing, I think, is that Congress will adopt target ceilings. That way we will know about what to expect for the coming year. The money market especially will know how much federal borrowing to expect.

I cannot agree with those who say that the financing of the federal deficit will crowd businesses out of the financial markets. A number of eminent economists have told the Congressional Joint Economic Committee that the money markets can handle federal requirements without undue disruption. The big reason for this is that private borrowing has fallen off sharply during the recession. In fact, some economists think that federal borrowing is performing a useful replacement function by taking up the slack. The money market, like any other market, cannot flourish if it is underutilized.

Walter Heller, Chairman of Economic Advisers under Presidents Kennedy and Johnson, now of the University of Minnesota, testified recenty to the Joint Economic Committee (March 12). He said:

"Sources ranging from impeccable to unimpeachable seem to agree that, with a responsive Federal Reserve, the huge deficit can be managed at low interest rates, with little displacement of private investment, and without rekindling inflation."

Less than a month ago, (April 13) the New York Times quoted Roger Klein, economist for the Securities Industry Association, as saying:

"There will be no interest rate problem in 1975. Private demand for credit is weak and falling, and the government is just filling the vacuum."

Congressman Brock Adams, the Chairman of our House Budget Committee, has received statements from thirteen leading bankers and financial experts—the overwhelming ma-

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jority to the effect that a deficit as high as $70 billion or $80 billion for fiscal 1976 could be financed with little adverse impact on the money markets.

Let me give you a couple of excerpts of these statements—which, by the way, formed the basis for an article by Hobart Rowen, financial editor of the Washington Post. (April 16)

Richard W. Everett, vice president of Chase Manhattan, wrote Chairman Adams:

". . . the deficit could be substantially larger than proposed—say by $10 billion or $15 billion—without generating new inflationary pressures."

Walter E. Hoadley, executive vice president of the Bank of America, said:

"We are not pessimistic about the ability . . . to meet even the huge projected deficits for the next year or two. We are increasingly concerned, however, that such deficits not be continued . . ."

No one wants deficits of this magnitude to continue. I certainly do not. I am sure that no Member of Congress wants to see deficits of this size any longer than absolutely necessary.

The Chairman of the Joint Economic Committee, Senator Hubert H. Humphrey, summarized the situation this way on the Senate floor:

"If the fiscal policies we adopt this year are appropriate and if monetary policy is cooperative, the deficits will not continue. The main cause of the deficit, after all, is the high level of unemployment and the low level of taxable personal and corporate income. As soon as the economy begins to grow vigorously, incomes will rise and the deficit will diminish. Recovery and high employment are the *only* way we will get rid of the deficit."

Other factors in the deficit, I would add, are the heavy drain of unemployment benefits and, of course, the tax cut itself. The House Budget Committee considers that each percentage point of unemployment costs $16 billion—$14 billion in lost tax revenues and $2 billion in unemployment benefits.

George Meany, President of the AFL–CIO, testified before a House subcommittee that: "The problem is not the budget and the budget deficit. The problem is jobs."

The tax cut is essentially an investment in our economy. We expect to recoup the loss after the tax cut pulls us out of this downward cycle, and we are headed once again toward sustained economic growth, rising employment and increased taxpaying potential.

There is concern in Washington that the money supply will not be permitted to expand sufficiently to accommodate the economic stimulus generated by the tax cut. Several weeks ago Congress passed a resolution calling upon the Federal Reserve to permit adequate growth of the money supply and to bring interest rates down.

As the result of this resolution, Dr. Arthur Burns, Chairman of the Federal Reserve Board, appeared before the Senate Banking Committee, and, for the first time ever, projected future monetary intentions of the Board. Previously, of course, the Fed had never announced its future plans in advance.

Dr. Burns said that the Fed plans to permit the money supply to grow by five percent to 7.5 percent through March, 1976. This indicates a more liberal policy on the part of Fed. However, most of the economists who have testified before the committee have favored a growth rate approximating eight or ten percent. Their fear is that insufficient money growth will inhibit and even obstruct the forces of recovery that have been set in motion by the tax cut.

The Banking and Budget Committees in both Houses are also concerned with recent Treasury Department bond offerings in the long-term market. The committees point out that private demand is greatest in the long-term market and interest rates are high. They say that Treasury offerings should be concentrated in the short-term market where private demand is slack and interest rates are correspondingly lower.

These are serious questions, and the appropriate committees of Congress are going to be keeping close watch on them.

Unemployment remains a major problem, as the April jobless rate of 8.9 percent amply demonstrates. The figure is a thirty-year high. It means that 8.2 million persons are out of work. In the construction industry, unemployment is 19 percent.

Congress is now working on legislation that will create about 2.3 million new jobs, after you eliminate the overlap between the programs. This includes 760,000 jobs expected to be generated by the tax cut. Other jobs bills, including those I have described, will create the others.

In the financial field, a House-Senate conference is resolving differences on a Securities Reform Act which will make some major revisions in the securities industry. The best known of these is the statutory prohibition on fixed brokerage commissions, a practice almost as old as the stock exchange itself. The bill would also end the limitation on stock market membership by 1978 or 1979, with compensation to current seatholders. It would also curtail the advantages of a broker trading for himself or an affiliate or a managed account. And it would direct the SEC to promote the development of a national stock trading system with various markets linked by a communications network.

Conferees have met two or three times already. They will meet again on May 13. Whether they can finish then, or whether it will go beyond that, remains to be seen.

In the field of energy, both Houses have cleared a landmark strip mining bill for the President.

Energy, of course, is central to our economic and national well being, and we have been working hard since this Congress opened to develop a national energy program. Major elements of this program are going to come from the Ways and Means Committee and the Interstate and Foreign Commerce Committee.

Yesterday the Ways and Means Committee made most of the major decisions on its tax bill, and the committee is expected to report the final bill on Monday.

The major features of the Ways and Means bill are (1) an industrial fuel tax on natural gas and oil beginning in 1977 to get business and industry to convert to coal and nuclear plants, (2) a tax on fuel-inefficient cars beginning with the 1978 model year, (3) import quotas on foreign oil beginning this year with a system that allows private refiners and marketers to bid for shares of the quota, with part of the quota reserved for small refiners and marketers, (4) duties on imported crude oil and petroleum products, (5) a three-cent per gallon gasoline tax beginning in 1976 and rising to 23 cents within a few years, (6) up to $150 in tax credits in home insulation and a ten percent investment tax credit for business installing insulation or solar energy systems, and a series of similar tax incentives, and (7) an energy trust fund financed by revenues from this bill to be used for development of more efficient use of energy.

The Commerce Committee is still working on its bill, but it is going in the same direction as Ways and Means on oil imports, fuel-efficient cars, and other matters. Commerce is also considering standby emergency authorities, including rationing; establishment of a National Civilian Strategic Petroleum Reserve; fuel allocation; and presidential requests for decontrol of domestic oil and natural gas prices. The committee is hoping that it can get at least some parts of this legislation reported within the next two weeks.

In Congress, more emphasis is developing on achieving major fuel savings in gasoline consumption. That is where the big usage is, including a lot of non-essential driving, and that is where we must look for massive energy conservation. The Federal Energy Administration estimates that if we improve automobile mileage efficiency by forty percent, we could save 640,000 barrels of oil a day. If we increased car occupancy to an average of two per vehicle, we would save another 350,000 barrels a day.

Despite all the virtues of mass transit, for example, the energy savings is not in that field. The Transportation Appropriations Subcommittee which I chair held hearings on mass transit just this week. Testimony brought out the fact that if we double ridership on our mass transit systems—something that is virtually impossible in itself—we would save about 40,000 to an absolute maximum of 160,000 barrels of oil a day. Our energy needs in this country are about 17 million barrels a day, about half for transportation. So the savings from mass transit, even if we could do the impossible, are infinitesimal.

One witness said that ridership had gone up six percent nation-wide last year, and he was excited about that. You can see how far we are from doubling ridership.

The cities are asking us to give them money to build mass transit systems; they say they will save us energy. We are spending $4.5 billion to build the one in Washington, $2 billion in Atlanta, $1.3 billion in Baltimore. I am a believer and supporter of mass transit, and I think it can be justified on many grounds—but not saving energy. It just isn't there.

That's why we have to find some way to require better gas mileage out of cars—through better engines, smaller cars, revised shifting systems. I understand that Chevrolet now has a Monza with a five-speed gearbox. We can no longer afford big cars with automatic transmissions that require V–8 engines to get them up to freeway speeds. Of course, we have helped some by cutting the speed limit from 70 to 55, but we still need ways to improve mileage per gallon.

In other energy developments, the House has created a select committee to recommend a single national policy on offshore drilling. I have myself introduced a bill to create a National Energy and Conservation Corporation—to be called Ampower—similar to the Tennessee Valley Authority. It would lease tracts for offshore drilling to all comers, and it would do the exploration for the very smallest entrepreneurs. Primarily, Ampower would provide competition in the marketplace, which is the traditional American way to bring oil and gas prices down.

The Ways and Means Committee will have several other important matters before it. I have already mentioned the new tax bill. The committee has reported a bill providing health insurance for the unemployed, which is now being considered by the Commerce Committee. Ways and Means hopes to have a comprehensive national health insurance bill out perhaps by next year. Hearings are now being held on the financing of the social security system and on the Supplemental Security Income program. Hearings on trade with the Soviet Union will begin next week. And a new unemployment benefits bill is being marked up.

On another front, the House Judiciary Committee is working on legislation to repeal the fair trade laws. If a bill is reported, the committee expects it to be on the House floor by June. Two bills which would strengthen anti-trust laws are also under consideration by the committee, and an energy conglomerate investigation has just reached the planning stages.

If all this sounds like a lot, it is. This new Ninety-fourth Congress produced more significant legislation in its first ten weeks than any other new Congress in forty years.

This is because the economic crisis today demands action and because the Congress acted late last year to facilitate action. Procedural reforms made it possible for the new Congress to get organized beginning last December. All through this session, we have been at least a month ahead of other new Congresses.

There are encouraging signs today that our economy may be rallying for the upward climb ahead of us. There is more consumer buying going on; some industrial orders are up; prices are no longer beset with the runaway inflation of a year ago. And the stock market seems to be holding on to some of its gains.

So we have good reason to be hopeful. But we must work to make sure that we stay on the road to economic recovery. In this undertaking, our business and financial community has a major role. Without their leadership and participation, there can be no long-lasting, wide-spread, full-fledged return to prosperity. That is our goal. Let's work together to achieve it.

MS. OSTA UNDERWOOD SELECTED BY SECRETARY WEINBERGER AS CHAIRPERSON OF COMMITTEE

Mr. BAKER. Mr. President, in May of 1972, a unique Federal Advisory Committee was chartered by the Secretary of Health, Education, and Welfare, entitled the Secretary's Committee on the Rights and Responsibilities of Women. Its purpose is to advise the HEW Secretary on policies, programs, and other activities of the Department relating to the status of women.

I am most pleased that Secretary Weinberger has selected by constituent and long-standing associate, Osta Underwood of Nashville, Tenn., to be chairperson of the committee. As a former national president of the Federation of Business and Professional Women who has been actively involved in many aspects of the efforts to improve the status of women in society, Osta Underwood will competently provide strong leadership to this group.

Mr. President, I ask unanimous consent that a statement made by my distinguished colleague Senator BROCK on the occasion of Ms. Underwood's swearing-in on April 25, 1975, be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BILL BROCK

One of the most important issues being considered in the nation today is that of the rights and responsibilities of women. It is important not just to the most under utilized asset this nation has, American women, but to all of us as a people.

Thus, HEW Secretary, Caspar Weinberger deserves our strongest praise for chartering this Federal Advisory Committee, the Secretary's Committee on the Rights and Responsibilities of Women, to provide continuing expertise, and a driving force on this important subject.

As the ranking minority member of the Senate committee which oversees the operation of the Federal Advisory Committee Act, I am particularly pleased that Secretary Weinberger has invited me and other members of both the Senate and House of Representatives to the swearing in today of a remarkable Tennessean, Osta Underwood, to fill the Chair, and the other distinguished members to fill other positions of this group. The new committee is an outstanding example of the fulfillment of the high purposes of both the Federal Advisory Committee Act and of this Administration's firm commitment to the enhancement of the rights and responsibilities of the women of this country. They have a large task before them, one which we have only begun, but one which we all must pursue to its fruition.

Because of the quality reflected in them, I expect to see this outstanding committee provide strong leadership nationally in behalf of women's rights and responsibilities, and also in the participation of the United States in International Women's Year. Such a goal deserves our strong and unqualified support.

GOOD-BYE, GREAT BRITAIN

Mr. GOLDWATER. Mr. President, I believe most Members of the Senate realize that I am not exactly an admirer of Britain's John Maynard Keynes. He could easily be the man who has caused more economic trouble throughout the world than any other individual.

Be that as it may, I was amused at a lead editorial in the Wall Street Journal for May 29 entitled, "Good-bye, Great Britain." The editorial starts out with the quote, "Steady as She Sinks," and points out that this was the cover story on the April 25 issue of the Economist, Britain's weekly journal of news and opinion.

The Journal's editorial pointed out that there was not much news and the fact that Britain's economy was sinking could be traced as a consequence of the "welfare-state-manic-Keynesian syndrome."

Britain's current contribution to the world, according to the Journal, is to reveal the ultimate consequences of economic and social policies rapidly gaining ascendency in the United States. The Economist is the publication which believes that the State must fulfill all needs, especially medical care. Income must be redistributed, principally through taxes on the returns from capital. After all, transfer payments and redistribution stimulate the economy—do they not—the Journal asks. It added:

> Thus we have Denis Healey, the Chancellor of the Exchequer, announcing his latest budget, widely praised as "brave" and "courageous" because in the midst of world recession he has imposed another $3 billion in taxes on an economy whose chief problem is that it already is strangling on taxes . . .
>
> The British government is now so clearly headed toward a policy of total confiscation that anyone who has any wealth left is discounting furiously at any chance to get it out of the country . . .
>
> Good-bye, Great Britain. It was nice knowing you. Since we're following down the same road, perhaps we'll meet again.

This is such an incisive and intelligent editorial that I strongly feel that all Members should read it. I therefore ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Apr. 29, 1975]

GOOD-BYE, GREAT BRITAIN

"Steady as She Sinks," proclaims the April 25 cover story of The Economist, the British weekly journal of news and opinion. It is the British economy, of course, that is sinking. But that's not news. What makes this issue of The Economist valuable—it should be bound in leather and made required reading in every U.S. school of economics—is that it so finely, albeit unwittingly, traces the ultimate consequences of the welfare-state-manic-Keynesian syndrome.

Britain's current contribution to the world is to reveal the ultimate result of economic and social policies rapidly gaining ascendancy in the United States. To wit, the state must fulfill all needs, especially medical care. Income must be redistributed, principally through taxes on the returns from capital. After all, transfer payments and redistribution stimulate the economy (don't they?). The inflationary results can be contained by various forms of price control (can't they?). And if problems arise, the solution lies in finding the magical proper balance between government spending and taxes.

Thus we have Denis Healey, the Chancellor of the Exchequer, announcing his latest budget, widely praised as "brave" and "courageous" because in the midst of world recession he has imposed another $3 billion in taxes on an economy whose chief problem is that it already is strangling on taxes. By some mad twist of logic, known only to British politicians and economists, this "mildly deflationary" move is designed to run the unemployment rolls up to one million, punish the unions for pushing up wage rates so fast (32.6% annual rate in March), and position the economy so that it can take advantage of next year's forecast of a world trade boom.

We learn that The Economist itself does not think it fair of Margaret Thatcher, the Conservative Party leader, to describe the budget as "typically Socialist." After all, Mr. Healey did not increase the 52% corporate tax rate. Nor did he increase the 83% marginal tax rate on earned incomes above $48,000 or the 98% marginal tax rate on "unearned income"—interest and dividends for example—above $48,000. And he does provide for government assistance to selected private industries in the amount of $240 million, especially those the government divines will be able to increase exports.

There are other interesting statistics. Because of the effect Britain's 20% inflation has in moving workers up the progressive tax schedule, combined with Mr. Healey's two point tax increase, a Briton earning $24,000 this year will have to get a pay raise of $9,600 merely to maintain his purchasing power. A worker now getting $12,000 needs another $3,000 to stay in the same place.

Public spending rises to $126 billion from $105 billion or to 60% of gross national product. In that the U.K.'s gross national product is about one-eighth the size of ours, this is the equivalent of a $900 billion federal budget. Mr. Healey boasts that the "social wage"—all the government goodies such as health, education and welfare—now amounts to $2,400 a year for every member of the working population. To get this in perspective, it has to be pointed out that Britain's per capita income last year was $3,085.

Britain, it is regularly noted, always seems to somehow "muddle through" despite the best efforts of its government. One reason has been that, in their imperfect understanding of economics, the income redistributors have always overlooked a few opportunities to confiscate wealth. Through these tiny cracks in the tax laws, otherwise known as "loopholes," the private economy

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has always been able to spy enough incentive to keep producing. As a result of the current economic crisis, however, the Labor government made a determined search for these tiny cracks and has found most of them.

Because most of what businesses pay their managers in increased wages is taken away by the government in taxes, there have been exotic schemes to permit managers to live off business perquisites. These are being closed up. A year from now, employes will be taxed on any private medical insurance cover they receive, the government having determined that private medical treatment is a great incentive to keep producing. Mr. Healey also promises to tighten up on capital gains taxation, and has already closed an accounting loophole whereby corporations could avoid some taxation by selling shares they owned and taking the loss, and buying them back the next day.

The British government is now so clearly headed toward a policy of total confiscation that anyone who has any wealth left is discounting furiously at any chance to get it out of the country. Mr. Healey wisely halted the importing of gold coins, which could be rather easily smuggled out, and he's slapped a 25% value-added tax on jewelry, along with radios, televisions and electrical appliances. The result of all this is of course to bring investment to a screeching halt by drying up both available funds and potential returns. The price can only be still slower economic growth, and still lower living standards for all the British, rich and poor.

Good-bye, Great Britain. It was nice knowing you. Since we're following down the same road, perhaps we'll meet again.

LANDSAT AND EROS—TWO OF OUR BEST INVESTMENTS

Mr. ABOUREZK. Mr. President, today I had the privilege of testifying before the Senate Appropriations Subcommittee on the Interior on the necessity of providing an additional $2 million to the Interior EROS program. Essentially, the money would be used for a quick-look receiving antenna and a digital processing unit at the EROS Data Center in Sioux Falls, S. Dak.

As anyone who is even casually aware of our programs in space knows, the earth resource observation system and the NASA LANDSAT program have been the space success stories of the last 4 years. As one expert has put it, these programs have put the whole earth under a microscope. And the things we have learned are as vast as space itself. The other day I was informed that because of the capability which we have acquired through LANDSAT, officials in the upper Northwest region of the United States were actually able to avert a flood. Over and over again, our earth resources satellite has proved its value in land use planning and agricultural research.

At the Appropriations Subcommittee hearings, I was preceded by an expert in this field, Dr. Robert N. Colwell, the Associate Director of the Space Sciences Laboratory of the University of California. Rarely have I had the privilege of reading such excellent testimony on our earth resources observation programs. Dr. Colwell offers an extremely knowledgeable view of EROS and the LANDSAT satellite and has come to the same conclusion that I have—namely that there is a need to provide EROS with the necessary funds for the quick-look antenna and the digital processing unit.

Mr. President, I ask unanimous consent that the statement by Dr. Colwell be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY ROBERT N. COLWELL

Mr. Chairman and Members of the Subcommittee: It is indeed a pleasure for me to address this Committee relative to needs at the EROS Data Center for rapidly processing LANDSAT data into products of suitably high quality for use in making inventories of natural resources. My remarks will be based both on my familiarity with present EROS data products and on experience which I have had during the past 35 years in developing improved methods for making inventories, (by means of remote sensing and associated field work) of such natural resources as timber, forage, soils, water and minerals. As your Committee well knows, these are among the natural resources that are of primary concern to personnel in the U.S. Department of the Interior.

The term "inventory", as used in my presentation, will pertain to the act of determining the amount and quality of each of the above-mentioned resource types present in each portion of the area that is of interest from the resource management standpoint. The term "LANDSAT" will pertain to the recently renamed family of unmanned spacecraft that are especially designed to acquire remote sensing data of a type that will facilitate the inventory of natural resources. Hence that term will include spacecraft previously referred to as ERTS–A (ERTS–1); ERTS–B (ERTS–2); ERTS–C (ERTS–3) and EOS (ERTS–4). Hereafter, in my presentation, these vehicles will be referred to respectively as LANDSAT 1, 2, 3 and 4. The emphasis that will be placed in my remarks on the above mentioned needs as they exist specifically at the Interior Department's EROS Data Center in Sioux Falls, South Dakota, is occasioned by the fact that the capability for making inventories of various natural resources (largely with the aid of LANDSAT data) is being concentrated to an increasing extent within that Center.

The importance of maximizing the Interior Department's capability for making timely accurate resources inventories can be clearly conveyed to a Committee as knowledgeable as yours merely by my setting forth the following brief 5-part statement of facts:

(1) whether on a local, regional, national or global basis, the demand for most natural resources is rapidly increasing at the time when their supply is rapidly dwindling and/or their quality is rapidly deteriorating;

(2) it therefore is becoming increasingly important for the Interior Department, and all other resource management agencies, to manage as intelligently as possible those natural resources with which they have been entrusted;

(3) an essential step leading to the intelligent management of such resources is that of making accurate resource inventories at suitably frequent intervals, (a process known as "monitoring");

(4) because of some very remarkable technological developments that have occurred in the field of remote sensing since the dawning of the space age, such inventories usually can best be made in the future by using, as the primary data input, remote sensing data acquired from spacecraft of the LANDSAT type, and

(5) because of the dynamic nature of certain natural resources, the inventories need to be made as promptly as possible following acquisition of the LANDSAT data.

The specific examples dealt with in the remainder of my presentation seek to document the extent to which the quality of the Interior Department's "quick-look" resource inventories, and therefore the effectiveness of its resource management activities, need to be improved through the development of capabilities at the EROS Data Center for rapidly processing LANDSAT data into products of suitably high quality for use in making such inventories.

It is to be emphasized that the improvements about which I will be speaking are not those that conceivably might be made within the LANDSAT vehicles, themselves, nor even within their on-board remote sensing systems. Instead I will speak solely of improvements that need to be made on the ground with respect to the quality and speed of processing of LANDSAT-acquired remote sensing data, once telemetered to the earth and recorded on magnetic tape in digital form. Furthermore, the particular improvements about which I will be speaking are not those that conceivably might be made through the use of very time consuming and laborious processing techniques, beneficial though they might be for certain purposes. Instead, I will address myself solely to improvements that need to be made in order to improve data analysis capabilities in the short term, i.e. within the first few hours after the receipt of remote sensing data from a LANDSAT vehicle, the better to monitor changes that have occurred in certain resource attributes since the last previous resource inventory was made.

The improvements would be of two major types in that they would be designed to provide either (1) better visual displays, or (2) better computer-compatible tapes.

SPECIFIC EXAMPLES

The examples which follow deal with most of the types of natural resources for which the Interior Department has either major or very significant management responsibility throughout the United States.

1. FOREST AND RANGE RESOURCES

A. Monitoring the health and vigor of timber stands

Such damaging agents as fire, insects and pathogens can destroy entire timber stands in large forest areas unless these agents are quickly detected and suppressed. Although it often is not feasible to accomplish the necessary detection by means of LANDSAT data, great improvements are being made in this regard. Specifically: (1) the thermal infrared sensor that will be employed beginning with LANDSAT 3 will offer greatly improved opportunities for monitoring forest fires and (2) the comparative analysis of remote sensing data acquired sequentially (e.g. at 9-day intervals by means of the LANDSAT 1 and 2 vehicles operated in tandem) offers promise for the early detection of insert and disease problems in timber stands. In the above instances, as in the others described in this paper, the LANDSAT data must be made available quickly and in a form of sufficient quality to permit the necessary interpretations to be made.

B. Planning rehabilitation measures following damage to timber stands

Experience with LANDSAT–1 data has demonstrated the ability of such data, properly processed, to provide information needed in planning the rehabilitation of forest lands that have been damaged by fire or other agents. Often the need for obtaining such information promptly after the damage has occurred is exceedingly great in order that effective rehabilitation measures can be implemented at a reasonable cost. Specifically: (1) the time to reseed a forest burn is while there is still a "fluff" of ash on the burned

area (i.e. before rain and wind can convert the area from a highly receptive seedbed to a very hostile one), and (2) the time to control insect and disease depradations is before the next generation of insects or pathogens can be produced in the already damaged trees and thus infest large numbers of nearby healthy trees.

C. Monitoring range readiness on annual grasslands

The Interior Department, primarly through its Bureau of Land Management, controls livestock grazing each year on millions of acres of annual grasslands. If, in any given year, grazing on these lands is permitted to occur before the annual grass species have matured their seed, there is a strong likelihood that few annuals will be present the following year. The result would, of course, be a tremendous decrease in animal carrying capacity of the rangeland, not only in that year but very likely for many years thereafter. On the other hand if, in any given year, the grazing on these lands is deferred until the annual grasses have dried out and lost most of their nutritive value, the grazing livestock may do very poorly.

It follows that, each year, there is a requirement for monitoring the development of range grasses, area-by-area, throughout these vast annual grasslands, in order to determine the time of optimum range-readiness in each part of the area. The distribution of grazing livestock can then be governed accordingly throughout the grazing season. The time of optimum range readiness on such lands varies markedly from year-to-year, depending upon the amount and distribution of moisture and on certain other climatic factors. Consequently LANDSAT data, properly enhanced and promptly made available for analysis, is of great potential value to the range manager.

2. AGRICULTURAL RESOURCES

A. Monitoring the Health and Vigor of Agricultural Crops

Although the damage done to timber stands by insects and pathogens can be very great, the damage which they inflict each year on agricultural crops is far greater. In many instances the key to reducing these losses, on agricultural crops, just as on timber stands, is early detection of the presence of the damaging organism so that control can be effected promptly in the infested areas before the insects or pathogens are allowed to reach epiphytotic proportions. Again it often is not feasible to accomplish the necessary detection by means of LANDSAT data. Great improvements in this detection capability are anticipated soon, however, as a result of improvements in spatial and spectral resolution that will be provided by the sensors that are to be mounted on future LANDSAT vehicles. For these potential improvements, like most of the previously mentioned ones, to be realized, however, there again is the need for LANDSAT data to be made available quickly and in a form of sufficient quality to permit the necessary interpretations to be made.

B. Monitoring Crop Development as an Aid in Crop Forecasting

Very substantial economic benefits can result if it is possible to forecast accurately the total production of each type of agricultural crop in a vast agricultural basin. In recent years, such great progress has been made in developing this capability through the proper use of LANDSAT data that many former skeptics are now looking forward to the time when crop forecasts in this country, and perhaps even on a global basis, might routinely be made through the use of LANDSAT data as the primary data input. For any given crop type, two components of inventory are involved: Crop yield per unit area and crop acreage devoted to that type of crop. Total yield would be the product of these 2 factors. Because of the interest in this possibility, it is probable that every member of your Committee already is well aware of the acronym "LACIE" (for Large Area Crop Inventory Experiment) which, beginning with the present growing season, will investigate on a very large scale the feasibility of making such crop forecasts, primarily through quick analysis of LANDSAT data.

3. MONITORING WATER RESOURCES

A. Water Supply Parameters

Something as mundane as a rainstorm can be a blessing or a curse depending on the amount of water flow that occurs from the watershed in a specified period of time, and in relation to the capacity of the channels in which the water must flow. Among the parameters that are of great significance in estimating the amount of water that will be yielded in a given period of time are (1) the total area of the watershed; (2) the amount of precipitation falling on each portion of it; (3) the degree of "wetness" of the soil (in each portion of the watershed) that already existed when the precipitation began to fall; and (4) where applicable, the areal extent, depth and water content of snow already present in each portion of the area. The dynamic nature of the events involved here is such that "real time" information, such as that obtainable from LANDSAT data is far more valuable than information derived more accurately but over such a long period of time that it is too late to be relevant.

Here, again, is a primary instance in which there is need for the analyst to be provided with LANDSAT data as promptly as possible after acquisition of the data by the LANDSAT sensors and in a form that is suitable for analysis. No inference is intended here that all of the above parameters are adequately estimated merely from the LANDSAT data, for this certainly is not the case. However, through comparative analysis of both multiband and multidate LANDSAT data, supplemented as necessary with limited amounts of ground data, the analyst is finding it possible to estimate water supply and probable water runoff values far more accurately than was heretofore possible within the same time constraints.

B. Water Demand Parameters

Mention already has been made, under the discussion of agricultural applications, of the fact that crop type and the rate of crop development often can best be monitored with the aid of LANDSAT data, promptly received and analyzed. Such analyses can readily be supplemented with ground observations as to the water requirements per unit field area, of each type of crop at each stage of its development. It follows that estimates of present water use and forecasts of near-future water demand can be accurately made with the aid of LANDSAT data. Since as much as 80 per cent of the total water demand commonly is for the growing of agricultural crops, this use of LANDSAT data potentially constitutes an important step toward our improving estimates in the future of the total water demand, area-by-area. The value of the forecasts of water demand diminishes, however, if a long period of time elapses between the acquisition of LANDSAT data and the analysis of such data. Consequently a justification exists in this instance, as in each of the previous ones, for making rapid estimates of the water demand of agricultural crops, area-by-area and season-by-season. This in turn emphasizes the requirement for improved means of providing LANDSAT data to the analysis in a highly interpretable form and as promptly as possible.

What has just been said for *agricultural* demands for water can be applied with only slight modification to the demands placed on water supplies for *industrial* and *domestic* use. Thus it is seen that, by combining improved information regarding water *supply* (as discussed in the preceding section) with improved information on water demand, LANDSAT data can do much to improve our ability to manage water resources.

C. Water Transport Parameters

The ability of stream channels, canals and reservoirs to accommodate water supplies in specified amounts is a final aspect worthy of mention in the context of this discussion. The "monitoring" of reservoir levels, stream flow, and canal flow in relation to both the capacity of each to accommodate water and the need likely to be imposed on it as a result of various supply and demand factors, is yet another potentially important application of LANDSAT data, quickly processed and quickly analyzed. As in each of the other instances, we are imposing unnecessary requirements on a LANDSAT system, however, if we insist that this kind of information be provided solely from an analysis of LANDSAT data. Nevertheless, we already have progressed far enough in this area to be quite certain that the information desired can be more quickly and accurately obtained by using LANDSAT data to the fullest (and then providing supplemental data from other sources, as necessary) than if the entire effort were to be made without our using the LANDSAT data.

4. MONITORING SEA ICE CONDITIONS

There is general agreement that one of the major sources of petroleum products in the near future will be the area north of the Brooks Range in Alaska, bounded on the north by Prudhoe Bay and the Beaufort Sea. In at least 3 respects there is great interest in the possibility of accurately monitoring sea ice conditions in these northern waters on a "real time" basis: (1) in relation to the shipping of supplies into the area as necessary for large scale development of the oil fields: (2) in relation to the shipping of petroleum products out of the area by sea; and (3) in relation to the conduct and interpretation of seismic tests as necessary to make the oil drilling operations more efficient. As in the previous examples, there is great potential for using LANDSAT data as the primary data input in monitoring sea ice conditions in and around this area. The effectiveness of such data again depends, however, on the ability to provide the analyst with LANDSAT data promptly and in an adequate analyzable form.

5. CONCLUSION

If time were to permit, much more discussion could be given relative to the topic that was assigned to me for presentation today. Nevertheless the following conclusions seem warranted, even from the limited presentation that has now been made:

A. In virtually no case can we expect to obtain, entirely from an analysis of LANDSAT data, all of the information that is needed in order to better monitor and manage the natural resources that are of primary concern to the U.S. Department of Interior.

B. In virtually every case, however, we would do well to consider the likelihood that the information desired might better be obtained through the use of LANDSAT data in conjunction with various kinds of ancillary data than by any other means.

C. Because of the dynamic nature of most of the earth's natural resources, an ability to quickly monitor changes occurring those resources, and thereby to react quickly with appropriate management measures is of paramount importance.

D. It follows from the foregoing that an aggregation of the individual requirements resource type-by-resource type, for rapid processing of LANDSAT data results in a very sizable total requirement for our developing such a capability.

E. Even at the present time we know enough about how we could exploit a capability for the rapid analysis of LANDSAT

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data that we can predict cost-effective returns almost immediately from the expenditure of funds to develop such a capability at the EROS Data Center.

In view of the foregoing, I would like to be numbered among those who advocate to your Committee the appropriation of funds at the earliest possible data, for developing a capability at the EROS Data Center that will permit the rapid processing of LANDSAT Data into products of sufficiently high quality to permit men and machines to extract from the information of great potential value in relation to the real-time management of natural resources. I join some very eminent colleagues in the remote sensing profession in making this recommendation. Furthermore I make the recommendation unequivocally, and despite the fact that (since it was not within my purview to do so), I have not described here the specific hardware developments that would be required to bring this capability into being. Suffice it to say in this regard that no great technological "break-through" would be required to bring about these developments. I also join my colleagues in the assertion that the sooner these developments can be brought into being the sooner the dollar savings made possible by them can begin to be realized.

Your attention to my presentation on this very important topic has been greatly appreciated.

THE PLUTONIUM TIME-BOMB

Mr. **PERCY**. Mr. President, I call to the attention of the Senate a column by James Reston titled "The Second Nuclear Age" that appeared in the New York Times on May 11.

Mr. Reston draws quite clearly the threat now facing world society in what he calls the "second nuclear age." In the second nuclear age, the technology and the materials with which to build bombs will inevitably become available to most national governments. In the second nuclear age, the chances that the ability to build bombs or to release deadly nuclear materials to terrorize entire cities and countries becomes a grotesque reality. In the second nuclear age, man will live under a more immediate threat of nuclear disaster.

Recently the Committee on Government Operations held 3 days of hearings on the U.S. nuclear export policy and the need for safeguards to protect nuclear materials and facilities in all countries from diversion or theft. We found that four major departments and agencies have direct roles in determining whether a nuclear export is in the national interest. One witness characterized this situation as a "shell game."

In his column Mr. Reston refers to the critical need for developing new international approaches to the nuclear proliferation problem. I share this sense of urgency, and ask unanimous consent that Mr. Reston's column be printed in the Record.

There being no objection, the column was ordered to be printed in the Record, as follows:

THE SECOND NUCLEAR AGE

By James Reston

WASHINGTON.—In the last few days, with scarcely a wink of attention from the world, the experts on disarmament have been meeting at Geneva to discuss the problems of what they call "the second nuclear age."

They define "the first nuclear age" as the period when the United States and the Soviet Union monopolized nuclear weapons, and the second nuclear age as the period, now beginning, when more and more nations are now acquiring the materials for making nuclear bombs.

In the first age, mutual genocide could be avoided if the United States and the Soviet Union could reach bilateral safeguards, but as nuclear reactors spread across the world to meet the growing economic and industrial need for nuclear energy, additional problems of controlling nuclear weapons and nuclear wastes have become infinitely more complex.

For example, Dr. Fred. Ikle, the director of the U.S. Arms Control and Disarmament Agency, who represented the United States at the Geneva meeting, is convinced that new international institutions will be needed, not only to monitor and supervise the flow of nuclear materials by governments and responsible private power companies, but to prevent the theft of these materials by criminals or political outlaws.

He estimates that within twenty years the fissionable material in foreign transit at any given time will be enough to make 20,000 nuclear bombs. He notes that three-fifths of the people now living in the world were not born when the first nuclear explosion took place, and have grown to accept the present wholly inadequate system of mutual deterrence and control as normal and even satisfactory. Most of the time, they don't even think about it.

"The truth is," Dr. Ikle says, "that we are basically defenseless in the United States against threats of nuclear attack that could come from a great many different sources rather than from one or two clearly identifiable potential adversaries . . .

"Imagine the morning after a nuclear explosive has destroyed half an American city. How are we going to apply our theories of mutual deterrence, of first strike and second strike, if we cannot tell whose nuclear explosive it was? Or even if we could tell, but it turned out to be an organization such as might exist in the future—an organization with dedicated people but no clearly defined national territory."

All this seems, even in the present disorganized states of the world, to be grotesquely alien and remote, but Dr. Ikle notes that war by accident or miscalculation is likely to be a greater danger in the second nuclear age than war by deliberate design, and that an even more likely danger would be nuclear blackmail by political desperadoes.

For example, political outlaws armed with stolen nuclear waste materials, let alone nuclear weapons, could hold entire cities hostage by threatening to pollute the area with atomic wastes unless their political demands were met.

Even if there were mutual confidence between the United States and the Soviet Union, which is not exactly the case, they could not by themselves control this menace. It requires at least a form of international control well beyond anything yet imagined, let alone discussed.

Since nuclear reactors to produce energy require a technology that yields the material necessary to build nuclear bombs, and since every advance in technology is past centuries was eventually used for war, the need for another major effort to take this problem by the throat is obvious and urgent.

Some technical advances have been made to improve the effectiveness of detection by the international atomic energy agency in Vienna. For example:

Tamper-resistant seals to insure inspectors of nuclear materials that in their absence, doors, vaults or containers have not been tampered with.

Secure cameras to inform inspectors of any removal of fissionable material or nuclear waste.

Neutron detectors to monitor the power level of a reactor or the movement of irradiated fuel into or out of an area.

Devices for detecting whether enriched uranium has been carried through doorways or onto loading docks at uranium enrichment facilities.

But as Dr. Iklé notes, these tamper-resistant devices, while helpful, are detection systems only—burglar alarms rather than locks. What is needed, first of all, and urgently, is a general recognition of the fact that the world has indeed moved into a wholly different kind of nuclear age, that nothing is going to stop the spread of nuclear reactors, that the most dangerous material mankind has ever fashioned will gradually spread all over the world, and that bilateral agreements between governments will certainly not control it.

It is ironic and tragic that this problem which requires the cooperation of so many nations and industries within nations, is coming to the fore precisely when the fevers of nationalism and mistrust, even within the Western alliance, are so obvious.

Dr. Iklé's hope, however, is that, precisely because this is such a dangerous problem for all nations, they will finally see in this common danger a subject for renewed consultation and cooperation.

CANADIAN OIL AND MINNESOTA

Mr. **HUMPHREY**. Mr. President, no issue is of more vital concern to my State of Minnesota than the planned cutback by the Canadian Government of oil exports to the United States. Minnesota is heavily dependent on Canadian oil, and we must have a quick resolution of the important questions surrounding this proposed cutback if homeowners, business, and industry in our State are to be able to plan for the future.

I was pleased to testify this past Monday at hearings held by the Federal Energy Administration on the allocation of Canadian crude. Another of those testifying was my colleague, the senior Senator from Minnesota, who has been working diligently on finding a solution to this pressing problem. A recent editorial in the St. Paul Pioneer-Press stressed the importance of this issue for Minnesota, and the work which Senator Mondale has been doing in attempting to seek a solution.

Mr. President, I ask unanimous consent that the editorial from the St. Paul Pioneer-Press be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the St. Paul Pioneer Press, May 13, 1975]

CANADIAN OIL TALKS

The Federal Energy Administration at last is listening to the concerns of northern states that are almost totally dependent on Canadian oil for fuel. It took complaints verging on threats of session to get the administration to recognize that Canada's plans to shut off imports are more than a minor inconvenience in this part of the country.

Refineries in Minnesota and Wisconsin get 75 to 90 percent of their crude oil from Canada and Canada has begun a program to phase out its exports. Washington kept its eye unswervingly on the big picture as Canadian officials spelled out their position. Apparently someone close to President Ford believes all oil goes into a giant mixmaster somewhere near the Grand Canyon and then is redistributed, equitably, of course, in 55-gallon drums. 'Taint so.

Sen. Walter Mondale of Minnesota has been most persistent in pressuring the Administration to recognize the Canadian move as the crisis it is for northern states. It has been he rather than the State Department who has been most ardent in pursuing talks with Canada on the subject.

Mondale's goal is straight forward: he wants the Energy Administration to take over allocating Canadian oil during the phaseout period to assure that those refineries that need it most get it; in the long run, he believes, as do we, that some sort of swap arrangement could be made to provide Alaskan oil to Canada and keep Canadian crude flowing into the northern states.

The whole approach makes sense and we're glad the FEA has started hearings; those fellows have been staring at the big picture so long they can no longer see the obvious without help.

CAB DENIES REDUCED AIR FARES FOR YOUTHS AND ELDERLY

Mr. PERCY. Mr. President, the Civil Aeronautics Board recently rejected a one-third discount fare for youths, families, and the elderly which had been proposed by Trans World Airlines. The proposal of TWA was for only a 9-month period. The youth and senior citizen fares would have applied on a one-way standby basis, while family fares would have required round trip transportation with reservation provisions.

TWA cited the present decline in air travel combined with escalating costs as proof that air carriers must use every possible method of increasing revenues.

Nonetheless, the CAB suspended TWA's proposal, and it is highly unlikely that the proposal will be allowed to take effect at all.

Mr. President, for many years, I have advocated reduced air fares for youths and the elderly. The past years have not been good ones for the airlines. Their planes have been flying at less than full capacity. Their costs have been up, and their revenues have been down. Providing reduced fares for selected groups not only makes good economic sense for the airlines, since such a program would fill seats that otherwise would be empty, but reduced fares also help two segments of our society with reduced monetary resources but with increased free time to avail themselves of air travel.

The CAB's refusal in this case, which is consistent with its actions in the past, is yet another example of a regulatory agency preventing the companies which they regulate from attempting to provide new solutions to deal with the problems which they face.

We have seen the railroads slowly strangled to death by over regulation. The ICC takes nearly a decade to act on merger proposals. The result is a railroad in bankruptcy.

Are we now going to see another regulatory agency force the airlines to abandon methods which will benefit the airlines and their customers? I am afraid so.

There has been great concern over our regulatory agencies and their effect on American business. The President has called for a close study of regulatory agencies, and the Congress is about to begin an intensive review. This action by the CAB, which closes the door on a plan designed to increase airline ridership and revenues, at reduced cost to the customers, is a perfect example of the urgent need for this review.

THE FOREST AND RANGELAND RENEWABLE RESOURCES PLANNING ACT OF 1974

Mr. HUMPHREY. Mr. President, I call to the attention of the Senate a speech on the Forest and Rangeland Renewable Resources Conference, by Robert E. Wolf, Assistant Chief of the Environmental Policy Division of the Congressional Research Service, and excerpts of a speech given by Under Secretary of Agriculture, J. Phil Campbell, at the 1975 meeting of the Forest Farmers Association.

Mr. President, Mr. Wolf, who worked with the members of the Committee on Agriculture and Forestry and its staff in developing this law, highlights its purpose in his address.

Under Secretary Campbell, in his remarks, discusses what the Department is now doing to carry out the provisions of the act with regard to the development of the Assessment and Renewable Resources Program on America's forest and rangeland.

I have high hopes that when the December 31, 1975, deadline arrives we will get from the President a first-rate assessment of our forest and rangeland resources, along with a comprehensive program to utilize, manage, and protect these resources wisely. The Department and the Forest Service, insofar as I can determine, have been making a special effort to involve the States, along with the private sector, in accordance with the provisions of this act, in the conduct of this assessment and program development.

One of the goals of this act, in requiring that the first assessment and renewable resources program be completed in an 18-month period, is to bring before the Congress and the American people a better idea of the things we need to know if we are going to secure the benefits that the 1.5 billion acres of forest and rangeland can provide us with, in perpetuity.

Therefore, when Congress receives these documents in early 1976, it will be looking not only at what we, as a nation, ought to do between now and 1980, to improve the management of these resources, but also what improvements will be needed to make the second assessment and program development effort in 1980 even better.

Hopefully, 1976 will be the beginning of a new era of "Constructive Conservation"—man working with man, and man working with nature.

The fact that we have been blessed, as a people, with lands and resources that are so rich and productive, increases our obligation to use, manage, and protect them wisely.

This act gives us the ways and means to accomplish this objective. I am encouraged by the steps already being taken in this regard and I believe we can achieve the goals set forth in the Forest and Rangeland Renewable Resources Planning Act of 1974, of which I am proud to say, I was the chief sponsor.

I ask unanimous consent that the address of Mr. Robert Wolf, and the excerpts from the speech of the Under Secretary of Agriculture, Mr. Campbell, be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

REALIZING RENEWABLE RESOURCE OPPORTUNITIES

(By Robert E. Wolf)

Our Nation has come a long ways, as the phrase goes, from the era in our beginning when we had so much and our problem was that we did not know how to go about getting to it. We still have more of many renewable and non-renewable resources than many other nations. We also have the highest consumptive rate of any nation. We are feeling the pressure and the pinch of constant conflicts over competition for resources and uses. There is wide debate over the wisdom of some of our use styles.

It would perhaps be well to set the stage by detailing the changes that have taken place—but this would take all the time and it would not deal with the issues we confront. It is sufficient to say that we, as most other peoples, have had more concern for the present than we have for the future when it comes right down to decision making time. Faith and hope interact with fear. We usually decide that if man made it to today, he will make it on into the tomorrows.

This 40th North American Wildlife and Resources Conference is really the proper place to talk about resources. North American wildlife started our Nation on its way. It was the fur traders—the Voyageurs—and the once insatiable market for fur that opened the vista of resources beyond imagination. It was the search for beaver, the otter, the lynx, the mink, the moose, the caribou, the buffalo, and the deer, plus the plumage of countless birds that first excited and kindled interest in the majestic forests, the endless plains and the riches they held.

So if, in this era of chemically fabricated furs we face problems with some of our other resources, it is perhaps because we thought that our supply of renewable resources could always be willed to meet whatever the demand.

It would be inaccurate to suggest, however, that we don't think about the future, or care about what it will be like. It simply is hard for us to apply as much consideration to what may occur in 3, 4, 5, or 10 decades ahead, as we do to the very immediate year or two ahead. Nor would I imply that we have never tried to look ahead. The shelves are full of studies that forecast the future. We dust them off regularly and use them when we want to prove the wisdom of a not too ancient seer.

Last year Congress enacted and President Ford signed Public Law 93–378. It is now codified in Title 16 of the U.S. Code as sections 1601–1610. It carries the formidable title of the "Forest and Rangeland Renewable Resources Planning Act of 1974." Some people refer to it as the "Humphrey-Rarick Act" for the principal Senate and House sponsors. Others have developed the shorthand title—"The Resources Planning Act" and this is what it is all about.

Before the ink was hardly dry some were calling it the most significant resources law to be enacted in 25 years. It is pleasing and reassuring to have this accolade fall on the ears. It is comforting. I would suggest, however, that if we do not use the Act to meet

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its purpose, it will become just another pile of legislative sand blown away by the winds of time.

What is this Act about? It applies to the 1.5 billion acres of forested land and rangeland, private and public, and the renewable resources on them. Trees, grasses and other plants, animals, birds and fish, the water and the soil. What does the Act do about them?

In the past we have had inventories of specific resources and most of them have been narrowly single resource and single use based. For example, the forest inventory of the United States dwells almost exclusively with the timber resource. The Resource Act calls for inventories to be fundamental and comprehensive. Each resource will be inventoried. All inventories will be related. The result should produce a 2-part integrated Assessment—one for tree covered lands and one for rangelands. Having defined the lands and their resources, the next part of the process will be to assess the "State of the Resources", looking at the patterns of use. This will involve analyzing where we now are and where are our patterns of resources and uses taking us. This will raise key questions for us to answer in making decisions. Is this where we want to go? Is this where we should be heading and why?

The Act requires that the Assessment be Nationally available so that the States and the private sector can also utilize it for their decision making. On the Federal side, the Assessment is to be the basis for the Forest Service in the U.S. Department of Agriculture to develop a Renewable Resource Program covering the 187,000,000 acres it administers, its extensive programs of research and its important State and Private cooperative activities.

The Program is to have a long range focus and prescribe a series of annual actions that are recommended for the decade ahead to meet both short and long range opportunities.

Let us consider a couple of salient points. The first Assessment and Program is due December 31, 1975. It will, of necessity, rely largely on existing information. The Committees on Agriculture and Forestry which reported this bill were motivated by two thoughts. One is that it was essential to promptly get at the task. The other was that the first Assessment and Program would illuminate problems that would improve the second effort due at the end of 1979. Thus the first Assessment and Program will be used only until 1980. The first decade long Assessment starts in 1980. What will be happening between now and 1980 will be important. However, a most significant point is that this is a learning period, recognizing that developing an integrated renewable resource Assessment and Program is easier said than achieved.

The Program in the Act applies only to the Forest Service. The Act neither discourages nor forbids other Federal agencies from developing a similar Program based on the lands they administer and their renewable resource responsibilities. It was believed that the best results would be obtained by making a concentrated Program effort for one major agency and to determine later whether the Act should be broadened. Rather than impose coordinating machinery, it was hoped, given the same broad body of information in the Assessment, that other Federal agencies, as well as private and State agencies, looking at their lands, resources and authorities would be able to consider courses of action.

Those who think that there should be a coordinated Program should carefully note that each class of lands—public lands, Federal and State—not only has its own set of characteristics, but also each set of owners and managers may have distinctive operating policies. The Act should thus be viewed as one that encourages exploration of the best ways to set National Policy and thus to reach National Goals.

Let us turn to what will happen after December 31, 1975 when the First National Assessment and the Forest Service Program are completed. Section 7 of the Act covers "National Participation." The President will transmit both documents, with recommendations, to the Congress. Congress may accept them or modify them and adopt a Statement of Policy. It is contemplated in the Act that the Congress will hold public hearings. In any event, the Statement of Policy becomes the document that will be used in farming Forest Service budget requests for the period ahead.

The Act thus defines a new approach to framing budgets. The President is required with each budget, to the extent that it recommends a course which fails to meet the established policy, to set forth the reasons for asking the Congress to approve the lesser programs or policies presented.

As many of you know, the Constitution requires that Congress authorize appropriate funds needed for the Federal government. Presidents have developed a tendency to view the recommended budget as presented to Congress as the best budget that has ever been presented. Time and again Presidents contend that their budgets cannot be even moderately revised. The fact is that a President's proposed budget is a recommendation, not a command. This Act will require a more candid expression of the strengths and weaknesses of each proposed renewable resources budget, weighing the consequences of its adoption on these resources as well as the other important considerations that both the Congress and the President must weigh.

The Resources Planning Act is closely tied to the just enacted Congressional Budget and Impoundment Control Act. Together they seek to improve both the methods by which policies are fashioned and the ways in which budgets are planned.

There are a number of other significant and special features to the Act which are important. Time will not permit discussing all. One will be touched—the goals in Sec. 8 of the Act. This sets the year 2000 as the target year when the renewable resources of the National Forest System shall be in an operating posture whereby all backlogs of needed restorative treatment have been reduced to a current basis and the major portion of planned intensive multiple-use, sustained-yield management procedures shall be installed and operating on an environmentally-sound basis.

In the Act the Congress deferred reaching judgments on what should be done, where it should be done and how much should be done. It did, however, decide when it should be done by the device of setting a target year as the time guide.

There was a great deal of Executive effort made to soften this section but it was one of the points on which the Congress had very strong views. Fundamental to achieving a sense of national direction is the determination of critical dates. On the other hand, Congress avoided prejudging the "what, where and when" of the National effort until the Assessment and Program with recommendations are before it for decision.

What then is this Act all about? It seeks, by combining realism and optimism, to meet opportunities. The 1.5 billion acres of Forest and Rangeland is a tremendously diverse but amazingly vigorous renewable resource base. Over much of our history it has been viewed as the boundless land and resource base capable of providing us with all that we need. To suggest that our use of resources has been well above sustained yield levels and that there have been strenuous use conflicts would hardly border on heresy. Time and again short term needs have overwhelmed long term considerations.

To realize the full potential of our renewable resource opportunities requires that we come together to define them and work together to achieve the goals we have set.

At the root of our problems are two differing points of view. One is that demand will "create" the needed supply. Economists point this out, telling us that price rises will define the need and influence demand and supply. This is true. When our supply was far above demand, whatever the price impact, it did not assure future supplies. Nor is it likely that one can establish that the theories of economics have determined the world's human population. The sheer growth in the number of people has placed a stress on our renewable resources no matter what the economic condition of the society. In our own case, it is clear that our generally affluent condition has not resulted in an ample future supply of renewable resources.

But even if one accepts the effects that economics has, there are other considerations that must be recognized in dealing with renewable resources.

Over the past few centuries as our population has exploded. Man has always been able to find a new geographic frontier to extract needed resources. The "voyageur" of the 21st Century is going to have to focus on the ecological relationships, recognizing that there are biologic limits. But even more than that there are opportunities that can only be secured if we appreciate what the outer limits are and recognize that reaching potential outputs takes time.

The laws of nature were here a bit before the economists. There are interrelationships between these renewable resources that are well beyond economists' capacity to regulate. Three are also levels of output that cannot be exceeded by pouring on more greenbacks.

Finally there are combinations of natural changes. Man is one of these nature changers. He influences the condition of resources and their ability to renew themselves or to reach a certain level. It matters little to the salmon whether the effluent of a paper mill, a log drive, dam construction, or 40 days and nights of rain and floods have wiped out the spawning grounds in a river. The grassy plant seeking to grow on the range does not survive better because a domesticated horse is there rather than a wild horse. None of these plants feel any better or worse upon discovering that it was man who brought the horse here rather than natural forces creating a land bridge with Eurasia. The young Douglas fir seedling seeking to grow on a harsh South-facing slope in Oregon is little comforted by knowing that man's logging, rather than a lightning fire, made this site a hotbox. Nor does a tree feel any better when it is gnawed, bucked and hauled by a beaver for its food and shelter than it does when a power saw sends it on its way to become a combination of plywood, lumber and paper.

What this legislation seeks to do is help us bring to bear on our social, economic and esthetic needs for renewable resources, the best knowledge we can assemble. It aims to help us establish the relations between our resources, the condition of our resources, and the capability of our resources.

In one sense there is nothing new in this Resources Planning Act. In a variety of ways we have been seeking to do all of these things. What is new in this Act is that it designs the policy machinery to turn our hopes into reality and our plans into achievements.

Excerpts From a Talk By J. Phil Campbell

Any picture of a prosperous America must include a healthy timber industry, Under Secretary of Agriculture J. Phil Campbell told the 1975 Southern Forestry Conference of the Forest Farmers Association in Myrtle Beach, S.C. today (May 8).

"The role of the Southern forest farmer in any projection of the future can hardly be exaggerated," Mr. Campbell said. "Farmers and other nonindustrial owners own three out of five acres of all our commercial timberland in this country. And nearly half of these lands are in the South."

Describing this private ownership as "this country's greatest potential reservoir of wood wealth," Mr. Campbell said this potential must be put to use not only to maintain present wood supplies but to meet increased needs of the future.

"This will require the concerted efforts of the forest farmer, the industry and government at all levels," the second-ranking official of the U.S. Department of Agriculture said. "We realize that there are many other competing investment possibilities.

"The Congress has chosen to continue the Federal investment partnership—the Forestry Incentives Program. We expect to have an excellent program with the $15 million available this year—well above the $9 million in Federal funds that went into the work last year."

The Southern 15 States represented by the Forest Farmers Association will have more than $9.8 million of these funds available, Mr. Campbell said. He noted that 84 percent of the tree planting under Forestry Incentives were carried out in the South.

The Under Secretary also noted that the Forestry Incentives program generated an estimated 360,000 man-days of employment in rural areas in 1974.

He congratulated the association for its efforts in behalf of the program.

Mr. Campbell also discussed other USDA programs affecting the forest farmers.

"Funding was approved recently for the Rural Community Fire Protection Program," he said. "This is a three-year pilot program to provide technical and financial assistance to rural communities of under 10,000 population to help organize, train and equip local forces for fire protection and suppression.

"Funding for 1975 is $3.5 million—and almost $1 million of this is earmarked for the 15 Southern States represented in the association.

"In research, the Combined Forest Pest Research and Development Program is well underway, with four USRA agencies, under the leadership of a program director, allocated $9.3 million this year to find new control methods for the Douglas fir tussock moth, the gypsy moth and the southern pine beetle. Some $2.5 million of this is being directed to the southern pine beetle.

"Many State governments, university people and private organizations are also involved. Together we should be able to find solutions as we have found them in the past for other forest problems."

Turning to the Forest and Rangeland Renewable Resources Planning Act of 1974, the Under Secretary invited members of the association to comment on draft assessment and program documents expected to be issued Aug. 15.

"As you know, this act calls for an assessment of all renewable resources in the United States," Mr. Campbell said, "as well as a long-range program for Forest Service activities.

"The two documents are in preparation and must be submitted to the Congress by the end of the year. They will be due again in later years.

"Although the program will not dictate policy for private lands, it will greatly affect State and private forestry, in the sense that it covers Forest Service cooperative programs in those areas. The assessment and program are goal-oriented, stressing ways to meet America's future needs for all products and services from forest and rangeland.

"You will have a very definite place in any such program that is proposed. We know that we must increasingly look to the private sector to meet national needs.

"We need your help in determining the future availability and use of this country's forest resources. You have helped in the past. Now you have an even greater opportunity to help in setting goals.

"This is the first time that a Federal agency has been given a Congressional mandate to develop a long-range plan for forestry's future. We're excited about blazing this new trail and we invite your assistance."

Forestry, Mr. Campbell said, has a great future in America.

Today, he observed, the United States industrial complex consumes about 215 million tons of raw wood material each year—roughly equal to the combined production of all metals, cement and plastics.

"The nation's dependence on wood will not subside in the future," the Under Secretary said. "Rather, it will increase dramatically.

"The Forest Farmers Association has a vital role to play in efforts to meet the timber needs of tomorrow. The Southern lands you represent might very well be described as the wood basket of the nation—both for the present and the future."

ANNOUNCEMENT OF POSITION ON VOTES

Mr. STEVENS. Mr. President, while attending the Canadian-United States Interparliamentary Meeting in Quebec City, Canada, I was unable to participate in the rollcall votes on Friday, April 25 regarding H.R. 4481, emergency employment appropriations and H.R. 6096, Vietnam contingencies. For the record, I would like to indicate how I would have voted had I been present:

Votes on H.R. 4481, emergency employment appropriations

Vote No. 150, Johnston unnumbered amendment, "nay."

Vote No. 151, Final passage of H.R. 4481. emergency employment appropriations, "yea."

Vote on H.R. 6096, Vietnam contingencies

Vote No. 152, Conference report on H.R. 6096, Vietnam contingencies, "yea."

Mr. President, while attending the United Nations Law of the Sea Conference in Geneva, Switzerland, I was unable to participate in the rollcall votes on May 1 regarding S. 621, to prohibit for 90 days the lifting of price controls on domestic oil. For the record, I would like to indicate how I would have voted had I been present:

Votes on S. 621, oil pricing

Vote No. 159, Schweiker Amendment No. 351, "nay."

Vote No. 160, Jackson unnumbered amendment, "nay."

Vote No. 161, Final passage of S. 621, oil pricing, "nay."

Mr. President, while being honored as the National Fisheries Institute's Man of the Year, I was unable to participate in the rollcall votes on May 14 regarding S. 200, to establish an Agency for Consumer Advocacy. For the record, I would like to indicate how I would have voted had I been present:

Votes on S. 200, consumer advocacy

Vote No. 175, Helms amendment No. 418, "yea."

Vote No. 176, Modified Pearson amendment No. 433, "yea."

Vote No. 177, Taft amendment No. 439, "nay."

THE MIDDLE EAST CONFLICT

Mr. ABOUREZK. Mr. President, those who have sought to warn that the Palestinian problem lies at the heart of the current Middle East conflict, and that Israeli refusal to deal flexibly with this problem poses great danger both to the search for peace and to the interests of Israel herself, have been subject to virtually unanimous criticism from those who claim to support the State of Israel. Despite this criticism, the view that the rights of the Palestinians must be dealt with by Israel has gathered strength over the past 2 years.

While it is rare that an Israeli who dissents from his government's policies on the Palestinian question gains attention in this country, an article by Amos Kenan making such a dissent was published in the New York Times on May 15, 1975. In the interest of settling the Middle East conflict, to avoid further bloodshed there, and the danger of the United States being drawn into such conflict, I ask unanimous consent that Mr. Kenan's article be printed in the Record in hopes that my colleagues in the Congress will better understand what needs to be done to bring about a durable peace in the Middle East.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Times, May 15, 1975]

Israel's "Inflexible Stand"

(By Amos Kenan)

A stubborn war of eight years between the Arab world and the movement for the return to Zion, today embodied by the State of Israel, is on the brink of ending. It would be a pity and a crime if it took another war to convince the parties involved to come to peaceful resolution.

Israel has always said that the Arab world will not discuss frontiers with her; instead the dialogue is always about her right to exist. Now, however, when the Arab world seems ready at last to accept an independent, Jewish political state in the Middle East the Israelis are not responding positively to this extended hand. Almost all the Arab leaders are ready to grant legitimacy to a Jewish state, given Israeli territorial concessions. Yet the Israeli Government maintains an inflexible stand in not being willing to give up conquered territories.

The spark that will ignite the next war is in the West Bank and the Gaza Strip. This is what lies behind the failure of Secretary of State Kissinger's recent mission seeking a new Egyptian-Israeli accord. This is why a Geneva conference may be doomed in advance. This is also the reason for the offensive Israel is now initiating, through the American news media, against the Ford Administration.

An international consensus has developed on the question of Israel's frontiers. The Soviet Union, the United States, Western Europe, and Arab countries in direct confrontation with Israel, are willing to grant legitimacy to a Jewish state and even to guarantee the security of Israel's frontiers, pro-

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vided that Israel withdraws from the territories conquered in June, 1967.

Even the Palestine Liberation Organization has indicated a willingness to recognize Israel, provided that she withdraws from occupied territories and recognizes the Palestinians. The trouble is that no Government in Israel today appears capable of delivering the necessary goods.

It doesn't matter if Yitzhak Rabin thinks one way or the other; the fact is that neither he nor anyone in a position to take over as Prime Minister could convince the public of the necessity for withdrawal.

Any government that tried to convince the Israeli public would be immediately toppled by an angry public, which would accuse that government of selling out. Within Israeli public opinion the extremists rule; the Government is too weak to force them out. Because of its weakness the Government has not in any way prepared the public to accept withdrawal and concessions.

Mr. Kissinger failed because of the Israelis. The Israelis demanded that the Arab world settle for an Israeli promise of only small-scale, insignificant withdrawal. The Arabs were not born yesterday: they, of course, wanted to know what would come next. This, the Israelis were unwilling to tell. Now, many Israelis feel that if they could force Mr. Kissinger out of office and isolate Mr. Ford they could clear the way for postponing a settlement and perhaps for a fresh round of fighting.

A withdrawal from the West Bank has only one meaning for most Israelis: the creation of a Palestinian state. Israelis generally are not willing to recognize the Palestinians and, of course, they are not willing to accept a Palestinian state bordering theirs.

Until now, Israelis could claim in their defense that Palestinian ideology and tactics rendered dialogue impossible. A shift, however, has recently occurred. Even the P.L.O. appears to be willing to recognize Israel under certain conditions. Now, many Israelis argue that this new readiness to recognize Israel is only tactical and lacks long-range credibility.

The view of the Middle East by Israeli political leadership and public opinions bears little relationship to the view of much of the rest of the world. This disparity has led to Israeli isolation. Isolation breeds despair and may lead to war.

The October, 1973, war may at least have taught some Israelis the necessity of making concessions to Egypt and Syria. Not many Israelis are as yet prepared to make concessions to the Palestinians. Certain Israelis believe that their state should initate a new war soon; they believe that Israel would win and would thereby occupy additional Arab territory. According to this reasoning, Israel could thereafter return the newly acquired territory and hold onto the desired West Bank and Gaza Strip.

Another war in the Middle East would be a historical and political catastrophe for all concerned. Even a military victory would in reality be a defeat for Israel. The increased bitterness and calamity of fighting and loss of life would make peaceful negotiation even more difficult. It is a moral obligation of the American public generally and the American-Jewish public most especially to prevent so deadly a gamble by Israel.

LOOK WEST, MISS LIBERTY, AND SHINE YOUR LIGHT

Mr. PERCY. Mr. President, Washington is full of pens crafting commentary on both large and small events affecting our Nation. Some authors use their literary instruments as lances to pinion politicians and appointees. Others use them as brushes to paint history. Some pens bring us sorrow and others happiness. Certainly the pen of Art Buchwald has brought much laughter to this city with its bittersweet satire. Yet on May 6 in the Washington Post, Mr. Buchwald's column brought a tear rather than a smile.

Once again he has effectively identified a foible in our character. Without further comment, Mr. President, I ask unanimous consent that Mr. Buchwald's column be printed in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

LOOK WEST, MISS LIBERTY, AND SHINE YOUR LIGHT

(By Art Buchwald)

The Statue of Liberty was gazing toward Europe when I tapped her on her shoulder. "Ma'am," I said, "if you look the other way, we have about 130,000 Vietnamese refugees coming in from Guam and the Philippines. I thought you might hold your torch high and light the way for them."

The statue seemed irritated. "We have too many people in this country now. What am I going to do with 130,000 Orientals?"

"The same thing you did with everybody else. Welcome them. They're tired and they're poor and they are yearning to breathe free."

"And what about jobs? Who is going to support them?" she said petulantly.

"You never worried about that before," I said. "Whoever came to this country eventually found jobs, and almost all of them made very good citizens. There is no reason to think the Vietnamese will be different. After all, you are the mother of exiles."

"Times have changed," she growled. "The American people are not that thrilled about having a bunch of refugees dumped on them. Who is going to feed them? How many will go on welfare? How do we know their kids won't get in trouble in the streets? We have enough problems in this country without asking for more."

"But," I pleaded, "we're responsible for them being refugees. We screwed up a country like it's never been screwed up before. We supported their corrupt governments, loaded them down with weapons they couldn't use, defoliated their rice paddies and wrecked their families.

"We left the country in a mess. The least we can do is take in whatever huddled masses escaped to our teeming shore."

"That's easy for you to say," the Statue of Liberty replied, "but we have to think of Americans first. They don't want any more foreigners in this country."

"But most of our fathers and grandfathers and great-grandfathers were foreigners. You've welcomed them all. Tell me the truth. Do you have anything against Orientals?"

"I don't personally. But you know how some people are. The Vietnamese have different habits, and they're from another culture. They just don't fit in. Besides I'm supposed to welcome the homeless from Europe. That's why I'm looking in that direction."

"These people need refuge," I protested. "Their lives are in ruins. Remember a few weeks ago when they flew in orphans from Vietnam and Cambodia? Nobody seemed to object to that."

"It's not the same thing," the statue said. "You can adopt orphans. But what can you do with refugees?"

"Help them find homes, jobs, make them citizens."

"It's out of the question. It isn't our fault they lost the war. Look, no one minds one or two Vietnamese in a community. But you're talking about thousands. They'll stick out like a sore thumb. The unions would never stand for it."

"Please don't turn your back on them," I begged. "If somebody just said, 'Welcome. We're glad you came,' most Americans would go along with it. The American people gripe a lot, but they'll do the right thing if somebody leads them. If you could shine your torch toward the Golden Gate bridge, perhaps the people will be ashamed of the way they've behaved."

The Statue of Liberty turned slowly. There was a tear in her eye. "I've been here so long I almost forgot why I was holding this lamp. Where did you say I should shine my torch?"

"Over there. Hold it as high as you can and point it toward the West so every American can see it. That's it. Now repeat after me, 'Send these, the homeless, tempest-tossed to me, I lift my lamp beside the golden door.' "

THE DEMOCRATIC FUTURE: BEYOND THE GREAT SOCIETY

Mr. MONDALE. Mr. President, there are few people in this country who know more about our governmental processes, our political system, and our national priorities than Joseph A. Califano, Jr.

As my colleagues know, Joe Califano has had a distinguished career in the service of this country. He has served as special assistant to the general counsel of the Department of the Army, special assistant to the Secretary of the Army, and special assistant to the Secretary and Deputy Secretary of Defense.

From 1965 to 1969, Joe Califano was special assistant to the President of the United States. His work in the White House gave him an unparalleled perspective on the domestic needs of this country and on the programs of the Great Society.

Joe Califano also has performed invaluable service for the Democratic Party. As its general counsel and as one of its most intelligent and respected young leaders, Joe Califano has helped shape the programs and goals of our party.

Because of Joe Califano's broad experience in Government and in politics, I was particularly anxious to read his article in the April–May issue of the Democratic Review, entitled "The Democratic Future: Beyond the Great Society."

Joe Califano discusses our current economic difficulties, comments on the current state of our national institutions, and notes a mood of public cynicism and despair. He outlines a future agenda for the Democratic Party, based upon his thoughtful assessment of our current situation, and sounds a call to action we must all heed.

I encourage my colleagues to share with me the thoughts of a dedicated public servant and experienced political leader. We can all benefit from the reflections of a citizen with a unique perspective. Mr. President, I heartily recommend this article—as well as Mr. Califano's forthcoming book "A Presidential Nation" to be published in September by W. W. Norton & Co.—to my colleagues in the Senate and to the American people.

Mr. President, I ask unanimous consent that the article entitled "The Democratic Future: Beyond the Great Society" from the Democratic Review by Mr. Joseph A. Califano, Jr. be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE DEMOCRATIC FUTURE BEYOND THE GREAT SOCIETY

(By Joseph Califano)

Like the future of the Nation it seeks to govern, the future of the Democratic party is deeply clouded. The self-confident rhetoric of Presidential aspirants and Congressional leaders belies the busy uncertainty with which they confront economic chaos and institutional degeneration among a people tormented by political agnosticism and pockets of despair.

Whether the Democratic Party can lead the American people out of this valley depends on how they confront these problems. The first step in this journey is realistically to face the economic and institutional condition of our Nation and the psychological condition of our people.

THE ECONOMIC SITUATION; DEALING WITH THE SHRINKING PIE

The central economic foundation of the Great Society programs (at least until the Vietnam War began to drain our resources) was more for everyone: for the individuals and institutions of the private sector, for the federal government that moved from a bureaucracy operating less than 50 domestic social programs to one operating some 500, and for state and local governments. During its most productive years, the Johnson Administration financed a significant portion of the Great Society programs; at the same time, additional funds flowed to the private sector and individual citizens in the form of lower federal taxes, increased profits and higher wages. The lubricant of economic plenty greased the political wheels that ran so smoothly between the executive and legislative branches during the 89th Congress. It was not then necessary to redistribute wealth in absolute terms. Although the disadvantaged and the lower middle class received the bulk of the newly created wealth, the material condition of the rich and the upper middle class was simultaneously enhanced.

Since 1974, however, the people have been served from a shrinking economic pie. More important, for an extended period in the future, the economy is not likely to expand at a sufficiently rapid rate to increase the standard of living of the less advantaged without a true redistribution of wealth, a taking from the affluent. The present economic situation alone portends high unemployment, higher taxes for fewer public services, and perhaps inflationary pressures, for at least five years and possibly longer. The high cost of energy and the need to respond to legitimate environmental concerns are likely to inhibit our ability to recover to a growth rate of the four per cent to six per cent level that marked the later 1960's; for an extended period a growth rate of two per cent is much more likely.

This economic condition visits upon American society an urgent need for all sorts of efficiencies. The automobile industry must produce more efficient cars in a way that will preserve scarce energy and financial resources and environmental values. The educational community must learn to perform its critically important work at a significantly improved cost-benefit ratio. Less costly ways must be found to house millions of Americans. Mass transportation will have to substitute for individual transportation even if that means less comfortable transit; health care services must be provided at more reasonable levels of expense, even if that means more egalitarian medical treatment. If not in a Constitutional sense, certainly in human terms the demand for more efficiency threatens individual as well as economic freedom.

It is no mean task to impose such efficiencies on a self-centered society with the tradition of personal freedom and plenty that has characterized the American nation for generations. But that is a task that must be discussed and undertaken with a candor that has not yet characterized the rhetoric of our Democratic leaders. The absolute redistribution of resources required at home and abroad today demands that the Democratic Party abandon the rhetoric of too much government, too much planning, and too much control. In many areas, we need more of each for the common welfare.

For, clouded as the economic and social horizons are at home, the Democratic Party must recognize that the world situation is even more darkly overcast. With six per cent of the world's population, the American people have for years consumed roughly 40 per cent of the world's resources. Depending on how the Arab nations deploy their new wealth, the Middle East oil situation may redress that imbalance to some extent. But, alone, that situation is unlikely to alleviate world social and economic pressures for global redistribution of wealth.

The alternatives for this Nation are either to step up the economic and social development of poor nations—and dedicate a decidedly more significant proportion of our wealth to that effort—or, to maintain a "fortress America" posture to protect our own standard of living, by force if required. For the rest of this century, a combination of both postures seems necessary. If so, the rhetoric of gun boat diplomacy is as unbecoming for aspiring political leaders as the rhetoric of slashing defense budgets. The same principle that is intoned to justify American intervention in the Middle East to prevent "strangulation" of the West by an oil embargo can also be invoked by underdeveloped nations in moral justification for an assault on the United States (and the West) to obtain food for their starving millions.

Moreover, it is not possible without substantial danger to our national security, to reduce defense spending sufficiently to return the United States to an economic horn of plenty situation adequate to avoid the collective need to take from the "haves" to assist the "have-nots."

These economic and geopolitical realities must be confronted with a clear recognition of the central psychological and political roadblock to adequate program funding after the halcyon days of the Great Society ended in 1966. Contrary to our perception at that time, the more material resources put at the disposal of individual Americans, the more selfish they became. The new "haves" created by the success of Great Society economic policies did not wish to share more with the "have-nots" whose dwindling numbers reduced their political power in a majoritarian democracy.

The guns and butter approach Johnson adopted in January 1966, pinched the economic euphoria of the American electorate in late 1967 and 1968. As a matter of economic resources, sufficient funds were available to finance both the Great Society programs and the war in Vietnam. What was lacking was a willingness of the American people, for a variety of reasons, to do both at the same time when the price was material self-sacrifice on an individual basis. While much of the anti-war feeling was morally motivated, this reality of human nature played a significant role in the middle class opposition to the war in Southeast Asia.

The genius of welfare state capitalism has been its ability to create and maintain an environment of plenty. Its inability to continue to perform at this extraordinary level presents its severest test. To appreciate the difficulty of the task ahead, one need not look only at Johnson's difficulties in funding Great Society programs against the demands of war. An example relatively unaffected by the emotion that surrounds discussion of Vietnam is its experience in attempting to redistribute power during the 1960's. When the Johnson Administration attempted to redistribute power by taking from one group and giving to another, it met its most trenchant opposition. The community action agencies of the war on poverty were bitterly opposed by most governors and mayors and a large number of congressmen and senators. Those programs represented a diversion of power over local conditions from the existing governmental structures to new social and political groupings.

So it was with the civil rights legislation. The Voting Rights Act of 1965 injected large numbers of blacks into the American electorate. To this day, cities in the South are annexing white suburbs to dilute the recently acquired voting power of black Americans. Enforcement of the equal employment provisions of the 1964 Civil Rights Act met with less opposition than was expected during the mid-1960's because there were so many new jobs that other Americans did not feel the squeeze of economic change at that time. An attempt to maintain such a vigorous level of enforcement in the present economic climate would likely face tenacious resistance. It is no accident that the vicious cutting edge of racial strife is forged by those groups that perceive themselves as vying for the same piece of economic pie as black Americans. The middle- and lower-middle income white ethnics have invariably displayed the greatest intransigence in the national quest for racial equality.

CAN THE INSTITUTIONS BE MADE TO WORK?

The Democratic Party must seek to improve our economic condition against a backdrop of institutional decay and confusion. The economic recession has sharply curtailed the ability of large aggregations of corporate wealth to assist in the resolution of social problems and in some industries, like automobile manufacture, significant permanent shifts of private sector resources are underway. Other institutions of society, central to its ability to fulfill social and human needs, are in serious structural trouble.

Decentralization and fragmentation of governmental power are essential to the preservation of individual freedom. But the 25,000 cities and counties and the 50 states are indeed relics of another age. Environmental problems pay little attention to state and city boundaries inspired in less mobile and pre-industrial times and perpetuated by petty political maneuvering. Air moves in air sheds and water in rivers that run through many states. The inefficiencies of local government as it is now organized are far too expensive in the context of urgent economic and social needs.

The operation of the court systems of the federal government can as often as not serve the cause of injustice. Increasingly over the past decade it has become apparent that on the civil side, the federal courts are available only to the wealthy individual and institution. Each time Supreme Court Chief Justice Warren Burger speaks of the inadequate salaries, staffs, number and physical facilities of federal judges, any lawyer practicing in the federal courts can cite personal experiences to support his conclusions. If anything, the Chief Justice has understated the problem. And federal courts are the major leagues of the criminal justice system in America.

The sound and fury of the House revolution is progressive music to the ears of frustrated reformers. But the Congress will re-

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main relatively inept in the performance of its legislative, oversight and appropriations functions unless it redraws its committee jurisdictional lines and makes a vast investment in computers and analytical technology and adequate staffing. (The appointment of Alice Rivlin to head the Congressional Budget Office staff is an encouraging step in the right direction.) Some inefficiencies will necessarily be present in collegiate bodies like the House and Senate. But that is no excuse for the failure of those bodies to bring themselves to an informed state of readiness to deal with national and international problems.

Every Presidential commission that studied the executive branch during the Johnson and Nixon administrations was appalled at its chaotic organization. So were most men and women who served on the White House staff and in the executive departments and agencies during the past 15 years. Yet, the sweetheart contract among special interest groups, committee and subcommittee chairmen jealous of their jurisdictions, and executive branch civil servants protecting their own fiefdoms, continues to be honored at the cost of inexcusable inefficiency and inadequate public services.

Many Democrats are aware of the deficiencies of our present institutional condition. Rep. Richard Bolling has proposed a major reordering of the committee structure of the House. Sen. Abraham Ribicoff of Connecticut is well aware of the incoherent organization of the executive branch and the repeatedly held hearings on the subject. Years ago as a congressman, Sen. John Culver contrasted the use of modern technology by the Congress and the Executive. Sen. Philip Hart has reported on the structural inefficiencies of concentrated industries. Our party must begin to heed such warnings, and stop treating them like other voices in other rooms. It must encourage and enforce basic institutional and structural change in America if it is to earn its rightful place as the governing political party in the years ahead.

Institutional change is no task for the meek or the political amateur. During the Johnson years, it took monumental investments of Presidential time and political capital to effect two major executive reorganizatins (creating the Departments of Housing and Urban Development and Transportation) and a few minor ones.

PUBLIC CYNICISM AND DESPAIR

The inherent difficulties in achieving true redistribution of wealth and basic institutional changes are aggravated by the environment of citizen cynicism and despair in which those objectives must be pursued. Today, many Americans perceive the Democratic Congress, with its bevy of Presidential aspirants, as playing a shell game of one-upmanship with the Ford Administration; and their view of Ford is not much better. A poll of 23,000 high school students across the Nation in 1974 reflected that 81 per cent thought "elected representatives lack honor and integrity."

The race to the television cameras of the Democratic Congressional leadersip and the Republican White House to announce "new" (and not well-considered) economic programs in January 1975 affords more than adequate justification for the popular feeling that both parties are still playing political fiddles while the towering infernos of inflation, recession and social decline blaze away. This widespread concern is certainly understandable when the White House fire department does a complete economic policy turnabout in less than a month, and the House of Representatives fire brigade takes off on a 10-day recess after getting their television coverage.

In this environment of cynicism and despair, the Democratic miniconvention in Kansas City in 1974 can be seen less as a Herculean effort to paper over perceived slights and balance narrow interests for a greater common good, than as a weekend glimpse of perpetual internecine political bickering, with each faction striving for status and personal advantage. While the American people awaited relief from the economic misery of the mid-1970's, they watched the Democratic politicians fight for procedural advantages to support their Presidential preferences and ideological biases.

The revolution in communications may further fuel this ambiance of despair. In the late sixties and early seventies, the glories of distant war faded against the grotesque reality of living color bloodshed in every American home. So, too, we must recognize that the American Nation will witness the depression of the 1970's in hues of human misery just as sharp—and closer to home. Democratic politicans, so conscious of the significance of television to the fulfillment of their own ambitions, must take stock of its impact on the American people they seek to govern. The video cameras have already begun to supply nightly news shows with tapes of thousands of unemployed Americans in large cities breaking down the doors of federal office buildings to get their hands on scarce public employment jobs.

The snowballing recessionary effect of unemployment often comes less from economic factors than psychological ones. When one man in a neighborhood loses his job, each family in that neighborhood becomes deeply concerned that its breadwinner will be next. The cumulative expression of those concerns—belt tightening, increasing savings at the expense of spending—can accelerate economic decline and convert such concerns into self-fulfilling prophecies. But we have yet to experience the impact of color television dramatizations of the statistics of recession and inflation. As evening news shows vividly portray the lines for food and jobs, the evictions, the bankruptcies and the demonstrations, the leverage of self-fulfilling psychological reactions on economic conditions will be geometrically increased.

There is a little comfort in the fact that the depression of the mid-70's has not yet been marked by the domestic violence of the mid- and late-1960's. This may be a symptom less of confidence than of despair. De Tocqueville has observed that when oppression once accepted as inevitable seems capable of change, it becomes intolerable. For that reason, he concluded that in a democratic society, reformers rarely survive their reforms. The same conditions inspire hope tend to incite turmoil. In situations like the one our Nation now faces, the superficially submissive reaction of the American people, including the 41 per cent of black teenagers unemployed as the year 1975 began, certainly does not reflect satisfaction or hope.

BEYOND THE GREAT SOCIETY

Aside from the tragedy of war, most Americans remember the Great Society years in flashes of numbers of programs passed and unprecedented economic growth and material affluence. Indeed, Johnson and the Democrats are largely responsible for the numbers-game characterization. But that was not how Johnson spoke when he unveiled his concept at the University of Michigan on May 22, 1964. There he established our success in "the pursuit of the happiness of our people" as "the test of our success as a Nation."

The speech is a testament to the loftiest communal instincts of the early Christians, with full recognition of the importance of individual achievement and satisfaction against a background of material egalitarianism. It abounds with phrases about using our wealth to enhance the development of individual talents and the quality of our civilization, and to satisfy the human "desire for beauty and the hunger for community."

There was an early Presidential expression of concern about the pursuit of economic growth and material affluence for its own sake:

> Your imagination, your initiative, and your indignation will determine whether we build a society where progress is the servant of our needs, or a society where old values and new visions are burdened under unbridled growth.

The speech did discuss material needs of people, focusing on the cities, the environment and the classroom. But its explicit thrust was a call to the American Nation to establish a society "where men are more concerned with the quality of our goals than with the quantity of our goods," and to fulfill "a destiny where the meaning of our lives matches the marvelous products of our labor." At Ann Arbor, Johnson sought "a society where the demands of morality and the needs of the spirit can be realized in the life of the Nation." He hoped future generations would look back at a time when man "turned the exploits of his genius to the full enrichment of his life."

The Great Society years did not measure up to those standards. Indeed, haunted by war, materialism and political agnosticism, they sometimes seemed to offer evidence in support of Thomas Hardy's pessimistic conclusion that "all things merge in one another—good into evil, generosity into justice, religion into politics."

Measured by those same standards, the Democratic Party of the 1970's may be destined to fail the American Nation. Perhaps as never before in its history, the American people are concerned with truly fundamental human issues. Against this concern, the activities of their political leaders seem like inadequate tinkering with statutes and regulations. While the people wonder when life begins and when death occurs, the politicians debate the price of pharmaceuticals and fight for the location of new hospitals in their districts. While the people seek purpose in their lives and their society, the Congress and Executive, and the mayors and governors, offer a crisis-oriented instant political pragmatism. While men worry about their ability to provide food and shelter for their families, their political leaders still speak in the rhetoric of an economy of plenty. While our society is still plagued by a distorted distribution of wealth, the House Ways and Means Committee dots the *i's* and crosses the *t's* of tax reform.

There is structural and economic change coming in America, and coming more rapidly than most leaders realize. It is astonishing that the unprecedented accumulated family riches of Nelson Rockefeller can be exposed to public view without one significant voice being raised to ask how an economically pressed Democratic society can abide estate and gift tax laws that permit the genetic acquisition of such staggering wealth. After the human tragedy of secret diplomacy in Southeast Asia, we not only tolerate, but consider indispensable, six more years of even more secret diplomacy. Against a chorus of rhetorical concerns about an imperial Presidency, the Congress heaps unprecedented power over economic affairs and energy on a reluctant executive.

The values of the Great Society described at Ann Arbor were the values of men who have sought such societies since the beginning of time. They are in essence the values of Plato's *Republic* and Moore's *Utopia*. They are, I believe, the values that most Americans seek. But our political leaders, both Democrat and Republican, have provided few thoughful ways of achieving those values. They are indeed busy passing hundreds of laws, making thousands of speeches, and attempting to satisfy the immediate and often transient needs of our people. But, as Thoreau said, "It is not enough to be busy . . . the question is what are we busy about?"

Unless our Democratic leaders get busy about true economic redistribution and basic institutional change, and until they abandon their political agnosticism and resist the fashionable temptation for instant cures, the American people may decide that neither they nor their Republican opponents deserve to lead our Nation.

SURVEY OF EXPORTS INDICATES BUDGET DEFICIT CAN BE FINANCED

Mr. HUMPHREY. Mr. President, last month I wrote a large number of economists and financial experts, seeking their advice on the financial aspects of the budget deficit, and on monetary and debt management policy. On April 30, during debate on the budget resolution, I placed in the RECORD the replies which I had received as of that date. I have since received a number of additional replies—all of them extremely helpful—and I ask that they be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HUMPHREY. The first question on which I asked these experts to comment was the following:

> Can the financial markets handle federal deficits of $45 to $50 billion in fiscal 1975 and approximately $75 billion in fiscal 1976 without seriously interfering with private demands for credit or forcing interest rates to levels which will prevent an economic recovery?

Of the 28 individuals who have responded to my inquiry, the overwhelming majority answered this question in the affirmative. They stressed that these deficits are coming from recession and high unemployment. At the same time, private credit demands have fallen sharply because of this same recession. There is no "vicious" competition for credit. Rather, Federal credit demands are filling a vacuum created by the drop in private borrowing.

The following are typical of the replies I received to this question:

Robert M. Solow, professor of economics, Massachusetts Institute of Technology:

> Every professional study I have seen of the likely state of the capital markets in 1975–76 concludes that they will be able to handle the Treasury's needs without seriously choking off private demands for credit. This includes analyses done by the professional staff of the Treasury and the Federal Reserve. The volume of personal saving will be very high and business financing needs will be quite low.

Guy E. Noyes, senior vice president and economist, Morgan Guaranty Trust:

> Based on our analysis of prospective demands for credit from the private sector in calendar 1975, it is our tentative judgment that there will not literally be any "crowding out" of private borrowings this year as a consequence of Treasury debt offerings, even if the Treasury's new money needs in 1975 total $75 billion to $80 billion, as now seems likely. Room for the large volume of Treasury financing seems likely to exist because of the marked softening now in evidence in private credit demands.

George Perry, senior fellow, Brookings:

> These prospective deficits need not cause any special problems for financial markets or put upward pressure on private interest rates. Such financial developments this year will depend primarily on the conduct of monetary policy by the Federal Reserve, and, to a lesser extent, on the conduct of debt management policy by the Treasury. The real issue is not whether financial markets can handle the deficit, but whether the Federal Reserve will accommodate the expansion in the economy that is needed.

Robert V. Roosa, former Undersecretary of the Treasury:

> The financial markets should have no problem in FY 75; a deficit of up to $75 billion in FY 76 could be gingerly "fitted in" without either inducing a shortage of private credit or causing a disturbing rise in longer term interest rates will probably be unavoidable at times as the bunching of Treasury requirements may not coincide with the short term ready availability of funds.

Robert R. Nathan, Robert R. Nathan Associates, Inc.:

> There is no doubt whatever but that Federal deficits of $50 billion this fiscal year and $75 billion or somewhat more next fiscal year can be financed without interfering with private financial demands or pushing long-term interest rates to levels hampering recovery. The aggregate credit demands are now inadequate to absorb savings forthcoming as recovery begins and broadens.

Walter Heller, professor of economics, University of Minnesota:

> The financial markets can handle the deficits, given only a willingness of the Federal Reserve to finance economic expansion.

Robert Eisner, professor of economics, Northwestern University:

> Given the unfortunately sharply depressed state of the economy, there seems little doubt that financial markets can handle federal deficits of $45 to $50 billion in fiscal 1975 and approximately $75 billion in fiscal 1976 without seriously interfering with private demands for credit or forcing interest rates to levels which will prevent an economic recovery. The paradox which most critics seem to miss is that the major cause of the deficit is a relative decline in tax revenues due to the recession. The very situation which creates the deficit, sluggish private business, thus reduces private demand for credit.

Otto Eckstein, professor of economics, Harvard University:

> The deficits for fiscal 1975 and 1976 can be handled without seriously interfering with private demands for credit or forcing interest rates to levels which will prevent an economic recovery. Private credit demands are always weak in recession, and this is the deepest recession since the War.

Allen H. Meltzer, professor of economics and social science, Carnegie-Mellon University:

> The financial markets can handle the federal deficits contemplated at the present time. The deficits will be financed at higher interest rates. . . . The deficit, however, will not prevent economic recovery. The deficit encourages economic recovery but shifts a larger share of rising output into government programs and away from capital investment and housing.

A number of those who wrote me added a cautionary note with respect to the future. They stressed that large Federal deficits must not continue once a vigorous recovery is underway. For example, Frank Schiff, vice president and chief economist for the Committee for Economic Development, while agreeing with those cited above that "the financing of deficits of the size you mentioned should be possible without severe strains on private credit markets" added:

> A very determined effort must be made to assure that fiscal actions taken today will not overshoot their mark in the future. Thus, anti-recessionary tax reductions should by and large be of a one-time or temporary character, and stimulative government expenditure programs should wherever possible be designed to terminate when they are no longer needed to support the recovery.

I agree with that. The emergency fiscal programs which we adopt to deal with the recession should be designed to phase out as full employment is restored. The budget policy which Congress has been debating is a policy of budget balance at full employment. We must stick with that policy.

Not everyone whom I consulted agreed that the contemplated fiscal 1976 budget deficit could be handled without serious damage to the economy. Two of the 28 respondents flatly took issue with this view. Albert H. Cox, Jr., vice president of Merrill Lynch, wrote:

> Deficits of $45 billion and $65 billion in fiscal years 1975 and 1976, respectively, can be financed without the degree of "crowding out" that would seriously threaten recovery, given our projections of weak private demand for funds. However, the Congress is flirting with potential financial and economic trouble should it permit a deficit of $75 billion or more in fiscal 1976. That could blunt or even prevent recovery because of its adverse effects on interest rates, housing and other industries.

Beryl W. Sprinkel, executive vice president of the Harris Bank wrote:

> In my judgment, a deficit of $75 billion in fiscal 1976 is too large if we want to avoid serious damage to the economy. I recommend that the Congress hold its spending ceiling to about $350 billion at most and therefore plan for a deficit of less than $60 billion.

Several others who responded to my letter expressed great concern about the prospective deficit, but for a particular—and, to me, very disturbing—reason. They argued that while the deficits ought to be manageable, psychological factors were creating tensions in the credit markets. That is, marketing participants are basing their investment decisions not on the underlying economic reality, but on fear.

For example, Henry H. Fowler, former Secretary of the Treasury and now a partner in Goldman, Sachs, wrote:

> Indeed, the best evidence available to me seems to indicate that the supply of savings being generated in the economy now and over the next twelve months should be adequate to finance an economic recovery without undue strain on our credit markets. If this is true, then why has there been strain in the financial markets over the last six weeks? There is a cause that is difficult to understand and impossible to forecast, yet to me all too clearly at work in our financial markets. That cause is expectation and fear.

James J. O'Leary, vice chairman, U.S. Trust Co., wrote:

> With regard to your specific questions, it is now clear that the size of the deficit which is emerging has had a perverse psychological effect on the long-term capital markets. The pertinent question is not whether Federal deficits of $45–50 billion in fiscal

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> 1975 and approximately $75 billion in fiscal 1976 can be financed without seriously interfering with private demands for credit or forcing interest rates to levels which will prevent an economic recovery. The fact is that the long-term capital markets fear that such deficits cannot be financed without having such adverse effects. The larger the Federal deficit is expected to become, the more intense the fear will become. Financial markets behave today on the basis of expectations of the future.

Why are the market participants fearful? Of what are they afraid? Several persons who responded to my letter argued that statements by public officials have served to stir up and exacerbate these fears. Alfred P. Johnson, vice president of the Investment Company Institute, wrote:

> Repeated statements from the Treasury on the potential economic and financial problems that might flow from a Federal deficit larger than it deemed appropriate has tended to "scarce" the market, rather than create a dialogue that might improve the coordination of fiscal, monetary, and debt management policies.

Leonard J. Santow of the Schroder Capital Corp., wrote:

> Comments made by several public officials have been a factor of consequence inducing borrowers to rush in to raise money which in turn has caused investors to be reluctant purchasers of intermediate and longer term debt obligations. Huge budget deficit and financing estimates have repeatedly been dropped on the debt markets, with each estimate larger than the previous one. These estimates have apparently been used to convince Congress of the adverse market and economic consequences of making the deficit excessively large. Of course, by their comments they have the power to create the disorderly market conditions which they predicted could happen. It is too bad that these people have not taken a different approach to this whole problem by coming up with new programs and proposals when it was clear that Congress would not accept what had initially been proposed.

Robert H. Parks, executive vice president of Advest Institutional Services was even more outspoken:

> The financial markets can easily handle the upcoming Treasury financing provided (a) the Federal Reserve is sufficiently accommodative and (b) Mr. Simon gets more professional counsel on elementary economic and financial matters and (c) Mr. Simon carefully guards his comments regarding the quality of and prospects for Treasury instruments.
>
> I sometimes wonder what the market for New York City bonds would look like if Mayor Beame were to downgrade these securities as Mr. Simon knocks Treasury issues. The irony is that economic fundamentals are favorable to the outlook for Treasury securities.

In sending my letter to economists and financial experts, I was not simply taking a public opinion poll. I requested, and received, thoughtful and complete individual answers. I would like to thank each of the persons who took time to answer my letter. They have performed a real public service.

While I was not simply taking a poll, it is possible, in a rough way, to categorize the replies I received. Twenty of the 28 respondents felt they could answer "yes" to my first question, that is, yes, the deficit can be financed without seriously interfering with private credit demands. Only five clearly took the opposite view. As I have noted, several among these five acknowledged that the necessary funds ought to be available but stressed the psychological factors—the fears—which are governing the credit markets.

Congress must not be captive to those fears. We in Congress have two responsibilities:

First, we must provide enough temporary fiscal stimulus to put this recession firmly behind us; and

Second, we must maintain a control over the budget which will insure a balancing of the budget as full employment is regained.

I believe Congress is doing a good job on both counts.

EXHIBIT 1

APRIL 24, 1975.

HUBERT H. HUMPHREY,
Chairman, Joint Economic Committee,
U.S. Senate.
Washington, D.C.

Senator HUMPHREY: I have enclosed two essays on the money and capital markets bearing directly and in detail on your three questions incorporated in your letter to me of April 16th. Here are brief answers to your questions:

(1) The financial markets can easily handle the upcoming Treasury financing provided (a) the Federal Reserve is sufficiently accommodative and (b) Mr. Simon gets more professional counsel on elementary economic and financial matters and (c) Mr. Simon carefully guards his comments regarding the quality of and prospects for Treasury instruments.

I sometimes wonder what the market for New York City bonds would look like if Mayor Beame were to downgrade these securities as Mr. Simon knocks Treasury issues. The irony is that economic fundamentals are favorable to the outlook for Treasury securities.

(2) and (3) The Federal Reserve and the Treasury should together follow what I would dub a "double twist" operation. This entails Treasury sales focusing on short issues and Fed open market purchases, to the extent possible, on intermediate and longer term agency and Treasury issues.

The Federal Reserve and the Administration have pursued a joint policy of economic overkill, pushing the economy into the worst recession by far in postwar history. The danger still exists of an inadequately expansionary monetary policy to produce economic recovery despite postwar record slack in labor and capital. Having killed capital formation cyclically, the United States now runs the risk, in the event of insufficient monetary stimulus, of killing capital formation secularly. This would represent one giant step towards economic stagflation.

I thank you for asking for my counsel, and I hope the attached materials are helpful in getting answers to very difficult questions.

If you are interested, I would be delighted to explore these problems in more depth with you.

Sincerely,

ROBERT H. PARKS,
Executive Vice President, Chief Economist, Advest Institutional Services.

MAY 2, 1975.

Hon. HUBERT H. HUMPHREY,
Chairman, Joint Economic Committee, U.S. Senate, Washington, D.C.

DEAR HUBERT: By the time your letter of April 16 caught up with me, the deadline had passed, and the floor debate was about over. Since my *Wall Street Journal* article dealt so directly with the questions in your letter, I hope that it may have served your purposes. The answers are quite clear:

The financial markets *can handle* the deficits, given only a willingness of the Federal Reserve to finance economic expansion.

The present policies of the Federal Reserve do *not* seem adequately accommodative. All the scare-mongering about unmanageable deficits, inflation, and crowding out suggest that the Fed will be parsimonious in providing funds for expansion. And parsimony, unlike economy, will be very costly.

The Treasury should certainly restrict itself primarily to short-term borrowing. This is no time to "lengthen the debt."

With warmest regards,

WALTER W. HELLER.

MAY 2, 1975.

Hon. HUBERT H. HUMPHREY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: In response to your letter concerning the Federal budget situation and outlook, I welcome the opportunity to set forth briefly my views on the specific questions you have raised.

First, as you are aware, no one can be certain of the impact on the credit and capital markets of a $45 to $50 billion budget deficit in fiscal 1975 and approximately a $75 billion deficit in fiscal 1976, since the current Federal fiscal situation is unprecedented and past experience can offer no guide to the future. To be sure, flow of funds projections, such as the Bankers Trust Company and others have made, tend to suggest that the financial markets can handle a huge increase in Government borrowing without undue strains in the credit and capital markets. However, this seems possible only if a gradual and relatively restrained economic recovery is assumed and only by making some other important assumptions with respect to the prospective investment policies and patterns of commercial banks and of other large institutional investors; the commercial banks, for example, will have to add up to $40 billion this year to their holdings of Government securities, whereas the most they have acquired in any one year previously in the postwar period is less than $10 billion.

Moreover, I would point out that the role played by market psychology must not be underestimated in assessing the prospects. Projections of the prospective supply and demand for credit and capital can be significantly affected by the liquidity preferences and changing dispositions and reactions of borrowers and lenders, and by expectations, as we have already seen in recent weeks. Unquestionably, the record volume of corporate bond offerings thus far this year, and the recent firming of long-term rates that has occurred, reflects some anticipatory borrowing by businesses concerned over the possibility of increasing competition for funds from the Treasury later in the year. While I am hopeful that the financial markets can continue to absorb the massive offerings of Treasury securities without impinging more seriously on the financing needs of other sectors of the credit and capital markets, and without sharply pushing up interest rates, I doubt that this may be accomplished without periodic congestion in the markets.

Although I expect money market rates will firm in the course of the year as the recession bottoms out, they are not likely to reach levels so high as to abort the recovery, provided the Congress does not significantly add to Government spending programs thereby strengthening inflationary expectations, and provided the monetary authorities continue to pursue an appropriate policy.

Given the huge Federal budget deficits in sight, and the still very depressed state of the American economy, Federal Reserve policy obviously must remain accommodative until a business upturn is well under way. This does not, however, mean that monetary policy should turn toward more aggressive ease in the period ahead. The monetary aggregates, after lagging earlier, have been growing comparatively rapidly the past few months, and it should be kept in mind that monetary policy operates with a lag; whatever policy the Federal Reserve pursues during the coming months will probably not have its major impact on the economy until sometime in the spring of 1976. In light of the already stimulative fiscal policy, there is a real risk that a too expansionary credit policy could lay the base for more inflation later on, as well as serve to unsettle the financial markets.

As regards the desirable pattern of Treasury financing, even though private demands for credit at this point are heavily concentrated in the bond markets, I would urge that, to the extent possible, the Treasury endeavor to continue to do some of its heavy borrowing at intermediate and longer-term and not limit itself to short-term financing. For the Treasury to confine its financing to the short end of the market would limit its flexibility in managing the public debt and could present difficult refinancing problems as this huge amount of debt will have to be rolled over continuously.

As a final comment, I would like to say that although the recession is a matter of grave concern for everyone, it would be most unfortunate if the Congress becomes impatient with the progress of the recovery and attempts to hasten the business recovery by enacting more new spending programs and by pressing the Federal Reserve into becoming overly expansionary. Such action could only result in giving inflation a second wind that would spell trouble for the financial markets and for the economy in general not only late this year and next, but perhaps for some years to come.

I trust these comments prove helpful.

Very truly yours,

D. E. WOOLLEY.

MAY 1, 1975.

Hon. HUBERT H. HUMPHREY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HUMPHREY: I am sorry to be somewhat late in responding to your letter of April 16 but my heavy travel schedule plus appearing before Senator Proxmire's Banking Committee has made it impossible for me to reply sooner. I am hopeful that my remarks will be helpful.

(1) In my judgment, a deficit of $75 billion in fiscal 1976 is too large if we want to avoid serious damage to the economy. Deficits must be financed either from savings or from newly created money. If a $75 billion deficit is financed largely from savings, it will inevitably bring upward pressure on interest rates and choke off funds going into housing and capital spending. If, on the other hand, most of the debt is financed with new money, serious double digit inflation would begin again by late 1976 or early 1977. Therefore, I recommend that the Congress hold its spending ceiling to about $350 billion at most and therefore plan for a deficit of less than $60 billion.

(2) In my judgment, the long-term growth in the money supply should be in line with growth in the potential capacity of the economy to produce real goods and services. This was the guideline suggested by the joint monetary resolution which you sponsored and I think it is correct. Therefore, on average, most of the time growth in the money supply should be between 3% and 4% per year. However, this year it is clear that somewhat more stimulus should be provided in order to reverse the recession and encourage economic expansion and employment. It is my judgment that in this next year monetary growth should be in the 4% to 6% range. I thoroughly disagree with those who believe that we should have double digit monetary expansion for the simple reason that an attempt to move from high rates of monetary growth to low rates of monetary growth would inevitably snub the recovery. I prefer a sustainable rate of improvement which is possible if we avoid go-stop economic policies. Present policy, in my judgment, is adequately accommodative even though it was much too tight from mid-1974 through January of this year.

(3) Almost certainly the great bulk of the deficit will be financed in the short and intermediate term area. This is unfortunate because it will mean that the Federal government must frequently refinance maturing issues. I would hope that at least some effort will be made to sell some long-term bonds so that maturities are not unduly shortened.

I am enclosing a copy of the testimony which I presented before the Senate Banking Committee on Tuesday since it discusses in some detail most of the issues raised in your excellent inquiry.

Sincerely,

BERYL W. SPRINKEL.

MAY 5, 1975.

Hon. HUBERT H. HUMPHREY,
Chairman, Joint Economic Committee,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HUMPHREY: In reply to your letter of April 16 let me indicate very briefly my views in answer to the questions you have raised.

1. Given the unfortunately sharply depressed state of the economy, there seems little doubt that financial markets can handle federal deficits of $45 to $50 billion in fiscal 1975 and approximately $75 billion in fiscal 1976 without seriously interfering with private demands for credit or forcing interest rates to levels which will prevent an economic recovery. The paradox which most critics seem to miss is that the major cause of the deficit is a relative decline in tax revenues due to the recession. The very situation which creates the deficit, sluggish private business, thus reduces private demand for credit. What is more, either a cut in taxes or an increase in government expenditures directly creates after-tax income, some of which can be expected to be saved and hence meet private demands for credit. Indeed, to the extent greater tax cuts or increased government expenditures would not stimulate spending for goods and services, they would go immediately into saving and hence satisfying the private demand for credit.

2. The Federal Reserve should certainly pursue a monetary policy which accommodates an appropriately stimulatory fiscal policy. Further, the Federal Reserve should itself work to stimulate the economy by additional measures to ease credit and increase the quantity of money. This should mean that the Federal Reserve should be increasing M1 at an annual rate of 10%, which would merely equal the desired growth in the money value of gross national product on the assumption of a sharp drop in the rate of inflation. To begin to make a dent in our critical unemployment, we should move to at least a six percent rate of real growth in GNP as quickly as possible. Even if the rate of price inflation comes down to four percent, simple arithmetic suggests that a 10 percent rate of growth in M1 would merely leave money growing at the same rate as the value of transactions in goods and services. If inflation were greater, contrary to most monetarists' views an even greater rate of increase in the money supply would be necessary if monetary policy were not to prove unduly restrictive in a period when our major concern should be recovery in employment and output. Our monetary policy has not been adequately accommodative, as those who set it have persisted in undue concern over possible future inflation, when gross national product is running at rates of perhaps $250 billion per year below capacity and unemployment is of course at its highest since the end of the Great Depression.

3. It is generally wise for the Treasury to borrow in accordance with its own needs and not distort financial markets by concentrating at the short end, thus building up concerns for future financing. However, this should presume a cooperative Federal Reserve policy. The Fed itself should be buying (or on other occasions selling) goals and securities at all longevities and should do what it can, in such buying, to reduce the spread between long and short term rates. This spread might be further reduced by salutory removal of government restrictions prohibiting interest payments on demand deposits and limiting interest paid on savings accounts and investments in saving and loan associations. It is absurd to have a situation in which holdings of liquid assets or savings in the form readily available to most Americans receive limited or no return while large investors take advantage of high yields. These restrictions also tend to reduce sharply funds available for mortgage loans in particular and other long term loans to smaller borrowers in general.

It is time for leaders to stand up to the nonsense being spouted to confuse and frighten the public with regard to deficits and public debt. A public deficit is the direct counterpart of private surplus. What the government owes, other than to its own agencies, trust funds and Federal Reserve banks, is directly held by private investors. To reduce the public debt is hence to reduce private savings. A larger deficit is both a consequence of a more depressed economy and a tool for ending that depression. Given the state of the economy, efforts to reduce or hold down the deficit can only further constrict economic activity.

In the longer run, a balanced growth of the economy implies growth in all kinds of assets and debt, both private and public. If eventually our economy were to settle to a percent rate of real growth and a very trivial 2 percent rate of inflation, for example, that 6 percent annual growth in the money value of gross national product would imply a 6 percent growth in the gross public debt if the debt were to remain in a constant ratio to GNP. Since the total gross public debt is in the neighborhood of $500 now, that implies a deficit of $30 billion per year employment and full employment growth. With the recession and consequent loss of output and public revenue even a passive fiscal and debt policy would call for a far larger current Treasury deficit. To the extent that we endeavor actively to stimulate the economy we should be prepared to run a much higher deficit.

Administrative statements and policies have been far too restrictive and have contributed in a major way to the very difficult current situation of our economy. The Congress, if it is to assert appropriate economic policy, should be far bolder in defying restrictions set by the Administration and the misguided policies which it is following.

Sincerely,

ROBERT EISNER,
William R. Kenan Professor, Chairman.

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May 5, 1975.

Senator Hubert H. Humphrey,
U.S. Senate,
Washington, D.C.

Dear Senator Humphrey: I hope you will forgive me for giving short answers to the questions in your letter of April 16. I think my views are fairly representative of professional opinion, and I expect others who reply to you will provide documentation and discussion.

1. Every professional study I have seen of the likely state of the capital markets in 1975–76 concludes that they will be able to handle the Treasury's needs without seriously choking off private demands for credit. This includes analyses done by the professional staff of the Treasury and the Federal Reserve. The volume of personal saving will be very high and business financing needs will be quite low. The Secretary of the Treasury's published remarks to the contrary, if they have been correctly reported, suggest a fundamental lack of understanding of the nature of the question. If real interest rates do rise enough to limit private investment to such an extent that the recovery from the recession is inadequate, that is a sign that more stimulus, not less, is required.

2. In my opinion, Federal Reserve policy is now insufficiently expansionary. I would like to see more aggressive ease right now when the economy could clearly use it. If the expected upturn comes in the second half of the year, the Fed's willingness to accommodate expansion could be critically important, including its willingness to supply reserves to help finance the federal deficit while permitting corporations to improve their balance sheets and finance new capital expenditures. The talk emanating from the Federal Reserve suggests an unwillingness to do so. The notion of holding the growth of M_1 to an annual rate of 6 per cent while the hoped-for recovery is trying to push nominal GNP up at almost twice that rate is madness. One hopes that when the time comes the Fed will let the economy live. That will be the critical time.

3. I hope the debt management people in the Treasury will make their decisions keeping in mind the need for corporations to restore some liquidity by shifting debt to the longer end of the spectrum. That may well require the Treasury to borrow short more than it likes to.

Sincerely yours,

Robert M. Solow.

April 28, 1975.

Hon. Hubert H. Humphrey,
U.S. Senate,
Washington, D.C.

Dear Senator Humphrey: In response to your request of April 16, I have the following very brief comments to make.

First, there is no doubt whatever but that Federal deficits of $50 billion this fiscal year and $75 billion or somewhat more next fiscal year can be financed without interfering with private financial demands or pushing long-term interest rates to levels hampering recovery. The aggregate credit demands are now inadequate and are likely to continue inadequate to absorb savings forthcoming as recovery begins and broadens. We need stimulative fiscal policies which in turn will bring expanded economic activity. This will have two favorable consequences on financial markets, namely, a gradual reduction in Federal deficits due to rising revenues and an increase in savings as profits and personal incomes rise. Finally, with respect to interest rates, if we can pursue expansionist but anti-inflationary policies through some wage and price policies and guidelines, we will have lower long-term interest rates even with huge deficits.

Second, the Federal Reserve policy should now be an expansionary one and if the growth of money supply becomes excessive a year or two hence that is the time to slow the rate of increase in the money supply. I still believe that the present monetary policies do not sufficiently accommodate the financial markets in accordance with the best interests of a sound and healthy economy.

Third, concerning the duration of borrowing, the Treasury will need in time to lengthen its portfolio but in the immediate months ahead short and mid-term instruments should be favored. There will be interest rate advantages to this policy and until we demonstrate our serious determination to fight inflation we should avoid heavy long-term borrowing by the government.

I hope these comments will be helpful.

Sincerely,

Robert R. Nathan.

April 23, 1975.

Hon. Hubert H. Humphrey,
Chairman, Joint Economic Committee,
U.S. Senate,
Washington, D.C.

Dear Senator Humphrey: I appreciate the chance to add my views to the welter of conflicting advice you must now be getting. I hope you and the other members of the Committee are able to do something about this mess we are in, and even that my statement is helpful.

Sincerely,

Edward M. Gramlich,
Senior Fellow.

April 23, 1975.

Senator Hubert H. Humphrey,
Chairman, Joint Economic Committee,
Washington, D.C.

Dear Senator Humphrey: International monetary policy issues are absorbing so much of my time and energies as to leave me very little for the questions which you raise about domestic monetary and credit policies, crucial as they obviously are at this juncture. I would be inclined to answer "Probably Yes" to all three of your questions, but with more conviction about the first than about the other two—particularly the second—and in full awareness that others are far better qualified than I to deserve being heard on these matters.

I enclose a recent paper expressing my qualms about current policy trends and policy advice, and my conviction that what I call "infession" calls for an agonizing reappraisal of those which have been most successful since the war, but are likely to prove totally inadequate to deal with the problems that now face us.

I have not the slightest doubt that we *must* and *shall* act *fast* to fight the inhuman scourge of depression and unemployment, even at the risk of refueling inflationary forces *later on*. But I am equally convinced that if we do not devise new policies in time; these forces will soon emerge again and lead again inevitably either to a worse depression or to a major collapse of our monetary and financial structure (even calling possibly, two or three years from now, for some sort of "monetary purge" such as resorted to by the Dutch and the Belgians, and advocated in France by Mendes-France, immediately following the war).

This danger may be made more acute by the prospect that Mid-East OPEC countries may continue to spend and invest elsewhere, and particularly in Europe, most of the dollars with which every country in the world—and not only we—settles its deficits with them. I disagree most strongly in this respect—as does Fred Bergsten—with Secretary Simon's view that we do not have to worry any longer about the so-called "dollar overhang."

With very best wishes for success in your challenging task,

Yours sincerely,

Robert Triffin.

April 25, 1975.

Sen. Hubert H. Humphrey,
U.S. Senate,
Washington, D.C.

Dear Senator Humphrey: This is in reply to your letter of April 16 requesting judgments as to deficit-financing problems.

It is our conviction at Morgan Guaranty Trust that no one can know with certainty what degree of money and capital-market pressure will arise in connection with the financing of the Treasury's unprecedentedly large deficit. Based on our analysis of prospective demands for credit from the private sector in calendar 1975, it is our tentative judgment that there will not literally be any "crowding out" of private borrowings this year as a consequence of Treasury debt offerings, even if the Treasury's new money needs in 1975 total $75 billion to $80 billion, as now seems likely. Room for the large volume of Treasury financing seems likely to exist because of the marked softening now in evidence in private credit demands. I would stress that this is something we cannot be certain about, but it is our working assumption as of the moment. Such an accommodation of combined Treasury-private financing needs seems possible without any radical shift by the Federal Reserve from the sort of monetary policy it is now pursuing. This is not to say, however, that the task of the Federal Reserve in the months ahead will be an easy one. Credit markets are very fragile and nervous and can react adversely to a policy stance on the part of the Fed that they sense to be less accommodative or, on the other hand, too accommodative, i.e., inflationary.

Major questions do exist, however, about the possible occurrence of serious frictions in money and capital markets beyond calendar 1975 if the Treasury's needs for new money remain as large as is implied by the deficit figure of $75 billion for fiscal 1976 which you cite in your letter. We are assuming that calendar year 1976 will witness a fairly strong expansion of private credit demands, and such an expansion—it seems to us—can be accommodated without outsized increases in monetary aggregates and without steep escalation of interest rates only if the Treasury's money needs are in the process of diminishing. This again is a matter of judgment, but in shaping the budget for fiscal year 1976 and fiscal year 1977, we would be strongly inclined to lean as far as possible in the direction of limiting the size of the budget deficit. Otherwise, an uncomfortably large risk will prevail that interest rates will again climb steeply and weaken or abort the recovery or that to prevent such weakening or abortion the Federal Reserve will have to be excessively accommodative to a degree that nurtures inflation. We would put a high premium on fiscal restraint by the Congress and the Administration from this point on and would particularly urge that new programs with indefinite life spans be avoided in responding to the current recession problem. Keeping stimulus temporary and measured is critically important if we are to avoid a repetition of the national bias toward excessive pressure on real resources that has been so destabilizing in the past decade.

Finally, it seems to us highly important that both monetary policy and debt-management policy remain flexible to adapt to changing conditions. The Federal Reserve seems intent on trying to accommodate recovery without recreating sloppy money conditions. We applaud that objective and believe that the Board and the Federal Open Market Committee should retain full discretion in deciding how to shift policy to

the changing signals transmitted by money and capital markets and the economy. Likewise, the Treasury should tailor particular offerings to the changing technical conditions of markets. This will undoubtedly mean a very heavy volume of short-term debt offerings, but we would certainly urge that the Treasury be left free to tap the intermediate-term and longer-term markets if that seems appropriate from time to time.

Sincerely,

Guy E. Noyes.

April 22, 1975.

Senator Hubert Humphrey,
U.S. Senate,
Washington, D.C.

Dear Senator Humphrey: In reply to your questions of April 16, here are my comments.

(1) The deficits of fiscal 1975 and 1976 can be handled without seriously interfering with private demands for credit or forcing interest rates to levels which will prevent an economic recovery. Private credit demands are always weak in recession, and this is the deepest recession since the War. To justify this basic assertion requires rather elaborate econometric work. Data Resources has done several studies of this issue and I enclose copies of them.

(2) Monetary policy should be accommodating to any sign of recovery over the next year. It would not be desirable, from a long run point of view, to have the Federal Reserve overkill on the side of ease, overloading the banking system with liquidity which provides a loss of monetary control in the upswing, and which creates the excesses of overly cheap credit during the upswing phase. We suffered from this phenomenon most recently in the period 1970–72 but there were similar episodes in the 1960's. These are the moments when excessive company mergers are developed by overly abundant credit available to promoters, when the stock market is driven to unreasonable levels, and when real estate developers are sucked into the faulty projects by overanxious institutional lenders.

But while we are not looking for a replay of the past, an accommodating monetary policy does mean that the money supply increase by at least 8% over the next 18 months, and that interest rates drop further than they have so far. The Federal Reserve made a serious error both in overstaying a policy of extreme toughness in the summers of 1973 and 1974, and in then dragging its feet in letting interest rates decline. The Federal funds rate should immediately be lowered below 5%, indeed at least to 4½%. If interest rates have already reached their peak for this recession, as the financial press generally reports, the Federal Reserve will quickly get in the way of recovery.

(3) The Treasury might be able to do a little long-run financing if it did not act like a bull in a china shop. But if it accompanies some modest long-term issues with threats of financial disaster, it will ruin its own market.

If there is any question of upsetting the long-term bond market through Treasury issues, they should be held off. In this regard, the issuance of agency securities also requires review.

As for the size of the deficit itself, it must be noted that the recession is inducing a revenue loss substantially in excess of $50 billion. Even if the government pursued restrictive policies, the deficit would be only modestly smaller than it actually will be. If we wish to avoid enormous deficits, we must avoid the policies that create the recessions. This deficit was created not by the current Congress, but by the monetary policies of the last four years, the fiscal policies of the Vietnam War and the 1971–72 bloom, the Russian wheat sale, and OPEC. Nor will these deficits stop until we have regained general economic stability and a reasonable control over our own affairs.

Sincerely,

Otto Eckstein.

April 23, 1975.

Hon. Hubert H. Humphrey,
Chairman, Joint Economic Committee,
U.S. Senate,
Washington, D.C.

Dear Senator Humphrey: On returning after an absence of several days I found on my desk this morning your request for a statement of views on certain critical economic issues. I regret that there is no longer time to prepare a specific reply.

However, many of the key issues are touched on in the enclosed text which I delivered in Topeka on Friday, April 18. Also enclosed is an earlier, more direct statement on the same issues. I hope this can be of help.

Respectfully yours,

Albert M. Wojnilower.

April 24, 1975.

Hon. Hubert H. Humphrey,
Chairman, Joint Economic Committee, New Senate Office Building, Washington, D.C.

Dear Senator Humphrey: Thank you for the opportunity to respond to the questions raised in your letter dated April 16. It should be emphasized that the opinions expressed are my own and do not necessarily reflect the views of the organization or the industry with which I am associated.

Question 1. Can the financial markets handle deficits of $45 to $50 billion in fiscal 1975 and approximately $75 billion in fiscal 1976 without seriously interfering with private demands for credit or forcing interest rates to levels which will prevent an economic recovery?

Answer. Federal deficits of the size described above are manageable and interest rates need not rise before recovery is clearly underway, assuming at least three conditions are met. First, expectations of interest rate increases do not result in hikes which become imbedded in the interest rate structure. Second, fiscal, monetary, and debt management policies are coordinated and designed to implement the achievement of economic growth, full employment, reasonable price stability, and other goals in the policy-mix. Third, economic recovery—when it actually materializes—does not proceed at too rapid a pace. The importance of maintaining the first of these two conditions may be illustrated by drawing on recent experience.

Since mid-February, long-term interest rates have risen and the capital markets have been generally under pressure. These developments have been influenced by a heavy corporate calendar, special strains within the municipal market, and current and prospective Treasury requirements. More recently, however, two additional factors have come to the fore.

During the past seven weeks or so, market participants have jumped to two conclusions. They have interpreted the leveling off of the Federal funds rate (at about 5.4 percent) as a signal that the monetary authorities move toward credit ease has slowed down. At the same time, their pessimism concerning the economy's chance for a near-term revival has turned to optimism. The combined effect of these two expectational factors has produced investor expectations of future increases in interest rates which, in turn, have influenced their current approach to the market. In brief, the thought (the expectation) has given rise to the deed (the increase in long-term rates).

Upward pressures on interest rates were also reinforced by a late-March Treasury offering of $1.25 billion of long-term Government bonds. The modest contribution that this offering may have made toward lengthening the average maturity of the Federal debt was more than offset by the disturbance and uncertainty created in the bond market.

Finally, repeated statements from the Treasury on the potential economic and financial problems that might flow from a Federal deficit larger than it deemed appropriate has tended to "scare" the market, rather than create a dialogue that might improve the coordination of fiscal, monetary, and debt management policies.

It should be stressed that expectations, unless validated by events, will change. If, for example, market participants are excessively optimistic about a strong near-term revival in the economy or overly pessimistic about the degree of monetary ease that is likely to materialize, current upward pressure on interest rates will diminish. If, on the other hand, total economic activity and private credit demands pick-up soon and sharply, then the Federal Reserve might feel compelled to limit credit availability. In this latter case, interest rate increases which flowed from changes in the demand and supply of credit would reinforce and be superimposed on those associated with expectations.

It is my personal view that the economy will experience a modest pick-up in the near-term but that private demands for credit will not be especially pressing until the first part of 1976. There is little evidence at this point that consumers are going to spend heavily on new cars, homes, and other "big-ticket", credit-creating items. Businesses, moreover, may be less pressed to improve their liquidity positions by issuing bonds by the second half of this year. Borrowing to finance capital equipment, moreover, seems unlikely to accelerate quickly, although short-term business borrowing may rise along with inventory expansion. In total, private credit demands are likely to remain moderate for some months to come. At the same time, personal savings will be high and Federal Reserve policy should remain accommodative. These forces should permit economic expansion to develop and progress before it must engage in another possible bout with tight credit.

Knowledgeable people of good will may come to different conclusions about future trends in financial markets and the problems and opportunities that may arise. If the country has learned any economic lesson from the experience of the past several years, it is that longer-term forecasts (regardless of the source) are to be taken with a large grain of salt. Economic policy-makers at the national level, as well as market participants—might do well, therefore, to base current decisions on what is happening now and what is likely to happen in the period immediately ahead.

At the moment, economic expansion is still a vision rather than a reality. Consumer and business spending are sluggish. Plant capacity is substantially under-utilized. And unemployment is approaching 9.0 percent. Is this the kind of environment in which credit will tighten and interest rates rise significantly in the near-term? If it is, there is something basically wrong with the nation's economic policies, as well as our economic and financial structure.

Question 2. Faced with the inevitability of very large deficits in the current quarter and for the next several quarters, what is the most appropriate monetary policy for the Federal Reserve to pursue. Is present policy adequately accommodative?

Answer. The Federal Reserve should pursue an expansionary monetary policy until such time as labor and capital resources are more fully utilized or until inflationary pressures or balance of payments considerations clearly take precedent. Continued monetary expansion is likely to be appropriate for the forseeable future because of the need

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to finance Government and private debt and to rebuild liquidity in the financial system. In the current economic environment, liquidity is likely to be absorbed without contributing unduly to inflationary pressures; even inflationary expectations are likely to be outweighed by the "real" deflationary forces presently at work.

In formulating *current* monetary policy it is to be hoped that the Federal Reserve does not look too far down the road in an effort to anticipate real or imaginary problems. As the coach of the Washington Redskins says: "The Time Is Now." It is also to be hoped that the monetary authorities do not get "gunshy" after only a couple of months of significant growth in the money supply. There is, after all, some catching up to do.

Since mid-1974, monetary growth in current dollars has increased at only a 3.0 percent rate. When the money stock is adjusted for inflation, moreover, the growth rate for recent years becomes negative. At the end of March 1975, for example, the money supply was about $24 billion lower than the level at the end of 1972.

The impact of inflation is also evident when the money supply is related to Gross National Product (both variables in current dollars). At the end of 1st quarter 1975, the ratio of money supply to GNP was 16.3 percent compared with 21.2 percent at the end of 1972, and 34.3 percent at the end of 1st quarter 1964.

The ratio of the money supply to GNP has been declining for many years because the growth of liquid assets has enabled the public to use the money stock more efficiently. The abrupt and sharp increase in the inflation rate during 1973 and 1974, however, almost certainly created special complications. With current dollar GNP rising sharply, the demand for money to finance transactions correspondingly rose. In order to get people to part with money (the ultimate in liquidity) very high interest rates were required. Slow growth in the money stock, a high rate of turnover of that stock, and high interest rates, are all part of the same piece. The ratio of money supply to GNP may still not be at the irreducible minimum. Under present economic conditions, however, the current level appears far from optimum.

I believe the Federal Reserve should be more accommodative in its monetary policies and—for the time being—err on the side of ease. There is no question, however, that the Federal Reserve is faced with a difficult task in its effort to aid in the attainment of a variety of policy goals. Inflationary pressures, both expected and real, could be rekindled by inept public policies.

Ideally, monetary and fiscal stimulus should seek to get the economy moving again and then gradually scale down such efforts to allow the private sector room to maneuver. This means planning and prudence with respect to Federal spending and deficits. The Federal Reserve may well be reluctant to err on the side of ease now, if it feels it may be locked-in to financing huge deficits down the road. This again gets back to the urgency of the need to coordinate monetary, fiscal and debt management policies. They must all pull in the same direction. Otherwise, it is like a driver of a car who simultaneously steps on the accelerator and the brake. The car will go nowhere. And the driver (the public) may be thrown through the windshield.

Question 3. Do you feel that the Treasury should restrict itself to short-term borrowing during this period in which business demand for credit is so heavily concentrated in the bond market and the interest rate spread between long and short-term rates is so large?

Answer. Given the size of Treasury financing requirements between now and mid-1976, it will certainly have to concentrate most of its offerings in the short-term area. There may be times when, either because of a gap in a certain maturity range or a lull in the financial market, intermediate issues and even long-term bond offering may be appropriate.

Essentially, the Treasury will have to tailor its offerings to opportunities in the marketplace. At the same time, it must recognize the implications of its actions on broad economic policy objectives. In the absence of such considerations, it is within the realm of possibility that the Treasury might sell long-term obligations and force the Federal Reserve to buy long-term Governments in order to stabilize financial markets. This kind of wheel-spinning would obviously serve no useful purpose.

I trust these comments will be helpful to you. If I can be of any further service, please contact me.

Sincerely,

ALFRED P. JOHNSON.

APRIL 21, 1975.

Senator HUBERT H. HUMPHREY,
Chairman, Joint Economic Committee,
New Senate Office Building,
Washington, D.C.

DEAR SENATOR HUMPHREY: Your letter of April 16 has just arrived today, as I prepare to leave my office for ten days of congested travel. Consequently this must be a brief "impressionistic" reply to questions which deserve more detailed responses.

The scale of Federal deficits you mention seems to me about right for the fiscal stimulus needed. If the results in rising employment and incomes are even greater than expected, the deficit will shrink as tax receipts rise later in Fiscal 1976, with some corresponding reduction in the burden of borrowing. On any projections with which I am familiar, a deficit of about $70 billion for FY 76 should be manageable. Difficulty increases after that point. So that although $75 billion probably falls within the zone of manageability, given skillful timing in relation to market developments, a planned deficit of $80 billion or higher could create sizable rate increases—unless the Federal Reserve were to resort to the World War II practice of pegging the rate curve. That, in these times, could in turn have grave inflationary consequences.

To be explicit, in brief, my replies to your specific questions are:

(1) The financial markets should have no problem in FY 75; a deficit of up to $75 billion in FY 76 could be gingerly "fitted in" without either inducing a shortage of private credit or causing a disturbing rise in longer terms interest rates. Some increase in short term rates will probably be unavoidable at times as the bunching of Treasury requirements may not coincide with the short term ready availability of funds.

(2) The most appropriate monetary policy would be a continuation of the present accommodative easing. In my view, the Federal Reserve, after various aberrations, has been doing a superb job since the autumn of 1974.

(3) Unavoidably, the Treasury will have to concentrate its borrowing in the short-term area, but there should not be any predetermined rigidity about this. From time to time, depending on a close sensing of a balance between private demands and market availabilities, there will be opportunities to place debt at various points along the maturity scale, including even the long term area. While there is no particular "right" maturity pattern for the Government debt, my experience suggests that it is always wise to take advantage of opportunities for lengthening whenever they can be seized, provided the quantities and interest rates are so determined that they do not add appreciably to pressures on the market when a given operation is carried out.

As your study of these matters proceeds, I suspect there will be other opportunities to explore further the central questions of debt management which have, so often in the past been disregarded in the broader consideration of fiscal policy. I hope there will be an opportunity for me to participate more nearly adequately at some later stage.

With all good wishes,

Sincerely,

ROBERT V. ROOSA.

APRIL 23, 1975.

Hon. HUBERT H. HUMPHREY,
Chairman, Joint Economic Committee,
U.S. Senate,
Washington, D.C.

DEAR HUBERT: With very large deficits in prospect this year and next, largely as a result of the very depressed state of output and incomes in the economy, the interest in how these deficits will impact financial markets is understandable. These prospective deficits need not cause any special problems for financial markets or put upward pressure on private interest rates. Such financial developments this year will depend primarily on the conduct of monetary policy by the Federal Reserve, and, to a lesser extent, on the conduct of debt management policy by the Treasury. The real issue is not whether financial markets can handle the deficit, but whether the Federal Reserve will accommodate the expansion in the economy that is needed.

The tax reductions passed by the Congress, together with the eventual end of inventory liquidation, give us an excellent chance of resuming a healthy rate of economic expansion by the second half of this year if monetary policy is prepared to provide the bank reserves needed to keep interest rates from rising. If monetary policy does accommodate the desired expansion in the economy, then financial markets can absorb the federal deficit and all private credit demands.

As it is difficult to anticipate the precise growth rate in various monetary aggregates that would be consistent with accommodating expansion in this way, I believe the Federal Reserve should pursue an interest rate oriented policy during this period. At present, short-term interest rates are none too low for a period of deep recession and maintaining short rates on a plateau somewhat below present levels would be an appropriate response to present economic conditions.

Since private business borrowers have a particular need to convert some of their short-term borrowing to long-term borrowing this year, it would be especially helpful to the private sector if the Treasury did not use this same occasion to lengthen its own debt. The Treasury could be most helpful in accommodating private sector needs by issuing only short-term debt.

It is vitally important that one arm of policy could not fight the other at a time when the economy needs all the help it can get. Having gotten a prompt response from fiscal policy, I hope we can look forward to monetary and debt management policies aimed at keeping interest rates down.

Sincerely yours,

GEORGE L. PERRY.

APRIL 24, 1975.

Hon. HUBERT H. HUMPHREY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HUMPHREY: Thank you for yours of April 16 to Mr. Donald Regan regarding federal budget deficits and their economic impact. As you know, in late February we forwarded to you an earlier analysis of these questions.

In Mr. Regan's absence (he is at our annual stockholders meeting in Seattle), and in view of your tight time schedule, I have been asked to briefly update our thinking, in response to the three key questions that you asked, as follows:

(1) Deficits of $45 billion and $65 billion in fiscal years 1975 and 1976, respectively, can be financed without the degree of "crowding out" that would seriously threaten recovery, given our projections of weak private demand for funds. However, the Congress is flirting with potential financial and economic trouble should it permit a deficit of $75 billion or more in fiscal 1976. That could blunt or even prevent recovery because of its adverse effects on interest rates, housing, and other industries.

For the fiscal period beginning in mid-1976, financial and economic disaster is probable if the deficit does not fall sharply. That means not only a recovery in tax receipts, but a flat trend in total federal spending. Thus passage of new federal spending programs, in our judgment, would be extremely unwise and risky during this crucial economic period.

At the present time, bond and money markets are behaving poorly, and interest rates are rising, because of great apprehension about these deficits. The most constructive thing that the Congress could do is to declare its intention of holding the deficits down to $45 and $60 billion, or less. Such a development would tend to remove the single biggest potential roadblock to economic recovery, and lower unemployment, in the economic picture today.

(2) Monetary policy should remain on a moderate course if we are to avoid another period of disastrous inflation. Money supply should be guided along a growth path of around 6 percent annually, and it should not be permitted to grow faster. This means that the federal deficit must be held toward the lower end of the range of forecasts for fiscal 1976 and that it must drop very sharply in the fiscal period beginning in July 1976. Otherwise, upward pressure on monetary expansion will become highly inflationary once again.

(3) The Treasury is likely to do the great bulk of its financing on a short-term basis, as it has done so far this year. We do look for a substantial decline in long-term interest rates on the assumption that the Congress acts to keep the deficits on the low end of forecasts. If such a decline in long rates takes place, there may be some opportunities for the Treasury to do modest financing in the maturity range beyond two years.

Mr. Regan and I discussed the contents of this letter, which he has approved, by phone this morning. He asked me to express our appreciation for the continuing opportunity to provide our views to you on these crucial economic questions.

Sincerely,

ALBERT H. COX, Jr.

APRIL 24, 1974.

Hon. HUBERT H. HUMPHREY,
Chairman, Joint Economic Committee,
U.S. Senate, Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR HUMPHREY: I am glad to respond to your letter of April 16. Perhaps the most effective way to do so is to enclose a copy of the talk I gave last week in New York City on the subject: "How to Resume Healthy Economic Growth—a Prescription." It is broader than the questions you have raised, but within that broader approach it does discuss the issues and questions you have posed. It is highly important for me that you view my thinking on fiscal and monetary policy within the broader framework I have used in my talk.

With regard to your specific questions, it is now clear that the size of the deficit which is emerging has had a perverse psychological effect on the long-term capital markets. The pertinent question is *not* whether Federal deficits of $45–50 billion in fiscal 1975 and approximately $75 billion in 1976 can be financed without seriously interfering with private demands for credit or forcing interest rates to levels which will prevent an economic recovery. The fact is that the long-term capital markets *fear* that such deficits cannot be financed without having such adverse effects. The larger the Federal deficit is expected to become, the more intense the fear will become. Financial markets behave today on the basis of *expectations* of the future. The prevailing expectation in financial markets here and abroad is that the huge deficit in fiscal 1976, probably followed by another large deficit in fiscal 1977, will be financed heavily in the banks and will bring on a new round of inflation sooner or later. It is this fear which has contributed heavily to the rise of bond yields and other long-term rates. This fear also underlies the persistent deterioration of the foreign exchange value of the dollar.

Under these circumstances, it seems to me that Congress will serve the public interest best if it tries to hold the deficit on the low side and if it avoids Federal expenditure actions which will keep the deficit high next year when the economy is recovering.

Sincerely,

JAMES P. O'LEARY.

APRIL 23, 1975.

Senator HUBERT H. HUMPHREY,
Chairman, Joint Economic Committee,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HUMPHREY: I have enclosed some thoughts on the three questions that you addressed to me in your letter. In my judgment, the fact that these questions are being asked, and therefore thought about, is a major step in the right direction.

If I can be of further assistance, please feel free to contact me.

Sincerely yours,

LEONARD J. SANTOW.

APRIL 25, 1975.

Senator HUBERT H. HUMPHREY,
Chairman, Joint Economic Committee,
Dirksen Office Building, Washington, D.C.

DEAR SENATOR HUMPHREY: I am pleased to respond to your letter of April 16 requesting some discussion of the 1975 deficit.

Let me respond, first, to your three questions.

The financial markets can handle the federal deficits contemplated at the present time. The deficits will be financed at higher interest rates. Interest rates have already advanced from the lows of January and February. The precise level of interest rates will depend upon the size of the deficit, the rate of economic recovery, the way in which the deficit is financed, and the anticipated rate of inflation. The larger the deficit, the higher will be the interest rate. The more the debt is financed by issuing bonds to the public, the higher is the interest rate. The deficit, however, will not prevent economic recovery. The deficit encourages economic recovery but shifts a larger share of rising output into government programs and away from capital investment and housing.

Your second question asks for the appropriate Federal Reserve policy in the light of current conditions. The appropriate Federal Reserve policy is to finance a deficit in such a way as to achieve full employment and long run price stability. During the current period of recession, the Federal Reserve should bring the growth rate of the money stock, currency and demand deposits to 5½%. The 5½% growth rate is measured from the same month of the preceding year. Once the growth rate of the money stock is brought to 5½%, the rate of increase should be maintained. If the financing of the deficit raises interest rates, interest rates should be permitted to rise to whatever level is required to finance the deficit. As the recession abates and employment rises, the growth rate of the money stock should be cut gradually from 5½% to the rate consistent with long-term price stability. I judge that the latter is in the neighborhood of 3 to 4%.

A high rate of monetary expansion in 1975 will leave a larger money stock in 1976. The amount of price increase in 1976 and 1977 depends on the money stock. The larger the money stock, the larger will be the rise in prices in subsequent years.

Restoring a 5½% growth rate to the money stock implies that the money stock will average $293 billion in May. To achieve an average $293 billion in May would require a $5 billion increase from the levels prevailing from early April. This is a substantial increase and would have a salutary effect on employment and real output without raising the long-term rate of inflation.

I do not believe that any important issue depends on the average maturity of the debt.

I hope these answers are helpful to you and your committee.

Sincerely yours,

ALLAN H. MELTZER.

APRIL 30, 1975.

Hon. HUBERT H. HUMPHREY,
Chairman, Joint Economic Committee, U.S. Senate, Washington, D.C.

DEAR SENATOR HUMPHREY: I appreciate the invitation to respond to your inquiry of April 16. My delay in replying has been occasioned by a minor misdirection of the letter.

My initial comment is that, since neither your introductory remarks nor the first of your questions presuppose any governmental policy directed toward anti-inflation objectives, nor the presence of any inherent functional constraints on inflation, it follows that federal deficits of the size suggested in your letter, or even of a greater size, could be accommodated by the financial markets in the year and a quarter ahead. The interest rate levels at which this might be accomplished, however, cannot be meaningfully predicted. In the end, rate levels always hinge on the psychological mood of the public. This mood will be conditioned by prevailing fears of inflation in both domestic and international commodity and financial markets; and by the varying uncertanties that always cloud those markets.

In view of the variables that are shaping the developing economic situation, the Federal Reserve will have to follow a flexible and adaptive monetary policy during the five quarters ahead. But empirical evidence offers no ground to conclude that present monetary policy is either more or less than adequately accommodative of the economy's current financing needs. Presumably the public interest in a stable dollar will continue to play a role in shaping Federal Reserve policy.

Concerning your second question, the Treasury is not now starting afresh a deficit financing program. On the contrary, it is vigorously extending a deficit financing pattern that has endured for nearly five decades. Restriction of current borrowing to short-term maturities on the sole ground of a cheaper interest rate would challenge accepted thinking as to prudent and effective coordination of debt management with monetary policy. The relatively short average maturity of outstanding Treasury debt is already a matter of serious concern to the private financial community. Furthermore, while the current wide differential between short and long-term interest rates may partly reflect business demand for bond financing, it also reflects investors' appraisal of potential inflation costs to holders of long-term bonds. The latter element would hardly seem eradicable by any fresh Treasury emphasis on short-term borrowing. Indeed, it would seem more likely to reinforce it.

Taking a pragmatic perspective on the Treasury's immediate problem, historical business cycle records suggest a probable slackening, at least temporarily, in aggregate demands for business financing, includ-

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ing some cumulative paydown of business debt to commercial banks through the first half of fiscal 1976. Since this should also remain a slack period in demands for housing finance, there should be no problem in these months regarding market absorption of financing generated by prospective deficit.

Since it is important to the public that governmental concern about inflationary trends show no abatement, Treasury emphasis on long-term financing, even though it be somewhat more expensive than short-term financing, could serve the purpose of reassuring public and private financial opinion that governmental concern remains very much alive. Furthermore, such a financing policy would help to avoid undue buildup of additional short-term Treasury debt and any further shortening of the average maturity of the total public indebtedness of the U.S. Government. These are developments which, if carried beyond the limit of public tolerance, could culminate in a financial crisis,

Should forces favoring economic recovery gain evident vigor by the second half of fiscal 1976, resurgence of private credit demands would be associated with them. A development of this kind, of course, would give rise to some upsurge in federal revenues, some reduction in federal deficits, and some curtailment in Treasury borrowing. In such conditions, the existing differential between short and long-term interest rates could virtually disappear and largely eliminate any problem of maturity choice on grounds of cost disparity.

Sincerely yours,

RALPH A. YOUNG.

MAY 2, 1975.

Hon. HUBERT H. HUMPHREY,
Chairman, Joint Economic Committee, U.S. Senate, Washington, D.C.

DEAR SENATOR HUMPHREY: This is to acknowledge your letter of April 16th in which you asked that I make a brief statement concerning my views on three questions pertaining mainly to the financing of the Federal deficit and the appropriate posture of monetary policy.

This is a highly complex subject, and I thought, therefore, that you might be interested in seeing a copy of the enclosed talk which I am giving in Washington next Monday. I believe this talk answers all of the questions in your letter and elaborates on some other matters concerning the current fiscal and monetary situation.

Sincerely,

HENRY KAUFMAN.

APRIL 29, 1975.

Hon. HUBERT H. HUMPHREY,
U.S. Senate.

DEAR SENATOR HUMPHREY: I am glad to respond to your request for a statement of my views on the implications of federal deficits in fiscal years 1975 and 1976. Please note that my comments are made in a purely personal capacity and do not necessarily represent those of the Committee for Economic Development.

My replies to the specific questions you raised are as follows:

(1) Can the financial markets handle federal deficits of $45 to $50 billion in fiscal 1975 and approximately $75 billion in fiscal 1976 without seriously interfering with private demands for credit or forcing interest rates to levels which will prevent an economic recovery?

This question can only be answered in the context of given assumptions about the desired and feasible course of the economy in fiscal years 1975 and 1976 and about the sources of the deficits that would be generated in such an economic setting.

Two sources of the current and prospective deficits must be clearly distinguished. One part of the deficit is produced by weakness in overall economic activity and the resultant shortfalls in tax receipts and increases in outlays for unemployment compensation, food stamps, etc. Most of the current deficit and a significant portion of the prospective deficit are of this character. This type of deficit does not "crowd out" private credit demands but by and large tends to substitute for it.

A second component of the prospective deficits is produced by active measures of fiscal stimulus, including tax cuts and added expenditures. To the extent that these measures succeed in expanding incomes and output, they should result in only temporary additions to the deficit and, over time, actually help to reduce or eliminate the overall deficit.

In my judgment, a *failure* to adopt such active measures of fiscal stimulus in the present setting of severe underutilization of resources (and to accept the resultant temporary enlargement of federal deficits) would in all probability be more adverse to a healthy expansion in private credit demands than energetic though prudent use of such measures. Without adequate fiscal stimulus, the recovery is not likely to get off the ground. Credit and capital demands would thus be significantly weakened. This would not only be the case because of reductions in the volume of credit needed to support current economic activity but also because the prospect of prolonged economic stagnation would tend to result in further substantial cutbacks in investment plans. These developments, moreover, would on balance be likely to add to the long-term prospects for inflation, since long-continued shortfalls in capital investment can be expected to lead to serious capacity and supply bottlenecks once the economy returns to high employment.

A corollary of these observations is that a healthy rate of economic recovery is a basic prerequisite for sound growth in private credit demands. I believe that under present circumstances, the policy program best calculated to achieve such a recovery in a manner consistent with an orderly pattern of private credit flows must involve a combination of vigorous fiscal and monetary stimuli. An attempt to achieve the desired results by monetary expansion alone would have far smaller chances of success than this approach and would carry much greater risks of accelerated inflation and potential disruptions in credit markets.

Attainment of a reasonable pace of economic recovery may well require deficits of the general order of magnitude you cite. The House Budget Committee, for example, estimates that if the unemployment rate is to be reduced from its present level of 8.7 percent to approximately 7.4 percent by the end of fiscal year 1976, a fiscal program involving a $73.2 billion deficit in fiscal 1975 must be adopted. Both the Committee's economic goal and its estimate of the deficit needed to achieve the goal strike me as a reasonable basis for fiscal planning. These estimates will, of course, have to be continuously reevaluated in the light of unfolding experience.

The available information on prospective sources and uses of funds in capital and credit markets suggests that the financing of deficits of the size you mentioned should be possible without severe strains on private credit markets, assuming monetary policy is relatively accommodative. Factors that are likely to alleviate potential pressures on capital and credit markets over the coming year include the relatively rapid pace of inventory liquidation, continuing cutbacks in capital spending plans, and the prospect that OPEC and other foreign funds will add significantly to capital supply.

Of course, the capital and credit markets may well be affected by pressures that are not purely related to the requirements for financing current economic activity. For example, once a significant economic recovery begins to get underway, business firms may in some cases seek to raise relatively large amounts of funds in excess of current needs to make up for the serious past losses in liquidity and to build up an added liquidity cushion for the future. The "bunching" of Treasury borrowing requirements as a result of the need to pay out the tax rebate within a short period of time and of other factors is also a potential source of strain in the financial markets. Finally, expectations of an early upturn in interest rates, and even more importantly, of a renewed trend toward accelerated inflation, could lead to severe pressures on private credit markets.

The solution to these problems, however, does not lie in the adoption of fiscal policies that would permit only an anemic rate of economic recovery. Instead, if the recovery goal associated with the deficit levels cited is considered appropriate, then it should be incumbent on the Federal Reserve to accommodate such deficits at approximately the present levels of short-term interest rates. In the final analysis, in other words, it will be up to the Federal Reserve to make certain that the fiscal program needed for an adequate recovery can be implemented without undue pressures on private financial markets.

At the same time, it is of the utmost importance—both for the economy and the proper functioning of the financial markets—that the monetary and fiscal authorities provide convincing evidence that the recovery program will not be associated with a renewed acceleration of inflation. This means, for one thing, that the Federal Reserve will have to make clear it will be prepared to shift promptly from an accommodative to a restrictive position once the accumulation of liquidity threatens to become excessive. Moreover, a very determined effort must be made to assure that fiscal actions taken today will not overshoot their mark in the future. Thus, anti-recessionary tax reductions should by and large be of a one-time or temporary character, and stimulative government expenditure programs should wherever possible be designed to terminate when they are no longer needed to support the recovery. Congress should also develop prompter and more effective procedures for varying tax rates in both directions if this should become necessary at a future point. In addition, I believe there is a need to adopt a wide range of anti-inflationary structural measures to help overcome potential supply bottlenecks, increase the incentives for capital investment, and strengthen the functioning of our competitive system.

(2) Faced with the inevitability of very large deficits in the current quarter and for the next several quarters, what is the most appropriate monetary policy for the Federal Reserve to pursue? Is present policy adequately accommodative?

As already indicated, I believe that the appropriate policy for the Federal Reserve over the next several quarters should be to accommodate credit demands without allowing significant increases in short term interest rates. This is likely to require relatively high rates of expansion in monetary aggregates. At least over some periods, the rate of expansion in money supply may have to exceed an annual rate of 10 percent (as has in fact been the case recently.) At the same time, I do not believe that the Federal Reserve should be held to any rigid money supply target. Rather, the need is for flexible adaptations in the use of monetary instruments to provide adequate support for a vigorous rate of economic recovery. Among other things, this may well call for Federal Reserve operations in a wider range of instruments than has been customary.

Since Federal Reserve policy decisions are only published with a time lag, I am not in a good position to determine whether current policy is adequately accommodative. It

seems clear that the policy was not sufficiently accommodative in the latter part of 1974 and at the very beginning of 1975. While there has been a substantial acceleration in the growth of monetary aggregates in the recent past, the current behavior of interest rates does raise questions as to whether the Federal Reserve intends to make a sufficiently sustained and vigorous contribution to the promotion of economic recovery in the months ahead.

(3) Do you feel that the Treasury should restrict itself to short-term borrowing during this period in which business demand for credit is so heavily concentrated in the bond market and the interest rate spread between long and short term rates is so large?

In general, I believe that the Treasury should restrict itself to short-term borrowing in the near-term future. Given the existing pressures on long-term rates, it would seem unwise to engage in Treasury debt financing that would place added pressures on long-term markets. In the current economic setting, the goal of creating a financial climate conducive to a vigorous recovery should receive priority over the objective of preventing a further attrition in the average maturity of the debt.

Thank you for this opportunity to express my views on these issues.

Sincerely,

FRANK W. SCHIFF.

APRIL 30, 1975.

Hon. HUBERT H. HUMPHREY,
Chairman, Joint Economic Committee, U.S. Senate, Washington, D.C.

MY DEAR HUBERT: This letter is in response to yours of April 16th, requesting a brief statement of my views on three specific questions:

(1) Can the financial markets handle federal deficits of $45 to $50 billion in fiscal 1975 and approximately $75 billion in fiscal 1976 without seriously interfering with private demands for credit or forcing interest rates to levels which will prevent an economic recovery?

(2) Faced with the inevitability of very large deficits in the current quarter and for the next several quarters, what is the most appropriate monetary policy for the Federal Reserve to pursue? Is present policy adequately accommodative?

(3) Do you feel that the Treasury should restrict itself to short-term borrowing during this period in which business demand for credit is so heavily concentrated in the bond market and the interest rate spread between long- and short-term rates is so large?

which are relevant to the debate on pending Congressional resolutions on the fiscal 1976 budget.

These questions are posed in a very narrow time frame. And understandably so. For the highest priority at this point has to be placed on the execution of policies of fiscal and monetary stimulus that will break the most severe and cumulative decline in jobs and production since the enactment of the Employment Act of 1946.

But your questions should also be considered and acted upon in the context of a somewhat longer perspective than the next twelve months.

The resulting fiscal and monetary policy mix should be designed to accomplish much more than instantaneous economic recovery, namely, sustained growth at healthy levels with a continuing decline in inflation over a number of years ahead.

We will be emerging from our *most inflationary recession* by a wide margin.

The excessive inflation of 1973–74, with its resulting abnormally high interest rates, is the key cause of the present dismal state of economic affairs. A substantial contributing factor was the excessive fiscal and monetary stimulus in 1972–73.

Short sighted policies designed *only* to give us an explosive economic recovery could lead to a rekindling of inflation and excessive interest rates, followed by another business slump that may cause unemployment and idle resources to reach an even higher level than we are likely to experience in the present downturn.

I wish to associate myself with the principal thrust of a perceptive paper presented by Professor John Lintner of Harvard University at a colloquium conducted by the Conference Board on April 8–9 on "Answers To Inflation and Recession: Economic Policies For a Modern Society". In his paper on "Savings and Investment For Future Growth 1975–6 and Beyond", Professor Lintner stated:

"But important issues involving levels of government spending and whether monetary policy should be still more stimulative remain to be resolved. Large new spending proposals are awaiting action in the Congress, and many observers are urging that the Federal Reserve must take immediate and strong further action to raise the recently sluggish growth rates of M_1 and M_2 up to double-digit levels. In my view it is critically important that further decisions on spending and monetary policy be made in such a way as to insure that the pace and pattern of the ensuing recovery be consistent with *continuing* declines in the rate of inflation not only throughout this year and next but in later years as well."

My answers to your specific questions on near term fiscal and monetary policies must be conditioned by these longer term considerations.

As to question 1, an assured "yes" or "no" seems to me unacceptable. The question deals with the performance of financial markets and their reactions to given budget deficits. In assessing market reactions, particularly financial markets, the psychological factors are sometimes as important as the physical situation.

Suppose the question were reframed to ask will the savings likely to be generated now and over the twelve months beginning July 1 be physically adequate to meet the specified federal budget deficits and reasonably anticipated private demands for credit without forcing interest rates to levels which will prevent an economic recovery.

I could accept an answer to the effect that the chances of significant "crowding out" and of substantial increases in interest rates before the middle of next year would be small, given a monetary policy that was not unduly restrictive.

But taking the question as posed, it would be my view that *there are substantial risks* that a federal budget deficit of $75 billion for fiscal 1976 could seriously interfere with private demands for credit and might force interest rates to levels that would handicap the increases in production and job creation in the private sector in the years ahead that the nation sorely needs.

Let me review my reasons.

Fiscal policy for fiscal year 1976 already promises to be the most stimulative in our post war history, and indeed it should be in this kind of economic environment. But, there appears to be a real danger that even when revenues increase with a growing economy, they may not rise fast enough to close the gap on ever increasing growth in federal spending. I have some serious questions about the ability of the federal deficit to self-destruct over the next few years. We may find ourselves in late 1976 or 1977 with a deficit that would be adding excessive stimulus to an expanding economy, just as was the case in 1973, when the economy least needed it.

To me, current behavior in our money and bond markets is the manifestation of this fear.

In a fundamental sense, the bond market has chosen to ignore dramatic declines in both short-term interest rates and inflation rates over the last four to five months. Indeed, the best evidence available to me seems to indicate that the supply of savings being generated in the economy now and over the next twelve months should be adequate to finance an economic recovery without undue strain on our credit markets. If this is true, then why has there been strain in the financial markets over the last six weeks? There is a cause that is difficult to understand and impossible to forecast, yet to me all too clearly at work in our financial markets. That cause is *expectation* and fear.

Expectations and fear of ever larger federal spending, more borrowing, and the potential for future inflationary consequences are having a forceful impact on the bond market. These expectations can create such an uncertain environment that they may seriously impact the willingness of borrowers and lenders to make decisions that are necessary for a sustained economic recovery. I believe that the recent behavior of the financial market is the manifestation of fear over the prospect of ultimate severe consequences resulting from anticipated excesses in economic policy. Some may even argue that these expectations, fears and uncertainties are potentially as inhibiting a factor to a broadly-based and sustainable economic recovery as are fundamental imbalances of supply and demand in the credit market.

It is not for me to judge whether or not these expectations or fears are warranted, induced by official statements or prompted by past experiences.

But I would be remiss in not pointing out to you that these expectations and fears exist and are a factor that could arrest sustained long range job creating healthy growth.

They can be successfully countered only by action of the Congress showing its convincing awareness of the dangers of rekindling inflation in late fiscal 1976 and 1977 and a determination in dealing with proposals for further increases in federal spending to assure that the pace and pattern of recovery is consistent with continuing declines in the rate of inflation.

Holding the level of the fiscal 1976 budget deficit somewhat below the $75 billion figure, an effective demonstration that the new Congressional Budget Control Act will, in fact, produce responsible congressional fiscal policy, and a restriction on further increases in spending (not covered dollar for dollar by increased taxes) to items like extensions of unemployment benefits which will automatically go off as the private economy recovers and jobs are created—these are the positive acts in the present situation that would diminish the expectations and fears referred to and couple near term economic recovery with sustained long term healthy growth.

Question 2, concerning appropriate present and near term monetary policy of the Federal Reserve also ought to be answered with a long-term perspective.

For the longer run health of the economy and the sustainability of the ensuing economic recovery, it is important that the Federal Reserve be successful in occupying the middle ground between restraint and stimulus. Current rates of growth of the monetary aggregates seem to underlie the success of the Federal Reserve in occupying this ground. I have come to have little confidence in our ability to fine-tune this economy. Unfortunately, neither our policy tools nor our knowledge are so perfect as to allow us to start and stop the economy at a moment's notice. It is because of this view that I think we ought to try and avoid the excessive swings in monetary policy that have characterized our recent economic history. Thus a

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policy of moderate expansion at this point seems entirely reasonable and appropriate to me.

What is moderate expansion at this point? Given our present excess human and plant capacity, there is little risk of rekindling inflation and some positive benefits in permitting somewhat more rapid growth in the money supply for the near term than has characterized the past six months. But as the economy then gains momentum, reducing the margins of underutilized resources, monetary policy should take the kind of stance that will prevent the excesses of 1972–73 being duplicated again in late 1976 or 1977. It should be remembered that, staying too long in 1972–73 with a rate of money supply growth that was appropriate when instituted in 1970–71, was a contributing factor to inflation getting out of hand.

It should be emphasized that total reliance should not be placed on monetary policy alone to bring any temporary unsustainable rate of real economic growth back to a sustainable pattern as excess plant capacity and unemployment is absorbed in the coming upswing. Ideally in that situation fiscal policy should also move toward restraint, allowing a somewhat easier monetary policy to be followed thereby, resulting in more funds for investment to avoid strained capacity.

Question 3 involves a tactical question of debt management. I would be reluctant to fasten any hard and fast rule on a Treasury process that should retain flexibility and a concern for a balanced debt structure that preserves the options of the debt managers.

In the best interest of economic stabilization and to aid a recovery, it would ideally be most desirable to have the Treasury concentrate its near term borrowing in short-term securities. As you so accurately point out, the current shape of the yield curve seems to imply that the financial markets want more short term securities. Most of the Treasury financing is short-term in maturity, as evidenced by the declining average maturity of the federal debt. Fiscal year 1976 is likely to be no exception. In the interest of flexibility, however, the Treasury will be required to issue some longer term securities in its debt management program. It is my belief that this can be accomplished in the financial markets in an orderly fashion provided the longer-term borrowing is distributed over the entire fiscal year, and takes into some account the conditions in the longer term private market. There is so much Treasury financing to be done in the next fiscal year that it seems most important to ensure that the Treasury has as many options open to it as possible to finance the deficit.

May I suggest that the full text of Professor Lintner's paper, and the other papers and comments included in the colloquium conducted by the Conference Board, referred to above, would be, in my judgment, of considerable value to your Committee. I am sure that the Conference Board will be pleased to make them available to you and your Committee for further deliberations on the key questions which you have posed, as well as the many additional questions which confront our nation in dealing with this unprecedented mix of inflation with recession.

In conclusion, I am greatly appreciative of your request for my comments and, more importantly, for the leadership you are providing in bringing objective analysis to this most difficult dilemma.

Very sincerely yours,

HENRY H. FOWLER.

THE HOUSING BILL

Mr. MONDALE. Mr. President, within the next few days, the Congress will be sending a housing bill to the White House. Now that House and Senate conferees have agreed on an acceptable measure, approval of the conference report should soon be readily forthcoming.

This is an important bill, Mr. President. It will stimulate housing construction; it will provide employment to thousands of idle workers; it will lead to general economic recovery.

By its terms, the legislation agreed upon by the conferees will offer a potential homeowner three options. First, the bill will provide 6-percent mortgage loans, with interest rates increasing to current market rates over a 6-year period. Second, the bill will provide for a program of mortgage loans at a 7-percent level for the duration of the mortgage. Finally, the bill will provide a $1,000 downpayment aid for use by the new homebuyer.

These are important features of the bill. I have been an enthusiastic supporter of these features of the bill since their original introduction many months ago by the distinguished chairman of the Banking, Housing and Urban Affairs Committee (Mr. PROXMIRE). I testified at the Housing Subcommittee hearings on the bill in favor of these provisions.

But, Mr. President, I would like to call my colleagues' attention to another aspect of the bill. This is the provision designed to give much-needed and long-awaited help to thousands of American families who are in danger of losing the homes they now have.

There are more than 8 million unemployed workers in this country at the present time. Many of these are heads of households. Millions of these unemployed workers own homes and must meet mortgage payments. Yet, as their unemployment continues, their unemployment benefits decrease or disappear, and no prospect for employment appears, these workers face a desperate situation.

They can no longer meet mortgage payments, and foreclosure looms on the horizon.

It was in recognition of this problem that, nearly 2 years ago, I introduced legislation designed to help the homeowner faced with foreclosure. Several days ago, as the Senate considered the new housing bill, I added a foreclosure relief provision to the bill as an amendment.

I am pleased to report that the House-Senate conferees have included my emergency relief provision in the conference report.

By its terms, the measure reported by the conference committee will provide payments of up to $250 per month, for up to 2 years, to homeowners faced with foreclosure because of a substantial loss of income due to unemployment or underemployment due to our current economic conditions. The provision is designed with safeguards to insure against abuse and to protect public funds.

This will cost money, of course, but I can think of no better way to spend Federal money than to help thousands of American families save their homes. Also, in the long run, the Government will get the money back—in repayments and interest.

Mr. President, I was very disturbed to hear rumors to the effect that the President might veto this bill. This Congress has been repeatedly accused of doing too little about our economic problems. Over and over again, we hear calls to action.

This bill is action. It will provide jobs, it will provide shelter, it will stimulate the housing industry, it will stimulate related industries, it will greatly enhance the prospects for rapid economic recovery.

A veto of this bill will expose the criticism of Congress for what it is—rubbish. We are doing something. We are doing something constructive. Now, we will see if the President will allow us to act.

But, the effects of a veto go beyond charges and countercharges about congressional action. A veto of this bill will mean that thousands of American families will lose their homes in the coming months. A veto of this bill will be a cruel, thoughtless blow to thousands of American families.

I only wish the President could read my mail on this subject before he decides whether to veto this bill. I wish he could read the letters from hundreds of Minnesotans who are literally terrified at the prospect of foreclosure. I wish he could listen to their calls for help.

Mr. President, I implore President Ford to sign the housing bill when it reaches his desk. For millions of American families, it is their last hope.

WOMAN OF A GENERATION

Mr. FANNIN. Mr. President, yesterday Justice Lorna Lockwood resigned from the Arizona Supreme Court after a long and distinguished legal career. She is a remarkable woman who served the cause of justice and the State of Arizona with energy, devotion and wisdom. I know that she has many friends and admirers in the legal profession around the Nation who will be sorry to learn that she has had to leave the bench because of failing health.

Mr. President, the Arizona Republic today carried an editorial paying tribute to Justice Lockwood. I would like to concur in the sentiments expressed in the editorial and ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Arizona Republic, May 15, 1975]

WOMAN OF A GENERATION

Lorna Lockwood was the first woman superior court judge in Arizona, the first woman Supreme Court justice in Arizona, and the first woman in the United States to be chief justice of a state Supreme Court. She had all the qualifications required to become the first woman on the United States Supreme Court, and was in fact considered for that exalted position. But the political timing was wrong.

Yesterday Justice Lockwood announced her resignation from the court because of failing health. Gov. Castro will appoint her successor, taking a name from a list of candidates approved by the state judicial selection committee.

Lorna was destined for a legal career from birth. Her father, Alfred G. Lockwood, was a giant of the state judiciary, reaching (as his daughter did later) the post of chief justice. She was hearing about legal briefs when most Arizona girls were playing jacks.

Justice Lockwood's chief contribution to the bench was a creative mind. In a profession bound by precedent, she was unafraid of new concepts that could contribute to the administration of justice.

One fine example of her willingness to ignore the hoary past was a decision on sovereign immunity. Before this decision, a person injured by the state could sue only with the consent of the state.

Justice Lockwood broke with this version of the old adage that the king could do no wrong, and permitted a suit to be brought against the state without the state's consent. She once held that personal damages could be assessed against a manufacturer in another state, thus reducing the colonial status which so long held Arizona in vassalage to the East.

A Phoenix lawyer recalls the first case he argued under Lorna Lockwood when she was a trial judge. He had six precedents supporting him; the opposing lawyer had only one.

Judge Lockwood looked at the cases, felt the one precedent was better than the six, and so ruled. To her fertile mind precedents were a means of securing justice, not of obstructing it.

Earlier this year Justice Lockwood was designated Woman of the Year by the Phoenix Advertising Club. It is a cumulative award, based on a total effort rather than a single year's accomplishments.

In the legal field, at least, Lorna Lockwood is entitled to be called the woman of her generation in Arizona.

RESETTLING THE VIETNAM REFUGEES

Mr. MONDALE. Mr. President, even though the refugee situation is far from settled, recognition of the need to take affirmative action to help these unfortunate war victims has been spurred by recent actions of the Senate and House of Representatives.

Momentum is being given to the resettlement efforts by substantial backing from individual citizens, private voluntary relief agencies, and the press. Because of this outpouring of support from generous individuals from every walk of life, nearly 14,000 South Vietnamese refugees have found new homes and a fresh beginning in this country.

I ask unanimous consent that an editorial from the Minneapolis Tribune, entitled "Resettling the Vietnam Refugees" be printed in the RECORD as an example of the support that is being exhibited during this very difficult period.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

RESETTLING THE VIETNAM REFUGEES

To their credit, Minnesota Sens. Mondale and Humphrey joined 24 colleagues from both parties in a letter endorsing legislation to aid Vietnam refugees in or on their way to the United States. The letter, sent to chairmen of the Senate Appropriations and Foreign Relations committees, says that "it would be a tragedy if our response to the plight of the refugees was determined by a few vocal opponents while the majority remained silent in their support."

That observation is particularly apt. A Tribune survey last week of the Minnesota delegation in the House and Senate showed that constituent mail on the issue is generally opposed to refugee resettlement, but that the volume of letters is low. The situation requires senators and representatives to act on their convictions without waiting for broad support by voters and to act against the wishes of the minority whose views have been expressed so far.

Authorization and appropriation bills were approved in the House last week and are expected to be voted on on the floor in the next few days. The Senate ought to move with similar promptness. Both houses should avoid being distracted by some of the arguments raised in opposition.

One criticism is that the $507 million requested by the administration, or even the $405 million in the House bill, is too high. Since no one can tell yet what amounts ultimately will be needed, it might be better to appropriate less than $400 million with the understanding that supplemental funds will be needed later.

Other criticisms center on the number of refugees—perhaps 120,000—and the fact that among them are people who bribed their way out or might be considered unworthy of assistance for other reasons.

One point about the numbers is that they may well be reduced. The nonrecriminatory approach taken so far by the new government in Saigon is likely to make some refugees want to return; if so, the United States should help make that possible. The other point is proportion: The United States accepted more than 600,000 Cuban refugees after Fidel Castro came to power. To talk now about rejecting a fifth of that number, after incomparably greater American involvement in Vietnam than in Cuba, ought to be unthinkable. Whatever the small impact on unemployment, concern for jobs—as AFL–CIO president George Meany forthrightly observed—cannot override the obligation to refugees.

Maybe some of the refugees are underserving. To make that judgment, one has to decide, after 15 years and more of pervasive American influence in South Vietnam, who corrupted whom. For now, that strikes us as a moot question. The main question is whether the United States will, as the 26 senators urged, "find homes, jobs and a fresh start for those whose lives have been shattered. . . ." The answer should be yes.

LIMITING THE USE OF NATURAL GAS IN IRRIGATION SYSTEMS

Mr. CURTIS. Mr. President, the Federal Power Commission indicated recently that it may limit the use of natural gas in irrigation systems. Irrigation systems located near natural gas pipelines rely almost completely on this fuel for operation. Curtailing the natural gas supply for irrigation use is therefore detrimental to agriculture in regions serviced by natural gas pipelines.

At this point in our Nation's economic life, we cannot afford to harm our agricultural industry in any way. The revenue generated by farm production is crucial not only for farmers, but for the whole of our economy as well.

Mr. President, I am strongly opposed to the limitation of the use of natural gas in irrigation systems. I wholeheartedly support the actions proposed within Legislative Resolution 41 of the Nebraska State Legislature. I ask unanimous consent that this resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

LEGISLATIVE RESOLUTION 41

Whereas, Agriculture is the most important sector in the economy of the State of Nebraska; and

Whereas, the use of irrigation systems by agriculture producers and farmers generally is regarded as a critical factor to the development of Agriculture and hence the economy of the State of Nebraska; and

Whereas, the Federal Power Commission has recently suggested that it may curtail the use of natural gas for irrigation use, notwithstanding the fact that this could cause severe and irreparable harm to Agriculture and notwithstanding the fact President Ford has repeatedly said that Agriculture should be in a high priority for using the nation's energy resources; and

Whereas, revenue generated by farm production is a significant determinant of the export equation and is thus directly tied to the balance of payments for the entire economy of the United States.

Now, therefore, be it resolved by the members of the Eighty-Fourth Legislature of Nebraska, first session:

1. That the Legislature of the State of Nebraska urge the President to work with the Congress in an effort of mutual cooperation to prevent the implementation of curtailment programs affecting the supply of natural gas for irrigation use.
2. That an urgent plea be made that the members of the Nebraska Congressional delegation in Washington, D.C. make a special effort to secure passage of remedial legislation and executive action to effectuate such legislation.
3. That during the time the President and the Congress are working toward a legislative resolve of this critical issue, the Federal Power Commission refrain from the imposition of natural gas curtailment programs for irrigation use.
4. That this resolution of the Governor of Nebraska and the Nebraska Legislature be made known to the Honorable President Gerald Ford, President of the United States, and also the members of the Nebraska Congressional delegation, as well as to the commissioners of the Federal Power Commission.

I, Vincent D. Brown, hereby certify that the foregoing is a true and correct copy of Legislative Resolution 41, which was passed by the Legislature of Nebraska in Eighty-Fourth Legislature, First Session, on the eighth day of May, 1975.

SOLAR ENERGY

Mr. MONDALE. Mr. President, one of our most promising alternative energy sources is the Sun. Unfortunately, the development of solar energy has been retarded by lack of attention, inadequate research and development funding, and an apparent attempt by companies that deal in other energy technologies to downgrade its possibilities. All this was spelled out recently by Senator GAYLORD NELSON of Wisconsin in a statement opening hearings by the Senate Small Business Committee on Solar Energy. I ask unanimous consent that this statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

ENERGY RESEARCH AND DEVELOPMENT AND SMALL BUSINESS

(By Senator GAYLORD NELSON)

The Senate Small Business Committee today opens a series of hearings on the role of small business in energy research and development. We expect this study to continue for several months.

UMI

UMI

Solar power has breathtaking potentials for the country at large and for the American small business community.

Sunlight is our most abundant energy resource. If we were now able to collect and convert to human use just one-half of one percent of all the energy that reaches the surface of the continental United States from the sun in a year, we would have three and a half times our total national energy consumption of 1974, from all sources. We would have well over 100 percent of the high-side estimates of total national energy consumption in the year 2000.

Abundance is only one of the advantages of solar energy.

Solar power is clean. The air and water pollution associated with burning fossil fuels and the radiation dangers associated with nuclear energy are absent in the various solar energy technologies. One solar technology—bio-conversion of waste matter to methane—even helps solve another pollution problem, municipal waste disposal.

Solar power is everywhere. While not all sections of the country and the world have equal amounts of energy intake from the sun, or isolation, sunlight is far more equally and universally available than any other energy source. Even in Maine, it is possible to make significant reductions in home heating bills through the use of solar heating technology. In Florida and the Southwest, the sun has been powering domestic hot water systems since early in the century. Before long it will be powering home cooling systems as well.

Solar power is inexhaustible. Unlike oil and coal and uranium, it will last as long as our star and our planet.

Solar power cannot be cornered by anyone. No OPEC or other cartel can cut off the supply of sunlight. No giant corporation can raise the price of "raw" insolation. And small business, through innovation and competition, can reduce the prices of the products we shall need to convert sunshine into the various forms of energy that power our society.

PALEY COMMISSION REPORT

Way back in 1952, the President's Materials' Policy Commission—the Paley Commission—pointed out that in 1950 this country consumed, every day, 540,000 more barrels of oil than it produced, resulting in net imports of 540,000 barrels a day. By 1975, the Commission predicted, our net imports of oil would reach 2½ million barrels a day. The Commission's prophecy was in fact rather low. Our current net imports of oil are 6 million barrels a day. The Commission of course had hedged its forecast by warning that its estimate of U.S. domestic production of 11.2 million barrels a day in 1975 might be high, and that warning has come true. Currently U.S. production is under 9 million barrels a day.

In its celebrated and still-frequently-consulted final report, *Resources for Freedom*, the Paley Commission discussed two possible alternative energy sources: nuclear electric power and solar energy development. More space was devoted in the report to the solar option than the nuclear option. Great promise as well as great problems were mentioned in connection with each of these alternative energy sources; but as I read the report, it seems fair to say that the Paley Commission expressed more hope for a significant solar contribution than a significant nuclear contribution to the Nation's energy system by 1975. I will put the excerpts in the record of this hearing, and you can draw your own conclusion.

Somehow, the country took a different approach. After the Paley Commission closed up shop, development of nuclear electric power proceeded apace. But work on solar power was almost totally neglected. By 1973, our cumulative expenditures of Federal funds for "the peaceful atom"—nuclear electric research, development and demonstration—were over $5 billion, with private investment by big business in still larger amounts. But Federal spending for solar R, D & D by that year was only about $1 million or less, and private investment was in small amounts, mostly by small business and individual inventors.

Since 1973, the country has been waking up rather rapidly to great promise of the solar option. A recent Federal Energy Administration (FEA) press release—numbered E–75–1000 and dated March 29, 1975—tells us that in the 19-month period from July 1973 through January 1975—

"To push solar energy development, 14 Federal agencies have sponsored 171 solar projects at a cost of 25.2 million dollars."

Right now, in the light of hindsight, it is sad—indeed tragic—to compare that $25.2-million, 19-month expenditure by 14 Federal agencies, in the mid-1970s, with the $38.5 million in Federal spending for nuclear electric power research in Fiscal Year 1954 alone. But that is water over the dam—or unconverted sunlight into the sunset, to use a more apt metaphor.

In these hearings, we are more interested in looking ahead than to the past. But some analysis of past Federal spending patterns and priorities, the results they produced and the mistakes or omissions they included, will help us in planning better courses for the future.

QUESTIONS FOR DISCUSSION

To provide a focus for discussion at the sessions today and tomorrow, the committee has circulated to witnesses and published in the *Congressional Record* (May 8, 1975, page S 7732) some 16 questions for which we shall be seeking answers. But the thrust of all 16 may be restated more briefly in just five short questions:

Solar energy: how much can be converted to human use?

How much can be provided by small business?

How soon?

Why not more?

Why not sooner?

It is necessary to ask the last two questions because the answers we have been getting to the first three are so varied, so low, and so stretched out into the future.

In a summary form, the answers most of the experts and officials have been giving us to the first three questions are:

Not much.

Not much.

Not soon.

But lately the estimates have started to go up, rapidly and dramatically.

For example, a joint solar energy panel of the National Science Foundation (NSF) and the National Aeronautics and Space Administration (NASA) in late 1972 estimated that wind energy conversion—one of the oldest, simplest and most promising solar energy technologies—would provide 1 percent of our electricity by 2000. In early 1975, the NSF was reported to believe that 25 percent of our electricity could be wind generated by 2000.

The NSF/NASA solar panel report of 1972 estimated that photovoltaic electricity—generated by solar cells of the same general type long used on spacecraft—would account for under 3 percent of our electricity needs in 2000. But now the New York Times Magazine reports a new NSF estimate that photovoltaic generation will provide over 9 percent of our electricity in 2000.

The estimated time of arrival at significant solar contributions to our national energy system is also being pushed forward.

In 1974, the General Electric Company, after making a half-million-dollar study financed with public funds through the NSF, estimated that only 1.6 percent of all national energy requirements for building heating and cooling could be met by solar systems by 2000. Westinghouse Corp. and TRW, Inc., makers of similar studies on identical grants, thought it might be 3.04 percent and 3.56 percent, respectively. TRW thought the solar contribution could reach 5.77 percent of all building heating and cooling energy by 2000, if a 25 percent tax credit incentive were provided.

But NSF, early this year, estimated that we could be approaching 4 percent by 1985—some 15 years earlier than the year Westinghouse thought we could top 3 percent and GE thought we would still be under 2 percent.

It is interesting to compare the country's actual past accomplishment in nuclear energy—accomplishment to which the high technology and industrial strengths of General Electric and Westinghouse made significant contributions—with the forecasts those two companies have made for future accomplishment in solar heating and cooling of buildings.

The "peaceful atom" as a source of electricity jumped from zero to six percent in 20 years or less. Why, then, are GE and Westinghouse now predicting that in 25 years, starting now, solar energy will provide only 2 to 4 percent of total energy used for building heating and cooling, a far simpler technology than nuclear electric power generation?

The suspicion is almost unavoidable that these and other absurdly low estimates of the solar contribution during the next 25 years are projections not of what the estimators think this country could do, if it put forward anything like the money and effort that went into nuclear development or moon shots, but rather what they hope is the most the country will do. Not because doing so little is in the best interests of the great majority of Americans and other peoples of the world, but because doing more could possibly threaten existing investment in older technologies.

Such threat may in fact be present in any rapid development of solar technologies; but the task of policy makers in the Government and private sector alike should be to find ways to make transition as painless as possible, not to arrest or unduly delay a transition that is already long overdue.

THE SOLAR POTENTIAL

To assist me in comparing the estimates that have been made by various experts and agencies of our national potential for solar energy development, the committee staff, aided by my own staff, has prepared a table. It was also inserted in the *Congressional Record* of May 8 and will be included in this record. If one adds up the more optimistic estimates of the contribution that solar energy might be making in the year 2000, through various technologies and in various energy functions, and then reduces the total by one-third, the solar input to our energy system would still be close to three times our current annual oil imports from all the OPEC countries.

Because that achievement would mean so much to the preservation of our standard of living and our growth expectations, tempered by the new conservation ethic, we should strive to do no less. In fact, it should be our national goal to do more.

SMALL BUSINESS ROLE

While solar power development is worth pursuing solely in the interests of avoiding energy crises and to provide a safer basis for economic growth, it has another and special interest to this committee. Some of the solar technologies—heating and cooling of buildings especially—are extremely well suited to small business, at every level from manufacturing systems and systems components to installing and maintaining them.

Unfortunately, what this committee has been hearing from the small business pioneers of solar energy development is that, until very recently, solar energy has been tragically ignored and underrated by the American people and their Government. Now that, at long last, solar energy is "in," and destined to become very big, it is the small business pioneer that are being ignored and underrated.

COMMENDATION FOR THE PRESIDENT IN REGAINING SS "MAYAGUEZ"

Mr. **BAKER**. Mr. President, I commend President Ford for the action taken toward regaining the SS *Mayaguez* and her crew.

I believe that the President's conduct in this matter was a careful mix of caution, diplomatic initiative and appropriate use of armed force pursuant to an entirely lawful and desirable purpose. In the wake of our disengagement from Southeast Asia, I think that firmness particularly was required in the face of an act of aggression directed against an unarmed U.S. merchant vessel in the course of passage on an established trade route. The precedent established by the President's action, I believe, will serve the Nation well in the difficult times ahead.

The President chose wisely and well and, in my judgment, acted within the scope of his constitutional and statutory authority within the framework of the War Powers Resolution. I believe that the Nation and the Congress fully support the President's exemplary conduct.

REMEMBERING THE CASUALTIES AT KOH TANG ISLAND

Mr. **GLENN**. Mr. President, all Americans share the feeling of relief and pleasure that the *Mayaguez* crewmen and ship have been rescued.

But amid the euphoria surrounding this welcome event, it is important to remember that a few have died or been wounded so that others could be rescued.

The Marines sent to the ship and Koh Tang Island performed a very difficult mission representing the United States in the best "Semper Fidelis" tradition of the corps.

While many families receive the good news that loved ones are safe, others are receiving casualty notices. It is important that we remember both groups as we celebrate the successful conclusion of the *Mayaguez* incident.

"MAYAGUEZ" UNDERWAY

Mr. **DOLE**. Mr. President, all of us in this body are, of course, relieved at the news that the merchant ship *Mayaguez* is, at this moment, underway on its own power, manned by its own crew.

The fact that America will act with measured force and in timely fashion to insure the safety of her citizens has been asserted once again by the bravery, and the sacrifice, of U.S. military. We are all saddened by the news of casualties among the Marines who went in to the small island of Koh Tang to rescue the crew. Our sympathies extend to their families and friends and to their comrades in arms, and no words of gratitude any of us can summon would measure up to the debt each of us owes to these brave men.

TOO EARLY FOR GENERALIZATION

Mr. President, close as we are to the disappointing conclusion to our long involvement in Southeast Asia, it is too soon to attempt any major generalizations about the impact of this incident on the way in which other nations view the United States. I am hopeful that it will help erase any doubts that may have arisen about American resolve to use force when force is required and justified to protect American interests.

I believe it has done much to allay any misgivings that may have been entertained in this country or elsewhere about any of the recent congressional actions to limit Presidential ability to respond in an emergency. The President did respond. He did so and at the same time consulted with Congress and made such reports as required under the legislation passed in 1973, the War Powers Act.

I will admit, too, Mr. President, that it is a good and an accustomed feeling to find near unanimity among my colleagues for the first time since the early days of my experience in the Congress, over an American use of military force, however limited it may have been.

Though there seems to be an irreducible minimum of my colleagues who are prepared to criticize any assertive action this country may take in defense of its own interests, and who do so now in regard to this action, the overwhelming majority of American citizens from all walks of life, have shown enthusiasm in their support for these actions.

FORD MOVED DELIBERATELY

I believe President Ford did what he had to do. He moved deliberately after trying diplomacy first. But the first military engagements, which most of us learned about early yesterday, were motivated by the need to prevent the transfer of the American crew members to the Cambodian mainland. Any delay or overcautiousness in that decision would have led to far greater complications. With Americans on the mainland, the analogy to the *Pueblo* situation would have been complete and our ability to take effective action to secure their release would have been severely restricted.

Only timely, prudent and firm action by the President in consultation with the National Security Council and the Congress prevented the repetition of that situation which would have been a tragedy for the crewmen and an embarrassment for the Nation.

AMERICA'S RESPONSE TO THREAT

Mr. President, this was one, rather isolated and in some people's mind perhaps a minor incident. But in my view, it is an example of how America must respond to any threat to her own interest. We cannot allow ourselves to be at the mercy of the whims and vagaries of small nations that may entertain illusions about our will or about their own abilities to confront us.

For, if we yield to small nations, or show indecision when they confront us, or accept the counsel of those who would have us be overcautious in dealing with them, then the message of our unwillingness to act in our own best interest will not be lost on larger nations, friendly or hostile.

We are strong. We are a guarantor still of world peace. We are what we are and we cannot be defensive or apologetic about acting to protect ourselves, our citizens or our interests.

The President, I believe, did what he had to do. And the vast majority of Congress, in giving him their enthusiastic support did what they ought to do.

ON CAMBODIAN AREA MILITARY ACTION

Mr. **NELSON**. Mr. President, there is no doubt about the popularity of the President's decision to recapture the *Mayaguez* by force. Reaction around the Congress is near unanimous. I have no doubt the public response is the same. Hardly even a muted voice of doubt has been raised. After all our honor and dignity were at stake.

Nevertheless the real question still remains: Was our Government's action the right one? Did it serve the best interests of the Nation? I think not. Neither congressional nor public popularity is a reliable test of the soundness of important policy decisions. This is especially so in emotional and emergency situations.

What vital national interest was at stake to justify such a precipitate and violent response? Was our ship in contested waters? Was it justifiable to land our Marines in Thailand without that government's consent? Did we need to sacrifice any of the lives of our soldiers, endanger the ship's crew and bomb a Cambodian airport in order to settle this dispute? The answer, I think, is no. We did not even bother to give the negotiating process a fair trial.

Of course it is an offensive challenge to any sovereign nation for its ships to be intercepted on the high seas. Nonetheless it is not a novel event. It happens from time to time in all parts of the world. It occurs with great regularity off the coast of South America where fishing boats are intercepted and hauled into port from as far as 150 miles into international waters.

Ironically, news reports state that our Government received a Cambodian statement offering return of the ship but the military action was already under way.

These incidents are matters for negotiations not force. The test of the strength and maturity of a superpower is better measured by its restraint in minor incidents such as this rather than a demonstration of the power the world already knows we have at our command.

Thus I dissent from the conventional wisdom that tells us we must prove our virility and maintain our credibility by responding with violence wherever and whenever we may be challenged, however minor the insult.

UMI

THE "MAYAGUEZ" INCIDENT

Mr. BROOKE. Mr. President, the reports that the *Mayaguez* crew and ship have been rescued is extremely good news. That members of our Armed Forces perished in effecting that rescue brings deep sorrow not only to the families and loved ones of these men but to all Americans. Their death is a stark reminder, as if we needed another, that the resort to force always extracts a high toll.

The evidence is still inconclusive as to the exact nature of the incident. And before intelligent evaluations can be made as to the wisdom of the decision to resort to force, much more information is needed. I state this not by way of criticism of the President's action. I, for one, presume that it came only after a careful evaluation of the options available. I do believe, however, that a thorough inquiry into the decision to use force is in order, both to provide the American people with the relevant facts and to allow us to determine what actions can be taken to forestall similar events occurring in the future.

Such an inquiry, to be truly useful, requires careful attention to facts, rather than fragmentary reports and suppositions. Therefore, I have today submitted a list of questions to the Secretary of State regarding the *Mayaguez* affair. I ask unanimous consent that my letter to the Secretary be placed in the RECORD at this point.

The *Mayaguez* incident raises several larger issues.

First, I am convinced that we must restore any lost credibility. And we must do so in a much more sophisticated manner than simply emphasizing our military capabilities. While the latter may be necessary under extreme circumstances, it cannot be allowed to assume the predominant position it has in the past. Sophisticated diplomacy, a diplomacy indicating our recognition of our lessened preeminence in the international system and our inability to dictate the course of history, will become increasingly important as we seek to maintain the stability necessary for the protection of our vital interests.

Second, the manner in which the *Mayaguez* incident was handled by the Executive indicates that some improvement has taken place in the communication patterns between the Executive and the Congress. Nevertheless, expressions by some of the congressional leadership that they were merely informed rather than consulted indicates that further improvements are still needed. Moreover, the Congress has yet to institute adequate communications channels to enable the leadership to keep the membership sufficiently informed on the general aspects of evolving crisis situations. While one recognizes that a certain degree of confidentiality must be maintained, it is self-evident that a greater degree of communication is necessary within the Congress as well as between the Congress and the Executive.

The *Mayaguez* incident indicates that a respite from the entanglements of world politics will not be forthcoming for our country. Our position in the world means that we will be called upon to shoulder continued burdens that will tax our strength and endurance. We cannot avoid such burdens. But we can begin to reassess the manner in which we will respond to them and, hopefully, evolve the capacity to limit the number of situations wherein force rather than diplomacy characterizes our response.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter I have addressed to the Secretary of State today.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MAY 15, 1975.

HON. HENRY A. KISSINGER,
The Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: I am relieved to learn of the successful rescue of the Mayaguez crew and the ship. However, as you know, I deeply regret the deaths of several members of the armed forces. Their deaths are one more stark reminder that the resort to force always has a high price.

While I presume that the decision to use force was made after careful consideration of all available options, I am convinced that a thorough study must be made of the factors that led to that decision and subsequent events. Therefore, I would appreciate receiving an early response to the following questions:

1. Did the Mayaguez violate any territorial or sovereign rights of Cambodia?

2. What was the basis for our government's claim of the illegality of the seizure of the Mayaguez by the Cambodians? Specifically:

a. Was the island off of which it was seized a recognized possession of the Cambodian government?

b. How far off the island was the Mayaguez when it was seized?

c. What are the recognized limits of territorial control of waters off the islands in the area?

d. Do the Cambodians claim a 12-mile limit?

e. Does the U.S. government recognize only a 3-mile limit?

3. What cargo was the Mayaguez carrying at the time of its seizure?

4. What was the port of origin and the destination for this specific voyage of the Mayaguez?

5. What was the purpose of the Mayaguez's voyage?

6. Was the Mayaguez an armed ship?

7. What had been the scope of our intelligence gathering operations in the area where the seizure took place? Was the Mayaguez in any way connected with such operations?

8. Was the Mayaguez in prior contact with the U.S. government aircraft or ships prior to the seizure? If so, what was the extent and nature of those contacts and for how long had they been established prior to the seizure?

9. What was the specific and detailed time frame and sequence of such events from the point of seizure, the demand for the return of the ship and crew, the requests for third party help and the time of the first U.S. attack?

10. When did the United States government first receive notice of the seizure, and what attempts were made at that time to communicate with Cambodian officials to register our protest and indicate our intentions to do what was necessary to obtain the release of the crew and its ship?

11. What attempts were made to obtain the intercession of third parties including the United Nations to effect a diplomatic resolution of the incident? Exactly who was contacted, what was requested of each, and what was the timing of those contacts in relationship to the decision to resort to force and the actual use of force?

12. What, if any, communications were received, directly or indirectly, from the Cambodian government pror to their radio announcement that they would be willing to return the Crew and the ship? What, if any, communications did we try to forward to that government prior to that announcement and prior to the use of force?

13. What exactly precipitated the initial attacks on the Cambodian naval vessels? Specifically:

a. Was there a Cambodian attempt to move the crew or the Mayaguez after the ship had been anchored off Tang Island?

b. How many of our reconnaissance craft had been fired upon and hit prior to our resort to force?

c. Were the Cambodian patrol craft that were destroyed or disabled moving toward the Mayaguez when they were interdicted?

d. Had the crew of the Mayaguez been removed from the Mayaguez prior to the time we initiated our use of force?

14. What were the targets of our attacks on the mainland? Did our attacks serve any immediate purpose directly related to the rescue of the crew and the ship or were they primarily punitive in nature?

15. What are the details regarding the deaths and injuries of members of our armed forces?

16. Had there been other reported incidents of harassment of other vessels by Cambodia prior to the seizure of the Mayaguez? If so, why weren't instructions sent to all U.S. flag vessels to divert from the area?

17. How many combat forces and how many ships were actually involved in the rescue operations?

18. How many combat forces were landed on the Mayaguez and on Tang Island?

19. Were troops transported from Thailand for the operation contrary to the express requests of the Thai government? What communications were received from the Thai government in reference to the incident and the potential and now actual use of U.S. bases in Thailand as staging areas? What was the U.S. reply to Thai requests?

20. What was the degree of resistance encountered on Tang Island? How much ammunition was expended by our forces?

21. What were the number of U.S. and Cambodian casualties?

22. Exactly how were the crew members of the Mayaguez recovered? Were any of them harmed in any way? Were the crew members released by the Cambodians or were they actually rescued?

While my questions are many, I believe immediate answers will greatly facilitate the understanding necessary to make judgments both as to the wisdom of our response to the immediate incident and the manner in which we might prepare ourselves to respond to similar incidents in the future. I look forward to receiving your earliest reply.

Sincerely,

EDWARD W. BROOKE.

BARBAROUS PIRACY

Mr. HATHAWAY. Mr. President, I share with my colleagues and many Americans the joy of knowing that the merchant ship *Mayaguez* and her crew are now free.

Soon, we in the Senate and the public at large can expect to be told the whole story behind the ship's seizure; what diplomatic efforts were made to obtain the ship's release from the Cambodian Government, and the role the military played in wresting the ship and its men from the Gulf of Siam.

While waiting for this knowledge, I wish to bring to the attention of my colleagues an article which appeared in this morning's New York Times by columnist Anthony Lewis.

The writer makes some points that I consider vital to the issue of our foreign policies, particularly those concerning the nations of Southeast Asia. I ask unanimous consent that the article be printed in the RECORD.

I also ask unanimous consent to have printed in the RECORD the text of a telegram to the President from Robert V. Moss, president, United Church of Christ.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BARBAROUS PIRACY

(By Anthony Lewis)

The diplomacy of violence: That is still, then, to be our trademark. Once again an American Government shows that the only way it knows how to deal with frustration is by force. And the world is presumably meant to be impressed.

The Khmer Rouge were wrong and foolish to seize the American merchant ship Mayaguez, if the facts were as stated in Washington. They violated necessary norms of international behavior. We had reason to be concerned, especially about the fate of the crew.

But using a sledgehammer to crack a nut is self-defeating for nations as for individuals. Violent escalation of the conflict could hardly be expected to achieve the immediate aim of the crew's release; to the contrary, it might heighten the danger. More broadly, the military action showed a lack of that perspective expected of a great power—the perspective, in this case, recent history.

Imagine that in 1775 and for years after an enormously powerful state equipped with futuristic weapons had intervened in our Revolutionary War. From bases in Canada it rained destruction on the thirteen colonies. A million Americans, a third of the population, fled their homes; 300,000 were casualties.

When the war was finally over, how might the victorious Americans have felt about that foreign state? If one of its ships had sailed into what were claimed to be Americans waters, might we have been tempted to board and seize the vessel?

A comparison between America in 1775 and Cambodia in 1975 is not so far-fetched. The peasant society of Cambodia—today is hardly more advanced, technologically, than eighteenth-century America. Cambodia was just as defenseless against B–52's as the thirteen colonies would have been.

American planes dropped 250,000 tons of bombs on Cambodia between 1969 and Aug. 15, 1973, when Congress prohibited all U.S. military action in, over or on the waters adjoining Indochina. Between a third and a half of Cambodia's 7.5 million people became refugees. John Swain of The London Sunday Times, one of the correspondents recently evacuated, described the physical damage he saw as follows:

"The entire countryside has been churned up by American B–52 bomb craters, whole towns and villages razed. So far, I have not seen one intact pagoda. . . . The war damages here [Kompong Chhnang], as everywhere else we saw, is total. Not a bridge is standing, hardly a house. I am told most villagers spent the war years living semipermanently underground in earth bunkers to escape the bombing."

With that background, Americans should be slow to point a finger of moral disapproval at the Khmer Rouge. Nor can we rightly take a lofty position on the need to respect law. Washington has not reacted with force when Ecuador seized U.S. fishing boats more distant from shore than the Mayaguez was. And the American bombing of Cambodia was itself of dubious constitutionality.

The United States also bears a heavy responsibility for the political character of Cambodia today. If we had not invaded the country in 1970 and then intervened massively in her civil war, Prince Sihanouk would doubtless have returned to power soon with a left-leaning but more traditional regime. The Khmer Rouge movement would not have developed as it has, in all its hardened zeal. Most of the human suffering of the war would have been avoided.

The Khmer Rouge inherited a ruined nation. We are rightly horrified by accounts of the harsh measures taken. But after what has been done to them, are the Cambodians really to be blamed if they are exenophobic?

Those Americans who had a part in the savagery of our policy toward Cambodia over the years should be particularly slow to utter deploring pieties now. Secretary of State Kissinger, a principal author of the policy, has described events in Cambodia as "barbarous," "inhuman," "very tragic" and "an atrocity of major proportions." A man so steeped in the blood of Cambodians should have the shame to remain silent.

And now the insensitivity is in deeds as well as words. Once again we have to show the world how tough we are: The attitude of the teen-ager proving his manhood did not end with Richard Nixon's Presidency. Demonstrative violence is in fact a central element in Henry Kissinger's diplomatic philosophy. But how long must it be our country's?

How disheartening, too, to see the Mayaguez affair evoke from Congress the old jingo talk and calls for Presidential action. Senator Clifford Case, co-author of the 1973 ban on military action in Indochina, lived down to his reputation as a pusillanimous liberal by telling President Ford that he could ignore the law. Have we learned nothing from Vietnam about law and the Presidency? Have we forgotten that America had the world's respect when she stood for patience and magnanimity in human affairs?

TEXT OF TELEGRAM TO PRESIDENT GERALD R. FORD

My conscience requires me to make the following statement for communication to the members of the United Church of Christ and to the public at large:

If the United States is to have one shred of moral integrity left to it, we, the people of this country, must rise up and denounce our government's senseless use of military force against Cambodia. There is no justification for using force of arms to solve a problem that could be handled in a civilized manner through diplomatic channels and the force of world opinion. It is imperative that each of us demand an immediate end to the attacks being made by our armed forces in Cambodia. Even now we should utilize the United Nations and any other diplomatic channels that are open to Cambodia to redress the actions of the President and his military advisers which have placed this nation in an untenable situation.

ROBERT V. MOSS,
President, United Church of Christ.

PRESIDENT FORD ACTS IN "MAYAGUEZ" RECOVERY WITH EFFECTIVE RESULTS

Mr. RANDOLPH. Mr. President, on Tuesday morning, May 13 I released the following statement, as follows:

The seizure of the *Mayaguez* by the Cambodians is an act of piracy, as correctly described by President Ford. I support his instruction to the State Department to demand the immediate release of the ship which flies the flag of the United States.

Until all the facts surrounding the seizure are known, I do not advocate a particular course of action. However, aggressive diplomatic efforts to secure release of the vessel and her crew must be pursued.

Mr. President, on this morning, I released a second statement, as follows:

Americans approve of the successful recovery of the *Mayaguez* and its crew. I believe President Ford acted properly and that the military operation was necessary.

Our President has exercised his constitutional authority with effective results.

LABOR-MANAGEMENT COMMITTEES

Mr. JAVITS. Mr. President, at this time of economic recession and gloomy forecasts, every effort must be made not only to improve the present conditions but also for us to inform each other on successful efforts at economic development in the country. Thus, I wish to bring to the attention of my colleagues the situation in my State of New York, in Chautauqua County and the city of Jamestown. For some years, that area of New York had been in a troubled condition economically. With persistently high unemployment rates and a declining industrial base, it typified the problems of many such areas in the industrialized Northeast which were losing out to competition in other parts of the country. In Jamestown in particular, the reputation for troublesome labor relations made the location of new industry there especially difficult. Symptomatic of the conditions there was that one of the largest industrial plants in the Northeast, the Art Metal factory, lay vacant for many years.

That situation has dramatically changed. The unemployment rate in the Jamestown area has been reduced from an average of around 10 percent approximately 3 years ago, to an average unemployment rate of approximately 5 percent in recent months, that is, from significantly higher than the national average to significantly lower. For the first time in 20 years there has been a consistent increase in the number of persons employed in manufacturing. Productivity has increased in virtually every industry participating directly in the Jamestown effort. And the labor climate, as illustrated by the number of peacefully negotiated labor contracts and the amount of time lost to strikes, has improved dramatically. Last year Jamestown was designated an All-American city, a title it richly deserves.

I have had the honor to be closely associated with the Jamestown effort, and can assure my colleagues that while these changes have been dramatic, they have not come without bad work.

Three years ago, the mayor of Jamestown, Stanley Lundine, caused to be formed the labor-management committee of the Jamestown area, with my own and other cooperation, to assess the area's problems and to provide constructive solutions in the context of fruitful labor-management dialog. This committee has

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been the spearhead for economic improvement in the area As its latest achievement, the county and the city together have now been designated as a pilot demonstration project for economic development by Governor, former Representative, Hugh Carey.

The important thing about the Jamestown experience is that it is exportable. formed the labor-management committee of the Jamestown area, with my own and other cooperation, to assess the area's That experience—which includes a coordinated effort under the labor-management committee of skill upgrading, quality of work improvement, leadership training, and a concerted attempt to improve labor-management relations—has gained press attention and has also begun to be implemented in at least one other community, Buffalo, N.Y. My own personal view is that at a time when nonfarm productivity has been declining for 2 years in a row, such an effort as is taking place in my State can make a major contribution toward reversing this very unhealthy trend.

I ask unanimous consent to have printed in the Record a copy of the executive order from the Governor making this designation, and some newspaper articles describing the project. I also ask unanimous consent to print in the Record an abbreviated 3-year report of the Jamestown Area Labor-Management Committee. I cannot recommend strongly enough to my colleagues that they study carefully the Jamestown Labor-Management Committee experience as a model for constructive economic development and labor-management cooperation in their own constituency.

There being no objection, the material was ordered to be printed in the Record, as follows:

STATE OF NEW YORK,
EXECUTIVE CHAMBER,
Albany, N.Y., March 21, 1975.

Hon. STANLEY N. LUNDINE,
Office of the Mayor,
Jamestown, N.Y.

DEAR MAYOR LUNDINE: At a time of National Economic stress, the resources of New York State must be applied to restoring the economic vitality of our State. Over the past several years, the Jamestown Labor-Management Committee has demonstrated the ability to stimulate growth in the area's manufacturing economy after years of decline and unstable labor relations. National recognition for these achievements has been given by the United States Economic Development Administration which awarded the Committee a national demonstration grant to assist the efforts of the Committee in furthering its program of economic revitalization.

Moreover, in cooperation with the City of Jamestown, Chautauqua County has established a highly successful industrial development program which has resulted in substantial new investment within the County.

In order to assure the necessary cooperation of appropriate State agencies with the efforts of the City of Jamestown and Chautauqua County, I hereby designate the Jamestown-Chautauqua County "New Economic Process" as a pilot demonstration project of the State of New York and direct appropriate State agencies to assist the Committee in carrying out its program in a timely and well-executed fashion.

I have asked David W. Burke, Secretary to the Governor, to coordinate State efforts in this pilot project by informing all pertinent State agencies of the objectives of this program.

I wish every success to this project so that it may serve as an example to other areas of the State as a means for stimulating industrial growth and productivity.

Sincerely,

HUGH L. CAREY.

[From the Washington Post, May 4, 1975]

LABOR-MANAGEMENT PARLEYS REVERSE STAGNATION TREND

(By Hobart Rowen)

JAMESROWN, N.Y.—Joe Mason, the burly directing business agent of the International Association of Machinists, District 65, is on his feet addressing the largest dinner meeting in the three-year history of the Jamestown Area Labor Management Committee.

He is in a good mood, as is the crowd of about 150 union leaders and business executives.

Ed Rohrbach, president of Hopes Windows, a division of Roblin Hopes Industries, Inc., leans over to whisper: "Three years ago, you never could have got these fellows to sit down to dinner, or even mingle in the same room. And when you sit down to dinner together, it's hard to get mad at each other."

Rohrbach—cochairman of the committee with Mason—observed that the top people were present: presidents of the companies and their chief personnel men, and presidents of the local in-shop unions and shop stewards.

To the outsider getting a first look, the Jamestown experiment is a heartwarming and hopeful prototype. The succesful effort to improve productivity while boosting the quality and satisfaction of work has put this small western New York community back on its feet.

The main inspiration for the Jamestown effort, all agree, came from Mayor Stanley N. Lundine, serving a third two-year term.

Elected first at the age of 29 in 1969, Lundine concluded there was little hope of restoring Jamestown's once noted and highly skilled manufacturing base unless the area's reputation for a "bad" labor climate could be altered.

Lundine persuaded the presidents of 15 local manufacturers and the unions representing their workers to sit down together and hammer out issues.

"That first one was a rough, tough session," Mason recalls. "My own guys were very suspicious. They figured I must be looking for a political job somewhere. But I persuaded them to trust me, and I promised I'd be the first to haul out if it didn't work."

The companies involved range from international conglomerate TRW's Marlin-Rockwell division and large local outfits such as Blackstone Corp., a radiator manufacturer, to smaller producers of metal glass products and the furniture for which Jamestown has long been famous.

Cooperating unions include Mason's IAMAW, the United Auto Workers and smaller ones such as the International Association of Bridge Structural & Ornamental Iron Workers.

By treating each other as human beings with a shared problem, the Jamestown leaders—with the guidance of a professional coordinator, James Schmatz—have found that cooperation is a positive force for good, not a cop-out.

In-plant committees pay attention to the "quality of work" concept, which strives to make individual jobs more challenging and to upgrade the skills of those on the payroll.

From 1969 to 1971, there had been a net loss of 2,100 manufacturing jobs out of nearly 20,000. Unemployment stood near 10 per cent of a total work force of around 60,000 at the end of 1971, far above the national rate of just under 6 per cent.

Jamestown had come to symbolize strikes, bad industrial relations and inefficient management.

But the positive approach of the Labor Management Committee reversed a disastrous trend toward economic stagnation. Between 1972 and 1974, manufacturing jobs rose by 1,100 and, by the third quarter of 1973, the unemployment rate had dropped to 4.2 per cent.

What is Jamestown's secret? "The key word is 'communication'," Rohrbach says. "Both sides—and we don't even like to use the word 'side' anymore—decided that all our problems are common problems."

A coup for the committee was the recent decision of the Cummins Engine Co. to locate an operation in Jamestown, a move especially satisfying because Cummings—with a potential for 1,500 new jobs—will begin operations in a facility that has been idle since 1969.

Declining productivity nationwide is a worry in Washington. Economist Edward M. Bernstein calculates that, in every quarter since the first in 1973, productivity in the private non-farm economy has declined and the cumulative decrease since then is 4.5 per cent, a spectacular departure from the long-term increase of 2.1 per cent.

Secretary of Labor John T. Dunlop, concerned by this recession-induced decline in productivity, recently pointed out that employees are more likely to cooperate with management's efforts to change wasteful practices when they are consulted on matters of timing, job security and sharing in the gains.

There was a time, of course, when "productivity" was a dirty word in labor circles, because it was synonymous with "speed-up." But, says Jamestown's Mason: "The myth is behind us. We're in a new era."

[From the Buffalo Courier-Express, Mar. 25, 1975]

PILOT LABOR RELATIONS PROJECT SET

ALBANY.—Gov. Hugh L. Carey announced on Monday that a new economic development program in Jamestown and Chautauqua County will be used as a pilot project for the state.

Carey said the program will combine and expand the work of the Jamestown Labor-Management Committee, which in past years has promoted union and management relations and simulated manufacturing in the city, and the Chautauqua County industrial development project, which was described as having already brought "substantial new investment" to the county.

Although the state will put no money into the program directly, it will provide the economic expertise of its agencies, a spokesman for the governor said.

The spokesman said citizens committees will be formed to study specific economic problems. He said the program will also key on manpower projects, labor and management relations and an areawide economic plan.

The state will be examining the program for adaptation in other areas.

HISTORY OF THE JAMESTOWN AREA LABOR-MANAGEMENT COMMITTEE

The Labor-Management Committee of Jamestown has been the principal force for dramatic change from serious economic decline to exciting potential for opportunity and growth. We believe it is a model of an effective community instrument to deal with economic problems and to improve job opportunity. Our experience has demonstrated that cooperation between management and unions, and participation of all parties involved in manufacturing, can contribute significantly to the achievement of economic gains.

The Quality of Work approach to increasing productivity and job satisfaction is proving to be of enormous importance in the local economy, and the skills development program created an exciting opportunity for many persons in the Chautauqua County area work force. The Labor-Management Committee approach has proven to be very effective for influencing the type of change which will occur in a community's economy.

At the end of 1971, Jamestown's industrial economy was in deep trouble. Unemployment was reaching 10% of the work force. There has been a steady decline in the number of manufacturing jobs over an eighteen year period. Art Metal, one of the areas largest manufacturers, had recently been closed due to insolvency and it's new one million square foot manufacturing facility lay vacant.

Industries developments in Jamestown and Chautauqua County had been largely unsuccessful. Efforts to attract new business had been rejected with the comment that the area had a bad labor climate. There had been some long and sometimes bitter strikes at Art Metal and Blackstone Corporation, and serious work stoppages in other plants in the area. The wood furniture industry, which had once been the bulwark of the economy in Jamestown, was slowly moving south. Early in the summer of 1971, Chautauqua Hardware had been insolvent and the workers had gone two weeks without receiving a paycheck. Several others were on the brink of collapse.

Mayor Stanley N. Lundine became convinced that the restoration of the existing manufacturing economy was the key to any economic progress.

Mayor Lundine convened meetings with key labor and industrial leaders in the area. As a result of these preliminary meetings in early 1972, the Jamestown Area Labor-Management Committee was formed. With the assistance of the Federal Mediation & Conciliation Service; Ray Anderson, a local labor lawyer; Sam Nalbone, and several others, first meetings were convened for the purpose of affecting fundamental change in Jamestown's economy.

The first joint meeting of the Labor-Management Committee of Jamestown was held in February 1972. Never before had these people, who represented the workers in the organized plants in the area and the managers of these enterprises sat together in one room. There was a spirited dialogue and government advisors, serving as third party moderators, felt that real progress was beginning to be made when one union representative stood up and said, "The trouble with this town is that you manufacturers have been keeping business out of here for years." The result of that sometimes stormy meeting was a resolve to work together toward common goals.

The companies affiliated with the Labor-Management Committee range from huge manufacturers owned by international conglomerates such as Marlin-Rockwell, Division of TRW: large locally based companies such as Blackstone Corporation, the largest non-captive radiator manufacturer; to very small but significant local industries. There are generally four different types of manufacturing endeavors:

1. fabricated steel
2. engineering products
3. glass and ceramics
4. wood furniture

The unions representing these workers range from the International Association of Machinists and Aerospace Workers, which has locals in most of the manufacturing companies, to the United Auto Workers, which has one large local, and the International Association of Bridge, Structural and Ornamental Iron Workers, which is with a relatively small Jamestown plant.

Following the dialogue of the first meeting of the Labor-Management Committee in the early spring of 1972, and the intensive investigation of common purpose which resulted, four principal goals were originally established for this newly formed organization:

1. improved labor relations
2. manpower development
3. assistance to industrial development programs
4. productivity gains in existing industries

Productivity was singled out as the most important objective of the committee. It was clearly stated that the productivity goal must be broadly defined and that there should be no job loss in any plant as a result of achieving productivity gains.

The breadth of the definition was the only factor which allowed labor leaders to accept this primary objective. For example, reduction in absenteeism or the elimination of the waste of materials during the manufacturing of products were primary productivity objectives. Unions had come to regard the word productivity as equated with speed-up, time and motion approaches which were so distasteful to their members. The automation phobia with its attendant loss of jobs—and union members—had not been a major factor in Jamestown because of the job-shop nature of the industries. But, the attitudes found elsewhere were certainly prevalent with the labor in southwestern New York State.

Upon analysis, the labor leaders came to the difficult conclusion that in the long term, productivity was and must be the primary goal. The only way to improve the business conditions existing from manufacturers about the high New York State taxes and other costs of doing business in this area had to be offset by higher levels of productivity. Furthermore, the best way to attract new industry and to deal with the new threats of increasing foreign competition, was to prove that Jamestown was a productive place to do business because of a good labor relations atmosphere.

Armed with an array of projects and concepts, representatives from the Jamestown Area Labor-Management Committee went to Washington to see if some assistance could be obtained for the Jamestown project. Joe Mason, labor co-chairman and business agent for the machinists union, and Wally Dixon, vice president of the AVM Corporation, made several attempts to gain outside financial assistance for the Jamestown project. During the period, interest in the Jamestown Committee was expressed by a great number of federal officials and agencies including the National Commission on Productivity, the Department of Labor, the Economic Development Administration, and the Bureau of Labor Statistics. The prospects for federal assistance were continually persuaded without success. The one source of real inspiration and assistance to the Labor-Management Committee was Senator Jacob Javits. The Senator was a speaker at a dinner sponsored by the committee in November 1972 which was attended by more than 300 union workers and management employees at all levels.

Javits praised the program of the Labor-Management Committee and called it the type of innovative approach, "which is essential if our country is to survive as a great economic power". He pointed to Japan and Germany, which had significant gains in productivity in recent years; he pointed out that U.S. absenteeism in the automobile industry is up 100% in the past ten years; fixed hours and relentless assembly-line methods prevail in most U.S. industries; wage and salary incentives are the exception; worker participation in work situation decisions is discouraged; and, not surprisingly, a recent survey showed that 25% of workers under 30 are dissatisfied with their jobs.

At the end of the first year, the Jamestown Area Labor-Management Committee could look to some definite achievement. There had not been a single strike in the manufacturing community during the last year. Chautauqua Hardware had been reorganized and negotiated a new labor contract with wages directly tied to productivity increases. The Labor-Management Committee had been influential in dealing with the emerging energy crisis by negotiating additional allocations of gas for a couple of Jamestown plants which wanted to expand but were subject to certain restriction. Attention was being given to these efforts by national publications such as Newsweek, in an article outlines "Closing the Productivity Gap" and the Wall Street Journal. The committee has served to give the manufacturing community a common purpose, and new levels of trust and understanding were beginning to be built.

Finally, the efforts of Mayor Lundine and leaders of the committee were successful, and a small federal grant became a reality. The Economic Development Administration allocated $22,500 which was matched by $7,500 in local funds to implement the policies and programs to the Labor-Management Committee. In June of 1973, Dr. James McDonnell was recruited to implement the policies and programs of the Labor-Management Committee. Almost simultaneously, the National Commission of Productivity agreed to fund a demonstration program whereby Dr. Eric L. Trist of the Management and Behavioral Science Center, Wharton School, University of Pennsylvania, could assist the Jamestown project in achieving its productivity objective.

1974 was a year of dramatic change in the Jamestown area. This was the first year that the Labor-Management Committee was actually fully in operation throughout the year. A program was developed to facilitate progressive change One of the keys to this program for 1974 has been the inplant committees. These labor-management committees were organized within individual plants and workers, as well as managers, were represented on these committees. The in-plant committees were designed to discuss any particular problem, outside of the direct collective bargaining issues, which were of interest to the Labor-Management Committee. Several of the programs of the Jamestown Area Labor-Management Committee have begun as a result of needs that were identified in the in-plant committees. These programs have included skills training programs, Quality of Work programs, middle management training programs, leadership training programs, annual meetings and conferences, as well as monthly meetings of the Labor-Management Committee with speakers to discuss topics of mutual interest. The most dramatic impact of the Labor-Management program, however, came from outside people. For the first time in at least fifty yeara, Jamestown attracted a major new industry to join it's existing manufacturing companies. Cummins Engine, among the most progressive manufacturers in the world, decided to move into the one million square foot plant formerly the defunct Art Metal Corporation. This operation has a potential for 1,500 employees. One of the major reasons for Cummins Engine locating in the Jamestown area was the community attitude toward progressive work systems and Quality of Work.

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At the same time, less dramatic and equally important changes were taking place in many of the member companies. For instance, Blackstone Corporation announced a major multi-million dollar expansion program. Crawford Furniture enlarged it's operation. Many other companies were expanding employment opportunities. The twenty year slide in the number of jobs in the Jamestown industrial scene was finally reversed. There was an absolute increase in the number of persons employed in manufacturing. The unemployment rate had been reduced from 10% of the work force in March of 1972 to 4.2% in September of 1974.

The program which was designed to achieve the broad productivity goal was a changing and flexible series of approaches based on input from in-plant committees, as well as the overall committee. Several components emerged that were of overriding importance. The most important of which are:

1. Quality of Work
2. Skill development
3. Leadership training
4. Improved labor relations

These elements of the Labor-Management Committee program were not the soul, but the most important aspects of the dramatic change which was occurring. They comprised the heart of the Jamestown experience. A total of ten plants have had in-plant activities. Individual projects have been started in the Quality of Work program, in labor relations, and productivity incentives are being worked out in two of the plants where these programs are taking place. Jamestown Quality of Work endeavors are designed to bring about higher levels of productivity and also increase satisfaction of the workers; both by redesigning the in-plant system and by improving the community system in which this work takes place. The most advanced experiment in plant level change in the Jamestown area has taken place in Falconer Plate Glass Company with Bob Keidel, an associate of Dr. Trist, acting as advisor. This glass processing company has 250 employees and is in a highly competitive market. The program will result in reduced scrap, increased safety and a share of increased profits. Jim Schmatz, the Labor-Management Coordinator, is also working with several other companies including Jamestown Manufacturing Corporation to establish advanced Quality of Work projects.

Another of the programs which developed out of the in-plant labor-management committees is the skill development program of the Jamestown Area Labor-Management Committee. Rather than concentrating on the orientation of the unemployed, the program tended to focus on the upgrading of the skill base of those already employed. The first successful skill development program was conducted in 1974 for the wood industry. Six of the twelve furniture industries engaged in the manufacture of high quality wood furniture identified two key skills as sticker-molder and double entenoner. The in-plant committees recognized that the loss of these skills meant the loss of industry. On the basis of this need, a group of companies and union leaders formed as a task force, establishing a skill development program. Some of these dealt with the issue of seniority and aptitudes. Others involved contractual barriers to effective training programs. Each problem has been solved by the task force that designed the program, working in cooperation with the in-plant labor-management committees.

The other skill development programs which are under way are in response to the changing technology impacting on the local industry. The next major program will be conducted in the fabricated metal industry, which is the largest single employer in the Jamestown area.

The educational requirements of a successful economic program have not been confined to the skill development area. The Jamestown Area Labor-Management Committee, through in-plant committees, has also identified the need to have management courses for first line supervision, communication courses for union stewards, and joint labor-management opportunities for contract administration and grievance processes. The New York State School of Industrial & Labor Relations has assisted the committee in meeting this need. Jamestown Community College is also involved, along with Federal Mediation & Conciliation Service. Specific courses are designed to either help the situation within the particular company, or an entire industry, or all of the different industries in the community.

In addition to the need to improve the Quality of Work and the training availability in the Jamestown Area, the Labor-Management Committee concluded that information on specific subjects would be conducive to establishing improved labor relations. Accordingly, the Labor-Management Committee holds dinner meetings, often with a specific speaker on a particular topic of interest. For example, William Kilberg, solicitor for the United States Department of Labor recently explained the safety requirements of OSHA. Dr. Phillip Ross of the University of Buffalo lectured on new developments in labor relations. Paul Yeager, regional director of the F.M.C.S. spoke to the groups on the new era of collective bargaining. These meetings give the committee members and their guests an opportunity to develop improved social relations, as well as to acquaint them with the specific trends in the labor relations field.

Several problems have been encountered from the beginning of the Jamestown Labor-Management project. One has been the repeated attempt of some interested residents to expand the activity of the committee beyond the industrial focus. One of the essential reasons for success in the program has been the rejection of the idea that it should broaden itself to solve labor relations and economic problems in unrelated areas. The in-plant committees, which are the core of the program, are also very fragile and are affected by numerous factors outside the scope of the program itself. Several times, the break up or elimination of a particular committee has been threatened by failure to communicate the real objective and the impact of the Labor-Management Committee. The understanding of the rank and file as to the need for collaboration is part of the process. To the extent that any labor leader that is involved in such a committee has difficulty with rank and file resistance, the entire program is jeopardized.

Unique problems confronted by the committee involved the potential loss on important industries of the Jamestown area. The methods that have been used to approach and solve these problems are confidential; however, the technique has been to use the base of labor-management cooperation that is already present in the form of the Labor-Management Committee.

The Jamestown Area Labor-Management Committee represents companies totaling a work force of more than 11,000 men and women. The membership in the program has included 30 companies and 60 plants. Not only has the unemployment rate been reduced from an average of around 10% at the commencement about three years ago to an average unemployment rate of about 5% in recent months; but the absolute number of manufacturing jobs in the Jamestown area has increased significantly.

Productivity has increased in virtually every plant that has aggressively undertaken a new program. In Chautauqua Hardware Corporation, for example, the productivity per employee has increased by more than 80% in the last two and a half years. The skills-upgrading program just concluded with 162 graduates from 15 companies and has involved numerous others in planning, instruction and implementation. The wood furniture products skill development project graduated 22 representatives from six different plants in the fall of 1974.

During the last three years, every labor contract in the manufacturing companies in the Jamestown area has been negotiated. There have been only five minor strikes in this period with a total time loss of 41 days. In the three years prior to the establishment of the committee, there were eight strikes with a total time loss of 302 days.

Cummins Engine Company expansion in the Jamestown area is providing an excellent new opportunity in the largest manufacturing concern built in New York State since World War II. Blackstone Corporation has undertaken a major expansion program, and many other local manufacturers have expanded production capabilities.

The attitudes of labor and management is demonstrated by their direct support and direct participation in the committee and are extremely positive. Over 1000 representatives have been, and continue to work in the program of the Labor-Management Committee. Every major unionized company and every union is represented and participating. Every possible community resource has been mobilized as never before and labor and management are cooperating to use these resources to their mutual benefit.

SMALL BUSINESS WEEK

Mr. NELSON. Mr. President, May 19 begins Small Business Week and, as chairman of the Senate Committee on Small Business, I want to take this opportunity to recognize the importance of small business to the Nation's economy, employment, and well-being.

For years, many Americans have felt intuitively that small businesses are the backbone of our economy, its major employer, and an important element of the necessary cement that holds our society together.

EFFORTS TO IMPROVE SMALL BUSINESS VISIBILITY

However, a major problem of smaller enterprises is that their needs are neglected or ignored by Government officials who move the levers of power, impose regulatory requirements, and send out forms with which business persons must sit down and grapple. We who have served on the Committee on Small Business over the years have found a general lack of knowledge about the great contributions made by the multitude of small businesses.

Some extraordinary efforts by our committee over the past few years have produced better information to define the vital segment of our economy classified as "Small Business."

We know, for instance, that there are nearly 13 million U.S. business enterprises, divided as to form of organization, as follows:

	1972
Total businesses	12,989,298
Corporations	1,540,815
"Subchapter S" corporations	283,679
Partnerships	992,012
Proprietorships	10,172,792

Source: Preliminary Statistics of the Internal Revenue Service.

Approximately 3 million of this total are agricultural and about 1 million are self-employed professional practitioners such as doctors, lawyers, and architects. The balance are in the so-called commercial trades and businesses. Each of these units are "in business," and are obliged to operate in a businesslike manner to remain in existence.

VALUE OF SMALL BUSINESS

The millions of firms that make up the Nation's small business community are infinitely diverse. Each of them has different problems. But they all have some things in common—they employ people at a time when unemployment is high and they work with consumers at a time when consumer confidence is low.

Our committee's recent hearings verified from both the Small Business Administration and Commerce Department data that enterprises defined as "small business" provide between 52 and 53 percent of the jobs in the private labor force.

We found, further, that over the past 25 years, three-quarters of the 18½ million jobs created in the United States have been in distribution, retailing, and service trades in which smaller businesses predominate.

This is a time when our economy is in trouble. Unemployment in the economy is close to 9 percent and the gross national product plunged 10.4 percent in the first quarter of 1975. This was accompanied by a 40-percent drop in profits over the past half year—the worst slump in profits since the 1930's. As a consequence, there has been a shortfall at the rate of nearly a quarter of a billion dollars a year in the use of our country's resources.

Small businesses can help solve these problems if they are given an even break. Small and independent business is one of the best sources of employment. Also, since smaller firms often meet the consumers face to face in their own neighborhoods, they must sell their merchandise at the lowest competitive prices. By doing this they help fight inflation.

EMPLOYMENT AND INNOVATION

Studies also show that smaller firms tend to retain employees through recessions—they are willing to sacrifice profit for stability, because they realize that trained and loyal personnel are important to their businesses.

Another dimension of the small business value in furnishing jobs is the creation of new products and services.

We know that individual inventors and firms defined as "small business" consistently account for more than half of the inventions and innovations that move the economy forward.

For example, Edwin Land started as a solitary inventor during the 1930's. His talents built a company whose sales and employment grew at compound rates of 13.4 and 7.5 percent between 1945 and 1965. Texas Instruments was a small company reorganized by a group of men who worked for the Navy during World War II. Its first public stock issue was under the "Regulation A" small business exemption. The company's sales and jobs grew at compound rates of 28.9 and 10 percent respectively, during the two decades after World War II.

Companies such as these are keeping the United States competitive in world markets and building and maintaining an industrial base—and consequent employment—in this country.

SMALL BUSINESS AND MOTIVATION

No small businessman quits his business at 5 every day to drive home. If he were content to draw a salary, he would not be drawing a salary very long. He takes the problems of his business and of the whole economy home with him. He must make decisions, but he must make those judgments in the best interest of his employees, his consumers, and his community—because he depends upon the goodwill of all of them. He is not "here today and gone tomorrow," but has roots in his locality for years, if not for generations.

With his or her reputation at stake, as well as capital at risk, the small businessperson has the incentive to do a better job, to render an extra service, and to be just little more helpful to everyone.

PROBLEMS MOUNTING FOR THE SMALLER FIRM

Despite all the obvious benefits of small businesses to the Nation, the trends are moving heavily against the little man. The 1974–75 recession has been the worst since the Great Depression, and as shown in our committee's hearings in February, small firms historically are hurt first and worst by economic downturns.

Tax burdens—Federal, State, and local—as well as associated paperwork requirements are becoming heavier and harder for small enterprises to bear. Regulatory requirements which seem to increase every year are increasingly onerous.

Our recent hearings on "Small Business Tax Needs" confirmed that while smaller firms pay effective tax rates at or even above the statutory rate of 48 percent, 1 of every 5 large companies pays taxes at less than 43 percent, and the 100 largest corporation, year after year, pay between 25 and 30 percent.

The "Statistical Abstract of the United States," published last year, showed that the share of the national economy accounted for by the largest 200 companies has been steadily increasing while the share of small- and especially medium-size business has been shrinking.

Mergers numbering between 4,000 to 6,000 a year are creating ever larger corporations with which the public and the Government must deal. For instance, last year, the nation's 3rd largest oil company, Mobil Oil, acquired the nation's fourth largest retailer, Marcor.

In 1973, Fortune registered only 140 companies with sales of over $1 billion. In 1974, it listed 167.

Corporations with over $1 billion in assets derived 38 percent of manufacturing profits in 1960. This had climbed to 53 percent in 1970 and 56 percent in 1972. And in 1973, Fortune reported that the 500 largest industrial corporations in this country accounted for 65 percent of total U.S. sales and 79 percent of total manufacturing sector profits.

Those and similar figures mean that 500 chief executive officers are in a position ultimately to control the resources represented by annual sales of over $667 billion, or about twice the size of the Federal Government's budget. Many of these corporate giants are larger than many independent countries.

Our Nation in many ways pioneered the world's most successful economic system: free private enterprise. This system has been able to provide adequate income for most of our citizens because it has allowed the resourceful individual to found a small business which could take root and grow into a big business. We must not now careen downhill into "the corporate state." We must ask ourselves whether such concentrations of economic power are good for our economy and our way of life, or whether they are changing the character of the American system.

In my view, the best way to pull the Nation out of the economic doldrums and redress the balance in our economy is to enhance and develop the opportunities of our small and independent businesses—from the convenience store down at the corner to the franchise outlet at the crossroads, to the builders, distributors and smaller manufacturers across the land. We in Government need to listen to and heed the advice of general business organizations such as the National Federation of Independent Business and the National Small Business Association; to groups representing specific industries such as the National Home Furnishings Association National Association of Small Business Investment Companies, the National Association of Wholesalers, and the National Society of Public Accountants; and to the regional groups like the Smaller Business Association of New England, the Independent Business Association of Wisconsin, the Smaller Manufacturers Council of Pittsburgh and the Council of Small Enterprises of Cleveland.

AN ANCHOR OF OUR LIBERTIES

It will only be through a concerted effort of the Congress of the United States, the executive branch to a great extent, the courts, and the State and local governments of this country that we will see a renewal of small- and medium-sized independent business, and a consequent move away from oligopoly—and its final form, monopoly—toward a more open, diversified, and competitive society.

Democracy works best in a type of capitalistic society where entry and exit to and from the marketplace are relatively easy. Capitalism won't work well if the sheer size of corporations and the burdens of Government regulation make it difficult to sustain any sort of new enterprise or competition.

MEANING OF SMALL BUSINESS WEEK

So, in my view the good health of the "small business" segment of the economy

UMI

is enormously important if we want to overcome our current problems and achieve long-term stability. Small business is the heart and soul, as well as the "backbone," of our economy.

The preservation and viability of our democracy and the free private enterprise system depends on the health of small business, their establishment, growth, and independence; their new ideas, energy, new economic opportunity, and economic growth. If we are serious about creating jobs and improving the economy, we must help new, small and independent business survive, grow, and prosper.

As we proceed into Small Business Week, I hope that Members of this body and people in every geographic area and walk of life will take a few minutes to observe Small Business Week in a meaningful way by recognizing the importance of small enterprise and making a commitment to reinforce the position of small and independent business in American life.

HATHAWAY'S CRITICS OMIT PERTINENT FACTS

Mr. HANSEN. Mr. President, during the recent confirmation hearings of former Gov. Stanley K. Hathaway of Wyoming, there have been unfortunate misrepresentations of Hathaway's record and philosophy on environmental issues. I ask unanimous consent that a newspaper article which appeared on May 14, 1975 in the Denver Post, be printed in the RECORD. This article points out some of the distortions of Governor Hathaway's record and philosophy.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HATHAWAY'S CRITICS OMIT PERTINENT FACTS

(By Leonard Larsen)

WASHINGTON.—Environmentalist critics who charged that a document supporting the nomination of Stan Hathaway as Interior secretary contained distortions of the record have opened themselves to the same charge.

In a "review" released Monday of Hathaway's testimony before the Senate Interior Committee—accompanied by a plea that the Hathaway nomination be rejected—officials of the Environmental Defense Fund (EDF) omitted several Hathaway responses.

As contained in the actual transcript of the Hathaway confirmation hearings, the answers of the former Wyoming governor —not contained in the EDF review—showed him emphatically in support of the reclamation objectives of the strip-mining bill now awaiting signature or veto by President Ford.

Leading the initial attack on the Hathaway document—a glowing report of "The Hathaway Administration and the Environment, 1967–1974"—were two Denver officials of the EDF, Katherine Fletcher, staff scientist, and George W. Pring, director of the Denver office.

Their analysis of that document, the EDF officials told the Senate Interior Committee in a prepared statement last week, "discloses a pattern of seriously misleading statements, exaggeration and selective omissions."

That analysis was used extensively by Sen. Floyd Haskell, D-Colo., in his questioning of Hathaway before the committee last week.

Monday Haskell announced he would oppose the Hathaway nomination, not on environmental grounds but because of the Hathaway document which, he said, was "misleading" and untruthful.

Haskell said he hadn't seen the EDF "review" of the Hathaway testimony released earlier Monday but that he had been satisfied with the previous "analysis." Throughout his formal statement announcing his opposition to Hathaway, Haskell incorporated the EDF arguments as his own.

A reading of the EDF "review" alongside the actual transcript of the Hathaway confirmation hearings—in only the area of strip-mining legislation—shows the EDF vulnerable in the areas of distortion in which its officials accused Hathaway.

The "review" itself is prefaced with the assurance by the EDF that it was "compiled after a careful examination of the transcript of the nominee's testimony."

In the portion of the "review" devoted to the strip-mining legislation, the EDF offers another assurance that "the hearing record is particularly complete on the subject of Mr. Hathaway's analysis of the federal strip-mine bill, and the question of his willingness to refrain from leasing coal while the regulations under the act are promulgated."

Omitted from the EDF "review" of the Hathaway testimony, however, is a response by the former governor in which he praised the bill for its potential in "protecting the environment."

PASSAGE OMITTED

Also omitted was a passage of the actual transcript in which Hathaway said he would favor imposition of standards contained in the bill, even if the measure is vetoed by the President.

Left in the "review" were Hathaway's acknowledgements that he had "qualifications" about the bill concerning its economic impact, and if the impact were deemed to be adverse, it was possible he would recommend a presidential veto.

In the EDF "review" of the Hathaway testimony, the transcript is quoted as saying he would give a "qualified yes" to support of the strip-mining bill, adding that "the qualifications and reservations are with respect to the economics of the situation and with respect to the productivity of the coal."

The EDF "review" of Hathaway's response ends there, picking up with a question from Sen. James Abourezk, D-S.D., in which Abourezk says:

"I do not understand your answer . . ."

HATHAWAY COMMENT

Actually, before Abourezk's remark, Hathaway discussed the strip-mining bill at some length, including this passage as contained in the transcript but not in the EDF "review:"

"Let me say this. As I analyze it from my experience as a governor in a mineral producing state that has a strip mining law, that has great mineral reserves, I like the bill. I think it is workable.

"Administratively, I think it gets at the thrust of the problem of protecting the environment and making it possible to use more coal for this country's needs at the same time.

"With respect to the rehabilitation with impact aid to the states impacted by coal development and the possibility of correcting some of the abuses of the past, I think that is fine.

"I like the research provisions of it."

QUESTIONS ASKED

In a later exchange with Abourezk during the same day of testimony—May 6—Hathaway was asked several times if he would impose strip-mining standards as "stringent" as those in the pending strip-mining bill, even if the bill is eventually vetoed by the President.

At one point in the exchange the "review" portrays Hathaway as answering, "Senator, I really do not know how to answer that question. . . ."

Omitted from the "review" is the followup Hathaway comment that "You are asking if one man can implement rules and regulations that may or may not be in the law. Perhaps we would have to extend the (leasing) moratorium to find out exactly what we could do."

In another portion of the same exchange, Abourezk asks Hathaway whether he would follow existing standards of the Interior Department in setting strip-mining standards or follow those in the pending bill.

PARTIAL QUOTE

The "review" published by the EDF has Hathaway answering only, "I have not had an opportunity to review the standards the Interior Department now has."

In fact, according to the hearing transcript, Hathaway continued:

"There has been a moratorium. They have not been issuing leases. I have not had an opportunity to review that.

"Let me say as a matter of philosophy, Senator, I have read the bill and I think it is very similar to the one we have in the state of Wyoming.

"I think Wyoming would qualify under the bill with some very minor adjustments. Philosophically, I am compatible with the regulations in that bill as it respects environmental protection."

Also omitted was Hathaway's comment that "if I had the authority, I would come as close to the standards in that bill as I could."

CUBAN LEGISLATION

Mr. HARRY F. BYRD, JR. Mr. President, on May 7, I introduced a number of amendments to S. 935 introduced by the senior Senator from Massachusetts, Mr. KENNEDY.

In commenting on Senator KENNEDY's legislation which would repeal the embargo on trade with Cuba, I implied that the Kennedy proposal would permit taxpayer assistance to Cuba.

Senator KENNEDY has written me such is not the actual purpose and provision of S. 935.

While I oppose the removing of the embargo against Cuba without appropriate concessions from Castro, I do not want to imply a purpose to S. 935 which the author says is not there and am glad to make these comments for the RECORD.

EDITORIAL OPINION ON THE FARM BILL

Mr. TALMADGE. Mr. President, I have just read a copy of an editorial which appears in today's edition of the Atlanta Constitution, pointing out the central mistake of the President's veto of the farm bill.

Because the newspaper crystallizes the issue so well, I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE FARM VETO

It is unfortunate that the House failed to override President Ford's veto of an emergency bill to raise farm price supports—a measure which Georgia Sen. Herman Talmadge endorsed and struggled to get passed.

It appeared that the Senate would override Ford's veto, but that became academic when the House failed by 40 votes to override it.

The bill was designed to safeguard farmers against a drastic economic squeeze if they reap big, price-depressing crops this fall which now appears likely. It would have raised 1975 support target prices and crop support loan rates for wheat, feed grains, and cotton, and also increased support levels for soybeans and milk.

President Ford, in vetoing the bill, said it would add $1.8 billion to the federal deficit in the year ahead and push retail food prices higher. But. Sen. Talmadge said Ford acted on "bad advice from poor advisers who used faulty logic."

The President was wrong in vetoing the measure, although he acted with good intentions. For one thing, it is not clear at all that the temporary price supports for farmers would have pushed retail food prices higher—especially not if there were an abundant harvest.

And, although federal budget deficits are in general very bad news, assistance to U.S. farmers is one of the best reasons possible to risk deficit financing. Farmers, as a group have been hard-pressed economically in recent years and their costs of producing crops are continuing to rise.

The farming industry is the central cog in the production of food, and it must be based on stable economic conditions if the farmers are going to take the big risks involved in producing sufficient quantities of food for Americans at reasonable prices.

President Ford, fortunately, is not totally unmindful of the farmers' present difficulties and has pledged to use existing administrative authority to raise crop support loan rates for wheat, corn, and soybeans if market prices continue to decline.

That may not be sufficient, but for now that's the best farmers can hope for.

THE U.S. FOREST SERVICE FISCAL YEAR 1976 BUDGET

Mr. PACKWOOD. Mr. President, today I have presented my comments and recommendations on the U.S. Forest Service fiscal year 1976 budget and transition quarter through September 30, 1976, to the Senate Appropriations Subcommittee on Interior. For the benefit of my colleagues and those who will read this testimony, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT BEFORE THE U.S. SENATE COMMITTEE ON APPROPRIATIONS SUBCOMMITTEE ON INTERIOR BY SENATOR BOB PACKWOOD

Mr. Chairman and Committee Members: No one doubts the seriousness of meeting our Nation's housing needs in the years to come. The administration and congress have both set their sights on this goal.

At the current Congressionally endorsed rate for yearly housing starts, our nation's housing goal is 26 million new housing starts by 1985. The Senate Committee on Banking, Housing, and Urban Affairs, upon which I serve, has extensively studied this complex subject and reported programs to the Senate designed to revitalize the housing market by making new homes easier to purchase.

America's housing supply is inextricably tied to the price and supply of lumber. My home State of Oregon is widely recognized as a major source of public and privately owned timber resources which ultimately fuel our ever expanding housing industry.

Among the public agencies which steward our public lands, the United States Forest Service does an outstanding job. The Forest Service should be commended for the enormous undertaking it assumes each year in managing 191 million acres of our country's most productive lands. The 155 National Forests, 19 National Grasslands, 17 Land Utilization Projects and 26 National Research Areas, which compose the National Forest System pose an ominous task of well disciplined resource management. The amount and diversity of land uses within the National Forest System is widely known, as the following table shows:

NATIONAL FOREST SYSTEM 1975

Protection and management:	
	Million Acres
Forest land	187.3
National grasslands	3.8
Land utilization projects, purchase units, research and experimental areas	429,450 acres
Total land base	
Comprising:	
	Billion Board Feet
Standing timber	$1,007.0
Annual timber harvest	11.0
Receipts:	
	Million
Timber sales	$459.9
Grazing fees	7.8
Mineral receipts	9.3
Recreation admission	7.1
Land uses	1.6
Total receipts	485.7
Returned to States	119.5

The National Forest System is a well spring for timber and forest products and the basis for thousands of different livelihoods. Over 13 billion board feet of timber was produced in 1974 with receipts approaching one half billion dollars in 1974.

The economic and social importance of adequately funding the National Forest Service is easily documented:

1. The 1974 base income of $487.5 million, of which 65% accrued to the general fund, 25% directly to the States and counties in which NFS lands are located, and 10% for road construction and improvement.

2. The NFS land base of 191 million acres represents 10 percent of the area of the continental United States. Nearly 24 percent of this land is in areas presently experiencing economic distress. Local economies and employment is often supported in part or solely from the economic development of these forest resources.

3. Dependence on the expected annual yield of 13.1 billion board feet from NFS land for 1975 is expected to increase as quality timber on private land is depleted.

4. Nearly 3.12 million head of domestic livestock (mature animals) are grazed on National Forests and Grasslands, or roughly 7.95 million animal unit months grazed. Without wise management of these rangelands, our country's livestock industry would be further set back from its already depressed levels.

5. NFS lands provide about 390 million acre feet of high quality water annually. Nearly all western towns and cities and many in the east have municipal water supplies that are protected and enhanced by the protection of these upland basins and ranges. In addition, about 20 million acres of western lands are irrigated from these supplies.

6. NFS lands provide essential habitats for millions of forest animals and fowl, and the opportunity for many varied healthful outdoor recreation activities.

A well budgeted program for the National Forest Service is good for the Nation, good for Oregon and good for stable, long-term job opportunities. My home State depends to a great degree on forestry and a successful housing market.

Mr. Chairman, it would certainly be easy to recommend emphatically the full budget capability and more for the Forest Service. What out-lying lumber milling town wouldn't be encouraged by such a recommendation from myself in Oregon?

However, I believe it would be irresponsible to push ahead for further Forest Service funding. Our Nation's economy is threatened already by an overwhelming and growing Federal deficit and soaring interest rates. Indeed, the state of the Nation's housing industry is quite dependent upon the mortgage interest rate, which in turn, affects the strength of the forest products industry. Indeed, my recommendation for increased Federal spending could be counter-productive by further down-turning the state of the housing market.

I wholeheartedly affirm the Forest Service budget as recommended to this committee with, however, some crucial increases totaling $17.9 million for:

	Million
Reforestation and timber stand improvement	$9.0
Accelerated range study program	6.5
Humphrey-Rarick act forest and rangeland renewable resources planning program	1.2
Insect and disease control research	1.2
Total suggested increase	17.9

REFORESTATION AND TIMBER STAND IMPROVEMENT

As of the end of fiscal year 1974, 3.3 million acres were reported in need of reforestation and 9.0 million acres in need of timber stand improvement. The long-term economic stability for our Nation's forest industry through annual maintenance of reforestation needs is well established. The jobs of the next decades that will be lost from less than adequate reforestation and timber stand improvement can be avoided.

I propose the Forest Services full budget capability in the areas of reforestation and timber stand improvement, so that our Nation's forest lands can again grow with the prosperity of more jobs and forest products to meet our future housing needs.

DISTRIBUTION OF AN ADDITIONAL $9,000,000 FOR REFORESTATION AND TIMBER STAND IMPROVEMENT IN FISCAL YEAR 1976

[Amount in millions of dollars]

Appropriation program	President's budget 1976		Packwood additional recommendation	
	Acres	Amount	Acres	Amount
Reforestation	191,255	$28,712	8,745	$5,816
Timber stand improvement	208,559	14,688	12,111	3,185
Genetic tree improvement		2,571		
Nursery operation and development		715		
Total	399,814	46,686	20,856	9,000

DISTRIBUTION OF AN ADDITIONAL $9,000,000 FOR REFORESTATION AND TIMBER STAND IMPROVEMENT IN FISCAL YEAR 1976

Amount in millions of dollars]

Appropriation program	Total President's budget and recommended additions	
	Acres	Amount
Reforestation	200,000	$34,528
Timber stand improvement	220,670	17,872
Genetic tree improvement		2,571
Nursrey operation and development		715
Total	420,670	55,686

Proposed reforestation and timber stand improvement program in the State of Oregon if an additional $9,000,000 is added to the President's budget in fiscal year 1976

Program:	*FY 1976*
Reforestation—Acres	14,900
Timber Stand Improvement—Acres	46,120

Needless to say, this increase will not nearly fulfill our present reforestation needs, but it will move us well ahead to a yearly maintained reforestation program.

At the same time, private industry should be given every incentive to reforest annually. Of the 3.3 million acres to be replanted, 955,000 is to be financed by deposits from timber purchases. The remaining 2,368,000 acres should be considered seriously by Congress as an investment if replanted and a further loss of timber and jobs each year it is not.

ACCELERATED RANGE STUDY PROGRAM

Rangeland is the largest single category of land in the United States and has no alternative for contributing food to man than by way of grazing animals. Ranges are unique resources in providing forage for animal consumption since they revegetate naturally.

Range covers more than one billion acres of land within the continental United States, on nearly 54 percent of the total acreage. Increased use of rangelands for grazing can be expected due to a number of reasons:

Higher priced livestock feeds;

Increased exports of agricultural products; and

Reduced supplies of available livestock grains.

Considering these circumstances and the continuing rise in demand for red meat products, the Department of Agriculture prepared a viewpoint on accelerated meat production from rangelands entitled, "Opportunities to Increase Red Meat Production from Ranges in the United States."

"To present for consideration a report on cost effective opportunities to increase red meat production from America's ranges by a program of research, education, extension cooperation and action, giving consideration for environmental values and contributing in rural development."

The accelerated Range Program is a full agency effort which involves the National Forest Service in developing and managing NFS lands for grazing and multiple use; cooperation with state and private forest programs; and research on forest and related eco-systems—to maximize rangeland grazing, while concurrently studying the ecology of one rangelands to ensure its protection.

Even considering low demand estimate results, range grazing requirements are anticipated to increase 18 percent by 1980 and 24 percent by 1985. The high demand estimate, based on increasing beef consumptive habits, and overall higher livestock feed prices, is for a 40 percent increase by 1980 and by 55 percent by 1985.

Almost regardless of the competitive prices of other livestock feeds, the competitive cost position of range should be improved. Intensive management of all of the available range area could result in production of 566 million animal unit months, although this degree of increased production is not now needed. This is particularly valuable since this goal could be reached within the multiple use context.

Properly managed, most range eco-systems can be grazed without undue atress of alternative resource uses for watershed protection, wildlife habitat, timber production and recreation while dramatically increasing range animal unit month benefits.

A program to study range management is vitally needed to accommodate our range needs for the future. The NFS has proposed an accelerated range study program intended to serve the national requirements for forage by 2020, at a minimal cost for the first year of $6.5 million.

The program would provide for:

Restoration of NFS ranges; more forage;

Increase technological assistance to non-UFS;

More grazing;

Increased income to ranching communities;

Enhanced range and wildlife environment; and

Creation of two validation areas.

This program will start the necessary research upon rangeland management and production. I wholeheartedly recommend this valuable program for funding in fiscal year 1976, together with a great expression of interest in this type of intensive management by:

The Western Governor's Conference;

National Cattleman's Association;

American Wool Growers;

National Wildlife Federation;

National Association of Conservation Districts;

American Farm Bureau Federation;

Wildlife Management Institute; and

Professional Society of Range Management.

HUMPHREY-RARICK FOREST AND RANGELAND RESOURCES PLANNING ACT

This Act is intended to insure that the United States has an adequate supply of forest resources for the future, and maintains the quality of the environment. The Act contains two major requirements:

1. The FS must periodically submit to Congress a Renewable Resource Assessment, and;

2. A long-range Renewable Resource Program Assessment.

These assessments must be thorough and detailed in considering all forest, range and related land resources in the United States.

The enormous task of inventoring, analyzing and discussing this great amount of land places a tremendous managerial responsibility upon the Forest Service. If Congress and the Nation expect an up-to-date and accurate report, we simply must increase the minimum funding for this program for fiscal year 1976 through 1979 (when the long-range assessment is due) by $1.2 million. The Forest Service budget line item for this appropriation is Forest Resources Evaluation.

Program and appropriation, forest resource, economic research, forest resources evaluation:

	Millions
President's budget	$5,559
Adding $1.2 million unbudgeted	6,759

The importance of adequate funding for the Resources Planning Act has deep implications for the Congressional budget process. The fiscal year 1977 budget proposal will be greatly based on the first year assessment of the program called for in the Act. Eventually, the Act will lead to long-term planning for appropriations in line with forest and rangeland resources objectives.

The Nation's renewable resources are too important to our economy, and our country's well being to not be fully studied. The $1.2 million increase I have recommended for the fiscal year 1976 and transition quarter is a step in that direction.

FOREST INSECT AND DISEASE CONTROL

The loss of prime timber from insect and disease attack is a sad fact that is growing in threatening degrees. Both in out-right tree loss and reduced timber growth on existing stands, forest pests are devastating impacts upon our environment.

Research on alternative pesticide programs, silviculture management and forest stand improvement are urgently needed.

Whether the Forest Service is battling the mountain or Douglas-Fir pine beetle in the Pacific Northwest, or the gypsy moth and spruce budworm in New England, the nation has a large interest in our success.

Target data on biological, environmental and economic factors is essential to make accurate pest control decisions. Certainly the technical expertise, detection and evaluation capabilities to safely combat forest pests is worth the price. Our country's forests have been nurtured for too long to be irretrievably lost to decay and defoliation. I firmly recommend this increase in forest insect and disease control.

Mr. Chairman: For the convenience of those who are interested in the Forest Service's spending in Oregon, I would like to have the following estimates included in my testimony for the record, together with the appropriate budget tables for the forest service upon which this hearing has centered.

Again, I sincerely thank you for the opportunity to testify today, and offer my recommendations for your consideration during this committee's upcoming deliberations.

TABLE 1.—FOREST SERVICE BUDGET INCREASES, RECOMMENDED BY SENATOR BOB PACKWOOD, MAY 15, 1975

Appropriated program	1975 budget obligations	1976 President's budget	Amount change over 1975	Packwood recommended increase	Amount of increase for Oregon
Reforestation and timber stand improvement	$51,262,000	$46,686,000	−$4,576,000	$9,000,000	$740,000
Accelerated range study program	0	0	0	6,500,000	[1] 2,300,000
Humphrey-Rarick renewable resource	3,918,000	5,559,000	+1,641,000	1,200,000	400,000
Insect and disease control	11,462,000	11,579,000	+117,000	1,200,000	967,000
Total				17,900,000	4,407,000

[1] Approximately.

TABLE 2.—FOREST SERVICE SPENDING IN OREGON

Appropriation project	Obligated 1974	Estimated 1975	Estimated 1976	Change 1975 to 1976
Forest land management:				
Protection and management	$34,833,303	$36,585,000	$40,591,400	$+4,006,000
Fighting forest fires	15,957,277	(1)	(1)	(1)
Forest insect and disease control	2,231,753	882,000	601,000	−281,000
Cooperative law enforcement	299,641	387,000	564,200	−43,000
Forest research	4,974,158	5,804,600	5,296,400	121,800+
State and private forestry cooperation	890,300	914,300	925,300	11,000+
Subtotal, forest protection and utilization	59,186,432	44,572,900	48,388,300	3,815,400+
Construction and land acquisition	2,624,432	1,827,100	3,904,000	2,076,900+
Forest roads and trails	22,902,551	26,860,300	26,764,400	95,900—
Youth conservation corps	138,773	247,600	230,000	17,000—
Klamath Indian land acquisition		49,000,000		49,000,000—
Tree planting assistance to States	77,670	62,700	60,700	2,000—
Recreation facilities construction and operation	$205,167	$71,000	$196,200	$125,200+
Brush disposal	9,385,981	10,335,500	11,169,500	834,000+
Forest land restoration	1,082	7,000	3,000	4,000—
Payments to counties, national grasslands	1,945	1,945	1,945	0
Payments to States, national forests	42,471,875	41,139,360	41,212,000	+72,000
Surveys and investigations, Soil Conservation Service	37,846	38,200	45,000	+6,800
Watershed and flood prevention	92,609	362,400	188,500	−173,900
Watershed planning	13,472	15,400	15,600	+200
Resource conservation and development program	31,561	28,600	27,800	−800
Trust funds:				
Cooperative work, Forest Service	14,255,693	15,741,900	22,163,700	+6,421,800
Federal aid highways	[2] 1,491,488	5,128,000	7,467,000	+2,339,000
Oregon total	152,918,488	195,439,905	161,837,643	+[2] 15,397,700

[1] Not yet distributed to States for fiscal year 1975 and 1976.

[2] Not including the $49,000,000 Klamath Indian land payment.

TABLE 3.—U.S. DEPARTMENT OF AGRICULTURE, FOREST SERVICE NATIONWIDE ACTIONS ON BUDGET ESTIMATES FOR FISCAL YEAR 1976

[Forest Service appropriations, 1976. President Ford's budget for 1976 was presented to Congress on Feb. 3, 1975. The following shows the amounts for 1975 and the Budget estimate for 1976]

Appropriation item and projects	1975 Appropriation Act[1]	1975 increased pay costs	1975 adjusted base for 1976 (1+2)	1976 increase or decrease			Total 1976 President's budget (3—6)
				Pay costs	GSA space	Program	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
APPROPRIATED FUNDS							
Forest protection and utilization:							
Forest land management:							
National forest protection and management:							
Timber resource management:							
(a) Sales administration and management	$83,950,000	$2,625,000	$86,575,000	$1,335,000	$55,000	$10,159,000	$98,124,000
(b) Reforestation and stand improvement	50,079,000	1,183,000	[1] 51,262,000	253,000	171,000	−5,000,000	46,686,000
Recreation use	46,828,000	1,294,000	48,122,000	542,000	31,000	2,435,000	51,130,000
Wildlife and fish habitat management	9,190,000	269,000	9,459,000	164,000	30,000	1,707,000	11,360,000
Rangeland management	17,391,000	479,000	17,870,000	158,000		404,000	18,432,000
Soil and water management	16,051,000	455,000	16,506,000	176,000	39,000	398,000	17,119,000
Minerals management	3,601,000	112,000	3,713,000	168,000		3,062,000	6,943,000
Forest fire protection	36,257,000	945,000	37,202,000	337,000	54,000	311,000	37,904,000
General land management activities	26,337,000	647,000	26,984,000	564,000	14,000	3,947,000	31,509,000
Total, national forest protection and management	289,684,000	8,009,000	297,693,000	3,697,000	394,000	17,423,000	319,207,000
Deduct from rangeland management above Cooperative range improvements—permanent (receipts) appropriation	700,000		700,000				700,000
National forest protection and management appropriated in the Appropriation Act	288,984,000	8,009,000	296,993,000	3,697,000	394,000	17,423,000	318,507,000
Fighting forest fires	4,275,000		[2] 4,275,000				4,275,000
Forest insect and disease control	11,242,000	220,000	11,462,000	82,000	35,000		11,579,000
Cooperative law enforcement[3]	1,618,000	14,000	1,632,000	34,000	13,000	2,257,000	3,936,000
Total, forest land management	306,119,000	8,243,000	314,362,000	3,813,000	442,000	19,680,000	338,297,000
Forest research:							
Forest and range management research:							
Trees and timber management research	14.089.000	446.000	14.535.000	167.000	36.000	−287.000	14.451.000
Forest watershed management research	8.294.000	233.000	8.527.000	45.000	10.000	−1.300.000	7.282.000
Wildlife, range, and fish habitat research	5.071.000	153.000	5.224.000	60.000	12.000	−100.000	5.196.000
Forest recreation research	1.218.000	33.000	1.251.000	13.000	3.000		1.267.000
Surface environment and mining	2.200.000	64.000	2.264.000	26.000	8.000		2.298.000
Total, forest and range management research	30.872.000	929.000	31.801.000	311.000	69.000	−1.687.000	30.494.000
Forest protection research:							
Fire and atmospheric science research	8.046.000	167.000	8.213.000	67.000	19.000		8.299.000
Forest insects and disease research	17.346.000	537.000	17.883.000	217.000	45.000		18.145.000
Total, forest protection research	25.392.000	704.000	26.096.000	284.000	64.000		26.444.000
Forest products and engineering research:							
Forest products utilization research	9,981,000	316,000	10,297,000	159,000	10,000	681,000	11,147,000
Forest engineering research	1,590,000	39,000	1,629,000	11,000	3,000		1,643,000
Total, forest products and engineering research	11,571,000	355,000	11,926,000	170,000	13,000	681,000	12,790,000
Forest resource economics research:							
Forest resources evaluation	3,804,000	114,000	3,918,000	111,000	14,000	1,516,000	5,559,000
Forest economics and marketing research	3,763,000	108,000	3,871,000	44,000	9,000		3,924,000
Total, forest resource economics research	7,567,000	222,000	7,789,000	155,000	23,000	1,516,000	9,483,000
Total, forest research	75,402,000	2,210,000	77,612,000	920,000	169,000	510,000	79,211,000
State and private forestry cooperation:							
Cooperation in forest fire control	25,088,000	47,000	[1] 25,135,000	7,000	36,000	−4,921,000	20,257,000
Cooperation in forest tree planting	333,000	3,000	336,000	1,000			337,000
Cooperation in forest management and processing	5,568,000	22,000	5,590,000	8,000	7,000		5,605,000
General forestry assistance	3,649,000	74,000	3,723,000	32,000	68,000	200,000	4,023,000
Total, State and private forestry cooperation	34,638,000	146,000	34,784,000	48,000	111,000	−4,721,000	30,222,000
Total, forest protection and utilization	416,159,000	10,599,000	426,758,000	4,781,000	722,000	15,469,000	447,730,000

Footnotes at end of table.

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TABLE 3.—U.S. DEPARTMENT OF AGRICULTURE, FOREST SERVICE NATIONWIDE ACTIONS ON BUDGET ESTIMATES FOR FISCAL YEAR 1976—Continued

[Forest Service appropriations, 1976. President Ford's budget for 1976 was presented to Congress on Feb. 3, 1975. The following shows the amounts for 1975 and the budget estimate for 1976]

Appropriation item and projects	1975 Appropriation Act[1] (1)	1975 increased pay costs (2)	1975 adjusted base for 1976 (1+2) (3)	1976 increase or decrease: Pay costs (4)	1976 increase or decrease: GSA space (5)	1976 increase or decrease: Program (6)	Total 1976 President's budget (3—6) (7)
Construction and land acquisition:[4]							
Development of recreation-public use areas	4,833,000	88,000	4,921,000	14,000		—4,379,000	556,000
Water resource development construction	2,194,000	40,000	2,234,000	14,000		—1,609,000	639,000
Construction for fire, administration, and other purposes	1,718,000	30,000	1,748,000	59,000		658,000	2,465,000
Research construction	3,939,000	18,000	3,957,000			—3,957,000	
Pollution abatement	16,648,000	248,000	16,896,000	183,000		—7,789,000	9,290,000
Land acquisition, Weeks Act	1,576,000	5,000	1,581,000	6,000		—62,000	1,525,000
Total, construction and land acquisition	30,908,000	429,000	31,337,000	276,000		—17,138,000	14,475,000
Forest roads and trails:[5]							
Construction	128,722,064	2,789,000	131,511,064	684,000	295,000	—19,634,064	112,856,000
Maintenance	39,145,000	925,000	40,070,000	230,000	99,000	2,945,000	43,344,000
Total	167,867,064	3,714,000	171,581,064	914,000	394,000	—16,689,064	156,200,000
Transfer from roads and trails for States (10 percent fund)—permanent appropriation	—47,003,064		—47,003,064			—971,936	—47,975,000
Forest roads and trails appropriated in the Appropriation Act	120,864,000	3,714,000	124,578,000	914,000	394,000	—17,661,000	108,225,000
Acquisition of lands for national forests, special acts	161,000		161,000				161,000
Acquisition of lands to complete land exchanges	39,310		39,310			—3,900	35,410
Acquisition of lands, Klamath Indians	49,000,000		49,000,000			—49,000,000	
Cooperative range improvements	700,000		700,000				700,000
Assistance to States for tree planting	1,344,000	11,000	1,355,000	4,000			1,359,000
Construction and operation of recreation facilities	1,260,000		1,260,000			2,414,000	3,674,000
Youth Conservation Corps	10,240,000	152,000	10,392,000	8,000			10,400,000
Total, appropriated funds	630,675,310	14,905,000	645,580,310	5,983,000	1,116,000	—65,919,900	586,759,410
ALLOCATED FUNDS							
Watershed and flood prevention, SCS	10,792,000	103,000	10,895,000	147,000	132,000	—5,657,000	5,517,000
Watershed planning, S3S	657,000	19,000	676,000	27,000	12,000	—30,000	685,000
Resource conservation and development, SCS	840,000	4,000	844,000	6,000	4,000	—33,000	821,000
River basin surveys and investigations, SCS	1,742,000	54,000	1,796,000	75,000	44,000	—93,000	1,822,000
Salaries and expenses, ARS	513,000	12,000	525,000	16,000		—12,000	529,000
Oregon and California grant lands	3,600,000		3,600,000		54,000	146,000	3,800,000
Manpower training activities (Job Corps)	24,820,000	525,000	25,345,000	698,000	7,000	—73,000	25,977,000
Land and water conservation fund	30,741,000	143,000	30,884,000	193,000	124,000	—1,226,000	29,980,000
Appalachian regional development programs, executive	62,000		62,000				62,000
Federal-aid highway trust fund	16,244,000		16,244,000			—244,000	16,000,000
Salaries and expenses, ASCS (naval stores)	100,000		100,000	3,000			103,000
Total, allocated funds	90,111,000	860,000	9,0971,000	1,170,000	377,000	—7,222,000	85,296,000

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[1] Includes following rescissions now pending: R75-10—Reforestation and stand improvement, $10,000,000; R75-9—Cooperation in forest fire control, $4,921,000.

[2] Excludes proposed supplemental of $100,000,000 for fighting forest fires.

[3] Following is a comparison between fiscal years 1975 and 1976 on an obligation basis: Cooperative law enforcement: 1975, $4,426,684; 1976 President's budget, $3,936,000.

[4] Following is a comparison between fiscal years 1975 and 1976 on an obligation basis:

	1975 (includes unobligated balance carried forward from fiscal year 1974)	1976 President's budget
Construction and land acquisition:		
Development of recreation-public use areas	$3,276,548	$4,046,000
Water resources development construction	2,552,720	639,000
Construction for fire, administration, and other purposes	1,769,293	2,465,000
Research construction	3,582,933	3,375,000
Pollution abatement	24,466,159	9,290,000
Land acquisition, Weeks Act	1,591,504	1,525,000
Total, construction and land acquisition	37,239,157	21,340,000

Note: Fiscal year 1976 includes following amounts appropriated in fiscal year 1975 which were deferred: Recreation-public use areas, $3,490,000; research construction, $3,375,000.

[5] Amounts shown are not obligations but cash requirements to liquidate obligations. The obligational authority authorized for use in 1976 is $110,600,100. Following is a comparison between fiscal years 1975 and 1976 on an obligation basis:

	1975	1976 President's budget
Forest roads and trails:		
Construction	$119,036,000	$115,194,000
Maintenance	40,070,000	43,344,000
Total	159,106,000	158,538,000
Roads and Trails for States (10% Fund)	—47,003,064	—47,975,000
Net obligations from appropriated funds	112,102,936	116,563,000

SENATOR HATHAWAY TESTIMONY ON SOLAR ENERGY

Mr. MUSKIE. Mr. President, my colleague from Maine, Mr. HATHAWAY presided this week at hearings on solar energy before the Select Committee on Small Business.

His opening remarks of Wednesday were for me most useful in summarizing the views of the small business community on the possibilities for, and roadblocks to, development of this alternative source of energy.

To share his statement with my colleagues, I ask unanimous consent that his remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

Opening Statement for Senator William D. Hathaway, Hearings on Energy Research and Development and Small Business, Part 1. Solar Energy, Senate Committee on Small Business, May 14, 1975

It gives me great pleasure to continue the hearings that Senator McIntyre and Chairman Nelson began yesterday.

Today we will look into the problem of small business and Federal energy research with witnesses from the Administration.

Yesterday we heard of the problems that small business faces with respect to solar heating and cooling from manufacturers, installers, and researchers. Now we will hear how the Administration proposes to help develop the national solar energy industry.

Our witnesses today come from the newly created Energy Research and Development Administration, the Federal Energy Administration, and the Department of Housing and Urban Development.

ERDA is the lead agency with respect to solar energy research, development, and demonstration. It has assumed these duties from the National Science Foundation.

Together with the Department of Housing and Urban Development, ERDA will spend about $300 million in the next four years to help solar heating and cooling. HUD will concentrate on solar home heating, and ERDA will conduct research and follow-up.

Through its procedures, ERDA will be able to bring small business into the development of solar energy, or it will be able to effectively shut it out.

ERDA, for instance, could write its proposals in such a way that only large corporations could bid.

We know this is not the case; one company in Virginia has already received a large grant from the ERDA procurement office. However, we want to make sure that ERDA continues with this record and does not fall back upon the ability of the Federal bureaucracy to feed research into large corporations or universities, exclusively.

Dr. John Teem will be the witness for the Energy Research and Development Administration. We look forward to his testimony.

We will also hear this morning from the Department of Housing and Urban Development which has authority for residential development of solar energy. Mr. Michael H. Moskow will represent the Department. He is Assistant Secretary of Policy Development and Research.

We will also have Donald Craven, an assistant administrator from the Federal Energy Administration, who will describe the FEA input into solar energy development.

At the hearings held yesterday, we heard from three small businessmen and how they believe solar energy should be developed.

Our first witness, Dr. Jerry Plunkett of Denver, Colorado, testified that a bias against small business exists in the Federal research establishment. He made several strong recommendations for development of solar energy by small business, including retraining the biases of the Federal bureaucrats who work for the gentlemen we will hear from today.

Dr. Plunkett, as President of Materials Consultants, Inc., has worked for several years to try to develop solar energy but has run smack against the Federal Government.

Our second witness yesterday, James Piper, the President of Piper Hydro, Anaheim, California, not only discussed the institutional constraints in developing solar energy with Federal help, but when to the extent of making positive recommendations on the National Plan for Solar Heating and Cooling that the Energy Research and Development Administration will tell us about today.

I think the most telling point in Mr. Piper's testimony was the figures he suggested that ERDA use for solar energy. ERDA plans to spend about $300 million to construct about 4,000 units to be heated and cooled by solar energy.

Mr. Piper suggests that this number could be jumped to almost 130,000 units, including multi-family dwellings that are not considered in the ERDA interim report—with *NO* increase in Federal funding.

Piper, as a small businessman, also suggested that the Energy Research and Development Administration should consider loans rather than direct grants for the development of solar energy. He suggested that the Federal Government should not be funding companies to compete with established solar energy companies. Nor, he said, should the government be funding companies that can roll research and development costs into rate basis as the utilities do today.

Our third witness yesterday, Barney Menditch, suggested that education is the most important point in the development of solar energy.

Menditch runs an air-conditioning and heating contracting firm, and suggested that code development and manuals to show contractors how to install solar energy would encourage builders to use systems that could be rapidly available.

In my home state, Maine, there has been considerable interest in solar energy. The *Maine Times*, a weekly newspaper has suggested development of solar energy, and a company in East Holden manufactures wind-powered systems.

Clearly, solar energy is something we should be developing. I hope our witnesses this morning will be able to inform us how the Federal Government will help to do it.

EXCELSIOR SPRINGS: ALL-AMERICA CITY

Mr. SYMINGTON. Mr. President, earlier this year, one of the fine cities of Missouri, Excelsior Springs, was named an All-America City by the National Municipal League. Excelsior Springs received the award for achievements demonstrating the importance and vitality of local civic activism in effective self-government and action by citizens in their home communities for rebuilding confidence in our total system.

The 12 communities chosen displayed a wide range of local improvements and citizens' confidence in civic interaction. The story of Excelsior Springs typifies the type of constructive involvement necessary within all cities for an ever better America. Both the city and the National Municipal League are to be congratulated for this worthwhile recognition.

I ask unanimous consent that the article detailing the accomplishment of Excelsior Springs from the April "National Civic Review" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Excelsior Springs, Missouri

Excelsior Springs is in western Missouri, 30 miles northeast of Kansas City. Until mid-century, the small town thrived as a health spa—a resort whose economy depended on its natural reservoir of mineral water. As claims about possible "cures of the waters" evaporated, the community suffered fast decline. In rapid succession, clinics, baths, hotels and rooming houses shut down. As City Manager Bob Campbell observed, "From a peak of over 2,000 employees, in a few short years there were none. Excelsior Springs' economy was as dry and barren as the Great Salt Flats."

All indications were that Excelsior Springs' lifeline had run its course. Many citizens, however, were not content to let it quietly slip away. While they had no overall game plan, they were rooted in the community and were determined to revive it. The success or failure of the town depended on their ability to establish a new economic base, improve basic services and respond to social needs.

With these goals firmly in mind, things began to happen. A coalition of citizen groups made breakthroughs in developing new jobs. Their work resulted in the creation of an industrial park, several plant expansion programs and the opening of a job corps for women. The bottom line read: 1,400 new jobs in the community and a favorable climate for new industry and business.

Other citizens laid the groundwork for long-needed service improvements. Cooperation, citizen education and hard work led to overwhelming voter approval of tax increases for multi-million dollar programs vital to the city's future. The accomplishments included construction of a new high school, development of a sewer improvement program, initiation of a massive street repair project, and building of a new hospital facility.

Aware of the community's responsibility to the disadvantaged and elderly, citizens sought to ease their situation. A food program initiated by a housewife provided hot meals daily for 200 elderly residents, including those unable to leave their homes. Also, a high-rise apartment complex for the elderly was completed after much delay, and 50 units of low-income housing units were opened.

A tax increase was approved to pay for an active, year-round, park and recreation program. Over 5,000 people participate yearly in a variety of programs. Two new recreational areas were opened to accommodate expanded needs.

This small town is now thriving. People are no longer afraid to discuss the community's future. Instead, civic improvements have created a confidence which makes citizens demand more from it. Bob Campbell put it best: "The important thing is that all their efforts were in the community good, and when we put it all together, like the proverbial ants, we moved a mountain."

SENATOR CRANSTON'S FINANCIAL DISCLOSURE

Mr. CRANSTON. Mr. President, it has been my custom at the time when rule 41 requires public disclosure of honoraria to make full disclosure of my financial situation. Therefore I ask unanimous consent that the following documents be printed at this place in the RECORD:

First, financial statement as of May 5, 1975.

Second, real estate owned as of May 5, 1975.

Third, 1974 honoraria received.

Fourth, 1974 Federal income tax return.

Fifth, 1974 California income tax return.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MAY 5, 1975.

Financial statement of Alan Cranston

Bank accounts:

COMMERCIAL	
Wells Fargo, San Francisco, Calif	$124.
First Western, Los Angeles, Calif	1,799.
SAVINGS	
Wells Fargo, San Francisco, Calif	8,118.
Westdale, Los Angeles, Calif	5,000.
Westdale, Los Angeles, Calif	20,064.
Total	35,105.
RECEIVABLE—LOANS AND ACCOUNTS	
Lee Fairbrother (sister-in-law)	7,500.
Bernard and Patricia Snyder (niece)	4,000.
Ervle Bivens (sale of lot)	900.
Cecil Weintraub (sale of ranch)	27,889.
Jeffrey Edmonds (trust, sale of lot and building)	16,137.
Total	56,426.
MISCELLANY	
Beneficial interest in a blind trust	10,500.
Personal property	7,500.
Art objects	2,242.
Cash value of insurance	7,500.
Total	17,742.
Net value of real estate	431,183.
PAYABLE—PERSONAL LOAN	
Eleanor C. Fowle (sister)	13,200.
Net worth	527,260.
RETIREMENT FUNDS	
U.S. Government (cash value)	20,019.20

State of California—monthly annuity of $1,184.

REAL ESTATE OWNED, ALAN CRANSTON, MAY 5, 1975

Description, address and title	Market value	Mortgage due to	Mortgage amount	Net value
Lot and building, 501 San Mateo, San Bruno, Calif. (self, wife).	60,000	Wells Fargo, San Francisco.	$28,000	$32,000
Lot and building, 215 Main St., Los Altos, Calif. (self).	65,000	do	29,500	35,000
Lot and building, 163–165 Main St., Los Altos, Calif. (¼ self).	25,000			25,000
Lot and building, 206 Redwood Ave., Fort Bragg, Calif. (⅓ self, wife).	20,000			20,000
Lot and building, 318–324 University Ave., Palo Alto, Calif. (½ self).	62,500			62,500
Lot and building, 482–490 San Mateo Ave., San Bruno, Calif. (½ self).	62,500			62,500
Ranch, Star Route, Smartsville, Calif. (½ self, wife).	25,000			25,000
Subdivision No. 2, Thornwood Dr., Sacramento, Calif. (self, wife).	26,000			26,000
Co-op apartment, garage (No. 112), 2700 Virginia Ave., NW., Washington, D.C. (self, wife).	146,500	Watergate, Inc., c/o Cafritz, Washington, D.C.	43,500	103,000
Land, Freeway Vineyard Properties, Sherman Oaks, Calif. (1/60 self, wife).	5,245			5,245
Land, Simi-Moorpark Prop., Sherman Oaks, Calif. (1/100 self, wife).	13,515			13,515
Land and building, Wilshire Growth Prop., Los Angeles, Calif. (1/40 self).	3,462			3,463
Land, 5-Area Prop., Los Angeles, Calif. (1/100 self, wife).	5,000			5,000
Condominium, 1147 La Verne Way, Palm Springs, Calif. (self, wife).	35,000	Keystone S. & L., Westminster, Calif.	26,750	8,250
Total	554,722		127,750	431,183

Date, payer, description of service (e.g., speech, article), and amount or value:

January 1974, Retail Clerks of America, Article for January issue of Advocate, $1,000.

January 22, 1974, National Association of Homebuilders, Speech, 30th Annual Convention, Houston, Texas, $1,500.

January 28, 1974, Dealer Banker Association, Speech, 2nd Annual Convention, San Diego, $1,000.

February 4, 1974, American Bankers Assn., Speech, Nat'l Trust Conference, San Francisco, $1,000.

March 6, 1974, Hotel Restaurant Employees and Bartenders Int'l. Union, Speech, Legislative Conference, DC, $1,000.

U.S. INDIVIDUAL INCOME TAX RETURN, 1974

Name: Alan and Geneva Cranaton.

Present home address: 1147 LaVerne Way, Palm Springs, CA 92262.

County of residence: Riverside.

Your social security number, 578–38–1722; spouse's social security no., 550–07–1303.

Occupation: Yours, U.S. Senator; spouse's, housewife.

8. Presidential Election Campaign Fund: Do you wish to designate $1 of your taxes for this fund?—Yes.

If joint return, does your spouse wish to designate $1?—Yes.

INCOME

9. Wages, salaries, tips, and other employee compensation: $42,500.00.

10a. Dividends: $762.06, 10b. less exclusion $100, balance, $662.06.

11. Interest income: $5,046.91.

12. Income other than wages, dividends, and interest: $26,817.25.

13. Total: $75,026.22.

14. Adjustments to income: $4,337.16.

15. Subtract line 14 from line 13 (adjusted gross income): $70,689.06.

TAX, PAYMENTS AND CREDITS

16. Tax, check if from: Schedule G, $18,501.00.

18. Income tax: $18,501.00.

20. Total: $18,501.00.

21a. Total Federal income tax withheld: $11,057.08.

22. Total: $11,057.08.

23. If line 20 is larger than line 22, enter balance due IRS: $7,443.92.

OTHER DEPENDENTS

(a) Name: Kim Cranston.

(b) Relationship: son.

(c) Months lived in your home. If born or died during year, write B or D. 1 mo.

(d) Did dependent have income of $750 or more? Yes.

(e) Amount you furnished for dependent's support. If 100% write ALL: $2,714.

(f) Amount furnished by others including dependent: $1,429.76.

27. Total number of dependents listed in column: 1.

INCOME OTHER THAN WAGES, DIVIDENDS, AND INTEREST

28. Business income or (loss): $4,500.00.

29. Net gain or (loss) from sale or exchange of capital assets: $4,506.88.

31. Pensions, annuities, rents, royalties, partnerships, estates or trusts, etc.: $17,810.37.

38. Total: $26,817.25.

ADJUSTMENTS TO INCOME

41. Employee business expense: $4,337.16.

43. Total adjustments: $4,337.16.

TAX COMPUTATION

44. Adjusted gross income: $70,689.06.

45 (a). If you itemize deductions, check here and enter total from Schedule A, line 41 and attach Schedule A: $15,183.10.

46. Subtract line 45 from line 44: $55,505.96.

47. Multiply total number of exemptions claimed on line 7, by $750: $2,250.00.

48. Taxable income: $53,255.96.

FOREIGN ACCOUNTS

Did you, at any time during the taxable year, have any interest in or signature or other authority over a bank, securities, or other financial account in a foreign country (except in a U.S. military banking facility operated by a U.S. financial institution)? No.

MEDICAL AND DENTAL EXPENSES

1. One-half (but not more than $150) of insurance premiums for medical care: $150.00.

2. Medicine and drugs: $46.00.

3. Enter 1% of line 15, Form 1040: $706.89.

5. Enter balance of insurance premiums for medical care not entered on line 1: $196.68.

6. Enter other medical and dental expenses: a. Doctors, dentists, nurses, etc.: $895.80.

c. Other: Eyeglasses: $57.00.

7. Total: $1,149.48.

8. Enter 3% of line 15, Form 1040: $2,120.67.

10. Total: $150.00.

TAXES

11. State and local income: $2,629.16.

12. Real estate: $2,569.51.

13. State and local gasoline: $29.00.

14. General sales: $401.88.

16. Other: Sales Tax—Auto: $112.50.

17. Total: $5,742.05.

INTEREST EXPENSE

18. Home mortgage: $2,759.45.

19. Other: See schedule: $3,825.84.

20. Total: $6,585.29.

CONTRIBUTIONS

(See instructions on page 11 for examples)

21b. Other cash contributions: $933.

24. Total contributions: $933.00.

MISCELLANEOUS DEDUCTIONS

Excess office expenses: $823.38.

Entertainment: $914.38.

Safe deposit box: $35.00.

34. Total: $1,772.76.

SUMMARY OF ITEMIZED DEDUCTIONS

35. Total medical and dental: $150.00.

36. Total taxes: $5,742.05.

37. Total interest: $6,585.29.

38. Total contributions: $933.00.

40. Total miscellaneous: $1,772.76.

41. Total deductions: $15,183.10.

DIVIDEND INCOME

1. Gross dividends (including capital gain distributions) and other distributions on stock:

No. natural gas, (W), $98.

Idaho Power, (W), $229.68.

So. Bell Telephone, (W), $225.

Wash. Water & Power, (W), $209.38.

(Note—These distributed to Geneva Cranston from estate of her mother, May McMath.)

2. Total of line 1: $762.06.

6. Dividends before exclusion: $762.06.

INTEREST INCOME

7. Interest includes earnings from savings and loan associations, mutual savings banks, cooperative banks, and credit unions as well as interest on bank deposits, bonds, tax refunds, etc. Interest also includes original issue discount on bonds and other evidences of indebtedness. (List payers and amounts)

Wells Fargo. S.F. No. 36034-7, $400.99.

West Dale, La.: 029–700049, $1,562.43. 029–301092, $141.86.

Downey, 01039345, $152.72.

Downey, 01039387, $184.97.

I.R.S. Tax Overpayment: $125.07.

Bernie & Patricia Snyder, Note: $207.96.

Ervie Bivens, Note, $8.34.

Cecil Weintraub, Note, $2,222.88.

Blind Trust Savings Account, Employee ID. No. 95–6386048 $39.69.

8. Total interest income: $5,046.91.

Schedule of senatorial expenses and reimbursements

Reimbursements:	
Travel	$1,054.80
Office	14,973.64
Total reimbursements	16,028.44
Expenses:	
Travel	2,391.96
Office	14,973.64
Cost of living, Washington, D.C.	*3,000.00
Total expenses	20,365.60
Excess expenses over reimbursements	4,337.16

* See attached affidavit.

I hereby certify that I was in a travel status in the Washington area, away from home, in the performance of my official duties as a Member of Congress, for 177 days during the taxable year, and my deductible living expenses while in such travel status amounted to $3,000.00.

ALAN CRANSTON.

Schedule of other interest expense

Eleanor Fowle Note	$750.75
Subdivision Bonds-Thornwood Estates	330.90
Keystone S & G Westminster	1,802.06
IRS (Sunnyvale)	602.03
Senate Motor Leasing	340.10
Total	3,825.84

PROFIT OR (LOSS) FROM BUSINESS OR PROFESSION

(Sole Proprietorship)

A. Principal business activity: Honor Aria; product speaking.

B. Business name: Alan Cranston.

D. Business address: Old Senate Bldg., Washington, D.C.

E. Indicate method of accounting: (1) Cash.

F. Were you required to file Form W–3 or Form 1096 for 1974?: No.

G. Was an Employer's Quarterly Federal Tax Return, Form 941, filed for this business for any quarter in 1974?: No.

H. Method of inventory valuation: Was there any substantial change in the manner of determining quantities, costs, or valuations between the opening and closing inventories? N/A.

1. Gross receipts or sales: $4,727.55.

5. Total income: $4,727.55.

19. Other business expenses: (b) Travel, $227.55.

20. Total deductions: $227.55.

21. Net profit or (loss): $4,500.00.

CAPITAL GAINS AND LOSSES

SHORT-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD NOT MORE THAN 6 MONTHS

1. Stock held less than 6 months in blind trust—employee identification No. 95–6386948: $1,273.69.

3. Enter net gain or (loss): $1,273.69.

5. Net short-term gain or (loss): $1,273.69.

PART II—LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD MORE THAN 6 MONTHS

Installment sale—Black Ranch					
Principle received—$4,110. 62 x 55.2890 gross profit					$2,272.00
Stock held more than 6 months in blind trust—employee ID. No. 95–6386948					2,665.38
Sale of lot:	1959	1974	9,000	7,471	1,529.00
Sale of copper:		1974	259	259	0

11. Net gain or (loss): $6,466.38.

13. Net long-term gain or (loss): $6,466.38.

SUMMARY OF PARTS I AND II

14. Combine the amounts shown on lines 5 and 13, and enter the net gain or loss here: $7,740.07.

15. If line 14 shows a gain—(a) Enter 50% of line 13 or 50% of line 14, whichever is smaller: $3,233.19.

(b) Subtract line 15(a) from line 14: $4,506.88.

RENT AND ROYALTY INCOME

(a) Kind and location of property if residential, also write "R": See Form 4831; (b) Total amount of rents, $42,859.16; (d) Depreciation (explain below) or depletion (attach computation), $4,161.88; (e) Other expenses (Repairs, etc.—explain below), $27,952.94.

2. Net income or (loss) from rents and royalties: $10,744.34.

INCOME OR LOSSES FROM PARTNERSHIPS, ESTATES OR TRUSTS, SMALL CORPORATIONS

See attached schedule: (d) Income or (loss); $7,066.03.

1. Totals: $7,066.03.

2. Income or (loss): $7,066.03.

Total of parts I, II, and III: $17,810.37.

RENTAL INCOME

Property A 215 Main St., Los Altos, Ca.

Property B 163–65 Main St. Los Altos, Ca. (ownership ¼).

Property C 318–24 University Ave., Palo Alto, Ca. (ownership ½).

Property D 206 Redwood Ave., Ft. Bragg, Ca. (ownership ⅓).

Property E (Total from page 2, sked. 4831).

2. Rents received: Property A, $12,679.63; Property B, $2,611.34; Property C, $12,566.71; Property D, $1,898.10; $13,103.58.

3. Total; column (b) $42,859.16.

EXPENSES

6. Cleaning; Property D, $5.

9. Insurance: Property A, $992; Property B, $168.41; Property D, $286.06.

10. Interest: Property A, $2,423.33.

13. Management fees: Property A, $633.97; Property B, $130.57; Property C, $609.16; Property D, $94.90.

15. Repairs:

Maintenance: Property A, $92.50; Property B, $110.97; Property C, $355.22; Property D, $77.91.

Roof: Property 3, $2,740.

Remodeling: Property C, $1,267.32.

Air conditioning work: Property C, $421.23.

Remodel allowance to tenant: Property C, $1,000.

Painting: Property D, $514.15.

18. Taxes and licenses: Property A, $3,682.63; Property B, $973.55; Property C, $2,738.26; Property D, $345.54.

20. Utilities: Property C, $38.66.

21. Other (list):

Lease fees: Property C, $540.

Downtown Association: Property C, $156.87; Property D, $10.

22. Total expenses: Property A, $7,824.43; Property B, $1,383.50; Property C, $9,666.72; Property D, $1,315.56; Property E, $7,562.73.

23. Total expenses: $27,952 94.

RENT INCOME

Property E 501 San Mateo Ave., San Bruno, CA.

Property F 482–490 San Mateo Ave., San Bruno, CA (ownership ½).

2. Rents received: Property A, $5,658.69; Property B, $7,444.89.

3. Total: $13,103.58.

EXPENSES

9. Insurance: Property A, $478; Property B, $1,008.29.

10. Interest: Property A, $2,097.51.

13. Management fees: Property A, $282.93; Property B, $372.25.

15. Repairs (list): Maintenance, Property A, $45.

18. Taxes and licenses: Property A, $1,542.23; Property B, $1,234.37.

21. Other (list): Percent rent refund, Property A, $415.15; lease fees, Property B, $87.

22. Total expenses: Property A, $4,860.82; Property B, $2,701.91.

23. Total expenses: $7,562.73.

PT. III.—SCHEDULE FOR DEPRECIATION CLAIMED ON SCHEDULE E, PT. II, COL. (D)

(a) Group and guideline class or description of property	(b) Date acquired	(c) Cost or other basis	(d) Depreciation allowed or allowable in prior years	(e) Method of computing depreciation	(f) Life or rate	(g) Depreciation for this year
27. Other depreciation:						
215 Main St.	Various	12,846.00	7,920.00	S/L	30	428.00
Improvements	11	4,533.00	4,533.00	S/L		0
Do	1970	2,506.00	2,005.00	S/L	5	501.20
163–165 Main St.	Mar. 26, 1969	6,075.00	956.88	S/L	28	200.69
318–24 University Ave.	October 1957, Mar. 26, 1969	23,205.50	7,497.22	S/L	28	614.83
Improvements	1960	333.25	333.25			0
Do	1965	162.00	162.00			0
Do	1966	187.50	187.50			
206 Redwood Ave.	(1)	(1)	(1)	(1)	(1)	
501 San Mateo	Various	31,500	23,205.00	S/L	25	1,260.00
	do	13,290	11,065.00	200 DB	15	296.81
	do	3,000	1,898.00	200 DB	15	147.00
482–490 San Mateo	October 1957, Mar. 26, 1969	20,113.25	4,676.06	S/L	28	605.35
Improvements	1967	250.00	112.50	S/L	10	25.00
Do	Feb. 1, 1968	125.00	81.25	S/L	5	25.00
Air-conditioning	Oct. 1, 1968	205.00	66.80	S/L	10	20.50
Do	July 1970	375.00	143.75	S/L	10	37.50
28. Total						4,161.88

[1] Fully depreciated.

SCHEDULE TO SUPPORT SCHEDULE "E"

	EI Number	Income (loss)
Partnerships:		
Krag Partnership Ltd	95–615238	(253.41)
Simi-Moorpark Prop Ltd	95–6230970	(2,955.00)
Freeway Vineyard	95–6230969	(383.00)
Wilshire Boulevard growth	95–6318918	(500.00)
Five Area Prop	95–6323158	0
Estates: Estate of Carol D. Cranston	94–625066	11,157.44
Total		7,066.03

INCOME AVERAGING

TAXABLE INCOME AND ADJUSTMENTS

1. Taxable income: (a) Computation year, 1974, $53,256; (b) 1st preceding base period year, 1973, $33,317; (c) 2d preceding base period year, 1972, $46,477; (d) 3d preceding base period year, 1971, $22,577; (e) 4th preceding base period year, 1970, $34,826.

5. Adjusted taxable income or base period income: (a) Computation year, 1974, $53,256; (b) 1st preceding base period year, 1973, $33,317; (c) 2d preceding base period year, 1972, $46,477; (d) 3d preceding base period year, 1971, $22,577; (e) 4th preceding base period year, 1970, $34,826.

COMPUTATION OF AVERAGABLE INCOME

6. Adjusted taxable income from line 5, column (a): $53,256.

7. 30% of the sum of line 5, columns (b), (c), (d), and (e): $41,159.

8. Averagable income (line 6 less line 7): $12,097.

COMPUTATION OF TAX

9. Amount from line 7: $41,159.

10. 20% of line 8: $2,419.

11. Total (add lines 9 and 10): $43,578.

13. Total (add lines 11 and 12): $43,578

14. Tax on amount on line 13: $13,857.

15. Tax on amount of line 11: $13,857.

16. Tax on amount of line 9: $12,696.

17. Difference (line 15 less line 16): $1,161.

18. Multiply the amount on line 17 by 4: $4,644.

19. Total (add lines 14 and 18): $18,501.

21. Tax (add lines 19 and 20): $18,501.

Underpayment of Estimated Tax by Individuals

1. 1974 tax (from Form 1040, line 20): $18,856.

5. Balance (line 1 less line 4): $18,856.

6. Enter 80% of the amount shown on line 5: $15,085.

7. Divide amount on line 6 by the number of installments required for the year (see Instruction B) Enter the result in appropriate columns: Apr. 15, 1974, $3,771; June 15, 1974, $3,771; Sept. 15, 1974, $3,771; Jan. 15, 1975, $3,771.

8. Amounts paid on estimate for each period and tax withheld: Apr. 15, 1974, $2,764; June 15, 1974, $2,764; Sept. 15, 1974, $2,764; Jan. 15, 1975, $2,764.

10. Total (add line 8 and line 9): Apr. 15, 1974, $2,764; June 15, 1974, $2,764. Sept. 15, 1974, $2,764; Jan. 15, 1975, $2,764.

11. Underpayment (line 7 less line 10), or Overpayment (line 10 less line 7): Apr. 15, 1974, $1,007; June 15, 1974, $1,007; Sept. 15, 1974, $1,007; Jan. 15, 1975, $1,007.

Exceptions Which Avoid the Penalty (See Instruction D)

(Farmers and fishermen see Instruction H for special exception.)

12. Total amount paid and withheld from January 1 through the installment date indicated: Apr. 15, 1974, $2,764; June 15, 1974, $5,528; Sept. 15, 1974, $8,292; Jan. 15, 1075, $11,056.

13. Exception No. 1, prior year's tax 1973 tax: 25% of 1973 tax, $2,519; 50% of 1973 tax, $5,038; 75% of 1973 tax, $7,558; 100% of 1973 tax, $10,077.

Individual California Income Tax

Name: Alan & Geneva Cranston, 1147 La Verne Wy, Palm Spg, Ca. 92262.

Your Social Security Number: 578 38 1722.

Spouse's Social Security Number: 550 07 1303.

Ocupation: U.S. Senator.

FILING STATUS

2. Married filing joint return (even if only one had income).

EXEMPTION CREDITS

6. Personal: $50.

9. Total exemption credits: $50.

10. Wages, salaries, tips and other employee compensation: $42,500.00

11. Dividends—before federal exclusion. Enter total (if over $400, complete and attach Schedule B(540)): $762.06.

12. Interest. Enter total (if over $400, complete and attach Schedule B(540): $5,046.91.

13. Income other than wages, dividends and interest (from line 48): $27,217.06.

14. Total (add lines 10, 11, 12 and 13): $75,526.03.

15. Adjustments to income (from line 54): $4,337.16.

16. Adjusted gross income (subtract line 15 from line 14): $71,188.87.

17. Deductions: Itemized (from line 61) OR Standard ($1,000 if line 1 or 3 checked—$2,000 if line 2, 4 or 5 checked): $12,586.94.

18. Taxable income (subtract line 17 from line 16) Compute tax from Tax Rate Schedule—Enter tax on line 19: $58,601.93.

19. Tax from tax rate schedule: $4,696.21.

20. Total exemption credits: $50.00.

21. Tax liability: $4,646.21.

23. Net tax liability: $4,646.21.

25. Total tax liability: $4,646.21.

28. 1974 California estimated tax payments: $2,020.

30. Total prepayment credits: $2,020.

31. If line 25 is larger than line 30, enter balance due. It it is equal to line 30, enter zero. Pay in full and mail with return to: FRANCHISE TAX BOARD, SACRAMENTO, CA. 95867. PAY IN FULL $2,626.21.

OTHER INCOME

39. Business income (or loss) (attach Schedule C(540)): $4,500.

40. Net gain (or loss) from sale or exchange of capital assets (attach Schedule D (540)): $4,906.69.

43. Rents and royalties: $10,744.34.

44. Partnerships: $7,066.03.

48. Total: $27,217.06.

ADJUSTMENTS TO INCOME

51. Employee business expenses: $4,337.16.

54. Total adjustments: $4,337.16.

ITEMIZED DEDUCTIONS

55. Total deductible medical and dental expenses (from Schedule A(540), line 10): $150.

57. Total taxes (from Schedule A(540), line 21): $3,145.89.

58. Total interest expense (from Schedule A(540), line 25): $6,585.29.

59. Total contributions (from Schedule A (540), line 29): $933.

60. Total miscellaneous deductions (from Schedule A(540), line 40): $1,772.76.

61. Total itemized deductions: $12,586.94.

RECONCILIATION TO FEDERAL RETURN

Dividend exclusion: $100.

Calif. capital gain incr.: $399.81.

ITEMIZED DEDUCTIONS

1. One half (but not more than $150) of insurance premiums for medical care: $150.

10. Total: $150.

TAXES

14. Real estate: $2,569.51.

15. State and local gasoline: $29.

16. General sales: $401.88.

17. Auto license—Excess of registration and weight fees: $33.

20. Other: Auto sales tax, $112.50.

21. Total taxes: $3,145.89

INTEREST EXPENSES

22. Home mortgage: $2,759.45.

24. See schedules: $3,825.84.

25. Total: $6,585.29.

CONTRIBUTIONS

26. See schedule: $933.

29. Total: $933.

39. Other: Excess office expenses, $823.38.

Entertainment: $914.38.

Safe deposit box: 35.

40. Total: $1,772.76.

DIVIDEND INCOME

Gross dividends and other distributions on stock—List payers and amounts:

No. natural gas (w): $98.

Idaho Power (w): $229.68.

S. Bell Telephone (w): $225.

Wash. Water & Power (w): $209.38.

Total dividends: $762.06.

Taxable dividends: $762.06.

INTEREST INCOME

Interest income—list payers and amounts:

Wells Fargo: $400.99.

Westdale, L.A.: $1,562.43.

Westdale, L.A.: $141.86.

Downey, $152.72.

Downey, $184.97.

I.R.S. overpayment: $125.07.

Bernie & Patricia Synder note: $207.96.

Ervle Bivens Note: $8.34.

Cecil Weintraub note: $2,222.88.

Blind trust savings account: $39.69.

Total interest income. $5,046.91.

PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION

Principal business activity: honoraria; product, speaking.

Business name: none.

C. Federal employer identification number: none.

Indicate method of accounting: cash.

Were Forms 591, 592, 596 and 599, for the calendar year filed (if required)? No.

Method of valuation: none.

1. Gross receipts or sales: $4,727.55.

3. Gross profit: $4,727.55.

5. Total income: $4,727.55.

19. Other business expenses (specify): (a) Travel, $227.55.

(h) Total other business expenses, $227.55.

20. Total deductions, $227.55.

21. Net profit (or loss): $4,500.00.

CAPITAL GAINS AND LOSSES

Assets held 1 year or less

1. Stock in blind trust No. 95-6386948: $1,273.69.

4. Net gain or loss: $1,273.69.

Assets held more than 1 year but not more than 5 years

5. Blind trust No. 95-6386948: $2,665.38.

8. Net gain or loss, combine lines 5, 6 and 7: $2,665.38.

Assets held more than 5 years

9. Sale of lot: b. Date acquired (mo., day, yr.), 1959; c. Date sold (mo., day, yr.), 1974; d. Gross sales price, $9,000; e. Cost or other basis as adjusted, cost of subsequent improvements (if not purchased, attach explanation) and expense of sale, $7,471; f. Gain or loss (d. less e.), $1,529.00.

Sale of copper: d. Gross sales price, $259; e. Cost or other basis as adjusted, cost of subsequent improvements (if not purchased, attach explanation) and expense of sale, $259.

Installment sale—Black Ranch, 1974 principal=$4,110.62 × 55.28% gross profit: $2,272.00.

12. Net gain or loss: $3,801.00

Summary of capital gains and losses

13. Enter amount from line 4: $1,273.69.

14. Enter 65% of the amount on line 8: $1,732,50.

17. Combine the amounts shown on lines 13, 14, 15 and 16: $4,906.69.

18. If line 17 shows a gain, enter here and on page 2, Part II of Form 540 or 540NR: $4,906.69.

RENT AND ROYALTY INCOME

(a). Kind and location of property: from Form 4831, (b). Total amount of rents, $42,859.16; (d). Depreciation (explain in Part V) or depletion (attach computation), $4,161.88; (e). Other expenses (explain in Part IV), $27,952.94.

1. Totals: (b). Total amount of rents, $42,859.16; (d). Depreciation (explain in Part V) or depletion (attach computation), $4,161.88; (e). Other expenses (explain in Part IV), $27,952.94.

2. Net income (or loss): $10,744.34.

INCOME OR LOSSES FROM PARTNERSHIPS AND ESTATES OR TRUSTS

(a). Name and address: see schedule, (d). Partnerships income, $7,066.03.

Totals: $7,066.03.

THE UNITED STATES AND THE UNITED NATIONS

Mr. PERCY. Mr. President, for 4 days over the past 2 weeks, the Committee on Foreign Relations has been holding a series of hearings on "the United States and the United Nations." The list of distinguished witnesses announced by the chairman of the committee on April 29, 1975, in the CONGRESSIONAL RECORD, have presented stimulating and interesting statements that I commend to every Member of the U.S. Senate.

I, therefore, ask unanimous consent to have printed in the RECORD the prepared statements of the following witnesses to date:

May 7—*The U.S. Role in the U.N.: the Vision and the Reality:*

Harold E. Stassen, Member of the U.S. Delegation to the United Nations Conference on International Organization, San Francisco 1945.

Henry Cabot Lodge, former U.S. Representative to the United Nations.

Arthur Goldberg, former U.S. Representative to the United Nations.

Charles W. Yost, former U.S. Representative to the United Nations. (No prepared statement.)

May 8—*The U.N. in the Seventies:*

The U.S. Role Today: Senator J. W. Fulbright, former Chairman, Committee on Foreign Relations; sponsor of the Fulbright Resolution of 1943.

Is the U.N. Working?:

Richard N. Gardner, Henry L. Moses, Professor of Law and International Organization, Columbia University.

Abraham Yeselson, Chairman, Political Science Department, Rutgers University; author, *A Dangerous Place: The United Nations as a Weapon in International Politics.*

Joseph Segel, Chairman, Board of Directors, United Nations Association; U.S. Alternate Representative to the 29th U.N. General Assembly.

C. Maxwell Stanley, President, Stanley Foundation.

Wednesday, May 14—*The Impact of Détente:*

William F. Buckley, Jr., Editor-in-Chief, the National Review; Alexander Dallin, Professor of Government and History, Stanford University.

The Impact of the Third World:

Richard A. Falk, Professor of International Law and Practice, Princeton University.

Thursday, May 15—*The United Nations: Other Visions:*

Buckminster Fuller, Architect.

Richard Scammon, Elections Research Center (No prepared statement).

Bruno V. Bitker, Chairman, American Bar Association Advisory Committee on World Peace through Law, Milwaukee, Wisconsin.

Pauline Frederick, former U.N. corespondent for NBC.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

Statement of Harold E. Stassen

Honorable Chairman, Members of the Committee: Responding to your invitation to testify at this hearing on the subject "The United States Role in the United Nations: The Vision and the Reality", may I first of all commend the Committee for addressing itself to this subject at this critical hour in the conduct of our foreign relations.

The very serious adverse consequences in recent years arising out of our foreign relations are in my view a direct result of an excess of unilateral, bilateral, and individualistic conduct of our foreign affairs.

These unfortunate results are causing some tendency to turn inward and to increase isolationist sentiments.

What we need urgently is a turn toward a greater use of open multilateral and United Nations' centering of the conduct of our foreign policy.

These latter methods may at first seem more difficult, but in the modern world they are the only sound road toward true progress.

The unilateral, bilateral, and individualistic methods may at first seem easier and more productive, but they nearly always lead to tragedy and disaster.

The United States should take the lead in making the United Nations more adequate, rather than bypassing and downgrading it.

When we drafted and signed the United Nations Charter in San Francisco thirty years ago, we anticipated that it would need modernizing and strengthening in the future. Such improvement is overdue.

My own views in this respect were expressed in a national broadcast on NBC on July 5, 1945.

The late distinguished Senators Tom Connally and Arthur Vandenberg, both former Chairmen of this Committee, and both also signers of the United Nations Charter, had similar views.

Before proceeding to give my views on the needed improvement of the Charter, may I make a few concise points of overall perspective.

There will be a continuing need for the United States to be militarily very powerful and very alert.

The United Nations organization as now established is inadequate, but it nevertheless represents humanity's best hope for future world peace.

With the many far reaching events of the past three decades, it is probable that if there had not been any United Nations organization, there would have been a catastrophic third world war before this date.

May I now give a summary of my recommendations for modernizing, improving and strengthening the United Nations Charter for the decades ahead. A few years ago I drafted a complete proposed Charter for study purposes. It has now been updated, and I will provide a copy to the Committee for review by its staff.

The major revisions from the present Charter are as follows:

1. Change the concept of the organization to universal inclusion of all humanity, and toward that end, revise the preamble, and open the membership.

2. Set up a new Central Council of Ministers with weighted voting to effectively reflect and act for the world situation, and to stand between the veto power in the Security Council and the one-state, one-vote assembly.

3. Create a new World Court of Equity, as an additional court, with broader and special jurisdiction to add to the functioning of the judicial decision side of world affairs.

4. Add two additional organized methods for reaching settlements of international disputes, through the establishment of a World Board of Arbitration and a World Panel of Mediators, and provide for a notification of the Secretary-General of all pending disputes.

5. Require the ratification of three-fourths of an expanded list of major permanent members to become effective. The expanded list includes Japan, India, Brazil, and the two German Governments, as well as France, the United Kingdom, China, the USSR, and the United States of America.

6. Formally take sovereignty over those areas of the sea bed and of outer space which are outside of national sovereign jurisdiction.

7. Initiate affirmative objectives and methods for the safe-guarding of the environment against pollution, and for the fuller enjoyment of life by all humanity of all races.

8. Establish a new substantial regular method of financing the organization through a one percent duty on all international movement of tangible goods, materials, and machinery.

9. Provide for a United Nations Peace Force which is distinct, well-prepared, elite, and not composed of national units.

It will, of course, take several years to make such changes in the Charter, but even the beginning of the process will have a constructive effect.

It is urged, respectfully, that this Committee take a leading role in bringing about a new United States leadership toward strengthening and modernizing the United Nations, and toward a larger use of multilateral methods and principles in the conduct of the foreign policy and foreign relations of the United States.

May I also suggest that there should be too deep a feeling of gloom about the present situation. In a very real sense, our country is continuing to suffer from the traumatic consequences of the tragic assassination of President John F. Kennedy. Such an event has a penetrating and pervasive effect upon our country. We will come through this period, but it takes time and understanding.

Our founding principles of individual freedom and of the worth and dignity of each person, are as valid today as they were two centuries ago, and their application with intelligence and integrity to all humanity on this earth, under God, continues to be the best road to world peace with justice.

Statement of Henry Cabot Lodge

One self-evident fact about the world is that its most difficult and dangerous problems—be they of health, or economics, or energy, or pollution, or, of course, of war and peace—can only be solved on an international basis. Individual nation-states—even as big as the United States and the Soviet Union—cannot successfully cope with these problems alone.

Yet one self-evident paradox about the world is that the United Nations—the international organization created precisely for the purpose of finding international solutions—often receives a massive vote of no confidence in various American opinion polls, even though a majority does not want to abandon it. Consider these figures: in 1951 only 43% of the American people, according to the Gallup poll, were satisfied with the progress of the United Nations. In 1959, the Gallup poll showed that an all-time high of 87% thought the U.N. was doing a good job. But in 1971 this had fallen to a low of 35%. Ambassador Scali, in 1973, spoke of a poll indicating that only 34% of the American people thought the U.N. was doing an effective job. At U.N. headquarters in New York the number of visitors fell from 1,116,000 in 1967 to 765,000 in 1972—a record low. And in 1973 the number was 13% lower. A recent poll of the new 94th Congress by the United Nations Association shows that only 15% of our congressmen thought that the U.N. was helpful to our international relations. This critical attitude of people in the world's biggest and most powerful country is a deadly serious threat to the U.N.—and to our hope for peace.

I therefore ask you to consider the United Nations—its successes, its failures and its future prospects.

Herewith my list of U.N. pluses and minuses:

In the past twenty-five years the U.N. has given important help in these situations: the withdrawal of Soviet troops from Iran in 1947; the communist withdrawal from Greece in 1949; resisting the aggression in Korea in 1950; the cease-fires and withdrawals in the Middle East in 1956 and 1957 and again in 1973; cease-fire or truces in Indonesia, Kashmir, Cyprus; ending outside interference in Lebanon's internal affairs in 1958; preventing the Congo from becoming a cause of confrontation between the great powers in 1960; ushering the erstwhile colonies of Africa into the family of nations; and creating a new U.N. emergency force October 25, 1973, which was followed on October 27 by Egyptian-Israeli meetings for the first time in seventeen years. The new UNEF differs from the one created in 1956 in that it can only be removed by a vote of the Security Council and that Poland, a communist power, is to be a member. These are improvements, even though the road is still full of boulders.

Now for another big plus:

The first priority at the U.N. is peace and security. The second, far ahead of any other, should be economic and social development. Along these lines, the United Nations Development Program, by pre-investment surveys and technical education, has advanced the fundamentals of a good life: food, shelter, health and education. Because it is done "multilaterally" (many nations working together) rather than "bilaterally" (the United States working with one country alone) $1 of input by the United States generates more than $6 worth of actual development work. Thus, our proportion gets smaller and the recipient nations' proportion gets greater because the U.N. Development Program (which includes such worthwhile "specialized agencies" as the World Health Organization and the Children's Fund) gets more and more people "into the act". Much, but not all, of our own bilateral AID program for economic and social development abroad could, I believe, be channeled through U.N. agencies, with advantage to us and to the recipient nation.

So much for the pluses. Here are some undeniable minuses:

With the advantage of hindsight, one can now say that much trouble would have been avoided if, before the French left Indochina, we had used the United Nations in the early 1950's, somewhat as the U.N. acted in the Congo in 1960—as an international presence to prevent the area from becoming the cause of big power involvement. The U.N. later did nothing about Vietnam: because it lacked the tools and the will. Also, the communist powers, notably North Vietnam and the Soviet Union, opposed bringing the Vietnam question into the U.N.

To go on with the minuses, in 1956 the Soviet aggression against Hungary could not be stopped by any method short of a war. In 1968 Czechoslovakia could not be protected against a Soviet take-over. In 1971, the U.N. did not make a determined effort to persuade the government of Pakistan to cease its brutal behavior towards East Pakistanis. Nor did the U.N. prevent—or try to prevent—India from invading East Pakistan. These are all U.N. failures. In all candor can we doubt that these failures would have occurred even if there had been no U.N.?

There are other defects: voting does not correspond with the ability to carry out the things which are voted; there is an alarming tendency not to consider questions on their merits, but to vote as blocs; the lateness in starting the meetings; the windiness of the oratory; the lack of germaneness and the much too lengthy so-called "debates" all make a bad impression.

There can today in our U.N. of 132 members be little confidence that even if a clear and unambiguous case of aggression came before the Security Council or General Assembly, a majority of the members would treat it as such and would come to the aid of the victim.

Finally, I cite the vote (105 to 4 with 20 abstentions) at the last session which recognized the PLO as the sole representative of the Palestine people and gave Mr. Arafat honors proper to a chief of state—an outrageous event which, understandably, infuriated so many people that some are talking about the U.S. withdrawing from the U.N. I do not think it would be wise to withdraw. This suggestion reminds me of the man who stuck his head out of the window, found the weather was insufferably hot, and proceeded to break the thermometer. The cure for the U.N.'s trouble is not to leave it, but to reform it.

The members of the U.N. should wholeheartedly work for a rapid growth in its effectiveness. They should change the U.N. so that voting more nearly corresponds with the ability to carry out the things which are voted. Many detailed changes are proposed in the Report of the President's Commission on the Twenty-Fifth Anniversary of the U.N. published in 1971. I cite a few: small states should renounce their right to vote and become associate members; if any state pays less than one-tenth of one per cent of the U.N. budget, it would become an associate member; the United States would commit itself in electing members of the Security Council to place primary emphasis on the contributions which the candidate can make; half of the ten elected seats in the Security Council would be rotated among the larger states.

A nation like Japan would always be a member of the Security Council. Members should rededicate themselves and strengthen their determination actually to suppress aggression—which, after all, is what the U.N. is all about, and which so many have forgotten. Remember Churchill's words that peace is not promoted by throwing small nations to the wolves. I have no illusions about the difficulty of bringing about these changes, but I believe that an eloquent effort to do so is very much worth making.

Since 1945, it is said, there have been fourteen international and twenty-four civil wars—all with substantial casualties. The world is still a dangerous place. We need the U.N.

THE U.S. ROLE IN THE U.N.: VISION AND REALITY

(By Arthur J. Goldberg*)

I thank this distinguished Committee for the opportunity to present my views on this important subject.

The United States in relation to the United Nations expects too much and demands too little. This dichotomy requires an explanation.

The people of this country expect the UN to fulfill its great goal—to save succeeding generations from the scourge of war.

This great concept of the unity of nations to keep the peace and achieve universal economic justice was born out of the optimism of victory in World War II. It reflected the conception that the World War II partners of different political systems and widely divergent ideologies would submerge their differences in the interests of international peace, security, and progress and would yield enough of their sovereignty to enable the world organization to take effective and collective action to these ends.

Regrettably, the optimism of the Charter turned out to be excessive.

American expectations also were founded on a lack of appreciation of what was already under way when the victorious powers met in San Francisco to adopt the UN Charter—the end of colonialism and the emergence of more new nations than those assembled in the Opera House.

The majority of the nations which met in San Francisco to adopt the UN Charter were of the West; the Communist block was in the minority, and the third world was virtually non-existent. Thus, in the early days of the United Nations, it is not too much to say that we and our Western allies ran the show.

Although we had advance warning as a result of experiences with the Soviet Union during World War II, we did not anticipate the hostile attitude of the Soviets and their satellites at the UN; and we certainly did not foresee the intense resentment of the new nations to colonial powers and the fact that they regarded us to be one. After all, we were in the vanguard to free India from British rule and Indonesia from Dutch domination, and the same was true of some other countries.

I need not detail what is a matter of record, the declining influence of the United States in the United Nations as a result of these developments.

We lost our majority in the General Assembly to the third world and to the Communist block, which has all too often exploited the grievances, justified or without warrant, of the new nations, newly freed from colonialism.

Life at the United Nations, therefore, has become increasingly difficult for the Representatives of the United States to the United Nations. All of them have smarted under attacks, some justified and some unjustified, against the United States. And all, I am sure, nostalgically recall the halcyon days when the United States and its allies were the UN majority.

Our response to this change is understandable, if not always wise. This response is the product of frustration. Why should the United States be singled out for attacks which, by our lights, the Soviets on many counts merit far more than we?

We, like all nations, are a proud country, and properly so; nations, like people, do not relish insults, even of a rhetorical kind. We may console ourselves by the old saying—sticks and stones may break your bones but words will never hurt you—but we do not like to be called bad names. Nations, like persons, are human after all.

Dr. Patrick Moynihan, who, according to press reports, will be our next Representative to the UN, has recently written an article for Commentary Magazine in which he says, in effect, that we have been delinquent in not facing up to these attacks forthrightly, rebutting them and putting our policies in proper context. My friend and former colleague, Dr. Moynihan, is mistaken in this regard. Every American Representative to the UN from its beginnings has attempted to do this.

After reading Dr. Moynihan's article, I reviewed my own speech-making at the UN—a painful task in light of the number of the speeches I delivered during three years of tenure. Upon re-reading this record, I found that it is replete with the exercise by me of my right to reply—replies addressed not only to the Communist block but to a great many of the third world nations as well.

But the problem extends beyond rhetorical exchanges. These, however distasteful, can be lived with, particularly since the General Assembly constitutionally can only recommend. It is the Security Council which decides and there we have a veto.

But the General Assembly and some of the specialized agencies of the UN, such as Unesco, recently have gone beyond words. They have been taking action in violation of the UN Charter and this, along with other shortcomings and failures of the UN, warrants a reassessment by us of American attitudes towards the world organization.

I have come to the conclusion, expressed in my opening sentence, that we must moderate our expectations as to the UN's capacities to make and keep the peace in this troubled world and ensure economic and social justice. We must accept the UN for what it is—a useful instrument to implement a political consensus, by the super-

powers in particular; a forum to ventilate grievances by the third world; and an agency to study and promote economic and social progress. The United Nations is not a world government, and, though important and at times helpful in keeping the peace and providing economic and social aid and assistance, its capacities, even in these areas, are limited.

But while moderating undue expectations, we must also insist upon observance by all nations of the fundamental provision of the UN Charter when action is taken.

We must not demand too little of the UN and its specialized agencies, while recognizing the limitations of the United Nations.

Specifically, we have the right to demand that all member states refrain from unconstitutional action—action contrary to the explicit provisions of the Charters of the United Nations and its agencies.

Let me illustrate by a simple example: There is a movement under way to deny Israel its proper place in the General Assembly and in the specialized agencies.

Action of this character is plainly unconstitutional and contrary to the Charter. Under Chapter Two of the Charter,(a member of the United Nations "may be expelled from the exercise of the rights and privileges of membership in the General Assembly (only) upon the recommendation of the Security Council." This is a very plain provision. One need not be an international lawyer or jurist to interpret it. The General Assembly is simply without power to exclude a member from its deliberations until and unless the Security Council so recommends.

The United States, therefore, has every right to insist that this provision not be annulled by a majority at the Assembly. The United States and a few Western powers did vote against the exclusion of South Africa from last year's General Assembly deliberations. I hold no brief for South Africa: its apartheid policy is utterly abhorent to me, as I made clear during my tenure at the UN. But South Africa, notwithstanding, like all member states, is entitled to constitutional due process, and it was denied.

In any event, Israel does not practice apartheid. The Security Council has made no finding that Israel has not complied with Resolution 242, the bedrock of a Middle East settlement. No ground, therefore, exists for Israel's exclusion from the General Assembly or the specialized agencies of the UN.

The United States, if it is faithful to the UN Charter, has the right, therefore, to demand that the proposal to deny Israel its proper place in the Assembly be abandoned as unconstitutional. And, to make this demand creditable, the United States should make it clear, before this proposal gains further momentum, that, if Israel is unlawfully denied its proper seat in the Assembly, the United States will not only vote against but, if the Assembly notwithstanding persists, will not participate in the Assembly deliberations. (It goes almost without saying that we should keep our Security Council seat, not repeating the great Soviet mistake at the time of the Korean conflict.)

I believe that a firm declaration to this effect by the United States, not by way of threat but by a simple statement of intention, would suffice to bring home to all concerned that we are serious about observance of the Charter provisions about the rights of members which, like the franchise in our democracy, goes to the very basis of the UN's existence. But if such action by the United States does not appear likely to ensure Charter compliance, we should also make it clear that we are prepared to take the further step of freezing our pro-rata contribution to Assembly expenses if Israel is illegally denied its seat in the Assembly.

Under ordinary circumstances, I am not a great advocate of swinging a big stick; but the United Nations will not survive if its basic law is violated by a majority in a matter of transcendent importance, such as the rights of members.

There is another thing we have a right to demand. We have a right to insist that the Secretary General forthrightly declare against this and other egregious violations of the Charter. The Secretary General is the principal executive officer of the United Nations. He is its leader and in a very real sense is the custodian of the Charter. A timely declaration by the Secretary General on occasion may offend the majority or the minority, depending upon the circumstances, but a Secretary General should not attempt to please the majority, or us, or anyone else where the integrity of the Charter is at issue.

It is far more likely that the United Nations will sustain irreparable harm from excessive caution on the part of the Secretary General than from courage in insisting on compliance by all member states with the fundamental law of the organization.

I conclude by reiterating my thesis. American foreign policy towards the UN should lower its sights about unrealistic objectives and raise them about essential demands. Both the United Nations and the United States will be better served by such a policy.

STATEMENT OF SENATOR J. W. FULBRIGHT, FORMER CHAIRMAN, COMMITTEE ON FOREIGN RELATIONS

Mr. Chairman, I appreciate the invitation to testify before this great Committee on this most important issue.

As you know, since my first year in the Congress in 1943 I have had a deep and continuing interest in persuading our own country as well as other countries to discuss and to negotiate, rather than use force, to resolve differences which arise from time to time.

The experiences which we and the world have suffered in the intervening years have strengthened my conviction that there is no rational alternative to the principles and procedures of the United Nations. The development of the hydrogen bomb has removed any doubt from rational minds that the periodic breakdown of the old international system of sovereign states, precariously balanced in a chaotic and lawless arena, is no longer good enough. Incineration by nuclear weapons just is not glamorous or appealing, even to the most romantic of our cold warriors, so I again repeat there is no rational alternative to the U.N.

I wish to commend Senators Symington and Percy for their reports to this Committee on their service in the 29th Session of the U.N. General Assembly. I was pleased that both of these distinguished Senators concluded that the U.N. should be supported more vigorously by the U.S. I especially commend Senator Percy for suggesting this review by this Committee of the United Nations and its work.

I should like to suggest that Americans especially should be patient and understanding with the U.N. Our own Congress is about as near to or similar to the U.N. as any significant political institution in the world. For 200 years, it has survived some tough trials and many tribulations, but it still functions to our advantage. The analogy is not close, nor conclusive; it simply suggests that discussion and compromise is the only known alternative to oppression and bloodshed, so I hope we will not abandon the U.N. but on the contrary, we should seek to use it and strengthen it.

One example of our neglect is our failure to respond in any way to the creation of the United Nations University to be established in Japan. The Japanese Government, I am informed, has pledged $100 million to the University, but the United States has so far taken no action whatever.

It will not be my purpose this morning to suggest any sweeping changes in the United Nations Charter or any of our other international institutions.

Rather it will be my purpose to urge a sweeping change in the U.S. Government's attitude towards, and its use of, these institutions.

Never before has it been clearer that the unilateral and bilateral diplomacy that has been our tool in recent years is not adequate to cope with regional and world-wide problems. The debacles in Southeast Asia demonstrate vividly the limits of such action, hopefully for all times. As I have said so many times, the United States cannot be the policeman of the world. The only alternative is collective action and multilateral diplomacy—the principal arena for which is the United Nations.

This, of course, is what we had intended the U.N. to perform when we joined the United Nations. It is as hard to pinpoint just where or when we began to shun involving the U.N. in our problems as it is to fix a date for our involvement in Vietnam or the time of the shift of power from the legislative to the executive branch. But it seems to me to be of the same pattern. Just as the executive branch was gradually freezing the Congress out of the foreign policy making process, so was it equally determined not to tolerate any scrutiny of its policies and actions by the United Nations.

This is a far cry from the late 1940's and early 1950's when foreign aid legislation contained provisions ending these programs whenever the United Nations could take over and when our mutual security treaties contained a standard article: "This Treaty does not affect . . . the responsibility of the United Nations for the maintenance of international peace and security."

Some will argue that the coolness that has developed on our part towards the United Nations was a response to the growth and unmanageability of the institution, particularly the General Assembly. But that is somewhat like the chicken and egg argument. Did the General Assembly become what it has because its recommendations were being ignored or did we start ignoring it because it would not do our bidding and dared criticize our actions? I rather favor the former explanation because it opens the way to corrective action on our part through a change in our attitude toward the United Nations.

I may have become somewhat preachy about the United States having to stop trying to remake the world in its own image but I believe this attitude was a factor leading to our present isolated stance in the United Nations.

As soon as we sensed that we were losing control over the United Nations and that member nations did not buy our view of the world and what should be done, we abandoned the U.N. as a major channel for American foreign policy and chose to take upon ourselves the responsibility for maintaining international peace and security.

What, however, would have happened if our attitude had been to try to put ourselves in the shoes of the developing and nonaligned countries? Could we not have avoided the polarization of the General Assembly and our subsequent isolation from the mainstream of world opinion? Was "the tyranny of the majority" that is now so decried a product of our own making? A backward glance would seem to be in order.

The United Nations was intended to be the world's instrument for peaceful change but our nay-saying of recent times has thwarted that purpose.

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* Permanent Representative of the United States to the United Nations, 1965–1968.

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Long-term frustrations over the developing countries' inability to produce change through the United Nations in the areas of economic development, human rights and disarmament, no doubt played a role in producing the bloc-voting now noted. When one recalls, for example, that questions relating to South Africa have been considered by the General Assembly since 1946 without an appreciable change in conditions there, one can understand the frustration of the majority that vented itself in the vote to suspend South Africa's membership. Perhaps the Charter of Economic Rights and Duties was a reaction to the developed countries unwillingness and/or inability to devote even 1% of their gross national product to the development of others, and similar wealth-sharing proposals. I regret the use of gross national product as a criterion, as it is a very poor one. This is not to approve of these actions but to place them in the perspective of past General Assembly recommendations that led nowhere. I may add that I have grave reservations about bilateral development assistance.

The General Assembly has always served as a forum of world public opinion and an arena for moral judgments. Condemnation is a part of its functions. Indeed, the United States in the cold war days and at other times has used it in this fashion. The assumption, however, that the moral weight of world opinion expressed through the General Assembly, would have a moderating effect on the deplorable events and practices has not been borne out by events. As the United Nations ages and long-term problems continue on the agenda year after year without solution, the temptation to the majority to do something drastic just for the sake of "doing" may get progressively greater. The unenforceability of General Assembly resolutions is one member's protection but another member's frustration. In sum, after almost 30 years of resoluting to no avail the pressures for bending the provisions of the Charter and the Rules of Procedure have temporarily become too great.

Perhaps as a result of their inexperience, the newly independent nations have a much more relaxed or liberal view of the charter than the Western bloc. The United States especially seems to be cast in the role of a "strict constructionalist." This was not always so, as the U.S. is now often and rightly being reminded. At the height of the Stalinist period of the Cold War, frustrated by interminable Soviet vetoes in the Security Council, we took a very wide view of the Charter and led a move to shift power from the Security Council to the General Assembly through the adoption of the "uniting for Peace Resolution" of 1950 which stated that—

"If the Security Council, because of lack of unanimity of the permanent members, fails to exercise its primary responsibility for the maintenance of international peace and security in any case where there appears to be a threat to the peace, breach of the peace, or act of aggression, the General Assembly shall consider the matter immediately with a view to making appropriate recommendations to Members for collective measures, including in the case of a breach of the peace or act of aggression the use of armed force when necessary, to maintain or restore international peace and security."

At that time, this resolution was questioned by some as being a disguised amendment to the United Nations Charter and every possible legal argument was advanced by the United States to support the position that the General Assembly did have the power to adopt such a far-reaching resolution. In a way, the shoe is on the other foot now, and it is not becoming of us to be holier than thou and preachy about the Rules of Procedure and the United Nations Charter generally. The Charter, as our own Constitution, should be regarded as a living charter.

Similarly, the shoe would seem to be on the other foot as far as the "automatic majority" is concerned. As Ambassador Malik was quick to point out the U.S. invented the automatic majority. "I was a victim of the tyranny of the majority during the Cold War at the U.N.," he said recently.

Aside from the Charter of Economic Rights and Duties, the tyranny of the majority most deplored was the suspension of South Africa, the invitation to the Palestinian Liberation Front to address the General Assembly and its subsequent acceptance as an "observer" at the U.N. These issues all involve in some way the concept of the universality of the United Nations. If the "town meeting of the world" view of the United Nations has any validity, then it should be acceptable to hear from representatives of liberation movements. And indeed, they have been heard for years in various General Assembly committees—from Puerto Rico to Southwest Africa to the Portuguese colonies and elsewhere.

The suspension of South Africa, on the other hand, flies in the face of the principle of universality and the Charter. In this connection, I have to note with regret the vigorous battle waged by the United States last year at the General Assembly to keep the Lon Nol government seated and deny any role to the Khmer Rouge and Prince Sihanouk. We won our case by a vote of 56 to 54. What a phyrric victory! This exemplifies what I mean by changing our attitudes and adjusting to rising forces. We should view the United Nations as the forum where all sides can be heard and direct communications between antagonists should be feasible. Nothing tragic would have occurred if Prince Sihanouk or his representatives had been heard at the General Assembly meeting. On the other hand, perhaps some good might have come out of trying to bring the parties together. But, we did not want anyone to interfere with us in Southeast Asia.

Among other attitudes that I would like to see change is the image of the "poor loser" that we have acquired. We are taking ourselves too seriously at the United Nations. It seems to me that the Great Power role has gone to our head and we have not learned to take the brickbats and setback philosophically and the tail-tweaking with good humor. When opposed, we pick up our marbles and go off to play by ourselves, making the situation only worse.

Again I submit that a case can be made for arguing that we brought the "automatic majority" upon ourselves.

The change in attitude is all the more important now that the United States Government, or at any rate the legislative branch of it, is looking toward the United Nations to help deliver humanitarian assistance to Southeast Asia. This should be the first step in turning to the United Nations for the solution of other problems in the political arena, such as the Middle East, as I have long advocated.

The hour is most appropriate for a return to greater reliance on multilateral institutions and processes for easing the world's growing pains and bringing about peaceful change. The United States should seize the opportunity positively, constructively, and with a sensitive appreciation of other nations' needs and yearnings. After all, we were revolutionaries ourselves once, committed to undoing the status quo.

It is essential that we distinguish clearly between the United Nations as envisioned by the framers of the Charter in 1945, and the organization that actually functions in New York today. The one represents the UN *idea*—the conception of a responsible, effective international peacekeeping organization. The other—the UN as it operates today—is something quite different—it represents the abandonment of the original UN idea.

I emphasize the "abandonment" not the "failure" of the original UN idea, because a plan cannot be said to have failed when no serious effort was ever made to implement it. The essentially powerless, and sometimes irresponsible, assemblage of nations which is the UN today is not the result of any inherent defect in the UN Charter or the conception on which it is based. It is rather the result of our deep mistrust of the UN idea, of our fear and refusal almost from the outset to put even a small measure of our trust in international institutions.

We are all aware of the contempt in which the Soviet Union held the UN in the immediate aftermath of World War II. But we are less aware of the negative attitude of the Truman Administration, which almost certainly would have given the world organization short shrift but for the "automatic majorities" which enabled us in those days to use the world body for our own purposes. Dean Acheson, who was perhaps the principal architect of American foreign policy in the early post-war years, told an interviewer in 1970: "I never thought the United Nations was worth a damn. To a lot of people it was a Holy Grail, and those who set store by it had the misfortune to believe their own bunk."

As one who did then, and still does, believe that "bunk," I contend that there is nothing more important in our foreign policy—nothing more essential to our national interest—than a renewed, belated effort to breathe life into the now enfeebled world organization. This is not, I emphasize, to place our trust in the UN as it operates today; it is rather to make a concerted effort to revive and implement the original UN idea.

The way to do this is by making the Security Council and other UN organs the central forum of our foreign relations, particularly on matters of pressing import like the Middle East. I would think it most important to conduct the prospective Geneva conference under clearly delineated UN auspices. But more important still the UN can play a central role in the solution of the Arab-Israel conflict—through the use of permanent international forces to patrol demilitarized zones; UN teams to inspect and oversee compliance by both sides with the terms of a settlement; and finally by providing appropriate guarantees of the overall settlement.

I am well aware of the low esteem in which the UN is held by Israel and perhaps others, but a UN guarantee would also be a great power guarantee, more specifically a Soviet-American guarantee, and that, one hopes, would inspire some measure of confidence. The point is that the great nations can vest power in the UN by lending it a measure of their own.

Even without the immediate cooperation of others there is much else the United States could do to breathe life into the United Nations. We could make it national policy to appoint men or women of eminence and power—with the prestige of the late Adlai Stevenson or the late Senator Robert Taft—as our representatives in the United Nations. We could make it national policy to refrain from using our veto in the Security Council.

We could make it known to other great powers that the United Nations is our preferred forum for negotiations on arms control and other crucial issues. And we could take the lead in negotiating those long-neglected agreements called for by Article 43 of the Charter, under which members

would "make available to the Security Council . . . armed forces, assistance and facilities" to deal with threats to and breeches of the peace.

There is very little in international affairs about which I feel certain but there is one thing of which I am quite certain: the necessity of fundamental change in the way nations conduct their relations with each other. There is nothing in the human environment, as Adlai Stevenson once reminded us, to prevent us from bringing about such fundamental change. Even the great "realist" of the World War II period, Winston Churchill, recognized the importance of the UN idea. In his famous speech at Fulton, Missouri in 1946, remembered for its reference to the "iron curtain" which had rung down across the continent of Europe, Churchill called as well for a new, cooperative world order. He called for a "good understanding on all points with Russia under the general authority of the United Nations Organization," and he called too for the arming of the new world body with an international force. Speaking of the United Nations, he said: "We must make sure that its work is fruitful, that it is a reality and not a sham, that it is a force for action, and not merely a frothing of words, that it is a true temple of peace in which the shields of many nations can some day be hung up, and not merely a cockpit in a tower of Babel."

Churchill's call made sense in 1946, and it still makes sense. Now as then the idea of an effective world peacekeeping organization is something much more than a visionary ideal; it is an immediate, practical necessity.

STATEMENT OF RICHARD N. GARDNER BEFORE THE FOREIGN RELATIONS COMMITTEE ON "THE UNITED STATES AND THE UNITED NATIONS" MAY 8, 1975

I am deeply grateful for this opportunity to testify in your hearings in "The United States and the United Nations," the first comprehensive hearings on the United Nations which this Committee has held in twenty years.

This morning you have asked us to answer your question "Is the United Nations Working?" My answer to that question is a qualified yes. The United Nations is working in the sense that it is providing indispensible services to its member nations, including the United States, in peacekeeping and economic cooperation.

My qualification is that the United Nations is not working as well as it should and that most of the explanation for this fact can be found in the behavior of its members. As a former British Ambassador to the United Nations once remarked: "There is nothing fundamentally wrong with the United Nations—except its members." We should ask not only whether the United Nations is working, but whether its members, including the United States, are working as hard as they should to enable the world organization to perform the tasks assigned to it under the Charter.

I.

Before getting to these questions, it may be helpful to set down a few basic assumptions about the relation of the United Nations to the U.S. national interest. The ultimate objective of United States foreign policy is to promote the "life, liberty and pursuit of happiness" of the American people. It is increasingly clear that this objective can only be achieved in an international environment congenial to America interests. At the end of the Second World War the United States sought to promote such an environment by creating an institutionalized world order based on the United Nations, the Bretton Woods organizations and GATT. With the onset of the Cold War, the focus of American foreign policy became the creation of a new balance of power to contain the Soviet Union and Communist China. In the thirty years since World War II, "balance of power politics" and "world order politics" have contended for supremacy in U.S. foreign policy-making, with the former steadily gaining ground over the latter.

The capacity of the United States government to promote the "life, liberty and pursuit of happiness" of the American people still requires the maintenance of a power balance. But the greatest threat to our future security and welfare lies in the disintegration of the international order. We talk of a "structure of peace," yet seldom in history have so many existing structures fallen apart. The United Nations system of collective security has broken down, the Bretton Woods financial system has broken down, the GATT system of open and non-discriminatory trade has broken down, the established arrangements for supplying the world's food and energy needs have broken down, the traditional law of the sea has broken down, and essential arrangements for population control and environmental protection have yet to be created.

As the world enters the last quarter of the twentieth century, it is more than ever necessary for the United States to re-examine its foreign policy priorities. In this decisive quarter century, the survival of human civilization as we have known it will depend on mankind's capacity to fashion a new international order—specifically, on improved international arrangements to cope with such interrelated problems as population, food, environment, energy, mass poverty, unemployment, inflation and depression, social and political instability, proliferating nuclear and conventional weapons and escalating terrorism and international conflict.

The collapse of the international order cannot be blamed on the United States or any single nation or group of nations. The clash of ideologies, the multiplication of sovereign states, the intensification of nationalism, the drastic changes in the economic balance, the revolutionary changes in science and technology—these developments have combined to shatter the old order before we have been able to build a new one. The United States has been neglectful of "world order politics," but the record of most other countries has been as bad or worse.

Yet the responsibility of the United States is a special one. Viet Nam and "covert operations" notwithstanding, the concept of a community of nations working within a framework of law to promote security, welfare and human rights is an important part of the American tradition. The U.S. contribution—political, economic, scientific and managerial—remains absolutely essential to the building of a global order. The creation of new international structures to replace the collapsing old ones will be impossible in the absence of United States leadership.

The central preoccupation of United States foreign policy from now on ought to be the building of effective international machinery to manage mankind's common problems. Unfortunately, in a divided world of competitive nation-states, we cannot dispense entirely with "balance of power politics" in favor of "world order politics." But we will need to demonstrate the same degree of commitment to "world order politics" that we have demonstrated to "balance of power politics" if we are to have any hope that the latter will one day prove unnecessary.

A commitment of this kind has been notably lacking in recent Administrations, both Republican and Democratic, despite much use of "world order" rhetoric. U.S. foreign policy has favored short-term considerations over long-term interests, bilateral diplomacy over multilateral institutional-building, and political and military responses over economic and functional cooperation. To mention but one example of distorted priorities, we spent thousands of lives and billions of dollars in defense of "national security" in Viet Nam, while neglecting the much greater threat to national security from our growing dependence on Middle East oil.

II.

Let us now look at the central question of today's hearings: "Is the United Nations Working?" To begin with, we need to distinguish between what is said at the United Nations and what is done by the United Nations. The United Nations is really two systems—a rhetorical system, in which delegates come to the General Assembly and other forums to debate and make political recommendations which have no binding force, and an action system, in which peacekeeping and economic cooperation programs of practical importance provide essential services to member countries. I do not suggest that the rhetorical system is of no importance, but I do suggest that it is of much less importance than the action system and that the American people would have a more balanced appreciation of the United Nations if they focused more on the latter and less on the former.

Let us take peacekeeping in the Middle East as a specific example. Although recent debates in the United Nations have made many Americans wonder whether support for Israel and support for the United Nations are mutually compatible, the fact remains that the peacekeeping operations of the United Nations in the Middle East are very important to Israel as well as to the United States. When Secretary of State Kissinger undertook his extraordinary bilateral diplomacy in the wake of the October 1973 war, he found out that there was literally no way of getting a disengagement of the opposing armies without the interposition of United Nations forces. When the negotiations took place on the United Nations Disengagement Observer Force in Syria, it was Israel that wanted a more numerous force with a stronger mandate, and the final arrangements for the force ended up reflecting Israel's point of view much more than Syria's. The United Nations forces in Syria, I should add, have suffered a 10 percent casualty rate in the first year of operations. The members of the United Nations who are supplying these forces, countries with no direct interest in the Middle East, are thus making a very direct contribution to the maintenance of peace in the area for which we should all be grateful.

It should also be noted with respect to the United Nations Forces in the Middle East that, for the first time, they include a contingent from Eastern Europe and that, also for the first time, the Soviet Union is paying its share of the cost. This also represents progress.

Looking toward the future, it seems overwhelmingly likely that a final Middle East settlement will have to involve demilitarized zones and United Nations forces to provide security for all the parties involved.

To generalize the peacekeeping point: in the foreseeable future, the world will need to make increasing use of United Nations peacekeeping forces to monitor ceasefire agreements, patrol borders, supervise elections, and generally to assure adherence to the non-use of force, self determination and non-intervention in internal affairs.

Now let me turn to the other majority activity of the United Nations, which is in the field of economic and social cooperation.

In the world of 1975, with the rich nations facing double-digit inflation and rising unemployment, with the poorest nations facing

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economic stagnation and misery for increasing numbers of their population, and with the sharp confrontation between developed and developing countries over oil, over other vital raw materials, and over almost every economic issue, the cynic reviewing the past thirty years of UN economic experience might be tempted to ask whether ever in human history so many have negotiated over so much with such meager results.

Yet such a conclusion would not be entirely fair to the United Nations and its members. Preoccupation with present difficulties should not blind us to a number of solid achievements. It is too often forgotten that the principal preoccupation of economists at the end of the Second World War was that there would be a massive depression and unemployment on the scale of 1929. Not only did this not occur, but the global product (in very round figures) grew from $400 billion a year to over $4 trillion between 1945 and 1975. Even allowing for inflation and population growth, this still represents on the average at least a doubling of real income per capita. To be sure, this increase has been very unevenly distributed—the citizens of Europe, North America and Japan (and some more fortunate developing countries such as the major oil producers, Brazil, Turkey, Malaysia and South Korea) have seen their per capita real incomes grow by two to three times or more, while the peoples of the Indian sub-continent and of most of Africa have seen little, if any, improvement in their average condition. Moreover, the benefits of progress, as we all know, were very unevenly shared within as well as between countries.

Allowing for all the qualifications, however, the overall record of economic betterment is without precedent in the history of the world. While it would be an over-simplification to give all the credit to the United Nations system of economic institutions, it is clear that the "founding fathers" of the system must have done something right.

The International Monetary Fund, the International Bank for Reconstruction and Development and the General Agreement on Tariffs and Trade,[1] to take only the most obvious examples, have provided vitally needed negotiating forms, rules of the game and (in the case of the first two) significant financial resources to cope with monetary, development and trade problems. The World Bank group alone is now providing close to $4 billion a year in resources to developing countries.

Similarly, the United Nations Development Program, together with related UN funds for population, environment, children, etc., have made an enormous difference in helping to develop the human and material resources of developing countries. The specialized and affiliated agencies of the United Nations system such as WHO, ILO, FAO and UNESCO have unquestionably been an aid to countries not only in their traditional research and standard-setting activities but in their roles as executing agencies for technical and pre-investment aid. Although the United Nations was originally established primarily as a peace and security agency, some 90 percent of the $1.5 billion annual budget of the UN system (exclusive of lending by the Fund and Bank) is now devoted to economic cooperation.

But the role of the United Nations as a catalyst for constructive change cannot be judged entirely in terms of technical negotiations and lending operations. One of the most important but least appreciated functions of the UN system is in influencing the political process within member states. The great global conferences held by the United Nations on environment, population, and food, for example, unquestionably helped to marshal scientific evidence, mobilize public opinion, focus the attention of political leaders on hitherto neglected problems and thus significantly influence national policies.

In general, the agencies of the United Nations system have helped articulate the common interest of nations and helped conciliate the adversary interests. They have encouraged governments to take a more international approach and have strengthened the hands of outward-looking leaders in dealing with domestic political opposition. They have taken responsibility for compromises in situations where national leaders could not have taken responsibility alone. Thanks to them, nations have followed better economic policies than they otherwise would have done. In short, these institutions, if not the agencies of world government, have certainly been instruments of a better world economic order.

It is a useful exercise to ask where we would be today had we had no United Nations economic system—no institutions for trade and monetary cooperation, for economic development aid, agriculture, population and environment, for the establishment of safety standards in air and ocean transport, for exchanging weather information, for allocating radio frequencies. Bad as our situation now is, it would have been immeasurably worse—quite possibly beyond repair.

III.

Let me turn now to the problems that the United States and Israel faced at the last General Assembly. The first thing that has to be said about the last General Assembly is that the basic cause of our problem at the UN is not the UN itself. It is the increasing divergence between the United States and the majority of mankind on fundamental issues. I would not agree with those who say that the UN majority is always right—indeed its "double standard" on Middle East, economic and human rights questions is often deplorable—but it is an unhappy fact that United States leadership has been badly damaged by Viet Nam, Watergate, economic mismanagement and neglect of Third World interests. So if that UN reflection is ugly, it's not the mirror that's to blame.

The PLO vote is an example. People have said to me, "Isn't it absurd what the United Nations did on the PLO; these two-bit countries, this one-nation, one-vote thing has to be stopped." Yet how many of these people realize that the invitation to Yasir Arafat was voted by 105 to 4 with 20 abstentions? In other words, on the vote the United States and Israel were only able to get two countries—Bolivia and the Dominican Republic—to support them. Bolivia and the Dominican Republic!

Some people propose a weighted voting system at the United Nations, based on population, economics, education or what have you. Yet a prorating of power by these criteria would not have altered the PLO vote in Korea, disarmament issues and human would have made it worse. The only conclusion that can be drawn from the United Nations mirror is that an overwhelming majority of governments representing an overwhelming majority of mankind is not sympathetic to Israel's diplomatic position and believes that the Palestine Liberation Organization should be associated in the United Nations with the search for a Middle East solution.

What was really damaging to Israel was not anything that happened at the United Nations in recent months—I daresay the publicity given those events and the UNESCO votes stirred worldwide opinion in her favor—but rather the support that the PLO had garnered before it got to the UN. Even the UN resolution recognizing the PLO as the sole representative of the Palestinian people did not fundamentally change Israel's political situation—acceptance of the PLO had already been accomplished at the Arab summit in Rabat, partly as a result of Israel's refusal to make a deal with Hussein.

The political isolation of the United States and Israel is one part of the problem at the United Nations; another is the fact that for the past six years—and some would argue it's been longer than that—the US Government has assigned precious little priority to strengthening the United Nations.

Of course, there have been notable exceptions—United States initiatives in the area of environment, population or narcotics have been impressive. But during the Nixon Administration the attitude at the highest levels was one of malign neglect, of weakening the UN rather than strengthening it as an institution. The tone was set early by President Nixon himself when he scrawled on one memo concerning a UN agency: "The hell with this outfit, let's gut it."

Now I don't mean to imply that the United Nations is above criticism. One need only look at the recent report on the deterioration of the Secretariat by former Ambassador Seymour M. Finger, at the lack of coordination between UN agencies and programs, and at the need for reforms in decision-making procedures (not by weighted voting, by the way, but by conciliation and use of small committees with weighted representation). But these and other cracks in the mirror are also due to faulty policies of member governments, including our own, and can be remedied by them. Let's not be like the father I know who neglected his son for years and then complained when the boy was booked on a narcotics charge: "I always knew that kind would never amount to anything."

Some people are now calling for US withdrawal from the UN. Former Senator Peter Dominick wants us to leave the General Assembly and columnist William Buckley says we should sit there but not vote. I submit that such proposals are unsatisfactory because they have not been thought through.

For the United States to withdraw from the United Nations would be, in the words of a friend from Israel, "desertion of the battlefield under fire." United States withdrawal certainly would not serve Israel's interests; it would leave Israel without the protection of a United States veto in the Security Council. Remember that those United Nations peacekeeping forces under the Council's direction are very important to Israel's interests.

It would be equally foolish to withdraw from the General Assembly or not to exercise our right to vote on items like the UN budget, UN personnel policy, Israel's right to exist, a Mideast settlement, the role of the Palestinians, the future of the UN presence in our and Israel's favor—if anything, it rights. The "Fortress Security Council" strategy simply won't work, for the simple reason that the ten elected seats are held mainly by developing countries. If we try to write off the Assembly, they have the votes to block action in the Council.

The remedy for our present UN difficulties is not to downgrade our UN participation but to upgrade it. We need a whole new approach to the UN system which would include the following elements:

A new commitment to international institution-building at the top levels of the US Government;

The strengthening of our UN Mission and Assembly delegations;

Much greater use of our diplomatic

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[1] GATT is technically not a UN agency, but was created as a result of a UN conference and functions in close cooperation with the other agencies of the United Nations system.

strength in support of UN positions we believe in;

Involvement of our European allies and the Soviet Union in the search for a Middle East settlement which will guarantee Israel's security essentially within its 1967 borders;

A more imaginative approach to the "world economic bargain" that needs to be struck with the developing countries;

And a serious search for UN decision-making reforms of the kind referred to earlier.

IV.

I suggested earlier that the need for multilateral agreement and multilateral management would be increasingly with us during the last quarter of the twentieth century. But, of course, need alone is not enough. Most national leaders around the world do not have to be persuaded that it would be much better to approach key problems on a multilateral basis, usually a global one; the question that troubles them is whether international rules and organizations can be made to work. Unless some major structural weaknesses can be dealt with more effectively, even the existing responsibilities of existing international agencies will slowly wither away, and new responsibilities, however badly needed, will simply not be given either to old or new agencies.

Since the structural problems are political in origin, to remedy them will require not just technical ingenuity but an act of political will on the part of key member-states. The deficiencies of international institutions that governments cite as reasons for bypassing them are of the government's own making. Some acts of creative statesmanship are needed to break out of the vicious circle. To paraphrase a slogan of the peace movement: "All we are saying is, give the international organizations a chance."

The most obvious structural problem is in the decision-making process. How to equilibrate voting power, not just with national sovereignty but with responsibility for implementing decisions, is a riddle that continues to plague the international agencies. It is understandable that large and middle-sized powers will not grant significant authority to a General Assembly where countries representing less than ten percent of the population of the total membership and less than four percent of the budget can take decisions by a two-thirds majority. It is equally obvious that the "principle of unanimity" under which any one country can veto action is not a recipe for progress.

Fortunately, there are a number of methods that have been developed to assure that influence in decision-making bears a reasonable relationship to power in the real world and to the responsibility for implementing decisions. Weighted voting is the most obvious, but the assigning of differential voting rights is often non-negotiable. Other approaches deserve greater attention: "double majorities" (requiring a majority of all the members plus a majority of specially defined categories of members); "weighted representation" (delegating decision-making to a small committee in which the countries that are most important in the particular subject matter have more than their normal proportion of seats); "bicameralism" (in which decisions must first be adopted by a small committee with weighted representation and then by the membership as a whole); and "conciliation" (deferring a vote for a "cooling-off period" of further negotiations at the request of a specified minority of countries).

Obviously no one decision-making formula will be applicable across the board. Different structures are required for different functions—what is appropriate in a new oceans agency may not be appropriate in multilateral development assistance. Moreover, the decision-making reforms that are needed will not always adjust power in the same direction. The United States will justifiably seek "a GATT within the GATT" where decisions can be taken by the key trading nations on some special voting basis rather than on one-nation one-vote formula among 86 contracting parties. At the same time, it can reasonably be asked to concede a greater voice in the IMF and World Bank to Japan and the Arab countries, whose voting power does not adequately reflect their financial power. To be sure, changes in outmoded or unreasonable decision-making arrangements may be opposed initially by the countries that presently have more than their fair share of influence. The challenge to multilateral diplomacy—and one that has not been seriously faced so far—is to persuade the countries that are overendowed with power in a particular institution that a fairer sharing is needed to save the institution from creeping irrelevance and make it more effective on matters of interest to them.

A related but separate structural problem is how to improve present arrangements for creating, adapting, interpreting and enforcing international law—what some would call the "normative process." The development of new rules of law has become both more cumbersome and more politicized—we need only contrast the highly political 90-member preparatory committee that was used for the current Law of the Sea negotiations with the small and expert International Law Commission that prepared the texts for the Law of the Sea conventions of 1958. While the membership explosion of the U.N. system makes it politically impossible to return completely to the old ways of doing things, the common interest of all countries in the orderly development of new rules of international law suggests that greater use of small and expert bodies should be made in the preparatory stage of law-making conferences.

Once the rules have been created, we need better arrangements for adapting them in the light of rapid and possibly unforeseen changes in political, economic or scientific circumstances. The traditional amendment process is as unsatisfactory a means for modernizing treaties on oil pollution from tankers as it is for modernizing the GATT provisions on nontariff barriers. A possible formula here is the delegation of power to small and expert groups to promulgate changes in the rules, subject to an "opting out" privilege for countries that do not wish to accept the changes. With respect to interpretation and application of the rules, we will need to have greater resort, in such diverse contexts as trade and environmental protection, to fact-finding, conciliation and arbitration by disinterested third parties. Finally, we will need to find better ways of enforcing the rules, as by multilateral action that denies benefits and applies punishments. As has been noted, where essential community interests are threatened, as for example in hijacking, marine pollution or the withholding of vital raw materials, action may need to be taken not only against those who ratify the rules and then break them but against those who refuse to accept the rules at all.

A third structural problem that must be mentioned is the crisis in morale and effectiveness that now afflicts the international civil service. Though a few international agencies may be exempt from this generalization, in most of them the concepts of independence and efficiency have been badly eroded by political pressures, particularly the excessive emphasis given to the concept of "equitable geographical distribution." If the vitality of the international agencies is to be assured, more must be done to apply standards of excellence in recruitment, promotion and selection out. Greater efforts should be made to fill senior positions with outstanding persons from the professional, scientific and business worlds, rather than predominantly, as is now the case, the persons on loan from member-governmenta. As with the other structural problems, what is required here is a change in national behavior resulting from a new perception by key governments of their enlightened self-interest.

A final structural problem is how to coordinate and rationalize the fragmented system of international agencies. Governments are encountering increasing difficulties in coping with the proliferating conference schedule and the bewildering variety of secretariats that deal with separate pieces of a total problem. The need here is not just to cut overlapping and wasteful activities, but to clarify responsibility for taking and implementing decisions. It involves both functional coordination (e.g., the respective responsibilities for balance of payments adjustment between IMF, GATT and OECD), and regional coordination (e.g., the division of functions on air pollution between the U.N. institutions and agencies like NATO, OECD, and the Council of Europe). Once again, the problem is fundamentally political, since the proliferation is partly the result of "forum shopping" by governments which wish to promote a favorable outcome, and partly the result of the launching of special purpose programs (e.g., on population, environment, and narcotics) financed by voluntary contributions from governments which feel they cannot achieve their objectives within the U.N.'s central policy and budget process.

A generation ago the central problem was to create new institutions where none existed; today it is to get several hundred functional and regional commissions, boards, committees and secretariats to work together effectively. Perhaps the most difficult obstacle in the way of the objective is the projection into the international organizations of the fragmented system of "portfolio government" that still characterizes most of the major countries. Governments will have to do a better job of coordinating themselves if the functional approach is to produce a coherent system of international institutions. The special session of the General Assembly on economic issues scheduled for September of this year provides a useful opportunity for governments to clarify their objectives and improve their internal processes for the achievement of this purpose.

V.

Now let me close by suggesting some fundamental things the United States should be doing in the United Nations and multilateral institutions generally.

One obvious and pressing need is to take a hard look at the way the American government is organized to cope with the present sweep of multilateral negotiations. Multilateral diplomacy increasingly cuts across the interests of many domestic departments. The effort to resolve foreign policy conflicts between agencies has led during the past decade to excessive concentration of power in the White House. The new practice of having cabinet officers like the Secretary of State and Secretary of the Treasury double as assistants to the President, with responsibility for directing policy in certain areas, offers a new opportunity to coordinate our approach to different multilateral negotiations, achieve consistent solutions to structural problems, involve the necessary disciplines and interest groups and in the policy process, and exploit potential "trade-offs" between different negotiating sectors. The staff of the National Security Council (NCS) could be used more than it has been to

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achieve these objectives. Alternatively, a new senior White House aide could be appointed to discharge this responsibility.

Moreover, for many of the multilateral negotiations discussed earlier, we could establish an interagency task force as a sub-group of the NSC, with a supporting staff in the executive department most directly concerned with the subject matter. The model could be the NSC interagency task force on the law of the sea and the new office established in the State Department for the law of the sea negotiations. It would also be useful for many of the ongoing negotiations to appoint an outstanding professional from within the government or from private life to serve as Ambassador-at-Large to direct the U.S. negotiating team. Regular congressional consultation and private-sector involvement through a working (not ceremonial) public advisory group—as is now the case on the law of the sea—could assure a more open and democratic policy-making process.

It is people, of course, not just boxes on organizational charts, that determine the effectiveness of a nation's policy process. Our ambassadors to the United Nations and other international agencies should be individuals with broad experience and deep substantive knowledge; their staffs should consist of the best talent our country can make available, not only from the foreign service but from the business, academic, professional and scientific communities. We will know we are serious about our "world order business" when we stop using positions in our missions and delegations to international agencies for political payoffs, and start applying the same requirements of excellence here that we apply in negotiations with the Russians and Chinese. Another test of our seriousness will be the extent to which we include in the very top structure of decision-making—in the White House and the key executive departments—persons experienced in and committed to the multilateral approach.

Third, we need to put a new emphasis on world order issues in our bilateral negotiations with former adversaries, nonaligned nations, and old allies. In particular, this would mean using our negotiating leverage to encourage the Russians and Chinese to take a more affirmative position on such matters as the law of the sea, international programs to curb population growth, U.N. peacekeeping and U.N. financing, and the reform of the decision-making processes along the lines mentioned earlier. This will be a difficult and long-term effort, but there will be a growing number of people in both countries who understand the necessity of tackling such issues in a cooperative and non-dogmatic way; we could strengthen their hand by the right kinds of initiatives. For example, we have created a dozen U.S.-U.S.S.R. bilateral commissions as the result of the summit meetings: we could use the SALT Commission to explore the possibilities of mutual nonintervention by the superpowers in Third-World areas and of limiting the spread of nuclear and conventional arms; we could seek support for global health and population programs in the bilateral health commission; and we could press in the environmental commission for Soviet cooperation in global efforts to curb whaling, protect ocean fisheries, and regulate land-based sources of marine pollution. We could place a similar priority on world order issues in our relations with the European countries and Japan both bilaterally and in regional forums like NATO and OECD. And we could work harder to strike a "world order bargain" with the developing countries—showing more interest in their priorities in order to encourage their support for ours.

Most important of all, we need a more principled approach to the conduct of foreign policy. Instead of citing the U.N. Charter and other sources of international law when it suits our short-term interest and ignoring them when it does not, we would recognize our long-term interest in strengthening the norms and processes of a civilized world community. We would make a greater effort to use our armed force and economic power consistently with multilateral undertakings and with other sources of international law, submitting disputes wherever possible to third-party settlement. We would resort to unilateral action only in very exceptional circumstances where multilateral processes were clearly unavailable, and any unilateral action on our part would be carried out in a manner calculated to promote the restoration of multilateral processes. To be specific, we would abolish the CIA's "dirty tricks" department, avoid the excesses of unilateralism that characterized our Vietnam and Dominican interventions, do more to strengthen multilateral processes in foreign economic policy, and show a really objective concern with human rights questions on a global basis—whether within the borders of former adversaries, neutrals, allies or in our own society. This does not mean unilateral disarmament or ignoring valid concerns of national security. It does mean recognizing that national security can only be promoted from now on by achieving a better balance between traditional preoccupations with power relationships and emerging requirements of global order.

Implicit in all these recommendations is a redefinition of our foreign policy objectives. We would make it clear that a "structure of peace" cannot be achieved merely by maintaining a precarious balance between five power centers—that it requires strengthened international institutions at the global and regional levels in which all interested nations have a chance to participate. By making "world order business" our central preoccupation we could help rebuild support for our foreign policy at home and abroad by identifying our purposes more closely with those of the rest of mankind. By demonstrating a commitment to constructive internationalism, we could find common ground between generations as well as political parties.

Were we to commit ourselves fully to the multilateral approach, were we to enlist the energies of our Congress and our citizens, were we to exploit to the full what leverage we still have with other nations, we might begin, very gradually, to deflect the divisive tendencies of nationalism that are now emerging and to exploit the latent possibilities for strengthening the international system. Some may object that a generation of arduous and possibly futile negotiations on specific functional problems is not a very inspiring prospect to put before a democratic electorate. The road to world order is indeed a long and hard one, but since the short cuts do not lead anywhere we have no choice but to take it.

Biographical Note on Richard N. Gardner

Richard N. Gardner, Professor of Law and International Organization at Columbia University, served as Deputy Assistant Secretary of State for International Organization Affairs from 1961 to 1965. He is currently the United States member and the rapporteur of the Group of High Level Experts which Secretary-General Kurt Waldheim has appointed to propose structural changes in the United Nations system of economic cooperation.

Born in New York City, July 9, 1927, Professor Gardner is a veteran of World War II. He graduated from Harvard College, where he majored in economics and received a B.A. degree magna cum laude in 1948. In 1951 he received an LL.B. from the Yale Law School, where he served as Note Editor of the Yale Law Journal. Professor Gardner was awarded a Doctor of Philosophy degree in Economics in 1954 by Oxford University, which he attended as a Rhodes Scholar. He is a member of Phi Beta Kappa.

In 1953–54, Professor Gardner served as Teaching Fellow in International Legal Studies at Harvard Law School. He practiced law in New York City with the firm of Coudert Brothers from 1954 to 1957. In 1957 he joined the faculty of Columbia University as Associate Professor of Law, and he became a full Professor in 1960. Professor Gardner left his post as Professor of Law at the Columbia Law School to join the Kennedy Administration in April, 1961.

Professor Gardner received the Arthur S. Flemming Award for 1963 as one of the ten outstanding young men in the Federal Government.

As Deputy Assistant Secretary for International Organization Affairs, he was concerned with the international organization aspects of numerous foreign policy problems, including disarmament, outer space, trade, and aid to less developed countries. He served as a member of the U.S. delegation to sessions of the U.N. General Assembly and also as a U.S. delegate to meetings of various U.N. Specialized Agencies including the International Labor Organization, the World Health Organization, and the Food and Agriculture Organization. He was Vice-Chairman of the U.S. delegation to the U.N. Conference on Trade and Development (UNCTAD) is 1964. After his return to Columbia University in 1965 he served as Senior Advisor to U.S. Ambassador to the U.N. Arthur J. Goldberg.

From 1969–73 he was the U.S. member of the Board of Trustees of the United Nations Institute for Training and Research (UNITAR) and is currently a member of the U.S. Government's Advisory Committee on the Law of the Sea, in which capacity he is participating in the Law of the Sea Conference. In 1970–71 he served as a member of President Nixon's Commission on International Trade and Investment Policy. He is a Vice President of the American Society of International Law. He served as a consultant to Maurice Strong, Executive Director of the United Nations Environment Program. He participated as a member of the U.N. Secretariat at Stockholm in the drafting of the new U.N. machinery for environmental cooperation. He is also serving as the North-American director of a project on its "Energy Crisis and Relations with Developing Countries" for the Trilateral Commission, a group of leading citizens from Europe, Japan and North America.

Professor Gardner is the author of four books: *Sterling-Dollar Diplomacy; In Pursuit of World Order; Blueprint for Peace;* and *The Global Partnership: International Agencies and Economic Development*. He is currently on a Guggenheim Foundation Fellowship developing material for a book on "Strategies for the Development of International Organizations 1975–2000."

The U.N. in the Seventies: Is the U.N. Working?

(Statement to the Senate Foreign Relations Committee, May 8, 1975, by Abraham Yeselson, chairman, Political Science Department, University College, Rutgers—the State University, New Brunswick, N.J.)

It is difficult for me to respond to the question of how well the United Nations is working in the 1970s without saying a few words about the perspective from which I approach the subject. I see the United Nations as an arena for combat. States use the

Organization to advance national conflict positions, and their estimates of its utility depend upon the extent to which it serves those ends. The starting point of analysis, therefore, is: "Who brings what issue to the United Nations and why?"

From this viewpoint, I can state that the United Nations is working, but not in the interests of international peace or of the foreign policy of the United States. Generally speaking, the countries which now dominate the Organization use it against colonialism, Apartheid in South Africa, Israel, and to support certain approaches to the economic problems of the developing world. These issues, with some additions, such as Puerto Rico, the Panama Canal Zone and South Korea will continue to monopolize debate in the United Nations. That list may be supplemented in the future by Chinese attacks against the Soviet Union, Taiwan, or Hong Kong.

The purpose in all cases is national advantage and the effect is to embitter relations between the parties. Clearly, the United Nations is now an instument useful primarily to the developing countries and Communist States although it will be less valuable for the Soviet Union than for China.

Although the United States is now a direct or indirect target of majorities in the United Nations, this country retains considerable influence, and is still capable of avoiding defeats on some issues. This was demonstrated on items concerning the status of troops in South Korea and the legitimacy of the Lon Nol government during the 29th General Assembly. Nevertheless, the speech by Ambassador John Scali on December 6, 1974 to the Assembly reflects real dilemmas for the United States in the United Nations.

A normal, instinctive reaction to assaults in the United Nations is to reduce support for the Organization. After all, it is hardly reasonable to buy the club which is used to bash in one's head. But financial contributions are minimal in proportion to our wealth or national budget, and the void will be filled by others, especially the oil-wealthy Arab States. Retreat could also take the form of reducing the amount and quality of diplomatic input, and by official denunciations of the Organization.

I would oppose such steps. It is precisely because the United Nations is used as a weapon that we must invest important diplomatic capital there. When certain States used the Assembly during the last Special Session to define world economic issues as a confrontation between the wealthy industralized nations and the developing world, the possibility of a cooperative approach to very real and tragic problems is diminished We must counter such tactics while explaining publicly and privately the reasons behind the American position. The P.L.O. issue was raised to block peace negotiations in Geneva and by Secretary of State Henry Kissinger. It is imperative that we stand against such attacks against the peace and retain maximum flexibility of action.

If it is our calculation that expulsion of South Africa will result in an even greater repression of blacks and contribute to the possibility of racial war in Africa, it is necessary to make those points while retaining the ability to use our influence constructively. On a less obvious level, some developing countries and especially Communist China are initiating issues and employing debating tactics in order to force the United States and the Soviet Union apart, thereby threatening the development of détente. Only an alert and close attention to such maneuvers in the United Nations can frustrate these designs.

These are formidable tasks. As part of the new minority, we must attempt to prevent dangerous issues from being politicized in the United Nations. Inside and without the Organization we must exert our efforts to prevent adoption of resolutions which rigidify positions and create obstacles to negotiations. We must impress others with the dangers which flow from public polemics. It will be argued that the United States did not show this concern about abuse of the United Nations during the first twenty years of the Cold War. That charge was repeated again and again during the debate which followed Ambassador Scali's speech. This perception does not alter the necessity of acting in the manner I have described. It just makes the job that much more difficult.

Obviously, this government faces hard problems. We romanticized the role of the United Nations and majority rule, especially when the Organization implemented American foreign policy. It will be extraordinarily difficult now to rationalize continued involvement in an Organization which sponsors wars, passes one-sided or unenforceable resolutions, provides forums for international insult instead of diplomacy, and is guilty of the most outrageous examples of selective justice. Perhaps it will be impossible for the American people to overcome disillusion and they will demand withdrawal from the world body. Because such action is inimical to our interests and those of world peace, I urge you, Ambassador Daniel Moynihan, and other responsible officials to publicize honestly and soberly the reasons for our continued participation. By recognizing the United Nations as a dangerous weapon, you will be better able to discount its pernicious effects. You will be less discouraged in your support for quiet diplomacy, mediation, efforts to avert nuclear or environmental catastrophes, and contribute better to social and economic justice for the peoples of the world. Clearer perception of the World Organization will facilitate the search for appropriate means of accomplishing these ends, which reality and good sense demand, and which must be pursued in spite of the uses made of the United Nation.

Statement by Joseph M. Segel Before the Committee of Foreign Relations

"Is the UN working?"

I would have to answer: Yes, when its member nations allow it to work.

That, in a nutshell, is the problem with the UN.

It has no sovereignty. It has virtually no authority. It is simply a place where the representatives of 138 sovereign nations can either work together, or make trouble, as their governments so direct.

Fortunately, they work together more often than they make trouble.

Unfortunately, the public does not know this. It is the trouble that makes the front page.

The constructive work of the UN is done mostly in the specialized agencies and voluntary organizations. There are about two dozen of them that are integral parts of the UN system—such as the World Health Organization, the Food and Agriculture Organization, the International Civil Aviation Organization, the Universal Postal Union, the International Atomic Energy Agency, the Environment Program, the Fund for Population Activities and UNICEF. It is in these groups that men and women of goodwill, from all parts of the world, are allowed to work together with a minimum of interference from their national governments, and thus things get done.

This is the real UN—nations united, and people united, in cooperative work for the common good. But it is a UN that very few people know about.

It is through these specialized agencies and voluntary organizations that many things have been accomplished, and are being accomplished, which are taken for granted. Such as the elimination of vaccinations for smallpox, thanks to a UN program that has wiped out the dreaded disease in all but three countries. Being able to mail a letter with U.S. postage and have it delivered anywhere in the world. Expediting relief to the victims of major earthquakes, floods and other natural disasters. Flying and landing safely in any country because a UN agency made English the common language for all commercial pilots and control towers around the world. Training farmers in developing countries to increase their agricultural production. Providing population control education where it is most needed. Coordinating worldwide research findings on cancer. And so forth.

This is indeed just a small sampling of what goes on at the UN. The UN Environment Program alone, which is only about three years old, has 150 different projects underway. And many of these projects are vital to the future protection of the air and oceans we share with the other nations of the world.

The common ingredient in all of these activities is international cooperation. It flourishes in its natural habitat—the UN. Yet all too often it is stifled by the short-sighted attitudes of national governments.

Take the International Court of Justice, for example. It is hardly ever mentioned these days. This is a body of exceptionally distinguished jurists who certainly could be depended upon to render a fair and impartial decision in any international dispute. The problem is that very few national leaders want a fair and impartial decision. They just want to win. And they have the power to do as they please.

And then we have the General Assembly. It has become a big headache for the United States. We created the concept of one nation—one vote, and now it is coming back to haunt us. We made the most of the majority we virtually controlled during the early years of the UN, often forcing the Soviet Union to cast a veto in the Security Council to protect its vital interests, and now the tables are turned. But, it's not really the Soviet bloc that's giving us our problems in the General Assembly. It's now the "third world" in its various incarnations, treating us like a Gulliver rendered helpless by dozens of Lilliputians.

So, what shall we do? Walk away from the General Assembly, as some suggest? Continue participating in the debate, but voluntarily suspend our voting? Or, should we come out fighting with new vigor and try to change the world with a new brand of fiery rhetoric?

I respectfully submit that none of these proposed solutions is a practical answer. Leaving the General Assembly or voluntarily suspending our voting would surely be cutting off our nose to spite our face. It would further isolate us in the world and do great damage to our relations with many countries. Moreover, although the General Assembly is still primarily an advisory body, there are many resolutions which we would want to support because they are harmonious with our interests and reflect positions and principles which are important to our society.

In fact, if you look at our votes in the last General Assembly, it is interesting to note that we joined in adopting 125 resolutions (90 by consensus), while voting against only 17 resolutions and abstaining on 32 others. So, we were not always on the losing side, but the resolutions we voted against received the lion's share of the publicity. Most of the constructive actions we supported received virtually no attention for the press and thus are not known to the public.

Sure, we took some brickbats at that session, but it was nothing compared to what was experienced by the Soviets and China as a result of their mutual vituperative attacks on each other. We conducted ourselves with restraint and actually succeeded in stimulating constructive debate on several issues. Those who continually resorted to fiery rhetoric generally embarrassed their allies and hardened the positions of their adversaries.

No, the solution is not more confrontation. The only useful solution is conciliation. We have much to offer the rest of the world, and they have much to offer us. There is no need to belabor the concept of interdependence. It is now well understood by most national leaders. The time has come to sit down and seriously negotiate away our differences.

This brings me to the Security Council.

The Security Council is working, and working well.

Yes, we have to cast a veto sometimes, but that underscores the fact that nothing gets done by the Security Council unless we approve. Thus our minority interest is more than adequately protected. This is a good system, because it forces compromise when something has to be done.

If nothing else is ever accomplished through the UN, the value of the peacekeeping actions established by the Security Council have been worth every nation's total investment in the UN for the past thirty years and perhaps for the next hundred years. That's just about what the little war in Vietnam cost us, to say nothing about the tragic loss of life and other consequences. In both Cyprus and the Middle East, the alternatives to UN peacekeeping could easily have led to the ultimate tragedy, a nuclear conflict.

Of course, peacekeeping is not the same as peacemaking. Peacemaking is primarily what the UN was established for—preventing conflicts before they start, or if that can't be done, stopping the breach of peace by means of an internationally supervised peace force. The UN provides the framework within which this can be accomplished. What is needed to bring it about is the political will and leadership which the United States is in a unique position to supply.

Can we afford not to move in this direction?

Testimony of C. Maxwell Stanley to the Committee on Foreign Relations

My name is C. Maxwell Stanley. I am a professional engineer and Chairman of the Board of Directors of Stanley Consultants, Inc., international consultants in engineering, architecture, planning and management, having over 500 employees. I am also a founder and now Chairman of the Board of Directors of HON INDUSTRIES INC., a leading manufacturer of metal office furniture and material handling equipment, having over 1,800 employees.

For more than a quarter of a century, I have been deeply concerned with the foreign policy of this country, particularly as it relates to the role of international organization in achieving world peace and security and managing serious problems confronting the world community. I have been actively involved in several private organizations urging a more enlightened U.S. foreign policy including expanded use and strengthening of the United Nations. I have traveled widely and have participated in a variety of international conferences concerned with world organization.

In addition, I am co-founder and President of The Stanley Foundation which, for years, has encouraged study and education on the strengthening of international organization. In this capacity, I have chaired over 40 national and international gatherings including 15 Strategy for Peace Conferences, 9 Conferences on the United Nations of the Next Decade, 6 Conferences on United Nations Procedures and numerous seminars. I have written and spoken extensively on these matters and have authored the book, "Waging Peace, A Businessman Looks at United States Foreign Policy."

These activities have involved formal and informal exchanges regarding international organization, especially the United Nations, with diplomats, civil servants and elected officials of many governments and with concerned scholars and businessmen from the private sector. My testimony is based upon this background.

I speak as an individual. I am firmly committed to the belief that in today's world there must be effective mechanisms and organization on the world level to manage the critical problems we face: (1) assuring peace and security, (2) achieving a tolerable and workable resource/population balance, (3) protecting and enhancing the environment, (4) accelerating economic and social development, (5) improving the world economic order and (6) perhaps most fundamental of all, expanding human rights. None of these problems begins or ends at national boundaries.

Mr. Chairman, answers to your topical question, "Is the United Nations Working?" are dependent upon the appraiser's viewpoint and the criteria used to judge U.N. performance. They are also dependent upon the functions being appraised and upon the relative weight assigned to short-term and longer-term needs and objectives. You may receive both strong affirmative and strong negative replies to that simple question. But I believe an objective answer must be some mixture of yes, no and maybe.

Appraisal of the United Nations is more credible and relevant if viewed in the evolving historical perspective. Ours is a world in limbo between a battered, centuries old political system and a fledgling new world order, more responsive to the demands of peace, security, justice, progress and human dignity. The system that has served nations for centuries is beleaguered by its inability to adequately deal with the issues and problems of the post World War II era. This nation-state political system originated long before the revolution of science and technology of the last half century and the overdue but sudden collapse of Western colonialism in the 1950s and 1960s. New and exceedingly complex international issues have been tabled; dealing with them is more difficult in a world crowded with over 140 nation-states. While the evolution of a new world order is apparent to most scholars, many statesmen and some politicians, its parameters are indistinct and its pace of emergence is highly speculative. Progress in no small measure depends upon the performance of the United Nations—our only major international organization.

The nation-state system model does not fully describe reality. While nation-states are still the leading actors on the world stage, the cast of characters is becoming more transnational. The actions or inactions of nations are no longer self-contained. The 30-year existence of the United Nations demonstrates that nations recognize the need for regional, multi-national and international institutions to facilitate cooperation. But the traumas of an increasingly interdependent world are also symbolized in the United Nations. Its inadequacies clearly reflect that the United Nations is an instrument of the nation-state system lacking institutional autonomy and authority and employed—sometimes eagerly, sometimes reluctantly—by nation-states to enhance national interests and international cooperation. Because the Charter fully protects members' sovereign rights, the United Nations acts only with their concurrence, particularly that of major powers.

The United Nations, serving as a primitive bridge between the nation-state political system and a more effective political order, has dual roles. Its immediate role is aiding and abetting the cooperation of nation-states to manage international crises and solve global problems—a role that cannot be over-emphasized. Today's stakes are high, avoiding debilitating war and assuring quality of life—and perhaps survival. The longer range but equally important role of the United Nations is fostering an emerging international political system tailored for tomorrow.

APPRAISAL—IMMEDIATE ROLE

In applying your question, "Is the United Nations Working?" to its immediate role, my answer is a qualified but definite affirmative. Yes, because United Nations work is successful in more areas than it is not. Yes, because its accomplishments are substantial even though its failures are more spectacular and thus more newsworthy. Yes, because its successes occur despite significant barriers: lack of independent authority, marginal funding and failure of many nations, including our own, to consistently assign high priority to the U.N.'s work.

Normally, two functions of the United Nations are appraised, economic and political. I add a third role, the United Nations more recent focus upon the world's important transnational problems. How well is the United Nations working in these three areas?

For nearly three decades, the United Nations and its family of specialized agencies have performed immensely important and useful tasks in the areas of economic and social development. Although these activities only slightly touch our affluent country, they are vital to the developing nations. In the long run, world development is very important to every nation from an economic as well as security perspective. The long roster of U.N. activities includes the Economic and Social Council (ECOSOC), United Nations Development Programme (UNDP), Food and Agriculture Organization (FAO), World Health Organization (WHO), World Meteorology Organization (WMO), United Nations Educational, Scientific and Cultural Organization (UNESCO), International Bank for Reconstruction and Development (IBRD), International Development Association (IDA), International Labour Organization (ILO) and others. To these should be added ongoing and ad hoc units dealing with human rights, population, trade agreements, disaster relief and other matters. The significant contributions made by the United Nations through such organizations are well documented. The importance of these activities is generally recognized but poorly publicized. Valuable assistance has enabled many less developed countries, most of which are ex-colonial territories, to initiate the difficult processes of economic and social development. Despite fund limitations, errors of judgment and lack of coordination, U.N. activities in the economic area are working.

In the political area, the answer to your question is more ambivalent. The United Nations has not fulfilled the early dreams of its advocates. War has not been avoided nor has security been assured universally. During nearly three decades, however, the General Assembly, the Security Council and/or the Secretary General of the United Nations have performed more than 120 tasks as a third party.* These have been endeavors to contain or resolve potential or actual disputes, provide the good offices of the Secretary General or supervise and assure peaceful self-determination and decolonization activities. Well-known actions include the posting of U.N. observers following the first Middle East war in 1948, supervising the cease-fire in the India-Pakistan conflict of 1949 and again in 1966, deploying the first U.N. Emergency Force in 1956 following the Suez crisis, dispatching observers to Lebanon in 1958, using military assistance to maintain order in the Congo in 1960, employing a U.N. force in Cyprus in 1964 and more recently, authorizing the UNEF and the U.N. disengagement observer force now helping to keep peace in the Middle East. While some of these actions have been controversial, each has served a useful peacekeeping or peacemaking purpose and demonstrated the U.N.'s ability to act when serious confrontations between the major powers are not involved.

The other half of the U.N. peace and security role relates to arms control and disarmament which the General Assembly consistently emphasizes. The United Nations in 1961, endorsed and continues to support, the Geneva disarmament talks—Conference of the Committee on Disarmament (CCD)—and is now advocating the convening of a World Disarmament Conference (WDC) to focus attention, not only upon disarmament itself, but also upon revision of mechanisms to deal with the problem. While U.N. efforts to reduce armaments have been unsuccessful due to adamant opposition of the major nuclear powers, several significant treaties aimed at limiting extension of armaments, have come into force under U.N. sponsorship. These include: the Treaty Banning Nuclear Weapon Tests in the Atmosphere, in Outer Space and Under Water (1963; the Treaty on Principles Governing the Activities of States in the Exploration and Use of Outer Space (1967); the Treaty on the Non-Proliferation of Nuclear Weapons (1970); and the Seabed Arms Control Treaty (1972).

While the United Nations has made important contributions in the area of peacekeeping, peacemaking and arms control, its overall performance in these areas is far less than desired. The United Nations has not found a way to prevent or resolve conflicts involving any degree of potential great power confrontation, the Non-Proliferation Treaty has not gained wide acceptance and efforts of the General Assembly to prod the superpowers towards arms reduction have been notably unsuccessful. Progress towards a World Disarmament Conference is strongly opposed by the United States and China. It is, therefore, unrealistic to say the United Nations is working well in the political area related to peace and security. Although the United Nations has only marginally performed this political role, the continuation and, hopefully, expansion, of the role is essential to progress toward lifting the burden of heavy armaments from the backs of taxpayers, while advancing non-military procedures to deal with inevitable conflicts and controversies between nations.

The United Nations is now undertaking a third important function: focusing world attention upon pending global problems and sensitizing world opinion to cope with them. Periodic meetings of the United Nations Conference for Trade and Development (UNCTAD) have emphasized the importance of better trade mechanisms. The 1972 Stockholm Conference on the Human Environment initiated global action to protect and enhance the earth's environment. It also crystallized action in many nations to protect the biosphere and led to the establisment in Nairobi of the United Nations Environmental Programme. In 1974 both the World Population Conference in Bucharest and the World Food Conference in Rome emphasized the importance of resource/population balance. Population stabilization principles articulated in Bucharest are finding their way into the policies of many governments. The new World Food Council in Rome under the direction of John Hannah, former director of AID, focuses ongoing attention on world food supplies. Currently the resumed Third U.N. Conference on the Law of the Seas is meeting in Geneva in an effort to reach accord on the complex and difficult problems of managing the oceans, man's common heritage. Resources were the concern at the Lima Conference of the United Nations Industrial Organization (UNIDO) and the Tokyo Conference sponsored by the Economic and Social Council (ECOSOC). Next year the United Nations will convene Habitat: A Conference on Human Settlements in Vancouver to consider the mounting problems of urbanization. The complex and controversial issue of a more effective economic order was emphasized at the Sixth Special and the 29th Regular Session of the General Assembly and will be considered again at the forthcoming 7th Special Session. United Nations commissions such as the Group of Eminent Persons investigating multinational enterprises are studying special problems. Such U.N. initiatives compel even reluctant nations to face crucial issues. The United Nations is serving the world community well by alerting and educating it to mounting global problems and by providing an opportunity for traditional diplomacy to function in conference settings.

On balance, the United Nations performs its immediate role reasonably well; its weakest area is political action concerned with peace and security. Effective international organization is essential today. If the United Nations were suddenly eliminated, some alternative institution would have to be created quickly. If the United Nations were given stronger economic and political support and higher priority by the powerful nations of the world—particularly the Soviet Union and the United States—its near term contributions would be even more signficant.

APPRAISAL—LONGER RANGE ROLE

Evaluation of the longer range role of the United Nations—fostering a more adequate international political system—is less specific but on the whole, favorable for the following reasons:

1. Despite diversity and disunity among nation-states, the United Nations is now 30 years of age. It has outlived prior efforts to establish a universally accepted international body to facilitate the cooperation of nations. This continued existence demonstrates the need for it.

2. The General Assembly provides a forum where any nation, large or small, powerful or weak, can voice its aspirations, concerns and complaints. Even the superpowers are challenged to defend their positions. The United Nations debate brings a desirable and healthy oppenness to international affairs.

3. Alternative approaches to world problems are repeatedly offered by the U.S. system: multilateral action, non-military initiative and third party intervention. These are important alternatives to the traditional exercise of unlimited national sovereignty, divisive power balances and ultimate resort to armed force.

4. The United Nations, with its family of specialized agencies, promotes and in the final analysis, tests methods of cooperation among nation-states. By providing a wide range of experience, successful as well as frustrating, it demonstrates the weaknesses of the United Nations and points the way to needed reforms and improvements. The result has been an ongoing evolutionary process of study and improveemnt of organizational procedures within the United Nations.

5. Finally, the United Nations serves as a vehicle for member states to rise occasionally above narrow national interest and act in the common long-term interests of the world community.

Mr. Chairman, I am convinced that the United Nations should be credited with performing both its immediate and longer range roles tolerably well and I have answered your question with a qualified but definite, yes.

MAKING THE UNITED NATIONS WORK BETTER

Before I close, however, I want to emphasize the importance of making the United Nations work better, and urge the United States to do more to make it work better.

Many citizens of the United States, including some in official positions, are disenchanted with the United Nations. We no longer command, for our proposals to the General Assembly, the strong voting majority we marshalled in its early years. The enlarged United Nations now reflects world opinion: no nation or group can dominate. The "tyranny of the majority" became irresponsible in the 29th General Assembly when South Africa was deprived of a vote, Palestinian leader Yassir Arafat was accorded Head of State honors and the Charter of Economic Rights and Duties of States was adopted by an overwhelming vote despite protests and negative votes or abstention of many developed nations. Such events quite properly alarm and annoy most Americans.

But each of these explosive and widely publicized events was the result of a smoldering unresolved problem: degrading apartheid in South Africa, the festering Palestinian refugee situation and the futile and rebuffed efforts of the developing world to gain greater stake and voice in international economic affairs. Have we overlooked the fact that these events, however embarrassing, allowed Ambassador John Scali to set the stage for frank and fruitful debate regarding the United Nations in the closing days of the General Assembly?

Such experiences demonstrate again the importance of cooperation rather than confrontation if global problems are to be dealt with effectively. The United States and other developed nations cannot achieve desired objections if they ignore, dismiss or neglect the major concerns of the developing world: development, the remnants of colonialism—Rhodesia and Namibia, for instance—and apartheid in South Africa. The United States and other industrial nations need the resources, the markets and the political support of the less developed nations. Nor can the developing nations gain greater benefits and participation in the world economic order if they disregard or scoff at such problems as resource/population balance, environmental protection and enhancement, terrorism and peace and security. They need the monetary and technological assistance of the developed countries. Without cooperation and compromise, verbal confrontation will rule the General Assembly and essential U.N. programs will stagnate.

Unfortunately, the last several administrations of the United States government, obsessively burdened by our tragic intervention in Vietnam, assigned a dangerously low priority to the United Nations. We flouted U.N. sanctions against Rhodesia by continued importation of chrome. We are reducing our funding of specialized agencies despite an implied commitment to them as our assessed contribution to the U.N. general budget was lowered from 31.2 to 25 percent. We thwart U.N. efforts to limit or reduce armaments by such actions as opposition to the World Disarmament Conference and lukewarm reaction to nuclear free zones. But we maintain, in company with the Soviet Union, a massive arms race that convinces the world of our complete disinterest in disarmament. Presidents, including Gerald Ford, make major foreign policy addresses with little or no mention of the United Nations. Our State Department has a studied practice of bypassing the United Nations as it emplements our foreign policy. Exceptions occur only when all else seems to fail. Examples include the current U.N. Emergency Force in the Middle East and recent proposals to channel humanitarian aid to Vietnam through the United Nations.

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* UNITAR News, Vol. 5, No. 1, 1973

Despite our leadership in the U.N. Law of the Seas Conference and World Population Conference, our posture at other recent U.N. conferences touching upon aspects of the world's economic order, has been one of blunt confrontation. Unfortunately, both the low priority assigned to the U.N. and this recent hard line, are creating a neo-isolationist image and one that appears to oppose the legitimate efforts of the developing world to upgrade itself.

Certainly U.S. economic interests must be protected. But this will not be accomplished by denying or disregarding political, economic and social changes in the world, including change in the very nature of power. It is time to recognize that even as a most powerful nation, we cannot control or dominate the world's economic and political developments. We can, however, greatly influence change by active participation and constructive cooperation.

In conclusion, the United Nations is working tolerably well considering that it is not a perfect institution, but rather an institution of 138 imperfect nations. The United Nations is what the nation-states made it and we should remember that the United States had a major role in writing the U.N. Charter. The United Nations as the only global organization we have today, must be allowed and helped to better perform its roles. To do this, it must be used and strengthened.

Along with a vast constituency across the country, I express the hope that the Congress and the Administration will cooperatively provide strong leadership to the United Nations by deed as well as word. The priority given the United Nations should be raised and procedures within our government to deal with U.N. matters should be improved. Do not underestimate the interest and the support that would surface if our government would give the United Nations the higher priority in foreign affairs that it deserves. Now is the time to press forward to achieve a United Nations that can better serve mankind. Now is the time to respond to the heritage that inspired us to play the leading role in creating the United Nations. Until we do this, there is little hope for a sane, sound world order capable of enhancing peace with freedom, justice and progress adequate to cope with the many threatening global problems.

STATEMENT TO COMMITTEE ON FOREIGN RELATIONS BY WM. F. BUCKLEY, JR., MAY 14, 1975

Mr. Chairman, gentlemen: A communication from your Committee, signed by the chairman, advises me in language most civil, but tilting rather toward sternness than permissiveness, that I am to address you for ten minutes in a prepared statement.

Last night I gave some thought as to how I might best serve your purposes under these circumstances. Needless to say, I should be happy to answer any questions you subsequently put to me. But to compress an analysis of the impact of détente on the policy of the United States in the United Nations is taking, and requires a most stringent economy of language. I have decided therefore to give you a pastiche. In order to introduce it I need very little commentary. In order to give you the connective tissue that brings the narrative together, I require only a sentence or two.

Accordingly, I begin. The preliminary data are that I was appointed a public member of the United States Delegation to the 28th General Assembly during that summer in which, it is recorded, President Nixon made other, perhaps even graver, mistakes.

I was induced to accept this appointment by being advised that I would represent the United States in the so-called Third Committee—the Human Rights Committee.

I move without further ado in medias res. There I am, at my first 3rd Committee Meeting. I go back to my office and address a memorandum to the U.S. Ambassador, copy to the Secretary of State. I excerpt from that memorandum.

"The policy of detente with the Soviet Union and with China governs the activity of the State Department, and the State Department obviously will move in ways consistent with that policy.

"United States participation in the United Nations is in part a direct expression of United States foreign policy, in part it is an expression of the United States' contribution to strategic ideals of peace, justice, and freedom. It is not, in my opinion, inconsistent for the United States to express itself cordially to the representatives of the Soviet Union in Washington and in Moscow . . . while at the same time representatives of the United States, in public debates on strategic questions having to do with human rights, maintain a dogged position seeking to reaffirm the ideals of the United Nations.

. . . The purpose of the extra political agencies of the U.N. is ultimately diplomatic. When the committee talks about the necessity of freedom of information, it votes for improved communications, which in turn lead to the encouragement of democratic and libertarian impulses. When the committee talks about the right of emigration, or the right to practice ones' religion, it argues for pressures upon totalitarian entities which lure them towards the open society which is the most reliable friend of stability and equilibrium.

". . . The genius of the committees, and of the public member conception, lies surely in the effort slightly to distinguish between the direct agents of the State Department and the slightly detached agents that constitute the delegation.

". . . Accordingly, unless I am instructed to do otherwise, I plan, as the U.S. member in the Committee on Human Rights, to feel free to discuss human rights even if the inference can be drawn from what I say that I also believe in human rights within the Soviet Union. . . ."

I concluded the memorandum with vows to a most tactful performance of my duties as I saw them, and was advised most tactfully the next day by the U.S. Ambassador, for whom I have the highest respect, that any such approach would in fact stand in the way of the tactical demands of détente.

A Second Act (I choose arbitrarily from a number that would serve). I am, as public delegate, instructed to deliver a short speech on how the United Nations might appropriately celebrate the 25th anniversary of the passage of the Universal Declaration on Human Rights. I wrote attempting to conform to the State Department cabled instructions, a few paragraphs, the relevant ones of which I quote:

"Mr. Chairman, on the occasion of the 25th anniversary of the promulgation of the Universal Declaration of Human Rights, what is there to say this side of the cant which I have to spare you? I plead inexperience in the art of saying nothing with much wind, and surely if we find, on meditating the thirty Articles in the Declaration, that there ought to be thirty-one, we should consider recommending an article that declares that all men were born free of preeminent political rhetoric, but that everywhere, man is, in respect of this freedom, in chains.

"My government desires to make one or two observations, some of them concrete, some ceremonial.

"The Human Rights document is the best-known and therefore the weight catalogue of human rights in the world today.

". . . The Declaration has been useful to several countries that have sought to devise bills of rights of their own. By consulting the UN Declaration of Human Rights, they can at least count those rights they have left out.

"My government desires to call attention, on the 25th Anniversary of the Declaration, to a few of the enumerated rights which are conspicuously transgressed upon "(I proceeded to enumerate these, as suggested in the telegram from the State Department. And I concluded:)

"Now, Mr. President, the world is divided not between those who say they do not believe in torture and those who say that they do believe in torture. Rather it is divided between those who practice torture and those who do not practice torture. Indeed, the world is divided not between those who say they believe in human rights and those who say they do not believe in human rights, but between those who grant human beings human rights and those who do not grant human beings human rights. . . . So that this organization is committed, for instance, to the proposition that there is a right to leave one's country. And yet we have not heard more profuse compliments paid to the Declaration of Human Rights than by some who maintain huge fortifications calculated to prevent perforce the exercise of that right.

"The United Nations was not designated as a military juggernaut at the service of the Human Rights Committee to ensure that signatories practice those rights they praise. But, Mr. President, surely it would mark the solemnity of the occasion if, on the 25th anniversary of the Declaration next December 10th, those nations that systematically deny human rights associated with the United Nations Declarations should gracefully absent themselves from this chamber for one day?"

I was advised, most gracefully and warmly, that my short analysis, whatever its great references merits to the contrary notwithstanding, were inconsistent with détente; and, accordingly, pleading the urgency of business elsewhere, I arranged for an aide to read a speech recalling in copious detail the oratory that had celebrated the promulgation of the United Nations Declaration 25 years ago.

Mr. Chairman, the time having elapsed, I close with a paragraph. A fantasy from a journal I wrote at the end of my term as a public member. I take the liberty of reminding you that I am at your disposal to draw out the implications of this statement.

I wrote:

"Wednesday. While sitting at the chair of the Plenary, attending to a few administrative details in the session following the day of the formal closing, a bulletin came in, and the place was in pandemonium. It appears that the military attached to the UN to give technical advice on world disarmament have staged a successful coup and have taken over the General Assembly, the Security Council, and the Secretariat. In due course the UN colonels will issue their instructions, but already it is disclosed that the Soviet Union will not be permitted to talk about disarming, without disarming; the Chinese may not speak about human rights without granting human rights; the Arabs will not be permitted to speak about the plight of the Less Developed Countries without foreswearing the cartelization of their oil; the Africans may not talk about racism until after subduing the leaders of Uganda, the Central African Republic, and Burundi, for a starter; and, just to prove that the colonels are not above a bill of attainer, Jami Barooday may not speak at all, on any subject, for ninety days—after which he will be put on probation, and permitted to increase the length of his speeches by one minute per month, until he reaches the maximum of ten minutes, except that at the first mention of Zionist responsibility for World War I, he has to start all over again. The countries of East Europe must wear red uniforms when they appear on the floor before rising to speak, must seek explicit and public permission from the delegate of the Soviet Union. A scientific tabulation will be made, under the colonels' supervision, of the compliance of individual countries with the provisions of the Universal Declaration of Human Rights, and each country's delegate will be required to wear on his lapel his nation's ranking on that scale, which will range from 100 to 0. Any country with a ranking of less than 75 will not be permitted to speak on the subject of human rights."

Mr. Chairman: Please forgive the unorthodox testimony. I hope you will see the purpose in my electing to address you in this form. Thank you.

THE UNITED NATIONS AND THE SOVIET-AMERICAN RELATIONSHIP

(Statement by Alexander Dallin, Stanford University)

The change in Soviet-American relations which is suggested by the term, détente, did not come about thanks to the United Nations. Nor has it fundamentally affected the functioning of the UN. It is, however, one among several trends which have produced a new situation and new attitudes at the United Nations.

The following statement attempts to sketch the evolution of, first, United States, and second, Soviet attitudes and policies toward the UN; and then to identify some elements of symmetry and some major divergencies in the two powers' approach to the United Nations.

THE UNITED STATES AND THE U.N.

American attitudes toward the UN have drifted from elation to frustration. The initial expectation that the United Nations would be an essential instrument for the maintenance of peace, seemed to be reinforced by the comfortable sense, during the early years, that the United States had the support of the majority of member states. Though even then the U.S. chose not to go through the UN with significant political initiatives (such as the Truman Doctrine and the Marshall Plan), in its first decade the UN was a welcome instrument—first and foremost, in the pursuit of the "cold war." UN action in the Korean War was but the most dramatic example of this function. It also marked the end of an era in which the U.S. had a clearcut preponderance among the members of the General Assembly, the sympathy of the Secretary-General, and a majority of Security Council members—stymied only from time to time by the use, or the prospect of the use, of the veto by the Soviet Union.

From the mid-fifties on, American attitudes were affected by important changes on the world scene. Many of these—such as decolonization, development, and disarmament—were issues that found reflection at the UN. The balance of votes gradually became more uncertain, as new states were admitted to membership in considerable numbers, and some of the erstwhile followers of the American lead began to assert a more independent foreign policy.

American disillusionment was due perhaps, most of all, to the failure of the UN to play a part it had never been intended to perform. Its effectiveness as a collective security and peacekeeping organ was always predicated on agreement among the Permanent Members of the Security Council. It was not intended as an instrument that either superpower could wield against the other. It had no effective force of its own, and only modest authority.

As crisis after crisis arose, the UN proved unable to articulate—let alone enforce—its collective will; it was not centrally involved in the resolution of these crises; it served at times as a convenient forum, an intermediary, or a scapegoat for the protagonists. Thus, no meaningful action ensued from the UN debates on Soviet intervention in Hungary (1956) and Czechoslovakia (1968). Similarly, American intervention in Cuba (the Bay of Pigs incident) and the Dominican Republic led to no UN action. In the Cuban Missile Crisis of 1962, the United Nations had only a marginal role. In the Middle East, it was unable to secure implementation of its Resolution of November 22, 1967. In the Indochina fighting, the role of the United Nations was nil.

On the other hand, the major accomplishments of recent years in reducing international tensions, resolving great-power conflicts, and reaching agreements to limit the arms race and reduce the risks of war, have been achieved almost entirely outside the framework of the UN. The easing of the troublesome German problem (including the Soviet and Polish treaties with the FRG, and the Berlin accords) was the result of bilateral contracts. Similarly, the shift in United States policy toward the People's Republic of China came about without reference to the UN; the U.S. effort to seat the Republic of China (Taiwan) as a second Chinese delegation failed (1971).

The setback sustained by the United States in this connection illustrates the general weakening of American influence at the United Nations. Since 1970 the U.S. has occasionally chosen to use its veto power. The still unfamiliar role of the U.S. as a loser—and at times, a poor loser, at that—may be expected to continue and may in turn reinforce domestic resentment of the UN. This is particularly likely to happen if the U.S. mission chooses to isolate itself, erroneously lumping together all "others" as if they constituted a homogeneous bloc rather than seeking consensus and compromise on disputed issues, or even taking advantage of tensions among nations outside the U.S. alliance system. It is a form of political color blindness to perceive an identity of interests and policies among all "Third World" nations or between Soviet Bloc and neutralist states. The temptation to pursue a policy of benign neglect toward the United Nations is likely to weaken, rather than to strengthen, the American position, and to play into the hands of its adversaries. But the recent drift does add poignancy to the warning once voiced by the late Adlai Stevenson, that "the crisis of our loyalty to the United Nations is still ahead of us."

It remains true, nonetheless, that the United Nations has been insignificant in the improvement of Soviet-American relations. This has been dramatized by the various "summit" meetings of the last three years. The "General Principles" and declarations adopted on these occasions make virtually no reference to the UN. Even where the accords have direct consequences for other powers or require their later concurrence, negotiations are conducted bilaterally between the Soviet Union and the United States. And where of necessity other powers must be involved in the negotiation of new accords (such as European Security and MBFR) conferences are scheduled outside the UN system. There is no reason to think that disputes between the United States and the USSR which cannot be resolved bilaterally could be more successfully negotiated at or through the UN.

THE SOVIET UNION AND THE UN

The Soviet attitude toward the United Nations was, from the outset, rooted in a more hardheaded assessment of its potential role in the postwar world. Experience and ideology reinforced each other in including considerable suspicion, to begin with. There was the backlog of bitter hostility to the League of Nations, which had always been perceived as an inimical agency. Soviet membership in the League (1934–39) scarcely increased Moscow's enthusiasm for a repeat performance: the fundamental aim of "collective security" was not served; and in 1939 the USSR found itself expelled from the League for its attack on Finland.

Still, as a principal partner of the victorious coalition in World War II, Stalin evidently concluded that (a) the price of refusing to join the new world organization would exceed the costs and risks of membership; (b) maximally, the UN could serve as a useful vehicle to gain friends and influence people; (c) minimally, the Soviet Union could make sure that there were structural guarantees (notably, the veto power in the Security Council, and the weakness of other UN organs) against possible UN action detrimental to the USSR. Since he expected the majority to be hostile to the Soviet Union, Stalin was intent on having an impotent UN.

Soviet expectations were validated by the experience of the first postwar decade, within the United Nations as well as outside it.[1] Soviet policy toward the UN has always tended to be a function of general Soviet foreign-policy perspectives. Thus, at the height of the "cold war," general Soviet self-isolation also meant a virtual withdrawal from UN activities. In turn, when Moscow adopted a strategy of "peaceful coexistence," the UN too appeared as one more promising arena for Soviet initiatives. Now it was Moscow's turn, for a time, to abandon realism for euphoria.

In broad strokes, Krushchev's vision was a Soviet camp gaining in power and coersion; a capitalist world rent by internal conflicts and crises; and the "Third World," as a matter of self-interest, aligning itself with the Soviet Union in an "anti-imperialist" coalition and gradually transforming itself in the Soviet image. While in many respects this forecast proved to be woefully erroneous, the emergence of the new nation-states did seem to confirm the vision. In terms of membership, issues, style, and structure, the new nations brought about the most basic changes the United Nations has experienced. But by 1960–64 the Soviet Union, though stronger than ever, found itself in considerable difficulties, in and out of the UN.

Krushchev's improvised but insistent demand that the UN be reorganized so as to reflect the new realities—giving equal representation to the three blocs of states, Western, communist, and neutral—yielded nothing but frustration and failure. Moreover, experience showed that his underlying hope (the "neutrals" lining up with the USSR) was, at worst, a gross miscalculation and, at best, premature and only partly true. By the time Khrushchev was ousted from power, he had precipitated a major constitutional and financial crisis within the UN. He had brought about no organizational changes—other than an increasing instinct on the part of other powers not to raise issues at the UN that were apt to provoke a recurrence of such Soviet behavior.[2]

Since the mid-1960's, then, Soviet foreign policy (including the UN) has reverted to a less hectic mode of lesser risk-taking. The "troika" proposals were quietly shelved; indeed, current Soviet writings on the UN totally ignore them. There has been a significant Soviet retreat from the extravagant expectations regarding the "Third World." While Moscow need no longer fear the United Nations as an "imperialist" tool directed against the Soviet Union, the Organization offers the Soviet leaders scant prospect of assuming a commanding or controlling posi-

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Footnotes at end of article.

tion. The result is a generally supportive but fairly modest and rigid Soviet estimate of the UN's potential. Moscow has been winning it more but enjoying it less.

The explicit Soviet approach to the UN is thoroughly conservative. Moscow seems more conscious than ever of its own status—as a major power, a part of the world "establishment," possessor of the veto, achiever of strategic parity with the U.S., model and mentor for one and all.[3] The Soviet Union makes clear that the UN is a voluntary association of sovereign states; it cannot "act as a kind of super-state." Hence Moscow rejects all arguments that point precisely to the lack of such authority as the source of the UN's ineffectiveness. By the same token, it rejects all calls for revision of the United Nations Charter. It seeks to refute all criticism of the veto; it insists on the prerogatives of the Security Council as the sole body empowered to find threats to peace, to determine the appropriate action, and if needed to direct and control UN peacekeeping operations. This leaves the door open for any of the Permanent Members to veto such a decision, but this is presumably a necessary price to pay for the Soviet Union's assurance that it can estop any action if and when this is deemed important.[4]

Moscow sees the UN as variable in its effects—at times welcome, at times embarrassing, and at times frustrating to the USSR. A new factor which has complicated the Soviet posture is the Chinese presence. If in recent years there has been a general "new civility" and frequently a measure of restraint at United Nations gatherings, the Sino-Soviet exchanges at the UN have been marked by striking vituperation, unmitigated accusations and countercharges. Moscow does not mind acknowledging that it finds the Chinese obstructive. It cannot respond to the challenge to demonstrate its revolutionary commitment before an assembly whose professed values are those of parliamentary give-and-take. It has also learned that it cannot afford to absent itself (as it did from the Stockholm Conference on the Human Environment) lest it abandon the field to the Chinese. On occasion Soviet proposals seem calculated in large measure to show up the Chinese (and their Albanian friends), to force them to take a public stand and thereby to isolate them from other member-states.

It is another unspoken Soviet axiom that the UN must be kept out of all Soviet Bloc affairs, internal as well as interstate. Hence a firm stand in defense of "domestic jurisdiction" (which, it is true, does not keep the USSR from voting for the condemnation of *apartheid*); its uncompromising opposition to all efforts to give greater stress to "human rights" within the UN framework; and insistence on controls, e.g., over foreign satellite television transmissions to the USSR.

There are evidently some areas of disagreement among Soviet observers and practitioners concerned with the UN. A close reading of Soviet comments, e.g., shows differences regarding the nonpolitical aspects of UN work. While some observers stress the socio-economic and scientific-technological programs and agencies, the traditional and still predominant Soviet view has been to insist that the principal aim of the UN is to strengthen peace and security; in this perspective, any effort to put more emphasis on or resources into other activities amounts to an attempt to sidetrack the political functions of the UN and must be resisted. It is likely that this disagreement relates to varying estimates of the "Third World." The dominant Soviet view apparently no longer puts great stock in the UN as a bridge to the underdeveloped nations, whereas some observers do see benefits from such a linkage.[5]

In its public pronouncements the Soviet Union has in recent years made itself a champion of the UN. There is reason to think that, given the multiple reservations it harbors, this is at least partly intended to dramatize the contrast between Soviet faith, optimism, and commitment, and the increasingly grudging and negative American stance. Soviet commentary has also stressed the adoption by the UN of various Soviet-sponsored declarations that amount to pious generalities, such as the condemnation of colonialism, the use of force, or the forcible seizure of territory—behavior already outlawed by the UN Charter or other sources of international law. Given the impossibility of enforcing such resolutions, such Soviet initiatives of purely declaratory pronouncements smack of "grandstanding."

Leaving aside tactical and ideological differences, however, the Soviet Union, not unlike the United States, sees the UN as a desirable but distinctly limited, "supplementary" or "subordinate" instrumentality in the pursuit of its national policies.

THE UNITED STATES AND THE U.S.S.R.: THE PLACE OF THE UN

There has been a qualitative improvement in Soviet-American relations over the last several years. If one searches for reasons to explain this development, a variety of factors suggest themselves: the substantial growth in Soviet economic and strategic power; the change in outlook and priorities of the Soviet leadership; the Sino-Soviet conflict, with all its implications for Soviet security, ideology, and perception of friend and foe, and the opportunities for Sino-American *rapprochement;* a keener Soviet recognition of economic, technological, and managerial shortcomings, some of which may be remediable by increased intercourse with the West; a shared awareness of the common interest in reducing the risks of war and stabilizing the international environment; the increasing self-isolation of the United States from its erstwhile friends and allies, and the effects of the Vietnam War. This list could be elaborated and extended; the point is merely to suggest that none of the relevant variables includes the United Nations: It is difficult to envisage scenarios in which the UN would play a major part in influencing the superpowers' relationship.

Soviet insistence on "strict construction" of the Charter, too, makes virtually certain that the UN will not significantly aid in the resolution of conflicts involving either or both superpowers. What is likely to be recognized as functional and desirable by both sides is the role of the UN as a forum for the airing of positions; as a locus of formal and informal meetings, explorations, and contacts (including those made through third parties); and as an impartial outsider whenever both parties to a conflict seek such a face-saving "out." In all these cases the UN serves as an agency facilitating solution, agreement, or negotiation; in none does it make a significant autonomous input affecting either the Soviet Union or the United States.[6]

There is one area, however, in which the experience of the United Nations has come to exert an influence of its own, and to do so asymmetrically—far more on the USSR than on the U.S. It is one which neither side planned and which the Soviet delegates would in fact be likely to deny. This is the growing frequency with which the U.S. and the Soviet Union take similar or parallel positions on particular issues, or even jointly sponsor new programs or resolutions, or intuitively tend to respond to new situations in similar fashion.

The phenomenon has been particularly striking whenever large numbers of member states have lined up on the other side of the argument. And perhaps even to a greater extent than the facts warrant, some observers—earlier, the Yugoslavs; more recently, the Chinese—profess to see all manner of collusion or at least convergence between the two global rivals. As a Yugoslav observer reported on a General Assembly session, for instance, a few years ago:

> "A series of proposals were advanced concerning ways of promoting the role of the United Nations. . . . Almost as a rule, the superpowers unanimously opposed all [such] proposals. . . . The latest General Assembly session has clearly outlined the contours of a new type of constellation in the present phase of activity of the UN, with the superpowers on one side and all the remaining world on the other." [7]

The New China News Agency routinely reports on the "Superpowers' collusion" and the "Small and Medium-Sized Countries [which] condemn the two superpowers."

In the perception of "Third-World" nations, it is particularly in connection with economic development programs that both Russia and America—whatever the differences between them—have shown rather identical reluctance to provide the kinds and quantities of assistance these nations demand. Both have sought to minimize or deny the political leverage and the economic claims of "developing" countries. The Secretary-General has remarked on "the contrast in the positions of the more developed and the less developed countries." It is often said that the global cleavage is no longer between East and West but rather between North and South: if so, then to the many have-nots the two superpowers symbolize the "have's."

This attitued is at times reciprocated, too. There is more symbolism than may be at first apparent in the anecdote which Lincoln P. Bloomfield relates. He recalls sitting in the UN Delegates' Lounge with a senior Soviet delegate. "As the noise got louder and the crowd thicker, he suddenly looked up and burst out: 'We simply cannot do business in this place.' " [8]

One area in which common Soviet and American positions have invited comment and at times bitter criticism from other member states is arms control. In two instances in particular (the drafts of the Non-Proliferation Treaty and of the Sea-bed Treaty) the U.S. and the USSR faced the UN membership with a joint proposal, worked out directly between them, and then requiring considerable renegotiation, bargaining, and amendment to secure the support of other interested parties.

The Soviet Union has been especially sensitive to charges of "collusion" with the arch-imperialists. It has gone out of its way to denounce and dispell them. But one cannot escape the impression that in fact, over recent years, a *modus operandi* has evolved in which, despite their profound divergencies, Soviet and American U.N. representatives have come to know how to deal with each other, have (over some ten years) sought to avoid exacerbating verbal bouts, have in fact at times worked out compromises behind the scenes, and have probably quite unwittingly come to share certain likes and dislikes, as well as some general perceptions of the international scene.

Some observers might go further and argue that both delegations have given evidence of a sort of acculturation or "adaptive behavior." They might point, e.g., to an abstention from voting in the Security Council rather than have a negative vote recorded as a veto; recourse to "consensus procedure" under which no formal vote is taken; and informal understandings not to speak on a given issue before the Security Council or the General Assembly. Such instances do illustrate the acceptance of tacit or explicit "rules of the game" by adversary participants. There is, however, no evidence that the styles of interaction at the U.N. have any tangible impact on Soviet or American policy-makers back home.

Footnotes at end of article.

TRENDS AND PRIORITIES

The current priorities of both the U.S. and the U.S.S.R. are, in different ways, being contested at home; and future reversals of their policies cannot be ruled out. Nonetheless, one may assume that in broad features a continuation of present trends is likely. If so, one may hazard the guess that the United Nations is unlikely to have any major influence on the relationship of the two major powers; and that they are unlikely to rely on the U.N. in the development of their mutual relations.

In this fundamental regard, then, the situation remains unchanged. What has changed, in addition to the balance of power, is the diminution of "ideological" elements in Soviet conduct. It is true that the Soviet approach to the U.N. is still officially justified in orthodox Leninist terms as a way of "continuing the worldwide class struggle by other means." But there is a remarkable hiatus between doctrinal rationalizations and revolutionary rhetoric, on the one hand, and Soviet insistence on the plenitude of national sovereignty and on various conventions of "bourgeois" diplomacy, on the other.

Especially in the past decade, traditional communist categories such as the "two-camp" view of the world, so thoroughly at odds with the one-world conception of the UN, have been further confounded and empirically contradicted—most dramatically, by the Sino-Soviet split. The assumption of a reasonably pragmatic approach is increasingly likely to provide a realistic guide to Soviet behavior in the UN. This is not to suggest that the Soviet Union is likely to acknowledge such a trend; nor that there do not remain serious preconceptions and blinders impeding a fuller understanding.

The U.S. outlook has similarly lost some of its phobic qualities, with the Kissinger diplomacy in regard to both Moscow and Peking; the termination of the Vietnam War; the recognition of Soviet-American strategic parity; the perception of mutual benefit from various joint endeavors with the USSR; and Soviet rejection of the trade bill stipulating conditions for the award of most-favored-nation status to the USSR.

There are some elements of symmetry in the two powers' view of the United Nations. Both have sought to use, or refrain from using, the UN when it has suited their purposes. Both have adopted their conduct and policies to the changing mood and membership of the UN, but both have been frustrated by the numerical preponderance of small and underdeveloped nations. Both have viewed the United Nations as an instrument of limited utility. Authoritative texts on both sides ignore the UN as a significant agency for peace. Both have displayed mixed attitudes containing elements of self-righteousness as well as assertions of idealism. Both are dubious of the UN's ability to solve serious crises. Both have sought to keep down UN budgets, programs, and staffs. And both believe that things would be worse if there were no UN.

On the other hand, there are profound differences between Soviet and American perceptions and behavior. In style and rhetoric these are fairly self-evident. In recent years U.S. disillusionment with the UN has been more severe and the American response at times more hostile. And yet the Soviet Union goes further in its own determination to take no chances to let the UN be used against itself or its friends.

The United Nations is not prepared to assist significantly in the resolution of differences involving one or both superpowers. Its role, in this regard, is likely to be, at best, one of keeping the two apart or away from the foci of conflict, substituting its own presence. The UN can be expected to perform some constructive tasks in conflict-management—as a buffer, a scapegoat, a broker, or a receiver—assuming the principles seek a paceful way out. If either of the superpowers does not, the UN cannot stop it.

The enforcement of UN decisions relating to war and peace remains a divisive yet critical issue. Effective efforts for collective security require a mechanism for the enforcement of decisions, and such procedures have never been fully regularized. UN action, such as the dispatch of observers or the raising of peacekeeping forces, has been essentially *ad hoc,* with varying degrees of success and acrimony.

Action presupposes great-power consensus on what constitutes a threat to peace and who is at fault. Soviet spokesmen candidly acknowledge that the struggle between "the forces of progress and those of reaction" still "underlies our analysis of UN activities in a particular situation of conflict." UN decisions therefore must "assist national liberation movements and promote social progress without . . . taking sides with reactionary forces (as defined by the USSR)." [9] In doctrine, this gap is unbridgeable. In practice, however, the Soviet Union has at times acquiesced in UN peacekeeping missions, though it has usually refused to contribute to their costs. Efforts to formulate rules for the supervision, operation financing, and direction of UN forces have been stalled for many years.[10]

Soviet support of the peacekeeping operation in the Middle East after the October 1973 war may or may not be an indication of a change in outlook. Soviet commentators have in fact pointed out that the prior Soviet-American détente made possible the relatively rapid Security Council action ending the Middle Eastern conflict, which (they remark) would have been far more dangerous at the height of the "cold war." [11]

The adoption of groundrules governing the use of peacekeeping forces is a prerequisite for increased UN effectiveness in regard to conflicts not involving the Permanent Members themselves. Conditions for UN peacekeeping may be improving. Thus, not only the Middle Eastern precedent, but also the breakdown of the "tight bipolar system" of international alliances, and the reaction to the fighting in Indochina make more likely that in future local conflicts both the U.S. and the USSR will prefer to stay out and use third parties such as the UN. It remains true that even under such conditions the superpowers frequently back opposing parties or come to view the effects of UN action (as in the Congo) in opposite ways, leading to a drastic erosion of the original consensus that makes a UN mission possible. The attitude of the People's Republic of China may, in turn, make agreement more difficult if it suspects "Soviet-American colusion." In its entire history the UN has only rarely been able to constrain any combatant nation. It has never constrained any of the major powers. It must be recognized that it can do least where it would be needed most.

Moscow has evidently learned what may not be fully understood in this country: to turn one's back on the UN is precisely what one's worst enemies would wish. If the United States cannot "control" the UN, it cannot afford to ignore it either, in a world in which interdependence has become proverbial.

Détente may have led both American and Soviet delegates to the UN sometimes—not always—to tone down their remarks and to avoid some rough edges. This has meant some sacrifice in playing to the galleries or the public back home. Essentially this is a question of tactics. The real work at the UN is apt to be done behind the scenes. Ultimately, what is needed is not grandstanding but effectiveness. Politics is the art of the possible, and it would be a disservice to expect more of the UN than its structure allows. It would also be foolish to use it for less than it can provide.

FOOTNOTES

[1] For an authoritative summary, dealing with the general topic of this statement, see Robert G. Wesson, "The United Nations in the World Outlook of the Soviet Union and the United States," in Alvin Z. Rubinstein and George Ginsburgs, eds., *Soviet and American Policies in the United Nations* (New York, 1971), ch. I. For an earlier and more detailed discussion, see Alexander Dallin, *The Soviet Union at the United Nations* (New York, 1962).

[2] On the Khrushchev period as well as the policy of his successors, see particularly George A. Brinkley, "The Soviet Union and the United Nations: The Role of the Developing Countries," *Review of Politics,* January 1970, pp. 91–123. The Soviet treatment of the same problem is in A. Ia. Nekrasov, *SSSR i razvivaiushchiesia strany v OON* (Moscow, 1971).

[3] In most unrevolutionary fashion, Soviet statements stress not only the prerogatives of national sovereignty but also the fact that the UN "does not replace traditional forms of interstate contacts." See, e.g., Anatoly Gromyko, "The United Nations: Ways to Increase its Effectiveness," in Edwin H. Fedder, ed., *The United Nations: Problems and Prospects* (St. Louis, 1971), pp. 1–3; and V. F. Petrovski, "Sovetskie uchenye o meste i roli OON v sovremennom mire," *Voprosy istorii,* 1972, no. 5, pp. 79–80.

[4] See, in addition, the authoritative collection, *OON: Itogi, tendentsii, perspektivy* (Moscow, 1970); Boris Prokof'ev, *OON—25 let* (Moscow, 1970); G. K. Efimov, *General'naia assambleia OON* (Moscow, 1969); V. Viktorov, "Worldwide Forum of Nations," *International Affairs* (Moscow), 1972, no. 10; N. Kapchenko, "World Developments and the United Nations," *ibid.*, 1973, no. 12; V. Fedorov, "The UN Charter and International Security," *ibid.*, 1974, no. 9. The official Soviet position is contained in the letter from Foreign Minister Gromyko to the UN Secretary-General, July 4, 1972; reprinted in *ibid.*, 1972, no. 10, pp. 119–20.

Contrast, e.g., with Francis Wilcox and Carl Marcy, *Proposals for Changes in the United Nations* (Washington, D.C. 1955); President's Commission for the Observance of the 25th Anniversary of the United Nations [Lodge Commission], *Report* (Washington, D.C., 1971); United Nations Association USA, *Controlling Conflicts in the 1970s* and *The United Nations in the 1970s* (New York, 1969, 1972); Richard N. Gardner, ed., *The United States and the United Nations: Can We Do Better?* (New York, 1972); Charles W. Yost, *The Insecurity of Nations* (New York, 1968).

[5] A Soviet discussion of foreign aid argues that "the socialist countries are in no position" fully to finance the development of certain African states, who consider such support essential. Forgetting about the traditional dogma that imperialist aid is *ipso facto* exploitative, Soviet writers now recommend that Western assistance be in fact stepped up, as it were supplementing communist aid programs. David Morison, "USSR and Third World, III," *Mizan*, XII, 135; cited in Morton Schwartz, "The USSR and Leftist Regimes in Less-Developed Countries," *Survey* (London), No. 87 (Spring 1973). The same point is made in Y. Tomilin, "The United Nations and International Détente," *International Affairs* (Moscow), 1974, no. 3, p. 36.

[6] The relative importance of informal contacts at the UN may in fact decrease over time, as (1) the détente makes for more direct contacts between the principals, and (2) other (bilateral and multilateral) institutions and conferences proliferating outside the United Nations make communication between the superpowers easier, regardless of the UN.

[7] M. Barisic, "The United Nations and the

Super Powers," *Review of International Affairs* (Belgrade), No. 450 (January 5, 1969); cited in Brinkley, p. 121.

[8] Lincoln P. Bloomfield, in *Problems of Communism* (Washington, D.C.), March-April 1973, p. 64.

A recent Soviet article recognizes that "some non-aligned countries have expressed the fear that an understanding between the two powers [U.S. and USSR] could be detrimental to the interests of the 'Third World.' " Their efforts, in effect, to monitor U.S.-Soviet talks "cannot be considered as constructive." (Tomilin, *loc. cit.*, p. 35.)

[9] Gromyko, *loc. cit.*, p. 9; also Prokof'ev, p. 75; E.S. Krivchikova, *Vooruzhennye sily OON* (Moscow, 1965); and Iu.Ia. Mikheev, *Primenenie prinuditel'nykh mer po ustavu OON* (Moscow, 1967).

[10] One stumbling block is the relative role of the Secretary-General and the Security Council in the operational supervision of a peace-keeping force. See the letters of Soviet Ambassador Malik and U.S. Ambassador Bush to the Secretary-General, March 17 and 30, 1972 (Documents A/8669 and A/8676).

[11] See, e.g., Tomilin, *loc. cit.*, p. 36.

THE U.N. IN THE SEVENTIES: THE IMPACT OF THE THIRD WORLD

(Statement of Prof. Richard A. Falk, Princeton University, submitted to the Committee on Foreign Relations of the United States Senate in connection with participation as a witness in hearings devoted to "the United States and the United Nations.")

There is no doubt that the United Nations has become something very different than what its founding members had in mind when they assembled in 1944 at San Francisco to draft the Charter of this new institutional attempt at overcoming the hazards of life in a world of sovereign states. Of course, by itself, this process of change is neither beneficial nor detrimental; it is, however, inevitable given the depth of change going on in the world as a whole. Indeed, the capacity of the Charter to accommodate these changes in global setting is an impressive achievement. As Secretary General Kurt Waldheim notes: "It is not surprising that the United Nations itself has been transformed—indeed, it is the fact that it *has* changed which demonstrates that the Founders were right to give us a framework for collective action and not a precise constitution. For the the United Nations reflects the realities of the world. Many of these are unpleasant and even frightening. But it would be when the United Nations did *not* reflect these realities that we should become alarmed."[1] Not everyone agrees with the two-part analysis contained in Mr. Waldheim's statement: first, that the United Nations *does* indeed reflect the realities of the world it inhabits; second, that it *should* reflect these realities. And it is for this reason that controversy emerges, especially among Americans who were largely calling the tune in the early years of the United Nations and have increasingly become less influential in determining what happens. Frequently in recent years the United States Government seems at odds with the substance of UN positions.

This change in the United States position within the Organization, although central to the concerns of this hearing, should not be exaggerated. Probably no state other than the United States could probably have succeeded in stopping the United Nations from taking an adverse position on a policy such as that pursued by this country for so long in Indochina. Only American opposition to the admission of China to the United Nations could have kept that issue unresolved for more than twenty years after an effective change in political power took place in Peking. The United States today continues to be the most influential and significant Member of the Organization, exerting a far more pervasive influence across the board of UN activities than any other state and plays an incomparably greater role than its main geopolitical rival the Soviet Union. In adjusting, therefore, to our loss of influence, we should still appreciate its extent.

Sometimes, especially in spectacular issues of the day it is difficult to grasp the persistence of American leadership within the United Nations, and it is true, that such leadership will not endure if we ourselves lose confidence in its existence. It is, indeed, in the context of Third World claims that the whole issue of the American role is most problematic, and deserves the closest scrutiny. These claims of Asian, African, and Latin American states are directed at reforming the international order as it has evolved over several centuries. If not asserted within the United Nations, then they would be asserted elsewhere, perhaps in a harsher, more destructive form. The Indian nuclear explosion of August 1974 is an ominous warning, even if not so intended, of this possibility. I believe that it is our interest as a country to understand these claims and to do our best to promote reforms in the world system that will facilitate their orderly and peaceful satisfaction. Such a course of reform will require both a renewal of the vision of America as a beneficiary of mankind and an assertion of leadership within our country to enable Americans to adopt an enlightened view of national self-interest that conveys the central truth of our age—that the security and prosperity of the United States depend increasingly on progress toward a just and peaceful world. The wisdom of this perspective is as follows: what's good for the world is good for the United States. To grasp such a reality from the apex of the geopolitical pyramid is not an easy matter. It presupposes a larger measure of humility and empathy than has been evident in governing attitudes of our leaders than has been evident in recent years. It is within this wider context that I would like to consider the impact of the Third World on the United Nations, which means, especially, on the General Assembly. One should approach this topic with the standard caveat—namely, that the label "Third World" covers a whole range of economic, political, psychological, and cultural diversities, even antagonisms. Accordingly, for many purposes it is more misleading than illuminating to lump together the countries of Asia, Africa, and Latin America. At the same time, these countries perceive themselves for a variety of purposes as a group, a perception made more impressive because it overcomes an underlying, undeniable diversity. It is, then, as a group that the Third World has mobilized its membership on a series of widely noticed issues that have appeared on the global agenda in the 1970's and that give substance and credibility to this session of these hearings.

Prior to the 1970's Americans were frequently disillusioned by the inability of the United Nations to implement the great purposes proclaimed in its Charter, especially those of keeping the peace and mobilizing the community of nations against military aggression. This disillusionment arose primarily because the United Nations was regarded as enfeebled. It could rarely act. It did little.

Defenders of the Organization pointed out that it was unrealistic to expect very much from the United Nations, given its miniscule budget, its lack of police or military capabilities, and its dependence on Great Power unanimity to reach decisions in the Security Council. These realists argued, in effect, "Why blame the United Nations for being unable to accomplish more than it was intended to do," i.e. very little. Of course, the realists had a point. On the other hand, if so little was intended, then why did the Charter promise so much in the way of peace and justice? The answer is that the draftsmen wanted to have the best of both worlds: lofty rhetoric in response to world public opinion clamoring for a reliable peace system, but no significant dilution of sovereign prerogatives. Thus, the weakness of the United Nations as an independent actor was built into its very structure, as was inevitable disappointment for those who read the Charter as a series of promises to future generations on the great questions of war and peace. In earlier years, then, the liberals' dilemma was that the United Nations was a well-intentioned experiment, but one too feeble to maintain world peace. Hence, they sought to marshal public support for the United Nations in order to strengthen the organization's ability to realize its potential.

Toward the end of 1974, however, the direction of criticism suddenly swerved sharply. Now, far from complaining that the United Nations was doing too little, its former supporters were concerned that the Organization was doing too much, and that its activities were in fact doing harm to world order values. It seems important to take account of this harsh new line of criticism, to analyze its character and interpret its significance. First, however, let us appreciate that the United Nations activity now being criticized falls in the category of *symbolic* rather than *substantive* activity. The United Nations remains a weak actor when it comes to battalions, but it has an until now improperly understood capacity to shift the balance of legitimacy in ongoing international conflicts and controversies.[2] It is because this symbolic role does have a certain *potency* that there has been a sudden upsurge of serious concern in the United States over what the United Nations does and doesn't do. It can hardly be accidental that last November the largest demonstration in the history of New York City was occasioned by a symbolic event—namely, giving the leader of the Palestine Liberation Organization a forum to say within the halls of the General Assembly what he had been repeatedly saying in many other parts of the world, including Moscow—a locus of material power incomparably greater than that possessed by the United Nations. U.S. Ambassador John Scali, in a widely noticed speech delivered in the General Assembly on December 6, 1974, summed up the present mood when he noted that ". . . many Americans are questioning their belief in the United Nations. They are deeply disturbed."[3]

A series of actions taken by the 29th Session of the General Assembly in the fall of 1974 offended a broad spectrum of American public opinion. Among the most significant of these were:

The suspension of South Africa from all rights of participation in the General Assembly Session;

The invitation to the Palestinian Liberation Organization to take part in the General Assembly debate on the Middle East conflict, and the related treatment of its leader, Yasir Arafat, as virtually a Head of State;

A series of parliamentary rulings by the Algerian President of the Assembly that restricted Israel's right to fully present its case during the debate on the Middle East, as well as parallel actions in UNESCO that withheld funds from Israeli cultural projects;

The adoption of a much heralded Charter of Economic Rights and Duties of States, despite vigorous opposition by the United States to several key provisions.[4]

Footnotes at end of article.

Perhaps even more serious than this bill of particulars, however, was the growing American perception of the General Assembly as a generally hostile arena. For many Americans, this hostility had been epitomized several years ago by the sight of African delegates dancing in the aisles of the Assembly after the 1972 vote granting the People's Republic of China full rights to represent the state of China in the United Nations. While such feelings may be considered paranoid by some, these Americans, who apparently included President Nixon, were convinced that the joy of the Africans had less to do with the issue of Chinese representation than it did with the feelings of potency that came from gaining a Third World diplomatic victory over the United States. In fact, it does not seem unreasonable to imagine that such victory celebrations are made all the more ardent by the Third World's inability to challenge the United States in more direct geopolitical ways. In particular, the failure to protect the Indochinese peoples from the American military onslaught has over the years undoubtedly provoked a subconscious sense of guilt and powerlessness on the part of countries who themselves have struggled to assert a national identity after decades of colonial servitude. A further confirmation of this conjecture is the extent to which leaders of the South Vietnese liberation forces, such as Madame Nguyen Thi Binh, have been hailed and cheered (reportedly more than any Head of State) at principal Third World conferences of the non-aligned bloc during the last three years.

It is worth noting that, even after all the years of the Cold War, the negative American reading of recent United Nations actions is directed not at the Soviet bloc or even at the socialist Members of the United Nations, but at the Third World. Clearly, the capacity of Asian, Africa, and Latin American countries to control the General Assembly agenda and to dominate the debate and resolution process is at the heart of American disenchantment. This disenchantment deepened as the Afro-Asian ranks at the United Nations swelled in the 1960's, and has intensified still further in response to greater Third World solidarity in opposition to American policy on such critical issues as the comparative equities in the Middle East, the status of foreign investment, the use of coordinated economic pressure on the developed world (e.g., OPEC actions since late 1973), and the overall insistence on a new international economic order that reflects the demands of the poorer, less industrialized countries. Ambassador Scali warned that "the pursuit of mathematical majorities can be a particularly sterile form of international activity" and, further, that "[p]aper triumphs are, in the end, expensive even for the voters."[6] In effect, Scali was arguing that without support from states with *actual* power, the formal claims of the General Assembly are rantings and ravings. In the background, however, lurked, I believe, a growing anxiety about a shift in *real* power. The oil weapon employed by OPEC since 1973 had been more than "a paper triumph" for the Third World, even if only a small portion of Asia, Africa, and Latin America received benefits from the confrontation. The shift in influence and wealth had been dramatic. Third World solidarity had seemingly paid off both in relation to the Arab-Israeli conflict and with respect to prospects for restructuring the world economy. Therefore, just as the African dance after the China vote might have been partly bravado, Scali's denunciations of the Assembly seem more like a political gesture than an exercise in diplomacy. Although the Assembly has no aircraft carriers or missiles, its judgments increasingly represent more than mere rhetoric because of the inceasingly formidable strength of the social forces that stand behind that rhetoric. Scali's speech appears to be associated with the threat diplomacy directed at OPEC by American leadership inside and outside of government, conjuring up military scenarios about seizing Arab oil in either the Persian Gulf or Libya.[6] Beneath the denunciations lies a growing American anxiety that "the barbarians are at the gates," that "the West" or "Western civilization" is under siege and the world is running out of critical resources needed to fuel growth-oriented market industrial economies.[7] Thus, the anger directed at the United Nations is part of a wider loss of confidence by American leadership in its capacity to cope with a series of difficult challenges. These American outbursts can be seen partly as expressions of frustration because the tide is turning, and partly as exhortations to stem the tide. Just as the Third World in general and the Palestinians in particular symbolize the barbarians at the gates, so the United Nations serves as a temporary scapegoat, along with OPEC, for focusing American anger and for distracting attention from more structural issues related to a crisis in world capitalism.[8]

A somewhat more academic and narrower critique of the United Nations, especially of the General Assembly, contends that the Organization is worse than nothing, that it is "a dangerous place" where the formal action consistently contravenes the high purposes of the Charter.[9] Indeed, the authors of one study assert that "the United Nations contributes about as much to peace as a battleship or an atomic bomb. Disputes are brought to the United Nations in order to weaken an opponent, strengthen one's side, prepare for war, and support a war effort."[10] This perception emerges, they argue, if one examines "the objectives of those who [have] used the organization."[11] Their evidence is drawn from a wide range of instances, but their argument seeks mainly to establish the extent to which the United Nations operates as an anti-Israeli force rather than as an objective organization bent on fulfilling the purposes of its Charter. Here, the main complaint against the United Nations is partly ideological, partly normative. On an ideological level the critique arises out of opposition to the pursuit of Third World goals in United Nations arenas; on a normative level the critique emphasizes the gap between the Charter as organic instrument and the United Nations as political actor.[12] As such, however, the complaint is irrelevant. The United Nations is inevitably a political actor that cannot be constrained by any underlying constitutional document. Although its actions may be influenced, if not determined, by constitutional guidelines. To complain about the politicization of the United Nations represents either a confusion or, more likely, a substantive dissent from the kind of political positions that are ascendant at a given time. Who can seriously maintain that in the early Cold War years the United Nations was not every bit as political an actor as it was during the 29th General Assembly? The United Nations political character in those earlier years was highlighted by the Korean operation. Indeed, at that time the United Nations provided a global cover for a military operation that was to all intents and purposes an American undertaking.

I would argue that the main organs of the United Nations will either be truly *impotent* or they will actively pursue political ends. If those political ends are perceived as abhorrent to the purposes of peace and justice in the world, then it is reasonable to conclude that the Organization is a dangerous place. However, criteria of peace and justice must be set forth with some clarity and objectivity to enable such a judgment. In my view, the recent swing of sentiment on principal issues is cumulatively in the direction of peace and justice, although not necessarily on each and every issue in question. This judgment rests heavily on my assumption that the world's primary need, at present, is for the redistribution of dignity and wealth, both to alleviate poverty and to build the kind of participatory system that can contribute to the formation of a world social movement designed to achieve drastic global reform.[13]

It should be understood that this approval of Assembly action is based on what I feel it is possible to expect within an intergovernmental context. Of course, many governments from the Third World which are most progressive on an international stage pursue contradictory policies toward their own people. Therefore, there is an element of hypocrisy in such posturing and some mixed effects arising from so-called policies of redistribution. Is social justice really enhanced when purchasing power is transferred from taxpayers in industrial democracies to sheiks on the Persian Gulf? I think it is possible to endorse the progressive demands now being made on the international level, while calling attention to the failure of governments to implement these same demands within their own domestic societies.

The United States has a reputation for wild fluctuations of mood with respect to world policy.[14] In recent decades, these fluctuations often centered upon the two major post-war experiments to create world political institutions that could be entrusted with a mandate to maintain world peace. In many respects, Woodrow Wilson was the prime champion of the League idea, and yet the United States Senate refused to ratify the treaty of participation. Similarly, with the United Nations, it was American promotion of the UN idea that accounted for holding the preparatory conference in San Francisco and locating the Organization itself in New York, rather than elsewhere. Other governments, as well, felt that in light of the League experience it was important to make the UN seem like a part of the United States, and not something remote and alien in character. Through the years the United States has been by far the largest single contributor to the work of the Organization. Nevertheless, there is no doubt that this positive attitude was partially conditioned upon the existence and expectation of favorable political winds. Up through the Korean War, even until the early 1960's, the United States could command support in the United Nations for any position, or at least avoid an adverse decision about which it seriously cared. Thus, both the tenor of debate and the formal actions of the political organs accorded roughly with American foreign policy references.

The watershed of pro-American sentiment within the United Nations was perhaps the Stanleyville Operation of December 1964, the occasion of a joint American-United Kingdom-Belgium airlift in the Congo to rescue the thousands of Europeans and North Americans stranded in the midst of a civil war and held hostage by one side. In retrospect, what was most revealing was the depth of African suspicion about American intentions, and the corresponding American attitude of apparent disbelief that its proclaimed humanitarian motives could be seriously questioned in a public forum. The American delegate in the Security Council, then Adlai Stevenson, protested American innocence. ". . . the sole aim of my government has been and is to assist in the rescue of innocent civilians endangered by rebel activities in violation of international law."[15] At that time there was a far greater tendency to accept Ambassador Stevenson's words on their face than would be the case today—by 1974, American credibility has been much more seriously damaged especially by a decade of military intervention in Indochina and by a series of CIA disclosures substantiating allegations of covert operations ranging from assassination plots to the "destabilization" of constitutionally elected governments. Nevertheless, even in

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Footnotes at end of article.

1964 Africa's angry reaction suggested a deeper Third World opposition to any developed country's use of force in a Third World region, regardless of pretext. Also, and not unreasonably, the African participants in the debate saw the operation as an attempt by Europeans and North Americans to tip the balance in an ongoing civil war in order to satisfy their own diplomatic goals and economic greed, as well as to remind recently independent African countries that while colonialism may have collapsed as a formal system, new geopolitical forms of imperialism had emerged to take its place. My point is that in the years since Stanleyville there has been an intensification of these psychological trends, abetted by certain other factors such as the loss of American prestige as a consequence of defeat in Indochina, the rise of world social crises in relation to famine and poverty, the collapse of the liberal economic ideology based on prospects for indefinite economic growth, the increasing articulation of a Third World position that is anti-Soviet as well as anti-American, the success of OPEC strategy and the possibility of its extension to other sectors of North-Souh economic relations, the addition of India, another Third World country, to the nuclear club, and the political success achieved by the Palestinian Liberation Organization through recourse to international terroristic tactics. Although there are some counter-trends, these factors have all been components in the weakening of America's relative world position. The weakening has been underscored by severe economic setbacks for all advanced industrial countries including the United States, involving inflation, rising unemployment, and declines in total economic output.

It is in this wider setting of world developments that we should appreciate the recent upsurge of negative American attitudes toward the United Nations. In China's first major address in the United Nations, delivered on 3 October 1972 by its chief delegate Ambassador Chioa Kuan-Hua, the following passage appears near the end:

"The World is at a crossroads and so is the United Nations. If the United Nations is to regain its prestige and play its due role, it must conform to the trend of the world, truly express the just demands of large numbers of its members and the people of the world, act strictly in accordance with the purposes and principles of the UN Charter and free itself from the manipulation and control by the big powers."[16]

The events of the last session of the General Assembly definitely move symbolically in the direction advocated by China and supported by the overwhelming majority of member governments. Mr. Chiao Kuan-Hua went on to warn that unless the United Nations did so move "it would be very difficult" for it "to avoid eventually taking the old path of The League of Nations."[17]

What is at stake, then, is very fundamental: first, how do we interpret the forces of history? Second, how do we understand the American relationship to these forces? Third, how does the United States Government express this understanding in its role as a leading member of the United Nations?

I would emphasize the close links between the questions posed in the United Nations arena, and other controversies involving America's political identity:

What do we do about the American covert operations program in foreign societies?

What do we do with our surplus food capacity in a world confronted by massive shortages and large-scale famine?

What do we do about the OPEC challenge?

What do we do to safeguard our "security" in terms of defense spending, arms sales and transfer, and arms control?

The approaching Bicentennial year itself reconsider the whole issue of American political identity. It could be a time of national renewal and rediscovery. Our roots are progressive and revolutionary, dependent on the politics of change and conscious of the link between true independence and dignity. Such renewal and rediscovery would lead Americans, I am convinced, to celebrate rather than bemoan the cumulative drift of initiative in the United Nations. The choice narrows, I think, to girding ourselves to ward off the barbarians at the gates, or to joining those governments and social forces seeking a more equitable and durable system of world order.

Thus, I think the debate on United Nations activity is crucial for the posture we take toward the future of world order. As yet, the Third World itself, including the Chinese, have provided only a negative vision based on what Houari Boumedienne of Algeria has called "a dialectic of struggle."[18] But more than confrontation, more even than redistribution, is needed. A positive vision of how to construct an equitable system of world order must be shaped in the years ahead, soliciting the active participation of all major cultures and ideologies throughout the world.[19] The General Assembly can play a major positive role in this process by providing a forum within which the main lines of inter-governmental consensus on global reform can take shape. It may be naive to envisage such a role, at present, as governments are generally locked into the logic of the state system and are not likely to actively formulate the case for a post-statal system. Such analysis is too commonsensical, akin to arguing the flatness or stillness of the earth. The future is likely to mix many elements of the present, to become centrally guided for practical reasons no matter what governments prefer, and officials who rise to prominence in some countries may begin to be imbued with a wider sense of loyalty and identification. One day, national leaders may even find it "realistic" to believe that the future of their countries can only be secured by genuine commitments to the well-being of the world as a whole.[20]

Of course, this is a dream, but we desperately need dreams to awaken us from a dangerous form of sleep. On a more optimistic note, there seems to be some slight indication that the pendulum of official American perceptions may be swinging back from the strident denunciation of the Organization following the last session of the General Assembly. In this regard, it seems appropriate to call attention to a speech made by the Undersecretary of State for Political Affairs, Joseph J. Sisco, to the World Affairs Council in San Diego on January 23, 1975:

"We overestimated the potential of the United Nations at its birth in 1945. We tended to view the creation of this institution as synonymous with solutions to the problems. We know better today. At the same time, we must exercise care not to underestimate its positive contributions to peace. The United Nations is not an entity apart from its membership. The U.N.'s imperfections mirror the imperfections of the world in which the United Nations operates."[21]

It is only necessary to add that what constitutes an imperfection depends upon the eye of the beholder: Undersecretary Sisco's important point is the extent to which the political organs of the United Nations inevitably mirror the priorities of the majority of governments that comprise its 138 state membership. From this it follows that the more political the organ, the more direct the mirroring effect. Hence, of course, the General Assembly will reflect the sentiments of the Third World. And it is equally true that such political majorities are not coordinated with ratios of economic or military power in the world. Indeed, it may be a healthy compensation for such imbalances, especially if some controversies can be resolved on the terrain of symbolic action—legitimacy struggles—instead of on the battlefield.

A caveat is in order. It remains uncertain whether an assembly of governments can develop a set of policies designed to promote human and planetary interests as a whole. As matters now stand, governments seem too short-sighted and selfish to cooperate for the general good; furthermore, many governments do not even represent their national citizenry as a whole, but pursue the interests of a dominant class, race, religion, ruling group, or sub-national region. Perhaps governments can be sufficiently reformed from within so as to represent both wider interests of humanity and the particular interests of their own society. However, the prospects are not now bright, and until such changes occur it is necessary to be skeptical about the positive potential for global reform that can be achieved within any intergovernmental framework, including even that of the United Nations.

Therefore, I am urging that this Committee see the United Nations in the broader setting of global concerns. It is partly a matter of appreciating its fundamental character as a forum for communication, where claims and controveries are aired, and partly a matter of grasping its growing stature as a quasi-legislative body that can mobilize public opinion around certain positions. Beyond this, the political organs of the United Nations, especially the General Assembly, may help build a global understanding of the need for longer-range planning and vastly augmented mechanisms for global coordination that presently exist. In reevaluating the role of the United Nations, let us not lose sight of these fundamental purposes served by the Organization, even if some of us find ourselves disappointed by some recent positions taken in the General Assembly with respect to current controversies. Our most basic national interest is to strengthen the draft toward a global process of decision that the United Nations represents, and we should not be diverted from this priority. Secretary General Kurt Waldheim is surely correct when he says ". . . the *achievements* of the United Nations are nothing compared with its *potentialities*."[22]

FOOTNOTES

[1] Kurt Waldheim, "The United Nations—A Reflection of the Realities of the Modern World," *Review of International Affairs,* No. 594, Jan. 5, 1975, pp. 3–4, at p. 3.

[2] For discussion of this role see I. Claude, "Collective Legitimization as a Political Function of the United Nations," 20 *International Organization* 367 (1966).

[3] American statement reprinted as Scali, "U.S. Warns that Present Voting Trends May Overshadow Positive Achievements of the United Nations," 72 *Bull. State Dep't.* 114, at 116 (1975).

[4] For an official attack see speech by Sen. Charles Percy, also delivered on December 6, 1974, in his capacity as U.S. Representative to the General Assembly. Percy, "U.S. Votes Against Charter of Economic Rights and Duties of States," 72 *Bull. State Dep't* 146 (1975).

[5] Scali *supra* note 2, at 115, 116.

[6] The most widely noticed argument in academic circles is that put forward by Professor Robert C. Tucker of Johns Hopkins University. See Tucker, "Oil: the Issue of American Intervention, 59 *Commentary* 21 (1975); the most direct official statement was a carefully qualified assertion by Secretary of State Henry Kissinger in the course of an interview with the editors of *Business Week Magazine*. "I'm not saying that there's no circumstance where we would not use force. But it is one thing to use it in the case of a dispute over price; it's another where there is actual strangulation of the industrialized world." Interview text reprinted in "Secretary Kissinger Interviewed for *Business Week Magazine,*" 72 *Bull. State Dep't* 97, 101 (1975).

[7] As Kissinger put it in the same interview, "The political problem is that the whole Western world, with the possible exception perhaps of the United States, is suffering from political malaise, from inner uncertainty and a lack of direction." *Id.* at 99. Elsewhere Kissinger said, "[T]he aspect of contemporary life that worries me most is the lack of purpose and direction of so much of the Western world." "Secretary Kissinger Interviewed for 'Bill Moyers' Journal," 72 *Bull. State Dep't* 165, at 166 (1975). The fragility of the West is also expressed by critics of a military approach to the OPEC challenge. For instance, Zbigniew Brzezinski writes: ". . . the threat of military action is simply not credible . . . an American failure, following an abortive intervention, could mean the disintegration of the West." Brzezinski, "Recognizing the Crisis," 17 *Foreign Policy* 63, at 69 (1974–75). Pro-interventionists argue to the exactly opposite effect.

[8] On this theme see G. Barraclough, "The Great World Crisis I" in *The N.Y. Rev. of Books,* January 23, 1975, at 20–29; F. Ajami, "Scenarios of Doom: Scapegoating and Backlash Politics" (unpublished mimeo., Jan. 1975).

[9] A. Yeselson and A. Gaglione, *A Dangerous Place: The United Nations as a Weapon in World Politics* (1974).

[10] *Id.* at X.

[11] *Id.* at 196.

[12] This argument is developed at some length in R. Falk, "The United Nations: Various Systems of Operations, *The United Nations in International Politics* 184–230 (L. Gordenker, ed., 1971).

[13] R. Falk, *A Study of Future Worlds* (1975).

[14] See the rather intriguing conclusion that there is a predictible cycle of introversion (twenty-one years) and extroversion (twenty-seven years) in American foreign policy reached by Frank Klingberg, in "The Historical Alternation of Moods in American Foreign Policy," 4 *World Politics* 239 (1952).

[15] As quoted in R. Falk, *Legal Order in a Violent World* at 331 (1968) for account of Stanleyville Operation see *id.* 324–335.

[16] Text of speech reprinted in *Peking Review,* No. 41, Oct. 13, 1972, 4–10; quoted passage at 10.

[17] *Ibid.*

[18] Text of Boumedienne speech reprinted in "Petroleum, Raw Materials and Development," Algerian Memorandum to Special Session of U.N. General Assembly, April 1974, III, at VIII.

[19] For some instances see F. Northrop, *The Taming of Nations* (1952); *On the Creation of a Just World Order* (S. Mendlovitz, ed., 1975).

[20] See suggestion by the development economist, John P. Lewis, that the political energy for global reform is most likely to come from above, indeed, from within the bureaucracy itself. Lewis, "Oil, Other Scarcities and the Poor Countries," 27 *World Politics* 63, at 86 (1974); for an argument that reform will come from below, see F. Ajami, *The Global Populists: Third-World Nations and World-Order* (Princeton University, Center of International Studies, Research Monograph No. 41, May 1974).

[21] See J. Sisco, "America's Foreign Policy Agenda: Towards the Year 2000," 72 *State Department Bulletin* 182, at 186 (1975).

[22] Waldheim, note 1, p. 4.

STATEMENT OF PAULINE FREDERICK (ROBBINS) BEFORE THE COMMITTEE ON FOREIGN RELATIONS OF THE UNITED STATES SENATE ON MAY 15, 1975, ON "THE UNITED NATIONS: OTHER VISIONS."

Mr. Chairman and Members of the Foreign Relations Committee of the United States Senate:

I appreciate the opportunity to appear before you today.

When I attended The American University here in Washington, quite a few years ago, and subsequently covered the State Department as a journalist, I felt rather close to the processes by which our foreign policy was made and implemented.

In the nearly thirty years since, during which I have been reporting on the United Nations in New York, an invitation to an official Washington function connected with the UN has seemed like a bid to enter a foreign land. There have been only three such occasions including this one today. The first was for a so-called UN dinner at the Pan American Union where, according to the dictates of protocol, the members of the Washington diplomatic corps outranked the United Nations ambassadors. The second was to attend a dinner at the White House for the United Nations Secretary-General who soon thereafter became less than welcome in the mansion because of his pleas against the bombing of Asians, of which he was one.

The reverse traffic has not eased this sense of alienation. In recent years, particularly, when the President and Secretary of State have gone to the United Nations, one could have the impression the purpose was mainly ritualistic—a public relations bow to what some in this city, I fear, regard as an anachronism. These visitations have aroused little belief that the United States was reaffirming the full commitment it made in 1945 in San Francisco to the treaty known as the United Nations Charter.

When the President comes to the UN these days, there are the usual courtesy calls on the Secretary-General and the Presidents of the Security Council and the General Assembly. There is a more or less pro forma speech about peace, sometimes including criticism of UN members adjudged less high-minded than the United States. This is followed by a handshake with delegates (excluding representatives of governments not recognized by Washington) and lunch hosted by the Secretary-General. Then the chief executive flies back to the White House.

If the official call is timed for the opening of the General Assembly—which it usually is—the Secretary of State is left behind in New York to pursue a routine inaugurated by one of his predecessors. He moves across the street to the United States Mission, and down the street to the Waldorf Towers, followed by the State Department press corps. In these quarters, isolated from the UN, he holds mini-summit talks with delegates who need American help, or can be persuaded that they do, in the interest of shoring up loyalty to the United States. These talks are always described as "useful." Publicity is thereby focused on American bilateral relations while the activities in the assembly hall receive scant notice, if any—unless there are harsh words for the UN host country. And so it can appear to the American public, and to the world, that the United States rather than the United Nations is meeting in New York.

Of course, this procedure may reduce the travelling time abroad for the Secretary of State, since he is able to take advantage of the presence of world leaders in New York to pursue bilateralism. It can also emphasize to delegates and the American people that the UN does not have high priority with Washington foreign policy makers. A recent President high-lighted this fact when, on learning that other chiefs of state would attend UN anniversary ceremonies to be climaxed with an evening concert by distinguished artists (which he, too, should have attended) invited the visting dignitaries to a state dinner at the White House the very same evening and sent an official plane to New York to bring them to Washington. At least one government leader went home rather than make the embarrassing choice between the U.S. and the UN.

In the aftermath of Indochina there is much discussion about reassessing American foreign policy. This could mean reaffirming the bilateral power-balancing used with some success in the last century to maintain the status quo of similar cultures in a limited geographical area—but applied more recently with disastrous consequences. Or reassessment could mean recognition of the interdependence today of all nations with different systems when the economic, social and political ills of some can afflict the stability of all. Obviously the vastly interconnected human problems of the present cannot be resolved by force because war, like pestilence in a closely-knit community, can now be epidemic. Therapy can be found, however, in the institution so largely of American creation and so frequently disparaged by its principal sponsor—the United Nations.

The direction the United States takes from now on rests, as in the past, with you gentlemen here in Washington—in the Executive branch and in the Congress. I say "gentlemen" with due deliberation because no women have had decisive roles in plotting a course which has related so heavily on intervention in other countries. Nor have the American people had any determining voice, judging by the lack of official interest in a recent Gallup Poll showing that 75 percent of them do not want the United States to give up its membership in the United Nations. This expression of opinion would imply that a majority of Americans would not object to constructive participation in this organization. One reason why the United Nations was located in New York was to make it accessible to delegates travelling by steamship. I respectfully suggest that it is long since time for the United States to get off the steamship dock and onto a changing world where time and tide wait for no nation.

It might be well to clarify here a mistaken notion found all too frequently—even in Washington. It is that the United Nations is a kind of world government that can legislate peace, if it only wants to. Of course this is not true. The United Nations, in effect, is machinery that can be set in motion only by its member governments. Consequently, when the UN is blamed for what it does, or fails to do, it is a scapegoat for the behavior of the governments which belong to it.

I suppose it is only natural for skeptics to ask, "What can the United Nations do for the United States—How many divisions does the Secretary-General have?" Of course, the answer is "none"—that is, if what is meant are divisions to fight. But the Secretary-General does have something more valuable—peace-keeping forces that have stood between hostile armies and saved the world from even more conflict than it would otherwise have experienced.

Since October 1973 until this day, the men in blue U.N. berets have separated the fighters of Israel and Egypt, and Israel and Syria, thereby giving the parties time to try to negotiate. Twelve nations are taking part in this peace-keeping—for the first time eastern Europe is involved and the Soviet Union is helping to pay a peace-keeping bill for the first time. From 1956 to 1967, U.N. peacekeepers made possible a lull in the battles of the Middle East, and from 1949 to 1956 a U.N. truce, watched over by U.N. observers, helped to shield the area from any major confrontation.

For nearly a decade U.N. peace-keepers stood between hostile Greek and Turkish communities on the island of Cyprus. They have now resumed their positions after last year's violent outside intervention. A U.N. emergency force was in the Congo for four years, during which Secretary-General Dag Hammarskjold gave his life in trving to bring

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peace to a nation which had become a battlefield for outside rival interests. And the presence of U.N. representatives have helped to prevent, tamp down and even end hostilities, at various times in such far-flung areas as Kashmir, West Irian, Yemen, Lebanon and Greece.

In view of the tendency today for overarmed nations to fight first and talk last, this U.N. record is unique. It should convince the United States that there can be security in an international peace force—even a small one. Since the United States has so much to lose by war, would it not be more realistic to help create a permanent and enlarged international peace force rather than continuing to expand national war power (already strong enough to destroy the world) to compete with the Soviet Union? It would, undoubtedly, be much cheaper for the American taxpayers.

Some members of Congress seem to be more concerned about what the United Nations costs than what it does. Last year the American assessments for the upkeep of the organization and its specialized agencies, as well as voluntary contributions for human development and disaster relief through the U.N., all came to something less than half a billion dollars. By contrast, the Pentagon estimates that $5 billion worth of American military equipment was left behind on the withdrawal from Indochina, after a war that cost at least $160 billion, not counting the human toll. Just one item in the arms race—the projected B–1 bomber fleet—is estimated to run between $50 and $75 billion.

Of course, the arms cost figures never cover the waste of so much of the earth's resources in non-productive output at a time when even the American living style is threatened by shortages. Moreover, those who cavil about alloting millions to the United Nations while endorsing billions for military purposes ignore the millions in return to the American economy from the mere presence of the United Nations in the United States.

The United Nations is going beyond peacekeeping to try to uncover the sources of war, in the hope that this scourge may someday be controlled. U.N. agencies are looking into causes of human misery, frustration and futility which can trigger violence. These include scarcities of food, energy and raw materials, inequitable distribution of the earth's bounty, instability of prices, dislocation of finance and trade, overpopulation, social justice, the arms race and the unmastered explosion of technology. Since these problems respect no boundaries, they cannot be diagnosed and treated on a bilateral basis. They are multilateral in scope and, consequently, demand multinational attention which the U.N. can provide.

These needs of the human race have come to particular focus in the United Nations because of the influx of many new members from Africa and Asia. These countries have entered the organization directly from their colonial liberation. If their demands sometimes sound impatient and angry, it is because their exploitation by white colonists is so recent. We Americans could probably have understood them better 200 years ago.

The challenge for the United States now is how to respond to the heretofore underprivileged who would turn around the world which has been going so well for the rest of us. There are those who say, in effect: "Pay no attention to the upstarts in that worthless UN. Let's go about our bilateral business as usual." There are those who say, in effect: "Go into the UN and give them hell, and if they try to gang up on us, gang right back." Finally, there are those who say: "The world has changed, the United States is no longer an isle unto itself; it is now part of a global community (whether we Americans like it or not) dependent and interdependent. Our responsibility, therefore, is to help fashion a new civilized society from new conditions."

It is to be hoped that the would-be resigners and the "shouters back" are in the minority. There was too much of that, to no avail, during the cold war to anticipate a repetition with equanimity. Since the United States has decided that the better part of international wisdom is détente with the Soviet Union, it could be valuable, also, to reach a détente with the Third World. If we were to lower our voices to a dialogue it ought to be possible to adjust the new economic order espoused by the developing nations so that the United States could participate in a constructive consensus, rather than developing a reputation as an isolated "nay sayer" to the world's poor.

If you gentlemen in Washington reach the conclusion that understanding adjustment is more conducive to international harmony than rhetorical confrontation in the interest of the United States, it would seem to follow that American representatives in international parleys ahould be selected for their status and ability to confirm this image. Men—and women (I say hopefully)—who are chosen for the United Nations should be of rank at least comparable to that of their peers from other nations. For instance, the Soviet Union's UN Permanent Representative at the United Nations, Yakov Malik, is a Deputy Foreign Minister and the delegates Moscow sent to the UNESCO executive meeting to engineer the decisions that caused so much anger in this country was none other than the widely experienced Ambassador Valerian Zorin.

Furthermore, at least the head of the American delegation should be assured some tenure in the interest of self-confidence and standing among other delegates. Although the American ambassador is supposed to serve at the pleasure of the President, the sudden firing of this person, sometimes without prior notice, scarcely enhances the prestige or influence of the delegation as well as the United States. Furthermore, since there are 137 other ambassadors at the United Nations whose cultivation is essential to good international relations, Congress should increase the American representative's entertainment allowance so that a highly qualified person does not have to weigh personal resources as a condition for taking the post.

Of course, the United Nations is not perfect. Nor is the United States Government—or you Members of Congress would have little to do. Both are subject to human frailties. Since there is no thought of discarding democracy for another system because it is flawed, why should a United Nations designed on a democratic pattern be judged by harsher standards? The best American talent and most dedicated persons should be enlisted to help improve the UN if our aim is peace.

Mr. Chairman and Members of the Committee, in summary, my vision of the United States and the United Nations prompts these suggestions:

That the United States accept its role as a regular member of the family of nations instead of its domineering parent;

That the United States join in building an effective international peace-keeping force to reduce the use of national war power as an instrument of national policy, inasmuch as the protection of one nation now requires the protection of all.

That the United States recognize that the causes of international violence are found in economic decay, social injustice and political unrest, and offer its full cooperation to work with other nations to eradicate these conditions;

That the United States select only its most qualified and outstanding citizens to represent it in international gatherings and organizations;

That the United States spend more money and resources in the search for peace while reducing its commitment to the arms race.

An American statesman, Adlai Stevenson, once said: "The United Nations is not and must never be a weapon for the United States. It is a genuine international organization which can only really be effective if it is not dominated by us. . . . The danger exists that those who are afraid and lack assurance would like to avoid the free exchange of conflicting ideas, of concepts and of technology, particularly if from the time matters do not go just as we might wish. However, it is we who evolve best in this free forum because it is our natural habitat, and if we have the courage to go ahead and the boldness to stand the test of an open society, if we have the courage to build, even something which is not perfect from our point of view, I can foresee only a more significant dialogue, a progressive lessening of tensions and, finally, the predominance of a better set of ideas."

It has been said that some Americans fear the inability of their country to make peace more than its ability to make war. I dare to hope that there is no less talent in this nation for dealing with the human problems confronting us all than there is in any other nation. I suggest that we summon up the courage to try it.

CONCLUSION OF MORNING BUSINESS

Mr. RIBICOFF. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. RIBICOFF. What is the order of business?

The PRESIDING OFFICER. Morning business is completed.

CONSUMER PROTECTION ACT OF 1975

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 200, which the clerk will state.

The legislative clerk read as follows:

> A bill (S. 200) to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes.

The Senate resumed the consideration of the bill.

MAKING BIG GOVERNMENT BIGGER—S. 200—AGENCY FOR CONSUMER ADVOCACY

Mr. HARRY F. BYRD, JR. Mr. President, as we debate today the Agency for Consumer Advocacy—ACA—legislation, S. 200, I am confident that every Senator agrees that protecting the interest of the American consumer is both a laudable goal and a necessary function of government. For as the able Senator from Alabama (Mr. ALLEN) has so eloquently argued, "the interests of consumers are an essential part of the public interest and need to be safeguarded."

It is, therefore, not easy to oppose legislation with such a high-sounding title. But I believe that the goals of the legislation have received far more attention that the proposed means. We must look beyond the highly touted cosmetic name of this bill.

However noble the intentions of the act now being proposed, I fear that the ultimate result of this newly recommended vast, sprawling bureaucracy would be contrary to its expressed purpose.

This legislation would make big government bigger. Big government does not mean better government.

The American consumer, in contrast to what many argue, has not been a neglected figure in our society. No other political system has the interest of consumer so inextricably linked to its economic and political process than our own.

The interests of the American consumer have a long history in our Government. We have Federal, State, and local agencies to serve consumer needs.

In the Federal Government alone, we have over 75 agencies, departments, and bureaus involved in some hundreds of functions directly affecting consumer affairs.

In response to a request from the Senator from Ohio (Mr. TAFT) the Congressional Research Service of the Library of Congress detailed the number and cost of Federal consumer protection programs. That report noted:

> Broadly speaking, almost every activity of the Federal Government touchea upon the American consumer. Therefore, we have attempted to choose those activities most directly related to consumer protection while at the same time trying to be as inclusive as possible.

The Library of Congress then puts the current cost of consumer interest activities at many billions of dollars.

We have the Federal Trade Commission, with broadly defined consumer protection responsibilities; we have the Securities and Exchange Commission, the Interstate Commerce Commission, and the Federal Communications Commission. There is a National Commission on Consumer Finance, a National Bureau of Standards, a National Highway Safety Bureau, and more.

The Department of Agriculture has a Consumer and Marketing Service; the National Transportation Safety Board has an Office of Consumer Services, and the President has a Committee on Consumer Interests.

The 92d Congress established the Consumer Product Safety Commission, with the broadest powers ever delegated by Congress to an independent regulatory agency. This Commission has the authority to set safety standards for consumer products that present unreasonable risks of injury to the American public.

Congress has passed the Flammable Fabrics Act, the Hazardous Substances Act, the National Traffic and Motor Vehicle Safety Act, the Fair Package and Labeling Act, the Fair Credit Report Act, and more.

During the 93d Congress, the Senate passed legislation which would compel manufacturers to repair or replace faulty car parts, appliances, and other items, if there is a warranty to do so.

Legislation to give the Federal Trade Commission more power to regulate misleading advertising also passed the Senate in the 93d Congress.

In short, the U.S. Congress has shown a very serious and active interest in consumer affairs, and it will continue to do so.

But why is it then—if we have such a wide array of consumer programs—why is it then necessary to have a new superagency?

The proponents of the ACA legislation tell us that the existing regulatory agencies and programs have failed.

Yet if this is so, if the agencies Congress established are not doing the job they were intended to do, it is our responsibility to see that the situation is corrected. At a time when confidence in Government is low, Congress must assert its responsibilities—not abrogate them.

Congressional responsibility does not end merely with the enactment of legislation. As a representative and deliberative body, Congress has the mandate and the power to guarantee that the functions of the Federal regulatory agencies Congress created are carried out.

If the present regulatory agencies are inefficient and unresponsive, the answer to the problem is more congressional oversight—not less; and we would have less oversight with this new Agency, let there be no doubt about that.

Unfortunately, we seem to have reached a point now where many Members in Congress respond to a problem by creating more bureaucracy, by further centralizing Government power in the executive agencies.

Indeed, my observation is that Congress, basically, has only two responses to any given problem—more Government control and more Government spending.

This is an attitude we can no longer afford.

At a time when the Federal debt is approaching a half-trillion dollar mark and inflation is rampant, we just cannot afford to throw away the taxpayers' money on a program of questionable merit.

The interests of American consumers, as I discussed earlier, are already widely represented at all levels of our Government. We, therefore, do not need to create a new agency with the power to oversee the functions of other Government agencies. That responsibility belongs to Congress. And we cannot discharge this responsibility with the creation of a new Government agency at additional expense to the taxpayers of this Nation.

Piling bureaucracy on top of bureaucracy has never solved problems in the past and I do not believe that it will in the future—particularly a proposal for an agency that would have overlapping costs and jurisdiction with already existing agencies.

Unless we start to realize that there are other solutions to problems than more spending and more big Government, we will never get the cost of living under control.

We talk about consumers. We have a lot of legislation which we say is for the benefit of consumers.

I believe the best thing the Senate of the United States and the Congress of the United States can do for the consumer is to stop passing foolish legislation that drives up the cost of everything the consumer has to buy.

The legislation we have passed in regard to automobiles has already increased the cost of an automobile by $600, and if the new regulations go into effect—and I think they should be held in abeyance for a while—it will add another $600 to the cost of automobiles.

It is little wonder that the Gallup poll shows the people of this country have very little confidence in the wisdom of Congress. I do not blame them.

Consumers need better government, not more government. This bill, S. 200, will generate hundreds of new Federal jobs. It has been estimated that the ACA will employ up to 500 lawyers. That may be fine for unemployed lawyers, but it is not at all fine for the hard-working taxpayers of this country.

If this is to be a "lawyers' relief" bill, then let us say so. But do not delude the taxpayers who must suffer under the burden of supporting this newest legion of Government regulators who will swell the already bloated Federal ranks still further.

At a time when people across the Nation give evidence of opposition to further Federal regulation of their lives, and are adamant in their support for accountability of public officials, S. 200 proposes to give them a massive Federal bureaucracy which is virtually accountable to no one. Even the courts are denied the opportunity to review the actions of the proposed new agency.

I seriously question whether many of the supporters of this legislation have carefully inspected its potential—not only for good, but for abuse, as well. I think too many people are dazzled by the high-sounding phrases which are used to extoll the ACA concept, without considering the price they must pay both as consumers and as citizens who will be giving up a little more of their individual liberties to the Federal bureaucrats.

I am reminded of the words of Mr. Justice Louis Brandeis, who wrote in 1928:

> Experience should teach us to be most on our guard to protect liberty when the Government's purposes are beneficient. Men born to freedom are naturally alert to repel invasion of their liberty by evil-minded rulers. The greatest dangers to liberty lurk in insidious encroachment by men of zeal, well-meaning but without understanding.

We would do well to heed these words.

I shall oppose passage of this legislation, not because I desire consumer protection less, but because I desire good government more.

The PRESIDING OFFICER. The Chair recognizes the Senator from Arkansas.

AMENDMENT NO. 403

Mr. BUMPERS. Mr. President, I would like to call up amendment No. 403, and I ask that the Senator from South Carolina (Mr. THURMOND) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. BUMPERS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 15, strike the last five words in line 25, and on page 16, strike lines 1 through 12, and insert in lieu thereof the following: "Where the Administrator did not intervene or otherwise participate in a Federal agency proceeding or activity, the Administrator shall not be permitted to initiate a judicial proceeding with respect to such agency proceeding or activity unless the court shall first have determined that initiation of such a proceeding by the Administrator would advance the interests of justice. In advance of the initiation of such a proceeding by the Administrator, he shall file a statement setting forth the reasons why he did not intervene or otherwise participate in the Federal agency proceeding or activity out of which the contemplated judicial proceeding arises, for the court's consideration in connection with its determination whether the initiation of such judicial proceeding would advance the interests of justice.".

Mr. BUMPERS. Mr. President, I shall take a few minutes to explain the amendment.

There are three possible situations which may arise which give the Administrator of the Agency the right to appeal to the district court.

In the first instance, where the Administrator has participated in the hearing before the Agency, he has, as a matter of right, a right to appeal to the district court. The two subsequent situations are where the Administrator did not participate in the hearings, and, third, did not participate in the hearings but filed a petition for a review or reconsideration under the rules of the Agency.

The way the bill is now written the Administrator has the right in all three instances to appeal to the Federal court, but in the second two instances where he did not participate in the hearing below, or where he did not participate but did ask for a rehearing or petitioned for reconsideration, he must file a statement with the Federal court giving the reasons why he did not participate at the Agency level. Then the court must find that to prohibit the Administrator from initiating or intervening at the court level would impede the ends of justice. My amendment simply changes the lanuage to say he must do all of those things, but the onus on the court is alleviated slightly in that the court would only have to find that the intervention or initiation of such an action by the Administrator would advance the ends of justice.

It occurs to me that this is a small, narrow amendment, but it is one that is more in keeping with the traditional rule of law on the exhaustion of administrative remedies. Frankly, I do not think the Administrator ought to have total rights without some justification where he has not participated below. This is a very narrow amendment.

Mr. RIBICOFF. Mr. President, as manager of the bill I accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arkansas.

The amendment was agreed to.

Mr. BROCK. Mr. President, I ask unanimous consent to be permitted to submit an unprinted amendment at this point.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered. The amendment will be stated.

The legislative clerk read as follows:

On page 9, line 13, after "functions." insert the following new sentence: "An agency shall not be required to provide such services, personnel, or facilities to the Adminstrator where to do so would seriously affect in an adverse manner the agency's ability to carry out its responsibilities, including any responsibility the agency has to protect the public health or safety."

Mr. BROCK. Mr. President, the purpose of the amendment was well stated in a letter to the chairman of the Committee on Labor and Public Welfare from the Secretary of the Department of Health, Education, and Welfare, in which he pointed out that the bill, as written might, by requiring the donation of agency personnel to the ACA, so limit the professional talent that they had available for their routine and regular tasks relating to health and safety that they would be unable to fulfill that function.

What I am trying to do by this amendment is to safeguard us from so deleting those personnel as to damage the ability of the existing regulatory agency to perform their functions relating to health and safety.

Mr. RIBICOFF. Mr. President, the amendment of the Senator from Tennessee is acceptable to the manager of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee.

The amendment was agreed to.

Mr. RIBICOFF. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HATHAWAY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 385

Mr. HATHAWAY. Mr. President, I call up my amendment No. 385 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. HATHAWAY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 24, beginning on line 6, strike all through line 7 on page 25.

On page 38, after line 12, insert a new subsection as follows:

"(2) In administering this Act, the Administrator shall take steps to assure that information required by the Agency is obtained with as little burden as possible upon small business enterprises required to furnish information under section 10.".

On page 38, line 13, strike "(2)" and insert "(3)".

On page 38, line 17, strike "(3)" and insert "(4)".

On page 38, line 21, strike "(4)" and insert "(5)".

On page 39, line 3, strike "(5)" and insert "(6)".

Mr. HATHAWAY. Mr. President, I do not intend to press this amendment, but I shall say a few words about it. This amendment pertains to the exemption which small business has from the powers of the Administrator to require data. I understand that there would be, I suppose I could say, overwhelming objection to my amendment because there is a great deal of pressure from the small business community, much of which I suppose is justified, to the effect that if the small businesses were not exempt from the Administrator's power to require small businesses to furnish information via interrogatories, depositions and whatnot, it would be too costly for many small businesses to bear.

I agree that it probably would be, although I must say that the definition of small business contained on page 24 of the bill, even as modified by the Senator from Louisiana, makes many of these businesses that qualify for this exemption quite substantial, and they probably could afford the cost of disclosing this information.

Mr. President, I am very mindful of the fact that the small business community is already burdened with a considerable amount of governmental red tape, filling out forms for the Federal, State, and local governments. This is a great burden to them and has been throughout the years, even though we have made some efforts to ease this burden.

But I am also mindful of the fact that one of the most important aspects of S. 200 is the information gathering aspect of it. One of the most essential ingredients which a consumer can have when he goes into the marketplace is information about what he is purchasing. The free enterprise system does not amount to much if the buyer does not have the information that he needs when he enters the marketplace. It was for that reason that I offered this amendment in the first place.

Even though the provision on page 25 which requires the Administrator to report within 18 months on the effectiveness of this exemption for small business has been stricken by amendment, I understand that the Administrator nevertheless will be filing a report with the Congress every year. I would hope that the Administrator would go into some detail with respect to how this particular provision, this exemption, for small business is working.

I had a modification of my amendment that would allow the administrator to obtain information from small businesses if he were willing to pay the cost that would be incurred by the business involved, but there was objection to that. As we all know, Mr. President, under the rule that prevails, no one can modify

his amendment except by unanimous consent.

At the close of my remarks I will insert the modification of my amendment that I was going to present so that the Administrator can consider it in the recommendations that he makes to the Congress—hopefully as soon as possible—with respect to how this particular exemption is working. I am sure that we can work out a satisfactory arrangement so that the Administrator would not be prevented from getting very essential information from the multitude of small businesses that we have throughout this Nation. We should be mindful of the fact that under the definition of small business, which is in the bill, a tremendous amount of information is going to be withheld from the Administrator.

If we could devise some kind of procedure whereby the individual small businessman would not be hurt financially, I think we should bend our efforts toward that goal, so that all the information it would be possible for the Administrator to assemble would be available to the public. The consumer would then be armed with all the information he needed when he went into the marketplace.

The modification of Mr. HATHAWAY'S amendment is as follows:

On page 24, line 22 after "information." insert the following: "Notwithstanding this paragraph, if a small business refuses to voluntarily provide data or information requested by the Administrator pursuant to paragraph (1), the Administrator may require the production of such data or information, provided the Administrator pays the cost incurred by the small business in providing such information."

Mr. RIBICOFF. Mr. President, I commend the distinguished Senator from Maine for his deep concern with all the problems of the consumer and of small business.

Other Senators also have deep concern about this; and when the distinguished Senator from Maine talked with me, I thought there was a formula by which we could work out an amendment that would be acceptable and that the manager of the bill would have been willing to accept. However, another Member of this body has refused to grant unanimous consent for the change; and under the circumstances, there is no way I can accept the amendment of the distinguished Senator from Maine. I commend him for his efforts.

Mr. HATHAWAY. I thank the Senator. I thank the distinguished Senator from Connecticut, the floor manager of the bill, for his cooperation in this regard.

Mr. President, I withdraw my amendment No. 385.

The PRESIDING OFFICER. The amendment is withdrawn.

AMENDMENT NO. 409

Mr. McCLELLAN. Mr. President, I call up my amendment No. 409.

The PRESIDING OFFICER. (Mr. GLENN). The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Arkansas (Mr. McCLELLAN) proposes an amendment numbered 409.

The amendment is as follows:

On page 4, line 22, after "Advocacy." strike out all through line 16 on page 5 and insert in lieu thereof the following:

"(b) (1) The Agency shall be headed by a three-member Commission appointed by the President, by and with the advice and consent of the Senate, for a term of four years, coterminous with the term of the President. Members of the Commission shall be appointed from among persons who, by reason of their training, experience, and attainments, are especially qualified to represent the interests of consumers. Not more than two members of the Commission may be members of the same political party. The President shall designate one of the members of the Commission to serve as its Chairman.

"(2) All authorities, duties, and functions granted to the Administrator by this Act shall be exercised in accordance with the provisions of this section.

"(c) (1) The functions and powers of the Agency shall be vested in the Commission. The Chairman of the Commission shall be the Administrator of the Agency.

"(2) The Commission may from time to time delegate such of its functions as it deems appropriate.

"(3) The Administrator shall exercise all executive and administrative functions of the Commission, including (A) the appointment and supervision of personnel employed by the Agency, other than personnel employed regularly and full time in the immediate offices of Commissioners other than the Chairman, (B) the distribution of business among such personnel and among administrative units of the Agency, and (C) the use and expenditure of funds.

"(4) (A) In carrying out any of his functions under the provisions of this Act, the Administrator shall be governed by general policies of the Commission and by such decisions, findings, and determinations as the Commission may by law be authorized to make.

"(B) The Commission shall have the' authority to revise budget estimates prepared by the Administrator and to determine the distribution of appropriated funds according to major programs and purposes.

"(d) (1) A member may continue to serve until his successor has qualified. No person shall serve as a member of the Commission for more than two terms. In the event of a vacancy in the membership of the Commission, the President shall, as soon as practicable after the date of such vacancy, nominate an individual to serve as a member of the Commission for the remainder of the term for which his predecessor was appointed. Members of the Commission may be removed by the President for inefficiency, neglect of duty, or malfeasance in office.

"(2) Any vacancy in the Commission shall not affect its powers. Two members of the Commission shall constitute a quorum. The Commission shall have an official seal which shall be judicially noticed. In the event that more than one vacancy occurs, the remaining member shall act as Chairman.".

On page 5, line 17, strike out "(b)" and insert in lieu thereof "(e)".

On page 5, line 21, strike out "(c)" and insert in lieu thereof "(f)".

On page 5, strike out lines 23 and 24.

On page 33, line 4, strike out "Administrator" and insert in lieu thereof "Chairman".

On page 35, line 24, strike out "Administrator" and insert in lieu thereof "Chairman".

On page 36, strike out lines 1 through 4.

On page 36, line 5, strike out "(3)" and insert in lieu thereof "(b)".

On page 36, line 7, strike out "paragraphs:" and insert in lieu thereof "paragraph:".

On page 36, strike out lines 10 and 11.

Mr. McCLELLAN. Mr. President, the change that my amendment would make is simple. It is not complicated, but the effect would be important and constructive. The amendment would replace the single, all powerful Administrator with a three-man, bipartisan Commission to direct the policies of the Agency for Consumer Advocacy.

Given the broad, and often competing interests of the consumer, my amendment would give promise at least, if not insure, that careful discretion would be exercised before bringing to bear the sweeping powers of this new agency.

Thus, under section 3(c) (1), all functions and powers of the Agency are vested in the Commission, which is in turn directed to establish the policies and tend to the substantive, budgetary, and personnel matters of the Agency.

One of the commissioners, designated by the President as Chairman of the Agency, also will serve as the Agency's Administrator. In that capacity, he is expected to exercise those executive and administrative Agency functions which are delegated to him by the Commission. Accordingly, sections 3(c) (4) (A) and (B) provide that the Administrator's authority, duties and functions are to be exercised in accordance with policies, decisions, findings and determinations of the Commission. To manage the day to day operations of the Agency, the Administrator is authorized in section 3(c) (3) to perform various functions and subdelegate responsibilities in line with his own power.

The three members of the Commission are to be appointed by the President, with the advice and consent of the Senate, from among persons who are especially qualified to represent the interests of consumers. Commissioners are authorized to serve for a term of 4 years, coterminous with the term of the President.

Should a vacancy occur in the Commission, it is expected that the President will nominate a replacement as soon thereafter as possible, so that the Agency can continue working at maximum effectiveness. In the event that more than one vacancy occurs at the same time, the amendment provides for the remaining member to act as Chairman.

Mr. President, for the past several years, the American people and their Representatives in Congress have been actively concerned with improving the protection of consumers in the marketplace.

Indeed, the Senate has on three recent occasions, in 1970, 1972, and 1974 considered legislation to create a Consumer Protection Agency similar to the one envisioned by S. 200, the bill now before us. The Senate passed such legislation in 1970. Three years ago, a bill was sent to the floor of the Senate by the Committee on Government Operations, of which I was chairman during the processing of the bill. However, the session ended before a final vote was taken. In the 93d Congress, S. 707 failed after four attempts to invoke cloture.

I supported the creation of a Consumer Protection Agency during the 91st Congress. And, during the 92d Congress, as chairman of the Committee on Government Operations, I supported efforts to send the measure to the floor so the entire Senate could work its will upon this proposed legislation.

Mr. President, I agreed to support the bill, to help get it out of committee and get it to the floor of the Senate, on condition that the provision which I have just submitted as an amendment to this bill would be retained in that bill. It had been adopted as an amendment by the Committee on Government Operations.

Nevertheless, Mr. President, I sincerely believe that I would be betraying my conscience and the trust imposed in me by the people of Arkansas if I failed to emphasize that this bill has serious defects and is no more satisfactory than S. 707, the measure which the Senate debated at great length last year.

Under the terms of S. 200, an independent Agency for Consumer Advocacy would be established with unprecedented and sweeping powers to represent the interests of consumer powers that supersede those of other agencies. Even more seriously, the ACA would be headed by an Administrator not subject to effective supervision or answerable for his basic decision to any official elected by the people.

The bill would enthrone a single and absolute czar to rule the entire consumer domain without restriction or review of his actions by any other responsible authority in Government. The Administrator would have the power to intervene or participate in any regulatory action or activity of other governmental agencies, which in his judgment, would substantially affect the interests of consumers.

Mr. President, that is my concern. I do not believe that one man should be given the power to make that determination. If we are to have this kind of agency and have the Government perform specifically a function such as this, under law enacted by Congress, I believe that more than one man should exercise final discretion as to what action should be taken.

The proposed act defines a consumer as "any individual who uses, purchases, acquires, attempts to purchase or acquire, or is offered or furnished any real or personal property, tangible or intangible goods, services, or credit for personal, family, agricultural, or household purposes."

So broad is this definition that it would allow the Administrator to interject himself into every nook and cranny of Government and business because there would be no area where a consumer interest could not be established. In fact, Mr. President, under this bill, the Administrator could inject himself into every businessman's action that involved any merchandise or services embraced in the definition here of what is a consumer.

Thus, Mr. President, S. 200 as presently drafted, goes far beyond the consumer legislation which we have considered in the past. In vivid contrast—and to meet some of the same objections I raise today—S. 3970 provided for a three-member commission to administer the Consumer Protection Agency.

Mr. President, this is not a small matter we are dealing with. If we are really sincere and want to protect the American consumer and if that is the genuine purpose of it, and to be fair and just to those who provide the goods and services to the American consumer as well, I can see no objection to having this discretion placed in a commission of three rather than in one. Certainly, that is generally the pattern of our Government in matters of this importance—not a one-man decision, but we have a board, usually a bipartisan board or commission, to make these decisions and to exercise such discretion. I can see no compelling need to depart from that practice in this bill.

The dangers implicit in establishing a single, autonomous arbitor of consumer interests are not imaginary. They are real and clear for all to see. No element of American enterprise that deals with the consumer in any form or fashion would be free from the Consumer Protection Agency's scrutiny.

The Administrator could have the power of life-or-death over any business that stirs his displeasure, by making available its alleged violations of the law. This is far too much discretion to be lodged in one man.

However innocent a provider of goods and services may be, the fact that the consumer agency takes action against him is an advertisement to all of his patrons, to everyone to whom he is providing the services, it is in effect a notice to them that there is something wrong with the provider—the manufacturer or seller. I do not think that decision should be made or the power lodged in one man to take action that would cast a cloud of that discrediting effect over the operation of any business or service.

Even other Federal agencies and departments would be stripped of their independence if the consumer czar perceives a consumer interest in their operations. The language of the proposed legislation is so broad and unlimited that the Administrator will have the power to seriously disrupt, if not pervert, many of the regulatory operations of Government that now exist and are now prescribed by law.

Clearly, such a concept of one-man rule is totally repugnant to our democratic traditions and completely foreign to our system of Government, which is pluralistic in nature and subject to checks and balances.

Mr. President, there are many bad features in this bill, but the very basic principle of it is the conferring of power and to confer that on one man solely in his discretion to act, is dangerous. Suppose one is for the bill and for everything else that it undertakes to do, what is the objection to having a commission, a three-man, bipartisan commission, make the policy decisions and vital determinations? I cannot see any real objection to it.

Those who oppose it may have their reasons, but, Mr. President, we have too much abuse of discretion in Government today, in officials and in agencies and heads of agencies, that are not responsible directly to the people, or to the elected officials of the people.

It is for these reasons, Mr. President, that I submit an amendment which calls for the substitution of a bipartisan, three-member commission to direct the Agency for Consumer Advocacy rather than entrusting such all-encompassing powers in the hands of one man.

Not only would my amendment forestall arbitrary one-man action in the field of consumer affairs, it would bring the Agency for Consumer Advocacy into line with the other governmental agencies that work in this field.

The Federal Trade Commission that is supposed to protect consumers, has five Commissioners. The Federal Power Commission, designed to protect consumers, has five Commissioners. The Federal Maritime Commission has five members. The Interstate Commerce Commission has 11 members. The Civil Aeronautics Board has five members and the Federal Communications Commission has seven Commissioners.

Under these circumstances, I cannot understand why the proponents of this bill seek to vest all power in a single individual—especially in view of the fact that only 3 years ago, similar legislation provided for a three-member bipartisan commission. I have not seen or heard of any event that would cause this method of administration to be abandoned.

My amendment will return to the system that was acceptable in 1972 and is designed to prevent the creation of a monolithic, undemocratic structure with its clear and present danger of arbitrary, capricious, and unprecedented authority exercised at the whims and desires of a single Government official who is responsible to no one.

I solicit and urge the support of my colleagues for this important amendment.

Mr. President, it is indeed lamentable that the bill now before us does not contain language allowing the Agency for Consumer Advocacy to intervene in labor disputes which substantially affect the interests of consumers. Again, Mr. President, we are enacting class legislation. We are excluding from the provisions of the bill something that should be in it. We are excluding from the bill the most effective organization and interest in the country that has the greatest impact on the prices paid by consumers—that is organized labor. Unions have the power to strike, Mr. President, to force up wages and to force up prices. Yet we must not bother them; they are a selected, favored group. They are politically powerful. That is the reason for this preference being shown them. We may just as well say it plainly and factually. That is the truth; they are excluded because of their political power and influence.

They can do almost anything under the authority and great powers that they have today—almost anything that will have an impact on wages and prices and on what the consumer has to pay for goods and services.

Mr. President, they have tremendous political power, I know. I have faced it in elections, one after another, and I know how potent they are. But it is wrong, Mr.

President, to deliberately place them in a class of exclusion where the law does not apply to them equitably, as we are undertaking to make it apply in all other areas of commerce, goods and services.

I can think of no issue that has a more substantial effect on the interests of consumers than strikes and other forms of labor unrest.

Surely it cannot be seriously contended that consumer interests are not affected by wage increases and fringe benefits which are ultimately passed along to the consumer. Nevertheless, the giant labor unions have issued their ultimatum—they want an Agency for Consumer Advocacy to protect consumers from everyone but organized labor. Indeed, in their arrogance, AFL–CIO spokesmen have stated previous to past Senate consideration of consumer legislation, that increased labor costs must not be subject to ACA review or the AFL–CIO would oppose the entire legislation.

Mr. CURTIS. Mr. President, will the distinguished Senator yield?

Mr. McCLELLAN. I yield.

Mr. CURTIS. What would be the situation if the Secretary of Agriculture, exercising his duties of fixing support prices and market prices, took action in reference to milk prices and classifications and milk sheds that would result in an increase of cost to the consumer. Would this legislation grant to the Administrator authority to intervene, delay, and litigate such decisions?

Mr. McCLELLAN. Well, the Department of Agriculture is not excluded from actions of the Secretary exercising those powers. I do not find that it is excluded anywhere in this bill.

The farmer's interest is discriminated against. He can be subjected to actions taken or by the Administrator named in this bill. But the labor organizations, who force up the price of the machinery he has to buy, are exempt.

It is a discrimination in the economy of our country, a flagrant discrimination against the farmer.

I daresay, if labor organizations were not excluded from this bill, it would not get 25 votes in the Senate.

But labor dominates legislation. It is dominating on the floor of the Senate today.

Mr. CURTIS. Mr. President, I ask the Senator to yield for one more question.

The very purpose of agricultural programs is to increase the income of farmers.

Mr. McCLELLAN. Surely, and the very purpose of a strike is to increase the income of a worker.

Mr. CURTIS. If we pass this legislation, how on earth could any Secretary of Agriculture administer an agricultural program? Because they could intervene and at every level; they could keep them in court from now on. This bill is not only anticonsumer, in that it is going to affect his costs a lot more; it has the potential to create chaos in every department of Government.

Mr. McCLELLAN. Mr. President, I thank the distinguished Senator, and I agree with his views.

Mr. President, I ask unanimous consent to have printed in the RECORD immediately following my remarks a very interesting and a very potent article that appears in this month's Reader's Digest entitled "Too Much Government by Decree."

The headline further states, Mr. President:

> To an increasing extent, we are being ruled by arbitrary edicts issued by unelected Washington bureaucrats—with results ranging from absurd to tragic.

The PRESIDING OFFICER. Without objection, the article will be printed in the RECORD.

(See exhibit 1.)

Mr. McCLELLAN. Mr. President, I challenge any Member of the Senate to read that article and be able to deny the substantial truths that it reveals. Yet we are creating another agency—one, even more powerful. This article lists many abuses that are going on today. some of them cynical, some of them tragic, by bureaucrats, over which we have retained no control or supervision, or to whom we have delegated powers that are arbitrary; and they are acting arbitrarily under them to the injury and detriment of our people and our economy.

Mr. President, I wish that Senators would have the opportunity to read this article to which I have referred—some Senators may have already read it, but I wish they would have the opportunity to read it and deliberate on it just a few moments before they cast their vote against this amendment.

Then why, Mr. President, do we not exempt the farmer and say that the actions taken to increase his costs shall not be subject to review?

I will tell you why: because this is class legislation and because there is greater political power on the side of labor than there is on the side of the farmer today. That is exactly why we cannot get labor organizations included. This is a bare-faced example of the hypocrisy and arrogance of the labor barons, barons to which this body should not succumb.

For an example of the crushing effect of labor disputes upon innocent consumers, we need look no further than the lengthy east and gulf coast dock strike which paralyzed much of our economy during the winter of 1971–72.

My people, Mr. President, my farmers suffered severely from that work stoppage.

Farmers throughout our Nation—and in Arkansas particularly—were hard hit by their inability to move their produce to market. Related industries such as packers, processors, and distributors felt the paralyzing effects of this work stoppage. Widespread unemployment resulted. Farming communities were faced with economic recession.

They lost a great deal of their products, Mr. President.

Our competitive position in international markets was severely damaged. Each day the strike lasted, the situation became more and more intolerable.

Yet unions are to be exempt.

The Government refuses to exercise any supervision or control. Let the consequences be what they will. We dare not touch this sacred cow.

Yet, an AFL–CIO spokesman can declare that the unions "do not regard labor relations as having a consumer interest."

Mr. President, does the farmer's production have a consumer interest?

One is labor that generally produces manufactured products, and the other is labor that goes out in the field and with the sweat of the brow produces the bread we eat. But they are different classes, Mr. President, when we legislate.

I can conceive of few areas that have a greater effect on the distribution and the price paid for almost everything of concern to American consumers than labor relations.

The past should be our guide to the action that we should take now. With our economy in disarray, with inflation a cancer eating at the strength of our economy, we cannot afford the arrogance of this little group of self-styled labor leaders who place their own welfare above that of the majority of the American people.

I find it difficult to understand how the sponsors of S. 200 can justify the creation of an agency to poke about into almost every decision taken by business and governmental agencies while excluding an area of such paramount importance to consumers as are strikes and other labor disruptions. To do so, it seems to me, smacks of outright prolabor sympathies and blatant antibusiness bias.

Mr. President, I doubt that this amendment will pass. I doubt that it will, but I wanted to make this record. I wanted to state the facts as I see them.

When the consequences of this legislation become apparent, and when the arbitrary actions are being felt, when we become conscious of them, I would like for the record to reflect what I believe about this bill and what its consequences are going to be if we do not provide greater restraints than are now in the bill.

The least we can do, Mr. President, is to put the discretion in a three-man bipartisan board and not leave it to one man to decide against whom he will make charges and proceed and against whom he will not. It is un-American, Mr. President, to place such powers and such discretion where they can be so arbitrarily used.

EXHIBIT 1

TOO MUCH GOVERNMENT BY DECREE!

(By John Barron)

The decree from the Environmental Protection Agency (EPA) fell upon Bostonians like an edict from some ancient king. Beginning March 1, 1975, no one might park on a downtown street between 7 and 10 a.m. Forty percent of all spaces in Boston's parking garages must be kept empty during the same hours. Employers must eliminate one fourth of all employe parking spaces. By making it difficult, if not impossible, for Boston workers to drive to their jobs, the Washington bureaucrats who handed down these sweeping orders hoped to reduce air pollution.

Boston community leaders were appalled. "We cannot eliminate the car until there is a viable alternative," declared Mayor Kevin White. Businessmen predicted serious economic loss and unemployment, as well as

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personal hardship and traffic chaos. Nevertheless, the EPA all last year stubbornly proclaimed its determination to compel Bostonians to do what it wanted, regardless of the consequences. Repeatedly it warned employers that they were liable to a year's imprisonment and a $25,000 fine if they disobeyed. Threatened with Congressional intervention, the EPA finally, last February, modified its Draconian decrees and granted the city more time to gird for their effects. Grateful for the reprieve, Boston Chamber of Commerce executive William F. Chouinard nonetheless said, "I hate to think what might have happened if we had not fought like hell."

MASS MEDDLING

Even though postponed, the orders arrogantly visited upon Boston are symptomatic of an insidious change which is occurring in governmental processes. Traditionally, Americans have been governed according to laws enacted by elected representatives answerable to voters. Today, Americans increasingly find their lives regulated by decrees emanating from bureaucrats who are, in effect, accountable to no one.

The stream of bureaucratic dictates pouring out of Washington has turned into a flood. In 1973, the *Federal Register* needed 35,591 pages to publish all the new decrees and decisions; last year it required 45,422 pages. Random examination of the *Register* suggests how far the bureaucracy has thrust itself into the ordinary business of ordinary people. Navel-Orange Regulation 311, for instance, prescribes how many oranges may be shipped from California and Arizona counties during a specific one-week period. Contractors in Allegheny County, Pa., are informed that their bricklayers must be paid $9.25 an hour, whereas bricklayers in Adams and York counties, in another part of the state, can receive $7.65. Arbitrary *Register* regulations may nullify a union contract, require a corporation to spend millions on new equipment, or deny a town the right to approve a new shopping center.

Consumer advocate Ralph Nader points out that senseless or incompetent rulings by federal regulatory agencies drive up prices by suppressing competition, stifling innovation and perpetuating inefficiency. A Senate subcommittee estimates that private business spends $18 billion annually on paperwork demanded by federal bureaucrats, while the General Accounting Office calculated that 1973 paperwork cost the government itself $15 billion. But the gravest consequence of all this bureaucratic meddling carries no price tag. It is eloquently summed up by Sen. Sam Ervin (D., N.C.), Congress' leading constitutional authority, who retired this year after presiding over the Senate Watergate investigation. "Government by bureaucratic decree threatens freedom itself," Ervin declares. "The pursuit of no goal justifies the destruction, or even the erosion, of freedom."

Few Americans would dispute that abolishing racial discrimination, promoting industrial and consumer safety, and cleaning up the environment are worthy goals. The trouble is that Congress has created vast new bureaucracies with sweeping powers to pursue such goals as they see fit. All too often, the results are tragic.

BUSINESS BUSTER

Marlin Toy Products, Inc., in Horicon, Wis., used to provide jobs for 85 of the town's 1400 residents. Its most profitable products were two popular toys designed for babies. One was a transparent plastic sphere containing artificial birds and tiny, bright-colored plastic pellets. The other was a similar sphere containing pellets and artificial butterflies. When the spheres rolled, the birds or butterflies fluttered the pellets rattled and a child enjoyed motion, color and sound.

In November 1972, the Food and Drug Administration (FDA), then responsible for safety, suddenly informed Marlin that the toys were unsafe, reasoning that, if a sphere broke, a child might be tempted to eat the pellets.

Since Marlin first marketed the toys in 1962, millions of Americans had purchased them. Not one had complained to the company of any harmful results. The toys had already passed three rigorous safety tests—Marlin's, an insurance company's and a department store's. Nevertheless, Marlin agreed promptly to recall all the spheres and remove the pellets. Within a month, the FDA said it was satisfied and promised to remove the toys from the next published list of banned products.

Marlin proceeded to manufacture hundreds of thousands of the toys, hoping to recover, through the 1973 holiday sales, the losses from the 1972 recalls. But in September 1973 the newly formed Consumer Product Safety Commission (CPSC) issued a "Special Holiday List" of dangerous toys whose sale was prohibited—including the toys Marlin had redesigned months before to FDA satisfaction.

Not until early December did frantic company and Wisconsin officials succeed in getting CPSC to acknowledge that it had made an "editorial error." It was too late. Stores all over the country had canceled toy orders, and Marlin had lost at least $1.2 million. Today the company is on the verge of collapse.

"ARBITRARY . . . CAPRICIOUS"

Congress in 1970 created the Occupational Safety and Health Administration (OSHA), endowing it with authority to dictate work rules to virtually every segment of American business, from the corporate giants of Detroit to mom-and-pop shops at rural crossroads. OSHA inspectors can walk into any business unannounced, search the premises without a warrant and levy fines without a hearing or trial. Industry and labor alike recognize that there are industrial hazards which require intelligent remedies, but too often OSHA simply makes a nitpicking nuisance of itself. Consider:

In Newport Beach, Calif., an OSHA inspector visited Blackie's Boatyard, where owner Arsene "Blackie" Gadarian and six workers repair small craft. Pointing to a man without a life jacket who was working in a boat tied to the pier, the inspector asked, "What would happen if he fell in the water?"

"He would stand up," Gadarian replied. "The water's only three feet deep all along the pier." Still, the inspector thought there should be a ladder at the pier's end. Gadarian said he would nail up a ladder.

Three weeks later, OSHA formally notified Gadarian that he had violated its ladder regulation—Section 1501.84(c)(4)—and was liable to a fine of as much as $1000. When Gadarian asked to see the rule, OSHA sent his a 248-page document a month later. Nowhere could Gadarian discover any reference to ladders. Asked for clarification, OSHA sent a 48-page supplement saying only that a ladder must be installed in the vicinity of a dock where boats are repaired.

Because Gadarian already had four ladders near his pier, he decided to appeal the fine. OSHA set the fine at only $15, but Gadarian refused to pay.

A battery of government lawyers assembled to argue the OSHA case before a specially appointed federal hearing examiner and a flock of other federal officials. Gadarian, helped by his wife, acted as his own lawyer. The proceedings lasted four hours before Gadarian's innocence was certified. Gadarian's wife would not let him buy a transcript of the proceedings. It cost $500.

OSHA can be just as foolishly autocratic in dealing with big matters as with little. At a cost $100,000 annually, the Continental Can Corp. effectively safeguards its employes from noise by providing comfortable ear protectors and insisting that they be worn. OSHA itself admits that the protectors reduce the noise level well below federal standards. Nevertheless, OSHA demanded two years ago that Continental Can "engineer" noise abatement by building sound shields around thousands of machines at a cost of $33.5 million—contending that some workers might be too "ignorant or obstinate" to wear the ear protectors. Continental contested the OSHA decree.

After reviewing 1000 pages of testimony, Judge Robert N. Burchmore last October issued what added up to a searing indictment of both the judgment and the competence of OSHA. A government "expert" had claimed that sound shields could be designed and installed in two months. The court ruled that after seven more years of research it *might* be feasible to install them. OSHA had had to admit that it had found not a single employe who was not wearing the ear protectors. Judge Burchmore dismissed the OSHA ruling calling it "arbitrary to the point of capriciousness."

PASSION AND THE POLICE

The Equal Employment Opportunities Commission (EEOC) was created to ensure that employers should not discriminate against minorities in hiring and promotions. But the EEOC now ranges far beyond this stated mission; its flagrant excesses have provoked outspoken criticism from even longtime champions of minority causes.

Late last year, for example, the EEOC issued an astonishing set of decrees against the police department of Houston, Texas. By EEOC's own admission, this department has had, in recent years, a commendable record of employing minority personnel, who presently compose about 40 percent of the force. But the Houston police require that applicants have a high-school diploma, and they refuse to hire convicted criminals, people dishonorably discharged from the armed services, and those with a history of defaulting on debts.

The EEOC asserted that the ratio of individuals convicted of crimes, dishonorably discharged from the military, or marked as bad credit risks, is higher among blacks and other minorities than among whites. Therefore, ruled the agency, the Houston police department is guilty of racial discrimination and must cease investigating the backgrounds of prospective officers. It threatened legal action unless the Houston police opened their ranks to convicts, those with dishonorable discharges from the armed services, those who had not completed high school.

"If we do not even have the right to ask a man if he has been convicted, we could turn over the department to a bunch of criminals, the very element we're supposed to fight!" exploded Chief Carrol Lynn. "Hire a convicted kidnaper, burglar, rapist, murderer as a policeman? My God!" Houston's leading black newspaper, *Forward Times*, published a full-page editorial ridiculing EEOC and defending the police. To all protests, the EEOC has so far responded with bureaucratic contempt for common sense.

Meanwhile, EEOC's real business often goes unattended. It has a backlog of 100,000 cases, and now takes an average of 28 months to process a complaint. In their passion to pursue their mandate, EEOC investigators frequently fail to get facts straight. As a result, the EEOC general counsel has to return to the field as "unsuitable for litigation" between 80 and 90 percent of the cases submitted to his office. Yet this is the bureaucracy that has the power to impose racial and sexual quotas at all levels of business, and to drag any employer into a costly lawsuit at will.

THE SINGLE MOST POWERFUL

But the Congressional creation that threatens to grow into the most fearsome bureaucratic monster of all is the Environmental Protection Agency. Under a pervasive umbrella of power conferred by the National Environmental Policy Act, the Clean Air Amendments, the Water Pollution Control Act and the Noise Control Act, EPA has claimed for itself authority unprecedented in American peacetime history. Indeed, Prof. Irving Kristol of New York University recently wrote: "If the EPA's conception of its mission is permitted to stand, it will be the single most powerful branch of government, having far greater direct control over the individual lives than Congress or the Executive or state and local government." Professor Kristol does not exaggerate. Consider:

EPA asserts the right to veto construction of virtually anything that might generate a substantial volume of traffic. Thus, unless Congress intercedes, as of January 1, 1976, local communities may not permit development of a major shopping center, hotel, stadium or factory without approval from Washington.

In Gary, Ind., the U.S. Steel Corp. tried to meet EPA requirements by building two new installations of non-polluting furnaces. But initially their output was limited by factors beyond the company's control: a power failure that damaged its furnaces, the coal strike and a construction strike. So U.S. Steel last fall asked EPA permission to keep its one remaining open-hearth installation in operation six months more. It was told that the installation could be kept open for three months with a $2300 fine for each day of operation. Instead, the company closed the installation, and hundreds of workers are losing their jobs as a result.

An infestation of deadly tussock moths in 1972 defoliated 174,000 acres of magnificent Washington and Oregon forests. To prevent further ravages, state officials and conservationists pleaded with EPA to allow a carefully controlled spraying of DDT. EPA stubbornly refused even a temporary removal of its ban against DDT. Unchecked, the multiplying moths by the summer of 1973 had afflicted 700,000 acres of timber. Faced with Congressional uproar and a lawsuit, EPA in February 1974 relented and authorized use of DDT. Helicopters sprayed the forest, and the infestation ended. But the devastation inflicted by doctrinaire bureaucrats endures.

ULTIMATE REMEDY

Nearly two centuries ago, the people of Boston started one of history's most important revolutions in the name of freedom. In the years since, millions of Americans have risked their lives to preserve that freedom. It is inconceivable that we will now sit back passively and allow it to be lost to bureaucratic usurpation.

The remedy lies in Congress, which created the problem in the first place. Congress should reappraise each federal agency, with a view to outright abolition of those that have obviously outlived their usefulness. It should withdraw from the others the vast grants of arbitrary power that it has bestowed. And Congress should define the powers left to bureaucracies in language so clear and explicit that no officials can expand their power beyond Congressional intent. Finally, broad national policies required to protect consumers, workers, minorities and the environment should be implemented through specific legislation rather than bureaucratic fiat.

If the people don't like the results, then—in the next election—they can remove the members of Congress responsible. That is why the American system has always provided that power must be exercised by elected representatives instead of by bureaucrats who have earned the vote of no one. If freedom is to survive, power must *remain* in the hands of elected representatives.

Mr. McCLELLAN. Mr. President, I ask for the yeas and nays on this amendment.

Mr. ROBERT C. BYRD. Mr. President, will the Senator withhold his request for the yeas and nays temporarily?

Mr. McCLELLAN. Yes.

Mr. ROBERT C. BYRD. Senator, go ahead.

Mr. CURTIS. I want to be recognized under the bill.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the McClellan amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. CURTIS. Mr. President, I yield myself 10 minutes.

This bill ought to be labeled the anticonsumers bill. Should through misfortune this proposal become law, it will increase the cost of most articles that consumers buy. There is no way that you can add to the regulations, there is no way that you can put more requirements on those who manufacture, distribute, and sell merchandise, without increasing the cost.

The cost to the U.S. Government is going to be great. It is stated in the report it will take a few million dollars to run this agency. That is the small part of the Government cost.

When a department of Government, whether it be the Department of Treasury or of Agriculture or the CAB or anyone else, defends itself against the administrator its budget is going to have to be increased materially. You spread that clear across the Government and you have a proposal to increase the size of Government, to further harass the productive forces of our country, and add to the tremendous cost of Government, add to the regulations that strangle free enterprise.

In addition to that, Mr. President, the enactment of this legislation will produce chaos in Government. A few days ago I read the principal parts of a letter from the Department of Treasury prepared by Stephen S. Gardner. I have another communication that I think ought to go into the RECORD.

I think we have reached a point where there are not going to be any minds changed as to how we will vote on this bill.

The pressure is on. But let every Senator realize what he is doing.

Here is a letter that shows how the passage of this bill can create absolute chaos in our tax collecting system, that can destroy the confidentiality of individuals' private businesses that all through the years the Internal Revenue Service has been so successful in protecting, the complete information that belongs to citizens.

The letter is dated May 12, 1975, addressed to me.

> This is in further reference to my letter of May 7, 1975 with respect to S. 200, a bill "To establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes."
>
> As stated, the Department is strongly opposed to the extent to which the Agency for Consumer Advocacy (ACA) could interject itself into the Department's affairs. More specifically, our concerns arise from section 6(c)(1) of the bill which would permit the ACA to act as an advocate providing representation for consumers before Federal agencies and in Federal courts ostensibly at all levels.
>
> The definition of "interest of consumers" at section 14(11) of S. 200 which includes the health, safety or economic concerns of consumers gives the ACA the broadcast guideline as to what a consumer interest is with respect to the ACA's authority to participate in agency proceedings. However, a determination by the ACA that the result of an agency proceeding or activity may substantially affect an interest of consumers, or that ACA intervention is necessary to represent adequately an interest of consumers, is deemed not to be a final agency action (section 21(b)(2)) and, therefore, is not subject to judicial review.
>
> Accordingly, the ACA will be granted broad power to interfere with the Department's internal operations and there is no assurance that the ACA will have either the ability, foresight or restraint to represent properly the whole of consumers since it seems that the health and safety concerns of one segment of the consumer population may directly conflict with the economic concerns of another segment. Thus, the role of the ACA will be one of both advocate and judge for competing consumer interests. Under the circumstances, I want to detail more specifically our views on the effect the proposed legislation could have on the Internal Revenue Service and the Bureau of Alcohol, Tobacco and Firearms, two of the Department's key functional offices.
>
> There are several areas of particular concern to the Internal Revenue Service. Under section 6(a)(1) of the bill, the Administrator may intervene or otherwise participate for purposes of representing an interest of consumers whenever he determines that the result of an IRS proceeding or activity may substantially affect an interest of consumers. Presumably this right to intervene or participate in IRS activities could be exercised at any level of activity, including the audit process. Not only could intervention of the Administrator seriously impede effective administration of the Internal Revenue Code, it could easily result in violation of taxpayers' rights to confidentiality with respect to their tax affairs provided for by section 6103 of the Code and implementing Executive orders.
>
> Under section 6(c) of the bill, the Administrator would be given certain rights to initiate or intervene in Federal court proceedings involving the review of IRS action which he determines may substantially affect consumer interests. The subsection provides that the Administrator's rights to take judicial action or intervene in a proceeding are to be the same as those of any "aggrieved" person. For example, in the case of a corporate taxpayer which decides against contesting in court an IRS determination which has a substantial effect on the cost of its products, the Administrator could initiate a court proceeding to review the IRS determination. Once again, through intervention in judicial proceedings to resolve tax disputes, the administration of Federal tax laws could be seriously impaired.
>
> Section 10(c) of the bill provides that nothing in the Act shall be construed to provide for or authorize IRS or any other agency to disclose to the Administrator "solely from an income tax return, the amount or source of income, profits, losses, expenditures, or any particular thereof, or

to permit any Federal income tax return . . . or copy thereof, or any book containing any abstracts or particulars thereof," except as provided by law.

This definition, which is taken from section 7213 of the Code, is much too limited to adequately protect taxpayer privacy. Read literally, section 10(c) would not protect anything except an income tax return and then only certain information actually on the return. It would not protect other returns and vitally important documents, such as audit reports and other information collected by IRS. This limited protection would be contrary to the Administration's taxpayer privacy proposal in the 93rd Congress and the current strong sentiment for limiting the use of tax returns for any purpose by other agencies of Government.

Mr. President, the letter goes on to discuss in some detail the chaos that would result from this legislation in reference to the Bureau of Alcohol, Tobacco and Firearms taxation.

Mr. President, I ask unanimous consent that the entire letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

The Deputy Secretary
of the Treasury,
Washington, D.C., May 12, 1975.

Hon. Carl T. Curtis,
U.S. Senate,
Washington, D.C.

Dear Senator Curtis: This is in further reference to my letter of May 7, 1975 with respect to S. 200, a bill "To establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes."

As stated, the Department is strongly opposed to the extent to which the Agency for Consumer Advocacy (ACA) could interject itself into the Department's affairs. More specifically, our concerns arise from section 6(c)(1) of the bill which would permit the ACA to act as an advocate providing representation for consumers before Federal agencies and in Federal courts ostensibly at all levels.

The definition of "interest of consumers" at section 14(11) of S. 200 which includes the health, safety or economic concerns of consumers gives the ACA the broadest guidelines as to what a consumer interest is with respect to the ACA's authority to participate in agency proceedings. However, a determination by the ACA that the result of an agency proceeding or activity may substantially affect an interest of consumers, or that ACA intervention is necessary to represent adequately an interest of consumers, is deemed not to be a final agency action (section 21(b)(2)) and, therefore, is not subject to judicial review.

Accordingly, the ACA will be granted broad power to interfere with the Department's internal operations and there is no assurance that the ACA will have either the ability, foresight or restraint to represent properly the whole of consumers since it seems that the health and safety concerns of one segment of the consumer population may directly conflict with the economic concerns of another segment. Thus, the role of the ACA will be one of both advocate and judge for competing consumer interests. Under the circumstances, I want to detail more specifically our views on the effect the proposed legislation could have on the Internal Revenue Service and the Bureau of Alcohol, Tobacco and Firearms, two of the Department's key functional offices.

There are several areas of particular concern to the Internal Revenue Service. Under section 6(a)(1) of the bill, the Administrator may intervene or otherwise participate for purposes of representing an interest of consumers whenever he determines that the result of an IRS proceeding or activity may substantially affect an interest of consumers. Presumably this right to intervene or participate in IRS activities could be exercised *at any level of activity,* including the audit process. Not only could intervention of the Administrator seriously impede effective administration of the Internal Revenue Code, it could easily result in violation of taxpayers' rights to confidentiality with respect to their tax affairs provided for by section 6103 of the Code and implementing Executive orders.

Under section 6(c) of the bill, the Administrator would be given certain rights to initiate or intervene in Federal court proceedings involving the review of IRS action which he determines may substantially affect consumer interests. The subsection provides that the Administrator's rights to take judicial action or intervene in a proceeding are to be the same as those of any "aggrieved" person. For example, in the case of a corporate taxpayer which decides against contesting in court an IRS determination which has a substantial effect on the cost of its products, the Administrator could initiate a court proceeding to review the IRS determination. Once again, through intervention in judicial proceedings to resolve tax disputes, the administration of Federal tax laws could be seriously impaired.

Section 10(c) of the bill provides that nothing in the Act shall be construed to provide for or authorize IRS or any other agency to disclose to the Administrator "solely from an income tax return, the amount or source of income, profits, losses, expenditures, or any particular thereof, or to permit any Federal income tax return . . . or copy thereof, or any book containing any abstracts or particulars thereof," except as provided by law.

This definition, which is taken from section 7213 of the Code, is much too limited to adequately protect taxpayer privacy. Read literally, section 10(c) would not protect anything except an income tax return and then only certain information actually on the return. It would not protect other returns and vitally important documents, such as audit reports and other information collected by IRS. This limited protection would be contrary to the Administration's taxpayer privacy proposal in the 93rd Congress and the current strong sentiment for limiting the use of tax returns for any purpose by other agencies of Government.

The Bureau of Alcohol, Tobacco and Firearms (ATF) also administers and enforces various statutes and regulations which have an effect upon the interest of consumers. In our view the proposed new agency would subject ATF investigations, internal operations, and administrative proceedings to an unprecedented degree of interference by an agency unacquainted with the intricacies of the alcohol, tobacco, firearms and explosives industries.

When all of the broad powers of the proposed legislation are considered together, it is conceivable that the ACA could indirectly manage many of ATF's activities from beginning to end. For example, the ACA could under section 6(d) petition ATF to initiate an investigation under the Federal Alcohol Administration Act; participate in internal ATF decisions on whether to initiate or settle permit action under section 6(b); intervene as a party in a permit proceeding under section 6(a)(2); direct the scope of ATF discovery during such proceeding under section 6(f); and, finally, evaluate the overall performance of ATF under section 4(d)(4).

While there may be a need for greater participation by consumers in the decision-making processes, it does not follow that the remedy is the creation of yet another Federal agency which would control and dominate existing agencies at virtually every stage of the administrative and judicial process.

In summary, it is our belief that the provisions of this bill which would create an agency of Government to regulate other agencies of Government and laws to require compliance with other laws, are faulty in concept and would neither insure proper representation of the consumer nor foster efficient and effective Government.

In view of the need to expedite this report, it has not been possible to obtain the customary clearance by the Office of Management and Budget prior to its submission.

Sincerely yours,

Stephen S. Gardner.

Mr. CURTIS. Mr. President, I wish it were possible to persuade 51 percent of the Senators not to pass this bill.

I am afraid that is not true, I hope I am wrong.

But let there be no misunderstanding, there is not the slightest chance of this legislation helping any consumer. It is a bill to strangle of the productive forces of the country and it will render many processes of Government confusing and, in fact, inoperative.

How in the world can the Secretary of Agriculture take an action which supports farm prices and admittedly raises the cost to consumers?

How can they ever do that without expecting months and years of intervention in court action?

What is going to happen when here is the Department of the Treasury which says they can make public anything but the tax return, that includes all the audit, the background papers, and everything else?

This is the most anticonsumer bill that anybody could concoct in the number of printed pages in this bill.

The expense that the Government agencies will have to put out to protect themselves from this agency will be enormous.

Do not forget, Mr. President, that this bill not only gives the power of a czar to a single administrator, he can delegate those powers to private parties, to militant crusading groups. He can not only delegate his power, he can transfer his funds.

That is too much power for Mr. Nader or anybody else, but if one votes for this bill, one votes for a provision that permits the power and authority in this bill to be carried out by a private person, or a private group, and have the taxpayers funds turned over to them.

Mr. President, I do not impugn the motives of anyone. Many fine Senators and Congressmen favor this legislation. I do not impugn their motives at all. But I am thoroughly convinced that those people and those forces over the country that would like to see the American private enterprise further strangled, that would like to see the Government of the United States bogged down with more expense, more regulation and rendered ineffective, will rejoice at the passage of this bill.

I would hope that the authors of this bill would move to recommit it.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. PERCY. Mr. President, while the distinguished Senator from Nebraska is still on the floor, I would first like to thank him for not impugning the motives of his colleagues. I believe we all deeply believe in the free enterprise system. We believe we have one of the greatest economies in the world. We believe it was built as a result of labor and management finding a way to live and work together. It is truly a consumer economy. Every businessman knows the only way really to prosper in his business is to serve the interest of the consumer.

I have said many times before that I think probably 95 to 97 percent of the businesses have that underlying motive.

But we do have a small percentage, 3 to 5 percent, possibly, at most, where the fast-buck artist thrives and where the integrity of business principles that we believe in, are not adhered to. Every day we can pick up the paper and see evidences of abuses and scandals.

Most people are honest, but we do have police forces to protect people.

I hope very much to meet my distinguished colleague here in the Chamber 3 years from now and let us hold each other accountable. The Committee on Government Operations intends to have very close oversight over this agency.

I would not be true to my former colleagues in business to whom I have said many times that no responsible businessman, no good businessman, no business that is offering good value, high quality products at reasonable prices to anyone, has anything to fear from this bill.

Certainly, we limit the amount of money and we limit its authority. This agency does not have regulatory authority. It is an advocate. It can be a spokesman. But there are very real limitations placed upon its authority. We have endeavored to protect the integrity of business and to protect the sanctity of what I consider the private province that we should not get into.

If this bill becomes law, I cannot imagine President Ford having the responsibility of appointing the first administrator, selecting anyone or nominating anyone, as the case would be, who would not have a balanced view. The President is not after a witch hunt. He is not out to persecute business. He is not out to destroy the free economic system that we have. Certainly, he knows that we would look very carefully at the quality of the man.

My distinguished colleague from Nebraska, whom I highly respect, has talked to certain of the concerns that all of us on the committee have evidenced through the years in putting this legislation together. It was for these reasons that we put in the unusual provision that the Comptroller General, before the end of 3 years, shall make an audit of this operation, shall look at its benefits, its cost, and its impositions, real or alleged, to the American business community, and report back direct to the Congress. The authorization is limited for that period of time.

I think the concerns expressed by my distinguished colleague are concerns that many of us have felt. But we feel that we have built into this particular bill, S. 200, enough protective devices, enough checks and balances, so I will be able to look my colleague in the face 3 years from now and say, "I think this agency has served well the consumer of this country; has served the producers well, and has served the free enterprise system well."

If I am wrong in that regard, I hope the Comptroller General will point it out.

Mr. CURTIS. Mr. President, I yield myself 5 additional minutes.

I would like to ask my distinguished friend from Illinois a few questions.

What products does the Senator predict will cost the consumer less if we pass this legislation?

Mr. PERCY. The question is what would the cost be to the consumer?

Mr. CURTIS. No. What products will cost the consumer less if we pass this legislation?

Mr. PERCY. I am not so sure that we are just going after cost, but cost would be a factor. I would tend to think probably over a period of time pharmaceutical costs might be brought down with a stronger advocacy voice. Both FDA and committees of the Congress which are dealing with this issue in the context of requiring prescriptions to give the generic name of a particular drug.

Certainly, the consumer advocate might have taken cognizance years ago of the need to have smaller, more efficient automobiles, with less horsepower. Now we are running pell-mell, we are spending hundreds of millions of dollars, tooling on a crash basis, to try to produce smaller automobiles across the board.

We should have seen this trend some time ago.

For instance, I do not think it is necessary to have speedometers on a car which go up to 160 miles per hour. Nor engines which allow cars to approach such homicidal speeds. I think at one time I had a speedometer that went up to 140 miles an hour. I do not have the need or intention to drive a car 140 miles an hour, especially when the national speed limit is 55 miles an hour.

I have corresponded with all of my friends in the autmobile field over a period of years to address this problem. Reducing engine size would save dollars and would save lives.

Those are the kinds of areas, looking at it from the standpoint of the consumer, where I think we can probably find improvements in product price.

Mr. CURTIS. Is the Senator saying that the price of automobiles will come down?

Mr. PERCY. The cost would come down if we had smaller engines.

Mr. CURTIS. I mean for the same product, would the cost come down?

If we manage our economy and tell the purchaser and the seller what they can buy and sell, of course, we can force the price down because it will be a much smaller article. But I do not happen to believe in the omnipotence of Government to regulate the economy.

Mr. PERCY. Again, I would like to point out there is no regulatory authority in this agency. This is not a managed economy.

Mr. CURTIS. This is an agency to force all Government agencies to speed up the regulation and strangling of the economy.

I would like to ask my friend how these regulations will lower the price of pharmaceuticals he referred to. Is the Senator proposing a price control system? Upon what thesis does the Senator predict that the passage of this bill will lower the cost of pharmaceuticals?

Mr. PERCY. I would presume if we can get greater acceptance of prescribing generic drugs, that alone would be a tremendous cost saving to the consumer. I think most of us realize that.

Mr. CURTIS. Mr. President, that is injecting a decision of Government that it should be the generic name of drugs. Not all drugs are alike. Not all drugs with the same chemical components are alike. You can print a recipe of how to bake a cake and give it to thousands of people. They will not all win first place at the State fair or the county fair. There are other things to drugs besides the chemical contents.

Any honest doctor will tell you that some formula, some process, can be given to patients and it will help restore them to health; that another drug company can use exactly the same chemical formula, and the side reactions will be such that it will be dangerous to give it.

We destroy the creativity, the individuality, of America when we use the force of Government to regulate to the point that tells buyers and sellers of drugs that they have to use a certain system.

The PRESIDING OFFICER (Mr. Bellmon). The Senator's 5 minutes have expired.

Mr. CURTIS. I yield myself 5 additional minutes.

That is the very thing we are battling today. This is the reason why there is a difference in the prices of named drugs and generic drugs: Most of the responsible drug companies have a long-range and very beneficial research program. They bring in remedies, new drugs, that restore people to health. Of course, somebody can take their work and set up to manufacture that drug in a back room and do it cheaper. However, like the recipe for cakes, not every cake will be alike.

It would be granting a bonus to the mass producer of somebody else's idea. I am not saying that we should stop that. I think the competitive forces in the marketplace are all right. But what I am opposed to is Government power used to force the end of name drugs in this country. It is wrong.

Mr. President, we have an admission here that this is a gigantic bill for a managed economy. Again, the question remains unanswered: How are you going to collect taxes, if the administrator can intervene and take the IRS to court at every point? How are you going to protect the confidentiality of tax returns or tax information, when the only thing protected is the return itself, and all they have to do is bring out the audit?

UMI

Mr. President, one would have to believe in the omnipotence of big government, big enough to strangle everything in the country, to support the concept of this bill, and I do not accept any such notion.

Mr. BROCK. Mr. President, will the Senator yield?

Mr. CURTIS. I am happy to yield.

Mr. BROCK. I understand the Senator's concern, but it is important to point out that this bill is somewhat changed from that of last year. One of the changes I bring to the Senator's attention is section 24, which does undertake to recognize and deal with, in a corrective sense, the impact of current Government—policies, laws, regulations, and the like—on the consumer.

What we require in section 24 of the bill, in the interest of consumer protection, is that, prior to the final promulgation of such regulation, it must be published in the Federal Register for public hearing and comment—the ultimate cost, true consumer cost, and the benefits of such regulation.

I think the Senator will agree with me that any of the actions of Government to which he has just referred—safety standards and all the rest—have been presented as if they were of no cost to the American people, when in fact they are of enormous cost. It is priced at the market, rather than in the form of taxes.

Heretofore, the Government has never undertaken a program to require of itself a justification process of anticipated benefits weighed against ultimate costs to the American consumer. I hope the Senator understands that this is part of the bill and does support that part of the bill.

Mr. CURTIS. The Senator realizes that in some aspects there are definite improvements in this bill. I think some of them are in that category.

I also beileve that we should keep in mind that every time the Government goes to grade its own papers, many goood people disagree. The Government engages in business enterprise, and each businessman throughout the country will point out how the Government's estimate of cost expenditures is never the same yardstick that he must use.

Mr. BROCK. But the Senator from Illinois pointed out in his colloquy with the Senator from Nebraska that in this bill we also require a continuing audit by the General Accounting Office, independently of the agency's own analysis, to verify whether or not they are in fact accurate. We even have improved that section on the floor of the Senate. The Senator from Connecticut supported a strengthening amendment to require a continuing, specific audit of all these actions by the General Accounting Office, to verify whether or not we are getting an honest evaluation.

Mr. CURTIS. I do not think we will need a public service job program if we keep on having enough groups to audit the auditors, and so on. I believe the measure has a number of features that merit our consideration.

I thank the distinguished Senator for his comment.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. CURTIS. I yield.

Mr. McCLURE. Mr. President, I commend the Senator for his statement. We should also recognize the contribution that the Senator from Tennessee made in authoring amendments which call for some check upon the regulatory agencies.

Mr. CURTIS. Very much so. We are very appreciative of that and recognize their value.

Mr. McCLURE. I cannot help being struck by the arguments made by many proponents of the bill that this is a much-improved bill over that of last year. The Senator from Nebraska might be willing to give them another year, to see if they could improve it more.

Mr. CURTIS. I would be more generous than that. I would be delighted to give them 20 years. [Laughter.]

Mr. McCLURE. Perhaps if we gave them 20 years more, it would be twice as good, before we pass it.

I was struck by an earlier argument, a few moments ago, that, somehow, if we had had a consumer advocate in the United States, we would have smaller cars today. Apparently, the assumption was that small cars were not available to the American public. I believe that Henry J. Kaiser marketed a car in his own name. It was a small car, and the public did not want it. I think George Romney wanted to market a small car, but the public did not want it.

I assume that if we had had a consumer advocate then, somehow, he would have ordered the public to buy the small cars or would have ordered the producers to produce only small cars, or in some way would have controlled us or influenced our judgment in the marketplace, else this result would not have occurred.

Will the Senator agree that the people have had the choice and have not exercised it?

Mr. CURTIS. Yes, they have had the choice.

If we move in the direction of this bill and what some of its sponsors advocate, we shall rapidly reach that glorious state of other socialistic countries, where somebody else decides what is best for the consumer and he lives in drab circumstances, without any choice of merchandise, and the Utopia turns out to be only illusory.

Mr. President, I yield the floor.

Mr. McCLELLAN. Mr. President, I know that we have had difficulty getting attendance during the long debate. I only say, in addition to what I said a while ago, that the implications and far-reaching effect of the legislation that we are here enacting pose a danger that we shall have no chance to do anything about it until after a lot of damage is done. I hope my colleagues will think seriously about placing all of this unrestrained power in one man. There can be no good reason, in my judgment, why it should not be placed in a bipartisan commission.

Mr. PERCY. Mr. President, if the Senator will yield briefly, I know that the Senator is concerned about the possibility of this single Administrator having too much power and the fact that he is appointed for a period of 4 years and, therefore, it would be difficult to remove him. We do provide in the bill that the Administrator may be removed by the President for inefficiency, neglect of duty, or malfeasance in office, which does cover a multitude of situations.

Mr. McCLELLAN. That would not permit him to be removed for pursuing the wrong policy.

Mr. PERCY. I think if it were considered malfeasance—that is, following a policy contrary to the spirit and intent of the bill.

Mr. McCLELLAN. I mean where there is discretion.

Mr. PERCY. If he were inefficient or ineffective, he could be removed.

Mr. McCLELLAN. And that does not go to policy. He could be efficient and still not support Government policy.

Mr. PERCY. This is a standard that has been applied for a number of years for most commissioners of regulatory agencies. I think we were impressed in the committee, as we looked at this, with the Ash Council report of several years back that favored a single administrator.

As the distinguished Senator knows, the split responsibility has been tried on previous occasions. It does not work as effectively as we would like to see it work.

I only ask the distinguished Senator whether the committee system would work as well in the Senate if we had to have a committee headed by three Senators, two from one party and one from another, and every single decision that the committee makes, and the procedures, had to be voted on by those three before it could act.

Mr. McCLELLAN. Oh, Mr. President, that is not analogous at all. In the Senate, there is no dictator. Not even the chairman of a committee can carry any part of the powers that are delegated in this bill, constituted in the Administrator of this agency. The Senate is a democratic body and this is a one-man show, a one-man power.

Mr. PERCY. The Senator from Arkansas has served on some committees where the chairman is quite powerful.

Mr. RIBICOFF. Amendment 409 should be rejected.

In 1971, the Ash Council made a study of the administrative agencies and recommended that they be headed by single administrators apponted by the President. The Council cited three reasons for its recommendations:

First, the authority and responsibility attending the single administrator form should enable the agencies to attract and retain the most highly qualified administrators and executive staffs.

Second, unambiguous placement of authority for agency policy and operations in a single administrator should increase accountability to both the Congress and the President.

Third, agency work should be expedited by utilizing more effective administrative techniques made possible by one-man management of agency activities.

The Commission is patterned after the arrangement to administer the law enforcement assistance program in 1968. This organization turned out to be ineffective. Charles Rogovin, appointed by President Nixon in March 1969, to head the agency, quit—in frustration—15 months later and denounced the troika arrangement as unworkable. Henry Ruth, director of LEAA's National Institute of Law Enforcement and Criminal Justice, resigned at the same time urging that the law be amended to make it more efficient. This year the administration abandoned the troika arrangement and recommended that it be replaced by a single administration. Congress agreed. See Public Law 93–83, section 101.

The PRESIDING OFFICER (Mr. Bellmon). The question is on agreeing to the amendment of the Senator from Arkansas. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Alaska (Mr. Gravel), the Senator from West Virginia (Mr. Randolph), the Senator from Illinois (Mr. Stevenson), the Senator from Florida (Mr. Stone), and the Senator from Missouri (Mr. Symington) are necessarily absent.

I further announce that the Senator from California (Mr. Tunney) is absent on official business.

I further announce that, if present and voting, the Senator from Florida (Mr. Stone) would vote "nay."

I further announce that, if present and voting, the Senator from West Virginia (Mr. Randolph) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from New York (Mr. Javits), the Senator from Nevada (Mr. Laxalt), the Senator from Maryland (Mr. Mathias), and the Senator from South Carolina (Mr. Thurmond) are necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina (Mr. Thurmond) would vote "yea."

The result was announced—yeas 40, nays 48—as follows:

[Rollcall Vote No. 180 Leg.]

YEAS—40

Allen
Bartlett
Beall
Bellmon
Bentsen
Biden
Buckley
Bumpers
Byrd, Harry F., Jr.
Byrd, Robert C.
Curtis
Dole
Domenici
Eastland
Fannin
Garn
Goldwater
Griffin
Hansen
Hartke
Helms
Hollings
Hruska
Huddleston
Johnston
Long
McClellan
McClure
Montoya
Nunn
Pearson
Roth
Scott, William L.
Sparkman
Stennis
Stevens
Taft
Talmadge
Tower
Young

NAYS—48

Abourezk
Baker
Brock
Brooke
Burdick
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Eagleton
Fong
Ford
Glenn
Hart, Gary W.
Hart, Philip A.
Haskell
Hatfield
Hathaway
Humphrey
Inouye
Jackson
Kennedy
Leahy
Magnuson
Mansfield
McGee
McGovern
McIntyre
Metcalf
Mondale
Morgan
Moss
Muskie
Nelson
Packwood
Pastore
Pell
Percy
Proxmire
Ribicoff
Schweiker
Scott, Hugh
Stafford
Weicker
Williams

NOT VOTING—11

Bayh
Gravel
Javits
Laxalt
Mathias
Randolph
Stevenson
Stone
Symington
Thurmond
Tunney

So Mr. McClellan's amendment was rejected.

Mr. RIBICOFF. Mr. President, I move to reconsider the vote by which the amendment of Mr. McClellan was rejected.

Mr. PERCY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STONE. Mr. President, a delay in returning to the Capitol following a speaking engagement caused me to miss voting on amendment No. 409 of the Senator from Arkansas (Mr. McClellan). I oppose this amendment and would have voted no.

AMENDMENT NO. 405

Mr. DOLE. Mr. President, I call up amendment No. 405 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas (Mr. Dole) proposed amendment numbered 405.

The amendment is as follows:

On page 37, delete lines 5 through 11 and insert in lieu thereof the following:

(b) Nothing in this Act shall be construed to authorize the Administrator to intervene or participate in any proceeding or activity directly affecting producers of livestock, poultry, or agricultural crops, including, but not limited to, such proceedings and activities relating to the initial sale by such producers of raw agricultural commodities; Commodity Credit Corporation price support, procurement, loan, and payment programs; Public Law 480 and other export programs; acreage allotments and marketing quotas; Federal crop insurance; soil conservation and land adjustment programs; Farmers Home Administration and Rural Electrification Administration loans; marketing orders; and programs to prevent the spread of livestock and poultry diseases, plant pests, and noxious weeds.

Mr. DOLE. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. Mr. President, I yield to the Senator from New York for a unanimous-consent request.

Mr. BUCKLEY. Mr. President, I ask unanimous consent that Janet Bollen of my staff be granted the privileges of the floor during the debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, this is a very limited amendment which exempts, in part, the producers of agricultural commodities.

I think it might be well to read the amendment. It is very brief. It states that—

> Nothing in this Act shall be construed to authorize the Administrator to intervene or participate in any proceeding or activity directly affecting producers of livestock, poultry, or agricultural crops, including, but not limited to, such proceedings and activities relating to the initial sale by such producers of raw agricultural commodities; Commodity Credit Corporation price support, procurement, loans, and payment programs; Public Law 480 and other export programs; acreage allotments and marketing quotas; Federal crop insurance; soil conservation and land adjustment programs; Farmers Home Administration and Rural Electrification Administration loans; marketing orders; and programs to prevent the spread of livestock and poultry diseases, plant pests, and noxious weeds.

Mr. President, I also ask unanimous consent that the Senator from North Dakota (Mr. Young), the Senator from Arizona (Mr. Fannin), the Senators from Nebraska (Mr. Curtis and Mr. Hruska) be added as cosponsors to amendment No. 405; and also the senior Senator from Kansas (Mr. Pearson) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator will suspend. The Senate is not in order.

The Senator may proceed.

Mr. DOLE. Mr. President, I have called up amendment No. 405 to make all Federal proceedings—and I want to make it very clear I am talking only about Federal proceedings—and activities that directly affect farmers exempt from the jurisdiction of the Agency for Consumer Advocacy. This amendment would not exempt proceedings related to what is the greatest factor in the consumer's food budget—the expenses related to operations after commodities leave the farm.

The amendment I propose would prohibit the Administrator of the Agency from intervening or participating in any proceeding or activity directly affecting producers of livestock, poultry, or agricultural crops. Without intending to be all-inclusive, the amendment specifically lists certain activities intended to be exempt from ACA intervention. They include: Proceedings and activities relating to the initial sale by producers of raw agricultural commodities; Commodity Credit Corporation price support procurement, loan, and payment programs; Public Law 480 and other export programs; Federal crop insurance; soil conservation, and land adjustment programs; Farmers Home Administration and Rural Electrification Administration loans; marketing orders; and programs to prevent the spread of livestock and poultry diseases, plant pests, and noxious weeds.

This farm exemption is essential. There are numerous examples of Government interventions prompted by well-intentioned consumer-oriented efforts that have had a detrimental impact on the agricultural industry. These examples, while intended to help consumers in the short run, have been harmful in the long run to public, national, and consumer interests.

Among these examples, I will refer in a moment to the soybean embargo of 1973, the "export prior approval system" instituted last year, and the beef price freeze of 1973.

I am aware that some language is included in the pending bill which is intended to protect legitimate interests of food producers. The language, in my opinion, unfortunately, is not adequate, however. It is not as comprehensive nor as precise nor as effective as the language which was accepted last year when I offered a substitute to S. 707, and as the language of the amendment I propose today. I believe it to be of critical importance that this language of Amendment No. 415 be included in S. 200.

NONFARM FOOD COSTS NOT EXEMPTED

At the same time, there are undoubtedly many Federal proceedings and activities not directly affecting agricultural producers in which greater consumer representation is warranted.

A recent USDA report showed farm-to-retail price spreads for February 1975 to be 22 percent higher than those a year earlier. During that period, the farmer's share of food prices has been sliding downward month after month. This has been a repetition of a cycle familiar to every farmer: "When farm prices go up, they eventually go down, but when most other prices go up, they just keep climbing."

The fact of the matter is that farm prices are subject to strong and constant competitive pressures. Intervention in this finely tuned and sensitive market mechanism would be counterproductive for consumers, just as it has been in the past. But there are other areas where I would greatly welcome the participation of an agency for consumer advocacy.

The Wall Street Journal, for example, recently ran an investigative report on the meat industry's "yellow sheet" and possible manipulations of wholesale prices for beef. There have been charges of kickbacks to organized crime for shipments of food commodities into New York and other large metropolitan areas. It is clear to me that strong action is needed in these and similar cases.

There is a need for action by consumer representatives as might be taken by ACA, first to inform the public and to clarify common myths about profit margins in the food industry, from farm to retail shelf. And there is an urgent need to pursue the shady or illegal operations of a few, to sharply delineate these from the efficiency and high standards of the majority of those in the food processing, distribution, and retailing industries and, in general, to build consumer awareness as it protects consumer interests.

INTERVENTION IN AGRICULTURE COUNTERPRODUCTIVE

But intervention by the Federal Government in those areas directly affecting the actual production of agricultural commodities is almost invariably counterproductive. Many cases of Government interference with agriculture can be cited that were initiated with the goal of protecting consumers from higher food prices. Yet consumers did not benefit to any appreciable degree and the interests of the public, the Nation, and ultimately consumers themselves have suffered.

Earlier I mentioned the soybean embargo of 1973, the "export prior approval system" of last year and the beef price freeze of 1973.

In 1973, there was great concern that we would "run out" of soybeans and that the high prices for soybeans would force prices up for foods derived from this excellent protein source. So an embargo on soybean exports was instituted. As expected, soybean prices plummeted and farmers suffered.

But I would challenge anyone to show how consumer food prices declined as a result. Farm prices declined and farmers were deprived of income, but consumers did not benefit.

At the same time, our trade balance declined due to loss of export sales. Our reputation as a reliable supplier in the world food market was shattered.

In short, farmers, the public and the Nation as a whole suffered and in the long run, consumers did also because of the harm to the economy. Although the embargo action was taken on behalf of consumers, I cannot find how it benefitted them.

EXPORT RESTRICTIONS DO NOT HELP CONSUMERS

A similar situation took place last year. Out of concern that our grain market was oversold, a prior approval requirement was placed on export sales. Again, the goal was to protect consumers from higher food prices.

As with soybeans in 1973, farm prices for wheat have plummeted. Even though the prior approval system has not specifically prohibited any export sales, it is common knowledge in the wheat trade that many foreign buyers have been discouraged from making wheat purchases in the United States because of the requirement. So the public and the Nation as a whole have suffered again because of the harm done to our trade balance.

And even though farm prices for wheat have declined more than 30 percent—in fact, I think it is nearer 40 percent at this point—I have yet to see any benefit to consumers through a substantial decline in bread prices.

The most recent calculations from the Department of Agriculture indicate the farm value of wheat in a loaf of bread at 4.4 cents in March. This compares to an average price of 37.3 cents per loaf. These calculations are based on an average price of $3.54 per bushel for wheat which is at least 50 cents higher than what most farmers in Kansas have been getting for their wheat.

When the farm value of wheat in a 37-cent loaf of bread is less than a nickel, it is hard for me to understand how any consumer advocate could expect to benefit consumers by intervening to reduce farm exports. Yet last year major sponsors of the predecessor of this bill stated that exports of farm commodities would be a major concern of the agency for consumer advocacy.

FARM PRICES DOWN BUT NOT CONSUMER PRICES

Another example of how consumer intervention has hurt agricultural producers is the beef price freeze of 1973. Again, in the apparent interest of consumers and under pressure from Congress, the cost of living council imposed price controls and a price freeze on the meat industry in order to maintain "favorable prices for food." The immediate result was the destruction of the incentive for cattlemen and other livestock producers to bring their animals to market. A beef shortage developed immediately. The economic dislocations which occurred in the livestock industry at that time have had repercussions which are still being felt today.

The **PRESIDING OFFICER**. Will the Senator suspend? There is a great deal of noise in the Chamber and we cannot hear.

The Chair directs the Sergeant at Arms to maintain order in the gallery and in the corridor outside the Senate floor so that the Senate may continue its business.

Mr. **DOLE**. Mr. President, as a result of the 1973 beef price freeze, there has been an oversupply of cattle on the market. The oversupply has led to depression level prices in the livestock market for over a year and only now are we beginning to see some recovery in the industry.

While the price freeze in 1973 certainly resulted in lower prices for cattle, I have been unable to see any comparable declines in the price of meat for consumers. However, the loss of income to cattlemen has been detrimental to the economy as a whole and that certainly has been contrary to the public interest.

Mr. President, the conclusion that this Senator reaches is that Federal actions directly affecting the production of agricultural commodities which were intended to reduce food prices for consumers have not benefited consumers at all. In fact, they have been contrary to the public interest and the ultimate interests of consumers.

ACA WOULD REPEAT BLUNDERS

It is my strong belief and many others share this view that without their exemption, the Agency for Consumer Advocacy would risk repeating the many mistakes that have been made regarding farm production in the past.

IMPACT OF ACA INDIRECT

The sponsors of S. 200 have defended the impact of ACA on agriculture by saying that the agency would have no direct control over Federal actions related to agricultural production. While technically true, this does not adequately reflect the role ACA is intended to play.

In a colloquy with the junior Senator from Kansas on the predecessor of this bill, S. 707, last year, the senior Senator from Connecticut stated:

> The administrator of ACA would not be able to interrupt or otherwise participate in private sales or negotiations relating to agriculture. The ACA would no more be able to interrupt, delay or halt the export sales of agriculture commodities than any other private party such as the millers and bakers who tried to limit export sales of wheat last spring. The administrator of ACA would only be able to participate in Federal proceedings concerning agriculture in the same respect as any other private party, consumer group or business enterprise would be able to do.

I do not quarrel with this statement. However, it has been clearly stated by the Senator from Connecticut and others that farm exports would be a matter of prime interest for ACA.

The result would be that by creating ACA, we will create another voice in the Government calling for intervention in export sales and other matters directly affecting farm production. While ACA would have no direct control over exports or other Federal actions regarding agriculture, the existence of this powerful voice in the Government with a large amount of resources to back it up is bound to have a detrimental impact on farmers.

As in the case of small businesses, farmers would not have the time or money to come to Washington to defend their interests in Federal proceedings by countering the recommendations that could be expected to come from ACA. Therefore, I strongly believe that this exemption for farmers should be adopted.

MILK PRICES AND ACA TARGET

Milk marketing orders is another area directly affecting farm production that would certainly be a target of ACA.

The indications are that milk prices through milk marketing orders and price supports would be a major concern of ACA. In view of consumer protests of milk prices increases resulting from USDA' milk marketing orders, it could be expected that ACA would strongly and vigorously oppose any USDA action increasing milk prices. Such opposition would be a repetition of shortsighted action apparently intended to help consumers but ultimately detrimental to the public as a whole and to the long-term interests of consumers.

Opposition to higher dairy prices totally disregards an even more important consumer interest—the supply of dairy products, and that is where I believe the crux of the question is, and that is a question of supply, whether it be wheat, soybeans, dairy products, or whatever.

The supply of food is clearly paramount to consumers.

When farmers do not receive an income adequate to cover their cost of production, they are forced out of business. Having an agency for consumer advocacy publicly pressing for lower price supports and milk marketing orders would undoubtedly result in many dairy producers being forced out of business with the consequent result of a lower supply of milk, and even a lower supply of milk is going to mean higher prices.

This is an example where no matter how well intentioned this new Agency might be, it would, in the long run, be detrimental to the consumer interests.

Supporters of S. 200 may argue that the bill already includes a provision requiring ACA to consider the consumer's interest in an adequate supply of food and the interests of farmers in an adequate level of income and production. It is clear in my mind that this provision is totally inadequate. First of all, an adequate supply of food is contingent upon farmers having enough income to stay in business. While ACA is charged with considering farm income, there is no assurance in this bill that I can find that ACA will have any expertise to realistically evaluate the farm costs of production or the income requirements of agricultural producers. That expertise is vested in the Department of Agriculture.

I might add, I am not certain it is all vested there, or whether much is vested there.

No consumer interest would be served by allowing ACA to participate in dairy producer-related proceedings or any other farmer-related proceeding. On the contrary, the probable harmful impact ACA would have on farm production would undoubtedly be contrary to the long-term interests of consumers and the public.

Not only could ACA intervene directly in proceedings and activities related directly to dairy and other farm production, but the Agency could pursue court review of any milk marketing order or other action initiated by the Department of Agriculture. A court review could delay implementation of a milk marketing order for months. During the delay, many dairy producers could be forced out of business and the supply of milk production would be decreased. In addition, the number of producers would be reduced if dairy farmers are forced out of business. The decline in numbers leads to concentration in the dairy industry and a resulting decline in competition.

Mr. President, I feel strongly that in view of the particular considerations of agricultural producers the exemption provided by this amendment should be adopted.

I understand, and I understand the philosophy of those managing the bill on the floor, that this exemption might raise a number of questions. There are some who would say that there are already several provisions in the bill that give special recognition and consideration to farmers. It is my view that they are really of no effect. They have been watered down. They are, in effect, meaningless.

I believe, when we talk about food prices and supply and incentives to farmers, and when we talk about in some way encouraging the farmer to produce so we can stabilize prices in this country, we cannot be counterproductive by creating some agency that would, in effect, exert every effort to drive down the price the farmer receives.

The Senator from Kansas is a member of the Committee on Agriculture and Forestry and has attempted to limit the exemption to apply directly to the farmer, directly to farmer-related transactions. As I suggest in my statement, there may be a great number of areas where the ACA has a very proper role, whether it is the packer, the processor, the manufacturer, the distributor, labor costs, or whatever. But I respectfully suggest that if the farmer cannot make enough profit to stay in business, he is going to do something else. When he does something else, it is going to reduce the supply. When the supply is reduced, the price will go up. Or we will have extra imports. And then we will be at the mercy of some other country on whether or not we have enough milk, dairy or cheese or some other food products. So, Mr. President, I sincerely hope that the amendment will be adopted.

I recall in the early 1960's when there was a great deal of dumping of grain on the market. Every time the price of corn would go up, the Secretary of Agriculture would find some corn out of condition that would drive the price the farmer received down, but it never really affected the price of food for the consumers.

The Presiding Officer at this moment is a farmer and understands that when prices go up for farmers, it does not take long for the price to go up in the supermarkets. When the prices fall for the farmers, the prices stay up in the supermarkets. For that reason, there is a primary and very important role for the ACA.

This Senator is convinced that it is in the best interest of the consumer and it is consistent with the philosophy of this bill which the Senator from Kansas will vote for, that this exemption be included.

Mr. President, I reserve the remainder of my time.

Mr. **RIBICOFF**. Mr. President, I do not question the sincerity of the Senator from Kansas. His contributions to this bill last year and this year have been many.

I do believe on page 37, in section (b), that we have written into this bill that in considering the consumer's interest for an adequate supply of food, the ACA must consider the interest of farmers in maintaining an adequate level of income and production.

I do not know whether the Senator from Kansas was in the Chamber yesterday when we adopted the Percy amendment calling upon the Administrator to take into account the adequancy of supply as well as price. What concerns me in this amendment, and concerns me deeply, is the health and safety factor, when you say that in no way can the intervenor participate in any proceeding or activity directly affecting producers of livestock, poultry, or agricultural crops.

If my memory serves me correctly, and the distinguished Senator from Mississippi is in the Chamber, last year the Congress adopted a substantial program to recompense the poultry growers of Mississippi, because of their poultry ingesting poisonous feed.

I recall a few years ago there was a contamination of large flocks of sheep in Utah from nerve gas.

There is not a year that goes by where there is not called to the attention of the people of this country contamination in the slaughtering of cattle or poultry, the spoilage and misgrading of beef, vegetables, and fruits.

To me, it seems incredible that we should exclude intervention by the administrator to protect the health and safety of the consumers.

I am sure that there is not a legitimate farmer who is trying to do a job who wants to sell contaminated food on the market. Yet from time to time there does come on the market contaminated food, misgraded food, or poisoned food.

By adopting the amendment of the

Senator from Kansas we make it impossible for the administrator to intervene in matters of such grave importance to the health and safety of the consumers of this country.

Mr. DOLE. Mr. President, I appreciate the comments of the distinguished Senator from Connecticut and understand his feelings with reference to the amendment. I do think we protect the health and safety of consumers through the FDA and other regulatory agencies. But this Senator is not certain how the ACA might become involved in that particular example. I might add that that bill mentioned by the chairman never did pass the Congress. I believe it was stymied in the House.

In any event, what the Senator from Kansas is really concerned about is this: Let us say the Secretary of Agriculture decided to raise price supports for wheat or corn. I understand this would be a Federal action. The ACA could intervene and state that he is raising the support prices too high and that it will reflect in higher prices to consumers. Some of us think the Secretary of Agriculture does not raise the support prices high enough in the first place. So we are pressuring the Secretary to raise the support prices. The ACA is suggesting he not raise the support prices. In the meantime, the farmer is suffering from lower prices and less income.

I do not want to do violence to the bill. There may be some who would like to do violence to the bill. I would only suggest that my amendment has been rather tightly drawn to restrict itself to those activities where the farmer is directly involved. It is not the intention of the Senator from Kansas to go far afield and try to exempt everything that touches agriculture.

Mr. RIBICOFF. As I see it, it could very well be that the Administrator would intervene for higher prices if it meant a more adequate supply of food.

As I would conceive the Administrator's role when it came to the question of adequacy of supply and price, if he was doing his job he should present to the Secretary of Agriculture both sides of the question, the impact upon the consumer of higher prices and, at the same time, the need of the consumer for more agricultural products. It is an issue that is not clear cut. This is an ongoing debate. To do the job for the consumer, the advocate, in my opinion, would have to present both sides of the question.

I can foresee many issues presented in which the advocate would not take the side because there is a balance for the benefit of the people of this country as to which decision is the proper decision. To do his job properly, I would hope he would present both sides of the question and let this information be used by the agency to make the proper decision as, really, an advocate giving information without in any way indicating where the agency or the bureau should be going.

Mr. DOLE. Let me say, though not particularly in response to that, that it raises a question almost right down the line, whether it is price support, loan programs, or payment programs. I can understand the consumer's interest in the payment program that is going to add a burden to the consumer, to the taxpayer.

We get into export programs. If it had not been for agriculture in these past few years we would not have had any balance-of-payments surplus. We would have had a total deficit. Last year, for example, exports of farm commodities were about $22 billion and imports about $10 billion, leaving a plus of about $11 billion. If the ACA is under the impression that if we export wheat, export soybeans, or export anything it may raise the price at home, again it will be counterproductive to the interests of the farmer and, this Senator believes, to the economy.

Mr. RIBICOFF. May I say to the Senator from Kansas, who is a member of the Committee on Finance with this Senator, that I am aware of that point. As one of the representatives at the GATT negotiations, I can assure the Senator from Kansas that I would be just as concerned with the agricultural phases of the negotiations as I would be with the industrial side of the negotiations.

Also, once Congress takes an action through legislation, I cannot see the advocate intervening when Congress has laid down the policy, whether it be price supports or export-import policy, or trade.

Mr. DOLE. I do not intend to belabor this matter. I think we understand that the exemption will be voted up or down.

In any event, section 6(c) of the bill authorizes appeals by the ACA to the courts, to the extent that any person, if aggrieved, would, by law, have such right. In the case of the statutes I mentioned, it is my concern that the ACA would have the authority to appeal the agency action directly to court, without first exhausting the administrative remedies available.

I raise this specific reference to marketing orders, which is not of interest as much to the Senator from Kansas as it is to other Senators in this body from large milk-producing States.

It seems to me that in the case of some statutes, such as those relating to the milk marketing orders, there is a specific administrative proceeding provided for review of an agency order, and completion of such proceedings is a prerequisite of the right of those subject to the act to appeal.

Does the ACA have a greater right than some other party, or are they bound by the same review proceedings, or can they go directly to court, without exhausting the administrative remedy?

Mr. RIBICOFF. My response to the Senator is that he raises a complex question that would take a great deal of wisdom on the part of the advocate.

Personally, it seems to me that if a milk marketing order were excessive against a consumer, it would be the duty of the advocate to give all the facts—what the impact of that milk marketing order would be upon the consumers who consume the milk. It would be his duty, too, to indicate what the impact of that milk marketing order would be on the producers of the milk. I think he would have to give information and gather information as to what would happen to the producers of the milk if this milk marketing order was not granted. Would a certain number of dairy farmers go out of business? Would this lessen the supply?

I do not know what the advocate would do in any given circumstances; but I hope that when he got into these complex problems affecting the economy of the producers and the consumer, he would have the wisdom to supply all the evidence and allow the agency charged with the decision to make its own decision.

It should be borne in mind that the advocate would not hand down any order. The advocate would not hand down any regulation. The advocate really would present the facts to the agency that had the responsibility of handing down the regulation and handing down the order.

Mr. DOLE. The troublesome part to the Senator from Kansas is that it seems to me that we are creating an agency and we say throughout the bill that they have the same right as any other party; but in this case it would appear that we are giving them more rights than any other party, because they do not have to exhaust the administrative remedies but can go directly to court. In the case of milk marketing orders, if they first had to exhaust their administrative remedies before going to court, that would be one thing. I hope that is the intent of the law. It seems to me that it should be; if not, perhaps we can clarify it through this colloquy.

Mr. RIBICOFF. My understanding of the act is that the administrator would have to exhaust his administrative remedies and could not go directly to court. He would not have any greater right than any individual who is aggrieved. His rights would not be greater; and for the legislative history of this bill, I state that right here and now. It is my understanding of the act that his rights would not be greater than those of an aggrieved party, and he would have the obligation to exhaust his administrative remedies.

Mr. DOLE. I thank the distinguished Senator. That will be most helpful.

Mr. GRIFFIN. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. GRIFFIN. Mr. President, as the Senator from Kansas knows, I am not an enthusiastic supporter of the proposed legislation. First of all, I think there are already plenty of Federal agencies charged with the responsibility of protecting the consumer. The trouble is not a shortage or lack of agencies to protect consumers but rather that some of the established agencies are not doing an effective job.

It is necessary to prod existing agencies into doing a better job, and that ought to be the thrust of our effort. But there is no need to create more agencies.

Second, I am opposed to this particular measure as it has been modified and amended because now, instead of being a consumer protection bill, it has been turned into special interest protection legislation. I refer in particular to the

broad outright exemption in this bill of labor union activities which affect consumers. It is incredible and outrageous to entitle this bill as "Consumer Protection" when it actually exempts, on a special interest basis, labor unions and their activities.

Of course, the bill also exempts broadcasters. And now the Senator from Kansas has proposed an interesting amendment to exempt farmers as well.

I must admit that I am torn somewhat as to whether to vote for the amendment. Perhaps if he would accept a few technical amendments to his amendment, we might get the bill in such shape that all of us could vote for it.

For example, we might go on and exempt dentists and doctors and perhaps retailers and manufacturers. Indeed, if we just wrote into the bill a few more exemptions, everyone would be exempt.

Mr. DOLE. This is merely a technical amendment that I have offered. [Laughter.]

This is so technical and I hope it will be approved. However, knowing that it will not be approved without a yea-and-nay vote, and knowing that one of the "yea" votes is about to leave town, I am ready to vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Alaska (Mr. GRAVEL), the Senator from Illinois (Mr. STEVENSON), the Senator from Missouri (Mr. SYMINGTON), the Senator from Nebraska (Mr. CANNON), and the Senator from Wyoming (Mr. MCGEE) are necessarily absent.

I further announce that the Senator from California (Mr. TUNNEY) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from Maryland (Mr. MATHIAS), the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "yea."

The result was announced—yeas 55, nays 34, as follows:

[Rollcall Vote No. 181 Leg.]

YEAS—55

Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Brock
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Chiles
Church
Culver
Curtis
Dole
Domenici
Eagleton
Eastland
Fannin
Ford
Garn
Hansen
Helms
Hruska
Huddleston
Humphrey
Inouye
Jackson
Johnston
Laxalt
Leahy
Long
Magnuson
Mansfield
McClellan
McClure
McGovern
Mondale
Montoya
Muskie
Nelson
Nunn
Pearson
Proxmire
Randolph
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Talmadge
Tower
Young

NAYS—34

Abourezk
Biden
Brooke
Case
Clark
Cranston
Fong
Glenn
Griffin
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Javits
Kennedy
McIntyre
Metcalf
Morgan
Moss
Packwood
Pastore
Pell
Percy
Ribicoff
Roth
Schweiker
Scott, Hugh
Stone
Taft
Weicker
Williams

NOT VOTING—10

Bayh
Cannon
Goldwater
Gravel
Mathias
McGee
Stevenson
Symington
Thurmond
Tunney

So Mr. DOLE's amendment was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HANSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 444

Mr. WILLIAM L. SCOTT. Mr. President, I call up my amendment No. 444 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Virginia (Mr. WILLIAM L. SCOTT) proposes an amendment numbered 444.

Mr. WILLIAM L. SCOTT's amendment (No. 444) is as follows:

On page 12, line 23, strike out "and".

On page 12, immediately below line 26, insert the following:

"(16) (A) recommend to the Attorney General that the Attorney General intervene in any civil proceeding in a Federal court involving the review or enforcement of a Federal agency action if the Administrator determines that such action substantially affects the interests of consumers;

"(B) the Attorney General shall have standing to obtain, in the manner prescribed by law, judicial review of any Federal agency action reviewable under law;

"(C) the participation of the Attorney General in a proceeding for judicial review of a Federal agency action shall not alter or affect the scope of review otherwise applicable to such agency action.".

On page 13, line 5, strike out "as of right" and insert in lieu thereof the following: "as provided by paragraph (16) of section 5(b)".

Beginning on page 15, line 1, strike out through line 8 on page 17 and insert in lieu thereof the following:

"(c) Appearances by the Agency under this Act shall be in the name of the United States and shall be made by the Attorney General or representatives he may designate.".

On page 17, line 9, strike out "(f)" and insert in lieu thereof "(d)".

On page 17, line 21, strike out "(g)" and insert in lieu thereof "(e)".

On page 17, line 24, strike out "(h)" and insert in lieu thereof "(f)".

On page 18, line 5, strike out "(i)" and insert in lieu thereof "(g)".

On page 18, line 18, strike out "(j)" and insert in lieu thereof "(h)".

On page 40, beginning with line 24, strike out through line 7 on page 42.

On page 42, line 8, strike out "(2)" and insert in lieu thereof "Sec. 21.".

On page 12, line 26, strike out the period and insert in lieu thereof a semicolon and the word "and".

Mr. WILLIAM L. SCOTT. Mr. President, I ask unanimous consent that the name of the Senator from Arizona (Mr. FANNIN) be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAM L. SCOTT. I ask unanimous consent that Mr. James Carty of my staff be accorded the privilege of the floor during the consideration of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAM L. SCOTT. Mr. President, the substance of this amendment——

The PRESIDING OFFICER. The Senate is not in order. Senators will please take their seats or retire to the cloakrooms.

The Senator from Virginia may proceed.

Mr. WILLIAM L. SCOTT. Mr. President, the substance of this amendment is to provide that the Attorney General shall be in charge of lawsuits with regard to the Agency for Consumer Advocacy in the same manner that the Attorney General is in charge of lawsuits for all other Government agencies.

By having one chief legal officer for the entire Government, it makes for uniformity in decisions around the country. When the Solicitor General considers the request of the various Government agencies for appeals to the Circuit Court of Appeals, he very carefully determines whether or not certiorari should be requested in an effort to get uniformity of decisions in the circuits.

I think statistics will indicate that the record of the Solicitor General and the Attorney General in obtaining certiorari from the Supreme Court is much higher than that of the private litigant because he is trying to obtain interpretations of the law that will not be in conflict among the circuits. That is for the purpose of obtaining as much uniformity as he can obtain.

Mr. President, I do not have prepared remarks to make during the consideration of this bill, but I would like to go over the amendment and what it provides and compare it with what is in the bill.

It seems reasonable to me that we look at this bill and know what we are talking about before we vote on final passage of the bill.

I would call the attention of the Senators to page 12 where I would add a new paragraph at the bottom of this page numbered (16)(A) beginning with the words "recommend to the Attorney General"—but we have to go back to the beginning to better understand this. Let us take a look at the beginning of section 5(b) on page 11 which says:

> The functions of the Administrator shall be to—

And it lists a whole lot of things. My proposed amendment would add a new paragraph—

> (16) (A) recommend to the Attorney General that the Attorney General intervene in any civil proceeding in a Federal court involving the review or enforcement of a Federal agency action if the Administrator determines that such action substantially affects the interests of consumers;

He can recommend but he cannot bring a suit himself. But he can recommend to the Attorney General, as the chief legal officer of the Government, that suit be brought or that the Attorney General intervene in an action.

> (B) the Attorney General shall have standing to obtain in the manner prescribed by law, judicial review of any Federal agency action reviewable under law;

This is the fact as it exists today with regard to any other Government agency. The law specifically provides that the Solicitor General of the United States must personally determine that an appeal is warranted before an appeal can be taken to the circuit court of appeals or a petition shall be filed by the Government for a writ of certiorari.

Under this act, as written, the Administrator makes that decision. We like to think that the Solicitor General of the United States is an individual who is learned in the law. But I do not find anything in this bill—and the floor managers, I hope, will correct me if I am wrong—saying that the Administrator need be a lawyer at all. But he makes the determination as to whether to intervene in a suit, whether to file a suit in the courts, whether to take an appeal to the circuit court or, indeed, how to handle a lawsuit.

Now, (C) of my proposed amendment states—

> the participation of Attorney General in a proceeding for judicial review of a Federal agency action shall not alter or affect the scope of review otherwise applicable to such agency action.

In addition, on page 13, line 5, this amendment would strike out the words "as of right" and insert in lieu thereof the following:

> as provided by paragraph (16) of section 5(b).

Then, beginning on page 15, and this would be striking a considerable portion of the bill relating to the right of the administrator as far as lawsuits are concerned, the amendment would strike out lines 1 through 8 on page 17 and insert in lieu thereof the following:

> (c) Appearances by the Agency under this Act shall be in the name of the United States and shall be made by the Attorney General or representatives he may designate.

This is again giving the Attorney General the same right under this act as he has under existing law and as he has with regard to all of the Government agencies.

In the absence of my amendment—and I am reading now from page 15 of the bill—

> (1) The Administrator may, as of right, and in the manner prescribed by law, initiate any civil proceeding in a Federal court which involves the review of a Federal agency action that the Administrator determines may substantially affect an interest of consumers.

I was interested a few moments ago in the colloquy between the Senator from Kansas (Mr. DOLE) and the floor manager of the bill that the Administrator would do whatever was reasonable, and he would have some limitations. But that is not what this says. It says that the Administrator may initiate any civil proceedings in a Federal court which involve the review of a Federal agency's action that the Administrator determines may substantially affect an interest of consumers.

Then, continuing to quote from the bill, page 15—

> If the Administrator did not intervene or otherwise participate in the Federal agency proceeding or activity out of which such agency action arose, the Administrator, before initiating a proceeding to obtain judicial review, shall petition such agency for rehearing or reconsideration thereof, if the statutes or rules governing such agency specifically authorize rehearing or reconsideration.

In other words, he can say to the Administrator:

> I want you to have a rehearing. If you do not do this the way I feel you should do it, then I am going to take you to court.

To me this is too much authority for one agency to have over another agency—

> Such petition shall be filed within sixty days after the Federal agency action involved, or within such longer period as may be allowed by applicable procedures. The Administrator may immediately initiate a judicial review proceeding if the Federal agency does not finally act upon such petition within sixty days after the filing thereof, or at such earlier time as may be necessary to preserve the Administrator's right to obtain effective judicial review of the Federal agency action. Where the Administrator did not intervene or otherwise participate in the Federal agency proceeding or activity out of which the judicial proceeding arises, the court shall determine whether the Administrator's initiation of such judicial proceeding pursuant to this subsection would impede the interests of justice. When the Administrator initiates a judicial proceeding arising out of a Federal agency proceeding or activity in which he did not intervene or otherwise participate, he shall file a statement setting forth the reasons why he did not so intervene or otherwise participate in such proceeding or activity, for the court's consideration in connection with whether the initiation of such proceeding would impede the interests of justice.
>
> (2) The Administrator may, as of right, and in the manner prescribed by law, intervene or otherwise participate in any civil proceeding in a Federal court which involves the review or enforcement of a Federal agency action that the Administrator determines may substantially affect an interest of consumers.
>
> (3) The initiation or other participation of the Administrator in a judicial proceeding pursuant to this subsection shall not alter or affect the scope of review otherwise applicable to the agency action involved.
>
> (d) When the Administrator determines it to be in the interest of consumers, he may request the Federal agency concerned to initiate such proceeding, or to take such other action, as may be authorized by law with respect to such agency. If the Federal agency fails to take the action requested, it shall promptly notify the Administrator of the reasons therefor and such notification shall be a matter of public record.

Occurrences by the agency under this act shall be in its own name and shall be made by qualified representatives designated by the administrator.

My amendment provides that appearances by the agency under this act shall be in the name of the United States, and that is the Government we live under that represents all of us, instead of in the name of the administrator, the proceedings would be filed in the name of the United States and shall be made by the Attorney General or representative he may designate.

Mr. President, if we have the head of this proposed new agency hiring his own lawyers, intervening on his own, we could very well have a case of the United States versus the United States, and which one would be the real United States?

To me, it just does not make any sense to split our Government, to have an appeal taken from an administrative agency and have one representative representing the people, the consumer, and another representing the people, the United States.

I am glad to yield to the Senator from New York.

Mr. BUCKLEY. Mr. President, I want to thank the Senator from Virginia for the extremely constructive amendment.

I share his concern that this bill may create something that just simply gets out of hand. It is my understanding that he believes—as someone who has worked in the Justice Department understands—the most orderly way of assuring due process, of assuring that our courts are not unnecessarily clogged, and of assuring that an agency does not engage in frivolous activities, is by the kind of review that makes sure there is some basis of setting or intervening in a given procedure or appealing from a given conclusion.

It happens, Mr. President, that I have been reading an article by Professor Brozen of the University of Chicago entitled "The Impact of FTC Advertising Policies on Competition," and I think in one sentence he highlights the dangers that we need be concerned with in connection with the ACA.

In this particular case, he is talking about the enormous costs and the anticompetitive impact of the tendency of the FTC now to require of advertisers new and arbitrary standards of substantiation of advertising claims, in which the victim is presumed guilty unless he can establish his innocence and the normal remedies available to someone who is the victim of advertising fraud are ignored.

In any event, Professor Brozen says:

> The costs imposed by the FTC's tendency to rush into issuing some proposed complaints too hastily as a consequence of the zeal of its staff.

I can see an extremely zealous staff accumulating around this extraordinary empire with a blank check to look after the consumer interest, and I can see that we would really upset the normal flow of our regulatory procedures.

We would accomplish nothing but the addition of an extraordinary layer of delay that, of course, would have to be picked up and paid for by the consumer.

Of course, one of the difficulties, it seems to me, about this whole legislation is in arriving at any sort of consensus as to what a consumer interest is.

I have looked through here (S. 200). There is a definition of the consumer that covers the waterfront, but nothing that provides any guidance as to what a consumer interest is so that the administrator can focus some sort of judgment.

I suspect we have no such definition because it is impossible to identify the consumer interest.

Mr. WILLIAM L. SCOTT. Mr. President, if the Senator will yield, I am sure he will want to address his question to the floor managers of the bill, but he did refer to my having worked at the Department of Justice.

I am sure there are far better lawyers within this body, but I did work there for 21 years and did get a feeling for how the Department of Justice operates. After that, I was then in private practice of law, and I used to tell a client when he would suggest what the law was, if he were a layman, that just as a matter of principle, I never argued law with a layman. Is this administrator going to be a layman?

There is no requirement that he be a lawyer and yet he would take precedence insofar as this bill is concerned over the Attorney General of the United States.

I will let the distinguished Senator finish his statement.

Mr. BUCKLEY. I thank my friend from Virginia.

I wish to follow up, at his suggestion, the invitation to ask the sponsors of the bill—we have the Senator from Illinois and the Senator from Connecticut here—some questions to help me get a feel for what a consumer interest is.

I might ask, Mr. President, whether the construction of the Alaskan pipeline is in the consumer's interest. Is there an answer there on which an administrator could hang his hat?

Mr. RIBICOFF. Well, yesterday we adopted an amendment by the Senator from Alaska which would take out, like we did a few minutes ago—agriculture—the Alaska pipeline, from the jurisdiction of the ACA.

Mr. BUCKLEY. I thank the Senator. I had forgotten we had accomplished that yesterday.

But it does indicate that the more scrutiny given this bill, the more need for specific exemptions seem to arise, because, of course, when we speak of the Alaska pipeline, there is no single identifiable interest. There is a tremendous interest in preserving the integrity of the environment, and also a tremendous interest in larger supplies of secured oil.

May I ask whether the deregulation of the price of natural gas is in the consumer interest?

Mr. RIBICOFF. I would say it is.

Mr. BUCKLEY. It is in the consumer interest.

But would the Senator agree there are a number of people in this body who claim it would be a fraud on the consumer to allow the marketplace to establish the price?

Mr. RIBICOFF. There are people who take every position and have every point of view on every question in this body. But on page 34 of the bill we do define what an interest of consumers would be under this act. Under definitions, section 14, subsection 11.

Mr. BUCKLEY. Well, yes, but that really is no guidance to an interest of the consumer. That is the whole galaxy of factors that go into consumer choice, but it certainly provides no guidance as to where an administrator should come in with his olympian judgment and to make a decision that is, for all intents and purposes, not subject to review.

In the case of natural gas, I do know there are those in this body who believe deregulation is essential for the incentives required to discover more gas so that some will be available in the State of Connecticut and the State of New York.

Mr. RIBICOFF. May I say that the consumer advocate is not a regulator or an ordermaker. He is an advocate whose job it is to intervene, to represent the consumer interest by giving the facts that would affect a consumer.

There is a difference of opinion, and I would assume that the consumer advocate, in a question such as the Senator from New York addresses to us, would come into the Federal Power Commission and present the facts of the situation.

I do not see him necessarily taking a side. He might present the facts as to what the cost of deregulation would be to the consumer.

On the other hand, he might present the facts to indicate that what we have is a shortage of gas and it could affect the interests of the consumer to pay a higher price to have a larger supply of gas.

He presents the facts to the Federal Power Commission and the Federal Power Commission is going to make the regulation or make the decision. The consumer advocate, under no circumstances, hands down a regulation or hands down a decision.

Mr. BUCKLEY. But the Senator from Connecticut, Mr. President, is suggesting that we could have a single individual really be this impartial. I believe this defies experiences with human nature. We have very little control over how the consumer administrator will actually discharge his responsibilities. So long as he is in good faith, he is locked in.

Mr. RIBICOFF. All I can say is what we are trying to create here is an agency for 220 million people, to make the facts known to the agency charged with the responsibility to regulate, to give the facts that they might not get under ordinary circumstances because the average consumer is voiceless and helpless.

It is up to the Federal Power Commission under these circumstances to make the decision. The decision is not being made by the consumer's advocate but by the Federal Power Commission. You can rest assured that the gas companies will certainly present their point of view to the Federal Power Commission. I would assume that on a matter as large as this and as important as this there would be groups presenting the other point of view. However, there are many agencies in which only one side is ever presented. Here is an opportunity for someone to present the other side or view. I would hope that the consumer advocate would come into a deregulation case and present the facts as they would affect the consumer on both sides. Maybe under those circumstances we could get both sides of the question, and impartially.

I cannot guarantee that the wisdom of this consumer advocate is going to be all-knowing, and that it will conform with my concept or the Senator's concept. He is appointed by the President. He is subject to confirmation. Everyone, whether he be a U.S. Senator, a President, a member of the Cabinet or a member of a regulatory agency, would hope that the appointments by the President would be a wise one. Sometimes they are unwise.

Mr. BUCKLEY. Mr. President, I appreciate what the Senator from Connecticut is saying. I would also hope that in every instance we have perfect wisdom in the positions of responsibility. One of the things that concerns me here is that we do not seem to have the in-built checks and balances that we have in normal commissions, for example, where we have several members, or people who are accountable to the President for a review of how the decisionmaking process operates. I do believe that the objectives of the sponsors of this bill could better be achieved by seeing to it that the FPC automatically will have opportunity for consumer groups to present their case before it. I believe that is important. I believe too many of our existing agencies designed to protect health, and one thing and another, have failed to do so.

The Senator from Connecticut makes a large point of the fact that the Administrator cannot regulate. No; he cannot regulate directly, but he certainly has powers within this bill—powers to get information, powers to start proceedings, powers to intervene—that will, in effect, provide him powers to shape the direction of regulation in accordance with his own perception of where the consumer interest lies. I believe the example we have gone through suggests there is no such thing as the consumer interest.

Let us take the safety regulations in which we have the power in a bureaucracy to take care of the safety of people who purchase automobiles.

The automobile is something that appeals to a whole spectrum of consumer tastes. There are considerations of size, power, conservation, and safety.

We have seen that, with all the hearings in the world, we have recently experienced the atrocity of ignition interlock seatbelts, something that 9 out of 10 consumers in this country would have declared was not in their interest. Nevertheless, this was, of course, forced upon

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them. I feel we are inviting precisely this kind of impact.

Mr. RIBICOFF. May I add that we did not have a consumer advocate, and the interlock was ordered by the agency without the help of a consumer advocate. So it is not a consumer advocate that caused the interlock.

May I point this out: the Congress acted on the interlock and got it out of the regulation. When Congress makes a decision there is nothing for the advocate to act upon.

I know the Senator from New York has been pushing for congressional action on deregulation of natural gas. I understand from the Commerce Committee that a bill to that effect will come to the floor after recess. As far as I can see, once there is congressional action on an issue, there is nothing upon which the advocate would act. He cannot replace the intent of the Congress and the executive in their passage of laws. It is only in the entire process of a regulatory agency activities that the advocate comes in to represent interests of consumers.

On the matter of interlock, it could very well be that a consumer advocate could realize the foolishness. For a long time I have been the advocate of highway safety. I voted against the interlock because I thought it was sheer, arrant nonsense. I have had my own personal experiences with the interlock, and I did not like them. The interlock did not make sense.

Why should it be assumed that the consumer advocate would be a man without commonsense? Maybe he could have been a deterrent to the Highway Safety Agency to make sure that they did not come up with an interlock mechanism.

Mr. PERCY. Will the Senator from New York yield for a comment?

Mr. BUCKLEY. I yield.

Mr. PERCY. I do not believe the distinguished Senator was in the Chamber yesterday when the Senator from Illinois offered an amendment which was accepted by the manager of the bill, to provide that the administrator in considering consumer interest would be required to consider the matter of price but also, and equally important, the question of availability and supply.

The very question that the distinguished Senator raises on deregulation of natural gas would cause him to look not just at price, but cause him to look at those incentives required to get an adequate supply which, eventually, when the supply comes onstream, helps to bring price down and satisfies the overall balanced need of the consumer. It does no good at all to have an artificially low price if the price is so low that it does not adequately provide the supply that is needed.

We put that into the bill to make absolutely certain that price is not the sole consideration; that supply was a matter that should be considered by the administrator as well.

Mr. BUCKLEY. Mr. President, I appreciate the clarification of the Senator from Illinois, but I believe no matter how many criteria we write into the bill, the fatal defect of this proposal is that we narrow it down to one person who ultimately makes the judgment as to how they are to be weighed.

The Senator from Connecticut stated in the case of the interlock regulation, I believe, that the administrator would "give his side of the equation." I am not at all certain that his side of the equation will be my side of the equation or the side of the Senator from Connecticut. One of the things that concerns me in terms of this unified approach, which results from capture, is that if the President is not wise in his choice, or the Senate not wise in its confirmation of that choice, we have somebody who might try to impose his vision of where the consumer interest truly lies on the whole sweep of the American economy. I think this kind of concentration in itself is dangerous.

This is why, Mr. President, that I not only will be voting against this bill, but why I urge that the very sensible amendment offered by the Senator from Virginia be adopted. It will at least put the normal judicial machinery of this Government in some sort of position outside the agency itself which could be subject to capture just as the FCC has, the ICC, and the rest. It will have that other layer of judgment to safeguard the consumer from the excessive zeal that possibly could creep into this agency.

Mr. RIBICOFF. If the Senator from New York has no further queries, I should like to respond to the Senator from Virginia.

Mr. WILLIAM L. SCOTT. I have a few remarks, if the Senator will permit me, before his response.

Mr. President, I appreciate the contribution of the Senator from New York, and I appreciate his support with respect to this amendment.

I believe that we should reflect upon the nature of the regulatory agencies that we are talking about before which the consumer advocate would appear.

It is a rather broad brush. He could appear before congressional committees, and even if the Federal Pay Board would ask for an increase or a decrease in congressional salaries, I suppose he would have a right to represent the consumer.

The Senator from New York is interested in the abortion question. If there were something on abortion, I expect that the advocate could appear and represent the consumer. I do not know what the consumer's point of view would be on something like that, because my mail is fairly evenly divided and people feel very strongly both ways on issues of this nature.

We are talking about agencies such as the Federal Power Commission, the Federal Trade Commission, the Civil Aeronautics Board, the Federal Food and Drug Administration, and other administrative bodies and agencies, and they were created in the public interest. The word "consumer" was not in general use at the time they were created but they were created to represent the public good, and I submit that they were created to represent the consumer. Under the definition in this bill, "consumer" includes every human being. We are all consumers, but we do not necessarily think alike, not even in this body. We are debating the matter, and we have a difference of opinion. People of good will often can disagree in matters of judgment. No single consumer point of view is possible, in my opinion.

These agencies were created for the purpose of specialization, for the purpose of holding hearings, for the purpose of listening to all sides in a given matter and arriving at a decision in the public interest—in the interest of the consumer. That is the purpose.

The public interest and the consumer interest are the same, because we are talking about all the people of the country, in either event, when we are talking about the consumer or the general public.

It is general law that you do not upset a decision of these administrative boards or agencies except when they act arbitrarily or capriciously. They are quasi-judicial. I do not believe it would be wise for Congress to have a consumer advocate or a special interest administrator looking over the shoulder of these experts and taking them to court when he disagrees with them, appealing to the circuit court, going on up, and seeking certiorari of the Supreme Court. To me, he would be meddling.

I have used the phrase "common law barratry" with respect to someone who stirs up strife and litigation. It seems to be a reasonable phrase to use in reference to the administration under this bill. Here is somebody purporting to represent the consumer, the American Government, people in general, and he is representing a special interest group. I believe that he would represent a special interest group and he would be interceding with those agencies that are responsible for protecting the public interest, and he probably would have less expertise in a given field than the specialists in a particular administrative agency. I continue to think about the question of barratry and the stirring up of litigation. I believe it is contrary to good administration; I believe it is contrary to the best interests of public policy in this country.

Mr. President, does the Senator wish to make further comment?

Mr. BUCKLEY. Mr. President, I agree with the statements of the Senator from Virginia, and I agree that his amendment should be adopted.

Mr. WILLIAM L. SCOTT. I appreciate the Senator's good wishes.

Mr. President, I reserve the remainder of my time.

Mr. RIBICOFF. Mr. President, it should be kept in mind that in this bill we have retained and assured an independent advocate. If it is left to the Attorney General, he loses his independence.

It also should be kept in mind that the Attorney General represents most of the agencies from which an appeal would be taken, so there would be a conflict on behalf of the Attorney General. Would he be representing a regulatory agency on one side and the consumer advocate on the other side? For the life of me, I do not know how any lawyer, even the

Attorney General, can represent two sides to a controversy.

It has been said that this is an exception, that all other agencies are represented in litigation by the Attorney General. I name the following agencies which handle their own litigation and are not represented by the Attorney General: the FTC, the ICC, the FPC, the EEOC, and the NLRB.

Mr. President, I oppose this amendment.

Mr. WILLIAM L. SCOTT. Mr. President, I do not know where the distinguished Senator gets his information; but my assistant, who is sitting next to me, was an attorney with the Federal Trade Commission before coming here, and he assures me that the Department of Justice does handle the Federal Trade Commission cases in the courts. This was the first agency the distinguished Senator mentioned.

I have seen memorandums to the effect that the Attorney General has plenary authority to settle lawsuits, either through law or Executive order. He has the right to represent the United States in all cases.

We do not have a library in the Chamber, but I am satisfied that the statement with respect to the first agency, at least, that the Senator mentioned is erroneous.

Mr. RIBICOFF. I disagree with the Senator and I think that my staff has as much qualification as his staff.

I am informed that last year, in the Federal Trade Commission Warranty Act, the Federal Trade Commission was given the authority to handle its own litigation, not through the Attorney General. I am sure that that act can be procured by a member of the Senator's staff, if he calls the Library of Congress.

Mr. FANNIN. Mr. President, I am pleased to cosponsor the amendment introduced by Senator WILLIAM L. SCOTT to insure that all Federal litigation initiated pursuant to the authority to be granted to the proposed Consumer Protection Agency be conducted under the supervision and control of the Attorney General of the United States.

S. 200, if enacted in its present form, would authorize the Administrator of the proposed Agency for Consumer Advocacy to select and designate those attorneys who would represent the Agency in court proceedings involving consumer interests.

S. 200, in my opinion, would grant to the Administrator unparalleled power and discretion in complex and orderly judicial proceedings. It would provide a radical departure from sound and well established procedures for the conduct of litigation involving Federal agencies.

According to current procedures the officials of the Department of Justice, under the direction of the Attorney General, conduct all litigation in which the United States, an agency or official thereof is a party or has an interest. This procedure has been followed, with few exceptions, for over a century in our country, and there is no reason, in logic or in law, to depart from an effective procedure which has worked well in the American justice system.

As has been ably demonstrated by my distinguished colleague from Virginia, S. 200 raises the important issue of who should have control of Government litigation. I am in complete agreement with his contention that division of the control of litigation, as the present bill proposes, would result in unnecessary duplication of effort and waste of resources, with attendant increase in costs, confusion and uncertainty—all to the detriment of the consumer that S. 200 is supported to protect. The public should know and reasonably expect that their rights will be most ably and consistently represented in the judicial process by a single agency with overall direction and authority, and with a staff of highly trained and experienced legal professionals, eminently qualified to conduct litigation and to fight court battles involving consumer problems and controversies.

For these reasons I urge my colleagues to vote for the amendments offered by the Senator from Virginia (Mr. WILLIAM L. SCOTT).

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. PERCY. Mr. President, I should like to make a few general comments.

Certainly, we do have instances in which agencies of Government can go into court on their own. We have the cases of the EEOC, the NLRB, the SEC, in which, under certain circumstances, they can try their own cases.

I believe the distinguished Senator from Virginia is well aware that a tremendous caseload exists in the Attorney General's office; that when the Attorney General would be faced with a sense of priority—whether he is going to work on organized crime, whether he is working on drug trafficking cases, whether he is working on problems of antitrust which involve grave public issues—there would be a question as to whether or not the Agency for Consumer Advocacy cases would be properly scheduled and timed so that something really could be accomplished.

We have situations in which civil suits are filed against the Government. Would the Attorney General be able to give priority over the administrator's cases as against suits actually filed against the Government, or litigation of the Senate and the House, or contempt proceedings or, as I have mentioned, drug traffic violations?

In the case of the Housing Act of 1968, it was evident that there was fraud all over the country involving collusion among labor unions, builders, brokers, and realtors; and within a period of 6 months to a year, we had seven or eight grand juries convene simultaneously for the purpose of bringing proceedings. If we had had an advocate for the consumer, he could have detected this national pattern. He could have worked to prevent it. If he had moved rapidly enough, we think we could have saved literally hundreds of millions of dollars for the Federal Government. But if he had to wait for the Attorney General to move before he could join in court actions, he might be of no help whatever.

So I find it necessary to oppose the amendment, but I do so with appreciation for the point of view expressed by my distinguished colleague.

I also wish to say, in response to the colloquy that my colleague from Virginia had with our colleague from New York, that the Senator from Illinois has had, for the past 5 or 6 years, even since the introduction of this idea, with his own staff and working, sometimes, with other Members of the Senate such as Senator RIBICOFF, undertaken to role-play, in a sense.

The Senator from Illinois has gone out and, for a number of years, has looked at types of abuses that seem apparent within the field of business, commerce, and industry. He has attempted to work with the regulatory agencies now authorized to act in these cases to see why action was not taken by them and to see what could be done to speed up that action. We did so in the hearing aid industry. We worked with FTC and with the Food and Drug Administration, and worked directly with the industry, both the retail dealers in their association and the manufacturers in their association.

As a result of this, government should soon take action. A regulatory agency is going to be moved forward and the industry is going to take voluntary action. But we found that, had there been no advocate for it, there would not have been adequate action.

I assure my distinguished colleague that we have very, very carefully looked at this. The Senator from Illinois has worked with about a dozen industries, now, to see and test the idea and how it would work. The Senator from Illinois is absolutely convinced that this measure will be in the best interests of the responsible elements of the business community, which comprise, in my judgment, 95 percent or more of the business community. We wish to stamp out abuses that are a discredit to the free enterprise system.

Certainly, the right of the administrator to intervene in court and to bring action is, we feel, a power that is needed in order to carry out his duties and his responsibilities. So I respectfully oppose the amendment of my distinguished colleague.

Mr. WILLIAM L. SCOTT. Mr. President, I certainly respect the right of the distinguished Senator from Illinois to his point of view. He is the floor manager for the Republican side of the aisle. We have a difference of opinion. I do not feel that the adoption of this bill is in the public interest. As far as having court representation, in my own State of Virginia, at the present time, there is a conflict as to who is going to represent the consumer agency. I talked last night by telephone with a member of the State Legislature, who is on the Courts of Justice Committee in the General Assembly in Virginia. He told me about the difficulties they are having within my own State on this very problem.

It may be that the distinguished Senator from Connecticut and I have a difference because, in my opinion, the Attorney General does have the right to

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represent the Government in all lawsuits. But there are times when the Solicitor General, even before the circuit courts and before the Supreme Court, gets an attorney from another agency who is expert in a particular field to represent the appointed special assistants to the Attorney General and does represent the Attorney General, even though they are not on the regular staff of the agency.

I believe that this is a good amendment. I hope that the Senate does see fit to adopt it.

Before yielding to the distinguished Senator from Idaho, Mr. President, I ask for the yeas and nays. I am not sure there is a sufficient number of Senators in the Chamber.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. McCLURE. Will the Senator from Virginia yield?

Mr. WILLIAM L. SCOTT. I am glad to yield to the distinguished Senator from Idaho.

Mr. McCLURE. I thank the Senator for yielding.

Mr. President, I cannot help but be struck by two facts. The Senator from Virginia speaks from many, many years of experience, not just in the Halls of Congress, but also in the Federal Government agency where he served with distinction for many years, in the very field to which he now addresses himself. I think if we get into the question of background and expertise and knowledge, the Senator from Virginia certainly ought to win the debate on that ground alone.

I think the strength of his argument can be demonstrated not only by the confusion that now exists in the State of Virginia concerning who shall represent consumers. I can also attest to some confusion in my own State of Idaho, several years ago, when I was in the State legislature, under a rather unique circumstance in which the legislature and the State administration were at odds with the attorney general. We broke down the concept that the attorney general represented all State agencies and started the business of allowing each of the State agencies to have independent legal representation.

We are now seeking to reverse that. The newly elected attorney general in the State of Idaho has pointed to the loss of control and, more importantly, perhaps, the extreme growth of expense in representation of State agencies by independent counsel in each of the agencies. So we are trying in Idaho to undo now what was done some 15 years ago, precisely as the Senator from Virginia is seeking to do in this amendment.

Mr. WILLIAM L. SCOTT. If the Senator will yield. I ask the distinguished Senator whether or not, under the system where each agency had its own counsel, it resulted in delay and confusion in the court; whether, having one central chief lawyer, regardless of the name by which he goes, that did not result in a speedier process as to the court?

Mr. McCLURE. I say to the distinguished Senator from Virginia, that is precisely correct. I think that is one of the great strengths of this amendment. I am glad to support it.

The PRESIDING OFFICER. The question is on agreeing to the amendment the yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH.), the Senator from Alaska (Mr. GRAVEL), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Wyoming (Mr. McGEE), the Senator from Illinois (Mr. STEVENSON), and the Senator from Montana (Mr. METCALF) are necessarily absent.

I further announce that the Senator from California (Mr. TUNNEY) is absent on official business.

I further announce that, if present and voting, the Senator from Illinois (Mr. STEVENSON) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from South Carolina (Mr. THURMOND) is necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "yea."

The result was announced—yeas 24, nays 67, as follows:

[Rollcall Vote No. 182 Leg.]

YEAS—24

Allen
Bartlett
Buckley
Byrd, Harry F., Jr.
Curtis
Eastland
Fannin
Fong
Garn
Goldwater
Griffin
Hansen
Helms
Hruska
Laxalt
McClellan
McClure
Packwood
Scott, William L.
Stevens
Taft
Talmadge
Tower
Young

NAYS—67

Abourezk
Baker
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Dole
Domenici
Eagleton
Ford
Glenn
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McGovern
McIntyre
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stone
Symington
Weicker
Williams

NOT VOTING—8

Bayh
Gravel
Johnston
McGee
Metcalf
Stevenson
Thurmond
Tunney

So Mr. WILLIAM L. SCOTT's amendment (No. 444) was rejected.

Mr. RIBICOFF. Mr. President, I move to reconsider the vote by which the amendment of Mr. WILLIAM L. SCOTT was rejected.

Mr. PERCY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, may I have the attention of the Senate at this time?

The PRESIDING OFFICER. The Senate will be in order.

Mr. MANSFIELD. The hour is getting a little late. We have been in since 8 o'clock this morning, as many Members who participated in the roundrobin are well aware.

I was wondering if we can get a show of hands as to how many amendments will still be offered.

Mr. DOLE. One very quickly.

Mr. MANSFIELD. Will there be a rollcall vote on any of the amendments?

Mr. BROCK. There is a possibility of one rollcall, I might advise the Senator.

Mr. MANSFIELD. Two rollcalls. So that is about three amendments.

On that basis then I would hope that the Members would not use up too much time and we could probably finish the bill tonight, but I would hope we could do it around 6 o'clock. It has been a long day. I thank the Senator very much.

The PRESIDING OFFICER. The Chair recognizes the Senator from Idaho.

UNANIMOUS-CONSENT REQUEST FOR A VOTE ON FINAL PASSAGE NOT LATER THAN 6:15 P.M.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. McCLURE. I yield to the Senator from Montana.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the final vote on the pending business occur not later than the hour of 6:15 p.m.

The PRESIDING OFFICER. Is there objection?

Mr. HANSEN. Reserving the right to object, I did not hear the question.

Mr. MANSFIELD. The final vote to occur not later than the hour of 6:15 tonight.

The PRESIDING OFFICER. Without objection, rule XII is waived, and the unanimous consent request is agreed to.

Mr. McCLURE. The one item that has not yet been covered in the colloquy, I think it might be well to at least expose for the record one fact which will——

Mr. WILLIAM L. SCOTT. Mr. President, may we have order?

The PRESIDING OFFICER. Will the Senators take their seats so that the Senator from Idaho may be heard?

The Senator may proceed.

Mr. McCLURE. I thank the Chair.

The one question that will come back to haunt the Senate in the future will be the question of the cost of this agency.

The bill carries with it an authorizing level of $15 million in the first year, $20 million in the second year, and $25 million the third year.

I think even the most ardent supporters of this bill would be among the first to say that in comparative importance and comparative complexity of issues, this commission will have greater responsibility than will the Consumer Product Safety Commission. The Consumer Product Safety Commission had its first partial year authorization outlay of $13.5 million, the second year that outlay grew to nearly $35 million, and the third year that actually grew to $37 million.

There is pending legislation for authorization for appropriations for that Consumer Product Safety Commission for the fiscal year 1976, $51 million; for the fiscal year 1977, $60 million; and for fiscal year 1978, $68 million.

I ask if it is a realistic expectation that the Consumer Safety Commission, or the ACA as we now call it, will be limited by $15, $20 and $25 million, which is less than half the amounts being sought for the Consumer Product Safety Commission.

Mr. President, I am concerned about the increasing tendency of my colleagues to sponsor legislation which would create independent agencies of the Federal Government which in final effect and in final form, will be accountable to no one. These agencies will not be accountable either to the executive branch in whose domain they will lie or, to the legislative branch which has created them. Instead these so-called independent agencies will have the force and effect of a fourth arm of the Government. Our Constitution, a most remarkable document for its wisdom and simplicity, provides for three branches of Government—a legislative, a judicial, and an executive. The Constitution provides for checks and balances precisely so that no one branch of Government will be completely independent. The fourth branch of Government, would be extraconstitutional and completely outside the thinking of our Founding Fathers.

S. 200 is a bill to establish "an independent Consumer Protection Agency," another appendage to the fourth arm of the Federal Government. As I read through the bill and the report, it became abundantly clear to me that the Agency for Consumer Advocacy would not be accountable to the legislative branch which created it.

What the proponents of S. 200 are attempting to do here is no different from what was done in the creation of the Occupational Safety and Health Administration, the Consumer Product Safety Commission, and in the creation of the Legal Services Corporation. I have stated before and I repeat with conviction today, that Idahoans are not enthusiastic about another incursion of the Federal bureaucracy into their lives. They have had a recent experience with the nightmare called OSHA. Various calls and surveys have shown that they have had about as much Government interference in their lives as they can take. They want to make their own decisions. They consider themselves responsible adults, even if their Government does not. Most certainly, my constituents do not want an institutionalized consumer advocate to protect their interests. Idahoans are people who do not see themselves as the mere components of groups but as individuals.

My constituents are aware that the Constitution itself provides for the best consumer protection agency—this Senate and our colleagues in the House of Representatives who are accountable to the citizens of this country. They are going to wonder why they must pay a whole new group of people—why they must support with their tax dollars a whole new Federal bureaucracy. And what will it protect? No two people are consumers of the same products in the same amount at the same time with the same effect. This means that a new body will tell them what their own priorities should be.

The Consumer Protection Agency is a fraud and a sham which is being perpetrated upon my constituents. The Agency will not protect consumers but will, in the long run, only work against their interests. These are truths which the proponents of the bill have dismissed as mere "technicalities." But these "technicalities" strike at the heart of the proposal.

It is in the real public interest to oppose legislation which creates a federally funded lobby for a special interest group.

The CPA will not be responsive to the executive department in which we will ostensibly place it. Section 3A of S. 200 reads as follows:

> The agency shall be directed and administered by an Administrator who shall be appointed by the President, by and with the advice and consent of the Senate for a term coterminous with the term of the President, not to exceed four years. The Administrator shall be an individual who, by reason of training, experience, and attainments is exceptionally qualified to represent the interests of consumers. . . . On the expiration of his term, the Administrator shall continue in office until he is reappointed or his successor is appointed and qualifies. The Administrator may be removed by the President for inefficiency, neglect of duty, or malfeasance in office.

I have no quarrel with a provision that an Administrator of the Consumer Protection Agency have sufficient expertise although it is a little difficult to qualify that expertise. If it is to be procedural, we need someone practiced in advocacy proceeding on behalf of everyone. We will first look forward to his identification of the nonconsumer.

If it is to be a substantive qualification, we would presumably need to find someone who has indulged in more than average consumption. The only certainty is that this Administrator need not be responsive nor responsible to the President who appoints him. In his letter on the same legislation last year, Mr. Ash wrote as follows:

> The Administration strongly opposes the establishment of S. 707 of a fixed term of office for the CPA Administrator, a term of four years coterminous with that of the President. Such rigidity and insulation from the authority of the President for what the bill itself terms a "non-regulatory agency" would not be only unprecedented for a purely Executive agency but also highly inappropriate and detrimental to the proper functioning of the Executive branch of which CPA, of course, would be a part.
>
> As Chief Officer of the Executive branch, the President is responsible and accountable to both the Congress and the American people for its effective operation.
>
> The term specifications now contained in S. 707 would seriously hamper the President in the proper discharge of his Constitutional duties.
>
> We note that as the bill is now drafted the Administrator would have to meet certain qualifications and would be subject to Senate confirmation. We consider that such safeguards are fully adequate. It is of great importance that the language requiring a four-year term coterminous with that of the President and limited grounds for removal be deleted from Section 5(b)(1) of the bill.

I would like to point out that while Mr. Ash's letter refers to last year's bill, the language of this section is substantively unchanged. This recommendation has been ignored by the proponents of the bill. As I read through the majority report, I find only a restatement and a continual restatement of the proposition that the CPA should be an independent agency under the influence of no one. Independence from pressure groups is not the same thing as independence from legitimate executive direction, nor can it be considered responsive government.

Section 4D of the bill provides that the Administrator shall prepare and submit simultaneously to the Congress and the President an annual report. This annual report will be comprehensive compendium of information concerning recent developments in the area of consumer affairs. The report, however, will be more than just a mere compendium, for it will be an analysis and review of the activities of other Federal agencies. The bill specifically provides in section 4D(3) that the Administrator shall include in his report "the assistance given the Agency by other Federal agencies in carrying out the purposes of this act." And, in section 4D(4) it is provided that the Administrator shall recount "the performance of Federal agencies and the adequacy of their resources in enforcing consumer protection laws and in otherwise protecting the interests of consumers and the prospective result of alternative consumer protection programs."

The Constitution contemplates that Congress shall be responsible for the agencies it creates and exercise a legitimate oversight function in reviewing the performance of Federal Government agencies. To this extent, Congress has created GAO as an investigatory branch to help us determine whether existing agencies are, in fact, acting in the public interest as they are charged by statute. Now, however, we find that a fourth branch of government—this CPA, this so-called independent agency—is to assume the oversight responsibilities which properly belong in the Congress. Moreover, these oversight responsibilities are limited to determining whether existing agencies are acting not in the public interest but in the interest of consumers as defined by the Administrator of CPA.

This raises the question as to whether the CPA will work at cross-purposes with other existing agencies. The supposition is apparently that those agencies are not now acting in the public interest which would indicate a more direct action.

This self-executing oversight responsibility is made even more outrageous by the provision for the handling of consumer complaints in section 10 of the bill. Section 7(a) provides that when a consumer complaint is filed, the ACA shall refer that complaint to the appropriate Federal, State, or local agency which has enforcement responsibility. Then, the act specifically provides "Federal agencies shall keep the Administrator informed to the greatest practicable extent of any action which they are taking on complaints transmitted by the Administrator pursuant to this section."

In addition, as long as these complaints are not anonymous they shall be maintained in a public documents room. In addition to the complaint itself, the response, if any, from the Federal agency

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will also be included. I submit that this is a form of blackmail in which the agencies will be required to divert their interests to answering every single consumer complaint which is referred to them by the ACA. I suggest that this is not in the public interest.

If we were to look, for example, at the work of the Bureau of Consumer Protection within the Federal Trade Commission, we would find that cases are being investigated and prosecutions brought every day against unscrupulous businessmen. But these investigations are begun not on the basis of anonymous complaints nor on the basis of one or two general accusations. Rather, the impetus for an investigation by the Bureau of Consumer Protection comes from repeated complaints of abuses by one party or by one group. If the Federal Trade Commission were required to investigate in detail every single complaint which comes into its office, I suggest that it would be necessary to increase the staff and budget of that agency by at least tenfold in order to accommodate the ACA Administrator. This would not only create a bureaucratic morass but also make the ACA an authoritarian agency, not a coordinate agency of the Federal Government. Further, such a provision makes the ACA a very visible monitor of events within other Federal Government agencies on behalf of a special interest and does not take into account the public interest which Congress must consider in its legitimate oversight capacity.

It is an interesting anomaly that the proponents of this legislation argue that congressional oversight of existing agencies is ineffective; and, therefore, the agencies do not act in the public interest. This argument ignores the provision of the bill which provides appropriations for the next 3 years for the ACA. As Senator Ervin originally pointed out last year that—

> If we are to believe the proponents of this bill that legislative oversight is totally ineffective in controlling agency actions, then we shall have a CPA which is absolutely free of any control and responsibility. Until fiscal year 1977 when new authorizations must be sought from the Senate Committees on Government Operations and Commerce, it answers to no one but its appropriations committee whom it is authorized to lobby along with other members of Congress.

Not even the judicial branch will have the authority to curb the power of the ACA. The ACA Administrator and his fellow bureaucrats within this new agency have the absolute power to determine what is in the interest of the consumers. As the minority report points out, anything and everything is fair game for the ACA. A consumer who does not agree with an ACA action will be told that the agency's action is in his—the consumer's interest: end of argument.

The bill states:

> For the purposes of this subsection, a determination by the Administrator that the result of any agency proceeding or activity may substantially affect the interests of consumers or that his intervention in any proceeding is necessary to represent adequately the interests of consumers shall be deemed not to be a final agency action.

What this legally means is simply this: No one may ever challenge the Administrator's determination that his involvement is in the interests of consumers. The real clincher, however, is the explicit provision that the ACA Administrator's determination of what is in the interests of consumers is not reviewable in court by anyone.

The effect of the ACA, then is to deny the three existing constitutionally mandated branches of Government the authority to engage in any oversight activity with respect to the ACA. Not only are the three branches of Government forbidden from engaging in their lawful and constitutionally required activity, but not even a consumer can challenge an ACA determination of what is the consumer's interest. As I stated, my constituents are not individuals who either need or desire some Government bureaucracy to determine what is in their best interest. S. 200 will not even provide them the opportunity to challenge this big brotherism.

Accountability is the hallmatrk of good government. Under our Constitution, checks and balances were prudently provided so that no one branch of Government would have undue authority. This legislation upsets this balance. Mr. President, I will not support a measure which by its very provisions upsets the Constitution.

Mr. President, I reserve the remainder of my time and yield the floor.

MODIFIED AMENDMENT NO. 425

Mr. BROCK. Mr. President, I was going to offer my amendment No. 425, but I have talked to the Senator from Connecticut and the majority staff and they have suggested a modification. With his permission I ask unanimous consent to submit the modified language as suggested by the Senator from Connecticut on amendment No. 425.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. RIBICOFF. I withdraw my objection.

The PRESIDING OFFICER. The amendment with be stated.

The legislative clerk read as follows:

> On page 44, line 20 strike the word "impact." and insert in lieu thereof: "impact, for the agency's consideration in connection with the promulgation of such rules."

Mr. BROCK. Mr. President, the purpose of this amendment is to make it absolutely clear that not only is the agency to prepare a cost-benefit statement, but it must take into account the results of that study in the promulgation of those rules which are related to that particular study.

In other words, I do not want them just to make studies that have nothing to do with the rules they put out. I want the studies to relate to the specific rule and be a part of the decision process by which they determine to implement that particular rule.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee.

The amendment, No. 425 as modified, was agreed to.

Mr. CASE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BROCK. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

MODIFIED AMENDMENT NO. 458

Mr. BROCK. Mr. President, I was prepared to offer amendment No. 458 which gave certain additional safeguards and exemptions to small business. A substitute has been proposed again by the manager of the bill, and with permission I would like unanimous consent to send to the desk a modification of my amendment No. 458.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The legislative clerk read as follows:

> On page 38, line 2 strike "Act" and insert in lieu thereof the following: "Act, including section 24 of the Act".

Mr. BROCK. Mr. President, all this says is that in determining these cost-benefit analyses, prior to the decision to implement the various regulations, we should take into account the special needs and problems of small business.

This is in an effort to put at the front of the bill the need of taking account of the particular problems now besetting the American small business community.

Mr. RIBICOFF. Mr. President, I have discussed this with the Senator from Tennessee. His interpretation is correct and, as manager of the bill, I accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee.

The amendment No. 458 as modified, was agreed to.

AMENDMENT NO. 426

Mr. BROCK. Mr. President, I now call up my amendment No. 426.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from Tennessee (Mr. BROCK) proposes an amendment No. 426.

The amendment is as follows:

> On page 4, line 13, strike out the following: "in order to determine which Government programs" and insert in lieu thereof "and to prevent the adoption of Government programs which".

Mr. BROCK. Mr. President, this amends the section of the bill which states its purposes and in particular the purpose of the establishment of the policy regarding cost-benefit statements.

On page 4, it states that it is the purpose of this act to establish a means for estimating in advance the costs and benefits of Federal legislation or rules that have substantial economic impact, and it strikes out the words "in order to determine which Government programs" and inserts "and to prevent the adoption of Government programs which entail unreasonable or excessive costs."

That is simply a restatement of intention of section 24, that this Government must accommodate the same process that its taxpayers use in every aspect of their lives. That is, to calculate the true cost and benefits of our chosen course of action so that the American people know what the true consumer cost is going to be, and so that if the costs are deemed to be excessive, we in the Congress can react, should that occasion require it.

Mr. RIBICOFF. Mr. President, this amendment is acceptable to the manager of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee.

The amendment (No. 426) was agreed to.

AMENDMENT NO. 423

Mr. BROCK. Mr. President, I call up my amendment No. 423.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from Tennessee (Mr. BROCK) proposes an amendment numbered 423.

The amendment is as follows:

> On page 47, line 8, strike out the period at the end thereof and insert "and section 1905 of title 18, United States Code.".

Mr. BROCK. Mr. President, I ask unanimous consent to send a modification to the desk on which I would like to have a colloquy with the Senator from Connecticut, if I may.

The PRESIDING OFFICER. Is there objection?

Mr. RIBICOFF. There is objection.

The PRESIDING OFFICER. Objection is heard.

Mr. BROCK. That is the suggested change by the Senator's staff.

Mr. RIBICOFF. I withdraw my objection.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is so modified.

The amendment, as modified, is as follows:

> On page 47, line 8, strike out the period at the end thereof and insert "and other applicable law.".

Mr. BROCK. Mr. President, the purpose of the amendment as originally drawn was to see that privacy was guaranteed as it is intended to be under section 1905 of title 18 United States Code and the Freedom of Information Act. The act as written, I do not think, was particularly clear.

The Senator from Connecticut has suggested instead of specifically saying section 1905 of the United States Code, there be substituted the phrase.—"or any other law," and that is a more inclusive amendment.

I ask the Senator if he does not intend that this include section 1905 of title 18 United States Code as I originally wrote it, or any other law that is designed to protect the privacy of the individual.

Mr. RIBICOFF. That is correct. The Senator states what was intended by this act.

It is acceptable to the manager of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

The amendment, (No. 423) as modified, was agreed to.

Mr. BROCK. Mr. President, during the committee consideration of S. 200, I offered an amendment to create a new section 24, which had as its purpose to provide for the preparation of consumer cost assessments in connection with proposals for regulations or legislation by Federal agencies. These amendments were unanimously approved by the committee with considerable interest and enthusiasm.

The background for the proposal of this new section to the Consumer Protection Agency bill is well-known to many Members. During the second session of the 93d Congress, many members of the Government Operations Committee became aware of the cumulative high cost of Government regulations on the American consumer.

This followed close on the heels of Senate consideration of my initial proposal, the Budget Control Act of 1974. Many members of the Government Operations Committee were firmly convinced that, in light of the enormous inflationary conditions, that a major source of origin of inflation, was the Congress through its lack of ceiling on the enactment of new legislative proposals and the executive agencies themselves as well as the regulatory agencies, which had for many years gone without sufficient oversight into the effectiveness and implementation of programs.

During that second session of the 93d Congress, several Senators on the Government Operations Committee, Senator PERCY, Senator ALLEN among them, came forward with proposals in the area of reform of the regulatory agencies. In addition, the administration itself proposed the creation of a commission to study and make recommendations on how regulatory agencies might focus more sharply on their initial legislative mandates.

What all the members of the Government Operations Committee were searching for was a means to cut down on the cost of Government to the American taxpayer. While many of the plans for the commission had been shelved during the final moments of the 93d Congress, on November 28, the President recognizing the national concern with the status of regulatory agencies as well as his own executive offices, published Executive Order 11821. This was the first major step in our effort to require decisionmaking in Government to reflect the impact of Government regulations on the cost to consumers.

Many members of the Government Operations Committee as well as other Members of the Senate then waited through the intervening months to determine what the effects of this new requirement on the Federal bureaucracy would be. This new requirement was so novel to the ordinary bureaucrat that we have now taken the process of all these intervening months to attempt to explain through OMB how agencies are to comply with this new requirement. In fact, during this period, agencies have attempted to comply with this new requirement and, while they were not made public, inflation impact statements have been made in the energy program of the President, in the publication of new regulations for regulatory agencies by the Agriculture Department, by the Environmental Protection Agency, and by other major agencies.

Why, then, was there this need for this particular amendment to S. 200? One of the constraints of an Executive order is that it is enforceable, only within executive offices of the President and not extendable to independent agencies. Thus, major segments of the Government were excluded from complying with this new requirement.

Many of the frustration that were felt by other members of the Government Operations Committee were expressed by Senator NUNN during the recent hearings into proposals to create a National Center on the Quality of Work Life and Productivity. Senator NUNN asked time and time again where these cost-benefit statements were, where the regulations were to be, and what he reasons for the interminable delay were? Evidently, a major element of the delay originates in the attempt by executive offices as well as independent agencies to obtain exemption from the requirement to file under these new regulations.

Another area of difficulty in implementing the Executive order lies in the lack of direction as to what constitutes for any particular agency the phrase "substantial economic impact." A dialog on what constitutes this phrase still continues between the Office of Management and Budget and the other agencies. It was after this delay of many months and in order to make permanent the requirement that the American taxpayers know how much their Government costs them that I introduced my amendment to S. 200 in Committee. The amendment was accepted with the understanding that some minor drafting modifications may be necessary in order to properly incorporate them into the text of the bill. These minor modifications, however, have resulted in substantial revision to the language intent and effect of the amendment, so as to question significantly the amendment's effectiveness for its intended purpose. Thus it has been my purpose to bring before the Senate the minimal amendments that I believe necessary to make the cost-benefit assessment provisions of the bill effective and salutary, without unduly hampering the operation of Government agencies in the carrying out of their statutory responsibilities.

I believe the policies, law, and regulations of this Government have been more responsible for inflation, recession, shortages, and unemployment than any other element or combination of element in our society. This was not the intent of congressional, administration, or agency actions; for they were well intentioned. It was their effort, for they were not justified in terms of their true and ultimate costs in relation to their presumed benefits.

It is this inadequacy which I seek to address, and which I hope in this action in can resolve.

Mr. BROCK. Mr. President. I ask unanimous consent to have printed in the RECORD an article entitled "How the

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Customer Is Wronged by Washington," from Nation's Business, March 1975, and also a second article entitled "Guaranteed Annual Income for Consultants" as it appeared in the Washington Monthly of May 1975.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

How the Customer Is Wronged by Washington

When "Red" (Billy J.) McCombs reads about auto workers laid off in droves, his blood boils. He doesn't wonder why auto sales have plunged—and Detroit assembly lines have ground to a halt.

He says he knows.

"It's Congress," states the 47-year-old six-footer, president of Hemphill-McCombs Ford, San Antonio, Texas.

"Congrses dictated the safety and emission standards that have added so much to cost. And that's only the tip of the iceberg. Trying to meet these standards has taken up all the time of some very capable engineers in Detroit for the past four years.

They had to lay aside driveability, economy and a lot of other things car buyers want. Congress, in its own great wisdom, decided to tell the American people what kind of cars they can own. And many Americans don't want them.

"Also, we've got a lot of people who can't afford to buy them."

Hemphill-McCombs Ford is on the edge of the central business district in downtown San Antonio. Its typical customer, says President McCombs, is "a middle-class guy in the $10,000 to $15,000 a year bracket."

It's one of the nation's bigger Ford dealers. In a normal year, it sells about $20 million worth of new and used autos and trucks.

"I know this business," says Red McCombs, "and Congress priced us out of the market."

Only Detroit's rebate offers broke the sales logjam, he states.

WASHINGTON WAKING UP?

Recently, Sen. William Proxmire (D.-Wisc.) discussed the high cost of complying with safety and environmental laws.

When they were enacted, he said, "they had an inflationary effect, and we didn't recognize that at the time.

"Now, the consumer has to pay for it."

"I think we should, in many cases, do exactly what we are doing," he continued. But, he added, government should "be fair and honest with the American people in doing so."

President Ford, too, is for candor.

"I will require," he told Congress last fall, "that all major legislative proposals, regulations and rules emanating from the Executive branch of the government will include an inflation impact statement that certifies we have fully weighed the effect on the nation."

He asked Congress to please do the same.

Then he extended an invitation.

Let's get together, he said, "to identify and eliminate existing federal rules and regulations that increase costs to the consumer without any good reason in today's economic climate."

The President's Council of Economic Advisers estimates that federal regulation of just a few industries—airlines, railroads, truckers, natural gas producers, banks and savings and loan firms—may add as much as $13 billion a year to their costs. It urges that controls be cut back drastically.

The woods are full of other examples.

Take the case of railway fusees.

Until 1970, Army Ordnance bought these signal flares from U.S. firms. Bristol Flare Corp. for example, supplied them for years to Picatinny Arsenal.

"Then," says President Reba Goebig, "we got a letter saying we'd have to be inspected. The Army explained why. It seems an ammunition factory in West Virginia had exploded. This was a safety precaution."

Her firm had offered to supply the Army 111,150 fusees at 49 cents each. Total price: $54,463.50.

But the Bristol, Pa., firm flunked the inspection.

That upset Mrs. Goebig. "We're inspected all the time," she says, "by railroad inspectors, underwriters, insurance companies—and we never have any problem."

No other U.S. fusee-maker passed either.

"The trouble," says Charles W. Gardner, vice president, Standard Railway Fusee Corp., Boonton, N.J., "is that the Army expected us to meet standards drawn up for munitions makers. It would cost us a fortune—and the standards just don't apply.

"We don't make explosives. We're a flammable-solid industry. The Army misclassified us."

So the order went to a Canadian firm. It charged the Army 59 cents a fusee. Total price: $65,578.50.

This, like auto safety and antipollution standards, is what Washington University economist Murray L. Weidenbaum, in his new book, "Government-Mandated Price Increases" (American Enterprise Institute for Public Policy Research, Washington, D.C.), calls "a neglected aspect of inflation."

It has hit Detroit, of course, like a ton of bricks.

PINTO'S COST ZOOMS

"The design and manufacture of the 1973 automobile," Prof. Weidenbaum points out, "was subject to 44 government standards and regulations involving about 780 separate test points which must be met on each car."

Detroit has a basketful of figures to show what federal meddling has added to auto prices. [See "What's Ahead for the Auto."]

Lee Iacocca, president, Ford Motor Co., recalls a prediction he made in 1970—that the price of the $2,000 Pinto, Ford's answer to VW, would rise $1,000 in five years, with half the increase resulting from inflation and half from government standards.

At the time, some critics said the forecast was too gloomy. In fact, Mr. Iacocca's estimate proved too cheery.

"We were off by 10 bucks and 12 months," he confesses. "The actual increase has been $1,010—in only four years."

None of that increase, about $500 of which is due directly or indirectly to the cost of complying with Washington's notion of what an auto should do, is added profit for Ford.

Other industries, too, are victims of regulation.

"Every time that the Consumer Product Safety Commission imposes a standard which is more costly to attain," Prof. Weidenbaum points out, "some product costs will tend to rise. The same holds true for the activities of the Environmental Protection Agency, the Food and Drug Administration—and so forth. The point being made here should not be misunderstood.

"What is at issue is not the worth of the objectives of these agencies. Rather it is that the public does not get a 'free lunch.' . . .

"Although the costs of government regulation are not borne by the taxpayer directly, in large measure they show up in higher prices of the goods and services that consumers buy."

THE CUSTOMER IS WRONGED

Are Americans willing to pay the prices?

"I get a little discouraged," says gag writer Robert Orben. "After all these years, we finally have a chicken in every pot—and now we can't afford to turn on the stove."

And we ain't seen nothing yet, experts warn.

For example, it's been estimated that meeting antipollution goals will cost at least $112 billion in a single 10-year span—from 1972 to 1981.

In fact, probably much more.

That estimate was made by the U.S. Council on Environmental Quality in 1973. Since then, double-digit inflation has run up the tab by many billions more.

One of EPA's grandiose plans for America means, among other things, higher food bills. To comply with it, canners of fruits and vegetables will spend $250 million for waste treatment systems by the end of this year.

Other EPA plans on the drawing board may make them double that investment.

Most of the nation's 2,200 canners are small. EPA, the National Canning Association says, may put about 400 of them out of business.

A Midwestern canner who prefers that his name not be used—"We try not to look for trouble," he says—explains why.

He packs, in a year, about $5.5 million worth of corn, beans and other canned foods. The plant employs 70 people year-round and about 225 at the peak of the season. Recently, he was told to build a new lagoon or holding pond for waste water—or shut down.

"We needed only about 40 or 50 acres," he says. "But we're hemmed in by highways and railroads. The only land near us was a 155-acre farm. The owners wouldn't sell. They knew they had us over a barrel. They said they'd trade the farm, however, for one about twice the size.

"Luckily, we found a 288-acre farm a mile or so away. But we had to pay $330,000 for it. Now, to contour the land and put in a lagoon will cost us $200,000.

"We paid for the farm by borrowing from an insurance company. Now we're looking for another $200,000."

The book value of his plant is $750,000.

Will he pass on the waste system's $530,000 cost to his customers?

"Well," he says, "the competition will determine how much you get for a can of corn. But our competitors are all saddled with added costs, too. They have to be passed on, eventually."

A NEW BREED

EPA, of course, is only one of many federal agencies that ride herd on U.S. employers.

The Occupational Safety and Health Administration, the Consumer Product Safety Commission, the Equal Employment Opportunity Commission and EPA, however, represent a new breed.

In the past, Prof. Weidenbaum points out, Congress set up agencies that focused on regulating a specific industry—like the Interstate Commerce Commission or the Civil Aeronautics Board.

"The more recent regulatory efforts," he says, "are not so limited. They cut across virtually every branch of private industry."

Congress is spending more and more money on federal inspectors to keep an eagle eye on business. In 1972, it anted up $1.3 billion; this year, fiscal 1975, the tab is $2.8 billion.

Federal regulatory agencies now have a staff of some 63,000—the rough equivalent of five U.S. Army airborne divisions.

Their impact is pervasive—sometimes contradictory.

After Sen. Edmund Muskie's Clean Air Act became law, many Eastern utilities had to switch from coal to oil. That's an added cost which, ultimately, shows up as higher electric bills for homeowners. But it was that—or EPA would blow the whistle.

Then came the Arab oil embargo.

A new bureau, the Federal Energy Office, dashed off an S.O.S. to many of the same utilities. The message: Please switch back to coal.

Northeast Utilities, Berlin, Conn., estimated it would cost $20 million to convert eight of its oil-fired units back to coal—without the scrubbers needed to meet EPA's air quality standards.

With scrubbers, the expense was $150 million.

UNHAPPY COUPLERS

But costs seldom trouble federal officials.

Not long ago, the Department of Transportation issued a directive—HM–109 amended. It calls for a new safety device on pressurized tank cars. In a collision, it's meant to prevent couplers from puncturing tank cars full of liquefied, compressed gas that could burn or explode.

DOT's solution: Install a heavy metal shield at both ends of the car.

The Association of American Railroads argued against it. Its tests show that vibration, or wind blast, might tear loose the 750-pound shields and hurl them in the path of the cars behind.

DOT asked representatives of 19 railroads and shippers what they thought of the shields. All turned thumbs down. They opted for a better coupler, easier to install, less expensive and, in the opinion of AAR, safer.

DOT said No.

Cost to install shields on some 18,000 cars: $27 million, plus labor charges. Deadline—Dec. 31, 1977.

Each year, tank car owners must file reports on the progress of their "retrofit" program.

Thus, DOT does its bit to add to another major cost of doing business—filling out federal forms.

In 1965, a House committee estimated that form-filling alone costs the public $20 billion a year. In addition, Sen. Thomas J. McIntyre (D.-N.H.) says, government spends $18 billion to "print, shuffle and sort" the paper the public fills out.

The cost, he adds, "must necessarily be passed on to you and me, to the consumer."

At least some of the paperwork is a waste of time. As well as money.

John J. Lennon, president, Nettco Corp., Everett, Mass., points out why. Last July, he got an invitation he couldn't refuse.

GREETINGS

It was a letter from the Federal Trade Commission.

"The first paragraph was very beautifully phrased," he says. "It said: 'Your company has been introduced into the FTC financial reporting program.' That sounds like a letter from the draft board."

Purpose of the program, the letter explained, is to provide many user agencies with timely information on the state of the economy. Then came the hooker—Filing is required by law—"without exception."

The form is FTC Form MG–3.

"It's filled out quarterly," Mr. Lennon says. "And to do it properly, you have to take inventory—to find out how much money you've made. Now we're a small firm, employing about 40 people. We make fluid agitation equipment—mixers—for all kinds of industrial users. Like paint and varnish manufacturers, paper mills or chemical companies.

"We take inventory once a year. To do it, we have to shut down the plant for three or four days. Then we go out in the warehouse and count the stuff—raw castings, gear boxes, oil seals and so on—one by one."

Large corporations, he points out take inventory on the computer. Nettco Corp. doesn't have one.

Mr. Lennon told FTC he couldn't provide good figures.

"But I was threatened with legal action," he says, "if I didn't fill out the form. Of course, the information is valueless. And even if it were based on an accurate inventory, it would be valueless.

"We're in a category known as 'machinery, except electrical.'

"Total sales for that industry—for the fourth quarter of 1973—were almost $20 billion.

"Our sales were a fraction of one-thousandth of 1 per cent of the total! So our figures would be meaningless."

The dollar total for what it costs a firm like Nettco to fill out forms that Washington wants may not be very large. But for a big corporation, it's big sugar.

Douglas H. Springer, vice president, financial planning, Campbell Soup Co., recalls the era of federal price controls from mid-1971 to early 1974.

UNPLEASANT DIVERSION

"I have a department of about 30 people," he says.

"At the height of controls, half our time was spent on federal paperwork. It cost us about $500,000 a year. But worst of all was what it kept us from doing.

"Normally, we would have put that time into finding ways to cut costs and keep prices down. Washington diverted us from that objective."

Like Mr. Springer, many experts say we may be spending our money in the wrong place.

They ask: Is the $3 billion a year invested in motor vehicle seat belts and pollution controls well spent?

Much of it may not be, National Safety Council statistics indicate.

Nearly four out of 10 persons killed in auto accidents—38 per cent—are pedestrians, bike-riders or motorcyclists, the Council says. None would be saved by seat belts, shoulder harnesses or air bags.

Also, removing roadside hazards "might eliminate as many as one-quarter of all motor vehicle fatalities," says Prof. Roger LeRoy Miller, University of Miami School of Law. "The costs of altering such roadside hazards are small—compared to the costs of making the cars themselves safer, in crashes."

Furthermore, he adds: "Safer roads help drivers of all vehicles, not just new ones."

Moral: When weighing a costly safety standard, don't ask the wrong question.

One frequently posed, in Congress, is this: "Are you more concerned with saving dollars than saving lives?"

Rephrase it, Prof. Miller urges. Put it this way: "What's the best way to spend the money?"

Unfortunately, that's not a question Washington seems to ask often. The American Iron and Steel Institute cites a classic case:

Take a modern mill, with two electric furnaces, that turns out 630,000 tons of steel a year.

To remove the first 87.8 per cent of dust from its smokestacks costs 4 cents a pound. The next 9.5 per cent costs 48 cents a pound. Squeezing out another tenth of 1 per cent would cost $33.26 a pound.

But EPA once proposed standards that would have required steel mills to do just that. (It later modified the proposal.)

LOOK BEFORE YOU LEAP

Should federal agencies be required to put a price tag on their edicts?

At their last session, several Congressmen said they thought so.

One was Rep. Vernon W. Thomson (R.-Wisc.). "We all recognize," he told his colleagues, "that the mammoth federal budget has contributed mightily to inflationary pressures in the economy."

What often isn't realized, he added, is that some laws and most administrative rulings also impose tremendous costs. Not all are bad or wasteful, he said—many provide real benefits. But Americans should know what they'll have to pay for them.

He introduced a "look before you leap" bill. It would require that the real cost to the public of any law or regulation be calculated—and published—before it is imposed on them.

Some on Capitol Hill thought this was an idea whose time had come. But possibly not the voters.

Rep. Thomson was defeated when he ran for reelection.

Guaranteed Annual Income for Consultants

(By Robert Samuelson)

President Ford in his economic speech, October 8, 1974:

"Hereafter, I will require that all major legislative proposals, regulations, and rules emanating from the Executive Branch of the Government will include an Inflation Impact Statement that certifies we have carefully weighed the effect on the nation."

In my business—the news business—you either take advantage of other people's problems, or you're finished. You might as well hock your typewriter and hang up your green eyeshade.

That's how I came to hear Max's story. Max drifted into the office late one Thursday afternoon. He was a mess. There were deep trenches under his eyes, his hair had been combed by the wind, and his face bore the scars of a trembling razor. He was 30, but looked 45.

A man in Max's shape needs a drink. I rescued a cup from the trash and poured out the last of my scotch.

"I think I'm just about at the end of the line," Max said in a whisper.

It was late, and I was in no mood for self-indulgent melodrama. But, as I said, we get paid to listen.

"Why don't you tell me about it," I said, mustering what sympathy I could manage.

Max was a government lawyer, a GS–14 or GS–15—I forget which—working in the White House. I knew the type immediately: one of those earnest young men, confident of their own abilities, who had enlisted with Uncle Sam convinced that they could simultaneously satisfy their ambitions and their social conscience.

Max pointed towards his vinyl briefcase. I opened it and on top were two official documents. They had identical heading: "Inflation Impact Statements." The first was an Executive Order from the White House, dated November 27. The second was a memorandum from the Office of Management and Budget, dated January 28.

As I read the documents, their gist became clear. Each department and agency would prepare an "inflation impact statement" for all its major programs. They didn't really have to be followed—only prepared. It was sort of an institutional consciousness-raising exercise. Narrow-minded, agency-oriented bureaucrats would be made to see the wider implications of their actions. Advance public confession would curb sinning.

Max took off his aviator glasses and, with weary resignation, rubbed his eyes.

"There's a scandal here," he said, casually spilling out a phrase that's supposed to make any reporter salivate. I didn't because I figured that Max was either flattering himself or taking me for a sap. I hadn't been born yesterday, and I had seen cases like his before: a bureaucrat with an identity crisis, trying to cleanse his soul by running to the press.

But I let Max trace the dreary chronology. It started back in October when the President asked his speech-writers for some ideas about how to flesh out his anti-inflation address—you know, the one with the WIN buttons. Somebody remembered a memo with the idea for inflation impact statements, like those environmental things. The idea sounded attractive, looked respectable, and blended well

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with Republican anti-inflationary rhetoric. No one thought much about it. It was just one paragraph in the speech, and the President was scheduled to go on TV in just a few hours.

And these inflation impact statements did have cosmetic appeal. When it came to creating higher prices, I knew the government was a principal sinner. Across the federal landscape, it was a cinch to spot dozens of programs which helped push consumer prices upward. The Interstate Commerce Commission limited truck and railroad competition; that propped up freight rates. The Civil Aeronautics Board made it a crime for airlines to cut fares. The Davis-Bacon Act had the effect of requiring building contractors to use only high-cost union workers. Medicare and Medicaid procedures made Ross Perot a billionaire and contributed to spiraling health costs.

New horrors were being hatched daily, but I wasn't naive enough to think that analysis—no matter how it was labeled—would make much difference. Politics determined the fate of most government programs and regulations. Pieces of paper alone wouldn't change the political situation. Sure, the environmental impact statement said that the Alaska pipeline would make life miserable for the caribou, and that didn't end up preventing the pipeline from being built. Most bureaucrats knew what they were doing. If they went ahead with a controversial program, they usually had compelling reasons: pressure from important interest groups, their own sense of mission, or just an unmistakable mandate from Congress to do something that was blatantly inflationary. Analysis alone wouldn't eliminate these pressures.

I wasn't dismissing all analysis as useless, but my experience was that people only used information when it recommended what they wanted to do anyway. If it didn't, they'd just come up with some conflicting information, making just the opposite points. Such reports weren't hard to find. Somebody—a budget analyst at OMB or a congressional subcommittee or the faceless researchers at the GAO—would be encouraged to produce another study. If a program was popular enough—like the Alaska pipeline—all the analysis in the world was useless.

So, the inflation impact statements were an idea that looked good and sounded nice. But that's all. I didn't need Max to tell me this, especially when I still had hopes of getting out of the office in time to beat the rush-hour traffic. But he did anyway.

"You see this," he said, motioning toward the second of his official-looking documents. It was one from OMB, and it carried the enticing title of Circular A-107. "It's the rules each governmental department is supposed to follow in drawing up its own rules for writing inflation impact statements. Nothing in government can be done without rules, so we have rules to write rules. The paperwork just expands geometrically. First the President makes his proposal back in October. It's just one paragraph in a long speech. Then, two months later, the White House gets around to issuing an executive order on how to implement the paragraph. The executive order runs two pages."

He waived the first document at me, and I verified his arithmetic.

"Two months after that, OMB issues its circular explaining the executive order. That's four pages." He was a genius at numbers. "And that's just the beginning. Of the nearly 100 agencies which received Circular A-107, dozens responded by requesting exemptions. Do you have any idea how much paper is involved in the American Battle Monuments Administration requesting an exemption and OMB granting it?"

I didn't, but I was shrewd enough not to let on.

"OMB is still wading through the exemptions. And the departments that don't get them will then have to write up departmental regulations which will probably run 10 to 20 pages each. Multiply that by all the departments and agencies, and we've already got a mountain of pulp. And we haven't even gotten to the statements yet."

It was a familiar tale. Inflation would be forgotten, as everyone worried about coping with the nuisance and the nuances of the inflation impact statements. Most shrewd government lawyers would probably try to limit the number of statements their departments would have to produce by putting a ceiling—say, $50 million—on the kind of actions that required statements. But they had to be careful. The executive order, which didn't expire until the end of 1976, demanded statements, and anybody who didn't like what your agency was doing—for *whatever* reason—could take you to court on the pretext that your impact statement wasn't adequate. Suits meant delays. Like paperwork, they cost money and took time. In the end, the courts would probably support the agencies, but, even if they did, they still couldn't restore all the time and effort that fighting the suit required.

All this was pretty routine to somebody in my business. I didn't need Max in my office, drinking the last of my scotch, as the rush-hour traffic piled up eight floors below my single, sooty window. I had had enough. It was time to get home.

"That's all very interesting, Max," I said, "but what the hell does all that have to do with you?" And by implication—what the hell does all this have to do with me?

It took a while for Max to answer. And before he did, he stared at the scotch bottle a long time, as if somehow that would make it less empty. Finally, he got it out: "The whole thing was my idea, but I didn't realize that it would lead to this." To prove it, he reached into his vinyl briefcase and came out with a dog-eared xerox of a memo on White House stationery.

I didn't know what to say, so I just took the xerox and laid it softly on my desk, next to an empty Coke bottle. I knew what to expect next—a long monologue about guilt and responsibility, the sort of thing that people came to expect from Daniel Ellsberg on Vietnam.

But Max to his credit, was made of sterner stuff. He came back to the point. "It wouldn't be so bad," he said, "but I know what's going to end up happening. You see, there are limits to honest analysis. You can safely say that something's inflationary, but you don't necessarily put a finger on it. But we demand that everything be precise, so these reports are going to be filled with a lot of dubious statistics."

I could tell that Max had learned a lot since his first days in the White House, when he wrote the memo that set everything in motion.

"What's going to happen," Max said, "is that a lot of the agencies won't be able to handle the extra work load and will have to farm it out. The consultants will have a field day. Each time an agency will have to produce an impact statement it'll mean an $80,000 fee for a consulting firm. Multiply that by a couple of thousand statements a year and you've added a couple of hundred million to the federal budget—all in the name of fighting inflation."

"You know what consultants remind me of?" Max asked suddenly. "Seagulls swarming around a mountain of garbage. Except in government it's all the studies, reports, and evaluations that somebody has said must be done, but nobody really gives a damn about."

Something about the seagulls and the garbage cheered up Max, because suddenly he looked relieved. I was glad, because I couldn't do much for him. "Look," I said, "there's no story here. This kind of stuff goes on everyday in government. But I will give you some free advice. Call in sick tomorrow. Take a few days off. The government won't collapse. Western civilization won't end."

I drove him home. He said he'd think about it.

Mr. BROCK. Mr. President, I have one last amendment. I will try to disburden the Senate of my labors.

Before I call up that amendment——

Mr. FORD. Mr. President, will you ask the distinguished Senator from Tennessee to put on his microphone? He might say something we might want to hear.

Mr. BROCK. The Senator is very kind. I am not sure that will be the case or not.

Mr. FORD. At least we will hear it.

Mr. BROCK. I express my gratitude to the Senator from Connecticut and the Senator from Illinois, the managers of the bill for the majority and minority. They have labored long and hard on this bill and they have been more than gracious in accommodating the Senator from Tennessee. We still have remaining disagreements in a couple of area, but the Senators have been very kind in working with the Senator from Tennessee.

Mr. RIBICOFF. If the Senator will yield, I take this opportunity to thank the Senator and all the members of the committee, including the distinguished Senator from Alabama, who is strongly opposed to the bill, for their continued courtesy and cooperation whether they were for or against this bill.

I do appreciate the outstanding work done on this bill by the Senator from Tennessee. Many of his efforts have improved this bill. As a matter of fact, I would say one of the most important features of the bill was inserted by the Senator from Tennessee, which requires cost and benefit assessment agreements by the agency. I want to thank him for his outstanding contributions throughout the consideration of this legislation.

Mr. BROCK. I thank the Senator.

AMENDMENT NO. 434

Mr. President, may I now call up my amendment No. 434 and ask for its immediate consideration?

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Tennessee (Mr. BROCK) proposes an amendment No. 434.

The amendment is as follows:

Section 16(a) of the bill be amended by adding the following immediately after the word "Administration," on line 20 of page 36: "to the drug regulatory functions of the Food and Drug Administration under the Federal Food, Drug and Cosmetic Act, as amended,".

Mr. BROCK. Mr. President, I call up this amendment, and I understand the disagreement that others will have with it. But I do it because I am very deeply concerned about the impact that this legislation has upon the access to and the viability of lifesaving drugs as a result of the passage of the Agency for Consumer Advocacy. The Food and Drug Administration has disappointed a lot of us on a lot of occasions. They have

been extremely slow in doing essential work in the process of licensing and approving lifesaving drugs that are so essential to so many individuals who are beset by illness.

The comment has been made, and I think there is validity to it, that under our current laws and procedures it would be absolutely impossible to approve penicillin. Maybe that creates a certain interest on my part, because I have some members of my family who may not have survived were it not for that particular drug.

I just do not understand why the FDA takes as long as it does to do what it does. But the thing that bothers me is that here, with an agency that is already slow in approving new drugs, new lifesaving products, we now impose a further intervention between the decision and the ultimate resolution of the problem where the product becomes available for the saving of human life.

I think the bill as written puts ACA in a position of requiring a professional judgment that they simply do not have. I do not believe they have or can acquire the competence to make medical judgments—sophisticated, scientific judgments—on the quality of new proposed lifesaving drugs.

I just feel that somehow we ought to keep the ACA from intervening.

Mr. STONE. Will the Senator yield for one question?

Mr. BROCK. Yes.

Mr. STONE. Does the Senator from Tennessee believe that a consumer advocate would be on the side of slowing down the release of a needed drug? Would it not be just as conceivable that a consumer advocate, learning of the existence of a needed drug or pharmaceutical through pressures and complaints from those who would be patients or users, would be able to take the side of accelerating the release of the drug?

Mr. BROCK. This Senator certainly has the greatest respect for the Senator from Florida. The problem is that the intervention process, itself, is a delay process. It does stall and preclude resolution. I have argued the same point against some other amendments today, so I understand the logic of the Senator. What bothers me here is not a mechanical problem relating to railroads, highway safety, aircraft safety, radar, that sort of thing. This is a question that relates to life itself, and the efficacy of new life supporting or sustaining drugs. I just do not know how this agency can get into either acting for or against them. I just do not know if it really should intervene in that process. We have enormous, exquisite, and precise systems which may be too bulky in the FDA now. As a result, products are not coming into the marketplace with anything like the speed which our technology has afforded us.

I really and truly worry that ACA, without the competence and without the capacity to acquire competence, could take actions that might have a deleterious effect upon the national health. That, to me, is not logical. I just wish there was a way to work this out. I know the Senator has to oppose it. I understand the logic of his opposition, but I wish we could work it out.

Mr. RIBICOFF. May I say to the distinguished Senator that one of the most important places where the consumer has to be protected is in the area of the safety and purity of drugs. I would say, having been a former Secretary of Health, Education, and Welfare, if there has been one agency that has had more problems, it is the Food and Drug Administration. Just within the last few weeks, we had the problem of defective pacemakers. This incident showed great neglect on the part of FDA. If there had been a consumer's advocate who could have pointed to the fact that there was another good pacemaker devised by the U.S. Navy, we would not have had to recall thousands and thousands of pacemakers. If there is one particular agency that needs the oversight of a consumer advocate, it is the Food and Drug Administration.

While I have accepted a number of amendments that have been introduced by the distinguished Senator from Tennessee, I would say I am as strongly opposed to this amendment as to any other amendment that has been offered during the consideration of this bill.

Mr. BROCK. I say to the Senator that I understand that, and I understand his concern. Obviously, we happen to disagree on this point.

Last year, I was worried about the consumer protection bill, and I opposed it on the ground that I thought perhaps the fundamental thing to do was to reform the regulatory agencies. In this bill, we are not going to do that, and the Senator from Tennessee is going to vote for this bill, as the Senator from Connecticut knows.

Now we come to the point where the Senator says that where there is scandal and where there is a problem, the place where we need the most protection, is the FDA. But I do not think the ACA is competent to give us the kind of protection the Senator and I want. I think we desperately need a reform of the agency itself.

Mr. RIBICOFF. FDA should not only be reformed. If there is also an agency that should have a consumer advocate to monitor its activities, it is the FDA.

I note that the Senator from Massachusetts, who has been deeply involved in the whole field of drugs, has come into the Chamber. I have been reading, day by day, of the problems of the Food and Drug Administration that come within the purview of his committee.

Earlier in the day I accepted an amendment devised by the Senator from Tennessee, in which he made sure that none of the agencies would be unable to discharge their own responsibilities because of unduly burdensome requests by the Administrator under section 4(c) for services, personnel, and the like.

Mr. BROCK. That was with respect to the demands on personnel.

Mr. RIBICOFF. This is certainly part of it. I was glad to accept that amendment. But I do not see how we can accept this amendment. I do not believe that Senators could accept the amendment and go back and face their constituents and say that we were exempting from the ACA's jurisdiction the safety and purity of the drugs that all of us consume. If there is one place in our entire system where we must have a consumer advocate to protect the American people, it is in the area of the safety and purity of the drugs used by every American consumer.

Mr. BROCK. The Senator and I have already discussed this. We do not know who the agency Administrator is going to be. We do not know whether he is going to be competent or not. We hope he will be; but, as the Senator pointed out, he may not be. We have made mistakes in the past, and we may do so again.

I do not have any fundamental disagreement with what the Senator is saying, but I just do not understand why we cannot do something to avoid what is happening today, to keep it from happening, to avoid the delay and the continued debilitation of the research that is occurring in this area.

Mr. RIBICOFF. I refer the Senator to the wisdom and the commonsense expressed by the Senator from Florida, who is now presiding over the Senate. If a drug was essential and there was a delay in licensing it, one of the duties of the Administrator would be to petition the FDA to get some action on that drug. If a qualified scientist felt that there was a need for a certain drug, and there was a delay, he could call this fact to the attention of the ACA. The ACA could encourage the FDA to give priority to that particular drug, so as to make sure there would be no loss of life or damage to the health of any people because of delay at the FDA.

Mr. PERCY. Mr. President, will the Senator yield for a comment?

Mr. BROCK. I yield.

Mr. PERCY. Mr. President, as the Senator from Tennessee knows, in the State of Illinois we have a great many pharmaceutical companies. To this date, I have not received a request from a single drug company or a pharmaceutical company to be exempted from the law.

Mr. BROCK. Neither have I.

Mr. PERCY. The distinguished Senator is aware that some years ago we had a case that was well-publicized when the GAO discovered that FDA had approved a flu vaccine, produced by about 10 pharmaceutical companies, even though it was about only 1 percent of the potency that was required to do any good whatsoever. The cost of that vaccine, administered all over the country to 60 million people, exceeded $65 million. Not only did it do no good whatsoever, but also, it was literally dangerous because it had to be injected and might have caused some injury. This was a case in which it was readily admitted. The FDA recognized that there was a breakdown.

To say that we are going to exclude that particular industry totally from the impact of this act would be wrong.

I repeat: I have not heard any request from a pharmaceutical company in Illinois to have any special exemption provided for it. I think they recognize that mistakes are made sometimes. They were

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not consciously made, that I know of. These are some of the finest companies in my State. I think they are willing to take their chances along with all other companies. I consider the management reputable and able; and they would have no concern that I know of with respect to a fair and evenhanded administration of this agency.

Mr. BROCK. I say to the Senator that I have not talked to anybody in a drug company. I do not know what their attitude would be. I am not worried about the drug companies. I am not worried about the FDA. I am bone-tired of the incompetence of the FDA. I am bone-weary of the delay after delay after delay. I do not understand how adding one more incompetent to an existing incompetent is going to arrive at a competency that I cannot see.

I do not argue with the Senator. I understand the position of both Senators. I would be prepared to accommodate it and change if I could see any way to achieve consumer protection with some competent regulation. I do not see it in this agency. If the Senator wants to talk about NIH or somebody else, that is fine.

Perhaps this is the wrong place to offer this amendment. The Senators may be right in that regard. But somehow, someday, somewhere the Senate has to face up to the question of what we are going to do about the problem of an agency that is not responding adequately to the public need.

Mr. JAVITS and Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER (Mr. STONE). The Senator from New York is recognized.

Mr. JAVITS. Mr. President, I will say this on my own time, or the Senator can keep the floor, if he wishes.

Senator KENNEDY and I are very cognizant of this problem. Senator KENNEDY is chairman of the subcommittee, and I hope he will speak about this. He is seeking recognition. I am the ranking member of the committee.

There is no question about the deficiencies in the FDA. I think the Senator was right. But I would have to oppose this amendment very strongly, as one of the coauthors of the bill, for the very point made by Senator RIBICOFF. My own experience as an Attorney General and in this field for years has been that of all the fields in which these problems arise, aside from auto repairs and TV—the usual—this is a key place. Many people are being taken, and they are the people who can least afford it—the poor and the old.

Therefore, the intercession of the consumer agency may do something which we have been trying to do, which is to open up this agency. Right now, the Senator happened to catch us at a moment when we are going at it hammer and tongs, because we have an enormous amount of material which has been testified to openly by employees of the agency, which puts the agency right on the spot. Indeed, they, themselves, have appointed a review panel of very eminent people in order to review their record, and so forth, to see whether they are really handling matters as they should.

So when the Senator said—I do not wish to denigrate his effort here, which is entirely creditable—that this may not be the place to offer his amendment, he is right. I think we have to ride herd on this agency. It urgently needs it. But this is not the way to do it, because it really needs the intercession of this consumer concept about as much as any other agency that I know of in the field.

The PRESIDING OFFICER. The Senator from Massachusetts sought recognition earlier.

Mr. MANSFIELD. Mr. President, will the Senator yield, without losing his right to the floor?

Mr. KENNEDY. I yield.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the vote on final passage occur not later than 5:45 this afternoon.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

AUTHORIZATION OF APPROPRIATIONS FOR CERTAIN PROGRAMS

Mr. HOLLINGS. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1542.

The PRESIDING OFFICER (Mr. STONE) laid before the Senate the amendment of the House of Representatives to the bill (S. 1542) to authorize appropriations for the fiscal year 1976 for certain maritime programs of the Department of Commerce, and for other purposes as follows:

> Strike out all after the enacting clause, and insert: That funds are hereby authorized to be appropriated without fiscal year limitation as the appropriation Act may provide for the use of the Department of Commerce, for the fiscal year 1976, as follows:
>
> (a) acquisition, construction, or reconstruction of vessels and construction-differential subsidy and cost of national defense features incident to the construction, reconstruction, or reconditioning of ships, $240.000,000;
>
> (b) payment of obligations incurred for operating differential subsidy, $315,936,000;
>
> (c) expenses necessary for research and development activities, $12,232,000;
>
> (d) reserve fleet expenses, $4,242,000;
>
> (e) maritime training at the Merchant Marine Academy at Kings Point, New York, $11,500,000; and
>
> (f) financial assistance to State marine schools, $5,808,000.
>
> SEC. 2. In addition to the amounts authorized by section 1 of this Act, there are authorized to be appropriated for the fiscal year 1976 such additional supplemental amounts for the activities for which appropriations are authorized under section 1 of this Act as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law, and for increased costs for public utilities, food service, and other expenses of the Merchant Marine Academy at Kings Point, New York.
>
> SEC. 3. Section 1103(f) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1273 (f)), is amended by striking the figure "$5,000,000,000", and inserting in lieu thereof the figure "7,000,000,000".
>
> SEC. 4. Section 6(a) of the Maritime Academy Act of 1958, as amended (46 U.S.C. 1385 (a)), is amended by striking the figure "$600", and inserting in lieu thereof "$1,200".

Mr. HOLLINGS. Mr. President, on behalf of the Senator from Louisiana (Mr. LONG), I move that the Senate disagree to the House amendments to S. 1542, the Maritime Appropriation Authorization Act of 1975, and request a conference with the House of Representatives thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from South Carolina.

The motion was agreed to; and the Presiding Officer appointed Mr. MAGNUSON, Mr. LONG, Mr. HOLLINGS, Mr. BEALL, and Mr. GRIFFIN conferees on the part of the Senate.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. HATFIELD). The Chair, on behalf of the Vice President, appoints the following Senators to the United Nations International Women's Year Conference, to be held in Mexico City, June 23–July 4, 1975: the Senator from Indiana (Mr. BAYH) and the Senator from Illinois (Mr. PERCY).

CONSUMER PROTECTION ACT OF 1975

The Senate continued with the consideration of the bill (S. 200) to establish an independent consumer agency to protect and serve the interests of consumers, and for other purposes.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I strongly support the position of the floor manager on this legislation as it is directed toward this particular amendment.

As the Senator from New York has pointed out, our Subcommittee on Health has had a series of hearings along with the Subcommittee on Administrative Practice and Procedure on the functioning and administration of the Food and Drug Administration. We have found that there have been some delays; as a matter of fact, there has frequently been a serious underutilization of professionals in the Food and Drug Administration which has resulted in many delays. In our hearings we heard from 11 different witnesses who had been working in their areas of special competency and who, because they disagreed with certain FDA policies, were transferred out of their areas of expertise and turned out, sometimes just to twiddle their thumbs. These were the charges, the allegations by some very distinguished people who have worked and are working in the FDA.

Dr. John Nestor, who was responsible for keeping MER–29—a drug which caused cataracts—off the market, is still being vastly underutilized.

Dr. Verrett, who was the one who blew the whistle on the danger of cyclamates and their impact on malformation in chicken embryos, now has very little work to do in her fields of expertise.

We have found this to be the case in a number of other instances at the FDA. In fact, the Secretary of HEW has even appointed a special panel to review many of the problems involving the Bureau of Drugs at the FDA. I think that there

may be delays taking place and all of us deplore it. I think, however, that to a very significant extent these have been because of the maladministration of the FDA in recent times.

I would like to read from the record of our Health and Administrative Practice Subcommittee after the testimony of those 11 professional employees, all of whom appeared under protective subpenas:

> On August 15, these subcommittees received profoundly disturbing testimony from 11 professional staff members of the Food and Drug Administration. These witnesses testified under oath that their recommendations to approve new drugs were never questioned, but their recommendations to disapprove drugs were almost always questioned; that it was difficult and unpleasant to argue to delay the marketing of new drugs; that many of them were removed from the review of products they were trying to keep off the market; that many of them were transferred out of their areas of maximum expertise, a transfer which usually followed their taking a stand in opposition to a particular drug; that industry pressure apparently influences the drug review process.

Those were our conclusions, stemming from very serious accusations. Those are being investigated now by an independent panel with our complete help and support, and with the support of the FDA. Those are serious allegations.

Finally, I would point out a number of specific examples at the FDA in which the consumers have a very, very profound interest: For example, the approval of the Dalkon shield, the intrauterine device that women use and which has been most popular. It was approved by the FDA and it has only been through the activities of various consumer groups that this device has been investigated by the FDA and actually withdrawn, with regard to a particular multifilament guard in the Dalkon shield. That has affected hundreds of thousands of women, hospitalized thousands of them. I believe that with the withdrawal of that particular item and the modifications that have been made, and under our medical devices legislation, we may be more certain that that product may be safe. But it was really brought to the attention of the Food and Drug Administration as a result of consumer activity.

As to DES, diethylstilbestrol, and its relationship to a cancer-causing morning after pill which can result in vaginal cancer in the daughters of women who have taken that, Dr. Herbst in New York has found more than 229 cases. This danger again, was developed as a result of efforts outside the FDA. Slo-K which is a drug which causes intestinal ulcers was discussed in our hearings—I could mention a number of these kind of cases involving matters of consumer health and safety.

I want to make the point that a consumer agency should have an extraordinary role, I believe, in pursuing consumer interests at the Food and Drug Administration. I think its jurisdiction in that area should be maintained.

I agree with the Senator from Tennessee in his desire to expedite the action in the FDA to insure early approval or disapproval of various drugs, but we cannot forget that some delay has proven to be a health benefit to the American people. Thalidomide, for example, was delayed in the United States, at a time when there was great pressure from industry to move ahead on this, and that delay saved hundreds, thousands of children in the United States from being malformed.

I think there is a very important consumer interest. I think that there have been administrative problems and difficulties in the Food and Drug Administration, and many of these are being reviewed now within FDA, as well as by an HEW outside panel.

Finally, I believe that there is a gross underutilization of some very effective, dedicated and, I think, extremely courageous individuals at the FDA. I should be glad to give an even longer list of those employees, time permitting. But I think these points should be made, and I hope that this amendment will not be adopted.

Mr. BROCK. Mr. President, I have listened with a great deal of interest, particularly to the Senator from New York and the Senator from Massachusetts, and I am delighted with their activities. I commend them. I wish them well. I guess my frustration stems from the fact that I have not seen anything happen—nothing. The report of the Senator from Massachusetts indicates an enormous frustration on the part of the committee itself, a frustration that I think a lot of people in this country share. I just do not know where else to address the issue. I do not know how else we can point up a problem that is enormous and pervasive.

I understand that the Senator from Alaska has an amendment, and if I call for a record vote, I shall pre-empt him and his amendment. So I shall not do that. But I hope that the assurances of the Senator from Massachusetts and the Senator from New York will be followed with very specific action on the part of Congress to see that this problem is corrected.

I hope the assurances of the Senator from Connecticut are met, that this agency will understand that the needs of the consumers can be met by removing some of the unwarranted bureaucratic snarls and delays that inhibit the access to lifesaving drugs on occasion, which are absolutely essential. I know the need for caution. I understand that thoroughly.

Mr. KENNEDY. Will the Senator yield?

Mr. BROCK. I yield.

Mr. KENNEDY. We also had hearings on the allegations of drug lag in the United States because of the very elaborate protective systems which have been developed in FDA, which often result in denying opportunities for the entrance of new drugs. I can tell the Senator from Tennessee, in spite of the many administrative delays within FDA and HEW at this time, the case has not really been made that important and lifesaving drugs which are available in other countries are being denied to Americans. That may be very little satisfaction; we should be out in front.

But with the best expertise that we could hear on this subject, we have concluded that we are not into a situation where a number of really lifesaving or very important drugs are being used elsewhere but not here.

We have shared much of the frustration of the Senator from Tennessee and we have been very much involved in the functionings of the Food and Drug Administration. We certainly welcome whatever ideas and suggestions he will have about how that important agency can work more effectively. But I believe that eliminating this Consumer Advocacy Agency from the kind of participation which would be included in this legislation will, really, not help do the job faster or better.

Mr. BROCK. I appreciate the Senator's comment. I very much hope that the increased participation by an agency that I think has probably less competence than the FDA in this area will not compound and expand our present frustration.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. Is all remaining time on the amendment yielded back?

The question is on agreeing to the amendment of the Senator from Tennessee.

The amendment was rejected.

Mr. STEVENS. Mr. President, I send to the desk an amendment to the Dole amendment (No. 405), and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Alaska (Mr. STEVENS) proposes an amendment to the Dole amendment (No. 405), as follows:
>
> On page 1, line 4, before the word "agricultural", strike "or"
>
> On page 1, line 4, after "crops," insert "or raw fish products,"

The PRESIDING OFFICER. The consideration of this amendment will require unanimous consent.

Mr. STEVENS. I shall ask unanimous consent. I wish to explain the amendment first.

Mr. MANSFIELD. Ask it now.

Mr. STEVENS. I ask unanimous consent that it be in order to consider my amendment at this time.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Mr. President, reserving the right to object, and I shall not object, I wonder if the Senator would explain, under the reservation, what the amendment does.

Mr. STEVENS. I shall be happy to do so.

Normally producers of raw agricultural commodities would include producers of raw fish products. The way this amendment is phrased, it states "including, but not limited to" these items.

We have had a question raised as to whether the Dole amendment actually covers raw fish products, not processed but raw fish products brought in by fishermen at sea. My amendment would make certain that the normal definition of agricultural commodities, which includes commodities of the seas and fishermen's products, apply here.

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I again ask unanimous consent that it be in order to take up this amendment at this time.

Mr. DOLE. Mr. President, reserving the right to object, I can only say that was the intent of the Senator from Kansas, and I therefore withdraw my reservation. It was the intent to cover raw fish products. If that is all the amendment does, on that basis I have no objection.

Mr. STEVENS. It does not change the effect. But since the question has been raised, we wanted to make certain that raw fish products have been included.

The PRESIDING OFFICER. Is there objection? Without objection, the amendment will be considered.

Mr. GOLDWATER. Mr. President, because we are about to pass this bill, I would like to just speak very briefly against it, to explain, if I can, my objection to it.

Mr. STEVENS. Mr. President, will the Senator allow me to have my amendment voted on? It has been taken up.

Mr. GOLDWATER. Surely.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alaska.

Mr. RIBICOFF. Just a moment. Mr. President, I want to state that I do not agree with this amendment, and I oppose it. On behalf of the committee, I cannot accept it. I did not like the Dole amendment; I was against that, and I am against this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alaska.

The amendment was agreed to.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. GOLDWATER. Mr. President, I have been rather amused these past few minutes to sit here and listen to the debate between the distinguished Senator from Tennessee and others who oppose his amendment.

We are hearing everybody condemn an agency of Government, the FDA. I am not competent to say whether this condemnation is proper or not; I have to believe my colleagues.

I would point out that we have a Post Office Department that is not doing anything and an Environmental Protection Agency that is slowly stopping building in this country. We have all kinds of welfare programs in serious trouble, and we are told the FDA is not working. And here we are creating another organization.

Mr. President, the President of the United States has recently pointed out that one of the great threats to our form of government, one of the great threats to our economic system, is the growing power of bureaucracy in Washington. I have argued that point for 22 years on this floor.

Mr. President, I am one of the few men in this body—I see in the Chamber my friend from Chicago (Mr. Percy) who is another, and a few others here—who have ever been in business, who understand what it is to put up with a Federal Government riding herd on a businessman day after day after day.

I dare say that the passage of this act, if it becomes law, will bankrupt more small businesses than could ever bankrupt themselves without the help of the agency.

I think it is time that Congress stopped passing laws that create agencies to solve problems.

Now we have trouble with the FDA. What is wrong with this body looking at the FDA and, if it is not doing the job, redesigning it so it will?

I have heard no legislation like that. If anything, we have probably increased the membership of the FDA. We have increased their budget, and still we have been told that they are not doing a good job.

So, Mr. President, I am going to oppose this proposal as I have opposed every new governmental organization since I have been in the Senate.

I think we are just writing the end to the American free enterprise system, and we are slowly writing the end to our Democratic-Republican form of government, when we transfer the power of this Government into the hands of a few people, so that eventually it can wind up in the hands of one.

I do not want my grandchildren ever looking back on their grandfather and saying, "He did not do anything to help us."

I am going to vote against this bill.

LABOR-MANAGEMENT EXEMPTION UNDER S. 200

Mr. DOLE. Mr. President, before we leave our discussion of the features of this bill, I would like to reflect and expand on some observations made in a colloquy between the distinguished Senator from New York (Mr. Javits) and myself on page 14054 of the Record of May 13 which relate to labor-management negotiations.

The relevant subject of that discussion was the extent of the so-called labor exemption in S. 200, and whether such exemption would contemplate inclusion of proceedings under the Davis-Bacon Act. We jointly concluded that it did not—and in fact, Senator Javits indicated that in his judgment the exemption would neither apply to any requirements in accordance with the provisions of the sister Walsh-Healey Public Contracts Act.

I would just like to complete that particular conception by pointing out that the Service Contract Act of 1965 falls in this same category of labor laws, and accordingly, should be considered within the proper jurisdiction of any Agency for Consumer Advocacy. So at least in these three instances—that is Davis-Bacon, Walsh-Healey, and Service Contract—there should be no question as to the ACA's capacity to participate.

To elaborate on this, it would be useful to point out that each of these three acts involves only administrative proceedings of the Department of Labor, and has nothing to do with private collective bargaining negotiations. Davis-Bacon relates to determinations of prevailing wage rates for Government construction; Walsh-Healey pertains to establishment of minimum wage rates for Government contractors producing nonconstruction materials, supplies, articles, and equipment; and the Federal Service Contract Act fills in the gap by providing wage protection for employees working under service contracts let by Government agencies.

In speaking with the Director of Wage Determination at the Department of Labor on this, I was informed that his staff of 35 was responsible for making the respective wage determinations for more than 3,000 separate counties nationwide. As a result, he simply does not have the manpower to conduct the desired individual surveys, and is often forced to accept the rates quoted by local unions, which I understand are very efficient in supplying this information.

Perhaps as one consequence of that staffing problem, the published wage determinations often turn out to exceed the actual prevailing rates. This finding was borne out in a 1970 General Accounting Office study which concluded that Federal construction costs—at least on Davis-Bacon projects—had been 5 to 15 percent higher than necessary for that reason.

Such cost overruns do, of course, have a dramatic effect on inflation—and a corresponding impact on both the national economy as a whole and on each and every consumer. Therefore, I am pleased to have the reassurance from the distinguished Senator from New York that we may soon have an Agency for Consumer Advocacy which can assist labor unions in supplying wage data to the Department of Labor—thus making both their jobs easier and perhaps their findings more accurate.

By that I mean that the ACA would have standing to intervene in the prevailing wage determinations process after making the fundamental showing that the activity may "substantially affect an interest of consumers." With just Davis-Bacon work accounting for about $40 billion of the total $135 billion spent each year for construction, I would think that the consumer interest would be unquestioned.

The ACA could not only make a worthwhile contribution to the wage data-gathering process, but could also step in to review the Department of Labor statistics which show the basis for prevailing rate determinations. Moreover, it would be entirely appropriate for the Administrator to initiate a challenge to any figures which he thought were too high to the Wage Appeals Board, which hands down a final binding decision.

In a recent edition of "National Journal Reports," it was noted from a special study of Davis-Bacon that the act might be costing American taxpayers somewhere between the total amounts expended for the Federal judiciary and for the whole legislative branch. George Shultz, when he was Secretary of Labor, estimated that the Government could be wasting more than $4 billion a year because of high wage rate determinations.

The point here is that whenever the Government spends more than it has to for construction, goods, or services, it is

fueling inflation and prejudicing the interests of consumers at the same time. Therefore, this whole area of wage rate determinations should be one in which the ACA takes an especially active role to insure that past excesses are not repeated.

I am pleased that my distinguished colleague from New York—who must be considered an authority on the scope and intent of S. 200—agrees with me on this, and that we are establishing for the purpose of legislative history that the ACA should vigorously pursue this watchdog activity. I know, too, that many economists and contractors who would prefer that Davis-Bacon be repealed will find it most refreshing that—whatever other objections they may have about creation of a new consumer bureaucracy—the ACA may pay its way just by conscientiously policing the implementation of the three laws which I have discussed.

NATIONAL EMERGENCY CONSIDERATIONS UNDER THE LABOR EXEMPTION

Mr. President, it is my understanding that the present so-called "labor exemption" applies generally only to National Labor Relations Board and Federal Mediation and Conciliation Service activities. That being the case, national emergency determinations—which do not materially involve either of these Federal panels—would not seem to fall within the scope of the exemption as it now stands.

I think it is important that we clarify this and make it clear that such proceedings are properly within the purview of ACA interest.

Just to insure that there is no question on this, let me point out that whenever the President believes that a threatened or actual strike may or does pose a danger to the national health or safety, he may appoint an ad hoc board of inquiry to investigate the dispute. This board is in no way associated with the NLRB or FMCS and is selected by the President strictly on the basis of the arbitration experience of the appointees.

The only involvement of the labor board is that of conducting the "final offer" election, which is purely mechanical in nature. That is, once the employer makes a final offer in one of these national emergency matters, the employees then vote by secret ballot.

It seems to me there can be no doubt the Senator from Ohio is correct when he asserts that a national emergency situation necessarily affects the consumer interest. Something of that scope ceases to be a private matter, and instead affects the entire public.

Accordingly, with the understanding that this is strictly an administrative procedure not within the jurisdiction of any Federal board engaged in resolving private disputes, there is presented an area in which the ACA Administrator should properly participate.

For that reason, it is my understanding that this participation by ACA—relating to public sector negotiations—would be taken permitted under the bill already.

Mr. President, there is perhaps confusion in this area, and I believe, based on the responses by the distinguished Senator from New York on page 14054 of the Record of May 13, that the comments by the junior Senator from Kansas may be of some help as to what the legislative intent is if ever considered by the court, because the bill does appear to be ambiguous. The statements that I have made were based on the Davis-Bacon Act and certain other labor laws, including title II of the NLRA relating to national emergencies, to which this Senator does not believe the labor exemption applies.

AMENDMENT NO. 464

Mr. President, I send to the desk amendment No. 464 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

> The Senator from Kansas (Mr. Dole) proposes an amendment numbered 464, as follows:
>
> On page 16, line 12, after the period, insert the following: "Notwithstanding any other provision of this subsection, the Administrator may not initiate any civil proceeding in a Federal court involving the review of an independent regulatory agency action, activity, or proceeding which has resulted in a final decision by unanimous vote of the members participating in such action, activity, or proceeding.

LIMITATION ON POWER OF ACA TO INITIATE JUDICIAL REVIEW OF AGENCY ACTION

Mr. DOLE. Mr. President, the amendment I propose would, under certain limited circumstances, restrict the power of the Administrator of the ACA to initiate judicial review of the action of independent regulatory agencies. Specifically, it provides that the Administrator may not initiate an appeal of an action by a multiheaded independent regulatory agency if the final decision of the agency was reached by a unanimous vote of the members of the board or commission who participated in the proceeding.

The rationale behind this amendment is simple. The Congress has, over the years, established several specialized administrative agencies which perform adjudicative and rulemaking functions within a restricted area of economic activity. Examples of such agencies are the Federal Trade Commission—with authority over certain trade practices and antitrust laws—the Federal Communications Commission—with jurisdiction over radio, television, and common carrier communications matters—and the Securities and Exchange Commission—which oversees trading activities with respect to offerings of corporate debt and equity securities.

Congress established these agencies—whose members are appointed by the President and are subject to Senate confirmation—in order that a governmental body would be able to develop expertise in various technical matters, such as interstate transportation, electronic communication, and interstate power. To a large extent, these agencies have developed such expertise within their respective areas of regulatory jurisdiction.

It would seem anomalous to permit the Agency for Consumer Advocacy to override the well-considered unanimous expert judgment of one of these other Government agencies by initiating an appeal of a unanimous-agency action. Do we want the sole Administrator of a multifaceted Government agency to have the power to appeal the unanimous decision of all five members of the Federal Trade Commission, or the Federal Power Commission, or the Securities and Exchange Commission, or the Civil Aeronautics Board? Should the sole Administrator's perception of the "public" or "consumer" interest be regarded as superior to the collective judgment of seven members of the Federal Communications Commission, of three members of the Federal Maritime Commission, of seven members of the Federal Reserve Board, or of all 11 members of the Interstate Commerce Commission? Surely, the ACA should not be expected to develop the requisite expertise in matters of technical rule making or adjudication which would render the judgment of its Administrator superior to the unanimous collective judgment of the primary Government agency charged with jurisdiction over these matters.

For example, if the Federal Trade Commission decided, by a unanimous vote, not to find a merchant guilty of "bait and switch" marketing tactics, the provision I propose would prohibit the ACA Administrator from initiating an appeal of that agency action. Similarly, if the Securities and Exchange Commission reached a unanimous decision on a rule with respect to secondary offerings of securities, the ACA would not be able to initiate judicial review of the matter.

Mr. President, the multiheaded independent regulatory agencies were established as an arm of the Congress to deal in a precise fashion with technical regulatory matters which Congress could not deal with on a day-to-day basis. We have seen fit to set up these agencies so that Congress does not get bogged down in the nuances of rulemaking and adjudication. We should not, therefore, allow the ACA to supplant its less-informed judgment on these matters for that of the primary agency if that agency is unanimous in its judgment.

Surely, the interest of the consumer will be more than adequately met if the independent agency of primary jurisdiction is unanimous in its judgment that its final decision conforms to the statutory standard we have established—that independent agency actions be in "the public interest."

The amendment I propose would not prohibit the Administrator from intervening in judicial review of a unanimous agency action which had been appealed by another party to the agency proceeding. It would merely prohibit one Government agency, the ACA, from initiating an appeal of the unanimous action of another, more expert Government regulatory agency.

And it seems entirely appropriate to me that where one of these agencies by unanimous decision has made a finding or determination, then in that event, the ACA should not ride roughshod over that commission or that regulatory body.

Mr. RIBICOFF. May I say that I have to oppose this amendment. Often deci-

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sions in these agencies are approved unanimously, but they really reflect the research and the point of view of one man. The amendment could really torpedo the consumer advocate if it chooses to take a position opposite to that of the agency.

I am opposed to amendment 464.

Mr. PERCY. Mr. President, I would have to oppose the amendment. Where we have a single administrator, as in EPA or the FDA, unanimous would be one.

Mr. DOLE. I limit this to multiheaded agencies which is a term of art describing regulatory agencies headed by a board or commission.

Mr. PERCY. The Administrator, more importantly, however, should be able to look with discretion at the judgment rendered. Many times the Senate, with 100 Members, unanimously approves something which later is determined to have been faulty and is reversed.

I think the Administrator ought to be able to carefully look at it. Certainly the Federal Maritime Commission many times reaches unanimous decisions. But in the "sweetheart" arrangements between the Federal Maritime Commission and the shipping industry, I think we have to be very careful to take a hard look at whether the decisions are decisions made that really benefit the consumer or are very much anti-consumer and, therefore, should be subject to challenge.

Therefore, for that reason, I respectfully would have to oppose the amendment.

Mr. DOLE. I appreciate the comments, and do not intend to press the amendment. Since these commissions are appointed by Congress and since we have oversight authority, I would hope we would never permit any "sweetheart" arrangements or similar arrangement by any one of the commissions or boards to which I referred or that we get so bogged down that we do not have time to give proper oversight.

This amendment merely prevents one agency, ACA, from initiating an appeal from the unanimous action of another agency.

What I would suggest is that we would have some agreement on how far the ACA can go. Since the ACA is going to be so busy, as the distinguished Senator from Connecticut and the distinguished Senator from Illinois have said, and since there are enough areas to look at, perhaps, the ACA will not be appealing many unanimous decisions. Maybe they should in some areas. But it is my belief we should not have one Federal agency quarreling with another Federal agency unless there is some good reason for it.

Mr. President, I will accept a voice vote on this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas.

Mr. DOLE. Mr. President, on second thought, I will withdraw the amendment because I am not certain of what the result may be. [Laughter.]

But in so doing, I wish to say that, based on the inclusion of my farm exemption amendment this afternoon, this Senator intends to vote for final passage of this bill. And I would also say if the content of that amendment should be changed or diluted subsequent to the vote this afternoon, this Senator and possibly others would question whether a veto that might be made by the White House could be overridden in the Senate.

The PRESIDING OFFICER. The amendment is withdrawn.

Who yields time?

AMENDMENT NO. 456

Mr. GRIFFIN. Mr. President, I call up amendment No. 456.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Michigan (Mr. Griffin) proposes amendment numbered 456.

The amendment is as follows:

Strike out all after the enacting clause except sections 24 and 25, which should be renumbered accordingly.

Mr. GRIFFIN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. GRIFFIN. Mr. President, this is a very simple amendment. It would preserve the one good section of this bill which would actually help the consumer. I refer to the so-called Brock amendment adopted by the committee. It is a very good "tail" that is kind of wagging the "dog," as I view the shape of this legislation.

Instead of being consumer protection legislation, what we have before us now is special interest protection legislation. So many special interest exemptions have been adopted that this bill now is really a joke—a cruel joke—on the consumer.

As the bill stands now, I hope and expect that the President will veto it if it reaches his desk in this form. If it is vetoed, I hope and believe the veto can be sustained.

In view of those circumstances, I believe it would be useful to adopt my amendment which would make it possible for the Bróck provision to become law.

What it does is to require a cost and benefit assessment statement to be issued before an existing Federal agency issues new regulations.

One thing the consumer really needs is some relief from actions of Federal regulatory agencies which actually add costs and push prices up. Instead of creating a new bureaucracy, my amendment would require existing Federal agencies to consider the impact upon consumers of regulatory actions they propose to take.

The Brock provision in this bill—which would be preserved by my amendment—should be enacted into law.

I hope therefore that my amendment will be adopted.

Mr. BROCK. I thank the Senator for his support.

Mr. RIBICOFF. Mr. President, I appreciate the solicitousness of the Senator from Michigan. There are two appealing features of the amendment if it were adopted: We would get rid of the gun control amendment, and the amendment on agriculture and that would have great appeal to me. But this amendment would kill the rest of the bill as well, and I am confident that the Senate will reject the Griffin amendment.

Mr. PERCY. Mr. President, I do not think it will come as a surprise to the Senator from Michigan that the Senator from Illinois would oppose this amendment.

I think it an appropriate time to announce that today two more American corporations have announced their unqualified support now for S. 200

The first is MCA, the parent corporation of Universal Pictures, whose chairman is Lew Wasserman, and whose president is Mr. Sheinberg. MCA is the 279th largest corporation in the United States with sales of $642 million.

Also Supermarkets General, the parent of Pathmark, one of the 10 largest grocery chains in the Nation, with headquarters in Ridgewood, N.J. The president of Supermarkets General is Milton Perlmutter, and the president of Pathmark is John O. Whitney, both highly respected business leaders. Supermarkets General now joins other outstanding food chains such as Jewel, Stop-and-Shop, and Kings Supermarkets in their endorsement of S. 200.

Finally, Mr. President, a representative of another segment of the business community, the National Association of Mutual Agents, has recently expressed strong endorsement of the Consumer Protection Agency bill, S. 200.

I ask unanimous consent that their statement be incorporated in the Record at this point.

There being no objection, the statement was ordered to be printed in the Record, as follows:

AGENCY FOR CONSUMER ADVOCACY

The National Association of Mutual Insurance Agents believes that Federal Regulatory Agencies make decisions everyday which have substantial impact on all citizens. The individual consumer rarely has an opportunity to involve himself in the decision making process. An Agency for Consumer Advocacy would speak for the interests of the consumer before Federal Agencies and the Federal Courts and provide the public with information about consumer matters.

The Board of Directors of the National Association of Mutual Insurance Agents, assembled at its Midyear Meeting on April 13, 1975, in San Juan, Puerto Rico, therefore resolves that:

1. The Congress pass S. 200, the Consumer Protection Act of 1975, a bill that:

a. Creates an Agency for Consumer Advocacy (ACA);

b. Provides someone in Washington to speak for consumers in the halls and hearing rooms of the Federal Government;

c. Requires the Agency for Consumer Advocacy to take the views of small business into account in setting its priorities, and requires ACA to solicit advice from small business before promulgating any rules or regulations under the Act;

d. Requires the General Accounting Office (GAO) to review all ACA activities and provide a full report to Congress within three years of the date of enactment, with an evaluation of ACA's effectiveness and recommendations for any modifying legislation;

e. Denies the ACA any power to regulate the activities of businesses; and

f. Provides for a small business exemption (fewer than 25 employees) from interrogatories.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. PERCY. I will be happy to yield.

Mr. HELMS. Does the Senator have a list of corporations that do not favor this bill?

Mr. PERCY. No, but I think the Senator is well aware that the bill has been opposed by a great many trade lobbyists and trade associations.

I will leave it to the distinguished Senator, my colleague, to list those that oppose it. They are very numerous.

I would like, however, to point out that for a 10-day period last year when Senator Buckley was quite willing to debate the Senator from Illinois on this issue, there was not a single businessman who could be found who would publicly debate against this bill. Finally, they sent a paid lobbyist, a lawyer for the trade association, but they could not find a businessman who would publicly oppose it.

I think the Senator knows well the steam is out of the opposition now, and the number of companies supporting it publicly and advocating it publicly is growing every day.

Mr. HELMS. I thank the Senator.

Mr. President, I want to associate myself with the remarks of the distinguished Senator from Arizona (Mr. Goldwater) made earlier today in this chamber. I share his view that the death of the free enterprise system may be imminent.

I regret that companies such as those mentioned by the Senator from Illinois have given endorsement to this bill; and I sincerely believe that sooner or later they, too, will regret having done so. I further regret that not enough businessmen have spoken up and opposed this legislation publicly.

I agree with the Senator from Illinois on that point. Furthermore, I predict that many, many of the Senators in this Chamber who will vote for this legislation on final passage today—if it is not vetoed by the President, if a veto is not sustained by the Senate, and the bill becomes law—will in future years survey the damage done to the free enterprise system by the passage of this legislation. Perhaps, then, they too will regret that this bill was passed.

I thank the Chair.

Mr. FORD. Mr. President, throughout my public life I have been an advocate of consumer protection—not merely a verbal advocate, but one who sponsored and supported legislation, especially to protect those least able to protect themselves.

As a State senator, Lieutenant Governor, and Governor, I have maintained the need for consumer protection, whereby those such as the elderly and others in low-income groups did have an umbrella of security against fraud, misrepresentation, and abuse.

And I continue to do so.

The legislation before us today can be a useful tool to further this philosophy. But in all cases, consumer protection programs and/or agencies have a twofold role:

First, to protect the people in this country against unfair and unethical tactics.

Second, and just as important, they must not be the foundation for harassment and disruption to the legitimate business community.

So I want to state now that I believe the agency we are attempting to create should enter upon its new endeavors with these two facts in mind.

Let me emphasize that if such a new agency becomes a negative force or one of improper harassment, I will personnally sponsor legislation to abolish it.

I say this in all sincerity. As I have said in the past, too often, programs and agencies conceived by the Congress, with the best of intent, have become uncontrollable and so self-centered that they have failed to carry out or follow the intent of Congress.

I think we have an obligation to support consumer protection through S. 200, but with the strongest degree of oversight possible. This agency can either get off on the right foot, or the wrong foot. It is fair warning to say there will be only one opportunity—only one option.

Mr. JAVITS. Mr. President, I shall be very brief. The Senator from Wyoming (Mr. Hansen) wishes to speak.

I oppose this amendment. It has taken years to get to the point we are, including cloture, and the refinements of this measure. The significance of what Senator Percy has said because of the attrition. I have had, too, extensive correspondence—I am sorry Mr. Brock is not here—with people in the cosmetic and drug business who are very concerned about this measure, an extensive correspondence as to the effect on the bill of gradually chiseling away an instrument which could be fair to them as well.

I could hardly see us running all this down the drain after such a long period of time when this has come through the desire of the great majority of our legislators for this kind of legislation to just dump it and to adopt this amendment. I hope it is not adopted.

Mr. ROBERT C. BYRD. Mr. President, I have cleared this request with the leadership on the other side of the aisle.

I ask unanimous consent that there be a 10-minute limitation on each of the two rollcall votes that remain today with the warning bells to sound after the first 2½ minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HANSEN. Mr. President, I associate myself with the remarks made by the distinguished Senator from Arizona. I shall support the amendment proposed by the Senator from Michigan Mr. Griffin).

I do not think there is any question but what there are adequate regulatory bodies already in existence to see that the best interests of all consumers—and that includes every last single American—will be cared for.

If we need more money, if we need more men and muscle to see that the job is done properly, I think that is where we should be making our investment in dollars and in legislative effort now.

I do not agree at all that this extra layer on top of all the layers we already have is required, in any event, and I think that the real test as to the direction this country is taking will be determined by the willingness of this Congress to try to address every problem that is known to man and to try to persuade voters that there are not any problems that people have that cannot be handled with effective and carefully drawn legislation. Certainly, this is not that kind of leigslation, in my judgment.

I just think it is a sad day for America that we are trying to beguile a lot of Americans into believing that this will be in their best interests.

My prediction is that the cost that will be imposed upon all of us as we add layer upon layer upon layer of extra bureaucracy will add only to the total cost that we all must face.

I shall support the amendment by the Senator from Michigan and I shall vote against the bill on final passage.

Mr. PERCY. Mr. President, I should merely like to state while the Senator from Wyoming and the Senator from Arizona are in the Chamber, once again, that out of respect for their deep concern the managers of the bill and the Government Operations Committee have written into the bill a required audit, to be undertaken by the Comptroller General of the United States before the end of 3 years to determine absolutely whether or not this has been in the balanced interests of producers and consumers alike.

That is the time to take a good, hard look at it. The very fact we are going to have an audit and the very fact it is hanging over the heads of this new agency, I think will keep it in line.

I hope 3 years from now we will be able to all agree that this has been a good move for the consumer.

Inasmuch as these are the final comments, I would like, Mr. President, to particularly commend my distinguished colleague, Senator Ribicoff, for his leadership, and Senator Javits for his leadership in this area, and to Senators Magnuson, Cranston, Weicker, Pearson, and Brock or their valuable assistance, and to Richard Wegman, Brian Conboy, Paul Hoff, Matt Schneider, Claude Alexander, Martha Weisz, Michael Pertschuk and Stuart Statler who has advised me personally, for the magnificent staff work done over a period of years on this effort to bring this to the point where I think the Senate of the United States will today overwhelmingly support this measure.

Mr. HANSEN. Mr. President, I point out to my good friend from Illinois that the proposal to have the GAO audit the effectiveness of this law 3 years hence. too, shall cost the taxpayers money.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Michigan. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Alaska (Mr. GRAVEL), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Wyoming (Mr. MCGEE), the Senator from Montana (Mr. METCALF), the Senator from Illinois (Mr. STEVENSON), are necessarily absent.

I further announce that the Senator from California (Mr. TUNNEY), is absent on official business.

I further announce that, if present and voting, the Senator from Illinois (Mr. STEVENSON), would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), and the Senator from South Carolina (Mr. THURMOND), are necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "yea."

The result was announced—yeas 24, nays 66, as follows:

[Rollcall Vote No. 183 Leg.]

YEAS—24

Allen
Bartlett
Bellmon
Buckley
Byrd, Harry F., Jr.
Curtis
Eastland
Fannin
Garn
Goldwater
Griffin
Hansen
Helms
Hruska
Laxalt
McClellan
McClure
Nunn
Scott, William L.
Sparkman
Stennis
Talmadge
Tower
Young

NAYS—66

Abourezk
Beall
Bentsen
Biden
Brock
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Dole
Domenici
Eagleton
Fong
Ford
Glenn
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McGovern
McIntyre
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Stafford
Stevens
Stone
Symington
Taft
Weicker
Williams

NOT VOTING—9

Baker
Bayh
Gravel
Johnston
McGee
Metcalf
Stevenson
Thurmond
Tunney

So Mr. GRIFFIN's amendment was rejected.

Mr. RIBICOFF. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. WEICKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXPLANATION OF VOTE AGAINST S. 200

Mr. STENNIS. Mr. President, earlier today I voted against S. 200, a bill which, according to its advocates, would protect the interests of consumers and represent them before other Federal agencies and Federal courts. If this bill were in fact a bill to help consumers, I would have voted for it—naturally. Unfortunately, the title of the bill does not accurately reflect the provisions in the bill. In other words, the bill has a good name, but what it provides for is atrocious.

First of all, we have many Federal regulatory agencies to protect the interests of consumers. If these agencies are not performing their proper functions, we should take the necessary actions to see that they do perform their intended function—not create another agency to oversee them. This is the job of Congress.

It now often takes an agency of our Government months to render a decision on a pending matter. In my opinion, this new consumer agency will result in still further delays. Many times this waiting period is in fact costing the consumer money. Establishing this agency will only compound this problem.

Today, it takes longer in our Nation to obtain approval to build a nuclear power plant than almost anywhere in the world. We need these plants desperately, but I believe that this new agency would extend this already lengthy period even longer.

Our energy problems are acute. We have to move on these matters expeditiously. But, every agency which deals with energy already can have its plans held up by this new agency—thus worsening our energy situation.

I am convinced that this Nation is overregulated today. If there were less regulation, there might well be less inflation. The President has recognized this and is urging that Congress deregulate to some extent. I believe that many other people are realizing this, too.

Mr. President, this bill seeks to do a good thing—represent and protect consumers. How it seeks to do this though is where the problem lies. Creating another agency, however, is not the way. This agency would have more power and authority than any other we have ever created. There is no guarantee that it will perform its duties any differently than the other agencies do.

The U.S. Government Manual takes up 800 pages listing all the departments, agencies and commissions and their duties. I know of no consumer interest that is not protected by one of these agencies.

We should be interested in improving on what we have. Creating this new agency will compound the problem we already have—too much control by the Government.

If we are truly interested in better protecting the consumer, let us do our jobs here in the Congress. Here is where the buck should stop—not at a bureaucrat's desk.

I hope this bill does not become law.

Mr. BUCKLEY. Mr. President, we have before us today S. 200, a bill to create a new Federal agency with the alleged purpose of protecting the interests of consumers. Proponents of the bill say that such legislation is necessary because the market is full of unscrupulous businessmen who take advantage of the unwary, naive consumer and because the existing regulatory agencies have been captured by the very industries they are supposed to regulate, and are therefore unresponsive to the interests of the consumers.

I do not believe that most American businessmen are doing everything in their power to swindle the American consumer, as many "consumer advocates" would have us believe. Most businessmen are responsible and are interested in establishing a good reputation with consumers by offering them good service, quality products, and competitive prices. Those who are interested in taking unfair advantage of consumers comprise a very small minority and they are not apt to remain in business very long. In a free marketplace, the businessman must offer consumers what they demand or else he loses the public demand for his product, faces declining profits, and eventually goes out of business. There are "fly-by-night" operators who fleece the unwary, but they should be dealt with directly. Only with the protection of government can an established firm that is not satisfying consumer desires remain in business.

Nor do I believe that the American consumer is as naive and gullible as the consumer advocates indicate. If the average American is intelligent enough to vote, he is certainly smart enough to know which items to pick up at the grocery store. A 1970 editorial in the Wall Street Journal aptly points out the sophistication of the American consumer. It states:

> For from being gullible, Americans by and large are probably the most sophisticated and demanding consumers in the world, well prepared by good education and long exposure to competitive claims to cope with a free market.

I am, however, in total agreement with the "capture theory" of regulation which consumer advocates, led by Ralph Nader, have recently articulated. This is something that has long concerned economists such as George Stigler and Yale Brozen. Mr. Nader is correct that, too often, existing regulatory agencies do indeed work against the interests of consumers—by prohibiting price decreases, by limiting competition, by encouraging through various means the production of inferior quality goods and services, and so on.

The idea of shielding consumers from this kind of regulatory abuse appeals to me, but I do not believe that creating another Government agency—or what amounts to a superagency—to be a watchdog over these other agencies is the solution.

How can one reasonably conceive that because public regulation in the past has failed, the addition of yet more regulation will now succeed? The new agency would have the function of policing other agencies and offices of government. But who would police the new agency? And how long would it be before we needed yet another agency to police the Consumer Protection Agency?

The way of reform, it seems to me, is to make sure that the existing agencies, which are designed to protect specific, identifiable consumer interests, be reformed so that we may be sure that those interests are adequately represented. This

kind of reform is procedural in nature, and does not require the formation of a new, expensive layer of bureaucracy under a czar having unprecedented powers.

The only way to truly benefit the consumer is to remove and reform those regulations and procedures which work against the consumers' interests. The Congress should move quickly to create a National Commission to study possibilities for regulatory reform and their potential impact on the consumer.

The problem with the proposal for an Agency for Consumer Advocacy is that it presupposes that there is an identifiable consumer interest to be protected, but nothing is further from the truth. There are competing interests—in an automobile they include price, gasoline economy, size, and safety. A consumer czar is apt to seize on one at the expense of another, and deny consumers what they clearly want. As an example of the kind of excessive zeal that would only be multiplied under an ACA, I need only cite the late unlamented requirement that every automobile be equipped with an ignition interlock safety belt system. It took an act of Congress to liberate the outraged consumer from this one.

Under S. 200, the Administrator would be allowed to arbitrarily choose which consumer interest he would represent, and his decisions would be subject to no one's review. Because of the infinite variety of consumer interests and the absence of review, the Administrator could not possibly represent all consumers, because their interests are infinitely variable. The best he could possibly do would be to represent one group of interests against another. While protecting some consumers or interests, the Administrator would in all likelihood be harming others.

Mr. President, the central problem underlying all of this is that there can be no one, unique definition of the consumer interest. In the economics of a free society, a fundamental principle is that individual consumers put different values on the same commodities. While S. 200 offers a jurisdictional definition of subject areas which affect the bill, there is no attempt in the legislation to define what is and what is not in the interests of consumers.

For me this is a fundamental defect. While I fully appreciate the difficulty facing the drafters of this legislation, I do think it is imperative that the Senate make an attempt to define the terms about which this bill purports to speak. Indeed, part of the problem with the existing regulatory agencies is that, although they have been established to protect the "public interest," there has never been, in all of these acts, any definition of the public interest. It has always been up to the agency to determine what actions are in the public interest. Congress has not told these agencies precisely what it is that they are to be protecting. It is no wonder, then, that they have failed so miserably.

I would not want this problem to arise under an ACA. It would be an abuse of our responsibility to delegate to the administrator the authority to decide what is and what is not in the "interest of consumers" without first coming to grips ourselves with the definitional problems.

Although the problem of a definition is fundamental, it is not the only problem in the bill. There are several others which I would like to address briefly.

The new superagency would have the right to intervene in the affairs, negotiations, decisions, rules, and regulations of all other regulatory agencies if it felt it to be in the interest of consumer protection. The Agency would not even be limited to formal activities of other agencies, but would be empowered to monitor all informal activities of the various Federal agencies. The effect of this involvement would be to discourage Federal agencies from informed dealings that expedite their more routine business. The inevitable result will be increased delays in decisionmaking, and increased costs to be passed on to the consumer.

The ACA could also intervene in judicial proceedings to review other Federal agency action; and it would have the right to seek judicial overthrow of any agency decisions with which it disagrees, even when the ACA were not a party to the original proceedings. Appeals taken by the ACA will force the courts to arbitrate technical and policy questions in disputes between the ACA and other Federal agencies. The Federal courts are not equipped to rule on such questions and have been reluctant to do so in the past. And the result could very likely be a net reduction in the amount of consumer protection achievable at the Federal level, especially if the ACA were to take the view that informal negotiations are a form of conspiracy.

S. 200 would also grant the ACA very broad powers to collect and disclose sensitive information. It could require individuals or businesses to provide the data that the Administrator determines he needs where he finds the consumer interest to be substantially affected. More than that, virtually all information, including trade secrets and confidential information voluntarily surrendered to another agency with a written agreement insuring confidential treatment, could be obtained by the ACA for its own use if such information would have been available to the agency without the pledge of confidentiality. The ACA would be able to acquire trade secrets from any agency that has subpena power; and, the ACA would be able to request that a host agency exercise this subpena power on behalf of the ACA in any host agency proceeding or activity, including informal agency activities in which the ACA intervenes or participates.

What makes this unprecedented power to collect information so pernicious is the Administrator's wide discretion to release sensitive material. After engaging in a "fishing expedition" into the records of other agencies and private industry, the Administrator, in his sole discretion, may decide to release information when he deems it to be necessary to protect the health or safety of the public. He could go so far as to disclose trade secrets and other private information, to undertake products comparisons under test procedures and guidelines which he alone determines to be appropriate, and to release the results. And if he is found to have been imprudent in his determinations, he must only issue an apology. This is hardly a meaningful safeguard considering the irreparable damage that can be done to a business through such an action.

The Administrator would be empowered by S. 200 to damage or destroy businesses engaged in practices that have never even been prohibited by law. This seems to me to be an obvious violation of due process. And an apology is hardly consolation to an enterprise which has unjustly been put out of business.

Finally, let me express my reservations with the whole concept of creating an agency such as the ACA. An ACA would certainly increase both the cost of government and the cost of doing business. The cost would only begin with the budget of the new agency. The array of agencies and departments with which it could intervene would have higher costs—not only because of delays in their proceedings, but also because of such activities as the acquisition and assembly of information for the new agency, the carrying out of testing for the new agency, and fighting lawsuits against the new agency. Who would pay the higher costs? It is the consumers who would pay—in their roles as taxpayers and as purchasers of goods and services.

Also, there are a great number of consumer representatives already functioning throughout our Government. In a 1969 study for the President, Virginia Knauer found that there were 413 units of the Federal Government involved in 938 consumer-related activities. Surely the Government has already committed an impressive amount of resources to consumer protection; and rather than creating another bureaucratic monster, we should determine whether such units are functioning adequately, and if not, what could be done to improve them.

In approving S. 200, the Congress would be creating an unnecessary bureaucratic nightmare, and would significantly increase the already heavy and always growing financial burden on the taxpayers and consumers of our Nation. I urge that my colleagues oppose the bill.

Mr. MUSKIE. Mr. President, I urge my colleagues to support the Consumer Protection Act of 1975, legislation which would establish an agency in the Federal Government charged with protecting the interests of American consumers.

Contrary to some opinion, consumers are not a special interest—each of us is a consumer, from company presidents to housewives, from the self-employed to the wage earner.

But the term "consumer" has taken on connations which have tended to cloud the purpose of the Consumer Protection Agency and to draw unnecessarily harsh lines of support and opposition.

This legislation before us today has taken 6 years of work by Congress. As a cosponsor of this legislation, I believe it is unfortunate that we have not acted sooner.

But we have also benefited from this period by refining further the specific provisions of this bill. We have con-

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sidered the problems raised by earlier provisions, and made needed improvements.

Now, we have a bill that achieves the delicate balance of the rights of people directly affected. It provides a strong voice for consumer interests, insuring that every individual has access to adequate remedies. And it provides enough procedural safeguards so that no business need fear arbitrary harassment or bureaucratic caprice.

In the years that Congress considered this legislation, consumers have become more aware of their rights in the marketplace. They are more alert now, and expect Government to be responsive.

Enactment of this bill will be a major step toward more responsive government at a time when the economic needs of the American people are foremost.

Mr. MONTOYA. Mr. President, there has been debate over the past few days which, if read in a certain light, may suggest that the bill we are debating is designed to benefit a certain group—the consumers—at the expense of another group—the business community, both large and small.

This is erroneous on two counts, and we ought to clear up the matter. First, we ought to recognize that everyone in this country is a consumer to one degree or another. Businessmen and nonbusinessmen, elderly and young—all are consumers to one degree or another. Thus, in seeking a means to effectively improve the lot of the consumer, we are striving to improve the lot of all.

Second, we should recognize that this bill is not directed against the business community. In that respect, I deplore some of the language of the committee report. At points it does appear as if the author of the report was choking back with some difficulty a real distrust, a suspicion of the business community in general. I believe language of that sort should have been removed from the report, but I am satisfied that it has not infected the bill itself. In any event, I want to say forcibly that I do not believe that we in the Congress need to base this or any other piece of legislation on a philosophical basis which holds that businessmen are not to be trusted any more than we want to base our criminal codes on a finding that the people of America are, by nature, criminally inclined. Businessmen as a group are honest and forthright and have every reason to be.

My real point here, however, is that this act is not another OSHA. We are not proposing standards or codes that the Agency for Consumer Advocacy is going to impose on the country. Nor are we establishing another Federal Energy Administration which will involve itself in the day-to-day operations of an entire industry from the largest company to the smallest retail outlet.

The focus of this bill is in the city of Washington. The focus of this bill is in those impenetrable bureaucracies downtown. The intent of this bill is to make those bureaucracies responsive to the consumer interest, which, in my mind, is exactly equivalent to the public interest. I say that because we are, as I noted a moment ago, all consumers. Every member of the public is a consumer.

The bill establishes an Agency for Consumer Advocacy which will have as its responsibility the effective presentation to Federal agencies and departments of the interest which consumers have in a regulatory proceeding, or in a decision to change the status of some parcel of public land, for example. One might ask at this point a very good question: Why is such an agency necessary?

The answer is that the consumer, compared with special interests, is unorganized and too often unrepresented before the specialized multitude of Federal agencies, boards, commissions, and regulatory organizations.

Just look at the city of Washington from the vantage point of Capitol Hill. All down Pennsylvania Avenue, throughout the southwest, in parts of downtown and along K Street, in Foggy Bottom and in Bethesda and Germantown and other suburbs there are hundreds of office buildings housing hundreds of Government agencies. Then look at the Connecticut Avenue area and in the new office buildings that have gone up steadily since the early 1960's in the area northwest of the White House. There you have the offices of law firms and specialized associations promoting causes of every description. Now ask what happens between the people in the Government office building and in the law firms and the associations? They talk to each other, and they often establish close working relationships. There is nothing inherently sinister about this. But now ask where the consumer fits into this picture, and the answer is that he is not even in the city.

What we are faced with is a serious problem: How to insure that the voice of the consumer, of the public, is heard before the Federal Trade Commission, or the Interstate Commerce Commission, or the Securities and Exchange Commission, in the Department of Interior or Agriculture when those agencies engage in decision making which effects every citizen in this land.

The problem is increased by the fact that consumers are not organized into associations with teams of experienced lawyers and lobbyists. It is not through evil design or through unforgivable negligence that this situation has come to exist, and I am not casting aspersions on any of the law firms or the special interest associations. They have reason to be in Washington, too. I am simply arguing that the consumer interest, the public interest, has to make its presence felt before the boards and agencies and commissions of this Government. That is the rationale behind this bill.

I realize that many persons have been concerned about one provision or another in this consumer protection bill. Many persons first became acquainted with it as S. 707 of the 93d Congress. That bill was, as many of you remember, debated extensively, and many amendments were adopted. Those amendments improved the bill, and S. 200 which is now before us, has a far more benign face than did its older sister, S. 707. I think it would be helpful if the differences in the two bills were spread in full upon the record and I ask unanimous consent that the primary differences between the two bills be printed in the Record.

There being no objections, the material was ordered to be printed in the Record, as follows:

Major Differences Between S. 707 as Introduced and S. 200 as Reported by the Committee

(1) Consumer Council—

S. 707, provided for a Council of Consumer advisors, in the Executive Office of the President, to set priorities on consumer matters and review impact of Federal programs.

S. 200 deletes the Council entirely.

(2) State and local proceedings—

S. 707 authorized the consumer agency to intervene or participate in State or local agency or court proceedings, on request of State officials or the State or local agency or court.

S. 200 denies ACA such authority, but specifically empowers the ACA to communicate with, provide information to, or provide assistance requested by any Federal, State or local agency or court.

(3) Grant Program—

S. 707 authorized grants to State and local public agencies to promote consumer interests and education. It provided for $20 million in the first fiscal year and $40 million in the second fiscal year after enactment.

S. 200 contains no grant program.

(4) Name of agency—

S. 707 designated Consumer Protection Agency (CPA) as name of the Agency.

S. 200 designates Agency for Consumer Advocacy (ACA) as name of the Agency.

(5) Budget By-Pass—

S. 707 provided that the Administrator's proposed budget estimates, and recommendations or testimony on legislation be submitted to Congress at the same time they are submitted to Office of Management and Budget.

S. 200 deletes this provision.

(6) Informal proceedings—

S. 707 provided that the Administrator of the Consumer Protection Agency could "as of right participate" in informal agency proceedings which substantially affect consumers. It was understood that the participation would be equal to that of others.

S. 200 does not require agencies to allow ACA to participate in their informal proceedings simultaneously or equally with others. ACA may present "written and oral submissions", and Federal agencies must give "full consideration" to such ACA submissions.

(7) Subpoenas—

S. 707 required the Federal host agency to issue subpoenas under its authority where the consumer agency was intervening or participating in an agency proceeding or activity.

S. 200 limits host agency issuance of subpoenas requested by ACA to agency proceedings.

(8) Judicial review—

S. 707 allowed consumer agency, where it did not participate below, to seek judicial review unless the court determined it would be detrimental to the interests of justice. S. 707 also required the Administrator to petition the agency for reconsideration prior to seeking judicial review of an agency decision whenever the Federal agency's laws *required* such petition, and the Administrator had not participated at the agency level.

S. 200 requires the court to make a determination as to whether or not the ACA's institution of a proceeding in court would impede the interests of justice. When initiating such appeal the Administrator must state his reasons for not participating at the agency level. S. 200 also requires the Administrator to petition the agency for reconsideration before initiating an appeal whenever such a petition is *authorized* by agency laws and the Administrator had not participated in the proceeding at the agency level.

(9) Interrogatories—small business—

S. 707 contained no exemption from the interrogatory section for small businesses.

S. 200 exempts from the interrogatory section, except in the case of an imminent and substantial danger to health or safety, any business with assets under $7½ million, net worth under $2½ million, and average annual net income under $250,000.

(10) Access to agency records—

S. 707 allowed the consumer agency full access to Federal agency records, with exceptions only for national security information, policy recommendations, and administrative and personnel records.

S. 200 imposes much more stringent limitations on ACA access. In addition to the original protections, it prohibits ACA from obtaining trade secrets which an agency could obtain only by agreeing to keep them confidential. It prohibits ACA from obtaining prosecutorial recommendations from law enforcement agencies. It prohibits ACA access to bank examination reports to the same extent other agencies are denied access to such information. And it prohibits ACA access to information which would disclose the financial condition of individuals who are customers of financial institutions.

(11) Farmers—

S. 707 did not include farmers within the definition of consumers.

S. 200 redefines consumers to include farmers, and specifically directs the Administrator to promote the interests of farmers "in obtaining a full supply of goods and services at a fair and equitable price". It also contains a provision requiring the Administrator to consider the interests of both farmers and consumers before intervening in any Department of Agriculture proceeding.

(12) Protection for Small Business—

S. 707 contained no special protection for small business.

S. 200 requires ACA to take the views of small business into account in setting ACA's priorities, and requires ACA to solicit advice from small business before promulgating any rules or regulations under the Act.

(13) Exemptions—

S. 707 contained no explicit provision barring the consumer agency from participating in labor-management relations cases before the NLRB, although accompanying committee report stated such cases would be exempt.

S. 200 adopts the labor-management exemption contained in the bill passed by the House in 1974.

(14) GAO Review—

S. 707 contained no provision for GAO review.

S. 200 requires GAO to review all of ACA's activities, and provide a full report to Congress within three years of the date of enactment, with an evaluation of ACA's effectiveness and recommendations for any modifying legislation.

(15) Consumer Complaints—

S. 707 permitted the ACA to place anonymous complaints in the public document room but allowed the withholding of such complaints if the Administrator determines that the complaint is frivilous, or that publication is detrimental to the complainant or that for good cause the complaint should be withheld.

S. 200 provides that no unsigned complaint shall be placed in the public document room.

(16) Limitations on Disclosures—

S. 707 prohibited the ACA from publicly disclosing any trade secret or other confidential commercial or financial information obtained from a person unless disclosure is necessary to protect health or safety.

S. 200 puts the ACA in the same position as any other government agency, in this respect, by making the provisions of the Freedom of Information Act applicable to the ACA. Under the Freedom of Information Act, the ACA *may* withhold such information from the public.

(17) Cost and Benefit Assessment Statements—

S. 707 contained no provision for the preparation of cost and benefit assessment statements by Federal agencies.

S. 200 provides for the preparation of cost and benefit assessment statements by Federal agencies issuing rules or proposing legislation which have a substantial economic impact.

Mr. MONTOYA. I would like to draw special attention to the section exempting small businesses from interogatories from the Agency for Consumer Advocacy. There is far too much federally required paperwork for small businesses as it is. I tried to ease that burden last year by sponsoring legislation to allow businesses to file only one report per year to social security rather than four, as is now required, but more needs to be done. At the very least, we must not add to that burden, and I am pleased that S. 200 represents a marked improvement over S. 707 in that respect.

A final point we ought to consider is whether there is some other way of accomplishing the goal S. 200 attempts to accomplish. One can begin with a look at the Congress. We have, as every Senator knows, a responsibility to review the actions of the various Federal boards and agencies to insure that they are administering the laws the way the Congress intended. This responsibility is called "oversight," and it occupies a large portion of our time. As chairman of one Appropriations Subcommittee, for example, I have held extensive oversight hearings in each of the past 3 years on the operation of the Internal Revenue Service. I have found much to praise, but also much to criticize, and I have pressed the Commissioner of IRS very hard to reform his Agency's practices in such a way as to make sure that the average taxpayer knows what his rights are and that the average taxpayer is not bullied by overzealous tax agents. Some of my reforms have been adopted administratively. Others are the subject of five bills I have introduced.

There needs to be more oversight, but the Congress cannot keep its finger on every pulse in this city. Our responsibilities are broad and include more than oversight. I think we have to recognize that we cannot do it all. Therefore, it is entirely appropriate that we delegate some of this authority to an agency.

Another way of accomplishing some of the reform we seek would be to abolish those agencies which seem to have forgotten their public trust and to reconstitute them with new members and newly defined responsibilities. We should do this. But the enormity of the task is staggering. It will take time. It will take more Congresses than I will be here. And to do it all at once would, obviously, throw the Government into chaos. Something needs to be done in a more timely fashion to insure that consumer interests are represented before Federal agencies and whatever we do must be done in an orderly fashion. I believe this bill accomplishes those goals and it is for that reason that I support it.

Mr. RIBICOFF. Mr. President, the Senator from California (Mr. Tunney) will be unable to attend today's session because he is chairing important hearings for the Senate Aging Committee on the crushing impact of inflation on our Nation's elderly and what the rising costs of housing, medical care, utility rates, food, and transportation, has done to their limited incomes.

I would like to point out that Senator Tunney has been a strong and consistent supporter of this consumer protection bill since he came to the U.S. Senate in 1970. He is a cosponsor of S. 200 and his support on Tuesday helped break the filibuster paving the way for passage of this important bill.

Mr. BAKER. Mr. President, I agree with the view that Federal agencies administering programs which affect the interests of consumers do not always receive adequate information regarding how their decisions will impact on consumers in the marketplace. While affected industries generally have financial resources which enable them to effectively represent their viewpoint before Federal agencies, groups representing the consumer interest are few and far between and are not usually well-staffed and well-financed in comparison.

Because of the importance of insuring that all aspects of an issue are fully explored before action is taken by Federal agencies which may impact on the lives of millions of Americans, I favor the creation of a mechanism within the Federal structure to advocate varying consumer interests before the executive departments and agencies; and I, therefore, intend to vote for S. 200.

I do believe that there is room, however, for considerable disagreement between proponents of the Agency for Consumer Advocacy concept with regard to questions of the proper function of the Agency, the powers that should be delegated to it, and the relationship between the ACA and other advocates representing a particular point of view before Federal agencies.

The severe economic situation with which we are now confronted has prompted calls from the President, Members of Congress, Federal, State, and local government officials, and representatives of Federal regulation and its impact upon consumers, business, and the economy. In light of the overall impact on the economy which the increasing size of the Federal Government is likely to have, and in light of the evidence from all sides which indicates that Federal regulatory actions in many areas have increased business and consumer costs, I believe we must be extremely cautious in increasing the powers of the Federal Government and in fashioning any new Federal agency.

It is for this reason, that I would prefer the approach suggested by Sentor Taft of establishing Offices of Consumer Representation within each executive department and regulatory agency which would function under the coordination of the Office of Consumer Affairs. It seems to me that Senator TAFT's proposal would accomplish the goal of S. 200 of providing representation of consumer viewpoints before Federal agencies while eliminating the increased costs, bureaucracy, and disruption inherent in establishment of a new agency. I regret, therefore, that the Senate has not chosen to accept Senator TAFT's substitute proposal.

My decision to vote in favor of S. 200 is based upon three specific improvements which are included in this measure, and which were not present in S. 707, considered by the Senate last year. S. 200 provides that the Agency for Consumer Advocacy may make use of a host agency's subpena power only in formal proceedings in which the agency is participating. The Agency for Consumer Advocacy will, therefore, be able to participate on an equal basis with other parties. S. 707, as considered last year, would have granted to the ACA the use of a host agency's subpena power in any agency proceeding, formal or informal, and would have granted to the ACA rights in excess of those enjoyed by other advocates.

The second change which has been made in S. 200 would exempt from the section authorizing the Administrator to issue interrogatories small businesses with assets under $7.5 million and net worth under $2.5 million, and average annual net income under $250,000. While I still believe it valid to question the necessity of granting the ACA any interrogatory power, either direct or derivative, in light of the other information-gathering authority contained in the bill, the modifications made in S. 200 will relieve small businesses, who are least able to afford it, of the burden of having to devote time and limited resources to responding to requests for information from still another Federal agency.

I also strongly support the amendment included in the bill which requires Federal agencies to prepare cost and benefit assessment statements before issuing rules or proposing legislation which will have a substantial economic impact. This one amendment to the bill may have more beneficial impact for consumers in the long run than the establishment of the Consumer Advocacy Agency itself. By focusing attention upon the actual cost of Federal regulation, consumers will, for the first time, have an opportunity to make decisions for themselves as to the desirability of continued and increased regulation by the Federal Government of all aspects of their lives.

I retain strong reservations about the broad grant of access to the Agency for Consumer Advocacy to information and files in the possession of other Government agencies. I do not believe that this section of the bill contains adequate safeguards for trade secrets and other confidential information, and I believe that it is possible that this section will have the result of discouraging the voluntary cooperation of businesses on which Federal agencies have relied in the past in order to avoid the need for time-consuming subpena authority. In addition, by granting the ACA access to information beyond that allowed other advocates of special interest in Federal agency activities and proceedings, I fear that the bill will give the ACA an inherent advantage and, thus, result in a weakening of the administrative procedures and judicial processes of the United States.

I am hopeful that the concerns which I have expressed will be considered further by the Senate and the House of Representatives as this measure advances in the legislative process. I believe, however, that S. 200 possesses the potential for insuring full consideration by Federal agencies and departments of the viewpoints of consumers, as well as providing consumers with invaluable information on the ultimate costs and benefits of Federal regulatory activities.

Mr. HANSEN. Mr. President, there is no need for an Agency for Consumer Advocacy. Moreover, the legislation creating this agency in its current form will wreak havoc with the economic and social fabric of this Nation.

Mr. President, there are presently enough Federal agencies to protect the American consumer. A 1961 report by the House Government Operations Committee found 253 consumer protection and advancement activities in 33 Federal agencies and departments. A more recent survey found that the number of agencies and departments involved had increased to 39, and in 1969 Virginia Knauer stated that a study for the President "found that 413 units of the Federal Government were administering 938 consumer-related activities." Accordingly, it appears that the Government has committed an impressive number of units and activities to consumer protection. Before the Congress creates the proposed new agency, it should determine whether the present activities are inadequate.

If the present activities are inadequate, then Congress should focus its attention on what can be done to make them adequate. My point is, let us look at what we already have. If we find that all these existing consumer agencies are not doing the job, then we owe it to the Nation to either make them work or eliminate them. Clearly, the answer to the consumers' problems is not the creation of yet another agency.

The supporters of this legislation contend that this new Agency is needed because consumers are not represented before the existing regulatory agencies. Apparently their solution is to create another agency before which consumers will not appear and have that agency appear before the old agencies as a consumer.

The trouble I have with this philosophy is that the extremely complicated subject of what is the "consumer interest" will not be formulated by consumers but determined by the mandate of this new, all-knowing Agency.

Ralph Nader and other well-intentioned consumer advocates argue that the Agency formulation of what is called "the consumer interest" and the advocacy of this formulated consumer interest is necessary to represent consumers because the existing regulatory agencies have been captured by the industries they sought to regulate.

Assuming the truth of this argument, it does not lead me to believe that the creation of yet another agency will solve this problem. Milton Friedman has addressed this subject. He says:

> You might expect Nader and his associates to draw the obvious conclusion that there is something innate in the political process that produces this result (the alleged capture theory); that, imperfect as it is, the market does a better job of protecting the consumer than the political process. But, no, their conclusion is very different; establish stronger agencies instructed more explicitly and at greater length to do good and put people like us in charge, and all will be well.

Mr. President, assuming the present regulatory agencies are not doing their job or are captured by those they seek to regulate, the creation of a new agency to solve this problem will only result in yet another agency becoming captured and, accordingly, not accomplishing its purpose.

Mr. President, if we are serious about helping the consumer, I reiterate, let us make the existing 413 regulatory units do the job for which they were created.

This is the approach President Ford has recommended. In an April 17, 1975, statement, the President urged the Congress to enact a number of specific legislative proposals, including the Regulatory Review Commission. This proposal would make the present regulatory system more responsive to the consumer interest. Making the existing system work is certainly a better approach than creating another layer of regulatory bureaucracy.

What the consumers of this country really want from their Government is greatly reduced Federal spending, and the removal, rather than the addition, of restraints and unnecessary controls on the private sector. These actions would help bring about the one thing most desired by consumers: reduced inflation and lower prices.

Mr. BUMPERS. Mr. President, I intend to vote in favor of S. 200, the bill to establish the Agency for Consumer Advocacy.

I reached this decision after careful consideration of the many arguments both for and against this approach to giving consumers better representation before our Federal agencies. I am convinced that many of our regulatory agencies have not been fullfilling their responsibilities in protecting the interests of consumers. Special-interest groups can afford to employ well-paid counsel to represent them, but often the general public, all of whom, of course, are included within the word "consumers," have interests which are not adequately represented. In theory, the staffs of our various Federal agencies and departments should supply this lack, and I am sure that some diligent and loyal staff members of administrative agencies have in fact worked toward this end in the past. But some have not. This new Agency would not have the power to promulgate any binding regulations, but simply would be allowed to intervene as an advocate before other Federal agencies and departments in support of consumer interests.

In addition, there are two features of S. 200 that have helped me quiet misgivings I have had about this concept. For one thing, small businesses are exempted from section 10, which gives the Agency power to direct interrogatories to businesses about activities that affect the interest of consumers. Small business, in my view, should be fostered and encouraged by governmental action, because it can provide a useful competitive check upon the larger conglomerations of industrial power.

Furthermore, an entirely new concept has been added to the bill this session that I believe to be promising. Section 24 would require every existing Federal agency and department, before it issues a proposed rule or regulation, to formulate a cost and benefit assessment statement. The purpose of this statement would be to make explicit consideration by the agency of costs and benefits that would be occasioned by the issuance of its proposed rule, as opposed to those costs and benefits that would accrue if the rule were not issued. Industry, labor, and the general public alike in this country have long suffered from an excess of duplicative and suffocating economic regulations.

Section 24 of this bill would be a warning signal to all Federal agencies not to issue new rules and regulations without first carefully considering the costs and benefits that such rules and regulations would produce. This approach, I trust, will cause the Federal Government to be much more careful in the future about increasing the level of regulation of private and business activity.

Mr. President, I point out also that the ACA, under S. 200, would be a temporary agency only. Funds are authorized to be appropriated for its operation for a period of only 3 fiscal years. I am by no means committed to vote to renew the life of this Agency at the expiration of this initial term, and if the Agency's contribution to the welfare of consumers is not substantial, I would find it impossible to do so.

Mr. GLENN. Mr. President, when we vote on final passage of S. 200, I intend to vote for the bill. The legislation is an important consumer protection measure. I view establishment of the Agency for Consumer Advocacy, however, as merely part of a larger effort toward the reform of Federal regulatory agencies which, in my opinion, in many instances have failed to carry out the functions assigned to them. In fact, if the regulatory agencies had been properly doing the consumer representation job that is their mandate, it is questionable whether the ACA would be necessary today. This unsettled situation has had an adverse effect on the businesses which are regulated and upon the American public.

We need to take a hard look at our regulatory system, a look which already has bipartisan support — emphasizing how important it has become. The President has proposed a "regulatory summit" to consider problems in this area, and recently I reported to the Senate on behalf of the Senate Committee on Government Operations a resolution which provides for an in-depth study of our whole regulatory system by the Senate Committee on Government Operations and the Senate Commerce Committee. This reassessment is vital, for it strikes at the root problem.

I think it would be wrong to look upon the establishment of an Agency for Consumer Advocacy as a final solution to the problems in this area. Indeed, the passage of S. 200 must not permit us to take our eye off the real problem, the reform of the regulatory agencies themselves.

The bill provides a 3-year life for the ACA during which time the other proposed legislation should provide an ample look at the basic regulatory problem, with an evaluation of the ACA at the end of that time. The Agency now appears to be essential for adequate representation of consumer interests during this interim time period while we reassess our regulatory system.

If, in light of this overall reassessment, the Agency for Consumer Advocacy is found to be unnecessary or does not work well during the 3-year life span provided for in the bill, I will not be able to support its continuation.

Mr. MATHIAS. I wish to engage the distinguished managers of S. 200 in a brief but important colloquy on the question of the low-income consumer's relationship to the proposed Agency for Consumer Advocacy.

I know that Senator RIBICOFF as the sponsor of one of the most forward looking welfare reform proposals before the 92d Congress, is keenly aware that the problems and adversities of low-income consumers are daily reminders that they are poor; that they lack the power and resources in the marketplace of their more affluent fellow citizens.

S. 200, which I am cosponsoring, contains a finding that the interests of the American consumer are inadequately represented and protected within the Federal Government and that such representation and protection are essential to the fair and efficient functioning of a free-market economy. As a result of this finding, S. 200 establishes an Agency for Consumer Advocacy as an independent agency within the executive branch to represent the interest of consumers before Federal agencies and courts, receive and transmit consumer complaints, develop and disseminate information of interest to consumers, and perform other functions to protect and promote the interests of consumers.

My question is this: Is it the expectation of the manager and principal sponsors of S. 200 that the Agency for Consumer Advocacy will vigorously represent the interests of low-income consumers to at least the same extent that the ACA will represent more affluent consumers?

Mr. RIBICOFF. The Senator from Maryland is absolutely correct.

Mr. MATHIAS. Given the fact that the low-income consumer's needs are not being adequately met by the present marketing and distribution system, that the poor lack the necessary cash with which to make quantity purchases of food; that the low-income consumer, by virtue of being poor, does not have access to credit under the standards imposed by most reputable businesses; that the poor pay more for lower quality produce; and if they can buy furniture or hard goods at all, that these purchases are usually at exorbitant prices on credit terms which leave them even deeper in debt, does the floor manager expect that the proposed ACA, particularly, under sections 6, 7, 8, and 9 of the bill shall devote special attention to the needs and interests of the low-income consumer?

Mr. RIBICOFF. I most certainly do.

Mr. MATHIAS. I anticipated receiving the answers which the distinguished manager has given. For the purpose of establishing legislative history, however, I did wish to have this exchange with the managers to make it clear that the ACA is being established for all consumers and will not become an agency to represent the needs and interests of solely the middle class and more affluent citizenry.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass? The yeas and nays have been ordered, and the clerk will call the roll.

Mr. MANSFIELD (after having voted in the affirmative). On this vote I have a pair with the distinguished Senator from South Carolina (Mr. THURMOND). If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." Therefore, I withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Alaska (Mr. GRAVEL), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Wyoming (Mr. MCGEE), the Senator from Montana (Mr. METCALF), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

I further announce that the Senator from California (Mr. TUNNEY) is absent on official business.

On this vote, the Senator from California (Mr. TUNNEY) is paired with the Senator from Louisiana (Mr. JOHNSTON).

If present and voting, the Senator from California would vote "yea" and the Senator from Louisiana would vote "nay."

I further announce that, if present and voting, the Senator from Illinois (Mr. STEVENSON) and the Senator from Alaska (Mr. GRAVEL) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER) and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

I further announce that, if present and voting, the Senator from Tennessee (Mr. BAKER) would vote "yea."

The result was announced—yeas 61, nays 28, as follows:

[Rollcall Vote No. 184 Leg.]

YEAS—61

Abourezk
Beall
Bentsen
Biden
Brock
Brooke
Bumpers
Burdick
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Dole
Domenici
Eagleton
Fong
Ford
Glenn
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Magnuson
Mathias
McGovern
McIntyre
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Stafford
Stevens
Stone
Weicker
Williams

NAYS—28

Allen
Bartlett
Bellmon
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Curtis
Eastland
Fannin
Garn
Goldwater
Griffin
Hansen
Helms
Hruska
Laxalt
Long
McClellan
McClure
Nunn
Scott, William L.
Sparkman
Stennis
Symington
Taft
Talmadge
Tower
Young

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—

Mansfield, for.

NOT VOTING—9

Baker
Bayh
Gravel
Johnston
McGee
Metcalf
Stevenson
Thurmond
Tunney

So the bill (S. 200) was passed, as follows:

S. 200

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Consumer Protection Act of 1975".

STATEMENT OF FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds that the interests of consumers are inadequately represented and protected within the Federal Government; that regulations have been adopted and statutes have been enacted by the Federal Government without first securing available information as to the estimated costs and benefits of such regulations and statutes; and that vigorous representation and protection of the interests of consumers are essential to the fair and efficient functioning of a free market economy. Each year, as a result of this lack of effective representation before Federal agencies and courts, consumers suffer personal injury, economic harm, and other adverse consequences in the course of acquiring and using goods and services available in the marketplace. Federal programs which fail to provide benefits that are commensurate with the costs thereof may be a factor in the economic problems of the United States.

(b) The Congress therefore declares that—

(1) A governmental organization to represent the interests of consumers before Federal agencies and courts could help the agencies in the exercise of their statutory responsibilities in a manner consistent with the public interest and with effective and responsive government. It is the purpose of this Act to protect and promote the interests of the people of the United States as consumers of goods and services which are made available to them through commerce or which affect commerce by so establishing an independent Agency for Consumer Advocacy.

(2) It is the purpose of the Agency for Consumer Advocacy to represent the interests of consumers before Federal agencies and courts, receive and transmit consumer complaints, develop and disseminate information of interest to consumers, and perform other functions to protect and promote the interests of consumers. The authority of the Agency to carry out this purpose shall not be construed to supersede, supplant, or replace the jurisdiction, functions, or powers of any other agency to discharge its own statutory responsibilities according to law.

(3) It is the purpose of this Act to promote protection of consumers with respect to the—

(A) safety, quality, purity, potency, healthfulness, durability, preference, reparability, effectiveness, dependability, availability, and cost of any real or personal property or tangible or intangible goods, services, or credit;

(B) preservation of consumer choice and a competitive market;

(C) price and adequacy of supply of goods and services;

(D) prevention of unfair or deceptive trade practices;

(E) maintenance of truthfulness and fairness in the advertising, promotion, and sale by a producer, distributor, lender, retailer, or other supplier of such property, goods, services, and credit;

(F) furnishing of full, accurate, and clear instructions, warnings, and other information by any such supplier concerning such property, goods, services, and credit;

(G) protection of the legal rights and remedies of consumers; and

(H) providing of estimates of the costs and benefits of programs and activities established by Federal Government regulations and legislation.

(4) It is the purpose of section 24 of this Act to establish a means for estimating in advance the costs and benefits of Federal legislation or rules that have substantial economic impact, and to prevent the adoption of Government programs which entail unreasonable or excessive costs.

(5) This Act should be so interpreted by the executive branch and the courts so as to implement the intent of Congress to protect and promote the interests of consumers, and to achieve the foregoing purposes.

ESTABLISHMENT

SEC. c. (a) There is hereby established as an independent agency of the United States within the executive branch of the Government the Agency for Consumer Advocacy. The Agency shall be directed and administered by an Administrator who shall be appointed by the President, by and with the advice and consent of the Senate, for a term coterminous with the term of the President, not to exceed four years. The Administrator shall be an individual who by reason of training, experience, and attainments is exceptionally qualified to represent the interests of consumers. There shall be in the Agency a Deputy Administrator who shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Administrator shall perform such functions, powers, and duties as may be prescribed from time to time by the Administrator and shall act for, and exercise the powers of, the Administrator during the absence or disability of, or in the event of a vacancy in the office of, the Administrator. On the expiration of his term, the Administrator shall continue in office until he is reappointed or his successor is appointed and qualifies. The Administrator may be removed by the President for inefficiency, neglect of duty or malfeasance in office.

(b) No employee of the Agency while serving in such position may engage in any business, vocation, other employment, or have other interests, inconsistent with his official responsibilities.

(c) There shall be in the Agency a General Counsel who shall be appointed by the Administrator.

(d) The Administrator is authorized to appoint within the Agency not to exceed five Assistant Administrators.

POWERS AND DUTIES OF THE ADMINISTRATOR

SEC. 4. (a) The Administrator shall be responsible for the exercise of the powers and the discharge of the duties of the Agency, and shall have the authority to direct and supervise all personnel and activities thereof.

(b) In addition to any other authority conferred upon him by this Act, the Administrator is authorized, in carrying out his functions under this Act, to—

(1) subject to the civil service and classification laws, select, appoint, employ, and fix the compensation of such officers and employees as are necessary to carry out the provisions of this Act and to prescribe their authority and duties;

(2) employ experts and consultants in accordance with section 3109 of title 5, United States Code, and compensate individuals so employed for each day (including traveltime) at rates not in excess of the maximum rate of pay for Grade GS–18 as provided in section 5332 of title 5, United States Code, and while such experts and consultants are so serving away from their homes or regular place of business, pay such employees travel expenses and per diem in lieu of subsistence at rates authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently;

(3) appoint advisory committees composed of such private citizens, including consumers and business representatives, and officials of the Federal, State, and local governments as he deems desirable to advise him with respect to his functions under this Act, and pay such members (other than those regularly employed by the Federal Government) while attending meetings of such committees or otherwise serving at the request of the Administrator compensation and travel expenses at the rate provided for in paragraph (2) of this subsection with respect to experts and consultants: *Provided*, That all meetings of such committees shall be open to the public and interested persons shall be permitted to attend, appear before, or file statements with any advisory committee, subject to such reasonable rules or regulations as the Administrator may prescribe;

(4) promulgate, in accordance with the applicable provisions of the Administrative Procedure Act, title 5, United States Code, such rules, regulations, and procedures as may be necessary to carry out the provisions of this Act, and assure fairness to all persons affected by the Agency's actions, and to delegate authority for the performance of any function to any officer or employee under his direction and supervision;

(5) utilize, with their consent, the services, personnel, and facilities of other Federal agencies and of State, regional, local, and private agencies and instrumentalities, with or without reimbursement therefor, and to transfer funds made available under this Act to Federal, State, regional, local, and private agencies and instrumentalities as reimbursement for utilization of such services, personnel, and facilities;

(6) enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary to carry out the provisions of this Act, on such terms as the Administrator may deem appropriate, with any agency or instrumentality of the United States, with any State, or any political subdivision thereof, or with any person;

(7) accept voluntary and uncompensated services, notwithstanding the provisions of

section 3679(b) of the Revised Statutes (31 U.S.C. (b));

(8) adopt an official seal, which shall be judicially noticed;

(9) establish such regional offices as the Administrator determines to be necessary to serve the interests of consumers;

(10) conduct conferences and hearings and otherwise secure data and expression of opinion;

(11) accept unconditional gifts or donations of services, money or property, real, personal, or mixed, tangible or intangible;

(12) designate representatives to serve or assist on such committees as he may determine to be necessary to maintain effective liaison with Federal agencies and with State and local agencies carrying out programs and activities related to the interests of consumers; and

(13) perform such other administrative activities as may be necessary for the effective fulfillment of his duties and functions.

(c) Upon request made by the Administrator, each Federal agency is authorized and directed to make its services, personnel, and facilities available to the greatest practicable extent within its capability to the Agency in the performance of its functions. An agency shall not be required to provide such services, personnel, or facilities to the Administrator where to do so would seriously affect in an adverse manner the agency's ability to carry out its responsibilities, including any responsibility the agency has to protect the public health or safety.

(d) The Administrator shall prepare and submit simultaneously to the Congress and the President, not later than April 1 of each year beginning April 1, 1976, an annual report, which shall include a description and analysis of—

(1) the activities of the Agency, including its representation of the interests of consumers before Federal agencies and Federal courts;

(2) the major Federal agency actions and Federal court decisions affecting the interests of consumers;

(3) the assistance given the Agency by other Federal agencies in carrying out the purposes of this Act.

(4) the performance of Federal agencies and the adequacy of their resources in enforcing consumer protection laws and in otherwise protecting the interests of consumers, and the prospective results of alternative consumer protection programs;

(5) the appropriation by Congress for the Agency, the distribution of appropriated funds for the current fiscal year, and a general estimate of the resource requirements of the Agency for each of the next three fiscal years; and

(6) the extent of participation by consumers in Federal agency activities, and the effectiveness of the representation of consumers before Federal agencies, together with recommendations for new legislation, new budget authority for the Agency, and administrative actions to deal with problems discussed in the report, to protect and represent the interests of consumers more effectively, and to carry out the purposes of this Act.

FUNCTIONS OF THE AGENCY

SEC. 5. (a) The Agency shall, in the performance of its functions, advise the Congress and the President as to matters affecting the interests of consumers; and shall protect and promote the interests of the people of the United States as consumers of goods and services made available to them through the trade and commerce of the United States.

(b) The functions of the Administrator shall be to—

(1) represent the interests of consumers before Federal agencies and courts to the extent authorized by this Act;

(2) conduct and support research, studies, and testing to the extent authorized in section 9 of this Act;

(3) submit recommendations annually to the Congress and the President on measures to improve the operation of the Federal Government in the protection and promotion of the interests of consumers;

(4) obtain information and publish and distribute material developed in carrying out his responsibilities under this Act in order to inform consumers of matters of interest to them, to the extent authorized in this Act;

(5) receive, transmit to the appropriate agencies and persons, and make publicly available consumer complaints to the extent authorized in section 7 of this Act.

(6) conduct conferences, surveys, and investigations, including economic surveys, concerning the needs, interests, and problems of consumers: *Provided*, That such conferences, surveys, or investigations are not duplicative in significant degree of similar activities conducted by other Federal agencies;

(7) cooperate with State and local governments and encourage private enterprise in the promotion and protection of the interests of consumers;

(8) keep the appropriate committees of Congress fully and currently informed of all the Agency's activities, when asked or on his own initiative;

(9) publish, in language readily understandable by consumers, a consumer register which shall set forth the time, place, and subject matters of actions by Congress, Federal agencies, and Federal courts, and other information useful to consumers;

(10) encourage the adoption and expansion of effective consumer education programs;

(11) encourage the application and use of new technology, including patents and inventions, for the promotion and protection of the interests of consumers;

(12) encourage the development of informal dispute settlement procedures involving consumers;

(13) encourage meaningful participation by consumers in the activities of the Agency;

(14) promote the consumer interests of farmers in obtaining a full supply of goods and services at a fair and equitable price;

(15) coordinate its activities with the activities of other executive departments and agencies with respect to consumers; and

(16) perform such other related activities as he deems necessary for the effective fulfillment of his duties and functions.

REPRESENTATION OF CONSUMERS

SEC. 6. (a)(1) Whenever the Administrator determines that the result of any Federal agency proceeding or activity may substantially affect an interest of consumers, he may as of right intervene as a party or otherwise participate for the purpose of representing an interest of consumers, as provided in paragraph (2) or (3) of this subsection. In any proceeding, the Administrator shall refrain from intervening as a party, unless he determines that such intervention is necessary to represent adequately an interest of consumers. The Administrator shall comply with Federal agency statutes and rules of procedure of general applicability governing the timing of intervention or participation in such proceeding or activity and, upon intervening or participating therein, shall comply with laws and agency rules of procedure of general applicability governing the conduct thereof. The intervention or participation of the Administrator in any Federal agency proceeding or activity shall not affect the obligation of the Federal agency conducting such proceeding or activity to assure procedural fairness to all participants.

(2) Whenever the Administrator determines that the result of any Federal agency proceeding which is subject to the provisions of section 553, 554, 556, or 557 of title 5, United States Code, relating to administrative procedure, or which involves a hearing pursuant to the administrative procedural requirements of any other statute, regulation, or practice, or which is conducted on the record after opportunity for any agency hearing, or which provides for public notice and opportunity for comment, may substantially affect an interest of consumers, he may as of right intervene as a party or otherwise participate for the purpose of representing an interest of consumers in such proceeding.

(3) With respect to any Federal agency proceeding not covered by paragraph (2) of this subsection, or any other Federal agency activity, which the Administrator determines may substantially affect an interest of consumers, the Administrator may participate by presenting written or oral submissions, and the Federal agency shall give full consideration to such submissions of the Administrator. Such submissions shall be presented in an orderly manner and without causing undue delay. Such submission need not be simultaneous with that of any other person.

(b) At such time as the Administrator determines to intervene or participate in a Federal agency proceeding under subsection (a)(2) of this section, he shall issue publicly a written statement setting forth his findings under subsection (a)(1), stating concisely the specific interest of consumers to be protected. Upon intervening or participating he shall file a copy of his statement in the proceeding.

(c) To the extent that any person, if aggrieved, would by law have such right, the Administrator shall have the right, in accordance with the following provisions of this subsection, to initiate or participate in any Federal court proceeding involving a Federal agency action—

(1) The Administrator may, as of right, and in the manner prescribed by law, initiate any civil proceeding in a Federal court which involves the review of a Federal agency action that the Administrator determines may substantially affect an interest of consumers. If the Administrator did not intervene or otherwise participate in the Federal agency proceeding or activity out of which such agency action arose, the Administrator, before initiating a proceeding to obtain judicial review, shall petition such agency for rehearing or reconsideration thereof, if the statutes or rules governing such agency specifically authorize rehearing or reconsideration. Such petition shall be filed within sixty days after the Federal agency action involved, or within such longer period as may be allowed by applicable procedures. The Administrator may immediately initiate a judicial review proceeding if the Federal agency does not finally act upon such petition within sixty days after the filing thereof, or at such earlier time as may be necessary to preserve the Administrator's right to obtain effective judicial review of the Federal agency action. Where the Administrator did not intervene or otherwise participate in a Federal agency proceeding or activity, the Administrator shall not be permitted to initiate a judicial proceeding with respect to such agency proceeding or activity unless the court shall first have determined that initiation of such a proceeding by the Administrator would advance the interests of justice. In advance of the initiation of such a proceeding by the Administrator, he shall file a statement setting forth the reasons why he did not intervene or otherwise participate in the Federal agency proceeding or activity out of which the contemplated judicial proceeding arises, for the court's consideration in connection with its determination whether the initiation of such judicial proceeding would advance the interests of justice.

(2) The Administrator may, as of right, and in the manner prescribed by law, intervene or otherwise participate in any civil

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proceeding in a Federal court which involves the review or enforcement of a Federal agency action that the Administrator determines may substantially affect an interest of consumers.

(3) The initiation or other participation of the Administrator in a judicial proceeding pursuant to this subsection shall not alter or affect the scope of review otherwise applicable to the agency action involved.

(d) When the Administrator determines it to be in the interest of consumers, he may request the Federal agency concerned to initiate such proceeding, or to take such other action, as may be authorized by law with respect to such agency. If the Federal agency fails to take the action requested, it shall promptly notify the Administrator of the reasons therefor and such notification shall be a matter of public record.

(e) Appearances by the Agency under this Act shall be in its own name and shall be made by qualified representatives designated by the Administrator.

(f) In any Federal agency proceeding in which the Administrator is intervening or participating pursuant to subsection (a)(2) of this section, the Administrator is authorized to request the Federal agency to issue, and the Federal agency shall, on a statement or showing (if such statement or showing is required by the Federal agency's rules of procedure) of general relevance and reasonable scope of the evidence sought, issue such orders, as are authorized by the Federal agency's statutory powers, for the copying of documents, papers, and records, summoning of witnesses, production of books and papers, and submission of information in writing.

(g) The Administrator is not authorized to intervene or participate in proceedings or activities of State or local agencies and State courts, or to engage directly or indirectly in lobbying activities before State or local agencies, or the Congress, in the manner prohibited by section 1913 of title 18, United States Code.

(h) Nothing in this section shall be construed to prohibit the Administrator from communicating with, or providing information requested by any Federal, State, or local agencies and State courts at any time and in any manner consistent with law or agency rules.

(i) Each Federal agency shall review its rules of procedure of general applicability, and, after consultation with the Administrator, issue any additional rules which may be necessary to provide for the Administrator's orderly intervention or participation, in accordance with this section, in its proceedings and activities which may substantially affect the interests of consumers. Each Federal agency shall issue rules determining the circumstances under which the Administrator may be allowed to make simultaneous submissions under subsection (a)(3) of this section. Any additional rules adopted pursuant to the requirements of this subsection shall be published in proposed and final form in the Federal Register.

(j) The Administrator is authorized to represent an interest of consumers which is presented to him for his consideration upon petition in writing by a substantial number of persons or by any organization which includes a substantial number of persons. The Administrator shall notify the principal sponsors of any such petition within a reasonable time after receipt of any such petition of the action taken or intended to be taken by him with respect to the interest of consumers presented in such petition. If the Administrator declines or is unable to represent such interest, he shall notify such sponsors and shall state his reasons therefor.

(k) The Administrator may not intervene or otherwise participate in any Federal agency proceeding or activity or in any civil proceeding in a Federal court, if such intervention, initiation, or participation is intended to restrict or limit, or have the effect of restricting or limiting, the manufacture, sale, or possession of firearms, antique firearms, ammunition, or components of ammunition. As used in this paragraph, "firearm" means any firearm as defined in section 921(a)(3) of title 18 of the United States Code. As used in this paragraph, "antique firearm" shall mean any antique firearm as defined in section 921(a)(16) of title 18 of the United States Code. As used in this paragraph, "ammunition" means any ammunition, or components of ammunition, including fixed cartridges and shells, primers, bullets, propellants, cartridge cases, and shells designed for use in any firearm. As used in this paragraph, "ammunition, or components of ammunition", shall also mean commercially manufactured blackpowder, percussion caps, safety and pyrotechnic fuses quills, quick and slow matches and friction primers, intended to be used solely for sporting, recreation, or cultural purposes in antique firearms as defined in section 921 (a)(16) of title 18 of the United States Code, or in antique devices as exempted from the term "destructive device" in section 921 (a)(4) of title 18 of the United States Code.

CONSUMER COMPLAINTS

Sec. 7. (a) Whenever the Administrator receives from any person any complaint or other information which discloses—

(1) an apparent violation of law, agency rule or order, or a judgment, decree, or order of a State or Federal court relating to an interest of consumers; or

(2) a commercial, trade, or other practice which is detrimental to an interest of consumers;

he shall, unless he determines that such complaint or information is frivolous, promptly transmit such complaint or information to any Federal, State, or local agency which has the authority to enforce any relevant law or to take appropriate action. Federal agencies shall keep the Administrator informed to the greatest practicable extent of any action which they are taking on complaints transmitted by the Administrator pursuant to this section.

(b) The Administrator shall promptly notify producers, distributors, retailers, lenders, or suppliers of goods and services of all complaints of any significance concerning them received or developed under this section unless the Administrator determines that to do so is likely to prejudice or impede an action, investigation, or prosecution concerning an alleged violation of law.

(c) The Administrator shall maintain a public document room containing, for public inspection and copying (without charge or at a reasonable charge, not to exceed cost), an up-to-date listing of all consumer complaints of any significance which the Agency has received, arranged in meaningful and useful categories, together with annotations of actions taken in response thereto. Unless the Administrator, for good cause, determines not to make any specific complaint available, complaints listed shall be made available for public inspection and copying: *Provided*, That—

(1) the party complained against has had a reasonable time to comment on such complaint and such comment, when received, is displayed together with the complaint;

(2) the agency to which the complaint has been referred has had a reasonable time to notify the Administrator what action, if any, it intends to take with respect to the complaint;

(3) the complainant's identity is to be protected when he has requested confidentiality. Whenever the complainant requests that his identity be protected, the Administrator shall place an appropriate designation on the complaint before making it available to the public;

(4) no unsigned complaints shall be placed in the public documents room.

CONSUMER INFORMATION AND SERVICES

Sec. 8. (a) In order to carry out the purposes of this Act the Administrator shall develop on his own initiative, and, subject to the other provisions of this Act, gather from other Federal agencies and non-Federal sources, and disseminate to the public in such manner, at such times, and in such form as he determines to be most effective, information, statistics, and other data including, but not limited to matter concerning—

(1) the functions and duties of the Agency;

(2) consumer products and services;

(3) problems encountered by consumers generally, including annual reports on interest rates and commercial and trade practices which may adversely affect consumers; and

(4) notices of Federal hearings, proposed and final rules and orders, and other pertinent activities of Federal agencies that affect consumers.

(b) All Federal agencies which, in the judgment of the Administrator, possess information which would be useful to consumers are authorized and directed to cooperate with the Administrator in making such information available to the public.

STUDIES

Sec. 9. The Administrator is authorized to conduct, support, and assist research, studies, plans, investigations, conferences, demonstration projects, and surveys concerning the interest of consumers.

INFORMATION GATHERING

Sec. 10. (a)(1) The Administrator is authorized, to the extent required to protect the health or safety of consumers, or to discover consumer fraud or substantial economic injury to consumers, to obtain data by requiring any person engaged in a trade, business, or industry which substantially affects interstate commerce and whose activities he determines may substantially affect an interest of consumers, by general or specific order setting forth with particularity the consumer interest involved and the purposes for which the information is sought, to file with him a report or answers in writing to specific questions concerning such activities and other related information. Nothing in this subsection shall be construed to authorize the inspection or copying of documents, papers, books, or records, or to compel the attendance of any person. Nor shall anything in this subsection require the disclosure of information which would violate any relationship privileged according to law. Where applicable, chapter 35 of title 44, United States Code, shall govern requests for reports under this subsection in the manner in which independent Federal regulatory agencies are subject to its provisions. The Comptroller General shall, prior to issuance of any request for information pursuant to this section by the Administrator, promptly review such requests to assure that it does not impose an undue burden upon persons receiving such request. In the event the Comptroller General determines that the Administrator's request for information shall impose an undue burden upon the person receiving such request, the Comptroller General and the Administrator shall make every reasonable effort to modify such request so as to alleviate such burden prior to issuance of said request.

(2) The Administrator shall not exercise the authority under paragraph (1) of this subsection if the information sought—

(A) is available as a matter of public record; or

(B) can be obtained from another Federal agency pursuant to subsection (b) of this section; or

(C) is for use in connection with his intervention in any agency proceeding against the person to whom the interrogatory is addressed if the proceeding is pending at the time the interrogatory is requested.

(3) In the event of noncompliance with any interrogatories or requests submitted to any person by the Administrator pursuant to paragraph (1), any district court of the United States within the juridiction of which such person is found, or has his principal place of business, shall issue an order, on conditions and with such apportionment of costs as it deems just, requiring compliance with a valid order of the Administrator. The district court of the United States shall issue such an order upon petition by the Administrator or on a motion to quash, and upon the Administrator's carrying the burden of proving in court that such order is for information that may substantially affect the health or safety of consumers or may be necessary in the discovery of consumer fraud or substantial economic injury to consumers, and is relevant to the purposes for which the information is sought, unless the person to whom the interrogatory or request is addressed shows that answering such interrogatory or request will be unnecessarily or excessively burdensome.

(4) The Administrator shall not have the power to require the production or disclosure of any data or other information under this subsection from any small business. For the purpose of this paragraph, "small business" means any person that, together with its affiliates, including any other person with whom such person is associated by means of a franchise agreement, does not have assets exceeding $7,500,000; or does not have net worth in excess of $2,500,000; or at the time of proposed discovery by the Administrator does not have more than the equivalent of one hundred and fifty full-time employees. Nothing in this paragraph shall be construed to prohibit the Administrator from requesting the voluntary production of any such data or information. Notwithstanding this paragraph, the Administrator shall have the power, pursuant to paragraph (1), to obtain information from a small business if necessary to prevent imminent and substantial danger to the health or safety of consumers and the Administrator has no other effective means of action.

(b) Upon written request by the Administrator, each Federal agency is authorized and directed to furnish or allow access to all documents, papers, and records in its possession which the Administrator deems necessary for the performance of his functions and to furnish at cost copies of specified documents, papers, and records. Notwithstanding this subsection, a Federal agency may deny the Administrator access to and copies of—

(1) information classified in the interest of national defense or national security by an individual authorized to classify such information under applicable Executive order or statutes, and restricted data whose dissemination is controlled pursuant to the Atomic Energy Act (42 U.S.C. 2011 et seq.);

(2) policy and prosecutorial recommendations by Federal agency personnel intended for internal agency use only;

(3) information concerning routine executive and administrative functions which is not otherwise a matter of public record;

(4) personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy;

(5) information which such Federal agency is expressly prohibited by law from disclosing to another Federal agency, including, but not limited to, such expresaly prohibited information contained in or related to examination, operating, or condition reports concerning any individual financial institution prepared by, on behalf of, or for the use of an agency responsible for regulation or supervision of financial institutions;

(6) information which would disclose the financial condition of individuals in section 552(b)(4) of title 5, United States Code—

(A) obtained prior to the effective date of this Act by a Federal agency, if the agency had agreed to treat and has treated such information as privileged or confidential and states in writing to the Administrator that, taking into account the nature of the assurances given, the character of the information requested, and the purpose, as stated by the Administrator, for which access is sought, to permit such access would constitute a breach of faith by the agency; or

(B) obtained subsequent to the effective date of this Act by a Federal agency, if the agency has agreed in writing as a condition of receipt to treat such information as privileged or confidential, on the basis of its reasonable determination set forth in writing that such information was not obtainable without such an agreement and that failure to obtain such information would seriously impair performance of the agency's function.

Before granting the Administrator access to trade secrets and commerical or financial information described in section 552(b)(4) of title 5, United States Code, the agency shall notify the person who provided such information of its intention to do so and the reasons therefor, and shall, notwithstanding section 21(b), afford him a reasonable opportunity, not to exced ten working days after receipt of such notice, to comment or seek injunctive relief. Whenever notice is served by mail, such notice shall be considered to be received three days after the date on which it is mailed. Where access to information is denied to the Administrator by a Federal agency pursuant to this subsection, the head of the agency and the Administrator shall seek to find a means of providing the information in such other form, or under such conditions, as will meet the agency's objections.

(c) Consistent with the provisions of section 7213 of the Internal Revenue Code of 1954 (26 U.S.C. 7213), nothing in this Act shall be construed as providing for or authorizing any Federal agency to divulge or to make known in any manner whatever to the Administrator, solely from an income tax return, the amount or source of income, profits, losses, expenditures, or any particular thereof, or to permit any Federal income tax return filed pursuant to the provisions of the Internal Revenue Code of 1954, or copy thereof, or any book containing any abstracts or particulars thereof, to be seen or examined by the Administrator, except as provided by law.

LIMITATION OF DISCLOSURES

Sec. 11. (a) Except as provided in this section, section 552 of title 5, United States Code, shall govern the release of information by any officer or employee of the Agency.

(b) No officer or employee of the Agency shall disclose to the public or to any State or local agency any information which was received solely from a Federal agency when such agency has notified the Administrator that the information is within the exceptions atated in section 552(b) of title 5, United States Code, and the Federal agency has determined that the information should not be made available to the public; except that if such Federal agency has specified that such information may be disclosed in a particular form or manner, such information may be disclosed in such form or manner.

(c) The following additional provisions shall govern the release of information by the Administrator pursuant to any authority conferred by this Act, except information released through the presentation of evidence in a Federal agency or court proceeding pursuant to section 6—

(1) The Administrator, in releasing information concerning consumer products and services, shall determine that (A) such information, so far as practicable, is accurate, and (B) no part of such information is prohibited from disclosure by law. The Administrator shall comply with any notice by a Federal agency pursuant to section 11(b) that the information should not be made available to the public or should be disclosed only in a particular form or manner.

(2) In the dissemination of any test results or other information which directly or indirectly disclose product names, it shall be made clear that (A) not all products of a competitive nature have been tested, if such is the case, and (B) there is no intent or purpose to rate products tested over those not tested or to imply that those tested are superior or preferable in quality over those not tested.

(3) Notice of all changes in, or any additional information which would affect the fairness of information previously disseminated to the public shall be promptly disseminated in a similar manner.

(4)(A) Where the release of information is likely to cause substantial injury to the reputation or good will of a person, the Administrator shall notify such person of the information to be released and afford him a reasonable opportunity, not to exceed ten working days after receipt of such notice, to comment or seek injunctive relief, unless immediate release is necessary to protect the health or safety of the public. Whenever notice is served by mail, such notice shall be considered to be received three days after the date on which it is mailed. The district courts of the United States shall have jurisdiction over any action brought for injunctive relief under this subsection, or under section 10(b)(7).

(B) Nothing in this paragraph shall affect the rights of the public to obtain information under section 552 of title 5, United States Code.

(d) In any suit against the Administrator to obtain information pursuant to the provisions of section 552 of title 5, United States Code, where the sole basis for the refusal to produce the information is that another Federal agency has specified that the documents not be disclosed in accordance with the provisions of subsection (b) of this section, the other Federal agency shall be substituted as the defendant, and the Administrator shall thereafter have no duty to defend such suit.

NOTICE

Sec. 12. (a) Each Federal agency considering any action which may substantially affect an interest of consumers shall, upon request by the Administrator, notify him of any proceeding or activity at such time as public notice is given.

(b) Each Federal agency considering any action which may substantially affect an interest of consumers shall, upon specific request by the Administrator, promptly provide him with—

(1) a brief status report which shall contain a statement of the subject at issue and a summary of proposed measures concerning such subject; and

(2) such other relevant notice and information, the provision of which would not be unreasonably burdensome to the agency and which would facilitate the Administrator's timely and effective intervention or participation under section 6 of this Act.

(c) Nothing in this section shall affect the authority or obligations of the Administrator

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or any Federal agency under section 10(b) of this Act.

SAVINGS PROVISIONS

SEC. 13. (a) Nothing in this Act shall be construed to affect the duty of the Administrator of General Services to represent the interests of the Federal Government as a consumer pursuant to section 201(a)(4) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481(a)(4)).

(b) Nothing in this Act shall be construed to relieve any Federal agency of any responsibility to protect and promote the interests of consumers.

(c) Nothing in this Act shall be construed to limit the right of any consumer or group or class of consumers to initiate, intervene in, or otherwise participate in any Federal agency or court proceeding or activity, nor to require any petition or notification to the Administrator as a condition precedent to the exercise of such right, nor to relieve any Federal agency or court of any obligation, or affect its discretion, to permit intervention or participation by a consumer or group or class of consumers in any proceeding or activity.

(d) Nothing in this Act shall be construed to affect the duty of the Small Business Administration to aid, counsel, assist, and protect the interests of small business concerns, pursuant to section 631(a) of the Small Business Act of 1958 (15 U.S.C. 631(a)), and the Small Business Administration remains the sole executive advocate for the interests of small business concerns.

DEFINITIONS

SEC. 14. As used in this Act, unless the context otherwise requires—

(1) "Administrator" means the Administrator of the Agency for Consumer Advocacy;

(2) "Agency" means the Agency for Consumer Advocacy;

(3) "agency action" includes the whole or part of an agency "rule," "order," "license," "sanction," "relief," as defined in section 551 of title 5, United States Code, or the equivalent or the denial thereof, or failure to act;

(4) "agency activity" means any agency process, or phase thereof, conducted pursuant to any authority or responsibility under law, whether such process is formal or informal;

(5) "agency proceeding" means agency "rulemaking", "adjudication", or "licensing", as defined in section 551 of title 5, United States Code;

(6) "commerce" means commerce among or between the several States and commerce with foreign nations;

(7) "consumer" means any individual who uses, purchases, acquires, attempts to purchase or acquire, or is offered or furnished any real or personal property, tangible or intangible goods, services, or credit for personal, family, agricultural, or household purposes;

(8) "Federal agency" or "agency" means "agency" as defined in section 551 of title 5, United States Code. The term shall include the United States Postal Service, the Postal Rate Commission, and any other authority of the United States which is a corporation and which receives any appropriated funds, and, unless otherwise expressly provided by law, and Federal agency established after the date of enactment of this Act, but shall not include the Agency for Consumer Advocacy;

(9) "Federal court" means any court of the United States, including the Supreme Court of the United States, any United States court of appeals, any United States district court established under chapter 5 of title 28, United States Code, the District Court of Guam, the District Court of the United States Customs Court, the United States Court of Customs and Patent Appeals, the United States Tax Court, and the United States Court of Claims:

(10) "individual" means a human being;

(11) "interest of consumers" means any health, safety, or economic concern of consumers, including but not limited to the factors enumerated in section 2(b)(3), involving real or personal property, tangible or intangible goods, services, or credit, or the advertising or other description thereof, which is or may become the subject of any business, trade, commercial, or marketplace offer or transaction affecting commerce, or which may be related to any term or condition of such offer or transaction. Such offer or transaction need not involve the payment or promise of a consideration;

(12) "participation" includes any form of submission;

(13) "person" includes any individual, corporation, partnership, firm, association, institution, or public or private organization other than a Federal agency;

(14) "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Canal Zone, Guam, American Samoa, and the Trust Territory of the Pacific Islands; and

(15) "submission" means participation through the presentation or communication of relevant evidence, documents, arguments, or other information.

CONFORMING AMENDMENT

SEC. 15. (a) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following:

"(60) Administrator, Agency for Consumer Advocacy."

(b) Section 5315 of such title is amended by adding at the end thereof the following:

"(100) Deputy Administrator, Agency for Consumer Advocacy."

(c) Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following new paragraphs:

"(135) General Counsel, Agency for Consumer Advocacy.

"(136) Assistant Administrators, Agency for Consumer Advocacy (5)."

EXEMPTIONS

SEC. 16. (a) This Act shall not apply to the Central Intelligence Agency, the Federal Bureau of Investigation, or the National Security Agency, or the national security or intelligence functions (including related procurement) of the Departments of State and Defense (including the Departments of the Army, Navy, and Air Force) and the military weapons program of the Energy Research and Development Administration, to any agency action in the Federal Communications Commission with respect to the renewal of any radio or television broadcasting license, or to a labor dispute within the meaning of section 13 of the Act entitled "An Act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes", approved March 23, 1932 (29 U.S.C. 113), or of section 2 of the Labor Management Relations Act (29 U.S.C. 152), or to a labor agreement within the meaning of section 201 of the Labor Management Relations Act, 1947 (29 U.S.C. 171).

(b) Nothing in this Act shall be construed to authorize the Administrator to intervene or participate in any proceeding or activity directly affecting producers of livestock, poultry, agricultural crops, or raw fish products, including, but not limited to, such proceedings and activities relating to the initial sale by such producers of raw agricultural commodities; Commodity Credit Corporation price support, procurement, loan, and payment programs; Public Law 480 and other export programs; acreage allotments and marketing quotas; Federal crop insurance; soil conservation and land adjustment programs; Farmers Home Administration and Rural Electrification Administration loans; marketing orders; and programs to prevent the spread of livestock and poultry diseases, plant pests, and noxious weeds.

(c) Notwithstanding the preceding provisions of this Act, the Administrator shall not intervene in any agency or judicial proceeding or activity with respect to the grant or enforcement of any right-of-way, permit, lease, or other authorization that is necessary for, or related to, the routing or construction of any oil or natural gas pipeline system located in whole or in part in the State of Alaska, or the enforcement of any environmental law relating to routing or construction of any oil or natural gas pipeline located in whole or in part in the State of Alaska.

SEX DISCRIMINATION

SEC. 17. No person shall on the ground of sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity carried on or receiving Federal assistance under this Act. This provision will be enforced through agency provisions and rules similar to those already established, with respect to racial and other discrimination, under title VI of the Civil Rights Act of 1964. However, this remedy is not exclusive and will not prejudice or cut off any other legal remedies available to a person alleging discrimination.

FAIRNESS FOR SMALL BUSINESS

SEC. 18. (a) It is the sense of the Congress that small business enterprises should have their varied needs considered by all levels of government in the implementation of the procedures provided for throughout this Act, including section 24 of the Act.

(b)(1) In order to carry out the policy stated in subsection (a), the Small Business Administration (A) shall to the maximum extent possible provide small business enterprises with full information concerning the procedures provided for throughout this Act which particularly affect such enterprises, and the activities of the various agencies in connection with such provisions, and (B) shall, as part of its annual report, provide to the Congress a summary of the actions taken under this Act which have particularly affected such enterprises.

(2) To the extent feasible, the Administrator shall seek the views of small business in connection with establishing the Agency's priorities, as well as the promulgation of rules implementing this Act.

(3) In administering the programs provided for in this Act, the Administrator shall respond in an expeditious manner to the views, requests, and other filings by small business enterprises.

(4) In implementing this Act, the Administrator shall, insofar as practicable, treat all businesses, large or small, in an equitable fashion; due consideration shall be given to the unique problems of small business so as not to discriminate or cause unnecessary hardship in the administration or implementation of the provisions of this Act.

(5) For the purposes of this section, the term "small business" shall have the same meaning as provided in section 10(a)(4) of this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 19. There are authorized to be appropriated to carry out the provisions of this Act, except section 24, not to exceed $8,500,000 for the period from the date of enactment to September 30, 1976, not to exceed $15,000,000 for the fiscal year ending September 30, 1977, not to exceed $20,000,000 for the fiscal year ending September 30, 1978, and not to exceed $25,000,000 for the fiscal year ending September 30, 1979. Any subsequent legislation to authorize appropriations under this Act for the fiscal year beginning October 1, 1979, shall be referred in the Senate to the Committee on Government Operations and to the Committee on Commerce.

EVALUATION BY THE COMPTROLLER GENERAL

SEC. 20. (a) The Comptroller General of the United States shall audit, review, and evaluate the implementation of the provisions of this Act by the Agency for Consumer Advocacy.

(b) Not less than thirty months nor more than thirty-six months after the effective date of this Act, the Comptroller General shall prepare and submit to the Congress a report on his audit conducted pursuant to subsection (a), which shall contain, but not be limited to, the following:

(1) an evaluation of the effectiveness of the Agency's consumer representation activities;

(2) an evaluation of the effect of the activities of the Agency on the efficiency, effectiveness, and procedural fairness of affected Federal agencies in carrying out their assigned functions and duties;

(3) recommendations concerning any legislation he deems necessary, and the reasons therefor, for improving the implementation of the objectives of this Act as set forth in section 2.

(c) Copies of the report shall be furnished to the Administrator of the Agency for Consumer Advocacy, the chairmen of the Senate Committees on Commerce and on Government Operations, and the chairman of the Committee on Government Operations of the House of Representatives.

(d) Restrictions and prohibitions under this Act applicable to the use or public dissemination of information by the Agency shall apply with equal force and effect to the General Accounting Office in carrying out its functions under this section.

MISCELLANEOUS PROVISIONS

SEC. 21. (a) Nothing in this Act could be construed to limit the discretion of any Federal agency or court, within its authority, including a court's authority under rule 24 of the Federal Rules of Civil Procedure, to grant the Administrator additional participation in any proceeding or activity to the extent that such additional participation may not be as of right, or to provide additional notice to the Administrator concerning any agency proceeding or activity.

(b)(1) No act or omission by the Administrator or any Federal agency relating to the Administrator's authority under sections 6 (a), (d), (f), (i), and (j), 7, 10, 11, and 12 of this Act shall affect the validity of an agency action or be subject to judicial review: *Provided*, That—

(A) the Administrator may obtain judicial review to enforce his authority under sections 6 (a), (d), (f), (i), and (j), 10, and 12 of this Act: *Provided*, That he may obtain judicial review of the Federal agency determination under section 6(f) of this Act only after final agency action and only to the extent that such determination affected the validity of such action;

(B) a party to any agency proceeding or a participant in any agency activity in which the Administrator intervened or participated may, where judicial review of the final agency action is otherwise accorded by law, obtain judicial review following such final agency action on the ground that the Administrator's intervention or participation resulted in prejudicial error to such party or participant based on the record viewed as a whole; and

(C) any person who is substantially and adversely affected by the Administrator's action pursuant to section 6(f), 10(a), or 11 of this Act may obtain judicial review, unless the court determines that such judicial review would be detrimental to the interests of justice.

(2) For the purposes of this subsection, a determination by the Administrator that the result of any agency proceeding or activity may substantially affect an interest of consumers or that his intervention in any proceeding is necessary to represent adequately an interest of consumers shall be deemed not to be a final agency action.

(3) The Administrator's determination, pursuant to subsections 6(a)(2), 6(a)(3), and 6(d), that an agency action may substantially affect an interest of consumers shall be subject to review during judicial review of a final agency action.

TRANSFER OF CONSUMER PRODUCT INFORMATION COORDINATING CENTER

SEC. 22. (a) All officers, employees, assets, liabilities, contracts, property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with the functions of the Consumer Product Information Coordinating Center in the General Services Administration are transferred to the Agency and all functions of the Administrator of General Services administered through the Consumer Product Information Coordinating Center are transferred to the Agency.

(b)(1) Except as provided in paragraph (2) of this subsection, personnel engaged in functions transferred under this section shall be transferred in accordance with applicable laws and regulations relating to transfer of functions.

(2) The transfer of personnel pursuant to this section shall be without reduction in classification or compensation for one year after such transfer.

PUBLIC PARTICIPATION

SEC. 23. (a) After reviewing its statutory authority and rules of procedure, relevant agency and judicial decisions, and other relevant provisions of law, each Federal agency shall issue appropriate interpretations, guidelines, standards, or criteria, and rules of procedure, to the extent that such rules are appropriate and are not already in effect, relating to the rights of individuals who may be affected by agency action to—

(1) petition the agency for action;

(2) receive notice of agency proceedings;

(3) file official complaints (if appropriate) with the agency;

(4) obtain information from the agency; and

(5) participate in agency proceedings for the purpose of representing their interests. Such interpretations, guidelines, standards, criteria, and rules of procedure shall be published in proposed and final form in the Federal Register.

(b) Each Federal agency shall take all reasonable measures to reduce or waive, where appropriate, procedural requirements for individuals for whom such requirements would be financially burdensome, or which would impede or prevent effective participation in agency proceedings.

(c) Any rules of procedure issued by any Federal agency pursuant to this section shall be published in a form and disseminated in a manner that is designed to inform, and that is able to be understood by, the general public.

COST AND BENEFIT ASSESSMENT STATEMENTS

SEC. 24. (a) In furtherance of the purpose and policy of section 2(b)(4) of this Act, and except as otherwise provided in this Act, each Federal agency which is authorized to promulgate rules (as defined in section 551(4) of title 5, United States Code) shall prepare a cost and benefit assessment statement with respect to any rules to which section 553(b) of title 5, United States Code, is applicable, which are likely to have a substantial economic impact, for the agency's consideration in connection with the promulgation of such rules. Each such statement shall be short and concise and, together with such supporting documentation as the agency in its discretion determines to be necessary or appropriate, shall consist of the following three elements:

(1) estimated costs, that are foreseeable as a result of the effective implementation of such rule;

(2) estimated benefits, that are foreseeable as a result of the effective implementation of such rule; and

(3) the apparent relationship, if any, between such costs and benefits.

To the extent deemed practicable by the agency responsible for its preparation, each cost and benefit assessment statement shall indicate in an appendix the assumptions, if any, which were made by it regarding the means, or alternative means, and attendant costs of compliance with the proposed rule, including any manufacturer's costs and consumer costs reflected in the price of any product affected by such rule. Before releasing any cost and benefit assessment statement to the public, such agency shall transmit to the Comptroller General such assessment and any appendix there to which indicates the assumption made regarding the means and attendant costs of compliance with the proposed rule including any manufacturers' costs and consumer costs reflected in the price of any product affected by such rule.

(b) With respect to any proposed rule subject to the requirements of subsection (a), each Federal Register notice of proposed rulemaking shall request interested persons to submit to the applicable agency, in writing, comments, materials, data, information, and other presentations relevant to the preparation of the required cost and benefit assessment statement.

(c) Each such agency shall, to the extent it deems necessary or appropriate, seek to obtain comments, materials, data, information, and presentations relevant to the costs and benefits, if any, likely to ensue from effective implementation of any proposed rule, within the time prescribed for consideration of the proposed rule, from other Federal agencies and persons. No extensions of time for comment shall be granted solely for the purpose of receiving any such presentations with respect to such benefits.

(d) Each person who contends that effective implementation of a proposed rule will result in increased or decreased costs, shall furnish to the applicable agency the information upon which he bases such assertion, and which is in his possession, is known to him, or is subject to his control. Such information shall be furnished to the agency in such form, manner, and detail as such agency in its discretion prescribes. Whenever any relevant information, which an applicable agency deems necessary or appropriate to the preparation of a cost and benefit assessment statement, is or may be in the possession or control of a person who may be directly affected by the proposed rule, such agency is authorized to request such relevant information as reasonably described by it, and such person shall furnish such relevant information promptly to such agency. Such request for information shall be enforceable by appropriate orders by any court of the United States. Such information as is furnished shall be considered a statement for purposes of section 1001 of title 18, United State Code.

(e) A cost and benefit assessment statement prepared pursuant to subsection (a) shall be published at the end of the year in the Federal Register in a report which shall contain all cost and benefit assessment statements applicable to rules promulgated during the preceding twelve months. All relevant information developed or received by the applicable agency in connection with the preparation of such statement shall be available to all interested persons, subject to the provisions of section 552 of title 5, United States Code, and other applicable law.

(f) The President shall issue, pursuant to the provisions of this subsection, (1) reg-

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ulations providing guidelines for Federal agencies as to the nature and content of any cost and benefit assessment statement required by subsection (a) and (2) regulations which shall insure that any agency shall be able to obtain information deemed by it to be necessary or appropriate to the preparation of any such cost and benefit assessment statement. Such regulations shall be issued by the President upon the recommendations submitted to the President by the Office of Management and Budget, the General Accounting Office, and the Agency for Consumer Advocacy. In issuing or modifying any regulations implementing this section, the President shall proceed in accordance with the procedures prescribed by subsections (b) and (c) of the new section inserted by section 202, Public Law 93–637 (88 Stat. 2193; 15 U.S.C. 57a (b), (c)). The President shall provide public notice of proposed rulemaking to implement this subsection within sixty days of the effective date of this Act, and shall issue regulations implementing this subsection within one hundred and eighty days of the effective date of this Act. After issuance of any regulations implementing this section, the President shall transmit them to the Congress, together with all recommendations submitted to the President pursuant to this subsection. Such regulations shall take effect ninety legislative days after such transmittal to the Congress by the President, unless either House of Congress by resolution of disapproval, pursuant to procedures established by chapter 35, title 44, United States Code, and by section 1017 of the Congressional Budget and Impoundment Control Act of 1974 (31 U.S.C. 1407), disapproves such regulations, except that Congress may by concurrent resolution modify such regulations within such ninety-day period, in which case such regulations shall take effect in such modified form.

(g) No Federal officer or agency shall submit proposed legislation to the Congress which is likely, if enacted, to have a substantial economic impact, unless such legislation is accompanied by a cost and benefit assessment atatement. The statement required by this subsection shall be prepared in accordance with the provisions of subsection (a). The requirements of this subsection may be postponed upon the request of a committee of Congress having jurisdiction over such legislative proposal, for a period not to exceed thirty days from the date of submission to the Congress of such legislation.

(h) In addition to the definitions in section 14 of this Act, the following definitions shall apply with respect to the provisions of this section:

(1) the term "rule" means "rule" as defined by section 441(4) of title 5, United States Code;

(2) the term "legislation" or "law" means a statute of the United States or any amendment thereto;

(3) "benefit" includes any direct or indirect, tangible or intangible, gain or advantage which the agency, in its discretion, deems proximately related to the promulgation of a proposed regulation or the enactment of the proposed legislation. The term shall include such nonquantifiable benefits as the agency identifies and describes. Benefits may include the costs that would be likely to result from the agency's failure to act, but which are likely to be avoided by the agency's action; and

(4) "cost" includes any direct or indirect expense, including component costs of production and supply, and any loss, penalty, or disadvantage which the agency, in its discretion, deems proximately related to the promulgation of a proposed regulation, or the enactment of proposed legislation. The term shall include such nonquantifiable costs as the agency identifies and describes.

(i) The Comptroller General of the United States shall monitor and evaluate the implementation of this section. In addition to any other reports or studies made by the Comptroller General relating to this section, he shall, three years after the effective date of this section, conduct a comprehensive review of this section including an evaluation of the advantages and disadvantages of cost and benefit assessment statements and of the nature and extent of Federal agency compliance with this section. The Comptroller General shall prepare and submit to the Congress a report based on such study and review. Such report shall include, but need not be limited to, his recommendations as to the necessity or advisability of the provisions of this section, and of the need to amend subsection (k), or any other provision, of this section. The Comptroller General shall, if he determines that the assumptions contained in any statement submitted to it pursuant to subsection (a) of this section are inaccurate, incomplete, or unjustified so report to the committees of the Senate and House of Representatives having jurisdiction over any Federal department or agency that prepared such statement.

(j) No court shall have the jurisdiction to review, or enforce or shall review, or enforce and, except for the general review of the effectiveness of this section provided for in subsection (i), no officer or agency of the United States, other than the agency responsible for the preparation of a cost and benefit assessment statement and the duly authorized committees of the Congress, shall have the authority to review, or enforce or shall review, or enforce, in any way the compliance of any cost and benefit assessment statement with this section, or, except where the agency preparing such a statement seeks to enforce in court its request for information, the compliance, by such agency with any other requirement of this section, including the manner or process by which such statement is prepared: *Provided*, That a Federal court may, upon the request of any interested person, review and enforce compliance with the provisions of this subsection.

(k) The requirements of this section shall supersede the requirements of any existing executive order imposing any economic, cost-benefit, inflationary, or other similar impact assessment requirement. No requirement of this section shall alter or supersede any Federal agency statutory requirement, regulation, or lawful practice which such agency determines to be inconsistent with any of the requirements of this section. Further, no agency shall be required to prepare and issue a cost and benefit assessment statement required by this section, if information which would be contained in such statement is encompassed within another statement required by law to be prepared in connection with the promulgation of the applicable rule.

(l) The provisions of this section shall become effective upon the effective date of implementing regulations submitted by the President under subsection (g) of this section. There are authorized to be appropriated to carry out the provisions of this section not to exceed $2,000,000 for each of the fiscal years 1976, 1977, and 1978.

BUDGET REPORTS

SEC. 25. (a) The Director of the Office of Management and Budget and the Director of the Congressional Budget Office shall each transmit annually to the Congress a report containing an estimate of the amount of funds expected to be allocated for each fiscal year to any office representing consumer interests located within any department or agency other than the Agency for Consumer Advocacy.

(b) Such estimate shall be included in any committee report accompanying any bill making appropriations for the Agency for Consumer Advocacy.

EFFECTIVE DATE

SEC. 26. (a) This Act, other than section 24 of this Act, shall take effect on January 1, 1976, or on such earlier date as the President shall prescribe and publish in the Federal Register.

(b) Any of the officers provided for in this Act may (notwithstanding subsection (a)) be appointed in the manner provided for in this Act at any time after the date of the enactment of this Act. Such officers shall be compensated from the date they first take office at the rates provided for in this Act.

SEPARABILITY

SEC. 27. If any provision of this Act is declared unconstitutional or the applicability thereof to any person or circumstance is held invalid, the constitutionality and effectiveness of the remainder of this Act and the applicability thereof to any persons and circumstances shall not be affected thereby.

Mr. RIBICOFF. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. CHILES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 200.

Mr. PERCY. Mr. President, this is a satisfying and landmark day for the consumers of this country. Not only has the Senate at last passed the bill to create a consumer agency, but it has done so in decisive fashion.

The creation of this agency is the first priority of those who have fought for a better deal for American consumers—those men and women who buy the products and pay the bills.

I think the President and others who have been hesitant about the bill will read the overwhelming Senate vote as a clear signal that the day of the consumer is at hand. I hope, after carefully considering the provisions of the bill as finally passed, that the President will look upon it as balanced and fair to producer and consumer alike.

The new agency will be an advocate for the consumer in the decisionmaking process of Federal departments and regulatory agencies. In the past, I have said that the consumer's voice in such deliberations has rarely been heard above a whisper. Now I trust that the new voice of the consumer will not be shrill or irresponsible, but rather firm and thoughtful.

The purpose of the consumer agency is not to be negative or harrassing. Instead it is designed to present the consumer's case in such a way that responsible businesses and government agencies can live with and applaud. I believe its most important goal will be to help restore the weakened confidence of the individual in the products he buys and the representation he receives.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, much credit belongs to many Members of the Senate and to members of the committee; but before giving credit to the members of the committee, I especially call attention to the outstanding work done by many members of our respective staffs: Dick Wegman, Matt Schneider, Paul Hoff, Mike Pertschuk, Claudia Ingram, Brian Corboy, Stuart Statler, Martha Weisz, Lyle Ryter.

They have been hard-working; they have been patient; they have been knowledgeable. I do not think any group of Senators could have been served by a more outstanding group of men and women who have given so much of their time and dedication.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. RIBICOFF. I yield.

Mr. JAVITS. First, I endorse fully everything that Senator Ribicoff has said, which is richly deserved. I think the staff will appreciate this, too.

This is one case in which the people who managed this bill and the work done on the floor really deserve that kind of staff. They worked unbelievably hard; they knew the bill; they knew the changes they wanted to make or had to make; they knew the evidence.

The staff really did perform superbly what a staff should do, which is to translate into legislative language and organization a great piece of work. It is much more sophisticated, I say to my colleague, than most of the staff praise we give.

Mr. RIBICOFF. They worked very closely with us.

I do want to take this opportunity to thank the ranking minority member, the Senator from Illinois (Mr. Percy), and the Senator from New York (Mr. Javits).

Mr. LONG. Mr. President, will the Senator yield?

Mr. RIBICOFF. I yield.

Mr. LONG. Mr. President, I congratulate the Senator from Connecticut, the distinguished manager of the bill, for the magnificent job he did on the floor of the Senate.

As one who voted against the bill, I think it is appropriate for me to say that no one ever did a better job of managing a bill than the Senator from Connecticut did on this occasion. He was extremely effective, as he always is. Even when he found himself in difference with the other Senator, he exhibited his customary form of being opposed to amendments without being disagreeable in any respect whatever. We all admire the Senator for the magnificent job he has done in shepherding this bill through the Senate.

What the final fate of the bill will be, no one can predict at this point; but if it can be enacted, it will be because of the fantastic leadership that the Senator from Connecticut has provided for this measure.

Mr. RIBICOFF. Mr. President, I thank the chairman.

I do not want these proceedings to be finished without paying tribute to the No. 1 counter of all times in the U.S. Senate, the distinguished Senator from California (Mr. Cranston).

All I can say is that no man who has a tough fight on his hands could ever win that fight without Alan Cranston by his side. I wish that I had his skill and his patience and the use of his black pencil and tally sheet. He is the indispensable man to victory and I comment to my colleagues that if they are ever in a tough fight, they should not start it unless they have Alan Cranston by their side. I want to pay tribute to Alan for his outstanding work.

Mr. CRANSTON. I thank the Senator very very much for that comment. It was a great pleasure to work with him on this measure. I know how long he has worked. His leadership has been all that Senator Long has said and more. I think it is tremendous what he has accomplished here, along with Senator Percy, Senator Javits, and others.

Mr. RIBICOFF. I thank the Senator and I yield to the distinguished Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I too, commend the distinguished Senator from Connecticut (Mr. Ribicoff) not only for his great skill in bringing this measure to final passage, but also for the tremendous dedication to this cause that he has demonstrated over a period of several years now.

At all times, he has demonstrated a complete understanding and shown every courtesy to other Senators, no matter whether they were in a position to support his side on a particular amendment or otherwise. It is a pleasure for a member of the leadership to work with a Senator who knows so well how to manage a bill once it is before the Senate, and who cooperates at all times with the leadership. He is most cooperative, most courteous, and most understanding.

I say, too, that I voted against this bill. I did vote for cloture and if the President should veto it and it comes before the Senate, as a member of the leadership, I shall vote to override the President's veto. I have stated my position heretofore to the distinguished manager of the bill and he full understands that.

Also, I commend the manager of the bill on the other side of the aisle, and all Senators who have participated, and certainly, members of the staff.

I join in what the distinguished senior Senator from Connecticut has said—I have said it here before—that the Senator from California (Mr. Cranston) is the best nose counter in the Senate. I always feel a little more confident of my own position if I find that Alan Cranston is on the same side that I am on a particular issue. He, too, is a most helpful individual, and a fine team player and Senator.

Mr. CRANSTON. Will the Senator yield long enough for me to say thank you to the distinguished majority whip, who is so effective in all his ways and more? I am extremely grateful.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. RIBICOFF. I express my appreciation to the new members of the committee—Senator Glenn, who worked so hard; Senator Chiles, who made so many contributions. I want to pay special tribute to my colleague from Connecticut (Mr. Weicker) who is a new member on this committee. He is dedicated, he is candid. We always know where he stands. He is consistent and he has made many significant contributions to this measure. His contributions in behalf of the consumer are many and a special tribute should be paid to my colleague (Mr. Weicker) for his help—his assistance in making the passage of this bill possible.

Mr. PERCY. Mr. President, I have already commented on the yeoman work of my distinguished colleagues Mr. Ribicoff and Mr. Javits, and the magnificent staff work. I think we might also pay particular tribute to those leaders of industry and organized labor, those heads of firms and corporations that have closely analyzed the provisions of this bill and have seen fit to stand up against the opinions of their own peers and forthrightly and courageously proclaim their support for this measure. We have given the names of these companies and we express deep appreciation to them.

Finally, I think we should pay great tribute to those many citizens who represent consumer interests who have worked ceaselessly with us to make this a fair, balanced measure that will serve the interest of all consumers. The Consumer Federation of America, the National Consumers League, Congress Watch, Public Citizen, and other groups have worked painfully through the years in the field to help insure that there is a balance in the legislative processes between producer and consumer. We are deeply indebted to so many of them for their patience and for their faith and for the fact that the Senate of the United States has now finally acted with their full support all the way through.

Mr. JAVITS. Will the Senator yield to me?

Mr. RIBICOFF. I am pleased to yield to the distinguished Senator from New York.

Mr. JAVITS. I wish to express my deep gratitude for his association to my beloved colleague from Connecticut (Mr. Ribicoff) and my beloved friend from Illinois (Mr. Percy) for the consumation of this great work. I believe it is now refined to the point where it will not only become law, but where it will become a law which will be a matter of satisfaction to both the country and Congress.

There is a great expression which says that when something is everybody's business—to wit, all Government departments—it is nobody's business. I think the extraordinary gifted service rendered

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to the country today by the Senate through the managers of the bill has been a very, very fine achievement in the history of consumers' rights so much looked for in this country. I congratulate my colleagues, Mr. Ribicoff and Mr. Percy.

OVERSEAS CITIZENS VOTING RIGHTS ACT OF 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to consideration of Calendar No. 115, S. 95.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 95) to guarantee the constitutional right to vote and to provide uniform procedures for absentee voting in Federal elections in the case of citizens outside the U.S.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 94–121), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

PURPOSES

The primary purpose of the bill is to assure the right of otherwise qualified private U.S. citizens residing outside the United States to vote for President and the Congress in their State of last voting domicile even though these citizens may not be able to prove that they intend to retain that State as their domicile for other purposes.

A citizen voting under the bill must state his intent to retain his prior State as his voting residence and voting domicile for purposes of voting in Federal elections. The citizen could vote under the bill only if he has not registered to vote and is not voting in any other State or territory or possession of the United States.

The bill would implement this substantive right by the adoption of uniform absentee registration and voting procedures covering these citizens in Federal elections. One of the most important of these provisions is section 5(c) of the bill requiring election officials to mail out balloting material as promptly as possible after receipt of a properly completed application.

The bill would also assure that Federal, State, and local taxation would not in itself be a deterrent to voting in Federal elections.

The provision is not meant to create any new tax exemption for the citizen outside the United States. It is designed only to assure that he will not be subjected to any Federal, State, or local tax liability *solely* by exercising his right to register and vote absentee in Federal elections.

The committee was satisfied that American citizens outside the United States should be assured the right to vote in congressional as well as in presidential elections. It was plain from testimony in the hearings that Americans outside the United States possess both the necessary interest and the requisite information to participate in the selection of Senators and Congressmen back home.

Congress is concerned with the common legislative welfare of the entire Nation, along with the specific legislative interests of each district. There is no doubt that the local inhabitants of the district may not have the same interests as citizens outside the United States. The local citizens may be more interested in regional farm prices, the closing of a naval base, or construction of a new highway. Yet the citizen outside the United States also has his congressional interests. The citizen outside the country may be more interested, for example, in the exchange rate of the dollar, social security benefits, or the energy situation.

It is apparent, moreover, that the local citizen and the oversea citizen share a number of common national interests, such as Federal taxation, defense expenditures (for example, U.S. troops stationed overseas), inflation, and the integrity and competence of our National Government.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 95

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Overseas Citizens Voting Rights Act of 1975".

CONGRESSIONAL FINDINGS AND DECLARATIONS

Sec. 2. (a) The Congress hereby finds that in the case of United States citizens outside the United States—

(1) State and local residency and domicile requirements are applied so as to restrict or precondition the rights of such citizens to vote in Federal elections;

(2) State and local election laws are applied to such citizens so as to deny them sufficient opportunities for absentee registration and balloting in Federal elections;

(3) State and local election laws are applied in Federal elections so as to discriminate against such citizens who are not employees of a Federal or State Government agency, or who are not dependents of such employees; and

(4) Federal, State, and local tax laws are applied in some cases so as to give rise to Federal, State, and local tax liability for such citizens solely on the basis of their voting in Federal elections in a State, thereby discouraging such citizens from exercising the right to vote in Federal elections;

(b) The Congress further finds that the foregoing conditions—

(1) deny or abridge the inherent constitutional right of citizens to vote in Federal elections;

(2) deny or abridge the inherent constitutional right of citizens to enjoy their free movement to and from the United States;

(3) deny or abridge the privileges and immunities guaranteed under the Constitution to citizens of the United States and to the citizens of each State;

(4) in some instances have the impermissible purpose or effect of denying citizens the right to vote in Federal elections because of the method in which they may vote;

(5) have the effect of denying to citizens the equality of civil rights and due process and equal protection of the laws that are guaranteed to them under the fourteenth amendment to the Constitution; and

(6) do not bear a reasonable relationship to any compelling State interest in the conduct of Federal elections.

(c) Upon the basis of these findings, Congress declares that in order to secure, protect, and enforce the constitutional rights of citizens outside the United States it is necessary—

(1) to require the uniform application of State and local residency and domicile requirements in a manner that is plainly adapted to secure, protect, and enforce the right of such citizens to vote in Federal elections;

(2) to establish uniform standards for absentee registration and balloting by such citizens in Federal elections;

(3) to eliminate discrimination, in voting in Federal elections, against such citizens who are not employees of a Federal or State Government agency, and who are not dependents of such employees; and

(4) to require that Federal, State, and local tax laws be applied so as not to give rise to Federal, State, and local tax liability for such citizens solely on the basis of their voting in Federal elections in a State.

DEFINITIONS

Sec. 3. For the purposes of this Act, the terms—

(1) "Federal election" means any general, special, or primary election held solely or in part for the purpose of selecting, nominating, or electing any candidate for the office of President, Vice President, Presidential elector, Member of the United States Senate, Member of the United States House of Representatives, Delegate from the District of Columbia, Resident Commissioner of the Commonwealth of Puerto Rico, Delegate from Guam, or Delegate from the Virgin Islands;

(2) "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands;

(3) "United States" includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands, but does not include American Samoa, the Canal Zone, the Trust Territory of the Pacific Islands, or any other territory or possession of the United States; and

(4) "citizen outside the United States" means a citizen of the United States residing outside the United States whose intent to return to his State and election district of last domicile may be uncertain, but who does intend to retain such State and election district as his voting residence and domicile for purposes of voting in Federal elections and has not established a domicile in any other State or any other territory or possession of the United States, and who has a valid Passport or Card of Identity and Registration issued under the authority of the Secretary of State.

RIGHT OF CITIZENS RESIDING OVERSEAS TO VOTE IN FEDERAL ELECTIONS

Sec. 4. No citizen outside the United States shall be denied the right to register for, and to vote by, an absentee ballot in any State, or election district of a State, in any Federal election solely because at the time of such election he does not have a place of abode or other address in such State or district, and his intent to return to such State or district may be uncertain, if—

(1) he was last domiciled in such State or district prior to his departure from the United States;

(2) he has complied with all applicable State or district qualifications and requirements concerning registration for, and voting, by, absentee ballots (other than any qualification or requirement which is inconsistent with this Act);

(3) he intends to retain such State or district as his voting residence and voting domicile for purposes of voting in Federal elections;

(4) he does not maitain a domicile, and is not registered to vote and is not voting in any other State or election district of a State or territory or in any territory or possession of the United States; and

(5) he has a valid Passport or Card of Identity and Registration issued under the authority of the Secretary of State.

ABSENTEE BALLOTS FOR FEDERAL ELECTIONS

Sec. 5. (a) Each State shall provide by law for the registration or other means of qualification of all citizens outside the United States and entitled to vote in a Federal

election in such State pursuant to section 4 who apply, not later than thirty days immediately prior to any such election, to vote in such election.

(b) Each State shall provide by law for the casting of absentee ballots for Federal elections by all citizens outside the United States who—

(1) are entitled to vote in such State pursuant to section 4;

(2) have registered or otherwise qualified to vote under section 5(a);

(3) have submitted properly completed applications for such ballots not later than seven days immediately prior to such election; and

(4) have returned such ballots to the appropriate election official of such State not later than the time of closing of the polls in such State on the day of such election.

(c) In the case of any such properly completed application for an absentee ballot received by a State or election district, the appropriate election official of such State or district shall as promptly as possible, and in any event, no later than—

(1) seven days after receipt of such a properly completed application, or

(2) seven days after the date the absentee ballots for such election have become available to such official,

whichever date is later, mail the following by airmail to such citizen:

(A) an absentee ballot;

(B) instructions concerning voting procedures; and

(C) an airmail envelope for the mailing of such ballot.

(d) Such absentee ballots, envelopes, and voting instructions provided pursuant to this Act and transmitted to citizens outside the United States, whether individually or in bulk, shall be free of postage to the sender including airmail postage, in the United States mail.

(e) Ballots executed by citizens outside the United States shall be returned by priority airmail wherever practicable, and such mail may be segregated from other forms of mail and placed in special bags marked with special tags printed and distributed by the Postal Service for this purpose.

ENFORCEMENT

Sec. 6. (a) Whenever the Attorney General has reason to believe that a State or election district undertakes to deny the right to register or vote in any election in violation of section 4 or fails to take any action required by section 5, he may institute for the United States, or in the name of the United States, an action in a district court of the United States, in accordance with sections 1391 through 1393 of title 28, United States Code, for a restraining order, a preliminary or permanent injunction, or such other order as he deems appropriate.

(b) Whoever shall deprive or attempt to deprive any person of any right secured by this Act shall be fined not more than $5,000, or imprisoned not more than five years, or both.

(c) Whoever knowingly or willfully gives false information as to his name, address, or period of residence for the purpose of establishing his eligibility to register, qualify, or vote under this Act, or conspires with another individual for the purpose of encouraging the giving of false information in order to establish the eligibility of any individual to register, qualify, or vote under this Act, or pays or offers to pay or accepts payment either for registration to vote or for voting shall be fined not more than $10,000, or imprisoned not more than five years, or both.

SEVERABILITY

Sec. 7. If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the validity of the remainder of the Act, and the application of such provisions to other persons or circumstances, shall not be affected.

EFFECT ON CERTAIN OTHER LAWS

Sec. 8. (a) Nothing in this Act shall—

(1) be deemed to require registration in any State or election district in which registration is not required as a precondition to voting in any Federal election, or

(2) prevent any State or election district from adopting or following any voting practice which is less restrictive than the practices prescribed by this Act.

(b) The exercise of any right to register or vote in Federal elections by any citizen outside the United States, and the retention by him of any State or district as his voting residence or voting domicile solely for this purpose, shall not affect the determination of his place of residence or domicile for purposes of any tax imposed under Federal, State, or local law.

AUTHORIZATION OF APPROPRIATIONS

Sec. 9. (a) Section 2401(c) of title 39, United States Code (relating to appropriations for the Postal Service) is amended—

(1) by inserting after "title" a comma and the following: "the Overseas Citizens Voting Rights Act of 1975,"; and

(2) by striking out "Act." at the end and inserting in lieu thereof "Acts.".

(b) Section 3627 of title 39, United States Code (relating to adjustment of Postal Service rates) is amended by striking out "or under the Federal Voting Assistance Act of 1955" and inserting in lieu thereof "under the Federal Voting Assistance Act of 1955, or under the Overseas Citizens Voting Rights Act of 1975,".

EFFECTIVE DATE

Sec. 10. The provisions of this Act shall take effect with respect to any Federal election held on or after January 1, 1976.

ORDER FOR RECESS TO 9:45 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 9:45 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF MR. PERCY TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized under the standing order, Mr. Percy be recognized for not to exceed 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF S. 1661 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of Mr. Percy's remarks tomorrow, the Senate proceed to the consideration of S. 1661, a bill to enable the United States to render assistance to or on behalf of certain migrants and refugees.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, may I ask the Chair, is the refugee appropriation bill ready?

The PRESIDING OFFICER. It has been reported.

Mr. ROBERT C. BYRD. Very well.

The PRESIDING OFFICER. It is on the calendar.

Mr. ROBERT C. BYRD. Is it on the calendar?

The PRESIDING OFFICER. It will be on tomorrow's calendar.

Mr. ROBERT C. BYRD. Very well.

I ask unanimous consent, Mr. President, that upon the disposition of the refugee authorization bill the Senate proceed to the consideration of the refugee appropriations bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS FROM CLOSE OF BUSINESS TOMORROW TO 11 A.M. ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business tomorrow it stand in recess until the hour of 11 a.m. on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS FROM DAY TO DAY

Mr. ROBERT C. BYRD. The purpose I ask unanimous consent that when the Senate completes its business each day over the period of the next week and the first week following the recess it stand in recess until the appropriate convening hour for the following day.

Mr. GRIFFIN. Mr. President, reserving the right to object, I wonder what the purpose of that is.

Mr. ROBERT C. BYRD. Mr. President, of that, Mr. President, is the same as the purpose has been for our continuing in a legislative day since April 21, 1975.

There is a measure, Senate Resolution 110, relating to additional committee employees, coming over under the rule that we would hope would not come up at the close of morning business at this time. It is hoped that the Committee on Rules and Administration can attend to the matter that is embraced therein without the Senate taking up this measure as coming over under the rule.

Mr. GRIFFIN. Let me say to the acting majority leader that I agree with the reasoning. However, I think that he would also agree with me that the restriction or the request could affect other Senators and their rights beyond the one measure that he is concerned about. I think I would feel a little bit more comfortable if we might take it one week at at time, at least.

Mr. ROBERT C. BYRD. Very well.

Mr. GRIFFIN. Will the acting majority leader do that?

Mr. ROBERT C. BYRD. Yes; I limit my request to next week, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—S. 920

Mr. ROBERT C. BYRD. Mr. President, the following agreement which I shall seek unanimous consent for has been

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cleared with the leadership on both sides of the aisle, with the distinguished chairman of the Committee on Armed Services, and with various Senators, among whom, I believe, is the distinguished Senator from Arizona (Mr. Goldwater). If the Senators will permit me to proceed with this complicated request, I shall try to cover all the points that have been tentatively agreed to up to now.

Mr. President, I ask unanimous consent, with respect to the military procurement authorization bill (S. 920), that the bill be taken up, if possible, by Wednesday of next week, May 21, 1975, and no later than Thursday of next week, May 22, 1975.

That no amendments be in order during next week, but merely that debate proceed thereon.

Provided further, that on Monday, June 2, 1975, following the recess, the Senate resume consideration of the military procurement authorization bill, with no votes thereon to occur on that Monday.

Provided further, that the first vote on any amendment to that bill occur no later than 12 noon on Wednesday, June 4, 1975.

Provided further, that with paragraph 3 of rule XII being waived, a vote on passage occur no later than 6 p.m. on Friday, June 6, 1975.

Provided further, that the time for debate during Monday and Tuesday of the week following the recess, June 2 and June 3, be controlled by the Senator from Mississippi (Mr. Stennis) and the minority leader or his designee.

Provided further, that there be a limitation on the time for debate on Monday and Tuesday of that week, June 2 and June 3, of not to exceed 10 hours.

Provided further, that beginning with Wednesday, June 4, 1975, there be a limitation on the time for debate of 8 hours, to be divided as follows: 5 hours under the control of Mr. Stennis and 3 hours under the control of the Senator from Massachusetts (Mr. Kennedy).

That the following amendments be called up in the order stated and under the time limitation stated with regard to each:

That on a ceiling amendment there be a 2-hour limitation, to be equally divided in accordance with the usual form.

That a possible second ceiling amendment be limited to one hour.

That an amendment labeled as a counter-force amendment be limited to 4 hours.

That it be in order to call for a live quorum on that amendment without the time for the quorum call being charged against either side.

That there be a time limitation on the Minuteman III amendment of 1½ hours.

That there be a time limitation on the site defense amendment of 1½ hours.

That there be a time limitation on the B–1 bomber amendment of 2 hours.

That there be a time limitation on the AWACS amendment of 2 hours.

That there be a time limitation on the SLCM amendment of 1 hour.

That there be a time limitation on the AABNCP amendment of 1 hour.

That there be a time limitation on the SAM–D amendment of 2 hours.

That there be a time limitation on the C–141 stretch-out amendment of 1 hour.

That there be a time limitation on the F–15 amendment of 2 hours.

That there be a time limitation on the patrol frigates amendment of 1 hour.

That there be a time limitation on the Sanguine/Seafarer amendment of 1 hour.

That there be a time limitation on the shipbuilding overruns of 1 hour.

That there be a time limitation on the war reserves for allies amendment of 1 hour.

That there be a time limitation on the overall military and civilian manpower levels amendment of 1 hour.

That there be a time limitation on the amendment providing for an increase from 13 to 16 divisions of 1 hour.

That there be a time limitation on the amendment with respect to an increase from 22 to 26 tactical air wings of 1 hour.

That there we a time limitation on the Feed and Forage Act amendment of 1 hour.

That there be a time limitation on any other amendment of 1 hour.

That there be a time limitation on any amendment to an amendment of 30 minutes.

That there be a time limitation on any debatable motion or appeal or point of order, should the Chair wish to submit such point of order to the Senate for discussion, of 20 minutes.

The time on all amendments, debatable motions, appeals, and points of order to be equally divided and controlled in accordance with the usual form.

Provided further that no amendment be in order after the hour of 6 p.m. on Wednesday, June 4, 1975, unless such amendment has been presented in writing to the desk by that hour.

Provided further that the agreement be in the usual form with the exception as to germaneness of any of the amendments that I have specified, it being my understanding that they are all germane. But if there is any question of germaneness on any one of those amendments I have specified under the agreement, that that specified amendment be in order. But beyond those amendments that have been specified here in this agreement, no amendment not germane is to be in order.

Mr. GOLDWATER. Mr. President, reserving the right to object, and I will not object. I can understand very well the difficulties that my leaders on the other side are having. I think it is very unfortunate that we have had to agree to a very complicated series of stipulations.

The President is going to attend the NATO summit meeting on May 28, and this meeting starts the 26th. In addition, he is going to go to negotiations on MBFR and the SALT talks starting on June 2.

Now here is this country, after achieving what I believe to be worldwide acclaim last night on an action by the President, going into very important negotiations, and this body will not have taken any action at all on the authorization for weapons for the coming year. I think this is wrong. I think those people who are purposely prolonging this are doing an injustice to our country and to the cause of peace across the world.

This is a matter that could be easily disposed of in 4 days, and we have indicated a willingness to do this. But this is the will of the leadership, and I recognize full well their problems, the problems of the leadership, and they have been courteous enough to discuss this with me.

Whatever personal problems that are involved with me, forget about completely, because the important thing is to get this bill passed without any serious changes.

I know attempts are going to be made to unilaterally disarm this country. I do not think there is strength in this body to do it.

I might say I am very happy to have on our side this time the Senator from California (Mr. Cranston) whom I recognize as a real fighter in the matter of the B–1, because that is going to be one of the most important and key votes we will take.

So I will not object to this although common sense says to do it.

Mr. JAVITS. Mr. President, reserving the right to object——

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. JAVITS. Reserving the right to object—does the Senator want me to yield to him?

Mr. STENNIS. Well, the Senator may go ahead. I shall await my time.

Mr. JAVITS. Mr. President, I shall just take a minute. I had no idea that this unanimous consent was coming up. I do not expect to object, but I see there is a hierarchy of amendments which are going to be called in order which is quite extensive.

I introduced an amendment today for printing on the manpower problems of the Armed Forces, and I would like to have it listed as one of the amendments which will be considered. I need three-quarters of an hour on my side, and whatever time Senator Stennis would wish on his side.

Mr. ROBERT C. BYRD. Mr. President, may I ask the distinguished chairman of the Armed Services Committee if he has any objection to listing this amendment?

Mr. STENNIS. No, no objection.

Mr. ROBERT C. BYRD. Could we include it as the second amendment listed under the Manpower Act? Would that be agreeable?

Mr. JAVITS. I thank my colleagues very much.

I assume, because I heard the request, and I think it was a brilliant performance, the Senator will have to make it clear as to how these breakdown times for amendments are to fit into the global time on different days for debate, but I am sure he will do that.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. STENNIS. Mr. President, I ask the Senator to yield to me. He may keep the floor.

Mr. ROBERT C. BYRD. Yes.

Mr. STENNIS. Mr. President, it is not a matter of personal disappointment, it

is a matter of official disappointment though, that we were not able to get an agreement here to really start debate on this military authorization bill on Tuesday of next week. The voting would then take place when the wheels of the Senate had turned enough to bring about an amendment. But that matter has been fully discussed, and even though we had gotten it on the calendar, with understanding if not agreement it would have the priority for next week, it could not be carried out through unanimous consent.

I pause on that point for just a minute because the whole tone of things here all year has been to get these hearings completed on these large bills, especially those that had money figures in them, to get them considered, get them marked up, and get them reported, and to comply with the budget requirements of the Budget Committee, and the authorization bills especially to get them here on the floor and get them considered and enacted into law so that the appropriation bills could move. I know that is the general idea of the leadership.

We tried. We worked hard on this bill, which was written by the committee. I did not write it; it was written by the committee after many, many votes. Six days, I think, were required in marking it up, trying to meet the deadline, and to still have a sound bill. I think it is sound, and one, I believe, that will pass here unimpaired. I do not say that emotionally but I say that humbly because on examination it is going to be found that these very matters have been gone into thoroughly. But you have to take the next best thing you can on these agreements in a large bill. So I hope that this can be agreed to.

These amendments are listed here, and it will be of great advantage to all, I think, to know what is coming up and approximately when, and also to have the nongermane amendments left out.

All these that have been mentioned here are germane on the merits.

We can take our time and energy here and in conference on these nongermane amendments and not accomplish anything because of the House rules, if for no other reason. Also, it is going to be a great help to all to require these amendments to be filed in writing so they can really be examined by the membership and by the staff.

I think once we get matters moving and get to the voting, we will move very rapidly. There is an end time here of not later than June 6, at 6 p.m.

I want to say, in pushing this bill's passage, I, of course, was not trying to cut off anyone in debate. I was not dodging around about foreign policy.

We have had foreign policy in all these debates. One year we took seven weeks to pass the bill with no filibuster. We have had a great deal of foreign policy, and we will have it every year, although we do try to stay out of the jurisdiction of the Committee on Foreign Relations.

So I welcome the debate. I want to see how much life they have, how much suggestion they have, and if there was a resolution here, the Committee on Foreign Relations that covered these matters, I would be delighted to have it debated at the same time, as far as that is concerned. I even have a preference for a few days.

But this is an important bill in that we must pass it and I think this arrangement is the second best way we could have gotten at it.

Of course, I say this with all deference to everyone who has been working on it. The Senator from Arizona is a very valuable member of our committee and the Senate. I appreciate his attitude in foregoing an important mission he was going on representing the President of the United States. It is an important mission, especially in that capacity, but, as I understood, he is going to stay here, and I appreciate everyone's attitude of cooperation.

Under all those circumstances, I think the leadership, too, is working out all arrangements and I think it will work all right once it is voted.

Mr. ROBERT C. BYRD. Mr. President, I ask the following questions:

One, I understand that I may have misstated the request with respect to votes on amendments on Wednesday, June 4.

I stated there would be no votes on amendments on Monday, June 2; there would be no votes at all on June 2. I meant to say that votes on amendments would begin no later than 12 noon on Wednesday, June 4, which makes it possible, if the general debate has run its course prior to that time, to call up amendments and possibly have a vote on them on Tuesday, but certainly with no vote to occur on the first ceiling amendment no later than 12 noon on Wednesday.

Did I state my request?

The PRESIDING OFFICER. That is the prior statement of the Senator.

Mr. ROBERT C. BYRD. My next question is this: Did I ask that the agreement be in the usual form?

The PRESIDING OFFICER. The Senator asked the agreement to in the usual form.

Mr. ROBERT C. BYRD. Very well.

Finally, I want to be sure, because the distinguished Senator from Mississippi entered into the agreement with the understanding that the agreement would be in the usual form as to, particularly, germaneness, and also with the understanding that no amendments would be in order after 6 p.m. on Wednesday, June 4, unless they have been submitted to the desk by that time.

The PRESIDING OFFICER. The Chair would observe that the Senator from West Virginia never finally obtained a time limitation on the amendment by the Senator from New York who requested three-quarters of an hour for his side.

Mr. ROBERT C. BYRD. Yes, but first of all, I want to be sure that I locked in that part of the agreement requiring amendments, before there would be in order after 6 p.m. on Wednesday, June 4, that they be submitted to the desk for printing by the hour of 6 p.m. on that date.

The PRESIDING OFFICER. The Senator so stated.

Mr. ROBERT C. BYRD. Now, as to the amendment by the distinguished Senator from New York, I believe I understood the Senator to ask for 45 minutes on his side on that amendment.

Mr. JAVITS. Let us make it one and a half hours, unless Senator Stennis wants less time.

Mr. STENNIS. I would be satisfied with 30 minutes. The subject matter would be up already. Make it just 30 minutes.

Mr. JAVITS. Very well, one and one-quarter hours.

Mr. ROBERT C. BYRD. One and a quarter hours, with 30 minutes allotted to Senator Stennis and 45 to the Senator from New York.

Mr. JAVITS. I thank the Senator.

Mr. ROBERT C. BYRD. And, of course, under the agreement in the usual form, the Senator is in control of the time on general debate and he yields such time to any other Senator for any debatable motion or appeal.

Mr. STENNIS. If the Senator will yield, to be sure we understand, the general time on the bill is in the control of the respective Senators named and can be allotted in part to any other amendment.

Mr. ROBERT C. BYRD. Yes, under the agreement.

Mr. STENNIS. Very well.

Mr. ROBERT C. BYRD. Mr. President, that completes my request.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I wish to thank the distinguished Senator from Mississippi for his graciousness in working out this agreement. I know it is not exactly what he wished, but still it does provide a great deal that is helpful to him in his responsibilities. The germaneness of amendments, the printed amendment requirement, and the time limit that insures we will finally conclude does contrast to a time which I recall when the Senator was compelled to be on the floor for, I think, 33 consecutive days and with great tenacity, determination, and eloquence he held forth and prevailed in most of his views.

Now, less time will be required.

I thank also the distinguished majority whip and majority leader for their cooperation in working all this out. It represents further help.

Senator Kennedy and I are delighted at the outcome of something we have devoted a great deal of time to. I trust Senators we did not have time to reach before it was finally put together will understand that under Senator Kennedy's control, there is time to be allocated to anybody who feels he did not get enough time for some amendments he may have in mind and more time for it than we were aware of.

Mr. KENNEDY. Mr. President, I join my colleague, Senator Cranston, in expressing appreciation to the leadership, to Senator Mansfield and Senator Byrd, for their willingness to sit down with us on a number of different occasions in the development of this proposal, and also share a sense of appreciation with the

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chairman of the Armed Services Committee.

All of us have enormous respect, even at the times when on occasion we do differ, for the extraordinary amount of time, deliberation, and effort that the Senator from Mississippi devotes to this legislation.

As all, I am sure understand, there is no piece of legislation that really is more important than the legislation devoted toward the security of our country. Certainly, there is no one as knowledgeable as the chairman of that committee.

It seems to me that with this agreement a number of us will attempt on both sides of the aisle to give some serious consideration to many of the basic and fundamental tenets of a defense policy and the implications of the defense policy or foreign policy and trying to provide some degree of the framework for the various different amendments which will be considered.

It is certainly our intention, I know, speaking for the Senator from California and myself and a number of other Senators who have joined us, to try over the period of the Monday and Tuesday, and perhaps as well next week when the Senate will initially consider this legislation, to enter into a full discussion about some of these basic tenets of our defense policy of this Nation in meeting our responsibilities here at home and to our allies in other parts of the world. We intend this to be a serious and thoughtful discussion. We intend to invite those who have different and divergent views to participate with us in this undertaking. We are hopeful that with this additional time we will be able to give these various amendments our best judgment and the best of our ability in developing the best and strongest possible cases for placing these amendments before the Senate for consideration and deliberation so that the Members of this body will be able to become even better informed about these measures and make their own best judgment as to what is in the security, not only the security in terms of armament but also security involving the allocations of resources of this country.

I do feel that the leadership, by framing this proposal, has really permitted an orderly way of proceeding on these different issues and grouping some of these matters which are related, which I think will be of help and assistance to the members in their consideration of these various items.

It has been the intention of Senator Cranston, myself, and the others that we will be able to focus on the different general issues that fall under various categories and permit discussion and debate, and then to move on into other various weapons systems, and to proceed in what we would hope would be an orderly fashion.

We are very appreciative of the support we have received from our colleagues in developing what we think is an orderly process and procedure to begin this debate and also to conduct the debate.

I believe all of us are extremely mindful that any time that we enter into a consent agreement such as this, every member of this body sacrifices some of his privilege.

We want to indicate at the outset that with the period of time that we have been allocated, the three hours, obviously we have every intention of making that time available to any of our colleagues on either side of the aisle, really on either side of the issue, if it is necessary, so that we can permit the kind of informed discussion and debate which we think is of such importance to the future of our country, and which we think is of such importance to effective legislating by this body.

Again, I thank the Chairman and thank the leadership for working out these agreements.

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. Mansfield and myself, I wish to express appreciation to the distinguished Chairman of the Committee on Armed Services (Mr. Stennis), to the distinguished Senator from Massachusetts (Mr. Kennedy), to the distinguished Senator from California (Mr. Cranston), to the distinguished minority leader (Mr. Hugh Scott), to the distinguished minority whip (Mr. Griffin), to the distinguished Senator from Arizona (Mr. Goldwater), and also to all other Senators who participated in this agreement through the Senators I have named. Both sides gave a little here and gave a little there and made it possible for this agreement to be effectuated.

Again, on behalf of Mr. Mansfield and myself I express our personal appreciation and gratitude.

I am sure the Chair has no question concerning the agreement, or the Parliamentarian, if I may address the question through the Chair.

The PRESIDING OFFICER. The Chair is advised that the Parliamentarian has no questions.

Mr. ROBERT C. BYRD. I thank the Chair and the Parliamentarian.

RECESS UNTIL 9:45 A.M.

Mr. ROBERT C. BYRD. Mr. President, finding no additional notes in my pockets, I move, in accordance with the previous order, if there be no further business to come before the Senate, that the Senate stand in recess until the hour of 9:45 a.m. tomorrow.

The motion was agreed to; and at 6:55 p.m. the Senate recessed until Friday, May 16, 1975, at 9:45 a.m.

NOMINATIONS

Executive nominations received by the Senate May 15, 1975:

Renegotiation Board

Christoper U. Sylvester, of North Dakota, to be a member of the Renegotiation Board, vice Daniel Eldred Rinehart, resigned.

In the Marine Corps

Gen. Earl E. Anderson, U.S. Marine Corps, when retired, to be placed on the retired list in the grade of general.

EXTENSIONS OF REMARKS

THE FLAG LADY'S TRIUMPH

HON. RAY J. MADDEN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. MADDEN. Mr. Speaker, it was exactly 8 years ago Friday that I brought to the attention of my colleagues a constituent of mine from Munster, Ind. Today, Mrs. Mary Lou Kieswetter is known across the breadth of our land as "The Flag Lady."

I am calling attention to her again because we will be observing, within a few days, two very important holidays—both of which will mark personal triumphs for Mrs. Kieswetter and her tireless pursuit of restoring patriotism as a way of life in America.

On May 26, we will be celebrating Memorial Day. On July 4, we will be celebrating the 199th anniversary of our Nation's birth—signaling the start of this Nation's 200th year of existence and the year-long Bicentennial observance.

Memorial Day will be an especially significant occasion for Mrs. Kieswetter who, in her efforts to instill a better sense of patriotism among her fellow citizens, founded the National Council for the Encouragement of Patriotism to achieve that purpose.

One of her council's endeavors has been to proclaim U.S. 41—a major national road which begins at the Nation's northernmost border at Copper Harbor, Mich., and winds through eight States to its end destination at Miami, Fla.—as the "Highway of Flags."

The Governor's of the eight States—Michigan, Wisconsin, Illinois, Indiana, Kentucky, Tennessee, Georgia, and Florida—have issued proclamations to that effect.

For the last several years, Mrs. Kieswetter and her organization have been raising donations to erect a monument in Highland, Ind.—one of the countless communities which are situated along the "Highway of Flags."

That memorial, built with donated money and labor, will be officially dedicated as a tribute to our Nation's banner and U.S. servicemen on Memorial Day.

The dedication ceremonies will feature Brig. Gen. David W. Winn, deputy commander of the 22d North American Air Defense Command Region. General Winn was a 5-year prisoner of war during the Vietnam war and has received numerous citations for valor while imprisoned in North Vietnam. A command

pilot, he holds the Silver Star, the Distinguished Flying Cross, the Air Medal, and a Purple Heart.

A second ceremony will be conducted at the newly dedicated memorial on July 3, the eve of the anniversary of our Nation's birth. This ceremony will involve thousands of patriotic citizens living along the Highway of Flags. The project is entitled "Spirit of 1776–1976—American Unity Project 41."

The July 3 ceremony will begin shortly when a group of Boy Scouts in Copper Harbor step off the first strides of a long journey, carring a flag. A similar journey will be started in Miami Beach. At each town along the way of the two march routes, the flags will be handed over to other groups and this will be repeated until both flags are delivered at the Highway of Flags Memorial—it will be a march that will link the borders of our Nation into a single chain of patriotic expression.

These are great accomplishments for Mrs. Kieswetter. Starting out as a lone voice in the wilderness, she has demonstrated once again what a single person can perform if gifted with the proper ingredients of success—a firm dedication of purpose, an unrelenting spirit and a sense of unyielding determination.

When I first spoke about Mrs. Kieswetter 8 years ago, her son, Jim, had just gone to Vietnam. Upon his departure, she made a deep and personal reappraisal of her feelings about her country and made a commitment to patriotism. Thus began her one-woman crusade to promote the American flag as a symbol of American patriotism.

Her son served 4 years with the U.S. Navy and was sent into Vietnam waters three time. He is now married and has two children. He is employed by the Inland Steel Co. and is a part-time student at Purdue University's Calumet Campus.

She outlined her feelings in an emotional essay entitled, "You Bet I'm a Flag Waver" which has been published in numerous publications.

On the occasion of the Flag Lady's personal triumphs, I include it in the Record. The article follows:

You Bet I'm a Flag Waver

(By Mary Lou Kieswetter)

The rat-a-tat-tat of a drummer's stick; the clash of brass cymbals; the twirling of silver batons, and a brilliantly dressed, fast stepping color guard marching down the middle of Any Street U.S.A., are the appetizers that stimulate my hungry heart for a nourishing feast of patriotism. The chemistry of my anatomy has lacked this ingredient for a near disastrous length of time and my system is suffering from "patriotic decay".

I want to feel my heart race, a mist to cloud my eyes, and the tightness of that "lump in my throat" make speaking impossible for a moment. I crave to know that good old-fashioned spirit of patriotism. Let me see visions of Betsy Ross, Washington, Jefferson, and Nathan Hale, as I watch a parade pass by.

If I become so stirred that I shout "Three cheers for the red, white and blue," don't jeer me, join me, and let the world know you're proud to be an American!

Why can't Americans let loose emotionally and allow their fervor for flag and country to ripple forth as do the red and white stripes of our beautiful American flag? Because somewhere along the curbside of every parade Americans are brainwashed into believing it "corny" to become wrapped up constitutionally with a 3 x 5 red, white and blue piece of cloth. A complacent attitude towards our fifty stars seems the socially accepted way to respond. God forgive you who have allowed this apathy to destroy our national heritage. A heritage so desired by those who conceive to destroy it, that they strive continuously to unravel our red, white and blue braid of unity and endeavor to steal our precious privilege of living free. We modern Americans take so far granted the inheritance we have been given, that we have become negligent of the realization that we have been intrusted to preserve this heritage for those yet unborn. It is an awesome responsibility.

No one is born patriotic. Patriotism must be instilled through constant introduction to the subject just as we are taught our religion. The cross and the flag are the two symbols we as Americans may still share, regardless of our race, creed, color, financial status or political views. We enter the house of worship to acknowledge our belief in God. The American flag is displayed to educate those around us that we love our country and its many freedoms.

How do we preserve our heritage for future generations? It would be simple if Mason jars could be filled and labeled with "Blood shed while the Star Spangled Banner was written" or "Tears and sweat from those who fought at Flanders Field, Corregidor and Pearl Harbor". But the accomplishments of the past cannot be bottled and placed on a shelf for the future generations to open. Our national heritage must be preserved within the capsule of the human heart with enough dedicated character to subject its overflow into our nation's young people.

Heritage is preserved through citizenry. We are citizens. We must set the example for our children to become "good citizens". The demonstration of strong faith in democracy and undivided devotion to our country must be made prevalent. The youth of our nation is Uncle Sam's strongest weapon against defeat. Each generation must endeavor to rekindle in its youth the allegiance to our flag, reverence for those in our nation's past and a spirit of loyalty and cooperation with the administration in office, regardless of personal political sympathies.

Count the flags displayed on your street this Memorial Day. Will you be proud of the number? Total the flagpoles you find standing naked of their Stars and Stripes on Flag Day, Ashamed? I am. Numerate your blessings on the Fourth of July, our nation's birthday, for your material accomplishment could not be totaled if the first blessing of being born an American hadn't been given to you. You bet I'm a flag waver!—And when I place my hand over my heart as that glorious American flag is raised or passes by, I feel very near to God; and that's a pretty good place to be in these troubled days. Try it!

HON. KEN KEATING

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. DON H. CLAUSEN. Mr. Speaker, Ken Keating's passing last week after a long, varied, and immensely successful career has taken from us a man who had earned the respect and admiration of everyone who ever had the pleasure to know him.

It was my privilege to work closely with him during his service as a U.S. Senator and also during his two ambassadorial appointments.

His constituents and his countrymen benefited greatly from the selfless service and devotion to duty.

Kenneth Keating will be sorely missed. He will always be remembered as the one who publicized the fact that the Soviet Union was installing missiles in Cuba—a fact he publicized with great diligence and with the end result that the missiles were ultimately removed.

I know we all convey our condolences and our sorrow to the family of this fine and distinguished gentlemen.

SENIOR CITIZENS AND THE ECONOMY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. DOWNEY of New York. Mr. Speaker, on March 3, I held a day-long public hearing in my district on senior citizens and the economy. I heard testimony from more than 2 dozen witnesses, including heads of senior citizens organizations, agency directors, and some very outspoken individuals representing themselves. The hearing room was packed with interested older Americans anxious to be heard by their Congressman as well as by the various public officials who were also in attendance.

Mr. Donald Middleton, currently the regional director for Manhattan and Staten Island in the New York City Office of Neighborhood Services, previously, the executive director of the Economic Opportunity Council of Nassau County, was one of the witnesses at the hearing that day. He spoke of a free surplus food program instituted in Nassau County which substantially aided the elderly, but was phased out when the food stamp program was instituted. I think Mr. Middleton's remarks would be of benefit to my colleagues in the House, and I ask that his testimony be printed in the Record at the conclusion of my remarks.

The testimony is as follows:

Senior Citizens and the Economy

Mr. Middleton. My name is Don Middleton, and I'm a candidate for the office of Trustee in the March 18th election in Babylon Village.

I currently serve as Regional Director for Manhattan and Staten Island in the New York City Office of Neighborhood Services. I'm a former assistant professor at Fordham University Graduate School of Social Services at Lincoln Center. Prior to that, I served as Executive Director of the Economic Opportunity Council of Nassau County.

I would like to describe a program which I helped develop in Nassau County six years ago this month. A program which was too successful. A program which cut to the heart of one of the greatest problems facing our senior citizens particularly in these times of economic disaster and hunger. A program which could serve as a model for new legislation to create jobs for the elderly, improve their nutrition and, last, but, perhaps, most important, to provide hope.

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Hope that they haven't been forgotten and hope that they won't go hungry at a time in life when they should be enjoying the greater benefits of everything a still generally abundant society should be providing for them but isn't.

I'd like everyone to take a trip back down recent memory lane to the early spring of 1969.

By the spring of 1969, frustrated expectations within the poor neighborhoods of our cities had reached fever pitch. Central cities had burned for three summers.

Here on Long Island, while there weren't any riots, frustration was as great as it was in any center city. The great promise of the poverty program continued unfulfilled. The Civil Rights movement moved too often with too much "Deliberate speed".

The elderly poor were still the least visible of the "Invisible poor". Scattered, isolated, unorganized and politically mute, the elderly poor were often further disadvantaged because they refused to accept the welfare stigma. They refused with pride to accept handouts.

For those who had no other alternative but to accept welfare, Governor Rockefeller and the State Legislature he controlled passed a Welfare Cutback Bill which was the most regressive piece of anti-poor, anti-elderly legislation that had ever been passed in New York State. The cutbacks were to take effect in July of 1969.

In April, 1969, Al Lowenstein, recently elected Democratic Congressman from Nassau County and Member of the House Agriculture Committee and Eugene Nickerson, the County Executive and candidate for Governor, indicated an interest in using the county's monies that would be left over in the budget as a result of the state-mandated welfare cutback to greatly expand the tiny free surplus food distribution program that had been conducted in Nassau during the prior two years. Nickerson pledged publicly that no one would go hungry in Nassau County as a result of state welfare cuts. A small task force of top level county officials, representatives of the poverty program, civil rights groups and senior citizen groups began working on a plan to expand the county's free surplus food distribution program. These plans led eventually to the establishment of the Long Island People's Association and to the creation of a one-year program which was cited before the United States Senate Select Committee on Hunger and Human Needs as the only effective poor people's food program in the nation.

To many Americans, the existence of hunger implied a doubt as to the ability of our system to solve any of the great problems facing our nation. Mr. Nickerson committed his administration to offsetting the Rockefeller-engineered welfare cuts and to assuring food for any hungry person in Nassau County, particularly for the elderly. Following a series of meetings between Nickerson and our hunger task force, a decision was made to greatly expand the free surplus food program through a new consumer controlled corporation, the Long Island People's Association.

The program intended eventually to develop multi-purpose cooperatives. The plan called for establishing a network of thirty food distribution storefronts. A county-owned warehouse would be used for the food storage and distribution. Some 125 employees would be needed to run the program. The poverty program was charged with the responsibility of recruiting the unemployed and welfare recipients for these positions. Through a combined training effort, these people were employed, trained and ready to go to work on July 5th, when the stores were officially opened.

The food program that had existed in the county before this time had served only 2,000 cases per month and had distributed limited amounts of food through local armories, et cetera on a once a month basis. Within four months, our LIPA Program was serving eighty-five percent of the eligible caseload, approximately 50,000 people, and was distributing more than 500,000 pounds of food per month. The jobs that had been created for welfare recipients and the unemployed nearly made up for the cost of the program itself.

And then during the first week of May, 1970, Nixon got into the act. Nixon, realizing the political viability of the issue, pledged his administration "To put an end to hunger in America for all days." As part of this pledge, he chose to force through executive order approximately 400 counties nationally to convert by July, 1970 from free surplus food programs to food stamp programs.

The impact in Nassau which was one of the selected counties would be devastating. The entire LIPA Program would go out of existence. The hope that food distribution centers would be converted eventually to community controlled, mutil-purpose cooperatives would be destroyed.

Nickerson, at that time, hard-running for Governor, attacked Nixon and demanded that Rockefeller intercede to forestall the July implementation of the Food Stamps Program. Working with Lowenstein, we lobbied to create a six-word loophole in the Food Stamp Act in order to allow our county to conduct both food distribution programs and food stamps programs at the same time. Through other poverty programs around the county, we applied pressure to the members of the House Agriculture Committee.

Moreover, Nickerson announced that the poor people of Nassau would be polled through the thirty food distribution storefronts as to whether or not they wished to go on the Food Stamps Program or whether they wished to continue receiving free surplus foods. The results of the poll showed that on a nine to one basis, they preferred surplus food. Food stamps were felt to be degrading in that recipients had to identify themselves publicly as such at the bank where they purchased the stamps and again when they redeemed them at shopping centers.

Realizing the feelings of those to be most effected by the food stamps, Nixon, nevertheless, proceeded with the implementation plans.

Meanwhile, all of our lobbying attempts failed. We were successful in having a bill introduced in the State Assembly to forestall implementation. The bill, having been introduced only by Democrats, died in Committee. We weren't even able to obtain a cosponsor in the Senate.

In July, 1970, the Food Stamps Program was implemented in Nassau County. More than fifty percent of the participants in the surplus food program refused to buy food stamps. In the long run, the efforts of LIPA may have actually hurt the elderly poor. On the other hand, the brief taste of dignity may well have resulted in many intangible but, nevertheless, real accomplishments for the elderly poor of Nassau County.

What is the lesson in all this? The lesson is that the federal government can't do the job alone. Senior citizens must become actively involved in helping concerned legislators such as Congressman Downey to forge a working partnership, a partnership which could lead to the re-creation of legislation to establish surplus food co-op centers, to provide jobs and to assure a dignified service which will not publicly label those it serves. A program which will assure senior citizens of decent, balanced nutrition and hope that through working together we'll build a better tomorrow.

A STATEMENT BY KENNETH JERNIGAN

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. MINK. Mr. Speaker, as a member of the Education and Labor Committee, the Select Subcommittee on Education, and the Elementary, Secondary and Vocational Education Subcommittee, I have become aware of the barriers encountered by our blind citizens who attempt to secure employment as teachers in both elementary and secondary schools. During our consideration of H.R. 69 in the 93d Congress, I had the privilege to introduce an amendment designed to prohibit discrimination against the blind in employment as teachers. While this amendment was adopted by the full House when it approved H.R. 69, it was not accepted in our conference with the Senate because of the view of some that the problem has a remedy under existing law.

Mr. Speaker, even though my amendment was not included in the conference report on the Elementary and Secondary Education Act Amendments of 1974, I am in hopes that the basic principle of prohibiting discrimination against the blind in this field will be recognized by responsible officials. I am convinced that the blind have amply demonstrated that blindness, itself, does not prevent an otherwise qualified individual from performing the duties of a teacher.

The National Federation of the Blind, an organization which I have been proud to assist in advocating opportunities for the blind, has recently concluded legal proceedings to secure teaching positions, for the blind in the public schools of Denver, Colo. Mr. Speaker, the settlement of this case will indeed have national implications. Not only has the Denver school district agreed to revise the visual requirements section of its personnel standards, but also it will affirmatively seek to recruit blind persons as teachers in the schools. This will be done through the National Federation of the Blind and its appropriate committees and divisions.

Mr. Speaker, in the hope that the Denver decision will serve as a model for the schools of the Nation, I ask permission to insert in the RECORD the court's order, judgment and decree, together with a statement by Dr. Kenneth Jernigan, president of the National Federation of the Blind and an article from the Rocky Mountain News concerning this case.

[In the U.S. District Court in and for the District of Colorado, Civil Action No. C–5134]

ORDER, JUDGMENT AND DECREE

Judith A. Miller and National Federation of the Blind of Colorado, Inc., a Colorado Non-Profit Corporation, Plaintiffs, against Louis J. Kishkunas, individually, and as Superintendent of School District No. 1 in the city and county of Denver, State of Colorado, Robert C. Crider, Theodore J. Hackworth, Jr., James C. Perrill, Frank K. Southworth, Bernard Valdez, Omar D. Blair, and

Katherine W. Schomp, individually, and as members of the Board of Education of School District No. 1, and School District No. 1 in the city and county of Denver, State of Colorado, Defendants.

This matter coming on before the Court upon the Stipulation executed by and between the parties through their attorneys of record and dated April 17, 1975; and

The Court having examined said Stipulation and having reviewed the files herein and being familiar with this matter, does hereby approve the Stipulation; and

Doth Order, Adjudge, and Decree as follows:

1. The school district, by and through its Superintendent, shall continue to carry out and shall formalize and adopt a program of affirmatively interviewing and recruiting, through colleges and universities of the State of Colorado, blind students majoring in education and encouraging them to make application to the School District for employment upon receiving their Teachers Certificate from the State Board of Education.

2. The School District, in an effort to extend its recruitment program to certified teachers in Colorado and nationwide, will utilize the services available through the National Federation of the Blind of Colorado, Inc., its parent organization, National Federation of the Blind, Inc., and such other private and public associations and entities as may be beneficial in the recruitment of qualified blind and visually handicapped teachers.

3. The Plaintiff, National Federation of the Blind of Colorado, Inc., and on behalf of the National Federation of the Blind, Inc., will provide the school district, upon request, personnel of the federations or membership from the federations to aid and assist the school district in its recruiting efforts including the services of the teachers division and students division of the federation.

4. The school district will continue to review national studies concerning the hiring of blind and visually handicapped teachers.

5. The vision impairment section of the "Health Standards for Employment" promulgated in December, 1972, by the school district, shall be re-written and promulgated in the following language:

"17. Vision impairments—shall not serve as a basis for denying employment, unless it is shown that the particular disability prevents the performance of the work involved."

6. The recruitment policies and program of the school district are designed and shall be affirmatively utilized to ensure that the school district shall seek the best qualified applicants for all positions of employment and will in the future treat qualified individuals who are blind or visually handicapped on the same terms and conditions as the able-bodied, unless it is shown that the particular disability prevents the performance of the work involved.

7. Nothing contained herein shall be construed to be an admission or finding that the school district presently or in the past has practiced discriminatory policies of hiring blind or visually handicapped teachers.

Dated at Denver, Colorado this 21st day of April, 1975.

A STATEMENT BY KENNETH JERNIGAN

Today's Federal court order is a major landmark for the blind in our efforts to achieve first-class citizenship in society and equality of employment.

Two aspects of the order are precedent-setting and national in scope. We have won similar cases involving the right of the blind to teach in public schools but all previous cases have been decided in state courts and, therefore, have no legal implication for similar cases in other states. Today's decision will serve as a clear message to school districts throughout the nation and, indeed, for the public at large.

Today's order is also historic since, for the first time the blind themselves, through their own organization, the National Federation of the Blind, have been officially recognized by the courts as the responsible group for assisting with the recruitment and hiring of blind persons in implementing the agreement.

We are appreciative of the fine legal representation Attorney Robert Keating provided in resolving this case. I would also like to recognize Judy Miller and our leadership in Colorado for their dedication in seeing the case through to conclusion.

TEACHER WINS RIGHT FOR BLIND TO WORK IN DENVER SCHOOLS

(By Tom Rees)

Miss Judith A. Miller, a University of Colorado graduate, carrying a teaching certificate from the Colorado Department of Education, applied for a job as a teacher in the Denver public school system in 1970.

She was turned down because she is blind.

Subsequent attempts at employment were rebuffed.

Monday, under a settlement arrived at in Denver U.S. District Court, the school district's doors opened to blind teachers.

Miss Miller said she'll reapply for the teaching post this week.

"Her application will be happily accepted," Supt. Louis Kishkunas said.

Miss Miller and the National Federation of the Blind of Colorado Inc. sued the school district in June 1973 charging the school board with violating her constitutional rights for failure to hire her because she is blind.

U.S. Dist. Judge Hatfield Chilson vacated the trial set for April 7 when attorneys for both sides informed him they were working on a settlement.

On Monday, the judge approved a settlement which directs the school district to:

—Interview and recruit through Colorado colleges and universities blind students majoring in education.

—Utilize the services of the National Federation of the Blind of Colorado in recruiting qualified blind and visually handicapped teachers.

—Continue reviewing national studies concerning the hiring of blind and visually handicapped teachers.

—Abolish its rule that no one with less than 20–40 vision or with a disease that could threaten vision will be allowed to teach in Denver schools.

Monday's settlement was hailed by Kenneth Jernigan, president of the National Federation of the Blind, as a "major landmark for the blind in our efforts to achieve first-class citizenship in society and equality of employment opportunity."

He noted that the federation has won similar cases in state courts, but that these victories have no legal implication in other states.

"Today's decision will serve as a clear message to school districts throughout the nation and, indeed, for the public at large," Jernigan said Monday.

Miss Miller, 28, who is president of the Denver chapter of the Federation of the Blind of Colorado, said the court order is "a milestone in bringing about equality of opportunity for the blind.

"The case here has served well as an example to others throughout America of how enlightened people can take so unenlightened a position," she said.

Miss Miller said that since Kishkunas came to Denver in August 1973, he has been active in trying to change the school district's policy regarding blind teachers.

Contacted Monday to Florida, where he's attending a National Association of School Boards convention, Kishkunas said he was pleased by the settlement.

"I was awfully uncomfortable in an adversary position. We should be working in the same direction. Now, we're on a path where we're working toward the same goals," Kishkunas said.

"I can think of a lot of situations where the blind can satisfy the requirements for a job," he said.

Miss Miller said she'd like to return to teaching at the secondary level in the areas of speech, English, or social studies. She's a graduate of Denver public schools and completed her student teaching in Denver's East High School. She taught for two years in Walnut Hills Elementary School in the Cherry Creek School District. She has been unemployed since the suit was filed, working as a volunteer for the federation.

ISRAEL CELEBRATES ITS 27TH BIRTHDAY

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. MAZZOLI. Mr. Speaker, congratulations are in order today as Israel celebates its 27th birthday as an independent world nation.

But the country's birthday comes at a time of great uncertainty in the Middle East. Tension and unrest mark the area. The threat of war—while diminished—has not faded entirely.

However, a glance at the history books reveals very quickly that uncertainty and turmoil are not new to the Jewish people, who have struggled since Biblical times to maintain their national identity against invaders and persecutors.

The State of Israel itself—established almost 1,900 years after the Romans defeated the last Jewish army in 73 A.D.—is the most convincing testimony to the success of the Jews in preserving their character and their culture over the centuries.

Even though troubles have beset the nation of Israel since its founding 27 years ago, it has not been distracted or prevented from making significant achievements during these years.

European, African, and Middle Eastern cultures have all contributed to the Israeli society, making it a "melting pot" much like our own United States. Almost half of Israel's population comes from North Africa and the Middle East. Another 10 percent is comprised of Arab Christians, Druzes, and Moslems.

Europeans, Americans, Latins, and the first generation of Israeli-born Jews make up the remainder of a society which draws upon the strengths of several cultures for its vitality and energy.

This vital population has quite literally made the desert bloom in building a vibrant urban and industrial society where, heretofore, swamps, deserts, and eroded hills were to be seen. Arid and barren lands have been reborn into productive farmland. As a result, Israel now grows three-quarters of its food within its borders.

In another area, educational opportunities may be pursued in Israel's 5,000

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schools. These include seven major universities and 52 colleges, as well as numerous religious colleges and institutes specializing in other subjects.

The state of Israel has gone beyond its own borders to share its technology with developing nations in Africa, Asia, and Latin America. This has been done either through the United Nations or at the invitation of the governments involved.

Hopeful signs such as these are often drowned out by rumblings of war from the Middle East. The grim truth is that renewed hostilities could—and possibly would with the proliferation of sophisticated weaponry in the Arab world—wipe out all this progress and these notable achievements.

Were this unthinkable event to occur, all the world—not just Israel and the Jewish people—would be the loser.

A prominent feature of the Jewish Passover service is the hope expressed by all that the Passover will be celebrated "next year in Jerusalem."

I can only add to this poignant sentiment my own hope that the Passover will be celebrated "next year in Jerusalem in peace."

A PLACE TO DIE

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. EDGAR. Mr. Speaker, on May 2 of this year, Mr. PEPPER and Mr. KOCH invited Members of the House to cosponsor a package of 49 bills which seeks to accomplish the following six objectives:

First. To make long-term care more readily available to all older Americans and to develop at-home alternatives to nursing homes for those who do not require the full range of nursing home services;

Second. To establish higher minimum Federal standards for nursing homes participating in medicare and medicaid;

Third. To improve nursing home inspection, enforcement, and auditing procedures;

Fourth. To require accountability by nursing homes;

Fifth. To provide financial incentives for good patient care and to encourage the development and rehabilitation of high standard nursing home facilities by loans and interest subsidies; and

Sixth. To provide training in geriatrics and training for physicians, nurses, aides, and orderlies in the special needs of nursing home patients.

In an effort to encourage my colleagues to add their much-needed support to this package of critical legislation, I am inserting an article by Loretta Schwartz which appears in the May issue of Philadelphia magazine and which I feel will be of interest. Ms. Schwartz's excellent article does much to illustrate and emphasize the urgency for corrective legislation. Ms. Schwartz quotes a resident of a nursing home as saying:

There is an old prophecy that says, "There will come a time when the living will envy the dead." For me, that time has come.

Life does not have to be like this for our older Americans and we, colleagues, are the people in a position to do something about it.

The article follows:

A PLACE TO DIE

(By Loretta Schwartz)

The Colonial Gardens Nursing Home is neither colonial nor gardeny nor, in any sense, homey. It is a 53-year-old brick building on a dismal block of Seventh Street near Poplar with an annex of two converted row houses across an alleyway. But 141 old people call Colonial Gardens home.

At age 78, Roy Brown was one of them. That was before April 5th, 1972, when he died of multiple injuries to his head and face, the result of having been knocked down a flight of stairs by James Wright, one of the home's employees, a few weeks earlier.

Then on December 17th, 1973, Robert McManus was taken from Colonial Gardens to Hahnemann Hospital after being severely burned from the waist down. McManus claimed that two of the home's employees intentionally put him into a tub of scalding water.

On December 27th, 1974, the Police Department Rescue Squad took 94-year-old Thomas Vitale from Colonial Gardens to the emergency room at Hahnemann Hospital. They left no report to explain what had happened to him and Vitale, who spoke only Italian, wasn't able to tell them.

One thing was clear, though. The old man had been badly scalded on his legs, feet, testicles and back.

That same day Mrs. Carmella Domenick, Vitale's daughter, says she received a phone call from a man who said he was from Colonial Gardens Nursing Home but refused to identify himself further. He told Mrs. Domenick that her father had been admitted to the hospital with a "little red mark" on his leg.

"I went to him," Mrs. Domenick says, "and I couldn't bear to look at him. The skin on his legs had turned black; sores were all over his feet above the ankles and bandages were soaked with pus and blood."

She asked him, in Italian, what had happened.

"My dear daughter," he said, "two men lifted me into a tub of boiling water and my screams could be heard everywhere. Dear God, only God can know how it hurt me!!" Then, Mrs. Domenick says, "his hand came up in a fist and he began to cry."

For some time before Vitale's scalding he had complained to his children about the care he was getting, telling them he wasn't getting enough to eat. But they hadn't taken him seriously. Then, several months later, Mrs. Domenick noticed a number of bruises on the left side of her father's body. When employees told her that he had fallen, she believed them—but by now she was beginning to worry.

Thomas Vitale was not taken to Hahnemann on the day he was burned. Carmella Domenick says, "he wasn't entered until his burns became infected. The doctors told me at the time that if gangrene set in, they would have to amputate."

The problem never came up. At 9:40 a.m. on January 29th, Thomas Vitale died. He had been under the care of Dr. Sheldon Bender, who is Colonial Gardens' physician, but because Bender was not on duty at the time, the death certificate was filled out by Dr. Roberto Fiorentini. The original death certificate, however, did not mention anything about burns—Fiorentini went strictly by the information listed, he says, on the victim's chart. Death was attributed to heart failure, a natural enough cause of death in a 94-year-old man.

Mrs. Domenick contacted a lawyer. She did not consider her father's death "natural." Certainly, she reasoned, the heart stops; the patient dies. But what about contributing causes? *Why* did the heart stop?

Dr. Bender insisted that death was due to natural causes. "This is ridiculous," he said. "His daughter's making a big thing out of this. All he had were a few burns on his feet. He died of a heart problem."

But what about his back and testicles? Hadn't they been burned, too?

They hadn't, Dr. Bender said, unaware that photographs taken at Hahnemann Hospital prior to Vitale's death show the full extent of the burns. And when Thomas Vitale's grandson requested a Medical Examiner's inquest, a corrected death certificate was issued which cited thermal burns as a cause of death.

Preventing such deaths and monitoring activities at Colonial Gardens has, at best, been difficult. Dorothy Popert, supervisor of Licensure and Standards for the State Department of Public Welfare in the Philadelphia area, says, "If we drop in unannounced, they block us as much as they can. When we announce our visits they clean the place up before we get there."

But sometimes unannounced visits do take place. According to the written report of Department of Welfare officials who visited the home on March 3rd of last year, roaches were found throughout the facility in patients' bedside cabinets, water pitchers, food trays, urinals, as well as in patients' drawers and on walls and floors. Twenty patients were found to be incontinent, with no linens available to change them; the kitchen was locked, and no juices were available for patients during the night. There was no physician's documentation of an eye injury resulting in the loss of a patient's eye, and there was a strong odor of urine throughout the facility.

Follow-up visits on May 9th, 10th, 13th and 14th revealed additional deficiencies: patients with cradle cap (a fungus infection of the scalp), a fire exit locked, inadequate staff, many medication errors with unlicensed personnel administering medicines without a physician's orders and without having been recorded for a period of *several months*. These are only a small sampling of an extensive continuous pattern of deficiencies observed during special recorded visits.

It is unclear how, despite such findings, Colonial Gardens has been able to continue operating. But *Philadelphia Magazine* did learn that David Rosenwald, the home's administrator, is a lawyer and a brother of Common Pleas Court Judge Edward Rosenwald. Their sister, Jean Beloff, is a member of the State Board of Examiners of Nursing Home Administrators—a division of the State Bureau of Professional and Occupational Affairs—which licenses operations from barbers to nursing home administrators in Pennsylvania. Vincent Fumo, former commissioner of the Bureau, was once politically allied with Jean Beloff's son, Lee. (In fact, following the November 1972 election, Lee Beloff and Fumo were charged, along with others, in an election rigging case. The charges were later dropped.)

When Roy Brown died following his fall in 1972 and the State Board of Examiners of Nursing Home Administrators began to conduct an investigation into the administration of Colonial Gardens, David Rosenwald's sister, Jean Beloff, herself the owner of the Harlee Manor Nursing Home in Delaware County, was on that board. An informal hearing took place in March 1973, almost a year after Brown's death, and early in 1974, almost a year after the hearing, Colonial Gardens was absolved—with a written suggestion that it take greater care in its hiring practices.

Joseph Mulroy, executive director of the Medical Center of Beaver County, Inc., was, during the Colonial Gardens investigation, the head of the State Board of Examiners of Nursing Home Administrators. "Vince Fumo controlled everything in that Bureau," he says, referring to the State Bureau of Professional and Occupational Affairs. "He was on every board. I think that our board did not act in a prudent manner in relation to this case. We needed legal counsel, but whenever we needed a ruling, we had to use State legal counsel, and they always ended up agreeing with Fumo."

When questioned, Vincent Fumo said he didn't remember the incident.

If life is difficult for those at Colonial Gardens, death, too, has been without dignity. In April of 1974, John Hasyn, an undertaker employed by Colonial Gardens, was accused of improperly burying the remains of six Colonial Gardens residents in plastic and cellophane bags in a single grave—along with 24 stillborn babies from Jefferson Hospital. Vincent Fumo defended him.

A hearing to determine whether Colonial Gardens' license should be revoked and federal funding permanently discontinued was scheduled for January 21st of this year, but that hearing was cancelled so that Isadore Shrager, the attorney for the home (as well as for Democratic City Committee), could attend the Shapp inauguration. The hearing was rescheduled for February 25th, but it was postponed again until April.

Shrager, who has been representing the home off and on for about 15 years, says that he has never been inside the place, but that he is assured by Rosenwald that the complaints against the home are unfair. Much of what goes on in nursing homes is unfair—but to residents, not businessmen.

The nursing home industry really began in 1935 with the enactment of the Social Security Act, grew rapidly after World War II and continued to accelerate after the advent of Medicare and Medicaid in 1965. It has grown to the point at which the United States Senate's Special Committee on Aging calls long-term care for older Americans "the most troubled and troublesome component of our entire health care system."

Senator Charles Percy, a member of the U.S. Subcommittee on Long-Term Care, says, "I can understand why the New York Stock Exchange is promoting nursing home stock. But I think it is a matter of business to the Senate of the United States to determine whether the profit that the homes are making is an unreasonable profit and whether this profit is coming out of the hides of old people."

Actually, even the so-called non-profit homes have come increasingly under government scrutiny. All "non-profit" means, in essence, is that the homes by law do not produce profits for tax purposes and do not return cash dividends to their owners. But the non-profit nursing home has some important advantages. It does not pay income tax, and depending upon the state in which it is located, may not be required to pay property taxes or various other taxes. In a recent book on nursing homes, Mary Adelaide Mendelson points out that "with guaranteed government revenue and the growing elderly population and the shortage of nursing home facilities that exist, there is, as a Wall Street expert said, 'No way not to make money in this business.'"

THE CROWN NURSING HOME, a private profit-making organization, is a dark brown four-story brick building with a small green iron fence near Broad and Snyder in South Philadelphia. Perhaps in preparation for the regular monthly visit of the Nursing Home ombudsmen in January 1975, a new coat of wax almost covered the floor—but there was still dirt around the edges.

The ombudsmen, little old ladies who volunteered time as visitors to the aged, some not more than ten years away from nursing home age themselves, were struggling up the stairs to the second floor so that they could visit the less fortunate. One ombudsman, a woman with arthritis who seemed to be in pain, said she hoped they would fix the broken elevator soon. But she fought on, as did the others—not relatives of the Crown residents, but women whose own children were grown, whose parents were, in most cases, dead—women who now had time to just sit for a few moments holding a stranger's hand. There were no other visitors, no radios or televisions in the rooms to help the residents wait out their lives, and no bed curtains or doors on the bathrooms for privacy.

An official in the DPW's Division of Licensure says that there have not been too many complaints about the Crown Nursing Home. "Most of the people who live there have no families," she says, "so there's no one to complain. But there has been a large employee turnover, and reports from the staff are not good." Nor were the reports filed by the Medicare and Medicaid programs' state surveyors. At the time of their inspection bathroom and kitchen equipment were consistently found to be unclean, a patients' activity schedule wasn't posted, a current fire inspection report was not available and the building's only elevator, which is essential for the safe exit of non-ambulatory patients, had been "under contract for repair" since October 1973.

Crown Nursing Home currently receives a "skilled care" government payment of $20 per day per person for Medicaid patients. "Skilled care" is defined as "qualified professional supervision for patients in need of 24-hour-a-day supervision." But Crown's owner, Bertha Zweig, asked Mickey McCullough, a social worker at Albert Einstein Medical Center in charge of transferring patients to long-term care facilities, for "sweet little old ladies who can take care of themselves."

AT THE SARAH ALLEN Nursing Home, located at Preston and Parrish Streets in North Philadelphia, a tiny bald-headed woman, her wheelchair pushed in front of a counter, pokes at the plate of food in front of her. Her sightless blue eyes roll toward the ceiling as she breaks off tiny pieces of fish and brings them up to her mouth, one at a time, sucking at them toothlessly. A male aide suddenly takes the plate away and the old woman begins feeling around the edge of the counter where the plate had been, her fingers searching for the fish. Unable to find it, she tilts her face up and begins sucking air like an infant. But she does not cry. She is at the other end of life and perhaps she has learned that crying won't help.

The smell of feces and urine wafts through the corridors like an ill wind and even a casual observer wants to cry out *why?* Why the odor of human waste? Why the unenforced regulations?

There is a tendency to say that reporters only look at the worst and fail to give credit to the many fine nursing homes, so we went to the best.

The Uptown Home for the Aged, located on Bustleton Avenue in Northeast Philadelphia, seems to be everything that a geriatric care facility should be. It is housed in a fairly new, beige-hued four-story building that occupies the better part of a block in a pleasant neighborhood—a building which appears to be a virtual country club for the elderly. Modern, color-coordinated and immaculately clean, its walls are covered with art, its floors carpeted.

Because just about all of its residents are Jewish, kosher food is prepared in two kitchens, and these, like all of the other facilities—the large auditorium, the brightly colored dining rooms, the lounges, the library and even the synagogue right on the premises—indicate that no expense has been spared to make Uptown a comfortable final place for the elderly. Visitors come from all over the country just to see it; people often wait years to live in it.

The Uptown Home for the Aged is a model home, unusual in every aspect except, perhaps, its personnel.

Neil McGuffin, a former staff member of the Uptown Home and a Temple University graduate, kept extensive notes on his activities at the home for four months. Then, running into difficulties after informing a family directly about what he considered the inappropriate administration of drugs to one of the residents, he resigned.

"Most people on the second and third floors fear the fourth floor," McGuffin says, referring to the level on which the senile and incontinent are quartered. "It's used as a threat by some of the staff members. They say, 'If you don't take your medicine, we'll put you on the fourth floor.'

"Some of the aides nicknamed patients 'Fatso' or 'Pack Rat' or 'Goggles.' These people were in a horrible situation: first, they're diagnosed as having 'organic brain syndrome,' so if they complain, no one listens. But, at the same time, if they fail to follow orders, they're punished—sometimes thrown roughly into their beds or left unchanged if they wet themselves.

"Once, I asked a licensed practical nurse for the definition of 'incontinent.' She answered. 'It's when you wet your bed on purpose.'"

A physician who works part-time at the home explains it this way: "The nurses I've seen there are good. The problem is that the aides or orderlies there are not always good, and all it takes is a couple of bad ones to make life miserable. These people are often from another culture; they are not always in sympathy with the residents and they do not always treat them like human beings. Still, it is the best home around, and if I had to put my parents in an institution, I'd put them here."

Agatha Tunney, head nurse at the home, defends it. "No one can be responsible for everyone on the staff," she says, "but I can say without a doubt that 85% of our people are dedicated." And she tells of an incident when the home *did* have a case of abuse, when three aides were trying to turn over an exceptionally heavy woman. "A fairly new employee reached out and slapped the patient's hand. Two other aides who worked with her beat the *bejesus* out of that aide and then they called the supervisor, who told me she was never so delighted in her life." Tunney says that the aide was discharged.

One of the problems with nursing homes is that orderlies and aides are, for the most part, the lowest-paid staffers of any institution, and small salaries do not always attract high-quality personnel. In the staff cafeteria, for example, a sign reads, "Due to many thefts, we may check all bags."

But it's not only the low-paid orderlies and aides who sometimes fail to understand the needs of the patients.

Samuel Cooper, a 74-year-old, reasonably healthy gentleman, was just a little apprehensive when he entered the small, gold-carpeted office on the ground floor at the Uptown Home. Cooper (not his real name) sat down and waited while a short, gray-haired woman who identified herself only as Mrs. Rose reviewed his bankbooks, Social Security and Medicare. Then, not smiling, she looked up.

"There's a contribution forthcoming. Five thousand dollars from the family for the

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building fund. The building is up but it's for the mortgage."

"Does everyone pay it?"

"That's right."

Mrs. Rose then discussed funeral arrangements for her prospective resident—she did not ask him about himself beyond that—and then she showed him to a second-floor bedroom. When asked about the third and fourth floors, the woman retorted, "The other floors don't concern you." And when asked a question about the staff members of the Uptown Home, she said, "Listen, you're not buying the place."

That was, of course, true, although Mr. Cooper *would* be paying the large donation, plus rent. And Mrs. Rose did not mention, as Cecil Frank, administrator of the home, would later tell *Philadelphia Magazine*, that the amount of the contribution is negotiable. According to Frank, only those families with money are asked to pay a donation, and he points out that a great many people at the Uptown Home are there without any donation ever having been paid on their behalf.

Whatever it is that is operational there, the home seems to offer a considerably better environment than any of the other nursing homes visited.

Many people do live happily for years at the Uptown Home. One little lady who lives on the second floor and uses it as she would a hotel, says, "Thank God there are places like this."

Good or bad, constantly escalating longevity assure nursing homes of one thing: *they* will call the shots for a long time to come. And those of us who are forced to put our elderly parents into nursing homes—or stand by and watch them enter on their own accord—are often plagued by guilt. A nursing home automatically has negative connotations: it marks the termination of an era, the end of the road for the people to whom we owe our very existence. Nursing homes remind us of our own mortality, and we wonder: what will happen to us? Strangely enough, no one really believes that he or she will end up in a geriatric care facility, and some go as far as to say that they would rather die. But when the time comes, of course, they wouldn't.

People are living longer. But not productively. There are only so many jobs—not even enough for people *under* retirement age. So ready or not, you retire at age 65 to make room for somebody else. They keep you alive, but they won't let you do anything. "Enjoy life," they say, "you've earned it." And that's the problem. How do you break the old habit of earning, of having something important to do every day? You're told that the incidence of psychopathology, depression and suicide rises with age. But is that because of age, or because of how age is handled? Why is less than 1% of the entire budget of the National Institute of Mental Health spent on aging?

Nobody *has* to stop working. A person can work as long as he or she can find an employer. Senior citizens are discriminated against in hiring; no one wants the elderly. Nobody wants all that experience and knowledge that was good enough for 50 years.

And because nobody wants old people hanging around the house, they either wander aimlessly through the stores, looking at the prices of things they can't afford, or sit quietly on park benches, or struggle onto buses, hunched over like tired flowers that have gathered in their petals. No one wants old people puttering around. No one wants to be reminded that life is a chronological progression toward death. It is estimated that 25% of all the people in nursing homes don't have to be there except that they have nowhere else to go.

Harry is one of them. He came to America in 1922, and back then he worked as a salesman, saved his money and then bought a little grocery store on South 4th Street. That's where he met Margaret, his wife.

"You know how it is," he says, "a girl came in and bought a couple of rolls. She had long dark hair rolled up in a bun. I was a greenhorn, she was American-born—but we clicked, just like that. She was lovely," he laughs, outlining a female shape with his hands.

"One night last year, Margaret's phlebitis flared up. Six hours later she was dead."

And shortly after that, Harry, who was still a handsome, energetic man with blue eyes, wavy hair and a moustache, had a heart attack.

His children became frightened. They didn't want him living alone. His daughter came into town and sold his furniture while Harry watched. Then he signed his money over, gave up his apartment—and along with it, apparently, his will to live.

"I used to walk with Margaret from Front and Callowhill all the way down to Broad and Snyder," Harry sighs. "Now many a day I want to go back to Front and Callowhill and throw myself into the river.

"Who am I? Who do I belong to? I live in an old age home. There's an old prophecy," Harry says as he lights a cigarette, "that says, 'There will come a time when the living will envy the dead.' For me, that time has come."

If Harry wishes he were dead, it is not just because he lives in a nursing home. It's because he has nothing to do. In that respect, he may be considered lucky—at least he's not worried about the care he's getting.

Right now substantive New York State studies of nursing homes are revealing widespread abuses of service—profiteering, administrative inadequacy, legislative deficiency and political corruption along with mistreatment of patients. In Philadelphia, too, many homes which should be meeting the physical, social and intellectual needs of the elderly have become brutal, profit-making storage bins for our surplus stock.

When Philadelphians try to point with pride to their handling of the elderly, there isn't much to talk about. But one facility that is generally mentioned is the Philadelphia Geriatric Center, home for over 850 residents on Old York Road in the Olney section of Philadelphia. The complex includes York House North, York House South, the Abraham and Helen Weiss Institute and the Hospital and Home for the Jewish Aged—all sponsored by the Federation of Jewish Agencies. Gretchen Neidermayer, assistant director of the Nursing Home Ombudsman Project, calls the complex "the best Philadelphia can offer."

But the Horns are talking about leaving the place; it has not turned out to be all they expected it to be. On the second floor, wheelchairs and geriatric chairs line the corridors—their home looks like a hospital ward. They have had no visitors since they moved in six weeks ago. Bessie, wearing an orange sweater and a black and white dress with a kerchief on her head, holds her husband's arm tightly as she pleads with him.

"It's time to go home. Take me home. What did I do so bad that I have to stay in this place?"

But Julius can't take Bessie home.

"Our house has prospects to be sold," he says, sitting on a bench in the corridor with his arm around his wife. "I signed it over to the home. So where are we going to go? I just about had enough money to cover getting in here, what with my savings and my Social Security. When they sell the house I'll have given them everything."

Bessie gets up but she doesn't get far. "Where are you going, Mrs. Horn?" a black aide shouts. "Don't let her leave that chair, Mr. Horn!"

"She ran away from here once," Julius explains, "and went to our house at 4900 North Franklin Street, where we lived for 30 years. When she couldn't get in, she went to our daughter-in-law's on 7th Street. The home sent down a man to bring her back. Then they locked her up in a chair so she wouldn't be able to go out by herself. They have a key, and when she has to go to the bathroom they let her up.

"That's how they've been keeping her."

The Horns' new home is Room 206. It consists of two single metal hospital beds on opposite sides of the room, a few pieces of blue metal furniture and a sink. There is no private bath or private toilet. This is what Julius Horn, through fear of infirmity, has signed over everything he owned to possess.

"Have you had your television chained down yet, Mr. Horn?" a social worker asks. "Better see to that—or it's sure to be stolen."

Suddenly Bessie starts packing. She wraps her clock, her toothbrush, her cup and a little plastic souvenir of Florida in her kerchief. "It's time to go home," she tells her husband, "to play our records and dance."

Out in the corridor someone shouts, "I'm watching you, Mrs. Horn!"

Actually, very few residents ever leave nursing homes alive. That is the nature of them; they are the last stop, a place for people who have longevity, but very little else to look forward to.

And the need for nursing homes in Pennsylvania is so great that there are already about 1,600 people living in unsafe, unlicensed boarding houses or in mental institutions waiting for admission to nursing homes which in the end may not be much better.

Right now, there are six Federal agencies that deal with aging in the United States. Ironically, the fragmentation among these agencies has become so severe that rather than increasing innovative approaches to the problems of the aged, they are actually limiting them more fixedly to institutionalized care.

The answer to this problem is not yet clear, but perhaps it can begin to be found in a sign carried by an old man at a senior citizens' rally. It read, "Love us—we've loved you all our lives."

SENIOR CITIZENS AND THE ECONOMY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. DOWNEY of New York. Mr. Speaker, on March 3 I held a day-long public hearing in my district on senior citizens and the economy. I heard testimony from more than two dozen witnesses, including heads of senior citizen organizations, agency director, and some very outspoken individuals representing themselves. The hearing room was packed with interested older Americans as well as by the various public officials who were also in attendance.

Mr. John M. O'Shea, president of the Suffolk County Senior Citizens' Council was a witness at the hearing. He spoke of specific problems senior citizens encounter and asked for support in resolving these difficulties. I think the remarks of Mr. O'Shea would be instructional to my colleagues in the House, and accordingly I insert his testimony to be printed in the RECORD:

SENIOR CITIZENS AND THE ECONOMY

Mr. O'SHEA: Mr. Congressman, there is no such thing as a free lunch. We pay. Senior citizens pay all our lives. We pay for Social Security We pay for pensions, and, now, we ask you to exclude Social Security and pensions as income.

We ask you, Mr. Congressman, to allow us to speak. I want these people to speak. That's why I'm going to be brief. I want you to speak. We want to speak, you and me. We want to speak, and I know the Congressman will listen to us.

We need a bill in Washington, Mr. Congressman, earmarked only for senior citizens. Get a bill there, and earmark it only for senior citizens.

Mr. Congressman, when you were on the legislature, I spoke many times before you. You were always courteous, aware of the situation and concerned for senior citizens. So I don't dare tell you or try to make you aware. You are aware of our concerns and our troubles.

But, you see, too, there are a few things, and I must make you laugh. This actually is on the books of New York State. If you reach the age and when you reach the age of seventy-five years old—the ladies will love it—and if you have a big-game hunting license, you don't have to pay anymore. That's the kind of help we are getting.

Now, thank God, we have this man here listening to us.

Now, seriously, in New York State, we need automobiles for safety sake. If there is an accident with this lady here, we have to get help. We need the automobile. New York State and other states have passed no-fault insurance which is excellent. This should cut our bills down. It doesn't cost anything. Now, we need it nationally because, if I drive in Connecticut or in New Jersey, I have to pay to cover myself, and it's more money on our premiums. So we need no-fault insurance nationally. This is important.

And I think we will leave with you our concept. We are covered by Social Security, and thank God we are.

Senator Buckley and Mr. Senator Humphrey and four or five others have a bill in the Senate, and I'd like you to support it in the Congress. It reads that there should be a price index of consumer goods in the Labor Department, and, every three months, it should be adjusted. If the prices go up, Social Security should go up, too. There was a clause that says if it goes down, nobody loses. That was a good thing.

Thank you for being so tolerant.

DICK SMITH, NATIONAL CHAIRMAN, YOUNG REPUBLICAN FEDERATION DIES

HON. LOUIS FREY, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. FREY. Mr. Speaker, just last week a close friend of mine, a young man of 35, died of a heart attack in Florida. Dick Smith had been involved with me in State politics in Florida for some time and was serving as the national chairman of the Young Republican Federation. He literally had grown up in politics, working in every phase of campaigning. During my first campaign in 1967 and 1968, he traveled up from south Florida to spend time knocking on doors for my election.

It is hard to believe that someone so vital, so involved, so interested in the welfare of our Nation, is no longer with us. However, in the short time he was here, he contributed much to this country and left many friends of all political philosophies throughout our State and the country. He will be missed but the good he has done will be long remembered.

SUN CITY, ARIZ.

HON. PAUL J. FANNIN

OF ARIZONA

IN THE SENATE OF THE UNITED STATES

Thursday, May 15, 1975

Mr. FANNIN. Mr. President, one of the most dynamic communities in our Nation is Sun City, Ariz. It is the home of thousands of senior citizens who believe that when you retire from your career you do not have to retire from an active life.

In the May 7, 1975, edition of the Sun City Citizen newspaper was an interesting column by Ernie Mehl regarding the unusual Scout troop in Sun City.

Mr. President, I request unanimous consent to have this article printed in the RECORD:

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ON THE BRIGHTER SIDE

(By Ernie Mehl)

The Sun City Citizen has for long made the claim that, compared to communities comparable in population, Sun City residents give more in money and services to charitable projects than any other. From time to time this column will be devoted to those Sun Citians, men and women, who have gone far beyond the extra mile to aid not only their fellow townsmen but those reaching out beyond our community. If any of our readers know of such instances we would appreciate their informing us. This is not a selfish community despite what some may think and the Sun City Citizen intends to prove it.

It is herewith reported that at the first meeting held recently at the Fairway Center with 21 men in attendance the first Scout troop in Sun City's history and probably the most unique in the nation was given the baptismal name of Sun City Scouter.

Mel Shikes, who has served Scouting for more than 51 years and has been given just about every award which can be achieved, presided. I asked Mel whether the members were prepared for the inevitable question.

He grinned. "Oh sure," he nodded. "Are we prepared to help old ladies across the street." He left the inference that there would be no concentrated attempt to find old ladies in this sort of dilemma but anyone who has had any experience in the fascinating adventure of Scouting knows that a Scout is always prepared. No matter what his age.

It, was, said this former resident of Eastern Massachusetts, including Boston, a most encouraging beginning in an engaging and unprecedented venture which, he added, is expected to be given the blessings of National Scout headquarters.

Of the 21 men present three were former Scouters who served professionally in this field. Two were from Ohio, the remainder from 19 different states. And all, of course, were more than 50 years of age and this is what makes this a movement which could only happen in Sun City.

One of the 21, Henry Gorgidian, is just completing his 60th year in Scouting service. Another Bill Melone, a former clothing manufacturer, designed the shirt worn by Boy Scouts and Scout officials. He also conceived the plan of materially reducing the inventory on scout shirts, which for years had been numbered as to size, from fourteen to three by labeling them as small, medium and large.

A number of those at the first session wore their Scout badges, five appeared in Scout uniforms. What surprised Mel somewhat was the fact that those who wore uniforms had on long trousers instead of shorts.

"In Boston," he said, "we almost always wore the shorts instead of long pants. Even in winter when it gets pretty cold. I didn't realize until I came to Arizona that short pants could be a menace on camping trips."

Such a risk, he explained, that he now includes a pair of pliers in the kit he always takes with him. "You've no idea how painful it is to sit down on a cactus. That's why I keep the pliers handy. You have to do some digging."

Since that meeting Mel has received a number of phone calls from other Scouters living here who had previous commitments and expressed their regret in being unable to attend. He has gotten letters from others.

Once a Scouter always a Scouter. There's something about the fun of it that gets into your blood and for many this feeling never entirely leaves.

But why, I asked Mel, a troop in Sun City. "For one thing, companionship," he answered. "People with something in common getting together. You know there is tremendous talent in Sun City. We'd like to utilize this talent. We plan to help on specific projects involving young Scouters. At our meeting we had three top officials of the Theodore Roosevelt Central Arizona conference here. Our troop will be chartered and we feel pretty sure there will be no objection from national headquarters."

There will be four or five meetings a year with the next planned for sometime in September at the Heard Scout Pueblo camp in South Mountains. Some 500 to 600 Scouters can be accommodated there. That should be a gala event with a cookout included on the program.

Mel Shikes is a glowing example of what happens when the scouting program ingratiates itself into a person. He has had about every job the program offers from Scoutmaster to district chairman and camp leader. He is a mason and still likes to dabble in the bricklaying profession. He is an organ technician and works at that part-time. Like his father before him he is an expert swimmer and a member of the Swim Club. A member of the Sun City Players.

"I don't have much spare time," Mel agrees. "But that's what I want. To be active." He mentioned that on one outing with Scout youngsters there was the climb of a mountain. Mel took his physical examination before the start and the doctor couldn't believe that he owned to the age of sixty-seven. "You have the body of a man of thirty," he said.

His den is pretty well crowded with awards, including the most prized of all, the Silver Beaver. Another for 50 years of service.

Even his wife Selma, has not been unnoticed. She was given a certificate from the Phoenix district as a Scouter's wife and that conveys far more than it might appear.

When their daughter was young Selma busied herself in the program of the Brownies.

As you would know the first meeting began with the pledge of allegiance to the flag. Then came all sorts of conversation, plans for the future, suggestions.

And just good, plain fellowship. What more would anyone want.

UMI

NATIONAL TRANSPORTATION WEEK

HON. LEONOR K. SULLIVAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mrs. SULLIVAN. Mr. Speaker, Members of the Congress of the United States do not require instruction on the importance of transportation to the Nation and the people we serve because we know that the transportation industry vitally affects almost every aspect of our national life and of our ability to serve our constituents. It is certainly appropriate, however, to call to the Members' attention the fact that this is National Transportation Week, to salute the men and women who devote their efforts to the improvement of transportation, and to encourage them toward greater accomplishments.

National Transportation Week is sponsored by the Traffic Clubs International and the National Defense Transportation Association, with participation also by shipper and business groups and by the U.S. Department of Transportation. It is always a major event in the business life of St. Louis and of Missouri, because of the key roles transportation firms in my city and State play in the movement of goods and passengers across America and throughout the world.

Mr. Ralph Percival, an executive of Fly-Wagner Moving and Storage in Bridgeton, Mo. was chairman of National Transportation Week observance last year of the Traffic Club of St. Louis, Inc.; this year he is Missouri State chairman of the observance. I congratulate him for the dedicated effort he has invested in this annual project to bring to the consciousness of the residents of our State the tremendous importance of the railroads, airlines, trucking companies, van lines, pipelines, and waterways industries in the lives of every citizen.

The unique and dramatic stainless steel arch which rises on the grounds of the Jefferson National Expansion Memorial on the St. Louis waterfront symbolizes the historic position of St. Louis and of Missouri as the Gateway to the West. Missouri is, of course, a gateway of commerce in all directions—to the North and South and East as well as to the West. From the days following the Louisiana Purchase, and the start of the Lewis and Clark expedition from the spot where the Gateway Arch now stands, St. Louis and Missouri have constituted the heart of the national transportation systems of this country. And transportation, in turn is the lifeblood of our economic strength.

As chairman of the House Committee on Merchant Marine and Fisheries, I am acutely conscious of the necessity for improving all aspects of our transportation system, and particularly those relating to waterways commerce under the jurisdiction of my committee. As a Member of the House of Representatives from St. Louis, I am particularly proud of the vitality of the transportation systems which serve my city and of the outstanding work done by the men and women in this field. In addition to Mr. Percival as Missouri State chairman of National Transportation Week, I therefore want to express my appreciation and congratulations to Mr. Paul J. Koenig, district manager of ITOFCA, Inc., president of the Traffic Club of St. Louis, Inc., and to the officers, directors, and committee chairmen of the club for making this week so successful in spotlighting the contributions of their great industry to the metropolitan area of St. Louis, to the State of Missouri, and to the entire Nation.

RETHINKING THE MILITARY BUDGET

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. HILLIS. Mr. Speaker, defense spending has been the subject of great debate. As one who believes that a strong defense posture is necessary for the maintenance of peace, I was pleased to read an editorial in the May 13 edition of the Wall Street Journal which holds that many Members of Congress are beginning to realize the continued need for adequate defense spending. So that my colleagues may have the opportunity to read this editorial, a copy follows below:

RETHINKING THE MILITARY BUDGET

At a recent private meeting some 30 liberal House and Senate staff members acknowledged that their bosses are disassociating themselves, to a degree at least, from earlier efforts to slash defense spending. A proposal to trim the U.S. force in South Korea has been shelved. A co-sponsor of a move last year to reduce U.S. forces overseas by 100,000 has discarded that idea. And liberals who earlier talked about trimming at least $11 billion from the defense budget are now talking in terms of cutting only $4 billion or $5 billion.

No doubt this change in thinking had something to do with the unexpectedly modest cuts both the House and Senate Armed Services committees made in the Pentagon's weapons procurement budget last week. They still cut $3.7 billion and $5.5 billion, respectively, but part of that was military aid that will no longer be needed for Vietnam.

The explanation, of course, is that events in Vietnam and Cambodia have engendered the new approach. We could expect Senators Goldwater and others who have consistently argued that America needs to remain military strong to point up the need for continued military strength in the face of the Communist capture of Vietnam and Cambodia. But it would seem that those events also have given pause to some of the Pentagon's traditional foes as well. We hope it is not a transistory phenomenon.

Many of the Congressmen who once described U.S. armed forces strength as excessive also once assured us that a Communist takeover of South Vietnam posed no serious threat to the U.S. or its allies. They consistently ridiculed what they called the "discredited Eisenhower-Dulles domino theory." And they insisted that a Communist takeover of Indochina would not embolden Russia or China since the "insurgents" represented purely nationalistic Communist move ments.

So it is encouraging to read Senator Mondale's comment, for example, that, "It's very important not to signal the Russians and others that we're giving up."

We would hope that this turn-about is not simply a policy of the moment, to be followed by renewed Pentagon budget-cutting once memories of Hanoi's aggression are not quite so vivid.

It could be that some of these politicians have begun to perceive that Communist aggression is not really an invention of the military-industrial complex. That doesn't mean the defense budget should be sacrosanct, or that waste should not be trimmed from military outlays. But it does suggest that refusal to vote sufficient funds for weapons procurement and research and development, in the name of an elusive detente, is irresponsible and dangerous.

UPON INTRODUCING A RESOLUTION IN SUPPORT OF THE PRESIDENT

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. ROUSSELOT. Mr. Speaker, I am today introducing a resolution in support of the President's prompt decisive leadership to secure the release of the U.S. merchant vessel, the SS *Mayaguez,* and its men.

The seizing of this unarmed vessel and its crew by the Cambodian Communists while the SS *Mayaguez* was in the course of innocent passage on an established trade route was an act of armed aggression which could not be accepted or ignored, and I am grateful that we have a President who took the action necessary to free the vessel and its crew.

The telegrams and phone calls from constituents in my district were overwhelmingly in favor of the President responding quickly and firmly to the situation. The following telegram which I received yesterday from Mr. and Mrs. Gary White of Glendora, Calif., is an example of the views that have been communicated to me by my constituency:

> Under no circumstances should we wait, get our men and ship out immediately.

The President did just that, but not until after he had made efforts which went unanswered to secure the release of the ship and its men through diplomatic means. In my opinion, the use of military forces to obtain the release of our ship and its crew was necessary, and I commend the President for making this difficult decision on behalf of the citizens of the United States demonstrating that this act of armed aggression would not be tolerated.

The full text of the resolution I am introducing today follows:

RESOLUTION

Whereas the House of Representatives condemns the act of armed aggression on an unarmed U.S. merchant vessel, the SS *Mayaguez,* by the Cambodian communists while this vessel was in the course of innocent passage on an established trade route; and

Whereas, the President made efforts to secure the release of this vessel and its crew through diplomatic means, and such requests went unanswered: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that the President took the necessary action in the exercise of his Constitutional powers within the framework of the War Powers Resolution (Public Law 93-148) to secure the release of the ship and its men, and the House of Representatives supports his decision and prompt response to the incident to demonstrate that this act of armed aggression would not be tolerated by the citizens of the United States.

PRESERVING DOCUMENTS AND FEDERAL RECORDS—A STATEMENT BY CONGRESSMAN EDWARD MEZVINSKY

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. BRADEMAS. Mr. Speaker, as sponsor of the Presidential Recordings and Materials Preservation Act of 1974, I wish to commend Speaker ALBERT and Majority Leader O'NEILL for their having appointed to serve as one of the four congressional members of the National Study Commission on Records and Documents of Federal Officials, which was created by the act, our distinguished colleague, the Honorable EDWARD MEZVINSKY of Iowa.

Members of the House, indeed, the American people, became familiar with the outstanding ability and dedication of Congressman MEZVINSKY during the impeachment proceedings last year conducted by the Committee on the Judiciary, of which he is a member.

Mr. Speaker, during consideration of the Presidential Recordings and Materials Preservation Act, I became convinced of the need to establish a commission to study all aspects of the question of the handling and disposition of the papers of all Federal officials, elected and appointed.

Moreover, as the Member of the House of Representatives who serves on the National Historical Publications and Records Commission, I have been impressed by the variety and difficulty of problems arising out of the question of the handling of the papers of Federal officials.

Accordingly, I was gratified when Congress, in writing the Presidential Recordings and Materials Preservation Act, created the National Study Commission on Records and Documents of Federal Officials.

Mr. Speaker, it seems to me essential that the work of this Commission be undertaken expeditiously. The law creating the Commission mandates that the final report and recommendations of the Commission be submitted to Congress and the President by March 31, 1976, a date set in the law in order to give the 94th Congress an opportunity to consider and enact any relevant legislation.

All four of the congressional appointees to the National Study Commission have now been named.

Unfortunately, however, President Ford has so far failed to nominate the three persons whom the statute requires that he name, all of whom are subject to Senate confirmation.

Mr. Speaker, in a most thoughtful article in the Washington Post of May 15, 1975, Congressman MEZVINSKY analyzes the important work of the Commission and calls attention to the need for the President speedily to meet his responsibility to nominate persons to the Commission.

Mr. Speaker, I ask unanimous consent to insert at this point in the RECORD Congressman MEZVINSKY's article:

PRESERVING DOCUMENTS AND FEDERAL RECORDS

(I will name the presidental appointees to the "Public Documents Commission" as quickly as possible.—President Ford, Dec. 19, 1974.)

President Ford gave that assurance nearly five months ago upon enactment of the Presidential Recording and Materials Preservation Act. In signing the bill, which created the National Study Commission on Federal Records and Documents of Federal Officials, the President also accepted Congress' decree rejecting his agreement with former-President Nixon regarding the disposition of Nixon's White House papers and tapes. But while the congressional members of the commission, and those of designated professional organizations of historians and archivists, have been named, President Ford has yet to name the three presidential appointees who require presidential appointees who require confirmation by the Senate. Because one of the President's appointees is to serve as chairman of the commission, Mr. Ford's procrastination has paralyzed the commission before it had a chance to even begin its important work.

Although the concept has neither been set by law nor tested in the courts, every President from George Washington through Lyndon Johnson has regarded materials accumulated while in office as his personal property, to use or dispose of as he saw fit. Indeed, Richard Nixon is attempting to perpetrate that tradition through a current court challenge to the constitutionality of the law which denies him such absolute control of presidential records.

The notion that Presidents own presidential papers has led to erratic treatment of these primary historical documents: some have been lost; some stolen; some sold for profit; many given to the public, of which some have been sealed for years; and some destroyed.

Because the public attention focused on this issue is largely due to the Watergate scandal, it is instructive to recall the fate of Warren G. Harding's presidential papers. Following his death, as Harding's reputation was sinking into the Teapot Dome scandal, his wife, Florance, set about burning much of his correspondence as part of a campaign of destruction and suppression aimed at preventing further degradation of her husband's name. Although some of Harding's papers that were spared the torch are now accessible to the public, one collection, held by the Library of Congress, is sealed until the year 2000.

The Harding papers present an extreme case, but this is far from the sole instance of abuse of the traditional discretionary right of Presidents and their heirs to dispose of presidential papers. In recent years, such documents have received better treatment; the papers of Hoover through Johnson are deposited (with restrictions on their use stipulated by the Presidents) in the presidential library system of the National Archives. But there is no law requiring preservation of such documents or in any way prohibiting a recurrence of the Harding-like pilferage.

It was the absence of legal guidelines governing this area that required Congress to protect the Nixon papers and tapes. Having intervened in this particular case, Congress could then have retreated, leaving the disposition of future presidential papers to future Presidents and relying on future Congresses to step in if and when circumstances demanded. Instead, Congress decided to seek a responsible national policy for the control, disposition and preservation of papers, tapes and other documents prepared by and for Presidents and other federal officials, including congressmen. Toward this end, the Presidential Recording and Materials Preservation Act established an independent, 17-member commission to study problems with respect to the records of federal officials and make specific recommendations for legislation and other appropriate rules and procedures regarding such documents.

The task before the commission is immense and the goal is twofold: (1) to preserve federal records to the maximum possible extent and (2) to assure the broadest and earliest practicable accessibility to these documents. But these can be conflicting aims and this fact accentuates the complexity of the questions before the commission. While proposals for quick public examination of presidential papers are generally applauded, such provisions could serve to stifle the keeping of records or encourage their destruction. With this in mind, the commission must consider whether restrictions are necessary to ensure that events of historical significance are recorded and preserved. If restrictions are deemed necessary, the commission must determine how to balance the need for confidentiality with the public's right to know. Furthermore, in considering restrictions on access to presidential papers, the commission will have to determine who will stipulate such restrictions. If it is left to the President to decide what will and will not become public, would we encourage the Chief Executive to purge his papers in order to present history with a partial, sanitized record of an administration?

In our concern for preserving the accuracy of the historical record, the commission must also resolve the question of whether an ex-President has the right to delegate literary rights of political scientists and discriminating against others.

CENTRAL ISSUE

A central issue in all of these questions is the yet to be resolved definition of the term *presidential papers.* To what extent are materials prepared by the White House staff to be included in this category? Can presidential papers be separated, as some suggest, into groupings designed *personal, public* and *political?* What safeguards are necessary to protect individual privacy and prevent political exploitation of sensitive papers?

Clearly, it seems that each issue raised in the complicated maze looming before the commission leads to another equally important question. As a House appointee to the commission, I am eager to begin work on the challenging and demanding task before us. But, unfortunately, we cannot begin.

The law establishing the commission requires that its final report and recommendations be submitted to Congress and the President by March 31, 1976, with the hope that necessary legislation might be approved before the close of the 94th Congress.

The burden is clearly on President Ford to move swiftly to fulfill his five-month-old pledge to select the presidential appointees "as quickly as possible."

UMI

KEMP TAKES LEAD ON FREE ECONOMY SOLUTIONS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. ASHBROOK. Mr. Speaker, I would like to commend my good friend and colleague, Congressman Jack Kemp, for his valuable contributions in attempting to straighten out our current economic situation. Especially important is the lead he has taken on the problem of capital formation.

Federal borrowing is drying up the capital market. Approximately $0.60 out of every dollar being borrowed today is by the Federal sector. This leaves little money to lend out for mortgages or to finance business expansion and industrial growth.

Kemp warns that "we are not investing enough of our gross national product in new plants and machinery and equipment to upgrade our current industrial capacity." If this continues, our standard of living will become static and we will fall behind our world competitors.

Following is a thought-provoking article on Congressman Kemp's economic views from the April 16, 1975, edition of the Buffalo Courier-Express:

KEMP CALLS INVESTMENT KEY TO ECONOMIC GAINS

(By Peter C. Andrews)

"One of the most incredible statistics of today's economy" said Rep. Jack Kemp recently "is the fact that well over 40 per cent of private income—corporate, business and personal—is being devoted to government at the state, federal and local level."

"When you add that to the fact that one out of every six people is working for the government at some level—a figure which has doubled in the last 12 to 14 years—you come to a point where you can see we are starting to consume in the public sector so much that we are starting to interfere with the production of wealth," he said.

"The only real way to increase the standard of living in America is to increase the amount of capital invested per capita," said the Hamburg Republican. He explained his economic views at a recent breakfast meeting with reporters at the National Press Club.

"As a nation, we are not investing enough of our gross national product in new plants and machinery and equipment to upgrade our current industrial capacity. To that extent we have fallen behind our competitors in the world.

Last year we reinvested somewhere between 10 and 11 per cent of our GNP, while Japan's figure was 34 per cent, West Germany's 23 per cent, France's 24 per cent and even Britain's was higher than the United States," he said.

"In order to finance this year's deficit the Federal Reserve last month expanded the money supply at a rate of 15 per cent—and all of us who have any familiarity with economics realize that an increase in the money supply without a corresponding increase in productivity means inflation. It is not just the too many dollars in the equation, it is the too few goods that we also have to be concerned about."

"We have to stimulate savings, investment and capital formation to handle that other side of the equation—the stimulation of our economy to produce more goods."

"This is one of the great mistakes in the debate on energy—we have talked so much about conservation of energy, which is important, but there are not enough people talking about increasing production."

"It is incredible today that because of the regulatory agencies, it is against the law to lower the prices of certain services in our society—transportation for one. The strongest defense of the Civil Aeronautics Board comes from the presidents of such outfits as United Airlines who do not want World Airways and other competing firms to lower the prices on established air routes.

The CAB allows British Airways to service more domestic markets than we allow Pan American to service. The Export-Import Bank loaned Air France money at 6 percent interest because the airline wanted to buy a 707 from Seattle—because we want to stimulate exports—while Pan Am is paying 12 per cent for their money. Boss Linco trucking lines in Buffalo cannot go the most direct route to Philadelphia because of the Interstate Commerce Commission.

"I am not suggesting we have a return to 18th century cutthroat competition—it is not a question of that—but these regulatory agencies should be promoting competition rather than inhibiting it. Last year the ICC made over 475,000 individual decisions as to routes and rates, what can be carried, what the profit can be etc. etc. Imagine that type of bureaucracy making a decision equal to the market place forces of competition!"

Kemp's answer to our economic problems is a program of fiscal restraint coupled with the deregulation of those agencies which are hindering free competition in the U.S.

He said estimates of what these regulations cost the consumer annually range from $20- to $30 billion, in addition to artifically created shortages such as the natural gas shortage in Western New York. He said this was caused by the Federal Power Commission, which, since 1954, set the price of natural gas at such a low point that it stimulated consumption without stimulating production.

Today we are buying gas from Communist Algeria at four times the price of natural gas sold in interstate commerce, under the price allowed by the FPC, he continued.

I recognize there is no way the budget is going to be balanced this year for many reasons, but we ought to move to reduce the size of that deficit—it is out of control, absolutely out of control to the point where the bond market is being jeopardized and major financings are being called off. If the federal government is financing $170 billion in the 18 months, where is the money going to come from to finance the private sector?

"I think that capital formation is the most serious emergency that our country faces today. Where are we going to find the capital necessary to raise the standard of living, to make sure there is money available for the thrift institutions to loan out for mortgages, and to finance the industrial growth? There has not been a major expansion of our steelmaking capacity in the United States in the last 10 years."

With that Kemp deplored the direction that many members of the Republican Party seem to be taking now—the abandonment of the basic laws of economics. "I can win as an independent," he said, "but I think the President should not give up on his programs—I think he should draw the line and fight—and I just hate to see the party drifting away from these principles."

Kemp said there were some other Republicans who felt the way he did. They are an increasingly vocal reminder to the President and the rest of the Republican party that it appears to be losing some of its original constituency.

FORD TO NEW YORK: "LET THEM EAT CAKE"

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. ROSENTHAL. Mr. Speaker, Americans from all parts of the country must join in deploring the tragic and shortsighted decision of the administration to refuse emergency funds to New York City to bridge its cash flow gap.

The Federal Reserve Board, with a portfolio of $87 billion, has purchased $200 million worth of District of Columbia subway bonds. To shore up a mismanaged and overextended Franklin National Bank, the Board futilely spent $1.8 billion. The Treasury urged and Congress supported a $250 million loan guarantee to the Lockheed Aerospace Corp. to avoid the rippling effect of a corporate bankruptcy. But for the greatest metropolis in the Nation, facing an unprecedented fiscal crisis largely of Federal creation, the administration felt a loan was inappropriate. An administration spokesman instead, in a statement reminiscent of Marie Antoinette's "Let them eat cake," suggested that New Yorkers institute long-range economies, secure additional State aid and borrow money from the city's banking community. The administration's decision may not cause a revolution but it may precipitate a disaster from which no part of this Nation will be immune.

As an example of the sort of constructive thinking needed during these parlous times, I commend to my colleagues the fifth installment in the series of editorials in the New York Times on "The State of the City." While recommending taking a long-term view of New York's problem, the editors of the Times stress the need for "process planning" so there will be sufficient flexibility to cope also with immediate crises, such as the one now affecting the city's budget and cash flow. The editorial follows:

STATE OF THE CITY: PLANNING THE FUTURE

With New York's immediate problems, the long view may seem like a luxury. But the quality of the city's future depends greatly on the quality of its planning. Today planning means hard decisions about policy and goals; it is a determination of the city's optimum destiny based on its assets and liabilities.

The old notion of a Master Plan that would neatly plot an ideal and orderly physical future in static land use diagrams has turned out to be a chimera; what has followed is a good deal messier and more confusing but infinitely more aware and humane. Abstract dogma has been replaced by the concept of process planning, which allows for flexibility and change, recognizing the physical environment as the definitive factor in the way we live and work.

Planing is one area in New York in which municipal vision and action have been joined to the perception of problems. But New York's plans and the planning process, like so much else, are in crisis now. From the need for housing and parks to the realization of city-size, multi-use developments such as Manhattan Landing and the comprehensive Harlem Task Force plan, they are linked to the general state of the economy and the city's fiscal straits. What is ultimately affected is not only New York's function and appearance, but its existence as a viable metropolis.

A NEW CITY

We are, in fact, building a different kind of city from that of ten years ago, using the same set of developers but a different set of rules. In some ways, it is a distinctly better city. New York has transformed conventional restrictive zoning into some of the most progressive and provocative zoning policies in the world. The result is a kind of preventive planning, or the setting of objectives and standards in advance of development, based on the ability to see trends and potential consequences and to guide them constructively.

This new zoning has recognized the aspects of the city to be prized and protected, and the strengths on which we must build. In many cases, it has kept these assets from being destroyed. Special zoning districts have been established that deal with the particularized needs of such diverse areas as the Clinton and Yorkville neighborhoods in Manhattan and Atlantic Avenue in Brooklyn. They provide an incentive both to conservation and to compatible, constructive development. They cherish the neighborhood, once pulled apart by bulldozer renewal, and respect unique city character and function.

Other zoning innovations encourage open space, scenic view and natural area preservation, and provide services and amenities. Planners call these procedures incentive zoning, because builders get bonuses for carrying out its special features; the cynics call it tradeoff. It is indeed tradeoff—a realistic, legitimate tradeoff of private interest for public good, a way of reaching a balance between the sanctity of property and the protection of the public environment.

SOME OLD PROBLEMS

If there are planning successes, however, there are also dismal failures. For the renascence of downtown Brooklyn, there is the horror of the South Bronx, proving again that physical renewal cannot cure the deeper, unresolved problems of urban pathology. These are subjects for continuing concern and effort.

Housing and transportation are among the more stunning examples of design and planning bankruptcy. Even in the so-called luxury field, New York has some of the most shoddily designed housing in the world. The city's recently proposed set of incentive zoning rules for housing quality that would "trade off" bonuses for changes in building design (respect for neighborhood scale, rooftop recreation space, landscaped open areas and features to encourage security) needs to be instituted speedily. The relatively recent device of tax abatement to reduce luxury rents—one pathetically small attempt to encourage housing construction that does not even touch its broad social needs—is now up for renewal; the planners are proposing to tie that benefit at least to improved urban design standards.

In transportation planning, the record has been abysmal. The city and state must get on with a modified Westway for the rebuilding of the West Side Highway. The need is as much for balanced transportation and the servicing of the central business district as for mass transit; it must not be an either-or proposition. A chance for improvement of the bordering communities must be part of any reckoning of costs and benefits.

LAND USE AND LANDMARKS

Other actions are needed. Revision of the present complex methods of making land use decisions, a matter basic to intelligent planning, should be part of City Charter reform. There is an equal need for sweeping changes in the city's building bureaucracties, where the best plans are frustrated by gelatinous delays and persistent payoffs.

In another area, the Landmarks Commission has made a cautious, but impressive record of designation to promote New York's architectural and cultural assets, particularly in the recognition of historic districts which provide neighborhood stability and environmental enrichment. But there are serious flaws in the landmarks law that need swift and skillful correction by the Corporation Counsel. The appeal on the adverse decision on Grand Central Terminal is crucial to the city and the nation. New York is in the difficult position now of testing preservation legislation, much as zoning law was tested in the 1920's.

It is not lack of necessary sensibility for the present and the past that is at issue in New York. On that score, the city is doing well. Nor is it basically a question of such matters as the highly publicized controversy over the decentralized community planning boards, which confuse and delay projects in some areas and contribute enormously to neighborhood design and controls in others. This is essentially a constructive process.

The threat facing the city today goes much deeper than vision or mechanics. It is that most planning projects have been brought to a standstill by the state of the economy and the municipal fiscal crisis. Even funds for essential studies are drying up.

The price for this will be great, and it will be paid in the future. Without continuing development to carry out the planners' schemes, there must be a shift in planning priorities. There is a pressing need for things that can be done during the lull in building activity. A coordinated, city-wide traffic plan, for example, and appropriate uses for the waterfront (there has been total silence since last year's preliminary waterfront study) should be at the top of the list.

Policies must be pursued—for the policies that determine land use, density, design quality, building types, housing, transportation, recreational, park and cultural facilities, the relationships of buildings to spaces, of people to places, are what seal a city's fate. To deal with metropolitan form and function is not to chase the lost dream of the City Beautiful. It is to shape the tough and inescapable realities that control New York's efficiency, livability, well-being and style.

AMENDMENTS TO H.R. 6860, THE ENERGY CONSERVATION AND CONVERSION ACT

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. VANIK. Mr. Speaker, next week the House will consider H.R. 6860, the Energy Conservation and Conversion Act of 1975, which was recently ordered reported from the Ways and Means Committee. Although I supported the motion to report this legislation from committee, I feel there are several areas of the bill which can be significantly strengthened. In this regard, I may offer several amendments to H.R. 6860 when it comes to the floor next week. I will include them in the proper place for printing under the rule.

A TRIBUTE TO DR. JOSEPH MANCH, BUFFALO'S SUPERINTENDENT OF SCHOOLS ON HIS RETIREMENT

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. KEMP. Mr. Speaker, many of the good citizens of Buffalo, N.Y., will gather in our city's Statler-Hilton Hotel on this coming Tuesday, the 20th day of May, 1975, to pay tribute to an uncommon man.

He is Dr. Joseph Manch who, during most of his 65 years, has dedicated his life to public school education and, as the Buffalo Evening News editorialized, has demonstrated a "genuine love of children, high standards of personal integrity and innate decency and humanity."

On June 30, Dr. Manch will retire as superintendent of Buffalo schools after 18 years at the post. That length of tenure, it has been duly noted, makes him our Nation's senior, large city superintendent.

It is not easy to eulogize Dr. Manch because his contributions to our community and country have not been easy nor simple. They have been extraordinary.

To those of us who perceive his innovative contributions, he was a pioneer, leading others in the development of comprehensive high schools which offer both academic and vocational skills, for early childhood programs and the sharing of his personal talents of poetry and photography.

To some critics, Dr. Manch was a threat to the status quo, or a barrier to new paths to learning. He has not been ignored. He once was a champion wrestler, a boxer, and a football player, he has always been positive in the forthright expression of his beliefs and his sensitivity.

Such positiveness has manifested itself in his administrative leadership throughout the years as well as through his creative writing and poetry.

Dr. Manch was born on New Year's Day in Lumza, Poland, the son of a rabbi.

His family brought him to western New York when he was 6 months old. He is, except for the brief period of infancy, a native of the community he has served so well.

He attended Buffalo public schools and graduated with honors from the University of Buffalo in 1932.

Dr. Manch was a $5 a day substitute teacher before he earned a regular assignment as an English high school teacher. He served as guidance director,

director of pupil personnel services and assistant superintendent before accepting the superintendent's responsibilities in 1957.

He has always had a listed telephone number throughout his public career. On an early, snowy morning, he has received as many as 50 telephone calls from persons wanting to know if schools would be open. He has been accessible to all, including kindergarten students as well as his pupils' grandparents.

He has been married for 41 years to his charming wife, Dorothy. They have two sons, an attorney and a physician, and a 4-year-old grandson.

When Joe Manch finally decided to retire, he sent some of his friends, including me, I am proud to say, a poem he had written. It said:

> Dear Jack:
>
> I thought perhaps you'd like to know
> That I've decided it's time to go.
> I told the Board I want some time
> To take more photos and write more rime,
> To travel more and have some fun,
> Like playing with my bright grandson.
> I'm leaving at the end of June,
> And that, by gosh, is pretty soon.
> Eighteen years is a good long while—
> I'm happy to end it with a smile.
> I know I'll see you here and there,
> For now I can go anywhere.

Mr. Speaker, the people whom I have the honor to represent, Joe's other friends and I, personally, wish him and his dear wife a long and happy journey.

INDOCHINA MIGRATION AND REFUGEE ASSISTANCE ACT

HON. SHIRLEY N. PETTIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mrs. PETTIS. Mr. Speaker, yesterday we approved legislation allocating almost half a billion dollars for emergency assistance for the Indochina refugees. Many of my constituents are adamantly opposed to this use of tax money at a time when so many of our citizens are in need of help. They are concerned that the refugees will not be dispersed throughout the Nation, but will instead settle in large groups in a few areas, much as the Cuban refugees did in Florida. I fully understand and sympathize with these fears. Particularly in California, which is absorbing the initial influx of the refugees and which has an unemployment rate appreciably above the national average, these concerns are well-founded.

Every effort must be made to distribute the Vietnamese throughout the country in a manner which does not exacerbate employment or welfare problems in any one area. We have reasonable assurances from the Federal agencies involved in the resettlement program that this policy will be followed. It is up to us in the Congress to keep a close watch on the situation to be certain these assurances are carried through.

This was for me, as it was for us all, a hard decision. In the end, however, I do not believe we can simply send the refugees back, knowing they would face possible execution and certain persecution. Our Nation can make a place for them, just as we have for other groups in the past. It is my hope that place can be created with as little turmoil as possible.

WE MUST SIMPLIFY OUR COMPLEX FEDERAL INCOME TAX FORMS AND LAWS

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. KASTEN. Mr. Speaker, another April 15 has come and gone. We note its departure with a mixture of relief, frustration and anger. It is not merely the outlay of money which upsets us. Most of us are willing to pay our fair share of the costs of Government. It is the mental anguish that so many of us endure in trying to comply with our tax laws. It is my hope that by the time April 15, 1976 is upon us, Congress will have enacted legislation to remedy the problems each of us faces in completing his tax return. I therefore strongly support House Concurrent Resolution 270 which provides that it is the sense of Congress that the Internal Revenue Service should simplify Federal income tax forms. Congress should also take understandable and that State and local governments which impose income taxes should to the extent possible model their income tax forms on the Federal income tax forms. Congress should also take whatever legislative action is necessary to simplify the language of the Internal Revenue Code so that it will be easily understandable to the average citizen.

These are not new problems. Since the modern income tax law was enacted in 1913, there has been a steady growth in its complexity. Each exemption, exclusion, deduction or other special feature that has been enacted over the years has contributed to the intricacies of the Internal Revenue Code and to the complexity of the forms and instructions provided for taxpayer compliance. Many of the complexities can be attributed to congressional efforts to increase equity among different groups of taxpayers, to relieve undue hardship, to provide incentives for certain courses of actions or to bring tax avoidance under control.

The result has been that the Internal Revenue Code has turned into a nightmare which even confounds tax experts. For an example of obfuscatory language at its height—or depth, depending on your viewpoint—section 1348(b)(1) states:

> The term "earned income" means any income which is earned income within the meaning of section 401(c)(2)(C) or section 911(b), except that such term does not include any distribution to which section 72 (m)(5), 402(a)(2), or 403(a)(2)(A) applies for any deferred compensation within the meaning of section 404.

Is it any wonder that Judge Learned Hand once said:

> In my own case the words of such an act as the Income Tax, for example, merely dance before my eyes in a meaningless procession: cross-reference to cross-reference, exception upon exception—couched in abstract terms that offer no handle to seize hold of—leave in my mind only a confused sense of some vitally important, but successfully concealed, purport, which it is my duty to extract, but which is within my power, if at all, only after the most inordinate expenditure of time.

The complexities of the income tax forms result from the complexities of the income tax laws. Schedule R, Retirement Income Credit Computation, is so complicated that many elderly taxpayers are said to consistently overpay their taxes because they either forgo using it, even though entitled to, or make errors in the computations required.

The Internal Revenue Service—IRS—has taken some steps in recent years to simplify income tax forms and instructions. IRS has eliminated the income limitations required for filing the 1040A short form; it has eliminated the requirement to list charitable contributions for which the taxpayer has cancelled check or receipts; it has eliminated the requirement to list names and dates when claiming payment to doctors, dentists, and hospitals; it has decreased the 1040A package by four pages; and it has attempted to shorten and improve the instructions.

IRS Commissioner Donald Alexander has urged congressional legislative action so that further simplifications can be accomplished. In a recent interview he referred to several changes in the tax law which would simplify returns and make it easier for people to understand what they are supposed to do. He said that the retirement income credit was too complicated and should be supplanted by an age credit. He believes there are too many ways of classifying people for tax purposes. He said:

> For instance, widows get special treatment for two years after the death of the husband, but then they revert to single taxpayer or head of household. Should we have a tax system that tries to draw such fine distinctions?

The complexity of tax forms and of the instructions accompanying them drives people to seek assistance in their preparation. Literally thousands of commercial preparation services spring up each year before April 15. It is big business—annually extracting some $700 million from taxpayers. Most of these firms and individuals are honest and competent, but studies have shown that returns prepared by commercial services have a high error rate, and that some preparers have used unscrupulous methods in obtaining business.

If the taxpayer seeks free assistance from IRS, he again may fall in the incompetence trap. Year after year, investigative reporters and public interest groups have found that different offices of IRS give different results from the same basic information. This year the staff of the House Ways and Means Oversight Subcommittee found that IRS offices had a 25 percent error rate when answering typical taxpayer questions in a random test. Worst of all IRS will not

stand behind its own advice. This policy places the taxpayer in the unenviable position of being penalized for errors made by the agency imposing the penalty—how unfair can you get? To give IRS its due, it is proceeding, albeit slowly, to upgrade the training of its taxpayer service personnel.

Congress, too, has begun to move on the problem of simplification and should make real progress when tax reform legislation is taken up later this year. One proposal, which has been developed over a number of years, would simplify the tax laws by removing from the Internal Revenue Code those provisions which either are no longer used at all in computing current taxes or are little used and are of minor importance. It has been popularly referred to as the "deadwood" bill. It repeals or makes amending deletions in approximately 1,000 sections of the Code. It makes other simplifying changes, such as the substitution of the term "ordinary income" for "gain from the sale or exchange of property which is neither a capital asset nor property described in section 1231." The provisions of this bill were tentatively approved last year by the Ways and Means Committee in drafting the tax reform bill of 1974.

The Ways and Means Committee included other simplification provisions in its tentative decisions. The committee decided to repeal certain itemized deductions, such as those for the gasoline tax, dividend exclusion, and the sick-pay exclusion and replace them with a "simplification deduction." The committee also tentatively decided to reduce the number of optional tax tables, basing the new tables on taxable income rather than on adjusted gross income, and extending their use to taxpayers with taxable incomes up to $20,000. The committee also decided to increase permanently the standard deduction and the low-income allowance. Increasing the standard deduction enables many taxpayers to switch from the tedious process of completing the long form to the relatively simple short form. It also eliminates the necessity for elaborate recordkeeping to substantiate deductions which have been itemized. An increase in the low-income allowance eliminates the necessity for many lower income individuals to file a tax return at all.

The Ways and Means Committee also decided to restructure the present retirement income credit and convert it to a tax credit for the elderly. In so doing, most of the complicated features of current law have been removed, which should greatly increase the use of this benefit by the elderly.

These proposals by the Ways and Means Committee are all changes which will modify our present tax structure in a minor way to accomplish simplification. Other congressional proposals would completely overhaul our tax system to rid it of its current complexity. Congress should take a careful look at both approaches, but it must take action.

The greatest inequity we have in the tax system is the complexity of the system, itself. It is time to face up to the problems confronting the average American in attempting to comply with the complicated provisions of our tax laws.

FOCUSING ON THE MALPRACTICE CRISIS

HON. JAMES F. HASTINGS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. HASTINGS. Mr. Speaker, our colleague, Congressman H. John Heinz, III, of Pennsylvania, in a speech before the Pennsylvania Medical Society, recently discussed reasons why he believes that the Federal Government should not involve itself in the medical malpractice crisis unless absolutely necessary. The responsibility for resolving this problem should lie primarily with the States, Mr. Heinz said.

The first part of his remarks appeared in yesterday's Record. I include the text of this portion of Mr. Heinz's remarks in the Record:

> Remarks by Hon. H. John Heinz, III
>
> In each State where a crisis exists, legislation to rectify the problem is being considered. Over 200 bills on malpractice insurance have been introduced in State legislatures since January 1.
>
> Four States—Arkansas, Idaho, Indiana, and Wisconsin—have already enacted legislation guaranteeing availability of insurance. Similar legislation is pending in at least 10 other States, including California, Massachusetts, and New York.
>
> A Federal program enacted now would fail to recognize individual problems in individual states. It would also cut short valuable state initiatives which could result in a synthesis of many approaches or in the development of others not yet tried.
>
> Finally, regulation of the insurance industry has always been a state government responsibility. The Federal Government should not preempt that responsibility unless absolutely necessary. For instance, if insurance becomes unavailable and a state fails to act, or if it acts unsuccessfully to resolve the crisis, temporary Federal intervention would be warranted at two levels:
>
> One, a joint underwriting pool composed of all insurors writing personal liability in that state;
>
> Two, Federal reinsurance in the crisis state on all claims paid above an established amount—perhaps $200,000.
>
> Admittedly, this is a stop-gap approach that merely guarantees availability of insurance without addressing any of the basic causes of the problem. But these temporary measures would keep Federal meddling to a minimum while providing the time needed for the residents of a State, working through their public officials and in cooperation with both health care providers and insurors, to solve their medical liability insurance crisis the way they believe makes the most sense.
>
> But I would sound one clear warning—solving this crisis is a State responsibility, and no State legislature, including the one assembled here in Harrisburg, should labor under the illusion that Congress will bail them out. Congress should not and will not relieve the States of their solemn responsibility. With this fact in mind, I urge the Pennsylvania State Legislature to act with wisdom and dispatch to solve this crisis.
>
> So you can see that I believe strongly in State responsibility for solving the medical malpractice mess. But let me add a few words about a special responsibility—yours.
>
> Only the medical profession itself, and particularly you, the chosen leaders of that profession, can improve the quality of care delivered by both physicians and hospital personnel. Let's be frank. Malpractice does occur in this country. An estimated 75% of alleged malpractice events occur in hospitals. Often these are poorly managed hospitals, understaffed by inadequately trained personnel. As the leaders of the health care team, it's your responsibility to help improve the quality of care delivered in hospitals.
>
> Furthermore, let me say the unspeakable: Doctors are not gods. Like politicians, you are often too human. We all make mistakes. Some doctors are incompetent. Thank God there are so very few. But these few must be weeded out to protect the many. Yet in most states, neither state medical boards of examiners, nor state medical societies have sufficient power to police your profession.
>
> The Secretary's Commission on Medical Malpractice found that state boards generally limited themselves to policing cases of criminal or moral misconduct rather than monitoring patient-care quality. In fact, as recently as 1972, only 15 states allowed a physician's license to be challenged on the basis of professional incompetency. What's more, only in eight states did medical boards have the power to act against a practitioner whose license had been revoked in another state.
>
> Malpractice proven to be the result of not simply human error, but of sheer incompetence or gross negligence must be punished and dealt with decisively. Such a physician deserves to have his license revoked, temporarily or permanently, in a fair but expeditious open proceeding. The responsibility lies squarely with you to assure that these few physicians cannot visit their negligence or incompetence on still other unsuspecting patients.
>
> The disciplinary mechanisms proposed by the Pennsylvania medical society — and spelled out in Pennsylvania house bill 805—are a step in the right direction. But I urge you to press as well for a new, tough State-administered program of medical licensure, continuing education and relicensure. Such a program would be combined with necessary machinery, manpower and financing to swiftly identify, discipline and rehabilitate or bar from practice those few unworthy physicians which stain the good reputation of your profession.
>
> Such changes in the law are clearly in the public interest, since they would protect patients against irresponsible practitioners. But these changes would benefit all other physicians as well. Not only would they help control malpractice occurrence, checking both high insurance premiums and hassles over insurance coverage, but these improvements would strengthen public respect for your profession.
>
> You and I know that there are those who will not rest until total control of health care resides in Washington. The current crisis in medical liability protection is seized by some as still another opportunity to remake our health care system over to their own liking. These politicians would have the Federal giant jump in with a massive untried scheme of federally administered no-fault insurance or a national arbitration program for all malpractice claims.
>
> Both these proposals would explosively increase Federal meddling in the day-to-day practice of medicine. Federal boards would investigate malpractice claims and assess judgments on the merits of the claims.
>
> Even more disturbing, however, would be the mandating of Federal, medical licensing and relicensing programs for all physicians in America—to be administered by still another bureaucracy with the power to regulate—and even to ban—the practice of medicine by an individual physician.
>
> I know you find this approach as alien to American values and as alien to the American way of life as I do. Your strong leadership in swiftly and fairly disciplining negligent or incompetent colleagues would do more than merely improve the quality of American health care.

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Just as importantly, it would stop dead those who would use this crisis to advance radical schemes to tear down and rebuild American medicine.

I welcome the opportunity to work side-by-side with you to protect and strengthen our voluntary, private health care system. It has given generously to our great country. With our close cooperation, mutual respect and understanding, it can continue to do so.

MESSAGE TO VAN CORTLANDT JEWISH CENTER

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. BINGHAM. Mr. Speaker, late last month I had occasion to address a group of deeply concerned citizens in the Bronx, N.Y., about the current situation in the Middle East. Since this is a topic of concern to many of my colleagues, I include the text of my remarks at this point in the RECORD.

VAN CORTLANDT JEWISH CENTER

I deeply regret that I cannot be with you in person this year to clerebrate the State of Israel's birthday. But I join with you in saluting the occasion.

These are grim times for Israel, so it is especially important today that Israel's friends and supporters join together in the long battle for survival.

In many ways Israel is stronger and more powerful today than ever before. Yet this brave little democracy faces dangers that are unprecedented.

For years the threat from the Arab world was not a particularly menacing one. The Arabs were quarreling among themselves and their resources were not very substantial. Today, the Arabs have achieved a greater degree of unity and have acquired enormous influence because of their stranglehold on so much of the world's oil. The power of this oil has enabled them virtually to isolate Israel diplomatically. The Western European nations and Japan have been cowed into abandoning their earlier support of Israel. The United States is virtually the only friend Israel has left, and even in America the power of oil has made the Arab boycott a much more effective and formidable instrument of economic warfare than it was.

Back of the Arabs atands the looming power of the Soviet Union, which has supplied Egypt and Syria and others with huge amounts of sophisticated weapons. While I do not believe the Soviet Union wants to see Israel destroyed, the Soviets do not want peace in the Middle East either. Happy to fish in troubled waters, they will continue to be a menace.

These are familiar dangers. But just recently a new threat has arisen—a very serious threat indeed.

Suddenly, after years of support from the White House, Israel is confronted with a President who speaks coldly of Israel in a CBS interview, who has ordered a "reappraisal" of U.S. policies in the Middle East in such a manner and at such a time as to imply that the reappraisal is aimed mainly at Israel, brought about by the Administration's annoyance that Israel would not give in to Egypt in the latest round of negotiations.

Officially, Henry Kissinger said he blamed neither side for the failure of the talks, and he said the same thing to the House International Relations Committee in closed session. But to the media he leaked word that Israel was responsible for the failure. This under cover campaign to picture Israel as stubborn and intransigent, together with the stalling of talks on further military and economic assistance, has clearly been an effort to pressure Israel into accepting a one-sided deal with Egypt.

Israel was prepared to give up the Sinai passes and the oil fields in return for non-belligerence on the part of Egypt. Even this was a risky stance, for how could Israel be sure that Sadat would keep his word or that Sadat would remain in power? But Israel was prepared to take that risk.

But Egypt refused to offer non-belligerence. Egypt in effect offered nothing in return for Israel's surrender of the oil fields and the passes. Apparently, Kissinger argued that Israel should nevertheless go along in the hope that Egypt would behave better thereafter. But that, in my judgment, is appeasement, and appeasement never works. Israel was right to insist on a two-way deal.

There are many of us in the Congress that are unhappy about the Administration's present attitude and are making our unhappiness known.

In recent years the Congress has consistently been stronger than the Administration in its support of Israel. For example, the bill that I introduced in 1972 to provide Israel with many millions of dollars of help in absorbing the refugees from the Soviet Union was a Congressional initiative which was not supported by the Administration. Just last Monday I testified before the subcommittee in charge, asking for a continuation of the program, and again the Administration was silent.

The Administration has also proposed no action to counteract the Arab boycott. A wishy-washy law enacted in 1968 merely states that the U.S. opposes the boycott. I believe that a bill should be passed which would make it unlawful for American businesses to cooperate with the boycott. I expect soon to report such a bill out of the subcommittee on International Trade and Commerce which I chair, and I hope it will be enacted into law.

The Administration is currently sitting on requests from Israel for additional arms and for very large amounts of economic aid. In my view it is absolutely imperative that such aid be provided, so that Israel may have the wherewithal to defend themselves and to overcome their present difficult economic problems. I will, you may be sure, do whatever I can to see that the Congress acts accordingly.

On this 27th birthday of the State of Israel, we know that Israel must and will survive. Let us hope and pray that on the birthdays to come the skies will be brighter and let us rededicate ourselves to that goal.

TRIBUTE TO EMLYN JONES

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. ANDERSON of California. Mr. Speaker, active participation by the citizenry in community affairs symbolizes the very spirit by which this country was built.

On May 22, a man who exemplifies this spirit will retire from Pacific Telephone Co. after 42 years of faithful service, not only to his profession, but to his community as well.

Emlyn L. Jones, was raised in the Los Angeles area where he received his early education, graduating from Los Angeles High School in 1934—after already completing 5 years employment with Pacific Telephone. Continuing his academic life at Occidental College and his employment with Pacific Telephone, he earned his bachelor of arts degree in English in 1938.

Progressing unselfishly and untiring with Pacific Telephone through the years, Em served as district manager at three separate Pacific Telephone district offices—San Pedro, Compton, and the Inglewood office from which he is retiring.

Mr. Speaker, when I think of Em Jones, I think of the spirit that built this country. He knows the meaning of hard work, and the perception it takes to reach and achieve the goal he was striving toward.

His energetic activities with the Inglewood Rotary Club, and his active leadership role in the Inglewood Chamber of Commerce, are reminiscent of those who molded our Nation; those who had a vigorous and vibrant attitude toward working for community betterment.

I am sure Em's wife, Ellen, and his children, Emlyn, Jr., David, and Margie, join us in congratulating a truly fine American.

Mr. Speaker, the spirit of Em Jones, his congenial manner, and his active quest to aid fellow human beings are all qualities which were admired in every era of American history—and are qualities which will be admired on May 22 as we pay tribute to Em Jones.

TRIBUTE TO AMERICAN SOKOL

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. HELSTOSKI. Mr. Speaker, today we live in an age wrought with domestic anxiety and international tension. In every direction we turn, it seems as if another crisis waits to confront the spirit and fiber of the American people. Today, however, I would like to take a moment to pay tribute to an organization which for over 100 years has played a vital role in building a better America.

As a result of its fine record in preserving physical fitness, the American Sokol Educational and Physical Culture Organization has earned an important place among American service groups. Since 1865, American Sokol has played a dynamic role in instilling the principles of freedom, friendship, and truth throughout the Nation, and in promoting a strong bond of brotherhood among men and women in all parts of the country.

Furthermore, Mr. Speaker, I would like to take a moment to commend the Little Ferry, N.J., Sokol in particular. In view of the fact that I have the honor of representing Little Ferry in Congress, I have had the opportunity to witness firsthand many of the outstanding contributions Little Ferry Sokol members have made to their community. For over

75 years, the men and women of Little Ferry Sokol have inspired their friends and neighbors through their tireless pursuit of personal fulfillment.

Mr. Speaker, in conclusion, I would like to commend American Sokol once again, and particularly the members of the Little Ferry chapter, for their many outstanding accomplishments. As William "Pop" Zabransky, Jr., a long-time member of Little Ferry Sokol, said to me a short time ago:

> If the people of the world could adopt the principles and ideals of Dr. Miroslav Tyrs, the founder of the Sokol, there would be a better understanding of mankind on Earth today.

CHILLICOTHE'S HOSPITAL DAY

HON. WILLIAM H. HARSHA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. HARSHA. Mr. Speaker, as this Nation moves toward the 200th anniversary of its birth, we are reminded again and again of the great contributions and sacrifices American men and women have made in the cause of their fellow beings—both here and abroad.

This noble tradition of "giving" has never ceased—although in the crush of headlines heralding the seamier side of man and his works we tend to forget that the "average" man and woman—if there is such a thing as "average"—spends much of his and her time in behalf of others.

At "Hospital Day" at the Chillicothe, Ohio, Veterans' Hospital earlier this month, Veterans' Affairs Administrator Richard L. Roudebush covered some of the record achievements of Ohioans in the noble pursuit of voluntary service to the most deserving of those who, themselves, contributed so much to America—our hospitalized veterans.

I would like to include Dick Roudebush's remarks in the RECORD—as a tribute to all who give themselves willingly to the causes of this country in their service to others.

Mr. Roudebush's remarks follow:

REMARKS OF THE HONORABLE RICHARD L. ROUDEBUSH

I don't know of any hospital in the Veterans Administration system that has an observance that exceeds your annual Hospital Day event in size, enthusiasm or diversity of activity.

I don't know of any VA hospital where staff, veterans organizations and hospital friends go so all-out to stage an annual celebration to proclaim that they are proud of their facility and want the world to know it.

I don't know of any community that participates in an event more wholeheartedly than Chillicothe participates in this one.

And I don't know of any day celebrated anywhere within the system that is looked forward to so much, that is as colorful, is as much fun and is as beneficial and valuable as Hospital Day is right here.

You do me great honor by having me here to visit with you on this great day and you are also providing me a great deal of personal satisfaction and pleasure.

This day has many functions and I congratulate those who are responsible for the way it has been planned and is being staged. It is a unique, attractive and tasteful combination of religious, patriotic, athletic, social and informational activities. It is a day that gives recognition to the work of the hospital and to the very considerable talent, energy and dedication of staff, employees and volunteers . . . people who are here making a contribution every day of the year.

This is a day dedicated to healing and to making this a better hospital. It is a day that ultimately belongs to the patients because everything we do here at this observance has as its objective a stronger institution, greater support on the part of the community, better morale and a generally more effective and more pleasant place to receive treatment.

So I would like to extend a special greeting to those who are patients here, to wish them better health and to assure them that those of us who are in positions of leadership in VA are constantly seeking to improve our hospitals and to provide better patient care.

I know of nothing that is as important to veterans as the right to good medical treatment and I know of nothing we do that is as important as making that treatment possible.

I salute those who are responsible for the effective way this hospital functions. I include administration, professional staff and the many other employees whose performance has given the Chillicothe VA Hospital a deserved reputation for competence.

To you who are residents of this area and good friends of the hospital, let me say that your interest and that of people throughout this part of Ohio means more than you can know. It is impossible for a facility of this kind to achieve any appreciable degree of success without public backing, and this is something your hospital here has traditionally had in large amounts.

Among those who are its best friends are members of veterans' organizations. I express special appreciation to them for their long hours, hard work and constant moral support.

This is a day to give particular thanks to the American Legion, since this is the Legion's year to oversee the planning and direction of this observance. You have done a good job and I am sure that other participating organizations and individuals join me in commending your effort.

The task of officially recognizing the work of volunteers at this hospital is one that I am delighted to have. To me the people who give our hospitals and our patients so much of their time and effort . . . and so much love and kindness . . . are among the elite of America. Their generosity and their good citizenship are an example and an inspiration to us all.

It is no secret that the VA hospital system could not function at its present level without volunteers. There are more than 106,000 of them helping in various jobs in our 171 hospitals and more than 200 clinics.

This year they will give more than ten million hours of their time. They will give much more than time, of course, because these good people do more than just log hours. They give of their hearts and minds and muscles to make hospital existence more pleasant and recovery more rapid for thousands of patients.

At the Chillicothe Hospital you have some 450 volunteers who make it their business to give assistance on a regular basis. I am sure there is no one here who would seriously contend that the hospital could function as well without them, or that it could even approach the current level of operation.

Among those we honor today are 2 volunteers who have worked for ten thousand hours. This is the equivalent of working five years fulltime, a magnificent gift to make to this hospital.

Others have given five thousand volunteer hours, two and one-half years of fulltime work. And others are being honored for various other smaller, but significant, periods of volunteer activity.

To all of today's honorees, I express the gratitude that all of us in VA feel for your service and the admiration that we all feel for you as individuals who have felt an obligation to help meet the needs of others and have so freely and unstintingly assisted them.

We know that there must have been many days when it would have been easier not to do your valuable work here. We know there must have been many times when hot weather, cold weather, wet weather or just generally being under the weather made showing up here a real ordeal. We know that there have been times when your own comfort and your own needs were sacrificed for those of patients.

We know these things and we appreciate you all the more for them. We hope you will continue to be the vital resource to this hospital that you have been.

The Chillicothe VA Hospital has an illustrious past and I believe it has a great future. I am glad you have chosen as the theme for this year's Hospital Day "The Best Is Ahead," because it is both accurate and appropriate.

When the first patients were admitted here more than fifty years ago, there was great need for such an institution to care for ill veterans of World War I.

Today . . . with the final chapter of our war in Southeast Asia just written and with veterans of other wars needing care in increasing numbers . . . this hospital is just as vital to VA and to the American people as it was then.

The character of the hospital has changed and will continue to change. But what will not change is the place of importance it holds within the VA system and the hope it holds for veterans of this area who need its services.

Where the emphasis was once on psychiatric care, we now have and are continuing to develop capability in other treatment. While long-term hospitalization was once the prospect for those admitted here, better techniques and more skillful treatment now provide a much more hopeful future for patients in this hospital.

Just ten years ago, there were only two thousand outpatient clinic visits annually here. This year there will be eighteen times that number and the figure will grow in years to come as more veterans avail themselves of this more convenient and less disrupting mode of treatment, as new techniques make outpatient treatment appropriate to more medical conditions and as facilities are improved.

The Columbus outpatient clinic now complements the work of this hospital and makes care and service more convenient and more complete for veterans in this part of Ohio. It is part of the story of your success.

The construction and renovation projects which have been in progress here for some time and which are scheduled to continue for several more years are more than just necessary physical improvements.

They are evidence of the importance of the hospital as part of a network of hospitals providing unique and diverse services that add up to total health care delivery for veterans, and they are a commitment to the future of the Chillicothe hospital.

Yes, "The Best is Ahead" and this is a good occasion . . . with so many friends of the hospital present . . . on which to proclaim it.

I have enjoyed my brief visit with you here this afternoon. I appreciate the hospitality you have shown me and I, again, express

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gratitude to the staff, to volunteers and to the people of this community for what you are doing here.

Ever since I have been with VA, and long before, I have been told that there is nothing quite like Hospital Day in Chillicothe. Today you have made a believer of me. Today you have shown me what was meant by that statement.

THE FOOD ASSISTANCE POLICY GAME

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mrs. SCHROEDER. Mr. Speaker, today I am introducing a bill to create an Office of Food Administrator. Forty-two of my colleagues are joining me as cosponsors on the bill.

The bill, a companion measure to S. 881 introduced by Senator MARK HATFIELD of Oregon, would create a Cabinet level position for a Food Administrator charged with development of coordinated foreign and domestic food policies. This Administrator would be appointed by the President, with the advice and consent of the Senate.

To point to the need for such an office, I recommend to my colleagues the following food assistance policy game. This game can be played in a variety of settings, for example, while waiting in Bangladesh for food-for-peace shipments to arrive, while waiting in line at the local food stamp office to be certified, while explaining to consumers why food prices keep going up, or to the farmers why farm prices keep going down.

FOOD ASSISTANCE POLICY GAME

1. The United States sent 42% of all Food for Peace aid last year, FY '74, to:

a. All Latin American countries combined.
b. South Vietnam and Cambodia.
c. All African countries combined.

2. Who allocates Food for Peace program funds?

a. Defense.
b. Agriculture.
c. National Security Council.
d. State/AID.
e. Office of Management and Budget.
f. Treasury.
g. Commerce.
h. All of the above.

3. According to the latest figures, how much of the 5.5 million tons of Food for Peace aid committed for this year, FY '75, has actually been shipped?

a. 100 percent.
b. 85 percent.
c. 60 percent.
d. 50 percent.
e. 39 percent.

4. Who would you call with a question about food aid?

a. Agriculture.
b. State/AID.
c. Commerce.
d. Defense.
e. Domestic Council.
f. Council of Economic Advisors.
g. Treasury.
h. National Security Council.
i. Council on International Economic Policy.
j. Office of Management & Budget.
k. All of the above.

5. How many of the 40 million Americans who are eligible for food aid are actually receiving it?

a. all of them.
b. about ¾.
c. about ½.
d. practically no one.

6. What has Secretary Butz indicated that he *would not* like to do with the Food Stamp program?

a. give it to HEW.
b. retain and improve it.
c. give it to Senators Humphrey and McGovern.

7. There are — domestic food assistance programs?

a. 4.
b. 8.
c. 15.
d. more than 20.

8. Secretary Butz has made which of the following statements in regard to food policy?

a. "This is not a welfare department."
b. "A good poker player never shows his hand too soon."
c. "A tool in the kit of American diplomacy."
d. all of the above.

Scoring: 1. b, 2. h, 3. e, 4. k, 5. c, 6. b, 7. d, 8. d.

TOO MUCH GOVERNMENT BY DECREE

HON. DELBERT L. LATTA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. LATTA. Mr. Speaker, day after day, week after week, and year after year a takeover of representative government in the United States has been taking place by unelected and unknown bureaucrats without Congress lifting more than a little finger to stop it. As a matter of fact, the oversight functions of the Congress in this area have been almost nonexistent. It is time for Congress to take a look at what is going on in some of the agencies it has created and to correct the untold number of abuses of power which have been taking place. The May issue of Reader's Digest contains an article by John Barron, entitled, "Too Much Government by Decree," which makes reference to many of the abuses I have in mind. Since many of the Members may not have seen this article, I wish permission to include it with these remarks. The article follows:

TOO MUCH GOVERNMENT BY DECREE!

(By John Barron)

The decree from the Environmental Protection Agency (EPA) fell upon Bostonians like an edict from some ancient king. Beginning March 1, 1975, no one might park on a downtown street between 7 and 10 a.m. Forty percent of all spaces in Boston's parking garages must be kept empty during the same hours. Employers must eliminate one fourth of all employe parking spaces. By making it difficult, if not impossible, for Boston workers to drive to their jobs, the Washington bureaucrats who handed down these sweeping orders hoped to reduce air pollution.

Boston community leaders were appalled. "We cannot eliminate the car until there is a viable alternative," declared Mayor Kevin White. Businessmen predicted serious economic loss and unemployment, as well as personal hardship and traffic chaos. Nevertheless, the EPA all last year stubbornly proclaimed its determination to compel Bostonians to do what it wanted, regardless of the consequences. Repeatedly it warned employers that they were liable to a year's imprisonment and a $25,000 fine if they disobeyed. Threatened with Congressional intervention, the EPA finally, last February, modified its Draconian decrees and granted the city more time to gird for their effects. Grateful for the reprieve, Boston Chamber of Commerce executive William F. Chouinard nonetheless said, "I hate to think what might have happened if we had not fought like hell."

MASS MEDDLING

Even though postponed, the orders arrogantly visited upon Boston are symptomatic of an insidious change which is occurring in governmental processes. Traditionally, Americans have been governed according to laws enacted by elected representatives answerable to voters. Today, Americans increasingly find their lives regulated by decrees emanating from bureaucrats who are, in effect, accountable to no one.

The stream of bureaucratic dictates pouring out of Washington has turned into a flood. In 1973, the *Federal Register* needed 35,591 pages to publish all the new decrees and decisions; last year it required 45,422 pages. Random examination of the *Register* suggests how far the bureaucracy has thrust itself into the ordinary business of ordinary people. Naval-Orange Regulation 311, for instance, prescribes how many oranges may be shipped from California and Arizona counties during a specific one-week period. Contractors in Allegheny County, Pa., are informed that their bricklayers must be paid $9.25 an hour, whereas bricklayers in Adams and York counties, in another part of the state, can receive $7.65. Arbitrary *Register* regulations may nullify a union contract, require a corporation to spend millions on new equipment, or deny a town the right to approve a new shopping center.

Consumer advocate Ralph Nader points out that senseless or incompetent rulings by federal regulatory agencies drive up prices by suppressing competition, stifling innovation and perpetuating inefficiency. A Senate subcommittee estimates that private business spends $18 billion annually on paperwork demanded by federal bureaucrats, while the General Accounting Office calculated that 1973 paperwork cost the government itself $15 billion. But the gravest consequence of all this bureaucratic meddling carries no price tag. It is eloquently summed up by Sen. Sam Ervin (D., N.C.), Congress' leading constitutional authority, who retired this year after presiding over the Senate Watergate investigation. "Government by bureaucratic decree threatens freedom itself," Ervin declares. "The pursuit of no goal justifies the destruction, or even the erosion, of freedom.'

Few Americans would dispute that abolishing racial discrimination, promoting industrial and consumer safety, and cleaning up the environment are worthy goals. The trouble is that Congress has created vast new bureaucracies with sweeping powers to pursue such goals as they see fit. All too often, the results are tragic.

Business Buster. Marlin Toy Products, Inc., in Horicon, Wis., used to provide jobs for 85 of the town's 1400 residents. Its most profitable products were two popular toys designed for babies. One was a transparent plastic sphere containing artificial birds and tiny, bright-colored plastic pellets. The other was a similar sphere containing pellets and artificial butterflies. When the spheres rolled, the birds or butterflies fluttered, the pellets rattled and a child enjoyed motion, color and sound.

In November 1972, the Food and Drug Administration (FDA), then responsible for product safety, suddenly informed Marlin that the toys were unsafe, reasoning that, if a sphere broke, a child might be tempted to eat the pellets.

Since Marlin first marketed the toys in 1962, millions of Americans had purchased

them. Not one had complained to the company of any harmful results. The toys had already passed three rigorous safety tests—Marlin's, an insurance company's and a department store's. Nevertheless, Marlin agreed promptly to recall all the spheres and remove the pellets. Within a month, the FDA said it was satisfied and promised to remove the toys from the next published list of banned products.

Marlin proceeded to manufacture hundreds of thousands of the toys hoping to recover, through the 1973 holiday sales, the losses from the 1972 recalls. But in September 1973 the newly formed Consumer Product Safety Commission (CPSC) issued a "Special Holiday List" of dangerous toys whose sale was prohibited—including the toys Marlin had redesigned months before to FDA satisfaction.

Not until early December did frantic company and Wisconsin officials succeed in getting CPSC to acknowledge that it had made an "editorial error." It was too late. Stores all over the country had canceled toy orders, and Marlin had lost at least $1.2 million. Today the company is on the verge of collapse.

"ARBITRARY . . . CAPRICIOUS"

Congress in 1970 created the Occupancy Safety and Health Administration (OSHA), endowing it with authority to dictate work rules to virtually every segment of American business, from the corporate giants of Detroit to mom-and-pop shops at rural crossroads. OSHA inspectors can walk into any business unannounced, search the premises without a warrant and levy fines without a hearing or trial. Industry and labor alike recognize that there are industrial hazards which require intelligent remedies, but too often OSHA simply makes a nitpicking nuisance of itself. Consider:

In Newport Beach, Calif., an OSHA inspector visited Blackie's Boatyard, where owner Arsene "Blackie" Gadarian and six workers repair small craft. Pointing to a man without a life jacket who was working in a boat tied to the pier, the inspector asked, "What would happen if he fell in the water?"

"He would stand up," Gadarian replied. "The water's only three feet deep all along the pier." Still, the inspector thought there should be a ladder at the pier's end. Gadarian said he would nail up a ladder.

Three weeks later, OSHA formally notified Gadarian that he had violated its ladder regulation—Section 1501.84(c)(4)—and was liable to a fine of as much as $1000. When Gadarian asked to see the rule, OSHA sent him a 248-page document a month later. Nowhere could Gadarian discover any reference to ladders. Asked for clarification, OSHA sent a 48-page supplement saying only that a ladder must be installed in the vicinity of a dock where boats are repaired.

Because Gadarian already had four ladders near his pier, he decided to appeal the fine, OSHA set the fine at only $15, but Gadarian refused to pay.

A battery of government lawyers assembled to argue the OSHA case before a specially appointed federal hearing examiner and a flock of other federal officials. Gadarian, helped by his wife, acted as his own lawyer. The proceedings lasted four hours before Gadarian's innocence was certified. Gadarian's wife would not let him buy a transcript of the proceedings. It cost $500.

OSHA can be just as foolishly autocratic in dealing with big matters as with little. At a cost of $100,000 annually, the Continental Can Corp. effectively safeguards its employes from noise by providing comfortable ear protectors and insisting that they be worn. OSHA itself admits that the protectors reduce the noise level well below federal standards. Nevertheless, OSHA demanded two years ago that Continental Can "engineer" noise abatement by building sound shields around thousands of machines at a cost of $33.5 million—contending that some workers might be too "ignorant or obstinate" to wear the ear protector. Continental contested the OSHA decree.

After reviewing 1000 pages of testimony, Judge Robert N. Burchmore last October issued what added up to a searing indictment of both the judgment and the competence of OSHA. A government "expert" had claimed that sound shields could be designed and installed in two months. The court ruled that after seven more years of research it *might* be feasible to install them. OSHA had had to admit that it had found not a single employe who was not wearing the ear protectors. Judge Burchmore dismissed the OSHA ruling, calling it "arbitrary to the point of capriciousness."

Passion and the Police. The Equal Employment Opportunities Commission (EEOC) was created to ensure that employers should not discriminate against minorities in hiring and promotions. But the EEOC now ranges far beyond this stated mission; its flagrant excess have provoked outspoken criticism from even longtime champions of minority causes.

Late last year, for example, the EEOC issued an astonishing set of decrees against the police department of Houston, Texas. By EEOC's own admission, this department has had, in recent years, a commendable record of employing minority personnel, who presently compose about 40 percent of the force. But the Houston police require that applicants have a high-school diploma, and they refuse to hire convicted criminals, people dishonorably discharged from the armed services, and those with a history of defaulting on debts.

The EEOC asserted that the ratio of individuals convicted of crimes, dishonorably discharged from the military, or marked as bad credit risks, is higher among blacks and other minorities than among whites. Therefore, ruled the agency, the Houston police department is guilty of racial discrimination and must cease investigating the backgrounds of prospective officers. It threatened legal action unless the Houston police opened their ranks to convicts, those with dishonorable discharges from the armed services, those who had not completed high school.

"If we do not even have the right to ask a man if he has been convicted, we could turn over the department to a bunch of criminals, the very element we're supposed to fight!" exploded Chief Carrol Lynn. "Hire a convicted kidnaper, burglar, rapist, murderer as a policeman? My God!" Houston's leading black newspaper, *Forward Times*, published a full-page editorial ridiculing EEOC and defending the police. To all protests, the EEOC has so far responded with bureaucratic contempt for common sense.

Meanwhile, EEOC's real business often goes unattended. It has a backlog of 100,000 cases, and now takes an average of 28 months to process a complaint. In their passion to pursue their mandate, EEOC investigators frequently fail to get facts straight. As a result, the EEOC general counsel has to return to the field as "unsuitable for litigation" between 80 and 90 percent of the cases submitted to his office. Yet this is the bureaucracy that has the power to impose racial and sexual quotas at all levels of business, and to drag any employer into a costly lawsuit at will.

THE SINGLE MOST POWERFUL

But the Congressional creation that threatens to grow into the most fearsome bureaucratic monster of all is the Environmental Protection Agency. Under a pervasive umbrella of power conferred by the National Environmental Policy Act, the Clean Air Amendments, the Water Pollution Control Act and the Noise Control Act, EPA has claimed for itself authority unprecedented in American peacetime history. Indeed, Prof. Irving Kristol of New York University recently wrote: "If the EPA's conception of its mission is permitted to stand, it will be the single most powerful branch of government, having far greater direct control over our individual lives than Congress or the Executive or state and local government." Professor Kristol does not exaggerate, Consider:

EPA asserts the right to veto construction of virtually anything that might generate a substantial volume of traffic. Thus, unless Congress intercedes, as of January 1, 1976, local communities may not permit development of a major shopping center, hotel, stadium or factory without approval from Washington.

In Gary, Ind., the U.S. Steel Corp. tried to meet EPA requirements by building two new installations of non-polluting furnaces. But initially their output was limited by factors beyond the company's control: a power failure that damaged its furnaces, the coal strike and a construction strike. So U.S. Steel last fall asked EPA permission to keep its one remaining open-hearth installation in operation six months more. It was told that the installation could be kept open for three months with a $2300 fine for each day of operation. Instead, the company closed the installation, and hundreds of workers are losing their jobs as a result.

An infestation of deadly tussock moths in 1972 defoliated 174,000 acres of magnificent Washington and Oregon forests. To prevent further ravages, state officials and conservationists pleaded with EPA to allow a carefully controlled spraying of DDT. EPA stubbornly refused even a temporary removal of its ban against DDT. Unchecked, the multiplying moths by the summer of 1973 had afflicted 700,000 acres of timber. Faced with Congressional uproar and a lawsuit, EPA in February 1974 relented and authorized use of DDT. Helicopters sprayed the forest, and the infestation ended. But the devastation inflicted by doctrinaire bureaucrats endures.

Ultimate Remedy. Nearly two centuries ago, the people of Boston started one of history's most important revolutions in the name of freedom. In the years since, millions of Americans have risked their lives to preserve that freedom. It is inconceivable that we will now sit back passively and allow it to be lost to bureaucratic usurpation.

The remedy lies in Congress, which created the problem in the first place. Congress should reappraise each federal agency, with a view to outright abolition of those that have obviously outlived their usefulness. It should withdraw from the others the vast grants of arbitrary power that it has bestowed. And Congress should define the powers left to bureaucracies in language so clear and explicit that no officials can expand their power beyond Congressional intent. Finally, broad national policies required to protect consumers, workers, minorities and the environment should be implemented through specific legislation rather than bureaucratic fiat.

If the people don't like the results, then—in the next election—they can remove the members of Congress responsible. That is why the American system has always provided that power must be exercised by elected representatives instead of by bureaucrats who have earned the vote of no one. If freedom is to survive, power must *remain* in the hands of elected representatives.

INTERNAL REVENUE SERVICE'S CONSCIENCE FUND

HON. JOE SKUBITZ

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. SKUBITZ. Mr. Speaker, a constituent of mine residing in Coffeyville, Kans., has advised me that he desires to

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return his tax rebate check of $119, which he received from Uncle Sam. He is one of hundreds of thousands of Americans who works for his living, supports his family, and pays his bills and taxes. All these people ask is that their Government use their hard-earned dollars wisely and live within its revenues just as they are required to do. My constituent just does not buy the philosophy that we have the right to live beyond our means and charge it to future generations because they cannot vote or defend themselves.

Mr. Speaker, I made inquiry to find out how my constituent could return his rebate check, and would you believe it—the only avenue open is to send it to the Internal Revenue Service's "Conscience Fund." I thought that fund was created for those who could not sleep nights because they had gypped the Government in past years. Perhaps the Congress which made possible this legislation, and the President who signed it, should do a little soul searching.

NEW COURTROOM AND OFFICE FACILITIES FOR THE SUPREME COURT OF OHIO

HON. CHALMERS P. WYLIE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. WYLIE. Mr. Speaker, on Thursday, May 8, it was my privilege to attend the ceremonies by which the new courtroom and office facilities for the Supreme Court of Ohio were dedicated. The principle speaker for the occasion was the Honorable Erwin N. Griswold who gave a very substantive and noteworthy talk. I congratulated him on his talk and asked his permission to have it printed in the CONGRESSIONAL RECORD. I suppose Mr. Griswold's excellent talk could be expected as he does have impressive credentials.

The Honorable C. William O'Neill, chief justice of the Supreme Court of Ohio introduced him as follows:

INTRODUCTION BY HON. C. WILLIAM O'NEILL

Dean Erwin N. Griswold is a native Ohioan. He was born and educated through high school in Cleveland. He received his undergraduate degree from Oberlin College and a Bachelor of Law Degree and Doctor of Juridical Sciences Degree from the Harvard Law School. He practiced law briefly in Cleveland, served for a short time on the staff of the Solicitor General of the United States, became a professor of law at Harvard Law School, and eventually served many years as Dean of that law school. He was appointed by the President of the United States as Solicitor General. In that capacity, he argued all of the Government's cases in the United States Supreme Court. Dean Griswold has written many books and articles on the law. He has received honorary degrees from a large number of the finest universities in the world—at least one from Australia, one from Oxford, England, and one from Edinburg, Scotland and at least two from Canada as well as many from the leading universities and colleges of this country. The Dean is presently serving as a member of the President's commission to investigate the CIA under the chairmanship of Vice President Nelson Rockefeller. Dean Griswold is a scholar, teacher, administrator, author, and a lawyer's lawyer. He is presently a member of the law firm of Jones, Day, Reavis, and Pogue with offices in Cleveland, Washington, D. C., and Los Angeles. Dean Griswold's office is in Washington, D. C. I am pleased to present Dean Griswold to this distinguished audience.

INFLATION—LEGAL STYLE

(By Ervin N. Griswold)

Mr. Chief Justice, Justices of the Supreme Court of Ohio, other members of the Bench, Mr. Howland, President of the Ohio State Bar Association, other members of the Association, Ladies and Gentlemen:

It is a happy privilege to be with you on this auspicious occasion. It is a little hard, though, to know just what word to use to describe the occasion. Considering that we are in the bottom five floors of a forty-two story building, it can hardly be called a launching. We are happily above ground, so we shall not be engaged in mining. Whatever word we use, though, this ceremonial inauguration of the new quarters for the Supreme Court of the Great State of Ohio, is a memorable event, for the Court and for the bar.

As one who has always been proud that he is a native of Ohio, and as one who always expected to spend his life practicing law in Ohio, and knows he would have enjoyed it if he had done so, I am glad that the Court has these new and improved facilities. But I still have nostalgia for the old court room. My father was admitted to practice there, in 1901, nearly seventy-four years ago. I was admitted there, in 1929. Chief Justice Carrington T. Marshall swore me in. I well remember, too, Chief Justice Weygandt. My first contact with him was when I was a student at Shaw High School, in East Cleveland, and he was a respected referee at football games. And Chief Justice Kingsley A. Taft was a law school classmate of mine, and served with me on the Board of Volume 41 of the Harvard Law Review. I have also known a number of other judges of the court. Alas, though, I have never had a case there, so, to my regret, I cannot claim to have any standing at your bar.

The administration of justice in our system is not done by the judges alone, but by the judges with the assistance of the bar, and with participation, in appropriate cases, by laymen, as jurors. This is "judge and company," as it was called long ago. It is appropriate, therefore, that this gathering includes the bench and the bar, as a symbol of the partnership which will in years to come advance the law in this state. Lawyers who are on the bench, and lawyers who are in practice, will perform their functions here, and both roles are, I believe essential to the proper administration of justice, and the sound development of the law.

In my remarks this evening, I want to say a few things, not too seriously, about certain tendencies which may be found among lawyers and other governmental officers in our society, which, perhaps, we should be aware of, and guard against. I have called my talk "Inflation—Legal Style," and the last two words of that title are the significant ones. I am not going to deal with rising prices, and business cycles, and other such things that I know nothing about, and can only grin and bear. The type of inflation to which I refer this evening is, perhaps, endemic in human nature, and not limited to those of us who are lawyers. It is the tendency of those who exercise power in one form or another, to expand the powers which we have, all in good faith, of course, but nevertheless presenting problems worthy of consideration. It is also a tendency which is facilitated by our language which makes it easy to use a bigger, or stronger, or more grandiose or encompassing word to express an idea which is perhaps more accurately described in more modest terms.

Let me give two simple examples of what I have in mind:

The first can be put briefly, in a single sentence, which is: The word "madame" was originally the word used to address a queen. Our language has escalated it somewhat.

Let me give another example, which still annoys me. When I went to law school I received an LL.B. degree. That seemed appropriate to me, and I still hold that degree. The doctor's degree in medicine and the doctor of philosophy, seemed to me to be different, and, indeed, higher degrees, representing longer study, and more research. But six or eight years ago some one got the idea that lawyers should lift themselves by their own bootstraps and call themselves doctors, too. So the J.D. degree has swept the country. To me that is rather deceptive, and I wish that the profession might have stood out against it. But the powers of inflation were too great, and nearly every law school has adopted the J.D. degree. I can only hope that we will all continue to be aware that this is really a case of legal inflation, where we are all engaged in patting ourselves on the back.

The basic idea was expressed by then Chief Judge Cardozo more than fifty years ago, in jurisprudential terms, when, in his great lectures on The Nature of the Judicial Process he referred to "The tendency of a principle to expand itself to the limit of its logic . . ." Lawyers and judges are always seeking to build on cases—to push the law farther and farther, not always being aware that there are competing principles, and that sound decision may require the tempering of logic in one direction in order to meet the demands of logic based on another relevant principle. As Oliver Wendell Holmes, Jr., said nearly a hundred years ago: "The Life of the law has not been logic; it has been experience." One of the things we learn from experience is that nearly always premises are stated too broadly, so that if we proceed in purely logical terms we will come to unsound conclusions.

Let me give some further illustrations of what I have in mind. We have recently been through a period which has been called "The Imperial Presidency." President Nixon used to talk about the "institution of the Presidency," and I have no doubt that he sincerely believed that the President's powers must be very broad, not for the sake of the President, but in the national interest. And they should be broad—but not too broad. That is where the non-inflationary approach comes in.

In a number of fields, President Nixon sought to push the powers of the President further than they had ever been pushed before. If we start from the premise of the independent executive, and think in terms of the "institution of the Presidency" as something analogous to the divine right of kings, limited in time but otherwise rather comprehensive, it is easy to come to the conclusion that Presidential powers are, and of right ought to be, rather comprehensive.

On this basis, President Nixon inflated his powers in the area of foreign affairs. Domestically, with respect to the expenditure of moneys appropriated by Congress, he took a very broad position as to his powers on impoundment. He said, in effect, that the Constitution gave him the executive power, and that that meant that he could determine, by his own constitutional prerogative, whether appropriated moneys should be expended or not. One may have some sympathy with him on this. The Congress has long failed, in my judgment, to act very responsibly in the appropriations area. It is only very recently that it has come up with any machinery which will have any real tendency to match expenditures against receipts; and it remains to be seen whether the new Congressional Budget Act will in fact produce an adequate responsibility in Congress. The difficulty really arises because Congress does not have any one place where the hard choices must be consciously made. Revenue raising is handled by one set of committees, affected by varying sets of interests; and expenditures go through different committees, with great pressures from many quarters to spend more and more, regardless of the revenues available and the effect on the economy. In Congress the basic inflationary force—and it is devastatingly inflationary—is to push farther and farther in spending, without an adequate check to meet the obligation to raise revenue to meet the expenditures.

The Nixon White House sought to deal with this by expanding the impoundment power. That, it seems to me, was legal inflation of the sort to which I am referring tonight.

There was another area where President Nixon engaged in legal inflation, and that was with respect to what has been called "executive privilege." Starting with the premise that the Constitution gave him the executive power, he asserted the conclusion that that gave him complete control of everything in the executive branch, including the power to refuse to disclose any paper or recording held in the executive branch, or to prevent testimony about internal matters by any officers or employee of the executive branch. This, too, was, in my opinion, a clear case of legal inflation of the sort to which I am referring this evening.

One of the many unfortunate things about these contentions is the fact that there is appropriate room in our governmental system for both impoundment and executive privilege, when properly limited or qualified. President Nixon's premises had sound elements in them, but were too broadly stated. There are circumstances, resulting from changes in conditions, or other unforeseen circumstances, including sheer inability to make expenditures despite bona fide effort, where impoundment is not only valid but may be required. And in the area of executive privilege, there are circumstances where executive privilege may be appropriately claimed, as Chief Justice Burger recognized in his opinion in *Nixon* v. *United States*. Like all questions worthy of discussion, these are questions of degree. The problem arises when they are pushed by a sort of doctrinaire logic to an ultimate extreme. That is the sort of intellectual inflation to which lawyers sometimes seem to be prone. In our profession we should always take care not to get ourselves so far out on a limb that the temptation to cut it off behind us will be irresistable.

What about the legislative branch? Does it engage in legal inflation of the sort to which I have been referring tonight? I have already mentioned the inability of Congress for many years to devise a means for keeping some sort of thoughtful and effective control on over-all expenditures. But there are other ways, I think, where Congress and other legislative bodies tend to push things to their logical extremes. An illustration may be found in cetrain Congressional and legislative investigations, where there is little control by the legislative body, and an energetic or ambitious legislator may seek to make all he can out of his investigatory opportunity. The first Senator McCarthy was, of course, a clear example of this, and he went so much too far that he was finally called to account. But it is hard to get a legislative body to undertake to control one of its own members.

There is another example, I think, in the aftermath of Watergate. There are bills before Congress, instigated by a legitimate and genuine concern for the problems arising out of executive action in the Watergate affair, which would in fact, in my opinion, make it impossible for the executive branch to operate effectively. There is a bill pending before the Senate which would set up a Congressional counsel with power, only slightly qualified, to take over prosecutions from the Attorney General, and to start lawsuits to require executive officers to obey the law, or intervene in any suit brought by others for that purpose. This statute, if enacted in the form of the present bill, would, in my opinion, be a clear violation of the separation of powers since it would give the Congress too much and too direct power over essentially executive functions. It is as much over the line in that direction, it seems to me, as President Nixon's claim of unlimited impoundment power was in the other.

My hope would be that this statute will not pass in anything like its present form. If it does, it will be a clear example, I think, of the sort of legal inflation which is the subject of my talk tonight.

So far I have said nothing about the courts. Do they engage in legal inflation, too? Well, I am a guest here tonight, and clearly within the jurisdiction of the Supreme Court of Ohio, and anything bordering on contempt of court is very far from my thoughts. So I will confine my observations to the Federal courts. There, particularly in the highest tribunal, there are clear signs, I think, of legal inflation.

There is, for example, the process by which the first eight Amendments to the Federal Constitution—or most of them, or some of them, on some basis never made clear—have been found to be applicable to the states through, or implicit in, or somehow under the Fourteenth Amendment to the Constitution. This may well be a useful objective, but it still remains hard for me to see how it can be found in either the language or the history of the Fourteenth Amendment except by the process of legal inflation to which I have been referring tonight.

Then there is the First Amendment itself. It is fine and noble. "Congress shall make no law abridging the freedom of speech, or of the press." I honor that and value that as much as any one. Yet how it has been built upon. We have the First Amendment, and the penumbra of the First Amendment. By that process, the First Amendment is found to support a right of privacy, in the case of *Griswold* v. *Connecticut*. That may be a good idea, but how can it be found in the First Amendment, or any place else in the Constitution? And building on this, we find that the States have no power over abortion, surely a startling proposition explainable only in terms of legal inflation.

From the freedom of speech protected by the First Amendment, we are told that there is a freedom to hear, and this protects a man in what he has in his own library. Again, it seems a good idea, very likely sustainable under the Fourth Amendment, relating to searches and seizures. But it was rested on the First Amendment—surely a considerable expansion of its terms. There are even members of the Court who feel that Congress has no power to prevent the importation of concededly obscene matter, and no power to prevent the transmission of such matter through the mails, because of this right to receive, which is said to be based on the First Amendment. So far that view has not prevailed. But the forces of inflation are hard to confine when once the expansion process is commenced.

There is another area to which I will refer, and then I will be done. Over the years many doctrines have been developed to limit the area within which courts will operate. In order (1) to keep the courts within their proper sphere in terms of the separation of powers, and (2) in order to conserve judicial time so that the courts may resolve controversies between man and man, and between the citizen and his government. These doctrines, in the federal system, go by such names as case and controversy, justiciability, reviewability, mootness, laches, ripeness, exhaustion of administrative remedy, and standing.

In recent years, however, most of these doctrines, though left standing, have become mere shells. In addition to enormous expansion of judicial action in these areas, new doctrines have been developed which greatly increase the scope of judicial action. These include collateral attack, and more recently, the great extension of class actions.

As far as standing is concerned, the situation is little short of being a judicial joke. Any small group of people can call themselves Citizens for a Better Environment, and have standing to raise almost any question that may appeal to them. If you think I exaggerate, take the case of five students at George Washington University Law School, who, as a class exercise, called themselves SCRAP, meaning Students Cooperating for Review of Administrative Practices, and they were held to have standing to raise the question of the validity of an order of the Interstate Commerce Commission allowing an across the board increase in freight rates, the contention being that the increase was invalid since it would discourage the shipment of recyclable materials, and no environmental impact statement had been filed.

Well, what is wrong with that? The problem is a rather fundamental one. How far should the courts be taking over the operation of the details of running the government? The courts are ill-equipped to handle the day to day operation of government affairs. And that function was never assigned to them by the Constitution. Yet there is today very little that some court somewhere will not undertake. Many governmental decisions are immediately attacked in the courts, and more and more governmental activity is delayed pending consideration in the courts. More and more, we are becoming a government by the judiciary, and I suggest that that is not really desirable in a democracy,—and not good for the courts either. The function of the courts is to decide real controversies, affecting the lives and interests of real people who are directly affected by the matter in dispute. They are not the place to decide more general and abstract questions, in which some person or group has an "interest." Such matters should be decided by legislative bodies, or by administrative officers in the executive branch, with review by the courts only at the instance of a person who is really hurt. Unless this is recognized, the courts will be undertaking an ever enlarging and inflated role in the operation of the government, and will eventually bog down through sheer inabilty to handle all of the questions which they have undertaken to resolve.

In this talk, I have talked in semi-seriousness about a concept of legal inflation. My remarks have been very general, and have been designed to stimulate thought rather than to assert any ultimate conclusion. As we consider these questions, it is comforting to recall that the Supreme Court of Ohio has been sitting in this city for close to a hundred and seventy-five years, and that it has served the people of this state well, and it has served the legal profession well. Let us hope that these fine new quarters will assist its members in performing their important task. And let us tender our respects to the court and wish its justices well as they undertake their important public duties here. Perhaps the day will come when we can look back and say that the only inflation here was in the cost incurred in providing their excellent and useful building.

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MEMO TO NETWORKS: HERE'S A FORMAT FOR DOCUMENTARY

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. SYMMS. Mr. Speaker, the last issue of TV Guide—May 3—included a blunt article by the political columnist, Kevin Phillips, which said bluntly what most Americans have been saying for years, namely that it was the liberal elite which involved this country in a "no-win" war in Vietnam and then worked hand-in-glove with the liberal media until matters became worse and worse.

The plain fact is that if we had taken decisive action against the North Vietnamese Communists years ago a great many lives would be saved and we would not have Communist rule in all of Indochina today.

I should like to insert this article which should be read by all Members of Congress in the Record at this time.

I should also like to include the recent statement of the Chairman of the American Conservative Union, M. Stanton Evans, which makes the same point that Mr. Phillips and many others are saying:

Memo to Networks: Here's a Format for a Documentary

(By Kevin Phillips)

From mid-March to mid-April, you've carried documentaries on lawyers, Israel, the Internal Revenue Service, the "myth" of IQ, and several minipieces on Vietnam. But there has been no major program looking into the genesis and dynamics of U.S. collapse in Indochina.

Maybe the subject is too embarrassing. Here's a one-hour format you might consider, though. I have tentatively labeled the program, "A Decade of Disaster." Instead of going back to 1945 or 1961, it begins 10 years ago when Lyndon Johnson announced the big U.S. buildup in South Vietnam.

My plan is not just to chart the growth of the U.S. commitment, rehash stale battles or show three different kinds of helicopter gunships. That's not the key. The film clips I'd use show the people who planned the war. I don't mean the Pentagon generals or hawkish senators like Barry Goldwater or Strom Thurmond . . . hell, their ideas and strategies were never used. I mean the "best and brightest," as David Halberstam called them—the gray-flannel geniuses from Ivy League colleges, foundations and think tanks who thought they could fight the world's first slide-rule-and-computer war.

One picture says everything: Newsweek ran it several years ago with the title: "A Council of War in Honolulu, 1966." All the liberal Hannibals, Clausewitzes and Robert E. Lees were gathered around one table: Secretary of State Dean Rusk, former president of the Rockefeller Foundation; Defense Secretary Robert McNamara, former president of the Ford Motor Company, now president of the World Bank; Presidential Assistant McGeorge Bundy, former Harvard dean, now president of the Ford Foundation; and—sitting under a photo of a guided missile—Mr. New Priorities himself, John Gardner, then Secretary of Health, Education, and Welfare, now chairman of Common Cause.

It's hard to believe some of the stuff these people actually said about controlled Southeast Asian application of limited power, pacification, favorable body counts and that kind of nonsense. I'd intersperse their tragic reassurances with clips of Goldwater, Thurmond and others saying that you can't fight a war with one hand tied behind your back, and that we ought either to a) bomb Hanoi and mine the waters off Haiphong, or b) get out. Seven, eight years later, the audio-video contrast between official mush and hard-boiled strategic realism is a grabber . . . it makes you think of all the people that would be alive today if we'd bombed Hanoi back in 1967.

To explain why we hung weak instead of tough, I've gone back to the domestic situation in 1967–68—to the call for "reordered priorities" and vast additional urban, welfare, educational and research outlays; to the draft-card burnings and campus riots; and—most of all—to the breed of politician who paid more attention to the Harvard faculty and The New York York Times than to the reports of soldiers up to their hips in the mud and leeches of Asian war.

But there's another reason this documentary is different: it focuses on the role of television in the first war in which TV coverage played a critical role in home-front disenchantment and Congressional disarmament. It was analyzed by Edward Jay Epstein in a three-part 1973 TV GUIDE series. First, the 1965–66 network news programs painted a rosy picture of U.S. military success in the Rusk-McNamara type of limited warfare. Then by 1967, coverage was changing, and by 1968 and the spring Tet offensive, network news programs were becoming defeatist—exaggerating military reversals and painting a woeful picture that hit hard at U.S. public opinion. This unprecedented erosion of home-front psychology merits a clip or two of analysis.

I'm not forgetting the politicians. My script shows how so many changed their stripes for the most political reasons—how so many "doves" of 1971–72 were backing limited-war tactics and full Vietnam appropriations right up until Richard Nixon entered the White House. Here contrasting clips are devastating: you see Senator X saying one thing in 1967 or 1968, supporting LBJ war policy down the line, voting for level after level of troop buildup. And then in 1971 or 1972, you see this same senator, mouthing withdrawal lines to cheering antiwar demonstrators with Viet Cong flags and Ho Chi Minh posters.

Next, we try to get back to the technical context again—the impact and ramifications of flawed planning. Video graphs show the deficit finance used to pay for domestic programs and Southeast Asian war, a practice which launched the inflationary tide that began in the late '60s. Also, as isolationism took hold and social welfare spending soared, we can chart the diminishing outlays of the early '70s—in constant 1975 dollars, today's annual military spending (about $86 billion) is way below the $125 billion equivalent of 1968. The video graph is depressingly vivid. As the defense share of the Federal budget drops from 48 per cent (1964) to 27 per cent (1975), a world map in the background shows the year-by-year loss of U.S. military bases, retreat of U.S. power and simultaneous advance of Soviet might.

No documentary of collapsing U.S. power would be complete without interviewing Ernest Lefever of the Brookings Institution about his study of how CBS News in 1972–73 presented only the case against national preparedness. [*In a recent report to stockholders, CBS denied the validity of the Lefever study.—Ed.*] Even Walter Cronkite admits it. In November, he told Gannett News Service: "There are always groups in Washington expressing views of alarm over the state of our defenses. We don't carry these stories. The story is that there are those who want to cut defense spending."

Oh, sure, we'll be current, with clips of men like Nelson Rockefeller, Henry Kissinger and George Meany telling how Congress is responsible for the betrayal and bloodbath in South Vietnam.

But what I'm really interested in is using film juxtapositions to create a portrait of the real shame and national tragedy—to show Rep. Bella Abzug chewing gum and grinning during President Ford's speech and then cut in with a clip of Arlington cemetery; to show the sleek crowd at this year's Academy Awards applauding the Viet Cong and then flash to a shot of bloody refugee bodies on the road to Xuan-loc; to show politicians on TV news shows belaboring defense spending and then shift to graphs of steadily increasing Soviet military superiority.

If anything, the title "Decade of Disaster" is inadequate. How about "Anatomy of a Betrayal"?

ACU Chairman Says Vietnam "Recriminations" Necessary

Washington, D.C.—American Conservative Union Chairman M. Stanton Evans issued the following statement on the CBS opinion series "Spectrum":

The disgrace in Indochina is now complete, and those who created it are painfully anxious to cover their tracks against political and historical judgment.

To this end, various commentators are arguing that there should be no recriminations about the twin disasters in Cambodia and Vietnam. We should simply draw the veil across the bleeding corpse and go on about our business.

That people with much to answer for should take this attitude is understandable, but the American nation and the families of the American dead have a different interest in the matter. They're entitled to know who lost Vietnam and why, to insure that this grotesque performance is not repeated.

Foremost among those responsible for the confusion of American strategy in Vietnam are the functional agents of the opposition. It is incredible that while Americans were fighting and dying overseas, our nation should have witnessed orgies of affection for the enemy; aimed at sapping the national will to resist. That scenario emphatically is not to be forgotten.

Also to be remembered, in slightly different context, are those who got us into this war in the first place, on a basis that made it impossible to win. These were the liberal theorists of limited warfare, who decided that we should fight a static defensive struggle, leaving the initiative to the enemy—a perfect formula for perpetual involvement. Compounding this original "no win" strategy was the liberal-prompted overthrow of President Ngo Dinh Diem, which led to chaos and provoked the heavy influx of American troops to fill the resulting vacuum.

Finally, we must not omit the strategists of detente. These include the Democratic authors of our involvement and their Republican successors headed by Henry Kissinger. Under this perculiar doctrine, we were supposed to fight the Communists in Vietnam while supplying equipment and technology to their masters in the Kremlin. Others also contributed to the debacle, but these will do for starters. If we are to avoid a repetition of this horror, the people and concepts responsible for it should be fully understood. Recriminations are therefore very much in order and we should waste no time in getting to them.

FARE CHANGE NOTIFICATION ACT

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. ANDERSON of California. Mr. Speaker, on behalf of myself and Congressman Gene Snyder, I am today introducing a bill designed to give consumers increased notice of changes in airline fares.

Under present law, air carriers must file tariffs incorporating proposed changes in fares 30 days before the effective date of the change. The proposed changes become effective unless suspended and investigated by the Board.

This procedure has frequently led to a Board decision on the eve of the effective date of a proposed change. When the Board has disallowed a proposed change, there has been confusion, and underpayments or overpayments by passengers.

To remedy these problems the attached bill would require tariffs to be filed 45 days before their effective date, and require a Board decision on suspension 15 days before the effective date. As a result, fare changes would be definite at least 15 days before they took effect.

I urge my colleagues to join with me in supporting this needed legislation.

LEGISLATION ADOPTED BY DISTRICT OF COLUMBIA COUNCIL AND SENT TO SPEAKER ON APRIL 30, 1975

HON. CHARLES C. DIGGS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. DIGGS. Mr. Speaker, on May 6 I submitted for the Congressional Record a list of the first seven acts adopted by the Council of the District of Columbia. At this time I would like to bring that list up-to-date by submitting a short summary of the last four acts adopted by the Council.

As previously explained, most acts of the Council take effect 30 legislative days after being transmitted to the Speaker and to the President of the Senate, unless vetoed by both bodies by adopting a concurrent resolution. In this instance act 1–8 is an exception in that it is a budget act and, therefore, is submitted to the President and must be enacted by Congress in the manner of any appropriation bill.

The House Committee on the District of Columbia has reports of the Council accompanying these acts (except act 1–8), and my staff will be happy to make any information contained therein available to any Member upon request.

I include the following:

Acts Adopted by Council

Act 1–8: This is a supplemental budget that was signed by the Mayor on April 8 and submitted to the President for further submission to Congress. Budget Acts are not submitted to the Speaker for 30 day layover, as other Council acts, but must be enacted by Congress in the manner of any appropriation bill.

Act 1–9: This act changes the authorization ceiling of $85,000 to "such sums as may be necessary" for the D.C. Rent Control Commission. (D.C. Code 45–1623(f))

Act 1–10: This act requires landlords to credit tenants with an interest payment of not less than 5 percent per annum on security deposits and to protect the tenants' right to the return of the deposit. Prince Georges and Arlington counties have similar regulations.

Act 1–11: Permits a notation on a driver's license or a special identification card, that the license holder has signed an anatomical gift card.

Acts Enacted—Title and Date Signed by Mayor

Act No. 1–8: Sponsor, Tucker. 1975 Supplemental Appropriation Request Act (April 8, 1975) (Bill No. 10).

Act No. 1–9: Sponsor, Winter. To amend the District of Columbia Rent Control Act of 1973 to eliminate the ceiling on appropriations (April 18, 1975) (Bill No. 37). Transmittal date Apr. 30.

Act No. 1–10: Sponsor, Wilson. To amend the Housing Regulations regarding security deposits (April 18, 1975) (Bill No. 8). Transmittal date Apr. 30.

Act No. 1–11: Sponsor, J. Moore. To amend the Motor Vehicle Regulations and to provide for the identification of organ donora (April 21, 1975) (Bill No. 19). Transmittal date Apr. 30.

A TRIBUTE TO LOCAL VOLUNTEER FIREMAN

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. DERWINSKI. Mr. Speaker, too often we take for granted the dedication and service performed by the members of local volunteer fire departments.

Of special significance, is the celebration of the Worth, Ill., Volunteer Fire Department on May 18, of their 50th year of service to the community.

The current force, composed of 49 men and 1 woman, are all volunteers who not only sacrifice their time but their lives. Under the leadership of Chief George H. Williams, the firemen not only perform at fires, but answer calls from persons in distress such as midnight calls for the ambulance to aid heart attack victims and traffic accident victims who owe their lives to the prompt response of the fire department ambulances.

These volunteers are committed to continually learning about the latest in firefighting techniques. Three members of the force are qualified as paramedics, and several are certified as emergency medical technicians.

A bit of interesting history of the first department, established in 1925, was that it was composed of 12 men under the direction of the first fire chief, William Little. At the time, the department served a populous of 400, as compared to the present population of the village of Worth of approximately 13,000.

One of the proudest achievements of the force is a member-built fire station completed in 1960. All the materials for the station were contributed by local businessmen.

The first firetruck for the newly organized fire department, was purchased by the Worth Booster Club. The modern, efficient fire department now operates six pieces of equipment, including four firetrucks, ambulance, and the chief's car.

May I point out, that the services rendered by the volunteer firefighters to the community exhibits the great spirit and dedication that volunteers in all areas willingly provide.

I wish to salute the members of the Worth Fire Department who demonstrate the great community spirit that contributes to the strength of the Nation.

THE DEATH OF MR. KIVIE KAPLAN

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. MOAKLEY. Mr. Speaker, it is with great sadness that I rise to mourn the passing of Mr. Kivie Kaplan, the national president of the NAACP.

Mr. Kaplan devoted the major portion of his adult life to the cause of civil rights. He joined the NAACP in 1932, and was a member of this worthy organization for over four decades. During that time, Mr. Kaplan helped to build the NAACP into one of the largest and most respected organizations in the Nation. Since 1966, Mr. Kaplan served as president of the NAACP.

I would like to insert, at this point, in the Record, an article from the Boston Globe which pays tribute to Kivie Kaplan:

NAACP President Kivie Kaplan Dies

Kivie Kaplan, 71, national president of the NAACP and a crusader for civil rights, died yesterday morning at LaGuardia Airport in New York. He was en route to a meeting of the Union of American Hebrew Congregations when he was stricken with a heart attack.

Mr. Kaplan, of 280 Boylston st., Chestnut Hill, joined with Rev. Martin Luther King Jr. in organizing civil rights marches in the South, and donated both his time and his wealth to Jewish and black philanthropies.

He is generally credited with building the struggling NAACP into what he later called "the oldest, largest, most feared and most respected civil rights organization" with more than 500,000 general members and 53,000 life members.

Thomas I. Atkins, executive director of the Boston branch of the NAACP, said last night in Detroit: "Mr. Kaplan provided a very vital link between the black and Jewish communities. No one ever met Kivie without having been given a pitch for social justice.

"Kivie was a very, very important guy to this country and we've lost him. Those of us who are left can do no better than to finish what he gave his life to do."

The NAACP designated 1963, the 100th anniversary of the Emancipation Proclamation, as "Kivie Kaplan Honorary Membership Year," calling him their "super salesman" of life memberships. Mr. Kaplan bought a $500 life membership for every new member of his family.

Born in Roxbury, he left English High School when he was 17. In the late 1920s he and his two brothers founded Colonial Tanning Co. at 195 South St., which expanded to seven factories and became the largest patent leather tanner in the world.

He sold the firm to Allied Kid of Boston in 1965, and devoted himself to his philanthropies.

Mr. Kaplan once explained how he became interested in the NAACP and Jewish charitable groups. "I was in Miami Beach. A Negro drove us around to see the sights and we happened to pass a hotel with a sign: 'No Jews or dogs allowed.'" The driver told him that blacks were not permitted on the streets after 8 p.m. or allowed to swim in the ocean. "I was 28 years old at the time. I went home and joined the NAACP."

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In 1966 he called the Boston school system the most segregated in the country, saying: "We have just as much work to do in the North as we have in the South."

Mr. Kaplan was a member of the NAACP for 41 years, and was unanimously elected to the first of eight terms as president in 1966. Before that, he was National Life Membership chairman, a member of the Board of Directors, the Boston Executive Committee and the Budget Committee.

Mr. Kaplan donated money for the construction of the following facilities and many were named after him:

The admissions office of Newton-Wellesley Hospital, the Kaplan Wing and Kaplan Building of Jewish Memorial Hospital; Kaplan Lincoln Hall at Brandeis University; the reception hall at Boston Dispensary Rehabilitation Institute; the Kaplan Building at NAACP Boston headquarters; the Kaplan Religious Action Center of the Union of American Hebrew Congregations in Washington.

Mr. Kaplan was honorary treasurer, a director and chairman of the Endowment Fund Committee of Jewish Memorial Hospital, a member of the Finance Committee and Board of Trustees of the Newton-Wellesley Hospital; and a member of the National Panel of Arbitrators of the American Arbitration Assn.

He was also a past board member and cochairman of the Newton Community Chest, member of the Social Action Commission and vice chairman of the Union of American Hebrew Congregations, past member of the National Health Planning Committee of the Council of Jewish Federations and Welfare Funds, and treasurer of the B'nai B'rith Vocational Commission.

Mr. Kaplan was the recipient of the Modern Community Developers first annual Averell Harriman Equal Housing Opportunity Award and the Temple Reyim Brotherhood "Man of the Year" Award.

He also received many honorary degrees.

Among his other affiliations, he was on the board of the Hebrew Free Loan Society, a member of the Executive Committee and Board of Trustees of Combined Jewish Appeal and cofounder and life trustee of Temple Emanuel, Newton.

Mr. Kaplan leaves his wife, Emily (Rogers); a son, Edward of Amherst; and two daughters, Mrs. Sylvia Grossman of Brookline and Mrs. Jean Green of Newton.

Services will be tomorrow at Temple Israel in Brookline.

THE CELEBRATION OF THE POLISH CONSTITUTION DAY

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. FLORIO. Mr. Speaker, during the month of May, an historical event, Polish Constitution Day, is celebrated by many Polish communities in the free world, especially here in the United States. This is one of the most important national holidays. The significance of this holiday is likewise important not only to the Polish-American people but for all Americans because it closely parallels events in our history of which we are very proud.

In the late 1700's, Russia, Prussia, and Austria had annexed huge sections of Polish territory. In the face of possible decimation by the foreign powers, all of the forces in Poland united behind a new constitution which was greatly influenced by the political movements in America. This was the greatest singular event which led to the transformation of Poland into a modern state.

The Polish people have never waned in their desire to free their country from outside domination, and yet even today this tragic intervention persists. One cannot help but admire the perseverance and dedication to which the Polish people have strived to achieve a political system based on freedom and equality. Our Polish American friends should be recognized for their efforts to continue this tradition as exemplified in their celebration of Polish Constitutional Day.

AS WE LEAVE VIETNAM

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. HAMILTON. Mr. Speaker, the American involvement in Southeast Asia is at long last about over, and all of us feel a variety of emotions: sadness as we see the collapse of a country we have supported for over a decade; relief that the end has finally come; sympathy for the human suffering; and depression that the United States ever got involved in Vietnam and that we spent so much in men and money. Most of us are drained from the Vietnam experience, and we want most of all to forget about Indochina. A few observations may be appropriate as we close a tragic chapter in American history.

The events in Indochina give us an opportunity to reconsider what really are the national interests of this country and to evolve policies which support them. We should emerge from the tragedy of Vietnam with a clearer understanding of this Nation's world role and a healthier realism about the limits of American power. Surely the end has come to the era of American omnipresence and the idea that we can control events everywhere. Among other things, this means we should not make massive commitments of American prestige and power in situations where the national interest of the United States is not vital, and it means we should focus our efforts instead on the mainlines of American interest in Europe, the Middle East, and Japan. It also means a role something less than the world's policeman, something less than bearing every burden and fighting every foe in defense of freedom, but something more than a retreat into fortress America and the isolationism of the past. Our task is to avoid excessive commitments without swinging toward a dangerous withdrawal from our responsibilities in the world. The United States must, of course, remain militarily strong; but it should rely less on its military strength and more on the attraction of a free, open, and prosperous country that is strong enough and confident enough not to impose its will upon others and to allow diversity in the world's political and economic systems.

There just is no reason for Americans to feel a sense of defeatism because of the events in Indochina. Although some commentators think that the United States is in danger of collapsing as a world power, the world prestige and stature of the United States is not entwined in the fate of Cambodia and Vietnam. The collapse of Cambodia and South Vietnam may be a defeat for our allies, but it was not a defeat for the United States. We did all any friend could reasonably be expected to do in support of an ally. In the final analysis, we could not save Vietnam for the South Vietnamese. Only they could do that. Although battered, our political system emerges from Vietnam intact, and our national priorities, long distorted by the war, can be reestablished. Our overall power continues without challenge, and we remain the only military superpower in the non-Communist world. The bulk of U.S. diplomatic relations continue on a normal course, and there are no immediately threatening crises. Neither the Soviet Union nor China has been tempted to exploit the deterioration of American authority. Our economic power is awesome and will be enhanced as we end the drain of resources to Indochina. Likewise, our cultural power has established an influence in the world of the arts, theater, and publishing that is as pervasive as it is underrated. In short, Americans have no reason to lose confidence.

So I disagree with those who contend that the failure in Indochina is a sweeping setback for American foreign policy. The United States does not really have any vital interest in Southeast Asia, and other nations will not conclude that because we are refusing to continue resistance there we will not resist in other areas of the world where we do have vital interests.

This is not the time to search for scapegoats or to engage in a fruitless debate on who lost Indochina. Frankly, I have been disappointed by statements of President Ford and Vice President ROCKEFELLER encouraging that kind of discussion. The Vice President has suggested that Indochina will be a political issue in 1976, and the President has consistently suggested that the Congress has frustrated efforts to meet our commitments. The impact of these words is to politicize the failure in Indochina and to downgrade confidence in America's dependability and strength. My view is that the Congress in recent years has understood the American national interest better, and certainly more realistically, than recent Presidents. The Congress has also better understood that no foreign policy will work unless the American people understand and support it.

How we leave Vietnam is important. We should acknowledge our responsibilities and our mistakes—the initial involvement in Indochina, in the continuation of the war in the face of staggering human and material costs, and even in the events since the Paris accords. We can claim that we did the best for an ally that we could. We should do all we can to bind up the wounds of war. Hopefully, we will be willing to learn from our errors, shake off any sense of defeatism,

put Vietnam behind us, and move on with even greater striving toward the ideals of the Nation which have made us both a strong and compassionate people.

Now is the time to begin to restore perspective on the real American national interests and to revive confidence in American ability and will.

THE HANDICAPPED VERSUS THE ARCHITECTURAL BARRIER

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. ABDNOR. I am pleased to reintroduce today a concurrent resolution making it the sense of Congress that all units of government expeditiously remove the many architectural barriers existing in our public places to the handicapped. Twenty-nine of my colleagues join with me in this effort.

For years this country has had a valuable asset that we have ignored—our handicapped fellow citizens. There are courageous individuals who could indeed give us a lesson. I am asking this Congress to commit itself to make changes long overdue, and in anticipation of the Bicentennial.

This resolution calls on administrators and directors of public facilities to utilize discretionary funds to remove architectural barriers to the handicapped. I hasten to note that these barriers are but physical manifestations of attitudinal barriers to our handicapped. Too long we have been insensitive to the needs of our physically disabled citizens. I am gratified that in recent years there has been significant awareness of these needs. It is now our turn to formalize this sensitivity.

As the Bicentennial approaches, it is time for this Congress to revolutionize our way of thinking about the handicapped. It is time to see our handicapped citizens as they are—courageous participants in a society that can and should be sensitive to their particular needs.

The following are those that have joined in this effort to move toward removing existing barriers to the handicapped:

COSPONSORS

Glenn M. Anderson, Les AuCoin, Edward P. Beard, Michael T. Blouin, Don Bonker, Clair W. Burgener, Shirley Chisholm, William S. Cohen, Thomas J. Downey, Joshua Eilberg, Bill Frenzel, Michael Harrington, Ken Hechler, Jack F. Kemp, and William M. Ketchum.

Robert J. Lagomarsino, Clarence D. Long, John Melcher, Donald J. Mitchell, Parren J. Mitchell, John E. Moss, Richard L. Ottinger, Albert H. Quie, Patricia Schroeder, William F. Walsh, Henry A. Waxman, G. William Whitehurst, Bob Wilson, and Leo C. Zeferetti.

CONCURRENT RESOLUTION

Whereas the approach of the bicentennial anniversary of the founding of this country calls all of us to reaffirm the principles attendant that foundation and guiding our growth as a nation; and

Whereas the Constitution stipulates that the purposes of our Government include the promotion of the general welfare; and

Whereas Members of this Congress have sworn to uphold and defend this most basic document and statement of principles; and

Whereas our handicapped fellow citizens have rights, not because of their disabilities, but rights which belong to all our citizens; and

Whereas many existing public buildinga and facilities have architectural barriers to access and enjoyment by our handicapped fellow citizens; and

Whereas this country, as in no other time in its history, has the resources to provide for the well-being of all its citizens: Now therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress—

(1) that the constitutional officers of the United States of America, administrators of institutions supported with public moneys, and administrative officers of this Congress, should immediately survey facilities under their direction for all architectural barriers to the handicapped;

(2) that said officers and administrators should make available moneys from their discretionary funds for the removal of architectural barriers to the handicapped; and

(3) that all other governmental units should be encouraged to make similar provisions for the handicapped citizens who reside under their jurisdiction.

THE CAPITAL SHORTAGE: JOBS ARE AT STAKE

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. KEMP. Mr. Speaker, on February 5, 29 colleagues and I released a statement on alternative economic policies, expressing free enterprise solutions to our Nation's economic problems, a statement which we endorsed wholeheartedly.

The principles enumerated in that statement are being now carried forth in the form of legislation.

Next Wednesday, May 21, a number of us—in addition to Members on both sides of the aisle, who did not sign the February 5 statement will introduce the Jobs Creation Act. That bill is designed to accelerate the formation of the investment capital required to expand both job opportunities and productivity in the private sector of the economy. This will be primarily accomplished through the removal of existing disincentives to capital formation now found in our Nation's tax laws.

It is encouraging to those of us who are active in this struggle to restore America to its once great economic status in the world community to learn daily of efforts being made by private citizens to aid in that restoration. In the main these are efforts to show the fallacies inherent in the anticapitalist mentality which has pervaded far too much of our thinking and our lawmaking in recent decades and to show the way in which economic growth—in real, not inflated terms—can be assured through accelerating an increase in the per capita investment of capital.

Between 1956 and 1974, per capita investment in the United States fell by over 17 percent, while per capita investment in the other industrialized nations of the world grew. In no small measure, this capital investment decline—and the reasons for it—brought about many of the reversals in the economy—away from prosperity and toward recession. Government policies were at the core of this decline including expansionist fiscal and monetary policies and excessive Government reguations.

This Nation will do something constructive and remedial about this capital shortage problem only when there is sufficient public awareness of the consequences of inadequate investment—loss of jobs and income, decline in productivity and dividends.

Thankfully, important steps are being taken to increase public understanding of this issue.

Mr. Donald I. Rogers, a noted commentator on financial issues, recently wrote an informative column on this subject, and I think it merits the attention of all my colleagues. This article—which illustrates the detrimental impact on the jobs market of inadequate capital investment—follows:

THE CAPITAL SHORTAGE: JOBS ARE AT STAKE

(By Donald I. Rogers)

NEW YORK.—The U.S. is running low on capital. At stake is your job.

As a percentage of its economy, America has less growth capital available than almost all other industrialized countries. Chase Manhattan Bank, the nation's third largest, estimates that we are under-investing in our economy by $400 million each day, and will continue to do so for the next 10 years unless profound changes are made.

If those changes aren't made—in attitudes and in laws—the U.S. will be a second-rate country, or lower, within a decade, as its capital formation declines, warns Chase.

What is this "capital formation" that in America has slowed to a trickle? It is the savings of individuals. It is also that portion of corporate earnings which becomes available for re-investment after paying all costs. Those are the only sources of capital and if either the ability or incentive to save is inhibited, there is less capital formation.

If earnings of corporations are curbed, there is less capital available. If the amount of cash distributed to stockholders who own the tools of the corporations is reduced, there is less capital to go into new "capital formation."

Here is the gloomy assessment of the situation by Reginald H. Jones, chairman of General Electric Co.: "Business has been drifting deeper in debt and has neither the means nor the incentive to meet the capital requirements of the future." Corporate balance sheets, he said, haven't been worse since the 1930s.

Chase Manhattan economists say that while capital formation is dwindling, capital needs in the U.S. are soaring. In the next 10 years, they say, we will require twice as much capital as in the last decade, when we trailed the world in growth, and it will take a greater effort to achieve it than was required to fight World War II and as much boldness and imagination.

While Chase sees the need for $4.1-trillion to build and rebuild the nation's required industrial capacity (We're two years behind Japan and losing ground rapidly) "We will be lucky" if there is as much as $2.6-trillion available, leaving us a shortfall of $1.5-trillion.

With a capital deficiency of $1.5-trillion. Americans cannot maintain their standard of living. It begins to show: Our industrial plant is seriously deficient, far behind much of the rest of the world; we have fallen behind in financing the search for more energy sources (and Congress has further stifled that search by killing the oil depletion tax allowance for explorers); we have failed to meet our transportation needs and our air, rail and maritime systems are in dire need of an infusion of fresh capital.

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What does it mean to you? It means your job, your income. It takes $25,000 to $30,000 in capital investment to create just one job in American industry. Less capital, fewer jobs; no capital, no jobs.

The unpleasant truth is that the rest of the industrialized world is leaving us far behind.

In real economic growth as a percentage of annual increase, the U.S. ranked 18th out of the 20 nations with "advanced economies," according to the Organization for Economic Cooperation and Development, for the entire decade 1960–70.

Like Ireland, the U.S. had a real growth of 4 percent. Only Luxembourg with 3.3 percent and Great Britain with 2.8 percent, were lower. Leading the list was Japan with 11.1 percent. Following in order were Greece, Portugal, Yugoslavia, France, Italy, Canada, Finland, Australia, Netherlands, Norway, Belgium, Denmark, West Germany, Austria and Iceland, the latter with 4.3 percent.

Where did we go wrong? Some of our problem may accrue from the fact that we are one of the few nations that does not choose its leaders from the ranks of business men. Lawyers, not business leaders, dominate our legislative bodies.

Solution is achievable, mostly through revision of the tax laws: Provide inducement for people to save, say a lower tax on interest payments; liberalize depreciation allowances on machines and equipment; give preferential tax treatment to corporate earnings retained for investment and include the service industries; bring the capital gains tax provisions at least to a par with other countries; determine one fiscal and monetary policy and stick with it; do away with controls that restrict or impede the free market economy.

It is business that provides our jobs, our well-being. It is time we paid some attention to it. Maybe it is being poorly led, and that's something else we should be thinking about, before it's too late.

U.S. ARMS IN THE MIDEAST

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. MAZZOLI. Mr. Speaker, the failure of Secretary of State Kissinger's step-by-step peace initiatives precipitated a fundamental reevaluation of our policy in the Mideast which is still underway.

During this period of reassessment, the administration led the Congress to believe it would enter into no new arms agreements affecting the countries of the Middle East. The administration's Mideast policy, or so I thought, was to do nothing to change the military status quo or the balance of power in the area.

The reevaluation of Mideast policy has had the effect of holding up action on Israel's request for $1.8 billion in U.S. military aid.

In the past week, however, the administration announced two major arms agreements with the Arab Kingdom of Jordan. The rationale in each case was that these were not new commitments, but merely consummations of previous-concluded agreements.

From this, I can only conclude that the administration will follow its "balance-of-power" policy when convenient to do so, and make exceptions to it when that is convenient.

But, Mr. Speaker, the blunt truth is: Either we have a suspension of arms deliveries to the region, or we do not. There is no middle ground.

The arms agreements with Jordan are immensely significant. The collapse of U.S.-initiated negotiations among the belligerent Mideast nations has increased regional tensions.

Now that the United States is supplying Jordan with an arms rebuilding facility and an air defense system, Jordan will likely participate in any future Mideast conflict where it did not participate in the 1973 war. Jordan's leaders have said that the lack of air defense capabilities limited Jordan's role in 1973.

The supply of arms to both sides of a conflict is a dangerous policy. This can only heighten tensions and increase the possibility of war.

In general, world peace is not served by the proliferation of sophisticated armaments, whether the supplier is the United States, the Soviet Union, Great Britain, or France—and whether the recipient is Jordan, Egypt, or Israel.

Problems, capable of being solved by peaceful means, are encouraged to be solved militarily when countries possess military capabilities.

In a narrower view, if we supply the Arab nations with arms, we commit ourselves to supplying Israel with weapons too—if we are to maintain a "balance-of-power" in our foreign policy.

This is ill-considered, bellicose, and morally bankrupt as a policy.

But, if we refuse the one we can then refuse the other. This still maintains a "balance-of-power" in our foreign policy.

And, this is thoughtful, pacific, and morally correct as a policy.

LOU FREY INTERNS

HON. LOUIS FREY, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. FREY. Mr. Speaker, this week 10 high school juniors from the ninth Congressional District in Florida are in Washington as part of the Lou Frey intern program.

Accompanied by Marilyn and Chuck Leatherberry of Melbourne, these students will be meeting with Representatives and Senators as well as touring the monuments and landmarks unique to our Nation's Capital.

This program offers these young people a chance to observe our Government in action and to see how our system functions or if it functions?

After returning to Florida, the Interns will share their observations and experiences with civic groups and their respective high schools.

The Lou Frey Interns are: Stanley Tims, John Fay, Russell Peoples III, Clare-Marie Hannon, Sinchai DeLong, Carla Hammon, Barry McConnell, Jim Cassady, Ted Pennington, and David Adair.

I welcome these young people to Washington and hope that this experience will better enable them to become tomorrow's leaders.

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RESOLUTION CHART

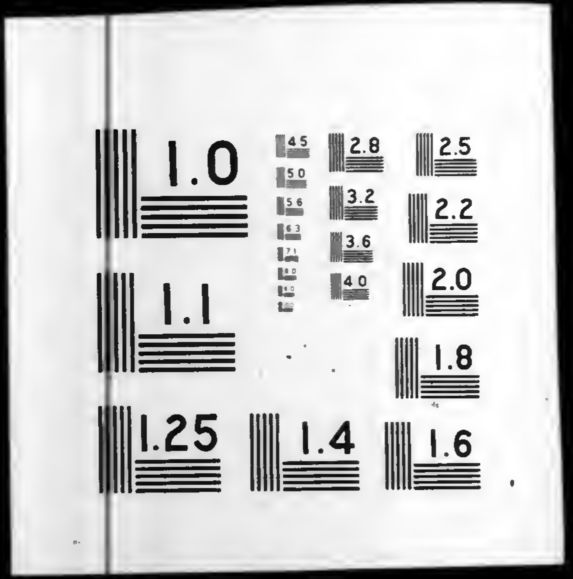

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100 MILLIMETERS

INSTRUCTIONS Resolution is expressed in terms of the lines per millimeter recorded by a particular film under specified conditions. Numerals in chart indicate the number of lines per millimeter in adjacent "T-shaped" groupings.

In microfilming, it is necessary to determine the reduction ratio and multiply the number of lines in the chart by this value to find the number of lines recorded by the film. As an aid in determining the reduction ratio, the line above is 100 millimeters in length. Measuring this line in the film image and dividing the length into 100 gives the reduction ratio. Example: the line is 20 mm. long in the film image, and 100/20 = 5.

Examine "T-shaped" line groupings in the film with microscope, and note the number adjacent to finest lines recorded sharply and distinctly. Multiply this number by the reduction factor to obtain resolving power in lines per millimeter. Example: 7.9 group of lines is clearly recorded while lines in the 10.0 group are not distinctly separated. Reduction ratio is 5, and 7.9 x 5 = 39.5 lines per millimeter recorded satisfactorily. 10.0 x 5 = 50 lines per millimeter which are not recorded satisfactorily. Under the particular conditions, maximum resolution is between 39.5 and 50 lines per millimeter.

Resolution, as measured on the film, is a test of the entire photographic system, including lens, exposure, processing, and other factors. These rarely utilize maximum resolution of the film. Vibrations during exposure, lack of critical focus, and exposures yielding very dense negatives are to be avoided.

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UNITED STATES OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 94th CONGRESS
FIRST SESSION

VOLUME 121—PART 12

MAY 16, 1975 TO MAY 22, 1975

(PAGES 14763 TO 16236)

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Congressional Record

PROCEEDINGS AND DEBATES OF THE 94th CONGRESS, FIRST SESSION

SENATE—*Friday, May 16, 1975*

(Legislative day of Monday, April 21, 1975)

The Senate met at 9:45 a.m., on the expiration of the recess, and was called to order by Hon. RICHARD STONE, a Senator from the State of Florida.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God, our Father, we thank Thee that Thou art ever present to satisfy our deep longings when we come to Thee in prayer. Amid uncertain and perilous days we need Thee every hour and seek Thy higher wisdom and Thy clear light upon our pathway.

We thank Thee for closed ranks and for united national purpose at this time of crisis.

Help us ever to face toward human need. Make us sensitive to those who would work if they could, eat better if they could get the food, dress better if they could procure the clothes, ride instead of walk, if they had the means.

May our words here help keep men on their feet, our prayers guide us to a cleansed social order, and the actions taken be fruitful in hastening Thy kingdom.

We pray in the name of Him who was servant of all. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The **PRESIDING OFFICER**. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The second assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 16, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. RICHARD STONE, a Senator from the State of Florida, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. **STONE** thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that the Journal of the proceedings of Thursday, May 15, 1975, be approved.

The **ACTING PRESIDENT** pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The **ACTING PRESIDENT** pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The **ACTING PRESIDENT** pro tempore. The nominations will be stated.

LEGAL SERVICES CORPORATION

The second assistant legislative clerk proceeded to read sundry nominations in the Legal Services Corporation.

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The **ACTING PRESIDENT** pro tempore. Without objection, the nominations are considered and confirmed en bloc.

NOMINATIONS IN THE LEGAL SERVICES CORPORATION RETURNED TO EXECUTIVE CALENDAR

Mr. **MANSFIELD** subsequently said: Mr. President, I ask unanimous consent that the nominations in the Legal Services Corporation be returned to the Executive Calendar.

The **ACTING PRESIDENT** pro tempore. Without objection, it is so ordered.

U.S. AIR FORCE

The second assistant legislative clerk read the nomination of Gen. Lucius D. Clay, Jr., to be general.

The **ACTING PRESIDENT** pro tempore. Without objection, the nomination is considered and confirmed.

U.S. ARMY

The second assistant legislative clerk proceeded to read sundry nominations in the U.S. Army.

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that all those nominations be considered en bloc.

The **ACTING PRESIDENT** pro tempore. Without objection, the nominations are considered and confirmed en bloc.

U.S. NAVY

The second assistant legislative clerk proceeded to read sundry nominations in the U.S. Navy.

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that all those nominations be considered en bloc.

The **ACTING PRESIDENT** pro tempore. Without objection, the nominations are considered and confirmed en bloc.

NOMINATIONS PLACED ON THE SECRETARY'S DESK—AIR FORCE, NAVY, AND MARINE CORPS

The second assistant legislative clerk proceeded to read sundry nominations in the Air Force, Navy, and Marine Corps which had been placed on the Secretary's desk.

The **ACTING PRESIDENT** pro tempore. Without objection, the nominations are considered and confirmed.

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that the President be notified.

The **ACTING PRESIDENT** pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. **MANSFIELD**. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to, and the Senate resumed the consideration of legislative business.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar Nos. 128, 130, and 131.

The **ACTING PRESIDENT** pro tempore. Without objection, it is so ordered.

INDIAN HEALTH CARE IMPROVEMENT ACT

The Senate proceeded to consider the bill (S. 522) to implement the Federal responsibility for the care and education of the Indian people by improving the services and facilities of Federal Indian health programs and encouraging maximum participation of Indians in such programs, and for other purposes, which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike all after the enacting clause and insert:

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That this Act may be cited as the "Indian Health Care Improvement Act".

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FINDINGS

SEC. 2. The Congress finds that—

(a) Federal health services to maintain and improve the health of the Indians are consonant with and required by the Federal Government's historical and unique legal relationship with, and resulting responsibility to, the American Indian people.

(b) A major national goal of the United States is to provide the quantity and quality of health services which will permit the health status of Indians to be raised to the highest possible level and to encourage the maximum participation of Indians in the planning and management of those services.

(c) Federal health services to Indians have resulted in a reduction in the prevalence and incidence of preventable illnesses among, and unnecessary and premature deaths of, Indians.

(d) Despite such services, the unmet health needs of the American Indian people are severe and the health status of the Indians is far below that of the general population of the United States. For example, for Indians compared to all Americans in 1971, the tuberculosis death rate was over four and one-half times greater, the influenza and pneumonia death rate over one and one-half times greater, and the infant death rate approximately 20 per centum greater.

(e) All other Federal services and programs in fulfillment of the Federal responsibility to Indians are jeopardized by the low health status of the American Indian people.

(f) Further improvement in Indian health is imperiled by—

(1) inadequate, outdated, inefficient, and under-manned facilities. For example, only twenty-four of fifty-one Indian Health Service hospitals are accredited by the Joint Commission on Accreditation of Hospitals: only thirty-one meet national fire and safety codes; and fifty-two locations with Indian populations have been identified as requiring either new or replacement health centers and stations, or clinics remodeled for improved or additional service;

(2) shortage of personnel. For example, about one-half of the Service hospitals, four-fifths of the Service hospital outpatient clinics, and one-half of the Service health clinics meet only 80 per centum of staffing standards for their respective services;

(3) insufficient services in such areas as laboratory, hospital inpatient and outpatient, eye care and mental health services, and services available through contracts with private physicians, clinics, and agencies. For example, about 90 per centum of the surgical operations needed for otitis media have not been performed, over 57 per centum of required dental services remain to be provided, and about 98 per centum of hearing aid requirements are unmet;

(4) related support factors. For example, over seven hundred housing units are needed for staff at remote Service facilities;

(5) lack of access of Indians to health services due to remote residences, undeveloped or underdeveloped communication and transportation systems, and difficult, sometimes severe, climatic conditions; and

(6) lack of safe water and sanitary waste disposal services. For example, over thirty-seven thousand four hundred existing and forty-eight thousand nine hundred and sixty planned replacement and renovated Indian housing units need new or upgraded water and sanitation facilities.

(g) The Indian people's growth of confidence in Federal Indian health services is revealed by their increasingly heavy use of such services. Progress toward the goal of better Indian health is dependent on this continued growth of confidence. Both such progress and such confidence are dependent on improved Federal Indian health services.

DECLARATION OF POLICY

SEC. 3. The Congress hereby declares that it is the policy of this Nation, in fulfillment of its special responsibilities and legal obligation to the American Indian people, to meet the national goal of providing the highest possible health status to Indians and to provide existing Indian health services with all resources necessary to effect that policy.

DEFINITIONS

SEC. 4. For purposes of this Act—

(a) "Secretary", unless otherwise designated, means the Secretary of Health, Education, and Welfare.

(b) "Service" means the Indian Health Service.

(c) "Indians" or "Indian", unless otherwise designated, means any person who is a member of an Indian tribe, as defined in subsection (d) hereof, except that, for the purpose of sections 102, 103, 104(b)(1)(i), and 201(c)(5), such terms shall mean any individual who (1), irrespective of whether he or she lives on or near a reservation, is a member of a tribe, band, or other organized group of Indians, including those tribes, bands, or groups terminated since 1940 and those recognized now or in the future by the State in which they reside, or who is a descendant, in the first or second degree, of any such member, or (2) is an Eskimo or Aleut or other Alaska Native, or (3) is considered by the Secretary of the Interior to be an Indian for any purpose, or (4) is determined to be an Indian under regulations promulgated by the Secretary.

(d) "Indian tribe" means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or group as defined in the Alaska Native Claims Settlement Act (85 Stat. 688), which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

(e) "Tribal organization" means the elected governing body of any Indian tribe or any legally established organization of Indians which is controlled by one or more such bodies or by a board of directors elected or selected by one or more such bodies (or elected by the Indian population to be served by such organization) and which includes the maximum participation of Indians in all phases of its activities.

(f) "Urban Indian" means any individual who resides in an urban center, as defined in subsection (g) hereof, and who meets one or more of the four criteria in subsection (c)(1) through (4) of this section.

(g) "Urban center" means any community which has a sufficient urban Indian population with unmet health needs to warrant assistance under title V, as determined by the Secretary.

(h) "Urban Indian organization" means a nonprofit corporate body situated in an urban center, composed of urban Indians, and providing for the maximum participation of all interested Indian groups and individuals, which body is capable of legally cooperating with other public and private entities for the purpose of performing the activities described in section 503(a).

TITLE I—INDIAN HEALTH MANPOWER

PURPOSE

SEC. 101. The purpose of this title is to augment the inadequate number of health professionals serving Indians and remove the multiple barriers to the entrance of health professionals into the Service and private practice among Indians.

HEALTH PROFESSIONS RECRUITMENT PROGRAM FOR INDIANS

SEC. 102. (a) The Secretary, acting through the Service, shall make grants to public or nonprofit private health or educational entities or Indian tribes or tribal organizations to assist such entities in meeting the costs of—

(1) identifying Indians with a potential for education or training in the health professions and encouraging and assisting them (A) to enroll in schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, pharmacy, public health, nursing, or allied health professions; or (B), if they are not qualified to enroll in any such school, to undertake such postsecondary education or training as may be required to qualify them for enrollment;

(2) publicizing existing sources of financial aid available to Indians enrolled in any school referred to in clause (1)(A) of this subsection or who are undertaking training necessary to qualify them to enroll in any such school; or

(3) establishing other programs which the Secretary determines will enhance and facilitate the enrollment of Indians, and the subsequent pursuit and completion by them of courses of study, in any school referred to in clause (1)(A) of this subsection.

(b)(1) No grant may be made under this section unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

(2) The amount of any grant under this section shall be determined by the Secretary. Payments pursuant to grants under this section may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

(c) For the purpose of making payments pursuant to grants under this section, there are authorized to be appropriated $1,500,000 for fiscal year 1977, $2,500,000 for fiscal year 1978, $3,000,000 for fiscal year 1979, $4,000,000 for fiscal year 1980, $4,500,000 for fiscal year 1981, $5,000,000 for fiscal year 1982, and $4,500,000 for fiscal year 1983.

HEALTH PROFESSIONS PREPARATORY SCHOLARSHIP PROGRAM FOR INDIANS

SEC. 103. (a) The Secretary, acting through the Service, shall make scholarship grants to Indians who—

(1) have successfully completed their high school education or high school equivalency; and

(2) have demonstrated the capability to successfully complete courses of study in schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, pharmacy, public health, nursing, or allied health professions.

(b) Each scholarship grant, made under this section shall be for a period not to exceed two academic years, which years shall be the final two years of the preprofessional education of any grantee.

(c) Scholarship grants made under this section may cover costs of tuition, books, transportation, board, and other necessary related expenses.

(d) There are authorized to be appropriated for the purpose of this section: $2,000,000 for fiscal year 1977, $2,500,000 for fiscal year 1978, $3,000,000 for fiscal year 1979, $3,500,000 for fiscal year 1980, $4,000,000 for fiscal year 1981, $4,500,000 for fiscal year 1982, and $4,500,000 for fiscal year 1983.

HEALTH PROFESSIONS SCHOLARSHIP PROGRAM

SEC. 104. (a) The Secretary, acting through the Sedvice, shall make scholarship grants to individuals (i) who are enrolled in schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, pharmacy, public health, nursing, or allied health professions (including schools certified by the Secretary as capable of training individuals in Indian traditional medicine), and (ii) who agree to provide their professional services to Indians after the completion of their professional training.

(b)(1) The Secretary, acting through the Service, (i) shall accord priority for scholarship grants under this section to applicants who are Indians, and (ii) may determine distribution of scholarship grants on the basis of the relative needs of Indians for additional service in specifice health profesions.

(2) Each scholarship grant under this section shall (i) fully cover the costs of tuition, and (ii), when taken together with the financial resources of the grantee, fully cover the costs of books, transportation, board, and other necessary related expenses: *Provided,* That the amount of grant funds available annually to each grantee under clause (ii) shall not exceed $8,000, except where the scholarship grant is extended to cover the period between academic years pursuant to paragraph (3) of this subsection.

(3) Scholarship grants under this section shall be made with respect to academic years, except that any such grant may be extended and increased for the period between academic years if the grantee is engaged in clinical or other practical experience related to his or her course of study and if further grant assistance during such period is required by the grantee because of his or her financial need.

(c)(1) As a condition for any scholarship grants under this section, each grantee shall be obligated to provide professional service to Indians for a period of years equal to the number of years during which he or she receives such grants.

(2) For the purpose of clause (1) of this subsection, "professional service to Indians" shall mean employment in the Service or in private practice where, in the judgment of the Secretary in accordance with guidelines promulgated by him, such practice is situated in a physician or other health professional shortage area and addresses the health care needs of a substantial number of Indians. Periods of internship or residency, except residency served in a facility of the Service, shall not constitute fulfillment of this service obligation.

(3)(A) A service obligation of any individual pursuant to this section shall be canceled upon the death of such individual.

(B) The Secretary shall by regulation provide for the waiver or suspension of a service obligation of any individual whenever compliance by such individual is impossible or would involve extreme hardship to such individual and if enforcement of such obligation with respect to any individual would be against equity and good conscience.

(d) Individuals receiving scholarship grants under this section shall not be counted against any employment ceiling affecting the Service or the Department of Health, Education, and Welfare.

(e) There are authorized to be appropriated for the purpose of this section: $6,000,000 for fiscal year 1977, $7,500,000 for fiscal year 1978, $9,000,000 for fiscal year 1979, $12,500,000 for fiscal year 1980, $19,000,000 for fiscal year 1981, $26,000,000 for fiscal year 1982, $30,000,000 for fiscal year 1983, and, for each succeeding fiscal year, such sums as may be necessary to continue to make scholarship grants under this section to individuals who have received such grants prior to the end of fiscal year 1983 and who are eligible for such grants during each such succeeding fiscal year.

INDIAN HEALTH SERVICE EXTERN PROGRAMS

SEC. 195. (a) Any individual who receives a scholarship grant pursuant to section 104 shall be entitled to employment in the Service during any nonacademic period of the year. Periods of employment pursuant to this subsection shall not be counted in determining the fulfillment of the service obligation incurred as a condition of the scholarship grant.

(b) Any individual enrolled in a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, pharmacy, public health, nursing, or allied health professions (including schools certified by the Secretary as capable of training individuals in Indian traditional medicine) may be employed by the Service during any nonacademic period of the year. Any such employment shall not exceed one hundred and twenty days during any calendar year.

(c) Any employment pursuant to this section shall be made without regard to any competitive personnel system or agency personnel limitation and to a position which will enable the individual so employed to receive practical experience in the health profession in which he or she is engaged in study. Any individual so employed shall receive payment for his or her services comparable to the salary he or she would receive if he or she were employed in the competitive system. Any individual so employed shall not be counted against any employment ceiling affecting the Service or the Department of Health, Education, and Welfare.

(d) There are authorized to be appropriated for the purpose of this section: $800,000 for fiscal year 1977, $1,200,000 for fiscal year 1978, $1,600,000 for fiscal year 1979, $2,200,000 for fiscal year 1980, $2,800,000 for fiscal year 1981, $3,200,000 for fiscal year 1982, and $3,550,000 for fiscal year 1983.

EDUCATIONAL AND TRAINING PROGRAMS IN ENVIRONMENT HEALTH, HEALTH EDUCATION, AND NUTRITION

SEC. 106. (a) The Secretary, acting through the Service, shall make grants to individuals, nonprofit entities, appropriate public or private agencies, educational institutions, or Indian tribes and tribal organizations to enable the recipients of such grants to establish and carry out programs to train individuals so as to enable them to provide their services to Indians in the following areas:

(1) environmental health, including proper waste disposal, reduced pesticide inhalation, proper sanitation, and vector control;

(2) health education, including advising and training Indians with respect to personal hygiene, the essentials of first aid, the care of critically ill in the home and entitlements of Indians to, and the availability of, health care services and assistance; providing adequate health information to schools; and establishing health courses in secondary schools encouraging entry by Indians into health-related professions; and

(3) nutrition, including advising and training Indians with respect to child nutrition, availability of nutrition programs (such as hot school lunch programs), nutrition in prenatal care, and nutrition education for the total population, particularly for those found to have or to be susceptible to, diabetes, hypertension, and heart disease.

(b) Grants pursuant to this section shall be made in such manner and in such amounts and subject to such conditions as the Secretary shall by regulation prescribe.

(c) There are authorized to be appropriated to carry out the provisions of this section: $500,000 for fiscal year 1977, $600,000 for fiscal year 1978, $700,000 for fiscal year 1979, $800,000 for fiscal year 1980, $900,000 for fiscal year 1981, $900,000 for fiscal year 1982, and $600,000 for fiscal year 1983.

CONTINUING EDUCATION ALLOWANCES

SEC. 107. (a) In order to encourage physicians and other health professionals to join the Service and to provide their services in the rural and remote areas where a significant portion of the Indian people resides, the Secretary, acting through the Service, may provide allowances to health professionals employed in the Service to enable them for a period of time each year prescribed by regulation of the Secretary to take leave of their duty stations for professional consultation and refresher training courses.

(b) There are authorized to be appropriated for the purpose of this section: $100,000 for fiscal year 1977, $200,000 for fiscal year 1978, $250,000 for fiscal year 1979, $300,000 for fiscal year 1980, $350,000 for fiscal year 1981, $350,000 for fiscal year 1982, and $325,000 for fiscal year 1983.

TITLE II—HEALTH SERVICES

SEC. 201. (a) For the purpose of eliminating backlogs in Indian health care services and to supply known, unmet medical, surgical, dental, and other Indian health needs, the Secretary is authorized to expend $491,975,000 through the Service, over a seven-fiscal-year period in accordance with the schedule provided in subsection (c). Funds

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appropriated pursuant to this section each fiscal year shall not be used to offset or limit the appropriations required by the Service to continue to serve the health needs of Indians during and subsequent to such seven-fiscal-year period, but shall be in addition to the level of appropriations provided to the Service in fiscal year 1976 required to continue the programs of the Service thereafter.

(b) The Secretary, acting through the Service, is authorized to employ persons to implement the provisions of this section during the seven-fiscal-year period in accordance with the schedule provided in subsection (c). Such positions authorized each fiscal year pursuant to this section shall not be considered as offsetting or limiting the personnel required by the Service to serve the health needs of Indians during and subsequent to such seven-fiscal-year period but shall be in addition to the positions authorized in the previous fiscal year and to the annual personnel levels required to continue the programs of the Service.

(c) The following amounts and positions are authorized, in accordance with the provisions of subsections (a) and (b), for the specific purposes noted:

(1) Patient care (direct and indirect): $4,000,000 and one hundred and fifty positions for fiscal year 1977, $10,000,000 and two hundred and twenty-five positions for fiscal year 1978, $18,000,000 and three hundred positions for fiscal year 1979, $26,500,000 and three hundred and twenty positions for fiscal year 1980, $36,000,000 and three hundred and sixty positions for fiscal year 1981, $46,000,000, and three hundred and seventy-five positions for fiscal year 1982, and $58,000,000 and four hundred and fifty positions for fiscal year 1983.

(2) Field health, excluding dental care (direct and indirect): $3,000,000 and ninety positions for fiscal year 1977, $6,000,000 and ninety positions for fiscal year 1978, $9,000,000 and ninety positions for fiscal year 1979, $13,000,000 and one hundred and twenty positions for fiscal year 1980, $18,000,000 and one hundred and fifty positions for fiscal year 1981, $23,000,000 and one hnudred and fifty positions for fiscal year 1982, and $28,500,000 and one hundred and sixty-five positions for fiscal year 1983.

(3) Dental care (direct and indirect): $800,000 and eighty positions for fiscal year 1977, $1,500,000 and seventy positions for fiscal year 1978, $2,000,000 and fifty positions for fiscal year 1979, $2,500,000 and fifty positions for fiscal year 1980, $2,900,000 and forty positions for fiscal year 1981, $3,200,000 and thirty positions for fiscal year 1982, and $3,500,000 and twenty-five positions for fiscal year 1983.

(4) Mental health: (A) Community mental health services: $900,000 and forty positions for fiscal year 1977, $1,700,000 and thirty positions for fiscal year 1978, $2,400,000 and thirty positions for fiscal year 1979, $3,000,000 and twenty-five positions for fiscal year 1980, $3,500,000 and twenty positions for fiscal year 1981, $3,800,000 and ten positions for fiscal year 1982, and $4,100,000 and fifteen positions for fiscal year 1983.

(B) Inpatient mental health services: $200,000 and fifteen positions for fiscal year 1977, $400,000 and fifteen positions for fiscal year 1978, $600,000 and fifteen positions for fiscal year 1979, $800,000 and fifteen positions for fiscal year 1980, $1,000,000 and fifteen positions for fiscal year 1981, $1,300,000 and twenty positions for fiscal year 1982, and $1,600,000 and twenty-five positions for fiscal year 1983.

(C) Model dormitory mental health services: $625,000 and fifty positions for fiscal year 1977, $1,250,000 and fifty positions for fiscal year 1978, $1,875,000 and fifty positions for fiscal year 1979, and $2,500,000 and fifty positions for fiscal year 1980.

(D) Therapeutic and residential treatment centers: $150,000 and ten positions for fiscal year 1977, $300,000 and ten positions for fiscal year 1978, $400,000 and five positions for fiscal year 1979, $500,000 and five positions for fiscal year 1980, $600,000 and ten positions for fiscal year 1981, $700,000 and five positions for fiscal year 1982, and $800,000 and five positions for fiscal year 1983.

(E) Training of traditional Indian practitioners in mental health: $75,000 for fiscal year 1977, $150,000 for fiscal year 1978, $200,000 for fiscal year 1979, $250,000 for fiscal year 1980, $300,000 for fiscal year 1981, $300,000 for fiscal year 1982, and $300,000 for fiscal year 1983.

(5) Treatment and control of alcoholism among Indians: $8,000,000 for fiscal year 1977, $10,500,000 for fiscal year 1978, $13,000,000 for fiscal year 1979, $15,000,000 for fiscal year 1980, $17,000,000 for fiscal year 1981, $18,500,000 for fiscal year 1982, and $20,000,000 for fiscal year 1983.

(6) Provision of health care personnel in primary and secondary Bureau of Indian Affairs schools: $600,000 and thirty-three positions for fiscal year 1977, $1,000,000 and twenty-two positions for fiscal year 1978, $1,300,000 and sixteen positions for fiscal year 1979, $1,700,000 and twenty-two positions for fiscal year 1980, $2,500,000 and forty-four positions for fiscal year 1981, $3,[illegible]00,000 and seventy-six positions for fiscal year 1982, and $6,000,000 and one hundred and fifteen positions for fiscal year 1983.

(7) Maintenance and repair (direct and indirect): $3,000,000 and twenty positions for fiscal year 1977, $3,000,000 and twenty positions for fiscal year 1978, $4,000,000 and thirty positions for fiscal year 1979, $4,000,000 and thirty positions for fiscal year 1980, $4,000,000 and thirty positions for fiscal year 1981, $2,000,000 and fifteen positions for fiscal year 1982, and $1,000,000 and five positions for fiscal year 1983.

(d) The Secretary, acting through the Service, shall expend directly or by contract not less than 1 per centum of the funds appropriated under the authorizations in each of the clauses (1) through (5) of subsection (c) for research in each of the areas of Indian health care for which such funds are authorized to be appropriated.

TITLE III—HEALTH FACILITIES

CONSTRUCTION AND RENOVATION OF SERVICE FACILITIES

SEC. 301. (a) For the purpose of eliminating inadequate, outdated, and otherwise unsatisfactory Service hospitals, health centers, health stations, and other Service facilities, the Secretary, acting through the Service, is authorized to expend $528,637,000 over a seven-fiscal-year period in accordance with the following schedule:

(1) Hospitals: $123,880,000 for fiscal year 1977, $55,171,000 for fiscal year 1978, $24,703,000 for fiscal year 1979, $70,810,000 for fiscal year 1980, $45,652,000 for fiscal year 1981, $29,675,000 for fiscal year 1982, and $33,779,000 for fiscal year 1983.

(2) Health centers and health stations: $6,960,000 for fiscal year 1977, $6,226,000 for fiscal year 1978, $3,720,000 for fiscal year 1979, $4,440,000 for fiscal year 1980, $2,335,000 for fiscal year 1981, $1,760,000 for fiscal year 1982 and $2,360,000 for fiscal year 1983.

(3) Staff housing: $2, 484,000 for fiscal year 1977, $43,450,000 for fiscal year 1978, $8,231,000 for fiscal year 1979, $9,390,000 for fiscal year 1980, $20,140,000 for fiscal year 1981, $12,267,000 for fiscal year 1982, and $13,704,000 for fiscal year 1983.

(4) Health facilities for primary and secondary Bureau of Indian Affairs schools: $1,500,000 for fiscal year 1977, $1,000,000 for fiscal year 1978, $1,000,000 for fiscal year 1979, $1,000,000 for fiscal year 1980, $1,000,000 for fiscal year 1981, $1,000,000 for fiscal year 1982, and $1,000,000 for fiscal year 1983.

(b) The Secretary acting through the Service, is authorized to equip and staff such Service facilities at levels commensurate with their operation at optimum levels of effectiveness.

(c) Prior to the expenditure of, or the making of any firm commitment to expend, any funds authorized in subsection (a), the Secretary, acting through the Service, shall—

(1) consult with any Indian tribe to be significantly affected by any such expenditure for the purpose of determining and, wherever practicable, honoring tribal preferences concerning the size, location, type, and other characteristics of any facility on which such expenditure is to be made; and

(2) be assured that, wherever practicable, such facility, not later than five years after its construction or renovation, shall meet the standards of the Joint Commission on Accreditation of Hospitals.

CONSTRUCTION OF SAFE WATER AND SANITARY WASTE DISPOSAL FACILITIES

SEC. 302. (a) The Secretary is authorized to expend, pursuant to the Act of July 31, 1959 (73 Stat. 267), $378,000,000 within a seven-fiscal-year petriod following the enactment of this Act, in accordance with the schedule provided in subsection (b), to supply unmet needs for safe water and sanitary waste disposal facilities in existing and new Indian homes and communities.

(b) To effect the purpose of subsection (a), there are authorized to be appropriated: $60,000,000 for fiscal year 1977, $60,000,000 for fiscal year 1978, $60,000,000 for fiscal year 1979, $60,000,000 for fiscal year 1980, $60,000-000 for fiscal year 1981, $52,000,000 for fiscal year 1982, and $26,000,000 for fiscal year 1983.

(c) The Secretary is authorized and directed to develop a plan, together with the Secretaries of the Interior and of Housing and Urban Development and upon consultation with Indian tribes, to assure that the schedule provided for in subsection (b) will be met. Such plan shall be submitted to the Congress no later than ninety days from the date of enactment of this Act.

PREFERENCE TO INDIANS AND INDIAN FIRMS

SEC. 303. (a) The Secretary, acting through the Service, may utilize the negotiating authority of the Act of June 25, 1910 (36 Stat. 861), to give preference to any Indian or any enterprise, partnership, corporation, or other type of business organization owned and controlled by an Indian or Indians (hereinafter referred to as an "Indian firm") in the construction and renovation of Service facilities pursuant to section 301 and in the construction of safe water and sanitary waste disposal facilities pursuant to section 302. Such preference may be accorded by the Secretary unless he finds, pursuant to rules and regulations promulgated by him, that the project or function to be contracted for will not be satisfactory or such project or function cannot be properly completed or maintained under the proposed contract. The Secretary, in arriving at his finding, shall consider whether the Indian or Indian firm will be deficient with respect to (1) ownership and control by Indians, (2) equipment, (3) bookkeeping and accounting procedures, (4) substantive knowledge of the project or function to be contracted for, (5) adequately trained personnel, or (6) other necessary components of contract performance.

(b) For the purpose of implementing the provisions of this title, the Secretary shall assure that the rates of pay for personnel engaged in the construction or renovation of facilities constructed or renovated in whole or in part by funds made available pursuant to this title are not less than the prevailing local wage rates for similar work as determined in accordance with the Act of March 3, 1921 (46 Stat. 1491), as amended.

TITLE IV—ACCESS TO HEALTH SERVICES

SERVICES PROVIDED TO MEDICARE ELIGIBLE INDIANS

SEC. 401. (a) Notwithstanding any other provision of law, for purpose of title XVIII of the Social Security Act, as amended, a Service facility (including a hospital or skilled nursing facility), whether operated by the Service or by any Indian tribe or tribal organization, shall hereby be deemed to be a facility eligible for reimbursement under said title XVIII: *Provided*, That the requirements of subsection (b) are met.

(b) Prior to the provision of any care or service for which reimbursement may be made, the Secretary shall certify that the facility meets the standards applicable to other hospitals and skilled nursing facilities eligible for reimbursement under title XVIII of the Social Security Act, as amended, or, in the case of any facility existing at the time of enactment of this Act, that the Service has provided an acceptable written plan for bringing the facility into full compliance with such standards within two years from the date of acceptance of the plan by the Secretary. The Service facilities shall not be required to be licensed by any State or locality in which they are located: *Provided, however*, That the Secretary shall include in his certifications appropriate assurances that such facilities will meet standards equivalent to licensure requirements.

(c) Any payments received for services provided to beneficiaries hereunder shall not be considered in determining appropriations for health care and services to Indians.

(d) Nothing herein authorizes the Secretary to provide services to an Indian beneficiary with coverage under title XVIII of the Social Security Act, as amended, in preference to an Indian beneficiary without such coverage.

SERVICES PROVIDED TO MEDICAID ELIGIBLE INDIANS

SEC. 402. (a) Notwithstanding any other provision of law, for the purpose of title XIX of the Social Security Act, as amended, a Service facility (including a hospital, skilled nursing facility, or intermediate care facility), whether operated by the Service or by an Indian tribe or tribal organization, shall hereby be deemed to be a facility eligible for reimbursement under said title XIX: *Provided*, That the requirements of subsection (c) are met.

(b) The Secretary is authorized to enter into agreements with the appropriate State agency for the purpose of reimbursing such agency for health care and services provided in Service facilities to Indians who are beneficiaries under title XIX of the Social Security Act, as amended.

(c) Prior to the provision of any care or service for which reimbursement may be made, the Secretary shall certify that the facility meets the standards applicable to other hospitals eligible for reimbursement under title XIX of the Social Security Act, as amended, or, in the case of any facility existing at the time of enactment of this Act, that the Service has provided an acceptable written plan for bringing the facility into full compliance with such standards within two years from the date of acceptance of the plan by the Secretary. The Service facilities shall not be required to be licensed by any State or locality in which they are located: *Provided, however*, That the Secretary shall include in his certifications appropriate assurances that such facilities will meet standards equivalent to licensure requirements.

(d) Any payments received for services provided recipients hereunder shall not be considered in determining appropriations for the provision of health care and services to Indians.

(e) Notwithstanding any other provision of law, with respect to amounts expended during any quarter as medical assistance under title XIX of the Social Security Act, as amended, for services which are included in the State plan and are received through a Service facility, whether operated by the Service or by an Indian tribe or tribal organization, to individuals who are (i) eligible under the plan of the State under said title XIX and (ii) eligible for comprehensive health services under the Service program, the Federal medical assistance percentage under said title XIX shall be increased to 100 per centum.

(f) Nothing in this section shall authorize the Secretary to provide services to an Indian beneficiary with coverage under title XIX of the Social Security Act, as amended, in preference to an Indian beneficiary without such coverage.

REPORT

SEC. 403. The Secretary shall include in his annual report required by subsection (a) of section 601 an accounting on the amount and use of funds made available to the Service pursuant to this title as a result of reimbursements through titles XVIII and XIX of the Social Security Act, as amended.

TITLE V—HEALTH SERVICES FOR URBAN INDIANS

PURPOSE

SEC. 501. The purpose of this title is to encourage establishment of programs in urban Indian areas to make health services more accessible to the urban Indian population.

CONTRACTS WITH URBAN INDIAN ORGANIZATIONS

SEC. 502. The Secretary, acting through the Service, shall enter into contracts with urban Indian organizations to assist such organizations to establish and administer, in the urban centers in which such organizations are situated, programs which meet the requirements set forth in sections 503 and 504.

CONTRACT ELIGIBILITY

SEC. 503. (a) The Secretary, acting through the Service, shall place such conditions as he deems necessary to effect the purpose of this title in any contract which he makes with any urban Indian organization pursuant to this title. Such conditions shall include, but are not limited to, requirements that the organization successfully undertake the following activities:

(1) determine the population of urban Indians which are or could be recipients of health referral or care services;

(2) identify all public and private health service resources within the urban center in which the organization is situated which are or may be available to urban Indisns;

(3) assist such resources in providing service to such urban Indians;

(4) assist such urban Indians in becoming familiar with and utilizing such resources;

(5) provide basic health education to such urban Indians;

(6) establish and implement manpower training programs to accomplish the referral and education tasks set forth in clauses (3) through (5) of this subsection;

(7) identify gaps between unmet health needs of urban Indians and the resources available to meet such needs;

(8) make recommendations to the Secretary and Federal, State, local, and other resource agencies on methods of improving health service programs to meet the needs of urban Indians; and

(9) where necessary, provide or contract for health care services to urban Indians.

(b) The Secretary, acting through the Service, shall by regulation prescribe the criteria for selecting urban Indian organizations with which to contract pursuant to this title. Such criteria shall, among other factors, take into consideration:

(1) the extent of the unmet health care needs of urban Indians in the urban center involved;

(2) the size of the urban Indian population which is to receive assistance;

(3) the relative accessibility which such population has to health care services in such urban center;

(4) the extent, if any, to which the project would duplicate any previous or current public or private health services project funded by another source in such urban center;

(5) the appropriateness and likely effectiveness of a project assisted pursuant to this title in such urban center;

(6) the existence of an urban Indian organization capable of performing the activities set forth in subsection (a) and of entering into a contract with the Secretary pursuant to this title; and

(7) the extent of existing or likely future participation in such activities by appropriate health and health-related Federal, State, local, and other resource agencies.

OTHER CONTRACT REQUIREMENTS

SEC. 504. (a) Contracts with urban Indian organizations pursuant to this title shall be in accordance with all Federal contracting laws and regulations except that, in the discretion of the Secretary, such contracts may be negotiated without advertising and need not conform to the provisions of the Act of August 24, 1935 (48 Stat. 793), as amended.

(b) Payments under any contracts pursuant to this title may be made in advance or by way of reimbursement and in such installments and on such conditions as the Secretary deems necessary to carry out the purposes of this title.

(c) Notwithstanding any provision of law to the contrary, the Secretary may, at the request or consent of an urban Indian organization, revise or amend any contract made by him with such organization pursuant to this title as necessary to carry out the purposes of this title: *Provided, however*, That, whenever an urban Indian organization requests retrocession of the Secretary for any contract entered into pursuant to this title, such retrocession shall become effective upon a date specified by the Secretary not more than one hundred and twenty days from the date of the request by the organization or at such later date as may be mutually agreed to by the Secretary and the organization.

(d) Contracts with urban Indian organizations and regulations adopted pursuant to this title shall include provisions to assure the fair and uniform provisions to urban Indians of services and assistance under such contracts by such organizations.

REPORTS AND RECORDS

SEC. 505. For each fiscal year during which an urban Indian organization receives or expends funds pursuant to a contract under this title, such organization shall submit to the Secretary a report including information gathered pursuant to section 503(a) (7) and (8), information on activities conducted by the organization pursuant to the contract, an accounting of the amounts and purposes for which Federal funds were expended, and such other information as the Secretary may request. The reports and records of the urban Indian organization with respect to such contract shall be subject to

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audit by the Secretary and the Comptroller General of the United States.

AUTHORIZATIONS

Sec. 506. There are authorized to be appropriated for the purpose of this title: $5,000,000 for fiscal year 1977, $10,000,000 for fiscal year 1978, and $15,000,000 for fiscal year 1979.

REVIEW OF PROGRAM

Sec. 507. Within six months after the end of fiscal year 1978, the Secretary, acting through the Service and with the assistance of the urban Indian organizations which have entered into contracts pursuant to this title, shall review the program established under this title and submit to the Congress his or her assessment thereof and recommendations for any further legislative efforts he or she deems necessary to meet the purpose of this title.

TITLE VI—MISCELLANEOUS

REPORTS

Sec. 601. (a) The Secretary shall report annually to the President and the Congress on progress made in effecting the purposes of this Act. Within three months after the end of fiscal year 1979, the Secretary shall review expenditures and levels of authorizations under this Act and make recommendations to Congress concerning any increases or decreases in the authorizations for fiscal years 1981 through 1983 under this Act which he deems appropriate. Within three months after the end of fiscal year 1982, the Secretary shall review the programs established or assisted pursuant to this Act and shall submit to the Congress his assessment thereof and recommendations of additional programs or additional assistance necessary to, at a minimum, provide health services to Indians, and insure a health status for Indians, which are at a parity with the health services available to, and the health status of, the general population.

(b) There is hereby authorized to be appropriated to the Secretary $150,000 to support a one-year study by the National Indian Health Board of mental health problems, including alcoholism and related problems, among Indians. The study, together with any recommendations the Board may have for legislative or administrative actions to remedy such problems, shall be submitted to the Congress by the Secretary no later than thirty days after the study's completion.

REGULATIONS

Sec. 602. (a) (1) Within three months from the date of enactment of this Act, the Secretary shall, to the extent practicable, consult with national and regional Indian organizations to consider and formulate appropriate rules and regulations to implement the provisions of this Act.

(2) Within four months from the date of enactment of this Act, the Secretary shall publish proposed rules and regulations in the Federal Register for the purpose of receiving comments from interested parties.

(3) Within six months from the date of enactment of this Act, the Secretary shall promulgate rules and regulations to implement the provisions of this Act.

(b) The Secretary is authorized to revise and amend any rules or regulations promulgated pursuant to this Act: *Provided*, That, prior to any revision of or amendment to such rules or regulations, the Secretary shall, to the extent practicable, consult with appropriate national or regional Indian organizations and shall publish any proposed revision or amendment in the Federal Register not less than sixty days prior to the effective date of such revision or amendment in order to provide adequate notice to, and receive comments from, other interested parties.

LEASES WITH INDIAN TRIBES

Sec. 603. Notwithstanding any other provision of law, the Secretary is authorized, in carrying out the purposes of this Act, to enter into leases with Indian tribes for periods not in excess of twenty years.

AVAILABILITY OF FUNDS

Sec. 604. The funds appropriated pursuant to this Act shall remain available until expended.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The ACTING PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill (S. 522) was ordered to be engrossed for a third reading, was read the third time, and passed.

THE PLIGHT OF POTATO GROWERS

The Senate proceeded to consider the resolution (S. Res. 122) expressing to the Secretary of Agriculture the sense of concern felt by the Senate for the present plight of potato growers across the country, which had been reported from the Committee on Agriculture and Forestry, with the preamble amended as follows:

On page 1, in the second "Whereas" clause, strike out "high quality protein" and insert "nutritious food".

In the fourth "Whereas" clause, after the word "is" insert "the imbalance of inadequacy of vitamins, minerals, and"; and after the word "protein" strike out the word "deficiency".

On page 2, in the third "Whereas" clause, strike out high quality" and insert vitamins, minerals, and plant".

In the fifth "Whereas" clause, strike out the word "protein" and insert the word "food.".

The PRESIDING OFFICER. The question is on agreeing to the resolution.

Mr. HATHAWAY. Mr. President, I rise in support of Senate Resolution 122 and I would like briefly to recount the problem which it addresses, and the reasonable solution to which I believe it proposes.

The problem, Mr. President, is simply an abundance of potatoes. Potato farmers across the country responded to the heavy demand and high prices of recent times by producing a harvest large enough to bring consumer prices down to levels not seen since the 1930's. Thus, many growers now find themselves with potatoes which can be sold only at a loss. The consumer's benefit from this situation will be short-lived unless potato prices rise, as the farmer, like any businessman, cannot for long afford to do business at a loss.

Accordingly, this resolution, directed to the Secretary of Agriculture, seeks to underscore the Senate's concern over the situation I have just described, and it urges the Secretary of Agriculture to take immediate action to distribute potato stocks pursuant to existing laws. Specifically, the Secretary has long been authorized to purchase agricultural commodities for domestic consumption under section 32 of the act of August 24, 1935 and section 416 of the Agricultural Act of 1949; and for foreign distribution under Public Law 480—the food-for-peace program.

I believe that the present supply of potatoes is primarily a useful blessing. For there are hungry people, at home and abroad, who would gratefully partake of some of these agricultural riches. And it is clear that these potatoes will do no one any good if allowed to remain in potato house bins across the country.

As the committee has so accurately noted in its report, potatoes are an important source of protein, calcium, phosphorus and vitamin C, among other minerals and vitamins.

Mr. President, what we have is a supply of potatoes which may be purchased at favorable prices to benefit both the people who will consume them and the farmers who grow them. It does not require high intelligence, nor a profound analysis of this situation, to conclude that the Secretary of Agriculture, under authority of long-standing statutes and without adverse effect upon the consumer, can in large measure remedy this temporary but troublesome situation.

I am confident that appropriate action by the Secretary of Agriculture—indeed, I applaud his recent but promising efforts in the use of potato granules in the food for peace program—will favorably alter the present situation and encourage the resumption of normal market forces which generally prove satisfactory to grower and consumer alike.

Mr. President, I urge swift passage of this resolution.

Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the senior Senator from Maine (Mr. MUSKIE).

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR MUSKIE

I join my colleague Senator Hathaway in urging Senate approval for S. Res. 122, which is designed to encourage use of potato stocks in our domestic and foreign food distribution programs. This resolution calls on the Secretary of Agriculture to take advantage of the existing abundance of potatoes by purchasing and distributing them at very favorable terms, in order to feed the needy at home and hungry people around the world.

Everyone familiar with the potato industry would agree that there is a substantial surplus of potato stocks today. And those familiar with the nutritional content of potatoes would agree that the potato compares favorably even with soybeans, acre for acre, in protein.

Potatoes have dropped to their lowest price levels in decades, and stocks on hand are dramatically higher this year. In Maine, for example, there were 13 million hundredweight on hand in April, compared to 9.3 million in April of 1974—an increase of 40 percent in one year. At the same time, prices have plunged from as much as $16 to $17 a barrel last year to $2.75 to $3.00 in the current week.

Mr. President, in many cases farmers in

my state are not even recouping their cost of production.

It makes good agricultural and business sense for the Department of Agriculture, therefore, to make significant purchases of potatoes at their present depressed price. It would represent a bargain for the government, and it would reduce the oversupply which is depressing the market.

And it makes good humanitarian sense to stretch our federal food dollar as far as it can go to assist the needy in the U.S. and the starving overseas. The recent World Food Conference has estimated that almost a half billion people suffer from malnutrition throughout the world. And there are many hardpressed Americans who cannot make their food budget go far enough. Finally, there are many schools participating in the School Lunch program that are presently experiencing severe financial problems brought on by the rise in food costs.

Potatoes would be an ideal source of protein at a reasonable price for all these uses.

The Secretary of Agriculture has agreed to test the use of potato granules in the Food for Peace Program, and I am hopeful that the test will demonstrate the worth of potatoes as a protein source.

The Resolution we approve today will be a further encouragement to use potatoes in federal commodity programs.

Mr. President, I urge passage of S. Res. 122.

Mr. McCLURE. Mr. President, I would like to express my appreciation to the chairman and members of the Committee on Agriculture and Forestry for their prompt action in reporting Senate Resolution 122 to the floor. I hope that their favorable action will be mirrored by the full Senate, and that the administration will see such action as a clear indication of our intent and our concern.

I hope it will also be clearly recognized that this resolution is not an attempt to "bail out" potato producers, although any relief to this hard-pressed industry will certainly be welcome. Clearly, many of us are concerned about the severe problems facing producers of several agricultural commodities, including potatoes. But we should also be concerned about the efficiency and effectiveness of our food aid programs both at home and abroad. We would like to make adequate quantities of good food available to those in need, and to do so as economically as possible, with a minimum of disruption of the market.

It just makes good sense, therefore—to farmers, to consumers, and to taxpayers—to use in our food assistance programs those high-food-value commodities that are available in abundance. Today, potatoes fill that bill perfectly. While stocks of some products often used in our aid programs are at an all-time low, and prices are relatively high, potato stocks are abundant and the price is low. Food products are not entirely interchangeable, and nutritive values and other factors must be considered. But the Government has an obligation to the taxpayers and aid recipients not unlike that of a homemaker to her family; an obligation to shop wisely—to provide the best meals possible with the least damage to the budget.

I was pleased by the administration's announcement of a test project using dehydrated potatoes mixed with nonfat dry milk in one of our aid programs.

The combination of the two products appears to have potential for use as a "whole meal" commodity—a single food which provides all essential nutrients. This has obvious advantages in simplicity of handling, preparation, and serving, and can be especially valuable in disaster relief or other difficult situations.

Hopefully, successes in this small test project will lead to much broader applications, and provide us with even greater flexibility in our aid programs. However, as pointed out in the resolution, potatoes are a perishable commodity. By proceeding too slowly, with only very small test projects, we may be missing the valuable opportunities provided by our present abundant potato stocks. At a time when so many people here and around the world are without enough to eat, we should not allow increasingly valuable foods to rot because of market imbalances or bureaucratic delays.

I therefore urge my colleagues to join affirmatively in this expression of concern to the administration.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

The preamble, as amended, was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 122

Resolution expressing to the Secretary of Agriculture the sense of concern felt by the Senate for the present plight of potato growers across the country

Whereas the United States is suffering from a severe economic recession, with a high rate of unemployment; and

Whereas the poor and the unemployed in the United States need substantial additional quantities of nutritious food; and

Whereas the recent World Food Conference estimated that almost a half a billion people suffer from malnutrition in the world today; and

Whereas a basic cause of malnutrition is the imbalance or inadequacy of vitamins, minerals, and protein; and

Whereas it is the commitment of the United States, as expressed in various statutes, including the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480), to share our agricultural abundance with needy persons domestically and in other parts of the world; and

Whereas national stocks of potatoes are presently unusually abundant and purchases of potatoes could be effected now by the Department of Agriculture on extremely favorable terms, which would be beneficial both to the farmer and to the Government; and

Whereas American potatoes represent an important source of vitamins, minerals, and plant protein; and

Whereas potatoes are a perishable commodity; and

Whereas this valuable source of food should be distributed expeditiously to a hungry world: Now, therefore, be it

Resolved, That it is the sense of the Senate that the Secretary of Agriculture immediately take steps to distribute potato stocks in useful edible forms to needy persons at home and abroad under the domestic food assistance programs and the Public Law 480 program.

Mr. MANSFIELD. Mr. President, that concludes the call of the calendar up to this time.

The ACTING PRESIDENT pro tempore. Calendar No. 131 has yet to be acted upon.

Mr. MANSFIELD. I am not calling it up.

The ACTING PRESIDENT pro tempore. The Senator from North Carolina.

Mr. HELMS. I suggest the absence of a quorum, Mr. President.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Illinois, Mr. PERCY, is recognized for not to exceed 10 minutes.

SEIZURE OF THE "MAYAGUEZ"

Mr. PERCY. Mr. President, yesterday I was scheduled to be in the Chamber, but a conflict in the hearings that the Committee on Foreign Relations was conducting on the United Nations prevented my being here. Therefore, I wish to simply confirm on the floor comments I had previously made about the incident of the merchant marine ship that had been seized by the new Cambodian Government.

I think this is a very important first test of the war powers resolution. I would say, without any equivocation, that both the executive branch and the legislative branch passed the test. There was consultation between the executive branch and the legislative branch. I would say that we learned a great deal as a result of this experience. We probably learned how we could improve on the procedures that were adopted. But action was taken. There was no indecision about what we would do. The risks were carefully weighed. Certainly, discussions were held between members of the White House, the Security Council, the Joint Chiefs of Staff, and the leadership of the Congress. Taken into consideration was what would happen if we did nothing.

It is well recognized that this was a test by a new Communist government, and the interruption of passage of several other ships of other flags was a test also as to whether or not the acts of piracy on the high seas would be tolerated and permitted. Therefore, the action taken by the United States was not only taken in behalf of our own Nation and the right to have safe passage on the high seas, but a test for all nations as well.

The President did not act impulsively. His actions were measured. They were taken in consultation with the best ad-

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vice that he could get. The risks were calculated, and the action that was taken has proven to be valuable.

I believe that the President certainly is to be commended for what he has done in this regard. As I indicated at the outset, as a result of this experience, I believe we have learned the value of consultation with Congress and procedures for such consultations in emergency situations in the future can be improved upon.

FEDERAL AGENCIES DEAF TO THE PLIGHT OF THE HEARING-IMPAIRED

Mr. PERCY. Mr. President, I should like to invite attention to the fact that Federal agencies appear deaf to the plight of the hearing-impaired.

I refer to this example because it is fraught with sufficient past history as to actions of regulatory agencies to enable us to conclude that the actions they have taken—or, really, not taken—in behalf of the public are woefully inadequate. It also bears on the fact that we critically need an Agency for Consumer Advocacy, an agency the legislation for which was overwhelmingly passed by the Senate yesterday afternoon, to argue on behalf of the consumer in situations such as this where so-called "watchdogs" of the public simply are not doing their job.

Mr. President, a year ago this month I urged that the Federal Government act forcefully and within its lawful authority to protect the hard-of-hearing of this Nation. On May 28, 1974, I wrote to the Food and Drug Administration and the Federal Trade Commission, asking that the two agencies move quickly to end incompetence and unethical behavior on the part of hearing-aid dealers, to rid the industry of acknowledged abuses, and to assure hearing-impaired persons in every region of the country and from every walk of life that they would be better served in the future.

Both agencies have conceded to me that there are serious abuses in the hearing-aid business, a fact which the industry itself now acknowledges. Yet each agency seems to have rivaled the other in doing as little as possible to address those abuses.

As is so often the case with Federal agencies which too frequently seem to just "study" a problem rather than solve it, neither the FDA nor the FTC has acted to curb these abuses. For some reason or other they have sat on their proverbial hands apparently preferring not to disrupt the status quo, nor to do anything more than they must to give the appearance of concern over the problem.

My requests of the two agencies were quite simple. I asked the FTC to establish a money-back guarantee over a trial period of at least 30 days, to require that dealers tell potential clients that aids will not reverse progressive hearing loss, and to help lower the price of an aid by "unbundling" the price of the instrument from the price of anticipated future services. I asked the FDA to require medical clearance by ear specialists before a dealer can sell an aid, to establish uniform competency standards for State dealer licensing boards to administer, and to act to improve the education and training of dealers.

For more than a year, the FTC has been sitting on a series of regulations which would do precisely as I have recommended. While the FTC has, in specific cases, brought challenges against certain corporate and advertising behavior by some hearing aid manufacturers, broad-based, industrywide trade regulations are ready for FTC action, but no one in authority has moved to implement them.

The FDA has had on the table since September 1974 a proposal to declare hearing aids prescription devices.

These regulations can be implemented by these two powerful agencies without any further legislation. They have the legal authority but for some unexplained reason have refused to act.

This bureaucratic paralysis is symptomatic of what is wrong with Federal regulatory agencies today. Despite a documented, identifiable need for action, too many of these so-called guardians of the public trust prefer to stand by and wait for the issue to disappear.

Mr. President, with more than 13½ million hearing-impaired people in this country, and with hearing loss the greatest physical disability of our Armed Services, this issue will not go away. These two agencies are failing in their public responsibility to protect the hearing handicapped. If they continue to refuse to act, within the next 45 days, I intend to introduce and push through legislation which will mandate such action within a time certain. It is ludicrous to prolong the obvious, when the industry itself now recognizes what should be done but is itself virtually powerless to enforce.

I am sorry to say that this governmental inertia extends even to evaluating current wrongs within the system. Last October, I asked FDA to evaluate the educational program provided by the National Hearing Aid Society to its members. That evaluation has been promised time and again. But today, nearly 8 months later, the FDA has still not conducted that evaluation. By way of comparison, it took the Veterans' Administration less than 2 months to complete its evaluation.

The unjustified delays of the FDA and the FTC came to border on the absurd last week when the hearing aid industry voluntarily announced important new steps to rectify some of the problems that have caused so much concern.

The hearing aid industry—the dealers and the manufacturers alike—announced a change in policy which will encourage dealers to do many of the things that I have asked for; namely, medical clearance for first-time hearing aid users, a 30-day trial purchase option, a more demanding dealer training program, and establishment of local complaint handling centers.

Ironically, the industry acted while the regulators vacillated.

I have praised the industry for the policy changes. But I must point out that the industry, acting by itself without Federal regulation to back it up, cannot enforce them. The National Hearing Aid Society represents only about 3,600 of the more than 5,700 dealers in the 38 States with dealer licensing laws. Since, unfortunately, my own State of Illinois, and New York, are among the States without licensing laws, there is no way of telling how many dealers there are in the United States, but the total probably exceeds 7,000. This means that only about half the dealers in the country are in the industry group.

Moreover, it remains to be seen whether NHAS will suspend any of its members for noncompliance with these new guidelines. We know, for example, that between 1970 and 1974, more than 120 dealers lost their State licenses, through the actions of State regulatory boards. Yet, in the same time period, NHAS found it was "not necessary" to suspend any of its members. Either all the revocations were against non-NHAS members, or the association does not regard State suspensions sufficiently serious as to warrant dismissal of a member.

Thus, it is essential that the FDA and FTC escape from their lethargy and help the industry help itself. The industry leadership has already embarrassed these two agencies by its forthright action of last week. It behooves these two "watchdogs" for the public interest to wake up to the events that have passed them by and to show that they can do more than simply bark in the night when the occasion moves them. At a minimum, they should proceed promptly to implement the reforms that have already been endorsed by the industry they regulate.

Finally, Mr. President, a year ago, Secretary Caspar Weinberger created an interdisciplinary hearing aid task force in the Department of Health, Education, and Welfare. That task force was created to identify the problems in the industry and come up with solutions. It is now a year later and we are still waiting the final report of that task force.

By its actions of last week, the hearing aid industry has effectively put the task force out of business. The industry acknowledged its most serious problems and has proposed some constructive remedies. Meanwhile, the task force still ponders over the problems.

In the interest of the 13½ million hearing-impaired citizens of this country, Secretary Weinberger should act immediately to require a final report forthwith, and then disband the task force and direct FDA Commissioner Schmidt to declare hearing aids prescription devices. Further delay by the Secretary can only be interpreted as a disservice to those who suffer hearing loss, and to the industry leadership that is attempting to serve them.

FEDERAL RAILROAD SAFETY AUTHORIZATION ACT OF 1975

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 131, which was temporarily laid aside.

The ACTING PRESIDENT pro tempore. The bill will be stated by title

The legislative clerk read as follows:

A bill (S. 1462) to amend the Federal Railroad Safety Act of 1970 and the Hazardous Materials Transportation Act to authorize additional appropriations, and for other purposes.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

The bill (S. 1462) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Railroad Safety Authorization Act of 1975".

SEC. 2. (a) Section 212 of the Federal Railroad Safety Act of 1970 (45 U.S.C. 441) is amended to read as follows:

"SEC. 212. AUTHORIZATION FOR APPROPRIATIONS.

"(a) There are authorized to be appropriated to carry out the provisions of this title not to exceed $35,000,000 for the fiscal year ending June 30, 1976 and $9,000,000 for the fiscal year transition period from July 1, 1976 through September 30, 1976.

"(b) Except as otherwise provided in subsection (c) of this section, amounts appropriated under subsection (a) of this section shall be available for expenditure as follows:

"(1) Not to exceed $18,000,000 for the fiscal year ending June 30, 1976 and $4,500,000 for such fiscal year transition period for the Office of Safety, including salaries and expenses for up to five hundred safety inspectors and up to one hundred and ten clerical personnel.

"(2) Not to exceed $3,500,000 for the fiscal year ending June 30, 1976 and $900,000 for such fiscal year transition period to carry out the provisions of section 206(d) of this title.

"(3) Not to exceed $3,500,000 for the fiscal year ending June 30, 1976 and $900,000 for such fiscal year transition period for the Federal Railroad Administration, for salaries and expenses not otherwise provided for.

"(4) Not to exceed $10,000,000 for the fiscal year ending June 30, 1976 and $2,700,000 for such fiscal year transition period for conducting research and development activities under this title.

"(c) The aggregate of the amounts obligated and expended for research and development under this title in the fiscal year ending June 30, 1976, and such fiscal year transition period, shall not exceed the aggregate of the amounts expended for rail inspection and for the investigation and enforcement of railroad safety rules, regulations, orders, and standards under this title in the same fiscal year.".

SEC. 3. Section 115 of the Hazardous Materials Transportation Act (49 U.S.C. 1812) is amended to read as follows:

"AUTHORIZATION FOR APPROPRIATIONS

"SEC. 115. There are authorized to be appropriated to carry out the provisions of this title not to exceed $7,000,000 for the fiscal year ending June 30, 1976, and $2,000,000 for the fiscal year transition period from July 1, 1976, through September 30, 1976.".

ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a period for the conduct of morning business, not to exceed 15 minutes, with statements therein limited to 3 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. STONE) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees; and a message withdrawing the nomination of John L. Peterson, of Illinois, to be Administrator of the National Fire Prevention and Control Administration, which was submitted to the Senate on April 14, 1975.

(The nominations received today are printed at the end of the Senate proceedings.)

COMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. STONE) laid before the Senate the following letters, which were referred as indicated:

PROPOSED AMENDMENT OF STRIPPER WELL LEASE EXEMPTION REGULATION

A letter from the Administrator of the Federal Energy Administration transmitting, pursuant to law, a copy of a proposed amendment of stripper well lease exemption regulation with accompanying papers; to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PELL, from the Committee on Labor and Public Welfare, with amendments:

H.R. 4221. An act to amend the Higher Education Act of 1965, as amended, relative to the reallocation of work-study funds, and for other purposes (Rept. No. 94–141).

By Mr. RANDOLPH, from the Committee on Labor and Public Welfare, without amendment:

S. Con. Res. 11. A concurrent resolution to express as a national policy that all citizens have the right to live and work in a barrier-free environment (Rept. No. 94–142).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. WEICKER:

S. 1757. A bill to amend the Civil Rights Act of 1964 to make it an unlawful employment practice to discriminate against individuals who are physically handicapped because of such handicap. Referred to the Committee on Labor and Public Welfare.

By Mr. RANDOLPH (for himself, Mr. ROBERT C. BYRD, and Mr. SYMINGTON):

S. 1758. A bill to authorize the President of the United States to present in the name of Congress a Medal of Honor to Brig. Gen. Charles E. Yeager. Referred to the Committee on Armed Services.

By Mr. EAGLETON:

S. 1759. A bill to amend the provisions of title XVIII of the Social Security Act which relate to the definition of "spell of illness". Referred to the Committee on Finance.

By Mr. METCALF:

S. 1760. A bill to amend the Internal Revenue Code of 1954 to provide for public financing of Federal primary and general elections. Referred to the Committee on Finance.

By Mr. MATHIAS (for himself and Mr. BROOKE):

S. 1761. A bill to provide foreign assistance to Cyprus. Referred to the Committee on Foreign Relaitons.

By Mr. MATHIAS (for himself and Mr. BEALL):

S.J. Res. 85. A joint resolution authorizing and requesting the President to issue a proclamation designating September 14, 1975, as "National Saint Elizabeth Ann Seton Day." Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WEICKER:

S. 1757. A bill to amend the Civil Rights Act of 1964 to make it an unlawful employment practice to discriminate against individuals who are physically handicapped because of such handicap. Referred to the Committee on Labor and Public Welfare.

Mr. WEICKER. Mr. President, today I am introducing legislation to make it an unlawful employment practice to discriminate against any individual who is physically handicapped. Specifically, this bill would amend title VII of the Civil Rights Act of 1964 to protect the physically handicapped from job discrimination.

Mr. President, by adopting the Civil Rights Act of 1964, the Congress put itself on record against discrimination against minority groups. This action brought our laws into line with our beliefs, specifically the Declaration of Independence. Yet, for all the minority groups covered by that legislation, there was one unfortunate omission. America's physically handicapped deserve better than to be discriminated against on account of their handicaps, whether they be handicaps from birth, casualty in war, or whatever.

America abounds with living proof that those who suffer physical handicaps are not life's doomed. They are people equipped to make enormous contributions to themselves, their communities, their Nation. What this bill seeks to insure is that their path to contribution is not blocked, that they, like other minorities, have as their partisan the law of this Nation.

Mr. President, I would like to note the fact that the 1974 National Convention of Disabled American Veterans passed a resolution strongly supporting legislation of this sort.

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Furthermore, I am proud that Connecticut's General Assembly passed a resolution urging Congress to adopt legislation of the kind I am introducing today. This State legislative action, first of its kind in the country, maintains Connecticut's leadership role in the treatment of the handicapped and disabled.

By Mr. RANDOLPH (for himself, Mr. ROBERT C. BYRD, and Mr. SYMINGTON):

S. 1758. A bill to authorize the President of the United States to present in the name of Congress a Medal of Honor to Brig. Gen. Charles E. Yeager. Referred to the Committee on Armed Services.

Mr. RANDOLPH. Early in March, one of the notable figures in aviation history retired as Director of Aerospace Safety for the Air Force. Brig. Gen. Charles Elwood Yeager hung up his Air Force blues for the last time without fanfare, typical of the dedicated duty he has performed for more than 33 years as a service pilot.

Today, I introduce legislation commending one of the most singular heroic feats in the history of flying. The bill would authorize the President of the United States to present in the name of Congress a Medal of Honor to Charles E. Yeager.

On October 14, 1947, the then Capt. Charles E. Yeager, an Air Force test pilot, flew a small experimental rocket-powered aircraft, the Bell XS–1, through the sound barrier. He became the first man in history to deliberately fly faster than the speed of sound. His historic flight, following many months of tests and evaluation of the unknown, opened a new era in world aviation. Today, supersonic speeds are commonplace, but on that crucial date in October of 1947, there were many scientific authorities who remained convinced that man could never hope to achieve or survive supersonic speeds.

Mr. President, the purpose of this legislation is to make an exception to sections 8741 and 8744 of title 10, United States Code, by authorizing the award of the Medal of Honor to Brig. Gen. Charles E. Yeager. There is ample precedent for enacting legislation for a noncombat Medal of Honor during peacetime. Among past recipients have been such distinguished figures as Comdr. Richard E. Byrd, Jr. and Capt. Charles A. Lindbergh.

Each of these men crossed unchartered boundaries to explore a new frontier, and in so doing, provided new knowledge that enabled others to follow, and expanded the limits of man's world of new opportunities.

When I contemplate the heroic exploits of those brave men and others who have searched the heavens, I recall those stirring words of a pilot-poet:

> ". . . Up, up the long, delirious burning blue
> I've topped the wind-swept heights with easy grace
> Where never lark, or even eagle flew.
> And, while with silent, lifting mind I've trod
> The high untrespassed sanctity of space,
> Put out my hand, and touched the face of God."

I hope that my colleagues will join with me in supporting this measure to provide a deserved and timely tribute to a world-famous American who has demonstrated over the past four decades an outstanding devotion to his country. On July 9, 1974, I was joined by my fellow West Virginian, Senator ROBERT BYRD, in introducing similar legislation. A detailed account of General Yeager's flying career has been placed in the CONGRESSIONAL RECORD, 22061, by Representative KEN HECHLER of West Virginia, in whose district this outstanding airman was born. Those who review this record will be impressed with the scope of achievements in his background.

I ask unanimous consent that the legislation I am introducing be printed in the RECORD, together with a recent editorial entitled, "Yeager's Air Force Career Leaves Lasting Monuments," which appeared in the Huntington, (W. Va.) Advertiser.

There being no objection, the bill and editorial were ordered to be printed in the RECORD, as follows:

S. 1758

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the provisions of sections 8741 and 8744 of title 10, United States Code, the President of the United States may present in the name of Congress, a Medal of Honor to Brigadier General Charles E. Yeager, United States Air Force, for displaying heroic courage and skill as a pilot, at the risk of his life, by his flight of the XS–1 research airplane on October 14, 1947, at a speed faster than the speed of sound, demonstrating that manned aircraft could be safely flown through the theretofore thought deadly transonic zone or "sound barrier" and opening the door to a more rapid space exploration program.

[From the Huntington Advertiser, Mar. 6, 1975]

YEAGER'S AIR FORCE CAREER LEAVES LASTING MONUMENTS

In what easily could be considered the most unpublicized retirement ceremony in military history, Charles Elwood Yeager once again became a civilian last week. When he hung up his Air Force blues for the last time, he had spent 33 years and five months of his 52 years in that service.

It would be the understatement of all time to say that "Chuck" Yeager got more mileage out of a high school diploma than any man ever obtained.

Fresh out of Hamlin High, he enlisted in 1941 at the age of 18 in what was then known as the Army Air Corps. He was accepted for pilot training under the "flying sergeant" program the next year and got his appointment as a flight officer when he won his wings in March 1943 at Luke Field, Ariz.

When he retired, he was a brigadier general and director of aerospace safety for the Air Force, with world-wide supervisory responsibilities.

Between enlistment and retirement. Yeager was awarded virtually every high honor this nation can bestow in the field of aviation. He won both the MacKay and Collier Trophies in 1948, the latter presented to him by President Harry S. Truman. In 1954 he was voted the Harmon International Trophy and the presentation was made by President Dwight D. Eisenhower.

Credited with 13 "kills" of enemy aircraft in World War II. Yeager remained in aviation after peace came, and for nine years he ranked as America's No. 1 test pilot. He made world history Oct. 14, 1947, when he flew an aircraft faster than the speed of sound, first man ever to do so. In 1973 he was inducted into the Aviation Hall of Fame in Dayton, Ohio, the youngest man ever enshrined in that noble institution.

Although he mingled with and knew some of the nation's great figures, he never lost the friendly personality and infectious smile he perfected as a youngster in neighboring Lincoln County.

He was familiar with most of the large cities in the world, but never lost his love for small towns. As if to prove that, he and his wife Glennis now reside in Cedar Ridge, Calif. Neither Cedar Ridge nor Hamlin are listed among towns with populations of 2,500 or more.

Charles Elwood Yeager may be retired, but the contributions he made to aviation will be recognized and appreciated so long as men and planes continue to ply the "wild, blue yonder."

By Mr. EAGLETON:

S. 1759. A bill to amend the provisions of title XVIII of the Social Security Act which relate to the definition of "spell of illness." Referred to the Committee on Finance.

MEDICARE SPELL OF ILLNESS

Mr. EAGLETON. Mr. President, I am reintroducing today my proposal to enable elderly persons residing in nursing homes to break a medicare "spell of illness" or benefit period and renew their eligibility for hospital insurance benefits.

This proposal was first introduced in July 1973. In November 1973, it was accepted by the Senate as an amendment to H.R. 3153, the Social Security Amendments of 1973, but that bill died at the end of the 93d Congress when the House of Representatives declined to meet in conference with the Senate. Its enactment remains a matter of considerable importance to many elderly persons who reside in nursing homes.

Under the part A hospital insurance program, limited hospital, extended care, and home health benefits are available during a single "spell of illness." When those benefits are exhausted, no further benefits are available until there is a new benefit period. The "spell of illness" concept springs from the basic intent of medicare to provide protection against health care costs associated with relatively short-term acute illnesses.

Under current law, a benefit period is ended with the close of the first period of 60 consecutive days on each of which the individual "is neither an inpatient of a hospital nor an inpatient of a skilled nursing facility."

The result of the law is that a person who resides in a skilled nursing facility, even though he or she is receiving a level of care lower than skilled nursing, is unable to break a benefit period.

The situation was summarized very succinctly in a letter to me of April 20, 1972, from then Commissioner of Social Security Ball:

> Once a person has used up his benefit days, he cannot begin a new benefit period until he has not been an inpatient of any hospital or any institution that is primarily engaged in providing skilled nursing care for 60 consecutive days—whether or not the institution is participating in the Medicare program and regardless of the level of care he is receiving.

As we all know, many elderly people must spend their last years in a nursing home, not because they require skilled nursing care, but simply because they are no longer able to care for themselves in their own homes. Yet if the nursing home in which they reside is in part a skilled nursing facility, they are denied the medicare benefits available to persons fortunate enough to be able to remain in their homes.

When this situation came to the attention of the Congress in 1967, it was thought that the provision of 60 lifetime reserve hospital benefit days would solve the problem. However, in my judgment this has not proved to be an adequate and equitable solution.

First, even those lifetime reserve days may be exhausted. When that occurs, a person confined to a nursing home for the remainder of his days will have no further hospital insurance benefits under medicare.

Second, the copayment for lifetime reserve days is now $46 per day—a considerable burden on many elderly people.

It is my understanding that the law is written as it is because there is no concern that if a benefit period could be broken in the case of a nursing home resident by a 60-day period during which he or she was certified as receiving a level of care lower than skilled nursing care, the result might be an artificial shifting of patients back and forth between levels of care for the purpose of qualifying them for additional medicare benefits.

Whether or not this would occur, I believe the answer is not to deny all nursing home residents the opportunity to renew their eligibility for hospital insurance benefits but to devise an adequate test for determining whether a person is actually receiving long-term intermediate or personal care as opposed to skilled nursing care.

Therefore, my bill provides that a person residing in a skilled nursing facility may end a spell of illness with the close of the first period of 180 consecutive days on each of which he was receiving neither skilled nursing care nor rehabilitation services and the nursing home was not receiving payment for skilled nursing services provided him under the State's medicaid program.

With the enactment of my proposal, persons who require long-term nursing home care will be guaranteed the same benefits that are available to other medicare beneficiaries.

By Mr. METCALF:

S. 1760. A bill to amend the Internal Revenue Code of 1954 to provide for public financing of Federal primary and general elections. Referred to the Committee on Finance.

Mr. METCALF. Mr. President, the bill that I am introducing for appropriate reference today will establish an equitable procedure whereby all candidates for Federal elective office—including those seeking their parties' congressional and Presidential nomination in primaries—may receive financial assistance for their campaigns from the Treasury.

Clearly, we have come to a broad consensus in this country on the necessity of using tax revenues to defray, at least in part, the costs of election campaigns. The principle is firmly established in the tax checkoff, which together with the tax incentives provided in the 1971 campaign act reforms are intended to encourage more of our citizens to participate in the electoral process through smaller contributions and, ultimately, to reduce the disproportionate influence of the wealthy few.

Clearly, public acceptance of the tax checkoff approach is increasing steadily. Last year, according to Internal Revenue Service statistics, slightly over 1 in 10 persons filing Federal tax returns earmarked a $1 or $2 contribution. At present almost one in every four is taking this opportunity to participate in the Presidential election campaign fund.

I am delighted that the tax checkoff is being utilized by a growing number of our citizens. I am convinced that this voluntary approach should be retained, as it not only broadens the base of financial support for Federal election campaigns, but also increases individual participation in the electoral process.

Unfortunately, the formula we have established for distributing the money contributed by taxpayers in this manner is both constitutionally and practically deficient in many respects. In my judgment, present law fails to provide a satisfactory answer to what are perhaps the most critical questions of public funding: Who should be entitled to receive financial support, how much, and under what conditions, and from whom?

Mr. President, I submit that the best answers to these questions are also the simplest. We should let the citizen decide. That is precisely what my bill will do.

Briefly stated, my objections to the existing formula for disbursing these funds are as follows:

First, the availability of financial support is limited to Presidential primary and general election campaigns. It is true, of course, that greater sums usually are needed in Presidential campaigns. But it is equally true—and more to the point—that the availability of funds for House and Senate campaigns is far less in proportion to the need than it is in Presidential campaigns.

Moreover, because of the larger number and greater diversity of Presidential campaign funding sources, candidates for this office need less protection against influence by any single special interest group than do those running for House and Senate seats. Nothing in the Federal Election Campaign Amendments of 1974 will alleviate this problem, including the ceilings we placed on individual contributions. For while these ceilings may well be low enough to insulate a Presidential candidate from undue influence, they are still very generous when viewed as a proportion of the total that may be spent by congressional candidates. Unfortunately, Congress rejected partial funding for the campaigns of Senators and Representatives through the $1 and $2 contributions from the checkoff, leaving intact at least the appearance that well-heeled contributors can continue to exert disproportionate influence on holders of these offices.

Second, the formula inhibits political activity by some of our citizens discriminating against third parties, minor parties, and independent candidates. Candidates with substantial support in less than 20 States, parties which have neither nominating conventions nor primaries, independent candidates not nominated by conventions—all are placed at a disadvantage in competing for an opportunity to get their message across, to be elected to Federal office, and to influence the direction of public policy in this country.

I believe that all citizens have an equal right to political initiative and political action. By establishing "officially" supported parties, by providing full Government funding for the Presidential candidates of two "major" parties and lesser amounts for others who may qualify on the basis of votes received in the preceding election, by introducing a new element of inflexibility into our political system, the formula diminishes the rights of the individual which our laws regulating parties and political activity have traditionally sought to protect.

Third, there is no provision for the individual taxpayer to decide which party or candidate is to receive his or her contribution from the checkoff. The taxpayer simply marks the appropriate box—and Government does the rest. Certainly, in a democracy some citizens will always find themselves in a position of financing policies and governmental activities they feel are unnecessary or unwise. Thus, it can be argued, there is no particular reason why the individual should not provide financing for parties and candidates with whom they thoroughly disagree.

With all due respect, Mr. President, there is very little respect due this argument. There is in fact every reason to avoid direct Federal intervention in the relationship between the individual citizen and his choice of campaign recipients. Making financial contributions to candidates and parties is a critically important form of political action, carrying with it a sense of participation and involvement which is no less significant than the act of voting itself. While many of us find fund raising personally painful, the act of asking for contributions—the competition between the parties and candidates—is similarly important. For Government to enter this arena, to decide by an arbitrary formula who is to receive support and how much, is to remove the citizen a long step farther from those who must represent him and from a meaningful commitment to the kind of sustained political activity that our representative democracy requires.

With all of their potential for abuses, the sometimes absurd hoopla that accompanies them and occasionally their singularly unedifying approach to the

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issues, our freely contested elections lie at the heart of the American system.

Our laws with respect to the political and electoral processes should not tell people what to do. Such laws should be neutral in every possible sense and should only establish basic ground rules under which people may exercise their individual choices. The people—not the Government—must call the tune for the campaigns which are, as someone once said, the "dance of democracy."

Mr. President, as Senators know, various provisions of the Federal Election Campaign Act are presently being challenged in the courts. Included are sections dealing with public financing and, prior to its decision to remand, I asked leave of the Court of Appeals of the District of Columbia Circuit to file a brief amicus curiae and to participate in oral argument on the merits of this action, *Buckley et al.* v. *Valeo, et al.* (D.C.A. 75–1061). I stated my reasons for doing so in correspondence with Mr. David J. Anderson, the Government's attorney, and I ask unanimous consent that my letter to him of March 26, 1975, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMITTEE ON INTERIOR AND
INSULAR AFFAIRS,
Washington, D.C., March 26, 1975.

Re *Buckley et al.* v. *Valeo, et al.* (D.C.A. No. 75–1061).

Mr. DAVID J. ANDERSON,
Attorney at Law, U.S. Department of Justice,
Washington, D.C.

DEAR MR. ANDERSON: Today I have filed a motion (a copy of which is enclosed) with the Court of Appeals for the District of Columbia Circuit asking leave of the Court to file a brief amicus curiae and participate in oral argument on the merits in the action of *Buckley et al.* v. *Valeo, et al.* (D.C.A. 75–1061).

I have for a considerable period of time been an advocate of public financing for elections and believe enactment of procedures that are consistent with our Constitutional form of government could considerably eliminate reliance of candidates on large private campaign contributions and significantly improve presentation to the electorate of opposing viewpoints. In the 90th Congress, First Session, I introduced a voucher plan designed to achieve such objectives. Since the 90th Congress, the legislative branch has enacted a number of election campaign reform proposals, culminating last year in the enactment of the Federal Election Campaign Act Amendments of 1974, Public Law 93–443, 88 Stat. 1263. Unfortunately neither this new law nor any other proposal adopted by the legislative branch included the essential components of the voucher plan which I and many of my colleagues have advocated.

While campaign reform laws are crucial to restore confidence and integrity in our political system, I am concerned that the Congress and the country may have overreacted to the massive abuse of public trust evidenced in the 1972 Presidential election. Upon reflection, I am especially concerned that certain provisions of the new law may have overstepped the First and Fifth Amendment freedoms guaranteed by the Constitution, particularly with respect to the application of the new law to minority parties and independent candidates.

Concurrently, however, I am also in agreement with defendants' position regarding the crucial need for public financing procedures for elections to be enacted. I am concerned that should the judicial branch overturn the public financing section of the new law, which as I stated previously may be necessary to uphold certain Constitutional guarantees, irreparable damage may result with respect to the prospects of enacting alternative public financing proposals in the Congress. Accordingly, I am of the opinion that the judicial branch must be cognizant of a number of considerations and alternatives that otherwise may not be developed by the parties of this action and therefore have asked leave of the Court of Appeals to file an amicus curiae brief and to participate in oral argument on the merits.

I believe that the outcome of this action will have an extremely important and lasting impact on the future political processes of this country and look forward to working with you as this litigation progresses.

Very truly yours,

LEE METCALF.

Mr. METCALF. Subsequently, after remand, I requested and was granted leave by the U.S. district court to file a brief amicus curiae and participate in oral arguments on this action.

Mr. President, all of us are acutely aware of the need to restore integrity and public confidence in governmental institutions and elected public officials.

We must find appropriate ways to reduce the reliance of candidates on large, private campaign contributions. We must find alternative sources of campaign funds, for simply cutting back sharply on the amount of money available is not the answer. Indeed, a good case can be made for the proposition that American election campaigns are underfunded. Herbert Alexander, one of the leading students of political financing, makes this point in a series of comparisons:

First, in relation to other democratic countries, prevoter political expenditures in the United States are relatively low.

Second, the amount of money that is spent on political campaign—about $400 million on all levels in 1972—is miniscule compared to the sums that are spent advertising such products as cigarettes, detergents, soft drinks, and the like.

Third, the amount spent on electing candidates for Federal office is less than one-tenth of 1 percent of the sum that elected officials allocate every year in the Federal budget.

In any event, whatever the prospects for continuing increases in the amount of money required for this critically important form of civic education, we must find procedures, consistent with our constitutional form of Government, that will assure us of a source of untainted—but by no means disinterested—money for payment of necessary campaign expenses.

I believe that the best method of encouraging smaller contributions from more of our citizens is the voluntary checkoff, properly employed.

I believe the checkoff combined with the voucher system, as suggested in a bill I first introduced in 1967, will accomplish the objectives we have sought in the campaign funding reform effort that culminated in the 1974 FECA amendments, without any of the undesirable side effects of the present law.

Such a system, relatively simple to administer, will let the citizen do the deciding and the giving. The plan I have submitted requires no disbursement formula. It creates no legal obstacles to the full and free exercise of political initiative and political action on the part of any of our citizens. It meets all of the objections raised against the present law, except the one against using tax money at all, while retaining the innovative, eminently sensible and demonstrably workable tax checkoff device. It provides for contributions not only to Presidential candidates but to congressional candidates and party organizations as well.

Mr. President, I recognize the questions raised by entitling party orgainzations to receive and expend funds from vouchers transferred to them by taxpayers. There are those who argue that permitting the parties to redeem such vouchers will result in unnecessary competition between the parties and individual candidates. Others believe, however, that the state of party organizations in this country today makes it imperative that we do not tip the balance against them in the competition for funding. I am not wedded to the approach contained in my bill. But I am persuaded that the principle of party funding should be considered in this context, and have therefore included it to stimulate further discussion at this time.

Under my bill, the system would operate as follows:

All taxpayers who checked the appropriate box on their income tax forms would receive political campaign contribution vouchers from the Treasury. A box designated for "congressional elections" would appear on the tax forms every year; a separate "Presidential election" checkoff box would appear only in the 2 years preceding the Presidential election year.

This means that prior to each non-Presidential election year, each taxpayer would have been sent two vouchers designated for use in congressional races, one of which would have been received in time for use in the primaries if the taxpayers so desired. Otherwise he or she would be permitted to use both vouchers in the general election.

Prior to each Presidential election year, in addition to the congressional vouchers, the taxpayer would have been sent two vouchers designated for use in the Presidential race. Again, one of these would have been received in time for use in the primaries but would remain available for use in the general election if the taxpayer so desired.

To avoid abuses, however, these vouchers could not be carried over from election to election; they would become invalid after the date of the general election; they would become invalid after the date of the general election every 2 years.

Each voucher would be redeemable for $1 when presented to the Treasury Department, pursuant to regulations issued by the Federal Elections Commission, by qualified candidates, political committees and parties. The vouchers would have no value for anyone else, or for

any taxpayer who neglected or decided not to use them.

The Congress would appropriate sufficient funds to cover the number of vouchers requested annually and the amounts not redeemed by the end of each biennial campaign would revert to the Treasury.

Mr. President, this system would be virtually automatic in its operation. It would do no violence to existing or future political institutions or practices. It would not favor any candidate, political committee or party at the expense of any other.

It would benefit the entire political process, not only from the infusion of much needed and untainted money, but also from the stimulus to grassroots political activity and wider participation in political financing.

It would not protect or enhance the two "major" political parties, but it would permit diverse ideas to compete for attention and eventually join the mainstream of American political thought and action. And it would leave political choices and judgments to the good commonsense and creative intelligence of the American people.

I urge my colleagues and others interested in fair and responsible funding for Federal election campaigns to consider this system as an alternative to the disbursement formula in present law and I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1760

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled, That this Act may be cited as the "Federal Elections Campaign Financing Act".

SEC. 2. FEDERAL ELECTION CAMPAIGN FINANCING.

Subtitle H of the Internal Revenue Code of 1954 (relating to financing of presidential election campaigns) is amended to read as follows:

"Subtitle H—Financing of Federal Election Campaigns

"Chapter 95. Federal Election Campaigns.

Chapter 95—FEDERAL ELECTION CAMPAIGNS

"Sec. 9001. Short title.
"Sec. 9002. Definitions.
"Sec. 9003. Contribution vouchers.
"Sec. 9004. Redemption of contribution vouchers.
"Sec. 9005. Examinations and audits; repayments.
"Sec. 9006. Reports to Congress; regulations.
"Sec. 9007. Criminal penalties.

"SEC. 9001. SHORT TITLE.

"This chapter may be cited as the 'Federal Election Campaigns Financing Act'.

"SEC. 9002. DEFINITIONS.

"For purposes of this chapter—

"(1) The term 'authorized political committee' means a political committee which is authorized in writing by a qualified congressional candidate or qualified presidential candidate to incur qualified campaign expenses to further the nomination for election or election of such candidate. The authorization shall be addressed to the treasurer of such political committee and a copy of the authorization shall be filed by such candidate with the Commission. Any withdrawal of any authorization shall also be in writing and shall be addressed and filed in the same manner as the authorization.

"(2) The term 'Commission' means the Federal Election Commission established under section 310(a)(1) of the Federal Election Campaign Act of 1971.

"(3) The term 'election' means an election, including a runoff election, a nominating convention, or a caucus (or an election held by a political party for the purpose of electing delegates to such a convention or caucus) held by a political party for the purpose of nominating a candidate for election to be President, Senator, or Representative, and any regularly scheduled or special election held for the purpose of electing a candidate to such offices.

"(4) The term 'eligible taxable year' means a taxable year which ends during the two calendar years which immediately precede a calendar year in which a regular Presidential general election takes place.

"(5) The term 'political party' means—

"(A) an association, committee, or organization which is registered under the provisions of section 303 of the Federal Election Campaign Act of 1971 and has, within the 2-year period which ends on the date of such registration, nominated a qualified congressional candidate or a qualified presidential candidate whose name has appeared on the ballot in a Federal general election as the candidate of such association, committee, or organization, or

"(B) an association, committee, or organization which files with the Commission a petition which states the intent of such association, committee, or organization to nominate a qualified congressional candidate or a qualified presidential candidate as the candidate of such association, committee, or organization in a Federal general election in one or more States and which includes the signatures of more than 5,000 individuals who are eligible to vote in Federal general elections.

"(6) The term 'qualified campaign expenses' means—

"(A) with respect to congressional election campaign contribution vouchers, except as provided in subparagraph (C), expenditures (as defined in section 591(f) of title 18) made in connection with the election campaign of a qualified congressional candidate,

"(B) with respect to presidential election campaign contribution vouchers, except as provided in subparagraph (C), expenditures (as defined in section 591(f) of title 18) made in connection with the election campaign of a qualified presidential candidate, and

"(C) with respect to congressional campaign contribution vouchers and presidential election campaign contribution vouchers transferred to a political party, expenditures (as defined in section 591(f) of title 18) made in connection with an election campaign of a qualified congressional candidate or of a qualified presidential candidate.

"(7) The term 'qualified congressional candidate' means an individual who seeks nomination for election or election to be a Senator or a Representative and who takes the action necessary under the law of a State to qualify himself for nomination for election or election.

"(8) The term 'qualified presidential candidate' means an individual who seeks nomination for election or election to be President and takes the action necessary under the law of a State to qualify himself for nomination for election or election.

"(9) The term 'Representative' means a Representative, the Resident Commissioner from the Commonwealth of Puerto Rico, and the Delegates from the District of Columbia, Guam, and the Virgin Islands.

"(10) The term 'tax liability' means the amount of the tax imposed under chapter 1 on the taxpayer for the taxable year reduced by the sum of the credits allowed to such taxpayer under sections 33, 37, 38, 40, 41, 42, and 44.

"SEC. 9003. CONTRIBUTION VOUCHERS.

"(a) IN GENERAL.—

"(1) Congressional election campaign contribution vouchers.—Each individual, other than a nonresident alien, whose income tax liability for the taxable year is more than $1 ($2 in the case of married individuals filing a joint return of tax under the provisions of section 6013) may elect to receive one congressional election campaign contribution voucher for that taxable year.

"(2) Presidential election campaign contribution vouchers.—Each individual, other than a nonresident alien, whose income tax liability for an eligible taxable year is more than $1 ($2 in the case of married individuals filing a joint return of tax under section 6013) may elect to receive one presidential election campaign contribution voucher for such eligible taxable year.

"(b) ISSUANCE OF CONTRIBUTION VOUCHERS.—Upon receiving an election for a taxable year under the provisions of subsection (a), the Secretary or his delegate shall promptly issue one congressional election campaign contribution voucher or one presidential election campaign contribution voucher, or both, to the taxpayer who made such election.

"(c) PERIOD OF VALIDITY.—

"(1) CONGRESSIONAL ELECTION CAMPAIGN CONTRIBUTION VOUCHERS.—A congressional election campaign contribution voucher issued under subsection (b) shall be valid for purposes of redemption under the provisions of section 9004 during the period which begins on the day on which the Secretary or his delegate issues such contribution voucher and ends on November 30 of the first calendar year in which a regular Congressional general election takes place after such date of issue.

"(2) PRESIDENTIAL ELECTION CAMPAIGN CONTRIBUTION VOUCHERS.—A presidential election campaign contribution voucher issued under subsection (b) shall be valid for purposes of redemption under the provisions of section 9004 during the period which begins on the day on which the Secretary or his delegate issues such contribution voucher and ends on November 30 of the first calendar year in which a regular Presidential general election takes place after such date of issue.

"(d) TRANSFER OF CONTRIBUTION VOUCHERS.—

"(1) CONGRESSIONAL ELECTION CAMPAIGN CONTRIBUTION VOUCHERS.—Each individual who receives a congressional election campaign contribution voucher under the provisions of subsection (b) may transfer such contribution voucher to any qualified congressional candidate or to any authorized political committee of such candidate for use in connection with his election campaign, or to any political party for use in connection with any election campaign.

"(2) PRESIDENTIAL ELECTION CAMPAIGN CONTRIBUTION VOUCHERS.—Each individual who has received a presidential election campaign contribution voucher under the provisions of subsection (b) may transfer such contribution voucher to any qualified presidential candidate or any authorized political committee of such candidate for use in connection with his election campaign, or to any political party for use in connection with any election campaign.

"(3) TRANSFER NOT AN EXPENDITURE OR CONTRIBUTION.—For purposes of sections 608 (a) and (b) of title 18, transfer of a contribution voucher by an individual under this subsection shall not be considered to be an expenditure or a contribution by such individual.

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"Sec. 9004. Redemption of Contribution Vouchers.

"(a) In General.—Each qualified congressional candidate, qualified presidential candidate, authorized political committee, or political party which receives a contribution voucher from a taxpayer under the provisions of section 9003 may present such contribution voucher for redemption at the time, place, and in the manner prescribed by the Commission, after consulting the Secretary or his delegate, in regulations. Such presentation may be made by a transfer agent who is authorized by the candidate or the chairman of the political party in writing. Such authorization shall be filed with the Commission and Secretary or his delegate.

"(b) Payment.—After determining to its satisfaction that a contribution voucher presented to it by a candidate, committee, or party under subsection (a) has been transferred by a taxpayer to such candidate, committee, or party under section 9003 (d) and that such contribution voucher is valid under section 9003 (c), the Commission shall immediately certify to the Secretary or his delegate that it has received such voucher. Upon receipt of such a certification, the Secretary or his delegate shall pay to such candidate, committee, or party $1 for each contribution voucher so certified.

"(c) Limitations.—The total amount of payments which a candidate and his authorized committees or which a political party may receive under subsection (a) may not exceed the expenditure limitation applicable to such candidate and his authorized political committees or to such political party under section 608 (c) or (f) of title 18, as applicable.

"(d) Authorization of Appropriations.—There are authorized to be appropriated to the Secretary or his delegate such sums as are necessary to carry out the provisions of this chapter.

"Sec. 9005. Examinations and Audits; Repayments.

"(a) Examinations and Audits.—After each Federal general election, the Commission shall conduct a thorough examination and audit of the qualified campaign expenses of every candidate and his authorized committees and of every political party which received payments under section 9004.

"(b) Repayments.—

"(1) Excess payments.—If the Commission determines that any portion of the payments made to a candidate and his authorized political committees or to a political party under section 9004 is in excess of the aggregate amount of payments to such candidate or political party is allowed under section 9004(c), it shall notify the candidate or political party, and the candidate or political party shall pay to the Secretary or his delegate an amount equal to the amount of excess payments.

"(2) Unlawfully used payments.—If the Commission determines that any amount of any payment made to a candidate and his authorized political committees or to a political party under section 9004 was used for any purpose other than—

"(A) to defray qualified campaign expenses incurred by such candidate and committees or by such party, or

"(B) to repay loans the proceeds of which were used, or otherwise to restore funds (other than contributions to defray qualified campaign expenses which were received and expended) which were used to defray qualified campaign expenses,

it shall notify such candidate or such party of the amounts so used, and the candidate or party shall pay to the Secretary of the Treasury an amount equal to such amount.

"(c) Deposit of Repayments.—All payments received by the Secretary or his delegate under subsection (b) shall be covered into the General Fund of the Treasury as miscellaneous receipts.

"Sec. 9006. Reports to Congress; Regulations.

"(a) Reports.—The Commission shall, as soon as practicable after the end of each calendar year in which there is a Federal general election, submit a full report to the Senate and House of Representatives setting forth—

"(1) the qualified campaign expenses (shown in such detail as the Commission determines necessary) incurred by the qualified candidates and their authorized committees and by political parties in connection with such election,

"(2) the amounts paid by it under section 9004 to each eligible candidate and his authorized committees and to each political party, and

"(3) the amount of payments, if any, required from candidates or political parties under section 9005(b), and the reasons for each payment required.

"(b) Regulations, Etc.—The Commission is authorized to prescribe regulations, to conduct examinations and audits (in addition to the examinations and audits required by section 9005(a)), to conduct investigations, and to require the keeping and submission of any books, records, and information which it determines to be necessary to carry out its responsibilities under this chapter.

"Sec. 9007. Criminal Penalties.

"(a) Purchase or Sale of Contribution Vouchers.—No person may sell, offer to sell, purchase, or offer to purchase a congressional election campaign contribution voucher or a presidential election campaign contribution voucher issued under section 9003. Violation of the provisions of this subsection is punishable by a fine not to exceed $25,000, imprisonment for not more than 1 year, or both.

"(b) Unlawful Use of Payments.—

"(1) In General.—No person who receives any payment under section 9004, or to whom any portion of such payment is transferred, may knowingly and willfully use, or authorize the use of, such payment or such portion for any purpose other than—

"(A) to defray qualified campaign expenses, or

"(B) to repay loans the proceeds of which were used, or otherwise to restore funds (other than contributions to defray qualified campaign expenses which were received and expended) which were used, to defray qualified campaign expenses.

"(2) Penalty.—Violation of the provisions of paragraph (1) is punishable by a fine not to exceed $25,000, imprisonment for not more than 1 year, or both.

"(c) False Statements, Etc.—

"(1) In General.—No person may knowingly and willfully—

"(A) furnish any false, fictitious, or fraudulent evidence, books, or information to the Commission under this chapter, or include in any evidence, books, or information so furnished any misrepresentation of a material fact, or falsify or conceal any evidence, books, or information relevant to an examination and audit by the Commission under this chapter, or

"(B) fail to furnish the Commission any records, books, or information requested by it for purposes of this chapter.

"(2) Penalty.—Violation of the provisions of paragraph (1) is punishable by a fine not to exceed $25,000, imprisonment for not more than 1 year, or both.

"(d) Failure to Make Repayments.—

"(1) In general.—Violation of the provisions of section 9005(b) is punishable by a fine not to exceed $25,000, imprisonment for not more than 1 year, or both.

"(2) Additional penalty.—In addition to any penalty provided under paragraph (1), any person who fails to make a repayment under section 9005(b) shall pay to the Secretary of the Treasury or his delegate for deposit in the General Fund of the Treasury an amount equal to 125 percent of the amount which is not repaid.

"(e) Kickbacks and Illegal Payments.—

"(1) In general.—No person may knowingly and willfully give or accept any kickback or illegal payment in connection with any qualified campaign expense of a candidate, or his authorized committees, or of a political party if such person receives payments under section 9004.

"(2) Penalty.—Violation of the provisions of paragraph (1) is punishable by a fine not to exceed $25,000, imprisonment for not more that 1 year, or both.

"(3) Additional penalty.—In addition to the penalty provided under paragraph (2), any person who accepts any kickback or illegal payment in connection with any qualified campaign expense of a candidate, or his authorized committees, or of a political party shall pay to the Secretary or his delegate for deposit in the General Fund of the Treasury an amount equal to 125 percent of the kickback or payment received."

Sec. 3. Effective Date and Technical Amendments.

(a) Effective Date.—The amendments made by this section apply with respect to taxable years beginning after December 31, 1974.

(b) Technical Amendments.—

(1) Section 6096 of the Internal Revenue Code of 1954 (relating to designation of payments to Presidential Election Campaign Fund) is repealed.

(2) Section 403 of the Federal Election Campaign Act Amendments of 1974 is repealed.

By Mr. MATHIAS (for himself and Mr. Brooke):

S. 1761. A bill to provide foreign assistance to Cyprus. Referred to the Committee on Foreign Relations.

Mr. MATHIAS. Mr. President, as we approach a new fiscal year and as the parties to the Cyprus dispute continue negotiations toward a settlement, I believe it would be helpful and appropriate for the United States to give a new, tangible expression of America's concern for the people of Cyprus which will continue toward the establishment of a peaceful, prosperous Cyprus.

I am, therefore, proposing the appropriation of $25 million for humanitarian aid to the people of Cyprus during the next fiscal year, and I have introduced a bill to authorize such an appropriation on behalf of the Senator from Massachusetts (Mr. Brooke) and myself.

While we focus on our vital security interests which require that we maintain the integrity of NATO, we must not lose sight of the human dimension of the Cyprus problem and of the need for food, shelter, and economic development which can ease the burden of the refugees. In the south alone, some 140,000 displaced persons remain in need of assistance in one form or another. The relief effort has been efficiently and effectively run by the Cypriot authorities, working in conjunction with the International Committee of the Red Cross and the U.N. High Commission for Refugees which, at U.N. Secretary General Waldheim's request, has coordinated international contributions to the Cyprus relief effort. Further contributions will, however, be required from the international community.

The United States has to date provided a total of $14.1 million to the Cyprus relief effort—$10.9 million through the U.N. High Commission for Refugees and $3.2 million through the International Red Cross. I also understand that the remaining portion of the $25 million authorized will be obligated shortly. Therefore, further relief will be necessary.

I understand that the Department of State and the Agency for International Development are now in the final stages of preparing a program for fiscal year 1976 for assistance to Cyprus and will support, in principle, the proposal we have offered. As now envisioned, this program will go beyond meeting immediate relief needs and will include assistance to improved housing and living conditions of displaced persons, and food-for-work and other projects designed to provide employment and make displaced persons more self-sufficient. The United Nations Development Program, for example, is completing a feasibility study for the reforestation of 89,000 acres of forest destroyed by fires during the conflict of last summer, and this is another area in which we might be able to assist. We expect plans for this and other work relief activities to become more fully developed by early fiscal year 1976.

I therefore urge support for additional generous assistance for Cyprus.

By Mr. MATHIAS (for himself and Mr. Beall):

S.J. Res. 85. A joint resolution authorizing and requesting the President to issue a proclamation designating September 14, 1975, as "National Saint Elizabeth Ann Seton Day." Referred to the Committee on the Judiciary.

NATIONAL ELIZABETH ANN SETON DAY

Mr. MATHIAS. Mr. President, on September 14 of this year, Blessed Mother Elizabeth Ann Bailey Seton, will be canonized in Rome as the first American born Catholic saint. Blessed Mother Seton founded the first American Community of the Sisters of Charity in 1808 and the first parochial school in the United States. Her remains are enshrined in the chapel of the St. Joseph's Provincial House in Emmitsburg, Md.

The interest in Mother Seton's canonization began formally 30 years ago when her cause for sainthood was introduced to the Sacred Congregation. A native of New York, she was widowed at an early age and converted to Catholicism. She was subsequently invited by the director of St. Mary's College in Baltimore to establish a girls' school. Mother Seton died of tuberculosis January 4, 1821. Her life and her works of charity are well known and it is only fitting that the crowning jewel of canonization be placed on her name.

The resolution I am introducing today would designate September 14, 1975, as "National Saint Elizabeth Ann Seton Day," in honor of her canonization. Catholics in America and abroad will celebrate this day with thanks and hope that the ideals of Blessed Elizabeth Seton will be carried on in religious as well as lay societies. The Archdiocese of Washington, in its 1975 Archbishop's Appeal for charitable departments and agencies' support, has named Blessed Seton as its model for its appeal effort. I hope that we in Congress may add our voice of praise to those persons of good will everywhere for this ultimate recognition of Blessed Mother Elizabeth Seton's devotion to God and her fellow human beings.

ADDITIONAL COSPONSORS OF BILLS

S. 123

At the request of Mr. Inouye, the Senator from Utah (Mr. Moss) was added as a cosponsor of S. 123, a bill to amendment title XVIII of the Social Security Act.

S. 835

At the request of Mr. McClure, the Senator from Arkansas (Mr. Bumpers) was added as a cosponsor of S. 835, a bill to provide for a share of gross timber receipts from national forests to States for schools and roads.

S. 1268

At the request of Mr. Metcalf, the Senator from Maryland (Mr. Mathias) was added as a cosponsor of S. 1268, a bill to establish congressional policy direction for the administration and management of the National Wildlife Refuge System; to establish the "National Wildlife Refuge Service"; to provide authority for study, review, and establishment of additional units of the National Wildlife Refuge System.

S. 1293

At the request of Mr. Metcalf, the Senator from Maryland (Mr. Mathias) was added as a cosponsor of S. 1293, a bill to establish the Charles M. Russell National Wildlife Range; the Charles Sheldon National Wildlife Range; and the Kofa National Wildlife Refuge as part of the National Wildlife Refuge System, and for other purposes.

S. 1652

At the request of Mr. Stone, the Senator from Pennsylvania (Mr. Hugh Scott) and the Senator from Minnesota (Mr. Humphrey) were added as cosponsors of S. 1652, a bill to amend the Internal Revenue Code of 1954 to provide that no interest is payable on income tax deficiencies in the case of returns prepared by the Internal Revenue Service until the expiration of 30 days after notice to the taxpayer of such deficiency.

S. 1654

At the request of Mr. Humphrey, the Senator from Massachusetts (Mr. Kennedy) was added as a cosponsor of S. 1654, a bill to amend the Agricultural Trade Development and Assistance Act of 1954.

SENATE JOINT RESOLUTION 73

At the request of Mr. Hugh Scott, the Senator from New Mexico (Mr. Domenici) was added as a cosponsor of Senate Joint Resolution 73, "My America Week."

SENATE JOINT RESOLUTION 78

At the request of Mr. Fannin, the Senator from New Mexico (Mr. Domenici) was added as a cosponsor of Senate Joint Resolution 78, to designate "National Patriotism Week."

SENATE CONCURRENT RESOLUTION 11

At the request of Mr. Randolph, the Senator from New Mexico (Mr. Domenici) was added as a cosponsor of Senate Concurrent Resolution 11, expressing as a national policy that all citizens have the right to live and work in a barrier-free environment.

SENATE RESOLUTION 159—SUBMISSION OF A RESOLUTION TO CHANGE THE NAME OF THE COMMITTEE ON FOREIGN RELATIONS

(Referred to the Committee on Rules and Administration.)

Mr. HUMPHREY submitted the following resolution:

S. Res. 159

Resolved, That (a) paragraph 6(a) of rule XVI of the Standing Rules of the Senate is amended by striking out "Committee on Foreign Relations" and inserting in lieu thereof "Committee on International Relations".

(b)(1) Paragraph 1(i) of rule XXV of the Standing Rules of the Senate is amended by striking out "Committee on Foreign Relations" and inserting in lieu thereof "Committee on International Relations".

(2) Paragraph 2 of such rule is amended by striking out "Foreign Relations" and inserting in lieu thereof "International Relations".

(c) Paragraph 6(e) of rule XXV of the Standing Rules of the Senate is amended by striking out "Committee on Foreign Relations" and inserting in lieu thereof "Committee on International Relations".

Sec. 2. Reference in any law or regulation of the United States to the Committee on Foreign Relations of the Senate shall be deemed to be a reference to the Committee on International Relations of the Senate.

ON CHANGING THE NAME OF THE COMMITTEE ON FOREIGN RELATIONS TO THE COMMITTEE ON INTERNATIONAL RELATIONS

Mr. HUMPHREY. Mr. President, I have been a long-time advocate of congressional reform. Today, in the spirit of such reform and in the spirit of modernity, I submit legislation to change the name of the Committee on Foreign Relations to the Committee on International Relations.

I am sure that some people will say that such a change is merely cosmetic, but I believe that it would be highly symbolic and an appropriate recognition by the Congress of the changing nature of America's role in the world.

The fact is that there is not much very foreign about America's global relations. We have learned that our world is increasingly interdependent. America's financial, cultural, commercial, political and security arrangements are intertwined with the destiny of other nations. We can no longer afford the splendid isolation of former days. Our future lies in the success of numerous international endeavors, ranging from NATO to participation in international financial institutions and to the United Nations. Deeign policy. Whether it is in the field of lations with individual nations, institutional interdependence will increasingly become the foundation of American foreign policy. Whether it is in the field of international energy research, nuclear disarmament or environmental control, this country has a great stake in fostering a greater degree of global interdependence.

The words "Foreign Relations Committee" have unfortunately become a linguistic anachronism. They date from the time when the New World was, indeed, another world. The United States can no longer view the world scene from the Olympian heights where Washington must have stood when he warned us in his farewell address against "foreign entanglements."

Our universities and colleges now teach "international relations"—not "foreign relations."

It would be appropriate on the occasion of our Bicentennial for the Foreign Relations Committee to recognize that it exists as a functioning institution in the last quarter of the 20th century by changing its name. I am sure there will be those who say that we must stick with tradition. But tradition in this case means being old fashioned.

Actually, on the basis of tradition there is ample justification. After all, Senator Bayard and Congressman Henry Clay were two of the five members of the Peace Committee which negotiated the Treaty of Ghant. Senators Vandenberg and Connolly attended the original United Nations Conference in San Francisco in 1945. Since then, it has become customary for two members of the Foreign Relations Committee to represent the United States at the United Nations General Assembly. Senators have often been appointed as delegates to international conferences and have engaged in international parliamentary contacts. An essential part of our committee's work is conferring with officials of other lands, both here and abroad. And it is through the Committee on Foreign Relations that such measures so international in scope as the Peace Corps, the Alliance for Progress, and the Limited Test Ban Treaty have passed.

It is not surprising that the House of Representatives has just passed legislation like that which I propose today. And in addition to changing the name of their committee, House Members added the word "International" to 7 of the committee's 10 subcommittee titles.

Mr. President, the Senate of the United States needs an international outlook. It needs a Committee on International Relations. It needs to be part of the policy process carried out by the executive branch, which means so much to the prosperity and security of our Nation. I hope that the measure I introduce today will receive the strong bipartisan support of Senators who believe as I do that congressional reform should be encouraged and accomplished so that the Congress can retain what is best from its past and secure for the future institutions and processes ready for a changing America.

AMENDMENTS SUBMITTED FOR PRINTING

AUTHORIZATION OF APPROPRIATIONS FOR THE ADMINISTRATION OF FOREIGN AFFAIRS—S. 1517

AMENDMENT NO. 48

(Ordered to be printed and referred to the Committee on Foreign Relations.)

Mr. HUMPHREY. Mr. President, the People's Republic of China has become one of the fastest growing markets for U.S. farm commodities. Yet, I am surprised that the United States still has not established an agricultural attaché post in this country.

While 80 percent of United States-China trade is agricultural, we have assigned three commercial officers to our mission in Peking and not a single agricultural officer. In view of the present and potential importance of the People's Republic of China to the American farmer, U.S. business, and our Federal Government, I think that steps should be taken to address the agricultural and market intelligence and sales promotion needs that can be provided by our foreign agricultural attachés.

In this regard, I am submitting an amendment to S. 1517, which would add, as a part of the State Department authorization bill, a statement of the sense of the Congress that an agricultural attaché should be established in the People's Republic of China.

ADDITIONAL COSPONSOR OF AN AMENDMENT

AMENDMENT NO. 24

At the request of Mr. Williams, the Senator from California (Mr. Cranston) was added as a cosponsor of amendment No. 24, intended to be proposed to the bill (S. 425) the Foreign Investment Act of 1975.

NOTICE OF HEARINGS

Mr. CRANSTON. Mr. President, the Subcommittee on Health and Hospitals, which I am privileged to chair, of the Committee on Veterans' Affairs will hold hearings on May 22 and May 23 on S. 1711, the proposed Veterans' Administration Physician Pay Comparability Act of 1975, and related legislation. This bill provides special pay and other improvements designed to enhance the recruits and retention of physicians, dentists, nursing personnel, and other health care personnel in the Department of Medicine and Surgery of the Veterans' Administration.

The hearings will begin at 9:30 each morning and will be held in room 4200 of the Dirksen Senate Office Building.

The committee looks forward to hearing testimony from Dr. John Chase, Chief Medical Director of the Veterans' Administration Department of Medicine and Surgery, as the leadoff witness. We will also be receiving testimony from other officials in the Veterans' Administration hospital system, the special medical advisory group of the Department of Medicine and Surgery, the National Committee of Concerned VA Physicians, veterans organizations, the Association of American Medical Colleges, the American Nurses Association, the American Federation of Government Employees, and other interested groups.

In an effort to increase the number of physicians in the Armed Forces and the U.S. Public Health Service, Congress last year enacted legislation—Public Law 93–274—to authorize the payment of cash bonuses to physicians who agreed to serve in the military or the PHS. Bonus payments of up to $13,500 a year for 4 years were authorized under such agreements. Physicians in these services can now earn as much as $55,594 a year, and the average salary is over $37,000.

Physicians in the VA health care system were not included under that legislation. The salary of a VA physician cannot exceed $36,000 due to the statutory ceiling on Federal salaries. The average VA physician's salary is $31,000, substantially less than his or her peers in the two other major Federal health services or in private medical practice. Because of this lack of physician pay comparability, in the last year literally hundreds of VA physicians have left the VA for other, more lucrative jobs, and the exodus has reached the point where the continued high quality of VA health care is threatened.

S. 1711 would give the VA the same authority to pay special bonuses to VA physicians as the military and Public Health Service were given last year.

Anyone who desires to submit information regarding these subjects or a written statement for inclusion in the hearing record should contact Larry White at 224–1331 or 224–9887 as soon as possible.

NOTICE OF HEARING

Mr. BURDICK. Mr. President, as chairman of the Judiciary Committee's Subcommittee on National Penitentiaries, I wish to announce that hearings for consideration of S. 1243, legislation providing for the relocation of certain District of Columbia correctional facilities, have been scheduled at 10 a.m. on June 17 and 24, 1975, in room 6202 of the Dirksen Office Building.

The legislation sets a January 1, 1978, deadline for the District of Columbia to construct penal facilities within its own boundaries capable of housing the inmate population which is now located in the Lorton Penal Institutions in the Lorton-Occoquan area of Fairfax County, Va. If the District has not complied by that date, the Attorney General may select a site within the District for the construction of such facilities or may

take other steps to transfer the inmate population from the Lorton facility. The legislation also provides that any new construction would be financed by the proceeds from the sale of the land and buildings at the present Lorton site, as well as any moneys already appropriated by Congress for renovations or improvements at Lorton.

Any person who wishes to testify or submit a statement for inclusion in the record should communicate as soon as possible with the Subcommittee on National Penitentiaries, room A–404 Senate Annex, telephone 224–5461.

NOTICE OF HEARINGS ON OPERATING EXPERIENCES UNDER THE STATE AND LOCAL FISCAL ASSISTANCE ACT OF 1972

Mr. HATHAWAY. Mr. President, I wish to announce that the Subcommittee on Revenue Sharing will hold hearings on operating experiences under the Federal revenue sharing program.

The hearings will be held on May 21 and 22, 1975, at 10 a.m., in room 2221, Dirksen Senate Office Building. On May 21 the subcommittee will receive testimony from the following witnesses:

The Honorable Neil Goldschmidt, mayor of Portland, Oreg.

The Honorable John Poelker, mayor of St. Louis, Mo.

The Honorable Charles Joseph, mayor of Benton Harbor, Mich.

The Honorable Woodrow W. Dumas, mayor of Baton Rouge, La.

The Honorable Moon Landrieu, mayor of New Orleans, La.

On May 22 the subcommittee will receive testimony from Mr. George Rienke, county executive, Dane County, Wis., and several additional witnesses, to be announced.

Each of the witnesses is requested to incorporate in his testimony and furnish for the record written responses to the following questions:

First. What were the principal uses of your general revenue sharing entitlements from 1973 to 1975?

Second. In what ways did your Government decide how these funds should be allocated? What kind of citizen participation did you experience in setting priorities? Does this in any way differ from your normal experience?

Third. How would you compare your experience with general revenue sharing to other major Federal aid programs in which you participate? How would you compare these programs in terms of—

(a) method of expending funds;

(b) accounting and auditing standards;

(c) reporting requirements;

(d) certainty of funding;

(e) use requirements—latitude in decision-making; and

(f) public awareness of funding and utilization.

Fourth. Since the availability of general revenue sharing, what impact have these funds had on the level and composition of your revenues and expenditures?

Fifth. What, if any, legislative modifications are needed based on your experiences?

Sixth. Please provide in tabular form a summary of the general revenue sharing entitlements you have received and expenditures you have made since enactment of this program—in terms of your entire operating budget.

Further hearings are contemplated so that additional testimony will be received by the subcommittee.

Legislative Reorganization Act. The Legislative Reorganization Act of 1946, as amended, requires all witnesses appearing before the committees of Congress—

> To file in advance written statements of their proposed testimony, and to limit their oral presentations to brief summaries of their argument.

Witnesses scheduled to testify must comply with the following rules:

(1) A copy of the statement must be filed by the close of business two days before the day the witness is scheduled to testify.

(2) All witnesses must include with their written statement a *summary of the principal points included in the statement.*

(3) The written statements must be typed on letter-size paper (not legal size) and at least *75 copies* must be submitted by the close of business the day before the witness is scheduled to testify.

(4) *Witnesses are not to read their written statements* to the Subcommittee, but are to confine their ten-minute oral presentations to a summary of the points included in the statement.

(5) Not more than ten minutes will be allowed for oral presentation.

Written statements. Persons who desire to present their views to the subcommittee are urged to prepare a written statement for submission and inclusion in the printed record of the hearings. These written statements should be submitted to Michael Stern, Staff Director, Committee on Finance, room 2227, Dirksen Senate Office Building on or before June 6, 1975.

ADDITIONAL STATEMENTS

FORD'S VETO STANDS UP

Mr. FANNIN. Mr. President, if the United States is to recover economic stability, Congress is going to have to start showing more responsibility in the passage of legislation. At least a half dozen important bills passed by the Senate this year would serve to increase inflation, curtail energy production or cause other effects detrimental to economic recovery.

The farm bill was one such piece of legislation, and I am encouraged that the House of Representatives upheld President Ford's veto. The Congress seem determined to fight the President rather than to work with him. This is indeed unfortunate in this time of crisis.

Mr. President, the Arizona Republic yesterday carried an editorial commenting on the veto of the farm bill and the need for a veto of the strip mining legislation. I ask unanimous consent to have the editorial printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Ford's Veto Stands Up

The U.S. House of Representatives, in one of its rare bursts of fiscal responsibility, Tuesday upheld President Ford's veto on the one-year emergency farm bill.

Although the Democrats have two-thirds majorities in both houses, they were 40 votes short of getting the magical number to override the veto. The House action kills the bill without a Senate vote.

President Ford opposed the passage because he said it would add at least $1.8 billion to the 1976 budget, which already calls for a $60 billion deficit. The bill would have increased the target prices and interest rates on wheat loans by 51 percent, on corn by 63 percent and on cotton loans by about 18 percent. Dairy product price supports would have been mandated at 80 percent of parity.

The inflationary effects of the farm bill would have boosted prices as well as increased the budgetary deficit. That's why Ford vetoed it, and that's why the House upheld the veto.

Tuesday's precedent undoubtedly will encourage President Ford to veto the strip mining law, now awaiting presidential action. The new bill is much like the one Ford vetoed last year.

Surface Mining Control and Reclamation Act of 1975 sets minimum standards that states must observe in legislating strip mining control programs. It requires strip miners to return mined land to its original contours and establishes a per-ton tax on mined minerals to be used for the rehabilitation of "orphan" lands already stripped.

The measure will boost the cost of producing coal at the very time that Congress is urging everyone to cut down on energy usage. It will affect public utility rates, a large part of which is based on the cost of coal. The strip mining bill should be vetoed, and if enough people speak out loudly enough the veto will be upheld.

WORLDWIDE SUGAR SITUATION

Mr. INOUYE. Mr. President, I would like to express my continuing concern with the world situation as regards sugar. With the termination of the 40-year-old Sugar Act on December 21, 1974, we have all seen great fluctuation in the price of sugar worldwide. Since the United States produces only 55 percent of the sugar it consumes, and since world production has fallen below world consumption in the past 4 years, I would like to stress the importance of legislation protecting the Nation's supplies of sugar and assuring a stable price. It is well known that the State of Hawaii plays an important role in the production of this basic consumer product. I am, therefore, pleased to submit evidence of support to the adoption of a new Sugar Act, in the form of House Concurrent Resolution 60, passed on February 18, 1975 in both the house and senate of the eighth legislature of the State of Hawaii. This is one more example of the importance of legislation to the sugar producers in the United States. The significance of legislation to the consuming public has also been amply demonstrated in the marketplace this past year.

I ask unanimous consent that the text of the resolution be printed in the Record.

There being no objection, the text of the resolution was ordered to be printed in the RECORD, as follows:

HOUSE CONCURRENT RESOLUTION, REQUESTING THE HAWAII STATE CONGRESSIONAL DELEGATION TO SUPPORT THE PASSAGE OF A SUGAR ACT.

Whereas, the United States Sugar Act of 1948, as amended in 1971, expired on December 31, 1974; and

Whereas, partly because of the failure of the United States Congress to renew the Sugar Act, sugar prices in the United States were affected by wide price fluctuations in the world sugar market; and

Whereas, while foreign sugar producers who had quotas under the United States Sugar Act had consistently fulfilled their commitments to deliver raw sugar to the U.S. market because of the stability the Sugar Act provided, such producers, in the absence of the Sugar Act, no longer felt obligated to supply sugar to the United States market; and

Whereas, one result was that raw sugar which ordinarily would have been delivered to the U.S. refiners found other markets, thereby reducing the available supply of sugar to American consumers; and

Whereas, adoption by the Congress of a Sugar Act would help to stabilize supplies of raw sugar to the United States market, in turn stabilizing both prices to the consumer and returns to the producer; and

Whereas, such stability would encourage investment in the further development of the sugar industry in Hawaii, which contributed $740 million to the State's economy in 1974; now, therefore,

Be it resolved by the House of Representatives of the Eighth Legislature of the State of Hawaii, Regular Session of 1975, the Senate concurring, that the Hawaii State congressional delegation be urged to lend their full suport to the introduction and passage of a Sugar Act; and

Be it further resolved that certified copies of this Concurrent Resolution be transmitted to each member of Hawaii's delegation to the United States Congress.

STATE-AUTHORIZED BINGO

Mr. DOLE. Mr. President, in last fall's general election, more than 70 percent of the voters in my State of Kansas marked their ballots to indicate that they favored the legalized conduct of bingo games by certain organizations. Accordingly, this past April 1, a new State law took effect to authorize licensing and operation of such activities.

ADVERTISING PROHIBITED

Unfortunately, approved applicants quickly learned that they faced considerable frustration in their efforts to publicize the time and location of scheduled bingo events. That is, the Postal Service made it clear that existing Federal law prohibited sending through the mail any publication which contained advertising or information relative to a "lottery" enterprise—unless it so happened that the State itself was the sponsor.

Bingo, being a game of chance, falls within the definition of "lottery," and thus cannot be mentioned in any printed materials delivered by mail—whether it be letters, newspapers, or circulars. The only exception to this restriction would again be in the case of a bingo operation actually conducted by a State.

OLD FEDERAL LAW

Even that change from previous law was not initiated until the end of the last Congress when S. 544—the bill dealing with legal lotteries—was enacted. Up to then, there had been a general prohibition in the Federal Criminal Code against transporting, mailing, or broadcasting any information concerning lotteries, regardless of their legality under State law.

That prescription had originated during the era when lotteries and similar games of chance, including bingo, were uniformly banned as an invitation to corruption. Although in 1963, State-run sweepstakes and related projects began reappearing—concurrent with changes in their own respective statutes—the Federal law in the area remained unchanged until Public Law 93-583 was enacted on January 2, 1975.

1974 HOUSE PROPOSAL

In its initial deliberation on the concept incorporated in that new law, the Subcommittee on Claims and Governmental Relations of the House Judiciary Committee last October reported a bill, H.R. 6668, which sought to eliminate the outdated and conflicting standards by exempting not only "a lottery conducted by a State acting under the authority of State law," but also "a lottery authorized and licensed in accordance with State law." Unfortunately, the latter provision was stricken in the full committee, so that the final bill was limited to "State-conducted lotteries" only.

The primary reason for that deletion was an expression of opposition from the Justice Department—based on the fear that undesirable elements might benefit if licensed, thereby leading to criminal involvement in gambling. In other words, the Attorney General was reluctant to endorse any proposal without some guarantee that appropriate discretion would be exercised relative to the private profit motive.

KANSAS APPROACH

While I can appreciate that concern, I also believe State legislatures and State revenue directors deserve some credit for being able to pass and administer a law in keeping with the best interests of their respective jurisdictions. In Kansas, for example, bingo operations may be conducted only by bona fide nonprofit religious, charitable, fraternal, educational and veterans' organizations—and even those are closely regulated, licensed and taxed by the State.

Because of the recognized desirability of providing adequate safeguards on the financial scope of these activities, the games are further limited as to per-card charges, per-game prizes, and per-diem combined value of awards. Moreover, no individual person may profit from his participation in the management or operation of a bingo event, and strict recordkeeping requirements are imposed.

EQUAL TREATMENT

Given this judicious approach which my State has taken to the legalization of bingo, then, it is my belief that they should be entitled to the same privilege and rights extended to other States which conduct their own lotteries. That is, regardless of the merits of the practice of playing bingo itself—and, certainly, there are many who oppose it—the people of Kansas and other States in similar situations deserve equal application of the law.

It is in such a spirit that I introduced on Monday of this week a bill, S. 1718, to permit State-authorized and State-licensed bingo games to be advertised on a par with State-conducted lotteries elsewhere. In other words, information regarding the time and place of these activities could—with enactment of my bill—be sent freely through the mails without violating any Federal law or regulation.

MEET JUSTICE OBJECTIONS

I am hopeful that action on this proposal will be facilitated by a Justice Department statement on nonopposition to the measure, which opinion I have requested. I have submitted that approval of S. 1718 by the Attorney General would not be inconsistent with previous stands in that the language is narrowly drafted to affect only the game of bingo, and then only where such operations are licensed.

Current information supplied by the Library of Congress on this indicates that, besides Kansas, only the States of Colorado, Illinois, Iowa, Maine, Michigan, Montana, New Jersey, Washington, and Wisconsin—a total of 10—might now qualify for the exemption I am seeking. I have extracted the relevant portions of the statutes from those jurisdictions and will be presenting them both to the Department of Justice and to the Senate Judiciary Committee for their examination and review.

QUESTIONS OF CONSISTENCY

Mr. President, the introduction of my bill to allow bingo advertising was prompted in part by some very perplexing questions which were directed to me by bewildered constituents wondering why it was all right to start playing bingo, but against the law to tell anyone about it. They also expressed some concern over the possible inconsistency, if not discrimination, in the fact that they are forbidden to utilize the most convenient media forums available to publicize their nonprofit organization-sponsored fund-raising events, while in other areas of the country newspapers and broadcasters routinely include paid announcements regarding paramutual betting events or even full-scale casino operations.

There may be a first amendment problem implicit in all this, and perhaps some "States' rights" and "equal protection" arguments as well. The point is, we should endeavor to be reasonable in the enforcement of our Federal laws where the States have striven to be responsible in the construction of theirs; if we are, then we will not as a practical matter find ourselves in the business of frustrating public policy.

I would hope that a majority of my colleagues would agree with me on this important "grass roots" issue, and support the clarification which I am proposing. To assist them in making that determination, Mr. President, I ask unanimous consent that the text of S. 1718, along with the Kansas bingo law, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1718

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 61 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 1308. STATE AUTHORIZED BINGO

"(a) The provisions of sections 1301, 1302, and 1303 of this title shall not apply to an advertisement, list of prizes, or other information concerning a bingo game conducted or operated within any State, if such game is conducted or operated under authority of, and licensed in accordance with, the laws of that State, and if such advertisement, list, or information is contained in a newspaper of general circulation published in that State.

"(b) For purposes of this section, the term—

"(1) 'bingo' means a game in which each participant receives one or more cards each of which is marked off into twenty-five squares arranged in five horizontal rows of five squares each and five vertical rows of five squares each, with each square being designated by number, letter, or combination of numbers and letters, and the center square designated with the word 'free' with no two cards being identical, with the players covering squares as the operator of such game announces a number, letter, or combination of numbers and letters appearing on an object selected by chance, either manually or mechanically from a receptacle in which have been placed objects bearing numbers, letters, or combinations of numbers and letters corresponding to the system used for designating the squares, with the winner of each game being the player or players first properly covering a predetermined and announced pattern of squares upon the card being used by such player or players.

"(2) 'State' means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States.".

(b) The section analysis of chapter 61 is amended by adding at the end thereof the following new item:

"1308. State authorized bingo."

SEC. 2. Section 3005(d)(1) of title 39, United States Code, is amended by inserting immediately after "State law," the following: "or concerning any bingo game conducted or operated within such State if such game is conducted or operated under authority of, and licensed in accordance with, the laws of that State,".

KANSAS BINGO LAW

(An act providing for the regulation, licensing and taxation of the operation or conduct of games of bingo by bona fide nonprofit religious, charitable, fraternal, educational and veterans' organizations).

Be it enacted by the Legislature of the State of Kansas:

Section 1. As used in this act the words and phrases herein defined shall have the following meaning unless the context otherwise requires:

(*a*) "Bingo" means a game in which each participant must pay a charge and a prize or prizes are awarded to the winner or winners in which each participant receives one or more cards each of which is marked off into twenty-five (25) squares arranged in five (5) horizontal rows of five (5) squares each each and five (5) vertical rows of five (5) squares each, with each square being designated by number, letter or combination of numbers and letters, and the center square designated with the word "free" with no two (2) cards being identical, with the players covering squares as the operator of such game announces a number, letter or combination of numbers and letters appearing on an object selected by chance, either manually or mechanically from a receptacle in which have been placed objects bearing numbers, letters or combinations of numbers and letters corresponding to the system used for designating the squares, with the winner of each game being the player or players first properly covering a predetermined and announced pattern of squares upon the card being used by such player or players.

(*b*) "Religious organization" means any organization, church, body of communicants, or group, gathered in common membership for mutual support and edification in piety, worship, and religious observances, or a society of individuals united for religious purposes at a definite place.

(*c*) "Charitable organization" means any organization which is operated for the relief of poverty, distress, or other condition of public concern within this state.

(*d*) "Fraternal organization" means any organization within this state which exists for the common benefit, brotherhood, or other interests of its members and is authorized by its written constitution, charter, articles of incorporation or bylaws to engage in a fraternal, civic or service purpose within this state.

(*e*) "Educational organization" means any public or private elementary or secondary school or institution of higher education.

(*f*) "Veterans' organization" means any organization within this state or any branch, lodge, or chapter of a national or state organization within this state, the membership of which consists exclusively of individuals who qualify for membership because they were or are members of the armed services or forces of the United States.

(*g*) "Nonprofit organization" means any organization which is exempt from taxation under paragraphs (4), (5), (6), (7) and (8) of subsection (c) of section 501 of the internal revenue code of 1954, as amended.

Sec. 2. The power to regulate, license and tax the operation or conduct of games of "bingo" by bona fide nonprofit religious, charitable, fraternal, educational and veterans' organizations is hereby vested exclusively in the state and shall be exercised as provided in this act.

Sec. 3. Any bona fide nonprofit religious, charitable, fraternal, educational or veterans' organization desiring to operate or conduct games of "bingo" within the state of Kansas may make application for a license thereunder in the manner herein provided. Application for licenses required under the provisions of this act shall be made to the secretary of revenue upon forms prepared by the attorney general and shall contain:

(a) The name and address of the organization;

(b) the particular place or location for which a license is desired; and

(c) a sworn statement verifying that such organization is a bona fide nonprofit religious, charitable, fraternal, educational or veterans' organization authorized to operate within the state of Kansas signed by the presiding officer and secretary of the organization. Such application shall be accompanied by a fee of twenty-five dollars ($25). Each license issued prior to July 1, 1975, shall expire at midnight on June 30, 1976, and each license issued after such date shall expire at midnight on June 30 following its date of issuance. A licensee may hold only one license and that license is valid for only one location: *Provided,* That any licensee may operate or conduct games of bingo on not to exceed five (5) days in any one year at locations other than that specified in the license. Licenses issued under the provisions of this act shall not be transferred or assignable. No organization which denies its membership to persons for the reason of their race, color, or physical handicap, shall be granted or allowed to retain a license issued under the authority of this act. Except for nonprofit adult care homes licensed under the laws of the state of Kansas, no license shall be issued to any organization under the provisions of this act which has not been in existence continuously for a period of five years immediately preceding the date of making application for a license and in the case of fraternal and veterans' organizations which have not had during such entire five-year period a dues-paying membership in Kansas engaged in carrying out its objects. Such five-year requirement shall not apply to a local organization which is affiliated with and chartered by a national organization which meets this five-year requirement. The licensee shall display the license in a prominent place in the vicinity of the area where it is to conduct 'bingo."

Sec. 4. For the purpose of providing revenue which may be used by the counties and cities in the enforcement of the provisions of this act, from and after the effective date of this act, for the privilege of operating or conducting games of "bingo" under the authority of this act, there is hereby levied and there shall be collected and paid by each licensee a tax at the rate of two percent (2%) upon the gross receipts received by the licensee from charges for participation in such games and any admission fees or charges in connection therewith. The tax imposed by this section shall be in addition to the license fee imposed under section 3 of this act.

Sec. 5. On or before May 15, 1975, and on dates thereafter, prescribed by the director of taxation, every organization operating or conducting a game of "bingo" shall make a return to the director of taxation upon forms prescribed by the director stating the name and address of the organization, the amount of the gross receipts received from charges for admission or participation in such game during the preceding reporting period, and such other information as the director may deem necessary. The organization making the return shall, at the time of making such return, pay to the director of taxation the amount of the enforcement tax then due under section 4 of this act. The director may extend the time for making returns and payment of such taxes for a period not exceeding sixty (60) days under rules and regulations adopted under the provisions of this act.

Sec. 6. Games of "bingo" operated or conducted by organizations licensed under the provisions of this act shall be operated or conducted subject to the following restrictions:

(a) The entire gross receipts received by any such organization from the operation or conduct of games of "bingo," except that portion utilized for the payment of the cost of prizes and license fees and taxes imposed under the provisions of this act, shall be used exclusively for the lawful purposes of the organization permitted to conduct that game;

(b) No person except a bona fide member of the sponsoring organization may participate in the management or operation of the game;

(c) No person may receive any remuneration or profit for participating in the management or operation of the game;

(d) The aggregate value of all prizes including the retail value of all merchandise awarded by any such organization in any single day to winners of games of "bingo" shall not exceed one thousand seven hundred fifty dollars ($1,750);

(e) The total number of games operated or conducted by any such organization in any one day shall not exceed twenty-five (25) and not more than five (5) of such games shall be jackpot or special games;

(f) The prize awarded in any one regular game shall not exceed fifty dollars ($50) cash or its equivalent and such prize in any one jackpot or special game shall not ex-

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ceed five hundred dollars ($500) cash or its equivalent.

(g) The charge made for a single card to play in games other than jackpot or special games shall not exceed one dollar ($1) and such card shall be valid for all regular games conducted or operated by the licensee on such day; the charge made for a single card to play in any single jackpot or special game shall not exceed one dollar ($1);

(h) Games of "bingo" shall not be operated or conducted by any such licensee upon more than two calendar days in any one week;

(i) All licenses issued under the provisions of this act shall be issued in the name of the organization licensed;

(j) Each licensee shall keep a record of all "bingo" games operated or conducted by it for a period of three years following the date the game is operated or conducted;

(k) No person under the age of eighteen (18) years shall participate in the operation or conduct of any game of "bingo" operated or conducted by any organization licensed under the provisions of this act;

Sec. 7. The secretary of revenue, after a hearing on the record and with reasonable notice to the licensee and an opportunity to appear and defend, shall revoke any license issued under the provisions of this act for any one of the following reasons:

(a) If a licensee has fraudulently obtained the license by giving false information in the application therefor;

(b) If the licensee has violated any of the provisions of this act or any rules and regulations of the secretary of revenue for the administration or enforcement of this act;

(c) If the licensee has become ineligible to obtain a license under this act.

Within twenty (20) days after the order of the secretary of revenue revoking any license, the licensee may appeal to the district court of the county in the manner provided by K.S.A. 1974 Supp. 60-2101 et seq., except that any appeal taken from an order revoking any such license shall not suspend the order of revocation during the pendency of any such appeal. In case of the revocation of the license of any licensee, no new license shall be issued to such organization, or any person acting for or on its behalf, for a period of six (6) months thereafter.

Sec. 8. The administration of this act shall be vested in the secretary of revenue who shall have power to adopt and enforce rules and regulations to properly administer and enforce the provisions of this act. The secretary may appoint or employ any necessary employees for the proper enforcement of this act.

Sec. 9. Illegal bingo operation is the operation or conduct of games of bingo without a license or in violation of the provisions of this act or rules and regulations adopted pursuant thereto.

Illegal bingo operation is a class B misdemeanor.

Sec. 10. All amounts received by or for the secretary of revenue from license fees pursuant to section 3 of this act shall be remitted to the state treasurer and the state treasurer shall deposit all of such funds in the state treasury and shall credit the same to the state general fund. All amounts received by or for the secretary of revenue from the enforcement tax pursuant to section 4 of this act shall be returned to the counties and cities in which the licensed premises are located at a time or times fixed by the secretary but not less than once in each year. If the licensed premises is located within the corporate limits of a city, all taxes collected therefrom shall be remitted to the city treasurer of such city and credited to the city general fund. If the licensed premises is located within the unincorporated area of any county, all taxes collected therefrom shall be remitted to the county treasurer of such county and credited to the county general fund.

Sec. 11. This act shall take effect and be in force from and after April 1, 1975, and its publication in the official state paper.

HOBOKEN—AN URBAN SUCCESS STORY

Mr. WILLIAMS. Mr. President, when we hear about cities today we usually hear about blight and decay—about crime and alienation. In Congress, we have been searching for ways to halt the deterioration of urban housing and to reverse the feelings of estrangement and isolation of our city dwellers.

Urban living is one of the greatest challenges we face as a society. It is fraught with complexities and difficulties but its rewards can be tremendous.

This morning's New York Times gives recognition to a city which is meeting this challenge, and meeting it with success. Hoboken, N.J., is literally minutes away from downtown Manhattan. It is a city of about 45,000 people which is located in the middle of the most urbanized area of the Nation. It has faced many of the same problems that have confronted the hundreds of other metropolises that range along our east coast.

But, Hoboken is different. Instead of having its downtown residents flee to the suburbs, Hoboken is experiencing an influx of suburbanites and of disenchanted residents of Manhattan. Instead of allowing its housing to deteriorate, Hoboken's mayor, Steve Cappiello and its Model Cities director, Michael Coleman, have actively and successfully encouraged rehabilitation.

Hoboken's success in preserving and improving its homes and buildings stems in large part from its creative use of Federal community development and housing programs. Century-old brownstones have been rehabilitated; an old factory has been converted into an apartment building and clumps of tenements have been gutted and renovated to provide low-rent housing.

Those of us who have fought long and hard for our Federal housing programs can indeed take great pride in what Hoboken has accomplished.

For beyond rebuilding housing, Hoboken has rebuilt the spirit of community which once prevailed throughout America. As Betty Fitzenrider, a psychiatric social worker commented to the Times, "group therapy is impossible here because everybody knows everybody else."

Mr. President, I hope that Hoboken can serve as an example and inspiration to us in our work and to other urban communities. Therefore, I ask unanimous consent that the New York Times article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOBOKEN—SOMEHOW, BOTH PRIVATE AND FRIENDLY

(By Nadine Brozan)

HOBOKEN, N.J.—"The wonderful thing about this city is how perfectly ordinary it is. It's not spectacularly ordinary, it's simply a functioning community," Rita Christopher, a recent emigre from Manhattan's East Side, said as she waited for guests in her century-old brownstone here.

"You can live a relaxed life, be civil to your neighbors and live, inasmuch as one's personality allows, at peace with the world," she went on. "That's what we all imagine our lives will be, and it's the hardest thing in the world to find."

Stroll around this mile-square city of 45,000 inhabitants and, if you ignore the dazzling view of Manhattan across the Hudson, you might indeed think this is an ordinary place.

AN OPEN PRIVACY

The banks, clothing stores, fishing tackle shop, the poultry dealer, where you choose your live chicken, and the five supermarkets appear quiet, even at midday. Posters for a recent election hang in almost every window, and Bingo schedules are prominent on church bulletin boards.

But only by superficial standards is Hoboken ordinary. It is urban with a small-town personality, an old seaport that lost its industry but not its hybrid character, a blue-collar town that lures professionals from Manhattan.

Hoboken, nearly everyone agrees, respects privacy, and privacy here means that everybody knows who's visiting whom, but nobody talks about it. Doris Di Zefalo and her neighbor, for instance, got together to put up a tall fence separating their property. "Now we stretch on our toes to talk over it," said Mrs. Di Zefalo, an artist who bought her house two years ago.

Much of Hoboken's rejuvenation is credited to massive private development, aided and guaranteed by the Federal Government, mainly through Model Cities, and to an unusual approach to housing: City officials believe in saving housing before it is beyond salvation.

As a result, clumps of tenements have been gutted and combined into modern low-rent apartment complexes, townhouses have been restored and innovations, such as the conversion of an old factory into an apartment building, implemented. Rents run in the area of $135 to $200 for a three-bedroom apartment. A house can be bought for roughly $25,000 to $45,000.

An additional incentive—a home improvement loan plan that gives home owners 3 per cent loans with minimum restrictions—has attracted several dozen outsiders, city dwellers who found cooperatives there too expensive and suburban families in flight from the car pool-swimming pool ethos.

They are the ones who sound most like crusaders, with their constant talk of proximity to the city, safety, sense of community and friendliness.

"Group therapy is impossible here because everybody knows everybody else," commented Betty Fitzenrider, a psychiatric social worker.

While many newcomers are from Manhattan, Michael Flanagan, a computer systems salesman who builds harpsichords in his spare time, moved from Park Slope in Brooklyn, itself an enclave of brownstones renovated by Manhattan refugees.

"After 20 years in Park Slope, I knew six people. After two years here, the number of friends I have is phenomenal," he said. "The feeling is that we all have the same problems, so the least we can do is be sociable."

LIFE-STYLE IS ACCEPTED

A bachelor, Mr. Flanagan bought his house the same weekend two years ago as did a close friend, Nikki Counselman, who is divorced.

Their single status and the fact that they have had a long-standing relationship were readily accepted, despite the community's family orientation.

"What they don't understand is, "What is a nice lady like me doing working," said Mrs. Counselman, an actress and television commercial model, who is an astonishingly youthful looking grandmother. "You do have to fit in to some extent, but it's much easier here—as long as you go by the book. If I were a single woman with a different date every night, that wouldn't go."

The Hudson County community, minutes away from Manhattan by train or bus is a melting pot in which nobody has melted into homogeneity. The earliest settlers, the Dutch and Germans, worried when they saw the Irish moving in. The Irish worried when the Italians moved in. The Italians worried when the Puerto Ricans arrived, and everybody worried when the folks from the city and suburbs came.

Now they live together, along with other ethnic groups, in relative tranquility, with references to the Puerto Ricans (who make up about 45 per cent of the population) as "them" and occasional complaints about bilingual programs in the schools the only apparent signs of prejudice.

With 17 square blocks, Hoboken is too small for ethnic ghettos. If people do not always break bread together, they do say hello to strangers, combine forces in community groups and tenants' committees and share such activities as the Y.M.C.A.'s Sunday family swim.

The home improvement loan program has enabled people such as Vincent Tarantino, a resident of 32 years, to maintain an extended family tradition that is especially strong among the Italian population.

Proudly showing off the construction work he is doing himself in an eight-unit building, Mr. Tarantino explained that he and his wife would occupy one apartment, two daughters and their families, two others.

While the older generation stays put because its roots sink too deep to be transplanted and the newcomers are lured by space and neighborhood spirit, the young people, who 10 to 20 years ago would have climbed up—and out—to suburbia, are remaining in greater numbers, too.

"My husband wanted to move to Brooklyn, but I just couldn't picture myself living anywhere else," said Sharon Florio, 26. "My mother lives a block away, my friends and family are all here." Her 11-month-old son is cared for by her sister's mother-in-law, while Mrs. Florio works as administrative officer for the Project Rehab relocation office.

Leo Genese, a 42-year-old schoolteacher, recalled that when he was growing up, "There was a stigma attached to this town . . . the thing to do was to get through college, get your ticket punched and get out."

"We thought of moving to the suburbs because we have three children, but we both really wanted to stay," Mr. Genese said. "We live in a functional house, we have no big mortgage, no lawn to mow. Whatever our children miss here, they see in the city."

"And I don't have to drive the children (Alice 3d, 14, Leo, 3d 11, and William, 7, who are fifth-generation Hobokenites); they can walk anywhere," his wife, Alice, interjected.

OLD AND NEW

In many ways, the Geneses bridge old and new breed of activist, running the "Y" camp for underprivileged children and campaigning for school improvement. But, in the manner of a town that reveres family relationships, they stay close to parents and other relatives.

The impact of the city dweller is the subject of frequent debate in all quarters, but there is no question that the fears their presence first aroused were unfounded.

"My group, the World War II people, felt this was an intrusion," said Mayor Steve Capiello, a former police sergeant. "They were afraid of the left-of-center liberal style, but the fact is that the Manhattan people really came here to accept our style, shop in our ethnic shops and eat in our ethnic restaurants."

Despite contentions that newcomers have so far had little influence, they have been in the forefront of such movements as Citizens for Better Education, which last year won a seat on the Board of Education (there is general discontent about the public schools), and in the battles of the Hoboken Environment Committee.

In fact, when the newcomers are not busy working on their renovations—or discussing them—they are at a constant round of meetings.

"The kids' favorite game is playing, 'Mommy's going to a meeting,' " said Doris DiZefalo, who expects her second child soon.

For all their meetings, the newcomers emphatically do not want to alter the small-town character of Hoboken: That is, after all, what drew them here. As one resident put it: "We don't want to change them, we want to assimilate into them, we are literally begging, 'Let us melt in.' "

TOWARD A FULL EMPLOYMENT ECONOMY

Mr. BROOKE. Mr. President, the availability of a job for every person willing and able to work is the highest priority for our Nation. Next Tuesday, May 20, 1975, an important forum is being held by the Congressional Black Caucus and the Joint Center for Political Studies to begin a significant step in moving the Nation toward implementation of a full employment economy. The forum, title "Toward Full Employment: A Viable Economic Goal," will be held in the Rayburn House Office Building, rooms 338–340 beginning at 9 a.m. All Members of the Senate and the House have been invited to attend the forum. Participants will include Vice President NELSON ROCKEFELLER, Speaker of the House CARL ALBERT, Mayor Coleman Young of Detroit, Clarence Mitchell of the NAACP, and Patrick Murphy of the Police Foundation.

Two recent New York Times editorials bring into focus the full employment issue which the Congressional Black Caucus forum will consider. I ask unanimous consent that they be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

HOW MANY JOBLESS—HOW MANY JOBS

It is a measure of the bankruptcy of economic thought that most economists, of all schools and political persuasions, believe the United States must resign itself to an unemployment rate of at least 6 percent for the rest of this decade.

When President Kennedy made 4 per cent joblessness his target in the nation's pullout from the recession of 1960–61, he was at pains to stress that this was an interim goal and not to be viewed as an acceptable yardstick of normal employment. The popular wisdom among economists now is that the potential price in renewed inflation is too high to make even 4 per cent realistically attainable.

That is not a supportable "trade-off," to use the chilling term so glibly employed in current calculations. The reality is that the underpinnings of the calculations themselves are dubious in a period when none of the orthodoxies, whether those of Adam Smith or of John Maynard Keynes, offers much of a guide on how to balance price stability and full employment.

Even the notion that substantial levels of unemployment operate over the long haul as a significant brake on inflation is open to question in light of the rigidities of cost-of-living escalators and other wage boosters and the speed with which the over-all price index can be pushed by a single external development such as the oil cartel's quadrupling of fuel costs.

Moreover, the price of unemployment is high in terms other than the frustrations of the jobless and the loss to society of tens of billions of dollars in output. Unemployment insurance programs are being made more generous in both the amount and duration of benefits, with food stamps and welfare as supplemental cushions and mortgage and medical protection under consideration as well.

Public service employment is mushrooming under pressure of the current emergency, and there will be strong pressure for permanent programs to provide government-financed work as a matter of right for those who will remain idle after the gross national product turns upward. The House Subcommittee on Equal Opportunities is studying a bill by Representatives Augustus Hawkins of California and Henry Reuss of Wisconsin, with 85 co-sponsors, that calls for a comprehensive—and expensive—national program to cut unemployment to 3 per cent within eighteen months.

The program, with an initial budget estimated at $15-billion, would become the foundation for submission by the President each year of a "Full Employment and National Purposes Budget" that would guarantee jobs and define national priorities in such fields as conservation and development of national resources, health care, housing, mass transit, promotion of competitive private enterprise and the elimination of poverty.

Unquestionably a program formulated with such ambitious goals would vastly increase present rates of Federal outlay, quite possibly beyond the country's capacity; but it is worth remembering that the basic principle of the bill aims at putting into practice a policy that was adopted in theory by the Congress a quarter century ago. Any appraisal of its potential cost has to take into account that unemployment programs now under way are expected to cost in the neighborhood of $49 billion. That is money going out of taxpayers' pockets, as against taxes that would be coming in if the jobless were back on regular payrolls.

A 6 per cent standard for full employment would be a prescription for social unrest and permanent government deficits. The nation cannot accept the defeatist conclusion that one worker out of every sixteen must be permanently shut out of the labor market. There is no stability for either people or prices in such a design.

A PROPOSAL FOR A U.S. DOMESTIC FOOD POLICY

Mr. HUMPHREY. Mr. President, I invite the attention of this body to a statement by the U.S. Catholic Conference on a food policy for this country.

This statement points out the need for a comprehensive approach which considers the domestic hunger and nutrition problems in this country and the importance of school lunch, school breakfast, food stamp and elderly feeding programs.

The statement also points out the major role which the United States plays in international agriculture. I quote:

> Recent food shortages have made us acutely aware that U.S. food and agricultural prices have a massive impact on the availability, quality and prices of food not only in this

country but throughout the world. Because food is a unique resource, necessary to life itself, our great capacity to produce carries with it awesome responsibilities. Our food policy must not be governed by profit considerations alone, but by the needs of hungry people.

The suggested policy also points out the importance of full production and an adequate return to our farmers. I, too, have maintained that it makes no sense to cut back on production at a time when world food reserves are at their lowest in over a quarter of a century.

We, as the statement indicates, should not ask farmers to assume all the responsibility for the risks involved in full production without adequate protection.

The conclusion rightly points out that hunger is often the result of persistent poverty, and food programs only supplement inadequate income. We need to emphasize jobs and adequate wages so that the basic food problems can be eradicated. I commend the Catholic Conference on taking this position. It provides a useful framework for our consideration of a variety of programs.

Mr. President, I ask unanimous consent that this statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT ON FEEDING THE HUNGRY TOWARD A U.S. DOMESTIC POLICY: U.S. CATHOLIC CONFERENCE, APRIL 16, 1975

The Department of Social Development and World Peace of the United States Catholic Conference takes the occasion of "Food Day," April 17, 1975, to urge Catholics to deepen their understanding of the food crisis and commit themselves to continued reflection and action to feed the hungry both here and abroad. The Church has a particular responsibility with regard to the food crisis since Jesus identified himself with the poor and hungry. We recognize with the 1974 Synod of Bishops the "right to eat" as a fundamental right which flows from the basic and inalienable right to life itself. It is for this reason that we look upon feeding the hungry as a requirement of justice.

Last November the Catholic Bishops of the United States adopted a pastoral plan of action on the world food crisis. The response to the Bishop's program has been widespread and significant. Many dioceses parishes, and other organizations instituted educational programs and raised funds for international humanitarian relief efforts.

The USCC has engaged in a sustained effort to influence public policy on food issues. Working with the National Catholic Rural Life Conference, Catholic Relief Services and the National Conference of Catholic Charities, the USCC has testified before Congress on food and agricultural policy, and the Food for Peace Program. The USCC has also opposed efforts to increase the price of food stamps, and has supported increased funding for food and nutrition development in our foreign assistance programs.

The grave international consequences of food shortages must be a continuing concern of the American people. However, we must not neglect the very serious food and nutrition needs in our country. The United States has a responsibility in both domestic and international areas. These responsibilities should not be seen in conflict with each other, but viewed as different aspects of the same problem.

The development of a comprehensive food policy is an urgent priority for the nation. Our government is currently considering various food issues. It will be necessary to weigh the competing interests of consumers, producers, and middlemen in the food distribution system. Farmers seek reasonable prices for their products; food processors, retailers and distributors are concerned about adequate return on their investment; consumers worry about rising food costs. Lower income consumers have a particular concern about the future of food stamps and other federal nutrition programs. In addition, policymakers need to evaluate the interests and unique responsibilities of the United States vis-a-vis world markets and international needs.

In the midst of these competing interests, our food policy should work toward full production, equitable distribution and price stability. At a time when world food shortages means starvation for millions, a U.S. agricultural policy of full production is absolutely essential. At the same time, U.S. food policy should not force low and middle income consumers and independent farmers to bear an unfair burden.

In view of these considerations, we shall address three areas of immediate concern: U.S. food needs and nutrition programs, ownership and control of resources, and full production and target prices.

I. U.S. FOOD NEEDS AND NUTRITION PROGRAMS

Many people in the United States continue to suffer from hunger and serious malnutrition. Rapid inflation in food prices, high levels of unemployment and a deep recession have meant a significant increase in hunger in America. While the problem is less severe in the United States than in other countries, it is no less harsh for those who endure it.

Hunger and malnutrition in this country are essentially the result of economic factors. Nutritional studies indicate that malnutrition rises as income declines and that the worst hunger is among the very poor. The consequences of malnutrition are very serious, especially for young children. It reduces productivity, motivation and educational performance, lowers resistance to disease, inhibits growth and development, and can even result in a shorter life-span.

There are over 37 million poor people in the United States. Many people lack adequate nutrition because they lack employment and income that would enable them to buy sufficient food. Their situation has worsened as the economy has declined. Public assistance and social programs have not kept pace with inflation. Jobs have become almost impossible to find as unemployment approaches nine percent. In addition, many elderly persons living on fixed incomes are also victims of serious malnutrition. Middle and working class families are victims of similar economic pressures. Caught in the web of inflation, recession, and high taxes, many of them have lost ground in their battle to provide their families an adequate diet.

In the last decade, the federal government has expanded programs aimed at providing an adequate diet for all Americans. Expenditures on domestic food programs have risen to an estimated $5.8 billion in the present fiscal year.

Recently it has been proposed that existing child nutrition programs be eliminated and a block grant approach be substituted which would cut $600-700 million from nutrition assistance. The USCC opposes reductions in domestic food aid. We urge Congress to resist attempts to eliminate these nutrition programs or reduce funding for food assistance. Instead, these programs should be reformed to eliminate inequities and administrative problems that may prevent eligible persons from participating. They must be expanded to meet increasingly serious needs during this time of economic decline.

A. Families

The food stamp program is the basic form of federal nutrition assistance for American families. This program now serves more than 18 million people, although studies indicate that it reaches less than half of those who may be eligible.

The food stamp program must be maintained and improved. We strongly oppose any increase in the price of food stamps. We support the recent action of Congress to prevent the proposed food stamp price increases and commend the President for his decision to accept that action. Appropriate steps should be taken to guarantee that the benefits of the program go to those who are actually in need. In addition, modifications are required to speed up the certification process and improve the outreach effort to involve other qualified families while guaranteeing that eligibility requirements are enforced.

B. School children

The federal government now provides nutritional assistance to nearly 25 million children through the National School Lunch Program. The program has both nutritional and educational value and should be extended and improved. Specifically, we support efforts to include the children of unemployed parents in the free lunch program and include orphanages and day-care centers in the subsidy program. We also support proposals to provide additional subsidies to cover increased costs in school lunch programs resulting from inflation.

The School Breakfast Program serves an adequate breakfast to almost two million children every school day. A nutritional breakfast has obvious educational and health benefits for low-income children who would otherwise go to school hungry. The level of the present program does not begin to meet the overall need. Additional funding and permanent status for the breakfast program are required.

Another undertaking that merits continued support is the special milk program. Many schools, especially those without hot lunch programs, benefit from this successful effort to provide milk to school children at reduced prices.

Many Catholic school students participate in these three programs. The Congress should be commended for recognizing the nutritional needs of non-public school children. We urge all qualified Catholic schools to provide these services for their students.

C. Mothers and young children

Infants, young children and expectant or nursing mothers have special nutritional needs. Food assistance at these stages can have major impact on the elimination of birth defects, mental retardation, and malnutrition in newborn children. The Women, Infants, and Children Program (WIC) is designed to provide high protein diet supplements to low-income women, infants, and young children. We strongly support the continued existence and expansion of this unique and important program.

D. Older Americans

The nutritional problems of the elderly living alone and on fixed income are especially tragic. They often lack the financial resources or physical health necessary to provide an adequate diet. The Older Americans Act provides funds for community feeding programs for the elderly through communal dining rooms and meals-on-wheels programs along with a range of supportive services. Unfortunately, many of our senior citizens with nutritional problems are not reached by this program. In addition to its food benefits, a fully implemented program would diminish our society's reliance on institutional care for the elderly. We endorse the program and efforts to expand its

availability. It is an important effort to meet the needs of our senior citizens.

E. Nutrition education

An essential element of a national policy against hunger and malnourishment is nutrition education. Consumers need opportunities to improve their knowledge regarding foods and eating habits and to better understand the relationship between health and nutrition. Schools and other institutions should be encouraged to provide broader programs in practical nutrition education.

II. OWNERSHIP AND CONTROL OF RESOURCES

Recent food shortages have made us acutely aware that U.S. food and agricultural policies have a massive impact on the availability, quality and prices of food not only in this country but throughout the world. Because food is a unique resource, necessary to life itself, our great capacity to produce it carries with it awesome responsibilities. Our food policy must not be governed by profit considerations alone, but by the needs of hungry people.

A disturbing phenomenon in the United States is the increasing concentration occurring in the food production system. We have experienced a rapid decline in the number of farms in the U.S. over the last two decades and a substantial migration of families from rural areas to already overcrowded urban centers. The high cost of land, technology and credit make it virtually impossible for young people to go into agricultural production on their own. Government policies have often fostered the promotion of capital intensive, corporate controlled agriculture. Our federal and local tax structures create incentives for wealthy non-farm investors in agriculture, but do little for the competent full-time farmer. We support an agricultural system based upon widespread ownership of resources and the means of production. Legislation is needed now to inhibit further encroachment upon agriculture by non-farm corporations and to insure that our land is kept in the hands of those who work it.

We are also concerned about the diminishing level of competition in the food processing and distribution system. In some sectors of the food industry fewer companies are controlling more and more of the market. This trend toward increasing concentration of control can lead to excessive profit and even higher prices for consumers. We urge a comprehensive study of non-competitive forces in the food industry and appropriate anti-trust action to eliminate monopolistic practices.

Decisions about the use of land and resources are often made without rational planning or sufficient concern for the environmental and human costs of those decisions. Suburban sprawl, surface mining, industrial development and other demands on the land are diverting over one million acres from agricultural use each year with potentially serious consequences for future food production. A more integrated and rational process for land use planning is necessary. With regard to agricultural land, the primary objective of land use legislation should be the conservation of such land for its unique food producing value and protection of a dispersed pattern of ownership.

III. FULL PRODUCTION AND TARGET PRICES

In light of present food needs, farmers must be encouraged to produce to full capacity. To cut back on production in the face of unmet world needs would be morally and ethically untenable. Neither is it acceptable, however, to ask farmers to assume total financial responsibility for the risks involved in full production without some protection. Widely fluctuating prices for farm products means at least uncertainty, and perhaps disaster, for small farmers. A system of equitable target prices should be established and reviewed at regular intervals to assure farmers a fair return on their investment and labor. Price supports can be set at levels that will not result in excessively high food prices for consumers, yet provide adequate protection for producers.

At the same time, we support the establishment of reserves of essential commodities to maintain price stability and to safeguard against future world food shortages. These reserves must be federally regulated in a manner that does not jeopardize a just return for farmers.

CONCLUSIONS

The debate over American food policy must be seen in a larger context. Hunger and malnutrition flow from basic failures in our society's social and economic structures. Hunger is often the result of persistent poverty, and food programs only supplement inadequate income. They cannot substitute for economic resources, jobs, decent wages, equal opportunity or the power to change economic and political institutions. These programs are not a solution to poverty, racial discrimination, inequitable taxation, or the isolation of the elderly. Fundamentally, our nation must provide jobs for those who are able to work and a minimal income to those who cannot. The U.S. Catholic Conference has consistently supported programs that would guarantee an adequate income for all Americans. We renew that call today.

At this point, however, Church institutions, parishes, and individual church members must seek out and help those in our midst who lack food. For as Pope Paul has said, it is not enough to point to injustice and human need. "Such words will lack real weight unless they are accompanied for each individual by a livelier awareness of personal responsibility and effective action."

At the same time, the Church must also participate in a rigorous and competent analysis of structures and systems that result in poverty and hunger. We must become advocates of change so that structures are adapted to meet the serious needs of those who now go hungry. In his Apostolic Letter, *A Call to Action,* Pope Paul says Christian organizations "have to express in their own way and rising above their particular nature, the concrete demands of Christian faith for a just, and consequently, necessary, transformation of society."

The hungry of the world have voiced their cries of anguish. We must respond to them not only with words of hope, but with actions that will mobilize the energies, talents, and resources of the Catholic community to assist people not only around the world but in this nation as well.

SENATOR MOSS ADDRESSES THE LEWIS RESEARCH CENTER CONFERENCE

Mr. GLENN. Mr. President, NASA's Lewis Research Center, in Cleveland, Ohio, was founded in 1941 to fill a gap that existed in this country in the research and development of aircraft engines. The center made substantial contributions to our massive aircraft development during World War II and since that time has been in the forefront of all propulsion developments from jet engines to rockets.

In recent years the scientists at Lewis have turned their attention back to jet engines in an effort to make them quieter and more efficient. A more efficient engine is, of course, a key element in the development of a more fuel efficient aircraft. Such a development should be one of our highest priority goals for the next decade in the face of higher prices and dwindling supplies of oil.

Each year the Lewis Center sponsors a conference of the Nation's leading experts to consider a topic of current interest. This year's conference, held May 12 and 13, was on the subject of aircraft propulsion and was attended by more than 500 experts.

FRANK E. MOSS, distinguished chairman of the Senate Committee on Aeronautical and Space Sciences, is one of the foremost proponents of the need to develop more fuel efficient aircraft. Specifically, Senator Moss urges that we aim for new aircraft which are 50 percent more fuel efficient by the late 1980's. That's a tough goal, but one which is attainable and which I fully support.

Mr. President, Senator Moss addressed the Lewis Conference on May 13 on the urgent importance of developing more fuel efficient aircraft. I ask unanimous consent that this excellent speech be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

CHALLENGE TO AVIATION—HATCHING A LEANER PTEROSAUR

(By Senator FRANK E. MOSS)

Scientists recently discovered, in Texas naturally, the fossilized remains of the world's largest flying creature—a reptile called the pterosaur. Its wingspan was over 50 feet, greater than most fighter planes. The problem was, this jumbo buzzard dined on dead dinosaurs, which gradually became a rather scarce aviation fuel, even in prehistoric Texas. Soon thereafter, the pterosaur declined.

Ladies and gentlemen, I'm concerned that history may repeat itself. Texas and the world around fear that the day is coming when oil may go the way of the dinosaur—an ironic historical twist. How can we continue feeding our twentieth century pterosaurs? Perhaps the answer is to hatch a new generation of them, a leaner, more fuel efficient version.

Four months ago I wrote Dr. Fletcher, the Administrator of NASA, asking him if NASA could establish, in collaboration with industry, a technology demonstration goal to make possible a much more fuel-efficient generation of commercial aircraft. NASA's response has been most encouraging. In recent testimony before the Senate Committee on Aeronautical and Space Sciences, NASA officials expressed their preliminary assessment: if a fuel efficiency program is pursued successfully, commercial aircraft produced in the late 1980's could be designed to use 50% less fuel than the present fleet.

Some observers have said that the most dramatic reductions in aviation fuel consumption are achievable without modifying the basic aircraft design at all. They point to our very inefficient use of commercial aircraft.

It is true that if passenger load factors were to reach only 70% fuel savings would be 25% better than pre-oil crisis days. And the installation of high density seating in our transports could further boost the overall efficiency.

Current CAB regulation prohibits air fare competition between the airlines, but competition still exists in the form of route scheduling wars and accommodations contests—wider seats, newer movies, shorter skirts.

Under this regulation we get quick reliable service from the airlines but we pay for it through lower load factors and higher fares. Recent events in Washington, such as National Airlines' proposal for a variety of fares for a given trip, suggest that load factors may rise dramatically in the next decade because of regulatory changes.

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However, two considerations undercut, I think, the value of this approach:

1. The prospect of regulatory change is uncertain and speculative; and mainly,

2. It doesn't lead to better aircraft.

If we put our effort into developing more fuel efficient aircraft, we accomplish several goals:

1. We save fuel;

2. We cut the operations costs of the airlines;

3. We create jobs and stimulate the aerospace industry;

4. We get a more attractive product for export and domestic use, and, by the way, export of aircraft is the backbone of our hope for a favorable balance of payments.

One other point to note—you may have asked yourself what is NASA doing getting into energy conservation?

Isn't that ERDA's responsibility?

The answer is that NASA and industry have always been involved in the search for fuel efficiency. Every decrease in aircraft weight, decrease in drag or improvement in engine efficiency is a step in the right direction. The airplane is such an interdependent system that no agency *but* NASA is equipped to tinker with it.

So what kind of improvements does NASA foresee when they set this remarkable goal of a 50% improvement?

First, NASA engineers tell me that the use of the supercritical wing alone will result in a 10–15% overall economy improvement. The interesting thing about the supercritical wing is that the rising cost of fuel has changed its attraction altogether.

Originally it was seen as a means of achieving supercritical cruise speeds, that is, cruise speeds closer to the sound barrier.

But now rising fuel costs make higher speeds less appealing. Yet, an ancillary benefit of the supercritical wing is that the wing is fatter than conventional ones by about 50%. Because it's *fatter*, it can be made *lighter*. Unfortunately, this same concept does not apply to people.

But being lighter the wing can be lengthened to increase the wingspan. And as every aeronautical engineer knows, for reasons not altogether clear to most Senators, a bigger wingspan improves the aircraft efficiency and fuel economy.

To me the supercritical wing is a perfect example of the productivity of research. Research showed us how to change the wing shape into a simpler, lighter, and cheaper configuration that yields 10–15% more fuel economy. It's the closest thing I know of to getting something for nothing but some R&D dollars.

The second innovation that NASA will apply to the fuel stretching generation of aircraft is the winglet. I'm told that this is just a small vertical plate added to the wing tip. Apparently, engineers have sought the right shape and size of the winglet for many years, believing that drag could be reduced. None ever worked. But at last, researchers have discovered just the right combination. Tests of current versions show a 5% increase in aircraft fuel economy for very little additional weight to the aircraft and we think the winglet can be retrofitted to current aircraft. So they too will save money. It makes you wonder if aeronautics isn't more magic than science. After all, the alchemist of the Middle Ages and the aeronautical engineer seek the same end—to convert commonplace metal into gold. In the case of the winglet, we'll use aluminum to make black gold.

The third candidate for the next generation of aircraft are advanced composite materials which are twice as strong yet lighter than conventional materials. As you know, these consist of fibers of graphite, boron or nylon embedded in plastic-like material.

This technological breakthrough gives a double barreled energy benefit. First, the weight savings will lead to an estimated 10–15% overall fuel savings. And second, manufacturing a pound of composite material requires only 15% of the energy required to manufacture a pound of aluminum and less than 2½% of the energy needed to produce a pound of titanium, So with composite materials we save energy as we make them and as we use them.

NASA says that the obstacle right now is the lack of flight experience with this material and its cost. But the cost is dropping fast as more composites are produced. To gain flight experience with composites, many transports in service today are fitted with selected parts made of composites in order to evaluate them. From what I've seen, the move from metal to composites in aircraft will be as significant as was the jump from fabric to metal.

Another advancement will come in propulsion systems in the next generation of aircraft. I would have expected that we have already pushed jet engines to their limits considering that today's transports get three times the fuel economy of the 1958 jets. After all, current automobiles get worse mileage than those of 1958. Yet another 5–10% improvement is expected to come from reduced clearances, better seals and other black magic.

And NASA claims that we have on the horizon more advanced engines with the "preheated combustor inlet air concept" which may lower fuel consumption by another 10–20% over current turbofans.

One last innovation that may find its way into our next fuel-sipping generation of aircraft is what NASA calls "active controls" or "fly by wire" systems.

I must confess that "fly by wire" left me cold for a while. Even if it is quadruply redundant, I'd feel a lot safer with good old-fashioned link rods and hinges between the pilot's hands and the rudder and elevator. However, an engineer pointed out to me that the control surfaces on the 747—which I think is a pretty safe airplane—are moved hydraulically because a man doesn't have the strength to move them with muscle. I've decided that perhaps "fly by wire" is no worse than "fly by hose".

One thing for sure, fly by wire is here to stay.

An Air Force General recently told me that the F–16 and probably every Air Force fighter from now on will be fly by wire. But, he said, the biggest payoffs from this system are in store for transports, not fighters.

Fly by wire lets you build smaller and lighter airplane tails and even to relax the requirements on where the center of gravity is—so more cargo can be carried. The plane flies more smoothly, too. So there's less weight, less drag and more payload. NASA claims that the direct benefits alone of fly by wire and active control systems will give 5% better fuel economy.

Now if we rub our NASA crystal ball a little harder we can see even further into the future of aviation—beyond the 1980's. Sometime ahead engineers may discover a long-sought "cure" for the aeronautical equivalent of the common cold—that is, turbulent airflow, which saps the fuel efficiency of aircraft. If the airflow over the wings, fuselage and tail can be kept smooth (the engineers call it "laminar"), then fuel economy will jump by 20–40%. That's a bigger gain than that promised by any other single innovation.

In the 1960's such laminar airflow was achieved on an experimental aircraft by sucking air through thousands of holes on the wing. It worked for a while, but I'm told the holes eventually clogged up with dust.

There are many other schemes to achieve this laminar airflow, but so far none work. Considering the imagination of these NASA engineers, I fully expect that one day we'll get this whopping improvement in fuel economy through laminar flow control.

Another vision of the future includes gigantic flying wings carrying payloads up to 6 times that of the 747. The idea is to store the cargo inside the wing so that the load is distributed evenly instead of being concentrated in a fuselage. This way the wing can be made lighter. Of course the wing would have to be about 10 feet thick, but then that's not so tough—even Howard Hughes' plywood Spruce Goose had an 11 foot thick wing.

Finally, decades from now we probably will have other fuels for aircraft besides petroleum. Of particular interest is hydrogen, because pound for pound it has 3 times the energy of petroleum. Assuming storage problems can be worked out, hydrogen looks like an excellent aviation fuel.

Getting that much hydrogen may look difficult now but, who knows, by then we may have a total hydrogen economy. I do believe that hydrogen will play an increasingly important role in our economy. First, to power the space shuttle; later, as an energy storage medium that powers fuel cells as energy is required. Eventually, deuterium, a form of hydrogen, will be the fuel for fusion plants. Hydrogen itself might be transported as natural gas is today and used as a substitute for petroleum in airplanes and ground transportation.

But enough of worrying about our descendants' problems. Besides these far off visions of aviation, I've given you a glimpse of what NASA thinks we can actually put into the commercial aircraft built in 1985 to conserve fuel—perhaps 50% less fuel. Of course, this is just a goal; I don't know if we'll reach it or not but two things are certain—first, the generation of commercial aircraft built in 1985 or so will be significantly more fuel efficient than what we have today, and second, if we don't give NASA the money it needs for aircraft fuel efficiency research now, we'll be giving it to the Arabs as petrodollars later on.

NASA can stimulate new jobs for Americans, encourage design of better aircraft for U.S. export and cause a significant reduction in our dependence on oil imports from the Arabs. I'd say that's a bargain! I'd say I would pay NASA even more than they can save us in oil imports just to keep those dollars in our pockets and out of a sheik's moneybelt.

But there is one condition on my support of this aircraft fuel efficiency effort. I'm wholeheartedly behind it, except that I would never want to see it become the bargaining chip for lowering safety standards or for serious degradation in our aircraft environmental goals.

In the past in the commercial aircraft industry, safety has never taken a back seat to aircraft performance. I see no reason to mar that record now. I consider the environmental standards to be in the same category as safety. This may look like we're putting the aircraft manufacturers in the middle of a tug of war, but in reality everyone is pulling them in the same direction—toward a more desirable and saleable aircraft.

Finally I want to mention a segment of aviation that has long been overlooked. General aviation aircraft flew 80 million passengers last year—it is a fundamental transportation mode in many parts of our country. And one-third of the light planes produced in the U.S. are exported, so general aviation aircraft are also an important part of our technological exports.

Because of its wide-spread use and export, I believe the light plane should be included in the fuel efficiency program.

I was much disturbed last month by a NASA official's statement that the basic technology present in the light plane has not changed since the late 1940's. In other words, we're just beginning on the learning curve in general aviation.

The general aviation manufacturers are of

course much smaller in size than the air transport manufacturers and so their research budgets are far smaller as well. For this reason, I believe NASA can be of even greater assistance to general aviation in improving fuel economy as well as with other problems. Already, Piper Aircraft Company, working with NASA in a NASA-funded project, has put the supercritical wing on one of its light planes for tests. Engineers estimate that they will get a 10% saving in fuel and in addition a smoother ride and safer climb capability.

Another big problem for general aviation is meeting the tough 1979 EPA emissions standards for aircraft piston engines. You may have heard that NASA has been experimenting with the injection at the carburetor of very small amounts of hydrogen with the gasoline in automobile engines. The hydrogen is obtained by bleeding a little gasoline off and catalytically cracking it in a small device attached to the engine. Not only are the emissions reduced, but fuel economy is improved as well—mainly because the engine can be run much leaner than normal. This system looked so good on automobiles that NASA has begun experimentation with light aircraft engines. Researchers found that not only are the aircraft engine emissions drastically reduced, but because of the leaner fuel mixture, fuel economy may be 20% greater at cruise power settings. So it appears that environmental pollution controls and fuel economy don't have to be mutually exclusive on light planes at least.

Now I want to point out here that these two examples of NASA contributions to general aviation—the supercritical wing and hydrogen injection—were *adapted* from NASA efforts in other areas. Let's face it, it's hand-me-down technology. That's great if it works, but I'd like to see NASA treat general aviation, not as an afterthought, but rather as commercial aviation's twin. I'm not suggesting that the research funding for each should be equal but I do think that it's time general aviation received some primary attention.

In closing, I just want to lay to rest some fears that I may have caused in the audience here. You see the chief argument surrounding the pterosaur today is whether it flapped its wings or merely glided—in other words whether it had a propulsion system. When NASA and industry hatch the next generation, a more fuel efficient generation of pterosaurs, I can assure you that they will have propulsion systems, whether or not the prehistoric version did. Up to now increases in propulsion efficiency have been far and away the chief reason for improvements in aircraft efficiency; I hope that you will continue to lead the effort to hatch a leaner pterosaur.

BLACK EMPLOYMENT

Mr. WILLIAMS. Mr. President, the last few weeks have seen a new series of optimistic projections by various economic spokesmen for the administration who would have us believe that the current recession is ending and that things are looking up just around the corner. I have heard these projections before, Mr. President, and I feel no better about them now than I did when our current economic decline was just starting and again administration spokesmen were saying that things were not really going to get that bad.

We now know that things did get that bad and worse. The latest unemployment figures show just how bad. With a national unemployment rate of 8.9 percent, representing 8,176,000 million workers out of work, I hope that maybe the administration is correct this time and that things are not going to get any worse. Unemployment is now higher than any time since the Depression era of the 1930's, and I am not confident that the Nation can withstand a summer of continued rising unemployment and high prices on most essential goods and products.

One area of this overall unemployment picture which I think sometimes goes unnoticed, Mr. President, is the fact that there are certain segments of our population which have been much harder hit by this current economic recession than others. One area where I think there has not been enough attention paid is in the area of the unemployment rate among the Nation's black workers. This segment of our working population had just recently begun making significant gains in employment, bolstered by strengthened Federal laws making fair and equal opportunity in employment a matter of major national concern. However, during this current economic decline, these same workers have been disproportionately affected by sustaining a much higher unemployment rate than their white counterparts. This fact is graphically illustrated when we note that the unemployment rate among white workers has recently reached a level which is just slightly higher than the lowest black unemployment rate during anytime in the last decade.

This tragedy and its effect on the social and economic development of our minority population cannot be adequately shown by statistics alone, but an examination of the facts of unemployment levels in our minority communities coast to coast—reflects in a small way the level of frustration and desperation that is present. These facts must be made the focus of public attention.

In this regard, Mr. President, I recently received a special report sent to me by Mr. Ronald H. Brown, director of the National Urban League. This report, which has been prepared by the research staff of that organization, carefully and thoroughly presents the true picture of black unemployment, and as such is an important document for our continuing efforts to provide the necessary relief to stem the tide of unemployment in our Nation. So that all Members of the Senate will have an opportunity to read these disturbing findings, I ask unanimous consent that portions of the National Urban League's study be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Rept. No. 1, March 1975, published by the National Urban League]

QUARTERLY ECONOMIC REPORT ON THE BLACK WORKER

RECORD UNEMPLOYMENT

During the fourth quarter of 1974, an additional 72,000 black workers became unemployed, bring the total number to 1.1 million—the highest officially recorded number of jobless blacks in any quarter since 1954—when the Bureau of Labor Statistics began to record unemployment by race.

At the same time, the black unemployment rate rose to 10.9 during the October-December quarter of 1974, the highest official rate of unemployment reached by blacks nationally in any quarter in the last 10 years and the highest fourth quarter rate since the 1961 recession, when it was 10.8. Thus, at the close of 1974, the unemployment rate for black workers continued to be twice that of white workers (5.5).

In addition to those without jobs, the number of black workers who wanted to work full-time, but could only get part-time jobs, increased by 75,000 over the year, bringing the total number well over half million toward the end of 1974.

HIDDEN UNEMPLOYMENT

Although these official jobless rates for blacks are already at record levels, they still understate the actual extent of unemployment throughout the country. For the official definition of "unemployed" excludes such "hidden unemployed" as discouraged workers (i.e., those who want a job now but are no longer actively seeking) and the part-time workers who want full-time jobs. In order to derive a more reliable estimate of the extent of unemployment, the National Urban League developed a Hidden Unemployment Index, that incorporates both groups. According to the NUL Hidden Unemployment Index, the actual unemployment rate for blacks during the fourth quarter of 1974 was 21.0, just about double the official rates. Thus, a minimum of one out of every five black workers was unemployed at the close of 1974—and this figure was much higher in urban poverty areas.

HARD HIT GROUPS

Among those hardest hit by the sharp rise in unemployment during the last quarter of 1974 were black workers in poverty sections of urban areas, where half of the metropolitan area unemployed black workers live. During the last three months of 1974, the unemployment rate for blacks in these poverty areas soared to 14.3 from a rate of 10.5 a year ago.

The already deplorable employment situation of black teenagers worsened. Well over one-third (36 percent) of the black teenagers in the labor force were without jobs during the last quarter of 1974.

But the overwhelming majority (70 percent) of the black unemployed are adults. And among the adult workers, black women had the highest jobless rate (9.6). Black adult men had the second highest rate (7.7) and white women were next with (5.5), while white adult men had the lowest unemployment rate (3.9). Even black married men, usually considered one of the most stable segments of the labor force, had a higher unemployment rate (5.0) than all adult white men (3.9). (Table 1)

LONG-TERM UNEMPLOYMENT

Not only were more black workers without jobs in the last quarter of 1974, but more black workers were unemployed for longer periods of time. Between the third and fourth quarters of 1974, the number of black workers out of work for three months or more increased by 76,000, while the number who had been unemployed for half a year or more increased by 25,000. (Table 2)

JOB LAYOFFS ON THE RISE

During the last three months of 1974, the number of unemployed black workers laid off the job increased by 148,000—bringing the total number of black job losers to half a million. Thus, the proportion of all unemployed blacks who were laid off jumped from 32 percent in the previous quarter to 43 percent.

Most of this increase in job losers occurred among adult black men. Two-thirds (69 percent) of the unemployed adult black men during the fourth quarter of 1974 had been laid off their jobs, compared to 38 percent of the adult black women, 20 percent of the teenage black males and 15 percent of the teenage black females. Thus, disproportionate numbers of black male breadwinners were laid off their jobs toward the close of 1974. (Table 3)

INELIGIBLES FOR JOBLESS BENEFITS HIGH

Contrary to the popular misconception that most unemployed workers receive unemployment insurance (UI), only persons who have been laid off their jobs can qualify.

But most unemployed workers, whether black or white, had not been laid off their jobs. They were either entering the labor force for the first time (such as young people and students), reentering the labor force (such as housewives returning to the paid labor force) or had quit their jobs. Although the number of these other types of unemployed workers declined during the fourth quarter, they still made up the majority (57 percent) of all unemployed black workers—but could not receive jobless benefits. Thus, at the close of 1974, 2.6 million unemployed white workers and 640,000 unemployed black workers were forced to depend on the generosity of relatives and friends or seek public assistance because they were denied benefits supposedly available to most of the unemployed. It is imperative that, at this time of deepening recession, jobless benefits be expanded to cover more of the currently ineligible groups of unemployed workers.

PRIVATE INDUSTRIES WITH HIGH JOBLESS RATES

Although the media has understandably focused on the high jobless rates in the construction and auto industries, blacks have their highest unemployment rate (16.9) in food processing. And larger numbers of black workers are unemployed in the food processing industry with 41,000 jobless blacks than in the auto industry with 30,000 jobless blacks. Even larger numbers of blacks are unemployed in the construction industry—86,000—and the unemployment rate is also very severe (16.6).

Among white workers, unemployment in the apparel industry with a rate for these workers of 9.8 outranks the automobile industry with a white rate of 7.5 in severity. And the 110,000 unemployed white workers in the apparel industry exceed the 76,000 unemployed white workers in the auto industry.

The apparel industry is also a high unemployment rate industry for blacks with a rate of 13.6 and food processing has an unemployment rate of 7.2 for its white workers. Thus, the food processing and apparel industries across the nation have been affected by the current recession and inflation to a much greater extent than is widely publicized.

The steepest rise in unemployment rates has occurred in the automobile industry. One year ago during the onset of the energy crisis, the black unemployment rate in this industry was 3.8 while today it is 15.6. In the same period of time, the white rate has risen from 1.9 to 7.5. Other private industries with high jobless rates for black workers during the last quarter of 1974 were: retail trade (11.3), personal services (10.8), textiles (10.7) and wholesale trade (10.0).

UNEMPLOYMENT AMONG GOVERNMENT WORKERS

Although blacks make up only 15 percent of all government workers, they comprise about one-third of all unemployed government workers. While the unemployment rate for white government workers remained at about two percent between the third and fourth quarters of 1974, the jobless rate for all black government workers rose from 5.3 to 6.7.

But black government workers at the local level have been the hardest hit of all government workers. While the unemployment rate for white local government workers remained unchanged at 1.7 between the last two quarters of 1974, the unemployment rate for black local government workers shot up from 7.1 to 11.2—more than six times the jobless rate for whites.

Moreover, although blacks comprise only 12 percent of all local government workers in the labor force, they made up half (47 percent) of all local government workers who were unemployed during the fourth quarter of 1974—up from 38 percent during the third quarter of 1974.

Black unemployment at the federal and state levels, however, was not as acute as it was at the local level. Black federal workers had a jobless rate 5.6—about double the 2.6 jobless rate for white federal workers. And the black unemployment rate was lowest at the state level—2.6 for all black state government workers, about equal to the jobless rate for white state government workers.

POLICY IMPLICATIONS

The employment situation of the black worker is critical and unemployment figures for the early part of 1975 indicate that the situation is continuing to deteriorate. Already indications are that it may very well be as severe as it was during the depression of the 30's. Ira Reid, research director of the National Urban League at that time, based on a survey of cities across the nation, estimated that 750,000 black workers were out of work at the end of 1931 and that one and a half million blacks were out of work at the end of 1932. Even using the limited official definition of unemployment, black unemployed workers have already exceeded the million mark.

Many policy implications stem from our analysis of the data. Black workers are being disproportionately laid off their jobs by local governments at a time when Congress has passed legislation expanding the number of public jobs at the local level. If, as we have found, almost half of the workers who had previously been employed in local government are now out of work, certainly they should get their fair share of the new public employment jobs when they are handed out. Based also on the proportion of blacks among the long-term unemployed, they also deserve special consideration when these slots are filled. Yet it is already evident that many of these new public service jobs are not going to the long-term unemployed, blacks and other disadvantaged groups. Thus, they will once again be denied equal employment opportunities unless affirmative action commitments are enforced in both the public and private sectors.

Even more serious, perhaps, are those who will not be helped at all by the remedies presently proposed. We are speaking of the unemployed, and this affects blacks particularly, who have virtually no job experience or who have been out of the labor market for a time and who are now again trying to find work. They make up almost half of the black unemployed and yet they are not eligible for the benefits under the unemployment insurance program nor are they eligible for the newly created jobs. Yet these are the workers least likely to have any cushion to fall back on. Particularly youth who have never worked, are losing the valuable years of experience needed for progress in the world of work.

NOTES

(a) The numbers of unemployed and rates of unemployment generally used in this report are from the official numbers and rates provided by the Bureau of Labor Statistics (BLS) in the U.S. Department of Labor. According to this definition, only those people are considered unemployed who did not work during the survey week and who actively searched for work within the four week period preceding the survey and who were available for work (except for temporary illness) during that week. Those workers, ready and willing to work, who had become discouraged by their inability to find a job or who lacked the means to look, are not included. These numbers, therefore, underestimate the true extent of unemployment.

(b) In the NUL *Hidden Unemployment Index* we seek to correct this deficiency. Based on a formula developed by the Joint Economic Committee of the United States Congress, we take into consideration both the "discouraged workers" and those who work part-time for economic reasons. For the number of "discouraged workers" we refer to those persons not in the labor force who indicated that they "want a job now." Official data in a 1970 survey of low income areas show that of those black workers not in the labor force who indicate some desire for a job, only about two fifths say they want a job now. The figure for "discouraged workers" is added to both the official labor force number and to the number of officially unemployed. Forty-six percent of the part-time for "economic" reasons are included to represent the amount of employment lost by them. The part-time workers are already considered in the official labor force figures and are, therefore, added only to the figures for the unemployed. The new rate of index is obtained by dividing the new total for the unemployed by the new total for the civilian labor force.

(c) In addition to recording the actual data, BLS adjusts its statistics to eliminate fluctuations due to seasonal factors. Because we are interested in examining trends in the actual number of unemployed people, regardless of the reasons for their unemployment, and because the seasonally adjusted data are subject to repeated revisions, it is our policy to use the original, unrevised statistics. Therefore, numbers and rates used throughout this report, for example, will reflect the unrevised, actual figures for the unemployed, not those which have been imputed to conform to seasonal factors established by past experience. The unadjusted figures may be lower or higher than the seasonally adjusted numbers or rates which are generally quoted by the media.

(d) Since employment and unemployment statistics on blacks, distinguished from other nonwhites, are not generally available from BLS for purposes of analysis, data in this report, unless otherwise indicated, are for blacks and other races (American Indians, Japanese, Chinese, Filipinos, Koreans, etc.). Usually data include Spanish-Americans in the statistics for whites.

TABLE 1.—UNEMPLOYMENT TRENDS OF BLACK AND WHITE WORKERS BY SEX AND AGE STATUS FOR SELECTED QUARTERS

[PERCENT UNEMPLOYED]

Types of workers	Quarters: 4th 1973	3d 1974	4th 1974
Total	4.4	5 5	6.1
Black	7.9	10.0	10.9
White	4.0	5.0	5.5
Adult men:			
Black	4.9	6.2	7.7
White	2.5	3.1	3.9
Married men:			
Black	3.4	3.9	5.0
White	1.9	2.1	3.0
Adult women:			
Black	7.7	8.6	9.6
White	4.0	5.4	5.5
Teenage males:			
Black	25.7	30.5	34.3
White	12.8	12.4	15.2
Teenage females:			
Black	30.5	33.8	38.0
White	12.5	14.7	14.9
Unemployed numbers (in thousands)			
Total	3,958.0	5,115.0	5,611.0
Black	806.0	1,051.0	1,123.0
White	3,152.0	4,063.0	4,487.0
Percent Black	20.4	20.6	20.0

Source: U.S. Department of Labor, Bureau of Labor Statistics.

TABLE 2.—LONG TERM UNEMPLOYED AS PERCENT OF TOTAL UNEMPLOYED FOR BLACK AND WHITE WORKERS BY SEX AND AGE STATUS FOR SELECTED QUARTERS

[Percent unemployed]

Duration of unemployment	Quarters: 4th 1973	3d 1974	4th 1974
15 weeks or more:			
Total	17.0	16.2	17.8
Black	21.1	15.9	22.0
White	15.9	16.3	16.8
Adult men:			
Black	31.4	20.6	24.9
White	20.6	24.2	20.2
Adult women:			
Black	18.2	15.0	19.2
White	15.8	15.6	16.8
Teenage males:			
Black	15.3	15.2	22.9
White	10.6	7.8	11.5
Teenage females:			
Black	12.6	9.6	20.8
White	10.1	7.6	11.3
27 weeks or more:			
Total	7.4	7.4	7.1
Black	8.9	7.5	9.3
White	7.0	7.4	6.5
Adult men:			
Black	14.0	12.6	13.8
White	10.5	11.9	9.5
Adult women:			
Black	9.3	6.9	7.1
White	6.4	6.2	6.2
Teenage males:			
Black	2.7	4.8	6.3
White	3.2	2.6	2.0
Teenage females:			
Black	3.0	2.5	6.0
White	3.6	2.1	2.9

Source: U.S. Department of Labor, Bureau of Labor Statistics

TABLE 3.—TYPE OF UNEMPLOYED WORKERS BY RACE, SEX AND AGE STATUS, 4TH QUARTER 1974

[Numbers in thousands]

	Black	White
Adult men (number)	399	1,779
Total percent	100	100
Job losers	69	69
Job leavers	9	13
Re-entrants	19	16
New entrants	3	3
Adult women (number)	410	1,564
Total percent	100	100
Job losers	38	41
Job leavers	14	18
Re-entrants	38	37
New entrants	10	4
Teenage males (number)	169	612
Total percent	100	100
Job losers	20	29
Job leavers	6	15
Re-entrants	37	29
New entrants	37	27
Teenage female (number)	144	532
Total percent	100	100
Job losers	15	14
Job leavers	5	15
Re-entrants	35	27
New entrants	46	44

Source: U.S. Department of Labor, Bureau of Labor Statistics.

JUVENILE DELINQUENCY—NEW FUNDING

Mr. MATHIAS. Mr. President, it is with great pleasure and a sense of anticipation that I view passage by the Senate of provisions in the supplemental appropriations bill for the implementation of the Juvenile Justice and Delinquency Prevention Act of 1974. As a member of both the Subcommittee To Investigate Juvenile Delinquency and the Appropriations Committee, I have shared with a number of my colleagues a strong commitment to shepherding this important and innovative legislation through enactment and funding. There is an urgent need for a strong Federal program such as proposed by this act to combat juvenile crime. I am hopeful that the commitment which has been demonstrated by both the House and the Senate in allocating funds for this program signals the coming of a more optimistic tomorrow for our efforts in preventing the tragic waste of the juvenile crime of yesterday and today.

The failure of our current methods for dealing with the youthful offender has been amply demonstrated. And we receive daily reminders that far from being deterred from crime, our young people are increasingly becoming involved in violent crime. During recent hearings in the Subcommittee To Investigate Juvenile Delinquency, witness after witness detailed the unprecedented degree of violence and vandalism within our school systems. Unemployment has impacted most upon the young whose psyches are often not yet ready to cope with the harsh realities of recession. We are now confronted with an expanding number of youthful offenders each year in addition to the three out of four youngsters who have already been subjected to our present juvenile justice procedures and who have returned to crime. Our present system of processing youthful offenders through the criminal justice system toward incarceration is neither efficient nor successful. It lacks social interest and it has failed.

The Juvenile Justice and Delinquency Prevention Act affords the opportunity to refocus our efforts in this area. It stresses the necessity of prevention if we are to succeed. In addition, the bill emphasizes the importance of providing community-based alternatives to traditional detention and correctional facilities used for the confinement of juveniles. In order to turn our ideas into reality, an investment is necessary—an investment that has the potential for saving untold numbers of tax dollars in the future. The House of Representatives has authorized $15 million to the Juvenile Delinquency Act and an additional $10 million of previously appropriated funds to be used by the Law Enforcement Assistance Administration under the special emphasis program. The Senate has designated that $25 million be appropriated for the act and an additional $10 million for the special emphasis program. Both chambers have included provision for extending the deadline beyond the current fiscal year for the granting of this money. This is an important provision because of the late date at which we are approving these funds.

Mr. President, I urge my colleagues on the House-Senate conference to retain the maximum funding for this important program. It has been said that when what was once an idea in the mind of one man occurs to another man, it signals the key to an era. I am confident that we now have the key to an era of increased juvenile productivity and decreased juvenile delinquency in our hand. It remains only for us to open the door.

CORRECTION: THE CAMBODIAN SHIP INCIDENT

Mr. McGOVERN. Mr. President, in a roundup of congressional reaction to the administration's handling of the Cambodian ship incident, I was quoted in today's Washington Post as saying the President's action was "precipitous" but "It worked and I'm glad he did it."

The Post has apparently transposed some other Senator's statement to me.

I have never at any time approved the handling of this matter. I said consistently to every reporter who asked my opinion that I regarded the action as ill-advised in that the President took a military course without first giving diplomacy a chance to work.

Needless to say, I am gratified that the crew has been recovered, but the action was not in keeping with the maturity of a great nation. It is always easy to take military action, and sometimes it may be necessary. In this case, however, I find no evidence that our officials first seriously gave diplomacy a chance to succeed. And I strongly suspect that we do not yet know all the facts that were needed to explain the course the President carried out.

Having referred to the inaccurate quote in the Washington Post news roundup, I want to praise the Post for its editorial of today which concludes with these words:

> We have no objection to the Ford administration's milking this incident for its political value: that's normal politics. But the substance of most of these and other supportive comments adds up to a measure of jingoistic claptrap beyond all reason. It is nothing short of alarming that one rather small incident in which the greatest power in the world used force against a country describing itself as "small, poor and needy"—an isolated and friendless country at that—could be such a tonic to official Washington. That anyone could find the Mayaguez affair a valid or meaningful guide to the requirements of post-Vietnam foreign policy at other times and places defies common sense. Responsible people ought not to be magnifying this affair and casting it as a useful precedent for whatever ails America in the wake of Vietnam. They ought to be pointing out that every other problem of policy is harder and more delicate and not open to the kind of quick military fix which, fortunately, worked in this case.
>
> The United States has not suddently reinstated itself as a full-fledged four-star operative world power capable of commanding the respect and confidence of big and little powers alike. It has only enjoyed a brief interlude of high, and happily successful, adventure before returning, as it must, to the real world.

I was also impressed by the thoughtful statement of the Senator from Wisconsin (Mr. NELSON) in the Senate yesterday. I ask unanimous consent that Senator NELSON's statement be printed again in the RECORD and unanimous consent that the full text of the Post editorial also be printed in the RECORD.

There being no objection, the statement and editorial were ordered to be printed in the RECORD, as follows:

[From the CONGRESSIONAL RECORD, May 15, 1975]

ON CAMBODIAN AREA MILITARY ACTION

Mr. NELSON. Mr. President, there is no doubt about the popularity of the President's

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decision to recapture the *Mayaguez* by force. Reaction around the Congress is near unanimous. I have no doubt the public response is the same. Hardly even a muted voice of doubt has been raised. After all our honor and dignity were at stake.

Nevertheless the real question still remains: Was our Government's action the right one? Did it serve the best interests of the Nation? I think not. Neither congressional nor public popularity is a reliable test of the soundness of important policy decisions. This is especially so in emotional and emergency situations.

What vital national interest was at stake to justify such a precipitate and violent response? Was our ship in contested waters? Was it justifiable to land our Marines in Thailand without that government's consent? Did we need to sacrifice any of the lives of our soldiers, endanger the ship's crew and bomb a Cambodian airport in order to settle this dispute? The answer, I think, is no. We did not even bother to give the negotiating process a fair trial.

Of course it is an offensive challenge to any sovereign nation for its ships to be intercepted on the high seas. Nonetheless it is not a novel event. It happens from time to time in all parts of the world. It occurs with great regularity off the coasts of South America where fishing boats are intercepted and hauled into port from as far as 150 miles into international waters.

Ironically, news reports state that our Government received a Cambodian statement offering return of the ship but the military action was already under way.

Those incidents are matters for negotiations not force. The test of the strength and maturity of a superpower is better measured by its restraint in minor incidents such as this rather than a demonstration of the power the world already knows we have at our command.

Thus I dissent from the conventional wisdom that tells us we must prove our virility and maintain our credibility by responding with violence wherever and whenever we may be challenged, however minor the insult.

[From the Washington Post, May 16, 1975]

THE RETRIEVAL OF THE MAYAGUEZ

Two kinds of satisfaction are being taken from the retrieval of the Mayaguez by American marines and from the return of the merchant ship's 40 crew members by their Cambodian captors. The first kind is, of course, relief that the men and their ship got out safely. Those 40 men were in danger throughout their ordeal, and no one could be sure that they would survive either their capture by the Cambodians on Monday, or their confinement if it had continued, or the American effort to rescue them. It was a bold decision President Ford took to go after them. Given the results, it was also on balance a successful one, despite the military casualties. And given the silence the Cambodians had apparently maintained until then, he may have had very little choice. By the time the Cambodians announced they were willing to return the ship and also (the context of the announcement makes clear) the crew, military action had already begun and it would have been extremely difficult if not impossible to halt it.

There will be time enough to scan the record of the diplomatic initiatives attempted beforehand by the administration and to see what if any substance there may be to the Cambodian claim that the Mayaguez was merely the latest of a series of "provocative" foreign ships to sail through its territorial waters. For now we can all be grateful that the ship and its crew are back on the undisputed high seas.

The second kind of satisfaction being taken from the Mayaguez affair is, however, of an entirely different sort. We refer to the positively manic glee with which the incident has been seized on by the administration and its supporters as proof that the international position of the United States, not to speak of its self-esteem, has been somehow magically restored after the collapse of this country's 30-year effort to contain the advance of insurgency in Indochina.

Listen to Vice President Nelson Rockefeller: "I'm very proud to be an American today." And Secretary of Defense James Schlesinger: ". . . a firm and measured response to the high-handed and crude use of force. To countenance such an act would mean the weakening of international order and civilized communications." And Sen. Barry Goldwater (R-Ariz.): if Mr. Ford had not sent in troops, "every little half-assed nation is going to take shots at us." HEW Secretary Caspar Weinberger: "I'm glad to have something to be proud of again." Sen. John Tower (R-Tex.): "In the eyes of the world this enhances confidence in the United States to react and react expeditiously." Sen. Carl Curtis (R-Neb.): "The courageous and decisive action by President Ford will do more for the cause of liberty around the world than all of the diplomatic meetings and conferences that have been held in the last few years and will be held in the next five years." Rep. Carroll Hubbard (D-Ky.): "Had we shown some fortitude such as this during the past 10 years, we could have easily won the war in Vietnam and avoided the embarrassment of the Pueblo hijacking."

We have no objection to the Ford administration's milking this incident for its political value: that's normal politics. But the substance of most of these and other supportive comments adds up to a measure of jingoistic claptrap beyond all reason. It is nothing short of alarming that one rather small incident in which the greatest power in the world used force against a country describing itself as "small, poor and needy"—an isolated and friendless country at that—could be such a tonic to official Washington. That anyone could find the Mayaguez affair a valid or meaningful guide to the requirements of post-Vietnam foreign policy at other times and places defies common sense. Responsible people ought not to be magnifying this affair and casting it as a useful precedent for whatever ails America in the wake of Vietnam. They ought to be pointing out that every other problem of policy is harder and more delicate and not open to the kind of quick military fix which, fortunately, worked in this case.

The United States has not suddenly reinstated itself as a full-fledged four-star operative world power capable of commanding the respect and confidence of big and little powers alike. It has only enjoyed a brief interlude of high, and happily successful, adventure before returning, as it must, to the real world.

S. 1756—COMMUNICABLE DISEASE AND OTHER CONTROL PROGRAMS

Mr. JAVITS. Mr. President, I have joined in the introduction with Senator SCHWEIKER, on the request of the administration, of S. 1756, a bill to extend appropriation authorizations for communicable disease and other control programs.

I am pleased that the administration recognized through this legislation the need for a continued Federal effort respecting these programs. However, I cannot support certain provisions in the bill. For example, I am opposed to the administration's recommendation for a reduction in the authorization levels. Efforts to prevent and combat communicable disease reflects the strengths of a health-care system. Moreover, it is the weak, the disenfranchised, and the powerless that are most susceptible to these diseases. We cannot permit our immunization levels to drop so all of us are at risk and all of us are vulnerable. We now have the means to control polio, tetanus, diphtheria, measles, rubella, and mumps. These are communicable diseases which recognize no State boundary and are issues of national concern. We must continue to protect the less fortunate citizens of our country and avoid any further epidemic outbreaks of these highly contagious diseases.

Also, I am opposed to the provisions in the bill which consolidate venereal disease with the other disease and control programs and also repeal the venereal disease research and State formula grant authorities. There is an urgent need to continue the national commitment established in existing law based on a bill I introduced a little more than 3 years ago. We have reached a new chapter in the saga of VD prevention and control and we must continue our support levels both for proven and theorized control activities.

During 1974, the most recent year for which data is available, and the second year of authority under this act, several new and interesting phenomena occurred relative to control activities and incidence trends that have been perceived as positive by VD control personnel. At the same time it is essential that we maintain the highest level of research support into the prevention of venereal disease. Only recently new breakthroughs have been found and we dare not now cut back on our level of support.

Further, I am opposed to the repeal, in the administration bill, of lead-based poisoning grants at the local level.

I am concerned by the administration's failure to stimulate a commitment to the establishment of a national strategy with regard to education for health promotion and preventive medicine. Our killers today are accidents, heart disease, respiratory diseases, and lung cancer. If we are to control these epidemics, we must set forth a new strategy. One which assists us to understand the nature and causes of self-imposed risks, adds to our knowledge of illness, educate patients and consumers about health maintenance and prevention, and improves the physical and social environment. That is the purpose of health education legislation which Senator KENNEDY and I introduced as separate bills.

I believe we must explore new directional emphasis with regard to health education. We cannot sit back and rely upon the past.

CAPITAL AREA HEALTH CONSORTIUM

Mr. RIBICOFF. Mr. President, health care costs in America are rapidly rising. Most Americans find it increasingly difficult to pay for hospital care unless they are fortunate enough to have good private health insurance policies.

More must be done by all segments of the health care industry to control costs.

I am pleased that a number of Connecticut hospitals are leading the way in efforts to hold down costs.

Eight hospitals in the Hartford area have joined together in the Capital Area Health Consortium in an effort to reduce hospital costs while improving health care through regional cooperation.

By sharing of facilities, centralizing purchases, and avoiding duplication of efforts, the consortium is doing on a voluntary basis just what I believe is necessary to do to improve our health care system. I fully support and applaud the consortium's work.

In the late 1960's, my Subcommittee on Government Operations looked into the problems of coordination of health care delivery and reached the same conclusion that the consortium has reached—that cooperative efforts at the local level can improve health care delivery and cut costs.

Recently, Business Week magazine described the efforts of the consortium. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PERFORMING MAJOR SURGERY ON HOSPITAL COSTS

(The plan of eight Hartford hospitals to join together could be a national model.)

"I think that we are the cutting edge of something very important," says John M. Danielson, executive director of the Capital Area Health Consortium (CAHC).

Danielson is talking about a year-old organization of eight Hartford-area hospitals that aims to reduce hospital costs while improving health care through regional cooperation. If its early successes prove out, the beneficiaries will range far beyond the 1.5-million persons in the CAHC service area. They will include U.S. patients, U.S. health care providers, and the thousands of U.S. employers who have grimly paid soaring employee health insurance premiums as average daily hospital bills rose from $61.38 in 1968 to an estimated $132 in 1974. With federal fiat and economic necessity both pushing hospitals toward some form of regional organization, the CAHC could become a national model.

Certainly the hospital industry understands its importance.

"Consortiums such as this can help to avoid duplication, which adds to the cost of patient care," says John Alexander McMahon, president of the American Hospital Assn. Specifically, McMahon notes, regional planning will ensure that no new construction is undertaken without proof of need; it will encourage the community to examine its resources in order to eliminate idle capacity, either by closing superfluous units or using them for other purposes, and it will develop better management techniques for both personnel and money.

SHARING FACILITIES

The Hartford instrument for achieving these aims consists of eight highly diversified hospitals: public and private, general and specialized, Catholic and Jewish, big and small. Incorporated as a consortium last May, the eight have begun to plan jointly, share facilities, centralize purchases, and—utter anathema to the medical establishment—permit their doctors to treat their patients in any CAHC hospital with available beds.

Not even the Detroit Medical Center Corp., the country's other major regional hospital consortium (with a long headstart on CAHC and a track record of $60-million in new construction averted through joint use of existing facilities) has taken this momentous step. Rare anywhere and unique for so varied a group of hospitals, the granting of "secondary" appointments to doctors with "primary" appointments elsewhere means that each hospital relinquishes its traditional right to certify every doctor who will practice within its walls.

It also means, says Danielson, that all 3,000 beds in the eight hospitals are available to all 2,000 doctors in the consortium. In addition to preventing delays in treating patients, this arrangement lowers overhead costs of formerly underrutilized hospitals and avoids the need to build expensive additions to formerly overcrowded ones. As good medicine and good business practice, it typifies what the CAHC is all about.

Other innovations include:

A heart surgery team that operates at both Hartford Hospital and St. Francis Hospital, the two local units with heart surgery facilities. "We considered consolidating heart surgery in one hospital, but that would have required expansion of whichever one we chose," says Danielson. "So we decided to keep both facilities and move the team between the two."

A single nurses' aide training program using the facilities of all eight hospitals, at lower administrative cost and with greater student exposure to a variety of nursing situations than in the eight nurses'-aide training programs that had preceded it.

Closed-circuit TV that enable university medical students, for instance, to watch specialists make their rounds at Newington Children's Hospital from their pediatrics classroom at the University of Connecticut Health Center Hospital in Farmington. Ultimately the TV link will be used for both teaching and medical consultations.

Joint use of an EMI, Ltd., brain scanner, a $390,000 neurological testing device now on order.

All this is just a beginning, say CAHC's board members, eight doctors, eight administrators, and eight hospital trustees. Once the consortium is operating full blast, its potential economies in just one area—group purchasing—may be measured by a study conducted last year by Professor Dean S. Ammer of Northeastern University. "Competent purchasing and inventory control [using group purchasing] can reduce aggregate hospital charges by at least $1-billion a year," Professor Ammer found. That is 9% of the current $11-billion total.

At present, hospitals buy only $200-million, or 2%, of their annual needs through group purchases.

EDUCATING

To Danielson, the CAHC's greatest potential for cost savings lies in the less obvious area of preventive medicine. "You can save nickels and dimes by combining laundries, but you save hundreds of thousands of dollars by keeping people out of that high-cost hospital system," he says, a conviction backed by Leslie P. Hemry, president of the Health Insurance Assn. of America. Hemry cites "overutilization" as a major hospital industry cost.

Danielson envisions an extensive educational system (using lectures, printed material, cassettes, and films in English and Spanish), usable in classroom situations, hospital treatment, follow-up therapy, ambulatory care, visiting nurse services, and chronic care facilities. A pilot program in patient education is already under way with funding from Connecticut Blue Cross, Inc. It seeks to teach patients and their families how to avoid recurrence of conditions requiring hospitalization—strokes, diabetic crises, and the like.

Also on the CAHC's agenda are an inventory of each hospital's facilities, creation of a formula to measure the health and health care resources of the community as a whole, establishment of a management program for hospital chiefs of staff and department chairmen, development of a training workshop for nurse clinicians in cancer, expansion of an outpatient program for alcoholism treatment, affiliation (now under way) of the area's single holdout hospital, the Veterans Administration Hospital at Newington.

In Danielson's view, no great psychological change must occur to enable physicians to forsake old-style medical practice for the CAHC's hospital-oriented, consortium model. The development of complex modern medicine wiped out old-style practice years ago, he believes.

"Doctors can't take care of their patients anymore by going around from house to house with a little black bag," he says. "It would take a truck and three busloads of technicians. So the responsibility for organizing primary medical care and the delivery system rests institutionally, with the hospital." In this situation, Danielson says, participation in a hospital consortium becomes the physician's best method of influencing the planning of health care generally.

PREMIUMS

With or without doctor support, regional health care planning clearly lies ahead. Last January President Ford signed a National Planning & Resources Development Act that requires each state to create regional Health Systems Agencies to superintend planning (and justify its plans to Washington) or forfeit its share of the $1-billion in federal funds available for health facilities.

The planning act followed hard on the 1972 amendments to the Social Security Law that authorize a one-third reduction in federal matching payments for long-term institutional care under medicare and medicaid to states that fail to control cost and quality and mandate the creation of Professional Standards Review Organizations, composed of doctors, to exercise this control. National health insurance—inevitable in the opinion of most health care experts—must also logically require regional planning and controls.

Moreover, the private sector has begun to exert pressures of its own. Total health insurance and disability benefits paid to the "healthy" segment of the population, persons under 65, rose more than 120% between 1968 and 1974, and insurance executives know that there is a realistic limit to how high insurance premiums can go. It is no coincidence that the CAHC appeared in the insurance capital of the U.S. Hartford-area companies, which write more than a quarter of the nation's private commercial health insurance and man the boards of local hospitals, worked hard to bring it to pass.

"This kind of a regional approach has the potential to accomplish in the private sector many of the goals sought, but still unrealized, in federal planning proposals," says Robert D. Kilpatrick, a senior vice-president at Connecticut General Insurance Corp.

Adds AHA's McMahon: By dropping their historic insistence on certifying doctors individually, the CAHC hospitals have "demonstrated what private, public, and voluntary hospitals can do to set up a model for national health insurance."

Indeed, Aetna Life & Casualty may use the CAHC in an experiment approximating one form of national health insurance. Aetna will confirm only that the plan is under consideration. But specialists involved with the program say that the experiment would involve use of a health card that Aetna employees would use as a guarantee of payment when entering any CAHC hospital. Aetna would pay the hospital, then bill the employee for costs not covered by insurance.

JUDGING THE JUDICIARIES

Mr. MATHIAS. Mr. President, Peter Schuck is known to many of us, because of his role with Consumers Union. He

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was also director of the Nader Congress Project Study on the Judiciary Committees of the Senate and House of Representatives, on both of which I have been privileged to serve. The study has now been published and has been reviewed in the Washington Post by Prof. Arthur S. Miller, a consultant to the Subcommittee on Separation of Powers of the Judiciary Committee.

As ranking minority member of that subcommittee, I am pleased to call attention to this study of the Judiciary Committees. Much that is contained therein is highly informative, especially for those of us who have spent a great deal of time working with the committees. I also believe that the Miller review bears reading and so I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JUDGING THE JUDICIARIES

(Reviewed by Arthur S. Miller)

The reviewer is a professor of law at George Washington University and a consultant to the Senate's Subcommittee on Separation of Powers. His forthcoming book is "The Modern Corporate State."

Writing in 1885, 18 years after the trial of Andrew Johnson, Woodrow Wilson asserted that "the predominant and controlling force, the center and source of all motive and all regulative power [in American government] is Congress . . . The Legislature is the aggressive spirit." He soon changed his mind, maintaining in 1908 that "the President is at liberty, both in law and conscience to be as big a man as he can." Since then, a succession of chief executives have made the office the most powerful in the world.

The question today is whether history will repeat itself. Will Congress again be "the predominant and controlling force"? Did Watergate reverse the tide of power running toward 1600 Pennsylvania Ave.? Although the evidence is just beginning to accumulate, the answer seems to be clear: Despite much huffing and puffing on the Hill, the center of governmental power will continue to lie at the other end of the Avenue.

Certainly there is little in "The Judiciary Committees" to lead one to think otherwise. True, most of the research for the book was conducted in 1972, so it is not a post-Watergate analysis.

The book is the first of several volumes to be published by Ralph Nader's Congress Project. Nader believes that Congress "is the heart of our democracy" and that the Judiciary Committees are its "lifeblood." Peter Schuck, a lawyer who directed the study and wrote much of it, asserts that the obscurity that envells Congress "is profoundly dispiriting to the democratic enterprise."

There is little in this book to validate either statement. Lacking is any analysis in depth—or, for that matter, any organizing principle. The two committees and their work are described, but in a way that adds little that is new for any knowledgeable student.

What emerges, however, is a combination of congressional ineptitude and a willingness to cooperate with the executive—mainly, the Department of Justice. There is little question, as the study concludes, that the committees "are seriously deficient in a number of respects." But is it enough merely to chronicle their manifold inadequacies, without probing into the basic reasons why?

Having described the committees and their activities, the book ends with recommendations for change. Most are both obvious and modest: The Senate committee should adopt formal rules and it should have a better way of considering judicial nominations; unnecessary subcommittees should be abolished and waste eliminated; more "oversight" of the executive branch should occur; there should be improved communications between the House and Senate; and jurisdiction over civil rights should be reorganized. The House committee should be "energized"; subcommittee chairmen should have more authority; more subcommittees should be created; the procedures for processing private bills should be "rationalized"; staff and budget should be expanded.

The list contains several more similar items. But it does not discuss how to get there from here. To mention but one problem, how is the power of Sen. James Eastland, chairman of the Senate committee, to be controlled by the membership?

Certainly, reform of the two judiciary committees, while necessary, is not going to take place unless a substantial majority in both houses wants to do so. The highly publicized reforms, this term in the House, that toppled Wilbur Mills and Wright Patman, are at best a small beginning to a major job. Much more is needed throughout Congress, if that body is ever again to perform its constitutional task of being the center of legislative power—in Wilson's words, "the aggressive spirit" in American government.

Five more volumes—on the revenue, commerce, environment, money and rules committees—are scheduled by the Nader Project. When published, perhaps the authors will then turn their talents to fundamental reforms of the national legislature itself. One that should be considered is whether a bicameral organization, in the scientific-technological age, is an anachronism upon which major surgery should be performed.

Is there any longer any reason to have two houses of Congress, which in final analysis wind up being 535 individualists each pursuing his or her own interests (and possibly those of his or her constituents)?

Congress is top-heavy with those having the vote, while far too limited in staff and resources to be more than a pygmy against the colossus that makes up the bureaucracy—that so-called executive branch. The time has come to think seriously of streamlining the entire institution. Failing that, the judiciary (and other) committees will continue to flo under with varying degrees of ineffectuality.

Congress, in short, resembles a great beached whale, with just enough energy to flip its tail back and forth. Now and then, as Richard Nixon found out, a flip of the tail can be lethal. But the legislative whale lacks sustained and consistent locomotive power. There is little in this book either by way of description or prescription, to make one think the condition will change. Nor is there anything in the recommended changes in committee practice that gets to the root of the problem.

EQUAL RIGHTS FOR ALL

Mr. HUMPHREY. Mr. President, the status of women—their rights and responsibilities—is an issue which is integrally involved with the most pressing problems of our day—food and population and peace. It is an issue which concerns not only women, but also men; which affects not only the present, but the future as well. We must have equal rights for all, or we have civil rights for none.

The United Nations designated 1975 as International Women's Year to stimulate world initiative and action to promote genuine equality between men and women; to integrate women into the total development effort; and to recognize the importance of women's contribution to peace.

I am particularly pleased that 118 men and women from the U.S. Congress who recognize the importance of our womanpower joined me on Wednesday in sponsoring the Joint Congressional Symposium on International Women's Year. The symposium served two major functions—to focus attention on those barriers in the United States to the full participation of women in the social, political, and economic life of our Nation, and to prepare recommendations for the U.S. delegation to the United Nations-sponsored International Women's Year Conference in Mexico in June.

Mr. President, I ask unanimous consent that the letter inviting cosponsorship of the Joint Congressional Symposium, and my keynote address, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
April 18, 1975.

DEAR COLLEAGUE: The United Nations has designated 1975 as International Women's Year to stimulate world initiative and action to promote equality between men and women; integrate women into the total development effort; and recognize the importance of women's increasing contribution to the strengthening of world peace. On January 30, 1974, former President Nixon issued a proclamation calling upon the Congress and all the people of the United States to proceed with practical and constructive measures for the advancement of women during this special Year.

In cooperation with the United Nations and in response to the President, we are holding a Congressional Symposium on International Women's Year on May 14, 1975. This symposium will serve as a Congressional contribution to the national effort already under way to further improve the status of women and as a Congressional preparatory conference to the June International Women's Year Conference in Mexico City. The symposium will examine current federal legislation affecting women in the United States; draft recommendations to the 94th Congress for amendments or additions to such legislation; review the proposed International Women's Year World Plan of Action; and formulate resolutions to be presented by the U.S. Delegation at the June conference.

Because of the importance of International Women's Year, we feel Congress needs to make a concerted effort to examine critically the objectives, goals, and plans of the Year prior to U.S. participation in the United Nations conference. So that 1975 will be more than a year of hollow celebration, we urge you to join us in cosponsoring this important symposium. For further information, please call Julia Bloch (43921) or Aviva Futorian (56616).

Sincerely,

HUBERT HUMPHREY
CHARLES H. PERCY
ELIZABETH HOLTZMAN
MILLICENT FENWICK.

SUMMARY AGENDA: "EQUALITY, DEVELOPMENT, PEACE"

A Joint Congressional Symposium on International Women's Year and Federal Laws Affecting the Status of Women in the United States of America, May 14, 1975

The symposium will examine current federal legislation affecting women in the United States; draft recommendations to the 94th

Congress for amendments or additions to such legislation; review the proposed International Women's Year World Plan of Action; and formulate resolutions to be presented by the U.S. Delegation at the June conference. The symposium is organized around the theme of International Women's Year: Equality, Development, Peace.

MORNING SCHEDULE

Opening Session: Distinguished speakers from the Congress and the United Nations will set the tone of the symposium by addressing themselves to the historical changes in the status of women in the United States and the purpose of the United Nations International Women's Year Conference.

Panel I: "The Political Woman": Women, in increasing numbers and with increasing influence, are participating in the political world. To do so, women must contend with social, economic, and psychological constraints. An examination and understanding of these forces is essential before an equal partnership between men and women in the political world can be achieved.

Panel II: The Social Contract: While some people feel that existing federal laws and executive orders provide a sufficient legal base for overcoming traditional sex discrimination, many others feel that existing laws are not being adequately enforced or that additional legislation is needed. Panelists will address themselves to the interrelated subjects of health, education, and social service legislation and employment opportunities for women.

AFTERNOON SCHEDULE

Panel III: Women and Foreign Policy: As women participate more fully in all aspects of society domestically, it is inevitable that they will become an integral part of the international community. The panel discussion of "Women and Foreign Policy" will center on the unique contributions women are making toward the attainment of world peace.

Panel IV: World Plan of Action: The draft World Plan of Action presents guidelines for national action to ensure the total integration of women into societal development. The afternoon session will culminate in an examination of this plan and its relevance to women in the United States.

REMARKS BY SENATOR HUBERT H. HUMPHREY

I welcome you to this Joint Congressional Symposium on International Women's Year. Senator Percy, Congresswomen Holtzman and Fenwick, the additional 115 Congressional sponsors of the symposium and I are delighted that all of you have joined us today.

The status of women—their rights and responsibilities—is no sectarian issue. It is an issue integrally involved with the most pressing problems of our day—food and population and peace. It is an issue which concerns not only women, but men; which affects not only the present, but also the future.

Unfortunately, many men in positions of responsibility and authority are concerned with making today's bread, not tomorrow's opportunities; interested in profit, not preservation; present-minded, not future-oriented. We need the leadership of both men and women who are *future minded;* who care about the well-being of future generations.

For far too long, the institutions of power—government, industry, and the military—have been under the sole stewardship of men. It now is time that we allow women to take their share of responsibility for the successes and failures of the future.

When the United Nations General Assembly declared 1975 as International Women's Year, it singled out three goals for the year. They are:

To promote equality between men and women;

To insure the full integration of women in economic development;

And to recognize the importance of women's increasing contribution to the development of friendly relations and cooperation among states and to the strengthening of world peace.

These are admirable goals, but we have a long way to go in achieving them.

Despite the advances of the last 30 years, discrimination against women remains a fact of life. This is true not only in those few countries in which the laws sanction or even mandate a lower status for women, but also in the advanced countries such as our own in which the laws may declare an equal status for men and women, but the customs and traditions may dictate separate and not always equal treatment.

The discrimination under law by such countries as Ethiopia and Saudi Arabia, and the *de facto* discrimination in such advanced countries as the United States and the Soviet Union, not only are robbing the men and women of these societies of the opportunities for full expression of their aspirations—they also are denying humanity vital resources for solving the world's economic, social and political problems.

I fought the Civil Rights battle 15 years in the Congress to a successful legislative conclusion. But I know that battle is far from over.

It continues in the fight to implement that legislation and other legislation aimed at assuring equal opportuntiy for all. It continues in the struggle of women to achieve full equality with men—equal pay for equal work, equal access to the professions, equal access to financial credit, removal of the artificial barriera that have barred those women who so desire a full participation in the intellectual, economic and political life of our nation.

There can be no civil rights in his country without acknowledging the rights of the largest minority of them all—women!

The final ratification of the Equal Rights Amendment, which I co-sponsored, is a necessary prerequisite to the establishment of a fully integrated society where talent and ability are the only criteria for opportunity and advancement. Passage of adequate child care legislation also is vital to assuring men and women the fullest opportunities so that they may compete in the marketplace and provide for their children's welfare. This legislation is critical for those who must work, just to keep their families above the poverty line.

But changing laws or assuring their implementation is not enough. The more serious barriers to equality lie in the attitudes and stereotypes many people continue to hold on the relative roles of the sexes.

The idea that woman's sole function is to create a family is obsolete. But there are still many people who categoricaly assert that "woman's place is in the home." It is a mistake to assume that caring for a family and home should be tasks limited to women, or that the undertaking of them should automatically prohibit women—or men—from other pursuits or professions.

Circumstances create traditions, and circumstances change traditions. The circumstances which created the traditional role of women have changed. The needs of society have changed, and the traditions and mores of society will need to change with them.

I see the future as a time of new energy, new direction, better values, and better adjusted men and women.

I look forward to the day when there are no distinctions between men and women's work, when male secretaries are as common as female secretaries, when female bosses are as common as male bosses, when more of our university professors are women, when women participate in such crucial discussions as the SALT negotiations and MBFR negotiations on an equal footing with men.

There are no rational reasons why none of these events has yet occurred; it's just many people in many positions still think in traditional terms about man's work and woman's work. Hopefully, during IWY we will be able to focus enough attention on the lost opportunities for humanity resulting from these attitudes.

The poorest people in the world are not those who lack money, but those who have no *options.* Both men and women are suffering now, because men and women have not been given the option of living up to their true potentials.

It is time to put a stop to the cultural and educational practices which rigidly mold women from their earliest years to seek and expect second rate wages and positions of employment with no opportunity of advancement, while molding men to fit into equally rigid, although different, roles. It's time we took full advantage of the vast talents of over half our population.

We ought to have a new motto: "If it's good for women, it's good for the country!"

We are particularly fortunate in the United States that IWY falls in 1975, one year before the 200th anniversary of our national independence. With proper action during IWY, our bicentennial can be a celebration of a genuine commitment to the equal opportunities, equal rights under the law, and equal freedom for *all* our people enshrined in our nation's Declaration of Independence and Bill of Rights.

SOME PROBLEMS OF ENERGY SUPPLIERS TODAY

Mr. BROCK. Mr. President, one of the most pressing issues facing the Nation and the world today is that of energy. My State of Tennessee over the years has been fortumate to have the Tennessee Valley Authority to serve it. However, the TVA faces difficulties as well as other utilities. Aubrey Wagner, the Chairman of the TVA Board, delivered a speech on April 16, 1975, outlining very well some of the problems of energy today. I ask unanimous consent that Mr. Wagner's speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

REMARKS BY AUBREY J. WAGNER, CHAIRMAN, TENNESSEE VALLEY AUTHORITY, BEFORE TENNESSEE VALLEY PUBLIC POWER ASSOCIATION ANNUAL MEETING, GULF SHORES, ALA.

These are troubled times for anyone in the electric power business. All across the Nation consumers are indignant about the increases in their electric bills. The prices of other commodities they buy have risen too, but somehow or other their sense of frustration and resentment against the problems of inflation in general are vented on their electric utility. You know this better than I, for I am sure that in spite of the great numbers of complaints that come to my desk, even more come to yours.

Unfortunately, the energy problem, crisis, shortage, or whatever you want to call it, seems to me to fit in the same category as Mark Twain's comment about the weather, "Everyone talks about it, but no one does anything about it." One reason nothing gets done is that the talk—the complaints—are not directed at the basic source of the problem. For the most part, as you well know, the power supplier is not the real source of the increased rates. We have become the whipping boy because we must pass on costs that

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we cannot avoid, that we cannot absorb, and over which we have no control. If electric rates are ever to stabilize at reasonable levels—and I certainly agree that they must—consumers simply must know where the real trouble lies. Then their complaints can begin to have telling effect.

You and we in the Tennessee Valley were established to serve consumers' interests. We are their representatives. I think it is up to us to tell them where the problem is.

The TVA electric system including your operations, has often been described as a yardstick of power costs. If this is so, we should be able to look at the record here in the Tennessee Valley and diagnose the problem. The diagnosis is rather simple. Power rates are going up because coal costs are going up. The culprit is not your local distribution system. Nor is it TVA. The culprit is coal.

Coal is by far the largest single item in the cost of producing electricity in our system. Last year it accounted for nearly 70 percent of TVA's production costs at our steam plants (including depreciation). Even including the output from our hydro plants, coal accounted for nearly 60 percent of system production costs. Obviously, then, any change in the price of coal drastically affects TVA's costs and consequently the rates we must charge to "stay in the black."

The total costs of the TVA power system this fiscal year are running about $300 million above last year's costs—and three-fourths of that increase is in fuel and related costs. The other one-fourth is divided among the cost of money, depreciation, labor, and other expense. So even though we keep looking for savings in other areas, there is no way these savings can have more than a small effect in offsetting this enormous fuel cost increase.

Even with all we have said on the subject, I don't believe that most consumers really understand just how much the cost of power plant fuel has increased, or its direct effect on their electric bills.

In 1970 the average cost of coal burned in TVA power plants was $4.73 a ton. Last fiscal year it was $8.61. But by February of this year it had skyrocketed to $15.41 a ton. That represented an 80 percent jump in just one year's time, and an increase of more than 220 percent since 1970.

That is not the end of it. Our average fuel expense did not rise as fast as the market price of coal, because we have continued to recieve much of our coal supply at relatively favorable prices under contracts awarded before last year's big jump in coal prices. But as these contracts run out and must be replaced or renegotiated, more and more of our coal supply reflects the present high market prices.

At the height of the coal supply squeeze last summer and fall, TVA had to pay as much as $35 a ton to get coal, and others reportedly paid even $55 or more. Since December the market has eased a bit (perhaps temporarily) and we have been able to buy coal to rebuild our stockpiles at a delivered cost generally between $20 and $25 a ton. That is only half as much as the peak prices some power systems paid for coal last year, but it is still well above the overall average fuel cost level that is covered by present power rates. So even if coal prices stabilize at their present levels, this will continue to have a heavy added impact on electric rates.

There is no way that we—or any utility—can swallow these burgeoning costs. We must have the coal to carry our loads. As you know, coal is currently a seller's market. As a nation we are consuming more than is being produced and this situation apparently will continue at least through 1976. It will probably get even more restrictive as power plants and others are forced to turn to coal instead of gas and oil. Under such circumstances, there is no real competition. We and other utilities ultimately must pay what the coal producers ask or the lights will go out. Faced with that choice we end up paying what is asked.

If the honest cost of producing coal justified these high prices, then perhaps there would be nothing to do but accept them. But I do not believe they do. Since 1970, the consumer's price index has gone up about 35 percent. During that same period, the prices paid for power plant coal have increased about 300 to 400 percent. The cost of producing coal may have increased faster than consumer items generally, but certainly not 12 times as fast!

Coal production costs vary widely from mine to mine. By our estimates, in the region which provides our coal, production costs may range in most cases from about $7 to $17 per ton, including a 20 percent return on the investment. The variance depends of course upon the thickness of the seam, whether deep or surface mined, and the difficulty of the mining conditions and reclamation requirements.

As you can see, that suggests pretty clearly that when prices were at their peak in last year's coal supply squeeze, some suppliers were able to rake off excess profits of up to $15 or $20 a ton. Since that time prices have dropped back somewhat, but there is no assurance that the same kind of squeeze between the demand for coal and the available supply will not occur again. In fact there are several reasons to be concerned that it will happen again—the pressure to utilize more coal in place of oil, the continuing high cost of fuel oil, and the possible effects of the various restrictions that are being placed on the mining and burning of coal.

What does all this mean to the consumer? It is the average cost of coal burned in our power plants that forces the rates upward, and this average fuel expense has not yet caught up with market prices for coal. But it certainly has been moving swiftly in that direction, with that jump in the past year from less than $9 a ton to more than $15 a ton. And it will go higher. If coal prices should stabilize at around $25 a ton, as some have suggested, that would amount to over a half billion dollars more per year—a half billion unjustifiable dollars of excess profits that you and we have to collect from householders, businessmen, and industries all over the Tennessee Valley, and turn into the hands of a relatively few coal producers.

We are forced to stand as buffers between those who are pocketing these millions and the hard pressed consumers who must dig up the dollars. And we are taking unshirted hell for it while the real culprits, sheltered from criticism, rake in the windfall profits. It seems to me it is time for us to make it clear to consumers where their dollars are going and where their efforts and energies aimed at controlling electric rates should really be directed.

In addition to the effect of coal prices, the public must also understand the impact of environmental protection programs on the rate base. At the present time the price tag for environmental protection is tolerable. But if the Nation does not assess the total energy-environment picture and establish sound priorities, sound standards, and reasonable programs of implementation, the impact on electric rates could become intolerable in the years ahead.

In the past decade there has been a strong surge of interest in natural resources and the environment. This surge was overdue, but some of the actions taken or proposed in an effort to correct past mistakes have been hastily- and ill-conceived. Some are illusory or even negative in their results. In the 1974 annual report of *Resources for the Future,* Marion Clawson reminds us: "The resource-environmental problems present many of life's inescapable choices: ends, goals, and desires are unlimited, but means to achieve them are not." All of us share the desire for clean air and clean water, but we do not have unlimited means to fulfill this desire.

It is our job to help the consuming public understand this relationship between clean air and water, on the one hand, and the cost of achieving them, on the other.

There must be a demonstration that the benefits are worth the costs. And since the costs will ultimately be borne by the consumer it is the consumer who should be satisfied that he is willing to spend his dollars for the benefits he will receive. It is important, too, to recognize that once the decision is made to install pollution controls, the equipment is bought and its construction proceeds. The die is cast. It may be several years before operation begins and the costs start to appear in the consumer's electric bill. But they will surely be there once the equipment is installed. They will be substantial. And it will be too late to change our minds—to decide they are not worth the cost. Once the investment is made, it must be paid for—and the only source of funds is the consumer.

Unfortunately, most consumers have not yet faced up to the connection between clean air and clean water and the cost of providing them. A recent survey by one of our major television networks reportedly showed that some 80 percent of the people polled would not want air or water quality standards relaxed even in the face of an energy shortage. Yet nationwide protests against current rate increases are intense—rate increases that will have to be much, much greater if present pressures for some controls are not relaxed.

We have said many times that the air and water must be kept clean, that land disturbed by strip mining must be reclaimed, but we have also said many times that balance must be struck between goals and means. As you know, expenditures in TVA's pollution control program are estimated at nearly $255 million for the fiscal year beginning July 1, which is $74 million higher than for the current fiscal year. This is a lot of money. It is evidence of our commitment to a healthy environment. But we are also committed to the consumers' interests. And we are not willing to spend their money for controls whose need is not clear nor whose effective workability has not been reasonably established.

Some of you will recall that three years ago in New Orleans, I addressed this group on the subject, "Power, Environment, and Your Pocketbook." I pointed out that proposed environmental controls facing us at that time could add from $400 to $800 million each year to the region's electric bills. I have not updated these figures, but I suspect that new calculations today would put the cost estimate on the high side of that range. And these costs are coming on top of electric bills that already create real hardships for some users of electricity.

Obviously we need to do a better job of getting across this message—not that the goal of environmental protection can be abandoned, but that in making decisions among alternative ways of meeting that goal, the impact on the consumer and the economy cannot be ignored.

Higher electric rates have created many suggestions on what can be done to hold down rates. Most of them do not get at the real problem. The majority who complain, of course, simply want the rates held at the low levels of the past. If we were to follow that course in the face of increasing coal costs, interest costs, and environmental costs we would soon be unable to pay our bills. We would be in violation of the TVA Act, in violation of the covenants with bondholders, and ultimately we would be unable to continue to operate. Our consumers might have lower rates for a few weeks or months, but the end result would be total failure of the power system.

Another proposal that crops up from time to time is that our rates should be subject to review by a regulatory commission other than the TVA Board. It seems to me the simplest answer to this suggestion is that rates in other sections of the Nation are regulated by such commissions, yet they are higher rates than in the TVA region, and in most cases their recent increases have been greater than ours.

The system for setting rates provided for by the Congress in the TVA Act and used here in the Tennessee Valley has (except for the hydro-blessed Pacific Northwest) produced the Nation's lowest rates. And it has maintained financial integrity of the power system at a time when many regulated utilities have been forced into the gravest of financial straits. It thus fulfills the basic purposes of ratemaking: protection of the consumer and maintaining financial soundness of the supplier. The TVA Board is required by law both to sell electricity at the lowest possible rates and to operate in the black. We also have broader responsibilities for the economic development of the region and low-cost electricity is a powerful tool for that task. No other rate-setting body in the Nation operates under such strict controls.

Within this region, troubled by rate increases, we hear occasional suggestions that maybe it is time to return the electric power business to private control. Strangely enough, outside the region where rate increases are even more severe, the reverse suggestion is made more frequently—that it is time in those areas to replace private electric utility operations with public ownership. As a matter of fact, the current increases have nothing to do with public vs private ownership of the utility system. Private owners using coal face the same problems that we do. Those who use oil for fuel face an even more aggravated situation; their fuel costs are twice as high as ours. This is one situation where the consumers of privately- and publicly-owned utilities have a common problem. Electric rates are up because fuel costs are up; the consumers' quarrel should be with fuel suppliers, not with their electric utility.

We have examined other suggestions such as inverted rates, higher rates for industry to subsidize residential consumers, and a variety of other proposals. We have examined them all—and we will continue to look at alternatives and suggestions—but I believe you are familiar with the pitfalls most of them present. Therefore, I will not go into them in detail.

We need to urge the public to look at the record—yours and ours. I am confident that any one who takes the time to do so will find that jointly we are doing one of the best jobs in the United States in serving the users of electricity at the lowest feasible rates. The system works! And it works well.

One reason it works is that electricity is understood and used in the TVA area as part of a total integrated resource development program carried out for the well-being of the people of this region and the Nation.

Our problems today is that our consumers, as well as those elsewhere, are saying they can't stand the rate of increase in electric bills, and there is merit in their complaints. But we must somehow make them understand that rising prices of electricity can be brought under control only as coal prices can be brought under control. Profits in coal production are exorbitant. If they are returned to reasonable levels, the price of electricity can come down. (And, incidentally, in my judgment, a very large step toward controlling inflation will have been taken.) Neither TVA nor any utility can accomplish this by itself. If coal producers do not voluntarily reduce profits to reasonable amounts, action at the national level, probably by the Congress, will be required. If consumers really want to stop the increase in their electric bills, their attention must be directed at coal. And for the years ahead, they must also take a closer look at their desire for environmental cleanup and decide where they want to strike the balance between benefits and costs—decide how much they want to spend for cleaner air and cleaner water.

We must help the consuming public to define and understand these issues. Widespread, cooperative action across the Valley is not something new. Through the years TVA has worked in partnership with the local power systems, with farmers, businessmen, industrialists, workers, and many others in cooperative programs to renew the region.

Way back in 1936 the TVA Board said, "The planning of the Valley's future must be the democratic labor of many agencies and individuals, and final success is as much a matter of general initiative as of general consent." Thirty-nine years later the region needs to again ignite that democratic initiative—ignite it to fight unreasonable coal prices, so that our future will continue to include reasonable electric rates as a force to help make this great region an even better place to live.

CRUELTY IN CAMBODIA

Mr. MORGAN. Mr. President, the most reliable news reports coming out of Cambodia disclose the most ruthless kind of inhumane treatment to the Cambodian people by the victorious Communists. While no estimates can be given of the deaths and suffering of these people, we can safely assume that when millions are driven from their homes and from sickbeds in the hospitals to the countryside and told to return to the soil without any advance preparation, that more human suffering and deaths will occur than if executions had been carried out with the machine guns of the Communists.

For months and months prior to this terrible tragedy, I heard and read where many of my fellow Americans plead for the United States to withdraw its aid from these brave souls who were attempting to defend the right to live and work as they chose. If only we would cut off the aid we were told, the suffering and killing would stop. These people who were making such accusations have been painfully silent about the cruelty now being imposed on these people.

Surely some day we will learn from history that no Communist takeover has ever been successfully accomplished without the eventual elimination of those who strive for and are willing to fight for the freedom to live as they please and work as they please and to speak as they please. I hope that school children in the future will never forget the agony now being endured by these people.

On May 15, 1975, an editorial entitled "Cruelty in Cambodia," appeared in the Wall Street Journal. I ask unanimous consent that the entire editorial be printed in the RECORD and thus preserved for future study.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CRUELTY IN CAMBODIA

Millions of Cambodians have been driven into the countryside to grub for food or die, and their fare is not likely to be reported by UN observers, Amnesty International or prying journalists. One can only imagine the suffering and degradation, but clearly the new rulers of Cambodia have invented a new brand of cruelty.

The extraordinary spectacle provokes a jumble of reactions, the simplest of which is that it has not been idle fear that in recent months has moved refugees to flight. The experience in Phnom Penh shows again what can happen when a new revolutionary government seizes power. We can give thanks that nothing comparable has yet happened in Saigon, but should note that there was no assurance that it would not.

There is, for that matter, no assurance even yet. When the Communists took over North Vietnam in 1954, they spent a year or two consolidating their hold. Only then did the bloodbath start, and some 50,000 were executed. The excuse was a "land reform" campaign, though the late Bernard Fall reported that the typical holding of the "landowner" class was less than two acres. Hanoi has since admitted to excesses in this incident, which gives some hope that it may be less brutal this time around. But the fact remains that no Communist government has ever been consolidated without some similar purge.

Already, the Cambodian experience is a crisis for those Americans who have built their moral and intellectual universe on opposition to American policy in Indochina. One starts to read half-hearted apologetics. We are told that since there is no reliable news, we cannot be sure that people are dying. At least the new Cambodians are serious men we read. We are told that the forced exodus makes sense seen through the eyes of the Khmer Rouge—as if we should look at the burning of Jews through the eyes of the Nazi.

What a different standard the same people apply to similar sins when committed by a non-Communist dictatorship. Indeed, it is especially instructive to compare Cambodia with, say, Chile. Shortly after the Khmer Rouge drove its population into the countryside, the Chilean junta announced the reinstatement of habeas corpus. This may prove to be a mere announcement not put into actual practice, but when will even the announcement be forthcoming in Cambodia?

At the very least, you do have reports on repression in Chile from UN observers, Amnesty International and prying journalists. Surely, this altogether healthy pressure in itself makes no small difference in terms of alleviating human suffering. But it is a symbol of something broader; so long as a nation is tied to the West there is pressure toward and at least a chance of evolution toward Western ideals of freedom. When the Khmer Rouge replaces Lon Nol, or the North Vietnamese replace Mr. Thieu, that chance is closed forever.

Beyond that, since the end of World War II the Communists have had a monopoly on that special kind of cruelty that comes from millennial ambition. Since taking power, for example, the Chilean junta has seemed to try to redeem the exaggerations initially directed at it by maintaining its own Gulag Archipelago, though an amateurish one compared with the original. But the junta certainly has done nothing comparable to the extermination of the Kulaks, the systematic land-reform killings in China or North Vietnam or the Cambodian march to nowhere.

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The hallmark of this kind of cruelty is that it is not directed at specific enemies, real or imagined, but at whole classes and whole populations. It bespeaks not mundane greed for power, but the terrible self-righteousness that derives from a "sense of mission." The mission may be "liberty, equality, fraternity"; someone has summed up the message of the French Revolution as, "Be my brother or I will kill you." More recently, the mission has been building a new Soviet man, or seeking a new purity in a new agrarian Khmer society. History's worst cruelties have always resulted from the ambition to build a new society, in truth, the ambition to change the nature of man.

It is precisely this millennial ambition, and the "strength of character" that derives from it, that makes revolutionary movements so attractive to Western liberals. The liberals' current disillusionment over Cambodia is after all nothing new. Of all the great British Whigs, only Burke saw immediately the essential murderousness that distinguished the French Revolution from the American one. And we must remember that Lincoln Steffens, the ancestor of all investigative journalists, returned from Soviet Russia proclaiming that he had seen the future and it works. So on through the "land reformers" in China, Cuba and now Cambodia.

It is too much to hope, we suppose, that eventually the lesson will sink in. It is after all no easy lesson that cruelties like we now see in Cambodia result from lofty purpose, from the attempt to impose large and glowing abstractions on tiny and recalcitrant man. It is an even harder lesson that freedom means reign not only for man's lofty side but for his worldly one, and that anyone seriously interested in the quest for freedom will have to abandon the quest for human perfection.

HOME CANNING—SHORTAGES OF JARS AND LIDS

Mr. MATHIAS. Mr. President, in an effort to combat the rising cost of food over the past few years, Americans have increasingly turned to home gardening. In 1974, there were approximately 6 million new home gardens; projections for this growing season are that an additional 6 million gardens are being sown. This, among other factors, has precipitated a severe shortage in canning jars and lids for the coming harvest.

My own State of Maryland has been particularly hard-hit by this shortage—primarily in the western part of the State. I have been contacted by large numbers of my constituents, both long-time gardeners and novices, who are concerned and confused by this situation. In an effort to better understand the conditions which might have led to this shortage so that remedial action could be taken before the canning season began, I first contacted the Federal Trade Commission on January 10, 1975. On January 21, the Commission provided me with an outline of the basic factors responsible for the low availability of canning supplies. On February 3, 1975, I once again contacted the FTC requesting that a full staff inquiry be conducted and that a report detailing the reasons for the shortage and the prognosis for relief be prepared.

The Commission has responded to my additional inquiry. I ask unanimous consent that their letter to me be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEDERAL TRADE COMMISSION,
Washington, D.C., April 21, 1975.

Hon. CHARLES McC. MATHIAS, Jr.,
U.S. Senate, Washington, D.C.

DEAR SENATOR MATHIAS: This reply is in response to your letter of February 3, 1975, which concerned the recent shortage of canning supplies. You inquire as to some of the matters set forth in our January 21, 1975, letter to you which outlined the basic factors contributing to this shortage.

As to the raw materials shortages, our reports show increased demand internationally for tin plate and domestically for soda ash. Further, two major synthetic soda ash plants had to be closed due to environmental restrictions. In the 1974 season, therefore, canning equipment manufacturers were experiencing acute raw materials shortages. The situation for the 1975 season may be somewhat alleviated due to efforts that we understand have been made by Mrs. Virginia Knauer's Office of Consumer Affairs to persuade raw materials suppliers to direct a greater part of their materials to canning equipment manufacturers. These manufacturers currently report no materials shortage but do appear to be experiencing insufficient productive capacity due to the fact that they were unable to plan for major expansion. We understand that the capacity that is operating is being used to its fullest extent—24 hours a day, seven days a week, when conditions permit.

A historical perspective may help put the present shortage into a more meaningful context. Before inflation encouraged many families to grow their own produce for current and future consumption, the canning equipment industry appears to have been in sharp decline. One indication of this decline is the decrease in quantity of lids shipped from 14 million gross in 1955 to 8 million in 1973. Also, shipments for 1973 were 30.4 percent below those of 1972. Still another indication is presented by the report of the Glass Container Manufacturers Institute, *Glass Containers 1973/1974,* which shows that the number of lids shipped per hundred wide mouth jars shipped went from 27.5 in 1960 to 13.47 in 1973.

The declining canning equipment industry was suddenly confronted with a precipitously increased demand in the 1974 canning season. Inflation was largely responsible for a reported six million new home gardens in 1974; an estimated addition of another six million is forecast for 1975. This combination of a declining industry and unanticipated demand increase of themselves seem, on the basis of our present analyses, to account for the severe shortage of canning equipment for the 1974 season.

In addition, national inflationary pressures and energy problems acted to intensify the severity of the shortage. Our information shows that commercial food preserving companies simultaneously were experiencing shortages of metal and plastic containers and therefore the prices of those packaging forms increased. Both as a means of economizing and as a means of insuring an adequate container supply, commercial producers began to substitute relatively less expensive and more readily available glass containers. Thus; the already significant inadequacy of the container supply for home canning purposes was compounded by the diversion of these goods and their raw materials to the competing commercial food production sector.

As above mentioned, manufactures of home canning equipment report that raw materials shortages appear to have abated. Data collected by the Office of Consumer Affairs indicates that the three major manufacturers fo home canning supplies, Ball, Kerr, and Bernardin (which produces only lids and caps) have increased production by an overall of about thirty percent from last year's record production and that two new major entries into the market have been made by Anchor-Hocking and Owens-Illinois. Also, several smaller firms have entered the market.

Therefore, it is anticipated that the total supply situation will have eased somewhat. Our monitoring suggests that manufacturers' planned production of the complete jar-lid assembly is for over four hundred million units but that projected demand for these assemblies is for only three hundred million units. Our forecasts for the supply of separate replacement lids is less optimistic but, at this stage, necessarily uncertain. Production of 1.6 billion lids is estimated for the 1975 season and demand forecasts range from .95 billion to 2.85 billion.

You specifically inquire whether the industry structure could be contributing to the canning equipment shortage. On the basis of our present information we do not believe that structural factors are contributing significantly to the shortage. As set forth above, the industry, if anything, is becoming increasingly competitively structured because the entry of new firms has been encouraged by recently high return on investment. Indeed, this entry seems to offer a "real life" illustration of the competitive prototype. Although we have received complaints and allegations of withholding of goods, our monitoring indicates that, to the contrary, inventories have been at record lows since the 1974 canning season. Also, as is usual during periods of short supply of important commodities, we have received numerous reports concerning so-called black markets in the distribution of canning equipment. However, the federal antitrust and trade regulation laws administered by this agency offer relief from black market practices only when antitrust illegality has been demonstrated.

The information collected by this agency as highlighted and summarized herein indicates that the current shortage of canning equipment is the predictable result of temporary and unanticipated economic phenomena and not related to antitrust violations which would warrant a major investigative and enforcement effort by this agency. Our monitoring of the canning supply market is continuing but there is no present plan to publish a formal study. Of course, we shall be pleased to keep you informed of any major agency activities in this area.

For the present, may we restate our interest in receiving from you any information that would indicate a restraint of trade, exercise of monopoly power, or other antitrust illegality. Also, please be assured that I am always available to answer any further questions you may have.

Very truly yours,
HARRY A. GARFIELD II,
Assistant Director for Evaluation,
Bureau of Competition.

HOUSING TAX CREDITS

Mr. RIBICOFF. Mr. President, many people from Connecticut have written to me for information concerning the new tax credit which Congress enacted to stimulate the housing industry and encourage the purchase of new housing.

I ask unanimous consent that the following series of questions and answers, prepared by the Internal Revenue Service, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

HOUSING CREDIT QUESTIONS AND ANSWERS

Q. I live in an apartment and am buying a residence for the first time. My new residence will qualify for the housing credit. How do I compute the credit?

A. You are entitled to a credit equal to 5 percent of the adjusted basis (generally your cost of acquisition) of your new principal residence up to a maximum credit of $2,000.

Q. Can the credit be greater than my tax liability?

A. No, the credit cannot exceed your tax liability for the year in which the credit is taken and cannot be carried back or carried over to a subsequent year.

Q. I have purchased a condominium for $40,000 (including closing costs) and received a new car with a fair market value of $3,000 as a "bonus" for purchasing the condominium. How much of a credit am I entitled to?

A. Assuming the residence otherwise qualifies, you are entitled to a credit of $1,850 based on an adjusted basis of $37,000 since the cost of the residence must be reduced by the fair market value of the car you received. You cannot claim this credit, however, to the extent it exceeds your tax liability.

Q. I have just sold for $40,000 an old residence that cost me $25,000 and am reinvesting the proceeds in a new principal residence qualifying for the credit for a total cost (including closing costs) of $50,000. Does the sale of my old residence affect the amount of the credit I am entitled to?

A. Yes. If the gain on the sale of your old residence was unrecognized as gain under the law, the cost of your new residence is reduced in determining the adjusted basis on which the credit is calculated. Therefore, the adjusted basis is $35,000 ($50,000 minus the unrecognized gain of $15,000) and the credit allowed is $1,750.

Q. My wife and I are purchasing a house that qualifies for the housing credit. We are taking title as tenants by the entirety. What is the maximum credit we can claim?

A. If you file a joint return you are entitled to a credit on your joint return equal to 5 percent of the adjusted basis of your new principal residence up to a maximum credit of $2,000. If you file separately each of you may take one-half of the credit on your separate return up to a maximum credit of $1,000.

Q. My sister and I are purchasing as joint tenants, with right of survivorship, a house which otherwise qualifies, and are making unequal contributions. What is the maximum credit we can claim?

A. You are entitled to a combined credit equal to 5 percent of the adjusted basis of your new principal residence for you and your sister up to $2,000. That amount is allocated between the two of you in proportion to your ownership interests. Since you are joint tenants, with right of survivorship, you are each entitled to one-half of the combined credit.

Q. I have just purchased a completely renovated townhouse; does it qualify?

A. No, townhouses and condominiums or cooperative apartments can qualify, but they must be new. A renovated building does not qualify as a new principal residence regardless of the extent of the renovation.

Q. Can a houseboat qualify as a new principal residence?

A. Yes, provided it is, in fact, used as your new principal residence.

Q. I am purchasing stock as a tenant-shareholder in a cooperative housing development; can such a residence qualify for the credit?

A. Yes, the credit can apply to a tenant-shareholder in a cooperative housing project provided he uses as his principal residence the house or apartment he is entitled as a shareholder to occupy.

Q. I plan to purchase a townhouse and rent it out; does it qualify?

A. No, the property purchased must be your new principal residence (generally the place where you live most of the year).

Q. I have been living in a house for the last two months as a renter and plan to buy the house under a written option in my original lease agreement. The house was new when I moved in. Can the house qualify?

A. Yes, the house can qualify. It would not qualify if you were not the original occupant.

Q. Who can I purchase from? Are there any limitations?

A. You cannot claim the credit for a purchase from your spouse, ancestors or lineal descendants or from a related corporation, partnership or trust.

Q. Do only existing residences qualify for the credit?

A. Yes, only residences on which construction was begun before March 26, 1975.

Q. What is the test for determining when construction has commenced?

A. For this purpose, construction is considered to commence when actual physical work of a significant amount has occurred on the building site of the residence.

Q. Do substantial improvements such as roads, sidewalks, sewers, and utilities constitute commencement of construction?

A. No, such improvements are not considered to consitute actual physical work of a significant amount on the building site of the residence. On the other hand, digging of the footings, excavation of the building site for the foundation or similar work constitutes commencement of construction.

Q. What do you mean by "similar work"?

A. Similar work includes driving pilings for the foundation and pouring of the floor slabs. It does not include work relating to preparation of the land, such as clearing and grading, regardless of the expense involved.

Q. By what date must I acquire and occupy the new principal residence?

A. The residence must be acquired and occupied after March 12, 1975, and before January 1, 1977. Unless you build it yourself you must have entered into a binding contract for its purchase before January 1, 1976.

Q. I have a binding contract for the purchase of a house otherwise qualifying for the credit that was entered into prior to March 13, 1975. Can I receive the credit?

A. Yes, if you acquire and occupy the house as your principal residence before January 1, 1977. You have not acquired the house until legal title is conveyed to you at settlement, or you have possession of it pursuant to a binding purchase contract under which you make periodic payments until you become entitled under the contract to demand conveyance of title.

Q. I have heard that I cannot claim the housing credit unless I have a certificate from the seller. Please explain.

A. You are correct. Unless you build your own house, you must attach to your return, with new IRS Form 5045 on which the credit is computed, a certification by the seller that the purchase price is the lowest price at which the residence was ever offered for sale.

Q. What do you mean by an offer to sell?

A. An offer to sell is limited to a listing, a written private offer or an offer by means of advertisement to sell a specified residence at a specified purchase price.

Q. With regard to an offer to sell, what do you mean by an advertisement?

A. An advertisement includes an offer to sell published by billboards, flyers, brochures, price lists, mailings, newspapers, periodicals, radio or television.

Q. In many housing developments purchasers are offered a choice of model homes. Under these circumstances how do you determine whether a specified residence has been offered for sale at a specified purchase price?

A. In the case of a housing development, an offer to sell a specified residence at a specified purchase price includes an offer to sell a house of substantially the same design or model as that purchased by the taxpayer at a specified base price on the same lot as that on which the taxpayer's new principal residence was constructed. It does not include an offer to sell the same model home on a different lot.

Q. I have added landscaping, garages, and dishwashers to houses I have previously offered for sale. Can I increase the price to cover the cost of these items and still have the houses qualify?

A. Yes, you may increase your lowest previous price by the fair market value of these items on the date of execution of the purchase contract. However, if these items were not a part of the residence on the date of execution of the purchase contract, you must give the purchaser the option as to whether to include these items.

Q. I lowered the price of homes I sold to "$30,000 for November only." Will such offer be treated as a prior offer in determining the lowest price?

A. Yes.

Q. I have not raised my selling price but previously I paid the mortgage points. Now the purchaser is paying the points. Is the residence sold at the lowest price?

A. No, since both the purchaser's actual costs and your net proceeds have increased, a residence sold under such terms would not qualify.

Q. Will a different price quoted that merely reflects what I must pay to obtain financing for a buyer wanting to make a minimal down payment as opposed to a buyer putting down a substantial amount disqualify the unit?

A. No, provided that the price otherwise qualifies as the lowest price.

Q. Will a different price that merely reflects inflation and my costs in holding a residence in inventory since the prior offer disqualify the unit?

A. Yes, that is an increase in purchase price.

Q. If I am constructing my own residence do I still qualify for the credit?

A. Yes, provided that construction commenced prior to March 26, 1975. In the case of self-construction, however, only the portion of the basis of the property allocable to construction after March 12, 1975, and before January 1, 1977, is taken into consideration in determining the amount of the credit allowable.

Q. If I sell my house after receiving the credit must I pay back the credit?

A. Not necessarily. If you sell the residence within 36 months after acquisition (after occupancy in the case of self-construction) you are liable for recapture of the credit in the year in which the replacement period terminates unless you reinvest all the proceeds (*i.e.*, the adjusted sales price of your old residence) in another new principal residence within 18 months after the sale (or commence construction of a new principal residence within 18 months and occupy the residence within 2 years). If, however, less than the adjusted sales price of your old residence is reinvested then there will be a partial recapture of the credit.

Q. If the certification falsely states that construction commenced before March 26, 1975, can I still qualify for the credit?

A. No, in such a case the residence does not qualify and no credit can be allowed.

Q. If the certification is false as to the lowest price ever offered for sale can I still receive the credit?

A. Yes, provided the residence otherwise qualifies and you did not participate in the false certification or know that it was false.

Q. I am a seller of new residences. I pur-

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chased a number of them in a bulk sale. Since the total price I paid was allocated to the individual houses, am I bound by these allocated prices in determining the lowest price at which such residences were ever offered for sale?

A. No, a seller is not bound by prices at which residences were previously offered as part of a bulk sale.

Q. I have purchased a number of new residences at a foreclosure sale (or received deeds in lieu of foreclosure with respect to such residences). Prior to the foreclosure sale each of these residences had been offered for sale by the foreclosure seller at specified prices. Am I bound by the prices I paid or by the offers made by the foreclosure seller?

A. You are not bound by prices paid to the foreclosure seller since these prices do not represent voluntary offers. With regard to offers made by the foreclosure seller if the foreclosure seller and foreclosure purchaser are unrelated parties (for this purpose business entities will not be considered as related unless 50 percent or more of the stock is owned by the same or related shareholders with ownership to be determined by applying the attribution rules of section 318), the foreclosure purchaser must request and try to obtain from the foreclosure seller a certificate specifying the date of commencement of construction and the lowest price at which each of the foreclosed residences was offered for sale by such seller. Upon subsequent sale of a particular residence by the foreclosure purchaser, he must certify that the price is the lowest price the particular residence was ever offered for sale based on the certification of the foreclosure seller, a copy of which must be attached to the certification of the foreclosure purchaser. If the foreclosure seller refuses to so certify, the foreclosure purchaser must make a reasonable effort to determine the date construction commenced and the lowest price at which the residences were ever offered for sale by the foreclosure seller and certify based on this effort. For this purpose, reasonable effort includes the effort to locate and examine advertising and listings published or used by the foreclosure seller.

Q. If the certification of the foreclosure seller is false, is he liable for the civil penalties and criminal fines and/or imprisonment prescribed by the Act? Is the foreclosure purchaser?

A. The foreclosure seller is not liable because no certification is required of him by the Act. The foreclosure purchaser is liable upon his subsequent certification based on the certification of the foreclosure seller only if he knew it was false.

S. 1753—NATIONAL HEALTH SERVICE CORPS

Mr. JAVITS. Mr. President, I have joined in the introduction with Senator SCHWEIKER, on the request of the administration, of S. 1753, a bill to extend the National Health Service Corps.

I am pleased that the administration has chosen to recognize the importance of a continuing Federal effort respecting this vital program. However, I believe that a substantially greater commitment than the $18 million authorized in the administration bill is necessary.

Such limited authorizations will not allow us to make impact upon the critical problem of geographic maldistribution of physicians throughout this Nation.

The interfact of the National Health Service Corps with institutional support and student assistance within the framework of health professions education bills is critical to any legislative deliberations on health manpower legislation. Thus, I am confident the administration's bill will have the earnest consideration of the Labor and Public Welfare Committee as it deals with such broader health manpower issues.

I believe it is appropriate at this point to express my deep concern with the regulations respecting assignment of National Health Service Corps personnel.

The administration's regulations have effectively precluded National Health Service Corps personnel providing health care to our inner cities. Although deeply sympathetic to our rural needs, I believe it is essential that National Health Service Corps personnel be made available to all Americans in need of health care including our inner cities. I intend to work for an amendment which achieves that goal, also deal with any question on the existing regulations.

ANNOUNCEMENT OF POSITION ON CONCURRENT BUDGET RESOLUTION CONFERENCE REPORT

Mr. MORGAN. Mr. President, it had previously been understood that a rollcall vote on the first concurrent budget resolution would take place at 12:30 on Wednesday, May 14. I have a very keen interest in the bill and, like many other Members of this body, planned to be present for the debate and certainly for the vote. But because of the understanding as to the time of the vote, on Wednesday morning we went about other business of the Senate and attended committee meetings.

Unfortunately, the Senator from Maine (Mr. MUSKIE) felt constrained because of coordinating consideration of the bill with the House to move for earlier consideration of the conference report. Consequently, there was no roll call vote and many of us who had intended to be present for consideration of the conference report were denied that opportunity.

Frankly, I have very serious reservations about some of the report, including the fact that the deficit simply is too high. In addition, the report places the Members of the Senate in the position of either having to deny Federal employees pay raises or else, according to an analysis made by the Armed Services Committee, eliminate some 700,000 to 800,000 military and civilian jobs. This is an unconscionable position and I would like for the RECORD to reflect that had the rollcall vote been taken and at the time agreed upon, I would have been present and would have voted not to approve the conference report unless this situation could be resolved.

STUDY ON INTERNATIONAL BEHAVIOR

Mr. BROCK. Mr. President, Dr. R. J. Rummel of the University of Hawaii, has completed a study on international behavior. Columnist J. F. Terhorst noted that study in a recent column, and I ask unanimous consent that his article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INTERNATIONAL RELATIONS ANALYZED BY STUDY

(By J. F. Terhorst)

"A federally-financed computer analysis of international behavior provides an unusual and highly ironic dimension to the Democratic Congress's determination to quickly terminate U.S. support for South Vietnam and Cambodia.

"Its grim conclusion: to abdicate power is to abdicate the right to maintain peace.

"Although the new study is the work of a highly respected behavioral scientist, Dr. R. J. Rummel, of the University of Hawaii, it is certain to fuel fresh controversy between the hawks and the doves on America's role in global affairs.

"A hint of what's coming was implicit in Defense Secretary Schlesinger's criticism of congressional cutbacks on Vietnam aid this year and last. The 'illusion of American impotence' that churned domestic political waters a few years ago now has been supplanted by a dangerous foreign 'perception of American impotence' that Schlesinger finds ominous for U.S. interests.

"Nations that cooperate, that trade a lot, that have much communication and contact, have as much conflict as nations that ignore each other. In other words, transactions and cooperation do not necessarily lead to peace. What then, is related to peace? Power. Throughout our empirical studies, power—and only power—was found to be tied into a nation's conflicts with others.'

"As Rummel sees it, detente based on cooperation and trade will not produce peace among the superpowers. But he says the computer analysis strongly supports the other Kissinger element in detente—sufficient military might to deter aggression and resist diplomatic pressures.

"But power must not be pursued on a parity basis. Historically, according to the Rummel report published by the Honolulu Star-Bulletin, 'it is not equality in power that reduces hostility and conflict. Rather, it is power dominance or submission. Peace is purchased by making yourself stronger than your adversary . . . or by dismantling power and submitting to one's enemies.'

"According to the Rummel study, a historically false concept of how to insure peace is reflected by the steady erosion of American influence in Indochina and elsewhere in relation to the rising power of the Soviet Union and the People's Republic of China.

"For 12 years, Rummel and his colleagues have been analyzing international relations through computers, covering millions of separate bits of data on hundreds of different activities such as exports, migration, tourism, alliances, treaties, United Nations voting, threats, military movement, diplomatic protests, military clashes and wars over a period of many years. While the study covered all nations, the scholars focused particularly on the behavior of the United States, the Soviet Union, and China.

"Consistently, according to Rummel, conflicts between nations and ordinary transactions between nations were found to be statistically independent of each other.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, 199 years ago a document which put dread in the hearts of all tyrants was conceived and written on these shores. This declaration proclaimed that "all men are created equal, that they are endowed by their Creator with certain unalienable rights."

Such was the Declaration of Independence on which this country was founded. But our forefathers soon learned that words were not enough. It is never sufficient merely to talk about equality and rights. For no matter how eloquent our speech, we must back up our words with action.

Having declared their belief in human equality and fundamental rights, our Founding Fathers backed up their words with deeds. The spirit of the Declaration of Independence was translated into law in our Constitution.

Now it falls to us, the Senate of the United States, to renew the commitment made by our forefathers. It remains for us to renew our Nation's longstanding faith in the rights of all men.

I urge speedy ratification of the United Nations Convention on the Prevention and Punishment of Genocide.

KING HUSSEIN ADDRESS AT THE CITADEL

Mr. THURMOND. Mr. President, the city of Charleston, S.C., was recently honored by a visit from King Hussein of Jordan, who delivered the commencement address at the Citadel on May 6. His candor and eloquence made a deep impression on all who were fortunate enough to hear him, from the Corps of Cadets to local and State officials. King Hussein is obviously a good friend of the United States, and he obviously desires a rapid and amicable settlement of the current problems in the Middle East. Some of his statements in Charleston need elaboration; others are subject to dispute. However, I can only praise the consistent fairness and reasonableness with which they were expressed. I ask unanimous consent that the text of his speech be printed in the RECORD, along with an editorial that subsequently appeared in the State newspaper.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ADDRESS BY KING HUSSEIN, THE CITADEL, CHARLESTON, S.C., MAY 6, 1975

Mr. President, members of the faculty, the Corps of Cadets, and distinguished guests.

As a former Cadet and an alumnus of Sandhurst, I was especially pleased to be invited here to The Citadel, and doubly appreciate the honor you have bestowed upon me. I am not really an academic type and I feel hesitant sometimes about accepting a degree. But among you, I feel right at home.

I recognize that the System of The Citadel which begins at the "Gate"—from "Knob" status to distinguished graduate—imposes certain restrictions, restrictions that may on rare occasions be broken. With vivid memories of my own days as a cadet, I shall now, Mr. President, invoking the traditional privilege as a Chief of State, ask that amnesty be granted those cadets undergoing confinement or tours of penalty.

By the nature of my position, I have had to become, you might say, something of a military strategist and a political scientist. So, although I have not had the benefit of instruction from your distinguished faculty, I might be able to pass some of your courses, maybe even enough to earn a degree. I'm happy, however, not to be put to the test.

Today I am indeed proud to become an alumnus of The Citadel.

While I was a cadet at Sandhurst, I was involved in an episode which I still vividly recall.

After a night in London, I returned to the college to find fire trucks just leaving the campus, having been summoned by a prankish fire alarm.

The next morning at an early parade, the college commander demanded that the officer cadet who rang the alarm should step forward. When no one volunteered, the entire college was confined to barracks until the guilty party confessed.

This seemed a bit unfair to those of us who had not been in the college when the alarm rang, and especially to me because I had the opportunity to try out a new racing car at the Goodwood track that very day.

After brooding on this for some time, I asked permission to see the college commander. When I was permitted into his presence, I saluted sharply and blurted out, "I did it, sir."

"You did what?" he asked.

"I rang the fire alarm, sir."

He paused for a moment, and then said, "How could you? You were on leave in London."

"That's true, sir. So were many others."

He smiled slightly, and then said, "I see your point, Hussein."

Within an hour, I was something of a hero to all those who were released from confinement to barracks because they hadn't been in the college when the alarm rang. I'm sure, General Seignious, that you would have agreed with the commander's decision not to inflict mass punishment.

I did try out that car, by the way, but never did race it. The garage, under orders I suspect from the Jordan Embassy, never tuned it up sharply enough for Goodwood racing. Probably just as well.

The duty to set right an obvious wrong is an obligation we all recognize, whether it be in a military school, or in relations between nations. It is at the heart of the concept of Justice.

It is also, Mr. President, at the heart of the Great Issue I wish to discuss today—War or Peace in the Middle East.

There are few problems on the planet Earth more demanding of the collective wisdom of mankind than a just settlement of the difficulties that have arisen between the Arab Nation and Israel. Although the Arabs comprise many States, they do form one Nation, in that they share the same language, religion, tradition, culture, history and geographic area. It is in this sense that I use the term.

The drama of this conflict between the Arab Nation and Israel, with it attendant human suffering, has unfolded in a grim 30-year tragedy. We have witnessed Act I—the founding of Israel; and Act II—the Wars, 1956, 1967, 1973. Today we are observing the formulation of Act III—the ultimate conclusion. Shall it be peace, the peace we all desire—or a violent catastrophe, possibly involving the entire world in armed struggle and suffering?

How did the problems and misunderstanding of the first two acts occur? And what can we all do to insure the Third Act will not enlarge and perpetuate the tragedy? My views are those of one who has been both an observer and a participant in this human experience for the past 23 years and whose country has been in the forefront of the conflict from its beginning. It is against this background that I would like to assess the events and developments of the recent past, consider their impact, and develop some conclusions.

As you know, the state of Israel came into being in 1948 after the British decided to give up their Palestine mandate, and the United Nations passed a resolution partitioning Palestine. Between November 1947, when the UN vote was taken, and May 1948, when the mandate ended, there was fierce terrorist activity, and the first Arab-Israeli war was fought thereafter. The result was that when the truce was signed nearly 800,000 Palestinians were driven from their homes or had fled because they could not live under Israeli rule.

For nearly 20 years, most of the displaced Palestinians lived in refugee camps in Jordan, Syria, Lebanon, and the Gaza Strip. There were frequent incursions over the border by Palestinians and fierce reprisals by the Israelis. Bitterness and hatred grew stronger with every passing year. Cease fire agreements were made and broken, while both the Arabs and the Israelis kept building up their military strength.

In June, 1967, the "Six Day War" erupted between Israel and three Arab states—Egypt, Syria, and Jordan. At its conclusion, the military capability of the three Arab states was utterly destroyed, and Israeli forces were occupying territory in all three countries—the Sinai Peninsula of Egypt, the Golan Heights of Syria, and the West Bank of Jordan, including the old city of Jerusalem.

In November of that year, the Security Council of the United Nations unanimously adopted a resolution—No. 242—designed to form the basis of a solution. Its preamble stated a basic principle written into the charter of the United Nations—that no nation may acquire the territory of another nation by force. It then proceeded to outline the conditions that were to be accepted by both sides. They included: Arab recognition of Israel; an end to belligerency; the right of Israel and the Arab states to live within recognized borders; the freedom of passage through the Suez Canal; a just solution of the Palestine problem; and the withdrawal of Israel forces from the Arab territory they had captured and were still occupying.

The terms were accepted in principle by all. But then began the challenge of implementing the peace.

That was in 1967—eight years ago. What has happened since then?

The United Nations has repeatedly confirmed the terms of the resolution, and repeatedly sent conciliatory missions to the area. Nearly every major nation has offered to mediate, and the problem has been on the agenda of half a dozen summit meetings. Unfortunately, all of them failed. There was no progress on any point, and Israel continued to occupy Arab territory.

Then occurred the October War in 1973, which in 30 days, in terms of military equipment, was the most costly war ever fought.

After a cease fire had been arranged, there began a series of diplomatic interventions by the United Nations and the great powers. The United States and Russia sponsored a conference at Geneva that quickly adjourned. Once again, nothing seemed to be working.

Then in mid-1974 began one of the more remarkable events in diplomatic history—the "shuttle" diplomacy of your Secretary of State, Dr. Henry Kissinger. He did succeed in arranging a separation of forces in the Sinai Peninsula, and the Golan Heights. But when he returned recently to seek a further separation of Egyptian and Israeli forces, he found their positions had become irreconcilable, and departed for home, a greatly disappointed man. That he did not succeed has been called by some a failure.

If there was a failure it was not Dr. Kissinger's. No man has worked more tirelessly, more valiantly, with gerater patience or greater dedication, than your Secretary of State in trying to resolve the issues which divide the area. He must be commended for his efforts and be urged to continue them and, indeed, under President Ford's leadership, to redouble them.

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The failure of the negotiations reflected a failure by Israel to jettison an already discredited policy—a failure by Israel to re-examine and reject its notion that security derives from holding the territory of its neighbors. In fact, it is Israel's continued embrace of the notion that prevents it from realizing its security goals.

What I have said so far has dealt with history. What of the future?

As a true friend of the United States—and happy to be accepted as one—I believe I can contribute helpful and somewhat different points of view on the Middle East problem. These are views which I have expressed to your President, the Secretary of State and members of the Senate and the House. I think it was particularly opportune to have exchanged views with your leaders at a time when they were conducting a serious reassessment of United States policy for the Middle East, and to learn that our respective views are not very far apart.

Although the area has been an unending battlefield, a scene of intermediate chaos and tragedy and is now in yet another state of crisis, I am convinced the prospect of peace in the Middle East still exists and in some respect may be closer than it has ever been before. Significant changes have taken place which give new hope.

Perhaps the greatest single new hope for peace stems from the historic change in the Arab position. And I have asked your leaders to recognize this in their reassessment. In the years before, and immediately after the 1967 War, we were in no mood for anything but retribution. We refused to recognize the existence of Israel, much less negotiate with her. Since then there has been time for reflection and growth in the Arab world. Greater strength has produced greater confidence. Heightened responsibility has brought a broader maturity. With enlightened new leadership in Egypt and Syria we have reassessed our policy. Realistic and constructive new attitudes and measures have been adopted. As a result, starting with our cautious acceptance of the 1967 UN Resolution, today we in Jordan, as well as in Egypt and Syria, are ready, even eager, to make peace. We accept the conditions for peace that have been laid down—recognition of Israel, non-belligerency, Israels' right to exist within recognized borders, and our willingness to make and support a final peace.

All of these we accept on condition that Israel withdraw from all Arab territory and recognize the legitimate rights of the Palestinians in their homeland. It is as simple as that.

There have been other important recent changes in the Arab world. They do not affect our attitude toward seeking peace with Israel, but they increase the urgency of something being done about it. Although the Middle East has always been a key area in international military and political strategy, it has now become a major center of economic power. Because of this the stakes are immeasurably higher in this crisis than before, and the urgency for solution has never been greater.

For most of the 20th century, and until very recently, the Arab Nation was generally ignored by the International Community. We had little voice or influence in the affairs of the world. The remarkable change which occurred within the past five years has now placed us prominently on the world stage. The Arab Nation has become the principal source of supply for the world's energy needs. Its energy resources have provided it with financial means rivaling the great industrial nations. Its rate of economic and industrial growth exceeds that of the other areas of the world. Future projections are even more impressive.

The old political order is being replaced by a new economic order of world importance. Peace is essential if the opportunity to share this prosperity is to be realized.

These changes which have occurred in the Arab world are truly of historic proportions and they will require equally historic decisions. Unfortunately, the decision most vital to everyone involved is not one which the Arab Nation can make. It is a decision for Israel. The decision, at long last, to return all territories she occupied by force and make peace. Despite the changes within the Arab world since the 1967 war, Israel has not budged from the territory she took then or the policies she has followed since that war. You have an expression in this country, "to bite the bullet" and that is what Israel must now do—"bite the bullet," and withdraw from Arab territory. That, I know, will be a major decision for Israel to make. Israel has demonstrated it can wage war, yet security eludes her. It may take more courage on the part of her leaders to make peace than to provoke war. Courage is the test of leadership. Withdrawal is the key to both peace and the real security Israel's leaders claim they so ardently desire.

Israel claims that her overwhelming concern is fear for her security. On analysis this is difficult to reconcile with reality at this point in history. If I may paraphrase a quotation from one of your former Presidents, in my opinion, the only thing Israel really has to fear is fear itself. She unfortunately appears to have confused fears of the past—in other times and other places—with her security for the future. Old Jerusalem is not the Germany of World War II and Palestinian refugees are not the Nazis of Hitler. Prior to 1948, Arabs and Jews lived side by side in harmony as friends and neighbors for centuries. Perhaps, the fact that many of the founders of Israel and many of its present leaders and citizens were persecuted in Europe by Europeans, and are alien to the Middle East and its people, explains in part the attitudes of Israelis and their supporters. But European persecution in the past cannot justify the denial of rights to other peoples in 1975. Today, right now, there are thousands of families, men, women, and children, in my Kingdom who were born and raised in the holy city of Jerusalem, but are barred from returning to the holy city. Yet, refugees to Israel from Poland, East Germany, the Soviet Union and other corners of the world live there and claim it as their exclusive home. Is it not reasonable that we find this difficult to accept?

I have suggested that Israel is confusing her problems of security today with haunting fears from the past when she should be exploring the promises of the future. More concretely, her concept of military security has become antiquated—a fact this audience should appreciate. To contend, in this modern military age of sophisticated weapons and supersonic speeds, that long-term security can be measured in territorial miles may be a good propaganda ploy—or, as some have suggested, a guise for permanent expansion—but it has no military validity. Traveling under this false badge of security, Israel now occupies ten times the territory she was originally given. I am sure the United States, private citizens as well as government, did not intend that the billions of dollars which have been poured into Israel, out of compassion, would be used to conquer and occupy new lands. Yet that is what has happened. The United States bears a special responsibility in this regard for you are Israel's major ally and her most important benefactor. If a condition for peace is withdrawal, should not a condition for assistance be the same?

You must help Israel realize that she will only have true security when her neighbors are willing to live in peace with her. That is what the Arab States are offering her now. An offer, despite her protestations of peace, which Israel refuses to accept. It is a dangerous and disturbing situation. For if, as we have recently observed, Israel would not bring herself to relinquish a few miles in the Sinai, despite Egyptian concessions and your strong urgings, how can we expect her to withdraw from the rest of the lands? Eight years ago I said, Israel could have territory or she could have peace, but she could not have both. I can only add that if she continues to persist in her present occupation policy she could end up with neither.

Nations have been at a crossroads many times in their history and as often as not have chosen the wrong road. The Middle East is littered with lost opportunities for peace. The crossroad we now face is an important one because the stakes have become so high that to choose that wrong road this time could be catastrophic. And there is no assurance that if we miss this opportunity there will be another. Time could not be more critical. The area is too volatile, the alternatives too limited and the pressures too great and uncontrollable to permit the present condition of "no war—no peace" to survive for long.

As has been so often the case in this century, the role of the United States once again is crucial. I am grateful you are reassessing your policy in the Middle East. I think it is vitally important that your Congress and the President join together in the policy to be followed for it is essential to your greatness and your credibility that you speak to the world with one voice on matters of basic policy.

I would hope that yours is not the only other reassessment. The Arab States have reassessed their policy. It is now time for Israel, as well, to reassess her policy. In fact, it is crucial to the problem—and it is the response Israel gives that will determine the answer to our question—War or Peace in the Middle East?

May God guide us all in our efforts to insure that it is Peace.

[From the Columbia (S.C.) State May 8, 1975]

Hussein Says Peace Depends on Israel

Charleston.—Jordan's King Hussein was addressing The Citadel's Corps of Cadets here Tuesday, but his "war or peace" message was aimed at other audiences—the leaders of Israel and the people of the United States.

There was an appealing simplicity to his proposal that Israel accept the conditions of peace which the Arab nations offer at this admittedly cruel phase in Mideast history. And there was a bid for international approval in his recitation of the United Nations peace recommendations of bygone years—recommendations which the Arabs cite today as a basis for peace.

The king's own words are meaningful:

"We in Jordan, as well as in Egypt and Syria, are ready, even eager, to make peace. We accept the conditions for peace that have been laid down—recognition of Israel, non-belligerency, Israel's right to exist within recognized borders, and our willingness to make and support a final peace.

"All of these we accept on condition that Israel withdraw from all Arab territory and recognize the legitimate rights of the Palestinians in their homeland. It is as simple as that."

But it may not be quite so simple to prevail upon Israel to give up the lands seized in the "Six-Day War" of 1967 and retained since then in the interests of national security. Nor will it be simple to determine just what are "the legitimate rights" of the Palestinians—especially since the Palestine Liberation Organization has gained what almost amounts to governmental status itself.

Yet there is significance in King Hussein's inclusion of Syria and Egypt in his references

to Jordan and to "the Arab nation." If his relatively conciliatory message does indeed reflect a consensus among the Arab states, that in itself is a hopeful sign. It is all the more hopeful because it comes from Hussein himself—a recognized moderate throughout the recent Mideast turbulence.

A thread—almost a threat—of finality was embraced in The Citadel address, however, and herein lies much of the speech's thrust at America. Referring to the United States' "special responsibility" as Israel's major ally and chief benefactor, Hussein said:

"You must help Israel realize that she will only have true security when her neighbors are willing to live in peace with her. That is what the Arab states are offering her now. . . . Eight years ago I said Israel could have territory or she could have peace, but she could not have both. I can only add that if she continues to persist in her present occupation policy she could end up with neither."

This line of talk, obviously, will not be pleasing to Israel or the friends of Israel. Yet it must be given full weight and consideration, for it reflects a somewhat altered mood on the part of the Arabs. On the one hand, there is a willingness to make overtures toward peace. But there also is a new sense of confidence stemming from the Arabs' improved military performance in 1973 and—even more to the point—the massive economic muscle which the Arab nations have come to feel in the last two years.

The big decision affecting the Mideast seems now to rest with Israel. It is a tough decision. And it may, as King Hussein suggested, "take more courage on the part of her (Israel's) leaders to make peace than to provoke war."

STATEMENT BY THE AFL-CIO EXECUTIVE COUNCIL ON "PUTTING AMERICA BACK TO WORK"

Mr. WILLIAMS. Mr. President, when we adopted the Congressional Budget Act of 1974, we did so in response to the longstanding and well-documented need to provide the Congress with the vehicle for budgetary planning, review, and coordination that it must have in order to effectively plan this Nation's economic future.

However, the initial optimism which I shared with many of my colleagues that we would be able to use the procedures under the Congressional Budget Act to establish effective economic programs for national recovery, has been shaken by the very narrow and restrictive position which is reflected by Senate Concurrent Resolution 32, which we adopted on May 1.

One of the most positive elements of the Congressional Budget Act is that it provided the Congress with the means to respond positively to the expressed needs of the American people by giving it budgetary control over the human and social needs of our citizens. Yet this overdue attention to national issues has been sidetracked again and caught up in the all too familiar struggle to maintain the national budget deficit at what the administration considers to be the "rock bottom" acceptable level.

But while the administration attempts to juggle a budget which has been grossly mismanaged and distorted during the past decade as a result of an overextended and inappropriate foreign aid policy and exorbitant defense allocations, it finds itself reluctant and unwilling to deal decisively with domestic needs. When a recession strikes under these conditions, and the Government hesitates in fear of risking a larger deficit, the countercyclical potential of massive assistance programs soon recedes and loses its initial impact.

Recent study and analysis done by the Committee on Labor and Public Welfare to determine the minimal budgetary requirements for setting these countercyclical programs in motion show that, to slow down and reserve the economic forces which are destroying labor market stability and productivity, the President and the Congress must take bold and decisive steps in the fiscal area. The effects of inflation and unemployment can be countered with comprehensive legislation to stimulate and rebuild consumer confidence and to inject new lifeblood into the sluggish and inert economy.

In my own State of New Jersey, 325,745 individuals drew unemployment benefits in the month of March; of that number, 94,956 were receiving their benefits as a result of the special and supplemental benefit programs which were enacted late in the last Congress. These people have been spared the humiliation of seeking welfare. Yet, because of the reluctance of Congress to see its responsibility for major economic commitment, they must now face the prospect that their benefits will not last as long as the current recession prevents them from finding gainful employment.

I have only noted the crisis in 1 State out of 50. Nationwide, there are 6.3 million workers receiving unemployment assistance from the State and Federal Governments. Of these, over 731,000 persons are receiving benefits under the emergency supplemental programs. Yet at the most crucial point in the recession, when the Congress has the means at hand to stabilize the employment situation and rebuild economic growth, it has drawn back and has failed to act positively. This reluctance has the potential for stranding hundreds of thousands of American workers without jobs or incomes, and to make them dependent upon public assistance programs without in turn, having any opportunity to contribute to the society.

And let us not fool ourselves. These necessary support programs which will be needed if the current economic crisis does not quickly correct itself, are going to cost us all a lot of money. And these programs do not return anything to the economy to stimulate it to growth.

In this regard, Mr. President, I ask unanimous consent that a statement which was recently issued by the executive council of the AFL-CIO, aptly entitled, "Putting America Back To Work," be printed in the Record at the end of my remarks. None can speak more forthrightly and knowledgeably on the concerns and needs of the American workers than their chosen labor union leaders. I hope that each of my colleagues who has chosen to support the administration's self-defeating fiscal limitations will note this statement of positive and constructive criticism of the American working men and women and respond to the urgency of their needs.

There being no objection, the material was ordered to be printed in the Record, as follows:

Putting America Back To Work

(Statement by the AFL-CIO executive council)

The AFL-CIO is appalled at the actions taken by the Senate and House last week on the first budget resolutions. Like the President, the Congress is focusing on the dollar deficit and ignoring the real cause of this deficit. Like the President, the Congress is ignoring the human needs of millions of Americans desperately seeking help.

Neither the President nor the Congress recognize these two fundamental economic facts of life:

During periods of severe economic recession and depression federal revenue drops drastically. A deficit can be avoided either by providing the stimulus necessary to revitalize the economy or by slashing vital human programs.

For every 1% drop in unemployment, the Treasury gains $16 billion in tax revenues and reduced social costs. When Richard Nixon became President, unemployment was below 4%. If joblessness was at the same rate today, America would be enjoying a budget surplus.

Both the President and the Congress ignore these facts. The President has set as his goal a $60 billion deficit total, no matter how unemployment spirals upward. The Congress refuses to challenge the President.

The President'a insistence on an arbitrary budget deficit ceiling of $60 billion indicates that he lacks essential faith in America's economy.

We in the trade union movement have absolute confidence in the ability of this nation's economy to recover from this current economic emergency, but *only* if it is given the opportunity to grow and expand. This will require a much larger federal deficit to create jobs and get Americans back to work.

The President's projected federal deficit of $60 billion, as a percentage of today's gross national product, is far too low for this recessionary period. In fact, this country supported a much higher deficit at a time when its economy was smaller and its gross national product much less.

The publicly held federal debt was nearly 103% of the gross national product in 1947, after the end of World War II. By 1957, the debt was down to 51% of the nation's total production of goods and services. It fell to 47% in 1960 and, in the year ended June 30, 1974, the debt was down to less than 26% of the gross national product.

The nation can—and must—revive the economy again. The Congress must ignore the President's goal and use facts, not myths, to determine what the economy needs to achieve full employment. If they don't there will be no recovery and unemployment will remain intolerably high.

The Congressional budget process was created to establish national priorities. The action taken in the Senate and House last week demonstrates that priorities have been replaced by politics.

Both the Senate and House budget resolutions are totally inadequate. In terms of funding, they either reject or underfinance essential programs, such as: Accelerated public works, public service employment, aid to the cities, housing, railbed repair, and health insurance for the unemployed.

In the Senate, five Senators—Mondale, Humphrey, Williams, Javits and Schweiker—offered an amendment that would have pro-

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vided $9 million to finance these programs. While the amendment did not go far enough, it was strongly supported by the AFL–CIO as critical to economic recovery. Only 29 Senators voted to put America back to work—for that was the issue.

In the House, the political appeal of a reduced deficit almost led to the elimination of the inadequate job-creating funds recommended by the Budget Committee.

Congress must stop ignoring the need to restore the nation to a full employment economy. Its members must be told, again and again, that putting America back to work and restoring a healthy economy must be their main goal.

The budget committees are mandated to bring forth reconciliation resolutions in September. But September may be too late. Therefore, the AFL–CIO will continue to call upon the budget committees to face their real responsibilities and report supplementary resolutions well before the summer recess.

In the meantime we will continue our fight in the Congress for early, affirmative action on the job-creating measures: Accelerated public works, public service employment, housing, railbed restoration, aid to the cities and health insurance for the unemployed. We will also intensify our efforts for tax justice, statutory lowering of interest rates and legislation to stop the export of American jobs.

TABLE 4.—UNEMPLOYMENT RATES OF WORKERS FOR SELECTED QUARTERS BY INDUSTRY AND RACE

Industry	Quarters			
	4th, 1969	4th, 1973	3d, 1974	4th, 1974
BLACK WORKERS				
Construction	6.2	10.3	13.6	16.6
Manufacturing	5.0	6.5	8.6	11.5
Durable goods	5.0	5.8	7.7	11.2
Primary Metals	1.7	2.3	3.0	8.7
Automobiles	3.9	3.8	12.4	15.6
Nondurable goods	5.0	7.3	9.8	11.9
Food	4.8	8.7	13.1	16.9
Textiles	4.9	3.4	12.7	10.7
Apparel	7.0	10.4	11.7	13.6
Transportation	3.9	3.0	4.4	4.5
Trade	6.5	8.8	10.9	11.1
Wholesale	7.4	3.5	12.2	10.0
Retail	6.3	9.8	10.7	11.3
Finance	2.4	4.8	4.4	5.5
Private household service	4.0	5.7	5.7	7.3
Miscellaneous service	5.1	6.7	7.6	7.8
Business, repair	4.5	9.9	7.4	9.1
Personal service	7.3	6.2	6.7	10.8
Professional service	4.2	6.0	7.0	6.4
Public administration	3.8	5.3	5.3	6.7
Total Federal	3.8	4.6	4.8	5.6
Postal Service	3.1	3.1	2.0	5.3
Other Federal	4.3	5.3	5.9	5.7
State	3.6	7.0	3.0	2.6
Local	4.0	6.8	7.1	11.2
WHITE WORKERS				
Construction	4.3	6.1	6.1	9.6
Manufacturing	3.2	3.6	4.7	6.3
Durable goods	3.0	3.3	4.3	6.1
Primary metals	2.1	3.4	2.9	5.1
Automobiles	2.5	1.9	6.5	7.5
Nondurable goods	3.5	4.0	5.4	6.7
Food	4.3	4.5	6.2	7.2
Textiles	4.4	3.8	5.8	8.8
Apparel	6.0	6.0	9.6	9.8
Transportation	2.0	2.6	2.7	2.9
Trade	3.0	4.2	5.3	5.6
Wholesale	2.2	2.9	3.4	3.8
Retail	3.2	4.5	5.7	6.1
Finance	1.9	2.7	2.8	3.2
Private household service	2.3	3.6	4.5	3.2
Miscellaneous service	2.0	2.9	4.2	3.6
Business, repair	3.0	4.3	5.4	4.9
Personal service	3.3	4.7	5.0	5.1
Professional service	1.3	2.0	3.6	2.7
Public administration	1.9	2.1	1.8	2.3
Total Federal	2.0	2.3	2.0	2.6
Postal Service	.9	.6	1.1	2.2
Other Federal	2.5	3.1	2.4	2.8
State	1.3	2.2	1.6	2.7
Local	1.9	1.7	1.7	1.7

Source: U.S. Department of Labor, Bureau of Labor Statistics.

TABLE 5.—NUMBER OF UNEMPLOYED WORKERS FOR SELECTED QUARTERS BY INDUSTRY AND RACE

[Numbers in thousands]

Industry	Quarters			
	4th 1969	4th 1973	3d 1974	4th 1974
BLACK WORKERS				
Total Unemployed (number)	451	671	819	940
Construction	32	56	70	86
Manufacturing	116	165	224	294
Durable goods	68	83	112	161
Primary metals	3	4	6	19
Automobiles	6	8	27	30
Nondurable goods	48	81	111	133
Food	12	29	30	41
Textiles	6	6	24	18
Apparel	13	22	26	28
Transportation	21	20	30	30
Trade	76	127	167	176
Wholesale	15	8	29	24
Retail	62	118	137	151
Finance	6	17	17	21
Private household service	32	34	30	38
Miscellaneous service	121	188	221	224
Business, rapair	10	28	22	27
Personal service	32	24	25	41
Professional service	68	121	148	135
Public administration	22	38	38	47
Total Federal	14	21	20	23
Postal Service	4	5	2	7
Other Federal	10	16	18	16
State	1	6	2	2
Local	6	10	15	21
WHITE WORKERS				
Total unemployed (number)	1,926	2,762	3,494	3,994
Construction	196	326	349	518
Manufacturing	631	703	933	1,233
Durable goods	355	384	510	720
Primary metals	22	39	34	63
Automobiles	26	20	68	76
Nondurable goods	276	318	422	513
Food	67	76	101	115
Textiles	38	31	45	66
Apparel	75	74	115	111
Transportation	99	129	143	152
Trade	424	702	896	966
Wholesale	54	92	109	117
Retail	370	609	787	849
Finance	67	115	130	141
Private household service	27	38	44	28
Miscellaneous service	334	563	816	737
Business, repair	67	109	144	128
Personal service	70	99	112	112
Professional service	149	279	486	397
Public administration	74	80	76	95
Total Federal	41	43	40	51
Postal Service	5	3	6	12
Other Federal	35	39	33	39
State	7	15	10	19
Local	25	22	25	24

Source: U.S. Department of Labor, Bureau of Labor Statistics.

UNCLE SAM: NO MORE MR. NICE GUY

Mr. BROCK. Mr. President, certainly one of four experts on our Nation's defense is retired Adm. Elmo R. Zumwalt, the former Chief of Naval Operations. He recently wrote an article entitled "Uncle Sam: No More Mr. Nice Guy." I ask unanimous consent that this informative article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNCLE SAM: NO MORE MR. NICE GUY

(By Elmo R. Zumwalt, Jr.)

WASHINGTON.—Wherever one looks the rate of change on the international scene has achieved dizzying proportions, often with ominous overtones for United States interests. What is frequently overlooked, however, is that American behavior may be one of the greatest precipitators of this growing instability.

Debate over the fiscal 1976 defense budget has highlighted the fact that we are at a point where fundamental changes may occur which could undercut the assumptions underlying the foreign and national security policies we have followed since World War II.

The combination of increasing Soviet military power and declining U.S. force levels has put us at the crossover point where Soviet superiority in military capabilities may become reality.

This affects the Soviet view of opportunities and of relative risks in pursuing them. It equally affects the will of our national leadership and the American public in facing down Soviet irresponsibility (as in October, 1973). And it clearly affects the Third World's sense of the way things are going, hence their political alignments and willingness to cooperate with us.

Whatever we may think about the political value of military power, it is clear that the Soviets value it highly for its utility in advancing their goal of expanding power and influence. For this reason the Soviet Union can be expected to continue increasing its military investment at the annual three to five per cent rate of recent years.

While détente, with adequate American strength, can be a positive phenomenon, we cannot overlook the fact that the euphoric representations of détent which have characterized the rhetoric of some senior U.S. officials in recent years have allowed the Soviet Union to continue shifting the military balance without unduly alarming the West.

It is sobering to recall that we have no experience in dealing with the Russians under conditions of clear-cut Soviet military superiority.

There is a real possibility that the Soviet's growing margin of military capability will lead them to believe they have politico-military options formerly denied. Their aggressive promotion of the opportunity to change the strategic face of Europe by bringing Portugal into the Soviet orbit suggests a boldness that would have been unthinkable in the days when the United States was more stalwart in defending its essential interests.

Quantities of Soviet money, advice and K.G.B. subversion suffuse Portuguese politics while the U.S. looks on, its own ability to act paralyzed by confusing debates about the proper role of intelligence agencies in safeguarding its vital interests.

At the same time, the Soviet Union must be delighted with events in Vietnam, where its own aid and advice have helped carry the day, while statutory restrictions on U.S. ability to enforce the Paris accords encouraged their massive violation by the North. Congress's signal that further air could not be relied on contributed to a collapse of morale in the South, while casting a shadow on U.S. dependability as an ally.

What we must avoid is a situation where changes adverse to U.S. interests become irreversible. We are fast approaching such a point. Our demonstrated lack of national will, our mindless acts to destroy the cohesion of carefully built alliances, and the steady erosion of American credibility have given impetus to an unraveling of the sinews of that world order which we had come to take for granted.

The U.S. is now perceived as a declining power and, more importantly, as a state unwilling to use that power which it disposes to protect its key interests. In the eyes of the Third World, this U.S. behavior is seen as eroding one of the fundamental props of a

stable international environment, and changing the basic assumptions on which their own behavior has been predicated.

The result is a trend toward a situation in which predatory drives may receive new emphasis, international agreements lose their efficacy, and irresponsibility can become the norm. The risks are high in such a world. Conflict having the potential to draw in the superpowers becomes more common; access to resources and markets on which our economy depends is less certain; and miscalculation can rapidly lead to the sort of calamity which we have fully avoided since World War II.

The financial burdens of maintaining a foreign policy of intelligent international involvement, supported by an adequate defense capability, are relatively small. Six per cent of the G.N.P., properly allocated, can cover the essentials. The political economic and—potentially—human costs of failing to do so are large.

Interdependence remains an inexorable fact of international life; and U.S. interests require that it act responsibly to employ its political, economic, and military power in ways which foster stability in relations among nations. We must develop a new national consensus in support of such policy.

The starting point must be a return to frankness in dealing with the American public. Overblown characterizations of détente must give way to honest representations of the risks entailed in Soviet military superiority. It is time for the President and his Secretary of State to speak candidly on the limitations on policy that flow from our deteriorating power.

It is time for members of Congress to demonstrate the political courage to vote for the President's defense and foreign aid budgets, and to face their constituencies with an explanation of why they must so vote. The American people have never failed to respond in times of emergency when they have understood the issues.

THE PLIGHT OF UKRAINIAN WOMEN

Mr. WILLIAMS. Mr. President, with the designation of 1975 as International Women's Year, we accord special recognition to the vital contributions of women to the betterment of humanity. This year is also a time to note the significant strides that women have made toward securing their basic political and civil rights. In many areas of the world, and in many areas of concern, the barriers to equality for women have come crashing down as women have struck out in new directions to assume new roles and to enjoy new freedoms.

Yet the struggle for women's rights in many countries is an integral part of a larger struggle to secure basic rights for all. In these battles for freedom, women play key roles. Today, in the Soviet Union, a courageous group of Ukrainian women have demanded that the Soviet Union fulfill its obligation to its people to honor the rights and guarantees set forth in its own constitution. For raising their voices against tyranny, these women have been forced to suffer the injustices that tyrannies reserve for those who would dare challenge their authority. Among those we acknowledge this year are Nina Strokata-Karavanska, microbiologist; Stefania Shabatura, artist; Iryna Stasiv-Kalynetz, writer and college professor; Lyuba Serednyak, student; and Iryna Senyk, poetess and writer. These individuals must endure the hardship and terror of Soviet labor camps and uranium mines, as well as the pain the mental anguish of exile in Siberia.

But the injustices they suffer will not break their spirit nor weaken their determination to achieve their goal. It is imperative that the efforts of these women not go unnoticed or forgotten, but serve as an example to all who love freedom and cherish the blessings of democracy.

THE SUPERINTENDENT'S DILEMMA

Mr. McCLURE. Mr. President, during the last few years, it has been fashionable to talk about "alienation." Liberals have described Government as unresponsive. Such comments are usually followed by knowing suggestions as to what our Government could be doing for us, but is not. We are told the answers lie in future growth of the bureaucracy, more Government regulations and increased spending. No wonder there is talk about alienation.

Government is certainly unresponsive to anything that could legitimately be described as human need. But this does not take the form of insufficient activity. In fact, Government intervention in the life of the citizen is so pervasive that good men like Mr. Willie Nelson of Idaho Falls, are beginning to wonder how they can continue to do the jobs they are paid to do.

He expressed his concern in the form of a poem which Ronald Reagan thought enough of to read over his radio program recently. I would like to share Mr. Nelson's lament with my colleagues at this time. I ask unanimous consent to have the poem printed in the RECORD.

There being no objection, the poem was ordered to be printed in the RECORD, as follows:

THE SUPERINTENDENT'S DILEMMA

(By Willis Nelson)

Sometimes I sit and ponder long
About my work and life,
And wonder why in school nowdays
There's so much stress and strife.

And then I realize the job
Is not like yesterdays—
I'm simply flunky now for guys
With the "innovation" craze.

There's Federal projects, grants and gifts,
And piece-meal funding, too.
It leaves no time to teach the kids
And things that I should do.
I try to walk the tightrope
Betwixt the courts of law
And not get tangled up with rights
Of Junior, Pa and Ma.

Some will tell you this will work,
And others say it won't;
Truth is, you'll get h—— if you do,
And twice h—— if you don't.

Operations in the schools
Must pass the acid test
Of OSHA, HEW and C.L.U.
And all the pesky rest.

There's Civil Rights and Human Rights,
And Women's Rights galore;
I wonder what uncertainties
The future holds in store?

Boys and girls dress alike,
You can't tell one from t'other.
If you should need to know the sex
You'd have to ask its mother.

In clothes and jobs and hair and such,
You can't discriminate.
It makes you wonder how a boy
Knows just which one to date.

The high court judges see no "diff"
Between a her and him.
Methinks their years are catching up—
Their sight has grown too dim.

Give me the good old-fashioned days
When gals were gals—not men.
For all that femininity
I kinda get a yen.

The liberals say, "Don't frustrate the child
With disciplined control.
Just let him loose to do his thing
And play his chosen role."

But he'll waste time and life and limb
And ruin others' lot,
And think he's having lots of fun
On drugs and "grass" and "pot".

His right to freedom, speech and work
He'll take or leave at will,
And little care for public folks
Who have to pay the bill.

The federal "help" I get from Unc(le)—
I just can't stand much more.
With tax, red tape and interest rates,
I'm getting too dang poor.

If you should try the federal way
Of deficits and debt,
You'd find an I.R.S. man
A looking down your neck.

I'm somewhat like the school Supt.
Who tried without success
To stem the tide of "Fed" control,
And all that meddling mess.

They'd told him how to cook the lunch,
And how to run the school,
And threatened to withhold his funds
If he should break the rule.

He finally threw his hands up
And said, "I'm sick and tired
Of all this ruckus, do's and don'ts—
I'll quit before I'm fired."

And so he got a Hud house
With litle rent to pay,
And lived on welfare's "easy street"
The Socialistic way.

The moral of this story is:
If you can't buck the tide
Crawl on the craft of "easy life"
And take a leisure ride.

When the public folks have had enough
Of all this liberal rot,
They'll start to call a spade a spade
And things will really "pop".

CRITICAL HEALTH ISSUES

Mr. SCHWEIKER. Mr. President, the Pennsylvania State Advisory Council on Comprehensive Health Planning has been conducting a series of public hearings throughout the Commonwealth on critical health issues. At one of its hearings in western Pennsylvania a regional board member of the National Council of Senior Citizens, Mr. Robert Baron, presented a statement which outlines

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some of his views and recommendations. Among the issues he discussed are: Emphasis and expansion of preventive care programs for older people; expanded nutrition programs and meals on wheels efforts; improvement and expansion of transportation to get the handicapped to health services; and the question of comprehensive health care benefits without deductibles and coinsurance.

I believe Mr. Baron's statement makes a useful contribution to the national debate on critical health issues, and I think the Congress should consider some of his recommendations in the forthcoming debate on national health insurance.

I ask unanimous consent that his statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TESTIMONY OF ROBERT W. BARON

I welcome and appreciate this opportunity to outline some views and recommendations at these Public Hearings on Critical Health Issues.

My name is Robert Baron. I have been privileged to work with the Committee on Older and Retired Workers of the United Steelworkers of America. For the past 20 years, I have been active in the field of aging, working with prospective retirees at the local and district level, and as a Regional Board Member of the National Council of Senior Citizens.

Years ago, when life was simpler, it was easier to get health care. There were more doctors to treat ordinary illnesses, although fewer ways to treat the diseases we had.

In the 1930's, there was at least one family doctor for every 700 people. Today, because so many physicians have been specializing, we have one family doctor for every 2,000 people. This means we have a lot less of a chance of finding doctors just for family illness. We may be able to get open heart surgery, yet have to sit outside a doctor's office for hours on end.

Recently, my wife and I took one of our children to the doctor's office for treatment, arriving at 5:30 p.m. and leaving at 11:45 p.m. Emergency room waits at hospitals usually last upwards to 5 hours and more. It is not uncommon to wait 6 to 8 weeks and longer to get a doctor's appointment.

Ten years ago, full hospital care for an average person was $37 per day. Now it is $114, an increase of 200% since 1964. In 1966, the Medicare deductible was $40, now it is $92.

The cost of living has been going up, but not as much as the 145% in hospital and medical costs in the past ten years.

Our whole health insurance program is geared essentially to putting a person in a hospital when he's sick rather than treating the illness in the doctor's office or in the home. We have thousands of physicians who are practicing alone and not making wise use of assistants.

More doctors should be encouraged to go into group practice. This would result in savings that could be passed on to the patient. Hospitals should operate on a 7-day week basis instead of the present 5-day week. This creates numerous inefficiencies and costly delays in getting people in and out of the hospital.

Whose fault is it when a routine test or procedure is performed on Thursday, to find out on Tuesday of the following week the results of the test. Imagine the effect on the patient waiting nervous days and nights for some news on the results.

Patients want to be treated as a whole person, not as an assembly of separate organs, tissues and bones. Specialization of physicians makes it more difficult for patients to achieve their desire to be treated as a whole person than when the old-style general practitioner treated patients for almost all of their ills.

Most consumers feel lost in medical care maze. The difficulties in obtaining primary care have resulted in too many patients having to make their own diagnosis and referring themselves to a specialist. This should not be. A major medical care problem today is the shortage of primary care physicians. Less than 50 percent of physicians are family practitioners, internist or pediatricians. Yet primary physicians take care of 90% of the medical care problems patients may have.

There are too many specialists and not enough primary care physicians. Access to quality health care should be a right of all citizens, regardless of race, color, creed or or income status.

Consumers want comprehensive health care benefits without deductibles and coinsurance. Some 40 national organizations representing labor, including The United Steelworkers and National Council of Senior Citizens, farmers and consumers are convinced that only a National Health Security Bill meets these precepts.

At this point, I would like to list some ideas, suggestions, and questions which I hope will provoke some thought in developing a statewide comprehensive health plan to meet the health needs of Pennsylvania Citizens.

Non-profit group HMO's, such as the Allegheny County Group Health Plan, should be strongly supported and encouraged to expand and given financial assistance.

Consumers should have freedom of choice, including chiropractic services. Patients want to avoid high out-of-pocket costs for uncovered services when illness strikes. More emphasis and expansion of preventive care programs for older people should be considered, such as blood pressure, diabetes, and heart testing at Senior Citizens' centers.

Routine physicals at least every 6 months should be a part of any insurance plan with no extra cost to the consumer.

More medical students should be encouraged to practice in geriatrics.

Nutrition Programs and Meals-on-Wheels Programs should be expanded.

There should be a system of intermediate care facilities in our communities (Neighborhood clinics).

Our system of transportation to get the handicapped to health services needs improved and expanded.

Homemaker and social care services should be developed to help care for chronically ill and the homebound.

A Family Practice Plan being developed by McKeesport Hospital should be considered by other hospitals, and Health Maintenance Organizations.

Too many of our students, including the most brilliant, are barred from medical schools. Medical Service Academies similar to West Point and Annapolis, should be established to produce physicians and others to take care of the Nation's health needs.

A hospital is a public resource and should be treated as such.

There are very few, if any, consumer representatives on area hospital Boards of Trustees. It should be mandatory that some representation come from consumers, labor or senior citizen organizations.

M.D.'s should spend more time with their patients.

There is a lack of communication between patient and doctor.

Pharmacies should advertise prices of prescription drugs. M.D.'s should write out prescription plainly, and understandable, so that patients know what they are taking and avail themselves of the best price.

The doctor should prescribe by generic name whenever possible.

The Law should be amended by the state legislature which would lawfully permit a pharmacist to substitute the generic equivalent for a trade name medicine.

To cite an example, *Resperpine*, the *generic name* for treatment of high blood pressure, cost the druggist $2.50 per thousand, and are sold to the consumer for $1.29 for 100 pills, 25 mgs. strength. However, if prescribed by the *brand name, Serpasil*, the price charged is usually up to $7.50 and higher for 100 pills 25 mgs. strength.

Legislation should be enacted to provide stiff penalties, including fine and jail sentence for deliberate over charges under Medicare and other insurance plans.

In closing, I want to thank you for this opportunity. I am hopeful for the future that out of these hearings will come a better system to care for the health needs of the people regardless of race, creed, color, or income status.

If there are any questions, I would be glad to respond.

APPOINTMENT OF CHARLES M. COOKE, JR., AS SPECIAL ASSISTANT TO THE SECRETARY FOR STUDENT ASSISTANCE

Mr. PELL. Mr. President, today, the Secretary of the Department of Health, Education and Welfare, Caspar W. Weinberger, announced the appointment of Charles M. Cooke, Jr., as Special Assistant to the Secretary for Student Assistance.

Mr. Cooke's immediate job will be to bring some organization and unified direction to HEW's study of the guaranteed student loan program, and he will have the more general responsibility of advising the Secretary on all matters relating to student assistance.

The Secretary, in selecting Mr. Cooke for this position, has, I believe, made a very wise choice. Mr. Cooke has served as Deputy Assistant Secretary for Legislation—Education—for the past 2 years. During that time, I have worked closely with him and know him to be a man of honor and competence. This is a well-deserved promotion, and I warmly congratulate Mr. Cooke on receiving it.

I ask unanimous consent that a press release and two memorandums on this appointment be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[News release from the U.S. Department of Health, Education, and Welfare]

CHARLES M. COOKE, JR., APPOINTED AS SPECIAL ASSISTANT FOR STUDENT ASSISTANCE

HEW Secretary Caspar W. Weinberger today selected Charles M. Cooke, Jr., 43, as his Special Assistant for Student Assistance.

Secretary Weinberger said that problems in the area of HEW's student assistance programs generated the need for an assistant "to work with and report directly to him on all facets of the student aid programs administered by the Department and the Office of Education.

"Mr. Cooke is expected, of course, to carry

out his responsibilities in full and timely consultation with the Commissioner of Education," said the Secretary.

Citing instances of students being defrauded by institutions, irregularity by institutions with regard to their handling of Federal student assistance programs and students defaulting on their loan repayments, the Secretary charged Mr. Cooke "to focus his activities initially on possible fraud, program irregularities and potential emerging problems in student financial assistance."

In a related statement Commissioner of Education Terrel H. Bell said, "The Secretary and I have confidence in Charlie's ability and judgment and know he will contribute greatly to our efforts to attain more effective administration of student assistance programs."

Since August, 1973, Mr. Cooke has served as Deputy Assistant Secretary for Legislation (Education). In that capacity he has been responsible for the development of the Department's legislative programs in the education area.

He was instrumental in the negotiations during 1973 and 1974 which culminated in the Education Amendments of 1974, signed by President Ford in August, 1974.

From 1960 through 1965, Mr. Cooke was a member of the Department of History at the U.S. Air Force Academy in Colorado Springs, Colorado, where he became Associate Professor of History.

In 1966 he served in the Plans and Policy Section of the Military Assistance Command in Vietnam. From 1967 through 1969, Mr. Cooke served as Assistant for Vietnam, East Asia and Pacific Region, Office of the Assistant Secretary of Defense, International Security Affairs.

In May, 1969, he resigned his Air Force Commission as a Major and accepted an appointment as Special Advisor on Vietnamese Affairs to the Under Secretary of State where he served until August 1970.

In August, 1970, he was named Director of HEW's Office of Special Concerns. In that post, he was responsible for informing minority groups and other special interest groups of Departmental programs and policies affecting them. He was instrumental in initiating a Department-wide Upward Mobility program for minorities and women, and in 1972 was awarded the First Annual HEW Award for Equal Opportunity Achievement.

He is a 1953 graduate of the U.S. Naval Academy and earned his Master of Arts degree in Chinese History from the University of Washington in 1960. During his military service, he was awarded the Legion of Merit, the Bronze Star, two Air Force Commendations, and the Staff Officers Medal, 1st Class, from the Republic of Vietnam.

Mr. Cooke, his wife and five children reside in Alexandria, Virginia.

[Memorandum from the Department of Health, Education, and Welfare]

APPOINTMENT OF CHARLES M. COOKE, JR., AS SPECIAL ASSISTANT TO THE SECRETARY FOR STUDENT ASSISTANCE

The Secretary and I have asked Charlie Cooke to accept the newly created post of Special Assistant to the Secretary for Student Assistance. I am pleased to announce that he has accepted.

Attached is a copy of the Secretary's charge to Mr. Cooke, describing his duties and responsibilities. As you can see, he is being given a broad mandate related to all areas of student financial assistance. Initially, he will focus his efforts in the area of possible irregularities and potential problems. The Secretary and I have asked that he pay particular attention to the Guaranteed Student Loan Program. In the performance of his responsibilities, it will be necessary for him to work in concert with many of us in OE.

I will appreciate it if each of you, and your respective staffs, will cooperate fully with him in the exercise of your own responsibilities. I will expect you not only to respond to his requests for assistance and information, but also to keep him informed of all important matters and developments. Since he will be advising the Secretary and the Commissioner on Departmental policy and OE program implementation, it will be important that he be kept currently and fully apprised in these areas. As we move ahead in a number of sensitive areas, please be sure to clear all public statements through him so that we will have adequate coordination of Departmental policy.

I have confidence in Charlie's ability and judgment and know he will contribute greatly to our efforts to attain more effective administration of student assistance programs.

Memorandum from the Secretary of Health, Education, and Welfare

APPOINTMENT AS SPECIAL ASSISTANT FOR STUDENT ASSISTANCE

I am pleased to appoint you as Special Assistant to the Secretary for Student Financial Assistance. In this capacity, you will be working with and reporting directly to me on all facets of the student aid programs administered by the Department and the Office of Education. You are, of course, expected to carry out your responsibilities in full consultation with the Commissioner of Education. As you know, I am presently particularly concerned with the Guaranteed Student Loan Program, but my charge to you is intended to encompass such other programs or issues as, in your judgment or mine, require my attention. Initially, you are requested to focus your activities toward possible fraud, program irregularities and potential emerging problems in student financial assistance.

As Special Assistant, you will be expected to coordinate all matters which appear to require my attention. This includes making sure that policy matters are resolved and that I and the Commissioner have adequate advice on programmatic decisions and that such decisions are implemented in a timely fashion. You should coordinate your work with the appropriate Assistant Secretaries, and other pertinent staff offices. I will also expect you to make sure that there is consultation and coordination, as appropriate, with other Federal agencies, including the Department of Justice, the Department of the Treasury, the Veteran's Administration, the General Accounting Office, the Office of Management and Budget, and the Federal Trade Commission, in the development and implementation of student financial aid programs. You will also be expected to exercise your considerable skills in maintaining effective liaison and communication with the Members and the staff of the Congress, with State agencies and with appropriate private agencies and associations.

In the performance of your responsibilities, you should give particular consideration to making sure that all Department officials and all other appropriate staff offices are properly informed of my policy determinations. In turn, you are authorized to call on any Department official, as necessary in your judgment or at my request, to provide information, reports, technical advice, or policy recommendations. I will hold you responsible for determining when, and in what manner, a matter should be brought to my attention and for making sure my instructions and determinations regarding student financial assistance programs are carried out. Consequently, I will expect you to take such actions, or call to my attention the need for such determinations, as might be necessary with respect to the utilization and assignment of personnel and other resources in order to meet these responsibilities. In carrying out these duties, you must be sensitive to the fact that the Commissioner of Education has the statutory responsibility for program administration. You should keep him informed and clear decisions with him that might affect the duties of OE staff.

Another important responsibility you will exercise is the coordination of all public statements on sensitive or potentially controversial matters regarding the programs covered by this charter.

I look forward to a close and effective working relationship with you and know that you will provide conscientious and able service to the Department and to the public interest.

CHICKEN BIG: FRANK PERDUE'S EMPIRE

Mr. MATHIAS. Mr. President, on the Eastern Shore of Maryland, the name Perdue is famous. The Perdue family has long been established on the Delmarva Peninsula, where farming and small business are the economic lifeblood of much of the area. In recent years, the Perdue name has become well known far beyond the Eastern Shore of Maryland. Frank Perdue, president of Perdue, Inc., is known as the tough man who makes a tender chicken. His company's product, highly respected for its quality, is familiar to anyone who has anything to do with the business of food—producers, sellers, and consumers. Potomac magazine, in the Washington Post edition of May 11, contained an article about Mr. Perdue. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CHICKEN BIG—FRANK PERDUE'S EMPIRE: FROM THE BIRTH OF THE BROILER TO $150 MILLION A YEAR

(By Myra MacPherson)

This is the story of a Maryland farmer who colored his chickens yellow, then took himself and his chickens to Madison Avenue and became a show biz celebrity and millionaire in the process.

There he is on the Eastern Shore: Frank Perdue, the Chicken King. Up to his ears in chickens and money. Allow these facts to stagger into your chicken consciousness. Over 78 million chickens sold a year. Over 150 million dollars grossed a year.

Today, the privately owned Perdue Inc. is one of the world's largest integrated broiler producing companies. His media blitz—in butcher shops, grocery stores, subways and on TV—inundates parts of Northeast America. More Perdue chickens than any others are sold in New York, Boston, Philadelphia and Buffalo. His ads have not only given his chickens a respectable name, they have given Perdue, the principal star of those ads, relative fame. He walks into a chic New York pub and he's asked for autographs. Little old ladies pounce on him to trade chicken recipes. Businessmen pounce on him to trade chicken jokes. On TV, Perdue's high, nasal voice and folksy shrewdness make him totally believable when he says he's a Salisbury, Maryland, chicken farmer. His arrestingly homely face is an ad man's dream, but

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no one would have thought as much a few years ago. His large nose dominates a sad-eyed, thin-lipped face; he is not unlike a country cousin of Jacques Cousteau or Charles Aznavour. His head is egg bald. There is an amazing resemblance to, yes, a chicken.

"I'm not a good looking man," says Perdue, with the finality of one who has made a few realistic forays to the mirror, but there is not a hint of self-deprecation or, at this now famous stage in his life, regret.

"I suppose I could get a nose job and a toupee and get myself ordinary—and no one would remember me. You forget Ronald Reagan easier than Charles de Gaulle."

In a huckster's world of sit-com style interviews with the "average" consumer and boring "tests" between competing brands, the Perdue ad copy is among the best and the most crafty and has won all of Manhattan's top ad awards. A poster-full of chicken legs on ice with Perdue name tags; "If you had legs like mine, you'd put your name on them too." Three chickens, with bibs on, sitting at an elegantly set dining table with soybean and other feeds on china plates. "My chickens eat better than you do. A chicken is what it eats. If you want to start eating as good as my chickens, take a tip from me . . ." (Pause). "Eat my chickens." "If your husband is a breast or leg man ask for my chicken parts." To guard against markets that mix his tagged chickens with other non-named chickens, Perdue cautions the consumer to beware of "unidentified frying objects."

These ads don't come cheap. Perdue spends in "the high hundreds of thousands" annually. But they pay off. He started hawking his brand name birds in 1968 but did not get into the act personally until 1971. In these past three years, sales have doubled. Perdue, in proving that fresh poultry can be peddled in a big way under a brand name and by turning himself into a personality, revolutionized the chicken marketing business. No one had previously gone beyond the fast-food, fast-sell of Minnie Pearl and "finger-lickin' good" Colonel Sanders. One New York survey showed that over 51 per cent of those interviewed recognized the Perdue brand (the nearest competitive brand registered 5 per cent). Not a few city folk wander through Salisbury, Md., on their way to Florida or other vacation lands, expecting to see Perdue feeding his flock, all 50 of 'em, by hand. The laugh, of course, is on them.

"I'VE SURVIVED"

The Delmarva (for Delaware, Maryland and Virginia) Peninsula is an emerald green these days and industry is the farthest thing from your mind traveling in the flat lands that most Washingtonians ignore on their way to the Eastern shore beaches of Rehoboth and Ocean City. Dust spurs up from a country road and the sky is filled with sun. Signs bespeak a cottage industry land: "Freddie's auto repair." "Ollie M. Dennis: plumbing and heating." And then suddenly and awesomely the chicken factory looms, like some hidden Nike base. It is one huge agriconglomerate. Smoke stacks send out the signal that soybean is being manufactured into feed. Cylindrical storage bins seem like skyscrapers in the quiet country side. They have the largest grain storage capacity on the East Coast—nine billion bushels. (Perdue buys up one third of all the soybeans and 15 per cent of all the corn grown in Delmarva to feed his chickens.) Low-slung hatcheries spread out in the distance. Headquarters are down the road. An hour's drive away is a modern automated processing plant in Accomac, Va., where more than 200,000 chickens a day find their way to chicken heaven. Another Salisbury plant processes nearly 100,000 daily.

At headquarters, the phone rings incessantly; the switchboard operator says over and over: perdue-perdue-perdue-perdue-perdue.

Enter Perdue. The face is unmistakable. But instead of a dour, somewhat wizened little old farmer of approximately 4-foot-11, as one could easily glean from telly, Perdue is a six-foot, slim, 165-pound, athletic, aggressive impatient business executive intent on creating and promoting the Perfect Chicken. He breathes chicken smarts.

Leaning back in his chair, Perdue talks to his ad man in New York. "We've got a really knotty goddamn problem on our hands. Someone's sabotaging the program—they took the signs out of the front window," said Perdue. Continuing with his concern about getting his chickens into a certain store, he wanted an ad aimed at outdoing a competitor. "This ad will appeal to everybody as now written. However, when I'm in a war, I concentrate on the enemy, not everybody. It just needs a change in copy. And I want it in the newspapers next week!"

Perdue wears well-tailored glen plaid slacks and a tan suede jacket from a Manhattan specialty shop. A topaz ring adorns a long, slender hand. He zips around Salisbury in a blue Mercedes Benz. He is as tan as his chickens are yellow. He jets to tennis spas in Martinique, Costa Rica and Jamaica for brief pick-me-ups to keep body, soul and tan together.

Which is the real Frank Perdue, the farmer or the urban business executive? The answer is both. And more. He is almost as complex as his competitive, cutthroat, and highly unpredictable business where more fortunes are lost than made. Such food industry biggies as General Mills, Ralston Purina and Quaker Oats have all dropped out of the $4 billion-a-year broiler market. But Perdue has never finished in the red. Though he is driven by a quest for perfection, part of his success is due to an abiding wariness and suspicion—and toughnes. "I'm the kind of guy, well, if you hook me out of a dollar. I'll spend a million to get you. I've survived in a tough goddamn business."

RUNNING SCARED

The chicken business, in one form or another, has been around for thousands of years. Legend has it that the first chicken man was Gomer, Noah's grandson. Riddle: Were chickens on the ark? Answer: Yes. Wellllllllll, who's to say they weren't? Where would Perdue have been without chickens? Where would we have been without chickens, for that matter? How would we have learned our ABCs? C is for chicks. Think of how overconfident we would have been without Chicken Little. Where would the redneck bars have been without their poster of the marching row of peace signs and the slogan, "footprints of the American chicken?" Generations of chicken would have grown up unable to taunt their enemies with "nyaaaa, you're chicken." Generations of Borscht Belt comedians wouldn't have been able to embellish the act with jokes about Jewish penicillin (chicken soup) or the punch line, "It's not all chopped liver." Bob Evans and his Ohio farm would have to do without the annual international Chicken Flying Meet—where owners place chickens on a 10-foot tall platform and encourage them to "fly" to them. And, above all, bless those silly little chicken hearts that put the Peninsula on the map, where would Delmarva be?

The chicken business as we know it today is surprisingly young. The chicken coop, a sight of rural Americana, has now been enshrined at the University of Delaware in Georgetown, Del. The sign says it's The First Commercial Broiler House in the United States. In 1923, Mrs. Wilmer Steele of Delmarva ordered 50 chicks but received 500 by mistake. Instead of keeping the birds until they were decrepit, exhausted layers she sold them for a profit while young and tender enough to eat. Voila! The birth of the broiler. Before the broiler became a reality, good chickens were a scarce commodity and Hoover Republicans really had a prosperity promise of some import when they sloganeered, "a chicken in every pot." (They, in fact, stole the phrase from Henry IV who, before the French Revolution, advocated a social order "Where every peasant should have his fowl in the pot.")

Then, Mrs. Steele and her Delmarva neighbors hit upon growing a mature chicken just for eating and for profit. As Delmarva went, so went the chicken farmers of the world. Steady advances in nutrition and chicken diets now make it possible to grow a healthy, fat-breasted chicken in just eight weeks.

Now, Franklin Parsons Perdue didn't just parachute into Salisbury yesterday, and that is one of the major strengths of his phenomenal success. Frank's father, Arthur, was around when the broiler was conceived. Driving down the road, the sun roof of the Mercedes whipped back for breeze and sunlight, Perdue points out his dad's first incubator building built in 1925. Nearby is the white frame house in which Perdue was born. Arthur, now 89, still has an office in the corporation and the undying devotion of Frank, his only child, who writes birthday cards that say, "You are truly the finest dad that anyone could have. I owe you so much."

Arthur Perdue, a Railway Express agent faced with a company move out of Delmarva in the '20s, retired instead, built his first chicken coop, acquired a flock of 200 white leghorns and started selling table eggs. During the Depression he mixed his own feed in a box with a shovel, saving a dollar a bag. "He is thifty almost to a fault," says Frank, who remembers his father cutting off the tops of his worn shoes to make leather hinges for the coops. "I learned everything from him.

I cleaned the coops and I dug the cesspools." There was a time, in Frank's late teens, where there had been one 4:30 a.m. chicken feeding too many and his fondest desire was to never see another chicken. He went to Salisbury State College but soon found out he had less interest in school than he did chickens and returned home to his father and a family flock of 2,000. Disaster struck when the layers became badly infected with a highly infectious chicken disease, leukosis. Losses ran high and the Perdues shifted to broiler production with a flock of 800 New Hampshire Reds, a hardier stock. World War II meant rocketing meat prices and the broiler boom was on. Before long the Perdues were hatching 40,000 chicks a week. Perdue hauled tons of feed bags by hand along with three or four helpers. In that kind of operation, "You don't have any room for a Harvard M.B.A. type," he says drily.

Perdue's innate suspicion of city slickers lingers. To him, no one is more city slick than the media, the same media, he himself, ironically, uses to such a honed degree. "I'm a farmer and I think like one," he says—although in the next sentence he uses a big city phrase, "I don't like schlocky work." He guardedly watches everything written down during an interview. Only after several hours did he allow a slight glimpse of the ugly duckling he once was. "I grew up shy. Painfully shy. I was terribly introverted. I was the country kid." Perdue attended one-room schools with six others until he went to Salisbury High School where he got B-minus grades. "I know how smart I am. I know a B-minus is not as good as an A." His confidence grew with success, but one thing Perdue never forgot is that it pays to run scared. "The prime ingredient of success is fear. Now I've got to explain that. I'm talking about the kind of fear that made me thorough. You should have enough fear to always second-guess yourself."

Part of Frank's growth process was that his father let him make his own mistakes. "Mistakes? I've got a closet full of them. Most all my other business ventures were roaring failures. There was the night club business, that's a skeleton. And then I got into the oyster business. That's a skeleton." He got in on some Ocean City resort ventures, he recalled. Another skeleton.

Over lunch of fresh fish and wine, Perdue reveals a residual bitterness as he recalls the typical salesman who would drive up in a shiny car, ready to take a young farmer for all he had. "He has no callouses and you've got two handfuls." He remembers another time, when "a guy did a job on me. I was in my late 20s and this main was going to make me the whey distributor for the greater Delmarva area. He was dumping these big wooden barrels on the ground—300 pounds worth of whey. My father came up and asked me what I was up to. I promptly told him I was the sales director and so assigned to sell whey to all the poultry producers around. He asked me if I thought I was going to make me a lot of money. I said, 'yes, I think I will.' He never said anything." Perdue paused. "And I never sold one barrel. I had to sell that whey for one penny a pound less than I had bought it—and I had bought a lot of pounds. Nothing makes you more cognizant about how careful you've got to be. That's why I'm so suspicious. I'd paid the price."

Throughout the '50s and '60s, Perdue carefully and ploddingly charted a course for success. The mistakes grew fewer and fewer. The Perdues began in integrated business, capitalizing on those neighboring farmers who didn't want to or couldn't operate in the boom or bust market place. Instead, Perdue provided chickens and feed to growers. The Perdues became the only manufacturers of soybean feed in Maryland. Perdue, Inc., produces one-quarter of all the chickens in the Delmarva area. The largest employer in the area, he employs 2,500 workers.

A TOUGH MAN

Perdue is descended from French Huguenots (named Perdeaux) who landed on the Eastern shore some 200 years ago. Most of them elected to stay in the area and there are now some 57 Perdues in the Salisbury phone book. The Peninsula is a clannish community and in Salisbury, a town of 15,000, Frank Perdue is the undisputed chicken mogul, if not the mogul. There are mutterings of resentment from those who say Perdue's conglomerate drove lesser farmers out of business. His slogan, "It takes a Tough Man to Make a Tender Chicken," isn't just ad copy.

The disarming quality about Perdue is he is the first to admit it. "One of the hardest things is to fire people, but I don't hesitate. If chicken growers drop 10 per cent a year I don't hesitate to drop them. How can I drop a grower if I don't fire people who don't produce? A person who comes to work drunk, say, fires himself." Perdue works his employees hard, but he pays fairly well. The minimum wage on his assembly line is $2.86 per hour, good for the Delmarva area. A close competition, Bay Shore Foods, pays $2.80 per hour plus fringe benefits. (The Maryland minimum wage is still $1.65 per hour.)

The one thing that can drive others up the wall is Perdue's sense of perfection. He once drove the production people to distraction—and spent $100,000 on research—trying to invent a way to get about 8 body hairs per chicken wing off his product. "You know the upper part of the chicken wing? Well, I could see these god awful hairs sticking up, especially when they were barbecued. I felt there had to be a way. Well, when the chicken goes through the line, by the time its gets to the blow torch that singes off these hairs, the bird is wet. The hairs were lying down and the torch wasn't getting to them. So I told some of the men, 'You know when you wash your hands in the men's room and they have those hot air dryers? Well, design one that's got the engine of a 727 and we'll hit the wing with that, dry the hairs so they'll stand up and then blast 'em with the blow torch.'" It worked, although he says with a slight air of dissatisfaction, "Sometimes there are still one or two hairs left."

ACAPULCO GOLD

When Perdue went looking for a Madison Avenue advertising agency, he read books on advertising, interviewed 46 agencies and hounded his prospective agency with constant and probing questions to the point that Ed McCabe, copywriter at Scali, McCabe and Sloves, the agency that finally got the account, snapped "You know, you're a pain in the ass, and I'm not sure we want your account." Perdue responded, "I know I'm a pain in the ass, but once I get this all out of the way and settled in my mind, I won't bother you again." McCabe laughs. "That's not exactly true." But he speaks fondly of Perdue these days. "He's a dynamic super-executive. All driven people with a sense of goal and urgency are a pain in the ass. I prefer them. He's difficult, but so am I. He's still very much an introvert. He isn't a back slapper. But there is a great sense of straight forwardness about him.

When he lets his guard down—about every three hours or so—you'll discover about one and a half minutes of that quality, that really lovable quality, which is also him. That's what we try to capture in the ads. Most of what I have him saying is something I've heard him express in some form—it's more a 'reassembling' of Perdue," he says with excessive modesty. "One of the things that makes him so appealing in the advertising is he captures a lot of qualities a lot of women would like to have in their husbands. He has no bull----, and he's assertive and straightforward."

Perdue was very leery about going on film himself; the introvert who had never even tried out for a school play, the supermillionaire who still chokes up when he speaks to the local Kiwanis. When the agency persuaded him to try it, Perdue sat stiffly and selfconsciously on a blanket where he was supposed to munch a drumstick. The crew tried to sneak up on him so as not to make him nervous. Perdue recalls with one of his infrequent laughs,"They started the crew way back, about 100 feet, and then they advanced, like Indians stalking a buffalo." Take after take was flubbed by Perdue who had munched on cold-drumstick after cold drumstick. Finally someone handed him a warm piece, he bit into it and in surprise said, "that's really good." The ad lib stayed and that year the Copy Club of New York rated it best TV commercial under 60 seconds.

Perdue sounds like another ad slogan when he says, "But the WORST thing for a bad product is GOOD advertising. People expect more and feel ripped off."

That is why Perdue states over and over that his product is better. Perdue claims he spends an estimated $4 million in operating costs above what competitors find necessary for the same volume. The largest item is feed, second is advertising. Throughout a tour, Perdue brags not about himself but about his birds and the people he hired to make them so great—"Look at that, isn't that the most beautiful bird?" marvels this man who has seen them by the jillions.

Which gets us to those man-tan birds of his. The birds are yellower because they are fed feed that contains more xanthophil which turns them yellow. Marigold petals are high in xanthophil. His birds get marigold petals. They are his own special "Acapulco gold"—they come from Mexico. He emphasizes, "we do not" use chemicals to fatten up the birds. Perdue gets very angry when competitors say the color is just a cosmetic gimmick. "In order to keep that yellow cover we cannot over-scald, which toughens the bird, and we do not beat off that outer skin, which means the bird is less susceptible to deterioration. The gentler you handle a chicken the fresher and tenderer it will be—and if we don't handle it gently our yellow trademark will get knocked off."

One of Perdue's major Delmarva competitors takes a dim view of Perdue's hard sell. "Frank has an excellent product—but I don't think he does anything a damn bit different or has any better or worse product, than anyone else around here," says Ed Covell of Bay Shore Foods (they sell about half the number of chickens as Perdue). "Housewives in the Northeast just happen to prefer a yellow chicken and we in Delmarva all treat the chickens the same way in order to maintain that yellow color. But Frank, in order to justify his advertising campaign, has got to say these things in the hope that people will believe him."

MALE CHAUVINIST ROOSTER

A day's trip at Perdue, Inc., starts in an incubator room where row upon row of eggs is kept at 99½ degrees in 10-foot high incubator racks. After 18 days they roll out of there to the "hatcher" for three days. After the chicks are hatched, rubber-gloved workers put them on a conveyor belt where three people vaccinate them against disease. The tips of their beaks are also clipped so they will not peck each other for the rest of their short lives.

They are then moved to one of the 700 "mom and pop" farmers who grow them under contract for about eight weeks. These farmers are guaranteed from $185 to $110 per thousand chickens. At one such farm, a mass of chickens filled a coop about as long as a football field—row upon row—10,000 of them—flapping and clucking at visitors.

Meanwhile, back at the compound, a half dozen geneticists, veterinarians and nutritionists are at work. They use computers to determine the exact amount of amino acid in grain and a $25,000 machine to detect minute amounts of toxic residues in feed. Geneticists work to breed larger-breasted, meatier chickens. Workers and visitors have to wear overalls and boots and step in pans of disinfectant. Competitors' birds are inspected as are feeds from competitive suppliers. "We have two vets on our private staff. Most don't have any," says Perdue. "They rely on USDA teams." Perdue's ads say he rejects about 25 per cent of the birds that the USDA approves. They are cut up and sold to others under a, well, not a pseudonym. They just don't have the Perdue name.

Isolated two or three miles deep in a forest, protected from man and other beasts, whitewashed coops of the experimental breeder research farm are locked to the outside world of contamination. And, even, to Frank Perdue. He mutters and rings impatiently for someone to let him into the complex. "I've got no patience, no patience at all." This is not a fault, he feels. "Anyone worth his salt has a sense of urgency. Someone once said you could go through a revolving door ahead of me and I'd come out in front of you." When the man opens the door, Perdue mutters, "Couldn't you hear the bell?" He softens as the man ushers us into a room where we put on overalls and boots, then slog out to the coops. Here is the male

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domain; the home of the M.C.R. (male chauvinist rooster). They have absolutely nothing to do but go around happily servicing the female. The ratio is anywhere from 7 to 1 to 10 to 1 with a rooster and his hens in separate coops. They were all, indeed, handsome birds, kept around for their special genetic excellence and serviceability.

The processing plant in Accomac, Va., is the end of the line for the birds. Perdue stayed out of the processing business until 1968, selling the birds at the Delmarva broiler auction instead. He wanted to make sure everything else was going smoothly and then, when he made the move, he visited plants in Italy, California, Scotland, Texas, you name it, to perfect the operation. The first batch he knew would find their way to a "bottomless and nameless pit" because they would not be up to his standards. He drove all night to sell even the second batch to a less choosy customer in an out-of-the-way part of Pennsylvania where he did not plan to do regular business.

But now, the plant operates with marked efficiency. "I've got $10 million bucks stuck in this plant," he says, pulling up to the Virginia gate. Nearby they are erecting "the last word" in rendering plants, he says. Perdue gets his overalls and boots and hard hat out of the Mercedes trunk. The production is almost finished for the day and so we rush through. Handsome, red brick, modern, no one would know that chickens, thousands of them, were inside; it looks like any other plant. And even inside, there are just so many birds, so many conveyor belts, so little smell, so much cleanliness, so much neatness, so much automation that one can easily forget that this is a slaughterhouse.

Fetched from their coops on a truck, the chickens are hung upside down on the assembly line by their feet. They pass quickly through a vat containing an electrically charged saline solution, which shocks them senseless, then they move directly under a sharp blade which automatically slits their throats. The broilers next go down a "bleed tunnel," losing most of their liquid in less than a minute. They pass through scalding water, which loosens up the feathers, then come through a tunnel of revolving, vibrating rubber fingers, which have replaced the chicken pluckers of old. By this time, there is a Fellini-esque quality to the operation as miles and miles of naked birds fly overhead attached by their feet in stirrup-like holders and are moved along "clothesline" fashion through each step in the process. Blow torches light up as chickens glide past and the hair is singed. The heads and the feet are chopped off and everything just keeps on moving. At an eviscerating counter, the innards are separated—the gizzards and giblets will find their way through other stages to the end where they are packed and put inside the thoroughly cleaned and inspected birds. There are the USDA inspectors and there are the Perdue inspectors. He makes a great deal of the thoroughness in one commercial: "If you're not satisfied you can always write me—the President of Perdue and I'll give you your money back. If you buy some government-approved chicken and you're not completely satisfied, who do you write? The President of the United States? What does he know about chickens?"

The water bill is enormous at Perdue, Inc. They use about 10 gallons per bird to keep the place flushed and sanitized. Then the birds are packed in wooden crates, in ice, placed in one of his fleet of 500 refrigerated vans and are on the road. From start to finish, from life to ice, the trip takes about one hour per bird.

GUARANTEEING A CHICKEN

His ice-packed freshness is something Perdue capitalizes on. He screams about his "prepackaged" competitors who claim that their chickens are "chilled" birds. "They are packed dry and allowed to be chilled down to 28-degrees. I don't care what fancy name you call 'em, they're frozen. How dumb do they think the consumer is? When I went to school, 32-degrees was freezing." That folks, is just about the same way the commercial goes.

But Ed Covell, of Bay Shore Foods, argues that pre-packed, deep-chilled chickens are better. "We have done them both ways—the ice pack and the deep chill. Because the deep chill is cooler, there is less bacteria and a longer shelf life." As for 28-degrees being frozen, Covell says, "that depends on what you're talking about. Water freezes at 32-degrees but some other substances don't. A chicken is not considered frozen until 26-degrees. Now, a chicken at 28-degrees is a little stiff but it's not frozen.

Still Perdue touts the ice pack method with such intensity that he ends up guaranteeing a chicken. Guarantee a chicken? Something that can go bad if it staya too long on the shelf? Or what if, God forbid, the refrigerator truck should get lost and the refrigeration conk out?

Is Perdue crazy? Just as crazy as the fox who stole into the hen house. Recently, Magruder's, of Chevy Chase, which had been wanting Perdue chickens for two years finally got them. So did Neam's in Georgetown. Perdue decided to get a distributor in the Washington area, although he knows it means trying to break into a market where Safeway and Giant have consistently stocked the pre-packs. "You thump them on the back and if they're hard, they've been frozen," he warns. And Magruder's meat manager, Harley Caldwell, says, "we feel his product almost has to be better because he wouldn't go out on a limb and identify with it or guarantee it." Psychology plays a big part, Caldwell feels. "I don't know if tastewise you'll see a difference once a piece of chicken has been fried, but the housewife will FEEL like it is better because she has a recourse if it isn't." Perdue says he gets about 75 complaints a week—out of a million and a half birds. His birds cost from 2 to 10 cents more a pound. "I feel a housewife is willing to pay 15 cents just not to have to smell it," he says. In refined form, that phrase will probably turn up in a commercial.

KNOWING LONELINESS

The future for Perdue is a question mark. He is now building another plant in North Carolina. He has so far resisted the constant pitches to get into franchise restaurants, to be bought by ITT and the like and become a subsidiary. "Corporations want to start up a plant in California and all, just continue the Perdue line all across the country. But who would have the control? And all I know is that I'd have to be the one working hard, advertising and opening new markets and new plants. I don't need that national exposure. I'm not running for office."

As it is, Perdue hardly has time for a private life. His four children are grown. Although his only son, now in college, may join the business, Perdue says, "I think he's probably had it up to here, with Frank Perdue." His wife, whom he met as a student at Salisbury State College, spends most of the winter in a Florida condominium. Perdue is busily furnishing his own condominium complete with sauna in Ocean City. His home in Salisbury is a split-level modern with early American furniture and chicken tiles in the powder room. "I have the taste of a country bumpkin," he says.

Perdue plays tennis when he has the time, but most of his weeks are spent traveling. He runs to New York, and Boston and Buffalo and Philadelphia. He still calls on the little grocer and he listens patiently as well as proudly when women talk to him about his precious chickens. A Salisbury friend, tennis promoter Bill Riordan, is himself just a little busy these days with the hottest tennis property around, Jim Connors. "Perdue's a very nice guy, an excellent Ping Pong player and a good tennis player. He's a very tough competitor and goes after tennis with a vengeance. Actually I see him more in places like London than I do Salisbury. I got him tickets to Wimbledon and he met Connors and Chrissie Evert and his eyes almost popped out. I think he likes that, the tennis life."

Riordan says he doubts that anyone in Salisbury really knows Frank Perdue. "He is cordial and charming, but he is a loner. To know success, you have to know loneliness."

Another friend, J. Wallace Messick, a retired roofing contractor and chairman of a small bank, has known Perdue since they were kids. "He's just got himself so wound up in that business he don't know how to stop. This is just street talk, mind you, not bank talk, but we figure Frank's worth $100 million."

Perdue admits, "I am a slave to my company to a great degree. It's all part of that damn dedication to the product." His infrequent relaxed moments reveal an amused and wry look at life. Talking of one evangelist, Perdue said: "He's got three messages—'I Love God,' I Hate Communists' and—'Send Money.'"

Perdue doesn't read fiction and he doesn't know who Sammy Glick is and he finds it hard to put into words why he himself has run so hard. He has read with fascination about the great tycoons—Henry Ford, John D. Rockefeller, Andrew Carnegie. "I really enjoyed the book on Carnegie when it was concerned with the excitement of industry. But when it got to the point where he was giving away money it got very dull." He smiled, "Both for him, I suspect, and for me."

He once said the most important thing in his life was his company and the second was to love and be loved. "But I can't express myself about my feelings except in notes, even to my father. It seems that what it take to be successful in business just destroys some of what is inside you. I guess earlier you could say that money played an important part in all of this drive. But now, I think it is just the desire to produce the very best. I have achieved what very few have an opportunity to and that is build a company. A really good company."

So saying, Frank Perdue, all consumed with being the Tiffany's of chicken sellers, got in his Mercedes and raced off through the Delmarva countryside, his chicken conglomerate looming large on the horizon.

SMALL BUSINESS WEEK

Mr. HATHAWAY. Mr. President, the week of May 18 has been designated as Small Business Week. During the week meetings, presentations and other affairs are planned for the small businessmen and women coming to Washington. I join my colleagues in welcoming them.

In our preoccupation with bigness too many of us have forgotten that small business is the mainstay of our economy

and an integral part of our business and social life. The 8½ million small firms in this country represent 97 percent of American business and furnish more than one-half of the jobs in the American economy and 43 percent of the gross national product.

In our present economic climate small business does not travel a smooth, straight road. It has been whipsawed by the winds of inflation, increased wage rates, big business competition, suffocating Government regulation, and an unnecessary portion of the Federal paperwork burden. But from the early beginnings of this country, when all business was small, the small businessman's position has been a tenuous one. It has been a survival of the fittest.

No more than half of small businesses survive more than 2 years and in an economic downturn, such as we are experiencing now, the failure rate among small businesses is greater than among large corporations because a small firm does not have the resources necessary to withstand adverse economic conditions for any lengthy period of time.

In the face of such facts one would wonder why an individual would want to start up a small firm. I think the answer may be found in the nature of the small businessman or woman. First of all they believe in the heritage of our American free enterprise system and desire to provide a product or fulfill a need that exists in the marketplace. They derive satisfaction from being a part of the total process which begins with an idea and ends with the introduction of a new product or process on the market. Because their organization is small they add the "human touch" and provide a more personalized service to their customer. Their organizational lines of decisions are more quickly executed than they would be through a cumbersome corporate structure. Being in close touch with their customers, they are quicker to react, to develop new products and processes and introduce innovations into American life.

Mr. President, the time has come for us to give effective recognition to this important segment of our economy. It was with this purpose in mind that my distinguished colleague, Senator BILL BROCK, and I joined in the introduction of Senate Resolution 104 which would grant legislative jurisdiction over the Small Business Administration to the Senate Small Business Committee. Senator BROCK and I have been joined by 38 other Members of the Senate in cosponsoring this resolution to provide that legislation pertaining to the Small Business Administration, which is exclusively concerned with small business, be considered by a Senate committee which bears the name "small business." The thousands of small businesses throughout the country need the help and encouragement of Congress and I can think of no more meaningful help we can offer than to give them an exclusive forum where their unique problems may be considered.

The House of Representatives has recognized this need by giving its Small Business Committee legislative jurisdiction over the Small Business Administration. I think it is important that the Senate now do likewise.

Small businesses have been aptly called "the vital majority." We can take pride in their initiative, imagination and, innovation. I salute them for their enormous contribution to our Nation's well-being. We are very much in their debt.

HOUSING THE FORGOTTEN

Mr. WILLIAMS. Mr. President, almost 9 months have now gone by since Congress passed the Housing and Community Development Act of 1974 which included the revitalization of the successful and popular section 202 housing program for the elderly and handicapped. At this late date we still do not have final regulations to implement that program. Last year in a supplemental appropriations bill Congress approved a borrowing level for the 202 program of $215 million for fiscal year 1975. These funds could produce an estimated 10,000 badly needed subsidized housing units.

The end of the 1975 fiscal year is less than 50 days away and not $1 dollar of that funding approval has been allocated. Even more alarming, initial soundings from HUD indicate clearly that they intend to allocate the 202 funds only for construction loans. Nonprofit sponsors will be required to obtain permanent—long-term—financing before loans will be made from the 202 money. To the vast majority of sponsors, this approach may well mean there is no program at all. Nonprofit sponsors usually lack the economic backing necessary to convince lending institutions to provide permanent financing. After fighting for years to win congressional approval to reinstate this program, this restrictive approach is greatly disheartening.

The shelter needs of our older Americans are not improving. In fact, they are growing worse. My Subcommittee on Housing for the Elderly continues to document these needs, and we intend to make sure that the 202 program will provide some relief.

In one of her recent columns, Sylvia Porter reviewed in excellent detail the present housing conditions facing many senior citizens. I would like to call the attention of my colleagues to her remarks because I believe they accurately reflect the "prisons of loneliness" which must be endured by too many elderly.

I ask unanimous consent to have her article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE FORGOTTEN

More than a quarter-century ago, the original 1949 Housing Act set as a national goal "a decent home and a suitable living environment for every American family." And despite conspicuous exceptions within minority groups and the 1973–75 housing crash, a decent home has indeed become reality for virtually every major segment of the U.S. population.

The one glaring exception: our elderly.

Nearly 12 per cent of our elderly live in housing officially classified as substandard, a proportion 50 per cent higher than that in the overall population. Among aged blacks, one in four lives in substandard housing (lacking adequate plumbing), about twice the proportion for whites.

For every elderly American living in a sunny retirement village or acceptable apartment building, at least three more live in squalor, unsafe buildings, back bedrooms in rooming houses, urban ghettos, outmoded or isolated houses in small towns or rural areas.

Even in cities trying hard to meet the housing needs of the elderly, the waiting period for decent shelters may be five to 10 years or more—forcing many simply to stop applying.

Mounting numbers are being trapped—between soaring homeownership and maintenance costs, property valuations' and property taxes on one side and the unavailability of less expensive, more appropriate types of housing on the other. Aged homeowners pay an average of 8 per cent of their income for real estate taxes alone, vs. 3.4 per cent for the typical city family of four, and the burden is heaviest on lowest income families.

Rents have been climbing everywhere, along with property taxes. The average older American now spends more than one-third of his income on housing against 23 per cent budgeted by younger families and for the poorest, the share is higher. More than two out of three older Americans with annual incomes below $3000—almost 1,500,000 households—pay 35 per cent or more of their incomes for rent alone. Many pay 60–80 per cent!

A first key problem is that because shelter is a fixed, untouchable expense, millions are now being compelled to cut their food consumption, to reduce or eliminate important medications, to give up trips to see friends, grandchildren, movies, certainly to forget new clothes.

A second little recognized problem for the elderly is built-in physical barriers to freedom and mobility within their own homes. Every year, hundreds of thousands aged 65 or over become disabled within their own homes because of injuries and tens of thousands die from accidents under their own roofs.

Such minor obstacles as steps put a majority of the nation's offices, other workplaces, public transportation and churches—as well as houses and apartments—"off limits" to countless numbers of elderly citizens. Housing which really satisfies the elderly's needs must be equipped with such features as special ramps for wheelchairs and walkers, railings, bathroom grab bars—and in community centers, community kitchens, dining rooms, emergency bells.

A third vital but drastically underplayed problem is that of loneliness and isolation. Nearly one in four elderly Americans lives alone and fully half of all widows and widowers live alone. Grandparents have been squeezed out of the family house by trends toward smaller houses and separation of generations. Grandparents are reluctant to be babysitters and their children are reluctant to be grandparent sitters.

For literally millions, their cramped, dilapidated houses and apartments have become prisons of loneliness. This chilling account of the isolation of so many of our elderly in our era was given in a report four years ago by the Senate Special Committee on Aging:

"More than one social worker has told us of visits to dwellings . . . (where) an elderly person had died, unnoticed by his neighbors, forgotten by his family. And many elderly couples or single persons . . . live almost entirely within their own walls, overwhelmed by illness, despair, or fear of crime."

I cringe with shame for my country and

for all of us who must bear responsibility for a cruel indifference which makes lowly mammals look "civilized" in comparison, as I report that this condemnation is at least as true in 1975 as it was then.

THE VIETNAM LESSON

Mr. CHURCH. Mr. President, it is my hope that, when our ears stop ringing from two decades of gunfire, we will be able to hear again the words of George Santayana in his celebrated admonition that those who will not learn from history are condemned to repeat it.

If the Congress, the American people, and, most of all, the administration will now embark upon studying the lesson of these sour years, then we can jointly win a reprieve from being sentenced to repeat past failures.

I am pleased to note, Mr. President, that the press is already beginning to spell out some aspects of that lesson. Last week three distinguished journalists—Frank Getlein in the Washington Star, Anthony Lewis in the New York Times, and Stephen Rosenfeld in the Washington Post—offered cogent appraisals of what went wrong, where we stand now and how we might avoid similar pitfalls in the future. Their words help us focus on the failed policy that must now be replaced. Consequently, I ask unanimous consent that these three columns be printed in the RECORD.

There being no objection, the columns were ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 9, 1975]

KISSINGER'S POSTWAR CONFUSION

(By Stephen S. Rosenfeld)

Inside Henry Kissinger the cold warrior is a sensible statesman struggling to get out. Indeed, one of the more important places in which post-Vietnam foreign policy is being debated is between the Secretary of State's ears.

The other morning on NBC, listeners could hear Kissinger tutoring the vintage cold-war line. "There is in almost every major event a domino effect," he said, listing three factors that produce it: 1) a change in the balance of forces, 2) "the perception of other countries," and 3) "the general psychological climate that is created in the world as to who is advancing and who is withdrawing." Lest anyone think there was anything arbitrary or casual in this analysis, he added, "This is inevitable."

Actually, it's not that at all. The balance of forces is real enough, if hard to measure. But "the perception of other countries" is a much more ethereal, volatile and manipulable thing, something to keep an eye on but not to steer one's course by. And as for "the general psychological climate in the world as to who is advancing and who is withdrawing," anyone who would let himself be intimidated by that sort of abstract Hegelian perception has been working too hard and needs a long rest.

"Who is advancing and who is withdrawing"; this is the fundamental idea of the cold war. It suggests that the occurrence of political and social change (revolution, if you will) in a given place is not a local phenomenon chiefly of interest to the people who live there, but an event of broader dimensions affecting others far from the scene. It means that such change must be recorded either in the column of Moscow and communism or in the column of Washington and democracy. One's loss is the other's gain.

It follows naturally that one or the other great power is virtually bound to try to influence events in the third places of the world. It follows too that since the stakes in any local event are so large, it is right and necessary to take the most strenuous possible steps to alter the local outcome.

This is, of course, exactly the style of thinking that brought us to Vietnam. It is deeply troubling to find Kissinger talking in such an unreconstructed way.

But fortunately, there is another voice to be heard. For no sooner had Henry Kissinger finished laying the ideological foundation for another Vietnam in his NBC interview than Henry Kissinger wiped it away in a burst of historical revisionism fit to make his bitterest critics weep for joy.

"The first decision whether to resist internal subversion must come from the countries concerned," he said. "We probably made a mistake in Vietnam to turn Vietnam into a test case for our policy and not for the Vietnamese policy back in 1962 and 1963 when we first got ourselves involved there."

Appropriately shellshocked, interviewer Barbara Walters asked, "Does that mean we should have realized that the trend was toward communism and said we still stay out?"

Kissinger came back almost as strong: "No, but we perhaps might have perceived it more in Vietnamese terms rather than as the outward thrust of a global conspiracy."

Shades of Lin Piao: If we had "perceived it more in Vietnamese terms," we could not conceivably have intervened. For although a few individual Americans may have cared, the United States as a nation had absolutely no reason to be concerned about which group of Vietnamese ruled Vietnam.

That Kissinger believes we should have "perceived it more in Vietnamese terms" means that he has indeed learned one of the essential lessons of Vietnam, namely that the United States should not automatically fear that social and political change elsewhere is a potential threat to its own legitimate national interests.

Such an idea definitely need not lead in the direction of neo-isolationism. It leads toward a greater respect for diversity among nations and a greater appreciation of the real and proper limits on American power. To distinguish the fate of America from the fate of Vietnam is not so much to lose interest in what happens in Vietnam as to try to work with whatever forces come to power there.

The confusion evident now in the mind and nervous system of Henry Kissinger is, in truth, characteristic of a great many Americans. But that merely adds intensity to the question of what is to be the mix of old anxiety and new sense in our post-Vietnam foreign policy.

Perhaps the most indicative place to look for an early, though not a conclusive, answer is Portugal. Kissinger has made some gestures of support and confidence to the moderates. But publicly and privately he had broadcast his view that the country is sliding leftward, that events there should not be seen just in Portuguese terms, and that the implications could be Mediterranean if not global, and vastly damaging to the United States.

Little wonder that some officials now mutter about invading, about concocting an Azores "independence" movement, and the like. So we shall see.

CONDEMNED TO REPEAT IT

(By Anthony Lewis)

WASHINGTON, May 7.—When John Hersey spent a week with President Ford and wrote his remarkable account of it in The New York Times Magazine, he found one central puzzle. How could a man so open in manner, so considerate in personal relations, seemingly lack a deeper social compassion and be so insensitive to the currents of change in the world?

The mystery was on display for us all at Mr. Ford's press conference last night. Here was a nice man, a man who could not be imagined making up an enemies list, but one with a sense of history and humanity so limited as to seem one-dimensional.

When he recognized Mary McGrory of The Washington Star, the President had a graceful personal word of congratulations for the Pulitzer Prize she had just so deservedly won. But then he gave her question an answer achingly devoid of understanding or sympathy.

It was a question about amnesty. With the end of our enterprise in Vietnam, Miss McGrory asked, with the President's call to avoid recrimination over failed policies, was it not time to wipe the slate clean for the men who had refused to fight that war?

Perhaps deliberately, Mr. Ford missed the real point of the question—the opportunity for healing at this moment by a new, generous gesture of universal amnesty. Instead, he gave a wooden answer about his expired program of limited amnesty—a program so hedged about with Catch-22's that it was ignored by most of the men concerned.

That unfeeling answer was in striking contrast to Mr. Ford's comment on a subject where he has staked out a policy position: Vietnamese refugees. He spoke with passion, and convincing effect, on the obligation to admit the refugees to this country. But if we feel a duty to the Vietnamese who got out—not all with the noblest motives—how is it possible to be so cold, so hard toward Americans who for various reasons resisted the war? Is there to be amnesty only for the officials whose policy brought disaster to the Vietnamese?

Strangest of all, and most disturbing, was the President's answer when asked what we had to learn from Vietnam.

"The lessons of the past in Vietnam have already been learned," Mr. Ford said—"learned by President. . . ."

Would it were so. But of course it is not. For the behavior of the President and his Administration on a crucial matter shows that they have not learned the most obvious lesson: the danger of secrecy in the use of executive power, the danger of lying.

"The U.S. has no bilateral written commitment to the Government of the Republic of Vietnam." Secretary of State Kissinger made that statement in writing on March 25, 1974. When Senator Henry Jackson said last month that in fact there were secret commitments, the Administration accused him of a politically motivated smear.

Now we know that there were secret promises. President Nixon wrote President Thieu giving his "absolute assurance" that, if Hanoi violated the Paris peace agreement, "we will respond with full force." Grotesquely, we know that from a Vietnamese source, not our own officials, who continue to keep the Nixon letters secret.

President Ford said the Nixon assurances did not differ from generalized public statements about the possibility of American reactions to truce violations. Mr. Kissinger said they were not "obligations." The White House press secretary, Ron Nessen, dismissed the issue as one of "semantics." He might as well have said "third-rate semantics."

When a foreign statesman gets an "absolute assurance" from an Amercian President in the future, should he dismiss it as semantics? Should he treat it as no "obligation" if Henry Kissinger is involved? When Congress is told that there are no secret agreements, should it understand that there may still be some "secret assurances"?

The issue is not semantics but simple truth. Senator Clifford Case, Republican of New Jersey, found the affair of the Nixon-Thieu letters so shaming that he said Mr. Ford simply could not have read them before stating that there were no "secret agreements" with Saigon.

The puzzle of Gerald Ford is not really complicated. He is a personally kind man but one of narrow, largely political experience in life—a limited man. But he should understand Santayana's warning that those who do not learn from history are condemned to repeat it. One large reason why so many Americans have stopped believing their Government is that successive Presidents have adopted as their own the lies and the secrets of the past on Vietnam. It is time for the lying to stop.

[From the Washington Star, May 9, 1975]

VIETNAM AGAIN AND AGAIN?

(By Frank Getlein)

Those who will not learn from history are condemned to repeat it, said George Santayana, shortly before he walked out of his Harvard classroom forever.

Santayana had learned enough from his own academic history to know he didn't want to go on repeating it for what turned out to be 40 more years of productive life. Few of us are so perspicacious.

After some disastrous experience, we say, Well it's over and I shall not think about it anymore. I'll think about the future.

And we are all but guaranteeing that the root causes of the disaster will remain undiscovered by us.

Undiscovered, they will be unquestioned, will continue to operate and will, often enough, bring on the same sort of catastrophe we think we have put behind us.

This process is precisely what President Ford was not merely wishing but practically ordaining when he denounced proposed congressional investigation of Vietnam.

If there was ever a phenomenon in American history that called for careful and thorough investigation by our national legislature, surely it is our long and futile war in Indochina.

This is true no matter how you interpret the war.

If you believe that the fate of the free world and of this nation rested on the survival of the various governments we established as our surrogates there, then that fate has been placed in grave peril by the defeat of the last of those surrogates.

If the official reasons for our presence, endorsed by six presidents, three of each political party, were correct, they have not ceased to be correct just because we have lost.

The country, however, was systematically lied to from beginning to end of the Vietnamese experience.

The country, therefore, will not believe one or any combination of high officials who comes before the country to speak what must inevitably sound like more of the same.

But the televised hearings of the Ervin and Rodino committees demonstrated that the country will believe its own Congress when that body presents itself as conducting a fair, honest and reasoned investigation of an important question.

Hence, if the premises of our war in Indochina were correct and if it is therefore a matter of national survival for the nation to be now, belatedly, rallied to its defense, no possible way exists for that rallying to succeed but for it to begin with an open congressional investigation.

All this applies with equal, perhaps greater force, if the opposite interpretation of the war in Vietnam is thought to be true: Namely that the whole thing was a monstrous mistake.

Make no mistake—the rest of this century is going to be filled with examples of former colonial countries seeking political and economic independence and many of the native independence movements are going to be led by native Communists with what help they can get from Moscow or Peking.

If we regard each of these as a direct threat to the survival of the United States to be countered with escalating degrees of military force, we are going to repeat Vietnam again and again.

The only way to avoid that suicidal repetition is for the nation to find out exactly what Vietnam was.

McGRAW-HILL TO FUND NEW ASTROPHYSICS OBSERVATORY

Mr. GOLDWATER. Mr. President, it gives me a great deal of pleasure today to announce that a new observatory to be used for the optical studies of celestial X-ray sources has been established in my home State of Arizona by a unique consortium of three major universities.

This observatory which is already operational will be used for basic research in astrophysics by astronomers from the University of Michigan, Dartmouth College, and the Massachusetts Institute of Technology.

The research work I have just mentioned will be funded by McGraw-Hill, Inc., whose president, Harold W. McGraw, Jr., made the initial announcement of the new study project.

He disclosed that the University of Michigan's 52-inch Cassegrain Coude telescope has been relocated near Kitt Peak, Ariz., and will be used in the collegiate project.

Mr. President, I think I should emphasize the fact that this group of collegiate experts will be engaged in studying "the most powerful sources of energy that exist anywhere in the universe." They will be observing how matter releases energy at incredibly high levels in the hope of discovering how those energy processes might be harnessed here on Earth.

Let me explain to the membership that this is a project in "pure research." It will be devoted primarily to studying the mysterious celestial sources of X-rays which 15 years ago were discovered to be bombarding the Earth's atmosphere.

The sources of these X-rays are believed to be what the scientists call "black holes," or collapsed stars and X-ray galaxies. If present scientific theory is proven correct the black holes will turn out to be islands of matter so dense that neither light nor any other wave can escape from their gravitational forces.

Mr. President, because of knowledge about these collapsed stars is still very fragmentary I ask unanimous consent to have printed in the RECORD the complete announcement by McGraw-Hill, Inc., about the new observatory.

There being no objection, the announcement was ordered to be printed in the RECORD, as follows:

McGRAW-HILL TO FUND NEW ASTRO-PHYSICS OBSERVATORY

NEW YORK, May 5.—Establishment of the McGraw-Hill Observatory, to be used for basic research in astro-physics conducted by a unique consortium of three major universities, was announced here today. The new observatory, at Kitt Peak, Arizona, will be used for optical studies of celestial X-ray sources by astronomers from The University of Michigan, Dartmouth College, and the Massachusetts Institute of Technology.

The observatory has just become operational. It is situated near the Kitt Peak National Observatory, for optimal viewing conditions. It contains the University of Michigan's 52-inch Cassegrain Coude telescope, which was recently relocated from its former site near Ann Arbor.

In announcing the grant to fund the observatory, Harold W. McGraw, Jr., president of McGraw-Hill, Inc., noted that "McGraw-Hill is proud to participate in this important project along with members of the educational community. The Michigan-Dartmouth-MIT consortium combines the extraordinary talent and capabilities of three prestigious universities and we are pleased to be invited to play a catalyst role in this endeavor.

"McGraw-Hill is in business to serve the need for knowledge—and we are especially gratified to be in the position of supporting basic research which is so integral to the development of science.

"By definition no one can predict what will result from pure research. But this consortium will be studying the most powerful sources of energy that exist in the universe. By observing how matter releases energy at these incredibly high levels, they will be hoping to discover how those energy processes might be harnessed here on Earth.

"At a time when traditional sources of sponsorship for pure research are shrinking, we believe that corporate support for projects of this nature are extremely important. All of us have a stake in expanding the frontiers of knowledge."

The McGraw-Hill Observatory will be devoted primarily to studying the mysterious celestial sources of X-rays which 13 years ago were discovered to be bombarding the earth's atmosphere. Sources of these X-rays are believed to be "black holes," collapsed stars and X-ray galaxies. Black holes are theoretical islands of matter so dense that neither light nor any other waves escape from their powerful gravitational forces. Knowledge is still fragmentary about these collapsed stars, which scientists believe may hold clues to the beginnings and future of the universe.

Astronomers at The University of Michigan, Dartmouth College and the Massachusetts Institute of Technology have been conducting extensive optical research on sources of celestial X-rays, often in collaboration, over the past decade.

X-RAY SATELLITE

Optical sightings from the McGraw-Hill Observatory will be conducted in close conjunction with the Small Astronomy Satellite (SAS–C) being launched May 8 by NASA from the San Marco Launching Platform off the coast of Kenya, Africa. That satellite, the third in a series of small astronomy research vehicles put up by the NASA Goddard Space Flight Center in Greenbelt, Md., is carrying a special payload of research equipment designed and built largely at MIT to pinpoint with previously impossible precision the locations and activities of X-ray sources in the sky.

Because X-rays emitted from these sources are dispersed and filtered by the earth's atmosphere, special interest has been generated by the launch of SAS–C. It will be the first observatory fully equipped to monitor the X-rays in great detail and to delineate, with sophisticated direction-finding sensors, the positions from which each X-ray stream originates.

Data from the X-ray telescopes and spectrometers aboard SAS–C will be sent back to earth by radio, collected at the Goddard Space Center, analyzed with the aid of a high speed computer at MIT, and relayed immediately to consortium astronomers on duty at the McGraw-Hill Observatory and to other interested observers.

With precision mapping of the X-ray sources, consortium astronomers expect to aim their optical telescope accurately and to obtain optical observations of greatly improved accuracy and detail. They expect also to observe the X-ray sources during periods of intense—but often, brief—activity. These observations, it was pointed out, are important in advancing knowledge of the life and death of celestial bodies and to the understanding of such extremely compact objects as "black holes." According to current theory, materials spiralling into a "black hole" become so hot just prior to being swallowed up that they emit X-rays, detectable from an earth-orbiting satellite.

THE CONSORTIUM

The University of Michigan-Dartmouth College—MIT Consortium was formally established early in 1975 with Prof. W. Albert Hiltner, chairman of the astronomy department at Michigan, serving as its first director. He was assisted in organizing the consortium by Prof. Forrest I. Boley of the department of physics and astronomy at Dartmouth College, and Prof. Hale Bradt of the department of physics at MIT. Dr. Bradt is also a co-investigator at MIT in the SAS–C project.

Relocation of the powerful University of Michigan telescope to the new observatory was made possible in large part by a grant of $100,000 from the Alfred P. Sloan Foundation, announced early in March.

The new location is 50 miles west of Tucson, Arizona, on the southwest ridge of Kitt Peak 6,300 feet above sea level. It provides steadier atmospheric conditions and permits the astronomers to get much clearer images. Dr. Hiltner said he expects that the telescope will be 10 times more efficient at Kitt Peak than it was at The University of Michigan.

According to Hiltner, the telescope will be used with technically advanced optical detection systems, such as computer-controlled digital spectrometers and photometers now under development at the three universities. These sophisticated instruments will analyze the light collected by the telescope.

Graduates and undergraduates from the three universities will have opportunities to participate in the research programs making use of the telescope. Because Kitt Peak National Observatory is a national center for optical astronomy, students who visit and work there will also be able to meet eminent astronomers from many other universities.

U.S. FOOD AND AGRICULTURAL POLICY

Mr. HUMPHREY. Mr. President, I wish to point out a policy statement prepared by the National Planning Association entitled, "U.S. Policy for the World Food Crisis—A Statement on Food and Agricultural Policy by the NPA Agriculture Committee."

The National Planning Association in 1974 published a very informative pamphlet entitled "Feast or Famine: The Uncertain World of Food and Agriculture and Its Policy Implications for the United States," by Prof. Willard Cochrane of the University of Minnesota.

This statement, although not as extensive as that earlier effort, also warrants careful review. It sketches out very briefly the changed picture regarding our agricultural economy of the last 3 years. It indicates some of the complicating factors such as rising demand for meat products in the developed countries, the sudden rise in energy costs, reduced water availabilities in some areas, a scarcity of new lands for agricultural development, a low priority for investment in agriculture in many underdeveloped countries and trade restrictions which affected the development process in poorer countries.

The article sketches out some of the possible developments over the next 10 years. The implication of these possible developments would indicate a great deal of uncertainty for our food and agricultural production in the coming years. This would argue for taking steps to create some increased stability and also further production in the face of tight supplies.

Two of the main recommendations of this paper are as follows:

> We recommend that the United States take the lead in working for international cooperation toward maintaining grain reserves. But the United States should not delay action to build and manage adequate reserves of grain of its own while waiting for other countries to act.

The NPA Study also points out the need for improved target prices and loan levels as follows:

> Because of the inherent riskiness in farming and the inflationary rise in prices of items farmers buy, we believe that commodity loan and target price-support levels should be raised appreciably above the levels in force at the beginning of 1975.

Mr. President, I ask unanimous consent that this informative article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U.S. POLICY FOR THE WORLD FOOD CRISIS: A STATEMENT ON FOOD AND AGRICULTURAL POLICY BY THE NPA AGRICULTURE COMMITTEE

How should the United States adjust its food and agricultural policies in the light of the world food crisis of 1974 and 1975 and the likelihood of continuing food problems in years to come?

We believe that if the United States is to maintain and strengthen its moral and political leadership in the world, it cannot allow millions of people to starve in 1975. At the UN World Food Conference in Rome, November 1974, estimates were made that up to seven or eight million tons of grain in addition to the present flow of food aid from rich countries to poor would be required to combat famine in 1975.

We recommend that the U.S. government in consultation with governments of other countries continue and expand the famine relief program on a scale cosistent with the gravity of the situation. The U.S. government should acquire the supplies in the open market and do what is necessary to deliver the food aid to the point of need.[1]

U.S. commitments and plans to ship grain to South Asia and other areas to relieve starvation this spring and summer have been delayed by bureaucratic procedure and foot-dragging.[2] We urge maximum effort at once. Humanitarian purpose should take priority over the use of food aid for political or other purposes, especially at this time.

This emergency program of course would draw U.S. grain away from commercial markets, both domestic and export, and would limit accumulation of reserves during the emergency.

Although this program is short-term, in view of the government responsibility to U.S. citizens who pay the cost, we urge that certain long-term understandings be made clear with respect to continued food aid. (See the section "International Food Policy.")

A PROGRAM FOR THE FUTURE

The world supply of food varies unpredictably in total and region by region, as this committee has emphasized in policy statements in 1973 and 1974. We reaffirm our recommendations for domestic food and agriculture policies that take account of the world situation, including appropriate supply stabilization and reserve policies. We urge that food-agriculture planning and policy actions be taken in a context of flexibility and adaptability. We cannot foresee all developments even in the remaining years of this decade.

From Optimism to Pessimism. In looking to the future, it is advisable to look first at the recent past and the present situation. The prevailing view of the world food situation in the late 1960s was uncommonly optimistic. This was the period of the Green Revolution, aided by low energy prices and a run of good crop years around the world. Between 1966 and 1971, agricultural production increased more rapidly than population growth in both the developed and the less-developed parts of the world. The quantity of food per capita increased significantly. The future looked bright in 1971.

The picture changed quickly, however.

In 1972, growing conditions were unfavorable around the world, causing total agricultural production to fall 1 to 2 percent. World grain production dropped 3 percent and, on a per capita basis, grain production was 6 percent below that of 1971.

These decreases would not appear to be so large as to create serious food supply problems. But, given the severe inelasticity of the world demand for grain, they played havoc with international grain markets. In an effort to maintain per capita consumption of grains in the poor countries and to maintain livestock production in the rich countries, countries engaged in a wild scramble for scarce supplies of food and feed grains.

Net trade in all grains more than doubled between the marketing years of 1971–72 and 1972–73, stocks of grain held by the major exporting countries declined by almost one-half, and world grain prices doubled or tripled in one year.

For producers of grain in the surplus-producing countries, 1972–73 was an exciting and profitable marketing year. For consumers in the developed world, it was an anxious, frustrating year. For most people in the less-developed countries, it was a year of belt tightening, hunger and despair.

Growing conditions in most areas were good in 1973–74, and agricultural production rebounded. Production per capita increased about 3 percent. But one year of good crops is not sufficient to permit significant rebuilding of grain stocks, and the world grain markets remained tense.

Weather conditions for crops in major producing countries deteriorated again in 1974–75, and agricultural production failed to increase above the 1973–74 level. Consequently, output per capita declined. Grain production worldwide declined between 4 and 5 percent. The grain production shortfalls were concentrated in the United States, Canada, the Soviet Union, and South Asia. Prices, which had declined moderately in the winter and spring of 1974, moved up strongly once again in the summer.

Then, in late 1974 and early 1975, grain prices turned downward again. Demand fell off in importing countries hit by recession and high oil prices, and livestock feeding was curtailed in the United States, the results showing once again the unpredictability of grain prices.

Complicating Factors. Two bad crop years in the last three created a world food crisis. But we believe that more is involved in the current difficult world food situation than two bad crop years.

First, rising incomes over a period of years resulted in growing demand for meat in Japan, Europe and the Soviet Union. To meet the demand, these countries increased their imports of feed concentrates and tightened the international market for grain. Now, this long-term trend may be subsiding because of the worldwide recession.

Second, the sudden rise in the cost of energy has raised prices of nonfarm-produced inputs for agricultural producers everywhere, handicapping further expansion of output. The burden falls most heavily on less-developed countries, for example, India.

The Green Revolution calls for heavy application of nitrogen fertilizer for the new varieties of wheat and rice under irrigation. Not only does the fertilizer now cost more but, owing to the higher prices such countries as India must pay for imported petroleum, these countries are short of foreign exchange with which to buy fertilizer from outside sources. They likewise are handicapped in importing other nonfarm-produced inputs. And in some countries, output expansion is limited by an absolute shortage of agricultural resources.

Third, water for irrigation has become scarcer in certain areas.

Fourth, "new" lands for agricultural development are becoming scarcer—especially areas that lend themselves readily to exploitation by modern technologies.

Fifth, many of the undeveloped countries have failed to give high priority to investment in agriculture and related infrastructure for marketing, transportation, processing, research, technical assistance, equipment, and farm inputs.

Sixth, some of the poorer countries are held back in development by trade restrictions on their exports imposed by the industrialized nations, their potential customers.

The Next 10 Years. One view of the current critical food situation is that it came about almost entirely because of bad crop conditions in 1972 and 1974. The implication in this view is that once better weather returns, we can expect to return to the optimistic trends of the late 1960s. According to this appraisal, there are sufficient unused productive sources and sufficient flows of new technology and investment capital into agriculture to produce enough food to maintain lower and reasonably stable prices.

At the other extreme, some observers believe that millions will starve in the less-developed countries in the next 10 years as population continues to race forward at 2 to 3 percent per year while rates of increase in food production slow down or stagnate. Such trends would drive the price of food upward as both rich and poor countries struggled to secure food supplies required by their populations.

We find ourselves somewhere between these polarized views.

Grain supplies would be ample during the next 10 years—and prices of food would remain stable or decline in relation to prices of other goods and services—if various combinations of the following conditions should exist:

(1) a series of good crop years like those of the late 1960s, or better;

(2) technological breakthroughs in crop production, resulting in higher yields and a faster rise in total output;

(3) technological breakthroughs in energy production, increasing availability and lowering costs of fertilizer and power for farming;

(4) a substantial increase in investments in the agricultural sector and related infrastructure in less-developed countries, including adaptation of improved technology for small farms; or

(5) a worldwide economic downturn in the developed nations, reducing demand for imports of grain and other feed concentrates.

We find it doubtful, for reasons given in the previous section, that a sufficiently strong combination of the first four factors or a major economic downturn will occur to bring about a reduction in the relative prices of raw food products in the next 10 years. We believe a more likely prospect is that food prices, after an initial adjustment, will trend upward over the next decade.[3]

This judgment is based on the probability of some combination of the following factors.

(1) Energy prices will continue at their present high level, prices of nonfarm-produced inputs will remain high, and many less-developed countries will experience increased difficulty in importing needed amounts of such inputs.

(2) The demand of developed countries for grain and feed concentrates will continue to be substantial, although it will be affected by exchange and financing problems and probably will not grow as fast as in the past.

(3) Food production in the less-developed countries will continue to lag behind population growth, and pressure will intensify for more food aid.

(4) Weather conditions for crops, which were unusually favorable in the 1960s, will not be any better in the next 10 years and may be worse.

However tenuous our foresight may be about these future trends, we can be certain about one kind of development: the world in general and the United States in particular will be confronted with dramatic and unpredictable year-to-year gyrations in grain prices about any long-run trend that may emerge. This will result in sharp and also unpredictable fluctuations in meat and other food prices. This is certain for the following reasons:

(1) weather, hence crop growing conditions, will vary from year to year in an unpredictable manner;

(2) the world demand for grain is not very responsive to changes in prices;

(3) countries which suffer shortfalls in food production will turn to the United States, the largest exporter of grains. The United States is now fully integrated into the international market.

This short-run price instability in the grains (and, after a lag, in animal products) will be exacerbated in the immediate future by the low level of reserve grain stocks in the world.

The intensified food shortage which would result from a poor harvest in 1975 could not be eased or moderated by drawing on stocks since the stocks do not exist. This is the reason why delegates to the UN World Food Conference in Rome failed to take significant action for dealing with the current crisis—the prospect of hunger and starvation in 1975. The food conference recommended that a coherent international reserve stock program be established for the grains.

The NPA Agriculture Committee published in 1974 a pamphlet, *Feast or Famine: The Uncertain World of Food and Agriculture and Its Policy Implications for the United States,* by Professor Williard W. Cochrane of the University of Minnesota, a member of the committee. In an accompanying policy statement, the committee recommended the establishment of a grain reserve program in the United States for stabilizing markets. It said: "We recommend that the United States take the lead in working for international cooperation toward maintaining grain reserves. But the United States should not delay action to build and manage adequate reserves of grain of its own while waiting for other countries to act."*

We reaffirm this recommendation.

The United States, because of its preeminent position in the world grain trade, should furnish leadership toward establishing international cooperation in grain reserve stock programs. It is not doing so.

U.S. FOOD AND AGRICULTURAL POLICY FOR 1975

In the immediate situation, as we have said, we believe the United States should take the lead in establishing a famine relief program. It must also take into account foreign commercial trade in foodstuffs in setting production and price policies.

For 1975, in view of the possibility of continuing shortages of foodstuffs in another year, and knowing that the nation does not now have a food reserve, we favor increased production by U.S. farmers this year.

Because of the inherent riskiness in farming and the inflationary rise in prices of items farmers buy, we believe that commodity loan and target price-support levels should be raised appreciably above the levels in force at the beginning of 1975.

Prompt and decisive actions of this kind would provide assurances to farmers for stepping up grain production this year. Policies for later years would depend on the world food situation as it unfolds. Any extra land brought into grain production in 1975 could be returned to grass and other extensive uses in later years, and should be held in grain production only to the extent that this can be done without permanent injury to soil resources. It would be shortsighted to plow up hillsides and leave land unprotected that is better suited for more food-production in grass as a long-term use.

LONGER-RUN FOOD AND AGRICULTURAL POLICY

Because of the uncertainties we have described, even a long-run food and agricultural policy of the United States must be highly flexible. We must have the capacity to cope with either food surpluses or shortages in the short run and either rises or falls in the real price of food over the long run. An effective food and agricultural policy for the future cannot be written in stone.

We agree with the basic concepts of the present agricultural commodity legislation, with loan rates for commodities, target prices and deficiency payments. These rates and prices should be tailored to fit the uncertainties of the world food and agriculture situation.[4]

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[1] For a variety of reasons—to get rid of farm surpluses, cold war politics, and at least a modicum of compassion—the United States has given away large quantities of food since World War II. But with increased problems of their own and a growing disenchantment with bilateral foreign aid of all kinds, there is a good chance that American tax payers might leave our agriculture holding the bag with the increased production for world feeding called for in this statement.—A. C. Hoffman

[2] This is out of date. The U.S. government recently announced a 2 million ton increase in food aid for the 1974–75 season. Mr. Boerma, Director General of FAO, recently said that the U.S. commitment brings food aid "within striking distance of the 10 million tons a year called for by the World Food Conference."—Robert K. Buck

[3] Our guess is that the ratio of prices received by U.S. farmers to prices paid by them will not exceed the 1973 peak in the next 10 years.—George E. Brandow and Robert K. Buck

*Willard K. Cochrane, *Feast or Famine: The Uncertain World of Food and Agriculture and Its Policy Implications for the United States* (Washington, D.C.: National Planning Association, 1974), p. viii.

The loan rates and target prices should be announced at the beginning of each crop year.[5] Loan rates should be based upon a recent three-year period of market prices, with annual adjustment according to changes in prices of inputs. Target prices should be based on the same factors plus any special policy requirements for output goals and income support.

It is especially important, under the agreed policy that the U.S. agricultural plant be integrated into the international market, for the international trade situation to be taken into account in setting loan rates.

Target prices should be set each year to yield a parity income for efficient-sized family farm operators. This might mean that target prices for most crop producers in the United States would be only moderately higher than loan rates in 1975.

We recommend that deficiency payments be limited in total amount for all crops to each producer and a continuation of the present level of payment under which a producer cannot receive more than $20,000 in one year in deficiency payments from all crops.[6] This means, in effect, that income protection above that afforded all producers through commodity loans and price stabilization would be provided for small to medium farmers but not for the largest producers.

In order to bring about greater stability of farm commodity prices, hence greater income stability for producers and consumers of food, we urge the U.S. government to join with leading food exporting and importing countries in a cooperative agreement for holding reserve stocks, country by country. This agreement should cover the grains most importantly and possibly certain other storable commodities. (We repeat, however, that the United States should not delay action on its own if international cooperation is not promptly achieved.)

This recommendation is consistent with that made by the World Food Conference to which the United States was a party.

The purpose of the international reserve stock program would be to even out the year-to-year flow of supplies onto the market and thereby stabilize prices within some target range. We suggest that the lower side of the range be related to recent past prices in international trading.

The international agreement should be constructed now, and the rules or conventions negotiated now, so that the stock accumulation process may begin whenever the grain supply situation begins to loosen and agricultural prices begin to slide.

INTERNATIONAL FOOD POLICY

In parallel with international action of a food reserve program, the United States should lead the way on a continuation of internationally financed food aid programs for the less-developed countries. These programs should be carefully designed and managed to avoid limiting incentives of recipient countries to develop their own food production capacities, as has been the case too often in the past.[7]

We recommend that food aid be extended to those countries which are willing to (1) give higher priority to agriculture (including related marketing and transportation services) in future economic development planning—in investment, research and education—especially efforts to increase productivity of small family farms; and (2) commit themselves to realistic long-run programs of population limitation.

We believe it is essential that food programs be backed up by long-term agricultural development programs in the less-developed countries and by national and international food reserve policies to meet and ward off future world food crises.

Solving the food problem in the long run will require large investments in land and other resource development in the less-developed countries—especially water for irrigation. It will require investment in fertilizer plants and other factories for other farm inputs. Most importantly, it will require expanded research in agricultural production, processing and marketing to create new technologies.

We believe the United States should allocate more resources for scientific research by government—but not necessarily in the same institutional and traditional distribution as at present. There could be a larger payoff in terms of world food supply, for example, by greater allocation to overseas research, for areas that are obviously now falling far below their possibilities in production.

More research on methods of utilizing less grain in livestock production is another impelling need.

A better division of labor between government and private industry research on farm production technology might be possible. We suggest a national study commission to consider the possibilities for more effective use of our agricultural research resources.

U.S. FOOD POLICY

A food and agriculture policy for the United States must always concern itself with the interests of the American food consumer. The American consumer has benefited handsomely from the productivity of U.S. agriculture—and from government programs to improve technology and stabilize prices. These programs should continue to take account of the interests of consumers.

Consumer food goals parallel the goals of farmers in many respects: abundant and reliable production; price stability; efficient, low-cost distribution and marketing; accurate nutritional information; and quality reliability in the sale of processed foods.

In addition, the nation's food and agriculture policy must consider, through education and other means, the nutritional welfare of all people, especially those who are unable to buy a good diet in the market.

If, as we expect, the fundamental trend of real raw farm commodity prices is upward in the next decade, it is imperative that the United States continue and refine its programs for domestic food distribution and nutritional improvement. These include the Food Stamp Program and direct distribution programs such as the School Lunch Program.* We recommend that these programs be expanded, especially if the present industrial recession and unemployment should be prolonged.

We endorse the current studies of retail food price spreads and recommend continued surveillance of the food marketing system to assure that antitrust laws are vigorously enforced in order that costs are kept to a minimum.

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[4] I abstained from debate on this section of the paper since my organization does not participate in policy determination on agricultural commodity legislation.—Kenneth D. Naden

[5] Target prices should give farmers income assurance and for this purpose should be set at moderate levels and projected three years ahead by tying them to change-in-production-cost escalators. The USDA could readily construct better escalators for individual commodities than the very unsatisfactory formula provided for 1976 and later in present law. Loan rates should be adjustable annually as export markets, stock positions, etc., require and probably should not be set by rigid formulas. Producers' acreage allotments should be modernized by shifting base periods to, say, 1974–75.—George B. Brandow and Robert K. Buck

[6] I believe that all farm support programs should be designed and operated in the total national interest, so as to provide this country and its citizens with the most absolute assurance that we will at all times have an abundant supply of food and fiber. To accomplish this, price support guarantees should assure that all efficient and prudent farmers, both large and small, can expect the opportunity to earn a fair return on their labor, management, capital resources, and off-farm inputs. Deficiency payments that are arbitrarily limited to $20,000, or to any specific figure, will ultimately defeat the purpose of assuring adequate productive capacity at all times, and will, in the public's eye, eventually relegate and denigrate farm programs to social programs of a welfare status that are designed to perpetuate the inefficient farmer (rather than benefit the consumer). Agriculture does not want this, and the country cannot afford it. Therefore, I oppose all proposals that would tend to place the stigma of social welfare for producers on public policies whose real purpose is to provide assurance to all the citizens of our country that they will at all times have an abundant supply of food and fiber at reasonable prices.—Edward F. Mauldin

[7] Barbara Ward's suggestion a few years ago that all nations give 1 percent (or more) of their GNP to International Food Aid should be revived and refined.—William H. Yaw

*See Food for the Hungry: Direct Distribution and Food Stamp Programs for Low-Income Families, by Dale M. Hoover and James G. Maddox (Washington, D.C.: National Planning Association, 1969), with an accompanying statement by the NPA Agriculture Committee.

REMARKS BY SENATOR HUBERT H. HUMPHREY AT JACKSON FOR PRESIDENT FUNDRAISER

Mr. MAGNUSON. Mr. President, on Tuesday, May 13, 1,500 enthusiastic Democrats met to honor my colleague, Senator Henry M. Jackson, an announced Democratic candidate for President. Senator Jackson was ably introduced by the distinguished Senator from Minnesota, Hubert Humphrey, and I felt that my colleagues in the Senate would review his introductory remarks.

I ask unanimous consent that they be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Remarks by Senator Hubert H. Humphrey

You are here this evening because you care about who will be the next President of the United States.

All of us are firmly committed to one goal: that a Democrat must occupy the White House after January 20, 1977.

You believe, as do I, that the 1976 presidential election will be among the most important in American history. And you are seeking standards by which to judge the many contenders.

Too often, it seems, we fall prey to standards chosen for us by our friends in the media. They usually come up with candidate qualifications that are more suitable for show business—crowd appeal, charisma, and controversy—then for achieving just and humane government.

Yet we passively accept these standards in choosing a person whose Presidency will ultimately succeed or fail for totally different reasons.

If I were you, given what has taken place in the White House since 1969, I would look

for some other standards this time around. I would want to know a great deal about a candidate's record on protecting personal liberties and human rights.

In 1976 I would want to be absolutely certain that our country's most precious possession—the personal freedoms of each citizen—is inviolate from any governmental invasion.

The long and difficult job rebuilding public trust in government *must* begin with this reaffirmation of the principles enshrined in the Bill of Rights.

But it is a most curious fact of American political life that what often is most important receives the least attention.

I suggest to you this evening that much more attention should be directed to the remarkable record of Senator Henry Jackson in advancing and protecting the human freedoms of every American citizen.

I know very well that over the course of a long political career, one's perspectives and beliefs about certain issues often change greatly. I've always thought that this can be evidence of a healthy and inquiring mind that refuses to be bound by the beliefs of another time. That's healthy in a public official.

But nothing could be more dangerous than vacillation or change when it comes to protecting human freedoms.

You have nothing to fear from Scoop Jackson.

I know. I was there. I remember that in the late 1940's and early 1950's, long before civil rights was a winning issue, Scoop Jackson was standing in the front ranks of those who were fighting for even the most limited victories:

To abolish the poll tax;

To abolish segregated hospitals built with federal funds;

To create a civil rights division in the Department of Justice;

To establish a federal civil rights commission.

Scoop Jackson was there when the major victories of the mid-60's finally were achieved:

Equal access to public accommodations;

Equal opportunity in jobs and housing;

Meaningful guarantees, enforced by the federal government, of the right to vote;

And all the other landmark victories that ended legalized discrimination in American life.

Those were the headline victories. But there were others that, from the perspective of recent presidential history, loom large. And, once again, Scoop Jackson was there.

During the early 1950's, for example, Scoop stood among a handful of House members who voted to abolish the Un-American Activities Committee—a step that finally has been taken by the present Congress.

And how many of you remember that in 1956 Scoop Jackson, then a freshman Senator from Washington, voted to create a special congressional watchdog committee to oversee the Central Intelligence Agency? The proposal lost by better than a two-to-one margin. But suppose Scoop had won that battle? What a difference that might have made.

In 1959, Scoop Jackson was opposing student "loyalty oaths" as a requirement for receiving National Defense Education Act loans.

All of us, today, are much more familiar with Scoop Jackson's courageous stand in behalf of human and religious freedom around the globe—in countries that flagrantly deny those rights to religious and ethnic minorities. I salute him for his courage and determination in this difficult battle.

This is not a record hastily assembled for the presidential campaign. It is a record compiled over more than three decades of public service. And, it is a record that tells you something about the character of this outstanding American.

It is with the greatest personal pleasure that I present him to you now—my good and dear friend—Senator Henry Jackson of Washington.

OUR CITIES FACE A CRISIS

Mr. HUMPHREY. Mr. President, this morning the Washington Post carried a front-page story which reveals the devastating impact of the recession on the government, employees, and citizens of the city of Detroit. Among the more shocking revelations in the article is the fact that the rat population in the city is 2 million and growing, but that economic circumstances have forced the city to lay off 23 of its rat control inspectors. Just as disturbing have been recent accounts regarding the devastating impact on police services and morale of the police layoffs that the mayor has been forced to make in order to keep the budget in balance.

While the Detroit situation is certainly one of the most serious in our Nation, it is truly symptomatic of a far more widespread fiscal crisis. As a recent Joint Economic Committee study pointed out, States and cities will be forced to raise taxes, in aggregate, by $3.6 billion, to reduce current levels of services by $3.3 billion, and to reduce capital expenditures by approximately $1 billion. These expenditure cutbacks will have a significant impact on the ability of our Nation's major cities to provide adequate levels of services to their citizens. The tax increases could very easily jeopardize the long-run viability of our cities by undermining their ability to attract and maintain investment in their communities. Our cities are the unfortunate victims of the Federal Government's inability to maintain reasonable levels of employment and growth in the economy. Clearly something must be done to protect local and State governments from the devastation brought upon them by recession.

Last month, Senator Muskie, Senator Brock and I introduced the Intergovernmental Counter-Cyclical Assistance Act of 1975, a bill which would provide significant financial assistance to State and local governments. The bill would make $4 billion of assistance available to hard-pressed State and local governments at current unemployment rates. The money would be distributed to those communities that are suffering the greatest recession-induced fiscal problems, and could be used to stabilize tax receipts and to lessen the impact of expenditure reductions.

Mr. President, I commend this legislation to my colleagues and ask that they vigorously support this essential component of our economic recovery program. I ask unanimus consent to have printed in the Record an article entitled "Detroit Layoffs Stir Fear, Acrimony," authored by William Greider, which appears on the front page of the Washington Post today.

There being no objection, the article was ordered to be printed in the Record, as follows:

Detroit Layoffs Stir Fear, Acrimony

(By William Greider)

Detroit.—Spring is here at last, and Detroit's rat population of 2 million is breeding and chief inspector Arthur Kurt has a grim forecast for summer.

"In two months," he said, there will be more damn rats than you can count."

City Hall nevertheless, is laying off 23 rat control inspectors and, in some ways, the rats are the least of its problems. In the town known as "Murder City," City Hall is also laying off 550 policemen, 300 firemen and about 800 other municipal employees, from garbage men to playground supervisors.

Last winter, the city hockey rinks closed a month early and the golf courses opened a month late. All of the dog catchers were laid off for 30 days, then rehired with federal money. Immunization clinics closed temporarily, guards were withdrawn from public housing projects. In the city where the automobile industry is sacred, the city government committed the ultimate heresy—it saved $2.5 million by not buying any new cars.

Coleman Young, the city's first black mayor, joked grimly about his predicament:

"Maybe if we renamed the city 'Saigon' and brought in a few Vietcong, we might get three or four billion dollars from Washington."

Beyond the joke lies a truly ugly situation. The city government is shrinking and everyone involved is calling each other names, dividing along narrow lines of self interest—by race, by sex, by class, even by age. The question that divides them is: who gets hurt?

When the mayor cut the budget of the Detroit Institute of Arts by nearly 30 per cent, he was assaulted by newspaper editorials and suburban art patrons horrified that he would damage this cultural jewel. The museum director announced that up to one-third of the galleries would have to close. The Mayor told him to stop "crying and whining."

"We've had to close down health clinics and recreation centers," Young said. "If we can do that, we'll close down the art institute if we have to."

When the police layoffs were announced, the question of who gets hurt became more volatile. Would City Hall follow seniority lists, which meant wiping out disproportionate numbers of blacks and women who were recruited and promoted only in the last few years? Or would the burden fall mainly on white male officers who make up more than 80 per cent of the force?

The mayor and the police have always been antagonistic. He ran against them when he was elected in 1973 and they have fought every change he proposed. Now the name calling is a daily event. Mayor Young says of the Detroit Police Officers Association, the union for city police:

"It is highly resistant to change; it's characterized by a racist leadership. It's opposed to the inclusion of blacks and women. To a degree the DPOA almost welcomed the layoffs as a way to get rid of blacks and women."

Ron Sexton, DPOA president, has this view of the mayor:

"This guy has such a bad feeling about policemen, it borders on paranoia, almost psychotic. Every time he's in front of a black audience, he never misses a chance to call cops corrupt and racist. These guys are out there trying to do a good job and he's kicking them in the —."

So Coleman Young, who came to office with great plans for making over city government, making it more responsive to the emerging black majority, finds himself pointman in a battle of race ad labor. He is himself an Old Left labor radical, an organizer and agitator. Now that Young is "management," he is presiding over a new and acrimonious situation—the politics of the shrinking pie.

This is a new experience for city governments, which have grown and grown over the last 20 years, adding new services and programs, expanding payrolls. It is also a new experience for municipal workers and their unions, which generally have enjoyed steady victories over the same period, winning better wages and job security and more clout.

Detroit, where nearly one of four workers is unemployed, is a severe case, but not unique. The city's tax revenue isn't declining—it has merely stopped growing. Like most city governments, Detroit must balance its budget, so between layoffs and budget cuts a total of about 3,500 of the city's 23,000 full-time employees will be dropped.

Congress' Joint Economic Committee reported earlier this month that state as well as city governments nationwide are being squeezed between inflation and recession. Many are raising taxes, many others cutting services; some are doing both. The tax increases and budget cuts together are taking an estimated $8 billion out of the national spending stream, partially offsetting the federal government's efforts to pump up the economy. The budget cuts have cost the country some 140,000 jobs.

New York City, which was recently unsuccessful in trying to get major federal aid, is laying off something like 24,000. Atlanta's City Council ordered a five-day unpaid vacation for all of its workers. New Britain, Conn., put half of its employees on a four-day week. Cleveland laid off 1,100 and cut garbage collection to every other week. And so on, around the country.

Detroit's City Hall faces special dilemmas. The town has a black majority now and the city administration is committed to making local government reflect that—in policy and personnel. But Detroit has another older power center, too—organized labor—and the idea of setting aside the terms of a union contract, waiving seniority rights or missing a negotiated pay raise, is about as popular as buying Volkswagens.

The mayor insists that the fiscal problems are real and inescapable—he must prune $23 million by July 1—but that the layoffs are not inevitable. He wants the unions to "share the scarcity" by giving up contract pay raises or taking unpaid furloughs in order to avoid the layoffs. So far, only one agreed by accepting 21 unpaid days off for its members.

Joe H. Stroud, editor of the Detroit Free Press, lamented the atmosphere. The unions, he wrote, "have an obligation to fight for the best deal they can get, through some of what has happened this past week casts doubt on how much solidarity there is in the union movement. The watchword has been: 'I'm hanging onto mine and you can do the best you can about yours.' "

The police situation has been hung up in a tangle of litigation, threats and fears that only Solomon could unravel to everyone's satisfaction. Women and blacks, seeing that straight seniority layoffs would wipe out most of their recent gains, won temporary victories in two federal courts, orders that require the city to exempt at least some of the junior-level women and blacks from the layoffs.

On Wednesday, a 12-hour private bargaining session before U.S. District Court Judge Damon Keith produced a tentative compromise among all parties in the police dispute. However, it was learned that the agreement really doesn't put the issue to rest because it does not save the $8 million Mayor Young insists he needs to cut from the police budget. Meanwhile, white firemen, faced with similar litigation, were picketing outside City Hall.

One symptom of the tension within the police department is that many officers from all three groups are reluctant to have their names printed in newspapers, even an out-of-town one. Women and black officers fear they will be harassed by the white males who dominate the force. The white males fear they will be harassed by the black mayor.

"I worked hard for my promotions," said an Irish lieutenant with more than 20 years of service. "I don't go along with any affirmative action. If there are 10 openings for lieutenant, they should fill those by the regular tests, then if they want to do some more on the side, okay, let society pay for it that way, instead of penalizing a man who's worked hard for a promotion."

The lieutenant prefers layoffs—which would not touch him—to a general loss of pay raises, which would cost him $1,200.

A young Italian patrolman, with five years of seniority, feels the same way. "My grandparents from both sides of my family were immigrants," he said. "My parents were first-generation Americans. None of them had college degrees. I was the first in my family to have one. In other words, we did it for ourselves, so why can't everyone?"

On the other hand, a minority of white officers who would be laid off or demoted feel differently. Sgt. Ward Taylor, recently promoted, explained: "The guys slated to be laid off say, yeah, that sounds like a good idea, passing up the pay raise, and the guys who aren't going to be laid off don't want any part of it. There's nothing racial or sexual about that."

Either way, the 29-year-old white sergeant figures his days on the force are numbered. "I spent the last eight years going to night school to get a college degree; I've got an absolutely perfect record," he said. "But I get tired of being called the 'white army of occupation'. They can have it, if they want it that bad. It's not worth it to me to ruin my whole life."

Sexton, head of the DPOA, insists the issue is a labor dispute, not racial, a simple matter of following the contract. "The affirmative action program is a hiring practice of the city," Sexton said. "Our members don't have anything to do with it. What the courts are going to do in effect is have our members pay for the past sins of the city. It's not our fault that the city discriminated in hiring."

As women and blacks see it, the white males did, in fact, benefit from those years of discrimination, even if they weren't personally responsible for it. Louis Colson, leader of the black officers group called Concerned Police Officers for Equal Justice, explained:

"When we talk to young coppers who say, 'I don't have anything to do with that,' we say, sure, maybe they didn't. But they were there, getting hired and promoted when the percentage of blacks was so small.

"I've got a partner who first applied to the department when he was 22 years old, but he didn't get accepted until he was 32. That's 10 years of his life—so he would have had plenty of seniority. Many blacks had to apply three or four times to get on. They would have had plenty of seniority if there had been no discrimination."

A woman veteran of 20 years, only recently promoted to sergeant, described how until a court victory two years ago women officers were given different promotion tests and confined to one division in the department—the women's division—even though they did regular police work, carried guns, made arrests.

"We could never transfer out," she said. "It was like a little convent with a mother superior and everything. The competition was twice as keen because we were competing just among ourselves. The only way you could make sergeant was if somebody died."

The woman sergeant does not get too choked up over the complaints of white males. "Seniority's important, no question about that" she said, "but women have been grossly discriminated against. I could have been promoted back 15 years ago. I lost a lot of money. I don't care what it costs them, it has cost me a heck of a lot."

John Runyan, a Wayne State University law professor who represents the police women in court, said, "We live in a boom and bust economy and, if we don't change the pattern, we are condemning women and blacks to the bottom rung—last hired, first fired. If we want to get to a non-color, non-sex society, we're going to have to do some unpleasant things to seniority and other matters in order to start with a clean slate."

On the issue of seniority the union power of Detroit stands with the white male policemen. United Auto Workers vice president Doug Frazier has been urging all sides toward a compromise but he insists: "Seniority is an earned right, something that belongs to an individual that no court should take away from him. Now that doesn't mean the minorities don't have a case, because they do. And I believe consideration should be given to their plight."

Mayor Young, an old labor organizer who got thrown out of the UAW back in the late 1940s when Walter Reuther was "purging the reds," counters: "If we get to the point where seniority protects past discrimination, then I think seniority has to be adjusted. It's not that damn sacred."

Beyond the conflicts of race and sex, City Hall is up against a less obvious but deeper problem—the union resistance to individual sacrifice in behalf of the greater common interest. Like the DPOA, Council 77 of the American Federation of State, County and Municipal Employees has said an unyielding no to the mayor's suggestion for waiving pay raises or other benefits in order to prevent the layoff of nearly 700 workers. "Our position has become even more cemented," said Lloyd Simpson, director of the AFSCME local.

"We deal with about 50 different unions," said Mark Ulieny, the city's labor director. "Each has its own fish to fry and each thinks its services are most essential and it's the other guy who should get it."

Detroit, with a population now of less than 1.5 million, has more city employees than it had when its population was 2 million—which indicates, as Mayor Young said, "that we're not killing anybody with the work."

"All these city unions thought I was bluffing, that I didn't mean it," the mayor said. "Civil servants are so relatively secure compared to those in private industry that many of them in their lifetime can't remember a layoff."

Even when the fiscal crisis seemed real, most union members preferred layoffs of younger workers to spreading the impact more evenly and keeping city services at full strength.

"I'm a union man, I understand what they're going through," Young said. "But to cast your junior members to the wolves is not in the union's long-term interest. It's pretty selfish on the part of the older members."

The squeeze has made everyone in Detroit an expert on what the city government should spend money on—what's really needed and what isn't. The policemen, for example, can't understand why they're being laid off when the mayor wants to spend $3 million on Belle Isle Park.

As a politician, Young knows he will be judged ultimately for how equitably the scarcity is spread around—and how effectively City Hall operates in lean times.

"I don't think anybody likes it," he said. "I'll probably get blamed. Lots of people can't understand. I have no choice. I won't shrink from it, I'll do what I have to do."

AMTRAK—THE LEAST SUBSIDIZED TRAVEL

Mr. CHURCH. Mr. President, those who begrudge Amtrak the subsidies required in the beginning of its mission to rebuild railroad passenger service in America tend to overlook the far greater public outlay for other forms of travel. We routinely subsidize, with scant complaint, every form of transportation from buses to airlines. Yet Amtrak, this fresh beginning for the most fuel-efficient form of travel, is continually singled out for criticism.

Why that should not be so was set forth with blunt precision by Dwight William Jensen, chairman of the Idaho Advisory Committee on Amtrak. Mr. President, I commend to the Senate Mr. Jensen's recent article in the Idaho State Journal, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

APRIL 16, 1975.

Dear Editor:

You recently carried an article by your Blackfoot correspondent, Esther Lake, in which she argued that AMTRAK is not worth the money it costs the taxpayer. If I had a great deal more time than I have I would go through the article line by line to point out errors, misinformation, non-sequiturs and the like. But for now a few general points should show where the article is sadly off target.

1. The $200 million AMTRAK subsidy she deplores breaks down to a little less than one dollar per American, or something under $700,000 for Idaho on a per capita basis. Compare that with tax money spent on other forms of transportation:

—Almost half a million dollars for small airports in Idaho in the coming fiscal year.

—One million dollars for an airport for Caldwell.

—Eight and a half million dollars for federal subsidies to Hughes Air West.

That's without considering the tens of millions that go into subsidies for other airlines, nor the costs of operating the FAA and other air-oriented federal agencies, nor the indirect subsidies for aircraft development paid via the military.

Or should we turn to the massive tax subsidies poured into streets and highways to support buses and private cars, which Mrs. Lake apparently sees as paying their own way? For the sake of argument, ignore the $64 million in tax money budgeted for highway building and repair in Idaho, because it comes from user funds (although even here, car owners probably subsidize commercial operators). Consider only the money spent on highway subsidies from general tax revenues.

In Boise the police force costs $2,280,000, and the chief estimates that one-third of its effort is spent on traffic law enforcement. That's more than $700,000—or more money spent in Boise alone to police the streets than the entire state spends on AMTRAK. The Ada County Highway District derives $2.6 million from property taxes and $150,000 from sales taxes—in Boise, four times as much general tax money goes into streets and roads as the entire state spends on AMTRAK. And that doesn't count the cost of traffic courts, or the cost of building parking space. Estimating on the basis of population, one comes up with more than $20 million of local subsidies for streets, roads and highways in Idaho all derived from tax money other than highway user funds—and that does not count the $4 million budget of the state police which spends the bulk of its time and effort on traffic law enforcement.

In other words, your dollar for AMTRAK is only a fraction of one per cent of your total outlay for transportation subsidies.

2. And what do you get for your subsidy money? For your aircraft subsidy you get fuel consumption and pollution at ten times the amount per passenger mile generated by AMTRAK. For your highway dollar, you get four times as much consumption and pollution. Most studies show train and buses about equal in fuel consumption per passenger mile, but those studies are based on all trains prior to AMTRAK, when many trains carried few passengers on their miles. When comparisons are made of loaded trains against loaded buses, the loaded trains use less fuel per passenger mile. Your highway subsidy also give you urban congestion, pavement over 2 per cent of our nation, junker automobiles, and a petroleum shortage with rising prices.

AND I DON'T KNOW what your car insuance costs, but mine—and it is mandatory in Idaho now—runs $100 per year, against my dollar for AMTRAK.

3. Speaking of insurance: despite the derailments, etc., she speaks about the AMTRAK safety record is infinitely superior to that of the automobile, and better than that for buses or airplanes. The derailments are rarely, if ever, caused by AMTRAK; they are almost invariably failures on the track or failures by engine crews working for private railroads. The usual cause of derailments is poor track maintenance and they are concentrated in the eastern United States where bad railroad management and some governmental failure contributed to a deterioration of track conditions.

As to bad equipment, when AMTRAK took over the passenger cars from eastern railroads especially, they got rolling stock that was in poor shape. Many good cars, such as virtually the entire Union Pacific "Cities" fleet of coaches, went to other owners. Autotrain got the "Cities" coaches, and they make money. AMTRAK has had to renovate old coaches and order new ones, but the problems Mrs. Lake speaks of peaked at Christmas of 1973 and equipment has been substantially improved since then, and will continue to get better.

4. She says there is a need for trains in the populous East but not in the wide open West. Well, a couple of figures:

THIS YEAR, EVERY dollar spent on tickets in the "corridor" routes of the populous East must be matched by 54 cent in tax money to ride the trains; every dollar of ticket revenue on the "long haul" trains such as serve the West must be matched by 68 cents of tax money. The discrepancy is therefore not enormous, and within a year or two it is expected to reverse, so that by 1979 the Eastern corridor dollar will require 39 cent in taxes, while the Western long haul dollar will require 21 cents.

Further: In 1974 the 131 trains per day serving the corridor routes and the millions of people living there carried ten million passengers one billion miles—while the 11 trains per day serving Western long haul routes carried 1.5 million people a total of 1.87 billion miles—one-seventh as many people on one-twelfth as many trains racked up almost twice as many passenger miles. There is a demand. As the demand is met, the required per capita tax subsidy will decline, fuel consumption will decline, pollution will tend to decline, and even those who cannot afford, or cannot drive, an automobile will be able to travel.

Regards,

DWIGHT WM. JENSEN,
Chairman, Idaho Advisory Committee on AMTRAK.

THE UNITED STATES AND WORLD DEVELOPMENT: AGENDA FOR ACTION

Mr. HUMPHREY. Mr. President, the United States stands increasingly isolated in a constantly more interdependent world. A new set of challenges and opportunities lie ahead, challenges and opportunities to which we in Congress will need to respond in devising our foreign aid programs in the coming months.

"Agenda for Action 1975: The United States and World Development," by James W. Howe and the staff of the Overseas Development Council, is an important contribution to the rethinking of our foreign and development policies in this new era. The introductory overview chapter provides an insightful analysis of that broad sweep of issues confronting the developed and developing world, and some significant recommendations on how the United States should respond to them.

Mr. President, I ask unanimous consent that this overview chapter be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE UNITED STATES AND WORLD DEVELOPMENT

(By James W. Howe)

As the year 1974 opened, the world was caught in a crisis that shattered human security as few events had done in living memory. It was a crisis of energy and food to be sure, but that was only an overlay on an older, deeper crisis that had begun in the late 1960s. Many of the familiar symbols of security so cherished in the industrialized nations—perpetual growth, expanding job opportunities, inexpensive automobile transportation, even the quality of the air we breathe and the biosphere that sustains our life—could no longer be taken for granted. The pace of growth had quickened to the point where the institutions that man had fashioned could not handle it. Too often the interlinked circuits of modern life became overloaded, and, unable to quickly adapt, they broke down. Whenever this happened, some major system—food for the hungry people, or oil for modern industrial life—failed to perform its essential function. The consequences were awesome in their toll on human life and well-being and on the natural environment. The combined pressures of rising global population, increasing affluence for one quarter of the earth's inhabitants, and deepening destitution for still another quarter of humanity were principal causes of the overload.

To this global disorder was added yet another challenge: the demands of the newly rich and the poor nations—the powerless and the disenfranchised—for a greater share of power and profit, and for participation as more equal partners in a reformed international economic order. The world would never again be quite the same. To regain an adequate pace of growth and give its people the dignity of a place in its productive processes, it would need human institutions that could anticipate, adapt, and reconcile on a more truly global basis.

In the eventful year 1974, progress was made on a major vestigial human problem when Portugal, the last of the colonial powers, dissolved its African empire. A grave new problem—worldwide "stagflation"—was added to the agenda for global action, and an existing problem—the deterioration of the Fourth World—grew more ominous. Citizens and governments of the industrialized countries, despite their acute concern over energy and stagflation, were touched by the desperate poverty and hunger of millions of their fellow humans and made preparations to attack the problem; and the developing nations, long dissatisfied with their status in the international hierarchy of nations, renewed and redoubled their efforts to improve their position. The oil-exporting developing nations made a real gain in economic power and income; exporters of bauxite, tin, copper, and other raw materials attempted—with inconclusive results so far—to follow their example. A similar bid for power was seen in the intensified developing-country negotiations within the International Monetary Fund, and in the efforts of certain developing countries to bargain more effectively with multinational corporations. Developing nations within the U.S. General Assembly also called for a "new international economic order." Indeed such challenges to those in control of the international economic order caused concern in Northern countries that the existing international "social compact" that had evolved in the two decades after World War II might be dissolving—a topic to which we will return later in this overview.

Both the mood of the times and an insight on the historic transformation now in progress were expressed by Secretary of State Henry Kissinger in a television interview on January 16:

". . . one of the central facts of our period is that more than a hundred nations have come into being . . . and they too [along with the five major centers] must be central participants in this [international] process. So that for the first time in history foreign policy has become truly global . . . I feel we are at a watershed. We're at a period which in retrospect is either going to be seen as a period of extraordinary creativity or a period when really the international order came apart politically, economically, and mortally. I believe that with all the dislocations we now experience, there also exists an extraordinary opportunity to form for the first time in history a truly global society carried by the principle of interdependence. And if we act wisely and with vision, I think we can look back to all this turmoil as the birth pangs of a more creative and better system. If we miss the opportunity, I think there's going to be chaos."

U.S. policies in 1974 and early 1975 illustrate two possible ways of approaching this formidable array of world problems and prospects. The U.S. response to the long-range aspects of world hunger and food insecurity was—with the exception of (inadequate and tardy) action on food aid—one of leadership in mapping out a systematic, and long-range program to attack the problem, involving a broad range of participants—developed, developing, socialist (both the U.S.S.R. and China) and oil-exporting nations. It was a response that did not seek short-run national gain at the expense of other nations but instead treated a common global illness with the medicine of international cooperation.

In the case of the oil crisis, by contrast, the U.S. originally responded to OPEC policies of confrontation by proposing a scheme of counterconfrontation—by organizing the members of the OECD, seeking an unrealistic cut in oil prices,[1] and decreasing the dependence of the United States on oil imports. Even the major developing-country importers, for example Brazil and India, were excluded from the organization. In contrast to the food case, no long-term global program was offered. Instead, the U.S. reaction was to protect its own narrowly defined interests first and the interests of other industrialized nations only second. Perhaps the sharp difference between the U.S. responses in the food and oil cases originated in the different nature of the threats themselves. While the food problem did not endanger the present relative standing of the North, the joint action of the OPEC countries was viewed as an explicit challenge to the economic supremacy of the industrial countries.

One fact that was lost sight of in the heat of confrontation was that, *even without the oil crisis*, a major shortage of low-cost oil would have been due in the 1980s—given the rate of increase in demand. The 1974 oil crisis could be viewed in one sense as an expensive but timely forewarning of the need to make changes in energy use patterns before it was too late.

How challenges are pressed by nations, individually or in groups, and how they are responded to by those challenged will determine the quality of interdependence in the years ahead. The Northern industrialized countries are willing to make the minimum necessary adjustment to the new power of the oil exporters but are reluctant to make other changes in the relationships between North and South. By contrast, a common view among countries of the South is that Northerners should treat the South as they treat one another more or less as equal partners. Failing that, the South should take advantage of any opening it finds in any forum to press for changes. This degree of North-South confrontation is hardly compatible with the need to deal cooperatively with common problems. In the words of one developing-country observer, the need is to evolve a new "symmetrical" interdependence to replace the existing "hierarchical" relationship.[2]

As 1974 closes and the final quarter of the century opens, it is a time for taking stock of the course of world development. Much despair and great fears have been expressed about the future—and with good reason, because not only 1974 but the past few years as well have been full of stress. Yet one cannot look back over the past quarter century without observing that the human family has, after all, made important progress toward solving some of its ancient problems. Problems such as hunger, population increase, and human deprivation are still acutely with us, but, as we argue later in this chapter and in Chapter II, the world of today is in many important respects a better world than that which emerged from World War II.

This volume discusses two kinds of problems. First, and most important for the future as for the past, are certain threats to the human condition shared, albeit unequally, by the entire family of nations. Hunger, overpopulation, malfunctioning national and international economic systems, and the deterioration of the oceans and the environment would be formidable enough in any event, but their solution is complicated by the second kind of problem: the challenge of the developing nations of the South to the Northern dominated hierarchy of international power. This hierarchical challenge—a relatively new manifestation of an old theme—will be the subject of the second part of this overview. Before considering it in detail, however, we will first briefly review the current status of the commonly shared human problems from which no nation can now isolate itself. The analysis of these two categories of challenges will provide a basis for formulating an agenda for world development with particular focus on U.S. actions in 1975 and beyond.

CHALLENGES TO HUMAN INGENUITY: NEW GLOBAL PROBLEMS

The increasing frequency, intensity, and persistence of certain commonly shared human problems in the 1970s have led to speculation that they are the early signs of approaching "limits to growth."[3] The unprecedented economic growth rates of the late 1960s and early 1970s, coupled with continuing expansion of the world's population, have strained the capacity of existing human institutions and have led to systemic overloads such as global inflation, recession, food shortages, declining harvests of ocean fish, occasional raw-material shortages, environmental stress, the deterioration of cities, and threats to the international trading system. One of the most tragic results of these events has been the worsening *relative* condition and—recently probably even a deteriorating *absolute* condition—of the world's poorest people, particularly those in the Fourth World. While there is no persuasive evidence that an unyielding ceiling on growth has been reached, the pace of economic and demographic growth appears to have exceeded the current ability of economic and social systems to adapt.[4]

If adequate economic growth is to be resumed, great human ingenuity and cooperativeness will be required in redesigning and adapting human institutions to tolerate its stresses. One of the critical tests of such redesigned institutions will be their ability to distribute more equitably not only the rewards of growth but also the traumas of interruptions in growth. The recent price explosions and the current economic slowdown have imposed great strains on most nations, yet efforts of the leading industrialized nations have been devoted largely to minimizing the impact of inflation and recession on their own citizens, the richest billion people on earth. The likely consequence is that the brunt of the hardship will fall most heavily upon the world's poorest billion—those least able to absorb it. Several of the challenges to the family of nations that have been sharpened by the events of the past year are discussed below.

Food and Hunger.[5] Viewed in the long term, the World Food Conference held in Rome in November 1974 may prove to have been an historic success. The Conference established some potentially useful, new international machinery to encourage expansion of production in food-deficit developing countries. It was agreed that there should be an internationally coordinated system of national grain reserves and a system to warn of impending shortfalls in world food availability. The Conference also focused widespread attention of citizens and their governments on the problem of hunger and population and was the first occasion on which the Western developed countries, the Soviet Union, China, the newly rich OPEC countries, and other developing countries joined efforts in considering a major world problem.

The near consensus reached at the Conference on the importance of increased food production in food-deficit countries calls for more effective rural development programs in those countries. In the long run, the key solution to the food problem is to grow more food in the food-deficit poor countries and to increase the incomes of the poor so that they can buy it. This will take time, however, and meanwhile there is the immediate problem of dealing with hunger and acute malnutrition. The U.S. Department of Agriculture estimated in December 1974 that the 1985 deficit might run as high as 71.6 million tons, but that it might be held as low as 15.8 million tons if appropriate steps were taken immediately to increase food production in developing countries.

To help meet these needs, U.S. food aid over the next five years should be maintained at a level of 8 to 9 million tons a year—roughly its level in the late 1960s and early 1970s, before it plummeted to a low of just over 3 million tons in 1974. The decision by President Ford in early 1975 to expand food aid for the year to 5.5 million tons was welcome, although it came too late to be of maximum benefit. In addition, Public Law 480 needs revision to make the Food for Peace Program—which was originally a surplus disposal program—reflect current conditions. For instance, food aid needs to be programmed *early* in each year, rather than only after it is known how much is left over from other uses. The grant component of the program needs to be increased to meet the growing humanitarian needs to support agricultural production more effectively and to help establish food reserves in recipient countries. A major increase in food aid from the United States might be associated with a major allocation of funds by the richer of the OPEC countries to the new Agricultural Development Fund recommended by the World Food Conference.

Footnotes at end of article.

The United States should also significantly increase its aid to agricultural production in poor countries that have food deficits. Although its bilateral aid for agricultural improvement in developing countries has expanded from about $300 million in 1973 to $600 million programmed for fiscal 1975, this amount is still too small in relation to the vast needs and potential benefits. The FAO estimates the external capital needed for investment in agriculture in developing countries is about $5 billion per year compared with the current level of $1.5 billion. The International Development Association of the World Bank is devoting increasing funds to rural development in food-deficit countries; it is presently supporting a total of 51 comprehensive projects in 42 countries, and plans are under way for additional projects to directly benefit a total of 100 million rural poor by 1980. The United States should support a major expansion of financing for IDA's program in the negotiations for the next replenishment of IDA in 1976.

Finally, the United States should fully support the implementation of its own proposal for an internationally coordinated system of national food reserves—so that the world's food stock can be increased (as soon as surpluses begin to appear) to provide greater world food security in times of shortage and prevent sharp declines in the earnings of farmers in times of surplus.

Population. The United Nations-sponsored Population Conference held in Bucharest in 1974 was an important step in the evolution of a consensus that controlling fertility is linked not only to ensuring a more convenient and universally available range of acceptable contraceptives; but also to providing the poorest and most fertile people of the world with more of the benefits of development—including jobs, higher incomes, and better health and education services, especially for women. The Conference also served as a forum for airing some of the objections of developing countries to widespread accusations that their rates of population are burdening the entire planet. In fact, the consumption rate in the developed countries in some cases places an ever greater burden on the planet—despite the much lower rates of population growth in these countries. For example, the U.S. Department of Agriculture projects an increased demand for cereals—due to both populaiton increases and rising affluence—amounting to as much as 304 million tons between the base period (1969–1971) and 1985 in developed countries, in contrast to an increase of only about 277 million tons in the far more populous developing (including socialist) countries.[6] While the serious impact of rising affluence on global demand for resources is undeniable, the annual addition of vast numbers of new humans to the world's population by the developing countries is equally ominous. There is sympathy with the aspiration of the world's poor people for higher consumption levels, but there is also mounting concern that continued high rates of population growth, combined with higher consumption levels, will overload the planet's productive and waste-absorptive capacity.

On the positive side of the record, recent evidence indicates that seventy-two countries have made progress in reducing fertility.[7] Seventeen countries in this group have reduced births by as much as 10 per 1000 population since 1960, including—encouragingly—sixteen developing countries.

U.S. policy with respect to global population growth should be guided by an understanding that high birth rates are in part a product of extreme poverty and can be corrected only if the human condition is improved.[8] Bills now pending in Congress to deny aid to countries that are not making headway in reducing birth rates would very likely be counterproductive if enacted. Governments of countries with high birth rates may in a very few instances be unsympathetic to family planning programs. But even in such cases, it should be U.S. policy to encourage an attack on poverty, for experience indicates that where the human condition is improving, fertility has frequently been reduced even without comprehensive government support for family planning (e.g., most of nineteenth-century Europe), but that where poverty is acute and increasing, fertility is not likely to drop significantly and permanently even if family planning programs are widely available. U.S. Agency for International Development funds for family planning, which were reduced in fiscal year 1975, should be restored and increased over the years ahead as part of a dual approach including both family planning and programs designed to reduce poverty.

Overloaded Ecosystems, Finite Resources, and the "Good Life."[9] The most acute environmental problems currently occur in rich countries, where economic activity is most intense; but problems of land erosion and water pollution are also serious in low-income countries, especially where population is dense in relation to the productive capacity of the land. In the United States, pressure continues to build up (especially in affluent quarters) against unrestrained economic growth. Local zoning authorities, supported by strong public opinion, resist rapid industrial and residential expansion, while scholars and environmentalists debate the continuation of such wasteful aspects of modern life as single-family homes on individual plots, throw-away containers, and reliance on individual motor vehicles. A recent survey reports that through the summer of 1974 there was no weakening of public concern about environmental issues. The survey responses showed that 64 per cent of the public believes that "sooner or later world population and economic growth will have to be regulated to avoid serious shortages."[10]

In poor countries, by contrast, there is understandably less concern about wasteful overconsumption—since poverty remains the most critical problem. Voices are being raised, however, against the emulation by domestic elites of the materialistic life style of the rich countries. Growing numbers of commentators also are questioning the values and modes of production and consumption of the North as both impractical and intrinsically undesirable for the South. These analysts call for more labor-intensive production, for systems that give priority to satisfying the needs of the poor before the desires of the rich, and for the acceptance of values that are compatible with the resource base and environmental conditions of such countries. They do not attack development in general but appeal for a resource-conserving approach (involving, for example, use of bicycles or buses rather than automobiles, or emphasis on preventive medicine rather than costly modern hospitals).

Issues for U.S. policy makers to consider include the question of government action to conserve commodities in scarce supply, notably oil and food. In the case of food, existing U.S. government policies that encourage intensive fattening of animals with grains and soybeans should be revised. A public education program is also needed on the health hazard of eating too much animal fat. Whether economic incentives to eat grass-fed rather than grain-fed meat are needed is a matter for further study.

With respect to overburdened ecosystems, U.S. policy makers are discovering that they must make trade-offs between the goals of meeting shortages and those of meeting environmental standards. Thus, for example, the energy shortage has forced countries to consider lowering environmental standards in order to increase the production of coal, postponing programs to control automobile pollution, and risking oil spills in rushing exploration for offshore oil. There were other trade-offs as well: the lumber shortage of a year ago challenged the efforts of environmentalists to protect forests; the food shortage may have brought some land into crop production which, from an environmental point of view, should have been kept in pasture or timber; and the high price of animal protein led to additional pressures on the world's ocean fisheries. Given time and ingenuity, some of these dilemmas may be resolved by the development of new technologies. Others will simply require U.S. governmental structures at all levels, as well as U.S. citizen groups, to make choices between health hazards (the most common choices do not involve threats to the biosphere itself) and shortages.

The Oceans and the Resource-Poor Countries. The results of the third session of the U.N. Conference on the Law of the Sea in Caracas were, perhaps predictably, disappointing. Delegates from 128 nations deliberated for ten weeks on an agenda designed to produce a comprehensive treaty covering all major ocean issues—ranging from the boundaries of territorial waters, economic zones, and continental shelves to questions concerning a regime for the use of the deep seabed, pollution, fisheries, and scientific research. The Conference had before it an agenda of more than one hundred items and sub-items.

Most observers are in agreement that the Caracas session achieved little more than a continuation of the preparatory work that has occupied the U.N. Seabed Committee and its predecessors for the past six to seven years. If there was no urgency to arrive at a comprehensive treaty more quickly, the lack of greater progress in Caracas would be of little concern. However, there are at least three major reasons to believe that time is of the essence in the handling of these issues, and that a high price may be paid in 1975 for the limited achievements of 1974. The first reason is that the Conference may collapse toward the end of 1975 if it becomes clear that the objective of securing a comprehensive and widely acceptable law of the sea treaty cannot be attained. Under these conditions, it might well prove impossible to prevent the further proliferation of unilateral decisions and declarations by major coastal and other states, with serious adverse implications for optimum usage of the world's oceans and the resources within and beneath them.

It is quite possible that the United States will follow the lead of others in taking such unilateral actions if not enough progress is made to guarantee a comprehensive treaty before the end of 1975. Many observers presently feel that in the absence of such progress, the U.S. Congress would enact legislation creating a 200-mile exclusive fishing zone and authorizing the construction of deep-water ports beyond present territorial sea limits. It is also considered more than likely that Congress would then authorize

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U.S. firms to begin mining operations in the deep seabeds. If the United States were to take such unilateral actions, a host of other nations would immediately follow, and the opportunity for a more optimal usage of "the heritage of mankind" would be lost, perhaps irrevocably.

The second reason for concern about the issue of timing is that the lack of progress thus far may lead various groups of states to negotiate and ratify regional treaties reflecting their own particular predispositions on issues before the Conference. Such a development would heighten rather than reduce present and potential international conflict over ocean use.

The third—and in many ways the most serious—concern is that after deliberating for so long, the Conference will, during the coming year, rush to conclude a comprehensive treaty that will in fact fulfill little if any of the promise inherent in the original proposal presented to the United Nations by Malta. That proposal called for a law of the sea treaty to utilize the resources of the oceans beyond the twelve-mile limit to assist the development of the world's poor nations and thereby diminish the inequities of the global distribution of wealth. The author of the original proposal, Dr. Arvid Pardo, recently characterized his view of the most likely outcome of this negotiation as follows:

"To put matters bluntly the package deal which is being negotiated and which may be concluded [in 1975], will provide exclusively for the protection in ocean space of the interests of the major groups of states, whether developed or developing. These interests will center around three areas: (a) international recognition of the extensive coastal jurisdiction in the seas (well beyond 200 miles in many instances); (b) international recognition of the exercise by coastal states of comprehensive powers within national jurisdiction areas; (c) normally unhampered commercial navigation." [11]

Dr. Pardo noted that acceptance of such a treaty would turn his original proposal on its head. His major concern about such an outcome is that if coastal states are permitted to extend their control of marine resources well beyond the 200-mile limit, international control of seabed resources in the comparatively small remaining area unclaimed by coastal states will be of little or no significance.

Unfortunately, those members of the "Group of 77" developing countries which individually stand to gain by an ocean regime allocating most benefits to coastal states rather than to the poorest nations have not hesitated to place their national interests ahead of those of the other members of the Group. This development probably should not be a surprise; there is no reason to expect poor countries to be less selfish or attentive to short-run gains than rich nations.

If the outcome feared by Dr. Pardo were to occur, the major losers would be the land-locked and self-locked states of the world as well as most of the resource-poor members of the "Fourth World"—precisely the countries which stand to gain relatively the most under the original proposal. The major gainers would be the world's coastal states. But in the longer term, *all* states might prove to be losers when their actual gains under such an outcome were measured against the more optimal solutions inherent in the original proposal. That optimal outcome still is not entirely beyond reach if the developed as well as the developing nations constituting the present Law of the Sea Conference demonstrate a greater capacity to negotiate this major issue of global resource management in a long-term perspective.

U.S. policy on this subject has in general taken a global point of view. Several years ago, the United States proposed a treaty that would distribute among all nations at least some of the revenues from exploiting the seabed and provide some international standards to protect the oceans. The United States should continue to support a law of the sea treaty that is basically internationalist. However, if the prospects for such an enlightened treaty are dashed by the nationalistic views of others, it is regrettably, but understandably, likely that the United States will seek to protect its narrow national interests.

International Trade.[12] The main item on the U.S. agenda for international trade is to achieve the constructive potential for expansion of world trade in the Trade Reform Act of late 1974, thus avoiding trade wars of the kind that so devastated the world economy in the 1930s. Three pressures are edging the nations of the world toward such restrictions on trade. The first is the relatively recent threat of worldwide inflation, which presses nations to limit certain exports because of internal shortages. In the past two years, there have been increased examples of such restrictions in many developed countries, involving, for example, fertilizers from Japan, Europe, and the United States; oil from Australia and Canada, and sugar from Europe. For many years certain developing countries have imposed limitations on exports they considered essential to their economies. Together with export restrictions for the purpose of controlling the market or for political purposes, such impediments to the flow of goods disrupt trading patterns and internal economic activity.

The second impetus toward economic conflict is the threat to nations' balances of payments implicit in the oil price crisis. Hard pressed to meet the increased costs of oil imports, nations are tempted to limit imports of other items in order to pass on part of the oil-induced deficit to other oil-importing nations. Such efforts could lead to rising import barriers, competitive devaluations, and other actions that would invite retaliation.

Third, the shift in public concern from inflation to recession carries a danger of increasing barriers to imports and to the exports, of capital for the sake of protecting jobs at home. Once initiated by a major industrial country, this approach would almost certainly cause retaliation by others, and thus would accentuate rather than alleviate the problem of unemployment in all countries as access to foreign markets dwindled.

While there are dangers on the present trade scene, there are also new opportunities. The Trade Reform Act of 1975 empowers the President to conduct negotiations to reduce existing tariff and non-tariff barriers to trade. It also authorizes him to extend preferences to manufactured and semi-manufactured goods from developing countries (except for a list of specifically excluded items). This offers the possibility of responding to the changing needs of these countries—in particular to their desire to process their raw materials—by removing current barriers to their export of such goods. Other essential elements of such a response are international commodity arrangements to stabilize the markets of raw-material producing countries while ensuring open access to essential supplies.

But the Trade Reform Act also provides the means for restricting trade; its mechanisms would permit the raising of barriers if a mood of protectionism were to dominate the Congress. The dangers of precipitating movement in this direction among the other industrial countries is great, since a number of them are delicately balanced between the two trends and would react quickly to a change of direction by the United States. Without doubt, this is a realm in which U.S. leadership is essential to the continued growth and health of the world economy. To be viable domestically, however, the U.S. program must implement effectively the adjustment process provided in the Act of workers in industries affected by increased imports.

A primary objective of the international trading community is to reach agreement on commodity arrangements to meet the demands of producers for reliable prices and markets and those of consumers for reasonable prices and secure supplies. The world has arrived at the point of interdependence in the flow of goods where failure to work out adequate mechanisms will continue to create upheavals—some as potentially convulsive as that initiated by OPEC. Whatever its stage of development, each country has a vital stake—both as a producer and as a consumer—in the sound functioning of the system. Hence the essentials are present for building a durable, increasingly equitable, trading relationship between North and South.

Global Inflation and Recession. The simultaneous economic boom experienced by the OECD countries and much of the rest of the world in the early 1970s had helped fuel an unprecedented rate of global inflation by mid-1973—even before the energy price rises of late 1973. The combined effect of the energy shocks and policies already introduced to arrest inflation led to a slump throughout the industrial world by late 1973, with the sharpest slowdowns in the United States and Japan. To make matters worse, inflation continued alongside rising unemployment, producing global "stagflation."

In the short-run, solving the twin problems of inflation and recession of course still depends largely on internal actions by individual governments.

But if the long-run causes of "stagflation" are international, its cure likewise must be international. The standard solutions for deflation (as yet there are no standard prescriptions for stagflation) are "reflating" through public employment, eased money supply, tax cuts, and interest-rate cuts. The traditional cures for inflation are budget cuts, tax rises, and price, profit, and wage controls. But all of these must rely on national machinery and national policies, which may well be in conflict with the policies of other nations. There is no international money, and there is no international Central Bank or Treasury, or Department of Public Works. There likewise is no international budget. Unfortunately, however, the international linkages of monetary policies, trade, and investment [13] require that the cure at least be internationally coordinated.

Inevitably, stagflation interacts with development, spoiling the hopes of developing countries in two ways. First, the explosion in the prices of the essential imports of developing countries has hurt many of them to badly that the United Nations has designated the thirty-two "most seriously affected" countries a sort of global disaster area. Second, as recession grips the developed countries, demand has collapsed for jute, cotton, copper, and other raw materials that poor countries export, thus cutting their earnings as well. Tourism and emigrant workers' remittances also have declined in many developing countries. The resulting combination of rising import costs and decreased earnings is, of course, damaging to development progress.

But the interaction of development and stagflation also has a potentially positive aspect in that properly managed development can help to correct stagflation in the long run. Clearly inflation has been aggravated by the rising cost of food, caused by strong demand and short supply. Food deficits in poor countries have contributed heavily to those price rises. A series of massive national programs of rural development in the poor countries would help to relieve the

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inflation problem in the long run by increasing production and improving storage, transport, and distribution. Underutilized land and other resources in many developing countries give these countries a potential comparative advantage in producing low-cost food. Development would, moreover, help to fight recession in the developed world by enabling developing countries to import machinery, equipment, and services from the industrialized countries. To the extent that an increase in poor-country purchasing power through external credits increases demand for rich-country services and industrial products such as construction, heavy equipment, spare parts, and engineering services—sectors that have been hit hardest by recession—the development of poor countries can modestly help the rich to pull out of their recession.

The U.S. and other countries should harmonize their national economic policies to avoid the recent disastrous experience of simultaneous overexpansion followed by simultaneous and mutually reinforcing nosedives. However, the mandates and administrative capacity of existing international coordinating mechanisms (e.g., OECD, IMF, GATT) are too limited for these institutions to perform that harmonizing task. The evolution of improved and more comprehensive international coordinating mechanisms to achieve and maintain international economic health are critical international agenda items for the next few years and, indeed, for the remainder of the century.

The Fourth World. In 1974, the problems of a "Fourth World" came more fully into focus. The Fourth World consists of 42 countries, with a total population of almost one billion persons so hampered by economic stagnation and rising import costs that they have little prospect of extricating themselves without outside help. Many of the people of these countries live in acute poverty. The bulk of the population is uneducated. Hunger is chronic and starvation a reality in some places. Many of the world's debilitating diseases occur in these countries. Even though the Fourth World experiences the highest rates of infant mortality, it also accounts for a significant portion of the increase in world population.

Poverty is by no means confined to the Fourth World. It afflicts as many as 40 per cent of the people in many other developing countries. It is found in smaller pockets in most industrial countries, where it is accentuated by recession. What sets the Fourth World countries apart from the rest of the developing world is the magnitude of the problems confronting them in relation to their ability to deal with the situation. These countries are hampered not only by extensive poverty but also by their vulnerability to world economic events. Of all the countries in the world, they bear most heavily the brunt of the hardship resulting from the oil-price increase and from the global crop shortfalls, which magnify their dependence on grain imports. Moreover, their exports consist overwhelmingly of raw materials, the prices of which fluctuate widely and have declined by 50 per cent in the past two years in terms of purchasing power. Unfortunately, the predicament of the Fourth World is further aggravated by the fact that certain of the other international economic systems—e.g., official export credits. private investment, and private lending—generally benefit it less than they do other developing countries. This is of course in part a cause and in part a consequence of their low level of development.

On the brighter side, there has been continued progress in recent years in evolving development strategies to fit the needs and circumstances of poor countries. Growing recognition of the importance of the small farmer and of the need for a strategy that benefits the poorest people is evident, for example, in the U.S. Foreign Assistance Act of 1973, in the September 1973 statement of the World Bank President, and in the decisions of the U.N. Population Conference and the World Food Conference of 1974. A further positive sign is that scholars and policy makers are increasingly examining the results achieved by those countries—e.g., China, South Korea, Taiwan, and, in some respects, Sri Lanka—which have adopted such models of development. While this represents conceptual rather than physical progress for the Fourth World, it may portend a turn for the better in the future of the world's poorest people.

The President of the World Bank predicts that unless extraordinary efforts are made to help the Fourth World countries, they will experience negative growth rates of their economies for the rest of the decade. He estimates, however, that no more than $3 to $4 billion of additional concessional aid annually during this period would enable them to achieve a 2 per cent growth rate of per capita income. This would make it possible for the Fourth World countries to emerge from their present stagnation and to acquire enough resilience to tackle their basic problems. What is required from the outside in the way of resources to enable this to happen is an allocation of additional concessional aid giving special consideration to these worst-off countries. Assuming that the OPEC countries are willing to put up half of the additional $4 billion needed by the Fourth World, the OECD countries should supply the remainder, of which the United States should contribute an additional $1 billion in view of its strong economic position relative to other OECD countries.

At the same time that concessional aid is being reallocated, principally to Fourth World countries and to those borderline Third World countries which are in danger of joining their ranks, the needs of the Third World must not be overlooked. It is important to ensure that the more advanced of these countries have adequate access to capital markets and that the middle-ranking Third World countries have access to funds on intermediate terms through mechanisms such as "third window" of the World Bank. The United States also should press for reform of the major resource-allocating systems—trade, finance, investment, and others—so that the benefits of these systems do not bypass the countries of the Third and Fourth Worlds.

Military Expenditures and the Need for Capital. The continuation of vast world expenditures on arms at a time when urgent human problems go unattended is obviously lamentable. Responding to the systems overloads discussed above would require additional capital to improve the capabilities of those systems. Over $1 trillion will be needed during the next decade alone to develop alternative sources of energy as traditional sources of low-production-cost oil provide an ever declining share of requirements. Meeting the present food shortage and anticipating future ones also will require large-scale investment in food production (particularly in developing countries) and in storage facilities, as well as in funds for food relief during the interim period when food deficits are being reduced. The aim of reducing birth rates, particularly in countries which now have an acute population-resource imbalance, likewise will require substantial outlays of capital for bringing health and education services and job opportunities to the poorest (and most fertile) groups in these countries. Protecting the earth's environment also will call for vast investments, as will the development programs of the oil-exporting nations that seek to make their economies viable before their oil reserves are used up.

Given these needs, there is clearly reason to be concerned about the level of world military expenditures. In the ten-year period from 1963 to 1973, such expenditures were $2.5 trillion, of which more than one third—or $765 billion—was spent by the United States, and $674 billion by the Soviet Union. In 1963, global arms expenditures were $197 billion, and by 1973 they had risen to $241 billion in constant 1972 dollars.[14] A modest diversion of the enormous amounts now expended for military purposes to constructive investments of the kind outlined above would make significant strides toward solving some of the common problems that threaten the world's people.

There is also reason to be concerned about the proliferation of modern arms throughout the world as a result of arms sales from the military powers. In 1973, U.S. arms sales to the world were $4.75 billion, and the U.S.S.R.'s sales were $2.54 billion. In 1974 the amounts were undoubtedly much larger. World arms exports have in fact doubled during the decade, and the percentage of GNP spent on arms by many developing nations has increased to the point where it is approaching the percentage level in developed countries. Moreover, since the oil price rises, and especially in recent months, sales of arms to the oil-exporting countries have skyrocketed—not only because of the efforts of Middle East oil exporters to build up military strength, but also due to attempts by the arms sellers to close balance-of-payments deficits created largely by the 1973–74 oil price rises. Along with continuing arms shipments to Indochina, this sharp rise in Middle East purchases accounts for a large part of U.S. arms sales. There is, of course, the problem that if the United States were to cut arms sales unilaterally, others probably would increase their sales to offset U.S. cuts. Clearly the problem cannot be solved without a comprehensive accord between arms suppliers and purchasers. That of course is an enormously complex problem which will not be resolved until progress has been achieved in settling the Arab-Israeli dispute, and until the oil-rich countries have further modernized their military establishments. But U.S. planning should be under way now for a comprehensive attack on the problem when events are more propitious.

The United States—as the world's largest arms seller and military spender—has an urgent responsibility to press ahead with negotiations to limit both global defense expenditures and the vast world trade in arms.

CHALLENGES TO THE HIERARCHICAL POSITION OF THE RICH NATIONS

The past year marked the emergence of a number of oil-exporting developing countries as important new international powers, thereby disproving earlier predictions of the collapse of the OPEC cartel. Influenced by the visible success of the OPEC countries, other resource-rich developing countries tried to emulate their behavior, but with mixed results. Some succeeded, as did Jamaica, for example, when it raised its income from the mining of its bauxite deposits by foreign companies. Others failed, largely because the prices of their raw materials sagged due to a deepening recession in the industrial world.

Disagreements over the possibility of creating additional commodity cartels have obscured a basic change in psychology that has taken place within the developing world. The nations of the Southern hemisphere no longer will tolerate being taken for granted and will seek to advance their interests in a variety of ways in a number of different forums as opportunities present themselves.

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Thus last year's acrimonious exchange in the U.N. General Assembly over the "new international economic order" is only the beginning of a much more intensive phase in the long debate over equity in international economic relations. Similar developments can be seen in such forums as the International Monetary Fund and in the ongoing interaction of multi-national corporations and host governments in the developing world.

Efforts by the South to Reform the International Economic Order. Attempts by the developing countries to change the existing international economic systems are not new; nor are their efforts to set down in writing an agreed statement of such reforms. This subject was the theme of the first United Nations Conference on Trade and Development more than a decade ago. Despite its limitations, the International Strategy for the Second Development Decade adopted by the U.N. General Assembly in 1970 was the most successful joint effort of rich and poor countries to date to achieve a limited bargain outlining the obligations of each side on behalf of development. The most recent attempts to formally revise the world economic order have been the controversial Declaration and Action Programme on the Establishment of the New International Economic Order adopted by the Special Session of the U.N. General Assembly in April 1974, and the Charter of Economic Rights and Duties of States passed by the General Assembly in December 1974 over the opposition of the developed countries.

In the changed economic circumstances since 1974, the assertions of economic rights contained in the two new documents should have come as no surprise to any seasoned representative in international organizations. They were largely the predictable outcome of a decade of fruitless efforts by the developing countries to evoke a significant developed-world response to their central problem: the fact that they still depend on their commodity exports for 75 to 80 per cent of their foreign exchange earnings, and that the international community has done little to alleviate—and much to ensure the nearly exclusive dependence of their development on the demand for these exports in developed-country markets. Awareness of this central problem—and of the need for a new international economic order to, among other things, increase market access for their processed exports and establish adequate prices for their raw-material exports—has surfaced again and again in U.N. and other international forums and in less formal discussions within the international development establishment for years.

The revival of the term "new international economic order" at tha spring 1974 General Assembly Special Session had significance not because what was being advanced was a totally new program of international economic policy goals, but because it was asserted by the developing countries at a time when they *perceived* themselves (directly or by proxy) to hold new bargaing strength to negotiate changes in at least some components of the old order.

What is striking about the present situation, given the fact that concern about economic insecurity is now worldwide, is that the developed countries, having first hailed the concept of interdependence, do not yet seem to be seriously grappling with the unavoidable and extraordinarily difficult task of giving it real meaning. Strangely enough, it is the developing countries—which less than a decade ago were merely demanding non-reciprocal aid transfers and trade concessions—that have been inspired by the recent events to try to "flesh out" the concept. In contrast, policy makers in the developed world, including the United States—which, after all, has been among the least seriously affected by the economic disasters of 1973-74—have not yet turned their imaginations to this enterprise. Ideas are not lacking on what the components of the new international economic order should be. On the developing-country side, proposals are being shaped at an impressive pace at meetings such as the Third World Forum of developing-world economists, the March 7 meeting of thirteen Francophone African nations, the OPEC summit conferences, the February 1975 raw-material conference held by the non-aligned states in Dakar; and the session of various UNCTAD bodies of member countries.

In developed countries also, consideration of the possible components of the new world order is accelerating—although still largely in nongovernmental forums. In the United States alone, for example, projects on this subject are under way in the Institute of Science and Man, the Aspen Institute for Humanistic Studies, the Overseas Development Council, the Council on Foreign Relations, the Brookings Institution, the Carnegie Endowment for International Peace, and doubtless many other groups. In the face of these many efforts to propose at least some articles for a new international "social compact," the United States government, which was constructive and cooperative in some of the earlier efforts to consider reform of the old economic order, has been unresponsive since the oil price rises. It has objected strongly to many components of the new Declaration and Action Programme of April 1974, and to the Charter of Rights and Duties voted in December 1974. But it has neither explained the reasons for its opposition nor made any serious efforts to engage in the dialogue with the South in a constructive vein. Having at best ignored recent Southern proposals on the shape of the world, the United States government has an obligation to respond to the recommendations of others and to outline its own proposals on the subject. Otherwise, it will be widely believed that its policy is merely to prevent change. An opportunity to respond will be provided by the September 1975 U.N. General Assembly's Special Session on development and international economic cooperation.

This Special Session is deliberately scheduled to take place at the time of the formal review of the implementation of the International Strategy for the Second Development Decade—after the recent major world conferences, and after some of the results are in on the progress of the multilateral trade negotiations and monetary reform discussions. Its difficult task after a year of much confrontation will be to attempt to renew commitment to eliminating some of the international political and economic constraints that continue to block development in the poor countries.

Living with OPEC—A New Power. For more than a decade after OPEC's establishment in 1960, its thirteen members unsuccessfully attempted to act in concert to prevent declines in oil prices. Only when rising demand for oil converted the buyers' market for this commodity into a sellers' market did OPEC's policies succeed in raising prices. Because of their control of oil and their growing ownership of the world's liquid financial assets, the OPEC nations are now collectively a major center of economic power. This is not to suggest that the OPEC nations will act in unison on all issues. But as long as OPEC presents a united front on oil prices and available supplies, the power of its more affluent members will extend to the monetary, development, and investment fields and the international political arena as well. Thus the views of Iran, Saudi Arabia, and Venezuela surely will be important in, for example, the long-term negotiations of an improved monetary system.

The oil exporters already have become surprisingly active in the field of development assistance; their concessional aid programs and contributions to international aid agencies amounted to about $10 billion of new commitments and $2.6 billion of disbursements in 1974.[15] This level of *commitments* parallels actual *deliveries* by OECD countries, which in 1974 totalled $11 billion. The early aid efforts of Venezuela, Iran, Saudi Arabia, the United Arab Emirates, Libya, and Kuwait seem particularly promising. A significant amount of OPEC assistance has been extended to the Fourth World.[16] More than $2 billion in concessional bilateral aid appears to have been committed by OPEC to these poorest countries in 1974. However, since the adverse impact on those countries from the oil price rises was about $2 billion in 1974 alone, OPEC aid is likely to barely offset the direct damage done to this group of countries by the oil price rises.

It is not possible to predict whether the level of OPEC commitments will be implemented with prompt deliveries, nor whether this is a level that will be sustained in subsequent years. One year after the oil price rises, however, the OPEC assistance record is impressive indeed. As a percentage of donor GNP, the 1974 commitment level of OPEC is ten times that of the much wealthier—but less liquid—OECD countries. It should be remembered that except for five Arab countries (Saudi Arabia, the United Arab Emirates, Qatar, Kuwait, and Libya, whose average per capita income approximates that of the United States and Germany), the oil exporters have an average per capita income one tenth that of the OECD countries.

The purposes of the major OPEC donors—Saudi Arabia, Iran, Kuwait, United Arab Emirates, Libya, and Venezuela—are obviously mixed. The strengthening of Egypt, Jordan, and Syria against Israel, amounting to more than one third of all OPEC aid in 1970–1974, has been important to Arab members of OPEC Seeking to exercise regional leadership also has been a factor, especially for Iran and Venezuela. And certainly a key goal of aid to oil-importing developing nations has been to maintain their diplomatic support for OPEC in its confrontation with OECD—particularly the United States—over the price of oil. A closely related objective may be building and maintaining the solidarity of the Group of 77 and the non-aligned states. It is interesting that although the oil-price damage to oil-importing members of the Group of 77 has hurt them, they have not yet been very critically of OPEC pricing policies and indeed have praised them as a model for emulation by other raw-material suppliers. Whether or not their approval of OPEC will last may depend in large measure on how much aid they continue to receive from oil-exporting countries. For the time being, the solidarity of the Group of 77 appears to be intact.

Some developing-country analysts are looking to OPEC for active leadership in the struggle of the South to reduce its asymmetrical dependency on the North and to secure a greater share of power in managing the world's economic systems. This aim was reflected, for example, in the proposals of the first meeting of the Third World Forum,[17] held in Karachi in early January 1975. An excerpt from the communique issued by the Forum is interesting in the same connection (note the Forum's use of the term "Third World" to include all developing countries):

"The present crisis marks the gradual crumbling of an old order in which a group of rich nations constituting the developed centre continuously expanded by the use of energy and raw materials provided by the poor nations at the periphery at cheap prices. The increase in the price of oil by the OPEC could therefore be seen as a part of the struggle of the Third World to obtain a better deal from the world order. But this struggle would neither be complete nor meaningful until other poor nations at the periphery also obtained a fairer deal and unless the present polarization between the countries at the centre and those at the periphery was changed by different patterns of collective self-reliance among the Third World countries. . . . The participants . . . proposed . . . establishment of a Third World Development Bank financed by OPEC and other Third World countries. . . . In connection with these initiatives, the participants considered that close cooperation between OPEC and other parts of the Third World was vital in the next stage of this continuing struggle if the Third World was to succeed in its efforts to obtain more justice from the world order and if oil exporting countries were to expect to consolidate and maintain their gains."

Whether or not these high hopes for OPEC support will materialize, this excerpt illustrates the receptivity in at least some parts of the South to a major leadership role by the relatively stronger OPEC countries.

Clearly international investment, long dominated by OECD-based private multinational firms, has a new giant entrant in the OPEC countries. A considerable portion of the $250 billion that these countries will accumulate in surplus funds by 1980 will be invested by them in productive enterprises in OECD and other countries. This development is already presenting problems for the United States, which is not used to being the recipient of investments from the developing countries. But the advantages of encouraging such investment would appear to outweigh any disadvantages. The possibility of foreign control of major firms or industries being used to harm U.S. interests can be prevented by a normal amount of surveillance of such investments under laws and regulations that clearly state the permissible purposes and limits of such foreign control. Such investments in the United States give the investors a stake in keeping the U.S. economy healthy. For example, if Saudi Arabia had major investments in U.S. gasoline refining and distribution facilities and in the United States automobile industry, it would have to consider its financial losses before embargoing oil to the United States again. Moreover, in a time of high unemployment, OPEC investments can be a particularly useful element in tackling recession. Such investments could lead to a genuinely symmetrical interdependence in which both potential vulnerability and potential reciprocal benefits of cooperation are more equally matched between both the investing country and the United States.

Another problem created for the North by the rising power of OPEC is the management of huge trade imbalances. The quadrupling of oil prices brought to oil exporters in 1974 a surplus of some $50 billion in earnings beyond the costs of their imports. This surplus must be matched in oil-importing (mostly developed) countries by a deficit of $50 billion. How to reduce the deficit eventually and how to finance it meanwhile are among the most urgent and important items on the global agenda for action in 1975. But while the needs of the industrial world may be met by existing and planned mechanisms, the needs of developing countries will go unmet unless further bilateral and multilateral measures are implemented.[18]

The rise of the oil exporters to prominence and power presents U.S. policy makers with many development-related problems. There is the matter of the development goals of the OPEC countries themselves. The United States has established bilateral commissions with two of these countries to cooperate in their efforts to use their new resources to develop. There is a positive relationship that should be continued. Moreover, constructive participation by the OPEC countries is needed in the international economic mechanisms, including the World Bank and the IMF—and especially in any IMF facilities for recycling surplus funds. U.S. policies should encourage such participation. As mentioned already, the new liquidity of the OPEC nations also enables them to help finance development in the oil-importing developing countries—a relationship the United States likewise should support—since it will not only help world development but also facilitate the recycling of OPEC earnings and give the OPEC financiers a stake in a healthy world economy.

Private International Investment. In the relationship between private direct investors and host-country governments, the power balance gradually has begun to shift to favor the latter in many cases. This is not to say that all host governments are improving their bargaining position vis-a-vis all multinational corporations (MNCs) on all issues that concern them. Indeed, observers report that multinational corporations continue to maintain the upper hand in many negotiations. Yet the trend is perceptible, and the reaction of the MNCs is a sign that a significant long-term change is under way.

There are two reasons for this change. First and foremost are the rapidly increasing knowledge, skill, and determination of most developing-country governments in the negotiation process. Second is the continuing competition for both raw materials and world markets among MNCs; together with the more frequent presence and generally greater flexibility of Japanese and some European investors, this trend offers host countries a viable alternative to American investments and a greater opportunity to play off foreign firms against one another.

At one time, most U.S.-based corporations—although they acted as comparatively responsible entities that paid their taxes, contributed to community projects, and paid above-average wages—were often too slow to recognize the warning signals of opposition and merely continued to expand their investments and pursue their immediate corporate objectives without much concern for the broader development needs of host countries. In recent years, however, these firms are beginning to encounter strong and widespread reactions to their pervasive influence in developing countries—including new national and regional laws limiting their actions, United Nations analyses of their impact on the development process, and both scholarly and popular critiques of the political and economic effects of their activities. Many companies are responding defensively to this increased criticism as well as to the greater leverage and tenacity of developing-country governments. In the short run, such MNCs can use their relative bargaining strength to pursue their perceived self-interests while making only marginal concessions to host countries—especially in such areas as the limitation of profit remittances and the use of local components, supplies, and managerial personnel. In the longer term, however, the MNCs will be under pressure to make more important adjustments in response to the demands of more knowledgeable and better coordinated developing-country governments and because of competition from other MNCs.

Both MNCs and host governments are discovering that some important trade-offs have a bearing on their negotiations. The first of these relates to development and transfer of technology. While host governments would like to reduce the cost of the imported technology and make it more appropriate to local socio-economic conditions, the corporations often see no advantage in sharing or modifying their technology. They remain highly protective of their patents and rarely agree to adapt their technology and risk downgrading their trademarks, especially if they are producing for export. The technology issue will not subside in importance; in fact, it will become increasingly central to host-community efforts to sever ties of dependency. In the immediate future, however, each host country must weigh the advantages of getting advanced technology against the risk that it will be bypassed by MNCs that find more compliant hosts elsewhere, and the advantages of using such modern technology against the risk that it may be inappropriate to local conditions and needs. Those MNCs which choose to be unyielding in their approach must consider the gains of protecting their secrets and maintaining their trademarks against the possibility that other MNCs may make the accommodation and still obtain profitable investment opportunities.

Both host governments and MNC's also must become increasingly sensitive to the repercussions of their activities in the home countries of the MNCs. If MNCs and their hosts find too much in common and move investments and jobs too fast from home- to host-country sites, communities and labor unions in the home countries are likely to press for legislation to impede the outflow of investments. By contrast, consumers have little ability to protect themselves when the host government takes actions that increase costs and the MNC passes the increased cost along to the consumer (as has happened in the cases of oil and bauxite).

U.S. policy makers now confront two issues in this area. The first is the question of what position to take with respect to the increasing flow of foreign investments into the United States. As observed earlier in this chapter with respect to OPEC investments, the general U.S. position should be to welcome them. Second, what should the U.S. position be with respect to its own citizens' investments abroad? Given the extensive range of U.S. interests in the world, the U.S. government will need to take a broader approach than simply advocating the case of its own investors. For one thing, the U.S. government should be scrupulously careful to ensure that in the future there is no substance to the familiar charge that it uses U.S.-based MNCs to carry out U.S. policies in other countries—e.g., preventing Canadian subsidiaries of U.S. firms from trading with China at a time when Canada favored such trade and the United States did not. The formulation of a long-range U.S. policy toward its own MNCs is long overdue. As part of that policy, the United States should encourage consideration of the idea of an objective transnational authority with influence in resolving investment conflicts. Such a mechanism could help reconcile the world's interest in the continued contribution of MNCs to global development with the need of governments to protect and advance essential national interests.

Developing-Country Interests in International Monetary Reform. Developing countries have a special interest in two kinds of improvements in the International Monetary Fund, in addition to their general interest in making the Fund more useful to all participants. The first is the issue of increasing their influence in the policy-making process of the Fund, and the second is the matter of tailoring the Fund's facilities to meeting their needs for resources. Control of the Fund is exercised ultimately by the weighted votes of its members. The industrialized countries have a preponderance of votes, although the revision currently being approved will give the major oil-exporting countries 5 per cent more of the Fund's total quota, with the corresponding 5 per cent decrease in quotas being borne entirely by industrialized countries. This will leave the industrialized countries with 67 per cent of the votes in the Fund. Developing countries

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will probably continue to press for a greater share; they already obtained some influence in monetary decision-making through the IMF Interim Committee, which was established with nine developing-country seats out of a total of twenty.

With respect to increasing the access of the developing countries to the Fund's facilities, a number of recent proposals are in varying stages of complication from that of mere ideas to actual mechanisms in place and in operation. The special Oil Facility has been created to provide loans to countries hit hard by the oil price rises; the IMF currently is seeking funds to subsidize the interest rates paid on borrowings from the Oil Facility by the countries most seriously affected by the oil price rises. Other proposals currently under IMF consideration include: a U.S.-proposed Trust Fund made up of profits from the sale of IMF's gold stocks to be used for supporting devleopment; improvements in the Fund's facility to compensate poor countries when their exports fall due to factors beyond their control; greater IMF support of buffer stocks used to help stabilize the price of raw-material exports from developing countries; and the reform of the formula for any future issuances of Special Drawing Rights—the Fund's so-called "paper gold"—to link them to supporting the development of the poor countries.

The massive resources of the IMF ($29 billion),[19] the increasing number of ideas and actual mechanisms for using its facilities to support development, and the ongoing process of monetary reform explain the growing interest of the developing countries in increasing their participation in IMF decisions. These countries already are spending a great deal of time and highly competent talent negotiating within the Fund for the improvements they desire.

The United States has long opposed the "link" of the Special Drawing Rights (SDR) system to development. As an alternative to such an approach, it recently proposed the establishment of the Trust Fund. Since there may not be any further issuances of SDRs until global inflationary pressures have eased, the Trust Fund appears to have more immediate potential for supporting development than the "link." However, at its January 1975 meeting, the IMF's "Group of 24"—a committee that represents the developing countries in monetary matters—reaffirmed its support for the "link" and at the same time voiced doubts about the desirability of the Trust Fund, particularly if it were offered as a substitute for the "link." The U.S. government should be mindful of the preferences of developing countries and be prepared to support some form of "link" when further issuances of SDRs become appropriate.

THE CHALLENGES IN PERSPECTIVE

The Common Human Problems. There have been important gains and important losses on the balance sheet of global human problems over the past year. Spreading recession is an unmitigated loss with no new policies in sight to solve it. After the 1972 and 1974 shortfalls in food production, deaths from malnutrition are up, and the world is more vulnerable to another crop failure than at any time since World War II. India's acute famine has been limited by its government's decision to spend over $1 billion of scarce foreign exchange to buy food—a decision that cuts India's outlays for investment goods imports and increases its vulnerability should there be a drought this year. The most important improvement registered in 1974 in the food area is the fact that worldwide attention was focused on the full dimensions of the problem, and comprehensive and long-term international measures have received at least preliminary approval.

With respect to population, two developments have brightened the outlook: first, the growing consensus that the problem calls for both family planning and improvement of the living conditions of the very poor, and second, the mounting statistical, and case evidence that fertility is being reduced in many developing countries. At the same time, there is some back-sliding in rich-country determination to protect the environment as a result of the energy crisis; this may, however, be offset by renewed efforts to conserve at least oil and potentially other dwindling raw materials as well. The goal of protecting and assuring more equitable use of the oceans also appears to have been dealt a blow by the trends in international negotiations toward greater national and less international control of the resources of the continental margins. In the area of trade, the Tokyo Round of multilateral trade negotiations, jeopardized from the start by protectionist forces, has been given new impetus by the belated enactment of U.S. trade reform legislation.

Finally, in 1974–75, the appalling dimensions of human suffering in the Fonrth World came more clearly into focus, casting a dark shadow over the entire landscape of world development. But even this grim fact has a brighter side, for it was the increasing contrast between the stagnation of the poorest countries and the relatively more rapid progress of the Third World of middle-income developing countries that alerted the world to the special needs of the Fourth World. The good news of the Third World's progress is unfortunately diluted with the potential harm that may befall some of its countries as a result of the increased prices of their imports and the falling prices of their exports.

Challenges to the Old Hierarchy. The brief enumeration earlier of attempts on the part of developing countries to gain more power and income suggests that something is astir; their efforts have moved beyond the stage of rhetoric to the point of negotiations in several forums. There is a new feeling of power on the part of developing countries and a consequent new burst of energy on their part to gain additional influence in world affairs. However, apart from the unique case of OPEC, any shift in economic-political power that has occurred or may take place in the near future is only at the margins of international decision-making. Control of the international economic order still remains firmly in the hands of the OECD countries and is not centrally challenged except by the oil-exporting nations acting in unison through OPEC. Nor are the financial problems of the developing countries (OPEC apart) about to be resolved by the meager transfers of power and resources discussed above. Still, there is an important symbolic change in process which, if it persists, will mean that major world economic decisions can no longer be made by a group of North Atlantic countries and Japan without taking into serious account the views of countries in Asia, Africa, and Latin America.

Prior to October 1973, some observers believed that the growing economic strength of middle-level countries, such as Brazil, Mexico, Taiwan, and South Korea, might at some future point constitute a competitive challenge to the industrialized countries in some areas of economic activity. However, that challenge was overshadowed and to some extent diminished by the success of OPEC in quadrupling the price of oil exports. Even the dramatic OPEC challenge shows every current prospect of being taken in stride—without significant long-range damage to the dominant nations but with a sharp increase in the power and prestige of the challengers. Oil-importing developing countries are avidly watching the struggle and searching—largely in vain—for leverage with which to press their own demands of the international economic order.

An analogous process goes on *within* societies. Thus in the United States, for example, workers challenged employers for decades for the right to organize: only in the 1930s after a history of violence and repression, did they succeed in winning that right, along with social security pensions and unemployment compensation. Their victory is almost universally hailed today as good for the economy, the society, and the nation. Indeed, mass production in the prodigious American economy was made possible in large part by the gains of the working man, whose newly won job security made it possible for banks and department stores to extend mass credit. But the victories of the 1930s were by and large limited to white males. American women, Blacks, Chicanos, and Indians—all of whom are asserting their rights currently (thirty years later) were then still excluded from the system's benefits—even as the Fourth World and much of the Third World are today excluded from the direct gains being achieved by a handful of challenging nations.

Experience suggests that, in the economic arena, a bid for more power and income by one party does not necessarily threaten the well-being of those whose position in the hierarchy is being challenged. In short, it need not be a zero-sum game, but can be very positive for all participants as we have learned both from our domestic record and our experience with the Marshall Plan. The test for the dominant nations is to respond to hierarchical challenges with creative proposals that benefit all parties.

THE U.S. ROLE

What should be the response of the United States government to the two fundamental varieties of challenge confronting the world in 1975? The closing section of this overview will evaluate the recent development performance of the United States, discuss the opportunities open to the United States for playing a constructive role, and suggest a broad context in which it can make a contribution.

U.S. Development Performance. In too many instances, U.S. performanca in supporting world development appears to be out of phase with emerging world realities. There is a great need to vastly expand agricultural production in the food-deficit countries, yet the United States has been moving very slowly to increase its aid funds for this purpose. There is growing understanding that the population explosion can be contained only with the kind of far-reaching social transformation that accompanies development programs, yet the United States, while recognizing and forcefully stating this principle, continues to reduce its development assistance programs. There is renewed need for behaving as world citizens in dealing with the oil crisis, yet the original U.S. proposal to deal with this global problem would have recycled funds only to the industrialized countries. However, the United States did propose a special arrangement for the 32 countries "most seriously affected" by the price rises of 1973–74, and it did accept the proposal for an IMF oil facility available to all countries.

Concern over a possible collision between lavish consumption rates and finite resources has become more widespread, but the U.S. government—despite much talk in official circles about conservation in the energy field—so far has not seriously acted on the subject. The poor countries are reasserting their strength in the United Nations General Assembly on the basis of the power shifts of the past year, but there has been an outcry from the U.S. government and much of the news media against this new coalition. There are even strong suggestions that the United States might altogether stop cooper-

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ating with international institutions because of this so-called "tyranny of the majority." The United States was inexcusably delinquent in the delay of its contribution to IDA and nearly reneged completely on this major development effort. Finally, in recent years the United States has frequently taken short-run nationalistic positions, especially in the World Bank and Monetary Fund, and as a consequence has found itself isolated from even its old friends on issue after issue. As a result, much of the trust and confidence in the United States that was built during the previous quarter century has been depleted.

In some areas, however, U.S. performance in 1974 was more positive. In response to world hunger, the United States was a leader in the call for a World Food Conference; with the important exception of food aid, on which its response was disappointingly tardy, U.S. participation in that Conference was constructive. In the field of international trade, the U.S. Trade Expansion Act of 1974, while its provisions ambiguously leave the way open to both restriction and liberalization, does offer an important opportunity for the United States to participate positively in improving the structure and functioning of world trade. At the sessions of the Law of the Sea Conference, the U.S. position, while short of the ideal in important respects, stands out as mature and responsible by contrast with the short-sighted policies of many other participants, including a number of developing countries. In the field of monetary affairs, the United States (after adamantly opposing reform of the Special Drawing Rights system) has made a potentially useful proposal for use of profits from the sale of IMF gold to support development. In the operation of its diminishing aid program, the U.S. government is making encouraging efforts to apply seriously the new key doctrine of the Foreign Assistance Act of 1973: emphasis on projects that benefit the poor majority in the developing countries. In yet another area, Congress has taken the initiative to press the President to be more generous in the use of food aid and to use it for humanitarian rather than for political purposes.

The U.S. government also has supported some useful innovations in international machinery, including the establishment of the IMF's provisional Committee of 20, which gave developing countries nine out of twenty voices within this important committee charged with preparing a plan for global monetary reform. The U.S. also supported the establishment of the Group of 20, the Committee's permanent successor, and the creation of a joint IBRD–IMF Development Committee to consider how resources best can be channeled from North to South.

One promising new development within the U.S. government warrants brief discussion. In 1973, Congress included in the Foreign Assistance Act a provision for a new Development Coordination Committee (DCC) within the U.S. government to monitor and seek to improve U.S. performance in support of development. After a long delay, an Executive Order was finally signed establishing the DCC within the U.S. Agency for International Development. One of the important services that the DCC can render is to review U.S. governmental actions as well as proposed actions in a wide variety of fields and to comment on their actual or potential impact on world development. Such fields might include normally domestic concerns such as taxes, agricultural production and marketing, mining, stockpiling, and land management, as well as international concerns such as immigration, trade and monetary affairs, and investment among many others. If the U.S. interest in the protection of the environment warrants a major investment in preparing environmental impact statements prior to making important decisions, then the U.S. interest in development likewise justifies the preparation of development impact statements by the DCC (and hopefully also by other parts of the U.S. government at the request of the DCC) before important decisions are made. Obviously, the clout of the Committee on this range of policies will be limited, but it nevertheless should prove useful to have the development point of view consistently placed before policy makers.

Toward Global Approaches. Although the United States is not as economically dominant in 1975 as in the 1950s, it also is not as weak relative to its industrial partners as it was in 1971. It is less vulnerable to increased oil costs than can be said of its trading partners, and it also is insulated by its preeminence as a good exporter at a time of strong demand for food. It therefore still is the nation in the strongest position to take a global view of the problems enumerated above Such a world view must be forcefully advocated by influential nations—and within the United States, by influential people—if that point of view is to survive.

Effective global advocacy requires that new international machinery be created that realistically reflects the views of all participating nations in the new context of increasing interdependence. Once the United States had the power to control most international organizations, but that power is now gone. The adjustment necessitated by that change has been difficult for the United States; regrettably, it has too often reacted by taking a short-run, narrowly nationalistic position. In the future, the United States can serve its own interests best not by attempting to manipulate others to do its bidding—an approach that in any case no longer works—but by advocating what is perceived by other nations as serving the common interest.

In the course of the next year, several international forums will present occasions for the United States and other nations to champion the common world interest. The most elemental human need, food, will be the subject of intensive institution-building efforts to carry out the agreements reached at the 1974 World Food Conference to increase agricultural production, create a world food security system, and increase food aid.

The resumption of the Conference on the Law of the Seas due to take place in Geneva this spring and perhaps to continue in Venezuela this summer may be the last opportunity for effectively supporting a global approach to this genuinely global problem. The International Monetary Fund is to resume its efforts to reform the international monetary system to meet the crises of imbalances caused by increased oil prices, and to design a more suitable replacement for the system created in Bretton Woods three decades ago. The multilateral trade negotiations started this spring will continue in Geneva over the months ahead, offering the world a chance to further improve this most vital component of the international economic order.

Another opportunity is presented by the U.N.-sponsored International Women's Year Conference in Mexico City in June 1975. The United States should, together with other nations, follow up in a practical way on the World Population Conference and the World Food Conference—both of which emphasized the importance of more education and more equal treatment for women as a means of reducing fertility and of increasing agricultural production. In many developing countries, farming is at least as much the responsibility of women as of men.

In the fall of 1975, the U.N. General Assembly—both at its brief September Special Session on development cooperation and at its regular session—will consider the state of development at the mid-point of the Second Development Decade in relation to the proposals for changing the international economic order adopted by the U.N. General Assembly's spring 1974 Special Session on raw materials. Great restraint, maturity, and creativity will be required of all countries if the forthcoming U.N. debate is to be one of constructive progress rather than of mutual recrimination. A special responsibility rests with those U.S. officials preparing for the debate to overlook the semantic heat likely to be generated in connection with the "new international economic order" and to focus on those items of solid substance which will shed light on the debate.

However, it is not only at international conferences but also in its internal policies that the United States can promote the adoption of cooperative global approaches to solving world problems. For example, by its internal handling of the energy crisis, shortages of fertilizer, domestic inflation and recession, and by its willingness to share food, the United States can set an example of internationally responsible behavior that will encourage cooperative action by others.

A Comprehensive Global Social Compact.[20] The international order that emerged after World War II among the non-communist, market-economy countries was a "compact" only in the sense that there was widespread consensus among nations and societies on many of its precepts. It was by no means the product of benign negotiation among reasonable men. Indeed there was much confrontation, contention, and even coercion involved in its evolution. While occasionally it took the form of broad accords, more often it consisted of concrete small agreements on specific problems.

Among the compact's important features were: full clemency for the powers defeated in World War II, a major cooperative effort to advance the progress of the industrialized market-economy countries, the evolution of national sovereignty for most colonial areas, the juridical concept of political equality for all nations through membership in the United Nations, the acceptance of an international economic order in which production and distribution are governed primarily by the market (with its attendant efficiencies as well as inequities), and a common effort to extend around the world the benefits of technological progress. This postwar economic system was a compact that extended progress primarily to its participants, including—in many developing countries—the ruling elite, a growing business sector, the bureaucracy, the professions, and workers with jobs in industry. But the majority of the populations of these countries—all of those working in agriculture (except commercialized agriculture for export) and a growing number of landless idle workers were too often excluded from a fair share in the benefits of the system. Growth ensured improvement to those who were participants, with the caveat that when it faltered, producers of raw materials were more vulnerable than manufacturers.

With the U.S. pioneering the way, the industrialized nations of the North undertook to share their technology, their resources, and their advice with the poor nations—many of which were just getting organized as independent nations. The poor nations, for their part, undertook to consider the advice and put the resources and technology to good use to benefit the participants in their domestic economies. The Bretton Woods institutions, the General Agreement on Tariffs and Trade, the Marshall Plan for reconstructing war-torn Europe, the Point Four Program, the Alliance for Progress, the International Development Association, the Development Advisory Committee, the United Nations Development Programme, the regional development banks, and many other

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institutions gave form to the compact. Many acts and declarations also helped to articulate its goals—including the Charter of the United Nations, the Universal Declaration of Human Rights, the Act of Bogota, the goals of the First U.N. Development Decade, and the International Strategy for the Second Development Decade.

The success of the postwar international social compact has been considerable. Europe and Japan recovered and grew to attain unprecedented economic strength; Europe achieved a degree of unity; and the standard of living of the entire North and some parts of the South increased at an impressive pace that has been sustained for more than two decades. Former colonies became independent and made great progress in nation-building, and international trade experienced a period of unprecedented growth.

In recent years, however, the social compact has been eroding. In part, this is due to the failure of nations to live up to important parts of the bargain. Rich nations accepted goals for official development assistance and fell far short of meeting commitments. They accepted goals for opening their markets to poor-country manufacturers, and were late and inadequate in meeting those goals. Poor countries as well as rich interfered with the flow of trade and investment, and both intervened wholesale in the operations of the marketplace to the point where free markets could no longer be relied upon to signal information needed for traditional economic decisions. Labor unions, after having supported free trade during the bulk of the postwar era, became increasingly protectionist. The United States, whose currency and vast economy buttressed the entire economic system, devalued its currency—thus signaling its desire to give up the role of guardian of the system.

In part, the compact is breaking up because—however well the parties may live up to its terms—the terms themselves no longer meet the aspirations of many of the world's people and nations. To begin with, those who do not participate proportionately in the system's benefits are dissatisfied. In spite of the record growth rates achieved in the 1960s, the condition of the poorest people showed no corresponding improvement. The model of the Northern industrialized countries—socialist as well as capitalist—simply did not fit the needs of the South. At the risk of some exaggeration, it seems accurate to conclude that this model (which was, after all, chosen by the South, although encouraged by Northern intellectual, business, and political communities) tended to strongly encourage urbanization; increase the size of farms by mechanizing them (sending "surplus" labor from farm to city); tolerate inequity for a time in order to increase savings, investment, and growth with the expectation that all classes would eventually benefit; establish costly modern medical facilities in urban areas first, to the neglect of the rural health and low-cost health facilities for all; provide subsidies to industry at the expense of agriculture; and opt for very modern and therefore capital-intensive, industry. Most observers now agree that these policies did not adequately meet the needs of most of the South. Moreover, technological progress and economic growth so increased the mutual dependence among nations that the South itself began to see opportunities to gain greater equality of economic opportunity by challenging the international economic systems.

In part, the compact also is breaking up because of new tensions between human economic activity and nature. The postwar system simply was not geared to meet the requirements of conserving energy, grain, or fish; nor is it able to distribute equitably the pain of adjusting to a slowdown in growth.

For these reasons among many others, the social compact is under widespread stress, and the world needs to repair some of its parts, replace others, and in some cases to create wholly new elements. That will hardly be an easy task. It would be difficult enough if all of the nations had the same basic beliefs and values on the issues of political freedom, economic equality, and the roles of fate and human will.

The evolution of a new or renovated compact becomes increasingly important as world problems accumulate and become insistent; generally these problems can only be resolved by nations working cooperatively toward goals on which there is an increasing consensus and according to a scenario in which each participant plays an agreed role. Broad agreement on the goals and roles will be the essence of the new global social compact. Some of the goals of such a compact are:

(1) Managing the immediate crises—hunger, stagflation, recycling oil funds, and avoidance of war—in the short run;

(2) Sharing power and income more equitably among and within nations;

(3) Restraining excessive fertility in both rich and poor countries (this in turn calls for economic and social policies, that emphasize participation by all the people in the development process and benefits;

(4) Guiding production and consumption in the directions of resource conservation, environmental protection, and the improvement of human health;

(5) Continuing to support economic growth, especially in the production of more food, energy, and other essentials;

(6) Restraining arms expenditures and evolving peaceful methods of settling disputes;

(7) Enriching human lives in ways that are most meaningful to each society in the light of its own values—whether these are education, material abundance, a sense of identity with community or with God, personal fulfillment through the achievement ethic, or greater leisure.

As to the roles of the participants, the writing of that part of the social compact is being attempted now—with varying effectiveness—in a dozen forums (including among others, the Law of the Sea Conference, the IBRD, the IMF and its various committees, UNCTAD, the U.N. Environment Program, the U.N. General Assembly, the follow-up work of the World Food Conference, the SALT talks, the Middle East peace negotiations). Each forum is attempting to shape a fragment of the mosaic we think of as the new global social compact. In all likelihood, there will never be a sketch of the whole mosaic, except as it is reconstructed by historians. Certainly no single existing forum is capable of taking up the idea, debating it, and producing a consensus. But that is normally true of a social compact. There is nevertheless need for a thorough debate of the subject over the years ahead in intellectual, political, and diplomatic circles—a process that will, if it is successful, produce not a finished consensus, but a steadily evolving and increasingly useful guide.

Enlightened U.S. policies can make a vital—perhaps indispensable—contribution to the evolving consensus. But to do so, the United States must first articulate a comprehensive world view much as it did in the years after World War II. Then it was confronting a challenge that sought to overthrow established governments; now it faces a challenge that only seeks an equitable place for the undreprivileged in the international establishment of nations. The United States can continue to deal with each challenge piecemeal, as it has for the last several years—parrying, counterattacking, or yielding case by case—or it can work within the community of nations to construct what Secretary of State Kissinger has called "a truly global society carried by the principle of interdependence."

FOOTNOTES

[1] This stance, however, appeared to be softening in early 1975.

[2] See Chapter VI.

[3] See Donella H. and Dennis L. Meadows et al., *The Limits to Growth: A Report for the Club of Rome's Project on the Predicament of Mankind* (New York: Universe Books for Potomac Associates, 1972); and Donella H. and Dennis L. Meadows et al., *The Limits to Growth*, Second Edition, (New York: Universe Books for Potomac Associates, 1975).

[4] See Chapter VIII.

[5] See Chapter III.

[6] Economic Research Service, U.S. Department of Agriculture, *The World Food Situation and Prospects to 1985*, Foreign Agricultural Economic Report No. 98 (Washington, D.C.: U.S. Department of Agriculture, 1974), p. 35.

[7] R. T. Ravenholt and John Chao, "World Fertility Trends, 1974," in *Family Planning Programs*, Population Report, Series J, No. 2 (August 1974), pp. J-21—J-39. Published by the Department of Medical and Public Affairs, The George Washington University Medical Center, Washington, D.C.

[8] See Chaper II.

[9] This subject was discussed in more detail in Chapters VIII (Part I) and IX in *The United States and the Developing World: Agenda for Action, 1973*, by Robert E. Hunter and the staff of the Overseas Development Council (Washington, D.C.: Overseas Development Council, 1973).

[10] See William Watts and Lloyd A. Free, *State of the Nation* (Washington, D.C.: Potomac Associates, 1974), p. 173. No data are available to indicate whether the recent recession has dimmed this concern.

[11] Arvid Pardo, *Perspective in Ocean Relations, Conflict and Order in Ocean Relations* (Washington, D.C.: U.S. Government Printing Office, 1975).

[12] For a more detailed discussion, see Chapter IV.

[13] To be sure, the widespread practice of floating exchange rates goes some distance toward reconciling economic policies of nations, but it is by no means a complete answer to the need for international coordination.

[14] *World Military Expenditures and Arms Trade 1963–73*, U.S. Arms Control and Disarmament Agency Publication No. 74 (Washington, D.C.: U.S. Government Printing Office, 1975).

[15] See Chapter VII.

[16] See Chapter I.

[17] The Third World Forum is intended to be a periodic meeting of about fifty leading economists from developing countries.

[18] See Chapter V.

[19] The quota is presently being enlarged by one third to SDR 39.0 billion ($47.75 billion as measured by the value of the dollar on December 31, 1974).

[20] See also Chapter IX.

ALLOCATION OF PETROLEUM IMPORTS FROM CANADA

Mr. MONDALE. Mr. President, on Monday, the Federal Energy Administration held a public hearing on the question of allocation of petroleum imports from Canada.

For my State of Minnesota, this is a life-or-death matter. We rely on Canadian oil for between 40 and 60 percent of our total petroleum supply, and without FEA action to allocate Canadian crude over the next few years our State will encounter real economic hardship. The need for a priority allocation system for refineries in the landlocked northern tier States of Minnesota and Wisconsin, whose refineries are almost totally dependent on Canadian oil and who have no alternative transportation sources, is pressing. Though it will be only an interim measure, such a priority allocation system will give us the time needed to work out longer term supply systems for our State.

I was pleased to be the first witness to testify at these FEA hearings. And I believe that the presentations made by Senator HUMPHREY and Representative QUIE were effective in outlining the plight of our State and the need for quick FEA action. In fact, the number of witnesses representing public agencies and private corporations in Minnesota and Wisconsin is an excellent indicator of the seriousness with which residents in our area view the current situation.

Mr. President, I ask unanimous consent that a number of these statements presented to the Federal Energy Administration at the public hearing be inserted in the RECORD at the conclusion of my remarks.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR WALTER F. MONDALE

Mr. Chairman, I am pleased to have the opportunity to appear here this morning to testify on the question of FEA allocation of Canadian crude oil among American refiners.

For my state of Minnesota, this is not a matter of passing importance. We are vitally dependent on Canadian crude oil, so dependent in fact that a failure to obtain a continuing supply of this source of energy could well paralyze our state within a matter of years. This possibility is simply unacceptable, and I am hopeful that with FEA's cooperation, a system of priority allocation can be fashioned which recognizes the unique situation of the Northern Tier refineries and helps assure my state a continued and dependable source of energy.

The announced intention of the Canadian government to reduce exports of Canadian crude oil to the United States over a seven year period, with the end of all exports by 1982, poses problems for nearly 50 refiners across the country that are now using Canadian crude. However, it poses a more serious problem for a group of about a dozen "landlocked" refineries from Montana to Wisconsin, and a particularly severe problem for three refineries in my state and one in Wisconsin. These four refineries have a combined daily refining capacity of about 220,000 barrels per day. Together, they are dependent on Canadian crude oil for between 75 and 90% of their crude oil input. Without that crude, business and industry in my state would simply not be able to function, because a high percentage of these refineries' output stays within our geographical area.

While it is not possible to pinpoint exactly the percentage of our total petroleum product usage that is derived from Canadian crude oil, the best estimates range between 40 and 60%. In other words, without Canadian crude oil, roughly half of the petroleum product supply of my state would disappear. The results would be catastrophic, and simply cannot be permitted to occur.

The uniqueness of the Minnesota-Wisconsin refineries' dilemma comes not only from their high degree of dependence on Canadian crude, but perhaps more importantly from the lack of available transportation alternatives. Refineries from the West Coast to Buffalo, New York use Canadian crude oil to one degree or another. But unique among the nearly 50 refineries using Canadian crude, the Minnesota-Wisconsin refineries were built to rely on Canadian crude and have no capability for obtaining significant, long-term volumes of crude oil from any other source. The only pipeline servicing these refineries is the Interprovincial-Minnesota system, coming from Canada. Without Canadian crude running in this system, these refineries simply cannot operate.

And if historical usage patterns continue to determine the levels at which refineries in my state receive allocations of Canadian crude, major disruptions will occur. As the volume of Canadian crude is reduced, those refineries which are now drawing on a current potential import pool of 800,000 barrels per day will no longer be able to operate at anywhere near capacity if the historical usage formula is applied to a total Canadian export volume of two or three hundred thousand barrels per day.

Even with a priority allocation system, there are severe longer-term problems that must be faced as the Canadian export of crude oil is continually reduced. But a properly designed FEA allocation system, giving highest priority to those Northern Tier refineries with no alternative transportation sources, will at least give us time to work out other longer-term alternatives. Negotiations now underway between the United States and Canada will hopefully lead to an exchange arrangement that will allow the Canadian-dependent refiners to continue operations beyond the point at which any allocation system loses its effectiveness. But the most immediate and most pressing need is for quick action from FEA to implement a priority system to get us through the next two to four years.

In recent weeks, there has been a reduction in the volume of Canadian crude oil that American refineries—including some in the Northern Tier states—have imported. This decline has largely been caused by a widening price differential between the cost of Canadian and other foreign crudes, an oversupply of petroleum products, a sluggish American economy and other similar factors. But this temporary situation must not cause any further delay in FEA implementation of a priority allocation system. For it is highly unlikely that this combination of factors that has existed in recent weeks will continue indefinitely.

Indeed, the recent reduction of the Canadian oil export tax by 80 cents per barrel has probably made Canadian crude nearly competitive again in world markets, and demand can be expected to increase quickly. This points up the need to implement an allocation system that is not dependent on temporary and highly variable factors. Without such a system, residents and businessmen in my State cannot proceed with the planning they must undertake for years in the future.

In short, the need is pressing for FEA takeover of the allocation of Canadian oil, and for a priority allocation system that recognizes the unique position of the Northern Tier landlocked refiners. Only such a system can give us in Minnesota and in the other states served by these refineries the time needed to continue an adequate fuel supply to our states until longer-range alternatives are concluded. Only a priority allocation system of this type will allow business and industry, in addition to individual consumers of petroleum products in my state, the ability to receive a continuing supply of the energy they need.

In my talks in February with Canadian government leaders, they stressed their appreciation of the uniqueness of our situation in the Northern Tier, and particularly in Minnesota and Wisconsin. It was my strong feeling that they realized the devastating consequences that a reduction in the volumes of Canadian crude in these states would have on economic activity. They appreciated the fact that these Northern Tier refineries were built especially for Canadian oil, that they have almost total dependency on that oil, and that there are no readily available and reasonably priced transportation alternatives.

I hope that FEA similarly recognizes our dilemma, and that the actions taken following this hearing today will reflect this sense of awareness and concern. These FEA regulations will help determine the economic future of the state of Minnesota. They must be implemented quickly and they must be implemented fairly. I am confident they will be.

STATEMENT BY SENATOR HUBERT H. HUMPHREY

The Canadian government decision to phase out oil exports to the United States by 1984 has created major short and long range problems for the economies of Minnesota and other Northern Tier states which are dependent on Canadian crude. Government decisions on allocation of Canadian crude during the withdrawal period will impact substantially on these states' capability to cope with the problems. Adequate allocation of Canadian imports will be vital to ensuring the short-term economic viability of the Northern Tier refineries and of the states in which these refineries are located. Inadequate allocations would literally strangle my own state of Minnesota and impede its ability to make a successful adjustment to the cessation of Canadian imports in 1984.

An FEA decision to allocate Canadian crude on the basis of the recently published Oil Import Regulations, 213.28, would spell economic disaster for Minnesota. Both the concept—allocation according to imports in a specific time period—and the time frame (May 1, 1974 to April 30, 1975) would hurt Minnesota.

There are three refineries in Minnesota, and one just over the state border in Wisconsin which serves Minnesota. These refineries were built to utilize Canadian crude oil, and the only major crude pipeline which connects them to a source of crude oil connects them to Canadian crude. Approximately 85–90 percent of the crude oil feed stock used by these refineries is Canadian. These refineries, which have a total capacity of 220,000 barrels per day, supply Minnesota with 50 percent of all refined petroleum products and 100 percent of the residual oil used daily.

Theoretically, of course, the refined product currently produced in Minnesota could be made up from other sources; practically, however, since the product pipeline from the south central states to Minnesota is already operating at full capacity, the only way Minnesota could acquire the oil to heat its homes and gas to run its cars in the short run would be by transporting it in by truck or barge. This is a highly expensive and highly inefficient alternative. Since residual oil cannot be transported over long distances, it would be even more difficult for Minnesota to meet its residual oil needs in the short run. Over the long-run alternative crude oil pipelines connecting the refineries to crude oil sources in the Texas-Louisiana-Oklahoma area or Alaska could be built to supply Minnesota, if no agreement to continue crude deliveries beyond 1984 can be reached with the Canadians.

Minnesota is already feeling the impact of Canadian energy decisions. Canadian crude oil costs Minnesota refineries $12.50 to $13 a barrel. It is the most expensive crude oil used in America, costing its users $1 to $1.50 per barrel more than the Persian Gulf oil and about $2–3 more per barrel than the old domestic oil used elsewhere, even after entitlements are included. Its high cost has already forced Minnesota refineries to cut back their operations to 55–70 percent of capacity in order to cut losses to a manageable level.

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Even with the cutback, the refineries are experencing difficulties.

If allocations followed the FEA regulation, Minnesota refineries would be starting out with one strike already against them—the base period upon which their allocations would be calculated would be a period in which they already were operating far below capacity. The refineries, in effect, would be penalized by FEA for having, on their own, attempted to make some adjustment to the artificially high price of their only major source of crude. The cutbacks in their operation which would be required in the next few years as a result of basing allocation on the May-April period probably might force some, if not all, of the refineries to cease operations.

I repeat—even if Minnesota were able to make up from imports some of the short-term shortfall which would result in future years from using the May-April period as the case period, the economic consequences would be disastrous. If crude oil supplies were to decline by 20 percent in Minnesota, and all refineries were able to continue operations—which might be extremely difficult for those now operating at 55–60 percent of capacity—about 30 workers would be laid off by the refining industry. At this level, there would be minimum employment effects on other industries if refined products were available from other states. But the volume of economic activity (value of production) would be expected to fall 0.2 percent and gross state product would fall 0.3 percent due to both lower local refinery production and higher imports of refined products.

It is patently obvious that the ramifications of even a 20 percent decline in crude oil supplies would be serious. But, the ramifications could be even worse for Minnesota. If all Minnesota refineries were forced to close because the FEA allocations were so low as to make their operation uneconomic, and if Minnesota were by some miracle able to make up 100 percent of its needs from imports, 4600 workers would be added to Minnesota's unemployment rolls, $46.3 million would be lost in wages and salaries, and $38.0 million would be lost in taxes. If, in this case, Minnesota were only able to make up 50 percent of its petroleum needs from imports, which is more realistic, unemployment alone would soar to an estimated 56,000 as a result of the primary and secondary effects of the refinery shutdowns and loss of supplies.

I seriously doubt that the FEA intends to create an economic depression in Minnesota. But that would be the result of proceeding on the basis of the Oil Import Regulation, 213.28.

A far more equitable approach to allocating the dwindling supplies of Canadian crude, and one which would prevent economic disaster in Minnesota and other Northern Tier states, would be to base allocations on access to alternative secure sources of crude. Under such a plan, Minnesota refineries and other refineries which have little or no access to alternative sources of crude oil, would receive priority in allocation of Canadian crude. Other refineries, such as those in Gary and Whiting, Indiana, which have access to alternative sources, would be asked to look to those sources for a greater portion of their needs. At the point when only Canadian dependent refineries were receiving Canadian crude, then these refineries would be curtailed in a proportional manner.

Such an allocation program could be implemented on extremely short notice. Canada is cognizant of the problems faced by the Northern Tier refiners; Canadian energy officials have made it clear that they will distribute their exports according to regulations promulgated by the FEA.

It is impossible for me to overstate the need for allocating Canadian crude on the basis of need rather than historic imports. Such an allocation priority would serve both national and regional interests.

It would fully utilize the capital and existing capacity of the Northern Tier region, would soften the impact of Canada's decision to cut back imports, and would buy time while alternative means and sources of supply were located.

Adequate supplies of finished product—gasoline, diesel, kerosene, residual oil—would then be available to meet the growing demands, especially agricultural demands, of the region at least for the interim.

In making judgments on allocation, it is essential that the FEA recognize the interaction between oil and other energy supplies. If the FEA were to take account of the interaction of natural gas supplies and Canadian oil in the Northern Tier region in allocating Canadian crude, Minnesota's case would be even stronger.

Minnesota receives 95 percent of her natural gas from Northern Natural Gas Company of Omaha, Nebraska. We have been advised to plan for a decline in our natural gas supply of five percent per year during the next five years. Natural gas is being phased out from use first in electric generation and next in large "interruptible" commercial and industrial customers.

In most cases, the anticipated "back up" fuel for these customers is oil. These customers of natural gas companies, many of them large food processing plants, planned for short periods of interruption by installing equipment to burn oil, oil produced by our regional refineries from Canadian crude.

In order to insure that Minnesota industry, including food processing plants and other manufacturers in the Upper Midwest, can make the transition from natural gas to coal, which is the long term FEA objective, they must be able to survive the critical years of 1977–1979. Even if all of the Canadian supply that the state uses now is still available to us in 1979, Minnesota faces a billion gallon shortage of oil because of natural gas curtailments.

Conversion to coal takes time. Minnesota is proceeding as quickly as it can. However, the removal of natural gas from Minnesota industries as required under FPC orders, if coupled with the reductions in oil availability that could result from implementation of the cited FEA rule, will leave our region with such an energy shortage that we may not have the capacity to move into the coal economy of the future.

In addition to priority allocation of Canadian crude, there are several steps which should be taken now to try to avert the consequences of an oil and gas squeeze on Minnesota. First and foremost among these are serious negotiations with the Canadians to explore the possibilities for continuing the supply of crude to the Northern Tier region beyond 1984. All forms of cooperation, including supply swaps and Alaska-Canada-Continental U.S. crude oil and gas pipelines, should be explored. Additionally, FEA and State should explore the possibilities of increasing the supply of natural gas at current prices from Canada, so that Minnesota's energy problems will not be exacerbated. The price of Canadian gas is currently sufficiently high to encourage exploration. Finally, we will need to take steps to increase domestic supplies of natural gas.

Now is the time for swift FEA action—on fair and equitable allocations of Canadian crude, and on securing Canadian agreement to cooperative efforts on energy supply questions. I urge you to act.

Statement of Representative Albert H. Quie of Minnesota

Several times in recent months, I have found occasion to call to the attention of the Federal Energy Administration a situation which affects commerce and life in my State of Minnesota as well as other States in the Upper Midwest. I was pleased to note in the Federal Register of April 22 that the FEA is considering the effect of decreased imports on refineries that depend on Canadian crude oil, and I am happy to have this opportunity to comment on the proposals.

In the Minnesota Twin Cities area there are three petroleum refineries, with a total refining capacity of around 200,000 barrels a day. This is approximatley one-fourth of the Canadian crude presently imported. These refineries rely almost exclusively (more than 80 percent) on Canadian crude oil transported from the Inter-Provincial/Lakehead Pipeline from Edmonton, Alberta, which branches off at Clearbrook, Minnesota, to the Minnesota Pipeline. There is no other crude oil pipeline running anywhere near the Minneapolis-St. Paul area. The remaining crude is obtained from North Dakota, also to the West. This is run through the same pipeline.

These "land-locked" refineries are concerned because of the change in Canadian energy policy which threatens their source of crude oil. In view of the announced elimination of crude oil exports by 1983, long-range plans must be undertaken by the users of the Canadian product, such as construction of a pipeline from Chicago to the Twin Cities. Another suggestion has been made for the reversal of the Trans-Mountain pipeline in Western Canada to permit the use of the Canadian pipeline along the Canadian border to Minnesota. The latter, of course, would require the complete cooperation of the Canadian government. Either avenue will be costly.

Minnesota refineries are essential to our State. They supply a large percentage of the energy needs within the State. Since residual fuel used for heating hospitals and schools is of such properties that it cannot be transported by pipeline, these refineries play a vital part in maintaining this supply.

The proposal amending Section 213.38 of FEA regulations would provide for allocation of Canadian crude oil to all importers under the fee-free license system on an equal basis. They will obtain an identical percentage of their present usage. This includes refiners who have used a portion of Canadian crude but have access to other sources of supply as well. Therefore, the need exists for the adoption of a policy that will provide priority consideration for dependent refiners.

It should be pointed out that the Midwest refineries have recently been in a sense paying a penalty for their access to Canadian crude in the form of the higher price of the Canadian product as compared with domestic oil, and of course, every expensive barrel run is more costly to the consumer, as well as the refiner. But the over-riding factor was continued flow of supply.

The relationship between Midwest refineries and Canadian crude suppliers was mutually satisfactory and beneficial at its inception—it was planned that way. With no pipelines coming up from southern oil fields, it was the access to Canadian oil that brought about the refinery construction in Minnesota.

The available amount of Canadian oil has already diminished by 20 percent in the past year. A cut of another 20 percent, if no adjustments are made in the regulations, would result in industry lay-offs and likely still higher fuel costs for the Midwest area, as well as a decline in the Gross State Product.

Shutting off Canadian oil supplies will result in shutting down the refineries. It is that simple. It would help in the long-range planning if the companies in that area could be assigned top priority in the allocation of the crude exported from Canada during this period. I am joining other Representatives from the Northern Tier States to urge that a policy of priority be established for these

refineries sustained by imports of Canadian raw materials.

Statement of John L. Kelly, Vice President, Supply and Transportation, Continental Oil Co.

Good morning. My name is John L. Kelly, Vice President of Supply and Transportation for Continental Oil Company, headquartered in Houston.

I appear before you today to request that the Federal Energy Administration assume a role of government leadership and amend the mandatory oil import rules to allow for a preferential allocation of Canadian imports to those refineries either totally dependent, or heavily-reliant, on *this supply* source. These refiners, primarily located in the *five-state* Northern Landlocked Area, have no practical short-term alternate supply of feedstock to keep their plants running when the Canadian government phases down and eventually eliminates exports to the United States.

A failure to change present regulations to assure a continuation of Canadian supply to these plants at necessary levels would result in a serious economic disruption in the area. These consequences would result in tremendous personal burdens of citizens in Montana, North and South Dakota, Minnesota and Wisconsin. Loss of jobs, reduced tax revenues and cutbacks in industrial and agricultural production are real possibilities. Energy shortages touch everyone—from individuals using home heating oil and gasoline, to small and large manufacturing firms, to farmers fueling tractors and drying crops.

If it were not for a reduction in consumer and industrial energy use in the Northern Area—as there has been in other parts of the country—there would already have been energy shortages in the area because of Canadian export reductions since January 1.

In response to your request for specific information to be used in formulating a program for allocating Canadian imports, Conoco has filed a comprehensive written submission. In summary, Conoco's submission concludes the following:

REFINERS' DEPENDENCE ON IMPORTS

Roughly three-quarters of Canadian crude oil and condensate exported to the U.S. enters the country across the borders of Montana, North Dakota and Minnesota. A third of this remains in the Northern Landlocked states and the balance passes through the area en route to the Midwest and Great Lakes regions. To a great extent, these regions have access to alternate crude and petroleum products supplies. Even now, new pipelines are under construction to provide additional crude oil supplies to the Midwest and Chicago area.

The 1974 refining capacity in the Northern Landlocked states was 439,000 barrels per day (BD), which produced approximately 329,000 BD of gasoline and distillates. During this period, about 230,000 BD or 60% of the region's total crude and condensate supply came from Canada.

Two of the seven U.S. refineries Conoco owns and operates are located in Wrenshall, Minnesota and Billings, Montana. These two plants have a combined daily throughput capacity of 76,000 barrels and are substantially dependent on Canadian imports of crude oil and condensate. Our refinery at Billings is 60–70% reliant on Canadian crude feedstocka, with no practical alternate supply. The refinery near Duluth, Minnesota is 100% dependent on Canadian supply, with no alternate supply.

FUTURE DEPENDENCE; ALTERNATE SUPPLY

Conoco's calculations indicate that should the Canadians proceed on schedule and reduce crude exports to a level of 650,000 BD on July 1, under present regulations there could be a shortage of 100,000 BD of refinery feedstocks available to the Canadian-Dependent refineries by the end of the year. The shortage could increase to 200,000 BD by 1977—almost one-half the area's refining capacity.

Should Canadian exports to the United States be reduced as announced, without a change in regulations, there undoubtedly will be a number of area refineries forced to shut down. In Conoco's case, our Minnesota plant could be forced to close down in 1977. The Montana refinery could remain operational for several additional years at reduced output.

We do not want to see this happen. The Minnesota refinery is relatively small and Conoco could survive its closing. But, we do feel an obligation to our many customers to serve them as long, and by whatever means, we can. Loss of the refinery would affect, if not curtail, fuel supplies to: motorists, home heating oil consumers, paper mills, marine operations, steel mills and a Strategic Air Command base. In Montana, where we are a market leader, our primary customer for refined products is the agricultural industry which consumes 42% of the Billings light oil output.

For the short-term there simply are no viable means for providing the Northern Landlocked Area's petroleum needs through alternate supply systems. It is highly impractical to move crude or petroleum products by transport truck or rail car because of the immense volumes involved. For example, just to handle the crude oil requirements for operating Minnesota's refineries at normal capacity would require nearly 2,000 standard-size transports. Conoco's Wrenshall refinery alone would require 200 to 300 transport trucks—more than Conoco's entire U.S. fleet. The costs, logistics and practicality factors are obviously prohibitive.

The Landlocked Area could not expect barge or tanker traffic to fulfill required demands—the waterways serving the area are not navigable during portions of the year.

Well, what can we do? We propose certain long-term and short-term solutions for your consideration.

SHORT-TEAM SOLUTIONS

A return to free market conditions, on both sides of the border, would quickly alleviate the problem of supply inequities in the Northern Landlocked Area. Under normal free market mechanisms, Canadian supplies would tend to satisfy the Landlocked Area's requirements prior to moving into other states. Unfortunately, it appears likely some form of petroleum allocation will continue to be imposed in the U.S. and Canada for the foreseeable future.

Assuming that Canada will continue its policy of reducing oil exports to the U.S., and given the hard facts that no viable short-term crude or product supply alternatives are available for the Northern Landlocked states, Conoco urges a preferential allocation of Canadian exports to the region that would allow:

1. Landlocked Area refiners to receive their nominated volumes of Canadian supplies, not to exceed their 1972 refinery runs of these supplies, plus plant expansions since 1972.
2. Available Canadian imports in excess of this level to be allocated equitably among all remaining historic users.

Attached to my statement and for inclusion in the record is a step-by-step outline covering how the language of Paragraphs 213.28, 213.36 and 213.38 of the Oil Import Regulations can be changed to accommodate a preferential program.

LONG-TERM SOLUTIONS

Construction lead time and political and economic uncertainties make it unlikely that there will be massive investments in alternative transportation systems to alleviate the Northern Landlocked Area energy supply problems by 1978. In looking ahead toward long-range solutions to the Canadian supply problem, Conoco proposes several possible alternatives which can be accomplished through a joint U.S.-Canadian effort. Among these are:

1. An oil exchange program whereby the U.S. guarantees Canadian refiners a volume of petroleum from supplies it controls in exchange for an equal volume assured for Landlocked Area refiners. (Conoco has volunteered its participation in such a program if a preferential allocation becomes inadequate to meet requirements of the Northern Landlocked refineries).
2. A plan to promote other crude supplies to replace Canadian feedstocks currently going to Puget Sound and Vancouver refineries. This would permit reversal of the Trans Mountain Pipeline in Canada to allow Alaskan North Slope crude to be shipped from Vancouver to Edmonton, and on into the Landlocked Area via existing pipelines.
3. Diplomatic initiatives with Ottawa to allow additional exports to the Landlocked Area and/or the extension of the current Canadian supply cutback timetable, pending resolution of U.S. transportation and supply alternatives.

CONCLUSION

In conclusion, it is my own personal belief—which I feel is shared by others within the industry and the governments of the states involved—that the situation confronting the Northern Landlocked Area is among the most pressing energy problems facing the U.S. today. The potential energy shortages are real. The decision-making time to avert severe economic disruption in the Northern Landlocked states is now!

I strongly urge the Federal Energy Administration to act now and implement a plan for a preferential allocation program for Canadian imports to get us through the short-term problem until long-term solutions can be initiated and carried out.

Thank you again for the opportunity to present our views.

Continental Oil Company: Suggested Amendments to Sections 213.28, 213.36 and 213.38 of the Oil Import Regulations To Provide for the Preferential Allocation of Canadian Imports

1. Section 213.28 to be amended by revising Paragraphs (a), (b), (c), (d), & (f) to read as follows:

§ 213.28 Imports of Canadian Crude Oil—Districts I–V

(a)(1) As used in this section, the term "Canadian crude oil imports" means imports from Canada of crude oil which has been produced in Canada and unfinished oils which have been derived from crude oil or natural gas produced in Canada and which have been transported into the United States by overland means or over waterways other than ocean waterways.

(a)(2) As used in this section, the term "Canadian Dependent Refiners" means those refineries in the states of Montana, North Dakota, Minnesota, Wisconsin, and that portion of Michigan which lies north of the forty-third (43d) parallel.

(b) To be eligible for an allocation of imports under this section, a person must have in District I–V a facility capable of processing Canadian imports.

(c) The Director shall, in accordance with the terms of paragraph (d)(1) of this section make allocation in each allocation period on a facility by facility basis considering Canadian export levels as established by the Canadian National Energy Board.

(d)(1) The Director shall make allocation not subject to license fees but subject to supplemental fee of Canadian imports to eligible applicants who received allocations of such imports for the allocation period May 1, 1974 through April 30, 1975 pursuant to § 213.33 and 213.26. Each such applicant shall be entitled to an allocation of Canadian imports in accordance with paragraph (d) (2) and (3) of this section.

(d) (2) The allocation program shall be administered on a six month basis. Nominations shall be submitted in writing to the Director by the 15th day of the last month in each six month allocation period. The initial allocation period shall begin on July 1, 1975 and nominations shall be submitted in writing to the Director by June 15, 1975.

(i) The Director shall allocate first to Canadian Dependent Refineries (as defined in paragraph (a) (2) of this section). Each facility shall receive the full amount nominated, not to exceed each plant's Canadian crude oil inputs, during the twelve month period October 1, 1971 to September 30, 1972 plus a volume equal to the capacity created by any plant expansions certified operational on or after January 1, 1972 and prior to January 1, 1975.

(ii) If the Canadian crude oil export level as established by the Canadian National Energy Board, as provided under paragraph (c) of this section, shall be less than the requirements for Canadian Dependent Refineries, the total Canadian crude oil volume available for import from Canada shall be allocated among the Canadian Dependent Refineries. Allocation to each refinery shall be prorated on the basis of each facility's Canadian crude oil inputs during the twelve month period October 1, 1971 to September 30, 1972 plus a volume equal to the capacity created by any plant expansions certified operational on or after January 1, 1972 and prior to January 1, 1975.

(iii) The volume remaining after the allocations made in paragraph (d) (2) (i) above shall be allocated to other eligible refineries on a prorata basis. Allocations shall be made to individual companies on the basis of their 1974 United States fee-free licensed amounts.

(d) (3) FEA shall make necessary allocation and import license adjustments to all Canadian import licenses effective May 1, 1975 in order to be consistent with allocation derived from the nominations for the allocation period beginning July 1, 1975.

(f) If a person who receives an allocation of Canadian imports under this section fails to import the total quantity of imports specified in the allocation, or if he fails to process all such imports (or Canadian imports received in exchange for such imports) in his facilities before July 1, 1976, or if he fails to meet the requirement of paragraph (e) of this section, then any allocation of Canadian imports for Districts I–V to which such a person may otherwise be entitled for the first allocation period beginning after April 30, 1976 shall be reduced by the Director by the amount of Canadian imports which such person has failed to import, or by the amount of Canadian imports and exchanged oil which such person has failed to process in his facilities before July 1, 1976 or by the amount of Canadian imports by which he failed to meet the requirements of paragraph (e) of this section, except that the Director need not make such a reduction to the extent that (1) such person demonstrates to the satisfaction of the Director that such failures were without such person's fault and were beyond his control, or (2) such person on or before September 1, 1975 in writing relinguishes all or part of an allocation made under this section and returns to the Director licenses issued thereunder.

2. Section 213.36 to be deleted.

3. Section 213.38 to be revised as follows:

§ 213.38 Imports of Canadian Natural Gas Products—Districts I–V

(a) (1) As used in this section, the term "Canadian Natural Gas Products" means plant condensate, a natural gas plant product, mostly pentanes and heavier hydrocarbons, recovered and separated as a liquid at gas inlet separators or scrubbers in processing plants or field facilities and which is not suitable for blending with natural gasoline or refinery gasoline (§ 211.62).

(a) (2) As used in this section, the term "Canadian Dependent Refiners" means those refineries in the states of Montana, North Dakota, Minnesota, Wisconsin, and that portion of Michigan which lies north of the forty-third (43rd) parallel.

(b) To be eligible for an allocation of imports under this section, a person must have in Districts I–V a facility capable of processing Canadian Natural Gas Products.

(c) The Director shall, in accordance with the terms of paragraph (d) (1) of this section make allocation in each allocation period on a facility by facility basis considering Canadian export levels as established by the Canadian National Energy Board.

(d) (1) The Director shall make allocation not subject to license fees but subject to supplemental fee of Canadian imports to eligible applicants who received allocations of such imports for the allocation period May 1, 1974 through April 30, 1975 pursuant to §§ 213.38, 213.36 and 213.26. Each such applicant shall be entitled to an allocation of Canadian imports in accordance with paragraph (d) (2) and (3) of this section.

(d) (2) The allocation program shall be administered on a six month nominations basis. Nominations shall be submitted in writing to the director by the 15th day of the last month in each six month allocation period. The initial allocation period shall begin on July 1, 1975 and nominations shall be submitted in writing to the Director by June 15, 1975.

(i) The Director shall allocate first to Canadian Dependent Refineries (as defined in paragraph (a) (2) of this section). Each facility shall receive the full amount nominated, not to exceed each plant's Canadian Natural Gas products input during the twelve month period, Otcober 1, 1971 to September 30, 1972.

(ii) If the Canadian Natural Gas Product export level as established by the Canadian National Energy Board as provided under paragraph (c) of this section, shall be less than the requirements for Canadian Dependent Refineries, the total Canadian Natural Gas Product volume available for import from Canada shall be allocated among the Canadian Dependent Refineries. Allocation to each refinery shall be prorated on the basis of each facility's Canadian Natural Gas Product inputs during the twelve month period October 1, 1971 to September 30, 1972.

(iii) The volume remaining after the allocations made in paragraph (d) (2) (i) above shall be allocated to other eligible refineries on a prorata basis. Allocations shall be made to individual companies on the basis of their 1974 United States fee-free licensed amounts.

(d) (3) FEA shall make necessary allocation and import license adjustments to all Canadian import licenses effective May 1, 1975 in order to be consistent with allocations derived from the nominations for the allocation period beginning July 1, 1975.

(c) (1) Except as provided for in paragraph (2) of this section a person who imports Canadian Natural Gas Products must process all such imports in his own facility. For the purpose of this paragraph, blending by mechanical means does not constitute processing.

(e) (2) (i) Canadian Natural Gas Product imports may be exchanged on a barrel for barrel basis for other Canadian imports but each person receiving crude oil, unfinished oils, or Natural Gas Products in the exchange must process the Canadian imports received in his own facilities. Settlement, credits, monetary, or accounting adjustments reflecting the relative values of the imports involved in the exchange are permissible.

(e) (2) (ii) Canadian imports which are sold to meet the requirements of regulations published by the Federal Energy Administration shall not be subject to the provisions of paragraph (e) of this section.

(f) If a person who receives an allocation of Canadian Natural Gas Product imports under this section fails to import the total quantity of imports specified in the allocation, or if he fails to process all such imports (or Canadian imports received in exchange for such imports) in his facilities before July 1, 1976, or if he fails to meet the requirement of paragraph (e) of this section, then any allocation of Canadian Natural Gas Product imports for Districts I–V to which such a person has failed to import, or by the amount of Canadian imports and exchanged imports which such person has failed to process in his facilities before July 1, 1976 or by the amount of Canadian imports by which he failed to meet the requirements of paragraph (e) of this section, except that the Director need not make such a reduction to the extent that (1) such person demonstrates to the satisfaction of the Director that such failures were without such person's fault and were beyond his control, or (2) such person on or hefcre September 1, 1975, in writing relinquishes all or part of an allocation made under this section and returns to the Director licenses issued thereunder.

(g) Any allocation relinquished by a person pursuant to paragraph (f) of this section shall be reallocated to all eligible applicants in the same proportion that each received an allocation under paragraphs (d) (1) of this section.

(h) A person to whom an allocation is made by the Director under this section shall report and certify in writing to the Director, not later than July 15, 1975, (1) the total quantity of Canadian imports which that person imported during the period May 1, 1974 through April 30, 1975 pursuant to an allocation made under § 213.38 and (2) any quantity of such imports that were processed in his facilities before July 1, 1975. The amount so reported and certified shall be subject to verification by the Director. If a person to whom an allocation is made under this section fails to file by July 15, 1975 the written report and certifications required by this paragraph, the Director shall suspend all licenses issued under an allocation made under this section until the written report and certification are received.

(i) An allocation made pursuant to this section shall not be sold, assigned or otherwise transferred.

TESTIMONY OF FARMERS UNION CENTRAL EXCHANGE, INC., ST. PAUL, MINN.

I am George Kavouras, Vice President Petroleum, Farmers Union Central Exchange headquartered in St. Paul, Minnesota. Farmers Union Central Exchange owns and operates a refinery in Laurel, Montana which supplies petroleum products direct or through exchanges to farmer-owned cooperatives throughout a ten state area.

We request that both this oral testimony and the written testimony submitted herewith be entered into the record of this hearing.

The oral testimony is confined to summarizing the written testimony.

I. The FEA questions are pointed to the heart of this matter. The answers to these questions verify the need for the Northern Landlocked Area to receive first call on available Canadian exports.

II. Both short term and long term solutions are described in detail.

III. The detail for the short term solution includes proposed regulations for the "first call" allocation of Canadian crude to the Northern Landlocked Area.

We realize that neither the Hearing Officers nor participants in this hearing have had time to read our written comments. We are available for questions and discussion at any time, either here or elsewhere.

ANSWERS TO SPECIFIC QUESTIONS

I. Present degree of CENEX's dependency on Canadian oil.

During 1974 inputs to CENEX refinery at Laurel, Montana were: 14,015 BPD of Domestic Crude Oil; 14,569 BPD of Canadian Crude Oil; 806 BPD of Canadian Condensate; 2,074 BPD of Canadian Field Grade Butane.

Percentagewise 55.64% of the raw material input to the CENEX refinery was of Canadian origin.

The only alternative crude oil supply that can physically be made available to the CENEX refinery is crude oil produced in the Big Horn Basin of northwestern Wyoming. Pipeline capacity is now in existence that could move approximately an additional 20,000 barrels per day of Big Horn Basin crudes to Laurel. There are other problems, however.

(1) CENEX generally has access to only about 7,000 barrels per day of this crude oil. Practically all of the balance of this is controlled by four major oil companies and is available to us only when this particular crude is surplus to their needs, except, of course, those volumes they may make available to us under the Refiner Buy-Sell Program. If the Buy-Sell Program should come to an end, then only those volumes surplus to the needs of the four majors would be available to us. We have no way of knowing what volume this may be at any future time.

(2) The crude oil produced in the Big Horn Basin is a speciality, i.e., asphalt base, crude oil. Asphalt yields from these crudes vary from 15 to in excess of 30%. We believe both ourselves and other refineries in the Billings-Laurel area are now processing about all of this crude oil; the asphalt production from which can be absorbed in the historical market place. Should substantially greater volumes of this asphalt base crude be processed in Montana, there is no doubt we would all experience considerable difficulty in storing and handling the increased asphalt production.

II. Projected future dependency on Canada and plans to meet future requirements.

For the immediate future, that is three to four years, we expect the dependency of CENEX on Canadian crude stocks to range from 40 to 60% of total thruput. We cannot be more specific at this time on this future dependency since we do not know if the Refinery Buy-Sell Program will remain in existence or not after August 31, 1975; nor do we know what the future requirements of the major oil companies controlling Big Horn Basin crude may be for that type of crude oil; hence as stated earlier, we have no way of knowing what volume of this crude will be available to us in the future. Because of our size, it is for all practical purposes impossible for us to become independent of Canada by ourselves. As we see it, at this time there are only three ways through which Montana refineries can become independent of Canada.

These are:

(1) The discoveries of new domestic crude production in an area where it could move to Laurel-Billings on either existing pipelines or a pipeline that could be built. In our opinion the odds against such discoveries are so great this cannot be considered a practical alternate supply.

(2) The construction of a crude oil pipeline from the West Coast either into Montana or through Montana on to some other Canadian dependent area which would give us access to all waterborne crudes. Because of the cost, a pipeline such as this would have to be a joint industry project. Should such a project come into being CENEX would, of course, be interested in contributing to the project in some ratio proportional to what our expected thruput may be.

(3) A joint agreement between the U.S. and Canadian national governments to reverse Transmountain Pipeline in Canada. Should this be accomplished, we could then deliver waterborne crude into Puget Sound and either physically move it through Canadian pipelines into Laurel or possibly trade with the Canadians for some Canadian crudes that are closer to Laurel. Of course, should this be accomplished, we would not be completely independent of Canada but still dependent upon their good will for either transportation of crude through Canada to the U.S. or for a trade of waterborne crude for Canadian crude.

We believe alternate three above is the most logical because it would not require the amount of construction that would be required by a new pipeline from the West Coast through the northern U.S. We, therefore, urge the FEA and other U.S. agencies to work with the Canadians towards reversing of the Transmountain system.

III. Costs and practicability of reducing Canadian dependency by various means.

Practicability of the only means by which Montana refineries can reduce their Canadian dependency has been discussed under No. 2 above. We as of yet have no estimate prepared of the cost of a new pipeline from the West Coast to Montana or the cost of reversing Transmountain Pipeline.

IV. Analysis of market served by the refiners involved including access of consumers to alternate supply of energy sources.

The CENEX refinery at Laurel, Montana supplies petroleum fuels to its some 300,000 farmer-owners who are located in ten northern states between the Great Lakes and Pacific Coast. As some 90% of the petroleum fuels produced at Laurel go to farmer-consumers and as we see no method by which this farm usage of petroleum could possibly be converted to some other form of energy for many years to come, we see no alternate supply of energy source for our farmer-owners. As discussed under No. 2 above, we further see no alternate source of petroleum for the CENEX Laurel Refinery and its farmer-owner customers that could make us independent of Canada for several years to come for the following reasons:

(1) Crude oil pipelines do not exist that can move any crude oil to Laurel except from Canada or from the Big Horn Basin in northwest Wyoming, which we discussed in No. 1 above.

(2) Generally no finished petroleum product pipelines are in existence that could move finished petroleum products into the area now physically served by the Laurel refinery. The single exception is the eastern portion of the State of Washington, which is connected by pipeline to Wyoming and Utah refineries. We believe, however, these Wyoming-Utah refineries do not have capacity or supply sufficient to supply this area should the Montana supply be lost.

(3) Because of the lack of pipelines as discussed under Nos. 1 and 2 above, no foreign petroleum except from Canada can be made available to consumers served by our refinery. It would be physically impossible to supply these consumers by truck or tank car from some other part of the country.

The above discussion of alternate petroleum supplies does not apply to other areas now served by Canadian crude.

At the present time consumers in the Northwest Pacific Coast area are supplied petroleum fuels by refineries located on Puget Sound. Should these refineries on Puget Sound lose their supply of Canadian oil, we believe the consumers dependent on these refineries could be served in tanker shipments of domestic or foreign crude oil and domestic or foreign finshed products. Granted, some dock and treminal facility construction in the Puget Sound area may be necessary, however, the construction of these facilities would be of a much smaller time and cost magnitude than would construction of a crude oil pipeline from the West Coast to Montana.

Concerning the refineries and consumers in Western New York and Western Pennsylvania, we again believe that an alternate petroleum supply does now exist for this area for the following reasons:

Should the refineries in this area lose their Canadian crude supply, it goes without saying that space on the Interprovincial crude oil pipeline serving these refineries would be available. With the completion in the fall of this year of Texhoma crude oil pipeline (from Port Arthur, Texas to Cushing, Oklahoma) and the full utilization of Capline, it would be possible by next winter to move some 250,000 barrels per day of additional crude oil into the Chicago area. With the loss of Canadian crude movements over the Interprovincial-Lakehead system east of Chicago into Buffalo, there should be sufficient pipeline capacity to replace the lost Canadian material with a portion of the additional 250,000 barrels per day that could be moved into Chicago. This should keep the Western New York-Western Pennsylvania refineries operating at their present levels enabling them to continue supplying their historical customers.

The next area now being supplied with Canadian crude oil is the Chicago area. Should all Canadian crude oil be cut off from Chicago, we believe the consumera now supplied by Chicago area refineries could be supplied by:

(1) The balance of the 250,000 barrels per day of additional crude oil left over after New York-Pennsylvania was supplied as discussed above, and

(2) Inshipment of finished products over existing products pipelines such as Explorer which have available space. The finished products could be made available for movement to Chicago by a combination of diversion of some finished products to Chicago from the Gulf Coast which are now moved to other areas and by intanker shipment of foreign finished products to either the Gulf Coast or East Coast to either replace domestic products diverted to Chicago or for direct shipment to Chicago.

The last major area now served by Canadian crude oil is that area supplied by refineries in Minnesota, Wisconsin and northern Michigan. The problems of this area are very similar to those of Montana refineries in that neither crude oil pipelines nor finished products pipelines exist through which the slack could be taken up should these refineries lose their Canadian crude oil supplies.

We, therefore, believe it mandatory the FEA immediately estabish a new Canadian crude oil import program. The establishment of this program is of utmost urgency since Canada has already announced her intention to phase down crude oil exports to the United States.

We further believe this first call on Canadian crude oil to the Montana, North Dakota, Minnesota, Wisconsin and northern Michigan area is of the utmost urgency to the entire nation since this is primarily an agricultural area. Should we fail to supply the farmers in this area sufficient fuels, food production in these areas, of course, would be curtailed. If this should happen, it will affect every person in the U.S. in higher food costs and further have a detrimental effect to our national balance of trade position.

We have included in our written testimony to this FEA Hearing a proposed regulation for future imports of crude oil from Canada. We urge immediate adoption of this proposal

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by the FEA. We believe this regulation or some variation of it which imbodies the same principles will best serve our entire nation for several years to come.

PROPOSED ALLOCATION OF CANADIAN CRUDE OIL IMPORTS

Under current conditions crude oil flows from Canada into certain United States refineries which manufacture finished petroleum fuels that are then distributed to consumers in certain areas of the nation. This suggests that meeting the basic minimum petroleum fuel needs of these consumers should be used in determining where the decreasing flow of Canadian crude oil should be directed. The logical method of arriving at a solution to the problem of decreased Canadian crude oil supplies is to assume all Canadian crude oil imports are cut off today. It must then be determined (1) what level of petroleum fuel supply is necessary in each area now served by Canadian crude to prevent undue hardship within that area; (2) can these basic minimum requirements be met in some other way such as (a) diversion of crude oil from other markets to refineries now operating on Canadian feedstocks, and (b) diversion of finished petroleum fuels from other markets into the affected areas. In assessing the redistribution of both crude oil and finished petroleum fuel supplies, priority must be given to (1) redistribution through existing transportation systems, and (2) spreading the impact over as much of the nation as possible.

Application of the above criteria has shown those consumers in the United States most dependent on crude oil imported from Canada are those whose petroleum fuel requirements are now being supplied by petroleum refineries in Montana, North Dakota, Minnesota, Wisconsin, and in Michigan north of the forty-third (43) parallel. Therefore, refineries in these states henceforth referred to as the Northern Landlocked Area, must for the next few years, be given first call on whatever volume of crude oil Canada may decide to export to the United States.

After providing sufficient Canadian crude supplies to the above Northern Landlocked Area, consideration is next given to those other U.S. areas with the longer history of Canadian crude usage. Therefore, after deduction for supplies to the Northern Landlocked Area, allocations will next be made to those Canadian crude importers of record in 1968. Should there remain any available balance of Canadian crude oil imports after first making allocations to the Northern Landlocked Area and those other 1968 and earlier importers, such balances will then be allocated to other Canadian importers of record during 1972.

This will provide for sound regulation of Canadian crude imports for the next few years. This will establish a three step allocation system based on a combined need-history of the areas involved. The system will operate as follows:

1. The FEA will receive from Canada the total level of crude oil and natural gas products available for export for a three month period.

2. The FEA will receive from refineries in the Northern Landlocked Area forecasts of needs. These forecasts will include utilization of all available domestic crude and total expected refinery run levels. Using these forecasted requirements, the FEA will first make allocations of Canadian crude oil and natural gas products imports to refineries in the Northern Landlocked Area with separate allocations for crude oil and natural gas products.

3. After filling requirements under No. 2 above, the FEA will then make allocations to those U.S. refineries with a history of Canadian imports in 1968. This allocation will be based on nominations to be received from this group of refineries. If sufficient supply exists to meet all nominations, all nominations will be filled. If sufficient supply does not remain, prorations will be made based on the 1968 record of these refineries.

4. Should any balance of Canadian crude oil or natural gas products be available after implementation of No. 2 and No. 3 above, it will be available to other refineries that did in 1972 import and process Canadian crude oil and/or natural gas products.

Separate regulations for allocation of Canadian crude oil and natural gas products for PAD Districts I–IV and PAD District V will not be issued. Rather all imports for PAD Districts I–V will be covered in a single regulation.

PROPOSED REGULATION FOR CANADIAN IMPORTS

Sub-section 213.28. Imports of Canadian crude oil and Canadian natural gas products—District I–V.

(a)(1) As used in this section, the term "Canadian crude oil" means crude oil which has been produced in Canada and unfinished oils which have been derived from crude oil or natural gas produced in Canada and which have been transported into the United States by overland means or over waterways other than ocean waterways.

(2) "Canadian natural gas products" means liquids (at atmospheric pressures) which have been produced in Canada from natural gas which was produced in Canada and does not meet any of the definitions included in Sub-Section 213.26 Paragraph (f) or (g), and which have been transported into the United States by overland means or over waterways other than ocean waterways.

(3) "Northern Landlocked Area" means the states of Montana, North Dakota, Minnesota, Wisconsin, and that portion of Michigan which lies north of the forty-third (43) parallel.

(4) "Allocation period" means a calendar quarter, i.e. January-Februray-March; April-May-June; July-August-September; October-November-December.

(b) To be eligible for an allocation of imports under this section a person must have had in Districts I–V in 1972 a facility capable of processing Canadian crude oil and/or Canadian natural gas products.

(c) The Director shall in accordance with the terms of Paragraph (d) of this section make separate allocations for allocation periods beginning July 1, 1975, not to exceed the average daily volume of Canadian crude oil and/or Canadian natural gas products available, into District I–V.

(d)(1) The Director shall make separate allocations not subject to license fees but subject to supplemental fee of Canadian crude oil and/or Canadian natural gas products to eligible applicants who received allocations of such imports for the period January 1, 1972 through December 31, 1972. Each such applicant shall be entitled to a separate allocation of Canadian crude oil and/or Canadian natural gas products calculated in accordance with the following formula.

(i) First for eligible applicants whose facilities capable of processing Canadian crude oil and/or Canadian natural gas products are located in the Northern Landlocked Area, separate allocations of Canadian crude oil and/or Canadian natural gas products equal to the volume necessary to permit such facilities, when added to other available feedstocks, to operate at the lessor of the volume necessary to supply consumers dependent on these facilities for petroleum fuels; or at the average runs to capacity level which such facility operated in 1972.

(ii) Second for eligible applicants that did in 1968 process Canadian crude oil and/or Canadian natural gas products the lessor of nominations or separate allocations calculated in accordance with the formula of:

$$A/B \times (C-D)=E$$

where:

A=Each eligible applicant's 1968 inputs of Canadian crude oil and/or Canadian natural gas products whose facility did in 1968 process such imports and who do not receive an allocation pursuant to (d)(1)(i).

B=The sum of all eligible applicants' 1968 inputs of Canadian crude oil and/or Canadian natural gas products whose facility did in 1968 process such imports and who do not receive an allocation pursuant to (d)(1)(i).

C=Total volume of Canadian crude oil or Canadian natural gas products available as applicable.

D=The total of allocations made pursuant to Paragraph (d)(1)(i) of Canadian crude oil or Canadian natural gas products applicable.

E=Allocation for next quarterly period of Canadian crude oil or Canadian natural gas products as applicable of each applicants eligibility for such allocation under this Subparagraph (ii).

(iii) Lastly should any volume of Canadian crude oil and/or Canadian natural gas products remain after allocations made pursuant to Paragraphs (d)(1) (i) or (ii) such volume will be allocated to all other eligible applicants that did in 1972 process Canadian crude oil and/or natural gas products, in accordance with the following formula:

$$F/G \times (C-(D+E)=H$$

where:

F=Each eligible applicant's 1972 U.S. quota for imports of Canadian crude oil and/or Canadian natural gas products who do not receive an allocation pursuant to Paragraph (d)(1) (i) or (ii).

G=The sum of all eligible applicants' 1972 U.S. quota for imports of Canadian crude oil and/or Canadian natural gas products who do not receive an allocation to Paragraph (d)(1) (i) or (ii).

C=The total volume of Canadian crude oil or Canadian natural gas products available as applicable.

D=The total of allocations made pursuant to (d)(1)(i) of Canadian crude oil or Canadian natural gas products as applicable.

E=The total of allocations made pursuant to (d)(1)(ii) of Canadian crude oil or Canadian natural gas products as applicable.

H=Allocation for the next quarterly period of Canadian crude oil or Canadian natural gas products as applicable for each applicant eligible for such allocation under this Subparagraph (iii).

(2) In no case shall any allocation made pursuant to this paragraph exceed an eligible applicant's nomination for imports of Canadian crude oil and/or Canadian natural gas products.

(3) The Director shall issue, not less than ten (10) days prior to the beginning of each allocation period, a license to each eligible applicant who has received an allocation pursuant to this paragraph (d). To facilitate pipeline operations each such license shall expire on the tenth day following the end of each allocation period.

(4) Each eligible applicant who receives an allocation of and license for imports pursuant to this paragraph, shall make such imports ratably over the entire allocation period in so far as such ratable imports are physically possible.

(e)(1) Except as provided for in Subparagraph (2) of this paragraph a person who imports Canadian crude oil and/or Canadian natural gas products must process all such imports in his own facility. For the purpose of this paragraph, blending by mechanical means does not constitute processing.

(2)(i) Canadian crude oil and/or Canadian natural gas products imports may be exchanged on a barrel for barrel basis for other such Canadian crude oil and/or Canadian natural gas products imports, but each person receiving crude oil or unfinished oils in the exchange must process the crude oil or unfinished oil received in his own facilities. Settlements, credits, monetary, or accounting adjustments reflecting the relative values of the oils involved in the exchange are permissible.

(ii) Canadian crude oil and/or Canadian natural gas products imports which are sold to meet the requirements of regulations published by the Federal Energy Administration shall not be subject to the provisions of Paragraph (e) of this section.

(f) If a person who received an allocation of Canadian crude oil and/or Canadian natural gas products imports under this section fails to import the total quantity of imports specified in the allocation, or if he fails to process all such imports (or Canadian crude oil and/or Canadian natural gas products imports received in exchange for such imports) in his facilities within forty-five days following the need of the allocation period, or if he fails to meet the requirements of Paragraph (e) of this section, then any allocation of Canadian crude oil and/or Canadian natural gas products imports for Districts I–V to which such person may otherwise be entitled for the second successive allocation period shall be reduced by the Director by the amount of Canadian crude oil and/or Canadian natural gas products imports which such person has failed to import, or by the amount of Canadian crude oil and/or Canadian natural gas products imports and exchanged oil which such person has failed to process in his facilities within forty-five days following the need of the allocation period or by the amount of Canadian crude oil and/or Canadian natural gas products imports by which he failed to meet the requirements of Paragraph (e) of this section, except that the Director need not make such a reduction to the extent that (1) such person demonstrates to the satisfaction of the Director that such failures were without such person's fault and were beyond his control, or (2) such person on or before the fifteenth day of an allocation period relinquishes all or part of an allocation made under this section and returns to the Director licenses issued thereunder.

(g) Should any allocations and licenses be relinquished to the Director pursuant to Paragraph (f)(2), the Director shall have the option of (1) reallocating such relinquished allocation and license to other eligible applicants pursuant to Paragraph (d) or (2) negotiating with the proper Canadian officials for an increase in the total volume of Canadian crude oil and/or Canadian natural gas products imports available for the succeeding allocation period, by the total of such relinquished allocations and licenses.

(h) A person to whom an allocation is made by the Director under this section shall report and certify in writing to the Director, not later than sixty days after the close of an allocation period (1) the total quantity of Canadian crude oil and/or Canadian natural gas products imports which that person imported during an allocation period (2) the quantity of such imports that were processed in his facilities within forty-five days following the end of an allocation period. The amount so reported and certified shall be subject to verification by the Director. If a person to whom an allocation is made under this section fails to file within sixty days following the end of an allocation period the written report and certification required by this paragraph, the Director shall suspend all licenses issued under an allocation made under this section until the written report and certification are received.

(i) An allocation made pursuant to this section shall not be sold, assigned, or otherwise transferred.

(j) An application for an allocation under this section shall be made by letter or telegram to the Director, Oil Imports, P.O. Box 7414, Washington, D.C. 20044, unless an application has been previously filed. Applications must have been received not less than thirty days prior to the beginning of an allocation period. An application must contain the following information, which shall be certified by an officer of the applicant:

(1) The nature of each of the applicant's facilities in which Canadian crude oil and/or Canadian natural gas products imports will be processed.

(2) The location of each such facility.

(3) The capacity in barrels per calendar day of such facility as reported to the Bureau of Mines or certified by the FEA as of January 1, 1972 and as of the beginning of the previous allocation period.

(4) Refinery inputs to such facility in average barrels per calendar day for the year of 1972.

(5) The estimated total inputs to each such facility for the coming allocation period by month.

(6) The estimated available supply of inputs other than inputs of Canadian crude oil and/or Canadian natural gas products imports for each such facility for the coming allocation period by month.

(7) The volume of Canadian crude oil and/or Canadian natural gas products imports requested by each eligible applicant for each such facility.

(8) An officer of an applicant shall also certify in his application that if an allocation of Canadian crude oil and/or Canadian natural gas products imports is made to the applicant under this section, the applicant will process all such imports (and all oil exchanged for such imports) in such facilities within forty-five days following the end of an allocation period.

(9) Inputs to such facility of Canadian natural gas products during the year of 1968.

(k) No entry or withdrawal from warehouse for consumption of Canadian crude oil and/or Canadian natural gas products pursuant to a license issued to this section.

STATEMENT OF MURPHY OIL CORP.

Gentlemen: My name is Paul Bilger and I am Vice President of Manufacturing for Murphy Oil Corporation. We appreciate this opportunity to present our views on the allocation of imported Canadian crude oil.

Murphy Oil Corporation has submitted statements on Canadian crude supply problems to governmental agencies on both sides of the border since the inception of voluntary import controls in 1958. Since the public record is complete as to the nature and scope of our business and to our fundamental belief that only a free market can efficiently allocate resources, we are confining ourselves in this submittal to the specific questions upon which you have requested comments.

Murphy's "Northern Tier" refinery is located at Superior, Wisconsin on the extreme western tip of Lake Superior. Capacity of the plant is 45,000 B/D. The only practical means of supplying feed stock to the refinery are via the Interprovincial/Lakehead and Portal/Lakehead pipeline systems. From the time the refinery was erected in 1951, it has run virtually all Canadian crude—since 1987 it has run 100% Canadian crude. Our plant was the first of only three built soley relying on Canadian supply. There are no practical or economical means of supplying the refinery with either domestic or offshore foreign crude on a continuing basis. Domestic crude oil is not available for transport through the Portal/Lakehead system and there are no other crude pipelines serving the area. Foreign crude is commercially excluded as the area is ice-bound four to five months of the year and ships are limited to an uneconomical 22-foot draft.

The Superior refinery will continue to be dependent upon Canadian crude for the foreseeable future. Although we are studying alternate sources of supply, to date we have been unable to arrive at a viable solution to the problem. Given the size and location of the refinery and the relatively small local market, it must be supplied with crude oil from northern or western sources in order to be competitive with refineries to the south. We mention western sources since there is at least a possibility that a pipeline will be built from the Puget Sound area across the northern part of the country to move Alaskan crude into the upper midwest. Another possibility is to reverse the Trans Mountain pipeline in Canada and move Alaskan crude via that line and Interprovincial/Lakehead into the upper midwest. These are *possible* alternatives. Murphy can make no plans based on these possibilities since development does not lie within the control of our Company. Failing a supply of Canadian crude or of Alaskan crude via one of the routes mentioned, at a competitive cost, we will simply have to shut the plant down.

Markets served by Murphy's Superior refinery are in the States of Minnesota, Wisconsin, and Michigan. While our market share is modest in the region as a whole, our product supply is important to the northern parts of the three states, and is vital to the area around Duluth-Superior. For example, we supply substantially all of the ships' bunkers in the Twin Ports. Alternate supplies for this area could be moved by water from Chicago by lake tankers, and from Twin Cities, or the midcontinent, by Williams Brothers Pipeline. (The pipeline would not be an alternate supply of bunkers, residual fuel oil, or asphalt.) None of these alternatives makes sense either logistically or economically when compared to direct supply by a refinery in the area.

Until the mid-1960's the Superior refinery supplied substantial volumes of residual fuel oil to taconite plants in the area. This market was lost to natural gas in 1966, and refining process schemes were altered to meet the changing demand pattern. Now, gas is no longer available and demand for residual fuel is mushrooming. Unsolicited inquiries to Murphy over the recent past for long-term supplies of residual fuel oil total some 10,000 B/D. Obviously, there is no way we can contract to supply any of this demand long-term without an assured source of crude oil.

Turning to the overall problem of Canadian crude supply and allocation, we believe it imperative that the Canadian crude available be allocated on a priority basis in order to assure the continued operation of those refineries which are solely dependent upon Canadian crude supply and which were built in good faith relying on such supply. We do not believe that Canadian crude exports to the United States will be reduced below the volume necessary to supply the so-called "Northern Tier" refineries. Indeed, the Hon. Donald McDonald, Minister of Energy, Mines and Resources for Canada, has publicly stated Canadian intent to give priority to this unique group of refineries. Mr McDonald said: "One of the factors that we would, however, be taking into account in our relationship is that there are a number of refineries in the northern tier that came into being specifically because of Canadian oil, that certainly have a dependence that we would recognize, and that would receive priority in our long-range policy on oil exports."

We urge the FEA to give us, now, the consideration the Canadians have said they will

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give us in their long-range oil export policy. Unless an allocation program is adopted quickly which recognizes the unique position of these plants, they may be forced to shut down. If this happens, the capacity of these plants may eventually be lost forever. We do not believe that is what the FEA wants, we know it would be detrimental to the area which these refineries serve, and to the best interest of the country as a whole.

REMARKS BY WILLIAM E. PERRINE, ASHLAND PETROLEUM CO.

My name is William Perrine. I am a Vice President of Ashland Petroleum Company, an operating subsidiary of Ashland Oil, Inc., headquartered in Ashland, Kentucky. Ashland is recognized as an independent refiner, as that term is generally accepted in the industry, and as it is defined by the Emergency Petroleum Allocation Act of 1973. Our petroleum operations include seven midwestern refineries, two of which—one in St. Paul, Minnesota, another in Buffalo, New York, having a combined capacity of over 130,000 B/D—are located along the Canadian border and are virtually dependent upon Canada for their feedstock supply. Both these plants are complete refineries, with cat cracking, reforming, and other complex units. They produce a full range of petroleum products for distribution in the adjacent areas. The Buffalo plant also produces some more exotic products such as petrochemicals and SNG.

Both the Buffalo and St. Paul plants are tied exclusively to the main Canadian crude oil pipeline from Edmonton to Toronto, a large portion of which passes through the United States. This line is their only access to pipeline deliveries of crude. Both have had a long history of utilizing Canadian crude due to their geographical locations and the pipeline configurations just mentioned. In recent months, we have succeeded somewhat in diminishing the dependency of our Buffalo plant upon Canadian oil by supporting modifications to common carrier pipelines owned by others which enable us to deliver U.S. crudes into the Canadian pipeline at Chicago, thus permitting its delivery in limited quantities to Buffalo by the Canadian crude carrier. The volumes which can be so delivered are limited because of capacity limitations on these domestic carriers, but we have at least already eliminated the virtual completion dependency at this plant which we had experienced for a number of years.

The situation at St. Paul is quite another matter. Except for about 7500 B/D of domestic crude available from the Montana-North Dakota area, this plant has no feasible access to crudes other than from Canada, and no immediate prospects which could alleviate the situation. Even this 7500 B/D would not be available except for the mandate of the Emergency Petroleum Allocation Act.

Certainly any FEA program changing Canadian export allocations would want to view these two plants separately. We have long promoted a program which would review the need on a refinery-by-refinery basis—and not on a refiner-by-refiner basis. Thus, I wish to review with you the circumstances of these two plants individually. First, though, a general statement—some change in the present form of allocation is definitely needed, and quickly.

With Canada proposing to phase down its exports to the U.S. between now and 1980, it makes no sense to phase down individual company allocations by the same percentages as dictated by Canada's overall policy. Quite obviously, some regions and some plants are much more dependent than others, and will need continuation of their allocations at near today's level if they are to continue as viable operations. The Canadian government recognizes the problems, and at least publicly admits to a special obligation to certain northern tier refineries constructed to process Canadian crude. Now that the U.S. Government also recognizes the problem, as evidenced by this hearing, perhaps we can all get down to doing something constructive about it. It certainly makes sense that Canadian crude should preferentially be made available to those who have no access to any other crude.

Reviewing my company's overall position, reported to you at a hearing May 1, our total allocation by Canada of their export crude and condensate for April was slightly over 93,000 B/D, of the 800,000 B/D total allocated. If total allocations decline to 650,000 B/D in July and 560,000 B/D next January as programmed, our total company allocation would be reduced to 75,800 B/D and then to 65,300 B/D under the present system of allocations. These figures are 26,000 B/D and 36,000 B/D less than requirements for capacity operations at both plants.

You have already heard a great deal about the St. Paul situation. Our refinery there has a capacity of 66,000 B/D, but is now operating at only approximately 50,000 B/D because of the high price of Canadian crude. This plant supplies petroleum products to the immediate area and parts of several surrounding states. There is a product pipeline which moves light products into the area from the Southwest, but it is essentially at capacity. There is no viable way to supply heavy products not capable of being pipelined to the area. This plant, and several others in Minnesota and Wisconsin have no alternative supply for crude oil, and should certainly be considered as priority customers for this crude, so long as Canada continues to export.

Long range, supply prospects for St. Paul appear bleak. We continue to explore possibilities of constructing a pipeline to the area from the South or Southwest, but the cost appears prohibitive. So does the cost of rail transportation. River barges have been utilized at times, but river conditions limit their use to only about six or seven months of the year.

The most viable alternatives seem to be either moving Alaskan crude into the main Canadian trunkline at Edmonton by reversing Trans-Mountain Pipeline, or making exchanges with Eastern Canadian refiners whereby we could continue to receive Canadian crude, and supply those Eastern refiners with offshore crude in return. Canada does not now permit such exchanges, but might change its position in the future. We are actively pursuing both these possibilities, but frankly see no other alternatives. We view the movement of crude to this location as one of the single largest supply problems facing us in the future. However, we feel we can accomplish the task with governmental cooperation necessary on both sides of the border.

Our Buffalo refinery was until recently in every bit as critical a situation as St. Paul—perhaps even worse in that it didn't have access to any domestic crude whatsoever. Now, however, pipeline connections in the vicinity of Chicago have been worked out, so that crude originating in Capline can now be delivered to Interprovincial. We have been allocated 21,000 B/D of pipeline space to move this Capline crude from southern Illinois to Chicago, and can thus move this quantity on into Buffalo. In addition, we have made commitments to that same carrier by which they will make a new connection permitting use in this service of still another line which had formerly gathered and transported Illinois Basin crude. When this connection is finished in several months, our throughput could go ultimately to as much as 43,000 B/D in 1977.

I must caution here, however, that such volumes are guaranteed by us, not by the carrier, which must operate under ICC regulations. If tenders for the new line to Chicago increase substantially to the extent that pipeline proration is required, our throughput will be reduced to conform to a historical usage basis. Because we have until recently utilized Canadian crude at Buffalo, we have no long standing history of shipments through that pipeline, and so could have our throughput reduced substantially. We fear this is exactly what will happen as Canadian exports are reduced. We therefore urge that, after the fully dependent refineries are allocated their requirements, the remaining plants will be phased down, with adequate consideration given for their historic pattern of Canadian crude usage, and an appeal mechanism be established to take care of special hardship provisions such as could be presented at Buffalo.

We would call your attention to the fact that our refinery in Buffalo is one of but two still operating in the State of New York. It is on the far eastern end of pipelines from the west, with the only product lines entering the area from the East Coast, which is dependent on offshore crude oil. The existing pipelines could not begin to carry the required volume to compensate for a substantial cutback in refinery throughput at this location. Also, again there is no viable way to move in products other than gasoline and distillate. Heavy oils, asphalts, petrochemicals and petrochemical feedstocks, among others, could not be supplied to the area.

There is still another consideration at Buffalo worthy of some note. The tariff on the Canadian pipeline from Edmonton to Chicago is 52¢/barrel, as compared to 63¢ to Buffalo, an 11c/barrel differential. Interprovincial charges 25.5¢/barrel, however, to move our U.S. crude from Chicago to Buffalo. Thus, to the extent that Canadian crude is dropped off in Chicago, and U.S. crude moved on to Buffalo, the Canadian pipeline is picking up 14.5¢/barrel of extra revenue at the expense of the domestic industry.

In recent months Canadian crude has certainly been no bargain pricewise. At the present export tax level of $5.50/barrel imposed by the Canadian government, Canadian crude is among the highest priced of any crudes delivered to our borders. The entitlement program as presently implemented does not fully equalize this higher cost, so refiners processing significant volumes of Canadian crude tend to be on the high side of the crude cost scale. As a consequence, their product prices are high, and sales volumes are suffering badly. The dependent refineries have reduced throughputs. Others who have alternate supply possibilities are backing out Canadian crude. As a result, Canadian exports this month will probably be well under 600,000 B/D, more than 200,000 B/D below the authorized level.

The Canadian Government has finally recognized the plight to which they were subjecting their best customers, and have announced an 80¢/barrel reduction in the export tax for June. There is no certainty as to how long such a reduction will last, as the price is set monthly. Under such an economic situation, I would predict little objection to an allocation scheme which would place this high-priced crude directly into the hands of those who require it. But such a program must be developed now, so that affected refiners can plan their long-range supply programs.

I appreciate the opportunity to appear before you today on this subject so very vital to those of us with refineries and customers on the Northern Tier. I would be happy to attempt to answer any questions which the panel might care to ask.

TESTIMONY OF JOHN DEE ROPER, VICE PRESIDENT, KOCH REFINING CO.

My name is John Dee Roper. I am Vice President of Koch Refining Company. I appreciate the opportunity of presenting Koch Refining Company's views concerning the development of allocation regulations for Canadian crude oil.

BACKGROUND

Koch Refining Company is an independent refiner, having a single refinery located in St. Paul, Minnesota. Koch's refinery was built in 1954 and was designed to process heavy Canadian crude. Koch's refinery has, since its inception, been a strong, independent refinery, serving the needs of not only the State of Minnesota but extending into markets in North Dakota, South Dakota, Iowa, and Wisconsin.

The only crude oil pipeline connection Koch has is the Minnesota Pipe Line which extends from the St. Paul area to Clearbrook, Minnesota, and ties into the Lakehead Pipeline. The Minnesota Pipe Line carries up to 160,000 B/D of Canadian crude and up to approximately 14,000 B/D of North Dakota Intermediate crude. North Dakota Intermediate crude is delivered into to the Minnesota Pipe Line via the Portal Pipeline. Koch is purchasing presently 11,600 B/D of North Dakota Intermediate. Koch has historically been about 90% dependent upon Canadian crude oil.

PRESENT STATUS

Today, Koch has approximately 78,657 B/D of fee-free U.S. license and approximately 58,696 B/D of Canadian crude oil export license. The limiting number, of course, is the 58,696 B/D of Canadian export license. This volume falls far short of Koch's requirements if it is to supply the area needs. As the Canadians reduce exports, this shortfall will worsen proportionately.

The Canadian export tax, which is now in effect, of $5.50 on light crudes and $5.00 on heavy crudes coupled with the U.S. import license (supplementary fee) has made the Canadian crude oil one of the most, if not the most, expensive foreign crude oils imported into the U.S. Energy Minister Donald MacDonald said that a recently-completed survey by the National Energy Board indicated Canadian crude oil was overpriced by $.60 to $1.20 per barrel in Chicago compared with recent spot prices (Platt's Oilgram News Service, Tuesday, May 6, 1975). Of the 800,000 B/D authorized to be exported to the United States, the NEB estimates that only 560,000 B/D of Canadian crude was exported in April.

Why has the exportation of Canadian crude been less than what is available? Canadian crude is needed, but the Canadians' export tax and now the United States' supplementary fee have caused Canadian crude to be priced out of the market.

RECENT EVENTS

Recent events point to the necessity of the immediate adoption of allocation regulations establishing priorities for Canadian crude.

1. Of first importance is the announced intention of the Canadian government to reduce exports to the United States on a graduated basis.

2. There has been a gradual recognition by the United States of the need for joint U.S.-Canadian energy policy. This recognition is evidenced by various meetings that State Department and FEA officials have had with Canadian officials concerning pipe line agreements and swap proposals. The energy policy between the United States and Canada which is likely to emerge from these negotiations should make Canadian crude more attractive.

3. The Canadians have announced that effective June 1 there will be an $.80 per barrel reduction in their export tax. Rather than the export tax being $5.50 for light oil and $5.00 for heavy oil, it will be $4.70 on light oil and $4.20 on heavy oil. We can already see a growing demand for Canadian crude from refiners with historic licenses who have not been buying crude in the past few months due to price.

If Canadian crude does, in fact, become more attractive, it will result in the refiners with a true dependence upon Canadian crude oil not being able to receive an adequate supply unless FEA takes steps to provide priorities.

The FEA in its notice asked that each participant discuss his company's degree of dependence upon Canadian crude, its projected plans for alternate sources of supply, the impact on the market, and other relevant data towards developing an allocation system.

DEGREE OF DEPENDENCE

Koch looks to Canada for 90% of its crude oil. Since Koch's refinery cannot operate at 10% of its capacity, Koch is, in actuality, completely dependent upon Canadian crude.

PROJECTED PLANS FOR ALTERNATE SOURCES OF SUPPLY

I have attached a map showing possible alternate sources of supply for Koch's refinery. These alternates include:

(1) Reversal of TransMountain Pipeline to bring Alaskan and other offshore crude to the landlocked states. This idea is attractive since it can be accomplished for the least cost.

(2) Two potential Trans-U.S. Pipelines and a reversal of El Paso Pipeline.

(3) A pipeline running from Capline to St. Paul.

(4) A pipeline from El Dorado, Kansas, to St. Paul.

None of these alternate sources is presently available. All of them would require substantial lead time. I will be happy to try to answer any questions you might have concerning the possibilities shown in the attached drawing. It should be emphasized that it is in the interest of everyone concerned that available pipeline capacity be used where possible. To accomplish this goal, the United States and Canada will have to reach a long-term understanding.

IMPACT UPON MARKET

Koch will lose its market share if it does not receive enough crude oil to run near capacity. To the extent that Koch's market share can be replaced, we expect it would be replaced by major oil companies diverting petroleum products from refineries located in Chicago and points south. This would be particularly true with gasoline. The impact upon distillates will likely to be a shortfall in the area as Koch does not believe that there is sufficient pipeline capacity to quickly replace production if Minnesota refineries are shut down.

The impact upon the market for #6 oil would be much more dramatic, particularly in the winter. If there is not sufficient refining capacity in the area to supply the demand for #6 oil, it is quite likely that schools, hospitals, and other industrial users will experience an extreme shortfall. This is true because #6 oil cannot be transported into the area by pipeline; and during the critical winter months while the river is frozen, #6 oil cannot be transported by barge.

OTHER RELEVANT DATA

We believe that there is sufficient objective data for the FEA to determine what areas are truly Canadian dependent and what refineries should receive priority allocation. I have brought with me copies of a revised edition of Koch Refining Company's Position Paper which contains much of the data that can be used by FEA in establishing its allocation regulations.

Koch suggests that the FEA establish priority refiners or priority areas based upon supply routes. Koch believes that the refineries located in Wisconsin and Minnesota have the highest degree of Canadian dependence. It is Koch's belief, also, that the States of North Dakota and Montana have a high degree of dependence and that some consideration should be given to refineries in northern Michigan.

Once the Number One priority area has been established, this area should be given the first opportunity to nominate for Canadian crude. Nominations should be allowed at least up to the 1972 runs to capacity ratio for refiners in the top priority classification, with provision for additional capacity constructed after 1972 with the same ratio. Nominations could be made monthly. There should be no adverse effect on a refiner's allocation if it fails to purchase full nomination because of factors beyond that refiner's control, including economic factors such as the Canadian export tax and/or the U.S. supplementary fee.

Once the nominations have been completed for the first priority class, then other refiners with a historic purchase position or a lesser but yet documented need for Canadian crude should be given. The balance of Canadian crude not taken should be offered to all other refiners.

CONCLUSION

We strongly urge the FEA to undertake a priority allocation plan based upon the objective findings of a refiner's need for Canadian crude. The United States should negotiate a U.S.-Canadian energy policy to encourage the development and use of pipelines which would deliver Alaskan and other offshore crude to the landlocked states. After the energy policy is negotiated, the FEA should modify its priority allocation regulations to work in tandem with the U.S.-Canadian energy policy.

Exchange agreements between the United States and Canadian refiners should be made a part of this energy policy. These exchanges should be keyed to the priority allocation plan which establishes priority based upon need.

The need for competitively-priced Canadian crude cannot be overemphasized. An allocation program that allocates a crude oil too expensive to be refined is not meaningful. Though we cannot control the Canadian export tax, the Administration has the authority to remove the supplementary fee insofar as it affects Canadian crude oil coming into this Country. It must be recognized that Canadian crude oil must be made economically attractive when it is the sole source of supply. It is to the best interests of the United States to develop a joint energy policy with Canada, and this policy should include the continued importation of Canadian crude at competitive prices.

STATEMENT OF PAUL A. JOHNSON

My name is Paul Johnson and I am manager of purchasing for the 3M Company which has headquarters in St. Paul.

3M, which had sales last year of nearly $3 billion, employs approximately 48,000 people in the United States. We are the largest single employer in Minnesota and indeed the upper Middle West. We have manufacturing facilities in all of the northern tier states of North and South Dakota, Nebraska, Iowa, Wisconsin and Minnesota.

So we recognize that we have a responsibility to keep our operations running, our employees working. And that is why we are here today: We cannot continue to operate unless there is a continuing flow of crude oil to the refineries that serve the 17 oil consuming 3M plants in that part of the country.

In fact, the operations of all our plants which use oil—some 41—in other parts of the country also would be severely affected, if the

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flow of Canadian crude should stop and no other supplies substituted. Our plants are dependent upon each other to produce our 45 major product lines.

So, for us—and we believe the country—this is just not a regional problem but a national problem.

My purpose in being here today is to underscore the gravity of the situation and to argue as strenuously and persuasively as I can that positive steps be taken right now while there still is enough time for us to act.

Permit me, for a moment, to make just two observations.

My first observation is this: It would be a mistake for us to look at the supply problem in terms of yesterday's needs or in terms of merely maintaining present supply levels.

Each year about 2.5 million people are entering the work force in the United States. Each one of those people means more consumption of energy on the job and, at home, as consumers—even though we try to conserve energy as much as possible.

What does this mean in terms of a large manufacturing company such as 3M?

Thirty-sevent percent of 3M's total U.S. base period fuel oil came from the Upper Tier refineries which are 90 per cent dependent upon Canadian oil.

We project that fuel oil consumption at the 17 3M plants in this part of the country will grow by a factor of 4.25 times by 1979, even if we continue to receive and use natural gas.

We, of course, anticipate that we will not continue to receive the natural gas that we are now receiving, so I have made some other calculations that should interest you. If we have no interruptible gas by 1979, for example, our need for oil will be almost five times what it was in the base period. If, in addition, there is no "firm" gas available to us, our need for oil will increase by a factor of 5.6 from the base period of 1972.

Those are mighty sobering statistics especially when we consider that they are probably representative of many other growth companies in the area. So it is not just today's problem we are dealing with. It is the future of the whole region and that future is no further away than 1983—just eight years.

My second observation is directed at one of the major concerns toward which other witnesses have addressed their remarks, namely alternate supplies of oil or substitution of coal. In this connection, we foresee a transportation problem—and not just involving, say, coal from the west even if it were obtainable, but also in terms of oil from other parts of the country.

Number six oil is so heavy that it just cannot be moved through a pipeline; it must be hauled either by truck or railroad tank car. We are a major user of Number six. In fact, we project that we may need 44 million gallons of it by 1979 in these 17 plants—about five-sixths of our total usage. But, in order to use it, we need refineries in reasonably close proximity to our plants if we are to transport it efficiently. All of which means that there is a real need to keep the Koch and Northwest refineries operating in our region, if our fuel requirements are to be satisfied.

As for coal, particularly western coal, we have been thinking long and hard about using it in our operations. Our engineers tell me that the boilers necessary for our operations—that is, industrialized, dual boilers that can burn pulverized coal with oil have not even been designed yet, let alone produced. It will take approximately three to five years to design and make such boilers. And, of course, they will not be designed and made until supplies and transportation of coal are assured.

So, looking at the time frame in which we are operating, we do not see coal as the salvation fuel that will save us from the problem that we now face.

Gasification of coal also does not seem to be a solution. The technology has not been fully developed. Besides our research people tell me that about fifty per cent of the energy obtained from coal in the gasification process is wasted. The message I get from them is that it is far more efficient to burn coal as coal.

What are the solutions to the problem posed by our Canadian friends?

I think that we should recognize that they also have a problem. This was outlined to us at a seminar sponsored by the Upper Midwest Council in St. Paul last week. At this meeting, diplomats, businessmen and others from both countries had a frank exchange of views. I think that, in view of what we all learned, Senator Mondale's proposal for a swapping of oil deserves serious consideration and perhaps adoption by both countries as part of their respective energy policies.

In the interim, 3M, as one concerned company, is doing what it can. Our energy conservation program in the United States already has yielded savings of 14 per cent in overall usage. We think that we can move this figure up to 30 percent.

There is no doubt that conservation is an important action that we can all take, particularly in the short term.

We should not lose sight of the fact, however, that we eventually will need more production of energy. So our country needs an energy policy that will provide incentives both for energy conservation and energy development.

If that happens, 3M can continue producing and 3M employees can continue working.

Thank you very much for inviting me here today.

Testimony From John C. McKay

My name is John McKay. I am the director of the Minnesota Energy Agency. Governor Wendell Anderson appointed me to head this agency, and gave me the responsibility to see that the energy which flows into Minnesota is used to protect the public health, safety, well-being, and jobs of Minnesotans.

My purpose before you today is to bring to your attention a most urgent, acute and serious situation as it affects the refiners and distributors, and the public, in our state.

Canadian crude oil is a vital source of energy for the state of Minnesota. There are three refineries in Minnesota (at St. Paul Park, Pine Bend, and Wrenshall), and one in Superior, Wisconsin. These refineries have a total capacity of 220,000 barrels per day and together they supply approximately 50% of all refined petroleum products consumed in Minnesota. Canadian crude oil represents 85 to 90% of the feedstocks of these three refineries. This crude oil is delivered by the Lakehead/Interprovincial Pipeline. Small amounts of additional crude oil are received via barge, tank car, and occasionally by truck.

For the past eight months, Canadian crude oil has been the highest-priced crude oil in the world. During this period, old domestic crude oil has sold at $5.25 per barrel, new crude at $10.50–$11.00 per barrel, Mideast oil for slightly over $11.00 per barrel, and Canadian crude oil at $13.00 per barrel. This price inequity has placed our local refiners at a severe competitive disadvantage and has caused them to substantially reduce their production in order to minimize losses.

The Old Oil Price Equalization regulations promulgated by the Federal Energy Administration (also known as the Entitlements Program) were designed to alleviate this situation by providing cash payments to refiners dependent upon new domestic or imported crude oil. This program has been only partially successful: it has reduced only slightly the cost for crude oil paid by our four refineries, but it has not restored them to their former competitive equality with other refiners.

The reduction of Canadian crude oil imports coupled with noncompetitive prices may force the four Upper Midwest refineries to close long before the flow of Canadian oil ceases in 1982. The petroleum industry estimates that available capacity in existing transportation systems can provide only 50% of the shortfall. The net effect of the closing of these four refineries would thus reduce Minnesota's supply of refined petroleum products by approximately 20 to 25%.

The loss of this supply would have a catastrophic impact on our state's economy. Through the use of an econometric model, the Minnesota Energy Agency has projected the following impacts of the closing of these Upper Midwest refineries. In the production and distribution of petroleum, the state would lose 4,600 jobs, the gross state product would be reduced by $170 million, and the state would lose $38 million in tax revenues.

Although there is much that could be done by state and federal agencies to alleviate the problems caused by this shortage, the sheer magnitude of the crisis that would be caused may nullify such efforts. For example, if we do nothing but proportionally reduce the oil available to each segment of the Minnesota economy by 25%, Minnesota could suffer the loss of 16% of the labor force or 258,000 jobs, the gross state product could be reduced by $3.99 billion, and state revenues could be reduced by $351 million. These effects would have to be prevented, but no federal or state program, proposed or contemplated, can effectively allocate the kind of shortage the loss of Canadian supply would bring about. Mere statistics cannot, of course, measure the severe human impact of such massive economic dislocations. Moreover, such economic difficulties would not be confied to Minnesota. The loss of the products from these four refineries would severely affect the economy of the Upper Midwest and would, in the end, affect the national economy as well.

Announced natural gas curtailments make Minnesota's future even more bleak; Minnesota faces a 30% reduction in annual natural gas supplies by 1980. Most of the curtailed users will be turning to petroleum as an alternate fuel, thus placing a 700 million gallon additional annual demand on refinery production. If capacity continues to shrink, Minnesota's economy—and that of the entire Upper Midwest—will suffer severe dislocations.

The Minnesota Energy Agency believes that the only feasible short-term solution to this energy "squeeze" is appropriate federal action designed to assure an adequate volume of Canadian crude oil for Upper Midwest refineries as total Canadian exports decrease.

IMPACT OF PROPOSED FEA REGULATIONS

Instead of accomplishing these objectives, however, the proposed regulations will seriously jeopardize the Upper Midwest's energy supply. The regulations are predicated on the notion that historic use should govern future supply. The concept of allocating decreasing supplies of Canadian crude oil to U.S. refiners based on their historic use creates two major inequities:

(1) *Distorted Base Period.* The proposed regulations would give each refiner a share of future Canadian oil imports proportionately equal to its share of imports during the period May 1, 1974, through April 30, 1975. As pointed out above, Minnesota refineries have been operating far below their rated refinery capacities during this period. If access to future shipments of Canadian crude oil were to be based upon the percentage of Canadian

crude oil used during the base period, the four Upper Midwest refineries would receive an artificially-lowered fraction of total Canadian imports. Therefore, if a base period formula is adopted, it should use a year ending no later than December 31, 1973, so that Canadian crude oil allocations will not reflect distorted market conditions.

(2) *Inequitable Distribution of Shrinking Supply.* A base period allocation system may have the advantage of simplicity, but it has the fatal disadvantage of severely disrupting the energy supply of the Upper Midwest. In order to permit our refineries enough time to find additional crude oil supplies, the Minnesota Energy Agency strongly supports a Canadian crude oil allocation program based upon a refiner's access to alternative sources of crude oil. That is, a refiner with access to non-Canadian crude oil should not be allowed to import Canadian crude oil so that a refiner who has no source of crude oil other than Canadian imports may continue to operate. Under such a plan, the four refineries in Minnesota and Wisconsin would continue to receive an adequate feedstock—albeit at a greatly inflated price—until they obtained other sources through construction of new pipelines.

The only objection to such an approach is that the Federal Energy Administration may face some difficulty in deciding which refiners shall receive a priority allocation of Canadian crude oil. However, no administrative difficulty of such a program can compare to the severe economic difficulties faced by Minnesota and its neighbors if the simplistic and misguided regulations are adopted as proposed.

Thank you for the opportunity to testify on these regulations.

Statement of Kennard C. Kaplan

My name is Kennard C. Kaplan and I am on the board of directors of the Minnesota Association of Commerce and Industry (MACI). MACI is a membership organization consisting of approximately 1700 Minnesota businesses. We are the largest business organization in Minnesota and as such we speak for the business community.

In addition to serving on the board of directors of MACI, I also am chairman of the Association's energy task force. This task force was recently formed to assist governmental bodies in making proper decisions in regard to energy allocation and energy conservation, and also to coordinate the application of these discussions within the business community.

Minnesota industry has been notified that large gas users will be curtailed by 1978 which is extremely distressing. Fuel oil, propane, and electricity are our only acceptable alternatives due to environmental restrictions on coal. Natural gas provides 50% of the energy used in U.S. industry.

Proper allocation of Canadian crude oil is probably more vital to Minnesota than to any other state or region of the nation. Nearly 90 per cent of all the crude oil available to Minnesota comes from Canada. Unfortunately, if this supply is curtailed, we have no alternative source.

Minnesota has three oil refineries. There is also one immediately across our border in Superior, Wisconsin. These four refineries have a total capacity of slightly less than ¼ million barrels per day and collectively they supply about 50 per cent of all of the petroleum products consumed in Minnesota.

Since there currently are no viable alternatives to the supply of Canadian crude oil to the four local refineries a reduction in the supply of Canadian crude oil would have one of the following potential effects.

1. One or more of these local refineries would have to shut down and the available supply of petroleum products in Minnesota would be proportionately reduced; or

2. Petroleum products would be available to Minnesota in amounts equal to the needs, but at grossly inflated prices and at a net waste of the energies involved to transport petroleum products from distant refineries.

In our opinion, neither of these net results is acceptable.

The magnitude of the potential impact from the loss of our current supply of Canadian crude oil is almost unbelievable. A loss of only 25 per cent of the available Canadian crude oil without its replacement at inflated prices would cause an overall reduction in the Minnesota economy of about 25 per cent and a job loss of nearly ⅕ of our labor force. It is inconceivable that Minnesota could remain economically viable with the loss of these ¼ million jobs. Our gross state product could be reduced nearly $4 billion and our state tax revenues reduced by about $350 million. These losses, of course, would be proportionately reflected in the region as well as in the nation.

The regulations under consideration today are based on the concept that historic use should govern future supply. On the surface this appears to be fair and equitable. However, the period of determining this historic use is the year beginning May 1, 1974 and ending April 30, 1975. For several reasons, this period is one in which the four local refineries have been operating far below their rated capacity. A more equitable period for determining historic use would be one incorporating calendar year 1973, or perhaps a period even earlier than this.

In closing, let me say that the Minnesota Association of Commerce and Industry does not often appear before a federal agency in Washington or before the United States Congress. However, the impact of the proposed regulations you are considering is so great that we have no alternative but to come before you with this testimony today. Our concern is not only related to fairness—it is related to the economic survival of Minnesota, its business, and indeed all of its citizens!

REMARKS OF SENATOR KENNEDY AT THE HARVARD SCHOOL OF PUBLIC HEALTH

Mr. JAVITS. Mr. President, last Friday evening, May 9, the distinguished chairman of the Health Subcommittee (Senator Kennedy) of the Senate Committee on Labor and Public Welfare, of which I am the ranking member, delivered an excellent address at the Harvard School of Public Health. His speech addresses the related issues of biomedical research and health manpower, and the problem of developing a national strategy in regard to health education and prevention.

I share Senator Kennedy's pride in the accomplishments of the Nation's biomedical research effort and support his urging for greater public accountability in biomedical research.

One does not have to agree with all Senator Kennedy has said, to consider that he has provided excellent insights into the health manpower problems of this Nation—geographic and specialty maldistribution of physicians and the problem of foreign medical graduates—FMG's. He challenges the health professions schools to come to grips with the problems to insure overcoming physicians' geographic maladministration. I agree.

I ask unanimous consent that the full text of the remarks by Senator Kennedy at the Harvard School of Public Health be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Remarks of Senator Edward M. Kennedy at the Harvard School of Public Health

President Bok, Dean and Mrs. Hiatt, Mr. and Mrs. Patullo, and distinguished guests, I welcome the opportunity to be here with you this evening to participate in the dedication of this magnificent new teaching facility for the Harvard School of Public Health.

Each of us is profoundly grateful to the donors whose philanthropy has turned your dream into reality. We are especially grateful for the generosity of the Kresge Foundation and the Kellogg Foundation.

I know of your program to re-examine health involving diverse parts of the University. Derek Bok and Howard Hiatt's leadership and vision have been and will continue to be instrumental in the success of your efforts. The University, and the public will be the beneficiaries of this crucial endeavor. I want you to know that I am anxious to help and assist you in any way possible as you go forward.

Though we proudly list the achievements of nearly three decades of biomedical research, there has been very little improvement in life expectancy for adults since the 1920's. We simply have not found effective means for coping with most major chronic and social diseases.

Our statistics reveal intolerably high numbers of people being disabled—many permanently—by preventable and curable diseases. Too many people die prematurely from causes that could have been controlled. Too many are being maimed or killed in accidents, or leading destructive life styles. We also know that many of our children are born with seriously disabling conditions which might have been averted; that too many are susceptible to a host of insidious cripplers and killers that over forty-five percent of our adult population does not engage in physical activity for the purpose of exercise; that motor vehicle accidents are the leading cause of death for those under 35 years of age; that infectious syphilis is at its highest level ever recorded in this country; and, that close to 300,000 deaths per year from various diseases are linked to cigarette smoking.

There has been much recent interest in these problems. My own health manpower bill speaks to the issue for more of primary care professionals. There has been a President's Committee on Health Education.

However, not enough has been accomplished. I have, therefore authored legislation to establish a national strategy for education in health promotion and preventive medicine. In hearings before my Subcommittee yesterday, I had the privilege of hearing the eloquent comments of one of the distinguished members of your faculty, Dr. Jeanette Simmons. We know, for example, that life expectancy can be increased by as much as 14 years if only people will exercise moderation in their normal daily living habits.

The Harvard School of Public Health and its sister institutions throughout the nation have a crucial role to play in the design and implementation of this national strategy. The American public will look to you for leadership.

Now for the remainder of this evening I want to discuss with you two seemingly disparate issues—biomedical research and health manpower.

But as you know, the creation of new knowledge and the education of the nation's health manpower are intimately intertwined. Basic and clinical research are at the heart

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of medical education. The gifted individuals, whose efforts have made the United States the envy of the world in biomedical research, are the faculty of the medical schools. And, as you know, these institutions are terribly dependent upon public funds to continue and to expand their activities.

Public support, which implies confidence and trust, has become so substantial that many of them believe it is theirs by right. It is not. The plain truth is that the National Institutes of Health has been a "sacred cow". Those days are gone.

The NIH is no longer immune from responsible and penetrating inquiry by those who underwrite its program—the American people.

Last December, at the "other" Ivy League Medical School in New Haven, I announced that I would undertake a thorough examination of the programs and policies of NIH. This provoked a considerable degree of anxiety in the scientific community and a considerable degree of support from the public. These divergent reactions underscore the need for a constructive examination of NIH; an examination whose purpose would be to reconcile the goals and priorities of the nation's biomedical research scientists and those of the society that pays their bills.

In order to facilitate this examination, I authored legislation which created the President's Biomedical Research Panel. That Panel is now hard at work. Its report is due next spring. And I believe it will make a significant contribution to the reestablishment of public confidence in the nation's biomedical research effort. I urge all interested parties to cooperate fully with the panel.

In recent years, many areas of biomedical research have come under public scrutiny. The pros and cons of fetal research have been debated on the floor of the House and Senate. Psychosurgery research would have been banned by a recent, unsuccessful, Senate Amendment. The risks and benefits of genetic engineering have been debated in the lay press, on campuses and in the Congress. So has behavior control research. Advances in organ transplantation have spurred legal debate over the definition of life and death. The development of dialysis machines provoked a major public policy decision concerning equity and access to medical care. Finally, the public is demanding that work in the laboratory pay off in the doctor's office.

In most of these examples academia has been on the defensive. It has chosen to view public scrutiny as a threat to scientific independence. It has chosen to view public involvement in particular research areas as inappropriate and representative of a trend toward anti-intellectualism. As one scientist put it in testimony before the Health Subcommittee—"The public should decide how much money biomedical research deserves in comparison to other needs, but having done that, scientists should be left completely alone."

The implication is that only scientists should determine how to spend public money, and that only scientists can ensure the ethics and safety of their own research.

I join academia in pointing with pride to the accomplishments of the nation's biomedical research effort.

However, I believe this elitist and acutely parochial approach does not serve the country well. It is an approach that will assure continuing tension between the scientific community and the public.

I do not doubt the capabilities of the nation's biomedical research scientists. I do not doubt the unparalleled record of accomplishments of NIH. The current tension does not arise out of a concern for the technical competence of our scientists. Their expertise is unquestioned.

The tension arises from a concern about how research priorities are set by the scientific community. It arises from a concern about the implications of research; it arises from a concern as to whether certain research should be done at all, and, if so, under what conditions. Finally, it arises from a concern about the safety of some research prospects.

The technology of biomedical research has advanced so rapidly that it has outstripped our capacity to understand its implications. We can do things today whose effects we simply cannot predict or control or even fully understand. We are in uncharted waters. I do not believe anyone really wants to turn back, I think society wants to proceed more cautiously. And, I believe society will insist on involving itself more in the decision-making process.

Last summer, molecular biologists from around the world, who had developed techniques of creating new forms of life, voluntarily called a halt to their experiments. For literally the first time in the history of science, researchers stopped their work to consider its implications; to see if they should go forward at all; to see if proper safeguards could be developed; to see if the risks to the laboratory technicians and surrounding population couldn't be minimized.

Several months later, having considered the problems, having weighed the potential risks of the research against the potential benefits; having developed certain safeguards, they lifted the self-imposed moratorium.

It was commendable that scientists attempted to think through the social consequences of their work. It was commendable, but it was inadequate. It was inadequate because scientists alone decided to impose the moratorium and scientists alone decided to lift it. Yet the factors under consideration extended far beyond their technical competence. In fact they were making public policy. And they were making it in private. Regardless of the merits of their motivation, they reached their decisions in isolation from society. It certainly is not clear to me that the ban should have been lifted when it was.

There were observers from the press and non-scientists consultants at this famous Asilomar Conference. But these observers were not equals. They were not full participants in the decision-making process. Science has a responsibility to translate its work into understandable terms. And having done so, it has an obligation to justify it in the context of the common good.

When science develops techniques that have the potential to fundamentally change society, society has the right to determine how the technique is to be used, whether it should be developed in the first place, and if so, under what constraints.

A decision to pursue the kind of research discussed at Asilomar requires the informed consent of the society—which, after all—is called upon to fund it.

A major goal of the examination of NIH will be to explore ways to bring the public into this process. I am not raising the spectre of having laymen pass judgment on scientific protocols. I am suggesting that there is a role for the public in the setting of research priorities; there certainly is a role for the public in the evaluation of research at the frontier of medicine. So too must the public be involved in decisions regarding the application of new knowledge.

With society's informed consent, scientists can devote their creative talent to the scientific problems at hand; without it their energies will be diluted by the need to fend off challenges from a hostile society.

There can be no turning back to the days when scientists were left totally on their own to chart their own course. Recent events have demonstrated that. The public will immerse itself in the affairs of science. Whether it does so constructively will depend on the willingness of scientists to welcome public participation.

The Association of American Medical Colleges has proposed an amendment to the Freedom of Information Act which would essentially exempt research protocols from public scrutiny.

I will oppose this amendment. To deny the public access to publicly funded research, which frequently involves human subjects, is unwise and unwarranted. A proposal such as this further undermines public trust and confidence in the scientific community. In the long run it will be counter-productive.

Now, I would like to turn my attention to manpower. There are many distinct aspects of the nation's health manpower crisis—a crisis which is national in scope, and has been a long time in the making. It has been documented time and time again, from the landmark Flexner Report in 1910 to the American Association of Medical Colleges Task Force Report on FMGs last year.

The plain truth is that the efforts of the voluntary sector to cope with the problems have failed. The time has come to face that fact. It is time for a new policy. It is time for a policy of shared responsibility between the voluntary sector and the government which will not fail. Make no mistake about it, the continuation of federal support is dependent upon the creation of this new policy.

I would like to discuss these manpower problems with you and to ask your cooperation and support for a program to solve them.

The first and most important problem is the geographic maldistribution of health professionals. Geographic maldistribution is so extreme that it is a national disgrace. For every 100,000 persons in South Dakota, there are only 71 physicians providing patient care. But in Massachusetts there are 177 physicians for every 100,000 persons.

Too frequently, the medical meccas of this nation have turned their back on the communities in which they are located. Yet it is the millions of low and middle income Americans whom the official spokesmen of the academic health centers call upon to pay their salaries.

Within the states the problem is also great. For example, in 1950, more than fifty percent of Chicago's doctors were in the suburbs.

You and I both know the affluent suburbs of this nation have an infinite capacity to devour physician services. But these services are also needed in our urban and rural areas. If the needs of these other areas are also to be met, we have to find better ways to counterbalance the magnetic medical drawing power of our rich suburban areas.

So far, our efforts to cope with the problem have been disappointing failures. In New England in the 1920's free automobiles or rent-free houses were offered to attract physicians to small towns. Under the Commonwealth Fund Fellowship Program in the 1930's, physicians were encouraged to practice in rural areas. The AMA and many state governments have programs to attract physicians to practice in shortage areas. The Federal Hill-Burton Program was guided by the assumption that physicians would follow hospitals into rural areas. And yet, in spite of all these efforts, the problem is worse today than it has ever been before.

The hour is late, if we are to devise an institutional support mechanism, which will effectively overcome geographic maldistribution. The approach proposed by the AAMC, S. 990, will not suffice. Where is your proposal?

Thus far, I have preferred the continuation and expansion of institutional support as the best way to assure the financial stability of this nation's health professions schools.

But if the schools refuse to face up to the problem of geographic maldistribution, I intend to propose that the government stop giving them the money, and give it instead to students in a wholly voluntary program. If the schools won't cooperate, I know the students will.

Requiring health professions schools, as a condition of federal support, to come to grips with the problem of geographic maldistribution or any other commonly agreed upon health manpower problem does not inherently pose a threat to academic freedom, which you and I treasure.

I need only remind you that in 1971, when the Congress first authorized the capitation program that its receipt was conditioned upon each school agreeing to increase its enrollment. At that time there was not a murmer about inappropriate federal intrusion into the academic freedom of the schools. In my judgment the situation we face today is directly analogous to that set of circumstances.

Another manpower problem is the gross maldistribution of physicians among specialties. In 1949, fifty percent of all physicians considered themselves to be in general practice. By 1970, that percentage had dropped to 22 percent, and the situation was completely out of hand. You and I both understand that this is a complicated problem. It is largely a result of changes in undergraduate medical education, the growing complexity of medical science, and the service needs of hospitals, especially the teaching hospitals. Yet, the results of this trend toward increased specialization work all too frequently to the disadvantage of the American public.

We have too many surgeons. We do too much surgery. We perform surgical procedures that are unnecessary. And we perform these unnecessary procedures in the highest cost setting of the health care system. And—we have far too few primary care physicians.

The time has come to place an upper limit on the number of residency training positions. And the time has come to create a system which will result in the reasonable allocation of these positions among the various specialties. The ultimate authority for this program must be vested in the public sector, though the views of the private sector must be a part of that process.

The days of laissez-faire production of super-specialists are numbered.

We must also find a way to make residency training more flexible to accommodate the special need of those who cannot reasonably be expected to be on call 120 hours a week. I intend to amend my manpower bill to achieve this purpose.

Still another major manpower problem involves medical licensure. Requirements for licensure vary enormously among the states. Twenty-nine states still have specific requirements for premedical college work. And sixteen states continue to require basic science certificates. In addition, most American graduates take the National Board Examination, while most foreign medical graduates take the Flex Examination. Several states retain the option of setting their own passing levels for these examinations.

Disease does not respect state boundaries. I believe, therefore, that the minimum requirements for the privilege to practice medicine should be uniform in every state. We must find a better way to assure the continued competence of physicians.

A related problem here is the sharp upturn in recent years in the number of foreign medical graduates coming to this country from developing nations. Today one out of every five practicing physicians is an FMF. And one of three residents is foreign trained.

There are more Indian psychiatrists in the United States than there are in India. Virtually the entire first year graduating class at the new medical school in Chiengmai, Thailand chartered an airplane and flew off to the United States. And one-fourth of all the physicians trained in the Philippines are now practicing in America. In the Philippines the ECFMG is administered in a baseball stadium in order to accommodate the throngs who wish to emigrate.

Many foreign medical graduates who are not fully licensed are practicing medicine of dubious quality. The fact is that there are more than 14,000 FMGs who are not so licensed and who are not in approved training programs.

This sorry situation amounts to a dual class system of medical care in which the less fortunate citizens of our society are increasingly forced to rely for their medical care on persons who may not even be able to speak to them in their own language.

It is unconscionable for the richest nation on earth to have to rely on tens of thousands of foreign medical graduates to attempt to care for its own people. And it is equally unconscionable for this rich nation to drain away the skilled health manpower of the poorest nations in the world. The ever-increasing influx of FMGs must be ended.

Research and manpower are two of the indispensable ingredients of an excellent health care system. We have reached a point in our nation's history when both can flourish only with public understanding and support. I believe that health professions schools and government have no choice but to face this reality together. Together we can make our best effort to capitalize upon it. I know that to accomplish these objectives, we will need your support and understanding. We will also need your expertise and good will. The challenge before us is enormous. We can and must meet it.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

THE INDOCHINA MIGRATION AND REFUGEE ASSISTANCE ACT OF 1975

The PRESIDING OFFICER (Mr. Philip A. Hart). Under the previous order, the Senate will now proceed to the consideration of S. 1661, which will be stated by title.

The legislative clerk read as follows:

A bill (S. 1661) to enable the United States to render assistance to or in behalf of certain migrants and refugees.

COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

The Senate proceeded to consider the bill, which had been reported from the Committee on Foreign Relations with an amendment to Strike all after the enacting clause and insert the following:

That this Act may be cited as "The Indochina Migration and Refugee Assistance Act of 1975".

Sec. 2. (a) Subject to the provisions of subsections (b) and (c), there are hereby authorized to be appropriated for the fiscal year 1975, in addition to amounts otherwise available for such purposes $405,000,000 for the performance of functions set forth in the Migration and Refugee Assistance Act of 1962 (76 Stat. 121), as amended, with respect to aliens who have fled from Cambodia or Vietnam, such sums to remain available in accordance with the provisions of subsection (b) of this section.

(b) None of the funds authorized to be appropriated by this Act shall be available for the performance of functions after June 30, 1976, other than carrying out the provisions of clauses (3), (4), (5), and (6) of section 2(b) of the Migration and Refugee Assistance Act of 1962, as amended. None of such funds shall be available for obligation for any purpose after September 30, 1977.

(c) (1) (A) The President shall make every effort to retrieve all amounts previously authorized and appropriated for assistance to South Vietnam and Cambodia but not expended before the date of enactment of this Act.

(B) Not less than thirty days after the date of enactment of this Act and not later than the end of each thirty-day period thereafter, the President shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a report describing fully and completely the steps he has taken to carry out the provisions of subparagraph (A) of this paragraph. Such reports shall continue until the end of the calendar year 1975.

(2) Such amounts as have been retrieved on or before the date of enactment of any Act appropriating funds under this Act, or which are known on such date to be retrievable, shall be available to carry out the provisions of this Act.

(3) Such amounts as have not been retrieved on or before such date, or which were not known on such date to be retrievable, shall upon retrieval be deposited in the Treasury as miscellaneous receipts.

(4) The amount authorized to be appropriated under subsection (a) of this section shall be reduced by an amount equal to the amount made available by paragraph (2) of this subsection.

(5) For the purposes of this subsection, "retrieve" means to make available for expenditure for purposes other than assistance to South Vietnam or Cambodia.

Sec. 3. In carrying out functions utilizing the funds made available under this Act, the term "refugee" as defined in section 2(b) (3) of the Migration and Refugee Assistance Act of 1962, as amended, shall be deemed to include aliens who (A) because of persecution or fear of persecution on account of race, religion, or political opinion, fled from Cambodia or Vietnam; (B) cannot return there because of fear of persecution on account of race, religion, or political opinion; and (C) are in urgent need of assistance for the essentials of life.

Sec. 4. The President shall consult with and keep the appropriate committees of Congress fully and currently informed regarding the use of funds and the exercise of activities carried out pursuant to this Act. Reports shall be filed with the Speaker of the House of Representatives and the Foreign Relations, Judiciary, and Appropriations Committees of the Senate.

Mr. MANSFIELD. Mr. President, will the Senator from Alabama yield to me?

Mr. SPARKMAN. Mr. President, I yield such time as the majority leader may require.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that Carolyn Fuller, of my staff, be permitted the

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privileges of the floor during the debate on S. 1661.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, I ask unanimous consent that Jane Matthias, of my staff, be allowed the privileges of the floor during the discussion and vote on S. 1661.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPARKMAN. Mr. President, the bill has been laid before the Senate, has it not?

The PRESIDING OFFICER. I am advised that it has been laid before the Senate.

Mr. SPARKMAN. Mr. President, hopefully, passage of the bill before the Senate, and the implementing appropriation bill, will mark the end of the legislative path of our involvement in Indochina. For many years Congress actions relative to U.S. policy in Southeast Asia have been negative and restrictive, designed to curb the President's authority and, finally, to draw the purse strings against any further action there by U.S. Forces. The bill represents a positive step, a situation where the President and the Congress are working together to meet the last remaining commitment—if I may use that much abused word—our Nation incurred in that conflict.

In the last days before the fall of South Vietnam, tens of thousands of Vietnamese, including relatives and friends of Americans, employees of U.S. agencies, and others associated with U.S. interests, fled their homeland in fear of their lives. Whether those fears were well founded remains to be seen but, nevertheless, they were real. The United States encouraged and facilitated this mass movement. As of today, some 127,000 refugees from Indochina have placed themselves in the hands of the United States.

This bill will authorize the funds needed to help them resettle into new lives.

One of the great strengths of our country is the diversity of its people. We are a nation of immigrants and refugees. It is fitting that Congress is considering refugee assistance as we approach the bicentennial of our Nation's birth. Help to those who fled from Indochina is in the finest tradition of America. I can think of no better way for Americans to reaffirm what this country stands for than to give them a warm and friendly welcome.

Last Thursday, by a vote of 91 to 1, the Senate passed a resolution, which I quote:

> Be it resolved that the Senate reaffirms that the Statue of Liberty is, as Emma Lazarus called her, the Mother of Exiles; that the Senate reaffirms that the lesson of the parable of the Good Samaritan lives on in the minds and hearts of the American people and is a part of their character; and that the Senate welcomes warmly the latest exiles to our shores—the refugees from South Vietnam and Cambodia.

S. 1661 will implement the sentiments of that resolution.

Let me summarize the provisions of the bill.

It would authorize the appropriation of $405,000,000 for refugee relief and resettlement. The committee expects that additional funds will be requested for the 1977 fiscal year.

The President is directed to retrieve any foreign aid funds in the pipeline for South Vietnam and Cambodia. If these funds are used for refugee purposes, the amount must be deducted from the overall $405,000,000 authorization. If not used for refugee purposes, they are to be returned to the Treasury. This provision is consistent with the thrust of Senator Hatfield's bill, passed by the Senate last Thursday. Later, I will propose an amendment to update this provision.

Assistance would be provided under the statutory framework of the Migration and Refugee Assistance Act of 1962.

The programs authorized would include such activities as transportation of refugees to reception centers in the United States; care of refugees in the reception centers; onward transportation to areas in the United States for resettlement; vocational training, reimbursement to State and local governments for services performed in behalf of refugees; and return transportation for those who wish to return to their homeland.

The President must keep Congress fully and currently informed concerning the refugee program.

The President requested an open-ended authorization and the appropriation of $507 million to cover costs for an estimated 150,000 refugees for the next 14 months. The committee approved an authorization of $405 million, a reduction of $102 million in the appropriation request. There was a strong feeling among the members that the cost estimates, particularly those for reimbursement to the Defense Department, were inflated and doubts that the total number of refugees is not likely to reach 150,000, the figure on which the administration's cost estimates were based. Additional funds are likely to be required to cover the final stages of the program, which expires on September 30, 1977. The committee will give careful consideration to any request that may be submitted by the President next year.

The success of the resettlement of the Indochinese refugees depends in large measure on the voluntary agencies, not the U.S. Government. They are the key to the resettlement effort. The committee expects that Government officials will render all possible assistance to these agencies. The committee will monitor the program closely to insure that this is done.

The President has called for speedy action by Congress on this legislation. Executive branch witnesses told the committee that there are no funds available to help expand the work of the voluntary agencies and that, as a consequence, bottlenecks are developing in the processing centers.

Costs of the evacuation of the Vietnamese and initial care to date have been met thus far by using $98 million in funds previously appropriated for economic aid to Indochina. Those funds are now either exhausted or nearly exhausted, much for reimbursement to the Department of Defense. But of critical importance is the fact that these funds are not available to pay for the services of voluntary agencies in resettling the refugees outside of the processing centers.

The use of these funds is controlled by the legal parameters of the Foreign Assistance Act. It would be a gross distortion of that Act to use foreign aid funds for resettling refugees in the United States. Refugee relief and resettlement comes under the framework of the Migration and Refugee Assistance Act and the funds authorized by this bill are essential to implementing programs for the refugees from Indochina. Until new funds are provided, the bottlenecks in the processing centers will stagnate the refugee flow.

The committee is impressed with the need for urgent consideration of the authorization and appropriation bills. As a consequence, it has brought this bill to the Senate floor without the detailed examination it normally gives to a bill involving such a large sum of the taxpayers' money. But the urgency of the funding problem, coupled with the lack of hard information due to the incomplete picture of the dimensions of the problem, have persuaded the committee to temper its traditional caution with a liberal dose of humanity.

I cannot assure the Senate that a few persons with unsavory backgrounds may slip in with those who are truly deserving of our sanctuary. There is no practical way to avoid this possibility. It is a part of the price to be paid for offering assylum. But we must assume that the immigration officials will, in cooperation with our intelligence agencies, do everything reasonable to minimize problems of this nature.

I might add there, Mr. President, that we have had assurance from the immigration service that every effort will be made to take care of this problem.

Mr. President, this bill is in keeping with the best traditions of America. Americans are a warm and generous people who have traditionally responded with open hearts to those who have fled from oppression abroad. Since World War II, the United States has welcomed more than 1.3 million refugees, including 675,000 Cubans and 31,000 Hungarians. Each year some 400,000 immigrants join our melting pot society to add to the richness of our culture.

The Vietnamese and the handful of Cambodians who may join our people will constitute only about one-sixteenth of 1 percent of our Nation's population, hardly a ripple on this vast and diverse pond of Americans.

I hope that the Senate will give this bill an overwhelming vote of approval.

I ask unanimous consent, Mr. President, to have printed in the Record at this point a copy of the text of the Migration and Refugee Assistance Act of 1962, excerpts from the committee report, certain tables concerning cost estimates for the refugee program, and a letter received by the committee signed by 28 Members of the Senate supporting assistance for the refugees.

There being no objection, the material was ordered to be printed in the Record, as follows:

Migration and Refugee Assistance Act of 1962, as Amended

(Public Law 87–510 [H.R. 8291], 76 Stat. 121; 22 U.S.C. 2601, approved June 28, 1962, as amended by Public Law 88–634 [H.R. 11812], 78 Stat. 1021, approved Oct. 7, 1964)

An act to enable the United States to participate in the assistance rendered to certain migrants and refugees

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Migration and Refugee Assistance Act of 1962."

Sec. 2. (a) The President is hereby authorized to continue membership for the United States in the Intergovernmental Committee for European Migration in accordance with its constitution approved in Venice, Italy, on October 19, 1953. For the purpose of assisting in the movement of refugees and migrants and to enhance the economic progress of the developing countries by providing for a coordinated supply of selected manpower, there are hereby authorized to be appropriated such amounts as may be necessary from time to time for the payment by the United States or its contributions to the Committee and all necessary salaries and expenses incidental to United States participation in the Committee.

(b) There are hereby authorized to be appropriated such amounts as may be necessary from time to time—

(1) for contributions to the activities of the United Nations High Commissioner for Refugees for assistance to refugees under his mandate or in behalf of whom he is exercising his good offices;

(2) for assistance to or in behalf of refugees designated by the President (by class, group, or designation of their respective countries of origin or areas of residence) when the President determines that such assistance will contribute to the defense, or to the security, or to the foreign policy interests of the United States;

(3) for assistance to or in behalf of refugees in the United States whenever the President shall determine that such assistance would be in the interest of the United States: *Provided*, That the term "refugees" as herein used means aliens who (A) because of persecution or fear of persecution on account of race, religion, or political opinion, fled from a nation or area of the Western Hemisphere; (B) cannot return thereto because of fear of persecution on account of race, religion, or political opinion; and (C) are in urgent need of assistance of the essentials of life;

(4) for assistance to State or local public agencies providing services for substantial numbers of individuals who meet the requirements of subparagraph (3) (other than clause (C) thereof) for (A) health services and educational services to such individuals, and (B) special training for employment and services related thereto;

(5) for transportation to, and resettlement in, other areas of the United States of individuals who meet the requirements of subparagraph (3) (other than clause (C) thereof) and who, having regard for their income and other resources, need assistance in obtaining such services; and

(6) for establishment and maintenance of projects for employment or refresher professional training of individuals who meet the requirements of subparagraph (3) (other than clause (C) thereof) and, who, having regard for their income and resources, need such employment or need assistance in obtaining such retraining.

(c) Whenever the President determines it to be important to the national interest, not exceeding $10,000,000 in any fiscal year of the funds made available for use under the Foreign Assistance Act of 1961, as amended, may be transferred to, and consolidated with, funds made available for this Act in order to meet unexpected urgent refugee and migration needs.

(d) The President shall keep the appropriate committees of Congress currently informed of the use of funds and the exercise of functions authorized in this Act.

(e) Unexpected balances of funds made available under authority of the Mutual Security Act of 1954, as amended, and of the Foreign Assistance Act of 1961, as amended and allocated or transferred for the purposes of sections 405(a), 405(c), 405(d) and 451(c) of the Mutual Security Act of 1954, as amended, are hereby authorized to be continued available for the purposes of this section and may be consolidated with appropriations authorized by this section.

Sec. 3. (a) In carrying out the purpose of this Act, the President is authorized—

(1) to make loans, advances, and grants to, make and perform agreements and contracts with, or enter into other transactions with, any individual, corporation, or other body of persons, government or government agency, whether within or without the United States, and international and intergovernmental organizations;

(2) to accept and use money, funds, property, and services of any kind made available by gift, devise, bequest, grant, or otherwise for such purposes.

(b) Whenever the President determines it to be in furtherance of the purposes of this Act, the functions authorized under this Act may be performed without regard to such provisions of law (other than the Renegotiation Act of 1951 (65 Stat. 7)), as amended, regulating the making, performance, amendment, or modification of contracts and the expenditure of funds of the United States Government as the President may specify.

Sec. 4. (a) (1) The President is authorized to designate the head of any department or agency of the United States Government, or any official thereof who is required to be appointed by the President by and with the advice and consent of the Senate, to perform any functions conferred upon the President by this Act. If the President shall so specify, any individual so designated under this subsection is authorized to redelegate to any of his subordinates any functions authorized to be performed by him under this subsection, except the function of exercising the waiver authority specified in section 3(b) of this Act.

(2) Section 104(b) of the Immigration and Nationality Act (8 U.S.C. 1104(b)), is amended by inserting after the first sentence the following: "He shall be appointed by the President by and with the advice and consent of the Senate."[5]

(b) The President may allocate or transfer to any agency of the United States Government any part of any funds available for carrying out the purposes of this Act. Such funds shall be available for obligation and expenditure for the purposes for which authorized in accordance with authority granted in this Act or under authority governing the activities of the agencies of the United States Government to which such funds are allocated or transferred. Funds allocated or transferred pursuant to this subsection to any such agency may be established in separate appropriation accounts on the books of the Treasury.

Sec. 5. (a) Funds made available for the purposes of this Act shall be available for—

(1) compensation, allowances, and travel of personnel, including Foreign Service personnel whose services are utilized primarily for the purpose of this Act, and without regard to the provisions of any other law, for printing and binding, and for expenditures outside the United States for the procurement of supplies and services and for other administrative and operating purposes (other than compensation of personnel) without regard to such laws and regulations governing the obligation and expenditure of Government funds as may be necessary to accomplish the purposes of this Act;

(2) Employment or assignment of Foreign Service Reserve officers for the duration of operations under this Act;

(3) Exchange of funds without regard to section 3651 of the Revised Status (31 U.S.C. 543), and loss by exchanges;

(4) Expenses authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801 et seq.),[6] not otherwise provided for;

(5) Expenses authorized by the Act of August 1, 1956 (70 Stat. 890–892), as amended; and

(6) All other expenses determined by the President to be necessary to carry out the purposes of this Act.

(b) Except as may be expressly provided to the contrary in this Act, all determinations, authorizations, regulations, orders, contracts, agreements and other actions issued, undertaken, or entered into under authority of any provision of law repealed by this Act shall continue in full force and effect until modified, revoked, or superseded under the authority of this Act.

Sec. 6. Subsections (a), (c) and (d) of section 405 of the Mutual Security Act of 1954, as amended, subsection (c) of section 451 of the said Act, and the last sentence of section 2(a) of the Act of July 14, 1960 (74 Stat. 504), are hereby repealed.

Sec. 7. Until the enactment of legislation appropriating funds for activities under this Act, such activities may be conducted with funds made available under section 451(a) of the Foreign Assistance Act of 1961, as amended.

Indochina Migration and Refugee Assistance Act of 1975

May 12 (legislative day, April 21) 1975.—Ordered to be printed.

Mr. Sparkman, from the Committee on Foreign Relations, submitted the following report [to accompany S. 1061].

* * * * *

COMMITTEE COMMENTS

American military involvement in South Vietnam and Cambodia has now ended. The committee hopes that the divisiveness created by this long and tortuous involvement will also be ended and that Americans will unite in opening their arms and their hearts to the refugees who fled from South Vietnam and Cambodia in fear of their safety.

One of the great strengths of this country is the diversity of its people. It is a nation of refugees. It is fitting that Congress is considering legislation to assist refugees in resettling in the United States as we approach the bicentennial of our nation's birth. Help to those who fled from Indochina is in the finest tradition of America. There is no better way for Americans to reaffirm what this country stands for than to give them a warm and friendly welcome.

On May 8 by a vote of 91 to 1, the Senate adopted the following resolution:

[S. Res. 148, 94th Cong., 1st sess.]

RESOLUTION: TO WELCOME THE LATEST REFUGEES TO OUR SHORES

Whereas ours is a Nation of immigrants and descendants of immigrants, many of whom fled from tyranny and bloodshed in their native lands where they were scorned, hated and hunted; and

Whereas they came here because they

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know they could find in America safety, freedom and opportunity; and

Whereas they found all those things and more, for they also found America to be a land of compassion as well as affluence, magnaminity as well as wealth; and

Whereas Americans welcomed these fellow, less-fortunate human beings not only for their sake but for our own, knowing that they strengthened our national vitality, constantly renewing the diversity and richness of our lives and the pluralism and dynamism of our society; and

Whereas this periodic influx of refugees and exiles can serve to keep us humble, saving us from the sins of arrogance, pride and self-righteousness by reminding us of our origins, of the misery that abounds elsewhere in the world, and of the destiny that may also befall us should we betray our heritage: Now, therefore, be it

Resolved, That the Senate reaffirms that the Statute of Liberty is, as Emma Lazarus called her, the Mother of Exiles; that the Senate reaffirms that the lesson of the parable of the Good Samaritan lives on in the minds and hearts of the American people and is a part of their character; and that the Senate welcomes warmly the latest exiles to our shores—the refugees from South Vietnam and Cambodia.

The purpose of S. 1661 is to implement in practical terms the sentiments expressed in that resolution.

As of May 12, approximately 115,000 refugees from Indochina are under United States protection, all but about 1,000–1,200 of them Vietnamese. Executive Branch officials estimate that a total of 130,000 will eventually be brought to the United States and an additional 10,000–15,000 refugees will be settled in third countries. Of the refugees in U.S. control, 60,935 remain afloat on vessels or are at Pacific restaging sites such as Guam and Wake Island. Some 54,300 have arrived in the continental United States and of this number nearly 15,000 have been processed and released under private American sponsorship. The remainder are in processing centers in California, Arkansas, and Florida.

The transportation and initial care of the refugees under United States protection have been provided by the Department of Defense at the request of the President's specially designated Task Force. Initial costs of the evacuation and basic needs of the refugees have been met by use of $98,000,000 in funds originally provided for economic aid to Indochina. Those funds have been used to reimburse the Department of Defense for sealift and airlift and basic facilities at the staging and processing areas.

The only other funds available for assistance to the Indochinese refugees under existing law are those which have been made available under the Migration and Refugee Assistance Act of 1962, as amended.

The Department of State/USIA Authorization Act, Fiscal Year 1975 (Public Law 93–475) authorized the appropriation of $9,420,000 for all migration and refugee programs of the Department of State for the current fiscal year. An appropriation of $8,420,000 under this authorization was contained in the Foreign Assistance and Related Programs Appropriation Act, 1975 (Public Law 94–11). In addition, $10 million in funds made available under the Foreign Assistance Act has been transferred to the Migration and Refugee Assistance account as authorized by section 2(c) of the Migration and Refugee Assistance Act of 1962, as amended (22 U.S.C. 2601). All except $5 million of the funds thus appropriated or transferred were committed to existing refugee programs prior to the evacuations from Cambodia and South Vietnam. Executive Branch witnesses stress that there are no additional funds available under existing law for meeting essential refugee needs. The problem is especially acute, the Committee was told, because no funds are available to finance resettlement efforts by the voluntary agencies and, as a consequence, bottlenecks are being encountered in moving refugees out of the processing centers.

The principal responsibility for resettlement lies with the following nine voluntary agencies: U.S. Catholic Conference, American Fund for Czechoslovak Refugees, Church World Service, Lutheran Immigration & Refugee Service, United HIAS Service, Inc., Tolstoy Foundation, Inc., International Rescue Committee, American Council for Nationalities Service, Traveler's Aid-International Social Services. Voluntary agencies have assisted in the resettlement of hundreds of thousands of refugees over the past thirty years. Basically, the voluntary agencies which are represented in the three reception centers identify sponsors, geographically distributed across the country.

The Committee was assured that voluntary agencies, working together with the Department of State and the Department of Health, Education, and Welfare will make every effort to disperse refugees throughout the United States. Sponsors for refugees include individuals, families, parishes and community organizations. These sponsors assume a moral obligation to receive the refugees and their families and to find housing, employment, and educational opportunities for them.

In addition to the need for authorization of additional appropriations, new authority is required to provide assistance with respect to refugees who have entered the United States.

The authority of the Migration and Refugee Assistance Act for certain assistance to or in behalf of refugees located in the United States is applicable only to those refugees who have fled from a nation or area in the Western Hemisphere. An extension of the authorities contained in the 1962 Act to refugees from Indochina is necessary in order to permit assistance to state and local public agencies providing services to substantial numbers of refugees, for transportation to and resettlement in other areas of the United States of refugees presently at reception centers, and for vocational training to facilitate the assimilation of the refugees in the United States into our society.

S. 1661 meets the need for additional authorization of appropriations and substantive authority by authorizing the appropriation of funds for a temporary program of relief and resettlement of Indochinese refugees under the authorities contained in the Migration and Refugee Assistance Act of 1962.

The Committee has recommended an authorization of $405,000,000 to be available until the refugee assistance program terminates on September 30, 1977. It is anticipated that additional funds will be required for FY 1977. The Committee has also authorized use for refugee relief purposes of any funds which may be recovered from amounts previously appropriated for foreign assistance to South Vietnam and Cambodia. Any amounts retrieved from the old assistance programs must either be deducted from the overall amount authorized for refugee assistance or returned to the Treasury. The Committee's action is in line with the policy incorporated in S. 1696, a bill to authorize amounts available but not committed for military assistance to South Vietnam and Cambodia to be used for humanitarian assistance for refugees from South Vietnam and Cambodia, passed by the Senate on May 8.

Preliminary estimates of transport, temporary care, and resettlement costs (150,000 evacuees in staging areas, of which 130,000 to be resettled in United States and 20,000 in Third Countries), May 2, 1975

1. Daily maintenance	$185,000,000
$15 per person per day for 30 days (150,000 people) at staging areas, $15 per person per day for 60 days (130,000 people) at processing centers. Includes food, utilities, medical care, etc.	
2. Airlift	99,000,000
$530 per person (130,000 people from staging areas to processing centers, plus air supply of materials estimated at $30 million.	
3. Resettlement costs	78,000,000
Estimated at $600 per person to be provided to voluntary agencies which will transport and administer resettlement, 130,000 people in U.S.	
4. Subsequent welfare and medical (HEW)	125,000,000
Welfare and Social Services	50,000,000
Medicaid	30,000,000
Bilingual and Vocational Training	30,000,000
Public Health	15,000,000
5. Movement of added 20,000 refugees to third countries for resettlement (State/ORM)	20,000,000
Estimated at $1,000 each to cover transport and program administration.	
New appropriation needed	507,000,000

Estimated expenses for evacuation maintenance and resettlement of Indochina and Cambodian refugees as of May 5, 1975

Total amount provided for IPR funded to date under Presidential determination (614(a) waiver)	$98,000,000
Contract shipping for evacuation	18,000,000
Airlift-DOD—$300 per person to staging area, $530 per person from staging areas to processing centers plus air supply of materials	34,000,000
Facilities—DOD—open staging areas and processing centers	15,000,000
Daily maintenance—DOD—Including food, utilities, medical care, etc	12,000,000
Unobligated reserve for DOD operation	7,900,000
Immigration services—processing of refugees	1,200,000
Voluntary agencies—ICEM and High Commissioner, International Red Cross $500 per person provided to voluntary agencies to administer resettlement program overseas	1,400,000
Customs—Processing of refugees	40,000
National Advisory Committee on Indo-Chinese Refugees	50,000
Total	89,500,000
Amount available*	8,610,000

*Estimated rate of expenditure at present time is 2.7 million per day.

Preliminary estimates of evacuation, temporary care, and resettlement costs (150,000 evacuees including 130,000 resettled in United States and 20,000 in 3d countries), May 2, 1975

1. Sealift (DOD)	$30,000,000
Contract shipping for evacuation.	
2. Airlift (DOD)	132,000,000
$300 per person (110,000 people) to staging areas, $530 per person (130,000 people) from staging areas to processing centers, plus air supply of materials estimated at $30 million.	
3. Facilities (DOD)	35,000,000
$20 million for establishment of staging areas, $15 million to open processing centers.	
4. Daily Maintenance (DOD)	185,000,000
$15 per person per day for 30 days (150,000 people) at staging areas, $15 per person per day for 60 days (130,000 people) at processing centers. Includes food, utilities, medical care, etc.	
5. Resettlement Costs (State/ORM)	78,000,000
Estimated at $600 per person to be provided to voluntary agencies which will transport and administer resettlement, 130,000 people in United States.	
6. Subsequent welfare and medical (HEW)	125,000,000
Welfare and social services	125,000,000
Medicaid	30,000,000
Bilingual and vocational training	30,000,000
Public health	15,000,000
7. Movement of added 20,000 refugees to Third Countries for resettlement (State/ORM)	20,000,000
Estimated at $2,000 each to cover transport and program administration.	
Total requirement	605,000,000
Less Amount Provided from IPR funds to date under Presidential determination (614(a) waiver)	98,000,000
New appropriation needed	507,000,000
Total requirement	$605,000,000

SUMMARY BY AGENCY

Department of Defense	382,000,000
Department of State	98,000,000
Department of Health, Education, and Welfare	125,000,000
Total	605,000,000

COMMITTEE ON FINANCE,
Washington, D.C., May 8, 1975.

Hon. JOHN J. SPARKMAN,
Chairman, Senate Foreign Relations Committee, Dirksen Senate Office Building.

DEAR MR. CHAIRMAN: Within the next few days the Committees on Appropriations and Foreign Relations will be considering the question of aid for refugees of the Vietnam war.

We feel it is unfortunate that the climate for consideration of this important issue is being shaped by the fears of some who are exaggerating the costs and ignoring the responsibilities of the United States in providing help to the victims of the war.

We believe and think that the President is right in asserting that the overwhelming majority of Americans feel an obligation toward those who have been forced to flee their homes, in many cases because of their loyalty toward the United States.

It would be a tragedy if our response to the plight of the refugees was determined by a few vocal opponents while the majority remained silent in their support for the refugees. In the eyes of other nations, we might be wrongly perceived as a people who were unwilling to make even this small sacrifice to help our friends.

We recognize that the Committee will want to carefully examine the dollar amount that has been requested by the White House. There may be other problems associated with resettlement, including the necessity of assuring that no undue burdens are placed on individual states and communities. Many Governors and local officials have already contacted the White House to express their willingness to cooperate in placement efforts.

Furthermore, a maximum effort should be made by our government to enlist the help of other countries in providing aid and asylum to refugees who would be willing to live elsewhere.

Nevertheless, these problems should not be permitted to obscure the larger issue of whether the United States is prepared to act with the same generosity and goodwill we have always shown toward those seeking freedom from oppression. To do less would be to underestimate the strength and character of the American people and to dishonor the highest traditions of our nation.

We are confident that when faced with this choice, the Senate will overwhelmingly approve the legislation necessary to find homes, jobs and a fresh start for those whose lives have been shattered by the fall of South Vietnam. We urge your full support in this effort.

Sincerely,

Walter F. Mondale, Philip A. Hart, Robert B. Morgan, Bob Packwood, Adlai E. Stevenson, John C. Culver, Thomas J. McIntyre, Hiram L. Fong, Dale Bumpers, Lowell P. Weicker, Jr., William V. Roth, Jr., Dick Clark, Abraham A. Ribicoff, Patrick J. Leahy.

Henry M. Jackson, William D. Hathaway, Daniel K. Inouye, E. J. Jake Garn, John V. Tunney, Carl Curtis, James L. Buckley, Hubert H. Humphrey, Gaylord Nelson, Edmund S. Muskie, Dewey F. Bartlett, Alan Cranston, Robert T. Stafford, Gale McGee.

Mr. SPARKMAN. Mr. President, I yield to the Senator from New Jersey at this time.

Mr. CASE. Mr. President, the chairman has very well stated the purpose of this bill and its major provisions, also briefly the history of the consideration in the Committee on Foreign Relations and certain predecessor actions that were taken, in some cases overtaken by time and events.

We are here now with the definitive action to deal with the question of resettlement of the refugees from Southeast Asia. The committee is strongly in favor of this bill.

I may say as a member of the Committee on Appropriations, already a majority acted subject to authorization, with the sentiment there, I see no reason for extended discussion of it on the floor, though we will be very happy to respond to any inquiries.

I know the Senator from New York (Mr. JAVITS), together with Senator PELL, had legislation on this subject, and who in committee and in the general consideration of this matter in the public domain has made a great contribution to its formation and will want to expand somewhat further on it, so I will have no further remarks at this time.

Mr. JAVITS. Mr. President, I thank my colleague from New Jersey and my colleague from Alabama very much. They are overly generous to Senator PELL and myself.

We did move immediately when the situation broke, but were it not for their action in leading the committee where it went, we should not be here so promptly with the bill.

Mr. President, just one word of general view. It has been expressed before, but I wish to express it again, as to the disillusion which we had in Vietnam and the terrible disappointment which we suffered there.

We Americans are not used to defeat, yet there is hardly any other way to describe what occurred. But, Mr. President, first we must face up to the fact that the Americans who gave their lives, and their families, and who offered not only death, but casualties to the tune of some 250,000, should not—I never cease saying this and I hope other Members will not, either—feel that these lives were wasted in vain.

A nation must hang together whether any of us agree or disagree, and I disagreed from 1967 on, so did many others.

It is our function as a nation to serve that nation even if it, in a given case, is in error. The superior responsibility is the integrity and honesty and devotion to the fundamental purposes of the mission of the nation and to its dignity as a nation.

I hope very much, Mr. President, that no American family will feel that any of its members who fell in this cause, fell in any cause less noble than that in which our country has for generations enlisted its young men and their lives and fortunes.

It is with deep grief that we contemplate this situation, but I think those words of solace are essential to every American family in justice and decency, and I think Congress will always appreciate that in the treatment of the wounded and the families of those who gave their lives.

Also, Mr. President, this measure represents a decent respect for those who were either for or against the Vietnamese conflict who aided us in that endeavor.

As the Senator from Alabama (Mr. SPARKMAN) has said, there were rascals among those who have come in, life is just that way, but I believe it will be found that they are so few and far between that the overwhelming majority legitimately represent those who have a claim on our bounty and our hospitality.

This is in addition to the great tradition of helping the persecutees which has characterized our country always and which has caused us to take since World War II 1,350,000 new Americans from the DP camps, from the Hungarian and other freedom fighters, from those who escaped from Eastern Europe in the early 1950's and from those who sought refuge here from the dictatorship of Fidel Castro.

It is these considerations, Mr. President, which should dominate, and while we wish to draft intelligent legislation, carefully designed to carry out our good purposes and good intentions with the least prejudice or harm to any American, or any American family, the weight of our feeling should be on the side of doing something which is apposite to the critical situation in which these refugees have found themselves.

Mr. President, the bill is drafted exactly for that purpose and it is very important that the Senate understand how carefully we worked with the bill.

In the first place, to understand the bill completely, it is necessary also to refer to the provisions of the Migration and Refugee Assistance Act of 1962 as that is the framework within which this rather brief bill is set, so that individual definitions, et cetera, are not repeated in this bill except by reference to the fundamental law.

That is a critically important aspect of understanding what is here written.

Second, that the committee was determined that any money that could be retrieved—whether in or out of the pipeline from military or nonmilitary appropriations to the struggle in Vietnam, or its liquidation—should be retrieved and should be deposited in the Treasury so that the retrieval will be at the maximum.

The committee has expressly set the reporting scheme for that purpose. That is found in section 2(c)(B) in this bill. The committee was very sensitive to that point.

Second, that in view of the fact that some of these refugees may have some resources of their own, the administration of the measure should be devoted to those "who are in urgent need of assistance for the essentials of life." That is a pretty strict definition. That is found in section 3, which adds to the definition of refugee already contained in the Migration and Refugee Assistance Act.

The fundamental thrust of that act is that a person is not a refugee or persecutee who should or wishes to return to his place of origin. So that issue is covered.

Finally, the consultation by the President is called for in section 4 as well as adequate reports to the various committees.

The Senator from Kentucky has a very interesting amendment which he will present to us in due time. I have studied that amendment rather carefully. I believe it is a very helpful specification of exactly what we want reported. We could insist on that as a committee but I see no reason why it cannot be specified in the act.

I hope when the Senator addresses himself to the amendment, he will give us his reasons for phrasing the second part of his amendments as he does. That is section 4(b). As I read it, it is an endeavor to establish by law not a report technique but a set of criteria which are mandatory in the plan even before we get a plan.

I raised the question with him, which I think needs to be justified to the Senate, as to whether we should be quite that categorical at this time before we even have a plan or really know the outlines of the situation, or whether we should rather express it as our desire that a plan proceed along this line. I do not know whether he intended to make his provision an order of priority by law at this particular moment. I hope the Senator will address himself to that point.

Should he choose to put it to the Senate on the basis of a schedule of strict priorities, which is the way it reads, as I see it, I would say that I would feel compelled to ask for a division of the question. I think it is a very different question to have specifically the terms of the report than it is to mandate a series of immediate priorities.

I did not mean to rush the Senator at all. Perhaps he wishes to do this in his own good time, but I will be glad to yield.

Mr. HUDDLESTON. If the Senator will yield, I will address myself to that question at the present time.

Mr. JAVITS. I yield.

Mr. SPARKMAN. Will the Senator yield?

Mr. HUDDLESTON. I yield.

Mr. SPARKMAN. I would like to suggest, Mr. President, that we forego the discussion of this amendment at this time, and wait until we get to the amendment stage.

Mr. JAVITS. Mr. President, I agree with the Senator entirely.

Mr. President, I simply wish to end my own presentation of the matter by saying that the fact that only one amendment has been filed, and that amendment to a part of the bill which relates to the methodology which we will pursue here within the Senate, seems to me to be another evidence of the fact that not only the committee by an overwhelming majority but the Senate as a whole looks with favor upon this legislation and accepts the fundamental expression of our own morality and our own tradition which is expressed so very eloquently in this legislation.

I thank the Chair.

Mr. SPARKMAN. I might remind the Senator from New York. He said by an overwhelming majority. It was unanimous in the committee.

Mr. JAVITS. That is correct.

Mr. SPARKMAN. Mr. President, at this time I would like to ask, in behalf of the Senator from Massachusetts (Mr. Kennedy) that two staff members from the Judiciary Refugee Subcommitee, Dale de Haan and Jerry Tinker, be allowed the privilege of the floor during this debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the committee amendment in the nature of a substitute be agreed to, and that the text of the bill as thus amended be considered as original text for the purpose of further amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPARKMAN. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. SPARKMAN. Mr. President, I ask that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 3, line 16, strike out the period and insert in lieu thereof a comma and the following: "exclusive of the $98,000,000 of Indochina Postwar Reconstruction funds allocated to the Department of State for movement and maintenance of refugees prior to the date of enactment of this Act.".

On page 3, beginning with line 25, strike out through line 11 on page 4 and insert in lieu thereof the following:

(2) All such amounts shall upon retrieval be deposited in the Treasury as miscellaneous receipts.

On page 4, line 12, strike out "(5)" and insert in lieu thereof "(3)".

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. SPARKMAN. Mr. President, this amendment is designed to eliminate certain outdated language in the bill relating to the method for disposing of foreign aid funds in the pipeline for South Vietnam and Cambodia. The committee drafted the bill to require that the President retrieve all foreign aid funds possible and stipulated that the amount recovered before the appropriations process began would be deducted from the $405 million to be authorized in this bill. Funds recovered later were to go directly into the Treasury.

The appropriations process is nearly completed. The Senator from Hawaii is chairman of that subcommittee. I would like for him to verify that the appropriations procedure is in process relating to these funds.

Mr. INOUYE. Will the Senator repeat the question?

Mr. SPARKMAN. We provided that the President should recover all foreign aid funds possible that had been appropriated but not used, and that those funds retrieved before the appropriations process began would be deducted from the $405 million to be authorized in this bill. Later the funds would go directly to the Treasury. Now that the appropriations process is nearing completion, this formula has been outmoded. I just wanted verification of the situation relative to these funds.

Mr. INOUYE. Mr. President, I am pleased to respond to this inquiry. As the chairman is well aware, in early April, by Executive order, $5 million from technical assistance was set aside for refugee purposes. About a week thereafter $98 million from the Indochina postwar reconstruction program was set aside for refugee programs. There was remaining about $70 million in the Indochina postwar reconstruction program, but these funds had already been committed and obligated. It would take about 6 months to recapture the total amount. Of the $70 million, it is estimated that $65 million can be recaptured.

There was another sum of about $147 million supposedly left over from the $700 million that the Congress had appropriated for the military assistance program in Vietnam. We have been advised that, as of this moment, $17 million can be recovered within 30 days. In addition, $23 million can be recovered within a period of 6 months.

There is an outside possibility that $40 million in additional sums can be recovered within a period of a year. That makes a total of $80 million which is recoverable from the military assistance program.

Mr. SPARKMAN. And recovery of those funds will be taken care of through the authorization process in our bill?

Mr. INOUYE. Yes, sir.

Mr. SPARKMAN. Therefore, some parts of our bill are no longer needed.

Mr. INOUYE. Under the authorization bill, these sums, when recovered, will become part of the general treasury.

Mr. SPARKMAN. Yes. The amendment I have offered will take care of the outmoded language in the bill relative to the appropriations process.

The amendment also would make clear that the $98 million in foreign aid funds previously used in the refugee operation are not covered by the scope of this committee's recapture provision.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SPARKMAN. Mr. President, some Senators have amendments.

Mr. HUDDLESTON. Mr. President, I yield to the Senator from South Dakota, who has an amendment that I understand is acceptable.

AMENDMENT NO. 479

Mr. McGOVERN. I thank Senator Huddleston for yielding to me so that I may attend a telephonic press conference that I have arranged with South Dakota editors. I appreciate his yielding to me to call up my amendment.

Mr. President, I send a modified amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from South Dakota (Mr. McGovern) proposes Amendment No. 479, as modified.

Mr. McGOVERN. Mr. President, I ask unanimous consent that further reading of the amendent be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The modified amendment is as follows:

On page 4, line 15, insert the following:

Sec. 3. (a) At the earliest practicable date the President shall direct that a survey be taken among refugees from South Vietnam and Cambodia to determine which of them are desirous of returning to their country of origin.

(b) From the funds made available pursuant to this act, such sums as may be required shall be used to provide transportation, through the use of commercial carriers or military transport, and to assist in such other arrangements as may be necessary, for Vietnamese and Cambodians who express a desire to return to their homeland.

Renumber succeeding sections accordingly.

Mr. McGOVERN. Mr. President, the modification referred to was suggested by the Senator from Rhode Island, and it does not in any way change the fundamental thrust of the amendment.

I support the basic thrust of the refugee relief bill that has been reported by the Committee on Foreign Relations. This amendment would provide two steps that I think would strengthen the proposed legislation.

First of all, the amendment instructs the President, at the earliest possible time, to conduct a survey among the refugees to learn which of them may be desirous of returning to their own country.

We have had numerous reports in the press and some reports from the Senate Subcommittee on Refugees, from the two staff members who are in the Chamber, Mr. deHaan and Mr. Tinker, and others, indicating that a significant number of the refugees, now that the initial panic and hysteria have subsided somewhat, are desirous of returning to their own country. We do not know how many.

This amendment would instruct the administration to find out, by a survey conducted among the refugees.

Second, the amendment would authorize the use of funds to pay the transportation of those refugees who wish to return.

I hope it will be understood by all Senators that this amendment is offered in the same humanitarian spirit as the bill itself. It is my very strong conviction that a sizable number of refugees will choose to return. But we need to find that out, and we need to do it in a thoughtful and systematic way.

I have discussed this amendment with the manager of the bill, the chairman of the committee, the Senator from Alabama, and with the ranking member of the committee on the other side of the aisle, Senator Case. To the best of my knowledge, neither of them has any objection to the amendment, and I hope it will be adopted.

Mr. SPARKMAN. Mr. President, as a matter of fact, the purpose that is sought in this amendment is covered already by the bill, and that is plainly shown in the report, on page 8:

The program will also encompass paying for the transportation back to South Vietnam or Cambodia for those who have a change of mind and desire to return to their homeland. Broad authority for the President to finance return travel expenses if he chooses to do so is provided by section 2(b)(2) of the Migration Refugee and Assistance Act.

We set out that act in the appendix of the report.

The Committee does not believe that additional authority is necessary beyond that already provided and expects that funds will be made available to pay for the return of the refugees who wish to go back to their homes.

The amendment of the Senator from South Dakota reaffirms and emphasizes that point, and I am willing to accept the amendment.

Mr. CASE. Mr. President, the chairman has correctly stated the situation, even in the absence of the amendment. We have no objection whatever to accepting the amendment as a matter of emphasizing that this is one of our major purposes in connection with the adoption of the legislation.

Mr. SPARKMAN. Mr. President, I move the adoption of the amendment.

Mr. McGOVERN. Mr. President, before the Senate acts, I ask unanimous consent to have printed in the Record a letter that I sent to Members of the Senate relative to the amendment; and, if the Senator from Massachusetts has no objection, I also ask unanimous consent to have printed in the Record his opening statement at the hearings on the Vietnam evacuation of refugees.

There being no objection, the material was ordered to be printed in the Record, as follows:

Washington, D.C., *May, 1975.*

Dear Colleague: During consideration of S. 1661, the Indochina Migration and Refugee Assistance Act, I intend to call up the attached amendment to assist those refugees who might voluntarily choose to return to their country of origin.

We will obviously do all we can to assist those who choose to remain in the United States. But reports in recent days, including the initial conclusions of a staff inquiry by the Senate Judiciary Subcommittee on Refugees and Escapees, suggest that substantial numbers would prefer to be reunited with their families and their homeland.

At Camp Pendleton, for example, a Vietnamese doctor, Dr. Hoang Van Duc, has been quoted as saying that,

". . . if a plane were to leave for Saigon today, half this camp would be empty."

Based on the report of his Subcommittee staff, Senator Kennedy has concluded that the evacuation program for South Vietnam was,

". . . ill conceived, poorly implemented, and undertaken with little command control in the field. High officials in Guam and elsewhere, estimate that 'half the Vietnamese we intended to get out, did not get out—and that half who did get out, should not have.' "

In the same humanitarian spirit as the refugee aid bill itself, we should also do what we can to accommodate those who were removed in haste or left in fear of a final battle for Saigon, and who now wish to return.

My amendment simply calls for the use of a portion of the funds authorized in S. 1661 for the purpose of providing transportation and assisting in other arrangements for those Vietnamese who wish to return. I hope you will be able to support it.

With kind regards,

George McGovern.

Senator Kennedy's Opening Statement Before Hearing on Vietnam Evacuation and Refugees

"Today's hearing resumes the Subcommittee's public inquiry into humanitarian problems in Indochina, and the President's program for the resettlement of refugees from Cambodia and South Vietnam.

"As the violence subsides in Indochina, we must finally begin to heal the wounds of war. We must stop the negative quibbling and get on with the task at hand. For the new refugees who come to our shores, we must extend a warm welcome, and provide ample resources to help meet their needs in

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rebuilding new lives. And for the war victims who remain in Indochina, we must do what we can to support international efforts to help rehabilitate their lives.

"The session this morning is the fifth in a series of hearings which began just a month ago—and follows the return to Washington of two staff members who last week visited refugee sites in the Philippines, Guam and Camp Pendleton in California.

"A full report of the field study will be filed with the Judiciary Committee and the Senate within the next few days. For the purpose of this hearing, however, I would like to list some of the staff members preliminary findings and recommendations.

"*First*, the study mission found the President's evacuation program for South Vietnam was ill conceived, poorly implemented, and undertaken with little command control in the field. High officials in Guam and elsewhere, estimate that 'half the Vietnamese we intended to get out. did not get out—and that half who did get out, should not have.' When over half of the refugees fall outside the categories targeted for evaluation and parole in to the United States, troubling questions inevitably arise over the wisdom and efficacy of the evacuation program. And these questions were known from the first days of the airlift from Saigon.

"Second, the profile of Vietnamese refugees on Guam and other staging areas are different in a number of important respects from most of those who have already landed in the United States. Increasingly, the refugees are farmers, fishermen, local tradesmen, vendors, and South Vietnamese soldiers. Few speak English, and fewer still comprehend the implication of their plight as refugees. In fact, many of the refugees fled in panic from conflict and violence—as Vietnamese have fled for years—and many give the impression of not fully understanding where they are or why they got there. Such refugees are hard to resettle in any country. And for personal reasons many may wish to seek repatriation to their native land.

"Third, the military services charged with the moving and care of the refugees have performed extraordinarily well. With belated orders and few guidelines, the commanding officers at bases in this country and overseas have moved effectively in receiving the refugees and in providing them food and shelter and needed health care. Our services have performed well in meeting emergency humanitarian needs, and deserve the high tribute of Congress and the American people.

"Fourth, the same degree of performance is not seen on the civilian side of the President's program The military services seem to understand what the Inter-agency Task Force apparently has not—that in the support of an emergency humanitarian operation involving tens of thousands of people, days and hours are critical in meeting human needs. Nothing illustrates this more than the lack of understanding and support that the Task Force has accorded to the American voluntary agencies, who have traditionally been the backbone in the resettlement of refugees and the normalization of their lives. Despite the immediate availability of hundreds and thousands of agency sponsors throughout the country, the agencies' services to the refugees are hampered, and the resettlement program has ground to a halt.

"An elementary objective in any refugee program is the speedy and humane resettlement of the homeless families. But this is not being done today. And, as a result, bottlenecks will grow, and the problem of Vietnamese refugees will remain.

"For too many weeks, the refugee program has been nothing more than a logistical pipeline for moving people from one place to another. But the funnel is full, and the pipeline is now coming to a dead end. The fundamental questions of where the refugee family goes from Pendleton or Fort Chaffee or Eglin, and what he does when he leaves—the basic issues of resettlement—have never caught-up with the pipeline. And until these questions are seriously addressed, and dealt with soon, there will be the makings of even greater human tragedy for a people who have suffered too much for too long.

"The agenda for action is clear.

"First, the speedy and humane resettlement of the refugees who come to our shores, must truly become the first objective of our national policy. The bottlenecks must be broken. The red-tape over clearences must be cut. The voluntary agencies must be funded and contracts signed. There is little excuse for the resettlement program grinding to a halt, and threatening serious problems for the welfare of the refugees and the credibility of our national welcome to the new arrivals.

"Second, the major responsibility for resettling the refugees should rest with the experienced voluntary agencies who stand ready to help. However, the time is past due for better coordination among the agencies and for the agencies to be brought into the mainstream of the refugee program. There must also be more frequent and intensive consultations between the agencies and officials in the Executive Branch.

"Third, serious consideration should now be given to moving the primary responsibility for the resettlement program in the U.S. from the Department of State to the Department of Health, Education, and Welfare.

"And fourth, through appropriate international organizations and other means, we must help to provide better opportunities for the refugees to sort out their future, including resettlement in other countries and voluntary repatriation to their native land.

"The new arrivals from Cambodia and South Vietnam continue the oldest theme in our nation's history. We have a special obligation to these refugees. And, we must welcome them, as we have welcomed others in the past. We must be sensitive to their individual needs, and compassionate in helping them to build new lives. This will truly reflect the moral foundations of our country, and our heritage as a nation of immigrants and refugees."

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield

Mr. KENNEDY. Mr. President, I join in expressing appreciation for the attitude of the chairman of the committee, as well as the ranking member, in this particular issue.

It was my understanding, in the course of the development of the legislation, that this was clearly the intention of the legislation.

I believe that the Senator from South Dakota, by this exchange in the development of the legislative history, will remind those in authority who are administering the program that it is the desire of the Members of the Senate and the House of Representatives to afford an opportunity for expression by the refugees, as completely as possible, as to their futures. This is entirely consistent from a humanitarian point of view, and it is entirely consistent with our trying to alleviate the suffering and the anguish of these 150,000 refugees.

In the course of the recent hearings before the Refugee Subcommittee, on the issue of resettling the refugees, we have seen that the early instances of those who desired to return to Vietnam seemed to be exceedingly few, since the first groups of refugees were more carefully selected than later groups. It is my very clear impression that this provision might be widely used, not just by the approximately 48 or 50 who have already indicated a desire to return, but by many more, in the hundreds perhaps or even thousands. Testimony before the Refugee Subcommittee on Tuesday by Ambassador Brown and others clearly supports this view. And voluntary repatriation, along with integration in initial reception areas and resettlement in other countries, have traditionally been one of the options available to refugees who are sorting out their future.

Mr. President, I hope we can urge those who are administering the refugee program to work with the UNHCR and other international and voluntary agencies in attempting to demonstrate to those who may be making the choice of returning to their country—and in many instances to their families—the question of their safety and their security when they return. The general information that these refugees have received in the camps is primarily based on broadcasts or upon what they have read in the newspapers.

I firmly believe that with the help of international machinery—and their work is devoted primarily toward humanitarian purposes—a great deal of the anguish and the apprehension that many of these refugees have, will be relieved. And this is an extremely important service in the cause of humanitarianism. The UNHCR and others are uniquely equipped to do this.

One of our failures in the past has been the failure to respond to and support in a positive way, the offers of assistance and the requests from the international organizations and the voluntary church groups in attempting to provide for refugees.

I commend the Senator from South Dakota for bringing this to the attention of the Senate, and I express appreciation to the members of the committee for the thought that was obviously given to this problem prior to the time that this matter came to the floor. I urge those who are charged with the administration of this program that they recognize that this is a very real and a very viable alternative for some of the refugees, and urge that, in providing that alternative, they will also try to utilize whatever machinery, primarily international machinery, exists to deal with the situation. If this can be done, the dangers which may very well exist in the minds of people about what kinds of recriminations or whatever other kind of future these individuals may have, could be alleviated.

This is not a new kind of challenge for international agencies. It has been done time and time again. It was done in the Algerian war, the Nigeria-Biafra war. It was done in the Pakistan-Bangladesh war. It has resulted in the reunification of families and the resettlement of people in their homes and in their communities and the restoration of a livelihood and a life and a life style which is, in many instances, the most suited for the

people who have been uprooted and suffered so much as a result of war.

I commend the Senator from South Dakota and thank the members of the committee for accepting this amendment.

Mr. President, I ask unanimous consent to have printed in the RECORD as part of my remarks the exchange that I had with Ambassador Brown along with a press release from the United Nations on this very issue as to what is being done at the present time by the administration on this particular program. It is a brief exchange, but I think it indicates that Ambassador Brown and the task force are sensitive to this issue. I think it is consistent with the discussion we have had.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Senator KENNEDY. I would also be interested in whether you are considering the possibility of resettlement back in Vietnam?

Ambassador BROWN. When we found the first 45 on Guam, that stated they wished to return, we immediately sent a cable to our people on Guam saying turn those people over directly to the United Nations High Commissioner for Refugees. We then went to the High Commissioner for Refugees and said, will you take on the responsibility of dealing with these people. I think we have found three others since then, so we have a total of 48. Our whole policy and pattern will be if anybody was swept up one way or another or someone has changed his mind, we will go back immediately to the High Commissioner, inform him and ask him to work out through his diplomatic channels the return of this person to Vietnam. That is going on now. The results of how he has talked to Hanoi about this, I do not know what he is doing.

Senator KENNEDY. Then it is our policy then to just let those negotiations be worked out with the High Commissioner?

Ambassador BROWN. Yes.

Senator KENNEDY. Can you give us any kind of an evaluation from your screening program whether you expect those members to increase or to remain the same?

Ambassador BROWN. This is one of our problems, that the people who came in, who were picked up on the high seas by our ships which were steaming into various places—the groups that are leaving Singapore now, we are not sure what the profile of those people will be. I think it will be a different one, and I would not doubt but it might include, say, sailors on ships and others who are there and would prefer in the long run to return. We will make sure that they will be returned. We are finding little groups of these people around different places who want to go back; but there are not significant numbers as of now at all.

Senator KENNEDY. Of any of the groups that want to return, it is the position of the Administration that these opportunities for their return will be available?

Ambassador BROWN. That is right, sir. There are some who recently came ashore from Taiwan—once again, the crew of the ship. Some of the crew said they wanted to return to their families. They were moved into the U.N. to be moved back. I think that is the best way to handle that.

UNHCR ASSESSES SITUATION OF VIETNAMESE OUTSIDE THEIR COUNTRY

(The following is reproduced as received from the UNHCR, Geneva)

A number of Governments have drawn the attention of the United Nations High Commissioner for Refugees (UNHCR) to the recent arrival in various countries of large numbers of Vietnamese, as well as groups of Cambodians, who left their country during the recent events and who now need assistance.

The High Commissioner has expressed concern about the substantial number of people who clearly require urgent solutions to their situation. The Office will place emphasis, according to the need, on resettlement in countries willing to accept them, or durable asylum in countries where they have arrived. The High Commissioner is contacting a number of Governments of countries of potential resettlement. In addition, UNHCR will assist in facilitating voluntary repatriation whenever possible, if this is the preferred choice of some of the up-rooted, and the reunion of split families, thereby alleviating the tragic consequences of separation.

According to information available, at this stage, these groups have arrived in significant numbers in Guam, Hong Kong, Malaysia, Philippines, Sinagpore, and Thailand, though smaller numbers find themselves in a number of other countries including some outside the area.

The High Commissioner's representatives are assessing the situation in these countries in order to provide the data required for appropriate action. As part of this comprehensive assessment, two UNHCR officials arrived in Guam today.

The High Commissioner, Sadruddin Aga Khan, states, "My Office has always helped promote speedy solutions to problems of refugees and displaced persons, whenever they might be. UNCHR will, as in the past, seek ways to encourage, as needed, voluntary repatriation, integration in countries of first asylum, the resettlement of individuals of concern to us, in a strictly humanitarian and non-political manner.

Mr. SPARKMAN. Mr. President, I move the adoption of the amendment, as modified.

The PRESIDING OFFICER. The question is on agreeing to the amendment as modified.

The amendment, as modified, was agreed to.

Mr. McGOVERN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SPARKMAN. I move to lay it on the table.

The motion to lay on the table was agreed to.

Mr. SPARKMAN. Mr. President, I yield to the Senator from Washington.

EVACUATION OF AMERICANS FROM LAOS

Mr. MAGNUSON. Mr. President, I shall be very brief.

While we are on the subject of aid to refugees from Vietnam and Cambodia, I think it is also appropriate to turn our attention for a moment to Laos. With the Communists daily increasing their control of the government, it looks like we are headed for a repetition in Laos of what occurred only a few weeks ago in Cambodia and Vietnam.'

My question is this: Will we be caught short again? Will we delay evacuation until we are forced once again to rely on the Marines to bring out our citizens, or will we have learned from our recent mistakes?

Will Congress be asked to sanction the use of U.S. Armed Forces again to accomplish a precipitous withdrawal, or will we take the prudent course, for a change, and begin withdrawing the approximately 1,000 Americans in Laos right now?

We have all read the headlines in the last 2 or 3 days about what is happening in Laos. At the same time, the President has named a new Ambassador to Laos. It seems to me that this is business as usual to carry on despite all obstacles. I certainly hope it does not mean that.

I am, at least, pleased to hear that we are belatedly consolidating our presence in Laos, closing our offices in the provinces and removing Americans to the capital. Now that those offices have been attacked, we have decided to take action. I do not think we should wait until a similar incident occurs at our embassy, in Laos.

We should take steps to protect our citizens by removing them from imminent danger and we should not react simply to demands. I think we should initiate an orderly withdrawal plan now—early—so that it does not happen the way it happened in Saigon.

A "thinning-out process," such as the State Department reportedly has announced, is not enough. They are thinking in terms of reducing the number of Americans by tens, not hundreds as I believe the situation warrants.

If the Laotian Government will not or can no longer provide even basic police protection for Americans and American installations, then that is a good indication they do not want us around and we should take heed.

It is not a question of cutting back. It is a question of getting out.

It is up to the two committees, both the Committee on Appropriations and the Committee on Foreign Relations, to insist on some kind of plan to get out of there. As sure as I am standing here, withdrawal is going to happen.

I intended to offer an amendment to this bill—which includes only Vietnam and Cambodia—an amendment which will include Laos and money to handle a situation that I think is inevitably coming. But I know that we have to proceed here today with some dispatch on completing the refugee aid bill. So I am not going to offer it. But I surely am going to watch what the Committee on Foreign Relations does, or ask the State Department what they are doing about the situation in Laos. Otherwise, we are going to have another incident; we are going to have some more trouble.

It seems to me that we should have considered Laos in this particular measure now before the Senate. But I am not going to offer that amendment, because we directed all of our hearings—the Senator from Hawaii on appropriations and the Committee on Foreign Relations on authorization—to Cambodia and Laos. I am going to suggest, instead, that the Committee on Foreign Relations next week call up the State Department and ask them what are their plans in Laos, if any. I hope the distinguished Senator from Alabama will do just that. I do not want those 1,000 Americans to be caught in the capital of Laos under the same circumstances that we were caught in Saigon.

I shall not present my amendment,

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because I did vote in the Committee on Appropriations for the amount that we have here. I am very hopeful that the first of next week, the committee will take steps to find out what plans are being made regarding Americans in Laos. The situation is deteriorating there almost as fast as it deteriorated in Saigon. If we do not act now we are going to be caught again; we are going to be placed in the same situation of having to send marines in to rescue Americans.

I do not know, but I understand, that among these 1,000 to 1,500 Americans, there are some CIA people still in Laos. Their presence there, as everyone knows, is an irritant to whatever government or whatever coalition is taking over in Laos, and they, of all people, ought to get out.

I do hope the distinguished chairman of the Foreign Relations Committee will examine this matter quickly, because the situation may deteriorate any time in the next week or 10 days, in my opinion. I hope it does not. But let us get our people out of there.

I hope I can get a response from the chairman of the Committee on Foreign Relations.

I am not going to present my amendment. I am sure that it would carry it if I presented it.

Mr. SPARKMAN. Mr. President, of course this bill is really not related to the situation developing in Laos. This bill is to assist refugees from South Vietnam and Cambodia. It has nothing to do with the evacuation of Americans from those countries.

Mr. MAGNUSON. I understand that.

Mr. SPARKMAN. However, I want to assure the Senator that we are fully aware of the situation in Laos, and I can assure him that we are watching it closely.

Mr. MAGNUSON. This may be only my opinion, but I think action is called for now in Laos, in view of the whole situation, so we will not get into the same kind of a mess we got into in Saigon, where we delayed and delayed.

If we are going to be caught there somebody is going to have to rescue the Americans, because the Laotian Government appears to have no intention of protecting them. When those three Americans were captured, they could have protected them but no one moved; they just let it go. If they are going to do that, we had better get our people out of Laos.

I thank the Senator.

Mr. SPARKMAN. Mr. President, I thank the Senator from Washington.

AMENDMENT NO. 477

Mr. HUDDLESTON. Mr. President, I call up my amendment No. 477 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Kentucky (Mr. HUDDLESTON) proposes amendment No. 477.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 5, begining with line 1, strike out through line 7 and insert in lieu thereof the following:
>
> SEC. 4. (a) Not less than thirty days after the date of enactment of this Act, the President shall transmit to the Committees on Foreign Relations, Judiciary, and Appropriations of the Senate and the Speaker of the House of Representatives a report describing fully and completely the status of refugees from Cambodia and South Vietnam and his plans for their resettlement. Such report shall set forth, in addition—
>
> (1) the total number of refugees within the care of the United States;
>
> (2) the number of—
>
> (A) orphans;
>
> (B) heads of households;
>
> (C) family members attached to a head of household; and
>
> (D) persons with relatives or sponsors who are United States citizens;
>
> among the total number of refugees set forth pursuant to paragraph (1) of this subsection;
>
> (3) the number of refugees who have been permanently settled in the United States;
>
> (4) the number of orphans placed for adoption;
>
> (5) the location of those refugees who have been permanently settled or who have left receiving or staging centers;
>
> (6) the number of refugees remaining in receiving or staging centers;
>
> (7) the number of refugees who have indicated an interest in returning to their homeland or being settled in a third country, together with a description of the steps he has taken to carry out such return or resettlement, including any initiatives that have been made with respect to the Office of the High Commissioner for Refugees of the United Nations;
>
> (8) the employment status of those refugees seeking employment who have been permanently resettled in the United States;
>
> (9) the services which State and local governments are providing for such refugees;
>
> (10) the amount of funds obligated or expended as of the date of such report for refugee assistance, and the uses to which such funds have been put;
>
> (11) a plan for the resettlement or return of those refugees remaining in receiving or staging centers.
>
> (b) The plan referred to in paragraph (11) of subsection (a) of this section shall provide, on a priority basis, for—
>
> (1) the resettlement of refugees who have relatives or sponsors who are United States citizens;
>
> (2) the resettlement of refugees in areas where their skills are in demand or likely to be utilized;
>
> (3) the resettlement of refugees in areas which can reasonably be expected to provide those supporting services (such as language courses and health services) which such refugees may require;
>
> (4) the resettlement of refugees outside those areas with high unemployment and overcrowded housing conditions; and
>
> (5) the prompt return to their country of origin or the immigration to a third country of those who, without pressure or coercion from any officer or employee of the Federal Government, have indicated a desire for such return or immigration.
>
> Such plan shall be put into effect to the maximum extent possible.
>
> (c) Supplementary reports setting forth recent information with respect to each of the items referred to in subsection (a) of this section shall be transmitted not less than ninety days after the date of transmittal of the report referred to in subsection (a) of this section and not later than the end of each ninety-day period thereafter. Such reports shall continue until September 30, 1977.

Mr. HUDDLESTON. Mr. President, I send to the desk a modification of the amendment.

The PRESIDING OFFICER. The modification will be stated.

The assistant legislative clerk read the modification as follows:

> On page 3, line 11, strike all after "shall" and insert in lieu thereof the following: "include, among others, provisions"

The PRESIDING OFFICER. The amendment is so modified.

Mr. HUDDLESTON. Mr. President, I join with my colleagues in commending the distinguished chairman of the Foreign Relations Committee and other members of that committee for the expeditious way in which they have moved this legislation so that we might address this very serious refugee problem.

As I have indicated before, the amendment I am proposing is a simple one. It would tighten the provisions of section 4 of S. 1661.

In that section, the President is required to keep the appropriate committees of Congress "fully and currently informed regarding the use of funds and the exercise of activities carried out pursuant to this act."

My amendment would formalize this informing of the Congress and specify what is to be included in such reports. Furthermore, the amendment requires a plan for the resettlement of remaining refugees, developed according to general principles outlined in the legislation.

I recognize the enormity of the tasks which have been involved in the evacuation of the refugees, the movement of them to restaging centers, and the efforts to make arrangements for their assimilation into life in the United States. In many ways, the efforts have been admirable.

There are, however, a number of unknowns remaining in the equation, and these have led to questions in the Congress, in the press, and among our people.

While the committee report provides some fine figures and estimates, they are in many cases more estimates than figures. In some cases, they can be no more. At this time, we have no final information.

We do not at this point know what the final number of refugees will be; we do not now know specifically how many might desire repatriation or resettlement in a third country; we do not now know definitely to what extent it will be possible for those desiring resettlement in a third country to be provided for. We do not now know how long the processing of many of those who remain in the refugee centers will take.

Furthermore, we do not now know whether or not the required number of sponsors wil be forthcoming.

We do not now know to what extent these persons can be absorbed into the work force at a time when 8.9 percent of our own people are unemployed.

We do not now know the extent of the requirements that will be imposed upon our State and local governments as a rtsult of the influx of refugees.

The amendment would, therefore, require that this information—specific information—be reported to the appropriate congressional committees—Foreign Relations, Judiciary, and Appropriations, 30 days from enactment and that it be updated each 90 days thereafter. The provision of such information will keep the Congress advised of what is happening in the resettlement program and, hopefully, enable us to spot any particular problems which are arising.

In a similar vein, the amendment further requires a plan for the resettlement of those remaining in the refugee centers. We have been told that "every effort" will be made to insure that resettlement will not be concentrated in a few enclaves—L. Dean Brown statement, page 16 of the committee report—that the administration hopes "third countries will be able to absorb as many as 15,000 refugees"—committee report, page 18—and that Federal agencies are assessing housing and employment areas—page 21. The amendment requires that these principles be formalized into a plan to be included in the report—a plan which will indicate to Congress and the American people exactly how we are proceeding with the integration of these persons into our society.

I offer this amendment as a means of bringing direction to the resettlement of refugees and as a means of keeping the Congress and the American people fully advised of developments taking place.

We need to know exactly what we are doing.

We owe it to the refugees and to our communities which will be absorbing them to make the transition as smooth as possible. That can best be done if we have a plan which sets our goals and principles—and the information which indicates to all our efforts and our approach.

Resettlement in an alien country where traditions vary greatly from those to which one is accustomed cannot possibly be easy. It is up to our Nation, which bears a responsibility for the conditions which led the refugees here, to see that the assimilation is as easy as possible.

At the same time, the concerns of our own citizens cannot be overlooked.

My amendment addresses itself to both of these problems. It seeks to focus attention on the need for more direction in the resettlement—for additional planning—which should assist the refugees. It sets principles for the resettlement plan—principles which, in addition to ordering the resettlement process, should reassure our own citizens. It provides for the release of information, which should alert us to developing problems and give us in Congress and the administration the opportunity to resolve them before they become major burdens to those whose journey to a new life has been so long and to those whose communities may be called upon to deal with new difficulties.

The amendment would, I believe, benefit the refugees, the Congress, and the American people.

We are contemplating the authorization of over $400 million in this legislation, in addition to the sum of $100 million that has already been made available. Furthermore as the chairman of the committee has indicated, it is anticipated that additional funds will be required in the future. In view of this, it is, I believe, essential that we have the kind of information that this amendment calls for and that we have it in a timely and complete manner.

As to the plan of resettlement to which the Senator from New York has referred, it was not the author's intention to develop strict, unyielding guidelines or priorities for a resettlement program. I do, however, believe that in order to efficiently and properly resettle upward of 150,000 individuals there ought to be a specific plan for resettlement.

Furthermore, I believe there are certain generally agreed upon principles which should be followed in developing that plan.

For that reason, I have included guidelines in the amendment. Many of these have already been discussed and approved by Mr. L. Dean Brown, who is in charge of the interagency task force for refugee resettlement, and other individuals involved in the program.

So there is no significant departure from generally accepted procedures. Instead, widely recognized objectives are stated and formalized.

In addition there is flexibility in the modification that has just been made in this amendment. And, the original amendment itself carries flexibility in the provision that this plan be followed "to the fullest extent possible."

I do not suggest that we here on the floor of the Senate determine precisely what the priorities in a plan ought to be, but I do suggest that there ought to be a plan that it should cover certain matters, that Congress ought to be aware of the plan and how it is unfolding, how it is working.

And, I suggest the information required by the amendment, is needed. It is needed in order that a comprehensive resettlement plan can be devised. So, while the amendment does call for a considerable amount of information to be furnished to Congress, I believe this is information that is necessary and information that is already to a great extent, gathered.

As the distinguished chairman of the Committtee on Foreign Relations has mentioned, because of haste—and the necessity for haste—in moving this legislation, there has not been time for lengthy deliberation on all ramifications of the proposal.

I think this amendment will tie together some of the unanswered questions regarding the resettlement program, and hopefully provide us with the information and planning to resolve them.. I hope it will be accepted by the Senate.

Mr. SPARKMAN. Mr. President, I have examined the amendment of the distinguished Senator from Kentucky and the modifications suggested.

We have made some suggestions and, I believe, the modifications that were suggested have been made in the amendment as submitted, and I am willing, for my part, to accept it.

Mr. JAVITS. Mr. President, will the Senator yield to me? I agree. The Senator has done what needed to be done, and I hope the amendment is adopted.

Mr. CASE. Yes, speaking for the minority, I fully agree that the amendment is useful and, particularly, with the explanation that was given and the modification made and the suggestion of the Senator from New York, it is a thoroughly desirable and helpful change. I am glad to accept it, I would be glad to accept it.

Mr. HUDDLESTON. I thank the Senator from New Jersey.

Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, of the Senator from Kentucky.

The amendment, as modified, was agreed to.

AMENDMENT NO. 475

Mr. DOLE. Mr. President, I call up amendment No. 475 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> At page 5, following section 4, insert the following new section:
>
> SEC. 5. The Comprehensive Employment and Training Act of 1973 is amended by redesignating title VII, and all references thereto, as title VIII, by redesignating sections 701 through 715 and all references thereto, as sections 801 through 815, respectively, and by inserting after title VI the following new title:
>
> "TITLE VII—VIETNAM VETERANS' EMPLOYMENT ACT
>
> "AUTHORIZATION OF APPROPRIATIONS
>
> "SEC. 701. There are authorized to be appropriated $100,000,000 for obligation in fiscal years 1975 and 1976 for carrying out the purposes of this program.
>
> "SEC. 702. (a) The Secretary shall enter into arrangements with eligible applicants in accordance with the provisions of this title in order to make financial assistance available for the purpose of providing transitional employment for unemployed and underemployed Vietnam-era veterans in jobs providing needed public services, and training and manpower services related to such employment which are not otherwise available, and enabling such persons to move into employment not supported under this Act.
>
> "(b) Not less than 90 per centum of the funds appropriated pursuant to this title which are used by an eligible applicant for public service employment programs for Vietnam-era veterans pursuant to this title shall be expended for wages and employment benefits to such persons.
>
> "(c) The provisions of section 204(d) and

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sections 205 through 211 shall apply to financial assistance under this title.

"(d) For purposes of this section, the term 'eligible applicants' means prime sponsors qualified under title I of this Act and Indian tribes on Federal or State reservations.

"(e) For purposes of this title, 'Vietnam-era veteran' shall mean any 'eligible veteran' within the meaning of section 2 of the Veterans' Readjustment Benefits Act of 1966, as amended (38 U.S.C. 1652), who served on active duty in the Armed Forces during the period commencing on August 5, 1964, and ending on May 7, 1975.

"ALLOCATION OF FUNDS

"SEC. 703. (a) (1) Not less than 90 per centum of the amounts appropriated under section 701 shall be allotted among eligible applicants by the Secretary in accordance with the provisions of this subsection.

"(2) The amount allotted to any eligible applicant under this section shall be determined by multiplying the State veterans' population by the per capita amount per veteran and multiplying the product thereof by the local entitlement factor.

"(3) For purposes of this subsection, the term 'State veterans' population' shall mean the number of Vietnam-era veterans residing within the State where the eligible applicant is located at the time of such allocation as certified by the Administrator of the Veterans' Affairs. Such certification shall be based upon the most current figures available at the time of certification to the Administrator.

"(4) For purposes of this subsection, the term 'per capita amount per veteran' shall mean the total amount to be allocated under this subsection divided by the number of Vietnam-era veterans unemployed at the time of allocation, as determined by the Secretary.

"(5) For purposes of this subsection, the term 'local entitlement factor' shall mean the number of persons who reside within the jurisdiction of each applicant divided by the total number of persons who reside within the jurisdiction of all eligible applicants within the State within which such applicant is located.

"(b) The remainder of the amount appropriated under section 701 shall be available to the Secretary for financial assistance under section 702 as the Secretary deems appropriate to carry out the purposes of this title, taking into account changes in rates of unemployment among Vietnam-era veterans.

"(c) For purposes of allocations under this section, the term 'jurisdiction' includes the jurisdiction of each unit of general local government as described in section 102(a)(2) whether or not such unit has entered into a combination of units of general local government for purposes of section 102(a)(3) or section 102(a)(4).

"SPECIAL PROVISIONS TO REQUIRE THE HIRING OF HANDICAPPED VIETNAM-ERA VETERANS AND TO EXPAND JOB OPPORTUNITIES

"SEC. 704. (a) An application for financial assistance under this title shall include provisions setting forth assurances that the eligible applicant will use at least 25 per centum of the funds allocated under this title to hire disabled Vietnam-era veterans. For purposes of this subsection, 'disabled Vietnam-era veteran' shall mean any Vietnam-era veteran who sustained a service-connected disability within the meaning of sections 101(16), as amended, and 601(1), as amended, of title 38 of the United States Code, as a result of service in the Armed Forces during the period commencing on August 5, 1964, and ending on May 7, 1975.

"(b) Funds allocated under section 703 to eligible applicants may be used for—

"(1) public service employment programs without regard to the provisions of sections 205(c)(4), 205(c)(6), 205(c)(16), 205(c)(19), and 208(a)(7);

"(2) providing employment for Vietnam-era veterans who have been unemployed for at least fifteen days without regard to the provision of section 205(a) relating to thirty days of employment, if the applicant certifies that the hiring of an individual will not violate the provisions of section 205(o)(8); and

"(3) payment of wages (at rates not less than those prevailing on similar construction projects in the locality as determined by the Secretary in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a5), for unemployed and underemployed Vietnam-era veterans as employees of public employers in jobs on community capital improvement projects which would not otherwise be carried out, including the rehabilitation, alteration, or improvement of public buildings, roads and other public transportation facilities, health and education facilities, and other facilities for the improvement of the community in which the project is or will be located, and including construction, rehabilitation, alteration, or improvement of water and waste disposal facilities in communities having population of ten thousand individuals or less which are outside the boundaries of a standard metropolitan statistical area (as defined by the Bureau of the Census).

"EXPENDITURE OF FUNDS

"SEC. 705. Funds obligated for the purposes of providing public service employment for Vietnam-era veterans under this title may be utilized by prime sponsors for projects and activities planned to extend over a twelve-month period from commencement of any such project or activity.

"REALLOCATION OF FUNDS AND DENIAL OF ELIGIBILITY

"SEC. 706. (a) The Secretary is authorized to make such reallocations as he deems appropriate of any amount of any allocation under this title to the extent that the Secretary determines that an eligible applicant will not be able to use such amount within a reasonable period of time. Any such amount may be reallocated by the Secretary only if the Secretary has provided thirty days' advance notice to the prime sponsor for such area and to the Governor of the State of the proposed reallocation, during which period of time the prime sponsor and the Governor may submit comments to the Secretary. After considering any comments submitted during such period of time, the Secretary shall notify the Governor and affected prime sponsors of any decision to reallocate funds and shall publish any such decision in the Federal Register. Any such funds shall be reallocated to other areas within the same State.

"(b) The Secretary is authorized to deny any eligible applicant further eligibility for funding under this title upon a determination that the applicant has—

"(1) used funds appropriated under section 701 and allocated under section 702 to hire persons other than Vietnam-era veterans; or

"(2) failed to comply with the requirements of section 702(a) respecting use of funds to hire disabled Vietnam-era veterans. The Secretary shall deny eligibility under this subsection only if the Secretary has provided thirty days' advance notice to the prime sponsor for such area and to the Governor of the State of the proposed denial of eligibility, during which such period of time the prime sponsor and the Governor may submit comments to the Secretary. After considering any comments submitted during such period of time, the Secretary shall notify the Governor and affected prime sponsor of any decision to deny future eligibility and shall publish any such decision in the Federal Register.

"MISCELLANEOUS PROVISIONS

"SEC. 707. (a) The Secretary or his delegate—

"(1) not later than the thirtieth day after the date of enactment of this title, shall publish proposed regulations relating to this title;

"(2) during the thirty-day period beginning on the thirty-first day after such enactment, shall afford an opportunity of public hearings and comments on such proposed regulations; and

"(3) not later than the ninetieth day after such date of enactment, shall prescribe and publish final regulations relating to this title.

"(b) The Secretary, in consultation and cooperation with the Director of the Veterans' Employment Service, and the Administrator of Veterans' Affairs, shall report to the appropriate committees of the Congress not later than ninety days after the initial allocation of funds appropriated under this title on—

"(1) the steps taken to carry out the provisions of this title;

"(2) the number of able-bodied and disabled Vietnam-era veterans placed in public service employment positions under this title; and

"(3) the desirability of continuation of this title or use of any other program as a means for employing unemployed or underemployed Vietnam-era veterans.

"(c) Nothing contained in this title shall be construed as affecting or repealing the requiremnts contained in section 205(c)(5) of the Comprehensive Employment and Training Act of 1975, relating to employment of veterans in other public service employment programs.".

Mr. DOLE. Mr. President, I have called up amendment No. 475 to S. 1661, on behalf of the junior Senator from California (Mr. TUNNEY) and myself. I would like to clarify the status of amendment No. 475 to provide additional employment assistance for Vietnam veterans under the CETA program. I recognize the plight of Vietnam refugees and the urgency of enacting this refugee bill. We have decided not to press this amendment if there can be some commitment on behalf of the distinguished Senator from New York and the distinguished Senator from New Jersey that this amendment will be considered in hearings which, I understand, will be conducted before the Committee on Labor and Public Welfare some time next week or soon thereafter.

Our decision in this matter does not diminish our conviction that the Congress should recognize the plight of unemployed Vietnam veterans and provide assistance to them. Our decision not to press the amendment is based on our understanding, as I just stated, that the Labor and Public Welfare Committee having jurisdiction over the CETA program will consider the content of this amendment in hearings next week.

I might yield now to the Senator from New York who did indicate that to me and, I think, the distinguished Senator from California. I also have discussed it with the chairman of that committee, Senator WILLIAMS, and he has also indicated that they would be pleased to consider the amendment at that time.

Mr. JAVITS. Mr. President, the Senator has already stated the facts. We are very anxious to consider this amendment. There are in excess of 20 percent of those who have public service jobs who are Vietnam veterans. Nonetheless that may be inadequate and gross in specific application in given areas.

So we have undertaken, at least I have and the Senator has already talked with Senator WILLIAMS, but it is adequate if I do, to see that this amendment is specifically considered and an opportunity offered for testimony to be given and, indeed, I would get the chairman's permission that Senator DOLE or Senator TUNNEY or both appear before the committee next week when we hear the CETA bill generally in order to testify on this matter.

If I may say so, the Senator is characteristically understanding and public spirited in his belief in this bill which has a particular purpose of national morality and integrity, and I know how deeply he feels about this matter. But I feel it is a fine demonstration of his total problem that he is staying his hand and not offering it on this particular bill.

Mr. DOLE. I thank the distinguished Senator from New York.

As the Senator from Kansas has indicated, the Senator from New Jersey (Mr. WILLIAMS) made the same pledge that he would be happy to consider and seek the cooperation of both Senators so that we might consider the amendment early next week.

I might say that the amendment would authorize $100 million for the coming year. Twenty-five percent of the funds allocated under the amendment would be for hiring disabled Vietnam-era veterans.

I also concur in the statement of the Senator from New York that it does not belong on this bill, and the Senator would not want to impede the progress of this legislation because it is very important.

At the same time, I would hope the importance of the amendment is not underestimated. During the past month the newspaper headlines and news broadcasts have been filled with heartrending stories on the plight of Vietnamese and Cambodian refugees. In response to these emotional reports, the United States has reacted with humanitarian assistance and a revision in our administration procedures to accommodate the pressing needs of these persons from war-ravaged nations.

The emotional nature of the problems in Southeast Asia have, in fact, been so predominant in the news that we tend to forget that there are citizens of the United States residing within our borders whose lives are still being affected by their involvement in the Vietnamese conflict. I am speaking, of course, of the veterans who sacrificed years of their lives to serve their country in an unpopular war effort, and who upon returning home have found job opportunities and veterans' benefits less than adequate.

It is the current plight of the American veteran which prompted me to join as a cosponsor of an amendment to the migrant and refugee assistance bill which would provide job assistance to Vietnam-era veterans. The amendment would alter the Comprehensive Employment and Training Act of 1973 and authorize the expenditure of $100 million in the coming year to provide transitional employment for unemployed and underemployed Vietnam-era veterans in jobs providing needed public services, as well as training and manpower services related to such employment which is not otherwise available. Twenty-five percent of the funds allocated under this amendment would be reserved for hiring disabled Vietnam-era veterans.

The provisions of this amendment would serve a double purpose. First and foremost, the amendment would provide jobs for veterans who, because of the current economic slump, have found it difficult to return to the private job market. In Kansas, there are currently some 73,000 Vietnam-era veterans. During the month of April, the unemployment level within this veteran population nationwide was 9.9 percent. Among veterans between the ages of 20 and 24, The unemployment was an unbelievable 22.8 percent.

In Kansas, statistics provided by the Kansas Employment Security Office indicate a need for employment assistance for the Vietnam-era veteran. During the period, July 1–April 30, 21,589 requests for employment assistance were received by the Kansas Employment Security Office from Vietnam-era veterans. Only 4,359 or approximately one-fifth of the contacts resulted in placement. These figures illustrate the need for continuing job assistance programs.

While increasing employment opportunity, the proposal will also help meet a second need. The economic slump experienced over the last 6 months has resulted in less buying power for the consumer and less revenues for State and local governments which depend on sales tax collections for income. Faced with the current economic dilemma, many State and local governments are being forced to reduce essential public services normally maintained by local government. Funds allocated to State and local government through normal CETA channels under this amendment will help relieve the resultant financial pressures on local government and also help local government maintain essential services to its constituents.

Mr. President, I would like to say a few words on behalf of the junior Senator from California (Mr. TUNNEY), who has offered this amendment along with me. He is unable to be with us today because he is conducting important hearings for the Special Committee on Aging in California.

We proposed this amendment to the refugee bill to create a public service employment program for veterans in the belief that this would be a timely and appropriate vehicle for calling the plight of America's veterans to the attention of the Senate and the Nation.

Because the Senator from California and I were concerned about immediate action on the issue of veterans' jobs, we submitted this amendment.

This program is clearly a proposal of major proportions, involving the expenditure of $100 million, as it does, and the creation of thousands of jobs for veterans. Under ordinary circumstances, such a program would qualify for lengthy and careful consideration by the appropriate legislative committees. However, in this case, the need for speed and the opportunity to act decisively to ease the condition for some of America's hundreds of thousands of unemployed Vietnam-era veterans moved the Senator from California and me to offer this amendment.

Now it appears that the potential for rapid action by the Senate through the medium of committee action is available. As we discussed earlier, the Senate Committee on Labor and Public Welfare will be holding hearings on the entire CETA program next week and during the first week in June. Those hearings will offer an equally expeditious way to consider the possibility of creating a veterans' job program through CETA, and will offer the additional advantage of expert comment on this concept by the membership and staff of the committee, who are the most qualified among us to evaluate it.

Senator TUNNEY, before he left for California, and I, had the opportunity to speak with the ranking minority member of the Labor and Public Welfare Committee, Senator JAVITS, and with his colleague from California, Senator CRANSTON. They both assured us that the committee would be receptive to considering this veterans' public service jobs proposal in its hearings on CETA.

I understand that the first two hearings will take place on Monday and Tuesday of next week, and that Senator TUNNEY will be offering testimony at that time outlining the need for a veterans' public service jobs program, and the substance of the proposal which we have made in this amendment.

Accordingly, because we believe that the program should be fully evaluated by the relevant committees, and because the present schedule of the Labor and Public Welfare Committee will allow for expeditious consideration of our proposal, Senator TUNNEY and I have decided that we will not press this amendment to S. 1661, the authorization bill for refugee aid. It is our hope that the Senate will move quickly to institute such a program, as provided by the amendment, after consideration by the committees involved. For now, we will urge the Labor and Public Welfare Committee to give this matter its full attention.

Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. JAVITS was recognized.

Mr. SPARKMAN. Mr. President, will the Senator yield to me for a unanimous-consent request?

Mr. JAVITS. Of course.

Mr. SPARKMAN. Mr. President, at this time I ask for the yeas and nays on passage of this bill.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JAVITS. Mr. President, under the same heading as that of Senator DOLE, I

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would like to advise the Senate that the majority leader, Senator Mansfield, and the deputy majority leader, Senator Byrd of West Virginia, had in mind the possibility of offering on this bill, because it is very likely to be signed, a very urgent solution or a partial solution to an extremely urgent problem of the cities, major cities, in the country, which are letting employees in public services go wholesale because of economic stringency, in an effort, as it were, to abate that situation with some help in a rather interesting way that they had in mind from Congress.

After considering the matter and considering the views of many of us on the committee, for the very reason of leaving this gesture by the United States toward the Vietnamese refugees as a single eloquent answer of the American people to the problem without even the most urgent matter being included in it, they are going to refrain from offering it on this bill, and offer it on another bill or on an appropriation bill.

I have gotten their permission to state this. I think it is again a very high-minded public-spirited attitude which should be appropriately noted by Congress and the country.

Mr. ROBERT C. BYRD Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. ROBERT C. BYRD. The distinguished Senator from New York has stated the facts succinctly, and I want to express my appreciation to him on behalf of Mr. Mansfield and myself.

Mr. JAVITS. I thank the Senator.

Mr. HELMS. Mr. President, I have an amendment in the nature of a substitute at the desk which I call up and ask that it be stated.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

Strike out all after the enacting clause and insert the following:

That the Congress hereby finds and declares that:

(1) the finest humanitarian traditions of the United States of America call upon our people to provide assistance to facilitate the resettlement of those refugees from South Vietnam and Cambodia who fled those countries in fear for their lives, so that such refugees may be helped to resume normal lives in a manner which will minimize the dislocation involved in their resettlement;

(2) such traditions call upon our people to assist the refugees in a manner consonant with the deep humanitarian principles of private voluntary action, guided by the religious and charitable impulses characteristic of our people and our history;

(3) large scale bureaucratic action for the resettlement of refugees is contrary to the basic principles of humane charitable activity and fails to mobilize the personal generosity of the American people; and

(4) both the American people and the refugees will benefit to a greater degree from the personal involvement created by private voluntary action.

Sec. 2. It is the sense of Congress that:

(1) no funds be appropriated from the Treasury of the United States for the resettlement of said refugees;

(2) the President of the United States appoint a voluntary commission of religious and charitable leaders to receive such private donations as may be necessary and to coordinate and direct the activities of such individuals and organizations who may wish to participate in the refugee program;

(3) each member of the Senate of the United States and of the House of Representatives of the United States contribute at least $1,000 to establish the fund to be administered by said commission; and

(4) funds be disbursed for the commission's activities as soon as one-half the members of each House have made their initial contributions.

Mr. HELMS. Mr. President, I ask for the ayes and the nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The ayes and nays were ordered.

Mr. HELMS. I thank the Chair.

Mr. President, I have studied with great care many of the statements now being made about the Vietnamese refugees who have come to the United States. I have noticed on the one hand, expressions of hostility, and on the other hand genuine declarations of sympathy and welcome.

It will serve no purpose to refuse to understand the feelings of those who are reluctant to accept yet another alien cultural group into our midst. As generous as the American people are, there is obviously a growing belief that this Nation has experienced more and more social problems as a result of the melting-pot theory. There is the feeling that the traditions of our ethnic groups are being undermined, as well as the sense of identity and community. Agree with it or not, the mail that all of us are receiving discloses a clear concern that, more and more these attacks upon our national traditions are being sponsored by impersonal Government agencies, which use the taxpayers' money to finance social engineering projects which a majority of the American taxpayers do not want.

So once again, millions of Americans see the Federal Government engaged in action which will have a considerable impact upon the nature of our society. Many of our citizens see the refugees arriving and receiving Government assistance on a level which they, the American citizens themselves, have never enjoyed. Proposals for this assistance have reached as high as $500 million.

Furthermore, there is a resentment over the Vietnamese war itself. I do not think that there is a single loyal American who objected, in the beginning, to the provision of assistance to Vietnam to avert a Communist takeover. But a war needlessly protracted slashes at the heart of the body politic, as any reader of history knows. We need only go back to the classic Greek historians to understand what happened to our own people during the Vietnamese War. The ordinary man—and I confess that I am one of them—does not understand the value of killing and being killed in order to support limited or diplomatic objectives. A war that is fought without the incentive of victory is fatally flawed in the beginning. Those civilians who overruled the military professionals in the conduct of the Vietnam war will bear the ultimate burden of defeat—just as those who now maintain that any Vietnamese will be better off with a life under the totalitarian suppression of liberty are out of contact with reality. Many look upon the arrival of the refugees as the final blow, a tangible symbol of our ignoble failure to seek victory in Vietnam—a symbol, if you please, Mr. President, of a no-win war.

Thus the lives that were wasted, and the billions of dollars that were poured down the drain to support diplomatic overtures and negotiations—while the communist enemy retained its military havens safe from invasion—are now coming back to haunt us. Most Americans wanted us to win or get out, but our leaders chose not to win, and they waited too long before giving the South Vietnamese the very minimum for self-support—carefully measured out to keep them alive, but not enough to allow them to launch an attack for victory. Meanwhile, we waited for the betrayal of freedom implicit in the 1973 Paris Agreement to play out its inexorable implications.

We, therefore, lost the war, Mr. President, in every meaningful sense. We lost it in the sense that the basic objectives of freedom that the American people supported and continue to support have been lost. We will continue to pay an enormous price for our failures, and part of that price is the acceptance of the Vietnamese refugees, many of whom have only the alternative to return to death in their homeland for having cast their lot with us.

Whatever the cultural impact of the sudden influx of an alien group, it is clear that only the most callous would deny that we have a responsibility toward these people. It is undeniable that serious problems exist. There is widespread concern over the adaptability of such a group to American values. There is widespread concern over the possibility of the introduction of diseases not endemic to the United States. There is the language question. There is the probability that the screening system collapsed in the last minute panic. It is senseless to reject the apprehensions now being expressed by many, many Americans to all of us in this body and I am sure in the House of Representatives by many, many Americans across the country.

Mr. President, it seems to me, therefore, that the best thing that we can do is to get the Government out of the refugee assistance program entirely, and to think again before being stampeded into authorizing and appropriating the vast sums that have been mentioned. I think I can state with confidence that any program so hastily put together is certain to waste a lot of money. That is the clear history of many another program conceived in haste, and approved with good intentions. Whatever the good intentions, millions will be spent foolishly, and a great part of it will never directly assist the refugees themselves, but will be spent in building another meaningless bureaucracy.

So, Mr. President, let us think carefully and responsibly before we embark upon a program certain to result in wasting the taxpayers' money through another boondoggle program. Let us not, in the name of humanity, ignore our personal responsibilities, however, inconvenient those responsibilities may be.

I propose, instead, that we turn away from massive Government programs and immediately begin a program of private aid and personal assistance in the grand American tradition. Charity performed through Government agencies lacks the essential ingredient of personal involvement and personal sacrifice; what we need in America is a return to our Christian principles of voluntary sharing and commitment. Those of our citizens who do not feel motivated to assist the individual Vietnamese refugees who are now on our shores should not be forced to do so through the tax burden—that, Mr. President, will only add to the feeling of division and resentment. What we need is reconciliation and healing.

I, therefore, have a proposal to make to my colleagues. The proposal is contained in my amendment in the nature of a substitute, which I have just now called up.

Mr. President, the Senator from North Carolina is probably among the least affluent of the distinguished Members of this body. But the Senator from North Carolina pledges his personal check in the amount of $1,000 for the resettlement of the Vietnamese refugees, if a substantial percentage of the other Members of this body and of the House of Representatives will do the same. Thus in one stroke, over $500,000 in private funds could be subscribed; and I am confident that this good-faith example given by the elected Members of Congress would stir an outpouring of sympathy that would double or even triple that amount in a matter of days.

Mr. FORD. Will the Senator yield at that point for a question?

Mr. HELMS. Yes, gladly.

Mr. FORD. The Senator made a proviso on his check for $1,000, provided the other Members of the House and the Senate gave $1,000, does the Senator feel pretty safe in making that offer?

Mr. HELMS. Both my amendment and my check are offered in good faith, I will say to the Senator.

Mr. FORD. But the Senator does feel relatively safe, does he not?

Mr. HELMS. I feel neither safe nor unsafe. I hope my check will be accepted along with my amendment.

I hope the distinguished Senator from Kentucky would not mind contributing $1,000 to save the taxpayers the additional burden of another costly, wasteful, bureaucratic program.

Mr. FORD. If we can have a revival to raise some money to help match these colleagues, I would be delighted to do it.

Mr. HELMS. The Senator may make light, if he must, of a very serious question, and a good-faith proposition, but I offered my amendment in good faith and I ask that he accept it as such, as I always do in reciprocity when the Senator from Kentucky makes a proposal in good faith.

Mr. President, today the Senate has an opportunity to demonstrate that we are willing to spend our own money, and put our money where our mouths are in demonstrating our compassion and humanitarianism we talk about so much on this Senate floor.

There would be no necessity for the expenditure of tax dollars taken forcibly from the taxpayers. Too often, Congress seems to forget that funds in the U.S. Treasury are obtained from the people by duress. It is so easy, Mr. President, to appropriate $500 million of other people's money, and to advertise ourselves to be benefactors to the people of this Nation. It is time we quit fooling ourselves about the meaning of true generosity, particularly when it comes to acts of charity. Let us now provide real leadership, with personal responsibility, and reach into our own wallets instead of into the taxpayers' wallets.

This will be appreciated far more by the refugees, who are more likely to be touched by our manifestation of personal concern than by another Federal program that will forcibly seize the earnings of the American people.

Can a private program of compassion do the job, Mr. President? Certainly it can, because everybody knows that the volunteer dollar goes 10 times as far as the taxpayer's dollar. Moreover, there already exist a number of national religious and charitable organizations that can provide the infrastructure for channelling aid and personal assistance. And there are thousands of churches and volunteer organizations on the local level that can be plugged into the over-all effort. With thousands of citizens giving their time free, with religious and charitable organizations involving their own members, and with the spontaneous generosity that is characteristic of Americans when they get to know newcomers on a personal basis, there will not need to be a raid on the Public Treasury to pursue what can best be accomplished by private action.

Mr. President, think of the potential that lies in the mobilizing of the thousands of churches across the country. Think of the thousands of other organizations—civic, fraternal, veterans groups, and others—whose memberships are composed of compassionate, generous citizens. Think of the countless thousands of families and individuals who will want to show their love and concern for their fellow man on a personal basis.

Is this not the way to go, Mr President, instead of fashioning another massive bureaucracy? Is this not the way to proceed?

Of course it is: And there is one further advantage, Mr. President, to this proposal to mobilize personal compassion. On a one-to-one basis, the possibilities are enormous for continued compassion—it would not end when this law expires—far beyond this moment of emotionalism. Churches could be expected to adopt refugees as objects of continuing love and concern. They would bring these refugees to local communities and make sure they are assimilated. With such person-to-person relationships, the refugees could be brought to local communities throughout the land, knowing that they were wanted, and that there would be available helping hands in the months and years ahead.

So, Mr. President, if this Senate has the will to take the lead in demonstrating personal concern, not to be confused with political and bureaucratic solutions, I believe it will be the best thousand dollars that each of us had invested.

I am going to ask that my own check be held by the Secretary of the Senate until all the responses from Congress are in. The money can then be turned over to a national committee composed of leading churchmen. I do not think it really matters how, or by whom, this committee is named or organized—just so it is done. This committee could be chosen by the leadership of the House and the Senate working with the President. I would imagine that it would include names such as our own chaplain, Dr. Elson, or my good friend, Dr. Billy Graham, my fellow North Carolinian.

Incidentally, I talked with Billy on the telephone the day before yesterday about this matter. He agreed that it would be a matter of quick achievement to inspire the necessary personal compassion, and raise the necessary funds on a continuing basis, for these refugees. He, for one, thoroughly endorses this proposal. He authorized me to say that if he is called upon by the President and/or the Congress, he will be glad to take a position of whatever leadership that may be asked of him to make this program work.

I am sure that there would be many other names which spring immediately to mind, names which would inspire public confidence, and elicit the proper response.

Moreover, there are thousands of Americans who have served in Vietnam either as military or political advisers. These Americans are thoroughly familiar with the culture of Vietnam, and many of them even know the language well. There is even a good chance that many of the Vietnamese refugees who have already arrived are personally known to some of these advisers. If a simple system were set up so that the names of the refugees were put on a computer file, these former U.S. advisers could locate their old friends and perhaps sponsor them in their new life. No amount of Federal appropriations can take the place of a familiar face in the midst of tragedy.

But if we go ahead and authorize some vast Federal expenditure, private efforts will be overwhelmed and go for naught. My proposal has value only if we reject the legislative proposals to set up a new bureaucracy. I make my offer only on the condition that we wholeheartedly agree to go the route of private action, and unite with the Members of the other body in each personally subscribing our own funds rather than the funds of our constituents. There is a time when legislation can be divisive instead of resolving difficulties, and this is one of those times. But if we are supposed to be public leaders, then let us lead by making personal sacrifices and showing the real spirit of America.

Mr. President, as has already been indicated since I began my remarks, I know there will be reluctance to turn to our own hearts and pocketbooks to set this program in motion. I know that it will be a sacrifice for some Senators, and some Members of the body. In my own

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case, I shall have to borrow the thousand dollars to cover my check. Others may be in the same position.

But unless we are ready to say to ourselves, and to the world, that personal compassion and love do not exist in America—and that the only way to help the unfortunate is by another massive Government program—then my amendment in the nature of a substitute should be approved. Then the word will go out: The Members of Congress of the United States are willing to sacrifice on a personal basis.

There is no doubt in my mind that this program will work—if we will let it be tried. With the leadership of the Members of this Congress, acting in unison and in good faith, the American people will be led to view this responsibility in its proper perspective, and they will join in. It may be the moral and spiritual therapy that America needs just now.

Mr. President, I urge adoption of my amendment in the nature of a substitute.

Mr. FONG. Mr. President, I ask unanimous consent that Mr. Bill Kinaka be allowed the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that immediately upon the conclusion of the remarks of the distinguished Senator from Hawaii (Mr. FONG) the vote begin on the Helms amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. I ask unanimous consent that immediately after the vote on the Helms amendment—I know of no one else who wants to speak or present amendments—we go to third reading, that the technical requirements, which will take a minute or so, be made, and that the vote then begin on final passage.

The PRESIDING OFFICER. There being no objection, it is so ordered.

Rule XII would be waived under the Senator's request.

Mr. MANSFIELD. That is correct.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. I ask unanimous consent that because of the closeness of the votes, the second vote take only 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FONG. Mr. President, I rise to express my complete support for S. 1661, the Indochina Migration and Refugee Assistance Act of 1975, now pending before the Senate.

This legislation authorizes $405 million in emergency assistance for the transportation, temporary maintenance, and resettlement of Vietnam and Cambodian refugees.

In its report on the bill, the Committee on Foreign Relations expressed the following comment:

> One of the great strengths of this country is the diversity of its people. It is a nation of refugees. It is fitting that Congress is considering legislation to assist refugees in resettling in the United States as we approach the bicentennial of our nation's birth. Help to those who fled from Indochina is in the finest tradition of America. There is no better way for Americans to reaffirm what this country stands for than to give them a warm and friendly welcome.

Mr. President, I fully concur with the sentiments of the committee: There is no better way for Americans to reaffirm what this country stands for than to give the Vietnamese and Cambodian refugees a warm and friendly welcome. The Senate can begin by giving its overwhelming support to the measure now before us.

As the ranking Republican member on the Judiciary Committee's Subcommittee on Refugees and Escapees, I have been following this problem very closely. The subcommittee has held numerous hearings on the plight of the refugees and subcommittee members have been kept abreast of developments by Ambassador L. Dean Brown, Assistant Secretary of State Philip C. Habib, Commissioner Leonard F. Chapman, of the Immigration and Naturalization Service, and other members of the administration.

According to Ambassador Brown, the administration estimates that a total of 130,000 refugees will eventually be brought to the United States and an additional 10,000 to 15,000 will be settled in third countries.

As of May 12, there were approximately 115,000 refugees under United States protection—all but about 1,000 to 1,200 of them Vietnamese.

Mr. President, I want to pay tribute to the Defense Department and the State Department Task Force for their diligent efforts to evacuate the refugees safely. I know they and many other people have been working around the clock on this humanitarian project.

Initial costs of the evacuation and basic needs of the refugees have been met by use of $98,000,000 in funds originally provided for economic aid to Indochina. Those funds have been used to reimburse the Department of Defense for sealift and airlift and basic facilities at the staging and processing centers.

I and other members of the Refugee Subcommittee were assured that the voluntary agencies—those primarily responsible for resettlement—will make every effort to disperse the refugees throughout the United States. Sponsors for the refugees include individuals, families, parishes, and community organizations. By becoming a sponsor, these individuals and groups take on the moral obligation of receiving the refugees and their families and to find housing, employment, and educational opportunities for them.

I would like to take this opportunity to pay tribute to the many voluntary agencies that have offered to assist and are standing by for Congress to do its part in providing the necessary funds.

Mr. President, although the committee recommended an authorization of $405,000,000—$102 million below the administration's request of $507 million—it indicated its willingness to consider further funding should the need arise. We should all realize the cost figures and the estimates of numbers of refugees are quite tentative at this time. Further funds may indeed be needed.

By giving our full support to the Indochina Migration and Refugee Assistance Act of 1975, the Senate will be taking another step to reaffirm the proud fact that America is a nation of immigrants and refugees and welcomes her newest arrivals.

I am confident that Vietnamese and Cambodian refugees—like all their predecessor immigrants—will contribute much to the further development and growth of America.

Except for a small number of Americans who can claim the distinction of being descendants of the native Indians, all the rest of us can trace our heritage back to descendants who were immigrants or refugees to this great land of freedom and opportunity.

Long before we became a Nation, the British settlers at Jamestown had already been joined by much welcomed immigrants from all parts of the old world.

Yes, Mr. President, even before 1776, America was a mixture of people of various ethnic origins from various nations—British, French, Spanish, Portuguese, Irish, Italians, to name but a few.

Once the British colonies attained independence public policy centered on settling the land. Immigration was not only welcomed but actively encouraged. In fact, there were no Federal laws limiting the admission of immigrants until 1882.

Mr. President, it will indeed be a black day in American history if this great country—the symbol of compassion, equality of man, and brotherhood—no longer opens its arms and heart to those who have suffered the tragic loss of their homelands.

The United States—notwithstanding serious domestic problems and setbacks in the international arena—still remains a shining example for the rest of the world, particularly in her treatment of refugees and immigrants.

We can and we must reaffirm our proud tradition of offering a haven to those fleeing tyranny by welcoming the refugees from South Vietnam and Cambodia—the "new Americans."

We cannot—and we dare not—turn our backs on those who fought for freedom, without making a mockery of the principles upon which our Nation was founded and by which she served for centuries as a refuge for the oppressed people of all nationalities seeking liberty and a better life.

Mr. President, today we are being asked to open our doors to those who have experienced and witnessed the destruction of their hopes and aspirations for freedom and national independence in their former homeland. Many of them have beloved family members who were killed or maimed defending their country against invaders and aggressors. Many of them had to leave beloved family members behind in South Vietnam and Cambodia, where they face an uncertain and possibly hazardous future.

These refugees committed and dedicated their own lives and futures to a struggle which the people of the United States supported and made sacrifices for. They had every right to assume that the American people would continue to stand

by them, now that their country has fallen into the hands of the Communists.

I, for one, firmly believe that the overwhelming majority of Americans will rise to the occasion and give those refugees forced to leave their homeland the support and assistance that they need to start a new life in America—the country that has always traditionally been a haven for victims of political and social persecution.

As the son of immigrant parents and as one who has experienced the opportunities that this great country affords to all who seek refuge on its shores, I am confident that the vast majority of Americans, who are immigrants or descendants of immigrants, will not permit their initial fears to override the tradition of generosity and welcome to refugees that has made this country the beacon of freedom for over 200 years.

Should that beacon of freedom be extinguished and should the door to the land of opportunity and freedom be closed, America will have lost her conscience—the foundation upon which this great Nation was built.

Mr. President, throughout America's history, from the earliest colonial days until this very month, our Nation has offered shelter and a new life for political refugees. Since the end of the Second World War, the United States has opened its doors to 1,355,000 political refugees: including 450,000 displaced persons in the aftermath of World War II: nearly 200,000 people who chose to leave Eastern Europe for the United States in the early 1950's; over 30,000 Freedom Fighters, the men and women who fought for freedom in the Hungarian Revolution in 1956; and 675,000 Cubans who fled from Castro's Cuba.

These "new Americans" have enriched our national spirit and added new vigor to our national character. There is every reason to expect the refugees from South Vietnam and Cambodia to do the same.

I firmly believe that the way America responds to this latest challenge can be the beginning of a great renewal of the American spirit.

Although the curtain has all but fallen on the war in Indochina, the tragedy is not finished—nor is America's responsibility to those who were so closely associated with our policy there. We have a golden opportunity to open a new chapter in our history as a nation of immigrants, and we should welcome those refugees now arriving in our Nation and help them start anew.

As the violence subsides in Vietnam, we, likewise, must stop doing violence to ourselves and begin to heal the wounds at home.

Indeed, after many long agonizing years of division among the American people over our involvement in Indochina, I would hope that the American people could come together and find a unity of purpose in seeking to write a final, humane chapter to the tragic saga of Vietnam. We can do this by coming to the immediate assistance of our newest immigrants.

Mr. President, in order to put the current Vietnamese refugee problem into proper perspective, I would like to briefly discuss how our country responded to the Hungarian and later the Cuban refugee problems.

THE HUNGARIAN REFUGEE PROBLEM

In October of 1956, the Soviet Union deployed its troops to suppress a revolution which had erupted in Hungary. As a result of the Soviet action, more than 200,000 Hungarians fled their homeland seeking refuge elsewhere in the world.

On November 8, President Eisenhower directed that as many as 5,000 Hungarians be admitted into the United States "as expeditiously as possible" using a block of nonquota immigrant visas still available under the Refugee Relief Act of 1953.

A few weeks later, on December 1, the President announced that the United States would offer asylum to 21,500 displaced Hungarians—6,500 to receive visas under the Refugee Relief Act and the remaining 15,000 to be admitted as "parolees" under section 212(d)(5) of the Immigration and Nationality Act. That section allows the Attorney General to temporarily admit aliens into the United States for emergency reasons.

To handle the special problem created by the sudden flow of displaced Hungarians to America, Camp Kilmer, N.J., was set up as a receiving and processing center for the incoming refugees. All normal Public Health, Customs, and Immigration inspections usually performed at the time and place of actual entry into the United States were carried out at Camp Kilmer.

To assist in this noble humanitarian endeavor, more than twenty volunteer and Government agencies provided services for the refugees at Camp Kilmer. Among the most important of these services was the ascertaining of job skills of the individual adult refugees and matching these up with job offers. I am informed that no refugee was released from Camp Kilmer until he and his family had confirmed housing and employment or other assurances of support.

In late December of 1956, Vice President Nixon headed a special mission to Austria—the country into which the Hungarians had fled—with a stop at Camp Kilmer on his return, to examine the full scope of the problem.

In his report to President Eisenhower, Nixon urged Congress to pass legislation to provide "flexible authority to grant admission to this country of additional numbers of Hungarian and other refugees from Communist persecution, through the use of nonquota visas within an annual ceiling."

In response to the Vice President's recommendation, President Eisenhower announced on January 1, 1957, that the Attorney General would continue to parole Hungarian refugees into the United States until Congress took such action.

One measure of the success of the refugee relocation program at Camp Kilmer, Mr. President, was the speed with which it was implemented. By early March 1957, of the more than 27,000 refugees who had been admitted, only about 1,600 of them were not yet resettled.

By May 1, 1957, over 32,000 refugees had arrived and had been processed through Camp Kilmer.

On December 28, 1957, President Eisenhower announced that effective December 31, the entire emergency program for Hungarian refugees would be discontinued.

In responding to the Hungarian crisis, the United States lived up to its great reputation as a land of opportunity and compassion. During the entire course of the Hungarian refugee program, some 38,000 refugees were permanently resettled in the United States—6,130 of these were visas under the Refugee Relief Act and the remainder under the parole provisions of the Immigration and Nationality Act.

In closing another shining chapter that records how America responds to providing a haven for people of all nationalities who seek freedom, Congress passed in July of 1958, legislation which waived passport and visa requirements for all the parolees, thereby giving them formal immigrant status.

THE CUBAN REFUGEE PROGRAM

Mr. President, the largest problem in sheer numbers our country has had in dealing with refugees has been the Cuban refugee program.

On December 2, 1960, President Eisenhower declared Cuba a Communist-controlled country. Shortly thereafter, the United States severed diplomatic relations with Cuba following Premier Castro's demand on January 2, 1961, that all U.S. diplomatic staff except 11 leave Cuba within 48 hours.

The official estimate of the number of Cuban refugees who have entered the United States since Castro's takeover in 1959 is over 650,000. Of these, over 460,000 had registered with the Cuban Refugee Emergency Center in Miami as of the end of December 1974. Although registration with the Refugee Center is not required, assistance from the program is not available to anyone who has not registered.

> The Federal Cuban Refugee Emergency Center was initially opened in December 1960, as a reception center for the refugees who were then arriving into Miami at the rate of about 1,700 per week.
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> One of the major concerns at the time of the Center's opening was obtaining employment for the refugees since initially Federal funds were not available for cash assistance. Therefore, until February 1961, when Federal funds became available for the Florida-administered Cuban refugee cash assistance program, the refugees had to be referred to religious and other non-profit agencies for material assistance.
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> Once the Center was fully functional, assistance in obtaining services, resettlement, and employment was incorporated into its program through assignment of staff by the Red Cross, the four voluntary resettlement agencies, and the United States and Florida employment services.
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> Once the refugees were registered, they were given physical examination—including a chest X-ray, blood tests, and varying other examinations as determined by physicians on the basis of age, apparent physical condition, and other medical considerations.
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> Over the years the Refugee Center has

> modified its operations to adapt to changing situations—such as the air-lift period between December 1965 through April 1973, which resulted in some 260,000 refugees arriving on the U.S.-sponsored Cuba-Miami airlift—but the basic registration policy and provisions of services, including resettlement opportunities through the voluntary agencies, have continued.
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> Mr. President, I should point out that the Federal response to the Cuban refugee situation was not typical of the way we handle the movement of refugees into the United States.
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> A special program had to be developed for the Cuban refugee situation because for the first time in our history, the United States had become a country of first asylum for large numbers of displaced persons. In previous refugee programs, the refugees were screened in European camps and carefully processed for immigration to the United States. Furthermore, prior to the arrival of a refugee, thorough preparations were made by the voluntary agency which sponsored him and by the receiving community. In other words, two very important elements—a place of residence and a job—awaited the refugee on his arrival.

The Cubans, on the other hand, came by commercial airlines when they could obtain permission to leave, and illegally by small boats when they could not.

Needless to say, Mr. President, the Cuban refugees have assimilated very nicely into the mainstream of America and have made significant contributions toward the attainment of a better life for all Americans, native born and naturalized.

According to a report, "Cuban Refugee Program," issued by the Department of Health, Education, and Welfare in 1963, by and large, the Cuban refugees are a highly skilled group. About 50 percent of the refugee wage earners are professional, technical, and managerial personnel; about 25 percent clerical, sales, and skilled workers; and about 25 percent unskilled and semiskilled.

Among the refugees have been, for example, some 2,000 accountants, 200 architects, 100 chemists, 300 dentists, 550 engineers, 1,800 lawyers, 500 pharmacists, 1,000 physicians, and 3,500 teachers and college professors.

Information gathered by the Cuban Refugee Center indicates that the majority of the refugee wage earners have been in the most productive years of their lives—46 percent have been between the ages of 20 and 39 and 19 percent between the ages of 40 and 49.

The total Federal cost of the Cuban refugee program from 1961 to 1974 has amounted to over $975,000,000. This sum includes the cost of providing the registered Cuban refugees with the following assistance and benefits: transportation, resettlement and employment help, welfare and health services, educational opportunities, and administrative expenses.

CONTRIBUTIONS BY THE IMMIGRANTS TO THE UNITED STATES

Mr. President, I believe this would be an appropriate time for me to briefly outline some of the contributions that have been made by the immigrant population to our country's development, to enriching our cultural heritage, and to improving our image as a nation.

In this very body—the Senate of the United States of America—many Senators are living proof of what children and grandchildren of immigrants—second- and third-generation Americans—can and have been able to attain. I am proud and delighted to be surrounded by many of my distinguished colleagues who are sons of immigrants, as I am.

A list of Nobel Prize winners shows that as of the end of 1970, 117 Americans were awarded the highly coveted Nobel Prize.

Of these, 117 Nobel Prize winners, 37—representing 31.6 percent—were foreign born. The first of these immigrant recipients was Albert A. Michelson, who was awarded the Nobel Prize for his optical measuring instruments in 1907.

Other prize winners include such notables as Albert Einstein and Enrico Fermi.

Curiosity, Mr. President, prompted me to inquire into the origin of the other 80 American Nobel Prize winners who were not foreign born. Nothing could be determined about the background of 6 of them but of the 74 others, 27 were first or second generation Americans.

Immigrants and children of immigrants have made their contributions to many areas of our lives.

The outstanding contributions to the world of music of such great names as Rubinstein, Horowitz, Milstein, Stravinsky, Hindemuth, Mitropoluos, Leinsdorf, and Klemperer, need no comment.

What would our motion picture business have been without an Adolph Zukor? Or an Albert Warner? Or a Samuel Goldwyn?

Would America have succeeded in conquering the moon without a John von Neumann or Wernher von Braun?

Not only were immigrants and children of immigrants creative, they were also productive. They were creators and developers of entire industries and of new products—which have contributed significantly to providing new jobs and a better way of life for all Americans.

It is true, Mr. President, that all immigrants and children of immigrants have not achieved prominent positions or made significant contributions to improving America's way of life.

However, where would our clothing industry be without the Jewish and Italian immigrants? Few native Americans were interested in becoming seamstresses or tailors.

Many other immigrants fill jobs in numerous occupations where our native Americans have refused to seek employment. Stoop labor on our farms is a good example of such employment.

Or, let us examine the little man who came to the United States with nothing more than a twinkle in his eyes and a dream in his heart.

He worked hard and saved some money until he and his entire family could open a little business of their own. You will find that these immigrants not only brought the benefits and richness of their culture, but they created employment for Americans and contributed to the growth of our Nation.

And these immigrants numbering over 400,000 per year over the past decade, continue in this same pattern.

They do more, Mr. President. They spread the word to their relatives and compatriots abroad: That America is still the land of opportunity and freedom—not only freedom from persecution, but a land of equal opportunity.

These "common people" are the best testimony that America can put forth when she claims that she still welcomes the "tired," the "poor," and the "huddled masses yearning to breathe free."

UNINFORMED OPPOSITION TO IMMIGRATION

Mr. President, despite our great heritage and the fact that the heart of our democracy is built upon the lives of immigrants seeking hope, freedom, and opportunity in a new land, many Americans still oppose our immigration policy in general and the current refugee situation in particular.

I am troubled and deeply saddened, Mr. President, that this Nation of immigrants—on the eve of its Bicentennial celebration—is divided over whether our doors will remain open to the latest group of refugees from South Vietnam and Cambodia.

I believe that concern over and opposition to the refugees from Vietnam and Cambodia stem from two major problems.

First, the fear that the admission of more immigrants to the United States would exhaust our economic resources and add to our already serious employment situation.

Second, the fear that too many persons of Asian background would upset traditional patterns of American life.

An objective and rational analysis of both arguments would show these fears and prejudices to be quite unfounded.

Mr. President, as a member of the Judiciary Subcommittee on Immigration and Naturalization who actively participated in the passage of the historic Immigration Reform Act of 1965, I know that thoughtful and thorough consideration of our economic situation and the hard facts about our complex, technologically oriented economy was given to the bill before it was enacted into law.

As a matter of fact, it was drafted so as to enhance our economic growth and also to unite families.

To illustrate this point, I want to share with my colleagues the results of some research I did on this matter in 1972.

For the fiscal year 1971, the United States admitted 370,478 immigrants.

Of this total, the largest number—158,152—came from the Eastern Hemisphere; 122,474 were from the Western Hemisphere; 80,845 were spouses, children, or parents of U.S. citizens; 2,641 were fiances of U.S. citizens and their children; and the remainder of 6,366 were special immigrants of one sort or another.

The training and employment backgrounds of these immigrants were as follows:

For the year ending June 30, 1971, a total of 153,122 persons obtained labor certification from the Department of Labor. This was about one-fifth of 1 percent of our total work force of about 88,000,000 workers for the fiscal year.

Before the immigrants can obtain a labor certification, the Department of Labor has to make an affirmative finding

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that there were an inadequate number of American personnel qualified to fill a professional need in the United States or that there were no American workers to fill a particular job in the country.

Therefore, before the immigrants arrived, a large number of them had been fully trained and possessed talents and skills urgently needed in our economy.

My research revealed that of the roughly 153,000 persons who obtained labor certification, the largest number by far were professionals and technicians. They totaled 48,850—nearly one-third of the total.

The next largest group—numbering almost 22,000—were craftsmen and foremen.

These were followed by nearly 19,000 operatives and kindred workers, such as dressmakers and seamstresses.

Then came the laborers, the service workers, and the clericals.

Mr. President, shortages of workers in the United States—even during high periods of unemployment—are invariably to be found in the highly trained professional, and skilled occupations.

For example, in April 1972, the unemployment rate in our country was 5.9 percent. However, the unemployment rate among professional and technical workers during the same period was only 2.3 percent and among managerial and administrative workers, only 1.8 percent.

So, Mr. President, you can see why our country looks to immigration as one source from which we can obtain the highly trained professional and skilled workers that are badly needed by different segments of our economy.

It only stands to reason that if positions requiring technical skills are not filled, many other jobs which support technically skilled positions would not be available and many new jobs would not be created.

The balance of the immigrants admitted in 1971 totaled 217,356. They consisted of wives, children, retired persons or persons with no occupations. In other words, almost 60 percent of the immigrants were not competing with Americans for any jobs or positions.

Now, looking back at the 48,850 professional and technical personnel admitted in 1971, by far the largest group—slightly over 16,000—were in the medical or allied fields. Included in this category were 5,756 doctors and 6,442 nurses—all in great demand in our country today.

In my research, I also found that the Department of Health, Education, and Welfare attempted to make some calculations of the cost of a medical school education for the year 1969. At that time, I was told that for all medical schools the range was from $7,542 to $21,256 per student per academic year—with an average of $18,973.

Judging from experience, I estimated that at a minimum income level, it would cost roughly $25,000 to house, feed, clothe, educate, and to take care of the medical and personal needs of a child until he reaches the age of 18.

To that sum, I added the cost of a college education. Being most conservative, I estimated that those 4 years would cost the parents and the State a minimum of $10,000.

In addition, 4 years of medical education at the average of nearly $19,000 a year add up to more than $75,000.

In total, Mr. President, the cost of educating each American doctor involves a minimum investment of $110,000 at 1969 prices. Today, of course, the cost would be even greater.

The 5,756 foreign-trained doctors, alone, whom we admitted as permanent residents in 1971 represent an asset of $633,160,000. This does not take into consideration the invaluable services that they have been providing to Americans over the years, nor the taxes that they have been paying into Federal, State, and local treasuries.

To the above estimate must be added the cost of education of all the other foreign-born and foreign-trained medical personnel.

Taking a conservative estimate of $25,000 as the cost to house, clothe, feed, and educate a child until he reaches 18, the 153,122 immigrants receiving labor certificates in 1971 represented an asset of nearly $4 billion being added to the human resources of our Nation for the miniscule cost of processing them.

It seems rather ironic, Mr. President, that the richest Nation in the world should benefit so bountifully from such a windfall year after year.

Mr. President, I endeavored to obtain figures on the numbers of doctors and other professional people among the Vietnamese and Cambodian refugees. Because processing of refugees is still underway, I have been unable to obtain anything more than the results of a survey made of 223 family sponsor forms as of 2:30 p.m., Sunday, May 4.

This survey indicated nearly 48 percent were professionals, businessmen, journalists, or military. The breakdown was as follows:

> 29 per cent of these refugees were professionals or businessmen, including two ministers.
>
> 13.9 per cent were skilled workers.
>
> 2 per cent were journalists.
>
> 3 per cent were military.

Of the remainder, 15.2 percent were clerical workers, 14 percent were students, 10 percent housewives, just under 1 percent were agriculture-related people, and 12 percent were not specified.

Final figures may be quite different from this admittedly small sample. I cite these figures, however, as evidence that doctors, lawyers, businessmen, and skilled workers are indeed among the Vietnamese and Cambodian refugees.

FEAR OF ASIAN IMMIGRANTS

Mr. President, one of the oldest and most emotional arguments against immigration is the fear that an increase in the number of Asian immigrants would upset the historical and cultural way of life for "Americans."

An objective and rational examination of this problem will prove this fear to be without merit or foundation.

According to the 1970 census, the population of the United States included 591,290 persons of Japanese ancestry; 435,062 persons of Chinese ancestry; 343,060 persons of Filipino ancestry; and 720,520 person in the category designated "All Others." This later catetgory included persons of Korean, Asian-Indian, Polynesian, Indonesian, and other nonwhite ancestries. It did not include the American Indians and the Negroes.

In total, Mr. President, there were in the United States in 1970, only 2,089,932 persons of Oriental and Polynesian extraction—about 1 percent of a total 1970 population of 203,211,926 persons.

Under our present immigration statute, the number coming from the former Asian-Pacific Triangle continues to be a small percentage of the total immigration per year.

Once thought to be unassimilable, today the Americans of Asian ancestry are as much a part of the mainstream of American life as any other ethnic group.

Countless studies have shown that Americans of Oriental ancestry have contributed significantly to the cultural, economic, and political development of our Nation.

Politically speaking, Hawaii can boast of having elected the first Governor of Asian ancestry in the history of our country. In addition, I have the distinction of being the first U.S. Senator of Asian ancestry and my colleague, Senator INOUYE, was the first U.S. Representative of Japanese ancestry elected to Congress. The current two members serving Hawaii in the House of Representatives are also of Asian ancestry.

THE AMERICAN DREAM

Mr. President, as a Nation of immigrants, we have developed a racially heterogeneous society in which citizens of many cultures and ethnic origins live and work side by side to make the American dream a reality—to develop religious tolerance, social equality, and political democracy for all.

But we cannot afford to be complacent. We must rededicate ourselves to those principles that have made our country unique—a country that is unequalled in providing a haven for those seeking asylum.

As former President Nixon warned:

> One of the great problems that any society has as it becomes older, as it becomes richer, is that it tends to become more complacent, it tends to lose its drive, its dynamism, its imagination, frankly, its character. That is the history of civilizations over the past. And one mark of the American civilization has been that we have never fallen into that fault due to the fact that we have always had the infusion of new people, new people who come here with a great idealism, with great determination, in a sense, as somebody would put it, they are people that are still trying to make it, that aren't thinking in terms of having it made, and what they contribute are not simply . . . skills . . . but even more, they contribute character, strength, and drive and that is what this country needs.

For that reason, former President Nixon further stated:

> I hope America will always be the land of the open door, because as long as that door is open, it means that this land will continue to grow and continue to prosper and con-

tinue to have that drive which makes a great nation.

VIETNAMESE REFUGEES: OUR NEWEST IMMIGRANTS

Mr. President, on May 8, together with 27 other Senators, I signed a letter addressed to the Honorable JOHN B. SPARKMAN, Chairman of the Committee on Foreign Relations, and to the Honorable JOHN L. MCCLELLAN, Chairman of the Committee on Appropriations, urging approval of "legislation necessary to find homes, jobs and a fresh start for those whose lives have been shattered by the fall of South Vietnam."

Although we fully realize that there will be problems connected with the refugee assistance program, nevertheless, we said in the joint letter:

> These problems should not be permitted to obscure the larger issue of whether the United States is prepared to act with the same generosity and good will we have always shown toward those seeking freedom from oppression. To do less would be to underestimate the strength and character of the American people and to dishonor the highest traditions of our nation.

On the same day that the above-mentioned letter was sent, the Senate adopted—by a vote of 91 to 1—Senate Resolution 148, a resolution to welcome the latest refugees to our shores.

Among the many timely expressions contained in the resolution, I thought one of them was appropriately addressed to those who have forgotten the fact that America is a Nation of immigrants. It states in part:

> [The] periodic influx of refugees and exiles can serve to keep us humble, saving us from the sins of arrogance, pride and selfrighteousness by reminding us of our origins, of the misery that abounds elsewhere in the world, and of the destiny that may also befall us should we betray our heritage.

Mr. President, 8 years ago, Dr. Martin Luther King, Jr., spoke about the need to repair the damage that was being done to our divided country. He said:

> To be honest is to realize that the ultimate measure of a man is not where he stands in moments of convenience and moments of comfort, but where he stands in moments of challenge, in moments of controversy.

Mr. President, I fully realize that our country is experiencing serious employment problems. It would certainly have been more convenient if this final chapter of the Vietnamese tragedy had come at a time of economic prosperity in the United States. But fate is not arranged to our convenience—and the test of history is how well we fulfill our obligations in times of adversity.

I am optimistic that our economy in the months ahead will show definite improvement and that employment in America will increase. We should soon see the beneficial effects of the tax rebate, the housing credit and other measures to encourage housing construction, the public service employment funding, and the other measures taken by the Congress and the administration to stimulate our Nation's economy and create jobs for our people. Meantime, we have extended unemployment compensation for those unfortunate Americans whose payments would otherwise have run out.

With only an estimated 35,000 of the refugees likely to be breadwinners and with resettlement of the refugees to be dispersed throughout America, the impact on the job situation in any community should be minimal.

In this connection, Mr. President, I am reminded of the man who said, "I cried because I had no shoes, until I saw a man who had no feet."

I also realize that many Americans simply want to wipe away the memories of the long and tragic Indochina conflict which has ended in communist takeover of Vietnam and Cambodia and humiliation for the United States.

But, Mr. President, what we all need to realize is that even though we have some serious problems at home, closing the door on the Vietnamese refugees will not make those problems go away. Instead, what we all need to do is to regain the spirit that has made this country the greatest in the world.

We have the golden opportunity to meet the challenge and to reassert our moral leadership to the world. We can—and must—do no less.

Mr. President, at this great juncture in the history of the United States—at a time when the very principles upon which our great Nation was built are being sorely tested—where are the so-called "doves" who said they would accept any consequence of stopping the war? For some of them, apparently "any consequence" excludes finding room here in America for war victims.

Likewise, where are the so-called "hawks" who would have fought into the next century to save the South Vietnamese and Cambodians from communism? Apparently, some do not want any of these refugees living in their neighborhoods.

I am glad to note, however, that America's traditional compassion and humanitarian instincts are coming to the forefront now and that the tide of opinion, as reflected here in Congress on the pending legislation, has changed for the better.

I am not blind to the fact that among the refugees are some who may have helped corrupt their own society. There may be others who are undesirable additions to our own society for various reasons.

However, the overwhelming majority of the refugees belonged to the middle class—the artisans, businessmen, the scholars, technicians, clerks, government officials, and their wives, children, and relatives.

To focus on the tiny minority of persons who might deserve one or another of those terms of opprobrium, or to exaggerate their number, is to grossly and unfairly distort the whole nature of the refugee problem.

They relied upon America's assurances of support in their fight against the Communist aggressors and they relied upon our assurances that we would not abandon them after we withdrew our troops.

These refugees fled in fear—from a nation torn by war—from a perilous future, where many were marked for execution.

They are homeless now. Many are ill. Their careers are shattered, their dreams wiped away. All they have is the reality of their plight.

The pending bill does not open the floodgates to refugees, only about 130,000 people, which is about one-fourth to the approximately 500,000 legal immigrants we admit to the United States every year.

Mr. President, let us not forsake the conscience of our Nation—whose humanitarian ideal serves as an example for other nations—by turning our backs on those who more than ever before are totally dependent upon our good will and expression of support.

They only ask for the opportunity to live in a country whose people have a tradition of evaluating a man for what he does, not for where he was born; a tradition of respecting an individual not on the basis of his name or the color of his skin, but on his character and ability.

Let us not be found wanting in this hour of great need by our fellow men.

Let us overwhelmingly support the pending refugee authorization bill and the appropriation bill which we shall take up this afternoon after we pass S. 1661.

Mr. President, I ask unanimous consent that the text of the May 8 letter to the Honorable JOHN B. SPARKMAN, chairman of the Committee on Foreign Relations, and to the Honorable JOHN L. MCCLELLAN, chairman of the Committee on Appropriations, urging approval of legislation to assist the Vietnamese and Cambodian refugees be printed in the RECORD at the conclusion of my remarks. I also ask unanimous consent that the text of Senate Resolution 148, welcoming the latest refugees to our shores, and a statement issued by the AFL–CIO Executive Council on May 6, entitled "Vietnamese Refugees" also be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MAY 8, 1975.

DEAR MR. CHAIRMAN: Within the next few days the Committees on Appropriations and Foreign Relations will be considering the question of aid for refugees of the Vietnam war.

We feel it is unfortunate that the climate for consideration of this important issue is being shaped by the fears of some who are exaggerating the costs and ignoring the responsibilities of the United States in providing help to the victims of the war.

We believe and think that the President is right in asserting that the overwhelming majority of Americans feel an obligation toward those who have been forced to flee their homes, in many cases because of their loyalty toward the United States.

It would be a tragedy if our response to the plight of the refugees was determined by a few vocal opponents while the majority remained silent in their support for the refugees. In the eyes of other nations, we might be wrongly perceived as a people who were unwilling to make even this small sacrifice to help our friends.

We recognize that the Committee will want to carefully examine the dollar amount that has been requested by the White House. There may be other problems associated with resettlement, including the necessity of assuring that no undue burdens are placed on individual states and communities. Many Governors and local officials have already contacted the White House to express their willingness to cooperate in placement efforts.

Furthermore, a maximum effort should be made by our government to enlist the help of other countries in providing aid and asylum to refugees who would be willing to live elsewhere.

Nevertheless, these problems should not be permitted to obscure the larger issue of whether the United States is prepared to act with the same generosity and goodwill we have always shown toward those seeking freedom from oppression. To do less would be to underestimate the strength and character of the American people and to dishonor the highest traditions of our nation.

We are confident that when faced with this choice, the Senate will overwhelmingly approve the legislation necessary to find homes, jobs and a fresh start for those whose lives have been shattered by the fall of South Vietnam. We urge your full support in this effort.

S. RES. 148

Whereas, ours is a nation of immigrants and descendants of immigrants, many of whom fled from tyranny and bloodshed in their native lands where they were scorned, hated and hunted, and

Whereas, they came here because they knew they could find in America safety, freedom and opportunity, and

Whereas, they found all those things and more, for they also found America to be a land of compassion as well as affluence, magnanimity as well as wealth, and

Whereas, Americans welcomed these fellow, less-fortunate human beings not only for their sake but for our own, knowing that they strengthened our national vitality, constantly renewing the diversity and richness of our lives and the pluralism and dynamism of our society, and

Whereas, this periodic influx of refugees and exiles can serve to keep us humble, saving us from the sins of arrogance, pride and self-righteousness by reminding us of our origins of the misery that abounds elsewhere in the world, and of the destiny that may also befall us should we betray our heritage, now therefore.

Be it resolved that the Senate reaffirms that the Statue of Liberty, is as Emma Lazarus called her, the Mother of Exiles; that the Senate reaffirms that the lesson of the parable of the Good Samaritan lives on in the minds and hearts of the American people and is a part of their character; and that the Senate welcomes warmly the latest exiles to our shores—the refugees from South Vietnam and Cambodia.

STATEMENT BY THE AFL–CIO EXECUTIVE COUNCIL ON VIETNAMESE REFUGEES, WASHINGTON, D.C., MAY 6, 1975

The United States has an inescapable moral responsibility to do all that it can to aid the Vietnamese refugees who are now entering our country, just as we have opened our doors to Hungarians and Cuban refugees from Communist totalitarianism. We cannot turn our backs on those who have fought for freedom without making a mockery of the principles upon which our nation was founded and by which it has served for centuries as a haven for people of all nationalities who seek liberty.

We recognize that the Vietnamese arriving on our shores will face many difficult and unique problems. But we have faith that those problems can be overcome by the good will and generosity for which the American people are justly known throughout the world. Recent statements by some politicians suggesting that the Vietnamese refugees are not welcome here bespeak a meanness of spirit unworthy of the American people. It is a meanness in which the American labor movement willnot partake.

The AFL–CIO Executive Council calls upon our members to make these refugees of Communist aggression welcome in their communities.

We call upon the Congress to appropriate without delay sufficient funds to facilitate the resettlement of the Vietnamese refugees in the United States without placing an undue burden upon the already hard-pressed resources of our state and local governments.

Finally, we call upon the AFL–CIO Community Services Department, the Human Resources Development Institute, and our Internatinal Affairs Department to cooperate fully with government and voluntary programs to assist the refugees to find jobs and housing, to obtain needed social services, and to become integrated into the American way of life.

Mr. FONG. I yield the floor.

Mr. STONE. Mr. President, even though I will vote no on this amendment I wish to commend the distinguished Senator from North Carolina for his well-motivated and sincerely felt proposal which is intended to benefit not only the refugees but the U.S. taxpayer.

The PRESIDING OFFICER (Mr. ALLEN). In accordance with the previous unanimous-consent agreement the question will now be put on agreeing to the amendment of the distinguished Senator from North Carolina (Mr. HELMS).

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Delaware (Mr. BIDEN), the Senator from Mississippi (Mr. EASTLAND), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Wyoming (Mr. MCGEE), the Senator from New Mexico (Mr. MONTOYA), the Senator from North Carolina (Mr. MORGAN), the Senator from Utah (Mr. MOSS), the Senator from Maine (Mr. MUSKIE), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

I further announce that the Senator from Alaska (Mr. GRAVEL), the Senators from Georgia (Mr. NUNN and Mr. TALMADGE), and the Senator from California (Mr. TUNNEY) are absent on official business.

I further announce that, if present and voting, the Senator from Indiana (Mr. BAYH), the Senator from North Carolina (Mr. MORGAN), and the Senator from Illinois (Mr. STEVENSON) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from New York (Mr. BUCKLEY), the Senator from Nebraska (Mr. HRUSKA), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

I also announce that the Senator from Tennessee (Mr. BAKER) is absent on official business.

The result was announced—yeas 6, nays 74, as follows:

[Rollcall Vote No. 185 Leg.]

YEAS—6

Curtis
Goldwater
Hatfield
Helms
McClure
Thurmond

NAYS—74

Abourezk
Allen
Bartlett
Beall
Bentsen
Brock
Brooke
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Dole
Domenici
Eagleton
Fannin
Fong
Ford
Garn
Glenn
Griffin
Hansen
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hathaway
Hollings
Hudd'eston
Humphrey
Inouye
Jackson
Javits
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McGovern
McIntyre
Metcalf
Mondale
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott,
  William L.
Sparkman
Stafford
Stennis
Stevens
Stone
Symington
Tower
Weicker
Williams
Young

NOT VOTING—19

Baker
Bayh
Bellmon
Biden
Buckley
Eastland
Gravel
Hruska
Johnston
McGee
Montoya
Morgan
Moss
Muskie
Nunn
Stevenson
Taft
Talmadge
Tunney

So Mr. HELMS' amendment was rejected.

Mr. CRANSTON. Mr. President, I would like to ask a question of the distinguished committee chairman (Mr. SPARKMAN) in order to clarify legislative intent on a matter of critical importance to the State of California, and other States as well.

I note that section 4 of the bill requires that the President shall keep the appropriate committees of Congress fully and currently informed regarding the use of funds and the exercise of activities carried out pursuant to this act. My question is this: Am I correct in assuming that as a part of that requirement, the President—or his designee, who in this case would most likely be the Secretary of Health, Education, and Welfare—would be required to report to the Congress the policies he is following, or will follow, in the distribution of funds which may be appropriated for the purpose of "bilingual and vocational training" under this program?

I ask this question because I am deeply concerned about the possible effect on our local school systems resulting from their assumption of the costs of educating these refugee children unless—and I would consider this entirely appropriate—the Federal Government establishes a program to reimburse State and local education agencies for the costs which are involved.

Consider the case of my State of California. Assuming we absorb just 10 percent of the refugees, and—as HEW representatives have stated—50 percent of those refugees are school-age children—California could expect at least 5,650 additional refugee children to be accommodated in our public schools. Our State average per pupil expenditure, as adjusted for inflation, is about $1,400 per year. This would mean that the cost to California taxpayers in the first year alone would be about $7.9 million to educate the refugee children.

I think it is obvious, Mr. Chairman, that this would add an intolerable burden to that part of our governmental system which is able to bear it least. In my view, the citizens of California—or any other State, for that matter—cannot be expected to bear this additional burden on the property tax, which is already outrageously out of proportion to the taxpayers ability to pay. In California the school boards association recently completed a survey which reveals that 218 school districts, representing about 60 percent of the educational expenditures in the State as a whole, estimate they will be $221 million short of being able to meet the impact of inflation on their budgets. I am sure many of my colleagues could cite equally discouraging figures.

In the light of this problem, I would appreciate the comments of the chairman in response to my question on the interpretation of the reporting responsibilities under section 4.

Mr. SPARKMAN. Mr. President, in answer to the question posed by the Senator from California (Mr. CRANSTON), it is the intent of section 4 as amended, that the President keep the Congress fully and currently informed regarding the use of funds and exercise of activities carried out under the act.

Such information would include programs and activities affecting schools or being carried out in schools. The Committee was very much aware of the potential refugee impact on schools. Therefore, the committee would expect the President's reports made pursuant to section 4 to cover such programs and proposals that would affect schools.

Let me also point out that in our committee report on S. 1661, on page 8, we have specified that—

> The Committee anticipates that HEW will develop procedures to insure that local communities will not be adversely affected by the resettlement of refugees.

Therefore, the committee expects to follow the President's reports very closely, and should information indicate that schools are suffering under the burden of schooling refugee children, the Congress can act accordingly at a future date.

Mr. CRANSTON. I thank the distinguished chairman for these assurances. In view of these positive concerns on behalf of schools, I will not propose at this time an amendment I had planned to introduce, but will simply read the amendment into the record at this point. The amendment would have stated:

> The Secretary of Health, Education, and Welfare is directed to propose to the Congress, not later than July 15, 1975, a program of aid to State and local education agencies designed to repay them in full for all costs incurred in the education of refugee children. For the purposes of this subsection "refugee child" means a refugee from Cambodia or Vietnam as defined in section 2(b) (3) of the Migration and Refugee Assistance Act of 1962, as amended.

As I said, Mr. President, I will not propose this amendment at this time, in light of the interpretations just given by the chairman (Mr. SPARKMAN). However, I want to make it very clear that I will be watching the actions of the Department of Health, Education, and Welfare—and other Government agencies—as they affect the education of refugee children. The superintendent of public instruction in California, Dr. Wilson A. Riles, has expressed personally to me his grave concern over the ability of local schools to meet these extra costs. And I would remind my colleagues that not only must basic education costs be met, but additional costs of providing bilingual education to these refugee children must be absorbed—and that averages some $400 additional per child. We should and must welcome these children to our schools. But we must not forget that the children will enter our schools as a direct result of Federal policy. Therefore, it is neither proper nor tolerable to force local taxpayers into paying the extra educational costs in full, while the Federal Government turns its back on the financial problems our schools may meet. If the Federal Government—specifically, the Department of Health, Education, and Welfare—fails, in my judgment, to meet its responsibilities in full, I will introduce legislation along the lines of the amendment I have just read to assure that our already overburdened property taxpayers will not suffer under new, federally caused financial responsibilities.

Mr. KENNEDY. Mr. President, I would like to speak in strong support of the pending legislation to provide funds for the assistance and resettlement of Cambodian and Vietnamese refugees.

At the outset, I want to say that I believe the President of the United States truly spoke for most Americans, when he reminded us not long ago of our important humanitarian and moral responsibilities in extending a warm hand of friendship and welcome to those thousands of homeless refugees who are now reaching our shores.

These refugees remind us once again of the oldest theme in our history—that we are a nation of immigrants and refugees. Much of our heritage is built upon the lives and spirit of those who have come to our shores seeking hope, freedom, and an opportunity to build a new life, in a new land.

Our Nation has long prided itself on our tradition of compassion and humanitarian concern for the homeless of the world, and for people in need around the globe. But to the Cambodian and Vietnamese refugees now coming to our land, we have a special obligation above and beyond our traditional humanitarian response. For in a very real and direct way we share in their plight, even as we have long been involved in the tragedy and suffering caused by the Indochina war. We have a special responsibility to help restore their lives, in part because we participated in a long war that helped to destroy the life they once knew—and because our planes and ships helped many to reach our shores.

Mr. President, we also need to put some focus on the refugee issue—and reassure those who are skeptical over whether our doors should be open to the new arrivals from Indochina. The numbers involved—even the highest projected number of 130,000—are more than manageable. The numbers are small, compared to the 400,000 immigrants we absorb into our society annually, and the estimated 1 million illegal aliens who also remain each year. Clearly, an effective resettlement program for some 100,000 refugees from Indochina, will not overburden our communities or heavily tax our resources for meeting the needs of our own people.

And for those who are concerned over the cost of resettling the refugees, the amounts authorized and appropriated in the pending legislation are less than a fourth of what we were spending on military and economic aid to Indochina during the current fiscal year. An appropriation of some $405,000,000 is miniscule compared to the $150 billion we poured into Indochina in more than a decade of war.

Mr. President, as chairman of the Judiciary Subcommittee on Refugees, I have closely followed humanitarian problems in Indochina since 1965. And since early April five hearings on the President's refugee program and related issues have been held by the subcommittee and the full Committee on the Judiciary. After these extensive hearings, a field report by staff members of the subcommittee, and regular consultations with the private voluntary agencies responsible for resettling the refugees, I can assure the Senate that the funds being considered today are not only needed to assist the refugees in the weeks and months ahead—but they are urgently needed today to get the resettlement program underway.

The funds are also urgently needed to encourage and facilitate the resettlement of refugees in third countries, and to support the voluntary repatriation of those who, for personal reasons, choose to return to their native land.

Mr. President, with the welfare of the refugees in mind, and our special obligation to help them help themselves, I urge the expeditious consideration and passage of the pending authorization and appropriations for the Indochina refugee program.

Mr. President, for a decade, the Indochina war has cut deeply into American life, and has poisoned the spirit of our country and its people. But the war is now behind us. And we must finally get on with the task of healing the wounds of this war, and of meeting the other challenges now facing our country, at home and overseas. In extending a warm welcome to the new arrivals on our shores, we must not forget the needs of the millions of war victims who remain in their native lands.

We must pursue a diplomacy of reconciliation and normalization with the government's of Indochina. And we must do what we can in meeting our clear responsibility to help salvage the battered lives of those who live there—and have suffered so much, for so long. We cannot ignore the millions of war victims in Cambodia and South Vietnam—many of whom were benefiting from our direct assistance less than a month ago. We cannot ignore the plight of the homeless, whose dwellings and lands have been ravaged by years of war. We cannot ignore the needs of orphans, of the wounded and maimed, and of the countless other war victims in Indochina who cry out for relief and help. We also have humanitarian responsibilities to these people, and the time is past due for the President and Congress to declare our country's support of international efforts to rehabilitate their lives.

I am disappointed that the President's

request for resettlement assistance for refugees from Cambodia and South Vietnam did not include a separate request to support international relief efforts for the war victims remaining in Indochina.

The United Nations, the International Red Cross, and several private voluntary agencies stand ready to help. In fact, some of their programs are now underway and the appeals of these organizations for contributions and support, should not be met with an American policy of silence.

Hopefully, the Committee on Foreign Relations, and the Senate, which have gone on record as supporting humanitarian contributions to international relief programs in Indochina, will once again act on this important issue. And hopefully the administration will join Congress in this effort.

Mr. President, strong words of support have also come for this legislation from America's voluntary agencies. I would like to share with my colleagues a copy of a letter I received this week from the American Immigration and Citizenship Conference. They urge "congressional leadership in behalf of assistance to Indochinese refugees," and note that—

> In offering resettlement opportunities, the United States Government, working in cooperation with the private sector, is meeting a moral responsibility in keeping with our humanitarian tradition.

I ask unanimous consent that the text of the conference's message to Congress be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMERICAN IMMIGRATION AND
CITIZENSHIP CONFERENCE,
New York, N.Y., May 12, 1975.

To the Members of the United States Congress.

The undersigned member agencies of the American Immigration and Citizenship Conference welcome Congressional leadership in behalf of assistance to Indochinese refugees here and urge the exercise of utmost compassion to meet the critical needs of this victimized group. We applaud President Ford's appeal that the doors be opened generously. Our nation's record to date gives ample evidence that refugees who sought asylum here have enriched this country. In offering resettlement opportunities, the United States government, working in cooperation with the private sector, is meeting a moral responsibility in keeping with our humanitarian tradition. We respectfully call on you to uphold this record.

Amalgamated Clothing Workers of America, AFL–CIO.
American Baptist Home Mission Societies.
American Civil Liberties Union.
American Committee on Italian Migration.
American Council for Emigres in the Professions.
American Council for Judaism Philanthropic Fund.
American Council for Nationalities Service.
American Federation of Jews from Central Europe.
American Federation of Musicians.
American Fund for Czechoslovak Refugees.
American Jewish Committee.
American Jewish Joint Distribution Committee.
Anti-Defamation League of B'nai B'rith.
B'nai B'rith.
Board of Global Ministries of the United Methodist Church.
Catholic Relief Services, United States Catholic Conference.
Christian Church (Disciples of Christ).
Church of the Brethren World Ministries Commission.
Church World Service, National Council of Churches of Christ.
Dominican-American Civic Association.
Ethnic Heritage Affairs Institute, Inc.
General Conference of Seventh-day Adventists.
Holt Adoption Program.
Immigration Council of Southern California.
Industrial Union Department AFL–CIO.
International Institute of Rhode Island.
International Rescue Committee.
International Union of Electrical, Radio and Machine Workers, AFL–CIO.
Japanese American Citizens League.
Jewish War Veterans of the U.S.A.
Jewish United Fund of Metropolitan Chicago.
Labor Zionist Alliance.
Lutheran Immigration and Refugee Service.
National Chinese Welfare Council.
National Conference of Catholic Charities.
National Council of Jewish Women.
National Council of La Raza.
National Jewish Community Relations Advisory Council.
New York Association for New Americans.
Order of AHEPA.
Polish American Immigration and Relief Committee.
Tolstoy Foundation.
Travelers Aid-International Social Service of America.
Travelers Aid Society of Metropolitan Chicago/Immigrants' Service League.
United HIAS Service.
United Presbyterian Church in the U.S.A., Resettlement Services.
United States Catholic Conference, Migration and Refugee Services.
United Steelworkers of America.

Transmitted in behelf of the signatories by: Sonia D. Blumenthal, Executive Director, American Immigration and Citizenship Conference.

Mr. KENNEDY. Mr. President, I would like to offer in addition the eloquent words of Mr. John McCarthy, who is director of the migration and refugee services of the U.S. Catholic Conference. In testimony this week before the subcommittee on refugees, Mr. McCarthy urged speedy action to get funds to America's voluntary agencies—the people who will be charged with the essential task of providing resettlement opportunities to the refugees now reaching our shores. As he told the subcommittees:

> There is a job to be done . . . there is in our land the human scars of a terrible war. Let us all work together to resettle these refugees and make there intricate contributing members of our communities. Let us add a few additional brilliant chips that will make our nation, now a mosaic of different cultures and strengths, a world example of our true ideology which was often buried in the rhetoric of our controversial Asian policy and practice.

Mr. President, I ask unanimous consent that the text of Mr. McCarthy's statement before the refugee subcommittee be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY JOHN EDWARD MCCARTHY, DIRECTOR, MIGRATION AND REFUGEE SERVICES, U.S. CATHOLIC CONFERENCE

Mr. Chairman and members of the Committee: As we sit here this morning, every tick of the clock brings us nearer to compounding a disaster with a terrible tragedy. Yes, our island possessions and air bases in the Pacific are literally sinking under the weight of some of the human wreckage that was Viet Nam.

As the Typhoon season approaches, I understand that refugee freighters are literally circling the Island of Guam, as there are no further facilities on land for those who have lost everything in joining us in a cause aimed at fending off aggression and preserving the right of the freedom of choice.

However, any action directed at making this most humanitarian problem a controversial issue is morally repugnant to the majority of our citizenry. We must never forget that through the veins of most of us flow refugee blood; yes, our forefathers arrived in this land as escapees from economic injustices, political tyranny or religious oppression. We are the last that should now fear, for those, who now in more tragic surroundings are following in the footsteps of our forefathers.

There is a job to be done, whether we like it or not. There is in our land the human scars of a terrible war. Let us all work together to resettle these refugees and make them intricate contributing members of our communities. Let us add a few additional brilliant chips that will make our nation, now a mosaic of different cultures and strengths, a world example of our true ideology which was often buried in the rhetoric of our controversial Asian policy and practices.

The monumental movement action by tens of thousands of service persons under the most trying conditions must be applauded by all. But where do we go from here? Yes, the camps are full—the air bases are full—the islands are full of persons who need our help. These temporary havens, built with the sweat of our service personnel are now apparently developing into unsanitary and unworkable extended holding centers.

It is our hope that through cooperative efforts, it will be possible to eliminate these problem areas by marshalling the tremendous resources that were used in the movement program to provide nationwide resettlement opportunities for those with such great needs.

Unfortunately, due to lack of government resources for resettlement and the use of some antiquated and cumbersome administrative procedures, it has not been possible to put the resettlement program on the road as we should.

However, we of the Catholic Church structures, have not been standing still. We have, over the past weeks, spent well over two hundred thousand dollars in setting up a nationwide chain of one hundred and fifty resettlement offices. These offices are ready to serve all refugees without regard to race, religion or political opinion.

Our in-camp staff have already registered and completed the preliminary procedures for nearly one thousand refugee families, or approximately five thousand persons. We have verified or provided jobs and housing opportunities for all these persons. They should not be a burden or disruptive influence on the community of their resettlement.

The staff of our Migration and Refugee Services, which has found homes and jobs for over five hundred thousand persons during the past eight years, is now joined by other voluntary agencies to provide the resources, experience and the will to get the job done—and done well. This, however, should be a partnership endeavor with our government structures and our citizenry.

Any delay in funding and any delay in cutting the red tape is not only inhuman but most expensive. We understand it is costing the taxpayer over a million dollars a day to maintain these holding structures for persons who could, and should be, contributing members of our society.

UMI

There is no question but that all our citizenry, our elected officials, and our Church and social agencies, will have to work together to clear up the last human vestige of this terrible tragedy.

VIETNAMESE REFUGEES

Mr. CLARK. Mr. President, the Foreign Relations Committee has acted favorably on legislation to provide $405 million for the transportation and resettlement of Vietnamese refugees. I fully supported this legislation in committee and will support it on the floor. I believe we have an obligation to provide homes for those we have brought from Vietnam.

The refugee situation has generated a great deal of controversy. Everyone understands the fears of those who are worried about the impact on the economy, but their fears seem largely unjustified. By preliminary estimates, only 30,000 of the refugees will be looking for work. But even if the number were double that, it would be less than 1 percent of the number of Americans presently unemployed and less than one-tenth of 1 percent of the total labor force.

The administration plans to find a sponsor for every refugee family through the voluntary agencies. This will help guarantee that the economic impact on any single State or community will be negligible. Those who offer to sponsor refugees will probably come from every State—from urban and rural areas. And with the help of those sponsors, the Government and the relief agencies, much can be done to lessen the impact of the refugees on the economy.

The high level of unemployment should not be made an excuse for rejecting people who have nowhere else to go. But the current economic situation does require that special care be taken to ensure that the refugees not add significantly to the problem of unemployment, or to the financial difficulties of State and local governments.

The questions of who the refugees are, why they came, and whether many of them would rather go back home have been raised by many people.

The United States certainly should do everything possible to enable those who want to go back home to return safely to Vietnam and Cambodia. And the United States should provide their transportation. Those who want to return, and feel they are in no danger, should be allowed to go immediately and without waiting for weeks in refugee camps.

The Government apparently knows more about the first 40,000 refugees than about those who have come since. The initial group seems to be in the middle class in their education and occupational background. Sixty percent of the heads of households speak English. Those who left South Vietnam in the final days and hours, however, probably come from all walks of life—high-ranking Government officials, businessmen, scholars, peasant farmers and housewives. Whoever they are, these new immigrants, like every wave of immigrants before them, will bring something unique in value to help enrich American life. Just as it would be unfair to blame the tragedy of Vietnam on any single group of Americans, it would also be unfair to blame the immorality of what went on in Vietnam on a few refugees. They are now in America. They will be governed by the laws of the United States.

Like President Ford, I feel the United States has an obligation to help Vietnamese who want to stay in this country. It is unfortunate that the evacuation of Vietnamese was not better organized. Undoubtedly, the chaos of the evacuation from South Vietnam means that many of the refugees were not really in danger and many whose lives are endangered were left behind. However, every Vietnamese is in a real sense a victim of the long and tragic war; and the least we can do is to help in the resettlement of these 130,000 victims who have been brought out of the country.

The refugee legislation that Congress will soon act on is an important first step in the resettlement effort. We cannot know for certain whether the funds in this legislation will be sufficient or perhaps even too much. The administration's original request may have overestimated the costs of maintaining and resettling the refugees. Its projections were based on the assumption that all the refugees would remain in camps for 90 days, that none of them are dependents of Americans with homes to come to, that it will cost $600 to settle each refugee and that fairly sizeable expenditures will be necessary for health and education. We do not know yet who the refugees are, what their private financial resources are, how soon they will be placed with sponsoring families, how many are still coming or how many will want to settle in other countries or go home.

However, in considering this initial refugee resettlement legislation, it is more important to determine the quality of the program than its exact costs. Huge amounts of money could be spent, and the goal of assimilating the refugees rapidly into American society still not achieved. Congress must make certain that every effort is being made to find homes for the refugees in communities where they will be welcome and where they can soon become self-sufficient. There must be no barriers to using the vast resources and experience of the church groups and other voluntary agencies to help settle the Vietnamese. These organizations can help screen potential sponsors to determine whether they can actually afford to provide homes and other assistance. They can help find jobs for the refugees. They can help make certain that every refugee finds a home in a community where he can play a productive role and where he can become economically self-sufficient.

Numerous offers of assistance have come to my office from the people of Iowa, Senators and Congressmen from every State in the Nation have had the same experience. It is clear that Americans will end the experience of Vietnam in a spirit of generosity toward the victims of the war. The fact that these are difficult times economically makes this generosity all the more meaningful and moving. However, we must now turn our attention to our own economic problems, to easing the burdens of unemployment and poverty for everyone. Congress has recently passed good legislation to alleviate some of the difficulties the recession has caused for Americans—legislation to prevent the unemployed from losing their homes as well as their jobs, and legislation to create public service jobs and to provide work for people in the most severely affected industries. It has been suggested that President Ford might veto this legislation. At a time when Americans are being asked to provide homes and jobs for those who have been brought from Vietnam, it just would not be fair to block these efforts to provide homes and jobs for Americans as well.

Mr. PELL. Mr President, I am glad that the initial outburst against the entry of refugees from Indochina has subsided. Given the frustrations arising from inflation and unemployment in this country, such an outburst is not surprising.

I believe that the overwhelming passage of Senate Resolution 148 welcoming these refugees to our shores is more indicative of the true sentiments of the great majority of Americans.

Certainly my confidence on that score is resoundingly confirmed by the petition to the Congress from the American Immigration and Citizenship Conference signed by 50 leading volunteer agencies and labor groups urging assistance for this war-victimized group to meet "a moral responsibility in keeping with our humanitarian tradition." I ask unanimous consent that this fine expression of dedication to basic American principles be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PELL. Mr. President, in my introductory statement for S. 1639, which I cosponsored with my distinguished colleague the senior Senator from New York, I outlined the compelling reasons why I believed helping the Indochinese refugees, as provided in S. 1639, was the right thing to do and expressed my confidence that this great country of ours is capable of meeting its humanitarian obligations at the same time that it gives priority attention to our pressing economic and social problems.

The Foreign Relations Committee carefully considered S. 1639 and incorporated a great deal of it into S. 1661, which we are now considering. I attach especially great importance to the provision in S. 1639, now included in S. 1661, calling upon the President "to make every effort to retrieve all amounts previously authorized and appropriated for assistance to South Vietnam and Cambodia but not expended before the date of enactment of this act" for use as part of the $405,000,000 authorized by S. 1661.

I strongly urge that not one single retrievable dollar be used in support of some other military program and hence diverted from meeting the needs of S. 1661. Furthermore, expenditures under S. 1661 must be carefully scrutinized to eliminate any padding or inflated costs.

I have in mind such costs as transportation provided by the Defense Department.

Any such diversion or cost exaggeration can only be at the expense of funds for resettlement in the United States. Ultimately that means less dollars for the State and local governments, as well as for the voluntary agencies, who are doing such admirable work in meeting this humanitarian emergency. With State and local governments hard pressed to meet the needs of their people, it is essential that they receive maximum Federal support.

Mr. President, prompt and hopefully unanimous passage of S. 1661 will be a reaffirmation that generosity and the helping hand are still alive and well in the hearts and minds of the American people today.

EXHIBIT 1

AMERICAN IMMIGRATION AND CITIZENSHIP CONFERENCE,
New York, N.Y., May 12, 1975.

To the Members of the United States Congress:

The undersigned member agencies of the American Immigration and Citizenship Conference welcome Congressional leadership in behalf of assistance to Indochinese refugees here and urge the exercise of utmost compassion to meet the critical needs of this victimized group. We applaud President Ford's appeal that the doors be opened generously. Our nation's record to date gives ample evidence that refugees who sought asylum here have enriched this country. In offering resettlement opportunities, the United States government, working in cooperation with the private sector, is meeting a moral responsibility in keeping with our humanitarian tradition. We respectfully call on you to uphold this record.

Amalgamated Clothing Workers of America, AFL–CIO.
American Baptist Home Mission Societies.
American Civil Liberties Union.
American Committee on Italian Migration.
American Council for Emigres in the Professions.
American Council for Judaism Philanthropic Fund.
American Council for Nationalities Service.
American Federation of Jews from Central Europe.
American Federation of Musicians.
American Fund for Czechoslovak Refugees.
American Jewish Committee.
American Jewish Joint Distribution Committee.
Anti-Defamation League of B'nai B'rith.
B'nai B'rith.
Board of Global Ministries of the United Methodist Church.
Catholic Relief Services, United States Catholic Conference.
Christian Church (Disciples of Christ).
Church of the Brethren World Ministries Commission.
Church World Service, National Council of Churches of Christ.
Dominican-American Civic Association.
Ethnic Heritage Affairs Institute, Inc.
General Conference of Seventh-day Adventists.
Holt Adoption Program.
Immigration Council of Southern California.
Industrial Union Department AFL–CIO.
International Institute of Minnesota.
International Institute of Rhode Island.
International Rescue Committee.
International Union of Electrical, Radio and Machine Workers, AFL–CIO.
Japanese American Citizens League.
Jewish War Veterans of the U.S.A.
Jewish United Fund of Metropolitan Chicago.
Labor Zionist Alliance.
Lutheran Immigration and Refugee Service.
National Chinese Welfare Council.
National Conference of Catholic Charities.
National Council of Jewish Women.
National Council of La Raza.
National Jewish Community Relations Advisory Council.
Nationalities Service Center of Philadelphia.
New York Association for New Americans.
Order of AHEPA.
Polish American Immigration and Relief Committee.
Tolstoy Foundation.
Travelers Aid-International Social Service of America.
Travelers Aid Society of Metropolitan Chicago/Immigrants' Service League.
United HIAS Service.
United Presbyterian Church in the U.S.A., Resettlement Services.
United States Catholic Conference, Migration and Refugee Services.
United Steelworkers of America.

Transmitted in behalf of the signatories by Sonia D. Blumenthal, Executive Director, American Immigration and Citizenship Conference.

The PRESIDING OFFICER. Under the unanimous-consent agreement at this time there will be third reading of the bill.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. PASTORE. May we have order, please, Mr. President.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the yeas and nays which have been ordered on S. 1661 be transferred to H.R. 6755.

The PRESIDING OFFICER. Is there objection? The Chair hears none and it is so ordered.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 136, H.R. 6755.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The clerk will state the bill by title.

The legislative clerk read as follows:

> A bill (H.R. 6755) to enable the United States to render assistance to, or in behalf of, certain migrants and refugees.

Mr. SPARKMAN. Mr. President, I ask for immediate consideration of H.R. 6755.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the bill.

Mr. HELMS. Mr. President, I shall vote against final passage of this bill (H.R. 6755), not because I am opposed to helping the Vietnamese refugees—but because, as I said in my earlier statement, I sincerely believe that the approach embraced by S. 1661 and H.R. 6755 is the wrong way to go.

Thus, my vote in the negative—in effect, a protest vote for the reasons stated earlier by the Senator from North Carolina. I regret that my amendment in the nature of a substitute was rejected. It may be, that upon further and subsequent consideration, Senators may agree with me. But then, of course, it will be too late.

Mr. SPARKMAN. Mr. President, I ask unanimous consent to strike all after the enacting clause of H.R. 6755 and that there be substituted therefor the text of S. 1161, as amended by the Senate.

The PRESIDING OFFICER. Is there objection? The Chair hears no objection, and it is so ordered.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that S. 1661 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill, having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered. The time for the rollcall has, by unanimous consent, been set for 10 minutes. The clerk will please call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Delaware (Mr. BIDEN), the Senator from Mississippi (Mr. EASTLAND), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Wyoming (Mr. MCGEE), the Senator from New Mexico (Mr. MONTOYA), the Senator from North Carolina (Mr. MORGAN), the Senator from Utah (Mr. MOSS), the Senator from Maine (Mr. MUSKIE), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

I further announce that the Senator from Georgia (Mr. NUNN), the Senator from Georgia (Mr. TALMADGE), the Senator from California (Mr. TUNNEY), and the Senator from Alaska (Mr. GRAVEL) are absent on official business.

I further announce that, if present and voting, the Senator from Indiana (Mr. BAYH), the Senator from Wyoming (Mr. MCGEE), the Senator from North Carolina (Mr. MORGAN), the Senator from Utah (Mr. MOSS), the Senator from Georgia (Mr. NUNN), the Senator from Alaska (Mr. GRAVEL), and the Senator from Illinois (Mr. STEVENSON) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BARTLETT), the Senator from Oklahoma (Mr. BELLMON), the Senator from New York (Mr. BUCKLEY), the Senator from Nebraska (Mr. HRUSKA), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

I also announce that the Senator from Tennessee (Mr. BAKER) is absent on official business.

I further announce that, if present and voting, the Senator from Nebraska (Mr. HRUSKA) and the Senator from Ohio (Mr. TAFT) would each vote "yea."

The result was announced—yeas 77, nays 2, as follows:

[Rollcall Vote No. 186 Leg.]

YEAS—77

Abourezk
Allen
Beall
Bentsen
Brock
Brooke
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Curtis
Dole
Domenici

Eagleton
Fannin
Fong
Ford
Garn
Glenn
Goldwater
Griffin
Hansen
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGovern
McIntyre
Metcalf
Mondale
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stone
Symington
Thurmond
Tower
Weicker
Williams
Young

NAYS—2

Helms
Scott, William L.

NOT VOTING—20

Baker
Bartlett
Bayh
Bellmon
Biden
Buckley
Eastland
Gravel
Hruska
Johnston
McGee
Montoya
Morgan
Moss
Muskie
Nunn
Stevenson
Taft
Talmadge
Tunney

So the bill (H.R. 6755) was passed.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. SPARKMAN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendments to H.R. 6755.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair recognizes the distinguished Senator from Hawaii (Mr. Inouye).

Mr. INOUYE. Mr. President, I am pleased to yield to the deputy majority leader.

ORDER FOR CONSIDERATION OF S. 1730

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the refugee appropriation bill, the Senate proceed to the consideration of Calendar No. 129, S. 1730, a bill to improve the reliability, safety, and energy efficiency of transportation and to reduce unemployment by providing funds for work in repairing, rehabilitating, and improving essential railroad beds and facilities. I have cleared this with the leadership on the other side of the aisle.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPROPRIATIONS FOR SPECIAL ASSISTANCE TO REFUGEES FROM CAMBODIA AND VIETNAM, 1975

The PRESIDING OFFICER. In accordance with the previous agreement, the Senate will now proceed to the consideration of H.R. 6894, which is the appropriations bill authorized by the bill just passed, which the clerk will state.

The legislative clerk read as follows:

A bill (H.R. 6894) making appropriations for special assistance to refugees from Cambodia and Vietnam for the fiscal year ending June 30, 1975, and for other purposes, which had been reported from the Committee on Appropriations with amendments on page 2, in line 9, after "1976" insert a semicolon and the following: "June 30, 1976: *Provided*, That none of the funds appropriated herein may be used to reimburse the Department of Defense for (1) any personnel services, equipment, materiel or supplies for which funds were heretofore appropriated to the Department of Defense, or (2) any equipment, materiel or supplies which were in the inventory of the Department of Defense at the time of the evacuation of refugees from Southeast Asia."

On page 3, beginning with line 12, insert:

Sec. 202. None of the funds herein appropriated shall be available for obligation until enactment of authorizing legislation.

Mr. INOUYE. Mr. President, I am pleased to report a bill which will provide a total of $405 million for assistance to refugees from Cambodia and South Vietnam. This amount is $102 million less than the amount requested by the President and equals the amount approved by the House.

On Tuesday of this week the Committee on Appropriations Subcommittee on Foreign Operations held a hearing to examine the President's request for $507 million in assistance to refugees from Cambodia and Vietnam.

Our inquiry was guided by the firm hope that speedy and meaningful assistance could be provided to these the most recent exiles to our shores. The hearing revealed that, in these urgent times, much is uncertain. There is a very real possibility that the President's budget request is substantially in excess of what is necessary and required.

The subcommittee learned that the total number of refugees is well below the 150,000 total which was the basis for the President's request. The situation remains in a state of flux. The number of refugees presently expected to settle in the United States is approximately 115,000. Some 20,000 of these presently have American sponsors and 12,000 of that number are actually dependents of U.S. citizens.

It was initially estimated that 20,000 refugees would be transported to third countries. The exact number which will actually be accepted by third countries remains uncertain and subject to negotiation. It must be pointed out, however, that as of this date only one country, Canada, has made a firm commitment to accept a fixed number of refugees—3,000.

Although it is hoped that eventually other countries will accept sizable numbers of refugees, I believe it is significant that, 3 weeks after the United States began to evacuate refugees from South Vietnam, only one nation has come forward and identified the number of refugees that it will accept.

It is important to understand that the President's request for $507 million was based on estimates which even now, after several revisions, are of doubtful accuracy.

This is not to criticize those who have devised these programs and made these estimates. In the confused and chaotic considerations under which they began their work, and considering the uncertainties attendant to moving refugees of unknown numbers, the men and women of the Interagency Task Force have done an creditable job.

The fact remains, however, that the estimates originally presented are at odds with the current situation.

The Committee on Appropriations met on Wednesday and was presented with a choice. It could wait for a month, for 2 months, or for however long it took to obtain precise and final estimates. Or, it could act on the basis of the best estimates available at this time.

The committee recognized that in this situation delay could well mean disaster. Over 100,000 lives would be held in suspension. Weary refugees, whose lives had been shattered, would have had to wait countless hours before they could begin the painstaking process of piecing their lives back to together.

The committee, therefore, determined to report out a bill which reflected the soundest judgments it could make as to the needs of the refugees. The committee has not accepted the present estimates as final. It recognizes that they may change considerably over the next few months. Accordingly, the committee has directed that the General Accounting Office carefully monitor obligations and expenditures under this program and periodically report their findings to the committee.

By its actions the committee sought to take responsible steps in a period of uncertainty. It therefore proposed an amendment which had the intent of insuring that none of the funds appropriated in this bill could be used by the Department of Defense for purposes other than direct assistance to the refugees.

In the interval of time which has passed since the committee considered this bill, I have received written assurances from the Secretary of Defense that the Department of Defense will request reimbursement for only those costs which are in excess of normal operations. He has further assured me that the Department will request reimbursement for only those costs which are not covered by funds currently available to the Department of Defense.

Mr. President, I ask unanimous consent that this correspondence, dated May 15 and 16, be printed in the Record.

There being no objection, the correspondence was ordered to be printed in the Record, as follows:

May 15, 1975.

Hon. James R. Schlesinger,
Secretary of Defense, Department of Defense, Washington, D.C.

Dear Mr. Secretary: Please advise the Committee the nature of the costs for which the Department of Defense expects to request reimbursement from funds transferred by Presidential Determination or appropriation to the program rendering assistance to refugees from Cambodia and Vietnam. For instance, is the Department of Defense requesting reimbursement for—

(1) Regular pay and allowances of military or civilian personnel?

(2) Military equipment such as tents, mess gear, kitchen equipment, bunks, blankets? Full reimbursement or depreciation?

(3) Additional steaming time for Navy ships? If so, how much?

(4) Depreciation, amortization or any usage change for helicopters, ships or military equipment used in evacuation or transportation of refugees?

(5) Costs of aircraft or other military equipment lost during evacuation (C5A, C130, helicopters)?

(6) Is it the intention of the Department of Defense to charge this program for any personnel service or equipment which was paid for from previous DOD appropriations? Which was a part of DOD inventories at the beginning of the evacuation?

Sincerely,

Daniel K. Inouye,
Chairman, Subcommittee on Foreign Operations.

The Secretary of Defense,
Washington, D.C., May 16, 1975.

Hon. Daniel K. Inouye,
Chairman, Subcommittee on Foreign Operations, Committee on Appropriations, U.S. Senate.

Dear Mr. Chairman: I have carefully considered your letter of May 15, 1975. I assure you that the Department of Defense will only seek reimbursement for those costs actually incurred in support of this program. However, this does not include major investment items such as aircraft, helicopters, or other major equipment used by the military forces. Essentially, the Department of Defense will request reimbursement for those costs incurred by our operating accounts which are not covered by funds currently available to the Department. To the extent that already appropriated Department of Defense funds, such as military personnel salaries, have been diverted to this effort, reimbursement will not be requested.

The Department of Defense will do whatever is necessary to support the State Department in this effort and I am quite proud of the way my people have responded. However, I am sure you will agree that we should avoid any degradation of the readiness of our operating forces as a result of this effort. Failure to recover costs will do just that, in that the Department of Defense would be required to reduce the level of activities and training of our operating forces in order to live within available funds. The Department of Defense has already been forced to reduce these levels due to the impact of inflation on our operating accounts.

As you and other members of Congress have indicated, the current estimates of the cost of this program are imprecise, since many uncertainties remain as to the number of refugees and the length of their stay. It is regrettable that at this time the Department cannot provide the Congress with more precise estimates of the cost of this program. However, let me assure you that the Department of State will only be billed on the basis of costs incurred and not on the basis of these estimates.

Below are responses to the specific questions included in your letter. I appreciate the task facing your Committee and I hope this information is of assistance in this task.

1. Is the Department of Defense requesting reimbursement for regular pay and allowances of military or civilian personnel?

No pay and allowances for on-board military or civilian personnel will be charged to the State Department except for unbudgeted overtime and travel costs. However, there has been a need to hire on a temporary basis additional civilian personnel to assist in this effort. For example, there are 99 such temporary hires at Ft. Chaffee whose salaries are part of the Department of Defense requested reimbursement.

2. Is the Department of Defense requesting reimbursement for costs of military equipment, such as tents, mess gear, kitchen equipment, bunks, blankets? Full reimbursement or depreciation?

All of these items are being purchased from the Defense Stock Fund, a revolving account which operated totally on a reimbursable basis. The Department of Defense estimate is based on full reimbursement to be provided for these items. The normal policy is that a credit is allowed on equipment returned to the Stock Fund after its purchase and use depending on its condition and whether or not the Stock Fund inventory levels would still indicate a need for the returning assets. The operating accounts have procured the items from the Stock Fund in accordance with existing procedures that are in conformance with Comptroller General rulings. The activity will bill the State Department for reimbursement of its expenditure in procuring from the Stock Fund. The normal credit policy will be applicable upon turn-in of this material.

3. Is the Department of Defense requesting reimbursement for steaming time of Navy ships? If so, how much?

The Department is requesting reimbursement only for the cost of military operations over and above the normal tempo of operations for which funds were already available. The total amount requested for these incremental costs is $10.1 million. In the case of steaming time for Navy ships, the incremental amount is $5.7 million which represents 15,300 steaming hours. For the 34 ships involved, the Seventh Fleet had planned 9,180 steaming hours for the month of April. These ships steamed a total of 24,480 in support of the evacuation. If the unbudgeted costs are not reimbursed other essential military operations in the Pacific would have to be curtailed. While these costs are not included in the original Administration request for new obligational authority, it is our intention to request reimbursement from the State Department. The funds provided in the Committee report should be sufficient to cover these amounts.

4. Is the Department of Defense requesting reimbursement for depreciation, amortization or any usage charge for helicopters, ships or military equipment used in evacuation or transportation of refugees?

There are no depreciation or amortization costs included. The Department does intend to request reimbursement for the airlift costs of the Military Airlift Command which operates under a totally reimbursable revolving fund by charging all customers for providing airlift services. The airlift rate structure provides for a government rate which excludes costs such as military pay and depreciation which are or were covered by appropriated funds. The State Department will be billed for airlift costs based on this government rate.

5. Is the Department of Defense requesting reimbursement for the costs of aircraft or other military equipment lost during evacuation (C5A, C130, helicopters)?

No.

6. Is it the intention of the Department of Defense to charge this program for personnel services, equipment or inventories which were paid for by previous Department of Defense appropriations or which were part of the Department of Defense inventories at the beginning of the evacuation?

The equipment and inventories being used are either part of the operating stocks of the bases involved or are owned by the Department of Defense Stock Fund. This program will be charged for base operating stocks used in the evacuation only to the extent these stocks need to be replenished for the continuing operation of the bases after the evacuation is completed. As explained above, withdrawal of material from stock-funded inventories requires reimbursements at the time of issue from the Stock Fund inventories. Normal credit policy will be applied when the material is returned to the Stock Fund.

Sincerely,

J. R. Schlesinger.

Mr. INOUYE. Mr. President, the objective of the committee amendment has been served. I believe that the inclusion of this correspondence in the legislative history of this bill will remove all doubt. These funds are for refugee assistance and are not to be used to meet normal operating expenses of the Department of Defense. Therefore, the amendment is no longer required.

The committee also proposed an amendment to delay the availability of funds appropriated in this bill until proper authorizing legislation has been enacted. That legislation has now passed the House and the Senate. I believe that the intent of the committee has been fulfilled and that this amendment is no longer required.

Therefore, at the appropriate time, I will ask that the Senate decline to accept the committee amendments to the House bill. This course of action will permit this bill to go directly to the President for his signature. It will allow the Senate to respond directly to the President's call for urgent action, and will complete responsible and thoughtful action by the Senate on this measure.

Mr. President, the $405 million recommended by the committee will provide the refugees with the essential requirements of life—food, clothing, and shelter. It provides for immediate needs.

It also provides hope. To those who have lost their homeland, it offers help in finding a new home. To those who have lost their means of livelihood, it offers help in finding a new job. To those who have lost their very sense of being and who have sunk into despair, it offers the opportunity of becoming productive citizens of a free country.

Mr. President, I have a deep respect for the heritage of this country and continue to believe that it is a beacon light to those who flee oppression and the ravages of war. It is my earnest hope that the Senate will approve this bill with a resounding vote and let it be known to the people of the United States that the men of this body have not lost sight of the ideals and principles which have nurtured this great land and have made it America, the home of the free.

Mr. President, I ask unanimous consent that the committee amendments be considered en bloc and, for the reasons I have set forth, not be agreed to.

The PRESIDING OFFICER (Mr. Bumpers). Is there objection to the request of the Senator from Hawaii? The Chair hears none, and it is so ordered.

Mr. BROOKE. Mr. President, I commend the floor manager, the Senator from Hawaii (Mr. Inouye), for the speed with which he has acted in having hearings on this bill, marking it up and reporting it to the Senate. I also commend his decision to request that two committee amendments be dropped in order to facilitate enactment of this bill into law.

Concern has been expressed by many Americans over the anticipated resettlement of Vietnamese and Cambodian refugees in the United States. Such concern does not indicate a widespread rejection of our ideals. Rather, it is a natural consequence of the uncertainties arising from our economic situation and the

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aftermath of our final withdrawal from Vietnam.

As we gain the perspective that only time can give, I have no doubts that the response of the American people to the plight of these refugees will be one reflective of our humanitarian ideals. The dramatic upsurge in sponsorship offers for these refugees indicates that such a response is already underway.

The essential outlines of the refugee problem are not yet fully known. However, some factors are becoming evident.

Estimates of the total refugee population range as high as 150,000. After participating in hearings on the subject, I believe a more realistic figure to be 130,000. Of this figure, approximately 15,000 will likely be resettled in countries other than the United States. Thus, we are really faced with the task of assimilating approximately 115,000 refugees.

There are an estimated 30,000 to 35,000 Vietnamese and Cambodian heads of households who eventually will need employment. This is far less than the number originally estimated by some. It is a number I believe our economy can assimilate without undue strain although some difficulties are bound to be encountered.

The administration estimates that the initial cost of resettlement will be $507 million. This is in addition to the $98 million that has already been expended in effecting the evacuation from Indochina. This $98 million represents funds that had already been appropriated for aid to Indochina.

The committee recommendation of $405 million represents what we believe to be a more reasonable estimation of the costs that will be incurred in resettling the refugees.

The administration has stated its intent to resettle the refugees in a manner in which no one region of the country receives a disproportionate number. To the extent that this is feasible, it is a correct operating procedure. However, certain factors, such as climatic conditions or the present distribution of Vietnamese and Cambodians living in the United States will probably mean that certain regions will receive a greater number of refugees than others.

It is likely that some of the refugees may wish to return to their homeland once conditions have been normalized in Indochina, and they should be free to do so. The Congress has received assurances that no obstacles will be placed in their path. On the other hand, it would be unconscionable to force any refugees to return against their wishes. The McGovern amendment adopted today should meet this problem.

In questioning Ambassador Brown when he appeared before our subcommittee I asked him about those refugees who may have sufficient money to support themselves. I was informed that the standard procedures will include a means test that will be given to all refugees to determine their financial ability to support themselves. Of course, those who do have the financial ability to support themselves will be required to do so, and the taxpayers will not have to extend their assistance. We do have some indication that some of the refugees may be self-supporting, and we hope that such will be the case.

The need to move immediately on this issue is evident. Therefore, I urge the Senate to speedily give its concurrence to the committee's recommendations.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. BROOKE. I will yield to the distinguished Senator from New York, but after I have yielded to the distinguished Senator from North Dakota.

Mr. YOUNG. Mr. President, although my mail has been running very heavy against this appropriation bill, as it does in the case of most all foreign aid measures, I shall vote for it.

The United States cannot escape a large measure of responsibility for the Vietnam war and the outcome of it. No lesser official of the U.S. Government than Secretary of Defense Robert McNamara, in urging them to fight this war, told them at that time, and told the American people, that it would be over in a few months. He and others vastly underrated the difficulty of winning a war over there.

Tens of thousands of these unfortunate people would have been tortured or killed, had they not escaped from Vietnam. So I believe that we do have some responsibility in this situation, and I will be able to live with my conscience a good deal better if I vote for this bill than if I vote against it, even though it may not be popular.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. BROOKE. I yield.

Mr. JAVITS. Mr. President, I commend the committee for its farsighted and extraordinary action in having acted even before the authorization. Indeed, I believe we were materially helped in respect to the authorization by the fact that the authorizing committee had already indicated its concurrence by the forbearance of a number of members with respect to offering other amendments, which would have been quite proper as dealing with emergency matters, but would have been extraneous to the fundamental thrust of the legislation.

We all owe a debt of gratitude to Senator McClelan and Senator Young, the chairman and ranking member, and to Senator Inouye and Senator Brooke, the chairman and ranking member of the subcommitte, for so completely coinciding with what is obviously the will of the Senate and the best expression of the deep feeling of our people on this very sensitive subject. There have been a few untoward expressions of unhappiness—one, because our own financial and economic situation is difficult; two, because of the distaste for Vietnam. That has quieted down completely, and the compassionate heart of America has been revealed. The two Senators have the privilege of translating that into action today, I congratulate them.

Mr. BROOKE. I thank my distinguished colleague from New York.

Mr. HARRY F. BYRD, JR. Mr. President, would the able chairman of the subcommittee yield for a question?

Mr. INOUYE. I shall be very happy to yield, sir.

Mr. HARRY F. BYRD, JR. The appropriation bill is in two parts. One appropriating $305 million for relocation and resettlement of refugees from Cambodia and Vietnam, the second part for $100 million for assistance to refugees from Cambodia and Vietnam in the United States. The Senator from Virginia is not clear as to the distinction between the two appropriations.

Mr. INOUYE. The $305 million would include such cost as transporting a refugee from Agana, Guam, to Pendleton; housing in Agana, housing in Pendleton, medical facilities, feeding, et cetera. The $100 million appropriated for use by HEW would cover items such as welfare.

As the Senator may know, in order for these refugees to leave the staging areas or processing areas, they must be sponsored by an American citizen or by an American institution. The sponsor is morally obligated—not legally obligated but morally obligated—to see that the refugee becomes gainfully employed and is provided adequate housing. If the sponsor is not successful, that refugee, like any other resident of the United States could then qualify to receive services of this Government, such as welfare and other social services.

One of these other programs, for which other residents of the United States qualify, is medicaid. Because of certain problems of language and other skills, bilingual and vocational training is provided. Finally, there are provisions for public health assistance.

The request that was submitted by HEW totalled $125 million for a period to cover 14 months. There has been a drop in the anticipated number—as the Senator knows, we had anticipated 150,000. Instead, we have 115,000 refugees. Therefore, this amount was reduced to $100 million.

Mr. HARRY F. BYRD, JR. I thank the Senator. As I understand it from the statements made by the Senator from Hawaii, the total number of refugees who are likely to come to the United States is estimated to be 115,000.

Mr. INOUYE. I shall be as candid as I can. As of the moment, we have under the control of the United States approximately 115,000. However, at this moment, in places such as Hong Kong and Singapore, there are approximately 4,000 Vietnamese refugees who may request permission to enter the United States. Under the laws of the land, we shall accept them.

Futhermore, throughout the world, there are an additional 12,000 to 15,000 Vietnamese diplomats, students, businessmen, who may apply for refugee status in the United States. They will have to demonstrate that if they return to Vietnam their lives will be in jeopardy. If they can prove that, they may qualify and live in the United States as refugees. So the figure of 115,000 is a present figure. It may be increased.

Mr. HARRY F. BYRD, JR. The Senator from Virginia favors assistance to the refugees and expects to support the pending legislation. I just want to be clear on the total numbers involved.

The 115,000 which, as the Senator expressed it, I believe, are under the control of the United States at the present time——.

Mr. INOUYE. The Senator is correct.

Mr. HARRY F. BYRD, JR. How many of those are within the boundaries of the 50 States, I shall put it that way.

Mr. INOUYE. Of the 115,000, I should say approximately half are within the 50 States—65 percent, let us say.

Mr. HARRY F. BYRD, JR. And most of the others are at Guam and where else?

Mr. INOUYE. Guam and Wake and Clark Air Force Base in the Philippines. It should be noted that of the 115,000, 20,000 are now out of the processing areas and are living in American communities. Of this number, 12,000 are dependents of U.S. citizens.

Mr. HARRY F. BYRD, JR. Of the 130,000 refugees, the figure the Senator from Hawaii used in his opening remarks, 15,000 of those, as I recollect, will be welcomed into other countries.

Mr. INOUYE. That is what the administration has said, that third countries will accept up to 15,000 refugees. However, it should be noted that, as of this moment, only one country has stepped forward and provided a specific figure. That is Canada. The number is 3,000.

Mr. HARRY F. BYRD, JR. I am wondering if the Southeast Asia Treaty Organization countries have stepped to the front in this regard.

Mr. INOUYE. The Government of the United States has been in communication and discussion with several countries, such as Australia, New Zealand, Singapore, Indonesia, Malaysia. But we are still at the discussion stage. No firm commitment has been made.

Mr. HARRY F. BYRD, JR. As I understand the legislation, also, there is a financial means test provided for the refugees, and those refugees who have the financial resources to look after themselves then will not participate in the fund appropriated by Congress.

Mr. INOUYE. The funds appropriated will cover the costs of transporting the refugees, regardless of wealth, to the continental United States. However, if the refugee has sufficient means, then all costs beyond that would be borne by him. At the request of the subcommittee, we have asked the Customs Department to inquire beyond the usual question. The usual question asked a refugee is "How much do you have on your person?" We have requested that they extend this by asking, "What are your assets throughout the world?"

Mr. HARRY F. BYRD, JR. I think that is an excellent suggestion that the committee has made. There have been news media reports that some of the refugees have brought with them large sums of money in the form of gold or, perhaps, currency of various nations. I am wondering whether the committee has any information as to what extent that is so.

Mr. INOUYE. Under the laws of the United States, any sums in excess of $5,000 will have to be declared and this information is furnished the Internal Revenue Service.

Mr. HARRY F. BYRD, JR. Does the committee have information as to whether refugees did bring with them gold or currency of various nations?

Mr. INOUYE. I cannot personally verify this, but Time magazine reported in the May 12 issue, "Lieutenant General Nguyen Van Minh came on board one of the rescue ships accompanied by two aides who were straining under the weight of their attaché cases. When the ship's security officers took a look into the cases, they found them to be loaded with gold bars. I cannot tell the Senator what the value of the gold bars was, but I am certain they are worth a few dollars.

Mr. HARRY F. BYRD, JR. As the Senator from Hawaii brought out, that, of course, would have to be declared to the authorities?

Mr. INOUYE. The Senator is correct.

Mr. HARRY F. BYRD, JR. And the Internal Revenue Service would have to be notified of any sums in excess of $5,000.

Mr. INOUYE. The Senator is correct.

Mr. HARRY F. BYRD, JR. I think this is a very difficult problem. I support assistance to the refugees, and I have to take the committee's view that the figure involved is the appropriate figure.

I thank the Senator from Hawaii.

Mr. KENNEDY. Mr. President, I inquire of the floor manager of the bill about a particular section under the general provisions under title II, section 201. The provisions that are included in that include the words on line 8:

> Nor shall any funds appropriated under this Act be channeled through or administered by international organizations or voluntary agencies to aid the DRV or the PRG.

I would have much preferred if the whole section had not been included in the legislation. But I ask whether in the development of the legislative history the floor manager of the bill, in reviewing those words, finds any words in that section, or any other section of the legislation, which prohibit the repatriation of any refugees back of South Vietnam when they are desirous of returning to their country, either through the United Nations High Commissioner on Refugees, other international groups or through voluntary agencies?

Mr. INOUYE. The prohibition set forth in section 201 is the prohibition on aid to the government. It is not a prohibition on aid to the refugees. Therefore, if a refugee should decide at some later date that he or she made a mistake and wishes to return to Saigon, or wherever it is, the funds that we have authorized in the authorization bill may be used for that purpose.

Mr. KENNEDY. Voluntary repatriation through the United Nations High Commissioner or the voluntary agencies—and there were a number of these agencies, over 30 that had been working in South Vietnam—would not be restricted. As I understand from the Senator's answer, any of those that are involved in the repatriation of refugees to South Vietnam, immediately or thereafter, would not be restricted in their humanitarian undertakings.

Mr. INOUYE. Not so long as the assistance is to the refugee.

Mr. KENNEDY. It is the understanding of the Senator from Hawaii, therefore, that the UNHCR and the voluntary agencies are benefiting the individuals, the refugees themselves, as distinguished from the PRG. Therefore, there is no reason to have concern that the actual repatriation of any individuals, who want to go back to Vietnam, would be in any way interfered with or threatened by this legislation.

Mr. INOUYE. It is my interpretation that there is no prohibition in this bill on assisting refugees who wish to return.

Mr. KENNEDY. I thank the chairman for that comment.

I also feel that we will get into the question later on about help and assistance to refugees and war victims in Indochina. It seems to me that since we were providing help and assistance to such refugees and war victims prior to the fall of Saigon, we have a continuing humanitarian responsibility. A child in the South who was getting any aid and assistance either directly from the United States, or indirectly through voluntary agencies or other means—a child who had lost an arm or a leg—that child is in just as much in need today as before the fall.

Actually, I find disappointing the fact that this kind of language is not included in the legislation being considered today. But I do understand that the language deals with those refugees, which the Senator from Hawaii has identified, and that really is the issue that we are considering here today. So, I thank the Senator for his explanation and I appreciate his clarification at this point.

Mr. PHILIP A. HART. Mr. President, in a few moments we are going to appropriate about a half-billion dollars, an action which I support, to assist the refugees from Southeast Asia.

I know we are anxious to have the rollcall, but I think it not inappropriate to take just a few minutes to suggest that we ought to turn our thoughts to the suffering American refugees—those who are now in exile or cannot live openly in this country for fear of prosecution for their objection to the Vietnam war that caused these refugees to come to our shores. While I do not seek a vote today on an unconditional amnesty amendment to the Refugee Assistance Act, I believe that Congress has too long neglected its responsibility to decide the question of amnesty for Vietnam war draft evaders and deserters.

In its report on S. 1661, the bill just passed, the Committee on Foreign Relations comments:

> American military involvement in South Vietnam and Cambodia has now ended. The committee hopes that the devisiveness created by this long and tortuous involvement will also be ended and that Americans will unite in opening their arms and their hearts to the refugees who fled from South Vietnam in fear of their safety.

Our vote has shown that we support that sentiment overwhelmingly. But I would also hope that we can extend this same humanity to our own citizens who fled this country, not, many of them, for

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fear of their own safety, but because they could not fight in a war they believed to be wrong.

Although precise numbers are difficult to come by, some 55,000 draft resisters and nonregistrants would face legal charges were they to enter or live openly in this country. An estimated 14,000 deserters are still at large, and some 110,000 former servicemen live with the stigma of absenteeism discharges. Certainly, only some of these men acted out of conscience—and undoubtedly, many refused to serve or deserted out of fear, for reasons of personal hardship, or for other motives. But let us look for a moment at those whom the Senate has welcomed and will vote to support as refugees from the tragedy in Indochina.

Many of those now arriving in the United States come under the auspices of prearranged, formal evacuation procedures. A substantial number of others, however, simply managed at the last hour to get themselves into a position to be evacuated or rescued, without prior qualification, screening, or plan. We cannot know their motives, their background, or their previous records, and we do not demand to know these things. Our assistance to these people is not conditioned upon their prior loyalty to the United States, nor upon their honorable military service to Saigon. Their qualifications for refugee status are not determined on a case-by-case basis, nor will they be subject to legal action in this country. We can and must do no less for our own citizens. Just as we have agreed to welcome all who have made it from Vietnam and Cambodia to our shores, so should we welcome the return of our draft evaders and military deserters.

Mr. President, in my past reflections on the amnesty question, I had argued that amnesty should be offered but on a case-by-case basis. I have changed my view and come to reject that approach for the same reasons that we are not considering it in our assistance to the Indochina refugees. It creates a wholly unworkable administrative task, and fosters an arbitrariness which almost necessarily favors the better educated and more affluent. Moreover, we cannot presume to be able to reach back into an individual's past—in the case of some of our war objectors up to 12 years—and even hope to figure out what a given motive or combination of motives might have been. At the small cost of granting amnesty to those who would not serve out of fear rather than conscience, it seems unreasonable to insist on anything other than a general amnesty.

This past March, Senators Abourezk, Gravel, McGovern, Nelson, and I introduced legislation which would grant a general and unconditional amnesty for those charged with draft evasion or desertion during the Vietnam era. This bill, S. 1145, is but one of several possible responses to this issue. My plea today is straightforward and simple—let us hear the competing claims on the amnesty question, correct our legislation where evidence is persuasive, and, most important, let us act. If our votes today are cast in the spirit of healing the divisiveness of the Vietnam war, we cannot neglect the suffering of those individuals and their families for whom the war is still a dividing force. The word amnesty means to forget, not necessarily to forgive. It requires no admission of right or wrong on anyone's part. Rather, it can help to repair those wounds left by the Vietnam tragedy which can be healed by a human act. It is timely that we help these refugees, as the bill just passed will do. But let us also help our own, as S. 1145 will do.

I ask unanimous consent that an editorial from the Washington Star of May 9, 1975, endorsing unconditional amnesty be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Unconditional Amnesty

With the war in Vietnam ended and the United States opening its arms and offering opportunity for a new life to some 100,000 refugees from that unhappy land, the time seems appropriate to take the final step in reclaiming the lives of a nearly equal number of young Americans who, as an act of conscience, chose to evade the draft or desert the armed forces rather than serve in a war they felt strongly against.

We have in the past opposed unconditional amnesty and we still have some problems with it; but we believe the arguments against it are overbalanced by the good that would flow from offering it now. Leaders can talk about putting the war behind us and binding up the nation's wounds, but this never will be truly accomplished until this issue is resolved.

The granting of unconditional amnesty would not mean an admission that those who refused to serve were right or that they acted honorably. Rather it would be a compassionate act by a nation that recognizes human susceptibility to error and the need for forgiveness when the circumstances warrant.

Who has been without mistake in this tragic and divisive episode in American history? Nearly everyone now realizes that it was a cause we either should not have become concerned with or one we should have handled differently once we became involved. Is it right now, when there is so much blame to be shared, that retribution should fall heaviest on a single segment of society? We think not.

Some argue that granting unconditional amnesty would be unfair to those who fought and died and to those who refused to serve but stayed in this country and accepted the legal consequences of their actions. Perhaps it is unfair. But nearly everything about the war was unfair, and one of the unfairest of all was the draft system itself, which allowed so many to escape military service legally in one way or another while others were required to serve.

Certainly there will be uneven applications or miscarriages of justice in proclaiming an unconditional amnesty. There will be some evaders and deserters who will claim their actions flowed from moral opposition to the war when in truth they acted out of cowardice, or because they wanted to buck the system, or for other reasons unrelated to the rightness or wrongness of the war. But better to blanket in a few liars than to commit to exile forever the thousands of others who believed, erroneously or not, that what they were doing was morally right.

One of the ironies is that Americans who refused to fight in Vietnam are forced to remain in exile while some Vietnamese who evaded service in their own military forces are reported among the refugees being brought to this country by the United States government.

It is time, as President Ford has stated frequently, to end recrimination over Vietnam and look to the future. What better time than now for the President or the Congress, or both, to extend to those huddled masses of American exiles living in Canada and elsewhere the right to breathe free in their native land?

Mr. INOUYE. Mr. President, I ask for the yeas and nays on passage.

The ACTING PRESIDENT pro tempore. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. McGOVERN. Mr. President, will the Senator yield to me momentarily?

Mr. PHILIP A. HART. I yield.

Mr. McGOVERN. Mr. President, I commend the Senator from Michigan for what I believe to be not only a compassionate statement but one that requires considerable courage.

As the Senator knows, there was a very common practice in South Vietnam, particularly on the part of families who were a part of the upper class, under which for a bribe they were able to get their sons exempted from military service.

I think every observer who was in Vietnam for any period of time was aware of that practice, that if you had enough money you simply greased somebody's palm high in the South Vietnamese army or in the civilian government and your son would be exempted.

Some of our foreign aid funds apparently found their way into that use. So that there was a sizable percentage of draft evaders in South Vietnam, even though it was their country that was primarily at war.

We were supposedly there in the role of assisting them in their struggle, but many young Americans died in that war to take the places of South Vietnamese young men who bought their way out of service through bribes to high officials.

Now, the young Americans about whom the Senator from Michigan is talking, for the most part, are tens of thousands of young boys and young men in this country who were tortured in their consciences as to what they ought to do about a war they personally thought was wrong.

My own son went through this same kind of struggle, not that he was a coward, not that he was lacking in patriotism, but he felt that the war was wrong. He never had to face this decision, because his draft number was high enough so that he was not called. But he went through a great deal of personal self-examination on this question of what he would do if he were called under the draft to participate in a war that he personally believed was not in the interests of the United States.

Tens of thousands of other young Americans who were faced with that decision chose either to go to prison or to go into exile rather than to participate in a war that they believed was wrong.

They were not necessarily conscientious objectors against all wars, but they objected to this war. There was no provision in the law under which that position could be protected. So they took the only course that was open to them, and either went to jail or went into exile. They did not offer anybody a bribe. They did not try to offer anybody a bribe. They did not try to go to some government official and say, "Let me go out of service and my dad will put up $10,000 or $20,000." They took the harassment and all the other things that were involved, the loneliness, the harsh public attitude toward this decision, and they went into exile.

So at the time when the President of the United States very properly called on all of us not to practice any recriminations, called on us to heal the wounds of the war, and when I think all of us, regardless of where we stood on this war, ought not to be doing anything now to exacerbate the divisions in the country but, as a matter of fact, ought to be trying to heal the wounds, I think the proposal the Senator makes represents eminent commonsense. It represents compassion, it represents the highest values of this country, and I would hope that at the time, as the Senator says, when we are providing a half billion dollars in American money to assist these South Vietnamese refugees who are coming here, some of whom may represent the same young men who bought their way out of service in South Vietnam, we ought to be at least as compassionate toward our own young people here in the United States.

I want to commend the Senator for the thoughtful presentation he has made this afternoon.

Mr. PHILIP A. HART. I am grateful to the Senator from South Dakota. I am grateful for his cosponsorship of the bill that provides unconditional amnesty.

I am afraid we are jeopardizing the little support we have for unconditional amnesty by extending this discussion. So, in knowledge of the urgency for action here, I just want to wind up again by making the plea today that when we say yes to 130-odd thousand Vietnamese and Cambodians, we say, yes, here is a half billion dollars, when are we going to say, "Come home," to our own kids? That is what unconditional amnesty is all about if you want to get into a discussion of priorities of which should come first, although I am delighted to have a chance to vote for what I think should be second, the admission of the Vietnamese.

Mr. FORD. Mr. President, will the distinguished Senator from Hawaii yield for a question? I yield to the Senator from West Virginia.

Mr. ROBERT C. BYRD. I was simply going to ask a question if we could get unanimous consent to vote on passage in not more than 10 minutes.

Mr. FORD. I have three questions.

UNANIMOUS-CONSENT REQUEST TO VOTE ON PASSAGE IN NOT MORE THAN 15 MINUTES

Mr. ROBERT C. BYRD. Could we say not more than 15 minutes? I ask unanimous consent that the vote on final passage occur in not more than 15 minutes from now.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Will the distinguished floor manager, the Senator from Hawaii, help me a little bit in my calculations. I listened to the distinguished Senator from Alabama as he discussed S. 1661, which we just passed, and somewhere in his comments he said that we did not give this bill the needed study before it came to the floor because of its urgency, and I think I can understand that. But I am particularly interested as to how the cost estimate of the entire operation was arrived at.

For instance, the committee report says that daily maintenance in the staging areas and processing centers is $15 per person per day, which adds up to $450 per month, and that is more than people are now receiving under social security in my State.

Can the Senator explain if the $15 is correct?

Mr. INOUYE. The $15 maintenance has been reduced to $12 a day. The estimate has been brought down to $12. It includes not only food and shelter, but all the other services such as medical services, sanitation services, utilities, et cetera. So at $12 a day it is not a luxury appropriation, I can assure the Senator.

Mr. FORD. The Senator said a few moments ago that some 20,000 of these Vietnamese refugees are now out into society and into homes of those who would be responsible for them; is that correct?

Mr. INOUYE. The American sponsor, be he a person or an institution, would be morally responsible; not legally, but morally responsible.

Mr. FORD. The question I meant to ask, the Senator said so many are, *x* number of refugees are, now in American society.

Mr. INOUYE. 20,000.

Mr. FORD. How many?

Mr. INOUYE. 20,000.

Mr. FORD. 20,000. I understand that some of the first people released, particularly in California, in other words, those who already had families or sponsors in the United States, have applied for welfare, and they are already on our welfare rolls.

Can the Senator give me an estimate of the cost? Does this come out of the $405 million?

Mr. INOUYE. It comes out of the $100 million appropriated to HEW.

To be a bit more precise, as of yesterday noon the city of Los Angeles received applications for 22 welfare recipients among the refugees.

Mr. FORD. I heard on the radio that 1 day they had 41 applications for welfare relief. Is that 22 added to make 63? Are they applying then for welfare after they were living with families, have been sponsored here in the United States?

Mr. INOUYE. As I indicated, the sponsor is not legally responsible, he is morally responsible.

Let us assume that I am a pastor of a church, and I sponsor two families.

Mr. FORD. I can see the Senator as a pastor.

Mr. INOUYE. After 3 days I might decide that I am without sufficient funds, so I would say, "I am sorry, friends, you will have to go out on the streets." They could go to the city hall and make application for welfare like any other resident of the United States.

Mr. FORD. And so, $100 million of the $405 million will go to HEW to pay for the welfare applicants, is that taken from the 405 or is it in addition to the 405?

Mr. INOUYE. It is $305 million for evacuation, $100 million to HEW. From that amount, approximately $40 million has been set aside for welfare and social services. Then we have, in addition, medicaid, vocational training, and public health.

Mr. FORD. One more question, and then I shall cease.

The Senator said there are approximately 113,000 refugees with 4,000 that possibly could come to make less than 120,000.

I have been listening very closely to those who are representing or speaking for the Vietnamese that are here, and those from Cambodia, and those professional people that are treating them, particularly the medical profession, are saying that an overwhelming majority of those people today, if a vote were taken, would go home.

Does the distinguished Senator from Hawaii have a percentage of the number? Is there any information he might give this Chamber as to how many he anticipates would go back to Vietnam and the reduction of the cost out of the $405 million?

Mr. INOUYE. I am not able to give the Senator any estimate, but last Tuesday, when the subcommittee held its hearings, testimony indicated that 47 Vietnamese had requested passage back to Vietnam.

Of this number 44 were supposedly mistakenly put on a plane and 3 others changed their mind.

Mr. FORD. Did I understand in the Senator's opening remarks that he anticipated that now they are here the percentage would increase with those who would want to return?

Mr. INOUYE. I suppose after a while some may get homesick and decide to return.

Mr. FORD. So this would reduce the cost.

Mr. INOUYE. Not necessarily, because then we would have to pay their passage back according to the amendment made to the authorization bill.

Mr. FORD. I thank the distinguished Senator from Hawaii.

Mr. INOUYE. I thank the Senator.

Mr. MAGNUSON. Mr. President, I would like to say a few words on this bill. They are my personal feelings, but I believe they represent the feelings of many back in my State of Washington.

Let us be sure here that we give special opportunities and incentives to everyone in this country. We have a lot of unfinished tasks before us—some have been shunted aside for years. In my State, for example, the unemployment rate has been running at about 10 percent. I want to be sure that everything is done to solve the problem, not add to it. I want to be sure that all the Vietnamese children that are being screened and treated will serve as a model to HEW. It has been 7 years since Congress enacted a bill to do this for our own children—and HEW still has not fully implemented it.

None of us knows what conditions the future will bring. One thing is for sure though—we cannot go half way on this. In a few weeks the Labor-HEW bill will be on the floor. Remember what we did today when we discussed that bill on the floor. We are committed now. Remember that when we talk about doctor and nurse training, when we talk about bilingual education and impact-area aid for our schoolchildren. To a certain extent, we are mortgaging the future, and the bill is going to come due no matter what. If the Federal Government does not honor it, then the States and local districts will be overburdened.

I think we want to be sure that the funds we provide today will be effectively used in the months ahead. I would think that the distinguished chairman of the committee (Mr. McCLELLAN) would have assurances from the various agencies and departments, especially HEW, that reporting requirements go with this money. I think we want to be sure that the committee and Congress get regular status reports on exactly how the money is being spent. The reports should clearly identify such things as: How much is going to refugees versus how much for administrative salaries, what special problems they are encountering, and what followup work is being done after resettlement.

What we are doing here today is being called many things by many different people—a nationwide challenge, a gracious act—but let no one forget—the spirit of the American people has never faltered; their faith has never diminished. Those of us who were saddened by what happened in Southeast Asia over the last few weeks can take heart. What we are doing here today should emphasize that the tides of human freedom are in our favor—and they are running strong.

The ACTING PRESIDENT pro tempore. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading and was read the third time.

The ACTING PRESIDENT pro tempore. The bill, having been read the third time, the question is, Shall the bill pass? On this question the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Delaware (Mr. BIDEN), the Senator from Mississipi (Mr. EASTLAND), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Wyoming (Mr. McGEE), the Senator from New Mexico (Mr. MONTOYA), the Senator from Utah (Mr. MOSS), the Senator from Maine (Mr. MUSKIE), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

I further announce that the Senator from Georgia (Mr. NUNN), the Senator from Georgia (Mr. TALMADGE), the Senator from California (Mr. TUNNEY), and the Senator from Alaska (Mr. GRAVEL) are absent on official business.

I further announce that, if present and voting, the Senator from Utah (Mr. MOSS), the Senator from Georgia (Mr. NUNN), the Senator from Indiana (Mr. BAYH), the Senator from Alaska (Mr. GRAVEL), the Senator from Wyoming (Mr. McGEE), and the Senator from Illinois (Mr. STEVENSON) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BARTLETT), the Senator from Oklahoma (Mr. BELLMON), the Senator from Nebraska (Mr. HRUSKA), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

I also announce that the Senator from Tennessee (Mr. BAKER) is absent on official business.

I further announce that, if present and voting, the Senator from Nebraska (Mr. HRUSKA) and the Senator from Ohio (Mr. TAFT) would each vote "yea."

The result was announced—yeas 79, nays 2, as follows:

[Rollcall Vote No. 1[illegible]7 Leg.]

YEAS—79

Abourezk
Allen
Beall
Bentsen
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Curtis
Dole
Domenici
Eagleton
Fannin
Fong
Ford
Garn
Glenn
Goldwater
Griffin
Hansen
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGovern
McIntyre
Metcalf
Mondale
Morgan
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stone
Symington
Thurmond
Tower
Weicker
Williams
Young

NAYS—2

Helms
Scott, William L.

NOT VOTING—18

Baker
Bartlett
Bayh
Bellmon
Biden
Eastland
Gravel
Hruska
Johnston
McGee
Montoya
Moss
Muskie
Nunn
Stevenson
Taft
Talmadge
Tunney

So the bill (H.R. 6894) was passed.

EMERGENCY RAIL TRANSPORTATION IMPROVEMENT AND EMPLOYMENT ACT OF 1975

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of Calendar No. 129, S. 1730. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 1730) to improve the reliability, safety, and energy efficiency of transportation and to reduce unemployment by providing funds for work in repairing, rehabilitating, and improving essential railroad roadbeds and facilities.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a time limit on the bill of 30 minutes, a time limit on the Buckley amendment of 1 hour, a time limit on any other amendment of 30 minutes, and that the agreement be in the usual form, with the time on the bill to be under the control of Mr. HARTKE, on this side of the aisle, and Mr. PEARSON on the other side of the aisle.

The PRESIDING OFFICER (Mr. BROOKE). Is there objection? The Chair hears no objection, and it is so ordered.

Who yields time?

Mr. RANDOLPH. Mr. President, the bill brought to the floor today by the Committee on Commerce and the Committee on Labor and Public Welfare envisions a program which fuses two national priorities—providing employment opportunities and maintaining a national rail transportation system. This legislation is necessary to shake the effects of this recession and provide transportation facilities for the future.

The unemployment problem in this country is devastating. Over 8 million Americans are unemployed, and the rate continues to increase as thousands of workers join the millions already out of work and vainly looking for jobs. This upward trend in unemployment is likely to continue unless we move decisively now.

Our transportation system has been severely impaired by the recession of the last 18 months. The railroads in particular are embarked on a dangerous downward spiral in revenues. This is a tragic situation when emphasis on energy conservation demands an adequate rail transportation system. Railroads play an important role in the transportation network necessary for national economic recovery.

An important factor in the decline of our railroads is the deterioration of the roadbeds and rails themselves. There can be no question that substantial amounts of track have been neglected. It is estimated that 8,000 miles of track should be replaced on a priority basis. One-sixth of all railroad accidents in 1974 were attributable to broken rails.

Of even greater consequence are the slow speeds trains must maintain on some track because of the deteriorated conditions of the roadbeds. Trains cannot operate efficiently at 10 miles per hour. The cost of shipping freight doubles or triples on railroads which operate over tracks with slow orders.

There is no question that this recession has aggravated financial problems for many railroads and has severely limited the already-curtailed maintenance schedules. As revenues have declined, the railroads have laid off employees. One of the first crews to go have been the maintenance-of-way workers. Most crews have been cut by an average of 20 percent, swelling jobless roles by approximately 15,000 people.

Deteriorated roadbeds cannot be restored under these conditions. If we are to have a strong rail network for the future, a program to improve track and other facilities must be approved quickly. Repair work must be done now to have a base for the future rail transportation system.

The $600 million available through section 4 of this measure is for grants to railroads, State and local transportation authorities, and regional commissions for rehiring furloughed railroad maintenance workers and for hiring unemployed persons. It will provide the employment opportunities so urgently needed. And those railroads severely plagued by financial problems may apply for loans, loan guarantees, or grants for materials and equipment to be used on rehabilitation projects approved under section 4.

Given the millions of workers looking for lasting employment and the labor effectiveness of rail and roadbed repair and rehabilitation, it seems proper and necessary that the Government establish a public service program that will meet both needs at the same time. The work of people hired under this program will benefit the Nation through an improved rail system. The increased flow of goods will facilitate economic recovery.

The full amount authorized for the railroad rehabilitation program was provided in the Emergency Employment Appropriations Act contingent on passage of the bill we consider today. This action by the Appropriations Committee was a further indication that members of that committee also recognize the urgent need for action in this area. The Senate Budget Committee indicated its concern by inclusion of funds for the railroad rehabilitation program in the 1976 budget resolution adopted by the Senate.

The bill we consider contains provisions of S. 1436, which I introduced with Senators HARTKE, McCLELLAN, and BAYH, and S. 1326, which was introduced by Senator JAVITS. Many Senators have joined in cosponsoring these two measures because they share our belief that a sound rail transportation system is fundamental to economic activity in America. I wish to express to Senators MAGNUSON, McCLELLAN, WILLIAMS, HARTKE, BAYH, HATHAWAY, JAVITS, PEARSON, BUCKLEY, and STAFFORD my appreciation for their support and assistance as this legislation was developed.

I urge that the Members give careful consideration to this measure, for I believe that it will provide a much needed economic stimulus.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. WILLIAMS. Mr. President, we are faced with two grave problems in this country that lead to an answer right here in the proposed legislation. The unemployment figures we face in our land right now are more serious than any we have faced since the depression of the 1930's.

We see in our vital transportation systems a near breakdown that presents a great hazard in risk to human life and to cargo. Given the state of the railroads, with the lack of opportunity to maintain them within recent years, the dangerous condition they are in, given the state of unemployment we have, we have put this program together to meet part of both problems—unemployment and a basic need to rebuild our rail systems for safety.

I must take a moment to applaud those who have put this answer together. It comes from all of the logic of those in the United States Senate. We have just heard the knowledgeable Senator from West Virginia, who is one of our great leaders in this body with respect to transportation. We will hear from the Senator from Indiana, who leads us in most of our railroad legislation.

Mr. President, this week the Committees on Labor and Public Welfare and Commerce jointly reported for action by the full Senate a bill entitled the Emergency Rail Transportation Improvement and Employment Act of 1975. Passage and full funding of this bill will achieve what we all must recognize as our No. 1 objective—putting people back to work. Approximately 40,000 jobs are created by this bill. This objective coalesces with another important objective—repair of significant rail roadbeds and other facilities such as train stations.

With the exception of the administration, we have had universal support for our actions on this measure, and with good reason. In a time when more than 9 million people are out of work, it is difficult to comprehend how any reasonable person could oppose a proposition which would put such a significant number of people to work in meaningful and essential jobs. The notion which was propounded by the Administration at hearings we conducted on May 1, that we should delay rail rehabilitation until a comprehensive rail reform package is developed, considered and signed into law, betrays an insensitivity which borders on the incredible.

As the title to this bill indicates, this is an emergency. An intolerably high number of people are out of work, living on unemployment compensation which does not even begin to meet the requirements of a decent standard of living in today's inflated economy. The condition of the Nation's rail facilities, as the industry spokesmen at our hearings frankly admitted, is approaching disastrous proportions. Derailment and other train accidents are increasing dramatically. And the numbers would be even higher if trains were traveling at normal speed instead of 10 miles per hour which because of track conditions is too often the case. The situation demands immediate action. It cannot wait for the months and in all probability years, which will pass before a comprehensive rail reform package can be enacted into law.

Under this program, projects will be funded which best meet the goals of reducing unemployment in areas of high unemployment, of improving seriously deteriorated rail and stations, and of improving facilities which contribute to a balanced rail network, both nationally and regionally. With these goals in mind, this measure will be particularly helpful to my home State of New Jersey. We have some of the most critical rail lines, both from the standpoint of the needs of our State and of the needs of the entire Northeast corridor. And I know only too well that stations and roadbeds are in a miserable state in many locations.

As is made clear in both the bill and our report, in determining what projects to fund, the Transportation Department is to balance the unemployment situation and national and regional rail priorities. Thus if unemployment is acute in an area affected by a particular project, the importance of the rail line or facility to be repaired does not have to be as great to trigger funding. I fully expect, that in view of this selection criteria, a substantial portion of the money made available under this act will go toward alleviating the unemployment crisis and dilapidated state of the New Jersey rail lines.

To get this program rolling quickly, we have imposed strict time limitations on the Department of Transportation. It has 30 days from enactment to adopt guidelines for the railroads to follow in submitting applications for assistance. Testimony from the railroads, developed at the hearings, indicated that they are ready to apply and begin projects immediately. Once an application is filed, the Secretary of Transportation is required to act upon it within 15 days.

We are beginning to hear criticism that Congress is not doing enough to put people back to work quickly. In developing this proposal, members of the Labor Committee and Commerce have worked quickly and efficiently to resolve their differences and place a bill before the full Senate for prompt consideration. I hope that the Senate can continue this effort and pass the legislation without delay.

Certainly, those of us from the Committee on Labor can speak to the need to find constructive ways to put unemployed people in this country to meaningful employment. It all comes together and I think that the clarity of need and the certainty that we have a solid solution can be seen, not only in this legislation we have here, but in the fact that our Committee on Appropriations, anticipating this legislation, at least in the Senate, has moved with an appropriations measure to have the money there and the resources to back it up.

I hope that the Senate will move swiftly, this afternoon, clearly and forcefully, to support this answer to unemployment and rail maintenance for safety.

From the Committee on Public Works and the Committee on Labor, Senator RANDOLPH, again, has led us, through his leadership in this bill, to a good answer for a big problem. So has the Senator from Indiana.

I yield the floor.

Mr. PEARSON. Mr. President, I support S. 1730, as reported by the Committees on Commerce and Labor and Public Welfare. This legislation would establish a supplemental public service employment program to undertake the repair and modernization of essential rail roadbeds and facilities. The bill addresses two primary problems in today's economy: The massive unemployment problem and the massive deterioration of railroad rights-of-way which has resulted from deferred maintenance of way.

Under the terms of S. 1730, the Secretary of Transportation would be authorized to make grants to States, local transportation authorities, railroads, regional commissions and similar entities for labor costs of essential rail improvement programs.

The bill authorizes $600 million for direct Federal payments of such labor costs.

Additionally, the bill authorizes $100 million which the Secretary of Transportation may use to assist grant recipients in acquiring materials or equipment to complete the rehabilitation program. Finally, the bill authorizes $100 million which may be guaranteed by the Secretary for assistance to railroads in purchasing materials and equipment.

Under the terms of the bill, there would be no effort or authority to require repayment of grants for jobs. The Secretary would have authority, however, to require compensation for any grants issued for the purchase of equipment or materials.

Mr. President, this legislation is carefully drawn to insure that the grants will be used to upgrade only the most essential lines. Light density lines, or candidates for abandonment, would not qualify under the program. The money authorized by this bill will contribute directly to our long-range goals in transportation.

There is no suggestion, Mr. President, that the $700 million in grants, and $100 million in guaranteed loans, authorized by S. 1730 is adequate to do the job. The U.S. Railway Association has estimated, for example, that the Rock Island alone needs $700 million over the next 10 years to complete an effective modernization and rehabilitation program. The Rock Island might qualify for $40 million in grants under this bill, but much more will be required from the private sector if the Rock Island, and other railroads, are to become modern, efficient transportation systems.

Mr. President, I should like to take this opportunity to commend the distinguished junior Senator from New York (Mr. Buckley) on his initiative in developing the concept embodied in S. 1730.

Senator Buckley introduced his bill, S. 967, on March 5, 1975. In less than 3 months, Senator Buckley's idea has been considered by two committees of the Senate, and an original bill has been reported by those same two committees. Today, I trust that the bill will be approved by the full Senate by a substantial vote.

Mr. President, today's timely action on S. 1730 is a tribute not only to the junior Senator from New York, but also to the two committees who considered this legislation thoroughly and promptly.

Mr. JAVITS. Mr. President, is there a time limitation?

Mr. PEARSON. I yield 5 minutes to the Senator from New York.

Mr. JAVITS. Mr. President, I hope not to take that long. First, I join Senator Williams of my own Committee on Labor and Public Welfare in thanking Senator Randolph for his fine help and cooperation, and Senator Hartke and Senator Magnuson for their fine cooperation in this matter.

Mr. President, may we have the yeas and nays on this measure for final passage?

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JAVITS. I shall be very brief.

Mr. President, S. 1730, the Emergency Rail Transportation Improvement and Employment Act of 1975, is an urgent and important addition to our national programs to reduce the intolerable level of unemployment that is current gripping the Nation. While it is not a measure that will singlehandedly reduce unemployment numbers to more acceptable levels or reverse the economic decline, it represents a new combination of public service employment with a specific target universally agreed to be one of our country's most pressing substantive domestic ills, the deterioration of the Nation's railroad roadbeds and facilities and the consequent decline of railroad service and efficiency. It is an attempt untried since the great depression to put people directly to work on a significant problem of national scope in a basic industry that can be substantially alleviated with federally funded employment.

This legislation is an outgrowth of a bill I introduced, along with 18 of my colleagues, on March 24 of this year entitled the Special Public Service Employment and Railroad Improvement Act of 1975. It is a tribute to the many Senators participating in the preparation of this important legislation, including Senator Randolph, the distinguished chairman of the Public Works Committee, Senators Magnuson and Hartke, the chairman of the Commerce Committee and the Surface Transportation Subcommittee, respectively, my own chairman of the Labor and Public Welfare Committee, Senator Williams, and the distinguished Senator from Arkansas (Mr. McClellan). I also commend the railroad unions and the rail carriers for their splendid cooperation and support. All have contributed significantly to the workability of the bill that is now before us, and the Nation owes each of them a great debt for the speed and cooperation which enabled this measure to come before the Senate in so short a time from its conception.

This legislation will provide an important supplement to the public service jobs program created under the Comprehensive Employment and Training Act of 1973. It does not have the effect of supplanting any of the needed jobs provided under that legislation, but it combines with the public service job concept a direct attack upon the accelerating state of disrepair and inefficiency of our most important transportation network, the railroads.

Our level of unemployment has been intolerable for months, Mr. President, reaching a rate of 8.9 percent last month and showing no immediate signs of leveling off or declining. This bill can almost immediately provide 40,000 needed jobs, in areas where they are needed most—to laid off railroad workers and to long-term unemployed.

Moreover, these jobs will spur the Nation's railroads to increase their maintenance and rehabilitation efforts, resulting in increased orders for equipment such as rail and ties, thus providing further job opportunities in those basic industries so critical to our economic recovery.

In addition, as a further employment incentive, the bill specifically requires that approved projects provide the maximum chances for permanent employment of the individuals hired with these emergency funds. Not only will permanent employment of these workers provide them individually with a continuing livelihood, it will help to continue the increased railroad maintenance effort that this bill will initiate.

The bill is carefully tailored to give to the Secretary of Transportation, the prime agency responsible for administration of this program, considerable discretion to choose, after consultation with the Secretary of Labor, those projects that will, at the same time, bring jobs to areas where they are most urgently needed and rehabilitation to those railroad lines and facilities that are most important to our national rail transportation system and most in need of repair and improvement.

Furthermore, the hiring priorities section of the legislation is specifically designed to provide jobs to those unemployed who are most experienced at the work required and those most in need of employment. That is, the first priority goes to furloughed maintenance-of-way and signal system workers who have been laid off by the railroads. These workers would need no training at all and could immediately begin the task of rebuilding the railroad roadbeds. After this group is offered employment, priority goes to the long-term unemployed—those who have had the most difficulty in securing employment. These include persons who have exhausted their unemployment benefits, and those who have been out of work for at least 15 weeks.

Any jobs that have not been filled by these two groups would be open to others currently unemployed or underemployed persons. Thus, every job would go either to persons who are experienced at such work, which would be of value to the prompt restoration of deteriorated roadbeds, or to unemployed workers who are most seriously and adversely affected by the current recession.

Provision is included for prompt referral of these unemployed workers to the railroad hiring offices utilizing the Department of Labor, the Railroad Retirement Board, State unemployment service agencies, and prime sponsors of manpower programs under the Comprehensive Employment and Training Act of 1973.

Mr. President, the nature of the emergency work required on our Nation's railroads is ideally suited to the public service jobs approach. These projects, unlike basic rail line improvement work, do not

lend themselves to highly mechanized equipment and methods. The principal manpower requirements are for unskilled labor and semi-skilled operators of portable equipment. Most of the work required is highly labor intensive and can be performed by workers with a minimum of on-the-job training.

The basic nature of the work to be performed is restoring the railroad's physical plant to usable standards and halting any further deterioration. The tasks involved include replacement of individual segments of worn rail, replacement of ties, leveling and straightening short stretches of track, restoration of signal systems, repair of grade crossings and repair of wayside facilities. The authorization levels set by the bill require that the Federal funding be a least 85 percent labor intensive—a key component of the public service jobs approach.

The need for this work is nationwide. It is by no means limited to the severely deteriorated lines of the bankrupt Northeast railroads. Every railroad and State will be eligible to submit applications for project approval if the project meets certain minimum requirements of importance to the Nation's rail transportation system.

In addition to the lines of the Northeast-Midwest system that are to be included in a reorganization pursuant to the Regional Rail Reorganization Act, lines will be eligible if passenger service or commuter service is conducted, if the freight service exceeds 5 million gross ton miles per year, or if a State certifies the line's importance to the Secretary. These are the lines most important to the future system on which our railroads must be run; failure to repair and improve these lines today will necessarily lead to greater costs in later years to correct even further deterioration, which is accelerating because of the recession.

While this bill is critical to New York State, both in terms of reducing unemployment and repairing the deteriorated roadbeds, it is equally important to almost every other State in the Nation which depends on railroad service for its essential goods and which has substantial unemployment.

I urge the Senate to pass promptly this emergency legislation, which will not impede the development of a more comprehensive and long-term solution to the problems of railroad capital investment and regulatory structure, but which becomes more urgently needed with every passing day. Our Nation's unemployed and our Nation's railroads cannot wait.

To me, Mr. President, the unique aspect of this legislation is that we have found a way to marry private enterprise—and railroads are private enterprises, though regulated—to the concept of public service jobs. That is its unique attempt.

We have also found a way to deal with solvent and insolvent railroads so no one is eliminated or discriminated against, and to make that consistent with the wage pattern of the unions.

This is a very gifted beginning and it comes in a uniquely appropriate area where action is urgently needed—and incidentally, not only on employment grounds, but, as Senator Randolph has mentioned, very importantly, the railroad workers are suffering excessive casualties—and that is what they are—because of improperly maintained roadbeds. They are hurting and want very much to have an OSHA—that is, an Occupational Health and Safety—program applied to them precisely because of the lack of maintenance to the roads.

Mr. President, the unions have been extraordinarily far-sighted and statesmanlike in embracing this concept. It will, in addition, help them to put back to work many men who were laid off, against the national interest. Here is a unique way in which the private and the public interests, for great public benefit, are married to the interests of workers and management and investors, a very gifted concept. I hope very much that the Senate will approve it. Again, I congratulate all members who had a hand in it.

Mr. HARTKE. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 4 minutes.

Mr. HARTKE. Mr. President, the Committee on Commerce and the Committee on Labor and Public Welfare have reported favorably the Rail Transportation Improvement and Employment Act of 1975 to the floor of the Senate. This joint, cooperative effort between the Labor Committee and the Commerce Committee has resulted in a refined piece of legislation which is the direct response to the Nation's severe unemployment crisis and the widespread deterioration of our railway system.

I should not have to remind those Members present today that the economy of the United States is in the worst condition since the Depression. Unemployment is reaching 10 percent nationally and in many areas far exceeds that figure. In addition to the official count of the unemployed, there are millions more who are not even represented in these shocking figures, and I am sure that my colleagues from the Labor Committee will want to comment on these severe problems. I would like to note that the Senate Committee on Labor and Public Welfare processed legislation aimed at this problem, the Comprehensive Employment and Training Act of 1973. Subsequently, the Emergency Jobs and Unemployment Assistance Act of 1974 was processed by the Labor Committee and provides for additional public work service jobs for State and local government services in health, education, and many other needed areas. As unemployment has continued to rise, it occurred to both myself and a number of other Senators that the twin needs of creating jobs and helping to rehabilitate our badly neglected rail system could be met by one program.

Three bills were introduced in the Senate on this subject—S. 967, S. 1326, and S. 1436. At the same time, Senator McClellan and Senator Magnuson have taken the initiative in the Appropriations Committee to secure the necessary appropriation to fund this significant new program.

Mr. President, I do not have to remind my colleagues here of the incredibly severe deterioration of our Nation's rail transportation system. At the same time that this Nation must look more and more to rail transportation as a key element in providing energy efficient and environmentally compatible transportation for both passengers and freight, our rail system is less and less able to provide that necessary ingredient in our transportation system. While this legislation is in no way designed to be the ultimate answer to the problems of rail transportation in this country, it is a necessary key in the overall solution. It has been estimated by the Association of American Railroads that over 8,000 miles of track would require immediate attention merely to keep them in service. Over 20 million railroad ties ought to be replaced right now. This neglect is reflected in increasing severe rail safety problems, as an ever-increasing toll of lives, injury, and property damage mounts as a result of neglect of railroad rights-of-way. According to the National Transportation Safety Board, in the last decade the number of train accidents caused by broken rails alone has caused over a half billion dollars in property damage. There are many other costs from this deterioration. Many miles of track have become so dangerous that they have had to be shut down entirely for safety reasons. Far more stretches of track are affected by slow orders forcing trains to crawl at speeds of less than 10 miles an hour. These inefficiencies greatly add to the overall costs of freight movement, and strain the resources of already financially pressed rail carriers. As the recession worsens and rail carriers have become even more pressed, they have laid off their maintenance-of-way crews.

While the long-term answer to the problems faced by the rail industry can evolve only as part of a more comprehensive program which attempts to get at the basic inequalities of Government funding for various modes and probably some form of regulatory reform, there is no reason why public service employees should not be working today on these severe problems of our rail industry.

Mr. President, the Senate of the United States is not the only place where the concept of using public service employees on railroad rehabilitation projects has been discussed. The administration had also drafted a bill, and I am informed that the Secretary of Transportation repeatedly tried to get the President to allow him to submit such a bill to the Congress. Unfortunately, the Secretary was unable to convince the President of the wisdom of this program and he had to testify against these proposals in our hearings on May 1. This is extremely unfortunate. Several States have also attempted to use public service employees on rail rehabilitations, but so far have not met with any success. Michigan, for instance, attempted to use money from the Economic Development Assistance Act for rail projects in that State, but did not meet with any success.

Mr. President, I wish to commend the efforts of the members of the Senate Labor Committee, the Senate Appropriations Committee, and the Senate Commerce Committee in expeditiously working to produce this legislation. It is badly needed and is directed squarely at two of the most severe problems facing our country today. I would urge all my colleagues in the Senate here today to pass it with an overwhelming vote. The sooner this program is enacted, the more we can take advantage of the construction season that is already upon us. Expeditious action is necessary, and an overwhelming vote today in the Senate will help speed that expeditious action.

Mr. President, the AFL–CIO Executive Council drafted a resolution and statement of policy directed to the chairman of the Committee on Commerce (Mr. Magnuson) under date of May 9, with the statement dated May 6, in which they urged both committees to proceed immediately with this legislation. I ask unanimous consent to have it printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

American Federation of Labor and
Congress of Industrial Organization,
May 9, 1975.

Hon. Warren G. Magnuson,
Chairman, Senate Appropriations Committee, U.S. Senate, Washington, D.C.

Dear Senator Magnuson: The AFL–CIO Executive Council at a meeting on May 6 adopted the attached policy statement dealing with the Restoration of Track and Roadbeds.

I think you and your staff will find this statement of interest.

Sincerely yours,
Andrew J. Biemiller,
Director, Department of Legislation.

Statement by the AFL–CIO Executive Council on Restoration of Track and Roadbed

Washington, D.C., *May* 6, 1975.

Among the important programs to create jobs in the present depressed economy is the restoration of track and roadbed. This program would not only create tens of thousands of direct jobs but would create many more back-up jobs in manufacturing steel rails and roalroad equipment.

Bills are pending in both the House and Senate Commerce Committees to authorize this program. We urge both committees to proceed immediately with this legislation. We also urge the Appropriations Committees to take immediate steps to supply funds for this program.

Mr. HARTKE. Mr. President, I think very little more needs to be said. The fact is that railroad roadbeds are in bad shape. The fact is we need jobs. The fact is we need to put the two together. If private industry had the available capital to do it, they would be doing it. But the railroads are in financial difficulty. The country is paying a high price for railroad inefficiency and accidents.

We are putting this money into jobs and putting it also into the ultimate network of transportation. That is very important. We have a long way to go in the field of transportation. There has been a long period of neglect. Hopefully, we can turn that neglect around now and hopefully, the economy will turn around at about the same time. If we get those two things going together, I think we cannot only have the finest transportation system in the world, but one which will be looked upon in the rest of the world as a standard they would like to emulate.

I know there is one amendment which is going to be offered by the Senator from New York (Mr. Buckley). I think that probably, in the best interest of all of us, we should permit him to proceed with that.

Mr. President, I ask unanimous consent that the following staff members be on the floor during the consideration of this measure: Barry Meyer, Chris O'Malley; Paul Cunningham, Lynn Sutcliffe, Don Zimmerman, and Gary Klein.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUCKLEY. Mr. President, I add my congratulations to the Committee on Commerce and the Committee on Labor and Public Welfare for the speed with which they have taken up this matter. It is an important bill and, as others have pointed out, S. 1730 represents a composite of, really, three proposals, all aimed at different variations on the same theme, all aimed at focusing Federal funding in a manner that will produce the greatest, quickest effects and the most beneficial, long term benefits in terms not only of jobs, the all-important consideration, but also long term and lasting economic benefits by improving our rail systems.

My own bill, S. 967, which was introduced on March 5, and then legislation offered by my distinguished colleague, the Senator from New York, S. 1326, and finally S. 1436, introduced by the chairman of the Committee on Public Works (Mr. Randolph) and a number of others, all focused on these goals.

The bill under consideration, S. 1730, would authorize $600,000,000 to be used for employing maintenance-of-way workers to rehabilitate track and roadbeds for railroads throughout the country. It also authorizes the Secretary to distribute to eligible railroads up to $100,000,000 in grants for materials and equipment and to guarantee up to $100,000,000 in loans for materials and equipment. I support this legislation as I believe that its goals are sound.

The two major goals of the bill are to put men back to work and to rehabilitate the badly deteriorated tracks and roadbeds of our railroads. This is an especially good area in which to provide funding for public service jobs as such employment has productive, long term possibilities, unlike so many other types of jobs which are often created with public service jobs money. I believed that legislation of this type would be fruitful a few months ago when I introduced my bill, S. 967, which is similar in many respects with S. 1730. There is one major point of variation between the approaches taken in these two bills, however.

S. 967 provided for taking money authorized under section 601 of the Comprehensive Employment and Training Act of 1973 for the employment purposes of this legislation. After consideration of this legislation in the Commerce Committee, I still believe that my approach is superior.

This approach would be fiscally sound as it would not add to the aggregate level of spending of the Federal Government. The President has committed himself to vetoing any bills which would increase the present level of spending. If most of the sponsors of S. 1730 believe as I do that immediate action is necessary in this area, then I believe that we have a better chance of avoiding a veto with this approach.

I, therefore, have offered an amendment to section 11 of S. 1730 which would reduce the authorization in the Comprehensive Employment and Training Act of 1973 from its present level of $2.5 billion to $1.9 billion. I hope that the Senate will give serious consideration to this amendment.

In addition to offering this amendment, I would at this time like to comment on a few other points about the bill. In regard to the grants and loan guarantees for materials and equipment, I would hope that the Secretary of Transportation in distributing the funds would make most of the money authorized for grants available to the bankrupt railroads. It is these railroads which in many cases most need a major rehabilitation of facilities, but because of the rights of their present creditors, they would not be allowed to borrow funds for these purposes. In addition, I see no reason for the Government to provide grants to those financially solvent railroads which are capable of raising the capital needed for this project with a loan guarantee from the Federal Government.

I would also hope that the Secretary would follow closely the priorities established in section 4 for eligible projects. It should at all times be remembered that the major goals of this legislation were to provide employment opportunities in areas with high levels of unemployment and to rehabilitate the most severely deteriorated track and roadbeds.

I hope that the House of Representatives would take immediate action on similar legislation already introduced in that body. If such a program is to be effective, the legislation must be passed swiftly before the maintenance season of the railroads is over.

The PRESIDING OFFICER. Who yields time?

Mr. PEARSON. Mr. President, I yield such time as the Senator from New York may desire.

AMENDMENT NO. 478

Mr. BUCKLEY. Mr. President, I call up my amendment No. 478 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from New York (Mr. Buckley) proposes an amendment to add certain new language.

The amendment is as follows:

On page 15, strike line 17, and insert the following:

"Sec. 11. (a) Section 601 of the Comprehensive Employment and Training Act of 1973, as amended (29 U.S.C. 961) is further amended by striking out '$2,500,000,000' and inserting in lieu thereof '$1,900,000,000'.

"(b) There are authorized to be appropriated not".

This is a very simple provision, Mr. President. What it does, in effect, is transfer $600 million from the public service job authorization and appropriation under the Comprehensive Employment and Training Act of 1973, as amended last year, and use those funds for the purposes set forth in S. 1730. This was the original design in my bill.

It seemed to me that we have in the last few months appropriated very substantial sums for public service employment and that what we ought to be doing now and what we ought to be utilizing this opportunity to do is to focus a portion of those funds in a manner that we know will be truly productive.

There is another consideration that I urge on the attention of the Senate. That is the statement by the President that he intends to veto any bill providing for new spending over and above the limits already agreed upon. What I fear is that if we adopt legislation today that will be subject to a veto, that veto may be sustained on good and sound questions of fiscal policy and, in the process, we may have lost the benefit of the current season when rail rehabilitation ought to be going forward.

Therefore, if my amendment is adopted, because it will do nothing more than transfer appropriated funds under existing legislation from one category to another, we will not be adding to the total spending in fiscal 1976, and therefore will not invite such a veto.

I, therefore, urge my colleagues to accept this amendment; and I believe, too, the vote on it ought to be recorded. I, therefore, ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JAVITS. Mr. President, how much time is available for opposition?

The PRESIDING OFFICER. Thirty minutes.

Mr. JAVITS. Mr. President, if it is agreeable to the manager of the bill, I claim the time in opposition.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. JAVITS. Mr. President, first let me say that there is no question about Seantor Buckley's good will in this matter. He did introduce the first of these bills, even before my own, and seized upon what I considered a while ago as a gifted concept in finding a way in which there could be a private enterprise link to the public service jobs program.

But I believe that he is really, in this amendment, bearing down with unacceptable strength on an emergency remedy for very serious unemployment.

Here are the facts: Generally speaking, the administration is going along with the program we legislated at the end of last year, which left $1.6 billion of appropriations after the appropriation we made earlier this year for the public service jobs program. It has added nothing to that as yet, though many of us feel very strongly that it should.

The figure toward which Senator Buckley is moving would take out of that pot as an authorization the money which is required for this measure.

The $1.6 billion plus what we have appropriated before provides us with about 330,000 public service jobs. Many of us deeply believe a million are needed under the present day high state of unemployment, and that therefore the administration is about two-thirds short of the goal.

But, Mr. President, this is really sought to be justified by my colleague from New York—and I repeat, there is no question as to his good faith and interest in this program, but we are now dealing with the nitty-gritty of the mechanics of how this would be done, and what pot the money is to come out of—the only real basis upon which he is trying to justify a public service job situation which is already very tight is the danger of a veto.

I would like to point out that what the President spoke of was the spending deficit already agreed upon. He is talking "new programs." This is not a new program.

Second, from everything the President said, we must imply—and I think it is a very fair implication—that he was not referring to the existing emergency. For example, Mr. President, we now have, until June 30, an existing law respecting extra unemployment compensation. I am confident that the President expects to see that continued after June 30. He has himself suggested it.

Now, we may change the terms of that. His estimate may be completely inadequate, on the number of people who are involved or who will be eligible once their State benefits, et cetera, expire, which will increase the amount. I cannot see that the President himself could have contemplated inflexibility in that respect.

Furthermore, we have just passed a $405 million appropriation for relieving the Vietnamese refugees. The President had not the remotest notion, when he made the statement he did, that we would be pulling our people out of Vietnam and that 150,000 Vietnamese would land on the shores of the United States. Again, that is an emergency which we simply have to accept.

In addition, he himself estimated current unemployment as lower than that which confronts us now by about 1 full percentage point. Again, this is an emergency which hits us, which we must deal with whether we will or not.

It seems to me, therefore, when you couple those points with the fact that there is grave insufficiency in the aggregate number in public service employment, which is down about two-thirds from what it really ought to be this amendment does not meet our objective, even though we have made very important accommodations—certainly my colleague from New York obviously does not complain about that in any way—with respect to the operation of the private enterprise system.

This covers solvent as well as insolvent railroads. In the method by which that is done as to the cooperation of the trade unions, they may very well not have been cooperative, if they felt that this represented some loss in the overall effort to relieve long-term unemployment through a diminution of the public service employment program.

It seems to me that this amendment is inappropriate to the objective which obviously we are all trying to serve and, therefore, should be rejected by the Senate.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. JAVITS. I will yield 5 minutes.

Mr. WILLIAMS. Will the Senator yield just a minute, really?

Mr. JAVITS. I yield.

Mr. WILLIAMS. Mr. President, the amendment offered by the junior Senator from New York is contrary to the expressed intent of the Senate, which has already voted to appropriate additional funds for the program in this legislation before us.

I think this is very critical and of decisive importance, in view of the basis for the junior Senator from New York advancing his amendment. The concurrent budget resolution, that has just passed Congress, was fashioned to include these funds.

Mr. President, we need this program, and we need it in addition to other public employment programs.

Accordingly, I join with the senior Senator from New York in strongly urging and recommending that this amendment be defeated.

Mr. JAVITS. Mr. President, I yield myself 1 additional minute.

I think the Senator from New Jersey (Mr. Williams) has made a critically important point, which is that in the conference report soon to come before us, this $600 million that my colleague from New York (Mr. Buckley) wishes to deduct from the authorization is appropriated, so if we approve that conference report—and that is legislation far along the road—that point is moot. That is the point he is seeking to make in respect to the authorization.

Second, Mr. President, in the budget resolution adopted by the Congress, the $600 million for railroad employment is an element. In short, Congress has already taken it into account in respect to the budgetary limits which it has put upon itself.

I think those are two very important fiscal reasons why this amendment should be rejected.

Mr. DOMENICI. Mr. President, will the Senator yield for a question?

Mr. JAVITS. Of course.

Mr. DOMENICI. I serve on the Budget Committee, as does the junior Senator from New York, and I certainly will not dispute that the money that we are talking about is in there as one of the economic stimulators over the short term and in the amount authorized in this bill.

So, I do not think that matters too much in terms of the amendment of the junior Senator from New York.

I have a couple questions I would like to ask with reference to where the senior Senator from New York and other sponsors of the bill think this program is ultimately going.

As I recalled testimony before the Budget Committee by railroad experts, there were some figures given to us about the expense of deferred railroad maintenance problems in our country.

I believe one expert said that there were about $9.3 billion in urgent deferred maintenance projects on the railroad systems of America and that somewhere around $8 billion of that was probably railroad-bed maintenance that was deferred and had to be done.

I notice in this amendment the Senator is telling the Secretary of Transportation, as one of the conditions for the grant and for the funding that the projects are completable within 18 months.

Is that correct?

Mr. JAVITS. Yes.

Mr. DOMENICI. I also wonder if you might discuss with me whether it is contemplated that this kind of program will continue on or whether we really look for it as being one of the economic stabilizers during this recessionary time. If it is the latter, I wonder how we expect the railroads to complete that balance they have been unable to do, or if the Senator envisions that this will be turned into a broader-based national program to take care of that.

Mr. JAVITS. I cannot tell that. All I am designing in respect of this program when I introduced the legislation is an additional stimulation in a recessionary, very serious recessionary, period. I state that as a legislative history.

That is the sole purpose of this particular measure. That is why the limitation of 18 months. I do not consider it a precedent. I do not consider it as opening a new door. I do not consider it an underwriting by the Federal Government of the $8 billion rehabilitation bill. I have not got the remotest idea of what will happen. I consider it only a felicitous tool under existing conditions to bring more workers very productively into the employment instead of the unemployment category.

Mr. DOMENICI. We do try in the bill to say to the Secretary that he is to try to find railroad systems that are going to spend a certain amount of money, to try to keep them spending that——

Mr. JAVITS. Exactly.

Mr. DOMENICI. As one of the charges imposed on him, but they will not cut back a deferred maintenance program they are contemplating for kind of a number of years where they have been spending this kind of money; we will have to insist that they continue spending, and this will be an additional tool.

Mr. JAVITS. That is the boilerplate maintenanced effort provision, and we insist upon it.

Mr. DOMENICI. I would want to tell those who are sponsors of the basic bill that there are many economists who have been looking around for projects in this country to take the place of some of the income-maintenance exchange programs of this country which they call unproductive and, for a number of years, some of them have been trying to find where we will help our people with dollars yet have them do productive work for our Nation. I think this may be the beginning of a new look at public-service-type jobs, public employment and public works and income-maintenance exchanges that we are becoming worried about in terms of how much is productive in our society and how much is not. Here is a perfect example of where we are going to use our tax dollars to do something the country desperately needs, as I see it, and pay the people well for doing it.

If we did not do it this way obviously they would be unemployed, and we would try to find other, far less productive, ways to help them. So I certainly commend the sponsors. From what I know, it is an excellent move in the right direction.

Mr. JAVITS. I thank my colleague.

I might say to him that many of us will devote our minds to thinking through, once we get out of this mess, the structural inadequacy in our country which gives us almost a congenital unemployment figure to what is a generally accepted figure of close to full employment, to wit, 4 percent, and here we are playing around with 9 percent becaue we have not yet found a way to deal with what is surplus labor which really should not be.

Mr. DOMENICI. Before I yield back to the senior Senator from New York, I do want to compliment the junior Senator from New York on his initiative in this area, for he was one of the first to introduce legislation to move in the direction of putting people to work in this much needed endeavor of rebuilding our railroad roadbeds which are, in many instances, in a case of total disrepair.

I also want to commend him, whether I agree with him or not in this instance, for his effort to look at the overall budget which, I believe, the Senator is doing, and the junior Senator is saying if we are going to stimulate the economy, if there is a better way than some of the others, he is saying let us take money from the one that he thinks is not productive and put it into one he thinks to be very productive and good. Whether or not it is in the budget is irrelevant, and I compliment him for the premise and for the idea, for we cannot continue to fund every one, although everyone agrees with it and although it is in the concurrent resolution.

This amount is in there, and the junior Senator disagrees with the deficit figure, so once again he is perfectly justified in trying to cause us to take another look.

Mr. JAVITS. I thank my colleague.

The PRESIDING OFFICER. Who yields time?

Mr. PEARSON. I yield such time as remains.

Mr. BUCKLEY. I am speaking on my amendment, so I have what, 20 minutes left?

The PRESIDING OFFICER. Twenty-seven minutes.

Mr. BUCKLEY. I shall not use very many of those.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. BUCKLEY. Mr. President, I want to thank my colleague from New Mexico for his remarks. I believe we all have a common objective.

In terms of the long-run, I would foresee that although this involves a specific grant of Federal funds for an 18-month period, we will in fact be putting 40,000 people to work, and these are people who can be very unskilled. We will be putting them to work in jobs that reach right through this decade and well into the next, because one way or another this Nation will have to restore the integrity of its rail system.

We are in a dangerous stage of disrepair, and we cannot begin to solve many of our problems until we have the rails restored so that trains can run at maximum safety.

The Senator from New Jersey, when he spoke in opposition to my amendment, stated that the Senate had voted to appropriate $600 million additional in order to accommodate that program and, therefore, my fears, at least insofar as the intentions of the Congress were concerned, were mistaken.

I would like to point out, however, that in a conference report dated May 12, 1975, we find that the House has rejected a Senate amendment appropriating these funds. I read from page 16 of the——

Mr. WILLIAMS. Mr. President, will the Senator yield? He does not have to take up his time. I did not say the Congress; I said the Senate. Therefore, we can stop at that point.

Mr. BUCKLEY. I thank the Senator. Anyway we are not certain the amount will be appropriated because the House has spoken its objection.

Second, my colleague from New York stated that he felt—the President's misgivings or indications that he would veto additional spending programs notwithstanding—that he probably would not do so in this case. I have no tremors from the White House to guide my own thinking except for one, and I think it is a very important indication of administration thinking.

When Secretary of Transportation Coleman testified on this measure—on the three bills then being considered—he specifically voiced opposition to the two that would require adding to total spending.

When I called his attention to the fact that my proposal would not add anything to the total Federal expenditures, he said that, under those circumstances, he would find it acceptable, although he did have some questions as to a number of the details.

If Secretary Coleman was correctly reflecting the thinking of the administration, then I believe we do run a significant risk that this measure would be vetoed.

I have great sympathy with what my senior colleague has said about the fact that many people believe that existing public service appropriations do not go far enough, that we ought to double or redouble them.

Well, if so, I think that the Senate ought to face that issue on its own and argue its merits while allowing us to go forward on this particular project which, No. 1, will provide 40,000 of the 330,000 jobs intended to be provided by CETA. But, No. 2, it will also give us the ability to do the necessary job of rehabilitating our rail system while we have the weather to get a good head start on it.

Finally, as we are all very much conscious of our energy needs these days, it is a fact that we cannot begin to tap our enormous coal resources on which we will be depending increasingly in the years ahead until we have made major improvements on the rail transportation to the coal mines.

So again, for that reason, I believe we should feel a sense of urgency about this legislation and not needlessly undertake the risk of a veto.

For all these reasons, Mr. President, I urge the adoption of this amendment.

If my distinguished colleague does not have anything more he wishes to say, I am willing to relinquish my time.

Mr. RANDOLPH. Vote.

Mr. JAVITS. Mr. President, just one matter to straighten the record out on this point.

The House last night voted to reject the $600 million item in the supplemental, but I believe it was clear because even supporters of this bill voted for that position, that it was because of the absence of an authorization.

We feel, therefore, all the more reason for moving this afternoon affirmatively to authorize it.

The PRESIDING OFFICER. Does the manager yield the time back?

Mr. McCLURE. Will the Senator yield?

Mr. BUCKLEY. I yield to the Senator.

Mr. McCLURE. Mr. President, first of all, I want to commend the Senator for his initiative.

I remember before he introduced the first bill on this subject, he was talking about how to use constructively the economic stimulus money that might be offered, but I take this time just not for that purpose, but to ask a question of the sponsors of the bill, or others, who might be able to answer with regard to the enhancement of the value of the roadbeds.

I assume that there will be an appropriate directions made, or an appropriate expression made at some point, that this should not enhance the shareholders' value in the hands of private shareholders.

There is a statement in the report to the effect that it can be recouped by reducing the fees paid where it is an Amtrak line. There is also an implica- that the Federal Government may be about to purchase roadbeds, because it talks about recoupment in the event the roadbeds are transferred to a Government entity.

But there is nothing in the report, and I think there should be, at least some legislative record made, that we expect that the Federal expenditure made in roadbeds will not enhance the stock value directly, but should be taken into consideration by regulatory agencies in setting the rates that may be charged on these rails.

Could the sponsors of the legislation perhaps answer the question?

Mr. HARTKE. I think there is adequate protection in the bill for the situation to which the Senator addresses himself. We have covered this in about every way we can. We can only do so much.

In the case of solvent railroads, of course, those things present a little bit different problem. Where they are insolvent, we will move forward with USRA. We have taken every precaution we can. There would be inspection on site and improvements that occurred after that would be readjusted at a later date.

Mr. McCLURE. Well, solvent railroads are not necessarily covered by the language in the report.

I would say to my friend from Indiana that I wish they were, but they are not.

That is the reason I asked the question, because it seems to me that without some appropriate provision in the bill, or at least some legislative record made, then the Federal expenditure in roadbeds will enhance the value of that roadbed which will reflect in increased stock value, and unless it is an Amtrak line or one that the Federal Government takes over, there is no recoupment of Federal investment.

Mr. HARTKE. Let me state to the Senator, of course, here the situation is that we are trying to improve railroad beds and to the extent it goes to a solvent railroad and they get some peripheral effect, if they had the money they would not be doing this in the first place.

So in what we are doing, in a way, there is no question that there is some peripheral benefit to some of the solvent railroads.

Mr. JAVITS. Mr. President, only one point in that respect, we can only do what we can do, as the Senator said. We get into this valuation and we can forget this whole program.

Mr. HARTKE. That is right.

Mr. JAVITS. That is one reason railroad rates are subject to ICC approval, and the legislative history ought to be clear, there should be as an element of rate-making, the addition of the added value brought about by this situation.

I think that is a proper object of the legislative history.

Mr. McCLURE. I thank the senior Senator from New York.

That is precisely the point I was trying to make and I think it is important that the Congress in enacting this legislation, which I shall support, ought to make the point that we are not going to enhance developing the shares in the hands of private shareholders.

I thank the Senator for yielding and the junior Senator for his initiative.

I also support the amendment.

Mr. HARTKE. Mr. President, while I commend the Senator from New York on his leadership in introducing S. 967, I must resist the amendment. As I understand it, this amendment would have the effect of redirecting the funding for existing job stimulation programs under the Comprehensive Employment and Training Act into hiring people for railroad rehabilitation projects. I intend to defer to the members of the Committee on Labor and Public Welfare on the actual merits of this amendment, since it would affect a program that is exclusively within their jurisdiction, but I do think it is important for the Members of the Senate to realize two important things when considering this amendment: First, the Budget Committee has specifically included this item in the priority expenditures of the Budget. The House and Senate recently met in conference and adopted the first concurrent resolution on the budget for fiscal year 1976, and the expenditure of these additional funds is within that concurrent resolution.

Therefore, adoption of this amendment would be inconsistent with the congressional priorities that have been established through the new budget process. The second item for the Senators here today to keep in mind is that the Appropriations Committee also considers this program to be in addition to those funds already earmarked for other job stimulation programs. The Senate in fact has already passed the appropriation for this program. While that appropriation was not agreed to by the House, it is my understanding that the Appropriations Committee has also included this item in the second supplemental, which is due to come before the full Senate soon. Thus it seems to me that adoption of the amendment would be inconsistent with both the action of the Budget Committee, the Appropriations Committee, the Commerce Committee, and I assume the Labor and Public Welfare Committee. Perhaps one of the members of the Labor and Public Welfare Committee would like to inform the Senate of the views of that committee on this amendment?

Mr. BUCKLEY. I am happy to yield back the remainder of my time.

Mr. HARTKE. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Delaware (Mr. BIDEN), the Senator from Mississippi (Mr. EASTLAND), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Wyoming (Mr. MCGEE), the Senator from New Mexico (Mr. MONTOYA), the Senator from Utah (Mr. MOSS), the Senator from Maine (Mr. MUSKIE), the Senator from Illinois (Mr. STEVENSON), the Senator from Iowa (Mr. CLARK), and the Senator from North Carolina (Mr. MORGAN) are necessarily absent.

I further announce that the Senator from Alaska (Mr. GRAVEL), the Senators from Georgia (Mr. NUNN and Mr. TALMADGE), and the Senator from California (Mr. TUNNEY) are absent on official business.

I further announce that if present and voting, the Senator from Indiana (Mr. BAYH), the Senator from Iowa (Mr. CLARK), and the Senator from Illinois (Mr. STEVENSON) would each vote "nay."

Mr. HUGH SCOTT. I announce that the Senator from Oklahoma (Mr. BARTLETT), the Senator from Oklahoma (Mr. BELLMON), the Senator from New Jersey (Mr. CASE), the Senator from Michigan (Mr. GRIFFIN), the Senator from Nebraska (Mr. HRUSKA), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

UMI

I also announce that the Senator from Tennessee (Mr. Baker) is absent on official business.

The result was announced—yeas 24, nays 52, as follows:

[Rollcall Vote No. 188 Leg.]

YEAS—24

Allen
Brock
Buckley
Byrd, Harry F., Jr.
Curtis
Dole
Fannin
Garn
Goldwater
Hansen
Hatfield
Helms
Hollings
Laxalt
McClure
Packwood
Pearson
Proxmire
Roth
Scott, William L.
Stevens
Thurmond
Tower
Weicker

NAYS—52

Abourezk
Beall
Bentsen
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Church
Cranston
Culver
Domenici
Eagleton
Fong
Ford
Glenn
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hathaway
Huddleston
Humphrey
Jackson
Javits
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McGovern
McIntyre
Metcalf
Mondale
Nelson
Pastore
Pell
Percy
Randolph
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stone
Symington
Williams
Young

NOT VOTING—23

Baker
Bartlett
Bayh
Bellmon
Biden
Case
Clark
Eastland
Gravel
Griffin
Hruska
Inouye
Johnston
McGee
Montoya
Morgan
Moss
Muskie
Nunn
Stevenson
Taft
Talmadge
Tunney

So Mr. Buckley's amendment was rejected.

Mr. HARTKE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. PASTORE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CLARK. Mr. President, S. 1730, the Emergency Rail Transportation Improvement and Employment Act of 1975, has my strong support. As a cosponsor of one of the original bills from which this legislation was fashioned, I want to congratulate the members of the Transportation Subcommittee for combining the best points of several good bills.

The benefits of this legislation to the Nation's railroad network are clear. With over 5,000 accidents a year caused by track deterioration and miles and miles of track either shut down or under go-slow orders, it is obvious that the need for roadbed rehabilitation is urgent and widespread.

Furthermore, the assistance this legislation would make available in the form of manpower, grants, and loan guarantees will be a shot in the arm for such bankrupt railroads as the Rock Island—which is so vital to Iowa—and to other financially troubled roads on the verge of bankruptcy. The bill may provide just the margin of assistance to these endangered railroads to keep them running long enough to develop more permanent solutions to the Nation's railroad crisis.

There may be some who criticize this bill for providing assistance to only one sector of the transportation industry. But this legislation is only a small step in correcting years of Government favoritism to other forms of transport. That favoritism is one of the largest factors in the railroads' present crisis—for decades they have had to find private funds to match enormous Government expenditures in other fields of transportation.

Trucks and buses run on highways in which Federal and State governments have invested over $300 billion, barges use Government maintained waterways, and the airlines benefit from a vast complex of Government-supported airway and airport facilities. That kind of government support has been necessary and worthwhile, but the railroads have not had comparable benefits—they have had to build and maintain their rights of way and terminals. As a result of this imbalance, even the so-called "prosperous" railroads do not have a rate of return adequate to ensure their long-term health. This imbalance has been draining the railroads' resources for years, and we must begin to correct it.

This bill also addresses the continuing and urgent need for public service employment. Economists predict that unemployment will stay at or above 9 percent through the end of this year and at high levels through 1976—roughly the period covered by this bill. The need to expand public service employment programs is obvious—current programs absorb only a few drops from a sea of over 8 million unemployed. The challenge, however, is to expand public employment in ways that create new jobs, generally productive work, and meet real public service needs.

This bill would provide jobs for about 40,000 workers who would otherwise be unemployed and meet the maintenance and rehabilitation needs of the railroads. There is no danger this bill will create "leaf-raking" jobs.

It is rare that a piece of legislation simultaneously tackles the country's most urgent problems as effective as H. 1730 does. I urge the Senate to pass it quickly, and I hope that the House will also act promptly so that this badly needed work can begin this summer.

Mr. HATHAWAY. Mr. President, I would like to address a question to the Senator from Indiana. I notice that in the list of eligibility criteria found on page 8 of the bill, number (5) is the section most likely to provide eligibility to lines in rural States which are of particular significance to the transportation needs of those States. I wanted to ask the Senator if he shared my understanding of this subsection—that the transportation needs of the State or region should be the context in which the determination of whether these lines are "essential" is made. In other words, this section would include a line of great importance in a particular State, even though that line may not be a major factor in the national system.

I am thinking of lines such as the Bangor and Aroostook and Maine Central in Maine as well as similar lines in other States.

Is my understanding of the intent of this subsection correct?

Mr. HARTKE. Yes; I would agree with that statement, provided of course, that the Secretary of Transportation still must concur in the State's designation.

Mr. McCLELLAN. Mr. President, I wish to urge Senate approval of the pending bill S. 1730, the "Emergency Rail Transportation Improvement and Employment Act of 1975." The history of this measure, originally introduced on April 15 as S. 1436 is an excellent example of cooperation between Senate committees to solve national problems. Processing of this bill has been facilitated by the Public Works, Labor, Commerce and Appropriations Committees, their members and staffs. The intent of this bill is to contribute to the solution of two pressing national problems—unemployment and rehabilitation of the Nation's railroad roadbeds and facilities. Estimates are that the funds authorized by S. 1730 would provide 40,000 jobs to begin long deferred maintenance on roadbeds. Improved maintenance can greatly enhance the efficiency and safety of our rail transport network.

The program proposed in S. 1730 is particularly timely. The present recession has imposed severe strains on our railroads. Carloadings are reported to be down as much as 20 percent. This situation obviously means reduced earnings and less capability to undertake much needed maintenance. Federal funds, under these circumstances, can markedly accelerate programs to begin roadbed rehabilitation.

The Senate has already approved appropriations for this maintenance program subject to the passage of the authorizing language contained in S. 1730. Unfortunately, Senate conferees were unable to sustain this appropriation during the conference on H.R. 4481, the emergency employment appropriation measure. However, appropriations for this program have again been included in the Second Supplemental Appropriations bill, H.R. 5899 which will be debated on the Senate floor next week.

Several bills have been introduced in this Congress which would provide Federal assistance for roadbed rehabilitation. S. 1306, which I cosponsored, would provide loan assistance to the Rock Island Railroad of which two-thirds would be required to be expended for track rehabilitation. S. 1730 provides an opportunity to combine the roadbed rehabilitation objective with employment goals and create a maintenance program with general application in the railway industry.

In conclusion, it is important to understand that long-term solutions to railroad problems are not proposed in S. 1436. However, we can begin with this type of legislation to address those problems and continue to work in other areas for long-range solutions. Regulatory reform is needed. Some revision of tax laws as applied to railroads could be proposed for short-term assistance and long-term recovery. Administrative reform is needed to expedite consideration of and decisions on railroad problems. The States must review their laws and regulations and modify them where practicable to improve the climate in which railroads must operate. All routes must be studied in seeking ways in which the viability of railroads can be improved and their opportunities for recovery enhanced. To do less than to explore all alternatives to massive Federal involvement with attendant expenditure of potentially billions of dollars, is to prejudge the issue of the railroads' survivability as privately owned and operated industries.

Mr. BEALL. Mr. President, as a cosponsor, I rise in support of S. 1730, the Emergency Rail Transportation Improvement and Employment Act of 1975.

S. 1730, is the product of the joint efforts of two committees, the Labor and Public Welfare and Commerce. I have the pleasure of serving on both of these committees. Such cooperative efforts show how committees can overcome jurisdictional problems and move quickly in the public interest. There should be more such efforts where overlapping jurisdiction is involved.

S. 1730 is creative legislation. It recognizes the serious unemployment problem, both in the railroad industry and throughout the Nation, and the critical need of the Nation's rail system, particularly in the Northeast, for the rehabilitation and repair of rails and facilities.

The legislation authorizes $600,000,000 for such projects and an additional $100,000,000 for materials and equipment.

There is little question that the Federal Government will be providing assistance to rehabilitate railroad and facilities. We have no alternative. Rail transportation is essential to the Nation. This measure will enable us to get on with this job immediately and in doing so, it will provide some 40,000 new jobs to help reduce the high unemployment rate.

Grants under S. 1730 can be made to State, local transportation authorities, railroads and regional commissions. Both roadbeds and facilities are eligible.

Mr. President, in addition to the cooperation of two committees, this measure was strongly supported by both the railroad industry and railroad unions. There were some, when this legislation was being talked about, who doubted whether all the parties could reach agreement. I particularly want to commend the railroad unions and their leadership without whose understanding and farsightedness, this legislation would not have made it.

The Nation badly needs more of this cooperative spirit. This legislation shows what constructive action can result when this real spirit of America is harnessed.

In summary, this legislation is emergency legislation. It is aimed at the employment emergency and the sad condition of rail lines and facility. It makes sense on both counts. It should be overwhelmingly adopted by the Senate and the Congress.

PROVIDING JOBS AND REBUILDING THE RAILROAD

Mr. HUMPHREY. Mr. President, as a cosponsor of S. 1730, the Emergency Rail Transportation Improvement and Employment Act of 1975, I wish to speak in support of this much needed legislation. I support fully the dual goals of this legislation to provide job opportunities for our unemployed, and to help rehabilitate this country's deteriorating railroad tracks and rail beds.

I compliment the Senator from Indiana (Mr. Hartke), and the chairman and members of the Senate Commerce Committee for the dispatch with which they have reported this bill. Their fine efforts demonstrate the urgency with which the Congress must deal with this legislation.

The economy continues to show few if any genuine signs on the horizon that it has "bottomed out" or is headed for recovery. Nationwide unemployment has reached critical levels, demanding urgent action.

The Federal Government must, in my judgment, be prepared to assist those adversely affected by these developments by helping them to find jobs, which will provide them with their most basic human needs such as food, housing, other essential services, and will give people a sense that they are making a contribution through their work.

There is no more urgent need for this economy than to get our people back to work. Jobs are our top national priority. Widespread unemployment, at 8.9 percent of the labor force in April 1975 and still rising, has imposed severe hardships for workers and their families and enormous losses in production. The official count of unemployed is currently 8,176,000 people out of work and looking for new jobs. The Bureau of Labor Statistics also counts over 1.1 million discouraged workers who have dropped out of the labor force and nearly 4 million persons employed in part-time jobs who want and need full-time employment.

This bill would help address and relieve this unemployment situation.

However, next to jobs, one of the most pressing needs of this Nation is to rebuild our national rail system. The Emergency Rail Transportation Improvement and Employment Act is an important step in meeting this need.

But we know that a major rehabilitation of our rail system is required. We must restore our rail system as a lifeline of this Nation. It is incumbent upon Congress to move forward in addressing this further priority agenda. The Rail Rehabilitation and Recovery Act of 1975, S. 1385, which I introduced on April 9, is intended to provide a solution to this most serious crisis facing our national railway system.

It is essential that an effective rail system be established as part of a balanced, integrated national transportation system incorporating energy-effective ways of transporting passengers and freight.

Railroad companies, already plagued with financial difficulties, deferred maintenance of tracks and railbeds in order to make short run savings, but this has become self-defeating. As conditions of the track became worse, increasingly rapid deterioration occurred, and the repair cost became increasingly more burdensome.

Semipermanent "slow" orders force trains to crawl over major segments of their primary routes due to the condition of track and rail bed. There have been an increasing number of derailments—in spite of slow orders. Increasing delays and inconvenience have persuaded shippers and passengers to use other modes of transportation. And, all of this exacerbates the financial problems of the rail companies. The deterioration of tracks and rail beds is a vicious circle, a circle which cannot be ended by routine efforts.

What we are clearly facing is an escalating crisis for our rail transportation system. It is abundantly clear that an inadequate rail system affects our national security and our whole structure of commerce.

I think the country wants a determined effort on the part of this Government, to get back to some fundamental principles. We must give people jobs to help them help themselves. And we must rebuild a sound, efficient rail transportation system.

Mr. President, I urge my colleagues to support this most urgent legislation.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. HARTKE. Mr. President, I yield back the remainder of my time.

Mr. PEARSON. I yield back the remainder of my time.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Delaware (Mr. Biden), the Senator from Iowa (Mr. Clark), the Senator from Mississippi (Mr. Eastland), the Senator from Hawaii (Mr. Inouye), the Senator from Louisiana (Mr. Johnston), the Senator from Wyoming (Mr. McGee), the Senator from New Mexico Mr. Montoya), the Senator from North Carolina (Mr. Morgan), the Senator from Utah (Mr. Moss), the Senator from Maine (Mr. Muskie), the Senator from Illinois (Mr. Stevenson), are necessarily absent.

I further announce that the Senator from Georgia (Mr. Talmadge), the Senator from California (Mr. Tunney), and the Senator from Alaska (Mr. Gravel) are absent on official business.

I further announce that, if present and voting, the Senator from Indiana (Mr. Bayh), the Senator from Iowa (Mr. Clark), the Senator from Illinois (Mr. Stevenson), the Senator from Wyoming (Mr. McGee), would each vote "yea."

Mr. HUGH SCOTT. I announce that the Senator from Oklahoma (Mr. Bartlett), the Senator from Oklahoma (Mr. Bellmon), the Senator from Michigan (Mr. Griffin), the Senator from

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Nebraska (Mr. HRUSKA), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

I also announce that the Senator from Tennessee (Mr. BAKER) is absent on official business.

I further announce that, if present and voting, the Senator from Ohio (Mr. TAFT) would vote "yea."

The result was announced—yeas 67, nays 10, as follows:

[Rollcall Vote No. 189 Leg.]

YEAS—67

Abourezk
Beall
Bentsen
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Cranston
Culver
Dole
Domenici
Eagleton
Ford
Garn
Glenn
Hansen
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Jackson
Javits
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGovern
McIntyre
Metcalf
Mondale
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stone
Symington
Tower
Weicker
Williams
Young

NAYS—10

Allen
Byrd, Harry F., Jr.
Curtis
Fannin
Fong
Goldwater
Helms
Proxmire
Scott, William L.
Thurmond

NOT VOTING—22

Baker
Bartlett
Bayh
Bellmon
Biden
Clark
Eastland
Gravel
Griffin
Hruska
Inouye
Johnston
McGee
Montoya
Morgan
Moss
Muskie
Nunn
Stevenson
Taft
Talmadge
Tunney

So the bill (S. 1730) was passed as follows:

S. 1730

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Rail Transportation Improvement and Employment Act of 1975".

DECLARATION OF POLICY

SEC. 2. (a) FINDINGS.—The Congress finds and declares that—

(1) Adequate and safe rail transportation is essential to the public interest, and jobs which involve repairing, rehabilitating, and improving essential railroad roadbeds and facilities to increase the public service capability of railroads are important public service jobs.

(2) Unemployment can be reduced significantly by stimulating and expediting the repair, rehabilitation, and improvement of the Nation's railroad roadbeds and facilities, because there is a great need for such activity and because such activity is labor intensive.

(b) PURPOSE.—It is therefore declared to bo the purpose of the Congress in this Act to authorize the Secretary of Transportation in consultation with the Secretary of Labor to provide financial assistance, from funds appropriated and made available under section 11 and in accordance with the provisions of this Act to eligible applicants, for programs aimed at reducing unemployment and at repairing, rehabilitating, or improving essential railroad roadbeds and facilities.

DEFINITIONS

SEC. 3. As used in this Act, unless the context indicates otherwise, the term—

(1) "eligible applicant" means (A) State or political subdivision thereof, (B) railroad, (C) regional, State, or local transportation authority, or (D) regional commission;

(2) "government" means the Federal Government or the government of a State;

(3) "railroad" means a common carrier by railroad, as defined in section 1(3) of the Interstate Commerce Act (49 U.S.C. 1(3)); the term includes the National Railroad Passenger Corporation, the Consolidated Rail Corporation, and The Alaska Railroad;

(4) "regional commission" means the Appalachian Regional Commission, established pursuant to section 101 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 101), and the Regional Action Planning Commissions, established pursuant to title V of the Public Works and Economic Development Act (42 U.S.C. 3181);

(5) "roadbeds and facilities" means the physical assets of a railroad, other than rolling stock, that are necessary for the actual movement of rolling stock, including, but not limited to, tracks, ties, rails, switches, roadbeds, bridges, yards, stations and terminals, machines for loading and unloading, ferries and shoreside facilities for transporting rolling stock over water, signal systems, grade crossings, train monitoring systems, electrification and other power transmission systems, and structures and equipment necessary to the functioning of any of the foregoing;

(6) "Secretary" means the Secretary of Transportation; and

(7) "State" means any State of the United States and the District of Columbia.

GRANTS FOR EMPLOYMENT IN RAILROAD REPAIR OR REHABILITATION PROJECTS

SEC. 4. (a) GENERAL.—The Secretary shall, in accordance with this Act, provide financial assistance in the form of grants to eligible applicants for projects involving the repair, rehabilitation or improvement of railroad roadbeds and facilities as set forth in section 6 of this Act and that best fulfill the following three objectives:

(1) the reduction of unemployment in areas that are identified by the Secretary of Labor as areas of substantial unemployment;

(2) the improvement of severely deteriorated roadbeds and facilities that (A) constitute a significant risk to public safety or (B) seriously inhibit the expeditious movement of freight or passengers; and

(3) the improvement of roadbeds and facilities that (A) contribute significantly to a balanced national rail transportation system, and (B) meet national or regional transportation needs and policies.

In making such a grant, the Secretary shall obtain adequate assurances that the proposed project substantially meets the goals set forth in section 7 of this Act.

(b) GUIDELINES AND PROCEDURES FOR GRANT APPLICATIONS.—(1) To facilitate the rapid initiation of railroad repair, rehabilitation or improvement projects, the Secretary shall establish and publish within 30 days after the date of enactment of this Act, guidelines and procedures for making and evaluating applications for financial assistance pursuant to this section.

(2) Any such application shall be prepared and submitted to the Secretary pursuant to such guidelines and procedures. Such an application shall include, but need not be limited to, the following information and documentation in support thereof, with respect to the project for which financial assistance is requested:

(A) a description of the roadbed or facility to be repaired or rehabilitated or improved;

(B) a statement as to the number of persons to be employed;

(C) a description of the relationship between the applicant and the involved roadbed or facility, if such applicant does not directly own or control such roadbed or facility;

(D) an evaluation of the involved roadbed or facility, in terms of its present or potential significance for national or regional transportation; and

(E) a description of the way in which the goals set forth in section 7 of this Act will be realized, and the manner in which such realization will be monitored.

The Secretary shall act upon any complete application under this section within 15 days after it has been received.

(c) SUPERVISION OF PRODUCTS.—In administering this Act, the Secretary is authorized to establish objective criteria to aid in determining whether the recipient of a grant made pursuant to this Act is maintaining a good faith level of repair and rehabilitation, on the basis of past experience and the present financial capability of the recipient.

(d) LIMITATIONS.—Grants made to eligible applicants pursuant to this section shall be used solely to pay the wages, and other benefits earned by individuals employed in programs funded by this Act, and shall not be used by such applicants for any administrative expenses incurred with respect to any such programs. Funds made available under this section for roadbed and facility repair and rehabilitation are to be used by eligible applicants in addition to, and not as a partial or total substitute for, or as a replacement for, any other funds that the applicant would have been reasonably expected to utilize in the absence of this Act, for roadbed and facility repair, rehabilitation, and improvement.

EMPLOYMENT PRIORITIES

SEC. 5. The jobs created pursuant to financial assistance provided pursuant to this Act shall, after the recall of furloughed maintenance-of-way and signal system maintenance employees pursuant to applicable collective bargaining agreements, be made available, consistent with other provisions of this Act, to unemployed or underemployed persons as defined by section 701 of the Comprehensive Employment and Training Act of 1973, as amended (29 U.S.C. 801 et seq.). In the selection of such persons, priority shall be given to unemployed persons who, within the 365-day period prior to the date of application (1) have exhausted all rights to benefits, allowances and assistance payable with respect to unemployment under any law or (2) have been unemployed for 15 or more weeks. The Secretary of Labor shall promptly establish such procedures, rules, or regulations as are necessary to provide for referral of eligible persons to eligible applicants receiving funds under this Act by State employment service agencies, by prime sponsors receiving funds under the Comprehensive Employment and Training Act, and by the Railroad Retirement Board. All jobs created under this Act, except those to which furloughed employees are being recalled must be listed with the State employment service at least 72 hours before such vacancies are filled.

ELIGIBLE ROADBEDS AND FACILITIES

SEC. 6. Roadbeds and facilities are eligible for project grants pursuant to section 4 if they:

(1) have been included in the preliminary system plan, or in any subsequent plan, that has been approved by the Board of Directors of the United States Railway Association;

(2) are used in a substantial way in a rail commuter passenger service;

(3) are utilized by the National Railroad Passenger Corporation pursuant to the Rail Passenger Service Act (45 U.S.C. 501 et seq.) for providing rail passenger service or are part of either the basic system or the experimental routes established pursuant to the Rail Passenger Service Act (45 U.S.C. 501 et seq.), or are utilized by any other railroad providing intercity rail passenger service;

(4) have been subject to track usage of at least 5,000,000 gross ton-miles per mile of road per year, during at least 1 calendar year following January 1, 1970;

(5) have been identified to the Secretary by any State, political subdivision thereof, or regional commission as significantly contributing to improvements in, or the continuation of, essential present or anticipated transportation needs, if the Secretary concurs in such identification; or

(6) are owned by a State or public entity.

GOALS

SEC. 7. In order to receive financial assistance under this Act, a project shall be structured and administered so as to achieve substantially the following goals:

(1) the reduction of unemployment;

(2) the acceleration and expansion of a nationally balanced rail rehabilitation effort designed to improve railroad roadbeds and facilities that meet essential national and regional transportation needs or policies or that will eliminate serious safety hazards involving such roadbeds and facilities;

(3) the coordination of repair and rehabilitation work with other national transportation priorities, such as the elimination of grade crossings and similar safety problems, the improvement of rail passenger service, and the modernization of facilities, including the electrification of appropriate lines.

(4) the substantial completion of such project within 18 months after the date on which work is commenced; and

(5) the maximization of the chances for permanent employment by the railroad of the individuals employed on such projects.

MATERIALS AND EQUIPMENT ASSISTANCE

SEC. 8. (a) GENERAL.—To the extent necessary to carry out a project receiving financial assistance pursuant to section 4 of this Act, the Secretary may provide financial assistance to eligible applicants, in accordance with this section, for the acquisition of materials and equipment necessary and appropriate for such project. Such financial assistance shall not be made available until the Secretary receives adequate assurances that it will not be used, directly or indirectly, as a substitute for financial resources which would otherwise have been expended for such purposes by the applicant. Financial assistance pursuant to this subsection may be provided by the Secretary in the form of guarantees by the United States of the payment of the principal amount of, and the periodic interest obligation on, loans, or in the form of grants, with or without conditions. In the case of a grant under this subsection, which adds, or may add, value to the rail properties or other assets of a railroad other than a Government corporation, the Secretary may require that adequate and binding assurances be made for compensating the Federal Government for any such value added, through a mechanism such as reduced user fees for rail passenger services operated by the National Railroad Passenger Corporation or other compensatory device. In the event of any transfer of railroad roadbeds or facilities to the Government or to any corporation established by the Government, the transferring railroad shall not receive compensation for that portion of the value of such roadbed or facilities which was added by materials and equipment obtained with the proceeds of grants under this section. At any time after the completion of such a project, the Secretary and an affected railroad may enter into a stipulation as to amount of such value added, or as to the absence thereof, and such a stipulation shall be binding in any subsequent negotiation or proceeding.

(b) LIMITATION ON AMOUNT.—The aggregate unpaid amount of outstanding obligations, including principal and interest thereon, that may be guaranteed under this section shall not exceed $100,000,000.

LABOR PROTECTION

SEC. 9. (a) SUBCONTRACTING.—All work in connection with the projects funded under this Act which has been performed by practice or agreement in accordance with provisions of the existing contracts in effect with the representatives of the employees of the classes or crafts involved shall continue to be performed by the applicant's employees including employees on furlough. Such employees shall be paid at rates provided for such work by such contracts. Should the applicant lack a sufficient number of employees, including employees on furlough, and be unable to hire additional qualified employees from among the unemployed and underemployed persons specified under section 5 of this Act, to perform the work required, it shall be permitted to subcontract that part of such work which cannot be performed by its employees consistent with applicable collective bargaining agreements. Applicants shall be required, prior to contracting out work under this subsection, to secure certification from the Department of Labor that there is an insufficient number of furloughed maintenance of way employees, or of unemployed persons referred pursuant to section 5 of this Act, to perform the work required: *Provided*, That work to be performed with financial assistance received under this Act which has not traditionally been performed by employees of the applicant, may continue to be performed by a contractor of the applicant.

(b) WAGES AND BENEFITS.—In the event that work subject to this subsection is contracted after meeting the requirements of subsection (a), wages and benefits paid shall be not less than those provided for in the collective bargaining agreements in effect for similar jobs and classifications: *Provided*, That the applicant shall take such action as may be necessary to insure that all persons employed by any contractor or subcontractor, in the performance of work done with the aid of financial assistance under this Act shall be paid wages and benefits at rates not less than those prevailing on similar work, as determined in accordance with the Service Contract Act (41 U.S.C. 351 et seq.), the Walsh-Healey Public Contracts Act (41 U.S.C. 35 et seq.), or the Davis-Bacon Act (40 U.S.C. 276a), as amended, to the extent that such Acts would be applicable to such work if it were done under contract with the United States. The Secretary of Labor shall have, with repect to such labor standards, the authority and functions provided in such acts and in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and section 2 of the Act of June 1, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276(c)). No contract or agreement subject to this subsection for the performance of work receiving Federal financial assistance shall be entered into prior to the obtaining of adequate assurances that required labor standards shall be maintained in the performance of such work and that persons employed, whether by contractor or subcontractor of the applicant, shall be hired in accordance with the requirements and priorities, and procedures set forth in section 5 of this Act.

MISCELLANEOUS PROVISIONS

SEC. 10. (a) RECORDS AND AUDIT.—Each recipient of Federal financial assistance pursuant to this Act, regardless of form, shall maintain such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the program or project in connection with which such assistance was given or used, and such other records as will facilitate an effective audit. The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives shall, until the expiration of three years after the completion of such program or project, have access for the purpose of audit and examination to any books, documents, papers, and records of such receipts which, in the opinion of the Secretary or the Comptroller General, may be related to or pertinent to any such Federal financial assistance.

(b) COST AND BENEFIT ASSESSMENT.—The Secretary is authorized to conduct, or to cause to be conducted, cost and benefit assessment studies of various programs and projects receiving Federal financial assistance pursuant to this Act and of proposed projects to the extent necessary to assure that funds appropriated for purposes of this Act are expended in the manner most cost-beneficial to the people of the United States, except that this provision may not be applied in any way which is likely to delay reduction in unemployment.

(c) REPORTS.—The Secretary shall submit to the Congress and the President periodic reports on his actions taken pursuant to this Act, including statements as to progress made in reducing unemployment and in improving the Nation's rail transportation system in terms of reliability, safety, and energy efficiency.

(d) CONFORMING AMENDMENT.—Section 5108(c) of title 5, United States Code, is amended by adding, immediately after paragraph (11) thereof, the following new paragraph:

"(12) The Secretary of Transportation, subject to the standards and procedures prescribed by this chapter, may place an additional 6 positions in the Federal Railroad Administration in GS–16, GS–17, and GS–18 for the purposes of carrying out his responsibilities under the Rail Transportation Improvement and Employment Act of 1975, and related legislation.".

AUTHORIZATIONS FOR APPROPRIATIONS

SEC. 11. There are authorized to be appropriated not to exceed $600,000,000 to the Secretary for the purpose of providing financial assistance pursuant to section 4, of which not more than $7,000,000 shall be available to the Secretary for administrative expenses in implementing this Act, such sums to remain available for obligation until December 31, 1976. There are also authorized to be appropriated, not to exceed $100,000,000 to the Secretary for the purpose of providing grants pursuant to section 8, such sums to remain for obligation available until December 31, 1976.

TERMINATION DATE

SEC. 12. The authority of the Secretary under this Act, except for his responsibility to monitor uncompleted projects and to carry out his duties under section 10 of this Act, shall terminate on October 1, 1977.

Mr. HARTKE. Mr. President, I move to consider the vote by which the bill was passed.

Mr. RANDOLPH. I move to lay the motion on the table.

The motion to lay on the table was agreed to.

EMERGENCY EMPLOYMENT APPROPRIATIONS, 1975—CONFERENCE REPORT

Mr. McCLELLAN. Mr. President, I submit a report of the committee of conference on H.R. 4481, and ask for its immediate consideration.

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The **PRESIDING OFFICER.** The report will be stated by title.

The assistant legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4481) making emergency employment appropriations for the fiscal year ending June 30, 1975, and for other purposes having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The **PRESIDING OFFICER.** Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of May 12, 1975, at page 13733.)

Mr. McCLELLAN. Mr. President, this is the conference report on the emergency appropriation bill which passed the House on March 12 and the Senate on April 25. The bill passed by the Senate contained 62 amendments, and the conferees completed action in the conference last Monday with the conference report being filed that evening. It has been printed in the CONGRESSIONAL RECORD and, of course, the printed report is also available on the desk of each Member.

The amount of the bill passed by the House totaled $5,941,636,000, of which $5,373,000,000 was new budget obligational authority, $485,000,000 in direct and insured loans and $83,000,000 in liquidation of contract authority. The Senate passed bill provided for a total of $6,082,647,000, including $5,504,000,000 in new budget authority, $485,000,000 in loan authority, and $93,000,000 in liquidation of contract authority.

The conference agreement contained in the report before us now represents a compromise total of $5,306,508,000. This is $635,128,000 less than the House bill, and $776,139,000 less than the Senate bill. These figures exclude $700,000,000 proposed by the Senate for rail transportation improvement and employment, which I shall discuss in a few moments.

The $5.3 billion total includes $485,000,000 for direct and insured loans and $92.3 million for liquidation of contract authority.

Mr. President, this is an unusual and unique appropriation measure which is designed to provide for the emergency acceleration of existing Federal programs and projects in order to help increase employment opportunities throughout the Nation. The funds in the bill are directed to helping alleviate the unemployment problem in two ways—first, through the funding of programs such as public service employment to directly create jobs; and second, to provide funds to accelerate Federal construction activities and programs indirectly enhancing employment opportunities.

Last year, about this time, the unemployment rate in our Nation was approximately 5 percent. By mid-fall 1974 it had grown to 6 percent. At the beginning of the year, the unemployment rate climbed further to 7.2 percent, and by the end of January, unemployment had jumped a full percentage point to 8.2 percent. The rate is now 8.9 percent, which is the largest figure since the Great Depression of the 1930's.

The major items contained in the conference report include:

The sum of $1.625 billion for public service jobs;

The sum of $375 million for the job opportunities program of the economic development administration;

The sum of $102,625,000 for economic development assistance and regional action planning;

The sum of $325,425,000 for the acceleration of ongoing construction projects under the Corps of Engineers and Bureau of Reclamation;

The sum of $385 million for the loan program of the Small Business Administration;

There are $73 million for the purchase of vehicles by GSA and the Treasury Department;

The sum of $70.7 million for necessary improvements to Veterans' Administration facilities, including hospitals and other medical facilities;

The sum of $159.9 million in obligational authority and $84 million for liquidation of contract authority for Department of Interior and the Forest Service activities, including construction and improvement of trails and recreational facilities, reforestation and timber stand improvement, fire prevention, fencing, hatchery improvements, et cetera;

The sum of $106 million to accelerate construction of watershed and flood prevention of the Soil Conservation Service;

The sum of $440 million for the construction, repair, alteration and improvements of public buildings throughout the country under the General Services Administration;

The sum of $150 million in obligational authority and an increase of $300 million in the loan level for needed rural water and sewer grants;

There are $458 million for summer youth employment;

The sum of $70 million for the work incentive program;

The sum of $119.8 million for part-time employment under the college-work-study grant program; and

The sum of $30 million for community service employment.

Mr. President, as I mentioned earlier the bill is some $776 million less than the bill passed by the Senate. This amount is largely accounted for by the $700 million Senate amendment to provide funds to improve rail transportation facilities, such as maintenance and rehabilitation of rail rights-of-way and the railroad beds, thereby creating an estimated 30,000 to 35,000 jobs to help put the same number of people back to work. The House conferees were adamant in their position opposing the Senate amendment, because such a program had not yet been authorized even though the Senate amendment provided that the funds would be made available only upon the enactment of authorizing legislation.

The House conferees insisted on their disagreement and, on Wednesday, the full House adopted a motion that the House insist upon its disagreement with the Senate amendment after the House had rejected a preferential motion to concur in the Senate amendment with an amendment which would have provided $200,000,000 for repairing, rehabilitating, and improving railroad roadbeds and facilities. In light of this action, Mr. President, I shall offer a motion for the Senate to recede from its amendment after the disposition of the conference report.

In connection with this matter, however, I call attention to the fact that the Senate Commerce Committee has reported and the Senate has just passed a measure which authorizes a program contemplated by the Senate amendment. This measure is now pending on the Calendar. I also call attention to the membership that the second supplemental appropriations bill, which was reported by the Committee on Appropriations on Wednesday, and is pending on the Calendar, includes an amendment which would provide $700,000,000 for this proposed program. It is expected that this bill will be processed by the Senate in the next few days.

At this point, I yield to my distinguished friend from North Dakota, the ranking minority member of the Committee on Appropriations.

Mr. YOUNG. Mr. President, the distinguished chairman of the Committee on Appropriations has explained the conference report fully. I will support it, although I have some misgivings. The primary reason I am supporting it is because it has some very good provisions in it.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement by the distinguished senior Senator from Nebraska (Mr. HRUSKA), who is absent today.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

STATEMENT OF SENATOR HRUSKA

I oppose adoption of the Report of the Committee of Conference on H.R. 4481, the Emergency Employment Appropriations Act. When this bill was before the Senate for action on April 25, I was among the 14 Senators who voted against its passage.

As a member of the Appropriations Committee, I prefer whenever possible to stand with the Committee. But H.R. 4481 is so flawed both within itself and in relation to the overall federal and national financial situations that I cannot support it.

This measure is labeled an "emergency" act. Congressional overuse of this label is tending to debase its significance. It should not be used as a cover to ram through ill conceived and inadequately processed legislation. The nation's economic plight is too serious for us to indulge in passing so-called "emergency" bills whose consequences for the economy could well be contrary to the effects sought. I am concerned particularly about appropriating funds which may be injected into the economy some months and possibly years ahead when the economic situation then would call for restraint in federal spending.

President Ford requested additional funds over two months ago which amounted to $2,042.7 million:

	Million
Temporary employment assistance	$1,625.0
Summer youth employment	412.7
U.S. Railway Association administrative expenses	5.0
Total	2,042.7

The House of Representatives and the Senate more than doubled the President's request by pulling from federal departments and agencies information on programs and funding levels with employment generating potential. It is important that we distinguish clearly between the President's request and the amounts dredged up from the agencies by the House and Senate Appropriations Committee. The normal Executive Branch processes of advocacy, screening and final selection, which are integral parts of the federal budget process, were largely bypassed in Congressional pyramiding above the President's original request.

As a member for many years of the Senate Appropriations Committee, I have experienced my share of frustrations with federal budget making. But the process can be effective in informing the Congress how best to achieve economic and social goals through a myriad of spending actions, *provided* the process is given an opportunity to work.

In testimony before the Senate Appropriations Committee last March 17, Mr. James T. Lynn, Director of the Office of Management and Budget, reviewed precisely and in considerable detail the Administration's many concerns with the amounts added by the House. He pleaded for not exceeding the President's original request both as to amounts and programs. All factors were discussed including impact on the deficit, various risks associated with public employment programs, effects of then pending tax cuts, lags in public works programs, and the general difficulties of economic forecasting.

Judged by the recommendations of the Senate Committee and the action of the Senate on April 25, Mr. Lynn's efforts were largely in vain. I regret very much that we could not find a way to respond quickly to the President's original request. Then in a more orderly and systematic way through action on the supplemental and regular appropriations bills, we could have sought genuinely effective ways to combat recession without risking more inflation in the future and an even more serious recessionary situation than now confronts us.

Finally, I remind my colleagues that the Senate has agreed to the conference report on the First Concurrent Resolution under the new budget reform procedures. We have agreed to total outlays, total new budget authority, a deficit level, a recommended level of federal revenues and an appropriate public debt limit for Fiscal Year 1976. Needless to say, we cannot have it both ways. We cannot adopt this conference report recommending appropriations of more than $5 billion and continue in this fashion through the numerous appropriation bills still to come before us, and stay within the total budgetary and fiscal figures which we have set.

Mr. MAGNUSON. Mr. President, I will make some brief remarks on the adoption of the Labor-HEW chapter of the 1975 Emergency Employment Appropriations Act supplemental, H.R. 4481, by the committee on conference.

The total amount we agreed to in chapter IV is $2,318,150,000. This is an increase of $280,450,000 over the budget requests and $66,650,000 over the House allowance. The biggest item, $1,625,000,000 for public service jobs requested by the administration, was not a matter for discussion in conference, since both House and Senate had previously agreed to this amount.

Overall, the Senate amendments in conference fared well. The Senate was successful in sustaining nearly 60 percent of its increases, taking into account two items which the House agreed to include in the upcoming second supplemental bill: $3,000,000 for the national youth sports program and $10,000,000 for the emergency energy conservation services program.

The Senate conferees succeeded in obtaining a $44 million increase in the summer youth jobs program, for a total of $456 million. This will amount to a 10 percent increase over last year's level in jobs for disadvantaged youth. Approximately 840,000 jobs will be available, compared to 760,000 last year. This should help reduce the staggering 40 percent unemployment rate now being faced by disadvantaged youth.

The House agreed with the Senate to continue the summer youth recreation and transportation programs, providing last year's level of funding, $15,300,000 and $1,700,000, respectively. The original House bill would have abolished these programs.

The House conferees agreed to $30 million for jobs for the elderly programs, an increase of $6 million over the original House bill. Together with the $12 million already appropriated for fiscal year 1975 which the administration has not yet spent, about 12,700 jobs for low-income persons aged 55 and over will be supported.

The House also agreed to Senate language which would avoid layoffs in the Operation Mainstream program, including Green Thumb and Senior Aides projects. It is the intent of this language to permit all States to operate at their full title IX formula, or "hold harmless" level, whichever is higher, for several months into fiscal year 1976. With fiscal year 1976 appropriations that will be included in the regular bill, it is our intent to provide the necessary funding to at least maintain this level for the remainder of fiscal year 1976. This is not intended to preclude the Department from entering into contracts with organizations seeking to operate new Older Americans Jobs programs, such as minority groups, which might necessitate shortening the period that existing projects could be forward-funded into fiscal year 1976.

Hopefully, we will be able to significantly expand Jobs for Older Americans programs in fiscal year 1976. No segment of our population is more deserving of our assistance, since the elderly have been the hardest hit by the combined impact of double-digit inflation and recession. I am submitting for the record a table showing the amounts each State would receive from the $42 million to be available if this bill is enacted, guaranteeing the highest of either the "hold harmless" or title IX formula distribution levels. I am also submitting a table summarizing the Labor-HEW chapter of this bill.

For the Department of HEW, both the House and the Senate had previously agreed to provide in this supplemental $119,800,000 for 250,000 college work-study jobs and $70,000,000 for the work incentive program. The House conferees, however, agreed to Senate language which would allow States to be reimbursed for the Federal share of 1974 work incentive program costs. The House also agreed with Senate language to allow the carryover of surplus student basic opportunity grant funds. This will increase the average student grants next fall from $700 to $785.

Mr. President, I believe it is vital that we act quickly to pass this bill. Time is already running out for local sponsors to be able to plan and effectively utilize funds for Summer Youth programs. Any further delay and it will be too late. Unemployment is at its highest rate in 34 years, and appears to be getting worse. We must act immediately to provide the funds and jobs to turn our economy around.

Mr. President, I urge adoption of chapter IV of the 1975 Emergency Employment Appropriations Act bill.

Mr. President, I ask unanimous consent to have printed in the RECORD the tables to which I made reference.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TITLE IX—OLDER AMERICANS ACT, FISCAL YEAR 1975, APPROPRIATION DISTRIBUTION

State	Slots	Funding at highest of formula or hold harmless level
Alabama	201	575,617
Alaska	63	180,417
Arizona	117	335,060
Arkansas	460	1,317,332
California	1,125	3,221,737
Colorado	117	335,060
Connecticut	181	518,341
Delaware	63	180,417
District of Columbia	100	286,376
Florida	617	1,766,943
Georgia	238	681,576
Guam	31	88,776
Hawaii	63	180,417
Idaho	63	180,417
Illinois	639	1,829,946
Indiana	461	1,320,196
Iowa	185	529,796
Kansas	144	412,382
Kentucky	291	833,356
Louisiana	188	538,388
Maine	91	260,602
Maryland	200	572,753
Massachusetts	359	1,028,092
Michigan	461	1,320,196
Minnesota	589	1,686,758
Mississippi	129	369,425
Missouri	333	953,634
Montana	130	372,289
Nebraska	107	306,423
Nevada	63	180,417
New Hampshire	63	180,417
New Jersey	465	1,331,651
New Mexico	63	180,417
New York	1,118	3,201,691
North Carolina	275	787,535
North Dakota	116	332,196
Ohio	591	1,692,486
Oklahoma	230	658,666
Oregon	290	830,492
Pennsylvania	764	2,187,917
Puerto Rico	110	315,014
Rhode Island	75	214,782
South Carolina	130	372,289
South Dakota	171	489,704
Tennessee	236	675,848
Texas	619	1,772,671
Utah	118	337,924
Vermont	82	234,828
Virginia	306	876,312
Virgin Islands	31	88,776
Washington	194	555,570
West Virginia	173	495,431
Wisconsin	512	1,466,248
Wyoming	63	180,417
American Samoa	31	88,776
Trust Territories	31	88,776
Total	14,666	42,000,000

Note: This is a test distribution and does not represent a commitment by the department.

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CHAPTER IV, EMERGENCY EMPLOYMENT APPROPRIATION ACT, 1975—LABOR-HEW-RELATED AGENCIES

	Budget request	House bill	Senate bill	Conference agreement
Department of Labor:				
Public service jobs	$1,625,000,000	$1,625,000,000	$1,625,000,000	$1,625,000,000
Summer youth jobs	412,700,000	412,700,000	500,000,000	456,350,000
Summer youth transportation			2,300,000	1,700,000
Jobs for the elderly		24,000,000	36,000,000	30,000,000
Department of HEW:				
College work-study jobs		119,800,000	119,800,000	119,800,000
Work incentives		70,000,000	70,000,000	70,000,000
Related agencies:				
Summer youth sports and recreation			29,000,000	15,300,000
Emergency energy conservation services			10,000,000	
Total	2,037,700,000	2,251,500,000	2,392,100,000	2,318,150,000

Mr. BROOKE. Mr. President, the pending conference report on the Emergency Employment Act supplemental appropriation is designed to strengthen the Nation in its battle against the worst unemployment since the beginning of World War II.

Both the House and the Senate agreed to provide $1.625 billion for public service jobs, more money to employ the old and the young and funds to expand a work-study program for college students.

These and other provisions are included in the section of the bill developed by our Labor-HEW Subcommittee where I serve as ranking minority member. I want to compliment our chairman, Senator MAGNUSON, for his leadership in our conference with the House. I believe we did well because of his efforts.

For example, we succeeded in adding $44 million for the summer jobs for youth program for a total of $456 million. This will provide about 840,000 jobs as against 760,000 provided last year.

All of us know how vital this program is, particularly in large urban areas. Moreover, our consciences will not permit us to neglect the employment needs of our young people who suffer under a 40 percent jobless rate.

In this regard, the conference report also provides $15.3 million, the same level as last year, for the summer youth recreation program, and $1.7 million to transport young people to and from recreation sites and summer jobs.

I am particularly pleased the House agreed to a portion of my amendment to increase funds for a program of part-time jobs for low-income workers age 55 and older.

The amount added in conference is $6 million, which together with $24 million provided by the House and $12 million previously appropriated provide a program level of $42 million.

The $42 million will create about 12,700 jobs for the elderly who too often are the last hired and the first fired during periods of economic downturn.

The House also agreed to our amendment to prevent layoffs in the Operation Mainstream portion of the older workers program while assuring that others who are participating, or will participate, in the program do not suffer as a result.

It is our intention that this mantle of protection for all parts of the program be maintained for up to 9 months of the new fiscal year with the funds available in this bill. After that it is our further intention to maintain at least that level of operations for the remaining months of fiscal 1976 through funds available in the Labor Department appropriation for the coming fiscal year.

I am glad the House also agreed to our amendment to the work incentive program which is funded at the $70 million level in this bill. The amendment permits States to be reimbursed from the $70 million for fiscal 1974 expenses in excess of the grants they received for that year.

Another amendment agreed to by the House permits the carryover of surplus basic opportunity grant money for college students. This action will swell the average grant available to students next fall from $700 to $785.

Our bill also provides $119.8 million for the college work-study program which, like the appropriation for public service jobs, was not a matter of dispute between the two Houses.

I believe our chapter of this bill will make an important contribution to alleviating the unemployment that presently afflicts our Nation.

I urge the adoption of chapter IV of the conference report.

Mr. PACKWOOD. Mr. President, I am not convinced that this emergency employment appropriations bill is the most efficient use of funds for stimulating employment. To quote a senior member of the House Appropriations Committee, the bill is "ineffective at best, and counterproductive at worst" in terms of putting people to work. It appears to me that too large a portion of the funds are used for dead-end jobs.

The Budget Act which passed overwhelmingly in both the Senate and the House last year intended that we have better, clearer controls on spending. If we are going to practice what we preach, we must learn that deficit spending and inflation are prime causes of unemployment. There comes a point when job-creation by fattening the bureaucracy only leads to more inflation and ultimately more unemployment, and is contrary to the spirit of fiscal responsibility.

Mr. President, I voted against the Senate version of the bill as being beyond acceptable limits of government spending. I will vote against the conference report for the same reason.

Mr. McCLELLAN. Mr. President, are there other Senators who wish recognition before I proceed?

Mr. President, I ask unanimous consent that a table showing the conference action on the emergency employment appropriation bill, H.R. 4481, with comparisons to the House and Senate bills be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

CONFERENCE SUMMARY—EMERGENCY EMPLOYMENT APPROPRIATIONS BILL, H.R. 4481

[In dollars]

Department or activity	Budget estimates, 1975	House bill	Senate bill	Conference agreement	Increase (+) or decrease (−), Conference agreement compared with— Budget estimate	House bill	Senate bill
TITLE I							
CHAPTER I							
DEPARTMENT OF AGRICULTURE							
Farmers Home Administration:							
Agricultural credit insurance fund:							
Soil conservation loans (watershed)		(35,000,000)	(35,000,000)	(35,000,000)	(+35,000,000)		
Operating loans		(150,000,000)	(150,000,000)	(150,000,000)	(+150,000,000)		
Rural water and waste disposal grants		150,000,000	150,000,000	150,000,000	+150,000,000		
Rural development insurance fund:							
Water and sewer facility loans		(300,000,000)	(300,000,000)	(300,000,000)	(+300,000,000)		
Salaries and expenses		6,500,000	6,500,000	6,500,000	+6,500,000		
Soil Conservation Service:							
Watershed and flood prevention operations		106,000,000	106,000,000	106,000,000	+106,000,000		
Resource conservation and development		8,750,000	8,750,000	8,750,000	+8,750,000		
Total, Chapter I:							
New budget (obligational) authority		271,250,000	271,250,000	271,250,000	+271,250,000		
Direct and insured loan level		(485,000,000)	(485,000,000)	(485,000,000)	(+485,000,000)		
CHAPTER II							
ENVIRONMENTAL PROTECTION AGENCY							
Abatement and control		350,000	175,000	175,000	+175,000	−175,000	
VETERANS' ADMINISTRATION							
General works programs		70,755,000	70,755,000	70,755,000	+70,755,000		
Total, chapter II: New budget (obligational) authority		71,105,000	70,930,000	70,930,000	+70,930,000	−175,000	
CHAPTER III							
DEPARTMENT OF THE INTERIOR							
BUREAU OF LAND MANAGEMENT							
Management of lands and resources		6,548,000	6,548,000	6,548,000	+6,548,000		
Construction and maintenance		5,295,000	5,295,000	5,295,000	+5,295,000		
Public lands development roads and trails (appropriation to liquidate contract authority)		(2,462,000)	(2,462,000)	(2,462,000)	(+2,462,000)		
Total, Bureau of Land Management		11,843,000	11,843,000	11,843,000	+11,843,000		
U.S. FISH AND WILDLIFE SERVICE							
Construction and anadromous fish		21,496,000	24,647,000	23,066,000	+23,066,000	+1,570,000	−1,581,000
NATIONAL PARK SERVICE							
Operation of the national park system		5,700,000	5,700,000	5,700,000	+5,700,000		
Planning and construction		22,100,000	29,361,000	26,880,000	+26,880,000	+4,780,000	−2,481,000
Road construction (appropriation to liquidate contract authority)		(12,700,000)	(14,650,000)	(13,900,000)	(+13,900,000)	(+1,200,000)	(−750,000)
Total, National Park Service		27,800,000	35,061,000	32,580,000	+32,580,000	+4,780,000	−2,481,000
U.S. Geological Survey							
Surveys, investigations, and research			1,500,000	750,000	+750,000	+750,000	−750,000
Mining Enforcement Safety Administration							
Salaries and expenses			2,775,000	1,250,000	+1,250,000	+1,250,000	−1,525,000
Bureau of Indian Affairs							
Operation of Indian programs		5,000,000	10,000,000	7,500,000	+7,500,000	+2,500,000	−2,500,000
Construction		7,896,000	7,896,000	7,896,000	+7,896,000		
Road construction (appropriation to liquidate contract authority)		(12,000,000)	(12,000,000)	(12,000,000)	(+12,000,000)		
Total, Bureau of Indian Affairs		12,896,000	17,896,000	15,396,000	+15,396,000	+2,500,000	−2,500,000
Total, Department of the Interior		74,035,000	93,722,000	84,885,000	+84,885,000	+19,687,000	
Appropriation to liquidate contract authority		(27,162,000)	(29,112,000)	(28,362,000)	(+28,362,000)	(+1,200,000)	(−750,000)
RELATED AGENCIES							
DEPARTMENT OF AGRICULTURE							
Forest Service							
Forest protection and utilization:							
Forest land management		56,080,000	56,580,000	56,580,000	+56,580,000	+500,000	
Forest research			1,500,000				−1,500,000
State and private forestry cooperation		1,000,000	1,000,000	1,000,000	+1,000,000		
Total, forest protection and utilization		57,080,000	59,080,000	57,580,000	+57,580,000	+500,000	−1,500,000
Construction and land acquisition		18,000,000	21,000,000	19,500,000	+19,500,000	+1,500,000	−1,500,000
Youth Conservation Corps		10,000,000	15,000,000	10,000,000	+10,000,000		−5,000,000
Forest roads and trails (appropriation to liquidate contract authority)		(56,000,000)	(56,000,000)	(56,000,000)	(+56,000,000)		
Total, Forest Service		85,080,000	95,080,000	87,080,000	+87,080,000	+2,000,000	−8,000,000
Health Services Administration							
Indian health facilities		12,574,000	22,453,000	17,676,000	+17,676,000	+5,102,000	−4,777,000
National Foundation on the Arts and the Humanities							
Salaries and expenses			5,000,000	3,000,000	+3,000,000	+3,000,000	−2,000,000
Total, related agencies		97,654,000	122,533,000	107,756,000	+107,756,000	+10,102,000	−14,777,000
Appropriation to liquidate contract authority		(56,000,000)	(56,000,000)	(56,000,000)	(+56,000,000)		
Total, ch. III:							
New budget (obligational) authority		171,689,000	216,255,000	192,641,000	+192,641,000	+20,952,000	−23,614,000
Appropriations to liquidate contract authority		(83,162,000)	(85,112,000)	(84,362,000)	(+84,362,000)	(+1,200,000)	(−750,000)

CONFERENCE SUMMARY—EMERGENCY EMPLOYMENT APPROPRIATIONS BILL, H.R. 4481—Continued

[In dollars]

Department or activity	Budget estimates, 1975	House bill	Senate bill	Conference agreement	Increase (+) or decrease (—), Conference agreement compared with— Budget estimate	House bill	Senate bill
CHAPTER IV							
DEPARTMENT OF LABOR							
Manpower Administration							
Comprehensive manpower assistance		412, 700, 000	502, 300, 000	458, 050, 000	+458, 050, 000	+45, 340, 000	—44, 250, 000
Community service employment for older Americans		24, 000, 000	36, 000, 000	30, 000, 000	+30, 000, 000	+6, 000, 000	—6, 000, 000
Temporary employment assistance	2, 037, 700, 000	1, 625, 000, 000	1, 625, 000, 000	1, 625, 000, 000	—412, 700, 000		
Total, Department of Labor	2, 037, 700, 000	2, 061, 700, 000	2, 163, 300, 000	2, 113, 050, 000	+75, 350, 000	+51, 350, 000	—50, 250, 000
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE							
Office of Education							
Higher education		119, 800, 000	119, 800, 000	119, 800, 000	+119, 800, 000		
SOCIAL AND REHABILITATION SERVICE							
Work incentives		70, 000, 000	70, 000, 000	70, 000, 000	+70, 000, 000		
Total, Department of Health, Education, and Welfare		189, 800, 000	189, 800, 000	189, 000, 000	+189, 800, 000		
RELATED AGENCIES							
Community services program			39, 000, 000	15, 300, 000	+15, 300, 000	+15, 300, 000	—23, 700, 000
Total, related agencies			39, 000, 000	15, 300, 000	+15, 300, 000	+15, 300, 000	—23, 700, 000
Total, chapter IV: New budget (obligational) authority	2, 037, 700, 000	2, 251, 500, 000	2, 392, 100, 000	2, 318, 550, 000	+280, 450, 000	+66, 650, 000	—73, 950, 000
CHAPTER V							
DEPARTMENT OF DEFENSE—CIVIL							
DEPARTMENT OF THE ARMY							
Corps of Engineers—Civil							
Construction, general		58, 055, 000	226, 350, 000	226, 350, 000	+226, 350, 000	+168, 295, 000	
Flood control, Mississippi River and tributaries			25, 000, 000	25, 000, 000	+25, 000, 000	+25, 000, 000	
Operation and maintenance, general		48, 000, 000	22, 405, 000	22, 405, 000	+22, 405, 000	—25, 595, 000	
Total, Corps of Engineers, Civil		106, 055, 000	273, 755, 000	273, 755, 000	+273, 755, 000	+167, 700, 000	
DEPARTMENT OF THE INTERIOR							
Bureau of Reclamation							
General investigations			3, 500, 000				—3, 500, 000
Construction and rehabilitation		9, 600, 000	42, 920, 000	42, 920, 000	+42, 920, 000	+33, 320, 000	
Upper Colorado River storage project			2, 450, 000	2, 450, 000	+2, 450, 000	+2, 450, 000	
Colorado River Basin project			2, 400, 000	2, 400, 000	+2, 400, 000	+2, 400, 000	
Appropriation to liquidate contract authority			(8, 000, 000)	(8, 000, 000)	(+8, 000, 000)	(+8, 000, 000)	
Operation and maintenance		2, 300, 000	2, 300, 000	2, 300, 000	+2, 300, 000		
Loan program			1, 600, 000	1, 600, 000	+1, 600, 000	+1, 600, 000	
Total, Bureau of Reclamation		11, 900, 000	55, 170, 000	55, 170, 000	+55, 170, 000	+43, 270, 000	
Total, chapter V:							
New budget (obligational) authority		117, 955, 000	328, 925, 000	325, 425, 000	+325, 425, 000	207, 470, 000	—3, 500, 000
Appropriation to liquidate contract authority			(8, 000, 000)	(8, 000, 000)	(+8, 000, 000)	(+8, 000, 000)	
CHAPTER VI							
DEPARTMENT OF COMMERCE							
Economic Development Administration							
Job opportunities program		375, 000, 000	375, 000, 000	375, 000, 000	+375, 000, 000		
Economic development assistance programs			163, 250, 000	81, 625, 000	81, 625, 000	+81, 625, 000	—81, 625, 000
Administration of economic development assistance programs			3, 500, 000	1, 750, 000	+1, 750, 000	+1, 750, 000	—1, 750, 000
REGIONAL ACTION PLANNING COMMISSIONS							
Regional development programs			42, 000, 000	21, 000, 000	+21, 000, 000	+21, 000, 000	—21, 000, 000
Total, Department of Commerce		375, 000, 000	583, 750, 000	479, 375, 000	+104, 375, 000	+104, 375, 000	—104, 375, 000
RELATED AGENCIES							
SMALL BUSINESS ADMINISTRATION							
Business loan and investment fund		210, 000, 000	210, 000, 000	210, 000, 000	+210, 000, 000		
Disaster loan fund		175, 000, 000	175, 000, 000	175, 000, 000	+175, 000, 000		
Total, Small Business Administration		385, 000, 000	385, 000, 000	385, 000, 000	+385, 000, 000		
Total, chapter VI: New budget (obligational) authority		760, 000, 000	868, 750, 000	864, 375, 000	+864, 375, 000	+104, 375, 000	—104, 375, 000
CHAPTER VII							
DEPARTMENT OF THE TREASURY							
Office of the Secretary		2, 000, 000	2, 000, 000	2, 000, 000	+2, 000, 000		
Federal Law Enforcement Training Center, salaries and expenses		3, 500, 000	250, 000	250, 000	+250, 000	—3, 250, 000	
Bureau of Alcohol, Tobacco, and Firearms		6, 500, 000	6, 500, 000	6, 500, 000	+6, 500, 000		
U.S. Customs Service		52, 900, 000	24, 300, 000	52, 900, 000	+52, 900, 000		+28, 600, 000
Construction, border stations		3, 175, 000	3, 175, 000	3, 175, 000	+3, 175, 000		
Internal Revenue Service:							
Accounts collection and taxpayer service		5, 000, 000	5, 000, 000	5, 000, 000	+5, 000, 000		
Compliance		400, 000	400, 000	400, 000	+400, 000		
U.S. Secret Service		6, 500, 000	3, 600, 000	5, 050, 000	+5, 050, 000	1, 450, 000	+1, 450, 000
Total, Treasury Department		79, 975, 000	45, 225, 000	75, 275, 000	+75, 275, 000	4, 700, 000	+30, 050, 000
U.S. POSTAL SERVICE							
Payment to the Postal Service fund		900, 000, 000		100, 000, 000	100, 000, 000	—800, 000, 000	+100, 000, 000
INDEPENDENT AGENCIES							
General Services Administration							
Federal buildings fund:							
Construction		25, 000, 000	25, 000, 000	25, 000, 000	+25, 000, 000		
Alterations and major repairs		340, 000, 000	340, 000, 000	340, 000, 000	+340, 000, 000		
Real property operations		100, 000, 000	75, 000, 000	75, 000, 000	+75, 000, 000	—25, 000, 000	
Total, Federal buildings fund		465, 000, 000	440, 000, 000	440, 000, 000	+440, 000, 000	—25, 000, 000	
General supply fund		280, 000, 000	66, 100, 000	66, 100, 000	+66, 100, 000	—213, 900, 000	
Total, General Services Administration		745, 000, 000	506, 100, 000	506, 100, 000	+506, 100, 000	—238, 900, 000	
Total, chapter VII: New budget (obligational) authority		1, 724, 975, 000	551, 325, 000	681, 375, 000	+681, 375, 000	1, 043, 600, 000	+130, 050, 000
CHAPTER VIII							
DEPARTMENT OF TRANSPORTATION							
Federal Railroad Administration			700, 000, 000				—700, 000, 000
RELATED AGENCY							
U.S. Railway Association	5, 000, 000	5, 000, 000	5, 000, 000	5, 000, 000			
Total, chapter VIII: New budget (obligational) authority		5, 000, 000	705, 000, 000	5, 000, 000			—700, 000, 000
Grand total:							
New budget (obligational) authority	2, 042, 700, 000	5, 373, 474, 000	5, 504, 535, 000	4, 729, 146, 000	+2, 686, 446, 000	—644, 328, 000	—775, 389, 000
Direct and insured loan level		(485, 000, 000)	(485, 000, 000)	(485, 000, 000)	(+485, 000, 000)		
Appropriations to liquidate contract authority		(83, 162, 000)	(93, 112, 000)	(92, 362, 000)	(+92, 362, 000)	(+9, 200, 000)	(—750, 000)

Mr. McCLELLAN. Mr. President, unless some other Senator wishes to make comment or statements on this conference report, if there are no questions, I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. McCLELLAN. Mr. President, I ask that the amendments in disagreement be laid before the Senate.

The PRESIDING OFFICER. The clerk will state the amendments in disagreement.

The assistant legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 8 to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the sum named in said amendment, insert: $750,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 9 to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the sum named in said amendment, insert: $1,250,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 37 to the aforesaid bill and concur therein with an amendment, as follows:

In lieu of the sum named in said amendment, insert: $1,000,000

Resolved, That the House insist on its disagreement to the amendment of the Senate numbered 61 to the aforesaid bill.

Mr. McCLELLAN. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 8, 9, and 37.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arkansas.

The motion was agreed to.

The PRESIDING OFFICER. The clerk will state the remaining amendment in disagreement.

The assistant legislative clerk read as follows:

Resolved, That the House insist on its disagreement to the amendment of the Senate numbered 61 to the aforesaid bill.

Mr. McCLELLAN. Mr. President, I move that the Senate recede from its amendment No. 61.

The motion was agreed to.

ORDER FOR NO ROLLCALL VOTES PRIOR TO 4 P.M. ON MONDAY, MAY 19, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent on Monday there be no rollcall votes prior to the hour of 4 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONTINUANCE OF CIVIL GOVERNMENT FOR THE TRUST TERRITORY OF THE PACIFIC ISLANDS

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 326.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill to amend section 2 of the act of June 30, 1954, as amended, providing for the continuance of civil government for the Trust Territory of the Pacific Islands, as follows:

Page 1, line 7, strike out "$65,650,000:"." and insert: "$75,000,000"."

Mr. ROBERT C. BYRD. Mr. President, the purpose of S. 326 is to increase the authorization ceiling for fiscal year 1975 for the activities of the civil government of the Trust Territory of the Pacific Islands and to authorize the appropriation of $1,500,000 to fund the transition of the Mariana Islands District from the Trust Territory government to a new commonwealth status as a territory of the United States if such new status is approved by the Congress.

The Committee on Interior and Insular Affairs, which has jurisdiction over the administration and status of the Trust Territory reported S. 326 as an emergency bill to provide needed fuel and medical supplies. As reported from the committee, S. 326 did not include several items requested by the Department. The committee was concerned over the public works-capital improvement program on Micronesia, and elected to report those items which were critically needed for health and safety and defer other items until after a series of oversight hearings could be held.

The committee has no objection to the additional sums added by the House. They are in agreement that new field trip ships are needed and have been assured that the deficiencies observed in the prototype *Micronesian Princess* have been corrected.

As a result of the oversight hearings, the Department of the Interior is establishing a task force on the Trust Territory of the Pacific Islands. This task force will hopefully provide the Congress with the information which we need if we are to fulfill our obligations under the trusteeship agreement and provide for the welfare of the Micronesian peoples.

Mr. President, I ask unanimous consent that a copy of a letter from the Acting Director of Territorial Affairs to the chairman of the Committee on Interior and Insular Affairs be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C. May 8, 1975.

Hon. HENRY M. JACKSON,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is to advise you that the Department of the Interior is establishing, under the chairmanship of the Director of Territorial Affairs, a Task Force on the Trust Territory of the Pacific Islands. The Task Force will have wide ranging duties and will be made up of representatives from the Office of Program and Budget, Office of Management, Bureau of Reclamation, and Office of Audit and Investigation. Representatives of other interested agencies of the Department and Executive Branch will be brought into the work of the Task Force on an as needed basis. Task Force duties will include:

1. Assessing the adequacy of existing capital improvements,
2. Reviewing Trust Territory capital improvement program for the years 1975 through 1980 with an eye toward overall program objectives and project priorities,
3. Assessing contracting procedures.
4. Investigating acquisition and use of foreign excess property,
5. Reviewing the current Departmental and Trust Territory action regarding Trust Territory property recordkeeping and accountability and financial management systems and
6. Recommending personnel training procedures for continued infrastructure maintenance.

As you may be aware, we anticipate that Mr. Fred M. Zeder will soon be the new Director of Territorial Affairs. As such, he will be chairman of the Task Force on the Trust Territory of the Pacific Islands. His initial trip to the Trust Territory, presently scheduled for late May 1975, will be devoted in large part to reviewing the capital improvement program. It is projected that persons representing a number of disciplines will accompany Mr. Zeder.

Due to the urgent need for a FY 1976 Trust Territory authorization, the Task Force will issue an initial report devoted to the FY 1976 CIP. In the meantime, and at the request of Dr. Daniel Dreyfus, we are enclosing the current priority listing of the FY 1976 projects in the lowest 30 percentile of priority with a banding showing the lowest 10 percentile.

Subsequent to issuing its initial report on the FY 1976 projects, the Task Force will address the broader issues under consideration in a more comprehensive report.

Sincerely yours,

EMMETT M. RICE,
Acting Director of Territorial Affairs.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate concur in the amendments by the House.

The motion was agreed to.

ORDER PLACING S. RES. 110 ON THE CALENDAR OF GENERAL ORDERS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Senate Resolution 110, a resolution coming over under the rule and appearing on the calendar entitled "Resolutions and Motions Over, Under the Rule" be placed on the Calendar of General Orders.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 11 A.M. MONDAY, MAY 19, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 11 a.m. on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS ON MONDAY, MAY 19, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday next, after the two leaders or their designees have been recognized under the standing order, there be a period for the transaction of routine morning business of not to exceed 30 minutes with statements limited therein to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO PROCEED WITH THE CONSIDERATION OF S. 846 ON MONDAY, MAY 19, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of routine morning business on Monday next, the Senate proceed to the consideration of Calendar No. 69, S. 846, a bill to authorize the further suspension of prohibitions against military assistance to Turkey, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, would the Chair state the terms of the agreement on that measure, please?

The PRESIDING OFFICER. Four hours on the bill, 1 hour on amendments of the first degree, 30 minutes on amendments to the second degree, and so forth, and it be in the usual form.

Mr. ROBERT C. BYRD. I thank the Chair.

AUTHORIZATION FOR MEASURES TO BE INTRODUCED TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Senators may be authorized to introduce bills and/or resolutions today at any time prior to the hour of 4:30 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene on Monday at 11 a.m. After the two leaders or their designees have been recognized under the standing order there will be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements limited therein to 5 minutes each.

At the conclusion of routine morning business the Senate will proceed to the consideration of S. 846, a bill to authorize the further suspension of prohibitions against military assistance to Turkey, and for other purposes. There is a time agreement on that measure. At least one rollcall vote will occur on final passage of the bill. No rollcall votes will occur prior to the hour of 4 p.m.

As to Tuesday, the Senate will take up H.R. 5899. the supplemental appropriation bill. Rollcall votes will occur on amendments thereto and/or on final passage of that bill. Also S. 182 with respect to the appointment of Alexander P. Butterfield to the retired list of the Regular Air Force will be taken up on Tuesday if not on Monday.

By Wednesday. if other items on the calendar, that I have not mentioned at this point, and which have been cleared for action by that time, have been disposed of, as well as any conference reports—which are privileged matters, of course, and can be called up at any time—and the possible override of a Presidential veto of the surface mining bill, if such veto were to occur, the Senate would then proceed with debate on the military procurement authorization bill.

However, no rollcall votes on the military procurement authorization bill will occur next week. A time agreement has been entered into with respect to the military procurement authorization bill. The major details thereof are as follows:

On Monday, June 2, upon reconvening following the Memorial Day holiday, the Senate will continue with debate on the military procurement authorization bill with no rollcall votes to occur that day.

On Tuesday, June 3, debate on the bill will continue, with the possibility of rollcall votes beginning on amendments, if the general debate has been concluded by that time.

Rollcall votes on amendments to the bill will definitely begin if not on Tuesday, then on Wednesday at no later than the hour of 12 noon.

Final passage of the military procurement authorization bill will occur no later than 6 p.m. on Friday, June 6, which means that final passage can occur earlier, even on Thursday, circumstances permitting.

No nongermane amendments will be in order and no amendments will be in order that are not filed by or before the hour of 6 p.m. on Wednesday, June 4.

The following amendments, and the time allotted on each, are scheduled to be taken up in the order stated:

(a) Ceiling amendment (2 hrs.).

(b) Possible second ceiling amendment (1 hr.).

(c) Counter-force amendment (4 hrs.), with consent already granted for a live quorum without time for the quorum call being charged.

(d) Minuteman III amendment (1½ hrs.).

(e) Site defense amendment (1½ hrs.).

(f) B–1 bomber (2 hrs.).

(g) AWACS (2 hrs.).

(h) SLCM (1 hr.).

(i) AABNCP (1 hr.).

(j) SAM–D (2 hrs.).

(k) C–141 stretch-out (1 hr.).

(l) F–15 (2 hrs.).

(m) Patrol frigates (1 hr.).

(n) Sanguine/Seafarer (1 hr.).

(o) Shipbuilding overruns (1 hr.).

(p) War reserves for allies (1 hr.).

(q) Overall military and civilian manpower levels (1 hr.).

(r) Increase from 13 to 16 divisions (1 hr.).

(s) Increase from 22 to 26 tactical air wings (1 hr.).

(t) Feed and Forage Act (1 hr.).

(u) Any other amendment in the first degree (1 hr.).

(v) Second degree amendments (30 minutes).

ADJOURNMENT UNTIL 11 A.M. MONDAY, MAY 19, 1975

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 11 a.m. on Monday next.

The motion was agreed to; and at 3:40 p.m., the Senate adjourned until Monday, May 19, 1975, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate May 16, 1975:

CORPORATION FOR PUBLIC BROADCASTING

The following-named persons to be members of the Board of Directors of the Corporation for Public Broadcasting for the terms indicated:

For the remainder of a term expiring March 26, 1976:

Robert S. Benjamin, of New York, vice Irving Kristol, resigned.

Virginia Bauer Duncan, of California, vice Thomas B. Curtis, resigned.

For the remainder of a term expiring March 26, 1978:

Amos B. Hostetter, Jr., of Massachusetts, vice Theodore W. Braun, resigned.

For a term expiring March 26, 1980:

Joseph Coors, of Colorado, vice Albert L. Cole, term expired.

Lucius Perry Gregg, Jr., of Illinois, vice James R. Killian, Jr., term expired.

Lillie E. Herndon, of South Carolina, vice Frank Pace, Jr., term expired.

Donald E. Santarelli, of Virginia, vice Robert S. Benjamin, term expired.

W. Allan Wallis, of New York, vice Jack J. Valenti, term expired.

IN THE ARMY

The Army National Guard of the U.S. officers named herein for appointment as Reserve commissioned officers of the Army under the provisions of title 10, United States Code, sections 593(a) and 3392:

To be major general

Brig. Gen. James Sprague Brooks, 562-22-6528, Adjutant General Corps.

Brig. Gen. Clarence Binder Shimer, 239-54-8401, Adjutant General Corps.

To be brigadier general

Col. James Compton Clem, 272–16–2082, Adjutant General Corps.

IN THE MARINE CORPS

The following-named officers of the Marine Corps for temporary appointment to the grade of lieutenant colonel:

Ray D. Ammon
Burk Andrews
Reginald E. Armstrong
Gene E. Bailey
Richard W. Bailey
Ross T. Bailey
Robert M. Balch
Albert P. Barry
Harry L. Bauknight
William R. Belcher
Alphonse A. Bernotas
Jay N. Bibler
Leroy A. Bickley
Malcolm T. Bird
Samuel E. Black
Gordon O. Booth
Gerald W. Boston
Robert L. Bowersox
George H. Braman, Jr.
James B. Brandon III
Robert V. Brennan
Frank J. Breth
Billy R. Bridgewater
Bruce G. Brown
James R. Brown, Jr.
Jimmy L. Brown
James J. Bruce
Charles G. Bryan
William J. Burrows
Orlando L. Busby, Jr.
Robert A. Carnes
William R. Carroll
David L. Cartwright
John A. Chancey
Harold H. Clark
John T. Cline
Carl G. Collins
Donald R. Comer
Daniel B. Cone
Michael H. Conner
Harlan C. Cooper, Jr.
Jimmie A. Creech
Thomas J. Dalzell
Robert L. Daniels
Laurence Delmore III
Clifton L. Deornellas
Albert K. Dixon II
Terry C. Drew
Dave G. Drewelow
David S. Drum
Marcel J. Dube
Edward J. Dyer, Jr.
Henry L. Eisenson
Jerry W. Elliott
Gerald A. Enos
James P. Faulkner
Angelo Fernandez
Donald Festa
Raymond F. Findlay, Jr.
Walter M. Fitts
Charles A. Fleming
John G. Flynn
Joseph F. Flynn
David J. Frie
John R. Fritsch
Louis C. Gapenski
John T. Garcia
James F. Gazzale
Royall W. Geis
Michael S. Gering
Jerrald E. Giles
William Gilfillan III
Alec Gillespie
James E. Givan
Johnny B. Gobble, Jr.
Glen Golden
Edward L. Green
Robert E. Hamilton
Ray L. Hanle, Jr.
Larry B. Hannah
Kenneth P. Harrison
John D. Haynes
Conrad W. Heinzerling
Philip M. Hinkle
Donald B. Hirsch
Normal W. Huddy, Jr.
Earnest Jarvis
Charles M. Johnson
Ward B. Johnson, Jr.
Clyde J. Johnston
Richard K. Joiner
Warren D. Kalas
Charles W. Kappelman
Ronald J. Kaye
Gordon W. Keiser
Floyd H. Keller
Jerry L. Kershner
Denis J. Kiely, Jr
Robert F. King
George A. Kupets
Gerald F. Kurth
Carroll M. Lacroix
Gary M. Larson
Raymond G. Leidich
Francis J. Lennartz IV
James B. Leonard, Jr.
Rodney R. Letchworth
Ronald M. Losee
Francis A. Losik
Morris W. Lutes
James E. Masters
Thomas P. McBrien
Albert J. McCarthy, Jr.
William T. McFall
John J. McMenamin, J
Jack D. McNamara
Thomas F. Meehan
Ben A. Meharg
Robert H. Melville
Frederick H. Menning
Roland S. Merrill
Philip C. Mikkelson
Jce E. Miller
Frank E. Millner
William S. Moriarty
Robert S. Morris, Jr.
Rudolf M. Nebel
Robert V. Nicoll
Edmund P. Noll
Leon E. Obenhaus
Johesph J O'Brien
Thomas R. O'Donnell
Michael G. O'Neill
Victor F. Pacheco
Richard J. Pereira
Thomas J. Power
Roger L. Redelman
John H. Reece
Robert L. Reed
James E. Reilly
William H. Rever, Jr.
Eugene P. Richter, Jr.
James W. Rider
Jon A. Rindfleisch
Edward M. Hingley, Jr.
Rermon J. Rivella
Carson N. Robinson
John A. Rooke
John J. Rozman
Roger K. Ryman
Robert B. Savage, Jr.
Frederick J. Schober
Richard H. Schwartz
Herbert L. Seay
Wiley J. Sellers
William D. Seymour
Thomas H. Shannon
David V. Shutter A.
James D. Simpson
Malcolm E. Smith, Jr.
William J. Smith
Harry L. Solter, Jr.
James P. Souders
James E. Strawn
James D. Strickland, Jr.
James V. Sullivan
Robert E. Swartwood, Jr.
Orson G. Swindle III
Richard E. Theer
Michael W. Tierney
James H. Tinsley
Kenneth R. Town
John M. Tuttle
Leon D. Tyrrell
James M. Updyke
Roger D. Walters
Harold T. Ward, Jr.
Michael J. Wasko, Jr.
Thomas L. Watkins
Edward M. Weber
Herman B. West, Jr.
Marvin A. Westphal
Joel I. Westfall
Robert G. Whaley
Faustin E. Workus, Jr
Richard K. Young
Thornton L. Youngman
Jack R. Zellich

The following named women officers of the Marine Corps for permanent appointment to the grade of lieutenant colonel:

Carol A. Ray
Wanda R. Silvey

The following named officers of the Marine Corps Reserve for temporary appointment to the grade of lieutenant colonel:

John L. Macfarlane
Enos S. Olin

CONFIRMATIONS

Executive nominations confirmed by the Senate May 16, 1975:

IN THE AIR FORCE

The following officer to be placed on the retired list in the grade indicated under the provisions of section 8962, title 10 of the United States Code:

To be general

Gen. Lucius D. Clay, Jr., 263–60–5244FR (major general, Regular Air Force), U.S. Air Force.

IN THE ARMY

The following-named officers for temporary appointment in the Army of the United States to the grade indicated, under the provisions of title 10, United States Code, sections 3442 and 3447:

To be brigadier general

Col. Jack N. Merritt, 446–22–2608, Army of the United States (lieutenant colonel, U.S. Army).

Col. Louis C. Menetrey, 557–32–3536, Army of the United States (major, U.S. Army).

Col. Guy S. Meloy III, 460–64–4230, Army of the United States (lieutenant colonel, U.S. Army).

Col. William J. Hilsman, 500–30–3135, Army of the United States (major, U.S. Army).

Col. Hiram K. Tompkins, 081–32–8409, Army of the United States (lieutenant colonel, U.S. Army).

Col. William B. Burdeshaw, 253–44–4871, Army of the United States (lieutenant colonel, U.S. Army).

Col. Richard D. Lawrence, 452–44–8487, Army of the United States (lieutenant colonel, U.S. Army).

Col. Maxwell R. Thurman, 237–42–0668, Army of the United States (lieutenant colonel, U.S. Army).

Col. Edmund R. Thompson, 579–40–7802, Army of the United States (lieutenant colonel, U.S. Army).

Col. Jack L. Hancock, 232–38–0413, Army of the United States (lieutenant colonel, U.S. Army).

Col. Ernest A. Vuley, Jr., 009–16–4706, Army of the United States (lieutenant colonel, U.S. Army).

Col. Harry M. Roper, Jr., 452–40–7503, Army of the United States (lieutenant colonel, U.S. Army).

Col. Richard W. Anson, 284–20–5381, Army of the United States (lieutenant colonel, U.S. Army).

Col. William E. Carlson, 262–38–1615, Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert L. Wetzel, 519–44–2999, Army of the United States (lieutenant colonel, U.S. Army).

Col. Story C. Stevens, 299–18–3409, Army of the United States (lieutenant colonel, U.S. Army).

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Col. Robert L. Schweitzer, 319-20-1756, Army of the United States (lieutenant colonel, U.S. Army).

Col. Edward C. Peter, 263-60-4591, Army of the United States (lieutenant colonel, U.S. Army).

Col. Weldon F. Honeycutt, 136-22-3792, Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert L. Moore, 223-40-5576, Army of the United Statea (lieutenant colonel, U.S. Army).

Col. Roderick D. Renick, Jr., 341-24-3781, U.S. Army.

Col. John B. Oblinger, Jr., 295-26-3909, Army of the United States (lieutenant colonel, U.S. Army).

Col. Jerry R. Curry, 165-22-9599, Army of the United States (lieutenant colonel, U.S. Army).

Col. John W. Seigle, 286-20-4871, Army of the United States (lieutenant colonel, U.S. Army).

Col. Charles E. Canedy, 020-24-8362, Army of the United States (lieutenant colonel, U.S. Army).

Col. Joseph N. Tenhet, Jr., 225-20-5639, U.S. Army.

Col. Nathaniel R. Thompson, Jr., 183-20-5652, Army of the United States (lieutenant colonel, U.S. Army).

Col. Grayson D. Tate, Jr., 525-55-0510, Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert S. Young, 258-20-9783, Army of the United States (lieutenant colonel, U.S. Army).

Col. Stan R. Sheridan, 564-30-2397, Army of the United States (lieutenant colonel, U.S. Army).

Col. John C. Bard, 369-26-5010, Army of the United States (major, U.S. Army).

Col. Gerald Childress, 225-36-3615, Army of the United States (lieutenant colonel, U.S. Army).

Col. Donald M. Babers, 525-50-5504, Army of the United States (major, U.S. Army).

Col. Robert L. Bergquist, 034-22-3682, Army of the United States (major, U.S. Army).

Col. Maurice D. Roush, 520-22-0514, Army of the United States (lieutenant colonel, U.S. Army).

Col. Elvin R. Heiberg III, 081-32-3110, Army of the United States (lieutenant colonel, U.S. Army).

Col. Tom H. Brain, 199-22-4900, Army of the United States (lieutenant colonel, U.S. Army).

Col. Richard S. Fye, 553-34-6846, Army of the United States (lieutenant colonel, U.S. Army).

Col. Lynwood B. Lennon, 246-46-4571, Army of the United States (lieutenant colonel, U.S. Army).

Col. Albert B. Akers, 410-64-1753, Army of the United States (lieutenant colonel, U.S. Army).

Col. Loyd P. Rhiddlehoover, Jr., 429-42-9238, Army of the United States (lieutenant colonel, U.S. Army).

Col. Phillip Kaplan, 497-20-4986, U.S. Army.

Col. Alan A. Nord, 503-24-3774, Army of the United States (lieutenant colonel, U.S. Army).

Col. Joseph C. Racke, 1[illegible]9-22-6465, Army of the United States (lieutenant colonel, U.S. Army).

Col. John D. Bruen, 359-22-6681, Army of the United States (lieutenant colonel, U.S. Army).

Col. John M. Shea, 021-22-8988, Army of the United States (lieutenant colonel, U.S. Army).

Col. John H. Johns, 420-28-6963, Army of the United States (lieutenant colonel, U.S. Army).

Col. Frank E. Serio, 014-20-3136, Army of the United States (lieutenant colonel, U.S. Army).

Col. William C. Louisell, Jr., 224-52-5192, Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert C. Gaskill, [illegible]24-32-2389, Army of the United States (lieutenant colonel, U.S. Army).

Col. Edward B. Atkeson, [illegible]24-52-6595, Army of the United States (lieutenant colonel, U.S. Army).

Col. William D. Lewis, 402-26-5697, Army of the United States (lieutenant colonel, U.S. Army).

Col. Elton J. Delaune, Jr., 434-38-5898, Army of the United States (lieutenant colonel, U.S. Army).

Col. James E. Freeze, 4[illegible]1-28-8201, Army of the United States (lieutenant colonel, U.S. Army).

Col. Victor A. Defiori, [illegible]71-22-4485, U.S. Army.

Col. William J. Andrews, 236-28-5584, U.S. Army.

To be brigadier general, Women's Army Corps

Col. Mary E. Clarke, 114-14-9578, Army of the United States (lieutenant colonel, U.S. Army).

IN THE NAVY

Vice Adm. Thomas R. Weschler, U.S. Navy, for appointment to the grade of vice admiral on the retired list, pursuant to the provisions of title 10, United States Code.

The following-named officers of the Navy for permanent promotion to the grade of rear admiral:

LINE

Lando W. Zech, Jr.
John B. Berude
Reuben G. Rogerson
Thomas B. Russell, Jr.
Cyril T. Faulders, Jr.
Elmer T. Westfall
Robert P. McKenzie
Paul C. Boyd
Henry P. Glindeman, Jr.
Charles S. Williams, Jr.
James R. Sanderson
Edward P. Travers
Gordon R. Nagler
William H. Ellis
Robert F. Schoultz
Ralph H. Carnahan
Robert H. Blount
Gerald E. Synhorst
Ralph M. Ghormley
Carl T. Hanson
John T. Coughlin
James B. Stockdale
Harold G. Rich
William J. Crowe, Jr.
George P. March
Robert S. Smith
Jeremiah A. Denton, Jr
Richard A. Paddock
Donald P. Harvey
Roy F. Hoffmann
John D. Johnson, Jr.
William H. Harris
Robert K. Geiger
Robert H. Gormley
Kenneth G. Haynes
James H. Foxgrover
Kenneth M. Carr
Ernest E. Tissot, Jr.
Paul A. Peck
William J. Cowhill
Carlisle A. H. Trost
Albert L. Keiln

MEDICAL CORPS

William J. Jacoby, Jr.
Robert G. W. Williams, Jr.
Paul Kaufman
Robert C. Laning
Robert L. Baker
William M. Lukash

SUPPLY CORPS

John C. Shepard
Carlton B. Smith
Thomas J. Allshouse
James E. McKenna
James R. Ahern

CHAPLAIN CORPS

John J. O'Connor

CIVIL ENGINEER CORPS

Robert F. Jortberg

DENTAL CORPS

George A. Besbekos

Rear Adm. Edward W. Cooke, U.S. Navy, having been designated for commands and other duties determined by the President to be within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of vice admiral while so serving.

IN THE AIR FORCE

Air Force nominations beginning Donald C. Anderson, to be first lieutenant, and ending James J. Zbylut, to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 7, 1975.

Air Force nominations beginning Barry S. Abbott, to be second lieutenant, and ending Forest D. Williams, to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 5, 1975.

IN THE NAVY

Navy nominations beginning Donald Lewis Abbey, to be lieutenant commander, and ending Shirley Ann Yucha, to be lieutenant commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 28, 1975.

Navy nominations beginning William B. Branson, to be commander, and ending James A. Carlisle, to be lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 28, 1975.

IN THE MARINE CORPS

Marine Corps nominations beginning Dirk R. Ahle, to be second lieutenant, and ending Charles W. Hehl, to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 28, 1975.

WITHDRAWAL

Executive nomination withdrawn from the Senate May 16, 1975:

NATIONAL FIRE PREVENTION AND CONTROL ADMINISTRATION

John L. Petersen, of Illinois, to be Administrator of the National Fire Prevention and Control Administration, which was sent to the Senate on April 14, 1975.

EXTENSIONS OF REMARKS

INTRODUCTORY STATEMENT FOR GATEWAYS CITIES ASSISTANCE BILL OF 1975

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. WON PAT. Mr. Speaker, today I have introduced legislation which will be known as the Gateway Cities Assistance Act of 1975. This measure has been specifically drafted to authorize Federal assistance to those areas of our country who have high concentrations of foreign-born residents and is especially pertinent in light of the recent influx of over 150,000 refugees from Southeast Asia.

Under the provisions of this measure, any city in the United States or its territories who has 3 percent or more of its total population comprised of non-U.S. citizens who have resided in that locality for 6 months or more can qualify for Federal aid in the amount of $1,000 per person. The funds received will be used by these communities to offset the additional expenditures often required to help permanent resident aliens assimilate in the local population.

Since immigration and refugee policy is set by the Federal Government, I believe it is only fair that the Federal Government assume its just share of the burden local communities face when impacted by large numbers of refugees.

At the present there is no accurate yardstick we can use to measure the effect of refugee policy on so-called Gateway Cities but it is expected to be very considerable. Recently in my own congressional district, the Island of Guam, the impact of thousands of Vietnamese refugees has taxed local resources and placed a burden on the general population despite some vague assurance that the duration of their stay on Guam will be temporary. So great has the concern over refugee policy and its effects on our cities become that Los Angeles, Hawaii, New York, including Guam are all seeking special legislation by the U.S. Congress granting them some degree of control and Federal assistance in this crucial issue.

In many instances, the new immigrants will settle in the first place they arrive in America. This can clearly be seen in the large populations of Asians in Guam, Hawaii, and San Francisco, Los Angeles, and the equally large numbers of Eastern Europeans and islanders from the Caribbean in New York or Miami. While some of these people and the skills and ethnic values they bring with them are highly valued in most gateway cities, including Guam, there have been deep concerns expressed relative to the desirability of some. They will present a challenge to local authorities and a burden on their treasuries. Most of the newcomers do not speak English. Nor are they often prepared to assume a position in the highly technical American society. This bill seeks to provide assistance in insuring a smooth transition with minimum of social and economic disruption in the cities they choose to make their homes.

Consequently, they must be educated to function adequately in their new environment. Additionally, health and social services are also called upon to assist the resident refugees. All this costs money. Large sums come from local treasuries who are often ill-prepared to assume the additional burden.

Enactment of the legislation I have introduced today would provide "Gateway" jurisdictions with badly needed assistance from the Federal Government. I call upon the Congress to give this timely measure early consideration.

Thank you.

THE INTRODUCTION OF A BILL TO REDUCE INTERFERENCE FROM RADIO FREQUENCY ENERGY

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. VANIK. Mr. Speaker, millions of American families own and enjoy watching more than 120 million television sets. In addition, in this country we listen to over 400 million radios and millions of other electronic entertainment devices. However, all these electronic devices are subject to a growing problem called radio frequency interference, or RFI.

Everyone here has no doubt experienced some form of radio frequency interference. A television may suddenly lose its picture to static or "snow" during a favorite program or important newscast. The audio portion may be replaced by a mysterious conversation or by static noise. Strange noises affect radios and other devices, also. Phonographs, stereos, and electric musical instruments are subject to the same sort of interference. Ministers have reported that their public address systems broadcast police calls in the middle of sermons. The problem of radio frequency interference covers the entire spectrum of audio and visual electronic devices.

Mr. Speaker, as this Nation increasingly relies on television and radio as prime methods of communication, it is essential that we work to insure that these media operate free from mechanical and electronic interference. Today I am introducing important consumer legislation that will eliminate 90 percent of all radio frequency interference to all audio and visual electronic equipment. A somewhat similar piece of legislation was introduced in the last Congress by the late Congressman Teague. That bill was designed to clear up RFI in only radio and television receivers. I feel strongly, however, that more encompassing legislation is long overdue to insure troublefree listening and viewing in all audio and visual electronic devices.

The most frequent complaints about RFI come from people who live near amateur and citizen band radio operators. However, radio-frequency energy is generated by many different sources. Microwave ovens, automatic garage door openers, industrial heating equipment, medical and hospital equipment, and millions of amateur, citizens band, marine, and other radio users, are all potential sources of radio-frequency interference. However, each one of these different items, including ham and CB radio, is operating in accordance with FCC regulations. These units are all operating within their licensed, assigned frequencies. They are not at fault in almost all incidences of RFI.

In fact, televisions, radios, and other devices are not manufactured well enough to block out unwanted interference from properly broadcast radio signals. In 90 percent of the incidents of RFI, according to the FCC, the receiver, not the sender, is at fault.

Our atmosphere is flooded by millions of different radio signals, all being emitted at legally prescribed frequencies. For example, AM radio stations broadcast at different frequencies from amateur operators. Each different source of radio-frequency energy, including microwave ovens and automatic garage door devices, sends out a unique, federally regulated signal. It is then up to the receiving unit, such as the television or radio, to discriminate among the many different signals and the one it was intended to receive. All too often, the television or radio receiver does not pick out only its intended signal. A strong, nearby signal from an amateur radio operator or other source is picked up and broadcast over the sound system on top of the regular program. In 9 out of 10 cases this problem could be eliminated by the installation of shielding or filters. The television or radio would then filter out all unwanted transmissions.

In phonographs, stereos, and electric musical instruments, speaker leads and solid state components act as miniature antennas that pick up unwanted signals. These signals are then amplified through the instrument's own amplifier, and broadcast over the speaker, causing radio-frequency interference. In effect, unprotected audio and visual electronic devices act as traps for all sorts of radio signals. Again, RFI can be corrected in most cases by the installation of filtering and shielding components.

Radio frequency interference is indeed a growing problem. In 1974 the Federal Communications Commission received over 42,000 complaints on RFI. In the first 3 months of this year, 75 complaints were referred to the FCC by congressional offices alone. In 9 out of 10 of these complaints the fault lay with the receiver and not the sender. Overall, the number of complaints is up 20 percent since 1970. This number should continue to grow as more and more amateur and citizens band operators are licensed. The FCC has only 400 people in its enforcement force, 5 less than in 1948. The Commission is clearly overburdened by the problem of RFI. In 1974 there were over 119 million television sets in use in the U.S. with so many complaints to contend with, the Commission can do no more today than send out a flier to complaining citizens that explains what corrective steps may be taken in the individual's case. It takes an expensive service call, however, to install the necessary corrective filters.

It would seem only natural that a new television set or other electronic device should work properly. If a ham radio operator moves next door and installs his multiwatt broadcasting equipment, chances are good that interference will develop in the new television. The interference never existed before the ham operated moved in. Therefore, it is only logical to assume that the fault lies with the ham operator's broadcasting equipment. In fact, however, the fault lies with the television. It is not properly shielded and filtered and thus picks up the ham operator's stronger signal next door as well as the area television station broadcast.

Stories of radio frequency interference are frightening. The uninformed consumer will often resort to violence in order to restore his television reception. There have been numerous tales of irate neighbors attacking ham radio transmitting stations with axes. In one case, a neighbor shot down a properly installed and operating antenna with his shotgun. The list goes on and on.

The electronics industry is very reluctant to try to correct the RFI problem itself. The industry reasons that RFI effects less than 1 percent of television owners. This is sheer folly. A look at a map of the locations of amateur and citizens band radio transmitting stations in Arlington, Va., shows that only the National Cemetery is immune from potential sources of RFI. Between 60 percent and 70 percent of the entire population of Arlington is within range of a potential source of RFI.

Arlington is merely representative of a fast-growing problem that is nationwide. The FCC received 148,000 applications for permits for citizen band radio in the month of March alone. It is estimated that the number of citizen band operators is increasing at a rate of 2 million a year. This figure does not include the number of unlicensed operators who are operating good equipment but simply have not bothered to file for a license with the FCC. These so-called illegal operators now number between one and two million, and their number is increasing daily. Each one of these units is a potential source of RFI. The equipment is operating according to FCC specifications but it causes interference to nondiscriminate radio and television receivers.

The industry further contends that even a 50 cent increase in the cost of building a set would dull their competitive edge against other manufacturers. If all manufacturers were required to install the necessary filtering components, however, this problem would be overcome. All manufacturers would be forced to install the same equipment, resulting in an equivalent cost increase in all sets.

This cost increase is minimal. In most cases, RFI can be eliminated by the installation of a simple filtering device. The cost of such a filter to the manufacturer would be pennies. The estimated additional cost to the consumer, after mark-up, for an interference-free phonograph would be 22 cents. It would cost about $2 to install the necessary filters for a stereo phonograph and AM-FM radio. The cost to insulate a television set from unwanted interference would be $5.

These are small sums in comparison with the costs of installing the necessary filters after the consumer has bought a television, installed it in his home and discovered that he only receives static due to interference from a nearby broadcasting station. The average cost of a home service trip alone is $11. The cost of a high pass filter, which is the most common solution, runs from $5 to $10. A labor cost of at least $5 means that television interference cannot be cleared up at home for under $21. Usually this cost runs much more, as anyone who has ever had to call a television repairman can well testify.

The interference-free television is a reality. Grundig, a major German manufacturer of televisions, has already constructed just such a set. The German set, however, was not inspired by any internal motivation. The German National Post Office (DBP), the electronic licensing authority for that country, had earlier announced that it was going to seek legislation that would give it the authority to require manufacturers to reduce the susceptibility of their products to RFI. The parallel is obvious. The same sort of stimulus is necessary in the United States if we are going to resolve the rising problem of RFI due to the rapid increase in properly operating radio transmitters and other sources.

The Federal Communications Commission feels that its hands are tied in dealing with RFI. Currently they are able to regulate the equipment that emits radio frequency energy, but they cannot regulate the receivers, such as the television set or the radio. As a result, there is nothing that can be done to properly protect the consumer from the problem. My legislation would give the FCC the power to regulate the other side of the coin. The FCC would then be able to control interference to both the broadcast and the reception of radio signals.

This legislation is long overdue. There are several factors that underscore its urgency. It is needed in view of the increasing dependency on television and radio as prime communications media. It is needed in view of the increasing reports of violence due to RFI. It is needed to insure the consumer that he will get high quality interference-free equipment for his hard-earned money.

The bill follows:

H.R. 7052

A bill to amend section 302 of the Communications Act of 1934 to authorize the Federal Communications Commission to prescribe regulations with respect to certain electronic equipment that is susceptible to radio frequency energy interference

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 302 of the Communications Act of 1934 (82 Stat. 290; 47 U.S.C. 302a.) is amended as follows:

(1) Subsection (a) of such section is amended—

(A) by inserting "(1)" immediately after "governing" in the first sentence;

(B) by striking out the period at the end of the first sentence and inserting in lieu thereof ", and (2) the use of protective components in audio and visual electronic equipment which are capable of reducing interference to such equipment from radio frequency energy."; and

(C) by striking out "shipment, or use of such devices." in the second sentence and inserting in lieu thereof "or shipment of such devices and electronic equipment or the use of such devices.".

(2) Subsection (b) of such section is amended by striking out "ship, or use devices" and inserting in lieu thereof "or ship devices and electronic equipment or use devices".

(3) Subsection (c) of such section is amended—

(A) by inserting "or electronic equipment" immediately after "devices" wherever such terms appears in the first sentence;

(B) by inserting "and electronic equipment" immediately after "Devices" in the second sentence; and

(C) by striking out "the common objective of reducing interference to radio reception," in the second sentence and inserting in lieu thereof "the objectives of reducing interference to radio reception and to electronic equipment,".

(b) The heading for section 302 of such Act is amended to read as follows:

"INTERFERENCE WITH RADIO COMMUNICATIONS AND ELECTRONIC EQUIPMENT"

THE UNIFORM EMERGENCY TELEPHONE NUMBER: 911

HON. J. EDWARD ROUSH

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. ROUSH: Mr. Speaker, for the benefit of the new Members of the House, I would like to take this opportunity to tell them briefly something about a very important emergency communications capability of which they may not be aware.

I would also like to make a progress report on the same single nationwide emergency telephone number to those Members who have returned to Congress for another term.

I have been advocating improved emergency telephone communications in the Congress since 1967, and I am happy to report that there has been substantial progress in adopting a new system of such emergency communications since then.

In 1967 there were no communities in the United States using a simple three-digit telephone number for securing emergency assistance. To secure such assistance you had to rely on often involved seven-digit numbers or you used possibly one number for police emergency, another number for fire emergency and still another number for ambulance service.

As of December 31, 1974, the latest date for which such figures are available, A.T. & T. had 375 systems in operation serving a population of more than 31,000,000 where the person in need of emergency help simply dials "911." This figure represents an increase during 1974 of 94 systems and an increase in population served of more than 4,250,000.

In addition, the independent telephone industry, as of December 31, 1974, had 130 systems in operation serving a population of more than 2,000,000.

In other words as of last December 31, there were in operation 505 systems serving a total population well in excess of 6 million people.

It is interesting to note too, that the companies, both independent and A.T. & T. as of December 31, 1974 had scheduled more than 100 systems—with a population in excess of 10,000,000—for adoption of the 911 emergency number for the most part in 1975 and 1976.

You may wonder why the use of such a number, with its great potential for providing better fire and police protection and above all for saving human lives, is not more widespread.

The simple answer is that in some communities it is costly, initially, and while we continue to make progress in spreading the program, we must face the reality that many communities are unable to finance these initial costs.

With these problems in mind I have introduced legislation, H.R. 3692, to assist local communities financially with the costs incident to the establishment of the 911 emergency number. I think this is a worthwhile investment and I urge you to give it your support.

CARDINAL MINDSZENTY IS DEAD

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. SYMMS. Mr. Speaker, anti-Communists around the world were deeply saddened by the recent passing of a spiritual and philosophical leader of many years, Cardinal Josef Mindszenty. Few men born into this world endure the persecution and personal suffering experienced by this brave and principled Christian. He was driven into painful exile by the merciless Communists who overran his native Hungary, never to return to the once-free land he loved. The memory of his steadfast courage and conviction will surely inspire for generations to come those. who like Cardinal Mindszenty, will be called upon to stand for virtue rather than bend to the hand of Godless communism. A tribute to this truly great man follows:

CARDINAL MINDSZENTY IS DEAD

(By John Boland)

Josef Cardinal Mindszenty of Hungary, 83, died peacefully in Vienna, Austria, on Tuesday, May 6th, within days of the Feast of St. Joseph the Worker, the Catholic Church's standard-bearer in its struggle against atheistic Communism.

During his long priestly life, the Cardinal suffered many tragedies including imprisonment by the Nazis during World War II and by the Communists who took over his country in 1945. After the abortive Hungarian uprising in 1956, he became a voluntary prisoner in the American Embassy where he remained for 15 years until summoned to Rome by Pope Paul VI.

In 1971 Cardinal Mindszenty settled in Vienna where he could be close to his homeland and administer to the spiritual needs of thousands of Hungarian refugees who had escaped to the West.

When the Vatican relieved him of his duties as Prince Primate of Hungary in early 1974, the Cardinal made it clear that he had not abdicated his office, saying that he could not do so as long as the Catholic Church in Hungary was not free and the hands of the Church administrators were completely controlled by a Communist regime.

Cardinal Mindszenty published his critically acclaimed autobiography, *Memoirs,* last Fall and made a number of worldwide tours to visit his "scattered flock" of Hungarian refugees. During his pastoral tour of the United States in 1974, he was met by huge, cheering crowds from coast to coast.

Up until his death, the Cardinal warned of the dangers of detente with Communism, saying that world leaders must take a strong stand against regimes which persecute religion and deny freedom.

The Cardinal was born in the town of Midszent in 1892, a village where his ancestors had immigrated four centuries before. When Pope Pius XI named him Bishop of Veszprem in 1944 he changed his name from the German-sounding Phem to Mindszenty in order to identify himself as much as possible with Hungary.

He was appointed Primate of Hungary and given his cardinal's hat by Pius XII in 1945 as the shadow of Stalinist terrorism was spreading over the countries of Eastern Europe.

Having suffered imprisonment in 1944 for his opposition to the policies of Nazi-occupation forces in Hungary, he was arrested again in 1948, this time by the Communists. His mock show-trial for alleged espionage and treason caused cries of indignation from leaders around the free world.

The Cardinal was born in the town of Mindszent in 1892, a village where his ancestors had immigrated four centuries before. caused cries of indignation from leaders around the free world.

The next eight years of torture and persecution in Communist prisons are well described in his *Memoirs.* Momentary freedom came in late 1956 when he was released by the Hungarian Freedom Fighters.

After exhausting all pleas to the United Nations and the free world in 1956, the Cardinal was granted asylum in the U.S. mission in Budapest. Many of the young Freedom Fighters who had released him from prison on Oct 30th, 1956, were later killed by the Communists, who held them prisoners until they reached the age for legal execution.

During his 1974 pastoral tour of the United States, the Cardinal met with leaders of the Cardinal Mindszenty Foundation, named in his honor to uphold his principles of combatting atheistic Communism. "Continue fighting," he said. "If you ask me what I recommend that you do today in this world in which we all live, I would like to tell you to keep the Faith."

"Don't be discouraged," he said, "don't be disheartened, keep strong to the principles and God will be with you in the Spirit."

The Cardinal added that the Foundation "has to be and has to act and has to continue fighting."

The Foundation's Executive Director, Eleanor Schlafly, issued a statement shortly after announcement of the Cardinal's death. "We are grieved to learn of our beloved patron's death. He was a great and noble soldier for Christ and a defender of liberty and justice for mankind everywhere. Certainly Cardinal Mindszenty was one of the great men of the twentieth century. His devotion to the principles of freedom of religion inspired the world; his courage in facing persecution and imprisonment made him stronger when it should have weakened him. He was indomitable in facing tyranny. He left an indelible mark on history.

"We of the Cardinal Mindszenty Foundation will fervently continue the work that Cardinal Mindszenty wanted us to do."

FARMERS NEED RELIEF FROM FEDERAL ESTATE TAXES

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. ASHBROOK. Mr. Speaker, during this session of Congress I have introduced two bills that would amend the current Federal estate tax law. These bills are very important to the farmers of our Nation.

H.R. 5232 would raise the estate tax exemption from $60,000 to $120,000. This exemption has not been changed for more than 25 years.

Economic conditions have certainly changed, however. During this period inflation and urban development have caused a sharp increase in land values.

Inflation has eroded the value of the exemption. It has pushed farm estates into higher tax brackets.

As a result, the $60,000 exemption is no longer adequate. When a farmer dies, many families are unable to pay the high estate taxes. They are forced to sell the farm despite their desire to keep it in the family.

This is wrong. It is time that the Congress acted to relieve this increasingly heavy burden on farm families.

I have also introduced H.R. 5131. It would, at the election of the executor, allow a farm estate to be assessed at its value for farming purposes. This is a valuable alternative to present tax policy of valuing land at its highest potential value.

Farmland should be assessed at its value as farmland. Computing the estate tax based on a nonfarm use often forces a family to sell the farm.

I urge the Congress to move on these two important bills. We should help keep the family farm within the family.

"MEANS TEST" CREATES HARDSHIPS FOR ELDERLY RECEIVING SOCIAL SERVICES

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. HEINZ. Mr. Speaker, last year Congress resolved a continuing controversy over the proper provision of social service programs to the aged, blind and disabled when it passed Public Law 93–647, creating a new title XX of the Social Security Act.

Unfortunately, our best intentions often create problems. On recent meetings in my State of Pennsylvania with aged citizens, social service program administrators. and State officials, I have learned that the new social service section, which actually takes effect on October 1, 1975, is already sending shock waves across my State.

Program planners and local groups of aged indicate that as many as 70 percent of the present participants in social services programs—like senior citizens lounges and homemaker services—could be driven away by a negative "means test" which discourages participation. They claim eligibility under the means test is too restrictive, and that the test itself is an indignity which prevents many of those eligible from taking advantage of services offered to them. I do not believe this was congressional intention when we passed the Social Services Act last December.

To correct a constraint on social service commitments that would discourage the aged, blind and disabled participation in programs which are designed to sustain their independence, I have today introduced legislation to eliminate the means test. This bill would also establish a standard for participation similar to those employed under title III and VII of the Older Americans Act, or set by States for use of senior citizens' multipurpose centers. These have no specific income limitations for participation, yet are targeted to aid lower income individuals. From experience in Pennsylvania, I am informed that they work successfully.

Mr. Speaker, I am hopeful that Congress can move swiftly to correct problems that are brewing in social service programs across the country.

GREAT LAKES WATER LEVELS CALL FOR LEGISLATIVE ACTION

HON. THOMAS L. ASHLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. ASHLEY. Mr. Speaker, as is always the case at this time of year, water levels in the Great Lakes are rising as a result of melting snow and spring rain. In my congressional district bordering Lake Erie, this is a recurrent time of flooding of property adjacent to the lake, and many thousands of dollars in damage are suffered each year.

At the end of April, Lake Erie was at an elevation of 572.60 feet above the mean water level, more than 23 inches above the long-term average for April. The lake was also 52 inches above its all-time low monthly mean for April. The Corps of Engineers forecasts that Lake Erie at the end of May will be 2 inches higher.

The National Oceanic and Atmospheric Administration of the U.S. Department of Commerce predicts that Lake Erie will approach record highs in September, above both its long-term and its 10-year average levels. Similar forecasts are made for the other lakes in the system, with all expected to be above long-term and 10-year average levels through September.

Mr. Speaker, there is remedial legislation pending that will offer at least a partial solution to the property loss and human suffering and inconvenience caused each year in low-lying areas along the lakes. I refer to the bills introduced by 50 Members on April 23—H.R. 6297, H.R. 6298, and H.R. 6299—which would authorize the Corps of Engineers to divert water from Lake Michigan into the Illinois Waterway when the Great Lakes levels are above their long-term average monthly level and when the withdrawal would not cause flooding along the Illinois Waterway and the Mississippi River. The legislation would increase the maximum diversion from 3,200 cubic feet per second to 10,000 cubic feet per second, an amount that could reduce water levels in the various lakes from 2 to 3 inches and provide the margin of difference for many property owners.

Mr. Speaker, these measures were introduced under the aegis of the Conference of Great Lakes Congressmen. Passage of such legislation would materially benefit countless homeowners, businesses, and communities in the Great Lakes region, at no cost to the American taxpayers, and I urge early consideration of the diversion authority as a remedy to a persistent and recurring problem for the people whose well-being is affected in the absence of any positive action to lower the water levels in the lakes.

THE VIETNAMESE REFUGEES AND THE REAL AMERICAN SPIRIT

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. CRANE. Mr. Speaker, many harsh words have been said concerning the men, women, and children who have fled from South Vietnam in the face of the Communist takeover of their country and have sought refuge in the United States.

Some Members of Congress have said that there were already "too many Orientals" in their districts. Other legislators have requested that the refugees be sent to any district but the one they represent. Newspaper columnists such as Nicholas von Hoffman have said that the refugees are less than honorable and should not be welcomed to the United States. Most outrageous, perhaps, was the cartoon which appeared in the Washington Star by Oliphant, picturing the Vietnamese refugees standing before the Statue of Liberty as a band of thugs.

The real American spirit, however, is not the one represented by these narrow and ungenerous sentiments. In the end, I am confident that those who have expressed such sentiments will regret their words. At the moment when a man's instincts call for a wholesome response, these individuals indicated that their instincts were not good.

The Washington Star of May 9 published a series of letters from readers criticizing the Oliphant cartoon. One letter came from Representative Bob Wilson of California. He wrote that—

> As an American citizen, I am insulted by the degradation of our national heritage. Our country is made up of many diverse races, brought together in the most unique unification of liberty-minded peoples in the history of the world. To debase the ideals of this land of the free in such a manner is reminiscent of the tactics employed during the days of Hitler and Goebbels.

Also on May 9, the Star published an eloquent column by Smith Hempstone, entitled, "Hostility to Exiles: A National Disgrace." Mr. Hempstone noted that—

> There is no American who is not either an immigrant or the descendant of immigrants. Since 1820, when immigration statistics first were compiled, nearly 45 million exiles have made their way to this land. It may be that among those sad and bewildered people who have lost everything, there is a child at Ft. Chaffee who will grow up to be an Einstein, a Carnegie, a Pulitzer or a Frankfurter . . . none of us owns this land. Each of us holds it in trust for those who will come after us. Many of those Vietnamese who have endured hardship and danger to reach these shores already are better Americans than their misguided detractors.

These letters and this column represent the true American spirit. I wish to share them as they appeared in the Washington Star of May 9 with my colleagues, and insert them into the Record at this time:

CARTOONIST OLIPHANT GETS TEMPEST-TOST

WASHINGTON, D.C.

I am an offspring of a member of the intellectual "privileged classes" (going by Oliphant's cartoon of May 2) who fled from Czechoslovakia after the Communist takeover in 1948. My father was under arrest and probably would have been "exterminated" because he (like Oliphant) exercised his right of freedom of choice. Although I was only 6 at the time, I still remember the tears in his eyes as we arrived as diplaced persons in New York, passing Oliphant's Statute of Liberty, looking with hope toward the freedom and opportunity that America promised.

Now, 25 years later, I am proud to say that my family has served this country well and at no time were we a burden to its system.

I, therefore, was very offended and saddened by Oliphant's narrow-minded and bigoted cartoon.

If it is really true that 54 percent of our population shares Oliphant's opinion, then I'm crying for America.

MARIANNE KABES.

WASHINGTON, D.C.

Your new cartoonist chose to gain a cheap victory by scoring points off helpless victims of armed aggression and inept U.S. policies and actions.

Of course the Vietnamese refugees are not moral paragons! Neither were our immigrant ancestors. In the present instance, there seems to be a drive to rationalize our faults and errors by taking it out on the victims, which I find totally repulsive.

WILLIS C. ARMSTRONG.

DISTRICT HEIGHTS, MD.

To imply that all those frightened and bewildered South Vietnamese refugees are "crooks, pimps and bar girls" is an act of malicious cruelty not befitting our country which has always benefited from the diversity of its peoples, and has always opened its door to the oppressed.

And how dare Oliphant be so sanctimonious! There may indeed be undesirables among them—though were they so viewed when so many of our countrymen availed themselves of their services over there?

S. L. CARSON.

WASHINGTON, D.C.

As an American citizen, I am insulted by this degradation of our national heritage. Our country is great because it is made up of many diverse races, brought together in the most unique unification of liberty-minded peoples in the history of the world. To debase the ideals of this land of the free in such a manner is reminiscent of the tactics employed during the days of Hitler and Goebbels.

I am ashamed of you.

BOB WILSON, R-CALIF.,
Member of Congress.

VIENNA, VA.

The American reaction to the refugees disgusts me, and this cartoon is one of the most wretched of American expressions of the entire American involvement with Vietnam.

JOAN G. WOLFE.

WASHINGTON, D.C.

Oliphant on the Vietnamese refugees can only be regarded as nauseating. The portrayal of these refugees as all being crooks, prostitutes or other loathesome creatures bears no resemblance to the real tragic human beings we see nightly on television and whom many of us know personally. His cartoon simply manifested a kind of vicious racial slur which one hoped this country and responsible newspapers in it would avoid.

JEFFREY B. GAYNER.

ARLINGTON, VA.

Oliphant's cartoon was an insult to the Vietnamese refugees whom, God knows, we should have helped after playing a perfidious Albion to their invaded country. By and large, I believe that most of these refugees are good people. I would rather see them enter the country than to see the millions who are now entering illegally each year and taking jobs from Americans.

OTIS MCCORMICK.

BETHESDA, MD.

I suspect that the political points that Oliphant is trying to make may be respectable, but the form of presentation I find objectionable, and particularly intolerable in a newspaper that is stridently claiming a right to provide needed journalistic balance in the Capital.

ANDREW T. FALKIEWICZ.

ARLINGTON, VA.

Oliphant's cartoon was very funny, but his list of the wretched refuse from Vietnam's teeming shore omitted political cartoonists, than which there is little wretcheder—especially when they are as void of compassion as Oliphant.

ALEXIS A. GILLILAND.

HOSTILITY TO EXILES: A NATIONAL DISGRACE

(By Smith Hempstone)

Those distressingly many voices raised against the admission to this country of perhaps 150,000 South Vietnamese and Cambodian refugees are as crabbed and wrongheaded as they are racist and un-American.

Sure, times are hard, with nearly 9 percent of the work force unemployed. Certainly, all of us want to put the Vietnamese experience behind us and get on to other things, which will be less easy to do while absorbing a new immigrant community. Clearly, there will be some profiteers and bad-hats among the human flotsam.

But these are men, women and children (would we have liked them better had they been orphans?) who threw in their lot with us, believed in us, trusted us, fought in a war which, in large measure, was our war.

Many of them are Christians, who lost everything in the north in 1954, only to lose it again 21 years later.

They, like the 1.7 million Balts, Poles, Germans, Hungarians and Cubans to whom this country has opened its gates and its heart since World War II, are victims of war and refugees from communism.

In God's name, if they do not belong here, in this nation made great by immigrants, where in the world can they hope to find sanctuary?

Even if as many as 200,000 Vietnamese, Cambodians and Laotians were to make their way here, that would still be no more than half the total number of immigrants admitted to the United States every year.

Taking into account that a high proportion of the refugees are women, children and oldsters, those contesting with Americans for jobs will not make even a small dent in a labor force of 84 million. Many of them apparently already have families here and will be absorbed relatively easily.

Indeed, once we have accurate occupational statistics on the refugees, we are likely to find that they, like refugees from other war-torn lands, are in the main middle-class, with marketable skills, and will in the long run prove an asset to this country.

With their strong family ties, individualism, pride, cleanliness and dedication to hard work, the Vietnamese are unlikely either to linger long on welfare rolls or to become part of the crime problem.

Like Chinese and Japanese-Americans, the odds are that most of them, given a little time to adjust and a minimum of compassion, will become among the best citizens we have.

There is no American who is not either an immigrant or the descendant of immigrants (even the Indians came here across the land-bridge from Asia millenia ago). Since 1820, when immigration statistics first were compiled, nearly 45 million exiles have made their way to this land.

The list of immigrants who have made this a stronger and better land for all of us is endless: Albert Einstein, Alexander Graham Bell, Andrew Carnegie. Irving Berlin, Igor Stravinsky, Leopold Stokowski, Thomas Mann, Lin Yutang, Samuel Gompers, Ignor Sikorsky, Joseph Pulitzer, Felix Frankfurter, Knute Rockue.

It may be that among those sad and bewildered people who have lost everything, there is a child at Ft. Chaffee who will grow up to be an Einstein, a Carnegie, a Pulitzer or a Frankfurter.

And let us pray that time will erase from his memory that sign—"Gooks, Go Home!"—waved by some twisted and pitiless person, that disgraced each of us and all that America stands for and really is.

For none of us owns this land. Each of us holds it in trust for those who will come after us. Many of those Vietnamese who have endured hardship and danger to reach these shores already are better Americans than their misguided detractors.

THE BALTIC STATES AND THE EUROPEAN SECURITY CONFERENCE

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. ROSENTHAL. Mr. Speaker, Mr. F. Berzins, of Flushing, N.Y. has requested that I insert the following statement in the Congressional Record so that Members will have an opportunity to become aware of an important concern among Americans of Estonian, Latvian, and Lithuanian nationality.

Without taking a position for or against the merits of the specific proposal made by Mr. Berzins, or of his analysis, I believe his statement deserves proper consideration. Following is his statement:

THE BALTIC STATES

Thirty years ago, on May 7, 1945, the German Army surrendered thus ending World War II in Europe and the Nazi domination. The Nazi tyranny was ended and the various countries of Europe begun the reconstruction of their democratic governments, which were destroyed by the Germans. But unfortunately not all of Europe was freed from foreign influence. The eastern part was occupied by the Red Army of the Soviet Union, which did not allow these countries the freedom they hoped for.

Bulgaria, Czechoslovakia, Hungary, Poland and Rumania had to accept governments subservient to Soviet Union. Very shortly these countries were reduced to a Soviet satellite status, where the Soviet influence was absolute. Completely forgetten by the Western powers, or more accurately betrayed, were the three Baltic states: Estonia, Latvia, and Lithuania. All three of these once independent states were occupied by the Red Army and illegally annexed to the Soviet Union. The western part of Europe was jubilant, because the war has ended, but there was no joy in Estonia, Latvia, and Lithuania. The Nazi occupation was exchanged by the Russian occupation and Communist tyranny. Arrests and deportations immediately followed this "liberation." All basic human rights and freedoms were abolished. Privately owned business enterprises, farms, stores, and even small workshops were nationalized without any compensation. In most cases the previous owners were arrested and deported to the Siberian slave labor camps.

All this happened at the same time, when the United Nation organization issued the great declarations of self-determination and human rights.

After 30 years the Baltic states are still under Russian occupation. All other countries, which temporarily lost their independence during the war have regained it. Although some are in the Soviet sphere of influence, formally they are independent. But Estonia, Lativa, and Lithuania are completely absorbed by the Soviet Union. So the only losers in World War II are these three nations, which were not even participants in the war. A more unjust situation is difficult to imagine. The guilty nation—Germany is a member of United Nations, but the small Baltic Nations are subjected to Russian oppression and exploitation.

This situation needs correction. This can be accomplished in the European Security Conference. The American delegation to this Conference shall demand the freedom for the Baltic states. The Soviet Union shall retreat to the 1939 borders and the independence of the three Baltic states shall be restored.

NATIONAL CEMETERY SITE PROPOSED

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. ANDERSON of California. Mr. Speaker, there are 1,200,000 veterans residing within Los Angeles County. Currently, there are insufficient national cemetery facilities in the area to serve these veterans.

The need for a new site is obvious: Not just to serve the Los Angeles area, but also for the entire State of California. Several sites have been proposed for a new burial ground, and one of the most attractive is located at March Air Force Base, approximately 60 miles from the center of Los Angeles County.

Last month, the Los Angeles County Board of Supervisors endorsed the March AFB site as the preferred location for a national cemetery. The following letter from the County Executive Officer James S. Mize effectively puts forth the reasons for this point of view:

BOARD OF SUPERVISORS,
COUNTY OF LOS ANGELES,
Los Angeles, Calif., April 18, 1975.

EACH MEMBER,
California Congressional Delegation.

DEAR SIR: At its meeting held April 15, 1975, the Board of Supervisors endorsed March Air Force Base as its choice for the site of a new National Cemetery.

The primary consideration for the one million, two hundred thousand veterans residing within Los Angeles County is the accessibility of the new national cemetery. Since the March Air Force Base site lies approximately 60 miles from the center of Los Angeles County, as opposed to over 100 miles distance to the White Wolf Valley site and over 325 miles to the San Luis Reservoir Site, it is unquestionably the most desirable location insofar as the Los Angeles County veterans population is concerned. The March Air Force Base site can be reached by freeway in a matter of one and one-half hours.

Additionally, March Air Force Base, having been actively used as a military post for the past 57 years and identified with some of the most illustrious leaders of our nation's air arm, it is a location of special inherent historical significance and one that holds considerable appeal to veterans of all branches of military service.

The fact that the cemetery site will lie adjacent to an active duty military installation is also appealing to the veteran population and will enhance the aesthetic value of the March Air Force Base National Cemetery site.

Your endorsement of March Air Force Base as the site for a new National Cemetery is respectfully urged.

Very truly yours,

JAMES S. MIZE.

OILMEN PASS UP HUGE AMOUNTS OF OIL LEFT IN OLD FIELDS

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. WIRTH. Mr. Speaker, an important part of the national debate over energy policy involves the question of whether or not our domestic industry can economically recover a large percentage of the oil which has already been discovered in the United States. This morning's Wall Street Journal carried an article by James Carberry which outlines the major dimensions of the enhanced recovery debate. I recommend it to my colleagues as excellent background material against which to judge the several petroleum pricing proposals which will soon be coming to the floor of the House. I submit the article herewith:

OILMEN, BLAMING PRICE CONTROLS, PASS UP HUGE AMOUNTS OF OIL LEFT IN OLD FIELDS

(By James Carberry)

Vast supplies of oil, readily available, are being largely ignored by U.S. oilmen, who say that price controls make most of these supplies unprofitable to tap.

This is oil that was left behind in initial sweeps of U.S. petroleum deposits. No one knows how much oil remains, but the amount is estimated at 300 billion barrels, three times what has been produced in this country's entire oil history.

There isn't any way of draining every drop of this oil. And some of it—around 35 billion barrels considered recoverable through conventional methods under existing economic conditions—isn't being ignored at all. But oil experts believe that another 30 billion to 45 billion barrels could be tapped using so-called "improved recovery."

Improved recovery is the injection of water, steam, gas or chemicals into the ground in areas where the natural underground water and gas pressures that originally drove the oil into drilled wells have been exhausted. Industry observers had generally predicted a surge in improved-recovery production after world petroleum prices began rising in 1973, but only some 3.8 million barrels of crude oil a day were produced in this manner last year.

While that was 44% of total domestic production, it was also about the same improved-recovery production as in 1973.

In other words, the predicted surge didn't happen. And this year, once again, the oil industry is expected to invest only a modest sum in improved-recovery ventures—around $100 million, little more than last year. This is small potatoes compared to the billions of dollars being spent on the search for and development of new oil fields.

RELUCTANCE EXPLAINED

Oilmen call price controls the main reason they have been reluctant to commit much additional money to improved recovery. Henry K. Holland Jr., vice president for exploration and production of Mobil Oil Corp.'s North American Division, says controls mean that in some oil fields, large investments in improved recovery couldn't be recouped. One operator, Marathon Oil Co., says it would have to get around $11 a barrel just to break even in improving oil production through Marathon's sophisticated chemical process.

Federal controls limit the price of about 60% of the nation's oil production, including much of the oil produced from improved recovery, to a maximum of $5.25 a barrel. But the price of other domestic oil, as well as imported oil, has gone as high as $12 a barrel and now is around $11.50.

Oil from newly developed properties is "new" oil and therefore exempt from price controls. Older properties work this way: The Federal Energy Administration classifies as "old" oil the production equal to 1972 levels; this oil is subject to price controls; when production goes beyond 1972 levels, the new oil is free of controls and, as an incentive to such increased production, an equal amount of old oil is released from controls.

Thus, on an oil property whose production is currently 11,000 barrels a day compared with 10,000 barrels a day in 1972, a thousand barrels of daily production is classified as new oil and a thousand as released oil.

All of which sounds as though improved-recovery production would be free of price controls. That, however, overlooks Catch-72: Because of a normal decline in production from older properties, many of them now are producing below their 1972 levels. So any improved-recovery production on such properties would be subject to controls until 1972 levels were exceeded. And even then, only part of the improved-recovery production would be exempt.

Operators, therefore, prefer to pour their money into new and untried areas, where any oil found is free of price controls.

EXPLANATION DOUBTED

Some congressional critics of the oil industry say that oil companies are holding back production of old oil not because they can't make money on it but because they are trying to force higher prices for it. Oilmen insist that controls simply make it uneconomical to pour much money into improved-recovery production.

Although Congress may block the move, President Ford is expected to propose removal of price ceilings from old oil over a 25-month period. Democratic congressional leaders have indicated they favor a phase-out over a longer period. Chances are a compromise will be worked out.

The Senate has passed a bill that would remove price controls from improved-recovery production alone. The House hasn't acted on the measure. Decontrol of that oil alone would boost the oil companies' pretax profits by an estimated $1.1 billion annually, says Eugene Nowak, oil-industry analyst with Blyth, Eastman Dillon & Co. Unless those profits are siphoned away by new taxes, they would be reinvested in improved-recovery methods, oilmen say.

Meanwhile, domestic production keeps falling: From 9.1 million barrels a day in 1970, it has fallen each year since then to an estimated 8.6 million barrels a day in 1974.

In many cases, oilmen have only themselves to blame for not having extracted as much oil as they could have from existing fields over the years. In earlier days, oil operators competing fiercely for oil in the same field punched so many wells that natural underground pressure were released too quickly and bypassed some of the oil that could have been recovered. Oilmen today tend to be more careful and cooperative.

DYNAMITE, WATER AND STEAM

Oilmen have been interested in improved recovery since the late 19th Century, when dynamite was lowered into wells and ignited to jar the oil loose. This produced a lot of noise and excitement, and some additional oil. But there was danger that premature explosions would blow the wells and their operators to kingdom come.

Safer and more effective methods of making a second pass at the oil were developed. The most widely used kind of so-called secondary recovery is waterflooding, the pumping of water down "injection" wells to push oil into "receiving" wells. It is popular because water is readily available, often as a by-product of the original production and is efficient in displacing oil.

One of the biggest waterflood projects, the Wilmington field in Long Beach, Calif., has yielded 500 million barrels of crude oil since 1958, in addition to 1.2 billion barrels produced by conventional methods over the same period. Waterflooding is expected to produce another 600 million barrels from the field.

A lot of California's oil is now produced through secondary recovery. One common method is the pumping of steam into injection wells to thin out highly viscous oil deposits that won't budge under natural pressures ("oil so thick you could make it into a baseball and play catch with it," says one oilman). The steam—usually followed by a waterflood—drives the oil into receiving wells.

A THIRD PASS

But these and other secondary methods still leave a lot of oil behind; and, to further increase production, oilmen have come up with ways to make a third pass at petroleum deposits. Tertiary recovery, as it's called, is still in the experimental stage and now yields only a few hundred thousand barrels of crude oil a day. But the Federal Energy Administration, in its Project Independence report suggesting ways the U.S. can reach self-sufficiency in energy, hopes that tertiary ventures will recover 1.8 million to 2.3 million barrels a day by the mid-1980s.

Oilmen aren't so optimistic, putting the figure at one million barrels a day or so; but even the more conservative number would add about 12% to daily domestic production, based on current production figures.

One tertiary method, developed by Marathon Oil after 18 years of research and a $40 million investment, is the injection into an oil field of something called Maraflood, a combination of water, hydrocarbons, alcohol and other ingredients. It is more efficient in displacing oil than waterflooding, Marathon says.

The company estimates the process could recover 35% to 40% of the oil remaining after secondary recovery; and it now is attempting, in an oil field in Southern Illinois, its first commercial production using Maraflood.

FIRE AND CARBON DIOXIDE

In Santa Barbara County, California, Continental Oil Co. is experimenting with "fire flooding, "igniting a controlled underground fire that heats the oil and makes it less viscous. Air and water are then injected to maintain combustion and to produce steam that drives the oil into receiving wells.

In a West Texas oil field, Standard Oil Co. of California is injecting carbon dioxide, which is highly soluble in oil and causes it to swell. This makes it easier to flush the oil into receiving wells with a waterflood or other treatment.

Both Continental and California Standard say they've been encouraged by results so far and plan to expand the scope of their experiments.

Despite its promise, tertiary recovery has its drawbacks. Harold T. Wright, manager of engineering services for the production department of Exxon USA, a unit of Exxon Corps., says:

"Tertiary recovery works best in shallow reservoirs of low salinity and comparatively low temperature. Unfortunately, these represent only a small percentage of reservoirs."

Mr. Wright and other oilmen say the industry will have to pour a lot more money and manpower into developing tertiary recovery methods if these methods are to work in most oil fields. "How much we invest," says B. L. Walters Jr., vice president in charge of Marathon's production operations in the U.S. and Canada, "depends a lot on whether the government removes price controls."

A VOTE TO UPHOLD THE PRESIDENT'S VETO

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. MAZZOLI. Mr. Speaker, my vote to uphold President Ford's veto of the emergency farm bill should not be interpreted as an antifarmer vote. Rather, it was a vote to provide for farmers and consumers alike the considerable benefits of a stable and prosperous economy.

This piece of legislation, raising as it would have crop target prices and loan rates on wheat, cotton, feed grains, and soybeans, would have tended to increase Government involvement in agriculture. In doing this, it ran counter to the Agriculture Act of 1973, which turned us away from a farm program based on Government subsidies to a market-oriented farm policy.

In addition to increasing the Federal Government's role in agriculture, the bill would also have encouraged the increased production of crops already in surplus. For example, the Department of Agriculture reports the country will have 5.6 million bales of excess cotton in storage by August of this year.

My vote was also an effort to hold down Federal spending. This bill would have added at least $210 million and maybe as much as $1.8 billion to the budget, depending on which estimate—administration or committee—is used.

And this would come on top of an already monstrous deficit which has already burgeoned to $60 billion by the most conservative estimates. We have to draw the line somewhere or we'll never get out of the fiscal hole we are in.

Finally, Mr. Speaker, I voted to uphold the veto because our Nation's consumers would have faced still higher prices for meat, bread and dairy products because of this emergency farm legislation. Even the experts could not agree how much the prices on these items would rise, but there was broad agreement that they would rise to some extent. This was another bad feature of the bill which forced me to oppose it.

WELFARE REFORM IS A NECESSITY

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. KASTEN. Mr. Speaker, to promote the general welfare is one of the objects stated in the Constitution of the United States of America. The 1929 Webster's Collegiate Dictionary defined welfare as the "state of faring, or doing well, especially the condition of health, happiness, prosperity." This was 6 years before Congress put the Federal Government into the business of helping States finance cash welfare to poor children without a breadwinner.

Unhappily, 40 years of such aid—now called aid to families with dependent children, AFDC, have brought disrepute to the venerable concept of "welfare." Today the word elicits shudders and sighs, anger and despair. Today's AFDC program is costing Federal, State, and local governments more than $9 billion annually in benefit payments, yet has failed to achieve a sense of well-being or happiness. It has become a synonym for failure and dependency. Commonly welfare is regarded as a "trap," a "mess." Daniel Patrick Moynihan has indicted AFDC as a system that "destroys those who receive it and corrupts those who dispense it." He lamented to President Nixon in January 1969:

> The fact is, the more one knows about welfare, the more horrible it becomes.

How has this happened? What has gone wrong with the kindly effort to help defenseless children? Reduced to basics, the AFDC program has produced incentives for the creation of fatherless families, and it has penalized the full-time work of poor fathers by denial of cash aid. The program rewards dependency and family splitting—or the failure to marry—with cash and fringe benefits, such as automatic eligibility for bonus food stamps and free medical care, regardless of income. In many States it puts old-fashioned two-parent families at an economic disadvantage if their earning capacity is limited.

Along with a bipartisan group of 61 other Members of the House of Representatives, I introduced a bill on March 18 to refocus AFDC's aid on the most needy and to require that fathers and mothers accept more responsibility for their children. However, before looking at some of the main provisions of the Welfare Reform Act of 1975 (H.R. 5133), it will be useful to examine AFDC in more detail.

Consider the relative growth of the program. According to a study just published by the Hoover Institution on War, Revolution and Peace at Stanford University, entitled "The Growth of American Government: a Morphology of the Welfare State," the number of AFDC recipients skyrocketed 456 percent from 1952 to 1972, even though the number of children under 18 increased only 41 percent. Thus, the AFDC population increased more than 10 times as fast as the child population. Author Roger A. Freeman concludes:

> The growth in AFDC can largely be traced to the fact that the number of "absent fathers" quadrupled from 590,000 in 1961 to 2,482,000 in 1973. Six out of 7 absent AFDC fathers paid no support whatsoever for their children and many of them—or possibly most—may have abandoned their families because the AFDC program had made it attractive and lucrative to do so.

When the AFDC program began, most children on the rolls were paternal orphans. But by 1972, 8 of 10 AFDC children received relief not because their father was dead or disabled, the premise of the original law, but because he had left home. By 1973, one of nine American children under 18 years old was on AFDC; in some urban areas—St. Louis, Mo., Baltimore, Boston, the District of Columbia, one in three.

The number of AFDC families in January 1975 climbed to 3,366,000, a new all-time record. If all these families were poor and unable to help themselves, they clearly would merit public compassion and aid. But many AFDC families are neither poor nor helpless. In fact, one of three AFDC families in 1972 had total income that exceeded the Census Bureau's poverty threshold. Further, 40 percent of the families had no preschool child, and, hence, their mothers were relatively free to work outside the home, as do most American mothers today.

Although HEW audits indicate that about 9 percent of AFDC recipients actually are not legally entitled to aid—6 percent in Wisconsin—it is legal for many nonpoor families to receive AFDC. In fact, a Federal rule requires States to keep welfare families on the rolls long after their paychecks are big enough to meet their basic needs. This rule, put into effect in 1969, prohibits States from subtracting a full dollar from the welfare grant for every net dollar earned by a welfare mother. The purpose was to give the AFDC mother a financial incentive to work herself "off welfare," but the effect has been to raise the income cutoff so high that most welfare mothers cannot reach it.

In the State of Wisconsin, for example, an AFDC mother of three children does not lose AFDC eligibility until wages reach $829 per month—$9,950 per year—assuming that her work expenses, other than social security and Federal income taxes, total only $31 monthly. Each extra dollar in work expenses raises her income cutoff by $1.50. Income cutoffs for working AFDC families are above $10,000 per year in Alaska, Connecticut, Michigan, New York, and Vermont. To work their way off welfare, AFDC mothers in these States would have to find a full-time year-round job paying 4.8 times as much as the Federal minimum wage. In 1973, a total of 21.5 million families failed to earn $10,000.

The Welfare Reform Act of 1975 is a 23-page bill that would drastically revise AFDC.

Among other provisions, it would adopt a flat income limit for AFDC eligibility, related to living costs and standards in each State. Once a family's adjusted gross income exceeded 150 percent of the sum that the State had determined was needed for basic items by a family of its size and composition, AFDC eligi-

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bility would end. If this were applied to Wisconsin, which has a needs standard of $427 for a family of four, eligibility would end when a family's gross income reached $640.50 a month, or $7,686 a year.

The bill also would prohibit AFDC for children once they reach 18 years of age. Now that 18-year-olds vote and are regarded by many States as adults, it is inconsistent to treat them as child dependents. Yet 41 States, not including Wisconsin, offer AFDC to students aged 18 through 20. This proposal would cut the number of AFDC recipients by an estimated 187,000, about 2.5 percent of all "child" beneficiaries.

AFDC eligibility also would be restricted by H.R. 5133's provisions to:

Permit States to standardize the work-related expense exemption—today States must reimburse AFDC families for all actual expenses.

Reduce the earnings incentive by basing it on net rather than gross income.

Prohibit AFDC for strikers.

Require eligibility to be redetermined without benefit of earnings incentives once a person has worked for 4 consecutive months.

To buttress family responsibility, the bill would:

Restrict the definition of continued absence of a parent that qualifies the family for AFDC. Recognized as a qualifying absence would be desertion, divorce, legal separation, institutionalization, and incarceration, all in excess of 30 days—not work away from home, as in the military forces.

Require military personnel to make and forward allotments of their pay for support of their families.

Require support by a nonneedy person living with a welfare family—such as a stepfather or a man unrelated to the children and unmarried to the mother—in the amount it would cost him to support himself.

The bill also would explicitly authorize States to operate work-relief programs. Such programs would condition the welfare grant upon performing work for the community.

These and other provisions of the Welfare Reform Act should not injure families actually in need and without potential to help themselves. Indeed, by cutting off eligibility for relatively high income families, H.R. 5133 should free some State funds that then could be directed to the poorest.

AFDC has become a multibillion dollar investment. Let us revise it to reinforce work and family duty, yet to permit more generous aid to the most needy.

KENNETH KEATING

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. BOB WILSON. Mr. Speaker, I was deeply saddened by the recent passing of my friend and former House colleague Ambassador Kenneth B. Keating of New York.

Ken Keating met each new challenge with gusto in his long and varied career of public service. A renowned trial lawyer, Ken volunteered for the Army during World War II and was much decorated during his 3 years of service in the China-Burma-India Theater. Following the war, he was elected to the House where he served with distinction, before his election to the Senate in 1958. I had the privilege of working at his side for 6 years in the House and he was one of the best.

An active and hard-working Member, Ken Keating was an early and outspoken advocate of the civil rights of all Americans; he strongly defended the Supreme Court's desegregation decisions long before "minority rights" were in political vogue.

After leaving the Senate, Ken Keating was elected to the court of appeals. New York's highest appellate court. Then in 1969, at a time when his contemporaries were looking forward to the peaceful years of retirement, Ken was embarking on a new diplomatic career. He served with distinction as our Ambassador to India and was the Ambassador to Israel at the time of his death. His many friends in the Congress, in his home State, and around the world mourn the loss of this able and dedicated public servant.

Ken Keating was a warm, gregarious gentleman who established an easy rapport with his fellow man. It is difficult to pin a label on any man, but I think I can say, and that my colleagues on both sides of the aisle would concur, that Ken Keating was indeed outstanding in every way.

DISCRIMINATORY PRACTICES AGAINST HUNGARIANS

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. BELL. Mr. Speaker, for 8 years now, very few of my colleagues have addressed the problems of the Hungarians in Romania.

Unfortunately, I understand that during the past 10 months new harassments and discriminatory practices have occurred in Romania directed toward citizens of Hungarian ethnic background.

Under these circumstances, I am joining my colleagues today in denouncing the continuing Romanian oppression of the more than 2.5 million Hungarians in Romania.

Mr. Speaker, I am told that job and housing discrimination continues to exist in Romania and that the population of the purely Hungarian areas of Transylvania is encouraged to leave the area and find jobs in Romania proper. University graduates are scattered around the country under an ongoing process recognized by our State Department in its memorandum to Congress of September 19, 1967.

I sincerely hope that our officials are conscious of this continuing discrimination and denial of human rights directed at the Hungarian minority in Transylvania.

It behooves us to consider this state of affairs and to be very cautious in granting most favored nation status to Romania. At the very least, we should insist that our Government express its concern to the Government of Romania for the welfare of these people and ask for steps to ease their desperate plight and painful oppression.

OVERSEAS DEVELOPMENT COUNCIL: AGENDA FOR ACTION, 1975

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. FRASER. Mr. Speaker, I would like to bring to the attention of my colleagues and other readers of the Congressional Record the 1975 Agenda for Action of the Overseas Development Council—ODC.

This agenda is the third in successive years published by the ODC.

The agendas preceding the 1975 version have been well received. They placed before the public and the policymakers of the United States the major issues facing an increasingly interdependent world. The 1975 agenda, I know, will be just as successful as its predecessors.

As an introduction to the 1975 agenda, I am placing in the Record the agenda, 1975 Foreward signed by Theodore M. Hesburgh, chairman of ODC, and James P. Grant, president of ODC, and the May 12, 1972, ODC news release which summarizes the principal conclusion of the agenda. Simply stated it is that the world faces a vast challenge, sharpened by the greatly intensified efforts of the developing nations to secure economic equity.

The ODC has again produced an important document:

The articles follow:

The U.S. and World Development Agenda for Action 1975

Four times in this century, including the present moment, the world has faced crises of such vast dimensions that they strained the capacity of people and nations to craft responses adequate to the task. The first time we failed: In 1914, World War I engulfed much of the world as the existing international system failed to adjust to the emergence of newly powerful industrial nations. The second time we again failed: In the late 1920s, faced with a global economic crisis of extraordinary proportions, the nations of the world chose to chase the chimera of short-run nationalistic advantage; the result was a world-wide depression throwing millions out of work and leading ultimately to the carnage and devastation of World War II. The third time, in the post-World War II period, the nations of the world did rise to the challenge. They rebuilt a devastated Europe and created an international order that could accommodate the millions of the world's people who were no longer ruled by colonial powers, and they launched a creative surge of institution-building that gave us the United Nations and its associate institutions, including the World Bank and the International Monetary Fund.

Today we are entering a fourth period of crisis. Because it encompasses all of the market economies of both the developed and developing countries, with nearly three quarters of the world's population, this crisis is more acute—and the potential consequences of our failure to meet it more devastating—than any in peacetime history. The vast challenge before us, sharpened by the greatly intensified efforts of the nations of the South to secure more equality, is that of living with growing interdependence. The focus of *Agenda for Action, 1975* is on this challenge and on the corresponding opportunity to construct a new relationship between the rich countries of the world's North and the poorer countries of its South.

Agenda for action, 1975 is the third in the series prepared annually by the Overseas Development Council. The first *Agenda*, published in early 1973, had as its central theme the growing interdependence among nations—a reality that came to the fore with great intensity later that year. The second ODC annual assessment evaluated the economic shocks of 1973–74—energy, food, and inflation—and foretold their tragic toll on what the *Agenda for Action, 1974* described as the "Fourth World" of most disadvantaged nations. That same *Agenda* urged nations not to set aside long-term work on the root problem of human poverty, and outlined a series of measures necessary to repair the damage done by the economic crises of the moment.

Human equality is a subject that has increasingly preoccupied us during this century, and the growing pressure from the world's poor majority promises to dominate international issues even more forcefully in the years to come. In the short period since World War II, we have seen the development of mutuality among the advanced nations and the development of political freedom and juridical equality for all nations. It is only within the past eighteen months that a new search for economic equality has opened in earnest as the developing countries of the South, led by oil exporters, have begun to press their claims. This initiative comes at a time when the world has the capacity and knowledge to make a decent life for every person.

The challenge from the developing countries to the existing international hierarchy of power is part of an even broader theme of this *Agenda*—the argument that the world appears to be on the verge of one of the great economic, social, and political discontinuities of history. A global transformation is beginning to emerge that includes, but goes beyond, the immediate consequences of increasing interdependence; indeed, it is as if the molecular structure of the world order were changing. In the rich and poor nations alike, solutions to major issues such as the food and energy crises and stagflation increasingly involve a web of relationships requiring new global approaches if reasonable rates of growth are to continue. New global as well as domestic "social compacts"—involving significant changes in life styles—are needed to meet these new circumstances. Interdependence among nations is evolving to the point where the salient factor in our relations with developing countries should no longer be premised on paternalistically helping them with "their problem" of underdevelopment. Now the dependence of each nation on jointly managed international systems is so great that *their* lack of development frequently becomes *our* problem—just as our waste, pollution, and deepening recession often become their problem. Increasingly their problems and our problems are becoming common problems that afflict the whole world and that can best be treated by joint action. Given these conditions, *Agenda for Action, 1975* addresses the problem of *world development* rather than only that of the poor countries, although U.S. involvement with the developing countries remains the central concern of the Council's annual assessment.

Three major tasks are highlighted in *Agenda 1975*. The first is the need to renew our former sense of urgency in the campaign against gross human deprivation. Major progress on this front is possible within this century if we persevere. For example, the industrial countries can and should add $2 billion of development assistance annually over the level provided in 1973 for the Fourth World of poorest countries, and their OPEC countries should match that effort. Beyond this immediate emergency need, there are opportunities to improve international economic systems so that they not only serve the needs of all countries better, but also allocate more resources to the poor countries. A second major task emphasized in *Agenda 1975* is the need to respond to the challenge from the South *with such ingenuity that all parties gain*. This means that the too frequent U.S. view of that challenge as a "zero-sum game"—for example, in the energy negotiations or in the United Nations General Assembly—must be laid aside in favor of a broader vision, as is argued in the overview chapter, "The U.S. and World Development," and in Chapters VII and VIII. A third task is the importance of creating or redesigning institutions to deal with the problems that have overwhelmed existing institutions; these problems are analyzed in detail in this volume's chapters on food, trade, petrodollars, and systems overloads. The tasks before us will require that the United States and other nations take a new, comprehensive view of the kind of world they want to see evolve. Chapter IX assumes such a long-range perspective in identifying some of the elements of the kind of "global compact" needed to improve the distribution of income and economic opportunity both within and among nations.

Much of the rhetoric for each of these historic tasks is already at hand in recent official U.S. statements. The agenda for 1975 and beyond will consist of matching that rhetoric with action.

James W. Howe, Senior Fellow at the Council, directed the preparation of the *Agenda for Action*, drawing upon the entire staff of the Council. Mr. Howe wrote the overview chapter entitled, "The United States and World Development," which reflects the collective opinion of ODC's officers and staff on major issues. Because of the importance we attach to the views of the developing countries, we invited a distinguished Kenyan scholar, Dr. Ali Mazrui, to contribute a Southern perspective to our analysis, which is presented in his chapter, "The New Indedependence: From Hierarchy to Symmetry."

Overseas Development Council

The industrialized nations of the world's North now confront a newly intensified challenge from the developing countries of the South. This challenge comes at precisely the time when the U.S. involvement in Victnam has ended and when all nations must construct new approaches to cope with growing interdependence if the progress of the last three decades is to be regained.

The poorer nations seek a greater voice in the management of the international economy and a more equitable share of the benefits of global economic growth. The need to respond to this challenge from the South *with such ingenuity that all parties may ultimately gain* is the central theme of *The U.S. and World Development: Agenda for Action, 1975*, the third annual assessment of U.S. policies affecting the developing world published by the Overseas Development Council.

In introducing the new policy study, Father Theodore M. Hesburgh, the Chairman of the Council's Board, said:

"Human equality is a subject that has increasingly preoccupied us during this century. Since World War II, we have seen the development of mutuality among the advanced nations and of political freedom and juridical equality for all nations. But it is only over the past eigtheen months that a new search for *economic* equality has opened in earnest as the developing countries of the South, led by the oil exporters, have begun to press their claims. This initiative comes at a time when the world has the capacity and knowledge to make a decent life for every person."

The new attitude of developing countries has been most apparent to Americans in the collective action of the oil-producing states. OPEC actions have intensified a widespread change in psychology and a strengthened cohesion among all developing countries that was most recently seen in their insistence on the broadening of the agenda of the Paris energy conference to include a greater range of commodities. It also has been evident in their more assertive participation in the negotiations to reform the world's trading and monetary systems. The Agenda 1975 concludes that ". . . the growing pressure from the world's poor majority promises to dominate international issues . . . in the years to come."

Dealing with this new element of solidarity among the developing countries comes at a time when the world is undergoing a series of economic, social, and political changes so fundamental that it appears to be on the verge of one of the great transformations of history. For rich and poor nations alike, solutions to such pressing problems as food, energy, and global stagnation increasingly require the creation of a network of international cooperative relationship if reasonable rates of growth are to continue.

Father Hesburgh points out that U.S. policies in the past year illustrate two possible ways of reacting to this changed situation. In response to the food crisis, the United States took the lead in calling for the Rome World Food Conference; the proposals for policies and institutions required to meet the needs of the next decade that resulted from that meeting have the potential of making all nations the beneficiaries of global cooperation. But in the energy field, the OPEC countries and the United States have remained in a posture of confrontation. The result has been neither political gain nor lower oil prices, and there has been no start at all on a global cooperative effort to meet the 1980s. The response to the food situation illustrates what can be done to shape a new series of mutual beneficial "global social compacts" to deal with the pressuring problems now faced by rich and poor countries alike.

Agenda for Action, 1975 highlights other major developments and actions needed during 1975. These include:

1. The economic distress of the "Fourth World" of poorest countries continues to be acute. The *Agenda* identifies 42 countries which, although they survived 1974, are so affected by economic stagnation and rising import costs that they face the prospect of continued economic deterioration for the balance of this decade in the absence of increased outside help. The World Bank estimates that these countries (with a total population of about 1 billion) will need an additional $4 billion of concessional aid annually if they are to achieve a minimum growth rate of 2 per cent a year for the remainder of the 1970s. If the OPEC countries again prove willing to contribute $2 billion—as they did in 1974—the industrial countries should be prepared to put up the balance, with the United States contributing an additional $1 billion annually (roughly the equivalent of the annual economic assistance that has been going to Indochina in the recent past).

2. In the absence of a system of reserves, the world food situation continues to be very precarious. Under present circumstances, a shift in supply of only 1 or 2 per cent below or above effective market demand can mean either soaring prices and increased malnutrition, or plummeting prices and lower farm incomes. An encouraging *start* has been made with the establishment of the World Food Council, the Consultative Group on Food Production and Investment in Developing Countries, and President Ford's decision to increase food aid in 1975. But the long-term success of the Rome Conference in establishing a food reserve system and in increasing food production assistance and food aid depends on sustained leadership from the United States, which dominates world food supplies.

3. The widely publicized "triage" and "lifeboat ethic" arguments against the morality of helping the poor countries develop are based on false premises. Proponents of these "concepts" ignore the basic facts that much progress has been and can be achieved wherever political will is engaged, and that development strategies targeted to benefit the majority are the most effective way to slow birth rates.

4. The OPEC countries have emerged as major aid donors. This disbursement of some $2.0 billion in 1974 already far exceeds the aid programs of communist countries and constitutes close to 2 per cent of the combined GNP of the major OPEC donors. This sum compares with three-tenths of one per cent of the GNP of the Western industrial donors and two-tenths of one per cent for the United States. The OPEC aid is expected to rise in 1975 and 1976 as a consequence of aid commitments of $8–$10 billion made in 1974. While much of this aid has been used to advance regional political objectives in the Middle East, the amounts and speed of new commitments in support of economic and social development elsewhere have been quite remarkable.

5. The Trade Act of 1974 is a major step forward, but long and difficult negotiations are ahead as the United States attempts to achieve the potential of the Act for the expansion of world trade. Developing countries are already participating actively in the trade talks, and their trade interests add a new element to the negotiations. The United States must now formulate a new policy on primary commodity trade and begin to work with other nations to reach agreement on commodity arrangements that meet the needs of consumers for reasonable prices and secure supplies and the needs of producers for reliable prices and markets.

6. There is at present a danger that the Law of the Seas Conference may collapse before the end of 1975—partly because those developing countries which stand to gain from an ocean regime favoring the interests of coastal states have not hesitated to place their national interests ahead of those of the developing countries as a whole. The United States should continue to support a law of the sea treaty that is basically internationalist—one that would distribute among all nations at least some of the revenues from exploiting the seabed and provide some international standards to protect the oceans.

7. The problem of recycling petrodollars that dominated the headlines last year seems to be more under control for the industrial world than for the developing countries. The poor countries face continuing problems in paying higher import bills at a time when their export earnings have been diminished by the recession in the rich countries. The *Agenda* urges that new institutions be created to meet this need, particularly the IMF subsidy account for its oil facility, the proposed "third window" of the World Bank, and the trust fund of the IMF proposed in late 1974 by the United States.

Agenda for Action, 1975 also contains some 70 pages of up-to-date statistical material on economic relations between the United States and the developing countries.

The director of the Overseas Development Council's *Agenda for Action 1975* project was James W. Howe, a Senior Fellow with the Council. The Overseas Development Council is a private, non-profit center founded in 1969 to increase American understanding of the problems faced by the developing countries and the importance of these countries to the United States. The Council analyzes major issues in U.S.-developing world relations and presents its conclusions to policy makers and the general public through publications, seminars and meetings, and liaison with other organizations.

WHY AMERICA IS BECOMING AN ARMED CAMP

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. SYMMS. Mr. Speaker, I have been extremely disappointed of late over the manner in which the national news media has dealt with the issue of gun control. Charged with the responsibility of informing the public on both sides of this hotly debated matter, the media has done just the opposite. They have concentrated almost entirely on arguments against gun ownership and have done so in a way which insults the intelligence of the average citizen. Americans, most of who hunger for intelligent, informative material from which to draw their opinions on this issue, are being starved by a steady diet of emotionalism and one-sided editorializing. All too often these editorials are passed off as documentaries to the unsuspecting viewer.

The most recent contribution to the antigun campaign was given us courtesy of NBC. Those of us who were unfortunate enough to sit through the hour-long TV documentary entitled "A Shooting Gallery Called America" recognized it at once for what it was—raw propaganda. The show was a classic example of how a producer can take a minimum number of facts, surround them with a maximum amount of emotional reinforcement and turn out a finished product which will create the desired gut feeling in the minds of the viewers. Like most antigun propaganda, the NBC show was targeted at a specific audience; namely, the nongun owner who is vulnerable to presentations which play on ignorance and fear.

Accordingly while the show was almost totally devoid of substantive content, it was filled with scenes showing blood-spattered walls and wailing sirens, a corpse with a bullet hole in its side, a little boy who accidently shot himself and little children crying over the shooting of their mother. One scene showed a funeral, with a camera lingering on a coffin being lowered into the grave and slowly being covered over with earth. Women cried and a lonely bugle played taps in the distance. Throughout the program the scene would flash back to closeups of handguns being fired, thereby subtly imprinting in one's mind the connection between handguns and tragic deaths. It was obvious that the show lacked in subtance and informative value it more than made up for in emotion and shock value.

Mr. Speaker, it is significant that the subject of gun control is almost always treated in this manner by the national media. By comparison, a documentary on cancer, for example, would undoubtedly deal with specific facts and figures and informative data, and would take for granted that death by cancer is regarded as a terrible thing. Such a program would certainly not dwell upon horror stories involving cancer patients nor have lengthy scenes showing corpses of cancer victims, funerals, or the victims being lowered into their graves. It is always gun control which is singled out for this kind of strictly emotional treatment. Why?

One can only assume the following: First, that emotion, rather than logic and fact is the foundation upon which gun control is built, and second, that emotional appeal is oftentimes the most effective way of selling a controversial idea to a bewildered public.

While the antigun bias of our news media is a frustrating situation, it is also, in a sense, heartening. The more the gun control lobby shows its cards to us, the more apparent their big bluff becomes. The arguments for gun control are weak and superficial—so much so, that proponents must rely on heavy-handed emotionalism and a virtual censorship by the national media of the progun position.

Mr. Speaker, an article recently appeared in TV Guide magazine, written by Patrick Buchanan, which discusses the NBC show in some detail. It is an excellent commentary and deserves the earnest attention of my colleagues:

WHY AMERICA IS BECOMING AN ARMED CAMP

(By Patrick Buchanan)

The recent hour-long NBC documentary "A Shooting Gallery Called America?" is a simplistic, emotional, single-dimensional *cri de coeur* against the handgun in American society. As one critic put it, it uses "every cinematic trick in the book," As gun-control propaganda, it was powerful stuff. As a substantive explanation of a complex phenomenon, it was a failure.

We saw and heard more pistols fired in that one hour than in a lifetime of Clint Eastwood police films. We saw gripping scenes of parents whose adopted child was killed in a gun accident. We saw a police officer break down in tears over the loss of relatives and comrades to handguns. We saw graphic footage of police shootouts, and bank robberies in progress. We saw bodies in the morgue still oozing blood from bullet wounds. We saw one old codger talking in animated and cheerful anticipation of filling the belly of some future assailant full of lead.

We saw and heard two of the most callous thugs ever interviewed on national television testifying clinically to their utter indifference to killing during the daily routine of their criminal careers. But the thugs were stronger arguments for rewiring the electric chair than for new controls on guns. Indeed, the satanic brutality they exhibited was itself a powerful advertisement for guns to protect honest citizens.

NBC's statistics were impressive: 40 million handguns out there in Middle America;

two and a half million added to the armory yearly; a handgun death every hour.

But what NBC failed to explore with sympathy or understanding is why.

Those millions of handgun purchases each year represent millions of votes of no confidence by the American people in the criminal justice system of the United States. They are more an effect than a cause of crime. The massive inventory of private weapons is a mountain of testimony to government's utter failure to protect the life, home and property of the average citizen.

And there are more reasons than simply affection for firearms why Americans oppose gun controls. One of them is the source of the proposals. Invariably, they are advanced as the solution to the crime crisis by people who seem to oppose every other proposed solution. It is the armed criminal, not the armed citizen, whom this country fears. Yet, whenever it is proposed that automatic added sentences be applied to any criminal using a weapon during his felony, or an automatic death sentence be imposed upon any individual who kills during the course of a felony, the vanguard of the gun-control lobby suddenly asks to be excused. To millions of Americans, gun control is the respectable, but ineffectual, "law and order" position of the liberal elite.

Would gun controls reduce crime? Certainly, limited controls, like banning the so-called "Saturday Night Special," would do little but raise the price of quality firearms available by the millions. A price rise is not going to deter a criminal, to whom the price of his weapon is a cost of doing business. And a few extra dollars is not going to deter a citizen who thinks he is buying protection of himself and his family.

What about confiscation of handguns, with a criminal penalty attached to ownership? Would that reduce crime, or would it, like Prohibition, make lawbreakers out of millions who would prefer to keep their weapons illegally in today's climate than to give up the protection they believe they have? In this observer's judgment, there is a measure of truth in the bumper stickers that read "If guns are outlawed, only outlaws will have guns."

Certainly, confiscation of handguns would have little effect upon the 10,000 persons who use them to commit suicide each year. They could buy a rifle or a bottle of pills. What of the 1600 gun accidents? Many of these are hunting accidents, with rifles. And is it right for government to confiscate the weapons of tens of millions because a few hundred are so careless with them each year as to take their own lives?

What of the statistic that shows the likelihood at six-to-one that the individual shot with your handgun will be an acquaintance or family member? Well, most Americans are already instinctively aware of that statistic. Which is why they do not have guns in their homes. But what is happening in society is that the fear of the rapist, the armed robber and the juvenile terrorist is rapidly overcoming the apprehension of Americans about having a gun in their homes or offices. And one is hard put to blame them.

NBC is guilty of a common political sin. It has dealt with the symptoms of a national problem, rather than the cause. The cause of the "gun problem" is fear, that same fear of crime that has produced a boom market in the sale of watchdogs, burglar alarms, triple locks and long guns. Until this society begins to deal with the crime crisis in earnest, America will remain an armed camp, no matter the disarmament decrees handed down by Congress. It is said that in New York City, where the gun laws are the most stringent, there are something like a million weapons in private hands.

Since gun-control legislation is a burning issue in this Congress, and NBC has taken—even if it refused to declare—a point of view, the right of rebuttal would seem to have been created, under the Fairness Doctrine, by this documentary.

Here in this Nation's Capital, which was, until not too long ago, known as the "crime capital of the world," one is hard put to say to some store owner, who may have been beaten and robbed half a dozen times, that he has no right to a weapon to give himself the protection the police and government are no longer able to provide.

One may walk away from this documentary, produced by Lucy Jarvis and narrated by Carl Stern, with the impression that all these gun purchases represent a sort of gun lunacy in America. But that is not the case.

The explosion in gun sales represents the very rational decisions of very rational but frightened Americans who have concluded, with justification, that their government cannot protect them, and, therefore, they had best provide for their own protection.

The sentiment is widespread, indeed, one recalls that not too long ago, here in the capital of the West, the Chief Justice of the United States was awakened late one night by reporters banging at his door, and he greeted them in pajamas, with pistol in hand. They claim today the revolver was a toy. Perhaps—but pistol in hand is exactly the way Judge Roy Bean would have greeted a similar late-night caller in the more secure days of the Wild West years ago.

CONFLICT RESOLUTION IN THE FOREIGN AFFAIRS ARENA

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. RANGEL. Mr. Speaker, events of the past 3 days have been moving very quickly regarding U.S. efforts to obtain the release of the American merchant ship *Mayaquez* which was seized by Cambodia. Today it appears that we have been successful in securing the ship's release but not before we made use of military force.

I think the Nation and the world generally is in a very perilous situation when nations can only resolve problems by a show of military strength. By resorting to the use of overt force, we admit that we are unable or unwilling to deal through diplomatic channels with our adversaries. It is a very sad day in the history of the Nation when we withdraw from the negotiating table only to immediately take up arms to achieve what our diplomats were incapable of achieving, namely a peaceful resolution to the conflict.

Columnist, Anthony Lewis today speaks to the issue of "gun-boat" diplomacy. Although he recognizes, as we all do, the gross miscalculations on the part of the Cambodians in seizing the American vessel, he raises some very legitimate questions regarding our response to that act.

I insert his column in the RECORD for my colleagues at this point, for I believe that his questions are ones which we as legislators have a responsibility to attempt to answer, in the helping the administration devise a foreign policy which recognizes the sanctity of human lives.

The article follows:

BARBAROUS PIRACY

(By Anthony Lewis)

The diplomacy of violence: That is still, then, to be our trademark. Once again an American Government shows that the only way it knows how to deal with frustration is by force. And the world is presumably meant to be impressed.

The Khmer Rouge were wrong and foolish to seize the American merchant ship *Mayaguez*, if the facts were as stated in Washington. They violated necessary norms of international behavior. We had reason to be concerned, especially about the fate of the crew.

But using a sledgehammer to crack a nut is self-defeating for nations as for individuals. Violent escalation of the conflict could hardly be expected to achieve the immediate aim of the crew's release; to the contrary, it might heighten the danger. More broadly, the military action showed a lack of that perspective expected of a great power—the perspective, in this case, of recent history.

Imagine that in 1775 and for years after an enormously powerful state equipped with futuristic weapons had intervened in our Revolutionary War. From bases in Canada it rained destruction on the thirteen colonies. A million Americans, a third of the population, fled their homes; 300,000 were casualties.

When the war was finally over, how might the victorious Americans have felt about that foreign state? If one of its ships had sailed into what were claimed to be Americans waters, might we have been tempted to board and seize the vessel?

A comparison between America in 1775 and Cambodia in 1975 is not so far-fetched. The peasant society of Cambodia today is hardly more advanced, technologically, than eighteenth-century America. Cambodia was just as defenseless against B–52's as the thirteen colonies would have been.

American planes dropped 250,0000 tons of bombs on Cambodia between 1969 and Aug. 15, 1973, when Congress prohibited all U.S. military action in, over or on the waters adjoining Indochina. Between a third and a half million of Cambodia's 7.5 million people became refugees. Jon Swain of The London Sunday Times, one of the correspondents recently evacuated, described the physical damage he saw as follows:

"The entire countryside has been churned up by American B–52 bomb craters, whole towns and villages razed. So far, I have not seen one intact pagoda. . . . The war damage here [Kompong Chhnang], as everywhere else we saw, is total. Not a bridge is standing, hardly a house. I am told most villagers spent the war years living semi-permanently underground in earth bunkers to escape the bombing."

With that background, Americans should be slow to point a finger of moral disapproval at the Khmer Rouge. Nor can we rightly take a lofty position on the need to respect law. Washington has not reacted with force when Ecuador seized U.S. fishing boats more distant from shore than the Mayagüez was. And the American bombing of Cambodia was itself of dubious constitutionality.

The United States also bears a heavy responsibility for the political character of Cambodia today. If we had not invaded the country in 1970, and then intervened massively in her civil war, Prince Sihanouk would doubtless have returned to power soon with a left-leaning but more traditional regime. The Khmer Rouge movement would not have developed as it has, in all its hardened zeal. Most of the human suffering of the war would have been avoided.

The Khmer Rouge inherited a ruined nation. We are rightly horrified by accounts of the harsh measures taken. But after what has been done to them, are the Cambodians really to be blamed if they are xenophobic?

Those Americans who had a part in the savagery of our policy toward Cambodia over the years should be particularly slow to utter deploring pieties now. Secretary of State Kissinger, a principal author of the policy, has described events in Cambodia as "barbarous," "inhuman," "very tragic" and "an atrocity of major proportions." A man so steeped in the blood of Cambodians should have the shame to remain silent.

And now the insensitivity is in deeds as well as words. Once again we have to show the world how tough we are: The attitude of the teen-ager proving his manhood did not end with Richard Nixon's Presidency. Demonstrative violence is in fact a central element in Henry Kissinger's diplomatic philosophy. But how long must it be our country's?

How disheartening, too, to see the Mayagüez affair evoke from Congress the old jingo talk and calls for Presidential action. Senator Clifford Case, co-author of the 1973 ban on military action in Indochina, lived down to his reputation as a pusillanimous liberal by telling President Ford that he could ignore the law. Have we learned nothing from Vietnam about law and the Presidency? Have we forgotten that America had the world's respect when she stood for patience and magnanimity in human affairs?

1776 AND 1976—THE TASK REMAINS THE SAME—PRESERVING ECONOMIC FREEDOM

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. KEMP. Mr. Speaker, freedom is not easily preserved. It requires the diligence of men and women who perceive accurately the erosion of liberty through well-meaning attempts to use the instruments of government instead of the creative abilities of the people—as the first resort to problem solving. In no instance is this more true than in the arena of economic problem-solving.

In recent remarks before the Conference of Grocery Manufacturers of America, Mr. R. Hal Dean, the chairman of the board and the chief executive officer of the Ralston Purina Co. of Checkerboard Square in St. Louis, addressed these issues forthrightly and with great understanding of the historical parallels between 1776 and 1976 in the challenge to a free economy posed by the growth of Government.

I think Hal Dean's remarks warrant the attention of all my colleagues, and I am pleased to include their full text at this point in the RECORD:

REMARKS BY R. HAL DEAN

When I was asked to speak to this group, your chairman suggested that I share some of my thinking with you on a subject that is of deep concern to me and many others in this country today. It has to do with this whole matrix of issues, problems and challenges related to our Free Enterprise System. I accepted the invitation not because of any illusions that I might bring you novel or original insights on this problem. Nor did I intend to dazzle you with any hypothetical proposals which might serve to help extract us, collectively from the dilemma that our country finds itself in as we approach our 200th birthday party. That is not my purpose today. I believe that as business people you are fully cognizant of these problems. And, I hope you also have a proposal or two of your own for eventual solutions.

My purpose here today is to serve as a catalyst. My wish is that when these meetings close you'll leave our city with a commitment to do something, personally, about these problems—commit yourself, as I have, to speak out and hopefully cause something positive to happen.

Ladies and gentlemen, I submit to you that whereas some 200 years ago—plus four days, that being April 19, 1775, when 60 Minutemen stood their ground on the Lexington Common and, as in the immortal words of Emerson, "fired the shot heard round the world," this country has never faced a greater challenge.

For unlike our forefathers, we find that the battle lines are unclear, the enemy not resplendent in bright Redcoat uniforms and the outcome not as definitive as to be measured in terms of "liberty or death."

All too many of us find ourselves almost hopelessly caught up in the frenzied swirl of 20th century America, beset not just with our own problems, but moreover cast as caretakers and peacemakers throughout the world. We find ourselves bombarded by an assault of instantaneous mass communications—a proliferation of thoughts and demands on the senses which at intervals tend to numb even the hardiest among us.

It is in this climate that a battle is being fought for the very freedoms that other Americans have died for in the course of our 200-year history. Ironically, this battle is being fought, and some would say lost, not for the want of courage or conviction—but by default.

There are those who would speculate that irretrievable losses have already been suffered. Hopefully, this is not the case and we will stiffen in our resolve to deal effectively with the challenges to our Free Enterprise System.

If my thesis is correct—and public opinion surveys will substantiate that the majority of our citizens continue to strongly favor a free market system—then our challenge must be to awaken our friends, our families, our fellow workers, all Americans to the gradual erosion, the acquiescence of our free market system into a state of collectivism.

To be more specific we are, bit by bit, piece by piece, giving up the System that has made our country the most prosperous and successful nation in recorded history.

To further illustrate the condition, you might remember several months ago when President Ford commented on a "bright spot" in the economic picture. He said the auto rebate plan was a welcome example of "good old American free enterprise." As Fortune magazine said later, it was a striking statement because it came at a time when economists, politicians, businessmen, and practically everybody else were furiously debating just what the government should be doing to counter the recession with public service jobs, increased unemployment benefits, tariffs and import quotas, government loans to businesses, controls on credit and other therapeutic measures. "Good old American free enterprise" seemed like the last thing that anyone was counting on for help.

Frightening isn't it. Yet reliance on the government, massive legislation and regulation, controls, and so forth in recent decades have become so commonplace that even businessmen have fallen into the trap of running to Washington for answers to all their problems.

Let me cite another example, and this one's a lot closer to home. The company, Peabody Coal, is headquartered about three blocks from this hotel. It is almost incredible to comprehend, but clearly a sign of the times, when a huge government agency, the Tennessee Valley Authority, recently offered to buy Peabody, one of the nation's largest coal companies, and the story hardly caused a ripple. If that deal would have gone through, Peabody would have been the nation's first nationalized energy company. In reporting that story, Dun's Review said, "If coal is nationalized, can oil and steel be far behind?"

The troublesome prospect in all of this is that if left unchecked and unchallenged, government—at all levels—will continue to expand.

In recent days President Ford has said that if all the pending bills were enacted, we could face a federal deficit next year of $100 billion—some Washington watchers are speculating that the deficit could even soar to $120 billion. The numbers have lost their meaning.

If you need more evidence, consider the following from Secretary of the Treasury, Bill Simon:

Item: Just before the New Deal, government spending took 12 percent of our gross national product. Today it takes a third. If present trends continue, it will take 60 percent by the year 2000.

Item: It required 186 years for the federal budget to reach the $100-billion figure, a line crossed in 1962. Only nine more were needed to reach the $200-billion mark, and then only four more years to reach the $300 billion. The sums are almost beyond comprehension. If $400,000 had been spent every day since Christ was born, the total would still not come to $300 billion.

Item: Excluding the war years, the federal budget ran a surplus about four out of every five years until the 19[illegible]0s. When we close the books on this fiscal year, we will have had 14 deficits in the last 15 years.

Item: One out of every six working Americans is employed by federal, state or local governments. The government has become the nation's biggest boss, with more employes than the auto industry, the steel industry and all other durable-goods manufacturers combined.

Usually at this point in his remarks, a professional speaker works in a bit of humor—a story or two to get the audience back on the beam. In place of that let's consider a few exotic items related to how the government spends our money—a taste of "sick" humor. Did you hear the one about the "poet" who received $5,000 tax money for the one-word poem, "Lighght," and the federal Tea Tasting Board, which sips away at the modest sum of $117,250 annually? Or the sum of $85,000 that was expended for the study of "Cultural, Economic and Social Impact of Rural Road Construction" in Poland and another $20,000 that went for a study of the blood groups of Polish Zlotnika pigs?

This data, by the way, comes from the National Taxpayers Union, which also says that $20,324 went to study the mating calls of Central American Toads and $70,000 to examine the perspiration of Australian aborigines. Add to this $375,000 to study the Frisbee and $20,000 to look into the German cockroach.

Senator Proxmire recently complained about some of the activities of the National Science Foundation. The Senator cited, for example, one grant of $84,000 that NSF funded for a study of why people fall in love, and another $260,000 for a study of "passionate" love.

The list goes on and on. Of course we have focused on the bizarre, and yet these examples do provide some grist for those politicians who have the nerve to tell us they don't know where the budget can be cut.

The whole sphere of regulation is still another Pandora's box. Professor Murray Weidenbaum of Washington University here in St. Louis, has recently published an excellent study entitled "Government-Mandated Price Increases" which deals with the "costs of regulation." Hopefully some of our Congressmen will study this document and perhaps achieve a better understanding of the cost-benefit ratio of regulation.

Lest you think the government giveaway foolishness cited earlier represents the general nature of big government waste. Professor Weidenbaum reminds us that individuals and firms are spending more than 130 million man-hours a year just in filling out thousands of different forms required by federal law, a paperwork burden that has increased by 50% just since the end of 1967.

Congress must begin to realize that this massive regulation morass generates costs as well as benefits, and those costs represent a "hidden tax" which is shifted from the taxpayer to the consumer.

Faced with this dismaying array of conditions—runaway deficit spending, burdensome and stifling regulation, massive transfer payments, recession programs that portend even greater inflation, threats to capital formation, attacks on profits and on and on—faced with this massive specter, one might tend to feel that the battle has been lost. I, for one, do not subscribe to that theory. And, fortunately, for all of us, there is continuing evidence of widespread support for our free market system emanating from thought-leaders across the political, labor, private and government sectors.

Darryl R. Francis, of the Federal Reserve right here in St. Louis, said recently that "public policy must be based on a recognition of the desirability, efficiency and interdependence of political, social and economic freedom." And according to that view, Francis added, "that government regulation should be viewed with suspicion as a potential enemy of society's material well being." He went on to say that rule-making is a real necessity, but cautioned that "each new government rule involves the loss of some freedom."

Recently U.S. Representative, Jack Kemp, of New York, the former professional football star, spoke eloquently in the House—his remarks were entitled, "A Free Enterprise Answer to Inflation and Recession." He said, in part, "outrageous deficit spending financed by huge increases in the money supply and unlimited government borrowing is strangling the productivity of the American Free Enterprise System. Government is choking to death the incentives and capital investment needed to generate jobs and the goods and services so necessary to increase the wealth of this nation."

Later that day, some 30 additional Congressmen entered a statement in the Congressional Record which proclaimed ". . . that solutions to our dual economic problems of inflation and recession lie in returning the decision-making to the people through the forces of the marketplace—letting the people decide what to purchase, sell, and buy, and at what price levels." They went on to say, "The pricing technique of the marketplace, derived from the interaction of supply and demand, is a more efficient, productive, and stable regulator of the economy than government ever can be. No government agency or official is as capable of making such decisions as are the people through the voluntary exchange of goods and services. To believe otherwise is to deny the basic tenets of democracy and liberty."

Permit just one more illustration—especially meaningful to me because it touched our Company's own operations.

Last month we broke ground for a multimillion dollar protein isolate plant in Pryor, Oklahoma. Attending those ceremonies was U.S. Representative Ted Risenhoover of Oklahoma, and I believe his words capsulize the very essence of my entire remarks here today. The Congressman said, "This is real America at work—digging and investing, selling, and believing in the future." He said, "I am totally committed to the concept that private profit-motivated industry should provide jobs—not the government."

This awareness and support, especially from our elected officials, is heartening, yet the message must be carried to an ever increasing number of Americans.

Unfortunately, too much discussion of this crisis has been in meetings like this—we've been talking to each other long enough. I said my main role today was that of a catalyst and I, therefore, urge you to get involved in this fight and speak out at every opportunity.

I believe the American people are ready to listen and to understand. But, to be effective, we must be ready to speak in understandable terms. Economic systems, capital formation and cash flow—this is the jargon of the business community. Jobs, paychecks, freedom of choice as consumers, are concepts that all Americans can identify with. It is in those terms that we must speak to the American public.

Of late, it has been said many times, that our nation—our very way of life—stands at a critical and historic crossroads. It is clear to me that Americans are not ready to renounce our system—alternate systems have less appeal today than ever before.

As Max Ways of Fortune magazine put it, "Every generation of Americans will live in a new episode of the suspense story. The System, as it expands freedom and stimulates action, will put more and more burdens on the intelligence and moral fiber of individual men and women."

Our republic was only a few years old when Congressman Fisher Ames of Massachusetts made what turned out to be a prophetic statement about our system of democracy. He said a monarchy is like a great ship—"you ride with the wind and the tide in safety and elation, but by and by you strike a reef and go down. Democracy is like a raft: you never sink, but damn it, your feet are always in the water."

"JOURNEY," BY ROBERT MASSIE AND SUZANNE MASSIE

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. BRADEMAS. Mr. Speaker, I take this time to call to the attention of the House a most remarkable book which has just been published entitled, "Journey," by Robert Massie and Suzanne Massie.

As Members of the House may know, Mr. Massie, with the help of his wife Suzanne, is author of the book, "Nicholas and Alexandra."

The book, "Journey," concerns the impact on the life of the entire Massie family of the fact that the Massie's son, Robert, has had hemophilia from his earliest years.

In their book, the Massies' also talk about the implications of their family's experience for medical care in the United States.

It is a powerful and moving and significant book.

I ask unanimous consent to insert at this point in the RECORD a review of "Journey," by Elizabeth Hegman, published in The New York Times Book Review of May 11, 1975.

The review follows:

BLOOD AND GUTS STORY: "JOURNEY"

(A review by Elizabeth Hegeman)

By Robert Massie and Suzanne Massie.

New York: Alfred A. Knopf.

Before Bobby Massie was 6 months old, he was diagnosed as having hemophilia. "Journey" is about the impact of catastrophic disease on a family in a society that says, in effect, "If you wish to keep this child alive, it's up to you to find the resources." "Journey" is remarkable not just because the Massies met the challenge, but because their book makes it possible to believe that their experiences opened to them a self-awareness they otherwise never would have known.

Robert and Suzanne Massie, and later Bobby and his younger sister, Susy, each speak in their own voices, describing the family's life from Bobby's birth 18 years ago to the present—a span which includes the writing of Robert Massie's best seller, "Nicholas and Alexandra"—and explains how their professional lives have been woven together with Bobby's development into the extraordinary person he is now.

Some of the problems the Massies faced were those of every parent, dramatically intensified: the terrible helplessness of not being able to control what happens to someone you love. Bobby's early years were marked by terrifying rides late at night for transfusions of fresh frozen plasma to control his bleeding. Later, activity would sometimes set off bleeding into joints that left Bobby with a jackknifed leg and possibly crippled permanently. It is hard enough for any parent to decide when to intervene for safety's sake, and when to trust the child's initiative; how much harder it was for the Massies when a bump could lead to fatal bleeding in the brain or throat. They decided early that physical risks would have to be taken in order to protect Bobby's autonomy. Life might be something that happened between transfusions, but it would include vacations on the Maine coast and sleighrides in Switzerland as well as getting bloodstains out of the linen.

But some of the difficulties the Massies faced were unique to those whose lives are touched by chronic disease: the humiliation of having to beg for blood donations (one afternoon at Yankee Stadium an appeal over the loudspeaker brought six donors), crushing financial burdens (six weeks worth of cryoprecipitate to stop bleeding, $1,500). Worst of all, there was the isolation, boredom and loneliness when Westchester neighbors avoided the family out of ignorance or fear. Under the common misconception that Bobby could bleed to death from a scratch, other parents often failed to invite him to birthday parties or failed to encourage their children to visit.

Robert Massie writes (after the premiere of the movie, "Nicholas and Alexandria"): "In a remarkable way, the vicious disease that had attacked Bobby and ravaged our lives had also provided us with the weapons to fight back." He is too modest; each of these weapons had to be actively created, sought out, crafted.

Through the demands of the illness, Bobby's parents learned to use resources they had not known they had. They put their basic intelligence and journalists' skills to work to wring the best possible medical care from the system. Robert Massie learned how to transfuse Bobby so the family could be freed from the constant trips to doctors and hospitals. Suzanne studied Russian and explored a culture in which suffering is accorded dignity rather than shame and ostracism; the Russian emigre community extended to them a compassion withheld by others. Together the Massies pursued the historical interest that led to the successful biography "Nicholas and Alexandria" about the parents of the Tsarevich Alexis whose hemophilia played a part in the downfall of the Romanovs. The book temporarily brought them a measure of freedom from financial pressure and the chance to live in France for four years, where Bobby discovered a matter-of-fact acceptance and a chance to be valued for his talents he had not found in America.

But, most important, the Massies' study of the history may have helped them avoid the mistakes of others—the futile attempts to overcontrol, like the Spanish royal family who padded the trees in the park, or the temptations of surrender to despair or mystical solutions, like Alexandra in her dependency on Rasputin.

An important change took place, especially in Suzanne's perceptions of her world about the time "Nicholas and Alexandra" was being written—the distortions that everyone experiences in extreme pain and helplessness diminish, and people in daily life are no longer seen as heroes and villains. At the same time her rage that had been directed at people outside the family changes in form as she begins to engage in the world outside her home again—she goes back to work so that Bobby can have health insurance coverage while Bob is writing.

In Bobby's first years, the nurses who followed rigid hospital rules and the puzzled doctors who failed to offer reassurance are seen as evil, sometimes even malicious: when Bobby is wheeled away for a spinal tap Suzanne says, "I felt as if the Gestapo had him." She says, too, "Pain heightens every sense. More powerfully than any drug it intensifies colors, sounds, sight, feelings."

It also colors capacity for judgment, for remarkable as Bobby's favorite doctors must have been, their descriptions are reminiscent of Alexandra's idealization of Rasputin. As "Journey" progresses, more balanced and thoughtful descriptions emerge—the rare friends Bobby makes in adolescence are portrayed as complex and believable people. If there is, in the end, a single villain, it is the American Medical Association.

The substance of the book shifts from the mastery of pain to the mastery of life, and it is done in part by a turning outward in contrast to the Romanovs' secretiveness and withdrawal. The authors skillfully weave into their story important information about hemophilia in order to dispel harmful misinformation. They are determined to try to change those American institutions that fail to support the chronically ill. Robert Massie documents the excessive delays and costs in producing a more effective substance to promote clotting, as a result of private enterprise pharmaceutical interests competing with the Red Cross, who can produce the vital AHF at half the market cost. He describes the grotesque folly of trying to raise enough money for the hemophilia societies through charity balls and premieres and the inadequacy of the "patchwork" uncoordinated charities and agencies set up to help special need groups. He points to the subsidized medical care of Army dependents and wasteful Blue Cross policies which insist on in-patient care for reimbursement.

Massie's restrained yet passionate condemnation should not be mistaken for a self-serving plea for more money for hemophiliacs. It is the statement of a father who feels guilty over using so much of the precious blood derivative *even though he pays for it*, because he has carefully thought out his connection to society and he knows that something is deeply wrong with our social policy if blood is treated as a commodity to be exchanged for money. Richard Timuss, whose book "The Gift Relationship" is quoted in "Journey," says that the right to give blood with no expectation of direct or immediate benefit is even more important in industrialized countries than in traditional ones—because such giving is the only way we have of holding a social fabric together. The existence of a commodity market in blood as in the United States, is part of a social policy which fosters alienation and discourages social commitment. It is based on a cultural inability to deal with illness, death, disability—except by averting our eyes. The despair and isolation as well as the financial burdens the Massies had to overcome in their Westchester community illustrate the terrible costs of such attitudes.

In the preface, the authors ask "Who is the more seriously handicapped—the child trying to lead a normal life despite his defects or the physically healthy person who is unable to accept him?" That the question can be posed at all shows how deeply divided a society can be. Bobby's answer is to reject the social rejection implicit in terms such as "compensation" or "adjustment." He is simply unable to compare himself unfavorably with someone "normal." Now a freshman at Princeton, he writes:

"I am not afraid of adversity, having suffered setbacks and bounced back. I think that my character has been improved by my difficult childhood. I have . . . resilience, will power, . . . and appreciation for what I have no regret for what I lack. How can I—or anyone—wish that the most important thing that ever happened to me had not happened? It is like saying that I wish I had been born on another planet, so different would I probably be. Put it this way: I would not have it any other way."

Like Bobby, both his parents have had to find and make a credo that somehow makes sense of a world of which this disease is a part. "Journey" is gripping and beautifully written; the focus is clear, the details vivid. Perhaps this is to be expected when proven journalists and biographers turn to autobiographical tasks, but the taste and dignity with which they write is exceptional. We know the Massies must have turned toward each other very deeply for sustenance; it is implicit in their decision to have two more children after Bobby. But among the values that inform their lives and their . . . ; a sense of privacy which keep their writing from being maudlin or lurid. "Journey" has a great deal to say to people who want to establish and keep bonds of intimacy in their lives despite the vulnerabilities that go with such bonds.

THE 38TH BIRTHDAY OF MAJOR MICHAEL J. MASTERSON

HON. JIM LLOYD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. LLOYD of California. Mr. Speaker, tomorrow, May 16, 1975, is the 38th birthday of Maj. Michal J. Masterson. What should normally be a happy occasion, however, is a tragic event. Major Masterson, an Air Force pilot since 1961, was forced down on a mission over Laos on October 13, 1968, and has never been heard from since.

His wife, Fran, and daughters Sue and Sheri, live in Montclair, Calif., in my 35th district. On their behalf, and for all of the men missing in action in Southeast Asia, and their grieved families, I ask my colleagues in the House of Representatives not to forget these Americans.

Major Masterson's hobbies are water skiing, bowling, and motorcycles. He was a fine family man and a patriot of the highest order. On behalf of the House of Representatives, I would like to salute Maj. Michael J. Masterson on his 38th birthday.

THE KING CAUCUS BIND

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. ANDERSON of Illinois. Mr. Speaker, I read with interest in last Sunday's Washington Post that—

> House Democrats, under Republican twitting, appear on the verge of abolishing an ancient and dust-covered rule: the binding caucus vote.

The article goes on to explain that the reform which is being spearheaded by the Democratic study group would only abolish rule No. 8 of the Democratic Caucus which permits two-thirds of those present and voting in a caucus to bind Democratic votes on the House floor. Left untouched would be the more frequently used procedure of binding Democratic Members' votes in committees, which requires only a majority vote in the caucus.

Mr. Speaker, I suppose in all fairness that I should commend my reform-minded colleagues on the other side of the aisle on their one small step for mankind. But in all fairness I cannot. As the article correctly points out, the caucus has not used the binding floor vote since 1971 when Democrats were bound by the caucus to repeal the minority staffing provisions of the 1970 Legislative Reorganization Act. The fact is, this long overdue move to ban the binding floor vote is nothing more than a hypocritical smokescreen to divert attention from the real sins of King Caucus—secrecy and binding committee votes.

Coincidentally, the DSG "reform" is scheduled to be considered on May 21, the same day the caucus will supposedly consider the resolution of the gentleman from Florida (Mr. CHAPPELL) and over 100 cosponsors, to open the caucus to the public, a resolution which was originally to be considered back on April 16 but has been mysteriously sidetracked for a month now. My strong suspicions are that the DSG rule change is merely a device to buy off votes on the Chappell rule and postpone indefinitely a direct vote on that rule.

Had the DSG come out simultaneously for open caucuses, as it has campaigned in the past for open committee meetings and hearings, my suspicions might have been allayed. But, to the best of my knowledge, the DSG reformers have remained strangely silent on the open caucus issue. Moreover, there is no question that the DSG still strongly supports the caucus device of binding Members' votes

in committees. And while Rule 8 at least permitted a Member to depart from caucus instructions on a floor vote if he considered the proposition unconstitutional or had made a contrary pledge to his constituents in the previous campaign, the binding committee vote procedure provides for no such exceptions.

Mr. Speaker, special report 93–12 of the Democratic Study Group, entitled "Caucus Instruction and Binding Actions," issued on June 4, 1974, makes it quite clear that, under the DSG interpretation. First, Members serve on committees entirely at the discretion of the Caucus, second, the Caucus therefore has complete control over Members' committee assignments—including that of removing a Member from a committee entirely or stripping the Member of his or her committee seniority, and third, in their role as Members of Congress (e.g. voting in the House) Members are primarily representatives of their districts, while in their service on committees they are primarily agents or representatives of the Caucus—especially when the Caucus gives them specific instructions.

In other words, Mr. Speaker, according to this interpretation, committees are formed primarily as organs of the party caucus, and not the House or the people, and a Member's first allegiance on a committee is to his party caucus rather than to conscience or constituency.

In defending binding instructions on committee votes, the DSG-types explain that such instructions are merely "procedural" and not "substantive," and that Members are still free to vote their conscience or constituency on substantive floor votes. What this line of thinking overlooks is that procedure often determines substance and that the House more often than not depends on and supports the judgment and decisions of its committees when the legislation reaches the floor. For instance, we have already had examples in which the caucus has instructed the Rules Committee to make certain amendments in order to a bill on the floor while excluding the offering of other amendments.

In so doing, the caucus narrowly proscribes the substantive issues which may be considered by the full House. And, in directing certain committees to report bills containing specific provisions, the caucus precludes a committee from exercising its independent judgment and applying its expertise based on its subsequent hearings and deliberations on a matter. The legislative process in committees is thus rendered meaningless because the results have been predetermined and dictated by the caucus.

In conclusion, Mr. Speaker, no one should be deluded for a moment that any real reforms are about to be achieved behind the closed doors of the smoke-filled King Caucus chambers. All that smoke is nothing more than a smokescreen being thrown up to insure that King Caucus will continue to be shrouded in a cloak of secrecy as he dictates his instructions to his committee minions. I would urge my colleagues on the other side of the aisle to follow our lead in the House Republican Conference by throwing open their caucus doors and letting the fresh air and sunshine in—to clear away all that smoke before they choke or croak.

Perhaps all this is too much to expect from a caucus which cowers and cringes before a powerful minority which delights in and thrives on secret machinations. I would hope not. But, if that is the case, I would welcome my colleagues to join as cosponsors of my House Resolution 111, one of my nine "Open House Amendments," which would effectively prohibit a party caucus or conference from issuing binding instructions on a Member's committee or floor votes. Specifically, by amendment to clause 1 of House Rule VIII would add the following:

> No Member may be bound by order or instruction of his party caucus or conference to vote contrary to his conscience. A point of order shall lie with respect to any provision or measure so voted in committee provided it is made by a Member so bound and was first made in committee in a timely manner and improperly overruled or not properly considered. A point of order shall also lie with respect to any provision or measure on which a Member has been bound, by order or instruction of his party caucus or conference, to vote in the House or Committee of the Whole, contrary to his conscience, provided such point of order is made by a Member so bound.

Mr. Speaker, interestingly enough, this rule is based on article 38 of the Basic Law or constitution of the Federal Republic of Germany which specifies that the deputies to the German Bundestag shall be representatives of the whole people, not bound by orders and instructions, and shall be subject only to their conscience. I am pleased to report that my proposed House Rule amendment now has 90 cosponsors. I am not pleased to report that I have not yet received a reply to my letter of March 19, 1975, to the chairman of the House Rules Committee, requesting hearings on this and my other eight "Open House Amendments."

At this point in the RECORD, Mr. Speaker, I include a full list of those Members who have cosponsored by rule to prohibit binding party instructions as well as the article from the Sunday, May 11 Washington Post by Richard L. Lyons headlined, "House Democrats Eye 'King Caucus' ":

COSPONSORS OF HOUSE RULE TO PROHIBIT BINDING PARTY INSTRUCTIONS

James Abdnor (R-S. Dak.).
Mark Andrews (R-N. Dak.).
Bill Archer (R-Tex.).
William L. Armstrong (R-Colo.).
L. A. (Skip) Bafalis (R-Fla.).
Robert E. Bauman (R-Md.).
Alphonzo Bell (R-Calif.).
Edward G. Biester, Jr. (R-Pa.).
William S. Broomfield (R-Mich.).
Clarence J. Brown (R-Ohio).
James T Broyhill (R-N.C.).
John Buchanan (R-Ala.).
Clair W. Burgener (R-Calif.).
Tim Lee Carter (R-Ky.).
Bill Chappell, Jr. (D-Fla.).
Del Clawson (R-Calif.).
James C. Cleveland (R-N.H.).
William S. Cohen (R-Maine).
Barber B. Conable (R-N.Y.).
Silvio O Conte (R-Mass.).
Lawrence Coughlin (R-Pa.).
Samuel L. Devine (R-Ohio).
William L. Dickinson (R-Ala.).
Robert W. Edgar (D-Pa.).
David F. Emery (R-Maine).
John N. Erlenborn (R-Ill.).
Marvin L. Esch (R-Mich.).
Edwin D. Eshleman (R-Pa.).
Millicent Fenwick (R-N.J.).
Paul Findley (R-Ill.).
Hamilton Fish, Jr. (R-N.Y.).
Edwin B. Forsythe (R-N.J.).
Bill Frenzel (R-Minn.).
Louis Frey, Jr. (R-Fla.).
Benjamin A. Gilman (R-N.Y.).
Barry M. Goldwater, Jr. (R-Calif.).
William F. Goodling (R-Pa.).
Charles E. Grassley (R-Iowa).
Gilbert Gude (R-Md.).
Tennyson Guyer (R-Ohio).
Tom Hagedorn (R-Minn.).
James F. Hastings (R-N.Y.).
Andrew J. Hinshaw (R-Calif.).
Majorie S. Holt (R-Md.).
Frank Horton (R-N.Y.).
Henry J. Hyde (R-Ill.).
James M. Jeffords (R-Vt.).
Albert W. Johnson (R-Pa.).
James P. Johnson (R-Colo.).
Robert W. Kasten, Jr. (R-Wis.).
Richard Kelly (R-Fla.).
Jack F. Kemp (R-N.Y.).
Robert J. Lagomarsino (R-Calif.).
Delbert L. Latta (R-Ohio).
Norman F. Lent (R-N.Y.).
Trent Lott (R-Miss.).
Manuel Lujan, Jr. (R.-N. Mex.).
Robert McClory (R-Ill.).
Larry McDonald (D-Ga.).
Robert C. McEwen (R.-N.Y.).
Stewart B. McKinney (R-Conn.).
James G. Martin (R-N.C.).
Robert H. Michel (R-Ill.).
Donald J. Mitchell (R-N.Y.).
W. Hinson Moore (R-La.).
Carlos J. Moorhead (R-Calif.).
Charles A. Mosher (R-Ohio).
George M. O'Brien (R-Ill.).
Peter A. Peyser (R-N.Y.).
Larry Pressler (R-S. Dak.).
Joel Pritchard (R-Wash.).
Ralph S. Regula (R-Ohio).
John J. Rhodes (R-Ariz.).
Matthew J. Rinaldo (R-N.J.).
Philip E. Ruppe (R-Mich.).
Ronald S. Sarasin (R-Conn.).
Patricia Schroeder (D-Colo.).
Richard T. Schulze (R-Pa.).
Keith G. Sebelius (R-Kans.).
Garner E. Shriver (R-Kans.).
Gene Snyder (R-Ky.).
Floyd Spence (R-S.C.).
J. William Stanton (R-Ohio).
Alan Steelman (R-Tex.).
William A. Steiger (R-Wis.).
Steven D. Symms (R-Idaho).
Burt L. Talcott (R-Calif.).
Charles Thone (R-Nebr.).
David C. Treen (R-La.).
William Whitehurst (R-Va.).
Bob Wilson (R-Calif.).
Larry Winn, Jr. (R-Kans.).
C. W. Bill Young (R-Fla.).

[From the Washington Post, May 11, 1975]

HOUSE DEMOCRATS EYE 'KING CAUCUS'

(By Richard L. Lyons)

House Democrats, under Republican twitting, appear on the verge of abolishing an ancient and dust-covered rule: the binding caucus vote.

Rule No. 8 of the caucus of all House Democrats provides that by a two-thirds vote the caucus can order all its members to vote for or against a bill on the House floor.

A member can safely ignore such a directive only by stating that he considers the caucus position unconstitutional or that he or she had made contrary pledges to constituents. Otherwise the member would be subject to party discipline up to expulsion from the caucus and loss of committee seniority.

The rule has been invoked only once in the last 40 years—in 1971 to repeal a provision giving the Republican minority one-third of all committee staffing funds. But since it is in the rules, Republicans have set up a howl that it is an outrageous and undemocratic method for mounting secret power plays by which, conceivably, a minority of the House could create a majority for or against legislation.

The Executive Committee of the Democratic Study Group, an organization of liberal House Democrats, has recommended repeal of the rule and a motion to do so is expected at the May 21 monthly caucus. Since the only likely targets of a binding directive would be the conservative minority within the party, the repealer is expected to be approved.

The DSG leaders issued a statement saying repeal "will merely remove a rule which serves no purpose other than as a prop for Republican fairy tales about the evils of King Caucus."

The binding rule was used extensively for a decade after autocratic powers were removed from the Speaker of the House in 1911; the leadership used King Caucus to ram through one bill after another. But it has been used only twice in the last 50 years, as power moved from the caucus to committees.

But now the Democratic caucus has been revitalized, to the point where three committee chairmen were toppled last January. Republicans apparently fear the binding rule will be revived too.

While urging repeal of the rule binding members on floor votes, the DSG leaders said the caucus should continue its occasional practice of directing members how to vote in committee. They distinguished between the two actions this way:

"How a member votes in the House is a matter totally between the individual member and his or her constituents and his or her personal convictions. The caucus does not elect members to the House and it therefore has no right to tell members how they must vote on matters of public policy.

"However, the caucus does give members their committee assignments" and has "an inherent right to instruct their members to take a particular action in committee"—as when the caucus recently instructed Democrats on the House Rules Committee to allow a floor vote on the oil depletion issue. Repealing Rule No. 8, they said, will "not alter this inherent right" of the caucus.

The DSG proposal would not be a full answer to the Republican criticism of the "secret" King Caucus. Last week House GOP members, a one-third minority, voted to open their Republican Conference meetings to the public and challenged Democrats to do the same.

Rep. Bill Chappell (D-Fla.) with widespread backing of Democratic conservatives, wants the May 21 caucus to declare that every Democratic caucus meeting should be open unless a majority votes in open session to close it because the discussion "would endanger the national security."

First reaction of the liberal majority was that this motion from the conservative wing was an attempt to weaken the caucus, whose revival was the result of years of procedural changes spearheaded by the DSG. There has been talk of a compromise that would open the caucus to the public when it is asked to vote on a legislative issue.

Another target of those who would open up the system is the House-Senate conference where final compromises are hammered out on bills that have passed both houses in different form. This is where the real wheeling and dealing is done, where bills can be gutted behind closed doors with no written record of who said what or voted which way. The House has voted to open conferences unless a majority of the conferees from either house votes against, but the Senate has taken no action.

COMMUNIST PARTY SUPPORT FOR H.R. 50

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. McDONALD of Georgia. Mr. Speaker, I am distressed and concerned to read in these pages of the CONGRESSIONAL RECORD of May 13 that my distinguished colleague from California rejects the evidence of Communist Party, U.S.A.—CPUSA—support of H.R. 50.

I wish to point out that in the CONGRESSIONAL RECORDS of May 6, 1975—page 13256, and April 16, 1975—pages 10437–10439, I quoted the CPUSA press showing the party's support for the aforementioned bill which is, if passed, a major step toward socialism.

Whenever the Communist Party succeeds in involving itself with responsible national or local leaders, it makes propaganda points out of that connection. A previous case in point occurred in January 1973, when Fred Gaboury testified before the Senate Labor Committee in opposition to the nomination of Peter Brennan as Secretary of Labor.

At that time Gaboury claimed to represent "independent trade unionist." The "independent" trade unionist organization he represents is the National Coordinating Committee for Trade Union Action and Democracy—NCCTUAD or TUAD—the Communist Party's apparatus for the penetration of the trade union movement. Gaboury did not identify himself when he testified as Midwest trade union secretary of the Communist Party. Nor did he state that he was a paid CUPSA functionary, not a volunteer organizer for TUAD.

The case of the testimony of Douglas Likkel seems to parallel this.

In my remarks of May 6, 1975, I carefully pointed out that Likkel did not openly present himself as a leader of the Communist Party's youth group. Instead he presented himself as representing Youth United for Jobs, a YWLL front.

I also pointed out that the Young Workers Liberation League national chairman, James Steele, as reported in the CPUSA's own newspaper, the Daily World, stated that the YWLL had created Youth United for Jobs—

> To build youth support for the Hawkins full employment bill—H.R. 50—and [was] formulating proposals to strengthen it.

As for other Communist Party, U.S.A. support for H.R. 50, I refer my colleagues to my remarks of April 16, 1975, and April 18, 1975, page 10910. In these remarks I provided evidence from Communist Party publications that the CPUSA had created a new front, the National Committee to Fight Inflation and Unemployment—NCFIU—which has as one of its stated purposes supporting H.R. 50.

This new Communist Party front, the NCFIU, held a legislative conference in Washington on March 1, 1975. The Daily World provided a front-page report by Tim Wheeler on May 4. In part it read:

> WASHINGTON, MARCH 3.—The National Coalition to Fight Inflation and Unemployment urged Congress yesterday to take emergency measures to halt corporate profiteering and put millions of jobless back to work. The call came at a legislative conference attended by activists from across the nation.
>
> The program, drawn up in workshop sessions, included a demand for passage of a strengthened Full Employment bill as introduced by Rep. Augustus Hawkins (D-Cal); overhaul of the unemployment compensation system; a ban on plant closings and layoffs; a shorter work week at full pay; rollbacks in prices, rents, and utility rates, and the nationalization of industries guilty of profiteering.
>
> The conference also approved a general resolution calling for a "drastic cut in military spending" and cut-off of military aid to Indochina dictators.
>
> * * * * *
>
> In a workshop session on the Hawkins Full Employment bill attended by Hawkins' staff aide William Higgs, participants decried the watering down and weakening of the bill.
>
> The workshop rejected the bill's proposal for implementation of the full employment goal within three years, and urged instead its implementation within one year.
>
> It also rejected a substitute version which calls for local "advisory councils" appointed by the President, instead of the earlier version which called for local "planning councils" elected by the people to draw up and oversee local projects.
>
> One speaker pointed out that the earlier language specifically stated that Black and Brown people, youth, senior citizens, and women must be fully represented on these councils. This guarantee must be restored, the speaker said.
>
> Also demanded was "guaranteed community control" of the job-creating local projects mandated in the bill.
>
> ### PARLEY BACKS PROPOSALS
>
> These proposals were later approved unanimously at the conference plenary.
>
> Several of the Congressional aides present pleaded that strengthening the bill would risk its defeat in the recreationary dominated Congress.
>
> But Jim Steele, chairman of the Young Workers Liberation League, warned that the masses will not rally to compel passage of the measure unless it contains "immediate relief" from the crushing burden of the economic crisis.
>
> "Frankly," said Steele. "I think we have to say we want immediate implementation of the full employment goal of this bill."

On January 28, 1975, the National Labor Commission of the CPUSA released a statement calling for a combined program of Government make-work projects, trade with the Soviet bloc and slashing billions from the defense budget. This is a capsule version of the demands of the CPUSA-run "National Conference for a Drastic Cutback in Military Spending" held in April which I referred to in my remarks of April 24, 1975, on pages 11873–11875.

The Daily World's front-page report read in part:

> NEW YORK, JANUARY 28.—The National Labor Commission of the Communist Party today called upon the rank and file members of the U.S. labor movement to launch a fight for a program of jobs, price rollbacks and immediate legislative measures for economic relief.
>
> George Meyers, national secretary of the commission, said in a prepared statement from the commission that the key demand in the struggle for jobs is the winning of the six-hour workday with no cut in pay.
>
> ### TEXT OF STATEMENT
>
> (The statement follows:)
>
> What is needed to combat unemployment is a rank and file movement for the six hour day no cut in pay. This must be accompanied by the immediate setting into motion of a massive public works program at union wages.
>
> Unless this happens, the millions of currently unemployed, plus the millions just coming into the labor market, will never have jobs.
>
> Urgently needed also is the removal of discriminatory tariff barriers to trade with the Socialist countries, and trade with the Arab and developing countries on an equal basis. This trade makes jobs.
>
> A key demand of such a rank and file movement should be for tax relief for working people, calling for no taxes on family incomes of $25,000 per year or less; shifting the tax burden to the corporations, job-to-job unemployment insurance at levels high enough to meet today's inflation; food stamps and welfare allotments for those in need. It requires pouring billions of dollars into housing and public works, billions that can and must be taken from the $10 billion war budget.

As an example of Communist Party involvement in "grassroots" support for H.R. 50, on January 9, 1975, Richard Ashby reported in the Daily World on preparations for January 15, 1975, demonstrations in Chicago. Ashby wrote:

> CHICAGO. JANUARY 8.—Chicagoans will demonstrate for jobs here Jan. 15, in one of a series of actions around the country on that date in support of full-employment legislation and other goals.
>
> The action here is being organized by a coalition of labor, religious and community organizations.
>
> ### JOBS BILL
>
> The coalition is seeking to pressure Congress to pass the full-employment bill sponsored by Rep. Augustus Hawkins (D–Calif.) and Sen. Hubert Humphrey (D-Minn.).
>
> * * * * *
>
> Coordinators of the Chicago action are Frances Davis, from Operation PUSH; Sylvia Kushner, from the Chicago Peace Council; and Don Jones, President of American Federation of Government Employees Local 1395. Jones is also chairman of Chicago Acts Against Inflation (CAAI).
>
> ### COMMUNIST SUPPORT
>
> Ishmael Flory, chairman, and Jack Kling, state secretary of the Illinois Communist Party today issued a statement calling for support for the Jan. 15 demonstration here:

Ashby did not mention in the Daily World that Sylvia Kushner, one of the three coordinators of the demonstration, is an identified member of the Communist Party. Nor did he mention at that point that Chicago Acts Against Inflation—CAAI—is the Chicago affiliate of CPUSA's National Coalition To Fight Inflation and Unemployment.

Also of interest in this matter is an article by Fred Gaboury, the Communist Party's Midwest trade union secretary mentioned previously in this response, in the April 1975, issue of Labor Today, the Communist Party's trade union publication lately described by Gus Hall as "the TUAD organ."

Gaboury's article, "Mobilization Against Unemployment," read in part:

> Labor Today readers should welcome the initiative of the National Coalition to Fight Inflation and Unemployment in calling for a nation-wide demonstration against inflation and unemployment in Washington, D.C.
>
> Organized to bring mass pressure on a reluctant Congress to take immediate action to deal with growing unemployment and continued inflation, one of the demonstration's chief legislative goals will be the "Equal Opportunity and Full Employment Act of 1976," popularly known as the Hawkins-Reuss Bill. Numbered "H–50" in the House of Representatives and "S–50" in the Senate where it has been introduced by Hubert Humphrey, this bill would mandate as government policy, the right of all citizens to a job. (A detailed analysis of the Equal Opportunity and Full Employment Act of 1976 is to be found, beginning on Page 1, in the February issue of LT.)

In addition, the March 1975, issue of Economic Notes, the publication of Labor Research Associates, founded some four decades ago by Alexander Trachtenberg and cited as "a direct auxiliary of the Communist Party," characterized H.R. 50 in these terms:

> The most advanced bill in Congress, popularly dubbed the Hawkins Bill (sponsored by Congressman Hawkins and by Senator Humphrey) is H.R. 50, "The Equal Opportunity and Full Employment Act of 1975."
>
> * * * * *
>
> The Hawkins Bill * * * represents a tremendous advance over the Employment Act of 1946. It codifies full employment as a new government responsibility to the working class.

I wish to express my deepest appreciation for my distinguished colleague's publishing in the CONGRESSIONAL RECORD the names of those who have testified concerning H.R. 50. The witness list shows that the greatest majority of witnesses were persons of honor and integrity.

However, several persons who are either identified CPUSA members or actively involved in CPUSA front organizations did manage to testify.

These include Felicia Coward of the Young Workers Liberation League; and the Honorable Coleman Young, identified in sworn testimony by Mrs. Berenice Baldwin as attending Marxist-Leninist education classes open only to members of the Communist Party, in addition to Doug Likkel of the YWLL.

A brief review of those with recent activities in CPUSA fronts includes Rev. Al Dortch, a founding sponsor and participant in the CPUSA's National Alliance Against Racist and Political Repression; initiating sponsor of CPUSA's National Anti-Imperialist Movement in Solidarity With African Liberation and former head of the Southern Christian Leadership Conference-West; Lucy Fried, coordinator of the Coalition for Economic Survival, a local chapter of the National Coalition To Fight Inflation and Unemployment; and a rather interesting person, Brian Williams.

Mr. Brian Williams wrote an article in the April issue of Labor Today, the publication of the CPUSA and National Coordinating Committee for Trade Union Action and Democracy, describing how TUAD was setting up another front to deal with the unemployment crisis. The article read:

> ### FIGHT FOR JOBS MOUNTS IN PHILADELPHIA
>
> (By Brian Williams)
>
> In Philadelphia, unemployment is at its highest level since the end of World War II. Massive lay-offs and plant closings are coming every week. Unemployment compensation is running out for thousands.
>
> In response to the growing crisis, the Philadelphia Committee for Trade Union Action and Democracy has initiated the Committee for Full Employment from the ranks of unemployed workers.
>
> The Committee for Full Employment (CFE) is mounting a campaign to educate and inform people about the Hawkins-Humphrey Full Employment Bill. In three weeks CFE collected 3,000 signatures at one unemployment center on a petition supporting the bill.
>
> The CFE has met with Congressman Hawkins who agreed to hold fact-finding hearings in the Philadelphia area. CFE is building a coalition of trade unions and people's organizations to sponsor these hearings.
>
> The Committee is also building committees of the unemployed in communities and local unions. It is sponsoring a program of legal counseling on the unemployment laws which has already helped many unemployed workers obtain their rights to compensation. CFE is training its members in the unemployment laws in order to expand the counseling service.
>
> The Committee is now in the process of getting a bill introduced into the State Legislature which calls for:
>
> Extension of unemployment compensation from 52 weeks to the duration of the lay-off.
>
> Medicare cards for the unemployed.
>
> Increasing unemployment compensation to 75% of gross pay with a $60 minimum and $250 maximum.
>
> Extending unemployment compensation to all jobless workers including first time job seekers.
>
> A moratorium on all repossessions and evictions.
>
> The opening of temporary emergency centers to process new claims.
>
> The Committee for Full Employment hopes to see the formation of a broad coalition of people's organizations to come to grips with the economic crisis and works closely with Operation Fightback, affiliate of the National Coalition Against Inflation and Unemployment.

Mr. Speaker, I feel certain that my colleagues will agree with me that the Communist Party has a right to seek to present its views—or rather, those of the Kremlin—to the public. However, when they seek to do so by deceit and trickery, they should be exposed.

I am informed as to the tactics of the Communist Party, because I read its publications—Daily World, Economic Notes, Labor Today, Young Worker, Freedomways, Political Affairs.

I do this because of personal interest, not for pleasure, and I do not expect every one of my colleagues to wade through these publications in order to determine the shifting tactics of the U.S. voice of the Kremlin. Nor can a busy congressional office assign more than a minimum of staff time to any such project.

My colleagues will remember that the House formerly had a full committee to do just this sort of informational work. Approached by national and local groups to make laws or repeal laws on every conceivable subject, we need a Committee on Internal Security to examine these pressure groups and determine which are legitimate and which merely the disguised tactical fronts of the Soviet Union, the Communist Chinese, the Cubans, the North Vietnamese, et cetera.

OVERTURES TOWARD CUBA—WHEN WILL WE LEARN?

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. SYMMS. Mr. Speaker, the architects of American foreign policy during the past three decades have not been known for their ability to learn from history. Time and time again they have been fooled by the same rhetoric and burned by the same blunders. They continue to pursue nebulous policies which reflect no conviction, no national purpose and no comprehension of our adversaries' goals and strategies. We have experienced an uninterrupted string of setbacks as a result of a foreign policy which, in the final analysis, translates into conciliation at any cost.

As a new chapter in our relations with Communist Cuba begins to unfold, it appears that we are once again blinding ourselves to the lessons of our own experience. Consider the recent chronology of events in this regard:

Last fall, Cuban dictator Fidel Castro delivered a fiery speech devoted entirely to bitter denouncements of the United States. The very next day he was entertaining two prominent U.S. Senators (Javits and Pell). At a midnight press conference in Havana, the Senators proclaimed to the world, "We believe that Premier Castro is interested in working toward better relations with the United States."

In the ensuing months, Mr. Speaker, Americans again witnessed anti-Americanism at work in another part of the world—Southeast Asia. The tragic and brutal capture of Cambodia and South Vietnam by Communist forces was a graphic reminder to all Americans that Communist aggression is not a right-wing theory; it is a harsh reality. The devastating victory of these insurgent armies was made possible by: First, the signing of the Paris peace accords, which the United States honored and the Communists did not; and second, the massive supplying of these forces by Red China and Russia. While our leaders expounded upon the virtues of "détente" with these two nations and lauded the United States financing of truck plants, chemical factories, and advanced computer technology in the U.S.S.R., the Russian trucks kept rolling down the Ho Chi Minh Trail toward Saigon.

Now Cuba is in the news again. South Dakota's Senator George McGovern has just returned from a 3-day guided tour of the island with dictator Castro at his side. McGovern promptly called for a normalization of relations with Cuba following his trip. Even as reports were filing in of the human atrocities in Southeast Asia, including the forced evacuation of Phnom Penh's 2 million residents and seizure of their property, the Senator was explaining how desirable it would be to resume trade relations with Communist Cuba. The State Department and the White House joined in the conciliatory chorus with lower key refrains of the same tune. Almost simultaneously, Premier Castro was delivering another oration—this one offering congratulations and moral support to the victors in Southeast Asia for their defeat of "Yankee imperialism."

Indeed, when will we learn? I am one American who is tired of seeing our foreign policy be conducted on bended knee with an outstretched fistful of U.S. tax dollars. I, for one, feel it is time for America to stand up for its people and its principles by serving notice on all enemies of human freedom that our policy of conciliation toward tyranny has come to an end.

Some will ignore Castro's bitter anti-Americanism, Mr. Speaker. Some will ignore his exportation of Communist revolution throughout Latin America. Some will ignore the appalling lack of human freedom and dignity within Cuba's borders, causing more than 650,000 Cubans to flee to America against great odds. Some will ignore the existence of Russian military presence 90 miles from our shores. Some will ignore almost anything if it will help to bring about an acquiescent, conciliatory policy toward Cuba, but I am not one of them.

Neither, I might add, are most Idahoans. A postal patron survey I conducted in the First District last year revealed that better than two out of every three Idahoans are opposed to diplomatic recognition of Communist Cuba. One only wishes that our foreign policy "experts" in the Federal Government had as much backbone and as much commonsense. Perhaps these "experts" could stroll down to the Jefferson Memorial some day and reacquaint themselves with the principles of the Nation they are supposed to represent. The words of Thomas Jefferson are inscribed there in bold letters: "I have sworn upon the altar of God eternal hostility against every form of tyranny over the mind of man."

THE "MAYAGUEZ" INCIDENT

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. ANDERSON of California. Mr. Speaker, the U.S. military actions taken last night and early this morning to rescue the SS *Mayaguez* and her crew will undoubtedly be a source of controversy for some time to come. Congressional investigations of the incident should, and will no doubt take place. We must obtain a clear picture of the sequence of events which led to the recapture of the ship by U.S. Marines and of the action which took place on Tang Island, as well as the air strikes made by our planes on targets located on the Cambodian mainland.

However, on the information which is available, I can only conclude that President Ford acted correctly throughout the incident, and made the right decision when he ordered military action be taken to rescue the 39 crewmen of the *Mayaguez*.

Normally, I would be appalled at the prospect of renewed fighting in Southeast Asia, especially if it involved American troops. However, the *Mayaguez* seizure involves special problems and issues which cannot be ignored.

It is important to remember that our Government attempted to have the ship released through diplomatic channels prior to the military action. Since the new Cambodian Government has no relations with any other nations, this was an extremely difficult task. All channels available to us were apparently exhausted, including communications through the People's Republic of China and the United Nations.

The Cambodian Government itself did not make any statement on the seizure of the ship, or the fate of the crew, until American military action was already underway. At that point, President Ford asked for confirmation of the fact that Cambodia intended to release the ship and crew, offering to cease all military operations if the crew were released immediately.

Before we begin to protest another "act of belligerence" by the U.S. Government, we should take some time and examine a few basic facts.

We were not the aggressor in this incident. The *Mayaguez* is an unarmed, privately owned merchant ship on a regular run through waters which have always been assumed to be international territory. When fired upon and seized by the Cambodian gunship, the vessel was assumed to be covered by the "right of innocent passage."

American lives could only be considered as jeopardized by the actions of the Cambodian Government.

The inherent right of the United States, or any nation, to enjoy peaceful commercial traffic on the high seas was being challenged on the basis of a disputed claim to jurisdiction over international waters.

And apparently, the operation was a success, since all members of the crew, as well as the *Mayaguez*, were recovered. Unfortunately, this was accomplished at the cost of at least two American lives and loss of military equipment.

In looking at the long-range aspects of the problem, it becomes apparent that sooner or later, an American action of this sort was inevitable, unless we are willing to surrender responsibility for the safety of U.S. seamen. I sincerely hope we are not ready to do so.

If the United States wishes to maintain and strengthen its merchant marine fleet, we cannot allow any nation to seize, harass, and obstruct our vessels at will. Of course, force is always a last resort. But apparently, in today's world, we cannot rule out completely the prospect of U.S. military action to protect our rights on the high seas.

In southern California, we are very familiar with this problem, since tuna boats, based in our harbors, have been seized by Ecuador and other South American nations claiming a territorial right 200 miles off their coasts. This has been going on for more than 20 years, and the United States has been totally ineffective in stopping the seizures.

Had he allowed Cambodia to do as it pleased with the *Mayaguez* and its crew, the United States would have lost all credibility as a protector of its rights on the high seas, and as a government concerned with the safety of its citizens.

Force should always be a last resort. Unfortunately, the new Cambodian Government left us with no alternative in this latest incident.

SENATE—*Monday, May 19, 1975*

The Senate met at 11 a.m., and was called to order by Hon. Dale Bumpers, a Senator from the State of Arkansas.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Lord God Omnipotent, Ruler over all nations from everlasting to everlasting, grant to us who labor here an awareness both of Thy guidance and of Thy judgment. Speak to our hearts when faith grows faint, when vision is dim, when patriotism fades, when courage fails, and love grows cold. Keep us hopeful, resolute, steadfast, and wise. Strengthen our trust in the invincibility of goodness and in the triumph of justice. In our daily duties grant us strength and courage to strive for the better world yet to come; for Thine is the kingdom and the power and the glory forever. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Eastland).

The assistant legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., May 19, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. Dale Bumpers, a Senator from the State of Arkansas, to perform the duties of the Chair during my absence.

James O. Eastland,
President pro tempore.

Mr. BUMPERS thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Friday, May 16, 1975, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WAIVER OF CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the legislative calendar, under rule VIII, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDING THE ORGANIC ACT OF GUAM AND THE REVISED ORGANIC ACT OF THE VIRGIN ISLANDS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 133.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 4269) to amend the Organic Act of Guam and the Revised Organic Act of the Virgin Islands.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Does the Senator from Michigan seek recognition?

Mr. GRIFFIN. I do not.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business, for not to exceed 30 minutes, with statements therein limited to 5 minutes each.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CURTIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

STATEMENT BY STATE SENATOR JOHN DeCAMP OF NEBRASKA ON VIETNAM

Mr. CURTIS. Mr. President, the war in Vietnam divided this country as no other war has ever done.

Some people have said in substance that we should forget Vietnam and not ask any questions.

I disagree.

I believe that we should find out why our Armed Forces were not permitted to win the war. Why did we not heed Generals MacArthur and Wedemeyer in the years before?

I believe that we need to determine what mistakes were made, how we blundered into a war so widely repudiated in its ensuing years, how foreign policy in this country should be made, and what was the effect of congressional interference in the performance of the constitutional duties of the President.

We lost over 50,000 men in that war and hundreds of thousands of others were wounded or maimed. We owe them, and their families, some answers.

State Senator John DeCamp of Neligh, Nebr., sent me a personal statement formulating many of the questions we still have to face.

Mr. President, I ask unanimous consent that a copy of Senator DeCamp's remarks be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

This is Alpha—Not Omega

(By Senator John W. DeCamp)

Americans heaved a sigh of relief; Jane Fonda followers feel victorious; Saigon shall henceforth be known as Ho Chi Minh City; and Americans believe Vietnam has finally been put to rest and we have reached the end.

But is it the end or is it really just the beginning of our problems?

"The United States can't be the world's policeman," "The Domino Theory is for the birds," "The United States has no business in Vietnam," "Hey, Hey, LBJ, how many boys did you kill today," "Those people would be better off under Communism anyway," and finally, "Peace with Honor."

Remember them, they are the "magic phrases" over which 210,000,000 Americans battled verbally and physically for almost a decade.

"I BELIEVE"

I believe America will learn that our surrender in Vietnam will turn out to be as humiliating and devastating a defeat as our victory in World War II was glorious and beneficial. I believe the Domino Theory will have meaning when the Communists open up wars in Laos, Thailand, Indonesia, South Korea, the Philippines and other places. I believe our surrender in Vietnam and our capitulation to the Communists may set the cornerstone for the beginnings of a third world war.

I believe history's lesson of World War II in which the British thought they bought peace in the world by surrendering land to Hitler will repeat itself again. Peace was not bought then and "peace with honor" will not be bought now thru surrender. Those who fail to read history are condemned to repeat the mistakes of the past. And Americans weary of Vietnam and the problems there will find that the wages of losing are much more grim than the difficulties of winning.

Who is to blame for it all? There is enough blame to go around for everybody.

I am bitter about the war. As a soldier in Vietnam, we Americans were never allowed to really win the war. We tried to fight with American boys instead of providing the incentive required to make the South Vietnamese fight for themselves.

We created corruption by drowning the country in money and American aid, and then condemned the Vietnamese people for being corrupt after we had corrupted them. We put into office in South Vietnam corrupt leaders and made sure they stayed in office while the South Vietnamese and everybody else knew they were corrupt. We created a South Vietnamese army lacking leadership, totally dependent upon American air power and fire power—a Vietnamese army so dependent upon western luxury and protection that they were unable to fight when required.

We were busy "Americanizing" the Vietnamese all the time we were calling it the Vietnamization program.

It is a fact of life—whether rightly so or not—that three-quarters of the world population respects only the nation which has the most power. We may not be able to be the world's policeman, but without a world policeman we guarantee a vigilante world, That is what we will see take place in Southeast Asia and it will spread.

One of the burdens of a system of freedom is the responsibility to maintain and guarantee freedom for others. The freedom of Asians cannot be surrendered without surrendering a piece ultimately of our freedom.

"WHAT NOW"

Moving into our two hundredth year of American freedom, this country may face a tougher challenge than any war thus far. With the Communist conquest of a major portion of the world moving at high speed, we must face up to the realities of world politics and the survival of our system within this world.

And if we back down again, it will probably be the last time—at least the last time under our system of government and the freedoms we have known.

The truth is, we surrendered once too many already and we can probably be assured that motions have been set in force which will guarantee that within the next five to ten years we will have to face up to the question of whether we are willing to fight all the way to survive.

MESSAGE FROM THE PRESIDENT

A message from the President of the United States was communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the Acting President pro tempore (Mr. Bumpers) laid before the Senate a message from the President of the United States submitting the nomination of Norman R. Augustine, of Virginia, to be Under Secretary of the Army, which was referred to the Committee on Armed Services.

MESSAGE FROM THE HOUSE

ENROLLED BILLS SIGNED

At 12:15 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following bills:

S. 326. An Act to amend section 2 of the Act of June 30, 1954, as amended, providing for the continuance of civil government for the Trust Territory of the Pacific Islands;

H.R. 4481. An Act making emergency employment appropriations for the fiscal year ending June 30, 1975, and for other purposes;

H.R. 5357. An Act to authorize appropriations to the Secretary of Commerce for the promotion of tourist travel; and

H.R. 6894. An Act making appropriations for special assistance to refugees from Cambodia and Vietnam for the fiscal year ending June 30, 1975, and for other purposes.

The enrolled bills (S. 326) and (H.R. 6894) were subsequently signed by the Acting President pro tempore (Mr. Bumpers).

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. Bumpers) laid before the Senate the following letters, which were referred as indicated:

Proposed Supplemental Appropriations for the Department of Commerce—(S. Doc. No. 94–58)

A communication from the President of the United States transmitting a proposed supplemental appropriation in the amount of $2,140,000 for fiscal year 1975 and an amendment to a request now pending before Congress for supplemental appropriations for the fiscal year 1975 in the amount of $380,000 for the Department of Commerce; to the Committee on Appropriations, and ordered to be printed.

Report of the National Advisory Council on Child Nutrition

A letter from the Assistant Secretary of Agriculture transmitting, pursuant to law, the Fourth Annual Report of the National Advisory Council on Child Nutrition (with an accompanying report); to the Committee on Agriculture and Forestry.

Report by the Assistant Secretary of Defense

A letter from the Assistant Secretary of Defense reporting, pursuant to law, on the value of property, supplies, and commodities provided by the Berlin Magistrate, and under German Offset Agreement for the quarter January 1, 1975, through March 31, 1975; to the Committee on Appropriations.

Publication of the Federal Power Commission

A letter from the Chairman of the Federal Power Commission transmitting a report entitled "All Electric Homes in the United States, 1974" (with an accompanying publication); to the Committee on Commerce.

Proposed Legislation by the Department of the Interior

A letter from the Assistant Secretary of the Interior transmitting a draft of proposed legislation to extend the authorizations for appropriations in the Endangered Species Act of 1973 (with accompanying papers); to the Committee on Commerce.

Report of the Pennsylvania Avenue Development Corporation

A letter from the Chairman of the Pennsylvania Avenue Development Corporation transmitting, pursuant to law, the annual report of the Corporation dated January 28, 1975 (with an accompanying report); to the Committee on Interior and Insular Affairs.

Proposed Legislation of the Department of the Interior

A letter from the Assistant Secretary of the Interior transmitting a draft of proposed legislation establishing a program for the preservation of additional historic properties throughout the Nation, and for other purposes (with accompanying papers); to the Committee on Interior and Insular Affairs.

Proposed Legislation of the Department of the Interior

A letter from the Assistant Secretary of the Interior transmitting a draft of proposed legislation to establish within the Department of the Interior the position of an additional Assistant Secretary of the Interior, and for other purposes (with accompanying papers); to the Committee on Interior and Insular Affairs.

Proposed Research Contract by the Department of the Interior

Eight letters from the Acting Assistant Secretary of the Interior transmitting, pursuant to law, copies of proposed research contracts entered into by the Department of the Interior (with accompanying papers); to the Committee on Interior and Insular Affairs.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. Bumpers):

Eleven petitions from citizens of Kansas and Missouri seeking a redress of grievances; to the Committee on Government Operations.

A resolution of the St. Petersburg Woman's Club of St. Petersburg, Fla., urging that mandatory retirement age be abolished; to the Committee on Finance.

A petition signed by sundry citizens of Skokie, Ill., urging continued support of and for Israel; to the Committee on Foreign Relations;

A petition signed by sundry citizens of New York State urging the reduction of doctors' malpractice insurance costs; to the Committee on Labor and Public Welfare.

A resolution of the South Suburban Mayors' and Managers' Association relating to operations of the U.S. Postal Service; to the Committee on Post Office and Civil Service.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSTON, from the Committee on Interior and Insular Affairs, without amendment:

H.R. 4109. An act to amend the Grand Canyon National Park Enlargement Act (88 Stat. 2089) (Rept. No. 94–143).

By Mr. JOHNSTON, from the Committee on Interior and Insular Affairs, with an amendment to the title:

S. 1123. A bill to establish the Indian Nations Scenic Trail (Rept. No. 94–144).

By Mr. JOHNSTON, from the Committee on Interior and Insular Affairs, with an amendment:

S. 288. A bill to amend the Land and Water Conservation Fund Act of 1965 so as to authorize the development of indoor recreation facilities in certain areas (Rept. No. 94–145).

By Mr. STENNIS, from the Committee on Armed Services, with an amendment:

S. 920. A bill to authorize appropriations during the fiscal year 1976, and the period of July 1, 1976, through September 30, 1976, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loans, and for other purposes (Rept. No. 94–146).

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that today, May 19, 1975, he presented to the President of the United States the enrolled bill (S. 326) to amend section 2 of the act of June 30, 1954, as amended, providing for the continuance of civil government for the Trust Territory of the Pacific Islands.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. PROXMIRE:

S. 1762. A bill to prohibit the giving of appropriated funds or property purchased therewith to any person of any foreign country, to prohibit the acceptance of foreign gifts by Federal employees, and for other purposes. Referred to the Committee on Foreign Relations.

By Mr. ROTH:

S. 1763. A bill to limit certain fees which may be charged or accepted by an attorney for services performed in connection with certain civil actions brought in Federal courts. Referred to the Committee on the Judiciary.

By Mr. ROTH:

S. 1764. A bill to establish a national cemetery in the State of Delaware. Referred to the Committee on Veterans' Affairs.

By Mr. KENNEDY:

S. 1765. A bill to amend the Internal Revenue Code by limiting tax shelters, and for other purposes. Referred to the Committee on Finance.

By Mr. TAFT:

S. 1766. A bill to authorize the establishment of the Edison Birthplace National Historic Site. Referred to the Committee on Interior and Insular Affairs.

By Mr. ALLEN (for himself and Mr. Sparkman):

S. 1767. A bill to amend section 2004 of title 10, United States Code, to provide that in computing the 6-year maximum active duty service of any member of the Armed Forces for purposes of qualifying for being detailed as a student to a law school, any period of time such member was a prisoner of war shall be disregarded. Referred to the Committee on Armed Services.

By Mr. HOLLINGS (for himself and Mr. Magnuson):

S. 1768. A bill to amend the Act of August 16, 1971, which established the National Advisory Committee on Oceans and Atmosphere, to provide that appointments thereto be made, in part, by the President of the Senate and the Speaker of the House of Representatives, and for other purposes. Referred to the Committee on Commerce.

By Mr. GRAVEL:

S. 1769. A bill to authorize the Administrator of General Services to provide space in the Old Post Office Building to tenants approved by the Chairman of the National Endowment for the Arts, and for other purposes. Referred to the Committee on Public Works.

By Mr. McGOVERN:

S. 1770. A bill to regulate commerce and promote the general welfare by providing incentives and assistance, based on detailed data and information, that will increase the amount of transportation by railroad rather than by less energy-efficient modes in order to conserve limited resources of energy and will alleviate unemployment, and for other purposes. Referred to the Committee on Commerce.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PROXMIRE:

S. 1762. A bill to prohibit the giving of appropriated funds or property purchased therewith to any person of any foreign country, to prohibit the acceptance of foreign gifts by Federal employees, and for other purposes. Referred to the Committee on Foreign Relations.

FOREIGN GIFT-GIVING AMENDMENT TO THE STATE, JUSTICE AUTHORIZATION BILL

Mr. PROXMIRE. Mr. President, with our economy in precarious condition, it is up to the Congress to redouble our efforts to monitor national spending priorities. With unemployment looming dangerously close to 9 percent—20 percent in some industries—and talk of a $70 billion deficit reverberating across the country, it is essential that we assure the American taxpayer that his dollars are being spent only to address our most pressing national needs. The giving and receiving of expensive gifts as part of our international diplomacy is not a priority item and should be seriously curtailed—now.

Today I am introducing an amendment that would virtually eliminate extravagant gift-giving and gift-receiving among U.S. Government officials and foreign dignitaries. My amendment to the State Department authorization bill would provide three controls over the giving and receiving of gifts among U.S. and foreign officials.

First, the amendment prohibits the purchase of gifts for persons of foreign countries with appropriated funds in excess of $50. The same applies to the receipt of gifts by U.S. officials.

Second, the amendment requires that the President make a report to Congress each year describing any gifts provided with nonappropriated funds or from private sources, passing through the Government to any person of any foreign country. The report would be submitted to the Speaker of the House of Representatives and the Senate Foreign Relations Committee.

Third, the foreign gift-giving amendment would grant authority to the General Accounting Office to audit annually the Diplomatic and Consular Service Fund at the State Department—a catch-all slush fund that has been used for everything from jewelry to disaster relief emergencies.

Mr. President, on October 2, 1974, I presented amendment 1873 to the Foreign Assistance Act of 1961, requiring the President to report all properties of $50 or more purchased with appropriated funds which were given by him or any officer in the Federal Government to any person of any foreign country. That amendment passed but died when the foreign aid bill was subsequently recommitted to the Senate Appropriations Committee for further consideration.

On December 3, 1974, I introduced another amendment to S. 3394, the Foreign Assistance Act, that would have prohibited the expenditure of taxpayer funds for the giving of gifts costing more than $50 to foreign heads of state or other foreign dignitaries. Also contained in that amendment was the understanding that the receipt of gifts from these foreign officials would also be eliminated. With assurances from my distinguished colleague, Senator McGee of the Foreign Relations Committee, I withdrew my amendment with the understanding that subsequent comprehensive, corrective legislation on gift-giving would receive careful committee consideration. Senator McGee has been most cooperative and has been of great assistance to me in gathering information from the Department of State. In the meantime, I have continued my own investigation of the magnitude of this activity in the Federal Government.

Let us briefly review some of the gift-giving activities of our Federal officials over the past few years.

Gift-giving by American diplomatic officials has grown way out of proportion. In fact the State Department, which spends nearly $1,000,000 annually to administer Federal gift-giving, admits that gift-giving has quadrupled over the last 25 years.

One slap in the face of the American taxpayer came in the form of the unprecedented gift of a $3 million VH3A Sikorsky helicopter to Egyptian President Sadat by former President Nixon. The State Department defended this lavish expenditure of tax dollars as being "essential to the national interest of the United States." The General Accounting Office had a different point of view and said that "although not strictly illegal, the gift of a $3 million helicopter to President Anwar Sadat of Egypt was contrary to the intent of Congress"—GAO Report No. B–181244, October 31, 1974.

On President Nixon's journey to the Near East, 76 other personal gifts—ranging from expensive crystal to gold jewelry—were presented to various for-

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eign dignitaries at taxpayers' expense. In looking over the 76 gifts—from 6 Winslow Homer plates in a velvet-lined mahogany case to Steuben crystal—it is evident that this extravagant give-away program is costing the American taxpayer a bundle. The funds for these gifts came out of the $2.1 million slush fund called emergencies in the diplomatic and consular services account at the State Department.

And who can forget the $10 million in Egyptian pounds donated to Mrs. Sadat's favorite charity—the Loyalty and Hope Society—an organization that helps give medical treatment to several Arab nations' civilian and military personnel? To make this example of wasteful spending all the more ludicrous, the United States received no guarantees as to how this money would be spent?

I asked the GAO to gather cost information on these and other gifts, but the State Department has refused to fully disclose the purpose of the expenditures and the names of foreign diplomats receiving gifts courtesy of the American taxpayer. My investigation and those of the General Accounting Office were met with strong resistance. The State Department continues to secretly operate its Federal version of the "Spiegel catalogue."

Mr. President, it is time to stop this waste of tax dollars. What did the $3 million helicopter buy us? What good did the $10 million charity donation do for the United States? And why do we need to give out hundreds of personal gifts, wasting thousands of dollars annually?

Loyalty and diplomatic support cannot be bought. We should stop trying.

Mr. President, I hope my colleagues will see fit to support this amendment, thus laying to rest this extravagant practice and injecting a small but significant breath of confidence into our fiscal responsibility to the beleaguered American taxpayer.

I ask unanimous consent that the full text of the bill be printed in the Record at this point.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1762

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Act entitled "An Act to provide certain basic authority for the Department of State", approved August 1, 1956, as amended, is amended by adding at the end thereof the following new section:

"Sec. 17. (a) No property purchased with appropriated funds in excess of fifty dollars ($50) and no appropriated funds in excess of fifty dollars ($50) may be given to any person of any foreign country.

"(b) Not later than 30 days following the end of each fiscal year, the President shall transmit a report to the Speaker of the House of Representatives and Committee on Foreign Relations of the Senate describing fully and completely—

"(1) any gift given on behalf of any person, by, or with the assistance of, any officer or employee of the United States to any person of any foreign country; and

"(2) the activities of such officer or employee with respect to the giving of such gift.

"(c) Any financial transaction involving any funds made available to meet unforeseen emergencies arising in the Diplomatic and Consular Service shall be audited by the Comptroller General and reports hereon made to the Congress to such extent and at such times as he may determine necessary. The representatives of the General Accounting Office shall have access to all books, accounts, records, reports, files, and all other papers, things, or property pertaining to such financial transaction and necessary to facilitate the audit.".

(b)(1) Section 7342 of title 5, United States Code, is amended—

(A) by striking out the section caption and inserting in lieu thereof the following:

"§ 7342. Foreign gifts and decorations"; and

(B) by striking out subsection (c) and inserting in lieu thereof the following:

"(c) Congress does not consent to the accepting or retaining by an employee of any gift in excess of fifty dollars ($50). No gift may be accepted by an employee."

(2) Item 7342 in the analysis of subchapter IV of chapter 73 of such title 5 is amended to read as follows:

"7342. Foreign gifts and decorations."

(c) The amendments made by this section shall apply only with respect to gifts tendered on or after the date of enactment of this Act.

By Mr. ROTH:

S. 1763. A bill to limit certain fees which may be charged or accepted by an attorney for services performed in connection with certain civil actions brought in Federal courts. Referred to the Committee on the Judiciary.

Mr. ROTH. Mr. President, as I am sure most of my colleagues are aware, on May 1 physicians in northern California refused to perform all but emergency operations in protest to the high cost of malpractice insurance premiums. The Washington Post reported on May 12, that the strike has spread from the San Francisco Bay area to Sacramento and San Jose, and that doctors in Los Angeles and San Diego are also considering walkouts. The strike has emptied half of the hospital beds in the San Francisco Bay area, hospitals have laid off 30 percent of the nonmedical staff, and losses are estimated at about $200,000 a day. The Department of Health, Education, and Welfare expects the crisis to hit the States of Florida, Louisiana, Maryland, Michigan, New York, and New Jersey soon.

Today, I am introducing legislation that I hope will provide the States with a good model and will encourage them to adopt similar legislation to deal with the malpractice problem. This legislation will limit the fee that an attorney may charge or collect for his services in the prosecution of any medical malpractice case filed in any Federal court or brought before any Federal agency.

The malpractice crisis is a result of the rapidly increasing cost to the few insurance companies which carry medical liability insurance. This increased cost to the insurance companies has led to increased insurance premiums for physicians and hospitals, and the threat of the unavailability of medical liability insurance at any price.

Several factors are responsible for the current medical malpractice insurance crisis, including the increasing number of medical malpractice claims that are filed, the very large awards given to the claimants, the high cost of expert witnesses, prolonged deliberations, and above all, the somewhat exorbitant contingency fees many attorneys receive for malpractice cases. The Secretary's Commission on Medical Malpractice found that almost all plaintiff attorneys use a contingent fee in medical malpractice cases. The most common fee rate is 33⅓ percent of the recovery, and there are reports of attorneys charging 50 percent and more of the award to the injured person.

In the past 10 years the amount of medical malpractice claims has increased significantly. Ten years ago 6,000 claims were filed for negligence against a health professional or health care institution which in 1974, 12,500 claims were filed. Juries are currently making awards for individual claims for hundreds of thousands and even millions of dollars.

In my own State of Delaware, the Delaware Medical Society has a 5-year guaranteed medical malpractice insurance policy with Aetna Life & Casualty Co. Aetna has guaranteed to insure the Medical Society members until 1976, however, the rates are not guaranteed, and are reviewed annually. In 1971, the class I physician who performed no surgery, paid an annual premium of $395; last year the same physician paid a premium of $710. The increase in premiums for specialists during the same period was even greater. In 1971, a thoractic or vascular surgeon in Delaware paid a liability premium of $1,843, and last year the premium was increased to $6,213 for the year. Although rates have not been determined for 1976, the Delaware Medical Society anticipates an increase of 100 percent.

I do not believe that the number of claims made against the medical profession represents a deterioration of the quality of medical care in the United States. Our country has the finest and best qualified physicians and allied health professionals in the world, and it is our most competent, most highly skilled specialists who are experiencing the greatest number of suits against them, who are paying the highest insurance premiums, and who are threatened most by the increasing unavailability of liability insurance.

Many experts state that the contingent fee is an incentive for plaintiff's attorney, and contributes to the large number of claims and the high awards that are made. It is stated that juries who are aware of the costs of a law suit, and who consider the contingent fee that the attorney is charging the injured claimant, tend to increase the amount of the award to compensate for these legal fees.

According to studies of the medical malpractice system, the victim receives between 17 and 38 percent of the total malpractice insurance premium dollar as benefits. By contrast, social security beneficiaries receive 97 percent and tort automobile liability claimants receive 44 percent of the premium dollar.

The bill that I am introducing today does not impose limits on the recovery for claims regarding medical malpractice.

It does not interfere with the cause of action or with the settlement of fees, and it does not reduce the liability of any health professional or hospital in the case of medical malpractice. It only affords a limit on the amount that an attorney can recover for his services, from an award made to the injured person in the suit.

It is the intent of this bill that in no event shall an hourly rate exceed the percentages stated in the bill. The percentages are regarded to be the upper limit that an attorney may charge a claimant for representing him in a medical malpractice case under Federal jurisdiction.

It is my contention that the Federal role in solving the medical malpractice crisis should be limited. Not enough data is available to support a single, uniform, or national solution to the problem. I do believe that Federal Government has the responsibility of setting the example for the States to follow, and of providing data, assistance, and guidance. Each State has its individual problems, some more severe than others, and over 35 States have introduced legislation to deal with their individual situations.

For these reasons, I have introduced this legislation to apply only to cases of Federal jurisdiction. I believe that if similar legislation is adopted by the States, one major step will be taken toward eliminating the medical malpractice crisis.

By Mr. ROTH:

S. 1764. A bill to establish a national cemetery in the State of Delaware. Referred to the Committee on Veterans' Affairs.

NATIONAL CEMETERY FOR STATE OF DELAWARE

Mr. ROTH. Mr. President, I am pleased to introduce a bill to provide for the establishment of a national cemetery in the State of Delaware.

According to the 1970 census, there were at that time 78,077 veterans in Delaware. Of these 14,950 were veterans of World War I and other services; 34,018 were of World War II; 2,400 were of the Korean conflict and World War II; 12,984 were of the Korean conflict; and 13,725 were of the Vietnam war. I learned from the Veterans' Administration Center in Wilmington, Del., that as of June 30, 1974, the total has risen to approximately 79,000.

Mr. President, these veterans have served the United States of America with honor when duty called. Many of them would like to be buried in a national cemetery close to where their loved ones and friends live. The families and friends who survive the deceased veterans should not have to travel long distances to the grave sites. Yet there is no national cemetery in the State of Delaware, and the ones in the adjoining States of Maryland, Pennsylvania, or New Jersey are closed. The closest one is Arlington National Cemetery in Virginia. However, Arlington is already overcrowded and it is not every veteran than can be buried there. This is all the more reason a centrally located cemetery should be established in Delaware to serve the four States.

Mr. President, the wishes of the veterans of Delaware have been amply reflected in Senate Concurrent Resolutions No. 56 and No. 11 of the 128th Delaware General Assembly. Pursuant to these resolutions, Gov. Sherman W. Tribbitt of the State of Delaware on March 7, 1975, appointed a group of prominent leaders of Delaware's veterans service organizations—including the Disabled American Veterans, the American Legion, the Veterans of World War I of the U.S.A., Inc., the Veterans of Foreign Wars, the Paralyzed Veterans of America, and the Jewish War Veterans—to study the feasibility of a State veterans cemetery.

Mr. President, a fitting answer to the lack of a national cemetery in Delaware and to the lack of burial space in the ones in Maryland, Pennsylvania, and New Jersey, is to establish a national cemetery in the State of Delaware which is easily accessible to the other three States.

Mr. President, I send the bill to the desk at this time and ask unanimous consent that the text be printed in the Record at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1764

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Administrator of Veterans' Affairs is authorized and directed to establish a national cemetery in the State of Delaware. Such cemetery shall be established at or near the city of Dover, Delaware, if the Administrator determines that such a location is desirable and practicable for such purpose. The Administrator is authorized to use as a site for such cemetery any federally owned lands in such State which are surplus to the needs of the department or agency of the Government having jurisdiction over such lands and are deemed by the Administrator to be suitable for the location thereon of a national cemetery. In the event the Administrator determines that no such federally owned lands are available as a site for such cemetery, he is authorized to acquire by donation, purchase, condemnation, or otherwise such lands as in his judgment are required as a site for such cemetery.

Sec. 2. The head of any department or agency of the Government having jurisdiction over any lands in the State of Delaware which are surplus to the needs of such department or agency and which are deemed by the Administrator of Veterans' Affairs to be suitable for the location thereon of the national cemetery provided for by the first section of this Act is authorized and directed, upon request by the Administrator of Veterans' Affairs, to transfer such lands to the Veterans' Administration.

Sec. 3. The Administrator of Veterans' Affairs is authorized and directed to provide for the care and maintenance of the national cemetery established under authority of this Act.

Sec. 4. The appropriation of such sums as may be necessary to carry out the provisions of this Act is hereby authorized.

By Mr. KENNEDY:

S. 1765. A bill to amend the Internal Revenue Code by limiting tax shelters, and for other purposes. Referred to the Committee on Finance.

LIMITATION ON SYNDICATED TAX SHELTERS

Mr. KENNEDY. Mr. President, I send to the desk a bill to amend the Internal Revenue Code, and I ask that it may be appropriately referred.

The purpose of the bill is to end the major tax loophole that now encourages the formation of tax-shelter syndicates—the transactions by which various loopholes in the Internal Revenue Code are packaged on an assembly-line basis by investment advisers and then marketed around the country for the benefit of wealthy individuals bent on keeping their taxes low.

These tax shelters are some of the most promiscuous tax loopholes ever devised. They have been spawned in recent years for the benefit of wealthy doctors, dentists, lawyers, corporate executives, and others seeking increasingly sophisticated means of tax avoidance.

Typically, such syndicates operate through the shell of a "limited" partnership, a device that allows a handful of partners to invest a relatively modest stake in an enterprise, then leverage their investment to expand the operation manifold. Then they begin to enjoy the immense tax deductions and other benefits that can "flow through" from the partnership to the individual partners. Typically, the tax benefits are far in excess of the partner's own original stake in the transaction.

The bill I am proposing would prevent the worst abuses of these tax syndicates. It would limit the "flow-through" tax feature of limited partnerships, by providing that the tax benefits of the partnership may not exceed the actual investment of the partners in the enterprise.

In effect, the promoters of these tax shelters syndicates are selling tax loopholes to the wealthy. And the tax advantages are enormous. It is not uncommon, for example, for an investment of, say, $100,000 in a real estate syndicate to be rewarded with upwards of $200,000 in tax deductions a year—deductions used to offset the six-figure income from the investor's medical practice or his corporate salary.

These packaged tax shelters have become a notorious tax abuse, a flagrant vehicle by which high bracket taxpayers eliminate their taxes altogether or reduce them to levels that are unacceptably low. At present, experts estimate that such transactions may be costing the American taxpayer as much as $1 billion a year. The revenue loss is obviously escalating as the techniques become more familiar and more widely used.

This enormous revenue drain is for the benefit of the upper 1 percent of the people in the country in terms of income. Indeed, some tax shelter promoters blatantly state that tax shelters are only for those who are in tax brackets of 50 percent or higher and who have a net worth in excess of $250,000. By definition, such tax shelter operations are closed to middle- and lower income individuals. They are used only by the wealthy, to escape paying their fair share of the Federal income tax.

During the recent oil depletion debate in the Senate, we saw an example of the problem. A mass mailing to physicians by the Big D Oil and Gas Co. of Dallas went as follows:

Dear Doctor: No doubt you make more than $40,000 a year. That's why you should take a minute and read this.

No doubt you are paying a substantial amount of income tax—$$$$ that are gone forever. Few tax havens are left to you! One tax haven that has withstood the wrath of the Federal Government is in the oil and gas industry.

We offer participation in sound drilling ventures which may be a place for your lost tax dollars. What we are talking about is a specific venture with a limited dollar input and a return based on production. With the increased prices for oil and particularly natural gas, the potential for profit is more attractive than ever. Due to the higher prices, many wells are being profitably produced today that would have been abandoned as non-commercial only a short time ago.

Opportunities available to you in the oil and gas field can be received by simply filling out the enclosed form and mailing it in the postage-free envelope.

Such tax shelter transactions now permeate our entire economy. The ingenuity of wealthy tax avoiders and their advisers knows no bounds. The older generation of tax shelters are those widely used in real estate, and oil and gas, and these are still the types of shelters have sprung up in areas like cattle farming, orange and apple orchards, movie production, and in jet airplanes and railroad cars and river barges and oil tankers—even including tankers that by virtue of their size cannot dock in U.S. ports.

There are also shelters in more exotic areas, such as rose and azalea bushes, almonds and pistachio nuts, thoroughbred racing stables, or masterpiece-in-the-home clubs for famous works of art, and even in chinchilla farms and pornographic films.

In a particularly startling example presented by a Los Angeles tax attorney, the House Ways and Means Committee was told in 1973 of one movie tax shelter operation in which an investor who put $32,000 into the transaction received $120,000 in tax benefits in the first year alone. That tax shelter was not for low income housing or energy development or any other worthwhile social purpose, but for a pornographic movie.

Whatever the arguments for Federal tax subsidies for building homes or drilling for oil or raising cattle, it can hardly be contended that investments in pornography, chinchillas, azalea bushes, and exotic fruits and nuts constitute a national priority worthy of encouragement by our tax laws.

And even in those areas like real estate and oil exploration and cattle ranching, where some form of tax subsidy may be an appropriate national priority, I have grave doubts about the propriety of allowing the tax laws to be distorted in a way that serves a purely tax-avoidance purpose of a handful of wealthy citizens.

In real estate, for example, the focus of tax shelter syndicates is on luxury apartments for the rich, high rise office buildings for wealthy corporations, motels, and shopping centers, not on low- and middle-income housing, which are the Nation's real priority.

Vast amounts of funds are flowing into these activities today—not because the Nation wants them, not because Congress or State or local governments want them, but because tax lawyers are ingenious enough to create them and because the richest percentile of the Nation wants them for their tax avoidance value.

The sudden proliferation of these and other tax shelters in recent years is demonstrated by the figures of the National Association of Securities Dealers, covering tax shelters sold by members of the association, whether the shelters are interstate or intrastate transactions. The number of offerings of tax shelters nearly quadrupled between 1970 and 1972, and the dollar value of the offerings more than tripled, reaching the astonishing level of $3.2 billion in 1972. In 1973, because of the accumulating economic crisis, the level dropped to $1.3 billion, but in 1974 it rose again to $1.6 billion, as the following table indicates:

1972

[In millions]

	No.	*Amount*
Oil and gas	158	$836
Real estate	94	521
Vintage and farming	17	30
Cattle farming and breeding	18	143
Miscellaneous	19	98
Total	306	1,628

Even the NASD figures, however, fail to tell the whole story. Experts estimate that the figures may cover only about one-tenth of the dollar volume of all the shelters offered, since the vast majority are sold through private placement and not through securities dealers. A realistic estimate, therefore, is that in 1974, upwards of $10 to $20 billion in tax shelters were packaged and sold around the country.

Enormous waste is involved in the nationwide syndication of these tax shelters that is taking place today. A significant portion of the benefits are siphoned off in fees for the promoters, underwriters, lawyers, salesmen, and accountants in transactions whose only business purpose is the sale of these Federal tax advantages to high bracket investors.

These transactions also constitute artificial and unfair competition for legitimate business operations. They encourage high risk and extremely speculative adventures that will not stand up to serious economic analysis. They spawn bad business practices that plague the legitimate farmer, the professional oilman, and the ordinary real estate developer. Investors in tax shelters do not need to make an economic profit on their shelters. They do not have to meet a payroll or feed a child or clothe a family or make a monthly mortgage payment out of the income from their operations. The only thing these wealthy investors want is the large deductions and other tax advantages that the shelters can produce for high bracket lawyers, physicians, investment bankers, corporate executives, and the like.

Although tax shelters are complex, the essential principles on which they operate are simply stated. There are a handful of basic elements that may exist alone or in overlapping combinations:

Deferral of current tax, which allows income to be realized in a year chosen by the taxpayer;

Leverage, which allows borrowed funds to be used to create tax benefits far in excess of the taxpayer's own personal stake in the property;

The shelter itself, which allows deductions from one activity to offset income from another; and

The capital gain available on disposition of the property, even though the shelter has provided deductions against ordinary income in the past.

Different tax shelters use these elements in different ways. It may be appropriate as Congress studies the problem more intently to establish rules to deal with each transaction.

It is also possible to fashion an overall approach. The administration, for example, has proposed a "limitation on artificial accounting losses," the so-called LAAL method, which would deal with shelters through their "deferral" aspects, by matching deductions with the income generated by the shelter project. The LAAL approach, however, is extremely complicated, and would impose heavy burdens of accounting and recordkeeping on such operations. Many tax experts who have studied LAAL believe that it may well be unworkable in practice.

The bill I am introducing adopts a different and more workable approach, by dealing with tax shelters through their "leverage" aspects.

As I have indicated, the legal mechanism by which the marketing of tax shelters is effective is the so-called "limited partnership." The reason this vehicle is utilized is that, under a long-standing Treasury regulation, investors who are limited partners are able to obtain tax benefits far in excess of the actual amount that they have invested in the project.

Basic partnership tax rules provide that income and deductions of a partnership flow through to individual partners in proportion to their share of the partnership. Where a partnership has tax losses, individual partners are permitted to take these losses as deductions against other income. However, a partner is limited by the amount of deductions he can take through his "basis" in his partnership interest.

Ordinarily, a taxpayer's basis in an asset is the amount he actually paid for it. If he has borrowed funds to purchase the asset, then the borrowed funds constitute a part of his cost for tax-purposes.

The difficulty in the limited partnership area is that the Treasury regulation, section 1.752–1(e), permits the basis of a limited partner to include borrowing by the partnership, even though the limited partner has no personal liability. This so-called "nonrecourse financing" by the partnership permits investors in limited partnerships to obtain tax deductions far in excess of the amount they have actually invested in the partnership, or that they ever will invest in the partnership.

For example, assume an investor in a tax shelter operation paid $50,000 for a one-tenth interest in a limited partnership. Under ordinary rules, he would only be permitted to take $50,000 of deductions that flow through from the partnership. However, if the partnership borrows a million dollars, as to which the limited partner will never have any personal liability, the Treasury regulations permit the limited partner to increase his $50,000 cost basis in the partnership by his share of the loan—for another $100,000 increase in his basis. In this way, the deductions which he can take to shelter other income are tripled—from $50,000 to $150,000 even though the most he will ever have at stake in the operation is $50,000.

This treatment of limited partners is totally unjustified. It is not permitted in the case of subchapter S corporations—typically, a small corporation in which the shareholders have elected to be taxed in a manner similar to a partnership. There, deductions flow through from the corporation to the stockholders only to the extent of each stockholder's own actual investment in his stock. His tax deductions are not increased by any nonrecourse borrowing done by the corporation.

The bill I am introducing reverses the position taken in the Treasury regulations. It provides that in calculating the basis of a partnership interest, a limited partner may not include any borrowing by the partnership as to which he is not personally liable.

The bill will not terminate all tax shelter transactions, but it will curb their syndication, the most flagrant aspect of the tax shelter transactions. It is extremely unlikely that the busy doctors, lawyers, corporate presidents, and others who enjoy the benefits of such shelters will want to be involved in the active operations of the businesses in which they have invested, even to the extent of becoming personally liable for the transactions of the shelters. They only want their passive investments and handsome tax deductions, not the headaches and liabilities of the actual operations.

At the same time, the bill will have no impact on individuals who are actually engaged in the businesses that have become the subject of tax shelter transactions. Thus, the developer who is actually in the real estate business, and who is therefore personally liable on any loans of the business, will not be affected by the bill. The same is true of oil well drillers, farmers, movie producers, and the like. The only individuals affected by the bill are those who seek to invest in these transactions solely for the purpose of obtaining tax benefits.

The more we learn about these syndicated tax shelter transactions, the more concerned we are. The practice is destroying the integrity of our tax laws. In no other area is the Revenue Code so dangerously eroded, or the confidence of the people in the fairness of the tax system so seriously threatened. Indeed, some tax experts have already predicted that such tax shelters will become the Achilles heel of the Federal income tax if Congress does not bring them under control.

So far, we have been too slow in awakening to the abuses that have sprung up in these dark but heavily sheltered recesses of the Revenue Code. Now is the time for Congress to tackle the issue, and end the unfair devices being used to subvert the tax laws and distort the American economy.

Mr. President, I ask unanimous consent that the text of the bill may be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1765

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 752 of the Internal Revenue Code of 1954 (relating to treatment of certain liabilities) is amended by adding at the end thereof the following new subsection:

"(e) Certain Liabilities of Limited Partnerships.—For purposes of this section, a limited partner shall be treated as sharing a partnership liability only to the extent that he has individual liability with respect to such partnership liability."

Sec. 2. The amendment made by this Act shall apply with respect to partnership liabilities incurred on or after May 19, 1975.

By Mr. HOLLINGS (for himself and Mr. Magnuson):

S. 1768. A bill to amend the Act of August 16, 1971, which established the National Advisory Committee on Oceans and Atmosphere, to provide that appointments thereto be made, in part, by the President of the Senate and the Speaker of the House of Representatives, and for other purposes. Referred to the Committee on Commerce.

Mr. HOLLINGS. Mr. President, I am introducing a bill today on behalf of myself and Senator Magnuson, which will represent a continuation of the leadership by Congress in the increasingly important role of this country with respect to ocean affairs and marine and atmosphere science. The Commerce Committee in the 89th Congress, after several years of effort, reported the Marine Resources and Engineering Development Act of 1966. That act created the Commission on Marine Science, Engineering and Resources—often referred to as the "Stratton Commission"—under a mandate to conduct a study of all aspects of marine science in order to recommend an overall plan for an adequate national oceanographic program to meet present and future national needs.

That act declared it to be the policy of the United States to develop, encourage and maintain a coordinated, comprehensive and long range program in marine science for the benefit of mankind. It set forth objectives to provide the Nation with a coordinated, forward-moving program which would accelerate development of marine resources, expand human knowledge, involve private enterprise, advance education and training, develop and improve capabilities of performance and use of vehicles, equipment, research, surveys, recovery of resources and transmission of energy in the marine environment, effective utilization of scientific and engineering resources. It also was to assure that the national program kept pace with the rest of the world so that our leadership in marine science and resource development would be maintained.

The Stratton Commission did an excellent job in following the congressional mandate and the congressional declaration of purpose in the report which it submitted in January of 1969, pursuant to the act.

Creation of the National Oceanic and Atmospheric Administration was a direct result of the recommendation in the report of the Stratton Commission as, of course, was enactment of the Coastal Zone Management Act of 1972.

Another result of the Stratton Commission report was enactment of a law in 1971, also reported by the Commerce Committee, which created the National Advisory Committee on Oceans and Atmosphere—NACOA.

The Stratton Commission had recommended such a committee to report to the Congress and the President on the progress in achieving the objectives of the national program and to advise the Administrator of NOAA with respect to carrying out his duties and functions.

As recommended by the Commission, members of NACOA would have been appointed by the President with the advice and consent of Congress. The enacted bill, however, did not contain this congressional role as to appointments.

The Stratton Commission, and the National Council on Marine Resources and Engineering Development, which included the distinguished chairman of the Commerce Committee, Senator Magnuson, Senator Cotton and Congressmen Lennon and Mosher, went out of existence in accordance with the terms of the law. But with the dissolution of these two advisory bodies, the Congress lost a resource for helping it assure that our country is maintaining the progress and eminence which the Marine Science and Engineering Development Act envisioned.

Unfortunately, the National Advisory Committee on Oceans and Atmosphere has not filled the gap which was created insofar as assistance and advice to the Congress is concerned. Based on our experience so far, it has become clear that, as presently established, it has not been able to provide the vital assistance to Congress which I believe the Marine Science and Engineering Act and the Stratton Commission Report contemplated.

However, I want to add that I do not intend hindsight criticism of the Congress in terminating the resources it had available under the Marine Science and Development Act or the manner in which NACOA was established. My purpose is to simply recognize that NACOA, as presently established, is not performing a function which it is clear that Congress and the Nation need if we are to properly exercise our responsibilities.

Nine years after the enactment of the Marine Science Engineering and Development Act, and some 12 or 13 years after Congress began considering it, the need to consider refocusing the direction of NACOA is obvious in the context of an increasing need to study, examine, assist and modify the national effort in oceanic and atmospheric matters.

The foresightedness of the Congress in its enactments in these areas over the years, I believe, has been consistent with the highest exercise of its responsibility. As I earlier said, the bill which I am introducing today will help to maintain this congressional leadership. This bill modifies the duties of NACOA so that its prime responsibility will be to report to and advise the Congress. NACOA will continue to submit an annual report but it will go directly to the Congress. Comments of the executive branch also will be required.

The scope of matters to which NACOA will direct itself is expanded to include matters of policy and the need for changes in policy, laws, procedures, and regulations. Instead of submitting reports, other than the annual report,

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when requested by the President, such reports will be submitted when requested by the Congress and also whenever the Advisory Committee believes it appropriate.

The bill abolishes the separate Advisory Committee created by the Coastal Zone Management Act of 1972 and includes its duties in the duties of NACOA.

To assure objective advice and recommendations, the bill provides that the members of NACOA would no longer be solely appointed by the President of the United States. Approximately one-half of the members will be appointed by the Congress and one-half by the President. Additionally, to preserve and assure the role of the National Oceanic and Atmospheric Administration, as contemplated by the Stratton Commission report, the administrator of that agency would be a nonvoting member.

Qualifications for appointees to the Advisory Committee are stated in this bill, whereas none are stated in the present law. The present law does indicate that the Presidential appointments are to be made from State and local government, industry, and other appropriate areas. This bill continues these requirements as to Presidential appointees and designates the number to be appointed from industry, science, and State and local government. In regard to the congressional appointments, it is my thought that the Congress can make the decision as to the specific areas from which appointments should be made. I have written this bill so that each Congress which makes these appointments can also draw from such other areas as it deems proper, such as from groups which represent the public interest.

The advisory committee would no longer have its staff appointed by the executive branch but would appoint staff itself. Additionally, NACOA would be directed to maintain sufficient capabilities to attend to preparation of the annual report and also to give prompt and proper attention to congressional requests and the provision of such advice, as it deems appropriate, to the Congress. In furtherance of this increased capability, NACOA would be authorized to employ consultants and experts as needed.

Federal agencies and departments are to provide assistance and information to NACOA and the Secretary of Commerce is directed to provide administrative assistance and services.

Congress would be kept fully advised of the activities of the advisory committee, including its staff.

The bill provides that those appointed to the advisory committee shall maintain at least 50 percent attendance at the regular meetings and, if they do not, their membership ends. If there is good cause for less than 50 percent attendance, the bill provides for reinstatement, at the option of the appointing authority.

Provisions for participation by and assistance from observers from Federal agencies and departments concerned with matters within the responsibility of NACOA would continue, but Congress would be kept informed as to who these people are.

To assure maximum knowledge by the Congress as to reports and recommendations of NACOA, a provision is added that members with differing, or additional views, may file them and these shall be included. It is also provided that the Congress be informed concerning the voting of the members on the reports, advice and recommendations.

Because NACOA, by this bill, would become a Congressional Advisory Committee, the provisions of the Federal Advisory Committee Act would not automatically apply and, indeed, some of the provisions of that act such as those having to do with OMB control and authority should not. However, the bill specifically requires NACOA to be bound by such provisions of the Federal Advisory Committee Act as those requiring open meetings, public appearances and availability of records. It further provides a procedure for the inclusion on meeting agendas of items requested by members.

Presently, there is no provision for the occurrence of meetings of NACOA, but the bill would require at least monthly meetings. The compensation of members attending meetings is changed from the flat amount now in the law to the maximum rate of GS–18 Federal employees. This will conform members' pay to that which has been provided in recent enactments as well as to that for which the Federal Advisory Committee Act provides.

An increased appropriation authorization is also provided by this bill to fund the enlarged activities and service which the bill is designed to encourage and facilitate.

I introduce this bill today in keeping with the oversight functions of the Committee on Commerce and, specifically, of its Subcommittee on Oceans and Atmosphere, which I chair. I believe that the new and expanded direction, purpose, and procedures will accord the NACOA with present and future requirements in the national interest.

I also note that NACOA, in its new role, will serve to complement the work and purpose of the National Ocean Policy Study of the Senate pursuant to Senate Resolution 222 which this body unanimously adopted on February 19, 1974, as well as with increased activities in the House of Representatives with respect to the areas under NACOA jurisdiction. I look forward to the receipt of invaluable assistance and advice from NACOA as reshaped and directed by this bill.

After reviewing the Stratton Commission recommendations and the legislative history of the present NACOA law, I believe that the bill which I am introducing today will do everything that the present law was contemplated to do with the NACOA as an executive branch advisory committee and, at the same time, will provide for more direct assistance to the Congress. Surely, the President, the Secretary of Commerce, and other Federal departments and agencies will be involved and will benefit from NACOA's activities. As reconstituted, I believe NACOA will serve as a catalyst and result in more coordination and interaction in the executive branch.

The studies, recommendations, and reports of NACOA to the Congress certainly can provide the basis for executive branch actions, and I foresee that the bill will provide impetus to the executive branch to take those actions which it can to produce the result of rethinking of its oceans and atmosphere policy and regulations and according them with the purposes of the Marine Resources and Engineering Development Act of 1966.

Mr. President, furthermore, I ask unanimous consent that the bill be printed in its entirety in the RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1768

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of August 16, 1971 (Public Law 92-135), 85 Stat. 34, is amended as follows:

(a) Section 1 is amended by inserting the words "legislative policy advisory" before the word "committee" and by deleting the words "twenty-five" and inserting in lieu thereof, the word "twenty-six"

(b) Section 2 is amended to read:

SEC. 2(a). The members of the Advisory Committee shall be appointed as follows:

(1) six appointed by the President of the Senate and six appointed by the Speaker of the House of Representatives upon the recommendation of the Chairman of the standing committee of each both, respectively, with primary responsibility for the authorization of appropriations for the National Oceanic and Atmospheric Administration.

(2) The Administrator of the National Oceanic and Atmospheric Administration who shall not have a vote.

(3) Thirteen members appointed by the President of the United States as follows:

(1) five from among officials of coastal States and local governments

(ii) three from industry

(iii) five from the scientific community, who without limitation, may be employed by State government educational institutions

"(b) Members initially appointed by the President of the Senate and the Speaker of the House, respectively, shall be appointed by them for terms as follows:

"(1) two for three years

"(2) two for two years

"(3) two for one year

"(d) The Committee shall select a Chairman and Vice Chairman from among its members for a term of one year. The Vice Chairman shall act as Chairman in the absence or incapacity of, or in the event of a vacancy in the office of, the Chairman.

"(e) Except as provided in section 2(a)(2) and subsections (b) and (c) of this section members shall be appointed for terms of three years.

"(f) Any vacancies in the Committee shall not affect its powers but shall be filled in the same manner as the original appointment at the earliest possible time. A member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. A member may serve after the expiration of his term until his successor has taken office."

(b) Section 3 is redesignated as section 4 and subsequent sections appropriately renumbered and a new section 3 is added as follows:

"SEC. 3. In addition to requirements otherwise stated in the Act, the qualifications for membership on the Advisory Committee shall be that each member shall have a known substantial interest, or expertise in, ocean, marine, coastal zone, or atmospheric matters. Each appointing authority shall, to the maximum extent possible, appoint members who have interest or expertise so as to insure that the Advisory Committee membership, as a group, possess a broad range of experience and knowledge relating to ocean, marine, coastal zone, and atmospheric matters. No member may be a full-time officer or employee of the Federal Government except as stated in section 2(a)(2) of this Act.

"(b) The President of the United States of America shall inform the President of the Senate and the Speaker of the House within ninety days of the enactment of this Act of his appointments to the Advisory Committee and within ninety days after any vacancy in a membership the appointment to which is made by the President of the United States of America. The initial appointments by the President of the Senate and the Speaker of the House of Representatives shall be made within one hundred and twenty days of the enactment of this Act.

"(c) A vacancy shall occur in a voting membership position whenever, after eight regular meetings subsequent to that member's appointment, the official records of the Advisory Committee show at anytime that such member has failed to attend at least 50 per centum of the regular meetings held since his appointment: *Provided, however,* That this subsection shall not preclude the reappointment of such member by an appointing authortly upon its determination that good cause existed for the said absences."

"(d) Section 4, as renumbered, is amended by striking the period at the end thereof and adding, "and the Advisory Committee shall keep the Committees of Congress with primary responsibility for the authorization of appropriations for the National Oceanic and Atmospheric Administration currently advised of the names, titles, and address of such officials."

"(e) Section 5, as renumbered, is deleted and a new Section 5 inserted in lieu thereof as follows:

(a) The Advisory Committee shall (1) undertake a continuing review of the marine, oceanic and atmospheric, and related, policies programs and activities of the United States, (2) advise the Congress, from time to time, with respect to such matters including, without limitation, recommendations for changes in policies, statutes, rules and regulations, procedures and practices, (3) advise the Congress, from time to time, with respect to the carrying out of the purposes of the National Oceanic and Atmospheric Administration, (4) submit a comprehensive annual report to the Congress setting forth an overall assessment of the status of the Nation's marine, oceanic and atmospheric activities including without limitation, the matters set forth in (1) through (3) above, and (5) submit such other reports and advice as may be requested from time to time by the President of the Senate, the Speaker of the House of Representatives or the respective Committees of each such body which have primary appropriations authorization responsibility for the National Oceanic and Atmospheric Administration. A copy of said annual report shall be provided to the President of the United States who shall provide his comments thereon to the Congress within 90 days after receipt thereof. He shall also provide his comments on any other advice or report of the Advisory Committee when requested by the President of the Senate or Speaker of the House of Representatives and said comments shall be provided within 90 days after the request for comments or submission of the Advisory Committee's report or advice to the Congress whichever occurs last. The comprehensive annual report required herein shall be submitted on or before June 30 of each year after the effective date of this Act.

(b) The annual report required by subsection (a) of this Section shall include a report on the activities of the Advisory Committee for the period to which the report pertains, including times, dates and places of meetings, members and staff (including consultants or experts, if any in attendance) subjects considered and action taken by the Advisory Committee.

(c) Each of the aforesaid Committees of Congress shall, on request, be promptly provided with copies of each document or other matter required to be prepared, submitted, maintained, or made available, by Section 10 (a) (b) (c) and Section 11 of the "Federal Advisory Committee Act" and said Advisory Committee shall be subject to the procedures and requirements of Section 10 (a)(b)(c) and Section 11 of said Act and the National Oceanic and Atmospheric Administration shall be deemed the agency to which the Committee reports for the purpose of said sections. The Advisory Committee shall make the determination for which provision is made in Section 10(a) of said Act. Said Advisory Committee shall, additionally, include in any advice, reports, suggestions or recommendations made by it to the Congress any views of individual members which are additional to, or in disagreement with, the said advice, reports, suggestions or recommendations by the Advisory Committee. Advice, reports, suggestions or recommendations of the Advisory Committee to the Congress shall state those members who voted for its submission, those voting to the contrary and those not voting.

(d) The annual report required by subsection (a) of this Section shall include a report on names, titles, and number of staff (including consultants and experts, if any) of the Advisory Committee and a report on the activities of said staff for the period to which the report pertains.

(e) The Advisory Committee shall adopt such procedures and maintain such resources as will enable it to make the annual report required by subsection (a) while at the same time permitting it to be able to give prompt and comprehensive attention to other reports for which provision is made by this Act. At anytime the Advisory Committee deems additional legislation or funding necessary for it to do this, a report thereof shall be made by it to the President of the Senate and the Speaker of the House of Representatives.

(f) In the reports submitted pursuant to subsection (a) the Advisory Committee shall include appropriate recommendations to the Congress on matters concerning the programs conducted in accordance with the Coastal Zone Management Act of 1972 (P.L. 92–583), including where appropriate, matters of policy.

(g) Without limitation, reports to the Congress, pursuant to this Act may include recommendations or advice which could be implemented by or recommended by the Executive Branch and the Advisory Committee may consult with the Secretary of Commerce, or such other appropriate Federal officer concerning such matters and nothing in this Act shall be construed to prohibit such consultation or the provision of advice or recommendations concerning such subjects to the Secretary of Commerce or such other appropriate Federal officers.

(f) Section 6, as renumbered, is amended by deleting the words "compensation at rates not to exceed $100 per diem" and inserting in lieu thereof the words "as compensation the daily equivalent of the annual rate of basic pay for grade GS–18."

(g) Section 7, as renumbered is amended to read as follows:

(a) The Advisory Committee may appoint and fix the compensation of such personnel as it deems advisable without regard to the provisions of title 5, United States Code, governing appointments in the competitive service and such personnel may be paid without regard to the provisions of Chapter 51 and subchapter III of Chapter 53 of such title relating to the classification and General Schedule pay rates but at a rate not to exceed the maximum rate authorized by the General Schedule.

(b) The Advisory Committee may procure the services of experts and consultants in accordance with section 3109 of title 5, United States Code but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay in effect for the maximum rate authorized by the General Schedule and the Committee is authorized to negotiate and enter into contracts with private organizations and educational institutions to carry out such studies and prepare such reports as the Advisory Committee determines are necessary to carry out its duties.

(c) The Secretary of Commerce shall provide the Advisory Committee with such administrative services and assistance as it may require with or without reimbursement, as may be agreed. The Advisory Committee is authorized to request from any department, agency or independent instrumentality of the Federal Government such information and assistance as it deems necessary to carry out its functions under this Act and each such department, agency and instrumentality is authorized and directed to furnish such information and assistance to the extent permitted by law upon request made by the Chairman of the Advisory, with or without reimbursement, as may be agreed.

(h) The present Section 7 is renumbered as 11 and new Sections 8, 9, and 10 are added as follows:

"8. The Advisory Committee shall meet at the call of its Chairman including one regularly scheduled meeting each month and any member shall be entitled to have included on the agenda of any meetings, such topic, relevant to the purposes of the Committee, as he has provided at least 28 days advance notice to the Chairman who shall provide due notice thereof.

"9. Section 311 of the Coastal Zone Management Act of 1972, entitled "Advisory Committee", is repealed and the records of the Advisory Committee created pursuant thereto shall be transferred to the National Advisory Committee on Oceans and Atmosphere."

"10. Until such time as the members of the Advisory Committee appointed by the President of the United States, President of the Senate and Speaker of the House of Representatives, pursuant to this Act, have been appointed, the Advisory Committee and the Coastal Zone Management Advisory Committee, shall continue to function, have the authority, and members as existed immediately prior to enactment of this Act."

(i) Section 11, as renumbered, is amended by deleting all of said section after "June 30, 1972" and inserting in lieu thereof "and for each of the three succeeding fiscal years and the sum of $1,000,000 for each fiscal year thereafter, to carry out the purposes of this Act."

By Mr. McGOVERN:

S. 1770. A bill to regulate commerce and promote the general welfare by providing incentives and assistance, based on detailed data and information, that will increase the amount of transportation by railroad rather than by less energy-efficient modes in order to conserve limited resources of energy and will alleviate unemployment, and for other purposes. Referred to the Committee on Commerce.

A NEW TRANSPORATION SYSTEM FOR AMERICA

Mr. McGOVERN. Mr. President, I introduce for appropriate reference the National Transportation Services Board Act of 1975.

In the last decade and a half, the United States built a major transportation system to carry men to the Moon. From Cape Canaveral to Houston and around the world, we have invested $30 billion in the enterprise. Now a few pieces of metal and a flag which never waves are all that stand amid the lunar silence.

For the last several decades, the United States has spent much but planned too little for its domestic transportation system. From New York to Houston and Chicago and on to Los Angeles, railroads are in trouble or in bankruptcy; railbeds are in disrepair; airlines are financially pressed; the automobile industry is in decline; inland waterways are nearly nonexistent or neglected. Now the capacity to transport and the convenience of travel are both uncertain.

This measure is intended to establish, at long last, a balanced, coordinated, and workable national transportation policy. Such a policy must remake our transportation system, to make it as reliable and efficient as possible.

The legislation addresses directly the disastrous state of our railroads. It mandates a major effort to upgrade, restore and properly maintain railbeds, tracks and signal systems. It will be funded from current revenues and the returns of the program itself. It will sustain a railroad industry which contributed nearly $22 billion in wages and services to our economy in 1974. Finally, this program represents a real breakthrough in using constructive public service employment to create work and combat recession.

The bill will stimulate the economy in the most direct manner—by putting people on a meaningful job and paying them for it. We have jobs which need to be done and we have people, far too many millions of them, who needs jobs. They should not be out of work; they should not be set to make work; they should be earning their way by work which will add a real product to our economic resources.

THE NATIONAL TRANSPORTATION SERVICES BOARD

In order to expedite policy planning and bring coherence to the currently fragmented Federal transportation structure, the bill creates a 15-member National Transportation Board. The Board will assume the functions currently divided between the Secretary of Transportation, the Interstate Commerce Commission, the Civil Aeronautics Board, the Federal Maritime Commission and the United States Railway Association.

The President will nominate the Board, whose members must include representatives of Government and labor and consumer interests, as well as the operating carriers. Nominees will be subject to congressional confirmation procedures. In addition, the bill makes provision for periodic congressional oversight and review of Board decisions.

The Board's first priority will be to develop and submit to Congress a national transportation policy which it considers, on the basis of extensive analysis, to provide the most energy-efficient, environmentally sound, and economically feasible mix of transportation mechanisms. This policy should respond to the need for a single system, rather than to contending special interests, each concerned only with its own narrow interest.

The Board's programs will be funded by a national transportation trust fund. The trust fund will aggregate existing resources such as the Highway Trust Fund, the Airport and Airways Act revenues, and rents on federally owned railbeds, tracks, signal systems, and related rail facilities. Ample funds are available for efficient railroads, mass transit systems and inland waterways as they were for the interstate highway program.

THE RAILWAY SYSTEM

The first country in the world in economic power has a third-rate rail system. The Penn Central and the Rock Island are but two recent casualties in an industry which does not earn sufficient private profits to provide necessary public services.

There have been a number of suggestions to deal with the rail crisis, generally based on the provision of Federal subsidies. But mere subsidies do not solve the underlying problem. They literally subsidize inefficiency rather than encouraging efficiency. They only respond to immediate symptoms and do not cure long-term causes. They are devices for passing money to business and losses to the public.

Instead of subsidies, this bill mandates outright Federal ownership of roadbeds, tracks and signal systems. Only Federal ownership can marshall the necessary resources to restore our rail system, to make it what it must become if it is to survive and the economy is to prosper—the central component of a comprehensive transportation network.

The bill does not nationalize the entire railroad industry. Rather, railroad companies will be licensed to operate as air carriers are now. Railroads will operate over Federal track and pay a per-ton mile fee. They will be compensated for Federal acquisition of property under the act by credits against future ton-mileage charges.

Fees will be paid into the national transportation trust fund, to be used to restore and maintain rail facilities at the direction of the National Transportation Services Board. Current rail applications to cut back rail service will be suspended until the Board can assess the utility of routes and trackage in terms of an overall national transportation plan. As national rail patterns emerge, some trackage might well be abandoned; and by improved scheduling, other routes might be better serviced, with a number of operating companies sharing the same government rail network.

In addition to upgrading and maintaining facilities, the Board will also contract for research and development to improve equipment and procedures. The Board may also establish a reserve pool of freight cars which could be leased to the railroads when special circumstances—a heavy grain harvest, for example—require special services.

HIGHWAYS

One of the best ways simultaneously to reduce pollution and to promote energy-efficient means of transportation is quite simply to stop building highways, freeways, and vast parking lots in urban areas. We are now in a vicious cycle on which more and wider highways and freeways attract more cars and mean less patronage and therefore a lessened viability for other transportation methods. And as these other methods decay, even heavier automobile traffic creates a demand for even more highways.

The Interstate Highway System is very nearly complete. Of the 42,500 authorized miles, 36,021 are open to traffic, with 5,596 miles under construction. Designs are not yet final on only 883 miles.

Each year, we pour one-sixth of our gross national product into automobiles and roadbuilding—over $5 billion for highway construction alone. We have paved over 4 million square miles of land, an area equal to the size of the entire New England region. Every mile of freeway consumes 24 acres of land and every year we uproot 50,000 people from their homes to make way for federally aided highway construction.

It is a sad commentary on our transportation system that in the City of New York in 1907, the average speed of horse-drawn vehicles on the city streets was 11.5 miles per hour. In 1966, the average speed of motor vehicles, with the power of 200 to 300 horses, through the central business district was 8.5 miles per hour. Yet the number of automobiles is increasing twice as fast as the number of people. Registered motor vehicles number 110 million—almost one vehicle for every two Americans and half of the cars in the world. A car consumes 5 times as much fuel per passenger as a bus and 10 times as much as a train. We are left with more cars, less public transportation, and an energy shortage.

Our economy is keyed to the automobile, with $1 out of every $5 spent in our whole economy spent directly or indirectly in one part—auto manufacturing and its maintenance and incidental enterprises like oil, steel, rubber, plastics, and highway construction. This complex accounts for 20 percent of our gross national product and 18 percent of all Federal taxes; it employes 15 percent of our work force and consumes 20 percent of our steel, 30 percent of our zinc, 56 percent of our petroleum, 72 percent of our rubber, 20 percent of our aluminum—and in fact, a quarter of all the energy produced in the United States each year. We

spend so much on automobiles, yet the return is insufficient.

The Federal Government has spent $50 billion on highways and highway related construction and only $1 billion for public transit systems. Now the American Association of State Highway Officials has asked that we lay out an additional $320 billion—an amount equal to the national debt—for highways during the next 15 years. The Interstate Highway System, with an estimated cost of $27 billion when it was proposed and passed, will involve a cost overrun of at least $48 billion by the time it is completed. The average mile costs about $1.4 million; the average in rural areas is $887,000 and in urban areas $4 million.

We cannot afford to continue this superhighway building binge. We must decrease the number of cars and increase the availability and feasibility of other forms of transportation. Roadbuilding is the biggest construction industry in the country primarily because it is supported by our gasoline taxes, which provide the States with 90 percent of the cost of new highway construction. Over $5 billion automatically rolls into the highway trust fund each year from taxes on gasoline, oil, tire rubber, asphalt, and motor vehicle purchases. I am not suggesting that all highway construction cease; I am recommending—and this act provides—that our resources be redirected to meet a balanced transportation need, not spent for unneeded highways.

We have seen some progress toward a rational policy. This year, $200 million of the trust fund will be available for metropolitan transit systems; and in 1976, cities will have the option of spending $800 million on other transportation such as mass transit. Another $120 million will be allocated in 1976 to cities for the construction of bikeways and trails along streets and highways. In addition, under present law, if a city, a State, and the Secretary of Transportation all agree that a specific stretch of interstate highway need not be built, then funds equivalent to its construction costs can be used for mass transit. The funds involved are not very significant; they total only 4.5 percent of the $22 billion in highway trust fund money available for the 3-year period, 1974 to 1977. But even this small change could mark a symbolic, indeed historic, turning toward a balanced transportation system. This bill moves from that symbolic step to a comprehensive plan.

MASS TRANSIT

National transportation policy must include special attention to mass transit systems in urban areas. Improvements in mass transit could lower the overall price of transportation and could yield impressive energy savings.

A National Transportation Services Board is particularly appropriate with respect to mass transit. The fact that mass transit lines traverse many jurisdictions—municipal, county, and even State—leads to severe administrative and financial difficulties. A single, central authority can resolve the difficulties more equitably and at lower cost to the taxpayer. The Board could—and local authorities often cannot—develop comprehensive transportation plans for entire metropolitan areas. Service would be upgraded. The current array of companies and lines could be allied in a collaborative working relationship.

AIR

Since the advent of the jet aircraft, commercial aviation has been able to fill partially the gaps opened by deteriorating rail passenger service. Still costs per passenger for commercial carriers operating from 525 airports across the country remain relatively high.

Load factors for commercial aircraft hover around the 50 percent mark, which means that almost half of available seat miles are unproductive. This is largely a result of overly competitive schedules, duplicative route structures, and unrealistic fares.

The Civil Aeronautics Board has not been responsive to the needs of the flying public, nor has the Federal Aviation Administration administered the Airport/Airways Act of 1970 in ways which would encourage all forms of air transportation. In fact, the proposed tax schedules for general aviation in effect would eliminate many private aircraft on a cost basis alone.

The confusing jumble of commercial airfares makes it impossible for the average traveler to know how to fly a given distance at the lowest cost. All too frequently passengers choose the wrong day and have to pay as much as a 50-percent premium because they did not have the facts. We desperately need a simplified structure, the elimination of duplicative service, and adequate routing.

Air transportation should be part of a well balanced national transportation program. It should not supply additional demands which could otherwise be met by alternative methods.

INLAND WATERWAYS

In many parts of America, navigable rivers and lakes could carry much commerce at low cost. With a comprehensive transportation policy in place, we could provide for extensive development of these great natural resources.

CONCLUSIONS

We can afford no longer the luxury of transportation chaos. We can afford, and we must create, a transportation system. We must invest our financial resources, our inventive powers, our engineering skills where they can maximize service at minimum per passenger- and ton-mile cost.

Current policies were formed decades ago and many of them have hardly been rethought in the decades since. They reflect different lifestyles, different technologies, different mobility and different expectations. Too often, they constrain essential change. Now we face a transportation crisis in a context of energy shortages, environmental threats, and declining services.

This bill will not solve all our transportation problems. It will set a prudent course for the development of a common-sense transportation system.

We have the technology and the resources to make American transportation first-rate and second to none. This bill will provide the organizational capability to muster those resources for a revitalized transportation system.

It is especially important that we rebuild America's railways into a great system of freight and passenger service. This effort—comparable in size to the Interstate Highway System and the space program—can open new frontiers in the American economy and for our society as a whole. An imaginative, well conceived reconstruction of the rail system means more efficient use of energy, the creation of many new jobs, less pollution, and a splendid addition in transportation for the American people.

T. E. Eliot once wrote of the death of modern society that our "only monument—would be—an asphalt road and a thousand lost golf balls." A modern economy will decline and finally die if it lives too much, too long by superhighways. Economic revival and prosperity require an efficient and revitalized transportation system. Then we will leave behind not monuments to our mistakes, but a vital economy which has been sustained by sensible and far-reaching change.

I ask unanimous consent that the text of my bill be printed in the RECORD, together with a section-by-section analysis.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 1770

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Rail Revitalization and Energy Conservation Act of 1975".

TITLE I—GENERAL PROVISIONS

SEC. 101. (a) FINDINGS.—The Congress finds and declares that—

(1) essential rail service to rural and urban communities throughout the United States is threatened with discontinuation and abandonment;

(2) essential rail service is threatened in part because of the financial inability of many railroads to regenerate track, plant, rolling stock, and other equipment;

(3) high-speed freight and passenger rail service is the most energy-efficient means of transportation presently available;

(4) public and private investments in an improved rail transportation system should be given a high priority as a means to alleviate unacceptable rates of unemployment;

(5) the shortage of energy supplies and the economic well-being of the United States require the expansion and improvement of rail service;

(6) further abandonment of rail lines and discontinuation of rail service would be against the national interest of the United States; and

(7) these needs cannot be met without substantial action by the Federal Government.

(b) PURPOSES.—It is therefore declared to be the purpose of the Congress to provide in this Act for—

(1) the stimulation of the most rapid possible investment in improved railroad equipment and services, to meet both the short-term economic needs and the long-term transportation needs of the United States;

(2) a moratorium on abandonment of rail lines and a discontinuation of rail service except where such abandonment or discon-

tinuance would not adversely affect the economic well-being of any community;

(3) financial assistance to carriers which operate unprofitable lines;

(4) establishment of track standards for high-speed, energy-efficient rail service;

(5) acquisition, maintenance, and modernization of track, rights-of-way, and appurtenant structures by a publicly financed corporation from railroads financially incapable of maintaining and modernizing such equipment;

(6) establishment of a rail car allocation program for all rail cars in short supply;

(7) full utilization of existing rolling stock through the establishment of a National Rolling Stock Information System;

(8) a reserve supply of rolling stock to be utilized in emergencies;

(9) Federal loan guarantees for carriers to acquire needed rolling stock; and

(10) accompanying these objectives at the lowest possible cost to the general taxpayer.

DEFINITIONS

SEC. 102. As used in this Act, unless the context otherwise requires—

(1) "Commission" means the Interstate Commerce Commission;

(2) "Corporation" means the Consolidated Rail Corporation required to be established under section 301 of Public Law 93–236;

(3) "railroad" means a common carrier by railroad as defined in section 1(3) of part 1 of the Interstate Commerce Act (40 U.S.C. 1(3)). The term includes the Corporation and the National Railroad Passenger Corporation;

(4) "Secretary" means the Secretary of Transportation or his delegate, unless the context indicates otherwise; and

(5) "State" means any State or the District of Columbia.

TITLE II—ABANDONMENT MORATORIUM, TRACK STANDARDS, AND ALTERNATIVE SERVICE

MORATORIUM ON ABANDONMENT

SEC. 201. Notwithstanding any other provision of law or of this Act, no rail service may be discontinued and no rail properties may hereafter be abandoned except in accordance with section 203 of this title, or section 304 of the Regional Rail Reorganization Act of 1973 (Public Law 93–236), as applicable.

TRACK STANDARDS

SEC. 202. (a) Within ninety days after enactment of this Act, the Secretary shall prescribe standards for maintenance of all main track with respect to track geometry, rail mismatch, rail-end batter, and frogs, for smooth, dependable operation of freight trains at speeds up to sixty miles an hour and passenger trains at speeds up to eighty miles an hour. In formulating such standards, the Secretary shall be guided by preferred or recommended practices from an engineering, economic, agricultural, and energy standpoint as distinct from minimum requirements for safety.

(b) In all respects other than those enumerated in subsection (a), all main track shall meet the requirements for class four track of the track safety standards prescribed by the Secretary pursuant to the Federal Railroad Safety Act of 1970 (45 U.S.C. 421 et seq.).

(c) The standards prescribed under subsection (a) shall be enforced by one year from the date of promulgation.

ABANDONMENT AND ALTERNATIVE SERVICE

SEC. 203. A railroad, carrier, or other interested party may petition the Commission for permission to abandon rail lines or services, or for alternative service, in accordance with this section. The grounds for the petition may include uneconomical operation of the line or service thereon and/or the inability of the carrier to meet the track standards prescribed under section 202 of this title.

The Commission shall not permit a carrier to abandon a rail line or discontinue rail service unless it determines—

(a) that the proposed abandonment would not adversely affect the economic well-being of the communities served by such lines; or

(b) that alternative means of transportation are available at a cost which would not adversely affect the economic well-being of the communities served by such lines; or

(c) the petitioner has offered to, and in fact will, provide or arrange for alternative means of transportation at a cost which will not adversely affect the economic well-being of the communities served by such lines; or

(d) such communities will be provided with service under a local, State, regional, or Federal transportation plan under sections 402 and 403 of the Regional Rail Reoganization Act of 1973 (Public Law 93–236) or sections 204 and 205 of this title.

ALTERNATIVES TO ABANDONMENT

SEC. 204. Upon denial of a section 203 petition or in connection therewith, the petitioner may in addition apply for—

(a) a rail service continuation subsidy under section 402 of the Regional Rail Reorganization Act of 1973 (Public Law 93–236);

(b) an acquisition or modernization loan under section 403 of the Regional Rail Reorganization Act of 1973 (Public Law 93–236);

(c) Corporation, local, or State acquisition under section 205 of this title, and/or

(d) an increase in rates, fares, or tariffs under the Interstate Commerce Act.

ACQUISITION OF RIGHTS-OF-WAY BY OTHERS

SEC. 205. In lieu of a petition for abandonment, the Commission may approve the transfer of all or part of a railroad's right, title, and interest in the rail lines, rights-of-way, track, and appurtenant structures (including but not limited to railyards, signals, switches, and stations) to a local, regional, or State transportation authority or the Consolidated Rail Corporation, established pursuant to section 301 of the Regional Rail Reorganization Act of 1973 (Public Law 93–236) in consideration of an agreement under which the petitioner agrees to provide service on such lines and the local regional, or State transportation authority or the Corporation, as the case may be, agrees to maintain, upgrade, consolidate, and expand such lines, and assume the payment of State and local property taxes thereon as more fully specified in title III of the Regional Rail Reorganization Act of 1973, as amended by title III of this Act.

RAIL REVITALIZATION FUND

SEC. 206. There is authorized to be appropriated to the Secretary during the period of five fiscal years beginning July 1, 1975, the sum of $10,000,000,000 which shall be available to the Secretary until expended as a Rail Revitalization Fund for—

(1) grants to local, State, or regional transportation authorities, as defined for the purposes of section 205, to assist such authorities to upgrade and maintain rights-of-way, track, and appurtenant structures acquired pursuant to section 205, but the amount of any grant for such upgrading shall not exceed 25 per centum of the cost of bringing such rights-of-way, track, and structures to minimum operating standards determined by the Secretary;

(2) interim financial assistance to railroads pursuant to section 208; and

(3) grants to the Consolidated Rail Corporation for the purposes of section 306 of the Regional Rail Reorganization Act of 1973 (as added by title III of this Act).

PROCEDURE AND JUDICIAL REVIEW

SEC. 207. The hearings and proceedings under this title shall be governed by the Interstate Commerce Act and shall be subject to judicial review under that Act. In addition, the Commission shall conduct public hearings with adequate notice in the communities affected by any application for abandonment, shall afford all segments of the community, including elected and appointed officials of the political subdivisions, consumers of the rail services sought to be abandoned, and other interested parties, the opportunity to testify and otherwise comment on the petition and adequately publicize the alternatives available under this and other Acts of Congress, and regulations promulgated thereunder.

INTERIM FINANCIAL ASSISTANCE

SEC. 208. (a) IN GENERAL.—The Secretary shall provide financial assistance in accordance with this section to maintain rail services on eligible lines pending final determination of an application under section 203 of this title.

(b) ENTITLEMENT AND ELIGIBLE LINES.—A railroad which earned an average rate of return of less than 10 per centum of its invested capital in its last five fiscal years, is entitled to financial assistance on rail lines as to which it files with the Secretary an intention to petition the Commission for abandonment or alternative service under section 203, 204, or 205 of this title which rail lines the Secretary determines are in fact unprofitable to operate and could not continue to be operated without Federal assistance.

(c) AMOUNT.—The Secretary shall provide the minimum amount of assistance necessary to maintain an adequate level of service on eligible lines.

(d) REGULATIONS.—Within ninety days after the date of enactment of this Act, the Secretary shall issue, and may from time to time amend, regulations with respect to interim financial assistance under subsection (a).

(e) RECORD, AUDIT, AND EXAMINATION.—(1) Each recipient of financial assistance under this section, whether in the form of grants, subgrants, contracts, subcontracts, or other arrangements, shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance was given or used, the amount of that portion of the cost of the project supplied by other sources, and such other records as will facilitate an effective audit.

(2) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives shall, until the expiration of three years after completion of the project or undertaking referred to in paragraph (1) of this subsection, have access for the purpose of audit and examination to any books, documents, papers, and records of such receipts which in the opinion of the Secretary or the Comptroller General may be related or pertinent to the grants, contracts, or other arrangements referred to in such paragraph.

TITLE III—AMENDMENTS TO THE REGIONAL RAIL REORGANIZATION ACT OF 1973

SEC. 301. Section 302 of Public Law 93–236 is amended by adding the following at the end of subsection (a) thereof: "or acquired under section 305 of this Act".

SEC. 302. Title III of Public Law 93–236 is amended by adding at the end thereof the following new sections:

"ACQUISITION OF OTHER RAIL LINES

"SEC. 305. (a) The Corporation shall acquire such rail lines, rights-of-way, track, and appurtenant structures (including but not limited to rail yards, signals, switches, and stations) outside of the region in connection with an application for alternative service under section 205 of the Rail Revitalization and Energy Conservation Act of 1974 (hereinafter, a 'section 205 application') as may be in the public interest in order that rail service may be continued thereon.

"(b) Upon the filing of a section 205 application, the Corporation shall enter into negotiations with the petitioner for the acquisition of all or part of the rail lines which are the subject of the application. In consideration of such acquisition, the parties shall agree upon a fee to be paid to the Corporation for the future use of such lines and a credit against such fees on account of the value of the properties to be acquired.

"(c) The agreement negotiated pursuant to subsection (b) shall be subject to the approval of the Commission. The Commission shall determine the fairness and adequacy of the proposed fee schedule and credit based upon—

"(1) the fair market value of the property;

"(2) the capital investment necessary to bring the line, track, and appurtenant structures up to standard;

"(3) the capital investment necessary to modernize the track and appurtenant structures;

"(4) the degree to which the petitioner maintained the rail lines and the average yearly investment therefor;

"(5) the fees which the Corporation may be expected to receive from users of the rail lines other than the petitioner; and

"(6) the amount of loss the petitioner would have sustained but for the acquisition of the rail lines by the Corporation.

"In the event the petitioner and the Corporation are unable to agree upon the fee and credit, the Commission shall establish the amount of the fee and credit subject to the foregoing considerations.

"In addition, the Commission shall specify the frequency and kind of service the petitioner shall provide over the rail lines acquired by the Corporation.

"SEC. 306. (a) Upon acquisition of the rail lines of any railroad company, the Corporation shall, consistent with the provision of section 305 of this title, assume responsibility for the rehabilitation and maintenance of such rail lines.

"(b) The Corporation shall make capital improvements on its rail lines in accordance with its evaluation of expected benefits from such improvements in relation to the cost thereof, and in accordance with available financial resources. Such capital improvements shall include, but not be limited to, interlocking devices; centralized traffic control; improved safety devices governing train movements; extra main tracks; new and extended sidings; interchange and connecting tracks; removal of restrictive clearances; improved grade crossing protection; and reduction of curves and grades.

"SEC. 307. (a) A railroad company which conveys its rail lines to the Corporation, or which holds trackage rights over rail lines which are conveyed to the Corporation, shall have the right to continue operations as a rail carrier over all such rail lines at the same frequency that it was conducting such operations prior to the conveyance thereof, in return for payment to the Corporation of an agreed upon fee calculated upon gross ton-miles of locomotive and train operation as provided in section 305 of this title. The terms and conditions of preexisting agreements and contracts for the use of track and other facilities shall be of no force and effect as between the Corporation and any rail carrier, but insofar as applicable, shall remain in effect as between two or more rail carriers of freight using the same rail line.

"(b) Upon application to the Commission by any rail carrier for the use of any rail line of the Corporation for freight or passenger service, if the applicant is fit, willing, and able to properly perform the service proposed; if such service is or will be required by the present or future public convenience and necessity; and if the operations of the applicant will not significantly impair the level of performance of the carrier or carriers already using the line who are adequately serving the public, the Commission shall by order require the Corporation to permit the applicant to use such rail line for compensation to the Corporation as fixed by the Commission and calculated upon gross ton-miles of locomotive and train operation, and upon such other terms and conditions as are reasonable under the circumstances.

"(c) If, in the opinion of the Corporation, the transfer of freight traffic off of one rail line and onto another rail line will permit significant economies through reduction in maintenance expenditures, it may apply to the Commission for an order requiring such transfer. If after notice and hearing the Commission finds that such transfer will not result, directly or indirectly, in a significant impairment in the rail service provided to any rail customer, the Commission shall issue an order requiring the transfer on such terms and conditions as are reasonable. Applications under this section shall be acted upon by the Commission within one hundred and twenty days after the application is filed.

"(d) No one shall commence freight operations over rail lines of the Corporation other than in accordance with the provisions of this section.

"PASSENGER SERVICE

"SEC. 308. (a) Any rail carrier shall have the right to continue passenger service over any rail line conveyed to the Corporation at the same frequency with which it was providing such service prior to the conveyance, in return for payment to the Corporation of an agreed upon fee calculated upon gross ton-miles of locomotive and train operation as provided in section 305 of this title. All preexisting agreements and contracts for the provision of passenger service shall be of no force and effect as between the Corporation and such rail carrier.

"(b)(1) Any rail carrier shall have the right to initiate new passenger service, or to increase the frequency of passenger service already being provided, in return for payment to the Corporation of a fee calculated upon gross ton-miles of locomotive and train operation, unless the Corporation determines that the rail carrier is not fit, willing, and able to properly perform the service proposed.

"(2) A rail carrier or freight shipper whose service or operations are affected by new or expanded passenger service may file an application with the Secretary requesting appropriate relief. If after hearing and upon sufficient proof the Secretary finds that such passenger service causes a significant downgrading of the quality of service provided to freight shippers, he shall issue an order fixing such terms and conditions for the operation of such passenger service as are reasonable in the interest of adequate freight service.

"OPERATING RULES

"SEC. 309. (a) The Corporation shall have the power to fix rights of trains, maximum train speeds, size and weight limits for equipment, and other rules governing operations over Corporation rail lines. The provisions of this Act and of rules adopted by the Corporation shall supersede the terms of any agreements previously entered into between rail carriers and railroad companies for the provision of passenger service.

"(b)(1) Except in an emergency, passenger trains shall be accorded preference over freight trains in the use of any given line of track, junction, or crossing of the Corporation, unless the Secretary has issued an order to the contrary in accordance with paragraph (2) of this section.

"(2) A rail carrier or freight shipper whose service or operations are affected by paragraph (1) above may file an application with the Secretary requesting appropriate relief. If, after hearing and upon sufficient proof, the Secretary finds that adherence to paragraph (1) causes a significant downgrading of the quality of service provided to freight shippers, he shall issue an order fixing rights of trains, on such terms and conditions as are reasonable in the interest of adequate freight service.

"LIABILITY FOR INJURY AND DAMAGE

"SEC. 310. The Corporation shall be responsible for all bodily injury and property damage arising out of any accident or occurrence caused by defects in, or improper maintenance of, track, roadbed, signals, communications, or other facilities owned or controlled by the Corporation or caused by the negligence of a Corporation employee. Rail carriers shall be responsible for all bodily injury and property damage arising out of any accident or occurrence caused by reasons other than those enumerated in the preceding sentence.

"REDUCTION IN CAPACITY OF RAIL LINES

"SEC. 311. If at any time the Corporation desires to realize economies through the elimination of any extra main track or tracks, or other type of reduction in capacity of any of its rail lines that would not result in elimination of service to any point, it shall give notice of its intention to the carriers using the line, to the States and localities through which the line runs, and to any other person who has requested to be given such notice. The Corporation may proceed with such elimination or reduction on or after the expiration of one hundred and twenty days following the giving of notice unless it determines, on the basis of protests submitted in response to the notice, that such elimination or reduction will not be consistent with the present and future public interest in adequate rail service.".

CONFORMING AMENDMENT

SEC. 303. Title IV of the Regional Rail Reorganization Act of 1973 (Public Law 93–263) is amended by deleting therefrom the phrase "in the Region" wherever it appears.

TITLE IV—CAR ALLOCATION PROGRAM

SEC. 401. In the case of any railroad car manufacturer not capable of delivering finished cars within one year of receipt of the order therefor, the Secretary shall establish the following priorities for the manufacture and delivery of cars among customers, for rail services which—

(a) maintain and improve supply and delivery of products necessary to sustain the health and food supply of the Nation;

(b) maximize conservation of the Nation's energy supply;

(c) will expand and improve mass transit systems, to insure a ready supply of moderately priced transportation to the Nation's commuters; and

(d) are deemed to be in the national interest, as determined by the Secretary.

TITLE V—EQUIPMENT IMPROVEMENT

FORMAL PROVISIONS

SEC. 501. (a) SHORT TITLE.—This title may be cited as the "Rolling Stock Utilization and Financing Act of 1974".

(b) FINDINGS.—The Congress finds and declares that—

(1) There is at present a shortage of general service railroad freight cars available to producers of goods and manufacturers of products.

(2) This shortage results both from an in-

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adequate number of such cars and from their underutilization.

(3) This shortage of available general service railroad freight cars has caused—

(A) losses to producers of goods and manufacturers of products which has resulted in higher prices to consumers of goods and products;

(B) losses to railroads of revenue, thereby threatening their financial condition.

(c) Purposes.—The Congress hereby declares that the purposes of this title are—

(1) to improve the utilization and distribution of rolling stock to meet the needs of commerce, users, shippers, the national defense, and the consuming public;

(2) to assist railroads in acquiring additional rolling stock and equipment or facilities to provide expeditious service to meet the increasing demands of the Nation's economy; and

(3) to assist in achieving full employment by assuring adequate equipment necessary to transport the products of American industry.

(d) Definitions.—As used in this title—

(1) "Authority" means the Railroad Equipment Authority authorized under section 510 of this title.

(2) "Board" means the Obligation Guarantee Board established under this title.

(3) "Car-pooling company" means a company that furnishes rolling stock to three or more railroads on a shared ownership or pooled basis through user or lease arrangements.

(4) "Directors" means the Board of Directors of the Authority.

(5) "Equipment or facilities" includes data processing and other computer technology; machines and systems for loading and unloading rolling stock; yards and terminals for originating, modifying, or terminating the movement of rolling stock; and other equipment or facilities, including ferries and related shoreside facilities designed primarily for the transportation of rolling stock by water, which are necessary to improve the utilization of rolling stock or improve the movement of goods and products by rail or express.

(6) "Equipment obligation" means a bond, note, conditional sale agreement, equipment trust certificate, lease obligation, security agreement, or other obligation issued or granted to finance, or refinance rolling stock or equipment or facilities.

(7) "Fund" means the Obligation Guarantee Fund.

(8) "Holder" means, unless otherwise provided, the holder of an equipment obligation. If a bank or trust company is acting as agent or trustee for the holder of the equipment obligation, such bank or trust company shall be regarded as the holder.

(9) "Lease" means a contractual arrangement under which the legal owner furnishes rolling stock or equipment or facilities to a railroad or a car pooling company and such railroad or company receives the benefits, through reduced rentals of any tax benefits available.

(10) "Lease obligation" means all of the lessee's payment obligations under a lease including rentals, termination payments, and tax indemnification payments.

(11) "Obligor" means the debtor under an equipment obligation. The term includes the original obligor and any successor or assignee of such obligor who is approved by the Board.

(12) "Principal" when used with reference to a lease obligation means all of the payment obligations of the lessee under a lease, including rentals, termination payments, and tax indemnification payments, but does not mean interest.

(13) "Railroad" means a common carrier by railroad or express, as defined in section 1(3) of the Interstate Commerce Act (49 U.S.C. 1(3)), and includes, where the Board makes an appropriate finding, a railroad controlled by another railroad within the meaning of section 1(3)(b) of the Interstate Commerce Act (49 U.S.C. 1(3)(b)). The term does not include the Authority.

(14) "Rolling stock" includes any type of new or rebuilt standard gage locomotive, caboose, refrigerator car, general service railroad freight car, or express van the use of which is not limited to any specialized purpose by particular equipment, design, or other features. General service railroad freight car includes a boxcar, gondola, open-top or covered hopper car, and flatcar. The Board may designate other types of cars as rolling stock upon a written finding, with reasons therefor, that such designation is consistent with the purposes of this title.

OBLIGATION GUARANTEE BOARD

Sec. 502. (a) Board.—There shall be established in the Department of Transportation an independent agency to be known as the Obligation Guarantee Board. The Board shall be composed of six members and a chairman. Two of the members shall be the Secretary of Transportation and the Secretary of the Treasury, or their duly authorized representatives, who shall serve ex officio with the same powers as other members of the Board. The President shall, within ninety days of the enactment of this Act, appoint the other members and the Chairman of the Board, by and with the advice and consent of the Senate, on the following basis—

(1) one to be selected from lists of qualified individuals recommended by shippers and organizations representative of significant shipping interests;

(2) one to be selected from lists of qualified individuals recommended by agricultural organizations and recognized farm leaders;

(3) one to be selected from lists of qualified individuals recommended by small-business organizations and recognized small business leaders;

(4) one to be selected from lists of qualified individuals recommended by consumer organizations, community organizations, and recognized consumer leaders;

(5) one to be selected from lists of qualified individuals recommended by the national organization of the State commissions, referred to in sections 202(b) and 205(f) of the Interstate Commerce Act (40 U.S.C. 202(b), 205(f)), who shall be a member of a State agency authorized by the law of any State to set rates for transportation by railroad.

As used in this subsection, a list of qualified individuals shall consist of not less than three individuals.

(b) Compensation.—A member of the Board who is not otherwise an employee of the Federal Government may receive $150 per diem when engaged in the actual performance of duties vested in the Board plus reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of such duties.

(c) Terms of Office.—The terms of office of the members first taking office (other than those of the two members who shall serve ex officio) shall expire as designated by the President at the time of nomination, three at the end of the third year, and two at the end of the sixth year. The member appointed by the President, by and with the advice and consent of the Senate, to be chairman of the Board shall serve as chairman until his term of office as a member expires and a successor is duly appointed. Successors to members of the Board shall be appointed in the same manner as the original members and shall have a term of office expiring six years from the date of expiration of the term for which their predecessors were appointed. Any member appointed to fill a vacancy on the Board occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

GUARANTEE OF EQUIPMENT OBLIGATIONS

Sec. 503. (a) General.—The Board is authorized, in accordance with the provisions of this section, to guarantee and to make commitments to guarantee the payment of interest on and the principal balance of an equipment obligation prior to, on, or after the date of execution or the date of disbursement of such obligation: *Provided*, That no equipment obligation in the form of a lease obligation shall be guaranteed unless and until the Board finds, after notice and an opportunity for comment by interested persons and publication in the Federal Register of this finding and the reasons therefor, that no other reasonable means of equipment financing or refinancing is reasonably available to the applicant, and that approval of the guarantee application will serve the public interest. Each guarantee of an equipment obligation shall be made in accordance with the provisions of this title and such rules as the Board may prescribe to protect reasonably the interests of the United States. Each application for the guarantee of an equipment obligation shall be made in writing to the Board in such form and with such content as the Board prescribes. Such application shall be granted if the Board determines that the proposed, negotiated, or executed equipment obligation is eligible for such guarantee. Each guarantee and commitment to guarantee shall be extended in such form, under such terms and conditions, and pursuant to such regulations as the Board deems appropriate, consistent with the purposes of this title. Each guarantee and commitment to guarantee shall inure to the benefit of the holder of the equipment obligation to which such guarantee or commitment applies. In no event shall any such holder receive or be entitled to retain payment from said guarantee in a total amount which, together with any other recovery, including a security interest in the rolling stock or equipment or facilities, exceeds the actual loss of such holder.

(b) Fund.—An obligation Guarantee Fund shall be established and administered by the Board as a revolving fund to carry out the provisions of sections 503 through 506 of this title. Moneys in the fund shall be deposited in the Treasury of the United States to the credit of such fund or invested in bonds or other obligations of the United States approved by the Secretary of the Treasury.

(c) Maximum Permissible Guarantee.—Except as otherwise provided, the Board shall not guarantee payment of the principal of an equipment obligation in an amount in excess of 80 per centum of the value of the rolling stock or equipment or facilities which are being financed or refinanced thereby. The Board may guarantee an amount not in excess of 95 per centum of such value upon a finding made in writing by the Board and published with detailed reasons therefor in the Federal Register that an applicant railroad would not otherwise be able in its present financial condition to acquire such equipment or facilities or rolling stock on reasonable terms and conditions and that such acquisition by the applicant railroad is necessary to achieve the purposes of this title. In the case of a lease obligation, the Board may guarantee payment of the entire principal together with the amount necessary to guarantee to the lessor, upon default of such obligation, the cost of tax recapture under sections 47 and 1245 of the Internal Revenue Code of 1954 (26 U.S.C. 37, 1245), upon a finding made in writing by the Board and published with detailed reasons therefor in the Federal Register that the applicant is a railroad which has filed a petition for

reorganization under section 77 of the Bankruptcy Act (11 U.S.C. 205); that such petition has been approved; and that the judge in such proceeding certifies to the Board that the railroad is making all reasonable efforts to achieve reorganization and that such guarantee is reasonable and necessary. In all cases, the Board shall make a determination of the value of the rolling stock or equipment or facilities which are being financed or refinanced thereby, and such determination of value shall be conclusive and not subject to review in any court.

(d) Modifications.—The Board is authorized to approve any modification of any provision of a guarantee or a commitment to guarantee such obligation, including the rate of interest, time of payment of interest or principal, security, or any other terms and conditions upon a finding in writing by the Board that such modification is equitable and not prejudicial to the interests of the United States under this title. Such approval shall not be granted without prior consent by the holder of such obligation.

(e) Maximum Obligational Authority.—The aggregate unpaid principal amounts of equipment obligations and interest thereon which may be guaranteed by the Board under this title shall not exceed $2,000,000,000 at any one time; and at least 70 per centum of such sum shall guarantee equipment obligations financing or refinancing rolling stock.

(f) Rate of Interest.—Interest (exclusive of premium charges for guarantee and service fees) shall be payable on each equipment obligation, other than a lease obligation guaranteed by the Board. The rate of interest shall not exceed the per centum per annum rate on the unpaid principal of such obligation determined by the Board to be reasonable upon consideration of the range of interest rates currently prevailing in the private market for similar obligations. In the case of lease obligations guaranteed by the Board, such lease obligation shall contain a rental rate on the value of the rolling stock, equipment, or facilities which reflects an effective interest rate not to exceed a per centum per annum rate determined by the Board to be reasonable upon consideration of the range of effective interest rates prevailing in the private market for similar obligations.

(g) Notice.—Upon receipt of an application for an equipment obligation guarantee, the Board shall cause a notice of such application to be published in the Federal Register and shall invite and afford interested persons an opportunity to submit comments on such application at a proceeding to commence within twenty-one days after the date of such publication. Notice of such proceedings shall be published in the Federal Register. Such notice shall include—

(1) a statement of the time, place, and nature of the proceeding; and

(2) a description of the subjects and issues involved.

(h) Requirements for Guarantees.—No equipment obligation shall be guaranted by the Board and no commitment shall be made by it to guarantee any such obligation under this title unless it first makes a finding in writing that—

(1) the equipment obligation (other than a lease obligation) is secured by rolling stock or equipment or facilities to be financed thereby;

(2) payment of the equipment obligation (other than a lease obligation) is required by its terms to be made within fifteen years from the date of its execution;

(3) the leasing, financing, or refinancing of the rolling stock or equipment or facilities directly related to improving the utilization of rolling stock is justified by the present and probable future demand for rail services to be rendered by the applicant;

(4) the applicant has given reasonable assurances that any rolling stock in its control and the rolling stock or equipment or facilities to be acquired with the equipment obligation will be economically and efficiently utilized;

(5) the purchase or lease of the rolling stock or equipment or facilities will serve to meet demonstrable needs for rail services and to provide shippers with improved service;

(6) the probable value of such rolling stock or equipment or facilities is sufficient to provide the United States reasonable security and protection in case of default and repossession by the holder of the equipment obligation or in case of possession or purchase by the Board; and

(7) the transaction will result in a net increase in the total load-carrying capacity of the applicant's rolling stock.

(i) Conditions and Guarantees.—No guarantee or commitment to guarantee an equipment obligation shall be extended under this title unless the obligor first agrees in writing that so long as any interest or principal on such obligation is due and payable—

(1) there will be no net decrease in the load-carrying capacity of such obligor's rolling stock;

(2) there will be no increase in discretionary dividend payments over the average amount paid during the 5 years preceding the enactment of this title without prior approval of the Secretary in writing, based on findings, published, with reasons therefor, in the Federal Register, made after public hearings with opportunity for submission of comments by all interested parties, that such increase in dividends will not decrease the ability of the obligor to provide improved car services;

(3) the obligor will not use assets or revenues related to or derived from railroad operations in nonrailroad enterprises without prior approval of the Secretary in writing based on findings, published, with reasons therefor, in the Federal Register, made after public hearings with opportunity for submission of comments by all interested parties, that such use of assets or revenues will not decrease the ability of the obligor to provide improved car service;

(4) the obligor shall take all reasonable and practical steps possible, in accordance with such guidelines as may be established by the Secretary and the Commission, to improve the equitable distribution and efficient and expeditious use of all rolling stock and equipment, including cooperating with the Secretary in programs under sections 507 and 508 of this title.

(j) Breach of Conditions.—The Secretary is authorized and directed to commence an action in any district court of the United States in which venue is proper to enjoin any activity found by the Secretary to be in violation of any condition specified in subsection (i) of this section. In addition, any person who knowingly violates or contributes to the violation of any of the conditions specified in such subsection shall be subject to a civil penalty, to be levied by the Secretary, not to exceed $10,000.

(k) Lease Obligation.—Before guaranteeing any lease obligation under this section the Board shall make a finding in writing that—

(1) the terms of the lease obligation provide that if there is a default by the lessee and payment is demanded from the Board by the lessor pursuant to the guarantee, the Board shall have the right in its discretion—

(A) to demand possession of the leased property from the lessee or the right to purchase the leased property for fair market value: *Provided*, That in no event shall the Board pay more than an amount equal to the sum of the lease rentals and financial obligations remaining during the term of the lease; or

(B) to permit the lessor to repossess the leased property from the lessee for the purpose of leasing it, in good faith and at not less than its fair rental value based upon fair market value, to new lessees; *Provided*, That any amounts collected from such new lessees in excess of the amount to which the lessor would have been entitled under the original lease, plus costs, shall be paid by the lessor to the Board for deposit in the fund. If the amount collected from such new lessees is less than the amount to which the lessor would have been entitled under the original lease, plus costs, the Board shall pay the difference to the lessor from the fund; and

(2) the terms of the lease obligation provide that if there is a default by the lessee, any amounts received by the holder of the lease obligation in settlement, including amounts received from the Board pursuant to the guarantee, are income and proceeds from the property subject to such lease and subject to claims of any holder of an equipment obligation to the extent of the lease obligation holder's outstanding obligation to such holder under an equipment obligation.

(l) Investigation Charge.—The Board shall charge and collect from each applicant for the guarantee of an equipment obligation such amounts as it deems reasonable for the investigation of such application, the appraisal of the security for such obligation, or for the issuance of a commitment to guarantee. Such charges shall not aggregate more than one-half of 1 per centum of the principal amount of the equipment obligation with respect to which the guarantee application is made.

(m) Premium Charge.—The Board shall set a premium charge of not more than 1 per centum per annum for an equipment obligation guaranteed under this title. Such charges shall be computed on the basis of the principal amount outstanding on the equipment obligation at the time payment is due and shall be paid when the obligation is first guaranteed by the Board, and thereafter annually on the anniversary date of such guarantee.

(n) Administrative Costs.—All moneys received by the Board under this title shall be deposited in the fund. An amount which shall not exceed 5 per centum of the total annual premium charges collected under subsection (m) of this section may be used by the Board to pay administrative costs and expenses incurred by it pursuant to this title.

ISSUANCE OF NOTES OR OBLIGATIONS

Sec. 504. (a) Authorization.—The Board is authorized to issue notes or other obligations to the Secretary of the Treasury in such forms and denominations, bearing such maturities, and subject to such terms and conditions as the Board, with the approval of such Secretary, may prescribe. Such obligations may be issued whenever the moneys in the fund are not sufficient to pay any amount which the Board is required to pay under an agreement under section 503 of this title. Such obligations shall bear interest at a rate to be determined by the Secretary of the Treasury on the basis of the current average market yield on outstanding marketable obligations of the United States on comparable maturities during the month preceding the issuance of such obligations. The Secretary of the Treasury is authorized and directed to purchase any such obligations and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended. The purposes for which securities may be issued under such Act are extended to include any purchase of notes or other obligations issued under this subsection. At any time, the Secretary of the Treasury may sell any such obligations, and all sales, purchases, and redemptions of such obligations by the Secretary of the Treasury shall be treated as

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public debt transactions of the United States. Funds borrowed under this subsection shall be deposited in the fund and redemptions of any such obligations shall be made by the Board from the fund.

(b) Disposition of Property.—Notwithstanding any other provision of law, the Board is authorized to perform any acts which it considers necessary, in its discretion, to complete, recondition, reconstruct, renovate, repair, maintain, manage, operate, charter, lease, rent, sell or otherwise dispose of any property or other interests acquired by the Board under an agreement pusuant to section 503 of this title.

(c) Validity.—No control or commitment to guarantee an equipment obligation entered into by the Board pursuant to this title shall be terminated, canceled, or otherwise revoked, except in accordance with lawful terms and conditions prescribed by the Board. Such a contract or commitment shall be conclusive evidence that the underlying obligation is in compliance with the provisions of this title and that such obligation has been approved and is legal as to principal, interest, and other terms. Such a contract or commitment shall be valid and incontestable in the hands of a holder as of the date when the Board entered into such contract or commitment, except as to fraud, duress, mutual mistake of fact, or material misrepresentation by or invoking such holder.

AUDIT OF TRANSACTIONS

Sec. 505. (a) General.—The financial transaction of the Board shall be audited by the Comptroller General of the United States, in accordance with such rules and regulations as he may precsribe. Representatives of the Comptroller General shall have access to all books, accounts, records, reports, files, and other papers, things, or property pertaining to such transactions by the Board and necessary to facilitate an audit. Such representatives shall be afforded full facilities for verying transactions with the balances or securities held by depositories, fiscal agents, and custodians. All such property of the Board shall remain in the possession and custody of the Board.

(b) Access to Information.—The representatives of the Comptroller General shall have access to all books, accounts, records, reports, files, and other papers, things, or property belonging to or in use by any obligor for which the Board has guaranteed an equipment obligation to the extent they pertain to such obligor's financial transactions and are deemed by the Comptroller General to be necessary to facilitate any audit of the financial transactions of the Board. Such representatives shall be afforded full facilities for varying transactions with the balances or securities held by depositories, fiscal agents, and custodians. All such property of such obligor shall remain in the possession and custody of the obligor.

(c) Report.—The Comptroller General shall make a report of each such audit to the Congress. Such report shall contain all comments and information which the Comptroller General deems necessary to inform Congress of the financial operations and condition of the fund and any recommendations which he deems advisable. Such report shall indicate specifically and describe in detail any program, expenditure, or other financial transaction of undertaking observed in the course of such audit which the Comptrolled General deems to have been carried on or made without lawful authority. A copy of such report shall be furnished to the President, the Secretary, the Commission, and the Board at the time it is submitted to the Congress.

DEFAULT

Sec. 506. (a) General.—If there is a default in any payment by the obligor of principal or interest due under an equipment obligation guaranteed under this title, which has continued for thirty days, the holder of such obligation or his agent has the right to demand payment by the Board of the unpaid interest on and the unpaid principal of such obligation. Such payment may be demanded after or before the expiration of such period as may be specified in the guarantee or related agreements, but not later than ninety days from the date of such default. Within such period as may be specified in the guarantee or related agreements, but not later than sixty days from the date of such demand, the Board shall pay to such holder the unpaid interest on and the unpaid principal of such obligation. However, the Board shall not be required to make any such payment if it finds, prior to the expiration of such period, that there was no default by the obligor in the payment of interest or principal or that such default has been remedied.

(b) Rights of Board.—If the Board makes a payment to a holder under subsection (a) of this section, the Board shall have all the rights in any security which it held with respect to its guarantee of such obligations as are conferred upon the Board under any security agreement with the obligor and shall be subrogated to all the rights of such holder under any security agreement between the holder and the obligor. Notwithstanding any other provision of law, the Board is authorized, in its discretion, to complete, recondition, reconstruct, renovate, repair, maintain, operate, charter, rent, sell, or otherwise dispose of any property by it pursuant to such security agreement. The terms of any such sale or other disposition shall be as approved by the Board.

(c) Payment.—Any amount required to be paid by the Board pursuant to subsection (a) of this section shall be paid in cash.

(d) Action Against Obligor.—If there is a default under any contract or commitment to guarantee an equipment obligation, the Board shall take such action against the obligor or any other parties liable thereunder as is, in its discretion, necessary to protect the interests of the United States. Such a suit may be brought in the name of the United States or in the name of the holder. Such holder shall make available to the United States all records and evidence necessary to prosecute any such suit. The Board shall have the right, in its discretion, to accept a conveyance of title to and possession of property from any party liable to it whenever the value of such property is not greater than the unpaid interest on and unpaid principal of the defaulted obligation. If the Board receives, through the sale of property, and an amount greater than its costs and the amount paid to the holder under subsection (a) of this section, it shall pay such excess to the obligor.

NATIONAL ROLLING STOCK INFORMATION SYSTEM

Sec. 507. (a) Plan.—(1) The Secretary shall, not more than 180 days after the date of enactment of this Act, designate a plan or alternative plans to establish a national rolling stock information system which shall be designed to facilitate equitable distribution and expeditious utilization of rolling stock operated within the continental United States and or owned directly or indirectly by railroads and carpooling companies. Such a system shall be capable of furnishing such information as the Secretary determines to be necessary for the expeditious utilization of rolling stock, including information related to the—

(A) length of time each piece of rolling stock is moving and loaded, moving and unloaded, idled and loaded, and idled and unloaded;

(B) owner, type, size, and capacity, year of manufacture, identifying number, and special features of each piece of rolling stock;

(C) origin and destination of cargo;

(D) railroad in control of rolling stock movement, expected time of interchange, and degree of utilization of each piece of rolling stock by the controlling railroads; and

(E) current status and location of each piece of rolling stock, time such status and location is expected to change, and anticipated future commitments of such rolling stock.

(2) The Secretray shall develop such plan or plans after consultation and discussion with the Secretary of Defense, the Administrator of the National Aeronautics and Space Administration, the executive officers of major private manufacturers and suppliers of information location and retrieval systems, shippers, railroads, the Commission, and any other Government agency, private organization, or private citizen that presents a useful submission regarding such a system. The Secretary is authorized to pay reasonable expenses, including honoraria, for individuals invited by him to present their submissions in person. The Secretary shall cause such plan or plans to be published in the Federal Register and shall invite interested persons to comment thereon at a public hearing pursuant to section 553 of title 5, United States Code, to be held not less than ninety days after the date of such publication. After such hearing, and not more than one year after the date of enactment of this Act, the Secretary shall publish the final plan for a national rolling stock information system. This final plan shall include technical specifications and other details for the equipment required under such plan. Such plan shall include means for coordinating or integrating such system with any existing information systems to the extent the Secretary finds such coordination will contribute in an expeditious, cost effective, and technically feasible manner to the implementation of an effective national system. The Secretary from time to time may cause such plan to be modified or amended, pursuant to section 553 of title 5, United States Code.

(b) Implementation.—Following the publication of the final plan required under subsection (a) of this section, the Secretary shall take all action necessary, including the issuance of rules, regulations, and guidelines, to cause such plan to be implemented within a reasonable time. The Secretary is authorized to contract with and provide technical assistance to individual railroads or groups of railorads working together, including the sharing of costs and the funding in part of demonstration projects, to assist in the establishment of the national rolling stock information system.

(c) Antitrust Laws Inapplicable.—The antitrust laws of the United States are inaplicable to the extent necessary to carry out the purposes of this section as to any person who contracts with the Secretary or acts in conformity with the final plan under subsection (a) of this section.

(d) Center.—The Secretary may establish and maintain or assist in establishing and maintaining a centrally located national rolling stock information center. The Secretary of Defense may assist the Secretary to establish such centers. Such center may operate as a depository and dissemination center for all such information as may be provided by the national rolling stock information system. The Secretary may make information gathered in such center available to any person subject to such rules as the Commission might prescribe to insure the confidentiality of certain kinds of competitive information supplied for use in connection with the system.

(e) Report.—The Secretary shall report semiannually directly to the Congress, without modification of such report by any other Federal agency, with respect to the progress

made in implementing the national system provided for in subsection (a) of this section. Such reports shall include recommendations for such additional funding as may be necessary to make the national system fully effective.

(f) Authorization of Appropriation.—There is authorized to be appropriated to the Secretary out of money in the Treasury not otherwise appropriated, the sum of $10,000,000 for purposes of this section.

UTILIZATION MEASUREMENT AND OVERSIGHT

Sec. 508. (a) Rolling Stock Utilization Index.—Not less than ninety days after the date of enactment of this Act, the Secretary shall develop and promulgate an index to measure the degree of utilization of rolling stock. The Secretary shall cause to be compiled data required by such index. At least once each quarter per annum, the Secretary shall publish such index, together with a report setting forth any changes in such utilization and his evaluation of the reasons therefor.

(b) Commission Report.—The Commission shall publish a report on utilization of rolling stock thirty days after the publication of each report by the Secretary under subsection (a) of this section. The Commission in its report shall consider and comment upon the latest such report by the Secretary.

(c) Enforcement.—The Secretary shall, with the assistance of the Attorney General, make full use of existing law to bring about improvements in the utilization of rolling stock. The Secretary shall have such standing as is necessary to bring or intervene in proceedings before Federal regulatory agencies and courts. Attorneys appointed by the Secretary may appear for and represent him in any such case or hearing.

(d) Utilization Study.—The Secretary shall prepare a study on the utilization of freight cars and means to improve such utilization including consideration of per diem and other car hire charges, demurrage, car service rules and orders of the Commission and of the railroads, the practice of assigning cars to specific traffic or shippers, payments for use of privately owned cars, and publicly and privately owned carpools. The Secretary shall submit legislative recommendations based upon such study within two years after the date of enactment of this Act.

PREREQUISITES TO ESTABLISHMENT

Sec. 509. (a) General.—The Authority, authorized by section 510 of this title, shall be established only if—

(1) two years or more after the date of enactment of this Act—

(A) the Commission finds, in accordance with section 553 of title 5 of the United States Code, that there is still, as a result of inadequate utilization or inadequacy of supply or both, a continuing shortage of rolling stock in the Nation. In determining whether there is such a shortage, the Commission may consider, without incorporating in such a finding, the following factors:

(i) whether any category of rolling stock is not available to meet a demand equivalent to the average peak demand for such category of rolling stock in the four years prior to the time of such finding;

(ii) any governmental progarm, regulation, or action affecting demand for or supply of freight cars;

(iii) the extent, duration, and impact of seasonal peaks in demand for rolling stock;

(iv) the local, regional, or national scope of any reported problems of demand or supply related to rolling stock;

(v) the impact of severe weather conditions which disrupt marketing, distribution, or railroad operating factors;

(vi) the ability of shippers to load more cars if available; and

(vii) the extent to which any failures to furnish cars promptly result from factors not subject to railroad control.

The presence of any or all such factors shall not preclude a finding by the Commission that there is a continuing shortage of rolling stock; or

(B) the Secretary finds that there has not been a significant increase in the utilization of rolling stock since the date of enactment of this Act;

(2) six months after an affirmative finding under either subparagraph (A) or (B) of paragraph (1) of this subsection, the Commission or the Secretary finds that efforts to form and operate a not-for-profit non-governmental corporation, or corporations, to acquire, maintain, and provide a free running national pool of rolling stock have not succeeded or have been inadequate in size, scope, and operation to establish the feasibility of a national pool, or have failed to employ innovative concepts for equitable distribution and expeditious use of rolling stock; and

(3) the Congress, by affirmative concurrent resolution, authorizes the establishment of the Authority.

(b) Reports.—Two years after the date of enactment of this Act and on the anniversary date thereof each consecutive year thereafter for five years, the Commission and the Secretary shall each transmit to the President and Congress a report on rolling stock which shall include each finding made since the previous, such report, if any, pursuant to subsection (a) of this section. If the Authority authorized by section 510 of this title is not established in accordance with the provisions of subsection (a) of this section, such Authority shall nonetheless be established seven years and six months after the date of enactment of this Act if—

(1) in the final reports made by the Commission and the Secretary under this subsection—

(A) the Secretary or the Commission finds that the creation of an authority to acquire, maintain, and provide general service railroad freight cars and other rolling stock; to manage a pool of such rolling stock; and to develop and employ innovative concepts for the equitable distribution and expeditious use of such stock would contribute significantly to improvement of the utilization and distribution of rolling stock; and either

(B) the Commission finds that there is still, as a result of inadequate utilization or inadequacy of supply, or both, a continuing shortage of rolling stock in the Nation; or

(C) the Secretary finds that there has been a substantial and significant increase in the utilization of railroad rolling stock; and

(2) the Congress, by affirmative concurrent resolution, authorizes the establishment of the authority.

RAILROAD EQUIPMENT AUTHORITY

Sec. 510. (a) Authorization.—There is hereby authorized to be established, in accordance with the provisions of section 509 of this title and of this section, a corporation to be known as the Railroad Equipment Authority. The Board of Directors first appointed shall be deemed the incorporators, and the incorporation shall be held to have been effected from the date of the first meeting of such Board.

(b) Purposes.—The purposes of the Authority are to acquire, maintain, and provide general service railroad freight cars and other rolling stock; to manage a pool of such rolling stock; and to employ innovative concepts for equitable distribution and expeditious use of such stock to meet the needs of the national economy and the national defense.

(c) Status.—(1) The Authority shall be a government corporation of the District of Columbia subject, to the extent not inconsistent with this title, to the District of Columbia Business Corporation Act (D.C. Code 29–901 et seq.) and administered by a Board of Directors.

(2) The Authority shall not be subject to the provisions of the Interstate Commerce Act (49 U.S.C. 1 et seq.) or of any other law with respect to railroads, except that it shall be subject to—

(A) sections 1(10) through 1(17) of the Interstate Commerce Act (49 U.S.C. 1(10)–1(17));

(B) the Railway Labor Act, with respect to the representation of employees of the Authority for purposes of collective bargaining, the handling of disputes between the Authority and its employees, and other dealings with employees; the Railroad Retirement Act; and the Railroad Unemployment Insurance Act;

(C) the Federal Employers Liability Act; and

(D) the same laws and regulations with respect to safety as are applicable to any common carrier under part I of the Interstate Commerce Act.

(d) Board of Directors.—The Board of Directors of the Authority shall consist of 11 individuals who shall be appointed by the President, by and with the advice and consent of the Senate, on the following basis—

(1) three to be selected from a list of qualified individuals recommended by the Association of American Railroads or its successor, one of whom shall be representative respectively of eastern-, western-, and southern-territory railroads;

(2) one to be selected from a list of qualified individuals recommended by the American Federation of Labor and Congress of Industrial Organizations or its sucessor, who shall be representative of railroad labor;

(3) one to be selected from a list of qualified individuals recommended by the National Academy of Sciences as persons with expert knowledge or experience with data processing and information systems aud the application of computer technology to systems management;

(4) four to be selected from lists of qualified individuals recommended by shippers, organizations representative of significant shipping interests including small shippers, consumer organizations, community organizations, and recognized consumer leaders, who shall be representative of consumers of transportation services and consumers of goods and products shipped by railroad;

(5) one to be selected from a list of qualified individuals recommended by the Secretary of Defense; and

(6) one to be selected from a list of qualified individuals recommended by the Secretary of Transportation.

As used in this subsection, a list of qualified individuals shall consist of no less than three individuals. The President shall appoint one of the members, by and with the advice and consent of the Senate, to serve as Chairman for a term of four years. A member of the Directors who is not otherwise an employee of the Federal Government may receive $150 per diem when engaged in the actual performance of his duties plus reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of such duties.

(c) Terms of Office.—The terms of office of the members first taking offce shall expire as designated by the President at the time of nomination—four at the end of the third year; four at the end of the sixth year; and three at the end of the ninth year. Successors to members of the Directors shall be appointed in the same manner as the original members and shall have a term of office expiring nine years from the date of expiration of the term for which their predecessors were appointed. Any member appointed to fill a vacany in the Directors occuring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

(f) GENERAL.—The Directors shall direct the exercise of all the powers of the Authority. So long as there are four members in office, the Directors are empowered to execute the functions of the Authority. Four of the Directors shall constitute a quorum for the transaction of such functions.

(g) ANTITRUST LAWS INAPPLICABLE.—The antitrust laws of the United States are inapplicable to the extent necessary to carry out the purposes of this title as to any person who contracts with the Authority with respect to the operation or maintenance of rolling stock or the design or implementation of a national rolling stock information system or the use of information from such system.

GENERAL POWERS OF THE AUTHORITY

SEC. 511. To carry out the purposes of this title, the Authority is empowered to—

(a) build, rebuild, purchase, own, lease, control, and manage rolling stock or equipment or facilities;

(b) require or contract for the use of physical facilities, equipment, and devices useful in developing equitable distribution and in maintaining expeditions use of rolling stock;

(c) build, rebuild, operate, maintain, and repair its rolling stock, equipment, and facilities or enter into agreements and contracts for the performance of such work and for the performance of all survices and work incidental thereto and consistent with prudent management;

(d) conduct and contract for research and development that may lead to new and practical technologies, systems, and methods for the efficient and economical movement, distribution, solicitation, collection, loading and unloading, packaging, and processing of freight shipments involving railroads;

(e) sue and be sued, complain and defend, in its corporate name and through its own attorneys; adopt, alter, and use a corporate seal, which shall be judicially noticed; adopt, amend, and repeal such bylaws, rules, and regulations as may be necessary for the conduct of its affairs; conduct its business, carry on operations, maintain offices, and exercise the powers granted under this title in any State;

(f) purchase, lease, or otherwise acquire, own, hold, improve, use, or deal in and with any property (real, personal, or mixed, tangible or intangible) or interest in property wherever situated; sell, convey, mortgage, pledge, lease, exchange, or otherwise dispose of property and assets; accept gifts or donations of any property or services in aid of any purpose of the Authority;

(g) appoint such attorneys, employees, agents, consultants, and other personnel as it deems necessary; define the duties of such personnel and determine and pay compensation for their services. Except as otherwise specifically provided, such personnel shall not be subject to laws relating to Federal employees with respect to appointments, promotions, adverse actions, hours of work, rates of compensation, allowances, leave, unemployment compensation, compensation for work-related injuries, and Federal benefits for retirement, life insurance, and health benefits; and

(h) enter into contracts, execute instruments, incur liabilities, and do all things necessary or incidental to the proper management of the affairs and the proper and prudent conduct of the business.

FINANCING

SEC. 512. (a) PER DIEM SURCHARGE.—Each railroad, except a switching and terminal railroad, shall pay to the Authority a per diem surcharge of 50 cents per car-day on each unit of rolling stock for each day that such a railroad incurs a car hire charge for the use of such unit of rolling stock. The Directors shall impose such per diem surcharge not later than 60 days after taking office under section 511 of this title and shall terminate it when it has collected such sum as may be necessary for the purposes of this title but not less than $10,000,000 nor more than $30,000,000. Surcharges are payable on the tenth day of the second month succeeding the month in which the charge accrues. Within 6 months of the termination of such surcharge, the Authority shall refund to any railroad or group of railroads under common management and control any payments made by such railroad or railroads in excess of 10 per centum of the total paid by all railroads.

(b) NEGOTIABLE DEBENTURES.—The Authority shall issue to each railroad a negotiable debenture in the amount of the surcharge paid under subsection (a) of this section. The debenture shall bear and pay interest at a rate to be determined by the Secretary of the Treasury to be the current rate for similar debentures in the open market. The par value of such debentures shall be due and payable December 31 of the thirtieth year after the date of issuance thereof or the first business thereafter if such date is a Saturday, Sunday, or holiday. Such debentures are debts of the Authority but are subordinate to all other such debts. The United States of America does not guarantee either the par value or the interest on such debentures.

(c) REFUND OF PER DIEM SURCHARGES.—(1) In the event of partial or complete liquidation of the Authority, any assets remaining after the payment of its obligations and expenses shall be distributed pro rata to the railroads, but the amount so distributed shall not exceed in any case the amount paid as per diem surcharges under subsection (a) of this section plus accrued interest, if any. The remainder of such assets shall be paid into the Treasury of the United States and credited to miscellaneous receipts.

(2) In the event of complete liquidation of any railroad subject to this title, the Directors of the Authority may, if and when funds are available, refund to such railroad a sum of not to exceed the amount paid in as per diem surcharges under the provisions of subsection (a) of this section plus accrued interest, if any.

(d) INCURRENCE OF DEBT FOR CAPITAL PURPOSES.—The Authority is empowered to incur debt for capital purposes. Such debt may be incurred in the form of bonds, debentures, equipment trust certificates, conditional sale agreements, or any other form of securities, agreements, or obligations. So long as all the capital stock of the Authority is owned by the United States, the payment of principal and interest on all obligations issued by it is guaranteed by the United States. Such guarantee shall be expressed on the face of the obligations. So long as any capital stock is owned by the United States, payment of principal and interest on obligations issued by the Authority may, in the discretion of the Directors, be guaranteed by the United States. Such guarantee shall be expressed on the face of the obligation. Guaranteed obligations shall not exceed $1,000,000,000 in principal amount outstanding at any one time. Such obligations may be redeemable at the option of the Authority before maturity in such manner as may be stipulated therein and shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as shall be determined by the Directors, with the approval of the Secretary of the Treasury. The Authority may also incur debt not guaranteed by the United States, in addition to that provided for under subsection (b) of this section.

(e) PURCHASE OF OBLIGATION BY TREASURY.—The Secretary of the Treasury may elect to purchase the obligations of the Authority guaranteed by the United States in an amount not to exceed $1,000,000,000 in principal amount outstanding at any one time, under such terms, including rates of interest, as he and the Directors may agree, but at a rate or yield no less than the current average yield on outstanding Treasury securities of comparable maturity, as determined by the Secretary of the Treasury.

(f) PUBLIC DEBT TRANSACTION.—For the purpose of any purchase of the obligations of the Authority, and to enable him to carry out his responsibility relating to guarantees made pursuant to this section, the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which securities may be issued under the Second Liberty Bond Act, as now or hereafter in force, are extended to include any purchases of the obligations of the Authority under this Act. The Secretary of the Treasury may at any time sell, upon such terms and conditions and at such price or prices as he shall determine, any of the obligations of the Authority acquired by him hereunder. All redemptions, purchases, and sales by the Secretary of the Treasury of the obligations of the Authority shall be treated as public debt transactions of the United States.

(g) AUTHORIZATION FOR APPROPRIATIONS.—(1) In order to facilitate the formation and the implementation of the objectives of the Authority, there is hereby authorized to be appropriated, out of money in the Treasury not otherwise appropriated, the sum of $10,000,000 to be used to acquire capital stock of the Authority, such sum to continue to be available until expended.

(2) There are authorized to be appropriated to the Secretary of the Treasury such sums as may be necessary to pay the principal and interest on notes or obligations issued by him as a consequence of any guarantee made under this section.

(3) In the event of any default on any guaranteed obligation, and payment in accordance with a guarantee by the United States, the Attorney General shall take appropriate action to recover the amount of such payments, with interest, from the Authority or other persons liable therefor.

(h) LAWFUL INVESTMENT AND EXEMPTION FROM REGULATIONS AND RESTRICTIONS.—Securities guaranteed under this section shall be lawful investments and may be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which shall be under authority or control of the United States or of any officer or officers thereof, and shall be deemed to be exempt securities within the meaning of laws administered by the Securities and Exchange Commission. The limitations and restrictions as to a National or State bank dealing in, underwriting, or purchasing investment securities for its own account, as provided in section 5136 of the Revised Statutes, as amended (12 U.S.C. 24), and section 5(c) of the Act of June 16, 1933 (12 U.S.C. 335), shall not apply to securities guaranteed under this section.

(i) CAPITAL STOCK.—(1) The Authority is authorized to issue and have outstanding capital stock in such amounts and of such classes as it shall determine. At no time

shall the aggregate of the shares of the capital stock of the Authority owned by a single railroad or by any person controlling one or more railroads, as defined in section 1(3)(b) of the Interstate Commerce Act (49 U.S.C. 1(3)(b)), directly or indirectly through subsidiaries or affiliated companies, nominees, or any person subject to its direction or control or by any other stockholder, or any syndicate or affiliated group of such stockholders exceed 5 per centum of such shares issued and outstanding.

(2) The requirement of section 45(b) of the District of Columbia Corporation Act (D.C. Code, sec. 29–920(b)) as to the per centum of stock which a stockholder must hold in order to have the rights of inspection and copying set forth in that subsection shall not be applicable in the case of holders of the stock of the Authority, and they may exercise such rights without regard to the percentage of stock they hold.

(3) Capital stock of the Authority offered and sold to the public shall be offered in compliance with all applicable laws of the United States governing the offering and sale of securities by private corporations.

(j) AUDIT AND EXPENDITURES.—(1) So long as any capital stock of the Authority is owned by the United States, "Railroad Equipment Authority" shall be subject to the provisions of the Government Corporation Control Act (31 U.S.C. 841 et seq.).

(2) Except as otherwise provided pursuant to paragraph (1) of this subsection, the Authority is authorized to make such expenditures and to enter into such contracts, agreements, and arrangements as it deems necessary, upon such terms and conditions and in such manner as it decides. This authorization includes the power to make a final settlement or compromise of all claims and litigation by or against the Authority.

(3) Nothing in this subsection shall be construed to deny the Authority the power to obtain audits of its accounts and reports concerning its financial conditions and operations by a firm or firms of certified public accountants. Such audit and reports would be in addition to those required by this subsection.

(4) Section 201 of the Government Corporation Control Act (31 U.S.C. 856) is amended by inserting at the end thereof the following: ", and (10) the Railroad Equipment Authority.".

CONVERSION TO PRIVATE OWNERSHIP

SEC. 513. (a) PLAN FOR PUBLIC SALE.—As soon as practicable, a panel composed of the Secretary of Transportation, the Secretary of the Treasury, the Chairman of the Securities and Exchange Commission, the Chairman of the Commission, and the Chairman of the Directors of the Authority shall submit to the President and to the Congress a plan for the public sale of stock in the Authority after finding that a market exists for the sale of such stock and that the purposes of this title will be served thereby. This plan shall include, among other elements, a program which—

(1) will require refinancing, or the establishment of a reserve fund or other method, in order to protect the public interest against defaults on obligations of the Authority guaranteed by the United States; and

(2) will assure that the sale of the stock will result in a wide dispersion in the ownership of the stock.

(b) REQUIREMENTS.—The plan for sale to stock to the public shall specify a program for systematically reducing the amount of obligations of the Authority guaranteed by the United States and shall propose a capital structure for the Authority designed to insure sound financial and operating performance. Unless the Congress disapproves the plan within 6 months following submission of the plan to it, stock shall be sold in accordance with the plan.

(c) NEW BOARD MEMBERS.—Upon the sale of stock to the public, the Directors may be enlarged by the addition of members elected by owners of such stock. In no event, however, shall the Directors have more than 15 members while any capital stock in the Authority is held by the United States. During such period, the rights and privileges of owners of such stock, including determination of the number of directors to be so elected, shall be set forth in the bylaws of the Authority.

(d) PROCEEDS OF SALE.—The proceeds from the sale of stock to the public shall be applied to the retirement of the stock held by the United States. Upon the retirement of all the stock held by the United States, the terms of office of the Directors appointed under section 510(d) of this title shall terminate as provided by the plan under subsection (a) of this section. Thereafter, all except three of the Directors shall be elected by the owners of the stock. The President shall have authority to appoint such three Directors, by and with the advice and consent of the Senate—

(1) one to be selected from a list of qualified individuals recommended by the American Federation of Labor and Congress of Industrial Organizations;

(2) one to be selected from a list of qualified individuals recommended by the Federal Trade Commission, after consultation with organizations of Consumers; and

(3) one to be selected from a list of qualified individuals recommended by the Commission, after consultation with organizations of shippers.

As used in this subsection, a list of qualified individuals shall consist of no less than three individuals.

(e) POSITION OF UNITED STATES.—Upon the retirement of all the stock held by the United States—

(1) The Authority shall pay an annual fee to the United States equal to the difference between the amount of interest actually paid upon outstanding guaranteed obligations and the amount which would have been paid, as determined by the Secretary of the Treasury, if such obligations had not been guaranteed by the United States, plus one-fourth per centum;

(2) The Authority shall make every effort to refinance obligations in order to terminate the liability of the United States arising from its guarantee of obligations; and

(3) the Secretary of the Treasury may no longer purchase or guarantee the notes or other obligations of the Authority.

(f) DEFAULT.—If the Authority defaults in the payment of obligations guaranteed by the United States, the United States is authorized to take control and appoint a new Board of Directors pursuant to section 510(d) of this title.

INFORMATION SYSTEM

SEC. 514. (a) ESTABLISHMENT.—If a national rolling stock information systems, as defined in section 507 of this title, is not operating effectively when the Authority is established, it shall establish such a system. If the Authority undertakes to establish such a system, the Secretary shall grant it access to and authority to use all information, studies, designs, equipment, facilities, computer programs, and other things acquired or developed under section 507 of this title. The Secretary shall give the Authority all possible assistance to further the purposes of this section.

(b) INFORMATIONAL ACCESS.—Data and other information derived from the national rolling stock information system shall be made available on an equal basis to the Authorty, shippers, railroads, the Commission, the Secretary, and interested members of the public, subject to rules to be issued by the Commission to preserve the confidentiality of certain types of competitive information furnished for use in connection with the system.

(c) REPORT.—The Authority shall report to the Congress annually on the progress made in implementing such national system. Each report shall include recommendations as to any additional funding deemed necessary to make the national system more effective. The Commission shall publish a report on such system 30 days after the publication of such report by the Authority under this subsection.

USE OF EQUIPMENT SUPPLIED BY THE AUTHORITY

SEC. 515. (a) USER CHARGES.—The Authority shall establish and maintain a schedule of charges for the use of general service railroad freight cars and other rolling stock, and equipment directly related to the utilization of rolling stock. The rates shall be such as will, in the judgment of the Directors, enable the Authority to meet its operating and administrative expenses, including depreciation and carrying charges for indebtedness, and to provide sufficient earnings to facilitate conversion to private ownership under section 513 of this title as soon as possible. Such charges shall in no case exceed 150 per centum of the cost to the Authority of acquiring, owning, maintaining, and operating the rolling stock of equipment being so used. In establishing such charges, the Authority shall consider prevailing rates and conditions for similar equipment.

(b) USER CHARGES PRECLUDED.—The Authority shall not assess any charges for rolling stock located on a railroad where that rolling stock is not required by such railroad for use in originating traffic: *Provided*, That—

(1) such rolling stock is not the subject of a car service order by the Authority or the Commission; and

(2) such railroad furnishes appropriate notice to the Authority pursuant to terms and conditions established by it regarding the use of such rolling stock.

(c) CONDITIONS ON USE.—The Authority shall establish—

(1) reasonable rates of compensation for storage of excess rolling stock on the property of any railroad, through negotiation with such railroad;

(2) terms and conditions governing the use of its equipment, including requirements for identification of rolling stock, as are in its judgment appropriate to effectuate the purposes of this title. Such terms and conditions may be modified and amended from time to time; and

(3) just and reasonable car service rules, regulations, and practices, and car distribution directions with respect to its rolling stock. Such rules, regulations, and practices shall be established after consulting with the Commission, railroads, and car distribution agencies. They shall, together with car distribution directions issued thereunder, take precedence over any rules, regulations, or practices in conflict therewith which are issued or applied by any railroad or group of railroads. Such rules, regulations, and practices may be modified and amended from time to time.

(d) COMPLIANCE WITH CONDITIONS.—Each railroad shall comply with such car service rules, regulations, and practices as may be established, together with such car distribution directions as may be issued, pursuant to this section.

(e) INTERCHANGE OF CARS.—No railroad may refuse to transport any rolling stock owned, leased, controlled, or managed by the Authority, whether loaded or empty, subject to any applicable safety regulations, reasonable interchange rules, reasonable line clearances, reasonable weight limitations, and user charges set under this section. No railroad shall be entitled to any compensation from the Authority for moving empty rolling stock owned, leased, controlled, or managed by the

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Authority which is moving under a car distribution directive issued by the Commission or by the Authority for the purposes of distributing such rolling stock for loading.

COMMISSION REVIEW

SEC. 516. The Authority shall be subject to sections 1(10) through 1(17) of the Interstate Commerce Act (49 U.S.C. 1(10)-1(17)), and the orders of the Commission thereunder to the extent applicable. Upon petition of any person affected by any charge, rule, regulation, practice, term, condition, directive, or other provision issued or maintained by the Authority, or upon its own motion, the Commission shall make an investigation and shall order any such provision which it finds not to be in conformity with this title, or to be inconsistent with any applicable rule, order, or directive of the Commission issued pursuant to such sections, to be canceled, annulled, amended, or suspended as the Commission shall find to be appropriate.

ENFORCEMENT

SEC. 517. (a) GENERAL.—In an appropriate civil action, the Authority may apply to any district court of the United States which has jurisdiction over the parties and in which venue is properly laid under section 1291 of title 28, United States Code, for an order or judgment to enforce compliance with any obligation owing to it under or in accordance with any provision of this title or under or in accordance with any agreement or regulation entered into or issued pursuant to this title. Nothing contained in this section shall be construed to relieve any person from any punishment, liability, or sanction which may be imposed otherwise than under this title.

(b) EQUITABLE RELIEF.—(1) If the Authority, any railroad, or any person fails or neglects to comply with any rule, regulation, or practice established under this title, fails to pay any charge imposed under this title, fails or refuses to comply with any car distribution directive or other order issued under this title, or fails to obey any directive by the Commission to pay charges, any district court of the United States having jurisdiction over the parties and in which venue is properly laid under section 1291 of title 28, United States Code, may grant relief. Upon a petition by the Commission or by the Authority, such court shall have jurisdiction to grant such relief as may be necessary or appropriate to prevent or terminate such failure or refusal.

(2) If the Authority, any railroad, or any other person violates or threatens to violate any provision of this title or any rule, regulation, or order issued under this title, any district court of the United States having jurisdiction over the parties and in which venue is properly laid under section 1291 of title 28, United States Code, may grant relief. Upon a petition in such a case, or, in the case of a labor agreement, upon the petition of any employee affected thereby or a duly authorized representative of such employee, such court shall have jurisdiction to grant such equitable relief as may be necessary or appropriate to prevent or terminate such violation.

ANNUAL REPORT

SEC. 518. The Authority shall cause to be prepared and transmit simultaneously to the President and the Congress an annual report commencing 1 year after its establishment. Such report shall include—

(a) a comprehensive and detailed review, analysis, and evaluation of its operations, activities, accomplishments, and outstanding problems, together with its objectives and plans for the future;

(b) an account of the state of railroad freight service in the United States, including the number of rolling stock, by classes, acquired and owned, leased, controlled, or managed by it and the number acquired and owned, leased, controlled, or managed by the railroads; and

(c) a statement of its receipts and expenditures for the previous year, its methods for detemining the type and amount of rolling stock acquired, and the criteria used by it in distributing rolling stock.

The Commission and the Secretary shall from time to time, but not less than once every two years, investigate and evaluate the performance of the Authority in light of the purposes of this title and each shall cause to be prepared and transmit, simultaneously to the President and the Congress a report thereon.

PROTECTIVE ARRANGEMENTS FOR EMPLOYEES

SEC. 519. (a) GENERAL.—In carrying out their functions under this Act and as a condition precedent to the execution of any contract the guarantee of any obligation, and the approval or inducement of any other action under this Act, the Board, the Secretary, and the Authority shall take adequate steps to protect the interests of affected employees. Each contract as to which any railroad or carpooling company is either a party or a beneficiary shall include fair and equitable arrangements, as certified by the Secretary of Labor, to protect the interests of individual railroad employees who are or who may be affected in their employment by such contract. Such protective arrangements shall include the arrangements specified in section 405 of the Rail Passenger Service Act of 1970 (45 U.S.C. 565); section 13 of the Urban Mass Transportation Act of 1964 (49 U.S.C. 1609); and section 6 of the High Speed Ground Transportation Act of 1965 (49 U.S.C. 1636).

(b) BUILDING AND REBUILDING OF CORPORATION.—The Authority, in awarding contracts for the building or rebuilding of rolling stock under this title, shall conform to prevailing practices in the railroad industry at the time of each such contract in dividing such work between railroads with facilities for building and rebuilding rolling stock and nonrailroads with such facilities. Such contracts as are awarded to railroads shall be performed through the use of the facilities and the employees of such railroads and shall not be subcontracted. In awarding such contracts, the Authority shall be guided by the relative proportions of such building and rebuilding as was performed in railroad as opposed to nonrailroad facilities during the 5-calendar-year period preceding the award of such contract. Variations from these proportions shall not exceed 5 per centum if the total amount of building and rebuilding declines from levels at the date of enactment of this Act. If the Authority fails to maintain required relative proportions in distributing such work to railroad facilities under such contracts, the fair and equitable employee protective arrangements required by subsection (a) hereof shall become effective. Notwithstanding the foregoing, no contract shall be awarded by the Atuhority for the building or rebuilding of rolling stock unless the work to be performed is reasonably expected to meet or exceed the minimum specifications established by it in accordance wtih the purposes of this title.

(c) JOB TRAINING.—Railroad employees adversely affected by any action taken pursuant to this title designed to provide for more effective use and distribution of rolling stock shall be reassigned and if necessary retrained to perform the new tasks covering the functions which they had performed prior to such action. The performance of such functions shall be considered to be within the same craft or class as that in which such railroad employees were classified prior to such change and the rights of such employees to the same representation shall be preserved. A railroad employment position which is affected by any such change may be eliminated as it becomes vacant through the death or voluntary designation or retirement of the employee holding such position.

(d) OTHER LAWS.—In his administration of the provisions of this title, the Secretary of Labor shall consolidate the program authorized herein with the companion programs under the Rail Passenger Service Act of 1970 (45 U.S.C. 565); the Urban Mass Transportation Act of 1964 (49 U.S.C. 1609); and the High Speed Ground Transportation Act of 1965 (49 U.S.C. 1636). The Secretary of Labor shall uniformly develop, interpret, and apply the procedures and standards under these several laws.

(e) REPAIR AND MAINTENANCE CONTRACT.—To the extent practicable, the Authority shall award contracts for the repair and maintenance of its rolling stock to railroads with facilities for performing such work.

(f) CONSTRUCTION CONTRACTS.—In the exercise of their respective authority under this title, the Board, the Secretary, and the Authority shall take all steps necessary to insure that all laborers and mechanics employed by contractors and subcontractors in the performance of construction work financed with the assistance of funds received under any contract or agreement entered into under this title shall be paid wages at rates no less than those prevailing on similar construction in the same locality, as determined by the Secretary of Labor in accordance with the Davis-Bacon Act. The Board, the Secretary, or the Authority shall not enter into any such contract or agreement without first obtaining adequate assurance that required labor standards will be maintained on the construction work. Wage rates provided for in collective-bargaining agreements negotiated under and pursuant to the Railway Labor Act or the National Labor Relations Act shall be considered to be in compliance with the Davis-Bacon Act; the highest of such wage rates shall be the applicable standard for all laborers and mechanics not covered by any such agreement and employed by contractors and subcontractors engaged in the building of rolling stock under contracts awarded by the authority under this title.

TITLE VI—NATIONAL RAIL SERVICE AND TRANSPORTATION PLAN

SEC. 601. The Secretary of Transportation is authorized and directed to prepare and submit to the Congress and the Interstate Commerce Commission, within 180 days after the date of enactment of this Act the reports required by this title. In preparing such reports, the Secretary is authorized to request assistance of each department, agency, and other instrumentality of the executive branch of the Federal Government and each independent regulatory agency of the United States. Each such instrumentality and agency is authorized and directed to grant such assistance upon written request, on a reimbursable basis or otherwise. Such reports shall be prepared in accordance with accepted acounting practices and statistical survey and sampling techniques. The reports required by this title shall be known as the national rail service and transportation plan.

FINANCIAL ANALYSIS

SEC. 602. The Secretary shall prepare a financial analysis of the Nation's railroads other than those in reorganization under the Regional Rail Reorganization Act of 1973 (Public Law 93-236). Such analysis shall include a projection of capital requirements over the next 10 years for each category of investment including equipment maintenance, rolling stock, rail yards, track construction and rehabilitation, and such other categories as the Secretary may prescribe. In preparing this analysis the Secretary shall take into account the factors and alternatives set forth in sections 603, 604, and 605 of this title. In addition, the report shall evaluate the level of performance of the industry and its components; the level and quality of service; and the implications of apparent trends for the continued provision of transportation service. The report shall evaluate the performance and efficiency of railroad management, and shall recommend such changes in management techniques and procedures as are indicated by such evaluation. The report shall include recommendations as to whether all or any portion of the rail carrier operations on existing rail lines should be taken over in whole or in part by the Corporation (established pursuant to Public Law 93-236) or by regional, State, or local agencies.

NATIONAL RAIL SURVEY

SEC. 603. The Secretary shall survey existing railroad equipment and report on a region-by-region basis—

(a) the number, type, and condition of rolling stock;

(b) the number of miles, types of lines, and condition of track, railbeds, and rights-of-way (calculated on maximum miles per hour);

(c) the number of railyards and their condition;

(d) the number of lines proposed to be abandoned in whole or in part;

(e) the number of lines which might be consolidated without affecting service;

(f) the number and type of employees;

(g) the percentage utilization of rolling stock;

(h) the systems used to coordinate and deploy rolling stock; and

(i) such other factors as the Secretary deems appropriate.

RAIL REHABILITATION STUDY

SEC. 604. The Secretary shall project railroad requirements for track rehabilitation and construction, rolling stock, railyards, and other equipment necessary to meet the transportation needs of the United States. In making such projections, the Secretary shall construct different alternative models for railroad transportaton, taking into account other modes of transportation, the financial condition of the railroads, possible Federal assistance, and such other factors as he deems appropriate.

PROGRAM COST EVALUATION

SEC. 605. The Secretary shall evaluate and develop cost estimates for the Federal assistance necessary for each projected transportation model developed in accordance with section 604 of this title. Among the alternatives for Federal assistance, the Secretary shall consider—

(a) direct Federal subsidies to existing carriers;

(b) the expansion of the system of rail passenger service operated by the National Rail Passenger Corporation (Amtrak);

(c) the expansion of the system to be operated by the Corporation;

(d) the expansion of the functions of the United States Railway Association;

(e) Federal or State acquisition and maintenance of railbeds, and rights-of-way;

(f) Federal or State acquisition and maintenance of low-density branch lines;

(g) changes in and coordination with other Federal programs, including short-haul passenger and freight air routes, and Federal crop storage programs; and

(h) such other factors as the Secretary deems appropriate.

ESSENTIAL SERVICES REPORT

SEC. 606. The Secretary shall prepare a comprehensive report containing his conclusions with respect to essential rail services within the Nation and his recommendations as to the geographic zones at and between which rail service should be provided. The Secretary may use as a basis for the identification of such geographic zones the standard metropolitan statistical areas, groups of such areas, counties, or groups of counties having similar economic characteristics such as mining, manufacturing, or farming.

NATIONAL TRANSPORTATION POLICY

SEC. 607. The Secretary shall formulate and submit to Congress a national transportation policy based upon the foregoing studies. The Secretary shall consider all relevant factors in formulating this national transportation policy, including the need for coordinated development and improvement of all modes of transportation, and recommendations as to the priority which should be assigned to the development and improvement of each such mode including the factors set forth in sections 602 through 605.

PASSENGER SERVICE REPORT

SEC. 608. The Secretary shall prepare and submit to Congress a comprehensive report on the feasibility and desirability of expanding service by the National Railroad Passenger Corporation. The report shall consider the current and projected shortage of refined petroleum products, curtailment of alternative modes of travel, availability of additional equipment for the provision of rail passenger service (whether domestic or foreign), the economic feasibility of additional service on existing routes and expansion of service to new routes, and such other matters as the Secretary deems relevant. The report shall consider the extent and value of the Federal commitment to rail passenger service, the longstanding lack of commitment of private railroad companies to rail passenger operations, the current financial crisis of intercity and rail mass transit operations, the potential for coordination of the national rail passenger system, including rail mass transit and subway lines, the implications of including other public transportation modes within the expanded system, the need for a comprehensive, computerized coordination and assessment of railroad service in rural areas, the estimated costs, economic, social, and environmental, of such expanded rail passenger service, the relative efficiency and transportation effectiveness of the National Railroad Passenger Corporation. The National Railroad Passenger Corporation shall cooperate fully with the Secretary in the preparation of this report.

REVIEW BY INTERSTATE COMMERCE COMMISSION

SEC. 609. The Commission shall study and evaluate the Secretary's report on rail services in the Nation, as required under sections 602 through 608 of this title, and shall solicit, study, and evaluate the views with respect to present and future rail service needs from Governors of States within the Nation; mayors and chief executives of political subdivisions within such States; shippers; the Secretary of Defense; manufacturers, wholesalers, and retailers within the region; farmers; consumers of goods and products shipped by rail; and all other interested persons. The Commission is authorized and directed to conduct public hearings throughout the United States to solicit comments on such report and to receive such views. The Commission is further directed to—

(a) evaluate methods of achieving economics in the cost of rail system operations in the Nation including consolidation, pooling, and joint use or operation of lines, facilities, and operating equipment; relocation; rehabilitation and modernization of equipment, track, and other facilities; alternative modes of transportation; and abandonment of lines consistent with meeting needs and service requirements; together with an evaluation of the anticipated economic, social, and environmental costs and benefits of each such method;

(b) evaluate the costs and benefits of any change proposed in the national rail service and transportation plan or any views or comments received under the first paragraph of this section;

(c) study of the effect on railroad employees of any restructuring of rail services;

(d) recommend such changes in or additions to the national rail service plan as the Commission deems advisable or necessary;

(e) publish its report in the Federal Register no later than one hundred and eighty days after receipt of the Secretary's report. Such report shall include all the aforementioned material in this section together with a preliminary identification map of the rail services system which in the judgment of the Commission would best satisfy present and future rail services needs in such a manner as to maximize the conservation of energy in the Nation; and

(f) prepare, keep current, and publish periodically in the Federal Register, a schedule setting forth major transportation services that should be provided by railroads in the United States. In formulating such a schedule the Commission shall take into consideration the interests of persons and communities affected thereby; existing rail facilities and the pattern of service by railroads; the facilities of alternative modes of transportation currently in existence; the cost of establishing transportation facilities in addition to existing facilities, the cost of providing transportation by rail and alternative modes; the existing investment in the transportation facilities of rail and alternative modes and the economic value thereof; the existing pattern of service by alternative modes; and the public interest in a balanced and economical transportation system responsive to the needs of the public and the users of such system.

REVIEW BY CONGRESS

SEC. 610. (a) GENERAL.—The Secretary and the Commission shall deliver their reports to both Houses of Congress and to the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Commerce of the Senate. The National Rail Services Plan recommended by the Secretary as amended by the Commission shall be deemed approved at the end of the first period of 60 calendar days of continuous session of Congress after such date of transmittal unless either the House of Representatives or the Senate passes a resolution during such period stating that it does not favor the National Rail Service and Transportation Plan.

(b) REVISED PLAN.—If either the House or the Senate passes a resolution of disapproval under subsection (a) of this section, the Secretary, with the cooperation and assistance of the Commission, shall prepare, determine, and adopt a revised plan. Each such revised plan shall be submitted to Congress for review pursuant to subsection (a) of this section.

(c) COMPUTATION.—For purposes of this section—

(1) continuity of session of Congress is broken only by an adjournment sine die; and

(2) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the 60-day period.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 611. (a) There are authorized to be appropriated to the Secretary for purposes of preparing the reports and exercising other functions to be performed by him under this title such sums as are necessary not to exceed $25,000,000, to remain available until expended.

(b) There are authorized to be appropriated to the Commission for purposes of evaluating the Secretary's report and exercising other functions to be performed by it under this title such sums as are necessary not to exceed $10,000,000, to remain available until expended.

Major Provisions of the National Transportation Services Board Act of 1975

TITLE I—ESTABLISHMENT OF THE NATIONAL TRANSPORTATION SERVICES BOARD

Sec. 101. Establishment

Establishes the National Transportation Services Board as "an independent establishment of the executive branch . . ."

Sec. 102. Functions and Personnel

Transfers to the Board all functions currently performed by the Secretary of Transportation, the Interstate Commerce Commission, the Civil Aeronautics Board, the Federal Maritime Commission and the United States Railway Association, all of which shall cease to exist when this section becomes effective.

This section also transfers the personnel of the Department of Transportation, the Secretary excepted, to the Board and authorizes the President to transfer any other executive offices or agencies, in whole or in part, if he determines that their functions relate primarily to those transferred to the Board.

Sec. 103. Membership

The Board will have 15 members, appointed by the President with the advice and consent of the Senate. No more than eight Board members who may belong to any one political party. Members will be chosen so as to represent government, consumer and labor interests as well as operating carriers.

Board members will serve five year terms except in the beginning when terms will be staggered in length so as to facilitate turnover. The President will name a chairman from among the Board members. The President may remove Board members only for inefficiency, neglect of duty or malfeasance in office.

TITLE II—NATIONAL TRANSPORTATION POLICY AND PLANNING

Sec. 201. National transportation policy

Instructs the Board to review current transportation policy and programs with a view toward developing and promoting a unified and efficient transportation system in the United States.

The Board is specifically instructed to review current programs providing financial assistance to transportation including the Highway Trust Fund and Airway Trust Fund. This review should produce recommendations on legislation which might be needed to consolidate and revise these programs in line with policy.

Sec. 202. National rail services plan

The Board shall prepare a financial analysis of all railroads not currently in reorganization under the terms of PL93–236. This analysis will include recommendations as to whether all or any portion of rail carrier operations should be taken over in whole or part by the Consolidated Rail Corporation or by regional, state or local agencies.

The Board shall also survey existing railroad equipment and report in detail on its condition on a region-by-region basis. This study will result in projections of railroad requirements for track rehabilitation and equipment, with such projections based on a series of unified transportation system models, taking various funding options into account.

In addition, the Board shall prepare a report on essential rail services within the Nation and shall study the feasibility and desirability of expanding National Railroad Passenger Corporation service.

When compiling these studies, the Board is instructed to seek wide input from various interested groups and individuals and to conduct public hearings throughout the country.

Finally, the Board shall compile a National Rail Services Plan which shall be delivered to both Houses of Congress and to appropriate committees.

TITLE III—ACQUISITION OF RAILROAD RIGHTS OF WAY AND CERTAIN OTHER PROPERTIES

Sec. 301. The Board is authorized to acquire such rights of way, track, equipment, etc., as shall be necessary to implement the National Rail Services Plan.

Once such property has been acquired, the Board will make arrangements with railroads to use such facilities in return for payment of an agreed upon fee.

Payment for property acquired will be at fair market value as determined by the criteria set out in Sec. 301(b).

Sec. 302. Upon acquisition of rights-of-way or other property, the Board shall assume responsibility for the rehabilitation and maintenance of such property. Capital improvements will be made to the extent necessary to carry out the National Rail Services Plan.

TITLE IV—MORATORIUM ON ABANDONMENT AND ALTERNATIVE SERVICE

Sec. 402. Sets out procedures for abandonment of rail services. The Board shall not permit abandonment of services unless it determines that the proposed abandonment would not adversely affect the economic well-being of the communities served, taking into account the availability and cost of alternative services, the willingness of the petitioner to provide or arrange for such service at a reasonable cost or the availability of such services under a local, state or federal transportation plan.

Sec. 408. The Board is authorized to provide interim financial assistance to certain railroads pending final disposition of a petition filed under Sec. 402, if the Board determines that such service is unprofitable to operate and cannot be continued without federal aid.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 865

At the request of Mr. Buckley, the Senator from Pennsylvania (Mr. Hugh Scott) was added as a cosponsor of S. 865, the Public Buildings Cooperative Use Act of 1975.

S. 1173

At the request of Mr. Curtis, the Senator from Wyoming (Mr. Hansen) was added as a cosponsor of S. 1173, to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax, to increase the estate tax marital deduction, and to provide an alternative method of valuing certain real property for estate tax purposes.

S. 1593

At the request of Mr. Cranston, the Senator from New Mexico (Mr. Domenici) was added as a cosponsor of S. 1593, a bill to amend the Public Health Service Act to promote the health and welfare of children in need of adoption by facilitating their placement, and for other purposes.

S. 1652

At the request of Mr. Stone, the Senator from Arizona (Mr. Fannin) was added as a cosponsor of S. 1652, a bill to amend the Internal Revenue Code of 1954 to provide that no interest is payable on income tax deficiencies in the case of returns prepared by the Internal Revenue Service until the expiration of 30 days after notice to the taxpayer of such deficiency.

S. 1702

At the request of Mr. Stone, the Senator from New Mexico (Mr. Domenici) was added as a cosponsor of the bill (S. 1702) to authorize equalization of the retired pay for certain members and former members of the uniformed services.

S. 1761

At the request of Mr. Mathias, the Senator from Maryland (Mr. Beall), the Senator from Oregon (Mr. Hatfield) and the Senator from Kansas (Mr. Pearson) were added as cosponsors of the bill (S. 1761) to authorize foreign assistance to Cyprus.

SENATE JOINT RESOLUTION 50

At the request of Mr. Kennedy, the Senator from Missouri (Mr. Eagleton) was added as a cosponsor of Senate Joint Resolution 50, designating National Medical Laboratory Week.

SENATE RESOLUTION 152

At the request of Mr. Dole, the Senator from Ohio (Mr. Glenn), the Senator from Tennessee (Mr. Brock), and the Senator from Wyoming (Mr. Hansen) were added as cosponsors of Senate Resolution 152, a resolution requiring all standing committees of the Senate (other than the Committees on Appropriations and the Budget) to conduct special oversight activities relating to their areas of jurisdiction and to report to the Senate thereon, no later than December 31, 1975.

AMENDMENTS SUBMITTED FOR PRINTING

EXTENSION OF THE EMERGENCY JOBS AND UNEMPLOYMENT ASSISTANCE ACT OF 1974—S. 1695

AMENDMENT NO. 482

(Ordered to be printed and referred to the Committee on Labor and Public Welfare.)

Mr. TUNNEY (for himself and Mr. Dole) submitted an amendment intended to be proposed by them jointly to the bill (S. 1695) to extend and improve programs authorized by the Emergency Jobs and Unemployment Assistance Act of 1974, and for other purposes.

VIETNAM VETERANS' EMPLOYMENT ACT

Mr. TUNNEY. Mr. President, I today offer legislation entitled the Vietnam Veterans' Employment Act of 1975, which would authorize the creation of a $100 million public service jobs program for Vietnam-era veterans. I introduce this legislation on behalf of myself and Senator Dole.

Senator Dole and I introduced this legislation last week as an amendment to the bill authorizing resettlement aid to Southeastern Asian refugees. Because we did not want to slow the course of that important legislation, and because the Labor and Public Welfare Committee is holding hearings on the public-service jobs program this week, offering an opportunity for quick action on this proposal, we withdrew the bill as an amendment to S. 1661, the refugee aid bill.

We are reintroducing this bill today. I had the opportunity to testify before

the Employment and Poverty Subcommittee of the Labor and Public Welfare Committee earlier today. To insure prompt consideration of the bill, I am introducing the legislation as an amendment to S. 1695, which is among the bills presently pending before the committee. I hope that the committee will see the merits of this proposal, and include this as a part of its legislative package relating to public-service jobs.

Mr. President, I ask unanimous consent that the text of my testimony before the Labor and Public Welfare Committee be reprinted in full at this point in the Record, and that the text of the legislation be reprinted in its entirety immediately following the testimony.

There being no objection, the material was ordered to be printed in the Record, as follows:

Testimony by Senator John V. Tunney, at Employment and Poverty Subcommittee Hearings of Labor and Public Welfare Committee—on Extension of C.E.T.A. Title VI and Veterans' Jobs Program, May 19, 1975

Good morning, Mr. Chairman. I want to thank you for the opportunity to offer my views on the proposed extension of Title VI of C.E.T.A., and on a proposal for expanding C.E.T.A.'s scope. I also want to commend this subcommittee for its attention to the urgent economic problem of intolerably high national unemployment and the need for public service jobs to help ease that problem.

I want to address my first comments today to a specific program for public service jobs which I believe this Committee should carefully consider and then implement—jobs for Vietnam-era veterans.

During recent weeks, our nation's attention has been focused on events in Southeast Asia and on the problem of resettlement of Vietnamese and Cambodian refugees in the United States. In turning our attention to these matters, we should also remember the sacrifices and contributions made by millions of Americans during the years of our involvement in Southeast Asia—the millions who served in our armed forces.

Mr. Chairman, there are almost 7.5 million Vietnam-era veterans in this country today. Many of those veterans are jobless. The nationwide unemployment rate for Vietnam-era veterans, is 9.9 percent, a full percent higher than the overall national unemployment rate. Some 593,000 men and women in that age group are looking for work. Thousands more have given up the search for a job in frustration and are no longer even counted in the official jobless statistics.

In the Western states, the picture is even more grim. Some 141,000 Vietnam veterans are officially unemployed. The unemployment rate among these veterans, aged 20 to 34, is 11.4 percent. That means that one out of every nine Vietnam-era veterans is unemployed in the West. That's a deeply troubling statistic, and it demonstrates the graphic truth that the Federal government has not done enough to help the unemployed veteran.

I believe we have a special obligation to Vietnam-era veterans. They served courageously during an unpopular war only to find themselves economic outcasts at the end of their service.

I know this Committee shares that sense of obligation. This Committee created the Veterans' Employment Service. It wrote into Titles Two and Six of C.E.T.A. the requirement that Vietnam-era veterans be given preference in hiring for public service jobs.

That requirement has been sound and beneficial. It has resulted in hundreds of jobs at the local level for veterans.

But I believe Congress must do more to put our Vietnam veterans back to work. And I can think of no more appropriate time for action than now, when we're honoring our commitment to thousands of our Asian allies by giving them a place in our society. That's why I introduced, along with Senator Dole, an amendment to the refugee resettlement bill to provide $100 million for jobs for Vietnam-era veterans—and that's why I want to urge my colleagues on the Committee on Labor and Public Welfare to consider this proposal as part of its review of the C.E.T.A. program.

My proposal is relatively simple. I have introduced legislation today which would implement it. It would authorize the expenditure of $100 million during fiscal years 1975 and 1976 for public service jobs for Vietnam-era veterans.

The funds would be distributed through the existing C.E.T.A. framework to "prime sponsors" throughout the country for hiring of veterans in public service jobs. Such a program could substantially alleviate high unemployment among Vietnam-era veterans. The funds could provide as many as 12,000 jobs—jobs accomplishing worthwhile tasks needed by localities throughout the nation.

I suggest that at least 25 percent of the funds be set aside for hiring veterans with service-connected disabilities—the veterans who have sacrificed their health in service to their country. There are some 411,000 disabled Vietnam-era veterans. Many of them are fully capable of productive and useful work in a public jobs program. I believe the only obstacle to their participation is lack of financial resources to hire them. A jobs program for veterans, therefore, must include some provision that a minimum number of jobs be set aside for the disabled veteran who is employable.

I would suggest that the money be distributed by means of a mandatory formula, in much the same way funds have been distributed under the public service jobs programs of C.E.T.A. Titles II and VI. That would assure that the money goes where the problems of veterans' unemployment are most critical.

Unfortunately, there is insufficient information about local veterans' unemployment rates to allow calculation of each "prime sponsor's" appropriate share based on its veterans' unemployment rate. Therefore, my proposal provides that each state's share of funding be premised on its relative population of Vietnam-era veterans. Distribution to local sponsors would be based on relative populations of each government within the state.

Mr. Chairman, I believe this proposal offers a realistic way to provide public service jobs for unemployed veterans. The C.E.T.A. program is a workable, successful concept which permits local governments a maximum of flexibility in hiring to meet their local needs. Veterans' jobs can be created through that program without excessive redtape, without the need for giant new bureaucracies and without spending more for administration than for jobs. My main concern in first conconceiving this program was to insure that veterans' jobs could be funded quickly and efficiently. The C.E.T.A. program and this Committee offer the opportunity for quick and effective action. It is scandalous that we have done so little to assure jobs for our Vietnam veterans. We have the opportunity now to erase that error.

Mr. Chairman, I'd like to speak now to the more general concerns which are the subject of this hearing—what to do about public service jobs for all Americans and what levels of funding should be provided to support those programs.

The record of the past few months demonstrates the importance of public service employment as a tool in our battle against runaway unemployment. During 1975, almost 200,000 workers have been hired through public service jobs programs. One hundred thousand jobs were created through C.E.T.A. Title Six, which came into being only last December. It is obvious to me that the C.E.T.A. program is one of the vital bulwarks against even higher unemployment and that Title Six must continue to be the keystone of our public service jobs program.

In light of that fact, I strongly support the extension of the Title Six program, at least through the end of the 1976 fiscal year, and, if possible, until the close of fiscal 1977.

I am happy to note, Mr. Chairman, that you have introduced S. 1695, which would accomplish that important goal, and I strongly support your efforts.

Moreover, if we are to wage a really effective fight against unemployment, we must have new funding for Title VI of C.E.T.A. Although the Congress is in the final stages of appropriating the $1.6 billion remaining for Title VI for 1975, I understand that that money will be used only for continued funding of existing jobs.

That means that if we want new public service jobs under Title Six, we will have to authorize new spending to get them. At a time when 8.2 million Americans are on the unemployment rolls, I think we need a substantial infusing of new funds. We need to put at least half a million more people to work in local employment programs. Realizing that goal will require another $5 billion in authorization for the Title Six program. I urge this Committee to authorize at least that much new money for Title VI for fiscal 1976. If unemployment rises from current levels, we should be prepared to spend that much and more, and I am glad to note that your legislation advocates that level of funding as well.

We also need changes in the administration of the C.E.T.A. program. Existing restrictions on the use of C.E.T.A. funds to purchase materials and supplies for use in C.E.T.A. programs were probably a wise idea when first enacted. However, I have heard from scores of California cities and counties that the prohibition on use of funds to purchase such materials is hamstringing the effectiveness of the program. At a time when city tax revenues are plunging and costs are skyrocketing, few local governments can afford to fund C.E.T.A. materials and supplies out of their own treasuries. The alternative is to reject C.E.T.A. funding or limit its uses because of lack of funds for materials.

Surely we in Congress don't wish to limit the effectiveness of this program in this inadvertent manner. Therefore, I recommend that the Committee delete the provisions in Title Two of C.E.T.A. which proscribe use of C.E.T.A. funds to purchase materials and supplies.

Similarly, I ask that the Committee consider rising the limits on use of C.E.T.A. funds for administrative purposes to at least 15 percent from the present 10 percent. Again, runaway inflation which threatens to bankrupt many cities has created a need for raising the existing ceiling, and I hope that the Committee will consider this proposal, which is contained in S. 1695, as is the deletion of the prohibition on uses of money for materials and supplies.

Finally, I have a third suggestion which would ease the administrative support functions of local sponsors under C.E.T.A. It is my understanding that the General Services Administration frequently has equipment in its inventories which is unused or surplus at a particular moment. Many spon-

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sors in California have expressed an interest in the possibility of using such equipment when it is not in use by the Federal government. However, I understand GSA is not presently authorized to allow "prime sponsors" to use surplus equipment.

Therefore, I suggest the Committee consider the possibility of authorizing a GSA program for lending surplus equipment to C.E.T.A. sponsors. Any auch program would have to be designed with appropriate safeguards, which would include guarantees from "prime aponsors" that the equipment would be returned at the end of the public service program or when GSA required it for a Federal function. Requirements should also be imposed on sponsors that indemnity be paid in the event of damage to or loss of equipment, and sponsors would have to guarantee that equipment would only be used in connection with C.E.T.A. programs.

With such safeguards, I believe such a lending program could make profitable use of GSA resources presently not used, and lighten the cost burden on local governments.

In summary, Mr. Chairman, I want to restate my strong support for this Committee's efforts to continue and expand the C.E.T.A. public service jobs program. C.E.T.A. has proved to be a viable and flexible program at a time when its contributions are of maximum importance. We need to extend the Title Six program, we need more money for new jobs, and we need to help the local sponsors shoulder the administrative burdens of the public jobs program. Finally, we need to expand C.E.T.A. to reach out to the nation's Vietnam veterans. We've used the concept of special target groups in Title Three of C.E.T.A. and it has worked well there. I see no reason why it cannot work equally well for our veterans, whether the mechanism is amendment of an existing title of C.E.T.A. cr creation of a new title, as I've proposed.

The ultimate decision about moving on these urgent national priorities is up to this Committee now, Mr. Chairman. I hope you will see fit to come down on the side of further use of C.E.T.A. for public service jobs. In that effort, you will have my strong support.

AMENDMENT No. 482

On page 6, insert the following new section following section 7.

SEC. 8. The Comprehensive Employment and Training Act of 1973 is amended by redesignating title VII, and all references thereto, as title VIII by redesignating sections 701 through 715 and all references thereto, as sections 801 through 815, respectively and by inserting after title VI the following new title:

"TITLE VII—VIETNAM VETERANS' EMPLOYMENT ACT

"AUTHORIZATION OF APPROPRIATIONS"

"SEC. 701. There are authorized to be appropriated $100 million for obligation in fiscal years 1975 and 1976 for carrying out the purposes of this title."

"SEC. 702. (a) The Secretary shall enter into arrangements with eligible applicants in accordance with the provisions of this title in order to make financial assistance available for the purpose of providing transitional employment for unemployed and underemployed Vietnam-era veterans in jobs providing needed public services, and training and manpower services related to such employment which are not otherwise available, and enabling such persons to move into employment not supported under this Act.

"(b) Not less than 85 per centum of the funds appropriated pursuant to this title which are used by an eligible applicant for public service employment programs for Vietnam-era veterans pursuant to this title shall be expended for wages and employment benefits to such persons."

"(c) The provisions of section 204(d) and sections 205 through 211 shall apply to financial assistance under this title."

"(d) For purposes of this section, the term 'eligible applicants' means prime sponsors qualified under title I of this Act and Indian tribes on Federal or State reservations."

"(e) For purposes of this title, 'Vietnam-era veteran' shall mean any 'eligible veteran' within the meaning of section 2 of the Veterans' Readjustment Benefits Act of 1966, as amended, (38 U.S.C. 1652) who served on active duty in the Armed Forces during the period commencing on August 5, 1964 and ending on May 7, 1975."

"ALLOCATION OF FUNDS"

"SEC. 703. (a) (1) Not less than 90 percentum of the amounts appropriated under section 701 shall be allotted among eligible applicants by the Secretary in accordance with the provisions of this subsection."

"(2) The amount allotted to any eligible applicant under this section shall be determined by multipling the State veterans' population by the per capita amount per veteran and multiplying the product thereof by the local entitlement factor."

"(3) For purposes of this subsection, the term 'State veterans' population' shall mean the number of Vietnam-era veterans residing within the State where the eligible applicant is located at the time of such allocation as certified by the Administrator of the Veterans' Affairs. Such certification shall be based upon the most current figures available at the time of certification to the Administrator."

"(4) For purposes of this subsection, the term 'per capita amount per veteran' shall mean the total amount to be allocated under this subsection divided by the number of Vietnam-era veterans unemployed at the time of allocation, as determined by the Secretary.

"(5) For purposes of this subsection, the term 'local entitlement factor' shall mean the number of persons who reside within the jurisdiction of each applicant divided by the total number of persons who reside within the jurisdiction of all eligible applicants within the state within which such applicant is located.

"(b) The remainder of the amount appropriated under section 701 shall be available to the Secretary for financial assistance under Section 702 as the Secretary deems appropriate to carry out the purposes of this title, taking into account changes in rates of unemployment among Vietnam-era veterans."

"(c) For purposes of allocations under this section, the term 'jurisdiction' includes the jurisdiction of each unit of general local government as described in section 102(a) (2) whether or not such unit has entered into a combination of units of general local government for purposes of section 102(a) (3) or section 102(a) (4).

"SPECIAL PROVISIONS TO REQUIRE THE HIRING OF HANDICAPPED VIETNAM-ERA VETERANS AND TO EXPAND JOB OPPORTUNITIES"

"SEC. 704. (a) An application for financial assistance under this title shall include provisions setting forth assurances that the eligible applicant will use at least 25 centum of the funds allocated under this title to hire disabled Vietnam-era veterans. For purposes of this subsection, 'disabled Vietnam era-veteran' shall mean any Vietnam-era veteran who sustained a service-connected disability within the meaning of Section 101 (16), as amended, and 601(1), as amended, of Title 38 of the United States Code, as a result of service in the Armed Forces during the period commencing on August 5, 1964 and ending on May 7, 1975."

"(b) Funds allocated under section 703 to eligible applicants may be used for

"(1) public service employment programs without regard to the provisions of sections 205(c) (4), 205(c) (6), 205(c) (16), 205(c) (19), and 208(a) (7;

"(2) providing employment for Vietnam-era veterans who have been unemployed for at least 15 days without regard to the provision of section 205(a) relating to 30 days of unemployment, if the applicant certifies that the hiring of an individual will not violate the provisions of section 205(c) (8);

"(3) payment of wages (at rates not less than those prevailing on similar construction projects in the locality as determined by the Secretary in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a–276a5), for unemployed and underemployed Vietnam-era veterans as employees of public employers in jobs on community capital improvement projects which would not otherwise be carried out, including the rehabilitation, alteration, or improvement of public buildings, roads and other public transportation facilities, health and education facilities, and other facilities for the improvement of the community in which the project is or will be located, and including construction, rehabilitation, alteration or improvement of water and waste disposal facilities in communities having population of 10,000 individuals or less which are outside the boundaries of a Standard Metropolitan Statistical Area (as defined by the Bureau of the Census).

"EXPENDITURE OF FUNDS

"SEC. 705. Funds obligated for the purposes of providing public service employment for Vietnam-era veterans under this title may be utilized by prime sponsors for projects and activities planned to extend over a twelve-month period from commencement of any such project or activity."

"REALLOCATION OF FUNDS AND DENIAL OF ELIGIBILITY"

"SEC. 706. (a) The Secretary is authorized to make such reallocations as he deems appropriate of any amount of any allocation under this title to the extent that the Secretary determines that an eligible applicant will not be able to use such amount within a reasonable period of time. Any such amount may be reallocated by the Secretary only if the Secretary has provided thirty days' advance notice to the prime sponsor for such area and to the Governor of the State of the proposed reallocation, during which period of time the prime sponsor and the Governor may submit comments to the Secretary. After considering any comments submitted during such period of time, the Secretary shall notify the Governor and affected prime sponsors of any decision to reallocate funds and shall publish any such decision in the Federal Register. Any such funds shall be reallocated to other areas within the same State."

(b) The Secretary is authorized to deny any eligible applicant further eligibility for funding under this title upon a determination that the applicant has—

(1) used funds appropriated under Section 701 and allocated under Section 702 to hire persons other than Vietnam-era veterans: or

(2) failed to comply with the requirements of Section 702(a) respecting use of funds to hire disabled Vietnam-era veterans.

The Secretary shall deny eligibility under this subsection only if the Secretary has provided thirty days' advance notice to the prime sponsor for such area and to the Governor of the State of the proposed denial of eligibility, during which such period of time the prime sponsor and the Governor may submit comments to the Secretary. After considering any comments submitted during such period of time, the Secretary shall notify the Governor and affected prime sponsor of any decision to deny future eligibility and shall publish any such decision in the Federal Register."

"MISCELLANEOUS PROVISIONS"

"SEC. 707. (a) The Secretary or his delegate—

(1) not later than the 30th day after the date of enactment of this title, shall publish proposed regulations relating to this title;

(2) during the 30-day period beginning on the 31st day after such enactment, shall afford an opportunity of public hearings and comments on such proposed regulations; and

(3) not later than the 90th day after such date of enactment, shall prescribe and publish final regulations relating to this title."

"(b) The Secretary, in consultation and cooperation with the Director of the Veterans' Employment Service, and the Administrator of Veterans' Affairs, shall report to the appropriate committees of the Congress not later than 90 days after the initial allocation of funds appropriated under this title on—

(1) the steps taken to carry out the provisions of this title;

(2) the number of able-bodied and disabled Vietnam-era veterans placed in public service employment positions under this title; and

(3) the desirability of continuation of this title or use of any other program as a means for employing unemployed or underemployed Vietnam-era veterans.";

"(c) Nothing contained in this title shall be construed as affecting or repealing the requirements contained in Section 205(c) (5) of the Comprehensive Employment and Training Act of 1975, relating to employment of veterans in other public service employment programs."

SECOND SUPPLEMENTAL APPROPRIATIONS ACT, 1975—H.R. 5899

AMENDMENT NO. 483

(Ordered to be printed and to lie on the table.)

Mr. **PASTORE** submitted an amendment intended to be proposed by him to the bill (H.R. 5899) making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes.

MILITARY PROCUREMENT AUTHORIZATIONS, 1975—S. 920

AMENDMENT NO. 484

(Ordered to be printed and to lie on the table.)

Mr. **ALLEN** (for himself and Mr. SPARKMAN) submitted an amendment intended to be proposed by them to the bill (S. 920) to authorize appropriations during the fiscal year 1976, and the period of July 1, 1976, through September 30, 1976, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and the selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loans, and for other purposes.

NOTICE OF HEARINGS

Mr. **JACKSON**. Mr. President, in accordance with the rules of the Senate Interior and Insular Affairs Committee, I wish to advise my colleagues and the public that the following hearings have been scheduled before the committee.

MAY 20

Environment and Land Resources Subcommittee: 10 a.m., room 3110, hearing. S. 392, Great Bear Wilderness area in Montana; S. 226, to designate the Aldo Leopold Wilderness; S. 74, Sheep Mount Wilderness area; S. 1391, Snow Mount Wilderness area.

MAY 21

Full committee: 10 a.m., room 3110, business meeting. Pending calendar business.

MAY 22

Energy Research and Water Resources Subcommittee: 10 a.m., room 3110, business meeting. To continue markup of S. 598, ERDA authorization bill.

MEMORIAL DAY RECESS—MAY 23 UNTIL JUNE 2

JUNE 2

Full committee: 10 a.m., room 3110, hearing. Nomination of Philip C. White to be Assistant Administrator of ERDA.

JUNE 3

Energy Research and Water Resources Subcommittee: 10 a.m., room 3110, hearing. Information hearing on coal technology.

JUNE 4

Minerals, Materials and Fuels Subcommittee: 10 a.m., room 3110, hearing. Mineral Resources of the Deep Seabed and status report on the Law of Sea Conference.

JUNE 5

Full committee and national fuels and energy policy study: 10 a.m., room 4200, hearing. Coal Conversion bill.

JUNE 5

Energy Research and Water Resources Subcommittee: 10 a.m., room 3110, hearing. Information hearing on coal technologies.

JUNE 6

Indian Affairs Subcommittee: 10 a.m., room 3110, hearing. S. 887, Zuni land bill and S. 540, Indian land and Garrison Dam.

NOTICE OF NOMINATION HEARING

Mr. **JAVITS**. Mr. President, by authority of the chairman, Senator WILLIAMS, I announce that the Committee on Labor and Public Welfare has scheduled a hearing on Tuesday, May 20, 1975, at 1:30 p.m., in room 4232, Dirksen Senate Office Building, on the nomination of Lowell W. Perry, of Michigan, to be a member of the Equal Employment Opportunity Commission.

NOTICE OF HEARING

Mr. **McINTYRE**. Mr. President, I am pleased to announce that the Subcommittee on Financial Institutions of the Banking, Housing, and Urban Affairs Committee will hold an additional day of hearings on June 11, 1975, to consider S. 1267, the Financial Institutions Act of 1975, and proposed alternatives. The purpose of this hearing will be to hear from consumer witnesses on the amendments made to the Financial Institutions Act of 1973 and then to inquire into the relationship of the financial restructuring proposals contained in the Financial Institutions Act and the increasing implementation of electronic fund transfer technology within the financial industry. The hearing will begin at 10 a.m., room 5302, Dirksen Senate Office Building.

For additional information concerning this hearing, contact Mr. William R. Weber, room 5300, Dirksen Senate Office Building. 224–7391.

ADDITIONAL STATEMENTS

MAINE COMMENTS ON INTERNATIONAL TRADE NEGOTIATIONS

Mr. **MUSKIE**. Mr. President, the U.S. International Trade Commission held hearings in Augusta, Maine, on May 9 and 10 to receive testimony on the economic impact of tariff concessions or preferential treatment. Over 60 witnesses attended the 2 days of hearings representing textiles, fishing, canning, lumber, shoes, metal works, boat building, and sporting goods.

The hearings this year are unique in that for the first time the Commission held hearings outside of Washington and outside of regional metropolitan centers. The hearings this year extended into localities accessible to workers and industries directly affected by our trade policy. The report which the Trade Commission prepares will guide formulation of the Nation's position at international trade negotiations next fall in Geneva. It is my feeling that these local hearings will provide a basis for Chairman-designate Leonard's statement that—

> The report to the President will be a lot more honest, blunt and direct about what the U.S. negotiators should do.

To assist the Trade Commission in their hearings and to assure the representation of Maine interests, I wrote to a number of industry and labor leaders to urge their participation in the hearings and to solicit their views. I received an impressive response from a number of Maine leaders. Most expressed grave concern with the impact of foreign imports on jobs in Maine, but a number of responses recognized as well the importance of expanding our export trade and protecting consumer interests.

The questionnaire which I sent out contained the following questions:

1. All things considered, does Maine benefit or suffer from lower tariffs on imported products? Benefit — Suffer —.
2. How much benefit do you think Maine industries and workers would receive if foreign countries lowered their tariffs on U.S. exports? A great deal — Some — Not at all —.
3. Even if it meant paying higher prices for some goods, do you feel the U.S. should keep high import tariffs to protect our industries? Yes — No —.
4. Do you feel that enough is being done to help workers and businesses deal with the problems created by changes in import tariffs? Enough —— Not Enough —.

Three out of four responses expressed concern that Maine would suffer from lower tariffs on imported goods. Many of

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these same people, however, recognized the benefits which U.S. workers would receive if foreign countries lowered their tariffs on U.S. exports. A surprisingly high percentage, over 60 percent of the respondents, were willing to pay higher prices to avoid damage to domestic industries. Nearly all respondents agreed no efforts were needed to assist affected industries and improve our competition position.

This rough analysis cannot fully portray the different views of Maine citizens on trade problems. Some of the comments attached to the questionnaires provide added insight and merit the review of my colleagues. I ask unanimous consent that these comments and the text of my remarks to the Trade Commission be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMMENTS OF MAINE CITIZENS ON TRADE POLICY

PORTLAND, MAINE.

The feeling apparently is that the economic loss to the Maine shoe industry far outweighs the small savings per pair which low-cost foreign shoes offer to the consumer.

SUMNER T. BERNSTEIN, Esq.

DEAR SENATOR MUSKIE: Thank you for informing me on the upcoming hearing in Augusta, Maine to evaluate our trade policy. I am unable to attend, and therefore I am in hopes that you take what I have to say into consideration.

As you know, here in Maine leather and textile industries have been hardest hit by imports. This new trade law gives the President the authority to negotiate a more rapid reduction in protective tariffs. With unemployment in Maine close to 13 percent, I do not have to tell you what this would do to our jobs on top of what has already been lost to foreign competition.

I am very much concerned with the number of industries that are being allowed to go abroad. The combination of lower tariffs and runaway industry spells disaster to me.

Dear Senator! The American worker needs a job and *not* welfare.

Thank you.

JOSEPH PENNA,
President, Portland Central Labor Council.

BROOKWAY-SMITH CO.,
Portland, Maine, May 6, 1975.

Senator EDMUND S. MUSKIE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MUSKIE: I wish to thank you for your recent invitation to attend the Hearings in Augusta being held by the United States International Trade Commission.

Unfortunately, due to a previous commitment, I will be unable to attend. I have, as you will note, completed the brief questionnaire at the bottom of your letter, but in addition, I do have a few comments to make on the matter.

Having lived in Maine all of my life, I, too, have witnessed the disastrous effects of our open door trade policies in the State of Maine. Being associated with the building industry we, too, have felt many of the distasteful effects of our National Government's open hand.

During the early part of the post war period I could understand and accept some of the reasoning in lowering import tariffs so as to allow those Countries on the verge of economic collapse to rebuild and accumulate assets. But now I feel the time has come for the United States to recognize that we have not only allowed these Countries to rebuild but have allowed them in some instances, to partically surpass us economically at the expense of our people.

It is my contention that to a certain degree we must continue to maintain sound economic trade agreements, but these agreements must be a two-way street.

If a Nation expects to export her products to ours at reasonable tariff rates then they too should expect to import our products at a comparable rate. It is my firm opinion that the time has now come for the United States to take care of its' own.

I realize the above remarks have not been as specific as they should be, but they are the opinion of a concerned citizen and businessman.

Very truly yours,

BROCKWAY-SMITH CO.,
RODOLPH P. GAGNON,
Manager.

HUSSEY MANUFACTURING CO., INC.,
North Berwick, Maine, May 8, 1975.

Senator EDMUND S. MUSKIE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MUSKIE: This letter is in response to yours of May 1 concerning foreign trade. In response to your questions my answers are as follows:

1. Considering everything, I believe that Maine benefits from lower tariffs on imported products.
2. If foreign countries reduced their tariffs, I believe that Maine industries and their employees would receive substantial benefit from such actions.
3. If not, I do not feel that the United States should keep high import tariffs to protect domestic industries.
4. I feel that enough is presently being done to help impacted employees and employers deal with changes created by reduced import tariffs.

In summary, I am in substantial favor of lowered tariff barriers to create a greater flow of international trade both from an export and import standpoint.

I trust that this information will be helpful to you.

Sincerely yours,

HUSSEY MANUFACTURING CO., INC.
P. W. HUSSEY, Jr., *President.*

SUN FEDERAL SAVINGS,
Portland, Maine, May 6, 1975.

Senator EDMUND S. MUSKIE,
U.S. Senate,
Washington, D.C.

DEAR ED: Reference is made to your request to attend a hearing on May 9th and 10th regarding the testimony on impact of imports.

As a general overview, it is my impression that the creation of trade barriers for the sole protection of jobs is exactly the wrong thing to do. As far as the consumer is concerned, in many instances he loses his ability to purchase goods at the lowest reasonable prices.

My overall concern, however, is addressed to the fact that trade barriers from one country are only responded to by trade barriers from the other country. The free interchange of goods made this county strong. We would do well to remember that lesson on a worldwide basis.

The effort should be made, not in keeping foreign goods out, but in assisting the Maine businessman in reaching foreign markets.

Cordially,

PHILLIPS F. LEWIS.

CAMDEN & ROCKLAND CO.,
Rockland, Maine, May 7, 1975.

To Senator Muskie.
From: Robert H. Varney.
Subject: Reply to your May 1 letter on Imports.

I feel that we should promote fewer trade barriers, and reciprocal reduction of trade barriers wherever possible. (with free countries)

Please stop trying to control prices, and let the laws of supply and demand work. Shortages, inflation and family unemployment, are caused (I believe) when our government tries to control prices and wages.

Please vote to discontinue controls on all domestically produced petroleum product prices, so that our U.S. oil companies can acquire the necessary capital to expand exploration and production. This applies to natural gas also.

I would certainly appreciate hearing from you regarding your apparent disagreement with this philosophy.

REMARKS OF SENATOR EDMUND S. MUSKIE

I congratulate the International Trade Commission on the hearings which you have held around the country and commend you particularly for your decision to extend these hearings beyond regional metropolitan centers into local communities where industries and workers affected by our trade policy can directly participate. When I first suggested to Chairman Bedell that these hearings be extended into Maine, I expressed my conviction that a hearing such as this would provide commission members particular insight into the special problems which confront businessmen, workers and consumers in Maine communities. From the schedule of witnesses which you have before you and from the turnout, it appears that my convictions will be confirmed. I hope that the testimony here today will focus particularly on the differences between rural areas of northern New England and the large urban areas of our metropolitan neighbors to the south.

I understand that the purpose of your hearings and this meeting here today is to gather information on the economic effects of tariff concessions. The report which you compile will provide a basis for decisions by the President and his representatives during upcoming international trade negotiations under the Trade Reform Act of 1974. It is crucial that our negotiators fully appreciate, as we enter those discussions, the immediate and continuing impact on Maine communities of loosening particular trade restraints for granting preferential trade arrangements.

I recognize, as do the other witnesses who will present testimony here, that our national economy and we as citizens and consumers have much to gain from expanded international trade. Important sectors in our Maine economy benefit from our export trade and look for opportunities to increase their export market. Other sectors of our economy depend on the free flow of goods and material from abroad and could not operate if that flow were interrupted. Maine consumers enjoy and rely on certain reasonably priced articles imported from abroad. You will hear, I suspect, from people expressing these very legitimate concerns which affect broad areas of our economy.

You will also head ironic reports from several Maine industries which suffer both as consumers and producers in the international market.

Many industries pay high prices for essential materials while suffering market disadvantages against low priced imports. Our fishing industry is a tragic example of this dilemma. Maine fishermen suffer three ways. They are forced to compete for their catch against foreign vessels heavily outfitted and frequently subsidized. They must pay import duties of 33⅓ percent to outfit their vessels with similar gear which they use without the benefit of any practical government assistance or subsidy. And finally, the prices they earn for their catch are depressed by the glut

of processed fish imported from the same foreign fleets with little or no tariff.

Maine dairy farmers suffer doubly from present trade policy in that prices they pay for grain have skyrocketed following massive export of that commodity while imported dairy products have limited their domestic market.

Poultry farmers and processors likewise suffer from high grain prices following these massive exports but are themselves unable to market poultry and eggs abroad because of prohibitive tariffs.

The problems which these industries face are not peculiar to Maine or the northeast. Southern poultrymen and midwestern dairy farmers experience similar difficulties. Certain cultural, economic, and geographical features of Maine accentuate the impact of these problems on Maine workers and Maine communities. Dramatic examples of these special impacts can be seen if one examines the history of three traditional industries in Maine: wood products, textiles, and shoes.

Even during my lifetime, I have witnessed a considerable evolution in Maine's economy relative to these industries.

I can remember the day when Maine people used to process garden vegetable crops and prosperous communities developed around them. Then big production areas of the Midwest came into the picture and that industry declined.

We also had small woodworking plants which were built around our forests. Maine is about 85 percent forest-covered today, and it has been for a long time. Small woodturning plants which developed in our towns produced toothpicks, clothespins, and a large variety of wooden products. The advent of the plastics industry and foreign competition in plastics dramatically affected those plants and forced many to close.

Textile and shoe factories developed in a similar fashion—frequently as the single industrial employer in a community. These two industries experienced a similar decline in the face of foreign competition.

The question Maine people ask as they witness the decline of these industries is "What will replace them?" "Where will we find jobs?"

Clearly, to reply that we've created new jobs in California or Detroit for an expanded export market is no solution for an unemployed Maine worker.

The answers to those questions are very difficult in the context of a small town where 45% of the working age population is employed at the only industry which may be a wood products plant. There are very few choices and often no local choices.

The economic adjustment provisions of the trade act—even when the difficult standards of the past were met—have been or limited value when there is no future job to adjust to.

During debate in the Senate of the Trade Reform Act of 1974 last December, I cosponsored an amendment by Senator McIntyre to restrict the reduction of duties if imports of a particular grouping exceed one-third of domestic consumption and domestic competitors are adversely affected.

Despite substantial debate and strong support from New England Senators, including Senator Hathaway and myself, the amendment did not withstand the opposition of the Administration and was defeated by a surprisingly close vote. The spirit behind that amendment was prevalent in the Congress, however, and was recognized by the President's special representative for trade when he assured Senator McIntyre in a letter of December 11 of last year that preferential tariffs would not be applied to footwear products and authority to reduce tariffs for products greatly sensitive to imports would be exercised only after very careful consideration and consultation.

I would like to express faith in these assurances, but must express instead a certain skepticism. We have been promised this kind of relief in international negotiations for all of the 16 years I have been in the Senate. We have always found our trade negotiators very reluctant about entering into orderly marketing discussions and when involved in such discussions, less than the ardent advocates that we would have to have to persuade other countries that we mean business.

I ask you to take the message to the president and his negotiators that we in Maine do mean business and are relying on them to recognize the impact of foreign competition in these crucial areas of our economy.

Maine workers are not protectionists seeking to shelter inefficiency or excessive wages behind artificial barriers. To the contrary, Maine is a depressed area in terms of national income statistics. Maine production workers earn an average hourly rate of 18 percent below the national average.

What we possess in Maine are a people dedicated to a certain way of life and willing to work hard to enjoy it. They ask only for minimal disruption, meaningful assistance in adjusting to such disruptions, and a prompt response to incidents of "import dumping" by foreign countries. The spirit of our work force is well demonstrated by the response from a group of Fryeburg employees when the northern shoe company closed its door last winter. The group rallied around their foreman, Francis Lyons, organized a training program to hold the work force together and tooks steps to advertise their availability to potential employers. They have met with some success and are now receiving assistance in their efforts from local development officials.

I ask you to take note of the story of the Fryeburg shoe workers and the many related occurrences you will hear of today. I ask you to recall when you formulate your recommendations to the President that Maine workers will not have alternative sources of employment if they are further dislocated and to recall that small Maine communities cannot easily attract new employers if they lose these traditional industries.

I hope your recommendation will urge that vital industries be supported and further tariff reductions in these areas be avoided.

Thank you for this opportunity to appear before you. I wish you well and trust you will enjoy your visit to Maine.

THE SALT DEADLOCK

Mr. BUCKLEY. Mr. President, in the May 19 edition of the Wall Street Journal, is an excellent editorial concerning the current deadlock in the strategic arms limitation talks. The nature of this deadlock arises out of a combination of Soviet intransigents and agreements that are so loosely worded that they cannot be subject to rigorous definition and makes it imperative that we think a mode of negotiating agreements of this sort.

We are being asked to observe this process without being permitted to read the aide memoire upon which the agreement is to be made. This country cannot afford a flawed SALT agreement. Any agreement which is made must be ironclad with regard to the behavior expected of any and all participants, and should be based upon more complete information supplied by the Soviets than they heretofore have been willing to provide. This editorial represents one of the best statements I have seen on the subject, and I therefore ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE SALT DEADLOCK

Secretary of State Kissinger meets with Soviet Foreign Minister Gromyko today in Vienna to try, among other things, to resolve the deadlock in the strategic arms negotiations intended to implement the agreement-to-agree announced with such fanfare at Vladivostok last November. The deadlock is itself a sign of the pitfalls in this manner of negotiating, and the resolution is likely to be worse.

Agreements on numerical ceilings were announced at Vladivostok, and a treaty is supposed to be signed at the Ford-Brezhnev summit later this year. In between, there are talks in Geneva that are supposed to work out the details. Details include the definitions of which weapons do and do not count against the Vladivostok ceilings and, above all, the matter of verification. That is, the means by which each side can tell whether the other is cheating, particularly whether it is installing multiple warheads (MIRVs) on more missiles than the agreement allows.

The Geneva talks are deadlocked because the Soviets have taken a totally intransigent position, insisting on settling each technical issue to their advantage. As an example of their tactics, when the negotiations opened they offered a proposed treaty text that put the contemplated follow-on agreements for force reduction in the context of their long-standing demand for compensation for U.S. nuclear forces in Europe and for "third-country" nuclear forces, thus reintroducing two issues on which they supposedly made "concessions" at Vladivostok.

Of more immediate concern is the question of what kind of bombers count against the total of 2,400 strategic delivery vehicles allowed by the Vladivostok agreement. The issue centers around the Backfire, the Soviets' most modern bomber. The Soviets are insisting that it not be included, on the grounds that it cannot without refueling fly from the Soviet Union to the U.S. and back. But since it is an extremely effective plane and could bomb the U.S. and land in, say, Cuba, the U.S. position is that it is clearly a strategic weapon. Since acceptance of the Soviet position would in effect count our bomber force but leave the most important part of theirs unrestrained, a quick test of the Kissinger-Gromyko results will be whether this U.S. position is abandoned.

A second issue involves the difference between the cruise missile, a sort of drone aircraft that can be launched by bombers distant from targets, and air-mobile intercontinental ballistic missiles. The agreement bans air-launched missiles with a range of over 600 miles. The Russians say this includes cruise missiles. The Americans say the whole context of the agreement concerns ballistic missiles. In any event, the range of cruise missiles is totally unverifiable. Especially since Mr. Kissinger's briefings disclose some confusion about whether the number is 600 miles or 600 kilometers, the disagreement seems a testimony to the danger of one-man negotiation. No U.S. military representatives were present at Vladivostok.

Finally and most significantly of all, there is the whole question of verifying which missiles have been MIRVed. The U.S. position is that any missile that has been tested with MIRV warheads will be assumed to be MIRVed. The Soviets are resisting this approach. Secretary Kissinger has said quite strongly (see Notable and Quotable nearby)

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that without this verification formula there can be no agreement. What is being tested in Vienna today is whether he has the courage of that conviction.

These issues may be technical, but their importance is underlined by growing concern about Soviet violations of the SALT–I agreement. As part of its ban on anti-missile systems, for example, that treaty outlaws the use of air-defense radars in an ABM mode, though allowing exceptions for "range safety" and "instrumentation" tests. U.S. technicians do not believe the repeated Soviet tests qualify under this exception, and suspect they are in fact an effort to upgrade air-defense radars into ABM ones. In a number of similar ways the Soviets are pressing every ambiguity in SALT–I, but the U.S. has offered its protests only at the most routine level.

Surely this is a warning that the technicalities are important, all the more so since the context of the agreement is that the Soviet strategic developments are soaring while the U.S. developments are declining, and since at its best the Vladivostok agreement gives the Soviets a 3–1 advantage in missile throwweight, the best single measure of destructive power and potential warhead numbers.

The danger is that the negotiators are working under a self-imposed deadline, which is bound to weigh more heavily on a democratic government than a totalitarian one. The U.S. will be severely handicapped in Vienna today, and at any forthcoming summit, unless its leaders are willing if necessary to go back to its people to say, yes, we thought we had an agreement originally, but since the Soviets have been less cooperative than we expected, we do not have an agreement today.

THE GENOCIDE CONVENTION: NATIONAL AND INTERNATIONAL RESPONSIBILITY TO PROMOTE HUMAN RIGHTS

Mr. **PROXMIRE**. Mr. President, there is a natural and obvious connection between maintaining peace and observing human rights. This tenet has been incorporated domestically in our Bill of Rights and internationally in the Charter of the United Nations.

When the U.N. Charter was drafted in San Francisco in 1945, its recognition of human rights was so clear as to leave no doubt that human rights were within the province of the United Nations.

The President of the United States, at the closing session at San Francisco in June 1945, said:

> Under this document (the Charter) we have good reason to expect the framing of an international Bill of Rights, acceptable to all the nations involved. That Bill of Rights will be as much a part of international life as our own Bill of Rights is a part of our Constitution. The Charter is dedicated to the achievement and observance of human rights and freedoms, and unless we can attain these objectives for all men and women everywhere—without regard to race, language or religion—we cannot have permanent peace and security.

Again and again the Charter speaks of human rights. The purpose clause asserts that the United Nations is created to promote "respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion."

Mr. President, the Government of the United States must recognize its national responsibilities to its own citizens and its international responsibilites to all peoples of the world.

Minimally, we can begin by ratifying the pending United Nations Convention on the Prevention and Punishment of Genocide.

ANOTHER HITLER-TIME?

Mr. **DOMENICI**. Mr. President, last week, during a colloquy on American foreign policy that I joined with 16 of my colleagues in conducting, I pointed out that this Nation must maintain a state of readiness because we could not always depend upon a "black-hatted" enemy that our people could rally against. I also pointed out that because we do not have an obvious monolithic enemy confronting us, the effort to persuade Americans that our international commitments were necessary would be more difficult.

I believe that Americans must play a greater and greater role in helping form whatever foreign policy we create. I called for a new openness, removing foreign policy from the exclusive domain of a few well-intentioned experts and allowing the entire country to weigh the merits of our overseas ties.

I note that columnist Joseph Alsop has written a column in which he, too, recognizes that America may not have the luxury of an egregiously evil villain against which the Nation can unite. I believe that many of Mr. Alsop's points should be seriously considered by us in this body. Therefore, I ask unanimous consent that Mr. Alsop's column in the Washington Post, "Another Hitler-Time," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ANOTHER HITLER-TIME?

(By Joseph Alsop)

In the inner group of American policymakers, the post-Vietnam reassessment is naturally proving both intense and painful. The pain mainly arises from the somberness of the central question being debated. No one has put it quite that way, but the question can be best summed up as follows:

Can you have another Hitler-time without a Hitler?

It is a pretty important question for everyone in America. The truth is that a significant number of extremely intelligent insiders now see this country as well into a process like the one that led to World War II. One rather widely quoted formula runs, "After the Rhineland (in 1936 and the last really easy chance to stop Hitler) but not yet past the point of no return."

If we are in fact in the midst of a process resembling the tragic developments of the 1930s, it would of course be better if we were also face to face with another Hitler figure. So loathsome a man, so free with his threats and open about his aims, would surely arouse the country in short order. But the bureaucratized Soviet leaders, tirelessly, relentlessly plodding forward on iron-shod feet, could hardly be less Hitler-like.

The Soviets have no grand, obsessive Hitlerian plan of conquest. They do not take Hitlerian risks. They merely follow Lenin's advice to probe with bayonets any situation that looks mushy, withdrawing only if the bayonets meet steel.

In the American policy-makers' debate, the foregoing view of the Soviets is justifiably taken for granted from long experience in the Middle East and elsewhere. But quite another point is being made by those debaters who hold that you can indeed have another Hitler-time without a Hitler. They are also arguing that it took a lot more than Hitler to produce the Hitler-time.

This is, of course, exactly right. The historical Hitler of the final prewar phase, hovering over Europe like a greedy bird of prey, instilling fear in almost all the trembling, awe in far too many, was not the mere creation of his own misbegotten genius.

This common conception of Hitler is both cheap and superficial. For a deeper understanding of Adolf Hitler's brilliant initial successes, you have to remember a rule laid down by the great German strategist, Karl von Clausewitz, and often quoted nowadays by Secretary of State Henry A. Kissinger. The rule is that those who fight in self-defense are always to blame for wars, since their enemies always ask nothing better than getting all they want without fighting.

At the beginning of the Hitler-time in 1932, every possible advantage lay with France and Britain. They were the responsible great powers of that period—whereas the United States was then peripheral—because they were the dominant powers in Europe. Each was richer by far than Germany. Together, they also enjoyed a wide military superiority over Germany—until Hitler's rearmament was well advanced.

Yet the British and French refused to increase their own strength in step with Hitler's rearmament. They missed their easy chance in 1936, when Hitler was committed to resign if the reoccupation of the Rhineland met with the slightest resistance. They made the sordid Munich agreement in 1938. And in the end they had to go to war anyway, with every former advantage already lost to them, because their only other choice was to get ready to submit to Hitler a bit further down the road.

Two factors quite external to Germany in truth created the situation that Hitler exploited so long. The first factor was the flaccid British and French acceptance, as the '30s progressed, of a position of grave military inferiority amounting to military disarmament. Worse still, however, was the second factor. Almost until the moment when they belatedly turned and fought, the British and French were morally disarmed as well.

These grim facts from the past now haunt the discussions of the American policy-makers for an extremely simple reason. Post-Vietnam, the signs are plain that the United States now suffers from the kind of moral disarmament that finally ended the long careers of Britain and France as great powers in the world.

One must not take too seriously the more macabre kind of thinking that now flourishes on the floor of the U.S. Senate. Yet Sen. Frank Church of Idaho is after all a fairly representative Democratic member of the present Foreign Relations Committee. So it was a sign not to be ignored when Sen. Church recently announced on television that he saw no reason for the United States to defend any positions on the other side of the Pacific. That ocean, he said, would be a good enough "moat."

Presumably this means Sen. Church now wants to throw away all that is symbolized by the Iwo Jima monument, with its little group of Marines desperately struggling to raise the Stars and Stripes. Beyond much doubt, too, Sen. Church was specifically thinking about South Korea, which has swiftly become a major danger point because of what has happened in Cambodia and South Vietnam.

The South Koreans now fear, and the North Koreans now expect, another American abandonment. The megalomanic North

Korean Communist dictator, Kim Il Sung, has just gone to Peking to argue that the precedent of American abandonment of Southeast Asia has now made it quite safe to launch another attack on South Korea. According to reports, Kim will later go to Moscow—which he has scorned to do for 10 years—in order to present the same thesis.

Fortunately or unfortunately, meanwhile, America's credit in the world is deeply engaged in South Korea—not to mention the Middle East, because of Israel, and several other danger points as well. The higher thinkers, of course, say that our country's credit in the world is of no consequence. The trouble is that they are mostly too well heeled to know what it is like to get a bad credit rating.

More down-to-earth persons know better. A good credit rating permits a man to do all sorts of desirable things that a bad credit rating prevents; and even more important, a good credit rating protects a man from all sorts of unpleasantness that a bad credit rating unfailingly invites.

Any nation's credit in the world further has precisely the same effects as a private credit rating. So we can fear the worst if we now lack the will to maintain our national credit in South Korea or elsewhere. Again, however, the higher thinkers in the Senate and the ghastly groves of academe now maintain that there is no real worst to fear.

They had better go back and study the Cuban missile crisis of 1962. The United States then enjoyed crushing superiority in strategic weapons and in local conventional forces. Above all, the United States then had the will to fight, if need be, to get the Soviet missiles out of Cuba. Nikita S. Khrushchev's move in Cuba was in fact a probe of the firmness of this U.S. will. If the needed will had been lacking, too, Cuba would now be bristling with Russian missiles aimed at our heartland.

Cuba further typifies the kind of renewed Soviet probe that may come someday and come, too, in the absence of America's now-lost military superiority! What else can we expect if the American loss of will is also proven, later on, by a whole series of ducked challenges like the one that will perhaps occur in South Korea? Or does anyone seriously suppose that the Soviets have changed Lenin's rule about testing mushy-looking situations?

Maybe Cuba seems too farfetched, despite the record, and you also do not give a damn about Israel. Then you might consider the remote and ill-defended Persian Gulf. Here the energy jugular of the United States and the West is now nakedly exposed. So what will the President, the Congress and the higher thinkers do if a long course of American weaknesses finally invites a Soviet decision to seize control of the Persian Gulf?

In sum, imitating the British and French in the tragic 30s will be catastrophically dangerous for the United States in the troubled '70s—even if we have no Hitler figure to make us see the danger clearly!

FORTUNE MAGAZINE PRAISES BUDGET REFORM

Mr. **MUSKIE**. Mr. President, in an editorial in its current issue, Fortune magazine praised Congress for a new prudence in fiscal matters as a result of the new budget reform process.

Fortune also commented:

> While showing their unexpected concern about overall deficits, Congressmen have also been making a commendable distinction between spending measures with short life spans to counter recession and programs that will get embedded in the budget and become more costly as the years go on.

To share Fortune's comments with my colleagues, I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

COOLING THE FISCAL FEVER

Spring has brought a renewal of confidence in the economy, which, in Walter Heller's striking simile, has begun to look like a falling airplane that is finally pointed upward—even though it is still losing altitude. And with the fresh confidence has come a welcome bonus: a discernible improvement in the quality of discourse about the economy.

As recovery becomes a clearer prospect, there is a lot less of the clamor we were hearing a couple of months ago for colossal doses of stimulus to turn the economy around and get the unemployment rate down in a hurry. What's helping to mute the clamor is a spreading realization that imprudent anti-recession measures could bring back double-digit inflation and abort the recovery.

The new prudence has been most noticeable in Congress, of all places, where it has been underscored by the promising debut of the Senate and House budget committees. Created last year to give Congress a budget-making mechanism that would replace the old helter-skelter way of dealing with appropriations, the two committees got down to work speedily, and in some innovable ways. In the Senate, public hearings have been conducted like seminars, with Senators and witnesses—among them Leonard Woodcock, Alan Greenspan, and Arthur Burns—sitting with senior staff members around a table, firing questions and comments back and forth.

ADDING UP THE AGGREGATES

This year the budget committees set out only to recommend aggregate income, spending, and deficit figures as targets for Congress to aim at (starting next year they'll also establish priorities in sixteen specific spending areas, such as Defense and Agriculture). The spending limits they recommended this first time out were far below the aggregate totals fo proposals already in the congressional hopper. The Senate committee came up with a budget target that would produce a deficit of $69.5 billion in fiscal 1976. On the House side the recommended target was a bit higher and would put the deficit at $73.2 billion.

By no standards of the past can these targets be described as frugal (nor, for that matter, can the $60-billion deficit which the Ford Administration is now aiming for). But they are a lot better than the $100-billion deficit some leading economists were advocating not too long ago. In fact, the Senate committee urged rejection of bills costing $54-billion; the deficit could exceed $120 billion if Congress passed all the spending proposals now before it.

While showing their unexpected concern about overall deficits, Congressmen have also been making a commendable distinction between spending measures with short life spans to counter recession and programs that will get embedded in the budget and become more costly as the years go on. Even the tax bill reflects a preference for "in-and-out" stimulus; its $23 billion in tax cuts might have been distributed far more wisely, but as President Ford said when he signed it: "Most of the drawbacks are enacted for only one year."

A POWERFUL DETERRENT

The President himself can claim some credit for cooling the fiscal fever on Capitol Hill. For many weeks, his seemed a lonely voice crying out in speeches, press conferences, and interviews against budget recklessness. In fact, he was a bit of a bore about it. But his message appears to have been heard—and is now being played back to all those Democratic Congressmen by their constituents.

It seems that the trauma of recession has not, after all, wiped away fears of—and indignation about—inflation, and impatience for recovery doesn't mean willingness to pay for recovery with a renewed inflationary surge. A recent Gallup poll found that 60 percent of Americans perceive inflation as the nation's biggest problem, while only 20 percent cited unemployment. Sentiment that strong . . . could become a powerful political deterrent.

But the effort to assure a sensible, sustainable recovery depends on continuing the battle against unwise spending—and the outcome remains uncertain. After all, a $69-billion deficit may be tolerate this coming fiscal year, but another one that size the following year would be sure to reignite the inflationary flames.

AFTER THE "MAYAGUEZ"

Mr. **HUGH SCOTT**. Mr. President, the *Mayaguez* incident has been settled firmly and successfully; and I think it is appropriate, therefore, that several editorials summing up the events of the last week be inserted in the RECORD.

Mr. President, I ask unanimous consent that editorials from the Christian Science Monitor, the New York Times, and the Philadelphia Inquirer be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor,
May 16, 1975]

FORD'S FIRMNESS

President Ford is to be commended for his handling of the *Mayaguez* incident. He acted with prudence, deliberation, and courage. Rightly, he tried first to secure return of the vessel and its crew by diplomatic means. Cambodia's failure to respond left him no choice but to take military action.

This was an instance of firm leadership under difficult and delicate circumstances.

There is need now to view the event with a sense of proportion. The tendency by some to gloat that the U.S. has demonstrated its "strength" in the aftermath of defeat in Vietnam should be suppressed. Hyperbole is self defeating. This was not the use of power to safeguard America's or another nation's security. It was the use of power for the legitimate and circumscribed purpose of protecting American lives and property. The point is the U.S. could not permit a nation to flout international law and arbitrarily seize its ships and citizens on the seas.

This is not to deny, however, the complicating factors surrounding the capture and retrieval of the *Mayaguez*—and the impact of the American action in broader foreign policy terms. The seizure looked very much like a defiance of the U.S. In this context the use of counterforce is bound to be seen as a demonstration of Washington's willingness to protect its interests with toughness. Whatever the public rhetoric of governments, we suspect many nations in Asia (possibly even many Thais) are relieved to see this is so.

Nor should it be forgotten that Moscow and Peking, whose perceptions are most vital to America's security, are watching closely. Can it be doubted that the Chinese or Russians would read a failure of the U.S. to act in its legitimate interests as a sign of weakness?

The repercussions of the American action have yet to be fully felt. Many problems loom. Many questions will have to be sorted out in Washington. U.S. ties with Thailand are further frayed because of the landing of marines there to carry out the *Mayaguez* operation. Events in Laos are moving toward a communist takeover.

There seems little doubt that the marine operation will solidify communist anti-Americanism, and the crucial question is what the U.S.-Cambodian confrontation spells for future relations in the region. This is hardly an auspicious beginning for a new relationship with Phnom Penh, whose motives in seizing the *Mayaguez* are still unclear.

All one knows is that the Cambodians are extremely sensitive to what they term "foreign imperialism." The new leaders are militant, radical, and determined to demonstrate their country's independence.

That goal must be honored. It goes without saying Cambodia's territorial integrity must be respected and there must be no interference in its domestic affairs as it gropes toward a new political and economic order. But a time will come when Cambodia will want trade and other relations with the rest of the world. It must therefore learn that if it is to be accepted as a member of the international community, it will have to abide by international norms of responsible behavior.

[From the New York Times, May 16, 1975]

AFTER THE "MAYAGUEZ"

Only a profound sense of relief can follow the successful recovery of the American merchant vessel *Mayaguez* and her crew from their brief and bizarre Cambodian captivity. By all accounts so far, the swift military operation which President Ford ordered was conducted with admirable efficiency, against nerve-wracking difficulties.

It was a narrow escape. This fact alone, quite aside from the inevitable political questions arising from the incident requires that the *Mayaguez* affair now be scrutinized in minute detail, from start to finish, by responsible committees of Congress. A quiet and careful atudy of all details pertaining to this fortunately short-lived crisis might draw significant lessons about foreign policy decision-making and execution. data that could be useful in avoiding any repetition of the nervous hours through which both Government and public have passed.

The list of unanswered questions is long: Why was the Mayaguez passing through disputed waters, particularly after at least two incidents of unfriendly interference with other vessels had been reported in the immediately preceding days? Did the White House, after first news of the ship's seizure, exhaust all orderly diplomatic alternatives before moving in to recover the *Mayaguez* and crew by force? Was the force ultimately used the minimum necessary to carry out the rescue mission?

The support which President Ford is now receiving from much of the public. including this newspaper. for having acted as decisively as he did is premised on acceptance of official statements that the Mayaguez was on a genuinely innocent voyage, and not fulfilling any intelligence mission as the Cambodian Government belatedly claimed. This aspect should be fully explored now, lest suspicions and accusations arise to cast doubt on the whole incident.

Was the dispatch of the Marines to Thailand absolutely essential to the rescue operation? This raised the affair's most troublesome political side-effect, and may yet undermine United States attempts to retain working relationships with the Government of Thailand.

[From the Philadelphia Inquirer, May 16, 1975]

THE "MAYAGUEZ" INCIDENT: AN UNHAPPY JOB WELL DONE

The United States, having finally disassociated itself from its dreadful adventure in Indochina, has just begun to heal—or to allow time to heal—the wounds of a generation of war. There are incendiary passions all around America, and the world, susceptible to ignition by any new act of force or reminder of failure.

It is inevitable, then, that the *Mayaguez* incident, involving U.S. forces as it did in Cambodia in specific and all fragile Southeast Asia in general, should set passions flaming.

Not every detail of the capture of the unarmed merchant ship by the new Cambodian regime nor of the U.S. response and forceful recapture is clear. But with reservations that must await such clarification, it appears to us that President Ford and the U.S. government and military acted wisely and well.

That the *Mayaguez* was an unarmed merchant ship sailing in international waters seems to be undisputed. That the naval forces of the Cambodian government seized it and its crew of 39 in violation of ancient and important laws of the sea appears to be beyond question. That President Ford and his subordinates made energetic and reasonable diplomatic efforts to gain release of the ship and crew before undertaking armed action must be taken on faith: but such is our estimation of Mr. Ford's candor, we are willing to abide by that faith until and unless facts yet unknown dissuade us.

On present information, it seems unfortunate that in executing the forceful recovery of the *Mayaguez* and its crew it was necessary—if indeed it was—to send U.S. Marines to bases in Thailand. Thailand and America's relations with it are in particularly fragile circumstances these days. Should the predictable uproar over the use of Thai territory for staging the Marines do further damage either to the stability of the Thai government or the perishable cordiality of U.S.-Thai relations, it will be a heavy and sorry cost.

There are painful costs in all armed action. American blood was spilled in recovering the *Mayaguez* and its crew, and Cambodian blood as well. And for that everyone must be sad.

But the alternative, we believe, would have been to abandon the responsibility the U.S.—and the civilized world—has to insure free access to the seas. And it would have been to encourage a very new and very freshly assertive Cambodian revolutionary government in random acts of outrage.

To try to extend the matter beyond the significance of those principles is to succumb to folly or to cynicism. The swift and successful American action was not a revival of its lamented involvement in Southeast Asia—whatever the more strident voices of the left may cry. The precise use of U.S. armed force in that action was not a jingoistic, punitive tantrum, whatever the extreme voices of the right might like to believe.

The recovery of the *Mayaguez* and its crew was just that, and nothing more—we pray. It was necessary and it seems to have been done with dignity.

FLEXIBLE HOURS EMPLOYMENT ACT

Mr. TUNNEY. Mr. President, almost 2 years ago, I introduced a bill known as S. 2022, the Flexible Hours Employment Act. At that time I stated that one of the purposes of this legislation was to stimulate the creation of part-time employment opportunities, not only directly at the Federal level, but also by example in State and local government and in the private sector. Thus, I am most pleased to have this opportunity to note that on May 15, 1975. Maryland became the second State to enact legislation modeled on the Flexible Hours Employment Act. The first State legislation in this area was signed into law July 9, 1974, in the State of Massachusetts. I would like to extend my heartiest congratulations to the authors of this legislation, Representative Lois Pines of Massachusetts and Delegate Marilyn Goldwater of Maryland, for their leadership in this important area.

I am pleased that the counterpart legislation at the Federal level, my bill S. 792 and its companion H.R. 2305 introduced by Representative YVONNE BURKE, are making good progress in both Houses. S. 792 is cosponsored by 25 Senators and H.R. 2305 has 55 cosponsors. I am most hopeful that the Senate Committee on Post Office and Civil Service will again move expeditiously to report this legislation.

Mr. President, I ask unanimous consent that a copy of Maryland House bill No. 623 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

HOUSE BILL NO. 623

An act concerning Merit System—Part-time employment for the purpose of [[providing increased employment opportunity by executive agencies of the State for persons unable to work full time]] *establishing permanent part-time employment in the State merit system* and generally relating to procedures, guidelines, reporting requirements, and other conditions surrounding the implementation and administration of "flexible hours employment" by the Secretary of Personnel in certain agencies; and providing for the inclusion of part-time employees in the Merit System

Explanation: Capitals indicate matter added to existing law. [Brackets] indicate matter stricken from existing law. [[Double brackets]] indicate matter stricken out of bill. *Italics* indicates amendments to bill.

By adding to—

Article 64A—Merit System

Section 50

Annotated Code of Maryland

(1972 Replacement Volume and 1974 Supplement)

By repealing and re-enacting, with amendments;

Article 64A—Merit System

Section 3

Annotated Code of Maryland

(1972 Replacement Volume and 1974 Supplement)

PREAMBLE

The General Assembly of Maryland recognizes that a number of positions requested by State agencies for full-time employment could be filled by permanent part-time employees. When State agencies need additional employees they usually request new full-time positions. However, there are many well qualified citizens in Maryland who are unable to work full time.

It is the intent for the General Assembly of Maryland to establish a policy for permanent part-time employment in Maryland which would expand work opportunities at all grade levels for qualified applicants so that both the State Personnel System and taxpayers will benefit; Now, therefore,

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That new Section 50 be and it is hereby added to Article 64A—Merit System, of the Annotated Code of Maryland (1972 Replacement Volume and 1974 Supplement) to read as follows:

ARTICLE 64A—MERIT SYSTEM

50.

(A) FOR PURPOSES OF THIS SECTION THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING INDICATED MEANINGS:

(1) "EXECUTIVE AGENCY" MEANS AN EXECUTIVE DEPARTMENT OR AGENCY IN THE EXECUTIVE BRANCH OF STATE GOVERNMENT, INCLUDING ALL OFFICES THEREOF DIRECTLY RESPONSIBLE TO THE GOVERNOR.

(2) "Flexible hours employment" means permanent part-time employment, as for example, four hours per work day or, [[one,]] two, three or four days per workweek, and includes such other arrangements as the secretary establishes consistent with the policy set forth in paragraph (1) of subsection (B).

(3) "Workweek" means a minimum of 15 hours of work per week.

[[(3)]] *(4)* "Secretary" means the secretary of personnel.

(B) (1) It is the policy of the State that, unless adjudged [[impossible]] by the secretary *to be in conflict with efficient performance by the State personnel force,* at least [[two]]*one* percent of the positions at each and all levels in all executive agencies shall be available on a flexible hours employment basis for persons who cannot work or do not desire to work full time [[within one year after the effective date of this act]] the first increment of flexible hours employment positions under this section shall be implemented not later than July 1, 1976. For each year thereafter, an additional [[two]] *one* percent of all positions to which this section applies shall be available on a flexible hours employment basis. The aggregate of all positions thus designated shall not exceed [[10]] *five* percent.

(2) Upon the request of a State agency, the secretary may waive the percentage minimum applicable to any year referred to above, if the secretary finds that compliance with a percentage minimum flexible hours employment requirement for any year would [be substantially disruptive of] materially impair the ability of the agency to perform its mission, or would cause the agency's efficiency to be severely impaired, or if the agency is undergoing a substantial reduction in force.

(C) Each executive agency shall adopt and maintain procedures, continuously conduct activities and projects, and undertake such other efforts as may be appropriate to carry out the policy of paragraph (B)(1) of this section. The secretary shall promptly formulate and implement and thereafter supervise a program to assist executive agencies in carrying out [[such policy]] *the policy under this section.*

(D) Each executive agency shall report quarterly to the secretary on the procedures, activities, projects, and other efforts undertaken to carry out the policy of paragraph (B)(1) of this section. The quarterly reports shall contain documentation concerning the extent to which the employment requirements have been fulfilled and an explanation of any impediments to their fulfillment and of measures undertaken to remove these impediments.

(E) The Secretary shall report annually to the General Assembly on the procedures, activities, projects, and other efforts undertaken to carry out the policy of paragraph (b)(1). The annual reports shall contain documentation concerning the extent to which the employment requirements have been fulfilled and an explanation of any impediments to their fulfillment and of measures undertaken to remove these impediments.

(F) The Secretary shall consider the welfare of wage and salary earners of any department, agency or unit of State government charged with implementing the provisions of this section. He, or his designee, shall:

(1) Conduct research and experimentation projects and any other activities designed to promote, in public employment, the advancement of opportunities for persons who are unable or who do not desire to work full time;

(2) Promote and supervise programs for flexible hours employment in executive agencies;

(3) Encourage adoption of flexible hours employment practices by all public employers.

(G) The department of personnel administer this section and shall substantially comply with and implement standards determined by the Employment Standards Administration of the U.S. Department of Labor.

(H) No person who is otherwise qualified for or desirous of, or *who is presently employed in* full-time State employment shall be required to accept flexible hour employment as a condition of new or continued employment.

(I) All persons employed in flexible hours employment positions pursuant to the policy established by paragraphs (b)(1) of this section shall receive, on a pro rata basis, all benefits normally available to full-time employees of all executive agencies in similar position, grade, or length of service.

(J) No executive agency subject to the provisions of this section shall, for the purpose of determining that agency's personnel ceiling requirement, count any employee employed on a flexible hours employment basis other than on a pro rata basis according to the percentage of hours such employee works compared to the standard State workweek established for the agency or appropriate agency division.

(K) The secretary may extend the provisions of this section to any State agency not within the executive branch.

(L) The provisions of section 18 of this article shall apply to flexible hours employment positions created under this section.

(M) Each part-time employee of an executive agency, and other agencies covered under subection (K) above who, as of July 1, 1975 has continued satisfactory service for a period equivalent to that required to complete a probationary period in the classified service under this article without examination or further qualifying requirement.

(N) Nothing in this section shall be construed to authorize the hiring of part-time employees except to do work which would otherwise have to be performed pursuant to applicable law by full-time employees or by other part-time employees.

SECTION 2. And be it further enacted, That Section 3 of Article 64A—Merit System, of the Annotated Code of Maryland (1972 Replacement Volume and 1974 Supplement) be and it is hereby repealed and re-enacted, with amendments, to read as follows:

ARTICLE 64A—MERIT SYSTEM

3. The following positions shall not be included in the classified service, namely: those held by officers elected by popular vote and officers whose appointment and election is provided by the Constitution, including deputy clerks provided for by the Constitution, Article 4, §§ 26 and 37; officers and employees of the General Assembly or of either house thereof; any register of wills, any clerk of court, any State's attorney; supervisors of assessments in the several counties and Baltimore City; the deputy and assistant attorneys general and all other attorneys employed in, or connected with, the State Law Department, except where a specific statutory provision includes any such person in the classified service; the general counsel and assistant general counsel of the Public Service Commission; with the exception of the Commissioner of Motor Vehicles, members of boards and commissions and all other persons holding positions by direct appointment from the Governor or from the Board of Public Works; all secretaries, chief clerks, and chief administrative officials of all state offices, boards, commissions, departments, and institutions as determined by the Commissioner with the approval of the Governor; employees of or assigned to the executive mansion; members of the State Aviation Administration and toll facilities police forces, except that members of these forces shall be subject to the provisions of this article to the same extent that members of the Maryland State Police are so included, and members of the State Aviation Administration and toll facilities police forces shall receive such compensation as shall be provided in the State budget; members of the police force and all employees of the police commissioner for the City of Baltimore and of the board of police examiners of Baltimore City provided for by Article 4 of the Code of Public Local Laws of Maryland (1949 Edition), title "City of Baltimore," subtitle "Police Commissioner," §§ 868 to 968, both inclusive, and any amendments thereto it being intended that said sections, and any amendments thereto, shall remain in effect independently of this article; all positions in State offices, boards, commissions, departments and institutions, which the Commissioner may determine, with the approval of the Governor, require medical, engineering, scientific, educational or expert training and qualifications; all registrars and librarians designated as holding faculty rank by the respective boards of trustees of the State teachers' colleges, St. Mary's Female Seminary, Morgan State College and the University of Maryland and the business manager at Morgan State College; all teachers, principals, directors of education and supervisors of vocational education on the staffs of Boys' Village of Maryland Training School for Boys, Montrose School for Girls, Maryland Children's Centers, Victor Cullen School, and any and all other institutions which are under the supervision, direction, control and general management of the State Department of Public Welfare; and all positions the annual salary for which does not exceed the sum of six hundred and fifty dollars ($650) per annum, [or where the incumbent is employed on a part-time basis].

SECTION 3. And be it further enacted, That this Act shall take effect July 1, 1975.

"'DISINFORMATION': WILL IT DESTROY RADIO FREE EUROPE AND RADIO LIBERTY?"

Mr. BUCKLEY. Mr. President, I recently came across a column by the distinguished British Journalist Bernard Levin, who tells of the attempts of Communist intelligence agencies to destroy Radio Free Europe. The process by which this attempted destruction is carried out is known as "disinformation"; that is, the deliberate spreading of false information, including forgery, in order to discredit a person or institution. In one case cited by Mr. Levin, Communist disinformation was introduced—unwittingly—as evidence in hearings of the Senate Foreign Relations Committee, then headed by Senator William Fulbright.

I have independently investigated Levin's claim that the material in question was forgery, and I want to take this opportunity to present some of the evidence, since, if Levin's facts are correct, it would appear that a grave injustice has been done by the disinformation programs of the Communists. From the evidence I have seen, I am convinced that Levin is correct when he says the Communist forgeries were used to discredit Radio Free Europe, and it would appear that this incident is only part of a large-scale, well-financed program of distortions and lies on the part of Communist intelligence agencies.

At this point, in order to place these facts in some perspective, I ask unanimous consent to have printed in the RECORD portions of testimony given before the Senate Committee on Foreign Relations in June 1973, in connection with a proposal for continued funding of Radio Free Europe and Radio Liberty.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

HEARINGS BEFORE THE COMMITTEE ON FOREIGN RELATIONS ON S. 1914

To provide for the establishment of the Board for International Broadcasting, to authorize the Continuation of assistance to Radio Free Europe and Radio Liberty, and for other purposes

The CHAIRMAN. Mr. Secretary, do you know Mr. Jan Nowak, N-o-w-a-k? Do you know who he is or was?

Mr. RUSH. I don't know him personally.

The CHAIRMAN. We have letters from him. He was Chief of the Polish desk of Radio Free Europe. Do you have anyone with you who could identify him?

Mr. RUSH. He is Chief of the Polish Broadcasting Department, Radio Free Europe.

The CHAIRMAN. Some letters have come to our attention which might bear upon the extensive nature of these editorials inspired, I think, by Mr. Nowak. They carry on quite a campaign in defense of the radios. These arose after the discussion of Radio Free Europe last year and particularly Senator Case's statement.

This is a letter on Radio Free Europe stationery. Division of Free Europe, Incorporated, and it is from Munich, dated September 1972. I will put it in the record. We have it translated. I have the original and the translation by the Library of Congress. These were disseminated in this country.

I will read part of it, but it is all available to you. This followed after this matter arose last year.

"It bothers me that the sponsors of the whole liquidation action, Senators Fulbright and Case, quieted down only temporarily in order to take the next best opportunity to bring up the matter again and seek revenge on Radio Free Europe for their shameful defeat.

"Senator Fulbright's pro-Communist sympathies do not surprise those who know his past, as he made his first foreign trip after the completion of his education to no other place but Moscow."

Incidentally, I note that isn't true. But anyway, this is his statement.

"It might be worthwhile to project this fact in a proper way."

I guess by using Radio Free Europe and Radio Liberty.

"The attempt to give up further operation of our radio atations also means that many of our people who for many years loyally served American interests would lose their jobs. As you see, I am not interested in my own interest but am concerned about others who rendered us their valuable services."

On the next page he says:

"Furthermore, one should exert influence on the American Polonia and on wide masses of American people to prevent Mr. Case, whose term in office ends on January 31, 1973, from being reelected to the Senate. The stupidity of Messrs. Fulbright and Case should be implanted in American public opinion as extensively as possible. Some people tend to overlook the danger of the deceiving gestures of the regime [that is, the Polish Government] towards Polonia, and Mr. Fulbright is ready to render services to that regime in the first place. I hope that the leadership of American Polonia will act properly to deprive of every political influence people who do not have American interest at heart."

This letter was addressed apparently to a newspaper in Milwaukee, 1201 Milwaukee Avenue, Chicago, Ill.

I guess there are quite a number of Polonia in Chicago and in Illinois.

I expect there are a number of Poles in this country, aren't there?

Do you know how many people there are of Polish descent in this country?

Senator PERCY. I can tell you exactly how many Polish Americans there are in Chicago. There are 800,000 Polish Americans in the city of Chicago, which we are proud to call the second largest Polish city in the world.

The CHAIRMAN. This is Redaktor Jan Krawiec—I am bad on Polish—and "Dziennik Zwiazkowy," if that means anything to you. But the address is there.

There is another letter, a shorter one, in May of 1972. I won't read it all, but it is interesting.

"I am forwarding to you the text of the article which appeared in "Nowy Dziennik" [the New Daily, Jersey City] on May 18. It would be very important to have "Dziennik Zwiazkowy" reprint this article. Under separate cover I am writing to Mr. Sikora in this matter, hoping he will repeat it in his radio [program]."

This is directed to Jersey City.

"Senator Case conducts a two-faced politics in our case and is the main source of our trouble. While he hides behind Fulbright's back, he in fact supports his efforts to liquidate the two radio stations."

LETTERS AS INSPIRATION FOR EDITORIALS AND ARTICLES SUGGESTED

You don't suppose these letters were the inspiration for all of those editorials and articles that you referred to?

Mr. RUSH. I think they had nothing to do with it, Mr. Chairman.

The CHAIRMAN. You don't think they did. He seems to think they did.

MR. JAN NOWAK'S LETTERS

Then the last one.

"I am concerned about the fact that our sponsors basically accepted Fulbright's idea that Western European countries should participate in the financing of the two broadcasting stations. It is known already now that this will not materialize. In my opinion, this principle should have been attacked instantly. Fulbright does not demand that Western Europe participate, e.g., in the financing of the cultural exchange."

[The letters referred to follow:]

RADIO FREE EUROPE,
DIVISION OF FREE EUROPE, INC.,
Munich, Germany, Monachium,
dnia 29-go wrzesnia 1972 r.

Scislc Poufnc—Osobiste.
WPan
Redaktor JAN KRAWIEC,
"Dziennik Zwazkowy,"
1201, Milwaukee Ave.,
Chicago 22, Ill., 60622
Szanowny Panie Redaktorze.

[The Library of Congress, Congressional Research Service, translation (Polish)]

Thank you very much for your comforting letter. I am replying right away which does not happen too often due to my great work load.

The matters which you mention in your letter not only trouble us but also take a lot of our time which we need badly to maintain normal work and a proper level of our broadcasts.

The situation in our editorial department has not improved a bit in spite of President Nixon's assurances and the great support which was afforded to our cause by the majority of prominent personalities of the U.S.A. and a considerable part of the American community.

Bitter experience makes us continue in our efforts to maintain this good will and to gain new friends whom we badly need.

Personally, I am putting forth maximum effort in the defense of the radio station, and am trying to use all available means and way to get in touch with influential people in order to convince them about the necessity of maintaining Radio Free Europe in its present form.

With some bitterness, I must confess that I am not always successful in the above efforts, probably due to the instability of human convictions, to the effects of everything that comes with the so called "progress of civilization", and, naturally, due to the nearsightedness of some primitive thinking politicians who fully believe in the tales of co-existence, detente, Communist good will and other nonsense like this.

One is greatly surprised to see that America listens to and tolerates this kind of political ignorance.

It bothers me that the sponsors of the whole liquidation action. Senators Fulbright and Case, quieted down only temporarily in order to take the next best opportunity to bring up the matter again and seek revenge on Radio Free Europe for their shameful defeat.

Senator Fulbright's pro-Communist sympathies do not surprise those who know his past, as he made his first foreign trip after the completion of his education to no other place but Moscow. It might be worth while to project this fact in a proper way.

The attempt to give up further operation of our Radio stations, also means that many of our people who for many years loyally served American interests would lose their jobs. As you see, I am not interested in my own interest but am concerned about others who rendered us their valuable services.

This situation does not permit us to just wait idly, especially since distinct courting of American Poles [Polonia] by both Parties is evident.

Therefore, I repeat once more, the most important thing at this time is the inclusion of the demand to keep up Radio Free Europe in the electoral platforms of both, the Republicans and the Democrats.

Already in June, I asked the editors, Leszczynski and Sikora, to get active in this respect. Furthermore one should exert influence on the American Polonia and on wide masses of American people, to prevent Mr. Case whose term in office ends on January 3, 1973, from being re-elected to the Senate.

The stupidity of Messrs. Fulbright and Case should be implanted in American public opinion as extensively as possible. Some people tend to overlook the danger of the deceiving gestures of the regime [Polish Government] towards Polonia [American Poles] and Mr. Fulbright is ready to render services to that regime in the first place. I hope that the leadership of American Polonia will act properly to deprive of every political influence people who do not have American interest at heart.

I hope to hear from you soon about at least partial results of this difficult undertaking.

Heartfelt regards,

[Translated by George Starosolsky, ame.]

JAN NOVAK.

RADIO FREE EUROPE,
DIVISION OF FREE EUROPE, INC.,
Munich, Germany, Monachium, dn. 19 maja 1962 r.

WPan
ANTONI J. LESZCZYNSKI,
3635 N. Green View Avenue,
Chicago, Ill., 60622.
Drogi Panie Redaktorze.

[Translated by George Starosolsky, amc.] search Service, translation (Polish)]

I am forwarding to you the text of the article which appeared in "Nowy Dziennik" [The New Daily] (Jersey City) on May 18th. It would be very important to have "Dziennik Zwiazkowy" reprint this article. Under separate cover, I am writing to Mr. Sikora in this matter, hoping, that he will repeat it in his radio (program). Senator Case conducts a two-faced politics in our case and is the main source of our trouble. While he hides behind Fulbright's back, he in fact supports his efforts to liquidate the two Radio Stations.

Cordial regards,

[Translated by George Starosolsky, amc.]

JAN NOVAK.

RADIO FREE EUROPE,
DIVISION OF FREE EUROPE INC.,
Munich, Germany, Monachium, dn.
13 Czera 1972 r.

Poufne—Osobist.
WPan
ANTONI J. LESZCZYNSKI,
1291 Milwaukee Avenue,
Chicago, Illinois 60622.
Drogi Panie Redaktorze.

[The Library of Congress, Congressional Record Service, translation (Polish)]

Thank you very much for your letter of June 1st. I am replying to it on the eve of my departure for a month's vacation.

As you surely know, Fulbright suffered a bad defeat in his own Committee. There is nothing now to threaten the continuation of our Radio during the next fiscal year. Afterwards its future will depend on the results of the presidential election and the formation of international situation. I am concerned about the fact that our sponsors basically accepted Fulbright's idea that western-European countries should participate in the financing of the two broadcasting stations. It is known already now that this will not materialize. In my opinion, this principle should have been attacked instantly. Fulbright does not demand that Western Europe participate e.g. in the financing of the cultural exchange, nor do the British propose that America pay for BBC. If Radio Free Europe serves long-range interests of America, there is no justification for asking other countries for money. I am afraid that, in a year, we are going to have a lot of trouble with this matter.

Therefore, at this time, it is of utmost importance that the matter of the continuation of the two Broadcasting Stations be included in the electoral platforms of both Parties: the Republican and the Democratic. I hope that the leaderships of Polonia [American Poles] will act to this effect.

I would be grateful to you for conveying these remarks to Mr. Krawiec, the Editor. Also please inform him that yesterday, on Monday, June 12, we broadcast to Poland his interesting interview with Wagner.

Please accept my best regards. I hope to have the opportunity next year to visit Chicago and to thank you and many others personally.

[Translated by George Starosolosky, amc.]

JAN NOWAK.

MR. NOWAK'S LETTER

The CHAIRMAN. He is not only wrong on his statements but utterly wrong on his facts. Take Germany, for instance. They pay as much for the cultural exchange program, if not more, than we do, more than half. You know that. So this is a good example of the truth that you are spreading all over the world.

Here is the Chief of your Bureau writing this to American newspapers and citizens of America to influence them in this matter. I don't know how much further you can go in the distortion of the truth.

Senator AIKEN. What was the date?

The CHAIRMAN. This was last year. This matter was under discussion.

Mr. RUSH. That was not Radio Free Europe.

The CHAIRMAN. This was last year when we raised the matter here concerning which I quoted before the remarks Senator Percy and others made with regard to the matter of European participation. Here are the letters with a translation by Mr. George Starosolsky of the Library of Congress, if any of wish to read them all. I think this is typical, of course, of what happens. I sympathize with anybody who might lose their job. That is always a sad occurrence, but I must say this kind of propaganda is a rather unusual way to go about saving the job. If they will do that to the people of America. I don't know what they would do to the Eastern Europeans. It certainly is difficult to reconcile it with your assertion that all we are interested in is spreading the truth.

Mr. RUSH. Mr. Chairman——

The CHAIRMAN. It has no relation to the truth, that I can think of.

Mr. RUSH. This was not Radio Free Europe; this was an individual, a private individual.

The CHAIRMAN. No; he is not, he is an employee. It states there. You stated yourself he is the Chief of the Polish Desk of Radio Free Europe.

Mr. RUSH. He was spreading his own personal opinion.

The CHAIRMAN. It is their stationery. It is not a private letter. It is on the regular stationery.

Mr. RUSH. He had no right whatever to use the stationery. He has been reprimanded for doing so. He was completely outside the bounds in using the stationery.

The CHAIRMAN. Who is Radio Europe if it is not the people who operate it?

Mr. RUSH. Yes, sir, this is right. But he was not speaking, just as many people do not speak, for their employer. He was expressing his personal opinions, and we cannot censor his personal opinions. Since he is not a government employee, he has a right to do so. But was not speaking for Radio Free Europe.

The CHAIRMAN. What did you do with him? Did you fire him?

Mr. RUSH. They reprimanded him.

The CHAIRMAN. Did you fire him?

Mr. RUSH. He has not been fired.

The CHAIRMAN. Is he still working for them?

Mr. RUSH. Yes, sir.

MEMBERS OF COMMISSION

The CHAIRMAN. Of course he is. You say who is Radio Europe. I notice on the Commission, they are all very outstanding men, particularly the Chairman, Mr. Milton Eisenhower. But it is interesting that Mr. Barrett, who is an excellent man, and I consider him a friend and high class man, but still he was Assistant Secretary of State for Public Affairs and head of the USIA. He was sort of brought up on the idea that government propaganda is a good thing.

Mr. Gronouski is an excellent man, a high class gentleman, but he was former Ambassador to Poland, wasn't he?

Mr. RUSH. Yes.

The CHAIRMAN. He would, I am sure, sympathize with Mr. Nowak's ideas about what he called Polonia. I understand the word means the Polish people in America. That is the way he used that word.

Mr. Gullion, also an extremely distinguished and fine man, was our Ambassador. They are hardly people disassociated with the processes of the Department of State in the cold war. They played a very important part in it, a very distinguished part. I wouldn't for the moment suggest they are not thoroughgoing patriots in every respect, but we are dealing with matters of opinion as to whether this is in the interest of this country and I am bound to say I don't think the attack upon Senator Case is justified.

FULL INQUIRY INTO MATTER SUGGESTED

Senator PERCY. Mr. Chairman, before we close on this particular question, I would like to state that I would trust that Radio Free Europe and Radio Liberty as institutions would not be judged in any way by the actions of one individual.

I would very much appreciate the record at this point being left open so that we can determine the whole truth of this matter, how many letters Mr. Nowak wrote, whether it was an extensive campaign by him, who authorized such reprehensible action. I have been the subject of this kind of attack in my own political career and I simply can't describe my feelings toward people who use such tactics.

I wonder also if any laws were broken. Did he actually hinder Senator Case's campaign for reelection while a Government employee? And I would very much appreciate a full and complete report being put in the hearing record just as soon as it can be assembled. If the facts warrant, the reprimand given Mr. Nowak should be strong enough so that this kind of activity is never again carried on by any employee of Radio Free Europe or Radio Liberty.

[The information referred to follows:]

DEPARTMENT OF STATE STATEMENT CONCERNING MR. JAN NOWAK'S LETTERS

The Department of State has reviewed the two letters mentioned above to Mr. Antoni J. Leszczynski, dated May 19, 1973 and June 13, 1973, written by an employee of Radio Free Europe, and has determined that the employee involved did not violate the Hatch Act or other federal law. He was not an employee of the United States Government, but of Free Europe, Inc. However, the Department agrees with the management of Free Europe, Inc., that in urging political actions, and using the official stationery of RFE for this purpose, the employee acted improperly. The employee has been reprimanded and cautioned against any repetition of such acts.

The CHAIRMAN. Senator Percy, you see, due to the deceptive way in which these radios were created these are private corporations, which have been funded by the CIA, as you know. Technically he is not a Government employee; he is an employee of a private corporation. This gives him a buffer against the violation of law. The Department of State people, some several of them, are up here almost daily—I didn't mean to pick out the

Department of State—lobbying the Congress. That would be a violation of law.

Senator Percy. During the period that these letters were written, these were Government funds.

The Chairman. This is a private corporation given money, I think, by the CIA. It is Government money all right, but they create the corporation. I said technically. I agree with you that in any other sense than pure technicality they are Government employees.

Senator Percy. I would like to know whether, when Federal funds are used, any Federal statute is violated in this regard.

The Chairman. I hope you will inquire into it. I think if you will inquire into it sufficiently you will change your views about the utility of the organization.

Mr. Rush. These are not Government employees. Nevertheless, this was absolutely unacceptable in every sense, and I can assure you we will cooperate in every way to investigate this fully. We do not have the right, of course, to censor what individuals do as private individuals, not being Government employees. We certainly don't endorse this in any sense. It should be thoroughly looked into. The man has been reprimanded and we will thoroughly investigate the facts, report them to you, Mr. Chairman, and your committee, and you, Senator Percy, and we will take what further action seems appropriate.

WAS MR. NOWAK'S LETTERWRITING WIDESPREAD?

Senator Percy. Do you happen to know whether this was a widespread campaign of letterwriting by Mr. Nowak or whether he happened to have personal friends to whom he wrote personal letters and inadvertently used official stationery for them?

Mr. Rush. I do not have that information. So far as we know it was not a widely broadcast thing and I understand that the letters really turned up in a newspaper in Poland. They were purloined somehow and turn up in a sordid sense in a Polish newspaper. This is the only place any of them were published that I know of.

The Chairman. We have a lot of knowledge now about how these things are done. They never know about them, of course, until you get somebody like the Washington Post on them.

Who is going to expose them? Are you going to take off from all your other duties and look into this? This isn't that important.

Senator Percy. Well, I think it is important if the implication is left on the record that the hundreds of favorable editorials were all achieved in this manner. I do not think that is actually the case. I think also there is a perfectly legitimate basis for public information officers of Radio Free Europe to make information available to newspapers. It is no different than a press secretary of a U.S. Senator bringing to the attention of press in his own State favorable things that the Senator has done, hoping to elicit favorable editorials at election time or whenever it may be. I think there is a legitimate use of public information and an illegitimate use. I consider this particular approach a very, very bad one which should be condemned and I hope that it is not in any way a common practice.

Mr. BUCKLEY. Mr. President, later, in those same hearings, the following testimony was given, which I ask unanimous consent to have printed in the Record pages 61 to 62 of hearings.

There being no objection, the testimony was ordered to be printed in the Record, as follows:

Memorandum for the Record From William P. Durkee, President, Free Europe, Inc., Concerning Letters of Mrs. Jan Nowak

On July 12, 1973, during a hearing of the U.S. Senate Foreign Relations Committee in Washington, D.C. on Senate Resolution 1914, J. William Fulbright, presiding, quoted from letters he said were written by Mr. Jan Nowak, Chief of the Polish Broadcasting Department of Radio Free Europe.

At the request of the President of Radio Free Europe, the Senate Foreign Relations Committee made available via the Department of State copies of letters sent to the Senate Committee. Radio Free Europe received the copies on Tuesday, 26 June 1973. The origin of the letters was not stated by the staff of the Committee in its transmittal of these copies. Copies of the letters are attached (*Exhibit A*).

Radio Free Europe, for the record, wishes to submit the following with respect to these letters:

(1) The attached article (*Exhibit B*) entitled "K: From Jan Nowak's File", appeared in the Warsaw daily newspaper *Zycie Warszawy*, No. 30, 4–5 February 1973. Also included in Exhibit B is a translation of the article. The translation was done by Radio Free Europe in Munich, Germany. It is a translation of a xerox copy of the original article.

Upon publication of the article in *Zycie Warszawy*, Radio Free Europe made inquiries of the addressee of the letters reproduced in that article, Mr. Antoni J. Leszczynski. The latter submitted a certified statement to us which states:

"To whom it may concern

"This is to certify that I read several private and personal letters addressed to me by Mr. Jan Nowak and reproduced in the Warsaw 'Zycie Warszawy' (No. 30 of 4–5 February, 1973).

"While some of them are authentic—one is undoubtedly and obviously a forgery.

Antoni J. Leszczynski,
Editor, Polish Daily 'Zgoda'.

"Subscribed and sworn to before me by Antoni J. Leszczynski, this 16th day of March, 1973.

——— ———,
Notary Public".

A copy it attached (Exhibit C). Radio Free Europe retains the original.

Mr. Jan Nowak has submitted an affidavit, certifying that the letters to Mr. Leszczyskni, dated 19 May and 13 June 1972 are copies of originals.

(2) A comparison of the letters submitted by the Senate Foreign Relations Committee and the letters printed in the *Zycie Warszawy article* shows the following:

(a) The letter dated 19 May 1972 to Mr. Antonio J. Leszczynski, 1201 Milwaukee Avenue, Chicago, Ill. 60622, is reproduced in full with the signature and letter head in the Senate Foreign Relations Committee copy, by the *Zycie Warszawy* article does not contain the signature or letterhead.

(c) The purported letter of 29 September 1972 addressed to Mr. Redaktov Jan Krawiec was not reproduced in the *Zycie Warszawy* article, but clipped sections of it were, making it appear as though such were part of the actual letter dated 13 June to Mr. Leszczynski.

Mr. Nowak has certified that he did not write the letter to Mr. Krawiec dated 29 September 1972, and that the said letter to Mr. Krawiec, 1201 Milwaukee Avenue, Chicago, Illinois 60622 "on RFE stationery marked strictly confidential & personal, is a forgery." His affidavit is attached (Exhibit D).

Mrs. Stanislaw Szulczewski, Mr. Nowak's Secretary, has submitted a sworn statement that Mr. Nowak did not dictate a letter to her addressed to Mr. Krawiec, dated 29 September 1972, and that her initials "are an obvious forgery." Mrs. Szulezewski's Affidavit is attached (*Exhibit E*).

Mr. Krawiec has stated that he did not receive the purported letter, of which a copy was received by the Senate Foreign Relations Committee, Mr. Krawiec's written statement is attached (*Exhibit F*).

Mr. BUCKLEY. Mr. President, it should not be thought that this crude attempt at disinformation was the only Communist forgery used to discredit Radio Free Europe. In the summer of 1971, two forged letters, signed with RFE director Ralph Walter's name, were mailed anonymously to staff members of Radio Free Europe. One of them was addressed to an official of the Turkish Foreign Office, the other to the president of Free Europe, Inc. Both implied a German intention of evicting Radio Free Europe from the FGR and the management's plan to move the radio station to Turkey. The evident purpose of this operation was to spread confusion and insecurity through the organization.

I have secured copies of these forged documents and I ask unanimous consent to have them printed in the Record. What follows, Mr. President, are forged documents.

There being no objection, the forged documents were ordered to be printed in the Record, as follows:

Radio Free Europe,
May 21, 1970.

Mr. William P. Durkee,
President, Free Europe, Inc.,
New York, N.Y.

Dear Sir: Referring to our recent talks I would like to inform you that Mr. Orhan Erlap of the Turkish Foreign Military Ministry has once more confirmed his government's readiness in receiving RFE in case when it becomes necessary. I was informed by Mr. Erlap that the Turkish government has already reserved two lots for the future construction of our Broadcasting Station not far from Ankara.

I think it would be useful if you could personally, on behalf of our staff, convey to the Turkish Ambassador in Washington our gratitude to the Turkish government for their kind acceptance. As far as finding a new location for RFE is concerned it solves our problems.

Ambassador Kenneth Rush is also convinced about keeping in close touch with the Turkish government in this matter since Mr. Brandt's pressure, if he is able to stay in power longer, will be continually increased. I expect that growing pressure will be exerted on Mr. Brandt before the Olympic Games in Munich. It is widely known that the Communist regimes have been presenting their objections against RFE in recent talks held with his aides.

We are convinced that, if a transfer is not prepared, the gravest consequences would be lost to the United States of major capabilities to exert pressure against the USSR through its closest allies, and loss also of the West's strongest single form of leverage, through communications on developments in much of the Communist world.

As you were informed before Mr. Rush is for choosing a location rather in Turkey instead of in Portugal. He considers such a location is giving us a unique means of reaching and influencing the Communist countries. It will also give us more effective influence in Turkey as well as in the Middle and Far Eastern regions.

He stated that it was absolutely necessary to keep the information out of spreading since it concerns all of our employers and the Turks as well as the possibility of a counter-action of the Communists.

Sincerely yours,
Ralph E. Walter.

Radio Free Europe,
May 12, 1970.

Hon. Orhan Erlap,
Secretary General, Ministry of Foreign Affairs, Ankara, Turkey.

Dear Sir: I would like, Dear Sir, to thank you personally very much, and through your intermediary to your Government for the kind acceptance of our request for a location of Radio Free Europe on the Turkish territory.

Mr. William P. Durkee, President of Free Europe, Inc., New York asked me to convey to you his gratitude and best compliments.

He assured me that he is ready to cover all the necessary expenses connected with the property losses for our Broadcasting Station.

I hope to meet you in the near future in order to discuss all the formalities and financial arrangements.

With great respect,
Sincerely yours,
Ralph E. Walter,
Director.

Mr. BUCKLEY. Let me repeat, Mr. President, the documents I have just inserted in the Record are forgeries, created by Communist intelligence agencies to discredit Radio Free Europe. A detailed examination of these documents by experts of Radio Free Europe disclosed the following, taken from a memorandum from Ralph E. Walter, director, Radio Free Europe to department directors and bureau chiefs and dated June 28, 1971, which I ask unanimous consent to have printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Letter to the Honorable Orhan Erlap

1. Dated May 12, 1970. I was at that time on vacation in Monaco. In addition, my secretaries always put the date before the month.
2. We never double space letters.
3. Our standard indentation is five spaces, not ten.
4. We never run our right-hand margin as far to the right.
5. My name is always blocked under the complimentary close.
6. Initials in lower lefthand corner are REW/cr; our practice is REW:cmr.
7. We never include "Radio Free Europe" under the Director title.

LETTER TO MR. WILLIAM P. DURKEE

(Items 2 through 7 as indicated above)

1. We always put date before the month.
2. We never write "New York, N.Y."
3. Stamped "Classified." No such classification is ever used here and would not be stamped on the paper in the manner done in the letter.
4. The apostrophe indicates from its angle that the typewriter is a foreign typewriter. The IBM machines used in the Director's Office have vertical apostrophies.
5. Salutation used is "Dear Sir." (Mr. Durkee's comment upon hearing this was, "That will be the day!")
6. Complimentary closing of "Sincerely Yours" never used when writing Mr. Durkee.
7. Letter signed "Ralph E. Walter" instead of "Ralph."

Mr. BUCKLEY. Mr. President, although the forgeries referred to are—in the words of Radio Free Europe—"a ham-fisted attempt" at deception, they do show evidence that the Communists learned quite a bit from Dr. Goebbels. The "Big Lie" technique is one the Communists are willing to use at every available opportunity. The bigger the lie, the more outrageously brazen the forgery, the better they apparently like it.

Mr. President, I have received letters from Simon Wiesenthal, the man known throughout the world for his vigorous and unrelenting pursuit of Nazi war criminals, including, of course, the infamous Adolf Eichmann. I ask unanimous consent to have Mr. Wiesenthal's letter of March 14, 1975, to me printed in the Record as part of my remarks.

There being no objection, the letter was ordered to be printed in the Record, as follows:

March 14, 1975.

Hon. Senator James L. Buckley,
Capitol Hill, U.S. Senate,
Washington, D.C.

Dear Senator Buckley: I can give you a description out of my own experiences.

Since 1945 I am at the head of the Jewish Documentation Center and I always cooperated very well with all American Organizations—like OSS War Crimes Office, CIC—competent for investigating and bringing Nazi criminals to trial. At that time I was also in good terms with historical institutions in Czecho-Slovakia, Poland and Hungary. We received documents from these institutions helping us in our researches. My name was often mentioned in the papers of these countries in an appreciating sense. This was the case until Eichmann was captured in 1960.

In 1961, a short time before the trial against Eichmann took place, I published a book about how I found Eichmann. In this book I described also personal events. For instance: that I have been beaten in the concentration camp Mauthausen by a functionary of the camp—his name was Rusinek; and that my comrade of this camp, Cyrankiewicz, begged me—after the liberation—to retire my denouncement against Rusinek at the American Camp-Commander in order to avoid the emprisonment of Rusinek together with the SS.

This short episode decided my future life and activity.

At the time when my book was published, Cyrankiewicz was Prime Minister and Rusinek was Minister for Cultural Affairs. Of course, my book was a sensation in Poland and meant a nuisance to Rusinek's picture as a fighter in the Résistance, (At that time he was also General Secretary of the Polish Movement of Résistance.)

The consequence was that the cooperation with the Polish Historic Commission was interrupted and because of the interventions from Poland our correspondence with Prague and Budapest became difficult.

After the 6-day war in Israel, when antisemitism became an official subject of propaganda in the Communist Party in Poland, my person and our Office were the central points of attack. Immediately they made me being an American and German Agent; Polish journalists wrote that I only survived because my life was precious for the Gestapo, and they repeated lies which have been published in neo-nazi papers in Germany and Austria. Some of these papers have been seized upon my request and I won the subsequent proceedings.

When numerous Polish refugees passed through Vienna I had occasion to make researches and I published a booklet about Antisemitism in Poland and the most important persons playing an essential part in this propaganda. I enumerated 50 names, all members of the Communist Party, among them 20 persons who have been traceable Nazi Collaborators during the war. This publication, taken over by hundreds of news-papers, produced a remarkable consternation in the direction of the Party. Without mentioning any arguments in proof of it they described me as being a Nazi-Agent who is only persecuting the poor Nazis who have no money, whereas I am taking money from the rich one and am protecting them. The Polish Ministry of Defence published a booklet entitled: "In the net of Simon Wiesenthal". As my agents all those persons are mentioned in it who were not in favour to the Polish regime. So they declared as my agents f.i. Jean-Paul Sartre, the Paper "Le Monde" and the magazine "Der Spiegel", and also a number of Polish writers being abroad and whose names I did not even know. One of them, Roman Jurys, at that time in Paris, brought an accusation against the author before the Court on his return, but until now the trial did not take place.

At the time of Dubcek's government, when the movement for a Socialism with human face progressed, I suddenly received letters from my friends in Czecho-Slovakia, in which they answered a letter they held from me and which I never wrote. It was a letter on falsified paper with the head of my Office and my signature was falsified too and it was written in the style of the "Protocols of the Elders of Zion" advising the receivers to support Dubcek because this would settle the power of the Jews in the world. (!) I immediately informed the Czech Ambassador in Vienna about this falsification. Later on I knew that the Minister of the Interior—Pawel—made the laboratory of the Police examine these letters and they found out that paper and chemicals were of Polish origin. Prominent Czech political refugees told me later also that they took this falsified letter when meeting the Soviet delegation at the Conference of Cjerna and Tysa to prove that it was a provocation to compromise the "Spring of Prague". Because it was clear that this letter should serve later on as a proof to emprison the receivers of the letter as agents of a strange power.

When also the papers of the German Democratic Republic published antisemitic articles we made researches about the press in the GDR. And we found out that the most important journalists in the GDR have been in the same position at national-socialist papers. Of course, we published our knowledge.

Now the attacks against me came from different sides. The Soviet paper "Literaturnaja Gazeta" reprinted Polish articles against me. From the "Literaturnaja Gazeta" these articles were taken over by the Czech "Tribuna" and from the "Tribuna" they returned into the Polish Press. As they knew in the Eastern Block that their attacks remained incredible for the Western public opinion (the well-known and esteemed "Zürcher Zeitung" wrote, that the attacks against Wiesenthal are written in the style of the "Stürmer"), they tried to find witnesses among the Nazis for their statements.

The author of the book "In the net of S.W." Ignacy Krasicki (pen-name Waclaw Szanfranski) went as a correspondent to Argentinia and tried to find former Nazis who are ready to sign a declaration that Wiesenthal was a Nazi-Agent. Some of the Nazis preferred to inform Jewish Organizations in Argentina about these machinations.

UMI

As far as I know, there is in Poland within the Ministry of the Interior a special Department for "disinformation", which is dealing with falsifications of documents and paper and signatures and which is working for the whole East-Block.

These are, as short as possible, my experiences which I collected through years. And don't you think that the Polish who are considering Antifascism as their main domain should rather praise me because of my activity against Nazi criminals? . . .

Very sincerely yours,

SIMON WIESENTHAL.

Mr. BUCKLEY. Mr. President, it is evident that the Communists will stop at nothing to discredit anyone who gets in their way, even the hunter of Nazi criminals. An article in the Spectator, December 28, 1974, written by a former Communist disinformation specialist, shows the lengths to which the Communists are willing to go to discredit—or even destroy—those who tell the truth about them. I ask unanimous consent that the full text of this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

LETTER TO A "VICTIM": PLANNING MURDER IN LONDON

(By Josef Frolik)

NOTE.—Josef Frolik is the former Czechoslovak Intelligence officer who defected to the West and now lives in the United States. His allegation that the missing Labour MP, Mr. John Stonehouse, was involved with espionage activities in London was denied last week by the Prime Minister in the House of Commons. Nevertheless, it is clear that Major Frolik, during his stay at his country's London embassy, was in a position to know a great deal about the work of Soviet bloc intelligence in this country and he illuminates a further aspect of it in this letter. It was written to Mr. Josef Josten, editor of the Free Central European Information news agency in London, who was set down first for "kidnapping" and later for "liquidation" . . .

I have considered several times writing to you a few lines to tell you what I know about actions undertaken against you by the regime in Prague. This had to be delayed until the CIA in co-operation with M15 unblocked part of the information which I gave them after my escape to the West.

But to start with, a few words aboyt myself, I worked for seventeen years for Czechoslovak Intelligence. I had the rank of major and shortly before my departure for the West, I became a senior "rapporteur", of the 4th Section, 2nd Department of the B Administration of the Central Directorate of Czechoslovak Intelligence. Between the years 1960–1966, I worked in the "British Section" which sent me to London under the cover post of a Labour Attaché. But my intelligence brief did not concern the British trade unions but the Office for Standardization of NATO Weapons and the NATO Command for the English Channel area. In the Intelligence group, my name was "Florian."

After joining the "British Section" of our Intelligence Service, I read your file. It was of a remarkable size, it had thousands of pages of information about you and your activities, about your past, about your every step.

Jaroslav Hodák, after securing a job with you, was detailed to follow your activities. Shortly after "settling" in London, Hodác came under the direction of Lt. Col. Vaclav Táborsky-Majer for about three months, and for the rest of his stay was covered by the Vice-Consul of the Czechoslovak Embassy, Major Bohuslav Malek-Helan. The Intelligence group was interested in your way of life, your financial situation, your friends, your family, relations, your state of health, your activities, FCI correspondents, etc. Through Rudolf Barak (Minister of the Interior), the British Section used to receive from the Politburo a deluge of various suggestions on how to thwart your activities, compromise you, and also, how to liquidate you.

One of these campaigns followed a suggestion to falsify some of the papers of the (wartime) exile Ministry of National Defense from the years 1939–1945, which are part of the archive sources of the 6th Group of the 2nd Section of the First Special Department of the Federal Directorate of Information services in Prague/Snemovni. This particular group is known as ASU—Archive and Study Institute of the Ministry of the Interior. The falsified papers were to testify that you were "settled" in London (during the war) by the Sicherheitsdienst (Nazi Security Service). For this purpose, a pathetic disagreement you had during the war with General Neumann (CO Czechoslovak Forces) was to have been exploited. The background material was to have been "enriched" by evidence of suspicions that before your departure for exile you had had contacts with the SD (Sicherheitsdienst). This falsification was to be supported by further material incorporated into "Operation Karel" (Charles).

Operation Karel was the name of an operation carried out by STB, (State Security) Major, Frantisek Jezek, who, in 1958, found in the cellars of the former National Bank the complete index of former Gestapo, SD and Abwehr (Defence Security) agents. It involved the financial documentation of those bodies which the Nazi organisations did not incorporate into the so-called Stechovice Archive (discovered in 1945) but deposited together with a great mass of unregistered and unresearched official documents of the National Bank of Czechoslovakia. There they were found by the Jezk group on a tip off from a former SD collaborator, "Danilo": Since Barak (Minister for Internal Affairs) had his own plans on how to exploit this material, and because after his fall Novotny had other worries, the campaign was abandoned.

On the suggestion of President Novotny you were to be kidnapped. A special "diplomatic courier" had arrived in London for the purpose—a technical officer of the 6th Directorate of State Security (operational technical administration of the STB), who constructed on the spot a special box in which you were to be smuggled aboard a Czechoslovak State Airlines plane. For a long time afterwards, the box stood in the cellars of the Embassy building. Then, due to pressure of the "British Section" of Intelligence, the operation was abandoned. The "British Section" of the Intelligence, together with the "residents" in London, prepared a number of suggestions on how to carry out the kidnapping, but always added at the end their expression of disapproval of the action because it could provoke undesirable reciprocal action and, consequently, endanger another operation.

Then came from Mr. Novotny the suggestion that you be murdered. In your file I found a number of proposals, but each of them ended with a clause making the whole project impracticable. One should also say that the chiefs of the department at the time, Col. Jan Paclik-Novak and Lt. Col. Taborsky-Majer, were not at all pleased with a scheme which tried to change Intelligence work for butchery. They never agreed with such suggestions and always found dozens of ways to invalidate them with some provisos and thus prevented them from being put into effect. . . .

Among the proposals on how to carry out your liquidation, was a suggestion of a plastic bomb to be attached to the chassis of your car. Another suggested poison. . . . The 6th Directorate of the STB maintained that the poison which causes a heart failure leaves no trace whatsoever.

After 1960 these activities were transferred to a new department called coyly Department for Special Operations, or, in common language, department for terrorism and sabotage. From its inception, its chief was a former NCO of the Czechoslovak Army Corps in the East, an old agent of the KGB, Ivan Ostroysky, who, in 1969, had the rank of Lt. Col. His department planned and carried out terrorist and other sabotage activities in enemy territory. In 1961, I was obliged to transfer to this section as a former Sudeten German who lived in Britain and had the cover name "David". At the time of the Berlin crisis all sections of the Intelligence had to release any agent who, by reason of location and fanaticism, was capable of carrying out sabotage operations. "David's" location and fanaticism made him capable of eliminating one British power station in case of open hostilities.

Besides these dangerous operations, you were subjected to some "jokes" by the London "residents." Some were night telephone calls. As far as I know, these were made by Jan Mrazek-Ptacek and Major Jan Koska-Klecka. The latter, a former Consul in London in the years 1962–67, was your "guardian angel" and devoted to you his untiring care. After his return to Prague, he worked in the 3rd Section of the 2nd Department of Administration B of the Chief Directorate of the Intelligence (SR). This 3rd Directorate commanded by Lt. Col. Frantisek-Merta was charged with counter-intelligence against British counter-intelligence, and worked to oppose the activities of the exile community in Great Britain. When Koska was in London, he had extensive contacts with our compatriots and some of these contacts included people who were your acquaintances. . . . Anyhow, the above mentioned agency existed in London until my departure for the west, but it exists no longer. But that does not mean that the Prague Centre has been sleeping since 1969 or that a new set of agents is not now in operation.

The present leadership of the Intelligence is also no longer in the hands of Pavlik, Taborsky or Robert Husak (they were dismissed) and some new faces have reappeared instead in the British sector, such as Major Jiri Cerny Nedbal, Arnost Hampl-Hejnal, or the recently recalled trade attache, Vladimir Hrusecky, former member of the anti-religious section of the STB (State Security) and the interrogator of Cardinal Beran. . . . One cannot expect that people who have the blood of the fifties on their hands would hesitate before adding fresh blood to it.

Mr. BUCKLEY. Mr. President, it is clear that Radio Free Europe is an effective voice of freedom in Eastern Europe and that the Communists are trying to do all they can to destroy it. It would not surprise me that within the next few weeks we begin to see new "sensational" claims made, all of which aim at discrediting Radio Free Europe and Radio Liberty. The Communist's "Big Lie" is still being used. It is my hope that its forgers no longer become part of any hearings in which the fate of Radio Free Europe is at stake.

Mr. President, I ask unanimous consent that Mr. Levin's article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From The London Times, Apr. 17, 1975]

ANOTHER SWITCH-OFF FOR THE TRUTH?

(By Bernard Levin)

A renewed campaign has been mounted against Radio Free Europe, the station (based

in Federal Germany) which broadcasts to the Soviet Empire and to which millions of that empire's colonial subjects listen at the risk of their liberties or even lives. The stations, which has long been a poisoned thorn in the flesh of the Soviet imperialists, not least because it does not waste its time on exhortation, rant or propaganda, offering instead the dissemination of news to nations deprived of it, lives a precarious existence; its funds are provided by the United States, but voted annually by Congress, and the spirit of appeasement now rife in that body has resulted in a prolonged campaign to have the funds cut off and the station consequently shut down.

I wrote here almost exactly three years ago about the attempt being made at that time to destroy RFE, an attempt led by Senator Fulbright. It failed then, and failed again a year later, when Fulbright returned to the attack; he has, of course, disappeared from Congress since then, but I learn that another assault is to be made shortly. Such pressure has been fueled in the past by massive campaigns of "disinformation" on the part of the authorities in those countries to which RFE beams its piercing ray of truth, and it can be safely assumed that the same thing is happening now. Since I think that a further word in RFE's support is in order, it will do no harm to present some details of previous campaigns of that kind, particularly since I have reason to believe that the Polish Embassy in this country is even now trying to get some of the same kind of material "planted" in the British press.

At the end of 1972 the office of the editor of the principal Polish-language daily in the United States was broken into; a letter to its editor from Jan Nowak, director of the Polish section of RFE, was stolen. Early in 1973, the letter was published in Warsaw, along with other letters, purporting to be from Nowak, too, but which were in fact forgeries. (I have the documentary proof of this, including affidavits from those directly concerned.) The juxtaposition of the genuine with the false was designed to discredit Nowak and the RFE (the forgery, for instance, suggested that Fulbright was a Communist or Communist sympathizer), and the operation was timed to coincide with an "official" visit by Nowak to the United States and with hearings in the Senate Foreign Relations Committee on RFE and its future. Fulbright, understandably, made great play with the letters, using them to attack RFE; he then, of course, believed them all to be genuine, but it is much to be regretted that, even when he was later supplied with proof of the forgery, he made no retraction.

The forgeries were typed on the headed writing paper of RFE; the same technique had been used in an earlier, similar campaign, when other forged letters were circulated, purporting to be from the head of the European staff—one to the president of the company through which RFE operates in the United States, and the other to the Turkish Foreign Ministry. (These referred to plans for moving RFE's headquarters to Turkey; no such plans existed, but the campaign served both to alarm RFE's staff, who feared that the station was about to be expelled from Germany, and to disturb United States-Turkish relations.)

A parallel campaign was launched recently in Czechoslovakia, using Erwin Marak, a spy whom the Czech intelligence services had managed to infiltrate into Federal Germany (he had presented himself as a victim of political persecution) in 1968; he got into contact with a number of genuine Czech exiles, including some who worked for RFE. Unknown to them, he taped telephone conversations with them, and doctored versions of these tapes have been heard on Prague Radio as part of the new campaign against RFE.

There have also been persistent attempts to blackmail employees of RFE, often by the use of threats against relatives they have in the Soviet Empire; one such attempt that succeeded resulted in a Polish refugee who had been employed in RFE's research department returning to Warsaw and being used as the signatory to a pamphlet which attempted to discredit RFE and even included allegations that Nowak had been a Nazi collaborator during the war. (He was a particularly courageous member of the Polish underground and was decorated for his services by both Poland and Britain.)

And now, as I say, it is due to begin again. In a sense, these campaigns against RFE are the highest tribute the organization could be paid; if it really were the crude propaganda machine that it has been called (not only by its enemies in the East but also, alas, by too many in the West), the Soviet imperialists and their colonial governors would not seek so fiercely to destroy it, nor need to. But RFE serves two vital purposes; its broadcasts get the truth across the frontiers of the subjugated nations of Eastern Europe, and they help to keep hope and faith alive among the people who take the risk of listening to them. In other words, they do exactly what the BBC broadcasts to occupied Europe during the Second World War did, and they rest on the same foundation, which is the avoidance of mere propaganda (the peoples of Soviet Europe do not need to be told how grim their lot is, nor how tyrannous are their oppressors), and the use instead of programmes displaying detailed and accurate knowledge of those things in their own countries which are concealed from them. (It was this that made the BBC broadcasts so effective; when listeners in the occupied countries heard broadcasts which they knew of their own experience to be true, they know also that they could believe the same broadcasts when they spoke of things the listeners could not know.)

It would be a serious loss to the world if the new spirit of isolationism that appears to be growing in the United States were to lead to America's abandonment of Radio Free Europe, and I hope Senator Jackson, and others in Congress who are disturbed by the new trend will stand firm against attempts to cut off RFE's funds. Above all, I hope that when, at some crucial moment, letters or other documents coincidentally appear which seem to discredit RFE or members of its staff, similar campaigns of the past will be remembered. For I say that the closure or restriction of RFE would be a serious loss to the world, and so it would. It would also, however, and much more seriously, be a catastrophic blow to the morale of the people who depend on it to keep alive within themselves the tiny sparks of hope, courage and patience which enable them to go on living in their communist darkness without succumbing to total despair. A few weeks ago, I received, by a circuitous route, a letter from Czechoslovakia in which the writer was good enough to say that my words on the subject of his martyred country served for him and his friends just such a purpose. If that is so, if that can be done by my words, in English and in a newspaper which has to be smuggled into Czechoslovakia in single copies, of how much greater effect, and of what genuine and lasting worth, must be the words that such people can hear in their own language, from Radio Free Europe. I cannot believe that the United States, on whose generosity, and belief in freedom, RFE depends, would wish the spark to be extinguished.

SEA AND AIR POWER

Mr. TAFT. Mr. President, I ask unanimous consent to have printed in the Record an article from the Christian Science Monitor entitled "Pentagon: 'Sea, Air Power More Essential Now'." This article well notes that the changing international situation makes adequate sea and airpower ever more important. I also believe that we are moving into an era of seapower, a time when the inherent flexibility of seapower will be necessary to national policy. I commend to my colleagues this article. I hope that what it indicates is true, and that the Pentagon is beginning to realize that seapower and airpower are now most important.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Christian Science Monitor, May 16, 1975]

PENTAGON: "SEA, AIR POWER MORE ESSENTIAL NOW"

(By Guy Halverson)

WASHINGTON.—The successful recovery of the *Mayaguez* underscores the value of quick-strike, carrier-based U.S sea power—and long-distance strike aircraft.

This is the view of senior Pentagon analysts, particularly at a time when the United States may soon be forced out of its present forward bases in Thailand and face troop or base pullbacks from other regions in the next few years.

Although the recovery combined both the U.S. Air Force and Navy (the Air Force flew marines from Thailand to the destroyer Holt, for example) it was the close-in presence of the Navy vessels that enabled the operation to be successfully completed.

It is also noted here that it was the large Navy presence in the South China Sea that enabled the evacuations from Cambodia and South Vietnam to be successfully carried out.

Yet, Navy officials say, the Navy's "quick-strike" potential has been severely slashed by budget-minded congresses in recent years.

The overall size of the U.S. Navy fleet now is at its lowest level since pre-World War II, despite a heavy Soviet build-up of its sea power.

By the end of fiscal 1976, the Navy will have only 13 aircraft carriers (of which one will be a training vessel) compared with the present fleet of 15 carriers. Some Navy officials say they are "hard pressed" to maintain current fleet operations.

Of the current carrier force, seven are in the Atlantic Fleet (two are in the Mediterranean, five on the U.S. East Coast), five are in the Pacific Fleet (one is at Pearl Harbor, four on the U.S. West Coast), and three are in the Western Pacific off Vietnam (expected to be reduced as the size of the carrier fleet is cut back).

The Navy has so far been frustrated by Congress in its efforts to develop a new mobile "strike cruiser" and a swift moving sea-control ship.

"When we lost South Vietnam, we frankly lost a lot of our military flexibility in the Western Pacific," says one Defense official. "That's why this whole question of sea power is so important."

"The need for extra reliance on U.S. sea power is even more important now than perhaps at any point during the past decade," says a Navy official. "By relying on carriers such as in the Persian Gulf region you don't have to depend on the national political sensitivities you have with military land bases. We're free to operate when and where we want."

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THE COMMON ENERGY FLOOR PRICE PROPOSAL

Mr. BROCK. Mr. President, the common energy floor price proposal has been given much attention of late. At first, the idea had a certain appeal. After all, we must develop alternatives to foreign oil and as long as investors fear a drastic reduction in oil prices, they will not commit the necessary funds for development of oil shale and other oil substitutes.

However, on closer examination, the floor price proposal and the rationale behind it fail to stand up to inspection. It is doubtful that, even if the OECD nations did agree upon a common price, they would continue to honor it if oil prices fell dramatically. The experience with other commodity agreements lends weight to this contention. And the technical obstacles to agreement are enormous.

Mr. President, I ask unanimous consent that a position paper by the U.S. Chamber of Commerce outlining the problems with the floor price idea, be printed in the RECORD.

There being no objection, the paper was ordered to be printed in the RECORD, as follows:

CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA, WASHINGTON, D.C., MARCH 17, 1975

SUMMARY

The Chamber of Commerce of the United States of America strongly opposes the common price floor policy which the U.S. government has espoused in the International Energy Agency (IEA). Because of that policy's far-reaching domestic implications, we are disturbed that apparently no other meaningful options have been seriously considered. We urge that the government move quickly to do just that and that any decisions of this type be made in the context of an overall national energy policy.

BACKGROUND

At its February 20th meeting the Chamber of Commerce of the United States of America's Board of Directors accepted the position on the President's Energy Program suggested to it by its Natural Resources Committee. Among other policies, the Committee stated its support for the proposal that increases in energy supply be encouraged by assuring that the President has adequate authority to ensure that domestic price certainty can be maintained—such as authority to impose quotas, tariffs, and set price floors. This was clearly understood to support contingency powers for the President in the event of a precipitous drop in oil prices. It was *not* an endorsement of the downside risk policy currently being pursued by the U.S. in the International Energy Agency. The Chamber urges the Administration to consider the domestic implications of an international "safety net" policy to safeguard investment.

Risk-taking is central to the free market system. Nonetheless, it is clearly recognized today that the very magnitude of the investment required to develop non-traditional sources of oil and gas to develop viable alternative energy sources requires reasonable certainty of an adequate rate of return. In addition, reasonable certainty about energy prices is required for planning purposes in the U.S. economy as a whole. Clearly, these were the concerns of the Natural Resources Committee when it put forward the policy quoted above.

Minimization of downside risk, reasonable price certainty, or whatever phrase one chooses to convey this idea can, however, be achieved by a variety of means. To our knowledge few of the options have been carefully examined. In addition we know of no instance in which policymakers have asked the advice of the business community about the price floor or any comparable policy, despite its far-reaching implications for the economy.

At the meeting of the International Energy Agency Governing Board during the first week of March, there was tentative agreement to provide a "financial safety net" for investments in the development of energy resources. Despite the fact that a common floor price is not mentioned by name in discussions of this safety net, the Chamber is concerned that the March 20 Governing Board meeting might result in an agreement on a common price floor, even if not by that name. The Chamber opposes such a policy at this time and in this context for several reasons:

(1) Of greatest importance, this policy sets a precedent for government interference in the market place that has long-term implications for our economic system.

(2) A price floor is not the only means to achieve price certainty and it is one of the most costly in both macro and micro terms because it restricts one of the market's major adjustment mechanisms.

(3) The achievement of this policy could well prove to be impossible because of the differing estimates of what price (or range of prices) will serve the purpose. This will waste valuable time needed to explore other options for the producer-consumer conference at the end of the summer. In addition, U.S. interests are likely to be undercut because most of our allies have fewer resources to develop than we do and thus would favor lower prices. And even if agreement is reached, there is no assurance that the price picked would be the "right" price from an investment point of view.

(4) Even if the U.S. did succeed in negotiating such an agreement, and the agreement did prove useful as a negotiating chip with the producers (even more unlikely), the policy is inflexible, taking away the freedom of maneuver of both government and industry in the long-term.

(5) The policy, as it will clearly impact on domestic energy policy, must be considered in the context of our overall energy planning, not as an unrelated question.

In fact, even if an agreement is reached to coordinate domestic policies without a specific price floor, we still have reason to be concerned:

(1) Even if agreement is reached in terms pleasing to us all, this is a disturbing example of the setting of U.S. international policy without reference to its relationship to domestic policy and without consultation of national interest groups.

(2) On the assumption that the accord reached does entail some obligations, these would tend to fall most heavily on the U.S. because this country has the most resources to develop. These obligations would also tend to deprive the U.S. of its policy flexibility by tying it into a program at a time when the market is in a state of flux.

(3) If, on the other hand, the agreement were to enlist no real obligations it would serve no useful purpose and would, no doubt be quickly exposed as a sham by the OPEC countries.

CONCLUSION

The Chamber agrees with the Administration and the Congress that the U.S. must reduce its vulnerability to cutoffs of foreign oil. In addition, we see the need for price certainty sufficient to generate the large amounts of investment necessary to achieve this end. However, there are a number of ways in which such a policy might be achieved, and in our opinion the common price floor is one of the least desirable. We urge policymakers in the executive and legislative branches to examine the broad range of options to consider and how they fit into our overall national energy planning. We stand ready to discuss how such actions would affect the business community, and emphasize the danger of making such far-reaching policy in a vacuum.

SENATOR BAYH OPPOSES AIRPORT USER CHARGES

Mr. BAYH. Mr. President, aircraft owners and pilots are again currently faced with the serious threat of a substantial increase in the cost of flying. Proposals in the Congress would levy higher taxes on those utilizing airports and airways which were established for the benefit of the public to promote the general welfare. The imposition of such user charges would increase the burdens on airlines, flying schools, manufacturers, aircraft owners and operators, all of whom are already confronted with high and still rising costs.

One argument advanced in favor of user charges is the popular misconception that general aviation does not pay its way for use of the airport system. On the contrary, general aviation pays its own way, sometimes actually paying more than scheduled airlines, even at airports used jointly by both. To illustrate this point, last year Hulman Field in my home town of Terre Haute, Ind., received 13.4 percent of its airport income from civil aviation and in excess of 68 percent of its income from general aviation. The rest of the field's income came from concessions supported by both civil and general aviation and from Government leases.

Many observers fail to appreciate some of the vital services provided by general aviation. Among these are virtually all of the use of aviation for agriculture and forestry and all industrial-aid flying. In addition, general aviation employs more than 120,000 in manufacturing, servicing, and flying. Moreover, general aviation contributes to regional development by attracting new industry and jobs to outlying areas.

To impose a heavier tax on general aviation would unduly restrict the many important and valuable operations carried on by this vital industry. No responsible person objects to reasonable fees, but massive charges which would seriously curtail operations should not be permitted.

I ask unanimous consent, Mr. President, that a few of the many letters which I have received from my State on this important question be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

RICHARD J. DIETER, D.P.M.,
South Bend, Ind., March 20, 1975.

Hon. BIRCH BAYH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BAYH: I am writing you in regards to President Ford's proposed Federal tax of a $5.00 fee for aircraft departures at airports with F.A.A. towers and $10.00 for departures at airports with radar. This would be unjust and a hardship on the thousands

of sport flyers, like myself, who are already overtaxed for airway use.

The fact is, numerically, only a very small portion of the 100,000+ aircraft, in general aviation (excluding airline and corporate owned aircraft) have the certified instrumentation and electronic equipment to legally fly I.F.R. or to penetrate at T.C.A.

I am a member of "Warbirds of America", a national organization of 700 members, who restore and maintain warplanes. These planes are very expensive to restore and maintain, and the gas consumption in some planes is as high as 150 gallons an hour. We display these historical planes at our own expense for the public to see.

I have a personal property tax to pay, a federal aircraft user tax, federal gas tax, and yet I cannot fly into the Chicago area, because my plane does not have the sophisticated electronics that the F.A.A. requires.

If such a bill is passed, I, plus the majority of the sport flyers in this area, will have to move our planes to a non-controlled airport. This would greatly effect the fixed base operator who depends on general aviation for their livelihood.

For the sake of the weekend sport flyer, I do hope you investigate all the facts before you vote on this proposal, and help us keep what freedom and pleasures the average taxpayer can still afford.

Sincerely yours,

R. J. DIETER, D.P.M.

AA OFFICE FURNITURE,
Indianapolis, Ind., April 30, 1975.

Senator BIRCH BAYH,
State Office Building,
Washington, D.C.

DEAR SENATOR BAYH: As you probably know the FAA and allied "friends" are trying to get a large tax on private flying.

Senator—I don't mind paying my fair share, but please don't let them kill private flying.

Thank you,

MARSHALL E. LENTZ.

PURDUE UNIVERSITY,
West Lafayette, Ind., April 19, 1975.

Senator BIRCH BAYH,
Senate Office Building,
Washington, D.C.

DEAR SENATOR BAYH: I am writing to you not merely as a constituent but more specifically as a serious private pilot who uses his airplane regularly for professional (though non-commercial) purposes: attending conferences, giving lectures, and the like. My airplane is of great importance to me, therefore, despite its very considerable expense. I am instrument rated and take care to keep myself and my plane current. I just finished overhauling the engine for several thousand dollars and have this year updated my electronics at a cost of several thousands more. This is a burden on a private person of modest means, as you can imagine, but so far I have been able (marginally) to justify it to myself and to my family.

What concerns me very much now, however, is the punitive tax proposals put forward by the DOT/FAA in the name of user charges. If adopted by Congress they will, beyond doubt, force me out of flying. This in my situation would be a personal blow of major magnitude.

Please do not misunderstand my position. I do not object to paying a share of the cost of the airways system in fair proportion to my needs and use. But the vast bulk of the expenses of this system is not designed to benefit me or those like me. I particularly resent the proposal of administrative charges: for example, departure charges at airports with control towers or charges for filing flight plans. These would constitute not only a highly regressive tax on the private person least able to bear the expense but a very poor principle of government. Such services are for the common good, like traffic lights and patrolmen, and should be paid for in an analogous manner.

I realize, second, that petroleum must be conserved, and that increased taxes may be one way of discouraging wasteful or frivolous use of scarce resources. But if this happens, I appeal to you to see to it that forced sacrifices are spread equitably. My single-engine airplane is slightly more economical per mile than my automobile (15 miles per gallon) and is much less polluting. Further, my type of airplane takes much less fuel—even calculated per passenger mile—than the big jets. Representative Ken Hechler (W. Va.) estimates that my sort of plane comprises 97% of the civil aircraft fleet, that my sort of flying logs 79% of the hours and 71% of the miles in civil aviation, but that those like me consume less than 10% of the civil aviation fuel used. If this is anywhere near accurate, wise public policy would encourage our economy rather than threaten to tax us out of existence, as seems the inevitable result of the new DOT/FAA proposals.

Your committee responsibilities put you into a key position to stand for fairness in these matters by opposing the inequitable burdening of general aviation. The public interest will be served, excessive spending on unwanted FAA services and gadgets (as well as the mushrooming FAA bureaucracy) will be curtailed, and I shall be relieved of a deep worry about being crushed out of aviation by an absent-minded though generally well-meaning federal government.

I should appreciate learning your thoughts on these matters of vital interest to me and many others like me.

Sincerely yours,

FREDERICK FERRÉ.

SENATOR HUGH SCOTT ADDRESSES CONFERENCE OF AMERICAN FRIENDS OF LUBAVITCH

Mr. SCHWEIKER. Mr. President, my good friend and senior colleague from Pennsylvania (Mr. SCOTT) was given a testimonial dinner on Sunday, May 18, by the American Friends of Lubavitch in Philadelphia. He was cited for his work on behalf of certain educational facilities in Israel which now bear his name and that of his lovely wife, Marian. Senator SCOTT was also singled out for his untiring efforts in support of Israel and of matters important to the Jewish community.

Mr. President, I ask unanimous consent that Senator SCOTT's remarks at his testimonial dinner be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY U.S. SENATOR HUGH SCOTT, NATIONAL CONFERENCE DINNER IN HIS HONOR, AMERICAN FRIENDS OF LUBAVITCH, PHILADELPHIA, PA., MAY 18, 1975

Good friends, I am delighted to be with you tonight. Indeed, Mrs. Scott and I are deeply honored that you have established a library in our name in the proud and vigorous state of Israel. We shall cherish this evening, and we shall always find much happiness in the fact that so many young people will have the opportunity to study in a hall of learning bearing our names.

I understand that this library, on the campus of Girls Town near Tel Aviv, will serve more than 1,200 young women when it is complete. The Girls Town project, which focuses upon serving new immigrants, is a tribute to your devotion over nearly two centuries, to your courage during so many periods of turmoil, and to your abiding commitment of purpose in serving others. Your efforts began with a reaching out of hands from the village of Lubavitch in Russia 180 years ago in a fellowship of religious belief, culture and education—a reaching out of hands which now extends to members of the Jewish faith throughout the world.

Your mission is one of bringing a new dimension of Jewish life to practitioners of your beliefs by encouraging adherence to the moral, ethical and religious teachings of the Torah as the focus of daily Jewish life. Your mission is one which has brought you the admiration of hundreds of thousands of Jews because of your devotion to good works—and of millions of others such as myself who most sincerely pay tribute to your efforts.

As I accept this honor tonight with much gratitude, I wish to assure each of you that even as your faith is unswerving in its sincerity and tolerance and tenacity, so is my faith unswerving in support of the security of the nation of Israel and of her compassionate efforts to resettle emigrating Jews.

Each of you can be assured the United States will never abandon the nation of Israel or her people. Our commitment to you is a bond of friend to friend, of good friend to good friend, of a willingness to keep all pledges—to keep them with strength whenever needed—in order to secure the future of Israel.

The people of Israel seek peace, as the American people seek peace. Neither of us is so naive as to believe that peace is easily secured in this time of uncertainty in so many parts of the world. But I assure you that our country will never desert yours in that search for freedom and security.

Senator Humphrey and I recently returned from heading a Senate delegation to the NATO countries and Spain—a trip which produced some sobering thoughts on the state of the world. There is indeed worry abroad regarding the commitment of the United States to maintain vital alliances—and that worry intensified because of the dreadful concluding chapters of the Indochina war.

At the same time, as I reported to the President after returning home, there is among those European nations we visited a recognition that Saigon is not Brussels. Nevertheless, there is a great need for reassurance that whatever has happened in Indochina will not be a prelude to any breakdown of our alliances in Europe.

Our alliances in Europe are strong, but we must look deeply into our obligations abroad in order to make them stronger. We must make them stronger because if we do not, we are unable to help Israel. Clearly, we must spare no efforts in assuring the nations of the world that the stability of the Middle East depends on our European alliances, and that the reverse could also come to be true.

Resumption of the step-by-step negotiation process between Israel and the Arab nations should be undertaken in the spirit of finding the solution to the myriad problems dividing that part of the world. In such negotiations, and they are vital, Israel can count on the support of the United States.

In every step of the negotiations, the people of the United States of America will walk with the people of Israel. If I may quote from Amos, Chapter III, Verse 3: "Can two walk together, except they be agreed?"

The Friends of Lubavitch, in your devotion to helping immigrants, and especially the young people, both spiritually and culturally, can be assured that the people of the United States share your hope for safe passage of each of these as they come to your shores seeking a new life. We have done,

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and we will continue to do, everything possible to encourage the Soviet Union to permit emigration to Israel of the many thousands who wish to come to the home of promise. We share your deep conviction that there must not continue to be political fortresses built against the longing of the soul.

In public and in private, I have been working to secure the freedom of many Soviet Jews. I am supporting continued U.S. financial assistance to those refugees who wish to resettle in Israel, and nearly 100,000 have chosen to do so since 1970. The Jewish community has recently demonstrated its concern for those Indochinese refugees seeking new life in the United States, in much the same way that it has helped to absorb nearly 50,000 Soviet emigrants since the end of World War II.

Next month in Washington, President Ford and Prime Minister Rabin will talk in detail of the needs of Israel. Out of this meeting I hope will come:

A pledge of continued arms support to Israel by the United States.

Support to resist efforts of the PLO and its terrorist allies to destroy legitimate peace efforts.

A promise of continued economic assistance.

An understanding that "reassessment" of U.S. foreign policy in no way means that our historical commitments to Israel will be abandoned.

Recognition that any peace settlement must protect Israel's territorial integrity.

I am deeply grateful that you have chosen me, and my beloved wife Marian, for so special an honor.

I would wish this library to be visited in the search for that wisdom which teaches the ways that lead to peace, so that the people of Israel will ever have that counsel among her young and old which finds the pathways of righteousness. And I would wish this library to be the meeting-place for Americans and Israelis alike, for we share a bond that may be threatened from without, but which is ever secure and unbreakable from within. It is that special bond between us, the deep bond of friendship.

In closing, I would like to say this:

Israel must be strong. And it will be.

Israel must be secure. And it will be.

But above all else, Israel must be free. And it will be.

THE MORNING AFTER

Mr. NELSON. Mr. President, Anthony Lewis has written a very thoughtful column in today's New York Times on the subject of the recent *Mayaguez* affair. I ask unanimous consent that Mr. Lewis' piece be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE MORNING AFTER

(By Anthony Lewis)

CHICAGO.—The rule laid down by the United States in the Mayaguez affair must go something like this:

When a foreign country seizes an American ship, claiming a violation of its waters, the U.S. will unilaterally judge that legal claim. If we reject it, we shall demand the ship's release, allow a day or two for its return and then launch a military attack. As one distinguished voice put it in commenting on the Mayaguez: "Once established diplomatic procedures had failed to achieve prompt recovery . . . President Ford had no alternative but to employ direct military means."

Exactly: No alternative but immediate force. So the next time Ecuador seizes an American tuna boat for fishing within a claimed 200-mile limit that we do not recognize, Washington will give Ecuador a day or two and then bomb. And the next time we seize a Russian vessel for fishing within our claimed limit, all who cheered the Mayaguez action will understand and sympathize when the Soviets serve an ultimatum on us.

Wise decisions by governments, as by judges, require dealing with particular facts in terms of larger principle. That is, the case at hand must be decided with an eye for the consequences in cases as yet unimagined.

By that standard the American action against Cambodia last week was folly. It reflected no general principle of law, diplomacy or morals that we would really be prepared to follow in other cases. For all the bluster and righteous talk of principle, it is impossible to imagine the United States behaving that way toward anyone other than a weak, ruined country of little yellow people who have frustrated us.

Respect for facts goes along with respect for principle in wise decisions. Do we know the facts of the Mayaguez affair? Does what we know give us confidence in the wisdom and humanity of our government's actions? Consider just three questions.

1. Was there any ground for Cambodian suspicion of the Mayaguez?

A Cambodian communique said that American observation planes had flown over the country daily since the Khmer Rouge victory last month. It said that small boats carrying Thai and Cambodian agents with radio equipment and bombs had been caught in Cambodian waters. It said the Mayaguez had entered those waters and was stopped for questioning.

The United States has made reconnaissance flights and tried to land spies elsewhere in the past. When the Pentagon Papers were published in 1971, we learned that before the Tonkin Gulf incident of 1964 there had been provocative raids against North Vietnam. Are we sure the Cambodians had no reason to be edgy when they saw the Mayaguez? Are we sure the ship was in international waters?

2. How much time was allowed for diplomacy?

At 5:03 A.M. May 12 Eastern daylight time, Washington heard about the seizure of the Mayaguez. At 2:00 P.M. that day the White House announced the news and began diplomatic efforts for release of the ship.

The Cambodian communique said U.S. planes began strafing and bombing around the ship and islands about five hours after the White House announcement. The delayed United States report put the first air attack on Cambodian gunboats at 1:00 A.M. May 14, or 35 hours after diplomatic moves began. When were the first attacks? In any event we allowed less than a day and a half for a response from the untried and isolated government of a shattered country.

3. What was the purpose of U.S. military action?

The official reason was to save American lives and property. But the timing suggests there was more to it than that.

At 8:15 P.M. May 14 Washington learned of a Cambodian broadcast offering to return the Mayaguez. At 9:15 the White House demanded the crew be released and promised to cease military action if it was. At 10:53 the United States destroyer Wilson, communicating from the scene, said a small boat was approaching with at least thirty white men aboard. At 10:57, nevertheless, United States planes bombed a Cambodian airport miles away. At 11:14 President Ford was told that all the crew was safe. At 11:50 United States planes bombed an unused oil refinery.

That record speaks volumes. The last attacks, at least, could only have been punitive in purpose. They were designed to punish a "little half-assed nation," in Senator Barry Goldwater's elegant phrase.

Bombing an unused refinery after the ship and crew were recovered: That's really big brave stuff. It was indeed Barry Goldwater's vision of America that prevailed last week: a bully among nations, acting without consultation, without concern for facts or principle.

LEONARD WOODCOCK'S FREE LUNCH—NATIONAL HEALTH INSURANCE

Mr. BROCK. Mr. President, economist Milton Friedman has brought to light a very interesting phenomenon regarding the debate over national health insurance. He points out that as we discuss this issue, and certainly it applies to others, the rhetoric must reflect reality. Mr. President, I ask unanimous consent that Mr. Friedman's article, "Leonard Woodcock's Free Lunch," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LEONARD WOODCOCK'S FREE LUNCH

(By Milton Friedman)

In a statement on national health insurance, Leonard Woodcock, president of the United Auto Workers, is reported to have said that "if the bill is enacted no American ever again would have to pay a doctor's bill or a hospital bill."

Who does Mr. Woodcock think would pay the bill? The Arab sheiks? He surely knows better. He knows that laundering the money we pay through Washington is simply a different—and more expensive—way to pay our hospital or doctors' bills than paying them directly.

A minor puzzle is how an intelligent man like Mr. Woodcock can talk such nonsense. It is truly a remarkable tribute to our ability to become prisoners of our own rhetoric.

The major puzzle is how an intelligent man like Mr. Woodcock can support a measure that is against the interests of U.S. citizens in general, of members of his own union, and even of the officials of that union.

WHY ALL WOULD LOSE

Consider union members first. The UAW is a strong union and its members are among the highest-paid industrial workers. If they wish to receive part of their pay in the form of medical care, they can afford, and hence can get, a larger amount than the average citizen. But in a governmental program, they are simply average citizens. In addition, a union or company plan would be far more responsive to their demands and needs than a universal national plan, so that they would get more per dollar spent.

As to union officials, if they established a union plan, or negotiated a company plan, they would get the credit. They might also get credit for the enactment of a national plan, but, once enacted, they would have nothing special to do with it, and they would have to look for other ways to justify their well-paid existence.

For the nation, national health insurance would be an expensive disaster that would reduce the quality of medical care and would hurt especially the poor. This proposal is supported by our own experience and by the experience of other countries.

In 1960, before medicare and Medicaid, total spending in the U.S. on health care amounted to 5 per cent of the gross national product. Today, it amounts to 8 per cent. Spending by government accounted for 25 per cent of the 5 per cent, but for 40 per

cent of the 8 per cent, so we are already nearly halfway to totally socialized medicine. To judge from the continuing complaints, the quality of medical care has shown no comparable rise. Higher government spending has mostly gone to raise the incomes of physicians and other health-care personnel, pay for the duplication of expensive equipment and support other forms of waste. Indeed, much pressure for national health insurance reflects the perceived failure of medicare and Medicaid and the mistaken belief that this failure can be remedied by buying these programs in a still larger program.

When medicine appears to the user to be a "free" good, there is no limit to the amount demanded. Yet there is a limit to the amount available. Inevitably, people who are well connected, hypochrondriacs with time on their hands, and the simply persistent get an undue share. Inevitably, a physician, however conscientious, who is harried by patients with no incentive to restrain their demands, is forced to dilute the quality of medical care. Inevitably, governmental guidelines replace his judgment in deciding who gets medical care and who goes to the end of the queue.

A CAUTIONARY TALE

Britain's experience with its National Health Service is a premonition of what would happen here. British physicians have clearly been unhappy with the system; since 1966, the number emigrating each year has equaled a third of the annual output of Britain's medical schools. But patients too have been unhappy: 2 million British citizents are not only paying compulsory medical levies, but also subscribe to private medical insurance, and the number is growing rapidly. Government hospitals are old, overcrowded and understaffed—more than two-thirds of the hospitals now in use were built in the nineteenth century! The delay for a tonsillectomy averages 22 weeks and much longer delays are common for serious but postponable operations. As a result, private hospitals or their equivalent have been burgeoning.

This is the kind of system that well-meaning people like Mr. Woodcock are leading us to. Is there no way we can induce them to check their rhetoric against reality?

OCEANIC RESOURCES

Mr. HOLLINGS. Mr. President, in these uncertain times of future natural resources, the Nation is beginning to look toward the oceans to supply us with our energy and material needs. We as a nation are just now taking the initiative to examine these oceanic resources and studying the environmental, social, and economic impact which could result.

As chairman of the Commerce Subcommittee on Oceans and Atmosphere, I have been deeply involved in the activities of the National Oceanic and Atmospheric Administration. This year a new season of ocean investigations has been launched by a fleet of 25 NOAA ships. This fleet primarily supports the activities of the National Ocean Survey, the National Marine Fisheries Service, and the Environmental Research Laboratories and will be engaged in such studies as analyzing the Atlantic seabed, charting coastal waters, and examining the environmental effects of oil exploration and development in Alaskan waters.

I take pleasure in calling to the attention of my colleagues an announcement of May 2 by NOAA concerning these vessels and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the announcement was ordered to be printed in the RECORD, as follows:

NOAA FLEET LAUNCHES NEW SEASON OF OCEAN INVESTIGATIONS

A fleet of 25 NOAA ships has launched a new season of ocean investigations ranging from a study of the environmental effects of oil exploration and development in Alaskan waters to searching for shrimp off the Brazilian coast.

In between, these versatile vessels will also engage in such activities as searching for sunken wrecks, studying the spawning of herring, assessing the environmental effects of deep sea mining of manganese nodules, charting coastal waters and analyzing the Atlantic seabed.

They comprise the fleet of the National Oceanic and Atmospheric Administration, a Commerce Department agency whose programs are aimed at improving man's comprehension and uses of the physical environment and oceanic life. The NOAA fleet is operated by NOAA's National Ocean Survey, and is manned by 1139 officers, scientists, technicians and crew. Its ships range in size from a 73-foot, 125-ton fisheries research vessel to a 303-foot, 3959-ton deep sea oceanographic floating laboratory.

The ships' activities will take them through America's coastal waters and estuaries from Maine to Alaska, across the Atlantic and through the Pacific, and along the northeast coasts of Latin America.

Some of the work will be glamorous; much of it will be routine, but essential. Scientists will probe the massive mountain ranges, canyons and fractures in the earth at the bottom of the sea and seek additional evidence of the movement of continents and sea floor spreading. Others will conduct investigations necessary for managing fisheries resources in accordance with numerous international fisheries agreements. And while this is going on, millions of soundings will be taken of the waters which lap the shores of the U.S., its tidal fluctuations and circulatory pattern will be studied and the physical properties of the water analyzed, part of a never-ending process of gathering the data for scientific research and for the nautical charts on which the safety of America's seagoing commerce depends.

The NOAA Fleet supports primarily the activities of three NOAA agencies—the National Ocean Survey, the National Marine Fisheries Service and the Environmental Research Laboratories. The vessels are based principally at Norfolk, Va., Miami, Fla., and Seattle, Wash. Smaller vessels in support of NOAA's vast marine programs are located at various ports where fisheries laboratories and research centers are maintained. Included is the Great Lakes Center at Monroe, Mich., which conducts limnology research and nautical charting surveys of the Great Lakes.

Five of NOAA's ships are carrying out environmental impact studies in potentially oil-rich waters of the Gulf of Alaska and the Bering and Beaufort seas. The Discoverer, Surveyor, Miller Freeman, Townsend Cromwell and Rainier are making in-depth studies of the environmental impact of the exploration and development of oil and gas resources in these sub-Arctic and Arctic waters.

Eight ships will conduct the nautical charting surveys essential to safe navigation. They will gather data in America's coastal waters, estuaries, bays and lakes for the two million charts the National Ocean Survey issues each year. These are the Fairweather, Rainier, Mt Mitchell, Whiting, Peirce, McArthur, Davidson and Ferrel and several smaller vessels. Their work will take them to the waters of New Jersey and New York, the Florida Keys, Puerto Rico, the Virgin Islands, Gulf of Mexico, Puget Sound, the West Coast and Alaska, and the Great Lakes.

Essential also to safe navigation are the wire drag surveys for underwater hazards, including wrecks, conducted by the Rude and Heck along the southeast coast and in the Gulf of Mexico and the current circulation surveys carried out by the Ferrel in Chesapeake Bay, Oregon Inlet, N.C., and the Great Bay-Portsmouth Harbor Estuary in New Hampshire. These three vessels are unique, the only ones of their kind in the country, built specifically for their specialized work.

Some of the studies engaged in by the NOAA Fleet will seek to extend man's understanding of the ocean and the atmosphere, to evaluate the living marine resources of waters off the United States and South America and in the eastern and mid-Pacific; and to assess the environmental impact of activities in submerged coastal areas, such as man-made pollution in the New York Bight; the 11,500-square-mile area of coastal and outer continental waters extending from Montauk Point, Long Island, N.Y., to Cape May, N.J. And far off the southern California coast, the deep sea research vessel Oceanographer will seek to determine the effects of deep sea mining for manganese nodules on the sea environment. Some studies will involve other U.S. agencies, educational institutions and foreign countries.

Of interest to scientists is the work being done by the Researcher, a deep sea vessel which will examine the geophysical and geological environment along a trans-Atlantic corridor extending from the U.S. to Africa. The geophysical investigation continues into its fifth field season a study of a large section of the earth's crust along an entire ocean basin in a corridor stretching from Cape Hatteras, N.C., to Africa's Cape Blanc, the apparent path of separation of North America and Africa as the continents have drifted apart over the past 200 million years. Researcher will also conduct circulation and chemical transport studies in Gulf of Mexico waters and participate in a continuing international study of mesoscale currents in the Sargasso Sea.

While these activities are underway, NOAA vessels will be engaged in important fisheries surveys along the U.S. east coast, off Brazil and the Guianas, in the Caribbean, Gulf of Mexico, Baja, California, the U.S. west coast and Alaska and throughout the Pacific.

Nine fisheries research vessels will be engaged in these activities, the Oregon and Oregon II, David Star Jordan, John N. Cobb, George M. Bowers, Murre II, Townsend Cromwell, Albatross IV and Delaware II.

They will make comprehensive surveys of fish migrations and growth; seek out the spawning grounds of herring and other fish; investigate the supply of shrimp, lobsters, clams and other shellfish; and study the activities of ocean mammals. When the season ends, much more will be known about the marine life of skipjack tunas, deep water shrimp, hake, pollack, crabs, haddock, cod, flounder, striped bass and weakfish, to name a few of the benthic, pelagic and anadromous species which will be investigated.

The research will aid the American fishing industry and assist the United States in negotiating with foreign nations.

SENATOR HUGH SCOTT HONORED

Mr. JAVITS. Mr. President, on Sunday evening, May 18, the distinguished Republican leader (Mr. HUGH SCOTT) was honored by the Friends of Lubavitch in Philadelphia for his long-standing and favorable association with the State of Israel. President Ford was there to join

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in paying tribute to Senator SCOTT. I want to add my congratulations as well. HUGH SCOTT is a true friend of Israel and a strong supporter of issues important to the Jewish people everywhere in the United States.

Mr. President, I ask unanimous consent that a congratulatory letter to Senator SCOTT from Israeli Ambassador Simcha Dinitz be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EMBASSY OF ISRAEL,
Washington, D.C., May 15, 1975.

Hon. HUGH SCOTT,
Republican Leader, U.S. Senate, Washington, D.C.

DEAR SENATOR SCOTT: May I take this occasion to join with your many good friends in congratulating you on being honored as a friend of the Jewish people and of Israel. You have been such a friend throughout your distinguished public career and have demonstrated your friendship by word and by deed.

In all of Israel's historic endeavors—the maintenance of its security, the absorption of hundreds of thousands of immigrants, the rebuilding of its land—you have lent it your unwavering support.

I know that in this critical period, when we are engaged in the search for peace with our Arab neighbors, we may continue to count on your understanding and help.

Please accept my very best wishes,

Sincerely,

SIMCHA DINITZ,
Ambassador.

COLLEGE OF NEW ROCHELLE: WESTCHESTER'S OLDEST COLLEGE

Mr. BUCKLEY. Mr. President, New York State is justly proud of its many institutions of higher learning, ranging from the enormous State university system to many small private colleges. One of the most successful examples of the latter is the College of New Rochelle, which for over 70 years has been providing young women with an excellent education. I want to emphasize the "young women" aspect of this excellent college; unlike many similar institutions in recent years, the College of New Rochelle has not gone coed, but has remained dedicated to the visions of its original founders, the nuns of the Ursuline Community.

I need not remind you, Mr. President, that I have long supported the private institutions that make our Nation so strong. The College of New Rochelle is certainly among the foremost of such institutions in the State of New York, and I welcome this opportunity to place in the RECORD a tribute paid to that school last May in the New Rochelle Standard Star.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SEVENTY YEARS YOUNG AND STILL GROWING

(By Richard Tracy)

A college, like a person, can frequently be typed according to characteristic traits of style and content: large or small, rich or poor, loud and brassy or reserved and contemplative, and so on.

The College of New Rochelle, until only a few years ago, might have easily been described as a small, liberal arts institution for daughters of the Catholic middle class—more reserved than loud, and often poor.

Conceived as a convent and normal school for the training of nuns, the institution located in the old Leland castle matured into a type of finishing school and then into a fullfledged woman's college, flourishing quietly in a quiet corner of the City of New Rochelle.

Today, as CNR prepares to welcome many alumnae back this weekend, it has become obvious to interested observers that the school is well along into its most dramatic metamorphasis since the change from convent school to college in 1904.

During the past three years total student population has almost doubled—growth which has been accomplished due to the creation and expansion of adult-oriented programs in the graduate school and in the division of new resources.

The curriculum has become more flexible and varied, tearing apart traditional molds which had their roots in Medieval Europe, while the students and faculty have won a measure of autonomy and independence unknown to their predecessors.

The causes of these changes are many and complex ranging from the interaction—and sometimes collision—of economic necessities and human ambition to shifting patterns in educational theories.

Beyond the immediate cause, however, and floating within the currents of change, is found the living personality of the College of New Rochelle as it exists today.

And that personality wears, like a bride, something old, something new.

It's face exists as much in the tableaux of nuns wearing dresses at morning mass as in the decision of an honor student to immerse herself with images of the ancient god, Dionysius.

It's character may be measured as well by the American gothic lines of a 19th century imitation castles as by the utilitarian design of a brand new science building.

It is there in the graduate school, which "services the needs of the Westchester school teacher," and in the School of New Resources, a "non-traditional mode of education designed specifically for adults," and in campus branches in the Bronx and Manhattan as well as in faculty members like Sister Elizabeth Pecher, a Milton scholar, or Dr. Joan Carson, a specialist in Medieval studies.

And, perhaps most of all, the old-new, changing-unchanging character of New Rochelle's oldest college exists in the school's recent decision not to admit men undergraduates—a decision made at a time when the in thing to do would have been to become a coeducational college.

But the college which bears the name of our community has always followed the best of its own drummer.

And in 1979, when the school will celebrate its 75th anniversary, the beat undoubtedly will still go on.

Today the staff of The Standard-Star in cooperation with the College of New Rochelle, offers our readers a newspaper's look at one of the city's oldest institutions.

VITAL FACULTY AT A VITAL SCHOOL

(By Elaine Bissell)

"It's a place of enormous vitality," the young Provost of the College of New Rochelle said. "It has demonstrated a tremendous growth in the past five years, and yet that growth has not changed the character of the place."

Dr. C. J. Denne, who was academic dean at CNR until last summer when the college created three separate schools, explained that while every other woman's college in Westchester, with the exception of Briarcliff Junior College, has gone coed, the College of New Rochelle has not.

"We have remained a woman's college of the School of Arts and Sciences, where the others have not, and I understand that most of them now regret having done so."

The great changes at CNR during the past decade have been, first, its growth, with a student enrollment now of more than 3,000; secondly a drop from about 50 per cent 12 years ago to about 25 per cent today of the number of Ursuline nuns on the faculty of the School of Arts and Sciences, and third, the success of both the graduate program and the School of New Resources which was opened in 1972.

"As provost," Dr. Denne said, "I am in charge of all academic programs. There are three deans, one for each of the three schools.

"The School of Arts and Sciences, that is the heart of the college, the traditional base of the institution, the woman's college.

"Then there is the Graduate School, which services the needs of the Westchester school teacher, with a concentration in reading and special education. We have about 1,000 students there, most of them part-time.

And there is the Adult Education division, the School of New Resources, in which there is an enrollment of about 1,000."

This is the comparatively new degree program designed for adults and which leads to the bachelor degree in liberal arts. Through inter-disciplinary core seminars, life-experience workshops and life experience portfolios, New Resources offers a flexible and individualized environment for men and women to continue their education year around.

Serving this large enrollment is a faculty of about 200, most of whom are part-time.

"The institution is much more complex than most people understand it to be," Dr. Denne said. "My position enables me to see that complexity. It is a multi-purpose college.

"We have more than 70 faculty members who are full-time, and another 150 who are part-time. This is the adjunct faculty, and they are all in the School of New Resources.

"Now the changes are a direct result of the growth in the past five years, when we instituted our first specialized master's program.

"The first was a master's in art education, five years ago. We have an excellent art department, incidentally. Then we developed a master's in education, and about three years ago we began the development of a set of master's programs in special education.

"Then two years ago we developed the School of New Resources, and as a result we have almost tripled the population. And that is the area where the growth is, in the School of New Resources.

"And the unique thing about it is the way the curriculum was developed. Most colleges begin with a faculty and a set of courses. But this division starts from the student body, with the students articulating what they want to learn.

"As an example, let us say, a student decides he wants to study the philosophy of Henry James. If he can get 15 other students to join in, then he can get a staff member to teach it.

"It is a non-traditional mode of education designed specifically for adults. Most colleges create a carbon copy of the day school. However, we feel we have to respond very differently to his or her set of needs, to his maturity.

"The average age in his division is about 35, but the age scale ranges from about 23 to 80."

Dr. Denne said that about 500 of the 1,000 enrollment in the School of New Resources is on the New Rochelle campus, whereas two

other campuses are located at Co-op City, limited to 100, and District Council 37 in New York City, headquarters of the Municipal Workers, where the enrollment is limited to 400.

He explained that 12 years ago 50 per cent of the faculty in the School of Arts and Sciences were members of the Ursuline Religious Order, but now that figure stands at about 25 per cent.

"The nuns are not treated any differently from any other faculty member. They are paid exactly the same, though of course the salary goes to the Ursuline Community.

"But their salaries are determined by their tenure, the same as the others."

Dr. Denne received his Ph. D. from the University of Pittsburgh and his undergraduate degree from the University of West Virginia, his native state. He lives in Manhattan with his wife, who teaches at Baruch College.

SISTER DOROTHY: NUN FOR ALL SEASONS

(By Eric Wolferman)

Sister Dorothy Ann Kelly frankly does not look like a college president.

But what the petite girlish looking nun lacks in size, she makes up three-fold in determination, faith in herself and others, and an almost supernatural omnipresence which enables her to fulfill a punishing daily appointment calendar.

At 44, Sister Dorothy is the president of the College of New Rochelle. Small and animated, she moves quickly and her softspokenness and almost sheepish smile are astonishingly deceiving.

"I had lived in transition all my life," she says, looking like anything but the traditional nun. Wearing a gray, knee-length wool suit, Sister Dorothy, along with many of the nuns at CNR, has given up wearing a habit nearly seven years ago.

An impressive list of academic credentials, and what appear to be invisible pillars of inner strength, made Sister Dorothy the logical choice for acting president of the college in 1970, and for a full 4-year term as president in August, 1972.

By her own admission, she is faced with the overbearing problems of keeping an all-girl, Catholic college above water, at a time when finances for higher education are most difficult to come by.

When the college was faced with the possibility of becoming co-educational a while back, Sister Dorothy's was one of the few voices of caution.

Under an increasing financial squeeze, the number of women's colleges in the country decreased by nearly half in the past 4 years, with the schools finding it more and more financially unsound to eliminate half the population for prospective enrollment.

Although the majority of CNR students, faculty, and alumni favored going co-ed, Sister Dorothy warned caution.

She questioned the cost of attracting new male students. She questioned the potential loss of uniqueness, that she felt was an integral part of survival for colleges in this area.

The vote of a committee established to study the question of going co-ed was ultimately against admitting men to the undergraduate school.

But, Sister Dorothy explains, the college established the New Resources Program, an adult education program geared to the adult who does not have the time available to attend an undergraduate program. The New Resources program is co-educational and is now completing its second year of existence.

Sister Dorothy is not a hard-core feminist, but believes strongly that education has been lacking for women.

Contending she is "sympathetic to a middle ground" in the women's movement, in her inaugural address in 1972, Sister Dorothy asserted: "Education has failed many women and many women have failed their education. They have not made productive use of their talents and training."

But in the present decade, she says, "there is an awakening consciousness about careers and needs among women."

She believes the College of New Rochelle can provide "special attention" to young women experiencing that awakening consciousness.

"Most young women are better than they think they are," she says, "and should be able to survive in competitive situations. "This she says can be accomplished through the acquisition of greater skills.

"The pervasive cultural context in the United States today blunts young women's motivation and ambition," she continues. "It perpetuates the image of female inferiority, which in turn needs male ego.

"Because of the negative impact of our cultural heritage, there has to be active encouragement and help given to women," she says, 'especially to those who desire and are able to combine marriage, motherhood and a career."

After graduating from St. Simon Stock High School in the Bronx, where she was born and raised, Sister Dorothy entered the College of New Rochelle as a day student with the idea of becoming a secondary teacher.

Impressed with the Ursuline nuns who taught at the college, however, she entered the Ursuline Order in 1952 in Beacon, N.Y.

After two and a half years in the novitiate, she began studying for a Master's degree in early church history at Fordham University and completed her Masters at Catholic University in Washington, D.C. in 1957.

From 1957 to 1963, she taught in CNR and began studies leading to a doctorate at the University of Notre Dame, which she received in 1970.

From 1967 to 1972, she served as Academic Dean at the college also serving as acting president from 1970 to 1971. In July, 1972, Sister Dorothy was named interim president to fill the unexpired term of Dr. Joseph MacMurray who resigned. Last December she was appointed by the trustees to a full four-year term as president beginning July 1 of this year.

Having come a long way from the semicloistered life of the Ursuline Order, Sister Dorothy believes the school's Roman Catholic roots and presence of religion should remain, but feels that the Church should not control the administration.

"The nuns and lay faculty must be interested and concerned about good liturgical experiences," she says, "but we must provide it, not force it on students.

"And above all," she adds, "we must continually question our values."

"I feel I have been asked to serve," she explains, "and I am serving through this college.

"There is much work to be done in higher education, particularly in women's schools. Women must be given a value structure; something to give them integrity and meaning to life beyond just a career."

Sister Dorothy said in her inaugural address: "The biggest task, the one I wish to emphasize, is the education of the human heart. For the real enemy lies within."

Sidney Mudd, former chairman of the board of trustees of CNR and chairman of New York Seven-Up Company, praised Sister Dorothy as "a broadly perceptive observer and a clear analytical thinker."

"In my 36 years of exposure to the American business scene," Mudd said, "I have met few executives the equal of Sister Dorothy Ann Kelly.

"She knows how to make the hard decision and she has the courage to make it," he added. "Her potential for good in the city of New Rochelle is a prime asset which I hope will be often employed for the good of all."

NEW CURRICULUM STRESSES CAREERS IN MAJOR CHANGE

(By Elaine Bissell)

"I think one of the most dramatic changes in our curriculum at the College of New Rochelle is that we now have far more career-oriented programs."

The tall, slim and attractive young woman looks more like one of her students than the dean of the School of Arts and Sciences at the college.

Dr. Katherine Henderson, who came to CNR as an assistant professor in the English Department seven years ago and is serving her first year as dean, outlined the new courses that are attracting the young students in droves.

"Social work, which leads to certification, includes field experience, which is done at agencies in Westchester County, and which is an important part of the program. They work at the Guidance Center of New Rochelle, the New Rochelle Dept. of Social Services in the School System, and the Westchester County Dept. of Probation.

"This program is most innovative, and one of the few in the area. Therapeutic Education is another, a combined program of the School of Arts and Sciences and the Graduate School. It's a five-year program leading to a master's degree, and has had excellent response.

"It's based on the belief that those who are working with special children need philosophy courses, and also a strong background in psychology and field experience.

"Then we have two other five-year programs leading to a Master's, community and school psychology which combines courses in psychology, sociology and education, and leads to certification as a school psychologist.

"And fourth, we have business. There is no major in this, but we do have a program, and have added courses such as accounting and consumer economics.

"Now, these are our newest programs. We have always had elementary and secondary education, and we are still a liberal arts school, but there is much more specialization now. We must offer more and more career-oriented courses.

"And let's take the humanities as a group, majors in French, German, Italian and Spanish. One example of the way traditional programs are looking to the business world, we are offering business French next year. That would be for someone interested in working for an international organization."

Dr. Henderson pointed out the great strengths in the English department, which is headed by Dr. Elizabeth Brophy, who has phone conversations with them, and doctored a book on Samuel Richardson, the 18th century novelist, coming out about now.

"And there's a well-known Milton scholar, Sister Christopher Pechett, and the well-known Medievalist, Dr. Joan Carson.

"In the history Department, we have Dr. James Schleifer, who just won a grant from the National Council on Learned Societies to revise his dissertation and turn it into a book. The dissertation already won the Yale Prize in history.

"In the sciences, we have an active premed program, which uses the facilities of our new labs, and then among the new programs is the Communications Arts in cooperation with Iona College.

"The coordinator here is James O'Brien, and the program has been dramatically expanded. It will include film, television and journalism, and have 45 courses on two campuses. Some students combine journalism and radio for broadcast-journalism, and one of our students this semester is working as an intern at Time Magazine."

UMI

Dr. Henderson also explained the General Honors Program, saying that it is different from most honors programs. "It is not to isolate the elite student but to give her the opportunity to research and work at her own pace.

"We instituted this in January of 1974, and we have 20 students for next year enrolled now, some of whom will graduate in three years.

"Then we have the January Intersession program, which began this year and which we hope to expand next year. These are one-credit courses. And last, our writing program. Starting next year we are going to have a Writing Center where students who need help can go. These are non-credit courses to improve writing skills."

Dr. Henderson, whose husband, Tracy Henderson, is an asisstant vice president of U.S. Trust, earned her Ph.D. at Columbia University in English and comparative literature and received two master's degrees, one at Radcliffe and one at New York University.

She and her husband and three children live in Brooklyn Heights.

A NEW CNR RESOURCE: LIFE

(By M. Scheryl Gant)

The College of New Rochelle has extended recent reforms of traditional education to include a new resource—one's life experience.

Nearly two years ago, the college launched its New Resources Program, a student-paced curriculum for adults seeking a Bachelor of Arts degree.

"The program began as a response to the learning needs and potential of adults beginning or resuming their college education," explains Sister Elinor Shea, associate director of the program.

The School of New Resources enrollment has sprouted to some 900 students, spread over three campuses. Included are a campus at City Island, Bronx, and on Park Place, Manhattan, sponsored in conjunction with District Council 37, a union for municipal workers.

The program has also accomplished a long-time dream of the college by enabling it to branch out into the surrounding community.

"We now have a more visible role in the community, serving its needs as well as those of the mostly out-of-town students in the undergraduate program," Sister Shea said. She estimated that one-fourth of the adults in New Resources were city residents, including a policeman, a city official and several persons involved in social and educational services.

It is almost impossible for an adult student to enter the school empty handed. A person can earn up to 30 credits based on knowledge acquired through everyday activities and responsibilities.

"Since I had been out of school a few years, I was very insecure about returning," said Doris Ward, a supervisor and obstetrical conference nurse at Lincoln Hospital in the Bronx.

She earned 22 of her required 120 credits after presenting a portfolio of her life-work experience to a committee of six at the school.

"I enrolled as a psychology major at the school because I work with many different ethnic groups, and I wanted to be able to better understand my patients," she said. "The school was very helpful."

Another enrollee, Barbara Hall, said the School of New Resources is a sabbatical away from her usual involvement in a number of community activities.

A mother of nine, Mrs. Hall said the 8 to 10 hours of required independent study permit her to care for the two children who attend school all day, and her grandchildren.

Mrs. Hall, who has given up most of her work as a civic gadfly, said she plans a return to the community soon and hopes to be able to use her major in urban studies at the New Resources program to become an urban planner.

Another nurse, enrolled in the program, described it as a "Multiplicity of flexible programs," and diverse students.

"It has been exhilarating to come into contact with people from so many different walks of life. The student body is a cross-section of the community from people on welfare to people who are pretty well-off." said Elinor M. Nesby, a supervisor in the psychiatry ward of Albert Einstein College of Medicine.

New Resources students earn up to 12 credits per semester and spend one three hour day in class per week.

"The important thing is to get people to recognize the significance of the ordinary experience, not the exotic." Sister Shea said. "Hopefully, a more reflective attitude towards their lives will make them more active in the ongoing life process in the future."

CHANGING STUDENTS, NEW TIMES

(By M. Scheryl Gant)

The tacky tee-shirt and blue jean look on the College of New Rochelle campus has gone the way of the Viet Nam War protest.

Thoughts now center on post-graduate studies and careers, while students reap the spoils of the late 1960 campus struggles, according to students interviewed recently.

"The dress code was abolished in the fall of 1969, because the girls felt you didn't have to be all dressed up to be polite," said Joanne Davis, a junior from Jersey City, N.J., "the trend is now away from jeans again."

All the young women wore slacks, but the look was feminine and casual, not the old skirt, white blouse or dress look formerly enforced by the administration, nor the grubby look adored during the antimaterialism protests of a few years earlier.

The largest student strike at the school was conducted in protest to the bombing of Cambodia in 1969, at which time an estimated 30 per cent of the students risked losing credit for the entire semester. Earlier, a group of sociology and other students had refused to attend classes when a sociology teacher was fired.

Mary Kokoszyna, a scholarship student who said she once contemplated transferring, compared CNR with what her friends have said about the larger seven-sister schools.

"Many of them find their courses demanding, but there is no interaction between students. They are cut off from each other because of their academic striving. I'm not willing to pay that price for a good education," she said.

With the advent of the women's liberation movement, CNR instituted a women's studies major and courses in pre-law, pre-engineering and pre-med. They also hired more instructors who earn a livelihood working at subjects they taught.

Joan Davis, an economics major who describes herself a serious student, says she chose CNR because men would tend to dominate her field in a coed school.

"Like a lot of girls here, I'm looking at my school work seriously and plan to go on to graduate school. Lot's of us are interested in having a career," she said.

The college administration, which was once viewed as a separate entity from the student's goals, is now a viable tool for acquiring them, according to Dianne McNulty, a native of Massachusetts who said she selected CNR because of it's small individualized size and proximity to home.

For example, the education policy committee, comprised of students, staff and administrators, has proposed that the college re-instate the Bachelor of Science degree indicating the students interests.

Marlene Tutera, housing director for the 800 women undergraduate students, was a student herself at CNR from 1967 to 1971. During her college days, she said, "you either graduated as teacher got married or did nothing."

She described the average woman on campus today as "more job oriented, and taking time to project a personal, individual image . . . not mass appeal, clique types."

The biggest change on campus has been in school regulations. Some of the change, in addition to dress, include changes in drinking rules and in having male visitors in the dorm.

The school now permits men to stay over in the gym-motel for a nominal fee of $1. It also acquired a permit to sell alcoholic beverages on campus in 1971 and drinks have been permitted in the dorms since 1969.

"As I look back, I would like to be a student here now," said Mrs. Tutera.

A NEW HONORS PROGRAM

(By Michael Walker)

A new concept in education at the College of New Rochelle has completed its first semester this week, an unqualified success for those few who chose to participate.

The Honors Program, started in January, was designed to foster the growth of intellectual independence and initiative. It gives students the opportunity to expand their work in regular courses, or to plan independent projects suitable to their needs or interests.

Ten students participated, in the new program four freshmen and six sophomores. They explored a wide variety of interests, preparing special papers or projects for extra credit.

A student admitted to the program must have a cumulative grade of 3.1, the Dean's List minimum. She must take at least half of her college credits in honors courses.

The limited interest in the program on campus did not surprise Dr. Katherine Henderson, dean of the school of arts and sciences, who said that, "We expected a few students. It's a very demanding program, and many students don't want the pressure."

However, Dr. Henderson said she was pleased by the type of student who applied: mature, independent, and non-conforming.

Honor's projects range from ethnic weaving to an analysis of the woman's role throughout history, to field experience at Bronx State Hospital.

One student, Toni Danza, a sophomore and resident of New Rochelle, receives six credits for a weaving project on the school's 50 inch loom.

She experimented with many styles, including an abstract tapestry and a Finnish "Rya rug." An enthusiastic weaver, she imported a 185 cm width loom from Finland.

In a second project, Miss Danza expanded a "film and literature" course, writing a screen play for the novel "Everything That Rises Must Converge," by Flannery O'Connor.

Genellen McGrath, a sophomore, native of East Norwich, New York, did a study of English Restoration satire. She read plays by five writers of the period and kept a log of the satire and its line of development.

Joellen Vavasour, an English major and a native of Rye, wrote a 15 page paper on how the Woman's role was conceived and evolved from the Stone Age to the present day.

THIS STUDENT LEARNS POLITICS WITH HONORS

For most volunteers in political campaigns, the job is stuffing envelopes.

But Michele McMahon, a sophomore at the College of New Rochelle, has more ambitious plans.

She hopes to do survey work for the Massachusetts Democratic gubernatorial campaign of Robert Quinn, now attorney general of the bay state.

Miss McMahon is uniquely prepared for the job: she has recently completed a "simulated campaign" for Quinn.

As part of the new "honor's program" at the College of New Rochelle, she hopes to get credit from the school for campaign work this summer.

This idea is an extension of a course "Voting behavior and Campaign Techniques" taught by Arthur Finklestein at the New Rochelle Campus.

A pre-law, political science major from Worcester, Mass., Miss McMahon focused her work on Quinn because she likes his politics. "Robert Quinn: A fresh start" is her projected campaign motto.

Quinn, who hasn't yet announced his candidacy, is a strong contender for the Democratic ticket, says Miss McMahon, and he hasn't discouraged her enthusiasm.

At 20 years of age, the CNR student has already decided her future work, campaign planning and government work. After graduating from college, she plans to go to law school to specialize in constitutional law.

"I don't know if I'm influenced more by Senator Sam Ervin or Judge John Sirica," says Miss McMahon, with a smile.

But after her law training, she will turn to politics because "it's fast moving and basically I like this," she says.

As part of her preparation for this summer's work, she has made a survey of 50 persons in Worcester, Mass., aged 18 to 65.

She asked for opinions of pressing issues; evaluation of the present governor, political ideology and administration success or failure; evaluation of the two Democratic contenders; questions on the gas shortage, impeachment, and local issues; and an evaluation of the "ideal candidate."

Using information gathered in the survey, she prepared a month by month projected breakdown of the campaign, including college commencement speeches, fund raising dinners, open forum radio show appearances; shopping center and factory appearances; and the candidate's wife's joining the campaign to draw the woman vote.

STUDENTS WITH CHILDREN

Many of the students in the masters program at CNR are mature individuals, with homes, families and jobs.

Most of them either live in this area (roughly from Mount Vernon to Port Chester) or work nearby and go to the college after their day's work.

It's not easy, but it's easier than going into New York City for graduate study. All those interviewed recently consider the course offerings at CNR to be superior in many ways.

Teachers and school administrators and-or psychologists all have a vested interest in advancing their education, since most wage scales for teachers are predicated on college credits.

In addition, teachers who really care are goaded as much by their own desire to increase their knowledge as to increase their salaries.

"Any teacher can do a better job if she has some knowledge of reading or learning disabilities," said Mrs. Edie Medoff who is studying in the LD course. "Even if a teacher is not planning to concentrate on handicapped children, it is very important to be able to spot such youngsters in class—and the sooner the better, for them," she explained.

In a class of 25 or 30, it is highly probable that one or two pupils would have reading or other learning problems, she believes.

"Any teacher who has had even a couple of courses in the concentration on reading will have the necessary understanding and training to spot such children and refer them to a clinic or other special training," she said. "It really makes a big difference."

She herself is a graduate of Boston University, with a B.S. in elementary education and is teaching in a private school. She lives in Larchmont and finds it not only convenient to attend the classes at CNR, but she believes the courses are excellent. She plans to continue on and obtain her master's degree in learning disabilities.

Another student, majoring in psychology, who preferred not to give her name, holds an administrative job in a large city school system. Her work is with teachers of children who are neurologically handicapped. She already holds an M.S. in administration and supervision in elementary education, and has developed a keen interest in special education.

With a home and three children in addition to her job, she has a busy schedule, but finds the course at CNR "really excellent" and worth the time and effort.

A BURGEONING GRADUATE SCHOOL

(By Eleanor Wehle)

The graduate school at the College of New Rochelle began quietly in 1969 when the degree of master of arts in art education was established.

Sister Justin McKiernan was and is in charge of this program.

Within the next few years four more degrees were offered. These are: M.S. in reading education, Dr. Catherine Haage, dean; M.S. in mental retardation and learning disabilities, Dr. Clare Lavin in charge; M.S. in therapeutic education, Dr. Benjamin Alimena in charge; and M.S. in community psychology, also under direction of Dr. Alimena.

More than 1,000 students are currently enrolled in the various courses, many of them working teachers. Certification is required before matriculation.

The object is, "to make good teachers teach better," according to Dr. Haage.

The reading program under her supervision was begun in response to requests from elementary school teachers in the area, CNR alumnae among them, for more specialized preparation in the teaching of reading and the recognition and remediation of reading disabilities.

Students in this course are taking what Dr. Haage calls a "broad program, theoretically based, with the opportunity to apply theory in a practicum."

The "practicum" in this case is the Reading Center, where children with reading problems come to seek help.

The center, which is open daily, after school hours, during the winter and three mornings a week in summer, serves the dual purpose of helping youngsters learn to read at a minimal fee, and helping student-teachers in the M.S. program learn to identify and correct reading problems.

The youngsters are "very doubtful at first," according to Mrs. Evelyn Bluestein who supervises the reading center. But after they have attended a few times their attitude changes. "Many of them are actually disappointed when it's over," she said.

The youngsters attend a series of ten sessions during which their problems are evaluated and analyzed by the graduate students under supervision of an instructor.

Once a child's trouble is identified, the student-teacher begins another series of ten sessions aimed at solving the problem.

The graduate students trade information with the child's school, via the parents, and they spend some time with parents, trying to identify possible reasons for slowness in reading.

"We don't attempt in depth diagnosis," Mrs. Bluestein said. "If we find severe problems we refer them to other sources or agencies for help."

Another program, developed particularly for working teachers, is the one which concentrates on mental retardation and-or learning disabilities.

Under the direction of Dr. Clare Lavin, the program is a "natural outgrowth of the special education certification available to CNR undergraduates."

Aimed at teachers currently active and interested in going into special education in the fields of mental retardation and learning disabilities, it is also open to recent college graduates.

The practicum in this program includes time spent at area institutions for children with severe emotional or mental problems, as well as the Learning Disabilities Center at the college itself.

Children from surrounding area, most of them referred by word of mouth, come to the LD Center one day a week. Here they are given help and analysis of their problems by the students in the L.D. courses.

Children with minimal brain damage or emotional disabilities are acceptable, as well as those whose learning problems may be connected with difficult family situations.

Here, as in the Reading Center, those with severe neurological problems are referred to another source of help. The college students are not prepared to handle such serious cases.

Two of the master courses are actually part of a continuing five year courses for CNR students. These are in therapeutic education and community and school psychology.

The course in therapeutic education is aimed at students with high motivation, "grounded in sound educational practice, educated to mental health techniques, and sensitive to the extreme behavioral variations that mentally and emotionally handicapped children present."

Many of the students have done volunteer work in connection with such children, and the course itself calls for them to do field work in child care agencies, state hospitals for children and community agencies for exceptional children.

Like the others already described, this course leads to a degree of master in science in education. The baccalaureate degree in psychology is awarded at the end of four years, and the students taking this program must have majored in psychology in the undergraduate classes.

The other five-year program, community and school psychology, leads to a degree of master of science in psychology, community psychology, and promises New York State permanent certification as a school psychologist.

This course was instituted in response to the increasing needs of public school systems and communities for psychological services in connection with family planning, ethnic minorities, addiction, the aging, and other areas of social need.

The course description says it is also in response to "the purpose of the College of New Rochelle, which exists to foster among students and colleagues sensitivity to human dignity, concern for others, growth in self-acceptance."

Students will be expected "to manifest personality, resilience, resourcefulness, patience, intelligence, courage and an abiding tolerance for difference."

The course, like the other five-year one, includes a baccalaureate degree in psychology at the completion of the first four years.

Graduates of this and the other M.S. courses can anticipate a need for their services in schools, public and private. Graduates with psychology majors may also find employment in institutions or hospitals.

The arts program under the direction of Sister Justin, was actually begun at the request of the State Department of Education.

"We were the only college in the vicinity that had the facilities and resources," Sister Justin explained. "There was at that time no way for students to obtain master's in art education without going to New York City."

Beginning in June 1969 with 14 enrollees, it now boasts 200 students altogether, or about 70 per semester.

There are two 5-week summer sessions plus the regular season. The summer courses are intensive for anyone who really wants to get many credits in a hurry. Each 5-week session offers courses in art history and art education, in addition to several studio classes including drawing, silk screen, weaving, jewelry making, photography, ceramics and others.

During the full college year the same courses are offered with classes set to begin at 4 p.m. since most of the students are working teachers who already have B.A.'s and jobs.

Many of the recent graduates are now exhibiting artists, and the students may exhibit when they choose to provided there is room available to do so. They do have to submit a thesis, but exhibiting is not required.

A Living Classroom at CNR

(By Eleanor Wehle)

The Child Study Center at College of New Rochelle is sometimes casually referred to as "a child lab."

"But don't get the idea we use children as guinea pigs," said Mrs. Anne Vonick, director of the center.

If they did, these youngsters would have to be the world's happiest guinea pigs.

The "lab" is a large, airy room, with cozy corners for private moods, wide areas for block building, a real boat for make believe sailing, racks and racks of finger painting art works, small tables for eating and playing table games, and every conceivable kind of play-learn-fun attraction for children in the 3 to 5 age group.

Outside the building is a small playground with all the usual attractions where, on fine spring days, the tots swing, climb, run, squeal, chase and do all the normal things youngsters of that age like to do.

What is not unusual about the Child Study Center?

The fact that, in addition to a director and two teachers for each 25-children, there are, at any given time, several assistants in the form of college students.

The college women are all in the group taking education courses, preparatory to a career in teaching or other child-related activity. And because of the nursery school on the college campus, they can do (needed) observing, practice teaching and learning how to handle children.

The whole idea began back in 1941 under direction of Sister Bernice Rice. It was smaller then and very different, but the goals were—and still are—to develop children in all phases and aspects.

As Mrs. Vonick puts it, "We aim not just at bringing out the child's intelligence, but at developing the whole personality. We want to give each child a start at becoming a nice person, not just an intelligent person."

In the course of their attendance at the center, the youngsters learn to live with others —sometimes others who may be very different from themselves.

"We try not to have all white, middle income, normal children," Mrs. Vonick explained, "because there are a lot of other kinds of people in the world and we want the children to find out about those others through experience and interaction within the group."

Although the center is not geared to handle severely handicapped children, they do accept a few with minimal brain damage or other handicap, such as deafness or poor locomotion.

Because there are always extra college students in attendance to help with such children, the school can handle them, as most nursery or pre-K schools could not.

"With a deaf child, for instance," Mrs. Vonick pointed out, "some of the girls studying speech therapy have worked with him and it's amazing how he's learning to talk."

There are also a limited number of scholarships for economically disadvantaged children, and the racial and ethnic variety is wide. Youngsters are accepted on a first come basis each year, and the tuition is kept as low as possible considering there is no government subsidy and the center must be self supporting.

A total of 50 children go through the center each year in two sessions, 25 in the morning and the same number in the afternoon.

The advantages for them, as compared to an ordinary nursery school, include all sorts of special sessions and "trips" right on the college campus.

Sometimes a small group of three or four will be taken to a sculpture or ceramics class; or to the marine biology lab; or to a chemistry lab where they are permitted to touch and experiment with certain chemicals. These and other special experiences are made possible, again, by the fact that there are so many teachers' assistants in the form of college students.

The children become accustomed to having the college come and go. At almost any given time two or three students will be found sitting in a corner quietly observing the behavior of the youngsters, while others are on the floor, or at a low table playing with the tots.

The result of this is that any visitor, even including the children's own parents, can come into the center without advance notice and be accepted—and ignored—by the children.

As a reporter and news photographer wandered about in the center and on the playground the youngsters went right on with their games, paying little attention to the visitors.

They showed scant interest in having their pictures taken, but were willing and cooperative when asked to gather in one place.

The friendly atmosphere, the exchange of ideas, the personality clicks and clashes all appeared to be in the realm of normalcy except for one small detail—there was no fighting, no harsh words, no tears.

The interest and concern for the welfare of these children is so complete and so obvious, that an observer is tempted to regret that the number of tots is limited to 50.

It is considered important, however, to keep the groups small, according to Mrs. Vonick.

Parents are encouraged to become involved, and to attend special lectures or programs which they themselves ask for. Again, the advantage of being part of a college is that any number of lecturers, professors and experts in a great variety of fields are readily available.

Mrs. Vonick has been director of the Child Study Center for the past seven years. A CNR graduate herself, she obtained her master's degree from CUNY and is currently in the doctoral program at Fordham. The mother of five, she spent ten years as "just a housewife before going back to school and discovering that her greatest interest is in the field of pre-school education.

"I love to be with little children," she said. "I am never bored. I love what I do."

CNR Helped Him

Not all the graduate students are women. Although CNR still keeps to its original purpose as a "women's college" and has admitted no male students to its undergraduate classes, men are welcomed in the graduate courses.

One such is Morton Brill, who has been substitute teaching in the New Rochelle School System for some time and was recently appointed to a full time position.

"I was lucky and the course here came for me at just the right time," said Brill.

Brill, who has a bachelor's degree in psychology from the University of Rochester, began his studies at CNR for the purpose of obtaining an M.S. in education with the concentration on reading.

And while he was studying, an opening in the New Rochelle school system occurred.

"I had the background because I was taking these courses," he said, "and the opening means I can now work full time at the school, using what I have learned here immediately. It really was a break for me."

Strong in the Arts

(By Eric Wolferman)

Pat Starr, a 19-year-old graduating senior at the College of New Rochelle, wants to go into the field of design. But the job market, as in most other fields is tight.

Miss Starr however, has a special advantage. As a result, she now has two offers for jobs in the field of merchandising, one of which is from a china buyer in New York City who was impressed with her background in ceramics.

Miss Starr's advantage is four years at the College of New Rochelle's School of Arts, which offers a unique program designed to develop a practical application of training in the arts, as well as creative ability.

The 150 students enrolled in the program don't like the phrase "arts and crafts." They prefer "applied design," as the sizeable course offerings include fabric design, interior design, weaving, jewelry, ceramics, mosaics, stained glass, enameling and graphics, as well as the more conventional courses.

Probably the most striking feature about the CNR arts department is its flexibility. Under the concept of the "self-designed major", the attitude is geared toward the student deciding what her education should be.

Debbie Grassi, a second year student at CNR, has chosen medical illustration as her self-designed major. She hopes to receive a Bachelor's degree in art, with biology as a minor subject.

Toni Danza has combined her arts training with psychology. With a teacher's degree included in her self-designed major, she hopes to teach art to emotionally disturbed children.

With the flexibility offered in the CNR Arts Department, Miss Danza says she can "look for new possibilities in using my art to better relate to the world."

One of the innovative fortes of the CNR arts program is its orientation towards application of the arts to other more practical fields.

For instance, one student studying weaving completed a project in natural dying for a chemistry course. Another did a paper on arts history for a classics course.

But interviewing students in the arts program, the most striking feature of the department is the total enthusiasm and interest of the students themselves.

"Creativity is the driving force here," one student noted, "we never stop using our own creative minds. Inspiration is booming here among the faculty and the students."

The culmination of four years of study in the arts program for each student is an art show—something each student gears up

for almost from the day she begins her courses.

Most of the students feel the art shows, often multi-media, are a "statement of accomplishments." The shows are evaluated by the faculty, and serve as an inspiration to the student, as she may also sell her work.

Miss Starr, who recently produced a show in weaving and ceramics, said "you need the show to really get things together. You really have to face your work." She said she sold most of her pieces for prices ranging from $8 to $125.

"We try to build artistic ego," explained Sister Mary Jane Robertshaw, head of the department. "We try to develop a girl not only with artistic skill, but with self-confidence, so she can go into any job market.

"The real service of our arts department is building a healthy, confident image of oneself," she added.

The department is one of the largest among undergraduate colleges, occupying four floors of the administration building.

Sculpture workshops, equipped with saws and woodworking equipment, ceramics rooms with electric and gas kilns and pottery machinery give students a wide range of artistic possibilities.

Printing shops and a photography and filmmaking studio, complete with dark room and modern film and photographic equipment are also available.

Jewelry work rooms, weaving shops equipped with numerous looms, technical drawing rooms, painting studios, silk screening workshops and lecture rooms provide the department with most of the facilities needed for a practical as well as theoretical education in the arts.

The halls in the CNR arts department are a veritable museum—a showcase for the students' work where the visitor may encounter virtually anything from large portraits of boyfriends to a mechanical man made of junk and typewriter ribbons holding a martini glass.

Along the third floor stairwell stretches an unfinished colorful mosaic pattern made from just about everything but the kitchen sink. Sister Robertshaw explains the mosaic climbing up the stairway wall represents the work of graduating classes since the department began in 1960.

Hopefully, she says, the mosaic will never be finished, but will keep growing as the arts department continues to graduate successful classes.

An Art Major and the Greek God of Wine

An art student, an honors program and Dionysius make a formidable combination.

Mary Beth Slevin, 18-year-old art major at the College of New Rochelle, joined the new honor Program at the school in January to apply her talent and imagination to a study of the ancient god of wine and revel.

The result was a 22 part sculpture in water color and illustration board, representing the many faces of the image of Dionysius.

Miss Slevin's water colors reproduced the historic changes in the conception of the wine god, as depicted by the ancients. Examples are: the bull; Pompeian frescos of sweeping, erotic imagery; ancient vase paintings; the Maenads, women followers of the god, dancing; the god as an older man, a child and a young man.

"I picked Dionysius because of the diversity of its image as seen through the history of art and literature," she says.

She was fascinated by the psychological implications of the ancient Greek god: "We see the same maniacal things happening today that must have inspired the origin of the god."

She studied the image of Dionysius, its cult and rites, from different view points, historical, artistic, and its affect on the people of the time.

The god of wine was inspired images ranging from the calm, and meditative to the totally erotic and violent, she says.

These differences appear in the works of Euripides' Baccahe; the poetry of Henry Wadsworth Longfellow, "The God of Wine"; Titian's Bacchanal; and Caravaggio's Bacchus, to name a few.

In preparation for her sculpture. Miss Slevin wrote a paper summarizing the different images, geographic references and general information pertaining to the god.

A freshman this year, she is also pursuing courses in painting, figure study, an anatomy, and history of art.

Castle, Tavern, and College

(By June Schetterer)

The carved lion heads on the black walnut doors of Leland castle have gazed out impassively on an ever changing scene for 120 years.

The lions and the stone parapets creneletions and carved lintels on the stained glass windows are the few reminders at a bustling academic campus hidden in the southern sector of New Rochelle, of life as it once was in this community long ago.

The castle itself, built in 1855 by Simeon Leland in the popular American Gothic style, served as his summer mansion, as a country inn and hunt club, a public school (after Trinity burned in 1882), a boarding school for boys from 1889 to 1892, and a girls' boarding school in 1896. Adrian Iselin, Jr., who had purchased the castle in 1884 sold off most of its 40 acres of grounds to make Residence Park, a lovely tree-lined housing development.

While Miss Morse's school girls occupied the castle building on Jan. 13, 1897, a fire broke out in the chimney causing extensive damage. Uninsured for such disaster Miss Morse broke her lease, leaving the way open for Mother Irene Gill, the Ursuline prioress and principal of St. Teresa's Convent and Normal School on Henry Street in New York City, who had wanted the property. Mother Irene has leased a home on Locust Avenue for her school, and quickly agreed to buy the castle if Iselin would agree to repair it.

The nuns moved in during the summer, and in September, 1897 the Ursuline Seminary was opened, with 10 boarders and 60 students.

The classes grew rapidly and the school was soon firmly established. By 1902 the castle was almost twice its original size with a southwest wing added first and then a northwest wing three stories high which included a beautiful chapel.

Mother Irene felt the need for a Catholic college for young women. There was none in New York State, and in 1904 the Ursulines opened the College of St. Angela at Leland Castle with eight students.

Marion Hennessy Birmingham was one of that class which graduated in 1908. Another was pretty dark-haired Anna McLoughlin, who was to become Mother Cephas.

"Our daily uniform in 1904 was a black dress with long sleeves, white collars and cuffs. Our formal dress was caps and gown, and for athletics . . . navy blue turtle neck sweaters with long sleeves and navy bloomers that came to a few inches below the knee, about 10 yards of serge in each bloomer," Mrs. Birmingham recalls. "Black cotton ribbed stockings covered our limbs well. Not that we were ever allowed out of the castle in those costumes," she said.

Nowadays the campus grounds are filled with students of all ages wearing whatever seems to fit their whim.

"Mother Xavier would be appalled if she saw the girls in pants," Mother Justin McKiernan sighs.

The curriculum was far different in those early days as well. "We had no electives. For the B.A. we had to work our way through four years of college Latin (after four years of high school Latin), four years of French and German and one year of Greek . . . Math through Calculus . . . Of course, the usual Jesuit philosophy, English, history, art, pedagogy, history of education and methods of teaching," Mrs. Birmingham recalls, adding that the proof of this curriculum's efficiency was shown when four of the members of the 1908 graduating class were granted masters degrees from large universities, and another led her class in drama school.

There were irksome regulations, she remembers. Students' mail was opened. "You paid a penalty of two dollars if you returned late after a weekend and the penalty was one dollar if you were caught whistling because 'the Blessed Mother' cried when you whistled.' "

Still a handsome woman now living in Manhattan, Mrs. Birmingham remembers a night she and two friends slid down from chapel . . . and landed at the feet of the Rev. Mother Irene. As punishment they were sent to the children's dorm for a week. The campus then was a complete educational setup from nursery school to college level.

In 1904 there were also nine special students who lived on campus but went to New York City for special work, mostly studying music. This innovative educational process was to carry over to the present, with many special students at the college.

Sister Thomas Aquinas O'Reilly joined the college in 1910 and is now living in the new Convent built last year after the castle was considered too much of a fire hazard to house the nuns. The castle is being completely renovated and will reopen in the fall as administrative offices for the college.

"When I first came it was a finishing school really, with the girls being jumped on if they went uptown without a hat," she said. But soon it began to be a real college.

"Sister Xavier Fitzgerald, who was sent here in 1910 was a genius. She combed all the catalogs of the other colleges and picked out the best curriculum.

"Barnard has this and we're going to have that," she recalls Sister Xavier saying. The school's reputation spread and the college flourished.

Although the regimen was rigid, some early seniors cut classes one day to hear Enrico Caruso and Mary Garden sing at the Metropolitan Opera House. The first year book, Annales, came out that year, 1911, and was delivered in pony cart by candlelight to all the student population, then 84.

Even in the beginning Mother Irene and her first associates never hesitated to secure the best teachers for their students, including lay professors of reputation.

"Like most of the nuns in those early years, when work was heavy and workers few, Mother Xavier was usually holding several positions at once," Mother Justin relates in her biography of her friend and associate. "If she carried a poker instead of an umbrella from her house to the Castle once on a rainy day, it merely meant that her mind was on Holy Mass and the poker, with which she had stirred up the fire to keep her girls warm in her cottage, just happened to be in her hand."

By 1929 the freshman class numbered 235, and art and home economics were introduced. By 1931, with 800 students, the college was the largest Catholic women's college in the country.

Sister Cephas, who was later to become Superior of the New Rochelle Ursuline Community, was one of the alumna who returned to teach at the college. Once in later years, when asked to recall events she noted a few of her tasks on a corner of the paper: "omitted: fire chief, chief electrician, charge of flood control; police duty (beats too numerous to mention) and guard of gym (Sunday 2–5 p.m. dancing prohibited)."

The campus has grown. Brescia was built in 1929. The old music house, Elmwood Hall, and old arts building gave way to Xavier, named for Mother Xavier Fitzgerald. Chestnut Lane was closed in and became a campus walk down to the new Life-Science building. Small cottages once used as dormitories or for special classwork have given way to Halpin Hall, Sherwood, the Sport Building, Maura Hall.

On the grounds of the castle long ago stood pretty wooden summer houses. They were there when Sister Francis Shanahan came and she recalls "the summer house gave way to decay. There was a stand of trees all round them and at night from the Castle you could hear the wind in the trees and see them bend."

Where foxes once fled from the hunting dogs of Delancey Kane and the Hunt Club, now mothers of several children walk to classes and young men come by bus from Iona to study physics and Russian. The college has changed from its one time concentration of educating young women to educating women of all ages and allowing men to participate in special classes not available where they were enrolled.

Whatever the Leland lions see, is an image blurred by remembrances of what has passed and what is yet to come.

A Growing Library: Books and Machines

(By June Schetterer)

"I'm feeling the crunch," says Gloria Greco, librarian of the College of New Rochelle, as she sits in her tiny book-lined office in the huge stone library building which is the envy of many a college campus.

"We have growing pains all over the place," she explains as she points out the high ceilinged rooms on the main level which may have to be decked over one day in the near future to accommodate the expanding needs of an expanding college.

The library is a far change from the original library at the College of St. Angels, the forerunner of the College of New Rochelle. Books were then housed in the Gothic black walnut glassed enclosed cases in the "Blue Library" of Leland Castle. As the college grew rapidly, the library was moved into the new building which became a chapel and later convent rooms in the castle.

The present library building, with its high ceilings and wide interior expanses, was dedicated in 1939. There were 40,000 books in the library then . . . now 110,000 volumes fill the stacks. Circulation was 34,000 last year and averages 4,000 a month when classes are in session.

But one of the changes which was not present when that building opened 35 years ago is the security system installed only last fall.

"People were stealing books . . . carrying them out in armloads," an astounded librarian said. "We had to do something."

As you walk through the magnetic detector gates just inside the front door, there is no inconvenience of being stopped and searched. But should someone be carrying out a book which has not been checked out, the gate will lock and a signal show at the desk.

"Sometimes people forget. We've never had any problem since we installed the system," Miss Greco says. As books are checked out they are subjected to a ray which allows them to pass the gates. The only problem spots is the occasional book loaned by a professor to the library which later still carry the effects of the treatment and will set off the alarm if the book owner happens to be carrying it on a visit to the library.

"But usually I am here or someone who knows that the book really belongs to the person," she said.

Mechanization is another major change in the college library. "There is a big boom on microfilm, especially in periodicals," she said. Students microfilm reference articles at 10 cents a page to save taking notes. Or they use one of the microfilm reading machines.

"The younger students are more accustomed to machines . . . the adult students aren't, but the total population is adjusting to machinery," Miss Greco explained. "We had to go to microfilm. It's not as much fun to read off a machine, but space is at a premium and we have to miniaturize to get rid of all the extra paper. We subscribe to 653 publications."

As the college curriculum has expanded there has been an explosion of research. The latest equipment for study is "microfice", 4x6 cards which hold 10 to 50 pages of type which can be read off a screen. Then there are cassetts and films, Miss Greco reports.

The willowy dark-haired, dark-eyed librarian doesn't look as though she had been a librarian for 20 years or a librarian at all. But she graduated from CNR and went on to Columbia for her master's in library science and came back to the college as assistant librarian. She became director in July 1972 and doesn't regret it for a minute.

'I like the academic atmosphere and of course, it's always changing and challenging," she says. "There are endless challenges, especially having to anticipate the needs of the students.

The school population has changed with the older New Resources and graduate students demanding the library be open seven days a week nearly around the clock . . . (it closes at 11 p.m.)

"I think people are reading more than they were during the 60's, Miss Greco said, adding that the newer adult student body has so much enthusiasm with expanding areas of interest.

"And of course now instead of just young men in jeans, we have women very often accompanied by young Children coming in to study and we had to set up a nursery."

Art exhibition areas, an auditorium seating 270 people, and specialized rooms and areas open the library to other uses, as well.

But what interests Miss Greco most are the innovative and experimental aspects of her work trying to keep up with the interest of her library borrowers.

"Women are moving from liberal arts into other fields and they are studying contemporary issues like housing and law, constitutional issues, human sexuality, geriatrics, social work.

"We have to keep up and luckily, with the Westchester Library Association, what we don't have we can borrow from other colleges."

'There is a great deal of inter-library cooperation these days, Miss Greco explains. No one library can house all the books and materials needed today and like other college librarians, Miss Greco faces the problem that "if we go up another 10,000 books where do we put them?"

NULL ADAMS, CITY EDITOR, MEMPHIS PRESS-SCIMITAR, RETIRES

Mr. BROCK. Mr. President the free press in our Nation is unique. Indeed, it is one of the most powerful instruments known to man, but it is also the "watchdog of our freedom. Throughout our history there have been men and women who devoted their lives to journalism and to protecting the freedom which we hold so precious. In Memphis, Tenn., journalist Null Adams has been such a person, who, after 51 years of service has now chosen to retire. It is not often that a man can contribute to his fellow man for half a century, but some manage to do so with dignity, ability, and honor. Null Adams typifies man's concern for man. Upon his retirement, Clark Porteous, who himself has been associated with Mr. Adams for 41 years at the Memphis Press-Scimitar, wrote a tribute to him. Mr. President, I ask unanimous consent that Mr. Porteous' article be printed in the Record as a fitting tribute to Null Adams, journalist and respected friend.

There being no objection, the article was ordered to be printed in the Record, as follows:

City Editor 30 Years: Null Adams Ends A Long Career

(By Clark Porteous)

Null Frank Adams, who was a city editor's city editor for more than 30 years, will retire Monday after 51 years as a newspaperman.

Which means that Adams, a living legend as a newsman, is retiring at the age of 69.

Adams made a sudden decision last week to retire and nobody could talk him out of it.

Commenting on the retirement, Charles Schneider, editor of the Press-Scimitar, said:

"Null Adams is going to be missed around this newspaper, both for his knowledge and understanding of politics and government and for the warmth and kindness of his personality.

"Null has had a long and highly successful career as a newspaperman. The Press-Scimitar's record over the past half-century is full of his achievements as a journalist.

"I have known Null personally for the major portion of his career, and value his professional counsel as well as his friendship. He and his wife, Faye, are richly deserving of a healthy and happy retirement."

A man who has covered and directed coverage of countless thousands of stories in more than half a century in the news field, Adams is the subject of many good newspaper yarns himself.

He is retiring with the title of assistant managing editor and politics editor, dual positions he has held for the last 10 years. But he has been noted for his political acumen since his early newspaper days when E. H. (Boss) Crump was the man to see about political stories.

Born in McKenzie, Tenn., Feb. 17, 1906, Adams moved to Memphis with his family at the age of 12. He grew up in the old Fort Pickering area near De Soto Park, and carried papers as a boy.

He was graduated from Tech High, and while a student worked part time as a night police reporter. He was city editor of the Tech High Technician, later the Yellow Jacket, and the late Early Maxwell, noted as a promoter, was the editor.

Adams worked as an office boy for The News Scimitar, one of the parent papers of The Press-Scimitar, and won a place on the sports staff, later transferring to the news staff where he covered police, City Hall, Courthouse and the Federal Building.

In 1926, Adams left The News Scimitar to work for the Atlanta Georgian and later International News Service, now part of United Press International, in Atlanta and Florida. He returned to Memphis in 1927 and managed the Memphis INS bureau for 18 months. Then he joined the staff of the Evening Appeal, at that time an afternoon sister paper of The Commercial Appeal.

While working on the staff of The Evening Appeal, he located a missing witness, Mary (Sunshine) Walker, in the famous Stanley Puryear murder case.

Adams joined The Press-Scimitar staff in 1933 and that stopped his journalistic wandering. He has been with this paper since. Adams covered the Legislature in 1935 for The Press-Scimitar and Knoxville News-Sentinel.

He covered The Press-Scimitar's intensive campaign to bring TVA and its benefits to the Tennessee Valley and Memphis.

It was in late 1922, while covering TVA, that Adams got his most memorable news story, one that ran on the front page with a 120 pt. headline, and that's a big one. It was at Muscle Shoals, Ala., where President-elect Franklin D. Roosevelt was on an inspection trip, seated in an open car surrounded by Secret Service men. Reporters covering the presidential trip were kept at a distance.

Adams knew the late Sen. K. D McKellar well, and K. D. asked Null if he wanted to meet Roosevelt, and of course he did. The Senator put his arm around Adams' shoulder and took him to Roosevelt. Not even Secret Service men would stop someone who had McKellar's arm around him.

Adams met the President-elect, asked him a few questions, and Roosevelt answered, and noticed that Adams was jotting down the answers and asked "Are you a newspaperman?"

"Yes sir, Mr. President, and I've sure got a good story," Adams replied. And he drew laugh. When Adams left Roosevelt, the other reporters crowded around him and asked what the president-elect had said. "Read about it in my paper," Adams said. But he adds that he probably wouldn't be that blunt with them today. And it's true, the tough city editor has mellowed a bit over the years.

In his reporting days before becoming city editor, Adams was nominated for the Pulitzer Prize for his graphic coverage, with the late Marshall J. Smith, of a triple hanging in Hernando, Miss.

Adams was named City Editor Feb. 14, 1936, a position he held for 30 years and 17 days. At first, he was tough on fellow reporters, as he could not get reporting—his way—out of his mind. But he became a great city editor, and during many years, had as his rival city editor, his late younger brother, Malcolm, who was Commercial Appeal city editor. At family gatherings, the two brothers just didn't talk shop, and at other times, strived to beat each other to the news.

In 1946, Adams was selected as one of the 27 city editors from throughout the nation to attend the American Press Institute for a three-week seminar on city desk procedures at Columbia University in New York City. Adams made such an impression that he was called back 12 years in a row as visiting speaker for API city editor seminars.

Adams devised an unusual file system for city editors "because I'm lazy," with a folder for each day of the month and also monthly folders, and stories about annual events and the like would come up in the file at the appropriate time for stories. A model of the system was made at Columbia and city editors all over the world have adopted the Adams filing system.

There are so many "big stories" in Adams' career that it would be difficult to even list them. Examples are the capture of "Machine Gun" Kelly in Memphis, with Adams learning that the big time criminal was really a one-time Memphis hip-pocket bootlegger whose real name was George Barnes; working with other reporters to uncover the theft of hundreds of thousands of dollars in the City Hall "shortages" of the early 30's and of course his official "Big Story," when he won the Pall Mall award for the radio-tv big story for getting evidence to clear a police detective being held in jail as a suspect in the slaying of a policeman.

As city editor, he directed coverage of all sorts of big stories, including political campaigns. Oddly, two stories that he remembers best came within a year of each other—the terrible Tupelo tornado April 5, 1936, and the big Mississippi River flood the following year.

Before becoming city editor, Adams won a place on the honor roll in George Seldes' book, "Freedom of the Press," for stories against the power trust. Adams received the Malcolm Adams Journalism award, named for his brother, for the best political coverage of the 1967 city election, when Memphis changed from City Commission to Council-mayor government.

He also won the John W. Finney award of of the UPI-Tennessee Association of Newspapers for the best political coverage in the state during the 1968 national election.

In private life, Adams is married to the former Faye Tucker. They have two daughters and he is particularly proud of six grandsons, but sometimes wishes for a granddaughter. Mr. and Mrs. Adams live at 3041 Kirkcaldy in Scenic Hills.

He has taught a men's Bible Class at Union Avenue Baptist Church for 40 years, and the class was long ago named for him. He does not plan to retire from this. Also, the Tech High chapter of Quill and Scroll was named for Adams.

What will Adams do after retirement March 31?

"I plan to travel more, wet a few fish hooks and have more time for church work," Adams said

Asked about politics (there have been occasional rumors that Adams might run for City Council or something), Adams grinned and said "I might dabble a little in politics—who knows?"

Those who know are certain that Adams will do more than "dabble" if he decides to get involved in politics.

S. 1761, FOREIGN ASSISTANCE TO CYPRUS ACT

Mr. MATHIAS. Mr. President, I ask unanimous consent that the text of the bill, S. 1761, the Foreign Assistance to Cyprus Act, which I introduced on Friday, May 16, 1975, be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1761

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this bill shall be entitled "The Foreign Assistance to Cyprus Act of 1975".

Section 1. There is authorized to be appropriated to the President $25,000,000 for humanitarian assistance for the inhabitants of Cyprus.

Sec. 2. The Congress directs that in obligating these funds, the President is to make maximum use of international organizationa and voluntary relief agencies as channels through which the assistance is to reach the inhabitants of Cyprus.

ANNOUNCEMENT OF POSITION ON VOTES

Mr. STEVENSON. Mr. President, I was necessarily absent on Thursday, May 15, during rollcall votes Nos. 180 and 181. Had I been present for rollcall vote 180 on McClellan amendment 409 to S. 200, I would have voted "nay." Had I been present for rollcall vote 181 on Dole amendment 405 to S. 200 I would have voted "nay."

U.S. CAPITAL NEEDS AND FISCAL POLICY

Mr. GRAVEL. Mr. President, when subcommittees of the Committee on Finance recently held joint hearings on the capital needs of the energy industry, we invited Secretary Simon to be our leadoff witness. The Secretary not only accepted our invitation but also delivered what I think is a sweeping, farsighted proposal to revitalize the U.S. economy. Secretary Simon suggests a shift from income taxes to consumption taxes, more incentives for investment, and greater emphasis on the free market. In his testimony, the Secretary compared our poor economic, investment, and productivity performance over the last 10 years with the better results gained by our industrial partners, and he draws upon their more successful policies. I suggest to those who think that our position of industrial strength is invulnerable that our record of economic performance makes for sobering reading.

I commend Secretary Simon's statement and I ask unanimous consent that it be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement by the Honorable William E. Simon

Mr. Chairman and Members of this Distinguished Committee: I welcome this opportunity to appear before you this morning on a subject of timely and urgent concern: our capital investment needs for the future.

For several months, many economic policy makers in Washington have been preoccupied with the problems of ending the recession, slowing the rate of inflation and steering the nation back to a course of stable, durable economic growth. Today there are many signs that the economic slide is gradually decelerating, and we can be increasingly confident that we will be on the road to recovery before the end of this year.

As we emerge from the recession, it is especially important that we now begin to focus greater public attention on the longer-range problems of our country. While the process of recovery will require careful and vigilant management, we must be equally concerned whether the period of the recovery and beyond will bring sustained economic progress or a sorrowful repetition of the boom and bust cycles of the past.

Certainly there is no subject more central to our hopes for the future than our ability and our willingness to meet the capital investment needs of coming years. Those needs are impressively large, and they will demand a full-scale effort. In my testimony this morning, I want to draw upon an abundance of documentary evidence showing that the United States has not been keeping pace in its capital investments and that we must devote more of our resources to this purpose if we are to achieve our most basic economic dreams for the future. To summarize, the record shows that:

During the 1960s, the United States had the worst record of capital investment among the major industrialized nations of the Free World.

Correspondingly, our records of productivity growth and overall economic growth during this period were also among the lowest of the major industrialized nations.

As other nations have channeled relatively more of their resources into capital investment and have acquired more modern plants and equipment, they have eroded our competitive edge in world markets.

Our record on capital investments reflects the heavy emphasis we are placing on personal consumption and government spending as opposed to savings and capital formation.

Our record also reflects a precipitous decline in corporate profits since the mid-1960s.

While the U.S. economy remains sufficiently large and dynamic to overcome our investment record of recent years, our future economic growth will be tied much more directly to the adequacy of our capital investments.

Estimates of future needs vary, but it is relatively clear that in coming years we will have to devote approximately three times as much money to capital investments as we have in the recent past.

It is an economic fact of life that increased productivity is the only way to increase our standard of living. For the sake of future economic growth—jobs, real income and reasonable price stability—the inescapable conclusion is that government policies must become more supportive of capital investment and that we must make a fundamental shift in our domestic policies away from continued growth in personal consumption and government spending and toward greater savings, capital formation and investment.

Some analysts have concluded that it will not be possible to meet our future capital investment needs. I disagree. I firmly believe that we are capable of achieving our basic investment goals, but I also believe that they represent one of the most formidable economic challenges of the decade ahead.

I. CAPITAL INVESTMENT EXPERIENCE

The beginning point for our consideration of capital investment—and one that should be of keen concern to everyone—is the pattern of economic growth during the decade of the 1960s. The average annual rate of real economic growth during that period for the twenty nations belonging to the Organization of Economic Cooperation and Development (OECD) ranged from a high of 11.1 percent for Japan, to a median of about 5 percent for Australia, the Netherland and Norway, to a low of 2.8 percent for the United Kingdom. The United States during ths time experienced an average growth rate of 4 percent a year—17th among the 20 nations (Table 1).

Of the many economic, political and social factors that influence economic growth rates, none is more important than the level of capital investment. Economists generally agree that the factors affecting growth include: (1) the accumulated base of capital goods; (2) the current pace of new capital investments; (3) the effective application of new technology; (4) the quality of the national labor force—its education, training, discipline and commitment; (5) the infrastructure of transportation, communication, financial and service facilities; (6) access to industrial raw materials; (7) managerial skills; and (8) the organization of the economic system.

The mix of these basic economic variables—along with other specific factors not listed—varies from country to country and changes over time. It is also possible to substitute one, or a combination, of these productivity variables for specific inadequacies. Most analysts agree, however, that a strong rate of new capital investment is required to generate sustained growth. In fact, the effectiveness of all of the other factors that determine productivity are heavily dependent upon the quantity and quality of capital goods made available by new investment.

The United States retains a position of economic leadership because it has been blessed over a long period of time with a favorable mix of all of the important economic variables, along with political stability and improving social mobility. For many years our advantageous ratio of capital to labor has been acknowledged as the basis of the remarkable rise of the U.S. economy. Even now spending for plant and equipment continues to increase and these outlays still exceed the amounts invested elsewhere because of the large size of the U.S. economy (Table 2). In 1974, gross private domestic fixed investment totaled $195.6 billion, up from $194.0 billion in 1973 and $131.7 billion in 1970. Investments in business structures and producers' durable equipment totaled $149.6 billion in 1974, up from $136.8 billion in 1973 and $100.6 billion in 1970.

Nonetheless, even though plant and equipment expenditures will continue in the future as the economy grows, it is unrealistic to assume that the historical patterns of investment and productivity will be adequate to meet the priorities of the future and I certainly am not suggesting that we can fulfill every claim presented by society. The disappointing record of Federal deficits in fourteen of the last fifteen years ending with FY 1975—or forty out of the last forty-eight years—and the unfortunate boom and bust pattern of economic performance over the past decade indicate that we have not been able to effectively identify and manage our national economic priorities. Some analysts have claimed that future economic growth will release unused resources to fulfill new claims against the national output. To the contrary, the intensity of claims for available resources will likely increase in the future. The assertion that additional government spending programs can be added without disrupting the allocation of resources in the private sector has been refuted by the events of the past decade, particularly the increasing inflation pressures and shortages of materials and production capacity.

Comparative rates of investment

Recognizing the relatively low rate of U.S. economic growth in the 1960s, it is worthwhile to look now at the relative rate of capital investment in this country. Although the amounts of capital investment continue to increase in the United States and our capital-to-labor ratio is still relatively high, other nations during recent years have allocated a substantially larger share of their resources to new capital formation. Furthermore, the gap between the U.S. level of investment, measured as a share of national output, and the commitments of other leading industrial nations has increased.

A study prepared by the Department of the Treasury indicates that total U.S. fixed investment as a share of national output during the time period 1960 through 1973 was 17.5 percent. The U.S. figure ranks last among a group of eleven major industrial nations; our investment rate was 7.2 percentage points below the average commitment of the entire group. When only nonresidential investment is considered the level of commitment is naturally lower for every nation but the relative position of the United States is not changed.

Investment as percent of real national output 1960–73[1]

	Total fixed[2]	*Nonresidential fixed*
Japan	35.0	29.0
West Germany	25.8	20.0
France	24.5	18.2
Canada	21.8	17.4
Italy	20.5	14.4
United Kingdom	18.5	15.2
United States	17.5	13.6
11 OECD countries	24.7	19.4

[1] OECD concepts of investment and national product. The OECD concept includes nondefense government outlays for machinery and equipment in the private investment total which required special adjustment in the U.S. national accounts for comparability. National output is defined in this study as "gross domestic product," rather than the more familiar measure of gross national product, to conform with OECD definitions.

[2] Including residential.

Source: U.S. Department of the Treasury.

The reduced pace of capital investment in the U.S. economy has also been emphasized by Professor Paul W. McCracken, former Chairman of the Council of Economic Advisers and now Senior Consultant to the Department of the Treasury. Using historical figures, reported in constant dollars, for the amount of nonresidential capital formation per person added to the labor force, he estimates that commitments in the United States during the 1970s are 22 percent below the level reported in the 1956 to 1965 decade. In terms of business capital investment per worker, the United States still maintains a considerably higher capital to labor ratio than in Europe and Japan. However, our advantage has declined as other nations have increased their capital investments per worker. The Department of Commerce estimates that since 1960 the existing base of plant and equipment assets has nearly doubled in France and Germany and more than tripled in Japan.[1] The cumulative total of such assets in the United States increased at most by about 50 percent during the same period.

Gross nonresidential fixed investment per person added to civilian labor force

[In 1958 dollars]

	Amount
1956–60	$49,500
1961–65	55,300
1966–70	46,400
1971–74	[1]41,000

[1] Estimate based on incomplete data for 1974.

Source: Statement of Paul W. McCracken before the Committee on Ways and Means, January 29, 1975. Basic data from the Departments of Commerce and Labor.

Factors influencing U.S. rate of capital investment

In evaluating the relatively slower rate of capital investment in the United States, several moderating factors should be considered.

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[1] *An Overview of Investment: The United States and Major Foreign Economies*, International Economic Policy and Research Report, U.S. Department of Commerce, Domestic and International Business Administration, October 1974, p. 9.

First, the unusually large size of the U.S. economy and its relatively advanced stage of development, including the accumulated total of previous capital investments, creates a different investment environment. In 1974 the U.S. national output was $1.4 trillion, which is approximately equal to 90 percent of the combined total for the nine countries in the European Economic Community and Japan. Having already created such an impressive productive capacity it is to be expected that our rate of additional growth might be lower than the development rates of other nations who are striving to achieve our relatively advanced level of economic activity.

A second and even more important influence has been the historical priority placed on consumption within the U.S. economy. We are a consumption-oriented society and this pattern has been developing for several decades. The emphasis on consumption has undoubtedly caused much of the rapid development of the U.S. economy because it has created a strong demand for goods and services needed to sustain output, employment and investment. In 1974 personal consumption totaled $877.0 billion, or 63 percent of our gross national product; total government purchases of goods and services totaled $308.8 billion, or 22 percent; gross private domestic investment, which includes the change in inventories, was $208.9 billion, or 15 percent; and net exports of goods and services amounted to $2.0 billion or 0.1 percent of total national output. Personal and government consumption outlays have long dominated the GNP totals, and this pattern of economic activity is deeply ingrained in our society. As a result, despite our high per capita incomes, the accumulations of gross savings flows required for capital investment are lower in the United States than elsewhere. It is also important to note that the level of gross private savings in the United States has remained stable throughout the postwar era.

AVERAGE ANNUAL GROSS SAVINGS FLOWS-AS A PERCENT OF GROSS NATIONAL PRODUCT

[In percent]

	1955–59	1960–64	1965–69	1970–74
Gross private saving	15.9	15.4	15.9	15.8
Personal saving	4.5	3.8	4.5	5.5
Undistributed corporate profits	3.4	2.8	3.1	2.8
Inventory valuation adjustment	–.3	0	–.3	–1.2
Capital consumption allowances	8.3	8.8	8.7	8.7
U.S. Government surplus	–.1	.2	–.2	–1.1
State and local government surplus	–.3	.1	0	.5

Source: Department of Commerce, Bureau of Economic Analysis.

These figures are subject to differing interpretations. Some analysts have claimed that it will not be possible to attract enough savings to meet future investment needs. This negative conclusion assumes that the capital needed to increase plant and equipment capacity will be preempted or diverted to meet the consumption preferences of the private and public sectors. I would hope that the severe output, inflation, unemployment and balance-of-payments distortions of the past decade would be a useful warning against such a result. It should be apparent from the experience of recent years that we must invest adequate funds in new plant and equipment—as well as in education and training—in order to increase our Nation's productivity and thereby raise our stanadard of living. Failure to provide necessary productive capacity to meet the Nation's economic goals is certain to have undesirable effects upon our society over the long run.

Other analysts have used the same gross savings figures to claim that there will not be any particular strain in handling our future investment needs. They believe that as investors are provided with a sufficiently high return on their investments, they will increase savings to meet the higher demand for capital. This conclusion seems to be based on two questionable assumptions: (1) that the existing savings ratio of the past decade is adequate for both past and future capital investment needs: and, (2) that each sector in the economy can obtain its minimum investment needs within the total outlays financed.

I do not agree that past investment levels have been fully adequate. Experience has demonstrated that inflation and unemployment problems have been created in part by capacity shortages. Many of our current difficulties are the direct result of the energy and raw materials strains that developed in early 1974 and eventually contributed to our current recession and related unemployment. The continuous deterioration of our international trade balance during the 1960s, when the dollar was overvalued, was also at least partly the result of the loss of competitiveness for U.S. products and increased reliance on foreign sources of goods. As you will see in a moment, I think there is also clear evidence that in order to meet future needs, the Nation must increase its capital investment as a claim against national output. Unfortunately, specific investment needs have not been adequately fulfilled in many sectors of the economy, even though general outlays have increased. We must also be concerned about the capacity of our capital markets to provide adequate financing. Economists often assume that the supply of investment funds will automatically match the demand for capital if interest rates and equity yields are attractive. Our financial markets are very efficient in collecting savings and allocating funds. However, we should be more sensitive to the disruptive impact of high interest rates.

Even thought financial markets may be functioning well in allocating the available capital, specific sectors of the economy may not be able to obtain the investment funds needed, particularly at interest rates they can afford. The periodic problem of providing adequate mortgage financing at reasonable interest rates is one example of the limitations within the markets. The difficulty in obtaining equity financing is another. Whether or not industry will be able to acquire the investment funds needed will be heavily influenced by future actions of the government. National policies cannot ignore financial realities by diverting capital into deficit financing and disrupting the goals of stable monetary policy without inhibiting the necessary process of capital formation. The costs of capital and its availabiltiy for private sector needs are heavily dependent on these public fiscal and monetary actions. While the financial markets are very resilient and responsive to changing credit and equity needs, they are not immune to the disruptive impact of government policies.

A third important factor affecting the pattern of U.S. investment compared with other nations is the relatively large share of total capital outlays we commit to the services category, which includes housing, government and other services. According to a study published by the Organization for Economic Cooperation and Development (OECD), the United States allocated 70 percent of its total investment to the services category during the 1969 to 1971 time period. The U.S. figure is significantly higher than that reported by the other five major industrial nations included in the study (Table 3). Accordingly, the U.S. share of investment committed to the manufacturing sector, 19.7 percent, was considerably lower than the figures reported by Franch (27.8 percent), West Germany (25.2 percent), Japan (26.8 percent), and the United Kingdom (23.8 percent). Our heavy investment in the services category tends, of course, to emphasize consumption and moderate the growth in productivity. This arrangement may satisfy immediate consumer preferences, but we must weigh those preferences against long-term concerns about domestic productivity and international competitiveness.

A fourth influence on the pattern of capital investment in the United States is the relatively large share of our investment that must be used for replacement and modernization of existing facilities. It is estimated that 62 percent of U.S. capital investment during the time period 1960 to 1971 was used for replacement needs, compared to the United Kingdom, 61 percent; Canada, 52 percent; France, 54 percent; West Germany, 53 percent; and Japan, 31 percent.[2] The divergent pattern reflects the advanced status of economic development in some nations and the postwar experience of Europe and Japan in restoring their devastated industrial facilities following World War II. The Department of Commerce estimates that 60 to 70 percent of the U.S. stock of plant and equipment has been added since 1960, compared to approximately 75 percent of the capital goods of West Germany and France and 85 percent of Japan's industrial capacity.

It should be emphasized that this heavy replacement requirement does provide a continuing opportunity to introduce new technology into the U.S. economic system. Since the annual value of U.S. capital investment is so large, it cannot be assumed that the entire U.S. industrial system is technologically obsolete, even though some specific sectors have suffered a sharp competitive deterioration. Nevertheless, the otherwise imposing outlays for replacement and modernization do not add to the total productive capacity of our economy.

A *fifth* and final factor influencing the national rate of capital investment is the pattern of government policies. Government can affect investment either directly through the incentives it provides or indirectly through various tax and regulatory policies and its own pattern of spending.

A review of the diversified economic incentives available in other nations indicates the very active investment role played by many foreign governments. Basic industries are frequently controlled by the government with total, or at least dominant, public ownership. Special financial and operating assistance is also frequently provided for preferred private companies to assist their development if it is considered to be in the national interest. The United States has avoided most of the capital allocation and special incentive programs used in other countries. I strongly favor this private sector approach and believe that it has been a positive factor in the development of our economy.

There are some Federal programs which provide direct financial support through the Economic Development Administration, the

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[2] Ibid, Figure 16.

Small Business Administration and 169 different government credit programs, but the major influence of Federal Government on capital investment comes through the Federal budget. Government budget decisions now represent approximately one-third of the total GNP and this figure will rise even higher if spending trends of the past twenty years are continued. The government also influences private sector activities by providing capital grants, research funding and other incentives which stimulate investment. For example, the FY 1976 budget prepared by the President calls for outlays of $4.6 billion on general science, space and technology programs. $2.2 billion on energy activities and $9.4 billion for environmental and natural resources. Part of these outlays will involve capital investment needs.

The Government is also exercising increased influence over private investment decisions through the growing number of safety, health and environmental standards.

Precise estimates are difficult, but it has been estimated that during 1972, 8 percent of the textile industry's capital investments and 12 percent of the steel industry's investments were related to healthy and safety standards mandated by the government. While such standards may be highly desirable, we should recognize that these investments do not increase the Nation's total productive capacity.

Many State and local governments also provide special incentive programs to attract capital investment into specific geographical areas. Such incentives include capital grants, advantageous credit arrangements, relocation and manpower training grants, special site and building assistance, infrastructure investments, and preferred tax and utility arrangements. While such incentives have influenced the location of some facilities, the total amount of capital investment has probably not been increased.

The private sector continues to be the best means of increasing capital investment in the United States and our government has fortunately not attempted to control the pattern of such investments.

NEGATIVE RESULTS OF INADEQUATE CAPITAL INVESTMENT

While the historical pattern of capital investment in the United States may satisfy our immediate goals, there are serious economic risks in having a slow rate of capital investment for an extended period of time. The emphasis on immediate consumption has occurred because American consumers have historically preferred to spend 91 percent of their disposable after-tax income. The government has basically supported this independence of choice although its tax and spending policies have unfortunately exercised an increasing influence or private decisions. But we must not question the future adequacy of past investment patterns if we are to adequately prepare for the economic future of our great nation.

Various studies have indicated the close relationship between capital investment and various measures of economic growth and productivity. A dynamic economy is needed to create jobs by applying new technology and expanding production capacity. A productive labor force is also necessary for producing goods and services to meet rising demands for an improved standard of living and as a means of holding down inflation. When productivity increases, the effects of rising wages are offset so that unit labor costs can be held down and prices are more stable. Inadequate capital investment also limits new job opportunities and creates unemployment. Specific examples of production capacity shortages became painfully apparent to the Cost of Living Council (COLC) as it administered the program of wage and price controls from August 1971 until June 1974.

Recognizing the inflation pressures created by these numerous capacity constraints, the COLC followed a definite policy of requiring specific capital investment commitments from private industry as a basis for price decontrol decisions. The COLC also became very concerned about future inflation problems that could result from raw materials shortages and increasing capacity shortages in several basic industries as economic growth occurs. Unfortunately, productivity gains in the United States have been disappointing, particularly when compared with the experience of other leading nations.

PRODUCTIVITY GROWTH, 1960-73

[Average annual rate]

	Gross domestic product per employed person	Manufacturing output per man-hour
United States	2.1	3.3
Japan	9.2	10.5
West Germany	5.4	5.8
France	5.2	6.0
Canada	2.4	4.3
Italy	5.7	6.4
United Kingdom	2.8	4.0
11 OECD nations	[1] 5.2	6.1

[1] Average for 6 OECD countries listed.

Source: Department of the Treasury.

The rapid growth of the U.S. economy to its present size and the relatively low level of inflation until the late 1960's has been based on the creativity and productivity of the system. Americans have greatly benefitted from this growth, not only in personal economic gains but in terms of national security and international leadership. Continued prosperity, however, cannot be taken for granted; it must be earned. We must be willing to allocate more of our resources to the future and fewer to satisfying immediate demands. This is a difficult concept for some to accept because they prefer current consumption. With so many needs still unsatisfied in a land of relative plenty, this feeling is understandable. Our ability to fulfill these needs will only be restricted, however, if we now fail to prepare for the future. The simple truism that we cannot consume more than we produce should be obvious, but we sometimes ignore it in setting national priorities. And we can no longer afford to ignore the fact that as the real output of other nations has increased more rapidly than our own, our competitive advantage has gradually been eroded.

II. FUTURE CAPITAL INVESTMENT REQUIREMENTS

Economic projections are always difficult, but estimating future capital needs is particularly uncertain at this time because costs and priorities continue to change rapidly. It is obvious, however, that future capital requirements will be enormous—larger than anything we have ever faced before. Clearly we will need to increase the quantity and quality of housing; develop new energy resources; improve the quality of our environment; rehabilitate the existing transportation system and develop a better urban transportation system; continue the mechanization of agriculture; construct new office buildings, communications systems, medical facilities, schools and other facilities, and meet the massive needs for new plant and equipment. In all of these sectors we must not only replace and modernize existing facilities but also add new capacity, particularly in many of our most basic industries.

The Department of Commerce estimates that capital requirements for producers' durable equipment and nonresidential structures will total $3.4 trillion during the 1974 to 1985 period. If annual outlays for residential construction, which have averaged $50 billion during the past four years, are added to this figure, the total capital needs rise to well over $4 trillion. Details of their estimate include:

GROSS PRIVATE DOMESTIC NONRESIDENTIAL FIXED INVESTMENT

[In billions of current dollars]

	1974	1985	Cumulative 1974-85
Total producer's durable equipment	$100.0	$270.7	$2,188.8
Nonresidential structures	54.7	151.3	1,197.3
Total	154.7	428.0	3,386.0

A similar study performed by the General Electric Company confirms the massive size of future capital requirements. Assuming a real GNP growth rate of 4 percent and an inflation rate of 5 percent, General Electric expects gross private domestic investment, including residential housing, to total $4½ trillion over the 1974 to 1985 time period.

The General Electric and Commerce studies are consistent if housing outlays are added to the Department of Commerce totals. Both estimates are limited to private investment and exclude the large government expenditures required for roads, dams, government facilities, schools, pollution abatement outlays, and many other projects.

Assuming, then, that the cumulative investment needs between 1974 and 1985 will range from $4 to $4½ trillion, the point to remember is this: Over the most recent period of the same length, 1962 through 1973, our total outlays for capital investment in the United States were $1½ trillion. Thus, our capital investment needs in coming years are approximately three times the level of the recent past. That is perhaps our best measure of our challenge ahead.

Both of the studies I have mentioned are necessarily based on many uncertain projections and arbitrary assumptions about a continuing close relationship between investment and economic growth. But even if some of these assumptions prove to be erroneous—as they will—and new investment requires arise—as always happens—the actual results will not materially change the following conclusions:

1. Capital requirements for gross private domestic investment will be in excess of $4 trillion during the 1974 to 1985 time period.

2. The future rate of inflation will be a crucial factor in determining the amount of future investment because it will influence both the price of assets acquired and the economic incentives for future investment.

3. The achievement of national capital investment goals is possible if we are willing to increase the share of national resources committed.

Energy investment requirements

One area of capital investment that is particularly critical for the future is energy. To achieve greater self sufficiency in energy, enormous capital investments will be required. We basically have two alternatives. The first one is to meet our increased energy investment requirements by reducing outlays in other sectors. While energy priorities are indeed important, it would be most unfortunate to disrupt the entire economic system in this way. A second—and more desirable—approach is to include these new requirements within an enlarged total investment goal. Our purpose should not be to redistribute the economic pie, but to continue enlarging it so that everyone will have a bigger share.

Recognizing that the ultimate cost of energy investment needs will be influenced by many variables, it appears that capital requirements over the next decade will total about $1 trillion stated in current dollars to include the effects of inflation. Energy investments will comprise an important share of the total capital requirements discussed above but their financing is manageable if they are given a high priority as part of a comprehensive national energy program. The

specific amounts to be spent in each category will depend upon the energy policies adopted and dynamic developmens within the economy. Nevertheless, the range of possible needs is indicated in four separate studies prepared by the Federal Energy Administration, National Petroleum Council, National Academy of Engineering and Arthur D. Little, Inc. All four studies are stated in *constant 1973 dollars* to make them comparable. If necessary adjustments are made for potential inflation and the increased needs that have been identified since the studies were prepared the resulting capital needs expressed in current dollars, will approximate $1 trillion between now and 1985.

	NPC [1]	NAE [2]	ADL [3]	FEA accelerated supply
Oil and gas (including refining)	133	149	122	98.4
Coal	8	18	6	11.9
Synthetic fuels	10	19	6	.6
Nuclear	7	93	84	138.5
Electric powerplants (excluding nuclear)	137	53	43	60.3
Electric transmission	42	125	90	116.2
Transportation	43		43	[4] 25.5
Other [5]			8	2.2
Total	380	457	396	454.0

[1] "U.S. Energy Outlook", a summary report of the National Petroleum Council, Washington, D.C., December 1972 (average of 4 supply cases).

[2] U.S. Energy Prospects, an engineering viewpoint, National Academy of Engineering, Washington, D.C., 1974.

[3] Arthur D. Little estimates based upon an energy conservation scenario.

[4] Does not include investments required for tanker fleets, but does include $5,500,000,000 targeted for Trans-Alaska oil pipeline.

[5] Solar, geothermal, municipal waste treatment plants, and shale oil.

Source: Federal Energy Administration, Project Independence Report, November 1974, p. 282.

The overall impact of energy requirements is summarized in a special report issued by the Chase Manhattan Bank in March of 1975. The Energy Economics Division of the bank is noted for the quality of its special reports. Over twenty years ago that division predicted that an energy shortage would develop in the United States if certain policy adjustments were not made. One of the major concerns of these reports over the years has been the chronic underinvestment in energy resources which became apparent in the late 1950's. The conclusion of the most recent Chase Manhattan Bank report is particularly perceptive:

"Although the relationship between investment and supply of energy is an elementary principle that applies to any and all sources of primary energy, it is nevertheless one that is not well understood. In fact, the lack of understanding was responsible for the incredibly unenlightened regulation and many other political actions about the world that had the two-pronged effect of preventing the generation of sufficient capital funds and discouraging the investment of money that actually was available. And the current energy shortage is the consequence. Yet, even today, after so much damage has been done, there is still a widespread failure to recognize the relationship between investment and supply. Instead, two distinctly different attitudes generally prevail. Many apparently continue to believe they can somehow again have enough energy without paying all the associated costs. Others, obviously, are resigned to the prospect of a permanent shortage and see conservation as they only avenue of partial relief. Neither attitude is realistic, of course. The world still does not lack basic energy resources remaining to be developed. And it is conceivable that eventually there can again be enough to serve all its needs but only if the necessary investment is made first. If it is not, a permanent shortage will indeed be the certain outcome."

Source: The Chase Manhattan Bank, Energy Economics Division, "How Much Oil—How Much Investment," A Special Petroleum Report, March 1975.

The report goes on to emphasize—correctly, I believe—that a permanent shortage is intolerable because it would so constrict total economic growth that the growth in labor force—even at the more moderate pace expected in the 1980s—could not be absorbed. The resulting unemployment problems would cause severe economic problems in addition to threatening our political and social stability.

Future investments in energy resources will naturally be determined by total demand over time. Estimates have already changed dramatically as costs have risen and conservation efforts have increased. However, these developments are so recent that it is difficult to predict future demand until a national energy policy is agreed upon and the various energy incentives and disincentives are identified. The Chase Manhattan analysts had originally projected a continued growth in the world's demand for energy at an average annual rate of 5 percent which is the same pace as recorded from 1955 to 1970. Admitting the unusual degree of uncertainty, the bank has now lowered its projection to an annual rate of 4.2 percent with a strong warning that energy forecasts have historically erred on the conservative side. Oil consumption is expected to grow at a more rapid annual rate of 4.5 percent over the 1970 to 1985 period, resulting in a cumulative consumption of 375 billion barrels, nearly two and a half times more than in the 1955 to 1970 period. North America is expected to remain the world's largest consumer of total energy and oil, but the growth rate for this area may be lower because of a slower population growth and our potential for conservation savings.

Turning to the financial requirements for the petroleum industry, Chase Manhattan Bank estimates a world-wide need for $400 billion to find 600 billion barrels of oil between 1970 and 1985. This is more than two and a half times the actual investment for this purpose during the 1955 to 1970 period. An additional $370 billion will be needed between 1970 and 1985 for world-wide development of refineries and processing facilities, tankers, pipelines, environmental equipment and the necessary marketing facilities. The total of $770 billion is nearly three times the actual commitment in the preceding fifteen year period. Finally, another $400 billion will be required for other investments, payment of dividends, debt repayments and additions to working capital.

The total financial needs of the world's petroleum industry from 1970 to 1985 are estimated by the bank to be $1.2 trillion stated in constant 1970 dollars. Inflation will of course increase the dollar amounts required. If inflation averages 5 percent over the time period, the world petroleum industry financial needs would rise from $1.2 to $1.6 trillion. With 10 percent inflation, the figure would increase to $2.2 trillion.

With regard to financing these world-wide petroleum industry requirements, the bank estimates the following distribution of potential sources based on the $1.2 trillion constant dollar estimate: (1) Communist nations, $225 billion; (2) new capital market issues, $240 billion; (3) capital recovery allowances, $260 billion; and (4) profits, $460 billion. These figures must be adjusted upward according to whatever rate of inflation occurs.

This brief listing of sources obviously conceals many difficult financial challenges. The world's capital markets will already be absorbing large public and private financing demands. Government policies may reduce capital recovery allowances permitted for computing tax liabilities. And the assumption that oil industry profits will be large enough to cover such a large share of the total is questionable. Commenting on the public's reaction to oil industry profits in 1973 and 1974 after fifteen years of average performance, the bank report states:

"As emphasized earlier, there cannot possibly be enough energy of any kind without adequate investment. And investment cannot be adequate without sufficient profits. But profits are labeled excessive and restraints are proposed without apparent consideration of the need for profits as a source of investment funds. As indicated earlier, the industry will need at least $845 billion of profits between 1970 and 1985 if the world experiences a 10 percent rate of inflation. But in the first four years of the period the industry generated no more than $60 billion of profits, only 7 percent of the required amount. Even in the highly unlikely event of no further inflation, the $60 billion would represent but 13 percent of the industry's total needs for the fifteen year period."

II. GOVERNMENT POLICIES

While our economy is capable of financing its large private capital investment requirements, our success in meeting that goal is heavily dependent upon the shape of government policies. It is absolutely imperative that government policies become more supportive. A continuation of the severe fiscal and monetary distortions of the past decade would undoubtedly prevent the achievement of our basic goals. Inflation must be controlled, and the government must avoid disrupting the capital markets if the private sector is to obtain the financing required. In fact, public officials must balance the Federal budget over time and record occasional surpluses in order to free up capital resources to fulfill existing private investment claims. Instead of reducing private investment to release resources for government social programs, we should concentrate on balacing the budget over time so that the future flow of savings is not diverted away from private investment.

Unfortunately, the Federal Government has reported a deficit in fourteen out of the past fifteen years ending with FY 1975. During the single decade FY 1966 through FY 1974, the cumulative Federal deficits totaled $103 billion. Net borrowings for supporting over one hundred "off-budget" Federal programs totaled another $137 billion during that decade. As a result, the Federal Government withdrew one quarter of a trillion dollars out of the capital markets. But this record is only a prelude to our present situation when Treasury financing requirements will total about $75 billion in calendar year 1975 in order to finance the massive Federal deficits expected. While much of the current deficit results from the recession, which has caused tax revenue losses, increased unemployment compensation benefits and other outlays resulting from the "automatic stabilizers" used to fight recession, a review of the budget details indicated that traditional spending programs are also rising rapildly and new programs are proposed almost every day. As indicated in Table 4, the spending figures included in the original budget submitted by the President last February called for outlays of $313.4 billion in Federal spending in FY 1975 and $349.4 billion in FY 1976. Recent projections by the Office of Management and Budget indicate that FY 1975 outlays will be $324.2 billion, an increase of 20.8 percent over FY 1974 outlays. It should be obvious that government spending—both for temparory stimulus and traditional programs—is increasing at a rate that is creating serious resource allocation problems far into the future and that these pressures will not conveniently disappear as we gradually emerge from the recession later this year.

Looking beyond the recession problems of 1975, we seem to face the dilemma of having an apparently irresistable force of growing government spending meeting the immovable object of future capital investment requirements. But we should no longer consider the growth of government spending and related deficits to be an irresistible force. To do so will inevitably lead to even more serious economic problems of unemployment, reduced real gains in our national standard-of-living and even more inflation resulting from inadequate physical capacity and reduced productivity. We must recognize the basic reality that when we apply too much pressure on our capacity to produce goods and services, the inevitable result is inflation and shortages. The underlying growth trends of the U.S. economy will continue to provide for further economic progress, but we cannot realistically expect to satisfy every new claim within our economy by simply shifting resources from the private to the public sector.

Adding new government commitments is not feasible if the total productive capacity of the economy is exceeded. This guideline has been frequently violated as total demand has increased too rapidly for the economic system to absorb. When this happens the economy begins a boom and bust sequence with severe inflation and unemployment distortions. Nor can we wish away the problem by claiming that there is plenty of slack in the 1975 recession and that we can ignore problems of overheating the economy until later years. The escalation of government spending levels summarized in Table 4 has already seriously eroded our future fiscal flexibility and the lagged impact of current spending decisions will directly affect the future. In short, if we are to achieve our crucial goal of adding at least $4 trillion of private capital investment by 1985, we must first establish more moderate and sustainable fiscal and monetary policies.

Tax policies

Federal tax policies affect capital investment decisions by determining the after-tax earnings available for investment and by establishing incentives or disincentives for future investment. An OECD study of tax policies indicates that total government tax collections in the United States during the years 1968, 1969, and 1970 were a smaller proportion of the gross national product than in most other industrial nations. The U.S. figure of 27.9 percent for those three years was above that of Switzerland (21.5 percent) and Japan (19.4 percent) but below the levels reported for many European nations, ranging from Italy (30.1 percent) to Sweden (43.0 percent). Since the study was completed, the United States undertook major tax policy changes in 1971 and in March of 1975, but the comparative relationships have probably not changed very much. There is, however, a major difference in the distribution of the tax burden. As indicated in Table 5, only 18.1 percent of the U.S. tax revenues in 1971 were provided by taxes on the consumption of goods and services. Other industrial nations relied much more heavily on consumption taxes: France, 34.8 percent; West Germany, 28.1 percent; United Kingdom, 26.6 percent; Canada, 28.7 percent; and Japan 20.7 percent.

The definite tilt toward personal and corporate income taxes in the United States is consistent with our historical preference for immediate consumption. It is not my purpose to criticize this historical priority, but the future requirements for capital investment indicate that tax policies should be reviewed. Just such a review has been underway in the Department of the Treasury in preparing for the tax law changes completed last month and in aniticipation of a joint review with the Congress in the coming months of possible tax reform initiatives. I do not want to make any specific recommendations this morning because we are still working on our analysis and recommendations. We will want to review the options with Congress before specific actions are suggested. I will merely refer to some of the policy areas that need to be reviewed:

1. Corporate income tax—These taxes directly influence the cash flow available for investment. The rate has vacillated slightly above or below the 50 percent level for many years. While a reduction in the rate of taxation would probably be the most straightforward approach to enhancing investment incentives, any change would represent a major shift in policy and would require extensive congressional consideration. The Tax Reduction Act of 1975 did increase the corporate surtax exemption from $25,000 to $50,000 and decrease the "normal" tax from 22 to 20 percent on the first $25,000 of earnings. These changes, however, do not affect the tax impact on the great bulk of corporate earnings subject to the corporate surtax.

As part of this on-going review of tax policies we also need to consider the influence on investment of our two-tier system of corporate taxation in which income is taxed once at the corporate level and again at the shareholder level. This approach discriminates against corporate investors generally and small equity investors particularly. An individual in the 20 percent tax bracket in effect pays 48 percent at the corporate level and then an additional 20 percent on what is left for a total tax burden of 58.4 percent, or nearly three times his individual rate. If the individual is in the 70 percent bracket, he pays 48 percent at the corporate level and then an additional 70 percent on what is left. His total tax burden is 84.4 percent. If the same business could be conducted in a noncorporate form, the investors would pay only 20 and 70 percent respectively.

Our tax system puts a great penalty on companies that must incorporate. Companies that do incorporate are those that have large capital needs that must be raised from many persons. We should keep in mind that our system of taxation bears more heavily on corporations than do the tax systems of almost every other major industrial nation. In the last few years our major trading partners have largely eliminated the classical two-tiered system of corporate taxation. Through a variety of mechanisms they have adopted systems of "integrating" the personal and individual income taxes so that the double taxation element is radically lessened.

2. Investment Tax Credit (ITC)—Business firms have strongly supported the ITC as a major stimulus to additional capital investment. Empirical studies do indicate that the amount of investment in machinery and equipment has increased when the ITC has been put into effect and has declined when it is suspended. Some critics believe, however, that the ITC simply influenced the timing and types of investment rather than increasing the total amount.

Whichever view is correct, there was strong support for the investment tax credit provision in the Tax Reduction Act of 1975 which increased the credit to 10 percent for two years and removed the lower percentage limitation for utilities. Unfortunately, the investment tax credit has had an uncertain status since it was initiated January 1, 1962 and businessmen are justifiably concerned about the stability of an incentive which has already been removed twice and then reinstated.

3. Depreciation guidelines—The amount of capital recovery charges permitted for tax purposes also influences the after-tax earnings available for private investment. In 1954 the Internal Revenue Tax Code was changed to permit depreciation charges to be made on an accelerated basis. The official guidelines were again liberalized in 1962, and in 1971 the Asset Depreciation Range (ADR)—along with the investment tax credit—was added to the regulations.

The ADR rules allow companies to select a time period for calculating depreciation within a range of 20 percent above or below the Treasury guideline which specifies useful life periods for various assets. Despite these adjustments, American businesses complain that they have a competitive disadvantage compared with some other nations. The figures summarized in Table 6 do indicate that American firms using both the ADR and the investment tax credit can recover 55 percent of the value of new investments during the first three years. By comparison, the allowances in other nations are as follows: Canada, 100 percent; France, 90.3 percent; Japan, 63.9 percent; United Kingdom, 100 percent; and West Germany, 49.6 percent. It should be added that the U.S. position becomes more comparable by the seventh year. Various business groups have proposed further liberalization, such as a wider ADR percentage, but further consideration should be part of the general tax reform analysis involving the Department of the Treasury and the Congress.

4. Special Incentives—The government is frequently asked to provide special incentives in the form of reduced or delayed taxes, accelerated depreciation schedules, capital grants or other benefits to enhance the rate of return on capital investments. While such incentives are usually requested on the basis that they will contribute to the achievement of some national priority, it is usually difficult to justify such special treatment.

When special advantages are given to a specific industry or geographical region, others become relatively disadvantaged and it is very difficult for government authorities to determine which claims should be favored, particularly in a dynamic economy where priorities can change rapidly. While there may be a few specific situations where the government should intervene in the allocation of resources which is now handled efficiently by the private markets, my overwhelming preference is to avoid the economic distortions which are found to occur.

Corporate profitability

The final area of concern that I want to address here is the future outlook for corporate profitability. Such profits are, of course, *the* major incentive for additional investment and an important source of funds for financing outlays, along with various external sources. In a fundamental sense profits are the driving force of our system—the engine that pulls the economic train for the 85 percent of our work force still in the private sector—and they are just as much a "cost" of doing business as payments to workers, supplies of materials and services, taxes, etc.

Unfortunately, corporate profits are too often thought of as an unnecessary claim required by greedy businessmen rather than the basic incentive in our economic system. Public opinion surveys in the 1930s and in more recent years are consistent in indicating that the general public thinks that profits account for approximately 28 percent of the sales dollar. The fact is, however, that profits account for approximately 5 cents out of each dollar of sales. Actual earnings of business firms are thus far below what the general public—and some Members of Congress—perceive them to be. In fact, corporate profits will have to improve substantially in order to provide the necessary incentives and to make the necessary contribution to future investment outlays. My concern is that the negative attitudes about profits held by many Americans might become an unfortunate part of public policy. We must avoid legislation and regulation that is punitive of profits honestly earned. The result could only be that capital formation would be inhibited, and

the real purchasing power of wage earners would rise more slowly. We must always be alert to the fact that profits translate into jobs, higher wages, and an increased standard of living for all of our people.

One important reason why there is so much misunderstanding about corporate profitability is that our accounting system has not yet been able to adapt to the disruptive effects of the double-digit rate of inflation we have suffered. Inflation hurts investment by increasing the prices of new assets and eroding the purchasing power of corporate earnings. Taxes must be paid on reported earnings even though these figures are exaggerated by inventory valuation profits and the inadequacy of capital recovery allowances, which are based on the historical costs of existing assets rather than the inflated outlays required for new assets. Inflation also disrupts investment by discouraging savings once the general public recognizes that the purchasing power of such commitments is eroded so quickly.

Fortunately, the Department of Commerce publishes figures which attempt to adjust for the distorting effects of inventory valuation, the effects of accelerated depreciation methods and the understatement of capital recovery allowances based on historical cost asset values. The results of these adjustments are summarized in Table 7. These figures clearly indicate that adjusted after-tax profits of nonfinancial corporations as a share of national income and of the value of corporate output are far lower than the public opinion polls would suggest. Furthermore, from a peak in 1965 through 1973 the relative share of corporate after-tax profits has declined by one half according to both measures. The same discouraging pattern results when these adjusted earnings figures are compared to the replacement value of capital assets to determine the rate of return on invested capital. From a peak rate of return of 10 percent in 1965 this measure declined to 5.4 percent in 1970 before recovering to a level of 6.1 percent in 1973. The sluggish economy of 1974 and 1975 will further reduce this figure. It is not unfair to say that the United States has been and remains today in a profits depression. Since the incentive for new investment ultimately depends upon sustaining an attractive rate of return on capital, this trend is particularly disturbing.

It should be emphasized that all of these comparisons have been stated in current dollars which conceals the negative impact of inflation on the purchasing power of retained earnings. Professor John Lintner of Harvard University recently reported that the retained earnings of U.S. nonfinancial corporations were 77 percent lower in 1973 than in 1965 if the figures are converted into constant dollars in order to remove the effects of inflation and if adjustments are made to remove the effects of inventory valuation gains and the underreporting of depreciation changes based on historical costs. Without these adjustments, reported retained earnings in 1973 were 46 percent above the 1965 figure.[3]

Because business firms cannot use "Phantom" earnings to acquire capital assets, the future pace of private investment will depend upon the growth of real profits. The government can influence the economic incentives needed to stimulate investment through its tax policies, regulatory and administrative practices and various spending programs, but the private investment decision ultimately depends upon the rate of return expected and the availability of adequate financing at a reasonable cost. Government officials and the general public must recognize the basic importance of corporate profitability and the disruptive effects of excessive government spending pressures—pressures which create deficit financing requirements that take precedence over private investment needs in the capital markets. This problem has not received adequate attention.

IV. SUMMARY

As we strive to end the most severe economic recession in our postwar experience, my deep and abiding concern about the future adequacy of capital investment will perhaps appear to be ill-timed to some analysts. There is extensive slack in our economy with an unemployment rate near 9 percent and reduced rates of plant capacity utilization in many specific industries. The economic slide, however, will not last much longer, and we will again be reporting real growth gains before the end of the year. As the pace of economic activity accelerates, we will likely rediscover shortages of labor and production capacity. In fact, some industries still have high plant capacity utilization ratios, and many types of skilled labor will be difficult to find even in the early stages of economic recovery. In 1971 it was widely believed that extensive slack existed but the economy was again operating at a very high rate of capacity by 1972 and shortages and explosive inflation soon occurred.

Our statistics on plant capacity have always been uncertain measures, and current economic conditions have motivated the Department of Commerce to give top priority to a comprehensive survey of production capacity as a basis for preparing more meaningful estimates of plant capacity utilization rates. It is ironic that such a fundamental factor in preparing national economic policies has been based on such uncertain economic statistics.

Dr. Pierre Rinfret, President of a well known economic consulting firm, Rinfret Boston Associates, Inc., has published an impressive study of the national production capacity which indicates that our current government statistics grossly underestimate the rate of capacity utilization in American industry and that there is virtually no reserve capacity. His study estimates that the capacity utilization rate for manufacturing industries was 86.6 percent in 1974, (Table 8), a figure well above the government's estimate for 1974, of 78.9 percent. It should also be emphasized that the concept of operating at 100 percent of physical capacity is misleading. Over the last fifteen years the government figures indicate that manufacturing capacity utilization has averaged only 83 percent despite some periods of intense output. The highest figure reported by the government during this fifteen years was 91.9 percent for 1966. Most companies need to preserve some reserve capacity to handle unexpected output requirements and to substitute for operating assets which need repairs or replacement. Therefore, the existing government figures do not accurately measure the realistic level of capacity utilization.

Looking beyond the current problems of recession and sustaining an economic recovery, the additional capital investment of at least $4 trillion from 1974 to 1985 represents a major challenge to the future growth of our economy. We must also give careful attention to the problems of specific industries in attracting needed investment for balanced growth. I am confident that these basic goals can be accomplished. But the desired results will require government policies which will moderate inflation and balance the Federal budget over time in order to avoid diverting needed capital away from investment and into the financing of chronic government deficits. A continuation of the fiscal and monetary distortions of the past decade will only frustrate our capital investment efforts and lead to still more serious economic problems in the future.

TABLE 1.—*Average annual rate of change in real growth for member nations of OECD, 1960–70*

[In percent]

Japan	11.1
Greece	7.6
Yugoslavia	6.7
Portugal	6.3
France	5.8
Italy	5.6
Canada	5.2
Finland	5.2
Australia	5.1
Netherlands	5.1
Norway	5.0
Belgium	4.9
Denmark	4.9
West Germany	4.8
Austria	4.8
Iceland	4.3
Ireland	4.0
U.S.	4.0
Luxembourg	3.3
United Kingdom	2.8

Source: Organization for Economic Development and Cooperation.

TABLE 2.—GROSS PRIVATE DOMESTIC FIXED INVESTMENT, 1950–74

[Billions of dollars]

Year	Total	Nonresidential structures and producers, durable equipment	Residential structures
Pt. A.—Nominal dollars:			
1950	$47.3	27.9	19.4
1951	49.0	31.8	17.2
1952	48.8	31.6	17.2
1953	52.1	34.2	18.0
1954	53.3	33.6	19.7
1955	61.4	38.1	23.3
1956	65.3	43.7	21.6
1957	66.5	46.4	20.2
1958	62.4	41.6	20.8
1959	70.5	45.1	25.5
1960	71.3	48.4	22.8
1961	69.7	47.0	22.6
1962	77.0	51.7	25.3
1963	81.3	54.3	27.0
1964	88.2	61.1	27.1
1965	98.5	71.3	27.2
1966	106.6	81.6	25.0
1967	108.4	83.3	25.1
1968	118.9	88.8	30.1
1969	131.1	98.5	32.6
1970	131.7	100.6	31.2
1971	147.4	104.6	42.8
1972	170.8	116.8	54.0
1973	194.0	136.8	57.2
1974p	195.6	149.6	46.0
Pt. B.—Constant 1958 dollars:			
1950	61.0	37.5	23.5
1951	59.0	39.6	19.5
1952	57.2	38.3	18.9
1953	60.2	40.7	19.6
1954	61.4	39.6	21.7
1955	69.0	43.9	25.1
1956	69.5	47.3	22.2
1957	67.6	47.4	20.2
1958	62.4	41.6	20.8
1959	68.8	44.1	24.7
1960	68.9	47.1	21.9
1961	67.0	45.5	21.6
1962	73.4	49.7	23.8
1963	76.7	51.9	24.8
1964	81.9	57.8	24.2
1965	90.1	66.3	23.8
1966	95.4	74.1	21.3
1967	93.5	73.2	20.4
1968	98.8	75.6	23.2
1969	103.8	80.1	23.7
1970	99.5	77.2	22.2
1971	105.8	76.7	29.1
1972	118.0	83.7	34.3
1973	127.3	94.4	32.9
1974p	118.1	94.1	24.0

Source: Department of Commerce, Bureau of Economic Analysis.

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[3] Lintner, John, "Savings and Investment for Future Growth: 1975–6 and Beyond," presented at a colloquium on "Answers to Inflation and Recession: Economic Policies for a Modern Society," conducted by The Conference Board, Washington, D.C., April 8–9, 1975, p. 15.

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TABLE 3.—OUTPUT AND INVESTMENT BY SECTOR 1969-71 AVERAGES

[Current price percents]

	United States	France	Germany	United Kingdom	Canada	Japan
PARTITION A						
Sector percentage of total output:						
Agriculture	3.0	5.9	3.2	2.6	3.9	[1] 7.3
Mining	1.6	.8	2.2	1.4	3.4	.9
Manufacturing	30.3	45.3	50.4	33.5	26.6	43.0
Utilities	2.3	1.8	2.3	2.8	2.4	2.0
General services	62.8	46.2	41.9	59.7	63.7	46.8
(Dwellings)	(5.4)	(4.5)	(3.8)	(2.3)	(3.3)	(NA)
(Government)	(14.7)	(8.8)	(9.4)	(10.1)	(14.0)	(3.1)
(Other services)	(42.7)	(32.9)	(28.7)	(47.3)	(46.4)	(NA)
Total	100.0	100.0	100.0	100.0	100.0	100.0
Sector percentage of total investment:						
Agriculture	3.8	4.6	[2] 5.3	2.6	5.5	5.9
Mining	1.0	.7	1.3	1.5	7.5	.9
Manufacturing	19.7	27.8	25.2	23.8	16.6	26.8
Utilities	5.2	3.9	5.0	8.6	9.4	3.9
General services	70.3	63.0	63.2	63.5	61.0	62.5
(Dwellings) [3]	(19.9)	(26.3)	(22.2)	(15.1)	(21.5)	(17.9)
(Government)	(20.4)	(12.8)	(9.9)	(15.9)	(17.9)	(24.9)
(Other services)	(30.0)	(23.9)	(31.1)	(32.5)	(21.6)	(19.7)
Total	100.0	100.0	100.0	100.0	100.0	100.0
PARTITION B						
Sector ratios: Investment percentages divided by output percentages:						
Agriculture	1.3	0.8	1.7	1.0	1.4	0.8
Mining	.6	.9	.6	1.1	2.2	1.0
Manufacturing	.7	.6	.5	.7	.6	.6
Utilities	2.3	2.2	2.2	3.1	3.9	2.0
General services	1.1	1.4	1.5	1.1	1.0	1.3
(Dwellings)	(3.7)	(5.8)	(5.8)	(6.6)	(6.5)	(NA)
(Government)	(1.9)	(1.5)	(1.1)	(1.6)	(1.3)	(8.0)
(Other services)	(.7)	(.7)	(1.1)	(.7)	(.5)	(NA)

[1] Output averages of Japan are for 1969-70.

[2] Investment averages of Germany are for 1967-68.

[3] Investment in owner-occupied dwellings. For Canada, France, and the United Kingdom the figure is from residential investment, which differs slightly from the former category.

Source: OECD. "National Accounts of OECD Countries", 1960-71.

TABLE 4. FEDERAL BUDGETS, CHANGES IN THE UNIFIED BUDGET OUTLAYS BY FISCAL YEAR, 1961-76

[Dollars in billions]

Fiscal year over preceding year	Federal outlays	Dollar increase	Percentage increase	Surplus or deficit
1961	$97.8	$5.6	6.1	−3.4
1962	106.8	9.0	9.2	−7.1
1963	111.3	4.5	4.2	−4.8
1964	118.[illegible]	7.3	6.1	−5.9
1965	118.4	−.2		−1.6
1966	134.7	16.3	13.8	−3.8
1967	158.3	23.6	17.5	−8.7
1968	178.8	20.5	13.0	−25.2
1969	184.5	5.7	3.2	+3.2
1970	196.6	12.1	6.5	−2.8
1971	211.4	14.8	7.5	−23.0
1972	231.9	20.5	9.7	−23.2
1973	246.5	14.6	6.3	−14.3
1974	268.4	21.9	8.8	−3.5
1975 (estimate)[1]	313.4	45.0	16.8	−34.7
1975 (estimate)[2]	324.2	55.8	20.8	−42.2

[1] Last official budget estimates published Feb. 3, 1975.

[2] May estimate of OMB as to expected fiscal year 1975 outlays and most recent, May —, Department of Treasury fiscal year 1975 receipts.

Source: Economic Report of the President, February 1975, table C.64, p. 324, for years 1961 through 1974.

TABLE 5

	United States: Value (dollars in millions)	United States: Percent of total	France: Value (francs in millions)	France: Percent of total	Germany: Value (deutschemarks in millions)	Germany: Percent of total	United Kingdom: Value (pounds in millions)	United Kingdom: Percent of total	Canada: Value (Canadian dollars in millions)	Canada: Percent of total	Japan: Value (yen in millions)	Japan: Percent of total
Tax revenue by type:												
Comparison of general tax revenue sources, 1971:												
Corporate income and profit [1]	30,234	10.4	18,747	5.8	11,655	4.5	1,558	7.8	3,080	10.2	2,977	18.8
Household income and profit [1]	98,176	33.6	32,492	10.1	70,295	26.9	6,668	33.2	10,221	33.9	3,802	24.0
Consumption taxes [2]	52,698	18.1	112,139	34.8	73,425	28.1	5,349	26.6	8,660	28.7	3,289	20.7
Social security contributions	60,286	20.7	134,802	41.9	88,430	33.8	2,828	14.1	2,463	8.2	3,174	20.0
Other taxes	50,301	17.2	23,916	7.4	17,655	6.7	3,685	18.3	5,710	19.0	2,612	16.5
Total	291,695	100.0	322,096	100.0	261,460	100.0	20,079	100.0	30,134	100.0	15,854	100.0
Comparison excluding social security distributions:												
Corporate income and profit [1]		13.1		10.0		6.8		9.0		11.1		23.5
Household income and profit [1]		42.4		17.3		40.6		38.6		37.0		30.0
Consumption taxes [2]		22.8		59.9		42.4		31.0		31.3		25.9
Other taxes		21.7		12.8		10.2		21.4		20.6		20.6
Total	231,409	100.0	187,294	100.0	173,030	100.0	17,251	100.0	27,671	100.0	12,680	100.0

[1] Includes capital gains.

[2] Defined as taxes levied on transactions in goods and services on the basis of such intrinsic characteristics as value, weight, strength, etc. The source document provides further elaboration concerning tax category definitions.

Source: Revenue Statistics of OECD member countries 1965-71, OECD

TABLE 6.—COMPARATIVE COST RECOVERY ALLOWANCES FOR INDUSTRIAL MACHINERY AND EQUIPMENT

Country	Representative cost-recovery period (years)	1st taxable year	1st 3 taxable years	1st 7 taxable years
Canada	[1] 2	50.0	100.0	100.0
France	[2] 8	31.3	90.3	[3] 100.0
Japan	[4] 11	[5] 37.1	63.9	88.1
United Kingdom	1	100.0	100.0	100.0
Western Germany	[6] 9	[7] 16.7	49.6	[8] 88.8
United States:				
With investment credit but without ADR (accelerated depreciation range)	13	[10] 21.7	47.9	89.1
Without either investment credit or ADR	[9] 13	7.7	33.9	66.1
With both investment credit and ADR	[9] [11] 10½	[10] 23.5	54.7	88.5

[1] Beginning May 1972 machinery and equipment acquired for manufacturing or processing of goods in Canada could be written off over 2 years (50 percent per year).

[2] 250 percent declining balance method multiplied by a factor of 2 to give effect to multiple shift operations.

[3] Method changed to straight line in 4th taxable year. Straight line rate applied to original cost in such year.

[4] Modified double declining balance method; 18.9 percent per Japanese Government rate table multiplied by a factor of 1.28 to give effect to multiple shift operations.

[5] Includes special 1st year allowance of 25 percent; allowance reduces recoverable base cost in second and succeeding taxable years.

[6] The average cost recovery period for machinery and equipment in Western Germany is 8 to 10 years to which additional allowances are permitted for multiple shift operations: 25 percent of allowance for 2-shift operations and 50 percent of allowance for 3-shift operations. Allowances may be further increased when plant is located in certain areas such as Berlin, areas bordering on iron curtain countries, and undeveloped areas. Cost recovery allowances based on an average cost recovery period of 9 years. The double declining balance method is used. A 25-percent additional allowance for 2-shift operations is taken into account beginning with the 5th year when the method is changed to straight line. The corporate depreciation rate thus computed is slightly over the maximum 20-percent rate permitted on a declining balance method to reflect that: (a) The straight line method produces more depreciation than does the double declining balance method for certain shortlived assets; and (b) Items of machinery and equipment costing under United States $200 can be expensed. No other incentives have been taken into account.

[7] Full year allowance in 1st taxable year for assets acquired in 1st half of such year; half year allowance for assets acquired in 2d half.

[8] Method changed to straight line in 5th taxable year.

[9] Double declining balance method.

[10] Includes 14-percent allowance equivalent to 7-percent investment credit at effective 50-percent income tax rate. Credit does not reduce recoverable base cost.

[11] 13-year recovery period reduced by 20 percent and rounded to nearest ½ year.

Source: Statement of Arthur Anderson & Co., before the Committee on Ways and Means, U.S. House of Representatives, Apr. 16, 1973.

TABLE 7.—DOMESTIC PROFITS OF NONFINANCIAL CORPORATIONS, REPORTED AND ADJUSTED, 1950-73

[Billions of dollars]

Year	Nonfinancial domestic profits of nonfinancial corporations	Adjustments: For inventory profits or losses	Adjustments: To standardize depreciation method [1]	Adjustments: To standardize depreciation on replacement cost basis [2]	Adjusted domestic profits of nonfinancial corporations	Tax liability	Adjusted aftertax profits of domestic nonfinancial corporations	National income	Adjusted aftertax profits of domestic corporations as percent of national income	Gross product originating in nonfinancial corporations	Adjusted aftertax profits of nonfinancial corporations as percent of gross product originating in nonfinancial corporations
1950	38.5	−5.0	−0.4	−3.6	29.5	16.7	12.8	241.1	5.3	151.7	8.4
1951	39.1	−1.2	−.2	−4.4	33.4	21.0	12.3	273.0	4.5	174.3	7.1
1952	33.8	1.0	.0	−4.6	30.2	17.8	12.4	291.4	4.3	182.0	6.8
1953	31.9	−1.0	.6	−4.3	30.2	18.5	11.7	304.7	3.8	194.7	6.0
1954	32.1	−.3	1.5	−4.1	29.2	15.7	13.5	303.1	4.5	191.6	6.9
1955	42.0	−1.7	2.7	−4.2	39.0	19.8	19.2	331.0	5.7	216.3	8.8
1956	41.8	−2.7	2.9	−5.1	36.8	19.8	17.0	350.8	4.9	231.2	7.4
1957	39.8	−1.5	3.3	−5.7	35.8	18.9	16.9	366.1	4.6	241.9	7.0
1958	33.7	−.3	3.2	−5.6	30.9	16.3	14.6	367.8	4.0	236.0	6.3
1959	43.2	−.5	3.5	−5.5	40.7	20.8	19.9	400.0	5.0	263.7	7.6
1960	40.1	.2	3.4	−5.1	38.6	19.5	19.1	414.5	4.6	273.1	6.9
1961	40.3	−.1	3.1	−4.5	38.8	19.8	19.0	427.3	4.4	278.4	6.8
1962	44.7	.3	5.3	−4.1	46.2	20.9	25.3	457.7	5.5	302.8	8.4
1963	49.1	−.5	5.2	−3.7	50.1	22.9	27.2	481.9	5.6	320.0	8.5
1964	55.8	−.5	5.2	−3.5	57.0	24.3	32.7	518.1	6.3	346.0	9.4
1965	65.8	−1.7	5.7	−3.8	66.0	27.6	38.4	564.3	6.8	377.6	10.2
1966	71.2	−1.8	5.9	−4.2	71.2	30.1	41.1	620.6	6.6	413.6	9.9
1967	66.2	−1.1	6.0	−4.8	66.3	28.4	37.9	653.6	5.8	430.8	8.8
1968	72.4	−3.3	6.3	−5.4	70.0	34.0	36.0	711.1	5.0	469.9	7.6
1969	68.0	−5.1	7.4	−7.8	62.5	33.7	28.8	766.0	3.8	504.3	5.7
1970	55.7	−4.8	7.6	−9.1	49.5	27.6	21.9	800.5	2.7	519.1	4.2
1971	63.2	−4.9	8.2	−10.1	56.4	29.8	26.6	857.7	3.1	555.1	4.8
1972	76.3	−7.0	9.4	−11.4	67.3	33.4	33.9	946.5	3.6	614.3	5.5
1973	95.8	−17.6	10.2	−12.5	75.9	40.7	35.2	1,065.6	3.3	681.3	5.1

[1] The adjustment to standardize depreciation method is equal to the difference between tax depreciation and depreciation calculated assuming a straight-line depreciation formula and 85 percent of the Internal Revenue Service's 1942 edition of bulletin F service lives.

[2] The adjustment to put depreciation on replacement cost basis is equal to the difference between depreciation as calculated on the assumptions stated in the preceding note and as calculated using the same assumptions but on a current rather than historical cost basis. Numbers in this and following table may not add because of rounding.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE 8. CAPACITY UTILIZATION: MARCH 1975

Industry	Utilization rate	Is this level of operation higher, lower, or about the same as in 1974? (percent distribution): Higher	Lower	Same
All industries [1]	84.5	13.2	45.0	41.7
Manufacturing	86.6	14.2	51.3	34.4
Nonmanufacturing [1]	78.6	10.5	28.1	61.4
Manufacturing	86.6	14.2	51.3	34.4
Durable goods	86.6	12.8	50.0	37.2
Primary metals	89.7	8.7	39.1	52.2
Iron and steel	90.5	11.8	23.5	64.7
Nonferrous metals	88.0	0	83.3	16.7
Electrical machinery	87.2	50.0	0	50.0
Nonelectrical machinery	94.5	15.0	40.0	45.0
Transportation equipment	75.3	23.5	58.8	17.6
Motor vehicles and parts	79.2	11.1	77.8	11.1
Aerospace	67.2	42.9	42.9	14.3
Stone, clay and glass	77.7	0	72.7	27.3
Other durable goods	85.7	0	72.7	27.3
Nondurable goods	86.7	16.2	52.9	30.9
Food and beverage	89.2	23.5	17.6	58.8
Textiles	72.5	0	100.0	0
Paper	87.9	0	80.0	20.0
Chemicals	82.3	33.3	50.0	16.7
Petroleum	89.7	22.2	22.2	55.6
Rubber	80.4	0	100.0	0
Other nondurable goods	82.1	14.3	57.1	28.6
Nonmanufacturing [1]	78.6	10.5	28.1	61.4
Mining	94.8	0	0	100.0
Railroad	87.1	0	75.0	25.0
Air transportation	81.0	0	66.7	33.3
Other transportation	89.4	0	50.0	50.0
Public utilities	76.6	12.5	22.5	65.0
Electric	74.3	12.5	18.8	68.8
Gas and other	86.0	12.5	37.5	50.0
Commercial and other	78.0	16.7	16.7	66.7

[1] Excludes communication.

Source: 1975 capital investment surveys: Rinfret Boston Associates, Inc. March 1975, perspective—5.

NEED FOR VOLUNTARY ECONOMIC PLANNING

Mr. JAVITS. Mr. President, last week Senator HUMPHREY and I announced we would introduce a bill to establish a national economic planning process under the direction of an Economic Planning Board. At our press conference I stated that the introduction of the bill would open a national debate on our economy and the role of planning in a democratic society. I am pleased that such a debate now seems underway—to judge from the number and variety of articles and editorials that have appeared on the subject.

I did not expect that all the comments would be favorable—and indeed some have not been. However, we urgently need a thorough reexamination of our economy to determine how we can correct its structural deficiencies without undercutting its strengths. Those who are willing to enter this debate seriously must recognize that planning, as our bill envisions it, can be a major factor to strengthen our economic institutions and to improve the operation of the free market. Planning in the United States will be uniquely American, voluntary and shaped by the forces of freedom of which the private sector is so critical an element in this society. I welcome a wide-ranging discussion on this issue.

Mr. Presdent, I ask unanimous consent that articles from the New York Times and the National Observer on planning be printed in the RECORD, together with my statement at last week's press conference.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

A CALL FOR SOME ECONOMIC PLANNING

The singular nature of the economy in 1974–75, involving both severe recession and inflation, has provoked discussion among liberal economists, businessmen, labor leaders and politicians about how to avoid periodic dislocations in the "free" enterprise system.

One result of the discussion is a bill introduced by two liberal but "establishment" Senators, Hubert H. Humphrey and Jacob K. Javits. The bill calls for the establishment of an executive board for national economic planning.

The Senators argue that stable economic growth requires coordinated long-term planning in such areas as employment, housing, agricultural and industrial production, resource utilization and development.

Senators Javits and Humphrey realistically do not expect their bill to pass in the near future, but say they seek to provoke serious discussion. Their proposal involves entirely voluntary compliance by business and labor with any goals set. The planning board would make recommendations to Congress; and there too the proposals would be treated as any others coming from the Executive.

The idea of economic planning by that name remains anathema to many, who contend it would lead to Government domination of private enterprise. Leonard Woodcock, president of the United Auto Workers union, however, favors the proposal on the ground that "experience has taught us that the unseen magic of the so-called free market does not work."

A PLANNED ECONOMY IN THE UNITED STATES?

(By Jack Friedman)

With the unemployment rate approaching 9 per cent and inflation at a similar level Americans are very critical of the way in which national economic decisions are being made.

The general belief is that policymakers do not anticipate upcoming problems and that current economic policy is determined by the timing of the next election. Under these conditions, it is felt, the winner of the 1976 Presidential race may well be determined largely by the state of the economy and by a candidate's image as an economic problem solver.

Democratic and Republican Presidential candidates alike, then, are searching for politically appealing economic proposals which are general in nature and do not commit them to definite programs. One of the most appealing will be national economic planning.

Leonard Woodcock, head of the United Automobile Workers Union, puts the case this way: "We live in a large, complex technological society in which planlessness means massive dislocations. It is a crime to allow

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millions of workers to lose their jobs because we refuse to plan."

Although widely practiced in Western Europe, planning was for years associated here with Communist central planning alone. It has not been attempted in the United States in peacetime since the National Resources Planning Board of the New Deal days.

A change in thinking has recently occurred. America's economic turmoil during the last decade has created a new open-mindedness throughout the United States, even among businessmen, toward the idea of national planning.

Just last week Senators Hubert H. Humphrey, Democrat of Minnesota, and Jacob K. Javits, Republican of New York, introduced the first bill that would establish national planning here, creating a Federal agency, the Economic Planning Board. The legislation has had the backing of a private group including Nobel Prize-winning economist Wassily Leontief; Robert V. Roosa, partner in Brown Brothers, Harriman, and Mr. Woodcock.

But economic planning is an idea that is not well understood in the United States. As John Dunlap, Secretary of Labor, observes, "It's hard to discuss planning because almost nobody knows what it means."

In a basic sense, planning simply means thinking ahead to prepare for the future.

Short-term economic thinking goes on continuously throughout the Federal Government. Such activity is fragmented. It usually focuses on specific issues or agricultural price supports. Often the objectives and implementation of different programs conflict.

The new Senate and House Budget Committees provide a Congressional overview of spending levels and priorities instead of the usual piecemeal approach. Their activity is a step toward planning.

In contrast, the Humphrey-Javits bill would establish comprehensive planning, with consideration of the economy as a whole or major sectors of it over a long period of time. A plan might include projections of gross national product, investment, employment, prices, government spending, taxes and other factors. When imbalances between national needs and resources are identified, specific actions could be taken to correct them.

According to this concept, the plan, covering six years, would be a guiding document for the executive branch. It would be revised and extended every two years. The President would submit it for congressional approval through a joint resolution. New appropriations or laws needed to implement the plan would require legislative authorization.

The first step in establishing United States planning would be to improve data collection, analysis and forecasting capabilities. The incompleteness and decentralization until recently of data gathering on energy is cited as an example of the general weakness of current collection methods.

While improved forecasting is widely supported as an objective, many experts are skeptical about its feasibility based on recent experience.

William Fellner, who recently served on the President's Council of Economic Advisors, has observed, "The success of long-term forecasting to date has been quite limited."

Until the results of forecasting are widely accepted, the resistance to using them to guide policy will be powerful.

Many businessmen, labor leaders and economists see national planning as helping industry and government anticipate problems and design long-term programs. They want a plan to be tied to the formulation of government monetary, fiscal and spending policies.

This approach contrasts to planning involving direct control over the private sector such as preferential credit allocations or price and wage controls.

James Balog, chairman of the Wall Street firm of William D. Witter, Inc., argues, "We wouldn't run our families the way we run the economy. We try to have a boom during an election year at the price of recessions in between. Corporations plan and the government should, too. Planning could help us look beyond the next election."

Henry Ford 2d, chairman of the Ford Motor Company, speaks out frequently in favor of planning, as long as it does not lead to new Federal controls.

Mr. Ford believes that the shortages in the supply of metals and other materials seen in 1973 and 1974 could have been anticipated if there had been planning. Secretary Dunlop has already begun to warn that prosperity after the current recession will be cut short unless Federal officials begin to deal now with likely industrial capacity bottlenecks.

Despite the support for planning without direct controls, there is fear that it could create momentum toward such controls, fears that spur often violent opposition.

Walter Wriston, chairman of the First National City Bank, believes that the Leontief group "is pressing for a program designed to destroy the free-market system and with it our personal liberty. National economic planning would be delegated to bureaucrats who like all regulators would then require arbitrary power to enforce each decision."

Conservative Senator James Buckley of New York agrees: "The economic efficiency which comes from the free-market system is the key to satisfying human needs. Planning will systematically inhibit industry's ability to respond to the wishes of individuals."

Eli Shapiro, chairman of the finance committee at the Travelers Corporation, asks: "How do you keep planners, who believe that they have a better vision of the future than anyone else, from eventually trying to run the private sector as a self-appointed elite?"

On the other hand, many believe that planning does not necessarily lead to elitism or strong government controls. "The fear of controls is exaggerated," says Prof. Paul Samuelson of the Massachusetts Institute of Technology, a winner of the Nobel Prize in economics.

Interestingly enough, many conservatives tend to envision the planning elite as being dominated by liberal economists and professors who want to move toward more government spending and control. Many liberals, meanwhile, fear that the elite would be dominated by conservative business interests which would use planning to suppress economic reform and to support big business.

Kenneth Arrow, a Nobel Prize-winning economist at Harvard, speculates, "If the economic atakes in planning were ever high enough, business interests would try to use planning to maintain the status quo. They would be tempted to corrupt the system for their own advantage."

Thus basic questions must be asked: What is the purpose of planning and whose values will predominate? Should we plan for greater material growth or for qualitative change in American life such as improved urban living and environmental protection?

George Meany, head of the American Federation of Labor and Congress of Industrial Organizations, argues:

"We need long-range economic planning and priorities to minimize unforeseen major developments and reduce the degree to which American society has atumbled and fumbled along in the past few years," he says. "As an example, the United States was not prepared for the urban crisis of the 1960's—which could have been foreseen by sensible long-range economic planning in the 1950's."

Almost all non-Communist countries do attempt some form of planning. Cooperation of the private sector is not legally mandatory, but powerful government inducements usually exist, most notably preferential credit allocations. France, Great Britain and Japan are distinctive examples.

France has the best known system, called "indicative planning." It is called that because it indicates where the economy and government policies will be heading but does not coerce industry into fulfilling plan objectives. The lessened uncertainty which results is intended to aid businessmen in evaluating their long term investments.

Bruce Scott and John McArthur, professors at the Harvard Business School, reached a very different conclusion, however, after a three-year analysis of French planning.

According to Professor Scott, currently a trustee of the Penn Central, "France's Ministry of Finance as well as industry executives generally disregard the plans. When the Government allocates credit or intervenes in the private sector, which occurs often, it isn't done with the plan in mind."

The fact that plans often become simply academic documents is a common complaint among economists. Nevertheless, many of them believe that the process of creating a plan in itself can be of great value, drawing all interested groups into a national dialogue on long-term priorities and programs.

British planning began during World War II. The Labor Party, with its ambitious program of nationalization, extended it into the peacetime years.

But plans of the Conservative and Labor Parties alike have been continually revised and then dropped as rapidly changing international economic conditions forced the adoption of numerous short-term economic policies.

The current Labor Government has proposed the concept of a "planning agreement" under which a company would make pledges regarding investment and employment for the following three years and in conjunction the Government would promise to maintain a certain level of financial assistance.

In Japan, industrial associations and government agencies meet to project future growth of key industries and investment priorities. Government policies are defined and coordinated as a result of this informal process as well as through the formal five-year plans which the Economic Planning Agency creates.

Business cooperation is not mandatory, the Government uses credit policies and informal "administrative guidance" to induce cooperation. Many Western executives believe that Japan has the most-planned capitalist economy in the world and that it has been quite successful despite the nation's pollution and urbanization problems.

Norway and Sweden are cited by Professor Leontief as successful examples of planning. He particularly admires their data collection, coordination and analysis activity.

But the professor believes that "America cannot import a planning system from abroad. Countries differ in their planning methods because the countries themselves differ. We should want and expect a distinctive American style."

Many other countries have parliamentary systems involving a unified executive and legislative majority. In contrast, the United States has a check-and-balance system with divisions between the President and Congress; among Federal, State, and local governments, and among agencies within the same Administration. This may protect against excesses by planners and politicians. On the other hand, some argue that such institutional fragmentation would obstruct agreement on a plan and prevent continuity and coordination in its execution.

At this time Congress, the Administration, the business sector and labor are increasingly receptive to planning—if it does not lead to government control over industry. Sentiment is growing in the United States for more long-term, coordinated government approaches to economic problems. And this is the substance of planning.

Humphrey Bill Offers Planning as the Answer

(By William J. Lanouette)

Frequently in this capital city, profoundly important legislation is introduced with almost no notice, and that appeared to happen last week. For years economists, politicians, businessmen, and labor leaders have been fighting over who should control the economy, and how that might be done. Now a bipartisan bill, to set the ground rules for planning our economy has been introduced in Congress. It is a measure that is sure to embroil spokesmen and lobbyists of all political and economic persuasions in a long and tough debate.

Supporters of the effort to make long-range economic plans see it as the only way to control our gigantic, boom-and-bust economy. But opponents regard it as a long step toward socialism and dictatorship.

"This is the most important piece of legislation I have authored in 25 years of public service," proclaimed Sen. Hubert Humphrey, Minnesota Democrat and chairman of the Joint Economic Committee. "I say this because the legislation will fundamentally reform the Federal Government's management of economic affairs, which in turn will significantly improve the performance of the American economy. This legislation is the key to putting the nation back on the road to economic prosperity."

VOLUNTARY CO-OPERATION

The Balanced Growth and Economic Planning Act of 1975 was cosponsored by New York Sen. Jacob Javits, the joint committee's senior Republican. "Many people are reluctant to consider the need for planning in this country because of its perjorative connotations," Javits said. "At bottom they are convinced that planning means regimentation, the loss of economic freedom, and the end of the American free-enterprise system," a view Javits dismisses as "highly erroneous."

The new planning bill would create a system that combines policy decisions by the Government agencies with voluntary cooperation by business, state, and local interests.

Long-range economic plans for the nation would be made by three new Government bodies, then scrutinized by Congress. The three would be:

A three-member Economic Planning Board, appointed by the President and set up in the Office of the President. This board would have a division of economic information, to develop and distribute data on the economy from public and private sources.

A Council on Economic Planning, composed of some Cabinet members and other high-ranking Federal officials.

An Advisory Committee on Economic Planning, with four members appointed by the President, four by the Speaker of the House, and four by the President of the Senate.

Under the Humphrey-Javits proposal, the Economic Planning Board—after public hearings to gain the views of private, state, and local spokesmen would submit a balanced-economic-growth plan to the council for its approval. The Council on Economic Planning would review the plan, possibly revise it, and submit it to the President. The Advisory Committee would help provide the board and the council with the views of the public, business, labor, and consumer groups.

Every two years, under the new bill, the President would be required to submit a Balanced Economic Growth Plan to Congress, together with the board's report. Copies would also go to governors, and other state and local officials.

CONGRESSIONAL HEARINGS

The Joint Economic Committee would then hold public hearings on the President's plan, compiling the views of each atanding committee in Congress, and reports from the governors. Within 105 days after the President submits his plan, the joint committee would have to report to the House and Senate a concurrent resolution approving, disapproving, or amending all or part of the plan. Congress, in turn, would be required to act on the plan within 135 days after it is submitted by the President. If the entire plan is disapproved, the President would have to revise and resubmit it.

Supporters of the planning bill, who spoke in its favor last week, included a Nobel laureate in economics, Wassily Leontief; United Auto Workers President **Leonard** Woodcock; and industrialist J. **Irwin** Miller, chairman of the Cummins Engine Co. "Those who compare the functioning of the market mechanism in a free economy—the interplay of the impersonal forces of demand and supply—with the automatic operation of a gigantic electronic computer are right," Leontief said. "However, anyone who has had practical experience with large computers knows that they do break down."

"We seem to have no means for stopping inflation other than unemployment," Miller said. "and no means for eliminating unemployment other than inflation. Without taking careful look at the consequences of our combined public and private actions, we have allowed problems to multiply, swings in the economic cycle to become more erratic, and prospects for a stable economy to diminish."

"The need for long-range, democratic economic planning on a national basis has never been more urgent," Woodcock said. "We have lived too long with boom and bust. Experience has taught us that the unseen magic of the so-called free market does not work."

But critics of the plan are quick to speak out too. In a guest column for Newsweek entitled "An Economic Police State," Walter Wriston, chairman of Citicorp warned before the bill was introduced that "the founders of our country were distrustful of the concentration of power. An attempt to end-run this principle under the guise of national economic planning would succeed in destroying both our personal liberty and our productive power." And George Hagedorn, vice president and chief economist of the National Association of Manufacturers, said, "It's a general belief among most businessmen that the economic problems of our country don't call for further government involvement; indeed, these problems are the result of too much government intervention already."

But Humphrey seemed undaunted by his critics, and continued crusading for his bill. "Planning must be open and democratic," he said. "Long-term economic policy is too important to leave to the economists." And there seems to be some public support for Government economic planning. A Federally financed survey of public opinion, released last week, showed that 56 per cent of those surveyed want more Government economic regulation, and 35 per cent want less.

Javits/Humphrey Propose Legislation for Long-Term Economic Planning

In the next few days, Senator Humphrey and I will introduce the Balanced Growth and Economic Planning Act of 1975. I regard this bill as one of the most important we shall deal with in this Congress, and a logical and necessary complement to the Budget Act passed last year.

Many people are reluctant to consider the need for planning in this country because of its pejorative connotations. At bottom they are convinced that planning means regimentation, the loss of economic freedom and the end of the American free enterprise system.

This concern proceeds from the assumption that planning will dictate economic activity and supplant the free market. This assumption is highly erroneous in the case of our bill for several reasons: first, the Economic Planning Board cannot tell anyone what to do—its powers are those of persuasion—not direction. Second, the planning process brings in all parties and interests and requires the approval of Congress—it will open up economic debate in this country rather than limit it.

I view this press conference today as the opening of a great national debate on the American economy, its directions in the next decade, and the role of economic planning—free of coercion direct, or indirect—in a democratic society. We have to face squarely the issue of whether this nation intends to pursue an essentially unplanned course—relying on increasingly questionable means to promote growth, reduce unemployment, and check inflation—or to recognize the absolute necessity for a coordinated, rational approach to our interconnected problems.

Our economy is in its worst state since the Depression. Large-scale unemployment—almost 9% and rising—means tragedy for individual families and lost production for the nation—a cumulative loss of real potential output estimated at almost $350 billion over the next five years. Meanwhile, basic human needs are inadequately fulfilled: large numbers of Americans lack basic medical care, housing costs are soaring beyond the reach of even middle class families, New York City is flat broke, and an enormous unemployment rate among teenagers—40% for black teenagers—attest to the inability of our society to provide useful employment for this volative age group. Is it possible to believe that we have reached this state because this is what the American people want?

Moreover, it is increasingly difficult to argue that merely reflating consumer demand for the same products that have used our resources so profligately and have produced so much environmental damage will solve our economic problems. Bad as is our present condition, the outlook for the longer term could be far more serious if we do not begin to deal wisely with certain fundamental and structural aspects of the economy.

Let me list a few areas in which we have yet to reach agreement or even begin to move to provide long-term solutions: energy, long-term capital requirements, endemic high unemployment, transportation, and food and raw material requirements. We know these problems will not solve themselves. The longer we delay, the more we foreclose our options and the greater the cost of ultimate solutions.

We also know that our problems are interconnected—an enormous tangle that cannot be unknotted by pulling on one string. Short-run solutions and treating issues in isolation can progressively worsen our economy, undermine our national strength and weaken our national character. Already a number of economists are fearful of a new round of inflation picking up speed in 1976, producing renewed shortages in productive capacity, accentuating the unresolved worldwide problems over food, energy, and raw materials, and leading to an even worse recession by late 1977.

The prospect is intolerable. But, honestly, how do we intend to deal with such possibilities? We cannot solve our economic problems through piecemeal legislation. We face the same urgent need for a comprehensive, rational approach that led Congress to pass the Budget Act for annual budget purposes and to submit to the discipline of the budget process. Our legislation today seeks to do for the government's role in dealing with the national economy what the Budget Act did for the budget.

Planning will be what we make it. There is absolutely no evidence that planning leads to a particular economic system. Planning is a neutral tool that adapts to the character of a country. Planning is socialistic in Russia because of Marxist policy. In France, however, the planning process conforms to French political philosophy and in fact has been regarded as favoring the business community.

I want to stress that planning has nothing whatsoever to do with greater government interference in the private sector. Opponents do not seem to believe that rational planning can be a force for improving competition or for abolishing outdated government regulation. Why not? Why should a government planning agency have a bias against capital formation or economic growth?

It is also assumed that in the absence of planning there will be less government regulation of the economy. Since we had wage and price controls in the absence of planning and are likely to have worse controls in the future if we persist in short-term remedies, the opposite is the more likely case. There will be more overlapping and inconsistent regulation in the absence of planning.

However, government involvement in the economy is here to stay. Government is more involved because our economy is far more complex, because we face environmental and resource limitations for the first time, and because social objectives are pursued more vigorously. None of these constraints will vanish in the absence of planning. Instead, the pressures on the economy will continue to mount, we will continue to waste resources, and we will fritter away our economic strength through short-term, contradictory and perhaps even self-defeating measures.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

MILITARY ASSISTANCE TO TURKEY

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of S. 846, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (S. 846) to authorize the further suspension of prohibitions against military assistance to Turkey, and for other purposes.

The Senate proceeded to consider the bill.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. CASE. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. On whose time?

Mr. CASE. Well, I think we can take it on my time on the bill.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CASE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CASE. Mr. President, I ask unanimous consent that there be a quorum call to be charged to neither side.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CASE. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CASE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SPARKMAN. Mr. President, I rise in support of S. 846, a bill to authorize the suspension of prohibitions against military assistance to Turkey in effect since last February 5. I shall speak in a spirit of compromise, which all my colleagues understand is the essence of parliamentary procedure. In supporting a measure which I realize is highly controversial, I will do my level best to avoid taking sides in the on-going quarrels between two of our best friends in the Mediterranean. I will refrain from adjudicating matters beyond by ability to resolve.

At the outset, I would like to make it clear just what this bill does and does not do. It does revoke on a very contingent basis a judgment made by the Senate last year concerning military assistance to Turkey. On the other hand, it retains the prohibition against Turkey violating the cease-fire on Cyprus and against its increasing its forces on that island or sending to the island any U.S.-implements of war.

Equally importantly, the bill adds a provision that the President shall submit to the Congress within 30 days after enactment of the bill, and at the end of each succeeding 30 day period, "a report on progress made during such period, toward the conclusion of a negotiated settlement of the Cyprus conflict."

Let us be very candid about this issue. We in the Senate, if S. 846 is approved, will be mitigating the terms of the action which we took at the end of 1974. But I use the word "mitigating" advisedly. This certainly is no carte blanche to the Turks to take any action, especially relating to the use of U.S. weaponry, to embark on further military actions on Cyprus. On the contrary, the inhibitions against such action have been reaffirmed in this bill.

I believe that my colleagues realize that leaders on both sides of the aisle have joined with me, the ranking minority member of the Committee on Foreign Relations, and with the chairman and ranking minority member of the Armed Services Committee in supporting this legislation. We have not taken this action lightly; neither do we urge it upon our colleagues with unalloyed enthusiasm. Like any compromise, this is an imperfect legislative device which we recognize is no panacea or cure-all.

Members of the Senate have examined this issue at exhaustive length. Indeed, the Record in the closing months of 1974 contains every conceivable expression of views about the Turkish actions on Cyprus last summer. I need not and will not rehearse all the arguments made on both sides of the question. By the same token, I do not quarrel with any particular point of view which has been argued at great length and often most persuasively. But I would submit that the time has come for us to work through the clouds of argumentation and to focus on the basic interests of the United States in this issue. Without exaggeration or amplification, it is accurate to say that the security of our country is involved in retaining certain military facilities which are jeopardized by Turkey's natural resentment over excessively punitive legislation we enacted last year.

At no point have I and other sponsors of this bill chosen sides between Greece and Turkey. I trust we have understood the depth and breadth of the emotion which has been engendered and expressed by those who have tended to lose sight of the central issue at stake: the fact of the matter is, that both Greece and Turkey are close and valued allies of the United States, both historically and under the existing provisions of the North Atlantic Treaty. It is in our vital interest, as well as in the interests of both countries we are discussing, to bring about a reconciliation.

There are those who wish to harp upon the developments following the First World War; there are those who wish to go back in time through several centuries of history. But those who argue in these terms should be reminded most forcibly that the theoretical case against a reconciliation of French and German difficulties involved arguments going even further back into history.

We are not arguing history, Mr. President, we are confronted with current realities. If France and West Germany, which had been at odds for something like 1,000 years, could compose their differences and become close allies, it gives me reason to believe in the remaining force of rationality in this imperfect world. Nothing could please me more than to find a comparable process of accomplishment taking place between Greece and Turkey. I, myself, have no commitment to theses adopted by either country—although I hope I understand

the feelings of both parties to the quarrel. I urge my colleagues on this occasion to follow my lead in eschewing judgments on ancient history and even upon more recent historical events which have given no comfort to any of us.

Let us understand clearly that Turkey has regarded our action of last autumn as the creation of an "embargo" against that country. The word "embargo" will strike us as a misnomer, because technically such an action in international law is an act of war. Certainly many of us had no intention of treating Turkey in such a fashion.

The fact remains that the measures we approved last year did amount to an embargo against the Turks. I understand and sympathize to a degree with the measures which were taken. Yet I cannot help but feel that we did not realize the lengths to which we went, under the Foreign Assistance Act provisions, in cutting off military equipment deliveries to Turkey. It has not just been a matter of military aid in the sense that we usually discuss the term: the Congress adopted a measure which prevented not only defense cash sales but even commercial cash sales. I believe that many of us felt at the time that these measures were too extreme but that the provisions of the Foreign Assistance Act left us few options.

What I am advancing in supporting S. 846 is indeed an option. It does undo to a certain extent the actions taken by the Congress toward the end of 1974. On the other hand, it only goes back to the status quo ante in a tentative and carefully circumscribed way. What we are presenting is truly a compromise.

It will be noted that the Committee on Foreign Relations approved the bill before us by a narrow margin. It will also be noted that there was discussion of a possible alternative in the form of a Senate resolution encouraging the President to use his waiver authority under section 614(a) of the Foreign Assistance Act to make available to Turkey up to $50 million in grant aid if he deems such a course "important to the security of the United States."

The President has not chosen to employ his waiver authority for a very obvious and good reason: if he did so, he would appear to be flouting the expressed views of the Congress as a whole—and we must remember that the House of Representatives has not yet had an opportunity to record its collective judgment on this question. Therefore, it is entirely understandable to me, and I believe creditable on the part of the President that our Chief Executive has preferred to deal with the issue squarely and not through some seeming subterfuge. I consider the President correct in his judgment and I praise him for his refusal to work through some sort of "backdoor device."

Let us put this bill in the context of current developments. There is the firm conviction of the executive branch of our Government that the approval of S. 846 by the Senate Foreign Relations Committee has been a factor in encouraging the Greek and Turkish-Cypriot factions to meet in Vienna and the Turkish and Greek foreign ministers to meet in Rome. It is the further belief of the executive branch that if the full Senate acts favorably on the pending legislation, there will be additional movement in the direction of compromising Greek and Turkish differences. In the absence of any information to the contrary, I am quite ready to accept the judgment expressed by the highest officials of the executive branch of our Government.

We should remember, Mr. Presdent, that the Secretary of State is on the way to a meeting of the Central Treaty Organization, CENTO, of whch Turkey is a prominent member. The Secretary will then go on to a NATO meeting at the end of the month which will be attended by the President of the United States. Certainly the leadership of the Senate has made it clear that it wishes to give President Ford all possible support in making the NATO meeting a success. I do not believe there is a single Member of this body who does not believe that the North Atlantic Alliance is absolutely essential to the security and foreign policy interests of the United States. Many of us have had occasion in recent weeks—especially in reaction to the unfortunate developments in Southeast Asia—to reaffirm wholeheartedly our commitment to the defense and well-being of countries in Europe, believing these objectives to be identical with the interests of the United States.

Mr. President, no one realizes better than I that we could quarrel about the terms of S. 846 almost interminably. Moreover, I recognize it is not beyond the wit of any of us to suggest some amendment of S. 846. But I do not think that this would be a constructive action which would help either the United States or our Greek and Turkish allies. Let us instead put aside the fruitless examination of past events, and do our best to encourage the President to assist a reconciliation between two countries with whom we have had close and mutually beneficial ties for a quarter-century. This is no time for profitless quarrels about developments which are best left to historians. We must look forward, and not backward.

It is in this spirit, Mr. President, that I ask my colleagues to act promptly and favorably on the pending legislation.

Mr. WILLIAM L. SCOTT. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. WILLIAM L. SCOTT. Mr. President, I heard most of the distinguished chairman's remarks. I heard no reference to the growing of poppies in Turkey. As I recall, we have looked at this matter several times. The first time the Senate voted, it was because of concern with the growing of poppies in Turkey and the drug problem in this country that was involved, not the Cyprus situation. Has there been any change in the Turkish position with regard to the drug problem?

Mr. SPARKMAN. I am not prepared to answer that question. However, I will say this: I do not think the Senator is correct in saying that the decision the other time was based on the growing of poppies. Actually, it was largely a matter of events on Cyprus.

The Turks had moved in, and it was alleged—and I believe not contested—that they had used American equipment to go in there, along with their own, and that such U.S. arms were not supposed to be used that way.

As a matter of fact, I had a talk with some of the Turkish officials about the time they moved into Cyprus, and I told them, very frankly, that I thought they went in too far and too aggressively and that I thought they should pull back and reduce their troop force. I felt that all along. There has been some slight troop reduction.

I think there have been some understandings. As I pointed out in my remarks, the ministers of the two countries recently have been meeting. I believe that President Ford will meet with both of them on the trip he is going to make very soon.

I believe we have a very good chance—more than just good; I think we have an extraordinary opportunity—to see Turkey and Greece settle this matter through negotiation. I do not believe that whether or not we give them arms necessarily controls that action. We should give them a chance to work out their differences.

Mr. WILLIAM L. SCOTT. I am in general agreement with the thoughts expressed by the distinguished chairman.

Turkey has been a good ally of this country. Turkey did have its troops in Korea, in some force, and they accounted for themselves in a very favorable and able way.

I am aware of the location of Turkey, next to the Soviet Union. I have been there and talked with the people in both Turkey and Greece.

Mr. EAGLETON. Mr. President, will the Senator from Virginia yield for a question?

The PRESIDING OFFICER (Mr. Ford). The Senator from Virginia does not have the floor. The Senator from Alabama has the floor.

Mr. SPARKMAN. I yield to the Senator for a question.

Mr. EAGLETON. I have been interested in the recitation by the Senator from Virginia of Turkey's assistance to the United States, not that it is really germane to this bill. Is the Senator aware of the role Turkey did or did not play in terms of overflights of Turkey at the time of the Yom Kippur war?

Mr. WILLIAM L. SCOTT. I am aware that we had no real friends at that time. Quite frankly, I was not in sympathy with using American planes to supply Israel. So we may have a difference of opinion there.

Mr. President, I do not want to get into that, because I would like to zero in my remarks on the NATO situation.

Mr. EAGLETON. The Senator from Virginia was talking about poppies, and later he got on the great assistance that Turkey was to us in Korea. I just want the record to show that Turkey prevented us from using air space to overfly the country of Turkey at the time of the Yom Kippur war, and the record speaks for itself.

Mr. WILLIAM L. SCOTT. Mr. President, I am concerned about our NATO alliance, and I am concerned about each nation within the free world doing its fair share.

I assume the Senator is yielding further.

Mr. SPARKMAN. I think Turkey is one of our strongest allies in probably the most important mutual defense setup we have today, and that is NATO.

Mr. WILLIAM L. SCOTT. Is it not a fact that we have very few troops in Turkey—perhaps 7,000 troops, something like that? In Greece, we also have very few troops. But both the Greeks and the Turks are using their own forces. The Turks will not permit the Greeks to command them, and the Greeks will not have the Turks command them; but both are willing to have the United States command their NATO forces in their respective countries. It is a situation I wish we had in the other NATO nations, so that we would not have to send a number of American troops in the common NATO defense.

My inclination is to work this matter out. However, the thrust of my inquiry is this: Is Turkey attempting to cooperate with us on the drug problem? That is a serious problem.

Mr. SPARKMAN. As I said, I do not have current information on that, and I do not know the details. However, I do know this: Both Greece and Turkey are our good allies, and nothing in the proposed legislation will hurt either Greece or Turkey. There is nothing to harm either one. It will be helpful to both. I hope the Senate agrees to it.

Mr. WILLIAM L. SCOTT. Can the Senator express an opinion, as chairman of our committee dealing with this field? In the event this resolution is passed, would the Senator have any feeling as to whether Turkey might take further aggressive action? Frankly, I do not condone the action that the Turks took in Cyprus. I realize that there can be a difference of opinion and some justification may be expressed by some. I feel that they were unjustified. Does the Senator have any feeling about what effect, if any, the passage of this resolution would have on any further aggressive action—at least, what I term aggressive action—by the Turks against another nation?

Mr. SPARKMAN. I think that this is the easiest way to help heal the rift that came between the two countries in connection with Cyprus. I do not think we will have any other trouble. As I say, I think the legislation that we have proposed is good for both countries.

Mr. CASE. Mr. President——

Mr. EAGLETON. Mr. President, I yield myself such time as I may need.

The PRESIDING OFFICER. The Senator from New Jersey has no time.

Mr. EAGLETON. I thought the 2 hours were in the control of the Senator from Missouri in opposition to S. 846. That is the agreement I had with the distinguished majority leader (Mr. MANSFIELD).

Will the distinguished acting Republican leader, the Senator from New Jersey, yield to me the time in opposition, if that is not covered by the unanimous-consent agreement?

The PRESIDING OFFICER. It is not covered by a unanimous-consent agreement.

Mr. CASE. The Senator from New Jersey will be happy to yield such time as the Senator from Missouri wants, if the Senator will permit him——

Mr. EAGLETON. Will the Senator yield me 2 hours on the bill so that I, in turn, can yield portions of it to other Senators who wish to speak in opposition?

The PRESIDING OFFICER. The agreement is for 4 hours of debate, to be equally divided and under the control of the minority and majority leaders.

Mr. CASE. Mr. President, we shall be happy to work it out.

Mr. EAGLETON. We do have 2 hours in opposition to the bill. That was the understanding with the distinguished majority leader.

The PRESIDING OFFICER. The time for debate on this bill is limited to 4 hours.

Mr. EAGLETON. The custom is to divide the time, 2 hours in support and 2 hours in opposition. That is the understanding I had with the majority leader.

The PRESIDING OFFICER. I do not know about the understanding. The only thing I know is the record.

Mr. CASE. Mr. President, I know we can work this matter out to the satisfaction of everyone and I shall cooperate and I know the chairman, my colleague from Alabama, will. My only thought is that perhaps there will be other Senators besides the Senator from Missouri who may want to speak in opposition.

Mr. EAGLETON. I am sure there will. I wanted to yield on that to Senator JACKSON of Washington and to Senator BENTSEN of Texas.

Mr. CASE. I had not known what the arrangement is. I take it when the arrangement is the same as the usual one, then the minority has the time at its disposal. I know that we shall work this out in an equitable way and time in opposition will be given to the extent that the Senator wants.

Mr. EAGLETON. The majority leader is now on the floor. He understood that 2 hours were to be yielded to me in opposition to the bill. Even though it was not covered in a unanimous-consent request, that was the thrust of our agreement. Is that not correct?

Mr. MANSFIELD. That is correct.

Mr. CASE. The matter will be worked out equitably, I am sure.

Mr. MANSFIELD. That is right, 2 hours to the Senator and 2 hours——

Mr. CASE. Before the discussion starts, Mr. President, I wish to make one request and in order to insure everybody's happiness, I ask that the chairman yield to me 2 minutes on the bill.

Mr. SPARKMAN. I yield.

Mr. CASE. I happen to support this action very strongly. I think it is most desirable for us to take this action now, for all the reasons stated by the chairman of our committee. Among those reasons, of course, is the importance of evidencing our enormously strong interest in the preservation and strengthening of NATO and of every component of NATO, including, particularly, these two fine countries with which we are presently engaged.

I see nothing here at all that is going to hurt the interests of either one. I think the interests of both Greece and Turkey are going to be furthered by the working out of an agreement between them. I believe this resolution will be a very helpful step in that direction.

I say this with no criticism of people who have raised the objections that were raised before, among others, by the Senator from Missouri, based upon statutory law and our agreements for military assistance. I think, also, that the time has come when we would be well advised to take this first step, which I think will very quickly lead to other steps culminating in a solution in everyone's interest.

I thank my chairman, and I shall be happy to yield such time as he may desire, up to, say, an hour and three-quarters, to the Senator from Missouri.

Mr. MANSFIELD. Mr. President, I yield 2 of the 2 hours under the bill to the distinguished Senator from Missouri, and I assume that the distinguished acting Republican leader will yield the other 2 hours to the chairman of the committee under the bill.

The PRESIDING OFFICER. Is there objection to that?

Mr. MANSFIELD. No, no, it was agreed to last week.

The PRESIDING OFFICER. It is agreed to that the Senator from Missouri has 2 hours and the minority designee has also given the Senator from Missouri 2 hours and he is now entitled to 3 hours?

Mr. MANSFIELD. No, 2 hours under the bill is plenty.

Mr. EAGLETON. An hour and 45 minutes will be ample.

Mr. SPARKMAN. As I understand it, the Senator from Missouri has 2 hours; we who are advocating the legislation have 2 hours.

The PRESIDING OFFICER. That is the understanding. The Senator from Missouri is recognized for an hour and 45 minutes.

Mr. MANSFIELD. To keep the record straight, if the distinguished acting minority leader would allocate that 2 hours, then there would be 2 hours for both sides.

THE SENATE SHOULD UPHOLD POSITION SUSPENDING MILITARY AID TO TURKEY

Mr. EAGLETON. Mr. President, it is widely reported that the United States is reappraising its foreign policy after reversals in the Middle East and Southeast Asia. It is said that we are in a transition period—that we have moved

out of the cold war era, but that it is unclear exactly where we are heading.

Consensus is an elusive entity during transition periods. At such times, the direction of our approach to world affairs is particularly difficult to discern. On one day there seems to be agreement that we can no longer police the world. On another we are flexing our muscles and issuing statements reaffirming our desire to be an Asian power to be reckoned with.

Mr. President, the U.S. Senate can say a great deal about the future direction of American foreign policy by its vote today. This body has an opportunity to show that moral and legal principles can stand at least as tall as military strategies.

I think it is time to be explicit about the administration's position on military aid to Turkey. We would not be here today if the President and the Secretary of State had not decided that the strategic importance of Turkey outweighed all other considerations. We would not be debating this issue today if the President did not believe that the rule of law was less important than his perception of the national interest. If the Secretary of State did not wish to ignore the fact that a nation used American arms to commit naked aggression, there would be no need to resurrect an issue on which Congress has expressed its will over 20 times.

The issue before us is vastly more important than the sum of its parts. What we are debating today goes to the very heart of the current controversy over America's credibility as a nation.

It is not necessary to make a judgment as to the relative military value of Turkey—or Greece, for that matter. I am sure that both nations are important to NATO. I most certainly would not wish to forfeit that bilateral defense arrangements we have with either country.

But when erroneous and misplaced judgments of the type which characterized our early Cyprus policy lead us to a quandary—lead us to a position between two allies, as in the classic dilemma between Scylla and Charybdis, then I want a policy based on something other than the arbitrary choice of a single man. I want a policy based on the rule of law.

It is no secret in Cyprus that American planes, tanks, ships, and guns were used by Turkey to invade and to occupy that country. The people of Cyprus recognize the M–48 tank as it rumbles down the streets of their villages. They know the F–104 fighter is made in America.

But what they should know as well is that the American people do not approve. They should know that U.S. law does not permit nations to use American arms for aggression.

Congress struggled long and hard last fall to send that message to the people of Cyprus. And today we are being asked to send a different message—we are being asked to tell that occupied nation that it is no longer practical to follow our law and penalize aggression.

The current prohibition on military sales and aid to Turkey is conditional. The President could resume aid immediately if he were able to certify that Turkey is no longer in violation of its bilateral arms agreement with the United States and that substantial progress is being made regarding military forces on Cyprus. Obviously, both conditions relate to the Turkish occupation of Cyprus—an occupation which constitutes a violation under our Foreign Assistance and Foreign Military Sales Acts.

The President cannot so certify because Turkey remains in violation of its agreement with the United States—an agreement recognized under international law.

Yet we hear reports that the Government of Turkey is "bewildered" and "confused" over the action of our Government. These reports lead me to ask what our diplomats have been telling the Turkish Government. I do not expect Turkey to welcome the cutoff, but I do expect Turkey to understand why such a penalty has been imposed.

It is patently obvious that no effort has been made to acquaint Turkey with its obligation under international law to honor its commitment not to use U.S. arms for aggression. Instead, the State Department has taken the opposite approach. Secretary Kissinger has apologized profusely for the "unwise" and "regrettable" action of Congress. And he has traveled to other foreign capitals, not to explain American law, but to express his regret that Congress has disrupted United States-Turkish relations.

Three months ago the administration argued that Turkey would never negotiate while the cutoff was in place. It was a specious argument, for it assumed that Turkey would not perceive its own national interests.

Three weeks ago Greek and Turkish Cypriot representatives resumed negotiations in Vienna, Austria under the auspices of U.N. Secretary General Waldheim. Tentative agreement was reached to reopen the Nicosia airport and a working group was assigned to examine proposals for a new federal system. The two parties will meet again on June 5 to continue working toward a Cyprus settlement.

Commenting at the end of the first round of talks, a New York Times editorial of May 8, 1975, made the following observations:

> What was diappointing about this first round was the absence of any goodwill gesture by Turkey, whose army still occupies 40 per cent of Cyprus. There have been no troop reductions, no territorial withdrawals, not even permission for some Greek Cypriot refugees to return to their homes in the northern part of the island. Slight concessions in these areas could have improved enormously the climate for negotiation and agreement in both Cyprus and Greece.

What Congress is being asked to react to today is the lowest common denominator in the Cyprus equation—the unreasonableness of Turkey. Even though it is in Turkey's own best interest to settle the Cyprus dispute and to resume its close relationship with the United States, Turkey remains unwilling to demonstrate even some semblance of good will at the negotiating table.

And in the face of this lack of reason, Congress is paradoxically asked to sanction Turkish aggression in order to prove America's "credibility" to its NATO commitment. In my opinion, that is a contradiction in terms.

There should be no confusion and bewilderment among NATO allies as to our Government's decision to suspend military aid to Turkey. If our allies read the NATO treaty carefully they will see that they have agreed to defend the very principle involved in the American decision—that aggression against free and sovereign governments will not be tolerated.

That many in this body are troubled by the practical implications of cutting off aid to an important ally is not surprising. I have met with Turkish Government officials and I have expressed regret that it is necessary to take such a significant step. But as troubling as it might be, what choice do we have but to follow the dictates of our own laws?

Mr. President, we must consider carefully the implications of the threat that American bases and installations in Turkey may be closed. Some argue that these installations are vital; others say they can be replaced. But that is not the issue. The real question is whether the United States can afford to succumb to blackmail.

If the United States makes an exception to an important bilateral agreement to satisfy Turkish demand for a resumption of aid, we will leave American bases around the world open to diplomatic extortion. As difficult as it might be, we have no choice but to maintain our insistence that Turkey live up to its obligations and comply with its 1947 arms agreement with the United States—an agreement which specifies that U.S. arms may only be used for defensive purposes.

Finally, Mr. President, I think the Senate should understand the risks involved in reversing our Government's policy on aid to Turkey.

The southern flank of NATO is guarded by two important allies, Greece and Turkey. Our relations with the new Government of Greece were badly damaged by what was perceived as a "tilt" toward Turkey after the July 20, 1974, invasion of Cyprus. Congress' action last fall stemmed the tide of anti-Americanism in Greece. But what will be the reaction if we resume aid to Turkey without good cause?

I hesitate drawing any conclusions here because we should avoid predicting casual relationships in a public way. Nonetheless, I feel that each Member of the Senate should carefully examine the issues here—the Cyprus negotiations, our relations with Greece and Cyprus, our military bases and ports in Greece, the bilateral agreements we have with other nations which use our arms and, most importantly, the credibility of American laws.

Mr. President, the administration, having virtually conceded the point of law at issue here, argued privately that the law can and should be changed. And that is another matter we should confront in the debate today.

The United States last year sent over $11 billion arms to foreign nations. This amount is more than double what the Soviet Union, the next country on the list, sends to other nations. We have, in short, become the world's most prolific arms merchant.

Is that unpleasant fact going to be a central part of the foreign policy of the future? What is the rationale behind a policy which, in the name of world peace, seems to contribute so much to world tension?

Aside from the obvious economic benefits, the administration argues that the United States can exercise more influence over the affairs of recipient nations—that we can better control world events if nations are dependent upon U.S. weapons inventories.

Yet the administration also argues that the one mechanism of control now embodied in the law—the provision at issue here today requiring that any nation using U.S. arms for aggression be declared "immediately ineligible"—be changed.

It is said that we should no longer attempt to exercise such control over other sovereign nations—that it is wrong to ask them to agree to restrictions when they receive American arms.

Mr. President, if that is true, the administration should find another rationale for its most conspicuous—and most dangerous—foreign economic policy. Or it should stop sending arms to every hot spot in the world.

The American people, in my opinion, will not tolerate an arms sales program which heightens the risk of war all over the world without minimal legal safeguards against the use of those arms for aggressive purposes.

In addition, it is good policy, Mr. President, to automatically terminate an indirect American involvement when one ally invades another. Such a disengagement should not appear arbitrary, thus giving it a contemporary policy overtone. Rather, it should occur as a matter of course because U.S. law requires it.

The penalty clauses written to control the use of American arms became law long before Turkey invaded Cyprus. And they were written at a time when we sold far fewer arms to foreign nations. I believe that the principle of control embodied in those laws is even more important today.

And I also believe that to make an exception in the instant situation, without even a minor step taken by Turkey toward compliance with the conditions under which it received American arms, would seriously undermine that important principle of law. To do so would be to accomplish through the back door what the State Department knows it cannot accomplish directly; namely, the elimination of a meaningful penalty for misuse of American arms and a carte blanche foreign military sales program.

Mr. President, in his speech last week before the St. Louis World Affairs Council, Secretary Kissinger said:

> We cannot abandon values which are inseparable from America.

I am sure that Secretary Kissinger will have the support of Congress in assuring that our foreign policy reflects American values.

Too often we have sought security through passive and negative military strategies while ignoring our great potential to contribute the more positive qualities of the American ideal. A stable world structure does not derive from a balance of military force alone. It is time to give two other uniquely American qualities—democratic principle and the rule of law—a chance.

I urge the Senate today to signal a new direction in American foreign policy by voting to restate in unmistakable terms the moral and legal position Congress has taken on this issue.

Mr. President, I ask unanimous consent at this time that a series of editorials, the first one dated August 27, 1974, and the last one dated May 8, 1975, be printed at this point in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times, Aug. 27, 1974]

HOW TO LOSE AN ALLY

(By Graham Hovey)

Secretary of State Kissinger still seems oblivious to the dimensions of the disaster sustained by United States foreign policy in the Cyprus tragedy and insensitive to the hurt of people who feel let down by Washington.

How else explain his ill-timed offer to mediate the Cyprus crisis and his bland invitation to a harried Greek Premier to come to Washington to talk things over—at a time when Turkey was grabbing the northern third of Cyprus and drawing only a wrist tap from the State Department?

Did Mr. Kissinger really believe that Greece's Premier Caramanlis or Foreign Minister Mavros could accept a summons to Washington at that point and survive? As former United States Under Secretary of State George Ball said, the Kissinger mediation offer in that context exhibited "an insensitivity beyond belief."

And at whom was Mr. Kissinger aiming his warning of last week that "a foreign government must not expect that every time there is a crisis, the Secretary of State will come rushing into the area and spend all his time settling that particular crisis?" Was anyone asking for what he grandly calls "the personal shuttle diplomacy of the Secretary of State"?

Mr. Kissinger did promise that in any negotiation, Washington would "take into full account Greek honor and dignity," but he felt it necessary to add a warning that this country would "not be pressured by threat of withdrawal from the [NATO] alliance" nor by unjustified anti-American demonstrations.

But the Secretary surely misreads the political signals from Athens if he regards the pullout of Greek forces from NATO and the anti-American demonstrations merely as ploys by the Caramanlis Government, rather than reflections of utter disillusionment with an alliance and a superpower ally that could not prevent Turkey's blitz and Greek's humiliation on Cyprus.

In fact, Mr. Kissinger's trouble from the onset of the Cyprus crisis has been a lack, in dealing with allies, of the sensitivity that was an ingredient of his success in the Middle East and Vietnam negotiations, as well as in the initiatives that lead to President Nixon's visits to China and the Soviet Union.

The United States is not omnipotent and, as Mr. Kissinger reminds us, cannot stop "every local war between smaller nations." No one can prove that any feasible Washington effort this time would have halted Turkey's invasion of Cyprus.

One is forced to recall, however, that President Johnson twice got Turkey to call off a scheduled invasion of Cyprus: in 1964, with a tough letter to Premier Inonu; in 1967, through a skillful, even-handed negotiating job by envoy Cyrus Vance.

Once a shaky military regime in Athens had staged a putsch against President Makarios, clearly aimed at enosis—the union of Cyprus with Greece—there was only one way to prevent Turkish intervention: to demonstrate that Greece would not be allowed to get by with it. Washington could have made the point by backing Britain in refusing to recognize the new Cyprus regime and in demanding that Athens recall the Greek officers who had directed the coup.

Instead, the United States gave Turkey and the world every reason to believe it accepted the coup. Washington refused to pin responsibility for it on the Greek dictatorship and even hinted that on Cyprus it preferred the swaggering murderer, Nikos Sampson, to the devious Makarios.

Turkey's initial invasion of July 20 was the inevitable result. This at least accomplished the salutary secondary results of blasting out of power both Sampson and the Athens junta. At that point the imperative was to persuade Tukey to go no further.

Ankara had made its point: it would not accept *enosis* and it intended at any cost to protect the Turkish Cypriot minority. The Turks could now negotiate from strength. They could expect American and British backing for constitutional revisions to give the Turkish Cypriots a large measure of autonomy.

But the invasion had been heady wine for Turkey and Washington again seemed to blow a timid trumpet. At the showdown in Geneva, Turkey presented a drastic plan for division of Cyprus as an ultimatum, refusing to give the Greeks and Greek Cypriotes even a 36-hour recess to concult.

Turkey's blitz killed hundreds, displaced some 200,000, sowed new seeds for protracted intercommunity strife, provoked Greece into pulling its forces out of NATO, and increased instability in the eastern Mediterranean and the Middle East. It also dealt a heavy blow at United States credibility and the reputation of Henry A. Kissinger. More's the pity that he seems not to understand why.

[From the New York Times, Oct. 19, 1974]

PERSUADING THE TURKS

The public debate between President Ford and Congress about suspending American military aid to Turkey, though not very enlightening, did serve one useful purpose. The Turkish Government and armed forces can no longer be in doubt about the depth and breadth of outrage aroused in this country by their massive military offensive on Cyprus, which killed thousands of innocent civilians and left a quarter of a million people homeless.

In the face of Mr. Ford's threat to veto any cut-off of military assistance to Turkey, even a Congress eager to recess for the election campaign stood its ground and demanded, by decisive majorities in both houses, that the Administration adhere to the relevant laws. These require a cut-off when American arms aid is used for purposes such as the Turkish assault on Cyprus.

The compromise, finally accepted reluctantly by the President, allows aid to continue until Dec. 10 if Turkey meanwhile does not send any more American weapons to Cyprus. Aid will be ended on that date unless Mr. Ford can assure Congress that Turkey is adhering to the American laws on the use of military assistance and that "substantial progress" has been made toward a settlement on Cyprus.

Progress will be possible only if Turkey is prepared to make meaningful concessions, such as territorial and troop withdrawals and permission for displaced Greek Cypriots to return to their homes in the northern part of the island. One function—perhaps the only one—that Secretary of State Kissinger can perform in this situation is to persuade the Turks that such concessions are imperative.

If he launches that effort with a visit to Ankara during the extensive trip on which he embarks next week Mr. Kissinger may find that the Congressional action or aid, which he opposed so strenuously, is an asset, rather than a liability, in making his point.

WHERE'S THE CYPRUS PAY-OFF?

It will have been a bad mistake for Mr. Callaghan to let those Turkish Cypriots out of the British base unless Turkey now produces its own concessions in return.

Mr. Callaghan has taken a risk. He has given in, after months of stolid refusal, to

The anger and violence of the Greek Cypriots who took refuge in the British base at Episkopi last August should be allowed to go to Turkey. By doing so he has infuriated the Greek and Cypriot governments. He may also have taken a strong card out of the hands of Mr. Clerides, the Greek Cypriot negotiator. The British Government presumably hopes that its gesture will be quickly followed by Turkish concessions in the Cyprus negotiations. If it is, its gamble may have been justified, but there seems to be no promise. Whether Turkey now reciprocates is the test of Mr. Callaghan's wisdom.

The anger and violence of the Greek Cypriot reaction to the British decision was understandable: and predictable. More than 180,000 Greek Cypriots were driven from their homes and their livelihoods by the Turkish army when it occupied 40 per cent of the island last year. Many thousands of them are still living in the cold without proper shelter. At the same time last year some 8,500 Turkish Cypriots, fearing Greek Cypriot vengeance, took refuge in the Episkopi base. The difference between the two groups is that the Turkish Cypriots have a powerful champion in the Turkish government.

The Turkish intention is that Cyprus should become a two-zone federation with all the 115,000 Turkish Cypriots living in the northern area now occupied by the Turkish army. To ensure a strong Turkish Cypriot majority in that zone only a small proportion of the Greek Cypriot refugees would be allowed back. The Turkish aim has been to get Turkish Cypriots there instead, before the negotiations between Mr. Clerides and the Turkish Cypriot negotiator, Mr. Denktash, really get going. Thousands of Turkish Cypriots have succeeded in slipping into the northern zone, but it was important for the Turkish plan that the Episkopi refugees should join them. In Turkish, and indeed in Greek, eyes Britain's agreement to let the refugees go to Turkey—and no one pretends they will not be shipped on from there to northern Cyprus to occupy Greek Cypriot houses, businesses and lands—is a way of saying that the British Government now recognizes the principle of a two-zone state. Mr. Callaghan had consistently declined to do this. He argued that the fate of the Turkish Cypriot refugees was part and parcel of the whole refugee problem and should be settled in the negotiations between the Greek and Turkish Cypriots. To let them go to Turkey would prejudge the issue of the future shape of Cyprus. So why did he suddenly change his mind?

The main reason given, and it is a strong one, is that the conditions in the Episkopi camps were being made intolerable by the winter weather. And it began to look as if the refugees would be there for a long time: the Clerides-Denkitash talks have made no progress so far. The Greek Cypriots argue that there was nothing to prevent these people from returning to their original homes in the south of the island: other Turkish Cypriots still live alongside Greek Cypriots in mixed towns and villages. But although many refugees are genuinely afraid to go home, others were persuaded by Turkish Cypriot leaders to stay put while agitating to be allowed to go to Turkey. When the count was made last weekend of the number of refugees wanting to leave the total came to 11,000, which was 2,500 people more than the original tally. The rest must have been persuaded to come into the base in order to move on to Turkey.

KISSINGER'S DEADLINE

Turkey said there should be no progress in the Cyprus negotiations until the Episkopi refugees were allowed to leave. It added threats that unless the British gave in Turkish-British relations would be seriously damaged. Mr. Callaghan was obviously persuaded that he could loosen the log-jam in the talks. He may also have been under pressure from Washington; it is important for President Ford and Mr. Kissinger to be able to report substantial progress on the Cyprus issue before February 5th, in the hope of persuading Congress to lift its ban on American military supplies to Turkey which is due to come into effect on that day.

The British Government tried to persuade the Greek and Cypriot governments to accept its decision. It failed. The riots at the beginning of this week in Athens and throughout Cyprus cost the life of a Greek Cypriot student and damaged the British embassy in Greece and British and American offices in Nicosia, where it took President Makarios in person to quieten the rioters. The unanimous resolutions in the Greek and Cypriot parliaments condemning the British action indicate the depth of Greek bitterness. The renewed outbreak of anger is particularly embarrassing for the Greek prime minister, Mr. Karamanlis, who is working for the restoration of his country's links with western Europe.

In an interview this week Mr. Esenbel, Turkey's foreign minister, strongly implied that there would be no Turkish concessions at all until the Greek Cypriots accepted the partition of Cyprus into two zones and the transfer to the north of the remaining 17,000 Turks still in the south. But the Greek Cypriots now have the right to expect Turkey's allies to insist on three things: that the Turkish army should withdraw from the Greek part of Famagusta and much of the citrus-growing land it occupies in the north; that it should allow a thorough search in the occupied areas for the 3,000 Greek Cypriots still missing after last summer's fighting; and that Nicosia airport be reopened without delay. Mr. Callaghan should have made his gesture conditional on getting these concessions. If they do not come now, he will have made a serious error of judgment.

THE TIME TO STAND

The cause of democracy in Portugal can still be won: but only if its moderate majority refuses to be railroaded by Alvaro Cunhal's Communists.

The Portuguese cabinet's decision to approve the new trade union law proposed by the Communists may yet threaten hopes for democracy in Portugal. Unless, that is, Portugal's moderate political parties now stand up and fight. The Socialist and Popular Democratic ministers, who control three out of the four party political places in the cabinet, besides commanding considerable shares of public support, were overruled by the single Communist in the government, backed by his allies in the Armed Forces Movement. A non-elected provisional government is thus taking an important decision for Portugal's future against the will of two of the three parties in the government.

The details of the bill have yet to be worked out, but the principle is restrictive: one union per industry per region, all under a single central umbrella (see page 29). That might be just acceptable in a country where the unions are already powers in their own right. But under its old dictatorship Portugal lacked any but the most token government-controlled unions. After last year's coup the Communists set up their own union federation, Intersindical, which at first took a powerful hold over the already monolithic labour movement. But its grip has begun to be challenged by Socialist and Popular Democratic attempts to set up rival organisations and the new measure is clearly designed to forestall that by writing Intersindical ascendancy into law. The Communists discovered from an opinion poll published last week that they have the support of only about 10 per cent of the electorate. So they urgently need the prop of monopoly union support. It would give them the right to a continuing voice in government, and the ability to bring the country to a standstill if they chose.

So why are the Socialists and Popular Democrats keeping quiet? The bill would violate the right of workers to join the union they choose, and destroy the political strategy of the moderate parties. The moderates in Portugal may be hoping that the law, when the details are filled in, will guarantee a free vote within the monolithic union framework, and indeed elections have been going their way recently. But it hardly seems likely that the Communists would go to all this trouble only to leave so big a loophole in their plans.

THEY ARE NOT POWERLESS

Portugal's moderates are by no means powerless. There were convincing demonstrations last week by the Socialists and Popular Democrats against the bill. Their resignation from the government would leave the Communists as the only party in power, and that position could hardly be maintained by the army's radicals without flouting the country's remaining hopes of democracy. The designation of the Socialists and Popular Democrats might encourage the army's moderates to make more efforts to control the military radicals of the Co-ordinating Committee who want freedom to act in the army's name. The Armed Forces Movement was reported to be deeply divided on the union issue.

The question in Portugal is, as everywhere, when the moderates will take a stand. So far they have accepted the banning of two right-wing parties, the intimidation of another, arrests on some quite tenuous charges, and an election law with inadequate safeguards against vote-rigging. If they allow union freedom to go as well, the left-wingers in the army may think they can get away with postponing the promised spring election—as the Communists want—or intervening to influence the decisions of the assembly then elected. The Socialists' leaders meet on Sunday. They should realise that acquiescence in this week's coup de main will only postpone the inevitable conflict; and if they give way now, their position will be even weaker next time.

[From the Philadelphia Inquirer, Jan. 28, 1975]

CONGRESS SHOULD REJECT MORE ARMS FOR TURKEY

Last fall, the Ford Administration and Congress engaged in a bitter struggle over the issue of American arms aid to Turkey. Stated simply, the issue was whether the administration would abide by the law forbidding such aid except for "legitimate self-defense" or "internal security."

It was possible, perhaps, to argue that when the Turks invaded Cyprua in July to thwart a coup backed by the former military junta in Greece, they were legitimately defending the Turkish minority on the island. It was impossible to sustain that argument, though after the coup was thwarted, the junta collapsed, but the Turks kept some 40,000 troops on Cyprus.

Secretary of State Henry Kissinger argued that if Congress insisted that the law be enforced it would have "very adverse foreign relations consequences for an important ally," meaning Turkey, not Greece. The Turks would only get their backs up if the U.S. cut off military aid, and who knows what they would do then? He needed maximum flexibility, he said, if he were expected to jolly the Turks into agreeing to a reasonable settlement of the Cyprus question.

Besides, he insisted, diplomacy is a delicate business, and Congress ought not to lurch around in it, tying the hands of those who understand these matters.

After prolonged battling, Congress accepted a compromise allowing the President to continue military aid to the Turka until mid-December, after which it would have to be cut off unless he certified that "substantial progress" had been made in the negotiations for a Turkish withdrawal. Dr. Kissinger pleaded for more time, and after further battling Congress extended the deadline to Feb. 10.

Meanwhile, the U.S. escalated arms shipments to Turkey, contrary to the intent of Congress, and now the Defense Department has notified Congress that it proposes to sell Turkey $229.9 million worth of arms to modernize her tank forces. Under a new amendment to military aid legislation, the notification is required for all arms sales exceeding $25 million, and Congress has 20 days to disapprove.

The auspicion on Capitol Hill is that this is a maneuver to get around the deadline by getting the equipment into the pipeline. A ritual denial by the Pentagon is not convincing.

The proposal is, to say the least, ill-timed. There are confrontations enough between the executive and legislative branches without provoking another. In a speech last weekend, Dr. Kissinger deplored "the growing tendency of the Congress to legislate in detail the day-to-day or week-to-week conduct of our foreign affairs." If there is such a tendency, it is encouraged by the counter-tendency to brush off Congress as an inconvenience.

Congress certainly does have the constitutional authority to pass laws and to supervise the carrying out of the laws. In this case, Dr. Kissinger has had the flexibility he asked for and unless the "substantial progress" toward a Cyprus settlement can be demonstrated Congress should disapprove the arms sale.

[From the St. Louis Post-Dispatch, Feb. 10, 1975]

ANGER FROM TURKEY

The White House is not letting up on its efforts to rescind the embargo imposed by Congress on U.S. arms to Turkey. Now that the embargo has been in effect for a few days, Administration spokesmen claim an absence of beneficial results. If the embargo is meant to pressure Turkey to reach an agreement with Greece over Cyprus, it has backfired, they say. Indeed Turkey is more defiant than ever, has warned the United States about the future of U.S. bases there, has warned NATO of noncooperation, has indicated it will proceed partitioning or annexing that part of Cyprus occupied by Turkish troops.

Turkey's negative reaction, however, has not been triggered mainly by the arms embargo. There was plenty of time prior to the twice-postponed embargo to demonstrate au intention to accommodate differences with Greece and Greek Cypriots. But the governments of Bulent Ecevit and his successor Sadi Irmak have shown little inclination to compromise. Turkey's angry reaction to the congressional action is no reason for backing down in Washington, for what prompted Congress was not as much as lack of progress on the Cyprus issue as a flagrant violation of the terms of U.S. aid to Turkey and failure of the Administration to do anything about it. The law stipulates suspension of aid when a recipient uses U.S. arms for offensive purposes and the invasion and continued occupation of Cyprus is in this category.

Instead of lobbying in Congress to lift the embargo, Secretary of State Kissinger should try to impress upon Premier Irmak that Turkey's position of military strength vis-a-vis Greece and Cyprus would not be weakened by meaningful concession aimed at, if nothing else, preventing a desperate Cypriot government from seeking Soviet aid.

[From the Baltimore Sun, Feb. 16, 1975]

WRONG STEPS ON CYPRUS

In his plea for bipartisan foreign policy, President Ford held out the suspension of military aid to Turkey as a prime example of congressional meddling gone wrong. This was an action in which a Baltimore congressman, Paul S. Sarbanes, played a major role. According to Mr. Ford, the cut-off impaira relations with a valued ally (Turkey), achieves no benefit and tragically does nothing to improve the lot of Greek Cypriots on whose behalf it was done. Taken by itself, this assessment appears accurate at the moment. The Turkish-Cypriot declaration of a state in the portion of Cyprus occupied by the Turkish invasion army came barely a week after the cutoff. It was a thumbing of the Turkish nose at the United States. Whether the congressional action actually provoked what it was meant to prevent, as has been quietly suggested in Ankara, is unknown. The Turks might have done it now anyway.

But the congressional interference in Turkish-American relations did not occur in a vacuum. It was a response to administration foreign policy which also impaired relations with two valued allies (Turkey and Greece), achieved no benefit and tragically worsened the lot of the Greek Cypriots. That was the tilt to the side of the Athens dictatorship at the moment it was deposing President Makarios in Cyprus in favor of its own set of thugs and provoking Turkey to invade the island. This was followed by an apparent tilt back at the time Turkey's invasion was going far beyond anything justified and while Greece was replacing its dictatorship in favor of democracy.

Relations between Greece and Turkey now, and between the United States and Turkey now, are tortured by more than the Cyprus dispute. Any resumption of friendship between Greece and Turkey must include an amicable settlement of their disputed claim to the Aegean seabed. Turkish-American relations will turn on the extent to which the resumed Turkish poppy culture enters the United States as illegal heroin. Secretary of State Kissinger could hardly play honest poker over Cyprus now. The Greeks are outraged at the administration, and the Turks at the administration and Congress, Britain, down and out as a world power, remains the only mutually acceptable third party to the Cyprus conflict. It is a treaty guarantor with Greece and Turkey of Cyprus' independence and constitution, and it possesses two large pieces of Cyprus real estate.

A settlement of the Cyprus crisis is vital to American interests, because the cohesiveness of NATO in the eastern Mediterranean depends on it. But the United States has put so many feet wrong on Cyprus that any further step now would go amiss. If Congress was unwise to end aid to Turkey, which is debatable, any resumption on the heels of the latest Turkish action would be worse. Congressional acquiescence in presidential foreign policy is desirable but must be earned. It is time for Britain's foreign secretary, James Callaghan, to raise the British profile on Cyprus.

[From the New York Times, Mar. 22, 1975]

CYPRUS: THE TURKS STALL

The special representative of United Nations Secretary General Kurt Waldheim has returned to Cyprus to try to break the impasse that has prevented resumption of negotiations between the island's Greek and Turkish communities. This trip should not have been necessary. A resolution adopted unanimously by the Security Council March 12 called on the two sides to resume their intercommunal talks under Dr. Waldheim's "personal auspices."

There has been no resumption, because the Turkish Cypriotes, with Ankara's support, have balked at Dr. Waldheim's reasonable proposal that the talks begin April 21 at the U.N.'s European headquarters in Geneva. In their effort to downgrade a U.N. role, which they accepted only reluctantly in the first place, the Turkish Cypriotes have suggested a much later beginning at Teheran or some other capital.

This flouting of the Security Council, along with other Turkish-Cypriote tactics including the unilateral proclamation last month of a separate state in the northern Cyprus area occupied by the Turkish Army, will inevitably increase suspicions that Turkey does not really desire a Cyprus settlement. It can no longer be said that any progress in the effort by the United States and others to mediate between the two parties is detectable.

The fear now is that Turkey's military chiefs—the country has had only feeble caretake governments for six months—may have concluded that continued occupation of 40 per cent of Cyprus would give them leverage for negotiating with Greece on other delicate Aegean problems: offshore oil, territorial waters and overflight privileges related to Greek islands near the Turkish coast.

Such a stance would be perilous and indefensible, completely contrary to the responsible foreign policy behavior that Turkey maintained for years—until its massive invasion of Cyprus last August. Once this attitude became apparent it would revive the specter of a war between Turkey and Greece in which there would be no winners except, perhaps, the Soviet Union.

With the support of Athens, the Greek Cypriotes have gone far in their recent proposals to meet Turkish demands for a bicommunal federal state, with Turkish-Cypriotes retaining control and administration of more than 20 per cent of the island, including nearly half its existing economic assets. These proposals recognize that the Greeks must pay a stiff price for the stupidity of the former military dictatorship in Athens which precipitated the Cyprus upheaval by its July coup against President Makarios.

There is a limit, however, beyond which no Government in Athens and no Greek, Cypriote authority in Nicosia can go. Turkey's allies, including the United States, must do their utmost to persuade the military men in Ankara that by stalling negotiations on Cyprus they are pushing up against that limit.

[From the New York Times, Apr. 12, 1975]

FORD ON TURKISH ARMS

There are circumstances under which Congress should end the ban on American military aid to Turkey; but in his State of the World address, President Ford rested his plea for that action on questionable premises. His appeal was further weakened by his failure to note that in demanding the embargo Congress was primarily motivated by concern for enforcing existing law governing the use of military aid.

Mr. Ford argues convincingly for the importance of Turkey—its strategic position and its armed forces—for the security of the Eastern Mediterranean and NATO's southern flank. The American military and intelligence gathering bases in Turkey are crucial for this country and the allies. But these considerations cannot obscure or condone Turkey's massive invasion of Cyprus last August which left 200,000 people homeless.

When the President speaks of Turkey as "an old and faithful ally," is he implying that Greece—which fought valiantly against Hitler and Mussolini in a war that Turkey sat out in neutrality—is somehow less steadfast? And when he asserts that "only" a lifting of the embargo on arms for Ankara will "enable us to work with Greece and Turkey" to resolve their differences, he displays ignorance of the political climate in Athens and exaggerates Washington's current influence with the Greeks.

The Greek and Turkish Cypriotes have now agreed to resume negotiations in Vienna April 28 under United Nations auspices. Backed by Athens, the Greek Cypriotes have already gone a long way to meet Turkish demands for a federal state, with Turkish Cypriotes keeping control of more than 20 per cent of the island.

If, in advance of the Vienna talks, Turkey were to announce the withdrawal of substantial numbers of troops as well as its readiness to pull back from some of the areas seized last summer, it would begin to make a valid claim for resumption of American military aid—and make much easier President Ford's task of persuasion on Capitol Hill.

[From the Washington Star, May 7, 1975]

CYPRUS: GLIMMERS OF HOPE

While world attention has been focused on the thunderous events in Vietnam, some fairly hopeful developments have taken place quietly in Vienna. There the preliminary Cyprus peace talks ended this week with one modest gain of a tangible sort—an agreement in principle to reopen Nicosia's international airport. The facility, closed since last summer's warfare, was a proper subject for early discussions between leaders of the Greek and Turkish Cypriot communities who were brought together at Vienna by United Nations Secretary-General Kurt Waldheim.

The fact that those leaders agreed to form a joint committee for the purpose of reopening the airport to full civilian use is no minor step in the context of the volcanic polarization which exists on Cyprus. At least the two sides in the fractured country have gotten together on something. Fortunately, there is mutual awareness of the critical need to regain every bit of commerce that possibly can be restored, and the U.N., quite commendably, will repair the airport to make it fit for commercial service.

Beyond this, the atmosphere seemed somewhat more relaxed than before, when Glafkos Clerides of the Greek community and Rauf Denktash representing Turkish Cypriots got together with Waldheim. This slight improvement in ambiance lends hope for some progress on the really important and terribly complicated issues when the Vienna meetings resume early next month. No solutions are in sight, as yet, to the two central dilemmas—what to do about the 200,000 refugees displaced by the fighting and new division of territory, and how to put together some kind of central government.

But, again, a few hopeful signs are visible. At least the two sides have a joint group at work on the latter question, studying their opposing points of view in preparation for the June discussions. As to the refugees (181,000 of whom are Greek Cypriots), the ideal solution would be an altering of zone boundaries so that many of them could return to their former homes. Certainly some fair-handed system of return, and resettlement of those who cannot return for various reasons, must be devised if any lasting peace is to be secured.

Of course there is no assurance of success; the forced partition of Cyprus by the Turks, in the aftermath of last year's bloody events, poses an awesome problem of conciliation that may not be solved for a long while. But these negotiations are going forward, however haltingly, in contrast to those that broke down in February. The agreement to continue them next month was, in itself, a notable achievement. And Waldheim deserves commendation for bringing the process this far, largely through his personal diplomacy.

[From the New York Times, May 8, 1975]

CYPRUS REOPENING

The results of the first round of Cyprus talks under United Nations auspices have been but modest: an agreement "in principle" of the Greek and Turkish Cypriote representatives to reopen the Nicosia airport, which has been closed since the fighting last summer, and a decision to set up a committee of experts—three from each community—to study the powers and functions of a new federal government for the island.

The two sides are at least engaged in serious discussion of the critical issues—their first direct contacts since the Turkish Cypriotes unilaterally proclaimed their "autonomous federated state" in February. They have agreed to resume negotiations with U.N. Secretary General Waldheim in Vienna in one month, by which time the group of experts is expected to have some proposals on governmental structure for their consideration.

What was disappointing about this first round was the absence of any goodwill gesture by Turkey, whose army still occupies 40 per cent of Cyprus. There have been no troop reductions, no territorial withdrawals, not even permission for some Greek Cypriote refugees to return to their homes in the northern part of the island. Slight concessions in these areas could have improved enormously the climate for negotiation and agreement in both Cyprus and Greece.

The Greek Cypriotes, with Athens' backing, have gone a long way to meet Turkish demands for a bicommunal federal state in which the Turkish Cypriotes, who comprise less than a fifth of the population, would control more than 20 per cent of the territory and nearly half the island's existing economic assets. Turkey might have shown its appreciation for these concessions with some of her own.

Even after all the setbacks of the last year, there is little doubt that, left to themselves, Glafcos Clerides and Rauf Denktash, the chief negotiators, could work out a just solution for the island. The trouble is that Mr. Denktash is held on a short leash by Ankara; and the biggest question still is whether Turkey genuinely desires a Cyprus settlement.

Mr. EAGLETON. Further, Mr. President, I ask unanimous consent that an excellent legal opinion by the Comptroller General of the United States under the date of October 7, 1974, be printed in the RECORD.

There being no objection, the legal opinion was ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL OF THE
UNITED STATES,
Washington, D.C., October 7, 1974.

Hon. THOMAS F. EAGLETON,
U.S. Senate,

DEAR SENATOR EAGLETON: Reference is made to your letters of September 11 and 18, 1974, requesting our opinion on whether the use by Turkey of American-supplied defense articles and defense services for the purpose of intervening militarily in Cyprus would be in "substantial violation" of applicable statutory provisions and agreements so as to render Turkey "immediately ineligible" for further assistance under section 505(d) of the Foreign Assistance Act of 1961, as amended, and section 3(c) of the Foreign Military Sales Act.

Both of the above-cited statutory provisions contain similar prohibitions and involve similar considerations. We will first address your question in the context of the military assistance program.

I

Part II of The Foreign Assistance Act of 1961, approved September 4, 1961, Public Law 87–195, 75 Stat. 434, as amended, 22 U.S.C. §§ 2301, *et seq.*, currently governs the furnishing of defense articles and defense services on a grant basis. Subsection 505(d) thereof, as amended, 22 U.S.C. § 2314(d) (1970), provides:

"Any country which hereafter uses defense articles or defense services furnished such country under this Act, the Mutual Security Act of 1954, as amended, or any predecessor foreign assistance Act, in *substantial* violation of the provisions of this chapter [22 U.S.C. 2311 *et seq.*] or any agreements entered into pursuant to any of such Acts shall be *immediately ineligible* for further assistance." (Emphasis added.)

Military assistance has been furnished to Turkey pursuant to an "Agreement on Aid to Turkey" which was signed and entered into force at Ankara on July 12, 1947, T.I.A.S. 1629, 61 Stat. 2953. The initial recitations of agreement are as follows:

"The Government of Turkey having requested the Government of the United States for assistance which will enable Turkey to strengthen the security forces which Turkey requires for the protection of her freedom and independence and at the same time to continue to maintain the stability of her economy; and

"The Congress of the United States, in the Act approved May 22, 1947, having authorized the President of the United States to furnish such assistance to Turkey, on terms consonant with the sovereign independence and security of the two countries; and

"The Government of the United States and the Government of Turkey believing that the furnishing of such assistance will help to achieve the basic objectives of the Charter of the United Nations and by inaugurating an auspicious chapter in their relations will further strengthen the ties of friendship between the American and Turkish peoples;

"The undersigned, being duly authorized

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by their respective governments for that purpose, have agreed as follows: * * *."

Article I of the Agreement provides:

"The Government of the United States will furnish the Government of Turkey such assistance as the President of the United States may authorize to be provided in accordance with the Act of Congress approved May 22, 1947, and any acts amendatory or supplementary thereto. The Government of Turkey will make effective use of any such assistance in accordance with the provisions of this agreement."

The second paragraph of Article II of the Agreement provides:

"*The Government of Turkey will make use of the assistance furnished for the purposes for which it has been accorded.* In order to permit the [United States] Chief of Mission to fulfill freely his functions in the exercise of his responsibilities, it will furnish him as well as his representatives every facility and every assistance which he may request in the way of reports, information and observation concerning the utilization and progress of assistance furnished." (Emphasis added.)

Article IV of the Agreement provides:

"Determined and equally interested to assure the security of any article, service, or information received by the Government of Turkey pursuant to this agreement, the Governments of the United States and Turkey will respectively take after consultation, such measures as the othr government may judge necessary for this purpose. *The Government of Turkey will not transfer, without the consent of the Government of the United States,* title to or possession of any such article or information nor *permit,* without such consent, *the use of any such article* or the use or disclosure of any such information by or to anyone not an officer, employee, or agent of the Government of Turkey or *for any purpose other than that for which the article or information is furnished.*" (Emphasis added.)

The act of May 22, 1047, ch. 81, 61 Stat. 103, pursuant to which the foregoing "Agreement on Aid to Turkey" was consummated, is a '"predecessor foreign assistance act" for purposes of section 505(d) of The Foreign Assistance Act of 1961, quoted hereinabove. Accordingly, aubsection 505(d) applies fully to military assistance furnished to Turkey.

Subsection 505(a) of The Foreign Assistance Act of 1961, as amended, 22 U.S.C. §2314 (a) (1970), provides in part:

"In addition to such other provisions as the President may require, no defense articles shall be furnished to any country on a grant basis unless it shall have agreed that—

"(1) it will not, without the consent of the President—

* * * * *

"(C) use or permit the use of such articles for purposes other than those for which furnished * * *."

Article IV of the "Agreement on Aid to Turkey," *supra,* in conformity with the foregoing provision, explicitly includes the required restriction on the use of defense articles furnished.

The exclusive purposes for which The Foreign Assistance Act of 1961, *supra,* authorizes the furnishing of military assistance are set forth in section 502 thereof, as amended, 22 U.S.C. 2302, which provides in part:

"Defense articles and defense services to any country shall be furnished *solely* for internal security, for legitimate self-defense, to permit the recipient country to participate in regional or collective arrangements or measures consistent with the Charter of the United Nations, or otherwise to permit the recipient country to participate in collective measures requested by the United Nations for the purpose of maintaining or restoring international peace and security, or for the purpose of assisting foreign military forces in less developed friendly countries * * * to construct public works and to engage in other activities helpful to the economic and social development of such friendly countries. * * *" (Emphasis added.)

We note that an agreement between the United States and Turkey became effective June 16, 1960, provided that military assistance furnished by the United States to Turkey could not be deployed to Cyprus without the formal consent of the United States Government, and then only as to such items and quantities thereof specifically agreed to prior to deployment. That agreement, effected by an exchange of notes reprinted in Hearings on United States Security Agreements and Commitments Abroad, Greece and Turkey, Before the Subcommittee on United States Agreements and Commitments Abroad of the Senate Committee on Foreign Relations, 91st Cong. 2d Sess., pt. 7, at 1780 (1970) states

"ANKARA, June 16, 19—.

"His Excellency FLETCHER WARREN, Ambassador of the United States of America, Ankara.

"EXCELLENCY: I have the honor to acknowledge receipt of your Note of May 16, 1960 which reads as follows:

" 'EXCELLENCY: I have the honor to draw the attention of the Government of Turkey to the provisions of Article 4 of the Agreement on Aid to Turkey of July 1947, and with regard to the desire of the Turkish Government to use certain Military Assistance Program materiel for its planned military force in Cyprus to request that Turkey ask formal consent of the United States Government for such use for a purpose other than those for which the materiel was furnished.

" 'It must be clearly understood that United States consent for the use of this equipment in Cyprus, which will be granted immediately upon receipt of Turkey's request, should not provide a basis for requests for additional Military Assistance Program materiel. The equipment sent to Cyprus, which was provided by the U.S. as grant aid under the Military Assistance Program cannot be dropped from accountability and will be considered as assets available to requirements for the Military Assistance Program for Turkey. The materiel to be deployed initially to Cyprus has been agreed upon by the Turkish General Staff and JUSMAT and is listed in the attached schedule and any Military Assistance Program materiel Turkey may subsequently wish to deploy to Cyprus will have to be the subject of a separate request.

" ' I have the honor to propose that, if this Note is acceptable to Your Excellency's Government, this Note and Your Excellency's Note in reply, asking for formal United States consent and agreeing to the list submitted, shall constitute an agreement between our two Governments which shall enter into force on the date of Your Excellency's reply.

" 'Accept, Excellency, the renewed assurances of my highest consideration.'

"In reply, I have the honor to inform you that my Government is in agreement with the foregoing.

"I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

"SELIM SARPER."

The schedule of materiel initially authorized to be deployed to Cyprus appears at pages 1776–1780 of the foregoing hearings.

In a 1964 crisis in Cyprus, Turkey, contemplated intervening militarily. In a letter, dated June 5, 1964, President Lyndon Johnson wrote to the Turkish Prime Minister expressing grave concern over such action, and refusing to permit use of any United States supplied military equipment for such purpose. President Johnson's letter, reprinted in Hearings on United States Security Agreements and Commitments Abroad, Greece and Turkey, *supra,* at 1848–1850, states in part:

"* * * I am gravely concerned by the information which I have had through Ambassador Hare from you and your Foreign Minister that the Turkish Government is contemplating a decision to intervene by military force to occupy a portion of Cyprus, I wish to emphasize, in the fullest friendship and frankness, that I do not consider that such a course of action by Turkey, fraught with such far-reaching consequences, is consistent with the commitment of your Government to consult fully in advance with us. Ambassador Hare has indicated that you have postponed your decision for a few hours in order to obtain my views. I put to you personally whether you really believe that it is appropriate for your Government, in effect, to present a unilateral decision of such consequence to an ally who has demonstrated such staunch support over the years as has the United States for Turkey. I must, therefore, first urge you to accept the responsibility for complete consultation with the United States before any such action is taken.

"It is my impression that you believe that such intervention by Turkey is permissible under the provisions of the Treaty of Guarantee of 1960. I must call your attention, however, to our understanding that the proposed intervention by Turkey would be for the purpose of effecting a form of partition of the Island, a solution which is specifically excluded by the Treaty of Guarantee. Further, that Treaty requires consultation among the Guarantor Powers. It is the view of the United States that the possibilities of such consultation have by no means been exhausted in this situation and that, therefore, the reservation of the right to take unilateral action is not yet applicable.

* * * * *

"I wish also, Mr. Prime Minister, to call your attention to the bilateral agreement between the United States and Turkey in the field of military assistance. Under Article IV of the Agreement with Turkey of July 1947, your Government is required to obtain United States consent in the use of military assistance for purposes other than those for which such assistance was furnished. Your Government has on several occasions acknowledged to the United States that you fully understand this condition. I must tell you in all candor that the United States cannot agree to the use of any United States supplied military equipment for a Turkish intervention in Cyprus, under present circumstances.

* * * * *

"Finally, Mr. Prime Minister, I must tell you that you have posed the gravest issues of war and peace. These are issues which go far beyond the bilateral relations between Turkey and the United States. They not only will certainly involve war between Turkey and Greece but could involve wider hostilities because of the unpredictable consequences which a unilateral intervention in Cyprus could produce. You have your responsibilities as Chief of the Government of Turkey; I also have mine as President of the United States. I must, therefore, inform you in the deepest friendship that unless I can have your assurance that you will not take such action without further and fullest consultation I cannot accept your injunction to Ambassador Hare of secrecy and must immediately ask for emergency meetings of the NATO Council and of the United Nations Security Council."

Turkey did not militarily intervene in Cyprus in 1964.

Your question concerning the use of military assistance by Turkey in connection with military intervention on Cyprus relates, of course, to the current situation, wherein it is our understanding that Turkey has used substantial quantities of United States supplied military assistance in the course of its military intervention dating from July 20, 1974. We believe that this situation gives rise to two principal issues with reference to possible violations subject to section 505 (d) of the Foreign Assistance Act as follows: (1) whether the nature and purposes of Turkey's intervention on Cyprus are fundamentally inconsistent with the permissible uses of military assistance; and (2) whether the diversion of military assistance to support Turkey's intervention, absent the prior specific approval of the United States is, in and of itself, unauthorized.

With reference to the first issue, section 502 of the Foreign Assistance Act, quoted previously herein, authorizes the furnishing of military assistance *solely* for the following purposes: for internal security; for legitimate self-defense; to permit participation in regional or collective arrangements consistent with the United Nations Charter; to permit participation in collective peacekeeping or peace-restoration measures requested by the United Nations; or to assist military forces or less developed friendly countries in promoting the social and economic development of such countries. Other provisions of the Foreign Assistance Act are consistent with, and tend to reenforce, the basic emphasis of section 502 upon defensive, peacekeeping and restoration, and peaceful purposes. Thus 501 of the Act, as amended, 22 U.S.C. § 2301 (1970), which sets forth congressional declarations of policy concerning military assistance, states in part:

"The Congress of the United States reaffirms the policy of the United States to achieve international peace and security through the United Nations so that armed force shall not be used except for individual or collective self-defense. The Congress finds that the efforts of the United States and other friendly countries to promote peace and security continue to require measures of support based upon the principle of effective self-help and mutual aid. It is the purpose of this subchapter to authorize measures in the common defense against internal and external aggression, including the furnishing of military assistance, upon request, to friendly countries and international organizations. * * *

* * * * *

"In enacting this legislation, it is therefore the intention of the Congress to promote the peace of the world and the foreign policy, security, and general welfare of the United States by fostering an improved climate of political independence and individual liberty, *improving the ability of friendly countries and international organizations to deter or, if necessary, defeat Communist or Communist-support aggression, facilitating arrangements for individual and collective security, assisting friendly countries to maintain internal security,* and creating an environment of security and stability in the developing friendly countries essential to their more rapid social, economic, and political progress. The Congress urges that all other countries able to contribute join in a common undertaking to meet the goals stated in this part.

* * * * *

"Finally, the Congress reaffirms its full support of the progress of the members of the North Atlantic Treaty Organization toward increased cooperation in political, military, and economic affairs. * * *" (Emphasis added.)

Consistent with this declaration of policy, section 511 of the Act, as amended, 22 U.S.C. § 2321d (Supp. II, 1972), provides:

"Decisions to furnish military assistance made under this part shall take into account whether such assistance will—

"(1) *contribute to an arms race;*

"(2) *increase the possibility of outbreak or escalation of conflict;* or

"(3) prejudice the development of bilateral or multilateral arms control arrangements." (Emphasis added.)

While not specifically subject to the operation of section 505(d), section 620(i) of the Foreign Assistance Act, as amended, 22 U.S.C. § 2370(i) (1970), seems to reenforce the foregoing observations concerning the nature and limits of military assistance purposes, and also seems particularly relevant in the instant context. This section provides:

"*No assistance shall be provided under this Act or any other Act, and no sales shall be made under the Agricultural Trade Development and Assistance Act of 1954, to any country which the President determines* is *engaging in* or *preparing for aggressive military efforts,* or which hereafter is officially represented at any international conference when that representation includes the planning of activities involving insurrection or subversion, *which military efforts,* insurrection, or subversion, are directed against—

"(1) the United States,

"(2) *any country receiving assistance under this Act or any other Act, or*

"(3) any country to which sales are made under the Agricultural Trade Development and Assistance Act of 1954,

until the President determines that such Military efforts or preparations have ceased, or such representation has ceased, *and he reports to the Congress* that he has received assurances satisfactory to him that such military efforts or preparations will not be renewed, or that such representation will not be renewed or repeated. *This restriction may not be waived pursuant to any authority contained in this Act.*" (Emphasis added.)

Finally, section 505(b) of the Act, as amended, 22 U.S.C. § 2314(b) (Supp. II, 1972), provides:

"No defense articles shall be furnished on a grant basis to any country at a cost in excess of $3,000,000 in any fiscal year unless the President determines—

"(1) *that such country conforms to the purposes and principles of the Charter of the United Nations;*

"(2) that such defense articles will be utilized by such country for the maintenance of its own *defensive strength,* or the *defensive strength* of the free world;

"(3) that such country is taking all reasonable measures; consistent with its political and economic stability, which may be needed to develop its defense capacities; *and*

"(4) that the increased ability of such country to defend itself is important to the security of the United States." (Emphasis added.)

The 1947 agreement between the United States and Turkey, discussed previously, appears equally clear concerning the purposes for which military assistance is furnished to Turkey. The agreement recites, *inter alia,* that such assistance "will enable Turkey to strengthen the security forces which Turkey requires for the protection of her freedom and independence and at the same time to continue to maintain the stability of her economy * * *"; and that "the furnishing of such assistance will help to achieve the basic objectives of the Charter of the United Nations * * *." Article I of the agreement in effect incorporates applicable statutory provisions concerning the purposes of military assistance. In Article II, Turkey agrees to make use of assistance for the purposes for which it has been accorded.

Turkey's unilateral military intervention on Cypress certainly appears to run counter to the general tenor of the provisions of the Foreign Assistance Act and the terms of the 1947 agreement discussed above; and, on the basis of our entirely unofficial understanding of developments on Cyprus, it would seem that such intervention has gone beyond the bounds of possible defensive or peace-restoration efforts. Moreover, as has been noted previously, President Johnson failed to perceive any justification for a unilateral intervention in Cyprus contemplated by Turkey in 1964. While the present situation may differ in some respects from that presented in 1964, it is notable that the United States has joined in unanimous adoption of two resolutions by the United Nations Security Council—Resolutions Nos. 353 (July 20, 1974) and 360 (August 16, 1974)—concerning the present Cyprus crisis which appear to oppose Turkey's actions, among other matters. Resolution No. 353 provides in part:

"*The Security Council,*

"Having considered the report of the Secretary-General at its 1779th meeting about the recent developments in Cyprus,

* * * * *

"*Gravely concerned* about the situation which led to a serious threat to international peace and security, and which created a most explosive situation in the whole Eastern Mediterranean area,

* * * * *

"*Conscious* of its primary responsibility for the maintenance of international peace and security in accordance with Article 24 of the Charter of the United Nations,

"1. *Calls upon* all States to respect the sovereignty, independence and territorial integrity of Cyprus;

* * * * *

"3. *Demands* an immediate end to foreign military intervention in the Republic of Cyprus that is in contravention of operative paragraph 1;

"4. *Requests* the withdrawal without delay from the Republic of Cyprus of foreign military personnel present otherwise than under the authority of international agreements including those whose withdrawal was requested by the President of the Republic of Cyprus, Archbishop Makarios, in his letter of 2 July 1974; * * *."

Resolution No. 360 provides in part:

"*The Security Council,*

* * * * *

"*Gravely concerned* at the deterioration of the situation in Cyprus, resulting from the further military operations, which constituted a most serious threat to peace and security in the Eastern Mediterranean area,

"1. *Records* its formal disapproval of the unilateral military actions undertaken against the Republic of Cyprus; * * *."

Nevertheless, the precise delimitation of the nature and purposes of Turkey's present intervention involves, in our view, complex questions dependent for their resolution upon analysis of factual information not available to us and the exercise of an expertise beyond our purview. We recognize, for example, that under the 1960 Treaty of Guarantee concerning Cyprus, Turkey, Greece, and the United Kingdom guaranteed the independence, territorial integrity and security of the Republic of Cyprus, and each of these parties expressly reserved the right, "in so far as common or concerted action may not prove possible," to take unilateral action "with the sole aim of re-establishing the state of affairs created by the present Treaty." (Articles II and IV). The relevance of this treaty of Turkey's present actions is one such question. Another is whether Turkey's actions, even if initially justified, have since changed character and, if so, at what point.

In view of the foregoing considerations, our Office is not in a position to formally determine the nature of Turkey's intervention on Cyprus with reference to the criteria applicable under the Foreign Assistance Act and the 1947 agreement concerning the furnishing of military assistance. Therefore, while the Turkish intervention obviously raises serious questions under the Act and the agreement, we cannot conclude definitively that such use of assistance *in consideration of the nature of Turkey's military action* constitutes a substantial violation under section 505(d) of the Act.

As indicated previously, however, we believe that the present situation raises a second issue in terms of violations subject to section 505(a), *i.e.*, whether the use of United States furnished military assistance by Turkey in connection with its intervention on Cyprus would be impermissible, apart from the precise nature of the intervention, on the basis of failure to obtain the prior formal consent of the United States for such use.

II

Section 505(a)(1)(C) of the Foreign Assistance Act and article IV of the 1947 Agreement on Aid to Turkey, quoted previously herein, both expressly provide that military assistance may not be used for a purpose other than those for which it is furnished without the consent of the United States. For the reasons stated hereinabove, we cannot conclude that the use of military assistance by Turkey in support of its intervention on Cyprus would be flatly prohibited by the Foreign Assistance Act of the 1947 agreement. Nevertheless, we believe it is clear that such a use of assistance is not specifically provided for or contemplated by either the Act or the agreement, and, accordingly, that it constitutes a diversion of assistance from the purposes for which provided. This being the case, such a diversion could, under the terms of section 505(a)(1)(C) and article IV of the agreement, be accomplished only upon the consent of the United States.

Any doubt as to this conclusion in the present context is, in our judgment, dispelled by consideration of the 1960 agreement in an exchange of notes between the United States and Turkey concerning the use of defense articles on Cyprus. In this exchange of notes, discussed previously, Turkey requested formal consent to the use of United States furnished defense articles on Cyprus, presumably in connection with the routine deployment of forces on the island consistent with the 1960 Treaty of Guarantee. The Turkish request was submitted at the insistence of the United States. Thus the United States Ambassador to Turkey stated in his note:

"I have the honor to draw the attention of the Government of Turkey to the provisions of Article 4 of the Agreement on Aid to Turkey of July 1947, and with regard to the desire of the Turkish Government to use certain Military Assistance Program materiel for its planned military force in Cyprus to request that *Turkey ask formal consent of the United States Government for such use for a purpose other than those for which the material was furnished.*" (Emphasis added.)

Consent was granted, limited to specified types and quantities of defense articles. However, the Ambassador's note added:

"* * * The materiel to be deployed initially to Cyprus has been agreed upon * * * and is listed in the attached schedule and *any Military Assistance Program materiel Turkey may subsequently wish to deploy to Cyprus will have to be the subject of a separate request.*" (Emphasis added.)

For the reasons stated above, we conclude that the diversion of military assistance for use in Cyprus beyond that specifically provided for in the 1960 agreement would, absent formal consent thereto by the United States, violate the 1960 agreement, article IV of the 1947 agreement, and section 505(a)(1)(C) of the Foreign Assistance Act as a matter of law. We assume that no such consent has been given with respect to Turkey's present intervention.

The foregoing violations would clearly fall within the scope of subsection 505(d) of the Act. Since this subsection renders a country immediately ineligible for further military assistance on the basis of "substantial" violations, it remains to consider whether these violations would be "substantial." The legislative history does shed some light on which violations were intended to be characterized as "substantial." Section 505(d) derives originally from the House version of legislation enacted as the Foreign Assistance Act of 1962. See H.R. 11921, 87th Cong., 2d Sess., 2201 (1962). The House bill contained in substance the language ultimately enacted but did not include the word "substantial." The House Committee on Foreign Affairs in its report on the bill, H. Rept. No. 1788, 87th Cong., 2d Sess. 27 (1962), observed in part with reference to this provision:

"The present act requires that military assistance furnished either through grants or sales shall be solely for the purposes of internal security, legitimate self-defense or the participation in collective arrangements or measures consistent with the United Nations Charter or as requested by the United Nations for maintaining or restoring international peace and security. It also provides for certain conditions of eligibility which include the reaching of agreements as to the use, observation, protection, and disposition of the assistance furnished.

"This amendment will provide the positive penalty not now contained in the law for the future violation of the requirements of this chapter or agreements under which the equipment or services are furnished.

"The committee believes that such a penalty is necessary and will serve notice on recipient countries who may view these conditions or agreements as having little or no effect. *It is not intended that every small disagreement between the United States and recipient countries on the possible deployment of units or uses of equipment would serve to make such country ineligible for further assistance. However, where a country actually undertakes an act of aggression or refuses to allow continuous observation of the equipment, diverts substantial quantities of the items furnished, or otherwise violates the terms of its agreements, further assistance under this chapter would be prohibited by this amendment.*

"The President's special waiver authority contained in section 614(a) of this act may be used to waive the requirements of this subsection." (Emphasis added.)

The word "substantial" was added in conference. With respect to this provision the conference report stated, H. Rept. No. 2008, 87th Cong., 2d Sess. 18 (1962):

"Section 201(a) of the House amendment provided that any country which hereinafter used defense articles or defense services furnished such country under this act, the Mutual Security Act of 1954, as amended, or any predecessor foreign assistance act, where such use was in violation of the provisions of the military assistance chapter or any agreements entered into pursuant to any of such acts, should be immediately ineligible for further assistance.

"The Senate bill contained no comparable provision.

"The committee of conference accepted the House provision with an amendment which provided that in order for the section to become operative there must be a 'substantial' violation of the provisions of the military assistance chapter or applicable agreements. *The purpose of this amendment is to make clear that minor instances of diversion or improper uses would not work to make countries ineligible for further military assistance.*" (Emphasis added.)

In light of the foregoing, we interpret the conference addition of the word "substantial" as a clarification of the language of the bill designed to formalize intent of the provision as expressed in the House report. Consequently, while "minor" violations do not require ineligibility the examples of violations set forth in the House report—such as an actual act of aggression or diversion of "substantial" quantities of defense items from authorized purposes—apparently represent violations intended by the Congress to render the provision operative and cause immediate ineligibility for further military assistance.

Any diversion of substantial quantities of military assistance items furnished by the United States from authorized purposes would thus constitute a "substantial" violation of section 505(d) under the intent expressed in the House report. Moreover, even though any substantial diversion thus seems sufficient in and of itself to trigger section 505(d), the purposes and use to which the diverted military assistance is applied would certainly also be relevant to the gravity of the violation. If such purposes and use in contravention of the explicitly stated policies and purposes of the Foreign Assistance Act of 1961, the violation would undoubtedly be "substantial." It is our impression that Turkey has diverted substantial quantities of military assistance items furnished by the United States, although we have no official information as to the types and quantities of defense articles which are involved. In addition, as noted hereinabove, the particular purposes for which the items were diverted and the uses to which they were applied may well be in contravention of the policies and purposes of the Foreign Assistance Act of 1961.

III

The Foreign Military Sales Act, approved October 22, 1968, Pub. L. 90-629, 82 Stat. 1321, as amended, 22 U.S.C. §§ 2751 *et seq.*, governs the furnishing of defense articles and defense services on a sales basis. It repealed and superseded those provisions of the Foreign Assistance Act of 1961 dealing with military sales. Section 3(c) of the Act, as amended, 22 U.S.C.A. § 2753(c) (Pocket pt. 1974), referred to in your letter, provides:

"(c) Except as otherwise provided in subsection (d), any foreign country which hereafter uses defense articles or defense services furnished such country under this Act, in *substantial* violation of any provision of this Act or any agreement entered into under this Act, shall be *immediately ineligible* for further cash sales, credits, or guarantees." (Emphasis added.)

Subsection 3(d) relates to the treatment of "sophisticated weapons."

The conclusions expressed in parts I and II hereof concerning section 505(d) of the Foreign Assistance Act apply generally to section 3(c) of the Foreign Military Sales Act and its related provisions. Subsection 3(a) of the latter act, as amended, 22 U.S.C.A. § 2753(a) (Pocket pt. 1974), provides in part:

"No defense article or defense service shall be sold by the United States Government under this Act to any country or international organization unless—

* * * * *

"(2) *the country* or international organization *shall have agreed* not to transfer title to, or possession of, any defense article so furnished to it to anyone not an officer, employee, or agent of that country or international organization and *not to use or permit the use of such article for purposes other than those for which furnished unless the consent of the President has first been obtained;* * * *." (Emphasis added.)

Article IV of the 1947 Agreement on Aid to Turkey, discussed previously and also applicable to military sales to Turkey, includes this restriction on the use of defense articles furnished. For the reasons given in part II hereof, it appears that the use of substantial quantities of defense articles furnished under the Foreign Military Sales Act and Article IV to support military intervention on Cyprus would constitute substantial violations for purposes of section 3(c). Other provisions of the Foreign Military Sales Act—comparable to provisions of the Foreign Assistance Act discussed in part I—are also relevant in this regard. See 22 U.S.C.A. § 2751 (Pocket pt. 1974) and 22 U.S.C. § 2754 (1970).

IV

We recognize that the determination of whether a "substantial violation" of the statutory provisions and agreements discussed previously has occurred, so as to actually render Turkey "immediately ineligible" for further assistance under section 505(d) of the Foreign Assistance Act and section 3(c) of the Foreign Military Sales Act, is, at least in the first instance, entrusted to the officials charged with the administration of these provisions. The pertinent delegations of authority are set forth in Exec. Order No. 10973, as amended, 3 C.F.R. 90 (1974), 22 U.S.C. § 2381, note (Supp. II, 1972), and Exec. Order No. 11501, as amended, 3 C.F.R. 267 (1974), 22 U.S.C. § 2751, note (1970 and Supp. II, 1972).*

If these determinations or decisions are not made promptly and timely, however, the punitive aspects of the respective provisions are rendered virtually meaningless, contrary to the intent of Congress. With respect to subsection 505(d) of the Foreign Assistance Act, House Report No. 1788, 87th Cong., 2d Sess. 27 (1962), stated:

"The amendment will provide the positive penalty not now contained in the law for the future violation of the requirements of this chapter or agreements under which the equipment or services are furnished.

"The committee believes that such a penalty is necessary and will serve notice on recipient countries who may view these conditions or agreements as having little or no effect. * * *"

Adequate provision has been made in the law to facilitate the availability of necessary pertinent information to the responsible official(s). Subsection 505(a) of the Act, as amended, 22 U.S.C. § 2314(a) (1970), provides in part:

"In addition to such other provisions as the President may require no defense articles shall be furnished to any country on a grant basis unless it shall have agreed that—

* * * * *

"(3) it will, as the President may require, permit continuous observation and review by, and furnish necessary information to, representatives of the United States Government with regard to the use of such articles; * * *."

Articles II and III of the "Agreement on Aid to Turkey," *supra*, make specific provision to fulfill this requirement. Also subsection 623(a) of the Foreign Assistance Act of 1961, *supra*, 22 U.S.C. § 2383(a) (1970), provides in part:

"In the case of assistance under part II of this Act, the Secretary of Defense shall have primary responsibility for—

* * * * *

"(3) the supervision of end-item use by the recipient countries * * *.".

In addition, subsection 624(d) of the Act, as amended, 22 U.S.C. § 2384(d) (1970), provides in part:

"(2) The Inspector General, Foreign Assistance, shall report directly to the Secretary of State and shall have the following duties and responsibilities:

* * * * *

"(B) For the purpose of ascertaining the extent to which programs being carried out under part II of this Act and the Agricultural Trade Development and Assistance Act of 1954, as amended, are in consonance with the foreign policy of the United States, are aiding in the attainment of the objectives of this Act, and are being carried out consistently with the responsibilities with respect thereto of the respective United States chiefs of missions and of the Secretary of State, as well as the efficiency and the economy with which such responsibilities are discharged, he shall arrange for, direct or conduct such reviews, inspections and audits of programs under part II of this Act and the Agricultural Trade Development and Assistance Act of 1954, as amended, as he considers necessary.

"(3) *The Inspector General, Foreign Assistance, shall maintain continuous observation and review of programs with respect to which he has responsibilities under paragraph* (2) *of this subsection* for the purpose of—

"(A) determining the extent to which such programs are in compliance with applicable laws and regulations;

"(B) making recommendations for the correction of deficiencies in, or for improving the organization, plans or procedures of, such programs; and

"(C) evaluating the effectiveness of such programs in attaining United States foreign policy objectives and reporting to the Secretary of State with respect thereto.

"(4) In order to eliminate duplication and to assure full utilization of existing data, the Inspector General, Foreign Assistance, shall, in carrying out his duties under this Act, give due regard to the audit, investigative and inspection activities of the various agencies, including those of the General Accounting Office and of the military Inspectors General.

"(5) For the purpose of aiding in carrying out his duties under this Act, the Inspector General, Foreign Assistance, shall have access to all records, reports, audits, reviews, documents, papers, recommendations, or other material of the agencies of the United States Government administering parts I or II of this Act, and of the Latin American Development Act; as amended, the Peace Corps or the Agricultural Trade Development and Assistance Act of 1954, as amended, and section 290f of this title. All agencies of the United States Government shall cooperate with the Inspector General, Foreign Assistance, and shall furnish assistance upon request to the Inspector General, Foreign Assistance, in aid of his responsibilities.

* * * * *

"(8) Whenever the Inspector General, Foreign Assistance, deems it appropriate in carrying out his duties under this Act, he may from time to time notify the head of any agency primarily responsible for administering any program with respect to which the Inspector General, Foreign Assistance, has responsibilities under paragraph (2) of this subsection that all internal audit, end-use inspection, and management inspection reports submitted to the head of such agency or mission in the field in connection with such program from any geographic areas designated by the Inspector General, Foreign Assistance, shall be submitted simultaneously to the Inspector General, Foreign Assistance. The head of each such agency shall cooperate with the Inspector General, Foreign Assistance, in carrying out the provisions of this paragraph." (Emphasis added.)

There is, of course a general mandate upon cognizant officials to administer the military assistance and foreign military sales programs in a manner consistent with and in furtherance of all relevant statutory provisions, including those provisions dealing with prohibitions and sanctions. Beyond this, we believe that section 505(d) of the Foreign Assistance Act and section 3(c) of the Foreign Military Sales Act—in view of their express terms (particularly the references to "immediate" ineligibility), purposes, and legislative history—place a specific duty upon cognizant officials to expeditiously consider, and make appropriate determinations concerning, the applicability of such provisions in circumstances which clearly suggest potential substantial violations.

As indicated previously, we do not have a sufficient basis, at the present time, to formally characterize Turkey's military intervention on Cyprus; nor do we know precisely what United States defense articles have been used in connection with it. We believe there can be no doubt, however, that the present situation with respect to Cyprus is sufficiently serious to require that the determinations described above be expeditiously made.

We note that section 614(a) of the Foreign Assistance Act, as amended, 22 U.S.C. § 2364 (a)(1970), provides:

"The President may authorize in each fiscal year the use of funds made available for use under this Act and the furnishing of assistance under section 510 in a total amount not to exceed $250,000,000 and the use of not to exceed $100,000,000 of foreign currencies accruing under this Act or any other law, without regard to the requirements of this Act, any law relating to receipts and credits accruing to the United States, any Act appropriating funds for use under this Act, or the Mutual Defense Assistance Control Act of 1951, in furtherance of any of the purposes of such Acts, when the President determines that such authorization is important to the security of the United States. Not more than $50,000,000 of the funds available under this subsection may be allocated to any one country in any fiscal year. The limitation contained in the preceding sentence shall not apply to any country which is a victim of active Communist supported aggression."

We have not specifically considered the waiver authority of section 614(a) would be appropriate in this case. We would point out, however, that any such waiver would be subject to the publication and congressional notification requirements set forth in section 654 of the Act, as amended, 22 U.S.C § 2414 (Supp. II, 1972).

Finally, the views expressed herein are, of course, subject to any subsequent actions which the Congress may take relative to this situation.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. EAGLESTON. I yield.

Mr. JACKSON. Mr. President, since Turkish Armed Forces began a forcible occupation of Cypriot territory almost a year ago, I have consistently supported the congressional initatives designed to preserve the integrity of American law and to restore the freedom and independence of Cyprus. I believe the basic foreign assistance statutes—which specify that American military assistance should be provided for self-defense and for collective security—embody wise policy. The events of the past 10 months provide no basis for a special exception being made for Turkey.

The Turkish military's fait accompli on Cyprus was made possible in part by American military assistance to Turkey. Over the years, Congress supported such a program of assistance, seeing in Turkey an important member of the West's collective security structure. But this was the only reason Congress authorized the program—for our assistance programs are designed to enhance a nation's ability to resist aggression, not participate in it.

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*It should be noted that subsection 620(1) of the Foreign Assistance Act, as amended, 22 U.S.C. § 2370(1) (1970), quoted previously herein, sets forth separate prohibitions and sanctions which operate on the basis of Presidential determinations. This subsection applies to all forms of foreign assistance.

UMI

I regret that the President and the Secretary of State have elected to make the so-called "Turkish aid question" a major test case. So intent have they become on being able to "deliver" as far as Turkey is concerned, and so late was their recognition that Congress meant what it said when it enacted the moratorium on Turkish military aid, that they have now come to the Congress and asked us to legislate a loophole. The arguments they use in behalf of this special exemption are many and varied—the need for Presidential "discretion," the "strategic importance" of Turkey, the "stability" of the Eastern Mediterranean. Yet the administration ignores the fact that it is the democratic government in Athens which must now bear the brunt of everything that has gone before, while the North Atlantic Alliance as a whole is weakened. I remain concerned that the diplomatic passivity of the United States in the face of Turkish aggression on Cyprus may weaken the fragile democratic institutions which have now so painfully but hopefully reemerged in Greece.

Yet it has never been the intention of the Congress to interfere with the orderly conduct of U.S. foreign policy. What we have urged is an American position which is in accordance with American law and a position which reflects the deep conviction of the American people that we should not be a party to military adventures which pit one ally against another. Furthermore, I foresee little prospect for greater stability in the Eastern Mediterranean or for the restoration of a cooperative spirit between Greece and Turkey so long as acquiescence in Turkish military adventurism remains the cornerstone of the Ford-Kissinger approach.

The fact is that the administration has precious little to show for its policy. What incentive will there be for Turkish restraint if the United States acts to increase Turkey's military capabilities? Frankly, Mr. President, I believe there has been too much talk about the need to conciliate the "national honor" of the perpetrators of the invasion of Cyprus, and a callous lack of concern from this administration about the victims of invasion—the uprooted people of Cyprus.

Administration diplomacy, still oriented toward the Turkish perspective on the Cyprus question, has failed to produce a solution even to the pressing humanitarian problems which confront the island. Can peace be restored so long as the dispossessed are not permitted to return to their homes? Can political stability be created so long as a once prosperous Cypriot economy remains in ruins? For the administration to insist on a policy of giving Turkey the wherewithal to consolidate further its military position on the island will only prolong the agony on Cyprus.

Therefore, I urge the Senate to stand fast behind the principled and realistic position the Congress has already taken on this question. Especially, when the freedom and independence of a small state is directly involved, I see no reason to be impressed by exaggerated rhetoric and outright scare tactics. And there is still time for the administration to act forthrightly in behalf of an independent Cyprus and a reinvigorated North Atlantic Alliance.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. JACKSON. Yes.

Mr. SPARKMAN. I want to say that I agree that Turkey did violate the arms agreement when she came in there. I stated before the Senator came in that I talked with some of the officials of the Turkish Government. We were over in London at the NATO meeting, and we had breakfast one morning.

Mr. JACKSON. Yes, I do remember.

Mr. SPARKMAN. I talked with the Turkish representatives at that meeting, and I told them I thought they had gone too aggressively and too far.

There was an official of the Turkish Government who called on me here, and I told him the same thing, and I still believe that, and we cut off the arms.

Turkey has been punished, if you want to call it punished. We are not asking that they do anything except change that cutoff date and permit the sale of arms again to Turkey as we had it before. It does not repeal the requirement that they not use those arms except in self defense. That condition still remains just as it did before, and will continue to remain.

Mr. JACKSON. I appreciate the position of the distinguished Senator and distinguished chairman of the Foreign Relations Committee on this. It seems to me that the Turkish Government has had a period of time here in which to show good faith and to move toward a fair resolution of the issues. This has not taken place.

As my good friend has mentioned, the Turkish action was a clear-cut violation of the law providing American military aid. And, despite the time that has elapsed here, there is no indication that the Turkish Government is willing to make any kind of a reasonable settlement of this situation, which is, indeed, historically speaking, a very divisive one.

We all know the problems flow from the centuries of Ottoman rule over this vast area, and obviously this has left some bad relations that are not going away over night.

Recognizing all of that, all I would say is that I believe we had a right to expect that there would be some movement here on the part of the Turkish Government.

Mr. SPARKMAN. The Senator knows, I presume, that there has been a meeting in Vienna between the Greek and Turkish Cypriot representatives, and the Turkish and Greek Foreign Ministers recently have been meeting in Rome discussing these very things.

President Ford is going over to Europe.

The Secretary of State is going to both CENTO and NATO meetings. President Ford is going over to the NATO meeting, at which time I understand he will see officials from both countries, and I think there is an excellent opportunity of solving the whole thing.

Mr. JACKSON. Well, I hope it will be solved, and we all share that great hope. I fully understand the distinguished chairman's position in this matter. I believe, however, that the opportunity for the Turkish Government to move has been present and there has not been a movement, and I think if we adopt the proposed legislation it is not going to help the situation beyond where we are now.

Mr. EAGLETON. Mr. President, I thank the distinguished Senator from Washington for his support.

Mr. President, I reserve the remainder of my time.

The **PRESIDING OFFICER.** Who yields time?

Mr. CASE. Third reading.

Mr. EAGLETON. Mr. President, I suggest the absence of a quorum with time to be charged equally to both sides.

The **PRESIDING OFFICER.** Is there objection?

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on final passage.

The **PRESIDING OFFICER.** Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that debate on the pending measure continue until the hour of 2:30 p.m., at which time there will be a third reading.

The **PRESIDING OFFICER.** Is there objection?

Mr. SPARKMAN. Mr. President, reserving the right to object, and I shall not object, I want to be certain about 2:30 p.m.

Mr. MANSFIELD. We will not vote at that time.

Mr. SPARKMAN. No, but 1 hour and 40 minutes. Two hours were given to the other side.

Mr. MANSFIELD. This has been cleared with the Senator from Missouri.

Mr. SPARKMAN. I know, but are we going to be left time?

Mr. MANSFIELD. Yes.

Mr. EAGLETON. 15 minutes a side.

Mr. MANSFIELD. The time will be divided because I want 15 minutes. I would like to have the last 15 minutes, if I may. Well, anytime.

Mr. EAGLETON. 15.

Mr. SPARKMAN. No objection.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF S. 182

Mr. MANSFIELD. Mr. President, I ask unanimous consent that it be in order after third reading to lay before the Senate S. 182, a bill to authorize the appointment of Alexander P. Butterfield to the retired list of the Regular Air Force, and for other purposes, for debate and consideration.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

ORDER FOR ROLLCALL VOTE AT 4 P.M. ON S. 846 AND S. 182

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the rollcall vote on the pending business occur at the hour of 4 p.m. as previously agreed to last Friday.

The **PRESIDING OFFICER.** Without objection, it is so ordered. The rollcall is ordered. Is rule XII waived?

Mr. MANSFIELD. With rule XII waived in both instances.

If there is to be a vote on the Butterfield amendment, I ask that it immediately follow the vote on the pending business.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

MILITARY ASSISTANCE TO TURKEY

The Senate continued with the consideration of the bill (S. 846) to authorize the further suspension of prohibitions against military assistance to Turkey, and for other purposes.

ORDER FOR RECOGNITION OF SENATOR MANSFIELD TODAY

Mr. MANSFIELD. Mr. President, I would like to have 15 minutes between now and 2:30 allocated to me so that I may make some remarks. That would come sometime around 2 o'clock.

Mr. SPARKMAN. May I ask unanimous consent, Mr. President, that the Senator from Montana be recognized at 2:15 p.m. for 15 minutes.

Mr. EAGLETON. I would object to that.

The **PRESIDING OFFICER.** Objection is heard.

Mr. EAGLETON. 2:05 would be all right. I would like to respond, if I deem it advisable, to the remarks of the distinguished Senator.

Mr. MANSFIELD. Two o'clock will be all right.

The **PRESIDING OFFICER.** Without objection, it is so ordered for 15 minutes.

Mr. EAGLETON. Mr. President, I suggest the absence of a quorum, with the time to be equally charged to both sides.

The **PRESIDING OFFICER.** The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. EAGLETON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. EAGLETON. Mr. President, I yield 10 minutes on my time to the distinguished Senator from Texas (Mr. BENTSEN).

Mr. BENTSEN. I thank the distinguished Senator from the State of Missouri, who has led in this fight in trying to present a sound, evenhanded foreign policy for this country.

Mr. President, it is small wonder that the American people are confused over our foreign policy. I dare say many of our friends abroad are equally confused.

I say "friends" although it is difficult to know, without a daily bulletin from the State Department, what nations are officially considered our friends. That is what is confusing to the American people, whose commonsense often leads them to more clearcut and defensible conclusions than those reached by our foreign policy experts.

It is the commonsense viewpoint that a free nation, in order to survive in a world of conflicting interests, must be able to recognize its friends—and must be determined to sustain that friendship even when it becomes slightly inconvenient.

When we abandon a commitment to an ally who shares with us the basic values of democracy, we abandon our commitment to the legal and political institutions that form the framework for international diplomacy. And we abandon the moral basis upon which our country was built.

This cannot be justified in the name of a shifting and nebulous concept called "the national interest."

It is not in the "national interest"—nor is it acceptable to our national character—to turn our backs on the friends of freedom in time of trouble.

Yet this has been the official position of the administration in its handling of the Cyprus problem.

All those who believe in democracy were stunned and alienated when the United States so fervently embraced the Greek junta in 1967. The official action went beyond mere recognition of its existence, which would have been understandable. But the warm U.S. embrace of antidemocratic forces was excessive, unnecessary, and has produced a wave of anti-Americanism in Greece which jeopardizes our political and strategic relationships with that country.

But that was only the beginning of a series of official blunders and insults to the friends of freedom in the Mediterranean.

Time after time, the administration had the opportunity to correct its course—and time after time, it fumbled.

It missed the opportunity to try to forestall the military coup against the duly elected Makarios government in Cyprus which was apparently instigated by the Greek junta. Contrary to the claims of Secretary Kissinger that the coup came as a surprise, there is ample evidence to indicate that our intelligence did, indeed, have advance information—information which the State Department chose to ignore.

Confronted with the fait accompli, our Government had the opportunity to condemn the action in clear and forthright terms. It is our declared policy to oppose interference of one country in the affairs of another. Yet when the Greek military government interfered with the internal affairs of Cyprus, the United States remained officially silent. And our silence was naturally interpreted, by both sides in the conflict, as approval.

The U.S. failure to embrace Makarios as the duly elected President of Cyprus and indications by high U.S. Government officials that the United States was "tilting" toward the illegal Sampson regime was a policy that could not be supported by the majority of the American people or by Congress.

In their view, Secretary Kissinger had given up shuttle diplomacy for scuttle diplomacy—effectively scuttling our democratic allies in Greece and in Cyprus and risking the use of military force by Turkey.

To our NATO allies in Europe—who had promptly demanded that the Greek junta withdraw its insurgent officers from Cyprus—the position of the United States was difficult to reconcile with our treaty obligations.

The ineffectiveness of our diplomacy was demonstrated on July 20, when Turkey invaded Cyprus—only 4 hours after a conference between the Turkish Prime Minister and the U.S. Deputy Secretary of State, Joe Sisco. Again, we had failed to exert the ounce of prevention. We had failed to use the full force of our diplomacy to firmly and resolutely put the Turks on notice of U.S. opposition to the invasion of Cyprus and of the dire consequences of such an invasion, thus preventing it as in 1964 and 1967. This leads one to question just how hard the administration really tried to forestall the Turkish invasion.

There was still another opportunity to correct our course when the Greek junta collapsed and Karamanlis emerged as the new leader. This was a golden opportunity for the United States to regain its stature as a leader of the democratic free world. The Greeks had voted overwhelmingly for Karamanlis, rejecting the extremes of left and right, and reaffirming their intention to stay within the Atlantic Alliance, despite their perception of the United States as an increasingly fickle ally.

At that point, the administration could have restored their confidence and justified their steadfastness. But error had compounded error in the incredible mishandling of the Cyprus situation, and the tilt toward Turkey now became clear.

In the face of Turkish aggression, and repeated violations of the cease-fire on Cyprus, the administration remained silent. Not a word of condemnation or admonition came from our Secretary of State.

Moreover, the United States not only continued arms shipments to Turkey, but also, actually increased the levels of shipments.

As the Turkish invasion of Cyprus expanded, the State Department issued a statement to the effect that considerable improvement in the Turkish community's political and economic condition was necessary.

Nothing was said about the 600,000 Greeks on the island.

It was not until August 15, 1974, after Turkey had gained control of 40 percent of the territory of Cyprus and 200,000 of the Greeks on the island had become homeless refugees, that Secretary Kissinger announced the readiness of the United States to mediate the dispute.

It is not surprising that the Greek Government greeted this offer with something less than wild enthusiasm.

The United States could scarcely present itself as an impartial mediator. By its silence, it had condoned the initial invasion of Cyprus and encouraged expansion of the Turkish military effort. Kissinger's tilt toward Turkey only encouraged Ankara to widen the initial

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phases of the invasion. But far more damaging to its position was its record for supplying illegal armaments to the aggressor.

Mr. President, there are certain facts that the American people and Congress have to face.

We cannot close our eyes to the fact that Turkey was using military equipment supplied by the United States to bomb and invade the sovereign, independent nation of Cyprus.

We cannot close our eyes to the fact that our own Government continued to ship military supplies—and in sharply increased volume—after the Turkish invasion expanded, and after cease-fire agreements were repeatedly ignored.

We cannot close our eyes to the fact that our Government was deliberately breaking the law.

The shipment of arms to an aggressor nation is specifically prohibited under the U.S. Foreign Assistance and Military Sales Act. It was the clear obligation of the U.S. Government to cease all military aid to Turkey the moment we received news of the invasion. But what was the administration's response? Its response was to accelerate shipments, claiming—incredibly—that such shipments were within the law.

The administration's failure to cut off military aid from an aggressor nation was a final failure in our foreign policy in the Mediterranean. It was a betrayal of the trust of the American people, who are not willingly paying taxes to support a foreign war of aggression, and who expect their Government to obey the laws of the land.

Mr. President, in my opinion, Congress had no choice but to vote the cutoff of military aid to Turkey, under the circumstances. It is regrettable that this action had to be taken to force the administration to act within the law. But I believe the action of Congress was in tune with the will of the American people, who are sometimes ahead of the administration in perceiving the rights and wrongs of our foreign policy. And I hope that this body will reaffirm its insistence on the rule of law by resisting administration efforts to invalidate Congress' withholding military shipments from Turkey until it complies with our bilateral agreements of 1947 and 1960.

Many of us have been shocked to learn that, even when Congress was voting for the cutoff of aid, the administration was giving Turkey private assurances that the arms flow would soon be resumed. And it was shocking to learn, in the course of our deliberations on the measure, that during the most critical phase of the Cyprus negotiations, our State Department and the Department of Defense were negotiating with Turkey a $229 million deal to modernize Turkish tank forces. Only after others in Congress joined me in protesting this proposed sale as defying the spirit if not the letter of the law did the administration back off.

Mr. President, we have had enough of private assurances and secret deals.

The American people are entitled to know what and whom they are supporting with their tax dollars. And Congress has the obligation to assert its constitutional authority in determining the direction of foreign policy.

It would be a grave error—after a long succession of errors—to remove the ban on arms shipments to Turkey, especially at this particular time, when such a move could undermine the new round of negotiations on Cyprus in June. Those negotiations should continue unhampered until a reasonable, humane solution is effected. And this country should attempt once more to correct its course in the Mediterranean.

We have contributed to the anguish of hundreds of thousands of Cypriots and their relatives in other lands, including the United States.

We have alienated the Greeks who are friends of democracy.

We have given encouragement to aggression.

We have jeopardized the NATO alliance and weakened the security of the Eastern Mediterranean, which is one of the keys to world peace and stability.

Mr. President, we are at a crossroads in international affairs. It is time for a thorough reassessment of our entire foreign policy. Nothing demonstrates this move vividly than our tragic errors in the Cyprus situation.

History does not always offer second chances. We have before us another opportunity to redeem the blunders our Government has committed in the name of the American people, and to reassert our moral and political leadership in that corner of the world.

Let us not miss that opportunity.

Mr. EAGLETON. Mr. President, I yield myself such time as I may consume.

I thank my distinguished colleague from Texas for his eloquent and accurate remarks. The Senator made two statements in his presentation, two in particular that I wish to emphasize by repeating: No. 1, that any sound foreign policy of the United States has to be predicated on the rule of law. There has to be a moral fiber, recognizing the rule of law, if we are to have a rational foreign policy.

The second point I think he made very tellingly is that our Secretary of State, Dr. Kissinger, very much tends to overpersonalize foreign policy. The word going around the Senate Office Buildings, Mr. President, sounds very much like the story of Knute Rockne and George Gipp. They have to "win this one for the Gipper." They have to win this one for Secretary Kissinger. Henry has had some bad times, Mr. President. Henry may have to give back his Nobel Peace Prize and he has had some difficulty with his shuttle flights. It is almost as if it were more important to turn Congress around for Henry Kissinger than to have a peaceful settlement on Cyprus and a resolution to this problem.

I thank the Senator from Texas for pointing out that morality is important in foreign policy and that our policies have been tremendously overpersonalized by the Secretary of State.

Mr. BENTSEN. I thank the distinguished Senator.

Mr. EAGLETON. Mr. President, I reserve the remainder of my time. I suggest the absence of a quorum, the time to be charged equally to both sides.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CASE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CASE. Mr. President, on behalf of the Senator from Missouri, I yield to the Senator from Mississippi 16 minutes.

Mr. STENNIS. Mr. President, I thank the Senator from New Jersey. As I understood, my time was yielded by the proponents of the bill.

Mr. CASE. Then I shall do it in behalf of the Senator from Alabama (Mr. SPARKMAN).

THE QUESTION OF THE SURVIVAL OF THE FULL OPERATION OF NATO

Mr. STENNIS. I thank the Senator.

Mr. President, I have given as a title to my remarks here: "The Question of the Survival of the Full Operations of NATO." This, to me, is not a contest between Turkey and the United States and not a contest between Greece and the United States, nor between Cyprus and any of these members of NATO—Greece, Turkey, or the United States. It has a very practical application, particularly under present conditions for the operation of NATO.

Mr. President, I think there is a principle involved here, too, with reference to conditions that we might impose upon our military aid. But at the same time, surveillance has already been had considerably in that field and in view of the forthcoming conferences, which could be quite serious indeed, I think it is highly important that we at least lift this prohibition but, at the same time, keep a string, so to speak, on the situation with reference to the continuation of military assistance to Turkey.

I strongly support the pending measure, S. 846. In fact, I am one of the sponsors. The primary purpose of this bill is to make possible, on a contingent basis, the resumption of military asistance to Turkey and to provide that the President shall make monthly reports to Congress on progress toward the conclusion of a negotiated settlement of the Cyprus conflict.

It will be recalled, Mr. President, that after the Geneva talks on the Cyprus situation by Greece, Turkey, and the United Kingdom broke down last August, Turkey immediately thereafter reinforced its troops and expanded its holdings on the island. Many Members of Congress viewed this second round of armed intervention by Turkey as violation of the terms of the law set forth in the Foreign Assistance Act of 1961 relating to the use of defense arms and defense services furnished under the provisions of that act.

Therefore, in October of 1974, the Congress, in adopting the continuing resolution for foreign aid appropriations, included a provision cutting off all military aid to Turkey, including defense cash sales and licensing of commercial transactions. A 6-week grace period was provided to encourage further negotiations, but on December 10, 1974, the cutoff took effect and remained in effect until December 31.

On that date the amended terms of the Foreign Assistance Act reinstated the cutoff but suspended its effect until February 5, 1975. It took effect on that date and no military deliveries have been made to Turkey since then.

Specifically, under the existing law no military assistance, including sales, may be provided to Turkey unless the President first certifies that two conditions exist, these being first, Turkey must be in compliance with all agreements entered into under the requirements of U.S. military aid legislation, and second, substantial progress must have been made toward an agreement regarding military forces in Cyprus.

I believe that this restriction is far too rigid and ironclad and deprives the President of the flexibility that he needs and must have in order to enter into meaningful negotiations in an effort to solve the vexing and troublesome Cyprus problem. I believe we made a mistake when we tied the President's hands in this fashion. I believe that this mistake should be corrected as soon as possible and that is why I sponsored and support S. 846.

S. 846 provides that the President is authorized to suspend the mandatory cutoff provisions of the Foreign Assistance Act of 1961, as amended, and the Foreign Military Sales Act:

> If he determines that such suspension will further negotiations for a peaceful solution of the Cyprus conflict.

It also provides that any suspension shall be effective only:

> If during such suspension Turkey shall observe the cease-fire and shall neither increase its forces on Cyprus nor transfer to Cyprus any U.S.-supported implements of war.

Identical power is given to the President to suspend the cutoff provisions of Public Law 93–570 which provided the continuing appropriations for fiscal year 1975.

The bill also provides that the President shall submit to the Congress within 30 days after the passage of the bill, and at the end of each 30-day period, a report on progress made during such periods toward the conclusion of a negotiated solution of the Cyprus conflict.

Mr. President, I think this is a reasonable bill and one which will give needed elbow room for the President to make a real effort to solve the critical problems which have arisen. The President needs and must have the freedom to negotiate, particularly when two members of NATO are in conflict. We should not place such restrictions on the President that force him to sit idly by and see conditions deteriorate to the extent that NATO itself may come apart at the seams.

There are some lessons we should have learned—the hard way—about how foreign policy matters should be handled. Under our Constitution, the President and the Congress have a shared and mutual responsibility in this field. However, of necessity, it is the President who is the center and hub of action in foreign affairs. In this area crises follow crises in rapid succession, and it is often necessary to plan for developments and to act to meet crises even before they occur.

The President should be allowed to speak for and personify the force of this Nation without undue restrictions. Of course, there are exceptions to this in matters involving treaties, acts or declarations of war, or other like matters of grave importance. However, if the President is not allowed to act, and act promptly, in the day-to-day handling of foreign affairs, then the Nation cannot move ahead and give the image of vitality, forcefulness, and strength to the other nations of the world.

We have just had this vividly illustrated in the instance of the act of piracy by the Cambodians in capturing the U.S. merchant ship on the high seas. The President had the freedom to act and to use diplomacy and our military power, or both, as he saw fit and circumstances required. This crisis forcefully illustrates the imprudence of not allowing the President sufficient elbow room and flexibility in foreign policy matters.

We cannot, of course, continuously enforce and carry out our foreign policy in all cases with guns and military forces alone. The President must have the power and the freedom to make the necessary diplomatic moves as well without being hamstrung. I am strongly in favor of the constitutional power of the Congress in foreign affairs. It must be upheld. That is why I cosponsored the War Powers Act of 1973. I strongly supported that act and followed it all the way through for 2½ years.

On the other hand, I support just as strongly the power and freedom of the President to act on foreign policy matters which do not impinge on the constitutional prerogatives of the Congress.

I say, therefore, that in matters such as a suspension of military assistance to Turkey—and other countries as well, for that matter—we should give the President sufficient leeway so that he can act and move ahead without undue obstacles or hindrances. The necessity for this has become more and more obvious each decade since we became a world power and it is perhaps more important today than ever before. I feel certain that if the Congress keeps imposing airtight restrictions such as this which deny the President freedom to negotiate in world affairs, then the effectiveness of the NATO Alliance will be undermined and our position as the leader of the free world will gradually deteriorate.

I firmly believe, Mr. President, that we should view this matter in its proper perspective. The Cyprus problem cries for a solution, and I believe that our best hope in finding a solution is to remove the handcuffs from the President and give him the ability to maneuver as circumstances dictate. S. 846 will do this, and accordingly I urge its passage by the Senate.

Mr. President, may I inquire how much time I have remaining?

The PRESIDING OFFICER. The Senator has 5 minutes remaining.

Mr. STENNIS. Mr. President, there are very important and very sensitive matters, highly important and highly sensitive matters that are related to this question pending here today.

It is almost unthinkable that we should take a position that may lead to the losing of certain advantages that we have with reference to Turkey being an active member of the NATO alliance. I mean benefits and advantages to the alliance and to us beyond the manpower, beyond the contribution they make in a military way directly, and beyond the contributions they make because of geography as to where they are located.

Mr. President, it is not a personal matter when I refer to the fact that it happens that I am one of the few Members of the Senate who was here when this NATO alliance was adopted.

I remember how, in the beginning of its consideration, it was almost unthinkable to a very large segment of this body that we go into this alliance. There were many obstacles to overcome. It was recognized then, and it has been recognized since, that there would come up situations between fellow members of the alliance where there would be a conflict of interest between those two members, considering them as two nations, and a conflict also between them and NATO itself or the alliance, but each in a different way.

It was understood then and it has been understood ever since then, and I hope it is understood now, that there has to be some tendency on the part of all members to give a little, give a little here, give a little there, for the sake of the alliance itself.

Now, when these conferences are coming up which President Ford is going to be attending in a few days—my point is that in the face of these conferences that are coming up at which we have so much at stake, the SALT talks, the success of the SALT agreements, the prospect of greater agreements, other matters are pending in the Middle East, matters pending with reference to the mutual reduction of armaments, and a great number of other highly important and related questions. It is almost imposing self-inflicting wound on us to have the one who is chosen to represent us operating under these restrictions.

By way of closing, Mr. President, it makes no difference what we may think of the alliances we have had in the Pacific, which certainly have not been successful, but NATO, as a whole, has been highly successful, I think, and it has been of tremendous advantage to the United States.

I hope now that in a sober moment we can see fit to pass this legislation so that it becomes law and will make better the chances for a continuation of the effective operation of the NATO alliance.

So it is on this ground that I urge the passage of this proposal.

Mr. EAGLETON. Mr. President, I yield 10 minutes of my time to the distinguished Senator from Illinois (Mr. STEVENSON).

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Mr. STEVENSON. Mr. President, I thank the Senator from Missouri for yielding, and I commend him for raising this issue on the Senate floor. He has been leading the effort for a principled American policy in the eastern Mediterranean.

From what we know of the circumstances in the eastern Mediterranean and of the administration's intentions, this bill, if approved, would mean the resumption of arms transfers to Turkey.

(At this point Mr. McGOVERN assumed the Chair.)

Mr. STEVENSON. The opposition to the bill is not a unilateral act. It is inspired by no vindictiveness or animus toward the people of Turkey. It is not triggered by individuals within Congress, but by the Turkish Government. Turkey violated the terms upon which it accepted U.S. military assistance when it invaded Cyprus.

The response to that transgression against the laws of the United States and the agreement upon which the Turks accepted U.S. assistance should have been instantaneous. The law should have been enforced and not evaded by those entrusted with its enforcement.

The law prohibited, under those circumstances, additional arms transfers to Turkey. But instead of enforcing the law the Secretary of State sought to evade it and to sanction such defiance of the law by regarding Turkish aggressors with still more military assistance.

To do so, Mr. President, now would, I fear, only heighten Turkish intransigence, and could encourage other aid recipients to breach the terms upon which they accepted U.S. aid.

Mr. President, this bill should be opposed because the Turkish aggressors in Cyprus should not be rewarded, Turkish intransigence should not be heightened, and relations with the legitimate governments of Greece and Cyprus should not be exacerbated further.

The House and Senate have acted on this issue many times in recent months. Nothing has happened to justify a change of congressional position or renewed confidence in the administration's custody of U.S. interests in the eastern Mediterranean.

I remind my colleagues that the whole sorry chain of events in the eastern Mediterranean began with this administration's support for the military junta in Greece which overthrew the lawful government of Cyprus, provoking the Turkish invasion.

To defeat this bill would help restore friendly relations with the new legitimate, popular Greek Government, and also with the government of Archbishop Makarios in Cyprus. It would help to erase the stigma of past support for the junta and could encourage the Turkish Government to negotiate.

Negotiations are underway now between Greek and Turkish Cypriots and between the Greek and Turkish Governments. These negotiations have not produced results as yet. The Turks still control 40 percent of Cyprus. They have not reduced their troop levels on Cyprus nor withdrawn from any territory. The uprooted Greek Cypriots have not been allowed to return to their homes.

The administration seems to think the resumption of military assistance to Turkey will buy goodwill and alter Turkish policy. But, Mr. President, nations do not alter their policies for the sake of credits, cash, arms, or other such forms of assistance.

To think that Turkish policy will be altered by arms transfers discloses a continuing naivete unwarranted by the recent experiences of the United States in all parts of the world. It would be more prudent to stand firmly by principle, including the enforcement of our own laws.

The efforts of this administration to appease all sides with all things has succeeded nowhere and runs the danger of leaving all sides offended in the Eastern Mediterranean.

To continue assistance for Turkey offers no assurance of Turkish concessions at the bargaining table. It only assures that normalization of relations with Greece and Cyprus is deferred, leaving the large possibility that Greece will remain effectively outside of NATO, Turkish facilities will be unavailable to the United States, and that relations with Cyprus will remain strained.

It is the administration's policy, not the aid cutoff, which has left the southern flank of NATO exposed.

This bill, if passed, would only continue a policy of failure and repeat past mistakes. It should be defeated, and the political process of accommodation in the eastern Mediterranean given a chance to succeed.

Mr. President, we should, I believe, heed the words of the President of the United States in his address at Yale University on April 25, 1975. He concluded that address by saying:

> Let us set an example for the world of the law-abiding America glorying in its freedom as well as its respect for law.

Mr. President, let us do so by defeating this bill which sanctions evasion of the law by the United States and a reward for the Turkish transgressor against the law and the freedom of the people of Cyprus.

I thank the Senator.

Mr. SPARKMAN. Will the Senator yield?

Mr. STEVENSON. Yes.

Mr. EAGLETON. I yield 5 minutes to my distinguished colleague.

Mr. SPARKMAN. The Senator said that negotiations should be allowed to work this thing out, I believe.

The Senator is aware, I presume, that the Greek Minister and the Turkish Minister are meeting in Vienna within the next few days. I believe that Secretary of State Kissinger is going to be there and they do hope to open negotiations with the two ministers together.

Then still later, President Ford is going over to NATO and it is my understanding that he will see the top rulers of those two nations in that meeting also.

So I think there is just about all the room we want for negotiation right there in those two meetings.

Mr. STEVENSON. As the distinguished chairman is well aware, not only are the Foreign Ministers of Turkey and Greece beginning a political process and the President traveling abroad, but the process has also begun between the Turkish and the Greek Cypriots, all of which suggests strongly to the Senator from Illinois that the political process is beginning and that it would be most imprudent and untimely for the Congress to intervene at the present time.

Perhaps at some other point, some change in policy should be dictated or approved by the United States, but this is a delicate moment and not, in my judgment, the time for the Congress to reward the Turkish Government, which not only invaded Cyprus, commencing this crisis, but has also in the negotiations to date taken a most intransigent and unforthcoming position.

Mr. CHURCH. Will the Senator yield?

Mr. EAGLETON. I am pleased to yield 4 minutes to my distinguished colleague from Idaho so that he may express his ideas.

Mr. CHURCH. I thank the Senator very much.

Having come in just at the close of the Senator's remarks and having heard his conclusion, I want to commend him for it.

I think the Congress should hold to the position that it has taken. I see no reason now why we should change it now.

I have always felt that Cyprus was primarily a problem to be settled by the Greeks and the Turks. The action of Congress in support of the Eagleton amendment was simply to lay a ban upon our supplying further military assistance to Turkey when earlier assistance, in violation of the solemn pledge given us by the Turkish Government, had been used against the Greeks in the invasion of Cyprus. Pending a peaceful settlement of the Cyprus dispute, the Congress prohibited further military assistance to Turkey.

That position, I submit, is sound, and we should adhere to it. It is obvious, from the very fact that negotiations are now proceeding, that the ban has not been an obstacle to the negotiating process of think it would be salutary for the United States, just for once, to refrain from insisting that this is a dispute which the United States must mediate, that it is our responsibility to work out a settlement in Cyprus for which we are willing to pay large sums of money both to Turkey and to Greece.

That is actually what is intended by the administration. That is why the President insists that this ban be removed. But there is no persuasive reason why the United States must pay both sides to facilitate a settlement in Cyprus. Here is a case where we could—and should—stand aside.

So I commend the Senator for his statement, and I hope that the Senate will reaffirm the position it took when it first passed the Eagleton amendment some months ago.

Mr. STEVENSON. I thank the Senator from Idaho for his comments and they are very well taken.

The resumption of arms transfers for Turkey offers no assurance that the policies of the Turkish Government will be influenced. In fact, it would be insulting to the Turkish Government to suggest that by providing military assistance or arms sales that we will influence the policies of that government.

The only assurance this bill offers is of a continued exacerbated relationship between the United States and the new democratic government of Greece and, of course, the government of Cyprus.

I think the Senator wisely pointed out that should the prohibition which we imposed continue it is not a vindicative act on our part, it is not precipitated by individuals within the Congress; it is an act precipitated by the Turks, by the Turkish Government, and the consequences should have been automatic. As soon as the U.S. military assistance was used for the invasion of Cyprus, then the law of the United States prescribed a ban against further arms shipment.

So we are suggesting here that the law be enforced and the consequences are dictated, not by us, but by the Turkish Government.

I thank the Senator.

Mr. EAGLETON. Mr. President, I yield 2 minutes to the junior Senator from South Dakota.

The PRESIDING OFFICER. The Senator is recognized.

Mr. ABOUREZK. Mr. President, in my opinion, the only way to overcome the current deterioration of the Southern flank of NATO and to keep both Greece and Turkey within the western alliance is to achieve a fair resolution of the Cyprus problem. Such a resolution cannot be achieved without curbing Turkey's military tendencies both on Cyprus and in the Aegean Sea. On this condition only, can negotiations proceed within the framework of international legality—as opposed to Turkey's stance of imposing solutions by military fait accomplit. Turkey is now obviously living with the U.S. arms cut-off without leaving NATO. With the new Demirel government and with a little prodding from the United States, Turkey may now be in a position to make the decision necessary to again start operating within the framework of peaceful international behavior. Any fair solution of the Cyprus problem must encompass the return of refugees to their homes and the withdrawal of Turkish invasion forces, followed by a truly independant and sovereign Cyprus with local, self-governing communities. If the military advantages gained by Turkey are not eliminated, there is no hope of stability and peace in the vital Aegean and Eastern Mediterranean area.

Our foreign policy goal should be to restore the strength of our alliance with Greece and Turkey by supporting the democratic forces of government which both the Greek and Turkish people are currently struggling to have for themselves, and to support genuine self-determination for Cyprus. This does justice to the democratic rights of both the Greek majority and the Turkish minority.

Even indirect support, by resumption of illegal arms shipment, of military intervention can only lead to destruction of democratic self-government. Only as nonaggression and democracy are restored as the fundamental principle of both Turkey and Greece should defensive armaments be made available.

We must not forget that defensive armaments which give status to the Greek military were turned against their own people, not in defense against any external enemy, but to keep in power a 7-year dictatorship which brought that country to the brink of disaster. Similarly, the Turkish military has actually governed Turkey through at least the past 10 year period of political instability; and, it was their military adventure on Cyprus, compounding the coup by their counterpart Greek military on Cyprus, that ripped apart the southern flank of NATO. This was a dramatic demonstration of the double failure of paranoic past and present U.S. foreign policies. These were the policies which contemplated the sacrifice of "undependable" democracies in our small, allied countries, and which preferred to support militaristic dictatorships as being reliable anti-Communists. This double failure was not just evident in the fratricidal and irrational ripping apart of the southern flank of NATO over Cyprus. It was just as evident in the sad state of military corruption, unpreparedness and ineffectiveness of these military regimes. They were kept in power by the United States primarily because they were assumed to be militarily reliable.

This wholesale rot was dramatically revealed in Greece when the military junta failed miserably in its attempt to carry out a general war mobilization of the Greek people to meet the Turkish threat. The same fiasco would have occurred had that threat come from the Bulgarian border. The equally dramatic incompetence of the Turkish military threat was evident in two other fiascos. First, their abort of the landing at Famigusta which was primarily due to the embarrassing organization in attempting to execute an unopposed amphibious landing. Second was the Turkish general staff's direction of warplanes to attack and sink Turkish ships. Both the Turkish and Greek military had so consumed themselves in the unnatural and corrupting role of governing their own people at gunpoint, with U.S. supplied "defensive weapons," that they were no longer capable of discharging a competent military maneuver.

It is not only the horrible human suffering which has resulted from current U.S. foreign policy that calls out for a change in that policy. It is the extreme and dangerous deterioration in the conduct of our national security that demands a drastic change—a change that will respect, not sacrifice, each country's right to govern itself as it chooses. A policy that will respect the self-determination, independence, and territorial integrity of each nation. This is a foreign policy that is truly American both in its nature and its implementation.

Out of the shambles created by our current foreign policy, a shambles which stretches from Indochina to the Mediterranean, the place to begin anew is Cyprus. This basic policy orientation must be clearly enunciated. If the administration refuses to carry out this responsibility, it is the duty of the Congress to put this country on the right path. The essential first step is to insist that the provisions of the Foreign Assistance Act of last year be fully enforced and that the bill before us today be rejected.

A moratorium on arms shipments to Turkey must continue until that government's aggressive gains on Cyprus are abandoned, the 200,000 refugees are allowed to return to their homes, the Turkish invasion forces are withdrawn and until negotiations are started in good faith to protect the rights of Cypriot people.

Only this solution can boost the power of the democratic forces in both Greece and Turkey. This alone will restore both nations to being full and strong allies of the West—something which has long been in their national interest and tradition.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENSON. Mr. President, I suggest the absence of a quorum.

Mr. SPARKMAN. Will the Senator withhold that request?

Mr. STEVENSON. I withhold the request.

Mr. SPARKMAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TOWARD PEACE IN THE MEDITERRANEAN

The PRESIDING OFFICER. Who yields time?

Mr. SPARKMAN. Mr. President, I yield the Senator from Michigan such time as he may desire.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. GRIFFIN. Mr. President, it is understandable that each Member of Congress may have his own pet solutions for the various problems that confront the world.

But all of us cannot serve as President or as Secretary of State at the same time. If America is to remain credible and strong in our dealings with friend and foe alike in the world, then as a nation we must present a consistent and united foreign policy to the world.

When he delivered his first state of the Union message to Congress, President Abraham Lincoln said:

> In a storm at sea, no one on board can wish the ship to sink, and yet not infrequently all go down together because too many will direct and no single mind will be allowed to control.

The United States has no real choice except to play a major role in the post-Vietnam world. But the United States cannot be an effective leader of the free world if we manacle the captain of our ship of state with rigid congressional restrictions that spring from domestic political expediency rather than from our long-term national security interest.

In these times, what we desperately need is a partnership based on mutual trust and bipartisan cooperation between the legislative and executive branches of Government.

Our hearts go out to the thousands of refugees and to the families of those who have perished in the tragic conflict on Cyprus. The pain and suffering has been especially real to over half a million Americans who trace their heritage to Greece or to Cyprus, and who have been searching for a way to break the deadlock and restore peace to that troubled island.

Yet, while we all seek a way to restore peace to Cyprus, it must be observed that the effort of Congress to be helpful—by cutting off aid to Turkey—has not only been ineffective; it has been counterproductive. And in the process, without intending to do so, Congress may have endangered our own national security as well as that of our Mediterranean allies.

Of course, it is not my position that Congress has no role to play in foreign relations. Article II, section 2 of our Constitution provides that the Senate must ratify treaties. That requirement alone makes clear that the Senate has a fundamental role in the formulation of foreign policy. With respect to Greece and Turkey, for example, by ratifying the NATO Treaty the Senate helped to establish a policy of mutual security cooperation with both or those countries.

Recently, my attention was called to a study by the Congressional Research Service of the Library of Congress, a study entitled "Greece and Turkey, Some Military Implications Related to NATO and the Middle East."

The study drew some conclusions that warrant careful consideration by those who are opposed to the pending bill. Among the findings were these:

"As long as Turkey remains alined with the United States, the Kremlin would find large-scale, sustained military operations difficult in the Mediterranean or the Middle East."

"Turkey in particular directly influences United States abilities to operate effectively in the Eastern Mediterranean and littoral lands from Libya through the Levant. No alternate locations are even as remotely advantageous from which to abridge Soviet military adventurism anywhere in the area."

"Turkey is a crucial buffer between the Soviet Union and the strategic areas across the Middle East."

"United States military influence in the Middle East, present and potential, would suffer substantially if Turkey were to turn her back on this country."

Greece is our very valuable, important ally and a good friend.

It is necessary at this time, however, to keep in mind that both Greece and Turkey are vitally important to the strategic interests of the United States and the free world.

Against that background, I believe anyone who strives to be objective on this issue must at least try to understand how developments on Cyprus looked from a Turkish point of view.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. GRIFFIN. I yield.

Mr. SPARKMAN. Mr. President, under a previous order, Senator MANSFIELD is to be recognized at 2 p.m. I ask unanimous consent that that order be vacated.

The PRESIDING OFFICER (Mr. BUCKLEY). Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, one view of the legal status of Turkey's action with respect to Cyprus was summed up in a Louisville Courier Journal editorial on February 21, 1975, which read as follows:

> Turkey's initial invasion of Cyprus last July could be justified as a non-aggressive move to protect the Turkish Cypriot minority in the wake of the Greek-backed coup against the legitimate government of Archbishop Makarios. As a treaty guarantor of the integrity and independence of Cyprus, Turkey certainly had a responsibility to act. But Turkey's subsequent advances and behavior have given its occupation of the island a more aggressive character . . . There is room for disagreement, therefore, on whether Turkey is in substantial violation of the Foreign Assistance Act. But most members of Congress, in their lengthy discussions of the issue, spoke as though no such qualification existed in the law. More disturbingly, many were clearly swayed by pressures from the Greek-American community, not the first time that ethnic influences have distorted congressional judgments. And a good many congressmen seemed more concerned to put down the administration than to make a constructive contribution toward resolving the Cyprus crisis. They certainly refused to consider the issue in its total context.

I quote that editorial not to defend Turkey's action on Cyprus, but, rather, to establish that the legal question is considerably more complex than some of our colleagues would have us believe.

This brings me back again to the consequences of the congressional decision to cut off aid.

The first consequence was an immediate hardening of the Turkish position with respect to the Cyprus issue. Shortly thereafter, Turkey proclaimed the establishment of an autonomous Turkish Cypriot administration on the island and envisioned the creation of a biregional federation.

Such a shift in Turkish policy should have been—and was—predictable.

Secretary Kissinger, who warned against terminating aid to Turkey, clearly recognized the danger that such a policy would backfire. In a speech in Los Angeles on January 24—about a week before the congressional action to cut off aid—Dr. Kissinger said:

> Whether foreign aid should be used as an instrument of pressure depends on the way foreign aid is conceived. The Administration is ocnvinced that foreign aid to be viable must serve American national interests above all, including the broad interest we have in a stable world. If an important American interest is served by the aid relationship, it is a wise investment; if not, our resources are being squandered, even if we have no specific grievances against the recipient. For moral and practical reasons, *we must recognize that a challenge to the recipient's sovereignty tends to generate reactions that far transcend the merit of most of the issues in dispute.* Instead of influencing conduct in ways we desire, cutting aid is likely to harden positions. The very leverage we need is almost always lost. Our bilateral political relationship is impaired, usually for no commensurable benefit." [Emphasis added.]

This is not to suggest that there are no ways in which the United States can hope to influence the policies of our allies. But, generally speaking, a more effective means is through private discussions and negotiations, not through public threats and confrontation.

The Republic of Turkey is a nationalistic country with various competing domestic political factions. Rather than enhancing the chances for a negotiated peace settlement on Cyprus, unfortunately, the abrupt congressional termination of aid to Turkey made it difficult for any Ankara government to compromise in negotiations.

Thereafter, any significant concessions by Turkey would be perceived as bowing to American pressure and would subject the ruling coalition in Ankara to charges of being an American puppet by its domestic political opposition.

Not only has the aid cutoff reduced the chances for a peaceful settlement of the Cyprus crisis; it has also endangered the continued existence of United States defense installations in Turkey. Furthermore, as each day passes, the chances that Turkey might seek military assistance elsewhere have increased. Such a decision would have extremely serious implications for NATO and the Middle East.

It should be remembered that except for the United States, Turkey's 365,000-man army is the largest in NATO. Obviously, a decesion by Ankara to break with NATO would be a severe blow that would significantly weaken the southern flank of the alliance.

The Greek-American community in my home State of Michigan is one of the largest and finest in the Nation. Some of the most outstanding citizens in my States—citizens who serve as doctors, lawyers, professors, civil servants, and in many other capacities—trace their lineage to Greece or Cyprus.

I am certain that all the people of Michigan, regardless of national origin want peace for Cyprus. Like my Greek-American constituents and my colleagues in Congress, I believe that the independence and territorial integrity of Cyprus must be restored, and that all foreign troops should be withdrawn. This can best be accomplished through peaceful negotiations among the parties concerned, and to that end I believe it is important that the United States be able once again to play a meaningful role.

The Senate can take an important step today—a step toward peace in a very important part of the world—by passing S. 846. I am convinced that such a step will serve the strategic interests of the United States, the interests of Greece and of Turkey—and, very importantly, it will serve the interest of restoring peace on Cyprus.

ORDER FOR RECESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that after the distinguished Senator from Maryland complete his remarks—I understand that no one else wishes to speak at this time—

the Senate stand in recess until 3:25 p.m. today.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be an allocation of 5 minutes for a quorum call between 3:25 p.m. and 3:30 p.m.; that at 3:30 p.m., the distinguished Senator from Missouri (Mr. EAGLETON) be recognized for 15 minutes; that following his remarks the Senator from Montana, now speaking, be recognized for 15 minutes, to conclude the debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. The vote will occur at 4 o'clock sharp. The yeas and the nays have been ordered. The Senate is on notice.

Mr. MATHIAS. Mr. President, last year, when the Senate, on several occasions, considered the sale of arms to Turkey as a part of our NATO alliance responsibilities, there was active fighting in Cyprus. People were being killed. The country was being ravaged. Nearly 90,000 acres of woodland, for example, was leveled. Thousands of homes were destroyed.

At that time, I supported the embargo of further shipments of arms to Turkey. I supported it very strongly. I am not prepared to say now that we made a mistake or that we acted wrongly. I do say now that we have to take a current view of conditions as they exist. I think any fair and impartial observer would see that conditions have changed.

At that time, there was either actual fighting or, at the very least, there was blood heat on both sides—a high degree of volatility in the situation. Today, whether because of or in spite of the action we took at that time, hostilities—actual fighting—have been suspended. They have remained suspended for an appreciable period of time.

I suggest that this new situation requires a new prescription, a different prescription from that which we employed last year. We have to look very carefully at the priorities that are before us today.

One of those priorities is peace on Cyprus, so that no more Cypriots are killed, whether they be Greek or Turkish, so that the quality of life on Cyprus can be restored. I believe that, as reported by the committee, together with the committee report, there is an assurance, a mechanism to act in the event of a temptation on the part of any party to break the peace in Cyprus. That assurance, I think, can be given and that has to be a matter of enormous concern to this Congress.

Beyond that, we have, of course, a very real duty to consider the national interest embodied in the North Atlantic Treaty Organization. I can say, from personal conversation with members of the government in Turkey, that I think that there is a very real danger that the integrity of the NATO organization may be shattered if we do not take some action. It is a grave decision, but it is a decision that I think we cannot avoid if we are faithfully to observe the interests of the nation as embodied in NATO.

There are Members of the Senate, I am sure, who have reservations about supporting this particular measure because of their concern about the people of Cyprus. Those are valid reservations. But I suggest to the Senate that the quality of life on Cyprus is not going to be affected by what we do in the measure pending before us, given the guarantees and assurances that are built into it and that were very wisely insisted upon by the Committee on Foreign Relations. The quality of life on Cyprus may depend in a greater degree on what we do in other measures.

I take this opportunity to call to the attention of the Senate a bill which I introduced, together with the distinguished Senator from Massachusetts (Mr. BROOKE), S. 1761, providing for assistance to the people of Cyprus during the coming fiscal year. Although we have given them some assistance in the past, that is nearly exhausted. It will have to be renewed in fiscal 1976. This is, I think, a practical, a reasonable, and a necessary way to express our support for the people of Cyprus and to help them recover from the terrible devastation that they have suffered. I hope that in the very near future, we shall have an opportunity to express that support by overwhelming passage of S. 1761, which will provide for assistance for the people of Cyprus when they need it and in a way that they need it, to restore the quality of life on that historically tortured island.

I invite other Members of the Senate to join with me in sponsorship of that bill and in pressing for its early enactment.

RECESS UNTIL 3:25 P.M.

The PRESIDING OFFICER. Pursuant to the previous order, the Senate will now stand in recess until the hour of 3:25 p.m.

Thereupon, the Senate, at 2:15 p.m., recessed until 3:25 p.m.; whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. BUCKLEY).

MILITARY ASSISTANCE TO TURKEY

The Senate continued with the consideration of the bill (S. 846) to authorize the further suspension of prohibitions against military assistance to Turkey, and for other purposes.

The PRESIDING OFFICER. Pursuant to the previous order, the Chair directs the clerk to call the roll to ascertain the presence of a quorum.

Mr. MANSFIELD. Mr. President, I believe that under the agreement previously reached the bill was to be read the third time.

The PRESIDING OFFICER. The Senator is correct. The question is on the engrossment and third reading of the bill.

The bill (S. 846) was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The clerk will call the roll to ascertain the presence of a quorum.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Pursuant to the previous order, the Senator from Missouri is recognized for 15 minutes.

Mr. EAGLETON. I thank the Presiding Officer and I thank the distinguished majority leader.

Mr. President, this will be the culmination of perhaps the 10th debate in the U.S. Senate with respect to American foreign policy in the Eastern Mediterranean, specifically with respect to the nation of Cyprus and two geographically adjacent nations, Greece and Turkey.

The essence of my position is now what it was 6 months ago, what it was 4 months ago, and what I am sure will continue to be my position in the months and years ahead, to wit, that sound American foreign policy has to, at all times, be predicated on the rule of law. Or, to state it conversely, if American foreign policy is ever predicated on what is convenient or what is "practical" in terms of global politics and same is in violation of the rule of law, then that foreign policy cannot succeed.

The rule of law in this case, Mr. President, is very simple: Statutes that have been on the books of this country for almost 30 years say that if a country receiving our military aid—in this instance, Turkey—uses that aid to commit an aggressive act against another nation—in this instance, Cyprus—the country receiving the aid, Turkey, shall immediately be cut off from further aid. The law is very clear. It is unambiguous. On two previous occasions, that law was made to apply to Turkey when Turkey threatened to invade Cyprus in 1964, and once again when Turkey threatened to invade Cyprus in 1967.

It was no secret in 1964 and 1967 to the Government of Turkey. It is no secret today to the Government of Turkey that this is the law of the land. In fact, I think the most surprised government in the world is the Government of Turkey. It sees a President of the United States and his Secretary of State intensely trying to twist and circumvent the rule of law.

Turkey must be bemused and amazed that President Ford and Secretary Kissinger do not want the rule of law to prevail.

So here we are again, after many innings—to use President Ford's sports vernacular—of the ballgame between Kissinger and Congress.

I realize that Dr. Kissinger is a very brilliant, articulate, and hard-working man. I do not wish for one instance that he leave office. But admiring him as a person and respecting his ability is one thing. Agreeing with all of his policies is another.

I disagreed with Kissinger with respect to the 4 needless years we remained in Vietnam between 1969 and 1972.

I disagreed with Dr. Kissinger in his "tilt" toward Pakistan in the Bangladesh matter. I certainly disagree with Dr. Kis-

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singer in his "tilt" toward Turkey in the Cyprus matter.

As I said earlier this afternoon, Dr. Kissinger is in some respects like Knute Rockne when he invoked the sainted memory of the late George Gipp.

All of us can recall that famous halftime speech of Rockne to his Notre Dame team. Notre Dame had been humbled in the first half and Rockne elevated the team's spirits by saying to his players, "Go out there and win this one for the Gipper."

President Ford and Dr. Kissinger are sending their emissaries around the Senate Office Buildings and saying, "Win this for Henry. He has had a bad first half. He was wrong about Bangladesh. He was wrong with respect to Vietnam and may even have to give back his Nobel Peace Prize, and he was wrong on Cyprus. But Henry needs a win."

So, just as Rockne implored his players to go on that field and win it in the second half so too is the administration trying to win this one for Henry.

Foreign policy far transcends the personality of any one Secretary of State.

Mr. President, I ask this rhetorical question which, I hope, the distinguished majority leader will answer in his closing remarks. What if the Congress passes Scott-Mansfield? What happens if Turkey once again moves on Cyprus to acquire more land? What happens if Turkey invades a Greek island in the Aegean?

As I read the terms of Scott-Mansfield, we will be giving a green light saying, "Turkey, whatever you do with your arms we do not give a damn. Do with it what you will. We will not enforce our law with respect to you, Turkey. You have carte blanche on all occasions to use our military armaments as you see fit, whether in legitimate self-defense or aggressively against another nation, be it Greece or Cyprus."

Scott-Mansfield gives such a green light.

Furthermore, Turkey is trying to use diplomatic blackmail to bludgeon Congress into doing that which Congress does not want to do and that which Congress should not do.

While we are on the subject of armaments, I should point out that the United States of America is now the world's largest seller of armaments. Last year there was $18 billion worth of armaments sold around the world, and of that $18 billion, the United States sold $11 billion. We sold more than Russia, Britain, France, West Germany, and all the other arms sellers put together. We sold $11 billion; all the others sold $7 billion. The only law on the statute books today that gives us any semblance of control over our armaments is the law that is being debated here today. That law says, I repeat, that the President shall cut off further aid to a country which misuses our armaments by committing an act of aggression against a third nation.

So here we are as the world's greatest arms seller violating, in a sense emasculating, the only law that gives us some semblance of control over our armaments once they leave the continental United States and are shipped to all of the eager purchasers.

It could be any government in the world because, with respect to our arms sales, we do not care to whom we sell. We will sell to anybody. We are in the business to make a buck and will sell arms to any country that wants to put cash on the table.

I have grave misgivings about this policy. I am certain of one thing—if we tamper with the one law that gives us this last semblance of control by making an exception for Turkey, we will have to make concessions for other recipient nations.

There will be no way of distinguishing the next case when country *x* uses our arms and commits an act of aggression against a third nation.

Mr. President, the hour of 4 o'clock rapidly approaches. I will sit and listen to the distinguished majority leader. I know he will make an excellent case on his side.

In previous debates he has said that if we do away with the constraint on arms shipments to Turkey, that this will be doing Greece a favor. I asked the majority leader on one previous occasion to imagine with me if he could Mr. Karamanlis, the Prime Minister of Greece, going to the big, huge outdoor stadium in Athens jammed with an audience of 100,000 citizens of Greece saying, "Good citizens of Greece, the U.S. Senate just did us a good favor at 4 o'clock Eastern Daylight Time in the United States."

The audience sits there in hushed silence, wanting to know what the big favor was that the Senate did for Greece. "Do you know what they did to help us out? They restored military aid to Turkey. Good citizens of Greece, I am telling you that this is the greatest thing that could ever be done for Greece."

By that time his aides have already carried him out of the stadium with 100,000 irate Greek citizens rapidly on his heels. Such an argument does not stand the test of logic, namely, that turning on aid to Turkey would be a favor to the Karamanlis government.

Enough has been said, Mr. President. I close whence I began my presentation today—my position is that the rule of law must reign supreme. The rule of law must be the bulwark of American foreign policy.

I submit my case to my colleagues on that point. If they want a rational policy with respect to the control of arms around the world, if they, too, believe that the rule of law is superior to the personal whim and caprice of even a learned Secretary of State, then they will vote against Scott-Mansfield.

I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator's time has expired.

The Chair recognizes the Senator from Montana.

Mr. MANSFIELD. Mr. President, I am not interested in a tilt in any direction. I am interested in a solution to the problem confronting the sovereign Republic of Cyprus and its relations thereto to the Greek and Turkish Republic, nor is this one for the Gipper. This, in my opinion, is one for the United States of America and lies in the best interests of this country as far as I can ascertain.

But, anyway, at the present time, intercommunal Cyprus talks under the auspices of the U.N. Secretary General were held earlier this month and will be reconvened on June 5. A UPI dispatch states that the Greek and Turkish Foreign Ministers have just concluded a meeting in Rome and the Foreign Ministers of Greece and Turkey ended 3 days of talks in "an atmosphere of good will" today and reported an encouraging start to resolving differences over Cyprus and oil rights in the Aegean sea.

The two said they had agreed to meet again on the two disputes which had brought the North Atlantic allies close to war less than a year ago during the NATO conference in Brussels later this month.

Furthermore, representatives, Greek and Cypriot, have been meeting in western Europe to discuss a possible settlement of the Cypriot question.

Mr. President, on February 5, the distinguished Representative from Missouri, Mr. JAMES SYMINGTON, had the following to say in the House of Representatives:

> The Cyprus question provides another example of how Congress would lay its heavy hand on the fragile pen of diplomacy . . . The delicate task of reconciling the two contending NATO nations chiefly interested by bonds of blood, affinity, history and geography is ours as the principal NATO partner. The administration approaches the thicket most cautiously. We enter as if the thorns will recede at the sight of us. The problem appears simple to Congress. It is merely one of first principles: The provisions of the law are broken when one NATO power uses U.S. arms, not defensively but offensively, against another or a neutral. A factor? Definitely.
>
> The principal factor? Reverse the players and see. Let us assume the Turkish enclave produced a militant force which threatened the Greek sector, and Greek troops arrived first to defend, but then to attack and occupy the Turkish sector. Would the same impulse to curtail aid to Greece until the withdrawal of those troops be manifested with such firmness on the House floor, particularly if the President asked for time and patience? Candor compels a negative response to the hypothetical. What is it then that impels the Congress to take over the negotiations on Cyprus in this instance? The law only? No, the law buttressed by sentiment which evokes a sympathetic response from every minority which looks upon its respective kindred people overseas as an endangered species.

Mr. President, today we are confronted with an issue which could well determine the future of peace in the eastern Mediterranean which, if avoided and not faced up to, may bring about a drastic realinement in that most important strategic area.

The question evolves around aid to Turkey, the southeastern hinge of the NATO Alliance. It is a country which has within its confines not only NATO bases but U.S. bases of various kinds. It is a country which has an extremely long frontier with the Soviet Union. It is a country which is vital to the strength of NATO and an ally whose reliability should be insured.

If the matter of the eastern Mediterranean is not resolved and conditions are allowed to continue in their present fashion, it is not improbable to conceive of a shift on the part of Turkey away from NATO and toward the Soviet Union. It is not improbable that Turkey, a Moslem country, might take a more active interest in the affairs of the Middle East, an interest which, up to this time, has been marked by a hands-off policy. It is not improbable that the situation within Greece may become more difficult for Prime Minister Karamanlis—a truly great statesman—and it is certain that if this issue is not settled, Cyprus, itself, will remain in an indeterminate state which will not be to its advantage but will only continue to encourage the animosity between the various elements in the region of the eastern Mediterranean.

Cyprus is not Greece. Cyprus is not Turkey. It will very likely never become one or the other, but it is an island of fear, chaos, and confusion even though it is a sovereign entity.

The peace and sovereignty of Cyprus was guaranteed under the Treaty of 1960, I believe, by Greece, Turkey, and Great Britain.

When the Greek colonels attempted to take over the island—and that was the first aggressive act, when the Greek colonels attempted to take over the island and to overthrow Makarios and to overthrow, at the same time, the sovereignty of Cyprus—this country did not intervene, nor should it have intervened, to the best of my knowledge, in any way, shape, or form.

We cannot intervene to settle all the trouble spots in all parts of the world. That has been one of our great difficulties and our greatest dangers. We have interfered too much, too many places, too often, and at too great a cost. We attempted a hands off policy. Now Secretary Kissinger, who is in Europe at this moment, is attempting the role of the "honest broker." He will be meeting soon with the Foreign Ministers of Greece and Turkey as will, I believe, President Ford later in the month.

As a matter of fact, Secretary Kissinger will attend the NATO summit in Brussels May 29–30, and will meet before that with the Turkish leaders in Ankara May 22–23. He and President Ford will meet with both Greek and Turkish leaders at Brussels on May 29.

Secretary Kissinger is scheduled to visit Ankara as I have stated, in his quest of a settlement of the Cyprus dilemma and I would hope that the Senate would strengthen his and the President's hands at this moment in history; just as all segments of the Senate did strengthen the President's hand in the case of the *Mayaguez* affair. I hope the momentum will continue.

I am not arguing with the distinguished Senator from Missouri (Mr. EAGLETON) when he cites the law because, in my opinion, he is correct in his statement. What I am arguing about is a practical matter which will retain the southeastern flank of NATO, bring about a judication of the situation concerning Cyprus, strengthen the position of Prime Minister Karamanlis and, hopefully, alleviate a dangerous situation which has been allowed to take place in the eastern Mediterranean.

In my opinion, the Greeks, a cooperative dictatorship, now ousted by the Karamanlis Government, made a mistake in an attempt to take over the Island of the Republic of Cyprus. By the same token, in my opinion, the Turks made a mistake by over-reacting at that time. But these factors are in the past and the question is, what do we do in the present? The Congress cannot take over the negotiations which might conceivably bring about a reasonable settlement of the Cyprus situation.

The President, and through his agent the Secretary of State, might be able, through the use of their good offices, to resolve this situation in a satisfactory manner.

There are many Greeks in this country who still have ties with their homeland and they are all good citizens. There are very few Turks in this country and they also have ties with their homeland but they, too, have been good citizens. As Turkey is the main concern of the legislation before the Senate today, have we forgotten the reponse of the Turks to our involvement in Korea over two decades ago? Are we aware of the part Turkey plays in opposing Soviet expansion? Perhaps the progress many of us desire, myself included, in negotiations and settlement has been hindered by our unwillingness to face up to a situation which, if not settled on a reasonable basis, may well react against Greece and Cyprus.

Are we aware of the difficult and delicate situation in which Prime Minister Karamanlis find himself in this matter, buffeted by both the right and the left? Are we aware of the fact that the Congress will not be able to break the present deadlock and that the responsibility lies in the hands of the Government and the Secretary of State?

I would hope that all these factors which I have tried to enumerate will be taken into consideration by the Members of this body and that out of its collective wisdom would come a vote of approval which would be a first step but a most important one to bring about a settlement of the Cyprus situation which, in the long run, would be in the best interest of Greece, of Cyprus, of Turkey and the United States.

Mr. CASE. Mr. President, I yield myself such time as I may have. I shall be very brief.

I do want to acknowledge for myself, for the Members on my side of the aisle, and, so far as I can speak, for the committee, our appreciation for the splendid statement that the majority leader has just made.

He is quite right. I believe everybody who has been involved in this thing has had the best motives all along, and I know that they still do. But what we are given here, as he suggests, is a chance to move this thing off dead center, to get it rolling in the right direction. We, I think, of all the possible agencies that may be able to have an effect upon the situation, are in the best position to take this step right now. The Senate of the United States can perhaps loosen this logjam by its action here today.

I strongly urge the Members of this body to take that possibility into account as they cast what I think is one of the most important votes we should cast this year.

Mr. SPARKMAN. Will the Senator yield briefly?

Mr. CASE. I yield.

Mr. SPARKMAN. Mr. President, I just want to say I think the statement that has been made by the majority leader is the finest, clearest, most accurate statement that has been made in this very perplexing situation with which we are now confronted. I thank him for it.

Mr. ROBERT C. BYRD. Mr. President, I support the viewpoint expressed by the distinguished majority leader (Mr. MANSFIELD).

We are living in parlous times and in a changing world. We are faced with grave and complex issues to which there are no easy answers, from which we cannot run, and for which the only course is sober reflection and a careful weighing of our national interests and responsibilities.

The arms embargo to our NATO ally, Turkey, is one of these issues. It is a question which cuts across many interests: The need for early and visible progress on a just Cyprus settlement; peaceful accommodation in the Aegean; stability in the eastern Mediterranean; respect for the law; solidarity in NATO, the cornerstone of western defense for nearly 30 years; relations of friendship and trust with both Greece and Turkey; allied confidence in the continuing reliability of U.S. commitments, judgment, and leadership; and understanding throughout the world that the United States will act with enlightened self-interest to defend its vital interests and promote a more peaceful world.

I fear, however, that all too often we find it difficult to tolerate complexity and to approach a given issue on the many levels required. We focus on one aspect at the expense of others. We pit one interest against another, ask the wrong questions, and force ourselves to choose between equally valid goals when instead we should be asking how we can best work to reconcile our interests. We talk about favoring one ally over another, when in reality we need our friendships with both and need to work through these friendships, rather than undermine them through punitive actions, to encourage mutual accommodation. And, for entirely understandable reasons and with laudable intentions, we sometimes embrace measures such as the arms embargo which work against our interests, fuel division and distrust, and diminish the chances for flexibility and progress we so ardently desire.

While considering the lifting of the arms embargo to Turkey, we should understand that it does not constitute a favor to Turkey, a preference for one ally over another, or, least of all, approval in any way of the Turkish military action in Cyprus or of the disappointingly slow pace of the negotiations. Rather, restoration of aid should be considered a means

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of increasing flexibility in a difficult negotiation; strengthening NATO's southern flank; removing a source of tension which contributed directly to a serious deterioration of relations between Greece and Turkey following the February 5 cutoff; offsetting public pressures in Turkey for prompt action against U.S. defense installations important to the United States and Western security; and improving our ability to play a helpful role in bringing the parties together.

Moreover, we should not overlook the important way in which the restoration of aid to Turkey, by contributing to mutual accommodation between Greece and Turkey over Cyprus and the Aegean, will have a stabilizing effect within Greece itself. For the less Greece is distracted by foreign policy problems with its neighbor, the more the Greeks will be able to devote their full energies to consolidating democracy and building their economy.

A Cyprus settlement, a strong NATO, a stable democratic Greece, mutual accommodation between Greece and Turkey—these are all interests which Greece, Turkey, and the United States share. These are interests we must work together to promote. These are objectives which a restoration of aid to Turkey will encourage.

The timing of our action is important and comes at a critical juncture in the Cyprus negotiations. The Greek and Turkish Foreign Ministers have, with our encouragement, met in Rome this past weekend to devlop a high level dialogue which can provide the basis for a better understanding on Cyprus and the Aegean. Secretary Kissinger will be meeting with Turkish leaders in Ankara on May 22–23, during the CENTO Ministerial, and his arguments for increased Turkish flexibility and accelerated progress in the Cyprus negotiations will be more effective if he can show progress toward the restoration of aid to Turkey. President Ford will likewise be meeting with the Greek and Turkish leaders at the NATO Summit at the end of May. Finally, the talks between the Greek and Turkish-Cypriot negotiators under U.N. auspices are due to resume June 5–9 in Vienna.,

It is essential that we do everything possible to sustain these talks and to remove obstacles to flexibility. If we do not, the trend toward political, economic, and administrative division on Cyprus will continue unchecked, an acceptable and just settlement will become more difficult to achieve, and we will inevitably bear a portion of the responsibility for that failure.

Mr. TOWER. Mr. President, I commend the majority leader. He has not only perceived the facts correctly, he has not only proffered the right prognosis of the situation, but also has correctly perceived the national interest of the United States. To me, this must be the essential factor in any consideration that we ever give to foreign policy matters in the Senate, and that is, what is in the national interest of the United States? The distinguished Senator from Montana has illuminated that for us very well, indeed.

Mr. KENNEDY. Mr. President, several months ago Congress voted to suspend military assistance to Turkey, and sustained that vote in February of this year. It did so to enforce prohibitions against the clear violation of law in Turkey's use of American supplied arms for aggressive purposes—as well as to express our country's profound dismay over the human tragedy and diplomatic stalemate the use of those arms have produced for the people and nation of Cyprus.

As chairman of the Subcommittee on Refugees, I have closely followed events on Cyprus from the beginning. Numerous hearings were held, and in August and September of last year the subcommittee dispatched a study mission to view, first-hand, the human and political tragedy created by the Turkish invasion and occupation of Cyprus. The study mission's report stands as true and as real today, as it did when it was written many months ago. The report is a tragic reminder as to how little things have changed on Cyprus. Since Turkey's invasion and occupation of Cyprus just 10 months ago, and congressional action to embargo military assistance to Turkey, tragically little has changed for Cyprus—politically, diplomatically, and even more importantly in human terms.

The Turkish occupation of at least 40 percent of the island continues. The economy deteriorates every day. And some 200,000 people, both Turkish and Greek, remain refugees—driven from their lands and homes only a few miles away. For nearly 10 months they have lived in fields, along the roadsides, in tents, in schools and churches, with relatives and friends—and wherever they could find shelter and help. And today they still wait the opportunity to return to their livelihoods and homes, and to a normal and productive life.

As I noted in the preface to the study mission report, entitled "Crisis on Cyprus, 1974":

> The Turkish invasion turned the island into shambles. In political terms, it violated the integrity of an independent state. In economic terms, it shattered the island's flourishing economy. And in human terms, it brought personal tragedy to thousands of families—and turned half the population into refugees, detainees, or beleaguered people caught behind ceasefire lines.
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> In too many quarters—including our own Government—the human dimensions of the Cyprus crisis, and the plight of Cypriot civilians, has taken second place to the political and military issues at stake—and to the special interests of those who have much to lose or to gain by the outcome of the conflict. But the civilians of Cyprus—both Greeks and Turks—also have interests. And for hundreds of thousands, recent weeks have been a nightmare of death and tragedy and grief.

Regrettably, during the many months since these words were written, the plight of the Cypriot people continues to take second place to political and military issues. And we are once again debating the provision of more military aid to Turkey, rather than aid to support the return of refugees to their homes. And we are asked to do this despite the recognized lack of progress in negotiations, and despite any sign of good will or flexibility from Turkey in responding to basic humanitarian issues—such as opening the Nicosia Airport, allowing the freedom of movement of people, let alone the resettlement of refugees to their homes. Indeed, senior officials at the Department of State admit that nothing has changed on Cyprus. We are at the same position we were some 8 months ago.

Despite the continuing absence of progress, we have repeatedly, over the past many months, been assured by Department of State spokesmen of optimistic signs for "moving the parties involved on Cyprus to early negotiations." Those were, for example, the words written in a letter to me by the Department on November 22, 1974. Several weeks later, on January 6, Secretary Kissinger echoed a similar optimism in a letter responding to an inquiry by four members of the Refugee Subcommittee. The Secretary stated:

> Fortunately, some progress has been made in recent weeks toward getting substantive negotiations underway.

Yet, today, a date fast approaching the first anniversary of the Turkish invasion, we have yet to see any meaningful negotiations, nor any developments in the field to match the continuing optimism of administration spokesmen. If "progress" means the shuttling of our diplomats around the globe, the occasional meeting of Turkish and Greek and Cypriot diplomats, or even the regular contacts of the two Cypriot communities in Nicosia—then such "progress" is hollow, if it does not also bring some positive developments in the field: The return of some refugees to their homes in Famagusta, the reopening of the Nicosia airport, and a beginning of a return to economic normalcy. These are the true indicators of progress—not more talk that leads nowhere. And these indicators must continue to be our benchmarks in assessing whether military aid to Turkey should be resumed.

Mr. President, I believe the burden of proof for a resumption of military aid to Turkey rests with the administration. I also believe they have not made their case.

Purely on the issue of Cyprus, and the Turkish invasion and occupation of the island, no meaningful progress has been made in restoring the territorial integrity and political independence of Cyprus nor in returning refugees to their homes.

And on related issues involving NATO, our bases in Turkey, and our strategic position in the eastern Mediterranean, the administration has little new to say. But if these are considered overriding concerns today, then the administration should tell us. And then Congress can fulfill its legislative responsibility by considering these issues in the context of the general and continuing reassessment of our Nation's commitments and defense posture at home and overseas.

In conclusion, Mr. President, I ask unanimous consent that the text of my preface to the study mission's report, and a summary of the report's findings and recommendations be printed at this point in the RECORD. If any Senator feels he can vote differently today than he voted last October, under the assumption that conditions have changed on Cyprus,

I can only ask that he review the text of this report. The tragedy of Cyprus is that, many months later, nothing has changed.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CRISIS ON CYPRUS: 1974

A study mission report prepared for the use of the subcommittee to investigate problems connected with refugees and escapees of the Committee on the Judiciary, U.S. Senate, 93d Congress, second session, October 14, 1974

PREFACE

(By Senator EDWARD M. KENNEDY, Chairman)

This is a perilous time for the people of Cyprus—as it also is for the renewal of democracy and freedom in Greece, and for the future of NATO and of progress and peaceful relations in the Eastern Mediterranean. The repercussions of recent events in this part of the world have been widespread, and will continue to aggravate international relations and bedevil United States foreign policy for many months to come. This report examines some of these events, but concentrates on the Turkish invasion of Cyprus.

The Turkish invasion turned the island into shambles. In political terms, it violated the integrity of an independent state. In economic terms, it shattered the island's flourishing economy. And in human terms, it brought personal tragedy to thousands of families—and turned half the population into refugees, detainees, or beleaguered people caught behind ceasefire lines.

In too many quarters—including our own government—the human dimensions of the Cyprus crisis, and the plight of Cypriot civilians, has taken second place to the political and military issues at stake—and to the special interests of those who have much to lose or to gain by the outcome of the conflict. But the civilians of Cyprus—both Greeks and Turks—also have interests. And for hundreds of thousands, recent weeks have been a nightmare of death and tragedy and grief.

This report reviews the human and political tragedy of Cyprus. It is based on the findings of a recent Study Mission to the area, public hearings before the Subcommittee, and additional inquiry. As the report indicates, a drive along the roads of Cyprus quickly tells the tragic tale of the Cypriot people—of the human consequences of an armed invasion and deadlocked diplomacy, of bombing and napalm, of ceasefire violations, of military occupation, and man's inhumanity to man.

In the Turkish occupied northern areas only a small percentage of the population remains—including an estimated 8,000 Turkish refugees bombed or shelled out of their homes. Desolation and destruction mark many areas. Whole villages and towns and cities are empty of people, who fled their homes in fear of advancing Turkish forces. The 15,000 to 20,000 Greeks who remain are being held as virtual hostages—confined to their villages or elsewhere, and usually separated from family members and without adequate food and water and medical care. Some 500 of these people, for example, are being cruelly detained by Turkish forces in Kyrenia's Dome Hotel.

Government controlled areas of the island have been inundated with refugees from the north. Since the invasion on July 20, over 200,000 men, women and children—at least a third of the population—have sought shelter wherever they could find it—in open fields, under trees, along the roadsides, and in schools, monasteries and public buildings. Only in the last few weeks have relief supplies begun to arrive in meaningful quantities; but food, blankets, medicines, other relief goods, and shelter are still in short supply. And, with the onslaught of the rainy season and the winter cold, the condition of the people will inevitably deteriorate—unless adequate relief measures are taken now, or a political settlement is accomplished, which will permit refugees to return to their homes. The overwhelming majority of needy people in government controlled areas are Greek Cypriots. But significant numbers of Turks—including some 10,000 Turkish Cypriot refugees—also command our help and concern.

A great deal has been said over America's role in the Cyprus crisis—and over the apparent complicity of our government in the human and political tragedy of the Cypriot people.

Our government suggests, for example, that Americans should recognize and appreciate legitimate Turkish grievances over developments on Cyprus, since independence more than a decade ago. Americans are told by their government that "the position of the Turkish community on Cyprus requires considerable improvement and protection. We [the U.S. Government] have supported a greater degree of autonomy for them." And, given this, we Americans must be practical in our approach to the Cyprus crisis. What has happened is understandable, and we must accept, therefore, the "new realities" on the island.

But what are these "new realities"? And what are we being asked to understand and accept?

Are we to condone the invasion and occupation of Cyprus? Are we to condone ceasefire violations? Are we to condone the nibbling away of an independent state, and a continuing threat of a new offensive in the so-called Turkish "peace operation"? Are we to condone the human tragedy brought about with the illegal use of American supplied weapons? Are we to condone the failure of our government to condemn the Turkish invasion? Are we to condone the omissions in our diplomacy, and the efforts by our Government to cover up these omissions and the tilt toward Turkey? Are we to stand silent in the face of *these* realities.

I believe the American people expect more of their government, and this is clearly reflected in the views and recent actions of Congress. The time is long overdue for the President and members of the Administration to give some greater evidence of concern and action over the human and political tragedy of Cyprus—and over the needed diplomacy by our government to help restore the island's territorial integrity and the right of the Cypriot people, working together, to determine their own destiny. We must do all in our power to accomplish this end. Important first steps should include a strengthened United Nations presence on the island, the orderly and phased withdrawal of Turkish troops, and the return of refugees to their families and homes.

With such goals in mind, the United States should also strengthen its support of relief and rehabilitation efforts by the Cyprus Government, the Turkish Cypriot Administration, the United Nations High Commissioner for Refugees, (UNHCR) the International Committee of the Red Cross (ICRC) and others.

The United States can assist in a number of ways. For example, we should be doing more to encourage greater international support of UNHCR and ICRC relief efforts on Cyprus. We should lend our diplomacy to help guarantee the free access of these international relief agencies to the Turkish occupied areas of the island. And we should also be doing more to encourage the reopening of the Nicosia airport, which would, among other things, greatly facilitate the work of the relief agencies.

Of immediate importance is a more substantial American contribution to the UNHCR relief program of some $22,000,000 through the end of this year. So far, we have committed only $3.000,000—a paltry sum which falls far below our normal share of support for UNHCR programs. This token contribution for humanitarian programs is distressing, particularly in light of the millions of dollars in military hardware we are continuing to ship to Turkey.

If Cyprus today is on the brink of new conflict and even greater tragedy, our government's policy bears a special responsibility. For the omissions in our diplomacy over Cyprus, our support of the Turkish position, and the President's insistence on maintaining a business-as-usual attitude toward military shipments to Turkey, only encourages Ankara's intransigency and feeds frustrations on Cyprus and among our friends in neighboring Greece. It is long overdue for us to rescue our foreign policy from a course that is disastrous both to our best traditions and interests in the Eastern Mediterranean.

SUMMARY OF FINDINGS

The longer the time required to achieve a resolution of the crisis on Cyprus, the greater will be the suffering of the people of the island. And it is the tragedy of Cyprus today that time is not on the side of peace.

It is the peculiar tragedy of Cyprus that its fate, now, as in the past, rests less upon solutions to be found among the Cypriots themselves—Turks and Greeks—than it does upon a resolution of outside forces and factors. It is to this extent that the tragedy of Cyprus will now be compounded by the current political instability in Greece and Turkey. No final solution to Cyprus can be anticipated until both Greece and Turkey are able to put their houses in order, to hold elections, and to establish governments with firm political foundations. This, it appears, cannot be expected until the end of 1974.

Meanwhile, the situation on Cyprus festers. And, as in the past, such frustrations will undoubtedly spawn more violence and even greater human suffering, with no end in sight. Until the central issue of the return of the refugees to their homes is resolved, there will be no peace for Cyprus.

I. Seeds of conflict

1. Communal tensions began to build in modern Cyprus history during the British rule, as the majority Greek Cypriot community organized guerrilla war to violently end British colonialism on the island. To the Turkish Cypriot minority the spectre of an end to British rule under these circumstances would threaten a union of Cyprus with the Greek motherland—an ancient objective of the Greek Cypriots. The Turkish Cypriots sided with the British and organized themselves into a counter political force, which they remain today.

2. The establishment of an independent Republic of Cyprus in 1960, with constitutional guarantees for the minority, and international guarantees for the integrity of the island, was intended to end the threat of enosis and reduce commercial polarization. Through the 1960's communal tensions mounted, however, as the constitutional provisions designed to minimize conflict between the two communities achieved the opposite: governmental dualism and further ethnic separatism between Greek and Turkish Cypriots.

3. The communal conflict of 1963–64 brought United Nations intervention, and the formation of the U.N. Peace-Keeping Forces (UNFICYP) on the island. A second major crisis in 1967 ended in a humiliating defeat for the Greek colonels and with the withdrawal of 9,000 Greek troops from Cyprus. In both crises the United States played an active and helpful diplomatic role vis-a-vis Greece and Turkey, and the preservation of Cypriot independence.

4. Communal tensions continued after 1967, but under the U.N. auspices a series of communal talks began in 1968 between Clerides and Denktash, representing the

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Greek and Turkish communities respectively. Moderate, but frustrating, progress was made.

II. Cyprus, 1974: Scenario for Tragedy

5. A growing strain in relations between Athens and President Makarios over the presence of 650 Greek mainland officers, and the underlying issue of enosis with Greece, culminated in a violent coup against Makarios on July 15, 1974.

6. The U.S. learned of the coup in advance, warned Makarios of it, but it was not taken seriously—although the CIA in Athens must have known better. Makarios escaped death and was evacuated to London by the British. American policy appeared to place in the best light events in Nicosia and the intervention of the Greek junta; no official statement was made condemning the coup and supporting Makarios.

7. Turkey appears to have interpreted U.S. policy at that time as a signal of tacit acceptance by the U.S. of the Nikos Sampson military clique. Ankara perhaps felt it had no alternative (as well as a great opportunity) to take the military option it had long planned, ostensibly in behalf of the Turkish Cypriots whose security they felt threatened. Thus, on July 20, five days later, Turkey invaded Cyprus, and within two days established a firm beachhead in Kyrenia before the first of several ceasefires were announced.

8. The Turkish invasion and the ensuing possibility of war with Greece, undermined what credibility the Athens junta had, and it was forced to recall civilian leadership. On the same day, July 23rd, Clerides replaced Sampson as acting President of Cyprus.

9. The restoration of democracy in Greece and the return of constitutional government in Cyprus, raised hopes that a negotiated settlement might be achieved. The guarantor powers met in Geneva on July 26, and negotiations began. They reached an impasse two weeks later when the Turkish proposals for a federal system under which Turkish Cypriots would have a separate administrative area in 38% of the island, and a second proposal for a cantonal system, were received cooly by the Greeks. A 36-hour Greek request to study the proposals was met by the launching of the second phase of the Turkish invasion—achieving on the battlefield what they had not been given at the negotiating table.

III. Consequences of the invasion

10. Within a week, 40,000 Turkish troops swept across and occupied over 40% of Cyprus. In the process, some 282,000 Cypriots—both Greeks and Turks—became refugees, detainees, prisoners of war, or cut-off and in need of relief assistance.

11. The humanitarian consequence of the invasion was the creation of a massive refugee problem, the resolution of which has, in turn, become crucial to a resolution of the political problems created by the Turkish action.

12. With the exception of the area around the first Turkish landing in the Kyrenia-Nicosia enclave, there is minimal bomb or structural damage. However, widespread looting has occurred.

13. The impact of the invasion upon the Cyprus economy has been more devastating. The Government estimates that some $4.5 million is lost each day in production. Agriculture, which comprises half the island's economy, is dying—both crops and animals. The vast citrus crop rots on the trees.

14. The political impact of the invasion was to destroy the constitutional and political framework of the Government of Cyprus as it was established in 1960. The future of Cyprus will be a future governed by a new and different governmental and political structure. There are currently a number of options; most frequently mentioned in Ankara and Washington is some form of territorial separation of the two communities. Whatever name is used, it is tantamount to partition.

15. Arranging some form of "bi-regionalism," or "zonal" division, or "federal" structure on Cyprus, may seem to outsiders as only a question of where the line will finally be drawn. But it is questionable whether a Greek Cypriot government can be found which would accept such solutions under the current threat of arms. Subject to negotiations, the current stalemate risks *de facto* partition—double enosis—of an administrative and economic union of the two separate parts of Cyprus with Greece and Turkey. A drift in this direction is already apparent on the Turkish occupied side, with the introduction of mainland Turkish currency, Turkish supplies, Turkish labor, etc. If this is allowed to continue for long, Cyprus will cease to exist.

16. The impact of partition along the Turkish Attila line, which Turkey has demanded, will have serious human and economic consequences. It will require moving and resettling half the population in order to create majority Turkish Cypriot areas above the line. It could involve moving 40,000 families and it would significantly alter the population density and characteristics of the island. Impact upon land ownership would be equally severe and extremely difficult to divide equitably. Impact upon the island's homogeneous economy would be to cut it in an inequitable half, with most of the foreign exchange earning portions of the economy left on the Turkish side.

17. The costs to Turkey from its military activity on Cyprus has been considerable. The actual costs of the invasion—military equipment lost, supplies, etc.—when added to the growing cost of military occupation, suggests that the cost to Turkey will total $1 billion by the end of the year.

IV. Humanitarian needs and international assistance

18. Massive humanitarian relief needs were created by the Turkish invasion. Within a month, some 40% of the Greek Cypriot population was rendered homeless, and the need for shelter, blankets, medicine, food, and other supplies, was immediate and serious. The Government of Cyprus estimates that to establish refugee camp sites for all those who are now in need of shelter, will cost over $22 million.

19. The Cypriot administration has demonstrated a commendable capacity to undertake relief programs and to absorb outside relief assistance. A "Special Services for the Relief and Rehabilitation of Displaced Persons" was establish in late July, and has—under the most difficult circumstances—provided emergency relief aid, as well as longer-term assistance.

20. Although there was a commendable and early response from many nations to the plight of Cyprus—especially the International Committee of the Red Cross, Greece, European Economic Community, and the United States—the appeals of both the ICRC and the U.N. High Commissioner for Refugees have only received token amounts to date. Of the UNHCR appeal for $22 million for relief to the end of the year, only $6.2 million has been received or pledged from all sources—less than a third of the sum required.

21. The United States has allocated, as of October 10, $4.6 million for Cyprus relief, with another $1.6 million pledged to the UNHCR in the coming weeks.

22. The needs of the refugees of Cyprus will escalate until a negotiated settlement is achieved, even as the initial enthusiasm and support for Cyprus relief within the international community now threatens to dry up. Massive relief needs remain to be met.

23. The role of the United Nations on Cyprus remains crucial. The UNFICYP forces, although restricted in their movement in the Turkish occupied areas, play an important humanitarian role. The newly augmented 4,292-man UNFICYP force is attempting to generate a feeling of confidence and to obtain information concerning the local situation, particularly in areas where humanitarian and relief measures, including the security of population, are required. They provide for logistical support to the UNHCR, which has become the focal point for international relief assistance.

24. The work of the UNHCR has been constrained to primarily the Greek Cypriot refugees in the southern part of the island, in part because they form the bulk of the refugee problem, but also because the UNHCR has not been granted free and unrestricted access to Turkish occupied areas.

V. United States Policy

25. Although flatly denied in all quarters of the Administration, the evidence in the field suggests a perceptible "tilt" in American policy toward Turkey during the Cyprus crisis. In the early days, the U.S. policy seems to have been one of hasty improvisation, coldly calculated to minimize disturbances within NATO. This not only achieved the opposite result, but, in the end, it failed the defenseless people of Cyprus.

26. The substance of the American "tilt" towards Turkey can be seen in the long list of omissions in United States diplomacy—in our apparent approval of, and "understanding" over, the Turkish invasion; in our tacit recognition of a Turkish *fait accompli* through the force of arms; in our clear association with the fundamentals of the Turkish negotiating position; and in our cynical use of humanitarian aid for Greek Cypriot refugees to further our political and diplomatic ends.

27. Available evidence suggests that some of the policy considerations in giving humanitarian aid to Greek refugees included the need to improve the political/diplomatic climate, to show the Greek and Cypriot governments that we were following a "balanced" policy, to keep the refugee problem contained, so as to buy time to assist Ankara in consolidating its position, and to help refurbish Turkey's international image, thereby strengthening its bargaining position. All this evidence confirms the worst fears of Congress and many Americans over the "tilt" towards Turkey and over the failure of American efforts to help bring peace and relief to the people of Cyprus.

RECOMMENDATIONS

Over the coming weeks and months—as they have since the beginning of the Cyprus crisis—the Chairman and members of the Subcommittee will continue to be as tenacious in their concern and suggestions for action as they feel the important situation on Cyprus warrants.

For the purposes of this report, however, the Chairman and the Study Mission make the following recommendations, relating to diplomatic and political problems and humanitarian needs.

1. Restoring the full independence and sovereignty and territorial integrity of cyprus

Restoring the full independence, sovereignty and territorial integrity of Cyprus must be a clearly understood and primary objective in American policy and diplomacy over Cyprus. No other goal better satisfies justice or the bringing of peace and relief to the people of Cyprus.

As in past crises, Cyprus today is a pawn in international politics—caught in an extremely complex network of conflicting interests involving Greece, Turkey, the United Kingdom, the United States, the Soviet Union, other countries, NATO, the United Nations, and, most important of all, the divided people of Cyprus. Viewed in this perspective, the Greek junta's engineered coup on Cyprus last July was a clear attempt to impose an unacceptable solution on the festering communal conflict between

the Greek and Turkish communities. So too, was the subsequent military intervention of Turkey, which now threatens a partition of the island.

Perhaps a new constitutional structure and more equitable arrangements between the Greek and Turkish communities are needed on Cyprus; but responding to Cypriot aspirations for maintaining an independent country should be central to the policies and actions of all parties concerned. New guarantees for the future independence and territorial integrity of Cyprus must be achieved through the early resumption of the Geneva negotiations or appropriate alternative arrangements.

2. Support for the inter-communal talks between Acting President Clerides and Vice President Denktash

The periodic talks, on humanitarian and related problems, between Acting President Clerides and Vice President Denktash, the respective leaders of the Greek and Turkish Cypriot communities, must be given the time and chance to succeed. Despite difficulties, these talks under the auspices of the United Nations, have already produced agreements on the repatriation and exchange of prisoners of war. The talks could be crucial ingredients in helping to resolve Cyprus problems, and they must be very actively encouraged and supported by the United States and all parties concerned. For in the final analysis it will be the Cypriots themselves who will contribute the most toward restoring the mutual trust and harmony which can rescue this island from the tragedy now present.

3. Implementing U.N. resolutions and the Geneva declaration on the reduction and withdrawal of troops

The United States Government, and all parties concerned, must very actively support repeated calls by the United Nations—as well as the Geneva declaration of July 30, agreed to by Greece and Turkey—for the orderly reduction and withdrawal of foreign troops from Cyprus. A viable solution to the Cyprus problem, much less peace on the island, cannot be imposed by the force of arms. Many observers are particularly concerned that the continuing presence of foreign troops on Cyprus threatens guerrilla-style warfare that would probably turn the entire island into a battlefield once again. Steps must be taken to disarm Cyprus.

4. Return of refugees to their homes

Some observers feel that, under a negotiated settlement of the Cyprus problem, the exchange of some population between Greek and Turkish areas of control may be necessary and, indeed, desirable. Nevertheless, a viable solution to the Cyprus problem, much less peace on the island, will not be accomplished unless and until a significant number of Greek Cypriot refugees are permitted to return safely to their lands and homes in areas currently occupied by Turkish forces.

In this regard, the United States must finally use its vast influence and good offices with Turkey to persuade Ankara of the need for a "gesture of goodwill", which includes the withdrawal of occupation forces and the return of refugees to their homes. Such a "gesture of goodwill"—involving perhaps the orderly return of refugees to the Famagusta and Morphou areas of the islands—could break the deadlock over the resumption of negotiations and serve as a meaningful first step toward a negotiated settlement of the Cyprus problem.

5. Greater autonomy and security for the Turkish Cypriot community

There is little doubt that the Turkish invasion and occupation of Cyprus has forever destroyed the present constitutional framework and political structure of the island. Given a negotiated settlement of the Cyprus problem, the future clearly includes new arrangements.

It is equally clear that any new arrangements must enhance the Turkish Cypriot community's security, autonomy, and participation in the economic and social and political life of the country. Their grievances over the past decade have, in the main, been legitimate and serious. If there is to be any peace on Cyprus, these grievances must be answered.

Proposals aimed at achieving greater autonomy and security for the Turkish Cypriots were already well advanced in the inter-communal talks before the latest crisis. And there was substantial recognition of this during the Geneva talks after the Turkish invasion. These proposals must now be reactivated, and worked out in practical and useable form for immediate and permanent application. If the Turkish invasion serves to side-track this process, it will have defeated its own stated goals.

6. Strengthened United Nations presence in Cyprus

Previous crises on Cyprus have involved and brought forth constructive responses from the United Nations. And over the past decade UNFICYP has played a useful and important role. But there can be little doubt today that the current Cyprus crisis has called into question the effectiveness of the United Nations. Recently, for example, Secretary General Kurt Waldheim warned the Security Council, that the situation on Cyprus raises questions about "the very essence of the United Nations Charter, weighing upon the credibility of the organization and its future effectiveness."

United Nations problems on Cyprus involve both its peace-keeping functions and its humanitarian purposes.

In part, the present difficulties or failure of the United Nations is due to the severe limitations of the UNFICYP mandate, which is outdated and unrelated to the current situation—the presence of a foreign occupying army. In this connection, the United States, in concert with others, should actively support efforts to strengthen and broaden the mandate of UNFICYP, so it can better perform its peace-keeping mission on the island.

The United Nations humanitarian purposes on the island have been seriously compromised, mainly because of the very restrictive access international personnel and relief convoys have to the Turkish occupied areas. Humanitarian needs, especially among the remaining Greek population, have been substantial in some areas, and all reports suggest the condition of these people is deteriorating. This is deplorable, and the United States must urgently lend its diplomacy to remedy the situation and facilitate United Nations' humanitarian efforts on Cyprus.

7. The United States must escalate humanitarian aid to Cyprus

Our government—both the Executive Branch and the Congress—should escalate its concern and efforts on behalf of relief and rehabilitation programs among the refugees and others in need on Cyprus.

In the early days of the Cyprus conflict the United States responded commendably to international emergency appeals for humanitarian aid by the ICRC. In late August the UNHCR assumed, from the ICRC, the responsibility for international humanitarian assistance and appealed for $22,000,000 through the end of 1974. To date, the United States has committed $2,000,000—of which only $1,400,000 has been allocated and the remaining $1,600,000 pledged. This is a small commitment, compared to what we can and should do. Tokenism must be replaced with generosity and compassion. An increased commitment of up to $10 million—now, not later—to the UNHCR's emergency program would be consonant with our general contribution to relief efforts elsewhere, and would hopefully encourage other nations to respond more generously as well. In this connection, pending foreign aid legislation—introduced by the Chairman and other members of the Senate—to establish a Cyprus Relief Fund should be enacted at the earliest opportunity.

Apart from making a more meaningful contribution to the current emergency relief program of the UNHCR, the United States must also be prepared to continue providing humanitarian relief and rehabilitation assistance well into 1975. Among the anticipated needs are food supplies, as well as support for various public works and other projects, being initiated by the Cyprus Government, to employ idle refugees.

The United States should support, hopefully through international channels, a variety of programs to help meet these needs. Public Law 480 "food for work" and related food programs, for example, could help meet both food and unemployment problems. In consultation with the Cyprus government, the American Embassy in Nicosia has recommended such programs, and they should be accepted in Washington. Additional kinds of assistance should also be considered by our government.

8. United States diplomatic support to break relief bottlenecks

There are at least two bottlenecks, involving humanitarian relief, that some greater measure of United States diplomatic concern might help to break.

Since the second phase of the Turkish invasion, the island's only major airport in Nicosia has been closed, due to bomb damage but more importantly to diplomatic deadlock. The Turkish army attempted to take the airport during the invasion, but was stymied by the stiff resistance of the Greek Cypriots. Turkish forces now surround the airport on three sides, with the other side held by the Government. UNFICYP forces hold the airport proper. All sides, except Turkey, have agreed to the speedy restoration and opening of the Nicosia airport under United Nations control. Among other things, observers agree that it would greatly facilitate international relief operations, which now must use the overtaxed British air field in the south.

Similarly, the Government of Turkey has unilaterally declared the sea lanes surrounding Cyprus to be "dangerous" because of a state of war. The result has been the cessation of regular sea shipments to Cyprus, in part because of prohibitive insurance costs. This has had a serious impact upon relief shipments, both discouraging foreign ship owners to allow the use of their vessels for Cyprus, as well as adding greatly to the costs of those relief ships which do travel to the island.

Both these restraints on the international relief effort for Cyprus—the closed Nicosia Airport and the restricted sea lanes—must be items high on the diplomatic agenda, and the United States should be doing considerably more in trying to remove these restraints. Progress towards peace and relief on Cyprus will be undertaken in steps, and there can be no better steps than removing bottlenecks to humanitarian relief.

Mr. TAFT. Mr. President, some people have presented the issue here as if those who are concerned for the people of Cyprus and the people of Greece must favor continuing the cutoff of aid to Turkey, and that those who oppose the cutoff are somehow not interested in the Cypriot and Greek peoples. I am vitally interested in the future well-being of both the people of Cyprus and the Greek people; but, after careful consideration, that interest leads me to oppose the cutoff, not to favor it.

If we continue to ban defense shipments to Turkey, we risk, first of all, severe and lasting damage to NATO, particularly in south Europe. Now, I would point out that Greece rightly believes NATO to be vital to her own security. NATO was a key in rescuing Greece from Communist attack not too many years ago. Greece is a member of NATO not as a favor to the United States, but because the Greek people know that NATO is absolutely vital to the survival and freedom of Greece. Therefore, any action which would damage, or conceivably even destroy, NATO in south Europe, is an immediate threat to Greece. My interest in the well-being of Greece forces me to recognize this fact.

I would point out that responsible persons in the present Greek Government are very much aware of the truth of this. The Greek Government knows that NATO is vital to Greece, and that a NATO without Turkey is no NATO at all, as far as south Europe is concerned. Accordingly, the Greek Government is by no means violently opposed to our resuming defense shipments to Turkey, subject to the conditions in this bill: That is, that American-supplied equipment not be transferred to Cyprus, and that Turkey continue to observe the cease-fire on Cyprus.

I would note, Mr. President, that it is only under these conditions—which I expect to be strictly applied—that I support resuming defense aid to Turkey. These conditions insure that the aid will be related only to the needs of NATO.

There are other important reasons also why my concern for the people of Greece and of Cyprus leads me to oppose the continuation of the aid cutoff. If the United States is perceived by Turkey as being totally alined in this dispute, we will no longer be able to work as a mediator. In turn, the absence of effective mediator. In turn, the absence of effective mediation would create a real danger of full-scale war between Greece and Turkey.

The Greeks are a valiant people, and I know and respect their military abilities. But weight of numbers of men make it virtually certain that Turkey would win such a war. I do not want to see this happen. I do not want to see Greece defeated by Turkey. I do not want to see the Greek Government fall. I do not want to see the tragedy and suffering that such a war and defeat would bring to the people of Greece and of Cyprus. I thus think it is of critical importance to the Greek people that we be able to continue our mediation efforts. Again, I have been assured that the Greek Government understands this fact.

We must also ask—those of us who are longtime friends of the people of Greece—what instability in the region would mean to Greece internally. Either a collapse of NATO in South Europe or a defeat of Greece by Turkey in war would gravely endanger the present Greek Government. Personally, I fear that the current Government in Greece—a Government which has brought democracy and progress to Greece—would fall, and that it would be replaced by a government of the extreme left. I think that would be a tragedy for Greece. Greece could become another Portugal, and the Greek people could suffer a leftist dictatorship—the very thing they fought hard to avoid in the 1940's. This is, to me, something any friend of Greece and the Greek people must work to avoid; and working to avoid it means ending the cutoff of aid to Turkey, so as not to destroy NATO or bring about a war between Greece and Turkey.

Mr. President, I thus believe that true friends of Greece and Cyprus—and true friends of peace—must act to choose a course of moderation, a course which will preserve NATO, enable the United States to continue to mediate the Cyprus dispute, and prevent a leftist dictatorship in Greece. That means ending the aid cutoff. Again, responsible leaders in the Government of Greece understand the truth of this position. I think we must understand it also.

Mr. MUSKIE. Mr. President, I will vote for S. 846 which suspends the prohibitions now in effect against military assistance to Turkey. I have decided to vote for this bill after long and careful thought, and I do so with some continued misgivings. This is not an easy issue, and my support of this legislation is based only on the hope that a resumption of military assistance to Turkey will be a constructive step toward a satisfactory resolution of the Cyprus problem.

I am aware that such a hope may ultimately prove unjustified. But if the impact of restored military assistance is not constructive, I am prepared to support a future move once again to end military assistance to Turkey in accordance with the provisions of the Foreign Assistance Act. I believe the Congress would in fact act once again to terminate such aid if progress toward a peaceful settlement on Cyprus is not satisfactory.

The bill before us today allows the President to suspend the prohibition against military aid to Turkey if he determines that such suspension will further negotiations for a peaceful solution of the Cyprus conflict. Turkey, however, must observe the cease-fire on Cyprus and neither increase its forces there nor transfer to Cyprus any American-supplied military hardware. Moreover, the President is required by the bill to report to Congress after each 30-day interval concerning progress made toward a negotiated settlement on Cyprus. Clearly, the Congress will have an opportunity to review its action, under this bill, in light of the President's periodic reports.

Mr. President, I was among those who originally supported a suspension of military assistance to Turkey. The invasion of Cyprus by Turkish forces seemed to me to be a clear-cut violation of The Foreign Military Sales Act, the Foreign Assistance Act, and the agreement under which Turkey accepted the Arms. When Turkey invaded Cyprus, the suspension of military aid should have been automatic. Congress acted simply to enforce the law. In this sense, the action of Congress was justified and understandable.

In another sense, however, I have had serious doubts about the limits of our ability to conduct our nation's foreign policy through the legislative process. The Cyprus problem is enormously complex, and the action of the Congress most certainly had the effect of reducing the adiministration's flexibility in dealing with the crisis. We have no way of knowing for sure whether continued American military assistance to Turkey would have strengthened our influence over Turkish policy on Cyprus. What is clear, however, is that the termination of aid to Turkey was followed by further unilateral Turkish actions which were most detrimental to a constructive international solution. The timing of the congressional action, therefore, may have contributed to a worsening of the diplomatic situation.

The law which the Congress demanded be enforced is a sound one: Nations which receive our military aid should understand that such aid will be revoked when it is used contrary to American interests and for purposes which have nothing to do with legitimate self-defense. The law is the law—and it should be revised only when warranted by our most vital national interests.

The administration believes that our most vital national interests are at stake now on the issue of Turkish military aid. The administration has requested this bill, and they are supporting it in the strongest possible terms. What is involved here is a matter of judgment: will an aid resumption in fact be constructive? Will the Turks become more flexible, or will they instead feel that a resumption of aid reduces the pressure on them to negotiate constructively over Cyprus? Will it contribute to a solution of the Cyprus problem—which depends upon Turkish concessions?

On balance, however, I believe that the President and the Secretary of State should be given the flexibility to deal with these questions. The responsibility for conducting the day-to-day business of foreign policy is theirs. They will be negotiating with the Turkish government in the near future. They believe this bill is of critical importance.

So I will vote for S. 846 in the hope that it will provide the added flexibility which the administration so strongly feels is necessary. If our hopes are misplaced, Congress will have to face this issue again in the months ahead.

Mr. BUCKLEY. Mr. President, the subject of Turkish aid has been one of the most difficult issues this Congress has had to resolve. It is difficult particularly because restoring aid to Turkey involves a breach of the strong support which the United States has always given for the rule of law. In this case, military assistance to Turkey has been used for purposes other than those which the Congress intended under the terms of the Foreign Assistance Act of 1961, and restoration of aid would involve, in effect, a breach of the spirit if not the letter of this act.

In Cyprus, however, we are dealing with an immense human tragedy; displaced as a consequence of the attack by Turkish troops and consequent occupation of a substantial portion of Cyprus. The overwhelming military presence of Turkey on the soil of Cyprus, and the reality of the fact that the United States will not intervene militarily to end his occupation, makes negotiation the only feasible route to mitigate further suffering of the people of Cyprus. I have had an opportunity to discuss this subject with the President who has made it clear that his information supports the view that it is highly unlikely that the present Turkish Government will negotiate for a change in the situation in Cyprus when they are "under the gun" of a cutoff of U.S. military assistance. The President will be meeting with the Turkish Government in the near future, and he believes strongly that he can work most effectively for the opening of serious negotiations in Cyprus if this obstacle is removed. As the President has the responsibility for the conduct of foreign policy, I am reluctant to deny him the leverage he believes he needs.

It is also significant to note that there are several extremely sensitive military installations in Turkey whose existence is of the greatest importance to the security of not only the United States, but all the nations of the West. They are intelligence-gathering facilities that rely on their proximity to the Soviet Union. They cannot be moved elsewhere without great sacrifice to their effectiveness.

It is, therefore, with reluctance that I am casting my vote to restore aid to Turkey in the hopes that negotiations can begin in earnest. Should these negotiations fail to produce results in a reasonable period of time, I will give serious consideration to reimposition of the embargo.

Mr. BAYH. Mr. President, today we will vote on S. 846, a very important piece of legislation, which will have serious short- and long-term ramifications for the conduct of American foreign policy. The issues this bill raises are complex and have caused me to review and reconsider the events which led to the cutoff of military assistance to Turkey as well as subsequent developments. After thorough study, I have concluded that passage would be a mistake and that we must continue to withhold military assistance from Turkey.

In reaching this decision, I have been mindful of the strategic importance of our alliance with Turkey and the close relationship this country has had with Turkey in the past. I have not forgotten that brave Turkish soldiers fought and died with American troops in Korea. Thus, the vote I cast today is not cast lightly. Nevertheless, I believe that the principles we can clearly establish in rejecting this bill are controlling.

Mr. President, foreign aid has become an important element of modern American foreign policy, and a large portion of foreign aid has consisted of military assistance to a multitude of countries. A consequence of our liberal practice in giving arms—a practice which has, in my opinion, been far too liberal—is that a large portion of the world's nations are armed with American weapons, and that an outbreak in hostilities between nations so armed indirectly, but very clearly, involves the United States in the conflict.

To its credit, Congress enacted restrictions on the use of arms supplied by the United States and provided that aid to a country which employed American weapons to further aggression should be immediately terminated. It is this principle which we will vote on today, Mr. President, and I do not believe that the exigencies of the present situation should lead us to violate it.

It is extremely important that we demonstrate our determination to uphold a sound principle designed to further peace. It would be tragic if through our military assistance program and our failure to place proper limitations upon it, America became identified with aggressive and repressive forces now and in the future. We must stand up, and let the world know exactly what our position is, painful though it may be.

Mr. President, I am sympathetic with the desire of the Turkish Government to protect the Turkish minority on Cyprus. The abuses this minority has suffered are part of history and cannot be ignored. Yet, Mr. President, in looking at the Cyprus situation, I am forced to ask if refusal to negotiate, violations of a cease-fire, occupation of 40 percent of the island, and forcing 180,000 Greek Cypriots from their homes, is consistent with the objective of protecting the Turkish minority. Clearly it is not.

When Turkish representatives walked out of peace talks in Geneva and Turkey resumed military action last August, Turkish actions became far more than protective reaction and can be classified only as aggression. At present, Turkish forces occupy the bulk of the most habitable land on Cyprus. Turkish Cypriots have declared this territory a separate state for those of Turkish heritage, only 18 percent of the population, and Greek Cypriots have been forced to flee. Negotiations to date have brought no real progress toward a fair solution of Cypriot problems.

Mr. President, I do not believe that the United States should condone Turkish conduct by resuming military assistance. We must stand by the sound principle that military supplies provided by this country shall not be used for aggression.

Further, I believe that our determination will provide an incentive for Turkey to resolve Cypriot problems in an equitable manner. Until such a settlement is reached on Cyprus, Mr. President, there will be no stability on the southern flank of NATO, no matter how much we try to appease our Turkish allies. Those who believe this bill will heal all wounds are fooling themselves. Its passage would indicate approval of the status quo and serve only to encourage further Turkish inflexibility.

I hope that a majority of my colleagues will join with me in rejecting this well-intentioned but misguided legislation. Our vote today will have an impact on this country for years to come.

Mr. MATHIAS. Mr. President, before closing I would like to seek clarification for the record of one final aspect of this legislation which might be subject to some confusion or ambiguity. To this end, I would like to engage the managers of S. 846 in a brief colloquy on the question of the effect of this bill on existing restrictions under the Foreign Assistance Act of 1961 or the Foreign Military Sales Act with respect to actions by the Government of Turkey not directly related to the Cyprus conflict.

It is my understanding that under the terms of S. 846, the President is authorized to resume military assistance and sales to Turkey as long as Turkey meets three conditions: First, observes the cease-fire; second, refrains from increasing its forces on Cyprus; and third, refrains from transferring to Cyprus any U.S. supplied implements of war.

My concern springs from the problem of what would happen should the Government of Turkey meet these three conditions regarding Cyprus, but at the same time undertake some other kind of aggressive military activity against Greece, or any other nation, in violation of the agreements entered into under the Foreign Assistance Act of 1961 or the Foreign Military Sales Act.

Therefore, my question is this: Is it the intention of the manager and principal sponsors of S. 846 that the enactment of this bill should in no way be construed as a derogation of the provisions of either the Foreign Assistance or Military Sales Acts which would require the President to suspend arms shipments to any nation which uses U.S. supplied weapons for other than defensive purposes?

Mr. SPARKMAN. The Senator from Maryland is absolutely correct.

Mr. MATHIAS. In other words, the enactment of this bill would not only require the Government of Turkey to respect the three Cyprus-related conditions contained therein in order to avoid another arms cutoff, but would also leave intact the existing statutory requirement that U.S. arms shipments be halted if Turkey or any other nation undertakes offensive military activity of any kind with U.S. supplied weapons. Is that the floor manager's understanding?

Mr. SPARKMAN. It most certainly is.

Mr. MATHIAS. I thank the Senator from Alabama. I hope that this brief exchange will be helpful in establishing clear legislative history to the effect that passage of the bill before us today, S. 846, will in no way increase the incentives of any nation in that troubled part of the world to pursue a course of military action without regard to the consequences in terms of U.S. policy.

The PRESIDING OFFICER. The hour of 4 o'clock having arrived, under the previous order the Senate will now proceed to vote on the bill.

The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. EASTLAND), the Senator from Colorado, (Mr. HASKELL), the Senator from Maine (Mr. HATHAWAY), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Hawaii (Mr. INOUYE), the Senator

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from Vermont (Mr. LEAHY), the Senator from Louisiana (Mr. LONG), the Senator from Wyoming (Mr. MCGEE), the Senator from Montana (Mr. METCALF), the Senator from Minnesota (Mr. MONDALE), the Senator from North Carolina (Mr. MORGAN), the Senator from Utah (Mr. MOSS), the Senator from West Virginia (Mr. RANDOLPH), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I also announce that the Senator from Iowa (Mr. CLARK) and the Senator from New Jersey (Mr. WILLIAMS) are absent on official business.

On this vote, the Senator from Wyoming (Mr. MCGEE) is paired with the Senator from Utah (Mr. MOSS). If present and voting, the Senator from Wyoming would vote "yea" and the Senator from Utah would vote "nay."

I further announce that, if present and voting, the Senator from Iowa (Mr. CLARK), the Senator from West Virginia (Mr. RANDOLPH), the Senator from New Jersey (Mr. WILLIAMS), and the Senator from Colorado (Mr. HASKELL) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Alaska (Mr. STEVENS) is necessarily absent.

I also announce that the Senator from Tennessee (Mr. BAKER) is absent on official business.

The result was announced—yeas 41, nays 40, as follows:

[Rollcall Vote No. 190 Leg.]

YEAS—41

Bartlett
Bellmon
Brock
Buckley
Bumpers
Byrd, Robert C.
Cannon
Case
Chiles
Curtis
Domenici
Fannin
Fong
Ford
Garn
Goldwater
Griffin
Hansen
Hart, Philip A.
Hatfield
Helms
Hruska
Huddleston
Johnston
Mansfield
Mathias
McClellan
McClure
Muskie
Nunn
Packwood
Pearson
Scott, Hugh
Sparkman
Stafford
Stennis
Symington
Taft
Thurmond
Tower
Young

NAYS—40

Abourezk
Allen
Bayh
Beall
Bentsen
Biden
Brooke
Burdick
Byrd, Harry F., Jr.
Church
Cranston
Culver
Dole
Eagleton
Glenn
Gravel
Hart, Gary W.
Hartke
Hollings
Jackson
Javits
Kennedy
Laxalt
Magnuson
McGovern
McIntyre
Montoya
Nelson
Pastore
Pell
Percy
Proxmire
Ribicoff
Roth
Schweiker
Scott, William L.
Stevenson
Stone
Tunney
Weicker

NOT VOTING—18

Baker
Clark
Eastland
Haskell
Hathaway
Humphrey
Inouye
Leahy
Long
McGee
Metcalf
Mondale
Morgan
Moss
Randolph
Stevens
Talmadge
Williams

So the bill (S. 846) was passed, as follows:

S. 846

An act to authorize the further suspension of prohibitions against military assistance to Turkey, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 620(x) of the Foreign Assistance Act of 1961 and section 6 of the joint resolution of October 17, 1974 (Public Law 93–448, as amended by Public Law 93–570) are each amended by striking out "until February 5, 1975, and only if, during that time," and inserting in lieu thereof "if during such suspension".

SEC. 2. Section 620(x) of the Foreign Assistance Act of 1961 is further amended by designating the present subsection as paragraph (1) and by adding at the end thereof the following new paragraph:

"(2) The President shall submit to the Congress within thirty days after the enactment of this paragraph, and at the end of each succeeding thirty-day period, a report on progress made during such period toward the conclusion of a negotiated solution of the Cyprus conflict.".

Mr. TOWER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. CASE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TUNNEY. Mr. President, today I was regrettably forced to cast my vote against the bill to renew American arms assistance to Turkey. I say regrettably because Turkey has been an old and reliable ally, whose friendship and mutuality of interest with the United States have been demonstrated many times over the past three decades.

Turkish forces have participated proudly alongside the forces of the United States, Great Britain, France, and Germany, and other alliance partners in preserving the security of Western Europe and the Mediterranean. With approximately half a million men in arms, Turkey has NATO's second largest land force. In addition, it occupies the strategically vital position between the Middle East and the Soviet Union. There is no doubt that any withdrawal of Turkey from the NATO would seriously damage its effectiveness.

Nevertheless, I feel compelled to object to the restoration of American arms assistance because I feel the requirements set forth when the embargo was first passed that there be "substantial progress" in the negotiations and a partial withdrawal of Turkish troops from Cyprus have not been met. The mandate of the Foreign Assistance Act of 1961 is clear—American arms are not to be used by allies in aggressive actions. The reason for that law was equally obvious—it was meant to encourage self-defense, not the imposition of foreign policy views by military fiat. That reasoning is as vital today as it was 14 years ago. No alliance can long endure if one ally is free to use indiscriminate force to settle its disputes with another ally.

I had hoped that progress on the Cyprus problem would have come more quickly. However, while it is true that today negotiations are again underway, it seems as though we are no closer to a resolution to the problem than we were 6 months ago. The U.S. Government has not even received private assurances that Turkish withdrawal would proceed once aid was renewed. This situation can hardly be described as representing substantial progress.

Under the circumstances, I feel that the arms embargo must be continued until the talks on Cyprus progress or until, as a minimum, we have received assurances from the Turkish Government that if arms assistance is renewed there will be a new flexibility on the part of Turkey.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I seek recognition.

The PRESIDING OFFICER. The Chair recognizes the Senator from Montana.

Mr. STENNIS. Mr. President, may the Senate be in order?

The PRESIDING OFFICER. The Senators will keep order in the Chamber.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, there will be no further votes this evening. We will, of course, take up the supplemental appropriation bill, which will be laid down this evening for tomorrow, plus the Butterfield nomination tomorrow.

SENATE RESOLUTION 160—RESOLUTION DISAPPROVING CONSTRUCTION PROJECTS ON THE ISLAND OF DIEGO GARCIA

(Referred to the Committee on Armed Services.)

Mr. MANSFIELD. Mr. President, on May 12, 1975, the President of the United States, by letter, certified to the Congress that the construction of naval facilities on the island of Diego Garcia in the Indian Ocean is vital to the national interests of the Government of the United States. The text of the President's letter to the Congress reads as follows:

To the Congress of the United States:

In accordance with section 613(a)(1)(A) of the Military Construction Authorization Act, 1975 (Public Law 93–552), I have evaluated all the military and foreign policy implications regarding the need for United States facilities at Diego Garcia. On the basis of this evaluation and in accordance with section 613(a)(1)(B), I hereby certify that the construction of such facilities is essential to the national interest of the United States.

GERALD R. FORD.

THE WHITE HOUSE, *May 12, 1975.*

Mr. NELSON. Mr. President, may we have order? I cannot hear the Senator's remarks.

The PRESIDING OFFICER. The Senate will be in order.

The Senate may proceed.

Mr. MANSFIELD. Under the provisions of Public Law 93–552, 93d Congress, 2d session, section 613, I am laying before the Senate a resolution of disapproval in accordance with the provisions of section 613. I ask unanimous consent that at the conclusion of my remarks section 613 from the public law be printed in order that Senators may have an opportunity to read this section of law and know exactly how this resolution of disapproval will be handled in the Committee of the Armed Services and on the floor of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MANSFIELD. Mr. President, I was very surprised that the President of the United States would send this resolution to the Congress at this time in view that we have been told by the administration that the President is in the midst of a reappraisal of our foreign policy because of the debacle of Vietnam, Cambodia, and Southeast Asia.

I think in the debate of this resolution, when it is returned from the Armed Services Committee, a number of very important questions should be examined during the debate.

Why, in the face of the fact that all the nations bordering on the Indian Ocean have asked the United States and the Soviet Union not to escalate the arms race in the Indian Ocean area, has the administration forwarded this letter of certification? At a meeting in New Delhi on November 17, 1974, 30 nations issued a policy statement opposing the United States building a naval facility on the island of Diego Garcia.

Why does this administration persist in the face of a staggering deficit in our budget insist on building a naval facility that will cost approximately $175 million? I contend that the money that the administration is requesting to start building naval facilities on Diego Garcia, amounting to $14 million for the Navy and $3.3 million for the Air Force, is only a downpayment. Already in the fiscal year 1976 budget, the Navy is asking for an additional $13 million for operational facilities on Diego Garcia.

Mr. President, are we going to engage in an adventure of Southeast Asia and Vietnam all over again? Is there an extension of a policy of the United States trying to be policeman for the world in the face of our bitter experience in Vietnam?

Are we not scattered throughout the world enough by having military personnel on all five continents—perhaps, if Antarctica is considered a continent, on all six continents—and naval ships on all the oceans of the world and on a good many seas?

In voting the naval base on the island of Diego Garcia, are we going to vote a three-ocean Navy? The Navy contends that they will be able to operate carriers in the Indian Ocean with only a 12-airplane carrier force. However, will it really have to be 15 carriers to fulfill our commitment in the Atlantic, Pacific, and the Indian Ocean?

I believe that the role of the carrier in sea warfare should be a part of the debate on the island of Diego Garcia. I submit that the aircraft carrier is now obsolete with the technical advancement of the new cruise missiles. I submit that in the Mediterranean Sea, the Soviets always know exactly within a few hundred yards where our carriers are operating. Can a carrier task force adequately protect itself in its operations in the Indian Ocean?

What are our so-called vital interests in the Indian Ocean? Certainly, having a task force in the Indian Ocean had no effect on the oil situation during the Yom Kippur war in October 1973. In fact, our naval vessels were completely cut off from Arab oil and the United States could do nothing about the Arab action.

Incidentally, I understand that there is an interesting article in this week's U.S. News & World Report, which once again raises the specter of war in case of another oil embargo. I hope that that does not come to pass.

Mr. President, the question of Diego Garcia and allowing the Navy to build a naval operating facility on this island some 1,200 miles south of the tip of India is a vital policy question. I urge upon my colleagues to take due notice of this action and to study all of the facts that are available. I urge my colleagues to give serious consideration as to whether this Nation should support a naval base thousands of miles from our shores which will amount to nothing more than "showing the flag" in an area of the world where the nations have requested that we not have our Navy there in force.

For the information of my colleagues, on December 5, 1974, CONGRESSIONAL RECORD, 38449, I delivered a speech setting forth reasons for my opposition to the building of naval operating facilities on the island of Diego Garcia.

I ask unanimous consent that that speech be printed in the RECORD at an appropriate point.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. MANSFIELD. Finally, I point out that the Senate has 60 legislative days to act upon this resolution and the Armed Services Committee should report it back to the floor of the Senate within 20 days with its recommendation. I urge the Armed Services Committee to report this resolution of disapproval favorably in order that the United States will not embark upon another adventure in the southern part of Asia.

Mr. President, I send to the desk the resolution of disapproval and ask that it be read.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read as follows:

S. Res. 160

Resolved, That the Senate does not approve the proposed construction project on the island of Diego Garcia, the need for which was certified to by the President and the certification with respect to which was received by the Senate on May 12, 1975.

EXHIBIT 1

SEC. 613. (a) None of the funds authorized to be appropriated by this Act with respect to any construction project at Diego Garcia may be obligated unless—

(1) the President has (A) advised the Congress in writing that all military and foreign policy implications regarding the need for United States facilities at Diego Garcia have been evaluated by him, and (B) certified to the Congress in writing that the construction of any such project is essential to the national interest of the United States;

(2) 60 days of continuous session of the Congress have expired following the date on which certification with respect to such project is received by the Congress, and

(3) neither House of Congress has adopted, within such 60-day period, a resolution disapproving such project.

(b)(1) For purposes of this section, the continuity of a session of Congress is broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of such 60-day period.

(2) For purposes of this section, "resolution" means a resolution of either House of Congress, the matter after the resolving clause of which is as follows: "That the Senate does not approve the proposed construction project on the island of Diego Garcia, the need for which was certified to by the President and the certification with respect to which was received by the Senate on May 12.", the first and second blanks being filled with the name of the resolving House and the third blank being filled with the appropriate date.

(c) Subsections (d), (e), and (f) of this section are enacted by Congress—

(1) as an exercise of the rule-making power of the Senate and as such they are deemed a part of the rules of the Senate, but applicable only with respect to the procedure to be followed in the Senate in the case of resolutions described by subsection (b)(2) of this section; and they supersede other rules of the Senate only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of the Senate to change such rules at any time, in the same manner and to the same extent as in the case of any other rule of the Senate.

(d) A resolution with respect to a proposed construction project of the island of Diego Garcia shall be referred to the Committee on Armed Services of the Senate.

(e)(1) If the Committee on Armed Services of the Senate to which a resolution with respect to a proposed construction project on the island of Diego Garcia has been referred has not reported such resolution at the end of 20 calendar days after its introduction, not counting any day which is excluded under subsection (b)(1) of this section, it is in order to move either to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of any other resolution introduced with respect to the same proposed construction project which has been referred to the committee, except that no motion to discharge shall be in order after the committee has reported a resolution of disapproval with respect to the same proposed construction project.

(2) A motion to discharge under paragraph (1) of this subsection may be made only by a Senator favoring the resolution, is privileged, and debate thereon shall be limited to not more than 1 hour, to be divided equally between those favoring and those opposing the resolution, the time to be divided in the Senate equally between, and controlled by, the majority leader and the minority leader or their designees. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(f)(1) A motion in the Senate to proceed to the consideration of a resolution shall be privileged. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) Debate in the Senate on a resolution, and all debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours, to be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

(3) Debate in the Senate on any debatable

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motion or appeal in connection with a resolution shall be limited to not more than 1 hour, to be equally divided between, and controlled by, the mover and the manager of the resolution, except that in the event the manager of the resolution is in favor of any such motion or appeal, the time in opposition thereto, shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from time under their control on the passage of a resolution, allot additional time to any Senator during the consideration of any debatable motion or appeal.

(4) A motion in the Senate to further limit debate on a resolution, debatable motion, or appeal is not debatable. No amendment to, or motion to recommit, a resolution is in order in the Senate.

EXHIBIT 2

STATEMENT BY SENATOR MANSFIELD

Mr. President, I feel compelled to speak out on the issue of Diego Garcia, the projected naval operating facility in the Indian Ocean. As we move toward the final days of this second session of the 93rd Congress, Senators are receiving a great deal of pressure from both the Department of Defense and the Department of the Navy to approve $14,802,000 as a down payment on naval facilities that will enable the Navy to operate carrier task forces from the Island of Diego Garcia. In addition, the Air Force is requesting Air Force facilities on Diego Garcia that will enable KC135 tankers to refuel B52's operating out of Thailand over the Indian Ocean. First of all, I would like to briefly give you some background, both historical and legislative, which bear directly upon the Navy's efforts to make the Island of Diego Garcia an operating base.

Diego Garcia is an atoll located within the Chagos Archipelago in the middle of the Indian Ocean approximately 1,000 miles due south of the tip of India. The heavily vegetated island consists of 6,700 acres with average elevations of three to seven feet. It is horseshoe shaped with a 40-mile perimeter. The enclosed lagoon is 5½ miles wide by 13 miles long with average depths of 30 to 100 feet. The annual rainfall is approximately 100 inches. The United States Government became interested in Diego Garcia in the early Sixties, particularly when the British Government announced that it was withdrawing its naval forces from Singapore and indications were made public that Her Majesty's Government intended to greatly reduce its Indian Ocean naval squadron. At about the same time, the Russian navy began operations in the Indian Ocean and making port calls to nations bordering on the Indian Ocean. It must be pointed out that for years the United States Navy has been traversing the Indian Ocean with carriers and other auxiliary combatants when the transfer of aircraft carriers was made to the Pacific fleet.

Beginning in the early Sixties, as aforementioned, with the announcement that the British were greatly reducing their naval activity in the Indian Ocean, the United States has in a more frequent manner stepped up its operations in the Indian Ocean and the Persian Gulf, which is a part of the Indian Ocean. At the present time, naval presence is maintained at Bahrein consisting of a supply ship and two destroyers. The Russians have not matched this naval strength. However, since 1968, the Russians have greatly increased their presence in the Indian Ocean, sometimes having as many as 30 combatant ships, which include a large number of mine sweepers.

The United States sometime in calendar year 1966 began negotiating with the British Government for a lease to establish a communications station and an operational base on Diego Garcia. This base was to be an austere logistic support activity which was mainly a refueling stop for naval units operating in the Indian Ocean. In 1965, the British formed the British Indian Ocean Territory which comprises the Chagos Archipelago which, of course, includes Diego Garcia. The United States Navy stated that the selection of these islands was predicated in unquestioned UK sovereignty in the absence of a population. A bilateral agreement was signed in December 1966 between the British Government and the United States which granted base rights for a period of 50 years to the United States Government to the Indian Ocean territory.

The Navy came to the Congress in the Fiscal Year 1970 Military Construction Program with a submission for the first construction increment of a proposed logistic facility on the Island of Diego Garcia. The logistic facility was approved by the House and Senate Armed Services Committees and the House Appropriations Military Construction Subcommittee. When presented to the Senate, there was strong opposition from within the Senate Appropriations Committee to the United States becoming committed to another naval operations base within the Indian Ocean. Senator Richard Russell, chairman of the Senate Appropriations Committee at that time, was very much opposed to the United States committing the Navy to sustained operations within the Indian Ocean and so stated in Committee meetings on a number of occasions. The Military Construction Subcommittee also strenuously opposed the appropriation of money to construct the operating facility and the Military Construction FY 1970 conference committee debated this matter through a number of meetings lasting over a two-week period. Finally, an oral agreement was reached wherein the Navy was to be instructed to come back in FY 1971 for a new appropriation which would support only a communications station, and all of the logistic support facilities were to be deleted from the FY 1971 program. The rationale at that time for the communications station was that, in time, the United States would have to withdraw from the main continent of Africa the large communications facility that the United States Government had at Asmara, Ethiopia. (Kagnew Station Communications Center, Asmara, Ethiopia, is now being phased out and the Navy will centralize its African communications facilities at Diego Garcia).

In support of the FY 1971 appropriations for the communications facilities on Diego Garcia, the Navy stated the following:

"The requirement to close the gap in reliable communication coverage which exists today in the central Indian Ocean/Bay of Bengal area was a major consideration in developing the initial concept for a support facility on Diego Garcia. Establishment of a communications support capability in this area is an immediate requirement and is a requirement which exists independent of the modest logistics support facility which was rejected by the Congress. The purely passive role and image of a communications facility should not raise the same concern of active commitment which had apparently been associated with the logistics support aspects of the original concept."

As previously mentioned, the Navy was instructed to come back in the 1971 military construction program with a communications package only and to all intents and purposes the logistic support facility was not to be a part of the package. In fact, it was specifically agreed that there would be no items which could in any way support a carrier task force.

In all of the communications and oral conversations that the subcommittee had with the Navy, it was indicated that the Navy would not use Diego Garcia as an operational base. Members of the subcommittee were reassured, when the FY 1971 construction budget for Diego Garcia was approved, that the Navy did not intend to operate fleet surface units from Diego Garcia.

To bring you up to date concerning the FY 1975 Military Construction Authorization Bill, H.R. 16136, which is still in conference, I will explain Section 612 in the Bill. This section precluded the obligation of any funds until the President of the United States has advised the Congress in writing that he had evaluated all military and foreign policy implications regarding the need for these facilities and has certified that this construction essential to the national interest. Such certification must be submitted to the Congress and approved by both Houses of Congress. This will assure the opportunity for full debate on the policy question of Diego Garcia.

I might say, parenthetically, that I consider this most prudent and realistic action for the Congress to take. I wish to further point out that Section 612 of the Authorization Bill was adopted by a record vote of 83–0 in the Senate.

The position of the House Armed Services Committee is that the Administration should be given the authority to build the facilities in Diego Garcia but that prior to the exercise of that authority the President shall notify Congress of his intention and that Congress shall have 60 days to reject the blanket authority it had previously given to him. This procedure has heretofore been used too often by the Executive and acquiesced in by the Congress. The negative power of the Congress—the power to deny a change in the *status quo*—is turned on the Congress itself. The burden of persuasion shifts away from those who desire action to prove the rightness of their cause. The Congress must insist that the justification for policy must be made *prior* to the grant of authority. It is exactly that insistence that was included in the Military Construction Authorization.

It is my contention, as stated earlier, that the Senate position in the Authorization Bill is realistic and prudent and Diego Garcia, as a policy question, should first of all be thoroughly investigated by the Foreign Relations Committee, then the question should be taken to the floor and the two Houses of the Congress should be allowed to work their will.

On November 17, at a meeting in New Delhi of the 30 nations surrounding the Indian Ocean, a policy statement was issued unanimously that America and the Soviet Union should not escalate the arms race in the Indian Ocean and the area should be left in peace; particularly, all 30 nations opposed the United States' building a facility on Diego Garcia. The cost of this naval base for both construction and equipment will amount to approximately $175 million; thus, as you can see, this $14 million plus $3.3 millulon is only a down-payment.

Within the Department of Defense we do have a difference of opinion as to how important the building of this base is to our national interest. The Navy says that it is imperative for the defense of the United States, particulary in keeping the oil routes open in the Indian Ocean. The CIA has stated that the buildup of the Russians, particularly in Somaliland, is certainly not as extensive as outlined by Admirals testifying for this project.

Mr. President, is this Southeast Asia and Vietnam all over again? It appears to me that our Government must have learned something about trying to be policemen for the World during our experience in Vietnam: 45,000 dead and 300,000 wounded men must certainly mean something to us. I respectfully submit that the United States cannot go on attempting to be a policeman for the World. And most certainly in my humble opinion, the construction of this operating

base in the Indian Ocean is only a further effort by the Department of Defense to play the role of policeman in the Indian Ocean and to actively involve our military forces in the politics of an area that now wants to be left at peace. Yet in the face of all the nations in the littoral area requesting that we not build up Diego Garcia as a naval base, there are those individuals in high places that contend we should go ahead in our own national interest with the building of this naval base. I ask the question—what really are our vital interests in the Indian Ocean besides gunboat diplomacy and "showing the flag"? Our presence in the Indian Ocean had no effect on the oil situation during the Yom Kippur War in October 1973, in fact, our naval vessels were completely cut off from Arab oil and the United States could do nothing about the Arab action.

In closing, there are a few points that I would like to make that I think have a direct bearing in my opinion upon whether or not Diego Garcia funding should be approved to build a naval base on Diego Garcia. In allowing this naval base to be built, I think Senators should be aware that they are actually voting for a 3-ocean Navy. It is my contention that this base on Diego Garcia could cost hundreds of millions of dollars. We already have an admission from the Navy of a cost of $173 million. Oh yes, the Navy will contend that the base will only cost $35 million but they are not telling the American people of the cost for salaries of the Seabees that are building the base, nor are they advising the Congress of the complete costs for the communications equipment and other machinery that will go into the making of this base.

I submit that all of the information I have in hand shows that the aircraft carrier is now obsolete with the technical advancement of the new cruise missiles and I might say, by way of explanation, that in the Mediterranean Sea, the Soviets always know exactly where our carriers are,

I state that for just this one time cannot the United States Government wait and really find out what the intentions of the Soviet Union are in regard to the Indian Ocean. All the reports I have indicate that the Soviet Union's naval activity is of a low order.

In summary, I would like to say that it appears to me that our Department of Defense is advocating a 3-ocean Navy to station sailors 10,500 miles from home and putting obsolete carriers in the Indian Ocean, which are vulnerable and practically defenseless against new weaponry.

Are we building a naval base, a new Wake Island, that is completely, in time of crisis, undefendable?

Mr. President, in closing I am reminded of a very important incident that occurred on the floor of the Senate. Some years back when the Defense Appropriation Bill was on the floor and the Senate was considering appropriating money for the Navy for naval landing craft (FDL's) the late great chairman of the Senate Appropriations Committee, Senator Richard Brevard Russell, said and I quote: "If we make it easy for the Navy to go places and to do things, we will find ourselves always going places and doing things." I remind the Senate in approving the building of a naval base on Diego Garcia that we will be making it easy for the United States to go to the Indian Ocean and more than likely that we will do things.

Mr. STENNIS. Mr. President, will the Senator yield to me for a parliamentary inquiry or does he yield the floor?

Mr. MANSFIELD. Yes, indeed. I will yield the floor.

Mr. STENNIS. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STENNIS. As I understand, the resolution will be referred to the Armed Services Committee; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. STENNIS. I want to assure the Senate we will consider this resolution and do it well within the time that was agreed on last fall when this matter was, in effect, taken over, and we will hear testimony on it and get back with a report in time for us to consider that agreement.

I do not care to go into a discussion of the merits of the matter now, but it is a matter where the money was in the bill last year and was approved at a certain level, $14 million, I believe it was, but carried over under special consideration here for this resolution.

I just observed that $13 million now requested in the 1976 budget is the same $13 million that was deducted last year by agreement more or less and made two installments out of it. So, after all, it is just that part of the 1975 budget that was before us until this year.

I thank the President.

Mr. MANSFIELD. I appreciate what the Senator said, I expected nothing less. The Senator has been most cooperative and considerate in this matter in and out of committee.

Mr. STENNIS. I thank the Senator.

CHANGE OF VOTE ON S. 846

Mr. KENNEDY. Mr. President, on S. 846 which we just voted on, I voted in the affirmative. I ask unanimous consent that I be recorded in the negative. I understand it will not change the result.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The rollcall vote on S. 846 reflects the foregoing unanimous consent request.)

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business with statements limited therein to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL TUESDAY AT 11 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 11 a.m. tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF SENATOR GOLDWATER AND FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS ON TUESDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order tomorrow, Mr. GOLDWATER be recognized for not to exceed 15 minutes, after which there be a period for the transaction of routine morning business of not to exceed 15 minutes with statements limited therein to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE CONSIDERATION OF H.R. 5899 ON TUESDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of routine morning business tomorrow the Senate proceed to the consideration of H.R. 5899, the supplemental appropriation bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE CONSIDERATION OF S. 182 ON TUESDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the supplemental appropriations bill tomorrow the Senate proceed to the consideration of S. 182, a bill to authorize the appointment of Alexander P. Butterfield to the retired list of the Regular Air Force.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER DIRECTING THE CHAIR NOT TO ENTERTAIN A UNANIMOUS-CONSENT REQUEST TO CHANGE A VOTE ON S. 846

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it not be in order for the Chair to entertain a unanimous-consent request from any Senator to change his vote on rollcall 190, S. 846.

Under rule XII , any Senator who has voted previously may subsequently, after the vote is announced, ask unanimous consent to change his vote, and if such request is not objected to, he is permitted accordingly to change his vote. There has been one such request granted this afternoon. No objection was made in that instance because the outcome of the vote would not have been affected. If I were to be on the floor and other such requests were to subsequently be made, I would be forced to object because the outcome of the final vote might then be changed. I make this request now so that in the event I might not be on the floor, it will not be in order for the Chair to entertain such a request.

The PRESIDING OFFICER. Is there objection?

Mr. MANSFIELD. Mr. President, will

the Senator yield? This has to do with subsequent requests.

Mr. ROBERT C. BYRD. Yes. Oh, yes, not with the one previously made.

Mr. GRIFFIN. Mr. President, reserving the right to object, and I shall not object because, I think, the request of the distinguished majority whip is most appropriate, but it may seem to be an unfair request in light of the fact that one Senator has already by unanimous consent changed his vote. But, as the distinguished majority whip has pointed out, any further changes would actually change the result, and it may be that objection should have been lodged to the previous request. But that is over and done with, and that cannot be changed, so I do not object.

Mr. MANSFIELD. If the Senator will yield, Mr. President, reserving the right to object, I am certain in my own mind that had the Senator who made the request thought it would have changed the result, he would not have done so without at least giving notice to the leadership and the Senate as a whole. But my feeling is he would not have done it under any circumstances except those which existed at that time, which would not change the final result.

I withdraw my objection.

Mr. ROBERT C. BYRD. May I say, so the record will be perfectly clear, the distinguished Senator from Massachusetts came to me beforehand and indicated that he wanted to change his vote, he having misunderstood the vote at the time the rollcall was in progress. So he did notify the leadership of his desire to change his vote, and in view of the fact that the outcome of the vote was not changed by the changing of the vote by Mr. KENNEDY—and he so stated in making the request—I had no objection. I would have no objection to further such requests as long as they did not change the outcome of the vote. But in view of the fact that the vote now is 41 to 40 I feel it necessary to make this request.

Mr. MANSFIELD. The Senator is correct.

The PRESIDING OFFICER. There being no objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—S. 182

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on S. 182, there be a time limitation of 2 hours to be equally divided between Mr. CANNON and Mr. CULVER, Mr. CULVER in opposition to the measure and Mr. CANNON in support of the measure.

I ask unanimous consent that time on any amendment be limited to 30 minutes, time on any debatable motion or appeal or point of order, if such point of order is submitted to the Senate by the Chair for debate and advisement, be limited to 20 minutes, and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the unanimous consent agreement is as follows:

Ordered, That during the consideration of S. 182 (Order No. 105), a bill to authorize the appointment of Alexander P. Butterfield to the retired list of the Regular Air Force, and for other purposes, debate on any amendment shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill, and that debate on any debatable motion, appeal or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment, motion, or point of order, the time in opposition thereto shall be controlled by the Minority Leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill, debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the Senator from Nevada (Mr. Cannon) and the Senator from Iowa (Mr. Culver): *Provided*, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene tomorrow at 11 a.m. After the two leaders or their designees have been recognized under the standing order, Mr. GOLDWATER will be recognized for not to exceed 15 minutes, after which there will be a period for the transactions of routine morning business of not to exceed 15 minutes, with Senators permitted to speak not in excess of 5 minutes each during that period.

At the conclusion of routine morning business, the Senate will take up the supplemental appropriations bill (H.R. 5899). Votes may occur on amendments thereto and on final passage.

Upon final disposition of the supplemental appropriations bill the Senate will take up S. 182, a bill to authorize the appointment of Alexander P. Butterfield to the retired list of the Regular Air Force, with a time limitation of not to exceed 2 hours of debate on that bill. There will be a rollcall vote on the adoption of the bill. Whether or not there are any amendments, I do not know.

ORDER FOR NO ROLLCALL VOTES PRIOR TO 12:30 P.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, in order that committees may meet tomorrow without interruption for rollcall votes during the morning, that there be no rollcall votes tomorrow prior to the hour of 12:30 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT TO 11 A.M. TOMORROW

Mr. FORD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 11 a.m. tomorrow.

The motion was agreed to; and at 4:44 p.m. the Senate adjourned until tomorrow, Tuesday, May 20, 1975, at 11 a.m.

NOMINATION

Executive nomination received by the Senate May 19, 1975:

DEPARTMENT OF DEFENSE

Norman R. Augustine, of Virginia, to be Under Secretary of the Army, vice Herman R. Staudt, resigned.

HOUSE OF REPRESENTATIVES—*Monday, May 19, 1975*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

The Lord is nigh unto all them that call upon Him, to all that call upon Him in trust.—Psalms 145: 18.

O God and Father of us all, at the beginning of another week we pause in Thy presence seeking guidance for the way, strength for the day, and wisdom for the decisions we make. Illumine our minds, quicken our hearts, and direct our steps that we may add to the sum of human justice and happiness which will make life worth living for our people.

May we see beyond the strife of the present age and above the stress and strain of troubled times a better order of life for all and may we work for it with a zeal that never flags.

We pray for peace in our world, good will among our citizens, and a faith in Thee which will make us strong and give us courage to walk the upward way.

In the spirit of Christ we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced

that the Senate had passed without amendment bills of the House of the following titles:

H.R. 5357. An act to authorize appropriations to the Secretary of Commerce for the promotion of tourist travel; and

H.R. 6394. An act making appropriations for special assistance to refugees from Cambodia and Vietnam for the fiscal year ending June 30, 1975, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4481) entitled "An act making emergency employment appropriations for the fiscal year ending June 30, 1975, and for other purposes," and that the Senate agreed to the amendments of the House to the amendments of the Senate numbered 8, 9, and 37 and receded from its amendment numbered 61 to the foregoing bill.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 326. An act to amend section 2 of the act of June 30, 1954, as amended, providing for the continuance of civil government for the Trust Territory of the Pacific Islands.

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 6755. An act to enable the United States to render assistance to, or in behalf of, certain migrants and refugees.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 1542) entitled "An act to authorize appropriations for the fiscal year 1976 for certain maritime programs of the Department of Commerce, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAGNUSON, Mr. LONG, Mr. HOLLINGS, Mr. BEALL, and Mr. GRIFFIN to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 95. An act to guarantee the constitutional right to vote and to provide uniform procedures for absentee voting in Federal elections in the case of citizens outside the United States.

S. 200. An act to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes.

S. 522. An act to implement the Federal responsibility for the care and education of the Indian people by improving the services and facilities of Federal Indian health programs and encouraging maximum participation of Indians in such programs, and for other purposes;

S. 1462. An act to amend the Federal Railroad Safety Act of 1970 and the Hazardous Materials Transportation Act to authorize additional appropriations, and for other purposes; and

S. 1730. An act to improve the reliability, safety, and energy efficiency of transportation and to reduce unemployment by providing funds for work in repairing, rehabilitating, and improving essential railroad roadbeds and facilities.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

JOHN C. KLUCZYNSKI FEDERAL BUILDING

The Clerk called the bill (H.R. 4241) to designate the John C. Kluczynski Federal Building.

There being no objection, the Clerk read the bill, as follows:

H.R. 4241

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal office building at 230 South Dearborn Street, Chicago, Illinois, shall hereafter be known and designated as the "John C. Kluczynski Federal Building". Any reference in a law, map, regulation, document, record, or other paper of the United States to such building shall be held to be a reference to the John C. Kluczynski Federal Building.

Mr. RONCALIO. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, H.R. 4241 designates the Federal office building at 230 South Dearborn, Chicago, Ill., as the "John C. Kluczynski Federal Building."

I had the honor and privilege of serving with John Kluczynski for 4 years on the Public Works and Transportation Committee. "Klu" as he was familiarly known by all of us, began his public career in the State legislature in 1932 and served seven consecutive terms. In 1948 he was elected to the Illinois Senate but resigned in 1949 to run for Congress. He was elected to the 82d Congress in 1950 and served continuously in the House until his untimely death on January 26 of this year. Klu served 25 years on our committee, the last 10 years of which he spent as the chairman of the Transportation Committee. In his capacity as chairman, he was the driving force behind the construction of the Interstate Highway System—the backbone of our national transportation system.

John Klu was also a member of the House Select Committee on Small Business. He was chairman of the Small Business Problems and Smaller Towns and Urban Areas Subcommittee. He also chaired the House Restaurant Committee. Klu was dean of Chicago's congressional delegation and was loved and respected by all. He was a good Congressman, a good citizen, a good husband, and a good colleague. Klu was one of the hardest working Members of the House. He was forthright and eloquent in his belief in our system of government and the American way of life.

To name the Federal building in Chicago after Klu seems such a small thing to do for a man who gave so much of his life to his country. I urge passage of the bill.

Mr. ROE. Mr. Speaker, I rise in support of H.R. 4241, a bill to name the Federal office building at 230 South Dearborn Street, Chicago, Ill., as the "John C. Kluczynski Federal Building."

It was my pleasure to be closely associated with Klu in the years he was in the Congress and to serve with him on the House Public Works and Transportation Committee. Klu was a man deeply dedicated to the good of his native land, a man whose unfailing good humor never could be disrupted.

Klu served in the House of Representatives for almost 25 years, representing the people of the Fifth District in Chicago in an extraordinarily effective manner. Before coming to the Congress, he had been a distinguished member of the Illinois State Assembly since 1933, leaving that position in 1950 when he arrived in Washington. John's 42 years as a legislator were marked by personal effectiveness and devotion to not only the people of his district, but to the people of the Nation. John was more than a Representative elected in an impersonal way by his constituents: He was one of them. And in all his years in public service, he never forgot it. He held onto his roots with his working class community; he was proud of it, and he served them well.

Klu served for 25 years on the House Public Works Committee, the last 10 years of which he spent as the chairman of the Transportation Committee. He was the prime mover in directing the building of the Federal Highway System in this great country. He loved to build, and he was probably more involved in Federal construction programs over the last 24 years than anyone else in Congress. To name this building in his own town of Chicago, the city he always loved, would be especially significant to him.

Mr. HARSHA. Mr. Speaker, I rise in support of H.R. 4241, a bill to designate that the Federal Office Building at 230 South Dearborn Street, Chicago, Ill., as the "John C. Kluczynski Federal Building."

Klu was a dedicated public servant who served the people of his area for more than 40 years—first in the Illinois State Legislature and for the past 25 years in the House of Representatives until his untimely death on January 26, 1975. The people of the Fifth Congressional District were indeed fortunate to have a man of his character and ability represent them in the Congress, and he served them faithfully and well.

As ranking minority member of the House Committee on Public Works and Transportation I had the opportunity of knowing and working closely with Klu. He served as chairman of the Subcommittee on Transportation and, in this capacity, contributed greatly not only to the people of Illinois whom he represented so effectively but to the entire Nation. He was a strong supporter of the Interstate Highway System and a staunch defender of the highway trust fund. It was my privilege and pleasure to work closely with him on highway legislation and other matters coming within the jurisdiction of the committee, and I always found him to be knowledgeable, cooperative and helpful. Although we were men of differing political philosophies we became good friends, and I felt a high degree of respect and a feeling of deep affection for him.

Klu was a gentle man who had a great zest and enjoyment of life. He was a good-natured person of warmth and compassion who genuinely cared for his

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fellow man. We were privileged to have him in our midst and he is sorely missed.

Mr. JONES of Alabama. Mr. Speaker, I rise in support of H.R. 4241. John Kluczynski's contributions to his native city of Chicago, to his State and to his country were many and great—far too many to recite in this time and place. But one in particular stands out: First as a member and then as chairman of our Subcommittee on Roads—later to become the Subcommittee on Transportation—he was the driving force behind one of the greatest public works in the entire history of man—the construction of the Interstate Highway System which today links the cities and towns of America.

John was not spared to see the completion of that system, but thanks to his untiring efforts it will be completed in the not far distant future and it will stand as a monument to him.

To the Members of this body, young or old, he was always "Mr. Klu" or "Johnny Klu," the smiling gentleman with the big cigar and the cheerful word. He was one of a kind. He was my friend and he will be long remembered.

I think it is most fitting to name the Federal building in Chicago, Ill., in honor of "John Kluczynski" for he gave so much of his life to his country and his contributions to the building of America are exceptional.

Mr. ROSTENKOWSKI. Mr. Speaker, I rise today in support of the bill H.R. 4241, to designate the new Federal building at 230 South Dearborn Street, Chicago, as the "John C. Kluczynski Federal Building."

This Congress had barely been in session a full month when John was taken from our midst. I think that we will feel his loss for quite some time to come.

Johnny "Klu," as most of us called him, was a close and dear friend of mine. For many years, we flew home together to Chicago each weekend. He was always conscious of the need to see his constituents and obtain guidance from them. The title "Representative of the People" describes the prime directive of his political philosophy.

"Klu" had more energy than anyone else I knew. For 10 years he was the chairman of the Transportation Subcommittee of our Public Works and Transportation Committee. In that position, he guided the development of our Interstate Highway System. I think that he would have supervised the actual construction on a day-to-day basis if he could have.

He loved to build. He loved to work. He loved this country, Naming the new Federal building in Chicago in honor of "Klu" is a fitting tribute to a great legislator who spent 24 years giving selflessly to the building of this great country.

I think that these thoughts are shared by everyone in this Chamber. I hope that you will all join me now in paying a final and lasting tribute to our late friend and colleague.

GENERAL LEAVE

Mr. ANNUNZIO. Mr. Speaker, I rise in support of H.R. 4241 which would designate the Federal office building at 230 South Dearborn Street, Chicago, Ill., as the "John C. Kluczynski Federal Building."

It would be a fitting tribute to the memory of Johnny Klu, as he was affectionately known by all of us, to have this new Federal building bear his name.

As chairman of the Subcommittee on Roads of the House of Representative's Public Works Committee, he was a leading supporter of the Interstate Highway System, and during the quarter century that he served in the House of Representatives, he made a monumental contribution toward the building of America's highways.

And once the Interstate Highway System neared conclusion, Johnny Klu was one of those in the Congress who made it possible to tap the highway trust fund in order to make Federal aid available to hard-pressed urban mass transit systems.

But most important of all, naming this building for John Kluczynski would be especially appropriate, for as senior member of the Public Works Committee from Illinois, he worked long and hard to establish the Federal complex in Chicago's Loop. It was due to his efforts that the gigantic four-square block area, containing two modern, up-to-date Federal buildings, was delegated for use as a Federal complex.

One of these Federal buildings, which is now in use, was named the Everett McKinley Dirksen Federal Building in honor of the memory of Illinois' former senior Senator. The other building, which is nearing completion, would be named the John C. Kluczynski Federal Building under the provisions of H.R. 4241 which I was honored to cosponsor.

Because of all the hard work that Congressman Kluczynski put into establishing the Federal complex in Chicago's Loop—in fact, the complex has achieved reality largely through his untiring efforts over the years—it is fitting to give this recognition to Johnny Klu by naming one of the buildings in the Federal complex in his honor.

I urge, therefore, that my colleagues support H.R. 4241 which will extend this much-deserved recognition to the legislative accomplishments and dedicated service of a truly great American—John C. Kluczynski.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. That concludes the call of the only eligible bill on the Consent Calendar.

GENERAL LEAVE

Mr. RONCALIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

PERMISSION TO FILE CONFERENCE REPORT ON S. 249, SECURITIES ACT AMENDMENTS OF 1974

Mr. VAN DEERLIN. Mr. Speaker, I ask unanimous consent that the conference report on the bill (S. 249), the Securities Act Amendments of 1975, may be filed by midnight tonight.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

STRIP MINE BILL VETO

(Mr. RONCALIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RONCALIO. Mr. Speaker, I have been advised that President Ford this morning has said he will veto for the second time the efforts of this institution to write a strip mine bill for the new technique of removing coal from the surface of the Nation's lands.

Mr. Speaker, I think this is an American tragedy. I do not know what to liken it to in the Congress during the past 30 years that I have been familiar with the scene here.

For now I beseech every Member of the House to consider this override as probably the most important override of a Presidential veto in this 94th Congress.

Wyoming cannot continue without a strip mining bill governing its Federal lands. There is no way we can go into the future without a strip mining bill.

Last fall the President asked for eight changes in last fall's bill and he would have consented to sign it. Four of those eight changes were made.

I think it is a time for conciliation and compromise, and I plead with my colleagues to override the veto when we have an opportunity to do so.

STRIP MINE BILL VETO

(Mr. DENT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DENT. Mr. Speaker, I, too, am a little disturbed over this veto this morning. The Eastern States are being inundated with coal from the West. We have very high-cost production, and one of the cost items is our very high cost legislation that we have on the books controlling strip mining. If this continues, we are going to find the situation where users of coal in the East will be tied up in long-term contracts and they will have another problem we never dreamed of before, and that will be the problem that in the midst of great need for coal in this country, we are going to have a very serious number of unemployed coal miners.

Mr. Speaker, I want to just say I heard late last evening the U.S. Government has capitulated to the demands of the oil-producing States and is going to set in motion what I have thought was the right thing in the first place, and that is reciprocal trade agreements; and from now on, they are going to pay the Arabs on the basis the Arabs pay us for manufactured goods.

PERMISSION FOR COMMITTEE ON RULES TO FILE PRIVILEGED REPORT

Mr. MADDEN. Mr. Speaker, I ask unanimous consent that the Committee

on Rules have until midnight tonight to file a privileged report.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated and after those motions to be determined by "nonrecord" votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

CALL OF THE HOUSE

Mr. WYLIE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 217]

Ambro
Anderson, Ill.
Andrews, N.C.
Annunzio
Archer
Armstrong
Ashley
Badillo
Barrett
Baucus
Beard, R.I.
Bingham
Blanchard
Boggs
Boland
Bolling
Brademas
Brodhead
Brooks
Brown, Calif.
Burke, Calif.
Burton, John
Chappell
Chisholm
Clausen,
  Don H.
Cohen
Conable
Conte
Conyers
Cornell
Coughlin
Crane
Daniel, Dan
Daniels, N.J.
Dellums
Derrick
Diggs
Dodd
Duncan, Oreg.
Eilberg
Esch
Eshleman
Fish
Florio
Foley
Ford, Tenn.
Fulton
Gilman
Hannaford
Harkin
Hastings
Hébert
Holtzman
Horton
Jarman
Johnson, Pa.
Jordan
Litton
Long, La.
Lujan
McCollister
McHugh
Macdonald
Mills
Mink
Mitchell, N.Y.
Moffett
Mollohan
Moorhead, Pa.
Morgan
Nix
Patman, Tex.
Pike
Rhodes
Risenhoover
Rodino
Ryan
Scheuer
Sebelius
Shuster
Solarz
Spellman
Staggers
Steiger, Ariz.
Stephens
Stokes
Teague
Udall
Vander Jagt
Waxman
Wiggins
Wilson, C. H.
Wydler
Yatron
Young, Alaska
Zablocki

The SPEAKER. On this rollcall 337 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

REQUEST FOR PERMISSION FOR MEMBERS TO HAVE UNTIL MIDNIGHT TONIGHT TO FILE AMENDMENTS ON H.R. 6860, ENERGY BILL

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that any Members who have proposed amendments to the energy bill, H.R. 6860, may have until midnight tonight to file those amendments in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

Mr. BROWN of Ohio. Mr. Speaker, reserving the right to object, is the bill available for us to put our amendments to?

Mr. ULLMAN. The bill and the report are both available to Members.

Mr. BROWN of Ohio. Where are they available?

Mr. ULLMAN. They are certainly available in the documents room. I think all the Members have to do is to call the documents room and get the bill.

Mr. BROWN of Ohio. Has a rule been granted.

Mr. ULLMAN. No, but we go before the Rules Committee tomorrow morning.

Mr. BROWN of Ohio. What is the gentleman requesting in the way of a rule so we may have some idea how to tailor our amendments so they may fall within the rule?

Mr. ULLMAN. We announced last week in the Record we would request a rule that would make in order any amendments that were printed in the Record as of today and this request would extend that until midnight.

Mr. BROWN of Ohio. Does that rule waive points of order or questions of germaneness? It seems to me very difficult for Members of this body to draft an amendment for printing in the Record today for a bill that only became available in printed form this morning and for which a rule will not be granted until tomorrow. Is that not the situation? The Rules Committee has not even considered the bill, has it?

Mr. ULLMAN. If the gentleman will yield, we think that this is extremely preferable to a closed rule, but this is a rule that does open the bill up, in contrast to the closed rule, and it is far ranging, and we think there is staff available today for Members to get amendments printed in the Record, and we are asking for Members to have that privilege until midnight.

Mr. BROWN of Ohio. My concern is that it is very difficult for me to prepare amendments in advance of the rule. I expect to have amendments as a member of the Energy and Power Subcommittee of the Committee on Interstate and Foreign Commerce, which as the gentleman knows has been considering this legislation concurrently with the committee chaired by the distinguished gentleman from Oregon, the Committee on Ways and Means.

It makes it very difficult for us to draft amendments that we might think are appropriate to certain aspects of that bill, which under other circumstances might fall within the jurisdiction of our committee, when we have only just had the bill available today and when we do not know what rule the Committee on Rules may make available tomorrow or if, in fact, we will even be considering this bill at all on that day or the next day.

Mr. ULLMAN. Well, if the gentleman will yield, we have worked very closely with the subcommittee of the gentleman, as the gentleman knows, and our staffs have worked very well together. The staff of the gentleman has had the bill for almost a week now. They have known exactly what the final decisions were.

It is our hope to continue to coordinate with the gentleman's committee. We think we have stayed completely within our jurisdiction, but I hope if the gentleman—within that jurisdiction—has any alternative proposals, I know the staff of the gentleman is thoroughly aware of what we are doing and if the gentleman has amendments to offer, they can be made available for printing in the Record by midnight tonight.

Mr. BROWN of Ohio. I will say to the gentleman, I will have amendments to offer and I will appear before the Committee on Rules and make my feelings about this process known, because my personal feeling is that this body would be better advised to have the opportunity to see the two pieces of legislation, that which comes from the Committee on Ways and Means and that which comes from the Commerce Subcommittee on Energy and Power, rationalized together before this body faces the prospect of having to vote now on the bill from the Committee on Ways and Means and a few weeks from now on the bill from the Energy and Power Subcommittee and further embarrassing ourselves as a legislative body by the possibility of voting for mutually exclusive provisions in those two bills or, in effect, adopting provisions that might be mutually exclusive.

It is my personal feeling we would be much better off if the Committee on Rules would call for the Subcommittee on Energy and Power and the full Committee on Ways and Means to rationalize the differences in their bills; however, I shall not object, with the understanding we will have the opportunity to discuss this fully in the Committee on Rules because of my great respect for the wisdom and judgment of the Committee on Rules. I hope that rules will make some provisions for rationalizing the two pieces of legislation.

I do think this is a very unusual procedure, however, requiring Members who may not be as sophisticated on this subject as the chairman of the committee and some of the members of the other committees who have been dealing with this legislation, to get their amendments in now when the bill has only been available for a few hours, and do so before any rule is granted. That is an unusual position; however, I shall not object.

Mr. MICHEL. Mr. Speaker, further reserving the right to object, when does the gentleman expect that a rule would be granted? When will a hearing on the rule take place?

Mr. ULLMAN. If the gentleman will yield, we expect to go before the Committee on Rules tomorrow morning, Tuesday morning, and hope to have the rule granted tomorrow morning.

Mr. MICHEL. The second question is in view of the Memorial Day recess coming up at the close of business Thursday, the gentleman does not expect this measure to be debated on the floor any more this week, does he?

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Mr. **ULLMAN.** If the gentleman would yield, we certainly do. One of the reasons is that the President has virtually laid down a mandate that unless we act on some of the energy legislation, he will go forward with the import fees. We have requested the President to delay, through his people, and they have not agreed to that.

It just seems to me there is no alternative but to go forward with the energy bill. We can easily dispose of the debate. We are asking for 4 hours of debate and hopefully begin reading the bill for amendments on Wednesday.

Then, we will come in on Thursday and dispose of the bill by Thursday. I think there is no problem with that at all.

Mr. **MICHEL.** Mr. Speaker, I just wanted to make the observation that if the Rules Committee were meeting in the morning and a rule was granted by noon, the gentleman's request which he is just attempting to make now would probably be more profitably put tomorrow.

Mr. **ULLMAN.** If the gentleman will yield further, under the requested rule—because this is such a technical and complicated matter—under the rule our staff needs time to study all of the alternative proposals so that we can, in fact, bring some intelligent judgment to bear when we face up to the different amendments. There is no question that amendments will be adopted, but if we try to write an energy bill on the floor without any time frame to examine as to whether amendments are in fact responsible or not, and what their impact might be, then of course I think we would have to go back and request a closed rule.

We think this is a much more preferable procedure to a closed rule, and we think the Members should have an opportunity to make amendments, but they have to do it in a format of responsibility. That is what we are trying to achieve with this request. Therefore, we are requesting—as of tomorrow we are requesting a rule that those amendments that are printed in the Record today be made in order as amendments on the bill, if they are germane. All I am requesting here is that we have until midnight tonight in order for Members to file proposed amendments to the bill.

Mr. **MICHEL.** Did I understand the gentleman to say that all amendments printed in the Record, if the request is granted today, would be in order; that there would be an absolute assurance of Members that there will be waiving of points of order?

Mr. **ULLMAN.** They obviously would have to be germane to the titles of the bill. If they are germane to the titles of the bill, then we are requesting that all amendments printed in the Record today be in order for consideration when we read the bill tomorrow.

Mr. **BROWN** of Ohio. Mr. Speaker, will the gentleman yield?

Mr. **MICHEL.** Mr. Speaker, under the reservation of objection I still have, I yield to the gentleman from Ohio.

Mr. **BROWN** of Ohio. Mr. Speaker, I wonder if the chairman of the Committee on Ways and Means would explain to us the rule he is requesting of the Rules Committee so that those of us who are preparing amendments might have some guidance? Of course, we do not know what the Rules Committee might provide in its rule. I would want to associate myself with the request of the gentleman from Illinois that we might perhaps have until tomorrow night to prepare our amendments and place them in the Record, because it seems to me that the Members of the House ought to have the same kind of consideration that the distinguished chairman of the Ways and Means Committee would wish for the Ways and Means Committee staff and its members to have.

There is some advantage in the Ways and Means Committee because those members have been considering this now for several months, and the same advantage exists for those of us who have been considering it in other committees.

Would the distinguished chairman of the Ways and Means Committee advise as to the kind of rule he is requesting from the Rules Committee?

Mr. **ULLMAN.** Mr. Speaker, if the gentleman will yield, very briefly we are asking for a modified open rule. We are suggesting to the Rules Committee that motions to strike any section would be in order, first. Second, that any amendments to the bill that are germane to the title of the bill to which the amendment is offered would be in order, provided that they are printed in the Record as of today. That is basically the substance of the rule.

The reason for that is, as I indicated before, we simply must have time for our staff to analyze the effects of any amendments, and so that we can come to the floor responsibly and tell the Members of the House what the impact of those amendments might be. If we do not get that done today, we simply are not going to have time to be responsible. We think the only alternative would be to ask for a closed rule, and we do not think that is proper.

Mr. **MICHEL.** Mr. Speaker, I withdraw my reservation of objection.

The **SPEAKER.** Is there objection to the request of the gentleman from Oregon?

Mr. **ROUSSELOT.** Mr. Speaker, reserving the right to object, that means, then, that those Members that are only able to see the bill in its final form today—I am not talking about Members of the Ways and Means Committee—might feel compelled to offer some kind of amendment but were not able to get it in by midnight tonight, would then be excluded from offering an amendment?

The gentleman cannot extend the deadline to tomorrow night?

Mr. **ULLMAN.** Mr. Speaker, will the gentleman yield?

Mr. **ROUSSELOT.** I will be glad to yield to the gentleman.

Mr. **ULLMAN.** We printed the full text of the bill in the Record last week. We publicly announced earlier last week the rule in detail, the rule that we would ask for, and published it in the Record. So the bill has been available and the intentions of the committee have been fully available to Members of the House for almost a week now.

Because of necessary delays in allowing the minority time to file their views, we were not able to get the report available until late last week. It is available today, as is the final bill, which has been available before the final committee amendments.

This is an effort on the part of the Committee on Ways and Means to open up their bills in a responsible way to amendments from the floor, and I think the gentleman would agree that this is a long step forward toward giving the Members an opportunity under a responsible format to amendment legislation that opens up the bill. I hope the gentleman will go along with this procedure, because it seems to me that this does give the Members a share on the floor of the burden of writing legislation, and it does give them the opportunity to make amendments to that bill.

Mr. **ROUSSELOT.** Mr. Speaker, further reserving the right to object, if I am to understand the gentleman's logic, I cannot understand why it would not be possible to extend the deadline until tomorrow night May 20. An individual from the whole House will have more time to prepare adequate amendments to this important legislation.

Mr. **ULLMAN.** Mr. Speaker, will the gentleman yield further?

Mr. **ROUSSELOT.** I will be glad to yield to the gentleman, the distinguished chairman.

Mr. **ULLMAN.** May I say to the gentleman, that issue will be decided in the Committee on Rules tomorrow. That issue is not involved in the unanimous consent today. All we are saying here is that we are asking unanimous consent that all Members have until midnight to file amendments to this bill. As of tomorrow, when we go to the Committee on Rules, they will make the decision as to whether it shall be today or tomorrow, or what kind of rule that they will bring.

Mr. **ROUSSELOT.** Further reserving the right to object, Mr. Speaker, the gentleman, by his own statement—and I appreciate the effort to try to include the entire membership to be eligible with amendments—is establishing by the unanimous-consent request, a situation where Members will be cut off from any consideration of amendments that have not been filed prior to midnight tonight. That does not appear to me to be a fair situation.

Mr. **ULLMAN.** If the gentleman will yield, no, that is not really the case. We here are in no way preempting the rule. All we are asking is that the Members have until midnight tonight to file amendments.

Mr. **ROUSSELOT.** But the gentleman himself has said that he expects to ask the Committee on Rules to cut off the consideration of any amendments that have not been filed by midnight tonight. Is that not correct?

Mr. **ULLMAN.** If the gentleman will yield, that is correct, except that the Committee on Rules can do what it wants. We are not in any way preempting the rule. All we are doing is suggesting that all Members have until midnight to file amendments, and then we will go to the Committee on Rules tomorrow.

Mr. **ROUSSELOT.** Of course, the gentleman is going to have to present his case to the Committee on Rules. But the fact that the gentleman himself, the chairman of the committee, is going to ask for this kind of constraint still leads me to believe that he might be able to preempt the consideration of any other amendments after tonight. Many Members have really not had a full chance to totally study this legislation until last Friday at the earliest. I realize the members of the Ways and Means Committee have had the opportunity to study the bill, but I think others should at least have until tomorrow night.

But supposing the bill was not completed until after the recess. Then all amendments would still be precluded as of midnight tonight.

I do not understand why the gentleman is not willing to include in his unanimous consent that all amendments properly filed would be considered as of midnight tomorrow. That does not seem to me to be an unreasonable request.

Mr. **ULLMAN.** Mr. Speaker, will the gentleman yield?

Mr. **ROUSSELOT.** I will be glad to yield.

Mr. **ULLMAN.** I have been instructed by the committee to ask for a certain kind of a rule. That is not involved in this request. If this request is not granted, then I will go to the Committee on Rules tomorrow and ask for the rule—as I am instructed to do by the committee—that would provide that any amendments entered in the record as of today—which will be before midnight—would be in order.

Here we are merely extending until midnight tonight the opportunity for the Members to file amendments. It has absolutely nothing to do with the rule request. It has absolutely nothing to do with the rule being granted. What it is is asking that we have until midnight tonight so that Members may make amendments and get them printed in today's Record. That is all we are asking. It has nothing whatsoever to do with the rule.

Mr. **ROUSSELOT.** Mr. Speaker, further reserving the right to object, I still do not understand why establishing the cutoff as of tomorrow midnight would not give more adequate consideration to all the Membership who have not, in many cases, had a chance to totally familiarize themselves with this important legislation and potential amendments that they may want to offer.

My concern is that clearly included in the gentleman's request is the very flat statement that amendments must be filed by midnight tonight, and that he will ask for that kind of rule from the Committee on Rules, to cut off the consideration of all amendments that have not, in fact, been filed by midnight tonight. Although I do not personally have an amendment at this time, it just does not seem to me to be fair procedure, to cut off from consideration Members who may have amendments and not make the cutoff date at midnight tonight.

Mr. **ULLMAN.** If the gentleman will yield, I know he is trying to be fair.

Mr. **ROUSSELOT.** I am trying to be. I certainly yield.

Mr. **ULLMAN.** I am trying to make the gentleman understand that this request has absolutely nothing to do with the rule that we are going to request tomorrow. All this request is limited to is that we hold the record open until midnight tonight for Members to file amendments.

Mr. **ROUSSELOT.** On that point, why not allow the deadline to be midnight tomorrow night?

Mr. **ULLMAN.** We cannot; there is no way. I am going before the committee to ask for a different kind of rule. This request has nothing to do with that rule whatsoever. If the gentleman wants a different rule, I hope he will appear before the Committee on Rules and make his request, because that is where it will be done. This request has absolutely nothing to do with it. All this request does is to give the Members an opportunity. It holds the record of today open until midnight for the filing of amendments. That is all it does. It in no way preempts the rule.

Mr. **ASHBROOK.** Mr. Speaker, further reserving the right to object, I would like to ask two questions.

Mr. **STEIGER** of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. **ASHBROOK.** I yield to the gentleman from Wisconsin.

Mr. **STEIGER** of Wisconsin. Mr. Speaker, I appreciate the gentleman's yielding.

Mr. Speaker, the request of the gentleman from Oregon (Mr. Ullman) is eminently sensible. If we do not grant the unanimous-consent request that the chairman of the Committee on Ways and Means has asked for, what happens is that then the Record is not held open, and the minute the House adjourns tonight prior to midnight nothing can be filed after that point.

The gentleman from Oregon has explained the situation. The Committee on Ways and Means voted, over my objection to some extent, because I wanted a slightly different rule, but I support the committee on this, for it is essentially an open rule so long as amendments are printed in the Record so that everybody, Members and non-members, staff and nonstaff, those who have an interest in the bill of all kinds and characters, including the interest groups and the administration, can analyze what the effect of particular amendments is on the provisions of the committee-reported bill. Therefore, Mr. Speaker, I hope the request will be granted.

I think the chairman has more than adequately explained several times why it is important that it be granted, and if the Committee on Rules decides that they want to say that amendments shall be in order on Tuesday, that is a judgment they will have to make. My own feeling is that that is not enough for us to handle it. That is a decision that the Committee on Rules makes.

All this request is is that the Members of the House, everybody, has until midnight tonight to file an amendment so that it can be printed in the Record tonight. Then, if the rule requested by the chairman of the committee is granted, nobody has been cut off from what I think is a very reasonable request.

Mr. **ASHBROOK.** Mr. Speaker, under my reservation of objection, I would say to the gentleman from Wisconsin and to the chairman, our distinguished friend and colleague, that his request is not completely clear. Let me ask maybe two questions to straighten it out in my own mind. First, the chairman is not intending to bring this bill before us tomorrow, is that correct?

Mr. **ULLMAN.** If the gentleman will yield, absolutely not. We go to the Committee on Rules tomorrow and ask for the rule. This request today has nothing to do with that at all. This says that if the Committee on Rules does grant our request that the printing of amendments in the Record today be allowed as amendments on the bill, then, at least, the Members have until midnight to file them.

All we are trying to do is give the Members some additional time in case that kind of a rule is granted, but it has nothing to do with the kind of a rule we are requesting.

Mr. **ASHBROOK.** Mr. Speaker, I appreciate the answer of the gentleman from Oregon, but one thing is still not clear. We are talking in terms of extending the right of a Member to offer an amendment today, but, as part of that, are we also talking about excluding the right of a Member, which he normally would have tomorrow, to offer an amendment and have it printed in the Record, and have time to speak on that amendment if the bill is before the House on Wednesday? Are we talking about excluding time on Tuesday to offer amendments and extending time on Monday, or both?

Mr. **ULLMAN.** That issue is going to be decided by the Committee on Rules tomorrow. I do not know what kind of a rule the Committee on Rules will grant. But I am instructed by the Committee on Ways and Means, and was, early last week, and this announcement was made early last week on the rule as well as the bill being printed in the Record, but I was instructed to ask for the rule, which I described, a sort of an open rule, but with the proviso that the amendments must be printed in the Record on Monday.

Mr. **ASHBROOK.** We are talking about excluding the printing of amendments on Tuesday and offering them Wednesday?

Mr. **ULLMAN.** I am talking about what the Committee on Ways and Means asked me, which is sort of an open rule, which is far better than a closed rule, I think the gentleman from Ohio will agree with that. We are attempting to open up the code, but we want to do that in a responsible way, so that we can have a chance to look at the amendments, so that we can be properly informed as to what the real impact will be.

When one opens up the tax code it is

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a pretty serious business, and we think we need to act responsibly. But that issue is not before us in this unanimous-consent request, the issue as to the kind of a rule, as to whether it will provide for tomorrow or Wednesday, or whether it has to be printed in the Record, that will be decided upon by the Committee on Rules tomorrow. The action today will in no way change that request for a rule. and will in no way change the action of the Committee on Rules in granting a rule. It merely is to allow the Members until midnight tonight to put in an amendment in case the Committee on Rules does give us a rule.

Mr. ASHBROOK. In my mind the request the gentleman is making would not exclude any right of a Member under the rule to offer an amendment tomorrow which would then be in the Record on Wednesday, but the Committee on Rules in its wisdom might make a rule excluding that, which the gentleman's request at this time does not attempt to do that, it is merely extending the time until midnight.

Mr. ULLMAN. That is totally apart from this, and that decision will be made by the Committee on Rules tomorrow.

Mr. ASHBROOK. Let me say to the gentleman from Oregon that, being the chairman of the Committee on Ways and Means, what the gentleman alludes to as being a generous effort on the part of the Committee on Ways and Means to open up what has normally been a closed rule falls on reasonably deaf ears, at least on the part of this Member. I guess I have been one of those garden variety Members who has been against gag rules and closed rules over the years, and I really think that should have been part of congressional reform, and we should not have them and, as I say, I have been one who over the years has objected to all closed rules. But I would state that I will not object to the gentleman's request because this has normally been a closed rule.

Mr. ULLMAN. I thank the gentleman.

Mr. ASHBROOK. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Oregon

Mr. GONZALEZ. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

PERMISSION FOR COMMITTEE ON HOUSE ADMINISTRATION TO FILE A PRIVILEGED REPORT

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent that the Committee on House Administration may have until midnight tonight to file a privileged report.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

WE MUST HAVE AN ACCOUNTING OF OUR MISSING IN ACTION IN SOUTHEAST ASIA

(Mr. EDWARDS of Alabama asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EDWARDS of Alabama. Mr. Speaker, it is distressing to me that some free nations of the world are wasting little time in giving recognition to the new Communist countries of Cambodia and South Vietnam.

I would call on President Ford and all other leaders of free world nations to give no thought to recognizing these governments until the American soldiers declared missing in action have been accounted for.

The families of almost 1,000 American servicemen still do not know the fate of their loved ones who were lost in these Southeast Asia countries during hostilities there in recent years.

And certainly, if any of these men are being held captive, their release should be immediate.

If these new governments expect to gain the respect of other nations, they must first start acting in a responsible way. No useful purpose can be served by a continued lack of cooperation in determining the fate of these men. Mr. Speaker, I demand an accounting of our missing in action. Until then, just do not talk to me about recognizing South Vietnam or Cambodia.

APPALACHIAN REGIONAL DEVELOPMENT ACT AMENDMENTS OF 1975

Mr. JONES of Alabama. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4073) to extend the Appalachian Regional Development Act of 1965 for an additional 2-fiscal-year period, as amended.

The Clerk read as follows:

H.R. 4073

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Appalachian Regional Development Act Amendments of 1975".

Sec. 2. Section 105(b) of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 105) is amended by adding at the end thereof the following new sentence: "To carry out this section there is hereby authorized to be appropriated to the Commission, to be available until expended, not to exceed $4,000,000 for the period beginning July 1, 1975, and ending September 30, 1977 (of such amount not to exceed $750,000 shall be available for expenses of the Federal cochairman, his alternate and his staff), and not to exceed $4,000,000 for the two-fiscal-year period ending September 30, 1979 (of such amount not to exceed $750,000 shall be available for expenses of the Federal cochairman, his alternate and his staff).".

Sec. 3. Paragraph (7) of section 106 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 106) is amended by striking out "June 30, 1975" and inserting in lieu thereof "September 30, 1979".

Sec. 4. Section 201(g) of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 201(g)) is amended by striking out "$185,000,000 for the fiscal year ending June 30, 1977; and $180,000,000 for the fiscal year ending June 30, 1978." and inserting in lieu thereof the following: "$300,000,000 for the period beginning July 1, 1976, and ending September 30, 1977; $300,000,000 for the fiscal year 1978; $300,000,000 for the fiscal year 1979; and $300,000,000 for the fiscal year 1980.".

Sec. 5. Section 401 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 401) is amended by adding at the end thereof the following new sentence: "In addition to the appropriations authorized in section 105 for administrative expenses, and in section 201(g) for the Appalachian development highway system and local access roads, there is authorized to be appropriated to the President, to be available until expended, to carry out this Act, $340,000,000 for the period beginning July 1, 1975, and ending September 30, 1977, and $300,000,000 for the two-fiscal-year period ending September 30, 1979."

Sec. 6. Section 405 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 405) is amended by striking out "July 1, 1975" and inserting in lieu thereof "October 1, 1979".

The SPEAKER. Is a second demanded?

Mr. HARSHA. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Alabama (Mr. Jones) will be recognized for 20 minutes, and the gentleman from Ohio (Mr. Harsha) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Alabama (Mr. Jones).

Mr. JONES of Alabama. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 4073 is an extension of the existing Appalachian regional development programs. The bill extends the authorizations for the Appalachian highway program for 2 additional years through fiscal year 1980 and extends the Commission and the nonhighway programs for 4 additional years through fiscal year 1979.

Both the subcommittee and the full committee reported this bill unanimously by voice vote.

The Appalachian development highway program is presently authorized through June 30, 1978. Authorizations for the highway program are increased from $185 million for fiscal year 1977 and $180 million for fiscal year 1978; to $300 million for the period beginning July 1, 1976, and ending September 30, 1977; $300 million for the fiscal year 1978; $300 million for the fiscal year 1979; and $300 million for the fiscal year 1980.

Authorizations for the highway program are increased to compensate for the increased costs of highway construction.

Authorizations for the nonhighway programs expire June 30 this year. Current authorizations for the nonhighway programs for the 2-year period expiring this year, is $294 million. This bill continues at substantially the same level of current funding by authorizing $340 million for the period beginning July 1, 1975, and ending September 30, 1977, and $300 million for the 2-fiscal-year period ending September 30, 1979. The overall cost for this legislation, which will continue the programs through 1979 and 1980, is $1,483 million.

The Appalachian regional development program has now been underway since 1965. The act is designed to assist this 13-State region to resolve its long-standing economic problems. The economy of the region is steadily improving through the assistance of this program and many other economic factors, and it is necessary to continue this assistance until the original objectives have been achieved.

The bill authorizes the extension of the Appalachian highway program for 2 additional years through fiscal year 1980 and extends the Commission and the nonhighway programs for 4 additional years through fiscal year 1979.

Mr. Speaker, this program was devised by the Congress 10 years ago to deal with the severe economic problems of Appalachia. During the period the program has been in operation, tremendous strides have been made through the cooperative efforts of the Federal Government and 13 Appalachian States.

Highways, schools, hospitals and clinics have been built in response to crucial needs. Programs in education, health care and child development are providing many necessary services that were nonexistent in the early 1960's. Environmental protection and efforts to encourage improved use of the region's natural resources also are part of the Appalachian program.

This success can be attributed to a great extent to the way the program was established. The act provided for a partnership between the Federal and State governments. This partnership made it possible to return the responsibility and decisionmaking authority to the State and local people. Through the Commission, a Federal-State-local strategy for economic growth is established.

The initiative is on the local people to pinpoint the needs of the locality. They have the advantage of knowing how many dollars will be available to implement plans developed within the framework of the programs authorized by the legislation. The hard decisions of priorities in the use of these funds are made by the States and not the Federal Government. Federal interests are met, however, through the vote of the Federal cochairman and the participation of the Federal agencies.

The act provides Federal funds, supplemented by State and local funds, for the creation of a network of development highways; for construction and operation of regional health centers and vocational schools; for sewage treatment facilities; for land treatment and erosion control; for timber development, and mining area restoration; for a water resource survey; for supplementing existing Federal grant-in-aid programs and financing local development districts; and for research and demonstration projects. This Appalachian program has been modified by amendments to the act in 1967, 1969, and 1971.

As H.R. 4073 indicates, the highway portion of the Appalachian program is a large part of the total effort to create conditions favorable to economic growth and diversification. This bill will extend the highway program for 2 years and provide increased authorizations so that progress can continue toward completion of the Appalachian development highway system which the Congress authorized in the act.

The highway program is the cornerstone of the region's economic development. At this time, 1,345 miles, or approximately half of the 2,700 miles of development authorized for assistance under the act, are either complete or under construction and 1,038 miles are now actually open for traffic. Another 301 miles are in right-of-way acquisition stages, 429 miles are under engineering design, and location studies are either completed or underway on the remainder.

While the primary purpose of the Appalachian development highway program is long-range development of the region, it is important to remember the immediate effects of construction. A large number of new plans have been located in Appalachia since 1965. A Commission study made in 1970 showed that more than three-fifths of all new industrial locations were within 20 minutes of a new highway, and almost one-half were within 10 minutes traveltime. This same study identified 1,149 new plants since 1965, representing over 200,000 new jobs up to that time. The access roads, funded with Commission assistance, have helped to make sites available for development and jobs and services more accessible to residents of the region. They have provided access to industrial sites, hospitals, schools, recreation facilities, and other public facilities.

The nonhighway programs have also been most significant in assisting the region achieve its economic potential. Over the years, the Commission has invested the major portion of its nonhighway funds in health and child development, education programs, with the balance concentrated on community facilities and environmental projects.

I can speak in very personal terms about the demonstration health projects authorized by section 202 of the act and what it means to my own State of Alabama.

The first health planning agency in the State of Alabama was initiated with Appalachian funding with the establishment of a three-county rural comprehensive health planning agency serving a population base of 165,000 and comprised of Morgan, Lawrence, and Limestone Counties. The demonstration area now consists of 13 counties.

Health manpower such as dietitians, physical therapists, X-ray technicians, registered nurses and dentists has increased significantly since this program was enacted.

Funds under this legislation enabled the junior college within the region to increase the numbers of qualified health manpower essential for the delivery of vital health services. To house these Appalachian-funded health manpower programs, a new allied health building was constructed.

Scholarships to students attending health occupational programs funded under the act enabled 25 students per year for a 5-year period to attend various health occupational programs.

In 1970, the first region-wide emergency medical service program was developed which included modernization and updating of emergency rooms and emergency vehicles for the entire rural area as well as updating of lifesaving skills of the personnel.

The first regional health department for the State of Alabama was initiated in Alabama's health demonstration area. It has served as a model for the rest of the State and has led to the regionalization of other health departments within the State.

Hospital facilities within the region were able to develop and support cardiac intensive care units, physical therapy departments, and expanded rehabilitation services. The Appalachian funds also provided for renovation and modernization as well as addition of hospital beds. All of the hospitals in the area are now accredited.

The vocational education program authorized by the act has contributed significantly to improving the quality and accessibility of vocational training in the region.

In 1965–66, only 20 percent of the region's 11th and 12th graders were enrolled in job-relevant vocational education courses. There was an almost complete lack of such education in the rural areas of Appalachia.

Commission funds have been approved for the construction or expansion of over 500 facilities offering job-relevant vocational education. Currently, the proportion of Appalachia's high school juniors and seniors enrolled in these courses has just about doubled—to 39 percent. Recent estimates indicate that this figure will increase to 56 percent by 1980. Approximately 125,000 secondary students are currently enrolled in these courses.

An analysis of nearly 26,000 secondary students who graduated from such facilities during the 1972–73 school year revealed that 90 percent of the graduates looking for jobs were employed. Two-thirds of them were in full-time training-related jobs.

March 9, 1975, was the 10th anniversary of the signing of the act. Since 1965, many significant changes have occurred in Appalachia. Measurable progress toward the goals envisioned by the Congress has been achieved. Incomes in the region have increased, the level of health care and quality of education have substantially improved, outmigration has been reversed and the number of jobs has grown. This progress, coupled with developments in the field of energy production and distribution, brings the region to a critical point in its recovery.

Mr. Speaker, I wish to extend my sincere thanks to Mr. Harsha, our ranking minority member, for his help and cooperation on this bill. Both Mr. Roe, the chairman, and Mr. Hammerschmidt, the ranking minority member of the Economic Development Subcommittee, deserve particular tribute for the time and effort they have given to this legislation.

Mr. LANDRUM. Mr. Speaker, will the distinguished chairman of the committee yield?

Mr. JONES of Alabama. I yield to the gentleman from Georgia.

Mr. LANDRUM. I thank the gentleman for yielding.

Mr. Speaker, the remarks of the gentleman from Alabama about the general success of the Appalachian Regional Commission are, in the judgment of the gentleman from Georgia, accurate,

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very accurate. I agree with the gentleman from Alabama that this act, this Commission, and those who administer the act, probably have done more to carry out the full intent of the Congress than any with which I have been associated. It has brought great good to a large portion of the area which I represent.

I do, however, find myself in somewhat of a puzzled situation. I have tried from time to time with all persuasion that I could muster, and with all of the witnesses that I could bring, from the Governor of my State to others, to persuade the gentleman from Alabama to help us include counties in Georgia which are obviously eligible and need it, but which have been excluded. I would say to the gentleman that at this time in amending it, I hope he does not bring this bill to the floor again without having given appropriate consideration to the proposed amendments to include additional counties from Georgia.

Mr. JONES of Alabama. I would like to review how the Appalachian Regional Development Commission operates with respect to changes in boundaries.

The Commission is composed of the Federal cochairman and the Governors of the 13 States in the region. The Governors elect from their number a State cochairman.

The original boundaries were determined by the Governors of the region. Their recommendations were made part of the legislation when it was enacted in 1965. Some adjustments to the boundaries were made in 1967, but there have been no changes or additions to the region since that time.

Consistent with the original legislation, the committee has not sought to change the boundaries of the region. The committee does not feel a resolution directing a study should be made unless a request is initiated by the State that would be affected by such an addition and unless the Governors of the region sought such action.

Mr. LANDRUM. If the gentleman will yield, there is a request to the gentleman now speaking, the gentleman from Alabama, and from two members of the committee.

Mr. JONES of Alabama. What I am saying is that there is no pending request from the State cochairmen. I did not say there is no request from the gentleman. I commend the gentleman. He has actively pursued this matter.

Mr. LANDRUM. Does the gentleman from Alabama have any authority whatever or any responsibility whatever to call a meeting of the Federal cochairmen or to request the Commission to meet?

Mr. JONES of Alabama. I have the authority to suggest to the Federal cochairmen that they meet.

Mr. LANDRUM. Has the gentleman from Alabama made such a request or suggestion to the Federal cochairmen?

Mr. JONES of Alabama. I have made no such request.

Mr. LANDRUM. I did not ask the gentleman for the Federal cochairmen. What I requested of the gentleman is, Has the gentleman from Alabama requested the Federal cochairmen to meet this year?

Mr. JONES of Alabama. It meets regularly and on call of either the State cochairman or the Federal cochairman. At these meetings there are ample opportunities for a full and complete discussion between the Federal cochairmen and the State cochairmen.

Mr. LANDRUM. Did the distinguished gentleman from Alabama and my dear friend give ample time in his committee for his members who had amendments to propose in this respect and to discuss those amendments?

Mr. JONES of Alabama. I have never known on this bill or any other bill as a member of the Public Works Committee that any member did not have ample time for complete discussion of any amendment that was proposed.

Mr. LANDRUM. How much was this bill debated on the day it was voted out in the gentleman's committee?

Mr. JONES of Alabama. There was no debate for the simple reason that all the members were in accord and in favor of the bill.

Mr. LANDRUM. Did anyone ask for recognition later after an interruption?

Mr. JONES of Alabama. If there was I do not recall any.

Mr. LANDRUM. If the gentleman will yield further, let me say to the gentleman that I hope this is the last time the gentleman brings this bill to the floor, as much as I want it—and I have been an enthusiastic supporter of it—but I hope this is the last time the gentleman brings the bill here without having given appropriate consideration to the amendments that have been sought for several years.

I thank the gentleman for yielding.

Mr. JONES of Alabama. I appreciate the gentleman's observation and his great appreciation of the accomplishment of the Appalachian Regional Development Act.

Mr. PERKINS. Mr. Speaker, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Kentucky (Mr. Perkins) such time as he may consume.

Mr. PERKINS. Mr. Speaker, it is often said that Congress passes act after act in many fields, but nothing ever happens. That may be true in some instances, but we deal today with a case that is entirely different.

Since passage of the original Appalachian Regional Development Act in 1965, there have been many changes in that vast area.

One has only to drive along the roads to see its effects: Improved highways, more plentiful hospital facilities, new vocational training schools, and the vitality of many mountain communities that 10 years ago knew only grinding poverty.

The ARD Act of 1965 produced results, and it deserves extension for another period of time to push its work toward completion.

A decade ago, Appalachia was isolated from the rest of the Nation in many respects. It had more poor, more jobless, more uncared-for sick than other areas of the country—and yet we knew it was potentially one of the wealthiest regions of this land.

In the ARD Act, we set about mobilizing the resources of the region, itself, and putting the Appalachian States into a working partnership with the Federal Government. In making this partnership a success, we have enriched America.

The bill H.R. 4073 before us today would extend the Appalachian highway program for an additional 2 years, through fiscal 1980, and would extend the Commission and the nonhighway programs for an additional 4 years through fiscal 1979.

The legislation increases the authorization of the highway program to $300 million for the period beginning July 1, 1976, and to $300 million for fiscal 1978. A similar authorization is provided for fiscal 1979 and 1980.

The highway program has been of tremendous benefit to the region in opening it to industry, and the ability of the Nation to utilize the area's resources. My State has made good use of its Appalachian highway funds, and I know other States have. I just wish we had had the foresight to require that all of the Appalachian development roads be to Interstate System specifications, but at least we have a foundation on which to build.

Authorizations for the nonhighway programs expire June 30 of this year, and must be extended.

I urge my colleagues to recertify their belief in Americans to pull themselves up by their own bootstraps by voting affirmatively for this bill.

Mr. HARSHA. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Virginia (Mr. Butler).

Mr. BUTLER. Mr. Speaker, I am disappointed indeed that H.R. 4073, which extends the Appalachian Regional Development Act, is being considered by this body under the suspension of the rules procedure.

Prior to the announcement of the week's legislative program, it was my intention to offer an amendment to the bill which would have included within the boundaries of the Appalachian Regional Commission the following several Virginia localities: Buena Vista, Lexington, Rockbridge County, Salem, Roanoke City and County, Radford, and Montgomery County.

The initial activity in formulation of an interstate approach to Appalachian regional development reached specific formal levels with the organization of the Council of Appalachian Governors in May of 1960. During the remainder of that year, the Governors developed a criterion for the boundary of the region, and working on the basis of this criterion, each Governor designated those counties which would lie inside the regional boundary.

The basic criterion used by the Governors was to include counties in a contiguous grouping so that, taken together, the counties would comprise an entire, natural, geographic and economic region. The idea of separating out portions of the region on differing criteria alone, such as was used in designating only the most severely depressed counties for the Federal area redevelopment program, was rejected by the Governors. This determination was later ratified by the Congress on the basis that the concept approach to be employed in this program would be comprehensive regional development. The areas of greatest difficulty were to be dealt with along with the areas which presented growth opportunity. Only by tying the two together could a successful regional development concept be employed. The intent was to build upon the development potential of the whole region in order to accelerate the creation of opportunity in the best possible manner for all the people of the region, including those who were disadvantaged and deprived of adequate economic opportunity.

In 1963, President John F. Kennedy created the President's Appalachian Regional Commission to consist of representatives of the Governors of the Council of Appalachian Governors, working with a Federal Commission Chairman, the Under Secretary of Commerce, Franklin D. Roosevelt, Jr. This commission worked with the administration and the committees of the Congress in devising the Appalachian Regional Development Act. The act followed the recommendations of the Governors by establishing the boundary to include the groups of continguous mountain area counties as outlined by the Governors in each of the States and recommended to the Congress.

I am advised that local leadership at that time expressed concern at being included in a new program whose conceptual approach and provisions were not well understood by them. Although this proved to be most unfortunate and was later regretted by the leadership and citizens of the area, it is quite understandable that such an error could occur in the limited time available in developing a new program and in the complexities of understanding involved in such a program.

At any rate, the Virginia localities I mentioned previously were not included in the original recommendations for areas to lie within the boundary as submitted by the Governor of Virginia through the President's Appalachian Regional Commission and to the Congress.

In the original technical identification or areas totally eligible for inclusion in the region, these areas were included for studies, both by staff of the Commonwealth of Virginia and the President's Commission. There is no question of their qualification for inclusion.

Today the local leadership of these areas is strongly aware of the need for their inclusion in the Appalachian Regional Commission to facilitate sound areawise development planning, in keeping with the concept of the Applachian program and in the interest, not only of these areas, but also of the surrounding areas which are included in the regional boundary, but which relate directly to such an urban center as Roanoke for their development planning strategy and program actions.

It is important that this historic error be corrected and that this area be now included in the Appalachian region. This is not a question of extending the region, but rather to simply correct the original line of the boundary to eliminate the obviously illogical indentation in the regional boundary caused by the early and erroneous omission.

Should any of my colleagues care to examine it, I have with me the necessary supportive documents to attest to the desire of these localities to be included in the Commission's boundaries. Further, the Governor of Virginia, the Honorable Mills E. Godwin, Jr., has expressed to me by letter his official endorsement for the inclusion of these areas.

Rockbridge County, Va., is presently facing an unemployment rate of greater than 18 percent, which far exceeds the national average and that of the Commonwealth of Virginia.

Mayor Shuler A. Kizer of the city of Buena Vista, which is surrounded by Rockbridge County, recently appeared before the Committee on Public Works and Transportation. In his testimony, Mayor Kizer pointed out the fact that unemployment in that city is nearing 20 percent, with no relief in sight, as new unemployment claims are averaging between 70 and 100 percent per week. Buena Vista, a city of approximately 7,000 persons, is a highly industrialized community. The products manufactured there are used mostly in the secondary stages of construction. Local officials do not anticipate an upward swing until the health of the construction industry is restored.

There is no question that membership in the Appalachian Regional Commission will greatly benefit these areas through the promotion of economic growth and development through Federal financial aid to fund a variety of special projects, such as the construction of health facilities, vocational schools, and land and road improvement.

In view of the fact that the suspension procedure precludes amendments to H.R. 4073, I urge my colleague to join with me in voting against this legislation under suspension, so that it may be brought before us again with the appropriate opportunity for floor amendment.

Mr. HARSHA. Mr. Speaker, I yield such time as he may consume to the gentleman from Arkansas (Mr. Hammerschmidt).

Mr. HAMMERSCHMIDT. Mr. Speaker, I am pleased to support the extension of the Appalachian Regional Development Act of 1965. In this legislation the Congress created the Appalachian Regional Commission. In doing so, Congress established a unique and innovative framework for joint Federal-State efforts to promote the long-term development of the region.

Since 1965, the Commission has witnessed, and participated in, many significant changes in Appalachia. Although much needs to be done, measurable progress toward the goals envisioned by the Congress has been achieved. This progress, coupled with developments in the field of energy production and distribution, places the region at a critical point in its recovery.

The Commission's process of shared decisionmaking provides a significant improvement in the way they manage the people's business. Unlike typical Federal grant-in-aid programs in which policy is imposed from the top, the decisions concerning Appalachian programs and priorities are arrived at in regular meetings between the member Governors or their representatives and the Federal cochairman, who represents the Federal perspective. A key element that has been central to the success of the Commission's undertakings has been the attention and participation of the member Governors.

The Appalachian Regional Development Act recognized these fundamental realities: There are three levels of government in this country; all three levels spend public funds; there are not enough public funds at any one level, or all three levels, to do everything all at once for everybody; and, therefore, there is a basic need to coordinate the decisions at all three levels, based on a common overall strategy, to make the wisest use of public dollars by avoiding scattered investments which do not complement and support each other and are often counterproductive.

The Commission's structure and its State and local development planning process were initially designed to meet this need. There are now 70 local development districts in places across the entire region. Together with the States, there have been developed and refined the planning process to the point where, in my opinion, while not perfect, it does result in wiser investment decisions than might otherwise be the case.

In 1971, the Congress added a new dimension to the Commission's decision-sharing process by establishing a single authorization for nonhighway programs. This authorization was a result of a congressional intent that "the Commission have maximum flexibility in determining priorities for the investment of these funds."

The added flexibility of the single authorization is being utilized in the 1975 program, with the consent of the Appropriations Committees, in a procedure in which funds for most of nonhighway programs are allocated to the individual States in single amounts, rather than in four or more separate allocations as in the past. This procedure permits the States to invest these funds in a manner that provides the best combination of projects each year.

In conclusion, as ranking minority member of the Subcommittee on Economic Development, I wholeheartedly support this extension of this program.

Mr. HARSHA. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. Frenzel).

Mr. FRENZEL. Mr. Speaker, today we have another example of a very important bill being brought before this House under a suspension of the rules, a procedure which, in fact, denies each of us the opportunity to debate and amend this bill under our normal rules.

Mr. Speaker, this bill spends almost $1.5 billion of the taxpayers' money.

Mr. Speaker, this bill extends an important Government program for 4 years. It is the last authorization bill we will likely receive in 4 years, and yet all of us are being denied the right to make amendments or to discuss the bill and debate it under the usual 5-minute rule.

The gentleman from Virginia (Mr. Butler) has an amendment he would like to make. The gentleman from Georgia (Mr. LANDRUM) has a county he would like to have considered. We are foreclosed by this rule and in the handling of this bill from debating and having a chance to make these kinds of amendments.

Mr. Speaker, I would further call attention to page 3 of the committee report. Rule X, clause (2)(1)(3)(A) apparently has not been carried out. No separate hearings were held.

Clause 2(1)(3)(C) also seems not to have been carried out, since there is no report from the Director of the Congressional Budget Office.

Finally, on page 4, rule XI, clause 2(1)(3)(D) also seems not to have been carried out, because there is no report from the Government Operations Committee.

Now, for some reason we are in a hurry to handle this bill under a very restrictive procedure that denies Members of this House their normal rights under the rules of this House. It seems to me we make a dreadful mistake when we us this procedure, no matter how much we like this bill or the purposes to which it is directed.

I have no objection to the bill. I have no objection to the substance. I think the committee has done its usual fine job in dealing with that aspect; but to expect us to approve $1.5 billion in a 4-year authorization under this kind of kangaroo court procedure is unfair to the Members of this House.

Mr. Speaker, I urge that the bill be defeated.

Mr. HARSHA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, at the outset let me say that the Committee on Public Works and Transportation cannot force other committees to hold hearings on these matters and make reports. The rule merely provides they may hold hearings and they can make reports.

We cannot insist or force them to do that. As far as I am informed, nobody came before the Committee on Public Works and Transportation or the Subcommittee on Economic Development and asked to offer any amendments or offered any testimony offering any amendments or any changes in the legislation. The subcommittee reported this out initially as a two year authorization of the existing law. After the subcommittee had acted, the administration, after several weeks of urging, submitted a bill for a 4-year extension of the present program essentially, with some changes—considerable changes, I might add—in the highway program.

At that time, the full committee did not have time to go back and entertain hearings on the administration's proposal. As a matter of fact, it has never even been introduced into this House. I am advised that the other body is now holding hearings on the administration's proposal. If this bill is passed, we can go to conference with the other body and entertain some of the administration's proposals. I am also advised that while the administration prefers its own legislation which has not been introduced, which I can understand that they would prefer, they have no objection to this legislation.

As pointed out by the distinguished chairman of the full committee, this is simply a 4-year extension of the existing programs, and which expire June 30, 1975. So, to extend the program we have to act now. We have simply extended the existing nonhighway programs for 4 years. In addition to that, we have increased the highway authorization for fiscal 1977 and 1978 by a total of $235 million, $115 million in fiscal year 1977, and $120 million in fiscal year 1978, to try to meet the increased costs due to escalation. Since 1972, highway construction costs have increased approximately 50 percent due solely to inflation.

In addition to that, we extended the highway portion of the bill another 2 years, for fiscal 1978 and 1979, for $300 million for each year, because we have, after 10 years of operation under this program, only approximately 50 percent of the Appalachian Highway System. It is going to take that additional time to further complete the system and to do the job we had all anticipated when the legislation was initially introduced.

Mr. Speaker, I urge my colleagues to support this legislation.

Mr. Speaker, I rise in support of H.R. 4073, a bill to extend for 4 years the Appalachia Regional Commission, and to extend for 2 years the highway program of ARC.

We are familiar with the story of Appalachia and the economic depression that brought it to national attention over a decade ago. Isolated by its mountains and inadequate highways, its major industry of coal on the decline, and its people out-migrating by the millions, Appalachia 10 years ago saw little hope.

This bill extends the program created by this Congress to turn the tide of economic stagnation in Appalachia. That program—the Appalachian regional development program—is unusual, and perhaps one of the most successful, ever undertaken in this country.

The features which make the Appalachian program unusual are also the features that contribute most to its success. It is a partnership between the Federal Government and the 13 Appalachian States, requiring mutual agreement and cooperation in dealing with common problems. Through the Appalachian Regional Commission, the program provides a mechanism for the Federal, State, and local governments to work hand-in-hand.

The Appalachian mandate to stimulate jobs through economic development was not unusual; the approach as envisioned by the Congress was, however. In order to create jobs in Appalachia there was needed essential elements to stimulate the growth of new and diversified industry and sustain that growth. The key element meant building highways to break down the natural isolation of the mountains; building vocational schools so youngsters and adults could learn marketable skills; providing a broad spectrum of professional care to insure the health and well-being of the people, as well as building decent houses for low- and moderate-income families; and providing the sewage and water systems to accommodate new growth. Perhaps most important, it meant helping State and local areas building their capacities so they could deal effectively with their problems.

And, while Appalachia still has a long way to go to fully achieve these goals, it has made remarkable progress.

A critical component of the program is the Appalachian Regional Development Highway System, designed to link the Interstates, and to open up areas within the region to realize their potential for economic growth. The Appalachian development highway program currently is authorized through fiscal year 1978 with $185 million and $180 million, respectively, for 1977 and 1978. H.R. 4073 requests an increase in authorization for those 2 years to $300 million each year; and an extension of the highway program through fiscal year 1980 with authorizations of $300 million for each of those years. This is a total increase of $835 million.

Since Congress authorized this Appalachian Development Highway System in 1965, inflation, higher safety and environment standards, and other factors have combined to increase the costs of highway construction. Inflation alone has caused a 50-percent cost increase in highway construction since 1972.

Because of this cost increase, the increased authorization provided in the bill will only assure that construction can proceed at 93 percent of the annual rate which Congress extended in 1971. Thus, we are merely providing funds to continue and stay close to the pace necessary to finish the job which we originally set out to do in 1965.

My own State of Ohio has under construction or completed approximately 50 percent of the development highway corridor system.

Ohio also has approximately 50 miles on which right-of-way is being acquired which would complete the gap from Cincinnati to U.S. 23 when constructed. Ohio has an additional 28 miles on which design is nearly complete.

Ohio has had 29 access roads approved by the Commission for a total of 39 miles which are being built to serve industrial areas, recreational areas, and other facilities such as vocational schools.

To date, approximately one-half of the 2,700-mile Appalachian Highway System is completed and over 700 miles more are in the right-of-way or design process.

Since the Appalachian and Interstate Systems are designed to complement each other, it is difficult to sort out the constribution of either partner alone. However, some early effects of the combined system are already visible. Between 1965 and mid-1970, total employment in the region increased by over 545,000 jobs. Moreover, employment in manufacturing, contract construction, wholesale trade, and most services increased at a greater rate in the region than in the United States as a whole.

The employment growth in manufacturing was a result of the large number of new plants which have opened in Appalachia since 1965. Evidence given before the Public Works Committee indicates that more than three-fifths of all new industrial plants through that date were within 20 minutes of a new highway and that over 1,000 new plants representing over 200,000 new jobs have started in the region since 1965.

The impact of the highways goes far beyond their effect on employment; for they support every other Appalachian investment program. The combined highway systems today are giving Appalachian's much greater access to health care, education and other essential social services. The two systems are critical to the effective delivery of these services, particularly in rural areas.

The nonhighway portion of the Appalachian program provides assistance for health care, child development, education, housing, community facilities, and energy and environmental-related investments. Under H.R. 4073, the nonhighway programs and the Appalachian Commission would be extended for 4 years through fiscal year 1979.

A decade ago, Appalachia had only a handful of vocational programs and fewer vocational schools. To date, the Appalachian program has funded some 500 vocational schools which, when completed, will accommodate well over 300,000 students. Extension of the program will enable the region to address itself to other vital educational needs such as adult literacy.

The health and child development programs also have made impressive progress. All of Appalachia now has local comprehensive health planning capability. The Commission has funded well over $350 million of a total of $1 billion in projects in such areas as primary care, child development, environmental health and health manpower. As a result health care is available for rural residents who previously had to travel many miles to even see a doctor.

Similar strides can be listed in every Appalachian development program. But, the fact remains that continued effort is necessary, particularly in such areas as community facilities, if Appalachia is to take a fully active, productive role in the Nation's economy.

The recent resurgence of the coal industry and the Nation's need for energy provide a unique opportunity for the Appalachian program to surge ahead in its efforts to build a strong, viable economy that supports the continued production of coal and the exploration of different means to use coal for energy.

Although Appalachia has not yet been on an economic par with the rest of the Nation, it is no longer separate from the Nation. Strong economic growth and continued coal production is as essential to the Nation as it is to the region. H.R. 4073, which calls for the extension of this program recognizes both the needs of Appalachia and the important role its growth can and will play in the future of this Nation. I urge enactment of H.R. 4073.

Mr. WAMPLER. Mr. Speaker, will the gentleman yield?

Mr. HARSHA. I yield to the distinguished gentleman from Virginia (Mr. WAMPLER).

Mr. WAMPLER. Mr. Speaker, I rise in enthusiastic support of this legislation.

Mr. Speaker, in these days when the news is filled with the problems of government which confront us all—inflation, recession, lack of confidence in management and government, and international stability to name a few—it is a sincere pleasure to talk about one of America's greatest recent success stories. In southwestern Virginia, we are especially proud because of the important role we have played in this achievement. I am speaking of the Appalachian Regional Commission and its objective of providing development opportunities for an area which has traditionally been overlooked by government.

When I was elected in 1966 by the citizens of Virginia's Ninth Congressional District to represent them in the U.S. House of Representatives, the Appalachian Regional Commission was still a new born infant. It did not take long, however, to discover that here was a concept in government with an exciting new difference. Always in the past, when a specific problem arose at home, the representative would exercise his knowledge of Federal Government to locate the particular individual operating the relevant program in an appropriate agency and would then exert his most diligent efforts on behalf of his constituents. As a general rule I found that sincere effort was successful in obtaining action, but even so, there were occasionally times when I did not feel that Government was as responsive to people's needs and problems as it should have been.

The Appalachian Regional Commission has offered an encouraging alternative which the people of my district deserve and which I have vigorously supported throughout my public service. For those who may be unfamiliar with it let me very briefly explain how the Appalachian Regional Commission works.

The Commission staff and offices are located in Washington and are supported equally by the Federal Government and the thirteen member States. As the Appalachian Regional Commission is a true partnership, State, and Federal Governments have an equal voice in decisions of the Commission. The Governor of each State is the legally recognized member and he in turn has the authority to appoint a specific individual to represent him. In Virginia our designated representative is Mr. Lynn Currey, whom some of you may know.

The State representative is charged with compiling a list of proposed projects designed to be effective in assisting the development of his State's Appalachian area. Two sources of suggestions are sought—State agencies, such as Education for the creation of new vocational education facilities, and localities. Local proposals are received through the assistance of the planning district commissions. When the proposals are selected they are assembled into a State project package which identified how each project will serve to satisfy a local need. Upon approval of the applications the projects are undertaken.

The important distinction here is that we no longer must take a development problem and search for a Federal program which might work. The shoe is now on the other foot. With the Appalachian Regional Commission we at the local and State levels join hands to identify our own problems and determine our own solutions. This opportunity for local directives for the use of Federal development funds creates a system which is unusually sensitive to local needs.

The results of our efforts have been noteworthy. Transportation is important to the development of any area and in Southwestern Virginia we have traditionally suffered from inferior highways. The problem was not that we had been neglected in the dispersal of highway funds, but that the famous natural beauty which surrounds us makes for unusually expensive road building. The highway dollars which we receive simply will not construct as much roadway in the mountains as they do elsewhere. In recognition of this problem as well as developmental needs, the Appalachian Regional Commission has invested a large portion of its available funds in our development highway system. To date, we have received slightly more than $75 million in Appalachian highway obligations. In the 10 years which have elapsed since the program began these funds have enabled us to bring about significant changes in our major highway network.

The efforts to improve our highways is, of course, continuing, but we have made important advances in other areas. As ARC funds are not sufficient to achieve needed objectives singlehandedly, a conscious effort has been made to use them as "seed" money. In other words, ARC money is used as a carrot to attract the interest of State and Federal organizations. As you know, conventional agencies are typically charged with the responsibility for some particular program which the public has decided should be handled by government. For example, new vocational education facilities are the responsibility of the Department of Education when they are part of the secondary school system, and the Department of Community Colleges when they fall under that system. Functional agencies are charged with improving and maintaining their service networks, but since there never seems to be enough money available to meet all public needs two conclusions become obvious. First, the lack of funds means that not all areas will receive needed service promptly and second, agencies will invest first in those projects which will yield the greatest results for the money they have to spend. In years past this has worked to our detriment in the Appalachian region because more affluent communities could help to a greater extent with project funding, thus permitting agencies to build equal facilities at a lower budget cost. With ARC we have been able to turn this situation around. The most obvious example of this is perhaps the community college network, where Appalachian Regional Commission assistance has enabled us to be the very first area in the entire State of Virginia to have completed its part of the system.

Although there will always be needs from time to time for additions or new equipment, all six colleges have been in

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operation for some time. Likewise, although it is not yet complete, our large system of new secondary vocational education facilities is progressing extremely well.

Even though the end of educational construction signals a decrease in the need for heavy outlays we cannot assume that all educational problems have been solved. ARC has demonstrated that it is not afraid to take a chance with us in looking at innovative solutions to some of our special difficulties, an attitude which is rarely found among the larger conventional agencies. As an example, consider the following. A special project was developed by school officials at the Mountain Empire Community College in Big Stone Gap. The school was aware of the time loss problem involved in traveling mountain roads. Many students had to commute for 1 or 2 hours each day so that individual pupils might spend more than 10 hours a week on the road. This represented a large block of time which the student had to invest in his education and which was almost entirely wasted. As the school officials were obviously unable to reduce the wasted commuting time they struck upon a novel solution to turn a liability into an asset. They would propose a project to be called "Learning in Transit"—an educational experiment which would transform commuting into a learning experience. Although this was an innovative and imaginative idea, the Appalachian Regional Commission understood that the proposal had merit and that if it worked, the experiment could help rural students everywhere. The project was approved, resulting in the construction of special mobile classroom buses complete with special audio visual equipment and "individualized instruction capability" for each student's seat. Instructional programs were prepared for use on the buses. The end result was that students could take credit courses during the time they formerly spent commuting. It is yet too soon to measure the results of this special demonstration project, but we have hopes that it will prove to be everything that we all had envisioned. ARC gave us the opportunity to try out our own ideas.

The construction of new health facilities, including hospitals as well as public health centers, is, with ARC support, progressing quite well. Either underway or already completed are six hospitals and eight public health centers. So it appears that we are on the way to eliminating another traditional southwestern Virginia handicap. Our people will at last have access to adequate, up to date medical facilities.

The list of ARC investments runs on to include everything from public nutrition programs and children's vision screening to libraries and airport improvements. It is not necessary here to discuss in detail our many achievements except to note in passing that regional library systems serving several counties are considered the best means for providing adequate library services to rural areas. Utilizing a headquarters unit and an appropriate number of branches each member county has access to the entire system's collection. Our Lonesome Pine Regional Library, with headquarters in Wise County, is one of the larger regional library systems in the Commonwealth of Virginia.

Overall, the Appalachian Regional Commission has directly invested $45 million in our part of Virginia, not counting any of the highway spending. However, equally impressive is the fact that, through use of the "carrot" principle which I explained a few moments ago, other funds were attracted to give these same projects an overall value of $116 million.

Our progress has been most gratifying, but what does the future hold? Where do we go from here? Transportation, for one thing, must still remain a high priority. It is imperative that we complete our planned highway system. Another major area of concern is public water treatment and delivery as well as sewer services. Many of our localities are faced with potential, and in some cases actual, shortages of safe, pure drinking water. For the health and safety of the people, as well as for convenience, we cannot tolerate a continuation of this condition. To make matters worse, the problem will only intensify with the passage of time. Without adequate dependable supplies of pure water we cannot prosper and grow. It is imperative that we act before the problem becomes a true crisis. Similarly in areas where wastewater collection and treatment is a problem we must seek solutions for both health and economic development reasons.

These are a few of our pressing future needs. By stressing the role of local initiative and ingenuity in determining our own development program ARC has been one of our best friends in Government—a true partner for progress.

After 10 years of truly remarkable advances—after a particular 4-year period which saw the average income in my district increase by 63 percent—after the same 4-year period which saw the average per capita income in my district increase by more than an enormous 50 percent faster than it did in the State as a whole—the Appalachian Regional Commission must not be allowed to expire. Of all the agencies and organizations in Government today, ARC is the only one which is regionally oriented. It permits us, and our neighbors in nearby States, a great deal of freedom in determining our own program where others do not. This locally oriented development Commission has demonstrated its importance to our recent past and there can be no doubt concerning its significance for our future.

As I stated earlier, I saw this Commission as it grew during its early years and have done my best to help it develop and become recognized. We must preserve the Appalachian Regional Commission, by voting to extend it for 2 more years, for what it has meant in the past and for what it can accomplish in the future. If it dies, we are not likley to ever have its kind again.

Mr. Speaker, in the course of these comments, I have made reference to some remarkably high income growth figures. To substantiate these claims, I include as part of my remarks a chart showing the per capita personal income for Appalachian Virginia counties and cities—all within my congressional district—for the years 1967 through 1971. The computations are based on data published by Tayloe Murphy Institute, University of Virginia, Charlottesville, Va.

The table follows:

CHANGES IN ESTIMATED PER CAPITA PERSONAL INCOME FOR APPALACHIAN VIRGINIA COUNTIES AND CITIES, 1967 71

Area	Per capita income		Change	
	1967	1971	Amount	Percent
State	$2,777	$3,918	+$1,141	+41.1
Counties:				
Bland	1,444	2,625	+1,181	+81.8
Buchanan	1,521	2,554	+1,033	+67.9
Carrol	1,614	2,443	+829	+51.4
Craig	2,517	2,886	+269	+14.7
Dickenson	1,314	2,434	+1,120	+85.2
Giles	2,116	3,162	+1,046	+49.4
Grayson	1,560	2,080	+520	+33.3
Lee	1,100	1,922	+822	+74.7
Pulaski	2,233	3,023	+790	+35.4
Russell	1,389	2,536	+1,147	+82.6
Scott	1,516	2,421	+905	+59.7
Smyth	1,185	2,928	+1,113	+61.3
Tazewell	1,778	2,962	+1,184	+66.6
Washington	1,785	2,953	+1,168	+65.4
Wise	1,504	2,765	+1,261	+83.3
Wythe	1,908	2,736	+828	+43.4
Cities:				
Bristol	2,210	3,769	+1,559	+70.5
Galax	2,263	4,082	+1,819	+80.4
Norton	1,951	3,714	+1,763	+90.4

Mr. **WALSH**. Mr. Speaker, will the gentleman yield?

Mr. **HARSHA**. I yield to the gentleman from New York (Mr. WALSH).

Mr. **WALSH**. Mr. Speaker, I rise in support of H.R. 4073, to extend the Appalachian regional development program.

I have observed firsthand how this program functions. Part of the 33d Congressional District of New York is in Appalachia. Schuyler County, for example, suffers from many of the depressed economic and social conditions typical of Appalachia. Dispersed rural population handicapped by lack of transportation, few physicians, isolation from community resources, limited educational and job opportunities are some of the major problems.

With the availability of Appalachian funds in 1970, Schuyler County was able to bring the concept of a Federal-State-local partnership to deal with the problems of children under 6 years of age in Schuyler County. A comprehensive planning group was established consisting of social agency personnel, public officials, and parents of children to be served. After a year of intensive planning came a design for a child development demonstration program that included: A day-care center providing early childhood learning, nutritious meals, access to health and social services, and a protective environment for children of working parents; a dental screening clinic to detect and treat early dental problems; a treatment program for handicapped children and their parents; a vision screening program to detect and correct eye problems in the very young; a preschool transportation system to assure children and parents direct access to all these services; plus a community resource and training center for parents and teachers where materials and information on child development are available to all members of the community. In addition, Schuyler County is part of a three-county developmental assessment project where children receive specialized screening and treatment.

These projects form a comprehensive network allowing parents single entry to the range of services for their children. And; these services are available to everyone. Those who can afford to pay for them do so on a sliding scale according to family income. Since 1971, Appalachian funds have supported these services in Schuyler County. In 1974 alone more than 700 children received one or more child development services.

This method of comprehensive planning and service delivery is not unique to Schuyler County. All over the 14 Southern Tier counties of New York and throughout Appalachia, children and families are benefiting from health, nutrition, early education, and social services never before available. Appalachian funds have provided the basis for services, but equally important is the expanding capability of rural counties to coordinate planning for the development of effective services to all members of the community.

Mr. **BAUMAN**. Mr. Speaker, will the gentleman yield?

Mr. **HARSHA**. I yield to the gentleman from Maryland.

Mr. **BAUMAN**. Mr. Speaker, I would just like to ask the gentleman from Ohio, since reference was made to the fact that there is no report from the Budget Committee on this bill, was this $1,400,000,000 authorization in any way in the estimates on which the budget resolution was based a few weeks ago. Is this figure included in the congressional or executive budget, either one or both?

Mr. **HARSHA**. We cannot tell at this juncture because the budget resolution did not have a categorical breakdown, as I understand it, but when the full committee made its report to the Budget Committee, it was submitted at that time to the House Budget Committee.

Mr. **BAUMAN**. So it may not be included in the budget resolution?

Mr. **JONES** of Alabama. Mr. Speaker, will the gentleman yield to me?

Mr. **HARSHA**. I would yield to the distinguished chairman of the committee.

Mr. **JONES** of Alabama. Mr. Speaker, in answer to the question, it was included for 1976 in the budgetary request to Mr. ADAMS' Budget Committee.

Mr. **BAUMAN**. I thank the gentleman.

Mr. **JONES** of Alabama. Mr. Speaker, I yield such time as he may require to the gentleman from New Jersey, the chairman of the subcommittee (Mr. ROE).

Mr. **ROE**. Mr. Speaker, I rise in vigorous support of this legislation. A splendid job has been carried out here by the Committee on Public Works and the Subcommittee on Economic Development.

Mr. Speaker, as chairman of the Subcommittee on Economic Development which conducted the hearings on the extension of this program, I was personally impressed, as were the other members, with the reports and testimony we received on the progress this Federal-State and local partnership program is making toward the economic development and redevelopment of the region.

Our experiment of 10 years ago is evolving into an exciting cooperative effort that is providing dynamic leadership for a reviving region. The local development districts and the States are, with the help of the Commission and Federal agencies, getting together to look at their problems, set their priorities and make mutual commitments to getting the right job done first—as quickly and cost-effectively as possible. They are getting the job done and they are providing the base for development and generating the jobs that Appalachians want so they can be productive.

That is what it is all about. These people want jobs, not handouts. They want to produce and be full participants in our economy and society. The ARC is helping the region identify and solve its problems.

I am impressed with the progress being made and I enthusiastically indorse this concept and program.

Ten years ago, it was the conclusion of the President's Appalachian Regional Commission that Appalachia was a region apart geographically and economically and that it was lagging behind the Nation in almost every respect. Based on that report and hearings in the Public Works and Transportation Committee of Congress, the Congress made a judgment that a program was needed to help close those gaps and enacted the Appalachian Regional Development Act of 1965.

Today we are considering legislation to extend that program. It is fair to ask whether the history of the program and the experience in the region since, warrants extension of this program. From what we learned in our hearings, I believe the answer is a most definite and resounding affirmative. Conditions have changed substantially and for the better over the past decade.

Net migration is often used as an indicator of the economic health of a region since labor tends to migrate toward economic opportunity. During the early 1970's the pattern of population change and migration shifted dramatically in Appalachia. The region gained approximately 254,000 persons through inmigration from 1970 and 1973.

Income is a second major indicator of social and economic conditions in an area. Very recent data, available since the hearings, indicates that, from 1965 to 1973, Appalachian per capita income increased substantially, by 90 percent—$1,950 per person—to a level of $4,107. This was more rapid than the average national growth rate. The turnaround in Appalachian migration trends and the growth in income were directly related to increased levels of economic activity and the resulting increase in employment. From 1965 to 1972 employment in Appalachia increased by 744,500 jobs or approximately 12.3 percent—a rate of growth somewhat less rapid than the average national rate of 14.9 percent. Over this same period unemployment rates in the region improved relative to the United States.

The sources of these changes in population, income, and employment were diverse. They included new and expanding areas of manufacturing, the service industries, and wholesale and retail trade to which the development impact of the Appalachian highways and other Appalachian programs contributed. A 1972 study identified 1,149 new plants in Appalachia since 1965 representing over 200,000 new jobs. More than three-fifths of all new industrial locations were within 20 minutes of a new highway and almost one-half were within 10 minutes' traveltime.

However, although conditions have been improving, the region still lags behind the rest of the Nation in many important respects. The region's per capita income was still only 81 percent of the national average in 1973. It is likely that the region has a substantial amount of "hidden unemployment," that is, people potentially able to work but effectively discouraged from entering the labor force by a lack of skills and inability to reach employment because of poor transportation. The most recent information indicates that the current national recession has exerted a significant impact on Appalachia resulting in generally higher unemployment rates.

Other indicators of the condition of health, education, housing, and other necessary social resources in Appalachia show that although conditions have been improving, the region here also continues to lag behind the rest of the Nation in many important respects. Only 44 percent of its adults had completed a high school education although 52 percent have nationally. In 1970, the average school years completed by adults in the region was only slightly more than 2 years of high school, a full year below the national figure. Although the availability of health facilities has improved, there continues to be substantial shortages of doctors, dentists, nurses, and other health manpower. By 1971, although the number of physicians in Appalachia had reached a level of 100 per 100,000 population, this fell far short of the national average of 154 per 100,000 population. In 1970, approximately 13 percent of housing in the Appalachian region was substandard compared to only 7 percent in the Nation.

The Appalachian Region is indeed fortunate to have available the Appalachian programs and the Appalachian Commission to administer them. The Commission program has contributed to progress in closing the gaps between the region and the rest of the Nation and provides the means for continuing to contribute to this progress. The Commission is a unique Federal multi-State agency in our Federal system. Because of its direct authority, it is able to combine a sound planning system establishing objectives and priorities with the actual decisions to provide the funds and programs necessary to pursue its priorities. The decisions meld Federal and State interests and reach down to the local government through areawide local development dis-

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tricts. Through their participation in the Commission and its planning and program funding activities, the Appalachian States are provided the means for strengthening their capacity to identify problems, set objectives, develop priorities and provide resources to respond to priority needs. Now that organized local development districts cover the whole region, increased emphasis will be placed by the Commission and its member States on their role in strengthening planning, priority-setting, and project activities.

Mr. Speaker, our committee hearings provide more than ample justification for passing H.R. 4073 in order to extend the Appalachian Regional Commission program. The lessons we can learn here will prove extremely important to all sections of the country and I urge all my colleagues to support this innovative and effective partnership.

Mr. JONES of Alabama. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from North Carolina (Mr. TAYLOR).

Mr. TAYLOR of North Carolina. Mr. Speaker, first, I wish to extend my compliments to the House Public Works Committee for the action which it has taken on this legislation.

The congressional district which I have represented in Congress for about 15 years is located in the Appalachian section of North Carolina. I have witnessed firsthand the great progress which has already been made and can report that the people of this area have great faith in the Appalachian program. The Appalachian program has improved the quality of life by diversifying the economy, developing roads, and providing public works facilities.

Throughout my district young people and adults by the thousands are enrolled in new technical training institutes built with the aid of funds from the Appalachian Regional Commission. I am convinced that the Appalachian program is meeting the special needs which prompted Congress to establish the program in 1965. When Congress established this program it made a very real commitment to the people of the Appalachian area. The Government has only partly completed the program and now has an obligation and a responsibility to carry it to full completion. The highway section of the program is especially important because the area has suffered down through the years from isolation. Today, sections of the various corridor highways have been completed. Some sections are now under contract. Others are in the engineering or right-of-way acquisition stage. It would be folly to terminate this roadbuilding program without completing the planned Appalachian corridor highways.

I wholeheartedly support a 4-year extension of the Appalachian Regional Commission and a 5-year extension of the Appalachian highway program as recommended by the committee.

I feel that the Appalachian program has made more progress per dollar spent in the 11th Congressional District of North Carolina than any other Federal program. This program is one of the Nation's best examples of teamwork by Federal, State, and local units of government. In my opinion it is the best administered progra min Washington. Improvement programs originate locally, are matched by local funds, are approved by the Governor of the State and brought by the Governor or his representative to the Appalachian Commission for approval. The Appalachian program has been one of the Nation's best demonstrations as to how States and local units of government can work together in promoting the economic development and opportunity of a section of our Nation.

The Appalachian program must be extended in order to complete the task for which this State-Federal partnership was created.

Mr. HARSHA. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. SHUSTER).

Mr. SHUSTER. Mr. Speaker, I support the Appalachian Regional Commission program. One aspect of that program, the Local Development District program, has been instrumental in my District.

In part of my congressional district there is an organization known as the Southern Alleghenies Planning and Development Commission. It consists of six counties, contains 242 separate and district units of local government and with a population of 491,000. The number of units of government and a mixed urban and rural population offer many impediments to successful regional programs. However, Southern Alleghenies has been extremely successful in cutting through the jurisdictional problems and creating an excellent atmosphere of cooperation between the large and small communities.

The statement of purpose for this local development district sets forth the desire of the six counties to plan, implement, and promote the area's orderly economic growth. This is achieved through a minimum amount of staffing and a maximum utilization of public participation and a sense of public accountability. There are today 21 advisory committees to the Southern Alleghenies Commission which is governed by a board of directors, comprised of the county commissioners and other persons appointed by the commissioners to represent specific interests. The 21 advisory committees involve over 500 persons representing nearly every walk of life. The Agricultural Committee, for example, is comprised of farmers and agri-businessmen. The education committee involves the presidents and deans of our five institutions of higher learning, our proprietary schools, representatives of our secondary schools and our vocational education schools. The Manpower Advisory Council, which deals with the Comprehensive Employment and Training Act, consists of elected officials, providers, and client-sector interests. The advisory committees of the Southern Alleghenies Commission differ from normal committees in that they are all appointed by elected officials. Through these advisory committees, we are able to bring together the best minds in a field of particular expertise and the persons who are affected by the decision-making process of the commissioners of the six counties.

Some people say that the ARC Federal-State-local partnership is rhetoric. In the Southern Alleghenies it is not rhetoric. It is a fact. Almost daily, there is evidence that the Commonwealth of Pennsylvania is attempting to help the LDD and its constituent governments in accomplishing their mutual objectives. Many State policies have been adopted because of the strong communications and sense of cooperation with the development district. Many Federal agencies have found that their investments are more effective and programs stronger because of the cooperation with Southern Alleghenies.

I want to tell you of one typical success story. Several years ago we were faced with a loss of over 500 jobs in one of our smaller communities. At that time, every major national newspaper featured the story of Tyrone, Pa., as a "dying town." Through the Commission, we were on an early alert to the Tyrone situation. The county industrial development agency, Altoona Enterprises, is a member of the Southern Alleghenies Commission and the local development corporation in Tyrone is tied directly to Altoona Enterprises. Based upon the harsh realities of the Tyrone situation and the excellent record of Altoona Enterprises, our commission was immediately responsive. Altoona Enterprises committed $639,000 to build a shell building on a proposed industrial site in Tyrone. A total of $400,000, however, was needed to provide necessary water utility service to that industrial site. The six counties agreed to grant first priority in industrial site development to the Tyrone site and approached the State with that priority firmly in hand. The Commonwealth responded with the maximum amount of resources available under a small State program with a grant of $80,000. The district then turned to the Federal Government as six counties united and were successful in receiving an award of $320,000. I am pleased to report to you that Alcoa is now a resident of Tyrone on that industrial site. This is but one small example of the six counties working together; it is not simple for an elected official to designate the flow of public funds to another elected official's jurisdiction. But, the District is committed to that concept and it has become a daily task. The elected officials were not only directing public resources, they are directing ideas across county lines, attempting to stop intercounty competition, fragmentation and costly duplication of efforts. This is a worthwhile program and it deserves our support for continuation.

Mr. BEVILL. Mr. Speaker, I rise in support of the bill before us today to extend the Appalachian Regional Development Act of 1965 for 4 additional years.

Mr. Speaker, during the past decade we have seen much progress in the Appalachian region. I have carefully watched with great interest and satisfaction the work of the Appalachian Regional Commission in carrying out the Appalachian regional development programs. This is a good program, and one which has been of substantial benefit to the people in the 13 Appalachian States.

It is clear that without the assistance of the Appalachian Commission many of the depressed communities in Appalachia would have remained in the isolation and poverty of the early 1960's and had been denied those opportunities that we all take for granted in a Nation of prosperity. The Appalachian Commission has given a sense of hope and of pride to the people in Appalachia. With the assistance of funds provided by the Appalachian Regional Commission many communities have been able to provide their citizens with hospitals, health care and child development clinics, educational facilities, housing, libraries, and many other community facilities. In addition, the Commission has provided the basic infrastructure needs for many local areas, the roads, and water and sewer systems that are a prerequisite for sound community development and the attraction of industry.

The Appalachian region is indeed fortunate to have available the Appalachian programs and the Appalachian Commission to administer them. The Commission's unique Federal-State partnership and the establishment of the local development districts throughout Appalachia have provided an innovative form of governance for the region. Because of the Commission's ability to combine regional planning objectives and priorities with the actual authority to allocate funds for local programs and projects we have seen rapid progress and solid achievements in all of the Appalachian States. In addition, through the direct participation of the Appalachian States, at the Commission, and involvement of the local development districts on the State level, most State development plans incorporate strategies and programs for the State that are responsive to local development district policies. This process is unique and has certainly contributed to the problem-solving capacity of the Commission.

Mr. Speaker, our experiment of 10 years ago has evolved into an exciting and cooperative effort between 13 States in Appalachia that are committed to making Appalachia a full participant in our Nation's economy and prosperity. Hearings before the House Public Works Committee provided extensive evidence of this program's success and clearly justifies the passage of House Resolution 4073 in order to extend the Appalachian regional development program.

Mr. MANN. Mr. Speaker, I am delighted to have this opportunity to speak in support of H.R. 4073. The Appalachian program has been an unqualified success in South Carolina in every area. Today, however, I would like to restrict my remarks to the benefits it has conferred on the technical and vocational education system.

In the early 1960's, realizing that industrial diversification was imperative in order to boost the State's socioeconomic level and stem the outmigration of our youth, the South Carolina government set up a system of secondary vocational schools and post-secondary technical education institutions designed to attract new industry by developing a highly trained, well-qualified potential work force.

No provision was made, however, for the brick and mortar needs of the technical schools—for the actual buildings. With the passage of the Applachian Regional Development Act in 1965, that problem was largely solved in the six-county Appalachian region of the State. The program has helped the technical education system make major strides toward meeting its primary goal of answering the demand of business for qualified personnel and has helped make possible tremendous progress toward alleviating shortages in health-care personnel. It has contributed significantly to construction, equipment, and curriculum improvement in the 11 vocational schools and 3 technical colleges in South Carolina's application region.

Between 1965 and 1974, $19 million have been made available for education in the region, both for vocational and technical schools. At Greenville Technical College alone, more than $4 million has made possible the construction of an engineering building, an allied health building, a library-classroom building, and now an industrial careers complex that will enormously increase the training capabilities in a wide spectrum of industrial-related fields. In addition, over $2 million has gone into the operation of 14 programs in the allied health field.

Adding credibility to evidence of the Appalachian program's success in South Carolina is the fact that over 25,000 new jobs have been created in the Greenville area and more than $570 million worth of new industry has been established since 1962. The per capita income, which has increased by over 75 percent in the last 10 years, indicates that much of this growth has occurred since 1965, making it apparent that the emphasis on vocational and technical training, made possible by Appalachian funding, has been responsible.

It is not lightly that I take the floor to advocate a bill with a price tag of almost $1.5 billion over the next 5 years. But, Mr. Speaker, the tax dollars invested to establish this successful Federal-State partnership dedicated to reversing the economic deterioration of Appalachia have been well spent, and will be returned tenfold by an economically healthy Appalachia.

Frankly, I like getting my money's worth, and I like programs with the potential for paying for themselves, through an increased industrial and personal tax base.

We have heard a lot in recent weeks about the importance of revitalizing Appalachia through recovery of lands raped by mining, and that is all well and good. But the Appalachian Regional Development Program is an example of an ongoing program that has proved its worthiness. My district needs it; Appalachia needs it; the Nation needs it.

Mrs. LLOYD of Tennessee. Mr. Speaker, in supporting the extension of the Appalachian Development Act I want to cite in particular an Appalachian Commission program which is vital to the long-term development of economic and human potential in the region. The child development program which the Commission launched in 1969 is indeed becoming a model for the Nation and has gone far to build and strengthen services for a most important resource of the region—its young children.

The deficits in Appalachia resulting from lack of sufficient prenatal care, nutrition, and educational support for families have been costly and enduring. Now, the Commission program has begun to have an impact by making preventive services available for the first time and by encouraging more effective organization of existing resources.

The program has enabled States, substate areas, and communities to effectively assess needs for services and to plan programs which best fill real service gaps; it has been comprehensive in concept, ranging from family planning and prenatal care through pediatric health services, differential diagnosis, protective services, quality day care and special early programs for the handicapped; it has established innovative interagency organizations and technical assistance to deal with the problems of providing these services in a coordinated way in rural areas.

In 3 short years the operational phase of the program has affected over 120,000 children under 6 in at least parts of 222 counties in Appalachia and over 5,100 jobs have been created in service projects throughout the region. Another 5,000 parents have been able to work because of the availability of quality child care assistance for their families. The flexibility of the program has led to the development of over 20 kinds of services tailored to local needs, and has attracted over $83 million in Federal, State, and local funds to largely rural areas to improve the quality of life for the region's young children and their families.

There are now operating in my district six ARC child development projects which serve all but one of the counties in my district. These programs are serving approximately 2,000 families and 2,300 children. These projects include a comprehensive day-care program in Anderson County with 12 centers serving 405 children; a multicounty day-care program in 5 rural counties serving 86 children; a home-based parent education program in 4 rural counties serving 120 children; a home-based parent component of a large comprehensive day-care program serving 460 children and a semirural area in Hamilton County; a day-care program for handicapped children serving 22 children, and a screening and evaluation program serving 1,248 children in 10 counties. All of these projects include components which will increase the likelihood that the children in my district will grow up with healthy bodies and minds and become productive human beings. These programs also enable the sharing of expensive regional services to prevent the lifelong deficits and social costs resulting from the absence of such early care at critical periods of human development.

In addition to these operating programs, there is a child development coordinator in my district. This person, the regional outreach of the Tennessee office of Child Development, provides assistance to any program for children in my district. She will, through councils composed of parents, agencies, and interested persons, achieve coordination of all programs for families and children. This assistance and coordination will assure that my district receives the maximum benefit from other Federal programs in the area.

The innovations in service delivery in my district and throughout Appalachian Tennessee have led to the development of significant State legislation for children, and the continuation of these efforts will provide new opportunities to try alternatives to traditional fragmented services.

I know of no other program with a greater possibility for the realization of human potential in my State. I urge your support for this very important legislation.

Mr. BROYHILL. Mr. Speaker, I want to voice my strong support of H.R. 4073, to extend the programs under the Appalachian Regional Development Act. This legislation will extend the highway programs of the Appalachian Act for 2 more years and the nonhighways programs, providing funds for health, education, and general economic development for 4 additional years. This legislation would continue the worthwhile advances being made in the Appalachia area. The Appalachian programs have been most effective in dealing with the special problems of the people who live in the Appalachia area, but the job is not yet completed.

Since its beginning in 1965, the Appalachian regional development programs have made outstanding progress toward improving the quality of life for the people of the Appalachia area. I can personally attest to this, because over the years I have represented 11 counties that have been a part of this program and I can point to specific examples of improvement. During the past decade, incomes have increased, the number of jobs substantially grown, and the levels of health and education have improved. This is particularly important when we realize that previously the per capita income of the Appalachia area was among the lowest in the country and the health and economic problems were as great as any part of our Nation.

I dare say few programs can match the list of accomplishments which have been achieved through the Appalachian programs.

In addition to the proven track record of the Appalachian programs, I think that it is fitting that we recognize the success of these programs in demonstrating that a true government partnership can work. The Appalachian programs have consistently required that funds be spent according to the needs and priorities of the local people. The direction of these programs has been established through balanced participation of local, State and Federal officials.

Today there has been much concern—as there should be—about Federal programs that are ill-designed to get results and programs which are a waste of the taxpayers dollar. I am proud to point out that the Appalachian programs are not in this category. It has given the taxpayer a good return on his dollar. Those working with this program, those being served by it and those who have carefully observed it have nearly unanimously applauded its effectiveness.

It is a program that benefits people who need help the most, it has proven to be a good trustee of the taxpayers dollar and it has laid the framework for effective cooperative government action. For these reasons, I give my strong endorsement to the extension of the Appalachian Regional Development Act.

Mr. HOLLAND. Mr. Speaker, I rise in support of H.R. 4073 which authorizes the extension of the Appalachian regional development program and the Appalachian Regional Commission for 4 additional years.

Mr. Speaker, this program was devised by the Congress 10 years ago to deal with the severe economic problems of the Appalachian region. In simple terms, the mission of Congress was to bring Appalachia into the mainstream of American prosperity and out of the depth of extreme poverty. This task was not to be completed overnight or even in a few years. Today, however, we can look at the past decade this program has been in operation, and point to the tremendous strides that have been made in upgrading Appalachia's economic and social status through the cooperative efforts of the Federal Government and the 13 Appalachian States.

Mr. Speaker, I was born in Appalachia and I know its problems; I have, therefore, watched with great interest and much satisfaction, the progress of the Appalachian regional development program. It is a good program, and one which has been of substantial benefit to the Appalachian counties of South Carolina.

Highways, schools, hospitals, and clinics have been built in response to the crucial needs of Appalachia. Programs in education, health care, and child development are providing many necessary services that were virtually nonexistent in the early 1960's. Environmental protection and efforts to encourage improved use of the region's natural resources have also been an integral part of the Appalachian program.

As H.R. 4073 indicates, the highway portion of the Appalachian program is a large part of the total effort to create the conditions favorable to economic growth and diversification. This bill will extend the highway program for 2 years and provide increased authorizations so that progress can continue toward completion of the Appalachian Development Highway System which the Congress authorized in the Appalachian Regional Development Act of 1965

The need to focus our attention on upgrading Appalachia's transportation networks and to complete the construction of the Appalachian Development Highway System which has improved the free flow of workers and commerce throughout the region is imperative. During our committee hearings on H.R. 4073 much concern was expressed over the increased transportation demands that Appalachia will face in the coming years. This increased demand will, in part, be a direct result of the region capitalizing on its new coal and energy resource potentials.

Appalachia clearly has a new role to assume in providing the region and the Nation with much of its energy needs during the next decade. Just as the energy crisis has offered us an opportunity for expanding the rail system in our country, it also offers a great opportunity for revitalizing much of Appalachia which is laced with rich coal deposits. Approximately 45 percent of the Nation's recoverable coal reserves are in the Appalachian region. In addition, other circumstances are favorable for mining in Appalachia. Water is abundant, an adequate labor force is available, and partly due to the existence of the Appalachian highway program and the extensive rail network in the region, transportation is available to move this coal to the Nation's largest urband and industrial centers which are nearby.

During the past decade of our experience with the Appalachian program we can see the progress that has been made in improving the region's transportation system. Industries are springing up along our development highways. We are breaking down the past isolation of the Appalachian people from their jobs, services and from one another. We have demonstrated that industry and development will follow transportation development. And rising costs and the slowdown of the Nation's economy make it imperative that we complete the Appalachian Highway System as promptly as possible. To do this, H.R. 4073 has included additional highway funds to offset the costs of inflation and higher safety standards.

However, in meeting the new challenges and problems which will arise in the extraction, production and delivery of coal, Appalachia must begin to not only complete its highway system but to develop a new multimodal transportation system. The Appalachian Commission and the Governors of the Appalachian States are giving serious consideration to transportation needs in the formulation of a regional energy policy. It is clear that, as important as they are, highways alone are not enough. With the spiraling demands for Appalachian coal in the future, we will need an intermodal transportation system that will include highways, an air travel system, railroads, and waterway systems.

Mr. Speaker, there is still much work to be done in Appalachia. The transportation needs I have briefly alluded to in my statement here today are just part of the overall development effort that is needed in the Appalachian region. The nonhighway portion of the Appalachian program is critical to achieving the economic potential that Appalachia has worked steadily toward for the past decade. Utilizing funds available from the Appalachian Regional Commission as "seed money," many areas in Appalachia have been able to generate other Federal and State funds to provide a broad range of essential services for the region's people. Appalachian funds provided the stimulus for many communities to upgrade their health care delivery systems and provide vocational education programs for residents of Appalachia to obtain vocational and technical training relevant to current job market needs in the region and more generally throughout the Nation.

Of the many other accomplishments of the Appalachian program, and one of its most significant, has been in the area of vocational education.

The overall objective of the Appalachia vocational technical education program has been to provide residents of Appalachian counties with expanded opportunities to obtain vocational and technical training relevant to current job market needs in the region and, more generally, throughout the Nation.

To achieve this aim, the Commission developed and followed a twofold strategy:

First, expand the number and capacities of vocational-technical education facilities in Appalachia; and

Second, place increased emphasis on the relevance of vocational-technical education curricula to present and projected job opportunities.

In order to insure an increase in the availability of job-relevant training, the Commission adopted the requirement that applications for assistance for the construction of vocational-technical education facilities must demonstrate that the training courses to be offered would be related to existing or projected demands for manpower. I believe this emphasis on job-relevance to be one of the Commission's wisest decisions and one of its most significant contributions.

During the first 4 years of the program, the majority of Commission-assisted projects were for the construction and equipping of new vocational-technical education facilities. The new facilities were located primarily in areas where there was a concentration of potential students who had not previously had access to such training opportunities. During the last 5 years, as the provision of new vocational-technical facilities has become increasingly sufficient in terms of location and geographic access, the emphasis shifted to investments for expansion, remodeling and reequipping of existing facilities.

These Appalachian regional program vocational-education efforts and the Commission's insistence on job-relevant training are paying dividends.

A recent survey of ARC-assisted secondary vocational education facilities shows that two-thirds of the June 1973 graduates who were available for employment had been placed in full-time training related occupations. In addition, another 24 percent of the graduates were employed in part-time or nontraining related occupations, for a total of 90 percent employment among graduates seeking jobs.

Mr. Speaker, Appalachian South Carolina has made particularly good use of the Commission's vocational-technical education program. I will cite two examples to illustrate my point:

R. D. Anderson Vocational Center serves three education districts in Spartanburg County—Districts IV, V, and VI. Since its completion in 1969, it has had one addition and now has a total of 19 departments with a total enrollment of 665 during the current school year.

The school serves as a model demonstration of local cooperation in a successful vocational education enterprise. Coordination between the ARC Local Development District in the area, the State Division of Vocational Education, local school districts, and private industry has resulted in a comprehensive vocational training program with wide-spread community support. Both student and adult manpower training is available at the center, which features a full-time director of adult programs whose function is to maintain contact with area employers and community organizations, develop upgrading training for employees of local industry and businesses, initiate new industry training, and recruit students for the center's adult division classes.

Another example of the impacts of ARC's vocational-technical education program is Greenville Technical Institute.

Mr. Speaker, during the hearings conducted by the subcommittee we heard testimony about this outstanding institution. Greenville Tech is generally recognized both by knowledgeable persons in education and by leaders in industry and labor as one of the most effective technical education institutions in the Nation.

Mr. Speaker, most of the buildings and equipment at Greenville Tech were provided through Appalachian Act assistance. We heard testimony that the flexibility of the Appalachian program allowed Greenville Tech to design a training program that provided the accessibility and flexibility to meet the needs of a diversifying industry in the Greenville area.

This project, which witnesses told us was made possible largely by the Appalachian program, is having a tremendous impact on Appalachian South Carolina. This project and hundreds of others under the ARC's vocational-technical education program have provided hundreds of thousands of Appalachians with job training that has enabled them to become employed and self-sufficient citizens.

Another accomplishment of the Appalachian program is in the area of housing assistance.

Mr. Speaker, substandard housing is one of the major problems of Appalachia. More than 1 out of every 4 families live in homes that need replacement or repairs. In some counties of central Appalachia, 9 out of 10 houses are substandard. Housing needs for miners caused by increased coal production have compounded the existing problems. Despite these conditions, Appalachia has not received a proportional share of federally assisted housing for low- and moderate-income families that has been available nationwide. This has been due to a number of factors, principally: lack of institutional capacity—private, public or nonprofit—to undertake housing projects, coupled with limited technical assistance to help qualified organizations initiate and execute properly conceived projects; and a shortage of developable land coupled with a rugged topography, creating unusually high site development costs which often make projects unfeasible.

The section 207 Appalachian housing fund has been designed to counter some of these factors. Section 207(e) provides technical assistance grants to States for encouragement of low- and moderate-income housing. States are working with local communities or private organizations to help solve housing problems. Part of this effort involves providing encouragement to private and nonprofit builders and developers through market information and in some cases, through State financing. One measure of the effectiveness of this program is seen in the operations of the State housing agencies that have benefited from the Commission's technical assistance. The Commission has assisted many of the Appalachian States to establish State housing programs, including South Carolina.

Mr. Speaker, I recently attended the dedication ceremony for a 16-unit housing project located in Blacksburg near my hometown of Gaffney, in Cherokee County. This low- and moderate-income housing development was brought to life through services funded under the Appalachian section 207 program. These services were provided by a combination of State and local housing support agencies working through a sponsoring group consisting of the citizens of Blacksburg.

A 20-unit project for the elderly is under construction in Walhalla, in Oconee County. Five more of these projects are in process in the six counties of Appalachian South Carolina, with others in the planning stage.

Thus, the Appalachian program is helping to provide much-needed housing in these more rural areas. This is a vital need and a vital program. I am pleased to support this program, and the extension of the authorizing legislation.

Mr. Speaker, I urge the passage of H.R. 4073. It is clear that the Appalachian regional development programs have made solid achievements in meeting the goals Congress put forth in 1965. It is also evident that much remains to be done in Appalachia. The Appalachian Regional Development Act is in many respects a model for the Nation. Not only will the 13 States in Appalachia benefit from the extension of this unique program but the Nation as a whole will profit from the beginnings made here if continued support and refinement of our efforts become a reality through the extension legislation we are now considering.

Mr. MIKVA. Mr. Speaker, I rise in opposition to H.R. 4073, the Appalachian Regional Development Act Amendments of 1975.

While the Appalachian Development Act is a laudable program, one worthy of continued support, I cannot cast a vote for legislation which includes authorization for the construction of more highways. At a time when our Nation is facing a growing energy shortage principally caused by an overdependence on the automobile to satisfy our transportation needs—it is absurd to feed and nurture this dependence with the construction of additional miles of roadway. More roads can only result in a greater reliance on the automobile and increased gasoline consumption. The time to stop this madness is now.

The SPEAKER. The question is on the motion offered by the gentleman from Alabama (Mr. Jones) that the House suspend the rules and pass the bill H.R. 4073, as amended.

The question was taken.

Mr. FRENZEL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. Pursuant to clause 3, of rule XXVII, and the prior announcement of the Chair, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. JONES of Alabama. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 4073, and that I may revise and extend my own remarks on this bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

EXECUTIVE PROTECTIVE SERVICE

Mr. RONCALIO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 12) to amend title 3, United States Code, to provide for the protection of foreign diplomatic missions, to increase the size of the Executive Protective Service, and for other purposes, as amended

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the second sentence of section 202 of title 3, United States Code, is amended by striking out "and (7)" and inserting in lieu thereof the following: "(7) foreign diplomatic missions located in metropolitan areas (other than the District of Columbia) in the United States, and in its territories and possessions, where there are located twenty or more such missions headed by full-time career officers, except that such protection shall be provided only on the basis of extraordinary protective needs required and then only upon request of the affected metropolitan areas and (8)".

(b) Section 202 (8) of title 3, United States Code, as renumbered by subsection (a) of this section, is amended by striking out "other".

(c) Subsection (a) of section 203 of title 3, United States Code, is amended by striking out "eight hundred and fifty" and inserting in lieu thereof "twelve hundred".

(d)(1) Section 208 of title 3, United States Code, is amended by redesignating section 208 as section 209, and by inserting the following new section 208:

"208. Reimbursement of State and local governments.

"In carrying out its functions pursuant to section 202 (1) and (8), the Secretary of the Treasury may utilize, with their consent, on a reimbursable basis, the services, personnel, equipment, and facilities of State and local governments, and is authorized to transfer funds made available pursuant to this chapter to such State and local governments as reimbursement in full for the utilization of such services, personnel, equipment, and facilities.".

(2) The table of sections for chapter 3 of title 3 of the United States Code is amended by striking out

"208. Appropriation to carry out provisions."

and inserting in lieu thereof the following:

"208. Reimbursement of State and local governments

"209. Appropriation to carry out provisions.".

(e) The amendments made by subsections (a), (b), and (d) of this section shall take effect as of July 1, 1974.

Sec. 2. (a) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(107) Director, United States Secret Service, Treasury Department."

(b) Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(139) Deputy Director, United States Secret Service, Treasury Department."

Sec. 3. Section 5108(c) of title 5, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (13);

(2) by striking out the period at the end of paragraph (14) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(15) the Secretary of the Treasury, subject to the standards and procedures prescribed by this chapter, may place an additional ten positions in the United States Secret Service in GS–16, GS–17, and GS–18.".

The SPEAKER. Is a second demanded?

Mr. SYMMS. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Wyoming (Mr. Roncalio) is recognized for 20 minutes, and the gentleman from Idaho (Mr. Symms) is recognized for 20 minutes.

The Chair recognizes the gentleman from Wyoming.

Mr. RONCALIO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, before I begin, I could not not help but notice the irony of the last vote, which will be deferred, but which carried with it great tribute from dozens of Members of the splendid purpose served by the Appalachian program over the last 20 or 30 years, and the fact that the strip miners have not restored the land the way they should have. I think it is symbolic to mention that on this day, when the President said he will again veto a simply excellent strip-mining bill that we labored on for 3 years.

Mr. Speaker, H.R. 12 amends existing law to permit expansion of the executive protective service and provides greater security for foreign diplomatic missions in the United States.

Public Law 91–217, approved March 19, 1970, changed the name of the White House Police to the Executive Protective Service and added the responsibility of protection for the foreign diplomatic missions located in the Washington metropolitan area and in other areas as the President may direct on a case-by-case basis when local authorities are not capable of providing the desired level of protection as the President might direct. The authorized strength of the Executive Protective Service was set at 850 officers. The addition of the protection of the foreign diplomatic missions to the duties of the force and the increase in its size were in recognition of the obligation of the United States as the host government, under international law and practice, to take reasonable precautions to assure the safety of foreign diplomatic missions and their personnel.

The foreign missions division of the Executive Protective Service became operational during 1970. The condition that prompted the establishment of the foreign missions division was growing street crime in the Washington, D.C., area. The Service considered that a force of 850 uniformed officers could adequately fulfill the existing and added responsibility of the protection of foreign diplomatic missions. Since that time, however, the rise in acts of political terrorism has increased the demand and need for such protective services, not only in the Washington area but in other cities which have a large number of foreign missions. This trend has continued, and H.R. 12 would authorize a force of 1,200 officers, an increase of 350 over the present authorized level.

From 1971 to 1974, requests from the State Department for these protective services have increased in the following manner:

Fixed posts—72 to 171.

Blair House details—8 to 15.

Special protective attention—92 to 198.

Diplomatic receptions—132 to 334.

In addition, H.R. 12 provides the Secretary of the Treasury with additional authority in cases of extraordinary protective need to provide protection for "foreign diplomatic missions located in metropolitan areas—other than the District of Columbia—in the United States, and in its territories and possessions, where there are located 20 or more such missions headed by full-time career officers." Presently the following cities fall into this category: New York City; Chicago, Ill.; Los Angeles, Calif.; Houston, Tex.; New Orleans, La.; and San Francisco, Calif. There must be a request from the affected metropolitan area, and the legislation would require the secretary of the Treasury to provide the protective forces of the Executive Protective Service or "utilize, with their consent, on a reimbursable basis, the services, personnel, equipment, and facilities of State and local governments."

For the past 20 months, due to the continuing services of crisis in the Middle East, Executive Protective Service officers have been assigned to protective duties at various Arab, Israel, or other UN missions in New York City.

H.R. 12 further provides for statutorily establishing the positions of director and Deputy Director of the U.S. Secret Service and 10 additional high level positions.

In 1965 the Secret Service was reorganized as a result of the recommendations of the Warren Commission. Since that time, the Secret Service has received significant increases in responsibilities, but has not received any additional allocation of upper level positions. The supervision and implementation of security arrangements for all major Presidential and Vice Presidential candidates, for visiting heads of a foreign state of foreign government to the United States, as well as the direction of the Executive Protective Service, demands the highst degree of Executive and administrative ability.

I strongly urge favorable consideration of H.R. 12.

At the desk with the bill is an amendment which is necessitated by the fact that Public Law 93–552 approved on December 27, 1974, amended section 202 of title 3 by adding additional responsibilities to the Executive Protective Service. These responsibilities involved the protection of the Vice President and his temporary official residence. The amendment makes minor technical amendments clarifying this previous modification.

Mr. SYMMS. Mr. Speaker, I yield 2 minutes to the distinguished ranking member of the committee, the gentleman from Ohio (Mr. Harsha).

Mr. HARSHA. Mr. Speaker, I would like to point out to this House that approximately 15 minutes ago was the first time that I had any indication or knowledge whatsoever that the Administration opposed this legislation. My information was absolutely to the contrary.

Last year we reported this bill out, and it was introduced in different form. The administration appeared and testified at that time, raising several objections and offering several amendments. The Committee on Public Works considered those amendments and modified the bill in an effort to meet every objection that the administration had to the bill at that time.

Subsequently, because of the urge for adjournment and the press of business in the last three or four days, we were unable to call this bill up. It was fully intended to call it up, but because of the hectic schedule in the final moments before adjournment, we decided to call it off and to bring it up again this year.

Again this year we had hearings. The administration's representatives testified with respect to this bill.

Mr. Speaker, let me read to my colleagues from the record. This question was asked by the gentleman from Wyoming (Mr. Roncalio).

> Mr. Director, are you in favor of the legislation of the bill as now drafted?

That is after the amendments were put in it that the administration wanted.

Mr. Hill, who is the Director of the Protective Service, said:

> Yes, we are.

Subsequently, in the testimony Mr. Roncalio said again:

> I would like the Record to show that each of you three gentlemen——

He was referring to Mr. Drescher, who was Chief of the Executive Protective Agency, and Mr. Hill of the Protective Service, together with Mr. David MacDonald, who is the Assistant Secretary of the Treasury for Enforcement Operations and Traffic Affairs—Mr. Roncalio said:

> I would like the Record to show that each of you three gentlemen favor the legislation in the numbers you are asking for.

And Mr. MacDonald, the Assistant Secretary of the Treasury, replied:

> Yes.

Members of the House, I do not know how we could get it any more clear that the administration supported this legislation, and yet they reported to the Republican Conference for the Legislative Digest at the last moment, through some intrigueing arrangement, that they now opposed it.

In the first place they are objecting that the Assistant Secretary of the Treasury should have responsibility for assigning the EPS personnel.

Mr. Speaker, they ought to read the bill, because that is exactly what the bill provides for. To come up here at the last moment before the hanging and raise an objection is, in my judgment, no way to handle legislation.

Mr. Speaker, I urge support for this legislation.

Mr. RONCALIO. Mr. Speaker, I want to take a moment to congratulate and commend my colleague, the ranking Republican member, for the statement he has made, and for the help that gentleman has given us in the committee hearings.

Mr. Speaker, I now yield 3 minutes to the gentleman from California (Mr. Anderson).

Mr. ANDERSON of California. Mr. Speaker, I rise in full support of H.R. 12 and commend the honorable Teno Roncalio, chairman of the Subcommittee on Public Buildings and Grounds, for the excellent manner in which he has handled this proposal.

H.R. 12 has been given extensive hearings, considerable input has been received from nationwide leaders in the field of law enforcement, and I believe all objectionable features have been worked out.

Mr. Speaker, law enforcement activities, including the protection of foreign diplomatic missions outside the metropolitan area of the District of Columbia, have always been the responsibility of local police departments, and I believe we should not extend this authority to the Executive Protection Service, unless, of course, the local government officials request EPS personnel.

The protection of foreign missions outside of the District of Columbia metropolitan area is a matter appropriately under the jurisdiction of the various local law enforcement agencies and in some instances, can be more readily handled by them. Since local law enforcement officials have their own sources of intelligence and information for their own areas and are in close touch with their communities, their authority to protect official foreign persons and property within their jurisdiction should not be and is not preempted, nor usurped in any way, and only with local consent should the EPS assume such responsibilities.

Thus, the intent of the language in the original report of the House Committee on Public Works—No. 91–703—which confines Executive Protection Service activities outside the District of Columbia area to only those "situations of extraordinary gravity, where the local police is totally incapable of providing a level of protection deemed essential to the international integrity of the United States" remains unchanged, except with the approval of the local government officials.

As a result, prior to the introduction of Executive Protection Service personnel into any metropolitan area outside the Washington, D.C., area on a permanent basis, the committee feels that the local governmental officials should be consulted and given the option of receiving Federal reimbursement for the services provided by local police agencies and/or accepting a contingent of Executive Protection Service personnel in order to protect foreign diplomatic missions.

Mr. Speaker, I contacted most of the police chiefs of cities with consulates located in their areas, and I received an interesting series of answers to questions regarding the Executive Protective Service.

I found that most of the chiefs of police that answered our questions were opposed to having the EPS in their area. They emphasized that local police departments could do a better job in providing protection to consulates, but suggested that local government should be compensated by the Federal Government.

Mr. Speaker, the following chart indicates the answers of the police chiefs from the seven cities with 40 or more consulates in their area:

REPLIES TO LETTERS TO POLICE CHIEFS ASKING THEIR VIEWS ON EXTENDING THE EXECUTIVE PROTECTIVE SERVICE TO THEIR CITIES

City	Number of consulates (approximate)	Position
New York	84	For EPS; but most concerned about reimbursement.
Los Angeles	61	Against EPS; for reimbursement.
San Francisco	61	Against EPS.
Chicago	61	Prefers guards to police; stresses local control.
New Orleans	45	Against EPS; for reimbursement.
Boston	42	For either.
Houston	40	Against EPS; for reimbursement.

Mr. Speaker, I would like to enclose for the Record letters from Chief of Police Davis of Los Angeles; Michael J. Codd, police commissioner for the city of New York; James M. Rochford, superintendent of police for the city of Chicago; and Clarence B. Giarrusso, superintendent of police for the city of New Orleans:

Los Angeles Police Department,
Los Angeles, Calif., May 2, 1974.

Hon. Glenn M. Anderson,
Representative, 35th District, House of Representatives, House Office Building, Washington, D.C.

Dear Mr. Anderson: Thank you for your recent letter relative to the expansion of the Executive Protective Service.

We enthusiastically support the position which you expressed last year regarding the expansion of that police force.

Los Angeles, which is second only to New York City in the number of Consulates located in this area, has established a harmonious working relation with the Consular Officers through the years. My Chief of Staff serves as Liaison Officer with the Consular Corps.

We believe we are better qualified to anticipate and evaluate the needs for protection than administrative offices located in Washington, D.C. or Sacramento. We evaluate these requests for police service and determine whether there is an actual need or whether the presence of officers in uniform

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would merely add to the prestige of the office or to the ceremonial atmosphere of some social event.

There is no question that our system of law enforcement is difficult for representatives of foreign governments to understand, but we believe that face-to-face meetings between members of our Staff and members of the Corps is infinitely more effective in bridging this gap than any amount of liaison with an office in Washington. We believe it is more economical to meet the actual security needs of the Corps for executive protection from our existing staff of officers than it would be to maintain a separate staff on a standby basis which would be large enough to cope with any emergency.

Maintaining these protective services for representatives of foreign governments does place a financial burden on local government. We would welcome your help in securing reimbursement from the Federal Government.

Sincerely,

E. M. Davis,
Chief of Police.

The City of New York
Police Department,
New York, N.Y., July 9, 1974.

Hon. Glenn M. Anderson,
Longworth Office Building,
Washington, D.C.

Dear Congressman Anderson: For the past several years, New York City has sought to persuade the Federal Government to meet its responsibility to provide police protection to the United Nations and to foreign consulates within the City. Prior to the creation of the Executive Protective Service, we sought reimbursement for our excess police expenditures, amounting to $2 million annually. Recently, we have requested that the Executive Protective Service be permanently assigned to New York City to assume such responsibility.

Since under Public Law 91–217 the President may direct EPS personnel to protect foreign missions outside the D.C. area on "a case-by-case basis", such assignments have been made on three occasions. EPS officers assisted in protection for the United Nations' 25th anniversary and in 1971 they came during the police job action. The third occasion was assignment of EPS officers in the aftermath of the 1972 Munich tragedy to guard the missions, consulates and other officers of Middle Eastern nations and West Germany.

We are acutely aware of the Administration's opposition to extending EPS protection on a full-time basis for foreing embassies in New York City. In 1971, then Under Secretary of State Eliot Richardson stated that such full-time assignment would be illegal in light of the report of the House Committee on Public Works (No. 91–703) which stated that the use of EPS outside of Washington is limited "only to situations of extraordinary gravity, where the local police is totally incapable of providing a level of protection deemed essential to the international integrity of the United States . . . This additional authority is not, . . . a substitute for the responsibility of local forces to provide a protection for consulates, the United Nations, and similar foreign delegations within the United States." Mr. Richardson concluded that Congressional prohibition prevented the permanent assignment of EPS officers to New York City.

We are also very much aware of the deep concern on the part of many Members of Congress, such as yourself, about the danger of creating a national police force. In light of these realities, the City still seeks reimbursement for police expenditures for protection of foreign missions. The City has long felt that the cost of protecting these missions and foreign dignitaries should not be the burden of the people of New York City alone, since it is rightfully a national obligation.

I might point out that in 1972, Congress enacted, and the President signed Public Law 92–539, (H.R. 15883) which makes it a federal crime to harrass, intimidate, coerce, and commit acts of violence against foreign officials, their families and property.

In a letter to the Vice President, dated August 5, 1971, the then Attorney General and Secretary of State endorsed the legislation. In doing so, they jointly stated "Provision for increased protection of diplomatic, consular and other foreign government personnel and their families permits direct discharge by the United States of its international obligations as a host country."

It seems that assumptions of the cost of enforcement of the above law and protection against such crimes would be a logical extension of the obligation of the Federal Government.

Sincerely,

Michael J. Codd,
Police Commissioner.

City of Chicago,
Department of Police,
Chicago Ill., May 2, 1974.

Hon. Glenn M. Anderson,
House of Repesentatives,
Washington, D.C.

Dear Congressman Anderson: I share your concern regarding actions which may ultimately erode the authority and ability of local police agencies to provide police services to all citizens of their communities.

The type of protection service needed to safeguard embassies, consulates, and so forth, would seem to require a guard type operation as opposed to one involving full police powers. I would, therefore, suggest that the ideal situation would be for the Federal Government to appropriate funds for local governments to employ and train security guards. Naturally, enabling congressional legislation would be required.

An alternative proposal would be to use local policemen with reimbursement by the Federal Government. However, this approach would be less desirable in terms of: (1) costs, as salaries of fully trained police officers are higher than security guards, and (2) reduction of services to the community, as police officers would be taken from their primary function which is to serve and protect all members of the community.

I hope my comments are helpful to you and your committee. If I can be of further assistance, please contact me again.

Sincerely,

James M. Rochford,
Superintendent of Police.

City of New Orleans,
Department of Police,
New Orleans, La., May 1, 1974.

Hon. Glenn M. Anderson,
U.S. House of Representatives,
Washington, D.C.

Dear Mr. Anderson: Thank you for your letter of April 18, 1974.

I concur with your position of opposing a national police force, and it is my opinion that this city could handle the guarding of foreign consulates. On the other hand, New Orleans is currently experiencing an austerity program and this is another task we could not assume.

I appreciate the opportunity to express my views in this matter.

Sincerely,

Clarence B. Giarrusso,
Superintendent of Police.

Mr. Speaker, I repeat, H.R. 12 has had full hearings; has been well-debated; has had the objective features worked out; and I believe now deserves our support.

I urge an "aye" vote for the passage of H.R. 12.

Mr. SYMMS. Mr. Speaker, I yield 3 minutes to the gentleman from New York, Mr. Walsh.

Mr. WALSH. Mr. Speaker, I rise in support of H.R. 12, a bill to provide additional executive protective service, to increase the size of this service, and provide for reimbursement for services performed by local governments in connection with protection of foreign missions. There have been numerous and diverse opinions regarding provisions contained in this bill. Some of these differences have been resolved. The committee reported an identical bill last December, but because of the lack of time, it was not brought to the floor.

Briefly, this bill provides for executive protective service in metropolitan areas other than the District of Columbia where there are located 20 or more foreign diplomatic missions. This service shall be provided only on the basis of extraordinary protective needs and then only upon the request of the affected local areas.

Existing authority allows Executive Protective Service to be used on a case-by-case basis where the need exists. By way of example, EPS personnel have recently been assigned to the city of New York because of the heightened political tension in the Mid-East, resulting in numerous demonstrations and political confrontations. We recognize the need for authority to allow the Executive Protective Service to be used in emergency situations, even though the locality may not request such service.

This bill also provides for reimbursement to local and State governments in connection with the protection of foreign missions in their respective jurisdictions. These cities experience a financial burden in providing protection beyond that provided by the EPS. In ways this reimbursement would be a relative savings to the United States since local police could carry out the required function of guarding and protecting foreign diplomats and missions, thus alleviating the need to supply Executive Protective Service personnel to do the same task. Local enforcement officials know the territory and can more efficiently protect foreign missions.

Finally, this bill provides for 10 supergrade positions to administer the Executive Protective Service. This provision was written in cooperation with the Committee on Post Office and Civil Service. It establishes supergrade positions for the administration of the EPS. This language is needed to recognize the top personnel in their official capacity.

I believe this bill to be a workable piece of legislation; it is a product of lengthy debate and discussion in committee. In conclusion, I want to emphasize that prior to the introduction of any Executive Service personnel into any metropolitan area outside the District of Columbia, local governmental officials should be consulted and given the option of receiving Federal reimbursement for the service provided. It provides for EPS service to these local governments but does not require such service either on the part of the Federal Government or on the part of the local governments. I urge passage of this bill.

It should be pointed out that the administration testified in favor of the bill at the hearings of the committee. I know of no opposition by the administration to this bill until a few minutes ago. I understand they favor the goals but oppose the bill.

Ms. ABZUG. Mr. Speaker, I rise in support of this measure of which I am a sponsor. In 1970, the Congress converted the White House Police into the Executive Protective Service, and added to its duties the protection of foreign diplomatic missions located in the District of Columbia. The authorized size of the Service was increased at the time this extra responsibility was added.

The protection of foreign missions and personnel represents a long-standing obligation imposed on a host country by both international law and practice. The host country must take all necessary precautions to assure the safety of the missions and their personnel. The 1970 act recognized that this obligation should be undertaken by the Federal Government, rather than by the city of Washington alone. The bill before us today continues this policy, and recognizes that the Federal interest in protecting foreign officials and missions exists whether they are located in Washington or in other areas of the United States.

The bill adds to the responsibilities of the Executive Protection Service the safeguarding of foreign missions in those cities in which 20 or more such missions are located. Included among these cities are New York, Chicago, Los Angeles, Houston, New Orleans, and San Francisco. Recent international incidents in the Middle East, Cyprus, Eastern Europe, and other parts of the world have resulted in large demonstrations, violence, and the threat of violence against the missions of several countries. The six noted cities have had to bear the substantial costs of providing protection during these incidents on their own. Unfortunately, there is every indication that such periods of tension will continue. This bill is therefore necessary to relieve the burden now placed on these cities, and to guarantee that adequate protection is maintained. The increase in the number of positions in the Service, for which H.R. 12 provides, is appropriate to meet its expanded responsibilities.

It was noted earlier that other governments have expressed concern regarding the protection of their missions in the United States. They have indicated that this protection must be guaranteed, if we are to expect our foreign missions and personnel to be adequately protected.

During the extensive hearings which the Public Works Subcommittee on Buildings and Grounds held during the last session, and then again during this session, the administration expressed its support for the measure as a means of providing the necessary guarantees. Under the legislation, the cost and responsibility of furnishing protection in other than ordinary circumstances will be undertaken by the Executive Protection Service. This change will result in a more equitable and effective means for furnishing this protection, and I therefore strongly support it.

Mr. RONCALIO. Mr. Speaker, I yield to the gentleman from New York (Mr. Biaggi) such time as he may consume.

Mr. BIAGGI. Mr. Speaker, I rise in support of this measure. I commend the gentleman from Wyoming (Mr. Roncalio), the chairman of the subcommittee, for his effective work in this area.

Mr. Speaker, passage of this legislation will relieve the city of New York of one of its most costly and persistent fiscal nuisances, namely the cost of protecting certain foreign officials in times of extraordinary protective needs.

Specifically this bill allows the Secretary of the Treasury to provide local government who have responsibility for protecting foreign officials with reimbursement costs for law enforcement expense incurred in time of special protective needs. While this bill also allows the Secretary to deploy auxiliary enforcement personnel from the ranks of the EPS, this is a seldom utilized procedure, and for the city of New York's purposes, the reimbursement costs are far more important.

I have long been opposed to the city government having to provide this special protection without assistance from the Federal Government. It is a practice which is estimated to drain some $2.5 million annually from the city's treasury. I have sponsored legislation in each of my 6 years in Congress which called for those reimbursements costs to be provided, I am especially gratified that we are now on the verge of relieving the city of New York one less fiscal headache in a time when the city is suffering from an acute financial migrane.

I am also pleased to note that this legislation is retroactive to July 1, 1974. This will mean that the city of New York will be able to be reimbursed for the full $750,000 they were forced to shell out to protect President Arafat of the Palestine Liberation Organization when he addressed the United Nations last fall.

This bill also provides for increased protection of foreign embassies in Washington and New York through an increase in the size of the executive protection service. These facilities and their personnel have become the favorite targets of terrorists who bomb, vandalize and even kidnap embassy personnel. Just 2 weekends ago, two separate bombs were exploded in embassies in downtown Washington. Earlier this year the Ambassador from the Philippines was held hostage by a distraught individual unhappy with the Philippine Government. This increased protection will hopefully cut back on these acts and insure better safety for the personnel at the various embassies.

This Nation has a legal responsibility to provide protection to foreign officials working and visiting in our Nation. We have not shirked this responsibility and in fact in light of the turbulent international scene we are now prepared to expand our efforts. In areas like New York City they have also assumed these responsibilities willingly. Yet many may not realize what a multifaceted operation it is to provide this special security. Protection must be extended from the moment of arrival to the moment of departure. Many of these operations begin at La Guardia Airport which is located in my congressional district. To provide the necessary personnel at the airport to protect a visiting foreign dignitary requires a deployment of several hundred policemen who normally would be assigned to protect the citizens of Queens. This shift leaves the citizens vulnerable for the minutes or hours involved in the operation. This combined with the fact that their city tax moneys are being used to fund this protection has left many New Yorkers embittered. It has now become a fiscal impossibility for New York taxpayers and their government to continue to assume the costs of extending protection for the many foreign officials who must receive special consideration. This legislation is cognizant of both these points and deserves the immediate approval of the House today.

Mr. RONCALIO. Mr. Speaker, I am quite sure the objections handed to me about 1 minute before the session today would not have been prepared in view of the testimony we received from the highest officials of the Treasury Department approving and requesting this legislation. I am certain this can be worked out in some manner with the administration personnel who, I think, were preempting a role in speaking on this legislation.

I suppose in every type of police-security operation, whether uniformed, military, covert, worldwide or domestic, of a peace-keeping role, the first concern is the basic safety for the lives involved. I think that is what the police departments and Secret Service are trying to tell us when they request these additional 166 personnel for the missions mentioned. I think providing the requested authority is the least we can do. Certainly I do not think $6 million to $8 million which will be authorized over the next 6 years is unreasonable or out of order.

I would not want frankly to oppose this type of legislation, considering the hatreds that still burn—regrettably—in this civilized world of ours. I do not like to see too many signs of a police state either. It is unfortunate we find so many policemen and guards and armed men are necessary, but it is a sign of our times.

I think we are considerably less prone to violence and assassination in this decade than in the last. With good cooperation and the work of our professionals whose duty it is to protect the lives of public officials, the next decade can be better than this and we can go on with dignity and carry out our role in progress and cooperation with the other peaceful nations of the world.

Mr. Speaker, I urge passage of this bill with the amendment.

Mr. SYMMS. Mr. Speaker, I yield 5 minutes to the gentleman from Maryland (Mr. Bauman).

Mr. BAUMAN. Mr. Speaker, I was interested to hear the gentleman from Wyoming list the cities which will benefit from this legislation. If I am not mistaken, they include New York, New Orleans, Chicago, Los Angeles, San Fran-

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cisco, and Houston, Tex., by definition any city that has 20 or more such foreign missions or consulates within its borders. The bill is misnamed. It is not for the Executive Protection Service, it is the Metropolitan Police Subsidy Act for the cities which benefit. This bill removes the necessity of the local taxpayers and the governments of those six cities to pay for this kind of protection, which they should offer to anyone, foreign, American, or local citizens, and, instead, places those expenses on the backs of all the taxpayers of the United States to the tune of $22.7 million, as I calculate the authority in this bill.

Just so there is no question as to what interpretation the administration places on this bill, I read to the Members from today's House Republican Conference Legislative Digest, which is prepared on the authority of JOHN B. ANDERSON, Chairman, Republican Conference, after consultation with the administration. Here is what the administration's view is:

> While the administration endorses the goal of this bill, it opposes H.R. 12 in its present form. The administration could support this bill if it were changed to eliminate the provision for reimbursement of local government expenses (with the exception of U.N. expenses in New York), eliminate the statutory establishment of 10 super-grade positions, and assure that the President or the Secretary of the Treasury has sole responsibility for assigning EPS personnel.

So much for the administration position.

Mr. RONCALIO. Mr. Speaker, will the gentleman yield for an observation?

Mr. BAUMAN. I will yield.

Mr. RONCALIO. Regarding the third objection in the views alluded to, all an objector would have to do is read the bill, for precisely the sole responsibility for assigning EPS personnel is with the Secretary of the Treasury; so whoever prepared the objections did not do a very good job.

Mr. BAUMAN. I hope the gentleman would be willing to meet the other objections stated by the administration. If the gentleman will read a little further, we see the major justification of this bill on page 3 of the physical danger to individuals, particularly those involved in such activities as representing their Government abroad. We all know that.

In the second paragraph on page 3 of the report, we find the following incidents were reported by foreign embassies in the Washington, D.C. metropolitan area during the period from August 20, 1970, to August 31, 1973: Twenty-five breaking and enterings; 4 bombings; 92 bomb threats; 6 assaults; and 24 larcenies; all involving foreign embassies or consulates.

Now, that covers a 3-year period. That is not even one-tenth of the violent criminal activity that occurred on "Human Kindness Day" a week or two ago in Washington, when more than 500 crimes were committed against individuals who were out for nothing better than to enjoy a rock concert on a weekend afternoon.

If the justification for spending Federal taxpayer's money is this kind of criminal activity, we ought to be pouring billions of dollars into the District of Columbia Police Force to meet the crime problem right here in Washington, D.C.

I suggest that we cannot do that and we should not do that. This city ought to take care of its own problems as should all others. The U.S. Park Service ought to take care of its problems. The American taxpayer has no obligation to finance such police problems all over the United States and in these six cities.

One of the reasons cited for needing this bill is the disturbances which attend the visits to the U.N. by little gun-toting thugs like Arafat, who was invited to the United Nations to speak. Our taxpayers are supposed to pay New York City for his protection. Well, I am in sympathy with taxpayers of New York City who have to suffer that kind of an affront. But it was the United Nations which, through Secretary Waldheim, refused to aid the Vietnam refugee evacuation. He said it was not within their purview; that the U.N. had no authority to assist in Vietnam.

Now, in addition to the millions of dollars given to the U.N. by the U.S., American taxpayers now are asked to give more money for police protection for the kind of international circus we see often repeated under U.N. auspices.

I suggest that with all the budgetary problems we have in this country and the needs that must be met, this bill is pretty low on the totem pole of priorities. It comes up under a suspension of the rules. It ought to be defeated. There is no necessity for asking the taxpayers of Maryland, Minnesota, or Idaho to share this kind of burden. All these local cities gain benefits from the presence of foreign consulates. That ought to be enough.

Mr. RONCALIO. Mr. Speaker, I would like to respond to the arguments raised by the gentleman from Maryland. He knows I did not propose this legislation. It was requested by the administration. So I would thank him to direct his remarks to the administration and if the administration does not want the bill, so be it; but we are men of reason and we are a lawmaking body. We have testimony before us from the top spokesmen who are charged by the laws of the land for the protection of the life of the President. Assassination has been attempted on at least three Presidents in my lifetime. The Executive Protective Service must guard the President, Vice President, and members of the executive department, visitors to and from the White House, officials who visit our country from any nation on Earth and who are hosted by us, whether in the Blair House or other facilities. These facilities may well be on the Eastern Shore of Maryland or from Cheyenne, Wyo., for all I know. So it is a question of the will of the Congress. If we do not listen to the testimony of those who are in charge of the Treasury Office of Protective Service, it is our responsibility.

The difference is this. I would say to my good friend from Maryland (Mr. BAUMAN), with whom I serve on another committee. If the gentleman from California (Mr. PHILLIP BURTON), our majority caucus leader, would have had a meeting this morning and come out with a resolution from the caucus saying that New York City demanded 500 more officers on its police department to be reimbursed by the Federal Treasury, because city finances are not sufficient, then, I think the gentleman's opposition would be sound. That is why I think the observation attributed to the gentleman from Illinois (Mr. ANDERSON) this morning is not appropriate. Obviously, someone would have called the Treasury Department and made a timely objection.

I think the Treasury would have requested the committee not proceed with this bill.

So, I hope the gentleman's objection to the bill will not prevail.

Mr. BAUMAN. Mr. Speaker, my objections to this bill go well beyond the administration's position. That has never been a telling factor in making up my mind on any legislation. The people in my district want lower taxes, not more Federal handouts for New York City. I will give you an example. The people of Queen Anne County in Maryland pay their share of taxes and provide local protection for the Russians' beautiful estate which was once owned by John Raskob, the former Democratic national chairman. The Russians live over there on the Eastern Shore of Maryland in the summertime, but our local sheriff and State police protect them from any problems that may arise—not from our folks, because we are happy to see the Communists spending capitalistic money in our area. We are not upset, but we do provide police protection for them, without asking for Federal aid.

That is what ought to be done anywhere across this country. By the way, the gentleman has never told me why he needs to authorize 10 supergrades at $30,000 plus each to manage 350 more officers. They are not going to see a supergrader walking up and down the street protecting the Soviet Embassy are they?

Mr. RONCALIO. We might find that a few supergraders have the guts to reach out and put some crime down when committed. I drove around the Washington Monument an hour after the events happened to which the gentleman alluded. If supergraders can lead police action in this country, it would be good.

Mr. WALSH. Mr. Speaker, will the gentleman yield?

Mr. RONCALIO. I yield to the gentleman from New York.

Mr. WALSH. Mr. Speaker, there was one other point brought out in the testimony which I think is important to the consideration of this bill. In response to a question about the possibility of there being a quid pro quo in case we did not approve this service, would some of the foreign nations, for instance, respond by not providing services to our missions overseas. The answer was yes. We could not get any definite answer as to who had said this, but I think the testimony is in the RECORD, and supports this possibility.

Mr. RONCALIO. I thank the gentleman very much.

In conclusion, Mr. Speaker, I would like to quote from the testimony of the officials who requested this legislation:

> I am in full agreement with establishing the additional high level positions in the U.S. Secret Service. A review of the higher level positions in that Agency indicates that there have been no additional supergrade positions allocated to the Secret Service since the reorganization in 1965. However, since that time the Service has had significant increases in responsibilities including several whole new program areas.

I hope my friend from Maryland is listening.

Mr. Speaker, I would like to conclude by saying that I hope all my colleagues would follow the leadership of the senior members on the committee on the other side of the aisle who do recommend this legislation. This is not the time for this country to shortchange protection of any of its consular and embassy officials, or to shortchange security for those visiting us from any nation on Earth. We are in a sensitive time right now in the history of this beloved Republic, whatever we can do to assure orderly relationships with all nations on Earth is to be desired. I think this legislation should be passed, Mr. Speaker.

Mr. SYMMS. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, my objections to this bill are the same as my objections to the last bill, and that is to the procedure under which it is being handled rather than to the substance of the bill. Again, we have a rather important bill that authorizes the expenditure of $23 million of the taxpayers' money; that creates 10 additional supergrade positions, and we are handling it under a procedure which prohibits amendment and which very distinctly restricts our ability to debate this bill. Mr. Speaker, we have abused the suspension process.

We have used it because it is convenient and expedient when we do not think there is much objection to a bill, and really that is not what it is there for. We certainly need better rules to govern the use of this particular process. When there is as much objection to a bill as we have seen with the first two we dealt with today, it is absolutely unfair to all of the Members and to their rights as Members of this body to deny them the ability to operate under the 5-minute rule.

Mr. Speaker, I do object to the process. I regret that it takes place on two of the bills handled by the great Committee on Public Works, because their work is normally superior and they are particularly careful about bringing good pieces of legislation to the floor.

Again, I do not complain about the substance, but the procedure denies the basic rights to Members of this House on important legislation; and, therefore, I shall vote against the bill, and I urge other Members to do so, so that we can establish some law and order in the procedures of this House which will not deny to the Members their rights.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. I will be glad to yield to the gentleman.

Mr. SYMMS. Mr. Speaker, I commend the gentleman for his remarks, and associate with him.

Mr. Speaker, I also would like to associate myself with the remarks of the gentleman from Maryland (Mr. BAUMAN).

I think it is a breach of the procedue in this House to pass this bill in this way, but also it is putting the support on the wrong end, so far as any kind of law enforcement is concerned. We should be taking away supergrades if we want to do something to aid this country. This country is full of supergrades.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. SYMMS. Mr. Speaker, I yield myself 1 additional minute.

Mr. RONCALIO. Mr. Speaker, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from Wyoming.

Mr. RONCALIO. Mr. Speaker, I am sorry that the gentleman from Minnesota (Mr. FRENZEL) has taken the position he has. I can, of course, see where a bill might well have need for the amendatory process. When one looks at a bill involving additional members of the Secret Service, a matter of about $5 million a year, $1¼ million in the second year, I do not think that is an abuse of the amendatory process for such matters to proceed under suspension of the rules.

However, I respect the views that the gentleman has given.

Mr. Speaker, I reserve the balance of my time.

Mr. SYMMS. Mr. Speaker, I would like to pursue that and ask the gentleman from Wyoming a question.

Does the gentleman really think there is any place at this time, when we have 1 out of every 6 people now working for the Government, that we need more supergrades?

Mr. RONCALIO. Mr. Speaker, I would be glad to do with more supergrades tomorrow if they could design a policy no longer requiring OPEC aid. If we could balance the budget, I think that would justify supergraders tomorrow.

I am in full agreement with establishing the additional high level positions in the U.S. Secret Service. A review of the higher level positions in that agency indicates that there have been no additional supergrade positions allocated to the Secret Service since the reorganization in 1965. However, since that time the Service has had significant increases in responsibilities, including several whole new program areas.

The Warren Commission in 1964 made several recommendations with respect to improvements in the protection of the President that needed to be implemented. In addition, several new duties and responsibilities were added to the functions of the Secret Service. Legislation enacted since 1965 has extended Secret Service protection to a former President and his wife during his lifetime; the protection of the widow of a former President, and the children of a former President until they reach 16 years of age. In 1968, Public Law 90-331 added the responsibility of protecting all major Presidential and Vice-Presidential candidates. Two years later the Service was assigned the responsibility for supervising the newly established Executive Protective Service covered in this bill which proposes increasing the authorized level of the force to 1,200 uniformed officers.

In 1971, Public Law 91–651 assigned the Service the duty of protecting visiting heads of foreign states or governments and, at the direction of the President, other distinguished visitors to the United States and official representatives of the United States performing special missions abroad. In the current year, the Service was given the responsibility of protecting the wife and family of the Vice President.

In order to cope with these increased responsibilities, the Congress has increased significantly the manpower resources of the Secret Service. Since 1965, the number of employees has risen from less than 900 to an authorized level of over 3,100 in the current fiscal year.

The highest degree of executive and administrative ability is essential to cope effectively with the demands placed upon the Secret Service because of its expanded responsibilities. These have not been the result of normal program increase, but rather the assignment of highly important and entirely new missions of both national and international significance. It is obvious that such additional protective responsibilities, plus the increasing complexities of law enforcement in a climate of growing criminal and terrorist activities, have severely increased the requirements placed upon these executives. The additional higher level positions contained in this bill should help alleviate this situation.

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. SYMMS. I will be happy to yield to the gentleman.

Mr. FRENZEL. Mr. Speaker, I do not criticize the gentleman, nor did I really criticize the bill very much, because I have not had much time to look at it. I have been very critical of the process. I think when we have millions of dollars of taxpayers' money to spend, it is an outrage that we do not give the Members a chance to debate it fully and to amend it. I really mean no criticism of the gentleman from Wyoming (Mr. RONCALIO) of course.

Mr. RONCALIO. Mr. Speaker, I appreciate the gentleman's remarks.

Mr. SYMMS. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. Does the gentleman from Wyoming (Mr. RONCALIO) desire to yield himself further time? The gentleman has 1 more minute remaining.

Mr. RONCALIO. Mr. Speaker, I would like to ask all Members to please consider voting for this legislation. We believe it is proper, and urgent; otherwise, we would not have presented it. We think it is good legislation. We think it is necessary and important. It was asked for last year and it was revived this year.

Mr. Speaker, the House Public Works and Transportation Committee has held extensive hearings on the bill and the legislation was reported unanimously by the committee.

With the passage of H.R. 12 we would fulfill the most basic requirement of the Executive Protective Service—addi-

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tional manpower. Manpower who will be trained and equipped to handle the awesome responsibility with which they are charged.

An environment cannot be secure when there are not enough police officers available to cover the assignment.

If we are to expect the best security possible for the President of the United States and for the members of our diplomatic corps, then we must provide the resources necessary to effect this security.

We cannot afford to sublimate the security of our foreign diplomatic mission. if we are to expect similar security for American diplomatic missions abroad.

In addition, H.R. 12 authorizes the Secretary of the Treasury to utilize, with their consent, on a reimbursable basis, in those cases in which the Secretary does not provide the services of the EPS, the services and personnel of State and local governments. The Secretary is authorized to transfer funds to such State and local governments as reimbursement.

Federal interest in protecting foreign diplomatic officials located in foreign missions exists, of course, whether such missions are located in Washington, D.C., or in other areas of the United States. Moreover, developments since the passage of the 1970 act have demonstrated that the need for protective services may arise not only in the Washington area but wherever there is a substantial number of foreign missions. As this need has increased—and it threatens to increase still further. local communities can no longer bear the cost of what is essentially a Federal obligation.

I strongly urge favorable consideration of H.R. 12.

Mr. JONES of Alabama. Mr. Speaker, I rise in support of H.R. 12.

The House Public Works and Transportation Committee has held extensive hearings on the bill and the legislation was reported unanimously by the committee.

With the passage of H.R. 12 we would fulfill the most basic requirement of the Executive Protective Service—additional manpower. Manpower who will be trained and equipped to handle the awesome responsibility with which they are charged.

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I would congratulate the gentleman from Wyoming (Mr. RONCALIO), the chairman of the Subcommittee on Public Buildings and Grounds, for his excellent leadership on this legislation. I would also extend my thanks to the gentleman from Ohio (Mr. HARSHA) and the ranking minority of the subcommittee, the gentleman from New York (Mr. WALSH) for their fine efforts and cooperation in bringing this bill to the floor.

I strongly urge favorable consideration of H.R. 12.

Mr. KOCH. Mr. Speaker, I am delighted that legislation sponsored by my distinguished New York colleague, Ms. ABZUG, and the distinguished chairman of the Public Works Committee, Mr. JONES, to provide for the protection of foreign diplomatic missions, is on the floor today. This bill, H.R. 12, will assist cities such as New York which, despite the great number of foreign diplomatic missions present, have been required to use hard-pressed local police. The bill states that, in cities with 20 or more missions, the Executive Protective Service will supply or reimburse the necessary services, personnel, equipment, and facilities.

As the Member of Congress whose district includes the United Nations, I first introduced legislation in January 1971 to accomplish these ends. Since that time, the New York delegation has worked closely with Representative ABZUG, whose committee, the Public Works Committee, has the legislative jurisdiction over this matter, and Representative ROSENTHAL, who has close contact with the State Department as a member of the International Relations Committee, in bringing the needed assistance about.

I wish to thank and congratulate both of my able colleagues for their efforts, which I know played a decisive role in bringing this bill to the floor today, especially Ms. ABZUG who shepherded the bill through her committee.

In a letter of November 18, 1974, New York City Mayor Abraham Beame wrote the city's concern to President Ford over the need to be "reimbursed for a specific, out-of-pocket cost of $3.1 million for the police protection we are providing this year," including $700,000 for Palestinian Liberation Organization leader Yasir Arafat's visit alone. As the legislation is retroactive to July 1, 1974, New York will be greatly assisted in paying for these costs. Chicago, Los Angeles, New Orleans, San Francisco, Houston, and other localities will be similarly assisted for recent and future expenses—expenses which are clearly national in nature.

I urge my colleagues to support this important legislation.

The SPEAKER pro tempore (Mr. McFALL). The question is on the motion offered by the gentleman from Wyoming (Mr. RONCALIO) that the House suspend the rules and pass the bill H.R. 12, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SYMMS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. RONCALIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the bill just under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

COAST GUARD AUTHORIZATION—FISCAL YEAR 1976 AND TRANSITION PERIOD FOLLOWING (JULY-SEPTEMBER 1976)

Mr. BIAGGI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5217) to authorize appropriations for the Coast Guard for the procurement of vessels and aircraft and construction of shore and offshore establishments, to authorize appropriations for bridge alterations, to authorize for the Coast Guard an end-year strength for active duty personnel, to authorize for the Coast Guard average military student loads, and for other purposes, as amended.

The Clerk read as follows:

H.R. 5217

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That funds are hereby authorized to be appropriated for fiscal year 1976 and for the transition period of July 1 through September 30, 1976, for the use of the Coast Guard as follows:

VESSELS

For procurement of vessels

For fiscal year 1976, $28,842,000.

For the transition period (July 1 through September 30, 1976), $1,561,000.

AIRCRAFT

For procurement of aircraft:

For fiscal year 1976, $36,000,000.

For the transition period (July 1 through September 30, 1976), $11,700,000.

CONSTRUCTION

For construction of shore and offshore establishments:

For fiscal year 1976, $52,582,000.

For the transition period (July 1 through September 30, 1976), $2,841,000.

SEC. 2. (a) For fiscal year 1976, the Coast Guard is authorized an end strength for active duty personnel of 37,901; except that the ceiling shall not include members of the Ready Reserve called to active duty under the authority of Public Law 92-479.

(b) For the transition period (July 1 through September 30, 1976), the Coast Guard is authorized an end strength for active duty personnel of 37,990; except that the ceiling shall not include members of the Ready Reserve called to active duty under the authority of Public Law 92-479.

SEC. 3. (a) For fiscal year 1976, military training student loads for the Coast Guard are authorized as follows:

(1) recruit and special training, 3,880 man-years;

(2) flight training, 92 man-years;

(3) professional training in military and civilian institutions, 372 man-years; and

(4) officer acquisition training, 1,143 man-years.

(b) For the transition period (July 1 through September 30, 1976), military training student loads for the Coast Guard are authorized as follows:

(1) recruit and special training, 1,071 man-years;

(2) flight training, 23 man-years;

(3) professional training in military and civilian institutions, 93 man-years; and

(4) officer acquisition training, 277 man-years.

SEC. 4. (a) For use of the Coast Guard for payment to bridge owners for the cost of alterations of railroad bridges and public highway bridges to permit free navigation of the navigable waters of the United States, $6,600,000 is authorized for fiscal year 1976.

(b) For use of the Coast Guard for payment to bridge owners for the cost of alterations of railroad bridges and public highway bridges to permit free navigation of the navigable waters of the United States, $2,050,000 is authorized for the transition period (July 1 through September 30, 1976).

The SPEAKER pro tempore. Is a second demanded?

Mr. du PONT. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from New York (Mr. BIAGGI) will be recognized for 20 minutes, and the gentleman from Delaware (Mr. DU PONT) will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York (Mr. BIAGGI).

Mr. BIAGGI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, at the outset, I would like to commend the ranking minority member of the committee, the gentleman from Delaware (Mr. DU PONT), and the other members of that subcommittee who have worked diligently and in a cooperative spirit with one purpose in mind: to produce a bill that would best serve the Coast Guard under the circumstances of the day.

It has been my privilege to serve with them, notwithstanding the complexities of some of the issues, in producing this bill.

Mr. Speaker, I rise to urge the passage of H.R. 5217, as reported by the Committee on Merchant Marine and Fisheries, authorizing certain appropriations for the U.S. Coast Guard, for fiscal year 1976 and for the transition period falling between fiscal years 1976 and 1977.

The authorizations involved in this bill are based upon the requirements of Public Law 88-45, which requires authorizations for the procurement of aircraft and vessels and for the construction of shore and offshore establishments; Public Law 92-436, which requires the authorization of fiscal year end strength for active duty personnel and for the average military training student loads for each component of the Armed Forces; and the act of June 21, 1940, which requires the authorization of Federal payments to bridge owners for the costs of alteration of Federal and public highway bridges found necessary to permit unimpeded navigation of the navigable waters of the United States.

During past years, it has been the practice for the annual Coast Guard authorization bill to include all elements of appropriations for the budget category of acquisition, construction, and improvements. The inclusion of the "improvements" category resulted from convenience, rather than from a strict requirement of the statute. This year, the Coast Guard, with the approval of the Department of Transportation and the Office of Management and Budget, limited its authorization request to acquisition and construction and forwarded a request limited to those categories, deleting budget items falling under the "improvements" category. The committee concurs with this interpretation of the law and has, therefore, not included in the bill such items included in previous years, as renovation and habitability improvement of vessels, replacement and installation of equipment, engineering and logistic support for individual projects, and other improvements not involving actual construction. The items so excluded, in contrast to their inclusion in previous years, amount to approximately 25 percent of the total A.C. & I. budget.

H.R. 5217, as introduced at the request of the Secretary of Transportation by his letter of March 14, 1975, to the Speaker, contained authorization language for fiscal year 1976, for fiscal year 1977, and for the transition period in between. The inclusion of the request for fiscal year 1977 resulted from the convenience of utilizing the fiscal year 1976 authorization request as a transmission vehicle with which to meet certain requirements of the Congressional Budget and Impoundment Control Act of 1974, which, among other things, required the submission of the fiscal year 1977 authorization request by May 15, 1975. That act, however, does not require committee action on the fiscal year 1977 authorization until May 15, 1976. In view of that fact, and realizing that more up-to-date information and justification for the fiscal year 1977 authorization will be available later, the Subcommittee on Coast Guard and Navigation, in considering the bill, amended it to delete all provisions relating to fiscal year 1977. The full committee subsequently, by unanimous voice vote, ordered the bill reported, incorporating the subcommittee amendment.

As to that part of the bill relating to the transition period of July 1, 1976, through September 30, 1976, the subcommittee decided that that portion should remain in the bill, and that determination was subsequently endorsed by the full committee. While the subcommittee and the committee were aware that a general omnibus bill was under consideration to handle this transition period authorization generally, it was determined that the authorizations involved here do not lend themselves readily to a general type of authorization, since specific projects and specific personnel levels are involved.

The various items involved in H.R. 5217, as reported by the committee, are as follows:

First. For procurement of vessels for fiscal year 1976—$28.842,000; for procurement of vessels for the transition period—$1,561,000;

Second. For the procurement of aircraft for fiscal year 1976—$36,000,000; for the procurement of aircraft for the transition period—$11,700,000;

Third. For the construction of establishments for fiscal year 1976—$52,582,000; for the construction of establishments for the transition period—$2,841,000;

Fourth. For the alteration of bridges for fiscal year 1976—$6,600,000; for the alteration of bridges for the transition period—$2,050,000;

Fifth. For end strength of active duty personnel for fiscal year 1976—37,901; for end strength of active duty personnel for the transition period—37,990;

Sixth. For military training student loads for fiscal year 1976—5,487 man-years; and for military training student loads for the transition period—1,464 man-years.

The total authorization for appropriations for fiscal year 1976 is $117,424,000. For the transition period, the total authorization is $16,102,000, making a total authorization under the bill of $133,526,000. As far as the fiscal year 1976 is concerned, these are the figures recommended by the committee in March to the Committee on the Budget and the committee has been advised that they are included within the budget ceilings contained in House Concurrent Resolution 218.

Mr. Speaker, this bill represents a minimal authorization necessary for the Coast Guard to continue the effectiveness of its operations. As indicated in House Report 94-178, the committee believes that this is a "barebones" authorization for the Coast Guard.

If the Coast Guard is to perform adequately its many and varied missions, there is no question that its aging equipment needs to be not only replaced, but augmented. The committee intends to continue with its detailed oversight analysis of Coast Guard needs and to assure that it is provided with the necessary authorization to acquire the equipment necessary to do its job. While we may never be able to guarantee all that is desirable, we intend at least to assure all that is necessary. Nevertheless, at this time, the committee, recognizing the present economic conditions, has elected to go along with this minimal request of the administration, and, except for the deletion of provisions relating to fiscal year 1977, has reported a bill identical to the authorization request submitted by the administration. Speedup of replacement programs and augmentation of overall capabilities will receive a careful scrutiny of the committee during the coming months and such recommendations as are justified along those lines will follow.

The only item in the entire bill which has involved any type of controversy is that item referring to the procurement of aircraft. The aircraft involved is a medium-range surveillance aircraft, intended as a replacement for the currently used HU–16E, a medium-range amphibian which first entered Coast Guard service in 1951. These aircraft are approaching the point of operational and engineering obsolescence and, for the sake of safety, must be grounded as they reach the limit of their capability, beginning in fiscal year 1977.

The first authorization for this replacement program was for $15 million in fiscal year 1975, for which it is estimated four aircraft may be purchased. The authorization in this bill is for an additional 10 such aircraft in fiscal year 1976, and three additional aircraft for the transition period. This will leave a balance of approximately 24 aircraft to be authorized in future years.

During the consideration of last year's authorization bill, the Coast Guard indicated its intention to procure the aircraft under a sole-source procurement procedure. It had arrived at that intention based upon a desire to purchase the aircraft "off the shelf," and concluded after many months of evaluation that only one existing aircraft was available which would meet Coast Guard needs. Several members of the committee, including the chairman of the Subcommittee on Coast Guard and Navigation, expressed their complete dissatisfaction with sole-source as a method for procurement, and the committee concluded that competition among aircraft manufacturers was desirable if the Coast Guard was to obtain the best aircraft for the money. As a result of the committee criticism, the Coast Guard agreed to change from a sole-source to a two-step procurement system, and, to initiate that system, in December 1974, issued a request for technical proposals for the desired aircraft with a deadline for proposal submission of April 14, 1975. As the submissions deadline neared, allegations were again made that the procurement method was not sufficiently competitive. Members of the Subcommittee on Coast Guard and Navigation held numerous informal meetings with the Coast Guard and interested members of the aircraft industry, and the matter was discussed in some detail during oversight and authorization hearings this year.

After considering all the facts, the subcommittee, while holding strong reservations as to the procurement method selected, concluded that competition could, in fact, exist under the procedure, and that the completion of the process was warranted, at least to the stage of determining whether more than one manufacturer did actually submit proposals. The day following the closing of the proposal request, the Coast Guard commandant testified in open hearing before the subcommittee that the Coast Guard had, in fact, received more than one proposal. Last Friday, the Coast Guard furnished me with an informal memorandum stating that substantial progress has been made in evaluating the technical proposals submitted. It further stated, that as of May 16, 1975:

> Present indications are that we will have more than one acceptable proposal, although that determination must await completion of the technical evaluation.

While members of the Committee on Merchant Marine and Fisheries expressed the belief that the two-step procurement system had certain shortcomings, the outcome of the proposal request and submissions indicates that there was within it the element of competitiveness which the committee was determined to insure. The Subcommittee on Coast Guard and Navigation, therefore, voted unanimously to support the authorization request as submitted, and the full committee unanimously endorsed the subcommittee action.

There are no other items in the bill which created any kind of difficulty.

Mr. Speaker, I repeat that the bill, as reported by the committee, takes a very conservative, "barebones" posture. There is absolutely a minimal amount of meat, certainly no fat in this bill. I urge all Members to give it their unqualified support.

Mr. MURPHY of New York. Mr. Speaker, will the gentleman yield?

Mr BIAGGI. I yield to the gentleman from New York (Mr. Murphy).

Mr. MURPHY of New York. Mr. Speaker, I congratulate the chairman of the Coast Guard and Navigation Subcommittee of the Committee on Merchant Marine and Fisheries on the activities he has conducted this year in expediting the authorization bill for the Coast Guard.

At this time I would like to ask unanimous consent to place in the Record letters that I have received concerning the procurement process that the Coast Guard has gone through, the two-step procurement process that the gentleman just alluded to. I would hope that this subcommittee this year would insure that true competitiveness in the procurement of this aircraft did exist and that the requested proposal that was answered by private industry did include more than one bona fide—and I stress the word "bona fide"—proposal, and that the Coast Guard did not consider merely intent language that did not meet the very detailed response required and necessary to fully comply with a bona fide response to the RFP.

I would ask unanimous consent to place those documents I have in the Record including a letter from myself to Adm. Owen Siler dated May 16, 1975 with attachments including responses of private industry to one of these so-called proposals. I also ask if the gentleman from New York (Mr. Biaggi) would put in the Record that informal memorandum the gentleman had furnished to him preceding those letters I have because of the relevant nature of it to those letters.

Mr. BIAGGI. I would be delighted to.

(The memorandum referred to by Mr. Biaggi follows:)

STATUS OF MRS TECHNICAL PROPOSAL REVIEW

Substantial progress has been made in evaluating the MRS technical proposals. With respect to the proposals that appear acceptable, lists of questions have been submitted to the proposers to clarify apparently resolvable technical discrepancies. Present indications are that we will have more than one acceptable proposal, although that determination must await completion of the technical evaluation.

(The letter referred to by Mr. Murphy of New York follows:)

House of Representatives,
Washington, D.C., May 16, 1975.

Adm. Owen W. Siler,
Commandant, U.S. Coast Guard,
Washington, D.C.

Dear Admiral Siler: This letter is in reference to my continuing interest in the Coast Guard's proposed procurement of Medium Range Surveillance aircraft. Prior to my departure for Africa several weeks ago, I was informed that the Coast Guard claimed that three bids had been received. One, of course, by Rockwell International, one by Hawker Siddeley Aviation, Ltd., and one by Fokker-VFW International, b.v. Before I left the country I asked my staff to stay on top of this situation so that they could report to me on my return.

On finding that the so-called Hawker Siddeley bid was in fact no bid at all, my staff called Coast Guard Liaison to determine some of the specifics of the alleged Hawker bid. I was amazed to learn that I did not legally qualify as an interested party in the MRS aircrft procurement. This law applied even to a refusal of an answer to the question of who signed the Hawker-Siddeley bid letter.

I proceeded to obtain on my own copies of three documents which I have attached. The first is a letter dated 11 April 1975, from B. F. W. Tull in which Mr. Tull, a sales representative for the company, actually indicates Hawker Siddeley was *not* responding to the Coast Guard bid. Despite the existence of this letter, the Coast Guard apparently attempted to convince the Merchant Marine Committee staff that Hawker had made a legitimate bid. In view of this persistence, the local Beech Aircraft Corporation representative, whose company has a contractual relationship with Hawker Siddeley, obtained verification that Hawker Siddeley had made no formal response to the Coast Guard RFP and in fact indicated that this might be an attempt to make a sole source procurement of the Rockwell Sabre Liner appear justified. (See attachments #2 and #3.)

The so-called bid by Fokker-VFW International of its VFW 614 is also highly questionable. We have moved in the short span of 14 months from a point which the Coast Guard claimed it needed an aircraft where four to six crewmen could move around comfortably to a point where the Coast Guard is now entertaining a bid for an aircraft that can seat up to 44 passengers with a head room of 6½ feet.

This is on the surface a little absurd; like moving from a Piper Cub to the Graf Zeppelin.

I have further found that the aircraft costs between 4½ to 5 million dollars in the current world market *without the sensor equipment the Coast Guard indicates it will require*. Further, I fail to see how a foreign airplane with a fuselage made by West Germany and the Netherlands and a foreign engine made in Great Britain can meet the Buy-America Act which is specified in this RFP.

I find it hard to believe that the Coast Guard could take this bid seriously.

I am convinced most members of Congress would also find this hard to take.

All this leads me to believe that someone in the Department of Transportation or the Coast Guard is determined to obtain Rockwell's Sabre Liner, no matter what the consequences are. I know you have expressed

to my office surprise that other American manufacturers of qualified aircraft did not submit bids on this procurement. The answer, as I have indicated to your staff, would appear to be found in the lengthy study conducted by Kurt Sterzik at the time he was Chief Engineer for the Falcon Jet Corporation, a competitor in this bid until the release of the RFP. As you know, Mr. Sterzik at one time had been a leading engineer in the Sabre Liner Division of Rockwell International and had to a great degree participated in the writing of the original specifications for the Sabre 75A. Mr. Sterzik's study of the January Coast Guard RFP led him to the following conclusions:

"It is apparent that in reading this document (the Coast Guard RFP) it is synonymous with the technical description of the Sabre 75A.

"This raises a question of some magnitude that the intent of this RFP is to supply the Coast Guard with a pre-determined airplane. This does not appear to be in the best interest of the Coast Guard but most of all the American taxpayer who will underwrite this program.

"This RFP is in effect a sole source procurement under another label."

Based on the above, the preceding fourteen months of discussions, and my own investigations, I have come to the inescapable conclusion that Sterzik's conclusions have a great deal of validity.

The inexorable move toward the purchase of a Sabre Liner was also conveyed to me when representatives from Rockwell International informed my office that they were looking to modifications that would put the Sabre 75A into the four to five million dollar price range. That is precisely why they requested the Coast Guard to change from a two-step bid to a negotiated bid. I now have been further informed that the Rockwell International Sabre Liner being proposed has at least six new major modifications that would appear to make it an entirely new airplane and certainly not an off-the-shelf aircraft. These new modifications include:

(1) A fuselage that is 9 feet longer;
(2) A much heavier gross weight;
(3) A new wing;
(4) New beefed-up landing gear;
(5) New engines; and
(6) A new tail.

The fact that the Hawker Siddeley bid was no bid at all I have verified on my own. Some of the engineering factors on the VFW 614 I obtained when I was Chairman of the Coast Guard Committee, because, in their words, they were aware of my "responsibility towards the U.S. Coast Guard" and my "particular interest in their future requirement for the Medium Range Surveillance (MRS) aircraft, . . ."

I would appreciate it if you would reevaluate your position on sending information to the former Chairman of the Coast Guard Subcommittee, its current ranking Democratic member, a member of the Full Merchant Marine and Fisheries Committee, and the person who began the investigation of the sole source MRS procurement 14 months ago.

Admiral Siler, my persistence on this issue arises out of the following: As the former Chairman of the Coast Guard Subcommittee testifying before Chairman McFall's Appropriations subcommittee it was agreed that the authorizing committee would not authorize further funding for this procurement and the appropriating committee would not appropriate further funding for this procurement until the investigation of the procurement was completed and that a conclusion had been reached that it was not only in the interest of the taxpayers, but ethical, *bona fide*—and legal. These three conditions have not been met to my satisfaction at this point.

One final point. I find it very strange that the 60 page Sterzik study has been in existence for at least four months and the Coast Guard has not requested a copy even though it was discussed and shown at several private meetings between the Coast Guard Subcommittee and members of the Coast Guard. I would be happy to give you a copy for your files if you would care to have one.

With kind regards.

Sincerely,

John M. Murphy,
Member of Congress.

[Attachment No. 1]

Hawker Siddeley Aviation Ltd.
April 11, 1975.

Re technical proposal for MRS aircraft.
Commandant (G-FCP-6/71),
U.S. Coast Guard,
Washington, D.C.
Attention: Mr. A. J. Beard, Contracting Officer.

Dear Mr. Beard: The Manchester Unit of Hawker Siddeley Aviation has been interested in meeting the MRS Aircraft requirement of the United States Coast Guard for some time.

As you may recall, a presentation and demonstration of the HS. 748 was made for the Coast Guard in Washington during March 1973 and a great deal of enthusiasm for the HS. 748 was generated by this demonstration, particularly regarding its simplicity and ease of maintenance, reliability and its low speed and low altitude handling characteristics so necessary in the performance of the Coast Guard role. Being a turboprop aircraft it also offers economy of fuel usage, optimum time on station and low operating costs. The spacious cabin and development potential are added benefits of the HS. 748.

Naturally, we were rather disappointed that the initial public announcements of the Coast Guard specification and operational requirements called for a turbofan powered aircraft. However, we had already made a number of project studies of turbofan developments of the HS. 748 along with other studies for the continued development of the type so were prepared to consider your requirement and see whether we could propose a turbofan variant to meet your specification. Unfortunately, we do not feel that it would be productive or feasible at this stage to make any bid on a turbofan powered 748 so are restricting our response to the basic twin turboprop HS. 748 Series 2A Coastguarder.

We have also made a number of project studies into the development of the HS. 748 as a medium range surveillance and coastal patrol aircraft incorporating a comprehensive range of sensor equipment. The Manchester Unit of Hawker Siddeley Aviation have particular expertise in this field having designed and built the Nimrod turbojet LRPA with full responsibility for the integration of its sensor and other systems. The Company also has wide experience in the management and control of large Government and Defense contracts.

When the refined Coast Guard requirements were eventually published in the 'Notice of Request for Technical Proposals' of January 1975, the Coast Guard concept had obviously evolved into a small high performance aircraft. The requirements therefore did not closely match the capabilities of any of the projected Hawker Siddeley 748 Series 5 aircraft variants envisaged.

For this reason we have decided that it is not feasible for us to respond fully to your request at this point in time.

However, in other respects the HS.748 more than satisfies the Coast Guard requirements and should you subsequently find, on examination of proposals, that the needs of the Coast Guard might best be served by a combination of aircraft types, for example, a requirement for a small high performance aircraft combined with an aircraft of larger capacity with a large freight loading door and air dropping capability, may we assure you of our continuing interest in your programmes.

We enclose a brief technical description of the Hawker Siddeley 748 Series 2A Coastguarder which simply describes the basic aircraft platform which could be adapted to suit particular equipment and sensor requirements.

Yours sincerely,

B. F. W. Tull.

[Attachment No. 2]

Beech Aircraft Corp.,
April 18, 1975.

To I. S. Fossett:

Congressman Biaggi's office still claiming HSA submitted proposal for jet aircraft to Coast Guard RFP. Please send me letter describing exactly what HSA has proposed.

[Attachment No. 3]

Beechcraft Hawker.

Beech Aircraft Corp.,
R. J. Dunn,
Washington, D.C.

Received following wire from HSA today. Quote Reyour Telex 23 can state definitely no jet proposal has been submitted from Hatfield for I am coordinating activity at this end. As explained on phone, Manchester sent some brochures on the HS748 turboprop with a covering letter, but they made no attempt to prepare a formal response to the RFP. The Manchester submission is the only documentation sent so do not understand claim that jet proposal has been received from HSA unless, as we discussed, the Manchester effort is being used to boost the number of bids to justify validity of procurement procedure and quote signed Fosset.

R. Howalter,
Vice President.

Mr. BIAGGI. Mr. Speaker, I congratuate the gentleman from New York (Mr. Murphy). He was my predecessor as chairman of the subcommittee in charge of the Coast Guard and as such he displayed the leadership which led to further investigation and hearings. The gentleman well knows we have given time and attention to this very delicate problem. The subcommittee was fully informed. The chairman of the full committee, the gentlewoman from Missouri was made aware that there were innumerable meetings, as I have testified, with members of the Coast Guard and representatives of private industry with one purpose in mind, to allay our fears and make certain we did have a competitive situation.

On the basis of the Commandant's testimony and on the basis of that informal memorandum that he has submitted and on the basis of all our hearings we have decided for 1976 at least to proceed under the two-step method as has been prescribed, because hopefully the element of competitiveness will be there when all the factors are analyzed.

Certainly I was delighted to hear the word "bona fide" mentioned by the gentleman from New York because I, like the gentleman, am concerned that the proposals be bona fide, because absent that I would look with extreme disfavor upon the entire conduct of the proceedings, and I am sure I reflect the opinion of the subcommittee as well as the members of the full committee in that regard.

I congratulate the gentleman from New York for his leadership in this matter.

Mr. du PONT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 5217 and before making a few brief remarks about the bill, I would like to compliment the gentleman from New York, the chairman of the subcommittee, on the fine job that he has done in getting this bill to the floor and in handling some of the very difficult procurement problems that were just referred to in the colloquy that he had with the other gentleman from New York (Mr. MURPHY).

Mr. Speaker, I rise in support of H.R. 5217 and to urge that the House vote to suspend the rules. The bill authorizes appropriations of $124 million for the Coast Guard's acquisition and construction program, bridge alterations and sets personnel strengths for fiscal year 1976 and the 3-month transition period. It was reported unanimously by both the subcommittee and the full committee after 2 days of hearings. The strong support with this bill has received is indicative of the vital role which the Coast Guard plays in safe use of the navigable waters.

Traditionally, the Coast Guard's prime mission has been to protect life and property at sea. This function still consumes a major portion of their time and resources. The magnitude of the operations is apparent from the following statistics. In fiscal year 1974 alone, the Coast Guard answered 59,335 calls for assistance, saved 4,009 persons whose lives were in imminent danger and saved property valued at $281 million. Many of the operations go on daily and unnoticed, but every now and then the importance of the Coast Guard mission comes into sharp public focus. This winter off the coast of New York during a severe winter gale the tanker *Spartan Queen* began to break up. A quick response by the Coast Guard's search and rescue helicopters saved all 36 on board.

To conduct these operations, the Coast Guard must maintain a network of stations, boats, cutters, helicopters, and fixed-wing aircraft. This bill contains many items to replace aging equipment so the Coast Guard can perform more effectively. The most visible modernization is the authorization of $36,000,000 for the initial procurement of medium-range jet aircraft. These aircraft will have all-weather capability, high-dash speed and a high degree of navigational accuracy, and will replace a fleet of aging prop planes. The new planes will be capable of dropping rescue equipment and will greatly expand search and rescue range and capability.

Aside from upgrading traditional Coast Guard missions, this authorization bill includes funding for newly acquired responsibilities. For example, the Coast Guard now has been given broad enforcement responsibilities under the Federal Water Pollution Control Act and the Ocean Dumping Act. This requires extensive surveillance and inspection work for effective implementation. Much of the $28 million procurement for vessels relates to these new responsibilities. Part of the vessel procurement can also be attributed to the port safety and security program which was established under title I of the Ports and Waterways Safety Act of 1972. This program helps insure safe harbor operations, particularly in the area of hazardous cargo, and should help reduce incidence of pollution. With increased traffic in harbors, the Coast Guard has enormous responsibilities. In fiscal year 1974 alone, the Coast Guard supervised the loading or discharge of 415 shipments of explosives, 485 shipments of hazardous cargo and 183 shipments of radioactive material. Over 32,000 boardings were conducted on vessels carrying dangerous cargoes; 140,000 spots checks and inspections were made at waterfront facilities. If Congress expects all these operations to be properly supervised, the Congress must support the Coast Guard in its request for modern, more efficient equipment.

The Coast Guard, of course, has numerous other missions involving aids to navigation, icebreaking, small-boat safety, and enforcement of treaties that require our continued support. We should also remember that all this activity is carried out by 40,000 men, the smallest of the military services. This testifies to the efficient operation of this service.

The committee is naturally pleased with the effectiveness of the Coast Guard, has consistently tried to promote efficient use of resources, but we believe this year's authorization bill represents a minimal level of funding, and if increased funding is not forthcoming in the next fiscal years, the capability of the Coast Guard to meet its responsibilities may be jeopardized.

Therefore, we wish to underscore to our colleagues that this is a barebones bill. We added nothing to the administration's request, believing this program, like other important programs, must hold the line during periods of large Federal deficits. We hope that by holding the line now, we will be able to come to our colleagues in the future and seek greater support for this important agency. The committee unanimously reported this bill, and we hope the House will expedite its passage by voting to suspend the rules.

Mr. Speaker, I yield such time as he may consume to the gentleman from Louisiana (Mr. TREEN).

Mr. TREEN. Mr. Speaker, I want to join my colleagues in supporting H.R. 5217, the fiscal year 1976 Coast Guard authorization bill.

The Coast Guard, through its 40,000 men and women provide an extensive service for all those who use the inland and coastal waters as well as the high seas. Their search and rescue work is probably the most familiar to us, but in recent years the Coast Guard has expanded their activities to meet a wide range of concerns. Aside from safety of life and property, the Coast Guard must maintain a sophisticated network of aids to navigation, conduct oceanographic research and enforce offshore fisheries law. As the foreign fishing fleets encroach on our domestic fishing fleets, the Coast Guard has the added responsibility of maintaining our territorial sovereignty.

In my district, probably the most important function of the Coast Guard is the enforcement of vessel traffic safety and the prevention of marine pollution. The New Orleans port area becomes increasingly congested with traffic bearing petroleum products. Every vessel movement and every transfer operation has the potential for serious damage to life, property, and the environment. Effective enforcement of pollution and safety laws requires a well-equipped, well-manned Coast Guard.

This bill provides procurements which will assist the Coast Guard in meeting its obligations under the marine inspection and safety laws. This includes the procurement for port safety and inspection boats and the medium-range surveillance aircraft. Admiral Siler's testimony before our subcommittee indicates the Coast Guard will need more support in the future if we expect to see its mandates fulfilled.

I, therefore, urge my colleagues to support this bill so the Coast Guard can add the new equipment to its inventory, equipment that is vital to the Coast Guard mission.

Mr. du PONT. Mr. Speaker, I have no further requests for time.

Mr. BIAGGI. Mr. Speaker, I yield such time as she may consume to the chairman of the full committee, the gentlewoman from Missouri (Mrs. SULLIVAN).

Mrs. SULLIVAN. Mr. Speaker, I rise to join the chairman of the Subcommittee on Coast Guard and Navigation in urging all Members of the House to support H.R. 5217, the Coast Guard authorization bill for fiscal year 1976, and the 3-month transition period of July through September 1976.

Mr. Speaker, the Coast Guard is an organization which serves the Nation well in both peace and war. It is an organization, however, whose resources are continually stretched thin by the additional responsibilities which are periodically added to its mission areas. It is responsible for the imposition and supervision of construction standards and safe operating practices for our merchant vessels; for the maintenance of standards and supervision of licenses for marine personnel; for the establishment of standards and the regulation of safe operation of recreational boats; for the maintenance of an extensive aids to navigation system to assist commercial vessels, recreational boats, and military vessels; for the construction and operation of search and rescue facilities, including stations, vessels, and aircraft, to respond to mariners in distress and to assist generally in all types of catastrophies; for the performance of domestic icebreaking to keep waterways free for traffic; for the regulation of bridges over our navigable streams; for the prevention of pollution of the oceans and navigable waters; and for the enforcement of various marine laws, including antismuggling, antipollution, and offshore fisheries.

With these many and varied responsibilities, it is absolutely mandatory that the facilities necessary to implement these responsibilities be maintained in an adequate number and efficient operating capability. The purpose of the bill before the House today is to provide the annual authorization for the acquisition of vessels and aircraft and for the construction of facilities, as well as the authorization for Federal funds to alter obstructive bridges, and to establish certain personnel ceilings.

In addition to the replacement program for one of the major aircraft fleets of the Coast Guard, the bill provides for several items involving vessels. The first of these is the procurement of 20 port safety boats which are required to perform harbor safety and pollution controls, boarding, searching, and surveillance of special interest vessels, and escorting particularly hazardous cargo ships in harbor areas. A second item continues a replacement program for tenders which service the aids to navigation along our inland waters. The third item involves the acquisition of a new type of small aids to navigation boat, in order to more efficiently utilize available facilitiese. The fourth item is for the acquisition of 30 utility boats, 41 foot in length which are utilized in the search and rescue mission. The fifth item authorizes the replacement of one harbor tugboat which type of vessel is used in domestic icebreaking, search and rescue, boat safety, aids to navigation servicing, and general support.

With the exception of the new small aids to navigation boat, all of these items involve continuing replacement programs for existing aging equipment. In addition, for the transition period of July–September 1976, there is one vessel procurement item which authorizes an additional six search and rescue utility boats.

The items relating to construction falls into several categories, consisting of the construction of new search and rescue station in areas where boating activity requires them, the construction of various buildings on existing stations, the relocation of existing facilities to new and better sites, and the continuation of construction of public family quarters necessary in areas where adequate housing is not available for Coast Guard personnel and their dependents. New shore stations are authorized for Bradenton and Destin, Fla.; continued construction for new aviation stations are included for Sitka, Alaska and St. Petersburg, Fla.; and renovation of existing stations is provided for Piney Point, Md., Traverse City, Mich., and Kodiak, Alaska. The expansion of training and support facilities for Yorktown, Va., and Elizabeth City, N.C. are provided for, and the authorization of funds for the relocation of the second Coast Guard district office in St. Louis, Mo., and floating units in Seattle, Wash. is included.

Finally, the construction authorization includes $22.6 million in fiscal year 1976, and $2.8 million in the transition period following, for the continuation of construction necessary to implement the national navigation plan to provide loran-C navigational coverage throughout the coastal confluence zone, covering the coastal waters along the shorelines. The first phase of this plan was begun in 1974, and it is expected to be completed in 1980. Under this bill, the authorization covers two new stations in Alaska, the completion of final outfitting at five west coast stations, and the construction and equipping of a station near Elmira, N.Y., as well as the procurement of lead time material and site acquisition for east coast and Gulf of Mexico service.

The items in this bill are absolutely necessary. As has been the experience in past years, the authorization requests are very conservative, and it may well be that future years will require a speedup of present plans to meet expanding services. For the present, the committee is content to endorse the administration request as contained in its authorization submission to the Congress, and urges all Members to support the bill as reported by the committee.

Mr. CONTE. Mr. Speaker, I am pleased to lend my support to the fiscal year 1976 Coast Guard authorization.

It is essential in these financially troublesome times we adhere to fiscal restraint whenever possible.

The $2.2 million increase above the fiscal year 1975 authorization is modest. The subcommittee on Coast Guard Navigation along with the Merchant Marine and Fisheries Committee were careful to maintain those vital areas of funding under the specific categories which must receive full fundings.

All to often the Coast Guard is thought of as merely another branch of our Armed Forces. The Coast Guard, upon declaration of war, would become a service in the Navy. However, at all other times, it operates as an agency under the Department of Transportation. Some of its primary duties as an agency under DOT include maintenance of aids to maritime navigation, icebreaking, and rescue facilities, promulgate and enforce safety regulations involving various vessels in interstate and foreign commerce, enforcement of offshore fisheries laws, oceanographic research, and the licensing of personnel and supervision of vessel operations. I am privileged to sit as ranking minority on the Appropriations Subcommittee on Transportation. During the couse of our recent Coast Guard and National Transportation Safety Board hearings, we learned of the increasing vessel congestion in our inland waterways and harbors. Further, we learned of the enormous increase in serious vessel accidents over the past 3 years.

The Coast Guard is shouldered with enormous responsibility in these areas. They must be provided with funding to obtain the necessary equipment and facilities to carry out their responsibilities. This bill does provide for the procurement of badly needed vessels, aircraft and facilities needed to enable the Coast Guard to properly administer their responsibilities.

Fellow Members—this is a responsible bill which enables the Coast Guard to perform their safety and enforcement responsibilities without any reductions in essential programs. I urge my colleagues to adopt this bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. BIAGGI) that the House suspend the rules and pass the bill H.R. 5217, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BIAGGI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of the bill H.R. 5217, just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

MARINE PROTECTION, RESEARCH, AND SANCTUARIES ACT AUTHORIZATION

Mr. LEGGETT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5710) to authorize appropriations for fiscal year 1976 for the purpose of carrying out titles I and II of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended.

The Clerk read as follows:

H.R. 5710

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 111 of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended (33 U.S.C. 1420), is amended by striking out "and not to exceed $5,500,000 for fiscal years 1974 and 1975", and inserting in lieu thereof the following: "not to exceed $5,500,000 for each of the fiscal years 1974 and 1975, not to exceed $5,300,000 for fiscal year 1976, and not to exceed $1,325,000 for the transition period (July 1 through September 30, 1976),".

SEC. 2. Section 202(a) of the Marine Protection, Research, and Sanctuaries Act of 1972 (33 U.S.C. 1442(c)) is amended by striking out "January" and inserting in lieu thereof "March".

SEC. 3. Section 204 of the Marine Protection, Research, and Sanctuaries Act of 1972 (33 U.S.C. 1444) is amended by adding at the end thereof the following new sentence: "There are authorized to be appropriated not to exceed $1,500,000 for the transition period (July 1 through September 30, 1976.".

SEC. 4. Section 304 of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1434) is amended to read as follows:

"SEC. 304. There are authorized to be appropriated not to exceed $10,000,000 for each of the fiscal years 1973, 1974, and 1975, not to exceed $6,200,000 for fiscal year 1976 and not to exceed $1,550,000 for the transition period (July 1 through September 30, 1976) to carry out the provisions of this title, including the acquisition, development, and operation of marine sanctuaries designated under this title.".

The SPEAKER pro tempore. Is a second demanded?

Mr. MOSHER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California (Mr. Leggett) is recognized for 20 minutes, and the gentleman from Ohio (Mr. Mosher) is recognized for 20 minutes.

The Chair recognizes the gentleman from California.

Mr. LEGGETT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in enacting the Marine Protection, Research, and Sanctuaries Act of 1972, better known as the Ocean Dumping Act, the Congress participated in the making of an important commitment—the protection of the oceans and U.S. coastal waters from unregulated dumping of all materials.

Prior to the passage of that act, the range of ocean dumping included radioactive materials, nerve gas, sewage sludge, dredged material, a variety of industrial chemicals, and a variety of other miscellaneous and unknown debris. In order to protect the world's oceans from such activities and in order to try to develop alternatives to the dumping of these waste materials in these waters, the Committee on Merchant Marine and Fisheries reported and the Congress enacted in 1972 the Ocean Dumping Act.

Title I of that act gives to the Administrator of the Environmental Protection Agency the right to regulate the dumping of all types of material into the ocean waters—except for dredged material, which is regulated by the Corps of Engineers under EPA standards where applicable—and the power to prevent or strictly limit the dumping into the ocean waters of any material which would adversely affect human health, welfare, the marine environment, ecological systems, or economic potentialities.

The authorization for funding under title I of the act expires June 30, 1975. Section 1 of the bill would extend title I of the act until September 30, 1976, and would authorize to be appropriated an amount not to exceed $5,300,000 for fiscal year 1976 and $1,325,000 for the transition period from July 1, 1976 through September 30, 1976.

Mr. Speaker, title II of the act authorizes and directs the Secretary of Commerce to carry out comprehensive and continuing programs of research on both the short range and long range effects of the dumping of waste materials into our ocean waters and the waters of the Great Lakes.

The authorization for funding under title II of the act expires June 30, 1976. Section 3 of the bill would extend title II of the act until September 30, 1976, and would authorize to be appropriated during the transition period an amount not to exceed $1,500,000.

The Committee on Merchant Marine and Fisheries has consulted with the Committee on Science and Technology concerning their interest in any environmental research and development money contained in this authorization for the Secretary of Commerce pursuant to title II of the Marine Protection, Research, and Sanctuaries Act of 1972 (Public Law 92-532).

As a result of this consultation, the Committee on Science and Technology felt that the small amount of research and study funds under this authorization for the transition period—from July 1, 1976 through September 30, 1976—was not sufficient in this case to warrant a separate referral for their consideration. Further, both committees agreed to maintain a close and continuing liaison in such matters in an effort to coordinate their common interests.

Mr. Speaker, title III of the act authorizes the Secretary of Commerce to designate certain areas in our ocean waters and the waters of the Great Lakes as marine sanctuaries which are deemed necessary for the preservation or restoration of such areas for their conservation, recreational, ecological, or esthetic values.

The authorization for funding under title III of the act expires June 30, 1975. Section 4 of the bill would extend title III of the act until September 30, 1976, and would authorize to be appropriated an amount not to exceed $6,200,000 for fiscal year 1976 and $1,550,000 for the transition period from July 1, 1976, through September 30, 1976.

Mr. Speaker, in its hearings on this legislation, the Committee on Merchant Marine and Fisheries discovered that the Federal agencies charged with the administration of this act were extremely miserly in carrying out their responsibilities under the act. For instance, only one marine sanctuary—at a cost of $60,000—has been designated under title III during the 3-year life of this act. With respect to title II, no funds whatsoever have been appropriated. With respect to title I, funds have been appropriated, but in the opinion of the Committee on Merchant Marine and Fisheries, these funds have been grossly inadequate. They amounted to $290,000 in fiscal year 1973; $1,296,000 in fiscal year 1974; and $1,320,000 in fiscal year 1975.

Mr. Speaker, I sincerely believe that this is important and necessary legislation if we are to succeed in our goal of protecting the oceans and our U.S. coastal waters. The Committee on Merchant Marine and Fisheries has analyzed the performance of the Federal agencies charged with carrying out this act and their expenditures to date under this act and we think H.R. 5710, as reported by the committee, adequately reflects the level of funding that is needed if we are serious about the goals to which we have committed ourselves.

Mr. Speaker, H.R. 5710 was unanimously ordered reported by the Committee on Merchant Marine and Fisheries, and I urge its prompt passage.

Mr. BROWN of California. Mr. Speaker, will the gentleman yield?

Mr. LEGGETT. I will be happy to yield to the gentleman.

Mr. BROWN of California. Mr. Speaker, I want to commend the gentleman for his action as chairman of the subcommittee on reporting out this important piece of legislation. As the gentleman has noted, while the bill is titled "An Act to extend titles I and III," it does deal with title II, the research and development portion of the program, in a minimal way, through the transitional quarter funding.

Under the rules of the House, the Committee on Science and Technology has been granted the jurisdiction over environmental research and development. It is the desire of the Committee on Science and Technology to work very closely with the Committee on Merchant Marine and Fisheries in seeking an equitable way and a proper way to handle the authorization for this kind of research and development.

As the gentleman has indicated, as a result of our discussions we have agreed that there is no point in any further referral for consideration by the Committee on Science and Technology. I think the Committee on Merchant Marine and Fisheries, both the subcommittee chaired by the gentleman, and the full committee, has done an excellent job. I merely wanted to take this time to point out the minor jurisdictional duplication that exists here.

Mr. LEGGETT. I want to thank the gentleman for his cooperation. Certainly our committee is jealous of its prerogatives and jurisdiction, and I do appreciate the fact that we are encroaching in part on an active jurisdiction of the gentleman's committee. This is, as the gentleman indicated, a nominal encroachment.

Mr. Speaker, I think later on this afternoon we will have a bill of more significant proportions which I hope the gentleman will address himself to.

Mr. MOSHER. Mr. Speaker, will the gentleman yield?

Mr. LEGGETT. I will be glad to yield to the gentleman.

Mr. MOSHER. Mr. Speaker, I thank the gentleman for yielding.

I think I should say, as a member of both committees, the Committee on Merchant Marine and Fisheries and the Committee on Science and Technology, that I certainly associate myself with the comments of both gentleman from California (Mr. Leggett and Mr. Brown).

I think this is a situation in which the committees have worked together very well.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from Idaho (Mr. Symms).

Mr. SYMMS. Mr. Speaker, I thank the gentleman for yielding.

I would just like to know how much this exceeds the administration's budget.

Mr. LEGGETT. Mr. Speaker, to answer the gentleman, this is an authorization bill. Were appropriations made and

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were outlays made by the administration under the full authorization that we envision under this act, it might have the effect of increasing the total budget that we are talking about. I say that candidly and in all frankness. However, considering the fact that we are in a position where we are probably $15 billion out of phase with the President at this point, considering the fact that we are probably directly out of phase by $8 billion, and we have different priorities than he does, I think that the few million dollars that we are fighting for here to accentuate some of the lost causes in the environmental area are critically required and should be one of the places where the Congress takes a look and reasserts its interest. This would, then, be one of the items that we would balance up in a separate readjustment period were all of the things to happen, to wit, authorization, appropriation, and an indication by the administration that they would, in fact, spend the money.

Mr. SYMMS. Mr. Speaker, I thank the gentleman. I would just like to add further that I think the real problem that we have insofar as the environment is concerned is that pollution has taken place with respect to our money, which is probably much more serious than anything else that is happening. I would hope that this thing could be kept within the budget so that we do not have to use the printing press to pay for it, by further inflating our currency.

Mr. LEGGETT. Mr. Speaker, I appreciate the gentleman's comment.

Mr. MOSHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it is true that the authorization requested here is somewhat larger than that requested by the administration. However, the authorizations we are requesting here, in title I and title III, are no more—in fact, they are a little bit less—than the previous authorizations.

The testimony before the committee more than justifies these authorization levels. Even though the Committee on Appropriations may not see fit in this fiscal year to increase the appropriations—and, frankly, I hope that they might increase them—we in our committee feel so strongly that the evidence warrants these authorizations that we take the position that it is completely meritorious to ask for them.

Mr. Speaker, I urge strong support for passage of H.R. 5710, to continue authorizations for the Marine Protection, Research and Sanctuaries Act of 1972.

When our committee was considering this legislation in 1971, I was impressed by the testimony of the well-known oceanographer, Capt. Jacques Cousteau. I would like to share some of his words with you:

> Because 96 percent of the water on earth is in the oceans, we have deluded ourselves into thinking of the seas as enormous and indestructible. We have not considered that the earth is a closed system. Once destroyed, the oceans can never be replaced. . . .
>
> The sea is a source of all life. If the sea did not exist, man would not exist. The sea is fragile and in danger. We must love and protect it if we are to continue ourselves.

Congress took the initiative to protect our waters when we enacted the "Ocean Dumping Act" into law. We cannot turn our backs now. During the past several years, we have been able to control only limited amounts of disposal pollution into our ocean environment. While there has been some success, but we have learned that much more is necessary before our ultimate goals are achieved. It is not fully known what affects many types of waste disposal have on the marine ecosystem.

These answers can only be provided through further research. H.R. 5710 would provide the necessary authorizations for the continuance of studies by the Environmental Protection Agency and the other responsible agencies involved.

By authorizing $5.3 million for title I, EPA and others could continue their programs. I hope much more vigorously than now, their programs of site evaluations and baseline studies on existing and proposed disposal areas. They could also utilize these funds to establish badly needed criteria to ascertain which materials are harmful to our ocean waters. To authorize less funds would be tantamount to neglecting our responsibilities under the law which we envisioned and enacted.

The $6.2 million authorization level for title III would provide the Department of Commerce with the necessary funds to acquire, develop, and restore areas of our oceans and Great Lakes. Through the process of marine sanctuary designation, we have an important mechanism for preserving valuable marine areas for our future enjoyment.

Mr. Speaker, as a representative from the Great Lakes area, I am well aware of how pollution can destroy our valuable natural resources. We have significantly expanded efforts to protect and enhance our Great Lakes and we must not abandon these efforts now.

I urge this House to approve H.R. 5710.

Mr. LEGGETT. Mr. Speaker, I yield such time as she may consume to the chairman of the full committee, the gentlewoman from Missouri (Mrs. Sullivan)

Mrs. SULLIVAN. Mr. Speaker, the passage of legislation in the 92d Congress which resulted in the enactment of the Marine Protection, Research, and Sanctuaries Act—commonly known as the Ocean Dumping Act—represented a national commitment to protect the oceans and the coastal waters of the United States from uncontrolled dumping of all waste materials.

There is also in existence today an international treaty covering the same general subject of which this country was a principal sponsor. If we are to live up to our obligations, both under the statute and under the treaty, we must act favorably on this legislation.

The purpose of the legislation under consideration today, H.R. 5710, is to extend until September 30, 1976, all three titles of the Ocean Dumping Act at levels of funding which my Committee on Merchant Marine and Fisheries think are necessary for the Federal agencies concerned to adequately carry out their responsibilities under this act. It is only in this way that we can ever expect to prevent or strictly limit the dumping into the oceans and our coastal waters of any material which would adversely affect human health and our valuable marine resources.

Mr. Speaker, I urge the support of all Members for the prompt passage of H.R. 5710.

Mr. LEGGETT. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. Murphy).

Mr. MURPHY of New York. Mr. Speaker, this legislation is a result of joint hearings between two subcommittees of the Committee on Merchant Marine and Fisheries: the Subcommittee on Fisheries and Wildlife Conservation and the Environment and the Subcommittee on Oceanography.

The gentleman from California (Mr. Leggett) and I cochaired the hearings on this important measure. I rise today to speak in support of this bill and of his request that it be acted upon favorably by Members here today. I cannot overemphasize the urgency and need for sustaining this bill before us.

My distinguished colleague, the gentleman from New Jersey (Mr. Forsythe) who is also a member of the committee that heard the legislation, and I, are acutely aware of the ocean-dumping problem as it relates to the coastlines of our respective States—New York and New Jersey. There is an urgent need for better site locations for ocean dumping, for increased surveillance, and increased enforcement of this act.

The Environmental Protection Agency is currently studying projected new dumping sites on the northern and southern edges of the Hudson Canyon. The northern edge of this is off the State of New York, and the southern edge of this is off the State of New Jersey. While the so-called creeping glob is creeping toward our eastern shoreline, the Environmental Protection Agency does not have all the resources it needs to study both sites simultaneously to see which one of the two is best suited for ocean-dumping purposes and eventually best for the eastern coast of the United States.

I might say further, Mr. Speaker, that we voted the Environmental Protection Agency some $7.5 billion in the last Congress for sanctuary plans, and for separation sewage. The primary treatment wastes are dumped off all of our coasts involving some 34 of our States, and they certainly should be greatly aware that that dumping point is now starting to move toward the shorelines. We learned that from some of our satellite pictures.

There are dozens of sites that must be studied by the Environmental Protection Agency, and also dozens of baseline studies that must be made before the U.S. coastlines can begin to emerge from the quagmire of sludge, garbage and other materials, the total mess out of which this legislation was supposed to lift our coastal waters.

This legislation and the funds appropriated therein constitute the absolute minimum necessary to keep this program going, and to give to the appropriate agencies involved the wherewithal to make a reasonable attempt to clean up our oceans by the 1980's.

I support my colleague, the gentleman from California (Mr. LEGGETT) in the specific remarks the gentleman has made concerning this legislation, and wish to add my voice in strong support of a program that is of such great import to the people, to our 34 coastal States, and especially to the States of New York and New Jersey.

I urge all Members to concur with my distinguished colleague and with the combined membership of our two subcommittees, and with the membership of the full Committee on Merchant Marine and Fisheries, and adopt this legislation unanimously.

Mr. LEGGETT. Mr. Speaker, if the gentleman will yield, I want to congratulate the gentleman who is now in the well for cochairing these hearings. I might say that we did work synergistically in the development of this bill. Is it not a fact that we did hear testimony that we need more money to make this act workable, that we were running into real problems, and that we needed, as indicated by the gentleman in the well, more than $1.3 million in administrative costs required for personnel and contracts, and for interagency agreements; $2.2 million for projected costs to conduct 11 site surveys on existing designated dumping areas, and that the fact that we do not have dumping areas is holding up the necessary dredging which produces commercially and which becomes part of the GNP; and that it is estimated we need $1.6 million for projected costs necessitated to conduct two baseline surveys; and $200,000 additional personnel costs to augment the 26 positions currently operative?

Mr. MURPHY of New York. The answer is yes, as I pointed out in my earlier remarks, unless we come in with this minimal research, and hopefully it gets funded, we will just be kidding ourselves by spending $7.5 billion for sewerage wastes and sludge, and then where do we dump these sewerage wastes and sludge? We know every coastal State that is affected is waiting for us to come in with a sensible program such as the gentleman from California has recommended to the Congress, and without this is would be just a waste of our technical ability and also our ability to clean up our own waters.

Mr. LEGGETT. If the gentleman will yield still further, I know that the gentleman took testimony with respect to the need for further funds for sanctuaries.

We have the coral reef area in Florida, and the Florida Keys area, the "Talcott area" in California which spans four counties, in Alaska the Bristol Bay area, and in Washington the Puget Sound area, and the Chincoteague area. So these areas are spread all over the country. We have only spent about $60,000 on this total program over the past several years, and is this not a rather reasonable need and reasonable priority?

The SPEAKER pro tempore (Mr. McFALL). The time of the gentleman has expired.

Mr. LEGGETT. I yield 1 additional minute to the gentleman from New York.

Mr. MURPHY of New York. It certainly would be probably the greatest economy vote we could cast in this Congress to support this very modest authorization for these purposes.

Mr. BROWN of California. Mr. Speaker, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from California.

Mr. BROWN of California. I thank the gentleman for yielding.

I want to associate myself with the remarks of both the gentleman from California and the gentleman from New York. I think this is an extremely modest authorization bill for a very large and important program. I certainly hope that the House will see fit to pass it overwhelmingly.

Mr. MOSHER. Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey (Mr. FORSYTHE).

Mr. FORSYTHE. Mr. Speaker, I would like also to compliment the gentleman from California and the gentleman from New York, the chairmen of the two subcommittees, for their work on this legislation. It certainly, I think, is so highly important to this Nation if we are going to even touch this problem of ocean dumping. We have entered into this international agreement to assure that we solve these problems worldwide, and yet doing our job here within our own borders is very, very minimal. Even the authorization that we have in this bill, I think, really hardly touches the problem, most particularly so far as the east coast, in the New York-New Jersey area, where some 80 percent of this problem exists.

We are very concerned as to whether we are really making a mark in solving the problem of ocean dumping and ocean pollution. I do hope that this legislation does pass with the overwhelming vote of this House. While I recognize that the authorization is above the budget requested by the President, I think this is an investment that is highly important for the future of this Nation.

I urge full support for the legislation.

Mr. LEGGETT. Mr. Speaker, will the gentleman yield?

Mr. FORSYTHE. I yield to the gentleman from California.

Mr. LEGGETT. I thank the gentleman for yielding.

I want to thank the gentleman for the accolades. Certainly I want to point up to the House the work of the distinguished gentleman from New Jersey in sparkplugging the minority side on the Subcommittee on Fisheries and Wildlife Conservation and the Environment. We have no majority-minority on that subcommittee. We move ahead with the interests that we have in common, looking towards the protection of the subject matter which is in the jurisdiction of the subcommittee. The gentleman has been a real sparkplug, has attended the meetings, and has done his homework. In fact, the fact that we are supporting here today the Talcott Sanctuary Area of California certainly speaks of the bipartisan nature of the way the subcommittee is operating.

Mr. FORSYTHE. I thank the gentleman.

Mr. DODD. Mr. Speaker, I rise in support of the Marine Protection Research and Sanctuaries Act. Only through clear regulation of permits and frequent evaluations can we expect to properly control the dumping of certain materials into our oceans. With waste dumping sites becoming scarce, cities as well as many industries, and even Government agencies are looking to our oceans to rid themselves of waste materials. If we do not develop strong controls and specific regulations, the massive increases in materials poured into our oceans may soon cause a severe adverse environmental problem in our oceans.

This legislation is important. However, there is another difficulty I would like to bring up that is not covered under this legislation, that should receive considerable congressional action, and that is the dumping of fuel into our rivers and oceans. This is of extreme importance to me as a representative of a shoreline district in Connecticut, and of importance to any person who uses an ocean beach or inland water recreational facility.

The Department of the Navy recently dumped what they called "contaminated fuel" into the Thames River, ignoring the pollution aspects, and advising that this was cheaper than reclaiming the fuel. It is also known that the Navy recently disposed of 7,500 gallons of aviation fuel into the ocean. One report estimates that during fiscal year 1974, 6.2 million gallons of fuel were disposed of in our seas. The Department advised that they will halt all fuel and waste discharges from naval vessels not later than the end of this decade. However, this is not soon enough. We need regulations that are strong, and studies and evaluations that will show the effect of what has already been dropped into our oceans, as well as increased controls that would preclude this unnecessary pollution of our streams, harbors, rivers, and oceans in which this activity takes place.

Mr. MOSHER. Mr. Speaker, I have no further requests for time.

Mr. LEGGETT. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. LEGGETT) that the House suspend the rules and pass the bill H.R. 5710, as amended.

Mr. SYMMS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. LEGGETT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

NATIONAL ADVISORY COMMITTEE ON OCEANS AND ATMOSPHERE AUTHORIZATIONS

Mr. MURPHY of New York. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5447) to amend the Act of August 16, 1971, as amended, which established the National Advisory Committee on Oceans and Atmosphere, to increase and extend the appropriation authorization thereunder, as amended.

The Clerk read as follows:

H.R. 5447

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7 of the Act of August 16, 1971, as amended (Public Law 92–125, 85 Stat. 344; Public Law 92–567, 86 Stat. 1181), is amended to read as follows: "There are hereby authorized to be appropriated to the Secretary of Commerce such sums as may be necessary for expenses incident to the administration of this Act, not to exceed the following amounts: (1) $400,000 for the fiscal year ending June 30, 1973, and for each of the two fiscal years immediately thereafter; (2) $445,000 for the fiscal year ending June 30, 1976; (3) $111,250 for the transitional period (July 1 through September 30, 1976); and (4) $445,000 for each of the fiscal years ending September 30, 1977, and 1978.".

The SPEAKER pro tempore. Is a second demanded?

Mr. MOSHER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objecton, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from New York (Mr. MURPHY) will be recognized for 20 minutes and the gentleman from Ohio (Mr. MOSHER) will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York (Mr. MURPHY).

Mr. MURPHY of New York. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 5447 amends the act of August 16, 1971, which established the National Advisory Committee on Oceans and Atmosphere. It will extend the authorization appropriation for NACOA for a period of 3 years for each of the fiscal years 1976, 1977, and 1978, and authorizes appropriations for each of these years, moneys not to exceed $445,000 for staff and support services necessary for the administration of this act. This represents an increase in the appropriations authorization from $400,000 per year in the previous 3 fiscal years to $445,000 per year for the next 3 years, and, in the judgment of the members of the Oceanography Committee, reflects the minimum amount needed by the National Advisory Committee in carrying out its duties and responsibilities.

NACOA has the mandate to perform a continuing review of the progress of the Nation's marine and atmospheric science and service programs and to report to the President and the Congress, annually, its findngs and recommendations on marine and atmospheric affairs. Its second major function is to advise the Secretary of Commerce specifically with respect to the carrying out of the purposes of the National Oceanic and Atmospheric Administration.

Owing to the lack of progress at the recent Law of the Sea Conference in Geneva, NACOA now has some of its greatest challenges lying before it.

The United States must accelerate its legislative and administrative programs regarding how we are to deal with the resources that lie within, over, and under two-thirds of the Earth's surface—our vast and dismally handled oceans. In view of the failure that took place in Geneva, the Federal Government must in the immediate months ahead decide on programs that will, as NACOA pointed out in June 1974, "protect the legitimate interests of the United States in the oceans."

Vital legislation that must now be perfected and moved rapidly through Congress lies in the areas of the 200-mile economic zone which includes our rapidly diminishing U.S. fisheries, Outer Continental Shelf oil and gas development, and the question of deep seabed minerals exploration and exploitation.

Of the highest priority before the Oceanography Subcommittee is legislation dealing with how America can gather a part of the $3 trillion worth of nickel, manganese, copper, and cobalt concentrated in tennis ball sized nodules on the deep ocean floor. It is now estimated by our scientists that these nodules contain 27 other minerals and substances, some of value yet to be determined.

These resources are so important that the question of unilateral legislation to allow the United States to become virtually independent of foreign imports of maganese by 1990 and totally independent from imports in terms of nickel, cobalt, and copper by that time is paramount.

The Oceanography Committee and the new Ad Hoc Select Committee on the Outer Continental Shelf which I also chair is charged with legislation involving the related development of programs for the expeditious, environmentally sound retrieval of vital resources on the Outer Continental Shelf: oil and gas reserves, food supplies, mineral resources, in fact, all the resources that reside in this relatively untapped area, and an improved coastal zone management program. I have developed a schedule of legislation and hearings in both committees that will hopefully overcome local, State, and Federal differences in the shortest possible time with programs that will be new in concept, with greater public participation, increased environmental safeguards, and much more emphasis given to the impingement of Outer Continental Shelf resources on both the land and our coastal waters.

It is to these and the 100 other issues not solved at the Law of the Sea Conference that the committees of Congress and the administration must now address themselves. And I ask Members to support the funds we have requested for the National Advisory Committee on Oceans and Atmosphere so that it can play a greater role than ever before in advising and cooperating with the Congress as we work toward legislative solutions to the proper use and management of our oceans.

The Department of Commerce testified that NACOA has been and will be, able to conduct its operations within the $400,000 authorization through the current fiscal year, 1975, by certain economies of operation. However, these economies are now beginning to have an adverse impact on NACOA activities. More specifically, NACOA has limited its expenditures for permanent staff by keeping one permanent staff position vacant. The extent of NACOA's current and future activities, according to the testimony of NOAA, makes it imperative that this position be filled in order to alleviate what was described as a considerable hardship on the advisory committee and particularly on its staff. The missing staff is a marine affairs specialist—a grade 15 at $30,000 per year.

It was further testified to that the level of permanent staffing needed by NACOA cannot be met within the present authorization for that purpose.

The Secretary of Commerce requested that the annual authorization level be increased from $400,000 to $445,000 for each of the fiscal years 1976, 1977, and 1978, claiming that this will put NACOA in the position of being able to staff itself with a minimum complement of full-time permanent employers.

As the chairman of the Subcommittee on Oceanography, I offered an amendment before the full committee that would take care of the transition period in the budget process in terms of changing the fiscal year period from June 30, 1976 to October 1976, as called for in Public Law 93–344, the Congressional Budget and Impoundment Control Act of 1974.

The amendment provides for one-fourth of the annual amount—or $111,250—to be authorized for the transitional period—July 1 through September 30, 1976. The amendment and H.R. 5447 was adopted unanimously by the full Merchant Marine and Fisheries Committee on May 7, 1975.

Mr. Speaker, for energy, for food, for minerals and a hundred other needs of mankind we must look to the sea. In the face of increasing populations and depleted landside resources we need all the expert help we can get. I look on NACOA as an important source of ideas, direction and influence and in view of statements of NACOA's leadership during our hearings that they will strengthen their support of Congress efforts to grapple with all of the issues facing us in the future, I urge Members to act favorably on H.R. 5447.

Mr. MOSHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill (H.R. 5447) to extend and increase funding authorizations for the National Advisory Committee on Oceans and Atmosphere, deserves our complete support.

The Nation and this Congress are faced with many complex problems in the oceans, problems which must be solved prudently, but expeditiously. Recent lack of disclosure at the Law of the Sea Conference in Geneva places added burdens on this body, to evaluate carefully alternative solutions to the many vital issues related to our marine and atmospheric environment.

Development of the resources in the Outer Continental Shelf, and the effects such exploration and production will have on our coastal zones, deserve high priority.

Additionally, this country is a recognized leader in ocean-mining technology, and these development programs may be brought to a standstill without some guarantees to the investing companies involved.

We are just beginning to learn of the new and diverse ways to harness the solar energy potential of our oceans.

These are but a few of the issues which the Congress has before it this session.

The National Advisory Committee on Oceans and Atmosphere, a very distinguished and knowledgeable group, has addressed these problems and others in the annual reports presented to the Congress and the President during the past 3 years. In addition to these reports, NACOA has been called upon to testify before committees in both Houses of Congress.

These statements have been of great assistance in clarifying problem areas and offering wise alternatives to existing proposals.

That 25-member Advisory Committee has been one of the most active, diligent groups of its kind in government. During the past 3 years, they have held full session meetings an average of 10 times annually, with additional ad hoc meetings as the occasion demanded. This outstanding record of accomplishment clearly demonstrates to me that they are a much needed advisory body.

When NACOA was established in 1971, I stated in this Chamber, and I quote:

> This nation's involvement in the oceans is an operational partnership between many elements of government and industry. Each is contributing substantially and has a significant role to play in the future. The National Advisory Committee will provide the mechanism for interchange between the Federal organization and the broad national Maritime community.

My support for this distinguished Committee has not waned; as a matter of fact, it has increased. Members of NACOA have demonstrated that they are deserving of our continued support and encouragement. Today, more than ever, we need wise counsel. This Advisory Committee can continue to offer us just that. I urge both sides of the aisle to join in supporting the passage of H.R. 5447.

Mr. MOSHER. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan (Mr Ruppe).

(Mr. RUPPE asked and was given permission to revise and extend his remarks.)

Mr. RUPPE. Mr. Speaker, I wish to join the chairman of the Oceanography Subcommittee in supporting H.R. 5447. This bill will extend and increase authorizations for the National Advisory Committee on Oceans and Atmosphere. Appropriations were authorized for the work of the committee at a funding level of $400,000 for each of fiscal years 1973, 1974, and 1975. If NACOA is to continue its valuable work in advising the Congress, and the executive branch, new authorizations must be approved commencing with fiscal year 1976. H.R. 5447 would extend authorizations through fiscal years 1976, 1977, and 1978 at an annual funding level of $445,000.

The National Advisory Committee on Oceans and Atmosphere was established by Public Law 92–125, approved August 16, 1971. NACOA is composed of 25 non-Federal members appointed by the President from State and local governments, industry, science and other segments of our Nation's oceanic and atmospheric community. This committee is charged with the responsibility of undertaking a continuing review of the progress of the marine and atmospheric science and service programs of the United States, and of advising the Secretary of Commerce regarding the work of the National Oceanic and Atmospheric Administration.

In addition, NACOA is required by law to submit a comprehensive annual report to the President and the Congress, setting forth an overall assessment of the status of our marine and atmospheric activities. Three annual reports have been submitted since the establishment of the committee. Each of these reports has been accomplished in a manner which has been extremely helpful in clarifying many of the complex issues before the Congress. NACOA has the ability and the expertise to focus on national issues of vital concern in an unbiased and independent way. This type of review is not only refreshing, but very crucial in the evaluation of such issues as the Law of the Sea, ocean resource exploration and exploitation, climatology, marine pollution, and fishery-related problems.

In order for the advisory committee to accomplish these rather large statutory responsibilities in any meaningful way, it is important to provide the necessary funds to support their activities. The previous estimates of NACOA with respect to authorizations have proven to be very accurate. They have economized their operations, staying within the authorization level during the past several years. It now appears necessary to increase operational expenses by $45,000 per year to alleviate any hardships imposed on the advisory committee and particularly on its staff. The new authorization request recognizes that earlier full-time staff assistance by other agency personnel has now been phased out, and provides small increases in succeeding years, anticipating costs beyond NACOA's control. It is imperative that there be a permanent independent staff assigned to properly serve the advisory committee.

The National Advisory Committee on Oceans and Atmosphere serves as a vital focal point for the channeling of communications between Government and the many individuals and groups who have an interest in our marine and atmospheric environment. NACOA has clearly justified its continued existence and its increased authorization request by its record alone. I, therefore, urge passage of H.R. 5447.

Mr. MOSHER. Mr. Speaker, I have no further requests for time.

Mr. MURPHY of New York. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Missouri (Mrs. Sullivan).

Mrs. SULLIVAN. Mr. Speaker, the next bill we will take up authorizes funds for the operation of the National Advisory Committee on Oceans and Atmosphere. The bill amends the act of August 16, 1971, originally reported from the Merchant Marine and Fisheries Committee which established NACOA, a committee of 25 non-Federal experts appointed by the President of the United States from State and local governments, industry, science, and other related fields of expertise in the area of oceanic and atmospheric affairs.

As has become obvious in recent years, the United States and indeed, the nations of the world, are increasingly looking to the sea for more and more of its supplies of food, energy, and in fact, a wealth of resources if mankind is to continue to live on this planet. In this respect, NACOA plays an important role as the focal point for gathering together basic information needed by the administration and by the Congress to develop programs and legislation to explore and exploit these resources in an intelligent and environmentally nondestructive manner.

Since its inception, NACOA has been of great help to the House Merchant Marine and Fisheries Committee and to the Subcommittee on Oceanography which is charged with handling legislation in this area. The new chairman, Mr. Murphy of New York, has advised me that NACOA has been extremely helpful in his first months as chairman of the committee and that he looks forward to utilizing their expertise even more in the future.

I further understand that as a result of the hearings which were held on the authorization bill, that NACOA has promised the chairman that it will increase its service to Congress—and that includes the appropriate committees of the House and the Senate—toward the development of a truly national effort which was our original premise as stated in the legislative history of NACOA; a "partnership between government, industry, and the academic community."

I fully support the modest increase in the annual budget of $445,000 per year for the fiscal years 1976, 1977, and 1978. This is as opposed to $400,000 per year in the previous 3 fiscal years. In order to bring the staff of NACOA up to its full authorized number of personnel and taking into account inflationary increases that we have experienced in the past 3 years, I feel this is an extremely modest request. And in view of the work that the committee must do in the future, I ask all Members to support this authorization bill which has been explained more fully by the chairman of the Merchant Marine and Fisheries, Oceanography Subcommittee, Mr. Murphy of New York.

Mr. ALEXANDER. Mr. Speaker, as a rule it has been my feeling that advisory committees are expensive and nonproductive, a luxury that we can do without. However, with the rapid depletion of known resources that have been readily available from the land it is obvious that industrial societies around the world must turn to the sea—the last frontier—for the raw materials needed to turn the wheels of commerce and supply the necessities of life.

Some progress has been made solving the immense problems that have arisen but more effort is needed. Accordingly I rise in support of this bill and insert for the Record an article from the New York Times magazine, May 18, 1975, "The Law at Sea," which discusses some of the issues that must be resolved:

The Law at Sea

(By Richard A. Frank)

(A tidal wave of troubles is at hand—over territorial rights, fisheries, treasures on the bottom and the misuse of the oceans as the greatest dump.)

Geneva.—It is the year 2000. The coastal powers have extended their sovereignty to the centers of the oceans. Cargo and military vessels must pay tribute as they pass from one sovereignty zone to another or as they transit straits through which passage once was free. Conflict between the "have" and "have-not" countries, as governments jostle over the resources of the seabed, keeps the world in a state of tension. Fish are a rarity; the few species that survive taste rather odd, for they inhabit an element befouled by enormous amounts of pollution. In most coastal areas, swimming in the sea is forbidden by law. The contamination has killed most of the sea's phytoplankton, the primary source of the earth's oxygen. The environment needed to sustain life on earth is wearing away.

The picture of the world a quarter-century from now may seem unduly dire, yet it is only a projection of current trends. Four major controversies—over territorial seas and strategic straits, over the fish in the oceans, over the oil and mineral riches of the seabed and over marine pollution—have merged into the one overwhelming problem of establishing new regulations for the watery two-thirds of the earth. And while all governments acknowledge that the peace of the world and mankind's very future are at stake, the powerful competing interests at work in each area of controversy have thrown the technicalities of the problem into the swirl of a multinational political contest.

Today, there are no effective regulations for sensible conservation of fisheries, or against unilateral extension of national controls seaward, or against use of the oceans as the world's great garbage dump. There is only a record of four inconclusive attempts since 1958 to organize for orderly use and exploitation of the seas. The last attempt, the international Conference on the Law of the Sea in Geneva, has just concluded with no agreement by the delegations on the major issues—only with a draft text prepared by the committee chairmen that could serve as the basis for further negotiation. About the only clear decision was to convene yet another conference—in New York, next March.

And it is by no means certain that national appetites and the pressures of technological advance can be kept in check for another year. If they can't, the last restraints may be abandoned, and with them any chance of an international solution averting the kind of situation described above.

It is only in the past two decades that the 17th-century concept of the sea as an unchangeable infinitude of freedom, purity and fish resources has had to be discarded as obsolete, to the psychological discomfort of a race of man divested of its last frontier. As various coastal nations asserted sovereignty and economic hegemony over different distances out to sea, the United Nations sponsored two conferences, in 1958 and 1960, to reconcile these claims. The delegates wrote three treaties permitting coastal states to extend sovereignty seaward and to adopt fish conservation measures over adjacent waters (without stipulating the outer limits in either case), and giving those states sole rights over resources on or below the seabed to a depth of 200 meters—or to whatever depth permitted exploitation. A fourth treaty reasserted freedom of navigation, overflight, fishing and placement of submarine cables and pipelines on the "high seas."

The treaties, in short, codified what had been accepted and left unsettled what had not, including where the high seas began, and none of it was enough to cope with the conflict that the technological advances of the nineteen-sixties brought in their wake. Fishing metamorphosed from the cockleshell boats of yesteryear to factory ships harvesting fish stocks by sonar and helicopter. Oil was discovered in seabed areas beyond 200 meters in depth, and new machinery was built to tap it. So was equipment to retrieve the nodules—lumps varying in size from golf balls to footballs—that are scattered over the ocean bottom and contain enough copper, nickel, manganese and cobalt to supply the earth's needs for generations. The effort to write a modern law of the sea before competition burst out of control became a race against time.

In 1970, proclaiming ocean areas beyond territorial-sea limits the "common heritage" of mankind, the U.N. General Assembly called for another conference, this time to produce a comprehensive treaty settling all the issues that had been skirted before, and that had arisen in the interim as a result of new technological progress. The complexity of the problems overwhelmed the 2,000 delegates of 148 governments who met for 10 weeks in the summer of 1974 in Caracas, Venezuela. The same proved true of the eight-week conference that ended a week ago in Geneva. The primary disputes remain. What are these issues, and why are they so difficult to resolve?

TERRITORIAL SEAS AND STRAITS

The world of the 17th century was steeped in the vision of the inviolate ocean, which "can be neither seized nor enclosed," in the words of Hugo Grotius, the Dutch expositor of the principle of freedom of the seas, for it "rather possesses the earth than is possessed by it." But the privateering off the coast of the young American republic became a nuisance and President Thomas Jefferson made the first significant dent on free navigation by extending United States jurisdiction out to sea 3 miles, the farthest distance a cannonball could travel. Other maritime nations followed suit.

In clinging in recent times to the 3-mile limit as the international norm, in spite of the trend of many coastal countries to push their territorial sea claims out to 12 miles or more, the United States and such other maritime countries as Britain and Japan have been concerned with something far removed from obsolete criteria of coastal gunnery. If 12 miles, the widely favored compromise, became internatonal law, more than 100 straits between 6 and 24 miles in width would fall within the sovereign jurisditcion of the adjacent coastal states. Under the 1958 treaty, vessels of other countries must be granted "innocent passage" throgh territorial seas—passage that is not "prejudicial to the peace, good order, or security of the coastal state." But what that means is in dispute, some countries hold that passage by a military vessel or any submerged vessel is, per se, not innocent. The change would mean, for example, that the United States Sixth Fleet, which has unencumbered passage from the Atlantic to the Mediterranean through the Straits of Gibraltar, would retain only the right of "innocent" transit as interpreted by Britain, Morocco and Spain. This inhibition on military mobility might act as a restraint on new adventures like Vietnam, but few naval powers are likely to take that view of the problem.

The United States and other maritime powers insist on an explicit guarantee of unimpeded transit—as opposed to "innocent passage"—through and over all important straits if 12 miles were accepted as the new international standard. An added proviso is that commercial ships and planes transiting or overflying the straits be regulated by international traffic controls. The maritime powers contend that any additional restrictions imposed by the straits states would unduly hamper commercial shipping and would tend to raise consumer prices by increasing transport costs.

The issue has long been deadlocked. The straits states have wanted to adopt their own traffic and other regulations and to enforce them unilaterally. They have also been demanding compensation for any damage, such as the ruin of the shorelines caused by a recent oil spill from a Japanese supertanker in the Strait of Malacca. But they came under intense pressure from the maritime powers at Geneva, and they may be forced to settle for much less than they want—perhaps for limited enforcement rights, and for compensation in case of damage involving violation of transit rules.

OIL AND THE ECONOMIC ZONE

In 1967, dismayed by the way things were moving, Malta's Ambassador to the United Nations, Avrid Pardo, made a landmark speech before the General Assembly. Pardo, one of the world's experts on the subject, called for creation of an international regime to govern the exploitation of ocean resources beyond the limits of national jurisdiction. He argued that such wealth should be shared by all, with most of it going to those that have least, the developing countries. The dream he evoked provided the inspiration for the Law of the Sea Conference—and collided almost at once with the reality of national power and what was conceived as national self-interest.

Of the 15-billion barrels of oil produced each year, about one fifth comes from offshore production—a technique applied after President Truman proclaimed exclusive national control over the resources of the continental shelf (the sea-bed area adjacent to the coast) and other countries followed the American example. By 1980, offshore production will account for 30 to 40 per cent of the total. According to a rather optimistic United Nations study, the seabed contains an equivalent of 2,722 billion barrels of oil, enough to satisfy world consumption at present levels for 140 years. At the same time, the National Petroleum Council estimates that between 30 and 45 per cent of the oil in the seabed lies beyond the continental shelves, at depths greater than 200 meters. And the technology is ready for undersea oil production at depths of thousands of feet.

Most of the 120 coastal states have insisted on unilateral control over oil and mineral resources well beyond the limits of present national jurisdiction—over what is known as the "continental margin," consisting of an undersea continental shelf and a further decline, the whole extending as far as 400 miles from land before the deep ocean bottom is reached. The United States has proposed a way of bridging the gap between that position and the Pardo dream. The coastal states would retain national jurisdiction to a depth of 200 meters, and the seabed from there to

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the outer edge of the continental margin would be a "trusteeship area" administered by the coastal state on behalf of the international community, with royalties paid to an international fund. The ocean floor beyond that would be an international area administered by a new international agency.

The compromise was sensible but doomed—because it was the suggestion of the paradigm of the developed world, and because it envisioned a new form of international sharing. The death knell came when the Middle East oil-producers' cartel embargoed exports in 1973. Consuming countries with coast-lines promptly lost all interest in sharing ownership of any area potentially containing oil or gas reserves. They leaned instead to a plan for extending national jurisdiction over both living and nonliving resources to, say, 50 to 200 miles from the coast.

The law of the sea conference has, in effect, agreed to adopt a new universal convention establishing a 12-mile territorial sea and a 200-mile economic zone—if and when there is agreement on the rights and obligations of the coastal states in those areas. The essential elements of the proposed treaty thus remain unresolved.

Should such a treaty, providing for a 200-mile economic zone, emerge from next year's conference, it will mean that countries already benefiting from large productive coastal areas will get richer, and the disparity between them and the land-locked and otherwise geographically disadvantaged will widen. And a 200-mile economic zone will mean the nationalization, in effect, of one-third of the oceans. That will pose some knotty questions. For example, if Saaremaa, Fyn, Masbate, Unimak, Iturup and the other 500,000 or so subcontinental land masses called islands are entitled to a 200-mile economic zone, some very small rocks will each end up with more than 125,000 square miles of sea and seabed. Indeed, Britain has taken possession of a tiny dot in the Atlantic called Rockhall, presumably so that it can claim jurisdiction over a 200-mile zone around the island.

FRUITS DE LA MER

The most immediate conflict of interests in the idea of a 200-mile economic zone is over fishing rights, involving a yield of 75 million tons of seafood a year. Going beyond the language of the 1958–60 treaties, which permit coastal *conservation* schemes, most coastal countries have asserted exclusive *jurisdiction* over fishing 12 miles out to sea. Long-distance fishing countries like the United States, the Soviet Union and Japan have refused to recognize broader claims, such as those of Chile, Ecuador and Peru, which have declared a 200-mile fishing-jurisdiction zone amounting, in effect, to a territorial sea. The countries asserting those claims have resorted to armed force against fishing vessels, as in the "cod war" between Iceland and England, the "lobster war" between Brazil and France and the "tuna war" between Ecuador and the United States. Other coastal countries have concluded bilateral agreements, collecting license fees from foreign fishermen and placing limitations on catch, gear and seasons.

The argument on this issue centers on the insistence of countries claiming extensive fishing jurisdiction that they will not relinquish control. The 200-mile economic zone, they say, must encompass the fish.

This presents a dilemma for the United States. The American fishermen who harvest cod, halibut and other species off the United States coasts account for more than 80 per cent of the nation's catch; for them, extending jurisdiction would protect their grounds from the more efficient and rapacious Soviet, Norwegian and Japanese fleets. But the American fleets that seek shrimp off Brazil and Mexico and tuna off Peru and Ecuador would pay dearly for international codification of those countries' jurisdictional controls. The United States, therefore, favors a species approach. Coastal states would be given preferential and administrative rights over all coastal fish and anadromous species (which spawn in rivers but otherwise live in the sea), with the understanding that other states, especially those that traditionally fished the resource, would be given access if the species were not fully utilized by the coastal state up to the allowable catch. Migratory species would be regulated in part by a multilateral organization, over which the United States could exert some control.

Many of the coastal states remain adamant in their insistence on virtually complete jurisdiction over both coastal and migratory species in their 200-mile zones. The treaty language they are willing to adopt would give only the vaguest rights to fishermen of other nations. In any event, the negotiation on a comprehensive fisheries agreement has focused, just as in the present bilateral accords, on division of resources rather than on prudent management aimed at maximizing returns and alleviating the world food shortage. This approach has resulted thus far in overfishing and biological and economic waste, and shifting from open access to national control is not likely to promote greater rationality.

THE DEEP SEABED

What the origin is of the nodules found plentifully over thousands of square miles of ocean bottom, usually far from land, scientists are not sure; what the exploitation of this mineral-rich resource could mean in economic terms has nations embroiled in potentially explosive dispute.

While the United States produces most of its copper, it imports almost all of its manganese, cobalt and nickel, and access to the deep-sea nodules with their store of all four minerals would bring sizable benefits. Several American companies and others in West Germany, Japan, Britain, France, Belgium and Canada have been fashioning the necessary technology. Within three years or so, such companies as Howard Hughes's Summa Corporation, Kennecott Copper and Ten-

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of sand and oil. The Mediterranean is almost a dead sea. The Audubon Society reports an increasing number of "aquatic anomalies"—seabirds along the coast flying erratically as if drunk or dizzy, before plunging helplessly into the sea, hundreds of poisoned sea lions crawling up the California beaches and traveling a mile inland before dying.

Environmental conventions of the past decade have suffered from low standards and ineffective enforcement. Nothing better came out of Geneva, and there is little prospect of any improvement at the next conference.

Most countries refuse to be made financially liable for damage by municipal sewage, industrial wastes or any other type of pollution. In fact, the bloc of developing countries, arguing that the industrialized countries have become industrialized by polluting the sea, contend that it is now the developing countries' turn. They want a more lenient standard applied to the "third world," permitting its members to pollute to achieve development. There is little chance of the nations agreeing on any effective control of pollution from land.

That leaves pollution by vessels at sea, principally in the form of oil spills.

As recently as 1948, no cargo ship weighed more than 26,000 dead weight tons. By 1973, there were more than 400 oil tankers of 200,000 or more tons, two of them of 447,000 tons and as long as five football fields. They are built with skin-thin steel hulls and without safety standards common to other types of ship. Noel Mostert, in his book "Supership," finds their design features "ludicrous." Many of them are subject only to standards and enforcement of the states where they are registered, and "flag states" like Panama and Liberia provide rock-bottom standards and little if any enforcement. The maritime countries seem willing to require compliance with internationally accepted standards, but these would be promulgated under the auspices of the Intergovernmental Maritime Consultative Organization, a U.N. specialized agency that is dominated by the shipping industry and that has always adopted the lowest common denominator.

With understandably little faith in international action, Canada sent shocks through the maritime and oil industries in 1970 by declaring pollution jurisdiction out to 100 miles, and some governments want that approach adopted generally. The United States, unwilling to go that far, has proposed that states establish and enforce standards for vessels using their ports.

The future looks ominous. The oceans will see more tanker traffic, deeper oil rigs and pipelines and huge undersea oil storage tanks. As population and living standards increase, so will waste, including radioactive wastes in concrete drums that may not remain leakproof forever. The dark "plumes" of red clay discard from deepsea mining form over large areas of the ocean surface and take five years to filter down just through 100 yards of the euphotic zone—the top layer of water, with enough sunlight in it to sustain most of the life in the ocean—and no one is sure of the consequences. Some nuclear plants will be sited at sea. Their proponents claim that the possibility of leakage is remote. But what if the one-in-a-million leak is plutonium? With a horrifying half-life of 25,000 years, plutonium is so cancer-producing that a concentration the size of a meatball could destroy life on earth.

Even without such accidents, failure to adopt a comprehensive and effective environmental protection system will lead to pollution of the oceans in the fullest sense. "If the oceans become polluted," says John Knauss, Marine Affairs Provost at the University of Rhode Island, "they will probably remain polluted on any time scale meaningful to man." Jacques Piccard, the Swiss oceanographer, warns that if the momentum does not change, life in the seas will be extinguished within two or three decades.

Mankind has not succeeded at such tasks as urban planning, disarmament and making the world's food supply meet demand; perhaps it is failing now at the task of preserving the ocean for free communications and sustenance of life.

Both the Caracas and Geneva conferences oriented their efforts toward allocating resources among countries and protecting military rights rather than maximizing ocean benefits for mankind at large. The attempts at allocation have made some progress, but not enough.

Most countries will now consider a new wave of unilateral extensions of territorial seas. Many may extend fishing rights 200 miles out to sea. Some may claim jurisdiction over the seabed resources to the end of the continental margin. In the United States, some form of legislation establishing 200 miles of fishing jurisdiction will probably be adopted, and bills for Federal licensing of deep-sea mining and for a 200-mile pollution control zone will also be debated. The unhappy choice is thus between "going unilateral"—a course leading to disputes that may or may not yield to bilateral or regional solutions—and waiting for yet another international conference in 1976 in the hope that somehow, despite the poor record of the past two decades, something happens to make the delegates write a sensible and effective law of the sea.

Mr. MURPHY of New York. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. MURPHY) that the House suspend the rules and pass the bill H.R. 5447, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent that all Members who wish to do so may have 5 legislative days in which to revise and extend their remarks on the subject of the bill H.R. 5447.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

AUTHORIZING FURTHER APPROPRIATIONS FOR OFFICE OF ENVIRONMENTAL QUALITY

Mr. LEGGETT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6054) to authorize further appropriations for the Office of Environmental Quality, and for other purposes, as amended.

The Clerk read as follows:

H.R. 6054

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 205 of the Environmental Quality Improvement Act of 1970 (42 U.S.C. 4374) is amended to read as follows:

"SEC. 205. There are hereby authorized to be appropriated for the operations of the Office of Environmental Quality and the Council on Environmental Quality $2,000,000 for the fiscal year ending June 30, 1976, and not to exceed $500,000 for the transition period (July 1, 1976 to September 30, 1976). This authorization is in addition to those contained in Public Law 91–190.".

SEC. 2. Section 203 of the National Environmental Policy Act of 1969 (42 U.S.C. 4343) is amended by inserting "(a) immediately before "The Council and by adding at the end thereof the following new subsection:

"(b) Notwithstanding section 3679(b) of the Revised Statutes (31 U.S.C. 665(b)), the Council may accept and employ voluntary and uncompensated services in furtherance of the purposes of the Council.".

SEC. 3. Title II of the National Environmental Policy Act of 1969 (42 U.S.C. 4341 et seq.) is amended by redesignating section 207 as section 209, and by inserting immediately after section 206 the following new sections:

"ACCEPTANCE OF TRAVEL REIMBURSEMENT"

"SEC. 207. The Council may accept reimbursements from any private nonprofit organization or from any department, agency, or instrumentality of the Federal Government, any State or local government, for the reasonable travel expenses incurred by an officer or employee of the Council in connection with his attendance at any conference, seminar, or similar meeting conducted for the benefit of the Council.".

"EXPENDITURES FOR INTERNATIONAL TRAVEL"

"SEC. 208. The Council may make expenditures in support of its international activities, including expenditures for: (1) international travel; (2) activities in implementation of international agreements; and (3) the support of international exchange programs in the United States and in foreign countries.".

The SPEAKER pro tempore. Is a second demanded?

Mr. FORSYTHE. Mr. Speaker, I demand a second.

PARLIAMENTARY INQUIRY

Mr. SYMMS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. SYMMS. Mr. Speaker, is the gentleman opposed to the bill?

The SPEAKER pro tempore. Is the gentleman from New Jersey opposed to the bill?

Mr. FORSYTHE. No, Mr. Speaker, I am not.

Mr. SYMMS. Mr. Speaker. I demand a second.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. SYMMS. I am, Mr. Speaker.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California (Mr. LEGGETT) will be recognized for 20 minutes, and the gentleman from Idaho (Mr. SYMMS) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California.

Mr. LEGGETT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 6054. The bill grants a 1-year authorization for appropriations under the Environmental Quality Improvement Act of 1970 of $2 million for fiscal year 1976; plus $500,000 for the transition period to the new fiscal year. This authorization will supplement the $1 million annual authorization in the National Environmental Policy Act of 1969.

The present authorization to the Council on Environmental Quality under this act is due to expire on June 30 of this year. Prompt and favorable House action on this measure will permit the orderly extension of the Council's operations. There has been no disagreement as to the value of this legislation, and we feel that it should go forward at the earliest possible date. Our committee authored the original House legislation which set up the Council on Environmental Quality, and we feel that the Council is continuing to play the useful role we planned. Basically, it is performing five main tasks.

First, it assists in the preparation and coordination of the President's environmental program. The Council performs a coordinating role, drawing the many agencies involved, including EPA, the Interior Department, AEC, the Corps, DOT, Agriculture, and others together into coherent environmental policy initiatives.

A second activity of the Council is the preparation of the annual report on environmental quality called for under the National Environmental Policy Act.

The Council's fifth and most recent annual report, December 1974, focused upon a timely and important subject—land use control and the related concerns, for example, effects of development and costs of urban sprawl.

The Council is now in the process of preparing a sixth annual report, to be submitted later this summer.

A third major assignment of the Council is its continuing effort to further improve implementation of the National Environmental Policy Act and the Environmental Quality Improvement Act in the Federal Government, particularly through the environmental impact statement process required by NEPA. Through guidelines and through assistance to agencies in improving their procedures for and performance in implementing NEPA, the Council assists agencies in building NEPA's policy objectives into their decision making process. The Council's role in this process is to provide oversight so that entire section 102(2)(c) process functions in all Federal agencies as intended by the Congress.

A fourth major function of the Council is the preparation of special environmental policy studies, some of which are prepared in-house and some of which are prepared by contract. These studies provide a valuable tool in advising the President and the Federal agencies and in focusing attention upon urgent environmental problems facing our country.

Lastly, the Council has been and will continue to be very active in international environmental affairs, as it was in the recent efforts this past summer in the Law of the Sea Conference where the major issue was that of national jurisdiction over the Continental Shelf where oil was beginning to be exploited. Similarly, the Council has continued to provide leadership at the International Whaling Conference in an effort to curb the exploitation of the several species of endangered whales. The lack of responsiveness of Japan and the U.S.S.R. to clear-cut international conservation needs remains a vital concern of the United States.

One last accomplishment of the Council worth noting is the role in the establishment of the Convention on International Trade in Endangered Species of Wild Fauna and Flora, which was held in Washington, D.C., in March 1973. The convention was designed to protect wildlife against unregulated exploitation through international trade. It is particularly appropriate to mention this since the 10th nation has ratified the convention allowing it to take force on July 1, 1975.

In future years, we anticipate the Council's activities will follow much the same pattern, although areas of emphasis will undoubtedly be different each year.

The Council on Environmental Quality, which our committee helped initiate, is performing vitally important functions in our national environmental programs. We have gotten excellent value to date from our investment. I anticipate that it will continue to be most useful.

The Committee on Merchant Marine and Fisheries has consulted with the Committee on Science and Technology concerning their interest in any environmental research and development money contained in this authorization for the Office of Environmental Quality pursuant to the Environmental Quality Improvement Act of 1970 (P.L. 91–224).

As a result of this consultation, the Committee on Science and Technology felt that the small amount of contract study money under this 1-year authorization was not sufficient in this case to warrant a separate referral for their consideration. Further, both committees agreed to maintain a close and continuing liaison in such matters in an effort to coordinate their common interests.

Mr. Speaker, I support the bill H.R. 6054, and urge its immediate passage.

Mr. **BROWN** of California. Mr. Speaker, will the gentleman yield?

Mr. **LEGGETT**. I will be happy to yield to the gentleman.

Mr. **BROWN** of California. I thank the gentleman for yielding.

Mr. Speaker, I wish to compliment the chairman of the subcommittee for bringing forth this legislation containing the authorization for the Council on Environmental Quality.

Mr. Speaker, we have had before the Subcommittee on Environmental Research and Development of the Committee on Science and Technology members of the Council to testify as to their work. We are convinced that it is an extremely important function that is being performed there.

We would like to stress, particularly, the coordinating function on environmental matters which is exercised by the Council, and in view of the very large efforts going on throughout the Government, we believe that this coordinating function is one of major importance.

Mr. Speaker, I would like to say, in addition, that I can only express unbounded admiration to the full Committee on Merchant Marine and Fisheries and to its outstanding chairman, the gentlewoman from Missouri (Mrs. Sullivan), for originating the truly landmark legislation which has been passed by the Congress with regard to the environment. This includes the National Environmental Protection Act and other legislation which, of course, has resulted in the development of the Council on Environmental Quality.

Mr. Speaker, as I did a few moments ago in connection with another piece of legislation, I would just like to comment that, as a result of a change of the rules of the House, there is legislative jurisdiction over environmental research and development vested in the Committee on Science and Technology. I have discussed this with the chairman of the subcommittee. He has commented on the matter in his remarks. We see no reason to seek a joint referral of this legislation, or sequential referral, in view of all of the circumstances.

Mr. **LEGGETT**. Mr. Speaker, again we are in the same position we were in the previous bill, which the gentleman acceded does have an interest in his committee and the subject matter, albeit nominal, at this point. We have consulted with the gentleman, and we have determined that the business of the committee can move forward without referral at that point, reserving that right for future years.

Mr. **BROWN** of California. Mr. Speaker, I thank the gentleman.

Mr. **SYMMS**. Mr. Speaker, I yield 5 minutes to the ranking minority member of the committee, the gentleman from New Jersey (Mr. Forsythe).

Mr. **FORSYTHE**. Mr. Speaker, 6 years ago the Congress enacted legislation creating the Council on Environmental Quality. Charged with the responsibility of conducting environmental research and investigations, evaluating existing and proposed Federal environmental protection programs, instructing other Federal agencies on how to comply with the National Environmental Policy Act, and recommending new Federal environmental initiatives, the Council on Environmental Quality has assumed an important role in this Nation's environmental affairs. During its short existence, the Council has had the stamp of professional excellence. The legislation before us today authorizes $2 million for fiscal year 1976 for CEQ. The bill also makes certain technical changes in CEQ authorizing statutes to enable that agency to accept volunteer services, stretch its travel allowance, and permit attendance at international conferences when the host country offers to pay the expenses.

As already pointed out, CEQ receives funding from two sources. The National Environmental Policy Act (NEPA) established a continuing annual authorization of $1 million. The Environmental Quality Improvement Act provided an additional $2 million authorization in fiscal year 1975. H.R. 6054 continues the $2 million authorization under the latter act.

Despite level of CEQ's authorizations, its total appropriation has remained relatively constant at $2.5 million per year. Unfortunately, this has meant that the agency has been forced to absorb the costs of inflation, salary increases, etc. The net effect has been to reduce the money available to fund contract studies. This year, however, CEQ will be asking for a somewhat larger appropriation. H.R. 6054 combined with the increased appropriation will enable CEQ to expand its contract studies program from its inflation-reduced level and will provide adequate funding for CEQ's other activities.

Aside from the issue of funding, a major dilemma presently facing CEQ is how to perform its important mission under an OMB directive which requires CEQ to reduce its staff from 50 to 44 persons, a 12-percent reduction.

I strongly protest this personnel cut and when the Committee considers the CEQ authorization next year, I believe we must carefully review the actual impact of this reduction. Although I feel the impact will be harsh, I have been assured by officials of the Council that with the level of authorization provided for in this bill, the agency will be able to accomplish its mission with the same professional excellence that has characterized its history. I urge my colleagues to give their full support to this legislation.

Mr. **LEGGETT**. Mr. Speaker, I yield such time as she may consume to the chairman of the full committee, the gentlewoman from Missouri (Mrs. Sullivan).

Mrs. **SULLIVAN**. Mr. Speaker, as chairman of the Committee on Merchant Marine and Fisheries, I want to endorse the support of my distinguished colleagues for H.R. 6054. This is an excellent bill. The bill was reported unanimously from the committee.

Under the chairmanship of the Honorable Russell W. Peterson, the Council on Environmental Quality has continued to manage a broad range of programs needed to deal with our environmental problems. The CEQ has made its annual environmental quality report and the annual Presidential environmental message to reflect the enormous work which has been accomplished to provide for a more livable environment.

The successes of the Council since its creation by this committee and the Congress in 1969 have been noteworthy in many areas. The CEQ has played a significant and lead role in the negotiation and acceptance of environmental agreements with many foreign countries, and has served as an executive focal point for the effective implementation of the National Environmental Policy Act of 1969. They have provided needed assistance to Federal agencies as well as private parties in interpreting and guiding the preparation of environmental impact statements.

The bill before the House today has several housekeeping provisions contained therein to assure that the Council remains effective in the management of its programs.

The first provision allows the Council to accept volunteer and uncompensated assistance in their programs. This new provision will enhance the Council's ability to take advantage to college intern programs and similar opportunities under the close supervision of the Council. Similarly, the expanded authorization of the Council to make expenditures in support of international activities including travel expenses, implementation of international agreements, and in support of an exchange program gives them additional leverage to continue their able leadership in the international environmental community. And finally, the travel reimbursement provisions allows the Council to accept reasonable reimbursements from any private nonprofit or governmental office or instrumentality for travel in connection with attendance at any conference or similar meeting for the benefit of the Council.

All of these provisions are available to many other agencies to facilitate their program administration. Inasmuch as the Council has a relatively small staff and limited budget in comparison to its overall responsibilities, the Committee felt that these additional provisions would be of significant benefit to their program effectiveness.

I strongly urge the support and passage of this bill so that the Council can continue without interruption its important work.

Mr. **ASHBROOK**. Mr. Speaker, will the gentleman from California (Mr. Leggett) yield for a question?

Mr. **LEGGETT**. I yield to the gentleman from Ohio (Mr. Ashbrook).

Mr. **ASHBROOK**. Mr. Speaker, I would really like to ask the gentleman from

California (Mr. Leggett) if there was any reason why the report was so late. My staff was unable at 11 o'clock this morning to get a copy of this bill.

Mr. **LEGGETT**. Mr. Speaker, to answer the gentleman, I am awfully sorry about that. The very distinguished gentleman from California (Mr. Brown), and I wanted the opportunity to consult on this matter before the report was printed. It was not until late in the day that we found that our interests coincided. The fiscal year 1976 authorization is exactly the same as it was for fiscal year 1975. I know that those interested in economy would want to know about the one agency in Government that is reducing its personnel level from 50 down to 44 permanent staff; that is the testimony that was presented before our committee.

We have in the back of the room monographs of the unprinted report which are complete and accurate, and which do show that, really, the agency has done a rather fine job in spite of all of the inflation that has been foist upon it in the past few years.

Mr. **ASHBROOK**. Mr. Speaker, I thank the gentleman from California for the explanation he has given. I would ask the gentleman, I wonder if they can maybe cut it even a little bit more.

Mr. **LEGGETT**. We are authorizing $2 million, 1 million is a continuing authorization under the National Environmental Policy Act of 1969. The administration has indicated that they are going to request $2.7 million. They actually requested an appropriation of $2.45 million in 1975.

The appropriations for CEQ for the past number of years is: 1973, $2.5 million; in 1974, $2.16 million; 1975, $2.45 million; 1976, $2.5 million. I am talking about appropriations. The authorization amounts have been $3 million for this year, and the same for the next year, including the $1 million that is in the nature of a continuing authorization under the NEPA.

Mr. **ASHBROOK**. Mr. Speaker, I thank the gentleman from California for his explanation.

Mr. **SYMMS**. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I oppose this legislation today for many reasons. The primary reason is not exactly the amount of money that is in the bill, the $2 million or the $3 million—I am not sure how many millions are in the bill. Is it $3 million?

Mr. **LEGGETT**. If the gentleman will yield, there is $2 million in this bill, and $1 million in the continuing resolution.

Mr. **SYMMS**. I thank the gentleman for the information. Mr. Speaker, the underlying fault and the greatest fault of this legislation is that insofar as the costs are concerned, they do not consider how much the costs are going to be on production resulting from decisions that these agencies make, and through their bad advice, given by CEQ.

These posey pluckers in the CEQ are the same people who came up for that piece of legislation that has been at issue here, on land use planning or Fed land control, and that legislation has been battled over for 2 or 3 years, and hopefully we will be able to keep it from passing again.

These people seem to think it is all right to run people off their property and then not properly compensate them for the value of their property. They want everything to be controlled by the Federal Government, that is, the use of private land, and they want to down-zone the people and then, as I say, not properly compensate them for a lower value as a result of down-zoning.

These are the kinds of costs that do not come into view in some pieces of legislation.

I might point out that in my State we have a problem concerning coyotes. The CEQ, the forerunners and the cohorts of the Environmental Protection Agency, some of the people down there made remarks about coyotes, and gave bad advice to the people in the administration with respect to Executive orders that have protected coyotes. Throughout history, the shepherds have tried to protect their flocks, when they are out on the grazing lands from predators. Now half of the sheep population in the West has been decimated by the coyotes. And it looks like one of the biggest threats around now are some of the people in EPA and CEQ, so that the shepherd has to protect his flocks not only from coyotes, but he also must protect himself against arbitrary and capricous bureaucrats who issue regulations.

Another classic example of the lack of expertise in these people was when they did not agree that the tussock moth posed a threat to Douglas-fir timber stands, and, as a consequence, it cost hundreds of millions of dollars in the Pacific Northwest with the destruction of nearly 1 million acres of Douglas-fir timber because of the advice that was promulgated by these people that the tussock moth posed no serious threat, and that it would die an early death, and it did, from starvation after it killed all of the timber in the area.

The one light application of DDT a year later at a rate of three-quarters of an acre controlled the moth. We have lost our watershed; we have lost our timber; we have increased fire risks. This is the kind of action by bureaucrats that I think we, as Members of this body, should be stopping, and I think we should put this environmental movement in perspective so that we do recognize that there are some trade-offs that have to be made.

I mentioned coyotes; I mentioned land-use planning; I mentioned DDT and the tussock moth, but there are many, many others. The time is coming when the big environment problem we are going to be concerned with in this country is having food on the table and a warm roof over our heads. So I think this legislation should be defeated, and we should get some of these people out of town. I have worked with them a lot—my Committees on Agriculture, Interior, and the Subcommittee on Forestry. I have come to find out that most of the bureaucrats that are working down at CEQ are very sincere, well intentitoned people, but most of them do not have very much expertise in the field in which they are working. They are not responsible for any of the decisions they make and the big problem is that they take themselves seriously. They think the world would not go on if we did not have them, in effect, so they are promulgating more rules and regulations that this country can ill afford at this particular time.

I hope that this legislation is defeated and that we get these people out of town, and let some of the rest of the private citizens take care of their own problems, or the States take care of their environmental problems. I certainly do not think we need them traveling around the fleshpots of the world spending taxpayers' money attending conventions and meetings in foreign countries when the taxpayers of this country are so strained just to pay for their own household budgets, this outfit is unnecessary.

Mr. Speaker, I reserve the balance of my time.

Mr. **LEGGETT**. Mr. Speaker, I yield myself such time as I may consume.

I appreciate the gentleman's frustration with respect to economic progress, vis-a-vis environmental checks and balances, and I believe that all of us get frustrated from time to time with respect to these sometimes conflicting drives. I share the gentleman's concern on coyotes. Further, I believe that we may not need land use planning in parts of my district. We may not need it in Idaho, but certainly the urban sprawl, which is rather effectively keeping us from implementing a program of mass transit, purely and simply because the economics are just not there, is something that should be studied.

The $2½ million in this bill for fiscal year 1976 and the transition period for 44 permanent staff to carry out its programs I do not think is really overindulging in this particular subject matter. Of course, while the gentleman criticizes the Council, I believe all of the existing members of the Council have been appointed by Presidents Nixon and Ford. I know my good friend, the distinguished John Busterud, is a member of the Council on Environmental Quality.

The gentleman has indicated his disapproval. However, John Busterud is a hard-working, tight-fisted, minority leader in the California Legislature who graduated to come to Washington. Believe me, I have talked to him personally, and he said we need to interrelate with some of these foreign countries because we cannot do it all. It is just like whaling. We cut off whaling at home, but then they continue to take this large number overseas, so we have to make some kind of agreement or the law of the jungle is going to continue to persist.

This is a good economy vote. We are not exceeding the budget. This is within everything we have programed.

Mr. Speaker, I have no other requests for time.

Mr. **SYMMS**. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. Ruppe).

Mr. **RUPPE**. Mr. Speaker, I rise in support of H.R. 6054 authorizing appropriations for the Council on Environmental Quality. Since its inception, CEQ has functioned as a coordinator for national environmental policies. Funding studies on major environmental issues such as land use, oil and gas development on the Outer Continental Shelf, and the impact of aerosol sprays on the atmosphere, CEQ has made a major contribution to the substance of our environmental knowledge. By promoting the development of environmental indexes and monitoring systems, CEQ has expanded this Nation's ability to determine what is happening to our environment. By serving as a clearinghouse to review major environmental impact statements, CEQ has participated in a wide range of environmental issues. The legislation we are considering today provides CEQ with a level of authorization needed to continue its activities. I believe these activities are important to the Nation, have been carried out effectively, and need to be continued.

Thus, I urge the adoption of H.R. 6054.

Mr. SYMMS. Mr. Speaker, I yield myself 1 additional minute for the purpose of extending my remarks and including extraneous matter as an exhibit of some of the problems and some of the ideas that have come from CEQ and their forerunner, the Rockefeller Committee. This exhibit happens to be a letter from David E. Keeler to the gentleman from Illinois, Representative PHILIP CRANE.

I ask unanimous consent to include that as part of my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. SYMMS. Mr. Speaker, I say again the posy picking, environmental extremists will put this country in the dark ages of no gas, no heat, no lights if we in Congress do not wake up to the way they are contributing to the destruction of our free society. The combination of environmental extremists, zealous regulators, and funny money politicians are simply more than our economy can take.

Mr. Speaker, I include the letter from Mr. Keeler at this point:

MENLO PARK, CALIF.,
October 5, 1973.

Representative PHILLIP CRANE,
Longworth House Office Building,
Washington, D.C.

DEAR MR. CRANE: As you know, there is a national land use bill now before Congress (S. 268) which would cause the states to adopt a pervasive pattern of land use regulation.

Critics of the current trend of growing governmental control of private land have claimed that this amounts to a taking of private property without compensation, a criticism which supporters of the law have dismissed as groundless alarm.

However, in the past few months several things have happened which put the matter in a new light:

(1) In June a task force on land use and urban growth, sponsored by the Rockefeller Brothers Fund and reporting to the President's Citizens Advisory Committee on Environmental Quality, chaired by Lawrence Rockefeller, issued a report calling for the usual pervasive governmental land controls. A key section of this report specifically recommends against compensation to private landowners for losses occasioned by these measures—solely because such compensation is not "economically feasible" (i.e., the pri- the environmentalists' grand designs).

vate landowner must swallow the cost of

(2) The Council on Environmental Quality (CEQ) has just issued a report. The Taking Issue: An Analysis of the Constitutional Limits of Land Use Control, which is essentially a brief in support of this taking-without-compensation approach advocated by the earlier Rockefeller,study.

(3) The aforesaid Rockefeller study was authored by William K. Reilly, an attorney then on leave from the CEQ.

(4) Reilly is also reported to have played a large part in the preparation of the Administration's current land use policy legislation. Science, Vol. 180, p. 1040.

(5) As the writer in Science suggests, the taking-without-compensation issue was apparently thought to be too politically sensitive to be made by the CEQ itself, hence the recourse to a "private taskforce." Science, pg. 1092.

(6) Russell Train, head of the CEQ at the time of the report, has been nominated by Nixon to head the EPA.

This appears to be an orchestrated move by the super environmentalists and planners to overcome the major obstacle to the realization of their goals: the inconvenience of having to pay private landowners for the expropriation of their property.

As Havek has observed, the danger of government planning stems largely from the desire of the planners to be released from the necessity of counting all the costs of their schemes. "The planners make it appear advantageous simply by placing some of the costs on the shoulders of private persons and then disregarding them."

These two reports, coming as they do from so close to the government, should alert us that the critics of growing land use legislation were well-founded in their fears that the logical course of these measures must lead to a massive and uncompensated transfer of private land to government control. If the environmentalists and regulators are freed from the necessity of considering the costs of their proposals, what barrier will remain to their wildest dreams of power over the private citizen?

I believe this is an important issue and one appropriate to your attention. I will give your people all the assistance possible if you wish to pursue it.

Sincerely,

DAVIS E. KEELER.

Mr. LEGGETT. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. LEGGETT) that the House suspend the rules and pass the bill H.R. 6054, as amended.

The question was taken.

Mr. SYMMS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

Mr. SYMMS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

Does the gentleman from Idaho withdraw his point of order that a quorum is not present?

Mr. SYMMS. Mr. Speaker, I withdraw my point of order.

GENERAL LEAVE

Mr. LEGGETT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill (H.R. 6054) just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

OFFSHORE SHRIMP FISHERIES ACT AMENDMENTS OF 1975

Mr. LEGGETT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5709) to extend until September 30, 1977, the provisions of the Offshore Shrimp Fisheries Act of 1973 relating to the shrimp fishing agreement between the United States and Brazil, as amended.

The Clerk read as follows:

H.R. 5709

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Offshore Shrimp Fisheries Act Amendments of 1975".

EXTENSION OF CERTAIN PROVISIONS

SEC. 2. Section 13 of the Offshore Shrimp Fisheries Act of 1973 (16 U.S.C. 1100b note) (hereinafter in this Act referred to as the "Act") is amended by striking out "June 15, 1975" and inserting in lieu thereof "September 30, 1977".

TECHNICAL AMENDMENTS

SEC. 3. (a) Section 2(a) of the Act (16 U.S.C. 1100b(a)) is amended by striking out "May 9, 1972" and inserting in lieu thereof "March 14, 1975".

(b)(1) The first sentence of section 3(a) of the Act (16 U.S.C. 1100b–1(a)) is amended by inserting immediately before the period at the end thereof the following: ": *Provided further,* That no more than two hundred vessels with permits shall be authorized to fish in any quarter of 1975 beginning March 1 and ending February 29, 1976, and no more than one hundred and seventy-five vessels with permits shall be authorized to fish in any quarter of 1976 beginning March 1 and ending February 28, 1977, or such other number or period as may be specified in the treaty from time to time".

(2) Section 3(f) of the Act (16 U.S.C. 1100 b–1(f)) is amended—

(A) by striking out "for any year other than 1973";

(B) by striking out "$615" the first place it appears therein and inserting in lieu thereof "$1,115"; and

(C) by striking out the second sentence thereof.

(c)(1) Section 4(d)(1) of the Act (16 U.S.C. 1100b–2(d)(1)) is amended by inserting imediately after "issued" the following: "after March 14, 1975".

(2) The first sentence of section 4(d)(2) of the Act (16 U.S.C. 1100b–2(d)(2)) is amended—

(A) by inserting "under permits" immediately after "fishing"; and

(B) by striking out "during the last five years" and inserting in lieu thereof ", after May 9, 1972".

(3) The second sentence of section 4(d)(2) of the Act (16 U.S.C. 1100b–2(d)(2)) is amended—

(A) by striking out "of this Act" the first place it appears therein and inserting in lieu thereof the following: "described in section 4(b) of the Offshore Shrimp Fisheries Act Amendments of 1975";

(B) by striking out "May 9, 1972" and inserting in lieu thereof "March 14, 1975";

(C) by striking out "the effective date of this Act" the second place it appears therein and inserting in lieu thereof the following: "such effective date";

(D) by inserting "section" immediately before "8(a)(5)" the second place it appears therein;

(E) by inserting immediatley after "fishing gear" the following: ", fishing vessels and fishing methods,"; and

(F) by striking out ", if the Act had been in effect during such period".

"(d) Section 5 of the Act (16 U.S.C. 1100b–(3)) is amended—

(1) by striking out "May 9, 1972" and inserting in lieu thereof "March 14, 1975"; and

(2) by striking out "$700" and inserting in lieu thereof "$1,215".

(e) Section 6(a) of the Act (16 U.S.C. 1100b–4(a)) is amended by adding at the end thereof the following new sentence: "Any funds remaining in the fund shall remain available for expenditure under this Act.".

(f)(1) Section 8(a) of the Act (16 U.S.C. 1100b–6(a)) is amended—

(A) by striking out "master" and inserting in lieu thereof "vessel owner, master,";

(B) by striking out the period at the end of paragarph (5) thereof and inserting in lieu thereof a semicolon; and

(C) by adding at the end thereof the following new paragraph:

"(6) engage in fishing in the area of agreement contrary to regulations establishing a procedure for limiting the number of vessels with permits which may be authorized to fish during any period in 1975 or 1976 as specified in section 3(a).".

(2) Section 8(a)(4) of the Act (16 U.S.C. 1100b–6(a)(4)) is amended by inserting immediately after "one hundred and sixty" the following: "in 1975 and one hundred and twenty in 1976".

(3 Section 8(b) of the Act (16 U.S.C. 1100b–6(b)) is amended by striking out "master" and inserting in lieu thereof "vessel owner, master,".

(g)(1) Section 9(a) of the Act (16 U.S.C. 1100b–7(a)) is amended by inserting immediately after "section 8 hereof" the following: ", or any vessel owner whose vessel is involved in such violation,".

(2) Section 9(b) of the Act (16 U.S.C. 1100b–7(b)) is amended by inserting immediately after "any proceeding" the following: "against the master or other person in charge of the vessel".

(3) Section 9(c) of the Act (16 U.S.C. 1100b–7(c)) is amended by striking out "section 8(a)(1)" and all that follows through "or subsequent violation." and inserting in lieu thereof "section 8.".

EFFECTIVE DATES

SEC. 4. (a) Except as provided in subsection (b), the foregoing provisions of this Act shall take effect on the date of the enactment of this Act.

(b) The amendments made by subsections (a), (b), (c), (e), (f), and (g) of section 3 shall take effect upon the entry into force of the Agreement Between the Government of the Federative Republic of Brazil and the Government of the United States of America Concerning Shrimp, signed on March 14, 1975.

The SPEAKER pro tempore. Is a second demanded?

Mr. FORSYTHE. Mr. Speaker, I demand a second.

Mr. ASHBROOK. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Is the gentleman from New Jersey (Mr. FORSYTHE) opposed to the bill?

Mr. FORSYTHE. Mr. Speaker, I am not.

The SPEAKER pro tempore. Is the gentleman from Ohio (Mr. ASHBROOK) opposed to the bill?

Mr. ASHBROOK. Mr. Speaker, I am.

The SPEAKER pro tempore. The gentleman from Ohio qualifies. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California (Mr. LEGGETT) will be recognized for 20 minutes and the gentleman from Ohio (Mr. ASHBROOK) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California.

Mr. LEGGETT. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, the Offshore Shrimp Fisheries Act Amendments of 1975, H.R. 5709, is designed to implement the new shrimp fishing agreement recently entered into between the United States and Brazil.

Mr. Speaker, this is the second agreement negotiated between the United States and Brazil in response to the situation created in 1970 when Brazil joined many of its South American neighbors in asserting a 200-mile territorial sea claim and subsequently promulgating regulations controlling fishing by foreign-flag vessels within that area. This claim was not recognized by the United States, which, as you know, recognizes only a 3-mile territorial sea and a 9-mile contiguous fisheries zone adjacent thereto.

Mr. Speaker, fortunately, the Brazilian Government included in its fishery decree a clause to permit the setting aside of any of its provisions by international agreement. Negotiations between the two countries resulted in the signing of the first agreement in May 1972. The Senate gave its consent and the President ratified the agreement in November 1972.

That agreement remained in effect until February 28, 1975, at which time it expired. The second agreement was entered into on March 14, 1975, and it will remain in effect until December 31, 1976.

Like its predecessor, this agreement sets up a regulatory system designed to insure the conservation and orderly exploitation of the shrimp resources in a defined area off the coast of Brazil. It is to be noted that article IX of the agreement specifically provides that nothing contained in the agreement shall be interpreted as prejudicing the position of either party regarding the matter of territorial seas or fisheries jurisdiction under international law.

Mr. Speaker, because of the wide variation in the state of development of the two countries' fishing industries, the requirements of the agreement to be applied to the vessels of each country are different. Brazilian vessels are prohibited from fishing in spawning and breeding areas and such vessels are required to register and pay fees and taxes for periodical inspections. The United States, on the other hand, restricts the number, size, and type of its vessels permitted to engage in the fishery and limits their fishing in the area to a specified open season. Both countries require their vessels to maintain log books and have provided for the gathering and exchange of the information collected.

Mr. Speaker, the legislation before us today, H.R. 5709, would enable our Government to carry out its obligations under the new agreement with Brazil. It would make the provisions of the agreement mandatory on those U.S. vessels wishing to participate in the fishery and enable our Government to penalize violators brought to our attention by the Brazilian Government.

Mr. Speaker, the area covered by the agreement includes virtually all of the major grounds traditionally fished by U.S. shrimp vessels off the coast of Brazil and is defined in a way which does not coincide with jurisdictional limits recognized by either side.

The bill authorizes the Secretary of Commerce to issue annual permits for U.S. vessels to fish within the designated area. It details conditions which may be attached to the permits, authorizes the Secretary to make regulations regarding these permits, and prescribes the permit fees. The basic fee is determined by a formula which is designed to recover for the U.S. Government all costs of participating in the agreement and some administrative costs, if permits for all of these 325 vessels authorized to participate in the program are issued.

Mr. Speaker, during the period of the first agreement, only around 200 shrimp vessels voluntarily participated in this program. The fee was set at $715 per vessel, $615 representing enforcement costs and $100 administrative costs. The fee under the new agreement has been increased to $1,215 per vessel. Currently, around 85 vessels are operating under the program on a voluntary basis and the annual fees for these vessels have been paid into the Offshore Shrimp Fisheries Fund.

Mr. Speaker, the U.S. Government has agreed to increase the annual amount to be paid to Brazil for enforcement costs from $200,000 to $361,000. Based on information supplied by the Departments of State and Commerce, the committee estimates the cost to the Federal Government—after deducting the vessel fees paid into the fund—to be approximately $200,000 per year for fiscal years 1976 and 1977. This compares to a cost of the Federal Government of approximately $150,000 and $75,000 respectively for fiscal years 1974 and 1975.

The bill would provide for the continuance of the procedures under which the Secretary of Commerce would issue permits, including a set of criteria for priority in granting permits if applications exceed the number available, and authorizes the Secretary to provide evidence of voluntary compliance as one criteria for priority status.

In addition, the bill provides for the continuance of the special revolving fund in the Treasury to receive permit fees, unusual enforcement expenses, penalties and appropriations, and to disburse funds to be paid to Brazil for enforcement costs.

Mr. Speaker, it might be emphasized at this point that the maximum number of vessels authorized to participate in this program is 325, the same as it was under the prior agreement. However, the new agreement contains a further restriction not in the prior agreement—requiring that not more than 200 vessels with permits can be authorized to fish in any quarter in 1975 and not more than 175 vessels in any quarter in 1976. Of these vessels, not more than 160 and not more than 120 can fish at any one time during the first and second year of the agreement, respectively.

Mr. Speaker, in general, all of the changes to the 1973 act provided by this legislation are really technical in nature. The only other change worthy of mention is the one having to do with the prohibition and penalty provisions. In this regard, H.R. 5709 would extend these provisions of the act to the owners of the vessels, as well as the masters and other persons in charge of the vessels. In this way, it is hoped that the owners of the vessels participating in the program will be encouraged to hire masters who will fully comply with the provisions of the treaty and this act.

Mr. Speaker, without this legislation the U.S. Government cannot meet its obligations under the new agreement with Brazil. Up to now, the old agreement has proved to be a practical accommodation of our interest in continued access to this fishery and of Brazil's interest in the conservation of its offshore resource, without prejudice to either party's position on territorial seas or fisheries jurisdiction under international law.

Because of the nature of this agreement, a termination date of September 30, 1977, has been provided by the Committee on Merchant Marine and Fisheries so that the committee can take another look at the effectiveness of this program prior to its termination in order to determine whether it meets the test of time.

Mr. Speaker, I urge immediate enactment of H.R. 5709.

Mr. Speaker, I would say that were we not to pass this agreement and were we not to have voluntary compliance, we would have the law of the sea jungle prevalent in Brazil, vis-a-vis, the shrimp industry, that we now have with respect to the tuna industry off the coasts of Ecuador and Peru.

Does this save us money? No, because we are spending several million dollars on the tuna industry, and only a few hundred thousand dollars on the shrimp industry. Has it saved us danger to life? No, because we have had threats of loss of life in the tuna industry, but no confrontations in the shrimp industry. Are we prepared, perhaps, to change our position which some allege us to be as "the Chicken of the Sea"? No, we are not prepared to change that.

In fact, we are prepared to assert ourselves over the next several weeks out of our committee with a 200 mile fishing jurisdiction bill, a bipartisan bill. I think we are going to get the cooperation of the Department of State in this effort, so what is good for the goose is good for the gander. I think we are going to be in an exact reciprocal situation with Brazil after we act, and certainly the fact that the Senate has previously passed a 200-mile limit bill indicates that we can, in fact, comply with this agreement with respect to extra territoriality, and we would totally be consistent with American policy.

Mr. ASHBROOK. Mr. Speaker, I yield 5 minutes to my distinguished colleague from New Jersey (Mr. Forsythe).

Mr. FORSYTHE. Mr. Speaker, when the Republic of Brazil declared a 200-mile territorial sea in 1970, U.S. shrimpers found themselves excluded from a rich fishing zone. To insure access for our shrimp fleet, the United States negotiated an agreement whereby our shrimpers could continue fishing in the 200-mile zone claimed by Brazil.

The agreement allowed a specified number of U.S. shrimpers to enter Brazil's waters. Fortunately, in the past 2 years, the number of fishermen seeking a license to shrimp off Brazil's coast has been well below the number allowed under the agreement. Under the terms of the new treaty, the number of U.S. shrimpers allowed in Brazil's waters is somewhat reduced but is still above the number of U.S. vessels which have been licensed.

Under the original Convention, Brazil would enforce the agreement. The United States agreed to pay $200,000 in enforcement costs, and the implementing statute enacted during the 93d Congress established a license fee for U.S. shrimpers which would cover approximately two-thirds of these costs. The new United States-Brazil agreement increases the U.S. enforcement payment from $200,000 to $361,000, and H.R. 5709 increases the license fee accordingly, so that U.S. shrimpers will still bear approximately two-thirds of the costs.

Mr. Speaker, if the United States intends to preserve the rights of U.S. shrimpers to fish off Brazil's coast, it is essential that we enact legislation giving force to this new treaty. An ever-growing number of nations, probably including the United States, are asserting an economic zone of 200 miles. In each instance, the United States will have to recognize reality and negotiate a fishing agreement with these nations just as other countries will have to seek similar agreements with the United States if we declare a 200-mile zone. The Brazil Shrimp Agreement is the first of what in my view will be a long line of fishing treaties. I urge that my colleagues recognize this fact and enact the implementing legislation we have before us today.

Mr. ASHBROOK. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, I am hard pressed to understand one part of this bill. That is, why the United States should pay the Brazilian Government anything, let alone increasing from $200,000 to $361,000 the amount that is considered in this bill.

I listened with interest to my friend and colleague from California, but I just cannot see that this money is anything except tribute. What is the rationale, the basis for this legislative body voting to give any money at all for what should be a basic right, a right of fishing on the high seas, the oceans, which were formerly considered international territory? We all say we are against the 200-mile limit, and yet by our actions here we are, in effect, agreeing to the 200-mile limit and paying Brazil to support its efforts to enforce the agreement. Would the gentleman shed some light on that?

Mr. LEGGETT. Mr. Speaker, if the gentleman will yield, I will say that folks say they are against the 200-mile limit, but they consist of a few at the State Department. I think the gentleman will find that the vast group of Americans in the center and on the right in this country today are demanding that the United States protect its shores with respect to asserting a 200-mile fishing jurisdiction.

In response to that clamor, which we also get from liberals such as the gentleman from Massachusetts (Mr. Studds) and others from Massachusetts, this does not appear to be a liberal problem or a conservative problem. It is nationwide. There are over 100 authors on this bill in question. It passed in the Senate last year and as a result, really, the 200 mile is the de facto law that the world is now operating under as a result of the recent conference in Geneva.

I do not agree with some of the things they agreed to do, but this I do agree to. So, all we are doing is saying that we are going to recognize this unilateral act in asserting this jurisdiction. However, we are going to continue to say that a 3-mile territorial sea and a 12-mile fishing zone are our official positions. We do know that the House of Representatives very shortly will have on its floor a 200-mile bill which is going to cut down rather substantially the fishing off the United States by such countries as Russia, Poland, Japan, and other countries.

We are going to impose rather reciprocal restrictions, but giving some preempting rights to domestic fishermen. Then we are going to find that really the laws are changing, and we are going to have to work out something with respect to the so-called highly migratory species so that we can perhaps develop a bilateral-type negotiation with Peru, Chile, Ecuador, and maybe Mexico in order to allow our fishermen to take these species.

We have to get out of this jungle-type situation we currently are in.

Mr. ASHBROOK. It seems to me the United States is about the only one in this so-called jungle the gentleman is talking about.

Mr. LEGGETT. That is not true. The gentleman is going to shortly find that his statement of position is going to be a little bit antagonistic to the policy that we are going to have to assert against the Soviet Union with respect to their vacuuming our resources off our shores.

Mr. ASHBROOK. On that point, the gentleman from California has stated the nations throughout the world are following what he referred to as a de facto 200-mile limit. Are they following that on the United States shores at this point? We follow it on their shores, like Brazil, but do they follow that limit on the U.S. shores?

Mr. LEGGETT. We pulled a Polish ship into San Francisco Bay which was 10.2 miles off our shore, and we are considering confiscating the ship. And believe me, it is a ship. I hope we have second thoughts on doing what we purport to do. But I would say by the end of this year we will be asserting a 200-mile jurisdiction with respect to every foreign ship, and we are also going to assert regulatory jurisdiction over American fishing in this area, and, by doing this, hopefully, we can beef up the American fishing further.

Mr. ASHBROOK. Will other nations be required to pay us, in effect, tribute, like we are paying Brazil now for agreements? Are Russia and these other countries going to pay us $300,000 or any similar figure?

Mr. LEGGETT. I would reserve the right to object to the statement "tribute." This bill is going to cost us some money because we have to develop regulations to go out 200 miles. The regulations have to be passed on principle and cash. One does not create regulations like that and then send the fish and game warden out to enforce them. We are going to build up the bureaucracy of NOAA. It will cost us $80 million. We do not pick these people up by sending out speedboats. We will have to take two or three Coast Guard cutters out of mothballs, implement them and bring them into the program.

I know the gentleman is concerned about the budget and he may ask "How do you pay this $140 million?" We are not going to pay tribute. We will have to have included some of the American fishermen who participate in this conservation effort. I think the net effect will be to help our gross national product, produce more taxes, and have fewer deficits.

Mr. WHALEN. Mr. Speaker, will the gentleman yield so that I can pose a question to the gentleman from California?

Mr. ASHBROOK. I yield 3 minutes to the gentleman from Ohio (Mr. Whalen).

Mr. WHALEN. Mr. Speaker, I thank the gentleman for yielding.

I simply want to raise this question: Did not this body in 1967 pass the Fishermen's Protection Act, which provides that the Federal Government would pay the fines assessed against tuna fishermen whose vessels were impounded in Ecuador?

Mr. LEGGETT. We certainly did, and that bill has cost us some money.

Mr. WHALEN. Does the gentleman have any idea how much money it cost us?

Mr. LEGGETT. It has cost us to date approximately $7 million. We are talking of millions there, and we are talking here in multiples of hundreds of thousands.

Of course, values of the commodities might be different. I am not sure of the exact comparable values, but these are very large segments of the American fishing industry. While perhaps shrimp and tuna together only comprise 10 percent of the fresh catch, by the time these two fish commodities are canned and then one gets the multiplication factor, the GNP related to that, it evolves into really about 25 percent of the American fish industry. Certainly the American shrimpers would not be unanimous in supporting this agreement if they did not feel that it was to their interest to support it. They fully participated in the consultations and in the negotiations and in the limitations that have been put forth in the bill.

Mr. WHALEN. What the gentleman from California (Mr. Leggett) is saying is that the fisherman's protective legislation is dealing with the same problem on the West Coast of South America as this act is on the East Coast?

Mr. LEGGETT. Yes. This is a civilized type of approach.

Mr. McCLOSKEY. Mr. Speaker, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from California (Mr. McCloskey).

Mr. McCLOSKEY. Mr. Speaker, the first gentleman from Ohio who just spoke on this mentioned that the figure of $361,000 was negotiated against a background of a cost of $3,400 for each of the ships, so that the total cost of the policing was something like $680,000, of which we are paying slightly over half under the treaty negotiations.

I want to echo the words of my colleague, the gentleman from California, that it is a negotiating position which we may take worldwide if we enact unilateral legislation to protect the 200 miles. The principle of which the gentleman speaks may be a primary basis for our urging upon the world the right to conserve our own fishing within the 200-mile limit.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. McCLOSKEY. I yield to the gentleman from Ohio (Mr. Ashbrook).

Mr. ASHBROOK. Mr. Speaker, I was interested in the figure of $600,000 to police the so-called 200-mile limit that they are proposing.

Mr. McCLOSKEY. That is the Brazilian position. We do not know that they actually police it.

Mr. ASHBROOK. Are there other nations involved in that area or are there only two countries, Brazil and the United States, fishing in that area?

Mr. McCLOSKEY. I can understand that. It sounds like they police it.

Mr. ASHBROOK. As to the $3,400 a year per boat figure, it appears that we are the only one who is paying for it.

Mr. LEGGETT. Mr. Speaker, will the gentleman yield?

Mr. ASHBROOK. Yes, I yield to the gentleman from California (Mr. Leggett).

Mr. LEGGETT. Mr. Speaker, in some of these areas the fishermen are extremely aggressive. We have very aggressive tuna people who go where the fish are. Therefore, rather than a need for a multi-lateral-type treaty at this point, we have entered into an agreement just between Brazil and the United States. Believe me, anybody else who violates this agreement is going to be picked up. I also volunteer this: There was an American boat a few weeks ago fishing outside of this prescribed zone, off the shores of Brazil, and they were picked up and they were fined. What that indicates is that they are enforcing the agreement, and I would say that really $36,000 is a very small amount to pay to enforce the program.

Mr. ASHBROOK. Mr. Speaker, would the gentleman answer one last question so that then we can bring this to a vote. I know the House has a lot of other business.

If, as the gentleman states—and I would hope that he is correct, although I have not seen evidence of it on the horizon—that the United States will assert its basic self-interest by enacting and enforcing a 200-mile limit—one question arises. Why do not we then wait until that date before we proceed with action such as is embodied in H.R. 5709? Why do not we wait until we have our 200-mile limit and accomplish whatever we are going to work out with Brazil as a part of our overall policy at that time.

Mr. LEGGETT. Mr. Speaker, to answer the gentleman we cannot put legislation into effect in Brazilian waters. We have been operating under this treaty for several years, and it has proved to be satisfactory. As the Members can see, we have limited the life of this agreement to 1977.

I know the gentleman from Ohio will be interested in knowing that we have held probably 50 hours of hearings on the 200-mile jurisdiction question this year and we have held off reporting legislation until the Law of the Sea Conference concludes. We are, frankly, not satisfied with the results of the Law of the Sea Conference on his subject, so we are moving toward vigorous markup sessions in the near future. We have been working simultaneolusly on six different bills. We have a very good idea of where we are going. I know some folks down at the White House who have indicated they will support our efforts. The State Department announced today that they are undergoing a review of our 3-mile approach that they have had for many years. So passing this law here that will implement this agreement will maintain the status quo so that this does not develop into a hot spot while we are developing our program.

It may well be that over the next few years, or after the expiration of this agreement, and as we meet Soviet ships and foreign ships off our shores, and having them come into port, or meeting them out at sea, however we choose to do it, that we will have a program similar to that of Brazil where our shrimpers can go into a Brazilian port, pay a fee, and come out.

The way it works is very neat—we trust them and they trust us, and we have had very little problem insofar as confrontation is concerned. There have been only two ships confronted in the past several years. All licenses are handled by the United States. It is policed by the United States. The fishermen are satisfied. Our fishermen strongly hope that they can keep the status quo insofar as this agreement is concerned. I hoped that some place in the Record I have stated that we will enact a 200-mile bill in the

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next few months, clearly before the end of the year, and I know of no voice that has risen to challenge that statement.

Mr. **ASHBROOK**. Mr. Speaker, I thank the gentleman from California for the explanation he has given. I hope that the prediction of the gentleman is accurate. One remark that the gentleman made to which I paid particular note, and have some concern about, is the statement that our State Department is conducting a review of our policies in this field.

I would hope that they would review our policies. It has been my opinion that they have not worked very hard for American interests, and it would seem that on many occasions they have practically given away American interests. I do not value too highly their brand of diplomacy, and I would hope that perhaps the gentleman could at some time caution the State Department about continuing their type of diplomacy which in my opinion has been a losing type of diplomacy, not only for our country, our basic business interests and our own self-interest.

Mr. **LEGGETT**. I thank the gentleman for his contribution.

I might say in response to the statement made by the gentleman from Ohio that I told the State Department this morning during the hearing that really their constituency was not in Geneva, and was not in Caracas, or Southeast Asia, but that it was right here in the United States, and it was about time that they recognized that the popularity of the State Department to the American people was not strong. You might say it was probably equal to that of the Congress. Which is not saying very much for the State Department.

Mr. **ASHBROOK**. I would agree with the gentleman 100 percent and, to paraphrase something that was said some 200 years ago:

> Is anyone down there listening?

Mr. **ASHBROOK**. Mr. Speaker, I now yield such time as he may consume to the gentleman from Michigan (Mr. RUPPE).

Mr. **RUPPE**. Mr. Speaker, the legislation pending before us today implements the recently negotiated agreement between the United States and Brazil which allows U.S. shrimpers to fish in waters claimed by Brazil. Without this legislation, U.S. shrimpers will be denied access to the rich shrimp grounds within Brazil's 200-mile zone. The reality of the world is that the 200-mile economic zone is being claimed by more nations, and the United States will have to seek agreements similar to the treaty under consideration today if the rights of our fishermen are to be protected. I do not believe this Congress can ignore the needs of our fishing fleet, and I urge favorable action on H.R. 5709 to protect our access to the Brazil shrimp grounds.

I would like to commend the gentleman who is the chairman of this committee for bringing this legislation to the floor today.

Mr. **LEGGETT**. I thank the gentleman for his contribution.

Mr. Speaker, I yield such time as she may consume to the chairman of the full committee, the gentlewoman from Missouri (Mrs. SULLIVAN).

Mrs. **SULLIVAN**. Mr. Speaker, I rise in support of H.R. 5709, the Offshore Shrimp Fisheries Act Amendments of 1975, a bill to implement the new shrimp fishing agreement recently entered into between the United States and Brazil.

Mr. Speaker, as I am sure many of my colleagues are aware, the country of Brazil, like so many of her sister nations, claims a 200-mile exclusive fisheries zone. For a number of years, American fishermen have been taking shrimp from the waters off the coast of Brazil, most of which has been taken from areas within 200 miles of Brazil.

Since the United States only recognizes a 12-mile exclusive fisheries zone off the shores of any nation, and in an effort to forestall any problems which might arise because of the difference in views of the United States and Brazil concerning fisheries jurisdiction, in May of 1972, Brazil and the United States entered into an agreement which provided for the licensing by the Secretary of Commerce of up to 325 American vessels for fishing within a regulated area off the coast of Brazil.

The 1972 agreement expired in February of this year and on March 14 the United States and Brazil entered into a new agreement which will remain in effect until December 31, 1976.

Mr. Speaker, the shrimp industry and the Departments of State and Commerce report favorable results on the operation of the prior agreement. My Committee on Merchant Marine and Fisheries finds that during this period the agreement has proved to be a practical accommodation of the interests of U.S. fishermen in continuing their access to a fishery which they have developed and of the interests of Brazil in the conservation of a resource which it hopes to develop, without prejudice to the position of either party regarding the matter of territorial seas and fisheries jurisdiction under international law.

Mr. Speaker, I think it is necessary that we pass this legislation which would extend this arrangement with Brazil for an additional 2 years, and I sincerely hope that by that time the controversy over fisheries jurisdiction will have been resolved on an international basis by the Law of the Sea Conference.

Mr. Speaker, I urge the passage of H.R. 5709.

Mr. **LEGGETT**. Mr. Speaker, I have no further requests for time.

The **SPEAKER**. The question is on the motion offered by the gentleman from California (Mr. LEGGETT) that the House suspend the rules and pass the bill H.R. 5709, as amended.

Mr. **ASHBROOK**. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The question was taken.

Mr. **ASHBROOK**. Mr. Speaker I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The **SPEAKER**. Evidently a quorum is not present.

Pursuant to clause 3 of rule XXVII, and the Chair's previous announcement, further proceedings on this motion will be postponed.

Does the gentleman from Ohio ask unanimous consent to withdraw his point of order that a quorum is not present?

Mr. **ASHBROOK**. Mr. Speaker, I ask unanimous consent that I may withdraw my point of order that a quorum is not present.

The **SPEAKER**. Is there objection to the request of the gentleman from Ohio?

There was no objection.

GENERAL LEAVE

Mr. **LEGGETT**. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just under consideration.

The **SPEAKER**. Is there objection to the request of the gentleman from California?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The **SPEAKER**. Debate has been concluded on all motions to suspend the rules.

Pursuant to clause 3, rule XXVII, the Chair will now put the question on each motion on which further proceedings were postponed, in the order in which that motion was entertained.

Votes will be taken in the following order: H.R. 4073, H.R. 12, H.R. 5710, H.R. 6054, and H.R. 5709.

The Chair will reduce to 5 minutes the time for any electronic votes after the first such vote in this series.

APPALACHIAN REGIONAL DEVELOPMENT ACT AMENDMENTS OF 1975

The **SPEAKER**. The unfinished business is the question of suspending the rules and passing the bill H.R. 4073, as amended.

The Clerk read the title of the bill.

The **SPEAKER**. The question is on the motion offered by the gentleman from Alabama (Mr. JONES) that the House suspend the rules and pass the bill H.R. 4073, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 309, nays 88, not voting 36, as follows:

[Roll No. 218]

YEAS—309

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Aspin
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burke, Mass.
Burton, Phillip
Byron
Carney
Carr
Carter
Casey
Clancy

Clausen, Don H.
Clay
Cochran
Collins, Ill.
Conte
Corman
Cornell
Cotter
Coughlin
D'Amours
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Dickinson
Dingell
Dodd
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Fish
Fisher
Fithian
Flood
Flowers
Foley
Ford, Tenn.
Fountain
Fraser
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Goodling
Gradison
Green
Gude
Guyer
Hall
Hamilton
Hammerschmidt
Hanley
Harkin
Harrington
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hinshaw
Holland
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hyde
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Landrum
Latta
Leggett
Lehman
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
McClory
McCloskey
McCormack
McDade
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moorhead, Pa.
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif
Pattison, N.Y.
Pepper
Perkins
Peyser
Pickle
Pike
Pressler
Preyer
Price
Pritchard
Quillen
Randall
Rangel
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Roe
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Russo
Ryan
St Germain
Sarbanes
Schneebeli
Schroeder
Schulze
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Taylor, Mo.
Taylor, N.C.
Thompson
Thornton
Traxler
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitten
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wright
Wylie
Yatea
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—88

Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bell
Bennett
Broomfield
Brown, Mich.
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Cederberg
Chappell
Clawson, Del
Cleveland
Cohen
Collins, Tex.
Conable
Crane
Daniel, Dan
Daniel, R. W.
Devine
Downing
du Pont
English
Erlenborn
Esch
Findley
Flynt
Forsythe
Frenzel
Frey
Goldwater
Grassley
Hagedorn
Haley
Hansen
Hillis
Holt
Hutchinson
Jarman
Johnson, Colo.
Jones, Okla.
Kasten
Kelly
Ketchum
Lagomarsino
Lent
McDonald
McEwen
Madigan
Michel
Mikva
Moore
Moorhead, Calif.
Myers, Ind.
O'Brien
Pettis
Poage
Quie
Railsback
Robinson
Rogers
Rousselot
Runnels
Ruppe
Santini
Sarasin
Satterfield
Smith, Nebr.
Steelman
Steiger, Ariz.
Steiger, Wis.
Symms
Talcott
Teague
Thone
Treen
Whitehurst
Wiggins
Wilson, Bob
Winn
Wydler
Young, Fla.

NOT VOTING—36

Ambro
Andrews, N.C.
Annunzio
Ashley
Barrett
Boggs
Brooks
Burke, Calif.
Burton, John
Chisholm
Conlan
Conyers
Daniels, N.J.
Diggs
Eilberg
Florio
Ford, Mich.
Fulton
Hannaford
Johnson, Pa.
Litton
Lujan
McCollister
Mollohan
Morgan
Nix
Patman, Tex.
Rees
Rodino
Scheuer
Sebelius
Stephens
Udall
Vander Jagt
Yatron
Young, Alaska

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Johnson of Pennsylvania and Mr. Annunzio for, with Mr. Conlan, against.

Mr. Ambro and Mrs. Boggs for, with Mr. Lujan, against.

Mr. Dominick V. Daniels and Mr. Eilberg for, with Mr. Vander Jagt, against.

Mr. Morgan and Mr. Barrett for, with Mr. Young of Alaska, against.

Until further notice:

Mr. Rodino with Mr. Udall.
Mr. Fulton with Mr. Brooks.
Mrs. Burke of California with Mr. Scheuer.
Mr. Rees with Mr. Nix.
Mr. Diggs with Mr. Mollohan.
Mr. Florio with Mr. Conyers.
Mrs. Chisholm with Mr. Patman.
Mr. John L. Burton with Mr. Sebelius.
Mr. Ashley with Mr. Andrews of North Carolina.
Mr. Hannaford with Mr. Litton.
Mr. Yatron with Mr. McCollister.
Mr. Stephens with Mr. Ford of Michigan.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The **SPEAKER**. Pursuant to the provisions of clause 3(b) (3), rule XXVII, the Chair announces he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on all the additional motions to suspend the rules on which the Chair has postponed further proceedings.

EXECUTIVE PROTECTIVE SERVICE

The **SPEAKER**. The unfinished business is the question of suspending the rules and passing the bill H.R. 12, as amended.

The Clerk read the title of the bill.

The **SPEAKER**. The question is on the motion offered by the gentleman from Wyoming (Mr. RONCALIO) that the House suspend the rules and pass the bill H.R. 12, as amended, on which the yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 276, nays 123, not voting 34, as follows:

[Roll No. 219]

YEAS—276

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Aspin
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bell
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brown, Calif.
Buchanan
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, Phillip
Byron
Carney
Carr
Casey
Cederberg
Chappell
Clausen, Don H.
Clay
Cleveland
Cochran
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
D'Amours
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Dickinson
Dingell
Dodd
Downing
Drinan
Duncan, Oreg.
du Pont
Eckhardt
Edgar
Edwards, Calif.
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Fish
Fisher
Flood
Flowers
Foley
Ford, Mich.
Foraythe
Fountain
Fraser
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Goodling
Green
Gude
Guyer
Hagedorn
Hall
Hamilton
Hammerschmidt
Hanley
Harrington
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jordan
Karth
Kastenmeier
Kazen
Keys
Koch
Krueger
LaFalce
Leggett
Lehman
Lent
Lloyd, Calif.
Long, La.
McCloskey
McCormack
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Maguire
Mahon
Mann
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mills
Mineta
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moorhead, Pa.
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Preyer
Price
Pritchard
Quillen
Railsback
Rangel
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Roberta
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Russo
St Germain
Sarasin
Sarbanes
Satterfield
Scheuer
Seiberling
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Stokes
Stratton
Studds
Sullivan
Symington
Taylor, N.C.
Thompson
Thornton
Traxler
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitten
Wilson, Bob
Wilson, Tex.
Wirth
Wolff
Wright
Yates
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

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NAYS—123

Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bedell
Bennett
Bloomfield
Brown, Mich.
Brown, Ohio
Broyhill
Burgener
Burleson, Tex.
Butler
Carter
Clancy
Clawson, Del
Cohen
Collins, Tex.
Conable
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Devine
Duncan, Tenn.
Early
Edwards, Ala.
Emery
Evans, Ind.
Fenwick
Findley
Fithian
Flynt
Ford, Tenn.
Frenzel
Frey
Goldwater
Gradison
Grassley
Haley
Hansen
Harkin
Hébert
Hechler, W. Va.
Hefner
Hinshaw
Holt
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Johnson, Colo.
Jones, Tenn.
Kasten
Kelly
Kemp
Ketchum
Kindness
Krebs
Lagomarsino
Landrum
Latta
Levitas
Lloyd, Tenn.
Long, Md.
Lott
McClory
McDade
McDonald
McEwen
Madigan
Martin
Mathis
Michel
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Nichols
Pressler
Quie
Randall
Regula
Rhodes
Robinson
Rousselot
Runnels
Ruppe
Ryan
Santini
Schneebeli
Schroeder
Schulze
Sharp
Skubitz
Smith, Nebr.
Snyder
Spence
Steelman
Steiger, Ariz.
Steiger, Wis.
Stuckey
Symms
Talcott
Taylor, Mo.
Teague
Thone
Treen
Vander Jagt
Waggonner
Whitehurst
Wiggins
Wilson, C. H.
Winn
Wydler
Wylie

NOT VOTING—34

Ambro
Annunzio
Ashley
Barrett
Boggs
Brodhead
Brooks
Burke, Calif.
Burton, John
Chisholm
Conlan
Daniels, N.J.
Diggs
Downey
Eilberg
Florio
Fulton
Hannaford
Johnson, Pa.
Litton
Lujan
McCollister
Minish
Mollohan
Morgan
Nix
Patman, Tex.
Rees
Rodino
Sebelius
Stephens
Udall
Yatron
Young, Alaska

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Eilberg and Mr. Annunzio for, with Mr. Conlan against.

Mr. Ambro and Mrs. Boggs for, with Mr. Sebelius against.

Mr. Morgan and Mr. Nix for, with Mr. Johnson of Pennsylvania against.

Mr. Rodino and Mr. Ashley for, with Mr. Lujan against.

Mr. Barrett and Mr. Brooks for, with Mr. Young of Alaska against.

Mrs. Chisholm and Mr. Dominick V. Daniels for, with Mr. Florio against.

Until further notice:

Mr. Minish with Mr. Patman.

Mr. Mollohan with Mr. Stephens.

Mr. Litton with Mr. Yatron.

Mr. Fulton with Mr. Udall.

Mr. Hannaford with Mr. Downey of New York.

Mr. Diggs with Mrs. Burke of California.

Mr. Rees with Mr. Brodhead.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MARINE PROTECTION, RESEARCH, AND SANCTUARIES ACT AUTHORIZATION

The SPEAKER. The unfinished business is the question of suspending the rules and passing the bill (H.R. 5710), as amended.

The Clerk read the title of the bill.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. LEGGETT) that the House suspend the rules and pass the bill (H.R. 5710), as amended, on which the yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 377, nays 17, not voting 39, as follows:

[Roll No. 220]

YEAS—377

Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Archer
Ashbrook
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Broomfield
Brown, Calif.
Brown, Mich.
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Clancy
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Dickinson
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Harrington
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Hinshaw
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
McClory
McCloskey
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Ohio
Mills
Mineta
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Schneebeli
Schroeder
Schulze
Seiberling
Sharp
Shriver
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Wis.
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wylie
Yates
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—17

Abdnor
Armstrong
Beard, Tenn.
Brown, Ohio
Burleson, Tex.
Collins, Tex.
Hagedorn
Hansen
Harkin
Johnson, Colo.
Kindness
McDonald
Poage
Shuster
Steiger, Ariz.
Symms
Wydler

NOT VOTING—39

Ambro
Annunzio
Ashley
Barrett
Boggs
Brooks
Burke, Calif.
Burton, John
Chisholm
Clausen, Don H.
Conlan
Daniels, N.J.
Diggs
Eilberg
Florio
Forsythe
Fulton
Hannaford
Johnson, Pa.
Litton
Lujan
McCollister
Miller, Calif.
Minish
Mollohan
Morgan
Nix
Patman, Tex.
Rees
Rodino
Scheuer
Sebelius
Shipley
Stephens
Talcott
Udall
Wiggins
Yatron
Young, Alaska

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Brooks.

Mrs. Boggs with Mr. Don H. Clausen.

Mr. Ambro with Mr. Forsythe.

Mr. Fulton with Mr. McCollister.

Mr. Florio with Mr. Eilberg.

Mr. Litton with Mr. Lujan.

Mr. Udall with Mr. Patman.

Mr. Daniels of New Jersey with Mr. Hannaford.

Mr. Yatron with Mr. Sebelius.

Mr. Nix with Mr. Minish.

Mr. Rodino with Mr. Stephens.

Mr. Barrett with Mr. Johnson of Pennsylvania.

Mr. Ashley with Mr. Miller of California.

Mrs. Burke of California with Mr. Scheuer.

Mr. John Burton with Mr. Talcott.

Ms. Chisholm with Mr. Rees.

Mr. Shipley with Mr. Wiggins.

Mr. Diggs with Mr. Mollohan.

Mr. Morgan with Mr. Conlan.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill to amend the Marine Protection, Research, and Sanctuaries Act of 1972 to authorize appropriations to carry out the provisions of such Act for fiscal year 1976 and for the transition period following such fiscal year, and for other purposes.".

A motion to reconsider was laid on the table.

AUTHORIZING FURTHER APPROPRIATIONS FOR THE OFFICE OF ENVIRONMENTAL QUALITY

The SPEAKER. The unfinished business is the question of suspending the rules and passing the bill H.R. 6054, as amended.

The Clerk read the title of the bill.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. LEGGETT), that the House suspend the rules and pass the bill H.R. 6054.

Mr. SYMMS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

OFFSHORE SHRIMP FISHERIES ACT AMENDMENTS OF 1975

The SPEAKER. The unfinished business is the question of suspending the rules and passing the bill H.R. 5709, as amended.

The Clerk read the title of the bill.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. LEGGETT) that the House suspend the rules and pass the bill H.R. 5709, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to extend until September 30, 1977, the provisions of the Offshore Shrimp Fisheries Act of 1973 relating to the shrimp fishing agreement between the United States and Brazil, and for other purposes.".

A motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES ON H.R. 6755, ASSISTANCE TO MIGRANTS AND REFUGEES

Mr. SARBANES. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 6755) to enable the United States to render assistance to, or in behalf of, certain migrants and refugees, with a Senate amendment thereto, disagree to the Senate amendment, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Maryland? The Chair hears none, and appoints the following conferees: Messrs. RODINO and SARBANES, Ms. HOLTZMAN, Messrs. DODD, RUSSO, FISH, and COHEN.

DEPARTMENT OF DEFENSE PROCUREMENT AUTHORIZATIONS

Mr. PRICE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 6674) to authorize appropriations during the fiscal year 1976, and the period beginning July 1, 1976, and ending September 30, 1976, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Illinois.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 6674, with Mr. ROSTENKOWSKI in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Thursday, May 15, 1975, it had agreed that title I ending on page 4, line 18, would be considered as read and open to amendment at any point. Are there any amendments to title I?

Mr. LEGGETT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, we are now at the point where we are amending probably the biggest disèretionary authorization bill that will come to the floor of this Congress this year. As I have indicated I do intend to try to see that we have a quorum on the floor at all times as we consider the amendments. I am pleased to see this large number in attendance.

I would say that the bill before us is a good bill but it could be better. I support the bill. As I indicated when we had the sparse attendance last week when we debated this bill for some 4 hours, there is still, I am not going to say some fat but there is still some money that can be taken out of this bill and still provide for a generous increase over last year and provide for a strong national defense. We have reductions in this bill alleged as $3.7 billion. As I said last week, of that $3.7 billion, $1.2 billion was for Vietnam.

The Budget Committee allowed $1 billion for Vietnam. The Armed Services Committee wisely took everything out, because Vietnam is all over. That leaves us with $2.5 billion worth of cuts. Of the $2.5 billion, $1.1 billion represents bookkeeping changes, representing the ship program.

We have not modified any of our ship program. We still have a 22- or 23-ship program.

We are only accounting for some of the future year escalation. We are only accounting for some of the extra charge claims on file. As a result, the $1.1 billion saving is totally cosmetic. That brings us down to $1.4 billion.

We took out $300 million worth of war stock claims, mainly because the war stocks, were not required in the view of the committee, had not been required and allowed in past years and there was no reason to change.

In addition, the committee, out of the balance of $1.1 billion took out $521 million very wisely on an item-by-item basis in R.D.T. & E. That left $580 million.

The full committee took out one-half of AWACS, which saves $261 million and took out the airborne command post, also several hundred million dollars. That is where we are today and this is what we have done.

Mr. ADAMS. Mr. Chairman, will the gentleman yield?

Mr. LEGGETT. I yield to the chairman of the Budget Committee for the purpose of giving to the House a rationalization for the Armed Services Committee bill and the Budget Committee mark, as produced by this House in conference.

Mr. ADAMS. Mr. Chairman, this is the first major bill the House has considered since congressional approval last week of the first budget resolution for fiscal year 1976. The budget resolution itself did not include functional category targets for fiscal 1976—as it will in future years when the entire budget system will be implemented—but the Budget Committee did carefully consider the components of the budget aggregates included in the resolution.

The bill under consideration provides the needed authorization for about 30 percent of the budget request for the Department of Defense, and, as such, sets an upper limit on budget authority for that part of the budget. The budget resolution involves targets for the budget authority itself, which will ultimately be enacted in appropriations bills. Even so, it is interesting to note that the authorization included in this bill before the House is some $1.3 billion above the comparable target related to the budget resolution. The gentleman in the well has studied this matter carefully and in his remarks will indicate the differences between the two figures.

Mr. LEGGETT. Mr. Chairman, I thank the gentleman from the Budget Committee for his very salutary comments.

I would say this: I believe the Budget Committee allowed $1 billion for Vietnam. We do not have that, so that while we are out of phase with the present bill $1.2 billion, if we add that $1 billion for Vietnam, that probably everybody in the House would agree is moot at the present time, the present bill is $2.2 billion out of phase with the budget mark that we passed last week.

For those who have apprehensions as to whether or not we are cutting our defense posture to the bone, just keep this one figure in mind. Last year we passed a $12 billion program for procurement. In the bill as requested by this committee, it went up to $18 billion; so that there was a 50-percent increase in this one item alone.

Now, we have taken some of that out, but believe me, there is a lot left.

AMENDMENTS OFFERED BY MRS. SCHROEDER

Mrs. SCHROEDER. Mr. Chairman, I offer two amendments.

The Clerk read as follows:

Amendments offered by Mrs. Schroeder: Page 2, line 9, strike out "$4,445,250,000" and insert "$4,200,000,000".

Page 2, line 17, strike out "$886,300,000" and insert "$871,300,000".

Mrs. SCHROEDER. Mr. Chairman, I ask unanimous consent that these amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

Mrs. SCHROEDER. Mr. Chairman, in essence what these two amendments together would do, would be to delete $260.3 million from the procurement in title 1 of the AWACS program. It does not touch research and development on the AWACS program; it allows all research and development to continue.

I am sure many Members are sitting here wondering what AWACS is. It almost sounds like something one puts on one's skis, but it is not. The AWACS system is an airborne command and surveillance system which we have had in the budget for several years. Originally, its role was strategic defense of the United States. However, when we decided there was not a sufficient threat from enemy bombers coming over the United States to drop bombs and further that we had sufficient continental air defense, AWACS new role became tactical defense of Europe. Then, we decided because of the problems with enemy jammers and it was decided AWACS could not survive in that role so its new mission this year, is air defense in Europe.

Why am I so concerned about this program? In the full committee, we cut back the procurement request from six planes to three planes. Why did we do this? First of all, this airplane makes the B–1 bomber look like a bargain. This airplane right now will cost $118.8 million a copy. We already will have nine of these airplanes without these additional three. We will have three in research and development, and we have already got six in the procurement mill.

Right now, the main role of these airplanes is for NATO. We are attempting to sell them to NATO, but even if NATO buys them it would probably not buy them before 1976. By proceeding with procurement before we finish research and development, we are having to draw the procurement out, which is the most expensive and least cost effective way of proceeding.

We need to look at several studies congressional agencies have done on AWACS, because this is very important.

The Library of Congress has said that if NATO orders 10 to 24 AWACS, we only need 5 of them. Remember, we have already got nine before we even vote for these three that are in this bill, so the Library of Congress says that we have already got four more than we need if NATO procures some. If we continue to build them, we may have no purpose or mission for them.

The GAO asked very serious questions about the testing of these weapons systems, and whether or not it could survive in the European theater with the different assignments it has. Their questions about the lack of adequate testing.

I have facetiously awarded AWACS, "The Spruce Goose Award." Howard Hughes had the wisdom to build only one Spruce Goose, test it, then decided to go no further. We have already started nine. We have gotten into trouble before this way. We have had research and development going along with procurement simultaneously, and suddenly we end up with all sorts of cost overruns. If we believe in try and fly before buy here is a chance to implement our belief. We now have nine of these, let us hope they do not become spruce geese.

We need no more than nine AWACS if NATO buys some, I think we would be very wise to proceed with the tests proposed in the GAO recommendations to make sure that it has all the features it is supposed to have. Then, at that point, we can extend the procurement if, and only if, AWACS proves itself and NATO offers to buy them.

Mr. YOUNG of Florida. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I wonder if the gentlewoman could tell us what expertise the Library of Congress has to make them experts in the field of national defense or NATO or any other kind of military posture.

Mrs. SCHROEDER. I can tell the gentleman how the GAO results were reached, because there were listed in the Congressional Record:

I SABER SCAN Volumes 1 thru 6, Assistant Chief of Staff, Studies and Analyses (Washington Hdqtrs., USAF July 1973).

2. AWACS IOT&E Phase I Final Report, USAF Tactical Air Warfare Center, Eglin AFB, Fla., August 1973.

3. Concept of Operations for Tactical Airborne Warning and Control System, Hdqtrs. Tactical Air Command, Langely AFB, Va., Sept. 10, 1973.

4. Defense Policy and Planning Guidance, Office of the Secretary of Defense, Sept. 28, 1973.

5. Nov. 2, 1973, Memorandum from the Deputy Secretary of Defense to the Secretary of the Air Force—DSARC Decisions on the AWACS Program.

Mr. YOUNG of Florida. My question was the Library of Congress.

Mrs. SCHROEDER. The Library of Congress used the same type studies by DOD that the GAO did. They used the Defense Department studies. They used different studies they found in the research mission.

I could give a listing, if the gentleman would like to put it in the Record later on.

Mr. PRICE. Mr. Chairman, I rise in opposition to the amendments. The gentlewoman's amendments seek to wipe out all of the research and development funding in this present bill for the AWAC program. The committee gave consideration to the position of the GAO team, and it is one of the many study groups that looked into the AWACS program. As a matter of fact, we gave consideration to all of the different studies of this program. The GAO position was that the system needed improvement. It made a recommendation on how it could be improved. The committee, however, recognizing the fact that there were some unanswered questions on the program, reduced the number of aircraft in the procurement from six to three, a total reduction of about $260.25 million. The committee has been following this program in detail, because we recognize it to be one of the most important programs in the research and development area in the countermeasure area.

It is true that it may not be the most required piece of equipment to handle bombing raids on the continental United States, and we hope that it will not be needed for that purpose. We have not fought any wars recently within the continental United States. But this aircraft has been tested for many areas of the world. The system is very, very promising.

Mr. Chairman, I urge the committee to reject the amendments.

Mr. BOB WILSON. Mr. Chairman, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from California.

Mr. BOB WILSON. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in opposition to the amendments. I am just not at all persuaded by the argument of the gentlewomen from Colorado (Mrs. Schroeder). I do not want a librarian running the Defense Department. I do not think the Defense Department should run the Library of Congress either. But it seems to me that we have ample argument from the Air Force and from the Department of Defense that AWAC is vital to the defense needs of the future.

We were caught short in Vietnam in some of the techniques we used there. One of the new problems we face is keeping track of aircraft in the hands of the enemy, and we need the type of system that AWAC provides us. It corrects a serious surveillance deficiency in the existing ground radar systems. It helps us locate enemy aircraft, and it is vital to the defense plans for the future.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from Ohio.

Mr. SEIBERLING. I thank the gentleman for yielding.

The gentlewoman from Colorado (Mrs. Schroeder) made the point that the mission of this plane has been changed three times and that the research has not yet been completed.

Mr. PRICE. That is correct, sir. The research has not yet been completed.

Mr. SEIBERLING. It strikes me that with a price of $120 million per plane, money which we certainly can use for other things, we ought to complete the research first and know whether this plane is really going to do the mission it has been designed for.

Mr. PRICE. Perhaps the gentleman is unaware of the fact that the completion and operation of the plane can affect the research of the plane. You cannot research this system without having planes in the air.

Mrs. HOLT. Mr. Chairman, will the gentleman yield?

Mr. PRICE. Yes, I yield to the gentlewoman from Maryland.

Mrs. HOLT. Mr. Chairman, I thank the committee chairman for yielding.

Is it not true that the AWACs is one of the most thoroughly tested systems ever to go into production? The test aircraft was flown over 1,500 hours, and that is in addition to thousands of hours of ground tests. It has been approved every step of the way of the GAO Director of Testing and Evaluation. They have monitored the program right along, and it has met every requirement. The reason for the caution by the committee was to satisfy the gentlewoman from Colorado and those who had doubts about the thoroughness of the test.

Mr. PRICE. The gentlewoman is correct.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(On request of Mr. Seiberling and by unanimous consent, Mr. Price was allowed to proceed for 2 additional minutes.)

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, if I could ask the distinguished gentleman from Illinois one further question, is it correct that there are already nine of these planes in operation?

Mr. PRICE. There are nine authorized, not all are in operation.

Mr. SEIBERLING. But there are some in operation?

Mr. PRICE. Yes, three.

Mr. SEIBERLING. Then why could not those in operation be used to complete the research before we build any more?

Mr. PRICE. Because the ones in operation were the first three. They are the beginning part of the research and development. The schedule is to finish research and development and call for additional planes so that they can continue to put in the improvements and make the corrections in the newer aircraft.

Mr. SEIBERLING. I thank the gentleman.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. PRICE. Yes; I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, is it not true that this secondary mission actually is somewhat of a bonus in that it was discovered that the AWACS could be used effectively for this second mission as well as the initially intended mission?

Mr. PRICE. The gentleman is correct.

Mr. McDONALD of Georgia. Mr. Chairman, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from Georgia.

Mr. McDONALD of Georgia. I thank the gentleman for yielding.

I think it is very important to point out to my colleagues that in the debate between the GAO and the Air Force before the Research and Development Subcommittee, this question was directly posed to the GAO: Did they consider the defense needs of the Nation in their particular report? They stated that they did not figure or did not consider the defense needs of the Nation in their report analysis.

Mr. DOWNEY of New York. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment.

I do not intend to use the full 5 minutes, but I would like just to explain to the membership some of the points that the gentlewoman from Colorado tried to make with respect to AWACS.

The additional planes that we are talking about are not for this Nation but for Europe. Originally this aircraft was to fly over what is commonly termed the "FEBA," the forward edge of battle area. However, it was determined, because of the airplane's vulnerability to fighters and to missiles, that we had to move it back from the FEBA a few hundred miles so that it could accomplish its control mission.

Let me just tell the Members what this airplane is. It is a Boeing 707. It has about $80 million worth of computers, and it is going to stay a few hundred miles back, vector our fighters against enemy aircraft and look down at any attacking aircraft. The problem is that a Boeing 707 is terribly vulnerable to fighter-interceptors, and that as the airplanes are coming at it, it cannot count the numbers of enemy aircraft attacking it. Therefore, it is very vulnerable to missiles and fighters because it is slow and not very maneuverable. Its main mission, that of looking down and looking into the battle areas for enemy aircraft, cannot be accomplished because it is vulnerable to radiation missiles which home in on its radar.

What I am saying is that one of the things we have to understand is that we are selling this plane to our European allies. We already have enough for ourselves. It is a very expensive aircraft.

In testing the aircraft, it was found that it was not particularly sound, that it is vulnerable to being homed in on in the sky, and that it is vulnerable to ground-based jammers which the Soviets, if they wanted to, could deploy against us.

Mr. Chairman, I ask the Members to support the amendment and reject this very expensive program.

Mrs. SCHROEDER. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY of New York. Yes, I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. Does the gentleman from New York know whether the DOD has made any offer to the NATO countries with respect to this aircraft?

Mr. DOWNEY of New York. I understand the unit program cost of the aircraft is $120 million, and we are offering it to our NATO allies at approximately $48 million or $53 million. That would require the American taxpayer to pick up the difference.

Mrs. SCHROEDER. Does the gentleman know how the difference between the payment received for AWACS and the actual cost would be budgeted? Will it be considered foreign aid or come out of the Air Force budget?

Mr. DOWNEY of New York. I think that is a question open to dispute at the moment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HICKS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment offered by the gentlewoman from Colorado (Mrs. Schroeder).

Mr. Chairman, in speaking on this I have somewhat of a parochial interest inasmuch as the aircraft itself is built in my State. But we are not talking about an airplane. The airplane itself is a $12 or a $13 million plane. It is the material that goes into it that we are talking about.

So when people keep referring to "the airplane," we are not buying just an airplane; we are buying a system, an airborne warning control system.

The same thing was designed into the control system from the very beginning. So when they talk about there being two or three missions for this airplane, maybe there are five or six missions more than we have not discovered as yet. But there have been no changes in the design of the system.

We have $1.3 billion sunk into this system right now. The gentlewoman from Colorado (Mrs. Schroeder) says let us stop building them. The Secretary of Defense and the Air Force say that we need the system.

We talk about the use that this might have over in Europe.

This time we are going to be funding and authorizing, and we will be appropriating for an F–16 airplane, a fighter airplane for the Air Force, for a lightweight fighter and we have the F–15 fighter.

How do you most effectively use these aircraft? You most effectively use these aircraft when you can vector them where the targets are. How do you vector them? You put this radar in the sky, this big radar that is mounted on this Boeing 707, and then you watch and see where the airplanes are coming from close to the ground. That is the beauty of this system. You can see low-flying aircraft at 50 feet off the ground that you cannot see with any other kind of radar. You cannot see an airplane when it is flying some 50 to 200 feet above the ground with ground-based radar. That is what we are talking about in the new B–1 bomber, it can fly at high speed beneath the ground-based radar.

But you cannot fly this airplane and keep it away from AWACS by flying it at low altitudes.

AWACS worries low flying aircraft.

AWACS will stay behind the forward

area of battle, because you do not want it to be shot down by a SAM missile. But you can see 214 miles to the horizon, and see these low-flying airplanes, and vector in our fighters against them. So we have no problem with AWACS knowing what hostile aircraft are coming and vector its defensive aircraft against the hostiles.

Then they say AWACS can be used in Europe. Of course it can be used in Europe.

We were only buying six of these airplanes, and the committee has cut it in half to three. The gentlewoman from Colorado (Mrs. SCHROEDER), has said, "Let us cut it out altogether."

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. HICKS. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. Mr. Chairman, I thank the gentleman for yielding.

Is there not a serious matter of maintaining the technological advantage that we presently have? And would we not begin to lose that advantage, after a while, that advantage we have, if we did what this amendment suggests?

Mr. HICKS. The gentlewoman from Colorado (Mrs. SCHROEDER) suggests that we continue with the testing, and that she wants to leave that amount there. I assume the technological basis improvement would continue.

But, as I say, we need the system, and we should not stop right in the middle of procuring it. If we did that, if we quit now and then had to start up again later, then the system might cost $200 million or $250 million in each aircraft, and then the complaint will be, oh, it is too expensive, we cannot afford it at all.

It is just the old story that when we get out into a fight we need a winning system.

Mr. WAGGONNER. If the gentleman will yield still further, I just want to commend the gentleman and say that we all ought to keep in mind as we begin debate on the amendments, that the old story has been through the years that every time we got anything new in the way of a weapons system opponents say, oh, let us not build it, let us just test it, and after a while you wind up with no inventory to do anything with.

We absolutely cannot afford not to put these continuing planes as we develop them to a higher and higher state of the art into our inventory, because we have got to have a mobile warning system, and we certainly cannot agree with the amendment.

Mr. HICKS. I could not agree more with the gentleman.

Mrs. SCHROEDER. Mr. Chairman, will the gentleman yield?

Mr. HICKS. I yield to the gentlewoman.

Mrs. SCHROEDER. I thank the gentleman for yielding.

One of the things I would like to point out that I think makes my point is on page 18 of the committee report. They are saying the same thing.

> These funds may not be expended until the Air Force continues comprehensive tests to allay the concerns of the committee.

What I am saying is that we have three planes in research and development and six planes in procurement, so we have nine planes without these additional three.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. YOUNG of Florida, and by unanimous consent, Mr. HICKS was allowed to proceed for 5 additional minutes.)

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. HICKS. I yield to the gentleman from Illinois.

Mr. PRICE. I thank the gentleman for yielding.

Is that not the reason that the committee did reduce the number of planes from six to three? We recognize the fact that all they have is not in inventory, but there is sufficient information and sufficient technology developed that we, in our own minds, know that it is going to be a successful program.

Mr. HICKS. That, plus the fact that the Secretary of Defense must certify that the tests have proceeded and that they have been successfully completed. The real reason for putting this language in here, as the gentlewoman knows, is to get the attention of the Air Force. Boeing wanted to run the tests; Westinghouse wanted to run the tests. Westinghouse makes the radar, and the Air Force was reluctant to proceed for some reason or other. But I think we have their attention now and this system should not be closed out at this point.

Mr. CHAPPELL. Mr. Chairman, will the gentleman yield?

Mr. HICKS. I yield to the gentleman from Florida.

Mr. CHAPPELL. I thank the gentleman for yielding.

Is it not true that this system will increase the effectiveness of our own fighters by a ratio of at least 2 to 1?

Mr. HICKS. That is the point I was trying to make a minute ago. The gentleman is a former pilot—I guess he is still a pilot, but he is a former Navy flier—who understands these matters better than I do. The point I was trying to make is that if we are going to get by with a lesser number of F–15's, with a lesser number of F–16's, and possibly with a lesser number of F–14's, it will be because of the capabilities of the AWACS system. Thus, we will be able to get by with less fighter airplanes to do the job than we would have if we did not have the AWACS system. So it makes it 2 or 3 times better for each airplane to have this system to help guide it.

Mr. CHAPPELL. If the gentleman will yield further, is it not also true that while operating at its normal operating altitude, one has a 214-mile radius vision? That is just to the horizon, and anything above the horizon, one has a readout at almost an unlimited distance; is that not correct?

Mr. HICKS. That is my understanding.

Mr. CHAPPEL. This means that over 1,000 miles one has a possibility of seeing what is above the horizon?

Mr. HICKS. If it is above the horizon and large enough.

Mr. CHAPPELL. If the gentleman will yield further, we are not going to put this aircraft in where we are obviously going to have it susceptible to attack out beyond the range of our own fighters; is that not correct?

Mr. HICKS. That is correct.

Mrs. SCHROEDER. Mr. Chairman, will the gentleman yield?

Mr. HICKS. I yield to the gentlewoman one more time.

Mrs. SCHROEDER. I thank the gentleman for yielding.

Also being a pilot, I think one of the things that concerns me is the vulnerability of the system. Further there is the fact that we have also been told that we probably need no more than 5 planes for our own defense. This is over a quarter of a billion dollars that we are talking about. The committee admits we have misgivings about the tests, and we are not sure that AWACS will work as we had hoped or be survivable in the NATO environment. I think we should hold up on the procurement rather than drag it out slowly while the testing goes on is the most expensive way to go.

If the tests are successful, then we can speed up the procurement, which is much more efficient, cost effective, if NATO decides to buy the planes. I think that is the proper way to go.

Mr. HICKS. That is the proper way to kill the system. I will agree with the gentlewoman on that point. If we are going to use the system the way it should be and the way we had hoped, we would not use it in the United States, but if we have to use it, we have to provide a minimum of 15 airplanes, in order to have sufficient numbers on station and in reserve.

I yield back the remainder of my time, Mr. Chairman.

Mr. SEIBERLING. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I wonder if I could read some excerpts from the committee's report and ask the distinguished chairman of the Armed Services Committee some questions about this program. The committee report on page 18 notes that during the hearings:

> The testing program was criticized and questions were raised as to the sufficiency of the R&D effort insofar as the testing program goes.
>
> As a result of the discussion and expressed dissatisfaction of the test program to date, the Committee voted to reduce the procurement account by fifty percent and conditionally authorizes $260.25 million for three additional AWACS systems. These funds may not be expended until the Air Force continues comprehensive tests to allay the concerns of the Committee.

My question is, if the committee is concerned about whether the tests are adequate, why vote any planes until the committee's concerns are allayed?

Mr. PRICE. In answer to the gentleman's question, the concern is to get them into the inventory as quickly as possible. We need them. But we also want to inform the House of the present condition of the program. We did lay on some conditions. We are confident the conditions will be satisfied. I think the gentleman also should be concerned that we have the most adequate surveillance system available when the time comes that it is needed.

Mr. SEIBERLING. The report goes on to say:

> Further, these tests must demonstrate the ability of the AWACS system against formidable jamming systems such as the EA–6B's in a realistic free play environment. The Committee requires that the Secretary of Defense provide written certification that these tests are viable and have been accomplished as directed herein.

I do not quite understand why the committee would recommend that any further authorization be made until the tests have shown whether the system is viable.

Mr. PRICE. The gentleman is correct. He has to be correct because he is reading the committee's report, which indicates we have given consideration to all these points. What this means is that the committee supports the program conditioned upon them making all these fixes in the aircraft. I am glad the gentleman did read the report so carefully and I am glad I have a chance to explain it.

Mr. SEIBERLING. One other question. The report goes on to say the Department of Defense proposes "to sell to our NATO allies the AWACS aircraft for approximately 50 percent of the cost to the U.S. Air Force."

If these planes are as important to NATO as the claim is, why would not NATO be prepared to pay the whole cost?

Mr. PRICE. They have to account to the committee as representatives of the Congress before any such commitment could be made.

Mr. SEIBERLING. I thank the gentleman.

Mr. RANDALL. Mr. Chairman, I move to strike the last word and I rise in opposition to the amendment.

Mr. Chairman, I oppose the elimination of AWACS because it is needed by our country and by NATO. You have just heard the argument over the language in the report as to testing and evaluation. Well the committee language is simply cautionary. It simply says that the tests must prove the capability of AWACS to withstand hostile jamming. Does the chairman of the committee agree that the language is only a cautionary clause and not in any way downgrading or critical of AWACS?

Mr. PRICE. That is correct.

Mr. RANDALL. Let us take a look at a few of the other advantages of the AWACS system. We should not think of ourselves alone. We should be concerned about NATO. If this is true does NATO really need the AWACS system and how do we go about judging whether they need it?

Well, they had the old NADGE system a way back in the late sixties. NATO quickly became aware of the deficiencies of NADGE. We need a low level system of tracking for low level targets in the NATO environment. That is what AWACS does.

Then, Mr. Chairman, we should recognize while we are members of NATO, NATO is a very independent body. They reached a decision, as I remember, as of May of this year that AWACS is what they need. They see the advantage of it—an all-seeing system if one prefers to call it that. Some say it is vulnerable. I suppose nearly everything is in one degree or another. But here we have a system that has a long-range capability of surveillance. Any weapons system has some measure of vulnerability but let me assure you AWACS is not as vulnerable as it may seem at first blush. NATO has made a decision and the conclusion is, it is needed by the NATO family.

The gentleman who preceded me in the well is from Washington. He may have a parochial interest. No one can say that I do. I have no airplane plant in my district but I know this is a good weapons system and it is needed now.

Not only is AWACS a good system—we have an obligation to NATO. Remember, the stronger NATO is, the less we have to draw upon our own resources to perpetuate a healthy NATO.

Finally, let us not forget the matter of a favorable balance of payments AWACS could generate.

Mr. BOB WILSON. Mr. Chairman, will the gentleman yield?

Mr. RANDALL. I yield to the gentleman from California.

Mr. BOB WILSON. Mr. Chairman, I have an item that just appeared on the wire services here. We are concerned about the Russian advances in aircraft and one of the purposes of this system is to deal with the future and the developing aircraft that the Russians have in their system.

In Moscow today it was announced as follows:

> Moscow.—Two Soviet test pilots have broken two records for speed of climbing held by U.S. fliers, Tass said Monday.
>
> It said Alexander Fedotov, flying a craft identified only as an "E–266," climbed to 25 kilometers (16 miles) in two minutes, 34.2 seconds, cutting 6.8 seconds off the record.
>
> He also climbed to 35 kilometers (22 miles) in four minutes, 11.3 seconds. No record had been previously established in climbing to this altitude, Tass said.
>
> Pyotr Ostapenko climbed to 30 kilometers (19 miles) in three minutes, 9.7 seconds, clocking 18.1 seconds less than the record.
>
> Tass said the U.S. records were set in January and February by pilots flying the F–15 fighter.

So here they have demonstrated their superior speed with their aircraft, compared with our very latest aircraft, the F–15.

I think it is something we should all be concerned about and this program we are talking about is designed to improve our ability to conduct our defense system against these aircraft.

Mr. RANDALL. Mr. Chairman, the gentleman is quite correct. We have before us just another illustration and reason to deny those who would say "wait awhile and put this off." Quite apparently, the gentleman from California has shown us the Soviets are not waiting.

Mr. BEDELL. Mr. Chairman, will the gentleman yield?

Mr. RANDALL. I yield to the gentleman.

Mr. BEDELL. What altitude will these planes fly?

Mr. RANDALL. Of course, they can fly a very high altitude above 35,000 feet.

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. RANDALL. I yield to the gentleman from Illinois.

Mr. PRICE. They fly an altitude between 30,000 and 35,000 feet.

Mr. BEDELL. Mr. Chairman, if the gentleman will yield further, has there been any testimony before the committee that they could use these for a distance of 1,000 miles to attack other planes?

Mr. RANDALL. Oh, yes.

Mr. BEDELL. Of course, if a plane flies 2,000 feet and has a range of 13 miles to detect low-flying aircraft, it seems to me to project that mathematically that it is only a distance of 214 additional miles in which it can detect planes at 30,000 feet, because there is the constant curvature of the earth.

Mr. RANDALL. Well, let me assure the gentleman that demonstrations and tests have shown a great versatility and varied capability of this AWACS system. I urge defeat of the gentlelady from Colorado's amendment.

Mr. WIRTH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, first of all, I want to comment on the remarks made by the gentleman in relation to new flight records set in the Soviet Union. In the amendment offered by Ms. SCHROEDER, I think we are talking about a far different kind of system; the gentleman is simply making a very good argument for the development of a strong fighter force.

Mr. Chairman, I would like to address a question to the distinguished chairman of the Committee on Armed Services. I must say, I was very skeptical about this program, increasingly so after I read the letter dated March 26 from Chairman PRICE to Secretary Schlesinger. This followed a review by one of the subcommittees on the AWACS system:

> I wish to advise you, however, that the review left a number of questions unresolved and did not allay our concerns over the AWACS performance and effectiveness. The Committee does not share the Department's optimism in projecting AWACS performance on the basis of the tests conducted to date. The AWACS physical vulnerability and survivability tests were, in the opinion of the committee, unrealistic and inconclusive. During the review, there was disagreement among your representatives over the basic assumptions used in the tests, the tactics employed, and the general conclusions.

Now, Mr. Chairman, I was wondering if, since this letter was written on March 26, these questions have been resolved by the committee and have been resolved in the mind of the chairman of the committee.

UMI

Mr. PRICE. What the gentleman has there indicates that the committee has gone into this matter very thoroughly, and that was just a brief note filed in the last couple of months. With the information we have at the present time, the committee has confidence in the program. Sufficient to make these recommendations which we are making here this afternoon.

Mr. WIRTH. May I ask the question again, has the committee resolved the questions raised in this letter? I think the committee has gone into this with great care, and it is reflected in the letter. The observations in the March 26 letter show a great deal of skepticism.

Mr. PRICE. This study required them to employ these systems and suggested that the systems——

Mr. WIRTH. The gentleman is saying that between the 26th of March and now, all the disagreements referred to in his letter and all the technical problems raised have been resolved?

Mr. PRICE. No, we do not say that in the report. The committee requires the Secretary of Defense to provide written certification that these tests are viable and have been accomplished as directed. All these things have not been completed, but before they are, before we give the full go-ahead on this program, before we authorize any more aircraft funding, we would have to have these answers from the Secretary of Defense.

Mr. WIRTH. It seems to me, Mr. Chairman, that this makes a very, very good argument for the amendments offered by the gentlewoman from Colorado.

Mr. PRICE. The majority of the members of the committee felt that the program had enough potential that, in the interests of national defense, we should go ahead with it now because we cannot put these on the shelf for a while without work being done on them, without increasing the cost and delaying the time of completion.

Mr. WIRTH. Mr. Chairman, I feel that this is a very, very expensive field of technological development we are embarked upon, the use for which is quite unknown. I will support the amendments of the gentlewoman from Colorado.

Mr. PRICE. We have had projects with a lot more risks than this, and we now have some fine winners.

Mr. FASCELL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to ask the distinguished chairman of the committee one or two questions. Can the chairman tell me how many modifications have been made in the production models of this aircraft since production started?

Mr. PRICE. It would be impossible for me to tell the gentleman that. The program did not start last year or the year before. This project has been going on for 6 to 8 years now, or close to that.

Mr. FASCELL. In other words, I am to understand that the committee does not know how many modifications have been made in the equipment for the aircraft since production started?

Mr. PRICE. It would be impossible to tell.

Mr. FASCELL. Is this authorization a conditional authorization, in the minds of the committee?

Mr. PRICE. This is an authorization conditioned upon the requirements stated in the report, one being that the committee requires the Secretary of Defense provide written certification that these tests are viable and have been accomplished as directed herein.

Mr. FASCELL. In other words, the chairman is telling us that no production is to proceed with respect to this system until the conditions laid down in the committee report have been met and reviewed by the committee?

Mr. PRICE. That is correct.

Mr. FASCELL. Does the authorization now pending contain any money for modification of production models already produced?

Mr. PRICE. I do not think so. It could, but I do not believe it does.

Mr. FASCELL. I thank the gentleman.

The CHAIRMAN. The question is on the amendments offered by the gentlewoman from Colorado (Mrs. SCHROEDER).

The question was taken; and the chairman announced that the noes appeared to have it.

RECORDED VOTE

Mrs. SCHROEDER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 136, noes 260, not voting 37, as follows:

[Roll No. 221]

AYES—136

Abzug
Addabbo
Anderson, Calif.
Andrews, N.C.
Aspin
AuCoin.
Badillo
Baldus
Baucus
Bedell
Bergland
Biester
Bingham
Blanchard
Blouin
Bonker
Brademas
Brodhead
Burton, Phillip
Carr
Clay
Collins, Ill.
Conte
Conyers
Cornell
Coughlin
D'Amours
Dellums
Dingell
Dodd
Downey
Drinan
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Evans, Ind.
Fascell
Fenwick
Fisher
Fithian
Ford, Mich.
Forsythe
Fraser
Gaydos

Gibbons
Green
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Holland
Holtzman
Howard
Hughes
Hungate
Jacobs
Jones, Okla.
Karth
Kastenmeier
Keys
Koch
LaFalce
Leggett
Lehman
Levitas
McHugh
Madden
Maguire
Matsunaga
Mazzoli
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Mink
Moakley
Moffett
Moorhead, Pa.
Mosher
Moss
Neal
Nedzi
Nolan

Oberstar
Obey
O'Hara
Ottinger
Patterson, Calif.
Pattison, N.Y.
Pickle
Pressler
Rangel
Reuss
Richmond
Riegle
Roncalio
Rosenthal
Roybal
Russo
Ryan
St Germain
Santini
Scheuer
Schroeder
Seiberling
Shuster
Simon
Skubitz
Solarz
Stanton, James V.
Stark
Stokes
Studds
Symington
Thompson
Traxler
Tsongas
Vander Veen
Vanik
Waxman
Weaver
Whalen
Whitten
Wirth
Yates
Young, Ga.

NOES—260

Abdnor
Adams
Alexander
Ambro
Anderson, Ill.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, R.I.
Beard, Tenn.
Bell
Bennett
Bevill
Biaggi
Boland
Bolling
Bowen
Breaux
Breckinridge
Brinkley
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carney
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Corman
Cotter
Crane
Daniel, Dan
Daniel, R. W.
Danielson
Davis
de la Garza
Delaney
Dent
Derrick
Derwinski
Devine
Dickinson
Downing
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Findley
Fish
Flood
Flowers
Flynt
Foley
Ford, Tenn.
Fountain
Frenzel
Frey
Fuqua
Giaimo
Gilman

Ginn
Goldwater
Gonzalez
Gradison
Grassley
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hansen
Harsha
Hastings
Hays, Ohio
Hébert
Heinz
Henderson
Hicks
Hightower
Hillis
Hinshaw
Holt
Horton
Howe
Hubbard
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Jordan
Kasten
Kazen
Kelly
Ketchum
Kindness
Krebs
Krueger
Lagomarsino
Landrum
Latta
Lent
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McFall
McKay
McKinney
Macdonald
Madigan
Mahon
Mann
Martin
Mathis
Meeds
Michel
Milford
Miller, Ohio
Mills
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher

Nichols
O'Brien
O'Neill
Passman
Patten, N.J.
Pepper
Perkins
Pettis
Peyser
Pike
Poage
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Regula
Rhodes
Rinaldo
Risenhoover
Roberts
Robinson
Roe
Rogers
Rooney
Rose
Rostenkowski
Roush
Rousselot
Runnels
Ruppe
Sarasin
Sarbanes
Satterfield
Schneebeli
Schulze
Sharp
Shipley
Shriver
Sikes
Sisk
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Spellman
Spence
Staggers
Stanton, J. William
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stratton
Stuckey
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Thornton
Treen
Ullman
Van Deerlin
Vander Jagt
Vigorito
Waggonner
Walsh
Wampler
White
Whitehurst
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wright
Wydler
Wylie
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—37

Annunzio
Ashley
Barrett
Boggs
Brooks
Burke, Calif.
Burton, John
Chisholm
Conlan
Daniels, N.J.
Diggs
Eilberg
Florio

Fulton
Goodling
Hannaford
Johnson, Pa.
Kemp
Litton
Lujan
McCollister
Minish
Mitchell, Md.
Mollohan
Morgan
Nix

Nowak
Patman, Tex.
Rees
Rodino
Sebelius
Stephens
Teague
Udall
Wolff
Yatron
Young, Alaska

So the amendments were rejected.

The Clerk announced the following pairs:

On this vote:

Mrs. Chisholm for, with Mr. Annunzio against.

Mrs. Burke of California for, with Mrs. Boggs against.

Mr. Diggs for, with Mr. Morgan against.

Mr. Nix for, with Mr. Teague against.

Mr. Mitchell of Maryland for, with Mr. Udall against.

Mr. Rodino for, with Mr. Fulton against.

Mr. Florio for, with Mr. Mollohan against.

Mr. John L. Burton for, with Mr. Conlan against.

Mr. Dominick V. Daniels for, with Mr. Brooks against.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. LLOYD OF CALIFORNIA

Mr. LLOYD of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LLOYD of California:

On page 2, line 9, strike out "$4,445,250,000", and insert "$4,444,841,900".

On page 2, line 17, strike out "$886,300,000", and insert "$886,190,400".

Mr. LLOYD of California. Mr. Chairman, this amendment which I have offered would eliminate all funds for the A–10 close-support aircraft. The total funding for this program for fiscal 1976 is $460 million and $107.2 million for the transition year budget; $3.4 million would also be cut in the transition budget—funds earmarked in the modification account for A–10 component improvements.

I offer this amendment for reasons of escalating costs, questionable capability, and from the larger perspective of what we need in the next generation of close-support aircraft.

Let me quickly review the cost escalation. Total program costs have jumped from $2.489 billion in December of 1974 to $3.173 billion. Last year the per unit cost was estimated at $2.4 million in "then year" dollars and that is now up to $4.27 million. The development estimate for avionics was $75.1 million. The current estimate is $138.2 million. In less than 6 months the estimate for the cost of the engines has risen over 40 percent—$350,000 per engine to $503,000 per engine. Last Thursday, my esteemed colleague suggested that my support of the B–1 bomber and my opposition to the A–10 using the rationale of cost overruns is contradictory. I will address myself to the capabilities of the A–10, but I would like to answer that charge. My colleague seems to have neglected to consider that the B–1 is in the research stage, and the A–10 program is in the procurement stage, primarily—and I might add, the contract is a firm fixed price incentive contract. With this in mind I would like to read from a September 1975 Air Force report:

> The Fairchild Republic Company can produce the A–10 as planned but existing schedules and target costs are in jeopardy.

The A–10 was chosen above the A–7 aircraft in large part because of price. We see how this consideration is no longer applicable. I believe that once the cost of the A–10 surpassed that of the combat proven A–7 it should have been discontinued. The performance capabilities of the A–10 were compared in a fly off with the A–7. In this fly off, 3 of the 4 pilots preferred the A–7 in terms of handling. One had no comment. The A–7 has a computer and does not have to approach the target as closely as the A–10. The increased vulnerability of low approach was particularly noted by one of the test pilots.

The A–7's history of combat action is quite impressive. Of over 100,000 sorties only 58 planes were lost, a combat fatality rate of less than 0.06 percent. This is not to suggest that the A–7 is the end all in its capabilities. The A–10 was preferred by the test pilots in conditions of low ceilings and poor visibility. In these circumstances we go back to the question of vulnerability. Heat seeking missiles are a particular hazard. In addition the A–10 has a large signature on a radar screen.

I have not been shown a significant performance increase with the development of the A–10 as compared to aircraft we already have in our inventory. For this reason I have made comparisons to the B–70. When the B–52 replacement was considered several years ago, the B–70 was seen as the most advanced aircraft for its replacement. These plans were scrapped and the development of the B–1 produced the most sophisticated bomber of its kind. Whether you support the B–1 or not, and I do, its technological superiority to the B–52 and the proposed B–70 is apparent. I see a parallel between the state of the art development of the A–10 and the B–70.

In a recent Dear Colleague letter, my proposed alternative was mentioned in specific dollar figures. I offer no alternative weapons system that exists—simply a return to investigating the best solution to a need for close air support.

Surely we can do better than the performance capabilities of the A–10. Let us not waste our resources on this aircraft when we have what I feel to be an acceptable support aircraft, and the technology to make an even better one. Better by far than the A–10.

Mr. YOUNG of Florida. Will the gentleman yield, Mr. Chairman?

Mr. LLOYD of California. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Early in the program or at least in the early part of last year there were several mechanical defects with the A–10, including excessive bleedoff in the hydraulic system and the inability of the pilot to manipulate the ejection controls. Is the gentleman aware whether this has been or has not been corrected in the A–10? I was very much concerned about this and the Air Force wanting to buy the A–10 before the defects were corrected. I wonder if they have been corrected?

Mr. LLOYD of California. In answer to the gentleman's question, I am not aware whether those problems have been corrected or not.

Mr. SIKES. Mr. Chairman, I rise in opposition to the amendment.

transition year budget; $3.4 million

Mr. Chairman, first, may I answer the question propounded by our distinguished colleague, the gentleman from Florida. Yes; the problem of which he refers has been corrected. There always are difficulties associated with the development of a new weapons system.

Now let me talk about the amendment. It will accomplish nothing but damage to the Nation's military effectiveness. This is an ongoing program. Contract cancellation would be costly. Much more costly would be the loss of years of testing and research and an effective product.

The military services need the A–10. It will do a job no other aircraft can do. It is a tank killer. The Soviets have four to five times as many tanks as we have. Theirs are just as good as ours. They have in inventory and they are manufacturing a new tank. We will not have a new tank for several years. They are building five times as many tanks this year as we are building.

Those are the odds which Americans may have to face in battle. Those odds have to be shortened or our troops will not stand a chance.

The A–10, Mr. Chairman, is built to destroy tanks and to supply close air support for troops on the ground. It is the only airplane specifically designed for that purpose. It is being manufactured as a result of 2½ years of intensive testing and evaluation and after two, not one, head-to-head competitive flyoffs with other aircraft, which it won hands down.

All the evidence is clear. And the key is what the pilots say. Now listen to this. The pilots have told the committees of Congress: "We like to fly the A–7. It is a smoothly functioning jet, but if we are going to fight a tank and survive under battlefield conditions, we want the A–10."

Look at the testimony of the test pilots before the Armed Services Committee and the Appropriations Committee. This tells the real story.

The A–10 has built-in serviceability that no other planes possess. It has armor to protect the pilot. It has two engines to develop the power to get back from the battlefield. It has a big gun to kill tanks.

In addition to the cannon, the A–10 possesses a wide range of sophisticated weapons to destroy enemy armor, AAA, and other weapons. It can go down and fight in the thick of the battle, or it can score from long standoff ranges.

More importantly, it can loiter two or three hours over a target. The A–7 can have only a short time, possibly only 30 minutes and then it has to go back to base for more fuel.

The A–10 operates from short forward airstrips near the battlefield.

Prototypes have completed 1,150 flight test hours. No other airplane has more thoroughly been tested or more strongly endorsed for the job it has to do.

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The battlefield odds have to be shortened, because we do not have the numbers of weapons to match the Soviets. This airplane was designed to help do the job. No other airplane has the capability to help do the job as effectively as the A-10.

Mr. Lloyd of California.

Mr. LLOYD of California. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from California.

Mr. LLOYD of California. Mr. Chairman, I would ask, in pointing out that the A–10 has 1,150 test hours, how does that compare to the over 100,000 hours of close air support and actual tactical operation the A–7 has had?

Mr. SIKES. The A–7 is a good airplane. The services need the A–7. I will help to buy more. They have an important function, but they are not designed as a tank killer and close-support airplane for ground forces. The A–10 will do that job better and there is a better chance for the pilot to get back alive. That is why I want the A–10.

Mr. LLOYD of California. Is the gentleman aware of the fact that in the Cambodian *Mayaguez* struggle that the attacks on the Cambodian small boats were from the A–7?

Mr. SIKES. And if the A–10 had been there, it could have loitered over those boats for 3 hours, instead of 30 minutes. This might have made the difference in getting the crew back earlier and with fewer casualties to U.S. forces.

Mr. SIKES, It was not designed for that purpose. Its use as a tank killer is secondary and subject to limitations, nevertheless it is a good aircraft and we need them in inventory. We also need the A–10 because it will do the job of killing tanks and destroying other battlefield targets more effectively than the A–7.

Remember, the pilots testified that while they like to fly the A–7, if they have to fight tanks, they want the A–10.

Mr. MILFORD. Mr. Chairman, will the gentleman yield?

Mr. SIKES, I yield to the gentleman from Texas.

Mr. MILFORD. Mr. Chairman, I rise in support of the amendment offered by the gentleman from California (Mr. Lloyd). It should be reemphasized that the A–10, which was originally intended to be a low-cost, close air support aircraft, is now, as illustrated in the latest selection acquisition reports, more expensive to buy and to operate than the A–7. You will recall that a primary factor in the selection of the A–10 over the A–7D was the low cost of the A–10—sold to the Congress as being one-half that of the A–7.

In the selection acquisition reports dated February 14, 1975, the procurement unit cost for the A–7 was listed as $3.3 million and for the A–10—$3.8 million. The program unit costs are $3.4 million for the A–7 and $4.2 million for the A–10. In other words unit costs for the A–10 now exceeds that of the A–7 by $800,000 each.

The A–7, in the war in Southeast Asia, demonstrated time and time again its ability to work closely against highly defended pinpoint targets as a close air support fighter. Again, last week in the rescue of the cargo ship *Mayaguez*, the A–7's showed their ability to fire their guns and rockets against the Communist gunboats with a high degree of accuracy.

Because of its sophisticated bomb-NAV system, the A–7 is capable of releasing its ordnance at between 3,500 and 5,000 feet and still achieve a better than 10 mil accuracy. This is an extremely important feature in terms of survivability against enemy ground fire. It has been demonstrated in encounters in Southeast Asia as well as in the Mideast war that aircraft flying below 3,000 feet are extremely vulnerable to enemy fire.

I have repeatedly posed a question to every Air Force expert that I could find. That question is: "How can a low-flying close air support airplane such as the A–10 survive the known enemy's possession of shoulder-fired infrared missiles?" To date, no one has given a satisfactory answer. I pose that question to members of the committee.

Air Force witnesses have testified this year that the production rate of the A–10 will be significantly less than originally planned. In addition to adding further to the cost of the aircraft, this will also obviously delay deliveries to the active Air Force inventory. A slower delivery of A–10's to the active inventory will thereby postpone transfer of A–7D's into the Air National Guard. While the inventory of A–7D's in the regular forces is adequate today, this delay in transferring A–7D's to the Guard force must be supplemented by a modest additional procurement of A–7D's in order to maintain the vital upgrading of our Guard force equipment.

I urge you to support the amendment offered by the gentleman from California.

Mr. BOB WILSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the Closer Support Subcommittee, headed by our colleague, the gentleman from New York (Mr. Otis Pike), for several years conducted extensive hearings into the need for closer air support in the Vietnam war. It was so apparent from the testimony of the pilots flown back from Vietnam that the Air Force had been delinquent in its responsibility to provide the proper airplane to use for their missions to provide close air support. I do not know whether they planned a name for this airplane, the A–10, but I'd call it "Pike's strike," if I had my choice of naming it, because this airplane came as a direct result of the Pike subcommittee hearings.

We asked the Air Force why they had been so deficient. They finally got around to holding some competition. The A–10 won the competition. It provides the sort of airplane close air support pilots need to deliver a heavy load of ordnance right in close to the front lines. It also carries sophisticated weaponry for attacks against tanks.

It has the only weapons system—a 30-millimeter cannon—that can destroy Soviet armor. It is a perfect airplane for the use for which it is intended.

Mr. Chairman, I am opposed to the amendment and ask my colleagues to vote against the amendment.

Mr. SEIBERLING. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, just in case any Member thinks that I automatically vote for all cuts in the defense budget, I am happy to rise in opposition to the amendment. The reason I am opposed to this amendment is that this appears to be a very good aircraft and one that is needed for close air support of ground troops.

The fact that the costs have risen is not surprising. That seems to be the case with just about every weaponry system the Defense Department comes out with. The B–1 bomber costs have risen from about $18 million to $84 million per plane, and yet the Defense Department is still promoting that weapons system.

At the time, several years ago, that we argued, successfully as it turned out, that we should scrap the Cheyenne helicopter that the ground force commanders said they did not want and that the Army, at that time, was trying to foist upon them, we learned that the A–10—at that time called the A–X—was a plane the ground commanders said they definitely wanted in Europe.

This plane was designed for use in the European theater. It is the kind of plane that the ground commanders, the Army commanders, liked, and perhaps that is one reason why the Air Force probably would just as soon get rid of it, because it is not a glamorous big elephant which will support a lot of high ranking generals as would the B–1.

Mr. LLOYD of California. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from California.

Mr. LLOYD of California. Mr. Chairman, I would point out that they were asking for a type of basic air support, close air support aircraft. They were not asking specifically for the A–10. They wanted an aircraft that would give certain capabilities.

I think, and I have admitted on the floor, that the A–10 probably is better than the A–7. The point is, we do not have to go through the production cost and rising, escalating costs that are in this when we already have it. I have no objection to the development of a good close air support aircraft. The A–4 is a good one; the A–7 is a good one; the A–10 is simply not significantly that much better.

Mr. SEIBERLING. Mr. Chairman, I have to disagree with the gentleman. The A–7 is a good plane for its use, but the A–10 has quite a different mission.

Mr. CHARLES WILSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Texas.

Mr. CHARLES WILSON of Texas. Mr. Chairman, I would like to point out to the gentleman, before I ask a question, that the A–7 is built in my district and

I think it is a very fine aircraft, but does the gentleman not agree that in the Yom Kippur war, the SAM 6 proved to be a very, very effective weapon in knocking down Israeli Phantoms and Sky Hawks?

Mr. SEIBERLING. Yes, as I recall.

Mr. CHARLES WILSON of Texas. I do not know whether the gentleman is aware of it, but the basic tactics against the SAM 6—at least it is assumed—are to use drones in order to have the SAM 6 radar turned on, and then use a standoff smart bomb to get the sites. In order to do this, the aircraft has to have a long staying power over the target, and for that reason alone would not the gentleman agree that the A–10 should be built?

Mr. SEIBERLING. I agree. Also, it is able, because it is a little bit bigger plane, to carry the kind of anti-missile protection systems that the A–7 cannot carry.

Mr. CHARLES WILSON of Texas. I thank the gentleman.

Mr. DOWNEY of New York. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from New York.

Mr. DOWNEY of New York. Mr. Chairman, the gentleman from California (Mr. Lloyd), is one of the most capable and creative members of our committee, and it is with greatest reluctance that I oppose him on this amendment.

It my view, we need the A–10. Its combination of long loiter, heavy payload, ability to accept punishment, and high accuracy under low ceilings make it by far the most effective close air support machine available.

Its competitor most frequently cited, the A–7, is simply not in the same league by any of these measures. Unlike the A-10, which is a single-purpose close support aircraft, the A–7 has been compromised in this role by the need to perform a second mission, deep interdiction. Interdiction requires a higher speed aircraft, and interdiction speed is incompatible with the "aerial antitank" requirements of close support. I should also point out that the A–7 is not the best interdiction aircraft either, lacking both the on-the-deck speed of the F–111 and the self-defense capability of the F–18.

I think we are rightly moving away from multipurpose aircraft, recognizing that jacks-of-all-trades tend to be masters of none. The A–10, along with the F–16, is a good example of the outstanding performance that can be achieved with a single-purpose aircraft, and I believe it should be continued.

This is not to say that the program is above criticism.

For one thing, I share the gentleman's concern over the cost overruns on this program. If he were to introduce an amendment limiting the per unit cost to the figures we were given last year, I would support it with enthusiasm.

The difficulties notwithstanding, the facts as I see them warrant continuing the A–10 program. Therefore, and with all due respect for the ability and integrity of the sponsor of this amendment, I must oppose it.

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from New York.

Mr. BYRON. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Maryland.

Mr. BYRON. Mr. Chairman, I greatly appreciate the gentleman from California's desire to reduce the budget. However. in seeking fiscal prudence in defense spending it would be unwise to eliminate systems that are clearly able to perform specific needed functions in a manner far superior to other existing systems. The A–10 is clearly such a weapons system. It will fill the need for the close air support of our ground troops within the parameters established by Defense experts far better than any existing aircraft, including the A–7.

The battlefield soldiers need an airplane that can be available immediately to support their fluid battlefield situation. This dictates long loiter times, up to 3 hours, and takeoff from very short takeoff and unimproved runways, 1,500 feet to 3,500 feet. The A–10 meets these requirements through its high thrust and low fuel consumption engines.

The aircraft system to support the ground troops must be able to destroy mobile armor and mobile tanks. This is accomplished by the 30-millimeter tank-killing cannon, specially designed for the A–10, which itself was designed around the gun. This gun has been thoroughly tested and has met all specifications. High maneuverability of the aircraft system to keep the target always in sight was necessary. A large payload with great flexibility in armament to handle a variety of targets was also required. These requirements are built into the A–10.

In bad weather the foot soldier can be without air support for days. His support aircraft must be able to operate in a 1,000-foot ceiling and with a 1-mile visibility and visual contact with the ground. The A–10 is designed to meet these requirements.

Operating in a hostile environment, the aircraft must have built-in survivability. Special consideration for aircraft survivability and pilot protection requires up to 1,200-pound armor plate below the pilot. Special fuel tank protection, redundant control systems, capability one-engine-out flight, loss of one horizontal and one vertical stabilizer, loss of an outer wing panel, and so forth, These features are designed into the A–10 to allow completion of a mission and/or return safely.

Again, addressing the concern about costs the A–10 aircraft system was designed to cost to meet the important requirements of providing close air support for the foot soldiers in the field. The costs are well established. The entire process of competitive fly-off between the A–9 and the A–10 prototypes for this important mission demonstrated the success of the system. Again last year the A–10 demonstrated its capabilities as a close air support aircraft by winning a flight evaluation with the A–7.

The A–10 is the only system that can perform precisely the mission of close air support as defined by the Air Force. I hope, therefore, that the House will not eliminate this needed program. The amendment by Mr. Lloyd should be defeated.

Mr. PRICE. Mr. Chairman, I move to strike the requisite number of words, and rise in opposition to the amendment.

Mr. Chairman, the A–10 is the first aircraft specifically optimized for providing air attacks against hostile targets which are in close proximity to friendly forces. The A–10 possesses the characteristics of responsiveness, lethality, survivability, and simplicity to best perform this mission.

Since 1967, the Air Force has conducted extensive studies to determine aircraft requirements for the close air support role. These studies served as the basis for the A–X prototype competition. The A–10 was selected as the winner of this competition as it best met the requirements of the Air Force. The A–10 has demonstrated armor-killing capability, large payload-radius-loiter, ability to maneuver in close vicinity of engaged ground forces, high survivability, short field capability, and low maintenance. During full scale development, the A–10 and A–7 participated in a comparative flight evaluation which once again showed the A–10 to be the superior close air support aircraft.

The program has successfully been reviewed and evaluated at key milestones and the aircraft has been recommended for production. The A–10 has completed over 1,000 hours of flight testing, the engine has completed its rigorous MQT, and the GAU–8 30 millimeter gun has been proven compatible with the airframe. Through these extensive tests and fly-off competitions, the A–10 has proven to be the optimum aircraft for the close air support mission. The A–10 development program is approximately 80 percent complete.

The estimated unit flyaway cost for 733 A–10 aircraft in constant 1975 dollars is $2.122 million. The estimate for the same quantity in then year dollars is $3.035 million. The modest cost growth in the program is due primarily to the effects of inflation with a very small amount attributable to increased avionics equipment necessary in the combat environment. The program's unit flyaway cost goal is $1.7 million in fiscal year 1970 dollars based on a buy of 600 production aircraft at a maximum production rate of 20 aircraft per month. Presently, the unit flyaway cost is $1.78 million in constant 1970 dollars.

An amendment to eliminate all the fiscal year 1976 and 7T funds for the A–10 would cause the production of the aircraft to cease. The A–10 has been determined to be a vital necessity to have the capability to conduct successful land warfare on a worldwide basis. The elimination of funds would deny the availability of the A–10 to support our ground forces. The A–10 program has been carefully developed to provide a smooth transition from development to production. It has been tailored to provide the maximum benefits of industrial "learning" in production. These efficient plans would be canceled with the elimination of funds.

To satisfy the need for a close air support aircraft, a durable aircraft with exceptional maneuverability and accuracy in the delivery of ordnance is required. This is especially true in view of the need to have a weapon system which can effectively counter the massive number of tanks and other armored vehicles possessed by the Warsaw Pact nations. The high performance 30-millimeter gun, along with other anti-tank munitions, will give the A–10 the requisite lethality against tanks. The inherent maneuverability and survivability of the A–10 enable constant surveillance of mobile targets and the ability to survive and apply lethal fire, even in marginal weather, against those targets.

Furthermore, the A–10 fully exploits the advantages afforded by the improved munitions, including those incorporating advanced guidance systems for use against tanks and other hard point targets. The A–10 is intended to fulfill the specific need for an antiarmor capability as well as the remainder of the tasks across the close air support spectrum.

Mr. LLOYD of California. Mr. Chairman, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from California.

Mr. LLOYD of California. Mr. Chairman, I would like to ask the gentleman, when he speaks about the desires of the Army and the selection of the A–10, I note in the report here that clearly each of the pilots says that the preferable flight characteristic aircraft is the A–7. Is that correct?

Mr. PRICE. In certain circumstances. I can save a lot of time by saying exactly what the pilots did say. They did not downgrade the A–7. All of them thought it was a great aircraft. But the deciding feature was in the area that brought about the requirement for the A–10. They said at close air support, at 1000 feet, they preferred the A–10.

Mr. LLOYD of California. Within a mile visibility?

Mr. PRICE. Yes.

Mr. LLOYD of California. I will ask the gentleman another question. Can the gentleman envision operating in any scenario, whether it is the European or the Middle East or the Southeast Asia, in those environments, with the modern technology missile available to us, even with the Redeye as the basic weapon, does the gentleman really believe an aircraft which puts out twice as much infrared signals with two big engines is going to be a viable aircraft to operate in a situation like that?

Mr. PRICE. The knowledgeable airmen and fliers do envision a situation the gentleman mentions.

Mr. LLOYD of California. I am not questioning the fact that the A–10 is a slight bit better as an air support weapon. But I am not saying it is sufficiently better at almost double the cost. I do not think it is worth that kind of involvement, particularly at this time with the economic conditions as currently in the United States.

Mr. PRICE. I think both the Army and the Air Force, which have the problem of working out the close air support, do feel that it best meets their requirements.

Mr. CONYERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by my colleague from California, Mr. Lloyd, and confess that while it does not take much to persuade me to support any attempts to reduce this inexcusably bloated Pentagon request, it should be noted that the author of this provision argues his case from a background of over 20 years experience in military aviation.

Within a year, the unit cost of this close support aircraft has gone up by 58 percent—from $2.4 million to $3.8 million not including research and development cost increases. It is a prime example of runaway defense spending and on those grounds alone its termination would be fully justified.

I point out to my colleagues that the gentleman from California is in possession of a far more cautious posture than might be realized. He, in fact, favors a limited increase in this procurement authorization bill but recognizes that this A–10 completely fails to meet any rational test which would justify its continued existence. In a word, it has priced itself out of the market but whether we will force the taxpayer to pay the piper remains to be seen.

My vote will say no to this useless extravagance.

Mr. AMBRO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment proposed by the gentleman from California.

Since becoming a Member of the 94th Congress, a great deal of my time has been occupied with the issue of the A–10 aircraft and its important role in the economy of Long Island. However, it is not just local pride and provincialism. It is rather a feeling that the A–10 is a needed and cost-effective component of our defense system.

For many years the Congress has sharply criticized the Department of Defense for designing needlessly sophisticated and unnecessarily expensive weapons systems. In my judgment, many of those systems that Congress is being asked to approve are still too costly and do not improve our national security to a significant extent.

However, the A–10 close air support aircraft is an example of the Defense Department's efforts to keep the cost of a weapons system low. By modern standards, the A–10 is cheap and will perform the close air support rule specifically assigned to it in an inexpensive but extremely effective manner.

During its development program, the A–10 has demonstrated that it has all the necessary attributes of an excellent combat air support system, including extended loiter time, a lethal weapons load, survivability, and responsiveness to ground commanders need. The A–10 can operate from forward, austere bases, and can do so with a large, versatile ordnance load. In addition, it carries the new 30 millimeter GAU–8 gun that can defeat even heavy armor. Because it is highly maneuverable, it is effective even under the low clouds and visibility conditions that are often encountered in Central Europe.

Accordingly, I am soliciting the support of the House to oppose the amendment being offered by the gentleman from California to terminate the A–10. The A–10 is needed, it is the best aircraft to do the job, and the cheapest solution. In operating costs alone, the A–10 will save $1.3 billion over the alternative that the gentleman from California suggests.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. Lloyd).

The amendment was rejected.

AMENDMENT OFFERED BY MR. LEGGETT

Mr. LEGGETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Leggett: Title I, section 101(a)(1), page 2, line 9; After "Air Force," delete "$4,445,250,000" and insert in its place "$4,423,250,000,"

Title I, Section 101(a)(1), page 2, line 11; after "Air National Guard." delete the period and insert in its place, "; however, no funds authorized to be appropriated under this Act shall be used for conversion of the Civil Reserve Air Fleet (CRAF)."

Title I, Section 101(a)(2), page 2, line 17; after "Air Force," delete "$886,300,000." and insert in its place, "$862,300,000."

Mr. LEGGETT. Mr. Chairman, Members of the House, this amendment will simply cut $22 million out of the CRAF program. If the Members will look through the bill very carefully, they will see nothing in the bill about CRAF. If they look through the report very carefully, they will see nothing in the report about CRAF. This is hidden away in a general item of multibillion dollars of procurement for the Air Force. Therefore, we really do not have much before us, so we really have to look carefully and to listen carefully. This is the only chance we get to look at this program.

Mr. Chairman, CRAF is not exactly a household word. CRAF stands for "civil reserve air fleet." While this amendment that I have is for a $22 million cut, it really is the start of a billion-dollar program that is not mentioned in either the report or the bill. We have had it up before us before. It is a real turkey, and we had it in the supplemental bill here a couple of years ago and it died.

It is an arrangement, CRAF, whereby the Nation's commercial airlines are paid by the Government in return for an arrangement whereby their aircraft and crews would be available for military

transport in case of national emergency. The item in question is a proposal to convert a number of commercial wide-bodied jets by enlarging the doors and strengthening the beds so that they could carry what the military calls oversize cargo.They would be cut in half and made nose loaders.

The cost of this—and I am referring to converting 747's, DC–10's, and Lockheed L–1011's—is anywhere from $6 million to $10 million per copy. In our general bill, that we marked up, it was included in an item of some $552 million called "aircraft modification."

Military cargo is really in three sizes. Normal-size cargo is the usual commercial-type containers and bulk loads one puts in any modern cargo aircraft, and we have plenty of capability for that. Outsize cargo is the very big and heavy stuff, primarily heavy tanks. If the Members recall, we carried, one at a time, in our C–5's of those Chinooks and tanks and things like that, over to Israel.

Oversize cargo is in between and consists mainly of trucks and trailers. We have a shortage of capability to carry this type of load to Europe in an emergency. Therefore, the Air Force, has requested $22 million in fiscal year 1976 and $24 million in the transition quarter. If the Members look at that, they will see pretty clearly where we are going: $24 million in 3 months and $22 million in 1976, and we are zapping right up to $100 million in the annual program right away.

This is, as I indicated. a $1 billion program. On the surface it makes no sense. You can fly cargo in 747's for less than half the cost per ton-mile of flying in a C–5, actually at 11 cents per mile in a 747, 40 cents in a C–5, and about 20 cents in a 141. But when you look at this situation closely the program is exposed as a ripoff for the American taxpayers. That is why the Senate Armed Services Committee unanimously voted to kill this program.

I repeat, the Senate Armed Services Committee voted for the second year to unanimously kill this program. And we are not so concerned that we would even put a word about the program in our report. We do not even have the numbers in there.

First, the airlines have taken a "fleece the taxpayers" attitude toward the program because they want to be paid for the down time of the aircraft during the conversion as if the plane were being fully utilized.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Leggett was allowed to proceed for 5 additional minutes.)

The CHAIRMAN. The committee will rise in order that the House may receive a message.

MESSAGE FROM THE PRESIDENT

The Speaker resumed the chair.

The SPEAKER. The Chair will receive a message.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Heiting, one of his secretaries.

The SPEAKER. The Committee will resume its sitting.

DEPARTMENT OF DEFENSE PROCUREMENT AUTHORIZATIONS

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from California (Mr. Leggett) is recognized for an additional 5 minutes in support of his amendment.

Mr. LEGGETT. Mr. Chairman, as I indicated before, this is a program where the airlines are going to be paid for their down time on the 747s and DC–10s.

I would ask the Members have any of them seen many 747s or DC–10s flying around? The airlines have a few on their overseas routes.

But what aircraft have been offered for conversion? of the 73 offered, 61 have been offered by the airlines of early model 747s. This means two things: It means the planes will wear out sooner, thus giving the taxpayers less time to get their money's worth, and it means the plane's cargo capacity will be lower. These aircraft are limited to 700,000 pounds gross weight as opposed to 800,000 for the newer planes.

Not only are they offering old planes, but they will not even let us convert them the way we want to. The Air Force originally proposed to convert the aircraft to carry twelve 2½-ton trucks. But this conversion adds weight which decreases profit on normal commercial runs.

So the airlines said they would accept only conversions not of 12, but of a conversion to carry six 2½-ton trucks, so that the value of the program is exactly cut in half.

Second, there is a very serious question as to whether the cost of the conversion and operation of this system is so high it may well be cheaper to simply buy an extra batch of trucks and trailers, and keep them in Europe permanently pre-positioned.

The Air Force has been requested to study and report on this question, and they have not done so yet, and firm figures are not available. The Senate committee tentatively concluded prepositioning would be cheaper than this massive program of gutting the 61 747's and DC–10's and L–1011's, of putting in these wide cargo doors and putting in a truck ramp and a tank ramp on a passenger aircraft.

Third, the concept should make any fiscal conservative's blood boil. At enormous annual expense, we maintain a bloated, tail-heavy, top-heavy force in Europe, and dozens of smaller versions of the same thing all around the world. In addition to this, because the Department of Defense tells us we cannot rely on airlift or sealift in an emergency, we must have the troops on the scene.

But at the same time we are told we must have an airlift. Moreover, we are told the Air Force cannot do with the Boeing 747's; they must have C–5's. They cost twice as much but have one-tenth the service life of 747's with only a 7,000 hour capability. So we paid an enormous price to equip the Air Force with C–5's and limit the program to 81.

Now we are told the C–5's will not do the job. Among other things, they cost so much we could not buy enough of them. This is adding insult to injury and should not have been tolerated.

If we were to cut our European troop commitment in half, a better case could be made for the CRAF modification, but I do not think the Congress is going to do it.

In summary, I think that the Senate has made a very good case for cutting out this $22 million. They are not going to accept the $22 million that we put in there. The program does not make sense. If we want big, wide-jawed, wide-bodied aircraft, let us decide that at the time we build the airplanes, and let us not bail out the airlines when they have got these 747's and DC–10's parked all over the United States out of service.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STRATTON. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. California, the gentleman from California (Mr. Leggett) is referring to a program that was decided on last year in the conference between the House and the Senate. There was a good deal of discussion at that time about this CRAF program, and it was one of the items that was finally settled in the conference report. We agreed to proceed with this wide-bodied jet modification program on a prototype basis, and, as the gentleman has suggested, there is $22 million in the bill for this year, and there is another $24 million in for the transition period.

According to the agreement that the conferees reached last year the Air Force is moving ahead to determine just how well these civilian wide-bodied jets can be modified to carry the heavy military cargo they would have to carry in the event of an emergency. If we find out these modifications can be made, then we can make a decision to proceed further with the program.

The gentleman says that this is a foolish program, but the fact of the matter is that this is a very sensible attempt to provide heavy airlift for areas where we may need such heavy airlift without having to go back and build more C–5's, which would be much more costly than modifying the existing wide-bodied jets in the civilian fleet that are already available to the military under the civil reserve fleet but which as now constructed cannot handle heavy military cargo.

The gentleman from California, if he has read the papers, knows that the Azores are no longer available to us as a refueling stop if we should have to undertake another heavy military air-

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lift to the Middle East, so that the only way we can get the C–5's to the Middle East will be to refuel them in the air en route, and that means that they are going to have to carry less cargo.

So, does it not make sense to take the wide-bodied jets that are already available to us now, the 747's and the DC–10's of the civil reserve fleet, and see whether we cannot, at a relatively small cost, restructure them so that they will be able to carry some of this heavy military cargo themselves? That is all that this program would do. I think it makes sense for us to try to utilize the commercial aircraft we have available to us rather than go into a costly new program of opening up the construction line again for the C–5–A.

Mr. SEIBERLING. Mr. Chairman, I move to strike the last word.

I wonder if the gentleman from New York or the distinguished chairman of the committee could answer some questions about this. Can the gentleman give me the overall total projected cost of this program? I understand it is over $1 billion.

Mr. STRATTON. If the gentleman will yield, there has never been any agreement on any overall projected cost. The Air Force has made some recommendations with regard to a long-range program of converting 100 or so 747's and L–1011's, but the only thing that the conference agreed to was to undertake the transformation and restructuring of a couple of prototypes, and then we would take another look at it and see whether we wanted to continue the program.

So there is no mystery about why there is nothing in the report. We are simply carrying out—and the Air Force is carrying out—the program that Congress told them last year to undertake. And after we have seen what a couple of these modifications look like, we will determine whether we ought to proceed with the proposal of the Air Force or not.

Mr. SEIBERLING. If the program is unsound from an economic standpoint or from an energy-consuming standpoint, then whether it is feasible technologically would be irrelevant. Is that not true?

Mr. STRATTON. If the gentleman thinks that the conferees would have agreed to something that was technologically unsound, he is welcome and entitled to his opinion. We had a very detailed discussion in the conference last year and decided that the limited program which I explained was technologically sound and feasible.

Mr. SEIBERLING. I am sorry. I understood that the purpose of the prototypes was to determine the technical feasibility. But if it is technologically sound, then what is the purpose of the further experimental work that the gentleman is talking about?

Mr. STRATTON. I think the gentleman is aware we are on the basis of fly before you buy. We want to see what can be done in these modifications, and if we like what we sec we will get some more.

Mr. SEIBERLING. My point is if we take a large number of commercial airplanes and then add tons to their weight and have to subsidize the airlines because when those planes are in operation they will have that much more extra cost and extra fuel consumption, we may be wasting both money and fuel flying those extra tons around the country. That might be considered not feasible from an economic standpoint.

Mr. STRATTON. I know the gentleman is an expert in this field, but the fact of the matter is we have very few alternatives. We either have to go and build specific cargo carrying planes for the Air Force or else take the planes available and modify them.

Mr. PRICE. Mr. Chairman, I think most of the Members know what the Civil Reserve Air Fleet is. However, some are becoming confused with the impression we are talking about starting a new program. What we are attempting to do is modify an existing program, to take the larger aircraft that has come into existence in recent years, the DC–10, the L–1011's, and the 747's, and to make them more suitable to carrying cargo in the event they are called in or entered into the CRAF program. We saved Israel during the October war with good airlift. If we had not had an adequate airlift in operation, we would not have been able to get the equipment over there in the short period of time we did.

This is not a new program. This is further funding to see what we can do by retrofitting these larger planes. It is sort of a merchant marine idea. I think that the Congress has always supported the CRAF program and I would not want to see them mislead at this time by an impression or an idea that we are entering here into a new program.

We are entering into a bigger program because we are dealing with bigger aircraft, but we are going to need larger aircraft to meet the requirements if we ever get into the problems that we have been in in the last few years, so I urge the Committee to defeat the amendment.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from California.

Mr. LEGGETT. Mr. Chairman, I was not present during much of the committee's deliberations on this matter. Did the committee consider this matter of pre-positioning trucks that may cost $5,000 or $6,000, I believe, in Europe or in various places as opposed to spending $6 million to $10 million apiece to transfer six trucks to various locations on short notice?

Mr. PRICE. Pre-positioning is one of the oldest ideas in the military field. I do not think anybody, in planning for the future, does not take pre-positioning into consideration, but such programs have never been of the magnitude that would be required. We have had a great many problems as to where we would locate the pre-positioned material, and so forth. There have been a great many problems with that idea.

Of course, it has been considered, as has every facet of the program. We had extensive hearings on these particular items. We had special briefings on these particular items. I do not think any subject was covered more thoroughly in the House committee than the CRAF program.

I do regret that the other body has not given this much attention, but we are hopeful that they will. If we put this into the conference, I think we may be able to come back with some improvement in our CRAF program.

Mr. LEGGETT. Mr. Chairman, if the gentleman will yield further, I support the gentleman's concept of the CRAF program, but the beauty of the CRAF program today, the Civil Reserve supplement, has been that it has been very cost effective and we have not been loading ourselves down with very complicated expensive programs.

The gentleman from New York has indicated that the C–5's are going to be great aircraft because they provide——

Mr. PRICE. Let me say to the gentleman, we are not making a commitment at this time. The purpose of the studies is to find out whether the new program would be cost effective. It is an experiment.

Mr. LEGGETT. Why do we not have their program in the R.D.T. & E. rather than the production section? We are in procurement right now.

Mr. PRICE. Mr. Chairman, I urge the Committee to reject the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. LEGGETT).

The question was taken; and the Chair announced that the noes appeared to have it.

RECORDED VOTE

Mr. LEGGETT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 100, noes 293, not voting 40, as follows:

[Roll No. 222]

AYES—100

Abzug
Aspin
AuCoin
Badillo
Baldus
Baucus
Bedell
Biester
Bingham
Blouin
Brademas
Brodhead
Brown, Calif.
Burton, Phillip
Carr
Clay
Collins, Ill.
Conte
Conyers
Cornell
Dellums
Dodd
Downey
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Evans, Ind.
Fisher
Fithian
Fraser
Gaydos
Grassley

Green
Hagedorn
Hamilton
Harkin
Harrington
Harris
Hechler, W. Va.
Holtzman
Howe
Hyde
Jacobs
Jones, Okla.
Jordan
Kastenmeier
Keys
Koch
LaFalce
Leggett
Long, Md.
McHugh
Macdonald
Maguire
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Moss

Nolan
Nowak
Oberstar
Obey
Patterson, Calif.
Pattison, N.Y.
Rangel
Richmond
Riegle
Roush
Roybal
Ryan
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Solarz
Spellman
Stanton, James V.
Stark
Stokes
Studds
Thompson
Tsongas
Van Deerlin
Vanik
Waxman
Weaver
Wirth
Yates
Young, Ga.

NOES—293

Abdnor
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.

Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook

Bafalis
Bauman
Beard, R.I.
Beard, Tenn.
Bell
Bennett
Bergland

Bevill
Biaggi
Blanchard
Bolling
Bonker
Bowen
Breaux
Breckinridge
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carney
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Corman
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Davis
de la Garza
Delaney
Dent
Derrick
Derwinski
Devine
Dickinson
Dingell
Downing
Duncan, Oreg.
Duncan, Tenn.
du Pont
Edwards, Ala.
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Flood
Flowers
Flynt
Foley
Ford, Tenn.
Forsythe
Fountain
Frey
Fuqua
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Gude
Guyer
Haley
Hall
Hammerschmidt
Hanley
Hansen

Harsha
Hastings
Hayes, Ind.
Hays, Ohio
Hébert
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Hinshaw
Holland
Holt
Horton
Howard
Hubbard
Hughes
Hungate
Hutchinson
Ichord
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Karth
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krebs
Krueger
Lagomarsino
Landrum
Latta
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Lott
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McFall
McKay
McKinney
Madden
Madigan
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Michel
Milford
Miller, Ohio
Mills
Mink
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mosher
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
O'Brien
O'Hara
O'Neill
Ottinger

Passman
Patten, N.J.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Regula
Reuss
Rhodes
Rinaldo
Risenhoover
Roberts
Robinson
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Rousselot
Runnels
Ruppe
Russo
St Germain
Santini
Sarasin
Satterfield
Schneebeli
Schulze
Shipley
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Spence
Staggers
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stratton
Stuckey
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Thornton
Traxler
Treen
Ullman
Vander Jagt
Vander Veen
Vigorito
Waggonner
Walsh
Wampler
Whalen
White
Whitehurst
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wright
Wydler
Wylie
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

Sebelius
Shriver
Stanton, J. William

Stephens
Teague
Udall
Whitten

Wolff
Yatron
Young, Alaska

NOT VOTING—40

Annunzio
Ashley
Barrett
Boggs
Boland
Brooks
Burke, Calif.
Burton, John
Chisholm
Conlan

Daniels, N.J.
Diggs
Eilberg
Florio
Ford, Mich.
Frenzel
Fulton
Hannaford
Hawkins
Johnson, Pa.

Litton
Lujan
McCollister
Minish
Mollohan
Morgan
Nix
Patman, Tex.
Rees
Rodino

So the amendment was rejected.

The Clerk announced the following pairs:

Mr. Udall for, with Mrs. Boggs against.

Mrs. Chisholm for, with Mr. Annunzio against.

The result of the veto was announced as above recorded.

Mr. ASPIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, according to the rule and according to custom, we are doing this bill by title. We finish title I and then we move on to title II, et cetera.

There is one problem that that might cause for us today, and that is the consideration of an amendment on the B–1 bomber. The gentleman from New York (Mr. DOWNEY) would like to offer an amendment to eliminate all funding for the B–1 bomber. The trouble is that the B–1 bomber has money in both title I and title II. Therefore, I am making a unanimous-consent request here in order to facilitate the consideration of this issue and in order to avoid having a fight on the B–1 bomber twice and to deal with it just once. Consequently, Mr. Chairman, I would like to ask unanimous consent that for the B–1 bomber issue only an amendment be considered in order which would cover both title I and title II.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

Mr. BAUMAN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Are there further amendments to title I?

AMENDMENT OFFERED BY MR. ASPIN

Mr. ASPIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASPIN: Page 2, line 9, strike out "$4,445,250,000" and insert "$4,368,250,000, none of which shall be obligated for procurement in connection with the B–1 bomber aircraft program, and".

Page 2, line 17, strike out "$886,300,000" and insert "$855,300,000, none of which shall be obligated for procurement in connection with the B–1 bomber aircraft program."

Mr. ASPIN. Mr. Chairman, we have the B–1 bomber in two parts of this bill. There is procurement money in title I, which is the title that we are considering right now. There is research and development money in title II, which is the title that will have to be considered next, the next part. Ideally, Mr. Chairman, what we would have liked to have had would have been an amendment, which would have knocked out both procurement money and research and development money. If that amendment had failed, then I think an amendment might have been in order to just knock out the procurement money by itself.

Because the unanimous-consent request was not agreed to, we are forced into the position of having to consider these two amendments in series.

So the people who should be voting in favor of this amendment which is just to eliminate the procurement money for the B–1 bomber would be made up of the following two groups of people: First, anybody who was against the B–1 bomber completely; wants to stop it entirely; should vote to knock out the procurement money here in title I.

Second, anybody who is against just the procurement money for the B–1 but is in favor of continuing the research and development on the B–1 bomber should vote in favor of this amendment.

Mr. Chairman, let me confine my remarks to just the consideration of the procurement money.

Whatever one may think about the research and development money, whatever one may think about whether we ought to have the B–1 bomber or not, I think there is a very, very good argument for not funding procurement money at this time. This money is only $77 million. Most of the money in the B–1 bomber is in title II, which is the research and development, and that is $663 million. This is just $77 million for the long-lead-time procurement items.

Mr. Chairman, we are not going to make the decision on whether we are to go ahead with the bomber until November of 1976.

In November of 1976 is the time when we are going to decide whether we are going to buy a whole fleet of B–1 bombers. There is no need to have any procurement money now. In fact, putting procurement money in here now is going to be wasteful in the long run because there will be design changes. So far we have only built three prototypes. Only one of those prototypes, the first prototype, has even flown. That has only flown eight times.

We are about to build a fourth prototype. We are about to change the design of the fourth prototype from the first three prototypes because there have been some things found out. Until we fully develop the number of prototypes which we are going to build, and until we fully test them and fully fly them, we should not go ahead with procurement because otherwise we are going to end up retrofitting and changing the design after we have already started production.

One of the best things that Secretary of Defense Melvin Laird and Deputy Assistant Secretary of Defense Packard did when they were in the Pentagon was to institute something called fly before you buy, which means that we fully test a weapons systems before we go into production. That is the issue that is facing us now with this amendment.

Mr. DICKINSON. Mr. Chairman, will the gentleman yield?

Mr. ASPIN. I yield to the gentleman from Alabama.

Mr. DICKINSON. I thank the gentleman for yielding.

As the gentleman in the well knows, I am very firmly in support of R. & D. money. I have very serious reservations about going into production money at the present time. Could the gentleman tell us what it might cost additionally if in fact we delete the production money now and then later decide to go into production? How much more will the airplane cost? How much more has to be added to the program?

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Mr. ASPIN. We run the risk of adding to the cost in both cases. If we were to delay going ahead with the production now, and if we were to build the plane as the first——

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Aspin was allowed to proceed for 3 additional minutes.)

Mr. ASPIN. There is a danger of additional cost in both cases. If we do not fund the long-lead-time items and we go ahead with production, and it turns out that the production is like the first three prototypes, then we are going to increase costs by cutting this money. The Air Force has estimated it would be something like $640 million in increased costs not to go ahead. But there is a second aspect which is that if we go ahead with production money now, and if we find out during the R. & D. that we want to change the design—and we are going to change the design because the design of the fourth prototype is different—then we are going to have to go back and change the design of those planes we have got on the production run, and that is going to be even more expensive.

So there is a money risk in both cases. However, to avoid the procurement disasters that we have had in the past, and to avoid the increase in cost of billions of dollars that we have had with production decisions in the past, we should not fund the production money until we have built the prototypes and fully tested them. That is the safest course of action and the one that will yield the greater savings in the long run.

Mr. DICKINSON. If the gentleman will yield further, I wonder if the gentleman will tell us what the $77 million goes for. We say this is production. Is it for the hard tooling that goes into making up the assembly line, the integral parts of the airplane? What does the $77 million go for that it would not be buying if we eliminated it?

Mr. ASPIN. It goes for long-lead-time items, long-lead-time items which are a year and a half away. The production decision will not be made until almost 18 months from now. We can go into long-lead-time-item production next year, if we want. We are talking about at least 2 authorization bills with long-lead-time items.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DICKINSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, if I might have the attention of the gentleman in the well, the gentleman from Wisconsin (Mr. Aspin), I did not mean to cut off our colloquy when I sought time before, because I think it would be beneficial to the Members of the House and meaningful if we would discuss a little more what it is we are buying with the $77 million.

If in fact we deny the Air Force the $77 million at this time, what does it mean or what will it cost ultimately in terms of increased cost or will we be perhaps saving money? That is what I was attempting hopefully to develop with the gentleman in the well.

Mr. ASPIN. Under a right set of circumstances we would be saving money to buy at $77 million. If what we will buy in the way of a production run turns out to be exactly the same plane and same kind of plane as we bought in the first three prototypes, then we would be saving money to go into production now. But we are talking about changing the design of the B–1 in the fourth production. The fourth prototype is a different design. So the point is if we are going to authorize production money this year and then a year from now authorize production money again, that will be 2 years of production money before we have even made the decision as to what kind of plane we are going to have for sure or whether we are going to have the plane for sure. That decision will not be made until November 1976.

So there is no sense if we are talking in terms of being careful about money and cautious about how it is spent, there is no sense in going ahead and buying a production item now, 18 months before a decision is going to be made even by the Air Force.

Mr. DICKINSON. I understand that. Can the gentleman tell me how much time this would add to the actual production in the event we should go forward with an orderly process? How much does this delay us in acquiring the first production model?

Mr. ASPIN. The first production plane?

Mr. DICKINSON. Yes.

Mr. ASPIN. The estimates are for 9 months to a year if we go ahead and build it.

Mr. DICKINSON. I understand we still have to determine at some point: Will we go into production?

Mr. ASPIN. If there is not any change. We of course will get a delay if we decide to change it. The risks about going forward with production before we have fully tested and fully prototyped the plane is that we are going to have to go back and retrofit and redesign planes and redesign parts of planes after we have already built them, because we have discovered during the prototyping that is not what we really wanted. That is what costs money and causes delays. There is no way to have a system which is completely risk free both of costs and of time.

Mr. MILFORD. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I yield to the gentleman from Texas who has a great deal of experience.

Mr. MILFORD. Mr. Chairman, I would point out with regard to whether we go forward with the production, which is extremely important, with the F–111 line down, unless we go ahead and get this into production, this Nation will not have a single plane in production. That is one very important factor as to why we should go forward with the production.

Mr. DICKINSON. Mr. Chairman, I thank the gentleman for his contribution.

Mr. KETCHUM. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I yield to the gentleman from California.

Mr. KETCHUM. Mr. Chairman, I wonder if the gentleman in the well, the gentleman from Wisconsin (Mr. Aspin), might answer a question. The gentleman has referred a half dozen times to long-lead-time items. I am very familiar with the B–111. What is the gentleman referring to? Is he referring to the wheels, is he referring to the engines, is he referring to the pivot points, or what is he talking about?

Mr. DICKINSON. If the gentleman will allow me I will check.

Mr. KETCHUM. I can run the gentleman out to Edwards if he wants to go ahead and look.

Mr. DICKINSON. Mr. Chairman, we are going to get an answer, but let me yield to the gentleman from Ohio briefly in the meantime.

Mr. SEIBERLING. Mr. Chairman, if the gentleman will yield, about a month ago I discussed this question with General Jones, Chief of Staff of the Air Force, and he said they expected to use the B–52G's and H's into the 1990's time frame, so we are not talking about a matter of B–52's suddenly becoming obsolete as far as the Air Force is concerned.

Mr. SEIBERLING. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I yield to the gentleman from Alabama (Mr. Dickinson).

Mr. DICKINSON. Mr. Chairman, let me just say, and I have talked with General Jones, too, and when we talk about making it through another decade, I do not think that is the purpose of the bill.

Second, we have to talk about what they are to be used for, what they will be capable of.

The Air Force has come forth with the idea of putting SCHRAM and other sophisticated weaponry on the B–52 that I think our committee will not go along with, I think it is safe to say. We are not going to take the B–52 that is 20 years old and repair them. I do not mean just repairing metal fatigue, but in putting SCHRAM's and other missiles and so forth on it.

I think the gentleman's committee is going to make a decision with either the B–1 or some other weapons system, but not to try to extend the life of the B–52 for another 15 years.

Mr. SEIBERLING. In other words, the Congress could overrule General Jones.

Mr. DICKINSON. That is exactly what the committee is for.

Mr. SEIBERLING. In any case, in the 1980's when the B–1 is completed, the Air Force expects to have 210 operational B–1's, that is, planes actually on the line.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Connecticut.

Mr. GIAIMO. Mr. Chairman, I think it is important that we do not mix apples and oranges, I do not think the B–1 and the B–52 are mutually exclusive. The B–52 has a mission and it is not the mission, I submit, of the B–1 bomber.

The B–1 bomber, in my opinion, is a low-level flying supersonic strategic weapon, as far as I am concerned, designed totally for a nuclear strike.

The B–52 has many other uses and they are not the same as the B–1 bomber.

Mr. Chairman, I support this amendment, because I think that we should make the decision first of whether or not we are going to go to the B–1 bomber as part of our nuclear deterrent and of the TRIAD weapons system. When we make that decision, then we should go into production; but it seems to me that we should not have advance production or procurement or engineering money until we make this basic decision, do we need and do we want this weapons system? That is far down the road and it has nothing to do with the B–52. In my opinion, the B–52 will be a usable airplane well into the 90's for many missions of a nonstrategic nature.

Mr. SEIBERLING. Mr. Chairman, I agree with the gentleman's ultimate conclusion, but I must say that the Air-Force considers the B–52 a strategic weapon today and the only reason they use it for other purposes is because they happen to have no need for them for their primary mission. Having lost 15 B–52's to obsolescent Soviet missiles in 11 days of bombing North Vietnam in 1972, I doubt very much that the Defense Department would recommend doing the same thing with an $84 million B–1 if it is truly a key part of this Nation's strategic weapons arsenal.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Missouri.

Mr. ICHORD. In view of what the gentleman from Connecticut has said, I believe it will cost at least $40 million a copy on the B–52, to give the B–52 the same capability as the B–1. That was the testimony before the committee.

Mr. SEIBERLING. The only point I am making is that the B–52 is expected to be used as part of the TRIAD system through the 1980's and, therefore, the time urgency whether we move ahead 9 months or sooner is not there.

Mr. ROBERT W. DANIEL, JR. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, last Thursday I spoke of the need to provide our Nation with an adequate defense force. The events of recent months have reminded us that diplomacy, détente, national security, and peace are all based on reality. The ultimate reality is, of course, military strength. The weapons and weapons systems contained in this authorization bill are the tools that our Armed Forces will use to achieve our military strength.

This year the House of Representatives has an obligation to examine carefully every legislative proposal to determine its impact on the economy. The budget deficit, by the estimate of the Congress, may exceed $66 billion, and the impact on the economy, while unknown today, may well prove to be truly harmful. At worst, the deficit could rekindle the inflation which is only now beginning to recede.

Some of my distinguished colleagues oppose the $77 million long-lead funding for the B–1 manned bomber program, needed to replace our aging B–52 fleet. Their motivation is doubtless a desire to provide a diligent stewardship of the taxpayer's money and to protect against additional inflation.

There are many instances when Members of Congress have criticized the increasing cost of defense programs. Sometimes increased costs are due to the same rampant inflation that has touched all segments of the economy. Sometimes mismanagement on the part of a contractor can cause increased costs. And sometimes, the Congress itself can cause increased costs. The move to cut the long-lead funding is one example of the Congress needlessly adding to costs in the long term to save money in the short term.

Elimination of the long-lead funding would delay the production of the permanent tooling that is needed if we decide in November 1976 to produce the B–1. We know that delays will allow inflation to push cost figures even higher. The tooling is also intended for use to produce the No. 4 aircraft already authorized. This elimination would create the potential for an expensive duplication of the tooling effort.

If we choose to delay long-lead funding, we will force the contracting company to lay off skilled personnel who have obtained valuable experience and expertise in the B–1 program. Many of these talented people, once they had found new jobs, would be lost to the program. Training new technicians could delay the program and would create new costs. Regardless of how dedicated the new employees are, they could not hope to match the efficiency of their experienced predecessors.

I would note here that the B–1 will not be produced in my congressional district. The decision of whether or not to produce the B–1 or to provide long-lead funding does not directly affect employment in my district. My constituents will benefit only to the extent that all Americans will benefit from the added security inherent in a strategic deterrent firmly grounded in a balanced triad of land based missiles, missile carrying submarines and manned bombers.

Elimination of the long-lead funding would also cause a 1-year delay in the delivery of the first production aircraft. The cost of this delay, if the program goes forward, is about $1 billion.

Seventy-seven million dollars is a lot of money. But we could save at least $1 billion. If, in 1976, we decide not to continue the production of the B–1, the $77 million will have at least provided the tooling for the fourth approved aircraft.

By delaying the long-lead funding, we can create a self-fulfilling prediction. B–1 critics say that the costs will rise to unacceptable levels. We eliminate the long-lead funding and as a result the costs rise. I must suspect that a few of my colleagues have the goal of saddling the B–1 program with disadvantages that will sink the whole program.

If the object is to develop a program as efficiently as possible, with the lowest cost to the taxpayers, then we should approve the long-lead funding.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. ROBERT W. DANIEL, JR. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I would like to commend the gentleman from Virginia for his very excellent statement and for the excellent work he has done on the Armed Services Committee. I would like also to associate myself with his remarks.

Mr. Chairman, I rise in opposition to the amendment to cut and/or eliminate funding for the B–1 strategic bomber. The point has been made that there are cheaper alternatives to the B–1; I would like to address myself to these points briefly. First let us consider the FB–111 stretch version. The recently completed Air Force Strategic Bomber Study found that when all things are considered the B–1 is much more cost effective than the FB–111. For example, no matter how much the FB–111 is stretched, it has good range only with a small payload and even then its range is a couple of thousand miles less than the B–1. But, the greatly reduced payload capability of the FB–111 alone makes it unacceptable as a mainstay in our strategic bomber force. Now, mention has been made of rebuilding the B–52's as an alternative. It is estimated that the cost of this project would be about $40 million per plane if we were to try to get similar capability as we will have with the B–1, but we would still have the problem of a relatively old airframe.

Also, it has been said that we should consider air launched cruise missiles as an alternative to a new manned bomber. The cruise missile can be an effective weapon for certain situations, but it is no substitute for the strategic bomber. The cruise missile could carry a reasonably large warhead, however, it could not carry the necessary electronic countermeasures and pentration aids that would be required to penetrate the Soviet air defense system. Since the cruise missile would fly at speeds comparable to aircraft it would therefore be vulnerable to the same kind of antiaircraft weapons as are manned bombers and without the sophisticated penetration aids carried by bombers the survivability of the cruise missile is questionable.

In summary, Mr. Chairman, the B–1 is truly a remarkable airplane. It is being designed and built to be an effective weapon system through the turn of the century. Its survivability will be much greater than any aircraft in existence. Not only will the B–1 be able to become airborne in half the time required for the B–52, but the B–1 is the first aircraft to have "designed in" nuclear hardening; that is, its airframe will be able to withstand blast overpressures and its avionics

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and electronic systems will be hardened against electromagnetic pulse and nuclear radiation. The B–1 will carry a considerably larger payload and weapons mix than the B–52. But one of the most important features from an economic point of view is that the B–1 is being designed so that it can accommodate future growth in avionics requirements as the need arises. It will, for example, utilize high-energy laser weapons when that technology becomes available.

And one more word about costs, Mr. Chairman. If we consider in terms of inflated dollars the cost of the B–52 development and production program it would come to around $30 billion in today's dollars. So, in actuality the B–1 is no more expensive than was the B–52 in its day.

In conclusion, Mr. Chairman, the B–1 will really be the blue chip in our strategic deterrent force. Much of the U.S. nuclear megatonnage is carried by bombers, and our bomber superiority compensates for Russian superiority in the missile area. Each strategic bomber that is phased out of the inventory represents a disproportionate reduction in numbers of effective weapons and in megatonnage unless it is replaced by a carrier of equivalent or greater capability. That is why the Russians would like to have the B–1 discontinued, and that is why they have even gone as far as to demand in the SALT talks that the United States cancel the B–1 program.

This alone should be our signal to build now, I urge the opposition to this and any other amendments to cut this program.

Mr. ROBERT W. DANIEL, JR. The gentleman is very gracious.

Mr. DOWNEY of New York. Mr. Chairman, I move to strike the requisite number of words and rise in support of the amendment.

Mr. Chairman, I had hoped to offer an amendment to cut both the procurement and research and development money, but since there was objection, I will not be able to do that. I am going to address myself to this amendment, to those who are in favor of ending our B–1 program.

I submit, Mr. Chairman, this will not—not—decrease our national security. I think a fundamental understanding of the strategic planning is in order.

Right now, we have a mad situation—M-A-D—mutual assured destruction on both sides. It is this Nation's policy to reply to Soviet policy by counterattack; massive counterattack. We are going to absorb one attack and throw it back. There is a chart on the stand for those Members who would like to see it.

We have three ways to do that. With our ICBM's, with our SLBM's, and with our bombers. With our ICBM's, the Titan and Minutemen, we are improving on the accuracy and yield of these weapons.

As the Members can see from the chart, after the first strike we would be able to destroy 43 percent of the Soviet population and 77 percent of their industrial base. With respect to the submarine missiles, our Trident, which are very reliable and creditable deterrents, we would be capable of destroying 31 percent of the Soviet population and 77 percent of its industrial base. These are impressive missiles. They take approximately 30 minutes to hit the targets. If we want to use the bomber, we would be capable of destroying 32 percent of the Soviet population and 75 percent of the Soviet industrial base.

One of the things that has been raised is the age of the B–52. It was designed in 1952. But our latest models—G's and H's—were last produced in 1962. Those Members who would like to see the classified reports, they will be available to do the job well into the 1990's. You might be asking why in an era of missiles do we need a bomber. There is a role for the bomber. The bomber does provide a hedge against massive retaliation. It does provide a method of complicating Soviet defense planning and it is a method for showing our resolve in a crisis.

The one thing we must understand is that the B–52 does do this. We have the FB–111, 66 of them, in 4 squadrons throughout the United States. What we are asking for here, when we continue with the B–1 bomber program, is only marginal improvement in what is increasingly becoming an obsolete system. The B–1 bomber flies a little lower than the B–52, but not that much lower. It does fly faster than the B–52, but not too much faster. Both airplanes are equipped with electronic measures to frustrate, jam, and decoy Soviet air defenses.

I submit that this program is too expensive, when we consider only the marginal improvements it makes on our existing system. The B–1 will cost $84.6 million an airplane, $20 billion for total program cost and it will have a $70 billion life cycle cost. It is too much money for marginal improvement.

I urge the Members to support the amendment and reject the B–1 program.

Mr. HILLIS. Mr. Chairman, I move to strike the requisite number of words, and I rise to speak in opposition to the amendment.

Mr. Chairman, of course the debate here, I think, is one that we should be considering, and it has gone all over the spectrum and far beyond the original intent, I think, of its offer to cut the procurement funds only.

Mr. Chairman, I would like to address some of the points that have been made here, however, so that the balance will be in the record of what the facts really are in relation to the B–1 bomber.

First of all, my colleague from Wisconsin, who offered the amendment, says that cutting the long lead items will only cut this program perhaps 9 months to a year. I do not purport to be an expert in this field, but I would certainly question those figures, because this is a technique that is used many places, not only in procurement of defense items such as ships to run parallel work to bring about production of hard tool items, but it is used in modern industry as well.

Anyone who is familiar with the production of even a new automobile knows that many times 2 or 3 years go into advance leadtime, long-range items for something that is no more complicated than that.

We have heard over and over again how much this system is going to cost.

If we stand up here and we stretch out again the time, we are only going to ask for a bigger dollar sign in the long run. When we do, deleting the long-lead production fund would do nothing more than add to the total cost of the B–1 program.

This is one of the major criticisms against the B–1, that it costs too much, but it is proposed to increase the cost by deleting the funds because we still have an entire year to assess its progress, its performance, and other considerations.

Going to some of the points just made by my colleague, the gentleman from New York (Mr. DOWNEY), first, the flight tests of the prototype, as I understand, are excellent. It is performing very, very well. We certainly can look at the cost; and as I said, this is perhaps the greatest criticism of the system. There is no match in the free world today or any place in the world, as far as I am aware, for the B–1 as a weapons system. Still, do not be mistaken, my friends. We depend upon the bomber force for over 50 percent of our strike capacity.

If we look at the costs, the $84 million figure is not for the B–1 today. It is the projected cost for aircraft in 1980. If there were no further inflation, the cost of each B–1 to build would be about $50 million, not $84 million.

The longer we stretch this out with amendments, the more we make the cost.

Let us look at the B–52 and B–1 and project our cost. The total cost today of the B–1 is about $20 billion for 244 planes, if we move ahead upon that figure.

If we were to replace the 500 B–52's that we have in service, that everyone wants to keep today, the cost would be $30 billion. We have to remember that the B–52 was built at a time when dollars were considerably different. The B–52 has been a good investment for the taxpayer. Its average inventory life is 12,000 hours before retirement, as compared with 2,000 for the B–29; 2,200 for the B–36; 3,600 for the B–47; and 4,400 for FB–11.

The only other system that will match it is the B–1 and it is projected out at 13,500 hours shelf life.

We have a good plane in the B–52. It has defended America well for 20 years. It is going to go on another 10 or so. The same thing can be said as to the B–1, which will be good beyond the year 2000. Now is not the time to cut the program, to cripple it, or delay it. We will just raise the cost if we do so.

Mr. WAGGONNER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman and my colleagues of the committee, the gentleman from Wisconsin (Mr. ASPIN) who offered the amendment said that there were two groups who ought to be for his amendment: those who favored deleting the production money from the bill and those who are opposed to any further research and development.

Simple deduction tells me that there ought to be just one group against it: those who believe and those who know that we have to get a new bomber in production in this country. It is just that simple.

The gentleman has told us the truth; if we do not want an airplane, then vote for this amendment and the following amendment; vote against production money, long leadtime money, and research and development money. However, if we want a good new bomber in our inventory, then vote against this amendment and vote against the next amendment, which will propose doing away with research and development money, because both amendments are nothing in the world but a baldfaced fraud to keep us from building a follow-on bomber in this country.

Therefore, I submit again, the people who ought to be against this amendment are the people who want a new bomber in our inventory.

People have been standing here and quoting statistics from the GAO. That reminds me of the Secretary of Defense we had at one time by the name of McNamara. He knew a good deal about computers and statistics, but he did not know a thing about human nature; and what he did to this country we have not gotten over yet as far as defense is concerned. The GAO is an audit operation. DOD specializes in defense.

Mr. Chairman, we need not make that McNamara mistake again. Mark my words: If we fail to continue to develop weapons and weapons systems which are conventional, we are hastening the day of nuclear holocaust because eventually we will not have anything to fight a war with except nuclear weapons. Conventional bombers will deter war. They always have.

The gentleman from Wisconsin (Mr. ASPIN) stood up here and said that it is only $77 million. He acted like he was ashamed of it because it was so small. Do not worry about the dollar amount involved; worry about the principle involved.

This is the important thing. And he did not argue, when he stood here and offered his amendment, that this long leadtime was not needed. What the gentleman in effect was arguing was that we might make some changes, and I repeat, that we might make some changes. The reason for building prototypes, my friends, is to determine whether or not we need to make changes before we go into full-scale production. That is the reason for prototypes. That is the reason we will build the fourth prototype. That is the reason that those things which are not going to be changed, which have been proven, should be purchased now so we will not lose time in getting the airplane into our inventory.

It is just that simple, so far as I can see the situation.

Do not deny to the United States, at a point in time when all our B–52's are getting old—and they referred to the G's and the H's, and they are the most modern, the ones that have been brought up to date, and they will be the last in our inventory. But, for God's sake, when you phase old planes out you have got to phase new planes in, and we need a conventional bomber, active bomber, in our weapons system in our inventory.

We ought not to vote to strike this procurement money for these planes, and also we should not vote to strike the research and development money.

Mr. HÉBERT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman and Members of the Committee, I rise today in opposition to the amendment because I think that I have been associated with the development of the follow-on bomber more than anybody else in this body. I chaired the first committee that started out more than 8 years ago to develop a bomber to follow our B–52's. We are way behind right now, and we are behind because of the antics and the tactics of the gentleman who was referred to previously by my colleague, the gentleman from Louisiana (Mr. WAGGONNER), Mr. McNamara.

There is one thing we must keep in mind: A missile, only nuclear-propelled, is not the full deterrent to nuclear war. We need the conventional weapons as well. A single type nuclear weapon is not in itself a deterrent against a nuclear attack, and consequently we need the nuclear TRIAD.

We need the sea power, we need the air power, and we need the land power.

There is not an open production line of B–52 bombers in this Nation today. The bomber line was closed years ago, and unless we develop this new B–1, and do not do anything to deter its promotion to its ultimate conclusion, we are going to find ourselves in a very, very bad position.

But there is another thing that has not been brought up here today, and I want the Members of this House to know this: We are not the only ones interested in the B–52's and the B–1, those of us who are so much for the defense and security of this Nation, we are not the only ones interested in that, there are some other people who are vitally interested in stopping the B–1.

Who? The Soviets. They are very vitally interested in what this body does here today, and what this Congress does to the B–1.

I will tell the Members why. We had Ambassador Alexis Johnson before our committee in executive session, and what I repeat here now I repeat with his permission. I do not violate the secrecy of that session, because I asked him whether I could tell this. And this is very interesting, and remarkably so, that in the original SALT talks the Soviets insisted vigorously and fought hardest for us to stop the continuation of the B–1 bomber.

In the agreement reached in the SALT talks, we do not find any mention of the word "bomber." We only find ICBM's, and things of that nature—the missiles. Now we are in the second phase of the SALT talks, and do the Members know the language we find in it today? Bombers. Bombers. What are the bombers they are talking about? They are talking about the B–1, and they want that B–1 included in the limitation of our firearms so to reduce it and bring it in. Then they say nothing about eliminating it. Why? Moscow can read the papers and hear the statements of some individuals in this country. They are depending on this Congress to kill it. That is what they are doing. I, for one, will not vote to satisfy the Soviet desire.

This is a very serious matter before us. This is something that we should well weigh and examine our consciences on and realize and know what we are up against. We are either up against the protection and the security of this Nation or we are up against a defenseless nation and its destruction. That is what we are facing.

The B–1 is on the line. We cannot take a single penny away to stop its development. We must back it completely. I say yes to Russia; I say yes to Moscow; I say yes to the Kremlin. Look to the Capital of the United States today, and you will get the answer of this Congress. I know this Congress has got the guts enough to keep the B–1.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HINSHAW. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. HINSHAW. Mr. Chairman, I thought it was very interesting that when my friend, a member of the committee, the gentleman from Alabama (Mr. DICKINSON) asked the question, What would the $77 million in long-leadtime items go for? The author of the amendment did not know the answer to the question, so I will tell the Members. Ten million dollars of that $77 million goes for castings and forgings, and the other $67 million goes for tool design, for engineering. It goes for manpower; it goes for jobs; it does not go for something which is going to be lost in the overall program, I think, further, the testimony before our Committee on Armed Services clearly indicated that we would have several hundred million dollars lost, and some of the estimates go into the long-lead items and some of ranged up to $900 million, if we do not the other elements which are in the bill.

Mr. Chairman, let us vote down this amendment and reaffirm our national commitment to a continuing strong military defense, keep the need for the B–1 bomber and its cost in proper perspective. If we do not we are going to lose touch with reality and emasculate a pro-

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gram which is desperately needed to preclude a credibility gap in our defense triad.

First of all, I want to make clear that the B–1 is not an expensive airplane in terms of today's economic realities. Have the Members checked lately on the cost of a commercial version of the SST—like the Concorde, or the Russian model? They may be surprised to know that the cost of the commercial supersonic plane is nearly identical to the cost of the B–1 airframe. The additional cost of the B–1, which amounts to a relatively small figure is for the military hardware; the black boxes, and other equipment. So the cost of the B–1 is not really out of line at all by today's standards.

Some critics like to point to the fact that in 1970 the bomber only cost around $30 million, and they tell us that there has been a huge escalation increase, because now it will cost nearly 3 times as much—in other words, around $84 million.

But let us take a look at that for a moment. That is a phony argument for escalation cost. The fact of the matter is that the $30 million price was really a barebone price for one operational bomber at the end of the runway, ready to fly. Let us call that a windshield sticker price. In other words, it is a flyaway price. Remember we projected that fly-away cost in 1970. In today's market, it would cost around $42 million, and if we project that to 1981, it is around $59 million. Now, that is nowhere near the $84 million that some people would like you to believe constitutes the fly-away cost of the aircraft. And here is why. There is a second cost in all weapon systems known as a procurement cost. In other words, this includes the cost of the ground equipment that goes with the system—the cost of the spares, the troop training, the ground support functions, and the like. Now if we add those costs to the original costs of the B–1, we get a procurement cost not of $30 million, but $34 million in the 1970 timeframe, and projecting that to today's costs, not $42 million, but nearly $50 million, with most of that inflation costs. Project further to 1981, and the cost is nearly $69 million.

But let us not stop there, because we have a third cost that tends to get ignored in weapons procurement, and that is called a program unit cost. This is a sum total of the first cost, which we called the fly-away cost, and the second cost which we called the procurement cost, with the spares and ground equipment. Now we add the research and development cost. Translating that into dollar figures, the 1970 cost of the B–1 was $45 million, and today's cost around $65 million, and the projected 1981 costs, $84 million.

That is where the $84 million comes from, so we can see it is totally unfair to say—look, it started out costing $29 million and now it is $84 million and make it sound like there has been an outrageous cost escalation. Remember when you bought your last car? The dealer did not charge you just the factory sticker cost, which is like the fly-away cost I talked about. You know what happens when the extra costs were tabulated. Well, it is analogous to buying a sophisticated airplane.

It may surprise you, but it is a fact that over 88 percent of the cost increases of the B–1 from 1970 to the projected 1981 costs have been due to the effects of inflation estimated in the 15-year life of the program. The other important fact is that without inflation, the total program—in other words the research, development, and production—has increased less than 12 percent during the 5 years that the program has been under contract. You will have to look mighty hard to find another recent major weapon system which provides you that kind of economy, and that kind of escalation cost; that is, only 12 percent over 5 years. Rather than objecting to this program its critics should be commending everyone involved, the Air Force, the contractor, and those congressional committees who have, during the past 5 years, stressed to the Department of Defense the need for efficiency in consideration of new weapons systems. These urgings have been heeded by the Air Force and the contractor as evidenced by fact of only a 12-percent-program increase in constant dollars.

Mr. PIKE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would not have been happy if I had not had the opportunity at some point to get into this debate, and yet I have the strangest feeling that it is all some kind of a bad dream that will go away. I had the feeling as I listened to my distinguished former chairman of the Armed Services Committee talk, that if only we had a new bomber all our problems would go away. If only we had one big new bomber we would not have any trouble with the rest of the world. And, yes, the Soviets want us to stop building this bomber and, supposedly, I am being somehow faintly unpatriotic because I, too, want us to stop building this bomber.

But the reason I want us to stop building this bomber is that I do not think it adds much to our national defense. It adds something. One cannot spend $20 billion without adding something, but it does not add $20 billion worth to our national defense and that is the issue we are confronted with today and that is the only issue we are confronted with today.

We just got out of a war in Southeast Asia, and did we win the war in Southeast Asia? I submit that we really did not. Well, let us look at the bombers that the other side had in Southeast Asia. How many bombers did the North Vietnamese have and how did they use them against us in Southeast Asia? How many helicopters did they have and how did they use them against us in Southeast Asia?

What we are doing is building weapons systems for the wars we are not going to fight.

If one of us were a Communist leader today, what sort of tactics and strategy would he develop for the United States of America? Would we say, "Let's have a big frontal assault across Europe"? Or would we say, "Let's generate more wars of national liberation, more wars of subversion"? That is what they are going to do. They can see what happened in Southeast Asia, just as well as we can. They know what is going on in the world, and that is the sort of war we refuse to prepare for.

We are building a weapons system with this B–1 program for a kind of war which we are not going to fight. If we are not going to fight in Southeast Asia against North Vietnam, are we really eager to embark on this all-out war against the Soviet Union? I do not think we are.

I do not think that it is a sign of weakness on our part to say that we ought to be investing our $20 billion where it will buy us some strength.

Honestly, if we had the guts to face up to the issue, we would be debating in the House of Representatives whether we really ought to have a draft or not. We ought to be debating in the House of Representatives whether the all-volunteer Army is ever going to be worth a darn when we need an Army.

Instead of that, we are trying to paper over our deficiencies by spreading money all over the system and pretending that if only we pour enough money on magnificent new sophisticated weapons systems that there will be some easy way to fight a war, there will be some painless, bloodless way to fight a war and we could win it if only we had a new bomber.

Mr. Chairman, this program has already wasted enough of our resources. This program has already sapped enough from the money we could be spending toward a meaningful national defense.

I want to make it perfectly clear that I am for this amendment, I am for killing this program dead right now before we pour any more money down this particular rathole. They used the argument, "Well, we've got to have the ABM system to negotiate with the Russians," and we poured $10 billion down that rathole. Let us not pour $20 billion down this one.

Mr. ICHORD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment. This is an issue, my colleagues, upon which two people can have honest differences of opinion, even though both of them believe in a strong defense for America.

I know that the gentleman just in the well believes in maintaining a strong defense capability for America. I have followed this issue, Mr. Chairman, not nearly as long as the distinguished gentleman from Louisiana, but almost as long as the gentleman from New York. I remember back in 1963 or 1964 that I joined with the gentleman from New York and four others—three others, I believe, in opposition to the funding of the B–70 program, which at that time was to be our follow-on bomber. I thought that the gentleman from New York was correct, because at that time the majority of the committee wanted to build the weapons system and the aircraft itself simultaneously. I thought we should first fly the airplane. I did not think that we had the technology available at that time to build a complete effective system. But today we do have the technology and the B–1 is ready to be built and deployed.

I would ask the gentleman from New York, when he states that we are building weapons systems to fight a war that we will never fight, why do we build submarines as a nuclear delivery system.

Why do we build the Minutemen? Here, we are dealing with a weapons system that constitutes 58 percent of our nuclear deterrent. As the gentleman from Louisiana so aptly pointed out, it is very important that we proceed with the B–1 bomber in view of the Vladivostok understanding. The B–1 bomber will be under the 2,400 launching devices and will count only as 1 launching device even though it can carry as much as 24 nuclear bombs.

The gentleman from New York (Mr. Downey) has stated that we have an alternative in the form of the FB–111. Yes, we can buy some FB–111's for each B–1 we need, and because the FB–111 can only his 10 percent of the targets without aerial refueling, I would state to the gentleman from New York—and we are not and we never intend to be in the Kamikaze business—that we would then have to double our tanker fleet to support the FB–111. In short, the large final cost for a minimum scope FB–111 force with its attendant greater tanker and personnel needs would exceed the total cost of the entire B–1 program.

This is the issue before us today, as the gentleman from California and the gentleman from Virginia pointed out. We are weighing $77 million against $900 million, as estimated by the gentleman from California, and possibly a billion dollars, as estimated by the gentleman from Virginia. We are possibly going to have to spend many, many more millions of dollars if we adopt this amendment. The amendment is pennywise and pound foolish and should be defeated.

Mr. YOUNG of Florida. Mr. Chairman, I rise to strike the last word.

Mr. Chairman, the gentleman from New York (Mr. Pike) frightened me a few moments ago. He almost persuaded me to agree with him in striking out the B–1 program, and almost convinced me that I should vote against the entire authorization bill because he almost led me to believe that we were not going to have any more wars at all—at least not any more major wars. They were all going to be little skirmishes like we had in Vietnam, which cost thousands of American lives; like we had in Korea, which cost thousands of American lives.

As I reflected during the time the gentleman from Missouri (Mr. Ichord) was speaking, I realized that the gentleman from New York is in no position to guarantee us that we are never going to be involved with a major war. I wish he were. I wish he could give me some kind of proof today that could convince me that we never would need another troop on the ground; that we would never need another submarine under the sea; that we would never need another military aircraft in the sky. I pray to God that he could convince me that he is right today, and I hope he is.

But, I have seen nothing that the gentleman from New York proposes that convinces me that we can let down our defenses. I think the B–1 bomber is an important part of our defense of this country.

Things change; tactics change; motivations change. The B–52 has been an effective war machine which unfortunately has killed a lot of people. However, the B–52 and the proper use of the B–52 is what made it possible to get Americans held prisoners of war in Hanoi back home to the United States. There is no doubt about that, but as effective a piece of war equipment the B–52 might be, tactics change.

When the B–52 was built, the tactic was to fly as high as one could, deliver as heavy a bomb load as one could, and fly above the antiaircraft defenses of the enemy. When the enemy learned about this tactic, he developed an antiaircraft system which could fly as high as the B–52. In fact, the SAM system is more effective the higher the target.

The B–52's flying over Southeast Asia learned that as they became very vulnerable, so a tactic was adapted; to attempt to come in low, to fly fast. I say today that the B–52 is just not effective in that regard. In the low level terrain following attacks, the B–52 just cannot fly as fast as it needs to fly to be reasonably safe from enemy antiaircraft defenses.

The B–1 is designed to do just that, to hug the terrain, to fly low, to fly fast, at supersonic speeds, and to be, as immune from enemy antiaircraft defenses as it is possible to be. The B–1 is a good defense system. The B–1 is a deterrent. The B–1 is one of those defensive structures that we will have that will possibly keep us from ever having to use it in a hostile fashion; in an attack on another nation. And I know that is what we all want. I think we would like to be able to say to our children, to our grandchildren, that they are not going to have to fight any more wars.

I hope the gentleman from New York (Mr. Pike) is right, but until the day comes that he can prove to me that he is right, that we are not going to have to have a defense, then I say we ought to have the strongest, most effective defense system we can possibly have at our command.

Mr. BEDELL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the hour is late, and I do not want to take very much time. But if we are going to look at these types of problems, it seems to me that we better look at the total problem. It seems to me that the argument that comes forth that this is not a debate on whether or not the B–1 makes sense is very fallacious, because certainly it does not make sense for us to buy long leadtime items if the B–1 bomber does not make sense.

Mr. Chairman, I would ask the chairman of the committee if he can tell me how many bombers we have at this time and how many the Russians have.

Will the gentleman tell me, please?

Mr. PRICE. If the gentleman will yield, we have about 700, all told, FB–111's and B–52's. The Soviets have in the neighborhood of about 345.

Mr. BEDELL. According to the gentleman's figures, we have twice as many as they have, or more?

Mr. PRICE. No, I would not say that, because the Soviets' are all newer than ours.

Mr. BEDELL. But we have twice what they have. The figure that I have—and I am not here to argue with the chairman—is that they have 140. But would the gentleman also tell me about the cruise missiles?

Mr. PRICE. Yes, I will be happy to tell the gentleman about them. It is one of the alternatives for the B–1. We have reviewed this in depth. There may be a disadvantage centered around the fact that it does not maneuver or carry an ECM. The British, during World War II, were able to shoot down the V–1 rockets because of these inherent shortcomings. Perhaps in the years to come this can be changed. But today we do not have an adequate, flyable cruise missile. Cruise missiles fly slowly, which is another inherent disadvantage. And finally, they do not have the range to penetrate and attack many of the single integrated operational planned targets.

Mr. BEDELL. What is the range of the Cruise Missile?

Mr. PRICE. I have heard around 600, something like that. A very short range. The delivery system for the Cruise Missile would be twice as much. The 747 aircraft has been proposed. The price of this aircraft, in today's dollars, is in excess of $34 million.

Mr. BEDELL. So we would use a $34 million airplane instead of an $85 million airplane?

Mr. PRICE. It depends on what else you put on it. That is just to buy the airplane.

Mr. DOWNEY of New York. Mr. Chairman, will the gentleman yield?

Mr. BEDELL. Yes, I yield to the gentleman from New York.

Mr. DOWNEY of New York. Mr. Chairman, I think there are a couple of things which should be clarified.

The chairman mentioned a number of Soviet heavy bombers. What he did not mention is that the Tupelos, the Bears and Bisons, that the Soviets do have are propeller-driver aircraft and that, I believe, there are 10 of the present Soviet heavy bombers which they do not consider heavy bombers because they have to be refueled twice before they get significant target coverage over this country. They only have 10 of them.

I would just like to respond very briefly.

Mr. BEDELL. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY of New York. Yes.

Mr. BEDELL. I only have 1 minute left.

It seems to me that if we could have the availability of cruise missiles which

General Jones indicated to us in the meeting we had, saying that they were feasible, it appears to me that we ought to look a long time before we decide that we are going to move forward on a major bomber program which will require bombers that have to fly over a target, whereas we can take other planes which can fire 1,000 miles or 600 kilometers to that target.

We have heard that we ought to have the guts to do what we need to do. I would hope, above all else, that this Chamber would not make a determination based upon how much guts we have, but how much good sense we have.

It has also been said that $20 billion is not a very big expense. I am absolutely shocked that we would hear that sort of statement in this Chamber. Certainly to me, if we are going to bring America where we need to go, we had better look pretty carefully at where we spend our money, and we ought to try to bring ourselves back to some fiscal responsibility.

Mr. SEIBERLING. Mr. Chairman, I move to strike the requisite number of words.

Mr. MOAKLEY. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. Yes, I yield to the gentleman from Massachusetts.

Mr. MOAKLEY. Mr. Chairman, I commend the gentleman from Wisconsin (Mr. ASPIN) and rise in support of the amendment to delete funds for the B–1 bomber system, a subject I feel very strongly about.

The B–1 bomber has a price tag of $84 million per plane and a total program cost of over $20 billion. The Defense Department has requested this expensive aircraft out of a belief in the need for a replacement for the B–52's that are currently being used. They feel that the B–52's are too old and that a newer, faster and bigger payload aircraft is necessary. The reasoning behind the B–52's and their replacement by the B–1 is that the strategic defense system of the United States is based on the concept of the TRIAD, that is, three separate systems of nuclear deterrance and defense to back up each other in the event of breakdown or destruction of part of the system. With three effective working systems, the security of the United States is, theoretically guaranteed, each system having the power to destroy a significant part of the enemies' offensive, and defensive weapons as well as key military bases and industrial centers.

I question the feasibility of continuing the research and development as well as procurement of the B–1 on the grounds that the aircraft is not necessary, it will not work and that it costs too much.

First of all, I would question the validity of the TRIAD concept. It seems we have accepted the need for overlap or duplication of services when there is good reason to believe that only one system is necessary let alone two or three strategic systems.

The present system of submarine launched ballistic missiles with multiple independent reentry vehicles provides us with the best offensive nuclear missile system available as well as the best defensive system. With our missiles being launched from submarines, they are protected from enemy destruction in that they are constantly moving, constantly changing location, and virtually undetectable. The enemy cannot destroy a missile system that they cannot locate. Sub-based missiles are our best system of defense. There is no real need for a bomber back up system.

In addition to the submarine launched ballistic missiles, we have our intercontinental ballistic missile system based here in hardened silos. Should the nearly impossible event of a totally inoperative sub-based missile system occur we have our land-based missiles as a backup. These missiles are nearly as effective as the sub-based missiles in that they are almost as fast to target but their safety from attack is not guaranteed. Being stationary, they are susceptible to location and hence destruction. The hardened silos that they are contained in provide an element of security but they cannot be considered to be as safe as the sub-based missiles.

The B–1 bomber, or any bomber, should it be necessary in the event of the failure of the submarine system as well as land-based missile system would have a questionable longevity in terms of safety. Should we have to rely on our bombers, it is not clear to me that they could survive a first strike attack. Whereas, the sub-based missiles are undetectable and the land-based missiles are protected somewhat by hardened silos the bombers would be unprotected on an airfield.

Even with a majority of them protected by being in the air, we will have the question of effectiveness to contend with. Can the B–1 or any bomber penetrate enemy airspace? There is no unanimous opinion. I would tend to think that it would be close to impossible. Even with such features as supersonic speed, which cannot be utilized entirely over enemy territory, small radar cross section and an electronic countermeasure system we have no guarantee that Soviet technology will be neutralized. It is my opinion that any enemy aircraft that would have to penetrate an area as large as the Soviet Union and its radar defense system would be detected and destroyed well in advance of its arrival at the target area.

In the case of the B–1, it is even questionable as to whether or not the bomber can carry enough fuel to complete its supersonic mission. That is, with a maximum range of 6,100 miles a refueling stop would be necessary. It is also not clear to me that the maximum range figure is the same for a totally supersonic flight.

These problems throw doubt on the usefulness of any bomber system let alone one as expensive as the B–1. Even if I were to agree to the necessity of a back-up bomber system, I would not agree to the necessity of the B–1. Our present force of B–52's are only 15 years old. The Air Force seems to feel that 15-year-old aircraft are no longer effective but this is not true. Our present fleet is and will continue to be effective well into the 1990's. The B–52's, although slower, are still in good condition and can still do the job required of a third back-up deterrence system.

The question of cost effectiveness always comes up in evaluation of defense systems. There is clearly a lot more security and defense available for the money through either the submarine-launched ballistic missile system or the land-based intercontinental ballistic system. The B–1 program is just too questionable to justify the jeopardy of $20 billion. That could be more safely spent in other areas of defense or in social welfare programs. Let me give you an example of how we could otherwise spend this $20 billion.

With unemployment running at 8.9 percent on an average in the United States and 8,780,000 people unemployed, we could divert this money into public service jobs. We could put 500,000 people to work for the next 5 years. Even to put this money back into the defense budget makes more sense than to waste it on the B–1 program.

What I am saying is that we have an $84 million airplane at a total program cost of $20 billion. Its usefulness and effectiveness are entirely questionable. The price tag is too high and the yield is too low. I am against the B–1 bomber program and urge the Congress to consider the alternatives. To adopt or further fund a program with so many questionable aspects to it is not an act that is consistent with the responsible exercise of congressional oversight.

Some argue that defense spending, specifically the $20 billion that would be spent on the B–1 program is good for this ailing economy and would create jobs.

I take issue with this concept and suggest that defense spending is not as effective as are social welfare programs in creating jobs. Government spending in civilian goods and services production sets off a much larger chain reaction of sales and spending than does defense spending. Defense production does not become a significant part of the Nation's economic activity and therefore does not increase the level of economic activity.

Since defense is more capital intensive than labor intensive, it does not create as many jobs as spending in other areas of the economy. Where $1 billion spent on defense creates 75,812 jobs, $1 billion spent on education at the State level creates 104,019 jobs.

The belief that defense spending is good for the economy is clearly dangerous in these times of inflation. Defense spending is inflationary in that it can create an excess of demand in the economy. Workers are paid but nothing is returned to the economy. Although they buy goods, they do not produce anything that can be bought—thus creating an excess demand and inflation.

In summary, we have an expensive weapons system that is probably unnecessary, most likely ineffective and would have no beneficial impact on our economy and in no way aids our country. I urge the Members to exercise their congressional responsibility by not supporting this program.

Mr. SEIBERLING. Mr. Chairman, I rise in support of the amendment.

In case anyone thinks that I lightly oppose this B–1 and support this amendment, let me say that the North American Rockwell Co., the prime contractor, states that the 14th District of Ohio which I represent is the "Nation's largest district in terms of current B–1 prototype business awards".

Because of this situation, one of the first things I did when I came to Congress, was to study in depth the B–1 project. Every time I am lobbied, which is annually, by people from my area supporting the B–1 program, I respond, "Sure, I would love to see this extra business go to my district, but I think that on a program of this magnitude I have to decide what is in the best overall interests of the United States of America."

The Congress has consistently every year, on the affirmation of the chairman of the committee, voted only for a B–1 prototype program. But this year we are asked, for the first time to vote funds for full production. So if you vote against this amendment you are voting to go ahead with the full $70 billion program.

I am amazed to hear "fiscal conservatives" talk blithely about how if they are wrong in voting for this program we are only out $20 billion. One would think they would be at least concerned enough to learn the true cost, which far exceeds $20 billion. One would think, where that kind of money is involved, they would dig into the program enough to satisfy themselves as to whether we really need it.

There are three arguments that are compelling against this weapons system, and they are so compelling that I do not see how we can do otherwise but support this amendment.

In the first place, bombers are no longer the strategic weapons system of this country. If the Members want to know the source of that, it is the Secretary of Defense's annual posture statements over the past several years, as well as data published by the Institute the Strategic Studies.

In 1960, for example, when the Advanced Manned Strategic Aircraft, the forerunner of the B–1, was conceived, the distribution of nuclear weapons in the U.S. Strategic Forces was 1 percent submarine-launched; 2 percent land-based ICBM's; and 97 percent delivered by bombers.

As of today, in 1975, 45 percent of our nuclear weapons are carried on submarines, 22 percent on ICBM's, and 33 percent on bombers. By 1980, when the proposed B–1's would be joining the force, 58 percent of our nuclear weapons will be submarine launched, 19 percent ICBM's, and only 23 percent bombers. At that time we will have an arsenal of 12,000 nuclear weapons. Since the existing B–52's can carry 24 weapons and the proposed B–1 will carry 25 weapons, the 1-weapon difference per bomber in relation to a total of 12,000 weapons makes the advantages of the B–1 over the existing B–52 fleet hardly worth the enormous additional cost.

In the second place, there is no urgency for a production decision to be made at this time. This year the Air Force has announced that they plan to retain at least 255 B–52's and 60 FB–111's until 1985, and to continue the B–52's into the 1990's, even if we produce all the B–1's.

The third objection is that strategic gravity bombing is obsolete in today's technology, and yet we are being pressured by the Department of Defense and the Air Force into making a premature decision to enter into a program that even without cost overruns could exceed $75 billion in the next 20 years.

Why this pressure? Because the state of the art is such that if we wait 2 or 3 more years we may well decide to have no B–1's at all. And that would put a lot of generals out of work.

With the tremendous increase in the cost of an adequate defense in our economy, and limited defense dollars, we simply cannot afford luxuries like the B–1. At best, it is a peripheral, marginal, weapons system. It is not the core of our strategic forces. This kind of program adds significantly to our inflation without adding significantly to our defense. It takes billions of scarce tax dollars from our civilian economy for a project that provides far fewer jobs than the same amount of money spent on civilian needs, such as housing, health care, and transportation.

And, most ironic of all, it soaks up billions of defense dollars for a project of only marginal military value.

Mr. PRICE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think the issues have been pretty well drawn here during the last hour's debate on this amendment, and I think every Member understands the amendment.

Mr. SKUBITZ. Mr. Chairman, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from Kansas.

Mr. SKUBITZ. Mr. Chairman, I think the gentleman for yielding to me.

I am not an expert on military affairs, but I have sat here and listened to the so-called experts for 45 minutes now. All I want to say is that I have listened to my good friend, the gentleman from New York (Mr. PIKE) and the other gentleman from New York, who are for this amendment, and the gentleman from Louisiana (Mr. HÉBERT) and the other gentleman from Louisiana (Mr. WAGGONNER) who are opposed to it, and I have reached one conclusion, and that is that even if the gentlemen from Louisiana (Mr. WAGGONNER and Mr. HÉBERT) are wrong, then I have lost $20 billion, but if the gentleman from New York (Mr. PIKE) and the other gentleman from New York are wrong, I could lose a country.

Mr. PRICE. Mr. Chairman, I oppose the amendment, and I hope that we can take a vote on it at this time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. ASPIN).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ASPIN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device; and there were—ayes 164, noes 227, not voting 42, as follows:

[Roll No. 223]

AYES—164

Abzug
Adams
Addabbo
Ambro
Anderson, Ill.
Aspin
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bergland
Biester
Bingham
Blanchard
Blouin
Bolling
Bonker
Brademas
Brodhead
Burton, Phillip
Carr
Clay
Cohen
Collins, Ill.
Conyers
Corman
Cornell
Cotter
Coughlin
Dellums
Dickinson
Dingell
Dodd
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Emery
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fisher
Fithian
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fraser
Frenzel
Gaydos
Giaimo
Gibbons
Grassley
Green
Gude
Hall
Harkin
Harrington
Harris
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Hicks
Holland
Holtzman
Howard
Howe
Hughes
Hungate
Jacobs
Jeffords
Jordan
Karth
Kastenmeier
Keys
Koch
Krebs
LaFalce
Leggett
Lehman
McClory
McCloskey
McCormack
McHugh
McKinney
Maguire
Mazzoli
Meeds
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mink
Moakley
Moffett
Moorhead, Pa.
Mosher
Moss
Murphy, Ill.
Natcher
Neal
Nedzi
Nolan
Nowak
Oberstar
Obey
O'Hara
Ottinger
Pattison, N.Y.
Pike
Pressler
Pritchard
Quie
Rangel
Reuss
Richmond
Riegle
Roncalio
Rosenthal
Rostenkowski
Roush
Roybal
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Simon
Smith, Iowa
Solarz
Spellman
Stark
Stokes
Studds
Sullivan
Symington
Thompson
Traxler
Tsongas
Ullman
Vander Veen
Vanik
Waxman
Weaver
Whalen
Wirth
Yates
Young, Ga.

NOES—227

Abdnor
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Bafalis
Bauman
Beard, Tenn.
Bell
Bennett
Bevill
Biaggi
Bowen
Breaux
Breckinridge
Brinkley
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carney
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collins, Tex.
Conable
Conte
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Davis
de la Garza
Delaney
Dent
Derrick
Derwinski
Devine
Downing
Duncan, Tenn.
du Pont
Edwards, Ala.
English
Erlenborn
Esch
Eshleman
Fish
Flood
Flowers
Flynt
Fountain
Frey
Fuqua

UMI

Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Guyer
Hagedorn
Haley
Hamilton
Hammerschmidt
Hanley
Hansen
Harsha
Hastings
Hawkins
Hays, Ohio
Hébert
Heinz
Henderson
Hightower
Hillis
Hinshaw
Holt
Horton
Hubbard
Hutchinson
Hyde
Ichord
Jarman
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krueger
Lagomarsino
Landrum
Latta
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
McDade
McDonald
McEwen
McFall
McKay
Macdonald
Madigan
Mahon
Mann
Mathis
Matsunaga
Melcher
Michel
Milford
Miller, Ohio
Mineta
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Nichols
O'Brien
O'Neill
Passman
Patten, N.J.
Patterson, Calif.
Pepper
Perkins
Pettis
Peyser
Pickle
Poage
Preyer
Price
Quillen
Randall
Regula
Rinaldo
Risenhoover
Roberts
Robinson
Roe
Rogers
Rooney
Rose
Rousselot
Runnels
Ruppe
Satterfield
Schneebeli
Schulze
Shipley
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Nebr.
Snyder
Spence
Staggers
Stanton, James V.
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stratton
Stuckey
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Thornton
Treen
Van Deerlin
Vander Jagt
Vigorito
Waggonner
Walsh
Wampler
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Charles, Tex.
Winn
Wright
Wydler
Wylie
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—42

Barrett
Boggs
Boland
Brooks
Broomfield
Brown, Calif.
Burke, Calif.
Burton, John
Chisholm
Conlan
Daniels, N.J.
Diggs
Eilberg
Florio
Fulton
Hannaford
Johnson, Pa.
Litton
Lujan
McCollister
Madden
Martin
Mills
Minish
Mitchell, Md.
Mollohan
Morgan
Nix
Patman, Tex.
Railsback
Rees
Rhodes
Rodino
Sebelius
Shriver
Stanton, J. William
Stephens
Teague
Udall
Wolff
Yatron
Young, Alaska

So the amendment was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Florio for, with Mr. Rhodes against.

Mr. Udall for, with Mr. Morgan against.

Mr. John Burton for, with Mrs. Boggs against.

Mrs. Chisholm for, with Mr. Teague against.

Mr. Brown of California for, with Mrs. Burke of California against.

Mr. Mitchell of Maryland for, with Mr. Brooks against.

The result of the vote was announced as above recorded.

Mrs. **COLLINS** of Illinois. Mr. Chairman, I plan to vote in favor of the amendments offered for the purpose of reducing defense spending. It is my understanding that there are, among others, amendments to lower by $1.89 billion the ceiling in the committee's bill, to reduce by 70,000 the manpower level of the Armed Forces, to prohibit funds for testing of maneuvering reentry vehicles, to eliminate $567.2 million for the A-1 ground support fighter, to cut $260.3 million in procurement money for the AWAC's and to permit women to enter the military academies.

My votes in favor of these amendments and any which may be similar will be based upon the economic impact—or lack thereof—of this bill. We can better spend a lot of this money in such a way as to make an economically stronger nation. I, for one, do not think that a nation's strength can be measured only by the size of its armed forces. What good does it do us to have an arsenal of tanks, guns, and planes if the talents and energies of our people are not being fully used and a large part of our productive facilities lie idle?

It is my understanding that a very strong argument is being made by economists who tell us that defense spending is one of the least effective ways of creating employment. For example, the Bureau of Labor Statistics in its 1972 report, "Projections of the Post-Vietnam Economy, 1975" estimated that $1 billion of Pentagon spending creates about 75,000 jobs. The same amount when appropriated by the Federal Government for health services and channeled through States and localities creates about 80,000 jobs—and about 100,000 jobs if the funds are spent for education. In times like these of recession and inflation, a large defense budget, much of which will not increase our national security one bit, will deprive our Nation of jobs which need to be created in vital programs to improve our Nation's health, education, inner-city housing and mass transportation.

I do not mean to imply that I am against all defense spending. We do need well-equipped, well-trained Armed Forces, but we must eliminate all waste of money and resources from the military budget. How much is this waste? One example will suffice. A study commissioned by the State and Defense Departments is summarized in a report entitled, "U.S.-European Economic Cooperation in Military and Civil Technology" which reveals that between $10 and $20 billion a year is wasted by the United States and its NATO allies because their military equipment is not standardized and there is a good deal of duplication in the research and development of new weapons. To reiterate, this is just one illustration of waste in the military budget. That is why I for one plan to vote in favor of amendments which will eliminate wasting dollars at a time when Americans need them for food, clothing, shelter, health care, and education.

Mr. **PRICE**. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ROSTENKOWKSI, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6674) to authorize appropriations during the fiscal year 1976, and the period beginning July 1, 1976, and ending September 30, 1976, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes, had come to no resolution thereon.

HOUR OF MEETING ON TUESDAY, MAY 20, 1975

Mr. **O'NEILL**. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 10 a.m., tomorrow, Tuesday, May 20, 1975.

The **SPEAKER**. Is there objection to the request of the gentleman from Massachusetts?

Mr. **BAUMAN**. Mr. Speaker, reserving the right to object, I wonder if the gentleman could give us some idea of what the program will be tomorrow?

Mr. **O'NEILL**. Mr. Speaker, if the gentleman will yield, I will say that it is the intention to go through the calendar as we have been going. There are two suspensions on, unless they would be taken from the calendar. I would anticipate that we could wind up the suspensions immediately.

Following the suspensions, we had intended, I believe, to take up the rule on the public works bill and then get back to the bill we have been debating today.

Mr. **BAUMAN**. Between the suspensions and the defense bill, we will take up the public works bill?

Mr. **O'NEILL**. We will take up the rule.

Mr. **BAUMAN**. But will we have any general debate on that?

Mr. **O'NEILL**. We have a sort of agreement with the Pennsylvania delegation to try to have no record votes before 12 o'clock. If there are votes on the suspensions, we would ask that they be voted on at 1 o'clock.

Mr. **BAUMAN**. I wonder if the gentleman could give us any schedule on the energy bill if a rule is granted.

Mr. **O'NEILL**. It is expected that the energy bill would be on the floor Wednesday, and debated Wednesday and Thursday.

Mr. **BAUMAN**. Mr. Speaker, I withdraw my reservation of objection.

The **SPEAKER**. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON ENVIRONMENT AND ATMOSPHERE OF COMMITTEE ON SCIENCE AND TECHNOLOGY TO SIT ON MAY 20 DURING 5-MINUTE RULE

Mr. **O'NEILL**. Mr. Speaker, I ask unanimous consent that the Subcommittee on the Environment and the Atmosphere of the Committee on Science and Technology be permitted to sit on Tuesday, May 20, 1975, during the 5-minute rule.

The **SPEAKER**. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERMISSION FOR COMMITTEE ON JUDICIARY AND ITS SUBCOMMITTEES TO SIT TUESDAY, MAY 20, DURING 5-MINUTE RULE

Mr. **O'NEILL**. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary and its subcommittees be permitted to sit on Tuesday, May 20, 1975, during the 5-minute rule.

The **SPEAKER**. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

RAILROAD REVITALIZATION ACT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94-155)

The **SPEAKER** laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce and ordered to be printed:

To the Congress of the United States:

I am today sending to the Congress the Railroad Revitalization Act. This legislation is the result of several years of study and consultation with industry and Congressional authorities. It builds on the Surface Transportation Act which was overwhelmingly passed by the House of Representatives last December. In view of the prior work in the 93rd Congress and the serious needs of the Nation's railroads, I am confident that the Congress can and will act quickly.

The purpose of this legislation is threefold: (1) To improve the regulations under which the railroads operate and promote economic efficiency and competition, (2) to provide necessary financial assistance to improve and modernize rail facilities, and (3) to encourage rational restructuring of the Nation's railroads and improve their long-term viability. To achieve these objectives, the legislation proposes specific amendments to the Interstate Commerce Act to permit increased pricing flexibility, to expedite ratemaking procedures, to outlaw anticompetitive rate bureau practices and to improve and expedite merger and other restructuring actions. In addition, the bill will make available $2 billion in loan guarantees.

Submission of this bill is part of my Administration's overall program to revitalize our entire free enterprise system. It is the first of several legislative proposals seeking fundamental reform of the regulatory practices which govern the economics of the transportation industry. Such regulation, established long ago, in many instances no longer serves to meet America's transportation or economic needs. Consumers too often bear the costs of inefficient regulation in the form of either inadequate service or excessive cost, Therefore, in addition to this railroad bill, I will soon submit proposed legislative reforms for both trucking and airline regulation. Taken together, these proposals, when enacted, could save consumers billions of dollars annually and conserve substantial amounts of scarce energy resources.

While I recognize the state of our entire transportation system needs treatment, I am well aware that the Nation's railroads are in a crisis. Large parts of the rail system are in a state of physical deterioration. Some railroads are in bankruptcy and others are on the brink of financial collapse. For this reason, I am sending to the Congress railroad reform proposals first, and I urge action without delay.

The rail problem has been neglected too long and the desperate condition of the industry is indicative of this neglect. We must begin at once a major and massive initiative to restore the vitality of this essential industry. I have established for this Administration a goal that calls for the complete revitalization of the Nation's railroad system so it can serve the needs of modern America. We are moving forward with a program to assure a healthy, progressive rail system. The Railroad Revitalization Act is a critical part of this program. I have directed the Secretary of Transportation to lead this effort and to make its achievement one of his prime concerns.

A major problem faced by the railroad industry is outdated and excessive Federal regulation. Much regulation, originally imposed to prevent monopoly abuses and promote development in the western States, has long since outlived its original purposes. Indeed, Federal regulation has grown so cumbersome that it retards technical innovation, economic growth, and improved consumer services. The legislation I propose will improve significantly the regulatory climate in which all railroads operate. Removal of unnecessary and excessive regulatory constraints will enable this low-cost, energy-efficient form of transportation to operate more effectively, to provide better service, and to more fully realize its great potential. The increased efficiencies resulting from these reforms will produce energy savings on the order of 70,000 barrels of oil per day.

In addition to improving the regulatory environment in which the Nation's rail system functions, this legislation will make available to the rail industry financial assistance which it must have to accomplish necessary modernization of outdated plant and equipment. This assistance will be in the form of $2 billion in long-term loan guarantees so that the Nation's railroads can repair deteriorating roadways and obtain badly needed modern equipment and facilities at reasonable costs. In addition, discriminatory State taxation of the rail industry will be outlawed.

The legislation will also provide special procedures to hasten major restructuring of the rail industry by enabling the Secretary of Transportation, as a condition for granting financial assistance, to require applicants to undertake fundamental restructuring actions. These actions will be governed by expedited merger procedures under which the Secretary and the ICC can facilitate the desired restructuring. I have directed Secretary Coleman to take all steps necessary to cooperate with the Congress so that this important and vital legislation can become law in the very near future.

In view of the rail system's role in our Nation's economy, I urge the Congress to give this measure immediate consideration. The importance of regulatory reform to the efficiency of our transportation system cannot be over-emphasized. While special interests may resist these necessary changes, I am confident that the benefits to the American people will be so great and so clear that the Congress will act quickly.

GERALD R. FORD.

THE WHITE HOUSE, *May 19, 1975.*

UNFAIR TREATMENT OF CHILE BY STATE DEPARTMENT

(Mr. **McDONALD** of Georgia asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. **McDONALD** of Georgia. Mr. Speaker, last Thursday, I sent, by registered mail, a letter to the Secretary of State, Mr. Kissinger, relative to Chile. This concerns a unilateral decision by the Department of State to bar Chile from purchasing for cash items of military use from the United States. This, in my view, is wrong. Chile is a long and trusted friend of the United States, and the State Department decision has no basis in law that I am aware of.

It is fascinating to note that the press has focused with intense heat on the new regime in Chile as it attempts to struggle out of the morass created by Allende and his Marxian Socialists. However, the press at the same time ignores the country of Peru, which is awash with Soviet tanks and military advisors. This military buildup, by a military authoritarian government in Peru can be used for only two purposes—to oppress the people of Peru or for an invasion of Chile, its long time enemy. Therefore, it is strongly in the interest of peace that Chile be able to maintain its armed forces and that we do not have a new war break out in this part of the world.

Therefore, I was intensely pleased that 100 of my colleagues were willing to join with me in asking the Department of State to reverse this decision. My further understanding is that Members of the other body are also circulating a similar letter in order to further prod the Department of State. It is hoped that we will be successful. It is my further intention to make the State Department response available to this House. A copy of the letter and the signators follows for the edification of my colleagues:

FEBRUARY 27, 1975.

SECRETARY OF STATE,
U.S. Department of State,
Washington, D.C.

DEAR MR. KISSINGER: We, the undersigned, had understood that in the foreign assist-

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ance legislation for fiscal 1975 the restrictions on the use of any funds for military grant aid or credit sales to the Republic of Chile would apply only to funds authorized in the bill. Indeed, more broader restrictive language was specifically removed from the House version of the legislation in conference to make sure that cash sales in the private sector and with respect to unrestricted military items such as spare parts, supplemental equipment, etc., would not be affected.

Page 41 of the Conference Report on the Foreign Assistance Act of 1974 states as follows:

"The Senate bill contained a provision which limited assistance to Chile to $55 million in fiscal year 1975, none of which could be used for military assistance, credits or guaranties.

"The House amendment added a new subsection 620(y) suspending military assistance (except $800,000 in military training), credit sales, and cash sales to Chile through fiscal year 1975, and also prohibiting the issuance of export licenses for Chilean arms purchases from U.S. manufacturers unless the President reports to the Congress that Chile is making fundamental improvements in the observance of human rights. If such a report is made, foreign military cash sales and commercial sales may be made and up to $10 million in credit may be extended to Chile.

"The House receded with an amendment to limit the funds that could be used for assistance to Chile to $25 million in fiscal year 1975, none of which funds may be used to finance military assistance, credits, or guaranties. The amendment also deleted the reference to "any other law" . . ."

We are further informed that an unilateral interpretation by the Department of State holds that while Chile may purchase planes, for example, in the private sector for cash, it cannot purchase for cash the absolutely essential spare parts, armament, and similar military material heretofore available and necessary to make the military equipment useable.

This is a problem which affects the national security of the United States and the security of the hemisphere. Not only do we want to maintain our business relations with our friends in Latin America, but we want to maintain our military relations. If these materials are not available from the United States for cash, they will certainly be acquired by the government of Chile from other countries of the world, to our great loss now and in the future. All too often we have seen foreign interests move into the vacuum left when we get bureaucrat decisions to cut off military supplies to countries who have been friendly. They simply purchase their needs from some other country, and more often than not such purchases have carried with them military advisers and influence from countries hostile to the Western Hemisphere and to the United States. We need only to look to the situation in Peru in that regard.

We urge you to review this situation, and if our understanding is correct, to take immediate measures to carry out the spirit of the statute—i.e., that cash military sales to the Republic of Chile remain unaffected by the foreign aid bill for fiscal 1975.

Your cooperation in this matter will be very much appreciated.

List of Signatures

Richard H. Ichord (D.-Mo.).
Goodloe E. Byron (D.-Md.).
W. S. (Bill) Stuckey, Jr. (D.-Ga.).
Robert W. Daniel, Jr. (R.-Va.).
Joe D. Waggonner, Jr. (D.-La.).
John M. Ashbrook (R.-Ohio).
Jack Brinkley (D.-Ga.).
Floyd V. Hicks (D.-Wash.).
Larry McDonald (D.-Ga.).
Steven D. Symms (R.-Idaho).
G. V. Montgomery (D.-Miss.).
Floyd Spence (R.-S.C.).
Dan Daniel (D.-Va.).
Robert E. Bauman (R.-Md.).
Jim Lloyd (D.-Calif.).
Andrew J. Hinshaw (R.-Calif.).
Dawson Mathis (D.-Ga.).
George Hansen (R.-Idaho).
Bo Ginn (D.-Ga.).
Bill Nichols (D.-Ala.).
Barry M. Goldwater, Jr. (R.-Calif.).
David E. Satterfield, III (D.-Va.).
John H. Rousselot (R.-Calif.).
Trent Lott (R.-Miss.).
F. Edward Hébert (D.-La.).
Edward P. Beard (D.-R.I.).
John J. Duncan (R.-Tenn.).
Theodore M. Risenhoover (D.-Okla.).
W. G. (Bill) Hefner (D.-N.C.).
Philip M. Crane (R.-Ill.).
Gene Taylor (R.-Mo.).
Gene Snyder (R.-Ky.).
David N. Henderson (D.-N.C.).
James M. Collins (R.-Tex.).
William L. Dickinson (R.-Ala.).
Richard C. White (D.-Tex.).
Charles H. Wilson (D.-Calif.).
Richard T. Schulze (R.-Pa.).
W. Henson Moore (R.-La.).
Robert G. Stephens, Jr. (D.-Ga.).
William M. Ketchum (R.-Calif.).
James A. Haley (D.-Fla.).
John B. Conlan (R.-Ariz.).
Robert J. Lagomarsino (R.-Calif.).
Jack F. Kemp (R.-N.Y.).
Tim Lee Carter (R.-Ky.).
Carroll Hubbard, Jr. (D.-Ky.).
Mendel J. Davis (D.-S.C.).
Robert L. F. Sikes (D.-Fla.).
Charles Wilson (D.-Tex.).
Marjorie S. Holt (R.-Md.).
John J. Flynt, Jr. (D.-Ga.).
Thomas N. Kindness (R.-Ohio).
Ed Jones (D.-Tenn.).
Thad Cochran (R.-Miss.).
Don Young (R.-Alaska).
Robert L. Leggett (D.-Calif.).
Thomas N. Downing (D.-Va.).
Tom Bevill (D.-Ala.).
Olin E. Teague (D.-Tex.).
Omar Burleson (D.-Tex.).
Harold Runnels (D.-N. Mex.).
Charles E. Grassley (R.-Iowa).
Samuel S. Stratton (D.-N.Y.).
G William Whitehurst (R.-Va.).
Elwood Hillis (R.-Indiana).
Floyd Fithian (D.-Indiana).
Bob Wilson (R.-Calif.).
David C. Treen (R.-La.).
Charles E. Bennett (D.-Fla.).
James G. Martin (R.-N.C.).
George O'Brien (R.-Ill.).
Marilyn Lloyd (D.-Tenn.).
John Buchanan (R.-Ala.).
Donald J. Mitchell (R.-N.Y.).
W. R. Poage (D.-Texas).
John T. Myers (R.-Indiana).
Del Clawson (R.-Calif.).
William L. Armstrong (R.-Colo.).
Bill Archer (R.-Texas).
William C. Wampler (R.-Va.).
William F. Goodling (R.-Pa.).
Joe L. Evins (D.-Tenn.).
Kenneth L. Holland (D.-S.C.).
Tim L. Hall (D.-Ill.).
Bud Shuster (R.-Pa.).
Walter Flowers (D.-Ala.).
C. W. (Bill) Young (R.-Fla.).
Larry F. Winn (R.-Kansas).
William J. Randall (D.-Mo.).
Sam Steiger (R.-Ariz.).
James H. Quillen (R.-Tenn.).
Garry Brown (R.-Mich.).
Tom Hagedorn (R.-Minn.).
Edward Derwinski (R.-Ill.).
John W. Jenrette, Jr. (D.-S.C.).
Butler Derrick (D-S.C.).
Tennyson Guyer (R.-Ohio).
Allen T. Howe (D.-Utah).
Samuel L. Devine (R.-Ohio).
J. Herbert Burke (R.-Fla.).

THE "MAYAGUEZ" INCIDENT AND THE WAR POWERS ACT—A TIME FOR SOBER REFLECTION

(Mr. SEIBERLING asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr SEIBERLING. Mr. Speaker, I would like to join in the general expressions of gratitude for the prompt rescue of the crew of the *Mayaguez* and the recovery of the ship. Without the skill and daring of our marines and naval airmen—and a fantastic amount of luck—it might easily have been a different and far more tragic story.

But as the exhilaration dies down, and the casualty lists come in, it is time for sober second thoughts, particularly by Members of the Congress. For among the casualties of the *Mayaguez* incident may be the idea that the war powers resolution would usher in a new era of Presidential cooperation with the Congress in matters involving the commitment of U.S. Armed Forces to hostilities.

Both the wording and the legislative history of the war powers resolution make it unmistakably clear that the President is expected to consult with Congress, in every possible instance, prior to the commitment of our Armed Forces into situations where imminent involvement in hostilities is clearly indicated by the circumstances. Congress clearly rejected the notion that consultation, within the meaning of the resolution, merely meant informing Congress after the President had already made his decision. On the contrary, consultation was intended to mean seeking the advice and opinion of Members of Congress after furnishing all relevant information to them and before making the final decision.

The published accounts of the President's actions in the *Mayaguez* matter indicate that the President held at least four separate meetings of the Security Council before making his decision to commit U.S. forces. Yet he did not call in the congressional leaders until after the decision was made, and then he merely informed them of the decision, which had already been put into operation.

Mr. Speaker, because of the many questions that these events raise as to the efficacy of the War Powers Resolution, I have written our colleague the Hon. THOMAS E. MORGAN, the distinguished chairman of the International Relations Committee urging a thorough investigation by his committee to determine the relevant facts and to consider whether additional language is needed to clarify or strengthen the War Powers Resolution.

I have also suggested to Chairman MORGAN the desirability of his committee's considering whether the various express prohibitions against involvement of U.S. military forces in hostilities in, over or from off the shores of the nations of Indochina should be continued, modified, or repealed. Obviously, these prohibitions were ignored in the *Mayaguez* incident as well as in the final evacuation from South Vietnam. I offer for the RECORD following these remarks a copy of my letter to

Chairman MORGAN. I also offer an editorial from the Akron Beacon Journal of May 15, 1975, which expresses in most cogent terms the situation we find ourselves in as a result of this incident.

The article follows:

MAY 17, 1975.

Hon. THOMAS E. MORGAN,
Chairman, Committee on International Relations, Washington, D.C.

DEAR MR. CHAIRMAN: The President's handling of the Mayaguez incident raises some very serious questions as to the efficacy of the War Powers Resolution (PL93-148, 33 USCA, Sec. 1541-1548). It also raises the question as to what, if anything, should be done with respect to the various express statutory prohibitions on the involvement of U.S. military forces into hostilities in, over or from off the shores of North Vietnam, South Vietnam, Laos and Cambodia, unless specifically authorized by Congress.

Section 2(a) of the War Powers Resolution states, among other things, that it is the purpose of the Resolution to "insure that the collective judgment of both the Congress and the President will apply to the introduction of U.S. armed forces into hostilities, or into situations where imminent involvement in hostilities is clearly indicated by the circumstances." Section 3 of the War Powers Resolution states that "the President in every possible instance shall consult with Congress before introducing U.S. armed forces into hostilities or into situations where imminent involvement in hostilities is clearly indicated by the circumstances. . . ." Section 4(a) of the Resolution requires the President in any case in which U.S. armed forces are introduced into hostilities or into the territory, air space or waters of a foreign nation while equipped for combat to submit a report to the Speaker of the House and the President Pro Tem of the Senate within forty-eight hours. Section 4(b) states "the President shall provide such other information as the Congress may request . . . with respect to . . . the use of U.S. armed forces abroad."

It does not clearly appear that the President complied with any of the applicable sections of the War Powers Resolution except the section requiring a report within forty-eight hours. On the contrary, it is apparent that the President did not consult with Congress before making the decision to introduce the armed forces into potential hostilities in Cambodia in the way that was intended by the War Powers Resolution. Quite clearly, the Resolution makes a distinction between consultation and merely reporting after decisions have been made or actions taken. In order to fulfill the expressed purpose of the Resolution, to "insure that the collective judgement of both the Congress and the President will apply", the consultation would have to include the element of advice seeking and participating in decisions before they are made rather than mere notification after the fact.

In these circumstances, I strongly urge you to consider a thorough investigation by your Committee to determine the relevant facts and to consider whether additional legislation to clarify or strengthen the War Powers Resolution is needed.

In addition, it would seem desirable for your Committee to consider whether the various express prohibitions against involvement of U.S. military forces in hostilities in, over or from off the shores of the countries of Indochina should be continued, modified or repealed. Obviously, these prohibitions were ignored in the Mayaguez incident, as well as in the final evacuation of U.S. and Vietnamese personnel from South Vietnam.

Conceivably, it may be desirable to leave these prohibitions on the statute books though the military involvement that gave rise to them has ceased. On the other hand, recent events seem to indicate that these prohibitions are no longer efficacious or appropriate and that the Congress is disinclined to insist upon their being observed. If so, it is unfair to the President and unsound as a matter of principle to keep the prohibitions on the statute books.

While I am sure that you have been giving thought to these same questions, I offer the foregoing suggestions for whatever value they might have to you in deciding upon a course of action. You may be assured of my cooperation and help in whatever efforts you and your Committee may undertake to resolve them.

Sincerely,

JOHN F. SEIBERLING,
Member of Congress.

CAMBODIAN CRISIS ENDS, BUT QUESTIONS REMAIN

Above all, the nation must be grateful for the skillful rescue of the freighter Mayaguez and its 40 crewmen. Though two Marines were killed and eight wounded, the casualties could have been worse.

We must also be grateful that the incident, which had been escalating hourly after we landed 800 Marines in Thailand over the vehement protests of the Thai government, ended so quickly. We have assured the Thais that any remaining troops will be withdrawn as soon as possible, and the Thais are satisfied that no U.S. planes based in Thailand took part in the operation.

At this point it is tempting to quote Shakespeare that "all's well that ends well," but it is not so simple. The 60-hour crisis raised questions which may take at least that many days to resolve. A nation with a recent worldwide reputation more for adventurism than sober conduct of foreign policy cannot afford to let the questions go unanswered.

At this stage, we cannot concern ourselves too much about Cambodia, simply because Cambodia is mostly an unknown quantity. The government is in transition and perhaps in chaos. The government radio did say the ship was caputred inside Cambodian territorial waters and accused the United States of spying with reconnaissance planes and disguised fishing craft. But it offered no information about whether the capture was a government decision or the independent act of an overenthusiastic naval officer.

The biggest questions concern our conduct with Thailand and the President's relations with Congress.

The dispatch of the Marines to Thailand, over the protests of Thai Premier Kukrit Pramoj, was both stupid and unnecessary. They recaptured the ship and its crew in conjunction with the Navy. They could have been kept with the Navy.

Though Thailand, our last ally in Southeast Asia, is now mollified, it still must contend with its neighbors, most of whom are antagonistic.

The U.S. can write off Southeast Asia. The Thais live there; they must adjust to the changed situation. And, if U.S. foreign policy is to reach an acceptable level of intelligence, it too must adjust to changes.

The United States cannot afford to continue to make demands on its allies that could threaten the sovereignty of those nations.

Thailand has a long history of taking care of itself, of protecting its independence. It remained independent while Britain dominated Burma and Malaysia and France dominated Indochina. It remained independent despite the Japanese presence in the surrounding colonies in World War II.

Obviously, then, the Thais know how to take care of themselves. But we have to wonder whether their ally, the United States, is for them or against them.

Halfway around the world, the questions about the President's use of power may also die down in the euphoria of success, but they should not. The War Powers Act says the President must "consult" with Congress before committing U.S. forces to action. The Cooper-Church Resolution forbade U.S. military action in or over Indochina after Aug. 15, 1973, without specific congressional authority. No exceptions were provided.

In the Mayaguez case, Mr. Ford sought no authority, and only one congressman, House GOP leader John J. Rhodes, says he was consulted. Even Rhodes qualified it by saying that he was willing to call it a consultation because the operation was a success.

All other congressional leaders say they were merely informed of what the President planned to do, which is hardly the same as being consulted. Most probably would have approved, especially with hindsight, but the question is one of constitutional law and precedent.

Only Congress is given the authority to declare war, and an invasion of another country, no matter for what purpose or for how long, is an act of war. Does the President have, or should he have, what Abraham Lincoln called the right to "wage war at pleasure?"

We hope not.

TALCOTT PROPOSES COMPREHENSIVE LEGISLATION PROGRAM TO DEAL WITH ILLEGAL ALIEN PROBLEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. TALCOTT) is recognized for 5 minutes.

Mr. TALCOTT. Mr. Speaker, the number of illegal aliens in the United States has been increasing at an alarming rate. This phenomenon is clearly an issue of national significance and the Congress must discharge its responsibility by taking early and strong action to deal forcefully with this problem.

The American public is finally becoming aware of the full impact of this condition. In fiscal year 1974 alone, approximately 800,000 illegal aliens were detained in this country. But all experts agree that this number only scratches the surface, and that there are between 8 and 12 million illegal aliens currently in the United States.

Even in a time of prosperity and plenty, such a situation should not be accepted; but in a time when many American workers are unemployed, when many Vietnam veterans cannot find work, when workers of all income levels, and especially the poor, feel the effects of unchecked inflation, we cannot sit passively and permit those who are in our Nation illegally to usurp a significant share of the available economic benefits.

Illegal aliens are a drain on our economy in a number of ways. First, they often do not pay taxes; and, if they do, they usually claim enough dependents to offset all taxes owed. Second, they oftentimes receive welfare, health, education, and other benefits that they are not legally entitled to receive.

Third, the illegal aliens compete for jobs and deprive American workers of positions they could fill and wages they could earn. And it should be noted, Mr. Speaker, that many of those most adversely affected by the presence of illegal aliens are legal immigrants and citizens who are often at the bottom end of the job ladder. Not only are they competing for the same jobs, but also for the same health care and other social services and benefits.

I agree with the Judiciary Subcommittee, chaired by the able gentleman from Pennsylvania (Mr. EILBERG) when it concluded that:

> Whatever sympathy one might have for the underprivileged aliens in their drive to improve their economic position, this Government cannot condone employment when it adversely affects American citizens and other persons who are lawfully in the United States.
>
> There must be an orderly system of admission and aliens cannot be permitted to violate that system and derive benefits from their illegal acts while bonafide immigrants and nonimmigrants are denied early admission and are otherwise disadvantaged.

There are numerous myths about this matter. All the illegal aliens are not Mexicans—there are illegal aliens from almost every nation. All of the illegals are not unskilled farm workers—perhaps less than 20 percent work on farms. Many illegals work in all crafts; some have been discovered working for public agencies. They work in all industries and reside in all regions and States; some earn high wages in skilled positions; many work as domestics for high public officials. The Rodino bill passed by the House is not a panacea—it would encourage discrimination against U.S. citizens of Spanish surname or Latin appearance.

Mr. Speaker, this is admittedly a very difficult and complex problem, and I am very much aware that there is no simple proposal that would solve this problem overnight. Nonetheless I respectfully submit that the Government, including the Congress, is not doing all that it can to deal effectively with this nagging matter. I am therefore offering a multifaceted program that would attack this problem from several angles at once. If my suggestions were implemented, I believe that we would be well on our way toward discharging our obligation as a government in dealing with this question.

Mr. Speaker, the first step is to understand that there are really two illegal alien problems, not one. The first is: How do we deal with the massive numbers of illegals already here? The second is: How do we staunch the flow of illegals into the United States?

It is essential and urgent that the Government act at once to require all illegal aliens to leave the United States. Obviously once this is accomplished, it will be easier to prevent others from slipping in.

Mr. Speaker, I propose the following steps to deal with the illegals already here. All of the steps are necessary for a complete, coordinated attack on this problem.

First, the Congress must enact legislation to penalize employers who knowingly hire illegal aliens. The enactment of such legislation would have an immediate and dramatic impact and would initiate a massive exodus of the illegal alien population. By enacting such legislation, the Congress could open more than 1 million jobs to Americans.

At the same time, Mr. Speaker, the Congress must understand the problems that such a statute could cause for employers. If the Government is to impose criminal sanctions for knowingly employing an illegal employee, the Government must provide the employer with a means to accurately identify the person and ascertain the employment status of all present and prospective employees.

I have studied several proposals for providing a fair and efficient method of identifying employment status. One approach would utilize the social security card as a universal identifier for employment purposes. I have been investigating this possibility in detail for some time and will have more to report on the subject very soon. The proposal appears feasible, economical, and effective.

Second, the Congress must act quickly to increase the penalties for those who are making a miserable profit by capitalizing on the fears and hopes of the disadvantaged immigrants from other nations. Currently, the penalty for smuggling illegals into the United States or harboring them is a fine not to exceed $2,000 or imprisonment not to exceed 5 years or both. Only a few are apprehended and when finally convicted, Mr. Speaker, the average penalty in 1973 was $75 or 3 months in jail. This is only a small additional cost of this illicit business and no deterrent. Those who engage in such uncivilized traffic in human beings do not really care about their cargo. The poor aliens are too often subjected to inhuman conditions for the duration of the trip to the United States. Clearly, stiffer minimum penalties, including imprisonment and confiscation of vehicles are required, even for first offenders.

Third, the appropriation for the Immigration and Naturalization Service must be increased. If the Congress is going to insist that INS deal with this problem, it must provide the resources for them to do an effective job. The law should specify that the additional resources and personnel be utilized solely to deal with the illegal alien problem.

Fourth, I suggest two statutes that would tighten and strengthen the immigration laws. The first would provide penalties for those who repeatedly marry and divorce for the sole purpose of giving legitimate status to aliens. The other would prohibit aliens who unlawfully accept employment from thereafter being able to adjust their status to that of an alien lawfully admitted for permanent residence. Illegally accepting employment should be sufficient cause for forfeiting the possibility of ever becoming a legal resident of the United States, just as any other illegal act or misrepresentation.

In addition to these legislative initiatives, Mr. Speaker, I have urged, and hope that my colleagues will urge, that the Federal Government implement a massive public education campaign to complement the new statutes. The publicity should be designed to enlist the voluntary compliance of employers with the new law, and also to alert the illegals to the fact that the time of their stay is ended and that they will be required to leave. Of course in accomplishing all this, Mr. Speaker, the Congress should keep in mind that this entire operation should be carried out as humanely as possible. The illegals are to be pitied more than scorned, and we should make their exit as dignified as possible.

Until the illegal aliens can be properly deported, I urge the Congress to consider legislation to reimburse municipalities for emergency medical assistance provided by them to illegal aliens. At this time, the local governments are required to foot the bill for this essentially Federal responsibility. Any such appropriation should be limited to make clear that the Federal Government will not indefinitely finance the medical, social, and welfare services to illegal aliens and those who remain in this country wrongfully.

The second question is how do we end the immigration of illegal aliens into the United States. My principal answer is that when all of the above programs are implemented, the illegal aliens can be effectively deported. Actually, the deportation will be self-enforcing. Once they have returned home, the word will quickly spread that the United States is no longer a safe and soft haven for aliens. The combined disincentives of all of the suggested programs should discourage all but the most foolhardy and greedy from entering or remaining in the United States illegally. Further, Mr. Speaker, I have called upon the Secretary of State to address this issue forthrightly in diplomatic talks with other nations especially those who contribute the largest numbers of illegal aliens.

Finally, I suggest that no long-term solution of this problem would be complete without a through review of our current immigration law and policy.

I am aware of the intensive study already devoted to this subject by the Subcommittee on Immigration. It is my hope that the subcommittee will again turn its attention to this area in order that we may arrive at a completely fair and equitable immigration system.

I agree with the sentiments expressed in a resolution presented to the National Labor Conference of the AFL–CIO Building and Construction Trade Department which states:

> Let us continue to extend open arms to those from other lands who are willing to become American citizens, abide by our laws and work to improve the quality of life in this nation.
>
> But let us quickly close the door on the millions of illegal aliens who are seeking to gain entry into this nation purely to drain the economic lifeblood of this nation and her people.

The time is right. The public is aroused. The Congress must act swiftly and responsibly to deal with this malady before it overwhelms us. I urge my colleagues to carefully consider a comprehensive approach similar to that I have suggested here today. It is only by attacking this problem comprehensively, rather than dealing spasmodically with each crisis as it arises, that we can ever achieve the prompt and complete solution that the American public demands.

SOLVING THE ENERGY PROBLEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CRANE) is recognized for 5 minutes.

Mr. CRANE. Mr. Speaker, the Ways and Means Committee, after over 10 weeks of hearings, deliberations, and markup sessions has finally reported out an energy bill. As a member of that committee, I voted against the Energy Conservation and Conversion Act of 1975 which passed by a narrow 19 to 16 vote, because the bill will save little energy, will greatly disrupt the lives of individuals and the activities of businesses, and will add significantly to taxes and consumer costs. The United States is having, and will continue to have, energy problems, because this bill negatively focuses only on reducing consumption and not on increasing supplies.

Basically, the bill attempts to solve our energy problems in three ways. First, import quotas and duties would be imposed in efforts to prevent national security and balance-of-payment problems; second, increased taxes, tax credits, and tax deductions would be imposed to decrease domestic consumption of petroleum; and third, a trust fund made up of revenues from the increased energy taxes would fund research and development of energy projects with the new revenues. The most objectionable aspects of the bill are the rationing mechanisms of quotas and allocations, gasoline tax, the lack of stimulation for exploration and development of new petroleum sources, and the unreasonable cost to the public of over $42 in 1976 and over $19 in 1980 for each barrel of oil conserved.

The thrust of this bill is not a comprehensive energy program but rather a sizable tax on gasoline at the pump. While initially the gas tax will increase the pump price by 3 cents per gallon, it will quickly rise to an astronomical 23 cents per gallon. This is actually a tax on jobs. About one-third of all gasoline consumed in the United States goes to citizens commuting to work; thus this "jobs tax" is but another direct hit on working middle class Americans who already bear the heaviest tax burden and form the backbone of our economy.

Furthermore, it is inequitable and unrealistic to rest the energy conservation load squarely on one petroleum derivation—gasoline. The burden of reducing demand should be distributed equally across the entire spectrum of energy consumption.

I would like to point out that this bill as originally conceived would have provided for deregulation of oil and natural gas. This most important and effective part of the bill was omitted.

My esteemed colleague from Ohio made a statement March 6 in the energy hearing on "Tax Policy in the Energy Sector," and I completely agree with him. Mr. VANIK said:

> I have a feeling if we eliminated all taxes on domestic oil for a year we would be swimming in it. Somehow it would be developed.

Apparently, Mr. VANIK would allow the free market to operate without any artificial restraints including price controls or windfall profits taxes. When Mr. VANIK introduces a bill to immediately decontrol oil and natural gas, I will be pleased to cosponsor his bill.

A system is inherently unfair that removes all price controls on industry except as to oil and natural gas. The oil companies will not make tremendous windfall profits, nor did those industries pay a windfall profits tax as compensation for the removal of price controls. Profits will increase after decontrol; but oil company profits in the last quarter dropped drastically, and the oil companies need this extra money to pay for the substantially increased drilling costs. In any case, we live in a capitalistic country where most oil companies are publicly traded, and anyone may share in the profits by purchasing stock of the companies.

We should be trying to encourage exploration and production of new energy sources, a goal totally ignored by the Energy Act. Allowing the market to operate free of restraints is the greatest incentive to increase supply. Demand could also be decreased in the same manner without the artificial controls on demand imposed by the act. With an increased domestic supply and a decreased demand, the concern over escalating domestic consumption which necessitates the import of large quantities of oil and creates national security and balance of payments problems disappears. An unrestrained market is a much more efficient way of limiting imports than the import quotas, the 2 to 10 percent import duties, or the licenses required to purchase foreign oil of the Energy Act.

The bill's provisions designed to control demand are equally as ineffective and offensive. In addition to the gasoline tax, the bill imposes up to a 7-percent tax on the purchase of automobiles and up to $1 per barrel excise tax on business use of petroleum or petroleum products.

The Energy Act is a hodgepodge of uncoordinated provisions. The act is much more effective at raising revenue and giving economic advantages to certain groups than at solving our energy problems. This bill, if enacted, will cost the American public billions of dollars a year while effecting minimal energy savings and doing little to increase supply. The tax revenues raised, and thus the cost to the public, will be in excess of $1 billion this year, $4.8 billion in 1976, and $7.8 billion in 1980. This bill raises the price of gasoline as much as 23 cents per gallon, while according to Secretary Simon, decontrol of prices would only increase the price 10 cents per gallon. For these huge costs the bill's total conservation effect will be 0.11 million barrels per day in 1975, 0.31 million barrels per day in 1976, 1.10 million barrels per day in 1980, and 2.10 million barrels per day in 1985 according to the staff of the Joint Committee on Internal Revenue Taxation. This means that the public will be paying over $42 in 1976 and over $19 in 1980 to conserve each barrel of oil.

The revenue raised by the act will fund a trust established to conduct research and development. This trust fund will be subject to the same abuses and rigidity as the highway trust fund.

To summarize, this bill will create a vast bureaucracy to regulate and license petroleum imports and to control energy research and development. More regulation is not the solution to a regulation-created problem. Domestic supplies of petroleum must be increased with incentives for exploration, development, and production. I can only urge my colleagues to vote with me in opposition to this bill which will artificially control consumption with taxes and will do nothing to stimulate production.

THE 94TH CONGRESS—A PRODUCTIVE RECORD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Hampshire (Mr. CLEVELAND) is recognized for 5 minutes.

Mr. CLEVELAND. Mr. Speaker, at the conclusion of business on Thursday, May 22, the House is scheduled to begin another of its periodic recesses, this time taking advantage of the long Memorial Day weekend to facilitate Members' return to their congressional districts and to the people whom they represent.

Since this schedule has been reaffirmed by the leadership, most recently, in the CONGRESSIONAL RECORD we received today, I want to express to the leadership of both parties my continuing support and my personal appreciation for their determination to stick to a policy that makes sense.

Despite one's views about the quality of the product—and I have expressed some strongly negative views about some of the legislation brought before us—it is beyond dispute that the first 5½ months of the 94th Congress have been unusually productive.

Far from inhibiting the work of the Congress, the schedule of recesses announced at the outset of this Congress has undoubtedly contributed to this productive record. By providing such long lead time, the leadership has enabled Members to plan—to plan not only for the most efficient use of their time at home, but to plan for maximum participation in our work here.

The importance of advance scheduling of congressional recesses, however, goes well beyond the matter of efficiency. It affects the very nature of representative government. On Apirl 14, the New York Times reported that approximately one-half of the 103 Members of the 93d Congress who did not return for the 94th have remained in Washington in various capacities. While former Members of Congress are as free as all other citizens to live and work wherever they choose, the high proportion of those who have opted to remain here suggested to me that some, at least, may have grown away from the origin and purpose of their constitutional mission as representatives of their people.

I subsequently developed this thought in an April 17 letter to the Times. Because representation depends so greatly on adequate time to keep in touch, and because the Times chose not to print my communication, I include it here as part of my remarks in the RECORD.

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APRIL 17, 1975.

LETTERS TO THE EDITOR,
The New York Times, New York, N.Y.

SIR: The Times story Monday (April 14) reporting that about one-half of the 103 Members of the 93rd Congress who did not return for the 94th Congress have remained in Washington in various capacities suggests, at least inferentially, some interesting possibilities:

(1) that many of these Members had effectively ceased any meaningful identification with their districts, which might help account for their defeat or retirement;

(2) that such loss of identification between the representative and those who are represented weakens the fundamental nature of our system of representative government;

(3) that the diminution of close and regular contact between Congressmen and constituents may help explain the findings of professional opinion surveys that the public confidence in and respect for the institution of Congress is at an all-time low;

(4) that, if the above are accurate observations, Congress, the press and the people should address themselves to means of strengthening the representative nature of the Legislative Branch in the spirit of the Constitution; and

(5) that, potentially at least, one of the most effective institutional arrangements for accomplishing this objective is the periodic recess schedule for Congress, announced in advance by the leadership, which serves the dual purpose of encouraging Members to return to their districts regularly and predictably for meetings and consultations with constituents and of permitting the scheduling of legislation in Congress in a more orderly fashion with greater expectation of maximum attendance of Members.

Regrettably, portions of the news media continue to refer to these recess periods as "holidays" which fails to do justice to the truly reformist nature of the change or to recognize the fact that regular contact between Congressmen and the people they represent is essential if representative government is to function effectively.

Sincerely,

JAMES C. CLEVELAND,
Member of Congress.

THE WORK OF THE ARMED SERVICES COMMITTEE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. MITCHELL) is recognized for 5 minutes.

Mr. MITCHELL of New York. Mr. Speaker, the Armed Services Committee weighed very carefully every provision of the comprehensive measure before us.

As a member of the committee, I was especially mindful of the importance of our work. Consequently, I joined with my colleagues in giving this authorization measure the closest of scrutiny and I am more than satisfied that we did a good job for the Department of Defense and the American people.

However, I must confess that at times I was puzzled by the submissions we received from the DOD. One example that stands out in my mind relates to the plans of the Director, Defense Research and Engineering.

During the course of our hearings, it was brought out that the D.D.R. & E. plans a drawdown of nearly 3,000 persons from the laboratories manpower level during the coming 2 years. I found this puzzling because throughout our proceedings we were repeatedly told of the importance and outstanding work of the service in-house laboratories. As our report states:

> The Committee recognizes the importance and contributions of the in-house laboratories to the research, development and military posture.

And yet the proposal advanced by DOD talks in term of a drawdown. As our report goes on to say:

> The Committee cannot comprehend the logic that states "the laboratories are doing such a fine job that they ought to be cut by five or ten percent."

I have a special interest in this because, from first-hand experience, I know that the Department of Defense has initiated planning activities with respect to contemplated reposturing of the in-house laboratories within the Air Force Systems Command. One such laboratory, the Rome Air Development Center, is located at Griffiss Air Force Base, New York, within my congressional district.

The plan, first unveiled on November 21, 1974, calls for the effective disestablishment of RADC at Griffiss and the transfer of its missions and personnel to other installations in Massachusetts and Ohio. The move, it was said, was to effect economies and increase efficiency. In other words, DOD told us the projected change would result in substantial savings at the same time mission capability would be improved.

I am sure we can all understand why I was skeptical. How, I asked, could you save money and increase efficiency by breaking up an outstanding operation that has performed so capably at a centralized location for more than two decades by scattering its missions and personnel, through costly moves of men and equipment to distant and diverse locations?

Of course the answer is you can not. I assembled a team of specialists most knowledgeable about all aspects of the technology involved and thoroughly familiar with sound cost-accounting procedures. I presented the question to them and after thorough, deliberate, and very analytical review of every bit of available information they came up with some revealing answers.

I will not go into a long recitation of the history of this case, but I do wish to point out that the conclusions, developed by the specialists with whom I worked, varied greatly from those developed by the original promoters of the plan, the Air Force Systems Command.

The differences are significant and warrant the attention of every Member of this body. The Air Force contended, in its original submission, that implementation of its plan would save $29.8 million and yet the team of specialists reviewing the plan documented that implementation of the plan would actually cost in excess of $70 million—a $100 million difference. The Air Force contended that its plan would lead to increased efficiency but the specialists made a strong case for the opposite result. They said total confusion and an interruption of critical missions would be the immediate result and on a longer term there would be a serious degradation of mission capability. As a matter of fact, they concluded, it was doubtful if the excellence which so long had been the hallmark of all RADC operations could ever be restored should the plan announced November 21, 1974 be implemented.

All of this information has been submitted to the Secretary of the Air Force along with an appeal that he personally do two things, first, stop any implementation until second, the overall decision could be reviewed to make certain the ultimate determination best serves the interest of the Air Force, our defense operations and ultimately, the American taxpayer.

The Secretary has responded to both requests and at this time the future of RADC remains an open question pending the outcome of the deliberations of a special panel commissioned to review the November 21, 1974 proposal and submit alternatives for consideration.

Those of us who have lived every day of the past months with this matter, and that includes a great number of my colleagues in this Chamber today, are encouraged by the "second look" ordered by the Secretary of the Air Force. We remain convinced that in the interest of economy and efficiency, RADC should stay right where it is. Shortly, we will know the outcome of the "second look."

I cite this case because I feel it vividly illustrates an important point made by the committee as it addressed the question of service in-house laboratories. To quote again from our report—

> The Committee does not concur with this planned action and directs that any proposed drawdown be deferred until the Committee conducts hearings to assess the near and long-term effects of such action.

Mr. Speaker, because I feel so strongly about this and because I think it essential that my colleagues consider this in connection with their deliberations, I call to their attention that portion of our committee report which pertains to in-house laboratories:

SPECIAL CONSIDERATIONS

IN-HOUSE LABORATORIES

The Committee recognizes the importance and contributions of the in-house laboratories to the research, development and military posture. Over the years the laboratories in general have developed profound competence and expertise and have provided the Defense establishment with a significant return on its investment. The Sidewinder missile, the CAPTOR mine, and the technology underlying many of our current electro-optical systems are examples of programs and technology that have their origin in the in-house laboratory system.

The Director, Defense Research and Engineering in his appearance before the Research and Development Subcommittee emphasized the need for the in-house laboratories. The Assistant Secretary of the Navy for Research and Development in his prepared statement before the Subcommittee referred to the Navy in-house laboratories as centers of excellence. The DDR&E, however, plans a drawdown of nearly 3,000 persons from the laboratories manpower level during the coming two-year period. The Committee cannot comprehend the logic that suggests "the laboratories are doing such a fine job that they ought to be cut by five or ten percent."

The Committee does not concur with this planned action and directs that any proposed drawdown be deferred until the Committee conducts hearings to assess the near and long-term effects of such action.

On the basis of the data presented, the Committee believes that the drawdown suggested by the Director, Defense Research and Engineering is not well founded. First, the Basic Research and Exploratory Development type programs comprise in general less than twenty percent of the total laboratory budget. The entire Navy laboratory system under Navy Materiel has less than 650 people engaged in Basic Research. A personnel reduction of the proposed magnitude, then, could seriously affect programs in other research and development categories such as Advanced and Engineering Development. Secondly, the data suggests that the percentage of effort contracted to the industrial complex by in-house laboratories over the past ten-year period has, in fact, increased.

The Committee believes that the proposed drawdown could be based on subjective judgments rather than supporting data. The DDR&E stated, in his appearance before the House Appropriations Committee on April 9, 1975:

"The DOD cannot afford to look inwardly too much when all of our capability in this country, nearly most of it, exists in industry, universities, and outside the DOD."

Before the House Armed Services Committee on February 21, 1975, he stated:

"My feeling is whenever industry can do a job, particularly more in the engineering area, one should take advantage of industry under competitive circumstances and I think we get more value to our dollar that way."

The Committee believes that the Department of Defense must maintain a high degree of expertise to help define its needs, monitor development programs, and carry out those research and development tasks that are best accomplished by the in-house laboratories. The Committee's direction to defer this drawdown is not intended to preempt the management prerogatives of the Department of Defense; however, the possibly far reaching impact of a drawdown of the proposed magnitude requires a comprehensive review by the Committee.

THE "MAYAGUEZ" INCIDENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 15 minutes.

Mr. BINGHAM. Mr. Speaker, on May 14, the day that the first U.S. military action in the *Mayaguez* case—air attacks on Cambodian small craft—was reported, I urged the President to take the case immediately to the U.N. Security Council. A copy of the statement I issued is inserted following these remarks.

The subsequent successful recovery of the *Mayaguez* and its crew might be seen to prove that I was wrong. President Ford's decision to use force seems to have been widely approved in the United States, in spite of the very considerable cost of lives and in the damage done to United States-Thailand relations. The Shah of Iran, who clearly sees Iran as a growing military power in the world, praised the decision. American conservatives hailed Ford's "decisiveness" in extravagant terms.

The verdict of history, however, is not yet in.

Many questions remain to be answered. Perhaps the most elementary one is: Was the *Mayaguez* "on the high seas" when she was seized, as our colleague from Texas (Mr. CHARLES WILSON) so confidently stated in his TV comment, or was she within Cambodian territorial waters?

That question in turn breaks down into questions of fact—for example, was the *Mayaguez* within 12 miles of the island of Poulo Wai at the time? And questions of international law: If she was within 12 miles of the island, did the Cambodians have a right to seize her and sequester her crew? This last questions is by no means open and shut: The answer would depend on the validity of Cambodia's claim to the island versus Vietnam's, and on the interpretation of the "right of innocent passage" through territorial waters.

Other crucial questions which have not been answered include the following: What was the hurry about launching a surface military operation in view of the fact that the United States apparently knew that the *Mayaguez* crew had been moved off the ship to a point where they could not be reached by the planned assault? Why did the President delay until a few hours before the attack his appeal for help to U.S. Secretary General Waldheim? Why was the appeal to the U.N. not made immediately after the takeover and why was it not made to the U.N. Security Council on the basis that Cambodia's action constituted a threat to the peace?

There are subsidiary questions about the military operation itself: Was it necessary to stage the Marine assault from Thailand in defiance of that country's expressed opposition? Were the two air strikes against the Cambodian mainland justifiable? Was not at least the second strike in violation of President Ford's assurance to the Cambodians that the military operations would cease when the *Mayaguez* crew was released?

From a broader—and longer range—point of view, the question is whether the violent U.S. response to Cambodia's action will contribute to the freedom of navigation which is so important to the United States and to the world's trade.

That question cannot be answered simply by the assertion that the United States has proved its willingness to use force to protect the free movement of its ships. Future freedom of navigation will depend on whether the world community of nations will continue to support the idea. There is no assurance that this will be so, just because it has been so for over 100 years. If the third and fourth world countries should decide that it is not in their interest to continue to allow all countries to send their ships through waters close to their shores or their islands, it will not be practical for the United States or the U.S.S.R. or any other power to try to enforce the right: There are just too many straits and narrow passages and too many important countries involved. Warships might be able to force their way through, but tankers and freighters would be vulnerable to constant harassment. Last Sunday an article in the New York Times magazine drew a not-so-fanciful picture of navigation in the year 2000 with coastal countries exercising total control over and collecting tolls for passage through their territorial waters. Thus, the future of the freedom of the seas doctrine depends on what the third and fourth world countries will accept and whether basic agreements can be worked out at the Law of the Seas Conference now scheduled to reconvene next March.

What will be the impact on these future developments of the U.S. performance in the *Mayaguez* case? That is probably the most important question of all, and we will not know the answer to it for a long time.

My judgment is that we missed an opportunity to solidify world opposition to irresponsible ship-stopping by reacting violently and unilaterally to the *Mayaguez* seizure instead of taking our case to the world organization, slow and painful as that course might have been.

Following is the statement I made on May 14:

> The sound of saber rattling in this town is deafening as the Ford administration and the Congress react to the Cambodian seizure of the U.S. merchant ship Mayaguez. I'm afraid that sound will grow even louder in the next few days as the cries for retaliation and "firm" response increase encouraged by the "surgical" destruction of three Cambodian escort vessels.
>
> Even though this crescendo may drown me out, I am compelled to raise my voice in opposition to air strikes and Marine attacks as solutions to this crisis. Surely there is still room enough and time to seek the intervention of the very international authority created with this kind of confrontation in mind—the United Nations Security Council. I am fully aware that the U.N. does not have the confidence or respect of many Members of this body. But it has successfully prevented violent confrontations between nation states in the past and could do so again. The new Khmer Rouge government in Cambodia could well be just as likely to respond to a Security Council Resolution as a flight of F–4's. I think that option should be offered. The Department of State has delivered a note to Secretary General Kurt Waldheim asking for assistance in using diplomatic means to secure the release of the Mayaguez and her crew. Our Ambassador to the U.N. should also seek an immediate meeting of the U.N. Security Council to consider this matter with the utmost speed.
>
> Mr. Speaker, his approach is important not only because it might help produce an immediate return of the Mayaguez, but also because it can create an important precedent for the reaction of the world community to future incidents like this at sea. The international community has long supported freedom of navigation on the world's oceans through law and custom. There is every indication that the capture of the Mayaguez was a violation of that principle. Every nation has a direct interest in preserving freedom of navigation, and thus it should be possible to achieve a resolution to this crisis which the world community can support. No nation would endorse piracy, but few would endorse unilateral military action either.
>
> If we do not actively seek the involvement of the international community in this crisis, we risk losing the chance to produce an international rejection of this interference with freedom of navigation on the world's oceans. Since we are poised on the edge of major changes in the law of the sea concerning such things as freedom of navigation and how far from land a nation's waters extend, this would be tragic. If the world community does not support whatever action we take to secure the return of the Mayaguez, we might in fact be encouraging rather than discouraging such acts of piracy in the future.
>
> I urge the administration to refrain from further military action and to pursue every

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diplomatic means available, especially through United Nations channels, to achieve a peaceful resolution to this crisis.

THOMAS S. FOLEY: NEW SHEPHERD FOR FARM LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. Alexander) is recognized for 60 minutes.

Mr. ALEXANDER. Mr. Speaker, yesterday I noticed an article in the New York Times, May 18, 1975, about one of our colleagues, Tom Foley of Washington, chairman of the House Agriculture Committee.

Mr. Speaker, world conditions at present — rampant inflation, changing weather, and an ever-increasing number of mouths to feed—dictate that it is vital for this Nation to establish a viable national food policy.

As the world cools in the Northern Hemisphere, restricting production in the Soviet Union and the People's Republic of China, runaway inflation and the energy crisis have dramatically increased the cost of producing food throughout the world. Joined by a continuing population explosion expected to increase from 4 billion in 1975 to 7.8 billion by the year 2000, these forces have combined to compound our problems in producing a sufficient supply of food to feed the world.

Meeting the world demand for food is gaining an even more significant role in the international balance of power and has focused the spotlight on food as a tool for diplomacy.

Our friend from the State of Washington, Tom Foley, is eminently qualified to lead this Nation toward the establishment of a national food policy, a policy designed to meet the food needs of both present and future generations.

I recommend this article to my colleagues:

New Shepherd for Farm Legislation

(By William Robbins)

Washington.—Representative Thomas S. Foley, who is 6 feet 3 inches tall, stands higher than ever in the House these days despite leading a losing fight for a 1975 farm bill that both producers and consumers, whatever their alignment, saw as one of the major issues of the 94th Congress.

The measure passed the House originally by a wide majority, but after President Ford vetoed it, the effort to override fell short of the needed two-thirds majority. But that will not be the last round. A new fight is assured next year, an election year, when a veto might carry greater political risks in farm areas.

Mr. Foley, 46-year-old Democrat from Washington, had already emerged—quietly, as is his manner—as one of the most influential members of the House when the fight for the bill began, but few observers gave him any chance in the urban-oriented Congress to marshal enough votes to override a veto of a bill to increase price supports for farmers.

So after coming close—the vote on original passage was 259 to 162—Mr. Foley appears to have emerged with added stature rather than a figure of defeat. He had led in welding a strong coalition of farm, labor and urban interests. And in the next round supporters are putting their money on the leadership of the low-key but persuasive new chairman of the House Agriculture Committee. He was one of three younger men who were elected to head committees after the House Democratic caucus overthrew three long-time chairmen once thought to be invulnerable.

What the campaign for the bill also appears to have done was to call to wider public attention the significance of a committee that he had low visibility but that has had major importance for businessmen and consumers. Its business is food, which is a $150-billion-a-year industry, and its jurisdiction includes food stamps, which have become a mainstay both for the unemployed and the underemployed and which will represent this year a tax cost of more than $4-billion.

A measure of the way the committee is perceived by businessmen and others is the type of lobbyists who stand in line for a word with the chairman. They include representatives of both meat packers and cattle feeders, millers and wheat farmers, sugar refiners and cane producers, spinners and cotton growers, labor leaders and consumer spokesmen.

In the House, where urban representatives heavily outnumber rural legislators, the committee members had long done their work quietly, writing legislation that many of their colleagues failed even to fully understand, and the main features usually wound up in law, subject to compromise with the committee's counterpart in the Senate. In recent years, however, the consumer movement and increasing food prices have focused growing attention on farm policy, and now committee memberships are sought by urban leaders who once shunned what they regarded as a thankless, low-prestige job.

A measure of the importance Mr. Foley himself attaches to his job as head of the Agriculture Committee was his request, shortly after rising to the post, for a quintupled budget to conduct both policy studies and the work of overseeing the actions of the agencies for which it is responsible.

"As I see it, Congress in the future has to do a better job of overseeing the work of the Government," Mr. Foley said in an interview. "This committee will have a vital part of that—important to consumers and businessmen, urban as well as rural people." The rest of the house apparently agrees. It gave him a year's budget of $788,000, up from the $150,000 on which the committee operated under the former chairman, W. R. Poage, the conservative Democrat of Texas, who on occasion returned funds unspent.

The fight for the farm bill was illustrative of both the Foley methods and the man's philosophy as well as the way Congress works in a new atmosphere created by the election of a strong contingent of young, aggressive members and a series of procedural reforms. "The problem was to frame a bill that could get broad support," Mr. Foley said. "I was never interested in 'issue' bills that only made fodder for Fourth of July speeches."

What he sought also, he said, facing an administration that was "cool to the whole undertaking," was a bill that could get such broad support that President Ford could be persuaded not to veto it. "The urban concerns have to be recognized," he said, "but if we're going to ask rural people to support urban interests, it's only fair to ask urban consumers to give farmers some protection when we call on them for all-out production."

Mr. Foley denies the validity of Secretary of Agriculture Earl L. Butz's suspicion that deals were made with labor and urban interests. ("When George Meany supports a farm bill I want to see the fine print," the Secretary said recently.) But he acknowledges he spent a good deal of time persuading labor and consumer representatives of the justice of the farmer's cause and arguing for indirect benefit to all through the bill's encouragement of maximum production.

One of the most difficult tasks was protecting the bill from its friends, fending off amendments that would increase farm benefits but lose Congressional support, and from enemies who would have raised those same benefits in order to defeat the measure.

The committee stood fast, writing a bill that would increase target prices and price-supports on loans for cotton and grains by about one-third and allow for the quarterly adjustment of price support for milk products. Target prices are a trigger for subsidy payments when markets fall below the target level. Price-support loans can be drawn by farmers to enable them to withhold their products when market prices are weak.

Senate conferees, who had wanted higher targets and supports, yielded to the persuasion of Mr. Foley and his colleagues, conceding that anything more would have little chance of survival.

According to Lloyd Meeds, a fellow Washington Democrat, Mr. Foley's "great ability to take either side of an issue" is legendary. Members of the delegation recall the time when Representative Floyd V. Hicks, one of its members, asked Mr. Foley's opinion before voting on a bill. "Tom gave him a strong case for opposing the bill," Mr. Meeds recalled. "Then the members noted Mr. Foley walking in deep thought around the House floor till the vote was called, whereupon he cast his own support in favor of the bill," Mr. Hicks, rushing toward him, demanded a reason. "I reconsidered," Mr. Foley said.

Among the reasons Mr. Foley has such influence is the following he has gained among young Congressmen whom he has helped and his own work in House reform. As a long-time member and last year's chairman of the Democratic Study Group, the influential liberal organization in the House, he was a leader in opening committee sessions to the public, and he has given a good deal of time to helping freshmen Representatives get oriented.

Thus he was able to block a move to limit House committee chairmanships to six-year terms, a move that also cemented the friendship of older and more conservative members, by arguing that new democratic processes already provided a check against chairmen who abuse their power.

The farm bill is only part of the work that Mr. Foley has mapped for his committee. Among the most pressing, he says, is a study of the increasingly complex and costly food stamp program. That study will be a "major undertaking," Mr. Foley said, citing a current lack of objective data on whom the food stamp program helps and how much.

Whatever comes out of the study, it is unlikely that he will accede to some Congressional and Administration pressures to shift food stamps to the Department of Health, Education, and Welfare and thus to another committee. Food-stamp provisions have been used in the past as leverage to get urban support for farm programs, but Mr. Foley gives other reasons. "I wouldn't be comfortable with a situation in which the Agriculture Committee was concerned only with farmers," he said.

Mr. Foley's strong support for food stamps is one of the few committee issues on which he disagreed materially with former Chairman Poage, although his election to displace the Texan was generally described as a move toward more liberal leadership.

Mr. Foley, in fact, is a hard man to pigeonhole. He has been described variously as liberal, moderate and conservative, depending on the issue. He recalls that "some critics back home say I talk right and vote left." In his own eyes, "On fiscal matters I am a concerned liberal—I'm troubled by people who want major new programs without facing the problem of financing them. On foreign policy I'm moderately conservative. On social programs I'm a liberal."

Whatever philosophical coloration ascribed to him, observers agree that, in his sixth term and the youngest major committee chairman in the House, Tom Foley is a Democrat with a future.

BROWN BREAKS GROUND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. Burke) is recognized for 5 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, our distinguished colleague Congressman George E. Brown, of California, is performing an outstanding service for the people of his district. As many of you in this Chamber will recall, Congressman Brown was the recipient of the Economy-Minded Congressman of the Year Award just a few years ago. His concern over the national economy, and over the economic well being of the people he serves, continues to be his foremost motivation. Not content simply to worry about these problems, he has transformed his concern into a program of positive action to directly benefit his constituents.

Congressman Brown, knowing the burden which his constituents were forced to bear by high food prices, and concerned with the increasing problems of the world food shortage in general, initiated a simple program. His program would help the people of his district, and would increase the Nation's food output. At his own expense, George offered to provide free vegetable seeds to the first 2,000 people to request them from his district. The response was unbelievable. Within days, the 2,000 requests had grown to 20,000, and were still pouring in. While most of us would have gone into shock at the sight of so many requests, George was delighted. He took a deep breath, dug deeply into his own pocket again, rounded up scores of volunteers, and launched an all-out effort to meet each request. By my own calculations, if each recipient follows through and plants the seeds which George has provided, our colleague's efforts will have produced over $2,000,000 worth of food for his district. Aside from this, his constituents will have benefited enormously from their "return to the soil," as George well knows from his own experience with home gardening.

Congressman Brown's program began with a vegetable garden planted in the yard behind his Colton District office. Nourished by the interest which his constituents took in the garden's ample yield, Congressman Brown's program began to take root. George's program branched out in three directions. He began by encouraging local officials to provide vacant, unused land, mulch, and compost, for gardening by interested residents. He followed this up with his enormously well-received seed offer, and now hopes to set up a small, nonprofit canning factory where local gardeners can bring their fresh product, prepare it for canning, and help in the process itself. Thus providing them with a safe, inexpensive means to preserve their food for the winter months, while eliminating waste. Through his efforts, Congressman Brown's constituents are able to produce high quality vegetables at little or no cost, while developing a firm appreciation for nature, and enjoying the benefits of exercise out of doors. Congressman George E. Brown is performing an outstanding service to the benefit of his constituents. His dedicated efforts should serve as an example for each of us here in Congress, and I wholeheartedly commend him for his work in this important area.

As you know, Mr. Speaker, I have again introduced legislation in this Congress, H.R.280, authorizing the Secretary of Agriculture to distribute free seeds to interested Americans who wish to start their own vegetable gardens at home. My bill is estimated to cost the Federal Government $6 million from which it will yield $1,000,000,000 worth of food in just 3 years. Congressman Brown's experience has clearly shown that there is wide spread public support for such a program, and that the American people are eager and willing to "return to the soil" in a way that will allow them to provide for themselves. Mr. Speaker, I would urge my colleagues to examine the following articles taken from the San Francisco Chronicle, Los Angeles Times, the Press-Enterprise, and the Washington Post on the success of Congressman Brown's efforts. The articles clearly point out the desire on the part of the American public to participate in a national program of home gardening. My bill offers us the opportunity to provide this much-needed program to the people, and I hope to see it supported by the entire membership of Congress. Mr. Speaker, I insert the above-mentioned articles into the Congressional Record at this point:

[From the Washington Post, Apr. 22, 1975]

Constituents Gobbling Up Free Seeds

(By Paul Houston)

When Rep. George E. Brown Jr. (D-Calif.) sent a newsletter to constituents in the Riverside-San Bernardino area last month offering packets of free vegetable seeds (paid for by campaign funds), he figured he might get 2,000 takers.

So far more than 15,000 have sent in coupons to Brown's California office asking for the cucumber, lettuce, tomato, carrot, radish and beet seeds.

The regular office staff was so overwhelmed that 20 volunteers from local colleges and high schools had to be recruited. Meanwhile, a stream of visitors has come to see the lush vegetable garden and greenhouse that Brown and his staff developed outside the office.

"The response to my seed offer reflects the vast upsurge of interest in home gardening," Brown says. "It was more than just a gimmick to get my name before some constituents. For some time I have been concerned about how we can begin in small ways to assert our individual autonomy in this great impersonal world of ours. One way is to produce a little of our own food."

Brown also suggested in the newsletter that home gardening can help relieve the world food shortage—by freeing domestic supply for world markets—and escape rising prices. Not only that, "but you'll also find that your homegrown food tastes better and is probably better for you than much of the produce you can buy commercially," he wrote.

Brown said he plans to stay in contact with the seed recipients, encouraging them in letters to keep up gardening, get into food canning and set up market exchanges—"You know, trading off squash for tomatoes."

A member of the House Agriculture Committee, Brown said he has been trying to interest the Department of Agriculture in putting more resources into urban agriculture.

"We've never hesitated to subsidize farmers to the tune of billions of dollars," he said. "Maybe spending a couple of bucks on city people who want seeds is not a bad idea."

The Agriculture Department, he said, has discussed with him the possibility of setting up a food canning and preserving center in his district as a pilot project.

Brown and his district administrator, Bob Minick, have gone to city councils and mayors in the 36th Congressional District, asking that public land be set aside and water provided for community gardens. So far the response has not been overwhelming.

But in Pennsylvania, the state has made available—and tilled—community garden plots on Welfare Department property for 162,000 participants, the state also arranged for vegetable seeds to be made available at discounts, and local U.S. Department of Agriculture extension services have chipped in with technical assistance.

Spurred by the Pennsylvania project, Massachusetts Gov. Michael S. Dukakis has moved to establish a statewide gardening effort. Meanwhile the Interior Department's Bureau of Outdoor Recreation has $175 million available for local governments and schools for community gardening projects on a 50–50 matching funds basis.

Rep. James A. Burke (D-Mass.) is sponsor of a "bicentennial seed bill" directing the Secretary of Agriculture to send up to three packages of free seeds to any interested home gardener at an annual cost to the taxpayers of $6 million.

"Call it what you will—'Back to the Soil', 'Grow your Own' or 'Plow Under Inflation'—this movement cannot be ignored," Burke said. His bill is opposed by private seed companies and the Agriculture Department.

[From the San Francisco Chronicle, Apr. 23, 1975]

The Seeds of a Great Food Idea

Washington.—Representative George Brown Jr. (Dem-Calif.) has turned into one of the seedlest congressmen in town. Far from hurting him, though, it is reaping a bountiful political harvest.

It all started in the Civil War.

Few remember that the U.S. Department of Agriculture was created then specifically to distribute free vegetable seeds. That it did until the 1920s, when it was decided the program cost too much.

Along came the back-to-nature movement of the 1960s, the current home gardening boom and bills in Congress to revive the Agriculture Department's seed giveaway.

In March Brown sent a newsletter to constituents in the Riverside-San Bernardino area offering packets of free seeds (paid for by campaign funds).

He figured he might get 2000 takers. So far more than 15,000 have sent in coupons to Brown's California office asking for the cucumber, lettuce, tomato, carrot, radish and beet seeds.

The regular office staff was so overwhelmed that 20 volunteers from local colleges and high schools were recruited. Meanwhile, a stream of visitors has come to see the lush vegetable garden and greenhouse that Brown and his staff developed outside the office.

"The response to my seed offer reflects the vast upsurge of interest in home gardening," Brown said.

"It was more than just a gimmick to get my name before some constituents. For some time I have been concerned about how we can begin in small ways to assert our individual autonomy in this great impersonal world of ours. One way is to produce a little of our own food."

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"Call it what you will—'Back to the Soil,' 'Grow your Own' or 'Plow Under Inflation'—this movement cannot be ignored," Burke said. His bill is opposed by private seed companies and the Agriculture Department.

The seed packets being sent out by Brown would cost $2.50 over the counter but Brown got the first batch of 2000 for a bulk discount price of 74 cents. Now he has obtained a discount of 25 cents a packet. Brown said a political fund-raiser last month, which was intended to finance a $10,000 newsletter program this year, will pay for the seed project.

[From the Riverside (Calif.) Press-Enterprise, Feb. 2, 1975]

Anyone Could Have a Vegetable Garden

(By Lorraine Small)

When sugar went sky-high in price, many of us wished we could raise our own sugar cane or sugar beets. It's too cold and dry most places for cane, and it would be too difficult to process the beets. As for producing our own gasoline, well, that's a bigger pipe-dream yet.

Not many of us—but more and more with land do—are raising our own swine, sheep and beef. When it comes to fruit and vegetables, we're in.

We happen to live in one of the most productive "food bowls" of the country. California not only feeds itself, but provides the entire Unied States with around 25 per cent of the food for its tables. Our state raises three-fifths of the total U.S. exports of fruit and nuts, a quarter of the vegetables, a fifth of the rice, and an amazing variety of other foodstuffs.

We also are blessed with educational facilities which contribute to our high degree of agricultural technology. Our soil, crop, "bug", disease and other plant-study scientists are second to none. When we need help, we're the ones.

The U.S. may need oil, but we do have food. We produce more of it better than anybody. And more and more countries need it.

It was with this thought in mind that Congressman George Brown, Jr. came up with the idea that if Henry Kissinger needs food for international bargaining, what a help it would be if we raised a lot of our own edibles and left more for exports.

Congressman Brown's district administrator, Bob Minick presented his boss' ideas last Wednesday morning to the Riverside Board of Realtors. Congressman Brown, said Minick, had become impressed with the thriving commercial gardens being grown under high power lines, on hitherto unused land now rented to farmers. It looked like a handsome greenbelt, instead of plain, uninteresting dirt. And it was productive. Brown, said Minick, wondered how it could be made possible for interested citizens to participate in the growing of their own vegetables. It could beautify an area, and help counter some food scarcities.

But many people have no land available to them. He started noticing all the vacant lots in communities in his district, and thought of the water that was used to help fill underground reserves. "Why not let that water grow a carrot on the way?"

Minick decided to see how much effort and time it would take to grow a vegetable garden around the Congressman's Colton office. This was last February.

"I made a lot of mistakes when I started, but after my 17-year-old son took a vegetable-growing course at Loma Linda U. and made a few suggestions, we've had some fine harvests."

"People keep asking about vandalism," continued Minick. "The only produce actually stolen—and it's right on the street—has been watermelons and I think every kid should have the chance to steal at least one watermelon."

In the last year many U.S. cities have been furnishing vacant land, some furnishing water and even seed and fertilizer to citizens desiring to grow vegetables.

"There's plenty of government land around, and vacant city lots with water available, and there seem to be many people who would like to raise vegetables. On my plot, older people stop by to talk and admire, and reminisce about their gardening experiences," said Minick. He works on the garden mostly weekends, and thinks it's as fine a recreation as golf, although he figured he'd get an argument on this statement.

"It struck me that when someone is looking for property on which to build a factory, for example, and is looking at two pieces of land—one with an orange grove and the other bare land but otherwise offering the same advantages, he'll likely choose the old grove, even knowing the land will have to be cleared. It's just more appealing with green trees on it. I feel that the vacant lot with a vegetable garden will have the same effect on buyers."

Minick has been going around to City Councils in the area, proposing that cities make land available for food gardens. It has been estimated that one acre would suffice for the garden-participants from each 1,000 population. A city could haul 12 yards of manure and 12 yards of mulch per acre ($250 each), with the city doing the plowing ($10) and furnishing water. An administrator might cost about $200 per project, said Minick.

The City of San Francisco pays all costs, even providing gardening tools. Loma Linda furnishes everything for the vegetable gardener, including seed.

"Even if you just break even it's an opportunity to share—it's recreation and good exercise," said Minick. "This is no solution to world problems, but it's a place to start, and agriculture helps keep America from falling apart."

[From the Riverside (Calif.) Press-Enterprise, Mar. 12, 1975]

Representative Brown Sows Seeds of Causade

(By Jeff Perlman)

Rep. George Brown, Jr., literally is sowing the seeds of his self-described crusade to turn vacant urban land into vegetable gardens.

In his current newsletter, mailed to constituents this week, he is offering free packages of vegetable seeds to the first 2,000 persons who request them.

The Colton Democrat's 36th district includes the Riverside, Jurupa, Corona and Norco areas of western Riverside County and part of San Bernardino County.

Brown says, "Using just a little space out in the back yard, or even just a window box or two . . . you can begin growing at least some of your own vegetables."

In a recent interview, the congressman said the first 2,000 requests for the seeds—limit one starter kit of six packets per household—will be honored, at a cost of some $4,000 out of Brown's own personal funds.

He said the project would help citizens fight inflation, have recreational and therapeutic value, promote better health, and contribute to better land-use planning by individuals and government agencies.

Last spring Brown embarked on what he termed a "crusade" to get people "back to the land" and make them more self-reliant by growing some of their own food.

To set an example, Bob Minick, Brown's district administrative assistant, has been growing vegetables on vacant land behind the district congressional office in Colton. Recently a home-built greenhouse was added.

One of the congressman's goals is to convince local government to set aside vacant land for community vegetable gardens.

Minick said Monday he has presented such proposals to local government agencies in Riverside, San Bernardino, Fontana and elsewhere, with Fontana agreeing to set aside some land, and San Bernardino some free water.

In Riverside and other cities, however, Minick said the idea is being studied by city council committees which have not come back to him with any decisions.

AMENDMENTS TO H.R. 6860, THE ENERGY CONSERVATION AND CONVERSION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. McFall) is recognized for 5 minutes.

Mr. McFALL. Mr. Speaker, I have today submitted six proposed amendments to H.R. 6860, the Energy Conservation and Conversion Act, under clause 6 of rule XXIII for printing in the Record. I include in my remarks a summary of the amendments:

1. Strike Title II (energy conservation taxes)

2. Strike Title IV (Energy Conservation and Conversion Trust Fund)

3. Reduce from three cents to two cents the increase in federal gasoline tax to be imposed in 1976

4. Reduce from three cents to two cents the 1976 federal gasoline tax increase and by 20 percent any additional federal gasoline tax

imposed beginning in 1977 under the graduated tax formula in any state which has enacted a "qualified state tax increase" on gasoline after May 19, 1975. The qualified state tax increase must be available only for planning, constructing and maintaining highways or mass transit systems

5. Same as No. 4, except that this amendment applies to special fuels (e.g., motorboat fuels; general aviation fuels)

6. Permit Congress by simple resolution of either House to veto any determination by the Federal Energy Administrator that an increase under the 20-cent graduated tax formula shall be imposed. (The Administrator would have to publish such determination in the Federal Register by January 31, 1977, and each subsequent year; under this amendment, Congress would have until March 1 to reject the gasoline tax increase.)

TRIBUTE TO A MAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. Chappell) is recognized for 5 minutes.

Mr. CHAPPELL. Mr. Speaker, on June 1, 1975, a dear friend of mine and an outstanding American will retire as president of Bethune-Cookman College in Daytona Beach, Fla. Dr. Richard V. Moore, who served as president of this outstanding educational institution for 28 years, is indeed a unique, energetic leader in his field with an unlimited capacity to do good for his fellow man.

Without question, Dr. Moore is the complete man. His achievements extend far beyond the field of education and encompass civic, business, and church activities. His nine children have all graduated from college and one of his daughters will receive her Ph. D. this June. In the field of education, Dr. Moore has served as president of the Independent Colleges and Universities of Florida and has earned 12 honorary degrees, 6 of which are doctorates. This fine American is recognized as the dean of Florida colleges and university presidents in recognition of his long tenure as president of Bethune-Cookman College. Dr. Moore attended the elementary and junior high schools of Quincy, Fla., and received his high school training at Albany State College, Albany, Ga. He earned the Bachelor of Arts degree in Education from Knoxville College, Knoxville, Tenn. in 1932 and his Master's degree in Education from Atlanta University, Atlanta, Ga. in 1944. In 1947, he became the second president of Bethune-Cookman College, upholding the fine tradition of his predecessor, Mary McLeod Bethune.

Dr. Moore has made many outstanding contributions to the community of Daytona Beach, the State of Florida, and the Nation as a whole. He is a prominent leader in the Methodist Church and of the council of presidents of the board of education for the United Methodist Church. Dedicated to the importance of education and civil leadership, Dr. Moore is an active member of the Chamber of Commerce and Rotary and has been a member of the board of trustees of the Halifax Medical Center since 1973. He was awarded the most outstanding citizen award in 1972 by the civic league of Daytona Beach, Fla., and was the first black member of the board of directors of the Winn-Dixie Stores, Inc. The State of Florida has called upon his wisdom and leadership ability by choosing him to serve on the Florida committee charged with recommending appointees to the Supreme Court in Florida.

I could continue to enumerate the many civil, social and educational achievements of Dr. Moore, but perhaps it would be better to take a quote from Mary McLeod Bethune, the founder of Bethune-Cookman College and the only other person to serve as its president:

> I leave you Love. I leave you Hope. I leave you a thirst for Education. I leave you a respect for the use of power. I leave you Faith. I leave you racial dignity. I leave you a desire to live harmoniously with your fellow men. I leave you finally a responsibility to our young people.

Mr. Speaker, Dr. Richard V. Moore has upheld this proud tradition in a most outstanding manner. He has continued with courage and wisdom the work of Mary McLeod Bethune and his presence as president of Bethune-Cookman College will indeed be missed. He can carry with him a deep sense of pride as well as the grateful thanks of those who have known and worked with him for a job well done.

HOME HEALTH CARE—PART XVI

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, together with 85 House cosponsors, I have introduced H.R. 4772 and H.R. 4774, the National Home Health Care Act of 1975. The bill has been given equally strong support in the Senate where it has been introduced as S. 1163 by Senators Frank Moss and Frank Church, respective chairmen and the Senate Subcommittee on Long Term Care and Committee on Aging, Hugh Scott, Senate minority leader, and Senators Williams, Domenici, and Tunney.

To discuss the need for home health care and the public support this proposal is receiving, it is my intention to place statements in the Record several times a week by experts and lay persons commenting on the legislation.

This is the 16th in the series:

Koch Bill Shows Humanity

(By Dr. William Welch)

I have never met U.S. Rep. Edward Koch of New York, but he has to be a man of eminent common sense and of equally uncommon humanity.

In introducing a bill in Congress which would allow Medicaid to pay for home care of the housebound aged and infirmed, he has recommended an obvious answer to an urgent need of precisely those the original Medicaid bill was intended to help.

Moreover, his proposal is the only humane alternative on the horizon for those who desperately resist disappearance into that wretched invention of social expediency so aptly dubbed the "nursing home industry."

The present law denies to individuals in their own homes what they are by law allowed to receive. They must first give up their familiar surroundings, except the loss of the remnants of their individuality and become a bed number in an institution for the unwanted.

The very qualities we Americans used to hold dear—self-reliance, fierce independence and uncompromising self-respect—are keeping thousands of those who are old and sick and poor from help they need and deserve.

Now there is good evidence that Koch is on the right track. For the past two years, Dr. Philip Brickner of St. Vincent's Hospital in New York City has been responsible for a program which has sought out 263 untreated, housebound, poor people in the Greenwich Village-Chelsea neighborhood and is taking care of them in their own homes.

The hospital does not charge the people it is helping because, under the present law, Medicaid will not reimburse a hospital for taking care of people in their own homes. The government will and does pay $800 or more each month to keep a Medicaid patient in a nursing home.

St. Vincent's Hospital has found that it can keep a patient at home for less than a third of this amount, including the cost of medical care, social services, rent and food.

The human benefits of Dr. Brickner's program are obvious, but that they are obtainable at such significant savings should prove compelling, even among those who consider massive institutionalized social programs more acceptable than one-to-one concern for the self-esteem of the intended beneficiaries of such programs.

It seems reasonable that the families of the old and sick, whom they wish to keep at home, should be eligible for benefits to do just that. To pay for visiting doctors, get someone in to nurse and help keep house in surroundings that mean home to the aged and infirm should be well within the range of $800 a month.

Why, since the intent of the law is to provide for the old and sick, must we insist that they can only receive such help if they agree to be put away?

The proposed Koch bill could go a long way to help those who need help and, at the same time, give the nursing homes a chance to shape up for the responsibility of looking after those whose physical state is such that they have no other choice.

THE URGENT NEED TO MOVE FOR AN OVERALL SETTLEMENT IN THE MIDDLE EAST

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, it was my privilege to be among the members of the U.S. congressional delegation to the Middle East headed by the distinguished majority leader, the Honorable Thomas P. O'Neill, Jr., last month. After our meetings with President Sadat of Egypt and Prime Minister Rabin of Israel and various other top leaders and members of the Parliaments of both countries, it is my personal conclusion that a basis exists for a final settlement of the Arab-Israeli conflict, even though Secretary Kissinger's step-by-step negotiations brought out that further short-term, interim agreements are probably not possible.

President Sadat made it clear that he was prepared to enter into a nonbelligerency agreement, but that it could not take effect until Israel has withdrawn entirely from Egyptian territory. Prime Minister Rabin made it clear that Israel

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was not prepared to withdraw from militarily defensible positions until Egypt has agreed to end the state of war and normalize its relations with Israel. While there are still differences between the Egyptian offer of "nonbelligerency" and the Israeli demand for "normalization," these differences should be susceptible to negotiation and compromise.

Obviously, there are other questions, such as the Golan Heights, the specific borders, the Palestinian State, and the demilitarization of the Sinai, which will require long and patient negotiation. However, indications from the various parties are that if the principal obstacles to the Egyptian-Israeli conflict can be resolved, the resolution of these other issues is possible.

Unfortunately, we do not know what the Secretary of State's negotiating strategy now is, nor do we know even the outlines of a general settlement that the United States would consider acceptable. One can only wish Secretary Kissinger well and hope that his recent complaints about supposed "Israeli inflexibility" and the administration's actions with respect to the arms balance between Israel and its neighbors are mere tactical moves and do not reflect a weakening of our commitment to assist Israel to defend itself or to work for an overall settlement.

Mr. Speaker, in yesterday's Washington Post there appeared an outstanding article by former Undersecretary of State George W. Ball on the Middle East situation. Mr. Ball recommends a U.S. approach to the Middle East situation which is outstanding in its perception and in its recognition of the realities of the situation. I offer it for printing in the RECORD following these remarks:

MOSCOW AND THE MIDEAST—EUROPEAN SUMMIT HOLDS THE KEY TO PEACE

(By George W. Ball)

In these days of anguish over Vietnam we must take care that our preoccupation with past events in that tragic corner of the world does not deflect our attention from present and future dangers elsewhere; for our current highly personalized diplomacy is, by its nature, narrowly focused. Secretary of State Kissinger is—to use a favorite expression of Lyndon Johnson's—like a man with one hoe and three rattlesnakes and, since he seems quite unwilling to utilize the hired help, he may well let one of those rattlesnakes get out of hand. The most venomous of all is, of course, the Arab-Israeli conflict which, if it again becomes a shooting war, could pose incalculable dangers to the world economy and world peace.

Today the main actors in the Middle Eastern drama are marking time, consolidating their positions, testing the fidelity of their allies, replenishing their arsenals and awaiting new diplomatic moves by the great powers and particularly the United States. Though there is much chatter about reviving bilateral conversations, that is merely an exercise in maneuver.

The breakdown of the third round of shuttle negotiations clearly marked out the limits of bilateral diplomacy in resolving the Arab-Israeli conflict. It showed what some of us had long believed—that once an Arab country is asked to settle its bilateral issues with Israel by commitments that would effectively withdraw it from the conflict, those issues cease to be bilateral and acquire a pan-Arab character. It should have come as no surprise, therefore, that, when Dr. Kissinger sought to sponsor a bilateral agreement involving something other than military redeployment—something, in other words, more than the disengagement of forces on the Egyptian or Syrian front—he ran into a dead end.

Yet a clamorous controversy about the third round is a luxury we cannot afford. What we must do—and promptly—is to adopt a fresh course before the momentum of negotiation is lost and both sides resign themselves to the inevitability of another military showdown.

That means we must promptly position ourselves for the coming phase of multilateral diplomacy in the supercharged atmosphere of a reconvened Geneva Conference. This requires that we move promptly along two lines: We must lay out publicly, and in some detail, an American view as to the substance of a settlement we could support; then we must concert that position with our Western allies and try to gain the agreement of the Soviet Union before the Geneva proceedings begin.

Secretary Kissinger has, up to this time, proceeded on the assumption that, by dealing with one peripheral issue after another, the United States could create a momentum that could make possible a settlement of the tough substantive issues. But what the United States so far has not done is to spell out in specific form its conception of a settlement within the broad framework of Resolution 242, which the United Nations Security Council adopted after the 1967 war.

The closest it came was when Secretary of State Rogers in 1969 proposed a total withdrawal from Egypt—except for special arrangements at Sharm el-Sheik, commanding the entrance into the Gulf of Aqaba—as well as a withdrawal from the West Bank—again with only minor adjustments. The Rogers Plan did not deal with other key issues.

It is time now for the President to enunciate a definitive American position which, in bare bones form, should embrace the following propositions:

First, the United States should reiterate its unambiguous support for the continued existence of Israel.

Second, consistent with its own principles and those of the United Nations Charter and Resolution 242, it should clearly point out that it cannot support the continued occupation of territories taken by force in 1967—although it acknowledges the desirability of minor border rectifications to be negotiated between the parties.

Third, it should insist that, simultaneously with the return of the occupied territories, the Arab states must put into effect the essential conditions of peace. That means not only that normal diplomatic and trading relations must be established with Israel but all discriminatory measures should be abolished; that the free use of the Suez Canal should be assured to all countries, not only for their cargoes but for vessels flying their flags; that peoples in the area should be permitted to travel freely and that the signatory nations should renounce the harboring of terrorists and commit themselves to end terrorism.

These central propositions must be unequivocally stated; in addition, the President should also make clear that any solution to the Palestinian question must rest on the principle that no government should be imposed on the people of the West Bank or the Gaza Strip without their consent, leaving it for the Arab nations to determine how that consent should be obtained—whether by a plebiscite conduct under third party supervision or some other mechanism. Finally, with regard to the representation issue, we should insist that the procedures of the Geneva Conference be so drafted as to limit attendance to those who unequivocally accept the express principles of Resolution 242, including agreement on the continued existence of Israel.

In setting forth an American position, the President should call on all arms-supplying nations—and specifically Soviet Union—to join in an arrangement to limit arms sales and arms shipments to the area.

A SECURE PEACE

The clear statement of a United States position along these lines would no doubt disappoint some Israelis who would like America's posture to be, in all respects and at all times, precisely congruent with Israel's and who cling to the hope that Israel can finally win a peace—or at least a permanent standoff—that will enable her to retain certain occupied areas she regards as specially important for economic or defense reasons. But, except for the negotiated correction of aberrations in pre-1967 boundaries, America should not undertake to support Israel's retention of territories taken by force. Not only would that contravene well established political principles, but it would make it practically impossible to achieve an enduring peace.

It is quite as wrong to assume that Israel can assure her enduring security by retaining her post-1967 boundaries as it is to believe that her return to pre-1967 boundaries must mean a return to pre-1967 conditions of insecurity. It is no favor to Israel to equate her security with the possession of strategic real estate; for, so long as she continues to occupy lands taken by battle in 1967, Arab irredentism will frustrate or defeat a permanent solution—and, in the long run, Israel cannot help but lose from protracted warfare.

To those who would reply that the United States should not ask Israel to give up all occupied territories since that would jeopardize her security, Americans must emphatically reply that we have a vital stake in Israel's permanent security, not merely because of deep and enduring sentiments and convictions but because continued Middle Eastern conflict could, sooner or later, lead to an East-West confrontation and nuclear war.

Thus the pertinent question is not whether we should seek to assure Israel's security but how best to assure it. Unquestionably, any settlement must provide for traditional protective arrangements. The demilitarization of key areas, great power guarantees of agreed boundaries and the maintenance of neutral military forces (possibly including great power elements) in buffer zones—these are all essential elements of a final agreement. But such physical arrangements are not by themselves enough to assure a durable peace. That must rest on settlement terms which reflect accepted principles of fairness, on the recognition by all nations in the area of the integrity of their neighbors' territories and on the mutual benefits that can flow from the free interchange of skills, technology, capital, people and goods.

An unambiguous statement of an American position embodying these fundamental propositions would make clear to all concerned—the Israelis, the Arabs, the Soviet Union and the American public—that our government seeks a peace based on an unassailable conception of what is fair and right. That is essential to our effectiveness as a peacemaker for, though never deviating from our fidelity to the preservation of an independent state of Israel, America must both play and appear to play an impartial role. It would serve no one's interests for us to act as though we were Israel's lawyer, or a surrogate for the ambitions of a minority of Israelis that do not fully accord with our own principles or interests.

Not only must that point be unequivocally made if America is effectively to promote a settlement, but it is essential if we are to avoid a dangerous division in our own domestic opinion. Moreover, by articulating a position beyond cavil on any moral basis, we could avoid the accusation at a later point that we have been pushed toward such a position by Soviet pressure.

LEVERAGE ON MOSCOW

As a second step, the United States should seek the agreement of France, Britain and perhaps other European allies both in support of this declared position and also of a common strategy. At the same time, we should inform the Soviet Union that we expect its cooperation in bringing about a settlement along the lines we have outlined, invoking in that connection the so-called "Statement of Principles Governing Relations Between the Soviet Union and the United States" agreed to at the Moscow summit conference between General Secretary Brezhnev and President Nixon in May, 1972.

The central provision of that document—which was issued with much fanfare—was an undertaking that the Soviet Union and the United States would seek to prevent the development of situations that might result in a "dangerous exacerbation of these relations—and to do everything possible to avoid military confrontation." The two governments recognized a special responsibility to "do everything in their power so that conflicts or situations would not arise that would serve to increase international tension."

It was emphasized at the time that these provisions were drafted with the Middle East primarily in mind; they were intended to mean that the Middle East should, in the words of the then assistant secretary of state for Near Eastern affairs, Joseph Sisco, "not be an area over which there should be confrontation" between the Soviet Union and the United States. To that end, the final communique of the meeting explicitly stated that the two governments "reaffirm their support for a peaceful settlement in the Middle East in accordance with Security Council Resolution 242."

To invite the Soviet Union to join in developing a settlement of the Arab-Israeli issue would be a critical test of detente. Yet assurance of the Kremlin's cooperation need not be left solely to its earlier statement of intention. Today—and for a few brief months—the Western allies have special leverage to compel Soviet action, by making it clear that they are not prepared to sign another statement of principles with Moscow until the Kremlin has demonstrated, by its cooperation on a Middle Eastern solution, that such declarations are more than empty rhetoric. Thus Moscow should be asked to give a firm assurance of cooperation on the Middle East before President Ford embarks on Air Force One to a summit meeting now being talked about for September where he will bless by his presence the alleged "achievements" of the European Security * * *.

SYMBOLIC MEANING

That summit meeting is of compelling importance to the Kremlin because it is a critical step in a carefully conceived strategy.

The convening of a European Security Conference has been an objective of Soviet policy for the past decade. In its original form the proposal was designed to divide the United States from Western Europe and to supplant both NATO and the Warsaw Pact by a broad agreement on European security arrangements which would, in practical effect, have left the whole of Western Europe open to Soviet penetration and aggression. When the West demurred, the Soviets reluctantly agreed that the United States might participate. Then, following Germany's adoption of Ostpolitik, most of our Western allies became resigned to—and some even enthusiastic for—such a conference, in spite of the fact that the United States showed little enthusiasm.

For two years now, the European Security Conference has been meeting, principally in Geneva, seeking to hammer out a declaration that would satisfy both sides.

As envisaged by the Soviet Union, the final declaration of the conference—when blessed at a Summit meeting—would stand as a substitute for the peace conference to settle World War II, which—in view of the division of Europe—the West has so far refused. Just as the Congress of Vienna sought to restore the dynastic order that prevailed prior to Napoleon, and the Versailles Conference attempted to restructure Europe in accordance with the Wilsonian principles of self-determination, the European Security Conference would not only give a Western blessing to a severed Europe and to the current Eastern European boundaries, it would also make clear that Moscow's domination of its Eastern European empire was no longer to be challenged. As the Kremlin no doubt sees it, that should make unnecessary further bloody exercises in "fraternal solicitude" such as the Red Army invasion of Budapest in 1956 and Prague in 1968.

The summit meeting to santify these agreements holds for the Kremlin a special symbolic meaning. It is planned as the antepenultimate event preceding the 25th Congress of the Soviet Communist party, now called for next February, when it seems possible that Brezhnev will announce his retirement. For the ailing general secretary it would thus be a celebration of his detente policy—the crowning moment of his career, when he would parade across the television screens of the world on equal terms with the President of the United States, as well as other heads of state and chiefs of government. It would demonstrate that, during his tenure of power, the Soviet Union had finally attained world recognition as one of the two great superpowers. It would also show that he had secured world acceptance of Soviet hegemony over Eastern Europe—even to the point of the ratification of the Berlin Wall.

So, Brezhnev definitely needs a summit meeting before the end of the year if the Kremlin's carefully plotted melodrama is not to flop in the third act, and, since such a summit meeting is the ritual prelude to the February party congress, it should provide the West with useful leverage if used promptly.

FEW CONCESSIONS

It would not be prudent to use such leverage, of course, if the West had anything significant to gain from the completion of the Security Conference, but the contrary is, in fact, the case.

When America and Western Europe reluctantly gave consent to the conference—after protracted Soviet pressure—it was on the assumption that they could extract substantial concessions from the Soviet Union.

They envisaged arrangements, for example, of the kind known as "confidence-building," such as the advance notification of military maneuvers and troop movements to provide early warning against surprise attack. Other hoped for concessions would be of a humanitarian nature, to make possible the freer movement of peoples, provide easier rights of exodus for citizens who might have married foreign spouses and facilitate the freer circulation of periodicals and newspapers and the activities of foreign correspondents. In addition it was hoped to achieve greater freedom for radio and television, with prohibition of jamming.

Unhappily, after months of tiresome wrangling, the sum total of these concessions is still meager. Watered-down arrangements for early warning against surprise attack are still in the text but apparently in such generalized form as not to be very significant. Provisions for the liberalization of Soviet policy—contained in what is known in conference jargon as the "third basket"—have had the blood drained out of them. The "third basket" is full of little but air.

A NEED FOR SPEED

For us now to insist on tying our blessing on the arid products of the conference to a specific agreement for cooperation on a Middle East settlement is supported by a compelling logic. Not only has the connection of the Middle East with detente already been implied by the 1972 statement of principles but the West has never doubted its relevance to a European security conference. In fact, Dr. Bruno Kreisky, now the Austrian chancellor, insisted as early as 1971 that a European Security Conference "would not even deserve the name" if the agenda did not give prime place to "the war-like situation in the Near East."

But if the United States is to insist on Soviet cooperation in securing an Arab-Israeli settlement as the price for a European Security Conference summit, it must act quickly; the last best chance is for Kissinger to put it squarely to Soviet Foreign Minister Gromyko when they meet in Vienna this week.

To believe that we are compelled to go through with the conference and particularly the signing ceremonial at the Summit, because we have already indicated a willingness to do so out of sheer ennui is to admit a weakness of will and lack of a sense of priority quite unbecoming to a great power. The United States is not a weak nation to be pushed and pressured and it should take no action it does not find in its own best interests however sweet the seductions of detente—an abstraction without meaning except in concrete applications.

That peace cannot be achieved in the Middle East so long as the Soviet Union plays a spoiler's role has, it seems to me, been demonstrated by recent events. And, unless and until nations once again believe that a settlement is possible, Soviet influence will continue to grow for, faced with the possibility of resumed war, Egypt, Syria and Iraq must necessarily pay attention to Moscow since their armed forces depend on Soviet weapons.

Thus, in the absence of Soviet cooperation, the Geneva conference on Mideast peace will certainly bog down—or be prevented from ever getting under way by the issue of Palestinian representation.

Yet a prolonged deadlock would put heavy pressure on Israel. The assumption widely prevalent prior to the war in October, 1973, that time was running on Israel's side and that the world would accept as an accomplished fact her retention of territory seized in 1967 was disproved by the October war and particularly by the abrupt increase in oil prices. The Arab possession of massive funds has clearly changed the balance of resources—and, as the Arab states use those funds to buy more and more arms, it could change the balance of military power.

PREEMPTIVE STRIKE

Thus, if the Geneva conference aborts and there seems little prospect of rapid progress toward a settlement, Israel could be greatly tempted to take military action before the Arabs arm themselves with so many sophisticated weapons that they can overwhelm Israel with their superior manpower.

Such military action could take the form of a preemptive strike against Syria in the hope that a victory could be achieved within a matter of four or five days. Since Israel now has military supplies that should last for about three weeks of fighting, the Israeli military would hope to avoid the need for an American airlift. Even if Egypt felt obliged to enter the war, the Israelis do not believe that that would tilt the balance, since

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the Egyptians have not fully replaced their weapons lost in the October war.

Although such calculations seem plausible, there is no assurance that events would work out as planned. Nor can we be certain that, if Syria or some other Arab state were hard pressed by an Israeli attack, the Soviet Union would resist the temptation to commit two or three of its airborne divisions.

Finally, a preemptive Israeli strike would almost certainly trigger another oil embargo. No one can be quite sure just what line of policy Saudi Arabia would pursue under the leadership of Prince Fahd, but there is reason to believe he might play a more active role in Arab politics and feel less constrained than King Faisal in the use of the oil weapon. With the West now suffering an economic depression, another oil embargo could well have disastrous consequences.

Thus the need to move promptly toward settling the Arab-Israeli contest is imperative and the immediate next step is an agreement with Moscow.

PROPOSAL FOR A SPECIAL HOUSING ALLOWANCE FOR SSI RECIPIENTS

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, the supplemental security income program has been a disaster to those for whom it was supposed to provide simple and efficient service. Over 4 million aged, blind or disabled Americans who have either no other income or very limited resources rely on this program for their survival, and yet we continue to hear stories of those who are living on a food budget of $1 a day, who are evicted from their apartments because they cannot pay rising rent and utility costs—in short, who cannot meet expenses for even the most basic necessities of food, clothing, and shelter.

There are many inequities in the SSI program which can only be corrected through congressional action, and these will take time and serious study to remedy. But aside from such fundamental defects, SSI recipients have been, like all other Americans, the victims of a totally unexpected and unprecedented rate of inflation that averaged 12.2 percent during 1974. As is always the case in such circumstances, those who have the least to lose are the ones who have lost the most.

Particularly hard hit by these difficult economic times are those SSI participants who live in high cost-of-living areas, and in these areas one of the most pressing problems for them is the inflexibility of the SSI program to permit them to meet rent increases and the lack of adequate alternate housing at a price they can afford. While statistics are not available to show what percentage of income the average SSI recipient spends for housing—I understand the Social Security Administration hopes to have such data in the near future—we do know that traditionally as income falls, the portion of it spent for housing rises. The 1970 census indicates that among households headed by persons 60 years of age or older, 71 percent of those with gross incomes of less than $2,000 a year paid more than 35 percent of that income for housing. The median percentage of income spent for housing by persons in the annual income category of $2,000 to $3,999 was over 35 percent also.

In order to provide a measure of relief to this group I am today introducing legislation to provide a special housing allowance for those SSI recipients who are paying more than a quarter of their income for housing, property taxes and essential utilities. The allowance will consist of the difference between what an SSI recipient is paying for shelter and what constitutes 25 percent of his or her income. I believe the figure of 25 percent is both reasonable and logical because it conforms to the standards set under the section 8 Housing Assistance Payments Program in which eligible persons are given a Federal housing benefit equal to the difference between the market value of a rental unit and a given percentage of income. Under this program no one is expected to pay in excess of 25 percent of his or her income for housing, and some very low income persons may pay as little as 15 percent of income. No eligible person may receive more than $1,200 per year under the supplement I am proposing.

The following Members are cosponsoring this bill: Mr. BADILLO, Mr. BEARD of Rhode Island, Mr. BROWN of California, Mr. CARR, Ms. COLLINS of Illinois, Mr. CONYERS, Mr. DELLUMS, Mr. EILBERG, Mr. FORD of Tennessee, Mr. HANLEY, Mr. HARRINGTON, Mr. HECHLER of West Virginia, Mr. METCALFE, Mr. MITCHELL of Maryland, Mr. PATTISON of New York, Mr. RANGEL, Mr. RICHMOND, Mr. RIEGLE, Mr. ROSENTHAL, Mr. SCHEUER, Mr. SOLARZ, and Mr. THOMPSON.

I am hopeful that when this bill reaches the Ways and Means Committee it will be looked upon as a way of providing quick relief to a group that has already suffered immeasurably from the ravages of inflation and that action on it will be prompt. We cannot change overnight the many grievous inequities that Congress wrought upon the aged, blind, and disabled through this program, but we can and we must act swiftly to provide some assistance to at least partially alleviate the suffering of those being devastated in high cost-of-living areas. I urge that we place consideration of this bill and the other bills that have been introduced to reform the SSI program highest on our list of priorities for the 94th Congress.

The bill follows:

H.R. —

A bill to amend title XVI of the Social Security Act to provide for the payment of a special housing allowance to each recipient of supplemental security income benefits whose housing expenses exceed an amount equal to 25 per centum of his or her income, so as to reduce such expenses to that amount

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That part A of title XVI of the Social Security Act is amended by adding at the end thereof the following new section:

"SPECIAL HOUSING ALLOWANCES

"SEC. 1618. (a) In addition to other benefits payable under this title, the Secretary shall pay a special housing allowance as provided in this section to each eligible individual (as defined in section 1611(a)) who makes application therefor and whose housing expenses (determined over such period as the Secretary shall specify) exceed 25 per centum of his or her income.

"(b) If an eligible individual has a spouse, such spouse's income and housing expenses shall be included for purposes of determinations under this section to the same extent as they would be if such determinations involved eligibility for an amount of benefits under section 1611.

"(c) For purposes of this section—

"(1) an individual's housing expenses with respect to any period shall consist of (A) such individual's expenses for rent, or for mortgage payments and real estate taxes, during such period, and (B) the additional cost (if any) to such individual of essential utilities which (during such period) serve the dwelling or dwelling unit with respect to which the expenses referred to in clause (A) are incurred; and

"(2) an individual's income with respect to any period shall include any benefits paid under section 1611, and any income which would otherwise be excluded pursuant to section 1612(b), during such period.

"(d) The special housing allowance under this section for any eligible individual with respect to any period shall be payable at a rate equal to—

"(A) the amount by which such individual's housing expenses exceed 25 per centum of his or her income during such period, or

"(B) $1,200 a year,

whichever is less.

"(e) The Secretary shall prescribe such regulations as may be necessary or appropriate to effectuate the purposes of this section and to conform the administration of this section, to the maximum extent feasible, to the general administration of the supplemental security income benefits program under this title."

SEC. 2. The amendment made by the first section of this Act shall apply with respect to periods beginning on or after the first day of the month following the month in which this Act is enacted.

SOLAR ENERGY PACKET MADE AVAILABLE

(Mr. STUDDS asked and was given permission to extend his remarks at this point in the RECORD and include extraneous matter.)

Mr. STUDDS. Mr. Speaker, I am making available to my constituents beginning today a packet of information about solar energy that I feel may be of interest to every Member of Congress. This packet is designed to provide a variety of both general and specific information on solar power, and to encourage my constituents to become interested in and to begin experimenting with this unique, clean, and potentially inexpensive source of energy. The contents of my solar energy information packet follow:

(By Gerry E. Studds)

SOLAR ENERGY: PUTTING THE SUN TO WORK

THE NEED TO INCREASE THE USE OF SOLAR POWER

It is clear that the United States needs alternative sources of energy to reduce our current dependence on petroleum-based fuels, and particularly on imported oil. Solar energy is a clean and inexhaustible source of power and, while the use of the sun for generating electricity may still be years away from commercial viability, solar power is already an economically practical method of heating and cooling buildings and of powering hot water heaters. Although the U.S. has already begun to slowly move toward the expanded use of solar energy, I believe very strongly that the government to date has been far too timid, and far too ready to accept the idea that the widespread use of the sun for generating energy is still decades away from reality. The technology in this field already exists, and it is up to us to put it into use on as wide a scale as possible. While the amount of energy we receive from the sun in New England is not as great as the energy received from the sun in areas farther south, solar heating and cooling technology has been demonstrated to be workable even in New England.

This packet is designed to provide a brief over-view of the potential and the current uses of solar energy, of the role of the federal government in solar energy research and use, and to provide those interested in experimenting in this field with a number of sources of information on this subject. I hope it will be helpful to you, and that you will not hesitate to write to my office for further information or assistance. I believe that the people of the Twelfth District are ideally qualified to take the lead in this interesting and vitally important field.

THIS PACKET CONTAINS

1) The latest information on my solar and wind energy legislative package.

2) A copy of "Energy Alternatives", a small pamphlet which describes briefly the various ways in which the power of the sun may be used.

3) The Department of Housing and Urban Development's program plan for implementing the Solar Heating and Cooling Demonstration Act for residential dwellings.

4) Selections from a copy of the National Science Foundation's magazine "Mosaic". This is their special issue for new energy sources, and I think that you will find it very useful for obtaining an over-view of our future energy capabilities.

5) A bibliography of solar energy books and articles, including research works, and guides to the practical implementation of solar energy equipment. Also included is a partial list of companies that manufacture solar equipment.

WHAT THE GOVERNMENT IS NOW DOING

Last year, Congress enacted—with my strong support—both the Solar Energy Research and Development Act of 1974, and the Solar Heating and Cooling Demonstration Act of 1974. To implement these measures, Congress appropriated $38.2 million for fiscal year 1975 and it is expected to increase this figure to $70.3 million or more for fiscal year 1976.

The administration of these programs was placed initially in the National Science Foundation, but it has since been shifted to the Energy Research and Development Administration. Some of the grants that have been awarded thus far include:

$500,000 to provide a solar heating and cooling system for an elementary school in Atlanta, Georgia.

$173,000 to use solar energy to supply the space heating and hot water needs of a high school in Warrenton, Virginia.

$131,200 to the state of Connecticut to design a prototype solar heating system for a 40 unit housing project for the elderly.

$41,200 to Auburn University to study the potential for converting and utilizing solar energy in the production of poultry.

$48,900 to the University of Waterloo in Iowa to conduct research on methods for reducing heat losses from flat plate solar collectors for the heating and cooling of buildings.

I believe that this type of government-sponsored research and experimentation is important, but I believe also that the rapid expansion of solar energy use will only come when the public finds that solar heating and cooling is economical and desirable and begins to demand from industry the equipment needed to utilize it on a broad scale. It is to this end that I have decided to compile and distribute these packets. I hope that you will put them to good use.

CONGRESSMAN GERRY E. STUDDS' LEGISLATIVE PROGRAM FOR SPEEDY DEVELOPMENT OF SOLAR AND WIND ENERGY

The use of solar energy to heat and cool buildings and the use of the wind to generate electricity have both been proven to be technologically feasible. Both technologies have been small operating costs, but require an initial capital investment much larger than for more conventional devices. I believe the following legislation will help to speed up the commercial marketing of reasonably priced solar and wind energy systems:

Tax credits or low interest loans for homeowners who install solar heating and cooling equipment in their homes. This would accompany similar legislation for homeowners who install improved insulation, storm windows and storm doors in their homes. Congressmen Charles Vanik and Gilbert Gude are the chief sponsors of legislation in this area, and I am co-sponsoring both of their proposals.

Create a special category of Small Business Administration loans to help small businesses finance the first stages of developing and marketing solar and wind energy equipment. Many of the break-throughs in solar and wind equipment have been made by individual inventors and small businesses. I believe it is appropriate to help them find financing through low-interest loans to aid them in getting their products on the market quickly.

Increase the ceilings on FHA, VA and other home mortgages insured by the federal government by the cost of solar heating and cooling equipment installed on the house. If these ceilings are not raised, the initial capital investment for solar equipment would make most of these homes ineligible for assistance under current federal housing programs.

Substantially accelerate and increase federally financed research and development of both small and large size wind generators. The technology exists, but additional product development is needed—particularly for wind generators large enough to be used by public utility systems.

CONCERN, INC.

ECO-TIPS NO. 7, ENERGY ALTERNATIVES, PART III: SOLAR ENERGY

("Had it not been for an abundance of fossil fuels—coal, oil and natural gas—we might today have a 'Solar Energy Economy' just as effective and efficient as our 'Fossil Fuel Economy'." From a National Petroleum Council report)

SOLAR ENERGY

There is an inexhaustible resource for man's use: solar energy. The energy potential in sunlight falling on the surface of Lake Erie in a single day is greater than the present annual U.S. energy consumption. At high noon on a clear day in June, the sunshine falling on New York City is the equivalent of the energy produced by all the power plants in the entire world at peak performance.

If this solar abundance is to be useful to man as a power source, the energy must be collected, stored and transmitted in a practical and economic way. There are many ways to harness the sun's energy. It can be gathered directly from the sun's heat, and indirectly from the wind, from the ocean, and from organic materials.

Using the sun as our energy generator provides several unique advantages:

It is available to every country on earth;

It is clean and safe;

Its technology is understood; and

Its "fuel" is free.

The urgency of the solar program is a result of:

The spiraling costs of fossil fuels and nuclear energy;

Environmental pollution and health hazards associated with other forms of energy;

The economic threat of oil embargoes and trade imbalances; and

The inevitable depletion of fossil fuels.

The purpose of this Eco-Tips is to give you the basic facts of solar technology so that you can assess and debate the impact that solar energy could have on our energy future.

HEATING AND COOLING OF BUILDINGS

The American public is, so far, relatively unaware of the available technology for heating and cooling of buildings. Although solar energy is being used today for space heating and cooling and hot water heating of residential and commercial buildings, it is mostly in demonstration projects and not on a mass distribution basis. At least twenty solar-heated buildings now exist in the U.S. and many more are under construction.

Solar heating equipment is on the market today and is cost competitive with electric heat in many areas. Combined solar heating and cooling systems should be commercially available at reasonable cost within a few years.

The most feasible techniques for space heating and cooling fall into two categories: flat-plate collectors and water-filled containers.

The flat-plate collector consists of a glazed material, usually glass, which rests above a blackened surface. Such a collector box acts as a "green house." The glass transmits short solar light waves to the blackened absorbing surface and prevents the longer heat waves from passing back out of the "box," thereby retaining maximum heat.

Pipes running through the collector carry heated water or air to a circulating system for immediate use or to a storage container for future use. To preclude the need for large collector and storage facilities, auxiliary energy may be needed to provide heat during long cloudy periods.

Cooling systems can also be driven by collected solar heat. The technology for this is not as advanced as for solar heating, but demonstrations exist where either an absorption or compression refrigeration system is driven by collected solar heat. Solar air conditioning could reduce substantially the summer peak load requirements of electric utilities.

Flat-plate collectors can be easily integrated into the design of new buildings or clusters of buildings such as apartment complexes. Collectors could be installed on flat roofs, sloping roofs, as part of a wall design, or built as a separate unit. In some cases they can be "retrofitted" (added on) to existing structures.

Water filled containers, which catch the sun's rays and use nocturnal evaporation, work particularly well in the warm dry areas of the Pacific Coast and Southwest. One such operation called "Sky Therm" uses plastic containers of water that rest on a flat metal roof and are covered by a sliding panel. In winter the water absorbs energy and keeps the house comfortable by radiating heat through the ceiling. At night the water bags are covered by the sliding panel and can retain heat for several days. For summer comfort the process is reversed to cool the water at night.

Solar hot water heaters, the most commer-

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cially successful and available "devices" for solar energy application, are in use in many countries. We used them in Florida and California before the advent of cheap natural gas. The integration of hot water systems with the solar heating and cooling devices mentioned above is feasible, practical and economically sound.

Reducing energy requirements for buildings reduces the size of the solar collectors and storage systems, the most expensive components of solar systems. Conservation design includes site planning, building orientation, insulation and ventilation. The American Institute of Architects estimates that potential savings in energy through the application of conservation design, as well as solar equipment, could range between 50 and 80% in new construction.

SOLAR THERMAL CONVERSION

Solar thermal conversion systems collect solar radiation, convert it to thermal energy and ultimately to electric power. Thermal conversion projects range from "solar farms" to huge solar "power towers."

One solar farm proposal envisages the construction of 1,000 land-based power stations each capable of generating 1,000 megawatts. The solar collectors would gather heat and channel it to a central storage facility where the heat would be stored in molten salts. Heat would be obtained from the salts when needed to provide steam to drive turbines. Such a system would require thousands of square miles of land, probably in the southwestern desert area of the United States. Significant questions for this technology are: How the transfer of vast amounts of solar energy from one area to another would affect the natural energy balance, as well as the overall air circulation patterns; and how such a system will satisfactorily handle its enormous land and water needs.

The power tower will consist of a field of mirrors which track the sun and redirect its energy to a boiler atop a tall tower. The National Science Foundation is presently favoring this approach as offering a lower cost potential than flat plates or parabolic reflectors. A parabolic reflector seven stories high, using a large field of mirrors, has been operating for some time in the French Pyrenees. An electrical generating unit is being designed for addition to this system.

Storing solar energy on such a large scale is a difficult problem. One answer might be to use solar power to separate hydrogen from water under very high temperatures and then store the hydrogen.

PHOTOVOLTAIC CONVERSION SYSTEM

When sunlight strikes a cell made of material such as silicon or cadmium; the sunlight is directly converted to electricity. This is the photovoltaic conversion system, which was developed to provide energy during space flights.

Photovoltaic cells can be used either at decentralized sites such as individual houses and buildings or at large power plants for the centralized generation of electricity. Modular units consisting of networks of tiny solar cells can be placed on roof tops or incorporated in other structural elements of a building. When used on a large scale for centralized power generation, a modular design has the advantage of allowing replacements and additions without disrupting the total system. Photovoltaics can operate on diffuse as well as direct sunlight and may be used in a wide portion of the United States. Also, photovoltaic cell generation could conceivably be tied in with an existing power grid—an idea that is currently under study by several utility companies.

Until recently the development of photovoltaic cells for mass distribution has appeared prohibitively expensive. However, according to a report in the June, 1974, issue of *Science Magazine*, Tyco Laboratories, Inc., in Waltham, Massachusetts, has developed a means of producing silicon ribbons which may make production costs competitive with conventional syatems. The National Science Foundation (NSF) which currently has the responsibility for our national research and development program for solar energy is sponsoring the research and technology for lower cost production of silicon. A pilot plant is targeted for the continuous production of silicon ribbons by 1982. Japan, under "Project Sunshine," is planning to operate a 1 megawatt solar photovoltaic plant in the early 1980's.

A scheme has also been proposed for a huge satellite with photovoltaic cell panels to be placed in orbit 22,000 miles above the earth to transmit microwaves to central ground conversion and distribution centers.

WIND ENERGY CONVERSION

The windmill is being reborn, with new names like wind generator, wind machine, and windpower system. Many experimental projects are under way to build an economical home or farm-size windmill to be used for supplementary power, or to be the sole source of electricity in remote rural areas. However, the major effort today is in developing large-scale windpower generators to supply electricity to the utility companies and to small communities.

In 1972, William Heronemus, who revived the large-scale windpower concept in America, proposed an offshore windpower system which would be capable of generating electricity, economically, for the six New England states to meet their entire predicted demand between 1976 and 1990. This windpower would be used to convert seawater by electrolysis into hydrogen gas. The gas would then be piped ashore to make electricity in fuel cells, where hydrogen and oxygen are combined to produce electric current and water.

Hydrogen gas is one means of storing windpower; other methods are compressed air, water pumped into elevated reservoirs, flywheels, and batteries (the common method for home windmills). The need for storage can be eliminated altogether by feeding the wind power directly into a utility grid.

Sites where the wind speed averages 15 to 20 miles per hour are most desirable. In the U.S. these are generally coastal regions, the Great Plains, and our northern border. Hilltops and mountaintops are also likely locations.

One of the goals of the National Science Foundation is to develop reliable and cost-competitive wind energy conversion systems by 1979. Under the NSF program, the National Aeronautics and Space Administration (NASA) will build a pilot wind generator in 1975. (See Fig. 2.) It is planned that these wind machines will be used on an experimental basis the following year by utility companies. And by 1979 a large system (100 megawatts) requiring 50 to 100 towers and using approximately 50 acres of land is scheduled for construction. Expectations are that large wind generators will be ready for wide commercial use in the 1980's.

SOLAR SEA POWER

Almost half of the total incoming energy falls on the tropical seas, creating a heat reservoir in the surface layer that can feed Solar Sea Power Plants (SSPPs). Beneath this sun-heated layer exists a huge mass of near freezing water drifting from the polar regions toward the equator. By using this natural temperature difference (approximately 30-40° F.), a heat engine can be operated. The main portion of the plant is designed to be submerged almost 200 feet where the ocean is without turbulence. SSPPs will produce electricity, which can be transported ashore via underwater cable or the sea water can be distilled and electrolyzed to produce hydrogen which would be transported via pipeline or tanker.

SSPPs have the economic advantage of not requiring costly solar collectors or storage facilities for the heat when the sun is not shining, as the ocean provides these functions. The solar sea system would require a minimum of valuable land space. In addition to hydrogen, the system could also produce fresh water, protein, oxygen, ammonia, and methanol.

An environmental side effect, if sea thermal resources were completely tapped, might be a slight change in ocean temperature. Studies must be made to determine if this will happen and to identify possible effects on marine life and weather patterns.

How large is this resource? Sea thermal researchers optimistically predict that the SSPPs could supply the total future U.S. energy needs. Suitable sites include the offshore waters of Puerto Rico, the Virgin Islands and Hawaii, and possibly the Gulf Stream and the Gulf of Mexico.

The National Science Foundation has funded several technical and economic feasibility studies for the solar sea power program. No major scientific breakthroughs are needed. NSF has requested accelerated funding so that the program can proceed from the laboratory stage to the actual building of a small solar sea power plant in the next 5 years.

ENERGY FROM ORGANIC MATERIAL

("There is enough energy in the solid wastes of large U.S. cities to light every home and commercial establishment in the country." Arsen Darmay, Environmental Protection Agency.)

Organic materials are stored sunpower. They can be converted directly into heat energy by combustion, or converted to fuels by either biological or chemical processes. Organic matter is available from sewage, solid waste, animal wastes, and from food processing plants and lumber operations, or it can be grown as "energy crops" for conversion to heat and fuel.

Direct burning of the organic fraction of solid waste, including plastics and rubber (chemical organics), is used as a supplementary fuel with coal to produce steam for electric power, heating and cooling. Combustion plants in St. Louis, Nashville, Chicago and Pontiac are now in operation, with similar plants under construction in Akron, Ohio, and Saugus, Massachusetts.

The pyrolysis process (heating at high temperatures in the near absence of oxygen) converts organic wastes to clean gas or oil of low BTU value, and char, a solid fuel. The Union Carbide Purox system in Charleston West Virginia, produces gas. Garrett Research and Development Company in San Diego uses organic wastes to produce oil and gas, and Monsanto's Landgard system under construction in Baltimore will produce gas.

Anaerobic digestion is the bacterial decomposition of organic material in the absence of air to produce methane gas. Methane from sewage is being produced in small quantities in Chicago, Philadephia and Los Angeles to help fuel their sewage treatment plants. In Colorado, methane gas from cow manure at Montfort's cattle feed lot operation will be channeled into the Bio Gas Company pipeline. Large-scale commercial production of methane from solid wastes, sewage and plant materials is being further researched.

Methanol (wood alcohol) is a liquid that can be converted directly from urban solid waste. It is usable for home heating and power plants and, when added to gasoline, increases fuel economy and decreases emissions.

Hydrogenation is considered to be a promising method of conversion. The Bureau of Mines' Pittsburgh Energy Research Center

converts cellulose from urban, animal and wood industry waste to produce a low sulphur oil and char.

Biomass, or photosynthetic production, may be an idea for the future. Photosynthesis is the natural conversion of solar energy into plant materials. Production of "energy crops" (trees, grasses, algae and other water plants) on suitable land and water areas is being studied for conversion to useful fuel and heat energy. However, planning must be done to insure that biomass cultivation does not compete with land needed for food production.

NEW ATTITUDES AND ISSUES

What can citizens do?

Dispel myths that solar energy development is exotic, far off, prohibitively expensive and limited in application.

Visit solar demonstration projects.

(Write Concern for lists of solar demonstration projects, available solar equipment and architects working with solar energy.)

Encourage public officials to support solar energy development.

Discuss, within your own organization, what your community can do to conserve energy and apply solar technologies. Invite architects, planners, city officials, business representatives and the press to your meetings.

What can government do?

Priorities should be re-examined by the Federal Energy Budget for Research and Development for fiscal year 1976 nuclear fission accounts for $724.7 million and solar energy only $50 million.

Additional funding for solar development is needed. NSF has requested accelerated funding for its 5-year solar program. Public support for this program is vital.

Incentive programs should be established for industry, to enable early marketing of available equipment.

Incentive programs for homeowners to invest in solar equipment should be encouraged. Indiana has passed legislation permitting tax deductions for home installation of solar heating and cooling systems.

New Ways of Thinking

Life Cycle Costing: The initial investment in solar heating and cooling equipment is going to be higher than conventional equipment, *but* long-range operating costs will be less.

Sun Rights: A building or complex with solar installations should be entitled by law to a continuous right to the sun's energy, free from interference.

Energy Mix: Different geographical regions lend themselves to the use of more than one power source. In the northwestern states, for example, a central utility grid could receive power from wind, geothermal and fossil fuels when necessary. Similarly, a home can combine solar collectors, a wind generator, and a "digester" for waste recycling.

CONCLUSION

In order to bridge the gap between our present energy crisis and the future commercial development of solar energy, we must institute a national program of energy conservation. Reducing energy demand is a necessity, not only to buy time for clear energy, but to save and stretch our dwindling resources.

By the turn of the century, solar energy could be supplying a significant part of our energy needs, according to a report prepared under the direction of Dr. Alfred J. Eggers, Jr., Assistant Director for Research Applications at NSF. The report says, "Through widespread application of (solar) technologies it is estimated that 10 to 30% of the Nation's required BTU's can be provided by solar energy by the year 2000 and as much as 60% by the year 2020."

PROGRAM PLAN FOR SOLAR HEATING AND COOLING DEMONSTRATION PROGRAM (RESIDENTIAL DWELLINGS)

(Prepared by the Department of Housing and Urban Development and the National Aeronautics and Space Administration)

FOREWORD

The Solar Heating and Cooling Demonstration Act of 1974 (the Act), enacted by Congress and signed by the President on September 3, 1974, declares that it is the "policy of the United States and the purpose of this Act to provide for the demonstration within a three-year period of the practical use of solar heating technology, and to provide for the development and demonstration within a five-year period of the practical use of combined heating and cooling technology."

The Act authorizes and directs the Secretary of the Department of Housing and Urban Development (HUD) and the Administrator of the National Aeronautics and Space Administration (NASA) to prepare a comprehensive plan for the conduct of the development and demonstration activities called for under the residential portion of the Act (Sections 5 and 6). The Act requires that this comprehensive plan be transmitted to the President and to each House of Congress within 120 days after the date of the enactment of the Act. This document complies with that requirement of the Act. Although not required by the Act a separate program plan entitled "Development and Demonstration of Solar Heating and Combined Solar Heating and Cooling Systems for Commercial Applications" is being prepared by NASA for the activities required by Section 9 of the Act.

This Program Plan has been prepared by HUD and NASA, in consultation with the National Bureau of Standards (NBS), the Department of Defense (DOD), and the National Science Foundation (NSF), to fulfill the requirements of the Act.

I. INTRODUCTION

A. The energy problem

Responsible government agencies and the general public, are aware of the seriousness of the energy problem. To date, fossil fuels have been the primary source of our energy since they have been sufficiently available and low in cost. Recent events, however, have driven the cost of fuels upward and raised serious questions as to their long-term availability. At present, a scarcity of clean fuels for energy and a dependency on foreign countries for petroleum creates inflationary pressures, a reduction in economic power, and hardships upon citizens. The future health and welfare of all mankind depends upon an adequate supply of energy. Therefore, efforts to obtain adequate supplies of energy from other sources are absolute mandatory and must be fully and expeditiously investigated.

B. Solar energy

Great attention is now being given to the use of solar energy to help meet the nation's needs. The sun is an abundant and available source of pollution-free energy that can be collected and used to both heat and cool many of the buildings in the nation. During most of the days of the year, over twice as much energy from sunshine falls on the roof of a single family dwelling as required for heating or cooling. The widespread use of energy from the sun would have a significant effect on the nation's fuel reserves since currently approximately 20 percent of our nation's conventional fuel energy is used for heating water and for space heating and cooling of buildings.[1]

Studies have been made, and experimental solar heating and cooling systems have been built, for many years. To date, efforts to use solar energy have had varying degrees of success; however, the basic technology is at hand, and the principles have been demonstrated. Solar hot water systems are in commercial use in Australia, Japan, Israel, the USSR, and to a limited extent in the United States. Solar collectors can readily heat water or other fluids to temperatures more than adequate for residential spaceheating or hot water requirements. Several working demonstration systems have been built in the United States using current technology. Based on extensive studies of these systems and of current technology, it is apparent that reliable, commercially practical solar heating and, to a lesser extent, combined heating and cooling systems are achievable.[2]

Solar heating and combined heating and cooling systems can become competitive with conventional heating and cooling systems when the equipment, operation, maintenance, and power costs are similar to or lower than those of conventional systems, when evaluated with respect to their life cycle costs. Left to the free market and without government assistance, this could be expected to take place around the year 2000.[3] To shorten the time span required to achieve widespread use of solar heating and combined solar heating and cooling systems, the Solar Heating and Cooling Demonstration Act of 1974 was enacted by Congress and signed into law by the President on September 3, 1974.

C. Definition of terms

The terms used throughout this Program Plan are defined below to promote understanding of their use within the plan. Definitions 1 through 3 are from Section 3 of the Act and are repeated here to aid the reader.

1. *Solar Heating*—"The use of solar energy to meet such portion of the total heating needs of such building (including hot water), or such portion of the needs of such building for hot water (where its remaining heating needs are met by other methods), as may be required under performance criteria prescribed by the Secretary of Housing and Urban Development utilizing the services of the Director of the National Bureau of Standards, and in consultation with the Director of the National Science Foundation, and the Administrator of the National Aeronautics and Space Administration."

2. *Solar Heating and Cooling, and Combined Solar Heating and Cooling*—"The use of solar energy to provide both such portion of the total heating needs of such building (including hot water) and such portion of the total cooling needs of such building, or such portion of the needs of such building for hot water (where its remaining heating needs are met by other methods) and such portion of the total cooling needs of a building, as may be required under performance criteria prescribed by the Secretary of Housing and Urban Development utilizing the services of the Director of the National Bureau of Standards, and in consultation with the Director of the National Science Foundation, and the Administrator of the National Aeronautics and Space Administration, and such term includes cooling by means of nocturnal heat radiation, by evaporation, or by other methods of meeting peakload energy requirements at nonpeakload times."

3. *Residential Dwelling*—"Previously occupied and new single family and multifamily dwellings, and publicly assisted housing owned by a private sponsor or a State

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[1] Based on "Solar Heating and Cooling of Buildings (Phase 0) Studies" prepared under the direction of the National Science Foundation.

[2] Ibid.

[3] Ibid.

or local housing authority not covered by Section 17," of the Act.

4. *Integral System*—A dwelling design into which a solar heating or combined solar heating and cooling system has been integrated into the building.

5. *System*—The complete assembly necessary to supply heating or combined heating and cooling to the dwelling in which it is installed.

6. *Subsystem*—One of the several major elements of a solar heating or combined heating and cooling system, such as collectors, thermal storage devices, heaters, etc.

7. *Components*—The lowest identifiable elements of a solar heating or heating and cooling subsystem, such as valves, piping, controls, containers, etc.

8. *The Act*—The Solar Heating and Cooling Demonstration Act of 1974.

9. *NASA Program Manager*—The individual assigned responsibility by NASA for overall program direction and interagency coordination for that agency's efforts on the Solar Heating and Cooling Demonstration Program.

10. *Lead Center*—The NASA Center assigned the primary authority for implementation of program activities pertaining to NASA's responsibilities under the Act.

11. *Program Manager*—The individual assigned by NASA at the Lead Center and the individual assigned by HUD to manage the Solar Heating and Cooling Demonstration Program.

12. *Executive Steering Committee*—A committee that will be established to facilitate interagency coordination. HUD, NASA, DOD, GSA, NBS, and NSF will be represented.

13. *Advisory Group*—A group representing private organizations and institutions. The group will provide technical expertise and consultation and will serve as a vehicle for disseminating information to the private sector.

II. SOLAR HEATING AND COOLING DEMONSTRATION ACT OF 1974

A. Policy

The Solar Heating and Cooling Demonstration Act of 1974 as enacted by Congress and signed by the President declares that it is the "policy of the United States and the purpose of this Act to provide for the demonstration within a three-year period of the practical use of solar heating technology, and to provide for the development and demonstration within a five-year period of the practical use of combined heating and cooling technology."

The Solar Heating and Cooling Demonstration Program will be implemented in accordance with the goals and objectives of a national energy policy.

B. Congressional Findings

The policy described above was based upon the following findings of Congress as stated in the Act:

1. The current imbalance between supply and demand for fuels and energy is likely to persist for some time;

2. The early demonstration of the feasibility of using solar energy for the heating and cooling of buildings could help to relieve the demand upon present fuel and energy supplies;

3. The technologies for solar heating are close to the point of commercial application in the United States;

4. The technologies for combined solar heating and cooling still require research, development, testing and demonstration, but no insoluble technical problem is now foreseen in achieving commercial use of such technologies;

5. The early development and export of viable solar heating equipment and combined solar heating and cooling equipment, consistent with the established pre-eminence of the United States in the field of high technology products, can make a valuable contribution to our balance of trade;

6. The widespread use of solar energy in place of conventional methods for the heating and cooling of buildings would have a significantly beneficial effect upon the environment;

7. The mass production and use of solar heating and cooling equipment will help to eliminate the dependence of the United States upon foreign energy sources and promote the national defense;

8. The widespread introduction of low-cost solar energy will be beneficial to consumers in a period of rapidly rising fuel cost;

9. Innovation and creativity in the development of solar heating and combined solar heating and cooling components and systems can be fostered through encouraging direct contact between the manufacturers of such systems and the architects, engineers, developers, contractors, and other persons interested in stalling such systems in buildings;

10. Evaluation of the performance and reliability of solar heating and combined solar heating and cooling technologies can be expedited by testing under carefully controlled conditions; and

11. Commercial application of solar heating and combined solar heating and cooling technologies can be expedited by early commercial demonstration under practical conditions.

C. Goal and Objectives

The goal of this Act is to assist, by government action, the development of a viable and continuing solar heating and combined heating and cooling industry within the United States. To relieve the demand upon present fuel supplies, a marketable product must be developed and demonstrated such that industry can profitably promote and provide that product. This goal infers successful accomplishment of the following objectives:

1. Develop and demonstrate economically and technically viable systems for heating water, and for heating and combined heating and cooling of buildings.

2. Stimulate the market demand for solar heated, and heated and cooled buildings.

3. Stimulate the productive capacity of industry to deliver products and services to builders, developers, contractors, and other potential users of solar heating or combined heating and cooling systems.

4. Stimulate the exchange of information and data between all interested parties including industry, consumers, government, and design professionals.

5. Identify and address the institutional constraints that may impact installation and acceptance of systems.

6. Identify, and address the social and environmental constraints affecting the development and use of systems.

7. Identify and address the consumer acceptance requirements that will be placed on solar heated or cooled dwellings.

III. INVOLVEMENTS

Organizational elements that will be involved in the creation of a continuing solar heating and cooling industry include the following. The level of their involvements is discussed later in the plan.

1. Professional societies—The professional societies will become involved through exchange of information in formal meetings and as members of the Advisory Group.

2. Regulatory agencies—Federal, state, and local regulatory agencies will become involved in modifying building codes, regulations, and licensing as a result of the demonstration programs.

3. Financial and legal institutions including FHA and VA—These institutions will be involved when assistance is needed in financing and insuring the construction of a new structure or modifying an existing one.

4. Government agencies—Federal, state, and local agencies will be given the tools to consider changes in legislation and special tax incentives to encourage the use of solar heating and combined heating and cooling systems, if this is shown to be necessary by the program.

5. Utilities—Electrical, water, and gas utilities will be involved in the total program design and implementation modes to determine possible future relationships.

6. Contractors, builders, architects, and engineers—These groups will be involved in designing and building new structures that use solar heating and combined heating and cooling systems, and modifying existing structures for installing these systems.

7. Building trades—The building trades must become familiar with the new requirements of installation, operation, and maintenance.

8. Sales and service companies—Distributors and repairmen will be involved at the local level to support the needs of the market. This includes furnishing and repair of components, subsystems, and systems.

9. Industry—Industrial firms and manufacturers will be involved in all phases of the program from design and development to final sales and maintenance.

10. Consumers—The consumer's needs and desires must be factored into the design and implementation of the program and all its elements.

IV. IMPLEMENTATION PLAN

A. General

The implementation plan described in this section is structured to accomplish the stated goal and objectives of the Act and takes into account the major involvements discussed in the preceding section. Included are the approach to carrying out the program, the arrangements for the management of the program, a summary schedule, and the resources required. Figure 1 is a logic flow diagram for the program and Figure 2 is a summary schedule of major events and activities.

The Basic philosophy of the program, as described in the objectives of the Act, is that a partnership of industry and government is necessary to insure a viable, on-going solar heating and combined heating and cooling industry. The industry role is the development, production, marketing and maintenance of solar heating and combined heating and cooling systems, and the government's responsibility is that of assisting industry by "clearing the way" for the introduction and widespread use of the technology.

The program essentially will consist of six major activities: (1) program requirements and system analyses; (2) cost and economic analyses; (3) solar heating and combined heating and cooling systems development and procurement; (4) dwelling design, construction, and solar heating and combined heating and cooling system integration; (5) demonstration; and (6) data dissemination. Each of these activities is discussed in detail in subsection C.

B. Residential Solar Heating and Cooling Systems

There are several different types of systems that accomplish heating and combined heating and cooling functions utilizing solar thermal energy as the prime energy source. Numerous demonstration and test facilities have been or are being constructed and operated with different kinds of solar collectors, thermal storage systems, heat actuated air conditioners, space and hot water heaters, and energy transport mediums. Table I illustrates some examples of the various subsystems presently available for consideration.

Figure 3 shows an artist's concept of a possible optimized package that could be installed in the same manner as present-day conventional heating and cooling systems. Such a system would be compatible with all current industry operations from the standpoint of manufacturing, qualify inspection, shipping, stocking, installation, and repair/maintenance. The system would be amenable to performance diagnosis/analysis consistent with the latest industrial procedures; e.g., a "plug-in" technique for factory acceptance and for troubleshooting in the field.

C. Development

The development and procurement of the solar heating and combined heating and cooling systems and subsystems have been planned to meet the goal and objectives of the Solar Heating and Cooling Demonstration Act.

TABLE 1.—*Various Types of Subsystems*

- Solar collector:
  - Conventional flat plate with black paint.
  - Conventional flat plate with special absorptive coating.
  - Vacuum flat plate.
  - Tubular.
  - Direct water exposure.
  - Day heat.
  - Night cool.
  - Other.
- Thermal storage:
  - Pressurized hot water.
  - Unpressurized hot water.
  - Rock or other solid materials.
  - Waxes or phase change materials (melting).
  - Other.
- Heat actuated air conditioner:
  - Absorption cycles (servel).
  - Rankine cycle (steam).
  - Stirling cycle.
  - Dessicant cycle (air-drying).
  - Other.
- Space heater:
  - Air duct hot water heat exchanger.
  - Wall/floor mounted hot water heat exchanger.
  - Direct air heat exchange with solid storage material.
  - Other.
- Energy transport medium:
  - Water.
  - Water mixture.
  - Air.
  - Other.
- Auxiliary energy for heating/cooling:
  - Gas.
  - Electricity.
  - Oil.
  - Other.

It has been recognized that solar heating and combined heating and cooling hardware is presently being given attention within industry and is at various levels of design maturity. This encouraging factor has been considered in the development and demonstration planning. In an infant technology something can appear feasible and desirable from a conceptual standpoint but may require significant design, development, and testing efforts to prove acceptable and economically viable for widespread public use. This plan considers these factors and is based on an approach that incorporates consideration and evaluation of the applicable research and technology efforts, existing state-of-the-art systems and subsystems, development of systems and subsystems, and integral system design, and then properly phases these activities to meet the program milestones.

1. *Program Requirements and Systems Analyses.* The program level requirements are essentially the same as the program objectives established by the Act and delineated in Section II.C.

Detailed implementation plans, performance requirements, and design criteria for the systems, subsystems, and components will be determined from systems analyses. Extensive use will be made of the results from the systems analyses and proof-of-concept experiments performed by the National Science Foundation in their "Solar Heating and Cooling of Buildings (Phase O) Studies." These studies define technical, societal, and environmental barriers in the way of commercial acceptance of the use of solar energy for heating and cooling buildings. The results of these analyses, studies, and experiments will be used as an aid in the preparation of Requests for Proposals and Statements of Work to be issued to industry. The NSF will conduct a program of applied research relevant to the Solar Heating and Cooling Demonstration Program. NASA will maintain close coordination with NSF to assure that all results from the NSF program of applied research that are relevant to solar heating and cooling applications are incorporated to the maximum extent into the development and demonstration programs. NASA and NSF will coordinate their activities to minimize duplication of effort.

Some potential constraints that will be investigated by the participating agencies are discussed in the following paragraphs.

a. *The Availability of Technology at a Cost that Will Allow the Widespread Use of Solar Heating and Cooling.* The arrangement of efforts and the time frame under which they are accomplished will allow the industry the maximum participation possible within the limits of the program. The various types of procurements as well as a cycled approach on the available systems procurement are designed to attract a broad spectrum of industry into the demonstration program.

In concert with the NSF applied research program, NASA will continue its in-house research, development, testing, and value engineering of components for solar heating and combined heating and cooling systems. The results of this work will be available to supplement industrial development efforts. In addition, NASA will contract for a planned and scheduled development program with system development contractor(s) to develop a series of highly integrated systems. It is expected, that the results of this integrated systems development will be available at the latter stages of the program and will advance the state-of-the-art to the extent that attractive prepackaged systems can be economically produced and marketed.

b. *The Ability of Industry to Supply and Maintain Integrated Subsystems to Meet the Expected Demand for Solar Heated and Cooled Buildings.* The government will not attempt to restructure the methods by which industry does business, but will cooperate with industry needs in accomplishing the goals of the program and will encourage the development of free production and marketing so that the consumer market can determine what final organization the industry should take.

To accomplish the necessary flexibility, the government agencies plan to work closely with the professional societies and industry trade associations to make sure the technology and know-how developed under this program transfers readily between government and industry. It is expected that these organizations will be involved in all phases of the program implementation with special emphasis on the process of evaluation of systems and integration of subsystems.

Maintenance data and manuals will be made available through the information dissemination program to assist the industry and consumer in system maintenance and operation.

c. *The Availability of Appropriate Data to Determine the Requirements for Solar Heating and Combined Heating and Cooling Systems.* Data must be made availability to designers, manufacturers, and regulatory agencies to enable them to perform their functions in a continuing industry. Types of necessary data range from the basic climatic conditions to system design that are functionally and aesthetically acceptable in various geographic regions.

One of the earliest contracts to be awarded under this program is the contract for defining the detailed data that must be obtained from the demonstrations. Using this as a base, with other inputs as explained below, the sites and building types will be selected.

Selected data generated as a result of the program will be fed into the data bank and disseminated widely. In addition, manuals of acceptable practices will be issued as necessary. In this way, the professionals in the field of solar energy will become more knowledgeable of the changing state-of-the-art.

d. *The Ability of Building Codes to Accept the Technology.* No strong data exist that indicate that building codes are an existing or potential constraint to the use of solar energy. However, a problem may lie in the ability of the building official to evaluate and accept solar heating and combined heating and cooling systems as being capable of meeting temperature control requirements. Sites will be selected that include various types of building codes as illustrated below:

(1) State wide code—The state promulgates the code and standards, and they are administered at the local level. The local level can be a county or a city.

(2) Model code—Many localities throughout the country adopt and administer one of the four model building codes. The codes are prepared by the model code organization and promulgated at the state, local, or community level. The model code is administered at the local level.

(3) Model code with variations—Many localities make changes to the model codes by virtue of local preference and thereby add or subtract various requirements.

(4) Local code—This type of code is usually found in the larger cities or counties and consists of provisions that are developed by the local building official.

(5) No building code—Some rural and unincorporated areas of the country still have no formal building code and very little enforcement.

By working with each type of code, an attempt will be made to identify and overcome any administrative constraints that may exist. The demonstration program will be used as a vehicle to expose the local building official to the workings of the solar energy systems. In this way he will begin gaining the necessary experience for acceptance.

e. *The Willingness of Financial Institutions to Provide Long Term Mortgages for Solar Heated and Cooled Buildings and the Willingness of Private and Government Institutions to Insure these Mortgages.* It is the objectives of this program to involve the broadest possible spectrum of financial institutions in the financing of the buildings to be constructed. In order for the use of solar energy to have long term success, the financial community must be willing to loan money on buildings that incorporate solar energy as a primary heating and combined heating and cooling source.

At this time, it is clear that a solar heated and cooled building will have a higher first cost than a more conventional building utilizing conventional heating and cooling. In order for the financial institutions to agree to finance these higher costs, underwriting standards must be evaluated and changed.

The mechanism of FHA mortgage insurance will also be used on some units to test its ability to accept the solar heating and cooling concepts.

f. *The Ability of Local Governments to Zone Property so as not to Interfere with "Sun Rights" and the Possibility of the Government Having to Administer New Land Use Patterns. In many instances local government*, willingly or unwillingly, causes constraints to the introduction of new ideas. Some of the constraints are in the areas of building codes, as explained above, and others lie in the local zoning authority. The site selection for the demonstrations will attempt to take into account the various types of local governments.

g. *The Acceptance by Building Trades of the Technology and the possibility of New Jurisdictional Approaches to Traditional Building Practices.* The localities around the country are very mixed with relation to open versus union shop construction for residences and commercial buildings. Acceptance by building trades is critical to the success of solar heating and cooling of buildings.

h. *Consumer Acceptance of the Designs and Functioning of a Solar Heated and/or Combined Solar Heat and Cooled Building.* A key factor to ultimate success of any new concept is whether the consumer will accept and ultimately use the idea.

There are a number of factors which must be evaluated to insure that the use of solar energy is successful.

(1) *Housiing and building design.* The incorporation of a collector into a house or a building may change the typical architectural designs that consumers have accepted over the years. Constant feedback between the designer and user is necessary to insure that the designs selected do not vary from what will be accepted.

(2) *Ease of maintenance and repair.* As with any new product, the consumer may be very concerned as to the ease of maintenance. The availability of repair technicians and necessary parts may also be of strong concern. These factors will be considered as possible constraints and will be dealt with directly in the program.

(3) *First cost versus long term payout.* Currently, solar heating and cooling in buildings requirea a higher investment to be made upon the initial purchase of a building. Typically, buildings have been constructed with a first-cost orientation and as a result high initial costs to offset long term operating costs have not been accepted.

(4) *Safety and Reliability.* Solar heating and cooling systems hardware must prove to be as safe as existing heating and cooling equipment. The consumer will also expect that the reliability will be at least equal to current systems. The performance standards established for the program and tested throughout the program duration will attempt to meet or exceed these requirements.

The program will use the occupants and owners of the buildings being demonstrated as a data source to feed back to the industry the concerns of the users. An extensive program of consumer reaction is planned which will feed into the development process thus insuring, to the extent possible, that the user needs and preferences are satisfied.

Other constraints will be identified as a direct result of attempting to have a solar heated and cooled house built in a number of localities. Many of these types of constraints cannot be identified in advance and only appear when actual construction is imminent or underway. With this identification and subsequent documentation, the program will be able to make the necessary recommendations to remove the inhibiting factors.

2. *Cost and Economic Analysis.* The cost and economic analysis permeates all the areas mentioned in subsection IV.C.1. However, because of its importance to the ultimate goal of producing economically viable systems, it is discussed separately.

The purpose of the cost and economic analysis is to obtain a comparison between solar heating and combined heating and cooling concepts and conventional systems. An important part of the economics of solar heating and cooling systems is the life cycle cost.

Since the timing as well as the quantity of funds required is important, the life cycle costs will next be subjected to several economic analysis techniques to take into account such factors as geographical location and climate, building types, fuel prices, and projected escalation rates.

The results of the cost and economic analysis will be used as a guide to the designer of the solar heating and combined heating and cooling systems to assure the definition and demonstration of the most cost effective systems.

It is appropriate to mention that the conservation, environmental issues, cost, and availability of fossil fuels may be significant factors in the acceptance and utilization of solar heating and combined heating and cooling systems. The advantages could ultimately be more important than any cost benefits or sociological acceptance.

3. *Systems Development and Procurement.* A three-part (integral system, system, and subsystem) procurement and development/procurement approach for the systems has been established. This approach will encourage broad-based participation of industry and will help insure that the results of the efforts to date are fully utilized.

During the early stages, currently available hardware will be procured, tested, and demonstrated as early as is feasible. These early demonstrations will help determine the state-of-the-art of solar heating and combined heating and cooling systems and subsystems; will obtain early involvement of those elements of the economy required to help create the market for the systems; and will provide data inputs relating to installation, maintenance, and operations that can be incorporated into the development effort.

The longer-range development effort and the procurement recycle provision are structured toward final accomplishment of the goal and objectives of the Act. While the basic technology for solar heating and combined solar heating and cooling is within the present state-of-the-art, there remain considerable efforts in translating this technology into low cost, highly reliable, aesthetically acceptable systems for residential use. Factors to be considered in this effort will be: optimization of component and subsystem design, development, manufacturing and production capability, packaging for handling, and installation effect on the structure.

The three-part approach is described as follows.

a. *Integral System.* The first part, which is primarily a near-term activity, consists of the procurement of integral systems. Several promising concepts will be selected, through open competition, from those proposed. Contracts for each selected concept will be awarded. For each concept selected, one or more units will be fabricated, tested, and demonstrated. The near-term demonstrations will provide data that can be incorporated into the long range development effort.

b. *System.* Under the second part, solar heating and combined heating and cooling systems will be procured and developed/procured separately from the dwellings. This procurement approach will be structured such that both near-term (presently available hardware) and the long range development program objectives can be realized. Potential contractors will be allowed to propose: (1) presently available systems, (2) development of solar heating systems, (3) development of solar heating and cooling systems, or (4) all of the previous.

The presently available systems will be used in an early demonstration in a manner similar to that described in paragraph a, above. The long-range development of the solar heating and solar heating and cooling systems will incorporate the data from the early demonstrations as well as those technical developments and other factors that achieve an optimized technical design and an economically marketable system.

Subsystem and system hardware developers will be encouraged to combine their efforts in order to make viable systems available in the procurement recycle phase of the program.

c. *Subsystems.* The third part relates to the procurement and development/procurement of the individual subsystems. This includes the collectors, thermal storage subsystem, cooling/heating subsystem, and others. As in the case of systems, both presently existing components/subsystems and new developments will be considered. This intensive component/subsystem development program will complement the system activities described in paragraphs a and b and will be directed toward engaging specialized commercial/industrial firms to concentrate on the design, development, and testing of selected components/subsystems as a parallel and independent effort to the systems development. The benefit of this effort will be independent development by firms with special capabilities to orient their efforts to provide a quality engineered product adaptable to mass production techniques that are economically acceptable. This approach will provide the mechanism for entry into the field of solar heating and cooling of the small business suppliers and vendors and establish a continuing industry for manufacturing and marketing subsystems and components. The subsystem/component development program would also support the system development by making available to industry and systems developers a wide selection of subsystems/components for consideration and comparison. The most promising subsystems will be integrated into systems for demonstration purposes.

The three-part approach couples both industry and in-house NASA development and testing, and utilizes the basic research efforts of the National Science Foundation. This provides a program encompassing the widest possible industry and government participation. It also provides early demonstrations of existing solar heating and cooling systems and allows the results to be incorporated into the long range activities. This will accomplish the objective of developing systems that are optimized technically and economically. It will also assist in developing industry standards for production components.

4. *Dwelling Design, Construction, and Subsystem Integration.* The demonstration and evaluation of the solar heating and combined heating and cooling systems will utilize selected building designs constructed in a number of geographic regions throughout the United States. These building designs, under the responsibility of HUD, will be selected on the basis of open competition and designed to meet the performance criteria prepared by the NBS. Developers/builders will be selected by HUD to construct the buildings in the different regions in sufficient number to provide an adequate demonstration of the solar heating and combined heating and cooling systems.

The building designs selected will reflect integral systems and integration of solar heating and combined heating and cooling systems into typical structures. Because of budget limitations, high rise apartment units will not be included in the residential program. After the building sites have been selected a continuing coordination effort between NASA and HUD will be maintained to assure a compatible interface between the construction of the building and the solar heating or combined solar heating and cooling system. NASA will procure and deliver the systems to the site and provide support as

required for installation by HUD through their building contractors. The installation activity will be an opportunity to involve the building trade, utilities, regulatory agencies, and lending and legal institutions and to identify any code and zoning regulation constraints. In the case of an integral system, NASA will contract for the procurement and HUD will administer the contract during fabrication and demonstration.

D. DEMONSTRATION

The successful demonstration of solar heating and combined heating and cooling systems is the major step in fulfilling the objectives of the Act. The demonstration program conducted by HUD will begin after installation of the system and continue for a period of 5 years. The demonstration and operation of the system will be used to evaluate the performance of the system, correlate actual performance with that predicted, and collect environmental data on the region and site. Since occupancy of the dwellings is expected, data will be available to evaluate the effect of family living patterns on the system, especially the energy storage devices and auxiliary system usage. Also, during the demonstration, important data on the maintenance and servicing of systems such as frequency of repair and spare parts usage will be collected.

In addition to the technical evaluation, the demonstration will provide a means for acquainting the public with the operation of solar heating and combined heating and cooling systems that could lead to increased consumer acceptance. Occupants will be surveyed at appropriate intervals to determine their experiences and satisfaction with the demonstration systems. The types of data should include comfort, convenience, and neighborhood acceptance. Survey activities are to be designed to provide a minimum of interference to the occupants, but the sales contracts will provide specifically for cooperation of the occupants in the demonstration activity.

E. DATA DISSEMINATION

The Act provides for an extensive program of dissemination of information. This effort will begin early in the program so that the data dissemination method, storage, and clearinghouse system can be defined.

The effort needed will be to survey, identify, and document existing literature and information in the following areas:

1. Technical information on solar energy research, development, and applications.
2. Technical information on the design, construction, and maintenance of buildings compatible with solar heating and combined heating and cooling concepts.
3. Physical and chemical properties of materials required for solar heating and cooling systems.
4. Climatic conditions in appropriate areas of the United States, including those areas where the demonstrations are to be located.
5. Engineering performance of subsystems and components utilized in solar heating and combined heating and cooling systems.

This information will be used as input in the development of the Solar Heating and Cooling Information Data Bank. Consideration will be given to publishing one or more volumes of abstract information developed during this effort.

Following a review of the results of the literature survey and other information, existing data bank information storage and retrieval procedures currently in use in various federal agencies will be reviewed; possible modes of operation and potential demand for information from the data bank will be investigated; and a preliminary design for a data bank, for review and comment, will be developed. Based on comments from federal agencies, user groups and potenial sources of additional information, a design for an operational data bank for implementation by HUD will be provided.

A system of interrogation and information response will be developed. It will meet the needs for information on solar energy research and applications of federal, state, and local governments; universities, colleges, and other nonprofit organizations; as well as industry and private individuals and organizations.

Significant information developed from the various steps of the demonstration program is to be published in a form useful to research, industrial, and consumer organizations interested in solar energy applications to buildings. Report preparation methods will vary depending upon the user and the type of information. Some reports may be written by outside contractors as part of their contract requirements; others will be developed by HUD, NASA, or other involved federal agencies. In general, reports will be published through the Government Printing Office.

Professional or technical materials of significant interest will be made available through conferences or seminars, conducted as part of scheduled professional or trade-associated meetings, or separately. Selection of topics and occasions will be made as the program progresses.

F. PROCUREMENT STRATEGY

Recognizing that one of the most important objectives of the Act is to create a continuing, competitive industry for the marketing of solar heating and combined heating and cooling systems and subsystems, the procurement strategy for the program has been developed to: (1) maximize the participation of industry, and (2) provide the necessary incentives to stimulate the industry to develop and market the systems. These considerations are discussed in the following paragraphs.

Within the constraints of available funding, it is planned that all procurement for systems and subsystems will involve multiple contracts. This will not only involve a significant segment of the industry, but will also provide multiple system and subsystem designs. The selection of the contractors will be based on open competition.

Through this procurement industry should be stimulated to continue expansion of their current plans and efforts for developing and marketing systems. Cost sharing arrangements with the contractors will be encouraged to best combine the resources of both industry and the government in achieving effective results.

To encourage independent developments and/or industry breakthroughs that may occur during the initial phases of this program, a second procurement solicitation will be initiated for procurement for demonstration of systems composed of hardware that may be available at the time of initiation of the second cycle.

1. *Systems (NASA Procurements).* Systems will be procured for demonstration at sites selected by HUD. These systems will come from two sources as described below.

a. *Available Items.* Integral systems and subsystems that can be procured and delivered within a short time frame will be procured for early testing and demonstration.

b. *Development.* Multiple contracts will be awarded through open competition for the development of: (1) solar heating systems, (2) solar heating and cooling systems, and (3) subsystems. These items will be used for testing and demonstration. Subsystems and components that have merit can enter the demonstration program in two ways. The government may purchase the equipment and install it in place of existing equipment on demonstration houses, or the subsystem developers can combine and submit their equipment as a system.

2. *Dwelling Design and Construction (HUD Procurement).* Designs that meet the performance criteria will be selected by HUD on the basis of open competition. Architects will be selected on their ability to design in the residential housing market and to deal with new or innovative concepts. Developers/builders will be selected by HUD to construct the building in the different regions in sufficient numbers to provide an adequate demonstration of solar heating and combined heating and cooling systems.

Builders will be selected on the basis of open competition, to execute the selected architectural designs. The architects and builders will work together in the preparation of design concepts and will interface with the systems contractors to insure that the systems and the residential designs are compatible.

3. *Other Contracts.* In addition to the major contracted activities described above, it is anticipated that small contracts will be awarded for special and specific efforts. The data generated under these contracts will be made available to the system, subsystem, and dwelling contractors and industry, government, and the general public.

G. MANAGEMENT APPROACH

The Solar Heating and Cooling Program is a multifaceted undertaking involving all levels of government, broad industrial and commercial participation, and private individuals. At the federal government level, participants include HUD, NASA, DOD, GSA, NBS, and NSF. State and local governments, either directly or through representatives, will be involved in many areas including those related to the economic, legal, and financial aspects of the program. Industrial firms and trade associations will be involved in the design and development phase of the program in addition to the commercial manufacturing and building aspects. The public is the ultimate user of the product.

The management approach for the Solar Heating and Cooling Program has been developed consistent with the responsibilities outlined in the Solar Heating and Cooling Demonstration Act of 1974. HUD and NASA have the responsibility for accomplishing the program. The management approach and responsibilities are summarized in Figure 4.

In carrying out its responsibility, HUD will establish a program office with the Division of Building Technology and Safety, to be located in Washington, D.C. The program office will be staffed consistent with the assigned responsibilities and will utilize the HUD Field Offices as appropriate.

The Office of Energy Programs, NASA Headquarters, will be the focal point for establishing overall policy agreements, program requirements, and guidelines and priorities with HUD. Within this office a NASA Program Manager will be designated to interface with other agencies and participants to insure that NASA is effective and responsive to the requirements of the Solar Heating and Cooling Demonstration Act. For program implementation, the Marshall Space Flight Center at Huntsville, Alabama, has been assigned as the "Lead Center" for NASA. In this capacity the Lead Center Program Manager will manage the implementation of the program relating to NASA's responsibilities. The MSFC Program Manager will maintain programmatic relationships with the NASA Program Manager and will be the primary interface with HUD and other participating government agencies with respect to day-to-day activities. NASA resources, including other centers as appropriate, will be managed by the Lead Center in carrying out this program.

1. *Integrated Management.* The policies that will guide the program will be established by the Secretary (HUD) and the Administrator (NASA), or their designees, with

specific consultation provided by the Director, National Science Foundation, the Director, National Bureau of Standards, and the Secretary of Defense as specified in the Act. In addition, specific functions will include approval of the program plan and resolution of any agency-to-agency policy issues.

The Act assigned lead responsibility for various activities to different agencies. Effective management practices dictate the need for a mechanism for overall program guidance and assessment. To accomplish this, an Executive Steering Committee will be established with membership from HUD, NASA, DOD, GSA, NBS, and NSF. The purpose of this committee will be to formulate overall program guidelines, participate in major program reviews, and assess program progress relative to accomplishing the stated goal and objectives. This committee will be co-chaired by the HUD and NASA Program Managers. Although membership on the Executive Steering Committee reflects only those agencies indicated in the Act, it is recognized that other departments of the government may be included as appropriate.

This committee will meet periodically, with the meetings scheduled to coincide with the major joint program reviews. However, either co-chairman can call a meeting of the committee any time an appropriate subject warrants.

Because of the complex interfaces of the Solar Heating and Cooling Demonstration Program relative to the creation of new industry, Advisory Groups will be established to assist the Program Managers, HUD, and NASA. These groups will be made up of representatives of professional associations; trade associations; manufacturing associations; union organizations; builders associations; utilities; financial institutions; representatives of suppliers/distributors; regulatory agencies at the federal, state, and local levels; and conservation, environmental, and consumer groups. The purpose of these groups will be to assist HUD and NASA on matters pertaining to industry involvement in the program at all levels such as code changes, union involvement, lending policies, tax incentives, and any other matters relating to achieving the stated goal and objectives of the program. The specific responsibilities of the various government agencies are described below and identified in Table 2.

a. *Department of Housing and Urban Development.* HUD will be responsible for establishing the performance criteria for the dwellings and systems; contracting for dwelling designs, dwellings, and installation; observing and monitoring systems performance; evaluation of the systems data; and establishing and operating a data bank.

b. *National Aeronautics and Space Administration.* NASA's responsibility is for the development, testing, and procurement of solar heating systems and the research, development, testing, and procurement of solar heating and cooling systems based on performance criteria from HUD.

c. *National Bureau of Standards.* NBS, under the direction of HUD, will assist in the preparation of the performance criteria for the system and dwellings. NBS will also provide consultation in the building design, monitoring and evaluation, and data dissemination activities as requested by HUD.

TABLE 2.—SOLAR HEATING AND COOLING DEMONSTRATION ACT OF 1974—AGENCY RESPONSIBILITIES FOR RESIDENTIAL SYSTFMS

Element agency	HUD	NASA	NBS	DOD	NSF	GSA
Program plan	J	J	C	C	C	C
Program requirements and system analyses:						
Performance criteria	L	C	U	C	C	
Priorities	L					
Regulations	J	J	C	C	C	
Solar energy research	A	A			L	
Systems/subsystems:						
Technology assessment		L			C	
Development	A	L			A	
Procurement	C	L	C			
Test and evaluation	A	L				
Building design, construction, and installation	L[1]	C	C	L[2]		
Demonstration:						
Test procedures	L	C	U		C	
Monitoring and data collection	L	C	U	C	C	
Data dissemination:						
Data bank	L	U	U		U	
Technology transfer and information dissemination	L	C	C	C	C	
Reports:						
Comprehensive	L					
Agency (independent submittals)	I	I	I	I	I	

[1] Residential.

[2] Federal property.

Legend: L=Lead responsibility; J=Joint responsibility; C=Consultation; U=Utilizing the services of; A=Apprise or keep Informed; I=Independent efforts.

d. *Department of Defense.* The Act requires the Department of Defense to arrange for the installation of solar heating and combined solar heating and cooling units, procured by NASA, in a substantial number of residential dwellings on federal or federally administered property where the performance and operation of such systems can be regularly and effectively observed and monitored by designated federal personnel. The DOD is required to coordinate their activities with HUD and NASA to assure that these solar units are installed in a substantial number of geographic areas under varying climatic conditions to constitute a realistic and effective demonstration.

To discharge these responsibilities, DOD will provide HUD with a listing of candidate military residences to be constructed beginning in FY76 for the installation of solar heating or combined solar heating and cooling units. The final selection of DOD demonstration sites will be made by HUD with the concurrence of DOD. DOD will provide NASA with general construction specifications for the selected residences. NASA will provide DOD with installation and performance specifications at a time and in sufficient detail to permit final design and ward of the construction contract for the complete residence. NASA will procure the complete systems and assure their arrival at the construction site in an acceptable condition on a schedule agreed to by NASA, DOD, and HUD. DOD will provide HUD, for approval, a plan for observing and monitoring the installation and operation of systems, including the provisioning of data.

e. *National Science Foundation.* The NSF will conduct a program of applied research relevant to the requirements of the Solar Heating and Cooling Demonstration Program. The NSP activities to date and the planned activities will be closely coordinated with NASA and HUD to insure proper integration and benefits to support the requirements of the Act.

2. *Management Reviews.* Each of the primary agencies, HUD and NASA, will hold regular internal reviews to assess the progress of their respective portion of the program. These will normally be held consistent with the schedules of the major milestones established for the program.

For the review of major milestones and activities that impact inter-agency plans, joint reviews will be held periodically. These also will be scheduled around planned, major events in the program that provide a good measure of program progress.

It is expected that the Executive Steering Committee will attend all the major inter-agency program reviews and some of the intra-agency reviews.

Selected reviews will be held in which the Advisory Group will be invited to attend. These reviews will be oriented to give this group continuing insight into the progress of the program in its entirety with emphasis on the "user" problems.

Periodic reviews will be held for the Secretary (HUD) and the Administrator (NASA) where matters affecting policies may be discussed. Program reviews will be held to review the progress of the program prior to submittal of the annual reports required by the Act.

Special reviews will be conducted at appropriate points to assess program status, make decisions, and provide redirection as necessary. The configurations currently being used will be evaluated for possible updating and new candidates will be evaluated for possible procurement to be included in the demonstration program.

3. *Reports.* Special emphasis will be placed on disseminating information to the widest practical extent. Periodic reports will be provided to all participants in the program.

Yearly reports will be provided by each Agency to the President and to the Congress to provide a full and complete description of its activities (current and projected) under the Act, along with its recommendations for legislative, administrative, or other actions to improve the programs under this Act or to achieve the objectives of the Act more promptly and effectively.

HUD will submit an annual report to the President and the Congress which summarizes in appropriate detail all of the activities (current and projected) of the various federal offices and agencies having functions under this Act, with the objective of presenting a comprehensive overall view of the programs:

H. RESOURCES

The estimated development and demonstration funding and associated manpower required to carry out the solar heating and combined heating and cooling residential programs are summarized in this section of the plan.

1. *Funding.* Based on the total authorized funds of $60 million, HUD and NASA have established preliminary funding allocations for their respective areas of responsibility. Funding requirements, revisions, and updates will be a continuing joint responsibility of HUD and NASA. Although prepared on a coordinated basis, individual HUD and NASA budgets will be submitted through appropriate channels as required for either direct or reimbursable funding.

In FY75 HUD and NASA plan to use the transfer authority contained in the Supplemental Appropriations Bill (H.R. 16900) to provide the necessary funding for development and demonstration.

Funding for Research and Program Management (R&PM) associated with NASA manpower and administrative operations and for Salaries and Expenses (S&E) associated with HUD manpower and administrative operations is not included in the $60 million

allocation and will be requested as direct appropriations or as reimbursable appropriations depending on future Administration decisions related to program responsibility.

Approximately $40.6 million of the $60 million authorized by the Act will be required by NASA and HUD to develop and demonstrate solar heating and cooling systems for the residential demonstration program. The remaining $19.4 million is estimated to be required for developing and demonstrating solar heating and cooling systems in commercial applications.

NASA and HUD have made preliminary estimates of funding allocations based on existing program knowledge but without the benefit of firm proposals from industry. This allocation will be re-examined after receipt of industry proposals to ascertain the proper balance for allocation of funds between development and demonstration. The industry proposals will provide better insight into the state of technology development. This insight, along with an evaluation of the willingness and financial and technical capability of industry to undertake independent development, will permit the final allocation of funds as necessary to achieve this balance.

In establishing funding allocations, emphasis has been placed on providing sufficient funds to cover three primary areas of concern: (1) development of technology, (2) demonstration of systems in buildings, and (3) identification of the institutional constraints and gathering and providing data. The interrelationships between the three areas are such that the final allocation of program funds can only be made upon the completion of the review of the submissions from industry.

2. *Facilities.* It is anticipated that no new major facilities are required by the government for implementation of the program. Minor alterations and modifications to existing government facilities will be required to support the in-house component test program. Any new facilities required by the contractors are expected to be capitalized by them.

[Selections from Mosaic—a magazine published by the National Science Foundation]

Solar-Thermal: Stoking the Boilers With Sunshine

Sunlight can be hot. Frying eggs on an automobile hood in the Arizona noonday Sun leaves no doubt about that. But the technological path from the hood-cooked egg to one fried on a solar-powered electric stove in snowbound Maine is a long one.

Not the least problem is that of choice—there are so many attractive alternatives to pursue in using the Sun's heat as a substitute for fossil fuel in a generator's furnace. The situation is much like the early days of nuclear power when reactor concepts proliferated. Today, NSF's main task is selecting the best solar-thermal powerplant concepts for further research and prototype development.

Sixty years ago solar heat powered a 50-horsepower steam engine at Meadi, Egypt. Five parabolic trough reflectors, each 205 feet long and 13 feet, 5 inches across, concentrated sunlight on water pipes running down their middles. The low-pressure, low-temperature steam drove engines which pumped irrigation water. There have been no experiments of comparable size since.

Solar power has not languished because we don't know how to use it. There is no overwhelming technological barrier such as that existing in fusion power. Instead, the greatest barriers have been relative cost and reliability. Now the rising prices of fossil fuels encourage us to reconsider the use of the Sun's rays to heat boilers.

Modern solar-thermal powerplants will capitalize on precision Sun-following mirrors, better heat-absorbing surfaces, plastic Fresnel lenses, and other techniques that didn't exist for the 1913 Meadi powerplant. We are now ready to lay plans for constructing megawatt-size solar-thermal powerplants and test them against conventional fossil-fuel plants in terms of economy, reliability, and lifetime.

There are two attractive avenues of development. The first is to devote solar-thermal plants solely to the generation of power. The second is to reap a combined harvest of electricity and heat.

In the first instance, only a fraction (less than one-third) of the energy in sunlight is put to use; the remainder is discarded. The second approach, the so-called "total energy" concept, is based on the eminently practical philosophy that if we are going to all the trouble of collecting sunlight, we should use as much of it as we can. One way gives simple powerplants optimized for the generation of electricity; the other uses sunlight more effectively. Both have their advantages.

FROM FLAT PLATE TO CENTRAL RECEIVER

Sunlight is diffuse heat, so solar devices have to be large to capture a useful amount of it. Furthermore, the highest temperature concentrations come from directional collectors, and they must follow the Sun from sunrise to sunset. But the tilting of acres of solar collectors is not so simple, and some engineers opt for simple flat-plate collectors with selective coatings. Also, flat-plate collectors, because they aren't directional, continue to work reasonably well on hazy or cloudy days. Selective coatings absorb and retain sunlight, creating a kind of greenhouse effect in a thin surface layer.

By trapping solar energy in this manner, flat plates with low concentration ratios can heat a working fluid to about 400° F. But 400° F is low compared to the temperatures in fossil-fueled powerplants, which operate most efficiently with steam at close to 1,000° F. So one of the main disadvantages of flat-plate collectors is that no readymade turbine techology exists for such low temperatures. Water is not a good working fluid in that temperature regime. Organics, such as Freon and toluene, have superior properties, but we have limited operating experience with these working fluids in power-generating equipment.

To get higher temperatures—about 600° F—we can bend flat plates into trough-shaped concentrators—like those at Meadi. The 600° F is still lower than steam temperatures in fossil-fuel plants, but comparable to those in nuclear plants using pressurized water reactors. So steam turbines and associated machinery already exists for this operating regime. In a NSF research project the University of Minnesota and Honeywell are developing troughs four feet across and eight feet long to focus sunlight on a water heat pipe covered with a selective coating of aluminimum oxide. Neither heat pipes nor the coatings were available in 1913, and higher performance is expected than that obtained at Meadi.

To boost steam temperatures to 1,000° F and beyond, further concentration of sunlight is necessary, and the fixed trough approach is no longer adequate. Pointable, parabolic mirrors have been made on a small scale since antiquity (Archimedes supposedly set fire to a Roman fleet by using them). The biggest solar mirrors built to date are high in the Pyrenees, where the French have constructed two of them for metallurgical research furnaces. One of the collectors—an array of several hundred small mirrors—is 105 square yards in area and can generate temperatures in excess of 5,400° F. Although not designed for power generation, the French design resembles a solar powerplant concept being supported by NSF called the central receiver.

The central receiver consists of hundreds of automatically pointed collectors distributed around a tower. Sunlight is focused on the top of the tower where heat is absorbed by a fluid and carried below to conversion machinery. A 500-megawatt design of this type, drawn up by the University of Houston and McDonnell-Douglas, would require a square mile of reflectors and a tower 1,500 feet high. Like the mile-long megalithic alignments of Brittany, such a powerplant would be a striking addition to the countryside, with concave metallized plastic petals replacing the crude stone menhirs of antiquity.

A STRANGE COINCIDENCE

New communities, new shopping centers, and new clusters of commercial buildings spring up constantly all over the United States. These activity centers customarily require 100 to 300 megawatts of energy for heating, lighting, air-conditioning, etc. The ratio between heat and electricity requirements is about 7:1, a ratio essentially the same as that in the output of a solar-thermal powerplant. In other words, the outputs of solar-thermal powerplants are very well-matched to the power needs of these groups of buildings.

This natural coincidence provides an ideal place to create a design that achieves remarkably high efficiencies in using the heat captured. Such a plan could be used only in newly constructed complexes, because this total-energy concept must dominate planning. It would be prohibitive to install the underground ducts, pipes, and electrical cables leading from the central powerplant to all the outlying buildings as an afterthought.

The fuel-saving potential of the solar total-energy approach is high. Excluding energy uses by industry and for transportation, as much as 45 percent of the country's energy is consumed by communities and commercial activities that could be served by solar total-energy systems.

Heating and Cooling of Buildings: Sol's Comfort Package

In a few favored spots on the globe, Sun and weather combine to create a perpetual Eden. But elsewhere, where man can only aspire to Eden, he must collect and then burn fossil fuels for heating and cooling to balance the excesses or deficiencies of climate. That seems a shame, because nearly everywhere the Sun provides enough energy to do much of the job.

In sunny, temperate climes, the Sun can provide three-quarters of the heating and cooling needs of a 1,500-square-foot home using 600–800 square feet of the roof for a collector surface. If solar heating and cooling were built into all new homes and single-story commercial buildings in the United States between now and 2000, the Sun would meet 4.5 percent of the country's overall energy needs. By the year 2020, it could be 8 percent. These are significant savings and, most important, enough technology exists already to begin using solar heating and cooling.

To do it we would have to revise our methods for constructing buildings. The roof of the typical American home could be adapted to an excellent energy collector, even though it is now built for the opposite purpose: to exclude solar radiation. What we need is a controllable roof operated by a sort of demon who lets heat in during cold weather and, when the days turn hot, directs the solar energy to an air-conditioner.

MECHANIZING THE DEMON

No demon, of course, is really needed, only an engine that uses solar heat to run an air-conditioner. There would also be pumps, valves, and a heat reservoir to ensure that roof-collected heat is available when and where it is needed and stored for later use when not needed. Solar heat could then be applied to both winter heating and summer cooling, as well as providing hot water (the primary energy user in much of California and several other States). A conventional auxiliary heater would be used when the Sun and stored heat can't provide enough energy, with the amount on climate and weather.

This "solar system" general has three components not found in the conventional "comfort package":

A solar heat collector. This can be a heat-absorbing surface that transfers the heat to some fluid.

A heat reservoir. This usually is a thermally insulated container in the basement filled with water or some other heat absorbers. A reservoir may not be needed if some other backup energy system is used.

A heat-operated air-conditioner. Anyone who has seen a refrigerator running off natural gas knows that there is no contradiction here. Gas expansion and subsequent compression can cool. Absorption-type air-conditioners appear attractive for solar homes. (Under NSF grants groups at the University of Maryland, University of Florida, and Colorado State University are pursuing this prospect.) However, the air-conditioning part of the system needs research to help select and improve on the best schemes from the many that have been suggested.

Even though solar air-conditioning technology lags heating technology a bit, it can now be applied to homes, schools, post offices, and other buildings on an experimental basis.

Solar heating and cooling is a technology making the transition from the laboratory to practical reality. As World War II propelled electronics and TV into prominence, energy shortages may do the same for solar power. There is, however, an added element that should speed the process up even more; the potential impact of innovation. Some good basic ideas could make solar energy, which is already looking good, even more competitive with other forms of energy.

Recognizing this, NSF is supporting a wide range of research projects in "innovative technology," promising ideas submitted by universities and industry. Understandably, some of these projects won't achieve their goals, because innovation can't be guaranteed; but other ideas may turn out well enough to accelerate the conversion to solar heating and cooling.

In addition to fostering invention (with all its unforeseeable consequences), NSF is also attempting to move solar heating and cooling technology towards an industrially based, commercially rewarding enterprise. In three separate projects, TRW Systems, Westinghouse, and General Electric have begun systems studies that should lead to proof-of-concept experiments that will convert the nascent technology into hardware systems. These installations will then be evaluated in a real-world environment. In short, NSF wants to show that solar heating and cooling can be commercially viable. Eventually, NSF wants to show that solar heating and cooling can be commercially viable. Eventually, NSF will turn this program over to mission-oriented Federal agencies, and it is expected that industry will ultimately find the business so rewarding that it will assume the burden completely.

But before that day arrives, solar power must be sold as a desirable and economical technology. Among those special problems to be dealt with:

Does the solar home look "too different" for the buyer?

What will the effect of the new look be on property values?

Will solar home designs meet building codes?

How about insurance coverage for all that glass on the roof?

If millions of solar homes are built, what would be the impact on scarce raw materials?

The $135 billion building industry, home buyers, municipal governments, insurance companies, and a host of other interests await the answers.

HEATING AND COOLING OF BUILDINGS: STEP RIGHT UP AND TAKE A LOOK

Ideally, solar heated and cooled buildings should be built that way from the beginning. The two dozen or so solar homes that have been built to date have been experimental. All have been different, and none has been a complete system. Understandably, builders and buyers are reluctant to embrace such an uncertain technology. Confidence and a good data base are both wanting.

To create a more favorable climate for solar heating and cooling as quickly as possible, NSF has retrofitted four schools in various parts of the country with solar heating equipment. The advantages of this approach are several:

Retrofitting can be completed in a couple of months.

A great deal of new data can be garnered quickly for the design of new buildings.

If successful, thousands of similar structures (shopping centers, warehouses, etc.) can be retrofitted quickly for a significant energy savings.

The school projects are highly visible and will instill public confidence in the utility of solar energy.

The schools and contractors are:

Osseo, Minnesota; North View, Junior High School: Honeywell, Inc.

South Boston, Massachusetts; Grover Cleveland Junior High School, General Electric Co.

Warrenton, Virginia; Fauquier County Public High School, InterTechnology Corp.

Baltimore, Maryland; Timonium Elementary School, Aircraft Armaments, Inc.

At two schools the collectors will be on the roofs; at the other two they will be on the ground nearby. The Sun won't supply all the heating needs, and the projects' emphasis is on amassing data (performance, reliability, costs) during the heating season.

FOLLOWING THE SUN

While the four retrofitted schools are geographically dispersed, they don't represent the whole spectrum of U.S. climatic conditions. NSF, therefore, has contracted with Honeywell, in Minneapolis, to build and operate a mobile solar laboratory to gather additional data and establish a reference base.

One of the two trailers that make up the mobile laboratory is filled with solar heating and cooling test equipment plus a comprehensive set of weather instrumentation. The second trailer is a mobile home, typical of the species except that it is heated and cooled by solar energy. (Hot water also comes from the Sun.) The heat is collected by 650 feet of panels on the ground outside the trailers. In the winter Sun, water circulating at 11 gallons per minute can be heated to 130° to 140° F. Part of that heat keeps the trailers warm during the day and supplies the hot water; the rest is stored for nighttime use.

During the winter and early spring of 1974, the mobile laboratory has been taking operational data in different parts of the country with only the heating equipment installed. Later in the spring a lithium-bromide, absorption-type air-conditioner will be installed, and the laboratory will again make the rounds to test that portion of the equipment.

As the mobile laboratory tours the country, architects and building contractors will have the opportunity to see firsthand how solar heating and cooling systems work and how they can be applied to future construction. The second trailer, the "mobile home," thus serves a double purpose: mobile solar home and roving classroom.

A HOME IS NOT A HOUSE

Popular as trailers are, they are not built like the houses and small commercial buildings where the main impact of solar heating and cooling will be felt. Trailers have no basements for heat storage and no slanted roofs for permanent solar collectors. True solar houses are needed to test heating and cooling equipment under year-round climatic conditions. With NSF support two solar houses—complete with basement to roof with no retrofitting—have been constructed.

Solar One, already completed at the University of Delaware, actually goes beyond the solar heating and cooling concept. Here, NSF supported the solar photovoltaic cells that are mounted on its roof to convert part of the sunlight into electricity. Solar One is heated in part from hot water produced by the roof-top collectors, but air-conditioning comes from conventional electric air-conditioners. Great pains were taken in the design of Solar One to make the most of the incident sunlight. Its south-facing, steeply slanting roof sets it apart from suburbia's usual house, and its windows are rather narrow to permit better thermal insulation. The basement burgeons with plumbing and thermal storage machinery. Nevertheless, one is quickly and easily "at home" in the house.

The second solar house is being completed at Colorado State University at Fort Collins. There, both heating and air-conditioning are powered by the Sun. Cooling will be provided by a lithium-bromide absorption-type air-conditioner previously tested at the University of Wisconsin. As usual, the collectors are roof-mounted, and water is the heat transfer fluid. The overall objective of this project is to design, build, and test a reliable, economical, integrated solar heating and cooling system. After final performance testing, NSF plans to use the house for testing components and systems being developed by other grantees and commercial manufacturers.

SOLAR ENERGY BIBLIOGRAPHY AND LIST OF COMPANIES

Following is a list of books and articles, and commercial companies, which are frequently mentioned in solar energy literature. I have not seen all the books and articles listed, nor done business with the companies listed, so I am not specifically recommending them, but merely providing the list for your information.

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18. *Solar Energy Handbook*, 2nd Edition, FICOA, 2901 South Wentworth Avenue, Milwaukee, Wisconsin 53207. $7.50 postpaid.

SOLAR ENERGY AND RELATED COMPANIES

ASG Industries, P.O. Box 929, Kingsport, Tenn. 37622.

Beutel's Solar Heater Company, 1527 North Miami Avenue, Miami, Florida 31136.

Dynatherm Corporation, Marble Court Off Industry Lane, Cockeysville, Md. 21030.

Energex Corporation, 5115 Industrial Road, Las Vegas, Nevada 89118.

Fred Rice Productions, Inc., 6313 Peach Avenue, Van Nuys, Calif. 91401

Caydardt Industries, R.D. 1, Box 319A, Brandywind, Md. 20613.

Intertechnology Corporation, 100 Main Street, Warrenton, Va. 22186.

General Solar Corporation, 451 South Stonestreet Avenue, Rockville, Md. 20850.

Physical Industries Corporation, P.O. Box 357, Lakeside, Calif. 92040.

Rho Sigma, 5180 Melvin Avenue, Tarzana, Calif. 91356.

W. R. Robbins and Son, 1401 N.W. 20th Street, Miami, Fla. 33125.

Skytherm, 2424 Wilshire Blvd., Los Angeles, Calif. 90057.

Solar Home Systems, 38518 Oak Hill Circle, Room 202, Willoughby, Ohio 44094.

Soltec, P.O. Box 6844, Denver, Colorado 80206.

Sol-R-Tech, Quechee Construction Company, The Trade Center, Hartford, Vt. 05047.

Sunwater Company, 1112 Pioneer Way, El Cajon, Calif. 92020.

Sunworks, Inc., 669 Boston Post Road, Guilford, Ct. 06437.

U.S. Solar Corporation, 6407 Ager Road, West Hyattsville, Md. 20782.

Youngblood Company, Inc., 1085 N.W. 36th Street, Miami, Florida 33127.

PPG Industries, Inc., One Gateway Center, Pittsburgh, Pa. 15222.

Zomeworks Corporation, P.O. Box 712, Albuquerque, N.M. 87103.

AAI Corporation, P.O. Box 6767, Baltimore, Md. 21204.

Dekolabs, Box 12841, University Station, 3860 S.W. Archer Road, H3, Gainesville, Fla. 32601.

Tranter, Inc., 735 East Hazel Street, Lansing, Michigan 48909.

Suhay Enterprises, 1505 East Windsor, Glendale, Calif. 91205.

Reynolds Aluminum, Reynolds Metals Company, Richmond, Va. 23261.

Revere Cooper & Brass, Inc., Research and Development Center, Rome, N.Y. 13440.

Solar Energy Company, Deerwood Drive, Merrimack, N.H. 03054.

Ethone Division, American Smelting and Refining Co., P.O. Box 1900, West Haven, Ct. 06510.

Free Heat, P.O. Box 8934, Boston, Mass. 02114.

Kalwall Corporation, 1111 Candia Road, Manchester, N.H. 03105.

Thomason Solar Homes, Inc., 6802 Walker Mill Road S.E., Washington, D.C. 20027.

Sunshine Energy Corporation, Route 25, Brookfield, Center, Ct. 06805.

MR. NATIONAL GUARDSMAN

(Mr. ALBERT (at the request of Mr. FITHIAN) asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ALBERT. Mr. Speaker, the State of Oklahoma can claim many distinguished military leaders, but one I am particularly proud to know and to work with is Maj. Gen. LaVern E. Weber, a former State Adjutant General who is now serving at the Pentagon as Chief of the National Guard Bureau.

General Weber has devoted much of his time over the past 33 years to our Nation's defense, but he has compiled an equally impressive record in civilian life as an educator.

LaVern Weber is in the best tradition of the American citizen-soldier, and I am pleased to share with my colleagues the article about him written by Allan Cromley, which appeared last week in the Orbit Magazine section of the Sunday Oklahoman.

MR. NATIONAL GUARDSMAN

(By Allan Cromley)

In the Pentagon, where your place on the pecking order is crucial, a significant gesture was made last fall to Maj. Gen. LaVern E. Weber, chief of the National Guard Bureau.

Weber was given guarters at Fort Myer which are usually reserved for three- and four-star generals of the regular Army.

The move was initiated by Gen. Frederick C. Weyand, Army Chief of Staff, and it was indicative of the increasing stature of the National Guard forces in the military establishment.

Few civilians realize it, but if the United States were to be catapulted into a shooting war, many of the shock troops would be citizen soldiers—National Guardsmen—many of your neighbors and friends.

One of the first units ordered into action would be Oklahoma's own National Guard 45th Brigade, whose combat readiness is among the highest. Its 4,000-man roster is at a maximum authorized 93 per cent of strength.

A predecessor, the 45th Division, is the former unit of General Weber, who was the Oklahoma state adjutant general from March, 1965 until his October, 1971 appointment as director of the Army National Guard.

Last July 1 the President named him chief of the National Guard Bureau—in charge of Air and Army Guard forces.

Contrary to predictions, the National Guard is thriving. About four out of 10 Guardsmen are re-enlisting when their six-year terms expire. This is far beyond previous expectations for "obligors"—those who signed up for Guard service during the Vietnam war and thus escaped the draft.

"Every time we enlist a young fellow in the Guard today, he's in there because he wants to join," said Col. Joe E. Burke, formerly of Oklahoma City, chief of policy and liaison in the National Guard Bureau.

Army National Guard strength stands at about 403,000, and the Air Guard is about 95,000. These are slightly beyond congressionally-set goals, and it means there is little argument over the Pentagon's requested $2 6 billion for Reserve and Guard forces next fiscal year.

Fifty per cent of the nation's Army combat units are in the National Guard, and the Air National Guard has 30 to 35 per cent of the nation's air combat units.

Looking at it another way, a case could be made that the Defense Department gets a big bargain in money expended on the National Guard. Three per cent of its budget is allocated to air and ground Guard forces which comprise nearly half the nation's ready combat strength.

At the top of this Guard-Reserve establishment is Weber, a 51-year-old slow-talking man who looks taller than his six-foot, one-half inch height. He is not given to idle chatter.

"He gets a three- or four-star general turned on about some particular subject of National Guard interest and then just listens," said Burke.

But Weber gets enthusiastic during an interview when the talk turns to the Oklahoma National Guard.

"I can brag about Oklahoma on any count," he said. "They have readiness that other states don't have, judged by tests administered by the regular Army.

"In the last year the state Guard has reached its highest strength in history." Total state Guard strength, including the Oklahoma Brigade's 4,500, is about 9,600.

Much of Weber's time is spent inspecting Guard units all over the country. Recently he left Washington on a Thursday morning, flew to Whiteman Air Force Base, Mo., then to Salt Lake City, where he attended an annual military awards banquet.

The next morning he was enroute to the Memphis Naval Air Station ("the first Naval Reserve unit I have visited") and then to Birmingham, Ala., for a unit inspection. He was back in the Pentagon on Saturday morning.

Of the infamous "Pentagon bureaucracy," he has kind words. "The people I work for are not that type. We do not do many things today just because we did them yesterday.

"A good example is the volunteer armed forces. When it was undertaken a year or two ago, few thought it would work."

The rejuvenation of the National Guard goes back to the fall of 1970, when then-Secretary of Defense Melvin Laird announced a "total force concept" for the armed services.

James R. Schlesinger, now secretary of defense, reaffirmed it as "total force policy" in 1973.

For the first time, the Army now has a specific responsibility to its reserve components, including the National Guard, for training supervision and equipment.

The Guard now has access to all facilities of the Army—new training aids, closed circuit TV, use of combat materiel.

Weber sees as highly significant a change in the command structure which puts the chief of the National Guard Bureau in direct contact with the top Army command. Previously he had to go through a now-abolished office of the Chief of Reserve Components, who frequently was a bottle neck for National Guard requests.

There are about 212,000 Army reservists in the United States, or half the number of Guardsmen. The Reservists are "individual-oriented," said Weber, whereas the Guardsmen are members of units.

Guardsmen tend to be located in small cities and towns and rural areas, whereas Reservists are usually in the larger metropolitan areas.

UMI

Towns support their Guardsmen with civic pride, and the National Guard Armory is often a community center as well as the assembly point for the Guard unit.

The Army National Guard is 72 per cent combat armed and 28 per cent combat support. This is better than the regular Army's 52 per cent combat, 48 per cent combat support ratio. The Reserve is 15 per cent combat and 85 per cent support.

Weber makes clear that he has no command authority over Guard units.

"I persuade, beg, plead and only occasionally coerce," he said. "The control of the Guard is vested entirely in the office of the governor as commander-in-chief."

"The governor can call out the Guard. He pays them with state money, using federal equipment, when he calls them out on non-federal activity. The state pays for the fuel and spare parts in such instances.

"The state, year in and year out, provides the armory (in cooperation with the federal government), mans and recruits the Guard units, houses the federal equipment, disburses federal funds to pay the Guardsmen, maintains the equipment and trains units to the appropriate level of readiness."

Each Guard unit must conduct not less than 48 training assembly periods, plus 15 days of annual training, or summer camp. Those 48 assembly periods can be combined four or eight to a weekend.

Weber began his military career in the Marine Corps in 1942. He got his gold bars in 1945 and left the Corps in 1948.

He was teaching school at Holdenville High School and soldiering part-time as operations officer of the Durant-based 2nd Battalion of the 180th Infantry of the 45th Division when the Korean War came along, catching the division at about half strength.

Weber went to Korea with the division, returned to a teaching stint at Roosevelt Junior High in Oklahoma City and held various staff assignments in the state headquarters of the 45th.

He was senior staff assistant, then chief of staff in 1965 when Gov. Henry Bellmon appointed him adjutant, a job he held until his Pentagon appointment in 1971.

He owns a farm near Perry.

Weber is a rare combination of soldier and politician—or at least a military man who understands politicians—a trait essential to his job.

In fact he said. "I've never known a politician I didn't get along with and didn't like."

It would be hard for many in the Pentagon—or elsewhere for that matter—to make such a statement.

TEXT OF H.R. 7014, THE ENERGY CONSERVATION AND OIL POLICY ACT OF 1975

Mr. DINGELL. Mr. Speaker, I have received unanimous consent to insert the text of the bill H.R. 7014, the Energy Conservation and Oil Policy Act of 1975, in the body of the RECORD, notwithstanding the fact that it exceeds 21¼ pages and is estimated to cost $5,914.45, according to the Public Printer.

This comprehensive energy bill, as reported by the Energy and Power Subcommittee, of which I am chairman, is ready for full Interstate and Foreign Commerce Committee consideration, and it is anticipated action may begin in the committee this week.

Inasmuch as the energy tax bill from the Ways and Means Committee is scheduled for floor consideration beginning May 21, the members of the Energy and Power Subcommittee believe it important that the Members of the House have the opportunity to review H.R. 7014.

In addition to the text of H.R. 7014, I also am inserting in the Extensions of Remarks for today a summary of this legislation.

The text of H.R. 7014 follows:

(NOTE.—Page numbers listed refer to bill page numbers.)

H.R. 7014

A bill to increase domestic energy supplies and availability; to restrain energy demand; to prepare for energy emergencies; and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "Energy Conservation and Oil Policy Act of 1975".

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TITLE I—FINDINGS, PURPOSES, AND DEFINITIONS

FINDINGS

SEC. 101. The Congress hereby finds that—

(1) the United States needs adequate and available supplies of petroleum products and other energy supplies at the lowest possible cost to meet the present and future needs of commerce and national security;

(2) disruptions in the availability of imported energy supplies, particularly petroleum products, pose a serious risk to the national security, economic well-being, and health and welfare of the American people; and

(3) the dependence upon insecure, high-priced foreign energy supplies must be lessened through governmental action designed to make the United States independent from such supplies.

STATEMENT OF PURPOSES

SEC. 102. The purposes of this Act are—

(1) to grant specific standby authority to the President, subject to congressional review, to impose rationing and to reduce demand for energy through the implementation of energy conservation plans and carry out obligations under the international energy program;

(2) to provide for the creation of a National Civilian Strategic Petroleum Reserve capable of reducing the impact of disruptions in oil imports;

(3) to take certain measures to increase the supply of fossil fuels in the United States, including price incentives and production requirements;

(4) to conserve energy supplies through an allocation program and the regulation of wasteful energy use;

(5) to provide incentives for improving energy efficiency of motor vehicles, major appliances, and other consumer products; and

(6) to increase the use of domestic energy supplies other than petroleum products and natural gas through conversion to the use of coal.

DEFINITIONS

SEC. 103. As used in this Act:

(1) The term "Administrator" means the Federal Energy Administrator.

(2) The term "congressional review" means the congressional review procedure specified in section 751 or 752 of this Act.

(3) The term "person" includes individuals, corporations, companies, associations, Federal, State or local governments and any subdivision or agency thereof, firms, partnerships, societies, trusts, joint ventures, and joint stock companies.

(4) The term "petroleum product" means crude oil, natural gas liquids, residual fuel oil, or any refined petroleum product.

(5) The term "State" means a State, the District of Columbia, Puerto Rico, or any territory or possession of the United States.

(6) The term "United States" when used in the geographical sense means all of the States.

(7) The term "international energy program" means the Agreement on an International Energy Program, signed by the United States on November 18, 1974, including (A) the annex entitled "Emergency Reserves", (B) any amendment to such agreement which includes another nation as a party to such agreement, and (C) any technical or clerical amendment to such agreement.

(8) The term "maximum efficient rate of production" means the maximum rate at which production may be sustained without detriment to the ultimate recovery of oil and gas under sound engineering and economic principles.

(9) The term "severe energy supply interruption" means a national energy supply shortage which is of significant scope and duration, and of an emergency nature, which may cause major adverse impact on national safety or the national economy, and which results from an interruption in the supply of imported petroleum products, sabotage, or an act of God.

TITLE II—STANDBY ENERGY AUTHORITIES AND NATIONAL CIVILIAN STRATEGIC PETROLEUM RESERVE

PART A—STANDBY ENERGY AUTHORITIES

Subpart 1—General Emergency Authorities

CONDITIONS OF EXERCISE

SEC. 201. (a) Except as otherwise provided in subsection (d), no authority may be exercised under section 202 or 203 of this Act, unless—

(1) the President has submitted to both Houses of Congress a plan which shall include a written justification and substantiation for the exercise of such authority and such plan has been approved by a resolution by each House of Congress in accordance with the procedures specified in section 752 of this Act, and

(2) after such approval, (A) the President has found that the exercise of such authority is required by severe energy supply interruption or by the international energy program, and has submitted to the Congress in accordance with section 751 of this Act a request to implement such plan, and (B) neither House of Congress has disapproved (or both Houses have approved) such request in accordance with the procedures specified in section 751 of this Act.

(b) Within 180 days after the date of enactment of this Act, the President shall submit a plan with respect to energy conservation under section 202 and a plan with respect to gasoline rationing under section 203 for congressional review. The President may at any time submit additional plans with respect to energy conservation under section 202 or gasoline rationing under section 203 for congressional review.

(c) For purposes of this section, the term "plan" means—

(1) an energy conservation plan promulgated under section 202 of this Act; or

(2) a rule with respect to gasoline rationing promulgated under section 203 of this Act.

(d) Authority may be exercised under section 202 or 203 of this Act for a period not longer than 60 days if—

(1) such period begins not later than 90 days after the date of enactment of this Act, and

(2) the President (A) has found that the exercise of such authority is required by severe energy supply interruption or by the international energy program, and (B) has submitted to the Congress in accordance with section 751 of this Act a plan with respect to such exercise of authority, and

(3) neither House of Congress has disapproved (or both Houses have approved) such plan in accordance with the procedures specified in section 751 of this Act.

(e) No plan under this section may remain in effect for more than 18 months.

(f) No amendment to a plan (other than a technical or clerical amendment) may take effect, unless the President has submitted such amendment to the Congress in accordance with section 752 of this Act and both Houses of Congress have approved such amendment in accordance with the procedures specified in section 752, except that an amendment to a plan (other than a technical or clerical amendment) which is submitted to the Congress during any period in which the plan (to which such amendment applies) is being implemented may take effect if the President has submitted such amendment to the Congress in accordance with section 751 of this Act and neither House of Congress has disapproved (or both Houses of Congress have approved) such amendment in accordance with the procedures specified in section 751 of this Act.

ENERGY CONSERVATION PLANS

SEC. 202. (a)(1) The President may promulgate, by rule, one or more energy conservation plans. For purposes of this section, the term "energy conservation plan" means a plan which imposes restrictions on the public or private use of energy which are necessary to reduce energy consumption.

(2) No energy conservation plan promulgated under this section may impose gasoline rationing or any tax, tariff, user fee, provide for a minimum price of, or change in any ceiling price for, any petroleum product, or provide for a credit or deduction in computing any tax.

(b) An energy conservation plan shall apply in each State, except as otherwise provided in an exemption granted pursuant to such plan in cases where the President determines a comparable State or local program is in effect, or where the President finds special circumstances exist.

(c) Subject to section 201(d) of this Act, an energy conservation plan shall remain in effect for a period specified in the plan unless earlier rescinded by the President.

GASOLINE RATIONING

SEC. 203. (a) The President may promulgate a rule which shall be deemed a part of the regulation under section 4(a) of the Emergency Petroleum Allocation Act of 1973 and which shall provide, consistent with the attainment of the objectives specified in section 4(b) of such Act, for the establishment of a program for the rationing and ordering of priorities among classes of end-users of gasoline, and for the assignment of rights, and evidence of such rights, to end-users of gasoline, entitling such end-users to obtain gasoline in precedence to other classes of end-users not similarly entitled.

(b) Any finding required to be made by the President in requesting the implementation of gasoline rationing pursuant to section 201(a)(2) or 201(d)(2) of this Act shall be accompanied by, and no rule under subsection (a) of this section may take effect unless the President makes, a finding that, without such rule establishing a program of gasoline rationing, all other practicable and authorized methods to limit energy demand will not achieve the objectives specified in section 4(d) of such Act and the purposes of this Act.

(c) The President shall, by order, in furtherance of the rule authorized pursuant to pargraph (1) of this subsection and consistent with the attainment of the objectives specified in section 4(d) of such Act and the purposes of this Act, cause such adjustments in the allocations made pursuant to the regulation under section 4(a) of such Act as the President determines may be necessary to carry out the purposes of this section.

(d) The President shall provide for the use of local boards described in section 704 of this Act to be operated under procedures which the Administrator shall establish pursuant to section 701 of this Act (1) with authority to receive petitions from any end-user of gasoline for which priorities and entitlements are established under subsection (a) of this section and (2) with authority to order a reclassification or modification of any determination made under such subsection with respect to such end-user's rationing priority or entitlement.

(e) No rule or order under this section may—

(1) impose any tax,

(2) provide for a credit or deduction in computing any tax, or

(3) impose any user fee, except to the extent necessary to defray the administrative cost of the gasoline rationing program or to provide for initial distribution of entitlements.

Subpart 2—International Authorities

INTERNATIONAL OIL ALLOCATION

SEC. 210. (a) No authority may be exercised under this section, unless—

(1) the President has found that the promulgation of rules under this section is necessary to carry out the international energy program, and

(2) he has submitted to Congress in accordance with section 751 of this Act a request for the implementation of a plan for the exercise of such authority and neither House of Congress has disapproved (or both Houses have approved) such plan in accordance with the procedures specified in section 751 of this Act.

(b) No plan under this section may remain in effect for more than 18 months.

(c) The President may require, solely by rule under this section, such action as may be necessary for implementation of the obligations of the United States under article IV of the international energy program insofar as such obligations relate to the international allocation of petroleum products to other countries. Allocation under such rule shall be in such amounts and at such prices as are specified in (or determined in a manner prescribed by) such rule. Such rule shall apply to all petroleum products owned or controlled by persons subject to the jurisdiction of the United States, including petroleum products destined, directly or indirectly, for import into the United States or any foreign country, or produced in the United States. Such a rule shall remain in effect until amended or rescinded by the President, except in no event shall such a rule remain in effect for a period of greater than 18 months.

(d) Any rule under this section shall, to the maximum extent practicable, be consistent with the attainment of the objectives specified in section 4(b) of the Emergency Petroleum Allocation Act of 1973.

INTERNATIONAL VOLUNTARY AGREEMENTS

SEC. 211. (a) As used in this section—

(1) The term "antitrust laws" includes—

(A) the Act entitled "An Act to protect trade and commerce against unlawful restraints and monopolies", approved July 2, 1890 (15 U.S.C. 1, et seq.);

(B) the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (15 U.S.C. 12, et seq.);

(C) the Federal Trade Commission Act (15 U.S.C. 41, et seq.);

(D) sections 73 and 74 of the Act entitled "An Act to reduce taxation, to provide revenue for the Government, and for other purposes", approved August 27, 1894 (15 U.S.C. 8 and 9); and

(E) the Act of June 19, 1936, chapter 592 (15 U.S.C. 13, 13a, 13b, and 21).

(2) The term "international energy supply emergency" means any period (A) beginning on any date which the President determines allocation of petroleum products to nations participating in the international energy program is required by chapters III and IV of such program, and (B) ending on a date on which he determines such allocation is no longer required. Such a period may not exceed 90 days, but the President may establish one or more additional periods by making the determination under clause (A) of the preceding sentence. Any determination respecting the beginning or end of such period shall be published in the Federal Register.

(b) The requirements of subsections (d) through (m) shall be the sole procedures applicable to—

(1) the development or carrying out of voluntary agreements to accomplish the objectives of the international energy program with respect to international allocation of petroleum products and the information system provided in such program, and

(2) the availability of immunity from the antitrust laws respecting the development or carrying out of such voluntary agreements.

(c)(1) To achieve the purposes of the international energy program with respect to international allocation of petroleum products and the information system provided in such program, the Administrator may provide for the establishment of such advisory committees as he determines are necessary. In addition to the requirements specified in this section, such advisory committees shall be subject to the provisions of section 17 of the Federal Energy Administration Act of 1974 whether or not such Act or any of its provisions expire or terminate before June 30, 1985, and in all cases shall be chaired by a regular full-time Federal employee and shall include representatives of the public, and the meetings of such committees shall be open to the public. The Attorney General and the Federal Trade Commission shall have adequate advance notice of any meeting and may have an official representative attend and participate in any such meeting.

(2) A full and complete verbatim transcript shall be kept of such advisory committee meetings, and shall be taken and deposited, with the Attorney General and the Federal Trade Commission. Such transcript and agreement shall be made available for public inspection and copying; except as otherwise provided (A) in subsections (b)(1), (b)(3), and so much of (b)(4) as relates to trade secrets, of section 552 of title 5, United States Code, or (B) pursuant to a determination under paragraph (3).

(3) The President after consulation with the Secretary of State, the Federal Trade Commission, the Attorney General, and the Administrator, may suspend the application of—

(A) sections 10 and 11 of the Federal Advisory Committee Act,

(B) subsections (b) and (c) of section 17 of the Federal Energy Administration Act of 1974,

(C) the requirement under subsection (b)(1) of this section that meetings be open to the public; and

(D) the second sentence of pargraph (2) of this subsection;

if the President determines in each instance that such suspension is essential to the developing or carrying out of the international energy program and relates solely to the purpose of international allocation of petroleum products and the information system provided in such program and that the application of such provisions would be detrimental to the foreign policy interests of the United States. Such determination by the President shall be in writing, shall set forth a detailed explanation of reasons justifying the granting of such suspension, and shall be published in the Federal Register at a reasonable time prior to the effective date of any such suspension.

(d) The Administrator, subject to the approval of the Attorney General, after both of them have consulted with the Federal Trade Commission and the Secretary of State, shall promulgate, by rule, standards and procedures by which persons engaged in the business of producing, refining, marketing, or distributing petroleum products may develop and carry out voluntary agreements which are required to implement the provisions of the international energy program which relate to international allocation of petroleum products and the information system provided in such program.

(e) The standards and procedures under subsection (d) shall be promulgated pursuant to section 553 of title 5, United States Code. They shall include the following requirements:

(1)(A) Meetings held to develop or carry out a voluntary agreement under this subsection shall permit attendance by interested persons, including all interested segments of the petroleum industry, consumers, committees of Congress, and the public, shall be preceded by timely and adequate notice with identification of the agenda of such meeting to the Attorney General, the Federal Trade Commission, committees of Congress, and (except during an international energy supply emergency) to the public, and shall (subject to subparagraph (B)) be initiated and chaired by a regular full-time Federal employee; except that (i) meetings of bodies created by the International Energy Agency established by the international energy program need not be open to interested persons and need not be initiated and chaired by a regular full-time Federal employee, and (ii) the President, in consultation with the Administrator, the Secretary of State, and the Attorney General, may determine that a meeting held to develop or carry out an agreement shall not be public and that attendance may be limited, subject to reasonable representation of affected segments of the petroleum industry (as determined by the President, after consultation with the Attorney General and the Administrator), if he finds that a wider disclosure would be detrimental to the foreign policy interests of the United States.

(B) No meetings may be held to develop or carry out a voluntary agreement under this section, unless a regular full-time Federal employee is present.

(2) Interested person permitted to attend such a meeting shall be afforded an opportunity to present in writing and orally, data, views, and arguments at such meetings.

(3) A verbatim transcript (or if keeping a verbatim transcript is not feasible, full and complete minutes) shall be kept of any meeting held or communication made, between or among persons who are or may become parties to a voluntary agreement under this section to develop or carry out such an agreement. Such minutes or transcript shall be deposited, together with any agreement resulting therefrom, with the Administrator, and shall be available to the Attorney General and the Federal Trade Commission. Such minutes or transcripts and agreements shall be available for public inspection and copying, except as otherwise provided (A) in sections 552 (b)(1), (b)(3), and so much of (b)(4) as relates to trade secrets, of title 5, United States Code, or (B) pursuant to a determination by the President, in consultation with the Secretary of State, the Administrator, and the Attorney General, that such disclosure would be detrimental to the foreign policy interests of the United States.

(4) No provision of this section may be exercised so as to prevent committees of Congress from attending meetings to which this subsection applies, or from having access to any transcripts and minutes required to be made by this subsection.

(f)(1) The Attorney General and the Federal Trade Commission shall be afforded an opportunity to participate from the beginning in any meeting to which any provision of subsection (e) applies. Each may propose any alternative which would avoid or overcome, to the greatest extent practicable, possible anticompetitive effects while achieving substantially the purposes of this Act. A

voluntary agreement under this section may not be carried out unless approved by the Attorney General, after consultation with the Federal Trade Commission. Prior to the expiration of the period determined under paragraph (2), the Federal Trade Commission shall transmit to the Attorney General its views as to whether such an agreement should be approved, and shall publish such views in the Federal Register. The Attorney General, in consultation with the Federal Trade Commission, the Secretary of State, and the Administrator, shall have the right to review, amend, modify, disapprove, or revoke, on his own motion or upon the request of the Federal Trade Commission or any interested person, any voluntary agreement at any time, and, if revoked, thereby withdrawn prospectively the immunity which may be conferred by subsection (h) of this section.

(2) Any voluntary agreement entered into pursuant to this section shall be submitted in writing to the Attorney General and the Federal Trade Commission 20 days before being implemented (where it shall be made available for public inspection and copying to the extent provided in the last sentence of subsection (e)(3); except that during an international energy supply emergency, the Administrator, subject to approval of the Attorney General, may reduce such 20-day period. Any action taken pursuant to such voluntary agreement shall be reported to the Attorney General and the Federal Trade Commission pursuant to such regulations as shall be prescribed under subsections (g)(3) and (g)(4).

(g)(1) The Attorney General and the Federal Trade Commission shall monitor the development and carrying out of voluntary agreements authorized under this section to promote competition and to prevent anticompetitive practices and effects, while achieving substantially the purposes of this section.

(2) In addition to any requirements specified under subsections (d) and (e) of this section and in order to carry out the purposes of this section, the Attorney General, in consultation with the Federal Trade Commission and the Administrator, shall promulgate regulations concerning the maintenance of necessary and appropriate records related to the development or carrying out of voluntary agreements authorized pursuant to this section.

(3) Persons developing or carrying out voluntary agreements authorized pursuant to this section shall maintain those records required by such regulations. The Attorney General and the Federal Trade Commission shall have access to and the right to copy such records at reasonable times and upon reasonable notice.

(4) The Attorney General and the Federal Trade Commission may each prescribe such rules as may be necessary or appropriate to carry out their respective responsibilities under this section. They may both utilize for such purposes and for purposes of enforcement any and all powers conferred upon the Federal Trade Commission or the Department of Justice, or both, by the antitrust laws or the Antitrust Civil Process Act; and wherever any such provision of law refers to "the purposes of this Act" or like terms, the reference shall be understood to be this Act.

(h)(1) Three shall be available as a defense to any civil or criminal action brought under the antitrust laws (or any similar State law) in respect of actions taken in good faith to develop or carry out a voluntary agreement by a person engaged in the business of producing, refining, marketing, or distributing petroleum products that—

(A) such action was taken—

(i) in the course of developing a voluntary agreement pursuant to this section, or

(ii) to carry out a voluntary agreement authorized and approved in accordance with this section, and

(B) such person complied with the requirements of this section and the rules and regulations promulgated hereunder.

(2) Except as provided in paragraph (3), a person availing himself of a defense under this subsection shall have the burden of establishing and proving such defense.

(3) For purposes of paragraph (1), action taken by a person asserting a defense under this section shall be considered taken in good faith unless the person against whom the defense is asserted proves—

(A) such action was taken by the person asserting the defense for the purpose of injuring competition, or

(B) the person asserting the defense knew, or reasonably should have known under the circumstances—

(i) the action would have the effect of injuring competition, and

(ii) an alternative to such action was available which would be substantially less injurious to competition and which would be at least as effective in carrying out the purposes for which the voluntary agreement was entered into.

(i) No provision of this section shall be construed as granting immunity for, nor as limiting or in any way affecting any remedy or penalty which may result from any legal action or proceeding arising from, any acts or practice which occurred prior to the date of enactment of this section or subsequent to its expiration or repeal.

(j) Effective 90 days after the date of enactment of this Act, the provisions of section 708 of the Defense Production Act of 1950 shall not apply to any agreement or action undertaken for the purpose of developing or carrying out (1) the international energy program, or (2) any allocation, price control, or similar program respecting petroleum products under this Act or under the Emergency Petroleum Allocation Act of 1973.

(k) The Federal Trade Commission shall submit to the Congress and to the President, at least once every 6 months, a report on the impact on competition and on small business of actions authorized by this section.

(l)(1) The authority granted by this section shall terminate June 30, 1979; except that such authority shall terminate on June 30, 1985 if, before July 1, 1979, the Attorney General certifies that each voluntary agreement under this section meets the requirements of rules under paragraph (2) of this subsection.

(2) The Attorney General shall prescribe rules which require that any voluntary agreement in effect after June 30, 1979, under this section—

(A) provide that such voluntary agreement will be carried out by an organization of which any person subject to the jurisdiction of the United States who is engaged in the producing, refining, marketing, or distribution of petroleum products or who is a consumer of petroleum products may become a member,

(B) provide that each member will have voting rights (weighted in accordance with such regulations) and may participate in policymaking and in choosing representatives of the organization who will carry out the voluntary agreement on behalf of the organization,

(C) assure that any person who will be eligible for membership has an adequate opportunity to participate in the development of the agreement, and

(D) assure that competition is protected in developing and carrying out the provisions of the agreement.

(3) Effective July 1, 1979, the Attorney General shall disapprove any voluntary agreement under this section which does not meet requirements of rules under this subsection.

(m) In any action in any Federal or State court for breach of contract there shall be available as a defense that the alleged breach of contract was caused by action taken during an international energy supply emergency in accordance with a voluntary agreement authorized and approved under the provisions of this section.

EXCHANGE OF INFORMATION

SEC. 212. (a)(1) Except as provided in subsections (b) and (c) and except as may be prohibited by other law, the Administrator, after consultation with the Attorney General, may provide to the Secretary of State, and the Secretary of State is authorized to transmit to an appropriate international organization or a foreign country the information and data related to the energy industry certified by the Secretary of State as required to be submitted under the international energy program to which the United States is a party. Any such information or data which is confidential or proprietary shall, prior to such transmittal, be aggregated, accumulated, or otherwise reported, in such manner as to avoid, to the fullest extent feasible, identification of any person who submitted such information or data.

(b) If the President determines that the transmittal of data or information pursuant to the authority of this section would prejudice competition, violate the antitrust laws, or be inconsistent with United States national security interests, he may require that such data or information not be transmitted.

(c) Information and data the confidentiality of which is protected by statute, shall not be provided by the Administrator to the Secretary of State under subsection (a) of this section for transmittal to an international organization or foreign country, unless the Administrator has obtained the specific concurrence of the head of any department or agency which has the primary statutory authority for the collection, gathering, or obtaining of such information and data. In making a determination to concur in providing such information and data, the head of any department or agency which has the primary statutory authority for the collecting, gathering, or obtaining of such information and data, shall consider the purposes for which such information and data was collected, gathered, and obtained, the confidentiality provisions of such statutory authority, and the international obligations of the United States with respect to the transmittal of such information and data to an international organization or foreign country.

(d) For the purposes of implementing and carrying out the obligations of the United States under an international energy program, the authority to collect data granted by sections 11 and 13 of the Energy Supply and Environmental Coordination Act and the Federal Energy Administration Act of 1974, respectively, shall continue in full force and effect without regard to the provisions of such Acts relating to their expiration.

PART B—NATIONAL CIVILIAN STRATEGIC PETROLEUM RESERVE

DECLARATION OF POLICY

SEC. 251. It is hereby declared to be the public policy of the United States to create, subject to congressional review, a National Civilian Strategic Petroleum Reserve of not more than one billion barrels of petroleum products, such Reserve to be established for the purpose of reducing the impact of disruptions in imports of petroleum products, and to create as part of such Reserve an Early Storage Reserve of not more than $150,-

000,000 barrels of petroleum products, such Early Storage Reserve to be established for the purpose of providing limited protection from the impact of near term disruptions of imports of petroleum products.

DEFINITIONS

SEC. 252. As used in this part.

(1) The term "interests in land" includes fee ownership, easements, leaseholds, subsurface and mineral rights.

(2) The term "storage facility" means any facility which is capable of storing significant amounts of petroleum products.

(3) The term "related facility" means any necessary appurtenance to a storage facility, including pipelines, roadways, reservoirs, and salt brine lines.

(4) The term "Plan" means the National Civilian Strategic Petroleum Reserve Plan required by section 253(b), any proposal transmitted to the Congress for congressional review pursuant to section 255(b), and the Early Storage Reserve Plan.

(5) The term "National Civilian Strategic Petroleum Reserve" means petroleum products owned by the United States and stored in storage facilities pursuant to this title.

(6) The term "Industrial Civilian Strategic Petroleum Reserve" means that portion of the National Civilian Strategic Petroleum Reserve which consists of petroleum products owned by importers or refiners and stored pursuant to section 255(7) of this title.

(7) The term "Reserve" means the National Civilian Strategic Petroleum Reserve and the Early Storage Reserve.

NATIONAL CIVILIAN STRATEGIC PETROLEUM RESERVE AND NATIONAL CIVILIAN STRATEGIC PETROLEUM RESERVE PLAN

SEC. 253. (a) There is hereby created a National Civilian Strategic Petroleum Reserve.

(b) Within one year after the date of enactment of this Act, the President shall prepare and submit to the Congress a National Civilian Strategic Petroleum Reserve Plan which details his proposals for designing, constructing and filling the storage and related facilities of the Reserve. The Plan shall include the following:

(1) a comprehensive environmental assessment;

(2) the type and proposed location of each storage facility;

(3) the proximity of each storage facility to related facilities;

(4) the volumes and types of petroleum products to be stored in each storage facility;

(5) the aggregate size of the Reserve and the most economically efficient storage levels;

(6) a program schedule for the Reserve, taking into account the capability to construct related facilities and obtain sufficient peroleum products to complete programed storage in the desired time frame;

(7) the direct cost of the Reserve, including:

(A) the cost of storage facilities;

(B) cost of petroleum products to be stored;

(C) cost of related facilities; and

(D) maintenance and operation costs;

(8) the market impact of developing the Reserve, taking into account:

(A) availability and price of oilfield supplies and equipment and the effect upon domestic production of acquisition of such supplies for the Reserve;

(B) fluctuations in world market prices for petroleum products resulting from the acquisition of petroleum products for the Reserve;

(C) the extent to which acquisition of petroleum products for the Reserve may hold up otherwise declining market prices; and

(D) the extent to which acquisition of petroleum products for the Reserve will affect competition;

(9) the ownership of storage and related facilities;

(10) the ownership of the stored petroleum products; and

(11) a Disposal Plan setting forth the method of drawdown and distribution of the Reserve.

(c) After the expiration of the one-year period which begins on the date of submission of the Plan to the Congress pursuant to subsection (b), the President shall prepare and transmit to the Congress an annual report summarizing all actions taken under the authority of this part, analyzing their impact, and evaluating their effectiveness in implementing the Plan.

EARLY STORAGE RESERVE

SEC. 254. (a) There is hereby created an Early Storage Reserve.

(b) Within 60 days after the date of enactment of this Act, the President shall prepare and submit to the Congress an Early Storage Reserve Plan which details his proposals for the immediate storage of up to 150,000,000 barrels of petroleum products.

(c) To the maximum extent practicable the Early Storage Reserve Plan shall indicate the contemplated role of Early Storage Reserve facilities in the National Civilian Strategic Petroleum Reserve and include the elements required by section 253 (b) to be included in the National Civilian Strategic Petroleum Reserve Plan, including an Early Storage Reserve Disposal Plan.

CONGRESSIONAL REVIEW AND IMPLEMENTATION OF THE NATIONAL CIVILIAN STRATEGIC PETROLEUM RESERVE PLAN

SEC. 255. (a) The National Civilian Strategic Petroleum Reserve Plan and the Early Storage Reserve Plan may take effect only if—

(1) the President has submitted such Plan to the Congress in accordance with section 751 of this Act, and

(2) neither House of Congress has disapproved (or both Houses have approved) such Plan in accordance with section 751 of this Act.

(b) Prior to transmission of the National Civilian Strategic Petroleum Reserve Plan to the Congress, the President may prepare and transmit to the Congress any proposals for designing, constructing, and filling the storage and related facilities of the Reserve. Such proposals shall be accompanied by a statement explaining the need for action on such proposals prior to completion of the National Civilian Strategic Petroleum Reserve Plan, the anticipated role of the proposed storage or related facilities in such Plan and, so far as practicable, the elements required by section 253(b) to be included in such Plan.

(c) No proposals under subsection (b) of this section or amendments to the Plan may take effect, unless the President has submitted such proposals or amendments to the Congress and neither House of Congress has disapproved (or both Houses of Congress have approved) such proposals or amendments in accordance with the procedures specified in section 751 of this Act.

(d) To implement the Plan, or any amendment thereto, which has taken effect pursuant to the procedures specified in section 751 of this Act, the President is authorized to:

(1) promulgate rules, regulations, or orders necesary or appropriate to implement the provisions of the Plan;

(2) acquire by purchase, lease, or otherwise (except by condemnation) land or interests in land for the location of storage and related facilities;

(3) construct, purchase, lease, or otherwise acquire (except by condemnation) storage and related facilities;

(4) use, lease, maintain, sell, or otherwise dispose of storage and related facilities acquired pursuant to this title;

(5) create a National Civilian Strategic Petroleum Reserve by acquiring, subject to the limitations of section 259, petroleum products for storage;

(6) execute any contracts necessary to carry out the provisions of the Plan;

(7) create an Industrial Civilian Strategic Petroleum Reserve as part of the National Civilian Strategic Petroleum Reserve by requiring any person engaged in the importation or refining of petroleum products to acquire, store, or maintain reserves of petroleum products under such terms as the President deems necessary;

(8) require that the Industrial Civilian Strategic Petroleum Reserve portion of the National Civilian Strategic Petroleum Reserve be stored in facilities owned, controlled, or audited by the United States at such reasonable terms as he may specify;

(9) require the replenishment of the Industrial Civilian Strategic Petroleum Reserve; and

(10) replenish the National Civilian Strategic Petroleum Reserve.

AUTHORIZATION AND REVIEW OF EXTRAORDINARY MEASURES TO IMPLEMENT THE PLAN

SEC. 256. (a) Authority may be exercised under this section only if the President has submitted to the Congress in accordance with section 751 of this Act a request to exercise such authority; except that such authority may not be exercised if both Houses of Congress have disapproved such request in accordance with section 751 of this Act.

(b) To implement the Plan, the President is authorized to:

(1) acquire by condemnation land or interests in land for the location of storage or related facilities;

(2) acquire by condemnation storage or related facilities;

(3) require that performance by any person under contracts or orders (other than contracts of employment) which the President finds necessary or appropriate to implement the Plan shall take priority over performance by such person of any other contract or order, and, for the purpose of assuring such priority, require any person to accept and perform such contracts or orders in preference to other contracts or orders;

(4) allocate materials and facilities in such manner, upon such conditions and to such extent as he shall deem necessary or appropriate to achieve the implementation of the Plan; and

(5) cause proceedings, whenever he finds it necessary to implement the Plan, to be instituted in any court having jurisdiction of such proceedings to acquire by condemnation, any real or personal property, temporary use thereof, or other interests, which he finds necessary to achieve the objectives of this part.

In any condemnation proceeding instituted pursuant to this subsection, the court shall not order the party in possession to surrender possession in advance of final judgment unless a declaration of taking has been filed, and a deposit of the amount estimated to be just compensation has been made, under the first section of the Act of February 26, 1931 (46 Stat. 1421), providing for such declarations. Unless title is in dispute, the court, upon application, shall promptly pay to the owner at least 75 per centum of the amount so deposited, but such payments shall be made without prejudice to any party to the proceeding. Property acquired under this section may be occupied, used, and improved for the purpose of this part prior to the approval of title by the Attorney General as required by section 355 of the Revised Statutes, as amended.

(c) The actions authorized by this section shall not be undertaken by the President unless—

(1)(A) with respect to actions authorized by subsections (b)(1), (b)(2), and (b)(5), an effort has been made to acquire the property involved by negotiation unless, because of reasonable doubt as to the identity of the owner, because of the large number of persons with whom it would be necessary to negotiate, or for other reasons, the effort to acquire by negotiation would have involved, in the judgment of the President, such delay in acquiring the property as to be contrary to the national interest and would have unreasonably interfered with implementation of the Plan;

(B) with respect to actions authorized by subsection (b)(3), an effort to obtain preferential acceptance or performance of contracts or orders on a voluntary basis has been made and failed, and the President finds that failure to obtain preferential acceptance or performance of such contracts or orders would result in delay in, and unreasonable interference with, implementation of the Plan;

(C) with respect to actions authorized by subsection (b)(4), the President finds that essential materials or facilities are in short supply and that allocation of such materials or facilities is essential to avoidance of delay in, and unreasonable interference with, implementation of the Plan; and

(2) the President has transmitted a statement setting forth:

(A) the basis for the need to exercise these authorities;

(B) a description—

(i) of the interests in the real or personal property or storage or related facility to be acquired by condemnation;

(ii) of the contract or order, the acceptance or performance of which is to be required on a preferential basis; or

(iii) the material or facility to be allocated.

PURCHASE OF PETROLEUM PRODUCTS FOR STORAGE IN THE RESERVE

SEC. 257. The President shall, to the greatest extent practicable, acquire the petroleum products for the Reserve consistent with the following objectives:

(1) minimization of the cost of the Reserve;

(2) orderly development of Naval Petroleum Reserves as may be authorized by law;

(3) reduction of petroleum products imports;

(4) minimization of the impact of such acquisition upon supply levels and market forces of petroleum products; and

(5) encouragement of competition in the petroleum industry.

DISPOSAL OF THE RESERVE

SEC. 258. (a) Subject to the provisions of this section, the President is authorized to draw down and distribute the Reserve.

(b) Except as provided in subsection (c), no drawdown and distribution of the Reserve may be made except in accordance with the Disposal Plan transmitted to the Congress pursuant to section 253(b)(11) of this title.

(c) Prior to transmission of the Disposal Plan to the Congress pursuant to section 253(b)(11) of this title, drawdown and distribution of the Early Storage Reserve may be made in accordance with the Early Storage Disposal Plan transmitted to the Congress pursuant to section 254(c) of this Act.

(d) The Disposal Plan may not be implemented and no drawdown and distribution of the Reserve in accordance with the Disposal Plan may be made unless—

(1) the President has found that implementation of the Disposal Plan and drawdown and distribution of the Reserve is required by a severe energy supply interruption or by the requirements of the international energy program in existence on the date of enactment of this Act;

(2) the President has transmitted such finding to both Houses of Congress in accordance with the provisions with respect to congressional review; and

(3) neither House of Congress has disapproved (or both Houses of Congress have approved) the Disposal Plan in accordance with section 751 of this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 259. There are authorized to be appropriated:

(1) $10,000,000 for the purpose of carrying out the provisions of sections 253(b) and 254 (b) of this Act;

(2) $260,000,000 in fiscal year 1976, $650,000,000 in fiscal year 1977, and $1,040,000,000 in fiscal year 1978, for the purchase of petroleum products for storage in the Early Storage Reserve;

(3) $250,000,000 in fiscal year 1976, $10,000,000 in fiscal year 1977, and $10,000,000 in fiscal year 1978, to implement the Early Storage Reserve Plan but not with respect to the purchase of petroleum products for storage; and

(4) $200,000,000 in fiscal year 1976, $400,000,000 in fiscal year 1977, and $500,000,000 in fiscal year 1978, to implement the National Civilian Strategic Petroleum Reserve Plan and proposals transmitted to the Congress pursuant to section 255(b) of this Act but not with respect to the purchase of petroleum products for storage.

INJUNCTIONS AND OTHER RELIEF

SEC. 260. Whenever it appears that any person has engaged, is engaged, or is about to engage in any acts or practices constituting a violation of any rule, order, or regulation issued under this title, the President may request the Attorney General to bring an action in the appropriate district court of the United States to enjoin such acts or practices, and upon a proper showing a temporary restraining order or a preliminary or permanent injunction shall be granted. Any such court may also issue mandatory injunctions commanding any person to comply with any such rule, order, or regulation.

COORDINATION WITH IMPORT QUOTA SYSTEM

SEC. 261. No quantitative restriction imposed pursuant to section 17 of the Emergency Petroleum Allocation Act of 1973 (related to the imposition of import quotas) shall apply with respect to any quantity of petroleum products imported into the United States during any calendar year for storage in the Reserve.

TITLE III—MEASURES TO INCREASE ENERGY SUPPLIES

CRUDE OIL PRICE REGULATION

SEC. 301. (a) The Emergency Petroleum Allocation Act of 1973 is amended at the end thereof the following new section:

CRUDE OIL PRICE REGULATION

"SEC. 8. (a) For the purposes of this section:

"(1) The term 'crude oil' means a mixture of hydrocarbons that existed in liquid phase in underground reservoirs and remains liquid at atmospheric pressure after passing through surface separating facilities, and lease condensate which is a natural gas liquid recovered in associated production by lease separators.

"(2) The term 'domestic crude oil' means crude oil produced in the United States or from the 'outer Continental Shelf' as defined in section 1331, title 43, United States Code.

"(3) The term 'producer' means a person who produces crude oil or any person who owns crude oil when it is produced.

"(4) The term 'property' means the right which arises from a lease or from a fee interest to produce domestic crude oil.

"(5) The term 'base period control volume' means—

"(A) if domestic crude oil was produced and sold from that property in the months of May through December 1972, the total number of barrels of domestic crude oil produced and sold from that property in those months divided by eight;

"(B) if domestic crude oil was not produced and sold from that property in each of the months of May through December 1972, the total number of barrels of domestic crude oil produced and sold from that property in such months May through December for which domestic crude oil was produced and sold from the property (excluding those months in which there occurred any shutdown in production) divided by the number of such months.

"(6) The term 'decline adjustment factor' means—

"1 per centum of the base period control volume of a property multiplied by the number of months for which there occurred production and sales of crude oil from such property beginning with May 1972, and ending with the current month of production.

"(7) The term 'adjusted base period control volume' means the base period control volume less the decline adjustment factor.

"(8) The term 'monthly production variance factor' means the current cumulative deficiency in base production control level crude petroleum, as defined in section 212.72 of title 10 of the Code of Federal Regulations (as in effect on April 3, 1975), for a property on the effective date of this section, plus the total number of barrels by which production and sales of crude oil subsequent to the effective date of this section has been less than the adjusted base period control volume for all months in which production and sale of domestic crude oil has been less than the adjusted base period control volume subsequent to the first month in which production and sale of domestic crude oil exceeded the adjusted base period control volume, minus the total number of barrels of domestic crude oil produced and sold in each prior month which was in excess of the adjusted base period control volume for that month, but was not sold for a price in excess of the ceiling price established pursuant to subsection (c) of this section for sales made subsequent to the effective date of this section.

"(9) The term 'production volume subject to ceiling price' means the adjusted base period control volume plus the monthly production variance factor.

"(10) The term 'stripper well lease' means a property whose average daily production of domestic crude oil and petroleum condensates, including natural gas liquids, per well did not exceed 10 barrels per day during the preceding calendar year.

"(b) Except as provided in subsections (c) and (d), no price ceiling shall apply to any first sale by a producer of domestic crude oil from a property.

"(c) No producer may charge a price in the case of sales from a property in a month in volume amounts equal to or less than the production volume subject to a price ceiling which is higher than the sum of (1) the highest period price at 6 antemeridian, local time, May 15, 1973, for that grade of crude oil at that field, or if there was no posted price for that grade of crude oil at that field, the related price for that grade of crude oil which is most similar in kind and quality posted at the nearest field for which prices were posted at such time and date; and (2) a maximum of $1.35 per barrel.

"(d)(1) The provisions of subsections (b) and (c) of section 8 shall not take effect unless the President finds that there is in effect (A) an inflation minimization tax consonant with the purposes of this section applicable to sales from a property, from which domestic crude oil was produced and sold in one or more of the months of May through December 1972, in volume amounts greater than the production volume subject to a ceiling price under subsection (c), but less

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than the base period control volume, and (B) a production maximization tax consonant with the purposes of this section applicable to sales of domestic crude oil from any stripper well lease or from a property from which domestic crude oil was not produced and sold in one or more of the months of May through December 1972, or with respect to amounts produced and sold in any month in excess of the base period control volume (in the case of a property from which domestic oil was produced and sold in one or more of the months of May through December 1972).

"(2) For the purposes of this section:

"(A) The term 'inflation minimization tax consonant with the purposes of this section' means a tax which couples a redistribution of tax receipts mechanism with an excise tax applicable to sales from a property (other than a property certified by the President as having made application of bona fide tertiary recovery techniques) in volume subject to a price ceiling under subsection (c) but less than the base period control volume, equal to (i) in the first month which follows the date of enactment of this section, 90 per centum of the difference between the average sales price per barrel of such domestic crude oil and $5.75 per barrel; and (ii) in each successive month thereafter, 90 per centum of the difference between the average price per barrel of sales of such domestic crude oil in such month and $5.75 adjusted by adding an inflation adjustment factor: *Provided*, That provision may be made to take into account increases in State severance taxes and to assure that such tax shall not exceed 75 per centum of the net income attributed to a barrel of oil which is subject to tax determined by taking the net income from the property as calculated under the Internal Revenue Code of 1954 computed without allowance for depletion and intangible drilling costs divided by the number of barrels produced from such property which are subject to the inflation minimization tax.

"(B) The term "production maximization tax consonant with the purposes of this section' means a tax which couples a redistribution of tax receipts mechanism with an excise tax applicable to sales from any stripper well lease or from a property from which domestic crude oil was not produced and sold in one or more of the months of May through December 1972 or with respect to amounts produced and sold in any month in excess of the base period control volume (in the case of a property from which domestic oil was produced and sold in one or more of the months of May through December 1972) (other than a lease or property certified by the President as having made application of bona fide tertiary recovery techniques) equal to (i) in the first month which follows the date of enactment of this section, 90 per centum of the difference between the average sales price per barrel of such domestic crude oil in that month and $7.50 per barrel; and (ii) in each successive month thereafter, 90 per centum of the difference between the average sales price per barrel in such month and $7.50 adjusted by adding an inflation adjustment factor except that an allowance as a credit against such tax, which credit may be applied to the full amount of such tax, shall be allowed for a qualified investment, and provision may be made to take into account increases in State severance taxes and to assure that such tax shall not exceed 75 per centum of the net income attributed to a barrel of oil which is subject to tax determined by taking the net income from the property as calculated under the Internal Revenue Code of 1954 computed without allowance for depletion and intangible drilling costs divided by the number of barrels produced from such property which are subject to the inflation minimization tax.

"(C) The term 'inflation adjustment factor' means an amount equal to one-half of 1 per centum, in the base amount of $5.75 in the case of the inflation minimization tax and $7.50 in the case of the production minimization tax, compounded, for each month occurring between the first month which begins after the date of enactment of this section and the current month of production and rounded to the nearest whole cent.

"(D) The term 'redistribution of tax receipts mechanism' means a mechanism which distributes in full amount the tax receipts resulting from the inflation minimization tax and the production maximization tax making use of appropriate devices for the purpose of off-setting increases in energy-related costs which devices shall distribute (i) two-thirds of such receipts to low- and middle-income taxpayers and adult low-income nontaxpayers (other than a person who is a claimed dependent of a taxpayer) in a manner weighted in favor of the lower-income members of such group of taxpayers and nontaxpayers; (ii) one-half of such remaining one-third of tax receipts to States and local governments; and (iii) the remainder to corporate taxpayers (other than corporate taxpayers which are required to pay inflation minimization taxes). Such distribution may be accomplished through means which include disbursements, refundable tax credits, permanent reductions in tax liability, and adjustments to withholding; except that, to the maximum extent practicable, benefits from distributions shall be available on a reasonably current basis within the taxable year.

"(E) The term 'qualified investment' means for any taxable period the amount paid or incurred by such producer during such taxable period (with respect to areas with the United States or a possession of the United States) for—

"(i) intangible drilling and development costs, or geological and geophysical costs, described in section 263(c) of the Internal Revenue Code of 1954 (as in effect for taxable years beginning after December 31, 1974),

"(ii) the construction, reconstruction, erection, or acquisition of the following items but only if the original use of such items begins with such producer:

"(a) depreciable assets used for—

"(1) the exploration for or the development or production of oil or gas (including development or production from oil shale),

"(2) converting oil shale, coal, or liquid hydrocarbons into oil or gas, or

"(3) refining oil or gas (but not beyond the primary product stage),

"(b) pipeline for gathering or transmitting oil or gas, and facilities (such as pumping stations) directly related to the use of such pipelines,

"(iii) secondary or tertiary recovery of oil or gas, or

"(iv) the acquisition of oil and gas leases (other than offshore oil and gas leases), but the aggregate amount which may be taken into account under this clause for any taxable period shall not exceed one-third of the aggregate of the amounts which may be taken into account by the taxpayer under subclauses (i), (ii), and (iii) for such period.

"(F) The term 'tertiary recovery tech- able period shall not exceed one-third of niques' means techniques which employ fluid, heat, or insert gas injection methods including miscible fluid displacement, microemulsion flooding, in situ combustion, cyclic steam injection, steam flooding, carbon dioxide injection, polymer flooding, caustic injection, and other chemical flooding designed to produce production in excess of that attributable to natural or artificially induced water or natural gas displacement.

"(e) Notwithstanding any other provision of this section, no price ceiling shall apply to any first sale by a producer of any domestic crude oil produced from a property which the President, on a property-by-property basis, upon petition or upon his own motion, certifies as having made bona fide application of tertiary recovery techniques which application the President determines has or will significantly enhance production from such property.

"(f) The President shall conduct a continuous study and analysis of, and report to the Congress by December 31, 1975, and thereafter by December 31 of each successive year for a period of the next four successive years, on the effect of such price ceilings and taxes on (1) economic conditions, (2) production of domestic crude oil and other energy sources, (3) demand for crude oil and refined petroleum products and other energy sources, (4) imports of crude oil, residual fuel oil, refined petroleum products, and other energy sources (including the effect on balance of payments of such imports), and (5) economic efficiency. The President shall include in any such report his views and recommendations respecting the continuation, with or without modification, of the provisions of any such price ceiling or tax.

"(g) This section shall take effect on the first day of the first full month following the date of enactment of this section."

PRODUCTION OF OIL AND GAS AT THE MAXIMUM EFFICIENT RATE

SEC. 302. (a) The President may, by rule or order, require the production of oil or gas at the maximum efficient rate from fields designated by him.

(b)(1) The Secretary of the Interior shall determine the maximum efficient rate of production with respect to Federal lands, except those referred to in subsection (c).

(2) Each State or the appropriate agency thereof shall determine the maximum efficient rates of production for fields within such State (other than Federal lands). If there is no determination with respect to such rates by the State or the appropriate agency thereof within 180 days after the date of enactment of this Act, the Administrator shall specify such rates for such fields.

(c) Nothing in this section shall be construed to authorize the production from any Naval Petroleum Reserve subject to the provisions of chapter 641 of title 10, United States Code.

FEDERAL OIL, GAS, AND COAL LEASING ARRANGEMENTS

SEC. 303. (a) Notwithstanding any other provision of law, any agreement (including a renegotiation) pertaining to oil or natural gas or coal development on Federal lands consummated on or after the date of enactment of this Act shall require, as a condition to such agreement, that the person granted the right of development design and implement immediately an exploratory and development program designed to obtain maximum production from such lands as soon as practicable, subject to submission of such program to, and its approval by, the Secretary of the Interior.

(b) The person granted the right of development shall inform the Administrator in writing immediately upon the discovery of crude oil, natural gas, or coal on any such lands, including an estimate of amounts discovered and a timetable for commercial development. Such person shall within 90 days thereafter supply the Administrator and the Secretary of the Interior with a detailed timetable of the actions necessary to produce and begin selling such crude oil, natural gas, or coal in interstate commerce within 2 years of the date of discovery unless the Administrator finds, upon the petition of the person granted such rights and after affording interested persons an opportunity for the submission of written comment and the oral presentation of views, data, and arguments, that the amounts of crude oil,

natural gas, or coal discovered or developed are not sufficient to be commercially viable or that other valid reasons (not including market demand prorationing) exist which justify delaying the production until a subsequent day certain. If such a petition is granted, the Administrator shall require the person granted such rights to submit monthly reports of actions taken to begin production at the earliest possible time. The Administrator shall also advise other interested Federal agencies and assure that all possible steps are taken to commence crude oil, natural gas, or coal production at the earliest possible time.

(c) Unless such crude oil, natural gas, or coal is produced and sold within 2 years after the date of its discovery on such Federal lands, or unless such a petition is granted and in effect and its terms complied with, the rights which had been granted the person to develop crude oil, natural gas, or coal on the Federal lands covered by such agreement shall terminate and any sum paid for such rights shall be forfeited.

(d) With respect to agreements pertaining to crude oil, natural gas, or coal development on lands owned by the Government of the United States (other than lands containing Naval Petroleum Reserves) consummated prior to the date of enactment of this Act, the requirements of subsections (a), (b), and (c) of this section shall be applicable to the fullest extent constitutionally permissible and, to the extent not permissible, such agreements shall be terminated or renegotiated by the earliest possible date so as to make such requirements applicable.

MATERIALS ALLOCATION

SEC. 304. (a) During the period of any severe energy supply interruption, the President may, by rule or order, require the allocation of, or the performance under contracts or orders (other than contracts of employment) relating to, supplies of materials and equipment if he finds that such supplies are scarce, critical, and essential to maintain or further exploration, production, refining, and required transportation of energy supplies and for the construction and maintenance of energy facilities.

(b) Not later than 30 days after the date of enactment of this Act, the President shall report to the Congress with respect to the manner in which the authorities contained in subsection (a) will be administered. This report shall include but not be limited to the manner in which allocations will be made, the procedure for requests and appeals, the criteria for determining priorities as between competing requests, and the office or agency which will administer the materials allocation.

(c) The authority granted in this section may be used to control the general distribution of any supplies of materials and equipment in the marketplace only to the extent that maintenance or furtherance of exploration, production, refining, and required transportation of energy supplies and the construction and maintenance of energy facilities cannot practically be accomplished without exercising the authority specified in subsection (a) of this section.

DOMESTIC USE OF ENERGY-RELATED MATERIALS AND EQUIPMENT

SEC. 305. (a) The President is authorized, by rule or order, to restrict exports of supplies of materials and equipment which he determines to be necessary to maintain or further exploration, production, refining, and required transportation of domestic energy supplies and for the construction and maintenance of energy facilities within the United States, under such terms and conditions as he determines to be appropriate and necessary to carry out the purpse of this Act.

(b) In the administration of the restrictions under subsection (a) of this section, the President may request and, if so, the Secretary of Commerce shall, pursuant to the procedures established by the Export Administration Act of 1969 (but without regard to the phrase "and to reduce the serious inflationary impact of abnormal foreign demand" in section 3(2)(A) of such Act), impose such restrictions on exports of supplies of materials and equipment which the President determines to be necessary to maintain or further exploration, production, refining, and required transportation of domestic energy supplies and for the construction and maintenance of energy facilities within the United States, as the President determines to be appropriate and necessary to carry out the purposes of this Act.

ENTITLEMENTS

SEC. 306. (a) Section 4 of the Emergency Petroleum Allocation Act of 1973 is amended by adding at the end thereof the following new subsection:

"(i) Insofar as any regulation promulgated and made effective under subsection (a) of this section shall require the purchase of entitlements, or the payment of money through any other similar cash transfer arrangement aimed at equalizing the cost of crude oil to domestic refiners, such regulation shall exempt the first 50,000 barrels per day of those refiners whose total refining capacity (including the refining capacity of any person who controls, is controlled by, or is under common control with such refiner) did not exceed on January 1, 1975, and does not thereafter exceed 100,000 barrels per day from said requirement: *Provided*, That nothing herein shall be taken to restrict the right of any small refiner as defined in section 3(4) of this Act to receive payments for entitlements or through any other such cash transfer arrangement.".

(b) The amendment made by subsection (a) of this section shall be effective for payments due, pursuant to any regulation referred to in such section, with respect to crude oil receipts and runs to stills occurring on or after February 1, 1975.

TITLE IV—ENERGY CONSERVATION MEASURES

PART A—ALLOCATION ACT AMENDMENTS

RESTRUCTURING OF ALLOCATION ACT

SEC. 401. The Emergency Petroleum Allocation Act of 1973, as amended by this Act, is amended by adding at the end thereof the following new section:

"REEVALUATION OF SECTION 4(a) REGULATION

"Sec. 9. (a) Not later than 30 days after the date of enactment of this section, the President shall give appropriate notice and afford interested persons an opportunity to submit written comments and make an oral presentation of data, views, and arguments respecting the appropriateness and efficacy of, or the continuing need for, any of the provisions of the regulation promulgated under section 4(a) as related to the attainment of the objectives specified in subsection (b) of section 4. A transcript shall be kept of any such oral presentation of data, views, and argument.

"(b) Not later than 90 days after the date of enactment of this section, the President shall, on the basis of such written comment and oral presentations and such other information as may be available to him, propose such amendments to regulation as he determines are necessary or appropriate to modify or eliminate provisions which are inconsistent with the objectives specified in section 4(b) or no longer necessary to the attainment of such objectives.

"(c) Except as provided in section 10, any amendment to the regulation referred to in subsection (b) shall take effect under its terms."

CONVERSION TO STANDBY AUTHORITIES

SEC. 402. The Emergency Petroleum Allocation Act of 1973 is amended by striking out subsection (g) of section 4 and adding at the end of the Act, as amended by this Act, the following new section:

"CONVERSION MECHANISM TO STANDBY AUTHORITY

"SEC. 10. (a) Except as provided in subsection (b) of this section, the President shall have authority to make any such amendment to the regulation under section 4(a) if he determines that such amendment is consistent with the objectives specified in section 4(b) and that the regulations, as amended, provides for attainment of such objectives to the maximum extent practicable.

"(b)(1) No amendment which proposes to exempt crude oil, residual fuel oil, or any refined petroleum product from the provisions of the regulation under section 4(a) as such provisions pertain to either (A) the allocation of amounts of any such oil or product, or (B) the specification of price or the manner for determining price of any such oil or product shall take effect except pursuant to the requirements of this subsection. For the purposes of this section, any amendment which proposes to exempt a product or oil from the regulation as it applies to an entire market level shall constitute a proposed exemption of such oil or product requiring submission pursuant to the requirements of this subsection. The term 'market level' refers to the production, refinery, wholesale distribution, and retailing levels.

"(2) The President shall transmit (A) any such amendment (bearing an identification number) to the regulation described in paragraph (1) of this subsection, accompanied by a specific statement of the President's rationale for such amendment, and (B) the matter described in subsection (c) of this section, to both Houses of Congress on the same day and to each House while it is in session. Such an amendment may apply only to one oil or one product with respect to either allocation or price and may provide for scheduled or phased implementation.

"(3)(A) Such an amendment shall take effect on the date or dates specified in such amendment, but not sooner than the end of the first period of fifteen calendar days of continuous session of Congress (within the meaning of section 906(b) of title 5, United States Code) after the date on which such amendment is transmitted to it; except that such an amendment shall not take effect if, between the date of transmittal and the end of such fifteen-day period, either House passes a resultion of that House, the matter after the resolving clause of which is as follows: "'That the   does not favor the amendment (numbered   ) to the regulation under subsection (a) of the Emergency Petroleum Allocation Act of 1973, transmitted to the Congress by the President on   , 19   .', the first blank space therein being filled with the name of the resolving House and the other blank spaces therein being appropriately filled.

"(B) Section 908 and sections 910 through 913 of title 5, United States Code, shall apply to any resolution described in paragraph (A), and for purposes of consideration of a resolution under this paragraph, the twenty calendar days specified in section 911 of title 5, United States Code, shall be shortened to five calendar days, any reference to a resolution under section 908 and sections 910 through 913 of title 5, United States Code, shall be deemed a reference to a resolution described in paragraph (A), and any reference to a reorganization plan shall be deemed a reference to an amendment to which this paragraph applies.

"(C) The President shall support any pro-

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posed amendment to the regulation under subsection (a) which is transmitted to the Congress under subsection (b) of this section with a finding that such amendment is consistent with the attainment of the objectives specified in subsection 4(b) and in the case of—

"(i) any proposed exemption of an oil or product pursuant to subsection (b)(1)(A), with a finding that such oil or product is no longer in short supply and that exempting such oil or product will not have an adverse impact on the supply of any other oil or product subject to this Act, and

"(ii) any proposed exemption of an oil or product pursuant to subsection (b)(1)(B), with a finding that competition and market forces are adequate to protect consumers from price gouging and to assure that prices of such oil or product will be just and reasonable.

"(4) In the case of an amendment described in subsection (b)(1)(B) of this subsection which would have the effect of permitting an increase in the price of crude oil, the President shall, in addition to the findings required under paragraph (1) of this subsection, support any such amendments with findings that—

"(A) such increase is a necessary factor enabling producers to meet financial needs for sustained or increased domestic production of crude oil, and

"(B) such sustained or increased domestic production of crude oil would not otherwise occur but for such increase in price.

The President shall also report to the Congress at that time on the availability of materials and services necessary for domestic oil exploration and production of crude oil and give his assessment of the marginal increase in domestic production of crude oil, by year for the succeeding ten-year period, which he projects as occurring as a result of such price increase.

"(5) Any amendment which the President transmits to the Congress under subsection (b) of this section shall be accompanied—

"(A) by a statement of the President's views as to the potential economic impacts (if any) of such amendment which, where practicable, shall include his views as to—

"(i) the State and regional impacts of such amendment (including effects on governmental units),

"(ii) the effects of such amendment on the availability of consumer goods and services; the gross national product; competition; small business; and the supply and availability of energy resources for use as fuel or as feedstock for industry; and

"(iii) the effects on employment and consumer prices; and

"(B) in the case of an amendment described in subsection (b)(1)(B) of this section, by an analysis of the effects of such amendment on the rate of unemployment for the United States, and the Consumer Price Index for the United States.

"(6) In any judicial review of any provision of the regulation under subsection (a), the reviewing court may not hold unlawful or set aside any such provision solely on the basis that a grounds for holding unlawful or setting aside agency action specified in subparagraph (A), (D), or (E) of section 706(a) of title 5, United States Code, applies with respect to one or more of the findings or views required to be made by the President under this subsection and submitted to the Congress pursuant to subsection (b).

"(c) With respect to any oil or product which is exempted pursuant to subsection (b), the President shall have authority at any time thereafter to prescribe a regulation or issue an order respecting either the allocation of amounts, or the specification of price or the manner for determining the price, of any such oil or product upon a determination by him that such regulation or order is necessary to attain, and is consistent with, the objectives specified in section 4(b). Any such oil or product for which allocation or price controls are reimposed under authority of this subsection may subsequently be exempted without regard to the provisions of subsection (b) of this section."

DEFINITION OF MOTOR GASOLINE

SEC. 403. Section 3 of the Emergency Petroleum Allocation Act of 1973 is amended by adding at the end thereof the following new paragraph:

"(8) The term 'motor gasoline' means all of the various grades, other than aviation gasoline, of refined naphtha which by its composition, is suitable for use as a carburant in internal combustion engines."

OTHER AMENDMENTS TO THE ALLOCATION ACT

SEC. 404. The Emergency Petroleum Allocation Act of 1973 is amended by adding at the end thereof the following new sections:

"MANDATORY GASOLINE ALLOCATION SAVING PROGRAM

"SEC. 11. (a)(1) Not later than 45 days after the date of enactment of this section, the President shall amend the regulation under section 4(a) of this Act and prescribe any orders as are authorized under other sections of this Act as he determines are necessary and appropriate to prevent any increase in the consumption of motor gasoline above the base volume during the entirety of the three-year period which begins on the 90th day after the date of enactment of this section, and, except as provided in paragraph (2), shall by such additional amendments or orders as he determines are necessary or appropriate, cause a percentage reduction of 2 per centum in the base volume for the entirety of such period.

"(2) The President need not require the 2 per centum reduction specified in paragraph (1) if he finds that such reduction would prevent the attainment of the objectives specified in section 4(b) of this Act and submits to the Congress such finding, together with a supporting analysis of the factors upon which such finding is based. In any such case, the President shall achieve as much of such reduction as he determines would be consistent with the attainment of such objectives.

"(3) In addition to the reductions specified in paragraphs (1) and (2), the President may by additional amendment or order require—

"(A) a percentage reduction of an additional per centum in the base volume during the one-year period which begins one year after the 90th day after the date of enactment of this section, if the President finds that such reduction can be accomplished consistent with the objectives specified in section 4(b) of this Act; and

"(B) in addition to the reductions specified in paragraphs (1) and (2) and subparagraph (A) of this paragraph, a percentage reduction of an additional per centum in the base volume in the one-year period which begins two years after the 90th day after the date of enactment of this section, if the President finds that such reduction can be accomplished consistent with the objectives specified in section 4(b) of this Act.

"(4) In exercising his authority under this subsection, the President may adjust the base volume above or below the daily average demand for motor gasoline as specified in paragraph (8)(B) to take into account the historical patterns of seasonal disparities in consumption of motor gasoline, as long as such adjustments do not result in an increase in the base volume above the amounts specified in paragraphs (1) and (3) over the entirety of the three-year period or one-year period, as the case may be, as specified in such paragraphs.

"(5) To the maximum extent practicable, the amendment or orders prescribed under this subsection shall take into account—

"(A) the historical pattern of regional disparities in consumption of motor gasoline;

"(B) regional population growth or decline as may have occurred since 1972 and as may occur during the period in which any amendment or order under this subsection is in effect; and

"(C) regional differences in the availability of public transit facilities.

"(6) To the maximum extent practicable, the amendment or orders prescribed under this subsection shall assure that any reductions required or permitted under this subsection shall be accomplished by per barrel equivalent reductions in total volume of imports of crude oil and refined petroleum products.

"(7) The amendment and orders specified in paragraph (1) shall take effect no later than the expiration of the 90-day period which begins on the date of enactment of this section.

"(8) For purposes of this section:

"(A) The term 'percentage reduction' means a reduction in the volume of motor gasoline produced or sold for purposes of resale in any year as measured against the base volume.

"(B) The term 'base volume' means the daily average demand for motor gasoline in the United States, calculated on the basis of the amount of motor gasoline demand for a twelve-month period using historical daily average demand figures for months of either calendar year 1973 or calendar year 1974, whichever is higher, as compiled by the Federal Energy Administration or the Bureau of Mines, whichever is higher.

"(b) The President shall take such action under the authority of this Act, the Trade Expansion Act of 1962, or other law vested in him to disallow, or impose volumetric limitations on, the importation of motor gasoline to such extent or in such amounts as may be necessary to assure the attainment of the goals specified in subsection (a).

"(c)(1) The President shall have authority under this Act to make such amendments to the regulation under section 4(a) and issue such orders respecting the allocation of amounts of crude oil, residual fuel oil or any refined petroleum product as are necessary or appropriate to the attainment of the objectives specified in subsection (a) of this section.

"(2) The President may amend the regulation under subsection (a) of section 4 with respect to those provisions related to the specification of price or manner for determining price applicable to refined petroleum products so as to provide on a refiner-by-refiner basis for the apportioning to motor gasoline of a greater amount of any 'increased product costs' than the direct proportionate relationship of motor gasoline to other refined petroleum products produced or sold by such refiner. The apportioning of motor gasoline may be in such greater amount as the President determines is necessary or appropriate to assist in the attainment of the objectives specified in subsection (a) of this section, except in no event shall the amendment to the regulation provide for the apportioning to motor gasoline of an amount which exceeds by more than 125 per centum the amount as would be apportioned on the basis of a direct proportionate relationship of motor gasoline to other refined petroleum products produced or sold by such refiner. For the purposes of this paragraph the term 'increased product costs' shall have the meaning given that term under section 212.83 of title 10 of the Code of Federal Regulations as in effect on April 1, 1975.

"(3) Except as provided in paragraph (2), the President shall not attain or seek to attain the objectives specified in subsection (a) of this section by means of amendments to the regulation under section 4(a) which would permit or require higher prices for motor gasoline.

"(4) To the maximum extent practicable, any apportioning of increased product costs to motor gasoline which exceeds the direct proportionate relationship of motor gasoline to other refined petroleum products shall be accompanied by an offsetting reduction in the increased product costs permitted to be apportioned to other refined petroleum products produced or sold by such refiner.

"(5) In prescribing any amendment under paragraphs (1) and (2), or any order under paragraph (1), the President shall, to the maximum extent practicable, seek an accommodation and harmonization of the objectives specified in subsection (a) of this section with those objectives specified in section 4(b) of this Act.

"RETAIL DISTRIBUTION CONTROL MEASURES

"SEC. 12. (a) The President shall by rule promulgate standards and procedures by which persons engaged in the retailing of motor gasoline may develop and implement voluntary agreements and plans of action to carry out such agreements respecting the hours of operation of retail establishments, or other aspects of retail operations as the President determines are necessary and appropriate to minimize motorists' inconvenience in purchasing motor gasoline during the period within which the mandatory gasoline allocation savings program is in effect. Voluntary agreements and plans of action developed and implemented under this section by persons engaged in the retailing of motor gasoline shall include provisions for the designation of retail establishments with assigned hours of operations as may be appropriate to provide a resonable opportunity to purchase available supplies of motor gasoline during evening hours and on weekend days and holidays.

"(b) The standards and procedures under subsection (a) shall be promulgated pursuant to section 553 of title 5, United States Code. They shall provide, among other things, that—

"(1) A written copy of any agreement or plan under this section shall be submitted to the Attorney General and the Federal Trade Commission and be available for public inspection;

"(2) Meetings held to develop and implement an agreement or plan under this section shall permit attendance by interested persons and shall be preceded by timely notice to the Attorney General. the Federal Trade Commission, and to the public in the affected community;

"(3) Interested persons shall be afforded an opportunity to present, in writing, and orally, data, views, and arguments at such meetings; and

"(4) A written summary of the proceedings of any such meeting together with copies of any written data, views, and arguments presented by interested persons shall be submitted to the Attorney General and the Federal Trade Commission and be available for public inspection.

"(c) The Federal Trade Commission may exempt types or classes of meetings, conferences, or communications from the requirements of subsection (b) where such types or classes of meetings, conferences, or communications are determined to be ministerial to the implementation of any such agreement or plan of action. Such meeting, conference, or communication may take place and be ordered in accordance with such requirement as the Federal Trade Commission may prescribe, by rule, as consistent with the purposes of this section.

"(d) Actions taken in good faith, by persons engaged in the retailing of motor gasoline, in accordance with this section and rules promulgated hereunder, to devlop and implement a voluntary agreement or a plan of action to carry out a voluntary agreement shall not be construed to be within the prohibitions of the antitrust laws of the United States, the Federal Trade Commission Act, or similar State and local statutes.

"(e) Any voluntary agreement or plan of action entered into pursuant to subsections (a) and (b) of this section shall be submitted in writing to the Attorney General and the Federal Trade Commission ten days before being implemented. Such agreement or plan of action shall be available for public inspection in accordance with the provisions of section 552 of title 5, United States Code. The Attorney General or the Federal Trade Commission, at any time, on motion or upon the request of any interested person, may modify, amend, disapprove, or revoke any such voluntary agreement or plan of action and, if revoked, thereby withdraw prospectively the immunity conferred by subsection (d) of this section.

"(f) This section shall apply in lieu of section 6(c) respecting any voluntary agreement or plan of action respecting retailing of motor gasoline under the mandatory gasoline allocation savings program.

"LIMITATIONS ON PRICING AUTHORITY

"SEC. 13. The President shall have no authority, by amendment to the regulation under section 4(a) of this Act or by rule, order, or any other means, to prescribe minimum prices for crude oil (or any classification thereof), residual fuel oil, or any refined petroleum product.

"DIRECT CONTROLS ON REFINERY OPERATIONS

"SEC. 14. The President may, by regulation or order, as may be consistent with the attainment of the objectives specified in section 4(b), require adjustments in the processing operations of any refinery in the United States with respect to the proportions of residual fuel oil or any refined petroleum product produced through such operations if he determines such adjustments are necessary to assure the production of residual fuel oil or any refined petroleum product in such proportions necessary to attain the objectives specified in section 4(b), or section 11 relating to the mandatory gasoline allocation savings program.

"INVENTORY CONTROLS

"SEC. 15. The President may, by rule or order, as may be consistent with the attainment of the objectives specified in section 4(b), require adjustments in the amounts of crude oil, residual fuel oil or any refined petroleum product which are held in inventory by persons who are engaged in the business of importing, producing, refining, marketing, or distributing such oils or products. Such authority may be exercised to require either (1) a distribution from such inventories at specified rates of distribution or to specified levels, or (2) the accumulation of inventories at specified rates of accumulation or to specified levels, as the President determines may be necessary to the attainment of the objectives of section 4(b), the objectives specified in section 11 (relating to the mandatory gasoline allocation savings program) or as may be necessitated by the international energy program, as defined in the Energy Conservation and Oil Policy Act of 1975. The authority to require an accumulation of inventories may be employed to compel the maintenance of inventories in excess of such person's normal business or operating requirements; except that such amounts shall not exceed the amount of oil or product, as the case may be, such person would use or sell during any 90-day period under normal conditions and in no case may the requirement to accumulate inventories be applied to any person in a manner which would necessitate such person making physical additions to storage facilities in order to comply with any such rule or order.

"HOARDING PROHIBITIONS

"SEC. 16. Except as may be required, by rule or order, of persons engaged in the business of producing, refining, distributing, or marketing crude oil, residual fuel oil, or any refined petroleum product pursuant to section 15, it shall constitute a violation of this Act for any person to accumulate amounts of such oils or products in inventories or otherwise which are in excess of such person's reasonable needs during a severe energy supply interruption, as defined in the Energy Conservation and Oil Policy Act of 1975.

"SUPPLEMENTAL AUTHORITIES TO ASSUME REASONABLENESS TO PETROLEUM PRICES

"SEC. 17. (a) It is the purpose of this section to insure the free flow of oil in foreign and interstate commerce at the lowest possible price.

"(b) For the purpose of this section:

"(1) The term 'qualified buyer' means a citizen of the United States, a domestic corporation, a domestic agricultural cooperative, a domestic partnership or other unincorporated business organization, or any department, agency, or other instrumentality of the United States or of any State or political subdivision thereof.

"(2) The term 'responsible offeror' means any company, sovereign State, or person acting on its own or on behalf of others who has been found by the President, in accordance with such rules as he may prescribe, to be capable of performing in accordance with the terms of its offer.

"(c)(1) The President is authorized to act as the exclusive agent of the United States in—

"(A) purchasing crude oil, residual fuel oil and refined petroleum products produced or refined outside the United States for importation into the United States; and

"(B) purchasing crude oil produced outside the United States for sale to refiners outside the United States pursuant to subsection (e)(2)(B) of this section.

"(2) Any crude oil, residual fuel oil and refined petroleum product purchased by the United States pursuant to paragraph (1) of this subsection shall be sold to qualified buyers free on board the point of purchase. The President shall not engage in the business of producing, transporting, or refining crude oil, residual fuel oil or refined petroleum products on the account of the United States or on the account of others.

"(3) The President shall endeavor to buy and sell without profit or loss. In the furtherance of this policy, the President may—

"(A) sell crude oil, residual fuel oil or any refined petroleum product at a price above or below the cost of such oil or product if, in the judgment of the President, such sales may result in progress toward a lower price for oil sold in international commerce; and

"(B) periodically establish posted prices which shall apply to all sales and outstanding contracts for sale of crude oil, residual fuel oil and refined petroleum products made pursuant to the authorization of this section according to the particular gravities, qualities, grades, varieties, and locations of such oils and products.

"(d) The President may, upon the expiration of the 180-day period which begins on the date of enactment of this section, prohibit, by rule or order, the importation into the United States by any person of crude oil, residual fuel oil or any refined petroleum product unless such crude oil, residual fuel oil or refined petroleum product has been purchased from the United States or manufactured from crude oil purchased from the

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United States under the provisions of this section or rules promulgated pursuant thereto.

"(e)(1) Persons qualifying as responsible offerors wishing to sell crude oil, residual fuel oil or any refined petroleum product to the United States pursuant to the authorization of this section shall submit sealed offers of sale to the President in accordance with such rules as the President prescribes governing such offers.

"(2) All such sealed offers submitted to the President shall be in United States dollar amounts and shall show price, specifications, volume, terms of delivery, and schedule of delivery. The President shall accept those offers the terms of which are most favorable to the United States. The President shall have the power to negotiate with the offerors for terms more favorable to the United States. No contract, the duration of which is more than 2 years, may be accepted under the authority of this section.

"(3) The terms of any offer, or of any contract or agreement entered into by the President to purchase crude oil, residual fuel oil or any refined petroleum product shall be kept secret by the President and any officers, or employees of the United States. The requirement of this subsection shall not prevent or interfere with access to such data by the General Accounting Office in the performance of its responsibilities under subsection (i). Such terms may, however, be made public five years after the termination of the transaction to which such terms apply, except that the identities of particular offerors and contracting parties shall not be disclosed.

"(f)(1) Prior to implementation of the authority of subsections (a) and (d) the President shall, by rule, prescribe a system, with the objectives specified in section 4(b) of this Act, by which sales of crude oil, residual fuel oil and refined petroleum products purchased by the United States pursuant to this section shall be made to qualified buyers.

"(2)(A) Except to the extent that he may be required to do so under the international energy program, as defined in section 103(7) of the Energy Conservation and Oil Policy Act of 1975, or as provided in this subsection, the President shall not sell crude oil, residual fuel oil, or any refined petroleum product purchased by the United States under the authority of this section other than for importation into the United States.

"(B) The President may sell crude oil to qualified buyers intending to refine it outside the United States for future importation into the United States in the form of residual fuel oil or refined petroleum products, if the following conditions are met:

"(i) the refinery in which the crude oil is to be run is owned by a qualified buyer;

"(ii) the qualified buyer has contracted with the President to export to the United States all refined petroleum products manufactured by it from crude oil sold to it by the United States; and

"(iii) the President has taken care, pursuant to subsection (e)(4)(B) of this section, to insure the maximum utilization of petroleum refining facilities located within the United States.

"(3) Any regulation promulgated under the authority of this subsection shall be promulgated pursuant to section 553 of title 5, United States Code.

"(4) Any regulation promulgated under authority of this subsection shall, to the maximum extent practicable—

"(A) preserve and encourage an economically sound and competitive domestic petroleum industry including the priority needs of independent and small refiners;

"(B) provide for the allocation of suitable types, grades and quality of crude oil to refineries to insure the maximum utilization of existing petroleum refining facilities located within the United States;

"(C) provide for the equitable distribution of crude oil, residual fuel oil, and refined petroleum products at equitable prices among all regions and areas of the United States and sectors of the petroleum industry, including independent and small refineries;

"(D) minimize economic distortion, inflexibility, and unnecessary interference with market mechanisms; and

"(E) assure adequate supplies of crude oil to new and expanded domestic refinery capacity as may be constructed or expanded by small or independent refiners.

"(g) To implement the authorities of this section, the President is authorized to—

"(1) make, promulgate, issue, rescind, and amend rules governing the manner of operation and the exercise of powers vested in him by this section;

"(2) appoint and fix compensation of such officers and employees as may be necessary to carry out such authorities;

"(3) contract for the purchase of crude oil, residual fuel oil, and refined petroleum products from any private individual, foreign state, or foreign or domestic corporation; and

"(4) delegate any authority conferred upon him by this section to such officers, departments, and agencies of the United States as he deems appropriate.

"(h) All contracts and other obligations entered into by the President shall be guaranteed by the full faith and credit of the United States.

"(i)(1) Upon implementation of the authorities of this section, the President shall prepare and transmit to the Congress, in January of each year, a report which shall include a financial accounting of purchases and sales of crude oil, residual fuel oil, and each refined petroleum product by the United States under this section during the prior calendar year. Such report shall not, however, disclose any information required to be kept secret under the provisions of subsection (d)(3) of this section.

"(2) Any report made under this subsection shall contain such recommendations for additional legislation as the President may consider necessary or desirable to accomplish the purposes of this Act.

"(j) The General Accounting Office shall audit the administration of this section semiannually and report the results thereof to the President and the Congress. Such report shall not disclose any information required to be kept secret under the provisions of subsection (e)(3) of this section.

"(k) In any action in any Federal or State court for breach of contract, there shall be available as a defense that the alleged breach of contract was caused solely by compliance with the provisions of this section, or any rule or order issued pursuant to this section.

"(l) The provisions of subsection (i) of section 7 of the Federal Energy Administration Act of 1974 shall apply to any rule or any order having the applicability and effect of a rule as defined in section 551(4) of title 5, United States Code, issued pursuant to this section.

"(m) There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section."

ENERGY CONSERVATION IN TRANSPORTATION

Sec. 405. The Interstate Commerce Commission, the Civil Aeronautics Board, and the Federal Maritime Commission shall, in the exercise of their powers pursuant to the laws administered by such Commission or Board, include in any order or certificate issued by such Commission or Board a statement of the probable impact of such order or certificate on energy consumption and supply and the energy costs and energy benefits of such order or certificate.

PUBLIC INFORMATION PROGRAM

Sec. 406. (a)(1) There are authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1976, and for each of the two succeeding fiscal years for the purpose of making grants to State and local agencies to carry out public information programs described in paragraph (2).

(2) In order to be eligible to receive a grant under this subsection, a State or local agency shall submit to the Administrator an application describing the program the State or local agency proposes to conduct. Such an application may be approved if it provides for a program of—

(A) dissemination to consumers and businesses of information respecting energy conservation and improvement of energy efficiency;

(B) inspections at the request of individual homeowners, tenants, and small businesses for the purpose of assessing the potential for installing insulation and storm windows and improving the efficiency of heating and air-conditioning equipment of such homeowner's or tenant's residence or such businesses' premises; and

(C) dissemination of information respecting tax benefits and grant programs which are available to assist individuals and small businesses to achieve energy conservation and to improve energy efficiency.

Such a program may also include a system to assist consumers to locate businesses providing energy conservation services which are eligible for such tax benefits or grants.

(3) Upon approval of an application the Administrator may pay not more than 90 per centum of the cost of the program described in the application.

(b)(1) The Administrator may carry out a public information program designed to encourage energy conservation and improvement of energy efficiency. In carrying out such a program the Administrator may contract for periodical advertising space and broadcast advertising time.

(2) There are authorized to be appropriated $200,000 for the fiscal year ending June of 1976, and each of the 2 succeeding fiscal years to carry out the program authorized by this subsection.

REPORT ON ENFORCEMENT OF NATIONAL MAXIMUM SPEED LIMIT

Sec. 407. (a) Within 6 months of the date of enactment of this Act, each State shall prepare and transmit to the Secretary of Transportation a National Speed Limit Enforcement Report.

(b) The report shall include—

(1) an estimate of the number of vehicle miles traveled on public highways within the jurisdiction of the State which are subject to the National Maximum Speed Limit of 55 miles per hour;

(2) the number of violations cited;

(3) the penalties applicable (including loss of license, assessment of points, and fines);

(4) the penalties imposed upon convicted violators; separately for the calendar year 1974 and the first quarter (January through March) of calendar year 1975.

(5) the impact on highway safety, including the impact on traffic fatalities, serious injury, and property damage, of the speed limit requirement.

(c) Beginning with the expiration of the 6-month period following the date of enactment of this Act, each State shall file semiannual National Maximum Speed Limit Enforcement Reports with the Secretary of Transportation and each House of Congress. Such reports shall include the type of information required by subsection (b) of this section for the preceding two calendar quarters, separately reported for each quarter.

Part B—Industrial Energy Conservation

FINDINGS

Sec. 451. The Congress finds that—

(1) large consumers, including industries, consume a major part of this country's supply of petroleum products, gas, and electricity;

(2) significant energy savings can be achieved by improving the energy efficiency of industrial and other energy-consuming processes;

(3) ordinary economic incentives have not succeeded in achieving maximum efficiency in energy consumption by large consumers of energy;

(4) a Federal program to improve efficiency in consumption of energy by large consumers of energy is essential to a more adequate realization of the potential for energy conservation.

DEFINITIONS

Sec. 452. For purposes of this part—

(1) The term "covered process or equipment" means—

(A) kilns;

(B) reheat furnaces;

(C) melting furnaces;

(D) electric motors;

(E) pumps and compressors;

(F) distillation and distillation equipment;

(G) boilers;

(H) rolling, drying, and pressing;

(I) smelting;

(J) catalytic reforming and cracking; and

(K) such other process or equipment as the Administrator, by rule published in the Federal Register, designates as a covered process or equipment.

(2) The term "guidelines" means the specification of methods and devices for achieving the maximum efficiency in the consumption of energy which the Administrator determines to be achievable through application of the best available demonstrated technology, processes, operating methods, or other alternatives for maximum energy efficiency. In determining maximum energy efficiency, the Administrator shall take into account the extent to which the application of the guidelines to improve energy efficiency would be offset by an increase in energy use resulting from the guidelines.

(3) The term "consumes", "consumed", or "consumption" means to burn or otherwise use petroleum products, gas, or electricity as a fuel or energy source.

(4) The term "barrel of oil equivalent" means that quantity of petroleum products, gas, or electric energy, which contains the same heat energy as a barrel of oil containing 5.88 million Btu's of heat energy, and shall be measured, unless the substance is shown to contain a different amount of heat energy, on the following basis:

(A) 42 United States gallons of petroleum products;

(B) 5,882 cubic feet of gas at 14.73 pounds pressure per square inch at 60 degrees Fahrenheit; and

(C) 1,722 kilowatt hours of electricity.

(5) The term "facility" means any factory, building, plant, structure, or complex thereof.

(6) The term "gas" means natural gas and synthetic gas.

(7) The term "petroleum products" does not include refined lubricating oil.

(8) The term "manufacturer" means a person consuming, in manufacturing industrial or consumer products, at least the amount of barrels of oil equivalent per year which the Administrator, by rule published in the Federal Register, designates as the minimum amount that will probably be consumed in the ensuing year by each of the approximately 2,000 manufacturers in the United States who consume the most energy.

(9) The term "energy efficiency" means the amount of industrial output, as defined by the Administrator, divided into the amount of energy or fuel required to produce such output, in each class or category of industry as defined by the Administrator.

(10) The term "energy efficiency target" means the amount of improvement in energy efficiency to be attained by each class or category of manufacturers as defined in regulations to be prescribed by the Administrator which shall bring about an improvement in energy efficiency of 15 per centum by January 1, 1978, and 20 per centum by January 1, 1981, in comparison to that of calendar year 1972, or, if the manufacturer was not engaged in manufacturing in that year, the first calendar year thereafter prior to calendar year 1975 in which he engaged in manufacturing.

ENERGY EFFICIENCY TARGETS FOR MAJOR INDUSTRIAL ENERGY CONSUMERS

Sec. 453. (a) The Administrator shall, within 90 days after the date of the enactment of this Act, publish in the Federal Register energy efficiency targets for each class or category of manufacturers determined by the Administrator. Within 90 days after the date of such publication, each manufacturer shall file with the Administrator a plan to achieve in his manufacturing operations the energy efficiency target specified for his class or category. If the plan would not achieve the applicable energy efficiency target, the manufacturer shall, in a statement accompanying the plan, state in detail how much of the energy efficiency target would be achieved under the plan and why such energy efficiency target cannot be achieved.

(b) Not later than 90 days after the expiration of one full year following the date his plan was filed with the Administrator, each manufacturer shall file with the Administrator an energy consumption report setting forth such data and information concerning the operation of his plan during that year, including data on energy consumption, units of products produced, and progress in achieving the energy efficiency target, as the Administrator by rule has prescribed for the manufacturer's class or category. Thereafter, within 90 days after each succeeding year, each manufacturer shall file an annual energy consumption report containing such data and information for that year.. The Administrator may by rule require such interim reports as he deems necessary to ascertain the manufacturer's progress in achieving and maintaining energy efficiency targets.

(c) The Administrator shall establish and maintain a clearinghouse for information concerning technologies, techniques, data, and ideas for improving energy efficiency of manufacturers, and shall, to the maximum extent feasible, assist any person requesting such assistance to improve his energy efficiency in manufacturing operations and in meeting energy conservation guidelines. The Administrator shall coordinate his activities under this title with the energy conservation activities of other Federal agencies, State and local governments, and private industry.

(d) The Administrator shall review all plans and reports filed with him and attach to each of them his evaluation and determination as to whether or not, or the extent to which, the manufacturer has achieved, or is making satisfactory progress in achieving and maintaining, the energy efficiency target applicable to the manufacturer. The energy efficiency plans and energy consumption reports filed by the manufacturer, and the Administrator's evaluation and determination concerning the manufacturer's progress in achieving and maintaining the energy efficiency target applicable to him shall be available to the public.

(e) In determining compliance with the energy efficiency targets. the Administrator shall give due consideration to the following:

(1) changes in quality of raw material available to the manufacturer;

(2) energy content of fuels available to the manufacturer;

(3) the manufacturer's utilization of waste energy and byproducts to provide fuel or energy;

(4) the mix and quality of the manufacturers' product;

(5) regulatory requirements of Federal, State, and local governments;

(6) other factors which the Administrator determines are relevant to the achievement and maintenance of the energy efficiency targets.

(f) To assure compliance with the requirements of this part and energy efficiency target specified by the Administrator, he is authorized to—

(1) require any manufacturer to—

(A) establish and maintain such records, make such reports, and install, use, and maintain such monitoring equipment and methods, at such locations, at such intervals, and in such manner as the Administrator shall prescribe, and

(B) provide such test data, specifications, reports, and other information, as the Administrator determines is reasonably necessary to demonstrate that the manufacturer is complying or will comply with the requirements of this part;

(2) at reasonable times have a right of entry to, upon, or through the premises of the manufacturer or any other premises in which any records required to be maintained under paragraph (1) of this subsection are located; and

(3) at reasonable times have access to and copy any records, and inspect any monitoring equipment or method required under paragraph (1) of this subsection as the Administrator deems necessary.

(g) Any person who knowingly or negligently fails to provide the information prescribed in regulations issued by the Administrator to carry out this section shall be subject to a fine of not more than $5,000, or imprisonment, if he is a natural person, for not more than one year, or both. In addition, the court is authorized, upon request of the Administrator, to order such person to provide such information to the Administrator, and any failure or refusal to comply with such order shall be punishable as a civil contempt.

(h) The Administrator shall conduct continuing evaluations of the progress being made by manufacturers in achieving compliance with the energy efficiency targets prescribed by the Administrator under this part, and shall publish, at least annually, a report summarizing such progress and identifying every manufacturer not making satisfactory progress to achieve and maintain the energy efficiency targets applicable to the manufacturer, its owners, and the amount and percentage of improvement in its energy efficiency that could result from its compliance with such targets.

DISSEMINATION OF ENERGY EFFICIENCY GUIDELINES

Sec. 454. The Administrator shall, within 90 days after the date of enactment of this Act, publish in the Federal Register guidelines for the efficient use and conservation of petroleum products, gas, and electricity by any facility using a covered process or equipment. The Administrator shall, from time to time, as technology and alternatives change, revise such guidelines. In establishing or revising guidelines under this section, the Administrator shall follow the procedures specified in section 553 of title 5, United States Code, and shall take into consideration the economic, environmental, and energy effects of any such guidelines or amendments thereto.

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EFFECTS ON EMPLOYMENT

SEC. 455. The Administrator shall conduct continuing evaluations of potential loss or shifts of employment which may result from the issuance of any regulation or order under this part, including, where appropriate, investigating threatened plant closures or reductions in employment allegedly resulting from such regulation or order. Any employee who is discharged or laid off, threatened with discharge or layoff, or otherwise discriminated against by any person because of the alleged results of any regulation or order issued under this part, or any representative of such employee, may request the Administrator to conduct a full investigation of the matter. The Administrator shall thereupon investigate the matter and, at the request of any party, shall hold public hearings on not less than 5 days' notice, and shall at such hearings require the parties, including the employer involved, to present information relating to the actual or potential effect of the regulation or order on employment and on any alleged discharge, layoff, or other discrimination and the detailed reasons or justification therefor. Any such hearing shall be of record and shall be subject to section 554 of title 5, United States Code. Upon receiving the report of such investigation, the Administrator shall make findings of fact as to the effect of such regulation or order on employment and on the alleged discharge, layoff, or discrimination and shall make such recommendations as he deems appropriate. Such report, findings, and recommendations shall be available to the public. Nothing in this section shall be construed to require the Administrator to modify or withdraw any regulation or order issued under this part.

TITLE V—IMPROVING ENERGY EFFICIENCY OF CONSUMER PRODUCTS

PART A—AUTOMOBILE FUEL MILEAGE

DEFINITIONS

SEC. 501. As used in this part:

(1) The term "EPA Administrator" means the Administrator of the Environmental Protection Agency.

(2) The term "automobile" means a four-wheeled vehicle propelled by fuel which is manufactured primarily for use on public streets, roads, and highways (except any vehicle propelled by fuel which is manufactured primarily for use on public streets, roads, and highways (except any vehicle operated exclusively on a rail or rails), and which is rated at ten thousand pounds gross vehicle weight or less.

(3) The term "passenger automobile" means any automobile which has as its primary intended function the transportation of not more than ten individuals.

(4) The term "light-duty truck and multipurpose passenger vehicle" means any automobile which is not a passenger automobile.

(5) The term "average fuel economy" means (A) the total number of passenger automobiles manufactured in a given model year by a manufacturer (including all passenger automobiles manufactured by persons who control, or are controlled by or under common control with such manufacturer, but excluding any passenger automobile exported in the model year) divided by (B) a sum of terms, each term of which is a fraction created by dividing—

(i) the number of passenger automobiles of a given model type manufactured in such model year by

(ii) the fuel economy measured for such model type rounded to the nearest mile per gallon, as determined by the EPA Administrator.

(6) The term "dealer" means any person engaged in the business of selling new automobiles to purchasers who buy for purposes other than resale.

(7) The term "fuel" means any liquid or gaseous fuel.

(8) The term "fuel economy" refers to the average number of miles traveled by an automobile per gallon of fuel consumed as determined by the EPA Administrator in accordance with test procedures established under section 502(d).

(9) The term "manufacturer" means any person engaged in the manufacture, assembly, or importation of automobiles.

(10) The term "to manufacture" (except for purposes of section 502(a)(3)) means to manufacture in the United States or to import into the United States.

(11) The term "model type" means a particular class of automobile as defined by the EPA Administrator.

(12) The term "model year" with reference to any specific calendar year means the manufacturers' annual production period (as determined by the EPA Administrator) which includes January 1 of such calendar year. If the manufacturer has no annual production period, the term "model year" shall mean the calendar year.

(13) The term "Secretary" means the Secretary of Transportation.

MINIMUM FUEL ECONOMY PERFORMANCE STANDARDS

SEC. 502. (a)(1) Except as otherwise provided in paragraph (2) and in subsection (b)(3)(B), the average fuel economy for all passenger automobiles manufactured by any manufacturer in any model year after model year 1977 shall not be less than the number of miles per gallon determined under the following table:

Model year:	Average fuel economy (miles per gallon)
1978	18.5.
1979	19.5.
1980	20.5.
1981	Determined by Secretary under subsection (b).
1982	Determined by Secretary under subsection (b).
1983	Determined by Secretary under subsection (b).
1984	Determined by Secretary under subsection (b).
1985	28.0.

(2) The Secretary may, by rule, exempt from paragraph (1) any manufacturer who manufactured (whether or not in the United States) fewer than ten thousand automobiles in the second model year preceding the model year for which the application is made. Such exemption may only be granted if (A) such exemption will not significantly detract from the purposes of this part, and (B) such exemption is necessary to avoid an unreasonable burden on such manufacturer. Simultaneously with the issuance of any such exemptions, the Secretary shall establish alternative standards for such manufacturer which shall represent the maximum feasible level of fuel economy for such manufacturer. In determining the number of automobiles manufactured by a manufacturer for purposes of this paragraph, there shall be included all automobiles manufactured by persons who control, are controlled by, or are under common control with such manufacturer.

(3) Beginning in 1977, the Secretary shall review, not later than January 1 of each calendar year, standards promulgated pursuant to this part which will take effect in future model years and shall publish the results of such review in the Federal Register and shall send such review to the members of the Commerce Committees of the Senate and House of Representatives. The review required to be published by January 1, 1979, and sent to the Congress shall include a comprehensive analysis of the program required by this part. Such analysis shall include an assessment of the ability of the Nation to meet the average fuel economy requirements for 1985 as specified in section 502(a)(1) of this part, and any legislative recommendations the Secretary might have for improving the program required by this part.

(4)(A) The Secretary shall, by rule, determine the average fuel economy for all light-duty trucks and multipurpose passenger vehicles manufactured by any manufacturer in any model year after model year 1977. Such determination may provide for separate standards for different classes of such trucks and vehicles and shall be based upon the maximum feasible average fuel economy level which the Secretary determines manufacturers of light-duty trucks and multipurpose passenger vehicles or classes thereof are able to achieve in each model year after year 1977.

(B) For purposes of subparagraph (A), in determining the maximum feasible average fuel economy, the Secretary shall consider:

(i) technological feasibility;

(ii) economic practicality;

(iii) relationship to other Federal standards with respect to such trucks or vehicles; and

(iv) the purposes of this Act.

(b)(1) Not later than July 1, 1977, the Secretary shall establish, by rule, minimum average fuel economy performance standards for new automobiles manufactured in model years 1981 through 1984. The standards, which shall be equally applicable to each manufacturer, shall be set for each such model year at a level which the Secretary determines is the maximum feasible level and shall be promulgated in a manner which will result in steady progress toward meeting an average fuel economy of 28 miles per gallon for model year 1985.

(2) Any standard prescribed under paragraph (1), and any amendment prescribed under paragraph (3), shall be promulgated not later than 18 months prior to the beginning of the model years to which such standard or amendment will apply.

(3)(A) The Secretary may, from time to time, upon the basis of new information, amend any average fuel economy performance standard established under paragraph (1), except that no such amendment, modification, or revision may reduce the standard for average fuel economy below that necessary to meet the model year 1980 average fuel economy level specified in subsection (a)(1).

(B) If the course of preparing the review required to be published on January 1, 1979, pursuant to section 502(a)(4) of this part, the Secretary finds that the model year 1985 average fuel economy level specified in subsection (a)(1) should be modified because such level cannot reasonably be attained or because a higher level may reasonably be attained, the Secretary may by rule modify such level, to a level that represents the maximum feasible average fuel economy level. The Secretary shall transmit to the Congress notice of the establishment of such modified level. Such modified level shall take effect 60 days after such transmittal to the Congress, unless either House of Congress by resolution of disapproval, pursuant to procedures established by section 751 of this Act, disapprove such modified level.

(c)(1) If the Secretary determines under paragraph (3) that in any model year there will be an emission standards penalty, he shall adjust the fuel economy rate applicable to such year by subtracting a number of miles per gallon (rounded off to the nearest tenth of a mile per gallon) equal to the amount of such penalty.

(2) For purposes of this subsection:

(A) The term "emission standards penalty" means the number of miles per gallon which the Secretary determines is equal to (i) the average fuel economy which all automobiles sold in a model year would achieve, if such automobiles were subject only to the 1975 emission standards, less (ii) the average fuel economy which all such automobiles are likely to achieve while meeting the emission standards actually applicable to such automobiles.

(B) The term "1975 emission standards" means the following standards:

(i) For hydrocarbons, 1.5 grams per mile.

(ii) For carbon monoxide, 15 grams per mile.

(iii) For oxides of nitrogen, 3.1 grams per mile.

(C) The term "fuel economy rate" means the rate under subsection (a)(1), as such rate may be modified under subsection (b).

(3) The Secretary shall commence a proceeding with respect to a determination under paragraph (1) on petition of any manufacturer. The Secretary shall allow interested persons an opportunity for oral as well as written presentation of data, views, and arguments. He shall render a decision in any such proceeding within 60 days after the filing of the petition.

(4) The Secretary may not make any modification of fuel economy rates to take account of emission standards penalties except in accordance with this subsection.

(d)(1) Compliance by a manufacturer with subsection (a) shall be determined by the EPA Administrator (in accordance with test procedures established by the EPA Administrator by rule)—

(A) by calculating for purposes of subsection (a)(1) the average fuel economy of all passenger automobiles manufactured by such manufacturer during such model year, and

(B) by calculating for purposes of subsection (a)(4) the fuel economy of all light duty trucks and multipurpose passenger vehicles (or each class thereof, as may be appropriate) manufactured by such manufacturer in such model year.

Test procedures so established shall be the procedures utilized by the EPA Administrator for model year 1975 (weighted 55 percent urban cycle, and 45 percent highway cycle) or procedures which yield comparable results. Such procedures, to the extent practicable, shall require that fuel economy tests be conducted in conjunction with emissions test conducted under section 208 of the Clean Air Act (42 U.S.C. 1875f–5). The EPA Administrator shall report the findings of such compliance determinations to the Secretary.

(2) In determining whether a manufacturer has complied with subsection (a)—

(A) if the average fuel economy of a manufacturer is les than 0.5 miles per gallon less than the applicable standard under subsection (a), the manufacturer shall be deemed to have complied with subsection (a), and

(B) if the average fuel economy of a manufacturer exceeds the applicable standard under subsection (a) for a model year by more than 0.5 miles per gallon—

(i) he may carry back such excess to the preceding model year to the extent that his average fuel economy was more than 0.5 miles per gallon less than the applicable standard for such preceding year, and

(ii) to the extent such excess was not carried back to the preceding year, he may carry forward the excess to the year succeeding the year of the excess.

The Secretary shall prescribe rules to carry out this subsection. To the extent that a carryback under clause (ii) reduces a manufacturer's liability for a civil penalty paid under section 506, the Secretary shall refund to such manufacturer an amount equal to the amount of such reduction.

(e)(1) Any person who may be adversely affected by any rule promulgated under this section may at any time prior to 60 days after such rule is promulgated file a petition in the United States Court of Appeals for the District of Columbia, or any circuit wherein such person resides or has his or her principal place of business, for judicial review of such rule. A copy of the petition shall be forthwith transmitted by the clerk of such court to the officer who prescribed the rule. Such officer shall thereupon cause to be filed in such court the record of the proceedings upon which the rule which is under review was based, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have jurisdiction to review the rule in accordance with chapter 7 of title 5, United States Code, and to grant appropriate relief as provided in such chapter.

(2) If the petitioner applies to the court for leave to adduce additional evidence, and shows to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the proceeding before the officer who prescribed the rule, the court may order such additional evidence (and evidence in rebuttal thereof) to be taken before such officer, and be adduced in a hearing, in such manner and upon such terms and conditions as the court may deem proper. Such officer may modify any earlier finding as to the facts, or make new findings, by reason of the additional evidence so taken, and shall file such modified or new findings, and recommendations, if any, for the modification or setting aside of the previously promulgated rule, with the return of such additional evidence.

(3) The judgment of the court affirming or setting aside, in whole or in part, any such rule of the officer who prescribed the rule shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

(4) The remedies provided for in this section shall be in addition to and not in lieu of any other remedies provided by law.

(f)(1) The Secretary shall prescribe regulations requiring each manufacturer to submit a report to the Secretary during the 30-day period preceding the beginning of each model year, and during the 30-day period beginning on the 180th day of each model year. Each such report shall contain a statement as to whether such manufacturer will comply with such requirements; a plan which describes the steps the manufacturer intends to take in order to comply with applicable requirements under subsection (a); and such other matter as the Secretary may require.

(2) Whenever a manufacturer determines that a plan submitted under paragraph (1) which he stated was sufficient to insure compliance with applicable requirements is not sufficient to insure such compliance, he shall submit a report containing a revised plan which specifies any additional measures which he intends to take in order to comply with such requirements, and a statement as to whether such plan is sufficient to insure such compliance.

DUTIES AND POWERS OF THE SECRETARY AND ADMINISTRATOR

SEC. 503. (a)(1) For the purpose of carrying out the provisions of this part, the Secretary or the EPA Administrator, or their duty designated agents, may hold such hearings, take such testimony, sit and act at such times and places, administer such oaths, and require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, papers, correspondence, memorandums, contracts, agreements, or other records as the Secretary, EPA Administrator, or such agents deem advisable. The Secretary, EPA Administrator, or their duly designated agents, shall at all reasonable times have access to, and for the purpose of examination, the right to copy any documentary evidence of any person having materials or information relevant to any function of the Secretary or EPA Administrator under this part. The Secretary or EPA Administrator is authorized to require, by general or special orders, any person to file, in such form as the Secretary or EPA Administrator may prescribe, reports or answers in writing to specific questions relating to any function of the Secretary or EPA Administrator under this part. Such reports and answers shall be made under oath or otherwise, and shall be filed with the Secretary or EPA Administrator within such reasonable period as he may prescribe.

(2) The district courts of the United States for a judicial district in the jurisdiction of which an inquiry is carried on may, in the case of contumacy or refusal to obey a duly authorized subpena or order of the Secretary, the EPA Administrator, or their duly designated agents, issued under paragraph (1) of this subsection, issue an order requiring compliance with such subpena or order. Any failure to obey such an order of the court may be punished by such court as a contempt thereof.

(3) Witnesses summoned pursuant to this subsection shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.

(b)(1) Every manufacturer of automobiles shall establish and maintain such records, make such reports, conduct such tests, and provide such items and information as the Secretary or EPA Administrator may reasonably require to enable the Secretary or EPA Administrator to carry out their duties under this part and under any rules or regulations promulgated pursuant to this part. Such manufacturer shall, upon request of a duly designated agent of the Secretary or EPA Administrator, permit such agent to inspect finished automobiles and appropriate books, papers, records, documents. Such manufacturer shall make available all of such items and information in accordance with such reasonable rules as the Secretary or EPA Administrator may prescribe.

(2) The district courts of the United States for a judicial district in which an inspection is carried out or requested may, if a manufacturer of automobiles refuses to accede to any reasonable requirement or request, issued or made under paragraph (1) of this subsection, issue an order requiring compliance with such requirement or request. Any failure to obey such an order of the court may be punished by such court as a contempt thereof.

(c)(1) Except as provided in paragraph (2), the Secretary or EPA Administrator shall disclose information obtained under this part to the public in accordance with section 552 of title 5, United States Code, except that information may be withheld from disclosure on the grounds specified in subsection (b)(4) of such section only if it contains a trade secret which if disclosed would result in significant competitive damage.

(2) Information contained in a report submitted under section 502(f), disclosure of which the Secretary determines may cause significant competitive damage, may not be disclosed until after the close of the model year to which such report relates; except (A) in a proceeding under section 502 (b)(1), (b)(3), or (c); (B) to duly authorized officers or employees of the United States; or (C) to committees of Congress.

LABELING AND ADVERTISING

SEC. 504. (a)(1) Beginning no later than 90 days after the date of enactment of this Act, each manufacturer shall cause to be affixed and each dealer shall cause to be maintained on each new automobile, in a prominent place, a sticker indicating the

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fuel economy which a prospective purchaser can expect from such automobile, representative average annual fuel costs associated with the operation of such automobile, and the range of fuel economy performance of automobiles of similar size and weight. If the fuel economy of an automobile manufactured in a model year is less than the miles per gallon level specified in the average fuel economy standard specified by rule under section 502(a)(1), such sticker shall disclose that such automobile's fuel economy is less than the Federal standard for average fuel economy. Such sticker shall include a written statement that written information respecting the fuel economy of other automobiles manufactured in such model year is available from the dealer in a simple and readily understandable form in order to facilitate comparison among the various model types. The form and content of such sticker shall be prescribed by the EPA Administrator by rule, after consultation with the Federal Trade Commission and the Secretary.

(2) The EPA Administrator, not later than February 1, 1976, shall by rule establish procedures requiring dealers to make available to prospective purchasers information compiled by the EPA Administrator under paragraph (1).

(b) Section 3 of the Automobile Information Disclosure Act (15 U.S.C. 1232) is amended by striking out in the first paragraph "disclosing the following information concerning" and inserting in lieu thereof "disclosing the information required by section 501(a) of the Energy Conservation and Oil Policy Act of 1975, together with the following information concerning".

PROHIBITED CONDUCT

Sec. 505. The following conduct is prohibited:

(1) the failure to comply with any requirement of section 502(a);

(2) the failure to comply with any provision of this part (other than section 502(a)) or any standard, rule, regulation, or order issued pursuant to such a provision;

(3) the failure to provide information as required in accordance with this part;

(4) the failure to permit inspection pursuant to this part; and

(5) the failure to comply with any requirement under section 504(c) of this Act.

CIVIL PENALTY

Sec. 506. (a) (1) If through testing, inspection, investigation, or research carried out pursuant to this Act, or otherwise, the Secretary determines that any manufacturer has not complied with any requirement of section 502, he shall immediately notify such manufacturer and shall publish notice of such determination in the Federal Register. The notification to the manufacturer shall include all information upon which the determination of the Secretary is based. Such notification (including such information) shall be available to any interested person. The Secretary shall afford such manufacturer an opportunity to present data, views, and arguments to establish that there is no violation of section 502 and shall afford other interested persons an opportunity to present data, views, and arguments respecting the determinations of the Secretary.

(2) If, after such presentations by the manufacturer and interested persons, the Secretary determines that such manufacturer has not complied with any requirement under section 502, the Secretary shall assess the penalties provided for under subsection (b).

(b) (1) (A) Any manufacturer who the Secretary determines under subsection (a) to have violated a provision of section 502(a)(1) of this Act, shall be liable to the United States for a civil penalty equal to $50 for each mile per gallon by which the average fuel economy of the automobile manufactured by such manufacturer during such model year is exceeded by the applicable average fuel economy standard established under section 502(a)(1) of this Act multiplied by the total number of automobiles manufactured by such manufacturer during such model year. Such penalty shall be assessed by the Secretary and collected in a civil action brought by the Attorney General.

(B) Any fuel economy measurement for purposes of paragraph (A) shall be rounded off to the nearest one-tenth gallon (in accordance with rules of the EPA Administrator). If such measurement deviates from an applicable standard by an amount which is not a whole number of gallons, any penalty under subparagraph (A) shall be applied by substituting "$5 for each tenth of a mile per gallon" for "$50 for each mile per gallon".

(2) Any person who the Secretary determines after opportunity for presentation of data, views, and arguments to have violated a provision of section 505 of this Act, other than paragraph (1) thereof, shall be liable to the United States for a civil penalty of not more than $10,000 for each violation; each day of a continuing violation constituting a separate violation.

(3) The amount of such civil penalty shall be assessed by the Secretary by written notice. The Secretary shall have the discretion to compromise, modify, or remit, with or without conditions, any civil penalty assessed against a manufacturer only to the extent (A) necessary to prevent the insolvency or bankruptcy of such manufacturer, or (B) such manufacturer shows that noncompliance resulted from an act of God, a strike, or a fire.

RELATIONSHIP TO STATE LAW

Sec. 507. Except as provided in subsection (b) of this section, after the effective date of any standard issued or effective under this part relating to fuel economy performance standards for any automobile or to fuel economy labeling or advertising of any new automobile, no State or political subdivision thereof may adopt or enforce any law or regulation relating to such matters which is applicable to such automobile, unless such law or regulation is identical to a standard under this part.

Part B—Energy Labeling and Efficiency Standards for Products Other Than Automobiles

DEFINITIONS AND COVERAGE

Sec. 551. (a) For purposes of this part:

(1) (A) Except as otherwise provided in subparagraph (B), the term "product" means any article of a type which is manufactured or distributed in commerce to any significant extent—

(i) for sale to a consumer for use, or

(ii) for the personal use, consumption, or enjoyment of a consumer,

in or around a permanent or temporary household or residence, a school, in recreation, otherwise (without regard to whether such article is in fact sold or used by a consumer).

(B) such term does not include automobiles (as defined by section 501(b)(1) of this Act).

(2) The term "energy" means electricity or fossil fuels.

(3) The term "energy efficiency" means the energy use of a product relative to its output of services.

(4) The term "energy efficiency standard" means a performance standard which prescribes a minimum level of energy efficiency for a product, and which includes testing procedures (prescribed under section 552) and other requirements which the Secretary determines are necessary to assure that products to which the standard applies meet such required minimum level of energy efficiency.

(5) The term "energy use" means the energy resources used by a product under conditions of use approximating, to the greatest extent practicable, actual operating conditions expressed in terms of unit of energy consumed.

(6) The term "class of product" means a group of products the functions or features of which are similar (as determined by the Secretary).

(7) The term "manufacturer" means any person who manufactures or imports a product.

(8) The term "distributor" means a person to whom a product is delivered or sold for purposes of distribution in commerce, except that such term does not include a manufacturer or retailer of such product.

(9) The term "retailer" means a person to whom a product is delivered or sold for purposes of sale or distribution by such person to a consumer.

(10) (A) The term "private labeler" means an owner of a brand or trademark on the label of a product which bears a private label.

(B) A product bears a private label if (i) the product (or its container) is labeled with the brand or trademark of a person other than a manufacturer of the product, (ii) the person with whose brand or trademark the product (or container) is labeled has authorized or caused the product to be so labeled, and (iii) the brand or trademark of a manufacturer of such product does not appear on such label.

(11) The term "manufacturer" means to manufacture, produce, or assemble.

(12) The terms "to distribute in commerce" and "distribution in commerce" means to sell in commerce, to import, to introduce or deliver for introduction into commerce, or to hold for sale or distribution after introduction into commerce.

(13) The term "commerce" means trade, traffic, commerce, or transportation—

(A) between a place in a State and any place outside thereof, or

(B) which affects trade, traffic, commerce, or transportation described in subparagraph (A).

(14) The terms "import" and "importation" include reimporting a product manufactured or processed, in whole or in part, in the United States.

(15) The term "Secretary" means the Secretary of Commerce.

(b) This part shall apply only to the following types of products:

(1) Room and central air-conditioners.

(2) Refrigerators.

(3) Freezers.

(4) Clothes washers.

(5) Dishwashers.

(6) Clothes dryers.

(7) Kitchen ranges and ovens.

(8) Water heaters.

(9) Humidifiers, dehumidifiers, and home heating equipment, including furnaces.

(10) Television sets.

(11) Any other type of consumer products, if the Secretary determines that the aggregate per household consumption of products in such class averages more than 100 kilowatt hours (or the equivalent, as determined by the Secretary) per year.

TEST PROCEDURES

Sec. 552. (a) (1) The Administrator shall by rule prescribe test procedures for determining energy use characteristics or energy efficiency (or both) of any class of product. He shall prescribe such a rule for each of the types of products described in section 551(b) (1) through (10), unless he determines that information respecting the energy efficiency or energy use characteristics of such class of products is not likely to influence purchasing decisions of consumers or other persons and that uniform testing procedures are not in the public interest. Any such procedure shall be reasonably designed to produce test results which reflect energy efficiency or energy use shall be technologically feasible, and shall not be unduly burdensome to conduct.

(2) If the Administrator determines that (A) there exists a test procedure which has been issued or adopted by any Federal agency or by any other qualified agency, organization, or institution, and (B) such test procedure, if prescribed under this section, would meet the requirements of paragraph (1), he may prescribe such procedure under this section.

(b) No manufacturer, distributor, retailer, or private labeler may make any representation—

(1) in writing (including a representation on a label) or

(2) in any broadcast advertisement

respecting the energy use characteristics or energy efficiency of a product to which a rule under subsection (a) applies or costs of energy consumed by such product, unless such product has been tested in accordance with such rule and such representation fairly discloses the results of such test.

(c) (1) A rule may be proposed under subsection (a) only after consultation with the National Bureau of Standards and manufacturers and private labelers of products to which the rule will apply.

(2) The effective date of a rule under subsection (a) shall not be earlier than 180 days after the date of promulgation of the rule. Such a rule shall not apply to any product manufactured before its effective date.

(3) Section 553(c)(4) shall apply to any rule under this section.

LABELING

Sec. 553. (a) (1) The Secretary may prescribe a labeling rule under this section with respect to a class of product described in paragraphs (1) through (10) of section 551(b) (other than clothes washers, humidifiers, and dehumidifiers). The Secretary may prescribe a rule under this section applicable to a class of product described in section 551(b)(11) only if he determines that such a rule is likely (1) to assist purchasers in determining which products within such class have low energy use or high energy efficiency or (2) to encourage manufacturers to distribute in commerce products of such class which have low energy use or high energy efficiency. Whenever the Secretary prescribes a rule under this section applicable to a class of products, he shall prescribe a test procedure applicable to such class under section 552 (but without regard to the second sentence of section 552(a)(1)).

(2) (A) If (i) before the date of enactment of this Act the National Bureau of Standards had issued a voluntary energy conservation specification applicable to any class of product described in paragraphs (1) through (10) of section 551(b) and (ii) the Secretary determines that such labeling procedure meets the requirements of subsection (b), he may prescribe such specification as a labeling rule under this section, and he may prescribe any testing procedure included in such specification as a test procedure under section 552. In any proceeding to describe such a specification as a rule under this section and section 552, the second sentence of subsection (c)(4) and section 552(c)(3) shall apply only to a person who did not present data, views, or arguments with respect to such voluntary energy conservation specification.

(B) Prior to prescribing any rule under this section or section 552, the Secretary shall consult with the Federal Trade Commission.

(b) A labeling rule prescribed under this section which is applicable to a class of products shall require that any product in the class bear a label which states the energy efficiency or energy use characteristics (or both) of the product and shall include the following:

(1) A description of the class of products covered by such rule.

(2) Data respecting the range of energy efficiency and energy use for such class of products.

(3) A description of the test procedure under section 552 to be used in measuring the energy efficiency or energy use characteristics (or both) of the class of product.

(4) A prototype label and directions for displaying the label. The rule shall require that the label be prominently displayed, readable, and visible to any prospective purchaser at time of purchase. The rule may specify the information in addition to a statement of energy use characteristics or energy efficiency that shall be included on the label. Such additional information may include information respecting cost of operation and information to assist the consumer in comparing, by cost or amount of energy used or otherwise, the energy efficiency or energy use characteristics (or both) of a particular product with others in its class.

(5) A statement covering the information on the energy use characteristics or energy efficiency (or both) of the product which is to be included in any product advertisement pursuant to section 556 of this Act.

(c) (1) A rule under this section shall be effective 180 days after publication in the Federal Register, unless the Secretary finds that a later effective date is in the public interest, or unless the range of energy efficiency or energy use (or both) for the class of product to which the rule applies is not known at the time of publication.

(2) If the range of energy efficiency or energy use (or both) for a class of product is not known at the time of publication of the rule, the Secretary shall direct each manufacturer of a product in such class to forward to the Secretary, within 45 days after publication, or within such longer period as the Secretary determines is in the public interest, test data obtained through the test procedures prescribed under section 552 for each such product. On the basis of the information received from such manufacturers, the Secretary shall publish data respecting the range of energy efficiency or energy use characteristics (or both) of such class of products as an amendment to the rule. Such rule shall become effective 120 days after publication of such amendment unless the Secretary finds that a later effective date is in the public interest.

(3) A rule under this section (or an amendment thereto) shall not apply to any product, the manufacture of which was completed prior to the effective date of such rule or amendment, as the case may be.

(4) Rules under this section shall be prescribed in accordance with section 553 of title 5, United States Code, except that the Secretary shall afford interested persons an opportunity to present data, views, and argument orally, as well as in writing, with respect to the proposed rule. In addition, he shall, by means of conferences or other informal procedures, afford any interested person an opportunity to question—

(A) other interested persons who have made oral presentations, and

(B) employees of the United States who have made written or oral presentations,

with respect to disputed issues of material fact. Such opportunity shall be afforded to the extent the Secretary determines that questioning pursuant to such procedures is likely to result in a more effective resolution of such issues. A transcript shall be kept of any oral presentation under this paragraph.

PERFORMANCE STANDARDS

Sec. 554. (a) (1) The Secretary may prescribe an energy efficiency standard under this section applicable to any class of product listed in paragraphs (1) through (10) of subsection (b) of section 551; if he determines—

(A) it is technologically and economically feasible to improve the energy efficiency or energy use characteristics of products of such class,

(B) the application of the labeling rule applicable to such class is not sufficient to induce manufacturers to produce, and consumers and other persons to purchase, products of such class which achieve the maximum energy efficiency or energy use characteristics which it is technologically and economically feasible to attain, and

(C) that the benefits of reduced energy consumption and savings in operating costs throughout the estimated average life of the product (determined through use of a suitable discount rate) outweigh (i) the costs of any increase to the purchaser in initial charges for, or maintenance expenses of, the product, (ii) any lessening of the utility or performance of the product, and (iii) any negative effects on competition.

(2) For purposes of paragraph (1)(C)(iii), the Secretary shall not find any negative effects on competition, unless the Attorney General makes such determination and submits it in writing to the Secretary, together with his analysis of the nature and extent of such negative effects. The determination of the Attorney General shall be available for public inspection.

(b) Any energy efficiency standard shall be prescribed in accordance with the following procedure:

(1) The Secretary shall (A) publish an advance notice of proposed rulemaking which specifies (i) the class of product, and (ii) the energy efficiency level which he proposes to require by such energy efficiency standard, and (B) invite interested persons to submit within 90 days—

(i) written or oral presentations of data, views, and arguments as to the proposed level of energy efficiency, and

(ii) a proposed energy efficiency standard applicable to such product.

(2) Not earlier than 120 days after publication of advance notice of proposed rulemaking, the Secretary may publish a proposed rule which prescribes an energy efficiency standard for such class of products.

(3) Subsections (c) and (d) of section 18 of the Federal Trade Commission Act shall apply to rules under this section to the same extent that they apply to rules under section 18(a)(1)(B) of such Act.

(4) Not earlier than 60 days after publication of the proposed rule, the Secretary may, if he makes the findings required under subsection (a), promulgate a rule prescribing an energy efficiency standard for such class of products, which rule shall take effect not earlier than 180 days after its effective date. Such rule shall not apply to any product manufactured before its effective date.

(c) A rule may be promulgated under this section respecting a class of product only if a rule under section 553 has been applicable to such class of product for at least 18 months on the date of promulgation of the rule under this section.

REQUIREMENTS OF MANUFACTURERS AND PRIVATE LABELERS

Sec. 555. (a) Each manufacturer of a product to which a rule under section 553 applies shall provide a label that meets and is displayed in accordance with the requirements of such rule. If such manufacturer or any distributor, retailer, or private labeler of such product advertises such product in a catalog from which it may be purchased by order, such catalog shall contain all information required to be displayed on the label, except as otherwise provided by rule of the Secretary. The preceding sentence shall not require that a catalog contain in-

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formation respecting a product if the distribution of such catalog commenced before the effective date of the labeling rule under section 553 applicable to such product.

(b)(1) Each manufacturer of a product to which a rule under section 553 applies shall notify the Secretary, not later than 60 days after the date such rule becomes effective, of the models in current production (and starting serial numbers of those models) to which such rule applies.

(2) If requested by the Secretary the manufacturer of a product to which a rule under section 553 applies shall provide within 30 days of the request the data from which the information included on the label and required by the rule was derived. Data shall be kept on file by the manufacturer for a period provided in the rule. Pursuant to regulations issued by the Secretary, the use of independent test laboratories or national certification programs available to any manufacturer is authorized for obtaining required information for the purposes of this part.

(3) When requested by the Secretary, the manufacturer shall supply at his expense a reasonable number of products to any laboratory designated by the Secretary for the purpose of ascertaining whether the information set out on the label, as required by an applicable rule, is accurate. Any reasonable charge levied by the laboratory for such testing will be borne by the United States.

(4) Each manufacturer of a consumer product to which a rule under section 553 applies shall annually at a time specified by the Secretary supply to the Secretary relevant energy efficiency data or energy use data (or both) on each currently manufactured product covered by such a rule.

(5) A rule under section 552, 553, or 554 may require the manufacturer or his agent to permit a representative designated by the Secretary to observe and inspect tests required by this part.

(c) Each manufacturer shall use labels reflecting revised energy efficiency or energy use ranges (or both) on all affected products manufactured after the expiration of 60 days following the publication of a revised table of ranges. Such ranges may be revised by the Secretary only on an annual basis.

ADVERTISING

Sec. 556. Any manufacturer, distributor, or retailer of a product to which a rule under section 553 applies who advertises or causes to be advertised energy efficiency, energy use, or other energy characteristics of any such product through any communications medium must include in such advertisement all information on the product required by the provisions of such rule prescribed under section 55(c)(5). Except as provided by rules of the Secretary, this section shall apply to printed material appearing in a catalog from which a product may be purchased by order.

EFFECT ON STATE LAW

Sec. 557. (a) This part supersedes any State regulation insofar as such State regulation—

(1) may now or hereafter provide for the disclosure of energy use, energy consumption, energy efficiency, efficiency ratio, or annual operating cost of any product—

(A) if there is any rule under section 553 applicable to such product, and such State regulation is not identical to such rule, or

(B) if there is a rule under section 552 applicable to such product and such State regulation requires disclosure of information other than information disclosed in accordance with such rule under section 552; or

(2) insofar as such State regulation may now or hereafter provide for any energy efficiency standard or similar requirement respecting energy efficiency or energy use of a product—

(A) if there is a standard under section 554 applicable to such product, and such State regulation is not identical to such standard under section 554, or

(B) if there is a rule under section 552 applicable to such product and compliance with such State regulation cannot be determined from testing in accordance with the rule under section 552.

(b)(1) If a State energy efficiency standard is enacted which is not superseded by subsection (a)(2) then any person subject to that State regulation may petition the Secretary for an order determining that such State regulation is superseded by this part. In making the determination, the Secretary must consider the criteria set forth in section 554(a) (1), (2), and (3). In addition, he shall consider whether a Federal energy efficiency standard is being developed or proposed, whether the State regulation is required by compelling local conditions, and if such regulation unduly burdens interstate commerce. The Secretary shall issue his order with respect to a petition as soon as possible but in no event later than 6 months after the petition is filed.

(2) Any order of the Secretary granting or denying a petition shall contain specific findings as to matters to be considered set forth in paragraph (1) of this subsection and shall be subject to judicial review as provided for in section 565 of this part.

(c) For purposes of this section, the term "State regulation" means a law or regulation of a State or political subdivision thereof. Section 553(c)(4) shall apply to any rule prescribed under this section.

REGULATIONS

Sec. 558. The Secretary may issue such rules as he deems necessary to carry out the provisions of this part.

AUTHORITY TO OBTAIN INFORMATION

Sec. 559. For purposes of carrying out this part, the Secretary may sign and issue subpenas for the attendance and testimony of witnesses and the production of relevant books, records, papers, and other documents and may administer oaths. Witnesses summoned under the provisions of this section shall be paid the same fees and mileage as are paid to witnesses in the courts of the United States. In case of contumacy by, or refusal to obey a subpena served upon any person subject to this part, the Secretary may request the Attorney General to seek an order from the district court of the United States for any district in which such person is found or resides or transacts business requiring such person to appear and give testimony, or to appear and produce documents.

EXPORTS

Sec. 560. This part shall not apply to any product if (1) it can be shown that such product is manufactured, sold, or held for sale for export from the United States (or that such product was imported for export), unless such product is in fact distributed in commerce for use in the United States, and (2) such product when distributed in commerce, or any container in which it is enclosed when so distributed, bears a stamp or label stating that such product is intended for export.

IMPORTS

Sec. 561. Any product offered for importation in violation of section 562 shall be refused admission into the customs territory of the United States under rules issued by the Secretary of the Treasury except that the Secretary of the Treasury may, by such rules, authorize the importation of such product upon such terms and conditions (including the furnishing of a bond) as may appear to him appropriate to ensure that such product will not violate section 562 of this part, or will be exported or abandoned to the United States. The Secretary of the Treasury shall prescribe rules under this section not later than 180 days after the date of enactment of this Act.

PROHIBITED ACTS

Sec. 562. (a) It shall be unlawful for—

(1) for any manufacturer or private labeler to distribute in commerce any new product manufactured after the effective date of a rule applicable to such product under section 553, unless there is provided with such product a label meeting the requirements of such rule, including any requirements as to manner of display;

(2) for any manufacturer or private labeler to distribute in commerce any new product manufactured after the effective date of a rule under section 553 applicable to such product, if the label required to be provided with such a new product contains misleading or inaccurate information concerning energy use or energy efficiency (or both);

(3) for any manufacturer, distributor, or retailer to remove from any new product any label required to be provided with such product under a rule under section 553;

(4) a manufacturer to fail to or refuse to permit access to, or copying of, records or fail to or refuse to make reports or provide information required to be supplied under section 553(d)(2) or 555 or any other provision of this part;

(5) a manufacturer to fail to or refuse to comply with requirements of section 555 (b)(3) or (b)(5) of this Act; or

(6) any manufacturer or private labeler to distribute in commerce, in the United States, any new product which is not in conformity with an applicable energy efficiency standard under this part.

(b) For purposes of this section, the term "new product" means a product the title of which has not passed to the first purchaser for purposes of other than resale.

ENFORCEMENT

Sec. 563. (a) Except as provided in subsection (b), any person who knowingly violates any provision of section 562 shall be subject to a civil penalty of not more than $100 for each violation. Civil penalties assessed under this title may be compromised by the Secretary, taking into account the nature and degree of the violation and the impact of the penalty upon a particular respondent. Each product or day of violation shall constitute a separate violation.

(b) As used in subsection (a) of this section, the term "knowingly" means (1) the having of actual knowledge, or (2) the presumed having of knowledge deemed to be possessed by a reasonable man who acts in the circumstances, including knowledge obtainable upon the exercise of due care to ascertain the truth of representations.

(c) It shall be a violation of section 5(a)(1) of the Federal Trade Commission Act for any person to violate section 552(b) or section 556.

INJUNCTIVE ENFORCEMENT

Sec. 564. The United States district courts shall have jurisdiction to restrain (1) any violation of section 562 and (2) any person from distributing in commerce any product which does not comply with an applicable rule under section 553 or 554. Such actions may be brought by the Attorney General in any United States district court for a district wherein any act, omission, or transaction constituting the violation occurred, or in such court for the district wherein the defendant is found or transacts business. In any action under this section process may be served on a defendant in any other district in which the defendant resides or may be found.

JUDICIAL REVIEW

Sec. 565. (a) Any person who will be adversely affected by a rule promulgated under section 552, 553, or 554 when it is effective may at any time prior to the sixtieth day after such rule is promulgated file a petition with the United States court of appeals for the circuit wherein such person resides or has his principal place of business, for a judicial review thereof. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary. The Secretary thereupon shall file in the court the written submissions to, and transcript of, the proceedings on which the rule was based as provided in section 2112 of title 28, United States Code.

(b) Upon the filing of the petition referred to in subsection (a) of this section, the court shall have jurisdiction to review the rule in accordance with chapter 7 of title 5, United States Code, and to grant appropriate relief as provided in such chapter. No rule under section 552 or 553 may be affirmed unless supported by substantial evidence. Section 18(e) of the Federal Trade Commission Act shall apply to rules under section 554 to the same extent that it applies to rules under section 18(a)(1)(B) of such Act.

(c) The judgment of the court affirming or setting aside, in whole or in part, any such rule shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

(d) The remedies provided for in this section shall be in addition to and not in substitution for any other remedies provided by law.

COOPERATION WITH OTHER AGENCIES; DELEGATION

Sec. 566. (a) The Secretary may enter into an agreement with the Federal Trade Commission pursuant to which the Commission, on a reimbursable basis, may be delegated all or part of any functions under sections 559, 563, and 564. Section 16 of the Federal Trade Commission Act shall apply to the exercise of any functions by the Commission pursuant to such agreement to the same extent that such section applies to functions under sections 5(m), 9, and 13 of the Federal Trade Commission Act.

(b)(1) The Secretary shall delegate to the National Bureau of Standards all functions under this part relating to and energy efficiency of products, developing test procedures (performance of research and analysis related to energy use) labeling requirements, and energy efficiency standards, and prescribing rules under sections 552, 553, and 554.

(2) Functions of the Secretary, other than functions described in paragraph (1), may be delegated to any officer or agency of the Department of Commerce.

(c) Whenever the Administrator requests the Secretary to prescribe a rule under section 552, 553, or 534, with respect to a product, the Secretary shall (subject to section 554(c)) initiate a rulemaking proceeding under such section, and shall not later than one year after such request either promulgate a rule under such section or publish in the Federal Register a notice stating that he does not intend to promulgate such rule before the expiration of such one-year period and specifying his reasons for not doing so.

TITLE VI—CONVERSION FROM OIL OR GAS TO OTHER FUELS

EXTENSION OF AUTHORITY TO ISSUE ORDERS

Sec. 601. Section 2(f)(1) of the Energy Supply and Environmental Coordination Act of 1974 is amended by revising the date "June 30, 1975" to read "June 30, 1977".

EXTENSION OF ENFORCEMENT AUTHORITY

Sec. 602. Section 2 of the Energy Supply and Environmental Coordination Act of 1974 is amended as follows:

(1) Subsection (f)(1) of that section is amended by revising the date "January 1, 1979" to read "January 1, 1985".

(2) Subsection (f)(2) of that section is amended by revising the date "December 31, 1978" to read "December 31, 1984", and by revising the date "January 1, 1979" to read "January 1, 1985".

ADDITIONAL INSTALLATIONS SUBJECT TO PROHIBITION ORDERS

Sec. 603. Section 2(a) of the Energy Supply and Environmental Coordination Act of 1974 is amended to read as follows:

"(a) The Federal Energy Administrator—

"(1) shall, by order, prohibit any powerplant, and

"(2) may, by order, prohibit any major fuel burning installation, other than a powerplant,

from burning natural gas or petroleum products as its primary energy source, if the Federal Energy Administrator determines such powerplant or installation on June 22, 1974, had, or thereafter acquires or is designed with, the capability and necessary plant equipment to burn coal, or if such powerplant is required to meet, or could be required to meet, a design or construction requirement under subsection (c), and if the requirements of subsection (b) are met."

AUTHORITY TO PROHIBIT USE OF NATURAL GAS AS BOILER FUEL

Sec. 604. (a) Section 2 of the Energy Supply and Environmental Coordination Act of 1974 is amended by redesignating subsections (e) and (f) as (f) and (g), respectively, and by inserting after subsection (d) the following new subsection:

"(e)(1) The Federal Energy Administrator may issue an order to any powerplant prohibiting such plant, in whole or part, from burning natural gas if—

"(A) the Administrator determines that—

"(i) an order has been issued to such plant under paragraph (2), or such powerplant had on June 30, 1975 (or at any time thereafter) the capability and necessary plant equipment to burn petroleum products,

"(ii) an order under subsection (a) may not be issued with respect to such plant,

"(iii) the burning of petroleum products by such plant in lieu of natural gas is practicable and consistent with the purposes of this Act,

"(iv) petroleum products will be available during the period the order is in effect,

"(v) the order will result in making natural gas available to users who will not use it as fuel for the production of steam and who would otherwise use petroleum products,

"(vi) the order will not result in an increase in consumption of petroleum products,

"(vii) the prohibition under this paragraph will not impair the reliability of service in the area served by the plant, and

"(viii) serious negative impact on consumers will not result.

"(B) the Administrator of the Environmental Protection Agency has certified such plant will be able to burn petroleum and petroleum products which the Administrator of the Federal Energy Administration has determined under subparagraph (A)(iv) will be available to such plant and will be able to comply with the Clean Air Act (including any applicable implementation plan).

An order under this paragraph shall not take effect until the earliest date on which the Administrator of the Environmental Protection Agency has certified such plant can burn petroleum products and can comply with the Clean Air Act (including any applicable implementation plan).

"(2) The Federal Energy Administrator may, by order, require that any powerplant or major fuel-burning installation in the early planning process (other than a powerplant or installation to which an order may be issued under subsection (c), or a combustion gas turbine or combined cycle unit) be designed and constructed so as to be capable of using petroleum products as its primary source of energy for production of steam. No powerplant or installation may be required under this paragraph to be so designed and constructed if the Administrator determines that (A) in the case of a powerplant, to do so is likely to result in an impairment of reliability or adequacy of service, or (B) an adequate and reliable supply of petroleum products is not expected to be available. In considering whether to impose a design and construction requirement under this paragraph, the Federal Energy Administrator shall consider the existence and effects of any contractual commitment for the construction of such facilities and the capability of the owner to recover any capital investment made as a result of any requirement imposed under this paragraph.".

(b) Section 2(g)(1) of such Act (as redesignated by subsection (a)) is amended by striking out "(d)" and inserting "(e)".

(c) The procedures specified in subsections (b) and (c) of section 18 of the Federal Trade Commission Act shall apply to orders under this section to the same extent that such subsections apply to rules prescribed under section 18(a)(1)(B) of such Act. Any such order shall be reviewed in accordance with section 18(e) of such Act in the same manner as rules under such section 18(a)(1)(B).

ADDITIONAL INSTALLATIONS REQUIRED TO BE CONSTRUCTED WITH A COAL-BURNING CAPABILITY

Sec. 605. Section 2(c) of such Act is amended by inserting "or other major fuel burning installation" after "powerplant" wherever it appears.

INCENTIVES TO OPEN NEW UNDERGROUND MINES PRODUCING LOW SULFUR COAL

Sec. 606. (a) The Administrator may in accordance with regulations prescribed under subsection (d) guarantee loans made to small coal producers for the purpose of opening new underground coal mines which produce low sulfur coal.

(b)(1) A small coal producer shall be eligible for a guarantee under subsection (a) only if the Administrator determines—

(A) that he is capable of successfully operating the mine with respect to which the loan guarantee is sought;

(B) that the producer provides adequate assurance that the mine will be constructed and operated in compliance with the provisions of the Federal Coal Mine Health and Safety Act and that no final judgment holding such producer liable for any fine or penalty under such Act is unsatisfied;

(C) that there is a reasonable prospect of repayment of the guaranteed loan;

(D) that the operator has obtained a contract of at least 10 years' duration for the sale of coal to be produced from such mine to a person who requires such coal in order to meet requirements of section 119 or 111 of the Clean Air Act, or of an applicable implementation plan (as defined in section 110 of such Act);

(E) that the loan will be adequately secured; and

(F) that such producer would be unable to obtain adequate financing without such guarantee.

(2) The amount of a guarantee issued with respect to a loan may not exceed the lesser of 80 percent of the loan or $30,000,000. Not more than one guarantee may be issued—

(A) to any small coal producer (including all persons affiliated with such producer) or

(B) with respect to any single mine.

(3) The aggregate outstanding principal amount of loans which are guaranteed under this section may not at any time exceed $750,000,000.

(c) For purposes of this section—

(1) A person shall be considered a small coal producer if such person (together with all persons affiliated with such producer)—

(A) did not produce more than 1,000,000 tons of coal in the calendar year preceding the year in which he makes application for assistance under this section;

(B) did not produce more than 300,000 barrels of crude oil or own an oil refinery in such preceding calendar year; and

(C) did not have gross revenues in excess of $50,000,000 in such calendar year.

(2) A person is affiliated with another person if he controls, is controlled by, or is under common control with such other person.

(3) The term "low sulfur coal" means coal the sulfur content of which does not exceed 0.6 pound of elemental sulfur per million British thermal units. Sulfur content shall be determined after the application of any coal preparation process which takes place before sale of the coal by the producer.

(d) The Administrator shall prescribe such regulations as may be necessary or appropriate to carry out this section.

TITLE VII—GENERAL PROVISIONS

PART A—PROCEDURE, REVIEW, ENFORCEMENT, AND OTHER GENERAL PROVISIONS

ADMINISTRATIVE PROCEDURE, JUDICIAL REVIEW AND ENFORCEMENT

SEC. 701. (a)(1) Subject to paragraph (2), (3), and (4) of this subsection, the provisions of subchapter II of chapter 5 of title 5, United States Code, shall apply to any agency rule, or regulation, or any order having the applicability and effect of a rule as defined in section 551(4) of title 5, United States Code, issued under title II, III, or IV (other than a provision of such title which amends another law).

(2) Notice of all proposed substantive agency rules and orders of general applicability described in paragraph (1) shall be given by publication of such proposed rule or order in the Federal Register. In each case, a minimum of 30 days following such publication shall be provided for opportunity to comment; except that the requirements of this paragraph as to time of notice and opportunity to comment may be reduced to no less than 10 days where the President finds that strict compliance would seriously impair the operation of the program to which such rule or order relates and such findings are set out in such rule or order. In addition, public notice of all rules or orders of general applicability described in paragraph (1) of subsection (a) which are promulgated by officers of a State or political subdivision thereof or to State or local boards pursuant to this Act shall to the maximum extent practicable be achieved by publication of such rules or orders in a sufficient number of newspapers of general circulation calculated to receive widest possible notice.

(3) In addition to the requirements of paragraph (2) and to the maximum extent practicable, an opportunity for oral presentation of views, data, and argument shall be afforded and such opportunity shall be afforded prior to the implementation of such rule or order, but in all cases such opportunity shall be afforded no later than 45 days after the implementation of any such rule or order. A transcript shall be made of any oral presentation.

(4) Any officer or agency authorized to issue rules or orders described in paragraph (1) shall provide for the making of such adjustments, consistent with the other purposes of this title as may be necessary to prevent special hardship, inequity, or an unfair distribution of burdens and shall in rules prescribed by it establish procedures which are available to any person for the purpose of seeking an interpretation, modification, or rescission of, or an exception to or exemption from such rules and orders. If such person is aggrieved or adversely affected by the denial of a request for such action under the preceding sentence, he may request a review of such denial by the officer or agency and may obtain judicial review in accordance with subsection (b) or other applicable law when such denial becomes final. The officer or agency shall, in rules prescribed by it, establish appropriate procedures, including a hearing where deemed advisable, for considering such requests for action under this paragraph.

(b) The procedures for judicial review established by section 211 of the Economic Stabilization Act of 1970, as amended, and section 5 of the Emergency Petroleum Allocation Act of 1973, shall apply to proceedings to which subsection (a) applies, as if such proceedings took place under those Acts. Such procedures for judicial review shall apply notwithstanding the expiration of the Economic Stabilization Act of 1970, as amended, or the Emergency Petroleum Allocation Act of 1973.

(c) In addition to the requirements of section 552 of title 5, United States Code, any agency authorized by this title to issue the rules, regulations, or order described in paragraph (1) of subsection (a) shall make available to the public all internal rules and guidelines which may form the basis, in whole or in part, for any rule or order with such modifications as are necessary to insure confidentiality protected under such section 552 of title 5, United States Code. Such agency shall, upon written request of a petitioner filed after any grant or denial of a request for exception or exemption from rules or orders, furnish the petitioner with a written opinion setting forth applicable facts and the legal basis in support of such grant or denial. Such opinions shall be made available to the petitioner and the public within 30 days of such request and with such modifications as are necessary to insure confidentiality of information protected under such subsection 552 of title 5, United States Code.

PROHIBITED ACTS

SEC. 702. It shall be unlawful for any person to violate any provision of title II, III, or IV (other than a provision of such a title which amends another law) or to violate any rule or order issued pursuant to any such provision.

ENFORCEMENT

SEC. 703. (a) Whoever violates section 702 shall be subject to a civil penalty of not more than $5,000 for each violation.

(b) Whoever willfully violates section 702 shall be fined not more than $10,000 for each violation.

(c) It shall be unlawful for any person to offer for sale or distribute in commerce any product or commodity in violation of section 702. Any person who knowingly and willfully violates this subsection after having been subjected to a civil penalty for a prior violation of section 702 shall be fined not more than $50,000 or imprisoned not more than six months, or both.

(d) Whenever it appears to any person authorized by the President or the Administrator to exercise authority under this title that any individual or organization has engaged, is engaged, or is about to engage in acts or practices constituting a violation of section 702, such person may request the Attorney General to bring an action in the appropriate district court of the United States to enjoin such acts or practices, and upon a proper showing a temporary restraining order or a preliminary or permanent injunction shall be granted without bond. Any such court may also issue mandatory injunctions commanding any person to comply with any provision of this title.

DELEGATION OF AUTHORITY AND EFFECT ON STATE LAW

SEC. 704. (a) Within 30 days after the submission of any rule with respect to gasoline rationing, the President may, by rule, offer an opportunity for interested persons to make oral presentations to assist in—

(1) establishing criteria for delegation of his functions under this Act to officers or local boards (of balanced composition reflecting the community as a whole) of States or political subdivisions thereof;

(2) establishing procedures for petitioning for the receipt of such delegation.

(b)(1) Offices or local boards of States or political subdivisions thereof, following the establishment of criteria for delegation and procedures for petitioning in accordance with subsection (a) of this section, may petition the President for the receipt of such delegation.

(2) The President may grant any properly submitted petition within thirty days of its receipt.

(c) No state law or State program in effect on the date of enactment of this Act, or which may become effective thereafter, shall be suspended by any provision of this Act or any rule, order, or energy conservation plan issued pursuant to this Act except insofar as such State law or State program is inconsistent with the provisions of this Act, or such a rule, order, or plan.

EXPIRATION

SEC. 705. The authority under this Act to prescribe any rule or order, to take action under this Act, or to enforce any such rule or order, shall expire at midnight, June 30, 1985, but such expiration shall not affect any action or pending proceedings, civil or criminal not finally determined on such date, nor any action of proceedings based upon any act committed prior to midnight, June 30, 1985.

TRANSFER OF AUTHORITY

SEC. 706. In accordance with section 15(a) of the Federal Energy Administration Act, the President shall designate, where applicable and not otherwise provided by law, an appropriate Federal agency to carry out the provisions of this title after the termination of the Federal Energy Administration.

EFFECT ON OTHER LAWS

SEC. 707. Subject to section 211, nothing in this Act shall be construed to limit any authority granted to the President in the Defense Production Act of 1950 (50 U.S.C. 2061–2168), the Trade Expansion Act of 1962, as amended (19 U.S.C. 1801–1991), the Trade Act of 1974, or the Emergency Petroleum Allocation Act of 1973.

PART B—CONGRESSIONAL REVIEW

PROCEDURE FOR CONGRESSIONAL REVIEW OF PRESIDENTIAL REQUESTS TO IMPLEMENT CERTAIN EXTRAORDINARY AUTHORITIES

SEC. 751. (a) For purposes of this section, the term "energy action" means;

(1) an energy conservation plan promulgated under section 202 of this Act;

(2) a rule with respect to gasoline rationing plan promulgated under section 203 of this Act;

(3) rules or orders with respect to an international petroleum product allocation promulgated under section 211;

(4) the National Civilian Strategic Petroleum Reserve Plan developed under section 253(b), or a proposal developed under section 255(b) or any amendment under section 255(c) of this Act;

(5) any action authorized under section 257(a) of this Act; or

(6) any other action proposed to be taken,

amendment proposed to be made effective, or authority proposed to be exercised, with respect to which congressional review is required pursuant to the procedures specified in this section.

(b) The President shall transmit any energy action (bearing an identification number) to both Houses of Congress on the same day and to each House while it is in session.

(c)(1) Except as provided in paragraph (2) of this subsection, if energy action is transmitted to the Houses of Congress, such action shall take effect at the end of the first period of 15 calendar days of continuous session of Congress after the date on which such action is transmitted to such Houses, unless between the date of transmittal and the end of such 15-day period, either House passes a resolution stating in substance that such House does not favor such action, or with respect to actions authorized by section 256, both Houses pass such a resolution.

(2) An energy action described in paragraph (1) may take effect prior to the expiration of the 15-calendar-day period after the date on which such action is transmitted, if each House of Congress approves a resolution affirmatively stating in substance that such House does not object to such action.

(d) For the purpose of subsection (c) of this section—

(1) continuity of session is broken only by and adjournment of Congress sine die; and

(2) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the 15-calendar-day period.

(e) Under provisions contained in an energy action, a provision of such an action may take effect on a date later than the date on which such action otherwise takes effect pursuant to the provisions of this section.

(f)(1) This subsection is enacted by Congress—

(A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described by paragraph (2) of this subsection; and it supersedes other rules only to the extent that it is inconsistent therewith; and

(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of the House) at any time, in the same manner and to the same extent as in the case of any other rule of the House.

(2) For purposes of this subsection, the term "resolution" means only a resolution of either House of Congress described in subparagraph (A) or (B) of this paragraph.

(A) A resolution the matter after the resolving clause of which is as follows: "That the ——— does not object to the energy action numbered ——— submitted to the Congress on ———, 19 .", the first blank space therein being filled with the name of the resolving House and the other blank spaces being appropriately filled; but does not include a resolution which specifies more than one energy action.

(B) A resolution the matter after the resolving clause of which is as follows: "That the ——— does not favor the energy action numbered ——— transmitted to Congress on ———, 19 .", the first blank space therein being filled with the name of the resolving House and the other blank spaces therein being appropriately filled; but does not include a resolution which specifies more than one energy action.

(3) A resolution once introduced with respect to an energy action shall immediately be referred to a committee (and all resolutions with respect to the same plan shall be referred to the same committee) by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

(4)(A) If the committee to which a resolution with respect to an energy action has been referred has not reported it at the end of 5 calendar days after its referral, it shall be in order to move either to discharge the committee from further consideration of such resolution or to discharge the committee from further consideration of any other resolution with respect to such energy action which has been referred to the committee.

(B) A motion to discharge may be made only by an individual favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same energy action), and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(C) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same energy action.

(5)(A) When the committee has reported, or has been discharged from further consideration of a resolution, it shall be at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion shall be highly privileged and shall not be debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(B) Debate on the resolution referred to in subparagraph (A) of this paragraph shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing such resolution. A motion further to limit debate shall not be debatable. An amendment to, or motion to recommit, the resolution shall not be in order, and it shall not be in order to move to reconsider the vote by which such resolution was agreed to or disagreed to; except that it shall be in order to substitute a resolution described in paragraph (2)(A) of this subsection with respect to an energy action for a resolution described in paragraph (2)(B) of this subsection with respect to the same such action, or a resolution described in paragraph (2) (B) of this subsection with respect to an energy action for a resolution described in paragraph (2)(A) of this subsection with respect to the same such action.

(6)(A) Motions to postpone, made with respect to the discharge from committee, or the consideration of a resolution and motions to proceed to the consideration of other business, shall be decided without debate.

(B) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution shall be decided without debate.

(7) Notwithstanding any of the provisions of this subsection, if a House has approved a resolution with respect to an energy action, then it shall not be in order to consider in that House any other resolution with respect to the same such action.

EXPEDITED PROCEDURE FOR CONGRESSIONAL CONSIDERATION OF PLANS UNDER SECTION 202 (RESPECTING ENERGY CONSERVATION PLANS) AND SECTION 203 (RESPECTING A GASOLINE RATIONING RULE)

SEC. 752. (a) Any plan transmitted to the Congress pursuant to section 201(a)(1) shall bear an identification number and shall be transmitted to both Houses of Congress on the same day and to each House while it is in session.

(b) No such plan may be considered approved for purposes of section 201(a)(1) of this Act unless between the date of transmittal and the end of the first period of 60 calendar days of continuous session of Congress after the date on which such action is transmitted to such House, each House of Congress passes a resolution described in subsection (d)(2).

(c) For the purpose of subsection (b) of this section—

(1) continuity of session is broken only by an adjournment of Congress sine die; and

(2) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the 60-calendar-day period.

(d)(1) This subsection is enacted by Congress—

(A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described by paragraph (2) of this subsection; and it supersedes other rules only to the extent that it is inconsistent therewith; and

(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of the House.

(2) For purposes of this subsection, the term "resolution" means only a resolution of either House of Congress the matter after the resolving clauses of which is as follows: "That the ——— approves the plan numbered ——— submitted to the Congress on ———, 19 .", the first blank space therein being filled with the name of the resolving House and the other blank spaces being appropriately filled; but does not include a resolution which specifies more than one plan.

(3) A resolution once introduced with respect to a plan shall immediately be referred to a committee (and all resolutions with respect to the same plan shall be referred to the same committee) by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

(4)(A) If the committee to which a resolution with respect to a plan has been referred has not reported it at the end of 20 calendar days after its referral, it shall be in order to move either to discharge the committee from further consideration of such resolution or to discharge the committee from further consideration of any other resolution with respect to such plan which has been referred to the committee.

(B) A motion to discharge may be made only by an individual favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same plan), and debate thereon shall be limited to not more than 1 hour, to be divided equally between those favoring and those opposing the resolution. An amendment to

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the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(C) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same plan.

(5) (A) When the committee has reported, or has been discharged from further consideration of, a resolution, it shall be at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion shall be highly privileged and shall not be debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(B) Debate on the resolution referred to in subparagraph (A) of this paragraph shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing such resolution. A motion further to limit debate shall not be debatable. An amendment to, or motion to recommit the resolution shall not be in order, and it shall not be in order to move to reconsider the vote by which such resolution was agreed to or disagreed to: except that it shall be in order to substitute a resolution to disapprove such plan with respect to the same plan.

(6) (A) Motions to postpone, made with respect to the discharge from committee, or the consideration of a resolution and motions to proceed to the consideration of other business, shall be decided without debate.

(B) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution shall be decided without debate.

(7) Notwithstanding any of the provisions of this subsection, if a House has approved a resolution with respect to a plan, then it shall not be in order to consider in that House any other resolution with respect to the same such action.

CONFERENCE REPORT ON S. 249

Mr. STAGGERS submitted the following conference report and statement on the bill (S. 249) to amend the Securities Exchange Act of 1934, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 94-229)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 249) to amend the Securities Exchange Act of 1934, and for other purposes, having met, and after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

That this Act may be cited as the "Securities Acts Amendments of 1975".

SEC. 2. Section 2 of the Securities Exchange Act of 1934 (15 U.S.C. 78b) is amended by inserting immediately before the phrase "and to impose requirements necessary to make such regulation and control reasonably complete and effective," the following: "to remove impediments to and perfect the mechanisms of a national market system for securities and a national system for the clearance and settlement of securities transactions and the safeguarding of securities and funds related thereto,".

SEC. 3. Section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c) is amended as follows:

(1) Paragraph (3) of subsection (a) thereof is amended to read as follows:

"(3) (A) The term 'member' when used with respect to a national securities exchange means (i) any natural person permitted to effect transactions on the floor of the exchange without the services of another person acting as broker, (ii) any registered broker or dealer with which such a natural person is associated, (iii) any registered broker or dealer permitted to designate as a representative such a natural person, and (iv) any other registered broker or dealer which agrees to be regulated by such exchange and with respect to which the exchange undertakes to enforce compliance with the provisions of this title, the rules and regulations thereunder, and its own rules. For purposes of sections (b) (1), 6 (b) (4), 6 (b) (6), 6 (b) (7), 6 (d), 17 (d), 19 (d), 19 (e), 19 (g), 19 (h), and 21 of this title, the term 'member' when used with respect to a national securities exchange also means, to the extent of the rules of the exchange specified by the Commission, any person required by the Commission to comply with such rules pursuant to section 6 (f) of this title.

"(B) The term 'member' when used with respect to a registered securities association means any broker or dealer who agrees to be regulated by such association, and with respect to whom the association undertakes to enforce compliance with the provisions of this title, the rules and regulations thereunder, and its own rules.".

(2) Paragraph (9) thereof is amended to read as follows:

"(9) The term 'person' means a natural person, company, government, or political subdivision, agency, or instrumentality of a government.".

(3) Paragraph (12) of subsection (a) thereof is amended to read as follows:

"(12) The term 'exempted security' or 'exempted securities' includes securities which are direct obligations of, or obligations guaranteed as to principal or interest by, the United States; such securities issued or guaranteed by corporations in which the United States has a direct or indirect interest as shall be designated for exemption by the Secretary of the Treasury as necessary or appropriate in the public interest or for the protection of investors; municipal securities, as defined in section 3(a) (29) of this title: *Provided, however,* That municipal securities shall not be deemed to be 'exempted securities' for purposes of sections 15, 15A (except subsections (b) (6), (b) (11), and (g) (2) thereof), and 17A of this title; any interest or participation in any common trust fund or similar fund maintained by a bank exclusively for the collective investment and reinvestment of assets contributed thereto by such bank in its capacity as trustee, executor, administrator, or guardian; any interest or participation in a collective trust fund maintained by a bank or in a separate account maintained by an insurance company which interest or participation is issued in connection with (A) a stock bonus, pension, or profit-sharing plan which meets the requirements for qualification under section 401 of the Internal Revenue Code of 1954, or (B) an annuity plan which meets the requirements for the deduction of the employer's contribution under section 404(a) (2) of such Code, other than any plan described in clause (A) or (B) of this paragraph which covers employees some or all of whom are employees within the meaning of section 401(c) (1) of such Code, and such other securities (which may include, among others, unregistered securities, the market in which is predominantly intrastate) as the Commission may, by such rules and regulations as it deems consistent with the public interest and the protection of investors, either unconditionally or upon specified terms and conditions or for stated periods, exempt from the operation of any one or more provisions of this title which by their terms do not apply to an 'exempt security' or to 'exempted securities'.".

(4) Paragraphs (17), (18), and (19) of subsection (a) thereof are amended to read as follows:

"(17) The term 'interstate commerce' means trade, commerce, transportation, or communication among the several States, or between any foreign country and any State, or between any State and any place or ship outside thereof. The term also includes intrastate use of (A) any facility of a national securities exchange or of a telephone or other interstate means of communication, or (B) any other interstate instrumentality.

"(18) The term 'person associated with a broker or dealer' or 'associated person of a broker or dealer' means any partner, officer, director, or branch manager of such broker or dealer (or any person occupying a similar status or performing similar functions), any person directly or indirectly controlling, controlled by, or under common control with such broker or dealer, or any employee of such broker or dealer, except that any person associated with a broker or dealer whose functions are solely clerical or ministerial shall not be included in the meaning of such term for purposes of section 15(b) of this title (other than paragraph (6) thereof).

"(19) The terms 'investment company', 'affiliated person', 'insurance company', 'separate account', and 'company' have the same meanings as in the Investment Company Act of 1940.".

(5) Paragraph (21) of subsection (a) thereof is amended to read as follows:

"(21) The term 'person associated with a member' or 'associated person of a member' when used with respect to a member of a national securities exchange or registered securities association means any partner, officer, director, or branch manager of such member (or any person occupying a similar status or performing similar functions), any person directly or indirectly controlling, controlled by, or under common control with such member, or any employee of such member.".

(6) Subsection (a) thereof is further amended by adding at the end thereof the following new paragraphs:

"(22) (A) The term 'securities information processor' means any person engaged in the business of (i) collecting, processing, or preparing for distribution or publication, or assisting, participating in, or coordinating the distribution or publication of, information with respect to transactions in or quotations for any security (other than an exempted security) or (ii) distributing or publishing (whether by means of a ticker tape, a communications network, a terminal display device, or otherwise) on a current and continuing basis, information with respect to such transactions or quotations. The term 'securities information processor' does not include any bona fide newspaper, news magazine, or business or financial publication of general and regular circulation, any self-regulatory organization, any bank, broker, dealer, building and loan, savings and loan, or homestead association, or cooperative bank, if such bank, broker, dealer, association, or cooperative bank would be deemed to be a securities information processor solely by reason of functions performed by such institutions as part of customary banking, brokerage, dealing, association, or cooperative bank activities, or any common carrier,

as defined in section 3(h) of the Communications Act of 1934, subject to the jurisdiction of the Federal Communications Commission or a State commission, as defined in section 3(t) of that Act, unless the Commission determines that such carrier is engaged in the business of collecting, processing, or preparing for distribution or publication, information with respect to transactions in or quotations for any security.

"(B) The term 'exclusive processor' means any securities information processor or self-regulatory organization which, directly or indirectly, engages on an exclusive basis on behalf of any national securities exchange or registered securities association or any national securities exchange or registered securities association which engages on an exclusive basis on its own behalf in collecting, processing, or preparing for distribution or publication any information with respect to (i) transactions or quotations on or effected or made by means of any facility of such exchange or (ii) quotations distributed or published by means of any electronic system operated or controlled by such association.

"(23) (A) The term 'clearing agency' means any person who acts as an intermediary in making payments or deliveries or both in connection with transactions in securities or who provides facilities for comparison of data respecting the terms of settlement of securities transactions, to reduce the number of settlements of securities transactions, or for the allocation of securities settlement responsibilities. Such term also means any person, such as a securities depository, who (i) acts as a custodian of securities in connection with a system for the central handling of securities whereby all securities of a particular class or series of any issuer deposited within the system are treated as fungible and may be transferred, loaned, or pledged by bookkeeping entry without physical delivery of securities certificates, or (ii) otherwise permits or facilitates the settlement of securities transactions or the hypothecation or lending of securities without physical delivery of securities certificates.

"(B) The term 'clearing agency' does not include (i) any Federal Reserve bank, Federal home loan bank, or Federal land bank; (ii) any national securities exchange or registered securities association solely by reason of its providing facilities for comparison of data respecting the terms of settlement of securities transactions effected on such exchange or by means of any electronic system operated or controlled by such association; (iii) any bank, broker, dealer, building and loan, savings and loan, or homestead association, or cooperative bank if such bank, broker, dealer, association, or cooperative bank would be deemed to be a clearing agency solely by reason of functions performed by such institution as part of customary banking, brokerage, dealing, association, or cooperative banking activities, or solely by reason of acting on behalf of a clearing agency or a participant therein in connection with the furnishing by the clearing agency of services to its participants or the use of services of the clearing agency by its participants, unless the Commission, by rule, otherwise provides as necessary or appropriate to assure the prompt and accurate clearance and settlement of securities transactions or to prevent evasion of this title; (iv) any life insurance company, its registered separate accounts, or a subsidiary of such insurance company solely by reason of functions commonly performed by such entities in connection with variable annuity contracts or variable life policies issued by such insurance company or its separate accounts; (v) any registered open-ended investment company or unit investment trust solely by reason of functions commonly performed by it in connection with shares in such registered open-end investment company or unit investment trust, or (vi) any person solely by reason of its performing functions described in paragraph 25(E) of this subsection.

"(24) The term 'participant' when used with respect to a clearing agency means any person who uses a clearing agency to clear or settle securities transactions or to transfer, pledge, lend, or hypothecate securities. Such term does not include a person whose only use of a clearing agency is (A) through another person who is a participant or (B) as a pledgee of securities.

"(25) The term 'transfer agent' means any person who engages on behalf of an issuer of securities or on behalf of itself as an issuer of securities in (A) countersigning such securities upon issuance; (B) monitoring the issuance of such securities with a view to preventing unauthorized issuance, a function commonly performed by a person called a registrar; (C) registering the transfer of such securities; (D) exchanging or converting such securities; or (E) transferring record ownership of securities by bookkeeping entry without physical issuance of securities certificates. The term 'transfer agent' does not include any insurance company or separate account which performs such functions solely with respect to variable annuity contracts or variable life policies which it issues or any registered clearing agency which performs such functions solely with respect to options contracts which it issues.

"(26) The term 'self-regulatory organization' means any national securities exchange, registered securities association, or registered clearing agency, or (solely for purposes of sections 19(b), 19(c), and 23(b) of this title) the Municipal Securities Rulemaking Board established by section 15B of this title.

"(27) The term 'rules of an exchange', 'rules of an association', or 'rules of a clearing agency' means the constitution, articles of incorporation, bylaws, and rules, or instruments corresponding to the foregoing, of an exchange, association of brokers and dealers, or clearing agency, respectively, and such of the stated policies, practices, and interpretations of such exchange, association, or clearing agency as the Commission, by rule, may determine to be necessary or appropriate in the public interest or for the protection of investors to be deemed to be rules of such exchange, association, or clearing agency.

"(28) The term 'rules of a self-regulatory organization' means the rules of an exchange which is a national securities exchange, the rules of an association of brokers and dealers which is a registered securities association, the rules of a clearing agency which is a registered clearing agency, or the rules of the Municipal Securities Rulemaking Board.

"(29) The term 'municipal securities' means securities which are direct obligations of, or obligations guaranteed as to principal or interest by, a State or any political subdivision thereof, or any agency or instrumentality of a State or any political subdivision thereof, or any municipal corporate instrumentality of one or more States, or any security which is an industrial development bond (as defined in section 103(c) (2) of the Internal Revenue Code of 1954) the interest on which is excludable from gross income under section 103(a) (1) of such Code if, by reason of the application of paragraph (4) or (6) of section 103(c) of such Code (determined as if paragraphs (4) (A), (5), and (7) were not included in such section 103(c)), paragraph (1) of such section 103 (c) does not apply to such security.

"(30) The term 'municipal securities dealer' means any person (including a separately identifiable department or division of a bank) engaged in the business of buying and selling municipal securities for his own account, through a broker or otherwise, but does not include—

"(A) any person insofar as he buys or sells such securities for his own account, either individually or in sole fiduciary capacity, but not as a part of a regular business; or

"(B) a bank, unless the bank is engaged in the business of buying and selling municipal securities for its own account other than in a fiduciary capacity, through a broker or otherwise: *Provided, however,* That if the bank is engaged in such business through a separately identifiable department or division (as defined by the Municipal Securities Rulemaking Board in accordance with section 15B(b) (2) (H) of this title), the department or division and not the bank itself shall be deemed to be the municipal securities dealer.

"(31) The term 'municipal securities broker' means a broker engaged in the business of effecting transactions in municipal securities for the account of others.

"(32) The term 'person associated with a municipal securities dealer' when used with respect to a municipal securities dealer which is a bank or a division or department of a bank means any person directly engaged in the management, direction, supervision, or performance of any of the municipal securities dealer's activities with respect to municipal securities, and any person directly or indirectly controlling such activities or controlled by the municipal securities dealer in connection with such activities.

"(33) The term 'municipal securities investment portfolio' means all municipal securities held for investment and not for sale as part of a regular business by a municipal securities dealer or by a person, directly or indirectly, controlling, controlled by, or under common control with a municipal securities dealer.

"(34) The term 'appropriate regulatory agency' means—

"(A) When used with respect to a municipal securities dealer:

"(i) the Comptroller of the Currency, in the case of a national bank or a bank operating under the Code of Law for the District of Columbia, or a subsidiary or a department or division of any such bank;

"(ii) the Board of Governors of the Federal Reserve System, in the case of a State member bank of the Federal Reserve System, a subsidiary or a department or division thereof, a bank holding company, a subsidiary of a bank holding company which is a bank other than a bank specified in clause (i) or (iii) of this subparagraph, or a subsidiary or a department or division of such subsidiary;

"(iii) the Federal Deposit Insurance Corporation, in the case of a bank insured by the Federal Deposit Insurance Corporation (other than a member of the Federal Reserve System), or a subsidiary or department or division thereof; and

"(iv) the Commission in the case of all other municipal securities dealers.

"(B) When used with respect to a clearing agency or transfer agent:

"(i) the Comptroller of the Currency, in the case of a national bank or a bank operating under the Code of Law for the District of Columbia, or a subsidiary of any such bank;

"(ii) the Board of Governors of the Federal Reserve System, in the case of a State member bank of the Federal Reserve System, a subsidiary thereof, a bank holding company, or a subsidiary of a bank holding company which is a bank other than a bank specified in clause (i) or (iii) of this subparagraph;

"(iii) the Federal Deposit Insurance Corporation, in the case of a bank insured by the Federal Deposit Insurance Corporation (other than a member of the Federal Reserve System), or a subsidiary thereof; and

"(iv) the Commission in the case of all other clearing agencies and transfer agents.

"(C) When used with respect to a participant or applicant to become a participant in

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a clearing agency or a person requesting or having access to services offered by a clearing agency:

"(i) the Comptroller of the Currency, in the case of a national bank or a bank operating under the Code of Law for the District of Columbia when the appropriate regulatory agency for such clearing agency is not the Commission;

"(ii) the Board of Governors of the Federal Reserve System in the case of a state member bank of the Federal Reserve System, a bank holding company, or a subsidiary of a bank holding company, or a subsidiary of a bank holding company which is a bank other than a bank specified in clause (i) or (iii) of this subparagraph when the appropriate regulatory agency for such clearing agency is not the Commission;

"(iii) the Federal Deposit Insurance Corporation, in the case of a bank insured by the Federal Deposit Insurance Corporation (other than a member of the Federal Reserve System) when the appropriate regulatory agency for such clearing agency is not the Commission; and

"(iv) the Commission in all other cases.

"(D) When used with respect to an institutional investment manager which is a bank the deposits of which are insured in accordance with the Federal Deposit Insurance Act:

"(i) the Comptroller of the Currency, in the case of a national bank or a bank operating under the Code of Law for the District of Columbia;

"(ii) the Board of Governors of the Federal Reserve System, in the case of any other member bank of the Federal Reserve System; and

"(iii) the Federal Deposit Insurance Corporation, in the case of any other insured bank.

"(E) When used with respect to a national securities exchange or registered securities association, member thereof, person associated with a member thereof, applicant to become a member thereof or to become associated with a member thereof, or person requesting or having access to services offered by such exchange or association or member thereof, or the Municipal Securities Rulemaking Board, the Commission.

"(F) When used with respect to a person exercising investment discretion with respect to an account:

"(i) the Comptroller of the Currency, in the case of a national bank or a bank operating under the Code of Law for the District of Columbia;

"(ii) the Board of Governors of the Federal Reserve System in the case of any other member bank of the Federal Reserve System;

"(iii) the Federal Deposit Insurance Corporation, in the case of any other bank the deposits of which are insured in accordance with the Federal Deposit Insurance Act; and

"(iv) the Commission in the case of all other such persons.

As used in this paragraph, the terms bank holding company' and 'subsidiary of a bank holding company' have the meanings given them in section 2 of the Bank Holding Company Act of 1956.

"(35) A person exercises 'investment discretion' with respect to an account if, directly or indirectly, such person (A) is authorized to determine what securities or other property shall be purchased or sold by or for the account, (B) makes decisions as to what securities or other property shall be purchased or sold by or for the account even though some other person may have responsibility for such investment decisions, or (C) otherwise exercises such influence with respect to the purchase and sale of securities or other property by or for the account as the Commission, by rule, determines in the public interest or for the protection of investors, should be subject to the operation of the provisions of this title and the rules and regulations thereunder.

"(36) A class of person or markets is subject to 'equal regulation' if no member of the class has a competitive advantage over any other member thereof resulting from a disparity in their regulation under this title which the Commission determines unfair and not necessary or appropriate in furtherance of the purposes of this title.

"(37) The term 'records' means accounts, correspondence, memorandums, tapes, discs, papers, books, and other documents or transcribed information of any type, whether expressed in ordinary or machine language.

"(38) The term 'market maker' means any specialist permitted to act as a dealer, any dealer acting in the capacity of block positioner, and any dealer who, with respect to a security, holds himself out (by entering quotations in an inter-dealer communications system or otherwise) as being willing to buy and sell such security for his own account on a regular or continuous basis.

"(39) A person is subject to a 'statutory disqualification' with respect to membership or participation in, or association with a member of, a self-regulatory organization, if such person—

"(A) has been and is expelled or suspended from membership or participation in, or barred or suspended from being associated with a member of, any self-regulatory organization;

"(B) is subject to an order of the Commission denying, suspending for a period not exceeding twelve months, revoking his registration as a broker, dealer, or municipal securities dealer, or barring his being associated with a broker, dealer, or municipal securities dealer;

"(C) by his conduct while associated with a broker, dealer, or municipal securities dealer, has been found to be a cause of any effective suspension, expulsion, or order of the character described in subparagraph (A) or (B) of this paragraph, and in entering such a suspension, expulsion, or order, the Commission or any such self-regulatory organization shall have jurisdiction to find whether or not any person was a cause thereof;

"(D) has associated with him any person who is known, or in the exercise of reasonable care should be known to him, to be a person described by subparagraph (A), (B), or (C) of this paragraph; or

"(E) has committed or omitted any act enumerated in subparagraph (D) or (E) of paragraph (4) of section 15(b) of this title, has been convicted of any offense specified in subparagraph (B) of such paragraph (4) within ten years of the date of the filing of an application for membership or participation in, or to become associated with a member of, such self-regulatory organization, is enjoined from any action, conduct, or practice specified in subparagraph (C) of such paragraph (4), was willfully made or caused to be made in any application for membership or participation in, or to become associated with a member of, a self-regulatory organization, report required to be filed with a self-regulatory organization, or proceeding before a self-regulatory organization, any statement which was at the time, and in the light of the circumstances under which it was made, false or misleading with respect to any material fact, or has omitted to state in any such application, report, or proceedings any material fact which is required to be stated therein.".

(7) Subsection (b) thereof is amended to read as follows:

"(b) The Commission and the Board of Governors of the Federal Reserve System, as to matters within their respective jurisdictions, shall have power by rules and regulations to define technical, trade, accounting, and other terms used in this title, consistently with the provisions and purposes of this title.".

(8) The section is further amended by adding at the end thereof the following new subsection:

"(d) No issuer of municipal securities or officer or employee thereof acting in the course of his official duties as such shall be deemed to be a 'broker', 'dealer', or "municipal securities dealer' solely by reason of buying, selling, or effecting transactions in the issuer's securities.".

SEC. 4. Section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f) is amended to read as follows:

"NATIONAL SECURITIES EXCHANGES

"SEC. 6. (a) An exchange may be registered as a national securities exchange under the terms and conditions hereinafter provided in this section and in accordance with the provisions of section 19(a) of this title, by filing with the Commission an application for registration in such form as the Commission, by rule, may prescribe containing the rules of the exchange and such other information and documents as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors.

"(b) An exchange shall not be registered as a national securities exchange unless the Commission determines that—

"(1) Such exchange is so organized and has the capacity to be able to carry out the purposes of this title and to comply, and (subject to any rule or order of the Commission pursuant to section 17(d) or 19(g)(2) of this title) to enforce compliance by its members and persons associated with its members, with the provisions of this title, the rules and regulations thereunder, and the rules of the exchange.

"(2) Subject to the provisions of subsection (c) of this section, the rules of the exchange provide that any registered broker or dealer or natural person associated with a registered broker or dealer may become a member of such exchange and any person may become associated with a member thereof.

"(3) The rules of the exchange assure a fair representation of its members in the selection of its directors and administration of its affairs and provide that one or more directors shall be representative of issuers and investors and not be associated with a member of the exchange, broker, or dealer.

"(4) The rules of the exchange provide for the equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons using its facilities.

"(5) The rules of the exchange are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest; and are not designed to permit unfair discrimination between customers, issuers, brokers, or dealers, or to regulate by virtue of any authority conferred by this title matters not related to the purposes of this title or the administration of the exchange.

"(6) The rules of the exchange provide that (subject to any rule or order of the Commission pursuant to section 17(d) or 19 (g)(2) of this tile) its members and persons associated with its members shall be appropriately disciplined for violation of the provisions of this title, the rules or regulations thereunder, or the rules of the exchange,

by expulsion, suspension, limitation of activities, functions, and operations, fine, censure, being suspended or barred from being associated with a member, or any other fitting sanction.

"(7) The rules of the exchange are in accordance with the provisions of subsection (d) of this section, and in general, provide a fair procedure for the disciplining of members and persons associated with members, the denial of membership to any person seeking membership therein, the barring of any person from becoming associated with a member thereof, and the prohibition or limitation by the exchange of any person with respect to access to services offered by the exchange or a member thereof.

"(8) The rules of the exchange do not impose any burden on competition not necessary or appropriate in furtherance of the purposes of this title.

"(c)(1) A national securities exchange shall deny membership to (A) any person, other than a natural person, which is not a registered broker or dealer or (B) any natural person who is not, or is not associated with, a registered broker or dealer.

"(2) A national securities exchange may, and in cases in which the Commission, by order, directs as necessary or appropriate in the public interest or for the protection shall, deny membership to any registered broker or dealer or natural person associated with a registered broker or dealer, and bar from becoming associated with a member any person, who is subject to a statutory disqualification. A national securities exchange shall file notice with the Commission not less than thirty days prior to admitting any person to membership or permitting any person to become associated with a member, if the exchange knew, or in the exercise of reasonable care should have known, that such person was subject to a statutory disqualification. The notice shall be in such form and contain such information as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors.

"(3)(A) A national securities exchange may deny membership to, or condition the membership of, a registered broker or dealer if (i) such broker or dealer does not meet such standards of financial responsibility or operational capability or such broker or dealer or any natural person associated with such broker or dealer does not meet such standards of training, experience, and competence as are prescribed by the rules of the exchange or (ii) such broker or dealer or person associated with such broker or dealer has engaged and there is a reasonable likelihood he may again engage in acts or practices inconsistent with just and equitable principles of trade. A national securities exchange may examine and verify the qualifications of an applicant to become a member and the natural persons associated with such an applicant in accordance with procedures established by the rules of the exchange.

"(B) A national securities exchange may bar a natural person from becoming a member or associated with a member, or condition the membership of a natural person or association of a natural person with a member, if such natural person (i) does not meet such standards of training, experience, and competence as are prescribed by the rules of the exchange or (ii) has engaged and there is a reasonable likelihood he may again engage in acts or practices inconsistent with just and equitable principles of trade. A national securities exchange may examine and verify the qualifications of an applicant to become a person associated with a member in accordance with procedures established by the rules of the exchange and require any person associated with a member, or any class of such persons, to be registered with the exchange in accordance with procedures so established.

"(C) A national securities exchange may bar any person from becoming associated with a member if such person does not agree (i) to supply the exchange with such information with respect to its relationship and dealings with the member as may be specified in the rules of the exchange and (ii) to permit the examination of its books and records to verify the accuracy of any information so supplied.

"(4) A national securities exchange may (A) limit the number of members of the exchange and (B) the number of members and designated representatives of members permitted to effect transactions on the floor of the exchange without the services of another person acting as broker: *Provided, however*, That no national securities exchange shall have the authority to decrease the number of memberships in such exchange, or the number of members and designated representatives of members permitted to effect transactions on the floor of such exchange without the services of another person acting as broker, below such number in effect on May 1, 1975, or the date such exchange was registered with the Commission, whichever is later: *And provided further*, That the Commission, in accordance with the provisions of section 19 (c) of this title, may amend the rules of any national securities exchange to increase (but not to decrease) or to remove any limitation on the number of memberships in such exchange or the number of members or designated representatives of members permitted to effect transactions on the floor of the exchange without the services of another person acting as broker, if the Commission finds that such limitation imposes a burden on competition not necessary or appropriate in furtherance of the purposes of this title.

"(d)(1) In any proceeding by a national securities exchange to determine whether a member or person associated with a member should be disciplined (other than a summary proceeding pursuant to paragraph (3) of this subsection), the exchange shall bring specific charges, notify such member or person of, and give him an opportunity to defend against, such charges, and keep a record. A determination by the exchange to impose a disciplinary sanction shall be supported by a statement setting forth—

"(A) any act or practice in which such member or person associated with a member has been found to have engaged, or which such member or person has been found to have omitted;

"(B) the specific provision of this title, the rules or regulations thereunder, or the rules of the exchange which any such act or practice, or omission to act, is deemed to violate; and

"(C) the sanctions imposed and the reasons therefor.

"(2) In any proceeding by a national securities exchange to determine whether a person shall be denied membership, barred from becoming associated with a member, or prohibited or limited (with respect to access to services offered by the exchange or a member thereof (other than a summary proceeding pursuant to paragraph (3) of this subsection), the exchange shall notify such person of, and give him an opportunity to be heard upon, the specific grounds for denial, bar, or prohibition or limitation under consideration and keep a record. A determination by the exchange to deny membership, bar a person from becoming associated with a member, or prohibit or limit a person with respect to access to services offered by the exchange or a member thereof shall be supported by a statement setting forth the specific grounds on which the denial, bar, or prohibition or limitation is based.

"(3) A national securities exchange may summarily (A) suspend a member or person associated with a member who has been and is expelled or suspended from any self-regulatory organization or barred or suspended from being associated with a member of any self-regulatory organization, (B) suspend a member who is still in such financial or operating difficulty that the exchange determines and so notifies the Commission that the member cannot be permitted to continue to do business as a member with safety to investors, creditors, other members, or the exchange, or (C) limit or prohibit any person with respect to access to services offered by the exchange if subparagraph (A) or (B) of this paragraph is applicable to such person, or, in the case of a person who is not a member, if the exchange determines that such person does not meet the qualification requirements or other prerequisites for such access and such person cannot be permitted to continue to have such access with safety to investors, creditors, members, or the exchange. Any person aggrieved by any such summary action shall be promptly afforded an opportunity for a hearing by the exchange in accordance with the provisions of paragraph (1) or (2) of this subsection. The Commission, by order, may stay any such summary action on its own motion or upon application by any person aggrieved thereby, if the Commission determines summarily or after notice and opportunity for hearing (which hearing may consist solely of the submission of affidavits, or presentation of oral arguments) that such stay is consistent with the public interest and the protection of investors.

"(e)(1) On and after the date of enactment of the Securities Acts Amendments of 1975, no national securities exchange may impose any schedule or fix rates of commissions, allowances, discounts, or other fees to be charged by its members: *Provided, however*, That until May 1, 1976, the preceding provisions of this paragraph shall not prohibit any such exchange from imposing or fixing any schedule of commissions, allowances, discounts, or other fees to be charged by its members for acting as broker on the floor of the exchange or as odd-lot dealer: *And provided further*, That the Commission, in accordance with the provisions of section 19(b) of this title as modified by the provisions of paragraph (4) of this section, may—

"(A) permit a national securities exchange, by rule, to impose a reasonable schedule or fix reasonable rates of commissions, allowances, discounts, or other fees to be charged by its members for effecting transactions on such exchange prior to November 1, 1976, if the Commission finds that such schedule or fixed rates of commissions, allowances, discounts, or other fees are in the public interest; and

"(B) permit a national securities exchange, by rule, to impose a schedule or fix rates of commissions, allowances, discounts, or other fees to be charged by its members for effecting transactions on such exchange after November 1, 1976, if the Commission finds that such schedule or fixed rates of commissions, allowances, discounts, or other fees (i) are reasonable in relation to the costs of providing the service for which such fees are charged (and the Commission publishes the standards employed in adjudging reasonableness) and (ii) do not impose any burden on competition not necessary or appropriate in furtherance of the purposes of this title, taking into consideration the competitive effects of permitting such schedule or fixed rates weighed against the competitive effects of other lawful actions which the Commission is authorized to take under this title.

"(2) Notwithstanding the provisions of section 19(c) of this title, the Commission, by rule, may abrogate any exchange rule which imposes a schedule or fixes rates of commissions, allowances, discounts, or other fees, if the Commission determines that such schedule or fixed rates are no longer reasonable, in the public interest, or necessary to accomplish the purposes of this title.

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"(3) Until December 31, 1976, the Commission, on a regular basis, shall file with the Speaker of the House and the President of the Senate information concerning the effect on the public interest, protection of investors, and maintenance of fair and orderly markets of the absence of any schedule or fixed rates of commissions, allowances, discounts, or other fees to be charged by members of any national securities exchange for effecting transactions on such exchange.

"(4) (A) Before approving or disapproving any proposed rule change submitted by a national securities exchange which would impose a schedule or fix rates of commissions, allowances, discounts, or other fees to be charged by its members for effecting transactions on such exchange, the Commission shall afford interested persons (i) an opportunity for oral presentation of data, views, and arguments and (ii) with respect to any such rule concerning transactions effected after November 1, 1976, if the Commission determines there are disputed issues of material fact, to present such rebuttal submissions and to conduct (or have conducted under subparagraph (B) of this paragraph) such cross-examination as the Commission determines to be appropriate and required for full disclosure and proper resolution of such disputed issues of material fact.

"(B) The Commission shall prescribe rules and make rulings concerning any proceeding in accordance with subparagraph (A) of this paragraph designed to avoid unnecessary costs or delay. Such rules or rulings may (i) impose reasonable time limits on each interested person's oral presentations, and (ii) require any cross-examination to which a person may be entitled under subparagraph (A) of this paragraph to be conducted by the Commission on behalf of that person in such manner as the Commission determines to be appropriate and required for full disclosure and proper resolution of disputed issues of material fact.

"(C) (i) If any class of persons, the members of which are entitled to conduct (or have conducted) cross-examination under subparagraphs (A) and (B) of this paragraph and which have, in the view of the Commission, the same or similar interests in the proceeding, cannot agree upon a single representative of such interests for purposes of cross-examination, the Commission may make rules and rulings specifying the manner in which such interests shall be represented and such cross-examination conducted.

"(ii) No member of any class of persons with respect to which the Commission has specified the manner in which its interests shall be represented pursuant to clause (i) of this subparagraph shall be denied, pursuant to such clause (i), the opportunity to conduct (or have conducted) cross-examination as to issues affecting his particular interests if he satisfies the Commission that he has made a reasonable and good faith effort to reach agreement upon group representation and there are substantial and relevant issues which would not be presented adequately by group representation.

"(D) A transcript shall be kept of any oral presentation and cross-examination.

"(E) In addition to the bases specified in subsection 25(a), a reviewing Court may set aside an order of the Commission under section 19(b) approving an exchange rule imposing a schedule or fixes rates of commissions, allowances, discounts, or other fees, if the Court finds

"(1) a Commission determination under paragraph (4) (A) that an interested person is not entitled to conduct cross-examination or make rebuttal submissions, or

"(2) a Commission rule or ruling under paragraph (4) (B) limiting the petitioner's cross-examination or rebuttal submissions, has precluded full disclosure and proper resolution of disputed issues of material fact which were necessary for fair determination by the Commission.

"(F) The Commission, by rule or order, as it deems necessary or appropriate in the public interest and for the protection of investors, to maintain fair and orderly markets, or to assure equal regulation, may require—

"(1) any person not a member or a designated representative of a member of a national securities exchange effecting transactions on such exchange without the services of another person acting as a broker, or

"(2) any broker or dealer not a member of a national securities exchange effecting transactions on such exchange on a regular basis, to comply with such rules of such exchange as the Commission may specify.".

Sec. 5. Section 8 of the Securities Exchange Act of 1934 (15 U.S.C. 78h) is amended as follows:

(1) The first sentence thereof is amended by striking out the phrase "any member of a national securities exchange, or any broker or dealer who transacts a business in securities through the medium of any such member" and by inserting in lieu thereof the phrase "any registered broker or dealer, member of a national securities exchange, or broker or dealer who transacts a business in securities through the medium of any member of a national securities exchange".

(2) The section is further amended by striking out subsection (b), redesignating subsections (c) and (d) thereof as subsections (b) and (c) respectively, and amending redesignated subsection (c) to read as follows:

"(c) To lend or arrange for the lending of any securities carried for the account of any customer without the written consent of such customer or in contravention of such rules and regulations as the Commission shall prescribe for the protection of investors."

Sec. 6. Section 11 of the Securities Exchange Act of 1934 (15 U.S.C. 78k) is amended as follows:

(1) The title thereof is amended to read: "TRADING BY MEMBERS OF EXCHANGES, BROKERS, AND DEALERS".

(2) Subsections (a) and (b) thereof are amended to read as follows:

"(a) (1) It shall be unlawful for any member of a national securities exchange to effect any transaction on such exchange for its own account, the account of an associated person, or an account with respect to which it or an associated person thereof exercises investment discretion: Provided, however, That this paragraph shall not make unlawful—

"(A) any transaction by a dealer acting in the capacity of market maker:

"(B) any transaction for the account of an odd-lot dealer in a security in which he is so registered:

"(C) any stabilizing transaction effected in compliance with rules under section 10 (b) of this title to facilitate a distribution of a security in which the member effecting such transaction is participating:

"(D) any bona fide arbitrage transaction, any bona fide hedge transaction involving a long or short position in an equity security and a long or short position in a security entitling the holder to acquire or sell such equity security, or any risk arbitrage transaction in connection with a merger, acquisition, tender offer, or similar transaction involving a recapitalization;

"(E) any transaction for the account of a natural person, the estate of a natural person, or a trust (other than an investment company) created by a natural person for himself or another natural person;

"(F) any transaction to offset a transaction made in error;

"(G) any other transaction for a member's own account provided that (i) such member is primarily engaged in the business of underwriting and distributing securities issued by other persons, selling securities to customers, and acting as broker, or any one or more of such activities, and whose gross income normally is derived principally from such business and related activities and (ii) such transaction is effected in compliance with rules of the Commission which, as a minimum, assure that the transaction is not inconsistent with the maintenance of fair and orderly markets and yields priority, parity, and precedence in execution to orders for the account of persons who are not members or associated with members of the exchange; and

"(H) any other transaction of a kind which the Commission, by rule, determines is consistent with the purposes of this paragraph, the protection of investors, and the maintenance of fair and orderly markets.

"(2) The Commission, by rule, as it deems necessary or appropriate in the public interest and for the protection of investors, to maintain fair and orderly markets, or to assure equal regulation of exchange markets and markets occurring otherwise than on an exchange, may regulate or prohibit:

"(A) transactions on a national securities exchange not unlawful under paragraph (1) of this subsection effected by any member thereof for its own account (unless such member is acting in the capacity of market maker or odd-lot dealer), the account of an associated person, or an account with respect to which such member or an associated person thereof exercises investment discretion;

"(B) transactions otherwise than on a national securities exchange effected by use of the mails or any means or instrumentality of interstate commerce by any member of a national securities exchange, broker, or dealer for the account of such member, broker, or dealer (unless such member, broker or dealer is acting in the capacity of a market maker) the account of an associated person, or an account with respect to which such member, broker, or dealer or associated person thereof exercises, investment discretion; and

"(C) Transactions on a National Securities Exchange affected by any broker or dealer not a member thereof for the account of such broker or dealer (unless such broker or dealer is acting in the capacity of market maker), the account of an associated person, or an account with respect to which such broker or dealer or associated person thereof exercises investment discretion.

"(3) The provisions of paragraph (1) of this subsection insofar as they apply to transactions on a national securities exchange effected by a member thereof who was a member on May 1, 1975 shall not become effective until May 1, 1978. Nothing in this paragraph shall be construed to impair or limit the authority of the Commission to regulate or prohibit such transactions prior to May 1, 1978, pursuant to paragraph (2) of this subsection.

"(b) When not in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest and for the protection of investors, to maintain fair and orderly markets, or to remove impediments to and perfect the mechanism of a national market system, the rules of a national securities exchange may permit (1) a member to be registered as an odd-lot dealer and as such to buy and sell for his own account so far as may be reasonably necessary to carry on such odd-lot transactions, and (2) a member to be registered as a specialist. Under the rules and regulations of the Commission a specialist may be permitted to act as a broker and dealer or limited to acting as a broker or dealer. It shall be unlawful for a specialist or an official of the exchange to disclose information in regard to orders placed with such specialist which is not available to all members of the exchange, to any person other than an official of the exchange, a representative of the Commission, or a specialist who may be acting for such specialist: *Provided, however,* That the Commission, by rule, may require disclosure to all members of the exchange of all orders placed with specialists, under such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors. It shall also be unlawful for a specialist permitted to act as a broker and dealer to effect on the exchange as broker any transaction except upon a market or limited price order.".

(3) Subsection (e) thereof is repealed.

Sec. 7. The Securities Exchange Act of 1934 is amended by inserting after section 11 (15 U.S.C. 78k) the following new section:

"NATIONAL MARKET SYSTEM FOR SECURITIES; SECURITIES INFORMATION PROCESSORS

"Sec. 11A. (a) (1) The Congress finds that—

"(A) The securities markets are an important national asset which must be preserved and strengthened.

"(B) New data processing and communications techniques create the opportunity for more efficient and effective market operations.

"(C) It is in the public interest and appropriate for the protection of investors and the maintenance of fair and orderly markets to assure—

"(i) economically efficient execution of securities transactions;

"(ii) fair competition among brokers and dealers, among exchange markets, and between exchange markets and markets other than exchange markets;

"(iii) the availability to brokers, dealers, and investors of information with respect to quotations for and transactions in securities:

(iv) the practicability of brokers executing investors' orders in the best market; and

(v) an opportunity, consistent with the provisions of clauses (i) and (iv) of this subparagraph, for investors' orders to be executed without the participation of a dealer.

"(D) The linking of all markets for qualified securities through communication and data processing facilities will foster efficiency, enhance competition, increase the information available to brokers, dealers, and investors, facilitate the offsetting of investors' orders, and contribute to best execution of such orders.

"(2) The Commission is directed, therefore, having due regard for the public interest, the protection of investors, and the maintenance of fair and orderly markets, to use its authority under this title to facilitate the establishment of a national market system for securities (which may include subsystems for particular types of securities with unique trading characteristics) in accordance with the findings and to carry out the objectives set forth in paragraph (1) of this subsection. The Commission, by rule, shall designate the securities or classes of securities qualified for trading in the national market system from among securities other than exempted securities. (Securities or classes of securities so designated hereinafter in this section referred to as 'qualified securities'.)

"(3) The Commission is authorized in furtherance of the directive in paragraph (2) of this subsection—

"(A) to create one or more advisory committees pursuant to the Federal Advisory Committee Act (which shall be in addition to the National Market Advisory Board established pursuant to subsection (d) of this section) and to employ one or more outside experts;

(B) by rule or order, to authorize or require self-regulatory organizations to act jointly with respect to matters as to which they share authority under this title in planning, developing, operating, or regulating a national market system (or a subsystem thereof) or one or more facilities thereof; and

"(C) to conduct studies and make recommendations to the Congress from time to time as to the possible need for modifications of the scheme of self-regulation provided for in this title so as to adapt it to a national market system.

"(b) (1) Except as otherwise provided in this section, it shall be unlawful for any securities information processor unless registered in accordance with this subsection, directly or indirectly, to make use of the mails or any means or instrumentality of interstate commerce to perform the functions of a securities information processor. The Commission, by rule or order, upon its own motion or upon application, may conditionally or unconditionally exempt any securities information processor or class of securities information processors or security or class of securities from any provision of this section or the rules or regulations thereunder, if the Commission finds that such exemption is consistent with the public interest, the protection of investors, and the purposes of this section, including the maintenance of fair and orderly markets in securities and the removal of impediments to and perfection of the mechanism of a national market system: *Provided, however,* That a securities information processor not acting as the exclusive processor of any information with respect to quotations for or transactions in securities is exempt from the requirement to register in accordance with this subsection unless the Commission, by rule or order, finds that the registration of such securities information processor is necessary or appropriate in the public interest, for the protection of investors, or for the achievement of the purposes of this section.

"(2) A securities information processor may be registered by filing with the Commission an application for registration in such form as the Commission, by rule, may prescribe containing the address of its principal office, or offices, the names of the securities and markets for which it is then acting and for which it proposes to act as a securities information processor, and such other information and documents as the Commission, by rule, may prescribe with regard to performance capability, standards and procedures for the collection, processing, distribution, and publication of information with respect to quotations for and transaction in securities, personnel qualifications, financial condition, and such other matters as the Commission determines to be germane to the provisions of this title and the rules and regulations thereunder, or necessary or appropriate in furtherance of the purposes of this section.

"(3) The Commission shall, upon the filing of an application for registration pursuant to paragraph (2) of this subsection, publish notice of the filing and afford interested persons an opportunity to submit written data, views, and arguments concerning such application. Within ninety days of the date of the publication of such notice (or within such longer period as to which the applicant consents) the Commission shall—

"(A) by order grant such registration, or

"(B) institute proceedings to determine whether registration should be denied. Such proceedings shall include notice of the grounds for denial under consideration and opportunity for hearing and shall be concluded within one hundred eighty days of the date of publication of notice of the filing of the application for registration. At the conclusion of such proceedings the Commission, by order, shall grant or deny such registration. The Commission may extend the time for the conclusion of such proceedings for up to sixty days if it finds good cause for such extension and publishes its reasons for so finding or for such longer periods as to which the applicant consents.

The Commission shall grant the registration of a securities information processor if the Commission finds that such securities information processor is so organized, and has the capacity, to be able to assure the prompt, accurate, and reliable performance of its functions as a securities information processor, comply with the provisions of this title and the rules and regulations thereunder, carry out its functions in a manner consistent with the purposes of this section, and, insofar as it is acting as an exclusive processor, operate fairly and efficiently. The Commission shall deny the registration of a securities information processor if the Commission does not make any such finding.

"(4) A registered securities information processor may, upon such terms and conditions as the Commission deems necessary or appropriate in the public interest or for the protection of investors, withdraw from registration by filing a written notice of withdrawal with the Commission. If the Commission finds that any registered securities information processor is no longer in existence or has ceased to do business in the capacity specified in its application for registration, the Commission, by order, shall cancel the registration.

"(5) (A) If any registered securities information processor prohibits or limits any person in respect of access to services offered, directly or indirectly, by such securities information processor, the registered securities information processor shall promptly file notice thereof with the Commission. The notice shall be in such form and contain such information as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors. Any prohibit on or limitation on access to services with respect to which a registered securities information processor is required by this paragraph to file notice shall be subject to review by the Commission on its own motion, or upon application by any person aggrieved thereby filed within thirty days after such notice has been filed with the Commission and received by such aggrieved person, or within such longer period as the Commission may determine Application to the Commission for review, or the institution of review by the Commission on its own motion, shall not operate as a stay of such prohibition or limitation, unless the Commission otherwise orders, summarily or after notice and opportunity for hearing on the question of a stay (which hearing may consist solely of the submission of affidavits or presentations of oral arguments). The Commission shall establish for appropriate cases an expedited procedure for consideration and determination of the question of a stay.

"(B) In any proceeding to review the prohibition or limitation of any person in respect of access to services offered by a registered securities information processor, if the Commission finds, after notice and opportunity for hearing, that such prohibition or limitation is consistent with the provisions of this title and the rules and regulations thereunder and that such person has not been discriminated against unfairly, the Commission, by order, shall dismiss the proceeding. If the Commission does not make any such finding or if it finds that such prohibition or limitation imposes and burden on competition not necessary or appropriate in furtherance of the purposes of this title, the Commission, by order, shall set aside the

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prohibition or limitation and require the registered securities information processor to permit such person access to services offered by the registered securities information processor.

"(6) The Commission, by order, may censure or place limitations upon the activities, functions, or operations of any registered securities information processoor or suspend for a period not exceeding twelve months or revoke the registration of any such processor, if the Commission finds, on the record after notice and opportunity for hearing, that such censure, placing of limitations, suspension, or revocation is in the public interest, necessary or appropriate for the protection of investors or to assure the prompt, accurate, or reliable performance of the functions of such securities information processor, and that such securities information processor has violated or is unable to comply with any provision of this title or the rules or regulations thereunder.

"(c)(1) No self-regulatory organization, member thereof, securities information processor, broker, or dealer shall make use of the mails or any means or instrumentality of interstate commerce to collect, process, distribute, publish, or prepare for distribution or publication any information with respect to quotations for or transactions in any security other than an exempted security, to assist, participate in, or coordinate the distribution or publication of such information, or to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any such security in contravention of such rules and regulations as the Commission shall prescribe as necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of this title to—

"(A) prevent the use, distribution, or publication of fraudulent, deceptive, or manipulative information with respect to quotations for and transactions in such securities;

"(B) assure the prompt, accurate, reliable, and fair collection, processing, distribution, and publication of information with respect to quotations for and transactions in such securities and the fairness and usefulness of the form and content of such information;

"(C) assure that all securities information processors may, for purposes of distribution and publication, obtain on fair and reasonable terms such information with respect to quotations for and transactions in such securities as is collected, processed, or prepared for distribution or publication by any exclusive processor of such information acting in such capacity;

"(D) assure that all exchange members, brokers, dealers, securities information processors, and, subject to such limitations as the Commission, by rule, may impose as necessary or appropriate for the protection of investors or maintenance of fair and orderly markets, all other persons may obtain on terms which are not unreasonably discriminatory such information with respect to quotations for and transactions in such securities as is published or distributed by any self-regulatory organization or securities information processor;

"(E) assure that all exchange members, brokers, and dealers transmit and direct orders for the purchase or sale of qualified securities in a manner consistent with the establishment and operation of a national market system; and

"(F) assure equal regulation of all markets for qualified securities and all exchange members, brokers, and dealers effecting transactions in such securities.

"(2) The Commission, by rule, as it deems necessary or appropriate in the public interest or for the protection of investors, may require any person who has effected the purchase or sale of any qualified security by use of the mails or any means or instrumentality of interstate commerce to report such purchase or sale to a registered securities information processor, national securities exchange, or registered securities association and require such processor, exchange, or association to make appropriate distribution and publication of information with respect to such purchase or sale.

"(3)(A) The Commission, by rule, is authorized to prohibit brokers and dealers from effecting transactions in securities registered pursuant to section 12(b) otherwise than on a national securities exchange, if the Commission finds, on the record after notice and opportunity for hearing, that—

"(i) as a result of transactions in such securities effected otherwise than on a national securities exchange the fairness or orderliness of the markets for such securities has been affected in a manner contrary to the public interest or the protection of investors;

"(ii) no rule of any national securities exchange unreasonably impairs the ability of any dealer to solicit or effect transactions in such securities for his own account or unreasonably restricts competition among dealers in such securities or between dealers acting in the capacity of market makers who are specialists in such securities and such dealers who are not specialists in such securities, and

"(iii) the maintenance or restoration of fair and orderly markets in such securities may not be assured through other lawful means under this title.

The Commission may conditionally or unconditionally exempt any security or transaction or any class of securities or transactions from any such prohibition if the Commission deems such exemption consistent with the public interest, the protection of investors, and the maintenance of fair and orderly markets.

"(B) For the purposes of subparagraph (A) of this paragraph, the ability of a dealer to solicit or effect transactions in securities for his own account shall not be deemed to be unreasonably impaired by any rule of an exchange fairly and reasonably prescribing the sequences in which orders brought to the exchange must be executed or which has been adopted to effect compliance with a rule of the Commission promulgated under this title.

"(4)(A) The Commission is directed to review any and all rules of national securities exchanges which limit or condition the ability of members to effect transactions in securities otherwise than on such exchanges. On or before the ninetieth day following the day of enactment of the Securities Acts Amendments of 1975, the Commission shall (i) report to the Congress the results of its review, including the effects on competition of such rules, and (ii) commence a proceeding in accordance with the provisions of section 19(c) of this title to amend any such rule imposing a burden on competition which does not appear to the Commission to be necessary or appropriate in furtherance of the purposes of this title. The Commission shall conclude any such proceeding within ninety days of the date of publication of notice of its commencement.

"(B) Review pursuant to section 25(b) of this title of any rule promulgated by the Commission in accordance with any proceeding commenced pursuant to subparagraph (A) of this paragraph shall, except as to causes the court considers of greater importance, take precedence on the docket over all other causes and shall be assigned for consideration at the earliest practicable date and expedited in every way.

"(5) No national securities exchange or registered securities association may limit or condition the participation of any member in any registered clearing agency.

"(d)(1) Not later than one hundred eighty days after the date of enactment of the Securities Acts Amendments of 1975, the Commission shall establish a National Market Advisory Board (hereinafter in this section referred to as the "Advisory Board") to be composed of fifteen members, not all of whom shall be from the same geographical area of the United States, appointed by the Commission for a term specified by the Commission of not less than two years or more than five years. The Advisory Board shall consist of persons associated with brokers and dealers (who shall be a majority) and persons not so associated who are representative of the public and, to the extent feasible, have knowledge of the securities markets of the United States.

"(2) It shall be the responsibility of the Advisory Board to formulate and furnish to the Commission its views on significant regulatory proposals made by the Commission or any self-regulatory organization concerning the establishment, operation, and regulation of the markets for securities in the United States.

"(3)(A) The Advisory Board shall study and make recommendations to the Commission as to the steps it finds appropriate to facilitate the establishment of a national market system. In so doing, the Advisory Board shall assume the responsibilities of any advisory committee appointed to advise the Commission with respect to the national market system which is in existence at the time of the establishment of the Advisory Board.

"(B) The Advisory Board shall study the possible need for modifications of the scheme of self-regulation provided for in this title so as to adapt it to a national market system, including the need for the establishment of a new self-regulatory organization (hereinafter in this section referred to as a 'National Market Regulatory Board' or 'Regulatory Board') to administer the national market system. In the event the Advisory Board determines a National Market Regulatory Board should be established, it shall make recommendations as to:

"(i) the point in time at which a Regulatory Board should be established;

"(ii) the composition of a Regulatory Board;

"(iii) the scope of the authority of a Regulatory Board;

"(iv) the relationship of a Regulatory Board to the Commission and to existing self-regulatory organizations; and

"(v) the manner in which a Regulatory Board should be funded.

The Advisory Board shall report to the Congress, on or before December 31, 1976, the results of such study and its recommendations, including such recommendations for legislation as it deems appropriate.

"(C) In carrying out its responsibilities under this paragraph, the Advisory Board shall consult with self-regulatory organizations, brokers, dealers, securities information processors, issuers, investors, representatives of Government agencies, and other persons interested or likely to participate in the establishment, operation, or regulation of the national market system.

"(e) The Commission is authorized and directed to make a study of the extent to which person excluded from the definitions of "broker" and "dealer" maintain accounts on behalf of public customers for buying and selling securities registered under section 12 of this title and whether such exclusions are consistent with the protection of investors and the other purposes of this title. The Commission shall report to the Congress, on or before December 31, 1976, the results of its study together with such recommendations for legislation as it deems advisable.".

SEC. 8. Section 12(f) of the Securities Exchange Act of 1934 (15 U.S.C. 781(f) is amended as follows:

(1) Paragraphs (1) and (2) thereof are amended to read as follows:

"(f)(1) Notwithstanding the foregoing provisions of this section, any national securities exchange, subject to the terms and conditions hereinafter set forth—

"(A) may continue unlisted trading privileges to which a security had been admitted on such exchange prior to July 1, 1964;

"(B) upon application to and approval of such application by the Commission, may extend unlisted trading privileges to any security listed and registered on any other national securities exchange; and

"(C) upon application to and approval of such application by the Commission, may extend unlisted trading privilegess to any security registered pursuant to section 12 of this title or which would be required to be so registered except for the exemption from registration provided in subsection (g)(2)(B) or (g)(2)(G) of that section.

If an extension of unlisted trading privileges to a security is based upon its listing and registration on another national securities exchange, such privileges shall continue in effect only so long as such security remains listed and registered on a national securities exchange.

"(2) No application pursuant to this subsection shall be approved unless the Commission finds, after notice and opportunity for hearing, that the extension of unlisted trading privileges pursuant to such application is consistent with the maintenance of fair and orderly markets and the protection of investors. In considering an application for the extension of unlisted trading privileges to a security not listed and registered on a national securities exchange, the Commission shall, among other matters, take account of the public trading activity in such security, the character of such trading, the impact of such extension on the existing markets for such securities, and the desirability of removing impeditments to and the progress that has been made toward the development of a national market system and shall not grant any such application if any rule of the national securities exchange making application under this subsection would unreasonably impair the ability of any dealer to solicit or effect transactions in such security for his own account, or would unreasonably restrict competition among dealers in such security or between such dealers acting in the capacity of market makers who are specialists and such dealers who are not specialists.".

(2) Paragraph (6) thereof is amended by striking out "section 19(b) of".

SEC. 9. Section 12 of the Securities Exchange Act of 1934 (15 U.S.C. 781) is amended by adding at the end thereof the following new subsections:

"(j) The Commission is authorized, by order, as it deems necessary or appropriate for the protection of investors to deny, to suspend the effective date of, to suspend for a period not exceeding twelve months, or to revoke the registration of a security, if the Commission finds, on the record after notice and opportunity for hearing, that the issuer of such security has failed to comply with any provision of this title or the rules and regulations thereunder. No member of a national securities exchange, broker, or dealer shall make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce the purchase or sale of, any security the registration of which has been and is suspended or revoked pursuant to the preceeding sentence.

"(k) If in its opinion the public interest and the protection of investors so require, the Commission is authorized summarily to suspend trading in any security (other than an exempted security) for a period not exceeding ten days, or with the approval of the President, summarily to suspend all trading on any national securities exchange or otherwise, in securities other than exempted securities, for a period not exceeding ninety days. No member of a national securities exchange, broker, or dealer shall make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce the purchase or sale of, any security in which trading is so suspended.

"(l) It shall be unlawful for an issuer, any class of whose securities is registered pursuant to this section or would be required to be so registered except for the exemption from registration provided by subsection (g)(2)(B) or (g)(2)(G) of this section, by the use of any means or instrumentality of interstate commerce, or of the mails, to issue, either originally or upon transfer, any of such securities in a form or with a format which contravenes such rules and regulations as the Commission may prescribe as necessary or appropriate for the prompt and accurate clearance and settlement of transactions in securities. The provisions of this subsection shall not apply to variable annuity contracts or variable life policies issued by an insurance company or its separate accounts.

"(m) The Commission is authorized and directed to make a study and investigation of the practice of recording the ownership of securities in the records of the issuer in other than the name of the beneficial owner of such securities and to determine (1) whether such practice is consistent with the purposes of this title, with particular reference to subsection (g) of this section and sections 13, 14, 15(d), 16, and 17A, and (2) whether steps can be taken to facilitate communications between issuers and the beneficial owners of their securities while at the same time retaining the benefits of such practice. The Commission shall report to the Congress its preliminary findings within six months after the date of enactment of the Securities Acts Amendments of 1975, and its final conclusions and recommendations within one year of such date.".

SEC. 10. Section 13 of the Securities Exchange Act of 1934 (15 U.S.C. 78m) is amended by adding at the end thereof the following new subsection:

"(f)(1) Every institutional investment manager which uses the mails, or any means or instrumentality of interstate commerce in the course of its business as an institutional investment manager and which exercises investment discretion with respect to accounts holding equity securities of a class decribed in section 13(d)(1) of this title having an aggregate fair market value on the last trading day in any of the preceding twelve months of at least $100,000,000 or such lesser amount (but in no case less than $10,000,000) as the Commission, by rule, may determine, shall file reports with the Commission in such form, for such periods, and at such times after the end of such periods as the Commission, by rule, may prescribe, but in no event shall such reports be filed for periods longer than one year or shorter than one quarter. Such reports shall include for each such equity security held on the last day of the reporting period by accounts (in aggregate or by type as the Commission, by rule, may prescribe) with respect to which the institutional investment manager exercises investment discretion (other than securities held in amounts which the Commission, by rule, determines to be insignificant for purposes of this subsection), the name of the issuer and the title, class, CUSIP number, number of shares or principal amount, and aggregate fair market value of each such security. Such reports may also include for accounts (in aggregate or by type) with respect to which the institutional investment manager exercises investment discretion such of the following information as the Commission, by rule, prescribes—

"(A) the name of the issuer and the title, class, CUSIP number, number of shares or principal amount, and aggregate fair market value or cost or amortized cost of each other security (other than an exempted security) held on the last day of the reporting period by such accounts;

"(B) the aggregate fair market value or cost or amortized cost of exempted securities (in aggregate or by class) held on the last day of the reporting period by such accounts;

"(C) the number of shares of each equity security of a class described in section 13(d)(1) of this title held on the last day of the reporting period by such accounts with respect to which the institutional investment manager posessses sole or shared authority to exercise the voting rights evidenced by such securities;

"(D) the aggregate purchases and aggregate sales during the reporting period of each security (other than an exempted security) effected by or for such accounts; and

"(E) with respect to any transaction or series of transactions having a market value of at least $500,000 or such other amount as the Commission, by rule, may determine, effected during the reporting period by or for such accounts in any equity security of a class described in section 13(d)(1) of this title—

"(i) the name of the issuer and the title, class, and CUSIP number of the security;

"(ii) the number of shares or princpal amount of the security involved in the transaction;

"(iii) whether the transaction was a purchase or sale;

"(iv) the per share price or prices at which the transaction was effected;

"(v) the date or dates of the transaction;

"(vi) the date or dates of the settlement of the transaction;

"(vii) the broker or dealer through whom the transaction was effected;

"(viii) the market or markets in which the transaction was effected; and

"(ix) such other related information as the Commission, by rule, may prescribe.

"(2) The Commission, by rule or order, may exempt, conditionally or unconditionally, any institutional investment manager or securities or any class of institutional investment managers or securities from any or all of the provisions of this subsection or the rules thereunder.

"(3) The Commission shall make available to the public for a reasonable fee a list of all equity securities of a class described in section 13(d)(1) of this title, updated no less frequently than reports are required to be filed pursuant to paragraph (1) of this subsection. The Commission shall tabulate the information contained in any report filed pursuant to this subsection in a manner which will, in the view of the Commission, maximize the usefulness of the information to other Federal and State authorities and the public. Promptly after the filing of any such report, the Commission shall make the information contained therein conveniently available to the public for a reasonable fee in such form as the Commission, by rule, may prescribe, except that the Commission, as it determines to be necessary or appropriate in the public interest or for the protection of investors, may delay or prevent public disclosure of any such information in accordance with section 552 of title 5, United States Code. Notwithstanding the preceding sentence, any such information identifying the securities held by the account of a natural person or an estate or trust (other than a business trust or investment person or an estate or trust (other than a business trust or investment company) shall not be disclosed to the public.

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"(4) In exercising its authority under this subsection, the Commission shall determine (and so state) that its action is necessary or appropriate in the public interest and for the protection of investors or to maintain fair and orderly markets or, in granting an exemption, that its action is consistent with the protection of investors and the purposes of this subsection. In exercising such authority the Commission shall take such steps as are within its power, including consulting with the Comptroller General of the United States, the Director of the Office of Management and the Budget, the appropriate regulatory agencies, Federal and State authorities which, directly or indirectly, require reports from institutional investment managers of information substantially similar to that called for by this subsection, national securities exchanges, and registered securities associations, (A) to achieve uniform, centralized reporting of information concerning the securities holdings of and transactions by or for accounts with respect to which institutional investment managers exercise investment discretion, and (B) consistently with the objective set forth in the preceding subparagraph, to avoid unnecessarily duplicative reporting by, and minimize the compliance burden on, institutional investment managers. Federal authorities which, directly or indirectly, require reports from institutional investment managers of information substantially similar to that called for by this subsection shall cooperate with the Commission in the performance of its responsibilities under the preceding sentence. An institutional investment manager which is a bank, the deposits of which are insured in accordance with the Federal Deposit Insurance Act, shall file with the appropriate regulatory agency a copy of every report filed with the Commission pursuant to this subsection.

"(5)(A) For purposes of this subsection the term 'institutional investment manager' includes any person, other than a natural person, investing in or buying and selling securities for its own account, and any person exercising investment discretion with respect to the account of any other person.

"(B) The Commission shall adopt such rules as it deems necessary or appropriate to prevent duplicative reporting pursuant to this subsection by two or more institutional investment managers exercising investment discretion with respect to the same amount.".

SEC. 11. Section 15 of the Securities Exchange Act of 1934 (15 U.S.C. 78o) is amended as follows:

(1) The title thereof is amended to read: "REGISTRATION AND REGULATION OF BROKERS AND DEALERS".

(2) Subsection (a) and (b) thereof are amended to read as follows:

"(a)(1) It shall be unlawful for any broker or dealer which is either a person other than a natural person or a natural person not associated with a broker or dealer which is a person other than a natural person (other than such a broker or dealer whose business is exclusively intrastate and who does not make use of any facility of a national securities exchange to make use of the mails or any means or instrumentality of interstate commerce to effect any transactions in, or to induce or attempt to induce the purchase or sale of, any security (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills) unless such broker or dealer is registered in accordance with subsection (b) of this section.

"(2) The Commission by rule or order, as it deems consistent with the public interest and the protection of investors, may conditionally or unconditionally exempt from paragraph (1) of this subsection any broker or dealer or class of brokers or dealers specified in such rule or order.

"(b)(1) A broker or dealer may be registered by filing with the Commission an application for registration in such form and containing such information and documents concerning such broker or dealer and any persons associated with such **broker or** dealer as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors. Within forty-five days of the date of the filing of such application (or within such longer period as to which the applicant consents), the Commission shall—

"(A) by order grant registration, or

"(B) institute proceedings to determine whether registration should be denied. Such proceedings shall include notice of the grounds for denial under consideration and opportunity for hearing and shall be concluded within one hundred twenty days of the date of the filing of the application for registration. At the conclusion of such proceedings, the Commission, by order, shall grant or deny such registration. The Commission may extend the time for conclusion of such proceedings for up to ninety days if it finds good cause for such extension and publishes its reasons for so finding or for such longer period as to which the applicant consents.

The Commission shall grant such registration if the Commission finds that the requirements of this section are satisfied. The Commission shall deny such registration if it does not make such a finding or if it finds that if the applicant were so registered, its registration would be subject to suspension or revocation under paragraph (4) of this subsection.

"(2)(A) An application for registration of a broker or dealer to be formed or organized may be made by a broker or dealer to which the broker or dealer to be formed or organized is to be the successor. Such application, in such form as the Commission, by rule, may prescribe, shall contain such information and documents concerning the applicant, the successor, and any person associated with the applicant or successor, as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors. The grant or denial of registration to such an applicant shall be in accordance with the procedures set forth in paragraph (1) of this subsection. If the Commission grants such registration, the registration shall terminate on the forty-fifth day after the effective date thereof, unless prior thereto the successor shall in accordance with such rules and regulations as the Commission may prescribe, adopt the application for registration as its own.

"(B) Any person who is a broker or dealer solely by reason of acting as municipal securities dealer or municipal securities broker, who so acts through a separately identifiable department or division, and who so acted in such a manner on the date of enactment of the Securities Acts Amendments of 1975, may, in accordance with such terms and conditions as the Commission, by rule, prescribes as necessary and appropriate in the public interest and for the protection of investors, register such separately identifiable department or division in accordance with this subsection. If any such department or division is so registered, the department or division and not such person himself shall be the broker or dealer for purposes of this title.

"(C) Within six months of the date of the granting of registration to a broker or dealer, the Commission, or upon the authorization and direction of the Commission, a registered securities association or national securities exchange of which such broker or dealer is a member, shall conduct an inspection of the broker or dealer to determine whether it is operating in conformity with the provisions of this title and the rules and regulations thereunder: *Provided, however,* That the Commission may delay such inspection of any class of brokers or dealers for a period not to exceed six months.

"(3) Any provision of this title (other than section 5 and subsection (a) of this section) which prohibits any act, practice, or course of business if the mails or any means or instrumentality of interstate commerce is used in connection therewith shall also prohibit any such act, practice, or course of business by any registered broker or dealer or any person acting on behalf of such a broker or dealer, irrespective of any use of the mails or any means or instrumentality of interstate commerce in connection therewith.

"(4) The Commission, by order, shall censure, place limitations on the activities, functions, or operations of, suspend for a period not exceeding twelve months, or revoke the registration of any broker or dealer if it finds, on the record after notice and opportunity for hearing, that such censure, placing of limitations, suspension, or revocation is in the public interest and that such broker or dealer whether prior or subsequent to becoming such, or any person associated with such broker or dealer, whether prior or subsequent to becoming so associated—

"(A) has willfully made or caused to be made in any application for registration or report required to be filed with the Commission under this title, or in any proceeding before the Commission with respect to registration, any statement which was at the time and in the light of the circumstances under which it was made false or misleading with respect to any material fact, or has omitted to state in any such application or report any material fact which is required to be stated therein.

"(B) has been convicted within ten years preceding the filing of any application for registration or at any time thereafter of any felony or misdemeanor which the Commission finds—

"(i) involves the purchase or sale of any security, the taking of a false oath, the making of a false report, bribery, perjury, burglary, or conspiracy to commit any such offense;

"(ii) arises out of the conduct of the business of a broker, dealer, municipal securities dealer, investment adviser, bank, insurance company, or fiduciary;

"(iii) involves the larceny, theft, robbery, extortion, forgery, counterfeiting, fraudulent concealment, embezzlement, fraudulent conversion, or misappropriation of funds or securities; or

"(iv) involves the violation of section 152, 1341, 1342, or 1343 or chapter 25 or 47 of title 18, United States Code.

"(C) is permanently or temporarily enjoined by order, judgment, or decree of any court of competent jurisdiction from acting as an investment adviser, underwriter, broker, dealer, or municipal securities dealer or as an affiliated person or employee of any investment company, bank or insurance company, or from engaging in or continuing any conduct or practice in connection with any such activity, or in connection with the purchase or sale of any security.

"(D) has willfully violated any provision of the Securities Act of 1933, the Investment Advisers Act of 1940, the Investment Company Act of 1940, this title, the rules or regulations under any of such statutes, or the rules of the Municipal Securities Rulemaking Board, or is unable to comply with any such provision.

"(E) has willfully aided, abetted, counseled, commanded, induced, or procured the violation by any other person of any provision of the Securities Act of 1933, the Investment Advisers Act of 1940, the Investment Company Act of 1940, this title, the rules or regulations under any of such statutes, or the rules of the Municipal Securities Rulemaking Board, or has failed reasonably to supervise, with a view to preventing violations of the provisions of such statutes, rules, and regulations, another person who commits such a violation, if such other person is subject to his supervision. For the purposes of this subparagraph (E) no person shall be deemed to have failed reasonably to supervise any other person, if—

"(i) there have been established procedures, and a system for applying such procedures, which would reasonably be expected to prevent and detect, insofar as practicable, any such violation by such other person, and

"(ii) such person has reasonably discharged the duties and obligations incumbent upon him by reason of such procedures and system without reasonable cause to believe that such procedures and system were not being complied with.

"(F) is subject to an order of the Commission entered pursuant to paragraph (6) of this subsection (b) barring or suspending the right of such person to be associated with a broker or dealer.

"(5) Pending final determination whether any registration under this subsection shall be revoked, the Commission, by order, may suspend such registration, if such suspension appears to the Commission, after notice and opportunity for hearing, to be necessary or appropriate in the public interest or for the protection of investors.

Any registered broker or dealer may, upon such terms and conditions as the Commission deems necessary or appropriate in the public interest or for the protection of investors, withdraw from registration by filing a written notice of withdrawal with the Commission. If the Commission finds that any registered broker or dealer is no longer in existence or has ceased to do business as a broker or dealer, the Commission, by order, shall cancel the registration of such broker or dealer.

"(6) The Commission, by order, shall censure or place limitations on the activities or functions of any person associated, or seeking to become associated, with a broker or dealer, or suspend for a period not exceeding twelve months or bar any such person from being associated with a broker or dealer, if the Commission finds, on the record after notice and opportunity for hearing, that such censure, placing of limitations, suspension, or bar is in the public interest and that such person has committed or omitted any act or omission enumerated in subparagraph (A), (D), or (E) of paragraph (4) of this subsection, has been convicted of any offense specified in subparagraph (B) of said paragraph (4) within ten years of the commencement of the proceedings under this paragraph, or is enjoined from any action, conduct, or practice specified in subparagraph (C) of said paragraph (4). It shall be unlawful for any person as to whom such an order suspending or barring him from being associated with a broker or dealer is in effect willfully to become, or to be, associated with a broker or dealer without the consent of the Commission, and it shall be unlawful for any broker or dealer to permit such a person to become, or remain, a person associated with him without the consent of the Commission, if such broker or dealer knew, or in the exercise of reasonable care should have known, of such order.

"(7) No registered broker or dealer shall effect any transaction in, or induce the purchase or sale of, any security unless such broker or dealer meets such standards of operational capability and such broker or dealer and all natural persons associated with such broker or dealer meet such standards of training, experience, competence, and such other qualifications as the Commission finds necessary or appropriate in the public interest or for the protection of investors. The Commission shall establish such standards by rules and regulations, which may—

"(A) specify that all or any portion of such standards shall be applicable to any class of brokers and dealers and persons associated with brokers and dealers;

"(B) require persons in any such class to pass tests prescribed in accordance with such rules and regulations, which tests shall, with respect to any class of partners, officers, or supervisory employees (which latter term may be defined by the Commission's rules and regulations and as so defined shall include branch managers of brokers or dealers) engaged in the management of the broker or dealer, include questions relating to bookkeeping, accounting, internal control over cash and securities, supervision of employees, maintenance of records, and other appropriate matters; and

"(C) provide that persons in any such class other than brokers and dealers and partners, officers, and supervisory employees of brokers or dealers, may be qualified solely on the basis of compliance with such standards of training and such other qualifications as the Commission finds appropriate. The Commission, by rule, may prescribe reasonable fees and charges to defray its costs in carrying out this paragraph, including, but not limited to, fees for any test administered by it or under its direction. The Commission may cooperate with registered securities associations and national securities exchanges in devising and administering tests and may require registered brokers and dealers and persons associated with such brokers and dealers to pass tests administered by or on behalf of any such association or exchange and to pay such association or exchange reasonable fees or charges to defray the costs incurred by such association or exchange in administering such tests.

"(8) In addition to the fees and charges authorized by paragraph (7) of this subsection, each registered broker or dealer not a member of a registered securities association shall pay to the Commission such reasonable fees and charges as may be necessary to defray the costs of the additional regulatory duties required to be performed by the Commission because such broker or dealer effects transactions in securities otherwise than on a national securities exchange of which it is a member and is not a member of a registered securities association. The Commission, by rule, shall establish such fees and charges.

"(9) No broker or dealer subject to paragraph (8) of this subsection shall effect any transaction in, or induce the purchase or sale of, any security (otherwise than on a national securities exchange of which it is a member) in contravention of such rules and regulations as the Commission may prescribe designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

"(10) For the purposes of determining whether a person is subject to a statutory disqualification under section 6(c)(2), 15A (g)(2), or 17A(4)(B) of this title, the term 'Commission' in paragraph (4)(B) of this subsection shall mean 'exchange', 'association', or 'clearing agency', respectively.".

(3) Paragraphs (1), (2), and (3) of subsection (c) thereof are amended to read as follows:

"(c)(1) No broker or dealer shall make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any security (other than commercial paper, bankers' acceptances, or commercial bills) otherwise than on a national securities exchange of which it is a member by means of any manipulative, deceptive, or other fraudulent device or contrivance, and no municipal securities dealer shall make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any municipal security by means of any manipulative, deceptive, or other fraudulent device or contrivance. The Commission shall, for the purposes of this paragraph, by rules and regulations define such devices or contrivances as are manipulative deceptive, or otherwise fraudulent.

"(2) No broker or dealer shall make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any security (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills) otherwise than on a national securities exchange of which it is a member, in connection with which such broker or dealer engages in any fraudulent, deceptive, or manipulative act or practice, or makes any fictitious quotation, and no municipal securities dealer shall make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any municipal security in connection with which such municipal securities dealer engages in any fraudulent, deceptive, or manipulative act or practice, or makes any fictitious quotation. The Commission shall, for the purposes of this paragraph, by rules and regulations define, and prescribe means reasonably designed to prevent, such acts and practices as are fraudulent, deceptive, or manipulative and such quotations as are fictitious.

"(3) No broker or dealer shall make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any security (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills) in contravention of such rules and regulations as the Commission shall prescribe as necessary or appropriate in the public interest or for the protection of investors to provide safeguards with respect to the financial responsibility and related practices of brokers and dealers including, but not limited to, the acceptance of custody and use of customers' securities and the carrying and use of customers' deposits or credit balances. Such rules and regulations shall (A) require the maintenance of reserves with respect to customers' deposits or credit balances, and (B) no later than September 1, 1975, establish minimum financial responsibility requirements for all brokers and dealers.".

(4) Paragraph (5) of subsection (c) thereof is amended to read as follows:

"(5) No dealer (other than a specialist registered on a national securities exchange) acting in the capacity of market maker or otherwise shall make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any security (other than an exempted security or a municipal security) in contravention of such specified and appropriate standards with respect to dealing as the Commission, by rule, shall prescribe as necessary or appropriate in the public interest and for the protection of investors, to maintain fair and orderly markets, or to remove impediments to and perfect the mechanism of a national market system. Under the rules of the Commission a dealer in a security may be prohibited from acting as a broker in that security.".

(5) Subsection (c) thereof is further amended by adding at the end thereof the following new paragraph:

"(6) No broker or dealer shall make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any security (other than an exempted security, municipal security, commercial paper, bankers' acceptances, or commercial bills) in contravention of such rules and regulations as the Commission shall prescribe as necessary or appropriate in the public interest and for the protection of investors or to perfect or remove impediments to a national system for the prompt and accurate clearance and settlement of securities transactions, with respect to the time and method of, and the form and format of documents used in connection with, making settlements of and payments for transactions in securities, making transfers and deliveries of securities, and closing accounts. Nothing in this paragraph shall be construed (A) to affect the authority of the Board of Governors of the Federal Reserve System, pursuant to section 7 of this title, to prescribe rules and regulations for the purpose of preventing the excessive use of credit for the purchase or carrying of securities, or (B) to authorize the Commission to prescribe rules or regulations for such purpose.".

(6) The section is further amended by adding at the end thereof the following new subsection:

"(e) The Commission, by rule, as it deems necessary or appropriate in the public interest and for the protection of investors or to assure equal regulation, may require any member of a national securities exchange not required to register under section 15 of this title and any person associated with any such member to comply with any provision of this title (other than section 15(a)) or the rules or regulations thereunder which by its terms regulates or prohibits any act, practice, or course of business by a broker or dealer or 'registered broker or dealer' or a 'person associated with a broker or dealer,' respectively.".

SEC. 12. Section 15A of the Securities Exchange Act of 1934 (15 U.S.C. 78o–3) is amended as follows:

(1) The title thereof is amended to read: "REGISTERED SECURITIES ASSOCIATIONS".

(2) Subsections (a) and (b) thereof are amended to read as follows:

"(a) An association of brokers and dealers may be registered as a national securities association pursuant to subsection (b), or as an affiliated securities association pursuant to subsection (d), under the terms and conditions hereinafter provided in this section and in accordance with the provisions of section 19(a) of this title, by filing with the Commission an application for registration in such form as the Commission, by rule, may prescribe containing the rules of the association and such other information and documents as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors.

"(b) An association of brokers and dealers shall not be registered as a national securities association unless the Commission determines that—

"(1) By reason of the number and geographical distribution of its members and the scope of their transportations, such association will be able to carry out the purposes of this section.

"(2) Such association is so organized and has the capacity to be able to carry out the purposes of this title and to comply, and (subject to any rule or order of the Commission pursuant to section 17(d) or 19(g)(2) of this title) to enforce compliance by its members and persons associated with its members, with the provisions of this title, the rules and regulations thereunder, the rules of the Municipal Securities Rulemaking Board, and the rules of the association.

"(3) Subject to the provisions of subsection (g) of this section, the rules of the association provide that any registered broker or dealer may become a member of such association and any person may become associated with a member thereof.

"(4) The rules of the association assure a fair representation of its members in the selection of its directors and administration of its affairs and provide that one or more directors shall be representative of issuers and investors and not be associated with a member of the association, broker, or dealer.

"(5) The rules of the association provide for the equitable allocation of reasonable dues, fees, and other charges among members and issuers and other persons using any facility or system which the association operates or controls.

"(6) The rules of the association are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest; and are not designed to permit unfair discrimination between customers, issuers, brokers, or dealers, to fix minimum profits, to impose any schedule or fix rates of commissions, allowances, discounts, or other fees to be charged by its members, or to regulate by virtue of any authority conferred by this title, matters not related to the purposes of this title or the administration of the association.

"(7) The rules of the association provide that (subject to any rule or order of the Commission pursuant to section 17(d); or 19(g)(2) of this title) its members and persons associated with its members shall be appropriately disciplined for violation of any provision of this title, the rules or regulations thereunder, the rules of the Municipal Securities Rulemaking Board, or the rules of the association, by expulsion, suspension, limitation of activities, functions, and operations, fine, censure, being suspended or barred from being associated with a member, or any other fitting sanction.

"(8) The rules of the association are in accordance with the provisions of subsection (h) of this section, and, in general, provide a fair procedure for the disciplining of members and persons associated with members, the denial of membership to any person seeking membership therein, the barring of any person from becoming associated with a member thereof, and the prohibition or limitation by the association of any person with respect to access to services offered by the association or a member thereof.

"(9) The rules of the association do not impose any burden on competition not necessary or appropriate in furtherance of the purposes of this title.

"(10) The requirements of subsection (c), insofar as these may be applicable, are satisfied.

"(11) The rules of the association include provisions governing the form and content of quotations relating to securities sold otherwise than on a national securities exchange which may be distributed or published by any member or person associated with a member, and the persons to whom such quotations may be supplied. Such rules relating to quotations shall be designed to produce fair and informative quotations, to prevent fictitious or misleading quotations, and to promote orderly procedures for collecting, distributing, and publishing quotations.".

(3) The section is amended by striking out subsections (e), (f), (g), (h), (j), (k), (l), and (n) thereof, redesignating subsections (i) and (m) thereof as subsections (e) and (f), respectively, and amending redesignated subsection (e) to read as follows:

"(e)(1) The rules of a registered securities association may provide that no member thereof shall deal with any nonmember professional (as defined in paragraph (2) of this subsection) except at the same prices, for the same commissions or fees, and on the same terms and conditions as are by such member accorded to the general public.

"(2) For the purposes of this subsection, the term 'nonmember professional' shall include (A) with respect to transactions in securities other than municipal securities, any registered broker or dealer who is not a member of any registered securities association, except such a broker or dealer who deals exclusively in commercial paper, bankers' acceptances, and commercial bills, and (B) with respect to transactions in municipal securities, any municipal securities dealer (other than a bank or division or department of a bank) who is not a member of any registered securities association and any municipal securities broker who is not a member of any such association.

"(3) Nothing in this subsection shall be so construed or applied as to prevent (A) any member of a registered securities association from granting to any other member of any registered securities association any dealer's discount, allowance, commission, or special terms, in connection with the purchase or sale of securities, or (B) any member of a registered securities association or any municipal securities dealer which is a bank or a division or department of a bank from granting to any member of any registered securities association or any such municipal securities dealer any dealer's discount, allowance, commission, or special terms in connection with the purchase or sale of municipal securities: *Provided, however*, That the granting of any such discount, allowance, commission, or special terms in connection with the purchase or sale of municipal securities shall be subject to rules of the Municipal Securities Rulemaking Board adopted pursuant to section 15B(b)(2)(K) of this title.".

(4) The section is further amended by adding at the end thereof the following new subsections:

"(g)(1) A registered securities association shall deny membership to any person who is not a registered broker or dealer.

"(2) A registered securities association may, and in cases in which the Commission by order, directs as necessary or appropriate in the public interest or for the protection of investors shall, deny membership to any registered broker or dealer, and bar from becoming associated with a member any person, who is subject to a statutory disqualification. A registered securities association shall file notice with the Commission not less than thirty days prior to admitting any registered broker or dealer to membership or permitting any person to become associated with a member, if the association knew, or in the exercise of reasonable care should have known, that such broker or dealer or person was subject to a statutory disqualification. The notice shall be in such form and contain such information as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors.

(3)(A) A registered securities association may deny membership to, or condition the membership of, a registered broker or dealer if (i) such broker or dealer does not meet such standards of financial responsibility or operational capability or such broker or dealer or any natural person associated with such broker or dealer does not meet such standards of training, experience, and competence as are prescribed by the rules of the association or (ii) such broker or dealer or person associated with such broker or dealer has engaged and there is a reasonable likelihood he will again engage in acts or practices inconsistent with just and equitable

principles of trade. A registered securities association may examine and verify the qualifications of an applicant to become a member and the natural persons associated with such an applicant in accordance with procedures established by the rules of the association.

"(B) A registered securities association may bar a natural person from becoming associated with a member or condition the association of a natural person with a member if such natural person (i) does not meet such standards of training, experience, and competence as are prescribed by the rules of the association or (ii) has engaged and there is a reasonable likelihood he will again engage in acts or practices inconsistent with just and equitable principles of trade. A registered securities association may examine and verify the qualifications of an applicant to become a person associated with a member in accordance with procedures established by the rules of the association and require a natural person associated with a member, or any class of such natural persons, to be registered with the association in accordance with procedures so established.

"(C) A registered securities association may bar any person from becoming associated with a member if such person does not agree (i) to supply the association with such information with respect to its relationship and dealings with the member as may be specified in the rules of the association and (ii) to permit examination of its books and records to verify the accuracy of any information so supplied.

"(4) A registered securities association may deny membership to a registered broker or dealer not engaged in a type of business in which the rules of the association require members to be engaged: *Provided, however*, That no registered securities association may deny membership to a registered broker or dealer by reason of the amount of such type of business done by such broker or dealer or the other types of business in which he is engaged.

"(h)(1) In any proceeding by a registered securities association to determine whether a member or person associated with a member should be disciplined (other than a summary proceeding pursuant to paragraph (3) of this subsection) the association shall bring specific charges, notify such member or person of, and give him an opportunity to defend against, such charges, and keep a record. A determination by the association to impose a disciplinary sanction shall be supported by a statement setting forth—

"(A) any act or practice in which such member or person associated with a member has been found to have engaged, or which such member or person has been found to have omitted;

"(B) the specific provisions of this title, the rules or regulations thereunder, the rules of the Municipal Securities Rulemaking Board, or the rules of the association which any such act or practice, or omission to act, is deemed to violate; and

"(C) the sanction imposed and the reason therefor.

"(2) In any proceeding by a registered securities association to determine whether a person shall be denied membership, barred from becoming associated with a member, or prohibited or limited with respect to access to services offered by the association or a member thereof (other than a summary proceeding pursuant to paragraph (3) of this subsection), the association shall notify such person of, and give him an opportunity to be heard upon, the specific grounds for denial, bar, or prohibition or limitation under consideration and keep a record. A determination by the association to deny membership, bar a person from becoming associated with a member, or prohibit or limit a person with respect to access to services offered by the association or a member thereof shall be supported by a statement setting forth the specific grounds on which the denial, bar, or prohibition or limitation is based.

"(3) A registered securities association may summarily (A) suspend a member or person associated with a member who has been and is expelled or suspended from any self-regulatory organization or barred or suspended from being associated with a member of any self-regulatory organization, (B) suspend a member who is in such financial or operating difficulty that the association determines and so notifies the Commission that the member cannot be permitted to continue to do business as a member with safety to investors, creditors, other members, or the association, or (C) limit or prohibit any person with respect to access to services offered by the association if subparagraph (A) or (B) of this paragraph is applicable to such person or, in the case of a person who is not a member, if the association determines that such person does not meet the qualification requirements or other prerequisites for such access and such person cannot be permitted to continue to have such access with safety to investors, creditors, members, or the association. Any person aggrieved by any such summary action shall be promptly afforded an opportunity for a hearing by the association in accordance with the provisions of paragraph (1) or (2) of this subsection. The Commission, by order, may stay any such summary action on its own motion or upon application by any person aggrieved thereby, if the Commission determines summarily or after notice and opportunity for hearing (which hearing may consist solely of the submission of affidavits or presentation of oral arguments) that such stay is consistent with the public interest and the protection of investors.".

SEC. 13. The Securities Exchange Act of 1934 is amended by inserting after section 15A (15 U.S.C. 78o–3) the following new section:

"MUNICIPAL SECURITIES

"SEC. 15B. (a)(1) It shall be unlawful for any municipal securities dealer (other than one registered as a broker or dealer under section 15 of this title) to make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any municipal security unless such municipal securities dealer is registered in accordance with this subsection.

"(2) A municipal securities dealer may be registered by filing with the Commission an application for registration in such form and containing such information and documents concerning such municipal securities dealer and any persons associated with such municipal securities dealer as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors. Within forty-five days of the date of the filing of such application (or within such longer period as to which the applicant consents), the Commission shall—

"(A) by order grant registration, or

"(B) institute proceedings to determine whether registration should be denied. Such proceedings shall include notice of the grounds for denial under consideration and opportunity for hearing and shall be concluded within one hundred twenty days of the date of the filing of the application for registration. At the conclusion of such proceedings the Commission, by order, shall grant or deny such registration. The Commission may extend the time for the conclusion of such proceedings for up to ninety days if it finds good cause for such extension and publishes its reasons for so finding or for such longer period as to which the applicant consents.

The Commission shall grant the registration mission finds that the requirements of this of a municipal securities dealer if the Com- section are satisfied. The Commission shall deny such registration if it does not make such a finding or if it finds that if the applicant were so registered, its registration would be subject to suspension or revocation under subsection (c) of this section.

"(3) Any provision of this title (other than section 5 or paragraph (1) of this subsection) which prohibits any act, practice, or course of business if the mails or any means or instrumentality of interstate commerce is used in connection therewith shall also prohibit any such act, practice, or course of business by any registered municipal securities dealer or any person acting on behalf of such municipal securities dealer, irrespective of any use of the mails or any means or instrumentality of interstate commerce in connection therewith.

"(4) The Commission, by rule or order, upon its own motion or upon application, may conditionally or unconditionally exempt any broker, dealer, or municipal securities dealer or class of brokers, dealers, or municipal securities dealers from any provision of this section or the rules or regulations thereunder, if the Commission finds that such exemption is consistent with the public interest, the protection of investors, and the purposes of this section.

"(b)(1) Not later than one hundred twenty days after the date of enactment of the Securities Acts Amendments of 1975, the Commission shall establish a Municipal Securities Rulemaking Board (hereinafter in this section referred to as the 'Board'), to be composed initially of fifteen members appointed by the Commission, which shall perform the duties set forth in this section. The initial members of the Board shall serve as members for a term of two years, and shall consist of (A) five individuals who are not associated with any broker, dealer, or municipal securities dealer, at least one of whom shall be representative of investors in municipal securities, and at least one of whom shall be representative of issues of municipal securities (which members are hereinafter referred to as 'public representatives'); (B) five individuals who are associated with and representative of municipal securities brokers and municipal securities dealers which are not banks or subsidiaries or departments or divisions of banks (which members are hereinafter referred to as 'broker-dealer representatives'); and (C) five individuals who are associated with and representative of municipal securities dealers which are banks or subsidiaries or departments or divisions of banks (which members are hereinafter referred to as 'bank representatives'). Prior to the expiration of the terms of office of the initial members of the Board, an election shall be held under rules adopted by the Board (pursuant to subsection (b)(2)(B) of this section) of the members to succeed such initial members.

"(2) The Board shall propose and adopt rules to effect the purposes of this title with respect to transactions in municipal securities effected by brokers, dealers, and municipal securities dealers. (Such rules are hereinafter collectively referred to in this title as 'rules of the Board'.) The rules of the Board, as a minimum, shall:

"(A) provide that no municipal securities broker or municipal securities dealer shall effect any transaction in, or induce or attempt to induce the purchase or sale of, any municipal security unless such municipal securities broker or municipal securities dealer meets such standards of operational capability and such municipal securities broker or municipal securities dealer and every natural person associated with such municipal securities broker or municipal securities dealer meet such standards of training, experience, competence, and such other qualifications as the Board finds necessary or appropriate in the public interest or for the protection of investors. In connection with the definition and application of such standards the Board may—

"(i) appropriately classify municipal securities brokers and municipal securities dealers (taking into account relevant matters, including types of business done, nature of securities other than municipal securities sold, and character of business organization), and persons associated with municipal securities brokers and municipal securities dealers;

"(ii) specify that all or any portion of such standards shall be applicable to any such class:

"(iii) require persons in any such class to pass tests administered in accordance with subsection (c)(7) of this section; and

"(iv) provide that persons in any such class other than municipal securities brokers and municipal securities dealers and partners, officers, and supervisory employees of municipal securities brokers or municipal securities dealers, may be qualified solely on the basis of compliance with such standards of training and such other qualifications as the Board finds appropriate.

"(B) establish fair procedures for the nomination and election of members of the Board and assure fair representation in such nominations and elections of municipal securities brokers and municipal securities dealers. Such rule shall provide that the membership of the Board shall at all times be equally divided among public representatives, broker-dealer representatives, and bank representatives, and that the public representatives shall be subject to approval by the Commission to assure that no one of them is associated with any broker, dealer, or municipal securities dealer and that at least one is representative of investors in municipal securities and at least one is representative of issuers of municipal securities. Such rules shall also specify the term members shall serve and may increase the number of members which shall constitute the whole Board provided that such number is an odd number.

"(C) be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in municipal securities, to remove impediments to and perfect the mechanism of a free and open market in municipal securities, and, in general, to protect investors and the public interest; and not be designed to permit unfair discrimination between customers, issuers, municipal securities brokers, or municipal securities dealers, to fix minimum profits, to impose any schedule or fix rates of commissions, allowances, discounts, or other fees to be charged by municipal securities brokers or municipal security dealers, to regulate by virtue of any authority conferred by this title matters not related to the purposes of this title municipal securities brokers or municipal security dealers, securities or the administration of the Board, or to impose any burden on competition not necessary or appropriate in furtherance of the purposes of this title.

"(D) if the Board deems appropriate, provide for the arbitration of claims, disputes, and controversies relating to transactions in municpal securities: Provided, however, That no person other than a municipal securities broker, municipal securities dealer, or person associated with such a municipal securities broker or municipal securities dealer may be compelled to submit to such arbitration except at his instance and in accordance with section 29 of this title.

"(E) provide for the periodic examination in accordance with subsection (c)(7) of this section of municipal securities brokers and municipal securities dealers to determine compliance with applicable provisions of this title, the rules and regulations thereunder, and the rules of the Board. Such rules shall specify the minimum scope and frequency of such examinations and shall be designed to avoid unnecessary regulatory duplication or undue regulatory burdens for any such municipal securities broker or municipal securities dealer.

"(F) include provisions governing the form and content of quotations relating to municipal securities which may be distributed or published by any municipal securities broker, municipal securities dealer, or person associated with such a municipal securities broker or municipal securities dealer, and the persons to whom such quotations may be supplied. Such rules relating to quotations shall be designed to produce fair and informative quotations, to prevent fictitious or misleading quotations, and to promote orderly procedures for collecting, distributing, and publishing quotations.

"(G) prescribe records to be made and kept by municipal securities brokers and municipal securities dealers and the periods for which such records shall be preserved.

"(H) define the term 'separately identifiable department or division', as that term is used in section 3(a)(30) of this title, in accordance with specified and appropriate standards to assure that a bank is not deemed to be engaged in the business of buying and selling municipal securities through a separately identifiable department or division unless such department or division is organized and administered so as to permit independent examination and enforcement of applicable provisions of this title, the rules and regulations thereunder, and the rules of the Board. A separately identifiable department or division of a bank may be engaged in activities other than those relating to municipal securities.

"(I) provide for the operation and administration of the Board, including the selection of a Chairman from among the members of the Board, the compensation of the members of the Board, and the appointment and compensation of such employees, attorneys, and consultants as may be necessary or appropriate to carry out the Board's functions under this section.

"(J) provide that each municipal securities broker and each municipal securities dealer shall pay to the Board such reasonable fees and charges as may be necessary or appropriate to defray the costs and expenses of operating and administering the Board. Such rules shall specify the amount of such fees and charges.

"(K) establish the terms and conditions under which any municipal securities dealer may sell, or prohibit any municipal securities dealer from selling, any part of a new issue of municipal securities to a municipal securities investment portfolio during the underwriting period.

"(3) Nothing in this section shall be construed to impair or limit the power of the Commission under this title.

"(c)(1) No broker, dealer, or municipal securities dealer shall make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any municipal security in contravention of any rule of the Board.

"(2) The Commission, by order, shall censure, place limitations on the activities, functions, or operations, suspend for a period not exceeding twelve months, or revoke the registration of any municipal securities dealer, if it finds, on the record after notice and opportunity for hearing, that such censure, placing of limitations, denial, suspension, or revocation, is in the public interest and that such municipal securities dealer has committed or omitted any act or omission enumerated in subparagraph (A), (D), or (E) of paragraph (4) of section 15(b) of this title, or has been convicted of any offense specified in subparagraph (B) of such paragraph (4) within ten years of the commencement of the proceedings under this paragraph, or is enjoined from any action, conduct, or practice specified in subparagraph (C) of such paragraph (4).

"(3) Pending final determination whether any registration under this section shall be revoked, the Commission, by order, may suspend such registration, if such suspension appears to the Commission, after notice and opportunity for hearing, to be necessary or appropriate in the public interest or for the protection of investors. Any registered municipal securities dealer may, upon such terms and conditions as the Commission may deem necessary in the public interest or for the protection of investors, withdraw from registration by filing a written notice of withdrawal with the Commission. If the Commission finds that any registered municipal securities dealer is no longer in existence or has ceased to do business as a municipal securities dealer, the Commission, by order, shall cancel the registration of such municipal securities dealer.

"(4) The Commission, by order, shall censure any person associated, or seeking to become associated with, a municipal securities dealer or suspend for a period not exceeding twelve months or bar any such person from being associated with a municipal securities dealer, if the Commission finds, on the record after notice and opportunity for hearing, that such censure, suspension, or bar is in the public interest and that such person has committed or omitted any act or omission enumerated in subparagraph (A), (D), or (E) of paragraph (4) of section 15(b) of this title, has been convicted of any offense specified in subparagraph (B) of such paragraph (4) within ten years of the commencement of the proceedings under this paragraph, or is enjoined from any action, conduct, or practice specified in subparagraph (C) of such paragraph (4). It shall be unlawful for any person as to whom an order entered pursuant to this paragraph or paragraph (5) of this subsection suspending or barring him from being associated with a municipal securities dealer is in effect willfully to become, or to be, associated with a municipal securities dealer without the consent of the Commission, and it shall be unlawful for any municipal securities dealer to permit such a person to become, or remain, a person associated with him without the consent of the Commission, if such municipal securitites dealer knew, or, in the exercise of reasonable care should have known, of such order.

"(5) With respect to any municipal securities dealer for which the Commission is not the appropriate regulatory agency, the appropriate regulatory agency for such municipal securities dealer may sanction any such municipal securities dealer in the manner and for the reasons specified in paragraph (2) of this subsection and any person associated with such municipal securities dealer in the manner and for the reasons specified in paragraph (4) of this subsection. In addition, such appropriate regulatory agency may, in accordance with section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), enforce compliance by such municipal securities dealer or any person associated with such municipal securities dealer with the provisions of this section, section 17 of this title, the rules of the Board, and the rules of the Commission pertaining to municipal securities dealers, persons associated with municipal securities dealers, and transactions in municipal securities. For purposes of the preceding sentence, any violation of any such provision shall constitute adequate basis for the issuance of any order under section 8(b) or 8(c) of the Federal Deposit Insurance Act, and the customers of any such municipal securities dealer shall be deemed to be 'depositors' as that term is used in section 8(c) of that Act. Nothing in this paragraph shall be construed to affect in any way the powers of such appropriate regulatory agency to proceed against such municipal securities dealer under any other provision of law.

"(6)(A) The Commission, prior to the entry of an order of investigation, or commencement of any proceedings, against any municipal securities dealer, or person associated with any municipal securities dealer, for which the Commission is not the appropriate regulatory agency, for violation of any provision of this section, section 15(c)(1) or 15(c)(2) of this title, any rule or regulation under any such section, or any rule of the board, shall (i) give notice to the appropriate regulatory agency for such municipal securities dealer of the identity of such municipal securities dealer or person associated with such municipal securities dealer and the nature of and basis for such proposed action and (ii) consult with such appropriate action and (iii) consult with such appropriate regulatory agency concerning the effect of such proposed action on sound banking practices and the feasibility and desirability of coordinating such action with any proceeding or proposed proceeding by such appropriate regulatory agency against such municipal securities dealer or associated person.

(B) The appropriate regulatory agency for a municipal securities dealer (if other than the Commission), prior to the entry of an order of investigation, or commencement of any proceedings, against such municipal securities dealer or person associated with such municipal securities dealer, for violation of any provision of this section, the rules of the Board, or the rules or regulations of the Commission pertaining to municipal securities dealers, persons associated with municipal securities dealers, or transactions in municipal securities shall (i) give notice to the Commission of the identity of such municipal securities dealer or person associated with such municipal securities dealer and the nature of and basis for such proposed action and (ii) consult with the Commission concerning the effect of such proposed action on the protection of investors and the feasibility and desirability of coordinating such action with any proceeding or proposed proceeding by the Commission against such municipal securities dealer or associated person.

(C) Nothing in this paragraph shall be construed to impair or limit (other than by the requirement of prior consultation) the power of the Commission or the appropriate regulatory agency for a municipal securities dealer to initiate any action of a class described in this paragraph or to affect in any way the power of the Commission or such appropriate regulatory agency to initiate any other action pursuant to this title or any other provision of law.

"(7)(A) Tests required pursuant to subsection (b)(2)(A)(iii) of this section shall be administered by or on behalf of a periodic examination pursuant to subsection (b)(2)(E) of this section shall be conducted by—

"(i) a registered securities association, in the case of municipal securities brokers and municipal securities dealers who are members of such association; and

"(ii) the appropriate regulatory agency for any municipal securities broker or municipal securities dealer, in the case of all other municipal securities brokers and municipal securities dealers.

"(B) A registered securities association shall make a report of any examination conducted pursuant to subsection (b)(2)(E) of this section and promptly furnish the Commission a copy thereof and any data supplied to it in connection with such examination. Subject to such limitations as the Commission, by rule, determines to be necessary or appropriate in the public interest or for the protection of investors, the Commission shall, on request, make available to the Board a copy of any report of an examination of a municipal securities broker or municipal securities dealer made by or furnished to the Commission pursuant to this paragraph or section 17(c)(3) of this title.

"(8) The Commission is authorized, by order, if in its opinion such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of this title, to remove from office or censure any member or employee of the Board, who, the Commission finds, on the record after notice and opportunity for hearing, has willfully (A) violated any provision of this title, the rules and regulations thereunder, or the rules of the Board or (B) abused his authority.

"(d)(1) Neither the Commission nor the Board is authorized under this title, by rule or regulation, to require any issuer of municipal securities, directly or indirectly through a purchaser or prospective purchaser of securities from the issuer, to file with the Commission or the Board prior to the sale of such securities by the issuer any application, report, or document in connection with the issuance, sale, or distribution of such securities.

"(2) The Board is not authorized under this title to require any issuer of municipal securities, directly or indirectly through a municipal securities broker of municipal securities dealer or otherwise, to furnish to the Board or to a purchaser or prospective purchaser of such securities any application, report, document, or information with respect to such issuer: *Provided, however,* That the Board may require municipal securities brokers and municipal securities dealers to furnish to the Board or purchasers or perspective purchasers of municipal securities applications, reports, documents, and information with respect to the issuer thereof which is generally available from a source other than such issuer. Nothing in this paragraph shall to construed to impair or limit the power of the Commission under any provision of this title.".

SEC. 14. Section 17 of the Securities Exchange Act of 1934, (15 U.S.C. 78q) is amended by striking subsection (a), redesignating subsection (b) as subsection (g), and inserting the following as subsections (a), (b), (c), (d), (e), and (f):

"(a)(1) Every national securities exchange, member thereof, broker or dealer who transacts a business in securities through the medium of any such member, registered securities association, registered broker or dealer, registered municipal securities dealer, registered securities information processor, registered transfer agent, and registered clearing agency and the Municipal Securities Rulemaking Board shall make and keep for prescribed periods such records, furnish such copies thereof, and make and disseminate such reports as the Commission, by rule, prescribes as necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of this title.

"(2) Every registered clearing agency shall also make and keep for prescribed periods such records, furnish such copies thereof, and make and disseminate such reports, as the appropriate regulatory agency for such clearing agency, by rule, prescribes as necessary or appropriate for the safeguarding of securities and funds in the custody or control of such clearing agency or for which it is responsible.

"(3) Every registered transfer agent shall also make and keep for prescribed periods such records, furnish such copies thereof, and make such reports as the appropriate regulatory agency for such transfer agent, by rule, prescribes as necessary or appropriate in furtherance of the purposes of section 17A of this title.

"(a) All records of persons described in subsection (a) of this section are subject at anytime, or from time to time, to such reasonable periodic, special, or other examinations by representatives of the Commission and the appropriate regulatory agency for such persons as the Commission or the appropriate regulatory agency for such persons deems necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of this title: *Provided, however,* That the Commission shall, prior to conducting any such examination of a registered clearing agency, registered transfer agent, or registered municipal securities dealer for which it is not the appropriate regulatory agency, give notice to the appropriate regulatory agency for such clearing agency, transfer agent, or municipal securities dealer of such proposed examination and consult with such appropriate regulatory agency concerning the feasibility and desirability of coordinating such examination with examinations conducted by such appropriate regulatory agency with a view to avoiding unnecessary regulatory duplication or undue regulatory burdens for such clearing agency, transfer agent, or municipal securities dealers. Nothing in the proviso to the preceding sentence shall be constucted to impair or limit (other than by the requirement of prior consultation) the power of the Commission under this subsection to examine any clearing agency, transfer agent, or municipal securities dealer or to affect in any way the power of the Commission under any other provision of this title or otherwise to inspect, examine, or investigate any such clearing agency, transfer agent, or municipal securities dealer.

"(c)(1) Every clearing agency, transfer agent, and municipal securities dealer for which the Commission is not the appropriate regulatory agency shall (A) file with the appropriate regulatory agency for such clearing agency, transfer agent, or municipal securities dealer a copy of any application, notice, proposal, report, or document filed with the Commission by reason of its being a clearing agency, transfer agent, or municipal securities dealer and (B) file with the Commission a copy of any application, notice, proposal, report, or document filed with such appropriate regulatory agency by reason of its being a clearing agency, transfer agent, or municipal securities dealer. The Municipal Securities Rulemaking Board shall file with each agency enumerated in section 3(a)(34)(A) of this title copies of every proposed rule change filed with the Commissioner pursuant to section 19(b) of this title.

"(2) The appropriate regulatory agency for a clearing agency, transfer agent, or municipal securities dealer for which the Commission is not the appropriate regulatory agency shall file with the Commission notice of the commencement of any proceeding and a copy of any order entered by such appropriate regulatory agency against such clearing agency, transfer agent, or municipal securities dealer, and the Commission shall file with such appropriate regulatory agency notice of the commencement of any proceeding and a copy of any order entered by the Commission against such clearing agency, transfer agent, or municipal securities dealer.

"(3) The Commission and the appropriate regulatory agency for a clearing agency, transfer agent, or municipal securities dealer for which the Commission is not the appropriate regulatory agency shall each notify

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the other and make a report of any examination conducted by it of such clearing agency, transfer agent, or municipal securities dealer, and, upon request, furnish to the other a copy of such report and any data supplied to it in connection with such examination.

"(d)(1) The Commission, by rule or order, as it deems necessary or appropriate in the public interest and for the protection of investors, to foster cooperation and coordination among self-regulatory organizations, or to remove impediments to and foster the development of a national market system and national system for the clearance and settlement of securities transactions, may—

"(A) with respect to any person who is a member of or participant in more than one self-regulatory organization, relieve any such self-regulatory organization of any responsibility under this title (i) to receive regulatory reports from such person, (ii) to examine such person for compliance, or to enforce compliance by such person, with specified provisions of this title, the rules and regulations thereunder, and its own rules, or (iii) to carry out other specified regulatory functions with respect to such person, and

"(B) allocate among self-regulatory organizations the authority to adopt rules with respect to matters as to which, in the absence of such allocation, such self-regulatory organizations share authority under this title. In making any such rule or entering any such order, the Commission shall take into consideration the regulatory capabilities and procedures of the self-regulatory organization, availability of staff, convenience of location, unnecesary regulatory duplication, and such other factors as the Commission may consider germane to the protection of investors, cooperation and coordination among self-regulatory organizations, and the development of a national market system and a national system for the clearance and settlement of securities transactions. The Commission, by rule or order, as it deems necessary or appropriate in the public interest and for the protection of investors, may require any self-regulatory organization relieved of any responsibility pursuant to this paragraph, and any person with respect to whom such responsibility relates, to take steps as are specified in any such rule or order to notify customers of, and persons doing business with, such person of the limited nature of such self-regulatory organization's responsibility for such person's acts, practices, and course of business.

"(2) A self-regulatory organization shall furnish copies of any report of examination of any person who is a member of or a participant in such self-regulatory organization to any other self-regulatory organization of which such person is a member or in which such person is a participant upon the request of such person, such other self-regulatory organization, or the Commission.

"(e)(1)(A) Every registered broker or dealer shall annually file with the Commission a balance sheet and income statement certified by an independent public accountant, prepared on a calendar or fiscal year basis, and such other financial statements (which shall, as the Commission specifies, be certified) and information concerning its financial condition as the Commission, by rule, may as necessary or appropriate in the public interest or for the protection of investors.

"(B) Every registered broker and dealer shall annually send to its customers its certified balance sheet and such other financial statements and information concerning its financial condition as the Commission, by rule, may prescribe pursuant to subsection (a) of this section.

"(C) The Commission, by rule or order, may conditionally or unconditionally exempt any registered broker or dealer, or class of such brokers or dealers, from any provision of this paragraph if the Commission determines that such exemption is consistent with the public interest and the protection of investors.

"(2) The Commission, by rule, as it deems necessary or appropriate in the public interest or for the protection of investors, may prescribe the form and content of financial statements filed pursuant to this title and the accounting principles and accounting standards used in their preparation.

"(f)(1) Every national securities exchange, member thereof, registered securities association, broker, dealer, municipal securities dealer, registered transfer agent, registered clearing agency, participant therein, member of the Federal Reserve System, and bank whose deposits are insured by the Federal Deposit Insurance Corporation shall—

"(A) report to the Commission or other person designated by the Commission such information about missing, lost, counterfeit, or stolen securities, in such form and within such time as the Commission, by rule, determines is necessary or appropriate in the public interest or for the protection of investors; such information shall be available on request for a reasonable fee, to any such exchange, member, association, broker, dealer, municipal securities dealer, transfer agent, clearing agency, participant, member of the Federal Reserve System, or insured bank, and such other persons as the Commission, by rule, designates; and

"(B) make such inquiry with respect to information reported pursuant to this subsection as the Commission, by rule, prescribes as necessary or appropriate in the public interest or for the protection of investors, to determine whether securities in their custody or control, for which they are responsible, or in which they are effecting, clearing, or settling a transaction have been reported as missing, lost, counterfeit, or stolen.

"(2) Every member of a national securities exchange, broker, dealer, registered transfer agent, and registered clearing agency, shall require that each of its partners, directors, officers, and employees be fingerprinted and shall submit such fingerprints, or cause the same to be submitted, to the Attorney General of the United States for identification and appropriate processing. The Commission, by rule, may exempt from the provisions of this paragraph upon specified terms, conditions, and periods, any class of partners, directors, officers, or employees of any such member, broker, dealer, transfer agent, or clearing agency, if the Commission finds that such action is not inconsistent with the public interest or the protection of investors.

"(3) In order to carry out the authority under paragraphs (1) and (2) above, the Commission or its designee may enter into agreement with the Attorney General to use the facilities of the National Crime Information Center ("NCIC") to receive, store, and disseminate information in regard to missing, lost, counterfeit, or stolen securities and to permit direct inquiry access to NCIC's file on such securities for the financial community.

"(4) In regard to paragraphs (1), (2), and (3), above insofar as such paragraphs apply to any bank or member of the Federal Reserve System, the Commission may delegate its authority to:

"(A) the Comptroller of the Currency as to national banks and banks operating under the Code of Law for the District of Columbia;

"(B) the Federal Reserve Board in regard to any member of the Federal Reserve System which is not a national bank or a bank operating under the Code of Law for the District of Columbia; and

"(C) the Federal Deposit Insurance Corporation for any State bank which is insured by the Federal Deposit Insurance Corporation but which is not a member of the Federal Reserve System.

"(5) The Commission shall encourage the insurance industry to require their insured to report expeditiously instances of missing, lost, counterfeit, or stolen securities to the Commission or to such other person as the Commission may, by rule, designate to receive such information.".

SEC. 15. The Securities Exchange Act of 1934 is amended by inserting after section 17 (15 U.S.C. 78q) the following new section:

"NATIONAL SYSTEM FOR CLEARANCE AND SETTLEMENT OF SECURITIES TRANSACTIONS

"SEC. 17A. (a)(1) The Congress finds that—

"(A) The prompt and accurate clearance and settlement of securites transactions, including the transfer of record ownership and the safeguarding of securities and funds related thereto, are necessary for the protection of investors and persons facilitating transactions by and acting on behalf of investors.

"(B) Inefficient procedures for clearance and settlement impose unnecessary costs on investors and persons facilitating transactions by and acting on behalf of investors.

"(C) New data processing and communications techniques create the opportunity for more efficient, effective, and safe procedures for clearance and settlement.

"(D) The linking of all clearance and settlement facilities and the development of uniform standards and procedures for clearance and settlement will reduce unnecessary costs and increase the protection of investors and persons facilitating transactions by and acting on behalf of investors.

"(2) The Commission is directed, therefore, having due regard for the public interest, the protection of investors, the safeguarding of securities and funds, and maintenance of fair competition among brokers and dealers, clearing agencies, and transfer agents, to use its authority under this title to facilitate the establishment of a national system for the prompt and accurate clearance and settlement of transactions in securities (other than exempted securities) in accordance with the findings and to carry out the objectives set forth in paragraph (1) of this subsection. The Commission shall use its authority under this title to assure equal regulation under this title of registered clearing agencies and registered transfer agents.

"(b)(1) Except as otherwise provided in this section, it shall be unlawful for any clearing agency, unless registered in accordance with this subsection, directly or indirectly, to make use of the mails or any means or instrumentality of interstate commerce to perform the functions of a clearing agency with respect to any security (other than an exempted security). The Commission, by rule or order, upon its own motion or upon application, may conditionally or unconditionally exempt any clearing agency or security or any class of clearing agencies or securities from any provision of this section or the rules or regulations thereunder, if the Commission finds that such exemption is consistent with the public interest, the protection of investors, and the purposes of this section, including the prompt and accurate clearance and settlement of securities transactions and the safeguarding of securities and funds. A clearing agency or transfer agent shall not perform the functions of both a clearing agency and a transfer agent unless such clearing agency or transfer agent is registered in accordance with this subsection and subsection (c) of this section.

"(2) A clearing agency may be registered under the terms and conditions hereinafter provided in this subsection and in accordance with the provisions of section 19(a) of this title, by filing with the Commission an application for registration in such form as the Commission, by rule, may prescribe containing the rules of the clearing agency and such other information and documents as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the prompt and accurate clearance and settlement of securities transactions.

"(3) A clearing agency shall not be registered unless the Commission determines that—

"(A) Such clearing agency is so organized and has the capacity to be able to facilitate the prompt and accurate clearance and settlement of securities transactions for which it is responsible, to safeguard securities and funds in its custody or control or for which it is responsible, to comply with the provisions of this title and the rules and regulations thereunder, to enforce (subject to any rule or order of the Commission pursuant to section 17(d) or 19(g)(2) of this title) compliance by its participants with the rules of the clearing agency, and to carry out the purposes of this section.

"(B) Subject to the provisions of paragraph (4) of this subsection, the rules of the clearing agency provide that any (i) registered broker or dealer, (ii) other registered clearing agency, (iii) registered investment company, (iv) bank, (v) insurance company, or (vi) other person or class of persons as the Commission, by rule, may from time to time designate as appropriate to the development of a national system for the prompt and accurate clearance and settlement of securities transactions may become a participant in such clearing agency.

"(C) The rules of the clearing agency assure a fair representation of its shareholders (or members) and participants in the selection of its directors and administration of its affairs. (The Commission may determine that the representation of participants is fair if they are afforded a reasonable opportunity to acquire voting stock of the clearing agency, directly or indirectly, in reasonable proportion to their use of such clearing agency.)

"(D) The rules of the clearing agency provide for the equitable allocation of reasonable dues, fees, and other charges among its participants.

"(E) The rules of the clearing agency do not impose any schedule of prices, or fix rates or other fees, for services rendered by its participants.

"(F) The rules of the clearing agency are designed to promote the prompt and accurate clearance and settlement of securities transactions, to assure the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which it is responsible, to foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions, to remove impediments to and perfect the mechanism of a national system for the prompt and accurate clearance and settlement of securities transactions, and, in general, to protect investors and the public interest; and are not designed to permit unfair discrimination in the admission of participants or among participants in the use of the clearing agency, or to regulate by virtue of any authority conferred by this title matters not related to the purposes of this section or the administration of the clearing agency.

"(G) The rules of the clearing agency provide that (subject to any rule or order of the Commission pursuant to section 17(d) or 19(g)(2) of this title) its participants shall be appropriately disciplined for violation of any provision of the rules of the clearing agency by expulsion, suspension, limitation of activities, functions, and operations, fine, censure, or any other fitting sanction.

"(H) The rules of the clearing agency are in accordance with the provisions of paragraph (5) of this subsection, and, in general, provide a fair procedure with respect to the disciplining of participants, the denial of participation to any person seeking participation therein, and the prohibition or limitation by the clearing agency of any person with respect to access to services offered by the clearing agency.

"(I) The rules of the clearing agency do not impose any burden on competition not necessary or appropriate in furtherance of the purposes of this title.

"(4)(A) A registered clearing agency may, and in cases in which the Commission, by order, directs as appropriate in the public interest shall, deny participation to any person subject to a statutory disqualification. A registered clearing agency shall file notice with the Commission not less than thirty days prior to admitting any person to participation, if the clearing agency knew, or in the exercise of reasonable care should have known, that such person was subject to a statutory disqualification. The notice shall be in such form and contain such information as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors.

"(B) A registered clearing agency may deny participation to, or condition the participation of, any person if such person does not meet such standards of financial responsibility, operational capability, experience, and competence as are prescribed by the rules of the clearing agency. A registered clearing agency may examine and verify the qualifications of an applicant to be a participant in accordance with procedures established by the rules of the clearing agency.

"(5)(A) In any proceeding by a registered clearing agency to determine whether a participant should be disciplined (other than a summary proceeding pursuant to subparagraph (C) of this paragraph), the clearing agency shall bring specific charges, notify such participant of, and give him an opportunity to defend against such charges, and keep a record. A determination by the clearing agency to impose a disciplinary sanction shall be supported by a statement setting forth—

"(i) any act or practice in which such participant has been found to have engaged, or which such participant has been found to have omitted;

"(ii) the specific provisions of the rules of the clearing agency which any such act or practice, or omission to act, is deemed to violate; and

"(iii) the sanction imposed and the reasons therefor.

"(B) In any proceeding by a registered clearing agency to determine whether a person shall be denied participation or prohibited or limited with respect to access to services offered by the clearing agency, the clearing agency shall notify such person of, and give him an opportunity to be heard upon, the specific grounds for denial or prohibition or limitation under consideration and keep a record. A determination by the clearing agency to deny participation or prohibit or limit a person with respect to access to services offered by the clearing agency shall be supported by a statement setting forth the specific grounds on which the denial or prohibition or limitation is based.

"(C) A registered clearing agency may summarily suspend and close the accounts of a participant who (i) has been and is expelled or suspended from any self-regulatory organization, (ii) is in default of any delivery of funds or securities to the clearing agency, or (iii) is in such financial or operating difficulty that the clearing agency determines and so notifies the appropriate regulatory agency for such participant that such suspension and closing of accounts are necessary for the protection of the clearing agency, its participants, creditors, or investors. A participant so summarily suspended shall be promptly afforded an opportunity for a hearing by the clearing agency in accordance with the provisions of subparagraph (A) of this paragraph. The appropriate regulatory agency for such participant, by order, may stay any such summary suspension on its own motion or upon application by any person aggrieved thereby, if such appropriate regulatory agency determines summarily or after notice and opportunity for hearing (which hearing may consist solely of the submission of affidavits or presentation of oral arguments) that such stay is consistent with the public interest and protection of investors.

"(6) No registered clearing agency shall prohibit or limit access by any person to services offered by any participant therein.

"(c)(1) Except as otherwise provided in this section, it shall be unlawful for any transfer agent, unless registered in accordance with this section, directly or indirectly, to make use of the mails or any means or instrumentality of interstate commerce to perform the function of a transfer agent with respect to any security registered under section 12 of this title or which would be required to be registered except for the exemption from registration provided by subsection (g)(2)(B) or (g)(2)(G) of that section. The appropriate regulatory agency, by rule or order, upon its own motion or upon application, may conditionally or unconditionally exempt any person or security or class of persons or securities from any provision of this section or any rule or regulation prescribed under this section, if the appropriate regulatory agency finds (A) that such exemption is in the public interest and consistent with the protection of investors and the purposes of this section, including the prompt and accurate clearance and settlement of securities transactions and the safeguarding of securities and funds, and (B) the Commission does not object to such exemption.

"(2) A transfer agent may be registered by filing with the appropriate regulatory agency for such transfer agent an application for registration in such form and containing such information and documents concerning such transfer agent as such appropriate regulatory agency may prescribe as necessary or appropriate in furtherance of the purposes of this section. Except as hereinafter provided, such registration shall become effective thirty days after receipt of such application by such appropriate regulatory agency or within such shorter period of time as such appropriate regulatory agency may determine.

"(3)(A) The appropriate regulatory agency for a transfer agent, by order, shall deny registration to, censure, place limitations on the activities, functions, or operations of, suspend for a period not exceeding twelve months, or revoke the registration of such transfer agent, if such appropriate regulatory agency finds, on the record after notice and opportunity for hearing, that such denial, censure, placing of limitations, suspension, or revocation is in the public interest and that such transfer agent has willfully violated or is unable to comply with any provision of this section or section 17 of this title or the rules or regulations thereunder.

"(B) Pending final determination whether any registration by a transfer agent under this subsection shall be denied, the appropriate regulatory agency for such transfer agent, by order, may postpone the effective date of such registration for a period not to exceed fifteen days, but if, after notice and opportunity for hearing (which may consist solely of affidavits and oral arguments), it shall appear to such appropriate regulatory agency to be necessary or appropriate in the public interest or for the protection of investors to postpone the effective date of such registration until final determination, such appropriate regulatory agency shall so order. Pending final determination whether any registration under this subsection shall be revoked, such appropriate regulatory agency, by order, may suspend such registration, if such suspension appears to such appropriate regulatory agency, after notice and opportunity for hearing, to be necessary or appropriate in the public interest or for the protection of investors.

"(C) A registered transfer agent may, upon such terms and conditions as the appropriate regulatory agency for such transfer agent deems necessary or appropriate in the public interest, for the protection of investors, or in furtherance of the purposes of this section, withdraw from registration by filing a written notice of withdrawal with such appropriate regulatory agency. If such appropriate regulatory agency finds that any transfer agent for which it is the appropriate regulatory agency, is no longer in existence or has ceased to do business as a transfer agent, such appropriate regulatory agency, by order, shall cancel or deny the registration.

"(d)(1) No registered clearing agency or registered transfer agent shall, directly or indirectly, engage in any activity as clearing agency or transfer agent in contravention of such rules and regulations (A) as the Commission may prescribe as necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of this title, or (B) as the appropriate regulatory agency for such clearing agency or transfer agent may prescribe as necessary or appropriate for the safeguarding of securities and funds.

"(2) With respect to any clearing agency or transfer agent for which the Commission is not the appropriate regulatory agency, the appropriate regulatory agency for such clearing agency or transfer agent may, in accordance with section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), enforce compliance by such clearing agency or transfer agent with the provisions of this section, sections 17 and 19 of this title, and the rules and regulations thereunder. For purposes of the preceding sentence, any violation of any such provision shall constitute adequate basis for the issuance of an order under section 8(b) or 8(c) of the Federal Deposit Insurance Act, and the participants in any such clearing agency and the persons doing business with any such transfer agent shall be deemed to be 'depositors' as that term is used in section 8(c) of that Act.

"(3)(A) With respect to any clearing agency or transfer agent for which the Commission is not the appropriate regulatory agency, the Commission and the appropriate regulatory agency for such clearing agency or transfer agent shall consult and cooperate with each other, and, as may be appropriate, with State banking authorities having supervision over such clearing agency or transfer agent toward the end that, to the maximum extent practicable, their respective regulatory responsibilities may be fulfilled and the rules and regulations applicable to such clearing agency or transfer agent may be in accord with both sound banking practices and a national system for the prompt and accurate clearance and settlement of securities transactions. In accordance with this objective—

"(i) the Commission and such appropriate regulatory agency shall, at least fifteen days prior to the issuance for public comment of any proposed rule or regulation or adoption of any rule or regulation concerning such clearing agency or transfer agent, consult and request the views of the other; and

"(ii) such appropriate regulatory agency shall assume primary responsibility to examine and enforce compliance by such clearing agency or transfer agent with the provisions of this section and sections 17 and 19 of this title.

"(B) Nothing in the preceding subparagraph or elsewhere in this title shall be construed to impair or limit (other than by the requirement of notification) the Commission's authority to make rules under any provision of this title or to enforce compliance pursuant to any provision of this title by any clearing agency or transfer agent with the provisions of this title and the rules and regulations thereunder.

"(4) Nothing in this section shall be construed to impair the authority of any State banking authority or other State or Federal regulatory authority having jurisdiction over a person registered as a clearing agency or transfer agent to make and enforce rules governing such person which are not inconsistent with this title and the rules and regulations thereunder.

"(e) The Commission shall use its authority under this title to end the physical movement of securities certificates in connection with the settlement among brokers and dealers of transactions in securities consummated by means of the mails or any means or instrumentalities of interstate commerce.".

SEC. 16. Section 19 of the Securities Exchange Act of 1934 (15 U.S.C. 78s) is amended to read as follows:

"REGISTRATION, RESPONSIBILITIES, AND OVERSIGHT OF SELF-REGULATORY ORGANIZATIONS

"SEC. 19. (a)(1) The Commission shall, upon the filing of an application for registration as a national securities exchange, registered securities associations, or registered clearing agency, pursuant to section 6, 15A, or 17A of this title, respectively, publish notice of such filing and afford interested persons an opportunity to submit written data, views, and arguments concerning such application. Within ninety days of the date of publication of such notice (or within such longer period as to which the applicant consents), the Commission shall—

"(A) by order grant such registration, or

"(B) institute proceedings to determine whether registration should be denied. Such proceedings shall include notice of the grounds for denial under consideration and opportunity for hearing and shall be concluded within one hundred eighty days of the date of a publication of notice of the filing of the application for registration. At the conclusion of such proceedings the Commission, by order, shall grant or deny such registration. The Commission may extend the time for conclusion of such proceedings for up to ninety days if it finds good cause for such extension and publishes its reasons for so finding or for such longer period as to which the applicant consents.

The Commission shall grant such registration if it finds that the requirements of this title and the rules and regulations thereunder with respect to the applicant are satisfied. The Commission shall deny such registration if it does not make such finding.

"(2) With respect to an application for registration filed by a clearing agency for which the Commission is not the appropriate regulatory agency—

"(A) The Commission shall not grant registration prior to the sixtieth day after the date of publication of notice of the filing of such application unless the appropriate regulatory agency for such clearing agency has notified the Commission of such appropriate regulatory agency's determination that such clearing agency is so organized and has the capacity to be able to safeguard securities and funds in its custody or control or for which it is responsible and that the rules of such clearing agency are designed to assure the safeguarding of such securities and funds.

"(B) The Commission shall institute proceedings in accordance with paragraph (1)(B) of this subsection to determine whether registration should be denied of the appropriate regulatory agency for such clearing agency notifies the Commission within sixty days of the date of publication of notice of the filing of such application of such appropriate regulatory agency's (i) determination that such clearing agency may not be so organized or have the capacity to be able to safeguard securities or funds in its custody or control or for which it is responsible or that the rules of such clearing agency may not be designed to assure the safeguarding of such securities and funds and (ii) reasons for such determination.

"(C) The Commission shall deny registration if the appropriate regulatory agency for such clearing agency notifies the Commission prior to the conclusion of proceedings instituted in accordance with paragraph (1)(B) of this subsection of such appropriate regulatory agency's (i) determination that such clearing agency is not so organized or does not have the capacity to be able to safeguard securities or funds in its custody or control or for which it is responsible or that the rules of such clearing agency are not designed to assure the safeguarding of such securities or funds and (ii) reasons for such determination.

"(3) A self-regulatory organization may, upon such terms and conditions as the Commission, by rule, deems necessary or appropriate in the public interest or for the protection of investors, withdraw from registration by filing a written notice of withdrawal with the Commission. If the Commission finds that any self-regulatory organization is no longer in existence or has ceased to do business in the capacity specified in its application for registration, the Commission, by order, shall cancel its registration. Upon the withdrawal of a national securities association from registration or the cancellation, suspension, or revocation of the registration of a national securities association, the registration of any association affiliated therewith shall automatically terminate.

"(b)(1) Each self-regulatory organization shall file with the Commission, in accordance with such rules as the Commission may prescribe, copies of any proposed rule or any proposed change in, addition to, or deletion from the rules of such self-regulatory organization (hereinafter in this subsection collectively referred to as a 'proposed rule change') accompanied by a concise general statement of the basis and purpose of such proposed rule change. The Commission shall, upon the filing of any proposed rule change, publish notice thereof together with the terms of substance of the proposed rule change or a description of the subjects and issues involved. The Commission shall give interested persons an opportunity to submit written data, views, and arguments concerning such proposed rule change. No proposed rule change shall take effect unless approved by the Commission or otherwise permitted in accordance with the provisions of this subsection.

"(2) Within thirty-five days of the date of publication of notice of the filing of a proposed rule change in accordance with paragraph (1) of this subsection, or within such longer period as the Commission may designate up to ninety days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or as to which the self-regulatory organization consents, the Commission shall—

"(A) by order approve such proposed rule change, or

"(B) institute proceedings to determine whether the proposed rule change should be disapproved. Such proceedings shall include notice of the grounds for disapproval under consideration and opportunity for hearing and be concluded within one hundred eighty

days of the date of publication of notice of the filing of the proposed rule change. At the conclusion of such proceedings the Commission, by order, shall approve or disapprove such proposed rule change. The Commission may extend the time for conclusion of such proceedings for up to sixty days if it finds good cause for such extension and publishes its reasons for so finding or for such longer period as to which the self-regulatory organization consents.

The Commission shall approve a proposed rule change of a self-regulatory organization if it finds that such proposed rule change is consistent with the requirements of this title and the rules and regulations thereunder applicable to such organization. The Commission shall disapprove a proposed rule change of a self-regulatory organization if it does not make such finding. The Commission shall not approve any proposed rule change prior to the thirtieth day after the date of publication of notice of the filing thereof, unless the Commission finds good cause for so doing and publishes its reasons for so finding.

"(3)(A) Notwithstanding the provisions of paragraph (2) of this subsection, a proposed rule change may take effect upon filing with the Commission if designated by the self-regulatory organization as (i) constituting a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule of the self-regulatory organization, (ii) establishing or changing a due, fee, or other administration of the self-regulator organization, or (iii) concerned solely with the administration of the self-regulator organnization or other matters which the Commission, by rule, consistent with the public interest and the purposes of this subsection, may specify as without the provisions of such paragraph (2).

"(B) Notwithstanding any other provision of this subsection, a proposed rule change may be put into effect summarily if it appears to the Commission that such action is necessary for the protection of investors, the maintenance of fair and orderly markets, or the safeguarding of securities or funda. Any proposed rule change so put into effect shall be filed promptly thereafter in accordance with the provisions of paragraph (1) of this subsection.

"(C) Any proposed rule change of a self-regulatory organization which has taken effect pursuant to subparagraph (A) or (B) of this paragraph may be enforced by such organization to the extent it is not inconsistent with the provisions of this title, the rules and regulations thereunder, and applicable Federal and State law. At any time within sixty days of the date of filing of such a proposed rule change in accordance with the provisions of paragraph (1) of this subsection, the Commission summarily may abrogate the change in the rules of the self-regulatory organization made thereby and require that the proposed rule change be refiled in accordance with the provisions of paragraph (1) of this subsection and reviewed in accordance with the provisions of paragraph (2) of this subsection, if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of this title. Commission action pursuant to the preceding sentence shall not affect the validity or force of the rule change during the period it was in effect and shall not be reviewable under section 25 of this title nor deemed to be 'final agency action' for purposes of section 704 of title 5, United States Code.

"(4) With respect to a proposed rule change filed by a registered clearing agency for which the Commission is not the appropriate regulatory agency—

"(A) The Commission shall not approve any such proposed rule change prior to the thirtieth day after the date of publication of notice of the filing thereof unless the appropriate regulatory agency for such clearing agency has notified the Commission of such appropriate regulatory agency's determination that the proposed rule change is consistent with the safeguarding of securities and funds in the custody or control of such clearing agency or for which it is responsible.

"(B) The Commission shall institute proceedings in accordance with paragraph (2)(B) of this subsection to determine whether any such proposed rule change should be disapproved, if the appropriate regulatory agency for such clearing agency notifies the Commission within thirty days of the date of publication of notice of the filing of the proposed rule change of such appropriate regulatory agency's (i) determination that the proposed rule change may be inconsistent with the safeguarding of securities or funds in the custody or control of such clearing agency or for which it is responsible and (ii) reasons for such determination.

"(C) The Commission shall disapprove any such proposed rule change if the appropriate regulatory agency for such clearing agency notifies the Commission prior to the conclusion of proceedings instituted in accordance with paragraph (2)(B) of this subsection of such appropriate regulatory agency's (i) determination that the proposed rule change is inconsistent with the safeguarding of securities or funds in the custody or control of such clearing agency or for which it is responsible and (ii) reasons for such determination.

"(D) The Commission shall abrogate any change in the rules of such a clearing agency made by a proposed rule change which has taken effect pursuant to paragraph (3) of this subsection, require that the proposed rule change be refiled in accordance with the provisions of paragraph (1) of this subsection, and reviewed in accordance with the provisions of paragraph (2) of this subsection, if the appropriate regulatory agency for such clearing agency notifies the Commission within thirty days of the date of filing of such proposed rule change of such appropriate regulatory agency's (i) determination that the rules of such clearing agency as so changed msy be inconsistent with the safeguarding of securities or funds in the custody or control of such clearing agency or for which it is responsible and (ii) reasons for such determination.

"(c) The Commission, by rule, may abrogate, add to, and delete from (hereinafter in this subsection collectively referred to as 'amend') the rules of a self-regulatory organization (other than a registered clearing agency) as the Commission deems necessary or appropriate to insure the fair administration of the self-regulatory organization, to conform its rules to requirements of this title and the rules and regulations thereunder applicable to such organization, or otherwise in furtherance of the purposes of this title, in the following manner:

"(1) The Commission shall notify the self-regulatory organization and publish notice of the proposed rulemaking in the Federal Register. The notice shall include the text of the proposed amendment to the rules of the self-regulatory organization and a statement of the Commission's reasons, including any pertinent facts, for commencing such proposed rulemaking.

"(2) The Commission shall give interested persons an opportunity for the oral presentation of data, views, and arguments, in addition to an opportunity to make written submissions. A transcript shall be kept of any oral presentation.

"(3) A rule adopted pursuant to this subsection shall incorporate the text of the amendment to the rules of the self-regulatory organization and a statement of the Commission's basis for and purpose in so amending such rules. This statement shall include an identification of any facts on which the Commission considers its determination so to amend the rules of the self-regulatory agency to be based, including the reasons for the Commission's conclusions as to any of such facts which were disputed in the rulemaking.

"(4)(A) Except as provided in paragraphs (1) through (3) of this subsection, rulemaking under this subsection shall be in accordance with the procedures specified in section 553 of title 5, United States Code, for rulemaking not on the record.

"(B) Nothing in this subsection shall be construed to impair or limit the Commission's power to make, or to modify or alter the procedures the Commission may follow in making, rules and regulations pursuant to any other authority under this title.

"(C) Any amendment to the rules of a self-regulatory organization made by the Commission pursuant to this subsection shall be considered for all purposes of this title to be part of the rules of such self-regulatory organization and shall not be considered to be a rule of the Commission.

"(d)(1) If any self-regulatory organization imposes any final disciplinary sanction on any member thereof or participant therein, denies membership or participation to any applicant, or prohibits or limits any person in respect to access to services offered by such organization or member thereof or if any self-regulatory organization (other than a registered clearing agency) imposes any final disciplinary sanction on any person associated with a member or bars any person from becoming associated with a member, the self-regulatory organization shall promptly file notice thereof with the appropriate regulatory agency for the self-regulatory organization and (if other than the appropriate regulatory agency for the self-regulatory organization) the appropriate regulatory agency for such member, participant, applicant, or other person. The notice shall be in such form and contain such information as the appropriate regulatory agency for the self-regulatory organization, by rule, may prescribe as necessary or appropriate in furtherance of the purposes of this title.

"(2) Any action with respect to which a self-regulatory organization is required by paragraph (1) of this subsection to file notice shall be subject to review by the appropriate regulatory agency for such member, participant, applicant, or other person, on its own motion, or upon application by any person aggrieved thereby filed within thirty days after the date such notice was filed with such appropriate regulatory agency and received by such aggrieved person, or within such longer period as such appropriate regulatory agency may determine. Application to such appropriate regulatory agency for review, or the institution or review by such appropriate regulatory agency on its own motion, shall not operate as a stay of such action unless such appropriate regulatory agency otherwise orders, summarily or after notice and opportunity for hearing on the question of a stay (which hearing may consist solely of the submission of affidavits or presentation of oral arguments). Each appropriate regulatory agency shall establish for appropriate cases an expedited procedure for consideration and determination of the question of a stay.

"(e)(1) In any proceeding to review a final disciplinary sanction imposed by a self-regulatory organization on a member thereof or participant therein or a person associated with such a member, after notice and opportunity for hearing (which hearing may consist solely of consideration of the record before the self-regulatory organization and opportunity for the presentation of supporting reasons to affirm, modify, or set aside the sanction)—

"(A) if the appropriate regulatory agency for such member, participant, or persons associated with a member finds that such member, participant, or person associated with a member has engaged in such acts or practices, or has omitted such acts, as the self-regulatory organization has found him to have engaged in or omitted, that such acts or practices, or omissions to act, are in violation of such provisions of this title, the rules or regulations thereunder, the rules of the self-regulatory organization, or, in the case of a registered securities association, the rules of the Municipal Securities Rulemaking Board as have been specified in the determination of the self-regulatory organization, and that such provisions are, and were applied in a manner, consistent with the purposes of this title, such appropriate regulatory agency, by order, shall so declare and, as appropriate, affirm the sanction imposed by the self-regulatory organization, modify the sanction in accordance with paragraph (2) of this subsection, or remand to the self-regulatory organization for further proceedings; or

"(B) if such appropriate regulatory agency does not make any such finding it shall, by order, set aside the sanction imposed by the self-regulatory organization and, if appropriate, remand to the self-regulatory organization for further proceedings.

"(2) If the appropirate regulatory agency for a member, participant, or person associated with a member, having due regard for the public interest and the protection of investors, finds after a proceeding in accordance with paragraph (1) of this subsection that a sanction imposed by a self-regulatory organization upon such member, participant, or person associated with a member imposes any burden on competition not necessary or appropriate in furtherance of the purposes of this title or is excessive or oppressive, the appropriate regulatory agency may cancel, reduce, or require the remission of such sanction.

"(f) In any proceeding to review the denial of membership or participation in a self-regulatory organization to any applicant, the barring of any person from becoming associated with a member of a self-regulatory organization, or the prohibition or limitation by a self-regulatory organization of any person with respect to access to services offered by the self-regulatory organization or any member thereof, if the appropriate regulatory agency for such applicant or person, after notice and opportunity for hearing (which hearing may consist solely of consideration of record before the self-regulatory organization and opportunity for the presentation of supporting reasons to dismiss the proceeding or set aside the action of the self-regulatory organization) finds that the specific grounds on which such denial, bar, or prohibition or limitation is based exist in fact, that such denial, bar, or prohibition or limitation is in accordance with the rules of the self-regulatory organization, and that such rules are, and were applied in a manner, consistent with the purposes of this title, such appropriate regulatory agency, by order, shall dismiss the proceeding. If such appropriate regulatory agency does not make any such finding or if it finds that such denial, bar, or prohibition or limitation imposes any burden on competition not necessary or appropriate in furtherance of the purposes of this title, such appropriate regulatory agency, by order, shall set aside the action of the self-regulatory organization and require it to admit such applicant to membership or participation, permit such person to become associated with a member, or grant such person access to services offered by the self-regulatory organization or member thereof.

"(g)(1) Every self-regulatory organization shall comply with the provisions of this title, the rules and regulations thereunder, and its own rules, and (subject to the provisions of section 17(d) of this title, paragraph (2) of this subsection, and the rules thereunder) absent reasonable justification or excuse enforce compliance—

"(A) in the case of a national securities exchange, with such provisions by its members and persons associated with its members;

"(B) in the case of a registered securities association, with such provisions and the provisions of the rules of the Municipal Securities Rulemaking Board by its members and persons associated with its members; and

"(C) in the case of a registered clearing agency with its own rules by its participants.

"(2) The Commission, by rule, consistent with the public interest, the protection of investors, and other purposes of this title, may relieve any self-regulatory organization of any responsibility under this title to enforce compliance with any specified provision of this title or the rules or regulations thereunder by any member of such organization or person associated with such a member, or any class of such members or persons associated with a member.

"(h)(1) The appropriate regulatory agency for a self-regulatory organization is authorized, by order, if in its opinion such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of this title, to suspend for a period not exceeding twelve months or revoke the registration of such self-regulatory organization, or to censure or impose limitations upon the activities, functions, and operations of such self-regulatory organization, if such appropriate regulatory agency finds, on the record after notice and opportunity for hearing, that such self-regulatory organization has violated or this title, the rules or regulations thereunder, or its own rules or without reasonable justification or excuse has failed to enforce compliance—

"(A) in the case of a national securities exchange, with any such provision by a member thereof or a person associated with a member thereof;

"(B) in the case of a registered securities association, with any such provision or any provision of the rules of the Municipal Securities Rulemaking Board by a member thereof or a person associated with a member thereof; or

"(C) in the case of a registered clearing agency, with any provision of its own rules by a participant therein.

"(2) The appropriate regulatory agency for a self-regulatory organization is authorized, by order, if in its opinion such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of this title, to suspend for a period not exceeding twelve months or expel from such self-regulatory organization any member thereof or participant therein, if such member or participant is subject to an order of the Commission pursuant to section 15(b)(4) of this title or if such appropriate regulatory agency finds, on the record after notice and opportunity for hearing, that such member or participant has willfully violated or has effected any transaction for any other person who, such member or participant had reason to believe, was violating with respect to such transaction—

"(A) in the case of a national securities exchange, any provision of the Securities Act of 1933, the Investment Advisers Act of 1940, the Investment Company Act of 1940, this title, or the rules or regulations under any of such statutes;

"(B) in the case of a registered securities association, any provision of the Securities Act of 1933, the Investment Advisers Act of 1940, the Investment Company Act of 1940, this title, the rules or regulations under any of such statutes, or the rules of the Municipal Securities Rulemaking Board; or

"(C) in the case of a registered clearing agency, any provision of the rules of the clearing agency.

"(3) The appropriate regulatory agency for a national securities exchange or registered securities association is authorized, by order, if in its opinion such action is necessary or appropriate in the public interest, for the protection of investors or otherwise in furtherance of the purposes of this title, to suspend for a period not exceeding twelve months or to bar any person from being associated with a member of such national securities exchange or registered securities associations, if such person is subject to an order of the Commission pursuant to section 15(b)(6) or if such appropriate regulatory agency finds, on the record after notice and opportunity for hearing, that such person has willfully violated or has effected any transaction for any other person who, such person associated with a member had reason to believe, was violating with respect to such transaction—

"(A) in the case of a national securities exchange, any provision of the Securities Act of 1933, the Investment Advisers Act of 1940, the Investment Company Act of 1940, this title, or the rules or regulations under any of such statutes; or

"(B) in the case of a registered securities association, any provision of the Securities Act of 1933, the Investment Advisers Act of 1940, the Investment Company Act of 1940, this title, the rules or regulations under any of the statutes, or the rules of the Municipal Securities Rulemaking Board.

"(4) The appropriate regulatory agency for a self-regulatory organization is authorized, by order, if in its opinion such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of this title, to remove from office or censure any officer or director of such self-regulatory organization, if such appropriate regulatory agency finds, on the record after notice and opportunity for hearing, that such officer or director has willfully violated any provision of this title, the rules or regulations thereunder, or the rules of such self-regulatory organization willfully abused his authority, or without reasonable justification or excuse has failed to enforce compliance—

"(A) in the case of a national securities exchange, with any such provision by any member or person associated with a member;

"(B) in the case of a registered securities association, with any such provision or any provision of the rules of the Municipal Securities Rulemaking Board by any member or person associated with a member; or

"(C) in the case of a registered clearing agency, with any provision of the rules of the clearing agency by any participant.

"(i) If a proceeding under subsection (h)(1) of this section results in the suspension or revocation of the registration of a clearing agency, the appropriate regulatory agency for such clearing agency may, upon notice to such clearing agency, apply to any court of competent jurisdiction specified in section 21(d) of 27 of this title for the appointment of a trustee. In the event of such an application, the court may, to the extent it deems necessary or appropriate, take exclusive jurisdiction of such clearing agency and the records and assets thereof, wherever located; and the court shall appoint the appropriate regulatory agency for such clearing agency or a person designated by such appropriate regulatory agency as trustee with power to take possession and continue to operate or terminate the operations of such clearing agency in an orderly manner for the protection of participants and investors, subject to such terms and conditions as the court may prescribe.".

SEC. 17. Section 21 of the Securities Exchange Act of 1934 (15 U.S.C. 78u) is amended as follows:

(1) Subsection (a) thereof is amended to read as follows:

"(a) The Commission may, in its discretion, make such investigations as it deems necessary to determine whether any person has violated, is violating, or is about to violate any provision of this title, the rules or regulations thereunder, the rules of a national securities exchange or registered securities association of which such person is a member or a person associated with a member, the rules of a registered clearing agency in which such person is a participant, or the rules of the Municipal Securities Rulemaking Board, and may require or permit any person to file with it a statement in writing, under oath or otherwise as the Commission shall determine, as to all the facts and circumstances concerning the matter to be investigated. The Commission is authorized in its discretion, to publish information concerning any such violations, and to investigate any facts, conditions, practices, or matters which it may deem necessary or proper to aid in the enforcement of such provisions, in the prescribing of rules and regulations under this title, or in securing information to serve as a basis for recommending further legislation concerning the matters to which this title relates.".

(2) Subsections (e) and (f) thereof are redesignated (d) and (e), respectively, and amended to read as follows:

"(d) Wherever it shall appear to the Commission that any person is engaged or is about to engage in acts or practices constituting a violation of any provision of this title, the rules or regulations thereunder, the rules of a national securities exchange or registered securities association of which such person is a member or a person associated with a member, the rules of a registered clearing agency in which such person is a participant, or the rules of the Municipal Securities Rulemaking Board, it may in its discretion bring an action in the proper district court of the United States, the United States District Court for the District of Columbia, or the United States courts of any territory or other place subject to the jurisdiction of the United States, to enjoin such acts or practices, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted without bond. The Commission may transmit such evidence as may be available concerning such acts or practices as may constitute a violation of any provision of this title or the rules or regulations thereunder to the Attorney General, who may in his discretion, institute the necessary criminal proceedings under this title.

"(e) Upon application of the Commission the district courts of the United States, the United States District Court for the District of Columbia, and the United States courts of any territory or other place subject to the jurisdiction of the United States shall have jurisdiction to issue writs of mandamus, injunctions, and orders commanding (1) any person to comply with the provisions of this title, the rules, regulations, and orders thereunder, the rules of a national securities exchange or registered securities association of which such person is a member or person associated with a member, the rules of a registered clearing agency in which such person is a participant, the rules of the Municipal Securities Rulemaking Board, or any undertaking contained in a registration statement as provided in subsection (d) of section 15 of this title, (2) any national securities exchange or registered securities association to enforce compliance by its members and persons associated with its members with the provisions of this title, the rules, regulations, and orders thereunder, and the rules of such exchange or association, or (3) any registered clearing agency to enforce compliance by its participants with the provisions of the rules of such clearing agency.".

(3) The section is further amended by adding at the end thereof the following new subsections:

"(f) Notwithstanding any other provision of this title, the Commission shall not bring any action pursuant to subsection (d) or (e) of this section against any person for violation of, or to command compliance with, the rules of a self-regulatory organization unless it appears to the Commission that (1) such self-regulatory organization is unable or unwilling to take appropriate action against such person in the public interest and for the protection of investors, or (2) such action is otherwise necessary or appropriate in the public interest or for the protection of investors.

"(g) Notwithstanding the provisions of section 1407(a) of title 28, United States Code, or any other provision of law, no action for equitable relief instituted by the Commission pursuant to the securities laws shall be consolidated or coordinated with other actions not brought by the Commission, even though such other actions may involve common questions of fact, unless such consolidation is consented to by the Commission. The term 'securities laws' as used herein includes the Securities Act of 1933 (15 U.S.C. 77 et seq.), the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.), the Public Utility Holding Company Act of 1935 (15 U.S.C. 79a et seq.), the Trust Indenture Act of 1939 (15 U.S.C. 77aaa et seq.), the Investment Company Act of 1940 (15 U.S.C. 80a–1 et seq.), the Investment Advisers Act of 1940 (15 U.S.C. 80b–1 et seq.), and the Securities Investor Protection Act of 1970 (15 U.S.C. 78aaa et seq.).".

SEC. 18. Section 23 of the Securities Exchange Act of 1934 (15 U.S.C. 78w) is amended to read as follows:

"RULES, REGULATIONS, AND ORDERS; ANNUAL REPORTS

"SEC. 23. (a)(1) The Commission, the Board of Governors of the Federal Reserve System, and the other agencies enumerated in section 3(a)(34) of this title shall each have power to make such rules and regulations as may be necessary or appropriate to implement the provisions of this title for which they are responsible or for the execution of the functions vested in them by this title, and may for such purposes classify persons, securities, transactions, statements, applications, reports, and other matters within their respective jurisdictions, and prescribe greater, lesser, or different requirements for different classes thereof. No provision of this title imposing any liability shall apply to any act done or omitted in good faith in conformity with a rule, regulation, or order of the Commission, the Board of Governors of the Federal Reserve System, other agency enumerated in section 3(a)(34) of this title, any self-regulatory organization, notwithstanding that such rule, regulation, or order may thereafter be amended or rescinded or determined by judicial or other authority to be invalid for any reason.

"(2) The Commission, in making rules and regulations pursuant to any provision of this title, shall consider among other matters the impact any such rule or regulation would have on competition. The Commission shall not adopt any such rule or regulation which would impose a burden on competition not necessary or appropriate in furtherance of the purposes of this title. The Commission shall include in the statement of basis and purpose incorporated in any rule or regulation adopted under this title, the reasons for the Commission's determination that any burden on competition imposed by such rule or regulation is necessary or appropriate in furtherance of the purposes of this title.

"(3) The Commission, in making rules and regulations pursuant to any provision of this title, considering any application for registration in accordance with section 19(a) of this title, or reviewing any proposed rule change of a self-regulatory organization in accordance with section 19(b) of this title, keep in a public file and make available for copying all written statements filed with the Commission and all written communications between the Commission and any person relating to the proposed rule, regulation, application, or proposed rule change; *Provided, however*, That the Commission shall not be required to keep in a public file or make available for copying any such statement or communication which it may withhold from the public in accordance with the provisions of section 552 of title 5, United States Code.

"(b)(1) The Commission, the Board of Governors of the Federal Reserve System, and the other agencies enumerated in section 3(a)(34) of this title, shall each make an annual report to the Congress on its work for the preceding year, and shall include in each such report whatever information, data, and recommendation for further legislation it considers advisable with regard to matters within its respective jurisdiction under this title.

"(2) The appropriate regulatory agency for a self-regulatory organization shall include in its annual report to the Congress for each fiscal year, a summary of its oversight activities under this title with respect to such self-regulatory organization, including a description of any examination conducted as part of such activities of any such organization, any material recommendation presented as part of such activities to such organization for changes in its organization or rules, and any action by such organization in response to any such recommendation.

"(3) The appropriate regulatory agency for any class of municipal securities dealers shall include in its annual report to the Congress for each fiscal year a summary of its regulatory activities pursuant to this title with respect to such municipal securities dealers, including the nature of and reason for any sanction imposed pursuant to this title against any such municipal securities dealer.

"(4) The Commission shall also include in its annual report to the Congress for each fiscal year—

"(A) a summary of the Commission's oversight activities with respect to self-regulatory organizations for which it is not the appropriate regulatory agency, including a description of any examination of any such organization, any material recommendation presented to any such organization for changes in its organization or rules, and any action by any such organization in response to any such recommendation;

"(B) a statement and analysis of the expenses and operations of each self-regulatory organization in connection with the performance of its responsibilities under this title, for which purpose data pertaining to such expenses and operations shall be made available by such organization to the Commission at its request;

"(C) beginning in 1975 and ending in 1980, information, data, and recommendations with respect to the development of a national system for the prompt and accurate clearance and settlement of securities transactions, including a summary of the regulatory activities, operational capabilities, financial resources, and plans of self-regulatory organizations and registered transfer agents with respect thereto;

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"(D) beginning in 1975 and ending in 1980, a description of the steps taken, and an evaluation of the progress made, toward the establishment of a national market system, and recommendations for further legislation it considers advisable with respect to such system;

"(E) the steps the Commission has taken and the progress it has made toward ending the physical movement of the securities certificate in connection with the settlement of securities transactions, and its recommendations, if any, for legislation to eliminate the securities certificate;

"(F) the number of requests for exemptions from provisions of this title received, the number granted, and the basis upon which any such exemption was granted;

"(G) a summary of the Commission's regulatory activities with respect to municipal securities dealers for which it is not the appropriate regulatory agency, including the nature of, and reason for, any sanction imposed in proceedings against such municipal securities dealers;

"(H) beginning in 1975 and ending in 1980, a description of the effect the absence of any schedule or fixed rates of commissions, allowances, discounts, or other fees to be charged by members for effecting transactions on a national securities exchange is having on the maintenance of fair and orderly markets and the development of a national market system for securities;

"(I) a statement of the time elapsed between the filing of reports pursuant to section 13(f) of this title and the public availability of the information contained therein, the costs involved in the Commission's processing of such reports and tabulating such information, the manner in which the Commission uses such information, and the steps the Commission has taken and the progress it has made toward requiring such reports to be filed and such information to be made available to the public in machine language;

"(J) information concerning (i) the effects its rules and regulations are having on the viability of small brokers and dealers; (ii) its attempts to reduce any unnecessary reporting burden on such brokers and dealers; and (iii) its efforts to help to assure the continued participation of small brokers and dealers in the United States securities markets; and

"(K) a statement detailing its administration of the Freedom of Information Act, section 552 of title 5, United States Code, including a copy of the report filed pursuant to subsection (d) of such section.

"(c) The Commission, by rule, shall prescribe the procedure applicable to every case pursuant to this title of adjudication (as defined in section 551 of title 5, United States Code) not required to be determined on the record after notice and opportunity for hearing. Such rules shall, as a minimum, provide that prompt notice shall be given of any adverse action or final disposition and that such notice and the entry of any order shall be accompanied by a statement of written reasons.".

SEC. 19. Section 24 of the Securities Exchange Act of 1934 (15 U.S.C. 78x) is amended to read as follows:

"PUBLIC AVAILABILITY OF INFORMATION

"SEC. 24. (a) For purposes of section 552 of title 5, United States Code, the term 'records includes all applications, statements, reports, contracts, correspondence, notices, and other documents filed with or otherwise obtained by the Commission pursuant to this title or otherwise.

"(b) It shall be unlawful for any member, officer, or employee of the Commission to disclose to any person other than a member, officer, or employee of the Commission, or to use for personal benefit, any information contained in any application, statement, report, contract, correspondence, notice, or other document filed with or otherwise obtained by the Commission (1) in contravention of the rules and regulations of the Commission under section 552 of title 5, United States Code, or (2) in circumstances where the Commission has determined pursuant to such rules to accord confidential treatment to such information. Nothing in this subsection shall authorize the Commission to withhold information from the Congress.".

SEC. 20. Section 25 of the Securities Exchange Act of 1934 (15 U.S.C. 78y) is amended to read as follows:

"COURT REVIEW OF ORDERS AND RULES

"SEC. 25. (a)(1) A person aggrieved by a final order of the Commission entered pursuant to this title may obtain review of the order in the United States Court of Appeals for the circuit in which he resides or has his principal place of business, or for the District of Columbia Circuit, by filing in such court, within sixty days after the entry of the order, a written petition requesting that the order be modified or set aside in whole or in part.

"(2) A copy of the petition shall be transmitted forthwith by the clerk of the court to a member of the Commission or an officer designated by the Commission for that purpose. Thereupon the Commission shall file in the court the record on which the order complained of is entered, as provided in section 2112 of title 28, United States Code, and the Federal Rules of Appellate Procedure.

"(3) On the filing of the petition, the court has jurisdiction, which becomes exclusive on the filing of the record, to affirm or modify and enforce or to set aside the order in whole or in part.

"(4) The findings of the Commission as to the facts, if supported by substantial evidence, are conclusive.

"(5) If either party applies to the court for leave to adduce additional evidence and shows to the satisfaction of the court that the additional evidence is material and that there was reasonable ground for failure to adduce it before the Commission, the court may remand the case to the Commission for further proceedings, in whatever manner and on whatever conditions the court considers appropriate. If the case is remanded to the Commission, it shall file in the court a supplemental record containing any new evidence, any further or modified findings, and any new order.

"(b)(1) A person adversely affected by a rule of the Commission promulgated pursuant to section 6, 11, 11A, 15(c) (5) or (6), 15A, 17, 17A, or 19 of this title may obtain review of this rule in the United States Court of Appeals for the circuit in which he resides or has his principal place of business or for the District of Columbia Circuit, by filing in such court, within sixty days after the promulgation of the rule, a written petition requesting that the rule be set aside.

"(2) A copy of the petition shall be transmitted forthwith by the clerk of the court to a member of the Commission or an officer designated for that purpose. Thereupon, the Commission shall file in the court the rule under review and any documents referred to therein, the Commission's notice of proposed rulemaking and any documents referred to therein, all written submissions and the transcript of any oral presentations in the rulemaking, factual information not included in foregoing that was considered by the Commission in the promulgation of the rule or proffered by the Commission as pertinent to the rule, the report of any advisory committee received or considered by the Commission in the rulemaking, and any other materials prescribed by the court.

"(3) On the filing of the petiton, the court has jurisdiction, which becomes exclusive on the filing of the materials set forth in paragraph (2) of this subsection, to affirm and enforce or to set aside the rule.

"(4) The findings of the Commission as to the facts identified by the Commission as the basis, in whole or in part, of the rule, if supported by substantial evidence, are conclusive. The court shall affirm and enforce the rule unless the Commission's action in promulgating the rule is found to be arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law; contrary to constitutional right, power, privilege, or immunity; in excess of statutory jurisdiction, authority, or limitations, or short of statutory right; or without observance of procedure required by law.

"(5) If proceedings have been instituted under this subsection in two or more courts of appeals with respect to the same rule, the Commission shall file the materials set forth in paragraph (2) of this subsection in that court in which a proceeding was first instituted. The other courts shall thereupon transfer all such proceedings to the court in which the materials have been filed. For the convenience of the parties in the interest of justice that court may thereafter transfer all the proceedings to any other court of appeals.

"(c)(1) No objection to an order or rule of the Commission, for which review is sought under this section, may be considered by the court unless it was urged before the Commission or there was reasonable ground for failure to do so.

"(2) The filing of a petition under this section does not operate as a stay of the Commission's order or rule. Until the court's jurisdiction becomes exclusive, the Commission may stay its order or rule pending judicial review if it finds that justice so requires. After the filing of a petition under this section, the court, on whatever conditions may be required and to the extent necessary to prevent irreparable injury, may issue all necessary and appropriate process to stay the order or rule or to preserve status or rights pending its review: but (not withstanding section 705 of title 5, United States Code) no such process may be issued by the court before the filing of the record or the materials set forth in subsection (b)(2) of this section unless: (A) the Commission has denied a stay or failed to grant requested relief, (B) a reasonable period has expired since the filing of an application for a stay without a decision by the Commission, or (C) there was reasonable ground for failure to apply to the Commission.

"(3) When the same order or rule is the subject of one or more petitions for review filed under this section and an action for enforcement filed in a district court of the United States under section 21 (d) or (e) of this title, that court in which the petition or the action is first filed has jurisdiction with respect to the order or rule to the exclusion of any other court, and thereupon all such proceedings shall be transferred to that court; but, for the convenience of the parties in the interest of justice, that court may thereafter transfer all the proceedings to any other court of appeals or district court of the United States, whether or not a petition for review or an action for enforcement was originally filed in the transferee court. The scope of review by a district court under section 21 (d) or (e) of this title is in all cases the same as by a court of appeals under this section.

"(d)(1) For purposes of the preceding subsections of this section, the term 'Commission' includes the agencies enumerated in section 3(a)(34) of this title insofar as such agencies are acting pursuant to this title.

"(2) For purposes of subsection (a)(4) of this section and section 706 of title 5, United States Code, an order of the Commission pursuant to section 19(a) of this title denying registration to a clearing agency for which the Commission is not the appropriate regulatory agency or pursuant to section 19(b) of this title disapproving a proposed rule change by such a clearing agency shall be deemed to be an order of the appropriate regulatory agency for such clearing agency insofar as such order was entered by reason of a determination by such appropriate regulatory agency pursuant to section 19(a)(2)(C) or 19(b)(4)(c) of this title that such registration or proposed rule change would be inconsistent with the safeguarding of securities or funds.".

SEC. 21. Section 28 of the Securities Exchange Act of 1934 (15 U.S.C. 78bb) is amended as follows:

(1) Subsection (b) thereof is amended to read as follows:

"(b) Nothing in this title shall be construed to modify existing law with regard to the binding effect (1) on any member of or participant in any self-regulatory organization of any action taken by the authorities of such organization to settle disputes between its members or participants, or (2) on any municipal securities dealer or municipal securities broker of any action taken pursuant to a procedure established by the Municipal Securities Rulemaking Board to settle disputes between municipal securities dealers and municipal securities brokers, or (3) of any action described in paragraph (1) or (2) on any person who has agreed to be bound thereby.".

(2) The section is further amended by adding at the end thereof the following new subsections:

"(c) The stay, setting aside, or modification pursuant to section 19(e) of this title of any disciplinary sanction imposed by a self-regulatory organization or a member thereof, person associated with a member, or participant therein, shall not affect the validity or force of any action taken as a result of such sanction by the self-regulatory organization prior to such stay, setting aside, or modification: *Provided,* That such action is not inconsistent with the provisions of this title or the rules or regulations thereunder. The rights of any person acting in good faith which arise out of any such action shall not be affected in any way by such stay, setting aside, or modification.

"(d) No State or political subdivision thereof shall impose any tax on any change in beneficial or record ownership of securities effected through the facilities of a registered clearing agency or registered transfer agent or any nominee thereof or custodian therefor or upon the delivery or transfer of securities to or through or receipt from such agency or agent or any nominee thereof or custodian therefor, unless such change in beneficial or record ownership or such transfer or delivery or receipt would otherwise be taxable by such State or political subdivision if the facilities of such registered clearing agency, registered transfer agent, or any nominee thereof or custodian therefor were not physically located in the taxing State or political subdivision. No State or political subdivision thereof shall impose any tax on securities which are deposited in or retained by a registered clearing agency, registered transfer agent, or any nominee thereof or custodian therefor, unless such securities would otherwise be taxable by such State or political subdivision if the facilities of such registered clearing agency, registered transfer agent, or any nominee thereof or custodian therefor were not physically located in the taxing State or political subdivision.

"(e)(1) No person using the mails, or any means or instrumentality of interstate commerce, in the exercise of investment discretion with respect to an account shall be deemed to have acted unlawfully or to have breached a fiduciary duty under State or Federal law unless expressly provided to the contrary by a law enacted by the Congress or any State subsequent to the date of enactment of the Securities Acts Amendments in 1975 solely by reason of his having caused the account to pay a member of an exchange, broker, or dealer an amount of commission for effecting a securities transaction in excess of the amount of commission another member of an exchange, broker, or dealer would have charged for effecting that transaction, if such person determined in good faith that such amount of commission was reasonable in relation to the value of the brokerage and research services provided by such member, broker, or dealer, viewed in terms of either that particular transaction or his overall responsibilities with respect to the accounts as to which he exercises investment discretion. This subsection is exclusive and plenary insofar as conduct is covered by the foregoing, unless otherwise expressly provided by contract: *Provided, however,* That nothing in this subsection shall be construed to impair or limit the power of the Commission under any other provision of this title or otherwise.

"(2) A person exercising investment discretion with respect to an account shall make such disclosure of his policies and practices with respect to commissions that will be paid for effecting securities transactions, at such times and in such manner, as the appropriate regulatory agency, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors.

"(3) For purposes of this subsection a person provides brokerage and research services insofar as he—

"(A) furnishes advice, either directly or through publications or writings, as to the value of securities, the advisability of investing in, purchasing, or selling securities, and the availability of securities or purchases or sellers of securities;

"(B) furnishes analyses and reports concerning issues, industries, securities, economic factors and trends, portfolio strategy, and the performance of accounts; or

"(C) effects securities transactions and performs functions incidental thereto (such as clearance, settlement, and custody) or required in connection therewith by rules of the Commission or a self-regulatory organization of which such person is a member or person associated with a member or in which such person is a participant.".

SEC. 22. Section 31 of the Securities Exchange Act of 1934 (15 U.S.C. 78ee) is amended to read as follows:

"TRANSACTION FEES

"SEC. 31. Every national securities exchange shall pay to the Commission on or before March 15 of each calendar year a fee in an amount equal to one three-hundredths of 1 per centum of the aggregate dollar amount of the sales of securities (other than bonds, debentures, and other evidences of indebtedness) transacted on such national securities exchange during each preceding calendar year to which this section applies. Every registered broker and dealer shall pay to the Commission on or before March 15 of each calendar year a fee in an amount equal to one three-hundredths of 1 per centum of the aggregate dollar amount of the sales of securities registered on a national securities exchange (other than bonds, debentures, and other evidences of indebtedness) transacted by such broker or dealer otherwise than on such an exchange during each preceding calendar year: Provided, however, That no payment shall be required for any calendar year in which such payment would be less than one hundred dollars. The Commission, by rule, may exempt any sale of securities or any class of sales of securities from any fee imposed by this section, if the Commission finds that such exemption is consistent with the public interest, the equal regulation of markets and brokers and dealers, and the development of a national market system.".

SEC. 23. Section 32 of the Securities Exchange Act of 1934 (15 U.S.C. 78ff) is amended as follows:

(1) Subsection (a) thereof is amended by inserting after the phrase "section 15 of this title" the following: "or by any self-regulatory organization in connection with an application for membership or participation therein or to become associated with a member thereof,".

(2) Subsection (c) thereof is deleted.

SEC. 24. The Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.), is amended by adding at the end thereof the following new section:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 35. There are hereby authorized to be appropriated to carry out the functions, powers, and duties of the Commission not to exceed $51,000,000 for the fiscal year ending June 30, 1976 and not to exceed $55,000,000 for the fiscal year ending September 30, 1977. For fiscal years succeeding the 1977 fiscal year, there may be appropriated such sums as the Congress may hereafter authorize by law.".

SEC. 25. The Act entitled "An Act to authorize the Securities and Exchange Commission to delegate certain functions", approved August 20, 1962 (15 U.S.C. 78d–1(b)), is amended as follows:

(1) The last sentence of subsection (a) of the first section thereof is amended by striking the phrase "any rule, regulation, or order pursuant to section 19(b)" and inserting in lieu thereof "any rule pursuant to section 19(c)".

(2) Subsection (b) of the first section thereof is amended to read as follows:

"(b) With respect to the delegation of any of its functions, as provided in subsection (a) of this section, the Commission shall retain a discretionary right to receive the action of any such division of the Commission, individual Commissioner, hearing examiner, employee, or employee board, upon its own initiative or upon petition of a party to or intervenor in such action, within such time and in such manner as the Commission, by rule, shall prescribe: Provided, however, That the vote of one member of the Commission shall be sufficient to bring any such action before the Commission for review: And provided further, That a person or party shall be entitled to review by the Commission if he or it is adversely affected by action at a delegated level which (1) denies any request for action pursuant to section 8(a) or section 8(c) of the Securities Act of 1933 or the first sentence of section 12(d) of the Securities Exchange Act of 1934; (2) suspends trading in a security pursuant to section 12(k) of the Securities Exchange Act of 1934; or (3) is pursuant to any provision of the Securities Exchange Act of 1934 in a case of adjudication, as defined in section 551 of title 5, United States Code, not required by that Act to be determined on the record after notice and opportunity for hearing (except to the extent there is involved a matter described in section 554(a)(1) through (6) of title 5, United States Code).".

SEC. 26. Section 9(c) of the Securities Investor Protection Act of 1970 (15 U.S.C. 78 iii(c)) is amended to read as follows:

"(c) INSPECTIONS.—The self-regulatory organization of which a member of SIPC is a member shall inspect or examine such member for compliance with applicable financial responsibility rules, except that if a member of SIPC is a member of more than one self-regulatory organization, the Commission, pursuant to section 17(d) of the 1934 Act, shall designate one of such self-regulatory organizations as responsible for the the examination of such member for compliance with applicable financial responsibility rules.".

SEC. 27. (a) Section 24 of the Securities Act of 1933 (15 U.S.C. 77x) is amended by changing the figure "5,000" to "10,000".

(b) Section 32(a) of the Securities Ex-

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change Act of 1934 (15 U.S.C. 78ff(a)) is amended by changing the phrase "or imprisoned not more than two years" to read "or imprisoned not more than five years".

(c) Section 29 of the Public Utility Holding Company Act of 1935 (15 U.S.C. 79z–3) is amended by changing the phrase "or imprisoned not more than two years" to read "or imprisoned not more than five years".

(d) Section 325 of the Trust Indenture Act of 1939 (15 U.S.C. 77yyy) is amended by changing the figure "$5,000" to "$10,000".

(e) Section 49 of the Investment Company Act of 1940 (15 U.S.C. 80a–48) is amended by changing the phrase "or imprisoned not more than two years" to read "or imprisoned not more than five years".

(f) Section 217 of the Investment Advisers Act of 1940 (15 U.S.C. 80b–17) is amended by changing the phrase "imprisoned for not more than two years" to read "imprisoned for not more than five years".

SEC. 28. The Investment Company Act of 1940 (15 U.S.C. 80a–15) is amended as follows:

(1) Section 15 thereof is amended by adding at the end thereof the following new subsection:

"(f)(1) An investment adviser, or a corporate trustee performing the functions of an investment adviser, of a registered investment company or an affiliated person of such investment adviser or corporate trustee may receive any amount or benefit in connection with a sale of securities of, or a sale of any other interest in, such investment adviser or corporate trustee which results in an assignment of an investment advisory contract with such company or the change in control of or identity of such corporate trustee, if—

"(A) for a period of three years after the time of such action, at least 75 per centum of the members of the board of directors of such registered company or such corporate trustee (or successor thereto, by reorganization or otherwise) are not (i) interested persons of the investment adviser of such company or such corporate trustee, or (ii) interested persons of the predecessor investment adviser or such corporate trustee; and

"(B) there is not imposed an unfair burden on such company as a result of such transaction or any express or implied terms, conditions, or understandings applicable thereto.

"(2)(A) For the purpose of paragraph (1)(A) of this subsection, interested persons of a corporate trustee shall be determined in accordance with section 2(a)(19)(B): *Provided*, That no person shall be deemed to be an interested person of a corporate trustee solely by reason of (i) his being a member of its board of directors or advisory board or (ii) his membership in the immediate family of any person specified in clause (i) of this subparagraph.

"(B) For the purpose of paragraph (1)(B) of this subsection, an unfair burden on a registered investment company includes any arrangement, during the two-year period after the date on which any such transaction occurs, whereby the investment adviser or corporate trustee or predecessor or successor investment at advisers or corporate trustee or any interested person of any such adviser or any such corporate trustee receives or is entitled to receive any compensation directly or indirectly (i) from any person in connection with the purchase or sale of securities or other property to, from, or on behalf of such company, other than bona fide ordinary compensation as principal underwriter for such company, or (ii) from such company or its security holders for other than bona fide investment advisory or other services.

"(3) If—

"(A) an assignment of an investment advisory contract with a registered investment company results in a successor investment adviser to such company, or if there is a change in control of or identity of a corporate trustee of a registered investment company, and such adviser or trustee is then an investment adviser or corporate trustee with respect to other assets substantially greater in amount than the amount of assets of such company, or

"(B) as a result of a merger of, or a sale of substantially all the assets by, a registered investment company with or to another registered investment company with assets substantially greater in amount, a transaction occurs which would be subject to paragraph (1)(A) of this subsection.

such discrepancy in size of assets shall be considered by the Commission in determining whether or to what extent an application under section 6(c) for exemption from the provisions of paragraph (1)(A) should be granted.

"(4) Paragraph (1)(A) of this subsection shall not apply to a transaction in which a controlling block of outstanding voting securities of an investment adviser to a registered investment company or of a corporate trustee performing the functions of an investment adviser to a registered investment company is—

"(A) distributed to the public and in which there is, in fact, no change in the identity of the persons who control such investment adviser or corporate trustee, or

"(B) transferred to the investment adviser or the corporate trustee, or an affiliated person or persons of such investment adviser or corporate trustee, or is transferred from the investment adviser or corporate trustee to an affiliated person or persons of the investment adviser or corporate trustee: *Provided*, That (i) each transferee (other than such adviser or trustee) is a natural person and (ii) the transferees (other than such adviser or trustee) owned in the aggregate more than 25 per centum of such voting securities for a period of at least six months prior to such transfer.".

(2) Section 15(c) thereof is amended by adding at the end thereof a new sentence as follows: "It shall be unlawful for the directors of a registered investment company, in connection with their evaluation of the terms of any contract whereby a person undertakes regularly to serve or act as investment adviser of any contract whereby a person undertakes purchase price or other consideration any person may have paid in connection with a transaction of the type referred to in paragraph (1), (3), or (4) of subsection (f).".

(3) Section 16 thereof is amended as follows:

(A) in the first sentence of subsection (b) by striking out "The provisions of subsection (a) of this section" and inserting in lieu thereof "The foregoing provisions of this section";

(B) by redesignating subsection (b) as subsection (c), striking out "this subsection (b)" therein, and inserting in lieu thereof "this subsection (c)"; and

(C) by adding after subsection (a) thereof the following new subsection:

"(b) Any vacancy on the board of directors of a registered investment company which occurs in connection with compliance with section 15(f)(1)(A) and which must be filled by a person who is not an interested person of either party to a transaction subject to section 15(f)(1)(A) shall be filled only by a person (1) who has been selected and proposed for election by a majority of the directors of such company who are not such interested persons, and (2) who has been elected by the holders of the outstanding voting securities of such company, except that in the case of the death, disqualification, or bona fide resignation of a director selected and elected pursuant to clauses (1) and (2) of this subsection (b), the vacancy created thereby may be filled as provided in subsection (a).".

(4) Section 13(b), 15(d), 18(i), and 32(a) thereof are amended by striking out the phrases "subsection (b) of section 16" and "section 16(b)" wherever they occur and inserting in lieu thereof "section 16(c)".

(5) Section 10(e) thereof is amended to read as follows:

"(e) If by reason of the death, disqualification, or bona fide resignation of any director or directors, the requirements of the foregoing provisions of this section or of section 15(f)(1) in respect of directors shall not be met by a registered investment company, the operation of such provision shall be suspended as to such registered company—

"(1) for a period of thirty days if the vacancy or vacancies may be filled by action of the board of directors;

"(2) for a period of sixty days if a vote of stockholders is required to fill the vacancy or vacancies; or

"(3) for such longer period as the Commission may prescribe, by rules and regulations upon its own motion or by order upon application, as not inconsistent with the protection of investors.".

(6) Section 9 thereof is amended by adding at the end thereof the following new subsection:

"(d) For the purposes of subsections (a) through (c) of this section, the term 'investment adviser' includes a corporate or other trustee performing the functions of an investment adviser.".

(7) Section 36 thereof is further amended by adding at the end thereof the following new subsection:

"(d) For the purposes of subsections (a) through (c) of this section, the term 'investment adviser' includes a corporate or other trustee performing the functions of an investment adviser.".

SEC. 29. The Investment Advisers Act of 1940 (15 U.S.C. 80b) is amended as follows:

(1) Subsection (c) of section 203 thereof is amended to read as follows:

"(c)(1) An investment adviser, or any person who presently contemplates becoming an investment adviser, may be registered by filing with the Commission an application for registration in such form and containing such of the following information and documents as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors:

"(A) the name and form of organization under which the investment adviser engages or intends to engage in business; the name of the State or other sovereign power under which such investment adviser is organized; the location of his or its principal business office and branch offices, if any; the names and addresses of his or its partners, officers, directors, and persons performing similar functions or, if such an investment adviser be an individual, of such individual; and the number of his or its employees;

"(B) the education, the business affiliations for the past ten years, and the present business affiliations of such investment adviser and of his or its partners, officers, directors, and persons performing similar functions and of any controlling person thereof;

"(C) the nature of the business of such investment adviser, including the manner of giving advice and rendering analyses or reports;

"(D) a balance sheet certified by an independent public accountant and other financial statements (which shall, as the Commission specifies, be certified);

"(E) the nature and scope of the authority of such investment adviser with respect to clients' funds and accounts;

"(F) the basis or bases upon which such investment adviser is compensated;

"(G) whether such investment adviser, or any person associated with such investment

adviser, is subject to any disqualification which would be a basis for denial, suspension, or revocation of registration of such investment adviser under the provisions of subsection (c) of this section; and

"(H) a statement as to whether the principal business of such investment adviser consists or is to consist of acting as investment adviser and a statement as to whether a substantial part of the business of such investment adviser, consists or is to consist of rendering investment supervisory services.

"(2) Within forty-five days of the date of the filing of such application (or within such longer period as to which the applicant consents) the Commission shall—

"(A) by order grant such registration; or

"(B) institute proceedings to determine whether registration should be denied. Such proceedings shall include notice of the grounds for denial under consideration and opportunity for hearing and shall be concluded within one hundred twenty days of the date of the filing of the application for registration. At the conclusion of such proceedings the Commission, by order, shall grant or deny such registration. The Commission may extend the time for conclusion of such proceedings for up to ninety days if it finds good cause for such extension and publishes its reasons for so finding or for such longer period as to which the applicant consents.

The Commission shall grant such registration if the Commission finds that the requirements of this section are satisfied. The Commission shall deny such registration if it does not make such a finding or if it finds that if the applicant were so registered, its registration would be subject to suspension or revocation under subsection (e) of this section.".

(2) Subsection (e) of section 203 thereof, is amended to read as follows:

"(e) The Commission, by order, shall censure, place limitations on the activities, functions, or operations of, suspend for a period not exceeding twelve months, or revoke the registration of any investment adviser if it finds, on the record after notice and opportunity for hearing, that such censure, placing of limitations, suspension, or revocation is in the public interest and that such investment adviser, or any person associated with such investment adviser, whether prior to or subsequent to becoming so associated—

"(1) has willfully made or caused to be made in any application for registration or report required to be filed with the Commission under this title, or in any proceeding before the Commission with respect to registration, any statement which was at the time and in the light of the circumstances under which it was made false or misleading with respect to any material fact, or has omitted to state in any such application or report any material fact which is required to be stated therein.

"(2) has been convicted within ten years preceding the filing of any application for registration or at any time thereafter of any felony or misdemeanor which the Commission finds—

"(A) involves the purchase or sale of any security, the taking of a false oath, the making of a false report, bribery, perjury, burglary, or conspiracy to commit any such offense;

"(B) arises out of the conduct of the business of a broker, dealer, municipal securities dealer, investment adviser, bank, insurance company, or fiduciary;

"(C) involves the larceny, theft, robbery, extortion, forgery, counterfeiting, fraudulent concealment, embezzlement, fraudulent conversion, or misappropriation of funds or securities; or

"(D) involves the violation of section 152, 1341, 1342, or 1343 or chapter 25 or 47 of title 18, United States Code.

"(3) is permanently or temporarily enjoined by order, judgment, or decree of any court of competent jurisdiction from acting as an investment adviser, underwriter, broker, dealer, or municipal securities dealer, or as an affiliated person or employee of any investment company, bank, or insurance company, or from engaging in or continuing any conduct or practice in connection with any such activity, or in connection with the purchase or sale of any security.

"(4) has willfully violated any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940, this title, or the rules or regulations under any such statutes or any rule of the Municipal Securities Rulemaking Board, or is unable to comply with any such provision.

"(5) has willfully aided, abeted, counseled, commanded, induced, or procured the violation by any other person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940, this title, the rules or regulations under any of such statutes, or the rules of the Municipal Securities Rulemaking Board, or has failed reasonably to supervise, with a view to preventing violations of the provisions of such statutes, rules, and regulations, another person who commits such a violation, if such other person is subject to his supervision. For the purposes of this paragraph (5) no person shall be deemed to have failed reasonably to supervise any person, if—

"(A) there have been established procedures, and a system for applying such procedures, which would reasonably be expected to prevent and detect, insofar as practicable, any such violation by such other person, and

"(B) such person has reasonably discharged the duties and obligations incumbent upon him by reason of such procedures and system without reasonable cause to believe that such procedures and system were not being complied with.

"(6) is subject to an order of the Commission entered pursuant to subsection (f) of this section barring or suspending the right of such person to be associated with an investment adviser which order is in effect with respect to such person.".

(3) Subsection (f) of section 203 thereof is amended to read as follows:

"(f) The Commission, by order, shall censure or place limitations on the activities of any person associated or seeking to become associated with an investment adviser, or suspend for a period not exceeding twelve months or bar any such person from being associated with an investment adviser, if the Commission finds, on the record after notice and opportunity for hearing, that such censure, placing of limitations, suspension, or bar is in the public interest and that such person has committed or omitted any act or omission enumerated in paragraph (1), (4), or (5) of subsection (e) of this section or has been convicted of any offense specified in paragraph (2) of said subsection (e) within ten years of the commencement of the proceedings under this subsection, or is enjoined from any action, conduct, or practice specified in paragraph (3) of said subsection (e). It shall be unlawful for any person as to whom such an order suspending or barring him from being associated with an investment adviser is in effect willfully to become, or to be, associated with an investment adviser without the consent of the Commission, and it shall be unlawful for any investment adviser to permit such a person to become, or remain, a person associated with him without the consent of the Commission, if such investment adviser knew, or in the exercise of reasonable care, should have known, of such order.".

(4) Section 203 thereof is further amended by striking out subsection (g) thereof and redesignating subsections (h) and (i) thereof as subsections (g) and (h), respectively.

(5) Section 204 thereof is amended to read as follows:

"SEC. 204. Every investment adviser who makes use of the mails or of any means or instrumentality of interstate commerce in connection with his or its business as an investment adviser (other than one specifically exempted from registration pursuant to section 203(b) of this title), shall make and keep for prescribed periods such records (as defined in section 3(a)(37) of the Securities Exchange Act of 1934), furnish such copies thereof, and make and disseminate such reports as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors. All records (as so defined) of such investment advisers are subject at any time, or from time to time, to such reasonable periodic, special, or other examinations by representatives of the Commission as the Commission deems necessary or appropriate in the public interest or for the protection of investors.".

SEC. 30. Section 4 of the Securities Act of 1933 (15 U.S.C. 77(d)) is amended by adding at the end thereof the following new paragraph:

"(5)(A) Transactions involving offers or sales of one or more promissory notes directly secured by a first lien on a single parcel of real estate upon which is located a dwelling or other residential or commercial structure, and participation interests in such notes—

"(i) when such securities are originated by a savings and loan association, savings bank, commercial bank, or similar banking institution which is supervised and examined by a Federal or State authority, and are offered and sold subject to the following conditions:

"(a) the minimum aggregate sales price per purchaser shall not be less than $250,000;

"(b) the purchaser shall pay cash either at the time of the sale or within sixty days thereof; and

"(c) each purchaser shall buy for his own account only; or

"(ii) where such securities are originated by a mortgagee approved by the Secretary of Housing and Urban Development pursuant to sections 203 and 211 of the National Housing Act and are offered or sold subject to the three conditions specified in subparagraph (A)(i) to any institution described in such subparagraph or to any insurance company subject to the supervision of the insurance commissioner, or any agency or officer performing like function, of any State or territory of the United States or the District of Columbia, or the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, or the Government National Mortgage Association.

"(B) Transactions between any of the entities described in subparagraph (A)(i) or (A)(ii) hereof involving non-assignable contracts to buy or sell the foregoing securities which are to be completed within two years, where the seller of the foregoing securities pursuant to any such contract is one of the parties described in subparagraph (A)(i) or (A)(ii) who may originate such securities and the purchaser of such securities pursuant to any such contract is any institution described in subparagraph (A)(i) or any insurance company described in subparagraph (A)(ii), the Federal Home Loan Mortgage Corporation, Federal National Mortgage

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Association, or the Government National Mortgage Association and where the foregoing securities are subject to the three conditions for sale set forth in subparagraphs (A)(1)(a) through (c).

"(C) The exemption provided by subparagraphs (A) and (B) hereof shall not apply to resales of the securities acquired pursuant thereto, unless each of the conditions for sale contained in subparagraphs (A)(1) (a) through (c) are satisfied.".

SEC. 31. (a) This Act shall become effective on the date of its enactment except as hereinafter provided. The amendments made by this Act to sections 3(a)(12), 6(a) through (d), 11A(b), 15(a), 15A, 15B(a), 17A (b) and (c), and 19(g) of the Securities Exchange Act of 1934 shall become effective one hundred eighty days after the date of enactment of this Act, and the amendments made by this Act to section 31 of the Securities Exchange Act of 1934 shall become effective on January 1, 1976. Neither the provisions of section 3(a)(3), 6(b)(2), or 6(c)(1) of the Securities Exchange Act of 1934 (as amended by this Act) nor any rule or regulation thereunder shall apply so as to deprive any person of membership in any national securities exchange (or its successor) of which such person was, on the date of enactment of this Act, a member or a member firm as defined in the constitution of such exchange, or so as to deny membership in any such exchange (or its successor) to any natural person who is or becomes associated with such member or member firm.

(b) If it appears to the Commission at any time within one year of the effective date of any amendment made by this Act to the Securities Exchange Act of 1934, that the organization or rules of any national securities exchange or registered securities association registered with the Commission on the date of enactment of this Act do not comply with such Act as amended, the Commission shall so notify such exchange or association in writing, specifying the respects in which the exchange or associations is not in compliance with such Act. On and after the one hundred eightieth day following the date of receipt of such notice by a national securities exchange or registered securities association, the Commission, without regard to the provisions of section 19(h) of the Securities Exchange Act of 1934, as amended by this Act, is authorized by order, to suspend the registration of any such exchange or association or impose limitations on the activities, functions, and operations of any such exchange or association, if the Commission finds, after notice and opportunity for hearing, that the organization or rules of such exchange or association do not comply with such Act. Any such suspension or limitation shall continue in effect until the Commission, by order, declares that such exchange or association is in compliance with such requirements.

And the House agree to the same

That the Senate recede from its disagreement to the amendment of the House to the title of the Senate bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the amendment of the House to the title of the Senate bill, insert the following: "An Act to amend the Securities Exchange Act of 1934 to remove barriers to competition, to foster the development of a national securities market system and a national clearance and settlement system, to make uniform the Securities and Exchange Commission's authority over self-regulatory oragnizations, to provide for the regulation of brokers, dealers and banks trading in municipal securities, to facilitate the collection and public dissemination of information concerning the holdings of and transactions in securities by institutional investment managers, and for other purposes."

And the House agrees to the same.

HARLEY O. STAGGERS,
JOHN E. MOSS,
LIONEL VAN DEERLIN,
W. S. (BILL) STUCKEY, Jr.,
BOB ECKHARDT,
JAMES T. BROYHILL,
JOHN Y. MCCOLLISTER,
Managers on the Part of the House.

WILLIAM PROXMIRE,
HARRISON A. WILLIAMS, Jr.,
THOMAS J. MCINTYRE,
JOHN TOWER,
EDWARD W. BROOKE,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and Senate at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 249) to amend the Securities Exchange Act of 1934, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment to the text of the bill struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

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INTRODUCTION

The securities markets of the United States are an important national asset. Under the system of Federal regulation established in the 1930s, these markets have flourished. They have provided a means for millions of Americans to share in the profits of our free enterprise system and have facilitated the raising of capital by new and growing businesses.

Growth and sucess, however, have brought problems in the wake. Unfortunately, the statutory and regulatory structure has not kept up with economic and technological changes or with shifts in public investment patterns. The results have been operational breakdowns and economic distortions which have impaired public confidence in the securities markets and have at times posed threats to the viability of our entire equity investment system.

Against this background, four years ago the Congress began the most searching reexamination of the competitive, statutory, and economic issues facing the securities markets, the securities industry, and, of course, public investors, since the 1930's. This legislation is the culmination of that effort. As such, it is designed to remedy past problems and regulatory and self-regulatory deficiencies. It is perhaps more important, in the conferee's view, that this legislation insure investors—both in this country and abroad—that our securities markets will remain vigorous and efficient in the years ahead.

The securities markets of the United States are indispensable to the growth and health of this country's and the world's economy. In order to raise the enormous sums of investment capital that will be needed in the years ahead and to assure that that capital is properly allocated among competing uses, these markets must continue to operate fairly and efficiently. The increasing tempo and magnitude of the changes that are occurring in our domestic and international economy make it clear that the securities markets are due to be tested as never before. Unless these markets adapt and respond to the demands placed upon them, there is a danger that America will lose ground as an international financial center and that the economic, financial and commercial interests of the Nation will suffer.

The rapid attainment of a national market system as envisaged by this bill is important, therefore, not simply to provide greater investor protection and bolster sagging investor confidence but also to assure that the country maintains a strong, effective and efficient capital raising and capital allocating system in the years ahead.

The basic goals of the Exchange Act remain salutatory and unchallenged: To provide fair and honest mechanisms for the pricing of securities, to assure that dealing in securities is fair and without undue preferences or advantages among investors, to ensure that securities can be purchased and sold at economically efficient transaction costs, and to provide, to the maximum degree practicable, markets that are open and orderly. This bill is an important step in assuring that the securities markets and the regulation of the securities industry remain strong and capable of fostering these fundamental goals under changing economic and technological conditions.

A NATIONAL MARKET SYSTEM FOR SECURITIES

1. Objectives of a national market system and SEC authority

After setting forth Congressional findings concerning the importance of establishing a national market system for trading qualified securities, both the Senate bill and the House amendment required the Commission to take affirmative action toward the creation of such a system.

The House amendment directed the Commission to establish a national market system for transactions in securities and, further, prescribed the basic elements of the system. These elements included a transactional reporting system, a composite quotation system, and a system of rules and regulations designed to provide fair competition between competitors within the system.

The Senate bill did not direct the Commission to create the national market system. Instead, it directed the Commission to facilitate the establishment of the system in accordance with enumerated Congressional findings and objectives. The Senate bill relied on an approach designed to provide maximum flexibility to the Commission and the securities industry in giving specific content to the general concept of the national market system.

The conference substitute adopts with minor revisions, the provisions of the Senate bill. It is the intent of the conferees that the national market system evolve through the interplay of competitive forces as unnecessary regulatory restrictions are removed. The conferees expect, however, in those situations where competition may not be sufficient, such as the creation of a composite quotation system or a consolidated transactional reporting system, the Commission will use the powers granted to it in this bill to act promptly and effectively to insure that the essential mechanisms of an integrated secondary trading system are put into place as rapidly as possible.

The House amendment directed the SEC to prescribe rules providing for the fair and reasonable allocation of the costs associated with the development and operation of a national market system. The Senate bill contained no comparable provision. The House receded to the Senate, since it was generally felt by the conferees that the provisions of the conference substitute providing for the equitable allocation of dues, fees, and other charges levied by self-regulatory organizations would adequately resolve this matter.

The Senate bill specifically referred to the possibility of subsystems within the national market system. The conferees determined that such reference is desirable. Although the studies and hearings on which the bills are based were concerned almost exclusively with common stocks, it is the intention of both Houses that all securities other than exempted securities be eligible to qualify for trading in the national market system. The unique characteristics of other securities, however, may require treatment different from that for listed common stocks. For example, it has not been determined whether a transactional reporting system is appropriate for debt securities. Accordingly, the Commission should have the flexibility of establishing subsystems within the national market system which are tailored to the characteristics of the particular types of securities which are to be traded in each subsystem.

2. Communication among and dissemination of information about securities markets

Since communications systems, particularly those designed to provide automated dissemination of last sale and quotation information with respect to securities, will form the heart of the national market system, they were addressed in each of the bills in conference. In both the Senate bill and House amendment, the SEC was given pervasive rulemaking power to regulate securities communications systems, e.g., securities information processors, thus bringing directly under the SEC's jurisdiction all organizations engaged in the business of collecting, processing, or publishing information relating to quotations for and transactions in securities.

The Senate bill required securities information processors which act as exclusive processors to register with the Commission and provided the Commission with the authority to require the registration of other categories of securities information processors. The reference to exclusive processors did not constitute a mandate for a single securities information processor at any stage in the processing of quotation or transactional data, but merely recognized that where a self-regulatory organization or organizations utilize an exclusive processor, that processor takes on certain of the characteristics of a public utility and should be regulated accordingly.

The Senate bill gave the SEC administrative authority to regulate and oversee the activities of registered securities information processors. For example, the Commission was authorized to censure or place limitations on the activities, functions, or operations of any registered securities information processor, or to suspend or revoke its registration for violations of the Securities Exchange Act or the rules or regulations there under. In addition, the Commission was authorized to review and set aside any exclusionary action by a registered securities information processor. The House amendment contained no comparable provisions. The House receded to the Senate.

Finally, the Senate bill and the House amendment required the Commission to assure that equal regulation, within the national market system, is achieved. Under the House amendment, the Commission was directed to promulgate rules and regulations applicable to specialists, market makers and certain other dealers who perform similar functions to assure that competition occurs within the context of equal regulatory requirements. Equal regulation was defined in competitive terms and would have been applicable only to dealers.

The Senate bill also defined "equal regulation" in competitive terms, but made it applicable generally to the regulation of the trading markets and the conduct of the securities industry. Equal regulation was applied in broader areas in the Senate bill, directing the Commission to assure equal regulation not only of dealers, but also of all markets for qualified securities, exchange members, and brokers. The Senate provision was agreed upon in conference with a modification to make clear that it is the Commission, subject to appropriate judicial review, that is to decide whether any regulatory disparity is not necessary or appropriate in furtherance of the purposes of the Exchange Act. The conferees expect the Commission will act in these areas in an expeditious manner to remove unjustified disparities in regulation as may result in unfair competitive advantages.

3. Elimination of unnecessary regulatory restrictions

Both the Senate bill and the House amendment contained provisions directing the elimination of restrictive rules and practices which prohibit brokers from searching out the best price for their customers or which limit or impede market making activities as inconsistent with the development of a national market system.

With respect to exchange rules which limit or condition a member's ability to transact business on any other exchange or otherwise than on an exchange, the House bill specifically required their elimination after September 1, 1975, unless specifically reviewed and approved by the Commission. Upon review of such rules, the Commission would be required to find that (1) any limitation or condition imposed on the ability of an exchange or association member to select among competing markets was consistent with such member's agency obligation to his customer and (2) the restriction was otherwise necessary to accomplish the purposes of the Exchange Act.

The Senate bill did not attempt to eliminate specific enumerated barriers to competition. Rather, the Senate bill charged the SEC with an explicit and pervasive obligation to eliminate all present and future competitive restraints that could not be justified by the purposes of the Exchange Act. The Commission was directed to remove existing burdens on competition and to refrain from imposing, or permitting to be imposed, any new regulatory burden "not necessary or appropriate in furtherance of the purposes" of the Exchange Act. Thus, the Commission was obligated to review existing and proposed rules of the self-regulatory organizations and to abrogate any present rule, or to disapprove any proposed rule imposing a competitive restraint neither necessary nor appropriate in furtherance of a legitimate regulatory objective. Similarly, the Commission was empowered to review disciplinary actions of the self-regulatory organizations and to set aside any such action it found to impose a burden on competition determined by the Commission to be neither necessary nor appropriate in furtherance of the purposes of the Exchange Act. Further, the Commission was required to evaluate its own regulatory proposals in light of the fundamental national economic policy of furthering competition and was prohibited from promulgating any rule which imposed a burden on competition not necessary or appropriate to achieve the purposes of the Exchange Act. The Commission's responsibility under the Senate bill is to balance the perceived anticompetitive effects of a regulatory policy or decision (whether its own or that of a self-regulatory organization) against the purposes of the Exchange Act that are advanced thereby and the costs of doing so.

The conference substitute accepts the Senate provisions with respect to competitive standards. A specific provision is added, however, concerning exchange rules which limit or condition the ability of members to effect transactions in securities otherwise than on such exchanges. The Commission is directed to review such rules de novo in light of the specific competitive standards added by the Securities Acts Amendments of 1975 and, on or before the 90th day following the date of enactment of the Securities Acts Amendments of 1975, to (1) report to the Congress the results of its review, including the effects on competition of such rules, and (2) commence a proceeding if such rules do not meet the requirements in accordance with the provisions of new section 19(c) of the Exchange Act. Such proceeding must be concluded within 90 days of the date of its commencement. Should there be an appeal from any rule is-

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sued by the Commission at the conclusion of such proceeding, the court of appeals is directed tt expedite any such appeal.

4. Regulation of market makers

The Senate bill amended section 11(b) of the Exchange Act, concerning the Commission's broad powers over exchange specialists, to delete the existing negative obligation on specialist trading. The amendments to section 11(b) also made clear that the Commission may limit the activity of a specialist to that of a broker or dealer. The House amendment contained no comparable provisions. The House agreed to the Senate provisions.

The Senate bill and the House amendment both give the Commission authority to regulate the activities of market makers other than specialists. The Senate bill in addition gave the Commission the authority to prohibit a securities firm from acting as both broker and dealer in the same security. The House agreed to the Senate provision.

5. Unlisted trading privileges

The Senate bill contained provisions permitting an exchange to commence trading in securities which are not listed on any exchange. Standards are provided to guide the Commission in considering applications for the extension of so-called unlisted trading privileges, including the public trading activity in the security, the impact on the extension on the existing markets for the security and on competition, and the progress that has been made toward the development of a national market system. The House amendment contained no comparable provisions. The House accepted the Senate provision with an amendment to make clear that unlisted trading privileges may not be granted if the effect would be to restrict rather than to increase competition

6. Third market trading

The Senate bill and House amendment contained provisions augmenting the Commission's general rulemaking powers to deal with any serious disruptions in the markets for listed securities caused by the trading of such securities otherwise than on a national securities exchange, e.g., in the third market. These provisions are generally referred to as "failsafe powers," reflecting the expectation that they are provisions which may only be used as regulatory powers of last resort.

The Senate bill directed the SEC to take all steps within its power to correct any adverse effect on the fairness or orderliness of the markets for listed securities caused by third market trading. The SEC was further authorized, after a hearing at which interested persons are provided the opportunity to make oral presentations, and upon prescribed findings, to confine trading in listed securities to national securities exchanges. The findings were first, that no rule of any exchange (other than an exchange rule fairly and reasonably prescribing the sequence for the execution of orders or adopted pursuant to a Commission rule under the Exchange Act) unreasonably impaired the ability of any dealer to solicit or effect transactions for his own account; and second, that no exchange rule unreasonably restricted competition among dealers generally or between any class of dealers and registered specialists.

Under the House amendment, the SEC's authority included the ability to prohibit any broker or dealer from purchasing or selling any listed security on a national securities exchange or otherwise than on a national securities exchange. In addition, the House amendment required the Commission to exercise its authority on the record, thus requiring the Commission to afford a full opportunity for cross examination and the presentation of evidence. Furthermore, the Commission would have had to find that (1) existing Commission rules are not sufficient to assure the protection of investors and the maintenance of a fair and orderly market and (2) the protection of investors and the maintenance of a fair and orderly market may not be assured through other lawful means.

The conference substitute reflects a blending of the provisions of the Senate bill and the House amendment. Thus, the Commission would be authorized to act only after an "on the record" proceeding as provided in the House amendment. The Commission's authority, however, would extend only to trading otherwise than on an exchange, as provided in the Senate bill. And in order to exercise its authority, the Commission would be required to make the findings contained in both the Senate bill and the House amendment.

7. Governance of the national market system

The Senate bill expressly authorized the Commission to (1) create advisory committees pursuant to the Federal Advisory Committee Act to assist it in carrying out its mandate to establish a national market system, (2) authorize or require self-regulatory organizations to act jointly in planning, developing, operating or regulating the national market system or facilities of that system, and (3) study the need to modify the scheme of self-regulation. The House amendment did not contain similar general provisions authorizing the formation of advisory committee. The House agreed to the Senate provisions.

The Senate bill also authorized the establishment of a new self-regulatory organization, the National Market System Council, and prescribed the composition of the Council, as well as its authority to develop and govern the national market system.

The House amendment did not establish or authorize the establishment of a new governing body. The Commission was authorized and directed, however, to appoint a fifteen-member advisory committee, called the National Market Board to perform three functions with respect to the national market system. The Board would have been empowered to (1) advise the Commission as to the development of the national market system; (2) furnish the Commission with its views on significant regulatory proposals filed with the SEC by national securities exchanges and registered securities associations; and (3) conduct a feasibility study of the need for a new self-regulatory body, entitled a National Market Regulatory Board, to administer the national market system, and report to the Congress its recommendations. The Commission was authorized to allocate the Board up to $300,000 for this purpose.

The Senate receded to the House on the establishment of a new self-regulatory organization and accepted the House provisions on the National Market Board with two amendments. First, the $300,000 authorization is eliminated. The Commission has in the past had the benefit of a number of advisory committees and none has had specific budget authorizations. Since the National Market Board will act in an advisory capacity, the conferees saw no reason for a separate budget authorization for this Board. The Commission may make available to the advisory committee such of its staff as it deems appropriate.

Second, the provision that the Board may have a majority of its members from the securities industry was amended to provide that a majority shall be from that industry. The provision specifically requires geographic dispersion among the appointees to the Board. In addition, the conferees expect that in making appointments the Commission will select persons from different segments of the industry.

In choosing nonindustry members to the Board, the conferees again expect adequate representation to be given, to the maximum extent practicable, to investors, both small and large, issuers, vendors, and other persons who will be affected by the national market system.

SELF-REGULATION AND SEC OVERSIGHT

1. Concept of exchange membership

Both the Senate bill and the House amendment required exchanges to admit to membership any registered broker or dealer meeting applicable capital and competency requirements. However, the authority of an exchange to continue to limit the number of its members was treated in different ways.

The Senate bill expressly authorized exchanges, by rule, to limit the number of its members, subject to the SEC's ability to abrogate or amend any such limitation as it deemed necessary or appropriate in the public interest, for the protection of investors, to insure the fair administration of the exchange or otherwise in furtherance of the purposes of the Exchange Act.

The House amendment expressly prohibited exchanges from limiting the number of memberships, thus requiring "open membership". The House amendment provided that with respect to exchanges registered with the Commission on the date of enactment of the bill, the open membership provisions would not take effect until January 1, 1978, or one year later if the Commission found that the provisions could not be equitably and reasonably implemented by the earlier date. The Commission was required to notify the Congress no later than June 30, 1977, whether those provisions could be equitably and reasonably implemented by January 1, 1978.

The substitute agreed to in conference gives qualified authority to a national securities exchange to limit both the number of members in absolute terms and the number of persons who may directly use its facilities without the services of another person acting as broker, subject to the following conditions. First, exchanges would not be permitted to decrease the number of members or the number of members and designated representatives permitted to effect transactions on the floor below the number in effect on May 1, 1975, or the date of its registration, whichever is later.

Second, in accordance with the Commission's authority to amend any rule of a national securities exchange, the conference substitute expressly empowers the SEC to require an exchange to increase (but not to decrease) the number of its members and the number of members and designated representatives permitted on the floor or to remove entirely any limitations in the event it determines that such provisions impose burdens on competition not necessary or appropriate in furtherance of the purposes of the Exchange Act.

2. Public representatives on the board of directors

Both the Senate bill and the House amendment made substantial changes in the provisions of the Exchange Act dealing with the registration, regulation and responsibilities of national securities exchanges and registered securities associations. Among its provisions, the House amendment required that the board of directors of exchanges and associations include public representatives and further required an exchange or association to appropriate for the use of the public representatives reasonable sums to employ staff independent of the staff of the exchange or association. The Senate bill left these matters to the discretion of the exchange or association.

The Senate receded to the House with an amendment that the board of directors of an exchange or association must contain at least one individual who is not a broker, dealer, member, or person associated with a broker, a dealer, or member. There is no requirement, however, as in the House amendment, for exchanges and associations to provide reasonable funds for a separate staff for such public representatives.

The conferees are aware that some exchanges, notably the New York and American Stock Exchanges, have structured their boards to balance their industry representatives with public governors. The conferees do not by their decision to require only one or more public representatives or exchange boards, repudiate a balanced board concept, nor do the conferees suggest that existing exchanges should reduce the number of such governors for which provision has already been made.

3. Criteria for registration of securities associations

Since 1938, the Exchange Act has provided for the registration of more than one national securities association. To date, only one such association—the National Association of Securities Dealers, Inc.—has registered with the SEC.

The House amendment changed existing law by eliminating the provisions of the Exchange Act authorizing the Commission to approve the registration of an association which is formed to regulate brokers and dealers in engaging in a particular type of business or located in a particular geographic area. The Senate bill made no such change.

Under the conference substitute, a registered securities association would be permitted to deny membership to registered brokers and dealers who are not engaged in particular types of business specified in the association's rules. An association would be prohibited, however, from denying membership to a registered broker and dealer by reason of his being engaged in other lines of business not specified in the rules of the association or because of any mixture of specified and nonspecified business. Thus, the substitue has the advantage of permitting specialized associations of brokers and dealers to be formed and registered with the SEC, but assures that eligibility for membership will not be determined in an arbitrary or discriminatory manner. If such a specialized association is formed, the conferees believe the SEC has ample authority under amended Section 17(d) and 19(g)(2) and elsewhere to tailor the association's statutory responsibilities to its specialized objectives.

4. Commission review of proposed rule changes by self-regulatory organizations

Both the Senate bill and the House amendment revised the procedures in the Exchange Act applicable to Commission review of proposed rule changes by self-regulatory organizations.

The Senate bill required the Commission, within thirty-five days of the date of publication of notice of a filing of a proposed self-regulatory rule change, or within a longer period of up to ninety days or for any other period to which a self-regulatory organization consented, either to approve the proposed rule change upon prescribed standards or institute further specified administrative proceedings. Such further proceedings must have been concluded and the proposed rule change approved or disapproved within one hundred and eighty days, although extensions of this period are permitted. Finally, no proposed rule change could have been approved within less than thirty days following publication of notice, unless the Commission found good cause and published its reasons.

Under the Senate bill, no proposed self-regulatory rule change could have become effective without prior SEC approval. However, certain self-regulatory rule changes were expressly permitted to take effect upon filing with the Commission if they (1) constituted a stated policy, practice or interpretation with respect to an existing rule, (2) established or changed a fee or other charge composed by the self-regulatory organization, or (3) applied solely to the administration of the organization, or other matters which the Commission determined to be consistent with the public interest. Finally, the Senate bill authorized the Commission to declare proposed self-regulatory rule changes effective summarily if such action is determined to be necessary for the protection of investors or the maintenance of fair and orderly markets.

Affirmative Commission action with respect to proposed self-regulatory changes was not required under the House amendment. Rather, the House amendment permitted proposed rule changes to become effective automatically on the forty-fifth day following publication of notice by the Commission, unless the Commission, by order, disapproved such proposal as inconsistent with the purposes of the Exchange Act or otherwise inconsistent with the public interest. In addition, the Commission was authorized to extend the public comment period for up to one hundred and thirty days. The Commission was authorized to exempt from the public comment requirement (but not from the public notice requirement) and to accelerate the effectiveness of any proposed rule change, or any class thereof, on specified findings. Proposed rule changes which became effective upon filing with the Commission included only stated policies and practices relating to organization, membership and procedures.

The House receded to the Senate in these matters.

5. Judicial review

Both the House amendment and Senate bills provided special procedures for direct review of certain Commission actions in the Federal courts of appeal. The judicial review provisions of the Senate bill applied to Commission rules promulgated under specific sections of the Exchange Act which related to the operation or regulation of the national market system, a national clearing system, or the SEC's oversight of the self-regulatory organizations. The House amendment made direct court of appeal review procedure available only in circumstances where the Commission abrogated, altered or supplemented the rules of a self-regulatory organization. The House agreed to the Senate provision.

The Senate bill required a petition for court of appeals review to be filed within 60 days of the time the Commission promulgated the rule for which review is sought. The House amendment required the petition to be filed within 120 days. The House receded to the Senate. It is clear under the provision agreed to that after the prescribed time period right to judicial review would continue to be governed as they are at present by the Administrative Procedure Act or any other available legal remedies.

In expanding the scope of direct judicial review of SEC decisions, the conferees are cognizant of the potential conflict with collateral antitrust attacks on actions by self-regulatory organizations. For example, a self-regulatory organization's rule, after approval by the SEC, is reviewable in a court of appeals under the standard of the Exchange Act, i.e., whether it imposes a burden on competition which is neither necessary nor appropriate in furtherance of the purposes of the Exchange Act. The Court in such a case would be required to assess the justification for the balance the Commission has struck between the perceived anticompetitive effects of the regulatory policy at issue and the purposes of the Exchange Act that would be advanced thereby and the costs of doing so. The same self-regulatory rule, however, could also be challenged in a federal district court under the antitrust laws where a somewhat different standard might be applied.

The conferees are confident that the courts can avoid actual conflicts by a flexible use of existing precedents. The Congress will watch closely the implementation of these statutory provisions by the courts, and in particular will await the decision of the Supreme Court in *Gordon* v. *New York Stock Exchange* which involves the relationship of self-regulatory actions to the antitrust laws. If the courts cannot appropriately reconcile regulatory and competitive factors in the stock markets under current procedures, then the Congress will certainly undertake the consideration of further legislation on this subject.

REGULATION OF THE MUNICIPAL SECURITIES INDUSTRY; MUNICIPAL SECURITIES RULEMAKING BOARD

The Senate bill extended the basic coverage of the Securities Exchange Act of 1934 to provide a comprehensive pattern for the registration and regulation of securities firms and banks which underwrite and trade securities issued by states and municipalities. Municipal securities dealers were required to register with the Commission and comply with rules concerning just and equitable principles of trade and other matters prescribed by a new self-regulatory organization, the Municipal Securities Rulemaking Board, established by the bill and delegated responsibility for formulating rules relating to the activities of all municipal securities dealers. The exemption for issuers of municipal securities from the basic regulatory requirements of the Federal securities laws was continued.

The House amendment contained no similar provision. The House receded to the Senate with an amendment enlarging the size of the Municipal Securities Rulemaking Board from nine members, as provided in the Senate bill, to fifteen. Changes in the procedures for the registration of municipal securities dealers were also made to conform to the broker and dealer registration provisions contained in the House amendment to which the Senate receded.

Under the provisions of the conference substitute, relating to brokers and dealers trading exclusively in municipal securities would for the first time be required to register under section 15 of the Exchange Act. Unless their business is exclusively intrastate, brokers and dealers as opposed to banks, must register under section 15 rather than in section 15(B). As a result of their registration, such firms will automatically become members of the Securities Investor Protection Corporation ("SIPC") and subject to SIPC assessments. The conferees believe such firms should come under SIPC for two basic reasons. First, the fundamental policy underlying the Securities Investor Protection Act is that all members of the securities industry should contribute to the fund protecting public customers. Indeed, firms doing an exclusively municipal business generally carry accounts of public customers and such customers are subject to the same risks as are customers dealing in other types of securities. Second, the SIPC assessment leveled against brokers and dealers conducting a general securities business is calculated on the basis of their total business, including their dealings in municipal securities. To exempt firms doing an exclusively municipal business from SIPC would give such firms an unjustifiable competitive advantage over other firms.

The conferees are aware that the entire question of who should be subject to SIPC assessments will be raised in connection with consideration of the Securities Investor Protection Act Amendments of 1975. At that time, it will be appropriate to consider the justification for the existing exceptions as well as whether it is appropriate to provide new exemptions for firms doing limited types of securities business.

SEC ENFORCEMENT POWERS

1. SEC injunctive actions

Section 21(e) of the Exchange Act authorize the SEC to seek injunctive relief in the

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Federal courts in appropriate cases to protect the public interest from securities laws violations. This section was amended by the Senate bill in several respects, two of which require special mention. Section 21(e) was amended (i) by adding the words "has engaged" to the present statutory language "is engaged or is about to engage in * * * a violation," and (ii) by changing the present statutory phrase "proper" showing to *"such"* showing. The House amendment contained no similar provision.

The conference substitute does not make the noted Senate proposed changes in existing law. The Senate language is dropped without prejudice, the conferees believing that existing law does not require clarification in these respects.

2. Consolidation of SEC enforcement actions

Both the Senate bill and House amendment contained provisions exempting SEC enforcement actions from the multidistrict panel provisions of section 1407 of title 28, United States Code. The House amendment, and the conference substitute, refer to enforcement actions "for equitable relief".

CLEARING AGENCIES, SECURITIES DEPOSITORIES, AND TRANSFER AGENTS

1. General provisions

The Senate bill and the House amendment amended the Securities Exchange Act to establish a system for effective regulation and centralized decisionmaking extending to every facet of the securities handling process in the United States—clearing agencies, securities depositories, corporate issuers, and transfer agents.

To assure the development of a modern, nationwide system for the safe and efficient handling of securities transactions in a manner which best serves the financial community and the investing public, the Senate bill and the House amendment directed the Commission to facilitate the establishment of the system and centralized in the Commission the authority and responsibility to regulate, coordinate and direct the operations of all persons involved in the securities handling process.

A central difference between the Senate bill and the House amendment concerned the authority and the responsibility of the bank regulatory agencies. Although each bill established a basic regulatory pattern in which the Commission had general rulemaking and policy oversight responsibility for all clearing agencies and transfer agents, the bills differed in allocating authority and responsibility to the Federal bank agencies.

The House receded to the Senate in these areas with the following two amendments.

First, with respect to the allocation of examination and inspection authority, the Senate billl limited the Commission's authority to examine entities for which it is not the appropriate regulatory agency, i.e., which are banks, in accordance with specified conditions. Examination by the Commission (other than pursuant to section 21 of the Exchange Act) of registered bank clearing agencies was permitted only if the Commission found that the examination was germane to an application for registration of a proposed rule change, or the promulgating of a Commission rule, and necessary or appropriate for the proper performance of the Commission's responsibilities under this title. Examinations were limited to matters pertinent to such application, rule change or rulemaking. The conference substitute deletes the enumeration of circumstances in which the SEC may conduct such examinations. Primary responsibility for the conduct of such examinations would continue to rest with the appropriate bank regulatory agency. The conference substitute retains the provisions of the Senate bill which would, however, require the Commission to give prior notice to and consult with the appropriate regulatory agency concerning the feasibility and desirability of coordinating, to the maximum extent practicable, any Commission examination with any examination, proposed or planned, by the bank agency.

Second, with respect to the establishment of recordkeeping and reporting requirements for transfer agents organized as banks, or their subsidiaries, the Senate bill authorized the appropriate regulatory agencies to set the standards. The authority to set minimum reporting and recordkeeping standards for all other transfer agents vested with the Commission. The House amendment authorized the bank regulatory agencies to impose recordkeeping requirements for bank transfer agents which are in addition to those required by the SEC, provided the authority is exercised in a manner consistent with the rules of the Commission.

The conference substitute makes clear that both the Commission and the bank regulatory agencies would have authority to prescribe rules with respect to the maintenance of books and records and the making and dissemination of reports by transfer agents which are banks.

2. Lost, stolen, and counterfeit securities

The Senate bill and the House amendment contained provisions authorizing the Commission to require all persons involved in the handling of securities transactions to (1) report information about missing, lost, counterfeit or stolen securities, (2) authenticate securities used in certain financial transactions, and (3) be fingerprinted and to submit such fingerprints to the Attorney General of the United States for identification and appropriate processing.

The requirement in the Senate bill applied to any insured bank or member of the Federal Reserve System. The House amendment contains no comparable provision. The House receded to the Senate.

The Senate bill expressly authorized the Commission to enter into an agreement to use the facilities of the National Crime Information Center to receive, store and disseminate information about missing, lost, counterfeit, or stolen securities and directed the Commission to encourage the insurance industry to require their insured to report promptly instances of missing, lost, counterfeit or stolen securities. The House amendment contained no comparable provisions. The House receded to the Senate.

In exercising its rulemaking authority with respect to the duty to inquire as to lost, stolen or counterfeit securities, the Commission is expected to focus on those instances where the circumstances are or appear to be suspicious and where, in the exercise of good judgment, appropriate inquiry should be made. The Commission should carefully weigh the benefits of mandating inquiry in any specific situation against the costs and effect on efficient business practices and take into consideration the need to avoid requirements which may affect the legal status of a bona fide purchaser in a manner which would unjustifiably disrupt the course of normal commercial transactions.

With respect to Section 17(f)(4), the conferees expect that the Commission will carefully consider the appropriateness of delegating its authority under the subsection to the bank regulatory agencies. The objective of the paragraph is to assure that the maintenance of records with respect to lost and stolen securities and fingerprints is kept in the most efficient and effective manner, and, as may be consistent with this overall objective, the conferees believe that the Commission should consider whether banks should be required to make their filings with their normal regulatory agencies.

3. Commission authority to prescribe minimum training, experience, and competence standards for all registered brokers and dealers

The House amendment granted the Commission the authority to prescribe uniform standarda for persons engaged in the securities industry, and to require partners, officers and supervisory employees, or specified classes thereof, to pass examinations including questions relating to bookkeeping, accounting, internal control over cash and securities, proper supervision of employees, proper maintenance of records, and other similar matters.

The Senate bill contained no comparable provision. The Senate receded to the House.

4. Financial statements of brokers and dealers

The Senate bill contained a provision authorizing the Commission, by rule, to prescribe the form and content of financial statements filed pursuant to the Exchange Act and the principles and standards to be used in the preparation of such statements. The House amendment also gave the Commission rulemaking authority to prescribe uniformity in accounting procedures and systems for brokers and dealers. The conference substitute adopts the Senate formulation, which encompasses the uniform system of account authority found in the House amendment.

Section 11(a) prohibits an exchange member from effecting any transaction for the account of an associated person. Accordingly, a member firm would be prohibited from effecting any transaction for the account of a parent or sister corporation, regardless of the economic interests of the parent or sister corporation in the account. For example, a parent of a member firm would be prohibited from maintaining an omnibus account with the member even though it effects through that account only trades for public customers. The conferees believe, however, that members' trading for accounts of associated persons may under proper circumstances be consistent with the purposes of this section if such persons have no economic interest in such accounts. The SEC therefore should give careful consideration to granting an exemption from the blanket prohibition of section 11(a) to members' trading for all accounts carried in the name of an associated person but in which no associated person has an economic interest and over which no associated person exercises investment discretion.

In addition, while both the Senate bill and the House amendment exempted affiliated individual accounts from the provisions requiring the separation of money management and brokerage, the House amendment authorized the SEC to exempt from the general prohibition transactions by a member for a managed account of a person (other than an affiliate) with respect to which a member or an affiliated person performed only certain enumerated functions and which are effected pursuant to standards prescribed by the SEC to assure that the transactions are reviewed by a person with investment experience who is not an affiliate of the member. The Senate bill contained no comparable exemption. The House receded to the Senate.

REGULATION OF TRADING BY MEMBERS OF A NATIONAL SECURITIES EXCHANGE

The Senate bill and the House amendment contained provisions regulating trading by members of national securities exchanges. Each prohibited members of national securities exchanges from effecting transactions on their respective exchanges for their own accounts, the account of any affiliated or associated person, or for a managed account.

In several respects, however, the approach of the Senate bill and House amendment differed in providing exceptions from the foregoing general prohibitions on members' trading. The Senate bill contained a provision which specifically exempted proprietary exchange transactions effected by a member. The House amendment contained no comparable exemption for proprietary accounts.

The conference substitute provides that an exchange member primarily engaged in the securities business and related activities, as defined in section 3(c)(2) of the Investment Company Act of 1940, may continue to effect transactions on the exchange for its own account subject to such rules as the SEC may prescribe to assure that, as a minimum, members' trading is not inconsistent with the maintenance of fair and orderly markets and yields priority, parity and precedence to transactions for public customers.

While these new provisions would give the Commission authority to regulate or prohibit transactions by members which are in addition to those banned under the statute the Commission would not have the authority to prohibit any transaction on any national securities exchange by a member for its own account, the account of an associated person, or an account with respect to which the member or an associated person exercises investment discretion simply because of the type of business done or the type, amount, or mix of transactions effected on such exchange by such member, associated person, or account. Most particularly, the conferees caution that any Commission action which had the effect of limiting exchange membership to firms with an 80–20 business mix such as is contained in SEC Rule 19b–2, would violate both the letter and the spirit of the Exchange Act. Any attempt by the Commission to use the authority in amended section 11(a) to allow member firms exemptions from the statutory prohibitions unrelated to the market impact of the specific transactions at issue would be inconsistent with, and a violation of, Congressional intent. Accordingly, while the bill makes clear that the Commission has authority to exempt any transactions of any kind from the prohibition if it determines such exemption is not inconsistent with the protection of investors and the public interest, it makes equally clear that such exemptive authority can be exercised only in a manner consistent with the purposes of the general prohibition and these expressions of Congressional intent.

The phase-in provisions of the prohibition in the Senate bill and House amendment also differed. The Senate bill allowed two successive twelve-month periods following the date of enactment. During the first of these periods, exchange members were permitted to effect transactions for the account of an associated person, or an account with respect to which it or an affiliate exercised investment discretion to the extent of 20 per centum of their total exchange transactions. During the second twelve month period, exchange members were permitted to effect 10 per centum of their business with such accounts. Following this two-year period, the provisions of the bill become fully applicable. The House amendment provided a three-year grace period for exchange members who were members prior to January 16, 1973.

The conference substitute provides that the statutory prohibitions on the combination of brokerage and money management would not apply for three years to trading by exchange members who were members on May 1, 1975. During this grace period exchange members would be permitted to continue previously established relationships with managed accounts as well to establish new ones. The Commission would continue to have authority to regulate such trading by exchange members as it deems necessary or appropriate in the public interest, for the protection of investors, or to maintain fair and orderly markets during this period. But it would be inappropriate and inconsistent with the Congressional purposes, for an institution to acquire an exchange membership during this period solely for the purpose of using that membership to effect transactions for its own account. The Commission has ample power under section 11(a)(2) to insure that this does not occur.

The conferees believe that the Department of Labor and the Internal Revenue Service in administering the Employee Retirement Income Security Act ("ERISA"), should provide an exemption from the prohibited transactions provisions of that statute to permit securities firms to continue to provide brokerage services to accounts with respect to which they exercise investment discretion until May 1, 1978. Such an exemption would conform that statute and the provisions of this bill, thus permitting securities firms to phase out this combination of businesses in an orderly way. Similarly the conferees hope that the Department of Labor and the Internal Revenue Service will, to the maximum degree consistent with the policies of ERISA conform the prohibitions in that statute applicable to securities firms and municipal securities dealers to the provisions and policies of this bill.

REGISTRATION AND REGULATION OF BROKERS AND DEALERS

1. Registration procedures; inspections

The House amendment with respect to the broker-dealer registration provisions of the Exchange Act required affirmative action by the Commission before a broker or dealer's registration becomes effective. Thus, the House amendment provided that within 45 days of the filing of the application, the Commission shall either issue an order granting such registration or institute appropriate administrative action to determine whether the application should be denied. The Commission was required to conclude such administrative action within 120 days and reach its determination, but the Commission could have extended that time for an additional ninety days if it found good cause for extending the period. The Senate bill contained no comparable provisions. The Senate receded to the House.

The House amendment required that within six months of the granting of an application for registration the Commission, or a self-regulatory organization designated by the Commission, conduct an inspection of a broker or dealer to determine whether such broker or dealer is operating in conformity with the provision of the Securities Exchange Act and the rules and regulations thereunder. Also, the Commission was authorized to delay such inspection for a period not to exceed 6 months for specified classes. The Senate bill contained no comparable provisions. The Senate receded to the House.

2. Uniform capital rules

The House amendment directed the Commission to promulgate rules no later than September 1, 1975, establishing minimum capital requirements for all brokers and dealers. The Commission would, of course, have its authority under amended section 23 to classify brokers and dealers and prescribe greater, lesser, or different requirements for different classes. The Senate bill contained no such directive. The Senate receded to the House.

COMMISSION RATES

Both the Senate bill and the House amendment contained provisions concerning the Commission's authority to reinstate fixed commission rates.

The House amendment codified a rule adopted by the SEC which required his elimination of fixed minimum commission rates for public customers on May 1, 1975 and for intramember transactions on May 1, 1976. Moreover, the House amendment authorized the Commission, until October 1, 1976, to continue, establish or reestablish fixed rates or commission for transactions involving amounts of up to $300,000, provided the SEC determined the public interest so required the continuation, establishment, or reestablishment of fixed rates. After October 1, 1976, fixed rates could only be continued, established or reestablished by order of the Commission after a hearing on the record and determination by the Commission that the fixed rate is (1) reasonable and (2) required to accomplish the purposes of the Exchange Act and to assure the maintenance of fair and orderly markets in securities, taking into consideration the competitive effects of fixed rates weighed against the competitive effects of other lawful action the Commission is authorized to take under the Exchange Act.

The Senate bill left intact the existing provisions of the Exchange Act and the Commission's authority to control the level and extent of fixed rates of commission imposed on transactions effected on a national securities exchange, but provided that if the Commission permitted fixed rates after November 1, 1976 it must (1) find that the rates are reasonable in relation to the cost of providing the service for which such fees are charged and (2) publish the standards employed in adjudging reasonableness.

The conference substitute prohibits fixed commission rates on and after the date of enactment of the Securities Acts Amendments of 1975 except that rates charged by members acting as brokers on the floor of an exchange for other members or as an old-lot dealer may be fixed until May 1, 1976. Under the conference substitute, the SEC may reimpose fixed rates prior to November 1, 1976, by rule, if the Commission finds that such fixed rates are in the public interest. After November 1, 1976, the Commission may allow the continuance or the reimposition of fixed rates only after a procedure comparable to that provided for in section 18 of the Federal Trade Commission Act, 15 U.S.C. 58, which is more formal than normal notice and comment rulemaking under section 553 of title 5 U.S.C. but less formal than "on the record" procedure under section 556 and 557 of title 5 U.S.C. In addition the Commission would be required to make the findings contained in both the Senate bill and the House amendment.

Both the Senate bill and the House amendment contained provisions protecting money managers against a claim they have breached their fiduciary responsibilities solely because they have caused a managed account to pay more than the lowest available price for execution and research services. Although the two provisions were nearly identical, the Senate version more clearly preempted both statutory and common law. The House receded to the Senate on this point.

The conferees analyzed the possibility that the fiduciary provision would be asserted as a shield behind which the give-ups and reciprocal practices which were so notorious during the late 1960's could be reinstituted. The conferees believe the new language would not permit such a result. The provision agreed to provides that a money manager may pay *a* broker or dealer an amount of commissions for *that* broker or dealer's executing a transaction, if the money manager determines that the services it receives from *that* broker or dealer justify the payment. The provisions have no application whatsoever to a situation in which payment is made by a money manager to one broker or dealer for services rendered by another broker or dealer. The give-up was a regrettable chapter in the history of the securities industry and the limited definition of fiduciary responsibility added to the law by this bill will in no way permit its return.

DISCLOSURE BY INSTITUTIONAL INVESTORS

The Senate bill and the House amendment contained provisions requiring institutional investment managers which exercised investment discretion over accounts holding certain levels of specified securities to make periodic public disclosures of significant

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portfolio holdings and transactions. For jurisdictional purposes, the Senate bill used as a point of reference equity securities of a class described in section 13(d)(1) of the Exchange Act. The House amendment computed the jurisdictional level with reference to equity securities. The House receded to the Senate.

The Senate bill authorized the Commission to determine the frequency of reports required to be filed by institutional investment managers who satisfied the jurisdictional tests, but stated explicitly that the Commission could not require reports less frequently than annually, or more frequently than quarterly. The House amendment contained no qualifications on the Commission's authority to prescribe the frequency of reports. The House receded to the Senate.

The Senate bill contained an exception to the reporting requirements insofar as investment discretion is exercised outside the United States with respect to accounts held outside the United States, unless otherwise provided by the Commission. The House amendment contained no such exception. The Senate receded to the House with the understanding that the Commission could exercise its exemptive power to accomplish the same results if this is determined to be consistent with the purpose of this section.

MISCELLANEOUS

1. Uniform criminal penalties under the Federal Securities Laws

The House amendment contained provisions to make uniform the criminal penalties which may be imposed for violation of the six statutes administered by the Commission. The Senate bill contained no comparable provisions. The Senate receded to the House.

2. Registration provisions of the Investment Advisers Act of 1940

Various provisions of the Investment Advisers Act of 1940 were amended by the House amendment to conform those provisions to similar provisions in the Exchange Act, as amended. No comparable provisions are contained in the Senate bill. The Senate receded to the House.

3. Annual reports

The House amendment required the Commission to include in its annual report to Congress information detailing the Commission's administration of the Freedom of Information Act, in addition to information concerning the effects its rules and regulations are having on the viability of small brokers and dealers, its attempts to reduce any unnecessary reporting burden on such brokers and dealers, and its efforts to help to assure the continued participation of small brokers and dealers in the United States securities markets. The Senate bill contained no comparable provisions. The Senate receded to the House.

4. Transaction fees

Section 31 of the Exchange Act requires every national securities exchange to pay annually a fee based on the aggregate dollar amount of the sales of securities, other than government securities, transacted on such exchange during the calendar year. Both the Senate bill and the House amendment extended the payment of the fee to transactions in listed securities which occur in the over-the-counter market. However, the House amendment also raised the fee from one penny per five hundred dollars to one penny per one hundred dollars. The substitute agreed to in conference raised the fee to one penny per three hundred dollars but excluded all debt securities from the calculation of the fee.

5. Capital requirements

The House amendment revised section 8 of the Exchange Act to eliminate a subsection relating to financial responsibility requirements which were found to be duplicative and potentially in conflict with provisions of section 15(c)(3) of that Act. The Senate, whose bill did not contain comparable provisions, receded to the House.

6. Regulation of lending of customers' securities

The House amendment authorized the Commission to promulgate rules concerning the lending by brokers and dealers of securities carried for the account of their customers. The Senate bill had no comparable provision. The Senate receded to the House.

7. Exemptions from the Securities Act of 1933

The Senate bill provided a limited exemption from the registration provisions of the Securities Acts of 1933 for transactions involving the offer or sale of certain mortgages and participation interests in such mortgages. The House amendment contained no comparable provision. The House receded to the Senate.

8. Study of securities activities of persons who are not brokers or dealers

The House amendment authorized the Commission to conduct a study of the securities activities of persons excluded from the definitions of "broker" and "dealer" contained in the Exchange Act to determine the extent of such persons' securities-related activities. Specifically, the Commission was directed to study the desirability of greater uniformity of regulation, the effects of such activities on the process of raising and allocating capital, and the propriety of continuing the exclusion from the definitions "broker" and "dealer" from the standpoint of the administration of the Exchange Act. The results of the study, including any recommendations for legislation, must be reported to the Congress, on or before December 31, 1976. The Senate bill contained no similar provision.

The conference substitute authorizes and directs the Commission to make a study of the extent to which such persons maintain accounts on behalf of public customers for buying and selling publicly traded securities and whether such exclusions from the definition of "broker" and "dealer" are consistent with the protection of investors and the other purposes of the Exchange Act. The provisions of this section direct the Commission to study the adequacy of the regulation of such persons insofar as they engage in securities activities. These provisions do not authorize the Commission to study or make recommendations with respect to whether these activities are or should remain permissible under the Banking Act of 1933. This matter is the subject of a planned investigation by the Senate Committee on Banking, Housing and Urban Affairs.

9. SEC budget authorizations

The House amendment added a new section to the Exchange Act authorizing SEC appropriations for fiscal years 1976, 1977 and 1978 in the amounts of $54,000,000, $62,600,000 and $71,200,000 respectively. For fiscal years after 1978, only such sums could be appropriated as were subsequently authorized by law. The Senate bill contained no comparable provision.

The conference substitute authorizes SEC appropriations in the amount of $51,000,000 for fiscal year 1976 and $55,000,000 for fiscal year 1977.

10. Conformity with the Exchange Act

The House amendment provided a procedure by which the Commission could, for a limited period of time, suspend the registration of an exchange or registered association if its rules did not comply with the provisions of the Exchange Act, as amended by this bill, such suspension to continue in effect until the Commission issued an order declaring that the rules of the exchange or association did comply with such requirements. The Senate bill contained no comparable provision. The Senate receded to the House. This provision, however, does not limit the Commission to suspending an exchange's or association's registration if an exchange or association rule does not comply with applicable requirements. Rather, the Commission may, should it choose, institute a proceeding pursuant to new section 19(c) with respect to the rule or rules in question.

11. Arbitration proceedings

The Senate bill amended section 28 of the Securities Exchange Act of 1934 with respect to arbitration proceedings between self-regulatory organizations and their participants, members, or persons dealing with members or participants. The House amendment contained no comparable provision. The House receded to the Senate. It was the clear understanding of the conferees that this amendment did not change existing law, as articulated in *Wilko* v. *Swan*, 346 U.S. 427 (1953), concerning the effect of arbitration proceeding provisions in agreements entered into by persons dealing with members and participants of self-regulatory organizations.

The Senate bill provided the following title:

"An Act to amend the Securities Exchange Act of 1934, and for other purposes."

The House amended the title.

The substitute title agreed to in conference is as follows:

An Act to amend the Securities Exchange Act of 1934 to remove barriers to competition, to foster the development of a national securities market system and a national clearance and settlement system, to make uniform the Securities and Exchange Commission's authority over self-regulatory organizations, to provide for the regulation of brokers, dealers and banks trading in municipal securities, to facilitate the collection and public dissemination of information concerning the holdings of and transactions in securities by institutional investment managers, and for other purposes.

Harley O. Staggers,
John E. Moss,
Lionel Van Deerlin,
W. S. (Bill) Stuckey, Jr.,
Bob Eckhardt,
James T. Broyhill,
John Y. McCollister,
Managers on the Part of the House.

William Proxmire,
Harrison A. Williams, Jr.,
Thomas J. McIntyre,
John Tower,
Edward W. Brooke,
Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Long of Louisiana (at the request of Mr. O'Neill), for May 19 through May 22, on account of official business.

Mr. Morgan (at the request of Mr. O'Neill), for today, on account of official business.

Mr. Young of Alaska (at the request of Mr. Rhodes), for the week of May 19, on account of official business.

Mr. Patman (at the request of Mr. O'Neill), for May 19 through May 22, on account of necessary absence.

Mr. J. William Stanton (at the request of Mr. Rhodes), for Tuesday and the remainder of this week, on account of surgery.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mrs. Holt) to revise and extend their remarks and include extraneous material:)

Mr. Duncan of Tennessee for 5 minutes, today.

Mr. Talcott, for 5 minutes, today.

Mr. Crane, for 5 minutes, today.

Mr. Cleveland, for 5 minutes, today.

Mr. Brown of Ohio, for 10 minutes, today.

Mr. Talcott, for 10 minutes, May 20, 1975.

Mr. Mitchell of New York, for 5 minutes, today.

(The following Members (at the request of Mr. Fithian), to revise and extend their remarks, and to include extraneous matter, to:)

Mr. Diggs, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Bingham, for 15 minutes, today.

Mr. Fithian, for 15 minutes, today.

Mr. Alexander, for 60 minutes, today.

Mr. Dodd, for 10 minutes, today.

Mr. Burke of Massachusetts, for 5 minutes, today.

Mr. McFall, for 5 minutes, today.

Mr. O'Neill, for 5 minutes, today.

Mr. Chappell, for 5 minutes, today.

Mr. Conyers, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Madden, to extend his remarks today and include a letter.

Mr. Studds, and to include extraneous material, notwithstanding the fact that it exceeds two pages of the Record, and is estimated by the Public Printer to cost $2,780.

Mr. Dingell, notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $5,914.45.

Remarks of Mrs. Sullivan to precede remarks of Mr. Murphy of New York.

(The following Members (at the request of Mrs. Holt) and to include extraneous matter:)

Mr. Steelman.

Mr. Quie.

Mr. Kemp in two instances.

Mr. Winn.

Mr. Brown of Michigan.

Mr. Derwinski in three instances.

Mr. Goldwater.

Mr. Ketchum in two instances.

Mr. Armstrong.

Mr. Crane in two instances.

Mr. Archer.

Mr. Conte.

Mr. Ruppe.

Mr. Brown of Ohio in 2 instances.

Mr. Emery.

Mr. Young of Florida.

Mr. Snyder.

Mr. Peyser in four instances.

Mr. Steiger of Wisconsin.

Mr. Kasten.

Mr. Wiggins.

Mr. Mitchell of New York.

Mr. Lagomarsino.

Mr. Young of Alaska.

(The following Members (at the request of Mr. Fithian) and to include extraneous matter:)

Mr. Harrington in two instances.

Mr. Patten.

Mr. McDonald of Georgia in five instances.

Mr. Diggs.

Mr. de Lugo.

Mr. Evins of Tennessee in two instances.

Mr. Dent.

Mr. Santini.

Mr. Dingell in two instances.

Mr. James V. Stanton in two instances.

Mr. Kastenmeier.

Mr. Bedell.

Mr. Rangel in 10 instances.

Mr. Won Pat.

Mr. Jacobs in two instances.

Mr. Byron in 10 instances.

Mr. Bingham in 10 instances.

Mr. Bonker in 10 instances.

Mr. Eilberg in three instances.

Mr. Roybal.

Mr. Conyers.

Mr. Drinan in three instances.

Mr. Corman in two instances.

Mr. Fauntroy.

Mr. Downey of New York in three instances.

Mr. Wirth.

Mr. Harris in two instances.

Mrs. Meyner.

Mr. Miller of California in two instances.

Mr. Annunzio in six instances.

Mr. Gonzalez in three instances.

Mr. Pickle in two instances.

Mr. Anderson of California in three instances.

Mr. Murphy of New York.

Mr. Charles H. Wilson of California.

Mr. Simon.

Mr. Nowak.

Mr. Gaydos in five instances.

Mr. Fithian.

Mr. Badillo.

Mr. Hébert.

Mr. Nolan in two instances.

Mr. Jenrette.

Mr. Slack.

Mr. Risenhoover.

Mr. Bolling.

Mr. Solarz.

Mr. Rosenthal.

Mr. Maguire.

Mr. Moorhead of Pennsylvania.

Mr. Brademas.

Mr. Chappell.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 95. An act to guarantee the constitutional right to vote and to provide uniform procedures for absentee voting in Federal elections in the case of citizens outside the United States; to the Committee on House Administration.

S. 1462. An act to amend the Federal Railroad Safety Act of 1970 and the Hazardous Materials Transportation Act to authorize additional appropriations, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 1730. An act to improve the reliability, safety, and energy efficiency of transportation and to reduce unemployment by providing funds for work in repairing, rehabilitating, and improving essential railroad roadbeds and facilities; to the Committee on Interstate and Foreign Commerce.

ENROLLED BILLS SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 4481. An act making emergency employment appropriations for the fiscal year ending June 30, 1975, and for other purposes;

H.R. 5357. An act to authorize appropriations to the Secretary of Commerce for the promotion of tourist travel; and

H.R. 6894. An act making appropriations for special assistance to refugees from Cambodia and Vietnam for the fiscal year ending June 30, 1975, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 326. An act to amend section 2 of the act of June 30, 1954, as amended, providing for the continuance of civil government for the Trust Territory of the Pacific Islands.

BILL PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 6894. An act making appropriations for special assistance to refugees from Cambodia and Vietnam for the fiscal year ending June 30, 1975, and for other purposes.

ADJOURNMENT

Mr. FITHIAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 17 minutes p.m.), under its previous order, the House adjourned until tomorrow, Tuesday, May 20, 1975, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1048. A letter from the President of the United States, transmitting proposed budget amendments for fiscal year 1976 and the transition period ending September 30, 1976, for the Department of Commerce (H. Doc. No. 94–156); to the Committee on Appropriations and ordered to be printed.

1049. A letter from the President of the United States, transmitting a budget amendment for fiscal year 1976 for the Inter-American Development Bank (H. Doc. No. 94–157); to the Committee on Appropriations and ordered to be printed.

1050. A letter from the President of the United States, transmitting a draft of proposed legislation to amend the Foreign Assistance Act of 1961, and for other purposes (H. Doc. No. 94–158); to the Committee on International Relations and ordered to be printed.

1051. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to further amend the Federal Civil Defense Act of 1950, as amended, to extend the expiration date of certain authorities thereunder; to the Committee on Armed Services.

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1052. A letter from the Chairman, Defense Manpower Commission, transmitting an interim report on the activities of the Commission, pursuant to section 707 of Public Law 93–155; to the Committee on Armed Services.

1053. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to amend section 14(b) of the Federal Reserve Act, as amended, to extend for 2 years the authority of Federal Reserve banks to purchase U.S. obligations directly from the Treasury to the Committee on Banking, Currency and Housing.

1054. A letter from the Administrator, General Services Administration, transmitting a draft of proposed legislation to amend and extend the Defense Production Act of 1950; to the Committee on Banking, Currency and Housing.

1055. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a statement describing a proposed transaction with the Bank of Tokyo, Ltd., which exceeds $60 million, pursuant to section 2(b)(3) of the Export-Import Bank Act of 1945, as amended [12 U.S.C. 635(b)(3)]; to the Committee on Banking, Currency and Housing.

1056. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Act No. 1–14, "To amend the Vending Regulations relating to ice cream venders in the District of Columbia," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

1057. A letter from the Chairmen, National Endowment for the Arts and National Endowment for the Humanities, transmitting a draft of proposed legislation to amend the National Foundation of the Arts and the Humanities Act of 1965, as amended; to the Committee on Education and Labor.

1058. A letter from the Assistant Secretary of the Interior, transmitting notice of the receipt of loan applications from the Cameron County Water Control and Improvement District No. 19, Tex., and the Consolidated Irrigation District, Calif., pursuant to section 10 of the Small Reclamation Projects Act of 1956 [43 U.S.C. 422j]; to the Committee on Interior and Insular Affairs.

1059. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to establish within the Department of the Interior the position of an additional Assistant Secretary of the Interior, and for other purposes; to the Committee on Interior and Insular Affairs.

1060. A letter from the Assistant of the Interior, transmitting a draft of proposed legislation to amend the act of October 15, 1966 (80 Stat. 915), as amended, establishing a program for the preservation of additional historic properties throughout the Nation, and for other purposes; to the Committee on Interior and Insular Affairs.

1061. A letter from the Acting Assistant Secretary of the Interior, transmitting a copy of a proposed contract with MB Associates, San Ramon, Calif., for a research project entitled "Development of a Conveyor Belt Extender," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

1062. A letter from the Acting Assistant Secretary of the Interior, transmitting a copy of a proposed contract with Jeffrey Mining Machinery Division, Dresser Industries, Inc., Columbus, Ohio, for a research project entitled "Development of a Multiple-Unit Continuous Haulage System—Phases I and II," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

1063. A letter from the Acting Assistant Secretary of the Interior, transmitting a copy of a proposed contract with Doron Precision Systems, Inc., Binghamton, N.Y., for a research project entitled "Design and Development of a Machine Familiarization Trainer for Dragline Operators," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

1064. A letter from the Acting Assistant Secretary of the Interior, transmitting a copy of a proposed contract with R. A. Hanson Co., Inc., Spokane, Wash., for a research project entitled "Cross Pit Overburden and Waste Material Handling System," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

1065. A letter from the Acting Assistant Secretary of the Interior, transmitting a copy of a proposed contract with Foster-Miller Associates, Inc., Waltham, Mass., for a research project entitled "Development of a Cross Pit Overburden and Waste Material Handling System," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

1066. A letter from the Acting Assistant Secretary of the Interior, transmitting a copy of a proposed contract with Foster-Miller Associates, Inc., Waltham, Mass., for a research project entitled "Development of a Man and Supply Hoisting System for Underground Metal and Nonmetal Mines," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

1067. A letter from the Acting Assistant Secretary of the Interior, transmitting a copy of a proposed contract with National Mine Service, Ashland, Ky., for a research project entitled "Development of an Increased Capacity Shuttle Car," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

1068. A letter from the Acting Assistant Secretary of the Interior, transmitting a copy of a proposed contract with Factory Mutual Research Corp., Norwood, Mass., for a research project entitled "Gallery Testing Related to Mine Timber Fires," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

1069. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the intention of the Department of State to consent to a request by the Government of the United Kingdom for permission to transfer certain aircraft produced in the United Kingdom with U.S. funds provided under the Mutual Defense Assistance Program to the Government of Lebanon, pursuant to section 505(e) of the Foreign Assistance Act of 1961, as amended [22 U.S.C. 2314(e)]; to the Committee on International Relations.

1070. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to extend appropriations authorizations for emergency medical services systems, and for other purposes; to the Committee on Interstate and Foreign Commerce.

1071. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Hazardous Materials Transportation Act; to the Committee on Interstate and Foreign Commerce.

1072. A letter from the Executive Director, Federal Communications Commission, transmitting a report on the backlog of pending applications and hearing cases in the Commission as of March 31, 1975, pursuant to section 5(e) of the Communications Act, as amended; to the Committee on Interstate and Foreign Commerce.

1073. A letter from the Administrator, Federal Energy Administration, transmitting a draft of proposed legislation to amend the Federal Energy Administration Act of 1974 to provide new budget authority for fiscal years 1977 and 1978; to the Committee on Interstate and Foreign Commerce.

1074. A letter from the Administrator, Federal Energy Administration, transmitting an amendment to the regulations implementing the stripper well lease exemption set forth in section 4(e)(2) of the Emergency Petroleum Allocation Act of 1973, pursuant to section 4(g)(2) of the Act (Public Law 93–159) (H. Doc. No. 94–159); to the Committee on Interstate and Foreign Commerce and ordered to be printed.

1075. A letter from the Director, Administrative Office of the U.S. Courts, transmitting, the annual report of the Administrative Office of the U.S. Courts for fiscal year 1974, pursuant to 28 U.S.C. 604(a)(4), together with the reports of the annual and special meetings of the Judicial Conference of the United States held in 1974; to the Committee on the Judiciary.

1076. A letter from the Treasurer General, National Society of the Daughters of the American Revolution, transmitting a report on the examination of the organization's financial statements for the year ended February 28, 1975, together with its 76th annual report, covering the year ended March 1, 1973, pursuant to section 3 of Public Law 88–504; to the Committee on the Judiciary.

1077. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend the Endangered Species Act of 1973 to extend authorizations for appropriations, and for other purposes; to the Committee on Merchant Marine and Fisheries.

1078. A letter from the Chairman, International Trade Commission, transmitting a draft of proposed legislation to provide authorization of appropriations for the U.S. International Trade Commission; to the Committee on Ways and Means.

1079. A letter from the two members of the U.S. International Trade Commission, transmitting a statement dissenting from the views set forth in the letter from the Chairman of the Commission submitting proposed legislation providing a permanent authorization of appropriations for the Commission; to the Committee on Ways and Means.

Received From the Comptroller General

1080. A letter from the Assistant Comptroller General of the United States, transmitting a report on the release of budget authority for the Energy Research and Development Administration, the deferral of which was reported by the President (D75-111 through D75–117) and disapproved by the Senate; to the Committee on Appropriations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Pursuant to the order of the House on May 15, 1975, the following report was filed on May 16, 1975.]

Mrs. SULLIVAN: Committee on Merchant Marine and Fisheries. H.R. 5447. A bill to amend the act of August 16, 1971, as amended, which established the National Advisory Committee on Oceans and Atmosphere, to increase and extend the appropriation authorization thereunder; with amendment (Rept. No. 94–222). Referred to the Committee of the Whole House on the State of the Union.

[Submitted May 19, 1975]

Mrs. SULLIVAN: Committee on Merchant Marine and Fisheries. H.R. 6054. A bill to authorize further appropriations for the Office of Environmental Quality, and for other purposes; with amendment (Rept. No. 94–223). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON: Committee on House Administration. House Resolution 257. Resolution to provide funds for the expenses of the investigation and study of welfare and pension plans to be conducted by the Committee on Education and Labor (Rept. No. 94–224). Referred to the House Calendar.

Mr. REUSS: Committee on Banking, Currency and Housing. H.R. 6676. A bill to maximize the availability of credit for national priority uses; with amendment (Rept. No. 94–225). Referred to the Committee of the Whole House on the State of the Union.

Mr. MADDEN: Committee on Rules. House Resolution 463. Resolution providing for the consideration of House Resolution 371. Resolution to send a congressional delegation to the International Women's Year Conference in Mexico City, June 19, 1975, to July 2, 1975. (Rept. No. 94–226). Referred to the House Calendar.

Mr. MATSUNAGA: Committee on Rules. House Resolution 484. Resolution providing for the consideration of H.R. 4925. A bill to amend the Public Health Service Act and related laws to revise and extend programs of health revenue sharing and health services, and for other purposes. (Rept. No. 94–227). Referred to the House Calendar.

Mr. MADDEN: Committee on Rules. House Resolution 485. Resolution providing for the consideration of H.R. 5247. A bill to authorize a local public works capital development and investment program. (Rept. No. 94–228). Referred to the House Calendar.

Mr. STAGGERS: Committee of conference. Conference report on S. 249. (Rept. No. 94–229). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK:

H.R. 7056. A bill to authorize the issuance of gold commemorative coins bearing the seal or symbol of the American Revolution Bicentennial Administration; to the Committee on Banking, Currency and Housing.

By Mr. BEDELL:

H.R. 7057. A bill to amend the Federal Meat Inspection Act for the purpose of requiring that imported meat and meat food products made in whole or in part of imported meat be labeled "imported" at all stages of distribution until delivery to the ultimate consumer, and to require certain eating establishments, which serve imported meat, to inform customers of this fact; to the Committee on Agriculture.

By Mr. CORNELL (for himself, Mr. Hawkins, Mr. Hicks, Mr. LaFalce, Mr. Mitchell of Maryland, Mr. Riegle, Mr. Solarz, and Mr. Waxman):

H.R. 7058. A bill to encourage greater participation in Federal elections by designating election day a national holiday; to the Committee on Post Office and Civil Service.

By Mr. DANIELSON (for himself and Mr. Ford of Tennessee):

H.R. 7059. A bill to amend the Copyright Act of 1909, and for other purposes; to the Committee on the Judiciary.

By Mr. DANIELSON (for himself, Mrs. Burke of California, Mr. Corman, Mr. Gude, Mr. Guyer, Mr. Hawkins, Mr. Hungate, Mr. Lagomarsino, Mr. Miller of California, Mr. Mann, Mr. Mineta, Mr. Preyer, Mr. Oberstar, Mr. Roybal, Mr. Santini, Mr. Treen, and Mr. Tsongas):

H.R. 7060. A bill to amend section 204 of the Federal Water Pollution Control Act to authorize the use of ad valorem taxes to satisfy the user charge system requirement; to the Committee on Public Works and Transportation.

By Mr. DODD:

H.R. 7061. A bill to amend the Civil Rights Act of 1964 and the act commonly called the Civil Rights Act of 1968 to prevent discrimination in employment and housing against disabled persons; jointly to the Committees on Education and Labor, and the Judiciary.

By Mr. EILBERG:

H.R. 7062. A bill to establish in the State of New Jersey the Treasure Island National Historical Site; to the Committee on Interior and Insular Affairs.

By Mr. ENGLISH (for himself, Mr. Derwinski, Mr. Hall, Mr. Hightower, Mr. Jarman, Mr. Jones of Oklahoma, Mr. O'Brien, Mr. Quie, Mr. Risenhoover, Mr. Russo, and Mr. Steed):

H.R. 7063. A bill to authorize the Secretary of Transportation to make a loan of $100 million to the Chicago, Rock Island, and Pacific Railroad Co.; to the Committee on Interstate and Foreign Commerce.

By Mr. GOLDWATER:

H.R. 7064. A bill to amend the Federal Aviation Act of 1958 to permit the temporary operation of certain aircraft without emergency locator transmitters; to the Committee on Public Works and Transportation.

By Mr. HEINZ (for himself, Mr. Beard of Rhode Island, Mr. Boland, Mr. Brown of Ohio, Mr. Carr, Mrs. Collins of Illinois, Mr. Conte, Mr. Cotter, Mr. Coughlin, Ms. Abzug, Mr. Eilberg, Mr. Eshleman, Mr. Forsythe, Mr. Frenzel, Mr. Gaydos, Mr. Harrington, and Mr. Hastings):

H.R. 7065. A bill to amend the Interstate Commerce Act to provide assistance in rebuilding the Nation's railroad rights-of-way, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HEINZ (for himself, Mrs. Heckler of Massachusetts, Mr. Hicks, Ms. Holtzman, Mr. Kemp, Mrs. Keys, Mr. Latta, Mr. McCloskey, Mr. McDade, Mr. Murphy of Illinois, Mr. Myers of Indiana, Mr. Nix, Mr. Ottinger, Mr. Pattison of New York, Mr. Regula, and Mr. Ruppe):

H.R. 7066. A bill to amend the Interstate Commerce Act to provide assistance in rebuilding the Nation's railroad rights-of-way, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HEINZ (for himself, Mr. Santini, Mr. Sarasin, Mr. Skubitz, Mr. Yatron, Mr. Solarz, Mr. Thompson, Mr. Tsongas, Mr. Vander Jagt, Mr. Vander Veen, Mr. Walsh, Mr. Whitehurst, Mr. Wirth and Mr. Zeferetti):

H.R. 7067. A bill to amend the Interstate Commerce Act to provide assistance in rebuilding the Nation's railroad rights-of-way, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Ms. HOLTZMAN (for herself, Mr. Rodino, Mr. Hannaford, Mr. McHugh, Mr. Pressler, and Mr. Riegle):

H.R. 7068. A bill to amend title 18 of the United States Code to prohibit certain forms of economic coercion based on religion, race, national origin, sex, or certain other factors; to the Committee on the Judiciary.

By Mr. LANDRUM:

H.R. 7069. A bill to amend the Federal Trade Commission Act (15 U.S.C. 45) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

By Mr. MIKVA (for himself, Mr. Rostenkowski, Mr. Hawkins, Mr. Nix, Mr. Ottinger, Mr. Rosenthal, and Mr. St Germain):

H.R. 7070. A bill to prohibit the importation, manufacture, sale, purchase, transfer, receipt, or transportation of handguns, except for or by members of the Armed Forces, law enforcement officials, and, where authorized, licensed importers, manufacturers, dealers, and pistol clubs; to the Committee on the Judiciary.

By Mr. REES:

H.R. 7071. A bill to establish the Santa Monica Mountains and Seashore Urban National Park in the State of California, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. RODINO:

H.R. 7072. A bill to provide that the district judgeship for the Eastern and Western Districts of Kentucky be a judgeship for the eastern district only; to the Committee on the Judiciary.

By Mr. STEIGER of Wisconsin (for himself, Mr. Solarz, Ms. Holtzman, and Mr. Helstoski):

H.R. 7073. A bill to amend the Consolidated Farm and Rural Development Act; to the Committee on Agriculture.

By Mr. THOMPSON:

H.R. 7074. A bill to amend the Internal Revenue Code of 1954 to provide a procedure under which individuals who are employed by more than one employer during any calendar year may prevent the deduction of excess social security taxes from their wages; to the Committee on Ways and Means.

By Mr. YOUNG of Florida:

H.R. 7075. A bill to direct the deduction of amounts appropriated pursuant to the Indochina Migration and Refugee Assistance Act of 1975, from the U.S. annual assessed share of the budget of the United Nations; to the Committee on International Relations.

By Mr. BRINKLEY:

H.R. 7076. A bill to amend the Public Health Service Act to improve the National Cancer Program and to authorize increased appropriations for such program for the next 4 fiscal years, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 7077. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968, as amended, to provide benefits to survivors of certain public safety officers who die in the performance of duty; to the Committee on the Judiciary.

By Mr. BROWN of Ohio:

H.R. 7078. A bill to amend the Emergency Petroleum Allocation Act of 1973 by adding at the end thereof a new section with respect to crude oil price regulation; jointly to the Committees on Interstate and Foreign Commerce, and Ways and Means.

By Mr. BROYHILL:

H.R. 7079. A bill to amend the Emergency Petroleum Allocation Act of 1973 by adding at the end thereof a new section with respect to crude oil price regulation; to the Committee on Interstate and Foreign Commerce.

By Mr. CLEVELAND (for himself and Mr. Howard):

H.R. 7080. A bill to insure that certain buildings financed with Federal funds utilize the best practicable technology for the conservation and use of energy; to the Committee on Public Works and Transportation.

By Mr. EVINS of Tennessee:

H.R. 7081. A bill to amend the Communications Act of 1934 with respect to the term of licenses for the operation of radio broadcasting stations; to the Committee on Interstate and Foreign Commerce.

H.R. 7082. A bill to modify the Center Hill Lake, Tenn., flood control project; to the Committee on Public Works and Transportation.

By Mr. FASCELL:

H.R. 7083. A bill to provide for a national cemetery in the area of Broward County or Dade County, Fla.; to the Committee on Veterans' Affairs.

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By Mr. FUQUA:

H.R. 7084. A bill to establish an Office of Rural within the Department of Health, Education, and Welfare, and to assist in the development and demonstration of Rural Health Care Delivery Models and Components; to the Committee on Interstate and Foreign Commerce.

By Mr. HASTINGS:

H.R. 7085. A bill to amend the Internal Revenue Code of 1954 to increase from $1 million to $10 million the exemption from industrial development bond treatment for certain small issues; to the Committee on Ways and Means.

By Mr. HAYS of Ohio:

H.R. 7086. A bill to amend the Economic Stabilization Act of 1970 to assure that rates and charges of regulated public utilities may not take into account any advertising expenditures of such utilities; to the Committee on Banking, Currency and Housing.

By Mr. HECHLER of West Virginia (for himself, Mr. Bedell, Mr. Fascell, and Mr. Ford of Tennessee):

H.R. 7087. A bill to provide for the transfer to the Secretary of Labor of all functions of the Secretary of the Interior under the Federal Coal Mine Health and Safety Act of 1969, as amended, the Federal Metal and Nonmetallic Mine Safety Act, and any other law relating to the health and safety of persons working in the mining and mineral industries, and for other purposes; to the Committee on Education and Labor.

By Mr. JENRETTE:

H.R. 7088. A bill to authorize the Commodity Credit Corporation to make farm storage facility loans to producers of agricultural commodities for which price support is made available by the Corporation; to the Committee on Agriculture.

By Mr. KARTH (for himself and Mr. Baldus):

H.R. 7089. A bill to amend section 5051 of the Internal Revenue Code of 1954 (relating to the Federal excise tax on beer); to the Committee on Ways and Means.

By Mr. KOCH (for himself, Ms. Holtzman, and Mr. Pattison of New York):

H.R. 7090. A bill to amend the Internal Revenue Code of 1954 to provide that the 4-percent excise tax on the net investment income of a private foundation shall not apply to a private foundation organized and operated exclusively as a library, museum, or similar educational institution; to the Committee on Ways and Means.

By Mr. KOCH (for himself and Mr. Waxman):

H.R. 7091. A bill to modify the restrictions contained in section 170(e) of the Internal Revenue Code in the case of certain contributions of literary, musical, or artistic composition, or similar property; to the Committee on Ways and Means.

By Mr. MAGUIRE (for himself, Mr. Benitez, Mrs. Boggs, Mrs. Collins of Illinois, Mr. Downey of New York, Mr. Ford of Tennessee, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Meeds, Mrs. Meyner, Mr. Mitchell of Maryland, Mr. Ottinger, Mr. Pattison of New York, Mr. Rees, Mr. Roe, Mr. Rosenthal, Mr. Scheuer, Mr. Simon, Mr. Solarz, Mr. Stark, and Mr. Stokes):

H.R. 7092. A bill to amend the Higher Education Act of 1965 to establish a student internship program to offer students practical involvement with elected officials on local and State levels of Government and with Members of Congress; to the Committee on Education and Labor.

By Mr. MILLER of Ohio:

H.R. 7093. A bill to amend title 39, United States Code, to extend the period during which preferential mail rates shall apply with respect to certain publications mailed by veterans' organizations; to the Committee on Post Office and Civil Service.

By Mr. MITCHELL of Maryland:

H.R. 7094. A bill to authorize a local public works capital development and investment program; to the Committee on Public Works and Transportation.

By Mr. NATCHER:

H.R. 7095. A bill to provide for the duty-free entry of binder twine and baler twine made of manmade fibers; to the Committee on Ways and Means.

By Mr. OTTINGER (for himself, Mr. Tsongas, and Mr. Stokes):

H.R. 7096. A bill to amend the Federal Food, Drug, and Cosmetic Act to make the provisions of that act relating to cosmetics applicable to hair dyes; to the Committee on Interstate and Foreign Commerce.

By Mr. RINALDO:

H.R. 7097. A bill to provide that meetings of Government agencies shall be open to the public, and for other purposes; to the Committee on Government Operations.

H.R. 7098. A bill to amend title 5, United States Code, to make Election Day a legal public holiday; to the Committee on Post Office and Civil Service.

By Mr. RISENHOOVER:

H.R. 7099. A bill to amend the Comprehensive Employment and Training Act of 1973 to provide that certain federally recognized Indian tribes in the State of Oklahoma and Alaska Native Village Corporations shall be eligible applicants for purposes of assistance under title II and title VI; to the Committee on Education and Labor.

H.R. 7100. A bill to amend the Fair Labor Standards Act of 1938 to permit certain rates of compensation for rural letter carriers employed by the U.S. Postal Service; to the Committee on Post Office and Civil Service.

By Mr. ROGERS (for himself, Mr. Broyhill, Mr. Burke of Florida, Mr. Duncan of Tennessee, Mr. Eilberg, Mr. Fascell, Mr. Harrington, Mr. Horton, Mr. Ketchum, Mr. McCloskey, Mr. Moorhead of California, Mr. Moorhead of Pennsylvania, Mr. Ottinger, Mrs. Pettis, Mr. Quie, Mr. Rees, Mr. Roybal, Mr. Ruppe, Mr. Whitehurst, Mr. Wirth, and Mr. Won Pat):

H.R. 7101. A bill to amend the Federal Food, Drug, and Cosmetic Act to establish certain limitations respecting the authority of the Secretary of Health, Education, and Welfare to regulate vitamins and minerals under that Act, and for other purposes; to the Comimttee on Interstate and Foreign Commerce.

By Mr. STEPHENS:

H.R. 7102. A bill to amend the Uniform Time Act of 1966 to provide that daylight saving time shall begin on the last Sunday in May and end on the first Sunday after Labor Day during each calendar year; to the Committee on Interstate and Foreign Commerce.

By Mr. TALCOTT:

H.R. 7103. A bill to establish criminal penalties for any U.S. citizen who marries an illegal alien for the sole purpose of establishing immediate relative status for that alien; to the Committee on the Judiciary.

H.R. 7104. A bill to provide for the reimbursement of medical treatment facilities for emergency medical treatment given to aliens unlawfully in the United States; to the Committee on the Judiciary.

H.R. 7105. A bill to prohibit an alien who has been illegally employed in the United States from obtaining a permanent residence status; to the Committee on the Judiciary.

H.R. 7106. A bill to increase the size of the U.S. Border Patrol of the Immigration and Naturalization Service; to the Committee on the Judiciary.

H.R. 7107. A bill to increase the penalty for smuggling aliens into the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. TEAGUE (for himself, Mr. Brown of California and Mr. Esch):

H.R. 7108. A bill to authorize appropriations for environmental research, development, and demonstration; to the Committee on Science and Technology.

By Mr. TREEN:

H.R. 7109. A bill to offer women nominated by Members of the United States Senate and House of Representatives scholarships for training in the Reserve Officers' Training Corps; to the Committee on Armed Services.

By Mr. WHITE:

H.R. 7110. A bill to amend title 5, United States Code, with respect to the retirement of customs and immigration inspectors, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. JEFFORDS (for himself and Mrs. Lloyd of Tennessee):

H.J. Res. 462. Joint resolution to amend the Emergency Petroleum Allocation Act of 1973 to prohibit the President from setting minimum prices for crude oil, residual fuel oil, or any refined petroleum product without congressional authority, to prohibit the President from using section 232(b) of the Trade Expansion Act of 1962 or any other provision of law to establish such minimum prices without congressional authority, and for other purposes; jointly to the Committees on Interstate and Foreign Commerce, and Ways and Means.

By Mr. ST GERMAIN:

H.J. Res. 463. Joint resolution to amend title 5, United States Code, in order to designate November 11 of each year as Veterans Day; to the Committee on Post Office and Civil Service.

By Mr. ABDNOR (for himself, Ms. Abzug, Mr. Gude, and Mr. Brown of Michigan):

H. Con. Res. 285. Concurrent resolution to promote and encourage the removal of architectural barriers to the access of handicapped persons to public facilities and buildings; to the Committee on Public Works and Transportation.

By Mr. ROYBAL:

H. Con. Res. 286. Concurrent resolution expressing the sense of Congress concerning recognition by the European Security Conference of the Soviet Union's occupation of Estonia, Latvia and Lithuania; to the Committee on International Relations.

By Mr. NATCHER:

H. Res. 482. Resolution establishing a select committee to study the problem of U.S. servicemen missing in action in Southeast Asia; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

141. By the SPEAKER: Memorial of the Legislature of the Territory of Guam, relative to the Executive-Legislative Ammunition Wharf Study Commission; to the Committee on Armed Services.

142. Also, memorial of the Legislature of the State of Oklahoma, relative to deregulating the price of natural gas and removing price ceilings on previously existing oil; to the Committee on Interstate and Foreign Commerce.

143. Also, memorial of the Legislature of the State of Washington, relative to migratory waterfowl hunting; to the Committee on Merchant Marine and Fisheries.

144. Also, memorial of the Legislature of the State of New York, relative to the National Mass Transportation Assistance Act Amendments of 1975 (S. 662), to the Committee on Public Works and Transportation.

145. Also, memorial of the Legislature of the State of New York, relative to providing Federal loans to small businesses suffering economic dislocations due to disruption of operations and services of public utilities; to the Committee on Small Business.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEVILL:

H.R. 7111. A bill for the relief of Sally Duncan Hall as an individual and as personal representative of the estates of Melissa Duncan, Elizabeth Duncan, Darlene Hall, Lavetta Hall, and Ronald Dewayne Hall, deceased; to the Committee on the Judiciary.

By Mr. MITCHELL of Maryland:

H.R. 7112. A bill for the relief of O'Reilly F. Pierre; to the Committee on the Judicary.

By Mr. PRICE (by request):

H.R. 7113. A bill to permit the recall to active duty of Rear Adm. J. Edward Snyder, Jr., upon retirement in a command status as the Oceanographer of the Navy; to the Committee on Armed Services.

By Mr. WAGGONNER:

H.R. 7114. A bill to authorize the documentation of the vessel, *Bruja Mar*, as a vessel of the United States with coastwise privileges; to the Committee on Merchant Marine and Fisheries.

By Mr. WIRTH:

H.R. 7115. A bill for the relief of Eugene M. Osman, Lt. Col., U.S. Air Force (retired); to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

124. By the SPEAKER: Petition of the city council, Philadelphia, Pa., relative to Soviet emigration policy; to the Committee on International Relations.

125. Also, petition of the city council Hubbard, Ohio, relative to the Deconcentration of Energy bill (H.R. 4013): to the Committee on the Judiciary.

126. Also, petition of the Ohio Municipal Electric Association, Wadsworth, Ohio, relative to the Deconcentration of Energy bill (H.R. 4013); to the Committee on the Judiciary.

127. Also, petition of the Chautauqua County Legislature, Mayville, N.Y., relative to completion of Southern Tier Expressway and Bridge across Chautauqua Lake and in support of H.R. 3968; to the Committee on Merchant Marine and Fisheries.

128. Also, petition of the city council, Cleveland, Ohio, relative to protective measures against the seizure of American fishing vessels on the high seas by Ecuador; to the Committee on Merchant Marine and Fisheries.

129. Also, petition of the city council, County of Hawaii, Hilo, Hawaii, relative to the locating of an ocean-based powerplant; to the Committee on Science and Technology.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 6219

By Mr. WIGGINS:

(Amendment in the Nature of a Substitute to H.R. 6219, as Reported:)

Strike out all after the enacting clause and insert in lieu thereof the following: That this Act may be cited as "The Voting Rights Extension Act of 1975".

Sec. 2. Section 4(a) of the Voting Rights Act of 1965 is amended by striking out "ten years" each time it appears and inserting in lieu thereof "eleven-year-and-180-day period".

Sec. 3. Effective February 6, 1977:

(a) Section 4 of the Voting Rights Act is amended to read as follows:

"Sec. 4. (a) To assure that the right of citizens of the United States to vote is not denied or abridged on account of race or color or national origin, the requirements of Section 5 shall apply to any State with respect to which the determinations have been made under subsection (b) or in any political subdivision with respect to which such determinations have been made as a separate unit, unless the United States District Court for the District of Columbia in an action for a declaratory judgment brought by such State or subdivision against the United States has determined that no voting qualification, or prerequisite to voting or standard, practice, or procedure with respect to voting is in effect during or preceding the filing of the action where such qualification, prerequisite, standard, practice, or procedure does have or is likely to have the purpose or the effect of denying or abridging the right to vote on account of race or color or national origin: *Provided*, That for purposes of this section no State or political subdivision shall be determined to have engaged in the use of such qualifications, prerequisites, standards, practices, or procedures for the purpose or with the effect of denying or abridging the right to vote on account of race or color or national origin if (1) incidents of such use have been few in number and have been promptly and effectively corrected by State or local action, (2) the continuing effect of such incidents has been eliminated, and (3) there is no reasonable probability of their recurrence in the future.

"An action pursuant to this subsection shall be heard and determined by a court of three judges in accordance with the provisions of section 2284 of title 28 of the United States Code and any appeal shall lie to the Supreme Court. The Court shall retain jurisdiction of any action pursuant to this subsection until determinations are made by the Director of the Census pursuant to subsection (b) following the next general federal election after the filing of the action and shall reopen the action upon motion of the Attorney General alleging that such qualifications, prerequisites, standards, practices, or procedures have been used for the purpose or with the effect of denying or abridging the right to vote on account of race or color, or national origin.

"If the Attorney General determines that he has no reason to believe that any such qualifications, prerequisites, standards, practices, or procedures are in effect or are likely to be effective with the purpose or with the effect of denying or abridging the right to vote on account of race or color or national origin, he shall consent to the entry of such judgment.

"(b) The provisions of subsection (a) shall apply in any State or in any political subdivision of a state for which the Director of the Census determines that racial or language minority citizens of voting age comprise more than 5 per centum of the voting age population of such State or political subdivision and that less than 50 per centum of such racial or language minority citizens of voting age voted in the most recent general federal election. The provisions of subsection (a) shall continue in effect until the Director of the Census makes determinations pursuant to this subsection following the next general federal election after which time such provisions shall only apply based upon determinations pertaining to the most recent general federal election at that time. The Director of the Census is directed to make determinations pursuant to this subsection to the greatest degree possible within 60 days after a general federal election is held.

"A determination or certification of the Attorney General or of the Director of the Census under this section or under section 6 or section 13 shall not be reviewable in any court and shall be effective upon publication in the Federal Register.

"(c) As used in this Act, the phrase 'general federal election' shall mean any general election held solely or in part for the purpose of selecting or electing any candidate for the office of President, Vice President, presidential elector, Member of the United States Senate, Member of the United States House of Representatives, Delegate from the District of Columbia, Guam, or the Virgin Islands, or Resident Commissioner of the Commonwealth of Puerto Rico.

"(d) As used in this section, the phrase 'racial or language minority citizens' means citizens of the United States who are Negroes or persons of Spanish heritage as those terms are defined by the Bureau of the Census."

(b) Section 5 of the Voting Rights Act is amended to read as follows:

"Sec. 5. Whenever a State or political subdivision with respect to which the prohibitions set forth in section 4(a) based upon determinations made under section 4(b) are in effect shall enact or seek to administer any voting qualification or prerequisite to voting, or standard, practice, or procedure with respect to voting such State or subdivision may institute an action in the United States District Court for the District of Columbia for a declaratory judgment that such qualification, prerequisite, standard, practice, or procedure does not have the purpose and will not have the effect of denying or abridging the right to vote on account of race or color or national origin, and unless and until the court enters such judgment no person shall be denied the right to vote for failure to comply with such qualification, prerequisite, standard, practice, or procedure: *Provided*, That such qualification, prerequisite, standard, practice, or procedure may be enforced without such proceeding if the qualification, prerequisite, standard, practice, or procedure has been submitted by the chief legal officer or other appropriate official of such State or subdivision to the Attorney General and the Attorney General has not interposed an objection within sixty days after such submission, or upon good cause shown, to facilitate an expedited approval within sixty days after such submission, the Attorney General has affirmatively indicated that such objection will not be made. Neither an affirmative indication by the Attorney General that no objection will be made, nor failure to object, nor a declaratory judgment entered under this section shall bar a subsequent action to enjoin enforcement of such qualification, prerequisite, standard, practice, or procedure. In the event the Attorney General affirmatively indicates that no objection will be made within the sixty-day period following receipt of such a submission, the Attorney General may reserve the right to reexamine the submission if additional information comes to his attention during the remainder of the sixty-day period which would otherwise require objection in accordance with this section. Any action under this section shall be heard and determined by a court of three judges in accordance with the provisions of section 2284 of title 28 of the United States Code and any appeal shall lie to the Supreme Court."

Sec. 4. Section 3 of the Voting Rights Act is amended by—

(1) striking out "fifteenth amendment" each time it appears and inserting in lieu thereof "fourteenth amendment or fifteenth amendment";

(2) striking out "race or color" each time

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it apears and inserting in lieu thereof "race or color or national origin";

(3) striking out "test or device" each time it appears and inserting in lieu thereof "voting qualification or prerequisite to voting, or standard, practice, or precedure with respect to voting";

(4) striking out "tests or devices" each time it appears and inserting in lieu thereof "such voting qualification or prerequisite to voting, or standard, practice, or procedure with respect to voting";

(5) striking out "except that neither" and inserting in lieu thereof "or upon good cause shown to facilitate an expedited approval within sixty days after such submission, the Attorney General has affirmatively indicated that such objection will not be made. Neither an affirmative indication by the Attorney General that no objection will be made, nor";

(6) adding at the end thereof the following: "In the event that Attorney General affirmatively indicates that no objection will be made within the sixty-day period following receipt of such a submission, the Attorney General may reserve the right to reexamine the submission if additional information comes to his attention during the remainder of the sixty-day period which would otherwise require objection in accordance with this section.";

(7) striking out "deem appropriate" and inserting in lieu theerof "deem appropriate, but in no event after determinations are made by the Director of the Census pursuant to Section 4 (b) following the next general federal election from the date of the order,";

(8) striking out "deems necessary." and inserting in lieu thereof "deems necessary, but in no event after determinations are made by the Director of the Census pursuant to Section 4 (b) following the next general federal election from the date of the order.";

(9) striking out "different from that in force or effect at the time the proceeding was commenced", effective February 6, 1977; and

(10) striking out "Attorney General" the first three times it appears and inserting in lieu thereof the following "Attorney General or an aggrieved person".

SEC. 5. Section 201(a) of the Voting Rights Act of 1965 is amended by—

(1) striking out "Prior to August 6, 1975, no" and inserting "No" in lieu thereof and

(2) striking out "as to which the provisions of section 4(a) of this Act are not in effect by reason of determinations made under section 4(b) of this Act." and inserting in lieu thereof a period.

SEC. 6. Section 14 of the Voting Rights Act of 1965 is amended by adding at the end thereof the following new subsection:

"(e) In any action or proceeding to enforce the voting guarantees of the fourteenth or fifteenth amendment, the court, in its discretion, may allow the prevailing party, other than the United States, a reasonable attorney's fee as part of the costs.".

SEC. 7. Title II of the Voting Rights Act of 1965 is amended by adding at the end thereof the following new section:

"SEC. 207. (a) Congress hereby directs the Director of the Census forthwith to conduct a survey to compile registration and voting statistics: (i) in every State or political subdivision with respect to which the prohibitions of section 4(a) of the Voting Rights Act of 1965 are in effect, for every general federal election after January 1, 1974; and (ii) in every State or political subdivision for any election designated by the United States Commission on Civil Rights. Such surveys shall elicit citizenship, the race or color, and national origin, of each person of voting age and the extent to which such persons are registered to vote and have voted in the elections surveyed.

"(b) In any survey under subsection (a) of this section no person shall be compelled to disclose his political party affiliation, or how he voted (or the reasons therefor), nor shall any penalty be imposed for his failure or refusal to make such disclosures. Every person interrogated orally, by written survey or questionnaire, or by any other means with respect to such information shall be fully advised of his right to fail or refuse to furnish such information except with regard to information required by subsection (a), with regard to which every such person shall be informed that such information is required solely to enforce nondiscrimination in voting.

"(c) The Director of the Census shall, at the earliest practicable time, report to the Congress the results of every survey conducted pursuant to the provisions of subsection (a) of this section.

"(d) The provisions of section 9 and chapter 7 of title 13 of the United States Code shall apply to any survey, collection, or compilation of registration and voting statistics carried out under subsection (a) of this section."

SEC. 8. Section 11(c) of the Voting Rights Act of 1965 is amended by inserting after "Columbia," the following words: "Guam, or the Virgin Islands,".

SEC. 9. Section 5 of the Voting Rights Act of 1965 is amended—

(1) by striking out "except that neither" and inserting in lieu thereof the following: "or upon good cause shown, to facilitate an expedited approval within sixty days after such submission, the Attorney General has affirmatively indicated that such objection will not be made. Neither an affirmative indication by the Attorney General that no objection will be made, nor"; and

(2) by inserting immediately after the words "failure to object" a comma; and

(3) by inserting immediately before the final sentence thereof the following: "In the event the Attorney General affirmatively indicates that no objection will be made within the sixty-day period following receipt of a submission, the Attorney General may reserve the right to reexamine the submission if additional information comes to his attention during the remainder of the sixty-day period which would otherwise require objection in accordance with this section.".

SEC. 10. Section 203 of the Voting Rights Act of 1965, is amended by striking out "section 2282 of title 28" and inserting "section 2284 of title 28" in lieu thereof.

SEC. 11. Title III of the Voting Rights Act of 1965 is amended to read as follows:

"TITLE III—EIGHTEEN-YEAR-OLD VOTING AGE

"ENFORCEMENT OF TWENTY-SIXTH AMENDMENT

"SEC. 301. (a)(1) The Attorney General is directed to institute, in the name of the United States, such actions against States or political subdivisions, including actions for injunctive relief, as he may determine to be necessary to implement the twenty-sixth article of amendment to the Constitution of the United States.

"(2) The district courts of the United States shall have jurisdiction of proceedings instituted under this title, which shall be heard and determined by a court of three judges in accordance with section 2284 of title 28 of the United States Code, and any appeal shall lie to the Supreme Court. It shall be the duty of the judges designated to hear the case to assign the case for hearing and determination thereof, and to cause the case to be in every way expedited.

"(b) Whoever shall deny or attempt to deny any person of any right secured by the twenty-sixth article of amendment to the Constitution of the United States shall be fined not more than $5,000 or imprisoned not more than five years, or both.

"DEFINITION

"SEC. 302. As used in this title, the term 'State' includes the District of Columbia."

SEC. 12. Section 10 of the Voting Rights Act of 1965 is amended—

(1) by striking out subsection (d):

(2) in subsection (b), by inserting "and section 2 of the twenty-fourth amendment" immediately after "fifteenth amendment", and

(3) by striking out "and" the first time it appears in subsection (b), and inserting in lieu thereof a comma.

SEC. 13. Section 6 of the Voting Rights Act of 1965 is amended by striking out "fifteenth amendment" each time it appears and inserting in lieu thereof "fourteenth or fifteenth amendment".

SEC. 14. Section 2, the second paragraph of section 4(a), and sections 4(d), 5, 6, and 13 of the Voting Rights Act of 1965 are each amended by inserting immediately after "on account of race or color" each time it appears "or national origin".

H.R. 6860

By Mr. ARCHER:

Proposed amendments to title I; title II; title III; title IV; and title V of the bill H.R. 6860 or to any amendment to any title of the bill H.R. 6860:

Strike out the necessary number of words.
Strike out the requisite number of words.
Strike out the next to the last word.
Strike out the penultimate word.
Strike out the last word.

On page 91 of the reported bill, commencing with line 24 strike out all through line 17 on page 92 and insert in lieu thereof the following: "reduced by the sum of—

"(vi) the amount of the credits allowable under such Code which are properly chargeable against the amount of such taxes appropriated by this paragraph, and

"(vii) the amount of the reduction in revenues for the Treasury for the period ending October 1, 1985, resulting from the amendments of such Code made by the following sections of this Act: section 321 (repeal of excise tax on buses used in intercity public transportation), section 322 (repeal of excise tax on radial tires), section 323 (relating to rerefined lubricating oil), section 331 (relating to credit for insulation of principal residence), section 332 (relating to credit for residential solar energy equipment), section 521 (relating to amortization of qualified energy use property), section 522 (relating to amortization of qualified railroad equipment), section 523 (relating to amortization of certain railroad rolling stock), section 531(a) (relating to investment credit for insulation and solar energy) and section 533 (relating to recycling tax credit);

"(B) the duties under section 121 of this Act (relating to rates of duty on oil) reduced by revenues which were collectible through rates of duty on oil heretofore provided by, or pursuant to, law on May 15, 1975; and

"(C) to the extent provided by any law enacted after the date of the enactment of this Act, proceeds to the United States from oil and gas properties in which the United States has an interest.

"(2) METHOD OF TRANSFER.—The amounts appropriated by paragraph (1) shall be transferred at least quarterly from the general fund of the Treasury to the Trust Fund on the basis of estimates made by the Secretary of the amount of receipts, and of the reduction in revenues, referred to in paragraph (1). Proper adjustments shall be made in the amounts subsequently transferred to the extent that it appears, on the basis of actual collections and revised estimates, that the amounts previously transferred were in excess of or less than the amounts which, under the revised estimates, should have been transferred."

By Mr. ARCHER (to be considered en bloc):

Page 107, line 21, strike out "or";

Page 107, line 22, strike out "pipeline." and insert "pipeline, or";

Page 107, after line 22, insert "'(E) a qualified solar energy manufacturing facility.";

Page 109, after line 5, insert: "'(7) QUALIFIED SOLAR ENERGY MANUFACTURING FACILITY.—The term "qualified solar energy manufacturing facility" means a plant including machinery and equipment and any buildings used exclusively to house such machinery and equipment, (of a character subject to the allowance for depreciation), used solely for the manufacture of devices to be used exclusively to convert energy from the sun into electricity or heat, such devices being specifically:

"'(A) photovoltaic cells, and arrays and energy storage equipment thereof, and

"'(B) photothermal panels and energy storage equipment therefor.

In applying subsection (i) to subparagraph (A) of this paragraph, the date 'January 1, 1981,' each time it appears shall be read 'January 1, 1986.'"

By Mr. ARMSTRONG:

Proposed amendments to title I, title II, title III, title IV, and title V of the bill H.R. 6860 or to any amendment to any title of the bill H.R. 6860:

Strike out the necessary number of words.
Strike out the requisite number of words.
Strike out the next to the last word.
Strike out the penultimate word.
Strike out the last word.

By Mr. BAUMAN:

Proposed amendments to title I, title II, title III, title IV, and title V of the bill H.R. 6860, or to any amendment to any title of the bill H.R. 6860:

Strike out the necessary number of words.
Strike out the requisite number of words.
Strike out the next to the last word.
Strike out the penultimate word.
Strike out the last word.

By Mr. BRODHEAD:

Page 58, strike out line 3 and all that follows down through line 20 on page 71.

Page 91, strike out lines 17 and 18.

Page 91, line 19, strike out "(iv)" and insert "(iii)".

Page 91, line 22, strike out "(v)" and insert "(iv)".

By Mr. BRODHEAD:

Page 58, strike out line 3 and all that follows down through line 20 on page 71.

By Mr. BRODHEAD:

Page 91, strike out lines 17 and 18.

Page 91, line 19, strike out "(iv)" and insert "(iii)".

Page 91, line 22, strike out "(v)" and insert "(iv)".

By Mr. BROWN of Ohio:

Page 135, after line 12, add the following:

TITLE VI—CRUDE OIL PRICE REGULATION

SEC. 611. AMENDMENT TO EMERGENCY PETROLEUM ALLOCATION ACT WITH RESPECT TO CRUDE OIL PRICE REGULATION.

The Emergency Petroleum Allocation Act of 1973 is amended by adding at the end thereof the following new section:

"CRUDE OIL PRICE REGULATION

"SEC. 8. (a) For the purposes of this section:

"(1) The term 'crude oil' means a mixture of hydrocarbons that existed in liquid phase in underground reservoirs and remains liquid at atmospheric pressure after passing through surface separating facilities, and lease condensate which is a natural gas liquid recovered by associated production by lease separators.

"(2) The term 'domestic crude oil' means crude oil produced in the United States or from the 'outer Continental Shelf' as defined in section 1331, title 43, United States Code.

"(3) The term 'producer' means a person who produces crude oil when it is produced.

"(4) The term 'property' means the right which arises from a lease or from a fee interest to produce domestic crude oil.

"(5) The term 'base period control volume' means—

"(A) if domestic crude oil was produced and sold from that property in the months of May through December 1972, the total number of barrels of domestic crude oil produced and sold from that property in those months divided by eight;

"(B) if domestic crude oil was not produced and sold from that property in each of the months of May through December 1972, the total number of barrels of domestic crude oil produced and sold from that property in such months May through December for which domestic crude oil was produced and sold from the property (excluding those months in which there occurred any shutdown in production) divided by the number of such months.

"(6) The term 'decline adjustment factor' means—

"1 per centum of the base period control volume of a property multiplied by the number of months for which there occurred production and sales of crude oil from such property beginning with May 1972, and ending with the current month of production.

"(7) The term 'adjusted base period control volume' means the base period control volume less the decline adjustment factor.

"(8) The term 'monthly production variance factor' means the current cumulative deficiency in base production control level crude petroleum, as defined in section 212.72 of title 10 of the Code of Federal Regulations (as in effect on April 3, 1975), for a property on the effective date of this section, plus the total number of barrels by which production and sales of crude oil subsequent to the effective date of this section has been less than the adjusted base period control volume for all months in which production and sale of domestic crude oil has been less than the adjusted base period control volume subsequent to the first month in which production and sale of domestic crude oil exceeded the adjusted base period control volume, minus the total number of barrels of domestic crude oil produced and sold in each prior month which was in excess of the adjusted base period control volume for that month, but was not sold for a price in excess of the ceiling price established pursuant to subsection (c) of this section for sales made subsequent to the effective date of this section.

"(9) The term 'production volume subject to ceiling price' means the adjusted base period control volume plus the monthly production-variance factor.

"(10) The term 'stripper well lease' means a property whose average daily production of domestic crude oil and petroleum condensates, including natural gas liquids, per well did not exceed 10 barrels per day during the preceding calendar year.

"(b) Except as provided in subsections (c) and (d), no price ceiling shall apply to any first sale by a producer of domestic crude oil from a property.

"(c) No producer may charge a price in the case of sales from a property in a month in volume amounts equal to or less than production volume subject to a price ceiling which is higher than the sum of (1) the highest period price at 6 ante meridian, local time, May 15, 1973, for that grade of crude oil at that field, or if there was no posted price for that grade of crude oil at that field, the related price for that grade of crude oil which is most similar in kind and quality posted at the nearest field for which prices were posted at such time and date; and (2) a maximum of $1.35 per barrel.

"(d)(1) The provisions of subsections (b) and (c) of this section shall not take effect unless the President finds that there is in effect (A) an inflation minimization tax consonant with the purposes of this section applicable to sales from a property, from which domestic crude oil was produced and sold in one or more of the months of May through December 1972, in volume amounts greater than the production volume subject to a ceiling price under subsection (c), but less than the base period control volume, and (B) a production maximization tax consonant with the purposes of this section applicable to sales of domestic crude oil from any stripper well lease or from a property from which domestic crude oil was not produced and sold in one or more of the months of May through December 1972, or with respect to amounts produced and sold in any month in excess of the base period control volume (in the case of a property from which domestic oil was produced and sold in one or more of the months of May through December 1972).

"(2) For the purposes of this section:

"(A) The term 'inflation minimization tax consonant with the purposes of this section' means a tax which couples a redistribution of tax receipts mechanism with an excise tax applicable to sales from a property (other than a property certified by the President as having made application of bona fide tertiary recovery techniques) in volume subject to a price ceiling under subsection (c) but less than the base period control volume, equal to (i) in the first month which follows the date of enactment of this section, 90 per centum of the difference between the average sales price per barrel of such domestic crude oil and $5.75 per barrel; and (ii) in each successive month thereafter, 90 per centum of the difference between the average price per barrel of sales of such domestic crude oil in such month and $5.75 adjusted by adding an inflation adjustment factor: *Provided*, That provision may be made to take into account increases in State severance taxes and to assure that such tax shall not exceed 75 per centum of the net income attributed to a barrel of oil which is subject to tax determined by taking the net income from the property as calculated under the Internal Revenue Code of 1954 computed without allowance for depletion and intangible drilling costs divided by the number of barrels produced from such property which are subject to the inflation minimization tax.

"(B) The term 'production maximization tax consonant with the purposes of this section' means a tax which couples a redistribution of tax receipts mechanism with an excise tax applicable to sales from any stripper well lease or from a property from which domestic crude oil was not produced and sold in one or more of the months of May through December 1972 or with respect to amounts produced and sold in any month in excess of the base period control volume (in the case of a property from which domestic oil was produced and sold in one or more of the months of May through December 1972) (other than a lease or property certified by the President as having made application of bona fide tertiary recovery techniques) equal to (i) in the first month which follows the date of enactment of this section, 90 per centum of the difference between the average sales price per barrel of such domestic crude oil in that month and $7.50 per barrel; and (ii) in each successive month thereafter, 90 per centum of the difference between the average sales price per barrel in such month and $7.50 adjusted by adding an inflation adjustment factor except that an allowance as a credit against such tax, which credit may be applied to the full amount of such tax, shall be allowed for a qualified investment, and provision may be made to take into account increases in State severance taxes and to assure that such tax shall not exceed 75 per centum of

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the net income attributed to a barrel of oil which is subject to tax determined by taking the net income from the property as calculated under the Internal Revenue Code of 1954 computed without allowance for depletion and intangible drilling costs divided by the number of barrels produced from such property which are subject to the inflation minimization tax.

"(C) The term 'inflation adjustment factor' means an amount equal to one-half of 1 per centum, in the base amount of $5.75 in the case of the inflation minimization tax and $7.50 in the case of the production minimization tax compounded, for each month occurring between the first month which begins after the date of enactment of this section and the current month of production and rounded to the nearest whole cent.

"(D) The term 'redistribution of tax receipts mechanism' means a mechanism which distributes in full amount the tax receipts resulting from the inflation minimization tax and the production maximization tax making use of appropriate devices for the purpose of off-setting increases in energy-related costs which devices shall distribute (i) two-thirds of such receipts to low- and middle-income taxpayers and adult low-income nontaxpayers (other than a person who is a claimed dependent of a taxpayer) in a manner weighted in favor of the lower-income members of such group of taxpayers and nontaxpayers; (ii) one-half of such remaining one-third of tax receipts to States and local governments; and (iii) the remainder to corporate taxpayers (other than corporate taxpayers which are required to pay inflation minimization taxes). Such distribution may be accomplished through means which include disbursements, refundable tax credits, permanent reductions in tax liability, and adjustments to withholding; except that, to the maximum extent practicable, benefits from distributions shall be available on a reasonably current basis within the taxable year.

"(E) The term 'qualified investment' means for any taxable period the amount paid or incurred by such producer during such taxable period (with respect to areas within the United States or a possession of the United States) for—

"(i) intangible drilling and development costs, or geological and geophysical costs, described in section 263(c) of the Internal Revenue Code of 1954 (as in effect for taxable years beginning after December 31, 1974),

"(ii) the construction, reconstruction, erection, or acquisition of the following items but only if the original use of such items begins with such producer:

"(a) depreciable assets used for—

"(1) the exploration for or the development or production of oil or gas (including development or production from oil shale),

"(2) converting oil shale, coal, or liquid hydrocarbons into oil or gas, or

"(3) refining oil or gas (but not beyond the primary product stage),

"(b) pipeline for gathering or transmitting oil or gas, and facilities (such as pumping stations) directly related to the use of such pipelines.

"(iii) secondary or tertiary recovery of oil or gas, or

"(iv) the acquisition of oil and gas leases (other than offshore oil and gas leases), but the aggregate amount which may be taken into account under this clause for any taxable period shall not exceed one-third of the aggregate of the amounts which may be taken into account by the taxpayer under subclauses (i), (ii), and (iii) for such period.

"(F) The term 'tertiary recovery techniques' means techniques which employ fluid, heat, or insert gas injection methods including miscible fluid displacement, microemulsion flooding, in situ combustion, cyclic steam injection, steam flooding, carbon dioxide injection, polymer flooding, caustic injection, and other chemical flooding designed to produce production in excess of that attributable to natural or artificially induced water or natural gas displacement.

"(e) Notwithstanding any other provision of this section, no price ceiling shall apply to any first sale by a producer of any domestic crude oil produced from a property which the President, on a property-by-property basis, upon petition or upon his own motion, certifies as having made bona fide application of tertiary recovery techniques which application the President determines has or will significantly enhance production from such property.

"(f) The President shall conduct a continuous study and analysis of, and report to the Congress by December 31, 1975, and thereafter by December 31 of each successive year for a period of the next four successive years, on the effect of such price ceilings and taxes on (1) economic conditions, (2) production of domestic crude oil and other energy sources, (3) demand for crude oil and refined petroleum products and other energy sources, (4) imports of crude oil, residual fuel oil, refined petroleum products, and other energy sources (including the effect on balance of payments of such imports), and (5) economic efficiency. The President shall include in any such report his views and recommendations respecting the continuation, with or without modification, of the provisions of any such price ceiling or tax.

"(g) This section shall take effect on the first day of the first full month following the date of enactment of this section."

By Mr. BROWN of Ohio:

Page 72, strike out lines 1 and and insert in lieu thereof the following:

PART II—INTERCITY BUSES, RADIAL TIRES, REREFINED OIL, AND CRUDE OIL PRICE REGULATION

Page 77, after line 24, add the following:

SEC. 324. CRUDE OIL PRICE REGULATIONS.—The Emergency Petroleum Allocation Act of 1973 is amended by adding at the end thereof the following new section:

"CRUDE OIL PRICE REGULATION

"SEC. 8. (a) For the purposes of this section:

"(1) The term 'crude oil' means a mixture of hydrocarbons that existed in liquid phase in underground reservoirs and remains liquid at atmospheric pressure after passing through surface separating facilities, and lease condensate which is a natural gas liquid recovered in associated production by lease separators.

"(2) The term 'domestic crude oil' means crude oil produced in the United States or from the 'Outer Continental Shelf' as defined in section 1331, title 43, United States Code.

"(3) The term 'producer' means a person who produces crude oil or any person who owns crude oil when it is produced.

"(4) The term 'property' means the right which arises from a lease or from a fee interested to produce domestic crude oil.

"(5) The term 'base period control volume means—

"(A) if domestic crude oil was produced and sold from that property in the months of May through December 1972, the total number of barrels of domestic crude oil produced and sold from that property in those months divided by eight:

"(B) if domestic crude oil was not produced and sold from that property in each of the months of May through December 1972, the total number of barrels of domestic crude oil produced and sold from that property in such months May through December for which domestic crude oil was produced and sold from the property (excluding those months in which there occurred any shutdown in production) divided by the number of such months.

"(6) The term 'decline adjustment factor' means—

"1 percentum of the base period control volume of a property multiplied by the number of months for which there occurred production and sales of crude oil from such property beginning with May 1972, and ending with the current month of production.

"(7) The term 'adjusted base period control volume' means the base period control volume less the decline adjustment factor.

"(8) The term 'monthly production variance factor' means the current cumulative deficiency in base production control level crude petroleum, as defined in section 212.72 of title 10 of the Code of Federal Regulations (as in effect on April 3, 1975), for a property on the effective date of this section, plus the total number of barrels by which production and sales of crude oil subsequent to the effective date of this section has been less than the adjusted base period control volume for all months in which production and sale of domestic crude oil has been less than the adjusted base period control volume subsequent to the first month in which production and sale of domestic crude oil exceeded the adjusted base period control volume, minus the total number of barrels of domestic crude oil produced and sold in each prior month which was in excess of the adjusted base period control volume for that month, but was not sold for a price in excess of the ceiling price established pursuant to subsection (c) of this section for sales made subsequent to the effective date of this section.

"(9) The term 'production volume subject to ceiling price' means the adjusted base period control volume plus the monthly production variance factor.

"(10) The term 'stripper well lease' means a property whose average daily production of domestic crude oil and petroleum condensates, including natural gas liquids, per well did not exceed 10 barrels per day during the preceding calendar year.

"(b) Except as provided in subsections (c) and (d), no price ceiling shall apply to any first sale by a producer of domestic crude oil from a property.

"(c) No producer may charge a price in the case of sales from a property in a month in volume amounts equal to or less than the production volume subject to a price ceiling which is higher than the sum of (1) the highest period price at 6 ante meridian, local time, May 15, 1973, for that grade of crude oil at that field, or if there was no posted price for that grade of crude oil at that field, the related price for that grade of crude oil which is most similar in kind and quality posted at the nearest field for which prices were posted at such time and date; and (2) a maximum of $1.35 per barrel.

"(d)(1) The provisions of subsections (b) and (c) of this section shall not take effect unless the President finds that there is in effect (A) an inflation minimization tax consonant with the purposes of this section applicable to sales from a property, from which domestic crude oil was produced and sold in one or more of the months of May through December 1972, in volume amounts greater than the production volume subject to a ceiling price under subsection (c), but less than the base period control volume, and (B) a production maximization tax consonant with the purposes of this section applicable to sales of domestic crude oil from any stripper well lease or from a property from which domestic crude oil was not produced and sold in one or more of the months of May through December 1972, or with respect to amounts produced and sold in any month in excess of the base period control volume (in the case of a property from which domestic oil was produced and sold in one or more of the months of May through December 1972).

"(2) For the purposes of this section:

"(A) The term 'inflation minimization tax consonant with the purposes of this section' means a tax which couples a redistribution of tax receipts mechanism with an excise tax applicable to sales from a property (other than a property certified by the President as having made application of bona fide tertiary recovery techniques) in volume subject to a price ceiling under subsection (c) but less than the base period control volume, equal to (i) in the first month which follows the date of enactment of this section, 90 per centum of the difference between the average sales price per barrel of such domestic crude oil and $5.75 per barrel; and (ii) in each successive month thereafter, 90 per centum of the difference between the average price per barrel of sales of such domestic crude oil in such month and $5.75 adjusted by adding an inflation adjustment factor: *Provided*, That provision may be made to take into account increases in State severance taxes and to assure that such tax shall not exceed 75 per centum of the net income attributed to a barrel of oil which is subject to tax determined by taking the net income from the property as calculated under the Internal Revenue Code of 1954 computed without allowance for depletion and intangible drilling costs divided by the number of barrels produced from such property which are subject to the inflation minimization tax.

"(B) The term 'production maximization tax consonant with the purposes of this section' means a tax which couples a redistribution of tax receipts mechanism with an excise tax applicable to sales from any stripper well lease or from a property from which domestic crude oil was not produced and sold in one or more of the months of May through December 1972 or with respect to amounts produced and sold in any month in excess of the base period control volume (in the case of a property from which domestic oil was produced and sold in one or more of the months of May through December 1972) (other than a lease or property certified by the President as having made application of bona fide tertiary recovery techniques) equal to (i) in the first month which follows the date of enactment of this section, 90 per centum of the difference between the average sales price per barrel of such domestic crude oil in that month and $7.50 per barrel; and (ii) in each successive month thereafter, 90 per centum of the difference between the average sales price per barrel in such month and $7.50 adjusted by adding an inflation adjustment factor except that an allowance as a credit against such tax, which credit may be applied to the full amount of such tax, shall be allowed for a qualified investment, and provision may be made to take into account increases in State severance taxes and to assure that such tax shall not exceed 75 per centum of the net income attributed to a barrel of oil which is subject to tax determined by taking the net income from the property as calculated under the Internal Revenue Code of 1954 computed without allowance for depletion and intangible drilling costs divided by the number of barrels produced from such property which are subject to the inflation minimization tax.

"(C) The term 'inflation adjustment factor' means an amount equal to one-half of 1 per centum, in the base amount of $5.75 in the case of the inflation minimization tax and $7.50 in the case of the production minimization tax, compounded, for each month occurring between the first month which begins after the date of enactment of this section and the current month of production and rounded to the nearest whole cent.

"(D) The term 'redistribution of tax receipts mechanism' means a mechanism which distributes in full amount the tax receipts resulting from the inflation minimization tax and the production maximization tax making use of appropriate devices for the purpose of off-setting increases in energy-related costs which devices shall distribute (i) two-thirds of such receipts of low- and middle-income taxpayers and adult low-income nontaxpayers (other than a person who is a claimed dependent of a taxpayer) in a manner weighted in favor of the lower-income members of such group of taxpayers and nontaxpayers; (ii) one-half of such remaining one-third of tax receipts to States and local governments; and (iii) the remainder to corporate taxpayers (other than corporate taxpayers which are required to pay inflation minimization taxes). Such distribution may be accomplished through means which include disbursements, refundable tax credits, permanent reductions in tax liability, and adjustments to withholding; except that, to the maximum extent practicable, benefits from distributions shall be available on a resonably current basis within the taxable year.

"(E) The term 'qualified investment' means for any taxable period the amount paid or incurred by such producer during such taxable period (with respect to areas within the United States or a possession of the United States) for—

"(i) intangible drilling and development costs, or geological and geophysical costs, described in section 263(c) of the Internal Revenue Code of 1954 (as in effect for taxable years beginning after December 31, 1974),

"(ii) the construction, reconstruction, erection, or acquisition of the following items but only if the original use of such items begins with such producer:

"(a) depreciable assets used for—

"(1) the exploration for or the development or production of oil or gas (including development or production from oil shale),

"(2) converting oil shale, coal, or liquid hydrocarbons into oil or gas, or

"(3) refining oil or gas (but not beyond the primary product stage),

"(b) pipeline for gathering or transmitting oil or gas, and facilities (such as pumping stations) directly related to the use of such pipelines.

"(iii) secondary or tertiary recovery of oil or gas,

"(iv) the acquisition of oil and gas leases (other than offshore oil and gas leases), but the aggregate amount which may be taken into account under this clause for any taxable period shall not exceed one-third of the aggregate of the amounts which may be taken into account by the taxpayer under subclauses (i), (ii), and (iii) for such period.

"(F) The term 'tertiary recovery techniques' means techniques which employ fluid, heat, or insert gas injection methods including miscible fluid displacement, microemulsion flooding, in situ combustion, cyclic steam injection, steam flooding, carbon dioxide injection, polymer flooding, caustic injection, and other chemical flooding designed to produce production in excess of that attributable to natural or artificially induced water or natural gas displacement.

"(e) Notwithstanding any other provision of this section, no price ceiling shall apply to any first sale by a producer of any domestic crude oil produced from a property which the President, on a property-by-property basis, upon petition or upon his own motion, certifies as having made bona fide application of tertiary recovery techniques which application the President determines has or will significantly enhance production from such property.

"(f) The President shall conduct a continuous study and analysis of, and report to the Congress by December 31, 1975, and thereafter by December 31 of each successive year for a period of the next four successive years, on the effect of such price ceiling and taxes on (1) economic conditions, (2) production of domestic crude oil and other energy sources, (3) demand for crude oil and refined petroleum products and other energy sources, (4) imports of crude oil, residual fuel oil, refined petroleum products, and other energy sources (including the effect on balance of payments of such imports), and (5) economic efficiency. The President shall include in any such report his views and recommendations, respecting the continuation, with or without modification, of the provisions of any such price ceiling or tax.

"(g) This section shall take effect on the first day of the first full month following the date of enactment of this section."

By Mr. CHAPPELL:

On page 55, line 10: Redesignating paragraphs (3), (4), (5), and (6) as paragraphs (5), (6), (7), and (8) respectively and inserting new paragraphs (3) and (4) to read as follows:

(3) Section 6420(c)(2) as amended by striking out "or horticultural" and inserting in lieu thereof; ", aquacultural or horticultural".

(4) Section 6420(c)(3)(A) is amended by striking out "or horticultural" and inserting in lieu thereof; ", aquacultural or horticultural".

By Mr. CONABLE:

Proposed amendments to title I, title II, title III, title IV, and title V of the bill H.R. 6860 or to any amendment to any title of the bill H.R. 6860:

Strike out the necessary number of words.
Strike out the requisite number of words.
Strike out the next to the last word.
Strike out the penultimate word.
Strike out the last word.

By Mr. DERRICK:

Page 105, line 5, strike out "and".

Page 105, line 9, strike out "section 513." and insert in lieu thereof "section 513), and".

Page 105, immediately after line 9, insert the following:

"(G) in the process of singeing, drying, curing, or other industrial finishing of textile and apparel products."

By Mr. DINGELL:

Page 58, strike out line 3 and all that follows down through line 20 on page 71.

By Mr. DINGELL:

Page 58, strike out line 3 and all that follows down through line 20 on page 71.

Page 91, strike out lines 17 and 18.

Page 91, line 19, strike out "(iv)" and insert "(iii)".

Page 91, line 22, strike out "(v)" and insert "(iv)".

By Mr. DINGELL:

Page 91, strike out lines 17 and 18.

Page 91, line 19, strike out "(iv)" and insert "(iii)".

Page 91, line 22, strike out "(v)" and insert "(iv)".

By Mr. FISHER:

Page 58, strike out line 3 and all that follows down through line 20 on page 71 and insert:

PART I—AUTOMOBILE FUEL EFFICIENCY TAXES

SEC. 311. TAX ON EACH AUTOMOBILE WITH LOW FUEL EFFICIENCY.

(a) GENERAL RULE.—Part I of subchapter A of chapter 32 (relating to motor vehicle excise taxes) is amended by adding at the end thereof the following new section:

"SEC. 4064. TAX ON EACH AUTOMOBILE WITH LOW FUEL EFFICIENCY.

"There is hereby imposed on each automobile produced in the United States, or imported into the United States, during the

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model year 1977, 1978, 1979, or 1980, a tax determined in accordance with the following table:

If the fuel mileage rating (in miles per gallon) of the automobile is—	Amount of tax per Model year			
	1977	1978	1979	1980
20 or more				0
19 or more but less than 20			0	$100
18 or more but less than 19		0	$100	200
17 or more but less than 18	0	$100	200	300
16 or more but less than 17	$100	200	300	450
15 or more but less than 16	200	350	450	650
14 or more but less than 15	350	500	650	850
13 or more but less than 14	550	700	900	1,110
Less than 13	800	1,000	1,200	1,400

The tax imposed by this section shall be paid by the manufacturer or importer, as the case may be."

(b) DISCLOSURE OF TAX AND FUEL MILEAGE RATING ON WHICH TAX IS BASED.—

(1) GENERAL RULE.—In the case of any automobile with respect to which tax was imposed by section 4064 of the Internal Revenue Code of 1954, such manufacturer, producer, or importer shall affix a label to such automobile which shall include a clear, distinct, and legible endorsement stating—

(A) that Federal excise tax was imposed with respect to such automobile based upon the fuel mileage rate of such automobile.

(B) the amount of tax which was imposed,

(C) the fuel mileage rate on which such tax was based, and

(D) the table of taxes imposed by Section 4064 applicable to all automobiles produced in that model year.

(2) PENALTIES.—

(A) FAILURE TO AFFIX LABEL, OR FALSE ENDORSEMENT OF LABEL.—Any person required by paragraph (1) to endorse any label who willfully fails to endorse and affix such label as required by paragraph (1) or who makes a false endorsement of such label, shall be fined not more than $1,000.

(B) REMOVAL, MODIFICATION, OR MUTILATION OF LABEL.—Any person who removes, modifies, or mutilates any label affixed under paragraph (1) to an automobile before title or possession to such automobile is, for purposes of consumption, transferred to any person shall be fined not more than $1,000.

(C) EACH VIOLATION TO BE CONSIDERED A SEPARATE OFFENSE.—Each failure or endorsement referred to in subparagraph (A), and each removal, modification, or mutilation referred to in subparagraph (B), shall constitute a separate offense.

SEC. 312. TAX WHERE MANUFACTURER'S FLEET DOES NOT MEET STANDARD.

(a) GENERAL RULE.—Part I of subchapter A of chapter 32 (relating to motor vehicle excise taxes) is amended by adding at the end thereof the following new section:

"SEC. 4065. TAX WHERE FLEET DOES NOT MEET STANDARD.

"(a) IMPOSITION OF TAX.—If the fuel mileage rating of any manufacturer or importer for the model year 1977, 1978, 1979, or 1980 is below the fuel mileage standard for that model year, provided by subsection (b), a tax is hereby imposed on each automobile produced by such manufacturer (or imported by such importer) during such model year which has a fuel mileage rating below the fuel mileage standard provided by subsection (b) for that model year. The tax imposed by this section shall be paid by the manufacturer or the importer, as the case may be.

"(b) FUEL MILEAGE STANDARD.—For purposes of this section—

"For the model year	The fuel mileage standard (in miles per gallon) is—
1977	16.5
1978	18
1979	19
1980	20

"(c) AMOUNT OF TAX.—In the case of any automobile subject to tax under this section, the amount of such tax shall be $20 for each full 1/10 of a mile per gallon which the fuel mileage rating of the manufacturer or importer for the model year of production of importation is below the fuel mileage standard for that year."

SEC. 313. PROVISIONS COMMON TO SECTIONS 4064 AND 4065.

(a) IN GENERAL.—Part I of subchapter A of chapter 32 is amended by adding at the end thereof the following new section:

"SEC. 4066. PROVISIONS COMMON TO SECTIONS 4064 AND 4065.

"(a) DETERMINATION OF AUTOMOBILE FUEL MILEAGE RATING.—

"(1) DETERMINATION OF RATING.—

"(A) IN GENERAL.—The fuel mileage rating of every automobile which may be subject to tax under section 4064 or 4065 shall be the fuel mileage rating, for the class of automobiles in which such automobile falls, determined by the Secretary or his delegate. The determination of such rating for any class of automobiles shall be based on a composite mileage resulting from the testing of such class of automobiles, conducted in accordance with procedures established under paragraph (4). Such determination shall be published in the Federal Register.

"(B) REVIEW OF DETERMINATION.—Within 30 days after the fuel mileage rating of any class of automobiles has been published under subparagraph (A), the manufacturer or importer of such class of automobiles may file a petition in the United States Court of Appeals for the District of Columbia for judicial review of such determination. Upon the filing of such petition, the court shall have jurisdiction to review such determination in accordance with chapter 7 of title 5, United States Code, and to grant appropriate relief as provided in such chapter.

"(2) INTERAGENCY COOPERATION.—In order to avoid unnecessary expense and duplication, the Secretary or his delegate shall make such arrangements or agreements for cooperation or mutual assistance in the performance of his functions under this section and the functions of any department, agency, or establishment of the United States, as he may find practicable and consistent with law. The Secretary or his delegate may have access to and utilize, on a reimbursable or other basis, information, facilities, or services of any department, agency, or establishment of the United States; and each such department, agency, or establishment shall cooperate with the Secretary or his delegate and, to the extent permitted by law, provide such information, facilities, or services as he may request.

"(3) FUEL MILEAGE RATING.—The term 'fuel mileage rating' means, with respect to any class of automobiles, the number of miles which an automobile in such class can be expected to travel for each gallon of fuel which it consumes.

"(4) PROCEDURE FOR DETERMINING FUEL MILEAGE RATINGS.—The Secretary or his delegate shall, by regulations, establish procedures for conducting tests to determine the fuel mileage ratings of automobiles which may be subject to tax under section 4064 or 4065. Under such regulations the Secretary or his delegate shall establish separate classes of automobiles which may be based upon—

"(A) the manufacturer (or division of the manufacturer) of the automobiles;

"(B) the engine family of the automobiles (which takes into account the type of engine, fuel induction system, and emission control system);

"(C) the type of transmission of such automobiles;

"(D) whether or not the automobiles have air conditioners;

"(E) whether or not the automobiles are station wagons; and

"(F) the inertia weight of the automobiles.

For purposes of subparagraph (F), the inertia weight shall be taken into account in categories of 250-pound increments for automobiles which have inertia weights under 3,000 pounds, and in categories of 500-pound increments for automobiles which have inertia weights of 3,000 pounds or more.

"(b) DETERMINATION OF FUEL MILEAGE RATING FOR EACH MANUFACTURER OR IMPORTER.—

"(1) MANUFACTURER.—The fuel mileage rating of any manufacturer for purposes of section 4065 for any model year shall be based on all automobiles produced by such manufacturer in the United States or Canada during such model year.

"(2) IMPORTER.—The fuel mileage rating of any importer for purposes of section 4065 for any model year shall be based on all new automobiles imported into the United States during such model year which were produced (outside the United States and Canada) by the manufacturer who produced the automobiles imported by such importer. If there is more than one such manufacturer, the importer shall have a separate fuel mileage rating with respect to the automobiles of each manufacturer.

"(3) SPECIAL RULES.—For purposes of this subsection—

"(A) PERSONS WHO MANUFACTURE AND IMPORT.—A person who is both a manufacturer and an importer shall be treated—

"(i) as a manufacturer with respect to automobiles described in paragraph (1), and

"(ii) as an importer with respect to automobiles described in paragraph (2).

A person who manufactures automobiles in the United States shall be treated as the importer of all automobiles produced by such manufacturer which are imported into the United States.

"(B) CERTAIN IMPORTS FROM CANADA.—A person who is not a manufacturer with respect to automobiles described in paragraph (1) but who imports automobiles from Canada shall be treated as an importer with respect to such automobiles.

"(C) PRODUCTION IN UNITED STATES OR CANADA.—An automobile is produced in the United States or Canada if at least 75 percent of the cost to the manufacturer of such automobile is attributable to value added in the United States or Canada. Any automobile not described in the preceding sentence the production of which is completed in the United States shall be treated as having been imported (at the time of such completion) into the United States.

"(D) TREATMENT OF CERTAIN EXPORTS AND IMPORTS AND SALES FOR FURTHER MANUFACTURE.—An automobile otherwise taken into account under such paragraph (1)—

"(i) if it is sold to any person before the close of the model year in which it is produced for use in further manufacture,

"(ii) if it is exported from the United States before the close of the model year in which it is produced, or

"(iii) in the case of an automobile the production of which is completed outside the United States unless it is imported into the United States before the close of the model year in which it is produced.

"(E) PERSONS UNDER COMMON CONTROL.—All persons who control, are controlled by, or are under common control with any person shall be treated as one person.

"(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) AUTOMOBILE.—The term 'automobile' means—

"(A) any passenger automobile (within the meaning of such term as used in section 4061(b)(2)), or

"(B) any automobile, truck or bus which has a gross vehicle weight of 6,000 pounds or less (as determined under regulations prescribed by the Secretary or his delegate), which uses gasoline or diesel fuel as a fuel for propulsion.

"(2) MODEL YEAR.—The term 'model year' means, with reference to any calendar year, the manufacturer's annual production period (as determined by the Secretary or his delegate) which includes January 1 of such calendar year. If the manufacturer has no annual production period, the term 'model year' means the calendar year.

"(3) MANUFACTURER.—The term 'manufacturer' includes a producer.

"(4) MATHEMATICAL CALCULATIONS.—In determining any fuel mileage rating under subsection (a) or (b), the total number of automobiles to be taken into account for that determination is to be divided by a sum of terms, each term of which is a fraction created by dividing—

"(A) the number of automobiles within each group to be taken into account, by

"(B) the fuel mileage rating for the automobiles within such group rounded to the nearest 1/10 of a mile per gallon.

"(5) CHANGES IN EMISSIONS STANDARDS.—If there is any change (whether by law or by administrative action) from the Federal emissions standards which apply to automobiles produced on May 1, 1975, the Secretary or his delegate shall determine by rule (in accordance with section 553 of title 5, United States Code) and publish in the Federal Register—

"(A) the extent (if any) to which such change reduces fuel mileage, and

"(B) the modifications in the fuel mileage standard set forth in section 4065(b) and in the mileage brackets of the table set forth in section 4064, which are necessary to reflect the reduction in fuel mileage resulting from such change.

Any modifications published under this paragraph shall have the force and effect of law and shall apply to all automobiles produced or imported to which the changed emissions standards apply as if such modifications were contained in section 4064 or 4065; as the case may be.

"(d) EXEMPTIONS.—Under regulations prescribed by the Secretary or his delegate, for purposes of sections 4064, 4065, and this section the term 'automobile' does not include—

"(1) an ambulance, hearse, or combination ambulance-hearse,

"(2) any bus which is to be used predominantly by the purchaser in mass transportation services in urban areas, or

"(3) any bus sold to any person for use exclusively in transporting students and employees of schools operated by State or local governments or by nonprofit educational organizations (within the meaning of section 4221(d)(5)).

For purposes of paragraph (3), incidental use of a bus in providing transportation for State or local government or a nonprofit organization described in section 501(c) which is exempt from tax under section 501(a) shall be disregarded.

"(e) APPLICATION OF CERTAIN SECTIONS.—Sections 4221 and 4293 shall not apply to the taxes imposed by sections 4064 and 4065.

(b) TECHNICAL AND CLERICAL AMENDMENTS.—

(1) The table of sections for part I of subchapter A of chapter 32 is amended by adding at the end thereof the following:

"Sec. 4064. Tax on each automobile with low fuel efficiency

Sec. 4065. Tax where fleet does not meet standard

Sec. 4066. Provisions common to section 4064 and 4065."

(2) Section 6161(b)(1) (relating to extensions of time for paying tax) is amended by inserting after "or 43," the following: "or by section 4064 or 4065,". The second sentence of such section 6161(b) is amended by inserting after "chapter 43," the following: "or by section 4064 or 4065 of chapter 32,"

(3) Section 6201(d) (cross reference) is amended by striking out "and chapter 43 taxes" and inserting in lieu thereof the following: "chapter 43, and sections 4064 and 4065 taxes".

(4) Section 6211 (defining deficiency) is amended—

(A) by striking out so much of subsection (a) as precedes paragraph (1) and inserting in lieu thereof the following:

"(a) IN GENERAL.—For purposes of this title in the case of income, estate, and gift taxes imposed by subtitles A and B and excise taxes imposed by sections 4064 and 4065 or by chapters 42 and 43, the term 'deficiency' means the amount by which the tax imposed by subtitle A or B, by section 4064 or 4065, or by chapter 42 or 43, exceeds the excess of—"; and

(B) by inserting after "or B" in subsection (b)(2) the following: ", section 4064 or 4065,".

(5) Section 6212 (relating to notice of deficiency) is amended—

(A) by inserting after "or B" in subsection (a) the following: ", section 4064 or 4065,";

(B) by inserting after "chapter 12" each place it appears in subsection (b)(1) the following: ", sections 4064 and 4065,";

(C) by striking out "TAXES IMPOSED BY CHAPTER 42" in the heading of subsection (b)(1) and inserting in lieu thereof "CERTAIN EXCISE TAXES";

(D) by striking out "or of chapter 42 tax" in subsection (c)(1) and inserting in lieu thereof "of chapter 42 tax"; and

(E) by inserting after "to which such petition relates" the following: ", or of section 4064 or 4065 tax with respect to the calendar year to which such petition relates".

(6) Section 6213 (relating to restrictions applicable to deficiencies and petition to Tax Court) is amended by inserting after "or B" in subsection (a) the following: ", section 4064 or 4065.".

(7) Section 6214(d) (relating to final decisions of Tax Court) is amended by inserting after "this chapter," the following: "sections 4064 and 4065,".

(8) Section 6344(a)(1) (relating to cross references) is amended by inserting before "chapter 42" the following: "section 4064 or 4065 or".

(9) Section 6512 (relating to limitations in case of petition to Tax Court) is amended—

(A) by striking out "or 43" each place it appears therein and inserting in lieu thereof ", 43", and

(B) by inserting after "to which such petition relates" the following: ", or of section 4064 or 4065 tax with respect to the calendar year to which such petition relates".

(10) Section 6601(d) (relating to interest on underpayment, nonpayment, or extensions of time for payment of tax) is amended by striking out in the heading thereof "CHAPTER 42 or 43" and inserting in lieu thereof "CERTAIN EXCISE".

(11) Section 7422(e) (relating to civil actions for refund) is amended by inserting before "chapter 42" the following: "section 4064 or 4065 or".

SEC. 314. RECOMMENDATIONS FOR MODEL YEARS AFTER 1980.

(a) REPORT.—Before March 15, 1978, the Administrator of the Federal Energy Administration shall submit to the Congress a report

(1) as to whether the taxes imposed by sections 4064 and 4065 of the Internal Revenue Code of 1954 shall be continued upon the model year 1980, and

(2) if such taxes are continued—

(A) any modifications the Administrator believes should be made in such taxes, and

(B) what the fuel mileage standard, and the tax rate brackets and amounts, should be for model years after 1980.

By Mr. FITHIAN:

Page 29, strike line one and all that follows through and including line 24 on page 57.

By Mr. FRASER:

Page 28, after line 24, insert the following:

SEC. 154. REPORT.

Before the date of the close of the one year period beginning on the date of the enactment of this Act, or on the date on which a plan is submitted to Congress pursuant to section 152 (whichever date is earlier), the President shall submit to the Congress a study of the extent to which the implementation of a system described in section 151 would have in reducing the price of oil imported into the United States.

Page 18, line 24, strike out "ANNUAL".

Page 18, line 25, before "On" insert "(a) ANNUAL REPORT.—".

Page 19, between lines 10 and 11, insert the following:

"(b) SPECIAL REPORT.—Before the close of the one year period beginning on the date of the enactment of this Act, the President shall submit to the Congress a study of the extent to which the implementation of any system under which all or a portion of oil imported into the United States is purchased by the United States Government would have in reducing the price of oil imported into the United States."

By Mr. FRENZEL:

Proposed amendments to title I, title II, title III, title IV, and title V of the bill H.R. 6860 or to any amendment to any title of the bill H.R. 6860:

Strike out the necessary number of words.

Strike out the requisite number of words.

Strike out the next to the last word.

Strike out the penultimate word.

Strike out the last word.

Page 4, strike out line 1 and all that follows down through line 24 on page 28.

Page 7, strike out line 8 and all that follows down through line 2 on page 8.

Page 15, line 15, strike out "national interest" and all that follows down through line 22 and insert "national interest."

Page 128, strike out line 24 and all that follows down through line 12 on page 135.

By Mr. GIBBONS:

Page 4, strike out line 23 and all that follows thereafter down through line 19 on page 14.

Page 15, line 4, strike out "133(a)(3)" and insert "123(3)".

Page 18, line 19, strike out "any" and all that follows thereafter down through line 23 and insert the following: "any rate of duty established by part I and any adjustment to any rate of duty made by him under part I."

Page 19, lines 6, 7, and 8, strike out "the factors taken into account in making any modification under subsection (b) or (c) of section 111,".

Page 19, line 12, strike out "(a) In General.—".

Page 20, strike out line 1 and all that follows thereafter down through line 23 on page 21.

Redesignate the parts and sections of title I of the bill accordingly.

By Mr. GIBBONS:

Page 4, strike out line 23 and all that follows thereafter down through line 19 on page 14.

Page 15, line 4, strike out "133(a)(3)" and insert "123(3)".

Page 18, line 19, strike out "any" and all that follows thereafter down through line 23 and insert the following: "any rate of duty established by part I and any adjustment to any rate of duty made by him under part I."

Page 19, lines 6, 7, and 8, strike out "the factors taken into account in making any modification under subsection (b) or (c) of section 111,".

Page 19, line 12, strike out "(a) IN GENERAL.—".

Page 20, strike out line 1 and all that follows thereafter down through line 15.

Page 20, lines 16 and 17, strike out "LICENSING AND".

Page 20, line 21, strike out "LICENSING AND".

Page 20, line 24, strike out "LICENSING".

Page 21, line 1, strike out "AND".

Amend section 142 (page 21, lines 5 through 13, inclusive) to read as follows:

"SEC. 132. FUNCTIONS OF THE DEPUTY ADMINISTRATOR.

"The Deputy Administrator shall administer the provisions of part IV (relating to the Federal purchase and sale of imports of petroleum and petroleum products)."

Page 21, line 19, strike out "Licensing and".

Page 22, line 17, strike out "151" and insert "141".

Page 23, lines 3 and 4, strike out ", subject to such quantitative restrictions as may be imposed pursuant to section 111,".

Page 24, strike out lines 6, 7, and 8.

Page 25, line 17, strike out "152" and insert "142".

Redesignate the parts and sections of title I of the bill accordingly.

By Mr. GIBBONS:

Strike out part III of title III (relating to tax incentives for certain energy related improvements of buildings), beginning on page 78, line 1, and ending on page 90, line 17.

By Mr. GIBBONS:

Page 102, strike out line 17 and all that follows down through line 19 on page 125 and insert in lieu thereof the following:

SEC. 511. DENIAL OF INVESTMENT TAX CREDIT FOR AIR CONDITIONING AND SPACE HEATING EQUIPMENT

(a) AIR CONDITIONING, SPACE HEATERS, ETC.—Subparagraph (a) of section 48(a)(1) (defining section 38 property) is amended to read as follows:

"(A) tangible personal property (other than an air conditioning or heating unit), or".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to property placed in service after the date of the enactment of this Act.

SEC. 512. GENERATING FACILITIES POWERED BY PETRO-

Page 128, strike out line 24 and all that follows down through line 12 on page 135.

(Conforming amendments.)

By Mr. GIBBONS:

Page 91, line 18, insert "and" immediately after "efficiency tax),".

Page 91, strike out line 19 and all that follows down through line 23 and insert in lieu thereof the following:

"(iv) section 4226(a) of such Code (relating to floor stocks taxes),".

By Mr. GIBBONS:

Strike out section 331 (relating to tax credit for insulation of residences), beginning on page 78, line 4, and ending on page 84, line 10.

By Mr. GIBBONS:

Strike out section 332 (relating to tax credit for residential solar energy equipment), beginning on page 84, line 11, and ending on page 90, line 17.

By Mr. GIBBONS:

Strike out section 511 (relating to excise tax on business use of petroleum and petroleum products), beginning on page 102, line 19, and ending on page 106, line 24.

By Mr. GIBBONS:

(Conforming amendments.)

Page 91, line 18, insert "and" immediately after "efficiency tax),".

Page 91, strike out line 19 and all that follows down through line 23 and insert in lieu thereof the following:

"(iv) section 4226(a) of such Code (relating to floor stocks taxes),".

By Mr. GIBBONS:

Strike out part I of title V (relating to excise tax on business use of petroleum and petroleum products), beginning on page 102, line 17, and ending on page 106, line 24.

By Mr. GIBBONS:

(Conforming amendments.)

Page 91, line 18, insert "and" immediately after "efficiency tax),".

Page 91, strike out line 19 and all that follows down through line 23 and insert in lieu thereof the following:

"(iv) section 4226(a) of such Code (relating to floor stocks taxes),".

By Mr. GIBBONS:

Strike out section 521 (relating to amortization of qualified energy use property), beginning on page 107, line [illegible], and ending on page 113, immediately above line 6.

By Mr. GIBBONS:

Strike out section 522 (relating to amortization of qualified railroad equipment), beginning on page 113, line 6, and ending on page 119, immediately above line 8.

By Mr. GIBBONS:

Strike out section 523 (amendments relating to amortization of certain railroad rolling stock), beginning on page 119, line 8, and ending on page 122, line 6.

By Mr. GIBBONS:

Strike out section 524 (relating to technical and conforming amendments) beginning on page 122, line 7, and ending on page 123, immediately above line 13.

By Mr. GIBBONS:

Strike out part II of title V (relating to amortization for certain energy-related property), beginning on page 107, line 1, and ending on page 123, immediately above line 13.

By Mr. GIBBONS:

Strike out section 531 (changes in investment credit relating to insulation, solar energy, and air conditioning), beginning on page 123, line 15, and ending on page 125, line 18, and insert in lieu thereof the following:

SEC. 531. DENIAL OF INVESTMENT TAX CREDIT FOR AIR CONDITIONING AND SPACE HEATING EQUIPMENT.

(a) AIR CONDITIONING, SPACE HEATERS, ETC.—Subparagraph (A) of section 48(a)(1) (defining section 38 property) is amended to read as follows:

"(A) tangible personal property (other than an air conditioning or heating unit), or".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to property placed in service after the date of the enactment of this Act.

By Mr. GIBBONS:

Strike out section 533 (relating to recycling tax credit), beginning on page 128, line 24, and ending on page 135, line 12.

By Mr. GIBBONS:

At the end of the bill add the following new section:

SEC. . REPEAL OF PERCENTAGE DEPLETION ON OIL AND GAS ROYALTY INCOME.

(a) Subsection (d) of section 613A of the Internal Revenue Code of 1954 (relating to persons entitled to percentage depletion on 2,000 barrels of oil per day) is amended by adding at the end thereof the following new paragraph:

"(5) ROYALTY INCOME EXCLUDED.—Subsection (c) shall not apply to income derived from a nonoperating mineral interest as defined in section 614. In applying such definition for purposes of this paragraph, the taxpayer's share of the costs of production of the oil or gas shall be treated as zero if his percentage share of such costs is substantially less than his percentage share of the production."

(b) The amendment made by subsection (a) shall apply to income received on and after the date of enactment of this Act.

By Mr. GIBBONS:

On page 14, line 20 (relating to rates of duty on oil), strike line 20 and the remainder of part II through line 11, page 18.

By Mr. GUDE:

Page 107, line 21, strike out "or".

Page 107, line 22, strike out the period and insert in lieu thereof ", or".

Page 107, immediately after line 22, insert the following:

"(E) qualified solar energy equipment."

Page 109, immediately after line 3, insert the following:

"(6) QUALIFIED SOLAR ENERGY EQUIPMENT.—The term 'qualified solar energy equipment' means solar energy equipment, as defined in section 44D(c)(2)."

(Technical amendments)

Page 122, strike out line 11 and insert in lieu thereof the following: striking out "184,", and by inserting at the end thereof the following new sentence: "Qualified solar energy equipment with respect to which an election under section 189 applies shall not be treated as section 38 property."

By Mr. GUYER:

Page 74, strike out lines 3 and 4 and insert in lieu thereof the following:

"(d) REDUCTION AND REPEAL OF TAX ON RADIAL TIRES.—

"(1) REDUCTION.—In the case of any radial tire sold after March 17, 1975, and before March 18, 1980, the rate of tax imposed under section 4071 on such sale shall be determined in accordance with the following table:

If the sale occurs:	The rate of tax applicable to such sale shall be the following percentage of the rate otherwise applicable under section 4071:
After 3/17/75 and before 3/18/76	90
After 3/17/76 and before 3/18/77	80
After 3/17/77 and before 3/18/78	70
After 3/17/78 and before 3/18/79	60
After 3/17/79 and before 3/18/80	50

"(2) REPEAL.—The tax imposed by section 4071 shall not apply to radial tires sold after March 17, 1980."

Page 75, strike out line 19 and all that follows down through line 12 on page 76 and insert in lieu thereof the following:

"(1) RADIAL TIRES.—

"(A) ALLOWACE OF REFUND.—Where before any floor stocks refund date, any radial tire (as defined in section 4072(d)) subject to the tax imposed by section 4071(a) has been sold by the manufacturer, producer, or importer and on such date is held by a dealer and has not been used and is intended for sale, there shall be credited or refunded (without interest) to the manufacturer, producer, or importer an amount equal to the difference between (i) the tax paid by such manufacturer, producer, or importer on his sale of such tire, and (ii) the tax (if any) which would have been imposed under section 4071(a) if such sale had occurred on such floor stocks refund date. Credit or refund shall be allowed under the preceding sentence only if claim therefor is filed with the Secretary or his delegate on or before December 31 following such floor stocks refund date based upon a request submitted to the manufacturer, producer, or importer before October 1 following such floor stocks refund date by the dealer who held such tire in respect of which the credit or refund is claimed, and, on or before such December 31, reimbursement has been made to such dealer by such manufacturer, producer, or importer for the tax on such tire or written consent has been obtained from such dealer to allowance of such credit or refund.

"(B) FLOOR STOCKS REFUND DATE DEFINED.—For purposes of this paragraph, the term 'floor stocks refund date' means March 18 of 1975, 1976, 1977, 1978, 1979, and 1980."

Strike out title II (relating to energy conservation taxes), beginning on line 1 of page 29, and ending on line 24 of page 57.

By Mr. HARRIS:

(Technical and conforming amendments.)

Page 78, line 9, strike out "SEC. 44C." and insert in lieu thereof "SEC. 44A.".

Page 83, immediately after line 4 strike out "SEC. 44C." and insert in lieu thereof "SEC. 44A.".

Page 83, line 10, strike out "section 44C" and insert in lieu thereof "section 44A".

Page 83, line 18, strike out "section 44C" and insert in lieu thereof "section 44A".

Page 84, line 1, strike out "section 44C (d)" and insert in lieu thereof "section 44A(d)".

Page 84, line 3, strike out "section 44C" and insert in lieu thereof "section 44A".

Page 84, line 7, strike out "and 44C" and insert in lieu thereof "and 44A".

Page 84, line 16, strike out "SEC. 44D." and insert in lieu thereof "SEC. 44B."

Page 86, line 1, strike out "section 44C" and insert in lieu thereof "section 44A".

Page 89, immediately after line 10, strike out "SEC. 44D." and insert in lieu thereof "SEC. 44B."

Page 89, line 16, strike out "section 44D" and insert in lieu thereof "section 44B".

Page 90, line 1, strike out "section 44D" and insert in lieu thereof "section 44B".

Page 90, line 8, strike out "section 44D (d)" and insert in lieu thereof "section 44B (d)".

Page 90, line 10, strike out "section 44D" and insert in lieu thereof "section 44B".

Page 90, line 13, strike out "and 44C" and insert in lieu thereof "and 44A".

Page 90, line 14, strike out "44C, and 44D" and insert in lieu thereof "44A, and 44B".

Page 91, strike out line 12 and all that follows down through line 23 and insert in lieu thereof the following:

"(i) section 4064 of the Internal Revenue Code of 1954 (relating to automobile fuel efficiency tax), and

"(ii) section 4991 of such Code (relating to tax on certain business uses of petroleum and petroleum products),"

Page 124, beginning on line 21, strike out "section 44C(c)(2)" and insert in lieu thereof "section 44A(c)(2)".

Page 124, line 25, strike out "section 44D (c)(2)" and insert in lieu thereof "section 44B(c)(2)".

By Mr. HARRIS:

Page 92, line 4, strike out "and".

Page 92, line 8, strike out the period and insert in lieu thereof "; and".

Page 92, immediately after line 8, insert the following:

"(D) the difference between (i) the amount of taxes so received under chapter 1 of such Code and (ii) the amount of taxes under such chapter which would have been received if the amendments made by subsection (g) had not been enacted."

Page 94, immediately after line 25, insert the following:

(g) REVISION OF TAX TREATMENT OF CORPORATE FOREIGN OIL RELATED INCOME TO PROVIDE REVENUES FOR TRUST FUNDS.—

(1) IN GENERAL.—Subsection (a) of section 907 (relating to special rules in case of foreign oil and gas income) is amended to read as follows:

"(a) TAX TREATMENT OF FOREIGN TAXES ON OIL RELATED INCOME.—

"(1) CORPORATE FOREIGN OIL RELATED INCOME.—

"(A) TERMINATION OF CREDIT.—In the case of a corporation, credit shall not be allowed under this subpart for income, war profits, or excess profits taxes paid or accrued during the taxable year to any foreign country or possession of the United States with respect to foreign oil related income from sources within such country or possession.

"(B) IMPOSITION OF ALTERNATIVE TAX.—If for any taxable year a corporation has foreign oil related income, then, in lieu of the tax imposed by section 11, there is hereby imposed a tax which shall consist of the sum of—

"(i) a tax computed on the taxable income reduced by the amount of the foreign oil related income, at rates and in the manner as if this subparagraph had not been enacted, plus

"(ii) a tax of 24 percent of the foreign oil related income.

The Secretary or his delegate shall prescribe such regulations as may be necessary to carry out the provisions of this subparagraph, including, but not limited to, regulations providing that deductions, credits, and other computations properly allocable to computing foreign oil related income are properly allocated in computing such income.

"(2) REDUCTION FOR NONCORPORATE TAXPAYER IN AMOUNT ALLOWED AS FOREIGN TAX UNDER SECTION 901.—In applying section 901 in the case of a taxpayer other than a corporation, the amount of any income, war profits, and excess profits taxes paid or accrued (or deemed to have been paid) during the taxable year with respect to foreign oil and gas extraction income which would (but for this paragraph) be taken into account for purposes of section 901 shall be reduced by the amount (if any) by which the amount of such taxes exceeds the products of—

"(A) the amount of the foreign oil and gas extraction income for the taxable year, multiplied by

"(B) the percentage which is—

"(i) in taxable years ending in 1975, 110 percent of,

"(ii) in taxable years ending in 1976, 105 percent of, and

"(iii) in taxable years ending after 1976, 2 percentage points above, the sum of the normal tax rate and the surtax rate for the taxable year specified in section 11."

(2) TECHNICAL AMENDMENT.—Subsection (g) of section 907 (relating to Western Hemisphere trade corporations which are members of an affiliated group) is hereby repealed.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years ending after December 31, 1974.

By Mr. JACOBS:

Strike out section 331 (relating to insulation of residences), beginning on page 78, line 4, and ending on page 84, line 10.

By Mr. JACOBS:

Page 84, line 11, strike out "SEC. 332" and insert in lieu thereof "SEC. 331".

Page 84, line 16, strike out "SEC. 44D." and insert in lieu thereof "SEC. 44C."

Page 85, line 23, insert "and" immediately after "exemptions),".

Page 85, line 25, strike out ", and" and insert in lieu thereof a period.

Page 89, immediately after line 10, strike out "SEC. 44D." and insert in lieu thereof "SEC. 44C."

Page 89, line 13, strike out "(vii)" and insert in lieu thereof "(vi)".

Page 89, line 14, strike out "(viii)" and insert in lieu thereof "(vii)".

Page 89, line 15, strike out "(viii)" and insert in lieu thereof "(vii)".

Page 89, line 16, strike out "(ix) section 44D" and insert in lieu thereof "(viii) section 44C".

Page 89, line 20, strike out "(G)" and insert in lieu thereof "(F)".

Page 89, line 21, strike out "(H)" and insert in lieu thereof "(G)".

Page 89, line 22, strike out "(H)" and insert in lieu thereof "(G)".

Page 90, line 1, strike out "(I)" and insert in lieu thereof "(H)".

Page 90, line 5, strike out "(23)" and insert in lieu thereof "(22)".

Page 90, line 7, strike out "(23)" and insert in lieu thereof "(22)".

Page 90, line 8, strike out "(24) to the extent provided in section 44D(d)" and insert in lieu thereof "(23) to the extent provided in section 44C(d)."

Page 90, line 10, strike out 44D and insert in lieu thereof "44C".

Page 90, line 13, strike out "and 44C" and insert in lieu thereof "and 44".

Page 90, line 14, strike out "44C, and 44D" and insert in lieu thereof "44, and 44C".

Page 123, strike out line 15 and all that follows down through line 7 on page 123 and insert in lieu thereof the following:

SEC. 531. CHANGES IN INVESTMENT CREDIT RELATING TO SOLAR ENERGY AND AIR CONDITIONING.

(a) SOLAR ENERGY.—Section 48 (relating to definitions and special rules for purposes of the investment credit) is amended by redesignating subsection (k) as subsection (l) and by adding after subsection (j) the following new subsection:

(k) TEMPORARY RULES FOR SOLAR ENERGY.—

"(1) TREATMENT OF SECTION 38 PROPERTY.—Any solar energy equipment installed after March 17, 1975, and before January 1, 1981, shall be treated as section 38 property.

"(2) LODGING RULE NOT TO APPLY.—For purposes of this subsection, paragraph (3) of subsection (a) (relating to property used for lodging) shall not apply.

"(3) SOLAR ENERGY EQUIPMENT.—For purposes of this subsection, the term 'solar energy equipment' has the meaning given to such term by section 44C(c)(2).

"(4) TERMINATION.—This subsection shall not apply to amounts paid or incurred with respect to solar energy equipment after December 31, 1980."

By Mr. JEFFORDS:

Page 4, strike out line 3 and all that follows thereafter down through line 19 on page 14.

Page 15, line 4, strike out "133(a)(3)" and insert "123(3)".

Page 18, line 19, strike out "any" and all that follows thereafter down through line 23 and insert the following: "any rate of duty established by part I and any adjustment to any rate of duty made by him under part I."

Page 19, lines 6, 7, and 8, strike out "the factors taken into account in making any modification under subsection (b) or (c) of section 111,".

Page 19, line 12, strike out "(a) IN GENERAL.—".

Page 20, strike out line 1 and all that follows thereafter down through line 23 on page 21.

Redesignate the parts and sections of title I of the bill accordingly.

By Mr. JEFFORDS:

Page 4, strike out line 3 and all that follows thereafter down through line 19 on page 14.

Page 15, line 4, strike out "133(a)(3)" and insert "123(3)".

Page 18, line 19, strike out "any" and all that follows thereafter down through line 23 and insert the following: "any rate of duty established by part I and any adjustment to any rate of duty made by him under part I."

Page 19, lines 6, 7, and 8, strike out "the factors taken into account in making any modification under subsection (b) or (c) of section 111,".

Page 19, line 12, strike out "(a) IN GENERAL.—".

Page 20, strike out line 1 and all that follows thereafter down through line 15.

Page 20, lines 16 and 17, strike out "LECENSING AND".

Page 20, line 21, strike out "LICENSING AND".

Page 20, line 24, strike out "LICENSING".

Page 21, line 1, strike out "AND".

Amend section 142 (page 21, lines 5 through 13, inclusive) to read as follows:

SEC. 132. FUNCTIONS OF THE DEPUTY ADMINISTRATOR.

The Deputy Administrator shall administer the provisions of part IV (relating to the Federal purchase and sale of imports of petroleum and petroleum products).

Page 21, line 19, strike out "Licensing and".

Page 22, line 17, strike out "151" and insert "141".

Page 23, lines 3 and 4, strike out ", subject to such quantitative restrictions as may be imposed pursuant to section 111,".

Page 24, strike out lines 6, 7, and 8.

Page 25, line 17, strike out "152" and insert "142".

Redesignate the parts and sections of title I of the bill accordingly.

By Mr. JEFFORDS:

Page 90, immediately after line 17, insert the following new section:

SEC. 33. WOOD-FUELED RESIDENTIAL HEATING EQUIPMENT.

(a) GENERAL RULE.—Subpart A of chapter IV of subchapter A of chapter 1 (relating to credits allowable) is amended by inserting immediately before section 45 the following new section:

"SEC. 44E. WOOD-FUELED RESIDENTIAL HEATING EQUIPMENT.

"(a) GENERAL RULE.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of 40 percent of the qualified wood-fueled heating equipment expenditures paid by the taxpayer during the taxable year with respect to any residence to the extent that such expenditures do not exceed $500.

"(b) LIMITATIONS.—

"(1) APPLICATION WITH OTHER CREDITS.—The credit allowed by subsection (a) shall not exceed the amount of the tax imposed by this chapter for the taxable year reduced by the sum of the credits allowable under—

"(A) section 33 (relating to foreign tax credit),

"(B) section 37 (relating to retirement income),

"(C) section 33 (relating to investment in certain depreciable property and purchases of certain recyclable waste),

"(D) section 40 (relating to expenses of work incentive programs),

"(E) section 41 (relating to contributions to candidates for public office),

"(F) section 42 (relating to credit for personal exemptions),

"(G) section 44 (relating to purchase of new principal residence),

"(H) section 44C (relating to insulation of principal residence), and

"(I) section 44D (relating to residential solar energy equipment).

"(2) PRIOR EXPENDITURES TAKEN INTO ACCOUNT.—If—

"(A) the taxpayer made qualified wood-fueled heating equipment expenditures with respect to any residence in any prior taxable year, or

"(B) any prior owner of such residence made qualified wood-fueled heating equipment expenditures with respect to such residence,

then subsection (a) shall be applied with respect to such residence for the taxable year by reducing (but not below zero) the dollar amounts contained in such subsection by the aggregate of the expenditures described in subparagraphs (A) and (B).

"(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) QUALIFIED WOOD-FUELED HEATING EQUIPMENT EXPENDITURES.—The term 'qualified wood-fueled heating equipment expenditures' means any amount paid by an individual for any installation which occurs after March 17, 1975, and before January 1, 1981, of wood-fueled heating equipment, in any dwelling unit which at the time of such installation is owned by the individual and used by him as his principal residence (within the meaning of section 1034).

"(2) WOOD-FUELED HEATING EQUIPMENT.—The term 'wood-fueled heating equipment' means equipment—

"(A) which, when installed in or on a building, is primarily designed to burn wood for purposes of heating such building;

"(B) the original use of which commences with the taxpayer; and

"(C) which has a useful life of at least 3 years

"(3) JOINT OWNERSHIP.—In the case of any building which is jointly owned, and is used during any calendar year as a principal residence, by two or more individuals—

"(A) the amount of the credit allowable under subsection (a) (after applying subsection (b)(2)) with respect to any qualified wood-fueled heating equipment expenditures paid during such calendar year by any of such individuals with respect to such building shall be determined by treating all of such individuals as one taxpayer whose taxable year is such calendar year; and

"(B) each of such individuals shall be allowed a credit under subsection (a) for the taxable year in which such calendar year ends (subject to the limitation of subsection (b)(1) in an amount which bears the same ratio to the amount determined under subparagraph (A) as the amount paid by such individual during such calendar year for such expenditures bears to the aggregate of the amounts paid by all of such individuals during such calendar year for such expenditures.

"(4) TENANT-STOCKHOLDER IN COOPERATIVE HOUSING CORPORATION.—In the case of an individual who holds stock as a tenant-stockholder (as defined in section 216) in a cooperative housing corporation (as defined in such section), such individual—

"(A) shall be treated as owning the dwelling unit which he is entitled to occupy as such stockholder; and

"(B) shall be treated as having paid his tenant-stockholder's proportionate share (as defined in section 216(b)(3)) of any qualified wood-fueled heating equipment expenditures paid by such corporation.

"(d) REDUCTION OF BASIS.—The basis of any property shall not be increased by the amount of any qualified wood-fueled equipment expenditures made with respect to such property to the extent of the amount of any credit allowed under this section with respect to such expenditures.

"(e) TERMINATION.—This section shall not apply to any amount paid after December 31, 1980."

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) The table of sections for such subpart A is amended by inserting before the item relating to section 45 the following:

"Sec. 44E. Wood-fueled residential heating equipment."

(2) Section 56(a)(2) (relating to imposition of minimum tax) is amended by striking out "and" at the end of clause (viii), by striking out "; and." at the end of cause (ix) and inserting in lieu thereof ", and ", and by inserting after clause (ix) the following new clause:

"(x) section 44E (relating to wood-fueled residential heating equipment); and".

(3) Section 56(c)(1) (relating to tax carryovers) is amended by striking out "and" at the end of subparagraph (H), by striking out "exceed" at the end of subparagraph (I) and inserting in lieu thereof "and", and by inserting after subparagraph (I) the following new subparagraph:

"(J) section 44E (relating to wood-fueled residential heating equipment), exceed".

(4) Subsection (a) of section 1016 (relating to adjustments to basis) is amended by striking out the period at the end of paragraph (24) and inserting in lieu thereof a semicolon and by inserting after paragraph (24) the following new paragraph:

"(25) to the extent provided in section 44E(d), in the case of property with respect to which a credit has been allowed under section 44E."

(5) Section 6096(b) (relating to designation of income tax payment to Presidential Election Campaign Fund) is amended by striking out "and 44D" and inserting in lieu thereof "44D, and 44E".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid after March 17, 1975, in taxable years ending after such date.

By Mr. LANDRUM:

Page 125, strike out line 8 and all that follows down through line 12 and insert in lieu thereof the following:

(b) AIR CONDITIONING, SPACE HEATERS, ETC.—Subparagraph (A), and so much of subparagraph (B) as precedes clause (i), of section 48(a)(1) (defining section 38 property) are amended to read as follows:

"(A) tangible personal property (other than an air conditioning or heating unit), or

"(B) other tangible property (including air conditioning and heating units, but not including a building and its structural components) but only if such property—".

By Mr. MIKVA:

Amend sections 151 and 152 (page 22, line 3, down through line 8 on page 24) to read as follows:

SEC. 151. FEDERAL PURCHASE AND SALE OF OIL IMPORTS.

(a) CONGRESSIONAL FINDINGS.—The Congress finds that the goals of reducing United States dependency on imports of petroleum and petroleum products and the securing of adequate supplies of such imports at reasonable and stable prices will be promoted through the implementation of a system under which all such imports will be purchased or otherwise acquired, and sold, by the Office.

(b) EFFECTIVE DATE OF FEDERAL PURCHASING AND SALE AUTHORITY.—

(1) Except as provided in paragraph (2), on or after April 15, 1976, no petroleum and no petroleum product may be imported into the United States except in accordance with a plan implemented pursuant to the provisions of this part.

(2) If Congress disapproves, pursuant to section 153, any plan submitted by the President pursuant to this part with the result that no plan is ready for implementation on April 15, 1976, paragraph (1) shall not apply and one or more plans shall thereafter be submitted, and acted upon pursuant to section 153, for implementation pursuant to the provisions of this part and no petroleum or petroleum product may be imported into the United States except in accordance with such plan, except if no plan has been implemented before July 1, 1976, no petroleum and no petroleum product may be imported into the United States on or after such date until such time as a plan is implemented pursuant to the provisions of this part.

SEC. 152. PLAN FOR SYSTEM FOR THE FEDERAL PURCHASE AND SALE OF OIL IMPORTS.

(a) IN GENERAL.—Not later than March 1, 1976, the President, acting through the Deputy Administrator, shall prepare and submit to the Congress a plan for the establishment **and administration of the system referred** to in section 151(a), together with the text of any Executive order or regulation proposed to be issued to implement such plan.

(b) PLAN OBJECTIVES.—The plan required to be prepared under subsection (a) shall include such provisions as are necessary and appropriate to achieve the following objectives:

(1) The Office, subject to such quantitative restrictions as may be imposed pursuant to section 111, shall purchase petroleum and petroleum products for importation into the United States at the lowest prices obtainable on a competitive basis by sealed bids; except that the President may accept or reject any bid, and may negotiate with any bidder to obtain terms most favorable to the United States.

(2) The Office shall sell petroleum and petroleum products purchased or otherwise acquired by it to private and public persons and entities within the United States in such manner, and under such terms and conditions, as it deems necessary and appropriate to insure that such sales will—

(A) encourage competition within the domestic petroleum industry;

(B) result in the equitable allocation of overall supplies of petroleum and petroleum products on a geographical basis; and

(C) insure the maximum utilization of petroleum refining facilities located within the United States.

(3) The plan may provide for the orderly phasing out of all or part of the import licensing system established under section 112.

(c) REQUIREMENTS OF APPROPRIATIONS.—No petroleum or petroleum products shall be purchased in accordance with a plan described in this part unless the amounts required for purposes of such purchases are appropriated by statutes enacted after the date of the enactment of this Act.

Page 97, beginning on line 1, strike out "capital expenditures for demonstration projects" and insert in lieu thereof "capital expenditure programs".

Page 28, after line 24, insert the following:

PART VI—REVIEW OF OIL IMPORT CONTRACTS

SEC. 161. REVIEW OF OIL IMPORT CONTRACTS FEDERAL ENERGY ADMINISTRATION.

(a) IN GENERAL.—On or after the 60th day after the date of the enactment of this part, no person may import any petroleum or any petroleum product into the United States unless the Administrator has first reviewed the import contract covering such petroleum or petroleum product and has not disapproved such import contract.

(b) REVIEW CRITERIA.—In exercising the authority granted to him under this section, the Administrator shall consider, among other factors, the following:

(1) the degree to which the price of the petroleum or petroleum product under any import contract constitutes a threat to the economic well-being of the United States and of other importing nations;

(2) the degree to which a price lower than such price can be obtained on the world market;

(3) the duration of the import contract;

(4) the degree to which such contract unduly concentrates United States imports of oil on any one producing country or area; and,

(5) the degree to which approval of such contract will encourage competition in the international markets for petroleum and petroleum products.

(c) PROHIBITIONS.—(1) No corporation or other business entity engaged in commerce **shall take any action with respect to carrying out any import contract entered into on or after the 60th day after the date of the enactment of this part for the importation of petroleum or any petroleum product until after the expiration of a 20-day period following the date on which a copy of such import** contract is registered with the Administrator.

(2) Upon the expiration of the 20-day period following the date of its registration, a contract shall be deemed approved if, within such 20-day period, the Administrator fails to disapprove such contract.

(d) REGULATIONS.—Taking into account all of the factors listed in subsection (b), the Administrator may issue regulations—

(1) establishing criteria for the automatic approval of import contracts requiring approval under the provisions of subsection (a), and

(2) ordering that all contracts described in subsection (a) not meeting certain criteria shall be automatically disapproved.

(f) RECORDS. The Administrator may inspect the books, records, and papers of corporations and other business entities which seek approval of import contracts pursuant to this section, for the purpose of determining whether such contracts should be approved.

(g) PUBLIC INFORMATION.—To the extent that the Administrator determines that the publication of information in any import contract would seriously interfere with the national interest in obtaining secure supplies of petroleum and petroleum products at reasonable prices, he may make a determination that such information shall not be made available for public inspection; but shall be held secret by the Administrator. Copies of any such import contract, or portion thereof, shall, however, be made available on a confidential basis to the Department of Justice, the Federal Trade Commission, and the relevant committees of Congress.

(h) PENALTIES.—Any person who imports any petroleum or petroleum product into the United States—

(1) without submitting the import contract covering such petroleum and petroleum product for review by the Administrator pursuant to this part; or

(2) after the import contract covering such petroleum or petroleum product is disapproved by the Administrator,

shall be fined not more than $250,000 or imprisoned for not more than two years, or both.

(i) MISCELLANEOUS.—(1) Nothing in this part shall be construed as approving any action or import contract which is in violation of any Federal law, and no approval by the Administrator of any such contract shall be a defense to any action or other proceeding brought under the antitrust laws of the United States.

(2) The approval by the Administrator of any import contract pursuant to this part shall not be construed as evidencing the reasonableness of such contract, or of any identical or similar contract at any time thereafter.

SEC. 162. DEFINITIONS.

For purposes of this part—

(1) The term "Administrator" means the Administrator of the Federal Energy Administration.

(2) The term "import contract" means any contract, agreement, or other arrangement under which any person purchases or otherwise acquires, or agrees to purchase or otherwise acquire (either for the account of that person or some other person), any petroleum or any petroleum product for importation into the United States.

Amend the table of contents accordingly.

On page 24, after line 8, insert the following:

"(c) Requirements of Appropriations—No petroleum or petroleum products shall be purchased in accordance with a plan described in this section unless the amounts required for purposes of such purchases are appropriated by statutes enacted after the date of the enactment of this Act."

By Mr. OTTINGER:

Page 87, line 8, strike out "definitive" and insert in lieu thereof: "interim".

By Mr. OTTINGER:

Page 124, line 25, after section 44D(c)(2), strike out the period and insert: ", except that it shall include equipment which meets interim (in addition to definitive) performance criteria prescribed by the Secretary of Housing and Urban Development under the Solar Heating and Cooling Demonstration Act of 1974;"

By Mr. PICKLE:

On page 30, line 22, strike out "then, effective" and insert in lieu thereof "then, except as otherwise provided in section 211(b) of the Energy Conservation and Conversion Act of 1975, effective".

On page 31, strike out lines 6 and 7 and insert in lieu thereof the following:

(b) CONGRESSIONAL REVIEW.—

(1) IN GENERAL.—If, before April 15 of the year in which the Administrator of the Federal Energy Administration publishes in the Federal Register a determination and percentage pursuant to paragraph (1) of section 4086(b) of the Internal Revenue Code of 1954 (relating to the gasoline conservation tax), both the House of Representatives and the Senate adopt (by an affirmative vote of the majority of those present and voting in that House) a concurrent resolution of disapproval, then the increase in the rate of the gasoline conservation tax which would otherwise have resulted from such determination (under the terms of such section 4086(b)) shall not take effect.

(2) CONCURRENT RESOLUTION OF DISAPPROVAL.—For purposes of this section, the term "concurrent resolution of disapproval" means only a concurrent resolution, originating clause of which is as follows: "That the Congress does not favor the taking effect of the proposed increase of cents per gallon in the rate of gasoline conservation tax under section 4086(b) of the Internal Revenue Code of 1954) that would otherwise take effect on April 15, ", the first blank space therein being filled with the amount of the proposed increase, and the second blank space therein being filled with the year.

(c) PROCEDURE IN EACH HOUSE.—

(1) A concurrent resolution of disapproval in the House of Representatives shall be referred to the Committee on Ways and Means. A concurrent resolution of disapproval in the Senate shall be referred to the Committee on Finance.

(2)(A) If the committee to which a concurrent resolution of disapproval has been referred has not reported it at the end of seven calendar days after its referral, it is in order to move either to discharge the committee from further consideration of the concurrent resolution or to discharge the committee from further consideration of any other concurrent resolution of disapproval which has been referred to the committee.

(B) A motion to discharge may be made only by an individual favoring the resolution, is highly privileged (except that it may not be made after the committee has reported a concurrent resolution of disapproval), and debate thereon shall be limited to not more than 1 hour, to be divided equally between those favoring and those opposing the concurrent resolution. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(C) If the motion to discharge is agreed to or disagreed to,—

(i) the motion may not be renewed, and

(ii) no other motion to discharge the committee may be made with respect to any other concurrent resolution of disapproval other than a concurrent resolution of disapproval which has previously been approved by the other House.

(3)(A) When the committee has reported,

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or has been discharged from further consideration of, a concurrent resolution of disapproval, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the concurrent resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(B) Debate on the concurrent resolution of disapproval shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit the concurrent resolution is not in order, and it is not in order to move to reconsider the vote by which the concurrent resolution is agreed to or disagreed to.

(4)(A) Motions to postpone, made with respect to the discharge from committee or the consideration of a concurrent resolution of disapproval, and motions to proceed to the consideration of other business, shall be decided without debate.

(B) Appeals from the decisions of the Chair relating to the application of the rules of the House of Representatives or the Senate, as the case may be, to the procedure relating to any concurrent resolution of disapproval shall be decided without debate.

(5) This subsection is enacted by the Congress—

(A) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of concurrent resolutions of disapproval described in subsection (b)(2); and they supersede other rules only to the extent that they are inconsistent therewith: and

(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedures of that House) at any time in the same manner, and to the same extent as in the case of any other rule of that House.

(c) Effective Date.—The amendments made by this section shall take effect on January 1, 1976.

By Mr. QUIE:

Proposed amendments to title I, title II, title III, title IV, and title V of the bill H.R. 6860 or to any amendment to any title of the bill H.R. 6860:

Strike out the necessary number of words.

Strike out the requisite number of words.

By Mr. ROUSSELOT:

Proposed amendments to title I, title II, title III, title IV, and title V of the bill H.R. 6860 or to any amendment to any title of the bill H.R. 6860:

Strike out the necessary number of words.

Strike out the requisite number of words.

Strike out the next to the last word.

Strike out the penultimate word.

Strike out the last word.

By Mr. RUPPE:

Page 43, line 17, strike the period, and insert in lieu:

" , or (C) travel to and from temporary, indefinite, or permanent work at a site located twenty miles or more away from housing available for use by the taxpayer (and his family, if any)."

By Mr. STARK:

Page 29, atrike out line 12 and all that follows down through line 5 on page 31 and insert in lieu thereof the following:

"(a) Imposition of 3 Cents a Gallon Tax.—In addition to any tax imposed by section 4081, there is hereby imposed on gasoline sold by the producer or importer thereof, or by any producer of gasoline, a tax of 3 cents a gallon.

"(b) Tax To Be Deposited in Trust Fund.—For provisions for depositing amounts of the tax imposed by this section in the Energy Conservation and Conversion Trust Fund, see section 411(b) of the Energy Conservation and Conversion Act of 1975.

(Technical and conforming amendments)

Page 32, strike out line 20 and all that follows down through line 25.

Page 33, line 1, strike out "(d)" and insert in lieu thereof "(c)".

Page 33, line 9, strike out "(e)" and insert in lieu thereof "(d)".

Page 34, strike out line 7 and all that follows down trough line 2 on page 35 and insert in lieu thereof the following:

"(a) Gasoline Conservation Tax.—On gasoline (as defined in section 4082(b)) which, on January 1, 1976, is held by a dealer for sale, there is hereby imposed a floor stocks tax at a rate of 3 cents per gallon. The tax imposed by this subsection shall not apply to gasoline in retail stocks held at the place where intended to be sold at retail, nor to gasoline held for sale by a producer or importer of gasoline."

Page 35, strike out line 5 and all that follows down through line 9 and insert in lieu thereof the following:

"(d) Due Date of Tax.—The tax imposed by subection (a) shall be paid at such time after March 31, 1976, as may be prescribed by the Secretary or his delegate."

Page 37, strike out line 16 and all that follows down through line 19 on page 45.

Page 45, line 20, strike out "SEC. 223." and insert in lieu thereof "SEC. 221.".

Page 46, line 8, strike out "(h)" and insert "(g)".

Page 47, line 9, strike out "(h)" and insert "(g)".

Page 48, strike out line 11 and all that follows down through line 5 on page 50.

Page 50, line 6, strike out "(d)" and insert in thereof "(c)".

Page 50, line 24, strike out "(e)" and insert in lieu thereof "(d)".

Page 51, strike out line 6 and all that follows down through line 13.

Page 51, line 14, strike out "(f)" and insert in lieu thereof "(e)".

Page 51, line 18, strike out "subsection (a), (b), (c), or (d)" and insert in lieu thereof "subsection (a), (b), or (c)".

Page 52, line 15, strike out "(g)" and insert in lieu thereof "(f)".

Page 53, line 6, strike out "(h)" and insert in lieu thereof "(g)".

Page 53, line 22, strike out "(i)" and insert in lieu thereof "(h)".

Page 54, line 1, strike out "(j)" and insert in lieu thereof "(i)".

Page 54, line 12, strike out "section 6429(h)" and insert in lieu thereof "section 6429(g)".

Page 54, line 17, strike out "or 6429(h)" and insert in lieu thereof "or 6429(g)".

Page 55, line 21, strike out "6429(g)(2)" and insert in lieu thereof "6429(f)(2)".

Page 55, line 24, strike out "6429(g)(2)" and insert in lieu thereof "6429(f)(2)".

Page 56, line 3, strike out "6429(g)(2)" and insert in lieu thereof "6429(f)(2)".

Page 56, beginning on line 5, strike out "6429(g)(2)" and insert in lieu thereof "6429(f)(2)".

Page 78, line 9, strike out "Sec. 44C." and insert in lieu thereof "Sec. 44A.".

Page 83, immediately after line 4, strike out "Sec. 44C." and insert in lieu thereof "Sec. 44A.".

Page 83, line 10, strike out "section 44C" and insert in lieu thereof "section 44A".

Page 83, line 18, strike out "section 44C" and insert in lieu thereof "section 44A".

Page 84, line 1, strike out "section 44C(d)" and insert in lieu thereof "section 44A(d)".

Page 84, line 3, strike out "section 44C" and insert in lieu thereof "section 44A".

Page 84, line 7, strike out "and 44C" and insert in lieu thereof "and 44A".

Page 84, line 16, strike out "SEC. 44D." and insert in lieu thereof "SEC. 44B."

Page 86, line 1, strike out "section 44C" and insert in lieu thereof "section 44A".

Page 89, immediately after line 10, strike out "Sec. 44D." and insert in lieu thereof "Sec. 44B".

Page 89, line 16, strike out "section 44D" and insert in lieu thereof "section 44B".

Page 90, line 1, strike out "section 44D" and insert in lieu thereof "section 44B".

Page 90, line 8, strike out "section 44D(d)" and insert in lieu thereof "section 44B(d)".

Page 90, line 10, strike out "section 44D" and insert in lieu thereof "section 44B".

Page 90, line 13, strike out "and 44C" and insert in lieu thereof "and 44A".

Page 90, line 14, strike out "44C, and 44D" and insert in lieu thereof "44A, and 44B".

Page 124, beginning on line 21, strike out "section 44C(c)(2)" and insert in lieu thereof "section 44A(c)(2)".

Page 124, line 25, strike out "section 44D(c)(2)" and insert in lieu thereof "section 44B(c)(2)".

By Mr. STEIGER of Wisconsin:

Proposed amendments to title 1, title II, title III, title IV, and title V of the bill H.R. 6860 or to any amendment to any title of the bill H.R. 6860:

Strike out the necessary number of words.

Strike out the requisite number of words.

Strike out the next to the last word.

Strike out the penultimate word.

Strike out the last word.

Page 11, line 9, strike out "[illegible]0,000" and insert in lieu thereof, "175,000".

Page 11, line 9, strike out "[illegible]0,000" and insert in lieu thereof, "125,000".

Page 90, strike out line 18 and all thereafter through page 102, line 13, all of which constitutes title IV.

(Conforming amendments.)

Page 102, line 14, strike out "V" and insert "IV".

Page 102, line 19, strike out "511" and insert "411".

Page 107, line 3, strike out "521" and insert "421".

Page 113, line 6, strike out "522" and insert "422".

Page 119, line 8, strike out "523" and insert "423".

Page 122, line 7, strike out "524" and insert "424".

Page 123, line 15, strike out "531" and insert "431".

Page 125, line 19, strike out "532" and insert "432".

Page 128, line 24, strike out "533" and insert "433".

Page 129, line 14, after the period, insert quotation marks.

Page 129, strike out lines 15, 16 and 17.

Page 133, strike line 1 and all thereafter through line 22.

Page 133, line 23, strike out "(3)" and insert "(2)".

Page 135, strike out lines 1 through 12 inclusive and insert:

"(d) Effective Date.—The amendments made by this section shall apply to amounts paid or incurred after December 31, 1975, in taxable years ending after December 31, 1975."

Page 132, on line 12 strike out the words "and which have" and all that follows down through "waste material." in line 21 and insert in lieu thereof the following: "or which have been discarded as solid waste by a manufacturer in the course of any manufacturing or industrial process, and which have no significant value or utility except as a waste material. The term 'post consumer solid waste material', however, does not include industrial or manufacturing solid waste materials which are reused as 'in house' or 'in plant' waste materials by the manufacturer who created such waste, or which are reused or purchased by any person related to or affiliated with such manufacturer."

Page 132, before the word "does" on line 22, insert the word "also".

By Mr. VANIK:

Page 14, after line 19, insert the following:

"(f) Entitlements May Be Placed on a Country-of-Origin Basis.—Nothing in this section shall be deemed to prohibit the President, if the President finds such action to be necessary or appropriate to the national interest, from requiring that any entitlement issued under this section be for the importation into the United States of the product of a specific foreign country."

Strike page 29, line 3 through page 57, line 24, and add the following new sections:

Sec. 211. Gasoline Conservation Tax.

(a) General Rule.—Part II of subchapter A of chapter 32 (relating to petroleum products) is amended by redesignating subpart B and C as subparts C and D, respectively, and by inserting after subpart A the following new subpart:

"Subpart B—Gasoline Conservation Tax

"Sec. 4086. Imposition of tax.

"Sec. 4087. Cross references.

"Sec. 4086. Imposition of Tax.

"(a) General Rule.—In addition to any tax imposed by section 4081, there is hereby imposed on gasoline sold by the producer or importer thereof, or by any producer of gasoline, a tax determined in accordance with the following table:

"In the case of gasoline sold:	The tax per gallon is:
During the period beginning on January 1, 1976, and ending on March 31, 1977	7 cents
During the period beginning on April 1, 1977, and ending on March 31, 1978	15 cents
During the period beginning on April 1, 1978, and ending on March 31, 1979	22 cents
During the period beginning on April 1, 1979, and ending on March 31, 1980	30 cents
After March 31, 1980	37 cents

"(b) Revision of Table by the President.—If, under section 215 of the Energy Conservation and Conversion Act of 1975, the President revises the table contained in subsection (a), such revised table shall apply, in lieu of the table contained in subsection (a), in determining the amount of the tax imposed by this section.

"Sec. 4087. Cross References.

"(1) For provisions to relieve purchasers of gasoline from gasoline conservation tax in the case of certain uses, see section 6428.

"(2) For credit against income tax for tax imposed by this subpart, see section 42."

(b) Floor Stocks Taxes.—

(1) In general.—Subsection (a) of section 4226 (relating to floor stocks taxes) is amended to read as follows:

"(a) In General.—

"(1) Gasoline conservation tax.—

"(A) Imposition of tax.—On gasoline (as defined in section 4082(b)) which, on a gasoline tax increase date, is held by a dealer for sale, there is hereby imposed a floor stocks tax at a rate equal to the difference between (i) the tax (if any) imposed by section 4086 on the sale of such gasoline by the producer or importer, and (ii) the tax which would have been imposed by such section on such sale if that sale had occurred on such gasoline tax increase date. The tax imposed by this subparagraph shall not apply to gasoline in retail stocks held at the place where intended to be sold at retail, nor to gasoline held for sale by a producer or importer of gasoline.

"(B) Gasoline tax increase date defined.—For purposes of this section, the term 'gasoline tax increase date' means January 1, 1976, and any other day on which the rate of the tax imposed by section 4086 exceeds the rate of such tax in effect on the preceding day."

(2) Due date of taxes.—Subsection (d) of such section 4226 is amended to read as follows:

"(d) Due Date of Taxes.—Any tax imposed by paragraph (1) of subsection (a) shall be paid at such time not less than 90 days after the gasoline tax increase date in respect of which such tax was imposed, as may be prescribed by the Secretary or his delegate."

(c) Denial of Certain Exemptions and Refunds.—

(1) Tax-free sales.—Subsection (a) of section 4221 (relating to certain tax-free sales) is amended by adding at the end thereof the following new sentence: "Paragraphs (2), (3), (4), and (5) shall not apply to the tax imposed by section 4086."

(2) Use in further manufacture.—Paragraph (6)(C) of section 4221(d) (relating to use in further manufacture) and paragraph (3)(F) of section 6416(b) (relating to tax-paid articles used for further manufacture, etc.) are each amended by striking out "section 4081" and inserting in lieu thereof "section 4081 or 4086."

(3) Denial of refunds for certain uses.—Paragraph (2) of section 6416(b) (relating to tax payments considered overpayments in the case of specified uses and resales) is amended by striking out "chapter 32 (or under section 4041(a)(1) or (b)(1))" and inserting in lieu thereof "chapter 32 (other than any tax paid under section 4086) or under section 4041(a)(1) or (b)(1)".

(d) Technical and Conforming Amendments.—

(1) The table of subparts for part III for subchapter A of chapter 32 is amended by striking out the last two items and inserting in lieu thereof the following:

"Subpart B. Gasoline conservation tax.

"Subpart C. Lubricating oil.

"Subpart D. Special provisions applicable to petroleum products."

(2) The subpart heading for subpart C of such part III (as redesignated by subsection (a)) is amended to read as follows:

"Subpart C—Lubricating Oil

(3) The subpart hearing for subpart D of such part III (as redesignated by subsection (a)) is amended to read as follows:

"Subpart D—Special Provisions Applicable to Petroleum Products"

(4) Subsections (a) and (b) of section 4082 are each amended by striking out "in this subpart" and inserting in lieu thereof "in this subpart and subpart B".

(5) Section 4083 is amended by striking out "section 4081" and inserting in lieu thereof "section 4081 or 4086".

(6) Section 4101 is amended by striking out "section 4081 or section 4091" and inserting in lieu thereof "section 4081, 4086, or 4091".

(7) Section 4226 is amended by striking out subsection (e).

(e) Effective Date.—The amendments made by this section shall take effect on January 1, 1976.

Sec. 212. Credit Relating to Gasoline Conservation Tax.

(a) General Rule.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowable) is amended by redesignating section 42 as section 43 and by inserting after section 41 the following new section:

"Sec. 42. Allowances for Gasoline Conservation Tax.

"(a) General Rule.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of the allowances for such year to which he is entitled under subsection (b).

"(b) Gasoline Conservation Tax Allowances.—

"(1) In general.—Subject to paragraph (2), an individual shall be entitled, for each month within the taxable year, to an allowance equal to—

"(A) the rate of tax in effect for such month under section 4086 (relating to gasoline conservation tax), multiplied by

"(B) 40.

"(2) Limitations.—An individual shall not be entitled to an allowance under paragraph (1) with respect to any month if—

"(A) such individual has not attained the age of 18 by the close of such month, or

"(B) such individual resides during any portion of such month outside of the United States.

"(c) Trusts and Estates.—A trust or state shall not be entitled to the credit allowed under subsection (a)."

(b) Refund To Be Made Where Credit Exceeds Liability for Tax.—Section 6401(b) (relating to excessive credits) is amended—

(1) by inserting ", 42 (relating to allowances for gasoline conservation tax)," before "and 667 (b)"; and

(2) by striking out "and 39" and inserting in lieu thereof ", 39, and 42".

(c) Withholding Tax.—Subsection (a) of section 3402 (relating to income tax collected at source) is amended to read as follows:

"(a) Requirement of Withholding.—Except as otherwise provided in this section, every employer making payment of wages shall deduct and withhold upon such wages a tax determined in accordance with tables prescribed by the Secretary or his delegate. The initial tables so prescribed shall be the same as the tables contained in this subsection as in effect on the day before the date of the enactment of the Energy Conservation and Conversion Act of 1975; except that the amounts set forth as amounts of income tax to be withheld shall reflect the amendments made by section 212 of such Act. The later tables so prescribed by reason of a change in the rate of tax under section 4086 shall only apply with respect to wage paid on and after the effective date of such change. For purposes of applying such tables, the term 'the amount of wages' means the amount by which the wages exceed the number of withholding exemptions claimed, multiplied by the amount of one such exemption as shown in the table in subsection (b)(1)."

(d) Technical and Conforming Amendments.—

(1) The table of sections for such subpart A is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 42. Allowances for gasoline conservation tax.

"Sec. 43. Overpayments of tax."

(2) Section 3402(c)(6) is amended by striking out "table 7 contained in subsection (a)" and inserting in lieu thereof "the table for an annual payroll period prescribed pursuant to subsection (a)".

(e) Effective Dates.—

(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years ending after December 31, 1975.

(2) Withholding tax amendments.—The amendments made by subsection (c) and susbection (d)(2) shall apply with respect to wages paid after December 31, 1975.

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Sec. 213. Special Motor Vehicles Fuels Conservation Taxes.

(a) In general.—Chapter 31 (relating to retailers excise taxes) is amended by redesignating subchapter F as subchapter G and by inserting after subchapter E the following new subchapter:

"Subchapter F—Special Motor Fuels Conservation Taxes

"Sec. 4051. Imposition of Taxes
"Sec. 4052. Cross reference."

"Sec. 4051. Imposition of Taxes

"(a) Special Motor Fuels.—In addition to any tax imposed by section 4041(b), there is hereby imposed a tax (determined under the table contained in subsection (c)) upon benzol, benzene, naphtha, liquefied petroleum gas, casing head and natural gasoline, or any other liquid (other than kerosene, gas oil, or fuel oil, or any product taxable under section 4041(a) or 4086)—

"(1) sold by any person to an owner, lessee, or other operator of a motor vehicle or motorboat for use as a fuel in such motor vehicle or motorboat; or

"(2) used by any person as a fuel in a motor vehicle or motorboat, unless there was a taxable sale of such liquid under this section.

"(b) Noncommercial Aviation.—In addition to any tax imposed by section 4041(c), there is hereby imposed a tax (determined under the table contained in subsection (c)) upon any liquid (other than any product taxable under section 4086)—

"(1) sold by any person to an owner, lessee, or other operator of an aircraft, for use as a fuel in such aircraft in noncommercial aviation (as defined in section 4041(c)(2)); or

"(2) used by any person as a fuel in an aircraft in noncommercial aviation (as so defined), unless there was a taxable sale of such liquid under this section.

"(c) Rate of Tax.—

"In the case of any fuel sold or used:	The tax per gallon is:
During the period beginning on January 1, 1976, and ending on March 31, 1977	7 cents
During the period beginning on April 1, 1977, and ending on March 31, 1978	15 cents
During the period beginning on April 1, 1978, and ending on March 31, 1979	22 cents
During the period beginning on April 1, 1979, and ending on March 31, 1980	30 cents
After March 31, 1980	37 cents

"(d) Revision of Table by the President.—If, under section 215 of the Energy Conservation and Conversion Act of 1975, the President revises the table contained in subsection (c) such revised table shall apply, in lieu of the table contained in subsection (c), in determining the amount of the taxes imposed by its section.

"(e) Exemption for Farm Use.—Under regulations prescribed by the Secretary or his delegate, no tax shall be imposed under this section on any liquid sold for use or used on a farm for farming purposes, as determined in accordance with paragraphs (1), (2), and (3) of section 6420(c).

"(f) Registration.—If any liquid is sold by any person for use as a fuel in an aircraft, it shall be presumed, for purposes of subsection (b), that the tax imposed by such subsection applies to the sale of such liquid unless the purchaser is registered in such manner (and furnishes such information in respect of the use of the liquid) as the Secretary or his delegate shall by regulations prescribe.

"Sec. 4052. Cross Reference.

"For provisions to relieve purchaser of special motor fuels from special motor fuels conservation tax in the case of certain uses, see section 6428."

(b) Denial of Certain Exemptions.—

(1) Sections 4055, 4056, and 4057 are each amended by striking out "under this chapter" and inserting in lieu thereof "under section 4041".

(2) Section 4293 is amended by inserting after "chapters 31 and 32" the following: "(other than section 4051 and 4086".

(c) Reduction of Existing Excise Tax on Special Fuels Used in Noncommercial Aviation.—

(1) In general.—Subsection (c) of section 4041 (relating to tax on special fuels used in noncommercial aviation) is amended—

(A) by striking out "7 cents" in paragraph (1) and inserting in lieu thereof "4 cents";

(B) by striking out paragraphs (2) and (3); and

(C) by redesignating paragraphs (4) and (5) as paragraphs (2) and (3), respectively.

(d) Technical and Conforming Amendments.—

(1) Paragraph (3) of section 4041(c) (as redesignated by subsection (c)) is amended by striking out "paragraphs (1) and (2)" and inserting in lieu thereof "paragraph (1)".

(2) Paragraph (3) of section 6421(e) is amended by striking out "4041(c)(4)" and inserting in lieu thereof "4041(c)(2)".

(3) The heading for subchapter G of chapter 31 (as redesignated by subsection (a)) is amended to read as follows:

"Subchapter G.—Special Provisions Applicable to Retailers Tax".

(4) The table of subchapters for chapter 31 is amended by striking out the last item and inserting in lieu thereof:

"Subchapter F. Special motor fuels conservation taxes.

"Subchapter G. Special provisions applicable to retailers tax".

(e) Effective Dates.—

(1) For subsections (a), (b) and (d).—amendments made by subsections (a), (b), and (d) shall take effect on January 1, 1976, except that no tax shall be imposed under section 4051 of the Internal Revenue Code of 1954 (as added by subsection (a)) with respect to the use by any person of any fuel sold to such person before January 1, 1976, if such sale would have been taxable under such section 4051 if it had occurred on January 1, 1976.

(2) For subsection (c).—The amendments made by subsection (c) shall apply with respect to sales or uses after December 31, 1975.

Sec. 214. Repayment of Gasoline and Special Fuels Conservation Taxes in Case of Certain Uses.

(a) General Rule.—Subchapter B of chapter 65 (relating to rules of apecial application for abatements, credits, and refunds) is amended by adding at the end thereof the following new section:

"Sec. 428. Repayment of Gasoline and Special Fuels Conservation Taxes in Cases of Certain Uses.

"(a) Use for Farming Purposes.—

"(1) In general.—Except as provided in subsection (g), if—

"(A) any gasoline on which tax was imposed by section 4086, or

"(B) any fuel on the sale of which a tax was imposed by section 4051,

is used by any purchaser of such gasoline or fuel on a farm for farming purposes (within the meaning of section 6420(c)), the Secretary or his delegate shall pay (without interest) to such purchaser the amount determined under paragraph (2).

"(2) Amount of payment.—The amount to be paid under paragraph (1) to any purchaser shall be equal to the sum of—

"(A) the amount of the tax paid under section 4086 on the gasoline referred to in paragraph (1)(A), plus

"(B) the amount of the tax paid under section 4051 on the sale to such purchaser of the fuel referred to in paragraph (1)(B).

"(3) Special rule.—For purposes of this subsection, if gasoline on which tax was imposed under section 4086, or any other fuel on the sale of which tax was imposed under section 4051, is used on a farm by any person other than the owner, tenant, or operator of such farm, such owner, tenant, or operator shall be treated as the user and purchaser of such gasoline or other fuel.

"(b) Local Transit Purposes.—

"(1) In general.—Except as provided in subsection (g), if—

"(A) any gasoline on which tax was imposed by section 4086, or

"(B) any fuel on the sale of which a tax was imposed by section 4051,

was used by any purchaser of such gasoline or fuel during any calendar quarter in vehicles while engaged in furnishing scheduled common carrier public passenger land transportation service along regular routes, the Secretary or his delegate shall pay (without interest) to such purchaser an amount determined under paragraph (2).

"(2) Amount of payment.—The amount to be paid under paragraph (1) to any purchaser shall be equal to the—

"(A) sum of the amount of the tax paid under section 4086 on the gasoline referred to in paragraph (1)(A) plus the amount of the tax paid under section 4051 on the sale to such purchaser of the fuel referred to in paragraph (1)(B); multiplied by

"(B) the percentage which such purchaser's commuter fare revenue derived from scheduled service described in paragraph (1) during the calendar quarter was of his total passenger fare revenue derived from such scheduled service during such calendar quarter.

"(3) Limitation.—This subsection shall apply with respect to gasoline or fuel used by any purchaser during any calendar quarter only if at least 60 percent of the total passenger fare revenue derived during such quarter from scheduled service described in paragraph (1) by such purchaser was attributable to commuter fare revenue derived during such quarter by such purchaser from such scheduled service.

(4) Commuter fare revenue.—For purposes of this subsection, the term 'commuter far revenue' has the meaning given to such term by section 6421(d)(2).

"(c) Gasoline Used in Commercial Aviation.—Except as provided in subsection (g), if any gasoline on which tax was imposed by section 4086 is used by any purchaser of such gasoline as a fuel in an aircraft (other than an aircraft in noncommercial aviation, as defined in section 4041(c)(2)), the Secretary or his delegate shall pay (without interest) to such purchaser the amount of the tax which was paid under section 4086 on such gasoline.

"(d) Nontaxable Uses of Special Motor Fuels.—Except as provided in subsection (g), if tax has been imposed by subsection (a) or (b) of section 4051 on the sale of any fuel and the purchaser uses such fuel other than for a use taxable under subsection (a) or (b) of section 4051, or resells such fuel the Secretary or his delegate shall pay to such purchaser an amount equal to the amount of the tax under section 4051 imposed on the sale of such fuel to him.

"(e) Time for Filing Claims; Period Covered.—Not more than one claim may be filed under subsection (a), (b), (c), or (d) by any person with respect to gasoline or any other fuel used during his taxable year. No claim shall be allowed under this section with respect to gasoline or any other fuel used by such person during any taxable year unless filed by such person not later than the time prescribed by law for filing a claim for credit or refund of overpayment of income tax for such taxable year. For purposes of this subsection, a person's taxable year shall be his taxable year for purposes of subtitle A.

"(f) Applicable Laws.—

"(1) In general.—All provisions of law including penalties, applicable in respect of the tax imposed by section 4051 or 4086 shall, insofar as applicable and not inconsistent with this section, apply in respect of the payments provided for in this section to the same extent as if such payments constituted refunds or overpayments of the tax so imposed.

"(2) Examination of books and witnesses.—For the purpose of ascertaining the correctness of any claim made under this section, or the correctness of any payment made in respect of any such claim, the Secretary or his delegate shall have the authority granted by paragraphs (1), (2), and (3) of section 7602 (relating to examination of books and witnesses) as if the claimant were the person liable for tax.

"(g) Income Tax Credit in Lieu of Payment.—

"(1) Persons not subject to income tax.—Payment shall be made under this section only to—

"(A) the United States or an agency or instrumentality thereof, a State, a political subdivision of a State, or an agency or instrumentality of one or more States or political subdivisions, or

"(B) an organization exempt from tax under section 501(a) (other than an organization required to make a return of the tax imposed under subtitle A for its taxable year).

"(2) Allowance of credit against income tax.—For allowance of credit against the tax imposed by subtitle A for certain uses of gasoline and other fuels, see section 39.

"(h) Regulations.—The Secretary or his delegate may by regulations prescribe the conditions, not inconsistent with the provisions of this section, under which payments may be made under this section.

"(i) Cross References.—

"(1) For civil penalty for excessive claims under this section, see section 6675.

"(2) For fraud penalties, etc., see chapter 75 (section 7201 and following, relating to crimes, other offenses, and forfeitures)."

(b) Allowance of Credit for Certain Uses.—

(1) In general.—Subsection (a) of section 39 (relating to certain uses of gasoline, special fuels, and lubricating oil) is amended by striking out "and" at the end of paragraph (3), by striking out the period at the end of paragraph (4) and inserting in lieu thereof ", and", and by adding after paragraph (4) the following new paragraph;

"(5) under section 6428 with respect to gasoline and special fuels used for certain purposes, or resold, during the taxable year (determined without regard to section 6428 (g))."

(2) Technical amendment.—Subsection (c) of section 39 is amended by striking out "or 6427" and inserting in lieu thereof "6427, or 6428" and by striking out "or 6427(f)" and inserting in lieu thereof "6427(f), or 6428(g)".

(c) Technical and Conforming Amendments.—

(1) The table of sections for subchapter B of chapter 65 is amended by adding at the end thereof the following new item:

"Sec. 6428. Repayment of gasoline and special fuels conservation taxes in case of certain uses."

(2) Section 6206 is amended—

(A) by striking out "AND 6427" in the section heading and inserting in lieu thereof "6427, AND 6428";

(B) by striking out "or 6427" each place it appears and inserting in lieu thereof "6427, or 6428"; and

(C) by inserting after "under section 6427)" the following: ", or by section 4051 or 4086 (with respect to payments under section 6428)".

(3) Section 6675 is amended—

(A) by striking out "or" after "highway motor vehicles)" in subsection (a);

(B) by inserting after "fuels not used for taxable purposes)" in subsection (a) the following "or 6428 (relating to repayment of gasoline and special fuels conservation taxes in case of certain uses)"; and

(C) by striking out "or 6427" in subsection (b) and inserting in lieu thereof "6427, or 6428".

(4) Sections 7210, 7603, and 7604(b) are each amended by inserting "6428(f)(2)," after "6427(e)(2),".

(5) Section 7604(c)(2) is amended by inserting "6428(f)(2)," after "6427(e)(2),".

(6) Section 7605(a) is amended—

(A) by striking out "6427(e)(2)" the first place it appears and inserting in lieu thereof "6427(e)(2), 6428(f)(2)"; and

(B) by striking out "or 6427(e)(2)" and inserting in lieu thereof "6427(e)(2), or 6428 (f)(2)".

(d) Effective Dates.—

(1) For subsections (a) and (c).—The amendments made by subsections (a) and (c) shall take effect on January 1, 1976.

(2) For subsection (b).—The amendments made by subsection (b) shall apply to taxable years ending after January 1, 1976.

Sec. 215. Presidential Revision of Gasoline and Special Fuels Conservation Tax Tables

(a) Presidential Authority.—The President may, after January 1, 1976, revise, in accordance with subsection (b), the gasoline conservation tax table (as defined in subsection (e)(1)) and special fuels conservation tax table (as defined in subsection (e)(2)).

(b) Method of Revision.—The President may revise both the gasoline conservation tax table and the special fuels conservation tax table by providing that the next increase in the rate of tax under each of such tables and each subsequent increase (if any) in the rate of tax under each of such tables will occur on—

(1) on the first day of the 6th calendar month preceding the day on which such next increase or subsequent increase, as the case may be, would occur under each of such tables, or

(2) on the first day of the 6th or 12th calendar month beginning after the day on which such next increase or subsequent increase, as the case may be, would occur under each of such tables.

A copy of any proposed revision described in paragraph (1) shall be delivered to the House of Representatives and the Senate before the 60th day before the day on which, under such proposed revision, the next increase in the rate of tax would occur under each of such tables; and a copy of any proposed revision described in paragraph (2) shall be delivered before the 60th day before the day on which the next increase in tax under each of such tables would occur without regard to the proposed revision.

(c) Proposed Revision Takes Effect.—

(1) In general.—Any proposed revision under subsection (b) shall take effect only if—

(A) the President, not later than the date prescribed by subsection (b), delivers a copy of such proposed revision to the House of Representatives and a copy to the Senate; and

(B) before the close of the 60-day period which begins on the day on which copies of such proposed revision are delivered to the House of Representatives and to the Senate, neither the House of Reresentatives nor the Senate adopts, by an affirmative vote of the majority of those present and voting in that House, a resolution of disapproval.

(2) Resolution of disapproval.—For purposes of this section, the term "resolution of disapproval" means only a resolution of either House of Congress, the matter after the resolving clause of which is as follows: "That the does not favor the taking effect of the proposed revision under section 215 of the Energy Conservation and Conversion Act of 1975, transmitted to the Congress by the President on ", the first blank space therein being filled with the name of the resolving House and the second blank space therein being filled with the day and year.

(d) Procedure in Each House.—

(1) A resolution of disapproval in the House of Representatives shall be referred to the Committee on Ways and Means. A resolution of disapproval in the Senate shall be referred to the Committee on Finance.

(2)(A) If the committee to which a resolution of disapproval has been referred has not reported it at the end of 7 calendar days after its introduction, it is in order to move further consideration of the resolution or to discharge the committee from further consideration of any other resolution of disapproval which has been referred to the committee.

(B) A motion to discharge may be made only by an individual favoring the resolution, is highly privileged (except that it may not be made after the committee has reported a resolution of disapproval), and debate thereon shall be limited to not more than 1 hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(C) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution of disapproval.

(3)(A) When the committee has reported, or has been discharged from further consideration of, a resolution of disapproval, it is at any time therafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(B) Debate on the resolution of disapproval shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit, the resolution is not in order, and it is not in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

(4)(A) Motions to postpone, made with respect to the discharge from committee or the consideration of a resolution of disapproval, and motions to proceed to the consideration of other business, shall be decided without debate.

(B) Appeals from the decisions of the Chair relating to the application of the rules of the House of Representatives or the Senate, as the case may be, to the procedure relating to any resolution of disapproval shall be decided without debate.

(5) Whenever the President transmits copies of the proposed revision to the Congress, a copy of such regulations shall be delivered to each House of Congress on the same day and shall be delivered to the Clerk of the House of Representatives if the House is not in session and to the Secretary of the Senate if the Senate is not in session.

(6) This subsection is enacted by the Congress—

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(A) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions of disapproval described in subsection (c)(2); and they supersede other rules only to the extent that they are inconsistent therewith; and

(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedures of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

(e) DEFINITIONS.—For purposes of this section—

(1) GASOLINE CONSERVATION TAX TABLE.—The term "gasoline conservation tax table" means the table contained in section 4086(a) of the Internal Revenue Code of 1954, or, if such table has been revised under this section, the most recent revised table.

(2) SPECIAL FUELS CONSERVATION TAX TABLE.—The term "special fuels conservation tax table" means the table contained in section 4051(c) of such Code, or, if such table has been revised under this section, the most recent revised table.

SEC. 216. TECHNICAL AMENDMENTS WITH RESPECT TO CERTAIN TRUST FUNDS.

(a) AIRPORT AND AIRWAY TRUST FUND.—Section 208 of the Airport and Airway Revenue Act of 1970 (49 U.S.C. 1742) is amended as follows:

(1) Subsection (b) is amended—

(A) by striking out "and" at the end of paragraph (2);

(B) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and";

(C) by inserting after paragraph (3) the following new paragraph:

"(4) amounts determined by the Secretary of the Treasury to be equivalent to the taxes received in the Treasury after December 31, 1975, and before July 1, 1980—

"(A) under section 4086 of such Code with respect to gasoline used in aircraft; and

"(B) under section 4051(b) of such Code with respect to special fuels used in aircraft; but only to the extent that the rates of such taxes do not exceed 3 cents a gallon."; and

(D) by striking out "paragraphs (1), (2), and (3)" each place it appears in the last sentence and inserting in lieu thereof "paragraphs (1), (2), (3), and (4)".

(2) Subsection (f)(2) is amended by striking out "and" at the end of subparagraph (A), by inserting "and" at the end of subparagraph (B), and by inserting after subparagraph (B) the following new subparagraph:

"(C) the amounts paid after December 31, 1975, and before July 1, 1980, in respect of fuel used in aircraft under section 6428 of such code (relating to repayment of gasoline and special fuels conservation taxes in the case of certain uses), but only to the extent that such payments do not exceed 3 cents for each gallon of gasoline or special fuels so used."

(3) Subsection (f)(3) is amended by adding at the end thereof the following new sentence: "This paragraph shall not apply to amounts equivalent to the credits so allowed to the extent that the credits so allowed are estimated by the Secretary of the Treasury to be attributable to so much of the tax imposed by section 4086 of such Code (relating to gasoline conservation tax) or section 4051 of such Code (relating to special fuels conservation tax) as is imposed at a rate in excess of 3 cents a gallon."

(b) HIGHWAY TRUST FUND.—Paragraph (6) of section 209(f) of the Highway Revenue Act of 1956 is amended by adding at the end thereof the following new sentence: "This paragraph shall not apply to amounts equivalent to the credits so allowed to the extent that the credits so allowed are estimated by the Secretary of the Treasury to be attributable to the tax imposed by section 4086 of such Code (relating to gasoline conservation tax) or section 4051 of such Code (relating to special fuels conservation tax)."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1976.

On page 38, strike out line 11 and insert in lieu thereof the following:

"(1) Is an owner of—

"(A) any passenger automobile (within the meaning of such term as used in section 4061(b)(2)) or

"(B) any automobile truck or bus which has a gross vehicle weight of 6,000 pounds or less (as determined under regulations prescribed by the Secretary or his delegate), which uses gasoline (subject to tax under section 4086) or a special motor fuel (subject to tax under section 4051) as a fuel for propulsion, and".

On page 38, line 22, strike out closed quotation marks, and after line 22 insert the following:

"(c) SPECIAL RULES FOR OWNERSHIP.—

"(1) HOUSEHOLD LIMIT.—Except as otherwise provided in this subsection, a qualified individual shall be allowed a separate credit in the amount determined under subsection (a) for each vehicle described in subsection (b)(1) which he owns as of the close of the taxable year, but the individuals comprising one household shall in no event be treated for purposes of this section as owning more than 3 such vehicles as of the close of any one taxable year. For purposes of this paragraph a husband and wife and all their dependents (as defined in sec. 152) are to be treated as one household regardless of their actual place of residence.

"(2) JOINT OWNERSHIP.—No credit shall be allowed under this provision with respect to a vehicle which is jointly owned, unless all the persons who are owners of the vehicle as of the close of the taxable year file an election, at such time and in such manner as may be prescribed by the Secretary or his delegate, designating one of such persons as the person who is to be regarded as the owner of the vehicle for purposes of this section.

"(3) VEHICLE SUBJECT TO LENDER'S INTEREST.—If a person would be a qualified individual under this section but for the fact that another person which is a financial institution has an interest in such vehicle arising from a loan by such institution to such person, then such person is to be treated as the owner of the vehicle for purposes of this section.

"(4) DOMESTIC REGISTRATION REQUIRED.—For purposes of this section a vehicle is not to be treated as a passenger automobile, automobile truck or bus within the meaning of subsection (b)(1) unless, as of the close of the taxable year, such vehicle is registered to be driven on the public highways of at least one State or of the United States."

On page 39, strike out from line 5 through page 40, line 2.

On page 121, strike lines 12 through 22 and add the following new subsection:

"(g) LESSORS.—No amortization deduction shall be allowed under this section with respect to any property of which a person is the lessor."

Strike page 128, line 24 through page 135, line 12.

On page 96, line 4, strike out the words "or subsidies";

On page 96, line 7, strike out the words "or subsidies";

On page 96, line 8, strike subparagraph (E) and reletter the subsequent subparagraphs accordingly;

On page 96, line 14, strike the words "and subsidies";

On page 97, after line 10, add the following new sentence: "No amounts in the Trust Fund shall be available for expenditures for programs of price guarantees for new energy sources."

On page 97, line 10, add the following new sentence: "No amounts in the Trust Fund shall be available for expenditures for research and demonstration of nuclear fission technology."

Page 111, strike line 21 through page 112, line 6 and insert the following new subsection:

"(g) LESSORS.—No amortization deduction shall be allowed under this section with respect to any property of which a person is the lessor."

On page 118, strike lines 12 through 22 and add the following new subsection:

"(g) LESSORS.—No amortization deduction shall be allowed under this section with respect to any property of which a person is the lessor."

By Mr. WAGGONNER:

Page 4, strike out line 1 and all that follows thereafter down through line 24 on page 28.

Redesignate the succeeding titles and sections of the bill accordingly.

Page 5, in the table appearing between lines 3 and 4, strike out "5.5" with respect to calendar year 1979 and insert "6.0".

Page 5, in the table appearing between lines 3 and 4, strike out "5.5" with respect to calendar year 1980 and thereafter and insert "6.5".

By Mr. WYLIE:

Proposed amendments to title I, title II, title III, title IV, and title V of the bill H.R. 6860 or to any amendment to any title of the bill H.R. 6860:

Strike out the necessary number of words.

Strike out the requisite number of words.

Page 84, strike out line 20 and all that follows down through line 4 on page 85 and insert: "sum of 25 percent of the qualified solar heating and cooling equipment expenditures paid by the taxpayer during the taxable year with respect to any residence to the extent that such expenditures do not exceed $8,000."

Page 124, strike out lines 23, 24, and 25, and insert:

"(B) SOLAR ENERGY EQUIPMENT.—The term 'solar energy equipment' means equipment—

"(i) which, when installed in or on a building, uses solar energy to heat or cool such building or provide hot water for use within such building and meets such criteria as the Secretary or his delegate shall by regulations prescribe;

"(ii) the original use of which commences with the taxpayer; and

"(iii) which has a useful life of at least 3 fixed years.

The Secretary or his delegate shall initially prescribe regulations under clause (i) not later than 2 years after the date of the enactment of this section.".

H.R. 6674

By Mr. TREEN:

An amendment in the nature of a substitute to the amendment offered by Mr. STRATTON:

On page 15, at the end of line 4, insert a new section, section 705, as follows:

"SEC. 705. The Secretary of Defense shall immediately undertake a study to determine the feasibility of establishing a separate academy offering undergraduate level instruction to train women for careers in the Armed Forces. Such study shall include information with respect to the estimated cost of establishing and operating such an academy, the courses of instruction which should be offered in order to meet the requirements of the Armed Forces, the manner in which students should be selected, how such an academy should be administered, and such other related matters as the Secretary of Defense deems appropriate. The Secretary of Defense shall submit the study required by this section to Congress not later than June 30, 1976."

And renumber the following sections accordingly.

H.R. 6860

By Mr. AMBRO:

Strike out title II (relating to energy conservation taxes), beginning on line 1 of page 29, and ending on line 24 on page 57.

Page 78, line 9, strike out "SEC. 44C." and insert in lieu thereof "SEC. 44A.".

Page 83, immediately after line 4, strike out "Sec. 44C." and insert in lieu thereof "Sec. 44A.".

Page 83, line 10, strike out "section 44C" and insert in lieu thereof "section 44A".

Page 83, line 18, strike out "section 44C" and insert in lieu thereof "section 44A".

Page 84, line 1, strike out "section 44C(d)" and insert in lieu thereof "section 44A(d)".

Page 84, line 3, strike out "section 44C" and insert in lieu thereof "section 44A".

Page 84, line 7, strike out "and 44C" and insert in lieu thereof "and 44A".

Page 84, line 16, strike out "SEC. 44D." and insert in lieu thereof "SEC. 44B."

Page 86, line 1, strike out "section 44C" and insert in lieu thereof "section 44A".

Page 89, immediately after line 10, strike out "Sec. 44D." and insert in lieu thereof "Sec. 44B."

Page 89, line 16, strike out "section 44D" and insert in lieu thereof "section 44B".

Page 90, line 1, strike out "section 44D" and insert in lieu thereof "section 44B".

Page 90, line 8, strike out "section 44D(d)" and insert in lieu thereof "section 44B(d)".

Page 90, line 10, strike out "section 44D" and insert in lieu thereof "section 44B".

Page 90, line 13, strike out "and 44C" and insert in lieu thereof "and 44A".

Page 90, line 14, strike out "44C, and 44D" and insert in lieu thereof "44A, and 44B".

Page 91, strike out line 12 and all that follows down through line 23 and insert in lieu thereof the following:

"(i) section 4064 of the Internal Revenue Code of 1954 (relating to automobile fuel efficiency tax), and

"(ii) section 4991 of such Code (relating to tax on certain business uses of petroleum and petroleum products),"

Page 124, beginning on line 21, strike out "section 44C(c)(2)" and insert in lieu thereof "section 44A(c)(2)".

Page 124, line 25, strike out "section 44D(c)(2)" and insert in lieu thereof "section 44B(c)(2)".

By Mr. BENITEZ:

Page 31 add a new subsection (c) after line 7:

"(c) LIMITATION ON REBATES TO PUERTO RICO.—Notwithstanding the provisions of section 9 of the Puerto Rican Federal Relations Act, 48 USCA § 734 (requiring that taxes collected under section 4081 and 4086, inter alia, on products of Puerto Rican manufacture be covered into the Treasury of Puerto Rico) the additional taxes imposed by subsection (b) of section 4086 shall not be covered into the Treasury of Puerto Rico."

On page 92, strike out line 4 and insert the following: "(relating to rates of duty on oil), except for duties collected in Puerto Rico and required to be paid to the treasury of Puerto Rico under section 740 of Title 48 of the United States Code; and".

On page 91, strike out line 14 and insert the following: "tion tax), except for taxes imposed under section 4086 (other than subsection (b)) required to be covered into the treasury of Puerto Rico under section 734 of Title 48 of the United States Code,".

By Mr. BROYHILL:

Page 72, strike out lines 1 and 2 and insert in lieu thereof the following:

PART II—INTERCITY BUSES, RADIAL TIRES, REREFINED OIL, AND CRUDE OIL PRICE REGULATION

Page 77, after line 24, add the following:

SEC. 324. CRUDE OIL PRICE REGULATIONS.—

The Emergency Petroleum Allocation Act of 1973 is amended by adding at the end thereof the following new section:

"CRUDE OIL PRICE REGULATION

"SEC. 8. (a) For the purposes of this section:

"(1) The term 'crude oil' means a mixture of hydrocarbons that existed in liquid phase in underground reservoirs and remains liquid at atmospheric pressure after passing through surface separating facilities, and lease condensate which is a natural gas liquid recovered in associated production by lease separators.

"(2) The term 'domestic crude oil' means crude oil produced in the United States or from the 'outer Continental Shelf' as defined in section 1331, title 43, United States Code.

"(3) The term 'producer' means a person who produces crude oil or any person who owns crude oil when it is produced.

"(4) The term 'property' means the right which arises from a lease or from a fee interest to produce domestic crude oil.

"(5) The term 'base period control volume' means—

"(A) if domestic crude oil was produced and sold from that property in the months of May through December 1972, the total number of barrels of domestic crude oil produced and sold from that property in these months divided by eight:

"(B) if domestic crude oil was not produced and sold from that property in each of the months of May through December 1972, the total number of barrels of domestic crude oil produced and sold from that property in such months May through December for which domestic crude oil was produced and sold from the property (excluding those months in which there occurred any shutdown in production) divided by the number of such months.

"(6) The term 'decline adjustment factor' means—

"1 per centum of the base period control volume of a property multiplied by the number of months for which there occurred production and sales of crude oil from such property beginning with May 1972, and ending with the current month of production.

"(7) The term 'adjusted base period control volume' means the base period control volume less the decline adjustment factor.

"(S) The term 'monthly production variance factor' means the current cumulative deficiency in base production control level crude petroleum, as defined in section 212.72 of title 10 of the Code of Federal Regulations (as in effect on April 3, 1975), for a property on the effective date of this section, plus the total number of barrels by which production and sales of crude oil subsequent to the effective date of this section has been less than the adjusted base period control volume for all months in which production and sale of domestic crude oil has been less than the adjusted base period control volume subsequent to the first month in which production and sale of domestic crude oil exceeded the adjusted base period control volume, minus the total number of barrels of domestic crude oil produced and sold in each prior month which was in excess of the adjusted base period control volume for that month, but was not sold for a price in excess of the ceiling price established pursuant to subsection (c) of this section for sales made subsequent to the effective date of this section.

"(9) The term 'production volume subject to ceiling price' means the adjusted base period control volume plus the monthly production variance factor.

"(10) The term 'stripper well lease' means a property whose average daily production of domestic crude oil and petroleum condensates, including natural gas liquids, per well did not exceed 10 barrels per day during the preceding calendar year.

"(b) Except as provided in subsections (c) and(d), no price ceiling shall apply to any first sale by a producer of domestic crude oil from a property.

"(c) No producer may charge a price in the case of sales from a property in a month in volume amounts equal to or less than the production volume subject to a price ceiling which is higher than the sum of (1) the highest period price at 6 ante meridian, local time, May 15, 1973, for that grade of crude oil at that field, or if there was no posted price for that grade of crude oil at that field, the related price for that grade of crude oil which is most similar in kind and quality posted at the nearest field for which prices were posted at such time and date; and (2) a maximum of $1.35 per barrell.

"(d) This section shall take effect on the first day of the first full month following the date of enactment of this section."

Page 135, after line 12, add the following:

TITLE VI—CRUDE OIL PRICE REGULATION

SEC. 611. AMENDMENT TO EMERGENCY PETROLEUM ALLOCATION ACT WITH RESPECT TO CRUDE OIL PRICE REGULATION.

The Emergency Petroleum Allocation Act of 1973 is amended by adding at the end thereof the following new section:

"CRUDE OIL PRICE REGULATION

"SEC. 8. (a) For the purposes of this section:

"(1) The term 'crude oil' means a mixture of hydrocarbons that existed in liquid phase in underground reservoirs and remains liquid at atmospheric pressure after passing through surface separating facilities, and lease condensate which is a natural gas liquid recovered in associated production by lease separators.

"(2) The term 'domestic crude oil' means crude oil produced in the United States or from the 'Outer Continental Shelf' as defined in section 1331, title 43, United States Code.

"(3) The term 'producer' means a person who produces crude oil or any person who owns crude oil when it is produced.

"(4) The term 'property' means the right which arises from a lease or from a fee interest to produce domestic crude oil.

"(5) The term 'base period control volume' means—

"(A) if domestic crude oil was produced and sold from that property in the months of May through December 1972, the total number of barrels of domestic crude oil produced and sold from that property in those months divided by eight:

"(B) if domestic crude oil was not produced and sold from that property in each of the months of May through December 1972, the total number of barrels of domestic crude oil produced and sold from that property in such months divided by eight:

"(B) if domestic crude oil was not produced and sold from that property in each of the months of May through December 1972, the total number of barrels of domestic crude oil produced and sold from that property in such months May through December for which domestic crude oil was produced and sold from the property (excluding those months in which there occurred any shutdown in production) divided by the number of such months.

"(6) The term 'decline adjustment factor' means—

"1 per centum of the base period control volume of a property multiplied by the number of months for which there occurred production and sales of crude oil from such property beginning with May 1972, and ending with the current month of production.

"(7) The term 'adjusted base period control volume' means the base period control volume less the decline adjustment factor.

"(8) The term 'monthly production variance factor' means the current cumulative deficiency in base production control level crude petroleum, as defined in section 212.72 of title 10 of the Code of Federal Regulations (as in effect on April 3, 1975), for a property on the effective date of this section, plus the total number of barrels by which production and sales of crude oil subsequent to the effective date of this section has been less than the adjusted base period control volume for all months in which production and sale of domestic crude oil has been less than the adjusted base period control volume subsequent to the first month in which production and sale of domestic crude oil exceeded the adjusted base period control volume, minus the total number of barrels of domestic crude oil produced and sold in each prior month which was in excess of the adjusted base period control volume for that month, but was not sold for a price in excess of the ceiling price established pursuant to subsection (c) of this section for sales made subsequent to the effective date of this section.

"(9) The term 'production volume subject to ceiling price' means the adjusted base period control volume plus the monthly production-variance factor.

"(10) The term 'stripper well lease' means a property whose average daily production of domestic crude oil and petroleum condensates, including natural gas liquids, per well did not exceed 10 barrels per day during the preceding year.

"(b) Except as provided in subsections (c) and (d), no price ceiling shall apply to any first sale by a producer of domestic crude oil from a property.

"(c) No producer may charge a price in the case of sales from a property in a month in volume amounts equal to or less than the production volume subject to a price ceiling which is higher than the sum of (1) the highest period price at 6 ante meridian, local time, May 5, 1973, for that grade of crude oil at that field, or if there was no posted price for that grade of crude oil at that field, the related price for that grade of crude oil which is most similar in kind and quality posted at the nearest field for which prices were posted at such time and date; and (2) a maximum of $1.35 per barrel.

"(d) This section shall take effect on the first day of the first full month following the date of enactment of this section."

By Mr. CONTE:

Strike the last word.
Strike the last word.
Strike the last word.
Strike the last word.
Strike the last word.
Strike the last word.

Strike out title I (relating to import treatment of oil), beginning on page 4, line 1, and ending on page 28, line 24.

Page 5, amend the table appearing immediately below line 3 to read as follows:

Calendar year:	Maximum average daily number of barrels (in millions)
1975	8.0
1976	8.0
1977	6.5
1978	6.0
1979	5.5
1980 and thereafter	5.5

Page 5, line 8, immediately after "takes effect." insert the following: "In the case of any calendar quarter during 1975 and 1976 which begins after the date of the enactment of this Act, the maximum average daily number of barrels specified in the table contained in this subsection shall be increased by the amount of petroleum and petroleum products determined by the Federal Power Commission to be necessary to compensate for natural gas curtailments."

Page 15, line 22, immediately after "motor vehicles)." insert the following: "Nothing contained in this section shall be construed to affect any import license waiving payment of fees and duties which was issued pursuant to Presidential Proclamation numbered 4210, April 18, 1973."

Strike out section 112 (relating to establishment of import licensing system) beginning on page 9, line 9, and ending on page 14, line 19.

Strike out part IV, beginning on page 20, line 16, and ending on page 21, line 23.

By Mr. CORMAN:

Page 29, strike out line 12 and all that follows down through line 22 and insert in lieu thereof the following:

"(a) General Rule.—

"(1) Imposition of 3 cents a gallon tax.—In addition to any tax imposed by section 4081, there is hereby imposed on gasoline sold by the producer or importer thereof, or by any producer of gasoline, a tax of 3 cents a gallon.

"(2) Tax to be deposited in trust fund.—For provisions for depositing amounts of the tax imposed by this section in the Energy Conservation and Conversion Trust Fund, see section 411(b) of the Energy Conservation and Conversion Act of 1975.

"(3) Increase in rate if conservation goals are not realized.—

"(A) Determination of domestic consumption.—Not later than January 31, of 1977, and of each year thereafter, the Administrator of the Federal Energy Administration shall make and publish in the Federal Register—

"(i) a determination of whether the domestic consumption of gasoline for the preceding calendar year exceeds the domestic consumption of gasoline for 1973, and

"(ii) if it does, the percentage by which such consumption for the preceding calendar year exceeds such consumption for 1973.

"(B) Increase in rate.—If a determination under subparagraph (A) made for any year after 1976 yields a percentage which is one percentage point or more above the domestic consumption of gasoline for 1973, then, effective on April 15 of such year, the rate of tax imposed by this section shall be increased by one cent above the rate applicable on December 31 of the immediately prior year.

"(C) Domestic consumption defined.—For purposes of this paragraph, the term 'domestic consumption of gasoline' means the average daily usage of gasoline occurring within the United States.

"(4) Reduction of 3-cent rate in case of qualified State gasoline tax.—

"(A) In general.—The rate of the tax which, but for this paragraph, would have been imposed by paragraph (1) on the sale or use of any fuel in a State which, at the time of such sale or use, has a qualified tax with respect to such fuel shall be reduced by the qualified tax increase on such fuel.

"(B) Definitions.—For purposes of this paragraph—

"(i) Qualified tax.—A tax imposed by any State on the sale or use of a fuel subject to tax under this section shall be treated as a qualified tax with respect to such fuel if—

"(I) the amount of the fuel subject to such State tax is not substantially different from the amount of such fuel subject to tax under this section, and

"(II) the rate per gallon at which such State tax is imposed exceeds the rate per gallon at which auch State tax was imposed on April 15, 1975.

"(ii) Qualified tax increase.—The term 'qualified tax increase on any fuel' means, with respect to any State, the lesser of—

"(I) 1 cent, or

"(II) the amount by which the rate per gallon of tax imposed by such State on the sale or use of any fuel subject to tax under this section exceeds the rate at which such State tax was imposed on April 15, 1975."

Page 32, line 21, strike out "subsection (b)" and insert "subsection (a)(3)".

Page 32, strike out line 25 and insert in lieu thereof "(a)(3)".

Page 37, strike out line 16 and all that follows down through line 19 on page 45.

Page 43, strike out line 11 and all that follows down through line 23 on page 50.

Page 29, strike out line 12 and all that follows down through line 22 and insert in lieu thereof the following:

"(a) General Rule.—

"(1) Imposition of 3 cents a gallon tax.—In addition to any tax imposed by section 4081, there is hereby imposed on gasoine sold by the producer or importer thereof, or by any producer of gasoline, a tax of 3 cents a gallon.

"(2) Tax to be deposited in trust fund.—For provisions for depositing amounts of the tax imposed by this section in the Energy Conservation and Conversion Trust Fund, see section 411(b) of the Energy Conservation and Conversion Act of 1975.

"(3) Increase in rate if conservation goals are not realized.—

"(A) Determination of domestic consumption.—Not later than January 31, of 1977, and of each year thereafter, the Administrators of the Federal Energy Administration shall make and publish in the Federal Register—

"(i) a determination of whether the domestic consumption of gasoline for the preceding calendar year exceeds the domestic consumption of gasoline for 1973, and

"(ii) if it does, the percentage by which such consumption for the preceding calendar year exceeds such consumption for 1973.

"(B) Increase in rate.—If a determination under subparagraph (A) made for any year after 1976 yields a percentage which is one percentage point or more above the domestic consumption of gasoline for 1973, then, effective on April 15 of such year, the rate of tax imposed by this section shall be increased by one cent above the rate applicable on December 31 of the immediately prior year.

"(C) Domestic consumption defined.—For purposes of this paragraph, the term 'domestic consumption of gasoline' means the average daily usage of gasoline occurring within the United States."

Page 32, line 21, strike out "subsection (b)" and insert "subsection (a)(3)".

Page 32, strike out line 25 and insert in lieu thereof "(a)(3)".

Page 37, strike out line 16 and all that follows down through line 19 on page 45.

Page 48, strike out line 11 and all that follows down through line 23 on page 50.

Page 29, insert after line 22 the following new subsection:

"(c) Increase in Rate if Gasoline Prices Increase.—

"(1) Determination of price increase.—No later than August 30, of 1976, and of each year thereafter, the Administrator of the Federal Energy Administration shall make and publish in the Federal Register—

"(A) a determination of whether the nationwide average refiners price of a gallon of gasoline for the first preceding annual period exceeds the nationwide average refiners price of a gallon of gasoline for the annual period ending in 1975, and

"(B) if it does, the amount of such excess.

"(2) Increase in rate.—If the determination in paragraph (1) yields an excess of one cent per gallon or more over the 1975 annual period (and if the excess also is one cent per gallon or more greater than the excess determined under this subsection for any previous annual period), then effective beginning the first January 1, following the year in which the determination is made, there is hereby imposed a tax (in addition to the tax imposed by any other subsection of this section) determined in accordance with the following table:

"If the amount of the excess is—	Then the amount of tax is—
no more than 4¢	25% of the excess
more than 4¢ but not more than 8¢	1¢ plus 50% of the excess over 4¢
more than 8¢	3¢ plus 75% of the excess over 8¢

"(3) Definitions.—

"(A) Nationwide average refiners price.—For purposes of this subsection the term 'nationwide average refiners price' means the average price charged by refiners (and importers) for all gasoline sold in each month of the annual period reduced by the amount of any tax imposed under this section. The Administrator shall determine the average price from whatever data series he deems appropriate, as long as auch series is consistent for all years including 1975.

"(B) Annual period.—For purposes of this subsection the annual period for any year shall be the 12-month period ending on June 30 of that year."

Page 33, insert after line 23 the following:

Sec. 213. Floor Stocks Taxes; Technical and Conforming Amendments.

(a) Floor Stocks Taxes.—

(1) In general.—Subsection (a) of section 4226 (relating to floor stocks taxes) is amended to read as follows:

"(a) Gasoline Conservation Tax.—

"(1) Imposition of tax.—On gasoline (as defined in section 4082(b)) which, on a gasoline tax increase date, is held by a dealer for sale, there is hereby imposed a floor stocks tax at a rate equal to the difference between (i) the tax (if any) imposed by section 4086 on the sale of such gasoline by the producer or importer, and (ii) the tax which would have been imposed by such section on such sale if that sale had occured on such gasoline tax increase date. The tax imposed by this subparagraph shall not apply to gasoline in retail stocks held at the place where intended to be sold at retail, nor to gasoline held for sale by a producer or importer of gasoline.

"(2) Gasoline tax increase date defined.—For purposes of this section, the term 'gasolien tax increase date' means January 1, 1976, and any other day on which the rate of the tax imposed by section 4086 exceeds the rate of such tax in effect on the preceding day."

(2) Due date of taxes.—Subsection (d) of auch section 4226 is amended to read as follows:

"(d) Due Date of Taxes.—Any tax imposed by subsection (a) shall be paid at such time, not less than 90 days after the gasoline tax increase date in respect of which such tax was imposed, as may be prescribed by the Secretary or his delegate."

(b) Denial of Certain Exemptions and Refunds.—

(1) Section 4056 is amended by striking out "under this chapter" and inserting in lieu thereof "under section 4041".

(2) Subsection (a) of section 4221 (relating to certain tax-free salea) is amended by adding at the end thereof the following new sentence: "Paragraph (2) shall not apply to the tax imposed by section 4086."

(3) Section 4293 is amended by inserting after "chapters 31 and 32" the following: "(other than section 4051 or 4086)".

(4) Paragraph (6)(C) of section 4221(d) (relating to use in further manufacture and paragraph (3)(F) of section 6416(b) (relating to tax-paid articles used for further manufacture, etc.) are each amended by striking out "section 4081" and inserting in lieu thereof "section 4081 or 4086".

(c) Allowance of Refunds in Case of Certain Uses.—Paragraph (2) of section 6416(b) (relating to tax payments considered overpayments in case of specified uses and resales) is amended—

(1) by inserting after "section 4041 (a)(1) or (b)(1)" the following: "or section 4051", and

(2) by adding at the end thereof the following new sentence:

"Subparagraph (A) shall not apply to any tax paid under section 4086 or 4051."

(d) Technical and Conforming Amendments.—

(1) The table of subchapters for chapter 31 is amended by striking out the last item and inserting in lieu thereof:

"Subchapter F. Special motor fuels conservation taxes.
"Subchapter G. Special provisions applicable to retailers tax."

(2) The table of subparts for part III of subchapter A of chapter 32 is amended by striking out the last two items and inserting in lieu thereof the following:

"Subpart B. Gasoline conservation tax.
"Subpart C. Lubricating oil.
"Subpart D. Special provisions applicable to petroleum products."

(3) Subsections (a) and (b) of section 4082 are each amended by striking out "in this subpart" and inserting in lieu thereof "in this subpart and subpart B".

(4) Section 4083 is amended by striking out "section 4081" and inserting in lieu thereof "section 4081, or 4086."

Section 4101 is amended by striking out "section 4081 or section 4091" and inserting in lieu thereof "section 4081, 4086, or 4091".

(6) Section 4226 is amended by striking out subsection (e).

(c) Effective Date.—The amendments made by this section shall take effect on January 1, 1976.

Part II—Credits, Etc., Relating To Energy Conservation Taxes

Sec. 221. Credit for Personal Use of Gasoline.

(a) In General.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowable) is amended by inserting after section 44 the following new section:

"Sec. 44A. Personal Use of Gasoline.

"(a) General Rule.—In the case of a taxpayer who is a qualified individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of the allowances to which the individual is entitled for each month in such year. The allowance for any month in the taxable year shall be an amount equal to—

"(1) so much of the rate of tax in effect for such month under section 4086 (relating to gasoline conservation tax) as exceeds 3 cents a gallon, multiplied by

"(2) 40.

"(b) Qualified Individual Defined.—For purposes of this section, an individual is a qualified individual if, as of the close of the taxable year, such individual—

"(1) has attained the age of 16, and

"(2) resides in the United States.

"(c) Trusts and Estates.—A trust or estate shall not be entitled to the credit allowed under subsection (a).

"(d) Special Rule for Rate Change in Middle of Month.—In the case of any month in which there is an increase in the rate of tax imposed by section 4086, the rate of such tax in effect for such month, for purposes of subsection (a), shall be deemed to be one-half of the sum of the rate of such tax in effect on the first day of auch month plus the rate of such tax in effect on the last day of such month."

(b) Refund To Be Made Where Credit Exceeds Liability for Tax.—Section 6401(b) (relating to excessive credits) is amended—

(1) by inserting "44A (relating to personal use of gasoline)," before "and 667(b)"; and

(2) by striking out "and 43" and inserting in lieu thereof "43, and 44A".

(c) Withholding Tax.—Subsection (a) of section 3402 (relating to income tax collected at source) is amended to read as follows:

"(a) Requirement of Withholding.—Except as otherwise provided in this section, every employer making payment of wages shall deduct and withhold upon auch wages a tax determined in accordance with tables prescribed by the Secretary or his delegate. The tables so prescribed shall be the same as the tables contained in this subsection as in effect on the day before the date of the enactment of the Energy Conservation and Conversion Act of 1975; except that, if there is any increase under section 4086(b) in the rate of the tax imposed by section 4086, the amounts set forth as amounts of income tax to be withheld shall reflect the credit allowable under section 44A by reason of such increase. Any tables prescribed by reason of an increase in the rate of tax under section 4086 shall only apply with respect to wages paid on and after the effective date of such increase. For purposes of applying such tables, the term 'the amount of wages' means the amount by which the wages exceed the number of withholding exemptions claimed, multiplied by the amount of one such exemption as shown in the table in subsection (b)(1)."

(d) Credits Disregarded in the Administration of Federal Programs and Federally Assisted Programs.—Any payment considered to have been made by any individual by reason of section 44A of the Internal Revenue Code of 1954 (relating to credit for personal use of gasoline) shall not be taken into account as income or receipts for purposes of determining the eligibility of such individual or any other individual for benefits or assistance, or the amount or extent of benefits or assistance, under any Federal program or under any State or local program financed in whole or in part with Federal funds.

(e) Clerical Amendment.—The table of sections for such subpart A is amended by inserting after the item relating to section 44 the following:

"Sec. 44A. Personal use of gasoline."

(f) Effective Dates.—The amendments made by subsection (a), (b), and (e) shall apply to taxable years ending after December 31, 1976.

Sec. 222. Credit For Use of Gasoline and Special Fuels in Businesses or in Work-Related Travel.

(a) In General.—Subpart A of part IV subchapter A of chapter 1 (relating to credits allowable) is amended by inserting after section 44A the following new section:

"Sec. 44B. Use of Gasoline and Special Fuels in Business or in Work-Related Travel.

"(a) General Rule.—In the case of a taxpayer who is engaged in a trade or business or who has work-related travel, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

"(1) the trade or business allowances to which the taxpayer is entitled for auch taxable year under subsection (b), plus

"(2) the work-related travel allowances to which the taxpayer is entitled for such taxable year under subsection (c).

"(b) Trade or Business Allowances.—

"(1) In general.—For purposes of subsection (a), the taxpayer shall be entitled to a trade or business allowance for each month in the taxable year, and auch allowance shall be equal to ½ of the sum of—

"(A) the product of—

"(i) the number of gallons of gasoline used during such month in a trade or business, multiplied by

"(ii) so much of the rate of tax in effect under section 4086 for the month in which such gasoline was purchased by the taxpayer as exceeds 3 cents per gallon; plus

"(B) so much of the tax imposed by section 4051 on the sale to such taxpayer of fuel used during such month in a trade or business as was imposed at a rate in excess of 3 cents a gallon.

"(2) Use for certain purposes.—Paragraph (1) shall not apply to any gasoline or other fuels used on a farm for farming purposes (within the meaning of section 6420(c)), used as supplies for vessels or aircraft (within the meaning of section 4221 (d)(3)), *used* in a taxicab (as defined in section 6429(c)(2)(B)) while engaged in furnishing qualified taxicab services (as defined in section 6429(c)(2)(A)), *or used by an organization described in section 501 (c)(3) which is exempt from tax under section 501(a) other than in an unrelated trade or business (as defined in section 513)*.

"(c) Work-Related Travel Allowances.—

"(1) In general.—For purposes of subsection (a), the taxpayer shall be entitled to a work-related travel allowance for each month of the taxable year, and such allowance shall be equal to ½ of the product of—

"(A) the number of gallons, in excess of 25, gasoline or special fuels on which tax was imposed by section 4086 or 4051 which were purchased by the taxpayer and which were used by the taxpayer during such month in work-related travel, multiplied by

"(B) so much of the rate of tax in effect under sections 4086 and 4051 for such month as exceeds 3 cents per gallon.

"(2) Work-related travel.—For purposes of this subsection, the term 'work-related travel' means—

"(A) travel between the individual's principal residence and any post of duty in a qualified industry pursuant to employment in such qualified industry, and

"(B) travel to a new principal post of duty in a qualified industry if such new principal post of duty is at least 20 miles from the individual's former principal post of duty in a qualified industry.

"(3) Qualified industry.—For purposes of this subsection, the term 'qualified industry' means any industry which ordinarily provides individuals, employed in such industry, employment at a number of different posts of duty throughout the year.

"(d) Special Rule for Rate Change in Middle of Month.—In the case of any month in which there is an increase in the rate of the taxes imposed by sections 4086 and 4051, the rate of such taxes in effect for such month, for purposes of subsections (b) and (c), shall be deemed to be one-half of the sum of the rate of such taxes in effect on the first day of such month plus the rate of such taxes in effect on the last day of such month."

(b) Coordination With Trade or Business Deduction.—Section 162 (relating to trade or business expenses) is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

"(h) Coordination of Deduction With Certain Provisions Relating to Energy Conservaton Taxes.—

"(1) Section 44B credit.—The amount which, but for this paragraph, would be allowable as a deduction under this section for amounts paid or incurred for gasoline or other fuels subject to tax under section 4086 or 4051 shall be reduced by the amount of any credit allowable under section 44B with respect to such gasoline or other fuels.

"(2) Repayment in case of use by taxicabs.—The amount which, but for this paragraph, would be allowable as a deduction under this section for amounts paid or incurred for gasoline or other fuels which are subject to tax under section 4086 or 4051 and which are used in any taxicab (as defined in section 6429(c)(2)(B)) while engaged in furnishing qualified taxicab services (as defined in section 6429(c)(2)(A)) shall be reduced by so much of the tax which was imposed by section 4086 or 4051 on such gasoline or other fuels as was imposed at a rate in excess of 3 cents a gallon."

(c) Refund To Be Made Where Credit Exceeds Liability for Tax.—Section 6401(b) (relating to excessive credits) is amended—

(1) by inserting "44B (relating to use of gasoline and special fuels in businesses or in work-related travel)," before "and 667 (b)"; and

(2) by striking out "and 44A" and inserting in lieu thereof "44A, and 44B".

(d) Clerical Amendment.—The table of sections for such subpart A is amended by inserting after the item relating to section 44A the following:

"Sec. 44B. Use of gasoline and special fuels in businesses or in work-related travel."

(e) Effective Date.—The amendments made by this section shall apply to taxable years ending after December 31, 1976.

Sec. 223. Repayment of Gasoline and Special Fuels Conservation Taxes in Case of Certain Uses

(a) General Rule.—Subchapter B of chapter 65 (relating to rules of special application for abatements, credits, and refunds) is amended by adding at the end thereof the following new section:

"Sec. 6429. Repayment of Gasoline and Special Fuels Conservation Taxes in Case of Certain Uses

"(a) Use for Farming Purposes.—

"(1) In general.—Except as provided in subsection (h), if any gasoline on which tax was imposed by section 4086 or any other fuel on the sale of which a tax was imposed by section 4051 is used by any purchaser of such gasoline or fuel on a farm for farming purposes (within the meaning of section 6420(c)), the Secretary or his delegate shall pay (without interest) to such purchaser an amount equal to the sum of—

"(A) the product of—

"(i) the number of gallons of gasoline so used; multiplied by

"(ii) the rate of the tax imposed by section 4086 in effect for the month in which such gasoline was purchased; plus

"(B) the amount of the tax imposed by section 4051 on the sale to such purchaser of the other fuel so used.

"(2) Special rule.—If gasoline on which tax was imposed under section 4086, or any other fuel on the sale of which tax was imposed under section 4051, is used on a farm by any person other than the owner, tenant, or operator of such farm, such owner, tenant, or operator shall be treated as the user and purchaser of such gasoline or other fuel.

"(b) Local Transit Purposes.—

"(1) In general.—Except as provided in subsection (h), if any gasoline on which tax was imposed by section 4086 or any other fuel on the sale of which a tax was imposed by section 4051 is used by any purchaser of such gasoline or fuel during any calendar quarter in vehicles while engaged in furnishing scheduled common carrier public passenger land transportation service along regular routes, the Secretary or his delegate shall pay (without interest) to such purchaser an amount equal to ½ of the product of—

"(A) 3 cents multiplied by the number of gallons of gasoline and other fuel so used; multiplied by

"(B) the percentage which such purchaser's commuter fare revenue derived from such scheduled service during such calendar quarter was of his total passenger fare revenue derived from such scheduled service during such calendar quarter.

"(2) Limitation.—This subsection shall apply with respect to gasoline or fuel used by any purchaser during any calendar quarter only if at least 60 percent of the total passenger fare revenue derived during such calendar quarter by such purchaser from scheduled service described in paragraph (1) was attributable to commuter fare revenue derived during such quarter by such purchaser from such scheduled service.

"(3) Commuter fare revenue.—For purposes of this subsection, the term 'commuter fare revenue' has the meaning given to such term by section 6421(d)(2).

"(c) Use in Certain Taxicabs.—

"(1) In general.—Except as provided in subsection (h), if any gasoline on which tax was imposed by section 4086 or any fuel on the sale of which a tax was imposed by section 4051 is used by any purchaser of such gasoline or fuel in a taxicab while engaged in furnishing qualified taxicab services, the Secretary or his delegate shall pay (without interest) to such purchaser an amount equal to ¾ of the sum of—

"(A) the product of—

"(i) the number of gallons of gasoline used, multiplied by

"(ii) so much of the rate of tax in effect under section 4086 for the month in which such gasoline was purchased by the user as exceeds 3 cents per gallon; plus

"(B) so much of the tax imposed by section 4051 on the sale to such taxpayer of the fuel (other than gasoline) referred to in paragraph (1) as was imposed at a rate in excess of 3 cents a gallon.

"(2) Definitions.—For purposes of this subsection—

"(A) Qualified taxicad services.—The term 'qualified taxicab services' means the furnishing of nonscheduled passenger land transportation for a fixed fare by a taxicab which is operated by a person who—

"(i) is licensed to engage in the trade or business of furnishing such transportation by a Federal, State, or local authority having jurisdiction over a substantial portion of such transportation furnished by such person; and

"(ii) is not prohibited under the laws, regulations, or procedures of such Federal, State, or local authority from furnishing (with the consent of the passengers) shared transportation.

"(B) Taxicab.—The term 'taxicab' means any land vehicle the passenger capacity of which is less than 10 adult passengers, including the driver.

"(3) Special rule.—The amount of any payment under this subsection to any person shall not be included in the gross income of such person.

"(d) Use by Section 501(c)(3) Organizations.—Except as provided in subsection (h), if any gasoline on which tax was imposed by section 4086 or any other fuel on the sale of which a tax was imposed by section 4051 is used by any purchaser of such gasoline or fuel which is an organization described in section 501(c)(3) which is exempt from tax under section 501(a), other than in an unrelated trade or business (as defined in section 513), the Secretary or his delegate shall pay (without interest) to such purchaser an amount equal to the sum of—

"(1) the product of—

"(A) the number of gallons of gasoline so used, multiplied by

"(B) the rate of tax in effect under section 4086 for the month in which such gasoline was purchased by the user; plus

"(2) the tax imposed by section 4051 on the sale to such taxpayer of the fuel (other than gasoline) so used.

"(e) Special Rules and Definition.—

"(1) Exempt sales.—No amount shall be payable under this section with respect to any gasoline or special fuel which the Secretary or his delegate determines was exempt from the tax imposed by section 4086 or 4051, as the case may be.

"(2) Gasoline.—The term 'gasoline' has the meaning given to such term by section 4082(b).

"(3) Special rule for rate change in middle of month.—In the case of any month in which there is an increase in the rate of tax imposed by section 4086, the rate of such tax in effect for such month, for purposes of subsections *(a)*, (c), *and* (*d*), shall be deemed to be one-half of the sum of the rate of such tax in effect on the first day of such month plus the rate of such tax in effect on the last day of such month."

(*f*) Time for Filing Claims; Period Covered.—

"(1) General rule.—Except as provided by paragraph (2), not more than one claim may be filed under subsection (a), (b), (c), or (d) by any person with respect to gasoline or any other fuel used during his taxable year. No claim shall be allowed under this section with respect to gasoline or any other fuel used by such person during any taxable year unless filed by such person not later than the time prescribed by law for filing a claim for credit or refund of overpayment of income tax for such taxable year. For purposes of this subsection, a person's taxable year shall be his taxable year for purposes of subtitle A.

(2) Exception.—If $1,000 or more is payable under this section to any person with respect to gasoline or any other fuel used during any of the first three quarters of any taxable year ending after the date on which an increase in the rate of tax under section 4086 first takes effect under subsection (b) of such section, a claim may be filed under this section by such person with respect to gasoline or any other fuel used during such quarter. No claim filed under this subparagraph shall be allowed unless filed on or before the last day of the first quarter following the quarter for which the claim is filed.

(g) Applicable Laws.—

"(1) In general.—All provisions of law, including penalties, applicable in respect of the tax imposed by section 4051 or 4086 shall, insofar as applicable and not inconsistent with this section, apply in respect of the payments provided for in this section to the same extent as if such payments constituted refunds or overpayments of the tax so imposed.

"(2) Examination of books and witness.—For the purpose of ascertaining the correctness of any claim made under this section, or the correctness of any payment made in respect of any such claim, the Secretary or his delegate shall have the authority granted by paragraphs (1), (2), and (3) of section 7602 (relating to examination of books and witnesses) as if the claimant were the person liable for tax.

("h) Income Tax Credit in Lieu of Payment.—

"(1) Persons not subject to income tax.—Payment shall be made under this section only to—

"(A) the United States or an agency or instrumentality thereof, a State, a political subdivision of a State, or an agency or instrumentality of one or more States or political subdivisions, or

"(B) an organization exempt from tax under section 501(a) (other than an organization required to make a return of the tax imposed under subtitle A for its taxable year).

"(2) Allowance of credit against income tax.—For allowance of credit against the tax imposed by subtitle A for certain uses of gasoline and other fuels, see section 39.

(i) Regulations.—The Secretary or his delegate may by regulations prescribe the

conditions, not inconsistent with the provisions of this section, under which payments may be made under this section.

(j) Cross References.—

"(1) For civil penalty for excessive claims under this section, see section 6675.

"(2) For fraud penalties, etc., see chapter 75 (section 7201 and following, relating to crimes, other offenses, and forfeitures).

(k) Allowance of Credit for Certain Uses.—

(1) In general.—Subsection (a) of section 39 (relating to certian uses of gasoline, special fuels, and lubricating oil) is amended by striking out "and at the end of paragraph (3), by striking out the period at the end of paragraph (4) and inserting in lieu thereof ", and", and by adding after paragraph (4) the following new paragraph:

"(5) under section 6429 with respect to gasoline and special fuels used during the taxable year (determined without regard to section 6429(h))."

(2) Technical amendment.—Subsection (c) of section 39 is amended by striking out "or 6427" and inserting in lieu thereof "6427, or 6429" and by striking out "or 6427(f)" and inserting in lieu thereof "6427 (f), or 6429(h))".

(c) Technical and Conforming Amendments.—

(1) The table of sections for subchapter B of chapter 65 is amended by adding at the end thereof the following new item:

"Sec. 6429. Repayment of gasoline and special fuels conservation taxes in case of certain uses."

(A) by striking out "6427(e)(2)" the first place it appears and inserting in lieu thereof "6427(e)(2), 6429(g)(2)"; and

(B) by striking out "or 6427(e)(2)" and inserting in lieu thereof "6427(e)(2), or 6429(g)(2)".

(d) Effective Dates.—

(1) For subsections (a) and (c).—The amendments made by subsections (a) and (c) shall take effect on January 1, 1976.

(2) For subsection. (b).—The amendments made by subsection (b) shall apply to taxable years ending after January 1, 1976.

(2) Section 6206 is amended—

(A) by striking out "and 6427" in the section heading and inserting in lieu thereof "6247, and 6429";

(B) by striking out "or 6427" each place it appears and inserting in lieu thereof "6427, or 6429"; and

(C) by inserting after "under section 6427)" the following: ", or by section 4051 or 4086 (with respect to payments under section 6429)".

(3) Section 6675 is amended—

(A) by striking out "or" after "highway motor vehicles)," in subsection (a);

(B) by inserting after "fuels not used for taxable purposes)" in subsection (a) the following: ", or 6429 (relating to repayment of gasoline and special fuels conservation taxes in case of certain uses)"; and

(C) by striking out "or 6427" in subsection (b) and inserting in lieu thereof "6427, or 6429".

(4) Sections 7210, 7603, and 7604(b) are each amended by inserting 6429(g) (2)," after "6427(e)(2),".

(5) Section 7604(c)(2) is amended by inserting 6429(g)(2)," after "6427(e)(2),".

(6) Section 7605(a) is amended—

By Mr. DINGELL:

Page 97, line 13, add the following after the word "subsection" "shall be established by annual authorization acts and"

Page 102, between lines 13 and 14 insert the following:

"(f) No Federal employee performing any function or duty under this title shall have a direct or indirect financial interest in any firm or business engaged in the production, processing, refining, transportation by pipeline, or distribution (other than at the retail level) of oil or gas or other petroleum product or any other energy related industry. Whoever knowingly violates the provisions of the above sentence shall, upon conviction, be punished by a fine of not more than $2,500, or by imprisonment for not more than one year, or both. The Secretary of the Treasury shall (1) within sixty days after enactment of this Act publish regulations, in accordance with 5 U.S.C. 553, to establish the methods by which the provisions for the filing by such employees and the review of statements and supplements thereto concerning their financial interests which may be affected by this section, and (2) report to the Congress on March 1 of each calendar year on the actions taken and not taken during the preceding calendar year under this section."

By Mr. GREEN:

Strike out section 533 (relating to recycling tax credit), beginning on page 128, line 24, and ending on page 135, line 12.

By Mr. McCORMACK:

Page 80, line 11, delete "March 17, 1975", and insert in lieu thereof "January 1, 1974".

Page 80, line 15, delete "March 17, 1975", and insert in lieu thereof "January 1, 1974".

By Mr. McFALL:

Strike out title II (relating to energy conservation taxes), beginning on line 1 of page 29, and ending on line 24 of page 57.

(Technical and conforming amendments.)

Page 78, line 9, strike out "SEC. 44C." and insert in lieu thereof "SEC. 44A.".

Page 83, immediately after line 4, strike out "Sec. 44C." and insert in lieu thereof "Sec. 44A.".

Page 83, line 10, strike out "section 44C" and insert in lieu thereof "section 44A".

Page 83, line 18, strike out "section 44C" and insert in lieu thereof "section 44A".

Page 84, line 1, strike out "section 44C(d)" and insert in lieu thereof "section 44A(d)".

Page 84, line 3, strike out "section 44C" and insert in lieu thereof "section 44A".

Page 84, line 7, strike out "and 44C" and insert in lieu thereof "and 44A".

Page 84, line 16, strike out "SEC. 44D." and insert in lieu thereof "SEC. 44B."

Page 86, line 1, strike out "section 44C" and insert in lieu thereof "section 44A".

Page 89, immediately after line 10, strike out "Sec. 44D." and insert in lieu thereof "Sec. 44B."

Page 89, line 16, strike out "section 44D" and insert in lieu thereof "section 44B".

Page 90, line 1, strike out "section 44D" and insert in lieu thereof "section 44B".

Page 90, line 1, strike out "section 44D" and insert in lieu thereof "section 44B(d)".

Page 90, line 10, strike out "section 44D" and insert in lieu thereof "section 44B".

Page 90, line 13, strike out "and 44C" and insert in lieu thereof "and 44A".

Page 90, line 14, strike out "44C, and 44D" and insert in lieu thereof "44A, and 44B".

Page 91, strike out line 12 and all that follows down through line 23 and insert in lieu thereof the following:

"(i) section 4064 of the Internal Revenue Code of 1954 (relating to automobile fuel efficiency tax), and

"(ii) section 4991 of such Code (relating io tax on certain business uses of petroleum and petroleum products),"

Page 124, beginning on line 21, strike out "section 44C(c)(2)" and insert in lieu thereof "section 44A(c)(2)".

Page 124, line 25, strike out "section 44D (c)(2)" and insert in lieu thereof "section 44B(c)(2)".

Strike out title IV (relating to an Energy Conservation and Conversion Trust Fund), beginning on page 90, line 18, and ending on page 102, line 13.

(Conforming amendment.)

Page 29, strike out lines 12 through 22 and insert in lieu thereof the following:

"(a) General Rule.—In addition to any

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tax imposed by section 4081, there is hereby imposed on gasoline sold by the producer or importer thereof, or by any producer of gasoline, a tax of 3 cents a gallon.

Page 29, line 17, strike out "3 cents" and insert in lieu thereof "2 cents".

Page 30, line 6, strike out "23 cents" and insert in lieu thereof "22 cents".

Page 31, strike out line 1 and the table appearing immediately after line 1 and insert in lieu thereof the following:

"(3) Tax table.—

"If the domestic consumption of gasoline for the calendar year preceding the year in which the determination is made exceeds the domestic consumption of gasoline for 1973 by a percentage which is— More than—	But not more than—	The total tax imposed by this section shall be the following cents per gallon:
0	1	7
1	2	12
2	3	17
3		22

Page 31, line 18, strike out "3 cents" and insert in lieu thereof "2 cents".

Page 32, line 11, strike out "3 cents" and insert in lieu thereof "2 cents".

Page 38, line 6, strike out "3 cents" and insert lieu thereof "2 cents".

Page 42, line 6, strike out "3 cents" and insert in lieu thereof "2 cents".

Page 43, line 7, strike out "3 cents" and insert in lieu thereof "2 cents".

Page 45, line 5, strike out "3 cents" and insert in lieu thereof "2 cents".

Page 47, line 18, strike out "3 cents" and insert in lieu thereof "2 cents".

Page 49, lines 2 and 6, strike out "3 cents" and insert in lieu thereof 2 "cents".

Page 31, line 5, strike out "States.' " and in and insert in lieu thereof "2 cents".

Page 31, insert immediately after line 5, the following:

"(c) Reduction of Rate in Case of Qualified State Gasoline Tax.—

"(1) In general.—The rate of the tax, which, but for this subsection, would have been imposed by this section on the sale of gasoline in a State which, at the time of such sale, has a qualified State tax with respect to gasoline shall be reduced by the qualified State tax increase on such gasoline.

"(2) Limitation.—The rate of tax imposed by this section may not be reduced under this subsection—

"(A) if the rate of such tax is 3 cents per gallon, by more than 1 cent per gallon; or

"(B) if such rate is more than 3 cents per gallon, by more than the sum of—

"(i) 1 cent per gallon, plus

"(ii) 20 percent of the amount by which such rate exceeds 3 cents per gallon.

"(3) Definitions.—For purposes of this subsection—

"(A) Qualified State tax.—A tax imposed by any State on the sale of gasoline subject to tax under this section shall be treated as a qualified State tax if the Secretary determines that—

"(i) such tax is not substantially different from the tax under this section,

"(ii) a qualified State tax increase exists with respect to the tax imposed by such State, and

"(iii) the net receipts of the State from such qualified State tax increase will be available only for purposes of planning, constructing, or maintaining highways or mass transit systems.

In making such determination, net receipts from any qualified State tax increase shall not be treated as available for the purposes referred to in clause (iii) if the Secretary finds that funds of the State available for such purposes will be diverted for other purposes because of such tax increase.

"(B) Qualified State tax increase.—The term 'qualified State tax increase' means, with respect to any State, the amount by which—

"(i) the rate (per gallon) of tax imposed by such State on the sale of gasoline subject to tax under this section, exceeds

"(ii) the rate of tax (if any) which was imposed on May 19, 1975, by such State on such a sale.

"(4) Application of subsection.—For purposes of this title, the rate of tax in effect under this section shall be such rate as in effect for the State in which the gasoline was purchased by the user."

Page 32, insert immediately after line 25, the following:

"(d) Reduction of Rate in Case of Qualified State Special Fuels Tax.—

"(1) In general.—The rate of the tax, which, but for this subsection, would have been imposed by this section on the sale or use of any fuel in a State which, at the time of such sale or use, has a qualified State tax with respect to such fuel shall be reduced by the qualified State tax increase on such fuel.

"(2) Limitation.—The rate of tax imposed by this section may not be reduced under this subsection—

"(A) if the rate of such tax is 3 cents per gallon, by more than 1 cent per gallon; or

"(B) if the rate of such tax is more than 3 cents per gallon, by more than the sum of—

"(i) 1 cent per gallon, plus

"(ii) 20 percent of the amount by which such rate exceeds 3 cents per gallon.

"(3) Definitions.—For purposes of this subsection—

"(A) Qualified State tax.—A tax imposed by any State on the sale or use of a fuel subject to tax under this section shall be treated as a qualified State tax if the Secretary determines that—

"(i) such tax is not substantially different from the tax under this section,

"(ii) a qualified State tax increase exists with respect to the tax imposed by such State, and

"(iii) the net receipts of the State from such qualified State tax increase will be available only for purposes of planning, constructing, or maintaining highways or mass transit systems.

In making such determination, the net receipts from any qualified State tax increase shall not be treated as available for the purposes referred to in clause (iii) if the Secretary finds that funds of the State available for such purposes will be diverted for other purposes because of such tax increase.

"(B) Qualified State tax increase.—The term 'qualified State tax increase' means, with respect to any State, the amount by which—

"(i) the rate (per gallon) of tax imposed by such State on the sale or use of the fuels subject to tax under this section, exceeds

"(ii) the rate of tax (if any) which was imposed on May 19, 1975, by such State on such a sale or use.

"(4) Application of subsection.—For purposes of this title, the rate of tax in effect under this section shall be such rate as in effect for the State in which the fuel was purchased (or used) by the user."

Page 33, line 1, strike out "(d)" and insert in lieu thereof "(e)".

Page 33, line 9, strike out "(e)" and insert in lieu thereof "(f)".

Page 30, strike out line 25 and insert in lieu thereof the following: "by paragraph (3); except that such rate shall not be so increased if either the House of Representatives or the Senate adopts, in accordance with section 211(b) of the Energy Conservation and Conversion Act of 1975 and by an affirmative vote of the majority of those present and voting in each House, a resolution of disapproval before March 1 of such calendar year."

Page 31, immediately after line 5, insert the following:

(b) Procedures for Congressional Disapproval of Increases in Conservation Taxes.—

(1) Procedure in Each House.—

(A) A resolution of disapproval in the House of Representatives shall be referred to the Committee on Ways and Means. A resolution of disapproval in the Senate shall be referred to the Committee on Finance.

(B) (i) If the committee to which a resolution of disapproval has been referred has not reported it at the end of 7 calendar days after its introduction, it is in order to move either to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of any other resolution of disapproval which has been referred to the committee.

(ii) A motion to discharge may be made only by an individual favoring the resolution, is highly privileged (except that it may not be made after the committee has reported a resolution of disapproval), and debate thereon shall be limited to not more than 1 hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(iii) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made wth respect to any other resolution of disapproval.

(C) (i) When the committee has reported, or has been discharged from further consideration of, a resolution of disapproval, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(ii) Debate on the resolution of disapproval shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit, the resolution is not in order, and it is not in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

(D) (1) Motions to postpone, made with respect to the discharge from committee or the consideration of a resolution of disapproval, and motions to proceed to the consideration of other business, shall be decided without debate.

(ii) Appeals from the decisions of the Chair relating to the application of the rules of the House of Representatives or the Senate, as the case may be, to the procedure relating to any resolution of disapproval shall be decided without debate.

(E) Whenever the President transmits copies of the proposed revision to the Congress, a copy of such regulations shall be delivered to each House of Congress on the same day and shall be delivered to the Clerk of the House of Representatives if the House is not in session and to the Secretary of the Senate if the Senate is not in session.

(F) This subsection is enacted by the Congress—

(i) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions of disapproval described in paragraph (2); and they supercede other rules only to the extent that they are inconsistent therewith; and

(ii) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedures of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

(2) Resolution of disapproval.—For purposes of this subsection and section 4086(b) of the Internal Revenue Code of 1954, the term "resolution of disapproval" means only a resolution of either House of Congress, the matter after the resolving clause of which is as follows: "That the   does not favor the taking effect of the proposed increase in the rate of tax under sections 4051 and 4086 of the Internal Revenue Code of 1954 which was published in the Federal Register on

", the first blank space therein being filled with the name of the resolving House and the second blank space therein being filled with the day and year.

By Mr. NEAL:

Strike title II.

Strike title IV.

By Mr. O'NEILL:

Strike out section 112 (relating to the Establishment of Import Licensing System), beginning on page 9, line 9, and ending on page 14, line 19;

Strike out part IV of title I (relating to the Office of Petroleum Import Licensing), beginning on page 20, line 16 and ending on page 21, line 23.

By Mr. SOLARZ:

Page 31, insert immediately after line 9 the following:

"(3) Special rule for individual whose income is less than $5,050 or who is over age 65.—In the case of any individual—

"(1) whose adjusted gross income for the taxable year is less than $5,050 ($2,525 in the case of a married individual filing a separate return), or

"(2) who has attained the age of 65 before the close of the taxable year,

subsection (a) shall be applied by substituting "100 percent" for "30 percent". In the case of a joint return of a husband and wife, if one spouse satisfies the age requirement of paragraph (2), then both husband and wife shall be treated as satisfying such requirement.

Page 81, line 10, strike out "(3)" and insert in lieu thereof "(4)".

Page 82, line 7, strike out "(4)" and insert in lieu thereof "(5)".

By Mr. STARK:

Page 30, strike out line 1 and all that follows down through line 5 on page 31.

(Technical and conforming amendments.)

Page 32, strike out line 20 and all that follows down through line 25.

Page 33, line 1, strike out "(d)" and insert in lieu thereof "(c)".

Page 33, line 9, strike out "(e)" and insert in lieu thereof "(d)".

Page 34, strike out line 7 and all that follows down through line 2 on page 35 and insert in lieu thereof the following:

"(a) Gasoline Conservation Tax.—On gasoline (as defined in section 4082(b)) which, on January 1, 1976, is held by a dealer for sale, there is hereby imposed a floor stocks tax at a rate of 3 cents per gallon. The tax imposed by this subsection shall not apply to gasoline in retail stocks held at the place where intended to be sold at retail, nor to gasoline held for sale by a producer or importer of gasoline."

Page 35, strike out line 5 and all that follows down through line 9 and insert in lieu thereof the following:

"(d) Due Date of Tax.—The tax imposed by subsection (a) shall be paid at such time after March 31, 1976, as may be prescribed by the Secretary or his delegate."

Page 37, strike out line 16 and all that follows down through line 19 on page 45.

Page 45, line 20, strike out "SEC. 223." and insert in lieu thereof "SEC. 221.".

Page 46, line 8, strike out "(h)" and insert "(g)".

Page 47, line 9, strike out "(h)" and insert "(g)".

Page 48, strike out line 11 and all that follows down through line 5 on page 50.

Page 50, line 6, strike out "(d)" and insert in lieu thereof "(c)".

Page 50, line 24, strike out "(e)" and insert in lieu thereof "(d)".

Page 51, strike out line 6 and all that follows down through line 13.

Page 51, line 14, strike out "(f)" and insert in lieu thereof "(e)".

Page 51, line 18, strike out "subsection (a), (b), (c), or (d)" and insert in lieu thereof "subsection (a), (b), or (c)".

Page 52, line 15, strike out "(g)" and insert in lieu thereof "(f)".

Page 53, line 6, strike out "(h)" and insert in lieu thereof "(g)".

Page 53, line 22, strike out "(i)" and insert in lieu thereof "(h)'.

Page 54, line 1, strike out "(j)" and insert in lieu thereof "(i)".

Page 54, line 12, strike out "section 6429 (h)" and insert in lieu thereof "section 6429(g)".

Page 54, line 17, strike out "or 6429(h)" and insert in lieu thereof "or 6429(g)".

Page 55, line 21, strike out "6429(g) (2)" and insert in lieu thereof "6429(f) (2)".

Page 55, line 24, strike out "6429(g) (2)" and insert in lieu thereof "6429(f) (2)".

Page 56, line 3, strike out "6429(g) (2)" and insert in lieu thereof "6429(f) (2)".

Page 56, beginning on line 5, strike out "6429(g) (2)" and insert in lieu thereof "6429 (f) (2)".

Page 78, line 9, strike out "SEC. 44C." and insert in lieu thereof "SEC. 44A."

Page 83, immediately after line 4, strike out "Sec. 44C." and insert in lieu thereof "Sec. 44A.".

Page 83, line 10, strike out "section 44C" and insert in lieu thereof "section 44A".

Page 83, line 18, strike out "section 44C" and insert in lieu thereof "section 44A".

Page 84, line 1, strike out "section 44C(d)" and insert in lieu thereof "section 44A(d)".

Page 84, line 3, strike out "section 44C" and insert in lieu thereof "section 44A".

Page 84, line 7, strike out "and 44C" and insert in lieu thereof "and 44A".

Page 84, line 16, strike out "SEC. 44D." and insert in lieu thereof "SEC. 44B."

Page 86, line 1, strike out "section 44C" and insert in lieu thereof "section 44A".

Page 89, immediately after line 10, strike out "Sec. 44D." and insert in lieu thereof "Sec. 44B."

Page 89, line 16, strike out "section 44D" and insert in lieu thereof "section 44B".

Page 90, line 1, strike out "section 44D" and insert in lieu thereof "section 44B".

Page 90, line 8, strike out "section 44D(d)" and insert in lieu thereof "section 44B(d)".

Page 90, line 10, strike out "section 44D" and insert in lieu thereof "section 44B".

Page 90, line 13, strike out "and 44C" and insert in lieu thereof "and 44A".

Page 90, line 14, strike out "44C, and 44D" and insert in lieu thereof "44A, and 44B".

Page 124, beginning on line 21, strike out "section 44C(c) (2)" and insert in lieu thereof "section 44A(c) (2)".

Page 124, line 25, strike out "section 44D (c) (2)" and insert in lieu thereof "section 44B(c) (2)".

By Mr. TREEN:

Strike the requisite number of words.

Strike page 104, line 15 through line 17 and insert:

"(D) on a farm for farming purposes (determined in a manner similar to that provided by section 6420(c)) or such place where first processing of agricultural commodities takes place (which commodities must be processed immediately and for a period no longer than ninety days)."

By Mr. WHITE:

Page 107, line 21, strike out "or".

Page 107, line 22, strike out the period and insert in lieu thereof a comma.

Page 107, immediately after line 22, insert the following:

"(E) qualified coal-mining equipment,

"(F) a qualified geothermal facility,

"(G) qualified solar energy equipment,

"(H) a qualified electrical generating facility,

"(I) a facility for the refining or processing of crude oil,

"(J) a facility for the processing of natural gas, or

"(K) a facility for the mining or processing of nuclear minerals.

Page 109, insert immediately after line 3 the following:

"(6) Qualified coal-mining equipment.—The term 'qualified coal mining equipment' means any machinery or equipment (of a character subject to the allowance for depreciation) necessary—

"(A) to reach the coal,

"(B) to extract the coal,

"(C) to bring the coal to the mouth of the mine (or its equivalent), or

"(D) to restore the overburden or other to restore the property to a long-term stable condition.

"(7) Qualified geothermal facility.—The term 'qualified geothermal facility' means any facility (which is of a character subject to the allowance of depreciation) for converting geothermal energy into electrical energy.

"(8) Qualified solar energy equipment.—The term 'qualified solar energy equipment' means any solar energy equipment as defined in section 44D(c) (2) (which is of a character subject to the allowance for depreciation).

"(9) Qualified electrical generating facilities.—The term 'qualified electrical generating facilities' means any facility for the generation of electricity which is of a character subject to the allowance for depreciation—

"(A) which generates such electricity from geothermal or nuclear energy, or

"(B) which generates electricity by any means other than using petroleum or petroleum products (including natural gas) as a fuel, and which the Federal Energy Administrator has certified as being a replacement for electrical generating capacity which was in existence on March 17, 1975, and which as of that date used petroleum or petroleum products(including natural gas) as its petroleum fuel.

Page 109, line 4, strike out "(6)" and insert "(10)".

REGULATION OF LOBBYING ACT

In compliance with Public Law 601, 79th Congress, title III, Regulation of Lobbying Act, section 308(b), which provides as follows:

(b) All information required to be filed under the provisions of this section with the Clerk of the House of Representatives and the Secretary of the Senate shall be compiled by said Clerk and Secretary, acting jointly, as soon as practicable after the close of the calendar quarter with respect to which such information is filed and shall be printed in the CONGRESSIONAL RECORD.

The Clerk of the House of Representatives and the Secretary of the Senate jointly submit their report of the compilation required by said law and have included all registrations and quarterly reports received.

REGISTRATIONS*

All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2. paragraphs D and E of the Quarterly Report Form.

The following registrations were submitted for the first calendar quarter 1975:

(NOTE.—The form used for report is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective letter and number.)

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5." "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19_____ ◄

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:

(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)

(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".

(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:

(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.

(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:

1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (*a*) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (*b*) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(*a*) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).

(*b*) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).

(*c*) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, place an "X" in the box at the left, so that this Office will no longer expect to receive Reports. ☐

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known; (*d*) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (*a*) Description, (*b*) quantity distributed; (c) date of distribution, (*d*) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report. ◄

AFFIDAVIT

[Omitted in printing]

PAGE 1◄

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B. Gibbs Oil Co., 40 Lee Burbank Highway, Revere, Mass. 02151.

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B. Society of Independent Gasoline Marketers of America (SIGMA), 230 South Bemiston Street, St. Louis, Mo. 63105.

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B. Bipartisan Council on National Affairs, Menlo Road, Baltimore, Md. 21215

A. Maxton Allcox, 400 First Street NW., Washington, D.C. 20001.
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A. Webb M. Alspaugh, 1660 L Street NW., Suite 212, Washington, D.C. 20036.
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A. John L. Altieri, Jr., 20 Broad Street, New York, N.Y.
B. Trustees of the Erie Lackawana Railway Co., Midland Building, Cleveland, Ohio.

A. American Library Association, 50 East Huron Street, Chicago, Ill. 60611.

A. American Seed Trade Association, 1030 15th Street NW., Suite 964, Washington, D.C. 20005.

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B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

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A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. Council on Atmospheric Sciences, c/o Ralph Engel, Executive Director, Chemical Specialties Manufacturers Association, Inc., 1001 Connecticut Avenue NW., Washington, D.C. 20036.

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B. Environmental Action, Room 731, 1346 Connecticut Avenue, Washington, D.C. 20036.

A. Association for the Improvement of the Mississippi River, c/o T. P. Walsh, 10 Broadway, St. Louis, Mo. 63102.

A. Association of American Consumers, P.O. Box 6641, Washington, D.C. 20009.

A. Baer & Marks, 70 Pine Street, New York, N.Y. 10005.
B. Commodity Exchange, Inc., 81 Broad Street, New York, N.Y. 10004.

A. Baker & McKenzie, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. The Bibb Co., P.O. Box 4207, Macon, Ga. 31208.

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B. Jos. Weiss & Sons, Inc., 930 Jamaica Avenue, Brooklyn, N.Y. 10208.

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B. The Ute Indian Tribe, Fort Duchesne, Utah 84026.

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B. The Zuni Indian Tribe, Zuni, N. Mex.

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A. Charles B. Brown, 900 17th Street NW., Washington, D.C. 20006.
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A. Chris Brown, 3249 O Street NW., Washington, D.C. 20007.
B. World Peace Tax Fund, P.O. Box 1447, Ann Arbor, Mich. 48106.

A. Paul A. Brunkow, 8320 Gulf Freeway, No. 243, Houston, Tex. 77017.
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B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.

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B. FMC Corp., 1625 I Street NW., Suite 520, Washington, D.C. 20006.

A. Busby Rivkin Sherman Levy & Rehm, 900 17th Street NW., Suite 1100, Washington, D.C. 20006.

B. Automobile Importers of America, Inc., 900 17th Street NW., Washington D.C. 20006.

A. Kenneth R. Burton, Jr., 240 Radnor-Chester Road, St. Davids, Pa. 19087.
B. Sun Oil Co., 240 Radnor-Chester Road, St. Davids, Pa. 19087.

A. William C. Byrd, 1775 K Street NW., Suite 315, Washington, D.C. 20006.
B. Miles Laboratories, Inc., 1127 Myrtle Street, Elkhart, Ind. 46514.

A. John W. Byrnes, 815 Connecticut Avenue NW., Washington, D.C. 20006.
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A. Edward B. Calland, 1700 MacCorkle Avenue SE., Charleston, W. Va. 25314.
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A. Charles R. Carlisle, Suite 911, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. St. Joe Minerals Corp., 250 Park Avenue, New York, N.Y. 10017.

A. Austin B. Carlson, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.

A. Richard A. Casali, 1700 MacCorkle Avenue SE., Charleston, W. Va. 25314.
B. Columbia Gas Transmission Corp., P.O. Box 1273, Charleston, W. Va. 25325.

A. Frank H. Case III, 1211 Connecticut Avenue NW., Suite 802, Washington, D.C. 20036.
B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.

A. Charles E. Chace, 334 13th Street, Lincoln, Nebr. 68508.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.

A. John E. Chapoton, 2100 First City National Bank Building, Houston, Tex. 77002.
B. Domestic Wildcatters Association, 900 First City National Bank Building, Houston, Tex. 77002.

A. John E. Chapoton, 2100 First City National Bank Building, Houston, Tex. 77002.
B. J. N. Warren, Allan C. King, 900 First City National Bank Building, Houston, Tex. 77002.

A. John E. Chapoton, 2100 First City National Bank Building, Houston, Tex. 77002.
B. Quintana Petroleum Corp., 500 Jefferson Building, Houston, Tex. 77002.

A. Children's Rights, 3443 17th Street NW., Washington, D.C. 20010.

A. James W. Ciarroccki, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Natural Gas Supply Committee.

A. Citizens Committee for the Right to Keep and Bear Arms, Bellefield Office Park, 1601 114th SE., Suite 151, Bellevue, Washington 98004.

A. Vernon A. Clark, 1660 L Street NW., Suite 215–16, Washington, D.C. 20036.
B. Outdoor Advertising Association of America, Inc., 1660 L Street, Suite 215–16, Washington, D.C. 20036.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y. 10020.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Getty Oil Co., Gulf Building, Pittsburgh, Pa. 15230; Standard Oil Co. of California, 225 Bush Street, San Francisco, Calif. 94120; Standard Oil Co. (Ind.), P.O. Box 5910A, Chicago, Ill. 60680.

A. Clifford, Warnke, Glass, McIlwain & Finney, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Australian Meat Board, 30 Grosvenor Street, Sydney, N.S.W., Australia.

A. Coalition for Fair Copyright Protection, 1920 L Street NW., Washington, D.C. 20036.

A. John J. Coffey, Suite 7[illegible]3, 1801 K Street NW., Washington, D.C. 20006.
B. Western Oil and Gas Association, 609 South Grand Avenue, Los Angeles, Calif. 90017.

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A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
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A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow (for National Association of Engine and Boat Manufacturers), 1200 17th Street NW., Washington, D.C. 20036.

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A. Columbia Gas System Service Corp., 20 Montchanin Road, Wilmington, Del. 19807.

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A. Samuel Cooper III.
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A. Counihan, Casey & Loomis, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. Wire Reinforcement Institute, 7900 Westpark Drive, McLean, Va. 22101.

A. Carol A. Cowgill, 470 L'Enfant Plaza East SW., Suite 3100, Washington, D.C. 20024
B. American Academy of Family Physicians, 470 L'Enfant Plaza East SW., Suite 3100, Washington, D.C. 20024.

A. Cox, Langford & Brown, 21 Dupont Circle NW., Washington, D.C. 20036.
B. American Society of Anesthesiologists, Inc., 515 Busse Highway, Park Ridge, Ill. 60068.

A. Harold L. Crosier, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, 6300 River Road, Rosemont, Ill. 60018.

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A. Cuba Claims Association, Executive Committee, P.O. Box 014004, Miami, Fla. 33131.

A. Cummins Engine Co., Inc., 1000 Fifth Street, Columbus, Ind.

A. Henry E. Cunningham, 900 17th Street NW., Washington, D.C. 20006.
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B. American Horse Council, Inc., 1700 K Street NW., Washington, D.C. 20006.

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B. Beneficial Finance Co., Morristown, N.J.

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A. DeHart and Broide, Inc., 1505 22d Street NW., Washington, D.C. 20037.
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B. Giffin Industries, Inc., P.O. Box 10821, Dallas, Tex. 75207.

A. DK Consultants, Inc., 918 16th Street NW., Suite 402, Washington, D.C. 20006.
B. Guardsmark, Inc., 22 South Second Street, Memphis, Tenn.

A. DK Consultants, Inc., 918 16th Street NW., Suite 402, Washington, D.C. 20006.
B. Gulf Lumber Co., Inc., P.O. Box 1663, Mobile, Ala. 36601.

A. DK Consultants, Inc., 918 16th Street NW., Suite 402, Washington, D.C. 20006.
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A. DK Consultants, Inc., 918 16th Street NW., Suite 402, Washington, D.C. 20006.
B. Holiday Inns, Inc., P.O. Box 18127, Memphis, Tenn. 38118.

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B. Longfellow Corp., P.O. Box 4605, Midland, Tex. 79701.

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B. S. A. Johnson Estate, Thomasville, Ala.

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A. Cushing N. Dolbeare, 517 Westview Street, Philadelphia, Pa. 19119.
B. National Rural Housing Coalition, 1346 Connecticut Avenue, NW., Washington, D.C. 20036.

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B. The Standard Oil Co., Midland Building, Cleveland, Ohio 44115.

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A. Dunton, Simmons & Dunton, White Stone, Va.
B. Zapata Haynie Corp., 5010 York Road, Baltimore, Md.

A. Jonathan W. Edwards, 429–B New Jersey Avenue SE., Washington, D.C. 20003.
B. Portland General Electric, 621 Southwest Alder, Portland, Oreg.

A. Electronic Data Systems Corp., 7171 Forest Lane, Dallas, Tex. 75230.

A. Charles W. Elliott, 25 West Main Street, Room 703, Madison, Wis. 53703.
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A. F. K. Evenson, 1611 North Kent Street, Arlington, Va. 22209.
B. American Footwear Industries Association, Inc., 1611 North Kent Street, Arlington, Va. 22209.

A. Executive Consultants, Inc., 1911 Fort Myer Drive, Suite 1207, Rosslyn, Va. 22209.
B. Jim Walter Corp., P.O. Box 22601, Tampa, Fla. 33622.

A. Executive Consultants, Inc., 1911 Fort Myer Drive, Suite 1207, Rosslyn, Va. 22209.
B. Tampa Electric Co., P.O. Box 111, Tampa, Fla. 33601.

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A. T. E. Fitzgerald, 3216 Wispering Pines Drive, Silver Spring, Md. 20906.
B. Household Finance Corp., Prudential Plaza, Chicago, Ill. 60601.

A. James J. Flanagan, 20 Turnpike Road, Westborough, Mass. 01581.
B. New England Power Service Co., 20 Turnpike Road, Westborough, Mass. 01581.

A. Foley, Lardner, Hollabaugh & Jacobs, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Joseph Schlitz Brewing Co., 235 West Galena Street, Milwaukee, Wis. 53201.

A. James F. Fort, 1101 15th Street NW., Room 302, Washington, D.C. 20005.
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A. Francis C. Fortune, Suite 107 1101 New Hampshire Avenue NW., Washington, D.C. 20037.

A. Ron Frank, 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.

A. L. G. Freeman, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, 6300 River Road, Rosemont, Ill. 60018.

A. Verrick O. French, 1317 F Street NW., Washington, D.C. 20004.
B. National Retail Merchants Association, 100 West 31st Street, New York, N.Y. 10001.

A. W. Bradford Gary, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Proprietary Association, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Neal P. Gillen, 1707 L Street NW., Suite 460, Washington, D.C. 20036.
B. American Cotton Shippers Association, 1707 L Street NW., Suite 460, Washington, D.C. 20036.

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A. Fowler Hamilton, One State Street Plaza, New York, N.Y. 10004.

B. Cleary, Gottlieb, Steen & Hamilton (for Exxon Corp., Getty Oil Co., Standard Oil Co. of California (Standard Oil Co. (Indiana)), One State Street Plaza, New York, N.Y. 10004.

A. Christopher G. Hankin, 1315 16th Street NW., Washington, D.C. 20036.

B. National Limestone Institute, Inc., 1315 16th Street NW., Washington, D.C. 20036.

A. Godfrey Harris, 9200 Sunset Boulevard, Los Angeles, Calif. 90069.

B. Embassy of the Republic of Panama, 2862 McGill Terrace, Washington, D.C. 20008.

A. Saul J. Harris, 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.

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B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.

A. John H. Hawkins, Jr., 600 North 18th Street, Birmingham, Ala. 35291.

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A. Thomas B. House.

B. American Frozen Food Institute, 919 18th Street NW., Washington, D.C. 20006.

A. C. T. Hoversten, 209 West 53d Street, Western Springs, Ill. 60558.

B. National Advertising Co., 6850 South Harlem Avenue, Argo, Ill. 60501.

A. Allan C. Hubbard, 1776 K Street NW., Washington, D.C. 20006.

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A. Institute of Foreign Bankers, 10 Pine Street, New York, N.Y. 10005.

A. Intalco Aluminum Corp., P.O. Box 937, Ferndale, Wash. 98218.

A. International Alliance of Theatrical, Stage Employees and Moving Picture Machine Operators, Suite 1900, 1270 Avenue of the Americas, New York, N.Y. 10020.

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A. P. Douglas Kerr, P.O. Box 951, High Point, N.C. 27261.

B. Southern Furniture Manufacturers Association, P.O. Box 951, High Point, N.C. 27261.

A. Frederick A. Kessinger, 9001 Seven Locks Road, Bethesda, Md. 20034.

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A. Kimberly-Clark Corp., North Lake Street, Neenah, Wis. 54956.

A. Paul K. Kirkpatrick, Jr., 1000 Ouachita Bank Building, Monroe, La. 71201.

B. National Association of Manufacturers of Agricultural Trailers, Inc., 421 North Crockett Street, Sherman, Tex. 75090.

A. Dennis Klein, 491 National Press Building, Washington, D.C. 20045.

B. National Newspaper Association, 491 National Press Building, Washington, D.C. 20045.

A. Andrew Kneier, 2030 M Street NW., Washington, D.C. 20036.

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A. Ruth E. Kobell.

B. The Farmers' Educational and Co-Operative Union of America, P.O. Box 2251, Denver, Colo.; 1012 14th Street NW., Washington, D.C.

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A. Mylio S. Kraja, 1608 K Street NW., Washington, D.C.

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A. Thomas A. Larson, Suite 1100, 1660 L Street NW., Washington, D.C.

B. Engelhard Industries, 430 Mountain Avenue, Murry Hill, N.J.

A. Leadership Action, Inc., 2029 Connecticut Avenue NW., Suite 42, Washington, D.C. 20008.

A. Lead-Zinc Producers Committee, 1101 15th Street NW., Washington, D.C. 20005.

A. James R. Leonard Associates Inc., 1601 Connecticut Avenue, No. 301, Washington, D.C.

B. Navajo Division of Education, Window Rock, Ariz.

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B. Bipartisan Council on National Affairs.

A. David Lewis, 1730 M Street NW., Washington, D.C. 20036.

B. American Optometric Association, c/o Jack A. Potter, O.D., 820 First National Bank Building, Peoria, Ill. 61602.

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B. Thornton M. Richards et al.

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B. Kimberly-Clark Corp., Neenah, Wis. 54956.

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A. Roger H. Zion, 1155 15th Street NW., Suite 418, Washington, D.C. 20005.
B. Lemmons & Co., Inc., P.O. Box 303, Boonville, Ind. 47601.

A. Roger H. Zion, 1155 15th Street NW., Suite 418, Washington, D.C. 20005.
B. Public Service Research Council, 8206 Leesburg Pike, Vienna, Va. 22180.

A. Ziontz, Pirtle, Morisset, Ernstoff & Chestnut, 600 First Avenue, Seattle, Wash. 98104.
B. Metlakatla Indian Community, P.O. Box 8, Annette Islands Reserve, Ark. 99926.

A. Zoological Action Committee, Inc., 1225 19th Street NW., Suite 700, Washington, D.C. 20036.

QUARTERLY REPORTS*

*All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.

The following quarterly reports were submitted for the fourth calendar quarter 1973:

(Note.—The form used for registration is reproduced below. In the interest of economy in the Record, questions are not repeated, only the essential answers are printed, and are indicated by their respective letter and number.)

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19....... ◄

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:
(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)
(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".
(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:
(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.
(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:
1. State name, address, and nature of business.
2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (*a*) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (*b*) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(*a*) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).

(*b*) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).

(*c*) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, ☐ place an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known; (*d*) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (*a*) Description, (*b*) quantity distributed; (*c*) date of distribution, (*d*) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report. ◄

AFFIDAVIT

[Omitted in printing]

PAGE 1 ◄

NOTE ON ITEM "D."—(*a*) *In General.* The term "contribution" includes *anything of value.* When an organization or individual uses printed or duplicated matter in a campaign attempting to influence legislation, money received by such organization or individual—for such printed or duplicated matter—is a "contribution." "The term 'contribution' includes a gift, subscription, loan, advance, or deposit of money, or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution"—Section 302(a) of the Lobbying Act.

(*b*) IF THIS REPORT IS FOR AN EMPLOYER.—(i) *In General.* Item "D" is designed for the reporting of all receipts from which expenditures are made, or will be made, in accordance with legislative interests.

(ii) *Receipts of Business Firms and Individuals.*—A business firm (or individual) which is subject to the Lobbying Act by reason of expenditures which it makes in attempting to influence legislation—but which has no funds to expend except those which are available in the ordinary course of operating a business not connected in any way with the influencing of legislation—will have no receipts to report, even though it does have expenditures to report.

(iii) *Receipts of Multipurpose Organizations.*—Some organizations do not receive any funds which are to be expended solely for the purpose of attempting to influence legislation. Such organizations make such expenditures out of a general fund raised by dues, assessments, or other contributions. The percentage of the general fund which is used for such expenditures indicates the percentage of dues, assessments, or other contributions which may be considered to have been paid for that purpose. Therefore, in reporting receipts, such organizations may specify what that percentage is, and report their dues, assessments, and other contributions on that basis. However, each contributor of $500 or more is to be listed, regardless of whether the contribution was made solely for legislative purposes.

(*c*) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE.—(i) *In General.* In the case of many employees, all receipts will come under Items "D 5" (received for services) and "D 12" (expense money and reimbursements). In the absence of a clear statement to the contrary, it will be presumed that your employer is to reimburse you for all expenditures which you make in connection with legislative interests.

(ii) *Employer as Contributor of $500 or More.*—When your contribution from your employer (in the form of salary, fee, etc.) amounts to $500 or more, it is not necessary to report such contribution under "D 13" and "D 14," since the amount has already been reported under "D 5," and the name of the "employer" has been given under Item "B" on page 1 of this report.

D. RECEIPTS (INCLUDING CONTRIBUTIONS AND LOANS):

Fill in every blank. If the answer to any numbered item is "None," write "None" in the space following the number.

Receipts (other than loans)

1. $--------Dues and assessments
2. $--------Gifts of money or anything of value
3. $--------Printed or duplicated matter received as a gift
4. $--------Receipts from sale of printed or duplicated matter
5. $--------Received for services (e.g., salary, fee, etc.)

6. $--------TOTAL for this Quarter (Add items "1" through "5")
7. $--------Received during previous Quarters of calendar year

8. $--------TOTAL from Jan. 1 through this Quarter (Add "6" and "7")

Loans Received

"The term 'contribution' includes a . . . *loan* . . ."—Sec. 302(a).

9. $--------TOTAL now owed to others on account of loans
10. $--------Borrowed from others during this Quarter
11. $--------Repaid to others during this Quarter

12. $--------"Expense money" and Reimbursements received this Quarter

Contributors of $500 or more
(from Jan. 1 through this Quarter)

13. Have there been such contributors?

Please answer "yes" or "no": --------

14. In the case of each contributor whose contributions (including loans) during the "period" from January 1 through the last days of this Quarter total $500 or more:

Attach hereto plain sheets of paper, approximately the size of this page, tabulate data under the headings "Amount" and "Name and Address of Contributor"; and indicate whether the last day of the period is March 31, June 30, September 30, or December 31. Prepare such tabulation in accordance with the following example:

Amount	*Name and Address of Contributor*
	(*"Period"* from Jan. 1 through ----------------, 19---)
$1,500.00	John Doe, 1621 Blank Bldg., New York, N.Y.
$1,785.00	The Roe Corporation, 2511 Doe Bldg., Chicago, Ill.
$3,285.00	TOTAL

NOTE ON ITEM "E".—(*a*) *In General.* "The term 'expenditure' includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure"—Section 302(b) of the Lobbying Act.

(*b*) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE. In the case of many employees, all expenditures will come under telephone and telegraph (Item "E 6") and travel, food, lodging, and entertainment (Item "E 7").

E. EXPENDITURES (INCLUDING LOANS) in connection with legislative interests:

Fill in every blank. If the answer to any numbered item is "None," write "None" in the spaces following the number.

Expenditures (other than loans)

1. $--------Public relations and advertising services
2. $--------Wages, salaries, fees, commissions (other than item "1")
3. $--------Gifts or contributions made during Quarter
4. $--------Printed or duplicated matter, including distribution cost
5. $--------Office overhead (rent, supplies, utilities, etc.)
6. $--------Telephone and telegraph
7. $--------Travel, food, lodging, and entertainment
8. $--------All other expenditures

9. $--------TOTAL for this Quarter (Add "1" through "8")
10. $--------Expended during previous Quarters of calendar year

11. $--------TOTAL from January 1 through this Quarter (Add "9" and "10")

Loans Made to Others

"The term 'expenditure' includes a . . . *loan* . . ."—Sec. 302(b).

12. $--------TOTAL now owed to person filing
13. $--------Lent to others during this Quarter
14. $--------Repayment received during this Quarter

15. Recipients of Expenditures of $10 or More

In the case of expenditures made during this Quarter by, or on behalf of the person filing: Attach plain sheets of paper approximately the size of this page and tabulate data as to expenditures under the following heading: "Amount," "Date or Dates," "Name and Address of Recipient," "Purpose." Prepare such tabulation in accordance with the following example:

Amount	*Date or Dates—Name and Address of Recipient—Purpose*
$1,750.00	7-11: Roe Printing Co., 3214 Blank Ave., St. Louis, Mo.—Printing and mailing circulars on the "Marshbanks Bill."
$2,400.00	7-15, 8-15, 9-15: Britten & Blaten, 3127 Gremlin Bldg., Washington, D.C.—Public relations service at $800.00 per month.
$4,150.00	TOTAL

PAGE 2

A. Bruce Adams, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $2,896.65. E. (9) $100.

A. John J. Adams, Suite 1060, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Ethyl Corp., 330 South Fourth Street, Richmond, Va.
D. (6). $350.

A. John J. Adams, Suite 1060, 1730 Pennsylvania Avenue NW., Washington, D.C.
B. Vepco, Seventh and Franklin Streets, Richmond, Va.
D. (6) $400.

A. Aerospace Industries Association of America, Inc., 1725 DeSales Street NW., Washington, D.C. 20036.
D. (6) $9,725. E. (9) $9.725.

A. Aircraft Owners & Pilots Association, P.O. Box 5800, Washington, D.C. 20014.
E. (9) $214.

A. Randolf H. Aires, 1211 Connecticut Avenue NW., Suite 802, Washington, D.C. 20036.
B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.
D. (6) $850. E. (9) $150.

A. Air Traffic Control Association, Suite 409, ARBA Building, 525 School Street SW., Washington, D.C. 20024.

A. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
D. (6) $14,435.50. E. (9) $14.435.50.

A. Akin, Gump, Strauss, Hauer & Feld, 1100 Madison Office Building, 1155 15th Street NW., Washington, D.C. 20005.
B. Gibbs Oil Co., 40 Lee Burbank Highway, Revere, Mass. 02151.
D. (6) $3,000.

A. Akin, Gump, Strauss, Hauser & Feld, 1100 Madison Office Building, 1155 15th Street NW., Washington, D.C. 20005.
B. Riviana Foods, Inc., 2777 Allen Parkway, Houston, Tex. 77019.
D. (6) $5,615.25.

A. Akin, Gump, Strauss, Hauer & Feld, 1100 Madison Office Building, 1155 15th Street NW., Washington, D.C. 20005.
B. Society of Independent Gasoline Marketers of America, 230 South Bemiston Street, St. Louis, Mo. 63105.
D. (6) $7,500. E. (9) $300.

A. Alderson, Catherwood, Ondov & Leonard, 105 East Oakland Avenue, Austin, Minn. 55912.
B. The Hormel Foundation, Austin, Minn. 55912.

A. Willis W. Alexander, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,500.

A. Roger D. Allan, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. John Allen, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.
D. (6) $300. E. (9) $45.

A. Nicholas E. Allen, 1701 K Street NW., Suite 706, Washington, D.C. 20006.
B. Music Operators of America, Inc., 228 North La Salle Street, Chicago, Ill. 60601.
D. (6) $600. E. (9) $20.62.

A. Webb M. Alspaugh, 1660 L Street NW., Suite 212, Washington, D.C. 20036.
B. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.
D. (6) $300. E. (9) $420.

A. Amalgamated Transit Union, AFL-CIO, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Amalgamated Transit Union, National Capital Local Division 689, 100 Indiana Avenue NW., Suite 403, Washington, D.C. 20001.

A. American Academy of Family Physicians, 1740 West 92d Street, Kansas City, Mo. 64114.

A. American Association of Meat Processors, 224 East High Street, Elizabethtown, Pa. 17022.
D. (6) $432.27.

A. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22042.
E. (9) $120.

A. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $25,219. E. (9) $25,219.

A. The American College of Radiology, 20 North Wacker Drive, Chicago, Ill. 60606.
D. (6) $1,909.14. E. (9) $1,909.14.

A. American Dental Association, 211 East Chicago Avenue, Chicago, Ill. 60611.
D. (6) $5,037.13. E. (9) $5,037.13.

A. American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
D. (6) $48,959. E. (9) $48,959.

A. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
E. (9) $64,956.56.

A. American Feed Manufacturers Association, Inc., 1701 North Fort Meyer Drive, Arlington, Va. 22209.
D. (6) $300. E. (9) $300.

A. American Frozen Food Institute, 919 18th Street NW., Washington, D.C. 20006.
D. (6) $238,013.75. E. (9) $550.

A. American Hotel & Motel Association, 888 Seventh Avenue, New York, N.Y. 10019.
D. (6) $4,107.53. E. (9) $3,390.25.

A. The American Humane Association, 5351 South Roslyn Street, P.O. Box 1266, Englewood, Colo. 80201.
E. (9) $2,097.10.

A. American Insurance Association, 85 John Street, New York, N.Y. 10038.
D. (6) $40,324. E. (9) $40,324.

A. American Israel Public Affairs Committee, 1341 G Street NW., Suite 908, Washington, D.C. 20005.
D. (6) $113,445.65. E. (9) $84,032.01.

A. American Land Title Association, Suite 303, 1828 L Street NW., Washington, D.C. 20036.

A. American Library Association, 50 East Huron Street, Chicago, Ill. 60611.
D. (6) $136.90. E. (9) $3,016.42.

A. American Life Insurance Association, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
E. (9) $1,070.25.

A. American Maritime Association, 1612 K Street NW., Washington, D.C. 20006.
E. (9) $90.

A. American Meat Institute, P.O. Box 3556, Washington, D.C. 20007.

A. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
E. (9) $24,846.80.

A. American Mutual Insurance Alliance, 20 North Wacker Drive, Chicago, Ill. 60606.
E. (9) $5,775.

A. American National Cattlemen's Association, 1001 Lincoln, Denver, Colo. 80202.
E. (9) $4,109.60.

A. American Nurses' Association, Inc., 2420 Pershing Road, Kansas City, Mo. 64108.
D. (6) $7,282.62. E. (9) $7,282.62.

A. American Optometric Association, c o Jack A. Potter, 820 First National Bank Building, Peoria, Ill. 61602.
D. (6) $1,957.27 E. (9) $1,957.27.

A. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.
E. (9) $173.74.

A. American Parents Committee, Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $3,125.07. E. (9) $1.036.81.

A. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $120,583. E. (9) $57,945.

A. American Physical Therapy Association, 1156 15th Street NW., Washington, D.C. 20005.
D. (6) $8.436.32. E. (9) $8.436.32.

A. American Podiatry Association, 20 Chevy Chase Circle NW., Washington, D.C. 20015.
E. (9) $13,738.46.

A. American Postal Workers Union, AFL-CIO, 817 14th Street NW., Washington, D.C. 20005.
D. (6) $1.844,745.55. E. (9) $98,290.64.

A. American Pulpwood Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

A. American Seed Trade Association, 1030 15th Street NW., Suite 964, Washington, D.C. 20005.
E. (9) $1,326.

A. American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $897.03. E. (9) $897.03.

A. American Surveys, Embassy Square, Suite 901, 2000 N Street NW., Washington, D.C. 20036.
B. National Customs Brokers & Forwarders Association of America, Inc., 5 World Trade Center, Suite 6265, New York, N.Y. 10048.
D. (6) $225. E. (9) $135.83.

A. American Textile Machinery Association, 1730 M Street NW, Washington, D.C. 20036.
D. (6) $491.45.

A. American Textile Manufacturers Institute, Inc., 1501 Johnston Building, Charlotte, N.C. 28281.
D. (6) $20.592.23. E. $20,592.23.

A. American Trucking Association, Inc., 1616 P Street NW, Washington, D.C. 20036.
D. (6) $10,290.06. E. (9) $67,034.08.

A. The American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
D. (6) $198,132. E. (9) $600.

A. Morris J. Amitay, 1341 G. Street NW., Suite 908, Washington, D.C. 20005.
B. American Israel Public Affairs Committee, 1341 G Street NW., Suite 908, Washington, D.C. 20005.
D. (6) $10,000.

A. Anthony L. Anderson, Suite 820, 1800 K Street NW., Washington, D.C. 20006.
B. Sun Oil Co., 240 Radnor-Chester Road, St. Davids, Pa. 19087.
D. (6) $5,000. E. (9) $1.120.

A. J. Lem Anderson, 400 First Street NW., Washington, D.C. 20001.
B. Time Inc., Rockefeller Center, New York, N.Y. 10020.
D. (5) $1,750. E. (9) $980.83.

A. Scott P. Anger, 1725 K Street N.W., Washington, D.C. 20006.
B. The Superior Oil Co., Post Office Box 1521, Houston, Tex. 77001.

A. Andrea N. Anglin, 1730 M Street NW., Washington, D.C. 20036.
B. League of Women Voters of the United States, 1730 M. Street NW., Washington, D.C. 20036.
D. (6) $570.

A. J. Donald Annett, 1001 Connecticut Avenue NW., Suite 510, Washington, D.C. 20036.
B. Texaco Inc., 135 East 42d Street, New York, N.Y. 10017.
D. (6) $100. E. (9) $36.43.

A. Clarence A. Arata, 1129 20th Street NW., Washington, D.C. 20036.
B. Metropolitan Washington Board of Trade.
D. (6) $17,500.

A. John C. Archer, 1515 Wilson Blvd., Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Blvd., Arlington, Va. 22209.
D. (6) $1,100. E. (9) $300.

A. Arent, Fox, Kintner, Plotkin & Kahn, 1815 H Street NW., Washington, D.C. 20006.
B. Government of the Virgin Islands of the United States; c/o Honorable Verne A. Hodge, Attorney General; Box 280, St. Thomas, V.I. 00801.

A. Arent, Fox, Kintner, Plotkin & Kahn, 1815 H Street NW., Washington, D.C. 20006.
B. National Soft Drink Association, 1101 16th Street N.W., Washington, D.C. 20036.
D. (6) $435. E. (9) $3.75.

A. Fred Armstrong, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $7,500.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Electronic Data Systems Corp., 7171 Forest Lane, Dallas, Tex. 75230.
D. (6) $5,000. E. (9) $84.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. Fairchild Camera & Instrument Corp., 464 Ellis Street, Mountain View, Calif. 94040.

A. Len Arrow, Room 731, 1346 Connecticut Avenue NW., Washington, D.C. 20036.
B. Environmental Action, Inc., Room 731, 1346 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,500.

A. Joseph Ashooh, 1957 E Street NW., Washington, D.C. 20006.
B. Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20003.

A. Associated Builders & Contractors, Inc., 1156 15th Street NW., Suite 731, Washington, D.C. 20005.
D. (6) $8,000. E. (6) $[illegible],900.

A. Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Assoicated Railroads of New Jersey, Pennsylvania Station, Raymond Plaza, Newark, N.J. 07102.
D. (6) $255. E. (9) $90.

A. Association Third-Class Mail Users, 1725 K Street NW., Suite 607, Washington, D.C. 20006.
D. (6) $300. E. (9) $[illegible]00.

A. Association for the Advancement of Invention and Innovation, Crystal Mall 1, 1911 Jefferson Davis Highway, Suite 301, Arlington, Va. 22202.
D. (6) $7,013,25. E. (9) $3,343.89.

A. Association for the Improvement of the Mississippi River c/o T. P. Walsh, 10 Broadway, St. Louis, Mo. 63102.
E. (9) $6,882.50.

A. Association of American Railroads, American Railroads Building Room 211, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $6,461.60. E. (9) $6,461.60.

A. Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.
E. (9) $18.52.

A. Association on Japanese Textile Imports, Inc., 551 Fifth Avenue, New York, N.Y. 10017.
E. (9) $500.

A. Howard Arnett, 91[illegible] 16th Street NW., Washington, D.C. 20006.
B. Pacific Power & Light Co., Public Service Building, Portland, Oreg. 97204.
D. (6) $918. E. (9) $[illegible]6.20.

A. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
D. (6) $900. E. (9) $[illegible]50.

A. Robert L. Augenblick, 1775 K Street NW., Washington, D.C. 20006.
B. Investment Company Institute, 1775 K Street, NW., Washington, D.C. 20006.
D. (6) $138. E. (9) $6.25.

A. Richard W. Averill, American Optometric Association, 1730 Street, NW., Washington, D.C. 20036.
B. American Optometric Association, c/o Jack A. Potter, O.D., 820 First National Bank Building, Peoria, Ill. 6160[illegible].
D. (6) $800. E. (9) $3[illegible]1.

A. Donald L. Badders, 2030 M Street NW., Suite 800, Washington, D.C. 20036.
B. TRW Credit Data, 1[illegible]0 Oceangate, Suite 800, Long Beach, Calif. 90[illegible]02.
D. (6) $525. E. (9) $1[illegible].89.

A. Baer & Marks, 70 Pine Street, New York, N.Y. 10005.
B. Commodity Exchange, Inc., 81 Broad Street, New York, N.Y. 10[illegible]04.
D. (6) $250. E. (9) $7[illegible].

A. Charles W. Bailey, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22030.
B. National Right to Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22030.

A. George F. Bailey, Jr., P.O. Box 21, Montgomery, Ala. 36101.
B. Alabama Railroad Association, P.O. Box 21, Montgomery, Ala. 36101.

A. James F. Bailey, 101 Constitution Avenue NW., Washington, D.C. 20001.
B. United Brotherhood of Carpenters and Joiners of America, 101 Constitution Avenue NW., Washington, D.C. 20001.
D. (6) $6,500. E. (9) $63[illegible].39.

A. Grace C. Baisinger, 28[illegible] Arizona Terrace NW., Washington, D.C. 20016.
B. National Congress of Parents and Teachers, 700 North Rush Street, Chicago, Ill. 60611.
E. (9) $757.78.

A. Emil F. Baker, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Fleet Reserve Association, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.

A. Thomas F. Baker, 1101 16th Street NW., Washington, D.C. 20036.
B. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.
D. (6) $68.52. E. (9) $10.

A. Donald Baldwin Associates, 906, 1625 I Street NW., Washington, D.C. 20006.
B. American Electric Power Co., 2 Broadway, New York, N.Y. 10004.
D. (6) $1,500.

A. James G. Banks, 1511 K Street NW., No. 439, Washington, D.C. 20005.
B. Washington Board of Realtors, 1511 K Street NW., No. 439, Washington, D.C. 20005.

A. Thomas H. Barksdale, Jr., 1801 K Street NW., Washington, D.C. 20006.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $3,230. E. (9) $18[illegible].

A. Irvin L. Barney, 400 First Street NW., Washington, D.C. 20001.
B. Brotherhood Railway Carmen of the United States and Canada, 4929 Main Street, Kansas City, Mo. 64112.
D. (6) $5,166.65.

A. Richard L. Barr, 620 Capital City Bank Building, Des Moines, Iowa 50309.
B. Iowa Railway Association, 620 Capital City Bank Building, Des Moines, Iowa 50309.

A. Robert W. Barrie, 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.
D. (6) $210.

A. Fraser Barron, 1054 Potomac Street NW., Washington, D.C. 20007.
B. Havasupai Tribal Council, Supai, Ariz. 86435.
D. (6) $6,726.48. E. (9) $26.40.

A. David S. Barrows, 214 Century Building, Portland, Oreg. 97205.
B. Association of Oregon and California Land Grant Counties, Douglas County Court House, Roseburg, Oreg. 97470.
D. (6) $1,200.

A. T. Michael Barry, 17[illegible]1 N Street NW., Washington, D.C. 20036.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
D. (6) $1,500. E. (9) $18[illegible].66.

A. Weldon Barton.
B. The Farmers' Educational and Co-Operative Union of America (National Farmers Union), 1012 14th Street NW., Washington, D.C.
D. (6) $5,408.62. E. (9) $102.16.

A. William M. Bates, 814 Carnegie Building, Atlanta, Ga. 30303.
B. Georgia Farm Bureau Federation.
D. (6) $3,000. E. (9) $1,091.15.

A. John F. Battles, 11 Beacon Street, Boston, Mass. 02108.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.

A. Batzell & Nunn, 1523 L Street NW., Washington, D.C. 20005.
B. Independent Terminal Operators Association, 1523 L Street NW., Washington, D.C. 20005.
D. (6) $500.

A. Gary Lee Bauer, 1730 K Street NW., Suite 905, Washington, D.C. 20006.
B. Direct Mail Marketing Association, 1730 K Street NW., Suite 905, Washington, D.C. 20006.
D. (6) $10,000. E. (9) $3,300.

A. Merle D. Baumgart, 1120 Connecticut Avenue, NW., Washington, D.C.
B. American Bankers Assôciation, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $600. E. (9) $38.

A. Bruce A. Beam, 40 Franklin Road SW., Roanoke, Va. 24009.
B. Appalachian Power Co., 40 Franklin Road SW., Roanoke, Va. 24009.
D. (6) $949.48. E. (9) $949.48.

A. Donald S. Beattie, 400 First Street NW., Room 800, Washington, D.C. 20001.
B. Congress of Railway Unions.
E. (9) $1,609.70.

A. Daniel S. Bedell, 1125 15th Street NW., No. 600, Washington, D.C. 20005.
B. International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.
D. (6) $5,355.90. E. (9) $358.92.

A. John H. Beidler, 1125 15th Street NW., No. 600, Washington, D.C. 20005.
B. International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.
D. (6) $7,598.10. E. (9) $576.15.

A. Thomas S. Belford, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $4,200. E. (9) $22.50.

A. Kenneth E. BeLieu, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Natural Gas Supply Committee, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

A. Lloyd R. Bell, 316 West 12th Street, Austin, Tex. 78701.
B. Texas State Teachers Association, 316 West 12th Street, Austin, Tex. 78701.
D. (6) $78.40. E. (9) $35.35.

A. Bruce Benefield, TRW, Inc., 2030 M Street NW., Washington, D.C. 20036.
B. TRW, Inc., Suite 800, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $1,000.

A. Kathleen M. Bennett, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, 260 Madison Avenue, New York, N.Y. 10016.

A. E. M. Benson, Jr., 515 South Flower Street, Los Angeles, Calif. 90071.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
D. (6) $900.

A. Nancy C. Benson, 1625 I Street NW., Suite 514, Washington, D.C. 20006.
B. American Cyanamid Co., Wayne, N.J. 07470.
D. (6) $128. E. (9) $39.04.

A. Berl Bernhard, Suite 1100, 1660 L Street NW., Washington, D.C.
B. Engelhard Industries, 430 Mountain Avenue, Murry Hill, N.J.
D. (6) $4,160. E. (9) $100.

A. Berl Bernhard, Suite 1100, 1660 L Street NW., Washington, D.C. 20036
B. Small Producers Group for Energy Independence, Suite 970, Fourth Financial Center, Wichita, Kans. 67202.
D. (6) $1,125. E. (9) $50.

A. Berry & Gipson, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Atalanta Corp., 17 Varick Street, New York, N.Y. 10013.

A. Berry & Gipson, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. East-West Trade Council, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Berry & Gipson, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. OEHEG, Sudtiroler Platz 8, A–6020 Innsbruck, Austria-Austrian Hard Cheese Association OEMOLK, P.O. Box 176, A–1013 Vienna, Austria-Austrian Soft Cheese Association.

A. Max N. Berry, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Meat Products Group, American Importers Association, 420 Lexington Avenue, New York, N.Y. 10017.

A. Robert L. Bevan, 1120 Connecticut Avenue NW., 7th floor, Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,000. E. (9) $30.

A. William C. Bickel, 1025 Connecticut Avenue, Suite 700, Washington, D.C. 20036.
B. Gulf Oil Co. (U.S.), P.O. Box 2100, Houston, Tex. 77001.

A. Andrew J. Biemiller, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $10,492.30. E. (9) $279.90.

A. Walter J. Bierwagen, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.
B. Amalgamated Transit Union, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Billig, Sher & Jones, 1126 16th Street NW., Washington, D.C. 20036.
B. Steamship Conferences, American Great Lakes-Mediterranean Eastbound Freight Conference, et al.
D. (6) $175.

A. Charles L. Binsted, No. 301, 2021 K Street NW., Washington, D.C. 20006.
B. National Congress of Petroleum Retailers.
D. (6) $1,554. E. (9) $1,575.

A. Robert J. Bird, 1140 Connecticut Avenue NW., Suite 412, Washington, D.C. 20036.
B. Ad Hoc Coalition for Cemetery Care, 6216 South Stanford Way, Whittier, Calif. 90601.

A. Robert J. Bird, 1140 Connecticut Avenue NW., Suite 412, Washington, D.C. 20036.
B. Occidental Life Insurance Co., 12th Street at Hill, Los Angeles, Calif. 90054.

A. Robert J. Bird, 1140 Connecticut Avenue NW., Suite 412, Washington, D.C. 20036.
B. The Paul Revere Corp., Worcester, Mass. 01608.

A. Tracy Bird, Suite 302, 1725 K Street NW., Washington, D.C. 20006.
B. National Motorsports Committee of AACUS, Suite 302, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $275. E. (9) $8.79.

A. Lydia Bitter, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.
B. United States Independent Telephone Association, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.
D. (6) $170. E. (9) $170.

A. Neal R. Bjornson, 30 F Street NW., Washington, D.C. 20001.
B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $1,500. E. (9) $117.25.

A. Jerald Blizin, 1425 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, NY. 10017.

A. Blumberg, Singer, Ross, Gottesman & Gordon, 245 Park Avenue, New York, N.Y. 10017.
B. Cigar Association of America, Inc., 575 Madison Avenue, New York, N.Y. 10022.
D. (6) $24,500.

A. Tersh Boasberg, 1225 19th Street NW., Suite 602, Washington, D.C. 20036.
B. Preservation Action, 1225 19th Street NW., Washington, D.C. 20036.

A. Becky Bogard, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $600.

A. A. Dewey Bond, P.O. Box 3556, Washington, D.C. 20007.
B. American Meat Institute, P.O. Box 3556, Washington, D.C. 20007.
D. (6) $500. E. (9) $22.

A. Thomas J. Boone, Jr., 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.
D. (6) $750. E. (9) $200.

A. S. Lees Booth, 1000 16th Street NW., Suite 601, Washington, D.C. 20036.
B. National Consumer Finance Association, 1000 16th Street NW., Suite 601, Washington, D.C. 20036.
D. (6) $50.

A. Mark Borinsky, 1910 K Street NW., Washington, D.C. 20006.
B. National Council to Control Handguns, 1910 K Street NW., Washington, D.C. 20006.

A. Charles E. Bosley, 100 Maryland Avenue NE., Washington, D.C.
B. Council for a Livable World, 100 Maryland Avenue NE., Washington, D.C.
D. (6) $5,400.

A. G. Stewart Boswell, Suite 1001, 1150 17th Street NW., Washington, D.C. 20036.
B. American Textile Manufacturers Institute, 1501 Johnston Building, Charlotte, N.C. 28281.
D. (6) $500.75. E. (9) $120.66.

A. Charles G. Botsford, 1730 M Street NW., Suite 609, Washington, D.C. 20036.

A. Albert D. Bourland, 1660 L Street NW., Suite 804, Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich.
D. (6) $3,000. E. (9) $2,901.89.

A. Kenneth J. Bousquet, 2021 K Street NW., Suite No. 709, Washington, D.C. 20006.
B. General Atomic Co., San Diego, Calif.
D. (6) $1,600. E. (9) $340.

A. Frank J. Bowden, Jr., P.O. Box 925, Harrisburg, Pa. 17108.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $361.25. E. (9) $166.30.

A. Edward L. Bowley, 817 14th Street NW., Washington, D.C.
B. American Postal Workers Union, AFL–CIO, 817 14th Street NW., Washington, D.C.
D. (6) $8,403.85. E. (9) $1,369.52.

A. Robert R. Bowers, Suite 714, Atlas Building, Charleston, W. Va. 25301.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $250. E. (9) $141.

A. Boyden, Kennedy, Romney & Howard, 1000 Kennecott Building, Salt Lake City, Utah 84133.
B. The Zuni Indian Tribe, Zuni, N. Mex.
E. (9) $9,817.19.

A. Frank W. Bradley, Suite 1204, 1700 K Street NW., Washington, D.C. 20006.
B. Standard Oil Company of California, Suite 1204, 1700 K Street NW., Washington, D.C. 20006.
E. (9) $100.

A. George E. Bradley, 1341 G Street NW., Washington, D.C. 20005.
B. Organization of Professional Employees of USDA (OPEDA), 1341 G Street NW., Washington, D.C.
D. (6) $1,260. E. (9) $25.

A. Charles N. Brady, 8111 Gatehouse Road, Falls Church, Va. 22042.
B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22042.
E. (9) $120.

A. Joseph E. Brady, 5018 East Summer Moon Lane, Phoenix, Ariz. 85044.
B. National Coordinating Committee of the Beverage Industry.

A. Charles G. Bragg, P.O. Box 12285, Memphis, Tenn. 38112.
B. National Cotton Council of America, Post Office Box 12285, Memphis, Tenn. 38112.
D. (6) $1,246.09. E. (9) $357.29.

A. Robert M. Brandon, 133 C Street SE., Washington, D.C. 20003.
B. Public Citizen's Tax Reform Research Group, 133 C Street SE., Washington, D.C. 20003.
D. (6) $1,000.

A. Edward J. Brenner, Suite 301, Crystal Mall 1, 1911 Jefferson Davis Highway, Arlington, Va. 22202.
B. Association for the Advancement of Invention and Innovation, Suite 301, Crystal Mall 1, 1911 Jefferson Davis Highway, Arlington, Va. 22202.

A. Thomas C. Brickle, 1625 Massachusetts Avenue NW., No. 203, Washington, D.C. 20036.
B. Independent Bankers Association of America, Sauk Centre, Minn. 56378.
E. (9) $524.57.

A. Bill Brier, 1129 20th Street NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C.
D. (6) $1,816.66. E. (9) $122.38.

A. Parke C. Brinkley, The Madison Building, 1155 15th Street NW., Washington, D.C. 20005.
B. National Agricultural Chemicals Association.

A. Wally Briscoe.
B. National Cable TV Association, Inc., 918 16th Street NW., Washington, D.C.
D. (6) $135. E. (9) $16.50.

A. David A. Brody, 1640 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Anti-Defamation League of B'nai B'rith, 315 Lexington Avenue, New York, N.Y. 10016.
D. (6) $450.

A. Michatel D. Bromberg, 1101 17th Street NW., Suite 810, Washington, D.C. 20036.
B. Federation of American Hospitals, 1101 17th Street NW., Suite 810, Washington, D.C. 20036.
D. (6) $4,500.

A. David W. Broome, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $600. E. (9) $63.10.

A. Charles B. Brown, 900 17th Street NW., Washington, D.C. 20006.
B. Kaiser Industries, Corp., 900 17th Street NW., Washington, D.C. 20006.

A. Chris Brown, 3249 O Street NW., Washington, D.C. 20007.
B. World Peace Tax Fund, P.O. Box 1447, Ann Arbor, Michigan 48106.
D. (6) $210.

A. J. D. Brown, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $800.

A. Michael F. Brown.
B. American Frozen Food Institute, 919 18th Street NW., Washington, D.C. 20006.
D. (6) $250. E. (9) $25.

A. Travis Taylor Brown, 2525 49th Street NW., Washington, D.C.

A. Brownstein, Zeidman, Schomer & Chase, 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.
B. Council of Housing Producers, 9301 Wilshire Boulevard, Suite 312, Beverly Hills, Calif. 90210.

A. Brownstein, Zeidman, Schomer & Chase, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. International Foodservice Manufacturera Association, 1 East Wacker Drive, Chicago, Ill. 60601.

A. Brownstein, Zeidman, Schomer & Chase, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. International Franchise Association, 7315 Wisconsin Avenue, Washington, D.C. 20014.

A. Brownstein, Zeidman, Schomer & Chase, 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.
B. Massachusetts Bankers Association, Inc., 125 High Street, Boston, Mass. 02110.
E. (9) $20.75.

A. Brownstein, Zeidman, Schomer & Chase, 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.
B. Mortgage Guaranty Insurance Corp., MGIC Plaza, Milwaukee, Wis. 53201.

A. Brownstein, Zeidman, Schomer & Chase, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Restaurant Association, Suite 2600, 1 IBM Plaza, Chicago, Ill. 60611.

A. Brownstein, Zeidman, Schomer & Chase, 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.
B. PruLease, Inc., 1255 Boylston Street, Boston, Mass. 02215.

A. Lawrence E. Bruce, Jr., 1125 15th Street NW., Washington, D.C. 20005.
B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $2,875. E. (9) $4,[illegible]82.

A. Marguerite E. Bryan, 400 First Street NW., Suite 700, Washington, D.C. 20001.
B. District No. 1—Pacific Coast District, Marine Engineers' Beneficial Association, AFL–CIO, 17 Battery Place, New York, N.Y. 10004.
D. (6) $990. E. (9) $221.

George S. Buck, Jr., P.O. Box 12285, Memphis, Tenn. 38112.
B. National Cotton Council of America, Post Office Box 12285, Memphis, Tennessee, 38112.

A. Philip N. Buckminster, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Chrysler Corp., 12000 Oakland Avenue, Highland Park, Mich. 48231.
D. (6) $2,000. E. (9) $271.34.

A. Robert D. Buehler, 1800 K Street NW., Suite 929, Washington, D.C. 20006.
B. The B. F. Goodrich Co., Akron, Ohio 44318.
D. (6) $200.

A. G. N. Buffington, 1101 17th Street NW., Suite 700, Washington, D.C. 20036.
B. National Association of Real Estate Investment Trusts, 1101 17th Street NW., Suite 700, Washington, D.C. 20036.
D. (6) $250. E. (9) $30.

A. Norman D. Burch, 177[illegible] K Street NW., Washington, D.C. 20006.
B. College of American Pathologists, 7400 North Skokie Boulevard, Skokie, Ill. 60076.
D. (6) $3,915. E. (9) $205.27.

A. William J. Burhop, 133 C Street SE., Washington, D.C. 20003.
B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.
D. (6) $2,250.

A. Thomas G. Burke, 1625 I Street NW., Washington, D.C. 20006.
B. Association of General Merchandise Chains, Inc., 1625 I Street NW., Washington, D.C. 20006.
D. (6) $317.

A. Burley & Dark Leaf Tobacco Exporation Association., 1100 17th Street NW., Washington, D.C.
E. (9) $872.65.

A. George Burnham IV, 1625 K Street NW., Washington, D.C. 20006.

B. United States Steel Corp., 600 Grant Street, Pittsburgh, Pa. 15230.
D. (6) $338. E. (9) $409.

A. Phillip C. Burnett, 1030 15th Street NW., Suite 700, Washington, D.C. 20005.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $555. E. (9) $36.90.

A. Charles S. Burns, 1620 I Street NW., Washington, D.C. 20006.
B. Phelps Dodge Corp., 300 Park Avenue, New York, N.Y. 10022.
D. (6) $1,200. E. (9) $714.80.

A. David Burpee, Fordhook Farms, Doylestown, Pa. 18901.
E. (9) $29.82.

A. James L. Burridge, 10 Hardwick Place, Rockville, Md. 20850.
B. FMC Corp., 1625 I Street NW., Suite 520, Washington, D.C. 20006.
D. (6) $1,000. E. (9) $221.80.

A. Busby, Rivkin, Sherman, Levy & Rehm, 900 17th Street NW., Suite 1100, Washington, D.C. 20006.
B. Automobile Importers of America, Inc., 900 17th Street NW., Suite 1100, Washington, D.C. 20006.
D. (6) $600.

A. Richard M. Bush, Suite 501, Barr Building, Washington, D.C. 20006.
B. Pacific Northwest Power Co., Suite 501, Barr Building, Washington, D.C. 20006.
D. (6) $500. E. (9) $525.

A. Business Executives Move for New National Priorities, 901 North Howard Street, Baltimore, Md. 21201.
D. (6) $9,283.01. E. (9) $1,198.65.

A. James J. Butera, 1709 New York Avenue NW., Washington, D.C. 20006.
B. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.
D. (6) $1,325. E. (9) $227.27.

A. John W. Byrnes, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs (for Cabot Corp.), 815 Connecticut Avenue NW., Washington, D.C. 20006.

A. John W. Byrnes, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs (for the Dealer Bank Association), 815 Connecticut Avenue NW., Washington, D.C. 20006.

A. John W. Byrnes, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs (for Insurance Association of Connecticut), 815 Connecticut Avenue NW., Washington, D.C. 20006.

A. John W. Byrnes, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs (for Joseph Schlitz Brewing Co.), 815 Connecticut Avenue NW., Washington, D.C. 20006.

A. John W. Byrnes, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs (for Natomas Co.), 815 Connecticut Avenue NW., Washington, D.C. 20006.

A. John W. Byrnes, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs (for United States Steel Corp.; Bethlehem Steel Co.; Inland Steel Co.; Freeport Minerals Co.; Hanna Mining Co.; and AMAX), 815 Connecticut Avenue NW., Washington, D.C. 20006.

A. Alan Caldwell, 1825 K Street NW., Washington, D.C. 20006.
B. Del Monte Corp., 215 Fremont Street, San Francisco, Calif. 94119.
D. (6) $1,000. E. (9) $50.

A. Donald L. Calvin, New York Stock Exchange, 11 Wall Street, New York, N.Y. 10005.
B. New York Stock Exchange, 11 Wall Street, New York, N.Y. 10005.

A. Camp, Carmouche, Palmer, Carwile & Barsh, Pioneer Building, Lake Charles, La. 70601.
B. Louisiana Department of Conservation, State of Louisiana, P.O. Box 44275, Capitol Station, Baton Rouge, La. 70804.
D. (6) $720.

A. Carl C. Campbell, 1030 15th Street NW., Suite 700, Washington, D.C. 20005.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $410.16.

A. Charles Argyll Campbell, 1615 H Street NW., Washington, D.C. 20006.
B. Chamber of Commerce of the USA, 1615 H Street NW., Washington, D.C. 20006.
E. (6) $256.

A. Charles O. Campbell, 8111 Gatehouse Road, Falls Church, Va. 22042.
B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22042.
E. (9) $120.

A. Sharyn G. Campbell, 1620 I Street NW., Suite 603, Washington, D.C. 20006.
B. National BankAmericard, Inc., 555 California Street, San Francisco, Calif. 94126.
D. (6) $2,500. E. (9) $2,682.22.

A. W. Dean Cannon, Jr., 1444 Wentworth Avenue, P.O. Box R, Pasadena, Calif. 91109.
B. California Savings & Loan League, 1444 Wentworth Avenue, P.O. Box R, Pasadena, Calif. 91109.
D. (6) $1,500.

A. David L. Cantor, 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.
B. National Association of Electric Cos., 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.
D. (6) $368.75. E. (9) $27.77.

A. Marvin Caplan.
B. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $3,523.95. E. (9) $115.27.

A. Caplin & Drysdale, 1101 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Council on Foundations, Inc., 588 Seventh Avenue, New York, N.Y. 10019.

A. Cardon Sanders & Ferrell, 1776 F Street NW., Washington, D.C. 20006.
B. C.I.T. Financial Corp., 650 Madison Avenue, New York, N.Y. 10022.
D. (6) $200.

A. Norval E. Carey, 2021 K Street NW., Suite 709, Washington, D.C. 20006.
B. General Atomic Co., San Diego, Calif.
D. (6) $1,000. E. (9) $375.

A. Philip Carlip, 675 Fourth Avenue, Brooklyn, N.Y. 11232.
B. Seafarers International Union.
D. (6) $2,500. E. (9) $1,448.95.

A. Charles R. Carlisle, Suite 911, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. St. Joe Minerals Corp., 250 Park Avenue, New York, N.Y. 10017.
D. (6) $5,300. E. (9) $487.50.

A. Elizabeth Carpenter, 1425 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.
D. (6) $180. E. (9) $10.

A. L. C. Carpenter, 201 South 7th Street, Columbia, Mo. 65201.
B. Midcontinent Farmera Association.
D. (6) $5,299.32. E. (9) $1,140.92.

A. Alfred Carr, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $4,629.30. E. (9) $403.29.

A. Richard M. Carrigan, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $4,899.90. E. (9) $238.72.

A. Henry A. Carrington, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.
B. National Savings & Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.

A. Charles T. Carroll, 1957 E Street NW., Washington, D.C. 20006.
B. Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.
D. (6) $1,000.

A. John R. Carson, 20 Chevy Chase Circle NW., Washington, D.C. 20015.
B. American Podiatry Association, 20 Chevy Chase Circle NW., Washington, D.C. 20015.
D. (6) $6,250.

A. Casey, Lane & Mittendorf, 26 Broadway, New York, N.Y. 10004.
B. South African Sugar Association, P.O. Box 507, Durban, South Africa.
E. (9) $2,588.97.

A. John L. Casey, 127 East 59th Street, New York, N.Y. 10022.
B. Investment Counsel Association of America, Inc., 127 East 59th Street, New York, N.Y. 10022.

A. Robert J. Casey, 330 Madison Avenue, New York, N.Y. 10017.
B. Santa Fe Natural Resources, Inc., 80 East Jackson Boulevard, Chicago, Ill.; Champlin Petroleum Co., P.O. Box 9365, Fort Worth, Tex.; Union Pacific Corp., 345 Park Avenue, New York, N.Y. 10022.
D. (6) $16,278.75. E. (9) $1,302.30.

A. James B. Cash, Jr., 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $4,000. E. (9) $138.55.

A. Rita L. Castle, 1709 New York Avenue NW., Suite 312, Washington, D.C. 20006.
B. The Organization of Plastics Processors, 1709 New York Avenue NW., Suite 312, Washington, D.C. 20006.
D. (6) $3,692.28.

A. Frank R. Cawley, Room 511, Wilson Plaza Building, 2425 Wilson Boulevard, Arlington, Va. 22201.
B. Agricultural Publishers Association, 511 Wilson Plaza Building, 2425 Wilson Boulevard, Arlington, Va. 22201.
D. (6) $83.33. E. (9) $148.50.

A. Frank R. Cawley, Room 511, Wilson Plaza Building, 2425 Wilson Boulevard, Arlington, Va. 22201.
B. Media General, Inc., 333 East Grace Street, Richmond, Va. 23219.
D. (6) $116.50. E. (9) $121.56.

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A. Center for Public Financing of Elections, 201 Massachusetts Avenue NE., Washington, D.C. 20002.
D. (6) $22,512.65. E. (9) $11,873.77.

A. Charles E. Chace, 334 South 13th Street, Lincoln, Nebr. 68506.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $336.76. E. (9) $311.35.

A. J. M. Chambers & Co., Inc., 2300 Calvert Street NW., Washington, D.C. 20008.
B. Cordage Institute, 2300 Calvert Street NW., Washington, D.C. 20008.
D. (6) $1,162.50.

A. J. M. Chambers & Co., Inc., 2300 Calvert Street NW., Washington, D.C. 20008.
B. Satra Corp., 475 Park Avenue South, New York, N.Y. 10016.
D. (6) $1,500.

A. Justice M. Chambers, 2300 Calvert Street, Washington, D.C. 20008.
B. Swaziland Sugar Association, P.O. Box 445, Mbabane, Swaziland.
D. (6) $7,500. E. (9) $251.77.

A. Donald E. Channell, 1819 H Street NW., Suite 950, Washington, D.C. 20006.
B. Southern Furniture Manufacturers Association, P.O. Box 951; High Point, N.C. 27261.
D. (6) $6,000. E. (9) $367.

A. William C. Chapman, 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $3,000. E. (9) $2,953.02.

A. Nancy H. Chasen, 133 C Street SE., Washington, D.C. 20003.
B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.

A. Linda Chavez, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $3,631.95. E. (9) $297.20.

A. Leslie Cheek III, 1025 Connecticut Avenue NW., Suite 415, Blake Building, Washington, D.C. 20036.
B. American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.
D. (6) $1,500. E. (9) $250.

A. Children's Rights, Inc., 3443 17th Street NW., Washington, D.C. 20010.
D. (6) $225. E. (9) $168.

A. Hal M. Christensen, 1101 17th Street NW., Washington, D.C. 20036.
B. American Dental Association, 1101 17th Street NW., Washington, D.C. 20036.
D. (6) $3,000.

A. Cigar Association of America, Inc., 575 Madison Avenue, New York, N.Y. 10022.
D. (6) $123,741.76.

A. Citizens Committee for the Right To Keep and Bear Arms, 1601 114th Street SE., Suite 151, Bellevue, Wash. 98004.
D. (6) $99,920.90. E. (9) $14,706.47.

A. Earl W. Clark, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. Labor-Management Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $1,725. E. (9) $17.95.

A. Kimball Clark, 40 Ivy Street SE., Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $111.14. E. (9) $156.35.

A. Richard W. Clark, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $5,250. E. (9) $345.05.

A. Robert M. Clark, Suite 1020, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. The Atchison, Topeka & Santa Fe Railway Co., 80 East Jackson Boulevard, Chicago, Ill. 60604.
D. (6) $2,000. E. (9) $300.

A. Joan Claybrook, 133 C Street SE., Washington, D.C. 20003.
B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.
D. (6) $3,000.

A. Jacob Clayman, 815 16th Street NW., Washington, D.C. 20006.
B. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $875.

A. Clay Pipe Industry Depletion Committee, P.O. Box 6, Pittsburg, Kans. 66762.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y. 10020.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Getty Oil Co., Gulf Building, Pittsburgh, Pa. 15230; Standard Oil Co. of California, 225 Bush Street, San Francisco, Calif. 94120; Standard Oil Co. of Indiana, P.O. Box 5910A, Chicago, Ill. 60680.
E. (9) $5.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Natomas Co., 601 California Street, San Francisco, Calif. 94108.

A. Earle C. Clements, 1776 K Street NW., Washington, D.C. 20006.
B. American Brands, Inc., 245 Park Avenue, New York, N.Y. 10017.
E. (9) $76.

A. Earle C. Clements, 1776 K Street NW., Washington, D.C. 20006.
B. Brown & Williamson Tobacco Corp., Louisville, Ky. 40201.
E. (9) $76.

A. Earle C. Clements, 1776 K Street NW., Washington, D.C. 20006.
B. Liggett & Myers Inc., 4100 Roxboro Road, Durham, N.C. 27702.
E. (9' $76.

A. Earle C. Clements, 1776 K Street NW., Washington, D.C. 20006.
B. Lorillard, Division of Loews Theatres, Inc., 200 East 42d Street, New York, N.Y. 10017.
E. (9) $76.

A. Earle C. Clements, 1776 K Street NW., Washington, D.C. 20006.
B. Philip Morris, Inc., 100 Park Avenue, New York, N.Y. 10017.
E. (9) $76.

A. Earle C. Clements, 1776 K Street NW., Washington, D.C. 20006.
B. R. J. Reynolds Industries, Inc., Winston-Salem, N.C. 27102.
E. (9) $76.

A. Earle C. Clements, 1776 K Street NW., Washington, D.C. 20006.
B. The Tobacco Institute, Inc., 1776 K Street NW., Washington, D.C. 20006.

A. Ronald D. Clements, 1016 20th Street NW., Washington, D.C. 20036.
B. National Association of Plumbing-Heating-Cooling Contractors, 1016 20th Street NW., Washington, D.C. 20036.
E. (9) $70.

A. Clifford, Warnke, Glass, McIlwain & Finney, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Avco Corp., 750 Third Avenue, New York, N.Y. 10017.
D. (6) $100. E. (9) $27.

A. Clifford, Warnke, Glass, McIlwain & Finney, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Bessemer & Lake Erie Railroad Co., 600 Grant Street, Post Office Box 536, Pittsburgh, Pa. 15230.

A. Clifford, Warnke, Glass, McIlwain & Finney, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. National Railroad Passenger Corp., (Amtrak), 955 L'Enfant Plaza North SW., Washington, D.C. 20024.

A. Clifford, Warnke, Glass, McIlwain & Finney, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. New York Cocoa Exchange, Inc., and New York Cocoa Clearing Association, Inc., 127 John Street, New York, N.Y.; Coffee & Sugar Exchange, Inc., 79 Pine Street, New York N.Y.; Commodity Exchange, Inc., 81 Broad Street, New York, N.Y.
D. (6) $6,875. E. (9) $1,454.22.

A. Clifford, Warnke, Glass, McIlwain & Finney, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Owens-Illinois, Inc., Madison Avenue and St. Clair Street, Post Office Box 1035, Toledo, Ohio 43601.

A. Larry D. Cline, 1315 16th Street NW., Washington, D.C. 20036.
B. National Limestone Institute, Inc., 1315 16th Street NW., Washington, D.C. 20036.
E. (9) $16.75.

A. Coalition for Fair Copyright Protection, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $5,000. E. (9) $2,702.58.

A. Grover B. Cobb, P.O. Box 1188, 1200 Travis, Houston, Tex. 77001.
B. Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.

A. Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.
E. (9) $817.79.

A. John J. Coffey, Suite 793, 1801 K Street NW., Washington, D.C. 20006.
B. Western Oil & Gas Association, 609 South Grand Avenue, Los Angeles, Calif. 90017.
D. (6) $825.

A. David Cohen, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $7,125. E. (9) $268.40.

A. Cohen & Uretz, 1775 K Street NW., 4th Floor, Washington, D.C. 20006.
B. PHM & Co., 1300 EDS Center, Exchange National Bank Building, Dallas, Tex. 75235.

A. Cohen & Uretz, 1775 K Street NW., Fourth Floor, Washington, D.C. 20006.

B. United Service Organizations, Inc., 237 East 52d Street, New York, N.Y. 10022.

A. Jerry S. Cohen, Suite 708, 1776 K Street NW., Washington, D.C. 20006.
B. National Congress of Petroleum Retailers, Suite 301, 2021 K Street NW., Washington, D.C.
D. (6) $3,000.

A. Timothy A. Colcord, 1620 I Street NW., Suite 603, Washington, D.C. 20006.
B. National BankAmericard, Inc., 555 California Street, San Francisco, Calif. 94126.
D. (6) $6,875. E. (9) $7,837.79.

A. Eleanor Cole, 720 Hotel Washington, Washington, D.C. 20004.
B. UBA, Inc., 720 Hotel Washington, Washington, D.C. 20004.
D. (6) $1,000. E. (9) $1,000.

A. R. Michael Cole, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $5,250.

A. Robert E. Cole, 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202
D. (6) $2,500. E. (9) $1,238.30.

A. Robert T. Cole, 1200 17th Street NW., Washington, D.C. 20036.
B. Chase Manhattan Bank, One Chase Manhattan Plaza, New York. 10015.
D. (6) $4,944.10. E. (9) $130.

A. Robert T. Cole, 1200 17th Street NW., Washington, D.C. 20036.
B. Claude Charles, 37 Severn Road, The Peak, Hong Kong.

A. Robert T. Cole, 1200 17th Street NW., Washington, D.C. 20036.
B. H. H. Robertson Co., Two Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $857. E. (9) $8.50.

A. Robert T. Cole, 1200 17th Street NW., Washington, D.C. 20036.
B. PPG Industries, Inc., 1 Gateway Center, Pittsburgh, Pa. 15222.

A. Stacey W. Cole, 23 School Street, Concord, N.H. 03301.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $96.54. E. (9) $152.04.

A. William Cole.
B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.

A. Lynn R. Coleman, Vinson, Elkins, Searls, Connally & Smith, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $540.

A. Coles & Goertner, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. Committee of American Tanker Owners, Inc., One Chase Manhattan Plaza, New York, N.Y. 10005.

A. Coles & Goertner, 1000 Connecticut Avenue, NW., Washington, D.C. 20036.
B. Independent U.S. Tanker Owners Committee, 1612 K Street NW., Suite 510, Washington, D.C. 20006.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Academy of General Dentistry, 211 East Chicago Avenue, Chicago, Ill. 60611.
D. (6) $3,000.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $12,000.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Cardio Pulmonary Contractors Association, 1200 17th Street NW., Washington, D.C. 20036.
D. (6) $9,000.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. National Ethical Pharmaceutical Association, P.O. Box 13547, St. Petersburg, Fla. 33733.
D. (6) $12,000.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow, (for: American Society of Association Executives), 1200 17th Street NW., Washington, D.C. 20036.
D. (6) $2,625.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow (for: Association of Trial Lawyers of America), 1200 17th Street NW., Washington, D.C. 20036.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow (for: Boating Industry Association), 1200 17th Street NW., Washington, D.C. 20036.
D. (6) $675.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow (for: Machinery Dealers National Association), 1200 17th Street NW., Washington, D.C. 20036.
D. (6) $300.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow (for: National Association of Engine and Boat Manufacturers), 1200 17th Street NW., Washington, D.C. 20036.
D. (6) $675.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow (for: Reading Company), 1200 17th Street NW., Washington, D.C. 20036.
D. (6) $750.

A. Collier, Shannon, Rill & Edwards, 1666 K Street NW., Washington, D.C. 20006.
B. American Cylinder Manufacturers Committee, 1666 K Street NW., Washington, D.C. 20006.
D. (6) $35.

A. Collier, Shannon, Rill & Edwards, 1666 K Street NW., Suite 701, Washington, D.C. 20006.
B. American Feed Manufacturers Association, Inc., 1701 North Fort Meyer Drive, Arlington, Va. 22209.
D. (6) $300.

A. Collier, Shannon, Rill & Edwards, 1666 K Street NW., Suite 701, Washington, D.C. 20006.
B. Department of Information, Private Bag X152, Pretoria, 0001, Republic of South Africa.
D. (6) $23,974.26. E. (9) $39,076.

A. Collier, Shannon, Rill & Edwards, 1666 K Street NW., Washington, D.C.
B. National Association of Food Chains, 1725 I Street NW., Washington, D.C. 20006.
D. (6) $300.

A. Collier, Shannon, Rill & Edwards, 1666 K Street NW., Suite 701, Washington, D.C. 20006.
B. National Broiler Council, 1155 15th Street NW., Washington, D.C. 20005.
D. (6) $300.

A. Robert B. Collyer, 720 Hotel Washington, Washington, D.C. 20004.
B. UBA, Inc.
D. (6) $1,000. E. (9) $1,000.

A. Colorado Railroad Association, 702 Majestic Building, Denver, Colo. 80202.
D. (6) $400. E. (9) $1,200.

A. Committee for a Healing Reparation, 604 East Armory Avenue, Champaign, Ill. 61820.
E. (9) $80.

A. Committee on Strikes in Transportation, 1100 17th Street NW., Suite 1107, Washington, D.C. 20036.

A. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $1,353,398.33. E. (9) $325,039.07.

A. Harold B. Confer, 245 Second Street NE., Washington, D.C.
B. Friends Committee on National Legislation, 245 Second Street NE., Washington, D.C.
D. (6) $1,689.

A. Congress of Railway Unions, 400 First Street NW., Room 800, Washington, D.C. 20001.
D. (6) $8,539.39. E. (9) $8,538.99.

A. Congress Watch, 133 C Street SE., Washington, D.C.
D. (6) $14,009.93. E. (9) $14,009.93.

A. Raymond F. Conkling, 1001 Connecticut Avenue NW., Washington, D.C. 20036.
B. Texaco, Inc., 135 East 42d Street, New York, N.Y. 10017.
D. (6) $250. E. (9) $67.25.

A. Robert A. M. Conley, 6640 Old Dominion Drive, McLean, Va. 22101.
B. Coalition for Fair Copyright Protection, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $450. E. (9) $10.

A. Connecticut Bankers Association, 100 Constitution Plaza, Hartford, Conn. 06130.
D. (6) $1,243.45. E. (9) $1,243.45.

A. Robert J. Conner, Jr., 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Chrysler Corp., 1200 Oakland Avenue, Highland Park, Mich. 48231.
D. (6) $500. E. (9) $506.77.

A. Jerry C. Connors, 8111 Gatehouse Road, Falls Church, Va. 22042.
B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22042.
E. (9) $120.

A. The Consolidated Edison Company of New York, Inc., 4 Irving Place, Room 208, New York, N.Y. 10003.
E. (9) $1.500.

A. Consolidated Natural Gas Service Co., Inc., 4 Gateway Center, Pittsburgh, Pa. 15222.

A. Bernard J. Conway, 211 East Chicago Avenue, Chicago, Ill. 60611.
B. American Dental Association, 211 East Chicago Avenue, Chicago, Ill. 60611.
D. (6) $2,600.

A. Cook & Franke S.C., 660 East Mason Street, Milwaukee, Wis. 53202.

B. M. & I. Marshall & Ilsley Bank, 770 North Water Street, Milwaukee, Wis. 53202.
D. (6) $1,200. E. (9) $251.70.

A. Frederick N. Cook, P.O. Box 566, Montpelier, Vt. 05602.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $195.13. E.(9) $223.86.

A. Howard Lee Cook, Jr., 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $2,000. E. (9) $1,145.

A. Howard Lee Cook, Jr., 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $525. E. (9) $171.

A. James A. Cook, 2311 West El Segundo Boulevard, Hawthorne, Calif. 90250.
B. Ernest W. Hahn, Inc., 2311 West El Segundo Boulevard, Hawthorne, Calif. 90250.
E. (9) $685.

A. Eileen D. Cooke, 110 Maryland Avenue NE., Suite 101, Washington, D.C. 20002.
B. American Library Association, 50 East Huron Street, Chicago, Ill. 60611.
D. (6) $693.30.

A. Edward Cooper, 1600 I Street NW., Washington, D.C. 20006.
B. Motion Picture Association of America, Inc., 1600 I Street NW., Washington, D.C. 20006.

A. Jesse D. Cooper, P.O. Box 1395, Bismarck, N. Dak. 58501.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $96. E. (9) $333.05.

A. Joshua W. Cooper, 626 South Lee Street, Alexandria, Va. 22314.
B. Portsmouth-Kittery Armed Services Committee, Inc., Box 1123, Portsmouth, N.H. 03801.
D. (6) $2,500. E. (9) $697.51.

A. Mitchell J. Cooper, 1001 Connecticut Avenue NW., Washington, D.C.
B. Council of Forest Industries, 1055 West Hastings Street, Vancouver 1, Canada.
D. (6) $3,000. E. (9) $2.

A. Mitchell J. Cooper, 1001 Connecticut Avenue, Washington, D.C. 20036.
B. Footwear Division, Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C.
D. (6) $7,500. E. (9) $67.30.

A. Samuel Cooper III.
B. National Cable TV Association Inc., 918 16th Street NW., Washington, D.C.
D. (6) $127.50. E. (9) $15.

A. Cooperative League of the USA, 1828 L Street NW., Suite 1100, Washington, D.C. 20036.
D. (6) $3,000. E. (9) $945.

A. Darrell Coover, 1625 I Street NW., Suite 1001, Washington, D.C. 20006.
B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.
D. (6) $2,000. E. (9) $187.

A. James T. Corcoran, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Association of Motor Bus Owners, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $975. E. (9) $87.50.

A. Richard L. Corrigan, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $1,125. E. (9) $911.

A. Allan D. Cors, 1800 K Street NW., Washington, D.C. 20006.
B. Corning Glass Works, Corning, N.Y. 14830.

A. David Cosson, 2100 M Street NW., Suite 307, Washington, D.C. 20037.
B. National Telephone Cooperative Association, 2100 M Street NW., Suite 307, Washington, D.C. 20037.

A. Bertram Robert Cottine, 2000 P Street NW., Suite 708, Washington, D.C. 20036.
B. Health Research Group, 2000 P Street NW., Suite 708, Washington, D.C. 20036.
D. (6) $141.67. E. (9) $8.75.

A. Council for a Livable World, 100 Maryland Avenue NE., Washington, D.C.
D. (6) $6,958.84. E. (9) $6,958.84.

A. Council for Responsible Nutrition, Suite 600, 1225 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $42,000. E. (9) $9,748.20.

A. Council of State Chambers of Commerce, 1028 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,617.50. E. (9) $1,038.07.

A. Counihan, Casey & Loomis, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. Adhesive & Sealant Council, 1410 Higgins Road, Park Ridge, Ill. 60068.

A. Counihan, Casey & Loomis, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Corn Millers Federation, 1030 15th Street NW., Washington, D.C. 20005.

A. Counihan Casey & Loomis, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. Association of Bituminous Contractors, 1000 Connecticut Avenue NW., Washington, D.C. 20036.

A. Counihan, Casey & Loomis, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. Classroom Periodical Publishers Association, 1000 Connecticut Avenue NW., Washington, D.C. 20036.

A. Counihan, Casey & Loomis, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. Industrial Diamond Association of America, 59 East Main Street, Moorestown, N.J. 08057.

A. Counihan, Casey & Loomis, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. Kohler Co., Kohler, Wis. 53004.

A. Counihan, Casey & Loomis, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. Linen Supply Association of America, 917 Arthur Godfrey Road, Miami Beach, Fla. 33140.

A. Counihan, Casey & Loomis, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Association of Casualty & Surety Agents, 5225 Wisconsin Avenue NW., Washington, D.C. 20015.

A. Counihan, Casey & Loomis, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Association of Printing Ink Manufacturers, 101 Executive Building, Elmsford, N.Y. 10523.

A. Counihan, Casey & Loomis, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Erectors Association, 1800 North Kent Street, Arlington, Va.

A. Counihan, Casey & Loomis, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Glass Dealers Association, 1000 Connecticut Avenue NW., Washington, D.C. 20036.

A. Counihan, Casey & Loomis, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. Optical Manufacturers Association, 1730 North Lynn Street, Arlington, Va. 22209.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. American Machine Tool Distributors Association, 1500 Massachusetts Avenue NW., Washington, D.C. 20005.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. American Society of Oral Surgeons, 211 East Chicago Avenue, Chicago, Ill. 60611.
D. (6) $27,250. E. (9) $469.58.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Business Men's Assurance Co. of America, BMA Tower, 1 Penn Valley Park, Kansas City, Mo. 64141.
D. (6) $21,000.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Eli Lilly & Co., P.O. Box 618, Indianapolis, Ind. 46206.
D. (6) $2,725. E. (9) $80.22.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Investment Co. Institute, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $8,500. (E) (9) $113.70.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Irving Trust Co., 1 Wall Street, New York, N.Y. 10015.
D. (6) $7,000. E. (9) $6.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. MGIC Investment Corp., 600 Marine Plaza, Milwaukee, Wis. 43201.
D. (6) $11,275.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. National Committee for Limited Profit Housing, c/o HRH Construction Corp., 515 Madison Avenue, New York, N.Y. 10022.
E. (9) $25.99.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. National Federation of Independent Business, 921 Washington Building, Washington, D.C. 20005.
D. (6) $12,000. E. (9) $62.45.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. National Machine Tool Builders Association, 7901 Westpark Drive, McLean, Va. 22101.

A. Covington & Burling, 888 16th Street N.W., Washington, D.C. 20006.
B. Perdue, Inc., P.O. Box 1537, Salisbury, Md. 21801.
E. (9) $20.86.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Superior Oil Co., P.O. Box 1521, Houston, Tex. 77001.
D. (6) $7,500. E. (9) $181.81.

A. Eugene S. Cowen, 9024 Willow Valley Drive, Potomac, Md. 20854.
B. American Broadcasting Co., 1150 17th Street NW., Washington, D.C.
D. (6) $44. E. (9) $44.

A. Cox, Langford & Brown, 21 Dupont Circle NW., Washington, D.C. 20036.
B. American Society of Anesthesiologists, Inc., 515 Busse Highway, Park Ridge, Ill. 60068.

A. Cox, Langford & Brown, 21 Dupont Circle NW., Washington, D.C. 20036.
B. Association of Research Libraries, 1527 New Hampshire Avenue NW., Washington, D.C. 20036.

A. Cox, Langford & Brown, 21 Dupont Circle NW., Washington, D.C. 20036.
B. The National Collegiate Athletic Association, U.S. Highway 50 and Nall Avenue, P.O. Box 1906, Shawnee Mission, Kansas. 66222.
D. (6) $363.25. E. (9) $13.85.

A. William M. Crane, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, 260 Madison Avenue, New York, N.Y. 10016.

A. Robert W. Crawford, 1625 I Street NW., Washington, D.C. 20006.
B. Association of General Merchandise Chains, Inc., 1625 I Street NW., Washington, D.C. 20006.
D. (6) $349.14. E. (9) $1,000.

A. Richard C. Creighton, 1957 E Street NW., Washington, D.C. 20006.
B. Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. P. H. Croft.
B. American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $999.99. E. (9) $1,181.76.

A. H. C. Crotty, Brotherhood of Maintenance of Way Employees, 12050 Woodward Avenue, Detroit, Mich. 48203.

A. Jack A. Crowder, Suite 1001, 1150 17th Street NW., Washington, D.C. 20036.
B. American Textile Manufacturers Institute, 1501 Johnston Building, Charlotte, N.C. 28281.
D. (6) $1,500. E. (9) $43.

A. Cuba Claims Association, Executive Committee, P.O. Box 014004, Miami, Fla. 33131.
E. (9) $112.05.

A. James M. Cubie, 133 C Street SE., Washington, D.C. 20003.
B. Congress Watch, 133 C Street SE., Washington, D.C.
D. (6) $2,000.

A. Barry M. Cullen.
B. International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $420. E. (9) $103.55.

A. William E. Cumberland, 1125 15th Street NW., Washington, D.C. 20005.
B. Mortgage Bankers Association of America, 1125 15th Street, NW., Washington, D.C. 20005.
D. (6) $328. E. (9) $4,057.

A. Frank Cummings, Gall, Lane & Powell, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Institute of Electrical & Electronics Engineers, 345 East 47th Street, New York, N.Y. 10017.
D. (6) $1,850.

A. Cummins Engine Co., Inc., 1000 Fifth Street, Columbus, Ind. 47201.
E. (9) $3,638.

A. Henry E. Cummingham, 900 17th Street NW., Washington, D.C. 20006.
B. Kaiser Industries Corp., 900 17th Street NW., Washington, D.C.

A. John T. Curran, 905 16th Street NW., Washington, D.C. 20006.
B. Laborers' International Union of North America, AFL–CIO, 905 16th Street NW., Washington, D.C. 20006.
D. (6) $9,240. E. (9) $3,974.57.

A. Cystic Fibrosis Foundation, 3379 Peachtree Road NE., Atlanta, Ga. 30326.
E. (9) $6,362.82.

A. William Kay Daines, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $1,100. E. (9) $99.61.

A. John Jay Daly, 1730 K Street NW., Suite 905, Washington, D.C. 20006.
B. DMMA (Direct Mail/Marketing Association), 1730 K Street NW., Suite 905, Washington, D.C. 20006.
D. (6) $10,000. E. (9) $3,300.

A. Thomas A. Daly, 1101 16th Street NW., Washington, D.C. 20036.
B. National Soft Drink Association.
D. (6) $22.35.

A. Frank C. Daniel, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $8,750.

A. Daniels & Houlihan, 1819 H Street NW., Washington, D.C. 20006.
B. Japan Lumber Importers Association, Tokyo, Japan.

A. Dumitru G. Danielopol, 2401 Calvert Street NW., Washington, D.C. 20008.
B. Government of Chile, Chilean Embassy, 1736 Massachusetts Avenue NW., Washington, D.C.

A. David S. Danielson, 1730 M Street NW., Suite 206, Washington, D.C. 20036.
B. American Optometric Association, c/o Jack A. Potter, 820 First National Bank Building, Peoria, Ill. 61602.
D. (6) $21.12. E. (9) $12.

A. Danzansky, Dickey, Tydings, Quint & Gordon, Suite 1010, Bender Building, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20036.
D. (6) $240. E. (9) $240.

A. Stephen I. Danzansky, Danzansky, Dickey, Tydings, Quint & Gordon, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20036.
D. (6) $7.14. E. (9) $7.14.

A. Fred E. Darling, 110 Maryland Avenue NE., Suite 510, Washington, D.C. 20002.
B. Non-Commissioned Officers Association of the U.S.A. (NCOA). P.O. Box 2268, San Antonio, Tex. 78298.
D. (6) $682.50.

A. Philip J. Daugherty.
B. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6). $3,439.45. E. (9) $114.15.

A. John B. Davenport, Jr., 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $153.

A. Charles W. Davis, 1 First National Plaza, Suite 5200, Chicago, Ill. 60603.
B. Bankers Life & Casualty Co., 4444 Lawrence Avenue, Chicago, Ill. 60630.
D. (6) $150.

A. Charles W. Davis, 1 First National Plaza, Suite 5200, Chicago, Ill. 60603.
B. First National Bank of Chicago, 1 First National Plaza, Chicago, Ill. 60670.
D. (6) $22,500.

A. Charles W. Davis, 1 First National Plaza, Suite 5200, Chicago, Ill. 60603.
B. Inland Steel Co., 30 West Monroe Street, Chicago, Ill. 60603.
D. (6) $500. E. (9) $90.22.

A. Charles W. Davis, 1 First National Plaza, Suite 5200, Chicago, Ill. 60603.
B. Myron Stratton Home, P.O. Box 1178, Colorado Springs, Colo. 80901.
E. (9) $20.

A. Charles W. Davis, 1 First National Plaza, Suite 5200, Chicago, Ill. 60603.
B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.

A. Charles W. Davis, 1 First National Plaza, Suite 5200, Chicago, Ill. 60603.
B. Northwest Industries, Inc., 6300 Sears Tower, Chicago, Ill. 60606.
E. (9) $95.23.

A. Charles W. Davis, 1 First National Plaza, Suite 5200, Chicago, Ill. 60603.
B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.
D. (6) $30,000. E. (9) $90.23.

A. Charles W. Davis, 1 First National Plaza, Suite 5200, Chicago, Ill. 60603.
B. Trans Union Corp., 90 Half Day Road, Lincolnshire, Ill. 60015.
D. (6) $300. E. (9) $90.23.

A. Charles W. Davis, 1 First National Plaza, Suite 5200, Chicago, Ill. 60603.
B. United Insurance Co., 1 East Wacker Drive, Chicago, Ill. 60601.

A. Claire Davis, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $150.

A. David R. Davis, 714 Harrison Office Building, 151 West Market Street, Indianapolis, Ind. 46204.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $283,05. E. (9) $71.35.

A. George R. Davis, 100 Indiana Avenue NW., Suite 403, Washington, D.C. 20001.

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B. Amalgamated Transit Union, National Capital Local Division 689, 100 Indiana Avenue NW., Suite 403, Washington, D.C. 20001.

A. Ovid R. Davis, c/o Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.
B. Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga.
D. (6) $128.

A. R. Hilton Davis, 1615 H Street NW., Washington D.C. 20062.
B. Chamber of Commerce of the USA, 1615 H Street NW., Washington, D.C. 20006.

A. Thomas A. Davis, 1776 F Street NW., Suite 108, Washington, D.C. 20006.
B. American Horse Council, Inc., 1700 K Street NW., Washington, D.C. 20006.
D. (6) $1,300. E. (9) $401.76.

A. Thomas A. Davis, 1776 F Street NW., Suite 108, Washington, D.C. 20006.
B. Chicago Board of Trade, LaSalle at Jackson, Chicago, Ill. 60604.
D. (6) $1,560. E. (9) $582.03.

A. Thomas A. Davis, 1776 F Street NW., Suite 108, Washington, D.C. 20006.
B. Florida Power & Light Co., P.O. Box 013100, Miami, Fla. 33101.
E. (9) $156.92.

A. Walter L. Davis, 1775 K Street NW., Washington, D.C., 20006.
B. Retail Clerks International Association, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $750.

A. Charles W. Day, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich. 48121.
D. (6) $325. E. (9) $243.

A. J. Edward Day, 21 Dupont Circle NW., Washington, D.C. 20036.
B. Association Third-Class Mail Users, 1725 K Street NW., Washington, D.C. 20006.

A. J. Edward Day, 21 Dupont Circle NW., Washington, D.C. 20036.
B. Electronic Industries Association, Consumer Electronics Group, 2001 I Street NW., Washington, D.C. 20006.

A. Dealer Bank Association, P.O. Box 8796, St. Louis, Mo. 63102.

A. Tony T. Dechant, 1012 14th Street NW., Washington, D.C.
B. Farmers' Educational and Co-Operative Union of America (National Farmers Union), 1012 14th Street NW., Washington, D.C.
D. (6) $4,000. E. (9) $335.17.

A. DeHart & Broide, Inc., 1505 22d Street NW., Washington, D.C. 20037.
B. Council on Foundations, 888 Seventh Avenue, New York, N.Y. 10019.
D. (6) $227.50. E. (9) $64.13.

A. DeHart & Broide, Inc., 1505 22d Street NW., Washington, D.C. 20037.
B. Kansas City Southern Industries, Inc., 114 West 11th Street, Kansas City, Mo. 64105.
D. (6) $105.

A. DeHart & Broide, Inc., 1505 22d Street NW., Washington, D.C. 20037.
B. Recording Industry Association of America, Inc., 1 East 57th Street, New York, N.Y. 10022.
D. (6) $980. E. (9) $73.10.

A. DeHart & Broide, Inc., 1505 22d Street NW., Washington, D.C. 20037.
B. Recycled Paperboard Division of the American Paper Institute, 260 Madison Avenue, New York, N.Y. 10016.
D. (6) $105.

A. John L. Delano, P.O. Box 1172, Helena, Mont. 59601.
B. Montana Railroad Association, P.O. Box 1172, Helena, Mont. 59601.

A. Richard A. Dell, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $150.

A. Delta Group, Ltd., 2535 Massachusetts Avenue NW., Washington, D.C. 20008.
B. National Committee for Effective No-Fault, 2535 Massachusetts Avenue NW., Washington, D.C. 20008.
D. (6) $1,362.50. E. (9) $395.

A. Vincent A. Demo, 25 Broadway, New New York, N.Y. 10004.
B. New York Committee of International Committee of Passenger Lines, 25 Broadway, York, N.Y. 10004.
D. (6) $7,500. E. (9) $1,850.

A. Ray Denison, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $385.50. E. (9) $460.24.

A. John H. Denman, 208 Madison Street, Jefferson City, Mo. 65101.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $362. E. (9) $306.

A. Daniel B. Denning, 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.
D. (6) $825. E. (9) $200.

A. Claude J. Desautels, Suite 811, 1725 K Street NW., Washington, D.C. 20006.
B. American Society of Composers, Authors and Publishers, 1 Lincoln Plaza, New York, N.Y. 10023.

A. Claude J. Desautels, Suite 811, 1725 K Street NW., Washington, D.C. 20006.
B. Emergency Committee for American Trade (ECAT), 1211 Connecticut Avenue NW., Washington, D.C. 20036.

A. R. Daniel Devlin, 1000 16th Street NW., Washington, D.C. 20036.
B. Trans World Airlines, Inc., 605 Third Avenue, New York, N.Y. 10016.
E. (9) $140.

A. Ralph B. Dewey, 1150 17th Street NW., Suite 1109, Washington, D.C. 20036.
B. Pacific Gas & Electric Co., 77 Beale Street, San Francisco, Calif. 94106.
D. (6) $3,315. (E) (9) $1,553.91.

A. Dialog, Suite 900, 1156 15th Street NW., Washington, D.C. 20005.
B. Eli Lilly & Co., 307 East McCarty Street, Indianapolis, Ind. 46206.
E. (9) $1,019.74.

A. Charles J. DiBona, 1801 K Street NW., Washington, D.C. 20006.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.

A. John M. Dickerman, John Dickerman & Associates, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Lumber & Building Material Dealers Association, 1990 M Street NW., Suite 350, Washington, D.C. 20036.
D. (6) $7,284.84. E. (9) $73.35.

A. Annette Dickinson, 1225 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. Council for Responsible Nutrition, 1225 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
D. (6) $3,750.

A. Jane Dickson, 1620 I Street NW., Washington, D.C. 20006.
B. Phelps Dodge Corp., 300 Park Avenue, New York, N.Y. 10022.
D. (6) $300. E. (9) $67.35.

A. Timothy V. A. Dillon, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Committee for Marysville Dam, P.O. Drawer B, Marysville, Calif. 95902.
D. (6) $1,061.12. E. (9) $61.12.

A. Timothy V. A. Dillon, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Department of Water Resources, State of California, P.O. Box 388, Sacramento, Calif. 95802.
D. (6) $2202.94. E. (9) $102.94.

A. Timothy V. A. Dillon, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Sacramento Yolo Port District, Sacramento, Calif.
D. (6) $213.55. E. (9) $13.00.

A. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky. 41076.
D. (6) $53,047.22. E. (9) $53,047.22.

A. Disabled Officers Association, 1612 K Street NW., Washington, D.C. 20006.
E. (9) $3,587.76.

A. James F. Doherty.
B. Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., Suite 701, Washington, D.C. 20036.
D. (6) $4,812.48.

A. Robert C. Dolan, 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.
B. National Association of Electric Co's. 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.
D. (6) $297. E. (9) $118.73.

A. Domestic Wildcatters Association, 900 First City National Bank Building, Houston, Tex. 77002.
D. (6) $55,200. E. (9) $20,931.83.

A. Leo J. Donahue, 230, Southern Building, Washington, D.C. 20005.
B. American Association of Nurserymen, 230 Southern Building, Washington, D.C. 20005.

A. Richard M. Donaldson, 1735 Midland Building, Cleveland, Ohio 44115.
B. Standard Oil Co. (an Ohio corp.), Midland Building, Cleveland, Ohio 44115.
D. (6) $240.

A. Gary W. Donnelly, 1315 16th Street NW., Washington, D.C. 20036.
B. National Limestone Institute, Inc., 1315 16th Street NW., Washington, D.C. 20036.
E. (9) $17.25.

A. Dow, Lohnes & Albertson, 1225 Connecticut Avenue NW., Washington, D.C. 20036.
B. Advance Schools, Inc., 5900 Northwest Highway, Chicago, Ill. 60631.

A. F. Raymond Downs, 1801 K Street NW., Suite 1104, Washington, D.C. 20006.
B. Procter & Gamble Manufacturing Co., 301 East Sixth Street, Cincinnati, Ohio 45201.
D. (6) $5. E. (9) $5.

A. Robert H. Doyle, 2029 K Street NW., Washington, D.C. 20006.
B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $5,875.

A. James A. Dorsch, 1701 K Street NW., Washington, D.C.
B. Health Insurance Association of America, 1701 K Street NW., Washington, D.C.
D. (6) $427.85. E. (9) $145.15.

A. Andrew Drance, Room 511, Wilson Plaza Building, 2425 Wilson Boulevard, Arlington, Va. 22201.
B. Media General, Inc., 333 East Grace Street, Richmond, Va. 23219..
D. (6) $379.50. E. (9) $75.50.

A. Wilbur B. Dronen, 100 Northeast Adams St., Peoria, Ill. 61629.
B. Caterpillar Tractor Co., 100 Northeast Adams St., Peoria, Ill. 61629.
D. (6) $600. E. (9) $799.92.

A. Thomas E. Drumm, Jr., 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Macmillan, Inc., 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $400. E. (9) $50.

A. Franklin B. Dryden.
B. Tobacco Institute, Inc., 1776 K Street NW., Washington, D.C. 20006.
D. (6) $500. E. (9) $125.

A. Evelyn Dubrow, 1710 Broadway, New York, N.Y. 10019.
B. International Ladies' Garment Workers' Union, 1710 Broadway, New York, N.Y. 10019.
D. (6) $4,803.20. E. (9) $3,638.96.

A. Morgan D. Dubrow, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $125.

A. Donald A. Duffey, 900 17th Street NW., Washington, D.C. 20006.
B. Kaiser Industries Corp., 900 17th Street NW., Washington D.C. 20006.

A. William E. Duke, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
D. (6) $450. E. (9) $225.

A. M. L. DuMars, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $60.

A. R. Michael Duncan, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Cleary, Gottlieb, Steen & Hamilton (for Natomas Co.), 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. Douglas G. Dunn, 1133 15th Street NW., Suite 503, Washington, D.C. 20005.
B. Northern Natural Gas Co., 2223 Dodge Street, Omaha, Nebr. 68102.
D. (6) $1,500.

A. Bruce Dunton, 1126 16th Street NW., Washington, D.C.
B. Textile Workers Union of America, 99 University Place, New York, N.Y. 10003.
D. (6) $2,160. E. (9) $100.

A. J. D. Durand, 1725 K Street NW., Washington, D.C. 20006.
B. Association of Oil Pipe Lines, 1725 K Street NW., Washington, D.C. 20006.
E. (9) $425.

A. Roy W. Easley, 1735 DeSales Street NW., Washington, D.C. 20036.
B. Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.
D. (6) $18.52.

A. East-West Trade Council, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
E. (9) $1,200.

A. Robert E. Ebel, 1025 Connecticut Avenue NW., Suite 1206, Washington, D.C. 20036.
B. Lone Star Gas Co., 301 South Harwood, Dallas, Tex. 75201.

A. N. Boyd Ecker, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,500. E. (9) $26.

A. William R. Edgar, 1025 Connecticut Avenue NW., Suite 1215, Washington, D.C. 20036.
B. General Aviation Manufacturers Association, Inc., 1025 Connecticut Avenue NW., Suite 1215, Washington, D.C. 20036.
D. (6) $1,225.

A. Arthur B. Edgeworth, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $712.50.

A. John P. Edwards, 1030 15th Street NW., Suite 720, Washington, D.C. 20005.
B. Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.
D. (6) $2,500. E. (9) $1,174.40.

A. J. Rodney Edwards, 260 Madison Avenue, New York, N.Y. 10016.
B. American Paper Institute, 260 Madison Avenue, New York, N.Y. 10016.
E. (9) $68.74.

A. Jonathan W. Edwards, 429–B New Jersey Avenue SE., Washington, D.C. 20003.
B. Navajo Nation, Window Rock, Ariz. 86515.

A. Jonathan W. Edwards, 429–B New Jersey Avenue SE., Washington, D.C. 20003.
B. Portland General Electric Co., 621 Southwest Alder Street, Portland, Oreg. 97205.

A. Macon T. Edwards, 1030 15th Street NW., Suite 700, Washington, D.C. 20005.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $875. E. (9) $32.37.

A. J. C. B. Ehringhaus, Jr., 1600 South Eads Street, Arlington, Va. 22202.
B. Tobacco Institute, 1776 K Street NW., Washington, D.C. 20006.
D. (6) $150.

A. Harmon L. Elder, 2000 L Street NW., Suite 520, Washington, D.C. 20036.
B. Wilson E. Hamilton & Associates, Inc., 2000 L Street NW., Washington, D.C. 20036.
D. (6) $250. E. (9) $303.98.

A. Electronic Data Systems Corp., 7171 Forest Lane, Dallas, Tex. 75230.
D. (6) $5,000. E. (9) $84.

A. Charles W. Elliott, 25 West Main Street, Room 703, Madison, Wis. 53703.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $384.51. E. (9) $276.82.

A. John Doyle Elliott, 5500 Quincy Street, Hyattsville, Md. 20784.

A. Ruth Bowdey Elliott, 5500 Quincy Street, Hyattsville, Md. 20784.
D. (6) $2,109.50. E. (9) $1,489.68.

A. John C. Ellis, 1957 E Street NW., Washington, D.C. 20006.
B. Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Roy Elson, 1771 N Street NW., Washington, D.C. 20036.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
D. (6) $4,200. E. (9) $801.24.

A. Employers Insurance of Wausau, 2000 Westwood Drive, Wausau, Wis. 54401.
E. (9) $625.

A. Lowell J. Endahl, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $235.

A. Gertrude Engel, 2450 Virginia Avenue NW., Washington, D.C. 20037.
B. Bob Hoffman, York Barbell Co., York, Pa. 17405.
D. (6) $1,950. E. (9) $226.37.

A. M. Dale Ensign, 1625 I Street NW., Washingtn, D.C. 20006.
B. Husky Oil Co., Box 380, Cody, Wyo. 82414.
E. (9) $35.

A. Grover W. Ensley, 200 Park Avenue, New York, N.Y. 10017.
B. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.
D. (6) $828.

A. Barry Ensminger, 2000 P Street NW., Suite 708, Washington, D.C. 20036.
B. Health Research Group, 2000 P Street NW., Suite 708, Washington, D.C. 20036.

A. Environmental Action, Inc., Room 731, 1346 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $5.638.63. (9) $5.638.63.

A. Glenn R. Erickson, 1611 North Kent Street, Suite 200, Arlington, Va. 22209.
B. Sheet Metal & Air Conditioning Contractors' National Association, Inc., 1611 North Kent Street, Suite 200, Arlington, Va. 22209.
D. (6) $800. E. (9) $300.

A. George T. Esherick, 1625 K Street NW., Washington, D.C. 20006.
B. United States Steel Corp., 600 Grant Street, Pittsburgh, Pa. 15230.
D. (6) $275. E. (9) $248.

A. David C. Evans, Suite 404, Madison Building, 1155 15th Street NW., Washington, D.C. 20005.
B. Brick Institute of America, 1750 Old Meadow Road, McLean, Va. 22101.
D. (6) $531.40.

A. Executive Consultants, Inc., 1911 Fort Myer Drive, Suite 1207, Rosslyn, Va. 22209.
B. Jim Walter Corp., P.O. Box 22601, Tampa, Fla. 33622.
D. (6) $3,000. E. (9) $825.75.

A. Executive Consultants, Inc., 1911 Fort Myer Drive, Suite 1207, Rosslyn, Va. 22209.
B. Tampa Electric Co., P.O. Box 111, Tampa, Fla. 33601.
D. (6) $1,500. E. (9) $31.55.

A. John D. Fagan, 200 Maryland Avenue NE., Washington, D.C. 20002.
B. Veterans of Foreign Wars of the U.S.
D. (6) $3,364. E. (9) $18.

A. Robert R. Fahs, 1030 15th Street NW., Washington, D.C. 20005.
B. Cargill, Inc., 1200 Cargill Building, Minneapolis, Minn. 55402.
D. (6) $2,500. E. (9) $47.50.

A. Robert J. Falasca, 1030 15th St. NW., Washington, D.C.
B. American Seed Trade Association, Suite 964, 1030 15th Street NW., Washington, D.C. 20005.
D. (6) $375.

A. Thomas B. Farley II, 1801 K Street NW., Washington, D.C. 20006.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $1,425. E. (9) $38.05.

A. Farmers' Educational and Co-Operative Union of America (National Farmers Union) 1012 14th Street NW., Washington, D.C.
D. (6) $114,653.57. E. (9) $38,550.08.

A. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.
D. (6) $300. E. (9) $300.

A. Federation of American Hospitals, 1101 17th Street NW., Suite 810, Washington, D.C. 20036.
E. (9) $4,500.

A. Stuart F. Feldstein.
B. National Cable TV Association, Inc., 918 16th Street NW., Washington, D.C.
D. (6) $127.50. E. (9) $50.

A. Leon Felix, Jr., 10600 West Higgins Road, Rosemont, Ill. 60018.
B. National Education Association, 1201 Sixteenth Street NW., Washington, D.C. 20036.
D. (6) $2,723.90. E. (9) $75.

A. Carol Fielders, 1030 15th Street NW., Washington, D.C. 20005.
B. American Nurses' Association, Inc., 2420 Pershing Road, Kansas City, Mo. 64108.
D. (6) $3,245.83. E. (9) $3,245.83.

A. Herbert A. Fierst, 607 Ring Building, Washington, D.C. 20036.
B. Council of Forest Industries of British Columbia, 1500–1055 West Hastings Street, Vancouver V6E 2H1, B.C., Canada.
D. (6) $8,866.96. E. (9) $450.

A. Herbert A. Fierst, 607 Ring Building, Washington, D.C. 20036.
B. Joint Committee of Printing & Publishing Industries of Canada, 321 Bloor Street East, Toronto 5, Ontario, Canada.
D. (6) $999.99. E. (9) $145.

A. Francis S. Filbey, 817 14th Street NW., Washington, D.C. 20005.
B. American Postal Workers Union, AFL–CIO, 817 14th Street NW., Washington, D.C. 20005.
D. (6) $5,832.90.

A. Maurice W. Fillius, 5040 Lowell Street NW., Washington, D.C. 20016.
B. Bacardi Corp., San Juan, Puerto Rico.

A. James W. Finley, 1660 L Street NW., Suite 915, Washington, D.C. 20036.
B. Crown Zellerbach, 1 Bush Street, San Francisco, Calif. 94119.
E. (9) $250.

A. Firearms Lobby of America, 325 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $7,036. E. (9) $5,805.70.

A. Susan Garber Flack, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $2,000. E. (9) $220.

A. William J. Flaherty, 1221 Masachusetts Avenue NW., Washington, D.C. 20005.
B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky.
D. (6) $7,976.80

A. James J. Flanagan, 20 Turnpike Road, Westborough, Mass. 01581.
B. New England Power Service Co., 20 Turnpike Road, Westborough, Mass. 01581.
D. (6) $187.56. E. (9) $365.26.

A. James F. Fleming, 991 National Press Building, Washington, D.C.
B. United Egg Producers, 1001 International Boulevard, Suite 1105, Atlanta, Ga. 30354.
D. (6) $1,000.

A. Carl J. Fleps, 1629 K Street NW., Suite 300, Washington, D.C. 20006.
B. Greyhound Corp., Greyhound Tower, Phoenix, Ariz. 85077.
D. (6) $150. E. (9) $33.

A. John F. Fochtman, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill.
D. (6) $2,000. E. (9) $749.

A. Foley, Lardner, Hollabaugh & Jacobs, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Cabot Corp. & Subsidiaries, 125 High Street, Boston, Mass. 02110.
D. (6) $1,995. E. (9) $27.73.

A. Foley, Lardner, Hollabaugh & Jacobs, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Dealer Bank Association, P.O. Box 479, Wall Street Station, New York, N.Y. 10005.

A. Foley, Lardner, Hollabaugh & Jacobs, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Insurance Association of Connecticut, 60 Washington Street, Hartford, Conn. 06106.

A. Foley, Lardner, Hollabaugh & Jacobs, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Jos. Schlitz Brewing Co., 235 West Galena Street, Milwaukee, Wis. 53201.

A. Foley, Lardner, Hollabaugh & Jacobs, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Natomas Co., International Building, 601 California Street, San Francisco, Calif. 94103.

A. Foley, Lardner, Hollabaugh & Jacobs, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. United States Steel Corp., 71 Broadway, New York, N.Y., et al.

A. Gordon Forbes, 203 Hanover Building, 480 Cedar Street, St. Paul, Minn. 55101.
B. Minnesota Railroads Association, 203 Hanover Building, 480 Cedar Street, St. Paul, Minn. 55101.
D. (6) $500. E. (9) $425.49.

A. E. David Foreman, Jr., Foreman & Associates, 1730 M Street, Suite 511, Washington, D.C. 20036.
B. Ogden Corp., 277 Park Avenue, New York, N.Y. 10017.
D. (6) $5,025.

A. James W. Foristel, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill.
D. (6) $2,300. E. (9) $289.

A. John S. Forsythe, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Life Insurance Association, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 2006.
D. (6) $140. E. (9) $10.

A. David H. Foster.
B. National Cable TV Association, Inc., 918 16th Street NW., Washington, D.C.
D. (6) $2,500. E. (9) $237.50.

A. Ebert E. Fournace, 301 Cleveland Avenue SW., Canton, Ohio 44702.
B. Ohio Power Co., 301 Cleveland Avenue SW., Canton, Ohio 44702.
D. (6) $1,344. E (9) $863.91

A. John G. Fox, 2000 L Street NW., Washington, D.C. 20036.
B. American Telephone & Telegraph Co., 195 Broadway, New York, N.Y. 10007.

A. Joe H. Foy, 1200 Travis, Houston, Tex. 77001.
B. Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex., 77001.

A. Ron Frank, 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $25.62.

A. Walter L. Frankland, Jr., 1717 K Street NW., Washington, D.C. 20006.
B. Silver Users Association, Inc., 1717 K Street NW., Washington, D.C. 20006.
D. (6) $1,422.43. E. (9) $110.98.

A. Donald A. Frederick, 1129 20th Street NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C.
D. (6) $511.67. E. (9) $25.22.

A. Robert M. Frederick, 1616 H Street NW., Washington, D.C. 20006.
B. National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $5,732.50.

A. James O. Freeman, 1709 New York Avenue NW., Suite 801, Washington D.C. 20006.
B. U.S. League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $2,500. E. (9) $20.50.

A. Verrick O. French, 1317 F Street NW., Washington, D.C. 20004.
B. National Retail Merchants Association, 100 West 31st Street, New York, N.Y. 10001.
D. (6) $150. E. (9) $2.50.

A. Benjamin W. Fridge, 1900 S. Eads Street, Arlington, Va. 22202.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $3,750. E. (9) $2,264.15.

A. Susan Fridy, 30 F Street NW., Washington, D.C. 20001.
B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $750. E. (9) $65.77.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Hualapai Tribe of the Hualapai Reservation, Peace Springs, Ariz.
D. (6) $156.50. E. (9) $4.05.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

B. Mr. and Mrs. Walter Laqueur, 2100 Washington Avenue, Silver Spring, Md. 20515.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Navajo Tribe, Window Rock, Ariz.
D. (6) $73,277. E. (9) $153.20.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Nez Perce Tribe, Lapwai, Idaho.
D. (6) $200. E. (9) $9.60.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Oglala Sioux Tribe of the Pine Ridge Reservation, Pine Ridge, S. Dak.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Pueblo of Laguna, Box 194, Laguna, N. Mex.
D. (6) $513.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Salt River Pima-Maricopa Community, Box 120, Route 1, Scottsdale, Ariz.
D. (6) $375.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Seneca Nation of Indians, Box 231, Salamanca, N.Y. 14779.

A. Philip P. Friedlander, Jr., 1343 L Street NW., Washington, D.C. 20005.
B. National Tire Dealers & Retreaders Association, 1343 L Street NW., Washington, D.C. 20005.
D. (6) $300.

A. Gay H. Friedmann, 1025 Connecticut Avenue NW., Suite 1206, Washington, D.C. 20036.
B. Lone Star Gas Co., 301 South Harwood, Dallas, Tex. 75201.
D. (6) $1,000. E. (9) $180.30.

A. Friends Committee on National Legislation, 245 Second Street NE., Washington, D.C.
D. (6) $62,442. E. (9) $12,443.

A. Frank W. Frisk, Jr., 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $700.

A. Charles H. Fritzel, 1625 I Street NW., Suite 812, Washington, D.C. 20006.
B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.
D. (6) $1,500. E. (9) $82.

A. David C. Fullarton, 2100 M Street NW., Suite 307, Washington, D.C. 20037.
B. National Telephone Cooperative Association, 2100 M Street NW., Suite 307, Washington, D.C. 20037.
D. (6) $240.

A. Ronald K. Fuller, 101 Ash Street, P.O. Box 1831, San Diego, Calif. 92112.
B. San Diego Gas & Electric Co., 101 Ash Street, P.O. Box 1831, San Diego, Calif. 92112.
D. (6) $1,092.24. E. (9) $2,018.84.

A. James E. Gaffigan, 777 14th Street NW., Washington, D.C. 20005.
B. American Hotel & Motel Association, 888 Seventh Avenue, New York, N.Y. 10019.
D. (6) $226.93. E. (9) $44.38.

A. Mark J. Gallagher.
B. National Committee for a Human Life Amendment, Inc., 1707 L Street NW., Suite 400, Washington, D.C. 20036.
D. (6) $3704.10. E. (9) $629.14.

A. Peter N. Gammelgard, 1801 K Street NW., Washington, D.C. 20006.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.

A. Nicole Gara, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $2,500. E. (9) $2,359.97.

A. William B. Gardiner, 1221 Massachusetts Avenue NW., Washington, D.C. 20005.
B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky.
D. (6) $7,012.50.

A. John W. Gardner, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,750. E. (9) $1,247.22.

A. W. Bradford Gary, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Proprietary Association, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $1931.08. E. (9) $40.

A. Gas Appliance Manufacturers Association, 1901 North Fort Myer Drive, Arlington, Va. 22209.
E. (9) $870.

A. General Aviation Manufacturers Association, Inc., 1025 Connecticut Avenue NW., Suite 1215, Washington, D.C. 20036.
E. (9) $1,750.

A. Geothermal Resources International, Inc., 4676 Admiralty Way, Suite 503, Marina del Rey, Calif. 90291.
E. (9) $2,113.70.

A. Mary Condon Gereau, 1730 K Street NW., Suite 1101, Washington, D.C. 20006.
B. National Treasury Employees Union, 1730 K Street NW., Suite 1101, Washington, D.C. 20006.
D. (6) $5,778.40 E. (9) $387.40.

A. Lesley Chapman Gerould, 1730 M Street NW., Washington, D.C. 20036.
B. League of Women Voters of the U.S., 1730 M Street NW., Washington, D.C. 20036.
D. (6) $1,100. E. (9) $4,795.

A. Donald H. Gerrish.
B. American Bakers Association, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. William T. Gibb III.
B. American Life Insurance Association, Inc., 1730 Pennsivania Avenue NW., Washington, D.C. 20006.

A. Wayne Gibbens, 1800 K Street NW., Washington, D.C. 20006.
B. Mid-Continent Oil & Gas Association, 1111 Thompson Building, Tulsa, Okla. 74103.
D. (6) $1,514.88. E. (9) $499.76.

A. Joseph L. Gibson, 1660 L Street NW., Suite 1001, Washington, D.C. 20036.
B. Montgomery Ward & Co., Inc., P.O. Box 8339, Chicago, Ill. 60680.
D. (6) $100. E. (9) $150.

A. Joseph S. Gill, 16 East Broad Street, Columbus, Ohio 43215.
B. Ohio Railroad Association, 16 East Broad Street, Columbus, Ohio, 43215.
E. (9) $168.73.

A. Neal P. Gillen, 1707 L Street NW., Suite 460, Washington, D.C. 20036.
B. American Cotton Shippers Association, 1707 L Street NW., Suite 460, Washington, D.C. 20036.
D. (6) $10,125. E. (9) $489.10.

A. Frederick H. Gillmore, Jr., 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Cleary, Gottlieb, Steen & Hamilton (for Exxon Corp.), 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. Frederick H. Gillmore, Jr., 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Cleary, Gottlieb, Steen & Hamilton (for Getty Oil Co., Standard Oil Co. of Calif., Standard Oil Co., Ind.), 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. Dave Givens, Tennessee Railroad Association, 916 Nashville Trust Building, Nashville, Tenn. 37201.
B. Tennessee Railroad Association, 916 Nashville Trust Building, Nashville, Tenn. 37201.

A. Glass-Steagall Act Study Committee, 1000 Ring Building, Washington, D.C. 20036.
D. (6) $80,250. E. (9) $7,672.62.

A. Godfrey Associates, Inc., 918 16th Street NW., Washington, D.C. 20006.

A. Horace D. Godfrey, 918 16th Street, NW., Washington, D.C. 20006.
B. Godfrey Associates, Inc., 918 16th Street NW., Washington, D.C. 20006.

A. John Goldsum, P.O. Box 1148, Austin, Tex. 78767.
B. Texas Power & Light Co., Dallas, Tex.; Texas Electric Service Co., Fort Worth; Dallas Power & Light Co., Dallas, Tex.; Central Power & Light Co., Corpus Christi, Tex.; West Texas Utilities, Abilene, Tex.
E. (9) $404.69.

A. Don A. Goodall, 1625 I Street NW., Suite 514, Washington, D.C. 20006.
B. American Cyanimid Co., Wayne, N.J., 07470.
D. (6) $221. E. (9) $213.92.

A. Vance V. Goodfellow, 307 4th Avenue South, P.O. Box 15047, Minneapolis, Minn. 55415.
B. Crop Quality Council, 307 4th Avenue South, P.O. Box 15047, Minneapolis, Minn. 55415.
D. (6) $7,249.98.

A. Frederick D. Goss, 2100 M Street NW., Suite 307, Washington, D.C. 20037.
B. National Telephone Cooperative Association, 2100 M Street NW., Suite No. 307, Washington, D.C. 20037.
D. (6) $1,150.

A. Edward Gottlieb & Associates, 485 Madison Avenue, New York, N.Y. 10022.
B. Florists' Transworld Delivery Association, 900 W. Lafayette Boulevard, Detroit, Mich. 48226.

A. David B. Graham, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $115.

A. Donald E. Graham, 1129 20th Street NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C. 20036.
D. (6) $947.50. E. (9) $44.74.

A. Dan L. Grant, 230 Peachtree Street, Suite 1507, Atlanta, Ga. 30303.

B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $500. E (9) $121.

A. James A. Gray, 7901 Westpark Drive, McLean, Va. 22101.
B. National Machine Tool Builders Association, 7901 Westpark Drive, McLean, Va. 22101.
D. (6) $8,770. E. (9) $25.

A. Robert K. Gray, 1425 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc. 633 Third Avenue. New York, N.Y. 10017.

A. Virginia M. Gray, 3501 Williamsburg Lane N.W., Washington, D.C. 20008.
B. Citizens Committee for UNICEF, 110 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $600. E. (9) $61.37.

A. Samuel A. Grayson, 611 Idaho Building, Boise, Idaho 83702.
B. Union Pacific Railroad, 1416 Dodge Street, Omaha, Nebr. 68179.

A. James W. Green, 1201 Sixteenth Street NW., Washintgon, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $5,055. E. (9) $525.97.

A. C. O. Gregory, Jr., 151 North Carolina Avenue SE., Washington, D.C. 20003.
B Center for Public Financing of Elections, 201 Massachusetts Avenue NE., Washington, D.C. 20002.
D. (6) $3,538.51.

A. Claiborne D. Gregory, 1809 Staples Mill Road, Richmond, Va. 23230.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.

A. William G. Greif, 1155 15th Street NW., Washington, D.C. 20005.
B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10022.
D. (6) $500.

A. Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., Washing, D.C. 20036.
D. (6) $10,396.92. E. (9) $10,396.92.

A. James J. Gudinas, 8111 Gatehouse Road, Falls Church, Va. 22042.
B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22042.
E. (9) $120.

A. Kenneth J. Guido, 2030 M Street N.W., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $724.98. E. (9) $21.

A. Sam Gusman, 1025 Connecticut Avenue NW., Suite 202, Washington, D.C. 20036.
B. Rohm & Haas Co., Independence Mall West, Philadelphia, Pa. 19105.
D. (6) $500. E. (9) $100.

A. Loyd Hackler, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $1,000. E. (9) $162.60.

A. Paul R. Haerle, Thelen, Marrin, Johnson & Bridges, 2 Embarcadero Center, Suite 2200, San Francisco, Calif. 94111.
B. Energy Transportation Systems, Inc., 50 Beale Street, San Francisco, Calif. 94119.
E. (9) $191.46.

A. William S. Haga, 19th Floor, Third National Bank Building, Nashville, Tenn. 37219.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $118.46. E. (9) $123.33.

A. Howard R. Hague, Jr.
B. Industrial Union Department, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $2,578.70. E. (9) $58.72.

A. Matthew Hale, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C.
D. (6) $300. E. (9) $55.

A. Harold T. Halfpenny, 111 West Washington Street, Chicago, Ill. 60602.

A. Hall, Estill, Hardwick, Gable, Collingsworth & Nelson, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Williams Co., National Bank of Tulsa, Tulsa, Okla.

A. J. G. Hall, 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $4,500. E. (9) $2,124.27.

A. Keith Halliday, 1725 K Street NW., Washington, D.C. 20006.
B. Associated Third-Class Mail Users, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $300.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. Belize Sugar Industries Ltd., Belize City, British Honduras, Central America.
D. (6) $3,750. E. (9) $67.89.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. Business Roundtable 888 17th Street NW., Washington, D.C. 20006.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. Government of Republic of Panama, Compania Azucarera La Estrella, S.A., and Azucarera Nacional, S.A., Panama City, Panama.
D. (6) $3,000. E. (9) $137.40.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. Hardaway Co., 11th Street and Third Avenue, Columbus, Ga.
D. (6) $150.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. International Nickel Co., 1 New York Plaza, New York, N.Y. 10004.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. National School Supply & Equipment Association, 1500 Wilson Boulevard, Arlington, Va. 22209.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. National Wool Growers Association, 600 Crandall Building, Salt Lake City, Utah 84101.
D. (6) $4.500. E. (9) $1,133.94.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. Sociedad Agricola e Industrial San Carlos, S.A.; Compania Azucarera, Valdez, S.A.; Azucarera Tropical Americana, S.A.; Tababuela, Industrial Azucarera, C.A., Ecuador.
E. (9) $119.64.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Suite 400, Washington, D.C. 20006.
B. Standard Oil Co. (Indiana), 200 East Randolph Street, Chicago, Ill. 60601.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Suite 400, Washington, D.C. 20006.
B. Sugar Association of the Caribbean, Port of Spain, Trinidad.
D. (6) $6,750. E. (9) $939.48.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. United Student Aid Funds, Inc., 200 East 42d Street, New York, N.Y. 10017.

A. Robert N. Hampton, 1129 20th Street NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C
D. (6) $1,320. E. (9) $56.55.

A. Patricia L. Hanahan, 1155 15th Street NW., Washington, D.C. 20005.
B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10022.
D. (6) $250.

A. Ronald K. Hanes, 1129 20th Street NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C
D. (6) $350.42. E. (9) $25.87.

A. Robert B. Harding, 1801 K Street NW., Suite 1041, Washington, D.C. 20006.
B. Southern California Edison Co., P.O. Box 800, Rosemead, Calif. 91770.
D. (6) $250. E. (9) $152.65.

A. William E. Hardman, 9300 Livingston Road, Washington, D.C. 20022.
B. National Tool, Die & Precision Machine Association, 9300 Livingston Road, Washington, D.C. 20022.

A. Eugene J. Hardy, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $2500. E. (9) $132.55.

A. Andrew E. Hare, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22030.
B. National Right to Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va., 22030.
D. (6) $887. E. (9) $227.

A. Bryce N. Harlow, 1801 K Street, NW., Suite 1104, Washington, D.C. 20006.
B. Procter & Gamble Manufacturing Co., 301 East Sixth Street, Cincinnati, Ohio 45203.
D. (6) $512.50 E. (9) $512.50.

A. Robert E. Harman, 1201 Sixteenth Street, NW., Washington, D.C. 20036.
B. National Education Association, 1201 Sixteenth Street NW., Washington, D.C. 20036.
D. (6) $3,600. E. (9) $75.

A. William B. Harman, Jr., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Life Insurance Association, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $80. E. (9) $35.25.

A. C. Wayne Harmon, 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.
D. (6) $700. E. (9) $300.

A. A. J. Harris, 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
B. Securities Industry Association, 490 L'Enfant Plaza East SW., Washington, D.C. 20024.

D. (6) $471.29. E. (9) $38.25.

A. Godfrey Harris, 9200 Sunset Boulevard, Los Angeles, Calif. 90069.
B. Embassy of the Republic of Panama, 2862 McGill Terrace, Washington, D.C. 20008.
D. (6) $25. E. (9) $3,966.96.

A. Saul J. Harris, 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.
B. National Association of Electric Co's., 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.
D. (6) $26.67. E. (9) $0.45.

A. Stephanie G. Harris, 2000 P Street NW., Washington, D.C. 20036.
B. Health Research Group, 2000 P Street NW., Washington, D.C. 20036.

A. James W. Hart, Jr., 660 Adams Avenue, Suite 188, Montgomery, Ala. 36104.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.

A. William C. Hart, 1625 I Street NW., Washington, D.C. 20006.
B. Columbia Gas System Service Corp., 20 Montchanin Road, Wilmington, Del. 19807.
D. (6) $612.50. E. (9) $657.25.

A. Fred L. Hartley, 461 South Boylston Street, Los Angeles, Calif. 90017.
B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif.
E. (9) $447.

A. Rita M. Hartz, 1737 H Street NW., Washington, D.C. 20006.
B. National Federation of Federal Employees, 1737 H Street NW., Washington, D.C. 20006.
D. (6) $6,494.40.

A. Charles W. Havens III, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Reinsurance Association of America, 1025 Connecticut Avenue NW., Washington, D.C.

A. Sidney G. Hawkes, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mead Corp., 118 West First Street, Dayton, Ohio 45402.
D. (6) $625. E. (9) $605.

A. John H. Hawkins, Jr., 600 North 18th Street, Birmingham, Ala. 35291.
B. Alabama Power Co., 600 North 18th Street, Birmingham, Ala. 35291.
D. (6) $2,125. E. (9) $271.38.

A. Paul M. Hawkins, 1701 K Street NW., Washington, D.C.
B. Health Insurance Association of America, 1701 K Street NW., Washington, D.C.
D. (6) $75.45. E. (9) $14.17.

A. Carl F. Hawver, 1000 16th Street NW., Suite 601, Washington, D.C. 20036.
B. National Consumer Finance Association, 1000 16th Street NW., Suite 601, Washington, D.C. 20036.
D. (6) $60.

A. Robert T. Hayden, United Steelworkers of America, 815 Sixteenth Street NW., Suite 706, Washington, D.C. 20006.
B. United Steelworkers of America, 5 Gateway Center, Pittsburgh, Pa. 15522.
D. (6) $5,414.66. E. (9) $1,350.51.

A. Patrick J. Head, 1660 L Street NW., Washington, D.C. 20036.
B. Montgomery Ward & Co., Inc., P.O. Box 8339, Chicago, Ill. 60680.
D. (6) $193.50. E. (9) $150.

A. Health Insurance Association of America, 1701 K Street NW., Washington D.C..
D. (6) $5,950.56. E. (9) $5,950.56.

A. Health Research Group, 2000 P Street NW., Suite 708, Washington, D.C. 20036.
D. (6) $381.05. E. (9) $381.05.

A. Patrick B. Healy, 30 F Street, NW., Washington, D.C. 20001.
B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $393.75. E. (9) $81.00.

A. George J. Hecht, 52 Vanderbilt Avenue, New York, N.Y. 10017.
B. American Parents Committee, Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036.

A. John F. Heilman, 1221 Massachusetts Avenue NW., Washington, D.C. 20005.
B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky.
D. (6) $4,812.50.

A. William F. Heimlich, 1725 K Street NW., Washington, D.C. 20006.
B. Association of National Advertisers, 155 East 44th Street, New York, N.Y. 10017.
E. (9) $9.

A. Spencer H. Heine, 1660 L Street NW., Washington, D.C. 20036.
B. Montgomery Ward & Co., Inc., P.O. Box 8339, Chicago, Ill. 60680.
D. (6) $67. E. $150.

A. Ross E. Heller, 2100 M Street NW., Suite 307, Washington, D.C. 20037.
B. National Telephone Cooperative Association, 2100 M Street NW., Suite 307, Washington, D.C. 20037.

A. Phil D. Helmig, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
D. (6) $225. E. (9) $250.

A. Leslie P. Hemry, 1701 K Street NW., Washington, D.C.
B. Health Insurance Association of America, 1701 K Street NW., Washington, D.C.

A. Robert C. Hendon, 6845 Elm Street, Suite 608, McLean, Va. 22101.
B. Consolidated Freightways, Inc., 601 California Street, San Francisco, Calif. 94108.

A. Edmund P. Hennelly, 150 East 42d Street, New York, N.Y. 10017.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y.
D. (6) $1,500. E. (9) $67.99.

A. George F. Hennrikus, Jr.
B. The Retired Officers Association, 1625 I Street, NW., Washington, D.C.
D. (6) $2,727.

A. Maurice G. Herndon, 425 13th Street NW., Washington, D.C. 20004.
B. National Association of Insurance Agents, 85 John Street, New York, N.Y. 10038.
E. (9) $7,281.29.

A. Esther Herst, 510 C Street NE., Washington, D.C. 20002.
B. National Committee Against Repressive Legislation, 1250 Wilshire Boulevard, Los Angeles, Calif. 90017.
D. (6) $1,300. E. (9) $1,080.14.

A. Andrew I. Hickey, Jr. 1133 15th Street NW., Washington, D.C. 20005.
B. Federal National Mortgage Association, 1133 15th Street NW., Washington, D.C. 20005.
D. (6) $11,500. E. (9) $534.89.

A. Paul T. Hicks, 150 Francis Street, Providence, R.I. 02903.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $87. E. (9) $29.05.

A. J. Thomas Higginbotham.
B. Mellon Bank, N.A. and Mellon National Corp., Mellon Square, Pittsburgh, Pa. 15230.
D. (6) $2,000. E. (9) $1,489.39.

A. J. Eldred Hill., Jr., 720 Hotel Washington, Washington, D.C. 20004.
B. UBA, Inc., 720 Hotel Washington, Washington, D.C. 20004.
D. (6) $2,000. E. (9) $2,000.

A. Richard deC. Hinds, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Cleary, Gottlieb, Steen & Hamilton (For Exxon Corp.), 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. Richard deC. Hinds, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Cleary, Gottlieb, Steen & Hamilton (For Getty Oil Co., Standard Oil Co. of Calif., Standard Oil Co. (Ind.), 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. Harry R. Hinton, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $1,250. E. (9) $748.

A. Lawrence S. Hobart, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $543.75.

A. Claude E. Hobbs, 1801 K Street NW., 9th Floor, Washington, D.C. 2006.
B. Westinghouse Electric Corp., Westinghouse Building, Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $900. E. (9) $195.

A. Howard E. Hoelter, 524 South 2d Street, Suite 570, Springfield, Ill. 62701.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $246. E. (9) $123.

A. Glen D. Hofer, 1129 20th Street NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C.

A. Herbert E. Hoffman, 1705 DeSales Street, Washington, D.C. 20036.
B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.
D. (6) $400. E. (9) $50.

A. Thomas W. Holland, Suite 370, 1 Dupont Circle NW., Washington, D.C. 20036.
B. Association of American Law Schools, Suite 370, 1 Dupont Circle NW., Washington, D.C. 20036.

A. Thomas P. Holley, 1625 I Street NW., Washington, D.C. 20006.
B. Boise Cascade Corp., 1625 I Street NW., Washington, D.C. 20006.
D. (6) $1000. E. (9) $78.13.

A. Thomas D. Holman, 1776 F Street NW., Washington, D.C. 20006.
B. American Mutual Insurance Alliance, 20 North Wacker Drive, Chicago, Ill. 60606.
E. (9) $650.

A. Eric Holmes, Jr., 161 Peachtree Street NE., Suite 506, Atlanta, Ga. 30303.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.

A. Lee B. Holmes, 1125 15th Street NW., Washington, D.C. 20005.
B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $4,438. E. (9) $23,792.

A. John W. Holton, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., 7th Floor, Washington, D.C.
D. (6) $1,750. E. (9) $28.50.

A. Wayne K. Horiuchi, 1730 Rhode Island Avenue NW., Suite 204, Washington, D.C. 20036.
B. Japanese American Citizens League, 22 Peace Plaza, Suite 203, San Francisco, Calif. 94115.
D. (6) $687.

A. The Hormel Foundation, Austin, Minn. 55912.

A. Houger, Garvey & Schubert, 1019 19th Street NW., Washington, D.C. 20036.
B. States Steamship Co., 320 California Street, San Francisco, Calif. 94104.
D. (6) $100,000.

A. Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.
E.(9) $540.

A. C. T. Hoversten, 209 West 53d Street, Western Springs, Ill. 60558.
B. National Advertising Co., 6850 South Harlem Avenue, Bedford Park, Argo, Ill. 60501.

A. Thomas Howarth, 1601 K Street NW., Suite 1201, Washington, D.C. 20006.
B. U.S. Independent Telephone Association, 1601 K Street NW., Suite 1201, Washington, D.C. 20006.
D. (6) $1,395.99. E. (9) $1,395.99.

A. Joe L. Howell, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.
B. Allstate Enterprises, Inc., Allstate Plaza, Northbrook, Ill. 60062.

A. Joe L. Howell, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.
B. Allstate Insurance Co., Allstate Plaza, Northbrook, Ill. 60062.

A. Charles L. Huber, 1221 Massachusetts Avenue NW., Washington, D.C. 20005.
B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky.
D. (6) $10,312.50. E. (9) $250.87.

A. Vester T. Hughes, Jr., 4300 First National Bank Building, Dallas, Tex. 75202.
B. American National Financial Corp., 300 Delaware Avenue, Wilmington, Del. 19801.

A. Vester T. Hughes, Jr., 4300 First National Bank Building, Dallas, Tex. 75202.
B. Lomas & Nettleton Financial Corp., 2001 Bryan Tower, Dallas, Tex. 75222.
D. (6) $28,000.

A. Vester T. Hughes, Jr., 4300 First National Bank Building, Dallas, Tex. 75202.
B. Zale Corp., 3000 Diamond Park Drive, Dallas, Tex. 75247.
D. (6) $14,000.

A. Stanley W. Hulett, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, 260 Madison Avenue, New York, N.Y. 10016.

A. David J. Humphreys, Paulson & Humphreys, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. Recreation Vehicle Industry Association, P.O. Box 203, 14650 Lee Road, Chantilly, Va. 22021.
D. (6) $15,000.
E. (9) $1.

A. Milton F. Huntington, 283 Water Street, Augusta, Maine 04330.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $276.85. E. (9) $225.58.

A. James L. Huntley, Active Ballot Club Department, Retail Clerks International Association, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.
B. Retail Clerks International Association, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $7,601.10. E. (9) $1,611.17.

A. John Edward Hurley, 1101 New Hampshire Avenue NW., Washington, D.C. 20037.
E. (9) $25.

A. Philip A. Hutchinson, Jr., 475 L'Enfant Plaza SW., Suite 2450, Washington, D.C. 20024.
B. Volkswagen of America, Inc., 818 Sylvan Avenue, Englewood Cliffs, N.J. 07632.
D. (6) $500. E. (9) $10

A. Elmer P. Hutter, P.O Box 2255, Washington, D.C. 20013.
B. Elmer P. Hutter, lobbyist, P.O. Box 2255, Washington, D.C. 20013.
D. (6) $5.

A. Elmer P. Hutter, lobbyist, P.O. Box 2255, Washington, D.C. 20013.
B. American Unity Institution, et al., Washington, D.C.
D. (6) $1. E. (9) $139

A. F. N. Ikard, 1801 K Street NW., Washington, D.C. 20006.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $2,500. E. (9) $624.

A. Independent Gasoline Marketers Council, 1747 Pennsylvania Avenue NW., Suite 900, Washington, D.C. 20006.
E. (9) $136.60.

A. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20003.
D. (6) $11,550.24. E. (9) $11,550.24.

A. Intalco Aluminum Corp., P.O. Box 937, Ferndale, Wash. 98218.
E. (9) $2,331.14.

A. International Association of Machinists & Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
E. (9) $11,710.93.

A. International Brotherhood of Painters & Allied Trades, 1750 New York Avenue NW., Washington, D.C. 20006.
E. (9) $5,485.28.

A. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001.
E. (9) $19,353,40.

A. International Union, United Automobile, Aerospace & Agricultural Implement Workers of America, UAW, 8000 East Jefferson, Detroit, Mich. 48214.
D. (6) $130,722. E. (9) $130,722.

A. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.
E. (9) $2,411.

A. Investment Counsel Association of America, Inc., 127 East 59th Street, New York, N.Y. 10022.
E. (9) $257.

A. Iron Ore Lessors Association, Inc., 1500 First National Bank Building, St. Paul, Minn. 55101.
D. (6) $16,326.39. E. (9) $4,516.81.

A. Joseph S. Ives, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) 120.

A. Robert C. Jackson, 1150 17th Street NW., Suite 1001, Washington, D.C. 20036.
B. American Textile Manufacturers Institute, Inc., 1501 Johnston Building, Charlotte, N.C.
D. (6) $2,750. E. (9) $49.94.

A. Jim Jaffe.
B. American Bakers Association, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $1,437.50. E. (9) $4.90.

A. Philip F. Jehle, 300 National Press Building, Washington, D.C. 20045.
B. Smith Kline Corp., 1500 Spring Garden St., Philadelphia, Pa. 19101.
E. (9) $1,255.

A. David M. Jenkins II, 1800 K Street NW., Suite 622, Washington, D.C. 20006.
B. Goodyear Tire & Rubber Co., Akron, Ohio 44316.

A. Chris L. Jensen, 111 North Gadsden Street, Tallahassee, Fla. 32301.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $677.50. E. (9) $696.20.

A. Jersey Central Power & Light Co., Madison Avenue at Punch Bowl Road, Morristown, N.J. 07960.
E. (9) $13.30.

A. A. W. Jessup, 1025 Connecticut Avenue NW., Suite 1014, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y. 10020.

A. Guy E. Jester, J. S. Alberici Construction Co., Inc., 2150 Kienlen Avenue, St. Louis, Mo. 63121.
B. Association for Improvement of Mississippi River, c/o T. P. Walsch, 10 Broadway, St. Louis, Mo. 63102.

A. Anita Johnson, 2000 P Street NW., Washington, D.C. 20036.
B. Health Research Group, 2000 P Street, NW., Washington, D.C. 20036.
D. (6) $70.

A. Jess Johnson, Jr., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Shell Oil Co., 1 Shell Plaza, P.O. Box 2463, Houston, Tex. 77001.
D. (6) $500.

A. John Paul Johnson, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Natural Gas Supply Committee, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $223.51. E. (9) $150.

A. Rady A. Johnson, 1000 16th Street NW., Washington, D.C. 20036.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.
D. (6) $2,210.54. E. (9) $15.84.

A. Reuben L. Johnson, 1012 14th Street NW., Washington, D.C.
B. The Farmers' Educational and Co-Operative Union of America (National Farmers Union), 1012 14th Street NW., Washington, D.C.
D. (6) $6,063.12. E. (9) $299.46.

A. Stanley L. Johnson, 1001 Connecticut Avenue NW., Suite 510, Washington, D.C. 20036.
B. Texaco Inc., 135 East 42d Street, New York, N.Y. 10017.
D. (6) $50.

A. Charles N. Jolly, 1775 K Street NW., Suite 315, Washington, D.C. 20006.
B. Miles Laboratories, Inc., 1127 Myrtle Street, Elkhart, Ind. 46514.
E. (9) $319.

A. Allan R. Jones, 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $657.86.

A. Charlie W. Jones, Man-Made Fiber Producers Association, Inc., 1150 17th Street NW., Suite 310, Washington, D.C. 20036.
B. Man-Made Fiber Producers Association, Inc., 1150 17th Street NW., Washington, D.C. 20036.
D. (6) $659. E. (9) $250.

A. Ernest W. Jones, 1957 E Street NW., Washington, D.C. 20006.
B. Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. L. Dan Jones, 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $50.75.

A. Oliver H. Jones, 1125 15th Street NW., Washington, D.C. 20005.
B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $3,750. E. (9) $15,676.

A. Ronald K. Jones, 7841 Doane Court, Springfield, Va. 22152.
B. Mobile Homes Manufacturers Association, P.O. Box 201, Chantilly, Va. 22021.
D. (6) $5,530. E. (9) $66.09.

A. Carl D. Jordan, 408 East Maple Street, Fremont, Mich. 49412.
B. Gerber Products Co., 445 State Street, Fremont, Mich. 49412.
D. (6) $425. E. (9) $82.

A. Robert E. Juliano, 1666 K Street NW., Suite 304, Washington, D.C. 20006.
B. Hotel & Restaurant Employees & Bartenders International Union, 120 East Fourth Street, Cincinnati, Ohio 45202.
D. (6) $7,500. E. (9) $3,743.23.

A. Mrs. Fritz R. Kahn, 9202 Ponce Place, Fairfax, Va. 22030.
B. National Congress of Parents & Teachers, 700 North Rush Street, Chicago, Ill. 60611.
E. (9) $11.25.

A. Charles W. Karcher, 1735 Midland Building, Cleveland, Ohio 44115.
B. Standard Oil Co. (an Ohio corporation), Midland Building, Cleveland, Ohio 44115.
D. (6) $250.

A. Carleton R. Kear, Jr.
B. Retired Officers Association, 1625 I Street NW., Washington, D.C. 20006.
D. (6) $206.

A. William J. Keating, 725 15th Street N.W., Washington, D.C. 20005.
B. National Grain & Feed Association, 725 15th Street NW., Washington, D.C. 20005.

A. Howard B. Keck, 555 South Flower Street, Los Angeles, Calif. 90071.
B. Superior Oil Co., 555 South Flower Street, Los Angeles, Calif. 90071.
E. (9) $300.

A. W. M. Keck, Jr., 1801 Avenue of the Stars, Suite 1110, Los Angeles, Calif. 90067.
B. Superior Oil Co., 555 South Flower Street, Los Angeles, Calif. 90071.
E. (9) $275.

A. Patricia Keefer, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,937.50.

A. Paul J. Kelley.
B. Amerco, Inc., 2727 North Central Avenue, Phoenix, Ariz. 85004.
E. (9) $3,450.

A. Harold V. Kelly, 1101 15th Street NW., Washington, D.C. 20005.
B. Republic Steel Corp., Republic Building, Cleveland, Ohio 44101.

A. John T. Kelly, 1155 15th Street NW., Washington, D.C. 20005.
B. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.

A. George Kelm, Suite 5200, 1 First National Plaza, Chicago, Ill. 60603.
B. Myron Stratton Home, Post Office Box 1178, Colorado Springs, Colo. 80901.
E. (9) $20.

A. R. G. Kendall, Jr., P.O. Box 21, Montgomery, Alabama 36101.
B. Alabama Railroad Association, P. O. Box 21, Montgomery, Ala. 36101.

A. Harold L. Kennedy, 420 Cafritz Building, Washington, D.C. 20006.
B. Marathon Oil Co., Findlay, Ohio 45840.
E. (9) $387.20.

A. Jerry W. Kennedy, 1030 15th St. NW., Suite 700, Washington, D.C. 20005.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.

A. Jeremiah J. Kenney, Jr., 1730 Pennsylvania Ave. NW., Washington, D.C. 20006.
B. Union Carbide Corp., 1730 Pennsylvania Ave. NW., Washington, D.C. 20006.

A. Robert T. Kenney, 1001 Connecticut Avenue NW., Washington, D.C. 20036.
B. Texaco, Inc., 135 East 42d Street, New York, N.Y. 10017.

A. William J. Kenney, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $220. E. (9) $150.

A. John V. Kenny.
B. National Cable TV Association, Inc., 918 16th St., NW., Washington, D.C.
D. (6) $127.50. E. (9) $15.00.

A. Kenyon & Kenyon Reilly Carr & Chapin, 59 Maiden Lane, New York, N.Y. 10038.
B. Estate of Bert N. Adams, 1461 West 16th Place, Yuma, Ariz. 85364.
E. (9) $25.

A. Carl F. Kettler, 1709 New York Avenue, Washington, D.C. 20006.
B. Air Transport Association of America, 1709 New York Ave., Washington, D.C. 20006.
D. (6) $1,625. E. (9) $1,395.18.

A. James L. Kimble, American Insurance Association, 1025 Connecticut Ave., NW., Suite 415, Washington, D.C. 20036.
B. American Insurance Association, 1025 Connecticut Avenue, NW., Suite 415, Washington, D.C. 20036.
D. (6) $1,500. E. (9) $250.

A. Kenneth L. Kimble, 1730 Pennsylvania Avenue, NW., Washington, D.C. 20006.
B. American Life Insurance Association, Inc., 1730 Pennsylvania Avenue, NW., Washington, D.C., 20006.
D. (6) $125. E. (9) $65.

A. Charles L. King, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Life Insurance Association, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $60.

A. Susan B. King, 421 4th Street SE., Washington, D.C. 20003.
B. Center for Public Financing of Elections, 201 Massachusetts Avenue NE., Washington, D.C. 20002.
D. (6) $4,551.35.

A. John M. Kinnaird, 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Association, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $7,500. E. (9) $3,103.21.

A. Peter M. Kirby, 1709 New York Avenue, NW., Washington, D.C. 20006.
B. Air Transport Association, 1709 New York Avenue, NW., Washington, D.C. 20006.
D. (6) $2,031.25. E. (9) $1,268.33.

A. Kirkland, Ellis & Rowe, 1776 K Street NW., Washington, D.C. 20006.
B. Grocery Manufacturers of America, Inc., 1425 K Street NW., Washington, D.C. 20005.

A. Paul K. Kirkpatrick, Jr., 1000 Ouachita Bank Building, Monroe, La. 71201.
B. National Association of Manufacturers of Agricultural Trailers, Inc., 421 North Crockett St., Sherman, Tex. 75090.
E. (9) $15.12.

A. Paul R. Knapp, 1511 K Street NW., Washington, D.C. 20005.
B. Lumbermens Mutual Casualty Co., Long Grove, Ill. 60049.
D. (6) $875.

A. Andrew Kneier, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,000.

A. Philip M. Knox, Jr., 1211 Connecticut Avenue NW., Suite 802, Washington, D.C. 20036.
B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.
D. (6) $2,000. E. (9) $200.

A. Ruth E. Kobell, 1012 14th Street NW., Washington, D.C.
B. The Farmers' Educational and Co-Operative Union of America (National Farmers Union), P.O. Box 2251, Denver, Colo.
D. (6) $2,584.60. E. (9) $82.35.

A. Robert M. Koch, 1315 16th Street NW., Washington, D.C. 20036.
B. National Limestone Institute, Inc., 1315 16th Street NW., Washington, D.C. 20036.
E. (9) $21.65.

A. Robert M. Koch, Jr., 1315 16th Street NW., Washington, D.C. 20036.
B. National Limestone Institute, Inc., 1315 16th Street NW., Washington, D.C. 20036.
E. (9) $14.20.

A. Horace R. Kornegay, 1776 K Street NW., Suite 1200, Washington, D.C. 20006.
B. The Tobacco Institute, Inc., 1776 K Street NW., Washington, D.C. 20006.
D. (6) $500. E. (9) $150.

A. Paul A. Korody, Jr., 1725 Eye Street NW., Washington, D.C. 20006.
B. National Association of Food Chains, 1725 Eye Street NW., Washington, D.C. 20006.
E. (9) $500.

A. Kenneth S. Kovack, 815 16th Street NW., Suite 706, Washington, D.C. 20006.

UMI

B. United Steelworkers of America, Five Gateway Center, Pittsburgh, Pa. 15222.

D. (6) $5,414.66. E. (9) $917.80.

A. Amos Kramer, 8th and Jackson Streets, Suite 1414, Topeka, Kan. 66612.

B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.

D. (6) $471.20. E. (9) $411.87.

A. Louis C. Kramp & Associates, 1819 H Street NW., Suite 420, Washington, D.C. 20006.

B. Holiday Inns, Inc., Memphis, Tenn.

D. (6) $464.

A. Stephen W. Kraus, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. American Life Insurance Association, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Lawrence E. Kreider, 1015 18th Street NW., Washington, D.C. 20036.

B. Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.

A. Richard W. Kreutzen, 1700 K Street NW., Washington, D.C. 20006.

B. Standard Oil Co. of California, 1700 K Street NW., Washington, D.C. 20006.

D. (6) $600. E. (9) $298.50.

A. James S. Krzyminski, 1129 20th Street NW., Washington, D.C. 20036.

B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C.

D. (6) $678.35. E. (9) $51.76.

A. William J. Kuhfuss, 225 Touhy Avenue, Park Ridge, Ill. 60068.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.

D. (6) $1,192.

A. Lloyd R. Kuhn, 1725 De Sales Street NW., Washington, D.C. 20036.

B. Aerospace Industries Association of America, Inc., 1725 De Sales Street NW., Washington, D.C. 20036.

D. (6) $8,448. E. (9) $1,297.40.

A. Michael M. Kumpf, 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.

D. (6) $500. E. (9) $200.

A. Daniel M. Kush, 1615 H Street NW., Washington, D.C. 20006.

B. Chamber of Commerce of the USA, 1615 H Street NW., Washington, D.C. 20006.

A. Labor Bureau of Middle West, 1200 15th Street NW., Washington, D.C. 20005.

A. Laborers' International Union of North America, AFL–CIO, 905 16th Street NW., Washington, D.C. 20006.

E. (9) $16,049.32.

A. Labor-Management Martime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.

D. (6) $11,154. E. (9) $10,260.

A. Edward J. Lachowicz, 4317 Brandywine Street NW., Washington, D.C. 20016.

B. International Brotherhood of Electrical Workers, 1125 15th Street NW., Washington, D.C. 20005.

D. (6) $571.98.

A. Ralph D. B. Laime, 2201 Route 38, Cherry Hill, N.J. 08034.

B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

D. (6) $2,914.40. E. (9) $75.

A. Nick L. Laird, Suite 200, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. Shell Oil Co., 1 Shell Plaza, P.O. Box 2463, Houston, Tex. 77001.

D. (6) $500.

A. Lake Carriers' Association, 1411 Rockefeller Building, Cleveland, Ohio 44113.

A. David P. Lambert, 1701 K Street NW., Washington, D.C. 20006.

B. Health Insurance Association of America, 1701 K Street NW., Washington, D.C.

A. David R. Lambert, 1616 H Street NW., Washington, D.C. 20006.

B. National Grange, 1616 H Street NW., Washington, D.C. 20006.

D. (6) $2,000.

A. A. M. Lampley, 400 First Street NW., Suite 704, Washington, D.C. 20001.

B. United Transportation Union, 400 First Street NW., Suite 704, Washington, D.C. 20001.

E. (9) $125.

A. Land Improvement Contractors of America, 9515 Ogden Avenue, Brookfield, Ill. 60513.

D. (6) $1,500. E. (9) $1,500.

A. Karl S. Landstrom, 510 N. Edison Street, Arlington, Va. 22203.

B. Geothermal Resources International, Inc., 4676 Admiralty Way, Suite 503, Marina del Rey, Calif. 90291.

D. (6) $1,000. E. (9) $50.

A. Karl S. Landstrom, 510 N. Edison Street, Arlington, Va. 22203.

B. Sportsmans Paradise Homeowners Association, 8102, Milliken Avenue, Whittier, Calif. 90602.

D. (6) $399.15. E. (9) $25.

A. R. Josh Lanier.

B. National Cable Television Association, 918 16th Street NW., Washington, D.C.

D. (6) $1,325. E. (9) $25.

A. James J. LaPenta, Jr., 905 16th Street NW., Washington, D.C. 20006.

B. Laborers' International Union of North America, AFL–CIO, 905 16th Street NW., Washington, D.C. 20006.

E. (9) $959.75.

A. Thomas A. Larsen, Suite 1100, 1660 L Street NW., Washington, D.C.

B. Engelhard Industries, 430 Mountain Avenue, Murry Hill, N.J.

D. (6) $2,720. E. (9) $30.

A. Reed E. Larson, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22030.

B. National Right to Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22030.

D. (6) $111. E. (9) $6.

A. Glenn T. Lashley, 8111 Gatehouse Road, Falls Church, Va. 22042.

B. D.C. Division, American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22042.

A. George H. Lawrence, 1515 Wilson Boulevard, Arlington, Va. 22209.

B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.

D. (6) $550. E. (9) $135.

A. Delmar Dale Lawson, 900 15th Street NW., Washington, D.C. 20005.

B. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.

D. (6) $1,026.40 E. (9) $56.50.

A. Robert F. Lederer, 230 Southern Building, Washington, D.C. 20005.

B. American Association of Nurserymen, 230 Southern Building, Washington, D.C. 20005.

A. Robert W. Lee, 1028 Connecticut Avenue NW., No. 1004, Washington, D.C. 20036.

B. The John Birch Society, Inc., 395 Concord Avenue, Belmont, Mass. 02178.

A. Robert J. Leigh, 2100 M Street NW., Suite 307, Washington, D.C. 20037.

B. National Telephone Cooperative Association, 2100 M Street NW., Suite 307, Washington, D.C. 20037.

A. Gilbert LeKander, 910 17th Street NW., Suite 501, Washington, D.C. 20006.

B. Montana Power Co., 40 East Broadway, Butte, Mont. 59701; Washington Water Power Co., P. O. Box 3727, Spokane, Wash. 99220.

D. (6) $450.

A. Nils A. Lennartson, 801 North Fairfax Street, Alexandria, Va. 22314.

B. Railway Progress Institute, 801 North Fairfax Street, Alexandria, Va. 22314.

D. (6) $726.38.

A. Earl T. Leonard, Jr., Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.

B. Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.

D. (6) $354. E. (9) $742.79

A. Donald Lerch & Co., Inc., 1101 17th Street NW., Washington, D.C. 20036.

B. Shell Chemical Co., 2401 Crow Canyon Road, San Ramon, Calif.

A. Joseph A. Letorney, 20 Ashburton Place, Boston, Mass. 02108.

B. National Education Association, 1201 16th Street, NW., Washington, D.C. 20036.

D. (6) $3,271.50. E. (9) $75.

A. Harry LeVine, Jr., 777 14th Street NW., Washington, D.C.

B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn., 06431.

A. Robert G. Lewis.

B. Farmer's Educational and Co-Operative Union of America (National Farmers Union), 1012 14th Street NW., Washington, D.C.

D. (6) $1,723.08. E. (9) $15.84.

A. Ronald L. Leymeister, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $500. E. (9) $10.50.

A. Herbert Liebenson, 1225 19th Street NW., Washington, D.C. 20036.

B. National Independent Dairies Association, 1225 19th Street NW., Washington, D.C. 20036.

D. (6) $3,000. (9) $300.

A. Herbert Liebenson, 1225 19th Street NW., Washington, D.C. 20036.

B. National Small Business Administration, 1225 19th Street NW., Washington, D.C. 20036.

D. (6) $4,500. E. (9) $1,200.

A. Lester W. Lindow, 1735 DeSales Street NW., Washington, D.C. 20036.

B. Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.

A. John E. Linster, 2000 Westwood Drive, Wausau, Wis. 54401.

B. Employers Insurance of Wausau, 2000 Westwood Drive, Wausau, Wis. 54401.

D. (6) $500.

A. Ron M. Linton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.

B. Metropolitan Sanitary District of Greater Chicago, 100 East Erie Street, Chicago, Ill., 60611.

D. (6) $7,586.24. E. (9) $767.63.

A. Charles B. Lipsen.

B. National Cable Television Association, 918 16th Street NW., Washington, D.C.

D. (6) $11,442.34. E. (9) $400.

A. Robert G. Litschert, 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.

B. National Association of Electric Companies, 1140 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $360. E. (9) $222.36.

A. Harold D. Loden, 1030 15th Street NW., Washington, D.C.

B. American Seed Trade Association, 1030 15th Street NW., Washington, D.C. 20005.

D. (6) $700.

A. Sheldon I. London, 1025 Vermont Avenue NW., Washington, D.C. 20005.

B. National Home Furnishings Association, 405 Merchandise Mart, Chicago, Illinois. 60654.

D. (6) $800.

A. Philip J. Loree, 17 Battery Place North, New York, N.Y. 10004.

B. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.

D. (6) $200.

A. James F. Lovett, 1801 K Street NW., Washington, D.C. 20006.

B. Westinghouse Electric Corp., Westinghouse Building, Gateway Center, Pittsburgh, Pa. 15222.

D. (6) $500. E. (9) $100.

A. James P. Low, 1101 16th Street NW., Washington, D.C. 20036.

B. American Society of Association Executives, 1101 16th Street, NW., Washington, D.C. 20036.

A. Gerald M. Lowrie, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $2,000. E. (9) $789.55.

A. Freddie H. Lucas, 1156 Fifteenth Street NW., Washington, D.C. 20005.

B. J. C. Penney Co., Inc., 1301 Avenue of the Americas, New York, N.Y. 10019.

D. (6) $200. E. (9) $151.65.

A. Charles Emmet Lucey, 1701 Pennsylvania Avenue NW., Suite 500, Washington, D.C., 20006.

B. Catholic Press Association, 432 Park Avenue South, New York, N.Y. 10016.

D. (6) $500. E. (9) $10.

A. Charles Emmet Lucey, 1701 Pennsylvania Avenue NW., Suite 500, Washington, D.C. 20006.

B. Massachusetts Co-Operative Bank League, 225 Franklin Street, Boston, Mass. 02110.

D. (6) $100. E. (9) $10.

A. C. Lance Lujan, 1201 Sixteenth Street NW., Washington, D.C. 20036.

B. National Education Association, 1201 Sixteenth Street NW., Washington, D.C. 20036.

D. (6) $3,911.75. E. (9) $154.75.

A. Lumbermen's Mutual Casualty Company, Long Grove, Ill. 60049.

E. (9) $1,550.

A. Milton F. Lunch, 2029 K Street NW., Washington, D.C. 20006.

B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.

D. (6) $1,000.

A. Lund Levin & O'Brien, 1625 Eye Street NW., Washington, D.C. 20006.

B. Consolidated Edison Co. of New York, Inc., 4 Irving Place, Room 208, New York, N.Y. 10003.

D. (6) $1,500.

A. Lund Levin & O'Brien, 1625 Eye Street NW., Washington, D.C.

B. Jersey Central Power & Light Co., Madison Avenue at Punch Bowl Rd., Morristown, N.J. 07960.

D. (6) $13.30.

A. Lund Levin & O'Brien, 1625 Eye Street NW., Washington, D.C. 20006.

B. Pacific Northwest Power Co., Public Service Building, Portland, Ore. 97204.

D. (6) $534.50.

A. Lund Levin & O'Brien, 1625 Eye Street NW., Washington, D.C. 20006.

B. Pennsylvania Power & Light Co., Two North 9th Street, Allentown, Pa. 18101.

D. (6) $600. E. (9) $18.82.

A. Lund Levin & O'Brien, 1625 Eye Street NW., Washington, D.C. 20006.

B. Shanghai Power Co., 100 West 10th Street, Wilmington, Del. 19801.

D. (6) $120.

A. Lusk-Evans Ltd., 1120 Connecticut Avenue NW., Suite 940, Washington, D.C. 20036.

A. James H. Lynch, Jr., 1325 Massachusetts Avenue NW., Washington, D.C. 20005.

B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.

D. (6) $6,654.20. E. (9) $170.58.

A. Robert N. Lynch.

B. National Committee for a Human Life Amendment, Inc., 1707 L Street NW., Suite 400, Washington, D.C. 20036.

D. (6) $5,124.96. E. (9) $1,794.68.

A. Richard Lyng, P.O. Box 3556, Washington, D.C. 20007.

B. American Meat Institute, P.O. Box 3556, Washington, D.C. 20007.

D. (6) $500.

A. Shane MacCarthy, 1730 North Lynn Street, Arlington, Va. 22209.

B. Printing Industries of America, Inc., 1730 North Lynn Street, Arlington, Va. 22209.

D. (6) $1,125. E. (9) $1,755.95.

A. Duncan H. MacKenzie, 3019 Goat Hill Road, Bel Air, Md. 21014.

E. (9) $344.71.

A. John P. Mackey, 810 National Press Building, Washington, D.C. 20045.

B. Ad Hoc Committee in Defense of Life, Inc., 150 East 35th Street, New York, N.Y. 10016.

D. (6) $3,750. E. (9) $3,816.89.

A. Thomas J. Mader, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $2,625. E. (9) $45.

A. W. Terry Maguire, 491 National Press Building, Washington, D.C. 20045.

B. National Newspaper Association, 491 National Press Building, Washington, D.C. 20045.

E. (9) $12.34.

A. Charles D. Mahaffie, Jr., 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Cleary, Gottlieb, Steen & Hamilton (for Exxon Corp.), 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. Charles D. Mahaffie, Jr., 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Cleary, Gottlieb, Steen & Hamilton (for Getty Oil Co., Standard Oil Co., of California, Standard Oil Co. (Indiana)), 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. John F. Mahoney, 1776 K Street NW., Washington, D.C. 20006.

B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.

D. (6) $2,000. E. (9) $647.

A. Robert L. Maier, 900 17th Street NW., Washington, D.C. 20006.

B. Kaiser Aluminum Chemical Corp., 900 17th Street NW., Washington, D.C. 20006.

D. (6) $160. E. (9) $20.

A. Andre Maisonpierre, 1776 F Street NW., Washington, D.C. 20006.

B. American Mutual Insurance Alliance, 20 North Wacker Drive, Chicago, Ill. 60606.

E. (9) $995.

A. Thomas M. Malone, Suite 1014. 1025 Connecticut Avenue NW., Washington, D.C. 20030.

B. Exxon Co., U.S.A., P.O. Box 2180, Houston, Tex.

E. (9) $525.08.

A. John K. Mallory, Jr., 1250 Connecticut Avenue NW., Washington, D.C. 22036.

B. Cleary, Gottlieb, Steen & Hamilton (for Exxon Corp.), 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. John K. Mallory, Jr., 1250 Connecticut Avenue NW., Washington, D.C. 22036.

B. Cleary, Gottlieb, Steen & Hamilton (for Getty Oil Co., Standard Oil Co. of Calif., Standard Oil Co. (Ind.)), 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. Ben J. Man, 400 First Street NW., Suite 700, Washington, D.C. 20001.

B. Marine Engineers' Beneficial Association AFL–CIO, District No. 1, Pacific Coast District, 17 Battery Place, New York, N.Y. 10004.

D. (6) $1,801.80. E. (9) $326.93.

A. Carter Manasco, 5932 Chesterbrook Road, McLean, Va. 22101.

B. National Coal Association; Coal Building, 1130 17th Street NW., Washington, D.C. 20036.

D. (6) $7,374.99. E. (9) $99.80.

A. Mike Manatos, 1801 K Street NW., Suite 1104, Washington, D.C. 20006.

B. Procter & Gamble Manufacturing Co., 301 East Sixth Street, Cincinnati, Ohio 45202.

D. (6) $324.02. E. (9) $324.02.

A. ManExec, Inc., 231 East Vermijo Avenue, Box 572, Colorado Springs, Colo. 80901.

B. Red River Valley Cooperative, Inc., Box 43, Hillsboro, N. Dak. 58045.

A. Man-Made Fiber Producers Association, Inc., 1150 17th Street NW., Suite 310, Washington, D.C. 20036.

E. (9) $909.

A. H. Warren Mann, 1200 Travis, Houston, Tex. 77001.

B. Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.

A. Manufacturing Chemists Association, Inc., 1825 Connecticut Avenue NW., Washington, D.C. 20009.

D. (6) $5,000. E. (9) $3,000.

A. Dallace E. Marable, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $388. E. (9) $383.

A. John V. Maraney, 324 East Capitol Street, Washington, D.C. 20003.
B. National Association of Manufacturers, sociation, 324 East Capitol Street, Washington, D.C. 20003.

A. J. Eugene Marans, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Cleary, Gottlieb, Steen & Hamilton (for Natomas Co.), 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. Marilyn Marcosson, 1346 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Parents Committee Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,500.

A. Ronald M. Marcus, 1735 New York Avenue NW., Washington, D.C. 20006.
B. American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $1,500.

A. Marine Engineers' Beneficial Association, AFL–CIO, District No. 1, Pacific Coast District, 17 Battery Place, New York, N.Y. 10004.
E. (9) $7,618.23.

A. David J. Markey, 1771 N Street NW., Washington, D.C. 20036.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
D. (6) $800. E. (9) $240.32.

A. Rodney W. Markley, Jr., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich. 48121.

A. Ralph J. Marlatt, 1511 K Street NW., Washington, D.C. 20005.
B. National Association of Mutual Insurance Agents, 640 Investment Building, 1511 K Street NW., Washington, D.C. 20005.
E. (9) $675.

A. Dan V. Maroney, Jr., 5025 Wisconsin Avenue NW., Washington, D.C. 20016.
B. Amalgamated Transit Union, AFL–CIO, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

A. William J. Marschalk, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $3,030. E. (9) $180.

A. Winston W. Marsh, 1343 L Street NW., Washington, D.C. 20005.
B. National Tire Dealers & Retreaders Association, 1343 L Street NW., Washington, D.C.

A. C. Travis Marshall, Suite 1100, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Motorola, Inc., 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $300. E. (9) $75.

A. J. Paull Marshall, 40 Ivy Street SE., Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $221.91. E. (9) $131.65.

A. M & I Marshall & Ilsley Bank, 770 North Water Street, Milwaukee, Wis. 53202.
D. (6) $1,200. E. (9) $251.70.

A. Guy R. Martin, State of Alaska, 655 C Street SE., Washington, D.C. 20003.
B. State of Alaska.
D. (6) $5,867.74. E. (9) $5,018.82.

A. Thomas A. Martin, 1801 K Street NW., Washington, D.C. 20006.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $500. E. (9) $200.

A. Steven A. Martindale, 1425 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Mike M. Masaoka, Suite 520, Farragut Building, 900 17th Street NW., Washington, D.C. 20006.
B. American Japanese Trade Committee, Suite 520, 900 17th Street NW., Washington, D.C. 20006.

A. Mike M. Masaoka, Suite 520, 900 17th Street NW., Washington, D.C. 20006.
B. Association on Japanese Textile Imports, Inc., 551 Fifth Avenue, New York, N.Y. 10017.
D. (6) $500.

A. Mike M. Masooka, Suite 520, Farragut Building, 900 17th Street NW., Washington, D.C. 20006.
B. Nisei Lobby, 900 17th Street NW., Suite 520, Washington, D.C. 20007.

A. Mike M. Masaoka, Suite 520, 900 17th Street NW., Washington, D.C. 20006.
B. West Mexico Vegetables Distributors Association, P.O. Box 848, Nogales, Ariz. 85621.
D. (6) $500.

A. Paul J. Mason, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Life Insurance Association, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Jon G. Massey, Suite 3, 125 C Street SE., Washington, D.C. 20003.
B. Oil Investment Institute, Suite 3, 125 C Street SE., Washington, D.C. 20003.

A. P. H. Mathews, 40 Ivy Street SE., Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $755.36. E. (9) $285.37.

A. Daniel E. Matthews, 5109 Western Avenue NW., Washington, D.C. 20016.
B. National Public Employer Labor Relations Association, 5109 Western Avenue NW., Washington, D.C. 20016.
D. (6) $156. E. (9) $46.

A. Robert A. Matthews, 801 North Fairfax Street, Alexandria, Va. 22314.
B. Railway Progress Institute, 801 North Fairfax Street, Alexandria, Va. 22314.
D. (6) $363.20.

A. C. V. and R. V. Maudlin, 1111 E Street NW., Washington, D.C. 20004.
B. Georgia Power Co., 270 Peachtree Street, Atlanta, Ga.

A. C. V. and R. V. Maudlin, 1111 E Street NW., Washington, D.C. 20004.
B. Joint Government Liaison Committee, 1111 E Street NW., Washington, D.C. 20004.

A. Anthony F. Mauriello, 551 Fifth Avenue, Room 718, New York, N.Y. 10017.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $500. E. (9) $306.80.

A. Charles H. Mauzy, 3951 Snapfinger Parkway, Decatur, Ga. 30032.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $2,914.40. E. (9) $75.

A. Thomas H. Maxedon, 1810 Commonwealth Building, Louisville, Ky. 40202.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $243.74. E. (9) $43.05.

A. Arnold Mayer, 100 Indiana Avenue NW., Room 410, Washington, D.C 20001
B. Amalgamated Meat Cutters & Butcher Workmen of North America (AFL–CIO), 2800 North Sheridan Road, Chicago, Ill. 60657.
D. (6) $7,111. E. (9) $550.

A. Mayer, Brown & Platt, 231 South LaSalle Street, Chicago, Ill. 60604.
B. Encyclopaedia Britannica, Inc., 425 North Michigan Avenue, Chicago, Ill. 60611.
E. (9) $24.92.

A. Mayer, Brown & Platt, 231 South LaSalle Street, Chicago, Ill. 60604.
B. L. M. Williams and Clayton Burch families, c/o Continental Illinois National Bank & Trust Co., 231 South LaSalle Street, Chicago, Ill. 60693.

A. Mayer, Brown & Platt, 888 17th Street NW., Washington, D.C. 20006.
B. Nokota Co., P.O. Box 1633, Bismarck, N. Dak. 58501.
E. (9) $201.72.

A. Mayer, Brown & Platt, 888 17th Street NW., Washington, D.C. 20006.
B. Santee River Cypress Lumber Co. & Beidler Owners, Suite 1354, 222 West Adams Street, Chicago, Ill. 60606.
D. (6) $240.

A. Mayer, Brown & Platt, 231 South LaSalle Street, Chicago, Ill. 60604.
B. Scott, Foresman & Co., 1900 East Lake Avenue, Glenview, Ill. 60025.

A. H. Wesley McAden, 1707 L Street NW., Suite 650, Washington, D.C. 20036.
B. Cook Industries, Inc., 2185 Democrat Road, Memphis, Tenn. 38116.
D. (6) $1,500.

A. J. R. McAlpin, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Armco Steel Corp., Suite 419, 815 Connecticut Avenue NW., Washington, D.C. 20006.
D. (6) $360. E. (9) 97.88.

A. William J. McAuliffe, Jr., 1828 L Street NW., Suite 303, Washington, D.C.
B. American Land Title Association, 1828 L Street NW., Suite 303, Washington, D.C. 20036.

A. William C. McCamant, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $300.

A. Robert C. McCandless, 1725 I Street NW, Washington, D.C. 20006.
B. National Association of Real Estate Investment Trusts, 1101 17th Street NW., Suite 700, Washington, D.C. 20036.
D. (6) $195. E. (9) $28.18.

A. Robert C. McCandless, 1725 I Street NW., Washington, D.C. 20006.
B. Transamerica Insurance Corp. of California (Occidental Life), Occidental Center, Hill and Olive at 12th Street, Los Angeles, Calif. 90015.
D. (6) $360. E. (9) $60.15.

A. John A. McCart, 815 16th St. NW., Washington, D.C. 20006.
B. Public Employee Department, AFL–CIO, 815 16th Street N.W., Washington, D.C. 20006.
D. (6) $3,517.99.

A. Jack F. McCarthy, 2330 Johnson Drive, Shawnee Mission, Kans. 66205.

B. United Telecommunications, Inc., 2330 Johnson Drive, Shawnee Mission, Kans. 66205.
D. (6) $250. E. (9) $25.

A. Robert L. McCaughey.
B. National Federation of Independent Business, 490 L'Enfant Plaza East SW, Suite 3206, Washington, D.C. 20024.
D. (6) $2,250. E. (9) $529.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. Alfred P. Slaner, 640 Fifth Avenue, New York, N.Y. 10019.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga., 30301.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. Gulf & Western Industries, Inc., 1 Gulf & Western Plaza, New York, N.Y. 10023.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C., 20036.
B. Mobil Oil Corp., 150 East 42d Street New York, N.Y. 10017.
D. (6) $8,464.37. E. (9) $87.36.

A. McClure & Trotter, 1100 Connecticut Avenue, Suite 600, Washington, D.C. 20036.
B. Montgomery Coca-Cola Bottling Co., Inc., North Perry and Jefferson Streets, Montgomery, Ala. 35102.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. Quaker State Oil Refining Corp., Oil City, Pa., 16307.
D. (6) $259. E. (9) $30.30.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. United Artists Corp., 729 Seventh Avenue, New York, N.Y. 10019.
D. (6) $1,721.88.

A. Harry G. McComas, 1016 20th Street NW., Washington, D.C. 20036.
B. National Association Plumbing-Heating-Cooling Contractors, 1016 20th Street NW., Washington, D.C. 20036.
D. (6) $897.46. E. (9) $45.50.

A. Robert A. McConnell, Jr., 2721 North Central, Suite 802, Pheonix, Ariz. 85004.
B. AMERCO, International, 2727 North Central Avenue, Phoenix, Ariz. 85004.
D. (6) $1,496. E. (9) $3,340.03.

A. E. L. McCulloch, 819 Railway Labor Building, 400 First Street NW., Washington, D.C. 20001.
B. Brotherhood of Locomotive Engineers, Engineers Building, Cleveland, Ohio 44114.
D. (6) $284.60. E. (9) 81.50.

A. D. McCurrach, 1500 Wilson Boulevard, Suite 609, Arlington, Va. 22209.
B. National School Supply & Equipment Association, 1500 Wilson Boulevard, Arlington, Va. 22209.

A. Albert L. McDermott, 777 14th Street NW., Washington, D.C. 20005.
B. American Hotel and Motel Association, 888 Seventh Avenue, New York, N.Y. 10019.
D. (6) $478.73. E. (9) $176.59.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.
B. First National Bank of Chicago, 1 First National Plaza, Chicago, Ill. 60670.
D. (6) $22,500.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.
B. Iowa Beef Processors, Inc., Dakota City, Nebr. 68731.
E. (9) $52.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.
B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.
D. (6) $30,000. E. (9) 90.23.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.
B. Trustees under will of Warren Wright, deceased, c/o The First National Bank of Chicago, 1 First National Plaza, Chicago, Ill. 60670.
E. (9) $50.

A. Joseph A. McElwain, 40 East Broadway, Butte, Mont. 59701.
B. Montana Power Co., Butte, Mont. 59701.
E. (9) $100.75.

A. Stanley J. McFarland, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $5,800. E. (9) $845.89.

A. Robert E. McGarrah, Jr., Suite 708, 2000 P Street NW., Washington, D.C. 20036.
B. Health Research Group., 2000 P Street NW., Washington, D.C. 20036.

A. J. Raymond McGlaughlin, 400 First Street NW., Washington, D.C. 20001.
B. Brotherhood of Maintenance of Way Employes, 12050 Woodward Avenue, Detroit, Mich. 48203.
D. (6) $8,637.60.

A. Robert M. McGlotten, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $7,085. E. (9) $415.35.

A. Marshall C. McGrath.
B. International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $803.33. E. (9) $130.58.

A. Jack E. McGregor, 825 Third Avenue, New York, N.Y. 10022.
B. New England Petroleum Corp., 825 Third Avenue, New York, N.Y. 10022.
D. (6) $1,920. E. (9) $493.60.

A. F. Howard McGuigan, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $7,546.50. E. (9) $304.45.

A. Peter E. McGuire, 400 First Street NW., Washington, D.C. 20001.
B. National Association of Retired & Veteran Railway Employees, Inc., P.O. Box 6060, Kansas City, Kans. 66106; Hotel & Restaurant Employees & Bartenders International Union, 1666 K Street NW., Washington, D.C.; International Conference of Police Associations, 1239 Pennsylvania Avenue, SE., Washington, D.C. 20003.
D. (6) $800. E. (9) $800.

A. Clarence M. McIntosh Jr., 400 First Street NW., Washington, D.C. 20001.
B. Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.
D. (6) $853.26.

A. W. F. McKenna, McKenna & Fitting, 1156 15th Street NW., Washington, D.C. 20005.
B. First Federal Savings, Phoenix, Ariz.; First Federal Savings, Tampa, Fla.; City Federal Savings, Elizabeth, N.J.; First Federal Savings, Milwaukee, Wis.
D. (6) $7,500. E. (9) $2,181.21.

A. William F. McKenna, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.
B. National Savings & Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.

A. C. A. Mack McKinney, 110 Maryland Avenue NE., Suite 510, Washington, D.C. 20002.
B. National Headquarters, Marine Corps League, 933 North Kenmore Street, Suite 321, Arlington, Va. 22201.
E. (9) $13.

A. C. A. Mack McKinney, 110 Maryland Avenue NE., Suite 510, Washington, D.C. 20002.
B. Noncommissioned Officers Association of the U.S.A. (NCOA), P.O. Box 2268, San Antonio, Tex. 78298.
D. (6) $5,395.86. E. (9) $4,027.15.

A. John S. McLees, 1615 H Street NW., Washington, D.C. 20006.
B. Chamber of Commerce of the U.S.A., 1615 H Street NW., Washington, D.C. 20006.
E. (9) $175.

A. William F. McManus, 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 570 Lexington Avenue, New York, N.Y. 10022.
D. (6) $310. E. (9) $185.

A. C. W. McMillan, Suite 1015, National Press Building, 14th and F Streets, Washington, D.C. 20045.
B. American National Cattlemen's Association, 1001 Lincoln, Denver, Colo. 80202.
D. (6) $1,500.

A. Ralph J. McNair, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Life Insurance Association, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $100.

A. McNutt, Dudley, Easterwood & Losch, 910 17th Street NW., Washington, D.C. 20006.
B. American Dredging Co., et al.
D. (6) $11,250. E. (9) $2,217.94.

A. Harry McPherson, Suite 1100, 1660 L Street NW., Washington, D.C.
B. Montgomery Ward, Inc., P.O. Box 18339, Chicago, Ill. 60680.
D. (6) $550. E. (9) $25.

A. Harry McPherson, Suite 1100, 1660 L Street NW., Washington, D.C. 20036.
B. Small Producers Group for Energy Independence, Suite 970, 4th Financial Center, Wichita, Kans. 67202.
D. (6) $9,375. E. (9) $100.

A. George G. Mead, 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $749.13.

A. William H. Megonnell, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Association of Electric Companies, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,079. E. (9) $4.16.

A. Robert L. Melbern, Route 3, Gatesville, Tex. 76528.

B. National Association of Farmer Elected Committeemen, c/o Robert L. Melbern, Route 3, Gatesville, Tex. 76528.

E. (9) $90.68.

A. R. Otto Meletzke, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. American Life Insurance Association, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Jeffrey M. Menick, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.

B. American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.

D. (6) $1,500. E. (9) $250.

A. Ellis E. Meredith, 1611 North Kent Street, Arlington, Va. 22209.

B. American Apparel Manufacturers Association, Inc., 1611 North Kent Street, Arlington, Va. 22209.

E. (9) $129.52.

A. Louis L. Meier, Jr., 1625 Eye Street NW., Washington, D.C. 20006.

B. American Society of Civil Engineers, United Engineering Center, 345 East 47th Street, New York, N.Y. 10017.

D. (6) $300. E. (9) $220.

A. Kenneth A. Meiklejohn, 815 16th Street NW., Washington, D.C.

B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.

D. (6) $7,546.50.

A. Edward L. Merrigan, 888 17th Street NW., Washington, D.C. 20006.

B. National Association of Recycling Industries, Inc., 330 Madison Avenue, New York, N.Y. 10017.

D. (6) $9,375. E. (9) $561.02.

A. John A. Merrigan, Suite 1100, 1660 L Street NW., Washington, D.C.

B. Engelhard Industries, 430 Mountain Avenue, Murry Hill, N.J.

D. (6) $5,400. E. (9) $40.

A. John A. Merrigan, 1660 L Street NW., Washington, D.C. 20036.

B. Small Producers Group for Energy Independence, Suite 970, Fourth Financial Center, Wichita, Kans. 67202.

D. (6) $2,000. E. (9) $50.

A. Lawrence C. Merthan, 1015 18th Street NW., Washington, D.C. 20036.

B. Carpet & Rug Institute, Dalton, Ga. 30720.

D. (6) $1,200. E. (9) $150.

A. Metropolitan Washington Board of Trade, 1129 20th Street NW., Washington, D.C. 20036.

A. George F. Meyer, Jr.

B. Retired Officers Association, 1625 I Street NW., Washington, D.C. 20006.

D. (6) $492.

A. James G. Michaux, 1801 K Street NW., Washington, D.C. 20006.

B. Federated Department Stores, Inc., 222 West Seventh Street, Cincinnati, Ohio 45202.

D. (6) $500.

A. Bryan P. Michener, 245 Second Street NW., Washington, D.C.

B. Friends Committee on National Legislation, 245 Second Street NE., Washington, D.C.

D. (6) $324.

A. Donald Michieli, Suite 1015, National Press Building, 14th and F Streets NW., Washington, D.C. 20045.

B. American National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80202.

D. (6) $1,000.

A. Mid-Continent Oil & Gas Association, 1111 Thompson Building, Tulsa, Okla. 74103.

D. (6) $4,232.54. E. (9) $2,499.99.

A. A. Stanley Miller, 910 16th Street NW., Room 302, Washington, D.C. 20006.

B. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.

D. (6) $100.

A. Dale Miller, 377 Mayflower Hotel, Washington, D.C. 20036.

B. Gulf Intracoastal Canal Association, Houston, Tex.

D. (6) $262.50. E. (0) $28.15.

A. Dale Miller, 377 Mayflower Hotel, Washington, D.C. 20036.

B. Texasgulf, Inc., New York, N.Y.

D. (6) $375. E. (9) $314.21.

A Edwin Reid Miller, Union Pacific Building, 1416 Dodge Street, Omaha, Nebr. 68179.

B. Nebraska Railroad Association, Union Pacific Building, 1416 Dodge Street, Omaha, Nebr. 68179.

D. (6) $7,049.88. E. (9) $29.06.

A. Joe D. Miller, 535 North Dearborn Street, Chicago, Ill. 60610.

B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.

D. (6) $875.

A. Lester F. Miller, 1750 Pennsylvania Avenue NW., Washington, D.C.

B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.

D. (6) $269. E. (9) $15.

A. Luman G. Miller, 620 Southwest Fifth Avenue Building, Suite 912, Portland, Oreg. 97204.

B. Oregon Railroad Association, 620 Southwest Fifth Avenue Building, Suite 912, Portland, Oreg. 97204.

A. Jack Mills, 1776 K Street NW., Washington, D.C. 20006.

B. Tobacco Institute, Inc., 1776 K Street NW., Washington, D.C. 20006.

D. (6) $1,200. E. (9) $105.

A. William E. Minshall, Suite 905, 1730 M Street NW., Washington, D.C. 20036.

B. Trustees of the Property of Erie Lackawanna Railway Co., Midland Building, Cleveland, Ohio 44115.

D. (6) $1,800. E. (9) $270.

A. Clarence Mitchell, 733 15th Street NW., Suite 410, Washington, D.C. 20005.

B. National Association for the Advancement of Colored People, 1790 Broadway, New York, N.Y. 10019.

D. (6) $4,000.

A. Thomas F. Mitchell, Georgia-Pacific Corp., 1735 I Street NW., Washington, D.C. 20006.

B. Georgia-Pacific Corp., 900 Southwest Fifth Avenue, Portland, Oreg. 97204.

E. (9) $258.

A. Mobile Homes Manufacturers Association, P.O. Box 201, 14650 Lee Road, Chantilly, Va. 22021.

D. (6) $1,611.09. E. (9) $1,611.09.

A. Phillip W. Moery, 1110 Marion Drive, Wynne, Ark. 72396.

B. Riviana Foods, Inc., 2777 Allen Parkway, Houston, Tex. 77019.

D. (6) $924. E. (9) $75.80.

A. Graham T. T. Molitor, 1629 K Street NW., Suite 403, Washington, D.C. 20006.

B. General Mills, Inc., P.O. Box 1113, Minneapolis, Minn. 55440.

D. (6) $182. E. (9) $246.13.

A. Lawrence A. Monaco, 1600 I Street NW., Washington, D.C. 20006.

B. Motion Picture Association of America, Inc., 1600 I Street NW., Washington, D.C. 20006.

A. John S. Monagan, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Connecticut Bankers Association, 100 Constitution Plaza, Hartford, Conn. 06103.

D. (6) $1,197. E. (9) $46.45.

A. Michael Monroney, 2030 M Street NW., Washington, D.C. 20036.

B. TRW Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.

D. (6) $1,000.

A. G. Merrill Moody, 40 Ivy Street SE., Washington, D.C. 20003.

B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.

D. (6) $71.69. E. (9) $76.97.

A. O. William Moody, Jr., 815 16th Street NW., Room 510, Washington, D.C. 20006.

B. Maritime Trades Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $2,500. E. (9) $811.45.

A. Montgomery Ward & Co., Inc.

B. Montgomery Ward & Co., Inc., 535 West Chicago Avenue, Chicago, Ill.

E. (9) $1,068.

A. Jo V. Morgan, Jr., 815 15th Street NW., Washington, D.C. 20005.

B. American Human Association, P.O. Box 1266, Denver, Colo. 80201.

D. (6) $1,800.

A. Morison, Murphy, Abrams & Haddock, 1776 K Street NW., Suite 900, Washington D.C. 20006.

B. Sperry & Hutchinson Co., 330 Madison Avenue, New York, N.Y.

A. Gene P. Morrell, 1025 Connecticut Avenue NW., Suite 1206, Washington, D.C 20036.

B. Lone Star Gas Co., 301 South Harwood, Dallas, Tex. 75201.

D. (6) $1,500. E. (9) $987.

A. Jack Moskowitz, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $8,228.70. E. (9) $128.70.

A. Lynn E. Mote, 1133 15th Street NW., Suite 503, Washington, D.C. 20005.

B. Northern Natural Gas Co., 2223 Dodge Street, Omaha, Nebr. 68102.

A. John J. Motley.

B. National Federation of Independent Business, 490 L'Enfant Plaza East SW., Suite 3206, Washington, D.C. 20024.

D. (6) $2,250. E. (9) $386.

A. Karen Mulhauser, 705 G Street SE., Washington, D.C.

B. National Abortion Rights Action League, 250 West 57th Street, New York, N.Y. 10019.

D. (6) $2,870.40. E. (9) $3,562.24.

A. William G. Mullen, 491 National Press Building, Washington, D.C. 20045.

B. National Newspaper Association, 491 National Press Building, Washington, D.C. 20045.

E. (9) $179.72.

A. Robert M. Mulligan, 1105 Barr Building, Washington, D.C. 20006.

B. International Association of Ice Cream Manufacturers & Milk Industry Foundation, 1105 Barr Building, Washington, D.C. 20006.

A. Daniel J. Mundy, 815 16th Street NW., Suite 603, Washington, D.C. 20006.

B. Building & Construction Trades Department, 815 16th Street NW., Suite 603, Washington, D.C. 20006.

D. (6) $6,249.88. E. (9) $2,226.

A. Jerome E. Murphy, 133 C Street SE., Washington, D.C. 20003.

B. Congress Watch, 133 C Street S.E., Washington, D.C. 20003.

D. (6) $2,500.

A. John J. Murphy, Shoreham Building, Suite 416, 806 15th Street NW., Washington, D.C. 20005.

B. National Customs Service Association.

A. Richard E. Murphy, 900 17th Street N.W., Washington, D.C. 20006.

B. Service Employees International Union, AFL–CIO, 900 17th Street NW., Washington, D.C. 20006.

D. (6) $1,000. E. (9) $100.

A. Richard W. Murphy, 1200 18th Street NW., Suite 1109, Washington, D.C. 20036.

B. Merck & Co., Inc., Rahway, N.J. 07065.

D. (6) $500. E. (9) $100.

A. D. Michael Murray, 1120 Connecticut Avenue, Suite 842, Washington, D.C. 20036.

B. Chicago, Milwaukee, St. Paul & Pacific Railroad Co., 516 West Jackson Boulevard, Chicago, Ill. 60606.

D. (6) $200. E. (9) $203.

A. D. Michael Murray, 1120 Connecticut Avenue, Suite 842, Washington, D.C. 20036.

B. Cleveland-Cliffs Iron Co., 1460 Union Commerce Building, Cleveland, Ohio 44115.

D. (6) $200. E. (9) $80.

A. D. Michael Murray, 1120 Connecticut Avenue, Suite 842, Washington, D.C. 20036.

B. Freeport Minerals Co., 161 East 42d Street, New York, N.Y. 10017.

D. (6) $155. E. (9) $157.

A. D. Michael Murray, 1120 Connecticut Avenue, Suite 842, Washington, D.C. 20036.

B. Iron Ore Lessors Association, Inc., 1500 First National Bank Building, St. Paul, Minn.

D. (6) $100.

A. D. Michael Murray, 1120 Connecticut Avenue, Suite 842, Washington, D.C. 20036.

B. National Association of Industrial Parks, 1800 North Kent Street, Arlington, Va. 22209.

D. (6) $100. E. (9) $93.

A. D. Michael Murray, 1120 Connecticut Avenue, Suite 842, Washington, D.C. 20036.

B. National Council of Coal Lessors, Inc., 1425 H Street NW., Washington, D.C. 20005.

D. (6) $100. E. (9) $55.

A. D. Michael Murray, 1120 Connecticut Avenue, Suite 842, Washington, D.C. 20036.

B. United Service Organization, 237 East 52d Street, New York, N.Y. 10022.

D. (6) $100. E. (9) $45.

A. Rosemary G. Murray, 1800 K Street NW., Suite 900, Washington, D.C. 20006.

B. Pan American World Airways, 1800 K Street NW., Suite 900, Washington, D.C. 20006.

E. (9) $328.10.

A. William E. Murray, 2000 Florida Avenue NW., Washington, D.C. 20009.

B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.

D. (6) $185.

A. Thomas H. Mutchler.

B. International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.

D. (6) $300. E. (9) $53.

A. Fred A. Myers, 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.

A. J. Walter Myers, Jr., 4 Executive Park East NE., Atlanta, Ga. 30329.

B. Forest Farmers Association, 4 Executive Park East NE., Atlanta, Ga. 30329.

D. (6) $250. E. (9) $293.08.

A. Kenneth D. Naden, 1129 20th Street NW., Washington, D.C. 20036.

B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C.

D. (6) $729.19. E. (9) $16.86.

A. John J. Nangle, 1625 I Street NW., Suite 1001, Washington, D.C. 20006.

B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.

D. (6) $2,000. E. (9) $500.

A. Augustus Nasmith, Pennsylvania Station, Raymond Plaza, Newark, N.J. 07102.

B. Associated Railroads of New Jersey, Pennsylvania Station, Raymond Plaza, Newark, N.J. 07102.

D. (6) $90.

A. National Agricultural Chemicals Association, 1155 15th Street NW., Washington, D.C. 20005.

A. National Air Carrier Association, 1730 M Street NW., Washington, D.C. 20036.

D. (6) $962.50. E. (9) $962.50.

A. National Alliance of Senior Citizens, PO. Box 40031, Washington, D.C. 20016.

D. (6) $169. E. (9) $1,049.88

A. National Association for the Advancement of Colored People, 1790 Broadway, New York, N.Y. 10019.

D. (6) $23,895.70. E. (9) 23,930.52.

A. National Association for Humane Legislation, Inc., 675 Pinellas Point Drive South, St. Petersburg, Fla. 33705.

D. (6) $235. E. (9) $117.38.

A. National Association of Electric Co., 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.

D. (6) $46,765.33. E. (9) $11,375.02.

A. National Association of Farm & Ranch Trailer Manufacturers, Inc., 109 West Houston, Sherman, Tex. 75090.

D. (6) $2,500. E. (9) $1,726.54.

A. National Association of Farmer Elected Committeemen, c/o Robert L. Melbern, Route 3, Gatesville, Tex. 76528.

D. (6) $2,245.69. E. (9) $2,245.69.

A. National Association of Federal Credit Unions, 1156 15th Street NW., Suite 315, Washington, D.C. 20005.

D. (6) $300. E. (9) $117.50.

A. National Association of Furniture Manufacturers, 8401 Connecticut Avenue NW., Suite 911, Washington, D.C. 20015.

D. (6) $1,750. E. (9) $1,230.

A. National Association of Insurance Agents, Inc., 85 John Street, New York, N.Y. 10038.

E. (9) $14,943.94.

A. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.

D. (6) $897,338.44. E. (9) $47,257.75.

A. National Association of Margarine Manufacturers, 1725 K Street NW., Suite 1202, Washington, D.C. 20006.

A. National Association of Mutual Insurance Cos., 2511 East 46th Street, Suite H, Indianapolis, Ind. 46205.

A. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.

D. (6) $5,299.31. E. (9) $5,299.31.

A. National Association of Plumbing-Heating-Cooling Contractors, 1016 20th Street NW., Washington, D.C. 20036.

D. (6) $3,861.58. E. (9) $3,861.58.

A. National Association of Real Estate Investment Trusts, Inc., 1101 17th Street NW., Suite 700, Washington, D.C. 20036.

D. (6) $550. E. (9) $503.18.

A. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.

E. (9) $14,946.42.

A. National Broiler Council, 1155 Fifteenth Street NW., Washington, D.C. 20005.

D. (6) $300. E. (9) $300.

A. National Committee Against Repressive Legislation, 1250 Wilshire Boulevard, Suite 501, Los Angeles, Cal. 90017.

D. (6) $571.50. E. (9) $2,142.07.

A. National Committee for Effective No-Fault, 2535 Massachusetts Avenue NW., Washington, D.C. 20008.

D. (6) $1,800. E. (9) $1,426.86.

A. National Committee for a Human Life Amendment, Inc., 1707 L Street NW., Suite 400, Washington, D.C. 20036.

D. (6) $22,260.35. E. (9) $8,806.78.

A. National Committee for Research in Neurological Disorders, 927 National Press Building, Washington, D.C. 20045.

D. (6) $2,085. E. (9) $7,090.92.

A. National Consumer Alliance, 1922 North High Street, Columbus, Ohio 43201.

D. (6) $531. E. (9) $531.

A. National Consumer Finance Association, 1000 16th Street NW., Washington, D.C. 20036.

E. (9) $602.90.

A. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.

D. (6) $16,445.39. E. (9) $16,445.39.

A. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C. 20036.

D. (6) $54,141. E. (9) $53,189.

A. National Council for a Responsible Firearms Policy, Inc., 1028 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $808.50. E. (9) $65.

A. National Council to Control Handguns, 1910 K Street NW., Washington, D.C. 20006.

D. (8) $3,407.12. E. (9) $6,966.41.

A. National Counsel Associates, 421 New Jersey Avenue SE., Washington, D.C. 20003.

B. Cenco Instruments Corp., 2600 S. Kosther Avenue, Chicago, Ill.

D. (6) $2,475. E. (9) $175.18.

A. National Counsel Associates, 421 New Jersey Avenue SE., Washington, D.C. 20003.

B. Committee for Study of Revenue Bond Financing, 1000 Ring Building, Washington, D.C.

D. (6) $277.78. E. (9) $29.08.

A. National Counsel Associates, 421 New Jersey Avenue SE., Washington, D.C. 20003.
B. Domestic Wildcatters Association, 900 First National Bank Building, Houston, Tex. 77002.
D. (6) $10,000. E. (9) $368.20.

A. National Counsel Associates, 421 New Jersey Avenue SE., Washington, D.C. 20003.
B. Encyclopædia Britannica Educational Corp., 425 North Michigan Avenue, Chicago, Ill.
D. (6) $1,600. E. (9) $215.72.

A. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $53,937. E. (9) $3,540.34.

A. National Electrical Manufacturers Association, 155 East 44th Street, New York, N.Y. 10017.

A. National Federation of Federal Employees, 1737 H Street NW., Washington, D.C. 20006.
D. (6) $358,068.16. E. (9) $19,558.03.

A. National Grain & Feed Association, 725 15th Street NW., No. 500, Washington, D.C. 20005.

A. National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $106,476.70. E. (9) $15,232.50.

A. National Guard Association of the United States, 1 Massachusetts Avenue NW., Washington, D.C. 20001.
D. (6) $15,275. E. (9) $982.06.

A. National Home Furnishings Association, 405 Merchandise Mart, Chicago, Ill. 60654.
E. (9) $1,690.50.

A. National Limestone Institute, Inc., 1315 16th Street NW., Washington, D.C. 20036.
D. (6) $7,742.38. E. (9) $7,742.38.

A. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $4,947.73. E. (9) $4,947.73.

A. National Motorsports Committee of ACCUS, Suite 302, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $5,000. E. (9) $1,094.27.

A. National Oil Jobbers Council, 1750 New York Avenue, NW., Suite 230, Washington, D.C. 20006.
D. (6) $101,540. E. (9) $12,555.15.

A. National Rehabilitation Association, 1522 K Street NW., Suite 1120, Washington, D.C. 20005.
D. (6) $13,065. E. (9) $564.

A. National Retail Merchants Association, 100 West 31st Street, New York, N.Y. 10001.
E. (9) $102.50.

A. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $17,668.57. E. (9) $25,000.28.

A. National Right to Work Committee, 8316 Arlington Blvd., Suite 600, Fairfax, Va. 22030.
D. (6) $3,813. E. (9) $3,813.

A. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
E. (9) $3,607.51.

A. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
D. (6) $2,698. E. (9) $3,488.

A. National Savings & Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.
D. (6) $222,370.18. E. (9) $2,881.

A. National Security Traders Association, Inc., 55 Broad Street, New York, N.Y. 10004.
E. (9) $1,500.

A. National Small Business Association, 1225 19th Street NW., Washington, D.C. 20036.
D. (6) $5,000. E. (9) $2,562.52.

A. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $12,500. E. (9) $19,213.47.

A. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $2,569.08.

A. National Solid Wastes Management Association, 1730 Rhode Island Avenue NW., No. 800, Washington, D.C. 20036.

A. National Telephone Cooperative Association, 2100 M Street NW., Suite 307, Washington, D.C. 20037.
E. (9) $1,390.

A. National Tire Dealers & Retreaders Association, 1343 L Street NW., Washington, D.C.
D. (6) $535. E. (9) $535.

A. National Woman's Christian Temperance Union, 1730 Chicago Avenue, Evanston, Illinois 60201.
D. (6) $1,317.82. E. (9) $1,883.12.

A. Natural Gas Supply Committee, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $94,100. E. (9) $7,994.86.

A. Alexander W. Neale, Jr., 1015 18th Street NW., Washington, D.C. 20036.
B. Conference of State Bank Supervisors.
D. (6) $1,645.

A. Alan M. Nedry, 1801 K Street NW., No. 1401, Washington, D.C. 20006.
B. Southern California Edison Co., P.O. Box 800, Rosemead, California 91770.
D. (6) $300. E. (9) $186.

A. Allen Neece, Jr., 512 Washington Building, Washington, D.C. 20005.
B. National Association of Small Business Investment Co., 512 Washington Building, Washington, D.C. 20005.
D. (6) $1,500.

A. Frances E. Neely, 245 Second Street NE., Washington, D.C.
B. Friends Committee on National Legislation, 245 Second Street NE., Washington, D.C.
D. (6) $1,729.

A. Stanley Nehmer, Suite 800, 1101 17th Street NW., Washington, D.C. 20036.
B. American Footwear Industries Association, 1611 North Kent Street, Arlington, Va. 22209.
D. (6) $750. E. (9) $500.

A. George Nelson, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
B. International Association of Machinists & Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6 $4,000. E. (9) $152.92.

A. Robert W. Nelson, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $160.

A. Ivan A. Nestingen, Suite 700, 1010 16th Street NW., Washington, D.C. 20036.
B. American Nursing Home Association, 1200 15th Street NW., Washington, D.C. 20005.
D. (6) $800. E. (9) $88.30.

A. E. John Neumann, 1516 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $1,380. E. (9) $500.

A. Robert B. Neville, 1155 15th Street NW., Suite 505, Washington, D.C. 20005.
B. National Restaurant Association, 1155 15th Street NW., Washington, D.C., One IBM Plaza, Suite 2600, Chicago, Ill.
D. (6) $1900. E. (9) $1031.20.

A. Louis H. Nevins, 1709 New York Avenue NW., Suite 200, Washington, D.C. 20006.
B. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.
D. (6) $2,312.50. E. (9) $516.62.

A. E. J. Newbould, 1130 17th Street NW., Washington, D.C. 20036.
B. National Clay Pipe Institute, P.O. Box 310, Crystal Lake, Ill. 60014.
D. (6) $150. E. (9) $33.29.

A. H. W. Newman, 1001 Third Street SW., Washington, D.C. 20024.
B. U.S. Coast Guard Chief Petty Officers Association, 1001 Third Street SW., Washington, D.C.
D. (6) $9,500. E. (9) $3,226.

A. New York Committee of International Committee of Passenger Lines, 25 Broadway, New York, N.Y. 10004.
D. (6) $35,250. E. (9) $24,089.

A. Charles E. Nichols, 101 Constitution Avenue NW., Washington, D.C. 20001.
B. United Brotherhood of Carpenters & Joiners of America, 101 Constitution Avenue NW., Washington, D.C. 20001.
D. (6) $475. E. (9) $171.76.

A. F. Clayton Nicholson, Box 15, Route 1, Henryville, Pa. 18332.
B. Northern Helex Co., 2223 Dodge Street, Omaha, Nebr. 68102.
D. (6) $2,000. E. (9) $561.

A. Patrick J. Nilan, 817 14th Street NW., Washington, D.C.
B. American Postal Workers Union, AFL-CIO, 817 14th Street NW., Washington, D.C.
D. (6) $9,056.32. E. (9) $1,942.43.

A. Robert W. Nolan, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Fleet Reserve Association, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.
D. (6) $100.

A. Nancy A. Nord, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $100. E. (9) $5.

A. Carl A. Nordberg, Jr., Suite 500, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Chrysler Corp., P.O. Box 1919, Detroit, Mich. 48231.
D. (6) $400. E. (9) $6.25.

A. M. Kathryn Nordstrom, 1133 20th Street NW., Washington, D.C. 20036.
B. National Canners Association, 1133 20th Street NW., Washington, D.C. 20036.
D. (6) $400. E. (9) $100.

A. Robert D. Nordstrom, 1133 20th Street NW., Washington, D.C. 20036.
B. National Canners Association, 1133 20th Street NW., Washington, D.C. 20036.
D. (6) $400. E. (9) $100.

A. Robert B. Norris, 1000 16th Street NW., Suite 601, Washington, D.C. 20036.
B. National Consumer Finance Association, 1000 16th Street NW., Suite 601, Washington, D.C. 20036.
D. (6) $270.

A. Robert H. North, 910 17th Street NW., Washington, D.C. 20006.
B. International Association of Ice Cream Manufacturers & Milk Industry Foundation, 910 17th Street NW., Washington, D.C. 20006.
E. (9) $143.88.

A. Seward P. Nyman, 20 Chevy Chase Circle NW., Washington, D.C. 20015.
B. American Podiatry Association, 20 Chevy Chase Circle NW., Washington, D.C. 20015.
D. (6) $650.

A. Coleman C. O'Brien, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. U.S. League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $1,312.50. E. (9) $35.75.

A. John F. O'Brien, 410 Asylum Street, Hartford, Conn. 06103.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $300. E. (9) $201.41.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Alleghany Corp., New York, N.Y.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Suite 600, Washington, D.C. 20006.
B. American Clinical Laboratory Association, 1747 Pennsylvania Avenue NW., Suite 600, Washington, D.C. 20006.
D. (6) $2,000. E. (9) $126.25.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Suite 600, Washington, D.C. 20006.
B. American Public Transit Association, 1100 17th Street NW., Washington, D.C. 20036.
D. (6) $2,625. E. (9) $201.50.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Suite 600, Washington, D.C. 20006.
B. Glass-Steagall Act Study Group, 1200 18th Street NW., Washington, D.C. 20036.
D. (6) $2,777.72. E. (9) $310.26.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Suite 600, Washington, D.C. 20006.
B. Hospital Financing Study Group, New York, N.Y.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Investors Diversified Services, Inc., Suite 2900, IDS Tower, Minneapolis, Minn. 55402.
D. (6) $500. E. (9) $50.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Suite 600, Washington, D.C. 20006.
B. Minneapolis City Council, 307 City Hall, Minneapolis, Minn. 55415.
D. (6) $5,000. E. (9) $635.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Suite 600, Washington, D.C. 20006.
B. National Association of Church and Institutional Financing Organizations, 1747 Pennsylvania Avenue NW., Suite 600, Washington, D.C. 20006.
D. (6) $100. E. (9) $48.01.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Suite 600, Washington, D.C. 20006.
B. National Association of Women's and Children's Apparel Salesmen (NAWCAS), 515 Peachtree, Palisades Building, Atlanta, Ga.
D. (6) $1,000.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Suite 600, Washington, D.C. 20006.
B. National Federation of Independent Business, 150 West 20th Avenue, San Mateo, Calif. 94403.
D. (6) $2,000.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Suite 600, Washington, D.C. 20006.
B. National Hockey League, Two Pennsylvania Plaza, Suite 2480, New York, N.Y. 10001.
D. (6) $1,000. E. (9) $50.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Suite 600, Washington, D.C. 20006.
B. Upper Mississippi Towing Corp., 7703 Normandale Road, Room 110, Minneapolis, Minn. 55435.
D. (6) $2,500.

A. L. L. O'Connor, 20 North Wacker Drive, Chicago, Ill. 60606.
B. Profit Sharing Council of America, 20 North Wacker Drive, Chicago, Ill. 60606.

A. T. J. Oden, 1747 Pennsylvania Avenue NW., Suite 900, Washington, D.C. 20006.
B. Independent Gasoline Marketers Council, Suite 900, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $600.

A. John A. O'Donnell, 1001 Connecticut Avenue NW., No. 716, Washington, D.C. 20036.
B. Philippine Sugar Institute.
D. (6) $3,000. E. (9) $250.

A. Bradford C. Oelman, Suite 419, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Armco Steel Corp., Suite 419, 815 Connecticut Avenue NW., Washington, D.C. 20006.
D. (6) $2,400. E. (9) $351.

A. Jane O'Grady, 815 16th Street NW., Washington, D.C. 20006.
B. Amalgamated Clothing Workers of America, AFL–CIO, 15 Union Square, New York, N.Y. 10003.
D. (6) $4,919.98. E. (9) $936.12.

A. Bartley O'Hara, 25 Louisiana Avenue NW., Washington, D.C. 20001.
B. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001.
D. (6) $5,400.

A. Richard C. O'Hare, 1120 Investment Building, Washington, D.C. 20005.
B. Harness Tracks of America, 333 North Michigan Avenue, Chicago, Ill. 60601.

A. The Ohio Railroad Association, 16 East Broad Street, Columbus, Ohio 43215.
E. (9) $168.73.

A. Oil Investment Institute, Suite 3, 125 C Street SE., Washington, D.C. 20003.

A. Alvin E. Oliver, 500 Folger Building, 725 15th Street NW., Washington, D.C. 20005.
B. National Grain & Feed Association, Washington, D.C. 20005.

A. Edward W. Oliver, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.
B. Amalgamated Transit Union, AFL–CIO, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Charles E. Olson, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $4,579.30. E. (9) $524.52.

A. Roy E. Olson, 260 Madison Avenue, New York, N.Y. 10016.
B. American Paper Institute, 260 Madison Avenue, New York, N.Y. 10016.

A. Samuel Omasta, 1315 16th Street NW., Washington, D.C. 20036.
B. National Limestone Institute, Inc., 1315 16th Street NW., Washington, D.C. 20036.
E. (9) $18.20.

A. Charles T. O'Neill, Jr., 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $2,000. E. (9) $146.50.

A. Organization of Plastics Processors, 1709 New York Avenue NW., Suite 312, Washington, D.C. 20006.
D. (6) $3,500. E. (9) $4,877.38.

A. Organization of Professional Employees of the U.S. Department of Agriculture (OPEDA). 1341 G Street NW., Washington, D.C. 20005.
D. (6) $741.16. E. (9) $2,969.12.

A. Edward R. Osann, 2147 O Street NW., No. 201, Washington, D.C. 20037.
B. Save the Dunes Council, Inc., P.O. Box 303, Chesterton, Indiana 46304.
D. (6) $2,059.20. E. (9) $1,094.20.

A. John L. Oshinski, 815 16th Street NW., Suite 706, Washington, D.C. 20006.
B. United Steelworkers of America, 5 Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $5,484.17. E. (9) $709.27.

A. David A. Oxford, 1016 North Carolina Avenue SE., Washington, D.C. 20003.
B. Mobile Homes Manufacturers Associations, 14650 Lee Road, Chantilly, Va. 22021.
D. (6) $6,500. E. (9) $45.

A. Juris Padegs, 127 East 59th Street, New York, N.Y. 10022.
B. Investment Counsel Association of America, Inc., 127 East 59th Street, New York, N.Y. 10022.

A. Raymond S. Page, Jr., Mill Creek Terrace, Gladwyne, Pa. 19035.
B. Campbell Soup Co., Campbell Place, Camden, N.J. 08101.

A. Norman Paige, 1300 Pennsylvania Building NW., Washington, D.C. 20004.
B. Distilled Spirits Council of the United States, Inc., 1300 Pennsylvania Building NW., Washington, D.C. 20004.

A. Edward J. Panarello, 1775 K Street NW., Washington, D.C. 20006.
B. Retail Clerks International Association, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $7,058.53. E. (9) $1,191.17.

A. Frederick Panzer, 1776 K Street NW., Washington, D.C. 20006.
B. Tobacco Institute, Inc., 1776 K Street NW., Suite 1200, Washington, D.C. 20006.
D. (6) $490. E. (9) $125.

A. G. Oliver Papps, 212 West State Street, Trenton, N.J. 08608.

B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.
E. (9) $16.21.

A. Robert D. Partridge, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $350.60.

A. Pasco, Inc., P.O. Box 1677, Englewood, Colo. 80110.
E. (9) $4.169.62.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
D. (6) $2,400.

A. Patton, Boggs & Blow, 1200 17th Street, NW., Washington, D.C. 20036.
B. Alyeska Pipeline Service Corp., P.O. Box 576, Bellevue, Wash. 98004.
D. (6) $4,353.75. E. (9) $543.30.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. American Imported Automobile Dealers Association, 1129 20th Street NW., Washington, D.C. 20036.
D. (6) $180. E. (9) $75.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. American Maritime Association, 17 Battery Place, New York, N.Y. 10004.
D. (6) $90.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. American Society of Associated Executives, 1101 16th Street NW., Washington, D.C. 20006.
D. (6) $90.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Armco Steel Corp., General Offices, Middletown, Ohio 45042.
D. (6) $180. E. (9) $21.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Association of Oil Pipelines, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $2,715.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Association of Trial Lawyers of America, 20 Garden Street, Cambridge, Mass.
D. (6) $270.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Boating Industry Association, 401 North Michigan Avenue, Chicago, Ill. 60601; National Association of Engine & Boat Manufacturers, P.O. Box 5555, Grand Central Station, New York, N.Y. 10017.
D. (6) $1,039.50. E. (9) $268.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Central American Sugar Council, 1200 17th Street NW., Washington, D.C. 20036.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Chippewa-Cree Tribe, Rocky Boy Route, Box Elder, Mont. 59521.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Classic Chemicals, Ltd., 1101 Avenue G East, Arlington, Tex. 76011.
D. (6) $1,000.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Council of State Chambers of Commerce, 1028 Connecticut Avenue NW., Suite 1018, Washington, D.C. 20036.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Donaldson, Lufkin & Jenrette, Inc., 140 Broadway, New York, N.Y., 10005.
D. (6) $650. E. (9) $204

A. Patton, Boggs, & Blow, 1200 17th Street NW., Washington, D.C. 10036.
B. Institute of Scrap Iron & Steel, Inc., 1729 H Street NW., Washington, D.C. 20006.
D. (6) $260.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Landmark Services, Inc., 900 Ohio Drive SW., Washington, D.C. 20024.
D. (6) $320.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Machinery Dealers National Association, 1400 20th Street NW., Washington, D.C. 20036.
D. (6) $1,800. E. (9) $153.75.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Marcor, Inc., 619 West Chicago Avenue, Chicago, Ill. 60607.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. National Medical Care, Inc., 560 Sylvan Avenue, Englewood Cliffs, N.J. 07632.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Nestle Co., 100 Bloomingdale Road, White Plains, N.Y. 10605.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. New Process Co., 220 Hickory Street, Warren, Pa. 16365.
D. (6) $1,500.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Outboard Marine Corp., 1401 Cushman Drive, P.O. Box 82409, Lincoln, Neb. 68501.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Ralston Purina Co., Checkerboard Square, St. Louis, Mo. 63188.
D. (6) $78.75.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Reader's Digest Assoication, Inc., Pleasantville, N.Y., 10570.
D. (6) $3,000.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Reading Co., Reading Terminal, 12th and Market Streets, Philadelphia, Pa. 19107.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Simon Kenton Estates, Inc., 115 West Court Street, Urbana, Ohio 43078.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. State of Louisiana, Department of Conservation, P.O. Box 44275, Baton Rouge, La. 70804.
D. (6) $360. E. (9) $2,191.75.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Tax Corporation of America, 2441 Honolulu Avenue, Montrose, Calif. 91020.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Uncle Ben's Inc., 13000 Westheimer Boulevard, Houston, Tex. 77001.

A. Andrew R. Paul, Suite 1100, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Motorola, Inc., 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $300. E. (9) $115.

A. Paul, Weiss, Rifkind, Wharton & Garrison, 345 Park Avenue, New York, N.Y. 10022.
B. Warner Bros. Inc., 4000 Warner Boulevard, Burbank, Calif. 91505.
D. (6) $2,816. E. (9) $147.27.

A. Paul, Weiss, Rifkind, Wharton & Garrison, 345 Park Avenue, New York, N.Y. 10022.
B. Warner Communications Inc., 75 Rockefeller Plaza, New York, N.Y. 10019.
D. (6) $194.70. E. (9) $23.51.

A. Diana R. Payne, 245 Second Street NE., Washington, D.C.
B. Friends Committee on National Legislation, 245 Second Street NE., Washington, D.C.
D. (6) $360.

A. Peabody, Rivlin & Lambert, 1730 M Street NW., Suite 707, Washington, D.C. 20036.
B. Los Angeles Trial Lawyers Association, 1730 West Olympic Boulevard, Los Angeles, Calif. 90015.
D. (6) $100. E. (9) $55.

A. John J. Pecoraro, 1750 New York Avenue NW., Washington, D.C. 20006.
B. International Brotherhood of Painters & Allied Trades, 1750 New York Avenue NW., D.C. 20006.
D. (6) $2,932.

A. Pennsylvania Power & Light Co., 2 North Ninth Street, Allentown, Pa. 18101.
E. (9) $618.82.

A. Pennzoil Co., 900 Southwest Tower, Houston, Tex. 77002.
E. (9) $13,308.

A. Dominic V. Pensabene, 1700 K Street NW., Suite 1204, Washington, D.C. 20006.
B. Standard Oil Co. of California, 1700 K Street NW., Suite 1204, Washington, D.C. 20006.
D. (6) $50. E. (9) $25.

A. J. Carter Perkins, Suite 200, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Shell Oil Co., One Shell Plaza, P.O. Box 2463, Houston, Tex. 77001.
D. (6) $1,000.

A. Kenneth Peterson, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $7,299.50. E. (9) $440.13.

A. Richard W. Peterson, 1625 Massachusetts Avenue NW., No. 203, Washington, D.C. 20036.
B. Independent Bankers Association of America, Sauk Centre, Minn. 56378.
E. (9) $394.38.

A. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.
E. (9) $82.50.

A. John P. Philbin, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mobil Oil Corp., 150 East 42nd Street, New York, N.Y. 10017.
D. (6) $1,500. E. (9) $183.17.

A. Sam Pickard, 1101 17th Street NW., Washington, D.C. 20036.
B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.
D. (6) $500. E. (9) $43.42.

A. Pierson, Ball & Dowd, 1000 Ring Building, Washington, D.C. 20036.
B. Glass-Steagall Act Study Committee, 1000 Ring Building, Washington, D.C. 20036.
D. (6) $4,277.78. E. (9) $363.43.

A. Pierson, Ball & Dowd, 1000 Ring Building, Washington, D.C. 20036.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.

A. Grant C. Pinney, 730 North Balsam Street, Ridgecrest, Calif. 93555.
B. Sierra Sands Unified School District, 730 North Balsam Street, Ridgecrest, Calif. 93555.

A. Plains Cotton Growers, Inc., P.O. Box 10425, Lubbock, Tex. 79408.
D. (6) $91,214.57. E. (9) $1,350.

A. Amos A. Plante, Suite 1014, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Exxon Company, U.S.A. (A division of Exxon Corp.), P.O. Box 2180, Houston, Tex.

A. K. B. Pomeroy, 10404 Conover Drive, Silver Spring, Md. 20902.
B. National Association of State Foresters.
D. (6) $3,200. E. (9) $726.10.

A. John Post, 888 17th Street NW., No. 601, Washington, D.C. 20006.
B. Business Roundtable, 888 17th Street NW., Washington, D.C. 20006.
D. (6) $100. E. (9) $5.

A. Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20036.
E. (9) $240.

A. Ramsay D. Potts, Shaw, Pittman, Potts & Trowbridge, 910 17th Street NW., Washington, D.C. 20006.
B. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $2,250. E. (9) $16.75.

A. Ramsay D. Potts, Shaw, Pittman, Potts, & Trowbridge, 910 17th Street NW., Washington, D.C. 20006.
B. Investment Counsel Association of America, Inc., 127 East 59th Street, New York, N.Y. 10022.
D. (6) $252. E. (9) $5.

A. Richard M. Powell, 7315 Wisconsin Avenue, Washington, D.C. 20014.
B. International Association of Refrigerated Warehouses, 7315 Wisconsin Avenue, Washington, D.C. 20014.

A. Robert D. Powell, Suite 400, 734 15th Street NW., Washington, D.C. 20005.
B. National Business Aircraft Association, Inc., 425 13th Street NW., Suite 401, Washington, D.C. 20004.

A. Carlton H. Power, 1918 North Parkway, Memphis, Tenn.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $562.50. E. (9) $30.86.

A. Power. & Communications Contractors Association, Early, Iowa 50535.
D. (6) $1,200. E. (9) $1,200.

A. John J. Power, 101 Constitution Avenue NW., Washington, D.C. 20001.
B. United Brotherhood of Carpenters & Joiners of America, 101 Constitution Avenue NW., Washington, D.C. 20001.
D. (6) $2,483. E. (9) $35.

A. William C. Prather, U.S. League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.
B. U.S. League of Savings Associations.
D. (6) $650. E. (9) $20.06.

A. Preservation Action, 1225 19th Street NW., No. 602, Washington, D.C. 20036.
D. (6) $1,507. E. (9) $863.15.

A. Dan Prescott, 1800 K Street NW., Washington, D.C. 20006.
B. Mid-Continent Oil & Gas Association, 1111 Thompson Building, Tulsa, Okla. 74103.
D. (6) $210.18. E. (9) $102.40.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, Suite 201, 1776 F Street NW., Washington, D.C. 20006.
B. Intalco Aluminum Corp., P.O. Box 937, Ferndale, Wash. 98218.
D. (6) $2,331.14.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, Suite 201, 1776 F Street NW., Washington, D.C. 20006.
B. Seafarers International Union of North America, 675 Fourth Avenue, Brooklyn, N.Y. 11232.
D. (6) $4,330.

A. Forrest J. Prettyman, 730 15th Street NW., Washington, D.C. 20005.
B. Association of Registered Bank, Holding Co., 730 15th Street NW., Washington, D.C. 20005.
D. (6) $437.50.

A. Arnold J. Prima, Jr., 1735 New York Avenue NW., Washington, D.C. 20006.
B. American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $1,200. E. (9) $1,563.34.

A. Profit Sharing Council of America, 20 North Wacker, Chicago, Ill. 60606.

A. Propriety Association, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $1,931.08. E. (9) $1,931.08.

A. Public Citizen Tax Reform Research Group, 133 C Street SE., Washington, D.C. 20003.
D. (6) $2,434.25. E. (9) $2,434.25.

A. Public Employee Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $27,520.92. E. (9) $11,324.65.

A. Earle W. Putnam, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.
B. Amalgamated Transit Union, AFL–CIO, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Howard Pyle, 1000 16th Street NW., Washington, D.C. 20036.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.
D. (6) $1,638.44. E. (9) $30.18.

A. Joseph E. Quin, 1616 H Street NW., Washington, D.C. 20006.
B. National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $1,250.

A. James H. Rademacher, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $2,329.60.

A. Alex Radin, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $485.60.

A. Raymond Raedy, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $135. E. (9) $170.

A. Richard J. Ragan, 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.
B. National Association of Electric Cos., 1140 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $393.75. E. (9) $88.78.

A. Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.
D. (6) $10,692. E. (9) $10,692.

A. Railway Progress Institute, 801 North Fairfax Street, Alexandria, Va. 22314.
D. (6) $500. E. (9) $500.

A. Rial M. Rainwater, 1750 Pennsylvania Avenue NW., Washington, D.C.
B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
D. (6) $269. E. (9) $25.

A. Clarence B. Randall, Jr., 1156 15th Street NW., Suite 731, Washington, D.C. 20005.
B. Associated Builders & Contractors, Inc.
E. (9) $500.

A. Donald A. Randall, Suite 1201, 1000 Connecticut Avenue NW., Washnigton, D.C. 20036
B. Automotive Service Councils, Inc., Suite 112, 188 Industrial Drive, Elmhurst, Ill. 60126
D. (6) $3,000. E. (9) $694.50.

A. Jerry F. Rapp, 1155 15th Street NW., Suite 606, Washington, D.C. 20005.
B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10022.
D. (6) $250.

A. D. Michael Rappoport, P.O. Box 1980, Phoenix, Ariz. 85001.
B. Salt River Project, P.O. Box 1980, Phoenix, Ariz. 85001.
D. (6) $736.24. E. (9) $398.28.

A. G. J. Rauschenbach.
B. Communications Satellite Corp., 950 L'Enfant Plaza South SW., Washington, D.C. 20024.
D. (6) $1,000. E. (9) $1,010.

A. Sydney C. Reagan, 6815 Prestonshire, Dallas, Tex. 75225.
B. Southwestern Peanut Shellers Association, 6815 Prestonshire, Dallas, Tex. 75255.
D. (6) $791.23. E. (9) $641.23.

A. Timothy J. Redmon, American Optometric Association, 1730 M Street NW., Washington, D.C. 20036.
B. American Optometric Association, 820 First National Bank Building, Peoria, Ill. 61602.

A. Campbell L. Reed, 1957 E Street NW., Washington, D.C. 20006.
B. Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Dwight C. Reed, 1101 16th Street NW., Washington, D.C. 20036.
B. National Soft Drink Association.
D. (6) $333.11. E. (9) $17.

A. David J. Reedy, 3306 Sheffield Circle, Sarasota, Fla. 33580.
B. National Advertising Co., 6850 South Harlem Avenue, Bedford Park, Argo, Ill. 60501.
D. (6) $2,300.

A. Lawrence D. Reedy, 1730 M Street NW., Suite 805, Waahington, D.C. 20036.
B. American Association of Advertising Agencies, 200 Park Avenue, New York N.Y. 10017.
D. (6) $1,250. E. (9) $600.

A. J. Mitchell Reese, 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. Gulf Oil Corp., Pittsburgh, Pa. 15230.
D. (6) $1,500. E. (9) $300.

A. Robert S. Reese, Jr., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Association, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $939.33.

John T. Reggitts, Jr., R.D. No. 2 Boonton Avenue, Boonton, N.J. 07005.

A. Reid & Priest, 1701 K Street NW., Washington, D.C. 20006.
B. Consolidated Edison Co. of New York, Inc., 4 Irving Place, New York, N.Y. 10003.
E. (9) $129.24.

A. W. W. Renfroe, 69 Fountain Place, Capital Plaza, Frankfort, Ky. 40601.
B. Kentucky Railroad Association, 60 Fountain Plaza, Capital Plaza, Frankfort, Ky. 40601.

A. Retired Officers Association, 1625 I Street NW., Washington, D.C. 20006.
D. (6) $3,425.

A. William L. Reynolds, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.
B. National Savings & Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.
D. (6) $2,320. E. (9) $361.

A. Austin T. Rhoads, 1105 Barr Building, Washington, D.C. 20006.
B. International Association of Ice Cream Manufacturers & Milk Industry Foundation, 1105 Barr Building, Washington, D.C. 20006.
E. (9) $396.45.

A. Rice Genocide Research, P.O. Box 7307, Washington, D.C. 20044.
E. (9). $14.

A. Theron J. Rice, 1130 17th Street NW., No. 400, Washington, D.C. 20036.
B. Continental Oil Co., High Ridge Park, Stamford, Conn. 06904.

A. Maxwell E. Rich, 1600 Rhode Island Avenue N.W., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $625.

A. Harry H. Richardson, 335 Austin Street, Bogalusa, La. 70427.
B. Louisiana Railroads, 335 Austin Street, Bogalusa, La.

A. Warren S. Richardson, 1957 E Street NW., Washington, D.C. 20006.
B. Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.
D. (6) $2,060.

A. S. F. Riepma, 1725 K Street NW., Suite 1202, Washington, D.C. 20006.
B. National Association of Margarine Manufacturers, 1725 K Street NW., Suite 1202, Washington, D.C. 20006.

A. John D. Ritchie, 1119 A Street, Tacoma, Wash. 98401.
B. American Plywood Association, 1119 A Street, Tacoma, Wash. 98401.

A. Stark Ritchie, 1801 K Street NW., Washington, D.C. 20006.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.

A. William Neale Roach, 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $128.38.

A. Paul H. Robbins, 2029 K Street NW., Washington, D.C. 20006.
B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $1,500.

A. William S. Roberts, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $25.

A. Charles A. Robinson, Jr., 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $233.28.

A. Ronald E. Robinson, 2600 Smith Tower, Seattle, Wash. 98104.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $2,914.40. E. (9) $100.

A. Juan Rocha, Jr., 1660 L Street NW., Washington, D.C. 20036.
B. Montgomery Ward & Co., Inc., P.O. Box 8339, Chicago, Ill. 60680.
D. (6) $7.50. E. (9) $150.

A. Thomas G. Roderick, 1101 16th Street NW., Washington, D.C. 20036.
B. Consolidated Natural Gas Service Co., Inc., Four Gateway Center, Pittsburgh, Pa. 15222.

A. Byron G. Rogers, 666 Gaylord Street, Denver, Colo. 80206 and 918 16th Street NW., Washington, D.C. 20006.
B. Denver Board of Water Commissioners, 144 West Colfax Avenue, Denver, Colo. 80202.
D. (6) $350.

A. Donald L. Rogers, 730–15th Street NW., Washington, D.C. 20005.
B. Association of Registered Bank Holding Cos., 730 15th Street NW., Washington, D.C. 20005.
D. (6) $937.50.

A. Frank W. Rogers, Suite 793, 1801 K Street NW., Washington, D.C. 20006.
B. Western Oil & Gas Association, 609 South Grand Avenue, Los Angeles Calif. 90017.
D. (6) $750.

A. Walter E. Rogers, 1660 L Street NW., Suite 601, Washington, D.C. 20036.
B. Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.
D. (6) $1,000.

A. Rogers & Wells, 1666 K Street NW., Suite 900, Washington, D.C. 20006.
B. Deltona Corp., 3250 SW. Third Avenue, Miami, Fla. 33129.

A. June A. Rogul, 1341 G Street NW., Suite 908, Washington, D.C. 20005.
B. American Israel Public Affairs Committee, 1341 G Street NW., Suite 908, Washington, D.C. 20005.
D. (6) $1,667.95.

A. John F. Rolph III, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $2,000.

A. Kenneth S. Rolston, Jr., 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Pulpwood Association, 1319 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Nicholas Roomy, Jr., 301 Virginia Street East, Charleston, W. Va. 25301.
B. Appalachian Power Co., 301 Virginia Street, East, Charleston, W. Va. 25301.
D. (6) $88.46. E. (9) $88.03.

A. Gail Rosenberg, 705 G Street SE., Washington, D.C. 20003.
B. National Abortion Rights Action League, 250 West 57th Street, New York, N.Y. 10019.
D. (6) $2,070.

A. Larry M. Rosenstein, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Life Insurance Association, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. William F. Ross, 716 Palmetto State Life Building, Columbia, S.C. 29201.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $318. E. (9) $293.11.

A. William C. Rountree, 1660 L Street NW., Washington, D.C. 20036.
B. Standard Oil Co., Midland Building, Cleveland, Ohio 44115.

A. Rouss & O'Rourke, Lawyers Building, 231 East Vermijo Avenue, Colorado Springs, Colo. 80903.
B. Union Nacional de Productores de Azucar, S.A. de C.V., Balderas 36, Mexico, D. F. Mexico.
D. (6) $6,666. E. (9) $2,474.71.

A. John W. Rowland, Jr., 5025 Wisconsin Avenue NW., Washington, D.C. 20016.
B. Amalgamated Transit Union, AFL–CIO, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

A. John Forney Rudy, 1800 K Street NW., Suite 622, Washington, D.C.
B. Goodyear Tire & Rubber Co., Akron, Ohio 44316.

A. Joseph Ruskiewicz, 1730 M Street NW., Washington, D.C. 20036.
B. American Optometric Association, 820 First National Bank Building, Peoria, Ill. 61602.
D. (6) $25.60. E. (9) $48.10.

A. Perry A. Russ, 901 North Washington Street, Alexandria, Va. 22314.
B. Society of American Florists & Ornamental Horticulturists, 901 North Washington Street, Alexandria, Va. 22314.

A. Albert R. Russell, P.O. Box 12285, Memphis, Tenn. 38112.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 58112.
D. (6) $5,859.38. E. (9) $334.85.

A. Wally Rustad, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $150.

A. J. T. Rutherford & Association, Inc., 1660 L Street NW., No. 514, Washington, D.C.
B. American College of Radiology, 20 North Wacker Drive, Chicago. Ill. 60606.
D. (6) $500. E. (9) $1,409.14.

A. J. T. Rutherford & Associates, Inc., 1660 L Street NW., 514, Washington, D.C.
B. American Optometric Association, 1730 M Street NW., Washington, D.C.
D. (6) $1,000. E. (9) $1,394.22.

A. J. T. Rutherford & Asscciates, Inc., 1660 L Street NW., No. 514, Washington, D.C.
B. American Trucking Association, 1616 P Street NW., Washington, D.C.
D. (6) $750. E. $507.80.

A. Millard H. Ruud, Suite 370, One Dupont Circle NW., Washington, D.C. 20036.
B. Association of American Law Schools, Suite 370, One Dupont Circle NW., Washington, D.C. 20036.

A. Ella Marice Ryan, 1156 15th Street NW., Washington, D.C. 20005.
B. J. C. Penney Co., Inc., 1301 Avenue of the Americas, New York, N.Y. 10019.
D. (6) $150. E. (9) $142.10.

A. William Ryan, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
B. International Asscciation of Machinists & Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $3,500. E. (9) $403.14.

A. C. Hill Rylander, 425 13th Street NW., Washington, D.C. 20004.
B. National Association of Insurance Agents, 85 John Street, New York, N.Y. 10038.
E. (9) $7,281.26.

A. Fred J. Sacco, New Jersey Petroleum Council, Division of API, 212 West State Street, Trenton, N.J. 08608.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $340. E. (9) $204.79.

A. Carl K. Sadler, 1325 Massachusetts Aveenue NW., Washington, D.C. 20005.
B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
D. (6) $8,036. E. (9) $9,764.82.

A. Frank P. Sanders, 815 Connecticut Avenue NW., Washington, D.C.
B. Burmah Oil & Gas Co., P.O. Box 94193, Houston, Tex. 77018.

A. Frank P. Sanders, 815 Connecticut Avenue NW., Washington, D.C.
B. Signal Co., Inc., 9665 Wilshire Boulevard, Beverly Hills, Calif. 90212.

A. Charles E. Sandler, 1801 K Street NW., Washington, D.C. 20006.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $1,000.

A. Peter G. Sandlund, Room 400, 919 18th Street NW., Washington, D.C. 20006.
B. Council of European & Japanese National Shipowners' Associations, 30–32 St. Mary Axe, London EC3A 8ET, England.
D. (6) $11,250. E. (9) $8,319.09.

A. Thomas H. Saunders, 1825 K Street NW., Suite 501, Washington, D.C. 20006.
B. Dow Chemical Co., Midland, Mich. 48640.

A. Ruth M. Saxe, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,500.01. E. (9) $50.20.

A. Henry Schacht.
B. California Canners & Growers, 3100 Ferry Building, San Francisco, Calif. 94106.
D. (6) $2,850. E. (9) $880.37.

A. Kenneth D. Schanzer, 1771 N Street, NW., Washington, D.C. 20036.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
D. (6) $1,249.98. E (9) $295.60.

A. Stephen I. Schlossberg, 1125 15th Street NW., Suite 600, Washington, D.C. 20005.
B. International Union, United Automobile, Aeropace & Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.
D. (6) $8,825.94. E. (9) $550.42.

A. Richard M. Schmidt, Jr., Suite 700, 1920 L Street NW., Washington, D.C. 20036.
B. Coalition for Fair Copyright Protection, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $1,500. E. (9) $10.

A. Robert L. Schmidt, 1709 New York Avenue NW., Washington, D.C. 20006.
B. Association of Trial Lawyers of America, 20 Garden Street, Cambridge, Mass.
D. (6) $2,850.

A. Mahlon Schneider, Hazeltine Gates, Chaska, Minn. 55318.
B. Green Giant Co., Hazeltine Gates, Chaska, Minn. 55318.
D. (6) $250. E. (9) $12.

A. Hilliard Schulberg, 5010 Wisconson Avenue NW., Suite B–3, Washington, D.C. 20016.
B. National Liquor Stores Association, Inc., 5010 Wisconsin Avenue NW., Suite B–3, Washington, D.C. 20016.
D. (6) $225. E. (9) $79.05.

A. Hilliard Schulberg, Suite B–3, 5010 Wisconsin Avenue NW., Washington, D.C. 20016.
B. Washington D.C. Retail Liquor Dealers Association, Inc.,. Suite B–3, 5010 Wisconsin Avenue NW., Washington, D.C. 20016.
D. (6) $555. E. (9) $70.

A. Robert L. Schulz, Iowa Petroleum Council, Division of API, 1012 Fleming Building, Des Moines, Iowa 50309.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $262. E. (9) $302.85.

A. Donald H. Schwab, 200 Maryland Avenue NE., Washington, D.C. 20002.
B. Veterans of Foreign Wars of the United States.
D. (6) $2,014.05 E. (9) $19.

A. Sydnee M. Schwartz, 900 15th Street NW., Washington, D.C. 20005.
B. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
D. (6) $1007.23. E. (9) $42.60.

A. Harold B. Scoggins, 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $32.25.

A. John W. Scott, 1616 H Street NW., Washington, D.C. 20006.
B. National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $6,250.

A. Scribner, Hall, Thornburg & Thompson, 1200 18th Street NW., Suite 502, Washington, D.C. 20036.
B. Colonial Penn Group, Inc. and Affiliated Corporations, 5 Penn Center Plaza, Philadelphia, Pa. 19103.

A. Scribner, Hall, Thornburg & Thompson, 1200 18th Street NW., Suite 502, Washington, D.C. 20036.
B. Occidental Life Insurance Co. of California, Occidental Center, Los Angeles, Calif. 90054.

A. Scribner, Hall, Thornburg & Thompson, 1200 18th Street NW., Washington, D.C. 20036.
B. Provident Life & Accident Insurance Co., Chattanooga, Tenn. 37402.

A. Seafarers International Union of North America, 675 Fourth Avenue, Brooklyn, N.Y. 11232.
E. (9) $4,330.

A. Earl W. Sears, P.O. Box 12285, Memphis, Tenn. 38112.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $200. E. (9) $2.57.

A. Carol A. Seeger.
B. National Cable Television Association, 918 16th Street NW., Washington, D.C.
D. (6) $4,500. E. (9) $50.

A. Ronald C. Seeley, 1357 Nicolet Place, Detroit, Mich. 48207.
B. Estate of Bert N. Adams, et al., 1461 West 16th Place, Yuma, Ariz. 85364.

A. Peter J. Semper, 13915 Panay Way, Marina del Rey, Calif. 90291.
B. Council for Responsible Nutrition, 13915 Panay Way, Marina del Rey, Calif. 90291.
D. (6) $4,196.10. E. (9) $1,796.10.

A. Stanton P. Sender, 1211 Connecticut Avenue NW., Suite 802, Washington, D.C. 20036.
B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.
D. (6) $200. E. (9) $60.

A. Patricia Samantha Senger, 133 C Street SE., Washington, D.C. 20003.
B. Public Citizen's Tax Reform Research Group, 133 C Street SE., Washington, D.C. 20003.
D. (6) $600.

A. Theodore A. Serrill, 491 National Press Building, Washington, D.C. 20045.
B. National Newspaper Association, 491 National Press Building, Washington, D.C. 20045.
E. (9) $153.12.

A. J. Richard Sewell, 1701 K Street NW., Suite 503, Washington, D.C. 20006.
B. Florida Power & Light Co., P.O. Box 013100, Miami, Fla. 33101.
D. (6) $1,200. E. (9) $436.

A. Leo Seybold, 1709 New York Avenue, Washington, D.C. 20006.
B. Air Transport Association, 1709 New York Avenue, Washington, D.C. 20006.
D. (6) $1,192.75. E. (9) $499.91.

A. Robert L. Shafer, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pfizer Inc., 235 East 42d Street, New York, N.Y. 10017.
D. (6) $460. E. (9) $205.

A. James M. Shamberger, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Reinsurance Association of America, 1025 Connecticut Avenue NW., Washington, D.C.
E. (9) $25.

A. Sharon, Pierson, Semmes, Crolius & Finley, 1054 31st Street NW., Washington, D.C. 20007.
B. Albright Title & Trust Co., et al.
D. (6) $1,885.

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A. Sharon, Pierson, Semmes, Crolius & Finley, 1054 31st Street NW., Washington, D.C. 20007.

B. American National Cattlemen's Association, Denver, Colo.

D. (6) $500.

A. Sharon, Pierson, Semmes, Crolius & Finley, 1054 31st Street NW., Washington, D.C. 20007.

B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.

D. (6) $600.

A. Sharon, Pierson, Semmes, Crolius & Finley, 1054 31st Street NW., Washington, D.C. 20007.

B. Independent Grocers' Alliance, et al.

D. (6) $1,990.66. E. (9) $317.33.

A. Sharon, Pierson, Semmes, Crolius & Finley, 1054 31st Street NW., Washington, D.C. 20007.

B. Independent Grocers' Alliance, 5725 East River Road, Chicago, Ill. 60631; Topco Associates, Inc., 7711 Gross Point Road, Skokie, Ill. 60076.

A. Sharon, Pierson, Semmes, Crolius & Finley, 1054 31st Street NW., Washington, D.C. 20007.

B. Mauritius Sugar Syndicate, Mauritius Chamber of Agriculture, Plantation House, Port Louis, Mauritius.

D. (6) $17,500.

A. Sharon, Pierson, Semmes, Crolius & Finley, 1054 31st Street NW., Washington, D.C. 20007.

B. Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $250.

A. Shaw, Pittman, Potts & Trowbridge, 910 17th Street NW., Washington, D.C. 20006.

B. Association for the Improvement of Mississippi River, c/o T. P. Walsh, 10 Broadway, St. Louis, Mo. 63102.

D. (6) $6,871.25. E. (9) $11.25.

A. Shaw, Pittman, Potts & Trowbridge, Barr Building, 910 17th Street NW., Washington, D.C. 20006.

B. Doubleday & Co., Inc., 245 Park Avenue, New York, N.Y. 10017.

A. John J. Sheehan, 815 16th Street NW., Suite 706, Washington, D.C. 20006.

B. United Steelworkers of America, Five Gateway Center, Pittsburgh, Pa. 15222.

D. (6) $7,173.92. E. (9) $2,545.16.

A. Betty Jean Shelton, 1629 K Street NW., Suite 403, Washington, D.C. 20006.

B. General Mills, Inc., P.O. Box 1113, Minneapolis, Minn. 55440.

D. (6) $34.25. E. (9) $122.85.

A. Norman R. Sherlock, 1709 New York Avenue, Washington, D.C. 20006.

B. Air Transport Association, 1709 New York Avenue, Washington, D.C. 20006.

D. (6) $2,376.87. E. (9) $1,240.47.

A. W. Lee Shield, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. American Life Insurance Association, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Edward L. Shields, 1776 F Street NW., Washington, D.C. 20006.

B. American Mutual Insurance Alliance, 20 North Wacker Drive, Chicago, Ill. 60606.

E. (9) $1,365.

A. Harvey A. Shipman, 1725 K Street NW., Suite 1103, Washington, D.C. 20006.

B. Penn Central Transportation Co., 6 Penn Center Plaza, Philadelphia, Pa. 19104.

D. (6) $250. E. (9) $1,380.

A. James K. Shiver, 1629 K Street NW., Suite 600, Washington, D.C.

B. Diamond Shamrock Chemical Co., Cleveland, Ohio.

D. (6) $125. E. (9) $125.

A. W. Ray Shockley, 1150 17th Street NW., Suite 1001, Washington, D.C. 20036.

B. American Textile Manufacturers Institute, Inc., 1501 Johnston Building, Charlotte, N.C. 28281.

D. (6) $2,550. E. (9) $89.17.

A. A. Z. Shows, Suite 502, 2600 Virginia Avenue NW., Watergate Office Building, Washington, D.C. 20037.

D. (6) $3026.54. E. (9) $3604.75.

A. L. J. Sichel, 1730 M Street NW., No. 808, Washington, D.C. 20036.

B. Abbott Laboratories, North Chicago, Ill. 60064.

A. Mark S. Sigurski, Suite 1100, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Motorola, Inc., 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $500. E. (9) $165.

A. Silver Users Association, Inc., 1717 K Street NW., Washington, D.C. 20006.

D. (6) $6,448.50. E. (9) $2,458.24.

A. James E. Simmons, 1730 Pennsylvania Avenue NW., Suite 220, Washington, D.C. 20006.

B. National Association of Blue Shield Plans, 211 East Chicago Avenue, Chicago, Illinois 60611.

A. Gilbert Simonetti, Jr., 1620 Eye Street NW., Washington, D.C. 20006.

B. American Institute of CPA's, 1211 Avenue of the Americas, New York, N.Y. 10036.

A. Talmadge E. Simpkins, 100 Indiana Avenue NW., Washington, D.C. 20001.

B. Labor-Management Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.

D. (6) $1,725. E. (9) $14.31.

A. Jean Head Sisco, 1616 H Street NW., Washington, D.C. 20006.

B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.

D. (6) $1,000. E. (9) $75.

A. David A. Skedgell, 1730 Pennsylvania Avenue NW., Suite 1111, Washintgon, D.C. 20006.

B. American Natural Gas Service Co., 1 Woodward Avenue, Detroit, Mich. 48226.

E. (9) $1,750.

A. James A. Skinner, Jr., 1136 Second Avenue North, Nashville, Tenn. 37208.

B. Brick Institute of America, 1750 Old Meadow Road, McLean, Va. 22101.

D. (6) $531.40.

A. Barney J. Skladany, Jr., 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Mobil Oil Corp., 150 East 42nd Street, New York, N.W. 10017.

D. (6) $1,125.

A. Carstens Slack, 1825 K Street NW., Washington, D.C. 20006.

B. Phillips Petroleum Co., Bartlesville, Okla. 74004.

A. William L. Slayton, 1735 New York Avenue NW., Washington, D.C. 20006.

B. American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

D. (6) $1,500.

A. G. Bernard Slebos, 1825 K Street NW., Washington, D.C. 20006.

B. United Airlines, P.O. Box 66100, Chicago, Ill. 60666.

D. (6) $2,000. E. (9) $50.

A. Smathers, Merrigan & Herlong, 888 17th Street NW., Washington, D.C. 20006.

B. American Horse Council, Inc., 1776 K Street NW., Washington, D.C. 20006.

D. (6) $5,500. E. (9) $1,600.95.

A. Smathers, Merrigan & Herlong, 888 17th Street NW., Washington, D.C. 20006.

B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20006.

D. (6) $6,250. E. (9) $20.40.

A. Smathers, Merrigan & Herlong, 888 17th Street NW., Washington, D.C. 20006.

B. Chicago Board of Trade, La Salle at Jackson, Chicago, Ill. 60604.

D. (6) $6,000. E. (9) 98.68.

A. Smathers, Merrigan & Herlong, 888 17th Street NW., Washington, D.C. 20006.

B. Pennzoil Co., 900 Southwest Tower, Houston, Tex. 77002.

D. (6) $6,000. E. (9) $176.15.

A. Donald E. Smiley, 1025 Connecticut Avenue NW., Suite 1014, Washington, D.C. 20036.

B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.

E. (9) $563.52.

A. Arthur J. Smith, 1025 Connecticut Avenue NW., Suite 200, Washington, D.C. 20036.

B. Shell Oil Co., P.O. Box 2463, Houston, Tex. 77001.

D. (6) $500.

A. Gordon L. Smith, 818 18th Street NW, Washington, D.C. 20006.

B. Edward Gottlieb & Associates, 485 Madison Avenue, New York, N.Y. 10022.

A. J. Kenneth Smith, Suite 820, 1800 K Street NW., Washington, D.C. 20006.

B. Sun Oil Co., 240 Radnor-Chester Road, St. Davids, Pa. 19087.

D. (6) $4,500. E. (9) $1,125.

A. James R. Smith, 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.

B. American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.

A. Robert B. Smith, Jr., 1730 Pennsylvania Avenue N.W., Washington, D.C. 20006.

B. American Life Insurance Association, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $280. E. (9) $35.

A. Robert Wm. Smith, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Ford Motor Co., Dearborn, Mich. 48121.

D. (6) $700. E. (9) $100.

A. William H. Smith, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

A. Wayne H. Smithey, 815 Connecticut Avenue, NW., Washington, D.C. 20006.

B. Ford Motor Co., Dearborn, Mich.

D. (6) $2,465. E. (9) $1,153.

A. Frank B. Snodgrass, 1100 17th Street NW., Suite 306, Washington, D.C. 20036.

B. Burley & Dark Leaf Tobacco Export Association, 1100 17th Street NW., Suite 306, Washington, D.C. 20036.

D. (6) $640.75. E. (9) $231.90.

A. John M. Snow, 8401 Connecticut Avenue, Suite 911, Washington, D.C. 20015.

B. National Association of Furniture Manufacturers, 8401 Connecticut Avenue, Suite 911, Washington, D.C. 20015.

D. (6) $500. E. (9) $30.

A. Edward F. Snyder, 245 Second Street NE., Washington, D.C.

B. Friends Committee on National Legislation, 245 Second Street NE., Washington, D.C.

D. (6) $2,076.

A. J. R. Snyder, 400 First Street NW., Suite 704, Washington, D.C. 20001.

B. United Transportation Union, 400 First Street NW., Suite 704, Washington, D.C. 20001.

E. (9) $175.

A. John M. Snyder, 1735 DeSales Street NW., Suite 500, Washington, D.C. 20036.

B. Citizens Committee for the Right to Keep and Bear Arms, Bellefield Office Park, 1601 114th, SE., Suite 151, Bellevue, Wash. 98004.

D. (6) $3,375.

A. Society for Animal Protective Legislation, P.O. Box 3719, Georgetown Station, Washington, D.C. 20007.

D. (6) $1,408.00. E. (9) $6,237.49.

A. Carl A. Soderblom, 1 East First Street, Suite 803, Reno, Nev. 89501.

B. Nevada Railroad Association, 1 East First Street, Suite 803 Western Pacific Railroad Co., Reno, Nev. 89501.

A. Charles B. Sonneborn, 1730 Pennsylvania NW., Washington, D.C. 20006.

B. National Association of Blue Shield Plans, 211 East Chicago Avenue, Chicago, Ill. 60611.

A. Shelby E. Southard, 1828 L Street NW., Suite 1100, Washington, D.C. 20036.

B. Cooperative League of the USA, 1828 L Street NW., Suite 1100, Washington, D.C. 20036.

D. (6) $3,000. E. (9) $945.

A. Southwestern Peanut Shellers Association, 6815 Prestonshire, Dallas, Tex. 75225.

D. (6) $1,371.78. E. (9) $1,371.78.

A. Joe P. Sparks, Sparks & Siler, P.C., 4234 Winfield Scott Plaza, Scottsdale, Ariz. 85251.

B. Havasupai Tribe of Indians, Supai, Ariz.

D. (6) $1,988.

A. William W. Spear, 1000 16th Street NW., Washington, D.C. 20036.

B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.

D. (6) $855.09. E. (9) $3.32.

A. Frank J. Specht, 1725 DeSales Street NW., Washington, D.C. 20036.

B. Schenley Industries, Inc., 888 Seventh Avenue, New York, N.Y. 10019.

A. John F. Speer, Jr., 1105 Barr Building, Washington, D.C. 20006.

B. International Association of Ice Cream Manufacturers & Milk Industry Foundation, 1105 Barr Building, Washington, D.C. 20006.

A. William C. Spence, P.O. Box 683, Houston, Tex. 77001.

B. Columbia Gulf Transmission Co., P.O. Box 683, Houston, Tex. 77001.

D. (6) $486. E. (9) $188.10.

A. Joseph L. Spilman, Jr., 1801 K Street NW., Washington, D.C. 20006.

B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.

D. (6) $483. E. (9) $100.

A. J. Roy Spradley, Jr., 1140 Connecticut Avenue NW., Washington, D.C. 20036.

B. National Association of Electric Cos., 1140 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $500. E. (9) $22.69.

A. James M. Sprouse, 1957 E Street NW., Washington, D.C. 20006.

B. Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Squibb Corp., 40 West 57th Street, New York, N.Y. 10019.

E. (9) $212.

A. John W. Sroka, 1957 E Street NW., Washington, D.C. 20006.

B. Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. John M. Stackhouse, the Madison Building, 1155 15th Street NW., Washington, D.C. 20005.

B. National Agricultural Chemicals Association.

A. Lynn E. Stalbaum, 30 F Street NW., Washington, D.C. 20001.

B. National Milk Producers Federation. 30 F Street NW., Washington, D.C. 20001.

D. (6) $1,562.50. E. (9) $477.46.

A. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.

E. (9) $1,507.

A. Melvin L. Stark, American Insurance Association, 1025 Connecticut Avenue, NW., Suite 415, Blake Building, Washington, D.C. 20036.

B. American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Blake Building, Washington, D.C. 20036.

D. (6) $3,000. E. (9) $350.

A. Robert H. Starkey, 1750 Pennsylvania Avenue NW., Washington, D.C.

B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.

D. (6) $269. E. (9) $6.

A. Eugene H. Stearns, P.O. Box 669, Pierre, S. Dak. 57501.

B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.

D. (6) $35.84. E. (9) $213.83.

A. David J. Steinberg, 1028 Connecticut Avenue NW., Washington, D.C. 20036.

B. National Council for a Responsible Firearms Policy, Inc., 1028 Connecticut Avenue NW., Washington, D.C. 20036.

A. Steinhart, Goldberg, Feigenbaum & Ladar, 1 Post Street, San Francisco, Calif. 94104.

B. Valley Center Municipal Water District, Valley Center, Calif. 92082.

D. (6) $1,652.50. E. (9) $670.66.

A. William M. Stephens, 1616 H Street NW., Washington, D.C. 20006.

B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.

D. (6) $1,200. E. (9) $150.

A. Steptoe & Johnson, 1250 Connecticut Avenue, Washington, D.C. 20036.

B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Robert College of Istanbul, Turkey, 380 Madison Avenue, New York, N.Y. 10017.

D. (6) $450. E. (9) $8.

A. Wynne A. Stevens, Jr., 1901 North Fort Myer Drive, Arlington, Va. 22209.

B. Gas Appliance Manufacturers Association, 1901 North Fort Myer Drive, Arlington, Va. 22209.

D. (6) $870.

A. Travis E. Stewart, 1775 K Street NW., Washington, D.C. 20006.

B. Hoffmann-La Roche, Inc., 340 Kingsland Street, Nutley, N.J. 07110.

D. (6) $375. E. (9) $150.

A. Edward W. Stimpson, 1025 Connecticut Avenue NW., Suite 1215, Washington, D.C. 20036.

B. General Aviation Manufacturers Association, Inc., 1025 Connecticut Avenue NW., Suite 1215, Washington, D.C. 20036.

D. (6) $525.

A. William M. Stover, 1825 Connecticut Avenue NW., Washington, D.C. 20009.

B. Manufacturing Chemists Association, Inc., 1825 Connecticut Avenue NW., Washington, D.C. 20009.

D. (6) $1,000. E. (9) $100.

A. Michael E. Strother, 700 Seventh Street SW., Suite 613, Washington, D.C. 20024.

B. Land Improvement Contractors of America, 9515 Ogden Avenue, Brookfield, Ill. 60513.

D. (6) $1,500. E. (9) $75.

A. Michael E. Strother, 700 Seventh Street SW., Suite 613, Washington, D.C. 20024.

B. Power & Communications Contractors Association, Early, Iowa 50535.

D. (6) $1,200. E. (9) $100.

A. John D. Stringer, 1776 F Street NW., Washington, D.C. 20006.

B. American Mutual Insurance Alliance, 20 North Wacker Drive, Chicago, Ill. 60606.

E. (9) $2,565.

A. Norman Strunk, 111 East Wacker Drive, Chicago, Ill. 60601.

B. U.S. League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.

D. (6) $2,750. E. (9) $682.88.

A. Richard L. Studley, 1400 20th Street NW., P.O. Box 19128, Washington, D.C. 20036.

B. Machinery Dealers National Association, 1400 20th Street NW., P.O. Box 19128, Washington, D.C. 20036.

A. Walter B. Stults, 512 Washington Building, Washington, D.C. 20005.

B. National Association of Small Business Investment Co., 512 Washington Building, Washington, D.C. 20005.

D. (6) $2,400.

A. Roger H. Sullivan, 723 Investment Building, Washington, D.C. 20005.

B. Hawaiian Sugar Planters' Association, Honolulu, Hawaii.

A. Surrey, Karasik & Morse, 1156 15th Street NW., Washington, D.C. 20005.

B. Recording for the Blind, Inc., 215 East 58th Street, New York, N.Y. 10022.

E. (9) $30.39.

A. Glenn A. Swanson, 1625 Massachusetts Avenue NW., No. 203, Washington, D.C. 20036.

B. Independent Bankers Association of America, Sauk Centre, Minn. 56378.

D. (6) $28,160.01. E. (9) $5,318.23.

A. Irving W. Swanson, Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.

B. Pharmaceutical Manufacturers Association.

A. Noble J. Swearingen, 101 Second Street NE., Washington, D.C. 20002.

B. American Lung Association, 1740 Broadway, New York City, N.Y. 10019.

D. (6) $1,000.

A. David A. Sweeney, 25 Louisiana Avenue NW., Washington, D.C. 20001.

B. International Brotherhood of Teamsters,

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25 Louisiana Avenue NW., Washington, D.C. 20001.

D. (6) $8,749.98.

A. Russell A. Swindell, P.O. Box 2635, Raleigh, N.C. 27602.

B. North Carolina Railroad Association, P.O. Box 2635, Raleigh, N.C. 27602.

D. (6) $130. E. (9) $329.83.

A. Charles C. Talley, 100 Angus Court, Charlottesville, Va. 22901.

B. National Congress of Parents & Teachers, 700 North Rush Street, Chicago, Ill.

A. Patricia Taylor, Room 731, 1346 Connecticut Avenue NW., Washington, D.C. 20036.

B. Environmental Action, Inc., Room 731, 1346 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $1,500.

A. William K. Tell, Jr., 1001 Connecticut Avenue NW., Washington, D.C. 20036.

B. Texaco, Inc., 135 East 42d Street, New York, N.Y. 10017.

D. (6) $325.

A. Paul Tendler, American Nurses' Association, Inc., 1030 15th Street NW., Washington, D.C. 20005.

B. American Nurses' Association, Inc., 2420 Pershing Road, Kansas City, Mo. 64108.

D. (6) $4,036.79. E. (9) $4,036.79.

A. L. D. Tharp, Jr., 1660 L Street NW., Suite 601, Washington, D.C. 20036.

B. Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.

D. (6) $300.

A. J. Woodrow Thomas Associates, Inc., 734 15th Street NW., Suite 600, Washington, D.C. 20005.

B. REA Express, Inc., 219 East 42d Street, New York, N.Y. 10017.

D. (6) $6,750.

A. Jerry P. Thompson, 1300 Connecticut Avenue NW., Washington, D.C. 20036.

B. International Association of Machinists & Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $3,432. E. (9) $222.87.

A. William D. Thompson, 1660 L Street NW., Suite 804, Washington, D.C. 20036.

B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich.

D. (6) $3,000. E. (9) $3,735.60.

A. Robert T. Thornburg, 1020 Northern Federal Building, St. Paul, Minn. 55102.

B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.

D. (6) $530. E. (9) $458.47.

A. Samuel Thurm, 1725 K Street NW., Washington, D.C. 20006.

B. Association of National Advertisers, 155 East 44 Street, New York, N.Y. 10017.

A. Cyrus C. Tichenor III, 815 Connecticut Avenue NW., Suite 1007, Washington, D.C. 20006.

B. A. H. Robins Co., Inc., 1407 Cummings Drive, Richmond, Va. 23220.

D. (6) $5,500. E. (9) $5,698.62.

A. Drew V. Tidwell, 1725 K Street NW., Washington, D.C. 20006.

B. Consumer Bankers Association, 1725 K Street NW., Washington, D.C. 20006.

D. (6) $2,000. E. (9) $1,977.77.

A. Paul J. Tierney, 1100 17th Street NW., Washington, D.C. 20036.

B. Transportation Association of America.

D. (6) $10. E. (9) $234.24.

A. Timmons & Company, Inc., 1776 F Street N.W., Washington, D.C. 20006.

B. Lockheed Aircraft Corp., 900 17th Street N.W., Washington, D.C. 20006.

D. (6) $175.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.

B. Standard Oil Co. of Indiana, 1000 16th Street NW., Washington, D.C. 20036.

D. (6) $625.

A. Michael L. Tiner, 1775 K Street NW., Washington, D.C. 20006.

B. Retail Clerks International Association, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.

D. (6) $3,429.57. E. (9) $482.84.

A. E. Linwood Tipton, 1105 Barr Building, Washington, D.C. 20006.

B. International Association of Ice Cream Manufacturers and Milk Industry Foundation, 1105 Barr Building, Washington, D.C. 20006.

E. (9) $409.25.

A. Maurice B. Tobin, 1010 16th Street NW., Washington, D.C. 20036.

B. Potlatch Corp., 1 Maritime Plaza, Box 3591, San Francisco, Calif.

D. (6) $25.

A. William D. Toohey, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Discover America Travel Organizations, Inc., 1100 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $1,425. E. (9) $50.

A. David R. Toll, 1140 Connecticut Avenue, No. 1010, Washington, D.C. 20036.

B. National Association of Electric Companies, 1140 Connecticut Avenue NW., No. 1010, Washington, D.C. 20036.

D. (6) $585. E. (9) $398.97.

A. John Tope, 1101 15th Street NW., Washington, D.C. 20005.

B. Republic Steel Corp., Republic Building, Cleveland, Ohio 44101.

A. Transportation Association of America, 1100 17th Street NW., Suite 1107, Washington, D.C. 20036.

A. Paul E. Trimble, 1411 Rockefeller Building, Cleveland, Ohio 44113.

B. Lake Carriers' Association, 1411 Rockefeller Building, Cleveland, Ohio 44113.

A. Glenwood S. Troop, Jr., 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.

B. U.S. League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.

D. (6) $6,875. E. (9) $91.

A. Francis J. Tucker, Haverford Towers, Haverford, Pa. 19041.

B. Penn Central Co., No. 3 Penn Center Plaza, Philadelphia, Pa. 19102.

D. (6) $125. E. (9) $32.75.

A. Ronald R. Tullos, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $350. E. (9) $14.

A. C. Roger Turner, 1106 Paper Mill Road, Wyndmoor, Pa. 19118.

B. Penn Central Co., No. 3 Penn Center Plaza, Philadelphia, Pa.

D. (6) $300. E. (9) $30.10.

A. John G. Turner, Jr., Suite 1204, 1700 K Street NW., Washington, D.C. 20006.

B. Standard Oil Co., of California, Suite 1204, 1700 K Street NW., Washington, D.C. 20006.

D. (6) $150. E. (9) $49.45.

A. Richard F. Turney, 1725 K Street NW., Washington, D.C. 20006.

B. Courtney & McCamant, 1725 K Street NW., Washington, D.C. 20006.

D. (6) $300.

A. St. Clair J. Tweedie, Suite 1001, 1150 17th Street NW., Washington, D.C.

B. American Textile Manufacturers Institute, Inc., 1501 Johnston Building, Charlotte, N.C. 28281.

D. (6) $669.30. E. (9) $69.75

A. Joseph D. Tydings, Danzansky, Dicky, Tydings, Quint & Gordon, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20036

D. (6) $13.94. E. (9) $13.94.

A. United Brotherhood of Carpenters & Joiners of America, 101 Constitution Avenue NW., Washington, D.C. 20001.

E. (9) $12,687.81.

A. United Egg Producers, 1001 International Boulevard, Suite 1105, Atlanta, Ga. 30354.

E. (9) $1,350.

A. U.S. Cane Sugar Refiners' Association, 1001 Connecticut Avenue, Washington, D.C. 20036.

E. (9) $318.24.

A. U.S. League of Savings Association, 111 East Wacker Drive, Chicago, Ill.

E. (9) $71,133.03.

A. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.

E. (9) $3,646.03.

A. Herbert C. Upson, 260 Madison Avenue, New York, N.Y. 10016.

B. American Paper Institute, 260 Madison Avenue, New York, N.Y. 10016.

A. J. Joseph Vacca, 100 Indiana Avenue NW., Washington, D.C. 20001.

B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.

D. (6) $3,411.91.

A. Jack J. Valenti, 1600 Eye Street NW., Washington, D.C. 20006.

B. Motion Picture Association of America, Inc., 1600 Eye Street NW., Washington, D.C.

A. John A. Vance, 1150 17th Street NW., Suite 1109, Washington, D.C. 20036.

B. Pacific Gas & Electric Co., 77 Beale Street, San Francisco, Calif. 94106.

D. (6) $687.50. E. (9) $507.39.

A. R. Dick Vander Woude, 10600 West Higgins Road, Rosemont, Ill. 60018.

B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

D. (6) $3,091.20. E. (9) $75.

A. Ted Van Dyk Associates, Inc., 1156 15th Street NW., Suite No. 912, Washington, D.C. 20005.

B. United Airlines, P.O. Box 66100, Chicago, Ill. 60666.

E. (9) $19.54.

A. Lois Van Valkenburgh, 1673 Preston Road, Alexandria, Va. 22302.

B. Citizens Committee for UNICEF, 110 Maryland Avenue NE., Washington, D.C.

D. (6) $16.

A. Elizabeth Alderman Vinson, 1730 M Street NW., Washington, D.C. 20036.

B. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.

D. (6) $750.

A. Walter D. Vinyard, Jr., 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.

B. American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.

D. (6) $1,500. E. (9) $250.

A. Donn L. Waage, 730 15th Street NW., Washington, D.C. 20005.

B. Association of Registered Bank Holding Cos., 730 15th Street NW., Washington, D.C. 20005.

D. (6) $250. E. (9) $71.75.

A. Robert J. Wager.

B. American Bakers Association, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $1,718.75. E. (9) $9.25.

A. Jerome R. Waldie, 100 Indiana Avenue NW., Washington, D.C. 20001.

B. Alameda Naval Employees' Association, Alameda Naval Air Station, Alameda, Calif.

D. (6) $750. E. (9) $215.

A. Jerome R. Waldie, 100 Indiana Avenue NW., Washington, D.C. 20001.

B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.

D. (6) $5,250.01. E. (9) $20.30.

A. Jerome R. Waldie, 100 Indiana Avenue NW., Washington, D.C. 20001.

B. Recording Industry Association of America, 1 East 57th Street, New York, N.Y. 10022.

D. (6) $3,332. E. (9) $771.67.

A. Robert E. Waldron, 930 Michigan National Tower, Lansing, Mich. 48933.

B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.

D. (6) $368.75. E. (9) $523.25.

A. E. F. Waldrop, Jr., 40 Ivy Street SE., Washington, D.C. 20003.

B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.

D. (6) $451.51.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Allen Products Co., Inc., P.O. Box 2187, R.D. No. 3, Allentown, Pa., 18001.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Allied Chemical Corp., P.O. Box 1057R, Morristown, N.J. 07960.

D. (6) $50.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Aluminum Co. of America, Washington, D.C. 20006.

D. (6) $50.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Bethlehem Steel Corp., Bethlehem, Pa. 18016.

D. (6) $50.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Cigar Association of America, Inc., 575 Madison Avenue, New York, N.Y. 10022.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Ford Motor Co., The American Road, Dearborn, Mich. 48121.

D. (6) $50.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. General Electric Co., Washington, D.C. 20005.

D. (6) $50.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. General Motors Corp., General Motors Building, Detroit, Mich. 48202.

D. (6) $50.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue N.W., Washington, D.C. 20006.

B. Goodyear Tire & Rubber Co., 1800 K Street NW., Washington, D.C. 20006.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Laredo National Bank, Laredo, Tex., et al.

D. (6) $187.50.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue N.W., Washington, D.C. 20006.

B. National Steel Corp., 2800 Grant Building, Pittsburgh, Pa. 15219.

D. (6) $50.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Procter & Gamble, Cincinnati, Ohio 45201.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Union Carbide Corp., 270 Park Avenue, New York, N.Y. 10017.

D. (6) $50.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. U.S. Steel Corp., 1625 K Street NW., Washington, D.C. 20006.

D. (6) $50.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Weyerhaeuser Co., Tacoma, Wash. 98401.

D. (6) $50.

A. Carl S. Wallace, 1800 K Street NW., Suite 614, Washington, D.C. 20006.

B. Bipartisan Committee on Absentee Voting, Inc., 1800 K Street NW., Suite 614, Washington, D.C. 20006.

E. (9) $76.07.

A. Lionel L. Wallenrod, 260 Madison Avenue, New York, N.Y. 10016.

B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Jack A. Waller, 1750 New York Avenue NW., Washington, D.C. 20006.

B. International Association of Fire Fighters, 1750 New York Avenue NW., Washington, D.C. 20006.

D. (6) $6,950.73.

A. Charles S. Walsh.

B. National Cable TV Association, Inc., 918 16th Street NW., Washington, D.C.

D. (6) $127.50. E. (9) $15.

A. J. W. Walsh, 400 First Street NW., Washington, D.C. 20001.

B. Brotherhood of Railroad Signalmen, 601 West Golf Road, Mount Prospect, Ill. 60056.

D. (6) $350.

A. Johnnie M. Walters, 1730 Pennsylvania Avenue NW., Suite 1060, Washington, D.C. 20006.

B. Vepco, Seventh and Franklin Streets, Richmond, Va.

D. (6) $300. E. (9) $5.

A. Henry L. Walther, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22030.

B. National Right To Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22030.

A. William A. Walton, 800 Merchants National Bank Building, 8th and Jackson Streets, Topeka, Kans., 66612.

B. Kansas Railroad Committee, 800 Merchants National Bank Building, 8th and Jackson Streets, Topeka, Kans., 66612.

D. (6) $1,200. E. (9) $450.

A. Richard D. Warden, 1125 15th Street NW., Washington, D.C. 20005.

B. International Union, United Automobile Aerospace and Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.

D. (6) $5,898.60. E. (9) $680.17.

A. Jack Ware, 1801 K Street NW., Washington, D.C. 20006.

B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.

D. (6) $3,244.80. E. (9) $51.25.

A. Leonard Warner, P.O. Box 100, Ashburn, Va. 22011.

B. Len Warner, Inc.

D. (6) $1,000.

A. Washington Board of Realtors, 1511 K Street, NW., No. 439, Washington, D.C. 20005.

A. George A. Watson, Suite 800, 1612 K Street NW., Washington, D.C. 20006.

B. Ferroalloys Association, Suite 800, 1612 K Street NW., Washington, D.C., 20006.

E. (9) $1,500.

A. R. J. Watson, 1730 Pennsylvania Avenue, NW., Washington, D.C. 20006.

B. Rockwell International Corp.

D. (6) $450. E. (9) $156.75.

A. George B. Watts, 1155 15th Street NW., Washington, D.C. 20005.

B. National Broiler Council, 1155 15th Street NW., Washington, D.C. 20005.

D. (6) $300.

A. Ray Wax, in care of Robert L. Melbern, Route No. 3, Gatesville, Tex. 76528.

B. National Association of Farmer Elected Committeemen, in care of Robert L. Melbern, Route No. 3, Gatesville, Tex. 76528.

E. (9) $78.49.

A. W. H. Weatherspoon, North Carolina Petroleum Council, P.O. Box 167, Raleigh, N.C. 27602.

B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.

D. (6) $312.50. E. (9) $469.92.

A. Clyde M. Webber, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.

B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.

D. (6) $14,366.80. E. (9) $1,706.15.

A. Theodore F. Weihe, 1730 M Street NW., Washington, D.C. 20036.

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B. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C.
D. (6) $650.

A. Weisman, Celler, Spett, Modlin & Wertheimer, 1025 Connecticut Avenue NW., Suite 910, Washington, D.C. 20036.
B. National Football League Players Association, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $2,000.

A. Morton N. Weiss, 55 Broad Street, New York, N.Y. 10004.
B. National Security Traders Association, Inc., 55 Broad Street, New York, N.Y. 10004.
D. (6) $1,500. E. (9) $250.

A. Paul S. Weller, Jr., 1129 20th Street NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C. 20036.
D. (6) $3,113.34. E. (9) $127.17.

A. Edward O. Welles, 1910 K Street NW., Washington, D.C. 20006.
B. National Council to Control Handguns, 1910 K Street NW., Washington, D.C. 20006.
E. (9) $179.48.

A. Fred M. Wertheimer, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $8,576.94. E. (9) $326.94.

A. Harry H. Westbay III, 1625 Eye Street NW., Suite 805, Washington, D.C. 20006.
B. St. Regis Paper Co., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $300. E. (9) $150.

A. West Mexico Vegetable Distributors Association, P.O. Box 848, Nogales, Ariz. 85621.
E. (9) $500.

A. Clyde A. Wheeler, Jr., 1800 K Street NW., Suite 820, Washington, D.C. 20006.
B. Sun Oil Co., 240 Radnor-Chester Road, St. Davids, Pa. 19087.
D. (6) $10,000. E. (9) $1,925.

A. Edwin M. Wheeler, 1015 18th Street NW., Washington, D.C. 20036.
B. Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.
E. (9) $25.

A. Robert Y. Wheeler, Box 185, Tilden, Tex. 78072.
B. E. G. Herman, 9538 Brighton Way, Beverly Hills, Calif. 90210.

A. Wheeler, Van Sickle & Anderson, 25 West Main Street, Madison, Wis. 53703.
B. Marshall & Ilsley Bank, 770 North Water Street, Milwaukee, Wis. 53202.

A. White & Case, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. New England Petroleum Corp., 825 Third Avenue, New York, N.Y. 10022.

A. Donald F. White, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $1,000. E. (9) $50.

A. John C. White, Room 1008, 1101 17th Street NW., Washington, D.C. 20036.
B. Private Truck Council of America, Inc., Room 1008, 1101 17th Street NW., Washington, D.C.

A. John S. White, 420 Cafritz Building, Washington, D.C. 20006.
B. Marathon Oil Co., Findlay, Ohio 45840.
E. (9) $812.67.

A. Douglas Whitlock II, 1660 L Street NW., Suite 1005, Washington, D.C. 20036.
B. Zale Corp., 1660 L Street NW., Suite 1005, Washington, D.C. 20036.
D. (6) $500. E. (9) $150.

A. Leonard M. Wickliffe, 1620 I Street NW., Suite 615, Washington, D.C. 20006.
B. California Railroad Association, 11th and L Building, Sacramento, Calif. 95814.
D. (6) $8,749.97. E. (9) $4,191.51.

A. Richard J. Wiechmann, 260 Madison Avenue, New York, N.Y. 10016.
B. American Paper Institute, 260 Madison Avenue, New York, N.Y. 10016.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. American Society of Travel Agents, Inc., 360 Lexington Avenue, New York, N.Y. 10017.
E. (9) $2,410.71.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Arapahoe Tribe of Indians, Fort Washakie, Wyo.
E. (9) $83.66.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Association of Data Processing Service Organizations, Inc., 420 Lexington Avenue, New York, N.Y. 10017.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Bonneville International Corp., 136 East South Temple, Salt Lake City, Utah.
E. (9) $105.63.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Brigham Young University, Provo Utah.
E. (9) $17.85.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. College Placement Council, Inc., 65 East Elizabeth Street, Bethlehem, Pa.
E. (9) $79.71.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Confederated Salish & Kootenai Tribes of the Flathead Reservation, Mont.
E. (9) $230.54.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Estate of Albert W. Small, c/o Mrs. Albert W. Small, 5803 Green Tree Road, Bethesda, Md.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Hoopa Valley Tribe, P.O. Box 817, Hoopa, Calif.
E. (9) $39.38.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Nana Regional Corp., Inc., Box 48, Kotzebue, Alaska 99752.
E. (9) $13.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. National Association of Insurance Agents, Inc., 85 John Street, New York, N.Y. 10038.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Quinaielt Tribe of Indians, Taholah, Wash.
E. (9) $101.97.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Three Affiliated Tribes of the Fort Berthold Reservation, New Town, N. Dak.
E. (9) $86.99.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. U.S. National Bank, Medford, Oreg., acting for the "Remaining Members" of the Klamath Indian Tribe, Oreg.
E. (9) $53.76.

A. Williams, Connolly & Califano, 1000 Hill Building, Washington, D.C. 20006.
B. Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.

A. Williams, Connolly & Califano, 1000 Hill Building, Washington, D.C. 20006.
B. Pasco, Inc., P.O. Box 1677, Englewood, Colo. 80110.
D. (6) $2,918.75. E. (9) $3,031.64.

A. Williams, Connolly & Califano, 1000 Hill Building, Washington, D.C. 20006.
B. Pfizer, Inc., 235 East 42d Street, New York, N.Y. 10017.

A. Francis G. Williams.
B. American Frozen Food Institute, 919 18th Street NW., Washington, D.C. 20006.
D. (6) $50.

A. Williams & King, 1620 I Street NW., Suite 800, Washington, D.C. 20006.
B. National Nutritional Foods Association, 7727 South Painter Avenue, Whittier, Calif. 90602.
D. (6) $7,500. E. (9) $162.25.

A. Robert E. Williams, 1825 K Street NW., Washington, D.C. 20006.
B. United Airlines, P.O. Box 66100, Chicago, Ill. 60666.
D. (6) $1,250. E. (9) $800.46.

A. Robert G. Williams, The Trane Co., 2020 14th Street, North Arlington, Va. 22201.
B. Trane Co., 3600 Pammel Creek Road, La Crosse, Wis. 54601.
D. (6) $462.50. E. (9) $75.08.

A. Samuel M. Williams, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association.
D. (6) $1,525. E. (9) $600.

A. John C. Williamson, 1825 K Street NW., Suite 604, Washington, D.C. 20006.
B. Mortgage Insurance Cos., of America, 1825 K Street, Suite 604, Washington, D.C. 20006.
D. (6) $2,000. E. (9) $192.28.

A. John C. Williamson, 1825 K Street NW., Suite 604, Washington, D.C. 20006.
B. National Apartment Association, 1825 K Street NW., Suite 604, Washington, D.C. 20006.
D. (6) $2,000.

A. Wilmer, Cutler, & Pickering 1666 K Street N.W., Washington, D.C. 20006.
B. Council for Responsible Nutrition, 1225 Connecticut Avenue, NW., Washington, D.C. 20036.
D. (6) $250. E. (9) $6.

A. Wilmer, Cutler, & Pickering 1666 K Street NW., Washington, D.C. 20006.
B. Dealer Bank Association, P.O. Box 8796, St. Louis, Mo. 63102.

A. Wilmer, Cutler, & Pickering 1666 K Street NW., Washington, D.C. 20006.
B. Manufacturing Chemists Association, 1825 Connecticut Avenue NW., Washington, D.C.
E. (9) $4.

A. Wilmer, Cutler, & Pickering, 1666 K Street NW., Washington, D.C. 20006.

B. Marianas Political Status Commission, P.O. Box 977, Saipan, Mariana Islands 96950.
E. (9) $5.

A. Wilmer, Cutler & Pickering, 1666 K Street NW., Washington, D.C. 20006.
B. Oil Investment Institute, 2500 Dunstan, Houston, Tex. 77005.

A. W. E. Wilson, 623 Ockley Drive, Shreveport, La. 71106.
B. Pennzoil Co., 900 Southwest Tower, Houston, Tex. 77002.
D. (6) $937.50. E. (9) $670.50.

A. R. J. Winchester, 900 Southwest Tower, Houston, Tex. 77002.
B. Pennzoil Co., 900 Southwest Tower, Houston, Tex. 77002.
D. (6) $8,000. E. (9) $3,700.

A. Winston & Strawn, Suite 1040, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Gould Inc., 8550 West Bryn Mawr Avenue, Chicago, Ill. 60631.

A. Winston & Strawn, Suite 1040, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. International Council of Shopping Centers, 445 Park Avenue, New York, N.Y. 10022.
E. (9) $161.10.

A. A. W. Winter, c/o Pasco, Inc., P.O. Box 1677, Englewood, Colo. 80110.
B. Pasco, Inc., P.O. Box 1677, Englewood, Colo. 80110.
D. (6) $1,030. E. (9) $107.98.

A. Russell C. Wisor, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $3,875. E. (9) $700.13.

A. Richard F. Witherall, 702 Majestic Building, Denver, Colo. 80202.
B. Colo RR Association, 702 Majestic Building, Denver, Colo.
D. (6) $400. E. (9) $1,200.

A. James E. Wolf, 2020 14th Street, North, Arlington, Va. 22201.
B. Trane Co., 3600 Pammel Creek Road, La Crosse, Wis. 54601.
D. (6) $600. E. (9) $43.08.

A. Sidney M. Wolfe, 2000 P Street NW., Suite 708, Washington, D.C. 20036.
B. Health Research Group, 2000 P Street NW., Suite 708, Washington, D.C. 20036.
D. (6) $35.

A. Nathan T. Wolkomir, 1737 H Street NW., Washington, D.C. 20006.
B. National Federation of Federal Employees, 1737 H Street NW., Washington, D.C.
D. (6) $8,308.80. E. (9) $1,051.23.

A. Kenneth D. Wollack, 1341 G Street NW., Suite 908, Washington, D.C. 20008.
B. American Israel Public Affairs Committee, 1341 G Street NW., Suite 908, Washington, D.C. 20005.
D. (6) $4,531.22.

A. David G. Wood, 1825 K Street NW., Washington, D.C. 20006.
B. United Airlines, P.O. Box 66100, Chicago, Ill. 60666.
D. (6) $1,230. E. (9) $507.23.

A. Merle E. Wood, 10236 Bunker Ridge Road, Kansas City, Mo. 64137.
B. Mr. Ewing M. Kauffman, Marion Laboratories, Inc., 10236 Bunker Ridge Road, Kansas City, Mo. 64137.
D. (6) $400. E. (9) $492.75.
A. Merle E. Wood, 10236 Bunker Ridge Road, Kansas City, Mo. 64137.
B. Marion Laboratories, Inc., 10236 Bunker Ridge Road, Kansas City, Mo. 64137.
D. (6) $550. E. (9) $592.22.

A. William E. Woods, 440 National Press Building, Washington, D.C. 20045.
B. National Association of Retail Druggists, 1 East Wacker Drive, Chicago, Ill. 60601.
D. (6) $750. E. (9) $150.

A. Albert Young Woodward, 1625 I Street NW., Washington, D.C.
B. Flying Tiger Line Inc., Los Angeles International Airport, Los Angeles, Calif.

A. Perry W. Woofter, 1801 K Street NW., Washington, D.C. 20006.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $9,900. E. (9) $210.

A. George M. Worden, 1425 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Wyatt, Saltzstein, Minton & Howard, 1300 Wyatt Building, Washington, D.C. 20005.
B. American Business Press, Inc., 205 East 42d Street, New York, N.Y. 10017.
D. (6) $2,250. E. (9) $100.

A. Dennis M. Yamamoto, 1730 M Street NW., Washington, D.C. 20036.
B. American Optometric Association, 820 First National Bank Building, Peoria, Ill. 61602.
D. (6) $413.70. E. (9) $415.75.

A. Jack Yelverton, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Fleet Reserve Association, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.

A. John H. Yingling, 1156 15th Street NW., Suite 701, Washington, D.C. 20005.
B. First National City Bank, 399 Park Avenue, New York, N.Y. 10022.
D. (6) $200. E. (9) $160.33.

A. Young, Kaplan & Edelstein, 277 Park Avenue, New York, N.Y. 10017.
D. (6) $5,000. E. (9) $45.

A. Kenneth Young, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $8,073. E. (9) $400.53.

A. Robert J. Young, Suite 1014, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Exxon Co. USA (a division of Exxon Corp.), P.O. Box 2180, Houston, Tex.
E. (9) $57.50.

A. Eugene A. Yourch, 17 Battery Place North, New York, N.Y. 10004.
B. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.

A. John S. Zapp, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill.
D. (6) $2,400. E. (9) $645.

A. Thomas K. Zaucha, 1725 I Street NW., Washington, D.C. 20006.
B. National Association of Food Chains, 1725 I Street NW., Washington, D.C. 20006.
E. (9) $500.

A. Donald P. Zeifang, 1771 N Street NW., Washington, D.C. 20036.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
D. (6) $3,000. E. (9) $283.20.

A. Roger H. Zion, Resources Development, Inc., 1155 15th Street NW., Suite 418, Washington, D.C. 20005.
B. Credithrift Financial, Inc., 601 Northwest Second Street, P.O. Box 59, Evansville, Ind. 47708.
D. (6) $1,000.

A. Roger H. Zion, Resources Development, Inc. 1155 15th Street NW., Suite 418, Washington, D.C. 20005.
B. Indiana Farm Bureau Cooperative Association, Inc., 47 South Pennsylvania Street, Indianapolis, Ind. 46204.
D. (6) $3,000.

A. Roger H. Zion, Resources Development, Inc., 1155 15th Street NW, Suite 418, Washington, D.C. 20005.
B. Lemmons & Co., Inc., P.O. Box 303, Boonville, Ind. 47601.
D. (6) $3,000.

A. Roger H. Zion, Resources Development, Inc., 1155 15th Street NW., Suite 418, Washington, D.C. 20005.
B. Public Service Research Council, 8206 Leesburg Pike, Vienna, Va. 22180.
D. (6) $3,000. E. (9) $772.66.

A. John L. Zorack, 1800 K Street NW., No. 900, Washington, D.C. 20006.
B. Pan American World Airways, 1800 K Street NW., No. 900, Washington, D.C. 20006.
E. (9) $709.08.

A. Paul G. Zurkowski, 4720 Montgomery Lane, Bethesda, Md. 20014.
B. Information Industry Association, 4720 Montgomery Lane, Bethesda, Md. 20014.
D. (6) $462.50. E. (9) $20.

A. Charles O. Zuver, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $4,000. E. (9) $131.97.

*All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.

The following reports for the first calendar quarter of 1974 were received too late to be included in the published reports for that quarter.

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19______ ◄

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:

(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)

(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".

(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:

(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.

(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:

1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (*a*) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (*b*) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(*a*) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).

(*b*) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).

(*c*) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, ☐ place an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known; (*d*) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (*a*) Description, (*b*) quantity distributed; (*c*) date of distribution, (*d*) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.◄

AFFIDAVIT

[Omitted in printing]

PAGE 1◄

A. Actors Equity Association, 165 West 46th Street, New York, N.Y. 10036.
D. (6) $2,500. E. (9) $2,500.

A. John J. Adams, Suite 1060, 1730 Pennsylvania Avenue NW., Washington, D.C.
B. Vepco, Seventh and Franklin Streets, Richmond, Va.
D. (6) $300.

A. Paul W. Airey, 4517 Sunset Drive, Panama City, Fla. 32401.
B. Air Force Sergeants, 4235 28th Avenue SE., Suite 713, Washington, D.C. 20031.

A. Air Traffic Control Association, Suite 409, ARBA Building, 525 School Street SW., Washington, D.C. 20024.

A. American Association of University Women, 2401 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $211. E. (9) $16,174.46.

A. American Conservative Union, 422 First Street SE., Washington, D.C. 20003.
D. (6) $25,269.51. E. (9) $16,910.73.

A. American Consulting Engineers Council, 1155 15th Street NW., Suite 713, Washington, D.C. 20005.
D. (6) $7,500. E. (9) $7,500.

A. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $2,354.22. E. (9) $2,354.22.

A. American Humane Association, 5351 South Rosyln Street, Englewood, Colo.
E. (9) $1,800.

A. American League of Anglers, 810 18th Street NW., Washington, D.C. 20006.
D. (6) $6,913. E. (9) $669.14.

A. American Library Association, 50 East Huron Street, Chicago, Ill. 60611.
D. (6) $1,202.44. E. (9) $3,984.19.

A. American Life Insurance Association, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
E. (6) $1,113.45.

A. American Maritime Association, 17 Battery Place-North, New York, N.Y. 10004.
E. (6) $1,634.31.

A. American Rivers Conservation Council, 324 C Street SE., Washington, D.C. 20003.
D. (6) $1.932.95. E. (9) $662.70.

A. American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
D. (6) $125,847. E. (9) $2,835.

A. William C. Anderson, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $2,500. E. (9) $21.93.

A. Robert E. Ansheles, Suite 907, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. CITC Industries, Inc., 1 Park Avenue, New York, N.Y., 10016.
D. (6) $475. E. (9) $149.75.

A. Leonard Appel, 425 13th Street NW., Suite 1032, Washington, D.C. 20004.
B. Everett Terminal Co., Inc., P.O. Box 1478, Hewitt Avenue Marine Terminal, Everett, Wash. 98206.
D. (6) $6,607.86. E. (9) $65.54.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. American Bottled Water Association, 1411 West Olympic Boulevard, Los Angeles, Calif. 90015.
D. (6) $660. E. (9) $28.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. Commissioner of Baseball, 15 West 51st Street, New York, N.Y. 10019.
D. (6) $5,265. E. (9) $159.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. Montgomery County, Md., Lawyers Association, c/o George Ballman, 3720 Farragut Street, Kensington, Md. 20795.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. Recording Industry Association of America, Inc., 1 East 57th Street, New York, N.Y. 20022.
D. (6) $12,500. E. (9) $1,687.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. State Farm Mutual Automobile Insurance Co., 1 State Farm Plaza, Bloomington, Ill. 61701.
D. (6) $203. E. (9) $34.

A. Artists Equity Association, 2813 Albermarle Street NW., Washington, D.C.

A. Associated Employers Inc., 8107 Broadway, Suite 202, San Antonio, Tex. 78209.
E. (9) $290.98.

A. Associated Railroads of New Jersey, Pennsylvania Station, Raymond Plaza, Newark, N.J. 07102.
D. (6) $95. E. (9) $82.50.

A. Associated Third-Class Mail Users, Suite 607, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $300. E. (9) $300.

A. Association for the Advancement of Invention and Innovation, Suite 301, Crystal Mall 1, 1911 Jefferson Davis Highway, Arlington, Va. 22202.
D. (6) $60. E. (9) $1,987.75.

A. Authors League of America, Inc., 234 West 44th Street, New York, N.Y. 10036.
E. (9) $215.99.

A. Carl E. Bagge, Coal Building, Washington, D.C. 20036.
B. National Coal Association, Coal Building, Washington, D.C. 20036.
E. (9) $2,379.84.

A. Charles W. Bailey, 8316 Arlington Boulevard, Suite 600, Fairfax Va. 22030.
B. National Right to Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22030.

A. George F. Bailey, Jr., P.O. Box 21, Montgomery, Ala. 36101.
B. Alabama Railroad Association, P.O. Box 21, Montgomery, Ala. 36101.
D. (6) $82. E. (9) $189.13.

A. Markham Ball, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Leva, Hawes, Symington, Martin & Oppenheimer (for Cooperative for American Relief Everywhere, Inc.), 660 First Avenue, New York, N.Y.

A. Irvin L. Barney, 400 First Street NW., Washington, D.C. 20001.
B. Brotherhood Railway Carmen of the United States & Canada, 4929 Main Street, Kansas City, Mo. 64112.
D. (6) $5,160.65.

A. Joseph Baroody, 1100 17th Street NW., Washington, D.C.
B. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.
D. (6) $300. E. (9) $150.

A. Barrett Smith Schapiro & Simon, 26 Broadway, New York, N.Y. 10004.
B. New York Cocoa Exchange, Inc., 127 John Street, New York, N.Y. 10038; New York Coffee & Sugar Exchange, Inc., 79 Pine Street, New York, N.Y. 10005.
D. (6) $1,650. E. (9) $10.

A. Kenneth C. Bass III, Reasoner, Davis & Vinson, 800 17th Street NW., Washington, D.C. 20006.
B. Alaska Federation of Natives, Inc., 1675 C Street, Anchorage, Alaska 99501.
D. (6) $770.

A. Davis M. Batson, 1155 15th Street NW., No. 611, Washington, D.C. 20005.
B. Ethyl Corp., 1155 15th Street NW., No. 611, Washington, D.C. 20005.

A. Becker, Channell, Becker & Feldman, 1819 H Street NW., Suite 950, Washington, D.C. 20006.
B. Seattle Opera Association, Seattle, Wash.

A. Daniel S. Bedell, 1125 15th Street NW., No. 600, Washington, D.C. 20005.
B. International Union, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.
D. (6) $5,952.74. E. (9) $789.63.

A. Ralph C. Beerbower, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

A. C. Thomas Bendorf, 1620 I Street NW., Washington, D.C. 20006.
B. Association of Trial Lawyers of America.
D. (6) $3,000. E. (9) $150.

A. Charles L. Binsted, 2021 K Street NW., No. 301, Washington, D.C. 20006.
B. National Congress of Petroleum Retailers, Inc.
D. (6) $3,319. E. (9) $2,181.

A. Robert J. Bird, 1140 Connecticut Avenue NW., Suite 412, Washington, D.C. 20036.
B. Ad Hoc Coalition for Cemetery Care, 6216 South Stanford Way, Whittier, Calif. 90601.
D. (6) $39.06. E. (9) $57.42.

A. Robert J. Bird, 1140 Connectiut Avenue NW., Suite 412, Washington, D.C. 20036.
B. Occidental Life Insurance Co., 12th Street at Hill, Los Angeles, Calif. 90054.

A. Robert J. Bird, 1140 Connecticut Avenue NW., Suite 412, Washington, D.C. 20036.
B. Paul Revere Corp., Worcester, Mass. 01608.

A. Brent Blackwelder, 324 C Street SE., Washington, D.C. 20003.
B. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.
D. (6) $414.17.

A. Richard W. Blake, 1776 K Street NW., Washington, D.C. 20006.
B. National Sugarbeet Growers Federation, 1000 10th Street, Greeley, Colo. 80631; 1776 K Street NW., Washington, D.C. 20006.

A. Richard W. Bliss, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $28. E. (9) $20.

A. Charles G. Botsford, 1730 M Street NW., Suite 609, Washington, D.C. 20036.

A. Rodney A. Bower, 1126 16th Street NW., Washington, D.C. 20036.
B. International Federation of Professional & Technical Engineers, AFL–CIO, 1126 16th Street NW., Washington, D.C. 20036.
D. (6) $240. E. (9) $20.

A. Gene M. Bradley, 955 L'Enfant Plaza North SW., Washington, D.C. 20024.
B. Boeing Co., P.O. Box 3707, Seattle, Wash.
D. (6) $900. E. (9) $600.

A. Joseph E. Brady, 5018 East Summer Moon Lane, Phoenix, Ariz. 85044.
B. National Coordinating Committee of the Beverage Industry.

A. Edward J. Brenner, Suite 301, Crystal Mall 1, 1911 Jefferson Davis Highway, Arlington, Va. 22202.
B. Association for the Advancement of Invention & Innovation, Suite 301, Crystal Mall 1, 1911 Jefferson Davis Highway, Arlington, Va. 22202.

A. Cyril F. Brickfield, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
E. (9) $51.

A. Lester M. Bridgeman, Bridgeman & Pyeatt, 1750 New York Avenue NW., Suite 210, Washington, D.C. 20006.
B. Bart B. Chamberlain, Jr., Myrtlewood Lane, Spring Hill, Mobile, Ala.
D. (6) $1,800.

A. Bridgeman & Pyeatt, 1750 New York Avenue NW., Suite 210, Washington, D.C. 20006.
B. Bart B. Chamberlain, Jr., Myrtlewood Lane, Spring Hill, Mobile, Ala.
D. (6) $1,920.

A. Bill Brier, 1120 20th Street NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C.
D. (6) $1,749.99. E. (9) $95.20.

A. Brotherhood of Railway, Airline & Steamship Clerks, 6300 River Road, Rosemont, Ill. 60018.
D. (6) $40,389.61. E. (9) $40,389.61.

A. Lawrence E. Bruce, Jr., 1125 15th Street NW., Washington, D.C. 20005.
B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $2,750. E. (9) $2,878.

A. Philip N. Buckminster, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Chrysler Corp., 12000 Oakland Avenue, Highland Park, Mich. 48231.
D. (6) $2,000. E. (9) $268.92.

A. Robert D. Buehler, 1800 K Street NW., Suite 929, Washington, D.C. 20006.
B. B. F. Goodrich Co., Akron, Ohio, 44318.
D. (6) $200.

A. G. N. Buffington, 1101 17th Street NW., Suite 700, Washington, D.C. 20036.
B. National Association of Real Estate Investment Trusts, 1101 17th Street NW., Suite 700, Washington, D.C. 20036.
D. (6) $550. E. (9) $6.

A. David A. Bunn, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
B. Hearst Corp., 959 Eighth Avenue, New York, N.Y. 10019.

A. David A. Bunn, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
B. Magazine Publishers Association, 575 Lexington Avenue, New York, N.Y. 10022.

A. David A. Bunn, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
B. Parcel Post Association, 1211 Connecticut Avenue NW., Washington, D.C. 20036.

A. George J. Burger, 30 Clinton Place, New Rochelle, N. Y. 10801.
B. National Federation of Independent Business, 30 Clinton Place, New Rochelle, N.Y. 10801.
E. (9) $407.83.

A. J. J. Burke, Jr., 40 East Broadway, Butte, Mont. 59701.
B. Montana Power Co., Butte, Mont. 59701.
E. (9) $4.

A. David Burpee, Fordhook Farms, Doylestown, Pa. 18901.

A. Busby Rivkin Sherman Levy & Rehm, 900 17th Street NW., Suite 1100, Washington, D.C. 20006.
B. Automobile Importers of America, Inc., 900 17th Street NW., Suite 1100, Washington, D.C. 20006.
D. (6) $3,850.

A. David W. Calfee III, 324 C Street SE., Washington, D.C. 20003.
B. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.
D. (6) $875.

A. Ronald A. Capone, Kirlin, Campbell & Keating, Room 505, Farragut Building, 900 17th Street NW., Washington, D.C. 20006.
B. Council of European & Japanese National Shipowners' Association, 30–32 St. Mary Axe, London, EC3A, 8ET, England.
D. (6) $5,661.98. E. (9) $349.81.

A. Charles R. Carlisle, Suite 903, 1701 K Street NW., Washington, D.C. 20006.
B. Consultant to the Lead-Zinc Producers Committee.
D. (6) $1,600. E. (9) $3,172.34.

A. Chapin Carpenter, Jr., 1629 K Street NW., No. 603, Washington, D.C. 20006.
B. Magazine Publishers Association, Inc., 575 Lexington Avenue, New York, N.Y. 10022.
D. (6) $1,000. E. (9) $527.

A. Alfred Carr, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $4,579.35. E. (9) $271.60.

A. Richard M. Carrigan, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $4,579. E. (9) $317.37.

A. Robert J. Casey, 330 Madison Avenue, New York, N.Y. 10017.
B. Santa Fe Natural Resources, Inc., 80 East Jackson Boulevard, Chicago, Ill.; Champlin Petroleum Co., P.O. Box 9365, Fort Worth, Tex.; Union Pacific Corp., 345 Park Avenue, New York, N.Y. 10022.
D. (6) $18,235. E. (9) $1,914.65.

A. Donald E. Channell, 1819 H Street NW., Suite 950, Washington, D.C. 20006.
B. Southern Furniture Manufacturers Association, P.O. Box 951, High Point, N.C. 27261.
D. (6) $6,000. E. (9) $322.

A. Linda Chavez, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $3,432. E. (9) $207.75.

A. Charles M. Clusen, 324 C Street SE., Washington, D.C. 20003.
B. Sierra Club, 1050 Mills Tower, San Francisco, Calif. 94104.
D. (6) $3,825. E. (9) $170.

A. COALition Against Strip Mining, 324 C Street SE., Washington, D.C. 20003.
D. (6) $3,533.63. E. (9) $3,176.24.

A. Coalition of Concerned Charities, c/o Barbara J. Washburn, 1776 F Street NW., No. 200, Washington, D.C. 20006.
D. (6) $3,500. E. (9) $6,350.

A. Coalition of Independent Ophthalmic Professionals, 75 East 55th Street, New York, N.Y. 10022.
D. (6) $2,000. E. (9) $3,000.

A. Carl A. S. Coan, Jr., 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW, Washington, D.C. 20005.
D. (6) $8,099.99. E. (9) $820.14.

A. Jerry S. Cohen, Suite 708, 1776 K Street NW., Washington, D.C. 20006.
B. National Congress of Petroleum Retailers, Suite 301, 2021 K Street NW., Washington, D.C.
D. (6) $3,000.

A. Cohen & Uretz, 1775 K Street NW., Fourth Floor, Washington, D.C. 20006.
B. United Service Organizations, Inc., 237 East 52d Street, New York, N.Y. 10022.
D. (6) $10,000.

A. Lynn R. Coleman, Vinson, Elkins, Searls, Connally & Smith, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $1,185.

A. John M. Collier, 4436 Ferrier Street, New Orleans, La. 70115.
B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.
D. (6) $5,520.86. E. (9) $975.71.

A. James F. Collins, 1000 16th Street NW., Washington, D.C. 20036.
B. American Iron & Steel Institute, 1000 16th Street NW., Washington, D.C. 20036.
D. (6) $1,500. E. (9) $125.

A. Paul G. Collins, 111 Westminster Street, Providence, R.I. 02903.
B. Industrial National Bank of Rhode Island, 111 Westminster Street, Providence, R.I. 02903.
D. (6) $68.75.

A T. Neal Combs, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Sand Spring Home, c/o E. J. Doerner, 1200 Atlas Life Building, Tulsa, Okla.
D. (6) $200.

A. Committee for a Healing Repatriation, 604 East Armory Avenue, Champaign, Ill. 61820.
D. (6) $28. E. (9) $81.

A. Committee for Humane Legislation, Inc., 910 16th Street NW., Washington, D.C. 20006.
D. (6) $19,245.12. E. (9) $10,523.62.

A. Committee of Publicly Owned Companies, 22 Thames Street, New York, N.Y.
D. (6) $11,850. E. (9) $56,600.50.

A. Richard J. Congleton, 734 15th Street NW., Washington, D.C. 20005.

B. American Academy of Actuaries, 208 South LaSalle Street, Chicago, Ill. 60604.
D. (6) $900. E. (9) $142.70.

A. Richard J. Congleton, 734 15th Street NW., Washington, D.C. 20005.
B. Equitable Life Assurance Society of the United States, 1285 Avenue of the Americas, New York, N.Y. 10019.
D. (6) $1,500. E. (9) $200.

A. Robert J. Conner, Jr., 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Chrysler Corp., 12000 Oakland Avenue, Highland Park, Mich. 48231.
D. (6) $500. E. (9) $603.23.

A. Charles F. Cook, Jr., 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building NW., Washington, D.C. 20036.
D. (6) $1,380. E. (9) $52.

A. Council for the Advancement of the Psychological Professions & Sciences, 1725 I Street NW., No. 606, Washington, D.C.
D. (6) $43,491. E. (9) $5,264.

A. Council of AFL–CIO Unions for Professional Employees, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $1,250. E. (9) $1,250.

A. John A. Couture, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $5,508.58. E. (9) $278.57.

A. Elizabeth M. Cox, 1266 National Press Building, Washington, D.C. 20045.
B. National Organization for Women, Inc., 1266 National Press Building, Washington, D.C., 20045.
D. (6) $3,300. E. (9) $96.49.

A. Cramer, Haber & Becker, 475 L'Enfant Plaza SW., Suite 4100, Washington, D.C. 20024.
B. Action Committee for Community Services (ACCS), 1717 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $13,000. E. (9) $10;429.82.

A. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.
D. (6) $7,657. E. (9) $1,400.15.

A. Harold L. Crosier, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, 6300 River Road, Rosemont, Ill. 60018.
D. (6) $235. E. (9) $187.24.

A. Cuba Claims Association, Executive Committee, P.O. Box 014004, Miami, Fla. 33131.
E. (9) $400.

A. Robert J. Cushman, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $2,050. E. (9) $26.32.

A. William Kay Daines, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $1,300. E. (9) $128.50.

A. Daniels & Houlihan, 1819 H Street NW., Washington, D.C. 20006.
B. American Importers Association, 420 Lexington Avenue, New York N.Y. 10017.
D. (6) $3,000. E. (9) $722.03.

A. Daniels & Houlihan, 1819 H Street NW., Washington, D.C. 20006.
B. Japan Lumber Importers Association, Tokyo, Japan.

A. Daniels & Houlihan, 1819 H Street NW., Washington, D.C. 20006.
B. National Office Machine Dealers Association, 1510 Jarvis Avenue, Elkgrove, Ill. 60007.
D. (6) $3,000. E. (9) $1,013.55.

A. Fred E. Darling, 110 Maryland Ave NE., Suite 510, Washington, D.C. 20002.
B. Non-Commissioned Officers Association of the USA (NCOA), P.O. Box 2268, San Antonio, Tex. 78298.
D. (6) $435.

A. John C. Datt, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $4,000. E. (9) $61.68.

A. Walter L. Davis, 1775 K Street NW., Washington, D.C. 20006.
B. Retail Clerks International Association, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $750.

A. Daniel P. Dawson, 200 East Randolph Drive, M.C. 3101, Chicago, Ill. 60601.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, M.C. 3101 Chicago, Ill. 60601.

A. Donald S. Dawson, 723 Washington Building, Washington, D.C. 20005.
B. Opticians Association of America, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. Dawson, Quinn, Riddell, Taylor & Davis, 723 Washington Building, Washington, D.C. 20005.
B. National Wool Growers Association, 600 Crandall Building, Salt Lake City, Utah 84101.
D. (6) $4,500. E. (9) $1,124.73.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.
B. Air Transport Association, 1709 New York Avenue NW., Washington, D.C. 20005.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.
B. Association of Plaintiffs Trial Attorneys for Metropolitan Washington, D.C., Washington, D.C. 20005.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.
B. C.T.I. Financial Corp., 650 Madison Avenue, New York, N.Y. 10022.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.
B. Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.
B. U.S. Brewers Association, Inc., 1750 K Street NW., Washington, D.C. 20006.

A. Dealer Bank Association, P.O. Box 479, Wall Street Station, New York, N.Y. 10005.
E. (9) $4,308.

A. Ronald B. Dear, 422 First Street SE., Washington, D.C. 20003.
B. American Conservative Union, 422 First Street SE., Washington, D.C. 20003.
D. (6) $2,750.

A. Delta Group, Ltd., 2535 Massachusetts Avenue NW., Washington, D.C. 20008.
D. (6) $1,518.75 E. (9) $405.

A. Leslie E. Dennis, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, 6300 River Road, Rosemont, Ill. 60018.
D. (6) $925. E. (9) $263.

A. C. H. DeVaney, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 225 Touhy Avenue, Chicago, Ill.
D. (6) $2,500. E. (9) 48.55.

A. Dickstein, Shapiro & Morin, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Committee for the Martin Report, 1735 New York Avenue, Washington, D.C.

A. Dickstein, Shapiro & Morin, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Tennessee Gas Transmission Co., P.O. Box 2511, Houston, Tex. 77001.
D. (6) $3,120. E. (9) $59.28.

A. Dickstein, Shapiro & Morin, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Vance Sanders & Co., Boston, Mass.; Federated Investors, Inc., Pittsburgh, Pa.; Fidelity Management & Research Co., Boston, Mass.

A. Timothy V. A. Dillon, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Committee for Marysville Dam, P.O. Drawer B., Marysville, Calif. 95902.
D. (6) $500. E. (9) $38.60.

A. Timothy V. A. Dillon, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Department of Water Resources, State of California, P.O. Box 388, Sacramento, Calif. 95802.
D. (6) $2,183.87. E. (9) $83.87.

A. Timothy V. A. Dillon, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Sacramento Yolo Port District, P.O. Box 815, Sacramento, Calif.
D. (6) $213. E. (9) $13.

A. Cushing N. Dolbeare, 517 Westview Street, Philadelphia, Pa. 19119.
B. National Rural Housing Coalition, 1346 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $753.69.

A. Edward V. Donahue, 1900 L Street NW., Washington, D.C. 20036.
B. Graphic Arts International Union, 1900 L Street NW., Washington, D.C. 20036.
D. (6) $2,171. E. (9) $2,227.

A. Jack Donahue, 1725 I Street NW., Suite 606, Washington, D.C. 20006.
B. Council for the Advancement of the Psychological Professions & Sciences, 1725 I Street NW., Suite 606, Washington, D.C. 20006.
D. (6) $1374. E. (9) $365.

A. Thomas E. Drumm, Jr., 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Macmillan, Inc., 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
D (6) $447. E. (9) $47.

A. Louise C. Dunlap, 324 C Street SE., Washington, D.C. 20003.
B. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.
D. (6) $3,499.98. E. (9) $225.60.

A. Henry I. Dworshak, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

A. Hallett D. Edson, 956 North Monroe Street, Arlington, Va. 22201.
B. National Association for Uniformed Services, 956 North Monroe Street, Arlington, Va. 22201.
D. (6) $1,883.40.

A. D. A. Ellsworth, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, 6300 River Road, Rosemont, Ill. 60018.
D. (6) $6,750. E. (9) $2,315.80.

A. Roy Elson, 1771 N Street NW., Washington, D.C. 20036.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
D. (6) $4,200. D. (9) 676.

A. Environmental Action, Room 731, 1346 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $5,368.59. E. (9) $5,368.59.

A. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.
D. (6) $15,572.56. E. (9) $18,576.40.

A. Ethyl Corporation, 1155 15th Street NW., Suite 611, Washington, D.C. 20005.

A. Brock Evans, 1050 Mills Tower, San Francisco, Calif. 94104.
B. Sierra Club, 1050 Mills Tower, San Francisco, Calif. 94104.
D. (6) $7,000. E. (9) $110.

A. Federation of American Scientists, 307 Massachusetts Avenue NE., Washington, D.C. 20002.
E. (9) $684.53.

A. Leon Felix, Jr., 10600 West Higgins Road, Rosemont, Ill. 60018.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $2,723. E. (9) $75.

A. Fensterwald & Ohlhausen, 910 16th Street NW., Washington, D.C. 20006.
B. Committee for Humane Legislation, Inc., 11 West 60th Street, New York, N.Y. 10023.
D. (6) $600. E. (9) $1,292.66.

A. C. H. Fields, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $2,813.. E. (9) $13.25.

A. Frank C. Fini, 2020 Brooks Drive, Apartment 506, Suitland, Md. 20028.
B. Air Force Sergeants Association, 4235 28th Avenue SE., Suite 713, Washington, D.C. 20031.

A. Firstmark Morrison, Inc., 107 Delaware Avenue, Buffalo, N.Y. 14202.
E. (9) $546.40.

A. Robert R. Fitzgerald, 13174 Putnam Circle, Woodbridge, Va. 22191.
B. National Association for Uniformed Services, 956 North Monroe Street, Arlington, Va. 22201.
D. (6) $2,448.

A. Susan Garber Flack, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $1,300. E. (9) $180.

A. Roger Fleming, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $2,075. E. (9) $39.71.

A. David H. Foerster, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

A. Carol Tucker Foreman, 1012 14th Street NW., Washington, D.C. 20005.
B. Consumer Federation of America, 1012 14th Street NW., Washington, D.C. 20005.
D. (6) $612. E. (9) $125.

A. John S. Forsythe, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Life Insurance Association, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $65. E. (9) $211.

A. Ron Frank, 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $17.25.

A. Ronald C. Frankis, 1730 Rhode Island Avenue NW., Washington, D.C.
B. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.
D. (6) $1,232. E. (9) $111.74.

A. Donald A. Frederick, 1129 20th Street NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C.
D. (6) $480. E. (9) $21.51.

A. Robert M. Frederick, 1616 H Street NW., Washington, D.C. 20006.
B. National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $5,375.

A. L. G. Freeman, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, 6300 River Road, Rosemont, Ill. 60018.
E. (9) $186.88.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Mr. & Mrs. Walter L. Laqueur, 2100 Washington Avenue, Silver Spring, Md. 20515.

A. Owen V. Frisby, 900 17th Street NW., Washington, D.C. 20006.
B. Chase Manhattan Bank, 1 Chase Manhattan Plaza, New York, N.Y. 10015.
D. (6) $404.44. E.(9) $1,754.75.

A. Robert D. Fritz, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, 6300 River Road, Rosemont, Ill. 60018.
E. (9) $1,187.04.

A. William R. Ganser, Jr., 4804 Folse Drive, Metairie, La. 70003.
B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.
D. (6) $1,125.

A. Leo J. Gehrig, 1 Farragut Square South, Washington, D.C. 20006.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $1,715.94. E. (9) $353.83.

A. Louis Gerber, 1925 K Street NW., Washington, D.C. 20006.
B. Communications Workers of America, 1925 K Street NW., Washington, D.C. 20006.
D. (6) $3,123. E. (9) $3,348.76.

A. Donald H. Gerrish.
B. American Bakers Association, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. William T. Gibb III, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Life Insurance Association, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Caesar A. Giolito, 1700 18th Street NW., Washington, D.C. 20009.
B. American Psychiatric Association, 1700 18th Street NW., Washington, D.C. 20009.
E. (9) $1700.

A. Glenmede Trust Co., 1529 Walnut Street, Philadelphia, Pa.

A. Jack Golodner, 1990 M Street NW., Washington, D.C. 20036.
B. Actors Equity Association, 165 W 46th Street, New York, N.Y. 10036.
D. (6) $2,500. E. (9) $310.

A. Jack Golodner, 1990 M Street NW., Washington, D.C. 20036.
B. Artists Equity Association, 2813 Albermarle Street NW., Washington, D.C.

A. Jack Golodner.
B. Council of AFL–CIO Unions for Professional Employees, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $1,000.

A. Government Employees Council, AFL–CIO, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $10,566.93. E. (9) $4,871.08.

A. Michael Goodman, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $3,806.81. E. (9) $189.17.

A. Donald E. Graham, 1129 20th Street NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C. 20036.
D. (6) $1,774.99. E. (9) $100.66.

A. Graphic Arts International Union, 1900 L Street NW., Washington, D.C. 20036.
D. (6) $2,171. E. (9) $2,227.

A. James W. Green, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $4,965. E. (9) $434.86.

A. James M. Hacking, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

A. Keith Halliday, 1725 K Street NW., Washington, D.C. 20006.
B. Associated Third-Class Mail Users, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $300.

A. Robert N. Hampton, 1129 20th Street NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C.
D. (6) $1,237.50. E. (9) $16.22.

A. Donald K. Hanes, 1129 20th Street NW., Washington, D.C. 20036.
E. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C.
D. (6) $328.75. E. (9) $26.09.

A. Andrew E. Hare, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22030.
B. National Right To Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22030.
D. (6) $939. E. (9) $179.

A. Donald L. Harlow, 310 Riley Street, Falls Church, Va. 22046.
B. Air Force Sergeants Association, 4235 28th Avenue SE., Suite 713, Washington, D.C. 20031.

A. Robert E. Harman, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $3,537. E. (9) $75.

A. William B. Harman, Jr., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Life Insurance Association, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $135. E. (9) $60.45.

A. Havens Relief Fund Society, 289 Park Avenue South, New York, N.Y. 10010.
E. (9) $1,932.34.

A. Kit H. Haynes, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $833. E. (9) $20.20.

A. Heavy Duty Truck Manufacturers' Association, Suite 1300, 1700 K Street NW., Washington, D.C. 20006.
D. (6) $175. E. (9) $26.

A. Barbara Heller, 324 C Street SE., Washington, D.C. 20003.
B. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.
D. (6) $307.50. E. (9) $413.92.

A. Richard A. Henneges, 1730 Rhode Island Avenue, Northwest, Washington, D.C.
B. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.
D. (6) $1,150. E. (9) $200.

A. Lillie E. Herndon, 700 North Rush Street, Chicago, Ill. 60611.
B. National Congress of Parents and Teachers, 700 North Rush Street, Chicago, Ill. 60611.
D. (6) $197,583.45.

A. Donald E. Hirsch, 425 13th Street NW.,
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $2,926. E. (9) $54.80.

A. Ralph D. Hodges, Jr.
B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C.

A. Glen D. Hofer, 1129 20th Street NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C.
D. (6) $550.50. E. (9) $45.03.

A. C. T. Hoversten, 209 W. 53rd Street, Western Springs, Ill. 60558.
B. National Advertising Co., 6850 S. Harlem Avenue, Bedford Park, Argo, Ill. 60501.

A. Casey Hughes, 1266 National Press Building, Washington, D.C. 20045.
B. National Organization for Women, Inc., 1266 National Press Building, Washington, D.C. 20045.
D. (6) $3,300. E. (9) $940.05.

A. Peter W. Hughes, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association, American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
E. (9) $176.99.

A. William J. Hull, 1025 Connecticut Avenue NW., Suite 505, Washington, D.C. 20036.
B. Ashland Oil, Inc., 1409 Winchester Avenue, Ashland, Ky.

A. William J. Hull, 1025 Connecticut Avenue NW., Suite 505, Washington, D.C. 20036.
B. Ohio Valley Improvement Association, Inc.

A. David J. Humphreys, Paulson & Humphreys, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. Recreation Vehicle Industry Association, P.O. Box 203, 14650 Lee Road, Chantilly, Va. 22021.
D. (6) $36,150. E. (9) $28.50.

A. Sarah B. Ignatius, 324 C Street SE., Washington, D.C. 20003.
B. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.
D. (6) $216.67.

A. Bernard J. Imming, 1019 19th Street NW., Washington, D.C. 20036.
B. United Fresh Fruit & Vegetable Association, 1019 19th Street NW., Washington, D.C. 20036.
D. (6) $437.50. E. (9) $22.50.

A. INA Corp., 1600 Arch Street, Philadelphia, Pa. 19101.

A. Insurance Economics Society of America, 11 East Adams Street, Suite 604, Chicago, Ill. 60603.
D. (6) $7,421.97. E. (9) $540.

A. International Association of Machinists & Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
E. (9) $11,649.24

A. Jim Jaffe.
B. American Bakers Association, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Japanese American Citizens League, 22 Peace Plaza, Suite 203, San Francisco, Calif. 94115.
D. (6) $3,130. E. (9) $3,130.

A. H. Bradley Johnson, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

A. Stuart H. Johnson, Jr., 910 17th Street NW., Washington, D.C. 20006.
B. New York Dock Railway, 334 Furman Street, Brooklyn, N.Y.
D. (6) $812.50. E. (9) $24.69.

A. Ardon B. Judd, Jr., 1100 Connecticut Avenue, Washington, D.C. 20036.
B. Dresser Industries, Inc., 1100 Connecticut Avenue, Washington, D.C. 20036.

A. Robert E. Juliano, 1666 K Street NW., Suite 304, Washington, D.C. 20006.
B. Hotel & Restaurant Employees & Bartenders International Union, 120 East Fourth Street, 13th Floor, Cincinnati, Ohio 45202.
D. (6) $4,999.98. E. (9) $3,821.72.

A. William J. Keating, 725 15th Street NW., Washington, D.C. 20005.
B. National Grain & Feed Association, 725 15th Street NW., Washington, D.C. 20005.

A. Harold V. Kelly, 1101 15th Street NW., Washington, D.C. 20005.
B. Republic Steel, Republic Building, Cleveland, Ohio 44101.

A. James J. Kelly, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, 6300 River Road, Rosemont, Ill. 60018.
D. (6) $1,175. E. (9) $1,352.26.

A. R. G. Kendall, Jr., P.O. Box 21, Montgomery, Ala. 36101.
B. Alabama Railroad Association, P.O. Box 21, Montgomery, Ala. 36101.
D. (6) $168. E. (9) $292.18.

A. James J. Kennedy, Jr., 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, 6300 River Road, Rosemont, Ill. 60018.
D. (6) $6,000. E. (9) $2,123.

A. Gibson Kingren, 900 17th Street NW., Washington, D.C. 20006.
B. Kaiser Foundation Health Plan, Inc.
D. (6) $1,125. E. (9) $243.75.

A. Richard D. Kisling, 9500 Dashia Drive, Oxon Hill, Md. 20022.
B. Air Force Sergeants Association, 4235 28th Avenue SE., Suite 713, Washington, D.C. 20031.

A. Helen Marie M. Klein, 215 Loyola Drive, Millbrae, Calif. 94030.
B. Alaska Federation of Natives, 133 Queen Anne Avenue North, Seattle, Wash. 98109.
D. (6) $450. E. (9) $400.

A. Paul R. Knapp, 1511 K Street NW., Washington, D.C. 20005.
B. Lumbermen's Mutual Casualty Co., Long Grove, Ill. 60049.
D. (6) $675.

A. Keith R. Knoblock, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

A. Albert H. Kramer, 324 C Street SE., Washington, D.C. 20003.
B. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.
D. (6) $3,900.96. E. (9) $185.85.

A. James S. Krzyminski, 1129 20th Street NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C.
D. (6) $1,904.99. E. (9) $167.35.

A. Ralph D. B. Laime, 2201 Route 38, Cherry Hill, N.J. 08034.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $2,915. E. (9) $75.

A. David R. Lambert, 1616 H Street NW., Washington, D.C. 20006.
B. National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $750.

A. Lane & Edson, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Leased Housing Association, Suite 707, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $450.

A. Laurence F. Lane, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

A. Jeffrey M. Lang, Bridgeman & Pyeatt, 1750 New York Avenue NW., Suite 210, Washington, D.C. 20006.
B. Bart B. Chamberlain, Jr, Myrtlewood Lane, Spring Hill, Mobile, Ala.
D. (6) $120.

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A. Elizabeth Langer, 1012 14th Street NW., Washington, D.C. 20005.
B. Consumer Federation of America.
D. (6) $875. E. (9) $90.

A. Clifford C. LaPlante, 955 L' Enfant Plaza North SW., Washington, D.C. 20024.
B. Boeing Co., P.O. Box 3707, Seattle, Wash- 98124.

A. Reed E. Larson, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22030.
B. National Right to Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22030.
D. (6) $58. E. (9) $5.

A. Robert B. Laurents, 7205 Reservoir Road, Springfield, Va. 22150.
B. National Association for Uniformed Services, 956 North Monroe Street, Arlington, Va. 22201.
D. (6) $3,300.

A. William Lazarus, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C.
D. (6) $1,200. E. (9) $150.

A. Corinne M. Leach, 6200 24th NE., Seattle, Wash. 98115.
B. Alaska Federation of Natives, 133 Queen Anne Avenue North, Seattle, Wash. 98109.
E. (9) $1,200.

A. Robert K. Lee, Mover's Committee For Emergency Fuel Resources, P.O. Box 272, Wichita, Kans. 07201.
D. (6) $182. E. (9) $182.

A. Barbara J. Leerskov, 1266 National Press Building, Washington, D.C. 20045.
B. National Organization for Women, Inc., 1266 National Press Building, Washington, D.C. 20045.
D. (6) $1,900. E. (9) $4.90.

A. Joseph A. Letorney, 20 Ashburton Place, Boston, Mass. 02108.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $3,272. E. (9) $75.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Cooperative for American Relief Everywhere, Inc., 660 First Avenue, New York, N.Y. 10016.

A. Morris J. Levin, 1620 Eye Street NW., Washington, D.C. 20006.
B. Association of American Railroads, American Railroad Building, Washington, D.C. 20006.
D. (6) $1,000.

A. J. M. B. Lewis, Jr., 315 Shenandoah Building, P.O. Box 2887, Roanoke, Va. 24001.
B. National Council of Coal Lessors, 317 Southern Building, Washington D.C. 20005; Iron Ore Lessors Association, 1500 First National Bank Building, St. Paul, Minn.
D. (6) $10,000. E. (9) $1,300.

A. Liberty Lobby, Inc., 130 3d Street SE., Washington, D.C. 20003.
D. (6) $25,943.22. E. (9) $28,683.30.

A. Russell B. Light, 955 L'Enfant Plaza North, SW., Washington, D.C. 20024.
B. Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.
D. (6) $1,000. E. (9) $409.

A. Jonathan Lindley, 1730 Rhode Island Avenue NW., Washington, D.C.
B. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.
D. (6) $2,173. E. (9) $604.70.

A. James Rowland Lowe, Jr., 1730 Pennsylvania Avenue NW., Suite 330, Washington, D.C. 20006.
B. Alaskan Arctic Gas Study Co., P.O. Box 979, Alaska Mutual Bank Bldg., Anchorage, Alaska 99510.
D. (6) $850. E. (9) $60.

A. Donald C. Lubick, 1800 One M. & T. Plaza, Buffalo, N.Y. 14203.
B. Firstmark Morrison, Inc., 107 Delaware Avenue, Buffalo, N.Y. 14202.
D. (6) $546.40.

A. George V. Lucas, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, 6300 River Road, Rosemont, Ill. 60018.
D. (6) $1,175. E. (9) $1,718.71.

A. Charles Emmet Lucey, 1701 Pennsylvania Avenue NW., Suite 500, Washington, D.C. 20006.
B. Catholic Press Association, 432 Park Avenue South, New York, N.Y. 10016.
D. (6) $250. E. (9) $10.

A. Charles Emmet Lucey, 1701 Pennsylvania Avenue NW., Suite 500, Washington, D.C. 20006.
B. Massachusetts Co-operative Bank League, 225 Franklin Street, Boston, Mass. 02110.
D. (6) $100. E. (9) $10.

A. C. Lance Lujan, National Education Association, Government Relations, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $3,911.40. E. (9) $132.75.

A. Lumbermens Mutual Casualty Co., Long Grove, Ill. 60049.
E. (9) $1,550.

A Milton F. Lunch, 2029 K Street NW., Washington, D.C. 20006.
B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $1,000.

A. Christian J. Lund.
B. American Bakers Association, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $975. E. (9) 9.55.

A. LeRoy E. Lyon, Jr.
B. California Railroad Association, 11th and L Building, Sacramento, Calif. 95814.

A. John F. Magnotti, Jr., 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Council of Professional Services Firms.
D. (6) $500.

A. John V. Maraney, 324 East Capitol Street, Washington, D.C. 20003.
B. National Star Route Mail Carriers' Association, 324 East Capitol Street, Washington, D.C. 20003.

A. Robert V. Mariani, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, 6300 River Road, Rosemont, Ill. 60018.
D. (6) $1,175. E. (9) $1,677.47.

A. William J. Marschalk, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $2,860. E. (9) $165.

A. Guy R. Martin, 655 C Street SE., Washington, D.C. 20003.
B. State of Alaska.
D. (6) $8,025. E. (9) $9,035.56.

A. Charles H. Mauzy, 3951 Snapfinger Parkway, Decatur, Ga. 30032.
B. National Education Association, 1201 16th Street, NW., Washington, D.C. 20036.
D. (6) $2,723 E. (9) $75.

A. Anthony Mazzocchi, 1126 16th Street NW., Washington, D.C. 20036.
B. Oil, Chemical & Atomic Workers International Union, 1636 Champa Street, Denver, Colo. 80201.
D. (6) $2,362.50. E. (9) $318.50.

A. Robert C. McCandless, 1725 Eye Street NW., Washington, D.C. 20006.
B. National Association of Real Estate Investment Trusts, 1101 17th Street NW., Suite 700, Washington, D.C. 20036.
D. (6) $500. E. (9) $28.97.

A. Robert C. McCandless, 1725 Eye Street NW., Washington, D.C. 20006.
B. Transamerica Insurance Corp. of California, Occidental Center, Hill and Olive at 12th Street, Los Angeles, Calif. 90015.
D. (6) $1,050. E. (9) $314.83.

A. John A. McCart, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. Government Employes Council, AFL-CIO, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $2,676.05.

A. John A. McCart, 815 16th Street NW., Washington, D.C. 20006.
B. Public Employee Department, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $1,082.46.

A. Ellen M. McCartney, 2401 Virginia Avenue NW., Washington, D.C. 20037.
B. American Association of University Women, 2401 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $9,799.84. E. (9) $210.44.

A. John L. McCormick, 324 C Street SE., Washington, D.C. 20003.
B. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.
D. (6) $2,214.70. E. (9) $4.10.

A. Edward McDonald, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, 6300 River Road, Rosemont, Ill. 60018.
D. (6) $1,175. E. (9) $1,216.53.

A. Stanley J. McFarland, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $5,550. E. (9) $510.55.

A. Peter E. McGuire, 400 First Street NW., Washington, D.C. 20001.
B. National Association of Retired & Veteran Railway Employees Inc., P.O. Box 6060, Kansas City, Kans. 66106.
D. (6) $250. E. (9) $250.

A. C. A. Mack McKinney, 110 Maryland Avenue NE., Suite 510, Washington, D.C. 20002.
B. Marine Corps League, 933 N. Kenmore Street Suite 321, Arlington, Va. 22201.
E. (9) $13.

A. C. A. Mack McKinney, 110 Maryland Avenue NE., Suite 510, Washington, D.C. 20002.
B. Non-Commissioned Officers Association of the U.S.A., P.O. Box 2268, San Antonio, Tex. 78298.
D. (6) $3,064. E. (9) $4,234.42.

A. Medical-Surgical Manufacturers Association, 1666 K Street NW., Suite 208, Washington, D.C. 20006.
E. (9) $143.24.

A. Louis L. Meier, Jr., 1625 Eye Street NW., Washington, D.C. 20006.
B. American Society of Civil Engineers, United Engineering Center, 345 East 47th Street, New York, N.Y., 10017.
D. (6) $300. E. (9) $220.

A. Ted H. Meredith, 6030 Warwick Court, New Orleans, La. 70114.
B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.
D. (6) $2,281.26.

A. Harold E. Mesirow, 1225 19th Street NW., Washington, D.C. 20036.
B. Pacific Westbound Conference, 635 Sacramento Street, San Francisco, Calif. 94104.
D. (6) $414. E. (9) $28.92.

A. Marc Messing, 324 C Street SE., Washington, D.C. 20003.
B. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.
D. (6) $829.16.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Havens Relief Fund Society, 289 Park Avenue South, New York, N.Y. 10010.
D. (6) $775.

A. Joseph S. Miller, 210 A Street NE., Washington, D.C. 20002.
B. MEBA Political Action Fund, 17 Battery Place, New York, N.Y. 10004.
D. (6) $5,000. E. (9) $2,616.42.

A. Joseph S. Miller, 210 A Street NE., Washington, D.C. 20002.
B. Navajo Nation, Window Rock, Ariz. 86515.
D. (6) $4,500. E. (9) $864.79.

A. Joseph S. Miller, 210 A Street NE., Washington, D.C. 20002.
B. O & C Counties Association, Douglas County Court House, Roseburg, Oreg.

A. Joseph S. Miller, 210 A Street NE., Washington, D.C. 20002.
B. Port of Portland, Box 3529, Portland, Oreg. 97208.

A. Joseph S. Miller, 210 A Street NE., Washington, D.C. 20002.
B. Western Forest Industries Association, 1500 SW Taylor Street, Portland, Oreg. 97205.
D. (6) $2,000. E. (9) $374.50.

A. Lester F. Miller, 1750 Pennsylvania Avenue NW., Washington, D.C.
B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
D. (6) $203. E. (9) $7.

A. Clarence Mitchell, 733 15th Street NW., Suite 410, Washington, D.C. 20005.
B. National Association for the Advancement of Colored People, 1790 Broadway, New York, N.Y. 10019.
D. (6) $4,000.

A. Jo V. Morgan, Jr., 815 15th Street NW., Washington, D.C. 20005.
B. American Humane Association, P.O. Box 1266, Denver, Colo. 80201.
D. (6) $1,800.

A. John Morgan, 1925 K Street NW., Washington, D.C. 20006.
B. Communications Workers of America, 1925 K Street NW., Washington, D.C. 20006.
D. (6) $588. E. (9) $40.46.

A. John J. Motley.
B. National Federation of Independent Business, 490 L'Enfant Plaza East, SW., Suite 3206, Washington, D.C. 20024.
D. (6) $2,250. E. (9) $361.

A. Karen Mulhauser, 705 G Street SE., Washington, D.C. 20003.
B. National Abortion Rights Action League, 250 West 57th Street, New York, N.Y. 10019.
D. (6) $2,500. E. (9) $2,578.29.

A. Robert M. Mulligan, 1105 Barr Building, Washington, D.C. 20006.
B. International Association of Ice Cream Manufacturers & Milk Industry Foundation, 1105 Barr Building, Washington, D.C. 20006.

A. Rosemary G. Murray, 1800 K Street NW., Suite 900, Washington, D.C. 20006.
B. Pan American World Airways, 1800 K Street NW., No. 900, Washington, D.C. 20006.
E. (9) $247.63.

A. Gary D. Myers, 1015 18th Street NW., Washington, D.C. 20036.
B. Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.
D. (6) $423.33. E. (9) $121.75.

A. George E. Myers, 1730 Rhode Island Avenue NW., Washington, D.C.
B. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.
D. (6) $1,030. E. (9) $58.81.

A. Kenneth D. Naden, 1129 20th Street NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C.
D. (6) $3,437.49. E. (9) $100.19.

A. National Air Carrier Association, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $962.50. E. (9) $962.50.

A. National Association for the Advancement of Colored People, 1790 Broadway, New York, N.Y. 10019.
D. (6) $18,261.46. E. (9) $18,697.31.

A. National Association for Uniformed Services, 956 N. Monroe Street, Arlington, Va. 22201.
D. (6) $33,377. E. (9) $12,933.23.

A. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $53,896.77. E. (9) $42,597.21.

A. National Assoication of Real Estate Investment Trusts, 1101 17th Street NW., Suite 700, Washington, D.C. 20036.
D. (6) $1,200. E. (9) $4.

A. National Association of Recording Merchandisers, Inc., 1060 Kings Highway North, Suite 200, Cherry Hill, N.J. 08034.
E. (9) $50.

A. National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22030.
D. (6) $11,591.15. E. (9) $3,753.11.

A. National Coal Association, Coal Building, Washington, D.C. 20036.
D. (6) $490,261.08. E. (9) $3,805.02.

A. National Coalition for Marine Conservation, Inc., P.O. Box 5131, Savannah, Ga. 31403.
D. (6) $6,050. E. (9) $8,067.96.

A. National Committee for Effective No-Fault, 2535 Massachusetts Avenue NW., Washington, D.C. 20008.
D. (6) $300. E. (9) $279.07.

A. National Committee on the Presidency, Inc., 63 East 82d Street, New York, N.Y. 10028.
E. (9) $141.92.

A. National Council for a Responsible Firearms Policy, Inc., 1028 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $3,555.91.

A. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C. 20036.
D. (6) $43,168. E. (9) $37,221.

A. National Council of Professional Services Firms, 1700 Pennsylvania Avenue NW., Washington, D.C.
D. (6) $500.

A. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $55,773.10. E. (9) $7,449.30.

A. National Grain & Feed Association, 725 15th Street NW., Washington, D.C. 20005.

A. National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $120,397.27. E. (9) $13,625.01.

A. National Housing Conference, Inc., 1126 16th Street NW., Washington, D.C. 20036.
D. (6) $18,970.68. E. (9) $24,396.83.

A. National Leased Housing Association, Suite 707, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $450. E. (9) $450.

A. National Livestock Feeders Association, Inc., 309 Livestock Exchange Building, Omaha. Nebr. 68107.
D. (6) $2,643.34. E. (9) $2,643.34.

A. National Organization for the Reform of Marijuana Laws, 2317 M Street NW., Washington, D.C. 20037.
D. (6) $3,549. E. (9) $1,450.

A. National Organization for Women, Inc. 1266 National Press Building, Washington, D.C. 20045.
D. (6) $22,444.79. E. (9) $22,444.79.

A. National Parking Association, 1101 17th Street NW., Washington, D.C. 20036.

A. National Rehabilitation Association, 1522 K Street NW., Suite 1120, Washington, D.C. 20005.
D. (6) $34,668. E. (9) $1,572.

A. National Right to Life Committee, Inc., 1200 15th Street NW., Suite 500, Washington, D.C. 20005.
E. (9) $11,350.

A. National Right To Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22030.
D. (6) $2,714. E. (9) $2,714.

A. National Rural Housing Coalition, 1346 Connecticut Avenue NW., Suite 500G Washington, D.C. 20036.
D. (6) $3,654.37. E. (9) $2,613.52.

A. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
D. (6) $4,205. E. (9) $3,225.

A. National School Transportation Association, 9001 Braddock Road, Springfield, Va. 22151.
D. (6) $2,824.11. E. (9) $2,824.11.

A. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $12,500. E. (9) $14,118.58.

A. National Tax Equality Association, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,355.19. E. (9) $1,386.10.

A. National Water Resources Association, 897 National Press Building, Washington, D.C. 20045.
D. (6) $24,679.02. E. (9) $6,206.

A. National Woman's Christian Temperance Union, 1730 Chicago Avenue, Evanston, Ill.
D. (6) $900. E. (9) $869.34.

A. Stanley Nehmer, Suite 800, 1101 17th Street NW., Washington, D.C. 20036.
B. American Footwear Industries Association, 1611 North Kent Street, Arlington, Va. 22209.
D. (6) $750. E. (9) $500.

A. George Nelson, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
B. International Association of Machinists & Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $4,000. E. (9) $234.24.

A. Ivan A. Nestingen, 1010 16th Street NW., Suite 700, Washington, D.C. 20036.
B. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.
D. (6) $900. E. (9) $225.

A. Network, 224 D Street SE., Washington, D.C. 20003.
D. (6) $15,384.14. E. (9) $2,651.29.

A. Earl L. Nielsen, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, 6300 River Road, Rosemont, Ill. 60018.
E. (9) $373.62.

A. Robert D. Nordstrom, 1133 20th Street NW., Washington, D.C. 20036.
B. National Canners Association, 1133 20th Street NW., Washington, D.C. 20036.
D. (6) $400. E. (9) $100.

A. Julia J. Norrell, 1620 I Street NW., Washington, D.C. 20006.
B. Association of Trial Lawyers of America.
D. (6) $3,457.98.

A. Robert H. North, 1105 Barr Building, 910 17th Street NW., Washington, D.C.
B. International Association of Ice Cream Manufacturers & Milk Industry Foundation, 1105 Barr Building, 910 17th Street NW., Washington, D.C.

A. Rebekah Norton, 422 First Street SE., Washington, D.C. 20003.
B. American Conservative Union, 422 First Street SE., Washington, D.C. 20003.
D. (6) $642.25.

A. Dallin H. Oaks, Provo, Utah 84602.
B. Brigham Young University, Provo, Utah 84602.

A. W. Brice O'Brien, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

A. L. L. O'Connor, 20 North Wacker Drive, Chicago, Ill. 60606.
B. Profit Sharing Council of America, 20 North Wacker Drive, Chicago, Ill. 60606.

A. John B. O'Day, 11 East Adams Street, Suite 604, Chicago, Ill. 60603.
B. Insurance Economics Society of America, 11 East Adams Street, Suite 604, Chicago, Ill. 60603.
D. (6) $600.

A. Jane O'Grady, 815 16th Street NW., Washington, D.C. 20006.
B. Amalgamated Clothing Workers of America, AFL–CIO, 15 Union Square, New York, N.Y. 10003.
D. (6) $4,919.98. E. (9) $815.41.

A. Alvin E. Oliver, 500 Folger Building, 725 15th Street NW., Washington, D.C. 20005.
B. National Grain & Feed Association, 725 15th Street NW., Washington D.C. 20005.

A. Charles E. Olson, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $4,579.35. E. (9) $503.56.

A. James J. O'Neill, 22 Thames Street, New York, N.Y. 10006.
B. Committee of Publicly Owned Companies, 22 Thames Street, New York, N.Y. 10006.
D. (6) $12,120. E. (9) 629.47.

A. Edward R. Osann, 2147 O Street NW., Suite 201, Washington, D.C. 20037.
B. Save the Dunes Council, Inc., P.O. Box 303, Chesterton, Ind. 46304.
D. (6) $2,080. E. (9) $511.04.

A. J. Allen Overton, Jr., 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $1,260. E. (9) $150.

A. William G. Painter, 324 C Street SE., Washington, D.C. 20003.
B. American Rivers Conservation Council, 324 C Street SE., Washington, D.C. 20003.
D. (6) $612.

A. Lew M. Paramore, Box 1160, Kansas City, Kans. 66117.
B. Mo-Ark Basins Flood Control & Conservation Association, P.O. Box 1160, Kansas City, Kans. 66117.

A. Kenton Pattie, 3150 Spring Street, Fairfax, Va. 22030.
B. National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22030.
D. (6) $1,720.22.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Tax Corp. of America, 2441 Honolulu Avenue, Montrose, Calif. 91020.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., No. 200, Washington, D.C. 20006.
B. Coalition of Concerned Charities, c/o Barbara J. Washburn, Secretary, 1776 F Street NW., No. 200, Washington, D.C. 20006.
D. (6) $6,359. E. (9) $6,359.

A. Pepper, Hamilton & Scheetz, 123 South Broad Street, Philadelphia, Pa.
B. The Glenmede Trust Co., 1529 Walnut Street, Philadelphia, Pa.
E. (9) $663.02.

A. Pepper Hamilton & Scheetz, 1776 F. Street NW., Suite 200, Washington, D.C. 20006.
B. Sun Oil Co.
D. (6) $5,736.

A. Walter T. Phair, 900 17th Street NW., Washington, D.C. 20006.
B. Kaiser Industries Corp., 900 17th Street NW., Washington, D.C. 20006.
D. (6) $450. E. (9) $450.

A. Grant C. Pinney, 730 North Balsam, Ridgecrest, Calif. 93555.
B. Sierra Sands Unified School District, 730 North Balsam, Ridgecrest, Calif. 93555.
E. (9) $25.

A. Frederick T. Poole, 425 18th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $2,563. E. (9) $79.78.

A. Pope Ballard & Loos, 888 17th Street NW., Suite 700, Washington, D.C. 20006.
B. Sunkist Growers, Inc., P.O. Box 7888, Valley Annex, Van Nuys, Calif. 91409.
D. (6) $1,550.

A. William I. Powell, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

A. Brainard E. Prescott, 220 C Street SE., Apt. 309, Washington, D.C. 20003.
B. Coalition of Independent Ophthalmic Professionals, c/o Theo E. Obrig, Inc., 75 E. 55th Street, New York, N.Y. 10022.
D. (6) $3,600. E. (9) 1,118.70.

A. Profit Sharing Council of America, 20 North Wacker Drive, Chicago, Ill. 60606.

A. Public Employee Department AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $14,810.40. E. (9) $2,284.51.

A. Joseph E. Quin, 1616 H Street NW., Washington, D.C. 20006.
B. The National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $1,250.01.

A. Arthur L. Quinn, Arthur Lee Quinn, 723 Washington Building, Washington, D.C. 20005.
B. Belize Sugar Industries, Belize City, Belize (Central America).
D. (6) $3,750. E. (9) $379.78.

A. Arthur L. Quinn, Arthur Lee Quinn, 723 Washington Building, Washington, D.C. 20005.
B. Government of Republic of Panama, Compania Azucarera La Estrella, S.A., and Azucarera Nacional, S.A., Panama City, Panama.
D. (6) $4,500. E. (9) $499.10.

A. Arthur L. Quinn, Arthur Lee Quinn, 723 Washington Building, Washington, D.C. 20005.
B. Sociedad Agricola e Industrial San Carlos, S.A.; Compania Azucarera Valdez, Azucarera Tropical Americana, S.A., Tababuela Industrial Azucarera, C.A., Ecuador.
D. (6) $6,250. E. (9) $433.06.

A. Arthur L. Quinn, Arthur Lee Quinn, 723 Washington Building, Washington, D.C. 20005.
B. West Indies Sugar Association, Bridgetown, Barbados.
D. (6) $8,750. E. (9) $1,272.66.

A. Ragan & Mason, 900 17th Street NW., Farragut Building, Washington, D.C.
B. Bermuda Department of Tourism, Hamilton, Bermuda.
D. (6) $1,666.

A. Ragan & Mason, 900 17th Street NW., Farragut Building, Washington, D.C.
B. Fibreboard Corp., 55 Francisco Street, San Francisco, Calif.

A. Ragan & Mason, 900 17th Street NW., Farragut Building, Washington, D.C.
B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa.
D. (6) $2,000.

A. Ragan & Mason, 900 17th Street NW., Farragut Building, Washington, D.C.
B. Keystone International, Inc., Box 36, Dillon, Colo.

A. Ragan & Mason, 900 17th Street NW., Farragut Building, Washington, D.C.
B. National Bulk Carriers, Inc., 1345 Avenue of the Americas, New York, N.Y.
E. (9) $1.40.

A. Ragan & Mason, 900 17th Street NW., Farragut Building, Washington, D.C.
B. National Ski Areas Association, 99 Park Avenue, New York, N.Y.
D. (6) $1,500.

A. Ragan & Mason, 900 17th Street NW., Farragut Building, Washington, D.C.
B. Princess Hotels International, 1345 Avenue of the Americas, New York, N.Y.

A. Ragan & Mason, 900 17th Street NW., Farragut Building, Washington, D.C.
B. R. J. Reynolds Industries, Inc., 401 North Main Street, Winston-Salem, N.C.
D. (6) $1,000.

A. Ragan & Mason, 900 17th Street NW., Farragut Building, Washington, D.C.
B. Sea-Land Service, Inc., P.O. Box 900, Edison, N.J.
D. (6) $900.

A. Ragan & Mason, 900 17th Street NW., Farragut Building, Washington, D.C.
B. Stimson Lumber Co. & Miller Redwood Co., 315 Pacific Building, Portland, Oreg.
D. (6) $125.

A. Rial M. Rainwater, 1750 Pennsylvania Avenue NW., Washington, D.C.
B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
D. (6) $203. E. (9) $15.

A. Sydney C. Reagan, 6815 Prestonshire, Dallas, Tex. 75225.
B. Southwestern Peanut Shellers Association, 6815 Prestonshire, Dallas, Tex. 75225.
D. (6) $150.

A. Recording Industry Association of America, Inc., One East 57th Street, New York, N.Y. 10022.
D. (6) $10,622.40. E. (9) $48,611.24.

A. Recreation Vehicle Industry Association, P.O. Box 203, 14650 Lee Road, Chantilly, Va. 22021.
E. (9) $36,176.50.

A. David J. Reedy, 3306 Sheffield Circle, Sarasota, Fla. 33580.
B. National Advertising Co., 6850 South Harlem Avenue, Bedford Park, Argo, Ill. 60501.
D. (6) $1,200.

A. Research To Prevent Blindness, Inc., 598 Madison Avenue, New York City, N..Y. 10022.
E. (9) $7,643.99.

A. James J. Reynolds, 1625 K Street NW., Suite 1000, Washington, D.C. 20006.
B. American Institute of Merchant Shipping, 1625 K Street NW., Suite 1000, Washington, D.C. 20006.
D. (6) $1,875. E. (9) $194.18.

A. Austin T. Rhoads, 1105 Barr Building, Washington, D.C. 20006.
B. International Association of Ice Cream Manufactures, & Milk Industry Foundation, 1105 Barr Building, Washington, D.C. 20006.
E. (9) $399.62.

A. Mark Richardson, 1611 North Kent Street, Arlington, Va. 22209.
B. American Footwear Industries Association, Inc., 1611 North Kent Street, Arlington, Va. 22209.
D. (6) $270. E. (9) $250.

A. James W. Riddell, 723 Washington Building, Washington, D.C. 20005.
B. Kellogg Co., Battle Creek, Mich.

A. James W. Riddell, 723 Washington Building, Washington, D.C. 20005.
B. Volume Footwear Retailers of America, 51 East 42d Street, New York, N.Y. 10017.

A. James W. Riddell, 723 Washington Building, Washington, D.C. 20005.
B. W. K. Kellogg Foundation, Battle Creek, Mich.

A. John Riley, 15th & M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th & M Streets NW., Washington, D.C. 20005.
D. (6) $573.74. E. (9) $6.63.

A. George W. Ritter, 3914 King Arthur Road, Annandale, Va. 22003.
B. Alton Box Board Co., Alton, Ill. 62002.
D. (6) $3,000. E. (9) $1,214.

A. Paul H. Robbins, 2029 K Street NW., Washington, D.C. 20006.
B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $1,000.

A. Kenneth Roberson, 2 Dubonnet Road, Valley Stream, N.Y. 11581.
B. Meat Importers Council of America, Inc., One Penn Plaza, New York, N.Y. 10001.

A. James C. Roberts, 422 First Street, Washington, D.C. 20003.
B. American Conservative Union, 422 First Street SE., Washington, D.C. 20003.
D. (6) $3,685.

A. Kenneth A. Roberts, 888 17th Street NW., Washington, D.C. 20006.
B. Movers' Committee for Emergency Fuel Resources, c/o Robert K. Lee, P.O. Box 272, Nationwide Trailers Rental System, Wichita, Kans.

A. Ronald E. Robinson, 2800 Smith Tower, Seattle, Wash. 98104.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $2,723. E. (9) $100.

A. Nathaniel H. Rogg, 15th & M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th & M Streets NW., Washington, D.C. 20005.
D. (6) $2,632.50. E. (9) $87.45.

A. Gail Rosenberg, 705 G Street SE., Washington, D.C. 20003.
B. National Abortion Rights Action League, 250 West 57th Street, New York, N.Y. 10019.
D. (6) $1,800. E. (9) $521.23.

A. William Ryan, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
B. International Association of Machinists & Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $3,500. E. (9) $190.

A. Sand Springs Home, Sand Springs, Okla.
E. (9) $210.

A. Peter G. Sandlund, Room 400, 919 18th Street NW., Washington, D.C. 20006.
B. Council of European & Japanese National Shipowners' Associations, 30–32 St. Mary Axe, London EC3A 8ET, England.
D. (6) $11,250. E. (9) $10,899.27.

A. Stanley J. Sawicki, 16543 Beech Daly Road, Detroit, Mich.
B. Stanley Sawicki and Son, 1521 West Lafayette Boulevard, Detroit, Mich.

A. Kenneth I. Schaner, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Leva, Hawes, Symington, Martin & Oppenheimer, (for Cooperative for American Relief Everywhere, Inc.), 660 First Avenue, New York, N.Y.

A. William J. Schreiber, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, 6300 River Road, Rosemont, Ill. 60018.
D. (6) $1,175. E. (9) $1,323.37.

A. Allan D. Schlosser, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. United States-Japan Trade Council, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $500.

A. Harold B. Scoggins, 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $7.75.

A. Ann Scott, 1266 National Press Building, Washington, D.C. 20045.
B. National Organization for Women, Inc. 1266 National Press Building, Washington, D.C. 20045.
E. (9) $191.14.

A. John W. Scott, 1616 H Street NW., Washington, D.C. 20006.
B. The National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $6,250.

A. Durward Seals, 1019 19th Street NW., Washington, D.C. 20036.
B. United Fresh Fruit & Vegetable Associaton, 1019 19th Street NW., Washington, D.C. 20036.
D. (6) $312.50. E. (9) $49.85.

A. Joseph H. Sharlitt, 1747 Pennsylvania Avenue NW., Suite 300, Washington, D.C. 20006.
B. National Remodelers Association, 50 East 42d Street, New York City, N.Y. 10017.
D. (6) $2,100. E. (9) $2,100.

A. Sharman Associates, Inc., Suite 1000, 1100 17th Street NW., Washington, D.C. 20036.
B. Mover's Committee for Emergency Fuel Resources c/o Robert K. Lee, P.O. Box 772, Nationwide Trailers Rental System, Wichita, Kans.
D. (6) $4,100.

A. Laurence P. Sherfy, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

A. W. Lee Shield, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Life Insurance Association, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. A. Z. Shows, Suite 502, 2600 Virginia Avenue NW., Watergate Office Building, Washington, D.C. 20037.
D. (6) $3,980. E. (9) $4,106.51.

A. Barry M. Siegel, 22 Thames Street, New York, N.Y. 10006.
B. The Committee of Publicly Owned Companies, 22 Thames Street, New York, N.Y. 10006.
D. (6) $8,400. E. (9) $1,708.88.

A. Gilbert Simonetti, Jr., 1620 Eye Street NW., Washington, D.C. 20006.
B. American Institute of CPA's, 1211 Avenue of the Americas, New York, N.Y. 10036.

A. Jean Head Sisco, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $1,000. E. (9) $107.

A. Hall Sisson, 1925 K Street NW., Washington, D.C. 20006.
B. Communications Workers of America, 1925 K Street NW., Washington, D.C. 20006.
D. (6) $3,123. E. (9) $227.21.

A. Jonathan W. Sloat, 1425 K Street NW., Suite 900, Washington, D.C. 20005.
B. Grocery Manufacturers of America, Inc., 1425 K Street NW., Suite 900, Washington, D.C. 20005.

A. Dennis M. Small, 21930 Third Place West, Bothell, Wash. 98011.
B. Alaska Federation of Natives, 133 Queen Anne Avenue North, Seattle, Wash. 98100.
D. (6) $675. E. (9) $500.

A. Smith and Hewes, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. Bart B. Chamberlain, Jr., 717 First Federal Tower, Mobile, Ala. 36616.
D. (6) $1,000.

A. James R. Smith, 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
B. The American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
D. (6) $2,250.

A. Carl A. Soderblom, 1 East First Street, Suite 603, Reno, Nev. 89501.
B. Nevada Railroad Association, 1 East First Street, Suite 603, Reno, Nev. 89501.

A. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.
D. (6) $11,175.76. E. (9) $11,175.76.

A. John F. Speer, Jr., 1105 Barr Building, Washington, D.C. 20006.
B. International Association of Ice Cream Manufacturers and Milk Industry Foundation, 1105 Barr Building, Washington, D.C. 20006.

A. Larry N. Spiller, 1155 15th Street NW., Suite 713, Washington, D.C. 20005.
B. American Consulting Engineers Council, 1155 15th Street NW., Suite 713, Washington, D.C. 20005.
D. (6) $1,650. E. (9) $75.

A. J. Gilbert Stallings, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
B. INA Corp., 1600 Arch Street, Philadelphia, Pa. 19101.

A. Joseph J. Standa, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

A. Allan J. Stanton, 205 Luhrs Building, Phoenix, Ariz. 85003.
B. Southern Pacific Transportation Co., 65 Market Street, San Francisco, Calif. 94105; The Atchison, Topeka and Santa Fe, 121 East Sixth Street, Los Angeles, Calif. 90014.
D. (6) $600. E. (9) $500.

A. Robert H. Starkey, 1750 Pennsylvania Avenue NW., Washington, D.C.
B. National Rural Letter Carriers Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
D. (6) $203. E. (9) $5.

A. David J. Steinberg, 1028 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Council for a Responsible Firearms Policy, Inc., 1028 Connecticut Avenue NW., Washington, D.C. 20036.

A. William M. Stephens, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $1,200. E. (9) $18[illegible].

A. Stitt, Hemmendinger & Kennedy, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. Japan Iron and Steel Exporters Association, Tokyo, Japan.

A. Nelson A. Stitt, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. United States-Japan Trade Council, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $200.

A. Roger J. Stroh, 1019 19th Street NW., Washington, D.C. 20036.
B. United Fresh Fruit & Vegetable Association, 1019 19th Street NW., Washington, D.C. 20036.
D. (6) $212.50 E. (9) $40.[illegible]6.

A. R. Keith Stroup, 2317 M Street NW., Washington, D.C. 20037.
B. National Organization for the Reform of Marijunana Laws, 2317 M Street NW., Washington, D.C. 20037.
D. (6) $400.

A. Sunkist Growers, Inc., 14130 Riverside Drive, Sherman Oaks, Calif. 91423.
E. (9) $1,550.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Central States Health & Life Co. of Georgia, Howard at 18th Street, Omaha, Nebr. 68102.
D. (6) $500. E. (9) $25.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. National Association of Life Cos., 1365 Peachtree Street NE., Atlanta, Ga. 30309.
D. (6) $500. E. (9) $25.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Retail Credit Co., P.O. Box 4081, Atlanta, Ga. 30302.
D. (6) $500. E. (9) $75.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. The William K. Warren Foundation, 6465 South Yale Avenue, Suite 1000, Tulsa, Okla. 74136.
D. (6) $1,000. E. (9) $25.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. World Airways, Inc., Oakland International Airport, Oakland, Calif. 94614.
D. (6) $1,500. E. (9) $20.

A. Glenn A. Swanson, 1625 Massachusetts Avenue NW., Suite 203, Washington, D.C. 20036.
B. Independent Bankers Association of America, Sauk Centre, Minn. 56378.
D. (6) $27,254.08. E. (9) $[illegible]1,871.87.

A. Ronald E. Sweet, 1126 1[illegible]th Street NW., Washington, D.C. 20036.
B. International Federation Professional & Technical Engineers, AFL-CIO, 1126 16th Street NW., Washington, D.C. 20036.
D. (6) $350. E. (9) $20.

A. Monroe Sweetland, 1705 Murchison Drive, Burlingame, Calif. 940[illegible]0.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $3,369. E. (9) $100.

A. Patricia Taylor, RM 731, [illegible]346 Connecticut Avenue NW., Washington, D.C. 20036.
B. Environmental Action, RM 731, Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,500.

A. Jerry P. Thompson, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
B. International Association of Machinists and Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $3,432. E. (9) $293.

A. E. Linwood Tipton, 1105 Barr Building, Washington, D.C. 20006.
B. International Association of Ice Cream Manufacturers & Milk Industry Foundation, 1105 Barr Building, Washington, D.C. 20006.

A. Stuart G. Tipton, 1800 K Street NW., Washington, D.C. 20006.
B. Pan American World Airways, 1800 K Street NW., Washington, D.C. 20006.
E. (9) $82.50.

A. Patrick F. Tobin, 128 C Street NE., Room 66, Washington, D.C. 20002.
B. International Longshoremen's & Warehousemen's Union, 1188 Franklin Street, San Francisco, Calif. 94109.
D. (6) $4,000.

A. John Tope, 1101 15th Street NW., Washington, D.C. 20005.
B. Republic Steel Corp., Republic Building, Cleveland, Ohio 44101.

A. J. P. Trainor, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, 6300 River Road, Rosemont, Ill. 60018.
D. (6) $4,249.98. E. (9) $1,[illegible]95.19.

A. W. M. Trevarrow, 601 National Press Building, Washington, D.C. 20[illegible]45.
B. American Motors Corp., 1[illegible]250 Plymouth Road, Detroit, Mich. 48232.
D. (6) $5,375. E. (9) $164.50.

A. Francis J. Tucker, Haverford Towers, Haverford, Pa. 19041.
B. Penn Central Co., No. 3 Penn Center Plaza, Room 823, Philadelphia, Pa. 19102.
D. (6) $2,375. E. (9) $90.45.

A. C. Roger Turner, 1106 Paper Mill Road, Wyndmoor, Pa. 19118.
B. Penn Central Co., No. 3 Penn Center Plaza, Room 823, Philadelphia, Pa. 19102.
D. (6) $5,100. E. (9) $99.60.

A. United Fresh Fruit & Vegetable Association, 1019 19th Street NW., Washington, D.C. 20036.
D. (6) $2,842.32. E. (9) $2,[illegible]42.32.

A. United States-Japan Trade Council, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $810. E. (9) $810.

A. R. Dick Vander Woude, 10600 West Higgins Road, Rosemont, Ill. 60018.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $2,915. E. (9) $75.

A. Robert E. Vinson, 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $13.

A. Mary E. Vogel, 1266 National Press Building, Washington, D.C., 20045.
B. National Organization for Women, Inc., 1266 National Press Building, Washington, D.C., 20045.
D. (6) $2,337.49. E. (9) $16.55.

A. Bruce E. Vogelsinger, 1155 15th Street NW., Suite 713, Washington, D.C. 20005.
B. American Consulting Engineers Council, 1155 15th Street NW., Suite 713, Washington, D.C. 20005.
D. (6) $1,700. E. (9) $75.

A. Robert J. Wager.
B. American Bakers Association, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $416.67. E. (9) $6.75.

A. Wald, Harkrader & Ross, 1320 19th Street NW., Washington, D.C. 20036.
B. INA Corp., 1600 Arch Street, Philadelphia, Pa. 19101.

A. DeMelt E. Walker, 1730 Rhode Island Avenue NW., Washington, D.C.
B. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.
D. (6) $872. E. (9) $49.90.

A. Thomas C. Walker, Browning-Ferris Industries, Inc., P.O. Box 3151, Houston, Tex. 77001.
D. (6) $1,250.

A. Henry L. Walther, 6316 Arlington Boulevard, Suite 600, Fairfax, Va. 22030.
B. National Right to Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22030.
D. (6) $130. E. (9) $30.

A. Ray Wax, % J. Frederick Durr, R.R. No. 2, Sheridan, Ind. 46069.
B. National Association of Farmer Elected Committeemen, % J. Frederick Durr, R.R. No. 2, Sheridan, Ind. 46069.
E. (9) $65.15.

A. George D. Webster, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Sand Springs Home, % E. J. Doerner, 1200 Atlas Life Building, Tulsa, Okla.
D. (6) $200.

A. Janet H. Wegner, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

A. Paul S. Weller, Jr., 1129 20th Street NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C.
D. (6) $2,555. E. (9) $113.15.

A. Robert Y. Wheeler, Box 165, Tilden, Tex. 78072.
B. E. G. Herman, 9538 Brighton Way, Beverly Hills, Calif. 90210.

A. Thomas E. Wheeler, 1425 K Street NW., Suite 900, Washington, D.C. 20005.
B. Grocery Manufacturers of America, Inc., 1425 K Street NW., Suite 900, Washington, D.C. 20005.
D. (6) $33.65.

A. Donald F. White, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $1,000. E. (9) $50.

A. Bryan K. Whitehead, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, 6300 River Road, Rosemont, Ill. 60018.
D. (6) $224.38. E. (9) $365.33.

A. Leonard M. Wickliffe, 11th and L Building, Sacramento, Calif. 95814.
B. California Railroad Association, 11th and L Building, Sacramento, Calif. 95814.
D. (6) $8,709.42. E. (9) $4,527.19.

A. Harry D. Williams, 1025 Connecticut Avenue NW., No. 505, Washington, D.C. 20036.
B. Ashland Oil, Inc., P.O. Box 391, Ashland, Ky. 41101.
D. (6) $250.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. Blomquist, Batte & Campbell, Inc., 1039 College Avenue, Wheaton, Ill. 60187.
D. (6) $100. E. (9) $20.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. Estee Lauder, Inc., 767 Fifth Avenue, New York, N.Y. 10022.
D. (6) $100. E. (9) $20.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. Globe Feather & Down Co., 1030 West North Avenue, Chicago, Ill. 60622.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. IU International Management Corp., 1500 Walnut Street, Philadelphia, Pa. 19102.
D. (6) $2,000. E. (9) $200.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. National Association of School Bus Contract Operators (now National School Transportation Association), P.O. Box 324, Fairfax, Va. 22030.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. School Bus Manufacturers Institute, 5530 Wisconsin Avenue NW., Suite 1220, Washington, D.C. 20015.
D. (6) $250. E. (9) $50.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. Ward Industries, Inc., P.O. Box 849, Conway, Ark. 72032.

A. Wilmer, Cutler & Pickering, 1666 K Street NW., Washington, D.C. 20006.
B. Dealer Bank Association, P.O Box 479, Wall Street Station, New York, N.Y. 10005.
D. (6) $4,091. E. (9) $217.

A. Curtin Winsor, Jr., 900 17th Street NW., Washington, D.C. 20006.
B. Chase Manhattan Bank, 1 Chase Manhattan Plaza, New York, N.Y. 10015.
D. (6) $176.25. E. (9) $20.14.

A. Women's International League for Peace & Freedom, 1213 Race Street, Philadelphia, Pa. 19107.
D. (6) $15,708.03. E. (9) $7,003.06.

A. Burton C. Wood, 15th & M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th & M Streets NW., Washington, D.C. 20005.
D. (6) $5,951.25. E. (9) $537.04.

A. William E. Woods, 440 National Press Building, Washington, D.C. 20045.
B. National Association of Retail Druggists, 1 East Wacker Drive, Chicago, Ill. 60601.
D. (6) $750. E. (9) $150.

A. M. Kathryn Worley, Washington, D.C. 20036.
B. National Canners Association, 1133 20th Street NW., Washington, D.C.
D. (6) $400. E. (9) $100.

A. Albert H. Zinkand, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Getty Oil Co., 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Ziontz, Pirtle, Morisset, Ernstoff & Chestnut, 600 First Avenue, Seattle, Wash. 98104.
B. Confederated Tribes of the Colville Indian Reservation, P.O. Box 150, Nespelem, Wash. 99155.
D. (6) $892. E. (9) $177.55.

A. Ziontz, Pirtle, Morisset, Ernstoff & Chestnut, 600 First Avenue, Seattle, Wash. 98104.
B. Lummi Tribe of Indians, P.O. Box 309, Marietta, Wash. 98268.
D. (6) $524. E. (9) $126.98.

A. Ziontz, Pirtle, Morisset, Ernstoff & Chestnut, 600 First Avenue, Seattle, Wash. 98104.
B. Makah Indian Tribe, P.O. Box 115, Neah Bay, Wash. 98357.
D. (6) $708. E. (9) $314.01.

A. Ziontz, Pirtle, Morisset, Ernstoff & Chestnut, 600 First Avenue, Seattle, Wash. 98104.
B. Metlakatla Indian Community, P.O. Box 8, Annette Islands Reserve, Alaska 99926.
D. (6) $738. E. (9) $312.45.

A. Ziontz, Pirtle, Morisset, Ernstoff & Chestnut, 600 First Avenue, Seattle, Wash. 98104.
B. Northern Cheyenne Indian Tribe, P.O. Box 126, Lame Deer, Mont. 59043.

A. Ziontz, Pirtle, Morisset, Ernstoff & Chestnut, 600 First Avenue, Seattle, Wash. 98104.
B. Suquamish Indian Tribe, P.O. Box 556, Suquamish, Wash. 98392.
D. (6) $12.

A. John L. Zorack, 1800 K Street NW., No. 900, Washington, D.C. 20006.
B. Pan American World Airways, 1800 K Street NW., No. 900, Washington, D.C. 20006.
E. (9) $211.15.

EXTENSIONS OF REMARKS

WASHINGTON SITUATION

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. KASTENMEIER. Mr. Speaker, the future of farming in the United States is being threatened not only by the cost-price squeeze, but also by an emerging attitude that the Capper-Volstead Act should be changed.

The Capper-Volstead Act, passed in 1922, permits individual farmers to join together to market their products. These farmer marketing associations, known as cooperatives, are given partial exemption from the Clayton Act.

Control of cooperatives is vested in member-users on a democratic basis. They operate as nonprofit businesses with limited returns or dividends paid to members, charging patrons only the actual cost of performing services. Finally, cooperatives allow only limited returns upon ownership capital, primarily benefiting patrons as opposed to stockholders.

Concern over rising food prices and recent lawsuits directed at officers of several individual cooperatives, has generated sentiment to repeal portions of Capper-Volstead. In part, the strength of American agriculture has been the widespread operation of cooperatives, allowing individual farmers to join together to obtain vital services on a nonprofit or cost basis.

I would like to call to the attention of my colleagues, the following report by the president of the National Council of Farmer Cooperatives, which fairly and accurately assesses the current situation:

WASHINGTON SITUATION

(By Kenneth D. Naden)

Storm clouds are gathering on the horizon which may affect the livelihood and future existence of the American farmer more than anything that's happened in agriculture since the depression of the 1930's.

These clouds aren't due to inflation, recession, falling farm prices or any of the other economic ills currently plaguing us. They're the result of an attitude which seems to be prevalent in certain areas of the Executive Branch, and more particularly in the Antitrust Division of the Justice Department.

This attitude is based upon the belief that the Capper-Volstead Act, the 53-year-old statute which permits individual farmers to join together to market a product, should be amended or changed. Certain officials believe that this law, which has been tested for over half a century, somehow permits farmers to achieve harmful monopoly power through their cooperatives.

How have these attitudes developed? And why are they showing up so strongly now? Basically, I believe, for two reasons.

First, because of concern in this country over rapidly rising food prices. When this situation exists, as it has for several years, officials naturally look for scapegoats. Farmer cooperatives become fair game.

Secondly, because the Antitrust Division of the Justice Department is basically biased against Capper-Volstead. It believes farmer cooperatives have achieved enough market power under this law to cause undue food price enhancement. It has also demonstrated in public statements that these views are based more upon a distorted vision of the cooperative role, than upon sound economic reasons.

A look at the recent performance of farm and food prices shows the fallacy of this argument. Farm prices have dropped in eight of the last 12 months, while food prices have continued to rise. The most recent report of the Department of Agriculture stated that farm prices are off 15 percent from a year ago, but retail food prices are 9 percent higher than a year ago.

These facts, coupled with the continuing plunge in farm prices, debunk charges that farmers and their cooperatives are exercising excessive market power.

To develop substantial market power, one must control the national output of a commodity. Farmers don't have such output control. They can't shut down the output of dairy cows, fruit trees, laying hens, sows or a beef herd when demand falls. They can't operate like a hard goods manufacturer who can shut down an assembly line or plant. Agricutlural production just doesn't work that way.

JUSTICE DEPARTMENT PROPOSALS

The Justice Department's attitude toward Capper-Volstead has been defined rather clearly this year by the Deputy Assistant Attorney General for Antitrust. His most recent pronouncement was to a Federal Bar Association Conference in Kansas City on April 3.

The Justice official stated that his department is continuing an investigation to determine if farmer cooperatives organized under Capper-Volstead have achieved monopoly power in "significant markets."

While admitting that the cooperative investigation hasn't reached a stage where definite conclusions can be made about their competitive impact, Justice didn't hesitate to outline several proposals for potential amendment of Capper-Volstead.

The first would require pre-clearance by the Secretary of Agriculture for all cooperatives, plus additional clearance for significant expansion of operations, plus five-year licensing or renewal for all cooperatives.

This proposal, if enacted, would establish a dangerous precedent for all businesses, cooperative and non-cooperative alike. No sector of American business has even been subjected to such a restrictive requirement. Compliance with regulatory laws is one thing, but licensing of clearance from a government agency to conduct normal business activities or expand operations is quite another. There's absolutely no need for such a requirement in view of the power and restraint authority inherent in our antitrust laws.

A second proposal by Justice would eliminate the Capper-Volstead provision that the Secretary of Agriculture be the authority to determine the presence of monopoly power among cooperatives, as well as the one to determine that the existence of this power has led to undue price enhancement.

What Justice didn't acknowledge, however, is that the Secretary of Agriculture has in fact ruled on five formal charges brought under the Capper-Volstead Act. In addition, USDA has investigated numerous other complaints in which cooperatives were accused of using monopoly power to unduly enhance food prices. In each case, after review of the facts, the Secretary determined that the cooperative involved hadn't caused undue price enhancement. This, I'm sure, has been an irritant to Justice and probably one of the main motivations for its proposal.

One other proposal by justice would prohibit long-term membership clauses, supply contracts, or base plans which appear to limit the freedom of the individual farmer to move in or out of cooperative membership.

This proposal doesn't seem to recognize that cooperative membership is a two-way street. A farmer joins a cooperative to get the benefit of group action in the marketplace and realize an adequate return on his investment, if possible. If the cooperative is to perform this service for him, it must have his commitment—to deliver his product at a certain time and to meet prescribed standards of quality. Otherwise, the cooperative can't honor its commitments to its customers.

It's obvious that the Justice proposals have ignored the findings of the National Commission on Food Marketing which, after a two-year comprehensive study, concluded that cooperatives enhance competition and have a constructive effect in food marketing for consumers as well as farmers.

COOPERATIVES NOT IMMUNE

Cooperatives today have no immunity from unlawful conduct. This fact has been demonstrated in numerous cases. It has been shown that the Sherman Act provides a remedy—a restraint—when a cooperative either competes unfairly, or unlawfully attempts to monopolize a market. This law has sufficient teeth in it to control any alleged excesses by a cooperative or non-coöperative corporation.

REAL MARKET CONCENTRATION

It seems to me that if Justice is sincerely interested in attacking food monopoly power, it would do well to investigate the obvious areas of concentration in the food industry.

Much has been said about alleged concentration in the dairy industry. What hasn't been pointed out, however, is that the volume of the four largest dairy cooperatives is less than one-third of the volume of the four largest non-cooperative dairy marketing firms.

Or that in such key food areas as meat processing, cooperatives have only a 3 percent share of the market.

Or that in certain other markets, as few as four non-cooperative corporations control a dominant share of the market. The four largest manufacturers of breakfast cereals, for example, control about 90 percent of the market.

The four largest firms, all non-cooperative, control the following share of these markets: soup, 92 percent; baby foods, 95 percent; tomato products and catsup, 81 percent; soft drinks, 89 percent; instant coffee, 81 percent; baking powder and yeast, 86 percent; dessert mixes, 86 percent; and grain mill products and refrigerated dough, 81 percent. Such concentration supported by effective supply control and extensive advertising helps assure market power.

By contrast, the four largest firms selling butter (a major product of dairy cooperatives) have only 14 percent of the market.

In summary, there is no logical reason today for placing farmer cooperatives at the top of the agenda when looking for scapegoats on the issue of high food prices. This point was well-articulated by the Agribusiness Accountability Project, a public interest group which has been critical at times of some cooperative activities. It said:

"Cooperatives are everybody's easy target today, but overall they don't make much of a difference in the price of food on the shelf. The political scandal over milk prices has put cooperatives in the public mind, and going after them has become a way of looking good without getting at the real problem of domination of food processing and retailing by the giant corporations."

The AAP's assessment, in my judgment, is entirely correct. It is much easier, more expedient and more visible to attack a system which represents less than five percent of the voting public than to go after firms which represent significant political clout.

In the coming battle, farmers will have to convince their representatives in Congress of the merits of Capper-Volstead. That's their best hope.

Because from present indications, it appears that few in the Executive Branch will recognize the merits of Capper-Volstead and help present an objective appraisal of the benefits of cooperation—both for consumers and farmers.

If we fail, it could hasten the demise of the individual American farmer as we know him today. The result might be a momentary drop in farm prices. But that's all it would be. Because the long-term effect would surely be some form of corporate control of food from farm to the retail shelf.

If that happens, the Justice Department will have stimulated food industry concentration and price enhancement that it never imagined possible in its wildest dreams.

CATHOLIC WAR VETERANS, POST 1559, A CREDIT TO THE COMMUNITY

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. GAYDOS. Mr. Speaker, for the past 16 years, Post 1559 of the Catholic War Veterans, and its ladies auxiliary, has singled out for public recognition a resident of the McKeesport, Pa., area who has provided the community with outstanding service and leadership.

The CWV "Good Fellow" award is highly respected and the caliber of its recipients can be judged by the many prominent individuals who attend the presentation banquet to pay tribute to the honoree.

For example, this year's award winner was Merrill W. Granger, executive sports editor of the Daily News in McKeesport, Pa. The esteem in which he is held can be attested to by those who took part in the program:

Very Rev. John C. Cassella of St. Perpetua Church; Victor E. Bertoty and George F. Matta, past commanders of Post 1559; Hon. John Pribanic, mayor of McKeesport; Hon. Charles Gorum, mayor of Glassport Borough; the Reverend William J. Konus, Holy Trinity Church, and Steve Lesko, secretary-treasurer of McKeesport Athletic Sports Association.

Robert Cox, past recipient of the "Good Fellow" award; Sam Vidnovic, treasurer of the city of McKeesport; Elroy Face, former ace relief pitcher for the Pittsburgh Pirates; Thomas D. Mansfield, publisher and editor of the Daily News; Leonard Staisey, chairman of the Allegheny County Board of Commissioners; Emil Mrkonic, Pennsylvania legislator from the 37th district, and Joseph Hreha, present commander of Post 1559.

Mr. Speaker, year after year, Post 1559 has gone to a great deal of time and trouble to bring some deserving individual to the public's attention. I commend the post and its members for their efforts. However, I often think that sometime, someone should present Post 1559 a "Good Fellow" award. The members certainly are a credit to the community.

DEDUCT REFUGEE FUNDS FROM U.N. CONTRIBUTION

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. YOUNG of Florida. Mr. Speaker, I am today introducing legislation directing that the amount of our annual contribution to the United Nations be reduced dollar-for-dollar by the amounts spent by the Federal Government to aid Vietnam evacuees.

For three decades now, we have annually contributed hundreds of millions of dollars to the United Nations for its various activities, including refugee assistance. Since 1970 alone, we have contributed $159.4 million to the United Nations Relief and Works Agency—UNRWA—for Palestinian refugees.

The Congress has approved expenditures of $405 million over the next 14 months for Vietnam evacuee assistance. I feel that the United Nations refusal to become involved in the Vietnam evacuation, or care of the refugees, is yet another politically motivated slap at the United States, and an abdication of its responsibilities on the world scene.

What makes the Vietnam refugees any less deserving of United Nations assistance than other refugees?

If we cannot get the United Nations to face up to its responsibilities directly, then we must do it indirectly, by reducing our contribution to that body by the amount which we ourselves are spending on the refugees. The United States is the chief financial supporter of the United Nations, and yet we are also the chief target of U.N. discrimination and abuse. It is time for the Congress to take action and remind the U.N. that our resources are not infinite, and that if the U.N. wishes our support it must carry out its responsibilities in a more even-handed manner.

Mr. Speaker, attached is the text of my bill, and I urge my colleagues' support for this measure.

The bill follows:

H.R. —

A bill to direct the deduction of amounts appropriated pursuant to the Indochina Migration and Refugee Assistance Act of 1975, from the United States annual assessed share of the budget of the United Nations

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the annual payments of the United States assessed share of the budget of the United Nations becoming payable on or after the date of enactment of the Indochina Migration and Refugee Assistance Act of 1975 shall be reduced, dollar for dollar, by the amount of any appropriations made pursuant to such Act until the total of such reductions equals the amount of such appropriations.

IN FAVOR OF CONVERSION TO THE METRIC SYSTEM

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. OTTINGER. Mr. Speaker, last week I submitted testimony to the Subcommittee on Science, Research and Technology in support of the administration's bill—H.R. 6154—to provide for a gradual and voluntary conversion to the metric system.

In past Congresses in which I served I also cosponsored metric conversion legislation, and I remain convinced that the United States should adopt this system as soon as possible.

I am submitting for the RECORD my remarks on the importance of adopting the international system of units and the practical implications of the proposed legislation for the various segments of our society:

Mr. Chairman, it is indeed a pleasure to be able to present these remarks in support of metric conversion in the U.S. to your subcommittee. As you know, I have long been an advocate of conversion to the metric system and actively supported this idea in previous Congresses in which I was privileged to serve. I am happy to be back this year to be a part of the 94th Congress, which will, I predict, adopt a policy providing for an official changeover to the International System of Units in this country.

In reviewing some of the testimony which has been presented before this subcommittee I note widespread support for the bills before the Congress and general agreement that since conversion to metric is in the long run inevitable, it will be more practical to begin the conversion as quickly as possible. I certainly agree with this position and feel that we should get moving while interest is at a peak and before an ever-increasing rate of inflation makes the problem of conversion in future years more costly and difficult for both private industry and the Federal budget.

In considering the question of abandoning our long-established tradition of the English system of measurement we must look at the effect upon three major groups—the general public, our education system and private industry. All indications from the private sector are that this plan, rather than compliance matters, would actually benefit industry, particularly where international trade is involved. The education community seems enthusiastic about the plans for conversion and has, in fact, been working for years to stress the importance of this system to students in our nation's schools. While the general public may seem somewhat apprehensive about a sudden change in our system of weights and measurements, the bills we are considering this year provide for a gradual conversion which would give the public ample time and assistance in adjusting.

One of the most positive aspects of the metric system is its simplicity, and that is why it has become so widely used throughout the world. Such simplicity not only makes the system easier to learn and under-

UMI

stand, it also reduces the possibility of error considerably.

It is significant to note that the United States is the only major industrialized country in the world that has not yet either made the transition or is at least in the process of converting to the metric system. Such tenacity in clinging to an old and cumbersome tradition has left the U.S. isolated in the complex world of international trade and promotes an image unbecoming to the nation that always takes the lead in technological and scientific developments.

Mr. Chairman, I am a co-sponsor of the Administration's bill, H.R. 6154, to provide for a gradual and voluntary conversion to metric under the guidance of a 25-member board which would be in existence for whatever period of time is necessary to complete the process of transition. There have been a number of other bills introduced on this subject, and most of them are very similar to H.R. 6154. There would under these measures be some Federal funds provided to assist in this transition, but the overall costs of such a program are expected to be minimal. At a time when rampant inflation is affecting us all, it is indeed heartening to know that if we do undertake this conversion process the initial costs will eventually be far outweighed by the greater returns realized as a result of increased efficiencies. It is this cost effective aspect that has already persuaded many American manufacturers, retailers and exporters to start using the metric system.

Again, I reiterate my support for legislation to provide for conversion to the metric system and I offer my cooperation and assistance to the subcommittee in this effort.

MINUTEMAN III

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. CHARLES H. WILSON of California. Mr. Speaker, in the annual Defense Department report dated February 15, 1975, there is a statement by Secretary Schlesinger in regard to the fiscal year 1976 procurement of 50 Minuteman III missiles which I quote:

> We propose to continue the production of the Minuteman III at the rate of five missiles per month. . . . The Minuteman III is the only ICBM still in production; the USSR currently has at least three or four. It would be imprudent, in my judgment, to close down that production line before we have a more definitive assessment of how many of each type of MIRVed ICBM the Soviet Union intends to deploy under the Vladivostok agreement. . . . These 50 missiles would fulfill our requirements for follow-on flight testing and also preserve the option to deploy more Minuteman IIIs if that should be deemed necessary.

I endorse the Secretary's remarks. It is vital to our national security at this time to continue the only ICBM production line and to maintain a successful and motivated technical/management team on ICBM's. Continued production provides a qualified capability in place, ready to respond to a more accurate assessment of our posture relative to the U.S.S.R. and ready to respond to a potential need to upgrade the Minuteman II missiles which are now 10 years old. If we stopped production now, we would need 42 months to restart production. We need additional time to study our alternatives: for future ICBM's, for additional Minuteman III missiles, for upgrading of Minuteman II.

Needless to say, continued production provides some 14,000 direct jobs and, through the ripple effect, a probable 35,000 total jobs. Many of these jobs are with small business in regions of high employment.

For your consideration, I recommend approval of the 50-missile Minuteman III procurement.

NATIONAL MARITIME DAY—1975

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. ANDERSON of California. Mr. Speaker, May 22, 1975, is National Maritime Day. In commemoration of this day, memorial services honoring merchant seamen, who have died at sea during times of both war and peace while serving their country aboard merchant vessels, will be held at the Port O' Call village in San Pedro, Calif.

The merchant marine, which has diligently served this country as the logistic lifeline to our Armed Forces and as an integral part of our international trade, will be honored by merchant seamen, families, and friends attending this memorial service.

National Maritime Day was designated by a joint resolution of Congress to honor the importance of maritime industries and to commemorate the first transatlantic voyage by a steamship, the S.S. *Savannah* on May 22, 1819. This American vessel started that historic voyage from its namesake port in Georgia and sailed successfully to its destination, Liverpool, England.

The memorial service at Port 'O Call village will be held at 12 noon on the 22d. Special guests will be representatives of the Maritime Trade Council, maritime unions, steamship companies, harbor officials, U.S. Government agencies, and local clergy.

In conjunction with this memorial, a burial service will be held on the *Angel's Gate*, a ship supplied by the Los Angeles Harbor Department. From aboard this ship, the ashes of merchant seamen who have died ashore will be distributed on the waters in the traditional manner of sea voyagers. As a final honor, families, members of unions, and representatives of maritime shipping companies will be aboard to place wreaths on the waters at the close of the service.

Mr. Speaker, I would like to urge the people of the United States to honor our American merchant marine on May 22, 1973 by displaying the flag of the United States at their homes and other suitable places.

TRIBUTE TO MRS. THERESA S. KOLDIN, NOTED JEWISH LEADER

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. SOLARZ. Mr. Speaker, I rise this afternoon to pay a well-deserved tribute to a woman who has been a tireless volunteer for many Jewish organizations—Mrs. Theresa S. Koldin of Brooklyn, N.Y.

This Thursday, Mrs. Koldin will be the guest of honor at a luncheon sponsored by the Brooklyn Division of the United Jewish Appeal-Federation of Jewish Philanthropies Joint Campaign for her services over the years to that organization. She is a founder of the U.J.A. Manhattan Beach Women's Division and is a member of their board. Mrs. Koldin has been instrumental in the success of the special gifts program. This fundraising program asks that members contribute a minimum of $1 per week to the U.J.A.-Federation campaign and has had highly positive results. Tess Koldin is being honored for the leadership she has provided for the entire U.J.A. campaign in the Manhattan Beach Community.

A graduate of Adelphi University where she received her bachelors degree, she continued her education at Columbia University earning a masters degree in psychology. Mrs. Koldin pursued a career as a professional psychologist while raising two daughters and also worked for her outside interests. She is on the Brooklyn Board of Adelphi University, a member of B'nai B'rith, Hadassah, American Jewish Congress, and the League of Women Voters. Mrs. Koldin is the founder of the Midwood Chapter of Women's American ORT, a far-reaching and progressive organization for the rehabilitation and training of the handicapped.

Theresa Koldin is a truly remarkable woman who has devoted her life to others. She is a true friend, a leader of the Manhattan Beach community, a philanthropist, a person always ready to lend a hand when the work must be done and to extend a hand to a friend in need. I am, indeed, proud to be able to be affiliated with so grand a woman as Tess Koldin and also to have her as a mother-in-law. She has, over the years, been a source of inspiration and given guidance in my political career and has counseled me in areas of mutual concern. I know that the United Jewish Appeal-Federation Joint Campaign has benefited greatly due to the continued work and efforts of Tess Koldin.

I am pleased to join in honoring Theresa Koldin's work and I am delighted to bring her accomplishments to the attention of our colleagues.

JUDGE ALEXANDER CRITICIZES THE CRIMINAL JUSTICE SYSTEM IN THE DISTRICT OF COLUMBIA

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. FAUNTROY. Mr. Speaker, on Thursday, May 8, 1975, the Honorable Harry Toussaint Alexander, an associate judge of the Superior Court of the District of Columbia, filed a prepared statement before the House District Committee holding oversight hearings on the administration of justice in the District of Columbia. Judge Alexander's statement and testimony are highly critical of many current practices and procedures which exist in the criminal justice system in the District of Columbia. He recommended many sweeping, remedial changes to cure the pervasive existing injustices. Conspicuously absent from the hearings were local television and radio media, and as a consequence, Judge Alexander's remarks did not receive the attention that they merited. Because of the importance of the subject matter covered by Judge Alexander in his testimony, I want to share with my colleagues a synopsis of his prepared statement and recommendations:

Remarks of the Honorable Harry T. Alexander

That crime is a problem of paramount concern to the citizens of the District of Columbia is evident, but what is seemingly not so evident to both legislators and judges alike are the causes of crime in the District of Columbia. Crime is caused by substandard education, substandard housing, unemployment, underemployment, poverty and racism. As Chief Judge Bazelon of the United States Court of Appeals for the District of Columbia Circuit stated in his address to more than one hundred Black Judges of the Judicial Council of the National Bar Association in 1972, ". . . many thoughtful persons . . . admit that almost all violent street crime is nurtured by poverty, bitterness, ignorance, racism and despair." I subscribe unequivocally to this view and submit that once the causes are understood, the solution is patent.

Thus, the following recommendations, I submit, will have a substantial impact in reducing the crime rate:

I. Full Home Rule for the citizens of the District of Columbia. Full Home Rule would eliminate the feelings of powerlessness, hopelessness and alienation which exist under colonial and quasi-colonial status.

II. Guaranteed full employment for all people ready, willing, and able to work. Since approximately 76 percent of the reported offenses in 1973 were property offenses, meaningful and mobile employment could be expected to cause a substantial reduction in the number of property offenses committed.

III. Expungement of illegally and improperly acquired arrest records. Arrest records create additional obstacles to meaningful employment for poor, Black and undereducated people in this City.

Fundamental to our concept of ordered liberty as American people is the right to be free from unreasonable searches and seizures. Unfortunately, in recent years, courts and legislatures have engaged in the dangerous process of diluting the Fourth Amendment by enactment of the no-knock provision of the District of Columbia Court Reform and Criminal Procedure Act of 1970, 23 D.C. Code § 591; by sanctioning indiscriminate "spot checks" for motor vehicles; by permitting full blown searches of persons stopped for specified traffic offenses, and by judicial laxity in enforcing the Fourth Amendment prohibition against unreasonable searches and seizures.

Therefore, in order to restore the Fourth Amendment to its exalted place in our concept of freedom, I would make the following recommendations:

1. Legislation to curtail unlawful warrantless searches and seizures. The situations in which a warrant may be dispensed with should be narrowly defined.

2. Repeal of 23 D. C. Code § 581, which authorizes warrantless arrests for certain misdemeanors not committed in the officer's presence.

3. Legislation to abolish the widespread and discriminatory practice of "spot checks" without probable cause.

IV. Another area of importance is the administration of the Bail Reform Act in the District of Columbia. The provisions for pretrial release, with the exception of the preventive detention provisions, 23 D.C. Code, Sec. 1322, are, on the whole, unobjectionable and the Act certainly represents an advance over the deplorable situation which existed prior to its enactment. However, the Report of the District of Columbia Bail Agency for 1974, reflects that the judiciary is not fully complying with the spirit of the law. Only about half of all persons charged with crimes in the Superior Court of the District of Columbia in 1974 were released on non-financial conditions. These figures are not as they should be if all judges on the Court were carrying out the mandates of the Bail Reform Act and the Eighth Amendment. Another cause for concern to those who cherish freedom is preventive detention. Although the number of people detained is numerically small, I believe such detention is constitutionally significant in a society which professes belief in the presumption of innocence and in due process of law.

Furthermore, in many cases, the government does indirectly, that which it cannot accomplish directly in effectively detaining accused persons pretrial by obtaining exorbitantly high money bonds in lieu of invoking the preventive detention provisions. This practice is clearly in violation of 23 D.C. Code, Sec. 1321(a)(5), which prohibits the imposition of any financial condition to assure the safety of any other person or the community.

Another problem related to pretrial release is the lack of resources to assist persons on bail to obtain education, training, employment or drug counseling. These lack of resources, no doubt, contribute significantly to the alarming rearrest rate among pretrial releases. These problems are compounded by the large number of arrested persons who are addicted to drugs. In order to remedy this situation, an Office of Pretrial Services must be established to provide comprehensive services to pretrial releases.

My recommendations in this area are:

1. Repeal the Preventive Detention Statute, 23 D.C. Code, Sec. 1322;

2. Enact legislation requiring the approval of the Chief Judge before a financial condition of release may be imposed;

3. Conform 23 D.C. Code, Sec. 1325, regulating release after conviction, to the standard applicable in federal courts, set forth in 18 U.S. Code, Sec. 3148, which places the burden of proof on the government to demonstrate that an accused should not be released;

4. Establish an agency to assure that pretrial releases are provided with jobs, training and education, in order to minimize the risk that the accused will return to the system again.

5. Establish a network of drug free therapeutic communities to rehabilitate drug addicts, and abolish methadone maintenance.

Implementation of these recommendations will do much to assure that we have taken a step in the right direction in attaining pretrial justice, and in beginning the rehabilitation process at the earliest possible time.

V. Of all the existing deficiencies in the criminal justice system in the District of Columbia, perhaps the most egregious problem is the inadequate and incompetent counsel furnished to indigents; or stated in another fashion, the "ineffective assistance of counsel" rendered indigents. For many years, I have complained about the deplorable situation regarding counsel furnished to indigent persons charged with crimes.

Two identifiable causes of this deplorable situation are: 1) the inadequate certification and appointment system, and 2) inadequate financial remuneration.

Too often, some of my colleagues and I have been forced to delete some counsel from appointment, and to remove others. Finally, on February 26, 1974, in addressing a communication to the Comptroller General of the United States, in conjunction with my response to a questionnaire, submitted through the Chief Judge to all Judges of the Superior Court, designed to ascertain the effectiveness of representation of indigents under the Criminal Justice Act, I outlined the substandard nature of the legal representation provided to indigent accused in the Superior Court of the District of Columbia.

I wish to emphasize that my criticisms of the attorneys appointed to represent indigent accused do not pertain to the Georgetown Legal Intern Program, the Public Defender Service or to the law student clinical programs.

In order to implement the Sixth Amendment right of all accused to the effective assistance of counsel, I recommend the following changes:

1. All accused shall be entitled to choose an attorney of his or her choice who is ready, willing and able to accept an appointment. The accused shall notify the Coordinator of the Criminal Justice Act Program of three choices, from which his or her attorney shall be selected. This will result in the selection out of many incompetent attorneys and the retention of competent attorneys. Any problems of excessive demand for a particular attorney will be solved by having the accused list three choices.

2. Increase in pay for attorneys and a termination of voucher reduction by judges for purely fiscal considerations. Reduction in pay shall be based only upon merit and must be accompanied by a brief statement of reasons why the performance of the attorney did not merit full remuneration.

3. Implementation of a certification process for attorneys appointed to represent indigent accused. A system should be implemented which would require that before an attorney can represent an indigent in misdemeanor cases, he, at a minimum, must serve as co-counsel in two misdemeanor jury trials with an experienced attorney, and be certified by the judges before whom he or she appeared, as well as his co-counsel to be competent to handle misdemeanor cases.

The same system should be implemented in felony cases, except there should be gradations in requirements according to the penalty involved. A system of periodic performance ratings, resulting in advancement or demotion should be implemented. Appropriate divisions might be maximum 5 year penalty, maximum 10 year penalty and life maximums, with certification schemata similar to that proposed for misdemeanors. In life penalty cases, there should be a requirement that counsel must have practiced in this jurisdiction for at least three years, and tried 5–10 felony jury trials. Legislation should be enacted incorporating these minimal standards in the interest of assuring that all accused are represented by competent counsel. With the increased quality of counsel, accused who are processed through the system would more likely leave the court feeling that there has been "a day in court" and justice has been done.

VI. As important as it is to assure that an accused is represented by competent counsel, it is equally important that he or she is treated fairly and justly by the judge in whose hands his or her liberty rests and by the prosecutors. Across the Nation are heard cries of backlog, expediency, calendar control, guilty pleas; but seldom does one hear a cry for increased quality of justice by the courts. The quality of justice is paramount and everything else, including expediency, is secondary. Thus, I would suggest that more judges and supporting staff be hired to alleviate the backlog.

VII. Other abuses which urgently need reform are plea bargaining and sentencing. Plea bargaining is widespread and some even suggest the administration of criminal justice cannot survive without the impetus it creates. The problem with plea bargaining is that the end result is usually not a bargain for the accused. Too often, the prosecutor, armed with a padded indictment and the threat of a long sentence, often psychologically coerces the accused into pleading guilty. This must be stopped if our system of justice is to be preserved.

One method to eliminate judicial and prosecutorial abuses of plea bargaining is to implement appellate review of the length of sentences.

VIII. Sentencing is an aspect of the law which perhaps, is the most lawless, and where the opportunity for a judge to allow his or her biases, prejudices and emotions to interfere with his or her judgment is perhaps greatest. The range of permissible sentences is great: for example, a sentence imposed for first degree murder, arguably, can range from probation to life imprisonment. Likewise, for armed robbery, armed burglary, armed rape and assault with a dangerous weapon.

Thus, in the interest of assuring that proper considerations are being employed in sentencing; that the number of widely disparate sentences is reduced, and that the liberty of the citizens of the District of Columbia is not arbitrarily abrogated by the criminal justice system, the following changes, as previously outlined, should be implemented by legislation:

1. Prohibition of judicial involvement in plea bargaining;

2. Prohibition against imposition of a more lenient sentence, in exchange for a guilty plea.

3. Prohibition against all plea discussions outside the presence of the accused.

4. Implement the right to appellate review of the length of a sentence.

5. Repeal 23 D.C. Code, Sec. 112 requiring that a sentence be consecutive to one already imposed unless otherwise stated by the court.

6. Abolish life sentences in all cases except aggravated murder.

7. Expand range of permissible alternatives to incarceration for all offenders, and appropriate funds to facilitate expansion of community treatment facilities.

8. Permit probation as an alternative for all offenses.

IX. The problems of prosecutorial abuses are acute in the criminal justice system and time does not permit me to cover them in detail here. Thus, I will briefly summarize my recommendations in this regard:

1. Establish an elected local prosecutor's office for the prosecution of all offenses contained in the District of Columbia Code.

2. Eliminate prosecutorial overcharging of offenses in order to coerce guilty pleas from an accused.

3. Implement grand jury reform along the lines outlined in H.R. 2986, introduced by Congressman Conyers. Only widespread reform of the grand jury will insure that people will not be charged with offenses for which no probable cause exists,

X. There are many other areas of the criminal justice system which urgently need reform, but time does not permit exploration and detailed development here. However, in addition to the suggestions outlined above, I would make the following recommendations:

1. Re-establish the United States Court of Appeals for the District of Columbia Circuit as an appellate court of last resort from the Superior Court of the District of Columbia. This right was abolished by the District of Columbia Court Reform and Criminal Procedure Act of 1970, without full consideration of the value of citizens in this city of having two appellate courts to pass judgment on their claims. I suggest that this Committee seriously reconsider this matter and reestablish the appellate procedures in effect prior to Court Reorganization.

2. Re-establish the statutory right to trial by jury for juveniles. This right also existed prior to Court Reorganization. It was abolished in the face of expediency arguments, which upon examination were palpably without merit. Since only a few jury trials per year were requested, juvenile jury trials could not have had a substantial affect on the backlog of the court.

Juveniles, simply because of the accident of their birthdate, should not be denied a right so fundamental to our sense of justice. If trial by jury is sacred and fundamental for adults, it is no less for our children and youth. Thus, I would urge immediate legislation granting juveniles the right to trial by jury.

3. Restrict the sale and possession of handguns. In 1955, I wrote a memorandum to the United States Attorney, while serving as an Assistant United States Attorney in which I recommended enactment of legislation to accomplish this end.

Now twenty-one years later, minus President John F. Kennedy, the Reverend Dr. Martin Luther King, my former employer, Senator Robert F. Kennedy, and thousands and thousands of other citizens, we are all still fighting to outlaw handguns.

Two recent, prominent tragic events, one in Wheaton, Maryland, where several innocent people were killed and several injured, and another in Oakland, California, where Congressman Dellum's nephew was murdered in the course of a robbery, illustrate the urgent need for speedy passage of legislation as proposed by Congressman Fauntroy.

4. Amendment of the Law Enforcement Assistance Act to allow for greater utilization of LEAA funds for rehabilitation; and a decrease in utilization of funds for hardware. The District of Columbia Jail, all Shelter Houses, Halfway Houses, the District of Columbia General Hospital and St. Elizabeth's Hospital, the Childrens' facilities, the Women's Detention Center and Lorton Reformatory are all in need of funds.

5. Enactment of full Home Rule for the District of Columbia.

The principles of full Home Rule require first that servants of the people be elected by the people; and secondly, that their domicile be with the people. This concept should include, at the very least, all major employees of the Legislative, Executive and Judicial Branches of the District of Columbia Government. The only exception allowed should be when no qualified person, for a given position, resides in the District of Columbia.

Included within the category of major employees should be all judges of the Superior Court; all officers and members of the Fire Department and Metropolitan Police Department; all persons employed at super grade level, and all persons earning salaries of $10,000 or more, as employees of the District of Columbia Government.

6. Our criminal justice system is characterized by a lack of respect for people in every phase; from arrest through the precinct, through the jail, through the cell block, through the courtroom, through the prisons, and through halfway houses. People arrested are treated with utter disdain and are victims of inhumanities inflicted by the system. There is no reason why a person arrested should be treated as if he or she were not human. I am confident that persons of wealth and high position are not treated in the subhuman manner in which minorities are treated. Mr. Hoffa, Mr. Dean, Mr. Colson and Mr. Agnew were certainly not treated as if they were subhuman, while being processed in the criminal justice system. It should not happen to anyone else.

XI. These legislative proposals necessarily require appropriations. Since the wars of Viet Nam and Cambodia have been lost, and our more than $150 billion too, it is high time we utilized the funds once used to build destroyer escorts, train pilots, discover sunken submarines and sunken tanks, and funds used for other military purposes, to enhance the quality of justice, as well as the health, welfare, safety, life, liberty, and happiness of our people in the District of Columbia.

AUSTIN PUBLIC LIBRARY

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. PICKLE. Mr. Speaker, a library can be one of a community's most valuable assets. The city of Austin is very fortunate to have one of the most progressive and far-reaching library systems for a city of its size.

Recently, the library has expanded its services to be of better use to the older citizens. Retired persons are always among a library's best patrons.

I salute this special effort on the part of the Austin Public Library to expand its fine work.

I enclose this article from Aging magazine about this forward-looking project:

AUSTIN PUBLIC LIBRARY BEGINS PROGRAM FOR ELDERLY, HANDICAPPED

The Austin, Tex. Public Library is bringing a new dimension of services to the community.

Under a title III Older Americans Act grant from the Governor's Committee on Aging, it has established a program to reach the elderly, disabled, and others unable to use normal facilities.

Mrs. Helen Gallagher, Project Director of the Travis State School for the mentally retarded, initiated a plan to expand the services to the school's older retardates. Victor Hinojosa, M.D., Superintendent, and Mrs. Carter Clopton, Consultant for Aging for the State Department of Mental Health and Mental Retardation, cooperated in putting the plan into operation.

The school has approximately 250 residents over 60 who could benefit from the program. It provides transportation for older residents to the Oak Spring Branch Library nearby.

The building has modern equipment on one level, ample space, and staff interested in helping the elderly.

The library offers programs for all levels of function, picture books, simple reading material and large print books. Movies are a highlight of the program and arts, crafts, and puppet shows are planned.

SENATE—*Tuesday, May 20, 1975*

The Senate met at 11 a.m., and was called to order by the President pro tempore (Mr. EASTLAND).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, Ruler of all nations and peoples, we pray Thee to guide all who have power over the lives of others. Guide all leaders whoever they may be and wherever they may serve. We pray for the President of this Nation and his counselors, for the Senate and House of Representatives assembled in Congress, for all who serve in courts, all officers who are custodians of the law, for statesmen, diplomats, and members of the Armed Forces, all speakers, writers, and others who mold the thoughts and conduct of the people. Grant them wisdom and restraint, high ideals and clear vision, and thus grant to our Nation good homes, unselfish public service, honest business and labor, sound learning, and pure religion, to the good of all and the honor of Thy name. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Monday, May 19, 1975, be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

NATIONAL POLICY THAT ALL CITIZENS HAVE THE RIGHT TO LIVE AND WORK IN A BARRIER-FREE ENVIRONMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 139, Senate Concurrent Resolution 11.

The PRESIDENT pro tempore. The concurrent resolution will be stated by title.

The assistant legislative clerk read as follows:

> A concurrent resolution (S. Con. Res. 11) to express as a national policy that all citizens have the right to live and work in a barrier-free environment.

The PRESIDENT pro tempore. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

SENATOR RANDOLPH URGES RESOLUTION TO ELIMINATE BARRIERS TO HANDICAPPED

Mr. RANDOLPH. Mr. President, through the adoption of Senate Concurrent Resolution 11, the Senate will reaffirm its commitment to taking every step possible to guarantee that America's handicapped population may enjoy equal access to employment, transportation, housing, recreation, and to public buildings and services. It is the objective of this resolution to commit the Congress to a national policy which recognizes the right of all citizens to the free use of the manmade environment.

At least 10 percent of the population of the United States has a temporary or permanent physical handicap that results in limited mobility. For these millions of citizens, there are countless barriers obstructing their right to travel, to be employed, to enter public buildings, and even to vote.

Senate Concurrent Resolution 11 may be considered a focal point for marshaling a nationwide effort in both the public and private sectors to eliminate environmental barriers to handicapped individuals. Already, resolutions have been introduced in State legislatures to accomplish purposes similar to those in Senate Concurrent Resolution 11. Activity is going forward in the private sector as well. Some of these efforts are described in the report on this resolution.

The adoption of Senate Concurrent Resolution 11 coincides with the upcoming National Awareness Week cosponsored by the National Easter Seal Society for Crippled Children and Adults and the National Paraplegia Foundation. These organizations are promoting the week of June 30 to July 6 to inform and motivate the public to help eliminate environmental barriers faced by the 10 percent of all Americans who have limited mobility due to a temporary or permanent disability. These organizations have asked that Members of Congress endorse National Awareness Week in public statements and addresses to constituents during the week of June 30 to July 6.

It is important that all citizens understand that handicapped individuals have the right and the responsibility to actively and productively participate in the life of the community and that, together, handicapped and able-bodied alike must work to remove existing barriers and work toward the full development of the economic, social, and personal potential of all citizens through the free use of the manmade environment.

I join the National Easter Seal Society for Crippled Children and Adults and the National Paraplegia Foundation in calling on all citizens to take cognizance of special events arranged for this National Awareness Week and to join in breaking the barriers which confront our handicapped citizens.

I urge adoption of Senate Concurrent Resolution 11.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, is as follows:

> Whereas it is estimated that one out of ten persons in the United States today has limited mobility due to a temporary or a limited physical handicap; and
>
> Whereas improved medical techniques and an expanding population of older persons is increasing the number of persons with limited mobility every year; and
>
> Whereas the physical environment of our Nation's communities continues to be designed to accommodate the able-bodied, thereby increasing the isolation and dependence of disabled persons, and to break this pattern requires a national commitment: Now, therefore, be it
>
> *Resolved by the Senate (the House of Representatives concurring)*, That it is the sense of Congress that there shall be a national policy to recognize the inherent right of all citizens, regardless of their physical disability, to the full development of their economic, social, and personal potential through the free use of the manmade environment, and that the adoption and implementation of this policy requires the mobilization of the resources of the private and public sectors to integrate handicapped people into their communities.

A REASON TO BE THANKFUL

Mr. HUGH SCOTT. Mr. President, the Chaplain's prayer reminds me of another one which goes like this:

For all things bright and thoughtful,
  All creatures great and small;
For all things wise and wonderful,
  We thank Thee, Lord of all

We have special reason to be thankful this week. I hope that my Government always will act with wisdom, with restraint, with strength, and with firmness, to do that which it conceives to be right and for the preservation of our country, its security, and its citizens.

ORDER OF BUSINESS

The PRESIDENT pro tempore. Under the previous order, the Senator from Arizona (Mr. GOLDWATER) is recognized for not to exceed 15 minutes.

NEW FOREIGN POLICY FOR UNITED STATES IN ASIA

Mr. GOLDWATER. Mr. President, because this week and next week a number of Members of this body have decided to discuss foreign policy at the same time we will be discussing weapons authorization, I desire to open that colloquy this morning.

We no longer have a foreign policy for Asia. It lies in tatters as a direct result of the Vietnam debacle. The seeds of failure, however, are rooted much further afield.

For more than 30 years, the brew has been a-boiling. Vietnam was perhaps the best example of the naivete and stupidity of American liberalism at work. For a third of a century, and culminating in Vietnam, American liberals have failed to either understand Asia or, alternately, to delineate America's true interests in that vast and important region. Let me throw out a few random thoughts to illustrate my contention.

In terms of Asian understanding—or should I say "misunderstanding"?—they

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assumed that they knew the best form that Asian politics should take, and politician and pundit alike never ceased to instruct Asians accordingly. Significantly, they had the prescription for turning ancient cultures into liberal replicas of "developed" countries where each Asian was to march to the tune of an American liberal drummer as he shrugged off the beliefs and certainties that had sustained his culture for millenia.

While they babbled sloppy sentimentality about "democracy" in India, they sought to overthrow "dictators" in Vietnam. When they decided to go to war in 1962, they espoused such nonsense as "winning the hearts and minds of the people" instead of a clear-cut military strategy.

They degraded military strategy. In lieu, they espoused aid projects that almost invariably failed. They then blamed the local people for attempting to make end runs around their stupidity.

When one social nostrum failed, their ingenuity proved endless—new nostrums proliferated. With the best of liberal intentions they sought to bring Western educational forms to Asian masses and ended up giving these to the rich. They wrung their hands over India's starving millions but failed to point out that India runs twice as many cows as does the United States—but does not use them for human sustenance—or, that if even two of India's provinces were farmed by modern means, the country would be grain sufficient.

For some reason, America's liberals could never see that the slightly chaotic individualism of non-Communist Asia held greater hope for the democratic growth than did Mao's regimentation. More sinisterly, these same people who bowed politely when Mao Tse-tung conquered China, said nothing when Mao slaughtered perhaps 30 million people; because to these same liberals, there are "no enemies to the left."

I could go on and on, citing sad event after sad event of this disastrous American venture in Asia. The time has come, however, not to divide ourselves further by assigning blame but to seek out new policies. Neither, however, can we sweep these vast historical events under the rug and pretend they came about accidentally and not through actions arising from a particular style of American thought—liberalism. But, before we can have new policies we must first get rid of these liberal philosophies and of the men who formed them. I will try to challenge the philosophy and I will leave it to you to get rid of the men.

For my part, let me offer some thoughts, different thoughts, from those liberal philosophies which have brought such human tragedy and material loss to so many Asians and to ourselves.

I would like to divide my talk into two main themes: What is the American interest in Asia? And, what are the military, political and economic policies to attain and preserve those interests?

Besides ourselves, three great powers border the Pacific: The U.S.S.R., the Peoples' Republic of China, and Japan. Here, along with Southeast Asia, at the more southern extremity, we find almost a third of the world's peoples. The vast Pacific Ocean links them to the United States, and the varying postures these yet diverse peoples adopt cannot be ignored by the United States, neither militarily nor economically. Let me give an example or two.

Between China and the Soviet Union there is a geopolitical conflict gravely complicated by racial coinflict and ideological division. As but one illustration of this, let me mention the Soviet Union's eastern Siberia, which for over 100 years both tsar and commissar have been trying to develop and populate. In this 100 years, approximately 14 million Russians have migrated into this vast region.

In the same time, however, just across the border in northwestern China, some 100 million Chinese have moved northward without any government stimulus. And, now held back by a mere political boundary, this Chinese mass looks out over the vast empty Amur River Valley, a territory as large as our Mississippi River Valley. This is but one aspect of a now tense relationship which dominates Sino-Soviet relationships and in turn affects the entire planet.

Soon the situation will become more dangerous; that is when Mao Tse-tung dies. What then will the Soviets do, especially if there is a power struggle in China, as is highly likely, with resulting internal divisions? The temptations for the Soviets to intervene will be extreme. Think of the prize-removal of the threat and perhaps the resumption of the Sino-Soviet alliance, but this time with the Soviets in the driver's seat. Here, indeed, would be the Communist monolith that the Communist theoriticians have dreamed for half a century. It almost came about in the 1950's, and would have, except for Mao's ideological purity. Here then is one possibility. Another possibility is that the Chinese would successfully resist the Soviets should they attempt intervention. In doing this the Chinese would use nuclear weapons. In this case, could the Soviets afford to expend a large proportion of their nuclear arsenal upon China and by doing so, leave the United States with an overwhelming nuclear superiority? In essence, could they afford to win against China while giving the global victory to the United States? Again, I think not. Both sides would make every effort to involve us, including the ultimate of nuclear strikes upon the United States.

As yet another example, let us look at the position of Japan, and especially, its relationship to Korea. Japan now has the third largest economy in the planet. Japan absorbs the bulk of the U.S. agricultural exports and, in turn, we are Japan's best customer. It is a relationship in which both sides have benefited and these benefits are likely to increase and go on indefinitely. No matter how one looks at it, that is a significant relationship, not only in terms of mutual benefit but also in terms of world stability. Yet, grave problems may arise in the not too distant future. Japan has no significant military power—for this, Japan is dependent upon the United States. Yet, perhaps sooner than we think, Korea, the ancient land bridge between Japan and the Asian mainland, could come under Communist attack. There are approximately 40,000 American soldiers in South Korea, and we are pledged to preserve the integrity of South Korea. Despite this, I have grave reservations whether or not we would. It is not a matter of military capability but of national will. Now, Mr. President, if you were a Japanese and you saw the situation this way, how would you react? Japan could build nuclear warheads and delivery systems rapidly and if her American mentor has lost his stomach, why not? What else might Japan do? Throw in the towel and aline with the Communist powers? For us, that is an even more frightening prospect.

I hope and pray that none of this will happen but all of it is inherent in the international relations of the region. I know, too, that Americans do not like to hear these scenarios. I am giving a view of the world that is antipathetic to our historical beginnings and our concept of the world as it ought to be, and I have no doubt that my liberal friends will again level their vigorous accusations against me for being bellicose or worse. They have done this before. But the whole history of this terrible century in which we find ourselves belies their objections. The history of this century is the history of forces I have described at work—and they are still at work. And, how might the worst be prevented? Only by an America with the sufficient military power decisively to swing the balance in a manner that preserves global stability. But to do this, we must first build the military forces. Second, we must develop a strategic sense, something almost absent from American thinking. Third, we must develop and employ a forward diplomacy with all of the nations in the region. The essence of this diplomacy must be a vigorous sense of our national aims and purposes; an intimate knowledge of the political aspirations, and capabilities of each Asian friend or adversary; a sense of, and a policy related to the cultural history and cultural nuances of each Asian state, and, based upon all of these, an ability to look ahead and be prepared for all eventualities. Such preparation must include, however, one vital ingredient hitherto absent from out policies and actions.

We must not only know what we ought to do in certain eventualities but also what we cannot do. I believe we can, for example, win military victories and this is a vital ingredient. But, we are unlikely to "win hearts and minds"—and one is not dependent upon the other, despite what my liberal friends might suggest. We can clearly tell both friend and foe where we stand and what we expect from them. But, we should not go further and try to remake some other nation's political or social fabric in some fashion then currently in favor in Washington.

In essence, we must face the realities of the world as it is and not what we would like it to be. Any other posture, especially that of substituting social and political engineering for diplomacy and military strength, spells disaster for the future perhaps even greater than the one we have just endured.

We must employ the two elements critical to maintain strategic stability; namely, an appropriate forward diplomacy and the military power to back it up. This is enough to get the job done.

Now, let me turn to some other issues where I think we must abandon the illusions of the past. I am specifically thinking of economic aid. This was to be the great "wonder worker." American-built roads, American agricultural practices, American machines, American education, just plain old American money was supposed to quickly bring about something called "economic development" and, in turn, this was to lead to stability and order and, in turn, this was to lead to democracy—American style—and thence to peace and tranquility. Of all the liberal shiboleths, I think this one was the worst.

We must change it. Let me give some thoughts. I shall begin with a maxim or two.

First, economic development does not bring peace by itself. Hitler's Germany was in a vigorous phase of economic development in 1939. Second, a people cannot achieve any kind of economic development through others that they are not ready to achieve in some degree by themselves. Third, the inability of a nation to attain economic development is rarely a technical inability. Such inabilities, where they exist, are easily rectified.

The real elements curbing economic development are political systems, ideologies, bureaucracies, and cultures. Let me give some examples. The Mekong River, one of the world's great rivers, could, if it were properly harnessed for irrigation, energy, and navigation, give to Southeast Asia the material resources for an economic development program as significant as was the Marshall plan for Europe. The scheme was first mooted more than 20 years ago, but war, political incompetence, ethnic hostility, and ideology have reduced the scheme to nullity. Compared to these issues the technical aspects of the Mekong scheme are relatively simple.

To move farther afield to India, a country living close to starvation, we find that after large government investments in agricultural colleges, there are more than 20,000 persons with agricultural degrees who are totally unemployed. In that same country, there are as many more people with agricultural degrees employed within the bureaucracy as clerks.

It is doubtful if even 20 percent of the trained agriculturists are in the field. The same country criticizes us for feeding grain to cattle, yet their 300 million animals forage at will and depreciate India's already slender resources without giving any return to their human fellow inhabitants. I have no objection to India worshipping cows—that is their business. But, neither can they play both sides of the street: demand American grain which we indeed do feed to cattle, while their cattle are a materially negative factor in any concept of land use. I know that all in this room have other examples and if I had time I could quote many more.

Now, let me make a proposal for aid in a different form. My proposal has several features. First, money should never be given in any form and least of all to obtain political gain for us. This simply does not work. Instead, it should be loaned, but only loaned in accordance with strict, bona fide banker's standards. No other kind of loan should be contemplated. In other words, every developmental project should be assessed a priori as to whether or not it has a viable economic future of sufficient dimension not only to achieve preset economic goals, but also to pay back the original investment. Such repayment also insures that further lending can be made for development and the process can be then indefinitely continued.

The Asian countries, with our help, have already set up an Asian development bank. Let us get it going. All we must do is insure that it employs the best banking standards.

Second, let us not recoil from putting strings on aid providing they are the right kind of strings. Who should decide what is right? Basically we should.

Presumably, if we are lending for a particular project, we know a good deal about it and to set standards under these conditions is not only right but a duty. For example, why should not agricultural aid to India be tied to the establishment by India of an Indian equivalent of the magnificient Joint Commission on Rural Reconstruction which has performed so superbly for the Republic of China in Taiwan?

Third, by lending and not giving, we would at once kick away the giving of money as a prop to our diplomacy in a given country. You cannot buy allies any more than you can friends. For too long now the American diplomat has used those taxpayer's dollars which passed through his hands as a spurious substitute for vigorous representation of the American position. Getting people on your side because they are being paid to do so is not the same as telling them where America stands, what we will do, why we will do it and under what circumstances. As a result of this dependence upon the aid dollar, American diplomacy has become weak and supine as does that rich man's son towards whom daddy directs constant largesse. All in all, aid has hurt our diplomacy more than it has hurt even the recipient. Most importantly of all, as giving money does not buy friends neither does it buy allies. We should have learned this by now.

We shall obtain allies only when those potentially in this category know that their vital interests are related to an American interest and to an America that means what it says. For this, there is no substitute in any alliance, and it has little to do with dollars.

Fourth, if our liberal friends are correct in that they truly wish to encourage "nation building" as a part of economic development, well then, may I ask, "how is that task forwarded by making a nation your dependent?" Amongst many other things Vietnam surely taught us that lesson. I believe lending rather than giving is the proper posture for "nation building." For example, instead of tying giving—or lending—to the purchase of American products, let the recipient in full independence take his money to the open market and if we cannot compete with our product, so be it. Similarly, let them hire and fire what foreign experts they need. If they do not like our people, why should these be forced on them? At least give developing nations this much independence.

Here then is a program which costs less because it becomes self-sustaining; stiffens our diplomacy; promotes independence and, if the bankers are any good, will get the job done. I believe, too this is a program the American people would understand and support.

As I have said, we do not have a foreign policy any longer for Asia; any semblance for such disappeared with Vietnam, and the erosion continues.

I interject, Mr. President, that this paper I am presenting was written before the courageous and wise action of the President relative to the ship and Cambodia. I think that signals a foreign policy that has historically been linked with America.

Thailand is the latest. Here is a traditional ally which has now said to us, Thailand's ally and most powerful country in the world, "an alliance with you is a liability—go!" Thailand's posture should prompt some thought and as I think has been generally recognized, our credibility to both friend and foe is now at zero in Asia. Yet, as I see the future in Asia, we Americans and the world at large face incredible dangers in the region which cannot be avoided.

The basic aim of Communist hegemony is alive and well. Whether such be sponsored by the Soviets, the People's Republic of China, or both. Peaceful coexistence became détene but either, if one believes the Communist theoriticians, are but tactics of warfare. The Communist powers believe that the capitalist world is collapsing of its own contradictions. They believe that direct confrontation at this time would only alert the capitalists to these dangers. Confrontation in the form of active warfare is held for later for the coup de grace.

I have talked of but a tiny percentage of the dangers that lie ahead of us. But Asia is also full of vast opportunities. These exist in terms of trade and commerce, intercultural relations and the building of a peaceful, stable world. But, we must take action. The old ideas and their initiators must go. If we do not find new ideas and new men we will retreat from Asia into a narrow isolationism. What else can the old ideas and their initiators do but that? But, that will not remove the dangers. All it will mean is that we shall wake up one fine morning—as we did with Cuba—and find that our national lethargy has painted us into a corner from which escape will at best be precarious for us and dangerous to everyone on this planet.

The nuclear confrontations that our liberal friends, or new isolationists, so much deplore will then be upon us. I especially call upon my colleagues in Congress to demand of the Executive, new concepts, new initiatives, and new long-term programs and these can only arise with new men. We have such persons. Let us tap some of our latent human resources and get the job done. The stakes are high. The time is short.

Let me offer six planks upon which I believe a new policy for our country in Asia needs be fashioned.

First, we must promote vigorous but equitable trading relationship with all our Pacific neighbors with the object of promoting our mutual economic stability. For too long trade and commerce have been divorced from foreign policy with the latter lapsing more and more into an academic plaything too pristine to be contaminated by the marketplace. This must stop. Foreign policy and trade are intertwined. Surely the Middle East situation has taught us this much. Let us then admit a reality long in being but short on recognition. We want a large and growing trade with Asia and this is a diplomatic task. Sure, we shall be accused of economic imperialism. That will happen anyway. In this case, let us be honest economic imperialists and I assure you that we will at least obtain respect and we will gain economic benefit for ourselves and our trading partners.

Second, let us formulate a new aid policy. I have given an outline today and let me add a few thoughts.

Our objectives should be simple. Never dependency; lend, not give, and promote thereby independence for those who work at it. And let us not be squeamish regarding establishing criteria for aid. For if we do not know how to do a job in its total technical, economic, political, and cultural content then we should stay away from it until we do.

Third, in conjunction but not in conflict with this new aid policy we should declare a policy of noninterference in any other nation's internal affairs especially relative to ancient cultural fabrics. Our interest in a nation's integrity should arise only when an attempt is made to export to that nation an alien political value by force and our help is sought. There should be no doubt in our minds, however, that if we have, after deliberation, entered into a commitment with a friend, we will intervene, decisively and quickly, and leave equally quickly and cleanly when the aggression has been stopped.

Fourth, we must quickly, within the next year, formulate a key statement relative to the Pacific Basin, basically incorporating what I have enumerated so far and declaring that no power or group of powers will be permitted to exercise hegemony over the Pacific Basin.

Fifth. We must create the military power, in degree and of a kind, to support our policies.

Mr. President, I emphasize this because, beginning today or tomorrow, there will be a debate dragged on to some extent by those people in the Senate who want to isolate America and unilaterally disarm us at the most critical time of our history. I suggest that foreign policy, the authorization and appropriations for military uses are woven together as one.

Last and most important of all, let us begin a forward diplomacy with friend and adversary alike with the objective of removing any doubt as to what our policy is, the nature of our strength and the validity of what has to be a new national resolve. I think you will be surprised, should we perform this diplomatic task promptly and skilifully, at the number of friends who yet remain. They await our leadership. It is our role in history to provide such. They will respond.

Thus, I am stating two things. First must be a firm abandonment of the old liberal policies that have brought us to this sad and even desperate strait. Second, I ask instead for a new American realism. It will call for new concepts, new skills and new men. I know that we have all three in profusion if we will but call on them.

I thank the Chair for the courtesy and the Senators for their patience in listening to me.

I relinquish the floor.

(At this point Mr. Glenn assumed the Chair.)

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements limited therein to 5 minutes each.

JACKSON URGES OVERRIDE OF STRIP MINE VETO

Mr. JACKSON. Mr. President, it is with deep regret that I have learned that President Ford has decided to veto the Surface Mining Control and Reclamation Act of 1975. Unless the Congress overrides this ill considered action, the uncertainties which have plagued the coal industry, particularly with respect to proposals for coal gasification and liquefaction, will continue.

Congress has been considering surface mining legislation since 1967. The bill which the President has vetoed is the end result of intensive work in both the Senate and the House of Representatives in the last 4 years.

The Senate approved the bill by an 84–13 vote. The most recent vote in the House of Representatives was 293–115. This overwhelming support reflects the feelings of the American people.

In February, the President indicated that there were 27 "critical" and "important" changes which he wanted Congress to make in the legislation which he pocket-vetoed in the 93d Congress. The bill which he has now vetoed again included over half of these changes. Congress has made every effort to cooperate with the President. Unfortunately, the President has not reciprocated.

Apparently, the President has fallen victim to the vague estimates of "production losses" submitted to him by the Federal Energy Administration. Despite repeated requests, neither FEA nor the Interior Department has supplied me with any rationale for these estimates.

The fact is that at current production levels, this country has more than 500 years of coal reserves. It is ridiculous to talk about a diminution in production at present prices, which are three to four times prices of 2 years ago, much less those anticipated in the future. It is even more ridiculous, given the massive amount of our coal reserves, to refuse to assume the relocation of mining operations, for example, to areas which can be prudently mined—in estimating the impact of this bill.

The Surface Mining Control and Reclamation Act will internalize mining and reclamation costs, which are now being borne by society in the form of ravaged land, polluted water, and other adverse effects, of coal surface mining. This can be done without significant losses in coal production.

Mr. President, I urge the Congress to override the President's veto. I ask unanimous consent that my letters of May 12 and May 16 to the President and the telegram sent to President Ford by the president of Gulf Oil Corp. be included in the Record.

There being no objection, the letters and telegram were ordered to be printed in the Record, as follows:

U.S. Senate,
Washington, D.C., May 12, 1975.

The President,
The White House,
Washington, D.C.

Dear Mr. President: Once again, the Congress has passed the surface coal mining legislation. The bill pending before you is the product of over four years of intensive work in both the Senate and the House of Representatives. The Senate approved the bill by an 84–13 vote. The most recent vote in the House of Representatives was 293–115. This overwhelming support reflects the feelings of the American people.

Last December, you pocket-vetoed the surface coal mining bill approved by the 93rd Congress. In February, you indicated that there were 27 "critical" and "important" changes which you wanted Congress to make in that legislation. Both the House and the Senate considered your recommendation very

carefully. The bill sent to you last week adopts over half the changes which you recommended.

I firmly believe that the bill now before you for approval achieves a balance between the need to protect the environment and the need to develop our coal reserves to meet our national energy requirements. Your approval of H.R. 25 will allow the coal industry to get on with the development of our coal resources.

I am aware that the Federal Energy Administration has expressed concern over possible production losses which might be caused by the requirements in this legislation. While I have attempted to obtain from the FEA the analyses, data, and assumptions on which these estimates were based, the only information I have received is a breakdown of loss estimates. It does not indicate the rationale behind the estimates.

However, this information does indicate that the major portion of the estimated loses are attributed to the protection which the bill gives to alluvial valley floors in the West. These estimates are clearly based on erroneous interpretations of the provisions of the legislation designed to protect a small but critical area of agricultural lands. Both the Geological Survey and the Bureau of Mines personnel have publicly stated that their past estimates were wrong because they had not read the legislation accurately. For example, on April 29, the Assistant Secretary of the Interior for Energy and Minerals told the conferees that over 97% of the agricultural lands in the Powder River Basin consist of undeveloped range land. Such land is expressly excluded from the strict limitations on permit approval.

The fact is that at current production levels, this country has more than 500 years of coal reserves. It is ridiculous to talk about a diminution in production at present prices, which are three to four times prices of two years ago, much less those anticipated in the future. It is even more ridiculous, given the massive amount of our coal reserves, to refuse to assume the relocation of mining operations, for example, to areas which can be prudently mined—in estimating the impact of this bill.

The conference report will internalize mining and reclamation costs, which are now being borne by society in the form of ravaged land, polluted water, and other adverse effects, of coal surface mining. This can be done without significant losses in coal production.

I urge you to approve H.R. 25.

Sincerely yours,

Henry M. Jackson,
Chairman.

U. S. Senate,
Washington, D.C., May 16, 1975.

The President,
The White House,
Washington, D.C.

Dear Mr. President: I have received a copy of the telegram sent to you by James E. Lee, President of Gulf Oil Corporation in which he urges you to veto the Surface Mining Control and Reclamation Act.

I do not quarrel with Gulf Oil's right to express their views although I certainly disagree with their conclusions. However, I would point out to you that one of the three "unnecessary restrictions" they cite is a totally incorrect description of the provisions of Section 714 (not 717) of the Act. This section is designed to protect a limited class of owners of land overlying Federal coal. Mr. Lee's telegram states that there is a "limit of $100 per acre on surface owner compensation". This is wrong, as I am sure your legal advisors will confirm. Unfortunately, this kind of misinformation is typical of the coal industry's complaints about the surface mining bill.

For example, some mining operators have argued that the environmental standards pertaining to steep slopes are unnecessary. You may be interested to know that Gulf Oil's coal mining subsidiary, the Pittsburg & Midway Coal Mining Company, recently sent me a brochure entitled "Independence With Coal". On page 6 of that brochure there is a description of contour surface mining which is extensively practiced in steep mountainous areas. The brochure states: "Considering the long-term environmental and resource costs and that only a very small percentage of our coal is produced in this manner, contour mining on steep slopes should probably be discontinued until acceptable reclamation techniques are developed."

Gulf also cites the restriction on alluvial valley floors. As I indicated in my May 12 letter, the Department of the Interior indicates that the restriction applies to less than 3% of the land and only 2% of the strippable coal in the Powder River Basin.

I once again strongly urge that you approve the Surface Mining Control and Reclamation Act of 1975 so that the nation can proceed to develop its coal resources in an environmentally sound manner.

Sincerely yours,

Henry M. Jackson,
Chairman.

Gulf Oil Corp.,
May 7, 1975.

President Gerald R. Ford,
The White House,
Washington, D.C.

We urge you to veto the Surface Mining Control and Reclamation Act. We urge this action despite the fact that Gulf and its coal mining subsidiary, the Pittsburg & Midway Coal Co., strongly support effective reclamation measures, and have been reclaiming land for many years.

But the present act goes far beyond steps needed, even for rigorous reclamation. It would reduce environmentally sound production of coal by as much as 22 percent in the first full year of operation. Our mining engineers estimate that the act will result in at least an 8 percent increase in consumers' electricity bills. Most of the cost increase results from restrictions which go far beyond the need for environmental protection.

Potential western coal production will be severely curtailed primarily because of three unnecessary restrictions:

First, the prohibition on mining in alluvial valley floors, section 510(b)(5), would prevent the temporary withdrawal of reclaimable land from actual or potential ranching or farming operations. It implies that in most instances ranching or farming is more important than coal production. Such a choice does not have to be made. Farm land temporarily diverted to coal production can be returned to productive farming in a relatively short time.

Second, the act (section 717) grants the surface owner the power of veto over mining operations, while the limit of $100 per acre on surface owner compensation removes the incentive for him to consent to mining operations. In many cases he would be denied reasonable compensation by the law.

Third, other provisions require laborious administrative actions (including section 507) and encourage mine by mine litigation which at best would delay, and in many cases would prohibit production of significant coal resources.

We agree that land which cannot be reclaimed should not be mined. However, the 130,000 acres of western coal lands which should be mined by 1985 to meet energy needs, can be reclaimed. And this is a relatively small area—less than is put into parking lots throughout the Nation in one year.

The Surface Mining Control and Reclamation Act, unfortunately, exceeds the needs of environmental protection, would seriously retard our coal production, and would result in unnecessarily high imports of foreign oil. We urge you to veto this legislation.

James E. Lee,
President.

ASSISTANCE TO MIGRANTS AND REFUGEES

Mr. JACKSON. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 6755.

The PRESIDING OFFICER (Mr. Glenn) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R. 6755) to enable the United States to render assistance to, or in behalf of, certain migrants and refugees, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. JACKSON. I move that the Senate insist upon its amendment and agree to the request of the House for a conference on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the presiding officer appointed Mr. Sparkman, Mr. Mansfield, Mr. Church, Mr. Case, and Mr. Javits conferees on the part of the Senate.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

PROPOSED REVITALIZATION ACT—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States transmitting proposed legislation entitled "The Railroad Revitalization Act," which, with the accompanying papers, was referred to the Committee on Commerce. The message is as follows:

To the Congress of the United States:

I am today sending to the Congress the Railroad Revitalization Act. This legislation is the result of several years of study and consultation with industry and Congressional authorities. It builds on the Surface Transportation Act which was overwhelmingly passed by the House of Representatives last December. In view of the prior work in the 93rd Congress and the serious needs of the Nation's railroads, I am confident that the Congress can and will act quickly.

The purpose of this legislation is threefold: (1) To improve the regulations under which the railroads operate and promote economic efficiency and competition, (2) to provide necessary financial assistance to improve and modernize rail facilities, and (3) to encourage rational restructuring of the Nation's railroads and improve their long-term viability. To achieve these objectives, the legislation proposes specific amendments to the Interstate Commerce Act to permit increased pricing flexibility, to expedite ratemaking procedures, to outlaw anticompetitive rate bureau practices and to improve and expedite merger and other restructuring actions. In addition, the bill will make available $2 billion in loan guarantees.

Submission of this bill is part of my Administration's overall program to revitalize our entire free enterprise system. It is the first of several legislative proposals seeking fundamental reform of the regulatory practices which govern the economics of the transportation industry. Such regulation, established long ago, in many instances no longer serves to meet America's transportation or economic needs. Consumers too often bear the costs of inefficient regulation in the form of either inadequate service or excessive cost. Therefore, in addition to this railroad bill, I will soon submit proposed legislative reforms for both trucking and airline regulation. Taken together, these proposals, when enacted, could save consumers billions of dollars annually and conserve substantial amounts of scarce energy resources.

While I recognize the state of our entire transportation system needs treatment, I am well aware that the Nation's railroads are in a crisis. Large parts of the rail system are in a state of physical deterioration. Some railroads are in bankruptcy and others are on the brink of financial collapse. For this reason, I am sending to the Congress railroad reform proposals first, and I urge action without delay.

The rail problem has been neglected too long and the desperate condition of the industry is indicative of this neglect. We must begin at once a major and massive initiative to restore the vitality of this essential industry. I have established for this Administration a goal that calls for the complete revitalization of the Nation's railroad system so it can serve the needs of modern America. We are moving forward with a program to assure a healthy, progressive rail system. The Railroad Revitalization Act is a critical part of this program. I have directed the Secretary of Transportation to lead this effort and to make its achievement one of his prime concerns.

A major problem faced by the railroad industry is outdated and excessive Federal regulation. Much regulation, originally imposed to prevent monopoly abuses and promote development in the western States, has long since outlived its original purposes. Indeed, Federal regulation has grown so cumbersome that it retards technical innovation, economic growth, and improved consumer services. The legislation I propose will improve significantly the regulatory climate in which all railroads operate. Removal of unnecessary and excessive regulatory constraints will enable this low-cost, energy-efficient form of transportation to operate more effectively, to provide better service, and to more fully realize its great potential. The increased efficiencies resulting from these reforms will produce energy savings on the order of 70,000 barrels of oil per day.

In addition to improving the regulatory environment in which the Nation's rail system functions, this legislation will make available to the rail industry financial assistance which it must have to accomplish necessary modernization of outdated plants and equipment. This assistance will be in the form of $2 billion in long-term loan guarantees so that the Nation's railroads can repair deteriorating roadways and obtain badly needed modern equipment and facilities at reasonable costs. In addition, discriminatory State taxation of the rail industry will be outlawed.

The legislation will also provide special procedures to hasten major restructuring of the rail industry by enabling the Secretary of Transportation, as a condition for granting financial assistance, to require applicants to undertake fundamental restructuring actions. These actions will be governed by expedited merger procedures under which the Secretary and the ICC can facilitate the desired restructuring. I have directed Secretary Coleman to take all steps necessary to cooperate with the Congress so that this important and vital legislation can become law in the very near future.

In view of the rail system's role in our Nation's economy, I urge the Congress to give this measure immediate consideration. The importance of regulatory reform to the efficiency of our transportation system cannot be over-emphasized. While special interests may resist these necessary changes, I am confident that the benefits to the American people will be so great and so clear that the Congress will act quickly.

GERALD R. FORD.

THE WHITE HOUSE, *May 19, 1975.*

APPROVAL OF BILL

A message from the President of the United States announced that on May 20, 1975, he had approved and signed the enrolled bill (S. 172) to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of Government employees, and for other purposes.

MESSAGES FROM THE HOUSE

At 11:04 a.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 12. An act to amend title 3, United States Code, to provide for the protection of foreign diplomatic missions, to increase the size of the Executive Protective Service, and for other purposes;

H.R. 4073. An act to extend the Appalachian Regional Development Act of 1965 for an additional 2-fiscal-year period:

H.R. 5217. An act to authorize appropriations for the Coast Guard for the procurement of vessels and aircraft and construction of shore and offshore establishments, to authorize appropriations for bridge alterations, to authorize for the Coast Guard an end-year strength for active duty personnel, to authorize for the Coast Guard average military student loans, and for other purposes;

H.R. 5447. An act to amend the act of August 16, 1971, as amended, which established the National Advisory Committee on Oceans and Atmosphere, to increase and extend the appropriation authorization thereunder;

H.R. 5709. An act to extend until September 30, 1977, the provisions of the Offshore Shrimp Fisheries Act of 1973 relating to the shrimp fishing agreement between the United States and Brazil, and for other purposes;

H.R. 5710. An act to amend the Marine Protection, Research, and Sanctuaries Act of 1972 to authorize appropriations to carry out the provisions of such act for fiscal year 1976 and for the transition period following such fiscal year, and for other purposes; and

H.R. 6054. An act to authorize further appropriations for the Office of Environmental Quality, and for other purposes.

H.R. 4241. An act to designate the John C. Kluczynski Federal Building.

The message also announced that the House insists upon its amendments to the bill (S. 1236) to extend and amend the Emergency Livestock Credit Act of 1974, and for other purposes, disagreed to by the Senate; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. BERGLAND, Mr. POAGE, Mr. DE LA GARZA, Mr. BALDUS, Mr. ENGLISH, Mr. RICHMOND, Mr. HIGHTOWER, Mr. WAMPLER, Mr. FINDLEY, and Mr. MADIGAN were appointed managers of the conference on the part of the House.

The message further announced that the House disagrees to the amendment of the Senate to the bill (H.R. 6755) to enable the United States to render assistance to, or in behalf of, certain migrants and refugees; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. RODINO, Mr. SARBANES, Ms. HOLTZMAN, Mr. DODD, Mr. RUSSO, Mr. FISH, and Mr. COHEN were appointed managers of the conference on the part of the House.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the enrolled bill (H.R. 4269) to amend the Organic Act of Guam and the Revised Organic Act of the Virgin Islands.

The PRESIDENT pro tempore subsequently signed the enrolled bill.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the PRESIDENT pro tempore:

A petition from the West Suburban property owners and taxpayers, of Berwyn, Ill.,

seeking a redress of grievances; to the Committee on Government Operations.

House Joint Resolution No. 62 adopted by the Legislature of the State of Montana; to the Committee on Interior and Insular Affairs:

"A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING THE FEDERAL GOVERNMENT'S ENERGY POLICYMAKERS TO CONSIDER THE NEEDS OF THE AMERICAN PEOPLE AS WELL AS THE NEEDS OF ENERGY SUPPLYING CORPORATIONS

"Whereas, corporations dealing in petroleum and other fossil fuels have been known to contribute large amounts of money to various state and national political campaigns, and

"Whereas, various national administrations have been known to appoint numerous fossil fuel industry executives to decision-making positions, especially regarding national energy policy; and

"Whereas, these appointees have considerable influence in shaping the energy policies of the United States; and

"Whereas, the energy policy of the United States has been more rapid development of fossil fuels, at the expense of several 'national sacrifice areas'; and

"Whereas, the energy policy of the United States has not provided adequately for the consideration of energy conservation and/or alternative energy sources; and

"Whereas, the energy policy of the United States has provided little restraint to the profiteering by fossil fuel corporations at the expense of the American economy and the American consumer.

"Now, therefore, be it resolved by the Senate and the House of Representatives of the State of Montana:

"That the government of the United States of America is respectfully requested to consider the interests of all the American people, not just the fossil fuel corporations, in formulating national energy policy.

"Be it further resolved, that copies of this resolution be mailed to every member of the United States Congress, the director of the Energy Research and Development Administration, the Secretary of the Interior, and the President of the United States."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ABOUREZK, from the Committee on Interior and Insular Affairs, with an amendment:

S. 557. A bill to declare that certain land of the United States is held by the United States in trust for the pueblo of Laguna (Rept. No. 94–147).

By Mr. ABOUREZK, from the Committee on Interior and Insular Affairs, with amendments:

S. 217. A bill to repeal the Act of May 10, 1926 (44 Stat. 498), relating to the condemnation of certain lands of the Pueblo Indians in the State of New Mexico (Rept. No. 94–148).

By Mr. BENTSEN; from the Committee on Public Works, with an amendment:

S. 952. A bill to provide States unable to meet the matching requirements for Federal-aid highway funds with moneys to cover Federal Highway Administration apportionments (together with additional. views) (Rept. No. 94–149).

HOUSE BILLS REFERRED

The following bills were read twice by their titles and referred as indicated:

H.R. 12. An act to amend title 3, United States Code, to provide for the protection of foreign diplomatic missions, to increase the size of the Executive Protective Service, and for other purposes; to the Committee on Public Works.

H.R. 4073. An act to extend the Appalachian Regional Development Act of 1965 for an additional 2-fiscal-year period; to the Committee on Public Works.

H.R. 5447. An act to amend the act of August 16, 1971, as amended, which established the National Advisory Committee on Oceans and Atmosphere, to increase and extend the appropriation authorization thereunder; to the Committee on Commerce.

H.R. 5709. An act to extend until September 30, 1977, the provisions of the Offshore Shrimp Fisheries Act of 1973 relating to the shrimp fishing agreement between the United States and Brazil, and for other purposes; to the Committee on Commerce.

H.R. 5710. An act to amend the Marine Protection, Research, and Sanctuaries Act of 1972 to authorize appropriations to carry out the provisions of such act for fiscal year 1976 and for the transition period following such fiscal year, and for other purposes; to the Committee on Commerce.

H.R. 6054. An act to authorize further appropriations for the Office of Environmental Quality, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 4241. An act to designate the John C. Kluczynski Federal Building; to the Committee on Public Works.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. BUCKLEY:

S. 1771. A bill for the relief of Branka Mardessich and Sonia S. Silvani. Referred to the Committee on the Judiciary.

S. 1772. A bill to amend title 10 of the United States Code to provide a more equitable standard for awarding the gold star lapel button. Referred to the Committee on Armed Services.

By Mr. FONG:

S. 1773. A bill to amend section 104(g) of title 23, United States Code, relating to the transfer of funds from the rail-crossing program to other uses. Referred to the Committee on Public Works.

By Mr. PERCY:

S. 1774. A bill to reorganize the executive branch of the Government by abolishing the Federal Metal and Nonmetallic Mine Safety Board of Review and transferring the functions and powers of such Board to the Secretary of the Interior. Referred to the Committee on Government Operations.

By Mr. THURMOND:

S. 1775. A bill for the relief of Samia Lotfy Azer. Referred to the Committee on the Judiciary.

By Mr. HUGH SCOTT:

S. 1776. A bill to authorize the Secretary of the Interior to establish the Valley Forge National Historical Park in the Commonwealth of Pennsylvania, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. RANDOLPH (for himself, Mr. JACKSON, and Mr. MAGNUSON):

S. 1777. A bill to require that new and, to the extent practicable, existing electric powerplant boilers and major industrial boilers which utilize fossil fuels be capable of utilizing coal as their primary energy fuel in conformity with applicable environmental requirements, and for other purposes. Referred by unanimous consent, jointly to the Committee on Interior and Insular Affairs and the Committee on Public Works.

By Mr. THURMOND:

S. 1778. A bill to impose a 1-year moratorium on the admission of aliens to the United States for permanent residence under the Immigration and Nationality Act. Referred to the Committee on the Judiciary.

S. 1779. A bill to reduce by 20 percent the number of aliens who may lawfully enter the United States for permanent residence under the provisions of the Immigration and Nationality Act. Referred to the Committee on the Judiciary.

By Mr. HUMPHREY:

S. 1780. A bill to continue the special supplemental food program for women, infants, and children through September 30, 1975. Referred to the Committee on Agriculture and Forestry.

By Mr. CHILES (for himself and Mr. STONE):

S. 1781. A bill to amend title XVIII of the Social Security Act so as to enable certain aliens to obtain coverage under the supplemental medical insurance program established by part B of such title. Referred to the Committee on Finance.

By Mr. BROCK:

S. 1782. A bill to make unlawful the transportation, sale, or receipt of counterfeit recordings. Referred to the Committee on the Judiciary.

S. 1783. A bill to amend title XVIII of the Social Security Act to provide for comprehensive and quality health care for persons with communicative disorders under the health insurance program (medicare) including preventive, diagnostic, treatment and rehabilitative functions. Referred to the Committee on Finance.

S. 1784. A bill to amend title XVIII of the Social Security Act to provide for coverage of comprehensive hearing health care services, including provision for hearing amplification devices financed in part by the Federal Government. Referred to the Committee on Finance.

By Mr. MOSS:

S. 1785. A bill for the relief of Edna Pearl Klekas. Referred to the Committee on the Judiciary.

By Mr. BEALL:

S. 1786. A bill for the relief of Kam Lin Cheung. Referred to the Committee on the Judiciary.

By Mr. MAGNUSON:

S. 1787. A bill for the relief of Maria Lisa R. Manalo and Rogena R. Manalo. Referred to the Committee on the Judiciary.

By Mr. BENTSEN:

S. 1788. A bill to facilitate the sale of U.S. agricultural commodities to be stored in the United States not subject to export control and restricted from resale into the U.S. markets. Referred to the Committee on Agriculture and Forestry.

By Mr. CRANSTON (for himself, Mr. MONDALE, Mr. WILLIAMS, Mr. RANDOLPH, Mr. TUNNEY, Mr. GOLDWATER, and Mr. PERCY):

S. 1789. A bill to amend the Domestic Volunteer Service Act of 1973 and the Peace Corps Act to provide for an increase in the VISTA volunteer stipend and Peace Corps volunteer readjustment allowance, respectively. Referred, by unanimous consent, to the Committee on Labor and Public Welfare and the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. FONG:

S. 1773. A bill to amend section 104 (g) of title 23, United States Code, relating to the transfer of funds from the rail-crossing program to other uses. Referred to the Committee on Public Works.

Mr. FONG. Mr. President, today I am introducing a bill to amend the Highway Safety Act of 1973, title II of Public Law 93–87, to remedy an inadvertent injustice to the State of Hawaii in the original legislation passed by the Congress.

To accomplish this, my bill amends section 104 of title 23, United States Code, to provide a more equitable formula than is presently authorized for transferring funds from the rail-highway crossings program to other title II safety programs.

Mr. President, the need for this legislation was brought to my attention by Gov. George R. Ariyoshi of Hawaii. The Governor pointed out that the sum of $774,335 was apportioned to Hawaii for a 3-year period, fiscal years 1974, 1975, and 1976, to fund projects authorized by section 203(d), the rail-highway crossings program, of the Highway Safety Act of 1973. Unfortunately, Hawaii is not eligible to expend any of the funds under this program because it does not have any operating railroads with grade crossings intersecting the Federal-aid highway system. Hawaii is, in fact, the only State in the Union without railroad transportation service.

Since section 104(g) of the act permits only 30 percent of the funds apportioned for the rail-highway crossings program to be transferred to other title II safety programs, Hawaii, under present law, is compelled to relinquish $542,035 out of the $774,335 apportioned to the State for this program.

The absence of rail-highway crossings in Hawaii does not lessen our highway safety problem. On the contrary, since we do not have any railroad system, we are proportionately more dependent on our highway system for the movement of people and goods than are other States. Therefore, we are faced with more highway safety problems in areas other than rail-highway crossings.

In view of Hawaii's unique situation, I believe it is justifiable to amend the Highway Safety Act to permit the transfer of up to 100 percent of the rail-highway crossings program funds to other title II safety programs, such as bridge reconstruction and replacement, correction of high-hazard locations, and elimination of roadside obstacles.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1773

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 104(g) of title 23, United States Code, is amended by striking out the word "Not" at the beginning of such section and inserting in lieu thereof "(1) Except as provided in paragraph (2) of this subsection, not".

(b) Section 104(g) of such title is further amended by adding at the end thereof a new paragraph as follows:

"(2) All or any portion of the amount apportioned in any fiscal year to any State in accordance with section 203(d) of the Highway Safety Act of 1973 may be transferred as provided in paragraph (1) of this subsection if such State has no rail-highway crossings on its Federal-aid system.".

By Mr. PERCY:

S. 1774. A bill to reorganize the executive branch of the Government by abolishing the Federal Metal and Nonmetallic Mine Safety Board of Review and transferring the functions and powers of such Board to the Secretary of the Interior. Referred to the Committee on Government Operations.

Mr. PERCY. Mr. President, on page 887 of the "Appendix to the Budget for Fiscal Year 1976" there is a request "for necessary expenses of the Federal Metal and Nonmetallic Mine Safety Board of Review—$60,000." I believe that this budget request is unjustified and that the Review Board is unnecessary. I am therefore submitting a bill today that will abolish this Review Board and transfer its functions and powers to the Secretary of the Interior.

This Board was created in 1966, pursuant to Public Law 89–577. Its purpose was to provide an administrative hearing for appeals from noncoal mine operators ordered by the Mining Enforcement and Safety Administration to close their mines for safety reasons. An additional process of appeal exists with the Office of Hearings and Appeals in the Department of the Interior. The only real difference between the two appeals procedures is that the law specifically provides for court review only upon an appeal to the Review Board. Basically, however, the two processes needlessly overlap.

A look at the record of the Federal Metal and Nonmetallic Mine Safety Board of Review will show that it has never heard a single appeal of a mine closure. Its five members, two of whom are representatives of organized mine labor, two of the mining industry, and one of academia, convene once each year in conjunction with a professional society meeting for mining engineers. With no business to conduct, there has yet to be a purpose for a meeting of the Board.

I find it curious that, since 1972, of 3,392 mine closures ordered, only one has ever been appealed, and that particular case was appealed to the Secretary of the Interior and not to the Review Board. Perhaps the absence of appeals is an indication that the procedure for issuing orders for mine closures is too lax. I do not know. The health and safety of mine workers is a serious matter, and I think the Congress ought to look further into this question. I have therefore asked the Comptroller General to take a look at the mine closure appeals process.

In any case, I believe that the review afforded by the Interior Department's Office of Hearings and Appeals should be adequate, provided that we allow the findings of that office to be subject to court review. The bill that I introduce today will simply abolish the Federal Metal and Nonmetallic Mine Safety Board of Review and transfer its functions to the Secretary of the Interior. If the Congress passes this bill, $60,000 of Federal funds will be saved.

Mr. President, I ask unanimous consent that an article from the Washington Star-News of May 15, 1975, entitled "Bureaucrat Concedes That He's Superfluous," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BUREAUCRAT CONCEDES THAT HE'S SUPERFLUOUS

Jubal Hale admits he's a bureaucrat with little to do. So he spends his working hours reading and listening to Beethoven records at his office.

Hale says it's not that he doesn't try to earn his $19,693-a-year salary as executive secretary of the Federal Metal and Non-Metallic Safety Board of Review. It's just that the board has never had anything to review in its four years, Hale said in an interview.

"We have been expecting to be abolished for over two years," Hale said. "Bills have been introduced in Congress to abolish us, But nothing happened."

And nothing is what occupies most of his days on the job, once the routine paperwork of maintaining the office is taken care of, Hale concedes.

Apparently, neither Congress nor the Ford administration has taken the hint. In fact, the administration is asking for $60,000 in annual upkeep for the office in the President's budget for fiscal year 1976.

Hale was contacted after Rep. Ken Hechler, D-W. Va., charged in a House Appropriations subcommittee meeting yesterday that the board was "a totally useless, toothless and do-less government agency which has never earned its pay."

Hechler called for the board to be abolished. And Hale said that he doubted any objections would come from his office if Congress did just that.

"We have been extremely candid with Congress," Hale said. "Our annual reports are clear and concise. We have had no cases.

The five-member board was set up to hear appeals from non-coal mine operators ordered to shut down by the Mining Enforcement and Safety Administration as unsafe. A MESA spokesman expressed surprise that the board was still in operation. "I thought it had been abolished some time ago," he said.

There were 1,998 closure orders last year but not one was appealed to Hale's board. Hechler said that mine operators have another avenue of appeal through the Interior Department.

He described a trip to the board's offices last week.

"The door was open, the telephone was off the hook, and nobody was around," said the congressman. "The coffee-making equipment was elaborate. A large stereo set was in the office of the executive secretary with Beethoven records stacked high."

By Mr. HUGH SCOTT:

S. 1776. A bill to authorize the Secretary of the Interior to establish the Valley Forge National Historical Park in the Commonwealth of Pennsylvania, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. HUGH SCOTT. Mr. President, I am pleased to introduce in this Bicentennial Congress a bill which would designate Valley Forge State Park as a national historical park. It makes historic sense to make Valley Forge a national shrine—it is a national symbol.

Valley Forge marks the winter encampment of Washington's Continental Army from December 19, 1777 to June 19, 1778, and is known as the turning point of the American Revolution. Congressman SCHULZE is the prime sponsor of an identical bill in the House of Representatives. This measure has the support of the entire Pennsylvania delegation.

There are advantages to be realized in a change from State control. Most significant, with the Bicentennial just months away, is that the park would have access to the expertise of numerous Federal historic agencies, and would be eligible for Federal support and financing for restoration, historic programs and promotion. Thousands, perhaps millions, of visitors are expected at this historic area during the Bicentennial. The Federal Government is more capable of handling the necessary services, facilities and planning for an event of such magnitude.

> No spot on earth is so sacred . . . in the history of the struggle for human liberty as Valley Forge.—CYRUS TOWNSEND BRADY.

Mr. President, I hope that my colleagues share my reverent appreciation for what men endured at Valley Forge in that winter of 1777–78 to struggle for the liberty and independence we declared in 1776. I urge all my colleagues to support this legislation.

I ask unanimous consent that the text of my bill (S. 1776) be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1776

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to preserve and commemorate for the people of the United States the area associated with the heroic suffering, hardship, and determination and resolve of General George Washington's Continental Army during the winter of 1777–1778 at Valley Forge, the Secretary of the Interior (hereinafter referred to as the "Secretary"), is authorized to establish the Valley Forge National Historical Park in the Commonwealth of Pennsylvania.

SEC. 2. For the purposes of this Act the Secretary may designate not to exceed three thousand five hundred acres consisting of the existing Valley Forge State Park together with such additional lands and interests therein as he deems necessary for proper interpretation, protection, and administration of the area referred to in the first section of this Act. A map or other boundary description of the area so designated shall be published in the Federal Register. Within the area so designated the Secretary may acquire lands and interests therein by donation, purchase, or exchange, except that any property owned by the Commonwealth of Pennsylvania or any political subdivision thereof may be acquired only by donation.

SEC. 3. When the Secretary determines that lands and interests therein have been acquired in an amount sufficient to constitute an administerable unit, he shall establish the Valley Forge National Historical Park by publication of a notice to that effect in the Federal Register. Pending such establishment and thereafter, the Secretary shall administer the property acquired for such park in accordance with the Act of August 25, 1916 (39 Stat. 535), as amended and supplemented, and the Act of August 21, 1935 (49 Stat. 666), as amended.

SEC. 4. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

By Mr. RANDOLPH (for himself, Mr. JACKSON, and Mr. MAGNUSON):

S. 1777. A bill to require that new and, to the extent practicable, existing electric powerplant boilers and major industrial boilers which utilize fossil fuels be capable of utilizing coal as their primary energy fuel in conformity with applicable environmental requirements, and for other purposes. Referred, by unanimous consent, jointly to the Committee on Interior and Insular Affairs and the Committee on Public Works.

GREATER COAL UTILIZATION WILL ACHIEVE ENERGY INDEPENDENCE

Mr. RANDOLPH. Mr. President, our country's indigenous coal resources offer the principal base for freedom. Freedom to exercise our rights of individual choice as American citizens. Freedom from the vagaries of foreign energy producers. Freedom from the economic burden of major balance-of-payments deficits.

At stake is the capability of the United States to determine its own future. At issue is the adequacy of the commitment by Government, by industry, and by us as American citizens toward the promotion of energy self-sufficiency in a manner consistent with national environmental requirements.

In the difficult years ahead, the Congress, and the American people will be extensively involved in evaluating this national quest. Secure and sufficient domestic energy supplies are requisite to assuring our country's economic future.

Recent energy shortages raise serious questions regarding our country's capability to maintain adequate energy supplies to meet even minimum growth projections.

Present energy problems will persist. Our Nation's domestic oil and natural gas supplies can be characterized as one huge deficit. We are now facing full societal consequences of our country's enormous appetite for energy.

In 1960, each American consumed the equivalent of 44 barrels of oil; by 1970 the figure was 60 barrels, and by 1980 the consumers' appetite is expected to increase to 77 barrels of oil each year.

Energy self-sufficiency cannot automatically materialize under such circumstances. A long-term national energy policy is required.

The challenge is there—the question is one of acceptance and a solid commitment to meeting our country's energy needs consistent with our national environmental policies.

COAL'S REFORMATION

Energy self-sufficiency will require unprecedented growth from our Nation's coal industry.

The comprehensive congressional program on the economy and energy recommended a twofold increase in coal production within 10 years from an estimated 695 million tons in 1975 up to 1.4 billion tons by 1985. Similarly the President's 1975 state of the Union message anticipates a coal production level of 1.1 billion tons by 1985.

Should imported supplies of oil and natural gas fall short of projections, this task for coal would be made even more difficult. Coal utilization by 1985 might well have to reach 1.8 to 2.0 billion tons annually, compared to about 700 million tons this year. This represents a two and one-half to threefold increase in production in 12 years. This also means that by the year 2000, coal production, transportation, and utilization might have to approach 4 billion tons.

President Ford in his state of the Union message envisions expanding America's energy capabilities over the next 10 years to support 1.1 billion tons of coal production and utilization. Among other proposals the administration's program calls for—250 major new coal mines; 150 major coal-fired powerplants; and 20 major new synthetic fuel plants.

On the other hand, the congressional energy and economic energy program envisions at a minimum a doubling in coal utilization by 1985. At the same time it calls for a commercial demonstration of new synthetic fuels from coal with an ultimate production goal by 1985 equivalent to 500,000 barrels of oil per day.

The magnitude of these goals is staggering. For example, for every 100 million tons of annual coal production from underground mines in the East, some 50 new mines will be required. Moreover, every 100 million tons of underground production will require 30,000 to 40,000 new employees. Their investment cost will be an estimated $20 to $50 per annual ton.

For every 100 million tons of increased coal production in the West some 20 new mines will be required, calling for some 3,000 to 5,000 new employees. The investment cost for these western mines will be an estimated $5 to $15 annual tons of production.

The overall cost of doubling coal production between 1975 and 1985 could well approach $25 billion in today's dollars.

This difficult challenge will test the capabilities of both government and industry. Should our country's energy demands not be satisfied our economy could be adversely affected or possibly even shut down. The solution is greater coal utilization.

THE NEED FOR A NATIONAL COAL POLICY

In order to achieve even the congressional coal production goals, the Federal Government must adopt a national posture predicated on implementation of a definitive national coal policy from the mine-face to the ultimate energy user. This policy must assure compliance with national policies on coal mine health and safety, on surface mine reclamation, and on environmental quality. This policy must include a national program to greatly improve our coun-

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try's transportation capability to deliver coal in the required quantities. Equally important, this national policy to promote greater coal utilization must consider consumer costs.

Success in this endeavor will require national acceptance, and solid commitment by all American citizens to meeting our country's future energy needs from domestic sources.

COAL SUBSTITUTION

The first step is coal substitution for oil and natural gas as our Nation's principal boiler fuel in electric utility and industrial applications presents a major potential for the achievement of energy self-sufficiency. Such a national program was endorsed by the President in his 1975 state of the Union message as well as the Congressional Program of Economic Recovery and Energy Sufficiency which advocated:

> A national policy requiring new base-load fossil fuel fired electric power plants and heavy industrial boilers to burn coal rather than oil or natural gas, and the conversion of existing plants over the next ten years where feasible.

Last June, 11 months ago, the Congress passed and the President approved the Energy Supply and Environmental Coordination Act of 1974. Among its provisions was authority to require electric powerplants and major industrial facilities with the capability to utilize coal to convert from oil and natural gas to our Nation's most abundant fossil fuel.

The statute was an emergency measure intended to ease the problems faced by powerplants which were required to convert, or voluntarily converted, from oil to coal. However, despite a concerted effort since last fall by the Federal Energy Administration to implement this statute, as reported by the Washington Post on April 5, 1975, some electric powerplants on the east coast are switching back to more costlier oil. This is adding some $150 million to consumer electric bills in their service areas. Together these conversions will increase our oil imports by almost 100,000 barrels each day.

There now remains the need to address the issues surrounding the long-term utilization of coal as a substitute for imported oil and natural gas.

Using present coal conversion authority the Federal Energy Administration estimates that the practical oil savings from this program by 1980 are in excess of 850,000 barrels of oil per day. Although some of these savings will be realized in 1975 and 1976, the majority of the benefits from reduced oil consumption will not materialize until after 1977. This is due to the time required to upgrade air-pollution-control equipment and to develop additional coal supplies.

According to FEA Administrator Zarb, as I discussed in my May 5, 1975, Senate remarks, by far the greatest savings in oil consumption are possible by requiring new electric powerplants and major industrial facilities to possess the capability to utilize coal. For example, the Federal Energy Administration has reviewed new electric powerplants scheduled for completion between 1980 and 1985. Were these facilities required to utilize coal the resultant oil savings would be between 1 and 3 million barrels of oil per day. While the resultant savings dwarf the other potential savings from the present coal conversion program, the Federal Energy Administration does not have authority to insure that these savings are realized.

NATIONAL PETROLEUM AND NATURAL GAS CONVERSION AND COAL SUBSTITUTION ACT OF 1875

Mr. President, today I am joined by Senators **HENRY M. JACKSON** and **WARREN G. MAGNUSON** as we introduce the National Petroleum and Natural Gas Conservation and Coal Substitution Act of 1975. The objectives of this legislation are:

To require that after January 1, 1979, new electric powerplants and major industrial installations which utilize fossil energy resources as boiler fuel must be capable of utilizing coal as their primary energy source, in a manner consistent with applicable environmental requirements.

To require that as promptly as possible, but in no event later than January 1, 1980, existing fossil-fuel electric powerplants and major industrial installations which utilize fossil energy resources as boiler fuel, and not scheduled for retirement prior to January 1, 1985, must acquire the capability to utilize coal as their primary energy source in a manner consistent with environmental requirements.

To require that by January 1, 1985, to the maximum extent practicable, fossil-fuel electric powerplants and major industrial installations must utilize coal as their primary energy source in a manner consistent with applicable environmental requirements.

Mr. President, as the chairmen of the three Senate committees with principal responsibilities in this area, we are determined to implement a national coal policy formulated to promote greater coal utilization to fill the gap between domestic energy supplies and consumption which is now satisfied by imported oil. We are launching this investigation to examine national policies affecting coal production, distribution, and end use. An examination will be undertaken of necessary Federal policies to assure not only adequate coal supplies but the infrastructure to support coal substitution as a national policy consistent with other national policies on coal mine health and safety, on surface mine reclamation, and on environmental quality.

We also will review the potential availability of capital, manpower, and equipment to support a twofold increase in coal utilization by 1985.

Initial hearings on greater coal utilization will convene on June 5, 1975.

Mr. President, I ask unanimous consent that background material on these hearings, including general questions and policy issues affecting greater coal utilization, and the bill be printed in the RECORD.

There being no objection, the material and bill were ordered to be printed in the RECORD, as follows:

QUESTIONS AND POLICY ISSUES—HEARINGS ON GREATER COAL UTILIZATION

(By the Committee on Public Works in Conjunction With the National Fuels and Energy Policy Study, U.S. Senate)

INTRODUCTION AND OBJECTIVE

Domestic coal resources offer one of the principal means to achieve a desirable level of energy self-sufficiency for the United States. Success in this endeavor will require increases in coal production beyond those currently projected or previously considered feasible.

The comprehensive Congressional program on the economy and energy recommended a series of actions which, when implemented, would produce both national energy self-sufficiency and a substantial reduction in dependence on foreign energy sources. The program envisions a two-fold increase in coal production within ten years from an estimated 695 millions tons in 1975 up to 1.4 billion tons by 1985. Similarly the President's 1975 State of the Union Message (including energy and the economy) anticipates a coal production level of 1.1 billion tons by 1985.

In order to achieve either of these coal production goals—but particularly the Congressional objective—the Federal government must adopt a national posture predicated on implementation of a definitive National Energy Policy. Within this context there is a requirement for a comprehensive National Coal Policy from the mine-face to the ultimate energy user. In addition, this policy must assure compliance with national policies on coal mine health and safety, on surface mine reclamation, and on environmental quality, including air and water pollution control, and this policy must also include a national program to greatly improve our country's transportation capability to deliver coal in the required quantities. Equally important a national policy to promote greater coal utilization must consider its impact on consumer costs.

Success in responding to this challenge will require a national acceptance and a solid commitment by all American citizens to meeting our country's future energy needs from domestic sources consistent with applicable national societal policies concerned for the protection of public health and welfare.

Coal substitution for oil and natural gas as our nation's principal boiler fuel in electric utility and industrial applications presents a major potential for the achievement of energy self-sufficiency. Such a national program was endorsed by the President in his 1975 State of the Union Message as well as the Congressional Program of Economic Recovery and Energy Sufficiency which advocated:

"A national policy requiring new base-load fossil fuel fired electric power plants and heavy industrial boilers to burn coal rather than oil or natural gas, and the conversion of existing plants over the next ten years where feasible. In this regard, the Congress supports expeditious implementation of the Energy Supply and Environmental Coordination Act of 1974 (referred to as the Coal Conversion Act)."

Achievement of this objective will require implementation of a natural coal program which is structured to utilize coal to close the energy supply-demand gap resulting from inadequate domestic production of natural gas and oil.

The basic goals of a National Coal Policy predicated on coal substitution are set forth in the National Petroleum and Natural Gas Conservation and Coal Substitution Act of 1075, which is jointly sponsored by the Chairman of the three Senate Committees with

principal responsibilities in this area. The national objectives set forth in the legislation are:

To require that after January 1, 1979, new electric power plants and major industrial installations which utilize fossil energy resources as boiler fuel must be capable of utilizing coal as their primary energy source, in a manner consistent with applicable environmental requirements;

To require that as promptly as possible, but in no event later than January 1, 1980, existing fossil-fuel electric power plants and major industrial installations which utilize fossil energy resources as boiler fuel (and not scheduled for retirement prior to January 1, 1985) must acquire the capability to utilize coal as their primary energy source in a manner consistent with environmental requirements; and

To require that by January 1, 1985, to the maximum extent practicable, fossil-fuel electric power plants and major industrial installations must utilize coal as their primary energy source in a manner consistent with applicable environmental requirements.

This investigation by the affected Senate Committees and the announced hearings will examine national policies affecting coal production, distribution, and end-use. An examination will be undertaken of necessary Federal policies to assure not only adequate coal supplies but the infrastructure to support coal substitution as a national policy consistent with other national policies on coal mine health and safety, on surface mine reclamation, and on environmental quality.

The hearings also will examine the coal supply system and end-use sectors to determine potential and actual constraints, such as capital, manpower, and equipment availability as they affect achievement by 1985 of a two-fold increase in coal production.

As background for this investigation, the Congressional Research Service has prepared a Committee Print entitled, "Factors Affecting Coal Substitution for Other Fossil Fuels in Electric Power Production and Industrial Uses." Single copies may be obtained by writing the National Fuels and Energy Policy Study, Committee on Interior and Insular Affairs, United States Senate, 3106 Dirksen Senate Office Building, Washington, D.C. 20510.

The hearings will convene on June 5, 1975. Invited witnesses and other affected parties submitting statements for the record are requested to address the following general questions and, to the extent appropriate, those detailed questions within their areas of expertise. In the initial hearings on greater coal utilization the following areas will be emphasized:

June 5—Administration witnesses;
June 10—Coal Supplies;
June 11—Labor and Transportation;
June 12—Coal Users.

Submission for the record should be transmitted in ten copies by July 1, 1975, to Senator Jennings Randolph, Chairman, Committee on Public Works, United States Senate, Room 4204 Dirksen Senate Office Building, Washington, D.C. 20510.

In addition, copies of submissions should be sent to Senator Henry M. Jackson, Chairman, Committee on Interior and Insular Affairs, Room 3106 Dirksen Senate Office Building, Washington, D.C. 20510 and to Senator Warren G. Magnuson, Chairman, Committee on Commerce, Room 5202 Dirksen Senate Office Building, Washington, D.C. 20510.

QUESTIONS AND POLICY ISSUES

Responses to the following questions wherever practicable should be supported with appropriate references to historical and current information and data as well as quantitative estimates or projections. In addition, responses, where appropriate, should be provided on the basis of individual facilities.

1. What are the present situation and future outlook (through 1985 and beyond) with respect to the United States' capability to support a doubling in coal production and use by 1985 with respect to the adequacy of—

a. coal reserves?

b. coal mining capacity?

c. coal transportation capacity (by railroad, waterways, or pipelines)?

d. the end-use capabilities?

e. manpower for coal mining and conversion of end-use facilities?

f. available capital funds?

If, in your judgment, this objective will not be achieved by 1985, what would be a reasonable time-schedule?

2. On a national as well as regional basis what are the social, economic, and environmental implications associated with adoption of a national energy policy which fosters the substitution of coal for natural gas and petroleum products as the primary boiler fuel utilized by electric power plants and major industrial installations? What are the implications for energy self-sufficiency, for national security, for balance of payments, for environmental quality, and for consumer prices?

3. What lead-times are typically required for the construction of the necessary facilities to support a national policy of greater coal utilization from the standpoint of—

a. production;

b. transportation;

c. conversion of existing electric power plants and the construction of new facilities; and

d. conversion of existing industrial users and the construction of new facilities.

4. What Federal policies would provide optimum balance of incentives for expansion of the United States' capacity for coal production, transportation, and use consistent with applicable environmental policies and with the preservation of national security, the preservation of competition, the assurance of a reasonable rate of return on investments, the maintenance of full employment, the control of inflation, and reasonable consumer prices?

5. On the basis of experience from implementation of the Energy Supply and Environmental Coordination Act of 1974, what, in your judgment, are the principal constraints on implementation of the National Petroleum and Natural Gas Conservation and Coal Substitution Act of 1975? What legislation do you believe would be needed to remove these constraints?

COAL SUBSTITUTION

6. What are the principal factors affecting the interchangeability of coal for oil and natural gas for boiler fuel purposes?

7. For the periods from the present to 1980, from 1980 to 1985, and beyond 1985, what is the potential for coal substitution for—

a. new electric power plants?

b. existing electric power plants?

c. new major industrial boiler installations?

d. existing major industrial boiler installations?

Where feasible indicate the number of conversions that might be possible, the rate at which such conversions could be undertaken, the costs (both capital, operation, and maintenance costs) of conversion, the ability of the industries affected to finance the conversions, the resultant increases or decreases in consumer costs, and the environmental consequences of substitution as well as any special regional concerns?

8. Within the time periods from the present to 1980, from 1980 to 1985, and beyond 1985, what are the anticipated constraints on coal substitution with respect to individual facilities?

9. What are the factors that, in your judgement, would justify exemption of a major steam boiler from the requirement to convert to coal as its primary energy source where such facility now utilizes—

a. natural gas?

b. oil?

10. To what extent are natural gas and oil used, or required, by predominantly coal using facilities as—

a. a start -up fuel?

b. a supplementary or "topping" fuel to increase output during peak-load periods?

11. What are the circumstances that, in your judgment, would justify the construction of new steam boilers to utilize either oil or natural gas as their principal energy source? For example, what sizes of types of new facilities (i.e., baseload, cyclical, or peak-load electric power units) should be permitted to use either oil or natural gas?

COAL SUPPLIES

12. What are the present and anticipated incentives and disincentives affecting achievement of a doubling of coal production and usage by 1985 consistent with national environmental policies? What are your specific recommendations of optimizing the possibility for achievement of this objective?

a. If these incentives are adequate, are they excessive?

b. If these incentives are inadequate, what changes would be required in order to close projected gap between supply and demand?

c. If these incentives are inadequate, is Federal intervention necessary?

13. What will be the anticipated social, economic, and environmental implications for—

a. The various coal producing regious?

b. The various coal consuming regions?

14. What new surface and underground coal production capacity in the United States will be required to achieve the purposes of the legislation? (Include a discussion of the locations and quality of the required coal supplies.) What are the principal constraints?

15. What incentives or legislation, if any, would aid in assuring the required coal production capacity and quality of coal is available to support coal substitution as a national policy?

16. Assuming coal prices which reflect production costs and reasonable rates of return on investment capital—

a. What are the anticipated prices for coal produced in compliance with national policies governing coal mine health and safety, surface mine reclamation, and other environmental requirements?

b. What are the potential factors that could increase coal prices above these levels?

c. What will be the anticipated effect of these prices on electric rates or on consumer costs?

17. To what extent should public disclosure be required as to the existence, extent, beneficial or actual ownership, or control of coal reserves, coal production facilities, and coal research and development efforts?

18. If available coal supplies are inadequate to meet the nationwide coal demand created from a national policy of coal substitution, such as that set forth in the National Petroleum and Natural Gas Conservation and Coal Substitution Act of 1975, what governmental means could or should be utilized to deal with the problem? Should any of the following standby Federal powers be provided to the Federal Energy Administration, or some

other Federal agency, to cope with such shortages. For example, authority to—

a. direct coal from export to domestic use?

b. allocate coal among end-users within the United States?

c. control coal prices?

d. order the lease, sale, or development of Federal or private coal reserves?

e. order operation of existing coal production or transportation facilities?

f. order construction of such facilities as necessary to provide the necessary coal supplies?

g. order divestiture of foreign ownership or control of coal reserves or production facilities?

h. curtail or prohibit certain end-uses of available energy supplies?

i. authorize the reconversion or conversion of coal burning facilities to oil or natural gas?

j. request the Environmental Protection Agency or the states to review, or modify, environmental requirements applicable to coal production, processing, transportation, or utilization because of overriding national interest?

TRANSPORTATION

19. What are the necessary transportation requirements, including electric transmission facilities, to support a national coal substitution policy and how do they compare to currently projected capabilities?

20. What incentives, if any, would be needed to foster expansion of the United States' coal transportation, including electric transmission facilities, to support a doubling by 1985 in coal usage?

21. What are the specific problems that face expansion and operation of the railroads to accommodate a national policy to foster coal substitution? What are the costs? What are the available financial resources?

22. What are the specific problems that face expansion and operation of coal slurry pipelines to support a national policy to foster coal substitution? What are the costs? What are the available financial resources?

23. What are the specific problems that face expansion and operation of coal barge capacity to support a national policy to foster coal substitution? What are the costs? What are the available financial resources?

24. What are the specific problems that face expansion and operation of electric power transmission systems to support a national policy to foster coal substitution? What are the costs? What are the available financial resources?

MANPOWER

25. What is the availability of manpower i.e., engineers, scientists, technical, and supportive personnel) to support a national policy to foster greater coal utilization and a doubling by 1985 in coal production?

26. What are the necessary education and training requirements?

27. What are the available Federal programs?

CAPITAL AND FINANCIAL RESOURCES

28. For new installations, what are the capital, operating, fuel and total unit costs associated with coal usage compared to natural gas and oil (both domestic and imported)?

29. For existing facilities, what are the capital, operating, fuel and total unit costs associated with coal usage compared to natural gas and oil (both domestic and imported)?

30. What other economic factors could hinder implementation of either greater coal utilization or coal conversion as proposed in the National Petroleum and Natural Gas Conservation and Coal Substitution Act of 1975?

ENVIRONMENTAL ISSUES

31. What potential additional environmental impacts, if any, would result from the promotion of greater coal utilization?

32. What additional environmental requirements would be imposed on site selection as a result of coal conversion or substitution?

33. What are the air pollution control techniques and methods, or combinations of techniques and methods, potentially available for compliance with air pollution control requirements and how do they differ for the periods—

a. from now to 1980?

b. from 1980 to 1985?

c. beyond 1985?

Include a discussion of the continuous emission techniques and methods (including coal preparation, low-sulfur coal, and flue-gas treatment), their comparative costs to the facility and to the consumer, and how these techniques and methods relate to applicable environmental requirements of law.

34. What presently specified or potential continuous emission control techniques or methods are available (and on what time schedules) to achieve compliance with applicable air pollution control requirements? Provide an indication of the degree to which equipment availability, installation lead-times, and costs, are a constraint to timely and environmentally acceptable coal conversion with respect to—

a. particulates?

b. sulfur oxides?

c. nitrogen oxides?

d. other pollutants?

35. What are the potential environmental impacts from waste heat discharges that could result from a national policy to promote greater coal utilization?

36. What are the potential environmental impacts from solid waste disposal that could result from a national policy to promote greater coal utilization?

37. To what extent are the principles and procedural requirements of the National Environmental Policy Act applicable to a national policy to promote greater coal utilization or to any of the individual aforementioned matters?

RESEARCH AND DEVELOPMENT PROGRAMS AND PRIORITIES

38. In your judgement, what research and development programs would expedite attainment of the objectives of a national policy to promote a national policy to promote greater coal utilization and the National Petroleum and Natural Gas Conservation and Coal Substitution Act of 1975? What should be the relative priorities among these programs?

39. What is the potential cost of and anticipated time schedule for the various synthetic hydrocarbon liquid and gaseous substitutes for natural gas and oil from coal which could serve to foster a national policy to promote greater coal utilization?

CONSUMER COSTS

40. What are the anticipated efforts of a national policy to foster greater coal utilization on consumer costs for electricity as well as other goods and services?

S. 1777

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Petroleum and Natural Gas Conservation and Coal Substitution Act of 1975."

FINDINGS AND PURPOSES

SEC. 101. (a) FINDINGS.—The Congress finds that the protection of public welfare and the preservation of national security require—

(1) the furtherance of national energy self-sufficiency consistent with applicable environmental goals and requirements; and

(2) the utilization of the indigenous energy resources of the United States in lieu of imported energy supplies can be facilitated by the substitution of coal for natural gas and petroleum products where these fuels would otherwise be used by electric power plants and major industrial installations as their primary boiler fuel.

(b) PURPOSES.—The purposes of this Act are to require that—

(1) new electric power plants and major industrial installations which become operational after January 1, 1979, and which utilize fossil energy resources as boiler fuel must be capable of utilizing coal as their primary energy source, in conformance with applicable environmental requirements;

(2) as promptly as possible, but in no event later than January 1, 1980, existing electric power plants and major industrial installations which utilize fossil energy resources as boiler fuel (and not scheduled for retirement prior to January 1, 1985) must, to the maximum extent practicable, acquire the capability to utilize coal as their primary energy source in conformance with applicable environmental requirements; and

(3) by January 1, 1985, to the maximum extent practicable, electric power plants and major industrial installations which utilize fossil energy resources as boiler fuel utilize coal as their primary energy source in conformance with applicable environmental requirements.

COAL SUBSTITUTION

SEC. 102. (a) NEW FACILITIES.—(1) After January 1, 1979, the operation of any new electric power plant or new major industrial installation utilizing natural gas or petroleum products as its primary boiler fuel is prohibited unless such facility is equipped with the capability (including the necessary auxiliary equipment and facilities) to use coal as its primary source of boiler fuel in conformance with applicable environmental requirements, including any standard or limitation respecting emissions of air pollutants or any requirement respecting control or abatement of air pollution.

(2) The operation after January 1, 1985, of any new electric powerplant or new major industrial installation utilizing fossil energy resources as a boiler fuel is prohibited unless such facility utilizes coal as its primary source of boiler fuel in conformance with applicable environmental requirements, including any standard or limitation reapecting emissions of air pollutants or any requirement respecting control or abatement of air pollution. *Provided, however,* That the Administrator may exempt from the requirements of this paragraph for the period required to achieve compliance with this paragraph any major industrial installation or electric powerplant which submits to him clear evidence that, despite good faith efforts, coal or coal transportation facilities will not be available in sufficient time to achieve compliance at an earlier date.

(3) For the purposes of this subsection a new electric powerplant or new major industrial installation is a facility which as of June 22, 1974, was in the early planning process as that term is used in the Energy Supply and Environmental Coordination Act of 1974 (P.L. 93-319).

(b) EXISTING FACILITIES.—(1) After January 1, 1980, the operation of any electric powerplant or major industrial installation whose construction is completed prior to January 1, 1979, utilizing natural gas or petroleum products as its primary boiler fuel, is prohibited unless such facility is equipped with the capability (including the necessary auxiliary equipment and facilities) to use coal as its primary source of boiler fuel in conformance with applicable environmental requirements, including any standard or limitation respecting emissions of air pollutants or any requirement respecting control or abatement or air pollution.

(2) The Administrator may issue a compliance date extension not to exceed two years to any electric powerplant or major industrial installation only if such facility began conversion prior to January 1, 1978,

and (A) the facility prior to July 1, 1977, has submitted a plan containing a compliance schedule to the Administrator which the Administrator has approved pursuant to this paragraph, and (B) there is clear evidence that, despite good faith efforts, the equipment, including adequate coal storage areas, coal handling and firing equipment, pollution abatement devices and techniques, and ash handling and disposal areas, necessary to achieve compliance with the purposes of this Act will not be available in sufficient time to achieve compliance at an earlier date. *Provided, however,* That the Administrator may exempt from the requirements of this subsection any electric powerplant or major industrial installation which as of the date of enactment of this Act was scheduled for retirement or the owner can otherwise demonstrate will be retired prior to January 1, 1976, in a retirement plan for the facility as submitted to the Administrator and approved by him pursuant to this paragraph.

(3) For the purposes of this subsection an industrial installation or electric powerplant shall be considered to have begun conversion when it has entered into contracts (or other obligations) which the Administrator has approved as being adequate to provide for obtaining a long-term coal supply and appropriate environmental control systems necessary to assure compliance by such facility with applicable environmental requirements, including any standard or limitation respecting emissions of air pollutants or any requirement respecting control or abatement of air pollution.

(4) The operation after January 1, 1985, of any electric power plant or major industrial installation subject to the requirements of this subsection is prohibited unless such facility utilizes coal as its primary source of boiler fuel in conformance with applicable environmental requirements, including any standard or limitation respecting emissions of air pollutants or any requirement respecting control or abatement or air pollution.

Provided, however, That the Administrator may exempt from the requirements of this paragraph for the period required to achieve compliance with this paragraph any electric power plant or major industrial installation which submits to him clear evidence that, despite good faith efforts, coal or coal transportation facilities will not be available in sufficient time to achieve compliance at an earlier date.

(c) For the purposes of this section the Administrator—

(1) Shall consult with the Administrator of the Environmental Protection Agency on matters pertaining to conformance with applicable environmental requirements; and

(2) Shall obtain a certification of conformance with applicable environmental requirements from the Administrator of the Environmental Protection Agency for each electric power plant or major industrial installation subject to the provisions of this Act.

ENFORCEMENT AND PENALTIES

SEC. 103. (a) It shall be unlawful for any electric power plant or major industrial installation to violate any provision of this Act or to violate any rule, regulation, requirement, or order issued pursuant to this Act.

(b)(1) Whenever on the basis of any information available to him the Administrator finds that any electric power plant or major industrial installation is in violation of any provision, of this Act or any rule, regulation, or requirement issued pursuant to this Act, he shall issue an order requiring such facility to comply with such provision, rule, regulation, or requirement, or he shall bring a civil action in accordance with subsection (c) of this section.

(2) Any order issued under this subsection shall be in writing by personal service and shall state with reasonable specificity the nature of the violation, specify a time for compliance not to exceed thirty days, which the Administrator determines is reasonable, taking into account the seriousness of the violation and any good faith efforts to comply with applicable requirements.

(c) The Administrator is authorized to commence a civil action for appropriate relief, including a permanent or temporary injunction, for any violation for which he is authorized to issue a compliance order under subsection (b) of this section. Any action under this subsection may be brought in the district court of the United States for the district in which the defendant is located or resides or is doing business, and such court shall have jurisdiction to restrain such violation and to require compliance.

(d) Any electric power plant or major industrial installation who violates any provision of this Act or any rule, regulation, requirement, or order issued pursuant to this Act shall be subject to a fine of $0.50 for each million British thermal units of energy resource or fuel consumed during the period such facility is not in compliance with such provision, rule, regulation, requirement, or order.

SEPARABILITY

SEC. 104. If any provision of this Act or the applicability thereof is held invalid, the remainder of this Act shall not be affected thereby.

DEFINITIONS

SEC. 105. For the purposes of this Act:

(a) The term "Administrator" means the Administrator of the Federal Energy Administration.

(b) The term "person" includes any person, material or artificial, including a Federal, State, or local agency, who owns, leases, operates, controls, or supervises any electric power plant or major industrial installation or unit thereof.

(c) The term "natural gas" includes dry natural gas, casing-head gas, and synthetic natural gas which is co-mingled with natural gas.

(d) The term "petroleum product" includes crude oil, residual fuel oil, or any refined petroleum product, as that term is defined in the Emergency Petroleum Allocation Act of 1973 (P.L. 93-159).

(e) The term "coal" includes such coal derivatives as synthetic gaseous, liquid, or solid fuels which are produced by processing coal and includes synthetic natural gas which is not co-mingled with natural gas unless on the site of the electric power plant or major industrial installation.

(f) The term "electric power plant" means a facility containing one or more fossil-fuel fired steam electric generating units that in combination are by design capable of being fired at a heat-rate of 50 million British thermal units (Btu's) per hour or greater to produce electric power for purposes of sale or exchange, and includes any person who owns, leases, operates, controls, or supervises such unit.

(g) The term "major industrial installation" means an installation other than a power plant that contains fossil-fuel fired boilers, burners, or other combustors of fuel that in combination are by design capable of being fired at a heat-rate of 50 million British thermal units (Btu's) per hour or greater and includes any person who owns, leases, operates, controls, or supervises any such installation.

(h) The term "primary energy source" means the amount of fuel used by an electric power plant or major industrial installation as boiler fuel except for the minimum amounts of other fuels required for boiler start-up, testing, flame stabilization, control uses, and fuel preparation.

REPORT

SEC. 106. The Administrator shall report annually to the Congress on the implementation of this Act.

AUTHORIZATION

SEC. 107. There are hereby authorized to be appropriated such amounta as are necessary to carry out the purposes of this Act.

Mr. JACKSON. Mr. President, in this time of critical energy supplies and undue dependence on foreign fuel sources, it must become a national policy to maximize the use of our domestic energy resources. Only in this way can we achieve necessary levels of energy self-sufficiency, and produce a guaranteed supply of fuels to assure continued economic growth and national security. While much attention has been focused on increased drilling and energy R. & D., the real key to national energy self-sufficiency in both the mid- and long-term lies in the proper development and utilization of our vast coal reserves.

The United States has about one-half of the world's coal reserves, some 1.5 trillion tons of recoverable coal. This coal can be burned directly as a solid fuel, used to generate electricity, or converted to synthetic crude oil or gas. Coal is accessible for mining now, rapid expansion of the industry is already being projected, and at greatly accelerated rates of production, our coal resources are adequate for some 500 years. In our search for more fuel, it is ridiculous to continue to ignore this great wealth of energy that literally lies at our feet.

It is imperative that we make a national commitment to developing this precious energy resource. Indeed, we have already taken certain steps in that direction. The Congressional program on the economy and energy, and President Ford's 1975 state of the Union message both call for greater utilization of our coal resources. But this will not be accomplished unless positive action is taken to achieve this goal. Unfortunately, coal is not as convenient to transport or burn as gas or oil, nor is it as clean a fuel. For these reasons, the Government must provide incentives and develop policies that will assure greater use of domestic coal.

The first move in this direction was taken last year when the Energy Supply and Environmental Coordination Act of 1974 (ESECA) was signed into public law. Under this act the FEA has had authority for 1 year to order existing powerplants and other major fuel-burning installations to burn coal rather than oil or natural gas, and to require new plants to be constructed with the capability for doing so. FEA does not, however, have authority to order new plants to actually burn coal. Orders issued under the act are valid until 1978, and must be carried out in compliance with applicable clean air standards.

To date, FEA has only been able to focus on powerplants, for which fuel burning data were readily available; they have not been able to identify yet those other major fuel burning installations which could be required to convert to

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coal. Furthermore, even with regard to powerplants, conversion orders cannot be made effective until the details of an environmental control program have been worked out with EPA. Since FEA's authority under the act expires June 22, it appears likely that the bulk of the conversion program will not be effected without expeditious remedial action.

Mr. President, it is precisely for this reason, to assure the continuation and expansion of this vital program, that I join today with the distinguished Senator from West Virginia, Mr. RANDOLPH, and the senior Senator from Washington, Senator MAGNUSON, in introducing the "National Petroleum and Natural Gas Conservation and Coal Substitution Act of 1975." This measure is designed to remedy the unforeseen deficiencies in the original legislation and its implementation, and to facilitate and expand the program of coal substitution in a manner consistent with our national environmental goals. It extends the FEA's authority for an additional year, introduces penalties for noncompliance with the act, and simplifies the procedures for issuing prohibition and construction orders.

Mr. President, I believe that this measure is urgently needed, and clearly promotes the national interest. It will ease the task of FEA in implementing a national policy of coal substitution. This bill is another important move in the vital process of meeting our energy needs while protecting and maximizing our options for national self-determination. Unfortunately, we have very little time to act on this measure. I would, therefore, strongly urge my colleagues to adopt this bill as expeditiously as possible.

Another vitally needed step to further development of our domestic coal resources is enactment of the Surface Mining Control and Reclamation Act of 1975. Establishment of national guidelines for surface coal mining will remove much of the uncertainty which has plagued the coal industry particularly with respect to development of coal gasification and liquefaction. Congress should override President Ford's veto of this bill this week.

Mr. RANDOLPH subsequently said: Mr. President, I ask unanimous consent that the National Petroleum and Natural Gas Conservation and Coal Substitution Act of 1975, which I introduced earlier today, be referred jointly to the Committee on Interior and Insular Affairs and the Committee on Public Works.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. THURMOND:

S. 1778. A bill to impose a 1-year moratorium on the admission of aliens to the United States for permanent residence under the Immigration and Nationality Act. Referred to the Committee on the Judiciary.

S. 1779. A bill to reduce by 20 percent the number of aliens who may lawfully enter the United States for permanent residence under the provisions of the Immigration and Nationality Act. Referred to the Committee on the Judiciary.

Mr. THURMOND. Mr. President, the recent evacuation of the Vietnamese refugees has created much concern in the United States. There appears to be two schools of thought regarding these Vietnamese refugees.

First, many of our citizens feel that we have a moral obligation to care for and relocate these unfortunate people. On the other hand, a number of Americans feel the United States should not assume the entire burden of caring for the Vietnamese refugees when the economic situation for our own people is so uncertain.

In order to offer a compromise between these positions, I am today introducing two bills which would modify our existing immigration laws. Basically, my approach is to either reduce or to temporarily halt immigration to our country to facilitate the orderly absorption of the Vietnamese refugees.

The first bill which I am introducing will establish a 1-year moratorium on immigration beginning on the date of enactment. The second bill will provide for a permanent 20-percent reduction in the number of immigrants allowed to come into the United States during a fiscal year.

Mr. President, I feel that either of these bills offers a position that is acceptable to all concerned. To the first group, it would be evident from this legislation that we are compassionate and sensitive to the refugees, and that we wish to care for those who would have been slaughtered at the hands of the Communists. To the other group, this legislation would show that the United States recognizes the problem of accepting these refugees with all of its long-range ramifications.

The American people are aware that the Vietnamese refugees need our assistance, but the American people are also aware that we must limit the number of immigrants entering this country so that we can adequately absorb these refugees. It is in this spirit that I introduce these two pieces of legislation.

Therefore, Mr. President, I send to the desk two bills and ask that they be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 1778

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the provisions of section 201 (a) of the Immigration and Nationality Act, relating to the numerical limitation on the admission of aliens to the United States for permanent residence, and the provisions of section 21(e) of the Act entitled "An Act to amend the Immigration and Nationality Act, and for other purposes", approved October 3, 1965 (79 Stat. 911), relating to the numerical limitation on the admission of special immigrants to the United States for permanent residence, no alien may be admitted to the United States for permanent residence or have his status adjusted to that of an alien lawfully admitted for permanent residence during the period beginning on the date of enactment of this Act and ending one year thereafter.

S. 1779

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 201(a) of the Immigration and Nationality Act is amended by striking out "45,000" and "170,000" and inserting in lieu thereof "36,000" and "136,000", respectively.

SEC. 2. Section 21(e) of the Act entitled "An Act to amend the Immigration and Nationality Act, and for other purposes", approved October 3, 1965 (79 Stat. 911), is amended by striking out "fiscal year beginning July 1, 1968, or in any fiscal year thereafter, exceed a total of 120,000" and inserting in lieu thereof "fiscal years beginning July 1, 1968, through July 1, 1975, exceed a total of 120,000, and in any fiscal year thereafter, exceed a total of 106,000".

By Mr. HUMPHREY:

S. 1780. A bill to continue the special supplemental food program for women, infants, and children through September 30, 1975. Referred to the Committee on Agriculture and Forestry.

EMERGENCY EXTENSION OF SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN

Mr. HUMPHREY. Mr. President, the bill which I am introducing today will make no changes in current Government expenditure patterns, but will merely remedy an extremely serious problem.

It involves the special supplemental food program, known as WIC—women, infants, and children—which presently is scheduled to end on June 30, 1975.

The House of Representatives has already passed legislation extending WIC well beyond this date. Legislation I have cosponsored in the Senate, S. 850, will do the same. As a result, I fully expect WIC to be extended by Congress. There is tremendous professional and community support for WIC.

However, it does not appear that this new legislation will become law until late June 1975. This is what necessitates this bill. The States need some more immediate guarantee that funds will be available to continue WIC.

States must receive their letters of credit containing WIC funds by or near June 1, 1975, or they will have to close down their programs, disrupting the nutrition support and medical supervision of hundreds of thousands of low-income, pregnant women, infants, and children. Some States have already sent out the word to shut down programs.

This disruption is totally unnecessary. But it also would be bad public policy to stop the WIC program, dismantle the food delivery mechanism and stop the flow of medical data, only to have the entire program authorized and funded soon thereafter. This is the scenario which the bill seeks to prevent.

I am informed by the Department of Agriculture that there will be around $40 million unspent from this year's WIC authorization. This money can be carried over for the 3-month period authorized in this bill, thereby eliminating the need for any new funds. Of course, it is my hope that a permanent extension of authorization will soon become law.

However, until that happens, this provision is necessary to avoid a needless disruption of this valuable program.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1780

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 17 of the Child Nutrition Act of 1966 (80 Stat. 885, as amended; 42 U.S.C. 1786) is amended—

(a) by inserting after "1975," in the first sentence of subsection (a) the following: "and for the period July 1, 1975, through September 30, 1975,"; and

(b) by inserting after "1975," in the third sentence of subsection (b) the following: "and for the period July 1, 1975, through September 30, 1975,".

By Mr. CHILES (for himself and Mr. STONE):

S. 1781. A bill to amend title XVIII of the Social Security Act so as to enable certain aliens to obtain coverage under the supplemental medical insurance program established by part B of such title. Referred to the Committee on Finance.

Mr. CHILES. Mr. President, I introduce, on behalf of myself and Senator STONE, a bill to amend part B of the medicare program—supplementary medical insurance benefits for aged and disabled. This legislation is similar in intent to amendments I offered during consideration of the Supplementary Security Income Act of 1972 that were enacted into law. The purpose of this measure is to extend eligibility for participation in medicare part B to elderly Cuban refugees and other similarly situated persons.

The part B voluntary insurance program provides medical insurance benefits for aged and disabled individuals. Those who elect to enroll may receive benefit payments for home health services, some physician services, diagnostic tests, radiological and pathological services and outpatient physical therapy services. This program is financed from premium payments by those enrolled together with contributions from Federal funds. The present statute limits eligibility to a resident of the United States who has attained the age 65 and is either a citizen or an alien admitted for permanent residence who has resided in the United States for the preceding 5 years. What is proposed is to broaden eligibility to cover aliens who are residing in the United States under color of law, to include those present in this country as a result of the application of the provisions of section 203(a)(7) or section 212 (d)(5) of the Immigration and Nationality Act.

Our past actions have made clear the Federal responsibility for those who escaped from Cuba and their eligibility to participate in various Federal programs of assistance. There is no logical basis to exclude these refugees from participation in the voluntary insurance program. In fact the U.S. district court has held that the plan's current 5-year durational residency requirement did not meet the rational basis test necessary to accord with fundamental equal protection and due process notions.

I think it is important and necessary that the Congress clarify this question and assure that these elderly members of our society will be able to secure the benefits offered under the voluntary insurance program.

Mr. President, I ask unanimous consent that the bill I am introducing be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1781

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1836(2) of the Social Security Act is amended to read as follows:

"(2) has attained age 65 and is a resident of the United States, and

"(A) is a citizen of the United States,

"(B) is an alien lawfully admitted for permanent residence in the United States, or

"(C) is an alien who is not lawfully admitted for permanent residence in the United States but who is (and on January 1, 1975, was) otherwise permanently residing in the United States under color of law (including any alien who is lawfully present in the United States as a result of the application of the provisions of section 203(a)(7) or section 212(d)(5) of the Immigration and Nationality Act),".

(b) For purposes of section 1837(d) of the Social Security Act, an individual, who does (but would not except for the amendments made by subsection (a)) first satisfy paragraph (2) of section 1836 of such Act on a date which is prior to the date of enactment of this Act, shall be deemed first to satisfy such paragraph (2) on the date of enactment of this Act.

Mr. STONE. Mr. President, through an unfortunate oversight, the opportunity was lost some years ago to amend the medicare part B voluntary insurance program of title XVIII of the Social Security Act. Such an amendment would have enabled many Cuban refugees living in our country and other persons of similar status to be eligible for the benefits offered by this program. It is very important, Mr. President, that these individuals be included in the voluntary insurance program. Many elderly persons are presently excluded despite the fact that they are hardworking and contributing members of our society.

For this reason, I want to cosponsor S. 1781, introduced by my distinguished senior colleague from Florida, Senator CHILES, amending part B of the medicare program—supplementary medical insurance benefits for aged and disabled—in order to include Cuban parolees and other persons of like status among the voluntary beneficiaries of welfare assistance to the blind, aged or permanently disabled. This program offers benefit payments for home health services, diagnostic tests, and pathological and outpatient physical therapy services. Unlike other welfare programs, there is no requirement of impoverishment for participation in medicare part B.

Certainly, Mr. President, Congress should promptly look into this matter and enact legislation to extend the benefits of this program to persons who are entitled to them.

By Mr. BROCK:

S. 1782. A bill to make unlawful the transportation, sale, or receipt of counterfeit recordings. Referred to the Committee on the Judiciary.

Mr. BROCK. Mr. President, the unauthorized reproduction of recorded music and other performances has become a serious threat to the legitimate performers, songwriters, and recording companies throughout the United States. This wrongful appropration of the product of others' creative talents has been aptly dubbed "tape piracy" by the music industry. With the development of modern technology, tape piracy operates across State lines and in violation of the laws, both criminal and civil, of the several States.

A phonograph record is created at great expense and through the combined talents of both creative and technical people in the industry. The composer's song is performed in a modern, complex recording studio under the direction of skilled producers and engineers and to the accompaniment of highly compensated musicians. The recording company bears the expense, not only of the production of the artist's performance itself, but also of the advertising, promotion, manufacture, and distribution of the finished product in the form of phonograph records and tapes. Many thousands of dollars are expended in this process. It is estimated in the industry that not more than 30 percent of the records released are sufficiently successful for the recording company merely to recoup its expenses. Not more than 1 of every 10 records released attains a substantial profit. From the profits realized by the sale of this 1 record in 10, the recording company is able to encourage and develop new artists, to issue classical and ethnic music, and to recoup their losses incurred with respect to the nonprofitable product. From the sale of these records, the performing artist receives the royalties which constitute a substantial part of his income and the composer of the song, and his publisher, are paid royalties enabling him to continue his creative efforts.

The tape pirate has no investment in the musical performance. He steals it readymade and only after the efforts of the legitimate industry have made it a commercial success. The typical pirate obtains a commercial copy of the legitimate product from which he produces thousands and even hundreds of thousands of illicit copies. Having little, if any investment, other than the direct cost of his manufacture and paying no royalty for the performance appropriated by him, the pirate is able to offer a product to the public at substantially reduced prices. It is estimated that the sales of pirated musical performances in the United States during the past year substantially exceed a quarter of a billion dollars. The composer is frequently denied compensation for the use of his song, the artist receives no recompense for his talent, and the funds available to develop the new aspiring artists and to record the great symphony orchestras of our country are eroded.

Enforcement of existing legislation against tape piracy is being pursued under the Copyright Act by the Department of Justice and under diverse criminal statutes by the local authorities in those 30 States which have enacted criminal prohibitions against the practice. Unfortunately, the provisions of the

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Copyright Act are such as to render effective prosecution difficult, particularly in the case of the performance of our older artists. For instance, the performances of the legendary Hank Williams who died in 1953 are heavily pirated to the detriment of his heirs. Yet, the Copyright Act with respect to phonograph records cannot be utilized for protection. Law enforcement officials, both State and Federal, have observed with concern the infiltration of hardened criminals and criminal organizations into tape piracy attracted by the high profits and cash transactions, which typify the pirate operation. Illicit products manufactured in Oklahoma are to be found in the stores and truck stops of New Jersey. Pirate tapes manufactured in Florida are shipped to California for sale. Interstate commerce is utilized in the perpetration of these offenses. The crime is truly national and can best be dealt with upon that basis.

The legislation which I am introducing today will give to the owners of record performances the same protection which is afforded the owners of stolen securities or the owners of stolen automobiles. The procedures are those with which every U.S. attorney is familiar. The early enactment of the bill will afford a deserved protection to those creative persons who have given so much enjoyment to the American public for so long.

By Mr. BROCK:

S. 1783. A bill to amend title XVIII of the Social Security Act to provide for comprehensive and quality health care for persons with communicative disorders under the health insurance program—medicare—including preventive, diagnostic, treatment and rehabilitative functions. Referred to the Committee on Finance.

THE COMMUNICATIVE HEALTH CARE AMENDMENTS OF 1975

Mr. BROCK. Mr. President, today, I am introducing a bill to amend title XVIII of the Social Security Act which will reorganize and clarify the present medicare coverage of speech pathology and audiology services, and expand the medicare program to include aural rehabilitation services.

Several weeks ago, I introduced S. 1465 to clarify the language in the Social Security Act Amendments of 1972—Public Law 92–603—regarding outpatient speech pathology services. In my remarks at that time—CONGRESSIONAL RECORD, April 17, 1975, pages S6058–9—I outlined the basic problem which has forced those medicare-eligible Americans in need of speech pathology services to go without medicare reimbursement although we authorized coverage effective January 1, 1973. I regret that I am not able to report that progress has been made by the Department of Health, Education, and Welfare and the Social Security Administration in implementing the 1972 congressional mandate. Other of my distinguished fellow colleagues in the Senate, as I have, received commitments from the Secretary's Office and Commissioner Cardwell that regulations would be released on or about April 15 to implement the 1972 language, as of yet they have not appeared. The confusion caused by the joining of speech pathology and physical therapy services in the 1972 amendments must be rectified. The legislation I am proposing seeks to redefine speech pathology services, together with audiological services, in a communicative services definition under section 1861 of the Social Security Act.

In the United States today, there are some 21 million Americans with some degree of communicative disorder. Of this number, estimates have placed as high as 3.7 million the number who suffer significant communicative handicaps and are 65 years of age or older. The Congress has made great strides in providing health care services to these Americans, but, due to legislative drafting and departmental inaction, such services have received only minimal implementation. Speech pathology services—prior to the 1972 amendments called speech therapy—have been an integral part of the medicare system since its inception when provided under medicare's part A coverage through hospital inpatient services, skilled nursing facilities and home health services, and under part B as a skilled nursing facility or home health agency service. This coverage would be continued under this legislation as speech pathology services, with one minor exception to so-called "under arrangements" reimbursement.

The present reimbursement conditions have denied recognition to the speech pathologist as a qualified medicare provider, although speech pathology services are reimbursable. The speech pathologist rendering services in a hospital—inpatient or outpatient—a skilled nursing facility or home health agency as an outside resource provider to such institutions must submit a bill for such services to the institution who in turn submits a bill to the medicare fiscal intermediary which then makes payment to the institution and finally to the speech pathologist. Such convoluted administrative procedures cannot be justified.

The loss to the medicare trust funds in repetitive administrative charges must be stopped now so that these health care resources may be channeled to providing needed health care services. I firmly believe that the cost of additional administrative paperwork may be sufficient to cover expanded aural rehabilitation services proposed by this legislation. In talking with providers of speech pathology services in my home State of Tennessee, I have had it repeatedly told to me that where the fiscal intermediary will reimburse at a rate of $20 to $25 per hour, the hospital, skilled nursing facility or home health agency will bill the medicare system anywhere from 20 to 100 percent more as administrative costs. This loss is a tragic waste of scarce health care dollars which cannot be justified.

Not only are we faced with a drain caused by unnecessary paperwork, but many speech pathology providers are not reimbursed promptly—or even at all. How can we expect services to be provided when the provider faces extended periods between billing the "qualified provider" and his being reimbursed or in not being reimbursed at all? I have received reports where speech pathology services were rendered, properly billed in the amount of $15,000—requiring two full-time speech pathologists over a period of 6 months—to the qualified institution which was paid by the fiscal intermediary. The institution has subsequently refused to reimburse the speech pathology provider. The qualified institution is now being sued to recover this debt for service. The speech pathology provider must in the interim charge higher costs to cover his salaries, legal fees, and borrowings.

In the end, the elderly, the medicare system, and the speech pathologist lose.

The bill I am proposing will end this waste of medicare resources by requiring that where services are provided under arrangements by an outside resource, the reimbursement by the fiscal intermediary will be made to a separate account payable to the outside resource provider. The Secretary, through his rulemaking power, would be expected to establish the conditions which would insure that the outside resource provider is promptly reimbursed and that the administrative costs are kept to an absolute minimum. Through such procedures, we will be able to realize a net savings in administrative costs which can be allocated to upgrading health care services.

A new definition would be created under section 1861(x) of the Social Security Act for communicative services. Basically, these are health care services to the speech and hearing impaired by the communicatively handicapped individual. Speech pathology and audiology services could be provided by a hospital, agency or individual qualified practitioner upon referral by a physician. Such providers could offer either speech pathology or audiology services, or both health services.

The provider would be required to be licensed if applicable State law so required and to meet such other health and safety standards as the Secretary of Health, Education, and Welfare might deem necessary. I am proud to be able to say that Tennessee was one of the first States to license the speech pathology and audiology professions in April 1973. Presently, Tennessee and 23 other States require these health care professionals to be licensed under high standards of academic and clinical experience meeting or exceeding the standards established by the Department of Health, Education, and Welfare for medicare and medicaid services. These HEW standards—20 Code of Federal Regulations sections 405.1101(t), 405.1208(u); and 45 Code of Federal Regulations section 249.10(b) (11) (iii)—require the speech pathologist or audiologist to either hold the certificate of clinical competence—requiring the holder to have at least a master's degree, 300 clock hours of supervised clinical speech pathology or audiology experience at the academic institution, at least 9 months of full-time supervised professional experience in speech pathology or audiology in bona fide clinical settings, the clinical fellowship year, and successful completion of the national examination in speech pathology or audiology administered by the Educational Testing Service—awarded by the American Speech and Hearing Association or its equivalence; or, have the required educational requisities and be in the process of completing the necessary supervised clinical requirements, would be required where the State did not have a present licensure requirement meeting at least the present medicare standards of participation.

The health professions of speech pathology and audiology are independent professions whose services are rendered upon physician referral. Under the present medicare structure, these professions have been inadvertently wronged, by what I believe was a misunderstanding as to their professional relationship to the total health care system by the Congress, viewing their services as a prescriptive health service. The speech pathologist and audiologist should be granted in fact, as is presently occurring in day-to-day practice, recognition of their position as a professional member of the health care team. This bill will accomplish this long overdue recognition by basing their relationship to medicine upon referral. By requiring the physician and the speech pathologist or audiologist to review the health care plan for an individual, an active and cooperative health care delivery system can provide quality health care to the communicatively handicapped of this Nation.

An important new service would be offered by this legislation. Presently, medicare will reimburse for evaluative audiologic testing by an audiologist if prescribed by a physician to aid in his evaluation of his medical diagnosis. Any additional services which can be offered by the audiologist as the result of his training are not reimbursable although the physician may order such services—that is aural rehabilitation, hearing amplification examination, or other counseling. We are quite frankly saying to the aged with hearing impairments that once the physician has determined that no organic-medically remediable condition exists, you are no longer eligible for the opportunity to participate in society unless you can pay for it. It seems anachronistic that with today's societal belief in the quality of human life that we allow such tragic disregard for one of the most common health care problems of the aged—loss of hearing.

This legislation will remove the present exclusion of section 1862(a) (7) of the Social Security Act covering hearing aid examinations.

The need for being able to provide the hearing impaired geriatric population with a plan for helping those individuals to achieve the highest possible level of hearing health is one of the serious deficiencies of the present medicare program. The Federal Government through the Veterans' Administration, Rehabilitation Services Administration, Department of Defense, and the medicaid health care programs provides such services today. In this regard, it is strange that through the medicaid system the Federal Government has been providing hearing health care services but has ignored such services under medicare. One of the most common causes of hearing loss among the elderly is presbycusis—a condition manifesting itself in a deterioration of the auditory nerve endings which transmit and receive sounds. Many times, such hearing loss can be ameliorated by use of hearing amplification. The audiologist is trained through academic and clinical experience to evaluate such loss and to make an appropriate recommendation as to the desirability of hearing amplification. It is this evaluative study which would be covered by this legislation together with followup aural rehabilitation for the individual who acquires hearing amplification. The individual who would not be helped by use of amplification but may be helped through other rehabilitative services offered by the audiologist would also for the first time under medicare be eligible for these services. I have seen and heard of numerous instances in traveling through Tennessee where older people say they have purchased a hearing aid but fail to wear it because it does not work, does not fit properly, or is not helping their hearing. Many times, if hearing amplification is an appropriate remediative procedure, the wearer receives no counseling and followup services to acquaint him with the use, operation, and care of the device. The psychological acceptance of hearing amplification may be a very traumatic step for an older person. Without aural rehabilitation services, the use of amplification may never be accepted and the individual further retreats from social interaction. Furthermore, such individual will most likely have a negative attitude toward later attempts by family and friends to seek health care services for his hearing loss.

Finally, this legislation directs the Secretary of Health, Education, and Welfare to conduct experiments and demonstrations to determine cost effective delivery systems for communicative services under the authority granted by the 1972 amendments. We must seek to find new ways which will insure quality health care to America's communicatively handicapped. With projections that that number of Americans over the age of 65 will double by the year 2020 to over 40 million, today is not too soon to lay the groundwork for developing new health care delivery modalities and insuring availability of adequate qualified manpower to provide services to communicatively handicapped Americans.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1783

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "The Communicative Health Care Amendments of 1975."

FINDINGS AND DECLARATION OF PURPOSE

SEC. 2. (a) The Congress finds that—

(1) the health of the Nation's aged, blind and disabled is the foundation of their physical, psychological, economic, and social well-being and of maintaining and upgrading our Nation's productivity and strength;

(2) approximately 21,000,000 suffer some degree of communicative disorder; of this number, some 3.7 million Americans are 65 years of age of older;

(3) the purposes originally envisioned for health care under Title XVIII of the Social Security Act have failed to adequately diagnose, treat and rehabilitate those aged, blind and disabled Americans with speech, language or hearing disorders; and,

(4) the health care delivery system of the United States can through proper direction and utilization provide the Nation's aged, blind and disabled persons with high-quality amelioration of impairments caused by communicative disorders.

(b) The purpose of this Act is to consolidate and clarify the health care coverage of present services; to increase the benefits for covered services to produce comprehensive and quality health care for communicative disorders; and, to provide for studies by the Secretary of the Department of Health, Education and Welfare, and reports to the Congress on the need for additional qualified health manpower, alternatives to present delivery systems, and the effectiveness of the present system to provide comprehensive health care for communicative disorders.

REORGANIZATION OF HEALTH INSURANCE BENEFITS UNDER TITLE XVIII

SEC. 3. Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment or repeal of a title, part, section, or other provision, the reference is to a title, part, section, or other provision of the Social Security Act.

SEC. 4. (a) Section 1814(a) (2) (D) is amended—

(1) by deleting the words, "or speech therapy", and substituting, in lieu thereof, "therapy, or speech pathology or audiology services"; and

(2) by adding after the words, "and is periodically reviewed by a physician", the following words, "and the health professional rendering such services, if other than the physician".

(b) Section 1815 is amended by deleting the period at the end thereof, and adding the following words and figures, ", subject to the conditions provided for in section 1861 (w)."

(c) Section 1835(a) (2) (A) (i) is amended—(1) by deleting the words and figures "section 1861(m) (7)", and substituting in lieu thereof, the following words and figures "sections 1861(m) (7) and (8)"; and

(2) by deleting the words "or speech therapy" and substituting, in lieu thereof, the words "therapy, or speech pathology or audiology services".

(d) Section 1835(a) (2) (B) is amended by deleting the words "and (D)", and substituting, in lieu thereof, the words "(D), and (E)".

(e) Section 1835(a) (2) (D) is repealed.

(f) Section 1835(a) is amended by deleting the words "and (e)", and substituting, in lieu thereof, the words "(e) and (f)".

(g) Section 1835 is further amended by adding at the end thereof, the following new section, "(f) Payment for services described in section 1861(x) furnished an individual may be made only to providers of services which are eligible therefor under section 1866, and only if (1) the provisions of paragraph (a) (1) of this section are complied with, and (2) the physician together with the speech pathologist or audiologist providing such services, certifies (and recertifies, where such services are furnished over a period of time, with such frequency as may be provided by regulations) and such services (i) are or were required by the individual and (ii) meet the requirements of section 1861(w).

(h) Section 1861(h) is amended by substituting, in lieu thereof, the following words and figures, "(h) The term 'extended care

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services' means the following items and services furnished to an inpatient of a skilled nursing facility and [except as provided in paragraphs (3), (4) and (7)] by such skilled nursing facility—

(1) nursing care provided by or under the supervision of a registered professional nurse;

(2) bed and board in connection with the furnishing of such nursing care;

(3) speech pathology or audiology services furnished by the skilled nursing facility or by others under arrangements with them made by the facility;

(4) physical or occupational therapy furnished by the skilled nursing facility or by others under arrangements with them made by the facility;

(5) medical social services;

(6) such drugs, biologicals, supplies, appliances, and equipment, furnished for use in the skilled nursing facility as are ordinarily furnished by such facility for the care and treatment of inpatients;

(7) medical services provided by an intern or resident-in-training of a hospital with which the facility has in effect a transfer agreement [meeting the requirements of subsection (1)], under a teaching program of such hospital approved as provided in the last sentence of subsection (b), and other diagnostic or therapeutic services provided by a hospital with which the facility has such an agreement in effect; and

(8) such other services necessary to the health of the patients as are generally provided by skilled nursing facilities; excluding, however, any item or service if it would not be included under subsection (b) if furnished to an inpatient of a hospital."

(i) Section 1861(m) is amended—

(1) by striking out in paragraph (2), the words "occupational, or speech" and substituting, in lieu thereof, "and occupational";

(2) (A) by redesignating paragraphs (3) through (7) as paragraphs (4) through (8), respectively;

(B) by striking out the figure "7" in line seven of this subsection and substituting, in lieu thereof, the figure "8"; and

(C) by inserting after paragraph (2) the following new paragraph: "(3) speech pathology and audiology services as defined in subsection (x);".

(j) Section 1861(o)(2) is amended by striking out the words "or registered professional nurse" at the end thereof, and substituting, in lieu thereof, ", registered professional nurse, or other qualified health professional".

(k) Section 1861(p) is amended by striking out the last sentence thereof.

(l) Section 1861 (s)(2) is amended—

(1) by striking out at the end of clause (C), the word "and", and inserting such word at the end of clause (D); and

(2) by inserting the following new clause at the end thereof: "(E) outpatient communicative services;".

(m) Section 1861(v)(5)(A) is amended by striking out the words "speech therapy services".

(n) Section 1861(w) is amended by inserting the following new sentence at the end thereof: "Where receipt of payment by the hospital, a skilled nursing facility, or home health agency is based upon services provided by an outside resource, such payment shall be specifically payable to such outside resource provider (under such regulations as the Secretary may determine), and not to general revenue funds of said hospital, skilled nursing facility, or home health agency."

(o) Section 1861(x) is amended by striking out the subsection heading and all following, and substituting, in lieu thereof, the following new words and figures:

"COMMUNICATIVE SERVICES

(x)(1) The term 'communicative services' means speech pathology and audiology services furnished by a provider of services, a clinic, rehabilitation agency, public health agency, or individual, or by others under an arrangement with, and under the supervision of, such provider, clinic, rehabilitation agency, or public health agency to an individual as an outpatient upon referral by a physician.

(A) Any such services—

(i) if furnished by a clinic or rehabilitation agency, or by others under arrangements with such clinic or agency, unless such clinic or rehabilitation agency—

(I) provides an adequate program of speech pathology and/or audiology services (including diagnostic and rehabilitative services) for outpatients and has the facilities and personnel required for such program or required for the supervision of such a program, in accordance with such requirements as the Secretary may by regulation specify,

(II) has policies, established by a group of professional personnel to govern the services it provides,

(III) maintains clinical records on all patients,

(IV) if such clinic or agency is situated in a State in which State or applicable laws provide for the licensing of institutions of this nature and speech pathologists and audiologists, is licensed pursuant to such laws or is approved by such State or locality responsible for licensing such institutions or professions, as meeting the standards established for such licensing; and

(V) meets such other conditions relating to the health and safety of individuals who are furnished services on an outpatient basis, as the Secretary may by regulation find necessary;

(ii) if furnished by a public health agency, or by others under arrangements with such public health agency, unless such agency meets the conditions prescribed by clause (i) (V); or,

(iii) if furnished by an individual, unless such individual meets the conditions prescribed by clauses (i)(I), (III), and (V), and if such individual is situated in a State in which State or applicable law provides for the licensing of speech pathologists and audiologists, is licensed pursuant to such law or is approved by such State or locality responsible for licensing such professions, as meeting the standards established for such licensing.

(2) Excluding, however, any item or service if it would not be included under subsection (b) if furnished to an inpatient of a hospital."

(p) Section 1862(a)(7) is amended by striking out the words "or examinations therefor".

(q) Section 1866 is amended by adding at the end thereof the following new paragraph: "(f) For purposes of this section, the term 'provider of services' shall include a clinic, rehabilitation agency or public health agency if, in the case of a clinic or rehabilitation agency, such clinic or agency meets the requirements of section 1861(x)(1)(A)(i), or if in the case of a public health agency, such agency meets the requirements of section 1861(x)(1)(A)(ii), but only with respect to the furnishing of communicative services (as therein defined)."

SEC. 5. Section 1872 is amended by adding immediately after the words and figures "of section 205", the following words and figures ", and of subsections (h) and (i) of section 210".

SEC. 6. The Secretary of Health, Education and Welfare is directed under the authority granted by section 222(a) of the Social Security Act Amendments of 1972 (86 Stat. 1390–1391) to include with the experiments and demonstration projects such activities relating to the delivery of health care to the communicatively impaired, and to submit to the Congress no later than July 1, 1977, a full report on such experiments and demonstration projects.

SEC. 7. The following technical amendment; the Table of Contents is amended by striking out the words "State and United States" in subsection 1861(x) and substituting, in lieu thereof, the words "Communicative Services".

By Mr. BROCK:

S. 1784. A bill to amend title XVIII of the Social Security Act to provide for coverage of comprehensive hearing health care services, including provision for hearing amplification devices financed in part by the Federal Government. Referred to the Committee on Finance.

Mr. BROCK. Mr. President, the incidence of significant hearing loss among more than 3 million Americans 65 years of age and older is a continuing problem which continues to be ignored by the medicare program. The legislation I am introducing today will provide hearing health care to those participating in the medicare program.

Basically, this legislation will remove the present restriction in section 1862 (a)(7) of the Social Security Act prohibiting medicare from covering the examination for the appropriateness of, and actual acquisition of hearing amplification subject to certain cost sharing provisions. In determining the appropriateness of hearing amplification, a physician and an audiologist must sign a written authorization recommending that the individual's hearing loss will be ameliorated by use of hearing amplification and that such device should be acquired. Only after obtaining such authorization will the medicare system undertake to cover a share of the cost of acquiring such amplification device.

It is most appropriate that starting today the distinguished Senator from New Hampshire and chairman of the Subcommittee on Government Regulations of the Select Committee on Small Business, Senator McINTYRE, is conducting 3 days of hearings on problems of the hearing aid industry. As a member of the subcommittee, I feel these hearings will be most helpful in addressing an important sector of providing quality hearing amplification devices to the Nation's hearing impaired.

The controversy and confusion surrounding the delivery of hearing amplification devices to the public has continued far too long. The Senate has evidenced a continued interest in this issue starting as far back as April 1962 in hearings held by the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary chaired by Senator Estes Kefauver. Subsequently, the Subcommittee on Consumer Interests of the Elderly of the Special Committee on Aging under the able leadership of its chairman, Senator FRANK CHURCH, has conducted hearings on the impact of hearing aids and the older American in July 1968 and, again, in September 1973. We cannot continue to muddy the waters on this issue but must seek to arrive at a just and equitable solution which will guarantee quality and cost efficient

health care services to the same 3.3 million Americans 65 years of age and older who have significant hearing impairment.

At least 88 percent of all Americans 65 years of age and older experience some degree of hearing loss. In some cases, presbycusis—that is, old-age hearing loss—is caused by impairment of the hearing mechanism—that is, the ear—and may be ameliorated by use of a hearing aid. In as many instances, however, presbycusis is the result of damage to the central nervous system—that is, brain and nervous system—for which hearing aids provide little, if any, assistance. In these latter cases, the elderly person's receptive hearing mechanism may operate effectively, but impairment of his central auditory mechanism interferes with his "understanding" of what he hears. Such elderly individuals often exhibit symptoms generally associated with senility—inappropriate communication responses, anxiety, depression, withdrawal, and ultimately, refusal to communicate. They are diagnosed as senile and so treated.

By assuring that the individual with a hearing loss from presbycusis caused by central nervous system disorders is appropriately evaluated, and appropriate aural rehabilitation can be provided by the appropriate health care professional—that is, certified or licensed audiologists.

In those instances where, after an otologic examination by a physician and an audiologist, they issue a written authorization as to the necessity for hearing amplification, the cost of acquiring the amplification device would be reimbursable by medicare upon a sliding scale from a minimum of 25 percent of the device's cost to a maximum of 75 percent, and any appropriate aural rehabilitation necessary to produce the highest level of auditory function.

The hearing loss faced by America's 65 years of age and older population has been virtually ignored by the medicare system. The loss occasioned by decreased visual acuity has long since been considered a health impairment calling upon evaluation and treatment by qualified health care professionals. While it may be argued that the determination of hearing amplification cannot be delineated with the same precision as eyeglasses, to deny to hearing impaired Americans what modern health science and the the health care professions directly concerned with hearing loss—the physician and the audiologist—can provide towards hearing health care is a tragic loss. This legislation is needed to provide quality health care services to medicare eligible individuals.

The cost of hearing amplification has always been one of the primary objections to including such coverage under the medicare program. I believe that with with appropriate cost sharing between the medicare program and the individual, the overall program costs can be maintained within reasonable limits. By placing a minimum-maximum limitation on costs, it will allow the Secretary of Health, Education and Welfare to determine income categories and reasonable costs which will help to assure effective program management. Under the present program operated by the Veterans' Administration, Rehabilitative Services Administration, medicaid—including the early and periodic screening, diagnosis and treatment program for children—Department of the Army, and the maternal and child health and crippled children's services, the Federal Government is covering the cost of hearing amplification devices. The experience gained by the various Departments and Federal agencies can provide the Secretary with the needed statistical models necessary for determining reasonable cost and replacement standards for such devices. These programs have been able to reduce the cost of hearing amplification devices to their patients while the general consuming public pays three to ten times such costs while receiving, what in many instances is, less than quality health care services. The Secretary in establishing cost guidelines for the reasonable cost of such devices will promote income levels of the individual to the percentage of the Federal share of the amplification devices cost. It seems only logical that as a person's income rises, he or she becomes more capable of bearing an increased share of the cost of such devices. On the other side of the scale, persons who are in the lower income ranges should be given added assistance in acquiring needed amplification.

We have ignored the hearing impaired older American for too long. The bill which I have introduced today will help us to redress this problem. I would be pleased to have any of my fellow colleagues, many of whom have taken an active interest in the problems of the hearing impaired over the years, to join with me in cosponsorship of this vital legislation.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1784

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1862(a)(7) of the Social Security Act is amended by striking out the words "hearing aids or examinations therefor,".

(b)(1) Section 1861(s) of the Social Security Act is amended

(A) by striking out "and" at the end of paragraph (8);

(B) by striking out the period at the end of paragraph (9) and inserting in lieu thereof "; and", and renumbering the succeeding paragraphs "(10), (11)), (12) and (13)" as "(11), (12), (13) and (14)" respectively; and

(C) by inserting the following new paragraph immediately after paragraph (9), "(10) diagnostic and rehabilitative audiologic services furnished by an audiologist, including hearing amplification devices and replacement of such devices subject to such conditions as the Secretary may by regulation determine [such services and devices subject to the conditions imposed by paragraph (15) and subsection (v)(8)]."

(2) Section 1861(s) of such Act is further amended by inserting the following immediately after paragraph (14), "The items and services referred to in paragraph (10) shall be—

(15)(A) with regard to diagnostic and rehabilitative services, services which are furnished upon referral by a physician to an audiologist who (i) is licensed to practice by the State in which he performs such services and meets such other conditions as determined by the Secretary as are necessary to the health and safety of individuals with respect to whom such services are furnished, or (ii) meets such other standards relating to the health and safety of individuals with respect to whom such services are furnished as the Secretary may by regulation determine necessary.

(B) with regard to hearing amplification devices, the need for such devices is authorized in writing by a physician and an audiologist.

(3) Section 1861(v) of such Act is amended by inserting the following new paragraph at the end of such subsection, "(8) For the purposes of subsection (s)(10), there shall be a limitation upon the Federal participation in the acquisition of any hearing amplification device in an amount not less than twenty-five percent (25%) nor more than seventy-five percent (75%) of the reasonable cost of such devices as established by the Secretary."

(4) Section 1864(a) of such Act is amended by redesignating the references to paragraphs (10) and (11) of section 1861(s) as paragraphs (11) and (12), respectively.

By Mr. BENTSEN:

S. 1788. A bill to facilitate the sale of U.S. agricultural commodities to be stored in the United States not subject to export control and restricted from resale into the U.S. markets. Referred to the Committee on Agriculture and Forestry.

Mr. BENTSEN. Mr. President, I am introducing a bill today to allow foreign entities to utilize the excess farm commodity storage that we have in this country.

We are all aware of the increasingly serious dimensions of the world food problem. As a major producer of foodstuffs the United States has a clear obligation to assist in developing solutions to meet this crisis as long as our needs here at home are being met as well. In addition, providing storage for the commodities we sell would be a great trading asset at a time when our farmers worried about possible overproduction this fall.

During last year's food conference in Rome, a great deal of discussion centered around the inability of foreign countries to hold adequate food reserves. As an example, the mideastern and African countries are very short on storage ability. In recent years, Iraq has been able to hold stocks of only 6 percent of its annual consumption, Syria only 5 percent, and Algeria none at all. Even Iran, despite having much greater storage capacity and building more, has indicated strong interest in storing commodities in this country.

Food aid to the drought stricken north of Africa countries has been difficult because once the grain was shipped to that area, storage capacity was almost nonexistent. For instance, even the more developed north African countries of Morocco and Tunisia were able to store only 3 percent and 18 percent respectively of their consumption last year.

Japan, one of our greater customers, has limited, expensive storage, and land costs are preventing the country from increasing its capacity in this regard.

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Japan has shown great interest in being able to carry stocks in the United States, particularly for soybeans and cotton. Cotton merchants report that if Japanese storage ability could be increased, it would be a boon to our exports sales of that commodity.

The bill I proposed today would be a great service to these countries by allowing them to utilize our excess storage to build supplies for future use.

Mr. President, this bill would allow foreign countries, or companies to purchase and store U.S. farm commodities in this country and would specify that such commodities would not be subject to our export controls. To control the total storage under foreign use, approval would have to be obtained before commodities could be stored.

Once stored, the commodities would be considered as exported and could not be resold in this country, except under the restrictions and regulations applicable to regular imported commodities. This provision is necessary to protect our own domestic market from foreign "dumping" practices. Further protection for our producers is provided in section 2 of the bill which directs the Secretary of Agriculture to allow the foreign storage only after insuring that adequate storage is available for domestically owned commodities.

Mr. President, I mentioned earlier that this bill will be of assistance to this country, as well as the foreign countries who chose to make use of its provisions. The current administration urged our farmers to maximize production, yet refused to approve the new farm bill which would have given the producers protection from over-production. This leaves our farmers but one choice: to continue to expand our export markets.

However, one restraining factor to foreign countries buying more of our commodities is their shortage of storage capacity. By allowing them to store a portion of their purchased commodities here, they will be able to increase their purchases as well as plan more carefully for future supplies. Thus, the ability to offer storage with a commodity sale would be a significant trading advantage for this country.

Mr. President, the USDA currently estimates that off-farm grain storage capacity in warehouses to be 5,914,203,000 bushels, and only 47 percent of this capacity is being utilized. In addition, off-farm storage capacity for cotton is now about 20,000,000 bales, while it is estimated that only ½ to ⅔ of the capacity will be utilized this fall. This means that much of our storage capacity is now an economic drain and casts a doubt on whether this capacity can be maintained for the future. If foreign interests could utilize this storage, it would enable this country to maintain its abundant storage capacity as well as retain a great many jobs for American workers.

Because section 2 of my bill will protect our access to this extra storage, we are insured of this capacity in the future, rather than losing it because of lack of current need.

In summary, Mr. President, this bill would encourage foreign countries to increase their purchase of agricultural commodities from the United States, an obvious advantage in 1975 when we anticipate large crops and increased stocks. Foreign countries would be encouraged to make such purchases because of the ample storage facilities at reasonable cost available in the United States, the wide variety of qualities of practically all major commodities available from this country as well as the proposed U.S. Government guarantee against export restrictions. By making our excess storage available, we would enable the food deficit countries to hold stocks and overcome the swings in food availability that handicaps much of the world.

Storage in the United States of commodities owned by foreign buyers would earn foreign exchange for the United States, improving our balance of payments situation; and by using storage facilities not otherwise utilized would provide income and jobs in the communities involved. At the same time, by restricting resale to this country, and controlling the amount of foreign controlled storage, our domestic producers would be protected.

Mr. President, I would hope that my colleagues would join me in support of this measure.

I ask unanimous consent that the bill be printed in the RECORD, together with a USDA table showing the percentage of storage utilization for grains and oilseeds.

There being no objection, the bill and table were ordered to be printed in the RECORD, as follows:

S. 1788

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. That notwithstanding any other provision of law, foreign countries, agents or agencies thereof and foreign companies may purchase and store U.S. agricultural commodities or products thereof in the U.S., and to the extent in storage the commodities shall not be subject to any export controls or restraints. Such stored commodities shall not be resold into the U.S. except under the restrictions and regulations applicable to imported commodities. The Secretary of Agriculture shall keep an accurate accounting of all commodities stored under this section, and shall supply a report of such accounting to the Secretary of Commerce.

SEC. 2. Before commodities can be stored under the provisions of this Act, prior approval from the Secretary of Agriculture must be obtained by storage facility involved. The Secretary of Agriculture shall issue such approval so as to insure adequate storage for domestically owned commodities. Both state and federally approved storage facilities shall be eligible for such approval.

SEC. 3. The Secretary of Agriculture is authorized to issue such regulations as necessary to carry out the provisions of this act.

Total off-farm stocks compared with total off-farm storage capacity

[Grains and oilseeds]

	Percent
January 1, 1975	47
January 1, 1974	51
January 1, 1973	56
January 1, 1972	60
January 1, 1971	58
January 1, 1970	62

SOURCE.—Grain Division, Agriculture Market Service, U.S.D.A.

By Mr. CRANSTON (for himself, Mr. MONDALE, Mr. WILLIAMS, Mr. RANDOLPH, Mr. TUNNEY, Mr. GOLDWATER, and Mr. PERCY):

S. 1789. A bill to amend the Domestic Volunteer Service Act of 1973 and the Peace Corps Act to provide for an increase in the VISTA volunteer stipend and Peace Corps volunteer readjustment allowance, respectively. Referred, by unanimous consent, to the Committee on Labor and Public Welfare and the Committee on Foreign Relations.

Mr. CRANSTON. Mr. President, I introduce today for myself and the Senator from Minnesota (Mr. MONDALE) and for the Senator from New Jersey (Mr. WILLIAMS), who is the chairman of the Labor and Public Welfare Committee, the Senator from West Virginia (Mr. RANDOLPH), the Senator from Arizona (Mr. GOLDWATER), the Senator from Illinois (Mr. PERCY), and my colleague from California (Mr. TUNNEY) S. 1789, a bill to amend the Domestic Volunteer Service Act of 1973 and the Peace Corps Act to provide for an increase in the VISTA volunteer stipend and Peace Corps volunteer readjustment allowance, respectively.

Mr. President, we first introduced legislation providing for up to a 50 percent cost-of-living increase in the end-of-service allowances of Peace Corps and VISTA volunteers as a floor amendment a year ago during Senate consideration of the Peace Corps Authorization Act for fiscal year 1975. Our amendment carried the Senate but was later dropped when the House would not accept it. That action was taken, Mr. President, only because the ACTION Agency had committed itself to a study of the use and purposes of the Peace Corps readjustment allowances and VISTA stipend, to be submitted to the appropriate Committees of the Congress not later than September 1, 1974.

But, Mr. President, the Agency never submitted the official results of such a study to the Congress. It did, however, share with me, upon my request, an unofficial and unapproved study, dated August 13, 1974, and carried out by agency employees on an internation operations planning group evaluation, of the Peace Corps readjustment allowance, which recommended the need not only for an increased allowance, but for a tax-exempted one as well.

Mr. President, Peace Corps volunteers have been receiving the same readjustment allowance—a small amount of money set aside for them each month to be used at the end of their service for readjustment purposes—for the past 14 years. It amounts to $75 per month and it is subject to social security, Federal and State income taxes. VISTA volunteers have been receiving the same readjustment allowance, or stipend, since that program was initiated 11 years ago—it amounts to $50 per month and it too is subject to social security, Federal, and State income taxes.

During the last 11 to 14 years, Mr. President, the Consumer Price Index has risen between 60 percent and 75 percent.

We feel that it is time—indeed it is long past time—to recognize the enormous contribution of the individuals who serve in these programs, and provide them with a realistic and equitable increase in their end-of-service allowances.

However, Mr. President, we do not want to do so at the expense of the number of volunteers coming into the program. For this reason, we have drafted our bill in such a way that any increases will be made expressly contingent upon, and only to the extent of, the inclusion of specific funding for such purposes in appropriations acts.

Our bill, Mr. President, with respect to Peace Corps volunteers, would allow for an increase in allowance up to $115 per month for a single volunteer, up to $190 per month for a volunteer with minor children, and up to $190 per month for volunteer leaders. With respect to VISTA volunteers, it would allow for an increase in the stipend of up to $75 per month for individual volunteers and up to $115 per month for volunteer leaders. Again let me stress that our bill would have no programmatic or budgetary impact on either of these programs without further legislative action by the Congress in the course of its consideration of appropriation acts.

Mr. President, I have long been a strong supporter of the Peace Corps and VISTA programs. I served as a consultant program evaluator for the Peace Corps in the mid-sixties. I now serve as chairman of the Labor and Public Welfare Committee's Special Subcommittee on Human Resources which has jurisdiction over the Domestic Volunteer programs, including VISTA. These are extremely beneficial and effective programs, Mr. President, and the individuals serving in them as volunteers are a credit to our Nation. We owe them our encouragement and support. And we owe them a decent sum to enable them to ease their readjustment when they return home from their tours of volunteer service.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1789

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Volunteer End-of-Service Allowance Increase Act of 1975".

SEC. 2. (a) Section 105(a)(1) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4955(a)(1)) is amended by striking out "$50" and "$75" and inserting in lieu thereof "$75" and "$115", respectively.

(b) There are authorized to be appropriated in addition to the sums authorized to be appropriated pursuant to section 501 of such Act, such additional sums as may be necessary to carry out the amendments made by subsection (a) of this section. Such amendments are to be effective for each fiscal year only to such extent and for such amounts as are specifically provided for such purpose in such appropriation Acts.

SEC. 3. (a) Section 5(c) of the Peace Corps Act (22 U.S.C. 2504(c)) is amended by striking out "$75" and "$125" and inserting in lieu thereof "$115" and "$190", respectively.

(b) Section 6(*1*) of such Act (22 U.S.C. 2505(*1*)) is amended by striking out "$125" and inserting in lieu thereof "$190".

(c) There are authorized to be appropriated such additional sums as may be necessary to carry out the amendments made by subsections (a) and (b) of this section. Such amendments are to be effective for any fiscal year only to such extent and in such amounts as are specifically provided for such purpose in appropriation Acts.

Mr. MONDALE. Mr. President, in 1961, the Congress of the United States passed, and President Kennedy signed into law, the Peace Corps Act. As stated in the opening section of the act, the purpose of the legislation was:

> To promote world peace and friendship through a Peace Corps, which shall make available to interested countries and areas men and women of the United States qualified for service abroad and willing to serve, under conditions of hardship if necessary, to help the peoples of such countries and areas in meeting their needs for trained manpower, and to help promote a better understanding of the American people on the part of the peoples served and a better understanding of other peoples on the part of the American people. 22 U.S.C. 2501.

Men and women who become Peace Corps volunteers are not paid a salary. Rather, the act specifies that, during their terms of service to the Corps, they shall only be provided with "such living, travel, and leave allowances, and such housing, transportation, supplies, equipment, subsistence, and clothing as the President may determine to be necessary for their maintenance and to insure their health and their capacity to serve effectively"—22 U.S.C. 2504(b).

Because of the absence of a salary, the Peace Corps volunteer is faced with serious problems when he or she terminates affiliation with the Corps. After 2 years of Peace Corps service, the volunteer returns to the United States faced with the necessity of finding a job, finding a place to live, sometimes returning to school, and readjusting to life in this country. He often has little or no money with which to accomplish his readjustment, because he has not received a salary for a period of 2 years. Thus, the volunteer who is, according to the act's declaration of purpose, returning from "conditions of hardship" in many cases, is forced to face even greater hardships upon his return to the United States.

Recognizing this problem, the Peace Corps Act provides for a "readjustment allowance" for volunteers. Under U.S.C. 2504(c), volunteers are entitled to receive an allowance at the rate of $75 for each month of satisfactory service. Volunteers who have one or more minor children at the time of entering preenrollment training receive an allowance at the rate of $125 per month for one parent. Supervisory personnel, called "volunteer leaders" by the art, are entitled to receive a readjustment allowance of $125 per month—22 U.S.C. 2505(1). The allowances are payable, except under special circumstances, on the return of the volunteer to the United States.

It is this readjustment allowance—totaling only $900 per year for volunteers and only $1,500 per year for one parent of a minor child and volunteer leaders—that the returning volunteer must use to facilitate his return to American society. Not only is the allowance pitifully low, it is also subject to social security taxes, subject to Federal income taxes, subject to State income taxes. Moreover, it does not accrue interest during the time of service. In short, by the time the volunteer uses his allowance to pay life and accident insurance premiums, educational loan payments, organization dues, support for dependents in the United States, and other necessary expenses during his term of service, little if anything is left to ease his readjustment to American life.

The volunteer returns to the United States in need of a job, a place to live, and clothing. Many returning volunteers wish to return to school and must go through the lengthy admissions process. The volunteer does not receive Federal or State unemployment insurance benefits and is not entitled to veterans' benefits. At the same time the volunteer is experiencing a period of economic stress, he is frequently undergoing a "cultural shock" as well. The readjustment allowance—or what is left of it—is of little help.

In 1961, the allowance was set at $75 per month on the basis of Congress assessment of the needs of the volunteer in 1961. Commonsense tells us that the 1961 level, which has never been changed, is insufficient as a 1975 level. Since the passage of the Peace Corps Act, and the establishment of the $75-level readjustment allowance, the Consumer Price Index has risen more than 75 percent. This index serves as a useful guide to the cost of living in this Nation, and it is this index to which we should look to measure he needs of the returning Peace Corps volunteer.

The Peace Corps volunteer serves his country in an honorable way. In addition, the volunteer makes a significant contribution to world peace and understanding. His service is accomplished in what are often primitive and difficult living conditions. Yet the hardships are accepted without complaint by the volunteer. We should not, we must not, subject the returning volunteer to additional hardship. We owe the volunteer better.

Accordingly, I am proud to join with the distinguished Senator from California (Mr. CRANSTON) in introducing legislation to increase the Peace Corps readjustment allowance. The legislation increases the allowance for volunteers to $115 per month; for volunteers with minor children to $190 per month; and for volunteer leaders to $190 per month.

This bill is similar to legislation which I introduced nearly 2 years ago. The need that existed at that time is even greater today.

The bill also makes appropriate upward adjustments in the allowance for VISTA volunteers. These volunteers also perform a necessary and important service. It is fitting that their situation also be reevaluated at this time. Senator CRANSTON has taken that lead with respect to the domestic volunteers, and I am proud to again join him in his efforts.

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Mr. President, I sincerely hope that the Congress will act favorably on this important legislation during the 94th Congress. I congratulate my distinguished colleague from California (Mr. Cranston) on his work in this regard and ask my other colleagues to act favorably on this important legislation.

Mr. CRANSTON subsequently said: Mr. President, I ask unanimous consent that a bill that I introduced earlier today relating to the Peace Corps in action be jointly referred to the Labor Committee and the Committee on Foreign Relations.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 80

At the request of Mr. Mathias, the Senator from Wisconsin (Mr. Nelson) was added as a cosponsor of S. 80, a bill to prevent the estate tax law from operating to encourage or to require the destruction of open lands and historic places, by amending the Internal Revenue Code of 1954 to provide that real property which is farmland, woodland, or open land and forms part of an estate may be valued, for estate tax purposes, at its value as farmland, woodland, or open land—rather than at its fair market value—and to provide that real property which is listed on the National Register of Historic Places may be valued, for estate tax purposes, at its value for its existing use, and to provide for the revocation of such lower valuation and recapture of unpaid taxes with interest in appropriate circumstances.

S. 193

At the request of Mr. Williams, the Senator from Minnesota (Mr. Mondale) was added as a cosponsor of S. 193, the Anti-Dog-Fighting Act.

S. 306

At the request of Mr. Gravel, the Senator from Indiana (Mr. Hartke), the Senator from Iowa (Mr. Clark), and the Senator from Colorado (Mr. Haskell) were added as cosponsors of S. 306, a bill to abolish the airline mutual aid pact.

S. 408

At the request of Mr. Brooke, the Senator from Kansas (Mr. Dole) was added as a cosponsor of S. 408, a bill to repeal exemptions in the antitrust laws relating to fair trade laws.

S. 1216

At the request of Mr. Talmadge, the Senator from Utah (Mr. Garn), the Senator from North Carolina (Mr. Morgan), the Senator from Missouri (Mr. Symington), and the Senator from Nebraska (Mr. Hruska) were added as cosponsors of S. 1216, a bill to amend the Federal Water Pollution Control Act.

S. 1235

At the request of Mr. McClure, the Senator from North Carolina (Mr. Helms) was added as a cosponsor of S. 1235, providing for the abolishment of the Interstate Commerce Commission.

S. 1623

At the request of Mr. Mansfield, the Senator from South Carolina (Mr. Thurmond) was added as a cosponsor of S. 1623, a bill to direct the Secretary of Labor to change the name of the Wholesale Price Index to the Basic Price Index.

S. 1625

At the request of Mr. Packwood, the Senator from Wyoming (Mr. Hansen) and the Senator from Louisiana (Mr. Johnston) were added as cosponsors of S. 1625, a bill to extend and revise the State and Local Fiscal Assistance Act of 1972.

S. 1691

At the request of Mr. Taft, the Senator from New Mexico (Mr. Domenici) was added as a cosponsor of S. 1691, a bill to amend the Internal Revenue Code of 1954 to relieve employers of 50 or less employees from the requirement of paying or depositing certain employment taxes more often than once each quarter.

SENATE RESOLUTION 152

At the request of Mr. Dole, the Senator from Illinois (Mr. Percy) was added as a cosponsor of Senate Resolution 152, a resolution requiring all standing committees of the Senate (other than the Committees on Appropriations and the Budget) to conduct special oversight activities relating to their areas of jurisdiction and to report to the Senate thereon no later than December 31, 1975.

SENATE RESOLUTION 158

At the request of Mr. Packwood, the Senator from Oregon (Mr. Hatfield) was added as a cosponsor of Senate Resolution 158, a resolution to clarify the individual income tax rebates.

SENATE RESOLUTION 161—SUBMISSION OF A RESOLUTION TO REFER A BILL TO THE COURT OF CLAIMS

(Referred to the Committee on the Judiciary.)

Mr. BUCKLEY submitted the following resolution:

S. Res. 161

Resolved, That the bill (S. 1771) entitled "A bill for the relief of Branka Mardessich and Sonia S. Silvani", together with all accompanying papers, is hereby referred to the Chief Commissioner of the Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code, for further proceedings in accordance with applicable law.

SENATE RESOLUTION 162—SUBMISSION OF A RESOLUTION CONCERNING THE SPECIAL SESSION OF THE U.N. GENERAL ASSEMBLY

(Referred to the Committee on Foreign Relations.)

Mr. KENNEDY submitted the following resolution:

S. Res. 162

Resolved,

Whereas, it is increasingly evident that the institutions and practices which evolved after World War II for managing the international economy are no longer adequate to the needs of many nations, including the United States;

Whereas, the Declaration and Program of Action on the New International Economic Order, adopted by the General Assembly of the United Nations in 1974, holds as a fundamental purpose the establishment of the new international economic order based on the principles of equity, sovereign equality, interdependence, common interest and cooperation among all States, irrespective of their economic or social systems;

Whereas, the rapid and sustained economic growth of the past three decades in the Industrialized and Developing World, plus other developments, have placed growing demands on the world's resources, leading towards a global and interdependent economy in which no nation can remain unaffected by events in other parts of the world;

Whereas, the Cocoyoc Declaration affirms that: "In a sense, a new economic order is already struggling to be born. The crisis of the old system can also be the opportunity of the new";

Whereas, the preservation of growth and dynamism in the global economy is dependent on the willingness and ability of all nations to avoid a reckless, divisive, economic conflict pitting the Developed World against the Developing World;

Whereas, the General Assembly of the United Nations has called for a Special Session on Development and International Economic Relations, to be held in September 1975; Therefore, be it *Resolved* that;

It is the Sense of the Senate that:

(1) the Government of the United States should make every effort to present proposals which recognize the magnitude of the changes required in the structure and character of the global economy; and which recognize the need to develop during the next few years a new global economic agreement drawing together economic needs and interests of many countries and;

(2) That to the greatest degree possible, the Secretary of State should consult with the Congress, in preparing proposals for the Seventh Special Session of the United Nations General Assembly on Development; and

(3) That the Secretary of the Senate is directed to transmit copies of this resolution to the President and to the Secretary of State.

Mr. KENNEDY. Mr. President, I am today submitting a resolution, calling on the administration to come forward with positive positions and proposals which recognize the need to develop a new global economic compact, drawing together the economic needs and interests of many countries.

Specifically the resolution also requests the Secretary of State, to consult with the Congress to the greatest degree possible, in the preparation of proposals and positions for the seventh special session of the United Nations General Assembly on Development, in September 1975.

During recent weeks, our Nation has been preoccupied with events in Indochina. Yet now as that conflict ends, we can turn our attention elsewhere. For the first time in living memory we are looking toward a time when the great issues are not primarily those that concern the risks of war between the great powers of the world. Yet even this does not mean peace among nations and peoples: As President Kenneth Kaunde has reminded us:

> The absence of war does not necesarily mean peace. Peace, as you know, dear brothers and sisters, is something much deeper, much deeper than that.

Nor does peace mean only absence of military conflict. It is critical in other realms as well. Today, the attention of the United States is turning increasingly to a set of dangers and difficulties in another area—that of the global economy. In this concern we are joined by virtually all other nations of the world—great and small, rich and poor. For it is clear to all that the structure of the global economy, set forth for most of the world at Bretton Woods and Havana at the end of the Second World War, is no longer adequate to meet the needs that lie ahead.

The rich, industrial nations of the world must find new ways of effectively managing their economic relations with one another. The developing nations—both those with newly won wealth and economic power, and those which have made dramatic, sustained progress in modernizing their economies—must have greater influence in making rules for the world economy. And today's true have-not nations and peoples need greater help and cooperation from all others in the world community.

From the centers of great economic power, to the poorest village in Asia, Africa, or Latin America, there is a crying need to make the global economic system work increasingly for all—in ways that combine efficiency with compassion and equity.

Here in the United States—and elsewhere in the industrial world—we hear the new demands made by nations and peoples of the developing world. We hear voices raised here at the United Nations—and in other international meetings—demanding a fairer distribution of the earth's bounty. And we must respond.

There are some who choose to ignore these concerns; who are offended by loud demands; who prefer that the United Nations place decorum and civility above honest debate and a clear expression of national views; who prefer a counteroffensive in style without meeting the needs of substance.

I do not agree with that view. I believe that the world's developing countries are right in using the United Nations to express their interests and demands. This is consistent with the highest purposes which delegates sought to achieve when they gathered in San Francisco to create a United Nations just three decades ago.

For it is only in the clash of ideas, in full and free debate, that nations assembled in this great institution can begin to understand one another—can begin to work together on shaping their common destiny. This need not be a threat to the UN system; nor a tyranny of the majority—provided we use the UN system as the charter provides, as an instrument "to harmonize the actions of nations" provided that we not only air differences, but also seek agreed solutions in common. For rhetoric, however valuable, is no substitute for hard thought and concrete action.

Most important, the UN gives us a chance—our only chance—for rich and poor to meet together in a common forum. And what happens here no nation can ignore.

As Secretary of State Kissinger said on Tuesday, May 13, 1975:

> The poorer countries can gain a sense of responsibility and participation only from the sense that their concerns are taken seriously.

We in the industrial world can and must listen to what is being said by others. We must not join in a dialog of the deaf; but join with others in finding common means to solve common problems.

Today, we in the West are confronted with the reality of new economic power—and a greater measure of organization to assert that power—in countries once poor and powerless. There is also real and increasing interdependence of nations—in food, fuel, fertilizer, and other raw materials, investment, the environment, and the law of the seas.

We are in this together; and our fortunes together will be largely determined by our wisdom, and foresight at this moment. Even the United States cannot act in ignorance of, or isolation from, the rest of the world.

Can we be wise enough to see that all nations will lose in a reckless, divisive, economic conflict that pits nation against nation—the North against the South? Will we have the foresight to understand that at bottom we are not enemies of one another to understand that in building on opportunities we all can gain, we all can help make this planet a decent and hospitable place to live?

I believe we can turn away from conflict, and face these problems together. I believe we can work towards new global economic compact, drawing together seemingly conflicting economic needs and interests and converting them into mutual advantage.

Rich countries as well as poor stand to gain from these efforts—from new global economic agreement. What together we can achieve in restructuring world economy will also aid the internal economic policies of rich countries, providing greater stability, predictability, and confidence in the future. It can help generate new investments and new jobs. It can help solve the curse of inflation.

Mr. President, for these reasons, I believe the United States should take a constructive approach to the forthcoming seventh special session of the UN General Assembly. It is to this end that I submit this resolution today.

SENATE RESOLUTION 163—SUBMISSION OF A RESOLUTION CALLING ON THE PRESIDENT TO PROMOTE NEGOTIATIONS FOR A TEST BAN TREATY

(Referred to the Committee on Foreign Relations.)

Mr. KENNEDY (for himself, Mr. Mathias, Mr. Philip A. Hart, Mr. Muskie, Mr. Humphrey, Mr. Case, Mr. Cranston, Mr. Abourezk, Mr. Bayh, Mr. Biden, Mr. Brooke, Mr. Church, Mr. Clark, Mr. Gravel, Mr. Hartke, Mr. Haskell, Mr. Hatfield, Mr. Hathaway, Mr. Javits, Mr. Magnuson, Mr. McGee, Mr. McGovern, Mr. Mondale, Mr. Nelson, Mr. Proxmire, Mr. Stevenson, and Mr. Williams) submitted the following resolution:

S. Res. 163

Whereas the United States is committed in the Partial Test Ban Treaty of 1963 and the Nonproliferation of Nuclear Weapons Treaty of 1968 to negotiate a Comprehensive Test Ban Treaty;

Whereas the conclusion of a Comprehensive Test Ban Treaty will reinforce the Nonproliferation of Nuclear Weapons Treaty, and will fulfill our pledge in the Partial Test Ban Treaty;

Whereas there has been significant progress in the detection and identification of underground nuclear tests by seismological and other means; and

Whereas the SALT accords of 1972 placed quantitative limitations on offensive and defensive strategic weapons, and established important precedents for arms control verification procedures;

Whereas early achievement of total nuclear test cessation would have many beneficial consequences: creating a more favorable international arms control climate; imposing further finite limits on the nuclear arms race; releasing resources for domestic needs; protecting our environment from growing testing dangers; making more stable existing arms limitations agreements; and complementing the post-Vladivostok strategic arms limitation talks; and

Whereas a Comprehensive Test Ban would achieve these goals far better than a Threshold Test Ban; Now, therefore, be it

Resolved, That it is the sense of the Senate that the President of the United States (1) should propose an immediate suspension on underground nuclear testing to remain in effect so long as the Soviet Union abstains from underground testing, and (2) should set forth promptly a new proposal to the Government of the Union of Soviet Socialist Republics and other nations for a permanent treaty to ban all nuclear tests.

Mr. KENNEDY. Mr. President, I am pleased to submit once again a Senate resolution for myself, Senators Charles McC. Mathias, Jr., Philip A. Hart, Edmund S. Muskie, Clifford P. Case, Hubert H. Humphrey, Alan Cranston, and more than 15 other Senators to press the administration to seek a permanent ban on underground nuclear testing.

This resolution continues the effort to achieve the long-delayed next step in arms control—a Comprehensive Test Ban Treaty—CTB—a position to which we first committed ourselves in the Partial Test Ban Treaty of 1963, 12 years ago.

In the previous Congress, 36 Senators cosponsored a similar measure, Senate Resolution 67. That resolution also was approved by a 14 to 3 vote of the Senate Foreign Relations Committee.

Secretary of State Kissinger today is meeting with Soviet Foreign Minister Andrei Gromyko in discussions of arms negotiations. At the end of the summer, President Ford is expected to meet with Soviet General Secretary Brezhnev. The Nonproliferation Treaty Review Conference also is underway in Geneva.

We believe that this is the moment for the administration to take a new look at the oldest item on the arms control agenda and to propose, first an immediate mutual suspension on testing; and second, a new proposal for a permanent treaty to ban all nuclear tests.

We believe a CTB is far more in our

interest than the proposed threshhold agreement, an agreement which is set so high—150 kilotons—that it seems to have been drafted by arms developers rather than arms controllers.

These are among the advantages I see in a Comprehensive Test Ban Treaty:

First, a Comprehensive Test Ban Treaty would complement the agreements reached at SALT I, far more than a threshhold limit, by making it more difficult for either superpower to make major qualitative improvements in their nuclear arsenals. If all testing were stopped, at least this would dampen fears on either side that the other would gain a high degree of confidence in some new generation of first-strike weapons.

Second, there is the matter of political will itself. The atmosphere surrounding both détente and the possibilities for arms control would be helped if this important arms control goal could be achieved. I believe that promoting that atmosphere, so hard won, is particularly important at this time, when there is widespread questioning in the United States—and apparently in the Soviet Union, as well—about the real basis for improved Soviet-American relations. In addition to its own merits, therefore, a CTB would demonstrate that the United States and the Soviet Union are both still committed to real limits on arms. In fact, it might hasten a breakthrough at SALT II on revising the interim agreement.

This reasoning may explain the strong support for a CTB which Soviet leaders expressed to me during my trip to Moscow a year ago, support reaffirmed in a public statement by General Secretary Brezhnev last October.

Third, a comprehensive test ban would reinforce the Nonproliferation Treaty, which is now under review. Many non-nuclear nations have branded the NPT as unfair to them. They have given up nuclear weapons, along with whatever political and military benefits these weapons seem to confer, while the superpowers forge ahead in their own arms race.

A CTB would be a major indicator of the good faith of the major powers, if they are determined to prevent the spread of nuclear weapons. Such a demonstration of good faith is particularly important now that India has become the sixth power to explode a nuclear device. Will there be more? In part, the answer to this question will depend on what the superpowers do to show restraint—whether or not India, China, or other countries continue to test.

The continuation of underground testing also weakens the efforts of the United States and Soviet Union to bring France and China into real discussions on arms control. A CTB on its own would not prevent proliferation or lead to broader arms control talks; but it could be a significant step on the way.

Finally, a CTB would permit some savings in the nuclear weapons programs of both superpowers, to be applied to other uses, and end the remaining environmental hazards from underground testing. While such hazards are not the overriding reason for banning all tests, about one-fifth of our tests have vented, sending radioactive particles into the air. In addition, the side effects of massive explosions deep within the Earth's crusts are still not fully known—as concluded by the Pitzer panel, appointed by the President's Office of Science and Technology.

Many of these arguments for a Comprehensive Test Ban Treaty were reflected in talks I had with Soviet leaders in Moscow last April. In these talks, they shifted their position on an important point. They are no longer insisting that France and China join a CTB at the outset. Rather they are prepared to reach agreement with us now, and then seek the support of other nations. To be sure, Soviet leaders told me they want an escape clause, in the event that France and China do not respond. However, such clauses have become standard in most arms control agreements. They protect all parties against unforeseen circumstances. And it is important for us not to allow a CTB to be used as a weapon in the diplomatic conflict between the Soviet Union and China. But Soviet leaders also agreed that a CTB could be an important step forward, symbolizing our shared concern to limit the race in nuclear arms.

There are several questions that have been raised concerning the desirability of a comprehensive nuclear test ban treaty.

First, the question of a need for further testing seems more unreal with each passing day. We now have some 8,000 strategic nuclear weapons and another 22,000 tactical nuclear weapons.

Our strategic forces are fully capable of providing deterrence against any Soviet threat far into the future. We have 1,054 U.S. Minuteman and Titan land-based missiles, 656 Polaris/Poseidon missiles on 41 ballistic missile submarines and some 500 long-range bombers.

Beyond these impressive numbers, our production of strategic nuclear weapons has continued unabated during the past several years, and according to a recent report of the Center for Defense Information, we will ultimately have some 21,000 strategic nuclear weapons.

Our tactical nuclear needs are adequately met as well by the 22,000 weapons spread across the world, in Europe, in Asia, in the United States and aboard our combat ships.

Clearly, if one argues that our nuclear stockpile might be refined and improved by experimenting with and perhaps deploying new warheads, we are talking about fairly minor refinements which pale beside the significance of this major cap on the qualitative side of the arms race.

A second question traditionally raised relates to verification. However, a Comprehensive Test Ban Treaty today can be negotiated with far greater confidence in our ability to detect violators without onsite inspections than our proposed seven onsite inspections would have provided over a decade ago. We have upgraded not only our seismographic capabilities but also our aerial photography through the use of satellites and other advanced intelligence gathering methods.

Also, we have the precedent of the verification procedure established under the ABM Treaty and SALT I on which to base our actions. In addition, the Soviet Union specifically has agreed to cooperate in the area of seismic research and development. Its agreement to a threshold limit already includes substantial advances in verification procedures which would be even more effective in the verification of a CTB.

Finally, the issue of peaceful nuclear explosions is one which is raised as an obstacle to a CTB, just as it has prevented the conclusion of a threshhold agreement. Yet, from previous statements of Soviet leaders, it would seem that the mutual advantage of a permanent treaty to ban all tests could well be sufficient incentive for them to yield on this issue or to agree to a totally international control and conduct of peaceful explosions.

The time for restraining the qualitative arms race is now. The advantages seem clear. The capability exists. What we need now is the political will to achieve a lasting agreement to halt all nuclear testing. This resolution is an effort to express that will. We hope that it is an encouragement to the President and the administration to direct their aim toward achieving a comprehensive Test Ban Treaty as a matter of high national priority.

Mr. President, I ask unanimous consent that an article in the Defense Monitor of the Center for Defense Information be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SOME 22,000 TACTICAL AND 8,000 STRATEGIC: 30,000 U.S. NUCLEAR WEAPONS

The United States has nearly 30,000 nuclear weapons at home, at sea, in Europe, and in Asia. 8,000 of these weapons are considered strategic weapons. 22,000 are considered tactical weapons. The main difference between strategic and tactical nuclear weapons is the difference in range. Tactical nuclear weapons have a shorter range but are sometimes more powerful than strategic weapons.

The 8,000* U.S. strategic nuclear weapons are on (1) the 1,054 U.S. Minuteman and Titan land-based missiles, (2) the 656 Polaris/Poseidon missiles on the 41 U.S. ballistic missile submarines, and (3) the nearly 500 U.S. SAC bombers. The U.S. has been producing strategic nuclear weapons at the rate of three per day for the past four years, and the total promises to grow to about 21,000 U.S. strategic nuclear weapons under the limits set by the November 1974 U.S.-Soviet Vladivostok Agreement.

Less publicized and understood is the fact that nearly 22,000 U.S. *tactical* nuclear weapons are in position worldwide. 7,000 U.S. tactical nuclear weapons are on land in Europe. Approximately 1,700 are located on land in Asia. 2,500 tactical nuclear weapons (as well as 4,500 strategic nuclear weapons) are estimated to be aboard U.S. Navy combat ships. The remainder, approximately 10,800 tactical nuclear weapons, are assigned to U.S. bases and forces in the United States.

U.S. tactical nuclear weapons widely dispersed

Europe	7,000
Atlantic Fleet (U.S. Navy)	1,000
Asia	1,700
Pacific Fleet (U.S. Navy)	1,500
United States	10,800
Total U.S. tactical nuclear weapons	22,000

ABOUT 7,000 TACTICAL NUCLEAR WEAPONS IN EUROPE

In Europe the U.S. and its NATO allies have 2250 aircraft, missile launchers, and nuclear cannons that can deliver 7000 U.S. carry a combined explosive capability equivalent to an estimated 460,000,000 tons of TNT—roughly 35,000 times greater than the nuclear weapon that destroyed Hiroshima in 1945. These U.S. tactical nuclear weapons are in all NATO European states with the exception of Norway, Denmark, Luxembourg, and France. France maintains its own tactical nuclear weapons in France and Germany. U.S. nuclear forces in Europe are most heavily concentrated in West Germany where 207,000 U.S. military personnel are based.

U.S. tactical nuclear weapons in Europe include at least four different kinds of surface-to-surface missiles (Lance, Sergeant, Honest John, and Pershing), two sizes of nuclear artillery shells (155 mm and 203 mm), and over 500 U.S. nuclear capable fighter-bombers. The aircraft can be loaded with air-to-surface missiles or four different sizes of bombs or a combination of missiles and bombs. The largest tactical nuclear missile has over 400 kilotons in explosive power, equivalent to over 30 "Hiroshimas". Forward-based systems such as the Pershing surface-to-surface missile or the nuclear-loaded aircraft are capable of attacking targets inside the Soviet Union from Western Europe.

UNITED STATES HAS 2-TO-1 ADVANTAGE IN EUROPE

The first U.S. tactical nuclear weapons were introduced in Europe in 1954, three years before the Soviet Union. Since that time the U.S. arsenal has grown dramatically and has undergone extensive changes as new U.S. tactical nuclear weapons replaced older ones. Soviet tactical nuclear deployment has been later, slower, and shows little weapon turnover. Soviet weapons in Europe have accumulated without much retirement of earlier weapons. This resembles the pattern of their deployment of strategic nuclear weapons.

Still, there are two U.S. tactical nuclear weapons for each Soviet tactical nuclear weapon in Europe. Altogether U.S. forces in Europe have 7000 tactical nuclear weapons to 3000 to 3500 for Soviet military forces in Europe.

The U.S. armed forces deployed nuclear weapons to Europe in the early 1950's to offset numerical superior Soviet forces in Central Europe. At the time the Eisenhower administration was seeking to check Soviet manpower advantages through a strategic policy which threatened "massive retaliation" and U.S. tactical nuclear weapons in Europe were part of that policy. When the U.S. first placed tactical nuclear weapons in Europe the Soviets had no tactical nuclear weapons. By the late 1950's the U.S. monopoly on tactical nuclear weapons was ended.

ABOUT 1,700 U.S. TACTICAL NUCLEAR WEAPONS IN ASIA

Far less information has been released to the public by the Pentagon about the estimated 1700 tactical nuclear weapons that the U.S. maintains on land in Asia. U.S. tactical nuclear weapons are in Korea and the Philippines as well as at U.S. installations on Guam and Midway. Most of these weapons are for U.S. fighter-bombers, except in the Republic of Korea where Army and Air Force tactical nuclear weapons are based.

THOUSANDS OF U.S. NUCLEAR WEAPONS AT SEA

The U.S. today has approximately 7000 strategic and tactical nuclear weapons at sea. There are 284 ships and submarines in the U.S. Navy that can carry nuclear weapons. In 1965, only 38 percent of U.S. ships could carry nuclear weapons. Today, 56 percent are nuclear capable and the percentage is increasing each year.

The U.S. Navy is capable of delivering up to 12,000 tactical nuclear weapons in bombs, depth charges, torpedoes, and missiles. Many of these are capable of carrying both conventional and nuclear explosives. Center for Defense Information estimates place the number of U.S. tactical nuclear weapons at sea at 2500*. This number of weapons carries an explosive punch equivalent to 150 million tons of TNT, more than 75 times the amount of explosives dropped from 1941 to 1945 on Germany and Japan by U.S. bombers. Over 90 percent of this nuclear destructive power is found in the 1400 tactical nuclear weapons aboard 14 U.S. attack aircraft carriers.

NEARLY 15,000 NUCLEAR WEAPONS IN UNITED STATES

An estimated 14,800 U.S. nuclear weapons are kept in the United States. 4000 strategic nuclear weapons are deployed at U.S. Minuteman and Titan missile sites and at SAC bomber bases. An additional 10,800 U.S. tactical nuclear weapons are estimated to be in the custody of U.S. forces in the U.S. The seven Army divisions on active duty in the U.S. have the full spectrum of tactical nuclear weapons. Stateside Navy and Air Force units also have a full complement of tactical nuclear weapons. Thousands more are stockpiled at U.S. storage facilities.

TACTICAL NUCLEAR WEAPONS IN SEARCH OF A DOCTRINE

According to Secretary of Defense James Schlesinger, the U.S. deploys nuclear weapons to Europe to: (1) deter Soviet use of tactical nuclear weapons and Warsaw Pact attacks, and (2) to provide a nuclear option short of all-out war should deterrence fail and our conventional defenses collapse. As Morton Halperin, former Deputy Assistant Secretary of Defense, recently put it, "The NATO doctrine is that we will fight with conventional forces until we are losing, then we fight with tactical nuclear weapons until we are losing, and then we will blow up the world."

No one yet has been able to devise any reasonable set of scenarios for the use of our Europen-based tactical nuclear weapons. Defense Secretary Schlesinger had admitted to continuing to search unsuccessfully for a doctrine whereby tactical nuclear weapons could be confidentially used without triggering all-out war. That is likely to be a fruitless search. It is a Center conclusion that *there is no rational doctrine for the use of the U.S. land-based tactical nuclear weapons in Europe and Asia.*

Defending allies by destroying them

Something is wrong with a strategy which, if implemented, would destroy the country it is designed to defend. The use of 10 percent of the 7000 U.S. tactical nuclear weapons in Europe would destroy the entire area where such massive nuclear exchanges occurred. War games practiced by NATO troops indicate the tremendous collateral damage that would be inflicted upon cities and people bordering the battle area. A NATO war game named Carte Blanche was run for 48 hours during which 335 tactical nuclear weapon explosions were simulated, 268 on German territory. A very conservative estimate placed Germans killed at between 1.5 and 1.7 million plus an additional 3.5 million wounded. In the six years of World War II 305,000 Germans were killed and 780,000 were wounded. Thus a very limited tactical nuclear war would produce over five times as many German casualties in two days as occurred in the entire Second World War.

A similar NATO war game, Operation Sagebrush, simulated the use of 275 tactical nuclear weapons that ranged in yield from 2 to 40 kilotons. According to the evaluation of the exercise, "the destruction was so great that no such thing as limited nuclear war was possible in such an area." Former Assistant Secretary of Defense Alain Enthoven, in testimony before the Senate Foreign Relations Committee, quoted a Defense Department report on war games conducted in Europe in the 1960's as saying that:

"Even under the most favorable assumptions about restraint and limitations in yields and targets, between 2 and 20 million Europeans would be killed in a limited tactical nuclear war . . . and a high risk of 100 million dead if the war escalated to attacks on cities."

Any nuclear war likely to be total

Once the nuclear threshold has been broken, it is highly likely that the nuclear exchanges would escalate. Radio, radar, and other communications would be disrupted or cut. The pressures to destroy the adversary's nuclear forces before they land a killing blow would lead to preemptive attacks. In the confusion, subtle peacetime distinctions between lower level tactical nuclear war and higher level tactical nuclear war, and all-out spasm nuclear war would vanish. Once the threshold is crossed from conventional warfare to nuclear warfare, the clearest "firebreak" on the path to complete nuclear holocaust will have been crossed.

Small weapons trigger big ones

One risk of developing tactical nuclear weapons, especially those now euphemistically called "mini-nukes", is that they may create the illusion that a limited nuclear war can be fought. Small weapons such as the 155mm nuclear artillery projectiles have already been introduced. The trend is for more of the same. As smaller, "cleaner", and more accurate tactical nuclear weapons are added to the U.S. arsenal, they will add to the dangerous illusion that tactical nuclear weapons can be used with no risk of escalation.

This overlooks two factors. First, the U.S. tactical nuclear arsenal is still loaded with large "Hiroshima-size" weapons. Second, the Soviet Union would respond massively to U.S. nuclear attacks. Even if all larger U.S. tactical nuclear weapons were replaced by new "mini-nukes", using them would trigger the older, bigger, and "dirtier" Soviet weapons with the same consequences for persons living in the area and the same resultant escalation.

The idea of a limited war is an illusion. However, it may encourage policy-makers to be more reckless and make nuclear war, especially during acute crises, more likely.

DEFENSE MONITOR IN BRIEF

The United States has 30,000 nuclear weapons in Europe, Asia, the United States and at sea. Eight thousand of those are strategic nuclear weapons; 22,000 are tactical nuclear weapons.

There are 7,000 nuclear weapons aboard U.S. Navy ships and submarines. 4,500 are strategic weapons on nuclear missile submarines. 2,500 are short-range tactical nuclear weapons; 1,400 of these are aboard U.S. aircraft carriers.

There is no coherent doctrine for using land-based tactical nuclear weapons. Tactical nuclear weapons create an impossible command and control problem and they invite pre-emptive nuclear strikes by an enemy. If tactical nuclear weapons were used in a war abroad the likely result would be the destruction of the country in which they were used.

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*U.S. will have 8,500 strategic weapons by mid-1975.

*This is a conservative estimate. The maximum loading of nuclear weapons would result in a number four times larger than the Center estimate. SUBROC (a rocket propelled nuclear torpedo) is assumed to be loaded one-third nuclear, two-thirds conventional. All other U.S. Navy tactical nuclear weapons are assumed to be one-quarter nuclear loaded and three-quarters conventional.

The very presence of tactical nuclear weapons abroad creates a dangerous situation for the United States. The likelihood is great that an exchange of tactical nuclear weapons would escalate into a full-scale nuclear war.

The dispersion of so many tactical nuclear weapons around the world greatly increases the danger of theft, terrorism, and accidents.

Most land-based U.S. tactical nuclear weapons in Europe should be removed. All land-based tactical nuclear weapons in Asia should be removed. All nuclear bombs and nuclear air-to-surface weapons aboard U.S. aircraft carriers should be removed. The safety and security of U.S. citizens would be enhanced by such a move.

The excessive secrecy surrounding tactical nuclear weapons hinders oversight by Congress and is unnecessary to preserve U.S. security. A national debate on U.S. tactical nuclear weapons is in the public interest.

AWESOME TACTICAL NUCLEAR ARSENAL IN EUROPE

Senator Stuart Symington, March 7, 1974: "The significance of our nuclear weapons stockpile in Europe, only in Europe, becomes all too apparent when one realizes that the destructive force, in TNT equivalent, of the nuclear weapons we have currently stockpiled alone is more than 20 times that of the combined total force of all the air ordnance expended in World War II, the Korean war and the war in Vietnam."

AMENDMENTS SUBMITTED FOR PRINTING

FOOD STAMP ACT AMENDMENTS—S. 1662

AMENDMENT NO. 485

(Ordered to be printed and to lie on the table.)

Mr. TAFT. Mr. President, today I am submitting an amendment in the nature of a substitute to S. 1662, a bill to extend for 12 months the present rules governing food stamp eligibility for SSI recipients.

If Congress passes this legislation, it will be the second consecutive 12-month extension of the status quo. Instead of leaving the resolution of SSI recipients' food stamp eligibility in doubt once again and allowing additional families access to the food stamp roles even though Congress may decide to remove then in several months, I believe it would be preferable to arrive at a permanent solution as promptly as possible.

I think virtually everyone agrees that permanent legislation to resolve this problem is necessary. If the "temporary" period in which the status quo is effective were ever allowed to expire, the onerous provisions of Public Law 93–86 would become effective. By mandating that only those whose December 1973, combined welfare and bonus value of food stamp levels exceed their present SSI benefit level would remain eligible for food stamps, these provisions would cut off SSI recipients' food stamps in a manner not necessarily based on income, create an administrative monstrosity in the food stamp program because of the recipient-by-recipient calculations required, and possibly eliminate food stamps for many SSI recipients whenever SSI benefits increase, even if these benefit increases are designed solely to keep pace with the cost of living.

The permanent solution I am suggesting was included in S. 1514, the supplemental Security Income Amendments of 1975, which I introduced with 10 cosponsors on April 24. It was included in similar comprehensive legislation to amend the supplemental security income program which I introduced last August, and is similar to a proposal I introduced at the time the last 12-month extension was being debated. It would extend the status quo until next October 1 to alleviate possible administrative problems, provide that after that time the eligibility for food stamps of households containing SSI recipients would be determined on the same income basis as other households' eligibility is determined, and prevent households who are receiving food stamps at the time of enactment, solely because one of its members is an SSI recipient, from losing those food stamps as long as the recipient remains on SSI.

The only logical reason for keeping this situation up in the air for another 12 months, other than that Congress simply has not had the time to resolve it thus far, is that the administration is due to release a study of the food stamp program on June 30. However, although the study may contain many other suggested improvements and reforms with regard to the food stamp program, I think everyone is aware what the recommendation will be with regard to SSI recipients' food stamp eligibility. The administration's position has been for the past year, and my staff has been told informally that it is likely to continue to be, that thousands containing SSI recipients should be treated the same as any other households for food stamp eligibility purposes.

I agree that this is the direction in which we should move, although it must be pointed out that households containing AFDC recipients would still be treated differently for food stamp eligibility purposes than other households unless the rules applicable to that program were changed as well. My proposal for SSI recipients differs from the administration's recommendation only in that it would protect households who have been depending on food stamps in the past from losing them under the new rules. Although no precise estimates are available, it appears that this provision would keep more than one-fourth of the households containing SSI recipients and now receiving food stamps from losing those food stamps under the scheduled new law and thousands from losing them under the administration proposal, a loss which these households generally can ill-afford. This provision would not impose a new cost in the food stamp program relative to the administration's proposal, although it does sacrifice a small amount of expected savings from the administration's proposal.

I want to bring this proposal to the attention of the Agriculture Committee and the public, particularly since the bill which contains it is before the Finance Commttee and not the Agriculture Committee. I also want to take the occasion to urge that a permanent solution to this problem be worked out promptly, so that the citizens affected around the Nation will know where they stand.

I ask unanimous consent that the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 485

Strike out all after the enacting clause and insert in lieu thereof the following:

That (a) Section 8(a)(1) of Public Law 93–233 is amended by striking out "18-month period", where it appears in the matter preceding the colon and in the new sentence added by such section, and inserting in lieu thereof in each instance "21-month period".

(b) Subsections (a)(2), (b)(1), (b)(2), (b)(3), and (e) of section 8 of such public law are each amended by striking out "18-month period" and inserting in lieu thereof "21-month period".

SEC. 2. Section 5 of the Food Stamp Act is amended by adding the following new subsection:

"(e) On and after October 1, 1975, the eligibility for participation in the food stamp program of any household which contains a member with respect to whom supplemental security income benefits are being paid under title XVI of the Social Security Act shall be determined on the basis of the uniform national eligibility standards for non-public assistance households established by the Secretary pursuant to this section.".

SEC. 3. Notwithstanding any other provision of law, if, for the month in which the amendments made by sections 1 and 2 are enacted, any household has been certified as eligible (solely because a member of such household is an individual with respect to whom supplemental security income benefits are being paid under title XVI of the Social Security Act) to receive food stamps under the Food Stamp Act of 1964, such household shall continue to be eligible for food stamps under the Food Stamp Act of 1964 for each month thereafter in a continuous period of months for which there is being paid to such member such supplemental security income benefits.

AUTHORIZATION OF APPROPRIATIONS FOR THE ADMINISTRATION OF FOREIGN AFFAIRS—S. 1517

AMENDMENT NO. 488

(Ordered to be printed and referred to the Committee on Foreign Relations.)

U.S. CONSULATE IN GOTHENBURG, SWEDEN

Mr. HUMPHREY. Mr. President, on behalf of myself and Senators MAGNUSON, MCGEE, JAVITS, and KENNEDY.

I submit an amendment to S. 1517, a bill to authorize appropriations for the Administration of Foreign Affairs, International Organizations, Conferences and Commissions, Information and Cultural Exchange, and for other purposes.

The purpose of this amendment is to authorize the reopening of the U.S. consulate in Gothenburg, Sweden.

The American consulate in Gothenburg was closed for economic reasons in 1970. The consulate in this important port city never has been reopened, despite repeated requests to the State Department that it should take such action.

Hopefully, the legislation I am submitting today will bring about a change in administration policy.

When the Gothenburg consulate was closed 5 years ago, American relations with Sweden were at a low point. Fortunately, since that time, Swedish-American relations have improved. There is now an American Ambassador in Stockholm and a Swedish Ambassador here in Washington. Our bilateral relations with Sweden have been normalized.

However, I believe Swedish-American relations should be more than "normal." They should be warm, friendly relations, which mirror the great human link between the United States and Sweden.

I believe it would be appropriate for the United States to reopen its consulate in Gothenburg in time for the celebration of the American Bicentennial. Until 1970, the Gothenburg consulate claimed the record of being the first and oldest American consulate in Western Europe, having established ties with a struggling and fledgling United States of America in 1797. Moreover, it served as the port of departure for hundreds of thousands of Swedes coming to the "New Land."

But historical and cultural imperatives for the reopening of the consulate cannot be the only justification for the expenditure of tax dollars in the State Department's budget. I believe a strong case can be made that it is in the economic and political interests of the United States to have a consulate located in the largest, centrally located, ice-free port in Scandinavia. Gothenburg is by any standard in the "big league" of world shipping and trade in which numerous American companies are trying to participate. Many of the large Swedish industries, such as Volvo, SKF, ESAB and Hasselblad, as well as the large shipyards of Eriksberg and Gotaverken are located in Gothenburg.

I want to point out that many American corporations are now making use of Gothenburg's various commercial and trading facilities. But, unlike 45 other countries, the United States has no Consul General on hand to assist Americans with their many problems related to trade and commerce.

For these and several other reasons, I am introducing this amendment which will cost very little in time and effort but will return goodwill and friendship far beyond any economic cost for both Americans and Swedes. And it will, in a major and significant fashion, reestablish an historical link which has been present in Swedish-American relations since the days of the founding of our Republic.

The reopening of the Gothenburg Consulate is a symbolic act that will mean that the United States remembers and treasures its oldest friends. For second and third generation Americans of Swedish descent, it will serve to reemphasize ties with a city and a country that their forefathers left to seek the promise of a new land. And it will mean in very practical terms that Swedish-American economic relations will be markedly improved.

Mr. President, it is my hope that this amendment will receive the support of the administration and that upon its passage the President will reopen this important Consulate.

I ask unanimous consent that the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 486

On page 3, between lines 6 and 7, add the following new section:

REOPENING OF UNITED STATES CONSULATE AT GOTHENBURG, SWEDEN

SEC. 102. (a) It is the sense of the Congress that the United States Consulate at Gothenburg, Sweden should be reopened as soon as possible after the date of enactment of this Act.

(b)(1) There are authorized to be appropriated for the Department of State for fiscal year 1976, in addition to amounts authorized under section 101 of this Act, such sums as may be necessary for the operation of such Consulate.

(2) Amounts appropriated under this subsection are authorized to remain available until expended.

DESERT PUPFISH NATIONAL MONUMENT—S. 70

AMENDMENT NO. 487

(Ordered to be printed and referred to the Committee on Interior and Insular Affairs.)

Mr. CRANSTON. Mr. President, on January 15 I introduced S. 70, to authorize the establishment of the Desert Pupfish National Monument in the States of California and Nevada.

Today—joined again by my colleague Senator JOHN V. TUNNEY—I introduce an amendment to S. 70 in the nature of a substitute. The revised bill, which renames the Devil's Hole portion of Death Valley National Monument as the Desert Pupfish National Monument, is designed to conform to the December 1974, decision of the Ninth Circuit Court of Appeals which upheld a district court limitation on the pumping of water in Ash Meadows area where the pupfish reside.

Mr. President, I ask unanimous consent that the amendment be printed at this point in the RECORD, followed by the Ninth Circuit Court of Appeals opinion, which offers both an important interpretation of Federal water doctrine as well as a pertinent history of pupfish litigation.

There being no objection, the amendment and opinion were ordered to be printed in the RECORD, as follows:

AMENDMENT No. 487

Strike out all after the enacting clause and insert in lieu thereof the following:

That, in order to preserve and protect several species of desert pupfish, and to interpret their evolution in areas of their natural environment, for the benefit and education of the people of the United States, the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized to rename the Devil's Hole portion of Death Valley National Monument, which was added to the Death Valley National Monument by Proclamation numbered 2961 of January 17, 1952 (66 Stat. e18), the Desert Pupfish National Monument, (hereinafter referred to as the "national monument") and the Secretary is also authorized to expand the boundaries of the national monument in the States of Nevada and California to those depicted on the drawing entitled "Desert Pupfish National Monument," numbered NM–DP–91,000, and dated January 1971, which shall be on file and available for public inspection in the offices of the National Park Service, Department of the Interior.

SEC. 2. Within the boundary of the national monument, the Secretary may acquire lands, waters, and interest therein by donation, purchase with donated or appropriated funds, or exchange. Lands, waters, and interests therein owned by the States of California or Nevada, or any political subdivision thereof, may be acquired only with the consent of such owner. Until the Secretary determines that lands, waters, and interests therein have been acquired sufficient to constitute an efficiently administrable unit for the purposes of this Act, the Secretary shall administer the lands, waters, and interests therein within the boundary of the national monument as part of the Death Valley National Monument and in accordance with the provisions of this Act and the Act of August 25, 1916 (39 Stat. 535), as amended and supplemented (16 U.S.C. 1 et seq.).

SEC. 3. Any funds available for the Devil's Hole portion of Death Valley National Monument on the date of such establishment shall be available for the purposes of the national monument established pursuant to this Act.

SEC. 4. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

[U.S. Court of Appeals for the Ninth Circuit, No. 74–1690]

UNITED STATES OF AMERICA, PLAINTIFF-APPELLEE, AGAINST FRANCIS LEO CAPPAERT, MARILYN I. CAPPAERT, B. L. BARNETT, INDIVIDUALS, AND SPRING MEADOWS RANCH, DEFENDANTS-APPELLANTS.

State of Nevada, ex rel. Roland D. Westergard, State Engineer, Interventor.

[U.S. Court of Appeals for the Ninth Circuit, No. 74–2168, Opinion]

UNITED STATES OF AMERICA, PLAINTIFF-APPELLEE, AGAINST FRANCIS LEO CAPPAERT, MARILYN I. CAPPAERT, B. L. BARNETT, INDIVIDUALS, AND SPRING MEADOWS RANCH, DEFENDANTS.

State of Nevada, ex rel. Roland D. Westergard, State Engineer, Intervenor-Appellant.

Appeal from the United States District Court for the District of Nevada.

Before: Carter and Choy, Circuit Judges, and Solomon,* District Judge

Solomon, Judge:

Pupfish (cyprindon diabolis) live in Devil's Hole, in the Death Valley National Monument in Nevada. They are a unique and endangered species. In an action filed by the United States (Government) to protect these fish, the district court limited the amount of water which the owners of a nearby cattle ranch may pump. The Cappaerts, owners of the ranch, and the State of Nevada, which intervened on the side of the Cappaerts, appeal.

The Cappaerts' ranch consists of 12,000 acres, of which 4,000 acres are in cultivation. The ranch, which represents an investment of more than 7 million dollars, has an annual payroll of more than $340,000 and employs more than 80 people. Between 1700 and 1800 head of cattle are fed on the ranch.

The Cappaerts drilled wells and pump groundwater[1] on their land for irrigation. Devil's Hole, a part of the Death Valley National Monument, is located within three miles of several wells on the ranch. Devil's Hole consists of a 40-acre tract in which there is a deep limestone cavern. At the bot-

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Footnotes at end of article.

tom of this cavern there is a pool about 65 feet long, 10 feet wide, and more than 200 feet deep. There are steep rock walls on three sides of the pool, but on the fourth side there is a sloping rock shelf on which algae grows. This pool is part of the 4,500 square mile groundwater system from which the Cappaerts pump their water.

The Devil's Hole pupfish live in this pool. These pupfish evolved after the Death Valley Lake System dried up, isolating this species of fish from its ancestral stock. The pupfish population varies from 200 in the winter to 800 after spawning in the spring and depends for its survival on the sloping rock shelf which provides food and a spawning ground. The Devil's Hole pupfish are less than one inch long and do not exist anywhere else in the world. They have been designated an endangered species under the Endangered Species Act of 1973, 16 U.S.C. § 1533 (1974), 50 C.F.R. § 17.

The water level in the pool is measured from a copper washer which the U.S. Geological Survey placed on the shelf in 1962. Between 1962 and 1968 the average water level was 1.2 feet below the marker. In 1968, after the Cappaerts began to pump, the summer water level[2] steadily decreased; in 1970 to 3.17 feet below the marker; in 1971 to 3.48 feet and in 1972 to 3.9 feet. At these water levels large areas of the critical rock shelf are exposed. At 3.6 feet below the marker, 42 per cent of the shelf is exposed, and at 3.7 feet the exposure increases to 55 per cent. The shelf exposure decreases the algae production and limits the spawning area which in turn reduces the Devil's Hole pupfish's chance to survive.

On June 5, 1973, following a number of hearings, the court granted the Government's motion for a preliminary injunction. This injunction required that pumping on the Cappaert's ranch be limited so that the mean water level of 3.0 feet below the copper washer be attained within 90 days. The court also appointed a special master to control the pumping of other wells in order to reach and maintain this water level.

Among the extensive findings entered by the District Court were the following:

"9. Through the Presidential Proclamation of January 17, 1952, and its publication in the Federal Register on January 23, 1952 (17 Fed. Reg. 691), the unappropriated waters in, on, under and appurtenant to Devil's Hole were withdrawn from private appropriation as against the United States and reserved to the extent necessary for the requirements and purposes of the said reservation."

"The purposes of the reservation of Devil's Hole as part of Death Valley National Monument includes the preservation of the pool of water and the preservation of the Devil's Hole pupfish (Cyprinodon diabolis) which live therein."

"14. The natural rock shelf and rubble thereon on which the Devil's Hole pupfish depend for feeding, reproduction and, hence, their survival, is nearly 100% covered with water when there is a mean water level of 3.0 feet below the copper washer."

"16. The defendants' pumping of groundwater from wells known as Nos. 1, 2, 3, 4, 5 and 6, and 16 and 17, has drawn water from the springs and underground sources which comprise the supply for Devil's Hole. Because the defendants' wells and Devil's Hole are hydraulically connected, defendants' pumping has caused the water level in Devil's Hole to drop."

"24. In order to maintain a viable continuous population of Devil's Hole pupfish, the water level in Devil's Hole must be maintained above the natural rock shelf and the rubble thereon, which is a minimum of not less than 3.0 feet below the copper washer."

Footnotes at end of article.

"25. If the water level at Devil's Hole drops below 3.0 feet below the copper washer, the survival of the Devil's Hole pupfish will be threatened, that is, the time of their becoming extinct in the natural evolutionary order will be accelerated."

Both the Cappaerts and the State of Nevada appealed. The Cappaerts also filed motions to modify, pending appeal, the preliminary injunction to permit them to pump down to 3.7 feet below the copper washer. Pending appeal, this Court permitted the Cappaerts to pump so long as the water level did not go lower than 3.3 feet below the copper washer.

On January 17, 1953, President Truman, by Presidential Proclamation 2961, withdrew Devil's Hole from the public domain and made it part of the Death Valley National Monument. U.S. Code Cong. & Adm. News, 82d Cong., 2d Sess., Vol. 1 at 964 (1952); 17 Fed Reg. 691. The Proclamation was issued under the Act for the Preservation of American Antiquities, 16 U.S.C. § 431 (1974), which authorizes the President to declare ". . . objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments . . . ."

The Government contends that the Proclamation, with its express reservation of the Devil's Hole pool and the surrounding land from the public domain, contains an *implied* reservation of enough groundwater to assure preservation of the pupfish in that pool.

The implied reservation of water doctrine originated in *Winters* v. *United States*, 207 U.S. 564 (1908).[3] The Court in *Winters* held that private landowners could not impair Indian rights in a river which formed one boundary of a reservation, even though the Congressional grant of the land to the Indians had not mentioned water rights. The land reserved for the Indians was arid. The Court held that a grant of water rights must be implied because Congress intended by the grant of land to encourage the Indians to become farmers.

In *Arizona* v. *California*, 373 U.S. 546, 601 (1963), the Supreme Court extended the reservation doctrine of *Winters* to include waters reserved for federal lands which had been set aside for recreation, wildlife, or forests. This was reaffirmed and extended in *United States* v. *District Court for Eagle County*, 401 U.S. 520, 522-23 (1971). There the Court held that the Federal Government's authority "to reserve waters for the use and benefit of federally reserved lands . . . extended to 'any federal enclave.'"

The Cappaerts contend, however, that the doctrine of implied reservation of water does not apply to groundwater, but only to surface water. Although these Supreme Court cases involved only surface water rights, the reservation of water doctrine is not so limited.

Two cases in the Ninth Circuit approved the application of the reservation of groundwater when it clearly appeared that water was needed to accomplish the purpose of the reservation. *Nevada ex rel. Shamberger* v. *United States*, 165 F.Supp. 600 (D. Nev. 1958), *aff'd on other grounds*, 279 F.2d 699 (9th Cir. 1960); *Tweedy* v. *Texas* Co., 286 F.Supp. 383 (D. Mont. 1968).

In our view the United States may reserve not only surface water, but also underground water.[4]

The Cappaerts assert that the 1952 Presidential Proclamation was intended to preserve only the Devil's Hole pool with its unique limestone formation and not to protect the pupfish, and that therefore there was no implied reservation of groundwater. We reject that argument.

The Proclamation added the Devil's Hole pool to the Death Valley National Monument after reciting:

"WHEREAS the geologic evidence that this subterranean pool is an integral part of the hydrographic history of the Death Valley region is further confirmed by the presence in this pool of a peculiar race of desert fish, and zoologists have demonstrated that this race of fish, which is found nowhere else in the world, evolved only after the gradual drying up of the Death Valley Lake System isolated this fish population from the original ancestral stock that in Pleistocene times was common to the entire region; and

"WHEREAS the said pool is of such outstanding scientific importance that it should be given special protection. . . ."

The fundamental purpose of the reservation of the Devil's Hole pool was to assure that the pool would not suffer changes from its condition at the time the Proclamation was issued in 1952; that condition included the pool's unique inhabitants, the pupfish. The Proclamation referred to the significant contribution of the pupfish to the scientific importance of the Devil's Hole pool; it implicitly reserved enough groundwater to assure preservation of the pupfish. This conclusion is reinforced by the National Park Service Act, 16 U.S.C. § 1 (1974), which states that "the fundamental purpose" of all national parks and monuments is ". . . to conserve the scenery . . . and the wild life therein . . . by such means as will leave them unimpaired for the enjoyment of future generations."

The Cappaerts contend that under Nevada law they have ownership rights to the underground water which can only be taken from them by eminent domain. They assert that the 1952 Presidential Proclamation attempted to reserve underground water which belonged to their predecessor in interest.

In 1890 and 1892, the State of Nevada by selection acquired fee simple title from the United States Government to the land now owned by the Cappaerts. The Desert Land Act of 1877, 43 U.S.C. § 321 (1964), as construed in *California-Oregon Power Co.* v. *Beaver Portland Cement* Co., 295 U.S. 142, 162 (1935), provides that a transfer of federal land out of the public domain after the date of the Act would not pass title to any unappropriated apurtenant water; water rights would be determined under the law of the state in which the land was located. Because water rights were severed from title in 1877, Nevada got no water rights in 1890 and 1892 when it acquired title to the Cappaerts' land. Therefore, the Cappaerts, as successors in interest, possess no water rights unless they or a predecessor acquired such rights under Nevada law.

The Cappaerts argue that Nevada has adopted the old common law doctrine, established in *Action* v. *Blundell*, 12 M. & W. 324 (Exch. Chamber 1843), that a landowner has unlimited dominion over all waters beneath his property. This doctrine, the Cappaerts contend, establishes their water rights as a matter of Nevada law.

The Supreme Court of Nevada in *Jones* v. *Adams*, 19 Nev. 78, 6 P. 442 (1885), repealed that common law doctrine. The court adopted and applied the theory of prior appropriation[5] as the basis for determining water rights. The doctrine of prior appropriation was reaffirmed in *Reno Smelting, Milling & Reduction Works* v. *C. C. Stevenson*, 20 Nev. 269, 282, 21 P. 317 (1889).

In 1913[6] and 1939,[7] Nevade enacted statutes providing that, subject to existing rights, all waters in Nevada belong to the public and may be appropriated as provided by statute, and not otherwise. Because no one had previously appropriated water rights through beneficial use, there were no "existing rights" to water on the Cappaerts' land in 1939. Thereafter, water rights could only be acquired, as the statutes provided, by obtaining a permit from the state. N.R.S. 533.325.

The constitutionality of the basic principles of the Nevada Water Code was upheld

in *Humboldt Lovelock Irrigation Light & Power Co.* v. *Smith*, 25 F.Supp. 571 (D. Nev. 1938). Such statutes which abolished common law water rights when the landowner had not made actual beneficial use of the water were held to be a valid exercise of the police power. *California-Oregon Power Co.* v. *Beaver Portland Cement* Co., 73 F.2d 556 (9th Cir. 1934), *aff'd on other grounds*, 295 U.S. 142 (1935).

Here neither the Cappaerts nor their predecessors made actual beneficial use of water until 1968. Even if they had some common law claim, they had not established a vested property right in the water based on prior appropriations before Nevada declared that groundwater belonged to the public.

Finally, the Cappaerts contend the Government is estopped from enjoining them from the unrestricted use of their wells located more than one mile from Devil's Hole. In 1969, the Cappaerts received land within one mile of Devil's Hole under a patent granting them "all rights, privileges, immunities and appurtenances . . . subject to any vested and accrued water rights for mining, agriculture, manufacturing or other purposes . . ." The Cappaerts have drilled wells and pumped water on this land.

The Cappaerts admit they had no oral understanding with the Government agents about the water pumping, and they further admit that these agents made no oral representation. The Cappaerts argue, however, that the Government knew at the time of the land exchange that water wells would be drilled, but that the Government specified only that no wells should be drilled within one mile of Devil's Hole. The Cappaerts say that they spent large sums of money in drilling the wells and in changing their farming operations, relying on their justifiable belief that they could drill wells and pump water without limitation.

This contention lacks merit. Estoppel cannot be invoked against the Government under the facts of this case. The statement of Mr. Justice Black in *United States* v. *California*, 332 U.S. 19, 40 (1947), is particularly appropriate here.

"The Government, which holds its interests here as elsewhere in trust for all the people, is not to be deprived of those interests by the ordinary court rules designed particularly for private disputes over individually owned pieces of property; and officers who have no authority at all to dispose of Government property cannot by their conduct cause the Government to lose its valuable rights by their acquiescence, laches, or failure to act."

The rule that estoppel may not be invoked against the Government in cases involving public lands is set out in the excellent opinion of Judge Barnes in *Beaver* v. *United States*, 350 F.2d 4 (9th Cir. 1965).

Even if the doctrine of estoppel were available against the Government, it could not be applied here because there were no misleading statements or conduct that would give rise to an estoppel between private parties. Here the Government is not asking the Cappaerts to stop pumping but only to limit pumping to the level at which the pupfish can survive.

The State of Nevada, as intervenor, has asserted additional grounds for reversal.

Nevada contends that the federal government is bound by state water laws, and that the rights which the Government asserts here were not acquired in conformity with state law. Under the Nevada law in effect in 1952, water rights could only be perfected by the issuance of a permit by the State Engineer.

The Government asserts that its rights were established by the implied reservation in the Presidential Proclamation of 1952 and that the United States is not bound by state water laws when it reserves land from the public domain. We agree.

The Desert Land Act of 1877, *supra*, severed soil and water rights on "public lands" and provided that such water rights were to be acquired in the manner provided by the law of the state of location. *California-Oregon Power* Co. v. *Beaver Cement Co.*, *supra* at 162. But state water laws do not apply to "reservations"—lands withdrawn from the public domain. *Federal Power Commission* v. *Oregon*, 349 U.S. 435, 444, 448 (1955).

We hold that the Proclamation of 1952, which withdrew the Devil's Hole pool from the public domain, implicitly reserved the waters necessary to sustain the pupfish and legally established the Government's rights as against any future appropriation.

Nevada next contends that the District Court did not have jurisdiction to adjudicate the water rights in this case. Nevada argues that the Government must exhaust state procedures for determining water rights before going to a federal court. There is no merit in this contention.

Nevada relies on the so-called McCarran Amendment, 43 U.S.C. § 666 (1964).[8] That statute waives the sovereign immunity of the United States in certain cases involving adjudication of water rights. The waiver enables states to adjudicate competing claims for water rights in certain cases in which the United States is one of the claimants.

The McCarran Amendment was enacted to waive sovereign immunity when the United States is a defendant in a state or federal action so that water rights may be fairly and fully adjudicated. Congress did not intend to limit the forums available to the United States as a plaintiff by narrowing federal court jurisdiction. In *United States* v. *Nevada et al.*, 412 U.S. 534, 538 (1973), the Supreme Court noted that the District Court had jurisdiction to hear a case brought by the United States involving competing claims to water rights.

Nevada also contends that even if the District Court had concurrent jurisdiction with the state courts, the doctrine of res judicata bars the Government from collaterally attacking the decision of a state administrative body—here the State Engineer.

In April, 1970, the Cappaerts applied to the State Engineer for permits to use groundwater from several wells.[9] The United States was not a party to these proceedings, nor was it ever served with process. Nevertheless, employees of the National Park Service learned of the applications through a public notice. A field solicitor for the National Park Service protested the applications because extracting groundwater would lower the water level in the Devil's Hole pool and might endanger the pupfish.

At the hearing held before the State Engineer in December, 1970, the solicitor explained the geological and hydrological bases for the Government's concern. He asked that the Cappaerts' applications be denied or postponed pending further scientific studies. The solicitor did not raise the jurisdictional issue or any of the legal issues which the United States had the right to assert.

In August, 1971, the Government filed this action in District Court to enjoin the Cappaerts from infringing on the Government's water rights at Devil's Hole. Nevada contends that the State Engineer's decision is res judicata and this action is therefore barred. We disagree.

The State Engineer did not have the authority to adjudicate the water rights of the United States because the United States did not waive its sovereign immunity.

Nevada's reliance here on the McCarran Amendment[10] is misplaced. The McCarran Amendment was enacted to waive the sovereign immunity of the United States in cases in which the presence of the United States as a party was necessary to the full and fair adjudication of competing claims to water rights. The Supreme Court in *Dugan* v. *Rank*, 372 U.S. 609, 618 (1963), interpreted that statute to waive sovereign immunity only in ". . . a case involving a *general* adjudication of 'all the rights of various owners on a given stream,' . . ." *See State of California* v. *Rank*, 293 F. 2d 340, 346 (9th Cir. 1961). The Senate Report on the bill which became the McCarran Amendment shows the type of adjudication which was contemplated by Congress. The Report contained the following excerpt from *Pacific Live Stock* Co. v. *Lewis*, U.S. 440, 447 (1916):

". . . . All claimants are required to appear and prove their claims; no one can refuse without forfeiting his claim, and all have the same relation to the proceeding. It is intended to be universal and to result in a complete ascertainment of all existing rights. . . ." S. Rep. No. 755, 82d Cong., 1st Sess. 5 (1951).

The proceeding before the State Engineer of Nevada was not a "general adjudication". The United States was not required to appear and prove its water rights to prevent forfeiture of its claims; the water rights of the United States were not in issue. The United States appeared only to explain the factual basis on which it opposed the Cappaerts' applications.

Furthermore, the McCarran Amendment waives sovereign immunity only in cases in which the United States is a defendant and has been served with process. The United States was neither a defendant nor served with process in the proceedings before the State Engineer.

Even if the United States had waived its sovereign immunity, we are not bound to give res judicata effect to the decision of an administrative body in a case of this kind. As the court said in *Grose* v. *Cohen*, 406 F.2d 823, 824 (4th Cir. 1969):

"*Res judicata* of administrative decisions is not encrusted with the rigid finality that characterizes the precept in judicial proceedings. . . . Application of the doctrine often serves a useful purpose in preventing relitigation of issues administratively determined, . . . but practical reasons may exist for refusing to apply it, e.g., United States v. Stone & Downer Co., 274 U.S. 225 (1927). And in any event, when traditional concepts of *res judicata* do not work well, they should be relaxed or qualified to prevent injustice. 2 Davis, Administrative Law, § 18.03 (1958)."

Although the State Engineer may have expertise in the administration of Nevada's water laws, there is no evidence that he is qualified to consider or decide the complex issues of federal law involved in this case. The State Engineer's decision is not entitled to res judicata effect in this action.

We affirm the decision of the District Court. The District Court held the water level should be maintained at 3.0 feet below the copper washer in order to preserve the pupfish in the Devil's Hole pool. Pending this appeal, we permitted the Cappaerts to pump as long as the water level did not go below 3.3 feet. We remand this case to the District Court to determine whether, on the facts developed during the pendency of this appeal, the lower water level may be adequate to preserve the pupfish.

We direct the District Court to retain continuing jurisdiction so that it may promptly act if a change in water level is required to preserve and protect the pupfish in the Devil's Hole pool.

Affirmed and remanded.

FOOTNOTES

*The Honorable Gus J. Solomon, Senior United States District Judge for the District of Oregon, sitting by designation.

[1] In this opinion "groundwater" will be used synonymously with "underground water".

[2] The Cappaerts pump water only from March to October. During the rest of the year the water level is higher.

[3] It was established before *Winters* that the Federal Government has the power to reserve waters which are needed for federal lands and to exempt those waters from appropriation under states laws. *United States* v. *The Rio Grande Dam & Irrigation Co.*, 174 U.S. 690, 703, 706 (1899); *United States* v. *Winans*, 198 U.S. 371, 383 (1905). In those cases, however, the Government had expressly dealt with water rights.

[4] It is interesting that Nevada administers its water laws so as to provide that rights to groundwater can be perfected just as readily as rights to surface water.

[5] Under the doctrine of prior appropriation, the first person to possess by beneficial use water for domestic purposes, mining, agriculture, or manufacturing has vested and accrued rights to the water as against any later appropriators. The central principle of the doctrine is beneficial use of water, not land ownership. *Atchison* v. *Peterson*, 87 U.S. 507 (1874); Powell, Real Property, Vol. 5, ¶ 734, page 442.

[6] N.R.S. 533.030. Appropriation for beneficial use.

"1. Subject to existing rights, all such water may be appropriated for beneficial use as provided in this chapter and not otherwise."

[7] N.R.S. 534.020.

"All underground waters within the boundaries of the state belong to the public, and, subject to all existing rights to the use thereof, are subject to appropriation for beneficial use only under the laws of this state relating to the appropriation and use of water and not otherwise."

[8] "Suits for adjudication of water rights—Joinder of United States as defendant; costs

(a) Consent is given to join the United States as a defendant in any suit (1) for the adjudication of rights to the use of water of a river system or other source, or (2) for the administration of such rights, where it appears that the United States is the owner of or is in the process of acquiring water rights by appropriation under State law, by purchase, by exchange, or otherwise, and the United States is a necessary party to such suit. The United States, when a party to any such suit, shall (1) be deemed to have waived any right to plead that the State laws are inapplicable or that the United States is not amenable thereto by reason of its sovereignty and (2) shall be subject to the judgments, orders, and decrees of the court having jurisdiction, and may obtain review thereof, in the same manner and to the same extent as a private individual under like circumstances; *Provided*, That no judgment for costs shall be entered against the United States in any such suit.

SERVICE OF SUMMONS

(b) Summons or other process in any such suit shall be served upon the Attorney General or his designated representative."

[9] Sections 534.050 and 534.080 of the Nevada Revised Statutes both provide that rights to use groundwater must be obtained in compliance with Chapter 533. That chapter provides that a person who wishes to appropriate public water for his use must file an application with the State Engineer and must then publish notice of the application. N.R.S. 533.325 and 533.380. Interested persons may protest the application, and the application and protest may be considered at a hearing by the State Engineer. N.R.S. 533.365. The application may be refused if to grant it would be "detrimental to the public welfare". N.R.S. 533.370.

[10] See Footnote 8, *supra*.

JOINT ECONOMIC COMMITTEE HEARINGS ON THE FAST BREEDER REACTOR

Mr. HUMPHREY. Mr. President, the Joint Economic Committee has just finished 2 days of hearings on the economics of the liquid metal fast breeder reactor (LMFBR). Witnesses dealt with a broad range of issues that bear on the breeder debate.

The validity of Energy Research and Development Administration figures on electricity demand and uranium reserves was evaluated. The safety and safeguard problems surrounding plutonium recycling were briefly reviewed, and the underlying reasons for the vast coal escalation in the breeder program were discussed in detail. The impact of delay in the construction of the Clinch River Breeder Reactor also was evaluated.

On Wednesday, April 30, Mr. Elmer Staats, Comptroller General of the United States, Mr. Sheldon Meyers of the Environmental Protection Agency, and Dr. Theodore Taylor, a distinguished nuclear scientist and Atomic Energy Commission consultant testified.

Mr. Staats, in reviewing the General Accounting Office report, "The Liquid Metal Fast Breeder Reactor—Past, Present and Future," noted the enormous cost escalation that has plagued test facilities for the demonstration breeder reactor.

The fast flux test facility in the State of Washington was estimated to cost $87.5 million in 1967, but as of 1974, the cost estimate had risen to over $1 billion.

The sodium pump test facility's cost estimate has risen from $6.8 million in 1966 to $57.5 million in 1974.

Total program costs have risen from $1.8 billion in 1968 to $10.7 billion.

The Comptroller General also pointed out that Congress should investigate, in detail, the advantages and disadvantages of using foreign fast breeder reactor technology. In light of this recommendation, I have requested that the General Accounting Office begin, immediately, a detailed analysis of foreign breeder programs and how the United States might work with foreign nations to strengthen its own work on the breeder.

Sheldon Meyers reviewed the Environmental Protection Agency's evaluation of the ERDA environmental impact statement. The EPA statement says that,

> Current information is inadequate to predict the ultimate environmental impacts (of the LMFBR) with any certainty EPA also pointed out that commercialization of the LMFBR could be delayed from 4 to 12 years.
>
> Using the latest demand projections of Project Independence, our preliminary analyses indicate that a delay of 4 to 12 years might be accommodated without significantly reducing the uranium conservation value of the breeder.

EPA also believed that ERDA's uranium reserve figures were too conservative and that its electricity demand forecasts were too pessimistic, based on Project Independence estimates.

Dr. Theodore Taylor described the framework necessary to effectively safeguard breeder reactors against plutonium theft. He explained, that while the cost of an effective protective network would not be high, the logistics of the network would be very complex. He suggested that a new Federal plutonium police force might be necessary if existing law enforcement bodies could not handle the job.

On Thursday, May 8, Dr. Robert Seamans, the Administrator of the Energy Research and Development Administration and a panel composed of four witnesses—Mr. Ralph Nader, consumer activist, Mr. John Simpson, a director of Westinghouse Electric Corp., Dr. Thomas Cochran, chief scientist of the Natural Resources Defense Council, and Dr. Thomas Stauffer, a Harvard University economist—testified before the JEC.

Dr. Seamans conceded that original preembargo ERDA electricity demand forecasts were generally high but still consistent with the lower ranges of initial ERDA estimates.

Robert Thorne, an Assistant ERDA Administrator, told the committee that the United States is the largest exporter of uranium fuel. He explained that with the sale of a light water reactor to a foreign nation, the United States is usually expected to supply that nation with uranium fuel. He also noted that the United States is the cheapest supplier of uranium.

The scheduled introduction date for commercial breeder plants in the late 1980's is based on a continuation of the high preembargo growth rates of demand for electricity, and on a projected depletion of domestic uranium reserves.

It was revealed on May 8 that the Federal Government has an open-ended financial commitment to fund the Clinch River breeder demonstration plant, and that electric utilities have strictly limited their contributions for the Clinch River project to only $250 million. It was also confirmed in the questioning of Dr. Seamans that ERDA was seeking approval from Congress of a total program authorization this year, which would eliminate ERDA's need to request new authorizations each year.

The panel discussion which followed Dr. Seaman's testimony included a heated debate between Ralph Nader and John Simpson concerning the merits of the breeder program. Mr. Simpson saw the breeder as the only energy source consistent with the U.S. policy of energy independence and capable of meeting U.S. electricity demand beyond 1990. Nader, however, labeled nuclear energy in general, and the breeder in particular, as the most dangerous and risky energy source available. Cochran, an opponent of the breeder, and Stauffer, a supporter, explained how they arrived at different conclusions in their cost-benefit analyses of the program.

The debate on how to proceed with the breeder program will clearly be with us for years to come. Therefore, I urge my colleagues to read the record of the

two JEC hearings on the economics of the breeder. They are valuable supplements to the excellent record of hearings on the breeder conducted by the Joint Committee on Atomic Energy, under the very able leadership of Senator PASTORE. He and Congressman McCORMACK, chairman of a special subcommittee evaluating the breeder program, are to be commended for their thoughtful and knowledgeable direction of the breeder program.

ADDITIONAL STATEMENTS

ADDRESS BY PRESIDENT FORD AT UNIVERSITY OF PENNSYLVANIA COMMENCEMENT

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent that the timely and eloquent remarks of the President at the occasion of the University of Pennsylvania commencement last weekend be printed at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS BY THE PRESIDENT

I am delighted to be here on this momentous occasion in the history of the University of Pennsylvania.

Two hundred years ago, the members of the Second Continental Congress adjourned their sessions and marched over in a body to participate in the graduation ceremonies of your great institution. I congratulate you on this unique bit of history. From my experience, it is not all that easy to get a Congress to march together on anything.

I congratulate today's graduates. But if my congratulations are to have real meaning, I must relate the past to the present, and our national goals to your individual goals.

It is a special privilege to address a university whose growth has always been oriented toward the future. Your medical school, your school of business and other departments of the University of Pennsylvania testify to a timely response to needs of the community by equipping individuals to solve problems.

Your illustrious founder, Benjamin Franklin, conceived of the University as a center where an individual can find fulfillment through the individual's own efforts. Franklin did not see schools as the purveyors of all the answers. He saw them constantly responding to the needs of the community rather than conforming scholars to a rigid classic mold.

Franklin's own life was a continuous self-educational process. Practical wisdom was his aim. We find nowhere in his writings the false concept of "the completion of education." He saw no limitations to what an individual could learn.

When eight bachelors and four masters received their degrees here 200 years ago, the Continental Congress was groping its way to a fateful decision as to the direction this country should take in the future. But there was also much talk of the past, for the delegates were determined not to repeat its mistakes.

One of the young commencement speakers in 1775 held forth on "The Fall of the Empires," which he attributed to excesses of Luxury, Venality and Vice. He was not far wrong, and he wound up by looking far into the future and expressing his hope for America—that amidst the wide waste of Empires, this one corner of the globe may at least remain the last asylum of truth, righteousness and freedom.

Freedom was on everyone's lips that day in May, 1775, just as it is in May, 1975.

The news of Lexington and Concord, though nearly a month had passed, had just reached the Philadelphia newspapers. But there was by no means unanimity for independence; indeed, if there had been public opinion polls in those days, they probably would have showed a great majority of Americans considered themselves loyal Englishmen and wanted no war.

As we read the records of 1775, we find a spirited debate was in progress right here on this campus, as well as in the nearby deliberations of the Continental Congress between the proponents of individual liberty and independence and the defenders of discipline and order.

In the long perspective of two centuries, it is clear to us today that both sides were right. The American revolution was not a single shot heard round the world. It was, as John Adams warned, a long, obstinate and bloody war that lasted six and half years, followed by another period of political experimentation in which the weak and divided infant nation barely survived. But the most remarkable thing about the beginnings of our nation is that the men of the revolution stuck to it until it was finished. Their mutual pledges of their lives, their fortunes and their sacred honor were more than empty words. In breaking with their past they did not neglect to build a better system for their posterity.

Today, we look back 200 years, not merely to take pride in our history, although we do; not merely to mark the high priority which Americans have always accorded to education and higher learning, although we do; we look back during this Bicentennial to learn some practical lessons for today and tomorrow.

As a nation, we have recently gone through some rough times. We experienced military and diplomatic setbacks—but Washington and Franklin survived experiences far worse. Inflation, high prices, unemployment, recession—all these problems were more pressing in 1775 than they are in 1975, if one believes the rhetoric of the Continental Congress and the lively reports of the colonial press.

But these are not the real lessons of the American Revolution. The real lesson of our Revolution is that national goals can be achieved only through a combination of national purpose and of national will.

The thirteen colonies in the beginning were weak militarily, dependent economically, and divided politically. Gradually they found their goals and articulated their purpose—in Thomas Jefferson's words: life, liberty and the pursuit of happiness. But the national will that saw the struggle through to its successful conclusion was better expressed by the patriot farmer who said as he picked up his musket: We'll see who's going to own this farm. I believe that spirit is very much alive in America today.

I am immensely proud of the Marines, the Airmen and the Seamen who rescued their captured countrymen and our merchant ship last week in the Gulf of Siam.

Their skill and courage, their dedication and sacrifice make us all humbly grateful and glad that a greater danger was averted.

But we must not forget that the jubilant cheers that greeted the pealing of the Liberty Bell were followed by the Trial and testing of Valley Forge.

National will comes from a consensus of national purpose, from the collective agreement among thinking citizens as to the goals they seek as a nation.

A free people will never find unamimity—but a people must be united in the pursuit of certain common goals in order to remain free.

The goals which were proclaimed here in Philadelphia after a dozen years of war and wrestling with the problems of a new kind of self-governing society are as valid today as they were in 1787:

—To form a more perfect Union
—establish justice
—insure domestic tranquility
—provide for the common defense
—promote the general welfare
—and secure the blessings of liberty to ourselves and our posterity.

We need add to these original goals only the implicit one of striving to preserve and to advance the cause of peace and harmony among all nations and all peoples. We do not need nobler or newer goals. We do need a renewel sense of national purpose and a strengthening of our national will to pursue these goals.

In a sense, our American Revolution has never ended. We are a unique people in that we are at the same time eminently practical and incurably idealistic. Americans are always more interested in the future than the past. We expect and indeed demand at tomorrow will be better than today.

While I have spoken of national goals, I know that each of you have individual goals, and that the celebration of this day is clouded by the immediate problem of furthering those goals by finding meaningful employment.

Almost a million young Americans graduating from institutions of higher learning this year are faced, through no fault of their own, with economic difficulties greater than any since the period of my own commencement with the Class of 1935.

As President, my first objective has been to overcome current economic problems. Our national goal is jobs for all who want to work and economic opportunity for all who want to achieve.

Government must follow policies that enable and encourage the private economic system to create more jobs and more meaningful jobs in the real world. Greater productivity is the only sure way to greater prosperity and a better life for everybody.

We are coming out of this recession. We are on our way. And we are on the right track. But we cannot be satisfied with simply getting back to where we were, and we will not.

We must redefine our national purposes and pursue them with a renewal of national will. On our 200th birthday shall we occupy ourselves questioning our limitations—or exploring our possibilities?

Shall we conclude from two centuries of American experience that we can do no more—or that we can do much, much, more? The United States of America that evolved from the uneasy disputations and heated debates here in Philadelphia has now before it a chance to write a new declaration of interdependence, among ourselves and with all peoples.

We must infuse our institutions with a new realism built on the old idealism—and we will. We must develop a vast new energy industry that will spur employment and ensure economic security—and we will. We must expand the control of each individual over his or her own life, liberty and pursuit of happiness—and we will.

We must increase the participation and influence of every citizen in the processes of self-government and the shaping of national consensus—and we will. We must lead humanity's everlasting effort to live harmoniously with nature, employing technology to the enrichment of spirit as well as body—and we will.

We must sustain and strengthen our alliances and partnerships with other freedom-

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loving nations as we seek cooperation and rational relations with all peoples—and we will.

We must maintain our vigilance and our defenses as a symbol of our undiminished devotion to peace and a lawful world—and we will.

Finally, perhaps most importantly, we must declare again the brotherly love in which this great Commonwealth was founded. We must learn to trust one another and to help one another. We must pledge anew to one another our own lives, our own fortunes, and our own sacred honor. And we will.

Benjamin Franklin told the Constitutional Convention in those early years that "much of the strength and efficiency of any government, in procuring and securing happiness to the people, depends on opinion—on the general opinion of the goodness of that government as well as of the wisdom and integrity of its governors."

As President, I value your good opinion and hope always to deserve it. And I ask the graduates of 1975 to work with me on America's new agenda, just as the class of 1775 joined in proclaiming a new era of liberty and hope, They did well by us. We must do even better by Americans yet unborn.

ENTHUSIASM FOR BICENTENNIAL IN BLOUNT COUNTY, ALA.

Mr. ALLEN. Mr. President, on May 9, the fine people of Blount County, Ala., held an outdoor ceremony in observance of the Nation's Bicentennial.

Mr. L. J. Fishkin, national coordinator of the Johnny Horizon program under the Secretary of the Interior, visited Oneonta, the county seat of Blount County, to award certificates of appreciation on behalf of the Secretary of the Interior.

Upon his return to the Nation's Capital, Mr. Fishkin wrote me of the enthusiasm for the Bicentennial he found in Blount County; of the overwhelming reception he had received; of the warmness, the graciousness, and hospitality displayed by everyone he met.

Mr. President, I was particularly impressed by one sentence which Mr. Fishkin wrote—

> My visit was literally an unforgettable experience and convinced me that no Government official should permit himself to languish too long in his office in Washington without visiting a place like Oneonta and savoring the flavor of what America is really all about.

I am in wholehearted agreement with Mr. Fishkin on that point and I am delighted, but not surprised, at the wonderful reception accorded him by my fellow Alabamians.

Mr. President, I ask unanimous consent that the letter to me from Mr. Fishkin be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT
OF THE INTERIOR,
Washington, D.C., May 14, 1975.

HON. JAMES B. ALLEN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ALLEN: On May 9 I had the very great pleasure of participating in an outdoor ceremony in front of the Blount County Courthouse in Oneonta. The event was organized by the Blount County Bicentennial Committee and my role was to award a number of Certificates of Appreciation to individuals and organizations who had provided—and continue to provide—outstanding support of the Johnny Horizon Program.

The reason I am writing is because I am still overwhelmed by the warmness, the graciousness and the hospitality which I received at the hands of so many individuals that I dare not begin to list them for fear that I will be guilty of omissions. The distinguished gentlemen I met from the Blount County and Oneonta governing bodies; the ladies and gentlemen of the Over-60 Club in Oneonta; the teachers, principals and the Superintendent; the boys and girls and the young ladies and gentlemen of the elementary and secondary schools; the State and County Bicentennial officials—all of these folks made my visit literally an unforgettable experience and convinced me that no Government official should permit himself to languish too long in his office in Washington without visiting a place like Oneonta and savoring the flavor of what America is really all about.

My visit to that delightful city was triggered by a report which I received of the activities undertaken by the Variosa Club in support of the Johnny Horizon Program. It was with great satisfaction that I learned first-hand that the report transmitted to us by its President, Miss Amilea Porter, was indeed modest in terms of accomplishments. I might add that Miss Porter, an obviously indefatigable civic leader, took me on approximately a five-hour tour (punctuated by more walking than I've done since Army service) of sites ranging from the beauteous and imposing Palisades Park to a rehabilitated covered bridge.

In short, Sir, I had to let you in on this experience. I hope that you will find the occasion to let the good people of Blount County and Oneonta know that they have a new and loyal supporter in the ranks of the Federal bureaucracy.

Sincerely,

L. J. FISHKIN,
National Coordinator
Johnny Horizon Program.

MEMORIES OF THE MAN IN THE IRON MASK

Mr. BUCKLEY. Mr. President, 2 years ago I met an extraordinary human being named Alexander Dolgun. He had then recently arrived in this country after enduring 8 years of imprisonment in Russian slave labor camps and a further 15 years of forced residency in the Soviet Union. I talked with Mr. Dolgun about his experiences and asked if the horrors portrayed in Alexander Solzhenitsyn's "Gulag Archipelago" were accurate. Mr. Dolgun only then began to speak about some of his personal experiences at the hands of the Russian Communist secret police. What he told me has remained with me, a searing memory of what totalitarian communism can and will do to those whom it chooses to destroy, either physically or psychologically or spiritually.

Mr. President, I commend the reading of this article to all of my colleagues and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MEMORIES OF THE MAN IN THE IRON MASK

(By Alexander Dolgun)

NOTE.—Alexander Dolgun was an American working in the United States Embassy in Moscow when he was arrested in 1948 by agents of the secret police and accused of "anti-Soviet activities."

For the next eight years he suffered the ordeal of Stalin's prisons and labor camps. He has now written, with the help of Patrick Watson, an account of his odyssey through a system that murdered millions of Russians and foreigners and physically and psychologically crippled scores of others. After his release from prison he was not permitted to leave the Soviet Union until 1971. He is now working in Washington for the Department of Health, Education and Welfare.

The following excerpts are from his book, "Alexander Dolgun's Story: An American in the Gulag."

As soon as Sidorov started to beat me, I realized clearly that I was going to be in prison for a long time. I did not think in terms of specific periods and I certainly did not think it would be for the rest of my life. But I knew it was not going to be over soon, I knew there would be more beatings and that I would suffer a lot. I knew I would have to train myself to meet that menace, and the knowledge made me feel numb in the heart. The two or three hours of light sleep I was able to steal each day barely kept me from caving in. I was constantly hungry. My weight dropped steadily. [As time went on] the hell I was living in became a hell I could survive, but it was still hell. I believe it was at that time that my eyes and my mouth began to settle into a grim cast which is still my normal expression when I am not excited or laughing, and even then I am told it lingers around my eyes. My iron mask never came off, and I can see that it never will.

Sidorov [Dolgun's interrogator] said, ". . . You're going to the hard punishment cells for the maximum. That's twenty-one days and you'll never come out alive. I'm through with you!"

They dragged me out. I yelled going through the door, "I'll get out of here someday and I'll kill you!"

They dragged me across to the prison and down steep stone stairs. I remember being thrown in an absolutely bare cell. It was terribly cold. There was no bed, no sink, just a bucket with a lid. No window. Gray stone and black asphalt. I lay on the floor and shivered and called out with the loudest voice I could make, shaking and quivering though it was, *"I'll kill you!!!"*

I knew I could not survive that cell. I had only a shirt and trousers. The temperature was below freezing. Outside it was late October and Moscow dips way below zero Fahrenheit in November. When they brought me water my hands shook so hard that some of the water spilled on the filthy floor. The next time I looked it was frozen.

At night they brought in a wooden pallet for me to sleep on. I was dying for sleep but shivering too hard to do more than doze off, wake up, doze off.

I knew with complete certainty that I could not last five days in that cell, let alone twenty-one, and I thought confusedly that I had better keep a calendar to see how long I did last. It never occurred to me that I would not know the outcome. I was too confused.

The morning came and I did not even have a running nose. They brought me bread and water. I deliberately spilled a little more water in the corner. Later, when it froze, I skated on it, sliding around on my shoes for exercise and warmth. I sang all my songs at the top of my voice and nobody bothered me. I fainted often, and came to shivering on the ice. My only clothes during this period were my prison underwear of light cotton, and the shirt and pants I was arrested in. There was no blanket at night.

I believe I never stopped shivering, if that is humanly possible.

After a few days they brought hot soup made with salt herring. I drank it all down before I realized it was saturated with salt. I tried to ration myself on water, but I was too weak to be disciplined and I drank the whole cup right down. By nightfall I was screaming for more water. Before morning I began to have hallucinations of swimming. Was it in the sea or lake? Did I drink the water I was swimming in? Was it salt or fresh? I just remember the shock of coming to my senses and realizing that I was stroking feebly on the bottom of my cell, weak but frantic swimming strokes. Sometimes the cell would fill with water. Every third day they brought the salt-herring soup and I was so starved I ate it even though I knew I would go mad for water.

The days passed in almost total confusion, except that I forced myself to mark the wall every morning when they brought the bread. That was the one clear moment in the day. Incredibly the strokes passed five, and then ten. I shivered, slept a bit, skated on my rink, what else I don't know. Once I wanly tapped out a message in code on the wall. There was no response. I was so lonely I would have been glad if a guard had come in to tell me to quit tapping.

I think they took my bucket out once a day. I know they never spoke.

The strokes on the wall passed twenty-one. They passed thirty. I had been in the cell a month. I think some days I was delirious all day, but I am not sure of much except that I often said, *Hold on Alex, hold on till the end!* I expected The End.

Forty-one days. A mouse has come into the cell. I will catch it and eat it. It comes in through tiny holes at the bottom of the cell. If there is one mouse there must be more. I salivate at the thought of chewing on the live mouse. I wait for him on the floor. He comes out of his hole and sniffs at me. I try to catch him but he slips through my hands. I wait with infinite patience, day after day, for my mouse.

Then I watch myself lying, shivering on the floor, covered in filth, a skeleton waiting for a mouse. I watch for hours, but the mouse never comes to the man on the floor.

I lie on the floor and stare at the mouse. He runs in the hole. I cannot find the hole.

Forty-nine days on the wall.

I am trying to catch the mouse and they are watching me through the slot in the door, but they won't come in and help me to get the mouse.

By now I know there is no mouse, no hole, but for a while I keep on trying to catch him. Then I give up trying to catch him. He still comes in through the hole in the wall that does not exist.

They are watching me through the slot in the door.

Fifty-two days on the wall, and I will die soon, and that's all right, but I still do not have a cold or a runny nose.

The door of the cell opens.

"Prisoner, get up!"

I can make it to my hands and knees. They help me. Not kindly, not roughly, just get the prisoner moving. I think there is a doctor with them. Was that later? I stand in the door of my own cell, 111, the psychic cell. At least there is a pillow here.

I did not understand their words. Wrap up the blanket and pillow? Will they take them away from me? I thought. Then I realized I was leaving cell 111. Something still alive inside me said, Alex, you made it.

They're moving you.

You got through it.

You're going to be all right! You have survived and the bad part is finished now. I was lightheaded, still shivering uncontrollably, but something akin to happy, floating.

THE FOOD CRISIS AND THE PRIVATE SECTOR

Mr. TALMADGE. Mr. President, much has been said over the past year about the responsibility of the people of the United States, through their Government, to help meet food needs of people in nations which are not self-sufficient.

Little, however, is said about how the private sector in the United States can and does contribute to these efforts.

There is a major role for the private sector, American and non-American, in improving agricultural production and productivity in the developing countries.

Indeed, American companies have identified opportunities to earn a profit on investment in food production and distribution in many developing countries, and their contributions have been most helpful to the people in these nations.

A description of how private industry is helping, and can increase its help, is contained in an address by Mr. R. H. Becker, director of research and development for the Agricultural Division of the American Cyanamid Co., to a conference in New York City on March 19 of this year. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE ROLE OF PRIVATE INDUSTRY IN FOOD PRODUCTION

As a member of private industry, I welcome the opportunity to participate in this discussion on food supplies. Too often in recent times our thinking has been clouded by the philosophies of despair and the prophets of doom. It has been further complicated by mixing the question of producing food with the problem of demand. For example, while cattle producers in the United States, Australia, and other cattle producing countries have, in the last twelve months, been faced with a glut, people have been starving in other countries. The problem of starvation is thus directly related to non-production factors such as the ability to pay, methods of distribution, and a country's cultural and humanitarian attitudes. The question of supply is related to technology and incentives to produce. On the supply side, we can be optimistic that technology can meet the world's food needs.

The system used to produce food in the United States is usually considered the standard, so most of my comments will reflect what is happening and can happen with this system, keeping in mind that adoption of these technologies by farmers in the rest of the world will require some refinement and modification. Remember, I said system—the output of a United States farmer would drop if he were moved to a less developed part of the world and a peasant farmer would in time become more productive if moved into the U.S. system—the total system of which the farmer is an important part must be considered.

First, let's look at the major areas where private research has and will continue to contribute to the food production system. That system consists of six basic elements: land and capital, labor, management, plant and animal genetics, nutrients, and non-nutrient plant and animal production agents.

Our first objective, of course, must be to extend and expand the use of all types of already proven technology. The only real restraints here are logistics and social attitudes. The private and public sectors both share the responsibility for this effort and it is underway.

In the area of new plant and animal production agents—pesticides, plant regulants, animal growth regulants, animal drugs and biologicals—virtually all the technological driving force has come from private industry.

It has been estimated that as much as 50% of U.S. crop production is dependent on pesticides. The necessity of controlling weeds, plant disease and insects is apparent. In the herbicide field, industry has clearly demonstrated that it can and will develop safe materials to cope with evolving weed populations. Indeed, the problem today in herbicides is identifying legitimate market needs. No breakthroughs are required.

In insecticides, the alarmists had presented a strong case that environmental problems and insect resistance would eventually lead to discontinued use of the three significant classes of insecticides—chlorinated hydrocarbons, organophosphates, and carbamates. The thought was that we should reduce the use of these products now and preserve them for future use. The discovery of new insecticidal classes such as modified pyrethroids should allay that fear. Although this is the only new class publicized, other classes with comparable safety and efficacy are being developed. We can and will cope with insects. Clearing of pests from central Africa alone can create a cattle capability equal to that of the United States.

A promising area of research in the pesticide area is the search for plant regulants. Many private laboratories have major efforts underway to produce technology that regulates the growth of plants in a manner which allows for better utilization of genetic potential.

When this effort matures it could produce results that are at least as significant as hybridization. Production increases of 15–20% can be expected from plant regulants in many crops in the next decade.

In food animal production the great innovations of the past have been in controlling and preventing disease and in improved animal nutrition. Emphasis is now shifting to improvements in feed efficiency. Work currently underway has the potential to improve feed efficiency in cattle by 25–40%. Improvements can come from new chemical additives, waste recycling, and the feeding of bulls instead of steers. The significance of this effort comes not only in the reduced cost of producing beef but in the freeing of production from millions of acres of corn for export to feed grain deficient countries.

Further improvement in poultry production will be coming but this species already has fairly respectable conversion ratios of grain to meat so improvement will probably be slower.

The future role of swine is less clear—improvements will have to average 50% or better to keep up with ruminants which can digest low cost cellulose as a source of feed, and poultry which have superior feed efficiencies.

In the field of plant nutrients, private industry has played a major role in the development of natural resources to supply phosphorus, potash, and nitrogen as well as the micronutrients. These businesses are primarily capital intensive and most industry research has been concentrated in the area of process improvement and engineering. With the recent cost increases for conventional fertilizers, there is now a significant incentive for research in the areas of plant regulants to enhance nitrogen fixation and in biological fixation of nitrogen. Photosynthetic organisms which utilize the sun for energy and the air for nitrogen and carbon are at least theoretically possible.

As far as plant and animal genetics are concerned, there is substantial room for improvement. Private industry has become a leader in this area in the United States. A new law of a few years back allowing the patenting of true breeding varieties of crops has assured continued private industry participation in this business. I expect we will see even further involvement from private sources as the economic opportunities improve. Along these lines it's worthy to note that farmers throughout the world readily accept new improved varieties. It's interesting that farmers in India in the mid 1960's adopted high-yielding varieties of wheat more rapidly than Iowa farmers adopted hybrid corn in the 1930's and 40's. There still are major problems overseas, however, because most countries do not allow the economic incentives for private development of new seed stock.

In the fields of land and capital, the role of private industry is increasing rapidly. Obviously, private industry has been involved in land clearing operations for many years, and in specialized cases such as cattle raising, and banana and coffee production, has contributed significantly. Pessimists have pointed out that the amount of arable land is finite and only modestly expandable. These pessimists, however, overlook the potential for single cell protein—already a 100,000 ton/year unit has been announced. On a protein basis, this is equivalent to about 300,000 acres of productive farm land. A major advantage of this type of production is that it can be placed on land that is not arable. The unit referred to above uses petroleum as a feedstock but other work, utilizing cellulose, a renewable resource, is also quite active. The ultimate basic requirements are energy, capital, and incentive. In the future, we can expect private industry to play a major role in what I call "landless food production."

In the field of management, the vast resources of private industry have only been partially utilized. On a modern farm, the operator or owner if he is to maximize his return must of necessity be a manager. There is a group in Hawaii that has recognized this resource and converted it into a saleable program. It is currently involved in nine management and food-growing projects outside the United States. Compensation is dependent to a large extent on performance, i.e., how much food is produced. For example, they were able to play a significant role in increasing the production of sugar in Iran from 30,000 tons in 1958 to 800,000 tons today.

As you can see, there has been and is a significant role for private research in the development of food production technology. In the future, we can expect to at least duplicate the success of the past. Of course, government and university researchers also have significant programs and in most cases they complement the private effort.

The Agricultural Research Institute, in reporting the results of a United States survey (1965), stated that industry spends slightly more for agricultural research than the state agricultural experiment stations and USDA combined. What is more important about the Institute's findings is that both groups—industry and government—complement the orderly development of new technology. The government and university role is concentrated in the areas of basic research including genetics and evaluation of new candidate chemicals with industry's major effort being application and development of basic scientific principles in food production tools that can be used by food producers.

The urge to understand is basic to man and is probably the oldest motivation for scientific research. A review of scientific history will quickly reveal man's need to clarify the obscure and turn chaos to order. This is, of course, a lofty motivation for research but has led to many of the greatest discoveries of science.

Industry, particularly when considering food production, has directed its scentific effort to the more practical side of turning basic scientific knowledge into usable technology. Our effort is mission-oriented—guided by economic, social, politcal, and environmental reality.

Just as the farmers of the world who use the technology we develop are guided by the incentive of improved efficiency, we are guided by the similar incentive of realizing a sufficient return to insure the continuity of the enterprise. It is this incentive that has led to better genetic stock, plant nutrients, improved management service, animal and plant production agents, and more efficient utilization of land, capital, and labor.

I can't emphasize too heavily the importance of incentives. A sufficient return to the farmer is the driving force that expands food production.

A sufficient return to industry is the driving force that leads to new technological answers to food production problems. Industry has been criticized by those who think of short-term high profits as evil and unpatriotic, when in fact they represent a company's wise and efficient use of investors' money. In the long term, it is the existance and magnitude of the profit opportunity that attracts more research by more companies and eventually increases competition to the benefit of consumers. Constrains on profits are a deterrent to an increase in mission-oriented research.

Part of this incentive package is the patent system. Shortening the patent life of new technology has been suggested as a way of increasing competition. This may be true for the short term, but if a shortened patent life is added to the burden of what now can be 5–7 years of development work before the first pound of an agricultural chemical is sold, the incentive to maintain or expand a research organization is substantially reduced.

An effective patent system is an essential incentive and is the major reason one-half of agricultural research in the United States is private. In some major foreign countries the effective patent life on some animal health products has been reduced to zero. It is instructive that these countries cannot produce sufficient food to feed their people.

If the world is to take full advantage of the industrial research resources that are available to it, the trends toward weakening the patent system, nationalization of industry, and suspicion of the profit motive must be reversed.

Today, throughout the world, society is asking for additional assurances that both new and old technologies be more thoroughly evaluated as to their environmental and human safety.

Private industry has, in the last five years, developed the necessary tools and skills to answer the complex ecological and safety questions raised in the last decade about food production technology—the products currently being introduced in the United States reflect this new methodology. While we support the increased requirements that have helped answer important scientific questions about new food production technology, we at the same time consider it unacceptable to base new regulatory restraints of technology on emotional or theoretical fears.

Such fears led to a ban on DES and reduced feed efficiency in cattle production by about 10%. The use of DES was reinstated by the courts but the issue is not resolved and has led to a virtual embargo on the development of steroids for animal production.

Equally important is the current regulatory attitude on the use of antibiotics in livestock and poultry feed.

The FDA has raised questions they acknowledge are speculative and not documented. Yet from the public statements you could conclude they have prejudged the facts while they are still being collected, in spite of successful, beneficial use of this technology spanning 25 years without a single documented case of unfavorable effect on humans.

If we are to resolve successfully the growing need for food, regulators in all countries of the world will have to base their decisions on sound scientific principle, uniform application of law, and reasonable judgment. The frequent practice of applying easy emotional solutions to complex scientific questions will have to be abandoned.

The commitment private industry has made to food production research has been significant both in terms of dollars and results. Our existence is dependent on the generation of a continuing flow of new technology. For this reason, we select our research goals carefully to maximize the probability of achieving a usable result. We have been successful to that end and if the incentives are maintained or improved our effort will expand. Those who eat are the ultimate beneficiaries.

THE TWO-PARTY SYSTEM

Mr. HUGH SCOTT. Mr. President, an article in the May issue "First Monday", the publication of the Republican National Committee, deserves the attention of my colleagues. The article represents the comments of Dr. Frank Biondolillo, councilman at large from Staten Island on the strengths of the two-party system.

Mr. President, I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Comment . . .

My particular philosophy, as a Republican, has evolved over the years to embody the concept that government can have a heart (caring about people) without losing its mind (throwing money at problems—many times unsolvable).

I believe in the two party system and will not abandon it. I will abandon those who continue to contribute to its demise.

We don't need a third party nationally or any place else.

The strength of the two party system is in its centricity. The fringe on the far left and right of both parties is the real threat to our democratic system. It isn't a stringent, strident philosophical difference that plays on our fears that is needed to separate the two major parties. Our strength should be derived from the closeness of our philosophical differences. A two party system that pits union against management, black against white, Christian against Jew, the poor against the middle class, the middle class against the wealthy, the landlord against the tenant, the farmer against the consumer, etc., is doomed to failure.

The two party system should derive its strength from its closeness, and most importantly from its responsible adversary relationship. There may not be, as George Wallace states, "a dime's worth of difference" between them, but if we can stop one or the other from stealing or squandering the dime, we've taken a giant step.

I want to belong to a party that is strong, responsible, adversary. I'm not going to insist on a divergence of philosophies, but I'm going to insist that the party in power gives the loudest bang for the smallest possible buck to the greatest amount of people—and never forgetting that the smallest minority, racially, religiously, ethnically, socially must be taken into the stream that leads to a better life for all.

The Republican Party has got to make itself comfortable for unions, minorities, women, the poor, the ethnic, the young, the old, the handicapped.

For anyone to imply that Republicanism is inconsistent with those tenents or aims is an absolute fool. But so is the person who doesn't believe that a majority of people believe this.

The Republican Party must maximize its care and concern, and throw philosophical idealogues out to the Neanderthalic fringes of the political spectrum where they belong and where the climate is inconsistent with growth.

We have the choice of remaining a 15–25 percent minority party which has let the radical Conservative philosophy image transcend our sensitivities, or to fight to remain firmly in the political mainstream where our founders intended.

The time for talk has long gone, and from now on people's opinion of the Republican Party will only change when they see action, deeds, results and care.

A Republican Party that cares; A Republican Party whose leaders aren't afraid to condemn the Watergate mentality; who aren't afraid to fight just as hard to keep corporate profits reasonable as to keep boundaries; who are just as concerned with the plight of the middle class and poor, as they are for the military-industrial complex; etc.

This country's strength comes from what might be considered conflicting terminology, and that is "adversarial unity."

America's strength is a divergent oneness. A strange conglomeration which coalesces when the emergency or need arises.

Its political institutions are the best in the world, but as is usually pointed out, not perfect. They become weak—not because of a philosophical unity, but rather because of a lack of an adversary relationship within that philosophical plateau.

The Republiclan Party can and must—if we are to survive—contribute that adversary position in a responsible, caring attitude.

Where do we start? We start simply by giving the people candidates who don't let philosophy transcend or blind them with respect to human needs. Simply—candidates and leaders who care.

If we have not learned a lesson from history, we certainly will be condemned to relive it.

Unfortunately, most all Republicans have been painted with a brush dipped in big business, bigotry, racism, affluency, apathy, arrogance, depression, etc., and I won't stand still for it any longer.

As a life long Republican, I am committed to the survival of our party, our nation, our people and the two party system, and I hope you will join me in re-establishing a party the people can trust and identify with.

RACE-TROUBLED SELMA: 10-YEAR RECORD GOOD

Mr. ALLEN. Mr. President, several weeks ago the national press published long articles recounting the tragic events that took place 10 years ago at Selma, Ala.

But Pulp & Paper, a national magazine devoted to the paper industry, was shedding a different light and an almost completely ignored point of view on what was really happening in Selma in May 1965, and today.

In its May 1975, issue this magazine published an editorial "Race-Troubled Selma: 10-Year Record Good," written by senior editor Albert W. Wilson.

I commend this article to the reading of all, and I ask unanimous consent that it be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Race-Troubled Selma: 10-Year Record Good

(By Albert W. Wilson)

Mount Dora, Fla.—This is the 10th anniversary of the "trouble" at Selma, Ala. It led to the Voting Rights Bill of 1965. On July 2 of that year, Title 7 of the Civil Rights Bill went into effect to require equality in hiring. But long before that, color or race ceased to be a criterion for jobs in this industry. TV cameras were on hand to record the march led by Dr. King to Selma's Edmund Pettis Bridge in defiance of a sheriff who has long since disappeared somewhere in the South. It was an impressive, symbolic and even poignant event for blacks, understandably. But also important to the black community of Selma, 56% of its 28,000 population, and to that entire Alabama countryside was the selection a few months earlier of the site for a $30-million (pre-inflation) kraft pulp mill 14 miles east of that bridge.

Instead of welcoming the mill, the director of the National Council of Churches Commission on Religion & Race condemned the choice of Selma by Hammermill Paper Co. as "an affront" to the entire population of the U.S. He urged all denominations to boycott Hammermill paper. This kind of screwball thinking, dignified in newspaper headlines, could hardly improve the public image of our churches. But they survived such stupidity. There were milder protests by NAACP and CORE, now forgotten. Hammermill replied that their company, started on a shoestring in the 1890s by German immigrant brothers at Erie, Pa., has never made any distinction of race, color or creed. The Behrends went out with pick and shovel themselves and start building the Erie mill and said if they had known what it would cost, they never would have built it. They went on to introduce the first profit-sharing and first paid vacations in industry. They knew every worker by name.

END OF LOW-WAGE ERA IN SOUTH

Marquis Childs, a Washington columnist, wrote that Hammermill and other paper companies were moving South ten years ago because of low wages and were "creating havoc in the North." Almost the day he wrote this, Hammermill announced a multimillion-dollar expansion of its mill at Erie. Paper succeeded cotton as "king" in the South and that was the end of the low-wage era. Pulp and paper mill wages in the South are 20% to 25% higher than mills elsewhere in the country, except Pacific Coast states which have a 5% edge.

There were no experienced workers for Alabama's seven new mills which required mostly technical skills. Yet today 15% of the mill workers and 22% of woods workers on 300,000 acres owned and leased by Hammermill are blacks. Among those blacks are a dryer crew supervisor, another top mill operator and four black mechanics earning $7 an hour. Others earn $6.70 an hour. Among blacks are a turbine operator, two crane operators, security men, a female instrument mechanic and female accounting secretary. A black recovery operator left recently for another job.

MILLS HELP ALABAMA'S POOR COUNTIES

This isn't the whole story. When an NBC camera team arrived recently to do a "Selma ten years later" story, black townsfolk told them "go talk to 'Oz.'" I first knew O. A. "Oz" Marrow years ago when he was production manager of the then-new Riegel Carolina mill. He came to Selma ten years ago as division manager. He and the entire Hammermill organization earned the profound respect of the black community and influenced upgrading of two smaller plants and other businesses. Union Camp and neighbor mills improved life in Alabama's poor communities. I saw what Angus "Bud" Gardner, president of MacMillan Bloedel Inc., did for Wilcox county, which had been "the poorest county in all United States."

"You just don't say no race or color counts and then don't do it," "Oz" Marrow told me. "Right from the start you cooperate with black leaders and we have earned their respect as much as any industry in the country." I think it is interesting that three past Hammermill presidents I have known are all still part of this—Norman Wilson, 97 and sharp as ever, Don Leslie and John DeVitt. With current president, A. F. Duval, they can be proud of this record at Selma.

OUR POSITION IN THE MIDDLE EAST

Mr. PACKWOOD. Mr. President, the United States is now engaged in a reassessment of its position in the Middle East conflict, and there are some in this country—including well known voices in the political and opinion-molding sectors— who would argue that it should be a total reassessment of our traditional sympathy for, and commitment to, the State of Israel.

Arab governments and Arab apologists in this country have already initiated a massive propaganda campaign seeking to drive a wedge between the United States and Israel by falsely blaming Israel for the recent breakdown in the Kissinger negotiations. The United States has temporarily halted military aid to Israel while its leaders deliberate on the matter. So this, indeed, may be the time for a reexamination of the situation in the Middle East and of the interests and commitments of the United States in that part of the world. We need to be reminded, I think, of the basic issues—although there is every indication in the polls and in the press that the American people have already done some reassessing of their own: support for Israel is at an all-time high.

Let us first examine what really happened in the recent fruitless negotiation attempts. At the outset, the United States, Israel and Egypt accepted the policy of a quid pro quo—that is, Israeli withdrawal from territory in return for Egyptian political concessions, the United States understood, and accepted, that the depth of Israeli withdrawal would be dependent upon the extent of Egypt's willingness to make such concessions.

Israel offered to give up the strategic Mitla and Gidi passes and the Abu Rodeis oil fields, which currently supply half of the Israeli oil consumption, in return for an Egyptian statement of nonbelligerency—that is, an agreement to end the state of war between the two countries. Acknowledging that the internal dynamics of Arab politics might make this difficult for Egypt to do, Israel agreed to accept, instead, the "elements" of nonbelligerency without a formal declaration.

These elements would have included an end to the Arab economic boycott and political propaganda warfare, a disavowal of terrorist methods, and direct bi-

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lateral agreements on Suez Canal navigation. Israel also asked that the duration of the agreement be sufficient to "allow positive processes to start in the direction of peace."

Egypt not only refused to consider the concept of a statement of nonbelligerency but also rejected all of the Israeli proposals on the "elements" of nonbelligerency. On the duration of an accord, the Egyptians indicated they were not willing to be committed beyond 1 year. When Israel made still further attempts at compromise—offering certain withdrawals in return for "some" elements of nonbelligerency—the Egyptians totally refused, demanding still greater Israeli pullbacks while offering no commitment to peace for Israel. At this point, the Secretary of State suspended his negotiating efforts. Israel had repeatedly demonstrated that she was open to compromise on the various proposals advanced during these efforts, while at no time had Egypt offered to make any compromise whatever. If anything, the Egyptian position had hardened during the negotiations.

It should be borne in mind that the basis of any talks between Israel and the Arab States is U.N. Security Council Resolution 338, which requires "negotiations * * * aimed at establishing a just and durable peace." Egypt has ignored those words, avoided the very mention of "durable peace," and sought only a transitory military disengagement, reserving the option of war.

Still more fundamental and specific is U.N. Resolution 242, which calls for Israeli withdrawals to what eventually are to be "secure and recognized boundaries" but also for a "termination of all claims and states of belligerency" and a respect for the sovereignty of all states in the area. While demanding Israeli territorial concessions on the basis of Resolution 242, the Arabs continue to ignore their own responsibilities under it—as they did as far back as 1968, when the late President Nasser, while claiming to accept the resolution, stated:

> Conclusion of peace with Israeli is impossible, and I cannot do it.

Nasser's successor, Anwar Sadat, seems to be of a similar mind. When the Secretary of State's "shuttle" diplomacy came to an end on March 22, however, Sadat had a victory that had long eluded Nasser. Sadat saw the chance to exploit a U.S. position apparently weakened by the domestic recession and the debacle in Indochina, to pressure the United States into forcing Israel to make substantial unilateral concessions—or, should Israel not capitulate, to make the Jewish state appear "inflexible" and to drive a wedge between Washington and Jerusalem.

When President Ford subsequently suggested that Israel had indeed been inflexible, and the administration announced the "reassessment" and the suspension of aid shipments, it appeared that Sadat had calculated well. True, Secretary Kissinger has denied that the reassessment reflects a desire "to alter any particular policy," and he has carefully pointed out that the United States "remains committed to the survival of Israel"—lest Sadat tragically miscalculate his success. But there is little doubt that the total administration reaction was designed to pressure the Israelis into an even greater "flexibility."

Does this not make one question the very meaning of words? Who has been inflexible? Who has been intransigent? The fact is that the only limit Israel has thus far placed on her willingness to compromise is that she will not weaken her national security to reach temporary disengagements with those who adamantly refuse to renounce their sworn intention of destroying her.

Sadat himself said in an interview just before the breakdown of the Kissinger mission that the Israelis were in a corner. He added:

> Right is on our side. We have the military power, the strength of Arab solidarity and its various means. We have the upper hand.

Commenting upon that statement, in an editorial published on April 1, the St. Louis Globe Democrat said:

> These are not the words of a man sincerely seeking peace. They confirm the belief that Egypt was trying to get Israel to make another substantial military pullback in return for not much of anything on Egypt's part.

It is significant that this is typical of the enlightened reaction of the American press on the breakdown of negotiations. To cite one or two more editorials: The New York Post, on March 24, commented that:

> Kissinger could not even extract from Egypt an unequivocal forthright declaration of non-belligerency in return for territorial retreat by Israel.

The Houston Post stated:

> . . . Neither the Palestine Liberation Organization nor the Arab neighbors grant Israel's right to exist behind guaranteed borders. The Israelis must feel that if sooner or later they are going to have to fight to the death, they should keep the best margin of defense they can. To ask for a promise of no more war seems a fair request in exchange for lands they hold as that extra margin.

In an editorial on March 27, the Newark Star Ledger wrote:

> Mr. Sadat, who had been pictured as amenable to compromise, in the end remained unyielding.

A March 26 editorial in the Long Island Press puts both the stalemate and the basic issues in clear perspective. It states, in part:

> Throughout eight years of negotiations, Israel has had but one aim, a guarantee of peaceful coexistence. Yet the Arab states have refused even to talk directly with Israel, necessitating Dr. Kissinger's many missions. . . .
>
> Yet we are disturbed by the tone of the statement announcing "total reassessment" of U.S. policy. Despite the pledge of continuing American commitment to the survival of Israel, the veiled threat implicit in the statement could not be missed.
>
> There are indications Dr. Kissinger blames Israeli inflexibility as a contributory factor in the breakdown of his mission. But inflexibility on a simple pledge of non-belligerency is reasonable. What every Israeli knows—and Dr. Kissinger, too—is that Israel cannot afford to lose a war; the first would be the last. Thus, its insistence on peace assurances—for whatever they are worth—is literally a matter of life and death.

The American press, which constantly reassesses the world situation, seems cognizant of Israel's position and its desperate need for continued military aid. The American people themselves seem equally aware of this. Louis Harris reported the latest Harris Poll findings in the New York Times magazine of April 6, and he wrote,

> A rather lopsided 66 to 24 percent majority favors sending Israel what it needs in the way of military hardware. . . . This is all the more remarkable in view of the decisive 65 to 22 percent majority who oppose this country's giving military aid in general. . . .

In view of this, let us indeed reasses the reasons for the productive 27-year friendship and bond of support between the United States and Israel.

The United States is involved in the Middle East largely because U.S. survival is dependent upon maintaining the global balance of power. Our primary aim in that crucially strategic region is to prevent the Soviet Union from gaining a decisive military and geopolitical advantage there. The fact is that the Soviets are engaged in a persistent and aggressive attempt to gain control in the region. The main ingredient of Soviet strategy is to provoke, manipulate, and exploit the Arab-Israel conflicts in such a way as to drive out Western, primarily American, influence.

The United States seeks peace and political stability in the Middle East while the Soviets are bent on fomenting instability and conflict, as in 1967 and again in 1973, when they encouraged their client Arab States to provoke or attack the Israelis. If the Soviet Union was to gain hegemony in the Middle East, it would have incalculable consequences, not only in that region itself, but also in Europe and Africa.

The Soviets could hope to gain decisive influence or control in the Mediterranean and Persian Gulf areas, in the world's richest oil region, and in the land mass of north Africa. They could directly threaten Turkey and Iran and even the "soft underbelly" of Europe. The next step could be the "Finlandization" of Europe and a virtual dismantling of NATO.

The Soviets have not been passive in such hopes. In the Yom Kippur war, they provided the Arabs with armaments, trained the Arab fighting forces, planned the Arab military strategy, orchestrated all Arab efforts before the Security Council of the United Nations, and openly urged all Arab States to plunge into the conflict. When the Israelis finally turned the tide of the battle, Moscow's threat of direct intervention prompted the United States to initiate the worldwide alert of its Armed Forces in a strategic countermove to block direct Soviet action against Israel. So blatent was the Soviet role in the Arab attack of 1973 that Secretary Kissinger had to assert on October 8 that:

> We shall resist aggressive foreign policies. Détente cannot survive irresponsibility in any area, including the Middle East.

Israel, though geographically small, has proven itself a remarkable friend and ally. Its stake in preventing Soviet hegemony in the Middle East is as great as ours. Israel's high caliber political and military leadership has proven itself determined, resourceful, and courageous. Its people, industrious, educated, and highly motivated, are prepared to make immense sacrifices to protect their national security. A stable, democratic, and progressive society, Israel is precisely the kind of ally the United States needs in pursuing its objectives. In this, it surely differs from the unstable and undemocratic regimes of Southeast Asia for which we spilled so much of our blood over the years. Israel has never asked that a single American soldier disembark upon its soil.

Beyond the question of power relationships and security, the United States has stakes in Israel's survival which flow from the essence of what America stands for. Throughout our Nation's history, it has had an abiding concern for nurturing freedom among the peoples of the world. We share with Israel a common adherence to democratic principles, to principles of justice and humanism, to a common moral heritage with roots in Western political philosophy and in the Judaeo-Christian tradition. We also share with Israel a parallel history as havens of refuge for the persecuted and the oppressed. These intangible but vital factors are at the root of the affinity between our two peoples, and they motivate most Americans to place a high value on the significance and role of Israel among the nations. When Israel is threatened, all of the things America stands for are threatened.

Let these thoughts be reviewed in any "reassessment" of our position in the Middle East.

CHILD AND FAMILY SERVICES

Mr. MONDALE. Mr. President, as Senators know, the Senate Subcommittee on Children and Youth, which I am privileged to chair, and the House Select Committee on Education, ably chaired by Representative BRADEMAS, have held seven joint Senate House hearings on S. 626 and H.R. 2966, the Child and Family Services Acts.

We have scheduled our final 4 days of joint hearings on this legislation for June 5, 16, 17, and 19.

Recently, National Public Radio presented an award-winning "Options on Education" series, including a show concerning this legislation and our hearings entitled, "Who Cares for Children?"

I have had an opportunity to review the transcript of that program. It includes a thoughtful description and discussion of the legislation, with statements from a number of individuals who have testified at our hearings.

So that this information may be available to my colleagues and interested members of the public, I ask unanimous consent that the transcript of "Who Cares for Children" be printed in the RECORD.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

WHO CARES FOR CHILDREN?

(A Transcript of "Options on Education," March 14, 1975)

Key:

A: Announcer Mike Waters.

JM: Moderator John Merrow.

C: Various "latch key" children.

WP: William Pierce, Child Welfare League.

AC: Audrey Colom, Vice-Chairwoman, National Women's Political Caucus.

CB: Carol Burris, President of Women's Lobby.

CHMN: Alphonzo Bell, U.S. Representative (R.-Calif.)

AF: Arvonne Fraser, Women's Equity Action League.

TS: Tutti Sherlock, Olmstead County Council for Coordinated Child Care, Rochester, Minnesota.

EK: Erline Kendall, Nashville, Tennessee.

JG: James Gallagher, Frank Porter Graham Child Development Center, University of North Carolina.

SJ: Sid Johnson, Staff Director, Senate Subcommittee on Children and Youth.

WS: Wayne Smith, National Association for Child Development and Education.

A: From National Public Radio in Washington, I'm Mike Waters with "Options on Education."

(Music: Who really cares? Who really cares?)

C: And I sometimes do the house. Clean up. And do sometimes the lunch for the . . .

JM: Now, how do you get into the house after school?

C: Well, I have the keys to get into the house. And we all of us have different keys—my sister, and my other sister and I and my mother and my father.

JM: Where is your father?

C: He works with my mother in the Watergate, too.

JM: How old are you?

C: I'm 11.

JM: And how many kids are there in the family?

C: Four.

Second Child: I have to use the keys to go out and in.

JM: Are you afraid of losing them?

C: Yep.

JM: Does your mother work?

C: Yes.

JM: What kind of work does she do?

C: Day care center.

JM: What about your dad? Does your dad live at home?

C: Well, my mother and my father got divorced.

JM: So you're pretty much in charge for a couple of hours?

C: Yeah.

JM: Now, what about your small brother during the day?

Third child: I go to a school and take them from the school, all of us go . . .

A: Those kids are latch key children. And there are millions more like them in the country. They need some sort of supervised child care. And it isn't available. It's a mistake to think that day care is just for infants and pre-school children. Most kids without care are in school, as you'll learn on this "Options on Education" program, which we're calling, "Who Cares for Children?"

(Music).

A: Let's begin with the statistics. The Child Welfare League testified on Capitol Hill that over 32 million children under 18 need child care. Now, right now there are only 4.3 million day care slots available. And only 1 million of these slots are licensed. That means that a lot of kids are getting unlicensed day care. And a lot more aren't getting any care at all. 25 million children out of the total 32 million are already in school. They need part-time adult supervision as a supplement to school. The remaining 7 million are infants or pre-schoolers. The lion's share of kids needing day care, 26 million, are the children of working mothers. In some cases, the mother may have to work. She may be the only parent in the home. In many cases, the mother has her own career—as a lawyer, architect, doctor or nurse. Another 1.2 million children have a parent at home, but that parent is handicapped or too sick to look after the children. 700,000 children have working fathers as their only parent. And another 4 million children are themselves handicapped and need special care. It adds up to 32 million children. Our reporter, John Merrow, of that Institute for Educational Leadership, asked William Pierce, the Child Welfare League's lobbyist, just how accurate the statistics were.

JM: Can you back those up? Is that data pretty good?

WP: Well, we think that in this case the burden of proof is on those who say the need for child care is not there. It's been 11 years since the Federal government, which spends hundreds of millions of dollars on surveys and data-gathering extravaganzas, has bothered to find out what the real child care arrangements are in this country. And, we don't know what the reason is, but we do know that they just haven't gathered the data. We think that if they gathered the data, and it could be relatively easily done, that they would find results something like what we estimate. Since they have not found out where the children are, we have had to extrapolate from the data that does exist. We say that our data is as good as can be "guesstimated." And if they think our data is too high, we invite them, we encourage them, we beg them, to conduct their own survey. Some of those surveys are very difficult to do. The only way that you can do some of those surveys is literally station people on street corners to find out where children go. There was an interesting survey done in London recently, and that's the only way they were able to find out. They recruited teams of social workers who stood on the street corners starting at 5 o'clock in the morning, and tracked parents. If they left their house and trundled off down the street with a baby carriage, and the baby carriage and the baby stayed somewhere, they had discovered a child care arrangement. They found that there were literally thousands and thousands of babies cared for in the most frightening and damaging situations. Not even the last survey done in the United States was as imaginatively done as that one done in England. We need another survey.

JM: Tell me about the available number of day care slots, or whatever the appropriate term is, and then let's go on after that to talk about the kinds of ways children are actually cared for in this country.

WP: All right. First of all, we know that there's roughly a million licensed day care slots in this country.

JM: Who licenses day care?

WP: Most day care in the States is licensed by state departments of welfare. Day care can also be licensed by health departments. In some states, the health department is the licensing agent, as in Kansas, and they do a very fine job. In other places, it's departments of education. Generally, day care has been seen to be a welfare function and, therefore, the licensing function has been performed by the welfare department.

JM: The figures we're working with right now say there is a need for roughly 32–33 million, and there are only a million positions available?

WP: There are only a million *licensed*. That means that if we want to be fair in talking about supply we have to try and estimate what the number of unlicensed day care places are. Most of the unlicensed day care places, according to all of the studies that we have available (one funded by the Federal government and conducted by the Westat Corporation, another done by the National Council of Jewish Women and published in a

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report called *Windows on Day Care*), are of extremely poor quality because, frankly, most unlicensed day care, like most unlicensed restaurants, people would rather function above ground because it's more profitable, and they can attract better trade and charge better prices. If someone is selling, or licensing anything on the sly, it usually is that their product is questionable. About 95% of all of the unlicensed care according to the estimates is bad. Five percent is simply run by good people, or people who for one reason or another cannot comply with the eccentricities of the licensing law in a jurisdiction or two. We estimate that the unlicensed, illegal, underground (however you care to call it) capacity in this country, and this is extrapolating from the studies that have been taken, is about 3.3 million places. So, if you add those with the licensed places, you come up with about four or four-and-a-half million places. Most of those can't be used, though. An awful lot of the licensed day care places and a lot of most of the unlicensed day care places are so unsafe and hazardous that we wouldn't put our *dog* there, let alone our children. So we're left with a net of about a million places that can be used. Subtract the million from the 32.5 million needed, and you've got a net of 31 million children who, we say, need care, and you've got to create the spaces to care for them.

JM: I'm struck by the bloodless, colorless language of "licensed" vs. "unlicensed." Then you went on to say that some were unsafe, that you wouldn't put your dog there. What do you mean? What goes on in a place like that?

WP: Well, in an unlicensed day care facility, and it may be a family day care home, or a group day care home, or a day care center—in an unlicensed facility you can bet that, first of all, there's not enough space so that the children can have the freedom of activity that they need. They're either penned up, or they're seated in front of a television set. That's the usual choice. They also, quite frankly, are trying to operate a business illegally. They're trying to avoid taxes, they're trying to avoid land use and zoning codes. As a result, in most of the unlicensed situations, the children have to be placed in very unobtrusive situations. In the house, very little of the house will be changed. If it's in a center, the center will be located in a building which is unsuitable. If it's . . . no matter where it is, it's very unlikely that the children will be playing outside, because a lot of noisy kids will attract the attention of those who say, "Why are 15 or 20 kids playing in that house, or next to that warehouse? They must have something going on there. It's not a school. It must be a day care center. And maybe the children shouldn't be there." The other thing is that if you simply look at the statistics, from the studies that we do have, of what is in an unlicensed day care center, you'll find that there's not enough cots for the kids to take naps, there's not enough food for them to eat, there tend to be very few toys, if any at all.

JM: Those are features of licensed day care centers, then?

WP: Those are features of unlicensed day care centers.

JM: No, but *licensed* day care centers would have enough cots, would have enough toys, and so on and so forth?

WP: Most licensed day care centers, yes. The problem with licensing anything is that you have the corruptibility of the licensing official which comes into play, and I think anyone would be naive to think licensing officials cannot be corrupted, let's say, in terms of building code enforcement, and zoning, and fire and hospitals and everything else, that one or another of the licensing officials engaged in children's facilities cannot also be corrupted. But a good licensing program gets around that by rotating licensing people.

JM: Let's go back to our numbers again. You said there are four-and-a-half million available slots, licensed and unlicensed. We began with a figure of between 32–33 million. I hope I'm remembering the figures correctly. That leaves an awful lot of children who, by your figures anyway, need some kind of day care, but there are no positions. What happens to those kids? How are those kids—that 28 million, whatever the number would be—how are those kids being cared for today?

WP: Well, we know from looking at the statistics gathered by the Department of Health, Education and Welfare for the children of women on welfare, children in families receiving aid to families with dependent children, AFDC kids, that a great number of those kids are looking after themselves, or that the parents are claiming to look after them while they are at work. We think that this is probably not just limited to welfare children. I happen to live in a fairly wealthy suburban county, Montgomery County, Maryland, and surveys of the situation of children in Montgomery County are not much different from the surveys that HEW has reported in terms of AFDC children. When people work, if they don't have day care available—and we know from the statistics that they don't—there's no magic. They simply have to rely on the children caring for themselves. These are children who look after themselves . . . latch key children . . . who, if they're ill, or if school is out . . . we're talking now about six hours a day, every day, and we're talking about 10–12 hours a day whenever school is out, or they're ill or they have no public school to go to.

JM: So they're taking care of themselves. They're without adult supervision. They may be at home, they may be out on the streets, but essentially they're . . . and you call them latch key children—what does that mean?

WP: Well, *latch key child* is the term used to describe the child who . . . most parents have to lock the door, so they take the house key and string it around the child's neck and say, "No matter what, don't lose your key, and if worst comes to worst, come home, unlock the door and slam it behind you, and be good." That's all.

JM: You also said that some working mothers take care of their kids by telephone. I don't understand that.

WP: Well, if the child is at home—and I must admit there are people that I know who are professional child care people who do the same thing—if there's no school-age day care available, what they do is they know that their child should be home from school about 3:30 or 3:45, and they simply sit at their desk and call every five minutes until their child answers the phone. They give the child . . . they ask the child how the day went at school. They say, "Be sure and have a snack. Don't watch TV. Do your homework. Do your chores. I hope to see you at 6 or 6:30." And they may call the child to check to make sure that the child is in the home every 15 or 20 minutes or so.

JM: I'm sure there are a lot of listeners reacting to that right now in this way: "That mother belongs at home. She shouldn't be calling from her office or from wherever she works to find out how her kid is. It's just wrong."

WP: Well, what's wrong is that we have a policy in the United States, as do many other industrial countries, that forces both the father and the mother to leave the home and work outside the home in order to survive economically. What's wrong is that we don't pay people to do the thing that we acknowledge as a valuable service, and that is to care for their children in their own home. Our welfare policy is the same sort of thing. We say to a welfare mother, "If you're just in the home caring for your own three children, it doesn't count. You've got to contribute to the gross national product." We say, on the other hand, that if a welfare mother leaves her home and cares for someone else's home and three children, it's terrific. She's working. And not only that, the woman who pays her $400 a month can deduct it from her income tax. The fact is that if a welfare mother or any other mother, or man for that matter, is performing real services to society, they're worth $400 a month in someone else's home caring for three kids. if they're caring for three kids, they're also performing real work. Some nations have recognized that by counting the work done by the household—and it may be the male or the female—in the gross national product—the so-called mother's wage or householder's wage approach. We haven't recognized that here. On the contrary, we have taken the most vulnerable people in our society, those who are poorest and who have their children to care for, and forced them out of the work place.

C: Yeah.

JM: Tell me about the work she does.

C: About law enforcement and crime, and stuff like that.

JM: How about your Dad? Your Dad is not at home with you?

C: No. He's in the service; he's in Thailand.

Second Child: I practice my piano and I read and I do my homework.

JM: How do you get into the house?

C: My sister wears the keys around her neck.

JM: Well, now does your Mom call up to find out what you're doing?

C: No. We call her.

JM: After school, what do you do?

Third Child: Play basketball or football. Then, after that, probably get some soda, something to eat, and go home. That's about it.

JM: Now, is anyone at home after school?

C: No.

JM: Do you have brothers and sisters?

Fourth Child: Yeah.

JM: Now, who takes care of them?

C: Me. I tell them what to do . . .

A: It's important to make some distinctions among types of day care. Whether it's called center care or home or family care depends on the number of kids involved. Six or more kids and the day care facility is called a center. Under six kids and it's family care or home care. Day care can be non-profit or for-profit. And some for-profit day care is franchised, much as fast food chains and motels are. Most licensed day care is run for profit, but most of the day care facilities are not even licensed. Licensing requirements vary in rigor and enforcement, but the regulations usually spell out minimums for square feet per children, ventilation, bathrooms and available toys, among other things. But distinctions aside, there are many more kids than there are places and day care facilities. Right now, three Congressional Subcommittees are holding joint hearings on day care legislation. Actually, the Congress passed a similar bill in 1972, but former President Nixon vetoed it. Today, the bill's passage seems inevitable. But there are unanswered questions. Congressional hearings are supposed to help answer questions, so let's listen to part of the March 12th Joint House-Senate Hearing. On that day, several women's groups testified in favor of the bill. The hearings, which began in late February, will go on into April.

AC: Thank you very much, Mr. Chairman. I'm pleased to be here today to discuss the Child and Family Services Legislation. I am a parent of a pre-school child currently in day care, and Vice-Chairwoman of the National Women's Political Caucus. I would, at this point, like to speak up for the small percentage of women who work out of choice, not necessity. They and their children, too, deserve the highest quality care available. I

am pleased that the Senate bill provides some space on a sliding fee basis in child care programs for families above the Bureau of Labor statistics lower living standards budget. I know that these families desire for their children the rich and varied experiences that the best child care programs offer, and they are prepared to pay for these programs. To those people who bristle at the mention of day care and equate it with irresponsible or neglectful parents I would like to say that good (not custodial) day care is quality education. The children are learning about themselves, their playmates, their environment, in a healthy and a happy way. They are growing and developing as a result of their experience in day care programs. Now, I would like to take just a couple of minutes to speak about specific provisions in the bill. I am distressed that for the first year funds are authorized only for planning, training and technical assistance. While I don't dispute that ample planning must be done, I am surprised that no money is simultaneously available for already existing child care programs and family service programs—especially those suffering from diminishing foundation or local government support. I can think of several child care programs within walking distance of this very hearing room that might close down soon because their funding is unavailable or unstable. If this bill passes as drafted, I can envision a situation where well-paid planners are scouring the country determining areas of greatest needs while child care programs in those very areas are cutting back or closing down altogether. Children must be the primary beneficiaries of this money.

CB: I think there are three things that my statement really touches upon. The first is the whole question of why it is that we have the large number of households headed by women, the large number of women in the work force that are completely ignored. This bill passed first in 1971 and was vetoed, and these children are still with us, and they're still not getting any care, and we're sitting here once again, all of us who agree on the need and all of us who agree that there is a need and that there ought to be funding are sitting down once again, and I notice that none of the people who disagree with us are here. And we're all discussing once again this problem. And, in the meantime, I was the mother of a child who was a preschooler when this bill first passed. I'm now the mother of a second-grader and, if we keep on at this pace, I'm going to be the grandmother of somebody who needs day care. And we have a continual problem, it seems to me, in the ideas at HEW about implementing this bill and a lot of the informed opposition comes from there and, frankly, if the Secretary of HEW were a woman, she would not announce that she could not do her job and then expect that was a good and sufficient reason to not take care of the children who need day care. Any woman who goes around announcing that she can't do her job is fired, and I think that it's a poor excuse that the Secretary of HEW feels that he should be able to come before this committee and continuously announce that he's unable to administer a program to take care of children and then feel that that's good and sufficient reason not to enact one. It's probably a good and sufficient reason to change Secretaries, but not a good and sufficient reason to leave children alone. (Laughter) The other thing that I think is really important in discussing child care is the whole question of why this problem can continuously be put underneath, and why those of us who are middle-income parents are continuously sort of left alone. I think when there are no services, which is the current case, there is no way to buy the kinds of services that are available for Audrey's daughter, for my son, because they just don't exist. And my son is in an after-school program with 15 other children, and the competition to get into these programs is far greater than it will ever be to get him into Harvard or Yale, because they have about 1,000 spaces for their freshman class, not 15 spaces. And you cannot tell me that poor people need spaces more than anybody else does because there just are no spaces that exist, so the need is equally great for all of us because we just don't have any commitment publicly to take care of our children. And we can't now cut back because of a President who's left the White House—our demands for the children that we know are out there. If we do, I think . . . as someone who works on women's rights, I have to say that I think it could only exist because the Congress of the United States thinks that women take care of children, that's a free service and there's no point in replacing a free service with one that costs any money at all, and it's really exploiting women as well as exploiting all the children that they primarily take care of.

CHMN: Thank you, Ms. Burris, for a very effective statement. I'm wondering then . . . you believe that there should be no problem about the budget, that it should get top priority and that it doesn't make any difference whether you're near-poor or poor, there's nobody that should get priority. They should all have this funding. What type of money are you thinking about? What . . . in other words, you obviously know the poor aren't going to be able to pay. The near-poor probably not either, but there are going to be some that are of the middle class that might have to pay. No, what would you think would be a . . .

CB: If you look at our constituency as people involved in women's rights, the median income for women is literally half of what it is for men. The median income for women is around $5,000. For white men, it's around $10,000 and for black men it's around $8,000. Any one of us, by finding a man, you know, a live, walking-around man, doubles our income and that is, without doubt, you know, the reason so many female-headed households (and so you can see, I'll just do a list of them so that you can see), so many female-headed households live in poverty. So that if you're talking about our constituency, those of us at this table, if you take the social service . . . the Title 20 guidelines . . . there is no question in my mind that all working women, with the exception of maybe one or two percent at the very top, are going to easily be able to qualify for free care. And so, then, the question of deciding which women is going to get it is one that I don't see that I have to make. I just think that it's my responsibility to tell this committee of the need.

CHMN: Of course, there are the questions that come right back to us. We're going to have to make it if you're not going to. So, that's the purpose of my question because there's just so much money around.

CB: All right, I think I would put the top at whatever the Title 20 thing is: In New York, I think . .

CHMN: I'm sorry. I didn't hear you.

CB: The Title 20 guidelines are 115% of need at the top. That comes out to about 15,000 in New York City. That's well over what any woman on the average is going to make. Those would fit without our guidelines of having to explain the need and have as the first set of need those women who are heads of households. I think from there you need some sort of sliding scale that, in the end, does not really have a tremendous burden on those families where two people work if they work at middle-class jobs—the people that Audrey said are those people who work out of choice. The other problems is that we do not have tax credits or an easy access to the tax deductions that are available for those of us who pay for child care. And so if it were a credit system because many more people file a short form than file a long form. Or if it were a system of credit even for home care, which it isn't now, you would at least be able to give me the same kind of deductions for my business expense (because I can't be here today without child care) that you give people who buy business lunches. I really resent paying for martinis and not paying for child care. And I think that if you had it as a system without a . . .

AF: . . . I'll just submit my statement and go to this question of cost. This is a good bill, I think, because it includes lots of child care services that are needed for children whether they're in a day care institution or whether they're cared for at home by their mothers. And the problem, I think, that we get into is that we almost pat ourselves on the back as middle-class parents about how much it cost to raise a child, on the one hand, and we say, "Look, we put out this much money to raise a child." On the other hand, if we do it publicly and put it under the guise of day care or child care, we think it's outrageous. Somehow, we've got to get our philosophies together. It seems to me if we talk about social services for all children as day care, day care is going to be equated as something way too expensive and never passed. On the other hand, if we tell the public that we are providing not only day care for those children who need it, but social services, health care, medical care, and so on, for all children, we are saving the taxpayers, ultimately, dollars, though it may look expensive now. We are taking care of children, and I think we ought to look at this as a child care bill, not as something that just helps mothers. It has always seemed to me that most children have two parents, one male and one female, and that the whole burden of the care of that child should not be just on the female and this looked at as a women's bill. This is a children's bill.

Chmn: Thank you, Ms. Fraser. I want to commend you, also, for your very cogent remarks. It's a great pleasure to have the wife of Congressman Don Fraser before the Committee.

AF: And the mother of a number of children, and I consider myself a day care worker.

Chmn: You said on page two of your statement that such schools should be opened to all children regardless of financial standing of parents. Do you feel that, even with the strictures on the budget, they should be open to all parents? Do you feel exactly like Mrs. Burris?

TS: Most assuredly. Absolutely. Our public schools are open to all children. I feel that early childhood development must be open to all children. I think that the statement that follows it clarifies one of the reasons I said that, and is a very reasonable one. And one that shows, in my county, anyway, why Head Start isn't working, and that is the fact that Head Start operates in a ghetto. It's keeping the poor children together and giving them very limited kinds of educational opportunities, and I would much rather see children of all economic backgrounds in the same classroom doing the same kinds of things. I think that this kind of thing . . .

EK: . . . half of the children in that center were under Title 4A, which meant that they were at the welfare level. But we did not want to see welfare families isolated. They're isolated already in their housing and many other ways. So 50% of the children in this center were on the sliding fee scale. Some of those families pay five dollars a week, some of them pay $25 a week, but they pay according to what they could afford. That center closed within 10 months. Lots of people told us that it couldn't be done, and they were right. One of the things I like about the Child and Family Services Bill is that it

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looks like you're going to try to do what couldn't be done. And that is, provide not only for those families who are at the welfare level, but provide for those families who are above that level and who are the working poor. I'm very concerned when I see families like a mother that I know, and this is the third time she and I have talked about care for her pre-schooler. She is a certified teacher. She has to work. Her second husband is a student. He has a part-time job. They are willing to pay, and they want good care for their son. But I don't have any place to tell her to go. She and I talked last week and I found myself withdrawing from the conversation. It was too painful for me and for her, too. I think about an infant who came to our center. His mother is white and unmarried. She was a secretary at the time he was born. Her family was not willing to give her very much emotional or financial support during that period. And we really had to mother the mother. She almost gave up her baby. She considered giving him up for adoption. She considered abandoning him without the adoptive process. But we referred her to counseling. We took him for shots. We bathed him. We fed him. We sent special formula home with him because she was not willing to pay, or really able to pay for that at that time. And, through the support services that she received, she and her baby were able to become a family. And it looks to me like the bill that you're considering will be supportive of families. And I think that's important. I'm concerned about a mother who is a truck driver within our city, and she's desperate for care for her three-month-old son. For the last several weeks, she has carried him in the cab of her truck, but she says she can't keep doing that. We need a place for her baby. Those are some of the families that I know, and those are some of the reasons I have come to testify. Some of the particular parts of this bill that I think are important are these. As I have worked in a franchised center and in a non-profit center and in a Title 4A center, some of the needs for day care that I'm particularly concerned about are covered in your bill. And I'm very pleased to see the variety of prime sponsors. I'm very much concerned that no one sponsor be given the whole package. Our public schools have certainly not fulfilled the needs of all of our children. And then I am pleased to see the commitment to variety and innovation in programming.

CHMN: Mr. Gallagher, I have a couple of questions for you. Possibly the most important question that I can ask pertains to the program delivery system. In your opinion, what specific roles would the public schools have in any legislation we develop?

JG: I would see that over the long run the public schools will become more and more involved, but not as they're currently structured. I would see a great change take place in the primary grades and the earlier education of these youngsters, coming from a greater recognition of the overall comprehensive needs of the child. The child has health needs, has social needs. The family needs to be more critically involved in these kinds of programs. The schools as they are now structured would have a difficult time accepting this, but I think the schools can restructure themselves and I think it would be a great benefit to everybody if they did it in concert with the kind of provisions that are in this bill. I would not want to get this bill entangled in a professional battle between who owns this territory.

A: A key term in the legislation under study is "prime sponsor"—the direct link to the Federal agency giving out the money. Prime sponsors will be able to subcontract for services with other agencies in groups, but the power of the purse will be with the prime sponsors. Albert Shanker, the powerful head of the American Federation of Teachers, wants the public schools to be the only prime sponsor. Shanker told John Merrow that the public schools have two advantages—they already have the support of the middle class, and they have an established structure for governance. Shanker added that having all sorts of sponsors would lead to conflict. Those who want a variety of sponsors, Shanker said, are really trying to set up an alternate school system to rival the public schools. Shanker's call for public school monopoly has aroused strong opposition. And our sources on Capitol Hill indicate that, despite Mr. Shanker, or perhaps because of him, a public school monopoly of day care is impossible. Of course, everyone wants to be the prime sponsor. Sid Johnson is the Staff Director of Senator Walter Mondale's Subcommittee on Children and Youth, and he talked with John Merrow about the possibility that profit-makers would be eligible to be prime sponsors.

JM: It sounds as if Senator Mondale and those people who have been drafting the bill are leery of profit-makers in day care. Why?

SJ: Well, a number of groups concerned about this bill and active in the bill are quite concerned that large profit-making programs do not participate and, in essence, use limited funds in part for profits, and they point to the example under Medicare and Medicaid of nursing homes in which there have been some recent scandals in New York State and elsewhere where profit-makers could come in with very few checks and not have to meet standards, and not be subject to very much enforcement, and in some cases make a tremendous profit from public funds. So we do have what we hope is a very limited and carefully monitored approach which would permit you—that community—that prime sponsor—to select out a profit-maker for funding if, in their judgment, it met the standards, had the parent involvement and was just slightly better than a non-profit. One more point I would like to add on that (and I may be telling you more than you want), there are . . . day care is . . . contains some interesting legal fictions, you might say, with respect to profit-makers. It's not just like the automobile business when you talk about profit-makers being General Motors or a large corporation. There are large franchisers in day care who are profit-makers. There are also many, many, many small "mom and dad" or family day care operations which are *classified* as profit-makers simply because they have not filed for tax-exempt status. They may not have had a lawyer, they may not have gotten a 501–C3 status, and had a Board of Directors, but, in reality, they are not making a profit. They're making, in essence, a salary. So that is one reason, in order to encourage those programs to come in and be up-graded because that's where 60–80 percent of the children are today in day care. We have chosen not to exclude profit-makers totally because you would be excluding not only what people think of as large operators, but you would be excluding family day care—the mother down the block who watches fewer than six children in her home, which many parents prefer and which could use staff training and assistance and health attention.

JM: But, essentially, when you talk about profit, now you're trying to make it so that it's tough for the large franchisers to get money under this bill, but easier for the small "mon and dad" types?

SJ: Oh, no, that's not . . . if I left that impression, let me correct myself. It is going to be just as hard for any profit-making program—indeed, any program to be funded under this Act. One of the things that Senator Mondale and Congressman Brademas and the other sponsors feel most strongly about is that these programs have got to be of the highest quality. That we could well be doing damage to children if we permitted Federal funding to go to inadequately supervised, poorly trained custodial warehouses, whether those are profit or non-profit. So that profit and non-profits alike, family day care and big corporations and public schools will all have to meet all those standards, the exact same ones, and the only distinction is that if you are a profit-maker, and it's either family day care or corporation, non-profits will get a special priority.

A: William Pierce of the Child Welfare League and Wayne Smith of the National Association for Child Development and Education are on opposite sides of the dispute. Both are lobbyists, Pierce for the non-profit interests, Smith for the profit-makers. John Marrow talked first with Pierce.

JM: Is *for-profit* day care better than non-profit day care?

WP: No. For-profit day care, according to all of the studies that I have ever seen and all of the centers that I have visited, is by and large substantially worse than non-profit or publicly operated day care. Whether you take the study done by the National Council of Jewish Women, and they went into their study with no preconceived opinions, or the study done by a group of women in the Boston area, or our Child Welfare League's look at day care centers all over the country, what you find is that there are, indeed, a few good profit-making day care operations, just as there are, indeed, a few bad non-profit and publicly operated day care operations, but by and large you've got about five to six times better chance getting a decent day care service if you go the non-profit public route.

JM: What's wrong with . . . what are we likely to find in for-profit day care? You're saying it's substantially worse, but you really haven't documented that.

WP: You find the same thing in profit-making day care as you find in profit-making nursing homes. You find that the motivating factor is the bottom line—the bottom line being profit, the bottom line of profit being attained by cutting back on staff and on staff salaries, cutting back on the food, cutting back on the equipment, cutting back on the space, making sure that there is as little interference as possible in maximizing profit. That includes also that you have to cut back on consumer participation and consumer involvement in your program. In terms of consumer participation, we think it's critically important for consumers to always be involved in any kind of human service. This is particularly true when you're talking about a service for very young children. They can't speak for themselves, they can't object, they can't complain. It's important that their parents be able to walk into that center at any time, and look at the operation to complain. I have been in many profit-making centers. Most profit-making centers are extremely unwilling to let me, as a parent who says he wants to enroll his own child in a day care center, even in the door. And that includes operations in Maryland. That includes operations in California, Chicago, clear across the country. Time after time, representatives of the profit-making chains and the big profit-making operators have challenged me. They've said, "If you think our operations are so bad, come visit us." Well, I can tell you, I have visited them, and in case after case they have been breaking the Federal and state licensing laws by having too many children and too few staff. The food has been lousy, and the care has been, at best, custodial.

JM: The present situation of scarcity, does that allow profit-making day care to flourish?

WP: That's been the excuse in profit-making day care and in profit-making nursing homes. The condition . . . the usual argument is, "Well, it may be bad, but it's better than having them out on the streets." That's the same argument they've used to run warehouses for the aged for 25 years in this country and we say, "Stop the argument with kids." It's a Hobson's choice, and it's ridiculous.

A: That was William Pierce of the Child Welfare League. Wayne Smith, who lobbys for the *day care for profit* interests, also spoke with John Merrow.

WS: I hate to differ with these critics of the proprietary operators, because we found that time and time again the centers that run for a profit give quality care, and I think that's what the parents look at—quality care. And when they go into centers, and they judge that they want to send their children to a center, and if we are providing 70% of all of the day care in America, there must be something that the proprietary operators are offering over the non-profits and others that are in the field.

JM: Now, William Pierce, who is your counterpart in the Child Welfare League, was very harsh in his criticism of day care for profit, and he said that when he went to visit for-profit day care centers, he often couldn't even get in the door.

WS: Why, I think that's right, because Mr. Pierce is not a father, and he has no right to be in there unless, you know, he was looking for other reasons.

JM: I can't argue with that. Why, if for-profit day care works, as you seem to be saying, why is it that the Brademas bill and the Mondale bill are setting up pretty high hurdles to the eligibility of for-profit day care?

WS: I think that your big problem is that they're being excluded in the present Mondale-Brademas bill. Proprietary operators are being excluded and, therefore, that is why we are in opposition to the bill, in the sense that if we are going to be excluded, we'll be opposed to the bill. If we're included, we're all for the bill.

JM: Right now, then, you're opposed to the bill?

WS: That is right, unless it is amended.

JM: Now, the critics of profit-making day care point to Medicare and Medicaid and to the nursing homes as examples where when the profit-makers are let in or allowed in, scandal develops.

WS: I think you can find a scandal in anything, and if you want to look down at the White House or HEW or other agencies, I think you'll see enough scandal right there in the bureaucratic jungle that most of these agencies are made up of.

JM: Well, that doesn't really refute the charges about, for example, the nursing home scandals where patients are found to be kept drugged during the day so they won't cause trouble, and immense profits are being made by the profit-makers.

WS: Well, I think again the problem is that HEW, who funds the Medicare Program to the nursing homes that are proprietary-run or not run by profit-makers, are not enforcing the standards, are not enforcing the rules. And this is the problem we have today in day care, nursing, whatever the case may be, is that nobody's enforcing the rules.

JM: What do you conclude from that?

WS: I conclude that they're doing a very poor job of trying to dole out money, and then where are the rules that have to be enforced, if they're not licensed?

JM: It seems to me that the heart of the objection, which I'm not sure we've really dealt with, is the notion of the profit motive, or the bottom line of making money. Now, what it sounds like you're implying is that unless there are stringent rules and enforcers of the rules, the profit-makers are going to watch that bottom line and will cut corners and thereby reduce the quality of the care; at least that seems to me what you implied about the nursing homes. Isn't that likely to happen in profit-making day care?

WS: No, to the contrary—the money that is made in the proprietary end goes into quality care because they have to meet such rigid standards, licensing standards enforced by the states, or the local health and enforcement departments in the counties where they have their facilities. That's where the money goes today—meeting the high standards that states are asking the proprietary day care operators to put into effect. On the other hand, the double standard goes into effect. They do not ask the public-funded centers to meet any kind of criteria.

JM: Now, how likely is it that Mr. Brademas or Mr. Mondale will make changes in this bill?

WS: I think that the Committee, once they have a chance to listen to all sides of the argument of quality day care, take a look at the bill—and it's a very comprehensive bill, it's a 66-page bill . . . I think that it'll be a long year, and I think there'll be a lot of changes, especially when the Congressmen and Senators go home and start meeting with their operators to get the input on what should be done on quality day care.

JM: Now, you've fought this battle before. This bill went through the House and Senate before and you lost then.

WS: We lost then, but as you well know it's not law and that is because the President vetoed the bill and the Congress could not overcome the veto and . . .

JM: But the President didn't veto it because it didn't include proprietary day care.

WS: No, but at that time the big argument was the total amout of money that was being spent, and we agreed with the President that this kind of spending would just build another bureaucratic agency.

JM: Are you saying that you prefer to see a bill which didn't have any public day care at all?

WS: I think that the way it should be done and handled is that the money be appropriated and then contract out to the proprietor operators, at so much a day for the children, and they'll do the job they have done for the last 20 to 40 years because . . . remember . . . public day care didn't come into effect until the late '60's.

JM: So, you'd say it would be best to rely on the free enterprise system?

WS: I think the free enterprise system is what has been the success in America not only in day care but in anything else, because remember—it's the tax-paying entities that are supporting the tax-consuming fields, whatever they may be.

A: Sid Johnson, Staff Director of Senator Mondale's Subcommittee on Children and Youth, also talked about the profit-makers with John Merrow.

SJ: Senator Mondale and Congressman Brademas and all the sponsors have been very careful to say that the so-called delivery system question, that is what combination of state and local government, is one that we're really open to. We are seeking advice and suggestions that will lead us to a solution that involves, and takes advantage of, the resources and the planning capacities of states and their existing programs, at the same time giving the flexibility that's so necessary for local diversity, for communities to adapt their programs the way they want. Now, that's a very easy goal to describe, but it's a hard one to work out. We're in the process of working that out. We've been very hesitant to have a sort of national blueprint that would mandate these programs run through the schools or mandate that they be run through the welfare departments. Some states, such as California, have a very large program of day care and early childhood education run through the schools. Other states do that through welfare departments, or through offices of children. This particular question is one involving how they will be delivered, and who will deliver them. It's our hope that all the groups and individuals and organizations interested in this bill will keep the purpose of it *primary*, and agree to sit down and discuss in hearings and other ways the sub-questions, important questions, but still sub-questions about who shall run the programs. I think you will end up with a very diverse system serving many income groups, which is precisely the point of this bill. We want very badly to provide a program that does not divide people into poor and non-poor. We want a single system. We don't want dual systems. I think the sponsors of this bill have seen enough examples of dual systems in health care or some other program where you have Medicaid for the poorest of the poor, and something else for those who aren't poor. And many people have said that if you have a program just for poor people, it ultimately becomes a poor program because it cannot sustain the popular support—the support of the public. It's viewed as being unfair and tilted, and we feel very strongly that, much like the public schools, this should be a program that serves all children.

JM: Now, Sid, this is something that Senator Mondale and Congressman Brademas and you and a lot of other people have been working on for a number of years. The bill has gone through once and been vetoed, went through part way another time; now, I guess, it looks as if it is inevitable. When do you expect this bill to come up for a vote?

SJ: That's another hard question to predict because things change month to month. If you assume, for example—and this is a big *if*—that Congress would pass a bill of this nature, or something close to it, by June or July, and it would be signed into law, the next question, then, is when is the first effective year? For example, a number of groups have criticized the bill, saying that there's no need for a phase-in year, that the needs are so great and the capacity is there, that we should move directly into program operation. So that's an uncertainty. The second uncertainty is whether, indeed, the bill will be passed and signed into law. A third uncertainty is, if it is enacted, how would the Appropriations Committee respond to this in view of the other demands for resources?. So it would be a mistake to predict in any sense, to lead anyone to believe that, at a certain date, money will be available under this.

JM: So, anybody who is sitting at home waiting for the Federal funds ought not to be sitting there, ought to be out making day care arrangements in some other way right now?

SJ: Right. And they should be communicating with their political leaders, their congressmen and their senators. If they feel that this is a need that should be met, they should be doing everything they can to assist in passage of this bill, and to assure that the President signs it, and then you can't quit after that. Then come in and work for appropriations for it.

A. As important as the Child and Family Services Act is, and as great as the need for adequate day care is, it looks as if, for the next few years, the answer to our opening question "Who cares for children" is, bluntly, "not enough parents, not enough adults, and not enough politicians." Regarding the pending legislation, we are reminded of Carol Burris' testimony on Capitol Hill:

CB: We're all discussing once again this problem. And, in the meantime, I was the mother of a child who was a preschooler when this bill first passed. I'm now the mother of a second-grader and, if we keep on at this pace, I'm going to be the grandmother of somebody who needs day care.

C: Sometimes she comes home late, and I wait for her.

JM: Is your dad at home?

C: No.

UMI

JM: Does your Mom call up right away when you get home?

C: Not many times. She just calls and asks to see if we're all right, if we're okay, I tell her we're all right.

JM: Well, now, is your Mom at home when you get there?

Second Child: No.

JM: Does she work?

C: My parents are separated.

JM: And you live with your Mom or your Dad?

C: My Dad.

JM: Is he at work?

C: Yeah.

JM: What kind of work does your Mom do?

C: She works in . . .

(Music)

A: We want to use the final minutes of this program to tell you good news. We've just won two prizes for our reporting on education. The National Council for the Advancement of Education Writing has awarded us first prize in the "Broadcast" category. We also won first prize for "radio coverage of higher education in 1974," an award given by the American College Public Relations Association, Mason-Dixon Division. And we have a prize of sorts for you, if you work in education. Our reporter, John Merrow, has written a work that has upset the traditionalists in teacher training. It's being published, along with replies by several prominent educators, by the National Institute of Education. NIE has agreed to send free copies of the book, *The Politics of Teacher Training*, to listeners who write in on official stationery. So, if you work in education and want a free copy of John Merrow's book, *The Politics of Teacher Training*, write us on your official stationery. And if you want a transcript of "Who Cares for Children?", send $.50 to the same address, which is: Options on Education, 1001 Connecticut Avenue, N.W., Washington, D.C. 20036.

(For "Options on Education," I'm Mike Waters. This program was produced by Midge Hart and John Merrow. Funds for the program were made available by the Institute for Educational Leadership of The George Washington University and the Corporation for Public Broadcasting. This is NPR, National Public Radio.)

INDOCHINA REFUGEES

Mr. HUGH SCOTT. Mr. President, the Indochina refugees, I firmly believe, are in no way a "problem" for the American people, unless America turns her back on her heritage as a country which welcomes persons from foreign nations to her shores.

I have asked that these refugees find a new chance in our great country; I have asked this ever since their evacuation, and I continue to ask this. A few people have criticized my stand, but it is one which I will continue to take because I know that the people of America are generous and have ever been so. This generosity is our strength.

Mr. President, I ask unanimous consent that a column by the editor of the Philadelphia Inquirer, Creed Black, be printed at this point in the RECORD. In his column, Creed Black clarifies the debate the Senator from South Dakota and I have had on the refugee problem, making reference to a column which John Lofton wrote and which appeared in the Inquirer and which Senator MCGOVERN himself inserted in the RECORD.

Mr. President, I further ask unanimous consent that the Lofton column, a statement by Senator MCGOVERN, and an item in Saturday's Philadelphia Bulletin be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Philadelphia Inquirer, May 18, 1975]

McGOVERN IS, INDEED, HYPROCRITICAL ON THE REFUGEE ISSUE

(By Creed C. Black)

Notes on the news:

George McGovern took the floor of the United States Senate Wednesday to charge that "an incredibly distorted interpretation" of his proposal to return Vietnamese refugees to Vietnam had appeared in The Inquirer the day before.

He was talking about a syndicated column on this op-ed page by John D. Lofton, Jr., and he said he believed that "the editor of The Inquirer will correct this unfortunate story in his paper."

Well, senator, the editor of The Inquirer is publishing elsewhere on this page today the full text of the statement you made when you introduced the bill in question. With it is a reprint of the Lofton column.

Our readers may draw their own conclusions.

Mine is that Sen. McGovern's position is indeed hyprocritical, as Mr. Lofton charged.

The senator calls his proposal "a bill to assist refugees from Vietnam who wish to return to their native country." But in the rest of his statement he says to these same refugees, in effect: "Here's your hat—what's your hurry?"

He says that their evacuation may be "the final blunder of Vietnam." He concludes that 90 percent of the refugees would be better off going back where they came from. He would make "steps to facilitate their early return" the highest priority of our program to deal with these unfortunate people. And he assures them this would be in their "best interest."

All of which, I agree with John Lofton, is hard to square with some of Mr. McGovern's pious pronouncements of the past.

Incidentally, Sen. Hugh Scott pointed out that "any Vietnamese who wish to return may do so. They are being asked at the resettlement locations if they wish to return. Their answer is noted in writing.

"So far 45 of the 125,000—45 people—have asked to be returned. They were the 45 who were swept into the planes by Thailand soldiery, and whose families are still in Vietnam. Those 45 will be returned."

And despite Sen. McGovern's notion that he knows what's best for them, many of the other refugees apparently think that America is still a land of opportunity.

Time magazine quotes one of them, a 40-year-old former marketing manager for a paper and sugar distributing company who it says "fought back the tears as he noted that his current net worth is $4."

" 'You know', he said in broken English as he fingered his worn trousers, 'when I go, I forget to put on my good clothes.' Then he mused: 'I believe I have a good future here. I think the Americans in the end are good people. I think. I hope.' "

I think so, too, sir. And welcome to the United States.

Speaking of hypocrisy, a prize of some kind must go to North Vietnam for its description of the U.S. military operation to retake Mayaguez as "a flagrant act of piracy."

What, one wonders, does Hanoi consider the seizure of the ship by the Cambodians in the first place? Its "liberation," I suppose.

[From the Philadelphia Inquirer, May 18, 1975]

McGOVERN'S PROPOSAL—HELP THOSE WHO WANT TO RETURN

(By Senator GEORGE McGOVERN)

Mr. President, I introduce for appropriate reference a bill to assist refugees of Vietnam.

(S. 1626. A bill to assist refugees from Vietnam who wish to return to their native country. Referred to the Committee on Foreign Relations.)

The final blunder of Vietnam may be that the administration has chosen evacuation of nearly 100,000 Vietnamese as a substitute for accommodation in their own country. That policy should be reversed. Ninety percent of the Vietnamese refugees would be better off going back to their own land. And I say that in a humanitarian spirit.

America will not turn away those few who might be endangered by a return to their homeland. But I have never thought that more than a handful of government leaders were in any real danger of reprisals. The great majority of Vietnamese refugees do not fall into that category.

Most of them left in panic out of fear of a bloody final battle for Saigon that did not materialize. Nor is it likely that the new government will engage in the bloodbath our policymakers have talked about so much.

The Saigon government has already given orders that the people are not to be molested or their personal belongings seized. That is more respect for the people than Thieu's army frequently demonstrated.

It is also apparent from news accounts that the procedure for selecting evacuees on the basis of the risk of recrimination broke down entirely. Thousands of people were taken out at random and thousands of others simply headed out to sea on their own to be picked up by American ships.

I suggest that our program for dealing with these refugees should include as the highest priority steps to facilitate their early return to Vietnam.

We should express to the new government in South Vietnam our interest in implementing such a policy. We should make transportation available and we should stand ready to assist in every possible way in reuniting these people with their families and their country on a voluntary basis.

My bill would permit the use of either commercial carriers or American ships and planes to return any refugees who wish to go back to Vietnam now that the panic is subsiding. I fully believe that it will be in the best interest of most of the Vietnam refugees to return to their own country.

[From the Philadelphia Inquirer, May 18, 1975]

QUOTES FROM THE PAST—HIS WORDS HAVE A HOLLOW RING

(By John D. Lofton, Jr.)

WASHINGTON.—Without a doubt, he is it. No contest. The man, if indeed he is a man, towers head and shoulders above all challengers. George McGovern is the most immoral hypocrite on the American political scene today.

Anyone who feels this is an overly harsh indictment has only to consider the South Dakota Democrat's remarks about the Vietnam refugees and contrast them with the unctuous moralisms this son of a Methodist minister was preaching in his presidential campaign three years ago.

Over and over in 1972, McGovern's heart repeatedly bled as a result of a matter he said had literally become an obsession for him, something that had "weighed on my conscience for nine years": the thousands of Asians burning, bleeding and dying in

Indochina, many of them innocent children, many old people but none with any direct responsibility for the conflict that took their lives.

In a Truman Day Award Dinner in St. Louis, in October of 1972, McGovern observed that our nation was born in a noble vision of human existence, noting:

"The faith of our fathers was cherished by millions who followed after them. From a hundred different lands and every continent, immigrants came to America, not because they believed the streets were paved with gold, and not merely for jobs and opportunity, but because here they hoped to find a new birth of freedom for themselves and their children, a new liberation of spirit."

Declaring that almost every country in the world is a country because its people share a common culture, McGovern pointed out that America, however, was different:

"America is a land of diversity discovered by an Italian commissioned by the queen of Spain. Our independence was won by men named Kosciusko, Von Steuben and Lafayette, as well as Jefferson, Adams and Paine.

"Chinese Americans built the transcontinental railroad from the West, and at Promontory Point they met Irish-Americans who were building it from the East. Our culture has been diversified and enriched by the American Indians, the black Americans, and the Spanish-surnamed Americans. Every language that is heard in the world today has been heard within our borders. Every religious creed finds its expression here."

This same month, at Wheaton College in Wheaton, Ill., McGovern spoke passionately of how his religious convictions shaped his view of America's destiny. He declared:

"Some Christians believe that we are condemned to live with man's inhumanity to man—with poverty, war and injustice—and that we cannot end these evils because they are inevitable. But I have not found that view in the Bible.

"Changed men can change society, and the words of Scripture clearly assign to us the ministry and the mission of change.

"While we know that the Kingdom of God will not come from a political party's platform, we also know if someone is hungry we should give him food; if he is thirsty, we should give him drink; if he is a stranger we should take him in; if he is naked, we should clothe him; if he is sick we should care for him; and if he is in prison we should visit him."

Then McGovern quoted the Lord: "For inasmuch as you have done it unto the least of these my brethren, you have done it to me."

So, now with President Ford's courageous decision to rescue some 150,000 Vietnamese from communism—60 per cent of whom are children—Sen. McGovern has been presented with the golden opportunity to practice what he has preached.

As a member of the U.S. Senate, he is in a position to vote money to give food to those who are hungry; drink to those who are thirsty; and shelter to those strangers who need to be taken in.

His real reaction? Forget them.

These thousands of new Americans, so desperately in need of bread, he hands a stone. The operation that rescued them, he calls the "final blunder" of the war.

In his opinion, but he does not say how, it would be "in the best interest" of those who fled communism to now return to communism.

In 1942, George McGovern won the South Dakota Peace Oratory Contest with a speech title, "My Brother's Keeper." If he has an ounce of moral decency left in him, which I seriously doubt, he should now return this award. But if he doesn't the people who gave it to him should demand that he give it back.

[From the Philadelphia Bulletin, May 17, 1975]

A NEW FORUM TOPIC: WILL YOU MAKE ROOM FOR A REFUGEE?

Does the controversy over the refugees from South Vietnam and Cambodia mean that the United States is no longer the place of refuge for the threatened and the oppressed? Should the words on the Statue of Liberty, words offering shelter to homeless, huddled masses, be changed to read: "No Vacancy?"

Quite a few in the United States seem to think so. In Congress, liberals who had been in the fore of the antiwar movement expressed serious reservations about opening the nation's gates to thousands of the homeless and endangered. They were joined by conservatives who had supported the war and who praised the valor of "our gallant South Vietnamese allies."

Senator George McGovern said he thought the Vietnamese would be better off in Vietnam and insisted that many already in the United States would like to go back. Others anxious to hide the welcome mat talked darkly of refugees from Southeast Asia taking already scarce jobs from unemployed American workers, although the AFL–CIO's George Meany scoffed at this possibility.

Do you share President Ford's anger that so many in the United States seem to have forgotten that this is a country created by people who came from somewhere else? Or do you feel that this nation adequately demonstrated its humanitarianism by admitting the "freedom fighters" from Hungary and anti-Castro Cubans as well as so many others?

It is not merely a matter of answering "yes" or "no" to the new refugee question, but of stating how far you are willing to go to make room for one, or even a family of these New Americans.

Would you be willing to see a family or perhaps a dozen families from Southeast Asia settle in Burholme or Cherry Hill or King of Prussia? The current total of refugees is placed at about 120,000. Suppose the total rises to nearly 200,000? How would you feel then? After all, 675,000 Cuban refugees came to the United States, while the total who found sanctuary in the United States from Hungary was about 40,000. The claim has been made that most of those who fled from spread of Communism. Are not these people entitled to very special treatment since they are, in effect, wards of the United States?

Tell us what you think of the entire situation. An early Gallup Poll indicated that a majority of Americans were all in favor of South Vietnam and Cambodia had to do so because they were marked for reprisal as part of the United States' effort to halt the helping refugees resettle—but not in the United States. Do you now feel ashamed of this finding? Are you willing to make some sacrifice, do something extra to help make life easier for these victims of war?

Give your view of the refugee situation in a letter to The Saturday Forum, The Bulletin, 30th and Market streets, Philadelphia, Pa. 19101. Keep your letter short and include your name and address and a telephone to facilitate verification. Write today. Your opinion, your suggestion might help guide those in our government charged with making policy decisions on this human problem.

PROFILE OF TOM MORELAND, GEORGIA'S COMMISSIONER OF TRANSPORTATION

Mr. TALMADGE. Mr. President, Dixie Business magazine, published by Hubert Lee in Decatur, Ga., will publish in its summer issue a very fine profile on one of Georgia's most outstanding public officials, Tom Moreland, the State's Commissioner of Transportation.

Mr. Moreland has compiled a record of splendid public service, and he has well-deserved recognition as a hard-working and competent leader.

I commend Mr. Moreland for the good job he is doing, and ask unanimous consent that the Dixie Business article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TOM MORELAND—GEORGIA'S COMMISSIONER OF TRANSPORTATION

Tom Moreland, the undisputed top man of the Georgia Department of Transportation (GDOT), spends his days adjusting to the double-barreled power of his new office.

Recently installed as Georgia's commissioner of transportation while retaining his title of the state's chief highway engineer, Moreland holds a strong grip on Georgia's largest state agency.

As commissioner, one of the handful of professional engineers to ever direct the GDOT's overall operations, he has had to broaden his basic philosophy to take in all types of transportation—not just highways.

To implement the idea of "total transportation", Moreland has reorganized the department of nearly 8,000 employes to reflect the wave of the future.

"Presently," the commissioner said, "the predominant workload of the department is highway construction, operations and maintenance, but with the new plan we can accommodate any kind of facility."

The State Transportation Board agreed with Moreland's strong arguments for reorganization and approved a complete reshuffling of the GDOT's organizational table as recommended by the newly sworn-in commissioner.

The new plan calls for a shifting of department priorities from highway building to Moreland's more functional lines, creating divisions of administration, operations, construction, pre-construction and planning.

Moreland explained that the new organization will provide "a potential in the agency to accommodate a growth of other modes of transportation (than highways) that I anticipate will occur."

A firm beginning for a determined leader.

But, as with many men, there are two sides to Tom Moreland.

First, he is a forceful man, an able administrator. He is a leader, directing thousands of men and women employees whom he must inspire to their highest level of achievement, while carefully watching over millions of dollars in tax money.

Second, he is a man who is uncomfortable in the high-backed leather chair usually reserved for the commissioner for use in the inner sanctum of his private office. Instead, he reclaimed a less pretentious seat from his old office that had served him well in past years.

Tom Moreland is a man who awakens early in the morning wondering what he will be called upon to do at work this day.

Then, quickly realizing that he now holds the reigns of power, he knows it is he who must decide what will be done.

A professional engineer, he is new to the arena of public exposure, having exchanged his hard hat for the soft Stetson of the politician.

His tempering of his professional judgment with the necessities of political life will mark him as a new breed of Georgia transportation commissioner.

One of Moreland's strongest points as commissioner of transportation is his trip up through the ranks, which has provided him with invaluable, inside GDOT experience since 1957.

Having joined GDOT as a rodman at $150.00 per month salary, he moved to positions of resident engineer on construction, solla engineer, highway materials engineer, assistant state highway engineer and on January 1, 1972, he was named state highway engineer.

Coupled with a reputation for slide rule-like precision, the commissioner has always expressed his concern for the welfare of the employees in his charge.

Employee morale is a first-line consideration in a time of frozen hiring and promotions.

Inquiries as to education achievements find Moreland on solid ground.

A native of Chatsworth, in the foothills of the North Georgia mountains, he attended public schools and was graduated from Murray County High School in 1950.

He attended North Georgia College in Dahlonega following high school graduation in 1952, when he enrolled at the Georgia Institute of Technology.

Moreland received his bachelor of civil engineering degree with highest honors in 1955, followed by the master of science in civil engineering in 1962.

After graduating in 1955, he served two years in the U.S. Army as an officer engaged in airfield construction.

He was a member of the Georgia National Guard from his Army discharge in 1958 until 1968.

Since he received his master's degree, he has contributed to his profession by publishing nearly a dozen professional papers.

Moreland could certainly be described as an engineer's engineer, having been recently named to the executive committee of the American Association of State Highway and Transportation Officials.

The new commissioner's plan for Georgia's Department of Transportation is simply stated in his own words—"To build from our strong points, to improve on our weak points and to become the best transportation department in the United States. . . ."

A family man, the 41-year-old chief engineer spends as much time as possible with his wife, Evelyn, and his four children.

Some of his time is used in worship at the Valley Brook Baptist Church in Decatur, where he is a member.

More appropriate than any other description is to say that Tom Moreland is a man with a sense of history.

He is acutely aware that he is in the vanguard of transportation administrators who are being given a chance to prove that a professional approach is what transportation planning has needed all along.

He is determined that he will succeed in providing better transportation facilities for the people of Georgia, while operating within a reasonable budget.

The future rests with him.

Bert Lance, former Commissioner of the Georgia Department of Transportation and now President of Atlanta's National Bank of Georgia, wrote:

> Hubert:
>
> Tom Moreland is the most responsive leader I know—
>
> He will do a great job as Commissioner. . . .

MAY IS HEARING AND SPEECH MONTH

Mr. PERCY. Mr. President, May is hearing and speech month as proclaimed by the National Association for Hearing and Speech Action. During this month, NAHSA and local hearing and speech centers across the country are seeking to inform the public about hearing and speech disorders and to encourage interest in the activities of NAHSA.

One of every ten Americans suffers from a hearing, speech, or language problem. As a hearing-impaired individual myself, I know the problems such a condition can cause and the importance of recognizing and treating hearing and speech disorders in people of all ages. Detecting hearing impairment in children is particularly critical. All too often a loss of hearing is mistaken for an emotional disturbance, mental retardation or a behavior problem. Discovered early enough, hearing impairment can often be treated and the afflicted child can receive the special training he needs. If a child's hearing defect goes unrecognized or untreated, he may be unnecessarily handicapped his entire life.

Hearing impairment in older people also goes frequently undetected and untreated. We often refuse to recognize a hearing loss as such and allow ourselves to drift further and further from the mainstream of life as we miss more and more of what is happening around us.

Hearing impairment is frequently viewed as a handicap. Yet it need not be if we are all careful to recognize hearing problems in ourselves and others and to do everything possible to correct and treat them. As my colleagues go back to their home States during the coming recess, I hope they will all participate in the local observance of Hearing and Speech Month by helping to enlighten constituents about hearing and speech disorders. There is no Member of Congress who does not have a sizable number of constituents with speech and hearing problems. Participating in the observance of hearing and speech month will be beneficial for us all.

REPRESENTATIVE KARTH'S REBUTTAL

Mr. GRAVEL. Mr. President, I have received a copy of a letter by Representative Joseph Karth of Minnesota countering an editorial published in the St. Paul Pioneer Press critical of the Senate Commerce Subcommittee on Aviation hearings on my bill, S. 306, to abolish the airline mutual aid pact.

The letter details the important aspects of that bill. Mr. Karth has sponsored a parallel bill in the House of Representatives with 72 cosponsors. I ask unanimous consent that the letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Congress of the United States,
House of Representatives,
Washington, D.C., April 30, 1975.

Mr. William C. Sumner,
Editor, St. Paul Pioneer Press,
St. Paul, Minn.

Dear Bill: The usually sure-footed editorial page of the St. Paul Pioneer Press really booted one in its April 24 editorial discussion of the Airlines Mutual Aid Pact.

In fact, the editorial booted the issue all around the field without ever coming very close to the goal line.

The basic issue in legislation presented by me in the U.S. House of Representatives and by Senator Mike Gravel (D.-Alaska) is simply whether the Airlines Mutual Aid Pack (known as MAP) has been and can be damaging to cities like St. Paul and hundreds of other communities in a comparable situation, and injurious also to the national economy, to the public, to airline customers, to airline stockholders and to unions of airline employees.

The answer to that question and all its parts was an unequivocal "yes" given by a dozen witnesses during the first day of hearings held last week by the Aviation Subcommittee of the U.S. Senate Commerce Committee.

I suggest, incidentally, that your editorial writer would have understood this much better and the gathering storm of protests and criticisms, over the past 16 years, against MAP if he had read more carefully the excellent summary by Pioneer Press Washington Bureau reporter Al Eisele on the same day. That summary, within its space limitations, gave a fair and accurate description of what has become a pressing issue before the U.S. Congress.

And let me note here, at the outset, that my bill to abolish MAP has 72 cosponsors in the House of Representatives, many more than the number of cosponsors in previous years; and Senator Gravel's parallel bill has tripled the number of its cosponsors this year.

The premise of the Pioneer Press editorial is that "The bargaining power of 16 U.S. airlines for future wage negotiations would be diminished by a bill being heard by a Senate subcommittee."

This is partly true but not, I suspect, in the way intended. Abolition of MAP would not diminish management's bargaining power but it *would* diminish the airlines' ability to protract and prolong—almost interminably—any dispute or strike by an airline's employees.

Essentially that is what MAP is all about. It provides a struck carrier with a guaranteed profit, without any cutoff date, enabling that carrier to perpetuate the strike indefinitely, to make a profit and force the union to weaken its bargaining position. There is not, it should be emphasized, anything like this arrangement anywhere else in American industry or business.

MAP thus gives airline management a tremendous, almost overpowering, advantage over its union adversary. To understand this we must first understand how MAP operates.

MAP started out 16 years ago as a small and modest cooperative venture by six carriers to save a small tottering airline from its financial problems. It has mushroomed fantastically until today, with 16 affiliates, MAP is a nationwide, industry-wide enterprise which has enabled its members to pay $360,000,000 to striking companies.

These multi-million dollar payments are the crux of the injury that MAP can inflict, and has inflicted, on airline customers, communities, shareholders and employees.

With all its expansions sanctioned and encouraged by the Civil Aeronautics Board, MAP now reimburses a struck airline for 50% of its prestrike operating costs for the first two weeks of a shutdown, 45% for the third week, 40% for the fourth week and 35% thereafter until the strike is settled.

How do we know that such payments as these mean a guaranteed profit? We have it from no less an authority than a CAB hearing examiner, Arthur S. Present, who had the whole MAP issue under consideration when he found that "during a full shutdown a struck carrier can limit its operating expenses to 29.2% of the normal level."

The mathematics of profit here are simple. Against that 29.2% operating expense is the 50% of prestrike costs paid by MAP for the first two weeks, which means a guaranteed profit of more than 20% for that period, graduated down to nearly 6% for whatever length of time the strike lasts.

The most obvious conclusion is that such a guaranteed profit windfall as this undermines management's incentive to engage in

full-faith bargaining. To the contrary, of course, it encourages management negotiators to withhold concessions and compromises.

In fact, Hearing Examiner Present recommended in 1972 that CAB not approve higher strike payments because they could have the effect of swaying an airline's decision "as to when it should settle a strike, to the detriment of the public utilizing air transportation."

There is other solid proof that MAP encourages and prolongs strikes. In 1958 when MAP was organized, airline strikes lasted an average of 30.7 days. Today airline strikes average 95 days—a soaring increase of more than 200% in the 16 years MAP has been at work. This is a far greater increase in the duration of strikes than in any other major industry.

Thousands of St. Paul residents and businessmen have vivid memories of the 1970 Northwest Airlines strike. Although on strike for 160 days, Northwest enjoyed a net profit of $44,000,000 for that year. Without MAP payments, Northwest would have lost $2,000,000.

That story is repeated over and over again with other MAP-affiliated airlines. Over and over again airline strikes were induced and then prolonged unreasonably because of the guaranteed profits. As one witness told the Aviation Subcommittee last week, "Why should management be anxious to settle; *they can't lose.*"

Sometimes in unguarded moments, airline executives admit that they like strikes because they're a source of profit. For example, C. C. Tillinghast, Chairman of Trans World Airlines, told a Honolulu newspaper reporter that the longer a strike by flight attendants continued, the higher TWA's profits would be for 1973. TWA banked $74,484,000 in MAP assistance payments during that 44-day walkout.

As Reporter Eisele quoted me as telling the Subcommittee, "These facts and figures are enough to convince any reasonable person that MAP is a strike inducing, strike-prolonging and strike-breaking instrument."

Your editorial next makes the point that MAP has been upheld by a U.S Court of Appeals decision. When Senator Gravel was asked about this during the hearing he replied that it is within living memory that some of the nation's highest courts upheld child labor, the shameful 12-hour day of toil for youngsters 11 and 12 years old in coal mines and textile mills. I also point out that the court ruled on the basis of existing national policy brought about by national law. Obviously since there is no law to the contrary, MAP is not in violation of national policy.

Next the Pioneer Press editorial points an accusatory finger, or so it seems, at the pay scales of pilots and ground crews. When this point was briefly raised at the hearing I made this response: "When I fly I feel confident and comfortable when I know there's a pilot up front getting $50,000 or more and not $10,000; I know he has to be the best trained and most skilled in the world. And I feel confident and comfortable when I board a plane that has just come from maintenance knowing that the maintenance men are highly paid and therefore highly skilled."

Does the editorial writer want to analogize between an airline pilot in command of a 747 with responsibility for 400 lives, and a steelworker in a highly automated plant?

Pilots do not buy planes. Aircraft get larger and larger; their equipment becomes more and more intricate and complex. They carry more and more people. Consequently there are greater demands of responsibility, skill, experience and judgment imposed on airline pilots than on any other service employees in the world.

Finally, the editorial notes that "airline unions have their own mutual aid program in the form of strike funds."

This is so ill-informed a comment as to be ludicrous.

First off, there is absolutely no mutual aid pact among the airline unions, nothing paralleling MAP with its $2,000,000-a-day strike subsidy payments to TWA.

The fact is that some unions pay no strike benefits at all. Some unions that do pay, provide only the barest subsistence funds, $2 to $7-a-day, and that hardly puts food on the table. Certainly no one can suggest that is profit making.

Senator Gravel (testifying alongside me at the hearing) astonished some Senators by revealing that "Airline clerks and machinists may—*if the union strike fund is full*—receive $15 and $40 a week respectively. The pilots receive one-fifth of their salary but only after one month of a strike." If it will help any, I would agree that airlines get the same proportion of their normal profit that employees get of theirs.

Those facts stultify any remark that "airline unions have their own mutual aid program in the form of strike funds." While a strikebound airline is enjoying up to 20% guaranteed profits, the striking airline clerk or mechanic is looking for a part-time job, applying for unemployment compensation, or standing in line for food stamps.

Finally let me bring forward one aspect of MAP which the Pioneer Press editorial wisely sidestepped: the damage inflicted by MAP-prolonged strikes on whole communities and regions, especially those served by only one airline.

We know of airports in single-airline communities being almost entirely shut down, disemploying airport personnel, maintenance workers and employees of such airport enterprises as restaurants, rent-a-car agencies, freight-forwarding firms, and bus lines.

We know of factories in such communities having to close down because machinery replacement parts could not be obtained by air-freight. We know of retail stores and wholesalers suffering greatly reduced business because salesmen and suppliers had to come to the community by car, sometimes from long distances.

Those of us responsible for national policy can't forget those communities, even if editorial writers can. We cannot, for example, forget Fargo, North Dakota, which was so badly injured by the 1972 Northwest Airlines strike that it asked CAB to rescind Northwest's certificate and issue a new one to another airline.

We cannot forget the resolutions of protest against MAP that reached us in Congress last year and this year from communities in Texas, Louisiana and New Mexico because of the needlessly prolonged shutdown by Texas International Airlines, a shutdown that ended earlier this year after 125 days.

An investigation into this strike disclosed that 26 Texas communities served only by TI were severely hurt by the closures, with business failures sharply increased.

We cannot forget that the New Mexico State Legislature, alarmed and worried over the effect of the MAP-supported TI strike on the state's economic health, memorialized us in Congress and asked for a "full Congressional investigation of the Mutual Aid Pact."

Congress is now responding to the appeals from Fargo, North Dakota, from scores of communities in Texas and Louisiana, and from the New Mexico State Legislature.

And ironically while we are doing so, the Pioneer Press editorial tells us that "The move against the mutual aid pact in the Senate seems uncalled for . . ."

We hope that in the interests of fairness and press accountability that you will print the foregoing rebuttal. I often marvel at how smart so many editorial writers can be, absent of most of the facts.

Among the many reasons I ask it, is the fact that people of St. Paul and our city's business community and air traveling public want to prevent a repetition of the 160-day 1970 Northwest Airlines strike which brought no inconveniences to Northwest executives but large profits into their corporate bank accounts.

Sincerely,

Joseph E. Karth,
Member of Congress.

P.S.—I am satisfied that you did not write the editorial because you never write one absent most of the facts.

THE PANAMA CANAL ZONE TREATY NEGOTIATIONS

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the Record a statement by the distinguished Senator from Wyoming (Mr. McGee), and the material attached thereto.

The PRESIDING OFFICER. Without objection, it is so ordered.

Statement by Senator McGee

The negotiations between the United States and the Republic of Panama over a new Canal Zone Treaty has sparked considerable controversy within the Congress. Much of this controversy has been based upon an outdated emotionalism—an emotionalism which ignores basic factual considerations involved in this issue.

Therefore, I would urge my colleagues to give close attention to a paper written by Robert G. Cox for *The Americas in a Changing World*, which was published just this year. The book was compiled by the Commission on United States-Latin American Relations, whose Chairman is former OAS Ambassador, Sol M. Linowitz. Mr. Cox, who was a consultant to the Commission, sets out the issues involved in the Panama Canal Treaty in a very pragmatic and factual manner. He is to be commended for this invaluable contribution to the debate surrounding the issue of a new treaty with Panama.

As Mr. Cox notes: "Americans have been inclined occasionally to overstate the commercial significance of the Panama Canal. . . ."

He points out that only 18 percent of the world's total merchant fleet (4,500 out of 25,000 ships over 1,000 tons) transit the canal each year. In an effort to set our factual house in order, it is interesting to note that the United States ranks tenth in the oceanborne commerce it sends through the canal by weight. Nicaragua ranks first with 76.8 percent of that nation's oceanborne commerce transiting the canal each year. The United States sends only 16.8 percent of its oceanborne commerce through the canal.

How vital is an effective and efficient operation of the canal to the two participants in the treaty negotiations—the U.S. and Panama? As Mr. Cox notes, about 30 percent of Panama's gross national product and 40 percent of its foreign exchange earnings are directly or indirectly attributable to the Canal and related institutions. Yet, the Panama Canal affects less than one percent of our total GNP as a nation.

Mr. Cox notes that:

> By volume, less than five percent of the total world trade transits the Panama Canal. By value, the proportions would be little more than one percent; an increasing percentage of more expensive cargo is being transported by air (for example, about 10 percent of the U.S. foreign trade), and most Canal cargo is in bulk commodities.

I found this observation by Mr. Cox quite interesting:

> The adjective most frequently applied to the Canal by Americans is 'vital.' In terms of U.S. trade, however, the numbers would justify more modest description. Convenient. Useful. The Canal is economically vital to Panama, perhaps also to Nicaragua and a few other Latin American countries, but not to the United States.

These are just but a few of the observations which Mr. Cox offers which I think are important for Senators to consider at this moment, rather than allowing themselves to be deluded by emotional arguments reminiscent of an earlier era. The military and strategic arguments are also handled in the same factual manner by Mr. Cox and certainly should be studied very carefully by members of the Senate.

However, there is one observation which I believe very relevant to our consideration of a new treaty. This observation was made by Jack Vaughn, former U.S. Ambassador to Panama, former Assistant Secretary of State for Inter-American Affairs, former Director of the Peace Corps and former Ambassador to Colombia.

> . . . 'a Latin American Vietnam.' He finds that through the collaboration of Congressional and military supporters of the Canal Zone, 'Presidents' orders have been reversed, diplomatic maneuvers and decisions brushed aside, and the United Nations told to go to hell.' And he concludes, 'The tinder awaits the spark.'

The report ordered to be printed in the RECORD is as follows:

CHOICES FOR PARTNERSHIP OR BLOODSHED IN PANAMA

(By Robert G. Cox)

On November 2, 1903, at 5:30 in the afternoon, the cruiser U.S.S. *Nashville* arrived at Colon in the Republic of Colombia, its mission to block deployment of Colombian troops. The next day citizens in the Panamanian province revolted and declared their independence. The revolution was bloodless, except for the death of one Chinese bystander. Fifteen days later, the U.S. government and the Republic of Panama entered into a treaty, drafted by a Frenchman and consisting entirely of language convenient to the United States. Still in effect today, the treaty granted the right to build and operate forever an interocean canal, and to establish, for that purpose, an American enclave in a strip of land and water nearly half the size of Rhode Island, bisecting the Republic on an axis between its two major population centers. The U.S. consummated that right as fast as logistics and technology would permit.

The position of the United States in world politics for nearly two centuries has rested on hegemony in the Western Hemisphere. The country acquired interests during those 17 days in 1903 which included a responsibility for the emergence of a nation, for the administration of a major territorial possession, and for the management of an international public utility of both commercial and military value.

Focusing on current efforts to negotiate and ratify a new treaty, this paper submits some findings of fact and observations concerning the nature of those interests and the fulfillment of that responsibility.

DESCRIPTION OF THE SUBJECT MATTER

Although U.S.-Panamanian affairs are subject to the full range of complexities found in other binational relationships, the principal subject matter has always been, and will continue to be, the Canal and the Zone. It is too early to predict the contents of the revised draft treaty but the Canal and the Zone will predominate.

Panama, by the 1903 treaty, granted the U.S. perpetual jurisdiction as if it were sovereign over the Canal Zone "to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power or authority."

The Zone extends 5 miles on each side of the center line of the Canal, and has an area of 553 square miles of which 362 are land. It is larger than the American Virgin Islands, Guam, and American Samoa combined. Population was 44,198 at the 1970 census. About 11,000 U.S. Armed Forces personnel have been stationed in the Zone during recent years.

The Canal Zone Government and the Panama Canal Company are the two principal operating agencies, headed by one officer who serves both as Governor of the Canal Zone and President of the Company. The Governor is appointed by the President of the United States and reports to the Secretary of the Army. As President of the Company he reports to the Board of Directors, appointed by the Secretary of the Army. The Canal Zone Government maintains the civil executive authority. The legislative power resides in the U.S. Congress and the judicial power is exercised by a District Court of the U.S. Federal Court System. The Company operates the Canal, the Panama Railroad, and a ship which sails between New Orleans and the Zone.

Another U.S.-Panama treaty was signed January 25, 1955, increasing the annuity and granting Panama some real estate and buildings no longer needed by the Canal Zone administration. U.S.-citizen and non-citizen employees were guaranteed equality of pay and opportunity. The U.S. also agreed to build a bridge over the Pacific entrance to the Canal. The bridge was opened October 12, 1962 on the Inter-American Highway.

Panamanians have shown little immediate determination—of the kind so prevalent in Egypt 20 years ago with the Suez Canal—to assume the burdens and risks of administering the Canal.[1] Nationalization or purchase of the Canal, assuming either were feasible, might require Panama to contribute some effort to its management and defense, and would imply sharing in the losses as well as profits. In 1973, some officials of the Panamanian government considered the possibility of acquiring the Canal by purchase out of net earnings from increased tolls and services.[2] This, however, seems not to have received serious attention.

Economic Considerations

Americans have been inclined occasionally to overstate the commercial significance of the Panama Canal, but its value is nonetheless real. Adequate data exists to place it in proper perspective. The recent volume of transits, in number and cargo weight, is as follows.[3]

	Total oceangoing transits	Cargo (in million long tons)
Fiscal year:		
1968	14,807	106
1969	14,602	109
1970	14,829	119
1971	14,617	121
1972	14,238	111
1973	14,238	128

The Canal's ultimate capacity is 26,800 transits annually, with certain physical improvements.

Four categories of bulk commodities in fiscal 1973 accounted for most of the transiting cargo.

	Percentage
Petroleum and its products	18.2
Grains	15.8
Coal and Coke	11.1
Ores and metals	9.9
	55.0

Since transiting cargo tends to be made up of commodities which are volatile on the world market, traffic forecasting is difficult.

Each year 18 percent of the world's total merchant fleet (4,500 out of 25,000 ships over 1,000 tons) transit the Canal. The size of an average ship transiting the Canal has been increasing over the past ten years.

	P.C. net tons
1964	5,910
1969	7,658
1973	9,100

The countries most dependent on the Panama Canal send the following percentages of the oceanborne commerce through the Canal, by weight:

	Percent
Nicaragua	76.8
El Salvador	66.4
Ecuador	51.4
Peru	41.3
Chile	34.3
Colombia	32.5
Guatemala	30.9
Panama	29.4
Costa Rica	27.2
United States	16.8
Mexico	16.6
New Zealand	15.7

About 30 percent of Panama's gross national product and 40 percent of its foreign exchange earnings are directly or indirectly attributable to the Canal and related installations.

Canal Company tolls, by remaining constant in dollar terms since 1914, have decreased in real terms, and at a precipitous rate, as a result of international monetary readjustments in the 1970s. The result is a growing subsidy to Canal users.

Revenues of the Panama Canal Company were $200 million in fiscal 1973. Approximately 43 percent of regular receipts came from operations other than Canal tolls. The Company finances its own operations without budgetary support from the U.S. government despite a policy of low toll rates and minimal profits from other operations.

Proportions of the Canal Zone's product derived from various sources in 1970 was as follows:

	Percentage
Canal Company	44.7
Zone Government	10.2
Military bases and other official agencies	39.9
Private enterprise	5.2
Total	100.0

Of total U.S. foreign trade, by value, the following precentages transited the Canal in the two most recent years for which data is available:

PERCENTAGES

1971, exports, 12.1; imports, 5.6; total, 8.8.
1972, exports, 13.0; imports, 5.3; total, 9.0.

Since foreign trade accounts for less than 10 percent of U.S. gross national product, the Canal affects less than one percent of GNP. By volume, less than 5 percent of the total world trade transits the Panama Canal. By value, the proportion would be little more than one percent; an increasing percentage of more expensive cargo is being transported by air (for example, about 10 percent of U.S. foreign trade), and most Canal cargo is in bulk commodities.

Footnotes at end of article.

COMMENTARY

The adjective most frequently applied to the Canal by Americans is "vital." In terms of U.S. trade, however, the numbers would justify more modest descriptions. Convenient. Useful. The Canal is economically vital to Panama, perhaps also to Nicaragua and a few other Latin American countries, but not to the United States.

One way to analyze the Canal's commercial value is to consider what would happen if it were not there. The figures already provided for U.S. and world trade transiting the Canal—9 percent and 1 percent, respectively—should not be regarded as representing the portion that would be lost if the Canal were inoperative. The decision to send a given shipment through the Canal is frequently a close one, and almost always there are alternative routes or modes of transportation. John Elac* has described the impact of closure of the Canal on total U.S. and world commerce as "inconsequential."

An indicator often cited as proving the Canal's essential worth is: "70 percent of its traffic either originates or terminates in U.S. ports." In the first place, the percentage is a little inflated. It should be 65 percent, but it should then be compared to a totality of 200 percent, not 100 percent, because it refers to both arrivals at and departures from U.S. ports. The indicator, even when placed in that perspective, is spurious because it implies but does not provide an impressive statistical base. Presumably no one believes that if only ten motorboats transited the Canal in 1975, four coming from and three bound for U.S. ports this would reflect some kind of vital U.S. interest.

When we look at U.S. investment in the Canal, it is tempting to include defense costs, as Senator Strom Thurmond does when he says we have committed a total of $5,695,745,000.[4] But since the Canal is considered a defense asset, we would presumably be spending more than its costs on additional defense if we did not have it. The cost of defending it should be at least off-set by its asset value. Moreover, $5.7 billion is a small fraction of one percent of U.S. military expenditures during the 60 years of the Canal's operation. Indeed, the entire cost of the Canal might have been lost in the round-off of the defense budget in the fiscal years 1914 to 1973.

As for the $700 million in actual unrecovered investment, the U.S. government would have had that back by now had it not elected to subsidize the shipping operations of user nations through reductions in real toll charges while demand for transit service was increasing.

MILITARY CONSIDERATIONS

By the turn of the century, the United States had staked out its continental domain, subdued the indigenous peoples, resolved its main internal conflicts, established unquestioned predominance in the Hemisphere, and was ready to become a global power. On April 21, 1898, the nation went to war with Spain, and in three months destroyed the Spanish fleet at Manila, drove the Spaniards from Cuba, conquered the Philippines, took Puerto Rico and Guam. The battleship U.S.S. *Oregon* made a dramatic 16,000 mile voyage around Cape Horn to participate in the Battle of Santiago de Cuba. During the Spanish-American War, the U.S. annexed Hawaii after collaborating in a revolt there. The U.S. then responded to the 1899 Boxer Rebellion in China, by sending two infantry regiments, one troop of cavalry, one battery of light artillery, and two battalions of Marines, commanded by a major general, to join in military operations with the British, French, Japanese and Russians. A transisthmian canal, long regarded as a potential asset to burgeoning U.S. foreign trade, suddenly became a strategic imperative. The Canal has never been interrupted or seriously threatened by hostile action.

FACTS

The Canal remains a prime consideration in the planning for and accomplishment of the safe and timely movement of naval units between the Atlantic and Pacific Oceans. A saving in distance of approximately 8,000 miles is realized by Canal transit (versus rounding Cape Horn), in the deployment of ships from one coast to the other. A time saving of up to 30 days can accrue for slower ships and at least 15 days for fast ships cruising at about 20 knots.

During fiscal 1968, a representative year of the Vietnam conflict, 33 percent of the dry cargo shipped from the continental U.S. by the military sea transport service to South Vietnam, Thailand, and the Philippines, and Guam, transited the Canal. For petroleum, oil, and lubricants the proportion was 29 percent. An unofficial estimate of the proportion of dry cargo used to support U.S. military involvement in Vietnam which transited the Canal is as high as 40 percent.

However, in 1970 there were about 1,300 ships afloat, under construction, or on order which could not enter the Panama Canal locks. There were approximately 1,750 more ships that could not pass through the Canal fully laden because of draft limitations due to seasonal low-water level.

The National Defense Study Group of the Atlantic-Pacific Interoceanic Canal Study Commission specifically noted the "vulnerability of the present canal," and stated the fact that it could be closed by the use of relatively unsophisticated weapons is particularly significant in view of forecasts which anticipate that insurgency and subversion will probably persist in Latin America to the end of the century; interruption for extended periods to Canal service could be achieved with relative ease.[5]

If Gatun Lake were emptied by simple breach of its dam, for example, the Canal could be out of operation for as long as two years, awaiting sufficient rainfall to refill the lake.

The National Defense Study Group further found that even a sea level canal, though less vulnerable, would face threats of sabotage, clandestine mining, or the attack of shipping by low-performance aircraft or readily transportable weapons. The more traditional forms of attack—blockade, naval, or aerial bombardment, or ultimately attack by missile-delivered nuclear weapons—are unlikely, in the Group's view, because the attacker would be confronted by the total military strength of the United States.[6]

The Study Group concluded that closure of the Canal for periods of approximately 30 days, provided that they could be anticipated in advance, would not have serious defense implications, but the denial of the Canal to both defense and commercial shipping for two years could have a serious adverse effect on the national defense.[7]

The original purpose of U.S. troops in Panama was to protect the Canal from a foreign aggressor. That is still ostensibly their primary mission. However, the Canal Zone is also a command or coordination center for most U.S. Armed Forces programs and activities in Latin America, including foreign military assistance and training, intelligence, and operational preparedness. The legality of these operations has been questioned. However, the Zone, as long as it remains relatively secure from renewal of the nationalistic attacks of the 1960s, provides a location of unrivaled excellence for an administrative headquarters, communications center, and training ground.

COMMENTARY

Two military issues concerning the Panama Canal overshadow all others: utility and defensibility.

The Canal's military value during the first half of this century is well established, principally by its contributions to the two World Wars. Regarding the Korean War and the conflict in Southeast Asia, its utility is less certainly established. A former senior officer of the U.S. Budget Bureau Military Division estimates that alternative modes of shipment would have had no adverse effect on the Vietnam War effort and that additional costs would have been negligible.[8] A ranking State Department expert in Panamanian affairs now terms the Canal "a military asset of declining value."[9] Nevertheless, a residual utility will remain for some time, largely because of the constraints of U.S. West Coast port facilities, particularly in munitions-handling.

As for the second issue, the Cameron report of the Center for Inter-American Relations puts it succinctly: "The Panama Canal is no longer defensible."[10] This holds for either a strategic attack or destruction by a determined and resourceful enemy." The Canal can, of course, be held against some levels of civil disturbance. These informed but independent views do not diverge essentially from the later official judgment of the National Defense Study Group.[11]

As the strategic value and defensibility of the Canal eroded, the Zone has taken on a new military significance. The U.S. bases there form the operational center of American military activity in Latin America. Ambassador Jack Vaughn* thus described the situation last October:

> The U.S. military command in Panama is made of two parts: a major general from the Corps of Engineers who governs the Panama Canal Company from Balboa Heights, and a four-star general from the Army (CINCSOUTH) who directs Canal Zone military operations from an underground complex at Quarry Heights. Their overriding common objective is to maintain the status quo, and over the years they have been largely immune to the precepts and changes of U.S. foreign policy.

While the Administration's policy has led to a reduction in all the U.S. military missions assigned to other Latin nations, the Pentagon has maintained its top-heavy command intact in the Zone. (The superabundance of Colonels in the Southern Command has led enlisted men to refer to it as "Southern Comfort.") While the U.S. military in all other Latin nations is under the direct supervision of the U.S. Ambassador, in Panama independent policy control is exercised by the Pentagon. Just when President Nixon was assuring our good neighbors that the U.S. would wear a white hat in the Hemisphere, the Pentagon expanded training of Green Berets in the Zone.[12]

In May 1974, there was some indication in the Pentagon that civilian officials might succeed in abolishing CINCSOUTH as a unified command and reduce the rank of the senior U.S. troop commander in the Zone to major general.[13]

POLITICAL CONSIDERATIONS

The history of U.S.-Panama relations has been characterized by (1) Panamanian surprise and mortification over the implementation of the 1903 treaty; (2) increasing Panamanian agitation for revision; (3) an initial dilatory paternalism on the part of the U.S.; and (4) a more recent willingness by the U.S. Executive Branch to relieve Panama's grievances while influential members of the House and Senate demand retention of "personal sovereignty" in the Zone. For the past ten years, off and on, the two countries have been trying to negotiate a way out of the 1903 treaty.

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*Dr. John C. Elac is an international economist and a specialist in U.S.-Latin American relations. He was a member of the Board of Directors of the Panama Canal Company and a member of its Committee on Budget and Finance (1967–69).

Footnotes at end of article.

*Jack Hood Vaughn was U.S. Ambassador to Panama (1964–1965); Assistant Secretary of State for Inter-American Affairs (1965–1966); Director of the Peace Corps (1966–1969); Ambassador to Colombia (1969–1970).

The Canal Zone is an American colony. In the international political context, the word "colony" has two generally accepted definitions: (1) the compact settlement of a group of nationals from one country within the territory of another while the settlers remain loyal to the mother country; and (2) a nonself-governing territory, or a dependency without full self-government, considered by the various governing powers to be a territory under the jurisdiction of the mother country, prevented by social, economic, and political restraints from being fully in charge of its own decisions. The Canal Zone conforms to both of these definitions.

In Panama City, March 21, 1973, the United States vetoed a U.N. Security Council resolution calling on both countries to negotiate a new treaty to "guarantee full respect for Panama's effective sovereignty over all its territory." The U.S. explained its veto, the third in its history, by saying it wanted to negotiate with Panama "without outside pressure." All other Security Council members voted for the resolution except the U.K. which abstained.[14]

The multinational forum then shifted to the Organization of American States where hemispheric foreign ministers have, during the past year, expressed unprecedented concern over the Canal Zone issue.

On February 7, 1974, in Panama City, Secretary of State Kissinger and Panamanian Foreign Minister Juan Tack initialed a statement of eight Principles of Agreement providing that:

> Panama will grant the United States the rights and facilities and lands necessary to continue operating and defending the Canal;
>
> The United States will agree to return to Panama jurisdiction over its territory; to recompense Panama fairly for the use of its territory; and to arrange for the participation by Panama, over time, in the Canal's operation and defense;
>
> The new treaty shall not be in perpetuity, but rather for a fixed period, and that the parties will provide for any expansion of Canal capacity in Panama that may eventually be needed.[15]

Senator Strom Thurmond on March 29, 1974, introduced Senate Resolution 301 on behalf of himself and 31 other Senators noting, in part, that:

> United States diplomatic representatives are presently engaged in negotiations with representatives of the de facto Revolutionary Government of Panama, under a declared purpose to surrender to Panama, now or on some future date, United States sovereign rights and treaty obligations, as defined below, to maintain, operate, protect, and otherwise govern the United States-owned Canal and its protective frame of the Canal Zone;
>
> Title to and ownership of the Canal Zone, under the right "in perpetuity" to exercise sovereign control thereof, were invested absolutely in the United States and recognized to have been so vested in certain solemnly ratified treaties by the United States with Great Britain, Panama, and Colombia . . .
>
> United States House of Representatives, on February 2, 1960, adopted H. Con. Res. 459, Eighty-sixth Congress, reaffirming the sovereignty of the United States over the zone territory by the overwhelming vote of three hundred and eighty-two to twelve, thus demonstrating the firm determination of our people that the United States maintain its indispensable sovereignty and jurisdiction over the Canal and the Zone . . .
>
> And resolving that:
>
> The Government of the United States should maintain and protect its sovereign rights and jurisdiction over the Canal and Zone, and should in no way cede, dilute, forfeit, negotiate, or transfer any of these sovereign rights, power, authority, jurisdiction, territory, or property that are indispensably necessary for the protection and security of the United States and the entire Western Hemisphere . . .[16]

Writing in the *New York Times* on May 7, 1974, Senator Thurmond stated that a total of 35 Senators had, with "no great effort" and mostly in a single afternoon, been convinced to co-sponsor the resolution. He added:

> In my judgment, the Secretary committed an egregious blunder in committing the United States to a course of action on a new Panama treaty without a reasonable assurance that the requisite two-thirds majority of the Senate supported the abrogation of sovereignty.
>
> In consultations with members of Congress before signing the statement, Mr. Kissinger and his chief negotiator, Ambassador Ellsworth Bunker, were advised that surrender of United States sovereignty in the Canal Zone was not a negotiable item; they apparently chose to ignore this advice.
>
> There is no way in which the Joint Statement of Principles can be reconciled with the Senate resolution.[17]

Senator Thurmond and certain members of the House of Representatives contend that the relevant language in the constitution requires that a majority of the House as well as two-thirds of the Senate approve any agreement which cedes land to Panama. The State Department contends it is one of many constitutional grants of power to Congress which is affirmative but not exclusionary, and cites precedents which "in the specific context of Panama, . . . look two ways."[18]

The State Department has understood throughout the recent negotiations that no treaty with Panama affecting U.S. jurisdiction will be ratified without the approval or acquiescence of the Joint Chiefs of Staff. The JCS lines to Capitol Hill are time-honored and uncontested. The Chiefs have accepted the eight negotiating Principles of February 7, 1974. It remains to be seen whether they will approve the treaty, if and when it is concluded. Certainly as long as no treaty has been drafted and Senator Thurmond has a blocking third of the Senate aligned against the Principles, the JCS would have no need to take a negative stand, in any case.

In early 1958, a few Panamanian students quietly entered the Zone on the Pacific side and planted small Panamanian flags in a pre-designated spot. They called the foray "Operation Sovereignty." The flags were quickly removed by Zone employees. It was the harbinger of other, more serious, demonstrations to follow.

On Independence Day, November 3, 1959, crowds of Panamanians, led by students, tried repeatedly to surge into the Canal Zone and raise their flag. Demonstrators assaulted the U.S. Embassy and Information Service offices in Panama, tore down the Embassy flag, and attacked the American Consulate in Colon. U.S. Army units took up defensive positions on the Zone border. Later that month even larger crowds demonstrated and had to be subdued by American troops.

On April 18, 1961, 500 demonstrators tried to storm the Canal Zone protesting the Bay of Pigs and the role of Zone bases in the invasion of Cuba. In January 1964, rival groups of Panamanian and Canal Zone students faced each other at Balboa High School in the Zone over the issue of flying the American flag without the Panamanian flag at the school. The ensuing riots lasted for four days. Sniper fire into the Zone reached 500 rounds an hour at various times. Toll: Four American soldiers and 20 Panamanian civilians killed; over 400 Panamanians and Americans wounded or injured; extensive property damage. From 1964 to 1968 there were riots annually.

On October 11, 1968, the Guardia Nacional seized control of the country after a year of political turmoil. Over the next few months, Colonel (now Brigadier General) Omar Torrijos emerged as the dominant figure in the "revolutionary government."

Treaty negotiations with the U.S. were long underway when Torrijos came to power and were continuing on the third anniversary of the military coup, October 11, 1971. Addressing an anniversary rally of 200,000 Panamanians assembled two blocks from the Zone, Torrijos asked:

"What nation on earth would bear the humiliation of seeing a foreign flag planted in its very heart? What nation would allow a foreign governor on its territory? . . . Our enemies want us to march on the Zone today. When all hope is lost of removing this colonial enclave, Omar Torrijos will come to this same square to tell you: "Let us advance." Omar Torrijos will accompany you, and the 6,000 rifles of the Guardia Nacional will be there to defend the integrity and dignity of the people. But today we are not going to the Zone."

The New York Times concluded that: General Torrijos cannot turn back without losing face. Violence does not seem imminent, but only a satisfactory agreement will prevent future trouble" . . .[19] And the negotiations continued.

COMMENTARY

The Archbishop of Panama, Marcos McGrath, describes the Canal Zone in these terms:

"... the heartland, the most valuable economic area ... In Panama today, the growth of her two major cities, Panama on the Pacific and Colon on the Atlantic end of the Canal, is hemmed in by the Canal Zone. Teaming tenements face across the street a fence and open fields or virgin jungles—space unused, space reserved, space denied. Panama City has grown from 200,000 to over 500,000 in the past 15 years. It has had to grow unnaturally along the coast five miles and then cut inland, because of the Canal Zone, creating a clumsy triangle, bottling traffic, and testing the patience of every city planner and in fact of every citizen. Panamanians, to go from one part of their country, in this day and age, still must traverse an area that, though legally it is not, looks like a foreign land: with its own police, courts, post-office, stores, and this across the very waist and heart of the nation."[20]

Senator Alan Cranston has observed that of the 15,000 workers in the Canal Zone, 4,000 are Americans, and of those, 1,289 work on the Canal while the other 2,700 are employed in schools, movie theaters, bowling alleys, commissaries, golf courses, and a zoo.[21]

The Panamanians, for their part, now have the toughest and most charismatic leader in their history. They proved from 1958 to 1967 that they can be tenacious in the drive to establish national jurisdiction over the Zone. They have also shown that, under Torrijos, they are willing to be patient as long as he remains believable. But history does not permit any national leader total control of his people's destiny, or even his own. The General has four alternatives: he can produce a supportable treaty. He can delay. He can leave office. Or he can attack the Zone. Time is running out on the first two.

Footnotes at end of article.

Futures and interests

The Panama Canal has five alternative futures:

A. *Closure* by hostile action, or by an effective decision that it costs exceed its benefits, or both. There is little evidence that points to such an eventuality, though it is as imaginable today as a seven-year closure of the Suez Canal was 20 years ago.

B. *Internationalization* under the auspices of the United Nations, the Organization of American States, or some other multilateral body. This is a theoretical alternative that continue to be discussed, though it would be far beyond the experience, capacity, and interest of the UN or the OAS. Only a military stalemate between the United States and Panama—inconceivable before the U.S.-Vietnam stalemate, and still most unlikely—could lead to internationalization in the foreseeable future.

C. *Ownership and operation by Panama.* The greatest disservice which the present Canal regime does to Panama is not in withholding benefits, but in withholding the burdens and problems of operating the Canal. Some argue that Panama has been cheated out of its fair share of the benefits. Others contend that Panama was handsomely compensated in 1904 for a strip of mosquito-infested, disease-ridden swamp and jungle, and that the Canal and the Zone constitute an economic windfall which Panamanians could have received only from the Americans. Both arguments have merit. But, by assuming all the burdens of running and protecting the Canal, the United States has denied Panama the experience and the challenge it needs to reach its full maturity as a nation. Panamanians consider their geographic position, which the Canal exploits, to be their principal national resource. Yet, with its management pre-empted by Americans, they are not prepared to assume control of this resource. A new treaty might permit their gradual assumption of operational authority, but Panamanians are neither determined nor able to take full charge in the foreseeable future.

D. *Continued ownership and operation by the U.S. alone.* If the U.S. government decides to hold the Canal and the Zone, it can probably do so for a period of years and perhaps until the Canal's commercial and military asset-value declines to a negligible level. The cost could be high and should be estimated in advance.

E. *Partnership between the United States and Panama.* This alternative is only feasible if the U.S. is genuinely willing to relinquish its exclusive jurisdiction over the Canal Zone. In the words of Ambassador Vaughn, "Intransigence . . . can only inflame the Panamanians, for they now feel grossly abused" by the existence of the American colony.[22] If the political, economic, and cultural insulation of the Zone were to disappear, Panama would be drawn inevitably into an evolving operational partnership with the United States in the Canal's support, management, maintenance, defense, and possibly in its further development.

The United States has only three essential objectives relating to the Panama Canal, according to the Atlantic-Pacific Interoceanic Canal Study Commission:

> 1. That is always be available to the world's vessels on an equal basis and at reasonable tolls;
> 2. That it serve its users efficiently; and
> 3. That the United States have unimpaired rights to defend the Canal from any threat and to keep it open in any circumstances, peace or war.[23]

An American treaty negotiator, authorized to speak for the Executive Branch, subsequently omitted the Study Commission's second objective on efficiency and added:

> That the United States have the right to expand Canal capacity, either by adding an additional lane of locks to the existing Canal or by building a sea level canal.[24]

Panama's interests and intentions are:

Negotiate the Zone out of existence;

Failing that, try to make it too expensive for the U.S. to stay in Panama, recognizing that dollar costs alone may not be very impressive to Americans;

Either way, assume an active role in operating and protecting the Canal.

Problems of Awareness and Attitude

The real content of the Panama-Canal Zone issue may be as much psychological as it is military or commercial. No problem of current international affairs is more encumbered by national pride, convenient misconception, legal abstraction, and ignorance.

Americans have not been perceptive or even consistent about Panama. Theodore Roosevelt could boast one day, "I took Panama," and another day proclaim:

"We have not the slightest intention of establishing an independent colony in the middle of the State of Panama . . . it is our full intention that the rights which we exercise shall be exercised with all proper care for the honor and interest of the people of Panama."

For three generations American democracy has been absent in the Canal Zone, where public officials are not elected, but imposed. Civilian control of the military is inverted: the Governor is a major general, but distinctly junior to the local troop commander. The Zone economy is state socialism, with 95 percent of the productive capacity concentrated in the hands of the government.

The world may well wonder whether the United States knows what it is doing in Panama.

Options and Costs

Given the alternatives governing the future of the Panama Canal and the basic American objectives, there are only two operative choices for U.S. policy: we can pursue our goals in active cooperation with, or in opposition to, the Panamanians. Panama will not participate directly in that decision, but will presumably impose costs for either course.

MAINTAINING THE STATUS QUO

One option is to hold the Canal Zone while we have the capability to fortify and defend it against Panamanians.

Senator Alan Cranston stated in October 1971 that the U.S. Armed Forces had—out of 40,000 officers, men, and dependents in the Zone—only two battalions of Army combat troops and no high performance combat units from the Air Force and Navy.[25] But reinforcements are available, and CINCSOUTH presumably learned from its experiences in January of 1964; for example:

> That the Guardia Nacional cannot always be relied upon to restrain attacks upon the Zone;
>
> That small arms fire from the Zone into the Republic is not an adequate response even to a few snipers;
>
> That the command had better have its own search-and-destroy capability in any serious future confrontation;
>
> That some of the civilians in the Zone (including 8,000 women and 15,000 children) could become casualties or hostages almost instantly, in the absence of adequate contingency planning, security, fortification, tactical preparedness, and evacuation procedures.

Foreseeable costs of this choice could include the following:

1. Military expenditures and manpower commitments of significant, but not burdensome, levels would have to be made.

2. The United States would have to make the Zone less accessible to unauthorized entry from the Republic and less vulnerable to amphibious landing, an expensive and exacting task, but not prohibitively so.

3. Despite these defensive measures, some exposure to sabotage, guerrilla attack, or assault by regular military units from the Republic would persist. Such moves, even when easily repulsed, have already involved serious costs even though they have not yet included an act of sabotage or interruption of Canal operations.

4. An overt decision to maintain the status quo in the Zone would undermine the U.S. leadership position in the hemisphere. If it were followed by another bloody episode in or around the Zone, U.S. political leverage would be further diminished and could result in violent responses directed at our enterprises, diplomatic establishments, and citizens throughout the region. The Latin Americans have never before been as united and outspoken in support of Panama's grievances against the United States. An issue that was essentially bilateral in the 1950s has become a matter of legitimate hemispheric concern. Even the United States has acknowledged this by accepting OAS investigation, mediation, and oversight.

5. The world community would condemn U.S. efforts to hold the Zone indefinitely. While most of the countries which use the Canal are interested mainly in efficient operation and reasonable tolls, no civilized nation can be oblivious to a breach of international peace, or the threat of it. This was, in part, the motivation for the Security Council's effort to intervene in 1973.

Most colonial powers that have tried to retain their possessions in the developing world have come to regret it. At a minimum, we should avoid striking a posture that is at once domineering and weak. We should decide in advance, as we regrettably failed to do in Southeast Asia, how many more human lives this real estate is worth to us, and for what period of time. Once the escalation begins it is too late for that kind of analysis.

PARTNERSHIP

Alternatively, the United States could sign and ratify a treaty along the lines of the February 7 Principles. This approach would not rule out Canal defense bases, but it would assume that the U.S. will acknowledge effective Panamanian jurisdiction over the land on which the bases would be located.

Loss of American property would be a direct cost. But the major disadvantage of the partnership option lies in the irretrievable loss of absolute U.S. authority over the enterprise. More specifically:

1. Once we relinquished our position in the Zone, the increasing Panamanian involvement might serve to dilute the operational effectiveness of the Canal.

2. If efficiency declined, world shipping, including our own, would suffer.

3. The United States, having assumed an obligation to the maritime nations and to world commerce, could be criticized for allowing the Canal to deteriorate.

4. Ultimately, the waterway might be closed because of some failure of the Panamanian partners, or the joint management, to perform. While the Canal is no longer a strategic asset against any conceivable enemy, it is still possible that its loss to the United States could in some future national emergency be significant, or even crucial.

In a world of accelerating and violent change accompanied by increasing uncertainty, the United States should not yield military and commercial advantages without careful analysis and commensurate incentive. However, if Americans have a national interest in protecting a distant enterprise that can be marginally useful in their defense and affects less than one percent of their GNP, the Panamanians might have even greater motivation to protect the Canal. It is on their territory, provides almost a

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Footnotes at end of article.

third of their GNP, and constitutes their primary national resource.

ACCOMMODATION WITHOUT A TREATY

Even if the Administration persists in its determination to achieve an accommodation with Panama, its objectives are, for the moment, thwarted by a decisive bloc in the Senate and a potent group in the House, as well. Also, judging by past performance, the JCS is probably capable of producing additional legislative obstacles to any new treaty, if necessary. The Administration knows it could not have obtained ratification of a treaty before the November 1974 elections, which means February or March of 1975 would be the earliest. Much will depend on President Ford and the composition of the new Senate.

Should it become impossible to negotiate a treaty, the Administration—assuming it moves fast and decisively—could head off an immediate confrontation and buy additional time through direct executive action. If the same creative energy that built the Canal Zone were applied to dismantling it, that would probably be sufficient. For example, the Administration could:

1. Drastically reduce the numbers of civilian and military personnel stationed in the Zone.

2. Bring all dependents home, except those of civilian personnel whose permanent employment is critical to the operation of the Canal itself. (This would automatically reduce the visibility of the U.S. government enterprises which Panamanians find most disturbing: golf courses, theaters, commissaries, post exchanges, bowling alleys, swimming pools. It would also stimulate the use of privately owned Panamanian commercial and recreational establishments, bringing Americans and Panamanians into more natural contact with each other.)

3. Appoint a civilian Governor of the Canal Zone who speaks Spanish and who is acceptable to Panama, and give him authority over CINCSOUTH, except during a military emergency.

4. Make Spanish a second official language of the Zone for one year, and the only official language thereafter.

5. Require that (a) all U.S. military and civilian personnel study Spanish under Panamanian instructors, and (b) all personnel whose assignment to the Zone is for two years or more attain a working knowledge of the language within one year.

Ambassador Robert Anderson who headed the U.S. negotiating team from 1964 to 1973 acknowledged to his State Department colleagues that he had a recurring "nightmare" of collapsed talks, shattered expectations, exploding emotions, and the Zone under siege. The proposed course of action might avoid that kind of deterioration, provided the Administration maintained credible efforts to conclude a treaty at the earliest date.

Insofar as Panama is concerned, the Commission on United States-Latin American Relations came into being at a fortuitous moment. With the observations outlined here, and the additional evidence which will doubtless be presented by interested parties, the Commission should be able to weigh the alternatives, and reach a sound position on this urgent issue of foreign policy.

Senator Thurmond holds that "there is no way that any treaty can adequately protect and defend our interests in operating the Canal when it has as its basis the abrogation of sovereignty."

Ambassador Vaughn considers Panama "a Latin American Vietnam." He finds that through the collaboration of Congressional and military supporters of the Canal Zone, "Presidents' orders have been reversed, diplomatic maneuvers and decisions brushed aside, and the United Nations told to go to hell." And he concludes, "The tinder awaits the spark."

Neither of these admonitions can be disregarded. Likewise, we ignore at our peril the public commitments of national leaders abroad: indeed, it has been the commonest error of American foreign policy during the past four decades.

FOOTNOTES

[1] Cf. Lyman M. Tondel, Jr. (ed.), The Panama Canal (New York: The Association of the Bar of the City of New York, 1965), pp. 42, 43.

[2] Robert G. Cox, "Questions Concerning the Panama Canal: A Preliminary Opinion" (New York: Transnational Consulting Group, 1973), p. 24.

[3] Panama Canal Company, Canal Zone Government, *Annual Reports, 1968–1973* (Balboa Heights).

[4] Senate Resolution 301, 93rd Congress, 2nd Session, March 29, 1974, p. 3.

[5] Report of the Atlantic-Pacific Interoceanic Canal Study Commission (Washington, 1970), II–11.

[6] Ibid., II–11.

[7] Ibid., II–20, 21.

[8] Interview, May 14, 1974.

[9] Interview, May 10, 1974.

[10] Cameron, op. cit., p. 4.

[11] Canal Study Group, op. cit., pp. II–11, 12.

[12] Jack Hood Vaughn, "A Latin-American Vietnam," *The Washington Monthly* (Oct. 1973), pp. 30, 31.

[13] Interview with Senior Department of Defense Policy Officer, May 10, 1974.

[14] For summary of the State Department position see News Release, op. cit., p. 6.

[15] Ibid., pp. 2, 3.

[16] Senate Resolution, op. cit.

[17] *The New York Times*, May 7, 1974.

[18] Subcommittee on Panama Canal, Hearings, Serial No. 92–30 (Washington, 1972), pp. 13–16.

[19] *The New York Times*, Oct. 12, 1971.

[20] "The Canal Question: A Christian View," address before Carnegie Endowment for International Peace, April 16, 1974.

[21] *The New York Times*, Oct. 19, 1971.

[22] Cf. Vaughn, op. cit., p. 32.

[23] Canal Study Commission, op. cit., pp. 8, 9.

[24] Hearings, Serial No. 92–30, op. cit., p. 5.

[25] *The New York Times*, Oct. 19, 1971.

LESSONS FROM RACIAL HATRED

Mr. MATHIAS. Mr. President, every now and then, some event occurs which is so portentous in nature that our interest and concern become aroused beyond the ordinary level at which we treat daily affairs. Human Kindness Day may well represent one such event.

Washington Post Columnist, William Raspberry, has taken a look at what happened on the Washington Monument grounds two Saturdays ago. His comments, which appeared in the Washington Post's May 19 edition, should be carefully read and reflected upon by all.

One point he made "That what you say to one is heard by all. And some do not always hear it right," struck home with me. It might do well for all public officials, especially those in the Metropolitan Washington area to be guided by those words.

In the coming months, each jurisdiction within the National Capital region will be presented with several major decisions affecting the metropolitan area. What is decided by one local government, therefore, will have a bearing on most, if not all of the others. Without question, the issues contained in each decision will be thorny and perhaps emotional; that is to be expected since public transportation, health care planning, law enforcement, and taxation are all issues which directly touch the lives of every citizen. The manner in which public officials in the metropolitan area respond to and discuss these issues in public forums, however, is equally critical. For what we say, and how we say it, may well influence the attitudes and behavior that neighboring communities will display toward each other.

Will we, out of some misguided sense of parochialism, cavalierly play to a narrow constituency without care for the message we send to our neighbors? Or will we act out of a recognition that the National Capital region is indivisible; that each community's major problems transcend her borders; and that the best long-range interests of all are served when the region as a whole lifts its sights and goals beyond immediate consideration of which community and what group within will achieve some immediate and possibly short-lived gain.

Mr. President, I ask unanimous consent that Mr. William Raspberry's article entitled "Lessons From Racial Hatred" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LESSONS FROM RACIAL HATRED

(By William Raspberry)

D.C. Del. Walter Fauntroy was participating in a Human Kindness Day TV *post mortem* the other day when he said something that has occurred to a lot of us.

It's time to move beyond the particulars of that day, he told a "Nine in the Morning" (WTOP) audience, and to start asking ourselves why our children are so full of race hatred.

It's a fair question, and I'm afraid that part of the answer is that they learned race hatred from us—from black adults, militant and moderate alike, who tried hard to teach one lesson and inadvertently taught another.

What we tried to impart was some understanding of the pervasiveness of racism in America. It was our feeling that it was necessary that our children learn the bitter truth about racism in order that they might learn to deal with it.

Some of them learned the lesson, all right. Others got only a piece of it and concluded that if white racism is bad, then white people must be bad. And anyone who had trouble distinguishing between white racism and white people might be led to suppose that the way to fight the former is by attacking the latter.

The need always was for two forums, one of addressing whites, the other tuned to blacks.

That way we could have taken a phenomenon like the 1960's riots and told white people—quite truthfully, by the way:

This is the result of racism. This the price you pay for the continued denial of opportunity. This is what you get when you permit a selected handful of black people to enter the American mainstream but leave the rest behind in the interest of maintaining white supremacy.

We might have sent the children out of the room while we were delivering that message, recalling them to hear this one:

You see what's happening in the streets? That is the result of frustration spawned by denial of opportunity. But look more closely, and you'll see that while it registers

frustration, it really doesn't accomplish much that's positive for the people in the street. I want you to understand what's happening out there, but I also want you to know that there are better, more effective, more personally rewarding ways of doing it.

We would have driven home to white people the fact that bigoted chickens do come home to roost. And we would have spoken to blacks of the necessity for personal responsibility.

We would have preached two sermons, not because we are two-faced but because we would have hoped to inspire two sorts of action.

For white people, the message would have been: Don't suppose that the effects of racism end with the passage of civil rights laws. Look around and see how much racism remains in your individual attitudes and practices, how much of it has been structured into your very institutions. Let's work on that.

For blacks, the message would have been: Of course you find yourself in a hole because of racism. But you have to understand that blaming white people won't get you out. That's a job you will have to do for yourself. Don't waste too much energy waving your hands about in blame, or you might be too tired for the work of digging out of that hole. Let's work on that.

We couldn't have wanted white people to hear that last message for fear they might read it as exoneration. And, face it, white guilt has been a major element in some of the recent black gains.

Some of us do manage to separate—or perhaps more accurately, to integrate—the two messages when it comes to dealing with our own sons and daughters.

We try to give them the sophistication to understand about racism. But we also teach them, by precept and example, that they are not to wallow in self-pity nor lash out in rage at some generic enemy but rather to understand in order to deal. We let them know that they are personally responsible for their choices and actions and that no amount of blaming white people will get them off that hook.

We help them to put racism in the context of hurricanes, earthquakes and other natural disasters—not to embrace it but to overcome it, to achieve in spite of it.

You can do that with your children. But the nature of mass communication is that what you say to one is heard by all. And some don't always hear it right.

This is, of course, not the whole explanation of what happened on the Washington Monument grounds on Human Kindness Day. For one thing, most people—by about a thousand-to-one margin, in fact—seemed to absorb the message. And among those who didn't, there was undoubtedly a strain of just plain thuggishness, directed at whites that day but maybe at blacks the day before and the day after.

But I am afraid that there may have been some in that crowd who thought they were doing something that had our approval.

That's one message we'd better get straight in a hurry.

THE COMMUNITY SERVICES ADMINISTRATION PROGRAM FOR THE DISADVANTAGED-MINORITY VIETNAM VETERANS

Mr. JACKSON. Mr President, one of the saddest legacies of the Vietnam conflict has been the plight of many thousands of educationally and economically disadvantaged veterans many of whom are minorities from inner city backgrounds. These veterans served their Nation during a long and unpopular war and have received little gratitude or understanding in return. For this reason, I am extremely pleased that the Senate Appropriations Committee has included in H.R. 5899, the second supplemental appropriations bill, my amendment to provide $5 million in the Community Services Administration budget for the resources to assist these veterans with their problems.

Last week the Senate passed legislation to provide $405 million in adjustment assistance for the refugees of the Indochina war. We took this action because it was in the American tradition and it was right. It is also right and in our tradition to provide for the hundreds of thousands of American GI's who served their Nation and came back from Vietnam with drug problems, without the skills or training necessary to obtain a job, with bad discharges which prevent them from utilizing the GI bill and with a myriad of other problems which have caused these veterans to fall back into a "cycle of poverty."

OEO was created because traditional agencies failed to reach minority and lower income people with problems. OEO has been successful in disseminating many of its means of operation to other Federal, State, and local agencies. In the case of Vietnam veterans, however, there are problems of poverty associated with hundreds of thousands of lower income and minority veterans that are simply not being faced by the traditional agencies for dealing with veterans' problems. That is why community action agencies which have credibility in cities must have the funds which can give them the means to serve veterans facing unemployment, bad discharges, drug problems, lack of housing, emotional problems and many other problems.

For example, unemployment for young veterans—age 20–24—is now 22.8 percent; 400,000 veterans have bad discharges many of which are drug related. These problems have persisted and have gone unmet since 1969 when veterans began returning in large numbers.

One program which has attempted to focus in on the problems of the disadvantaged minority veteran has been the Veterans Education and Training Service—VETS—funded by the Office of Economic Opportunity. I am very proud of the effort this program has made with very limited resources. I am very proud to have played an important role over the past year to prevent this program from being abolished by the Nixon and Ford administrations.

The inclusion by the Appropriations Committee of my amendment to provide $5 million in the CSA budget to continue this program means that the Nation will not forget these veterans and that community action agencies in approximately 70 communities will be able to provide much needed readjustment assistance for these veterans.

I ask unanimous consent to have printed in the RECORD a statistical summary of the achievements of the existing 19 OEO veterans outreach projects and a copy of a recent article from the magazine Nation's Cities describing the VETS project in Chicago. This project has been particularly effective and this is a tribute to the active involvement of the Chicago city government and the local community action program in behalf of veterans.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL LEAGUE OF CITIES U.S. CONFERENCE OF MAYORS VETERANS EDUCATION AND TRAINING SERVICE (VETS)

INDIVIDUAL CITY PROJECT PERFORMANCES AS OF MARCH 1975 (CUMULATIVE TOTALS FISCAL YEAR 1975)

	Placements			Other services[1]	
	Contracts	Education and training	Job	Direct	Referral
Cincinnati	1,793	207	186	320	68
Aayton	1,277	229	98	157	150
Otlanta	2,069	696	128	632	217
Savannah	1,150	301	51	158	146
Bridgeport	1,832	541	23	59	131
Baton Rouge	921	160	248	95	119
New Orleans	898	139	58	55	73
Rochester	1,003	216	230	345	172
Salt Lake City	2,120	195	132	735	226
San Diego	576	208	42	65	590
Milwaukee	795	371	24	97	360
Norfolk	2,584	183	499	14	717
Cleveland	947	402	114	47	45
Indianapolis	1,466	150	32	52	49
Detroit	1,399	864	4	27	11
Chicago	2,000	1,039	159	103	347
Denver	1,419	162	59	44	73
Los Angeles	1,852	705	76	12	268
Seattle	2,684	382	212	376	225
Total	28,785	7,150	2,375	3,393	4,023

[1] Other services includes drug counseling, bad discharges, housing, other referrals, etc

NEIGHBORHOOD PROGRESS CENTERS AID VETERANS

(By Stephen R. Conn)

The picture taking had ended and it was time for the next contingent of visitors to be ushered into Mayor Richard J. Daley's office. It was all very automatic. Like any other big city mayor, Chicago's chief executive poses for countless group photos weekly. But this time there was a difference.

The feisty Mayor stopped Robert L. Hill, National Director of the League and Conference's Veterans Education and Training Service (VETS) before he reached the door.

"What are you going to do about those poor guys with less than honorable discharges?" he asked. "Your heart has to go out to these fellows."

Hill briefly outlined VETS' efforts in this area and the mayor looked pleased.

"I'm tired of talking to the generals in the Pentagon," said Richard Daley. "It's about time we did something to get these veterans good jobs and education."

"That's what we're all about," said Jim Ellis, director of Chicago's Office of Veterans' Affairs, after leaving Richard J. Daley's office following a photo session with the mayor. "Jobs, education, and the upgrading of bad discharges."

Chicago's Office of Veterans' Affairs is supported, financially and logistically, by the city's Model Cities program and the VETS project of the National League of Cities and U.S. Conference of Mayors. It is one of the brightest stars in the firmament of the project's efforts in 10 cities nationwide.

Operating out of a dozen urban progress centers situated in the sleazier sections of Chicago, Jim Ellis' organization has contacted nearly 6,000 veterans in its two-and-a-half year existence. It has found jobs for more than 1,500 of them and its enrolled more than 2,000 in school.

Jim Ellis supervises the work in the area of veterans' affairs of the 12 Urban Progress Centers from a stark, white walled fluorescent-lighted cubicle without windows on the third floor of the building housing Model City Headquarters at 640 North LaSalle Street. Jim is called "Tank." He seems too big for the room. In fact, the six-foot-210 pounder, was a two-time All-American defensive half-back for Michigan State in the early 1950s.

The real work of the project is not done at 640 North La Salle, however.

It takes place in the Woodlawn Urban Progress Center (UPC) on Chicago's 63rd Street, the counterpart of Harlem's 125th. Except the once proud 63rd Street now displays shattered windows and shells for buildings.

Its effects are felt in the South Chicago UPC in an equally poor and equally black part of town.

It helps the veterans who stream through the doors at the Montrose UPC in a section of the city that "gets them all—the white, black, brown, and Indian," according to Dennis Lindsey, the Veterans' Adviser there.

And it extends a helping hand at the ultramodern Garfield Community Services Center in a part of town that is as poor as the rest, where Vets Adviser Jonas Jones holds forth.

"I've always been concerned with vets," says Jones. "Vets have always been getting the short end of the stick." Jones served with the Americal Division in Vietnam from February 1968. He received shrapnel wounds in the back and hands.

The project counsels, cajoles, supports, advises, and gets jobs, educations, and other help and services for veterans in the eight other centers that comprise the 12-center network.

"When we started the Vets project I promoted the idea of decentralization," says Bob Hill, whose undertaking was launched in February 1971, four months after the Chicago effort had already begun. "Chicago is proof that the model does work and it works very effectively."

Indeed, decentralization appears to have been one of the principal keys to the Chicago effort's success.

Charles Beauford is a 30-year-old black vet who lives within walking distance of the Woodlawn UPC. When his wife left him, she also left him with two children to care for. A high school dropout, Beauford now attends Loop Junior College where he is majoring in sociology.

In the time that he is not in class or caring for his children, he is putting together an organization called "The Normal Action Recreational Program for the Physically Handicapped."

"My ultimate goal is to head a national program to help people," he says. And he adds, "Primarily vets."

Charles Beauford was a vet who needed help. He didn't want to go to the Veterans Administration because of its inaccessibility and the red tape he feared he'd find once he got there. So he came to his neighborhood UPC, which started the ball moving by enrolling him in a General Education Development (GED) program. This enables the vet who has not finished high school to get the equivalent of a high school degree. Last year 500 vets were enrolled in GED classes through the Chicago project.

"If there had been no UPC I doubt that I would have sought help" he now says. "I'm sure I would have ended up doing something illegal to survive."

George Abrams, the vets adviser at Woodlawn, is the man who encouraged and worked with Beauford. He served as a Marine Corps sergeant in Korea during the mid-50's. Unlike the recruiter-coaches, he does not have to be a Vietnam-era veteran attending college as the contract with VETS requires:

"We're like a sub-VA," says Abrams. "Except that we provide the veterans with a personal touch and don't keep them waiting around with 50,000 other veterans."

Each UPC has a recruiter-coach, whose job is to find the veteran who needs help.

"We'll go anywhere to find them—from a church to a pool hall," says Montrose's Dennis Lindsey.

Once the vet is reached, registered, and entered in the project's files, the vet adviser does the follow-up: enrollment in school, job placement, drug treatment.

Sarah Dogan is the recruiter-coach for Woodlawn. An Air Force veteran in her early '30s, she's an intense black woman who had dropped out of high school, and now with help from the project, is studying on scholarship for a B.S. in social science at George Williams College in a suburb of Chicago. With a 3.92 academic average out of a possible 4.0, she plans to get her masters there and ultimately a Ph.D. from the University of Chicago.

"I'm interested in people," says Ms. Dogan. "I'd really like to eventually work in a vets hospital because they're people with very special problems."

Like the VETS project, the Chicago effort is concerned primarily with the Vietnam-era veteran. He has become a victim of an unpopular war that everyone wants to forget and consequently is the new "forgotten American." But both VETS and its 19 satellite efforts have not forgotten those who served in other times and places.

It didn't take long for James Brown, 41, to realize when he enlisted in the Air Force in February 1950 that the military was not for him. He left eight months later with an undesirable discharge. He entered the service with two years of college. Since leaving he's had a succession of manual and low paying jobs, the last of which was as a construction laborer. Now Brown wants to upgrade his discharge, get his GI Bill benefits, which have been denied him thus far, and go back to school.

"I want to finish college and make something of myself," he says.

The commitment to the veteran of the local and national efforts is reflected in the impressive statistics posted during the past year. Working with its third annual one million dollar grant from the Office of Economic Opportunity, VETS in 1973 contacted and serviced more than 155,000 men and women nationally. In its nearly three and one half year existence the project has helped some 225,000 veterans get jobs, education, legal, medical and other much needed services.

The project has been part of the VETS efforts since November, 1971. It is one of the original 10 pilot cities. Originally VETS assistance was solely in the areas of education and vocational training. Last May, when VETS expanded to 19 cities it enlarged its program to become involved in social and legal services.

"The problems of the Vietnam-era vet run the gamut" says Bob Hill, "particularly in today's rapidly changing society. Our expansion into these other problem areas have made us more relevant and effective to veterans."

Jim Ellis points with pride to the accomplishments of his project during the past year. They include, in addition to the placement of vets in jobs and educational institutions:

Establishing a working relationship with additional colleges and universities in the Chicago area and helping them set up Offices of Veterans Affairs.

Increasing Veterans Administration approved GED classes by three within the project area.

Establishing an "Operation-Input Committee" comprising 27 agencies, institutions and organizations geared toward meeting the needs of veterans and their dependents."

Ellis credits VETS with suggesting "Operation-Input." Among the Committee's accomplishments was the publication in March of a Veterans Social Service Directory. It lists various organizations which can help the vet. One of those mentioned is the Mayor's Jobs for Vietnam Veterans, headed by Ted Coleman. Ellis and Coleman maintain a close working relationship.

"He sends people to me for help and I send vets to him," says the affable Coleman.

"With this and with "Operation-Input" we don't care who gets the credit. All that's important is that we help the veteran."

SENATOR HUGH SCOTT HONORED AT TESTIMONIAL DINNER

Mr. TOWER. Mr. President, our distinguished minority leader, Senator Hugh Scott, was recently honored at a testimonial dinner in Philadelphia given by the American Friends of Lubavitch. On that occasion, President Ford joined in commending Senator Scott for his outstanding efforts on behalf of Israel and the Jewish community in general.

Citing the dedication of a library center in Israel to Senator Scott and his wife, Marian, the President said:

> [It] is a fitting honor signifying as it does the wealth of knowledge which man has gathered through the ages and the use of that knowledge in constructive and purposeful purposes.

Mr. President, for the interest of my colleagues I ask unanimous consent that President Ford's comments in honor of Senator Scott be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Remarks of President Ford at the Friends of Lubavitch Patron Reception for Hugh Scott

Mr. Speaker, Senator Scott, and lovely wife, Marian, distinguished guests, ladies and gentlemen:

I am really honored and privileged to be here with the American Friends of the Lubavitch.

Obviously, it is a great privilege and pleasure for me to be here today to join with all

of you in honoring my very, very good friend, Hugh Scott, a colleague of mine in the Congress for many, many years.

I am deeply grateful for the many, many instances where Hugh has given me good counsel and fine support, and there is no way that I can ever adequately repay him for his friendship. I might even go so far to say that Hugh is one of the first people I turn to when I have tzores. (Laughter) And in the last few weeks, I have had tzores. (Laughter)

Today it gives me a great deal of personal pleasure to add my voice to yours as we say to Hugh Scott on this very, very special occasion, Mazel Tov.

I think we all recognize the countless ways in this great country, not the least of which is the quality and the character of the men and women to give life to America. The leadership of a great people in a democracy makes special demands on public officials.

We must have the desire to know what is on the people's minds, the wisdom to know what is in their heart and the courage to know what they do is right.

All of these qualities are possessed in abundance by the man we honor today. I have known Hugh Scott for 27 years. I have been, as I said earlier, his personal friend, and I have admired his professional integrity.

There are very, very few public officials who have so successfully combined the serious duties of statesmanship with the good humor and the good grace which are Hugh Scott's trademark.

We honor Hugh today for his staunch and steadfast support he has given to the state of Israel since its creation 27 years ago. It is an honor he richly deserves, and I know that he cherishes it. The rest of the Nation continues to honor him as a man of conviction with a talent for compromise; a man of experience who looks into the future; a man of integrity with a little twinkle in his eye; a man with intellect who can do battle with the best of them in the toughest struggle in the Congress, or in any other political arena.

This is the total man that I know as Hugh Scott, a man that the Commonwealth of Pennsylvania dearly loves—the man today that you honor and pay tribute to. The library center in Israel, which you are dedicating to his name, and that of his lovely wife Marian, is a fitting honor signifying as it does the wealth of knowledge which man has gathered through the ages and the use of that knowledge in constructive and purposeful purposes.

Nothing could characterize better Hugh's own life, nor reflect more accurately the philosophy of your movement. You are committed to preserving the deep and very abiding faith of the Jewish tradition for young and succeeding generations.

Your devotion has won the respect and the admiration, and I may say, the appreciation of thousands in this country and around the world. One reason is the leadership of Rabbi Schneerson, who is observing his 25th anniversary this year as the head of this movement.

My wish for you tonight was best said by one of my predecessors in the White House, and I quote, "May the children of the stock of Abraham who dwell in this land continue to merit and enjoy the good will of other inhabitants."

And the quotation goes on as follows: "May the father of all mercy scatter light, not darkness, in our paths and make us all in our several vocations useful here and in his own due time and way, everlastingly happy."

The President who wrote those words was George Washington. The year was 1790. The spirit of what he said is as alive today as it was then.

My congratulations to Hugh Scott, to Marian, and my thanks to all of you for letting me join with you in paying this tribute to them.

May God bless you all.

SENATOR McINTYRE ADDRESSES FOREIGN POLICY AND ARMS CONTROL ISSUES

Mr. McGOVERN. Mr. President, our colleague from New Hampshire (Mr. McIntyre) recently delivered an extremely important address on détente and on post-Vietnam foreign policy. His remarks deserve widespread attention.

Senator McIntyre calls upon both "hawks" and "doves" to undertake a searching analysis of truly valid U.S. security interests. And he underscores what I agree must be the overriding aim of this reexamination, pointing out that—

> A central test of this new foreign policy will be whether it will enable us to discriminate—to differentiate between our broadly agreed upon security interests and those other temptations which are not in our interest.

The Senator also notes the need for a more complete definition of security—a case which I have argued for a number of years. He points out that—

> Our economic stability, our sense of rightness, our internal unity and our collective will are as important to our security as troops and arms.
>
> By defining our prime national security interest in this broader, more realistic way, we will be able to distinguish between real threats which we must oppose as a unified nation and instances such as Vietnam where we were drained and divided without being attacked.

Senator McIntyre also addressed strategic arms issues. His thoughts in that area carry special weight because of the expertise he has developed as chairman of the Armed Services Committee's Subcommittee on Research and Development.

His message on the new drive for counterforce weaponry is especially compelling. As Senator McIntyre points out, counterforce is not simply a logical next step to fill an established nuclear strategy. Rather, it is a dramatic and dangerous departure from the policy of mutual deterrence—and mutual vulnerability—which has allowed us to achieve at least a small measure of stability in the realm of nuclear arms. According to Senator McIntyre:

> Altogether these proposals represent a radical revision of our strategic policy from one of nuclear deterrence to one of nuclear warfighting . . .
>
> (The) shift to nuclear warfighting doctrines and technologies actually diminish our national security by putting a hair trigger on nuclear war, by drawing fire in a period of crisis, by distracting us from our critical strategic task which is to insure the survivability of our deterrent, and by throwing doubt on the central premise of SALT which is the principle of mutual vulnerability.

I hope the Congress and the country will heed this warning. Our negotiators in SALT II were forced to carry the heavy burden of MIRV, because similar warnings were not heeded 5 or 6 years ago. The shape of the Vladivostok accord demonstrates that MIRV was a heavy burden indeed. But counterforce weapons and strategies are still more serious. As Senator McIntyre points out, if we accept counterforce we will not simply approve a technical refinement; instead we will discard the strategic policies which are most crucial to arms control.

We will debate these issues in some detail when the military procurement bill is before the Senate. Senator McIntyre's address, which was delivered May 5, before the International Studies Council at the University of New Hampshire, can serve as an excellent background for that debate. I commend it to my colleagues, and I ask unanimous consent that it be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

Security Through Détente: Limits and Possibilities

(By U.S. Senator Thomas J. McIntyre)

No problem is more troubling or immediate than that of America's role in the world today. It is now less than a week since the American Embassy closed its doors in Saigon and brought American involvement in the Vietnam conflict to an end. Every morning's paper, every evening's news, painfully remind us of the bitter fruits of our errors there. In the Congress, months of hearings and internal deliberations are about to surface in a major public debate on America's military defense posture. It is in this context that I take up the question you posed for me today: "Security and Détente?"

Of course, détente is a name that has arisen in the last 5 or 6 years to describe a process of negotiations between the U.S. and the Soviet Union. And although the Presidents Truman, Eisenhower, Kennedy and Johnson each tried in their own way to develop such process, there is no question that the process has blossomed during the Nixon-Ford Administration and the diplomacy of Henry Kissinger.

Détente like most words in the public arena, is a term that has lacked precision and has been embarrassed as a result.

Détente is more than our being treated to the art of Olga Korbut and the Russians drinking Pepsi-Cola, however refreshing both may be.

Surely détente is more substantive than the personal diplomacy, pious rhetoric and show biz public relations which from time to time have threatened to obscure whatever real security gains we have derived from détente.

Surely détente does not mean that we must take leave of our good senses and surrender the tradition of the Yankee trader as we did in the wheat deal and as I fear, we may in the continued export of certain critical advanced American technologies. Surely détente does not mean that we must trade substantial concrete concessions for a mess of abstractions.

Nor is détente so fragile that we, the U.S. should inhibit ourselves from expressing our own best values as we did when our government failed to state plainly and flatly our indignation about the Soviet's treatment of Solzhenitsyn and his courageous associates.

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No, the critical test and meaning of détente is whether this process of negotiation has produced solid results which enhance our own national security. It is this question—which you properly posed—that I want to address today.

Let us first realize that many of the most pressing threats to our security are outside the frame of a U.S.-Soviet detente. Terrorism, nuclear proliferation, hunger, the life of the world's oceans, worldwide inflation and historical regional hostilities—all of these and other dire threats to our national security and world stability are either at the edge or outside the reach of a detente between the two super-powers.

Of course, detente, when it works, can give the world a model for the resolution of intense differences on these matters. It also can help avoid escalation of tensions between non-super-powers into confrontations between the nuclear powers. Ideally, the combined resources and leadership that the two super-powers could bring to bear on these common problems of the world community represent an enormous potential for detente. But this promise is for the most part as yet unrealized. So let us remember that many of our most critical security problems are beyond the capacity of even the two super-powers to resolve through detente even at its best.

There is a second major way in which our security problems lie outside the reach of detente.

The ability of the U.S. to defend its real security interests and avoid involvements that would hurt us will depend primarily on our own ability to define our own security interests discriminately. Until we do so, neither detente nor any other external process will be of much help.

Let us remember that détente is not an alliance nor a friendship. It certainly is not a mutual admiration society. I assume the Soviet and U.S. governments will continue to have a protracted rivalry throughout the world.

Detente may well moderate direct confrontation between the two super-powers, but the problems facing the U.S. because of its entanglements throughout the world are larger than U.S.-Soviet rivalry. And the Soviets may, on some occasions, seem to help us cool a conflict if it threatens to involve them directly.

But I am skeptical that they will renounce attempts to exploit tensions and to gain unilateral advantage or renounce claims of special influence in the world even though they affirmed these principles with us in Moscow in 1972.

Even if the Soviets would stop fishing in troubled waters, the U.S. will continue to face, particularly after Vietnam, a maze of challenges around the globe. We certainly cannot expect the Soviets to bail us out of embarrassing entanglements because of detente, to say the very least. The answer to this problem is in ourselves.

The prime internal task before us is to learn from Vietnam to discriminate in the kinds of commitment that this Nation chooses to make and guarantees. Otherwise we either will continue to be drawn into conflicts against our interest or fail to recognize challenges which must be opposed as a unified nation.

The American people and our adversaries and allies as well are, after Vietnam, a bit like Mark Twain's cat—who once sat on a hot stove. Twain said that his cat never sat on a hot stove again—but neither did he sit on a cold one.

We must learn as a Nation what Twain's cat never learned. We must learn to discriminate. Surely there is room for responsible foreign policy that falls somewhere between the polarized conception of a Policeman of the World on the one hand, and Fortress America on the other.

Surely it is possible to construct foreign policy that tells us where our national security interests do not lie, as well as where they do.

Dominant as we were after the Second World War, we were not required to draw such distinctions. It seemed then there were no limits to what we could and should do. But now it's time for Americans whose vision of our role in the world was fixed in the 1940's to ask some hard questions. Is there a place on the globe that this Nation should not contest? Are there situations in this world in which the U.S. has minimal or non-security interests?

Surely, thoughtful, responsible "hawks" understand that there are times, places and circumstances in which it would be *against* our security interests to engage militarily. Let them detail such instances. Let them wrestle with the related problem of getting the most from our defense dollar.

And other Americans whose vision of our role in the world has been formed by Vietnam—and who have rightly learned that there are instances in which our interests are not at stake—must now address the question of what our *valid* security interests are in the world. What are the critical locales and circumstances in which American power should properly be exercised.

Thoughtful and responsible "doves" know that no Nation—even ours—can be an island unto itself. They know that there are times, places and circumstances in which it would be *against* our security interest not to exercise power. Let them define what circumstances would justify the commitment of American power and the risking of American lives. Let them wrestle with the related problem of defining what weapon systems, what military technology we must have to protect these security interests.

I am calling for a searching, self-analysis by all Americans of what our post-Vietnam security interests really are. I am asking that each of us shake off conditioned political reflexes, reexamine our premises, and even reverse our habitual domestic political roles.

Out of this process I hope that we can devise, together, and without recrimination about the past, a new consensus of what our foreign policy ought to be.

A central test of this new foreign policy will be whether it will enable us to *discriminate*—to differentiate between our broadly agreed upon security interests and those other temptations which are not in our interest.

While the shape of this new consensus is yet to be defined, let me offer some observations to that end.

I am sure that we are unanimous in our judgment that our supreme security interest is the protection of our own Nation. We also know that this national security must be defined in more than physical, military terms. We know that our economic stability, our sense of rightness, our internal unity and our collective will are as important to our security as troops and arms.

By defining our prime national security interest in this broader, more realistic way, we will be able to distinguish between real threats which we must oppose as a unified nation and instances such as Vietnam where we were drained and divided without being attacked.

I also believe that a new, discriminating foreign policy would realistically revitalize the principles of collective security. There are limits to American power and we need our allies' partnership. We are inter-dependent economically on other nations. Despite our richest power our own national security is, therefore, linked to some other nations' in greater or lesser degree.

But the web of alliances in which we are currently enmeshed is a far cry from the true partnerships we enjoyed in the Second World War. Many of our allies simply do not pull their own weight. Some are unwilling to defend themselves. True collective security must be collective.

Our reappreciation of this axiom will make us more skeptical about helping those nations demonstrably unwilling to help themselves and be a rallying point for aid for real partners.

I also believe that a new foreign policy must address the contradictions between what we have been doing in practice and what we know are our best traditional values. We all know that there have been contradictions between our historic role of defender of liberty and our actual support of governments as authoritarian as those we defend them against. We have used hellish, modern technology, black arts of war which are at odds with our best sense of what is humane. Our classical idea of foreign aggression formed in the 1930's and 40's doesn't square with contemporary realities of civil war and propped-up unpopular governments whose power over their own people is secured by our military aid.

These contradictions pose real dilemmas that will not be easily resolved. Some nations which are no model of American democracy have a strategic importance to the security of our allies that we cannot ignore. If we pressure such nations to democratize their governments they will resent it and we will be intervening in their affairs. And yet our continued military and economic support of such governments already constitutes such intervention. So what is the proper mix of idealism and realism?

These contradictions will not be easily resolved. There are far flung and powerful American and national security bureaucracies that have arisen in the last 25 years that will resist change. The conditioned reflexes and painful memories on both sides of the polarized Vietnam debate will make it difficult for us all to examine these dilemmas afresh.

But unless we can together learn to differentiate in our foreign policy between that which is in our critical interest and that which is not, between acts which square with our best sense of ourselves, and those which do not, I fear the American loss of life, treasure and confidence in ourselves over the last decade might well be in vain.

For years American leaders who defended our role in Vietnam preached the gospel here at home that our withdrawal from that country would threaten our credibility elsewhere in the world. And now from abroad we hear the echoes of our own leaders' pleadings from foreign leaders.

And unless we know as a people when and where the American nation should and should not exercise its power with unity and will, how can our allies know?

Unless we can agree on what our true security interests are how will our adversaries know? They will test and probe and further divide us and we might even lose that which we cannot afford to lose as a result.

But if we agree, on the basis of such a discriminating new policy, that we should withdraw or limit our involvement in cases where American presence would be as invalid, tangential and inconsistent with our real security interest as Vietnam was, then self esteem, our security, and our global statute will be the better for it. And if we agree as a nation to oppose a threat to our real security, we can, without doubt, prevail as we have in the past.

This critical task of devising a new discriminating foreign policy is too domestic for detente, just as some world-wide challenges to our security are too international in scope for detente.

On the other hand, detente has enhanced our national security in another way—a fundamental way—by curbing the strategic arms race.

The complex of agreements that were negotiated at SALT I, and since, make up the most significant achievement of detente. While these treaties are neither perfect nor complete, they are an historic and substantial step towards a durable nuclear peace—the preservation of which is in our supreme national security interest.

These agreements are the products of a continuing process of hard-nosed negotiations. They do not depend on the good faith of the Soviets. We independently monitor and verify Soviet compliance through our remarkable satellite intelligence gathering systems.

The security of these agreements are solidly rooted in mutual self-interest. Both sides have explicitly recognized and have agreed to act upon the overriding reality of our time which is that both nuclear super-powers are inescapably locked into a state of mutual deterrence and common vulnerability. Both sides know that no amount of money, no stroke of technological genius could give either side the capability to destroy the other without in turn being destroyed itself. Through SALT both sides recognize that it is against the national interest of both countries to continue the strategic arms race. Adding further to these devastating arsenals would only endanger the national security of both by adding to the risks of accidental attacks or raising the fears of nuclear first strike or diplomatic blackmail.

Our success in persuading the Soviets to agree to curb the arms race was based on two preconditions of our own making. One was our military strength. But it was military strength of a particular kind. Our strategic arsenal was designed for unquestionable survivability against any Soviet threat. Our extraordinary military R&D programs produced superior technologies which were at the heart of this survivability—our MIRVs; the hardness of our missiles and their silos; the quietness of our submarines; and the penetration of our bombers. These technologies, together with the redundancy of our Triad and the size of each of its component forces, insure, as Secretary Schlesinger has often stated, that the Soviets cannot achieve a preemptive first strike and helped persuade them to accept and act on this hard military reality at SALT.

There was another important precondition for SALT which was less noticed than our military strength. This was a broad consensus that our Nation achieved in the early 70's regarding the shape of our strategic policy and technology. Since the central premise of SALT is mutual deterrence, we first had to agree among ourselves that this Nation's prime strategic goal was to deter nuclear war rather than to prepare for limited nuclear warfighting. And we did agree.

The policy of deterrence means that you should ensure that your strategic force is unquestionably survivable against any attack, but at the same time avoid raising any reasonable fears in the minds of your adversaries about your ability to attack his deterrent.

For example, if you prepare to fight a limited nuclear war by building an ABM protection for your cities instead of depending on your deterrence to stop an adversary from attacking in the first place, you might raise fears that you are trying to deny the deterrent of the other. This was certainly what we feared when the Soviets began to deploy ABM's around Moscow.

In 1970, the Senate Armed Services Committee opposed this so-called "area defense concept." And in 1973, when the Pentagon requested again the authority to develop a light area defense system, the Subcommittee, which I chair on Military Research and Development, successfully led a fight against the opposition of Senator Jackson to deny the request as a matter of national policy. This evidently closed the matter finally since the Pentagon hasn't raised the subject since.

Another way you can prepare to fight a limited nuclear war is by developing a sophisticated offensive technology that would enable you to threaten your adversary's missiles. This so-called counterforce capability to destroy missiles in hardened silos required a combination of the accuracy and yield of your own warheads. The problem, of course, is that if you can threaten your adversary's missiles even if you are only preparing for a limited nuclear war, he may reasonably fear that you are preparing to take his deterrent away with a preemptive first strike. In a period of crisis, this fear is a motive to strike you first. It means your own missiles are more attractive targets, and it consequently puts a hair trigger on nuclear war.

Just as a national consensus developed against the destabilizing area defense concept, we were able to establish even clearer general agreement excluding nuclear warfighting counterforce technologies in 1971–1972. Secretary of Defense Laird stated to Senator Brooke that it was our national policy to avoid such technologies that could be construed as leading towards a first strike against the Soviet deterrent. In 1971, my Subcommittee killed such an Air Force request for missile accuracy and was sustained by the full Armed Services Committee. Later that year on the Floor of the Senate, when Senator Buckley's offered amendments to begin counterforce development, Senator Stennis, the Chairman of the Armed Services Committee with the support of the Department of Defense, led the opposition and Senator Buckley was overwhelming defeated. By 1972, when Congress denied a similar counterforce request there was virtually no vocal opposition.

So we achieved a national consensus that we should concentrate on a deterring war rather than to prepare to fight a limited nuclear war. Since we agreed among ourselves, it was obviously easier to persuade the Soviets to accept this key premise of SALT.

I must sadly report to you today, however, that the American consensus on this key premise to our security through SALT is under severe attack. Secretary of Defense Schlesinger with the support of his principal Congressional ally, Senator Henry Jackson, has initiated nuclear warfighting doctrines and technologies which could lead us to a terrifying new strategic arms race. I fear that the Secretary's new nuclear warfighting policies and his related requests for counterforce technology are a grave threat to gains for our security at SALT and threaten to reverse the discriminating and secure strategic policies which Secretary Laird and the Congress had agreed upon only a few years ago.

Secretary Schlesinger and his Congressional allies would take us much further than imagined before toward exotic new destabilizing technologies. They would not only dramatically increase the accuracy and yield of our current Minuteman missiles, they would have us develop a contraption called the "terminally guided MARV" which would enable our warheads to maneuver their course in flight and achieve virtually perfect accuracy. You have heard of smart bombs; well this would be a smart warhead. Secretary Schlesinger and Senator Jackson would also radically alter the essentially stabilizing character of our sea-based deterrent by giving them counterforce capability. Altogether these proposals represent a radical revision of our strategic policy from one of mutual deterrence to one of nuclear warfighting.

Last year I led an effort in the Senate to raise the alarm about the implications about the danger of these new counterforce technologies and the threat they represented to our security. We were hampered by the distractions of the times which added to the Pentagon's national advantage in selling a new program. We were also faced with natural but superficial reactions to a complex issue. One of my good friends said: "When we go squirrel hunting back home we want to have the most accurate rifle we can get." Of course, the effect of these capabilities would just be the opposite. It would be more like a member of your infantry patrol being so rambunctious that he draws enemy fire and threatens the lives of the entire patrol.

We lost last year by a vote of 49 to 37, but we were able to establish a strong base reaching into the center of the Senate.

This year we have had extensive hearings before my Subcommittee on Military Research and Development and we have prepared a case which we will argue within the next month or so and which I hope will prevail. I won't detail my arguments today but the basic themes are clear.

In sum: Dr. Schlesinger's and Senator Jackson's shift to nuclear warfighting doctrines and technologies actually diminish our national security by putting a hair trigger on nuclear war, by drawing fire in a period of crisis, by distracting us from our critical strategic task which is to insure the survivability of our deterrent, and by throwing doubt on the central premise of SALT which is the principle of mutual vulnerability.

My Subcommittee examined especially carefully whether there was any military need for these programs. We found that when the dialogue is pursued to its final conclusion, the real Pentagon justification for counterforce is, in fact, not military, but political or diplomatic. They primarily justified these programs on the basis of what they call "political perception." In other words, they are concerned that unless we have this capability it might adversely affect the political position of the U.S. in the world. My Subcommittee cross-examined the Pentagon witnesses in great detail trying to get them to define what Nation would act differently in what specific kinds of cases against the security of this country. We still haven't been given an adequate answer. I am sure that the American people would not accept a policy with such dangerous implications for nuclear peace if it knew that its ultimate purpose was designed not to perform a military function in the classic sense but to be used as a diplomatic devise or tool in world politics.

The Secretary's warfighting doctrines have also jeopardized public understanding and support for strategic systems. Our strategic fleet has always enjoyed a broad political base as the perfect deterrent weapon. It was virtually invulnerable, capable enough to deliver a variety of retaliatory responses, but inherently accurate enough to quiet any Soviet fears that we were threatening their missile fields. If Dr. Schlesinger suceeds in beginning to develop a sea-based counterforce capability, Navy will be faced with controversy instead of consensus about our strategic fleet.

Similarly the Air Force, which has enough problems justifying the B-I bomber because of its extraordinary projected cost, now has to reconcile this weapon, which is best suited for the policy of deterrence rather than warfighting with Dr. Schlesinger's new policies.

And Air Force finds itself in a tightening dilemma each year in justifying further improvement of our Minuteman missiles. Dr. Schlesinger's counterforce proposals emphasized the Soviet threat to our missile fields,

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but a missile's vulnerability is in no way changed by making it more accurate or giving it more yield. So the more Air Force emphasizes missile vulnerability, the less credible is their argument for continuing to improve them.

The logic and technology of the Secretary's proposals, like himself, are creatures of a small community of theorists and scientists that have arisen as a behind-the-scenes force in public policy in the nuclear age. This talent is one of our national assets, but it must not be deferred to automatically. Its judgments, like all others, must be tested in the open forums of our Republic.

President Eisenhower warned us in his famous farewell address not only of the "military industrial complex" but also of the "dangers that public policy could become the captive of the scientific-technological elite."

This is why there must be a full public debate on these most basic questions of strategic policy and national security.

This will not be a partisan debate. Members of both parties are on both sides. But it is ironic that the most conspicuous Congressional spokesman of Dr. Schlesinger, a member of my party, is voicing a position substantial to the right of the Nixon-Laird Congressional consensus of the early 70's. There is no question in my mind that the Nixon Administration's greatest achievement and deepest taproot of public support was derived from having recognized that this Nation wants a secure end to the arms race. I believe that there is neither valid policy ground nor a national constituency substantially to the right, or for that matter, to the left, of the broad center on strategic arms symbolized by SALT. Certainly, there are no policy grounds or national constituency in my party or my country for a return to the cold war or a new technological arms race.

Let me sum up. Detente is not a very useful tool in dealing with real threats to our security which are larger than U.S.-Soviet relations. Moreover, the key to our continuing problems abroad will lie primarily within ourselves, not in detente, because we need a discriminating unifying new foreign policy.

But detente has been a substantial help in stabilizing nuclear peace and this is an overriding precondition of our security.

President Eisenhower, who had personally "witnessed the horror and lingering sadness of war," knew that "another war could utterly destroy this civilization which has been so slowly and painfully built over thousands of years."

This is why he reminded us that "the conference table though scarred by many past frustrations cannot be abandoned for the certain agony of the battlefield."

LAOS: A DOMINO FALLS

Mr. FANNIN. Mr. President, since the political complexion of Indochina has changed so dramatically with the fall of the legitimate governments in South Vietnam and Cambodia, the established international relationships of the governments of both Laos and Thailand are being questioned seriously. Laos and Thailand are reassessing their relationships with the new power centers in Southeast Asia—North Vietnam, China, and Russia. It is apparent that a power vacuum presently exists in Indochina. The absence of the United States has opened up this chasm and it will be filled. The question is—by whom?

There was a great deal of debate in the Congress and the press and the academic community during the past 20 years about the domino theory of Southeast Asian nations falling one by one to Communist control should the American presence disappear substantially from Indochina. The domino theory was prophetic, realistic, and accurate.

Mr. President, two articles were published in the May 15, 1975, Washington Post which relate to the domino theory and the uncertain situation in Southeast Asia. I ask unanimous consent that these articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

LAOS: A DOMINO FALLS

(By Rowland Evans and Robert Novak)

Laos became the first post-Vietnam domino to fall, some three months earlier than even pessimists in the U.S. government thought possible, with a shove from the now imperial North Vietnamese politburo in Hanoi.

This points to wishful thinking, presently being modified, in high-level Washington. The hope that Laos might drift on in a neutralist never-never land while Communists tightened their hold on the rest of Indochina reflected an underestimation of how deeply the U.S. humiliation has affected Asian governments (and buttressed popular anti-Western jingoism). This misjudgment was compounded by another: A belief Hanoi would pause to digest South Vietnam before consolidating its hegemony over Indochina.

Thus, the widely derided domino theory is fully revived thanks both to the shock effect of the Vietnam debacle and the militancy of Asian Communists. The lightning collapse of Laos speeds and heightens the danger for Thailand. Future dominoes may be Malaysia and Singapore, with the Philippines and Indonesia menaced in the future.

Laos was the inevitable domino, its fate always determined by events elsewhere. Militant revolutionary communism was exported to dreamy, superstitious Laos by the armies of North Vietnam. All that prevented their quick triumph was intervention by Washington in the form of CIA military advisers, military aid and air support.

No Laotian better understood his country's future dependence on external events than its philosophic prime minister, Prince Souvanna Phouma. Recognizing that Hanoi sought the old French imperial role of ruling all Indochina, Souvanna believed that only "the great powers"—that is, the United States—could prevent it by guaranteeing Laotian independence. Thus, in the late 1960's he changed from neutralist to staunch anti-Communist, defending U.S. bombing of the Ho Chi Minh Trail in the panhandle of Laos. As recently as April 1973, when we last interviewed the Prince, he stoutly opposed unilateral withdrawal of CIA advisers and royal Thai army units.

What returned Souvanna to neutralism was the U.S. congressional surge for disengagement from Indochina. If the Americans were going to abandon South Vietnam and Cambodia, he knew Laos was doomed to conquest unless it accommodated to the Communists. The result was the one-sided 1973 peace treaty establishing a coalition government.

There was strong feeling in the State Department and U.S. embassy in Vientiane that the Lao coalition would muddle along indefinitely even after the Communist conquest of Cambodia and South Vietnam. If the nonviolent Laotians had been left to their own devices, perhaps it would have.

Saigon had not even fallen when, according to well-informed specialists here, the North Vietnamese politburo ordered an offensive. Communist Pathet Lao troops attacked Maj. Gen. Vang Pao's royal Lao army units at the crossroads town of Sala Phou Khoun between Vientiane and the royal capital of Luang Prabang.

If the Pathet Lao had run into trouble, there was help in reserve from 30,000 North Vietnamese regulars, supplied with Soviet tanks and heavy artillery, stationed in Laos. These crack troops no longer could be neutralized by U.S. B52 bombing strikes. Nor did Vang Pao's troops any longer benefit from CIA guidance or Thai artillery support. Demoralized, the royal Lao troops retreated.

Vang Pao called on air support from obsolete T28 propeller-driven fighter-bombers piloted by plucky Meo tribesmen, but that only fit into Hanoi's scenario. The Communists listed this as one of many provocations by royal Lao armed forces and demanded the resignation of right-wing ministers and generals.

Old (73), sick and terribly tired, Prince Souvanna Phouma backed this virtual coup to prevent bloodshed. With no possibility of outside help, the domino fell. Rightist cabinet ministers decamped to Thailand along with top officers in Vang Pao's command. Vang Pao himself, leader of the Meo people as well as a royal Lao army general, surrendered his command but stayed with the Meos in their once doughty fortress of Long Tieng to await the grim future. Souvanna and King Savang Vatthana may remain as figureheads, but will be followed by the People's Republic of Laos.

The case of Laos as a domino is unique in inevitability and speed but not in kind The same conditions prevail in Thailand. While Bangkok frenetically seeks to cut ties with Washington and accommodate to its Communist neighbors, three separate insurgencies intensify, with help from Peking and Hanoi. The northeast Thai insurgents, with a remarkable record for cutting up government troops, are guided by the Chinese and supplied by the North Vietnamese. The long-range prognosis for preserving Thailand from Communist control: mediocre.

How quickly other dominoes fall cannot be forecast. But Asia today faces confident revolutionary communism with Hanoi, far from immersed in postwar reconstruction, encouraging it everywhere. If that pattern holds, the Laos domino is only the first. Others will fall, more slowly, but with stakes incomparably higher.

HANOI'S PAEANS OF VICTORY

(By Victor Zorza)

Hanoi has summed up its victory in these words: "The Vietnamese people's strength has crushed the aggressive force of U.S. imperialism, the most powerful imperialist chieftain and the most vicious enemy of mankind, and has upset its counter-revolutionary global strategy, thus making an important contribution to the offensive posture of the (world) revolution."

These words, from the army paper Quan Doi Nhan Dan, are being repeated in dozens of different ways in newspaper articles and radio broadcasts which stress the historic nature of the defeat inflicted on "four successive U.S. presidents." The United States came to believe that material power allowed it "to become an international gendarme," to rally the forces of "international capitalism," and to stop the forces of socialism.

It therefore sought to build in Vietnam a "dike to hold back the red wave that was flooding South East Asia." Thus did Vietnam become the testing ground of U.S. power and prestige. But what the test proved was that U.S. power was "limited," and that its limits had "reached breaking point." Its defeat showed that America would never again be able to act as an international—"or even regional"—gendarme.

Never before had the world situation been "as good as it is today," never had imperialism experienced "such fierce crisis and contradictions." The world revolutionary forces

"are, clearly, in the strongest offensive position," while the imperialists' capability to wage war is "increasingly" limited. "Thus, the world revolution now has better conditions under which to develop."

But what will Hanoi do with its victory, now that it has got it? At the end of last year, the Hanoi dailies carried a series of articles by General Nguyen Vo Giap, the defense minister. He insisted on the importance of Marxist-Leninist precepts, but he presented them in a nationalist Vietnamese sauce which neither Moscow nor Peking would find to its taste. In a similar series of articles which he wrote more than 15 years ago to celebrate the victory of Dien Bien Phu, Giap explained why the Vietnamese revolution differed from both Russia's and China's, and had to follow its own path.

Ever since then Hanoi has sought to present its own revolutionary model as more relevant to the needs of the many nations suffering under the "neo-colonial" yoke. This Marxist-nationalist mixture was usually presented discreetly, so long as Hanoi was dependent on Soviet and Chinese arms aid, but the triumphal ending of the war may remove some of the earlier inhibitions.

There is less insistence now on Hanoi's role as the focus of a world revolution that has been betrayed by both Russia and China. But this theme, which once underlay Hanoi's comments on the willingness of Moscow and Peking to open their doors for Nixon's summit visits, revealed an intense distrust of its allies. Hanoi accused the big powers of pursuing their own interests to the detriment of the smaller nations. Whatever gratitude Hanoi may now feel for Soviet and Chinese arms supplies will be tempered by its fear of the new competition between Moscow and Peking for influence in Indochina.

Both Moscow and Peking see Indochina as the route to influence in large areas of Asia. They may be as wrong as Washington was, but the great powers do not learn from each other's mistakes. In competing for influence in Hanoi, they may—as great powers often do—seek a degree of control which the Vietnamese would see as infringing their own independence, as has happened on earlier occasions when Sino Soviet rivalry was focused on Hanoi.

When General Giap wrote of thousands of years of Vietnamese history during which the nation resisted the invasions of Chinese "feudalists," he was revealing something of Hanoi's fears of China's future intentions. The greater distance once made Russia the less dangerous ally, but a demand by Moscow for a naval base at Camranh Bay would bring Soviet power not only to the center of Asia, but also to the strategic tip of Vietnam.

Both the Kremlin and Peking may feel entitled to some reward for their arms aid, but Hanoi may prefer to pay in agricultural produce rather than in strategic facilities and in political influence. To protect itself against too tight an embrace by its Big Brothers, while extracting continued economic aid from them, Hanoi will need allies in the world Communist movement and in the "national liberation movement," where Moscow and Peking are competing for influence. One way to gain such allies is to obtain recognition of Hanoi's own "revolutionary model," and to inspire its emulation if possible.

This is where the intense nationalism of the Vietnamese Communists, which leads them to claim a unique role in developing a model suitable for other nations, could cause them to become a challenge to both Moscow and Peking. In the paeans of victory this theme is muted, while the United States is execrated. But the United States is withdrawing from the area. In the long run Russia and China could present a greater threat to Vietnam, precisely because all three are Communist, and because the two biggest powers have imperial ambitions in the area.

It may seem unthinkable now that Hanoi might welcome the retention of an important U.S. role in South East Asia, and in Asia generally. Yet this is how Peking feels today, although only a few years ago that too would have been unthinkable.

HUMAN RIGHTS CONCERN BASIS OF GENOCIDE TREATY

Mr. PROXMIRE. Mr. President, there is a natural and obvious connection between maintaining world peace and observing human rights. This tenet has been incorporated domestically in our Bill of Rights and internationally in the Charter of the United Nations. When the charter was drafted in 1945, and as ratified by our country, its references to the recognition of human rights were so clear as to leave no doubt that human rights were within the province of the United Nations.

The purpose clause (ch. I, art. I) asserts that:

> The United Nations is created to promote respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language or religion.

Various other aspects of the charter reaffirm the intent of the purpose clause, and provide measures for its implementation.

Despite the existence of the United Nations charter, many members of the United Nations have expressed the necessity of underscoring their position on aspects of human rights. They have done so by ratifying the Genocide Convention. None of the specious arguments raised in opposition to the convention by this body should prevent our ratification of the document.

Mr. President, the Government of the United States must recognize its responsibilities to its citizens to respect the rights of our own people and as a formidable international power must do everything we can to see that the rights of all people are respected. The next step is to ratify the Genocide Convention.

NATIONAL CAR CARE MONTH

Mr. CURTIS. Mr. President, on March 20, the Senate passed without dissent a resolution which I, with Senators MCCLURE, MCGEE, and HUMPHREY, introduced to designate the month of May of this year as "National Car Care Month."

The purpose of the resolution is to make every motorist conscious of the things he or she can do to be sure his or her car is safe and efficient.

Nebraska Congressman JOHN Y. MCCOLLISTER introduced the resolution in the House. While awaiting action there, Congressman MCCOLLISTER and I wrote to the Governors of the 50 States urging them to issue proclamations in their individual States to insure that motorists across the Nation may have increased awareness of the value of regular auto maintenance in saving lives, money, and energy.

We believe it is important to focus on this effort just prior to the start of the summer tourist season in a year when unusually large numbers of older cars are traveling the streets and highways due to the economic slump and accompanying decline in new car sales.

Mr. President, I am delighted with the response from our Nation's Governors. Sixteen of our States, nearly one-third of our Nation, are officially observing this month as Car Care Month. They are Alaska, Florida, Georgia, Hawaii, Indiana, Kansas, Massachusetts, Missouri, Montana, Nebraska, New Hampshire, Oklahoma, Rhode Island, South Carolina, South Dakota, and Vermont.

I am especially delighted that my State of Nebraska was first in line, along with Alaska, to join the car care program on a State level. Nebraska has one of the best traffic safety records in the Nation.

Many Governors share the concerns I expressed when I introduced the resolution.

Rhode Island Gov. Philip W. Noel writes to me:

> We are happy to support a resolution aimed at making citizens more aware of the impact effective car care can have on highway safety and conservation of energy.

Gov. Richard Kneip of South Dakota calls the program a "most commendable effort to make motorists more conscious of the things they can do to make sure their cars operate more efficiently and thereby increase safety on the highways."

And Veda Paoletta, in the press office of Massachusetts Gov. Michael S. Dukakis, makes it clear why the resolution is so important at this time. Writes Ms. Paoletta:

> . . . Massachusetts will commence its Bicentennial celebration in just a few short weeks. During the course of this celebration we expect an influx of automobiles, and unfortunately, many traffic jams caused by poorly maintained automobiles.
>
> At the same time, this administration looks forward to the day when our Nation has a first-rate, high-speed intercity rail network that will reduce our reliance on the automobile, thereby cutting down on air pollution, fuel consumption and the need for even more highways.

Ms. Paoletta indicates that Governor Dukakis will sign a car-care proclamation "in the hope that the many tourists who bring cars to Massachusetts will take the time to insure their cars are safe and in good working order."

Mr. President, I thank these Governors for their cooperation and urge all Governors to make special efforts to insure a safe Bicentennial on our Nation's highways.

THE SOLVENCY OF SOCIAL SECURITY

Mr. STEVENSON. Mr. President, the social security program has been the subject of numerous critical newspaper and magazine articles. All too often these criticisms ignore the fact that social security is working well and currently provides benefits to more than 30 million people. Social security has not missed a payment in over 34 years, and will not in the future.

Some articles have charged that the social security program is on the verge of insolvency. It is not. Social security is fundamentally different from private insurance programs and retirement plans. This social insurance program can, and

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does, operate on a pay-as-you-go basis. It is protected against emergencies by a contingency reserve which currently stands at $[illegible] billion. Because social security is backed by the U.S. Government, there is no danger whatever of future retirement benefits being jeopardized.

However, we must not ignore the social security system's very real problems. Inflation is particularly burdensome to retirees living on fixed incomes. Food prices and the costs of energy continue to rise; rents and medical expenses have also risen sharply. Food, shelter, and medicine are necessities, not luxuries. As the principal financial bulwark of the elderly, the social security system must protect older citizens' purchasing power against inflation.

Retirement benefit increases are now tied to increases in the cost of living, so inflation has increased expenditures for social security. High unemployment has reduced social security's revenues to levels below expectations. Decreased revenues and increased spending have produced the likelihood of a $3 billion deficit for the social security program for the coming year.

Significant demographic changes, particularly the increased proportion of the American population which is 65 or older, also represent a serious problem for the social security system. As the birth rate decreases and as zero population growth becomes a reality, a smaller percentage of the population makes contributions to a retirement system which supports an increased number of beneficiaries. Increased social security taxes, decreased levels of benefits, general revenue financing of social security benefits, or some combination of these possibilities appear to be the only alternatives.

I have reservations about increasing the payroll tax. This tax is already too high, and is regressive. A married man with two children, earning $7,000 annually, would pay approximately $406 in Federal income taxes, but would pay about $410 in social security taxes per year. The executive earning $200,000 per year pays the same social security taxes that an individual earning $14,500 per year pays. The average wage earner simply cannot tolerate further increases in the payroll tax; indeed, it seems to me that, in the near future, he must be given some relief from this regressive tax.

Decreases in social security benefits are equally unsatisfactory. They would be unfair to those citizens who have premised their retirement plans on their expectations about social security benefits. I believe that Congress has a responsibility to make retirees' incomes as inflation-proof as possible. For this reason, I support the 9 percent increase in social security benefits which the elderly are scheduled to receive next month.

In order for us to meet obligations to social security beneficiaries without increasing the payroll tax rate or decreasing benefits, I believe that it will be necessary to finance a portion of social security benefits out of general revenues. This seems to me to be the best approach open to us. I hope that the Congress will begin the consideration of general revenue financing of some social security benefits in the near future.

Mr. President, I ask unanimous consent that an article on social security benefits from the May 12 issue of the Washington Post be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SOCIAL SECURITY BENEFITS NOT IN DANGER

(By Peter Milius)

The Social Security system is not about to go broke. Congress will not let it.

Your elderly relatives are not going to lose their benefits.

You are not going to lose yours, either; when you retire, they will be there waiting for you.

For more than a year now, from both in and out of government, there has come a succession of increasingly bleak reports as to Social Security's future financial soundness. The bleakest report yet on the giant social insurance system came last week.

The Social Security trustees—the secretaries of the Treasury, Labor and Health, Education and Welfare—told Congress that total benefit payments are now expected to start outrunning total tax collections this year, rather than some year in the far-off future, as they had earlier reported.

If nothing is done in the interim, the trustees said, the vast Social Security trust funds—$46 billion at the start of this year—will be steadily drawn down, and by the early 1980s be exhausted.

The trustees' report was not good news, but neither was it the cataclysmic news it may have seemed. The system is not going to run out of money.

The way the law is written, Social Security benefits and taxes both now go up automatically each year, to keep up with inflation.

The trustees' report means that taxes will now have to go up faster than had been thought before and benefits somewhat slower. But benefits will still go up, and will still be paid.

The mistake many people make about Social Security is in thinking of it in the same way as a private pension plan, or even an individual savings account: you pay in your money (and your employer also pays in, in your name), the government holds and invests it for you, then pays it back to you and your surviving dependents at your retirement or death, or if you become disabled.

If that were how it worked, each individual's money would simply be waiting in the trust funds for him or her to claim it; it would be frightening news to learn that the money was somehow disappearing, and the trust funds running dry.

In fact, however, the government has never wanted nor dared to take that much money out of the spending stream each year and squirrel it away. Rather than a pension plan or savings bank, the Social Security system has always been run much more like a kind of clearinghouse.

Economists call it a transfer system, a system under which the government simply transfers a certain amount of income each year from one part of the population to another. The money comes in from current workers and their employers, promptly goes back out again to retired and disabled workers, or survivors of workers who died before retirement.

You pay now to support your parents: your children will pay later to support you. The trust funds are almost incidental.

The system is formally known as old-age, survivors and disability insurance. It was set up in the Depression, at the same time and in the same spirit as federal unemployment insurance: to replace part of the income lost when through no fault of your own, a family breadwinner lost or was somehow forced to give up his job.

In the 40 years since, the Social Security system has become one of the dominant institutions in the U.S. economy.

One dollar out of every 20 that the American people now receive in income comes to them through Social Security.

More than 30 million persons are now drawing benefits each month—one seventh of the population.

Total benefit payments next fiscal year are estimated at more than $70 billion—almost a fifth of the federal budget.

Two basic problems are facing this system now, one of them long-range, the other short.

The long-range problem has to do with the baby boom that occurred in the years just after World War II, and that was followed by the present decline in the birth rate, the so-called birth dearth.

The baby-boom generation was big; the present generation is small. The baby-boom generation will start to retire about the time the present generation starts to work. In relative terms, there will be fewer active workers supporting more retired ones. There are now about three people working and paying Social Security taxes for every one collecting benefits. By the year 2010 or shortly thereafter, that ratio will be 2 to 1.

The shorter-range problem revolves around the law that Congress passed in 1972 to increase future benefits by the same per cent future prices rise.

Congress was actually restraining itself when it passed the law. When it had raised benefits before, it had always raised them more than prices (though not without reason; in 1959 benefits were so low that a third of the elderly people in the country were living in what the government officially defined as poverty. By 1973, that fraction had been reduced to one-sixth.

The problem in 1972 was simply that Congress, when it passed the law, underestimated the likely future inflation rate and thus the likely future benefit costs.

In addition, Congress miswrote the law in such a way as to increase the likely basic benefits of workers who will retire in the future much more than it had intended.

The law, besides simply raising the benefits of people once they are on the rolls, would also eventually raise what are known as replacement ratios, which Congress never meant to do.

Social Security benefits only replace a part of a worker's wages when he retires; the ratios tell you how large a part. Raising the ratios even a little raises the system's costs a lot.

With a few unimportant exceptions, the law now provides that only Social Security taxes may be used to pay Social Security costs.

The Social Security tax is now 9.9 per cent of taxable wages, 4.95 per cent on both employer and employee. (The total amount you and your employer both pay each week is 5.85 per cent, but part of that is for Medicare for the elderly, not Social Security.

This tax rate has gone up rapidly in recent years. So has the tax base, the part of an individual's earnings to which the tax is applied each year. That tax base is $14,100 this year. Under the 1972 law, it will rise automatically each future year by the same per cent as average wages in the economy. It will be $15,300 next year, more thereafter.

This increase each year in the tax base, however, will not be enough to meet all the system's coming costs.

Unless Congress takes some other action, the trustees thus said last week that the tax rate will have to rise to 10.95 per cent for employer and employee combined by 1985, 12 per cent by the year 2000 and 22.44 per cent by 2050.

A 22.44 per cent tax rate is plainly insupportable. The Social Security tax is already under attack as too high, as well as for being regressive, in that it takes a far higher percentage of a poor worker's total income than it does of one who is highly paid.

The trustees proposed, as a first step, that Congress rewrite the law it passed in 1972 so that, instead of rising, the system's replacement ratios will stay where they are.

The ratios now are about 60 per cent for a low-paid worker—the benefits he first gets when he retires are about 60 per cent of the wages he last got when he was working—40 per cent for people making about the median wage, and 30 per cent or below for the higher-paid. The benefit structure is progressive, which to some extent offsets the regressiveness of the tax.

If Congress does rewrite the law this way, as it probably will, the system's long-range costs will be much lower than now projected. Instead of a hypothetical tax rate of 22.44 per cent by the year 2050, it would need 16.32 per cent.

That still means, however, that somewhere in the future either taxes will have to be speeded up or benefits slowed down.

It also leaves unresolved the system's more immediate problem, the fact that inflation is higher than anyone thought it would be in 1972, that benefits and costs are thus rising faster than was then foreseen, and that the system will start eating into its trust funds this year.

To deal with this, the trustees, speaking for the administration proposed that the Social Security tax on employers and employees combined be increased the equivalent of 1.2 or 1.3 percentage points sometime in the next few years. (No one wants to raise the tax until the recession is over.)

They left for later the next question, which is whether to achieve the increase by raising the tax rate or the tax base.

Such groups as organized labor would rather raise the base; doing that makes the tax less regressive.

What labor would really like to do, however, is stop financing the Social Security system solely out of the Social Security tax, and start shoring up the system instead with general revenues.

Opponents say such a step would destroy the system, in that there would no longer be a fixed relationship between what a person puts in and what he or she eventually gets out. That is also the view of the administration.

In various indirect ways, however, Congress already has begun moving toward the use of general revenues to supplement Social Security.

One such indirect step was taken in 1972, when Congress federalized and began to beef up the nation's so-called adult welfare programs—old age assistance and aid to the blind and disabled.

These welfare programs are paid for out of general funds. If a worker retires or becomes disabled and his or her Social Security benefits are below the welfare level, these welfare programs will make up the difference.

The Social Security system thus no longer has to worry so much about those receiving minimal benefits; the welfare programs take some pressure off.

Congress also took some pressure off, indirectly, when it passed this year's tax cut to low-paid wage-earners with children. Though no one said so, it was understood that the cut in income taxes was intended to offset the Social Security taxes such people pay.

Instead of putting income tax money directly into Social Security and cutting Social Security taxes, Congress did it the other way around.

General revenues are one possible solution to Social Security's problems. And if not that, Congress will find another. Those 30 million people receiving benefits—a lot of them vote.

LONG FAVORS RAISING SOCIAL SECURITY TAX

HOT SPRINGS, Va., May 11—Sen. Russell B. Long (D-La.), said Saturday he favors increasing the Social Security tax on workers and employers and limiting benefits for new retirees in order to restore a measure of financial health to the system.

Long, who is chairman of the Senate Finance Committee, proposed raising the Social Security tax by one-half of 1 per cent. That would mean workers would pay tax of 25 cents out of every $100 earned.

THE JOJOBA PLANT

Mr. FANNIN. Mr. President, for a number of years I have worked with Indian tribes who have been trying to develop commerical uses for the jojoba plant which is common in southern Arizona.

Last week the Washington Post published a brief Associated Press story regarding the jojoba plant and the possibility the seeds could be used to produce oil very similar to sperm whale oil.

The development of a market for this oil would be a boon to the Papago Indian Reservation and the southern portion of Arizona.

Mr. President, I ask unanimous consent that the article to which I have referred be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DESERT PLANT OIL LAUNCHED BY SCIENTISTS

(By John Stowell)

Seed oil from a wild desert bush holds the promise of protecting sperm whales from extinction and giving an economic shot in the arm to 26 impoverished Indian reservations in Arizona and California, a National Academy of Sciences panel reported yesterday.

If the jojoba plant is grown in large quantities on plantations in the Southwest, the report said, its oil may someday be used in automobile transmissions, carbon paper, drugs, polishes, paper coatings, textiles and electrical insulation.

The scientists admitted, however, that they can't distinguish now between the female plant, which bears the valuable seeds, and the male plant, which produces only pollen.

The jojoba plant grows wild over an extensive arid area of the Sonoran Desert in Arizona, California and Mexico, where temperatures may hit 115 degrees in the shade. It produces an estimated 100 million pounds of peanut-sized seeds annually.

The plant is believed to have a life span of more than 200 years, can survive in climates with no more than eight inches of rainfall annually and is resistant to insects and diseases.

Jojoba oil extracted from the seeds is colorless and odorless. The panel report said it is superior in many ways to sperm whale oil, which the United States has refused to import since 1970, when sperm whales were put on the endangered species list. In hydrogenated form, jojoba oil is equivalent to carnauba wax, which is laboriously scraped from the fronds of palm trees and imported from Brazil.

The report recommended that the 17 reservations in California and nine in Arizona immediately begin developing plans to plant 2,000 acres of jojoba plantations over the next five years.

THE VIETNAM WAR IS OVER: WHAT WAS IT ALL ABOUT?

Mr. MONDALE. Mr. President, last Sunday an unusual and highly perceptive article appeared in the Minneapolis Tribune. Written by Ronald Ross, it provides the personal reflections of one observer who spent 5 years as the Tribune's correspondent in Vietnam.

Now that the war is finally over, there is a temptation to hide from the unpleasantness of questioning the meaning of our experience in Indochina. Ross rightly rejects the arguments of those who would like to sweep the entire tragic episode under the rug. In his own words:

> Insist that you see what's under that rug, and when you have, hang it up in the fresh air and give it a good beating.

The article, while disturbing in much of what it reveals about the mistaken attitudes and actions that led us deeper into the quagmire, is profoundly refreshing for its honesty and basic optimism about America.

Mr. President, that my colleagues might share the value of Mr. Ross' observations in this article, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Minneapolis Tribune, May 11, 1975]

THE VIETNAM WAR IS OVER: WHAT WAS IT ALL ABOUT?

NOTE.—Ronald Ross served as the Minneapolis Tribune's correspondent in Vietnam from 1965 to 1970, and has followed developments there since then in his role as a Tribune editorial writer. When Saigon fell 10 days ago, his editors asked him to set down his personal reflections on the conflict. This article is the result.

(By Ronald Ross)

A letter to my daughter:

You often asked me, when you were a little girl living in Hong Kong, what the Vietnam War was all about. Now that it has ended I will try to explain.

A lot of it has to do with American fears of the spread of communism after the second World War. To some extent those fears were justified. By 1950 Americans could see that Communists ruled in Russia, Eastern Europe, China and North Korea, and appeared to be threatening in other parts of the world, including Vietnam and the rest of Southeast Asia. Many Americans thought then that hordes of Communists, led by Russian and Chinese spies and soldiers—all lumped together in a huge global conspiracy—were about to take over everywhere.

Today, of course, we know that Russia and China have little in common—even their communism is different—that "global communism" is a myth. But it is a myth that many Americans—some of them in very important positions—believed in. And they believed that it had to be fought wherever it threatened.

Lyndon Johnson, who might have been a great president if it hadn't been for his obsession with Vietnam, was quite capable of telling people in the 1960's, for example, that if we didn't stop the Reds in South Vietnam, tomorrow they would be in Hawaii,

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and next week they would be in San Francisco.

The United States got really involved in Vietnam for the first time when it supported France's return to its Indochina colonies after the defeat of Japan in 1945. That support soon was translated into massive amounts of military aid with the surfacing of Ho Chi Minh's Vietnamese independence movement, which the French tried in vain to crush. When the French were defeated in 1954 by the Communist-led revolutionaries, the United States stepped into the breach, or quagmire, as some have called Vietnam for the Americans.

An anti-Communist president, Ngo Dinh Diem, was installed in Saigon—the capital of the southern half of Vietnam—and the first American advisers were sent out to help him. That was in President Eisenhower's days. From that small beginning, the American presence grew until there were 550,000 troops in South Vietnam in 1970, when President Nixon was in the White House. Getting involved in Vietnam we know now was a mistake, but once America's leaders got locked into it, they found it hard to get out. And in the 1950s and 1960s the leaders were backed by a majority of the American people.

If you have ever seen films of Sen. Joe McCarthy in action you will understand something about the mood of America in the 1950s. McCarthy finally was broken, but his malevolent anti-Communist crusade left many deep scars on American society and drove out of office many fine diplomats and scholars who could have helped policy-makers in the decisions they were making about Vietnam.

Those were times when you would have thought that many Americans had lost their senses. In a way, they had. They had certainly lost their sense of perspective. Many of them were not to regain it until much, much later. And there are some who still haven't. Those also were the days of Secretary of State John Foster Dulles and his messianic, muscle-flexing diplomacy. Dulles even wanted to drop an atomic bomb on Indochina at one time, but, mercifully, wiser heads prevailed.

John Kennedy inherited much of Dulles's vision of America's role in the world. When that was put together with Kennedy's illusions about counter-insurgency and the new weapons that were being developed for the U.S. military, it seems now that a "Vietnam" somewhere in the world was probably inevitable.

There also was an underlying streak of racism in the attitude of many Americans, and that led some of their leaders, including presidents and secretaries of state, to make the big error of underestimating the Vietnamese: "Charlie Cong" to some generals, and "gooks" to a lot of GIs.

It was an error that was to cost the lives of more than one and a half million soldiers (only 56,000 of them American) and the lives of hundreds of thousands of civilians (all but a handful of them Asian).

Vietnam was not America's finest hour abroad. Nor was it America's finest hour at home, where the better things about JFK's New Frontier and LBJ's dreams for his Great Society crumbled under mounting inflation and political and social dissent.

There was little to be seen of America's generosity or intellectual ferment, but plenty of its arrogance, its violence, its passion for manipulation. America was to look even worse under Richard Nixon and Henry Kissinger, the co-authors of the last chapter of America's tragic Vietnam story.

Nixon was ideally suited by temperament to succeed to "Lyndon's war"—manipulating men and machines to prove that America was not a "pitiful, helpless giant" and wrapping his actions in a cloak of secrecy and mistrust. If he had stayed within the limits Johnson had set (at least publicly), Nixon might have survived, but he chose instead to send the U.S. calvary after more Reds in Cambodia—launching death and destruction on that little country in the name of saving American lives. (There really was a cavalry unit out there. It went to war in helicopters. Now it's back in tanks.)

The campuses exploded, but Nixon might have survived even that had it not been for his paranoia about secrecy. It was his and Kissinger's vain efforts to hide massive, pre-invasion bombing in Cambodia that led to White House orders to wiretap U.S. officials and reporters suspected of leaking the story. That was the first link in the miserable chain of clandestine operations that produced the White House "plumbers" and, eventually, the Watergate scandals. With those, Nixon was out.

For six years, Nixon and Kissinger, and then Gerald Ford and Kissinger, strung out the last chapter—from 1969, when a settlement could have been reached, through the Christmas 1972 bombing of Hanoi, the 1973 signing of the Paris agreements and the return of the American POWs, to the resignation of President Thieu on April 21 of this year and his flight to Taiwan on April 26 and the surrender of Saigon to the People's Army of the north and the Revolutionary Government of the south on April 30.

It might have gone on longer. Even until the last weeks, there still were hundreds of American military advisers in South Vietnam and billions of dollars' worth of American guns, planes, bombs, helicopters and tanks. In Washington, President Ford and Kissinger still were pushing Congress hard to give Thieu even more. But Congress balked, finally responding to the feelings of millions of Americans that enough was enough. As the book closed on the White House, it opened on Saigon, renamed Ho Chi Minh City. Vietnam at last was for the Vietnamese.

Kissinger lingers on, continuing to treat domestic politics and the country's public opinion as something to be manipulated so that he can be free for dealings with other nations, preferably America's "adversaries" who, he once said, gave him less trouble than America's friends.

Some years ago, in a rare unguarded moment, Kissinger explained his own vision of himself to the Italian woman journalist, Oriana Fallaci: "The main point stems from the fact that I've always acted alone. Americans admire that enormously. Americans admire the cowboy leading the caravan alone astride his horse, the cowboy entering a village or city alone on his horse . . . a wild West tale, if you like."

"When people really digest what has happened, then they will begin to see that the Kissinger style of diplomacy is incompatible with our ideals as people."

Those were the words of a wise man spoken last week here in Minneapolis. He is Maurice Visscher, regents professor emeritus at the University of Minnesota. In 1966, he helped form Minnesotans Against the War. That was a time when many prominent people in Minnesota, including Sens. Humphrey and Mondale and some of the senior executives and editors of this newspaper, thought that what America was doing in Vietnam was right.

Do you remember the Beatles' song: "I read the news today oh boy . . ."? Well, there always was news about Vietnam in the newspapers and on radio and television, as far back as the 1960s, when Kennedy was in the White House, and even further back when the French were in Vietnam.

There was plenty of deception by government officials, but information always was available, at least to those who cared to take an interest. If there was any sense in which it could be said that Americans were not well-informed, it was not that they lacked facts. Rather, it was that the press in those early days did not try hard enough, or was not bright enough, to make sense of them. One of the reasons for this failure was that many reporters and their editors agreed with Presidents Eisenhower, Kennedy and Johnson that the line against "global communism" had to be held in Vietnam.

It was not as though the United States was not warned about getting involved in Vietnam, either. There were always a handful of Americans saying, "No."

There were foreigners with insight and experience saying "no" too: Gunnar Myrdal, the famous Swedish social anthropologist; U Thant, the gentle Burmese. And then there was the French president, Charles de Gaulle. France was forced out of Indochina. Under De Gaulle, France was to give up Algeria. Surely he knew what he was talking about.

As far back as 1961, when there were only a few hundred American soldiers in Vietnam, De Gaulle told Kennedy: "You now want to assume our succession to rekindle a war that we ended. I predict to you that you will, step by step, become sucked into a bottomless military and political quagmire. . . ."

But few American politicians ever paid much attention to the French. The French were too cynical; worse, they were losers. It was a French general who first said there was "light at the end of the tunnel." That was Henri Eugene Navarre, commander of all French forces in Indochina, and he said it in September 1953—barely eight months before the French defeat at Dien Bien Phu.

Despite France's experience, America's Cold War warriors took up the trail. Secure in their myths and moral pretentions, they kept sending young Americans out to die in the search for that "light." All for nothing. Sometimes the absurdity of it all was shattering. I came to appreciate the true whimsy of "Alice in Wonderland," and when that no longer sufficed, the rear silence of Samuel Beckett: "You must go on, I can't go on, I'll go on."

For a young woman who has grown up in a reasonably rational home, the whole Vietnam War must be very hard to understand, particularly since a lot of what you might have read about the big battles in Vietnam and the Pentagon's "pacification" and "nation-building" schemes obscured what really was happening out there.

It was not "foreign aggression." It wasn't even a "civil war," though I have used those words myself in an attmept to catch the flavor of Vietnamese struggling against Vietnamese. It was a revolution. There is no other word to describe it, for that's what the Vietnamese have known it to be since the 1920s.

That shouldn't be hard for Americans to understand. The Vietnamese revolution had its own Declaration of Independence (proclaimed by its founding father, Ho Chi Minh, 30 years ago this August) and its own Redcoats and Hessians—the French, the Japanese, the British, who held Vietnam until the French returned, and finally, when the French lost, the Americans and their allies.

As for the war, itself, it wasn't wall-to-wall every day of the week, you understand, though it must have seemed that way to your mother from TV and the headlines. A lot of the war was like being in a series of college locker-rooms, where it was "frig" this and "frig" that. "When you can kill hell out of them out there, goddamit, you feel real good." That was Maj. Gen. James Hollingsworth in April 1972.

It was all very macho—males testing themselves, going out on combat, "humping the boonies." Some of the American press was like that, too, I regret to say. It's a pity there weren't more women reporters out there to have pricked all that macho.

There were a few, though, among them Oriana Fallaci and Gloria Emerson, who reported from Vietnam for the New York Times for more than two years.

Here is a sample of Ms. Emerson's thoughts about the men who fought the war (much the same could be said of some of the senior U.S. diplomats out there, too): "Many officers were small men with a talent for deceit. They lied about bodycounts, military targets, the war they insisted they were winning and even the morale of their troops. They were men with pleasant manners and dim minds . . . and carefully turned up sleeves to show a bit of muscle . . . for whom only other Americans were real. . . ."

The GIs, generally, she adds, "were very much smarter and understood so much more than their officers." How true. And many of them, fighting for a losing cause in a strange faraway land, continued to make personal sacrifices and perform acts of bravery that were all the more remarkable.

Not all the officers were of the mold that Ms. Emerson wrote about, though I must agree they certainly seemed to be in the majority; maybe that's what the army does to men. But there were bright and sensitive ones, too, and several of them became my close friends. There was much that their country was doing in Vietnam that they deplored. On the whole, however, the war was a massively nasty business, stripping away from many it touched the little decencies that are a hallmark of civilized people.

An incident I witnessed stays with me to this day. A regiment of the 1st Air Cavalry, the glamour unit of the early days of the American war, had just come back from a running battle up the Ia Drang valley in the Central Highlands.

It had been a long and dirty battle; I had been along for part of it. The regiment (which bore Custer's number, ironically) had claimed a big bag. After we had all showered, we gathered in the officers' mess. Some of the officers were missing, and quite a number of GIs had been killed. But the officers were in great form, laughing and flirting with a couple of Red Cross nurses. The chaplain bought a round of drinks.

Another time I was having a drink in the bar at the top of Saigon's Mia Loan hotel, which was, in truth, a seven-story whorehouse, but the bar was a good place to get away from everything. Pete Kumpa of the Baltimore Sun and I used to wander up there from time to time to get the "air." The 18-year-old son of a well-known Southern senator turned up, drunk as a young Bourbon lord, $200 in his pocket and a Polaroid camera in his hand. He had just come up from the Mekong Delta, where he was flying helicopters. He was, he said, going to take pictures in every room on every floor of the hotel. I heard later that he had tried, but finally got thrown out by an enraged soldier who couldn't have cared less that the chopper-jockey was a warrant officer and a senator's son to boot.

War stories. They weren't all bad; there were a lot of Americans out there who really tried hard to do something for the Vietnamese. I still have some twinges of nostalgia—like the nostalgia of an aging ex-colonial—for the good things, the fine meals at Rene's Golden Lotus and a small but trusted parcel of friends, Vietnamese, American, German, British, French, rogues, some of them, but they had some style.

Anyway it's all over now for the Americans—for the time being at least. "Chacun son tour. . . . Adjourd'hui le tien, demain le mien," as Francois Sully used to say. "To each his turn. Today yours, tomorrow mine." (Sully, one of Newsweek's finest, was killed in Vietnam.)

"It's over," a young Revolutionary Government official told an Associated Press correspondent in Hue last week. "But what a cost. Thirty years of people being killed and our land destroyed. Now there is much to do."

But don't think for a minute that it couldn't happen again. Don't let the men who run this country push it under the rug. Insist that you see what's under that rug, and when you have, hang it up in the fresh air and give it a good beating.

FURTHER RELIEF FOR CYPRUS NEEDED

Mr. BROOKE. Mr. President, the victims of the military conflict on Cyprus are still in urgent need of help from outside parties. As the disputes over the future of government on that island drag on, the people continue to lack food, shelter, and aid for restoring their homes and livelihoods.

Last Friday the Senator from Maryland (Mr. MATHIAS) and I introduced S. 1761, a bill to provide $25 million in additional aid for the victims of the tragedy on Cyprus. This is intended to express congressional determination for the building of a peaceful and prosperous Cyprus. Many of my colleagues have joined this effort, and now I am pleased to note that the Evening Star in Washington has editorialized in support of such aid.

The Star editorial merits the attention of all my colleagues, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star, May 20, 1975]

RELIEF FOR CYPRUS

As a rule, we are inclined to forget too easily the devastations of last year in our preoccupation with those of this year. Last September's hurricane in Honduras long ago has passed from the news columns, but the suffering from it goes on, unreported. Likewise, the savage war that swept Cyprus last summer fades in the light of later tragedies, though in this case the aftermath of human travail is kept before us somewhat better. And, fortunately, the need to relieve it is receiving attention in Congress.

Senator Mathias of Maryland proposes $25 million in humanitarian aid to the people of Cyprus in the next fiscal year, and this is, if anything, on the modest side. The war's frightful destruction is not fully visualized by most Americans. Neither is the hardship entailed in that vast displacement of people which resulted from the island's forced partition, brought about by power of Turkish arms. Upwards of 200,000 refugees are badly in need of assistance, many of them requiring food and shelter. Some help in economic regeneration also is deemed vital, in view of the staggering destruction of resources. As an example, 89,000 acres of forests were swept by fires during the conflict, and plans for reforestation now are in the works.

Apparently, the relief sent thus far from this country has been well administered (mainly by the United Nations), and Mathias's measure would continue it another year at about the current funding level. But perhaps we can do a bit better than this. The United States' diplomatic performance as calamity overtook the tortured island was not, to say the least, one of our better moments. Maybe we could not have prevented the worst from happening there, but now we should do our best to reduce the suffering that abides.

MAY 20—CAMEROON NATIONAL DAY

Mr. HARTKE. Mr. President, the United Republic of Cameroon celebrates its National Day today, May 20.

Cameroon became independent from colonial rule on January 1, 1960, and adopted its constitution May 20, 1972, which gave rise to using this day as National Day.

Located in the geographical crossroads of Africa, the Cameroon has become politically stable under the able and democratic guidance of President Ahmadou Ahidjo; who has guided the country's destiny since independence.

President Ahidjo has long maintained that a single unified party was necessary to create national unity. This party, "The National Cameroon Union—UNC" was formed in 1966 and provides a list of candidates for elections.

The United Republic of Cameroon exports large quantities of coffee and coca, in excess of $20 million; while importing large orders of communication equipment and tobacco.

With the anticipation of new revenue from oil which has been discovered in fairly large quanities, the Cameroon's infrastructure is being improved, and the national transportation system is being extended to all sections of the country.

At the present time there are few Cameroonian students studying in the United States; however, the government plans to educate many more in the near future.

Mr. President, we look forward to continued good relations with the United Republic of Cameroon, and I take this opportunity to extend to the Head of State, the Government, and the people of the Cameroon continued success.

AGENCY FOR CONSUMER ADVOCACY

Mr. FANNIN. Mr. President, yesterday the Washington Star published an excellent editorial pointing out the many shortcomings of the legislation passed by the Senate to create an Agency for Consumer Advocacy.

The editorial notes that it is difficult for Members of Congress to vote against this bill, because many Americans have been led to believe that this legislation would help consumers.

Mr. President, this bill in fact is a detriment to consumers and to the American people. As the editorial suggests, the new agency will become a bureaucratic monstrosity which could cost consumers far more than it could save them. The editorial also observes that there is no one consumer interest on most issues; what is good for one consumer is bad for another. Suppose a regulatory agency is considering allowing rate hikes for a given service. The consumer already locked into a source of supply which may not be cut off is quite naturally in favor of holding down the rates. Another citizen who wants to become a purchaser

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of the service may favor a rate increase, because that is the only way the supply will be increased to serve more people.

Mr. President, this consumer agency would be super powerful, because it could cause havoc in various segments of our economy. It could rob Americans of access to goods and services. This is an extremely dangerous piece of legislation, and I hope the House of Representatives will treat it accordingly.

Mr. President, I ask unanimous consent that the Star editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CONSUMER BUREAUCRACY

Certainly the Senate's passage last week of legislation to create a federal consumer protection agency came as no surprise. The measure had been filibustered last year and this year by its dedicated opponents, who knew they were defeated once it got to the floor for an up-or-down vote. For not too many legislators want to be tagged with an "anti-consumer" vote, though many know that this particular remedy may turn into something that lots of consumers will wish they never heard of.

Still, 28 senators did have the nerve to vote against this bill to set up an Agency for Consumer Advocacy, so even if the House passes it (as seems likely) there is a bare chance that a presidential veto could not be overridden. And President Ford, who opposes the measure with a good deal of fervor, should not fail to veto it if the House follows the Senate's lamentable lead.

This will require some extra courage, though, even as the negative Senate votes did. The naysayers risked the political retribution of various shrill groups that see this as the great crossing over into the promised land of consumerism, and have naught but criticism for anyone who hesitates at the shore. The crossing may be a jubilant affair, but we expect that a lot of cactus awaits on the other side. This envisioned consumer agency has the capacity to become an administrative monstrosity beyond compare, which will bedazzle even those of us who are used to seeing infant bureaucracies balloon into giant dominions.

A clue to the possibilities may be found in a glad statement given after the Senate vote by the Consumer Federation of America: "It is gratifying to know that the Senate has moved to give consumers a voice in the thousands of federal agency decisions which daily affect their health, safety and economic well-being." The word that caught our eye was thousands. Thousands, indeed. This agency would be into everything under the sun. In a decade or less, with its almost limitless scope, we would not be at all surprised to see it grow into a department with thousands of lawyers and investigators on its payroll, and branch offices coast to coast. Though its proposed beginnings are modest enough—a $60 million authorization over three years—it diffused mission makes mammoth expansion of both funding and functions almost inevitable. The cost of the operation might very well outweigh its benefits to the taxpayer, in the long run.

For the fact remains that regulatory agencies already exist to provide the protections referred to by the Consumer Federation, and surely no one thinks that all these are utterly failing. In addition, there are dozens of consumer protection units at work right now in the federal government. Hence the duplication of effort could be enormous if this new agency gets going, but undoubtedly its administrator would become awesomely powerful. He or she would have vast latitude to define "the consumer's interests" in riding herd over the other federal agencies. In addition, the agency would be a clearing house for consumer complaints (has your pop-up toaster pooped out?), while going to bat for the consumers in court, conducting studies and surveys, running a public information service, assisting state consumer agencies, interrogating business and doing a number of other things.

It is a task of almost impossible dimension. And of course the fly in this soup is that consumers' interests quite often are in conflict: What's good for one group is anathema to another, yet the consumer czar would be supposed to speak for "the consumer" as some sort of a singular being. This dilemma already has turned the Senate bill into a hypocritical absurdity. To pass the measure, the senators found it necessary to vote several exemptions to its provisions, most notably farming operations and labor-management affairs. If these do not bear upon products and prices in a big way, nothing does.

So the concept is being applied selectively, with favors for certain politically powerful segments, even before it's enacted into law. This is reason for the House to consider well what a tangled thing it is contemplating and for President Ford to stand ready for a veto.

AT 71 MY CUP RUNNETH OVER

Mr. McINTYRE. Mr. President, in the latest issue of the Senior Times Cooperative, published by the New Hampshire Association for the Elderly, two articles appeared which describe the success of two projects now being run in my State which provide senior citizens with an opportunity for new learning and growth.

Far too often our society has the tendency to treat our older members with what we may call deference, but what in reality is neglect. The image of an elderly person calmly rocking in a chair in the corner, may be comforting to some, but it certainly ignores the vitality and the immense reserve of talent that remains untapped in our senior population. Funded by title I of the Higher Education Act, and title III of the Older Americans Act, these projects are proving that the senior years can be an exciting and exhilarating time.

Programs such as those at New England College, and at the Manchester area colleges—Saint Anselm's, Mount Saint Mary, and Notre Dame—are examples of the excitement and challenge that can be provided to senior citizens. Certainly the funds that are spent in the area of senior education are reaping profits in human terms that make this a most worthy investment indeed.

As Mrs. Emily Venator of Dunbarton, N.H., a student at St. Anselm's, says:

> The administrators, and all with whom I have had contact, are most gracious and kind. Everywhere there is friendliness which goes far beyond courtesy, and helpfulness which exceeds all expectations! At 71, my cup runneth over!

So that my colleagues in Congress might know of these fine programs, I ask unanimous consent that these articles be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THIRTEEN SENIORS ENROLL

HENNIKER, N.H.—For 13 senior citizens from the greater Concord, N.H. area, this past fall and winter have turned out to be an adventure of major proportions, but the best is yet to come.

The baker's dozen of elders spent several autumn weeks becoming acquainted with the campus, students and faculty of New England College and then capped their orientation by enrolling for second-semester courses. In February, the 13 men and women began probing such academic areas as biology, sociology, folklore, American literature, plus a wide range of other offerings available at the small liberal arts college.

The program, the latest of NEC's innovative educational endeavors, was designed to enrich the lives of senior citizens and operates within the recently-inaugurated School of Continuing Education.

According to Dr. Edward F. Rutledge, director of administration for the School of Continuing Education, the program was aimed at broadcasting the horizons of each senior citizen.

"We tried to design the program so they could be taking courses that will open new areas of interest, as well as help them build on their present areas of interest," Rutledge said.

"Some of the senior citizens are doing volunteer work so we took this into consideration when we decided to develop the program. Hopefully, they'll accumulate factual information in areas that will help them with their volunteer work."

New England College enlisted the assistance of the Retired Senior Volunteer Program (RSVP) in Concord in making many arrangements for the program.

Nine of the 13 elders took two courses and the remaining four just one course. All courses were non-credit and conducted on an auditing basis.

The program ran through the entire second semester and senior citizens were transported to campus each Tuesday and Thursday morning to audit courses of their choice. During the afternoon, they attended seminars specially designed to enhance the kinds of activities in which they are involved and to discuss their activities both on and off the campus."

The orientation period, which started Oct. 30 and concluded Dec. 11, was labeled a huge succes sby Marianne Jaffe, program director.

"During the orientation," Ms. Jaffe noted, "the senior citizens attended different classes and seminars with selected faculty and got to know many resident undergraduates while exploring college facilities. They also had the opportunity to attend special events such as plays, concerts, lectures and exhibits.

"We started the program because we felt New England College has something to offer senior citizens in the community and that senior citizens have something to offer the New England College community. We're providing a new atmosphere in which to challenge and expand their ideas with various members of the college community and also providing them with the traditional classroom situation where ideas and information are exchanged, as well as providing the facilities they might not ordinarily have access to in order for them to explore their interests."

Developed by New England College, the program is supported by a Title III grant of the Older American Act under the auspices of the New Hampshire State Council on Aging.

AT MANCHESTER AREA COLLEGES

Advancing years and retirement from work do not mean retirement from life. Personal growth, personality development, and learning continue throughout one's life. In an effort to foster and sustain such growth in the older adult population of Manchester, three colleges in the area—Saint Anselm's, Mount Saint Mary, and Notre Dame—have developed an on-going educational program which has as its goal enhancing the quality of life of those who have reached sixty and over. Supported by a Title I grant, faculty members from the three colleges have developed an on-going educational program which has as its goal enhancing the quality of life of those who have reached sixty and over. Supported by a Title I grant, faculty members from the three colleges have developed and shared educational experiences with persons over sixty.

The first phase of the program, entitled Experiences in Education, was a live-in seminar held at St. Anselm's College last summer. As part of the plan for continuing education, several courses which were suggested by senior citizens who attended the live-in seminar have been designed and given by faculty members of the three colleges during the 1974-75 academic year. Some of the offerings include nutrition, psycholory of aging, modern social problems, sewing, pottery, and folk dancing.

For some of the participants the program has led to enrollment in regularly scheduled college classes together with other senior citizens now studying at the local colleges, though not involved in the Experiences in Education program.

Mrs. Emily Venator of Dunbarton is currently taking two courses at St. Anselm's College, English literature and creative writing, and has set down her reactions to the experience. Mrs. Venator writes:

"After 40 years of responsible employment in the business world, I faced retirement without any concrete plans for a future. Although I had enjoyed my work, I realized that it had not brought me the fulfillment I had desired for my life. I had wanted to be a teacher and a writer. I had also hoped for marriage and a family; these blessings were granted to me, with a bonus blessing of two fine grandchildren. Throughout the years, also, I had enjoyed many rewarding activities involving both youth and adults.

"I had not, however, been a proper steward of the talents God had given me. Then, by His grace, the doors of St. Anselm's College in Goffstown were opened to senior citizens. These doors opened to opportunities for happy creativity; they were not gates which closed upon achievements and memories of the past! Two weeks after my retirement, I enrolled in regularly scheduled courses in English literature and creative writing; I have never been happier!

"I have unlimited praise for the quality of teaching at St. Anselm's, and the deepest appreciation for the encouragement and assistance given me as graciously and wholeheartedly as to any of the aspiring young students. My age has not been in any way a restricting factor, and my young classmates treat me as a peer. I am very much at ease and singularly happy.

"The administrators, and all with whom I have had contact, are most gracious and kind. Everywhere there is friendliness which goes far beyond courtesy, and helpfulness which exceeds all expectations! At 71 'my cup runneth over!'

"My husband likes to drive me to school, and waits for me in the car. He, too, is overwhelmed by the warmth of kindness shown him. 'While he has been invited into the classroom, and to enjoy the advantages offered in the library, he finds it convenient to rest in the car, due to a back injury. Busy people take the time to stop and talk with him: Teachers, priests, pupils—can they know what great joy they give him? What a privilege it is to be a senior citizen with a new, joyous, extended life at St. Anselm's College in Goffstown, New Hampshire!"

SENATE MAJORITY WHIP GIVEN HIGH JOB PERFORMANCE RATING

Mr. HUMPHREY. Mr. President, recently the Wall Street Journal in a feature article described the work, activities, and career of the Senate majority whip and my good friend, the Senator from West Virginia, ROBERT C. BYRD. I feel that this article is so informative that every Member of Congress should have the opportunity to read it.

Those of us who have been associated and worked with BOB BYRD know of his diligence, his personal integrity, his legislative competence, and his basic sense of decency and fair play. These are some of the qualities that make Senator ROBERT C. BYRD an effective leader in the Congress. He has become a spokesman for the Democratic Party but, even more importantly, he has become a spokesman for national public policy. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IMPROBABLE CHIEF: LONG A CONSERVATIVE, SENATOR BYRD OFTEN RUNS LIBERAL-LADEN SENATE; IF MANSFIELD SHOULD RETIRE, WEST VIRGINIAN IS LIKELY TO BE MAJORITY LEADER; CHANGE IN THE ISSUES HELPS

(By Arlen J. Large)

WASHINGTON.—The Senate was about to take one of its periodic vacations. Assistant Democratic Leader Robert Byrd of West Virginia bade his colleagues goodbye with a flair that showed he had been reading the dictionary again:

"Looking ahead, may I say that the leadership wishes all Senators a felicific respite from their lucubrations here. May Senators, after a reposeful holiday, return to these difficile tasks with renewed verve and revivescent strength."

Webster says anyone involved with "lucubrations" is engaged in "laborious study." That may not always fit the Senate as a whole, but it'a Sen. Byrd all over. The man reads the dictionary, page by page, for the same reason he devours the Senate rulebook, to improve and improve and improve the cold efficiency with which he increasingly dominates the Senate.

"It isn't the use of big words so much as the precision of language that counts, and the excellence of grammar," says Mr. Byrd, puffing a cigar in his office at the end of a meandering Capitol corridor. "It seems to me that the American people ought to pride themselves on a better use of English. We're all rather slovenly, most of us are, in the use of our English. It's a beautiful language, and we ought to be more precise."

IN SENATE FOR 16 YEARS

Though he's one of the Senate's more precise speakers, Mr. Byrd still occasionally makes use of S-219, a room just off the Senate chamber. There, Senators can look over a transcript of what they've said during debate, and pretty up their remarks. But Sen. Byrd says he probably uses that room less now than when he came to the Senate 16 years ago after service in the U.S. House and the West Virginia legislature.

In his early Senate years, Robert Byrd established a record of conservatism—some even say racism—that made it seem most unlikely he'd ever become the leader of the Senate's mostly liberal Democrats. Yet as 72-year-old Mike Mansfield, the current Majority Leader, increasingly assumes the role of elder statesman, Sen. Byrd frequently finds himself as the man who runs the Senate. Mr. Mansfield hasn't given any indication of retiring to Montana at the end of his term next year, but if he does, Sen. Byrd is the clear front-runner for Majority Leader.

"I don't think Bob would have any problem," says one liberal Democratic Senator. "He'd become the Majority Leader." Some other liberals might back an opponent, but there isn't any clear rival and nobody is underestimating the West Virginian's strength.

NAACP LEADER UNHAPPY

The prospect bothers one outsider, Clarence Mitchell. As lobbyist for the National Association for the Advancement of Colored People, he has battled Sen. Byrd on many past civil rights barricades. "He'd have a tremendous number of backers, people who think he's good because he works so hard," Mr. Mitchell says. "But there is the question of whether he'd give the Democratic Party a good image or not." Mr. Mitchell says he hopes someone else runs if Sen. Mansfield should retire.

Meanwhile, Sen. Byrd is the model of respectful deference to the Majority Leader. When Mr. Mansfield chooses to take command, as he did at a critical point during the recent tax debate, Sen. Byrd loyally fades to the background.

But he stays there less and less. Even now, in his No. 2 spot, Sen. Byrd is at the center of a remarkable effort among Senate Democrats to function as a more cohesive legislative party. Senators traditionally have behaved as independent-minded prima donnas, compared with House members more accustomed to the party lash. But this year, more than in recent memory, Senate Democrats are aping their House colleagues in constant caucusing to set the party line for legislative voting. The prospect isn't promising for the Ford administrtaion, which needs Democratic defections.

For example, when the Senate voted to scotch the President's power to raise the oil import tariff, only two Democrats balked. Southern Democrats who often team up with Republicans on questions of presidential authority—including James Eastland of Mississippi, John Sparkman of Alabama, John McClellan of Arkansas—voted with other Democrats.

MORE VOTING TOGETHER?

Sen. Byrd says: "The old Southern bloc, so-called, that was so effective during the great civil rights debates really is not existent, certainly to the degree that it once was. In those years it coalesced with the Republicans in many situations, and that's no longer existent. So I think Democrats as a whole will be voting together more."

With the government divided between a Democratic Congress and a Republican executive, Mr. Byrd sees an obligation for the Senate majority "to develop programs as alternatives to those which we oppose." In this view, party functions in the Senate ought to go beyond assignment of members to committees and placement of desks in the chamber. The party, Sen. Byrd says, "does provide the mechanism by which organized thinking and organized action can be brought to bear on the problems that confront our people."

(More weeks must pass before it's known whether alternative Democratic caucus plans on energy and other matters will actually show up on any law books; except for rejecting Ford proposals, so far not much has come of all the caucusing.)

At age 57 the seldom-smiling Mr. Byrd has swept-back graying hair, a taste for somber clothes and a passion for orderly surround-

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ings. The hubbub in the Senate chamber during close, dramatic roll-call votes used to vex him greatly, so he banished to the gallery the throngs of staff aides who habitually had rubbernecked from the floor. He regards the current Senate rules as an untidy mess, some of them unused entirely, some found in this law or that. A project he's looking forward to this year is to codify them into one orderly document.

COMFORTABLE WITH NEW ISSUES

It's the recent preoccupation of Congress with the economy and energy, rather than civil rights laws, that allows Sen. Byrd to move so comfortably in the Democratic mainstream. In the old days, he often voted with the Southern bloc he now thinks is fading, which was a faction of the party closed off from the mostly liberal national party leadership. Now he's a recognized part of that leadership, even being asked regularly by television interviewers about a possible presidential candidacy.

His answer is pure Byrd, calculating, precisely shaded to acknowledge his new status while not going overboard: "I'm not uninterested."

Nobody was asking presidential questions early in Mr. Byrd's Senate career. For a time he was chairman of the Appropriations subcommittee handling funds for the mostly black District of Columbia. The lifestyles of welfare mothers and their supposed "paramours" grated on a work ethic acquired during the Senator's impoverished youth (he's unrelated to the famous Virginia dynasty that produced Sens. Harry Byrd Sr. and Jr.), and he regularly attacked "welfare cheats." Many Washingtonians detected a racial smack. That he was a long-ago member of the Ku Klux Klan didn't help.

Mr. Byrd voted against the 1964 Civil Rights Act, which was delayed for weeks by a Senate filibuster. He recalls being subjected to "arm-twisting torture and torment" by President Johnson, who telephoned to ask him to vote to end the filibuster. The President dangled a federal judgeship. He also offered to send him on an official trip overseas that would get "a lot of favorable publicity back home" while letting him miss the filibuster vote. Sen. Byrd stood fast.

CHANGE OF HEART

He now says he would vote for that bill if is came up again today—a change of heart shown by several of its original opponents. A similar switch is coming on the 1965 Voting Rights Act, which he opposed as unconstitutional. He voted against the act's extension in 1970 and as recently as two years ago said he still thought it unconstitutional. Now, however, he says he plans to vote for a further extension later this year.

In the early Nixon years Mr. Byrd often seemed a White House ally. He fervently denounced campus demonstrators. He helped head off a legislated pullout of U.S. troops from Cambodia in 1970. He voted for the Supreme Court nominations of Clement Haynsworth and Harrold Carswell, though most Democrats didn't. Richard Nixon's affinity with Sen. Byrd reached its peak in 1971, when the President temporarily put him on a list of possible nominees for the Supreme Court. (Mr. Byrd has a law degree from American University here, but he has never practiced.)

After the 1972 McGovern debacle, Sen. Byrd advised his party to "get rid of the pro-welfare, giveaway image, the pro-permissiveness image, the pro-busing image, the meat-ax cuts of defense funds and get back into the middle of the stream." But even then those issues were beginning to fade in Congress. Mr. Byrd found himself increasingly in tune with other Democrats in fighting Mr. Nixon's post-1972 assertion of budget powers. He led the opposition to the nomination of L. Patrick Gray as Federal Bureau of Investigation director, and as the Watergate fight sharpened, took a key role in protecting the special prosecutor's independence. The Senator has attacked President Ford harshly, criticizing his economic policies and energy plans and questioning his general ability to lead.

HE MADE IT ON HIS OWN

While outside circumstances have helped Mr. Byrd become more of a party regular in the liberal Senate, his inside climb to power had been almost wholly due to his own efforts.

Few paid attention in 1967 when Democrats elected him secretary of their caucus. It rarely met anyway, and the job was regarded as a clubby honorific. But it put Sen. Byrd in "the leadership," however tenuously, and he surprised everyone by beginning to lead on the Senate floor.

Perhaps the most surprised was Sen. Edward Kennedy of Massachusetts, who then held the No. 2 job as Assistant Majority Leader, or Whip. Like Sen. Russell Long of Louisiana before him, Sen. Kennedy wore the Whip's toga instead of the Whip's working clothes. Sen. Byrd became known as the man who handled all the details of making the Senate function. He would patrol the floor, engineer agreements on the time to vote, keep bills from colliding.

In a headlined coup in 1971, Sen. Byrd defeated the world-famous Mr. Kennedy for the Whip's job. After the caucus vote the West Virginian popped with exhilaration as he described his nervy ambush to a ring of reporters. His prior vote count showed he had just enough support to win, provided he could cast the proxy of Sen. Richard Russell of Georgia, then on his deathbed at Walter Reed Hospital in Washington. If Sen. Russell had died before the meeting started, Sen. Byrd wouldn't have made the challenge at all. After the meeting began, an aide told him Sen. Russell was still alive, so he signaled a backer to nominate him for Whip. Sen. Russell died 4½ hours later.

The new Whip assured alarmed liberals that he would only be a "legislative technician," not an ideological salesman. As the months wore on, he continued his old task of managing procedural details.

ROLE IN FILIBUSTER FIGHT

Mr. Byrd still does all that, but this year especially he has taken on matters of more substance. For example, it was the majority Whip who became the tough floor captain of the recent successful drive to make it easier to end filibusters. It had started as a project of true-blue liberals, and Sen. Byrd originally thought it hopeless. But they quickly showed enough strength to force defenders of the old filibuster rule to resort to unseemingly stalling to avoid a final vote.

"It was determined by the leadership that the Senate was deteriorating into a situation in which a very bad mood prevailed," Sen. Byrd recalls. "A bad image was being projected to the American people."

The original liberal managers went to the sidelines and Sen. Byrd came forward to do battle with Alabama's Democratic Sen. James Allen, the conservative master of the rulebook. Sen. Byrd moved to table everything Sen. Allen wanted to do, because that required an instant vote without any time-consuming argument. At one point he even had to move to table the Lord's Prayer, and was backed up by an embarrassed Senate.

Now Mr. Byrd hopes the new rule, under which 60 Senators can stop a filibuster instead of the former 67 when everybody's present, will head off for years to come any attempt to silence debate by a simple majority, which some liberals have advocated. The effect of the rules change on actual legislation may be made dramatically evident tomorrow, when the Senate votes on ending debate on creation of a federal consumer-advocacy agency. Last year, under the old rules, the measure was killed by a filibuster.

And he acknowledges that the new rule, though disliked by hard-core conservatives, may be useful in the current climate. It will, he predicts, allow passage of "legislation that's needed to deal with the recession, inflation, energy, unemployment and so on without being straitjacketed in talkathons."

An interviewer is well into his next question, but Mr. Byrd is worrying about his English again. "By the way," he interrupts, "that should be straitjacketed 'by' talkathons, instead of 'in' talkathons."

MALPRACTICE INSURANCE

Mr. **FANNIN**. Mr. President, on April 21, 1975, I introduced Senate Resolution 150 calling for a White House conference on the problems of malpractice insurance for the medical profession. Yesterday the Washington Post printed a very interesting article regarding what one institution has done to try to cut its insurance costs. This article contains a discussion of some of the problems involved. It is my belief that if we could bring people in the health care industry together we could get a thorough airing of the issues and a pooling of the ideas, such as mentioned in this article, which would be helpful in resolving the problem.

Mr. President, I ask unanimous consent that the article be printed in the RECORD for the benefit of my colleagues who may not have had the opportunity to see it.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 18, 1975]

MALPRACTICE: THE DOCTORS' DILEMMA

(By Stuart Auerbach)

All is not grim on the malpractice front. While doctors in Nothern California strike over a 300 per cent increase in their insurance premiums and some hospitals in New York worry whether they can get malpractice coverage at all, one Florida hospital stands immune.

Halifax Hospital and Medical Center in Daytona Beach has no trouble getting insurance and its rates are one-fourth the national average.

Yet it runs the same risks as other hospitals: Surgeons sometimes leave instruments in patients; some patients are given the wrong drugs; X-rays are read incorrectly and there are errors in lab tests.

The lawyers who practice in Daytona Beach are similar to lawyers elsewhere who are blamed by organized medicine for fueling the malpractice fires by pushing dubious cases. And the insurance companies who write policies there are the same ones raising rates and cancelling policies in other areas.

Why, then, is Halifax Hospital succeeding in beating the malpractice crisis hitting the rest of the nation?

The answer is deceptively simple: Halifax polices the medical care it offers and makes sure that it catches any mistakes before a patient finds out about them. Then the patient, his family, the doctor and the hospital administration discuss what can be done.

"Whatever is right is done for the patient," said Jack Mullins, the Daytona Beach insurance man who devised the system 10 years ago. "Our experience is that 99 per cent of the people are happy to accept this procedure and don't want to sue."

During the past decade, Mullins said, the 500-bed hospital recorded about 20,000 cases where something went wrong with its medical care. But the hospital has had to make payments in only 150 of the cases.

Some of the payments are expensive. In one case, settled out of court, the hospital paid out almost $1 million. In another case, where a surgeon left an instrument in a young woman, the hospital paid $200,000.

"We got the doctor, the family and the patient together and told them what happened," said Mullins. "The patient was a young woman. She spent 18 months in the hospital. It took a good five-year period of rehabilitation for her to get fully healthy."

"If it had gone to court," the insurance expert continued, "there's no Florida jury that wouldn't have given this patient $500,000 to $1 million.

The million dollar judgment. That's what all doctors and insurance companies fear. Until 1968, there had never been a million-dollar payment for medical malpractice; 10 years ago, said Dr. David S. Rubsamen, a doctor-lawyer expert on malpractice, a severely injured patient considered himself lucky to win a $500,000 judgment.

Since 1968, however, there have been a dozen or more million-dollar malpractice settlements in California alone, at least 30 in the nation. In one case two years ago, a 13-year-old boy won the largest personal injury judgment on record—a $4 million verdict against a San Francisco hospital and doctor.

The statistics get worse as far as doctors are concerned. According to the American Medical Association, malpractice suits against doctors were rare in the 1960s—about 1.7 suits per 100 doctors. By 1972, that ratio had almost doubled, to three suits per 100 doctors. The high-risk specialists such as orthopedic surgeons and anesthesiologists were hit even harder; in Washington each of these specialists now faces a suit every three or four years.

One major malpractice insurance company, St. Paul Fire and Mutual, reported that one out of every 10 doctors it covers now has a claim pending against him compared to one out of 23 in 1969.

Yet a special government commission on Medical Malpractice reported two years ago that patients sue in only a small percentage of cases where malpractice is committed.

About 20,000 malpractice suits are filed each year. But Dr. Roger O. Egeberg, the former assistant secretary of the Department of Health, Education, and Welfare who is now the government's leading expert on malpractice, estimated that there are as many as 700,000 medical injuries caused by negligence each year.

"Most injured patients are reluctant to institute medical malpractice suits," said Rep. James F. Hastings (R-N.Y.), who has become a congressional expert on malpractice.

But it is clear that this reluctance is slowly disappearing due to what the American Medical Association calls a rising tide of consumerism.

So it is no wonder insurance companies are trying to pull out of the field. Until 10 years ago, malpractice insurance was considered good business for insurance companies. They assiduously courted state, county and local medical associations for group coverage that was highly profitable to them.

But now, as a result of the new high judgments and growing claims, there are fewer than 10 companies still writing medical malpractice insurance in the country.

According to Barron's, a weekly financial newspaper published by Dow-Jones, 1974 was the worst year in history for casualty insurers. The losses in claims were an important factor—St. Paul estimated that so far it has lost $5.5 million on cases brought against doctors it insured in 1969. In addition, however, the insurance companies suffered investment reverses that cut into the reserves they keep to pay claims. Barron's put these investment loses at $6 billion last year for all casualty insurers, including those writing medical malpractice policies.

While it would appear that the companies are making staggering profits on the basis of one year's record of premiums collected and claims paid out, a peculiarity of the malpractice business belies this.

It seemed, for example, that Employer's Insurance of Wausau, which covered members of the New York State Medical Society, took in premiums in 1973 that were more than twice the total paid out in claims. But testimony before the New York State Legislature showed that the company actually lost $120 million during the 25 years it has covered New York's doctors.

The reason for the disparity between one year's premium income and claims outgo is the so-called "long-tail losses."

Only 10 per cent of all malpractice claims are filed in the first year, and it takes an average of 14 years from the time of injury to settle a claim. While doctors would like to place a strict statute of limitations on malpractice cases, many injuries don't turn up until years later.

Take the case of a sponge left in a patient after an operation—supposed to be uncommon now because of the practice (instituted, lawyers claim, as a result of the number of malpractice suits) of making sure that everything that went in a patient is accounted for before the final stitches are sewn.

That sponge may not be discovered until years later, when it causes some form of intestinal obstruction that requires a second operation.

It is clearly negligent malpractice, however, and the patient deserves to collect both the cost of the second operation and the pain and suffering it caused. But the time span plays hob with any attempts by insurance companies to manage their reserves.

The ability to file malpractice claims long after injury has occurred also causes occasional inequities for both insurance company and doctor. In Brooklyn this year, for example, a 22-year-old woman named Gail Kalmowitz won a $165,000 award (the jury would have given her $900,000, but she decided to settle before the verdict was in) for the medical treatment that left her blinded shortly after birth.

Born prematurely and weighing only 2½ pounds, given little change of survival, she was treated with doses of oxygen—the standard treatment of the day of trying to save the lives of low-weight premature infants. The studies which showed that oxygen caused blindness were not even launched until three months after Miss Kalmowitz was born.

Nevertheless, her condition created a massive amount of sympathy among the jurors, who hugged her after the settlement had been announced and said she should have waited for their much larger award.

For doctors, though, the case is a clear example of yesterday's medical practice being judged by today's more sophisticated standards.

But while the "long-tail losses" cause some inequities, the delays in claims also have provided the insurance companies with investment income—that is, they did until last year's stock market plunge.

As a result of this combination of factors, the insurance companies have increased their malpractice premiums substantially. The cost of malpractice insurance nationally rose from $60 million in 1960 to an estimated $1 billion today—about 1 percent of America's medical care costs.

Argonaut, which took over coverage for New York doctors in 1974 when Wausau withdrew, increased its rates by 93.6 per cent the first year. The company asked for a 196.8 percent increase this year and, when the new rate hike was condemned by doctors, threatened to pull out of the state as of July 1.

In Florida, Argonaut kept increasing its rates until the firm and the state medical society ended up in a federal court case that has not yet been decided. In negotiations Argonaut first agreed to limit its premium rise to 75 per cent, but then a month later jumped the increase to 96 per cent, according to Dr. Harold Parham, executive director of the Florida Medical Society. Despite an existing contract, he said, within three months Argonaut demanded another 200 per cent increase.

Parham, who secured a promise from Chairman Paul Rogers (D–Fla). of the House health subcommittee to open an investigation of malpractice insurers, said that Argonaut has been ordered out of the medical malpractice business by its corporate owners, the aerospace conglomerate Teledyne. In its annual report, Teledyne admitted making a costly "mistake" in allowing Argonaut to write malpractice coverage and said it plans to discontinue writing policies for individual doctors this year.

The lawyers bear the brunt of attacks by doctors and insurance men for precipitating the malpractice crisis. In turn, the lawyers claim to be representing the rights of the injured patients.

The key attack on the lawyers concerns the contingency fee arrangement—under which lawyers get a portion (usually about 30 percent) of any settlement if they win and nothing if they lose.

Lawyers defend this system as the only way a poor man has of suing a doctor. They also say it helps weed out suits with little merit. But doctors and insurance men feel it encourages lawyers to seek cases which will win sympathy—and fat verdicts—from jurors and to ignore cases involving small damage sums (less than $5,000) that are not worth their while.

Moreover, the idea of a lawyer's earning fat fees ($300,000 on a $1 million verdict) from a case in which he works no harder than he would on others winning smaller verdicts appears unfair on the surface.

Yet studies show that the patients' lawyers receiving contingency fees earn less than 20 per cent more than insurance company lawyers who are paid on an hourly basis of $60 to $100 an hour.

Any way you cut it, medical malpractice cases are among the most expensive and time-consuming to try. The government's Commission on Medical Malpractice found that they take four times as many hours as other personal injury cases. The intricacies of medical cases virtually dictate that expensive expert witnesses be hired by both sides.

The complexity of the cases, according to doctors, argues that medical malpractice should not be tried before juries, which can be swayed by emotion. Instead, the doctors contend, they should go to binding arbitration.

But, as Sen. Edward M. Kennedy (D-Mass.) pointed out to AMA President Dr. Malcolm C. Todd, that would be a violation of the constitutional rights of Americans to a jury trial. Moreover, Kennedy said, other complex cases such as antitrust suits are handled through jury trials.

Doctor, lawyer, insurance man—the only

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one left out of the equation is the patient involved. He suffers the most.

He is, first of all, the victim of the original malpractice. The national Commission on Medical Malpractice found that the cause of most malpractice cases is, indeed, medical malpractice.

And, despite the recent dramatic examples of high awards, the average malpractice victim gets only a small slice of the premium pie. Studies show that patients receive about 16 cents out of every dollar physicians pay in insurance premiums. The remainder goes toward paying legal fees, trial expenses and insurance company overhead and profits.

Incidentally, the odds favor the doctors. Statistics demonstrate that they win 80 per cent of the cases which go to the jury and about 55 per cent of all cases.

In any case, the patient—injured or not—bears the brunt of the added cost of malpractice insurance, which doctors and hospitals merely add on to their bills.

The solutions offered by the medical, legal insurance professions to deal with the burgeoning malpractice problem are aimed at easing their own particular burdens. Rarely do they attack the main issue—medical malpractice itself.

By accident or design, however, Florida's Halifax Hospital has focused on the malpractice problem where it starts—at the hospital bed. Some 75 per cent of all malpractice cases arise from a hospitalization.

"If we perceive any questionable case, we try to take the initiative," said Ned Wilford, the hospital administrator. His comptroller, Roland Luke, added that "courteous, quick expedient handling of problems that crop "up" results in fewer malpractice suits.

Self-policing can work for individual doctors as well as hospitals. In the District of Columbia, for example, the medical society has begun working closely with its insuror to find doctors who attract more malpractice suits than the average physician. Through pressure by society members, an effort is made to compel such doctors to improve their methods of practicing medicine. They may also have to pay higher premiums than other doctors in the area.

As a result of this program, premiums in the District are one-fifth of those in such states as California and New York.

Self-policing, says HEW's Egeberg, is "a good idea that seems to work." He adds that it has not been tried "nearly enough" across the country.

INTERHEMISPHERIC CONFERENCE ON LAW, POPULATION, AND THE STATUS OF WOMEN

Mr. KENNEDY. Mr. President, this past week, 60 eminent women lawyers, legislators, and judges from 38 countries, met to discuss law, population, and the status of women. The conference was one of the major contributions of the United States to the United Nations International Women's Year, supported by the Department of State through the Agency for International Development.

I had the honor last week in joining with Congresswoman PAT SCHROEDER in hosting a congressional reception for the delegates, and it was a distinctive privilege to have an opportunity to meet with them.

During the Conference, conducted at Airlie Foundation, the delegates discussed different systems of law as they pertain to population and the status of women. They wrestled with a number of difficult and controversial issues, but succeeded in joining to recommend a number of reforms necessary to increase the status of women, particularly in regard to their freedom to plan their own family.

Mr. President, I believe the concluding resolution of the conference, as well as the final recommendations adopted by the conferees, deserve the attention and consideration of the Senate, and I ask unanimous consent that they be printed in the RECORD.

There being no objection, the resolution and recommendations were ordered to be printed in the RECORD, as follows:

RECOMMENDATIONS OF THE FIRST INTERHEMISPHERIC CONFERENCE ON LAW, POPULATION, AND THE STATUS OF WOMEN

PREAMBLE

Whereas, the First Inter-Hemispheric Conference on Law, Population and the Status of Women has met for the past five days, under the auspices of the Agency for International Development, to study the variables and similarities of the key legal systems usually known as Continental, Islamic, Commonwealth/Carribean, Latin American and Constitutional Law;

Whereas, the conferees also studied examples of the beneficial effect of legal reforms on the status of women and family planning programs under each of the legal systems;

Whereas, the conferees realize that each of the legal systems as applied as national law requires immediate and continuing revision through legislative amendment, judicial interpretation and agency ruling;

Whereas, women lawyers have special responsibilities both as women and as lawyers, judges, legislators and lobbyists to act as agents of change in the legal issues relating to population and the status of women;

Now be it *resolved* that the conferees have adopted the following resolutions and recommendations as the initial step in meeting their special responsibilities as women lawyers; and will upon return to their respective countries endeavor to bring about the recommended legal reforms and changes.

LAW AND THE STATUS OF WOMEN

In order that a woman be a person able to contribute to and to benefit from social progress and development, she must enjoy full equality with men in law, in fact in all fields.

Discrimination against women continues to exist under every legal system, making it necessary that the principles embodied in the U.N. Declaration on the Elimination of Discrimination Against Women be studied carefully in every country so that gaps in national legislation can be identified and urgently needed legal reforms undertaken.

The U.N. Declaration identified certain fields as needing special consideration, namely, family law (Article 6), penal codes (Article 7), and employment rights (Article 10). We therefore offer the following conclusions and recommendations:

1. That in order to insure that women will understand and exercise their legal rights, the civic education of women, particularly of those who lead a marginal existence, be undertaken through concrete community projects which respond to the perceived needs of these women and which help them to participate in resolving their immediate problems.

2. That in every country national organizations, both official and private, and including religious ones, carry out information campaigns concerning the Declaration of the United Nations on the Elimination of Discrimination Against Women so that women become aware of their rights and obligations and so that legal provisions move from the theoretical to the practical level.

3. That specific bodies such as women's bureaus and national commissions on the status of women be formed in countries where they do not exist to monitor and evaluate the status and role of women and to recommend legal reforms and action programs aimed at the advancement of women and their integration in development, and that women lawyers play a leading role on these commissions.

4. That special courts for families and juveniles be established in those countries where they do not exist in order to overcome the difficulties faced by women in legal proceedings and to insure the immediate recognition of their rights and those of their children.

5. That in those countries where legal discrimination with regard to marriage and divorce still exists those reforms necessary to obtain legal equality between man and woman be undertaken, and legal provisions be made for divorce where they do not exist. Grounds for divorce shall be the same for men and women.

6. That parental rights and obligations be shared equally between father and mother, and that a wife be entitled to joint legal custody with her husband of all children born in wedlock particularly with regard to giving consent for marriage of such children and obtaining of immigration documents.

7. That equal legal status be granted to all children whether born in or out of wedlock, and in cases where paternity is not admitted, immediate steps be taken through the legal and quasi legal systems to determine such paternity.

8. That, whereas in some countries laws discriminate against women and children who are part of families not legally formalized in marriage, women who cohabit with men in stable unions and children who are born in these unions must receive adequate financial support and full legal protections to assure their well-being and dignity.

9. That property acquired during marriage be shared and administered by both spouses and that women have the same inheritance rights as men.

10. That each person have the equal opportunity of remunerative work outside the home, and every individual enjoy equal rights as to salary, fringe benefits and working conditions for equal work.

11. That maternity protection not be used as a ground for discriminating against women, and that maternity leave with pay be a human right of working women.

12. That tax laws be revised to ensure that spouses are taxed separately and on an equal basis.

13. That social insurance programs not discriminate against women whether with respect to the age at which benefits are received or with respect to the amount of benefits.

14. That women not automatically lose their nationality through marriage.

15. That steps should be taken for the elimination of polygamy where it exists legally.

16. That in those countries where the criminal law code discriminates on the basis of sex with respect to sex crimes (razones de honor), reforms necessary to correct such discrimination be undertaken in accordance with human rights.

FERTILITY

Bearing in mind that family planning has now become a basic aspect of the health and socio-economic welfare of women, children and the family, contraceptive information, education and services must be available so that a woman may exercise her right to control her own fertility. We recommend:

1. That there be no legal barriers to the distribution of information, education and services in connection with all safe and acceptable methods of contraception so that all persons, of any age, and all couples, may have the right to freely choose the number and spacing of their children. Such information, education and services should be made available by the government without expense, at least to those people who could not otherwise afford them, and the government should publicize such availability. In this connection, the government should work closely with the private organizations in this field.

2. That with due regard to the legal and cultural traditions and mores, and the economic needs, of the respective countries, governments adopt such legislation as may be required to make voluntary sterilization available to adults for contraceptive purposes ensuring freedom of choice, based upon legally competent and fully informed consent, and subject to proper medical procedures and requirements. Governments should further ensure that neither criminal nor civil penalties or liabilities be imposed by legislation, court decision, administrative ruling or in any way, upon persons undergoing voluntary sterilization for contraceptive purposes or, except in cases of negligence, upon medically authorized persons performing such sterilizations.

3. That a woman having an abortion in the early stages of pregnancy not be dealt with under the penal codes, but be accorded humane treatment, legal protection, and effective contraceptive advice. Abortion after the early stages of pregnancy should be permitted at least to protect the life and physical and mental health of the women, and particularly to prevent the birth of defective offspring, and in cases of rape and incest. The voluntary consent of the woman is required for an abortion. No individual, doctor or other personnel should be compelled to participate in an abortion procedure against his or her conscience, but in the case where such objections are made, the woman requesting the abortion should be referred to a person or institution which does offer such procedures.

4. That menstrual regulation where pregnancy is not established be treated in the same manner as any health act, and not be governed by laws relating to abortion.

5. That the law and regulations should enable training, licensing, protection and use of nurses, midwives, social workers and other paramedicals to permit them to dispense family planning services to persons on a voluntary basis, with special emphasis in rural and developing areas.

6. That barriers to the importation of contraceptives be removed in those countries where they exist.

7. That the concept of responsible parenthood be used as one effective means to promote family planning services.

8. That family planning information, education and services be made available to minors and that persons providing such care to minors be given adequate legal protection.

9. That population education and sexuality education be provided on a school and non-school basis.

10. That women make every effort to persuade the media of mass communication including, but not limited to, newspapers, television and radio to publish regularly at least once a week news and information relating to family planning and its availability.

THE ROLE OF WOMEN LAWYERS AS AGENTS OF CHANGE

Whereas, women lawyers as members of the legal profession have training and expertise in the study, understanding, interpretation and drafting of laws;

Whereas, women lawyers, greatly concerned with problems affecting women, recognize their responsibility to work toward resolving issues concerning the status of women in all spheres of life and to confront matters related to population and the law;

Whereas, women lawyers, in addition to performing their roles as jurists, legislators and counsellors in all areas of law, have a desire and special responsibility to work together with persons of all nations to seek solutions to these problems;

We, therefore, recommend that women lawyers everywhere:

(1) Review the laws of their own countries to raise them at least to U.N. standards, and where additional changes in national laws are necessary, to eliminate all discrimination against women, ensure reform and enforcement of such laws without discrimination.

(2) Ensure that laws extending equality of treatment to women are effectively implemented to the end that practice may conform to law, including guaranteed free legal services for the vindication of such rights.

(3) Establish and maintain a constant exchange of ideas, information, strategies and model laws among women lawyers on matters of common concern, particularly in the fields of status of women and the right of the individual to control personal fertility.

(4) Inform the public as a whole and alert women in particular of the legal rights and responsibilities of women, and make known in their respective countries the subjects discussed and the resolutions approved by this Conference.

(5) Accelerate and ensure the achievement of equality for women throughout the world by becoming more involved in the decision-making bodies of religious and cultural institutions in order to influence the policies and actions of these organizations so that they will reflect equal status for men and women.

(6) Become more involved in public affairs for greater participation in policy making at the local, national and international level.

(7) Exert every effort to enlist the support of men, particularly their colleagues in the legal profession, in the achievement of common goals.

(8) Become involved in inter-disciplinary studies to explore fully the inter-relationship of the legal aspects of the status of women to population and development questions in order to make recommendations and take appropriate action in the areas of policy making and development planning.

(9) Take timely action to assure a follow-up conference next year to allow reporting on achievements in the legal field in the interim and to chart new paths to gaining the stated goals of the First Inter-Hemispheric Conference on Law, Population and the Status of Women.

MEDICAL MALPRACTICE: A DILEMMA

Mr. McINTYRE. Mr. President, in Sunday's Washington Post, Mr. Stuart Auerbach has had published an article which is very worthwhile indeed.

As a layman, I must admit that the entire malpractice issue gives me great concern. Doctors, lawyers, insurance companies, all point at one another and yell "foul," and meanwhile the rates soar, the costs rise, and the consumer is faced with absorbing higher costs through his bills, while the actual fact of medical malpractice remains.

Mr. Auerbach points out quite clearly that the very center of the problem, medical malpractice, can be dealt with, and the fine example of the Halifax Hospital and Medical Center in Daytona Beach is cited. But it strikes me as rather sad, Mr. President, that this is the exception and not the rule.

I found the following excerpt most interesting:

> Doctor, lawyer, insurance man—the only one left out of the equation is the patient involved. He suffers the most.
>
> He is first of all, the victim of the original malpractice. The national Commission on Medical Malpractice found that the cause of most malpractice cases is, indeed, medical malpractice.

It would seem to me then that the most effective way of dealing with this situation is for all the parties concerned to begin focusing on the problem itself.

In identifying and explaining that problem, I found Mr. Auerbach's article to be most helpful, and I ask unanimous consent that the full text of the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 18, 1975]

MALPRACTICE: THE DOCTORS' DILEMMA

(By Stuart Auerbach)

All is not grim on the malpractice front. While doctors in Northern California strike over a 300 per cent increase in their insurance premiums and some hospitals in New York worry whether they can get malpractice coverage at all, one Florida hospital stands immune.

Halifax Hospital and Medical Center in Daytona Beach has no trouble getting insurance and its rates are one-fourth the national average.

Yet it runs the same risks as other hospitals: Surgeons sometimes leave instruments in patients; some patients are given the wrong drugs; X-rays are read incorrectly and there are errors in lab tests.

The lawyers who practice in Daytona Beach are similar to lawyers elsewhere who are blamed by organized medicine for fueling the malpractice fires by pushing dubious cases. And the insurance companies who write policies there are the same ones raising rates and cancelling policies in other areas.

Why, then, is Halifax Hospital succeeding in beating the malpractice crisis hitting the rest of the nation?

The answer is deceptively simple: Halifax polices the medical care it offers and makes sure that it catches any mistakes before a patient finds out about them. Then the patient, his family, the doctor and the hospital administration discuss what can be done.

"Whatever is right is done for the patient," said Jack Mullins, the Daytona Beach insurance man who devised the system 10 years ago. "Our experience is that 99 per cent of the people are happy to accept this procedure and don't want to sue."

During the past decade, Mullins said, the 500-bed hospital recorded about 20,000 cases where something went wrong with its medical care. But the hospital has had to make payments in only 150 of the cases.

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Some of the payments are expensive. In one case, settled out of court, the hospital paid out almost $1 million. In another case, where a surgeon left an instrument in a young women, the hospital paid $200,000.

"We got the doctor, the family and the patient together and told them what happened," said Mullins. "The patient was a young woman. She spent 18 months in the hospital. It took a good five-year period of rehabilitation for her to get fully healthy."

"If it had gone to court," the insurance expert continued, "there's no Florida jury that wouldn't have given this patient $500,000 to $1 million."

The million dollar judgment. That's what all doctors and insurance companies fear. Until 1968, there had never been a million-dollar payment for medical malpractice; 10 years ago, said Dr. David S. Rubsmen, a doctor-lawyer expert on malpractice, a severely injured patient considered himself lucky to win a $500,000 judgment.

Since 1968, however, there have been a dozen or more million-dollar malpractice settlements in California alone, at least 30 in the nation. In one case two years ago, a 13-year-old boy won the largest personal injury judgment on record—a $4 million verdict against a San Francisco hospital and doctor.

The statistics get worse as far as doctors are concerned. According to the American Medical Association, malpractice suits against doctors were rare in the 1960s—about 1.7 suits per 100 doctors. By 1972, that ratio had almost doubled, to three suits per 100 doctors. The high-risk specialists such as orthopedic surgeons and anesthesiologists were hit even harder; in Washington each of these specialists now faces a suit every three or four years.

One major malpractice insurance company, St. Paul Fire and Mutual, reported that one out of every 10 doctors it covers now has a claim pending against him compared to one out of 23 in 1969.

Yet a special government commission on Medical Malpractice reported two years ago that patients sue in only a small percentage of cases where malpractice is committed.

About 20,000 malpractice suits are filed each year. But Dr. Roger O. Egeberg, the former assistant secretary of the Department of Health, Education and Welfare who is now the government's leading expert on malpractice, estimated that there are as many as 700,000 medical injuries caused by negligence each year.

"Most injured patients are reluctant to institute medical malpractice suits," said Rep. James F. Hastings (R-N.Y.), who has become a congressional expert on malpractice.

But it is clear that this reluctance is slowly disappearing due to what the American Medical Association calls a rising tide of consumerism.

So it is no wonder insurance companies are trying to pull out of the field. Until 10 years ago, malpractice insurance was considered good business for insurance companies. They assiduously courted state, county and local medical associations for group coverage that was highly profitable to them.

But now, as a result of the new high judgments and growing claims, there are fewer than 10 companies still writing medical malpractice insurance in the country.

According to Barron's, a weekly financial newspaper published by Dow-Jones, 1974 was the worst year in history for casualty insurers. The losses in claims were an important factor—St. Paul estimated that so far it has lost $5.5 million on cases brought against doctors it insured in 1969. In addition, however, the insurance companies suffered investment reverses that cut into the reserves they keep to pay claims. Barron's put these investment losses at $6 billion last year for all casualty insurers, including those writing medical malpractice policies.

While it would appear that the companies are making staggering profits on the basis of one year's record of premiums collected and claims paid out, a peculiarity of the malpractice business belies this.

It seemed, for example, that Employers' Insurance of Wausau, which covered members of the New York State Medical Society, took in premiums in 1973 that were more than twice the total paid out in claims. But testimony before the New York State Legislature showed that the company actually lost $120 million during the 25 years it has covered New York's doctors.

The reason for the disparity between one year's premium income and claims outgo is the so-called "long-tail losses."

Only 10 per cent of all malpractice claims are filed in the first year, and it takes an average of 14 years from the time of injury to settle a claim. While doctors would like to place a strict statute of limitations on malpractice cases, many injuries don't turn up until years later.

Take the case of a sponge left in a patient after an operation—supposed to be uncommon now because of the practice (instituted, lawyers claim, as a result of the number of malpractice suits) of making sure that everything that went in a patient is accounted for before the final stitches are sewn.

That sponge may not be discovered until years later, when it causes some form of intestinal obstruction that requires a second operation.

It is clearly negligent malpractice, however, and the patient deserves to collect both the cost of the second operation and the pain and suffering it caused. But the time span plays hob with any attempts by insurance companies to manage their reserves.

The ability to file malpractice claims long after injury has occurred also causes occasional inequities for both insurance company and doctor. In Brooklyn this year, for example, a 22-year-old woman named Gail Kalmowitz won a $165,000 award (the jury would have given her $900,000 but she decided to settle before the verdict was in) for the medical treatment that left her blinded shortly after birth.

Born prematurely and weighing only 2½ pounds, given little chance of survival, she was treated with doses of oxygen—the standard treatment of the day of trying to save the lives of low-weight premature infants. The studies which showed that oxygen caused blindness were not even launched until three months after Miss Kalmowitz was born.

Nevertheless, her condition created a massive amount of sympathy among the jurors, who hugged her after the settlement had been announced and said she should have waited for their much larger award.

For doctors, though, the case is a clear example of yesterday's medical practice being judged by today's more sophisticated standards.

But while the "long-tail losses" cause some inequities, the delays in claims also have provided the insurance companies with investment income—that is, they did until last year's stock market plunge.

As a result of this combination of factors, the insurance companies have increased their malpractice premiums substantially. The cost of malpractice insurance nationally rose from $60 million in 1960 to an estimated $1 billion today—about 1 per cent of America's medical care costs.

Argonaut, which took over coverage for New York doctors in 1974 when Wausau withdrew, increased its rates by 93.6 per cent the first year. The company asked for a 196.8 per cent increase this year and, when the new rate hike was condemned by doctors, threatened to pull out of the state as of July 1.

In Florida, Argonaut kept increasing its rates until the firm and the state medical society ended up in a federal court case that has not yet been decided. In negotiations Argonaut first agreed to limit its premium rise to 75 per cent, but then a month later jumped the increase to 96 per cent, according to Dr. Harold Parham, executive director of the Florida Medical Society. Despite an existing contract, he said, within three months Argonaut demanded another 200 per cent increase.

Parham, who secured a promise from Chairman Paul Rogers (D-Fla.) of the House health subcommittee to open an investigation of malpractice insurers, said that Argonaut has been ordered out of the medical malpractice business by its corporate owners, the aerospace conglomerate Teledyne. In its annual report, Teledyne admitted making a costly "mistake" in allowing Argonaut to write malpractice coverage and said it plans to discontinue writing policies for individual doctors this year.

The lawyers bear the brunt of attacks by doctors and insurance men for precipitating the malpractice crisis. In turn, the lawyers claim to be representing the rights of the injured patients.

The key attack on the lawyers concerns the contingency fee arrangement—under which lawyers get a portion (usually about 30 per cent) of any settlement if they win and nothing if they lose.

Lawyers defend this system as the only way a poor man has of suing a doctor. They also say it helps weed out suits with little merit. But doctors and insurance men feel it encourages lawyers to seek cases which will win sympathy—and fat verdicts—from jurors and to ignore cases involving small damage sums (less than $5,000) that are not worth their while.

Moreover, the idea of a lawyer's earning fat fees ($300,000 on a $1 million verdict) from a case in which he works no harder than he would on others winning smaller verdicts appears unfair on the surface.

Yet studies show that the patients' lawyers receiving contingency fees earn less than 20 per cent more than insurance company lawyers who are paid on an hourly basis of $60 to $100 an hour.

Any way you cut it, medical malpractice cases are among the most expensive and time-consuming to try. The government's Commission on Medical Malpractice found that they take four times as many hours as other personal injury cases. The intricacies of medical cases virtually dictate that expensive expert witnesses be hired by both sides.

The complexity of the cases, according to doctors, argues that medical malpractice should not be tried before juries, which can be swayed by emotion. Instead, the doctors contend, they should go to binding arbitration.

But, as Sen. Edward M. Kennedy (D-Mass.) pointed out to AMA President Dr. Malcolm C. Todd, that would be a violation of the constitutional right of Americans to a jury trial. Moreover, Kennedy said, other complex cases such as antitrust suits are handled through jury trials.

Doctor, lawyer, insurance man—the only one left out of the equation is the patient involved. He suffers the most.

He is, first of all, the victim of the original malpractice. The national Commission on Medical Malpractice found that the cause of most malpractice cases is, indeed, medical malpractice.

And, despite the recent dramatic examples of high awards, the average malpractice victim gets only a small slice of the premium pie. Studies show that patients receive about 16 cents out of every dollar physicians pay in insurance premiums. The remainder goes toward paying legal fees, trial expenses and insurance company overhead and profits.

Incidentally, the odds favor the doctors. Statistics demonstrate that they win 80 per cent of the cases which go to the jury and about 55 per cent of all cases.

In any case, the patient—injured or not—bears the brunt of the added cost of malpractice insurance, which doctors and hospitals merely add on to their bills.

The solutions offered by the medical, legal insurance professions to deal with the burgeoning malpractice problem are aimed at easing their own particular burdens. Rarely do they attack the main issue—medical malpractice itself.

By accident or design, however, Florida's Halifax Hospital has focused on the malpractice problem where it starts—at the hospital bed. Some 75 per cent of all malpractice cases arise from a hospitalization.

"If we perceive any questionable case, we try to take the initative," said Ned Wiford, the hospital administrator. His comptroller, Roland Luke, added that "courteous, quick expedient handling of problems that crop up" results in fewer malpractice suits.

Self-policing can work for individual doctors as well as hospitals. In the District of Columbia, for example, the medical society has begun working closely with its insuror to find doctors who attract more malpractice suits than the average physician. Through pressure by society members, an effort is made to compel such doctors to improve their methods of practicing medicine. They may also have to pay higher premiums than other doctors in the area.

As a result of this program, premiums in the District are one-fifth of those in such states as California and New York.

Self-policing, says HEW's Egeberg, is "a good idea, that seems to work." He adds that it has not been tried "nearly enough" across the country.

EMERGENCY EMPLOYMENT APPROPRIATION ACT, 1975

Mr. CRANSTON. Mr. President, I take this opportunity to congratulate my colleagues on the Appropriations Committee for their excellent efforts in reaching agreement with the House on the Emergency Employment Appropriations Act, 1975, H.R. 4481, and to comment on a number of provisions contained in this measure. I, particularly, want to congratulate the Senate committee chairman, Mr. McClellan, and the ranking minority member, Mr. Young for their fine work on both the Senate bill, and the conference report. There is no doubt that reaching agreement on this measure was a difficult task. Our Nation's grave economic situation forced both the Senate and the House committees to evaluate numerous considerations—many of them conflicting.

I believe the conference report represents an excellent balance of these various considerations, I congratulate the members once again, for a job very well done, and the Senate for its prompt consideration and adoption of the conference report on Friday, May 16, 1975.

I especially agree with the dual approach the conferees have taken to dealing with the unemployment crisis—that is, funding the public service employment program, in which funds are used directly for the creation of jobs and funding accelerated Federal construction, building, and purchase programs where funds will be used to create jobs indirectly through construction contracts, purchase of automobiles for Government use, further development of the Nation's recreational and public land resources, and other similar programs.

I have a number of reactions and comments regarding a number of items contained in the conference report. Many of my comments refer to programs that fall within the jurisdiction of the Labor-HEW Subcommittee. I especially want to thank the distinguished chairman of that subcommittee, Mr. Magnuson and the ranking minority member Mr. Brooke for his continuing hard work and dedication to insuring adequate funding for these programs.

LABOR DEPARTMENT: FULL FUNDING FOR PUBLIC SERVICE JOBS

Mr. President, I am particularly gratified by the continued strong support and recognition of the need for additional funds for public service jobs evidenced by the conference report. That nearly 9 million Americans were unemployed last month is the devastating evidence of our Nation's plight. We must create jobs and put people back to work performing needed services as quickly as possible.

Mr. President, on January 30, 1975, I wrote to, and on February 27, I appeared before the Labor-HEW Subcommittee to urge immediate apropriation of the remaining $1.625 billion of the $2.5 billion authorized last December for emergency public service jobs this fiscal year—CETA, title VI. I am encouraged by the general agreement which exists between the administration and the Congress with respect to this recommendation. The approximately 217,000 more jobs created by the $1.625 added by the conference report are urgently needed to deal with the ongoing, critical unemployment problem.

I ask unanimous consent that my testimony before the committee be printed in the Record at this point.

There being no objection, the testimony was ordered to be printed in the Record, as follows:

Statement by Senator Alan Cranston

Senator Cranston. Mr. Chairman, on January 30, Senator Kennedy and I wrote to you urging immediate supplemental and full funding for public service and public works jobs. I am here this morning to reemphasize the need for this action and to advise you that Senators Williams and Javits, the chairman and ranking minority member of the Labor and Public Welfare Committee, join with us in making this recommendation.

The need for additional funding is clear. Seven and one-half million Americans are out of work. The funds appropriated in the emergency supplemental last December for public service employment, however, will create only 117,000 jobs nationwide. In the State of California alone, almost one million people are out of work.

We must move with dispatch to make another 216,000 jobs available over the next 10 months by appropriating now the additional $1.625 billion authorized by title VI of the Comprehensive Employment and Training Act (CETA), as added by title I of the emergency jobs and unemployment assistance act of 1974.

As we pointed out in our January 30 letter—the time to act is now. The authorization is on the books. It is a fiscal year 1975 authorization under which funds appropriated may be obligated through December 31 of this year. There is presently no fiscal 1976 title VI authorization of appropriations.

By fully funding now what is authorized to be spent under title VI during this calendar year, we will be able to learn how effectively and swiftly these funds will be put to use, and, thereby, enhance our ability to decide on the best legislation for 1976.

We must not wait for the regular Second Supplemental Appropriations Act. We must provide the Department of Labor, the States, and the localities with the fiscal certainty they need to plan and implement effectively the public service jobs program and get people back to work. Let me stress the lead-time factor: by appropriating this money now, we will permit a vital measure of planning time for the department and the local sponsors. The $1.625 billion can be spread out in allocations over the spring, summer, and fall of 1975 to meet ongoing emergency employment needs.

Mr. Chairman, this is the same approach recommended by NAYCO [N.A.A.C.O.], the league of cities/U.S. conference of mayors, as well as counties and cities in California. Los Angeles County, for example, which has received $17.1 million of the December money, estimates that 5,000 more jobs—costing $40 million more—could easily be used in Los Angeles County alone between now and June.

Mr. Chairman, we also urge that you appropriate at the same time the additional $375 million authorized to be appropriated for the job opportunities program authorized by title III of the Emergency Jobs Act. This program provides emergency financial assistance to stimulate, maintain, or expand federally-funded projects with high job-creating potential in areas of the country, both urban and rural, suffering from unusually high levels of unemployment.

We understand that the Department of Commerce has received in 2 months almost $4 billion in more than 17,000 preliminary project requests from around the country. These are just those submitted and tallied thus far. San Diego County, alone, has requested 54 such projects.

So the need for full funding is clear in this program as well.

Mr. Chairman, a final note: Senator Javits will be submitting on Tuesday recommendations for supplemental funding for summer jobs. I wish to associate myself most strongly with those recommendations for this urgent supplemental. Here again, providing for planning time is critical.

Mr. Chairman, I know you and your subcommittee are keenly aware of, and dedicated to fighting, the disastrous economic conditions plaguing our Nation. I do not have to dramatize the need. I hope that you will agree with the job-creating appropriations we are recommending.

I very much appreciate your providing me with his opportunity to present our justification.

Mr. CRANSTON. Mr. President, on April 2, 1975, I was privileged to chair a day-long hearing in Los Angeles on the unemployment situation in California. This hearing of the Senate Labor and Public Welfare Committee was one in a series of hearings the committee has scheduled in its effort to devote top priority to the problems of employment and manpower. Significantly, nearly every participant at that hearing testified to the urgent need for additional funds for public service employment.

Mr. President, in addition to confirming the need for additional public service jobs, most hearing participants also stressed the need for an on-going public service employment program. I am totally in agreement with this view, and I have long advocated a continuing public service employment program. In this respect, my views differ substantially from those expressed by the Senate committee in its report on this measure. Rather than going into detail at this point, Mr. President, I ask unanimous consent that my opening remarks from the April 2, 1975, hearing—which discuss my views with respect to the merits of short-term versus long-term approaches to public service employment—be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Opening Statement of Senator Alan Cranston, Acting Chairman, Committee on Labor and Public Welfare, Open Hearing on Jobs and Unemployment in California, April 2, 1975

A little more than a year ago, in a hearing in this very room, we focused on what was then called the "energy crisis" and its effect on job lay-offs.

Today, the energy crisis—although still a serious problem—is not the banner headline. The unemployment crisis is.

Massive nationwide unemployment has picked up where energy-related job cutbacks left off. That seven and one half million Americans are officially counted as jobless is the most serious indicator of the grave state of our economy.

This country is now experiencing what is fast becoming the longest and deepest economic decline since the Great Depression of the 1930's.

Senate Labor and Public Welfare Committee Chairman Harrison A. Williams, Jr. has asked me to chair this hearing today on aspects of the current unemployment situation in California. Under Senator Williams' very able leadership, the Committee is devoting top priority to the problems of employment and manpower. The Committee has already held four days of field hearings in two states and plans more in the weeks ahead. We have come to California where unemployment problems exceed in scale those anywhere else in the country.

In part, today's hearing will follow up last year's hearing on unemployment and the energy crisis. As I said, the energy problem is still very much with us, and we hope to determine how it continues to affect California.

Last year, the rate of unemployment in California was 7.3 percent, and some 700,000 people were unemployed here.

Today, the California unemployment rate is more than two percentage points higher—9.4 percent—and the number of persons out of work is pushing the one million mark.

Here in Los Angeles, nearly one out of every ten persons in the labor force was unable to find work last month.

Last February, unemployment—with the exception of construction—was concentrated in industries dependent upon large quantities of cheap energy.

Today, that's no longer the case. Lay-offs and declines in the growth of new jobs have hit virtually all sectors of the economy.

Just this week we learned that in the past year—in a variety of occupations throughout the state—the number of people drawing unemployment benefits in California has soared more than 100 percent!

Nationwide, the total leaped 127 percent since last year and the unemployment rate, which was 5.2 percent last year rose to 8.2 percent last month.

The number of long-term unemployed—persons unemployed 15 weeks or more—increased by nearly 300,000 to 1.8 million in February. Of this number, 700,000—almost 40 percent—had been unemployed 27 weeks or more.

Over half the national total of persons seeking work—the definition of "unemployed person"—are workers who have recently lost jobs. These are workers who last year were bringing home an income, but who today have no income and subsist on unemployment insurance. There are 3.9 million unemployed persons in this category—52 percent of the jobless total. This, and persistent long-term unemployment are the hardest evidence we have of a deep recession.

Equally disturbing is the fact that more than one third of all those unemployed are household heads or primary family supporters. The number of jobless primary breadwinners has nearly doubled since last February.

I know it's difficult to imagine just what these vast unemployment numbers mean. But the Nation's unemployed almost equal in number the total California labor force. Or, if one could imagine the entire labor force of Indiana, Wisconsin, Missouri, and Minnesota being unemployed at the same time, then one could begin to appreciate the gravity of our national plight and the immensity of individual personal tragedies involved in the seven and one half million, 8.2 percent statistics.

The Department of Labor says that above the seven and one half million without jobs, close to another four million persons, nationwide, are working in part-time jobs because they cannot find fulltime work.

As if this news wasn't bad enough, the Department of Labor presented us with additional bad news last month. Although the rate of unemployment remained constant at 8.2 percent, total employment actually dropped very sharply—by 580,000 over January.

Since September, 1974, employment has dropped by 2.4 million, the largest 5-month decline in the post-World War II period.

Even Administration economists will not offer a ray of hope to brighten this gloom. They predict the downward cycle of our economy will not begin to let up until late this year at the earliest, and they allow that unemployment may reach 9 percent by summer.

AFL–CIO President George Meany, who has a better track record, says unemployment will be 10 percent.

And these figures do not even deal with what some economists call the "true level" of unemployment.

This includes officially recorded full-time unemployment, the full-time equivalent of part-time unemployment, and the concealed unemployment in the form of those able and willing to work who are not participating in the civilian labor force, and therefore, not counted as unemployed.

In the last quarter of 1974, there were 845,000 so-called "discouraged workers", persons who did not even look for a job because they thought they wouldn't find one. In February, alone, more than half a million people joined their ranks.

Thus, the true level of unemployment is probably over 10 percent right now. And this does not even include the 6.2 million Americans working for substandard wages, and the total of 23 million persons who live on annual earnings below the poverty level!

If we add these millions together, we are struck by the magnitude of our problem. Nearly 19 million of the 91.5 persons—fully one of every five workers—in our labor force need *decent* jobs!!

I don't think we can underestimate the gravity of this situation—either statistically or in terms of individual human tragedies and devastated families. People are angry and they are frightened. The fullness of their lives is declining, and, in many cases, their hopes and dreams have been dashed. Even those lucky enough to have jobs are truly fearful of losing them.

The question remains—what is to be done?

I think we would all agree that jobs are an integral part of purposeful economic development—and decent jobs are an integral part of human development. Clearly, the Federal government's most urgent responsibility during this recession is to try to provide jobs, to put people to work doing things that need to be done.

The $23 billion tax cut provided by the Tax Reduction Act, although a crucial step in our efforts to turn around the economy, will not, by itself, do the job. We must take additional action *now* to make sure that we receive the maximum stimulus of the tax cut. We must provide funds for an additional one million public service jobs. We must continue efforts to aid the housing and construction industry and to ease long-term interest rates. And, we must plan to extend unemployment compensation benefits again.

The actions we have taken and must take in the next few weeks involve some risks. But I think we all would agree that sitting back and doing nothing would accelerate the downward plunge of the economy.

Let me briefly describe some beginnings already under way in the Congress.

First, and most obviously, we must create new jobs. This can be done in a variety of ways.

One way is to appropriate more money for existing job development programs. In recent weeks, I wrote to and appeared before the Senate Appropriations Subcommittee on Labor-H.E.W. to urge immediate appropriation of the remaining $1.625 billion of the $2.5 billion authorized last December for emergency public service jobs this fiscal year.

With the appropriation of this new money, hopefully this month, California will have received a total of about $385 million under the program—enough to finance more than 51,000 jobs.

I further have worked to ensure adequate funding for a number of other job programs including summer youth jobs, jobs for older workers, WIN, college work/study, the National Summer Youth Sports Program, as well as $375 million for accelerated public works and backlogged Federal construction programs.

Funds for these programs would be provided by a special Emergency Employment appropriation, which has already passed the House and is awaiting Senate approval. I am confident that a total appropriations package of more than the House-passed 5.9 billion will be approved by the Senate soon after we return from the Easter recess.

As important as I believe these funding approaches are, however, creating nearly one million jobs still barely touches the tip of the iceberg.

I . . .

So I would propose that *secondly,* and most importantly, we can and must consider other ways to remedy the immediate crisis such as those I mentioned earlier—as well as to remedy the ongoing, serious level of unemployment that the Administration seems to find quite acceptable.

I am convinced that we must re-think our concepts of acceptable levels of unemployment and our views about what groups are acceptably unemployed or underemployed.

A recent study prepared by Leon H. Keyserling, former Chairman of the President's Council of Economic Advisors provides some very interesting and very useful information.

This study stresses that contrary to the Administration's figure of four percent for full employment, a considerably lower level of unemployment, moving toward zero, should be the target of national efforts, both public and private.

As the Keyserling study so accurately reveals:

> "For fear of creating even more unemployment and an even deeper decline in production, neither enough nor entirely the right things are being done to reduce inflation. And for fear of causing even more inflation or prolonging the horrendous rate of the current inflation, not nearly enough nor entirely the right things are being done to reduce unemployment and increase production. We are getting the worst of the bargain on all scores."

As a partial response the study recommends a permanent public service employment program of one million jobs.

I couldn't agree more with the findings and proposed solutions of this study. In March, 1973, I advanced just this approach in introducing the "Public Service Employment Act of 1973". A number of its features were incorporated into the title II, C.E.T.A. public service employment provisions. Shortly after I return to Washington next week, I will reintroduce this legislation in revised form, to create 1.15 million new public service jobs in a long-range program to help stop the immediate spiral of recession and joblessness and insure against future, continuing high unemployment.

Short range programs are clearly not adequate to meet the ongoing need for job development. The legislation I am proposing will enable states, cities, counties, and school districts to hire and train many more of the men, women and young people who desperately need and want employment.

More than that, it would create a long-term competence at the local government level to establish and manage job training and creation programs keyed to local needs for education, law enforcement, pollution control, and other necessary services.

The number of jobs provided by recent legislation, and the legislation I intend to propose, would hardly be an overreaction to the great need for jobs. On the contrary, a continuing program of public service jobs would do much to prevent the continuation of these destructively high levels of wasted human resources.

Today, I hope to learn from your experience, your expertise, and your insights, so that I can help design new legislation to meet the very real needs of the people, the communities, the workers, the businesses, and the governmental bodies you represent.

Among the questions we will be probing are: How the need for alternative forms of energy and transportation can be coordinated with the need to create more jobs, and put large numbers of people back to work.

Which industries and occupations have been and will continue to be hardest hit by job lay-offs?

Are current public and private sector responses sufficient to deal with the severe rate of unemployment?

Do we need to develop wholly new mechanisms in order to respond better to the problems raised by recession unemployment rates?

Is the 13-week emergency increase—in the tax bill—in the number of weeks of unemployment compensation enough?

How will jobs be affected by the President's proposed budget and impoundments?

I will value your suggestions, and I am hopeful that, together, we can come up with answers.

SUMMER YOUTH JOBS PROGRAM

Mr. CRANSTON. Mr. President, I am encouraged that the Senate conferees succeeded in obtaining a $44 million increase over the House recommendation for the summer youth employment program. Although I regret that the Senate recommendation of $502,300,000 was cut at all, the $456 million provided by the conference report will do much to improve the opportunities for our Nation's youth this summer. Approximately 840,000 jobs will be available, a 10-percent increase over last year's level. By and large, I believe this recommendation is a sound response to the bipartisan recommendations submitted by 18 Senators, led by Senator JAVITS, in which I joined.

JOB OPPORTUNITIES PROGRAM

Mr. President, I also congratulate the Senate committee on its recommendation and strong language with respect to the job opportunities program. The committee's recommendation of $375,000,000 for this program, retained in the conference report, together with the $125,000,000 previously appropriated, will provide $500,000,000 for the program—the full authorization included in title X as added to the Public Works and Economic Development Act by title III of Public Law 93–567.

This program was designed to stimulate, maintain, or expand job-creating activities in areas of the country, both urban and rural, which are suffering from unusually high levels of unemployment. The conferees have acted wisely in recognizing the potential of this program for putting people back to work in useful productive employment, and, importantly, in understanding the need for both public service jobs and the job opportunities program, at this time.

Also in the conference report $81,625,000 to fund regular EDA programs that will lead directly to increased employment opportunities in impacted areas.

COMMUNITY SERVICES EMPLOYMENT FOR OLDER AMERICANS

Mr. President, I am in complete agreement with the conferee's recommendation for $30,000,000 to expand the program authorized by title IX of the Older Americans Act, which was initially funded in fiscal year 1974. Although I regret that this item was reduced by $6,000,000 in conference—the Senate had originally recommended $36,000,000—I am pleased that this much was retained in the conference report.

Title IX is designed to provide community service jobs for low-income Americans 55 years of age and older in the fields of education, social services, recreation services, conservation, environmental restoration, economic development, and the like.

Senior citizens, I believe, are particularly qualified to perform public service jobs. The talents and skills they have acquired from years of prior work experience represent an especially valuable resource we can ill afford to waste. Further, jobs provide the purchasing power needed for senior citizens to live independent lives—a difficult achievement in these times of deepening recession and inflation—as well as promote the sense of self-esteem and dignity that is so essential to good health and well-being.

COLLEGE WORK STUDY

Since its inception, the work-study program—wherein students combine part-time, federally subsidized employment with postsecondary education, has made education beyond high school a reality for thousands of Americans. The program is especially effective when students obtain employment that relates directly to career goals. The conference report and the Senate have approved $119,800,000 in work-study grants, to serve some 250,000 students in this academic year, during the summer, and in academic year 1975–76. Few actions contained in the Conference report offer such potential for meaningful work-education experiences.

INDIAN PROGRAMS

The conference report also includes $15,396,000 for operational and construction moneys for the Bureau of Indian Affairs. This is a modest increase in view of the enormous employment rates of native Americans both on and off Federal reservations. I believe that the Senate should seriously consider a sharp raise in appropriations for Indian employment-related programs when the next opportunity arises.

ARTS AND HUMANITIES

The conference report also provides a modest appropriation of $3 million for employment opportunities in cultural projects supported by the National Endowment for the Arts.

This appropriation is an important recognition that our current economic pressures affect our cultural institutions severely, and that they also, therefore, must receive our careful attention.

VETERANS' ADMINISTRATION

The conference report includes $70,755,000 for the costs of improvements in Veterans' Administration facilities. It is estimated that the initiation of these projects within the next 18 months will generate jobs for 4,642 unemployed individuals.

HOSPITAL PROJECTS

This funding will support $60 million worth of projects to maintain and repair VA hospitals and clinics. A portion of these projects will be allocated to repairs which will conserve the use of energy—such as insulation of heating lines, repair of windows and doors, roof repair, replacement of outmoded plumbing and heating systems, installation of energy monitoring systems, and installation of heating and cooling control systems.

In addition, Mr. President, this funding will provide the means to correct certain safety and patient comfort deficiencies cited in various JCAH—Joint Commission on Accreditation of Hospitals—reviews of VA hospitals, such as upgrading of patient shower and toilet areas to provide more privacy, and replacement of floor tiles, ceiling systems, and electrical power systems in patient areas. This appropriation will also enable the VA to upgrade certain of its animal research facilities to meet American Association Laboratory Animal Care requirements.

Five million dollars of the amount appropriated will be devoted to the demolition of vacated and unsafe buildings—some of them not meeting seismic safety standards—and the landscaping which will be required as a result of this demolition.

These hospital-related projects will create 4,050 jobs for primarily skilled craftsmen, such as plumbers, steamfitters, carpenters, electricians, and laborers.

In choosing the projects, the VA has made a firm commitment to place a priority on those areas of the Nation where unemployment is the highest.

For California, where the unemployment is 10 percent, among the highest in the Nation, the VA plans to devote $5,132,406 of this amount to the 10 VA facilities in that State.

As chairman of the Subcommittee on Health and Hospitals of the Committee on Veterans' Affairs, I am delighted with this appropriation, and was successful during deliberations of the Senate Budget Committee and the conference committee in obtaining an allowance for these funds within the function 700, veterans benefits and services, target ceiling in Concurrent Resolution 218, the first concurrent resolution on the budget.

CEMETERY PROJECTS

Mr. President, in addition to repairs and maintenance projects for medical facilities, the conference report includes $5,755,000 for maintenance of national veterans cemeteries. The major portion of this funding will be used to support maintenance projects at 82 of the 103 national cemeteries. These projects will provide 552 temporary jobs for unskilled employees.

Five hundred and fifty thousand dollars of this amount will support four construction projects in national cemeteries which will provide jobs for both skilled and nonskilled employees. These projects will be at Fort Logan National Cemetery, Colo.; Long Island National Cemetery, N.Y.—two projects—and Grafton National Cemetery, W. Va.

CONCLUSION

Mr. President, once again, I congratulate the conferees for their efforts in reaching agreement on this measure. The approach of this conference report represents much careful thought as to the manner in which we can best begin to remedy the millions of human tragedies brought on by our economic crisis.

NEGOTIATIONS REGARDING A WORLD FOOD RESERVE

Mr. **HUMPHREY**. Mr. President, I wish to call attention to a recent speech by Assistant Secretary of State Thomas Enders to the newspaper farm editors, regarding negotiations to establish an international food reserve. His statement was included in the May 6 issue of Milling and Baking News.

These efforts grow out of the World Food Conference and the willingness indicated by President Ford "to join in a worldwide effort to negotiate, establish, and maintain such a system."

Since the World Food Conference, negotiations have been proceeding under the auspices of the International Wheat Council. There has been a great deal of discussion and controversy over the position of Secretary Butz regarding the establishment of an international reserve system.

In his statement to the farm editors, Mr. Enders outlines some of the subjects which should be dealt with in regard to such a system—including exchanging information on stocks and crop prospects; agreement on the size of global reserves; guidelines on managing national reserves; and sharing the responsibility for holding reserves.

Many observers have pointed out that the United States should take the lead in this effort because of its obvious interest in an effective working system. The article indicates:

> We have paid a high price domestically and internationally for not having an international stocks agreement. That price has been to assume too large a share of the burden of adjusting to swings in demand and supply of grains. Through much of the 1960s, it was primarily the U.S., as the relatively efficient grain producer, than was forced to set aside acreage in response to the agricultural policies adopted by others. In the 1970s, we have seen foreign buyers drain our stocks under exceptionally favorable terms, setting off wide swings in prices. We have been forced to adopt a system of quasi-export allocations to preserve supplies for our traditional markets and to respond to international appeals for consideration for food deficit areas on the verge of famine. Last year it has been our livestock sector, and not other consumers abroad, that has borne the brunt of adjustments in consumption resulting from the production shortfall.

Unfortunately, much of the domestic discussion over food reserves has centered on the cost of holding reserve stocks. There also should be discussion on the costs of not holding a reserve, as this article attempts to do.

Mr. President, I ask unanimous consent that this informative article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FAVORING WHEAT IN WORLD GRAIN RESERVE—STATE DEPARTMENT OFFICER DISCLOSES U.S. INCLINED TOWARD 30-40 MILLION-TONNE STOCKS; DECISIONS IN NEXT TWO MONTHS

WASHINGTON, May 5.—The U.S. government, in its commitments to help develop an international system of nationally-held grain reserve stocks, is "increasingly inclined" toward creation of a 30 to 40-million tonne reserve "consisting primarily" of wheat, rice and other food grains, according to Thomas C. Enders, assistant secretary of state.

Mr. Enders, in an address to the Newspaper Farm Editors of America conference in Washington, disclosed that "we in government have a generally agreed outline of the type of agreement we are seeking" and that the necessary decisions "must in all probability be made in the next two months."

"As a benchmark," Mr. Enders said, "we have assumed that reserves should be adequate to meet shortfalls likely to occur in 19 out of 20 years, or 95% of maximum shortfalls in a single year. Taking into account the likely production variabilities of all grains, our statistical studies indicate that a reserve of up to 60 million tonnes might be required. When only wheat and rice are considered, however, we find ourselves at the 30 to 35 million tonne range, and with wheat alone, it could be less. In general, therefore, we are thinking now in terms of a 30- to 40-million-tonne reserve."

Text of Mr. Enders' address to the farm editor follows:

Not only does American agriculture, with its unparalleled record of increasing productivity, play an increasingly important role in the conduct of our foreign relations, it is also clear, as the events of the past few years show, that decisions by foreign governments deeply affect American farmers, both in the cost of inputs, such as fuel and fertilizer, and the prices they receive for their products.

What I would like to speak about today is the development of an international system of nationally-held grain reserve stocks. I would like to tell you what our thinking is in the government. Then I hope you will tell me what you think, and what you believe American farmers are thinking.

In a speech to the United Nations General Assembly last fall, President Ford expressed U.S. willingness to join in a worldwide effort to negotiate, establish, and maintain such a system. Then at the World Food Conference in Rome in November, Secretary Kissinger proposed the negotiation of an agreement on an international reserves system to provide security against food emergencies, to include the following elements:

Exchange of information on levels of reserve and working stocks, on crop prospects and on intentions regarding imports or exports.

Agreement on the size of global reserves required to protect against famine and price fluctuations.

Sharing of the responsibility for holding reserves.

Guidelines on the management of national reserves, defining the conditions for adding to reserves and for releasing from them.

Preference for cooperating countries in the distribution of reserves.

Procedures for adjustment of targets and settlement of disputes and measures for dealing with non-compliance.

SESSIONS TO CLARIFY VIEWS

Since then, discussions have taken place in London, in Geneva and Brussels to clarify the views of the major producing and trading countries on this question. Work has also begun, under the auspices of the International Wheat Council, on some of the technical aspects of a possible reserves agreement. While the actual negotiation of such an agreement has yet to begin, many of the elements which will be included in these negotiations are already known.

Let me review the developments which led to U.S. interest in a reserves system and some of the benefits we see developing from it.

Up to a few years ago, the world had come to depend on a few exporting countries, primarily the United States, to hold large supplies of grain which in effect served as world reserves. Since 1972, however, serious production shortfalls in some areas and continued high levels of grain consumption combined to eliminate these surplus stocks. In the process, prices went to unprecedented levels.

The U.S. is unwilling to return to that situation of a few years ago in which one or a very few countries bear the burden of holding reserves for the rest of the world. At the same time, we are acutely aware of the need for adequate contingency stocks of grain to offset exceptional shortfalls in world food production, and thus prevent enforced cutbacks in consumption.

"HAVE PAID HIGH PRICE"

We have paid a high price domestically and internationally for not having an international stocks agreement. That price has been to assume too large a share of the burden of adjusting to swings in demand and supply of grains. Through much of the 1960s, it was primarily the U.S., as the relatively efficient grain producer, that was forced to set aside acreage in response to the agricultural policies adopted by others. In the 1970s, we have seen foreign buyers drain our stocks under exceptionally favorable terms, setting off wide swings in prices. We have been forced to adopt a system of quasi-export allocations to preserve supplies for our traditional markets and to respond to international appeals for consideration for food deficit areas on the verge of famine. Last year it has been our livestock sector, and not other consumers abroad, that has borne the brunt of adjustments in consumption resulting from the production shortfall.

These adjustment problems, we believe, would have been mitigated or relieved had there been in operation an international agreement under which all participants would share in the build-up, holding and drawing of reserves on the basis of agreed rules.

It is natural that it should fall to the U.S. to take the initative in proposing a grain reserves agreement. Our role in the world food economy is predominant. Since 1972, the United States has provided about 40% of world exports of foodgrains and about 60% of feedgrains and oilseeds.

FARM AND FOREIGN POLICY

Having assumed this leadership role, we believe it essential to exercise it responsibly, both in support of our own interests and those of others. This does not mean subordinating our farm policy to our foreign policy. It means using it constructively in our dealings with other countries.

A reserves agreement, we believe, offers an opportunity to do just this. We share a general interest in preventing food shortages and famine anywhere in the world. The establishment of adequate grain reserves can play a specialized but very important role in this regard, by ensuring that supplies of grain do in fact exist to offset year-to-year fluctuations in world food production. Other programs apart from reserves are being developed to assist countries to increase the general level of their production to improve the means of food distribution and financing, and to provide food aid where needed. These are not, however, the purpose of reserves.

A reserves agreement must serve our own interests.

First, it must spread the responsibility for holding stocks among all participants, so that the economic burden of creating and maintaining stocks does not fall disproportionately on anyone.

Second, rules providing for the accumulation of stocks must help to remove excess supplies from the market in those years when production exceeds normal requirements, thereby preventing uneconomic price drops.

Third, rules for the drawdown of reserves must reduce the threat of stocks being dumped on the market without adequate justification. This is a point of particular interest to U.S. producers, who have been concerned that the existence in the past of large government-held stocks subject to capricious release has depressed market prices. Whatever its validity in the past, this objection can be substantially overcome by making the release of reserves subject to internationally as well as nationally accepted rules which would clearly define the conditions which require additional supplies of grain. Taken together, these rules for the accumulation and release of stocks would work to moderate extreme fluctuations in prices, which in general benefit neither producers nor consumers, but need not interfere with normal market operations.

Fourth, by encouraging all major consumers to hold reserves, the agreement would work to avoid situations like 1972, when the U.S.S.R. preempted a major share of our grain crop at bargain prices thereby shifting the burden of adjustment to their shortfall from the Soviet Union to us.

Finally, the establishment of a system of reserves subject to known rules regarding their release would represent an important assurance to importers of the reliability of the U.S. as a supplier of the grains they need and would reduce the threat of the abrupt imposition of export controls on these producers.

These are the benefits which we believe an effective reserves system could offer to U.S. producers and consumers. Others may not fully agree, but major differences seem to concern not the benefits themselves but instead how these promises would be most effectively fulfilled, and at what cost.

"GENERALLY AGREED" ON ELEMENTS

This brings me back to the specifics of what would be included in an agreement. At this point, we in government have a generally agreed outline of the type of an agreement we are seeking. The elements it should include are:

Commodity coverage.

Size of total reserve.

Distribution of the responsibility, or burden if you prefer, for holding reserves.

Guidelines or rules for the accumulation and release of reserves.

Rights and obligations of participants.

The first two points are closely linked. Four basic options exist with regard to commodity coverage; an agreement could include wheat, wheat and rice, wheat, rice and coarse grains used for food, or all grains. Wheat is clearly essential to any food reserve. While world production of rice is about the same as that of wheat, a much smaller share enters world trade. On the other hand, rice is a basic food in many of the areas where shortages are likely to occur, and we are likely to get cooperation of these countries in holding reserves only if they may include rice. The same arguments hold for coarse grains used for food. Finally, a case can be made for the inclusion of feedgrains because of their substitutability with wheat in world markets.

We are increasingly inclined toward a reserve consisting primarily of wheat, with provisions to include rice and other grains used for food where appropriate. Related to this is the question of the size of the total reserve. As a benchmark, we have assumed that reserves should be adequate to meet shortfalls likely to occur in 19 out of 20 years, or 95% of maximum shortfalls in a single year. Taking into account the likely production variabilities of all grains, our statistical studies indicate that a reserve of up to 60 million tonnes might be required. When only wheat and rice are considered, however, we find ourselves at the 30 to 35 million tonne range, and with wheat alone, it could be less. In general, therefore we are thinking now in terms of a 30 to 40 million tonne reserve.

To provide a rough comparison, U.S. wheat stocks at their peak, that is in 1961, amounted to about 38 million tonnes. I should make clear, however, that we are defining reserves as supplies in excess of normal working stocks, which are generally considered to be around 10% of a country's production or consumption, whichever is greater.

CRITERIA ON HOLDING STOCKS

Next is the question of who is to hold the stocks. This has both an international and a domestic aspect. The U.S. would like to see the rest of the world share in holding the necessary stocks. We have looked at some possible criteria, such as the level of G.N.P., variability of grain production, and the share of world trade, which could serve as a guide to the distribution of shares.

The agreement probably would not attempt to define how each country would hold its own stocks. Within the U.S., the Secretary of Agriculture now has sufficient authority to build, hold and draw down stocks. He has the possibility of doing so through inducements to farmers and traders or through government ownership. Which course would be followed would depend upon a calculation of financial and political costs at the time.

QUESTION ON PARTICIPANT COMMITMENT

The last two elements, the guidelines or rules for the management of reserves and the rights and obligations of participants, together raise the question which is basic to such an agreement—to what degree will it commit its participants?

The choice is one between an agreement which sets goals with specific actions to be decided through consultation and carried out by consensus, or one which establishes binding commitments, based on a balance between the clearly defined rights and obligations of its participants.

Each of these would have its advantages and disadvantages. The first, relying on the best efforts of its participants to build up, hold and release reserve stocks, would provide greater flexibility, but is likely to be less certain and effective in its operation. An agreement based on binding commitments would offer the benefits of more predictable responses to a given situation and thus greater security, which is particularly important to importing countries, but it could also prove to be too rigid.

The question of rights and obligations becomes more important as commitments under the agreement are strengthened. The basic obligations under any agreement are clear; all participants would accumulate and hold reserves, and under specific conditions, release these reserves. Exporters would be the first to benefit, since in periods of relative oversupply other participants would help absorb surpluses to build up their reserves. Importers would take part primarily in expectation of receiving corresponding benefits in periods of shortage, as the reserves held by exporters are then released. This raises the further question, however, of whether those importers which previously complied with their obligations under the agreement should be given some form of priority access to these reserves as they are released. While this would imply the use by exporters of some means of allocating these supplies, such provisions may well be required to ensure the participation of importing countries in any agreement, and to avoid free-riding

The issues involved are complex, and there still exists serious differences of opinion here and abroad regarding them. But the necessary decisions are now approaching and must in all probability be made in the next two months.

Let me sum up with a description of major provisions we believe should be included in a grain reserves agreement:

All participants would set aside agreed quantities of grain in addition to normal working stocks.

There would be a specified global target level for these reserve stocks; the agreement would not foster unlimited accumulation of surpluses.

These reserves would be released only under specified conditions, conditions which will have been previously agreed to constitute a serious shortage, and this release would take place under agreed guidelines or rules in order to minimize adverse effects on world markets.

The agreement would otherwise attempt to avoid or minimize interference with normal market operations.

I have attempted to explain the reasoning behind the U.S. proposal for a reserves agreement, describe some of the issues involved and indicate what we would expect such an agreement to do.

OUR WESTERN HEMISPHERE FRIENDS

Mr. BAYH. Mr. President, when the Senate Finance Committee considered the Trade Reform Act of 1974, it inserted

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a section which restricted the extension of zero-tariff preferences under title V of the act to any member of the Organization of Petroleum Exporting Countries that withholds supplies of vital commodities and raises the price to an unreasonable level so as to cause serious disruption of the world economy. This provision was sustained in conference and now comprises section 502 (a) and (b) of the act.

I share with my colleagues a deep concern over rewarding those nations which participated in the oil embargo against the United States and the Netherlands in 1974. While I continue to feel that we cannot reward those nations which have participated in economic embargos against this country, I regret that in this instance the blanket restriction has inadvertantly punished many of our OPEC friends—Venezuela, Ecuador, Iran, Nigeria and Indonesia—that did not participate in the oil embargo of 1974. Not only did these nations not participate in the oil embargo, Venezuela substantially increased production and supplies of oil to the United States during that time.

Unfortunately, the failure of the Congress to take immediate action to rectify this injustice has led many Latin American countries to question the true intent of the United States regarding our southern neighbors. This past week in Washington, the Conference of Latin American Ministers made the OPEC restriction a major part of their agenda.

Since trade legislation and modifications thereto must originate in the House of Representatives, those of us in the Senate who are concerned with amending the OPEC restriction are forced to wait for House action. However, there has been legislation introduced in the Senate and I am pleased to be a cosponsor of S. 394, a bill introduced by Senator BENTSEN, which would redress the injustices done through the blanket OPEC restriction.

I hope that the House of Representatives will move expeditiously on amending the trade bill so that we can begin to reestablish our deteriorating relations with our Latin American neighbors and friends. At a time when our relations in Southeast Asia and the Middle East are strained at best, we must make every effort to support our neighbors and friends here in this hemisphere.

SOCIAL SECURITY

Mr. KENNEDY. Mr. President, Robert M. Ball served as Commissioner of the Social Security Administration for nearly 11 years after working within the Administration since 1939.

His views on the present status of the Administration and on its future represent the thoughtful insight of a thoroughly knowledgeable expert in the fiield.

I urge my colleagues to examine the interview of Robert Ball in the Washington Star because I believe it provides an excellent summary of the problems and potentials facing the Social Security Administration.

I ask unanimous consent that the interview be printed in the RECORD.

There being no objection, the interview was ordered to be printed in the RECORD, as follows:

Q AND A: BALL ON TAX FOR SOCIAL SECURITY AID

Robert M. Ball has been involved with the Social Security Administration since he went to work in 1939 as a petty official in the Newark district office. He served as commissioner of the system from 1962 to 1973, and is now scholar-in-residence at the Institute of Medicine of the National Academy of Sciences. Ball was interviewed by Washington Star Staff Writer Ned Scharff.

QUESTION. *Many observers of the Social Security system are saying that it's in trouble financially. Do you think Social Security can continue to function as it does now?*

BALL. Well, the system does need more financing. I think the best way to look at this is in two parts. There is a short-range financing problem which grows out of the present economic situation. And then in the next century there is the possibility of a problem in Social Security financing which grows out of an expected change in the age composition of the population. I have no doubt the promises of Social Security will be met by the U.S. Government, but, as I say, some additional financing will undoubtedly be needed.

Q. *Where do you think that should come from?*

A. Well, it would not be good economics to raise Social Scurity contributions, taxes or premiums, at this time, but obviously you can't let the deficits go on. It is very important that the income to the program be raised so that it is in excess of the benefit payments that have to be made just as soon as an economic turnaround. I would not do it until the economy is on the upbeat. But when that happens, I would propose that the maximum amount on which people pay and the maximum which is credited to their benefits be raised to $24,000 a year.

Q. *That is you would advocate an increase in the tax base rather than in the tax rate itself?*

A. The tax rate which falls on everybody under Social Security is now 5.85% and that is a fairly sizable rate if that applies to workers of all levels. If you increase the base it applies only to 15% of workers under the system who have the highest earnings. In other words, 85% of workers today have all their earnings counted toward those security benefits and they pay on those earnings. The 15% at the upper end do not.

Q. *Would you agree that it makes it a regressive tax that falls hardest on low income earners?*

A. I don't think really it's correct to look at Social Security finance primarily as a tax. It's the purchase of retirement insurance, disability insurance and of life insurance. People are paying for a protection and what they pay is marked for the purpose of Social Security. Nof if you look at it as a complete system, then it is not regressive because the benefit amounts that people get are weighted in favor of the lower wages. If you look at both of what you pay in and what you take out the lower paid wage earner has a break as compared to the high-paid wage earner.

Q. *But generally, a man or a woman retiring now on nothing other than Social Security benefits would find it pretty difficult to lead a decent life?*

A. No, I don't think so. I think the way to judge a retirement system like Social Security or Federal Civil Service or private pension is the relationship of the payment made to the recent earnings that the individual has been getting. And for people retiring today under Social Security, the worker who has been earning the federal minimum wage, he and his wife together if he retires at 65, would be getting benefits at about 80 percent of what he had been earning in the years just before retiring. The worker earning the amount that the average male worker would get, he and his wife together would be getting about two-thirds of what they had been earning just before retiring.

Q. *When the system was introduced in 1935, it was designed not only to provide a minimal income for the elderly but at the same time to get elderly people out of the job market to help clear the way for younger people. Is that fair or wise?*

A. I feel very strongly that there should be increased opportunities for older people to work. I think that it ought to be up to the individual whether 65 is the right age for him to stop paid employment and start something else, volunteer work and other activities or whether he wants to continue in a regular or part-time job. However, I do not believe that a retirement system should be paying people who aren't retired any more than a disability insurance system should be paying people who aren't disabled. And I think it would be a great mistake to turn the Social Security system into what the insurance people call an "annuity program," which just gives you the benefit because you reached age 65, say. Up till now the philosophy has been that it's retirement insurance designed to partly make up for the income you lose when you retire. So you need some sort of a test of when a person is retired and the present provision in Social Security seems to me reasonably satisfactory.

Q. *But as far as retirement itself goes, do you think the government is proper in making this a basic humanitarian goal?*

A. I think at age 65 what I'd like to see is the opportunity for people to chose. I'm against forced retirement. I think the trend toward compulsory retirement in industry is undesirable, particularly if we take note of the problem of a high ratio of older people to 20 to 64-year-olds in the next century. The more older people who have the opportunity to work, the less economic burden therefore they would be. At the same time, I think if individuals are willing to accept a somewhat lower level of living as they do under well-designed retirement systems, then I think that's acceptable. I think what we want to do is enlarge choices.

Q. *The present Social Security Advisory Council suggests that part of the burden in the next few years be paid for out of the general treasury. How do you feel about that?*

A. I'm very much against the specific proposal made by the advisory council. What they suggested was that the Medicare program, the health insurance program providing hospitalization for older people and disabled people, be supported 100 percent out of general revenue, not be a contributory system at all. The reason I'm opposed to that is that I believe that if Medicare was supported entirely out of general revenues there would be a good possibility that in the future that an income test might be introduced. People might say, in effect, well if this is all being paid for from general revenues why should the protection be given to people who could take care of it on their own. You'd soon find I think that instead of an insurance program, like Medicare now is, you'd have turned it into a relief program. Now on the larger question of general revenues for the Social Security program as a whole I am not opposed to that if it's kept to a subordinate part of the financing for the long run. I see no need to introduce general revenues at this point. I'd be for raising the maximum earnings base to $24,000 which I think helps on the benefits side as well as on the financing, and that would carry the program for many many years into the future. If in the next century we find that the commitments of the present program still need additional financing at that

time, I would be personally in favor of the gradual introduction of some general revenue financing, both on the cash program and on the health insurance. Not putting it all one way or the other.

Q. *One of the most difficult questions about the future of the system is that as we become an aging society with fewer workers proportionate to the number of retirees in our society, the current level of benefits may well be impossible to keep up some years from now without severely damaging the economy. How do you feel about this?*

A. I don't agree with that at all. It seems to me that we are now into the question of the long range financing of Social Security and I think the problem your raising really applies to an estimated or projected situation that begins about 2010. Assuming an accumulation of low fertility rates, by about 2010 the people of working age, those between 20 and 65, in absolute numbers will come to a halt and the numbers of people above 65 greatly increases for a period, there between 2010 and 2030. Now that just taken in itself would create an additional economic burden on the people of working age, and this is to aside from Social Security. This would be true if you were to support an entire elderly population entirely out of private pension plans or if you were going to do it out of relief or assistance or if you were going to do it all from the wages of their children. That kind of a shift in the larger number of retired people vs. people of working age would apply to any matter. But the point I want to emphasize is that exactly the same in birth rate that has brought what we have just described also results in a lot fewer children and so that the people of working age, the 20–64 group, we have no more dependents to support in an economic sense than they do today. As a matter of fact, they have less. There are fewer combined dependents, that is those under 20 plus the group over 65 as a ratio to those of 20–64 than is true right now today.

Q. *So it would certainly be easier for them to prepare for retirement?*

A. Yes. Maybe the long-range problem could be described as: how do we translate the reduced burden of caring for and raising children on the willingness of people of working age to pay higher rates for retirement benefits.

THE STATE OF THE ECONOMY

Mr. CRANSTON. Mr. President, the primary goal of Government policy must be to get people back to work and to restore a healthy economy.

More than 9 million Americans are out of work and looking for jobs.

Others have become so discouraged they have stopped looking.

The gross national product continued to decline in the first quarter of 1975 at an all-time record rate, and consumer spending—which accounts for two-thirds of our GNP—is in the midst of its only decline since World War II. The construction, automotive, and textile industries are especially hard hit sectors of the economy. Although the double-digit inflation which plagued our economy in 1974 has abated somewhat in recent months, the incomes of many employees and retirees have not kept pace with price increases. Business investment also declined after mid-1974, dropping at an annual rate of 15 percent in only 6 months.

For most of 1975, administration policies focused on reducing Federal spending as a means of fighting inflation and ignored the oncoming recession. Meanwhile, the deficit soared—not because of any new and unnecessary spending programs, but rather because of deteriorating economic conditions. Diminished personal and corporate income greatly reduced tax receipts. At the same time, unemployment assistance and welfare payments to those hurt by the recession greatly increased. Each 1-percent increase in the unemployment rate over 4 percent—the so-called "full employment" level—reduces Federal revenues by approximately $16 billion. At the present unemployment rate of almost 9 percent, almost $80 billion is lost to the Treasury.

In my Senate service on the Banking, Labor and Public Welfare, and Budget Committees, I am givling my highest priority to adoption of policies to get industrial plants back into production and people back to work. In my opinion, recovery will not flow from any single policy or simple solution, but rather from a combination of fiscal and monetary policy decisions which gain the confidence of the American people.

In March, Chairman Arthur Burns of the Federal Reserve Board, testified before the Senate Budget Committee that—

> The most urgent need at the present time is to cushion the recession.

And Secretary of the Treasury William Simon told the committee that—

> . . . we must end the downward slide in the economy, putting millions of Americans back to work.

I concur wholeheartedly with this statement of their views and am working to make sure that the administration and the Federal Reserve Board implement these policies plus other programs enacted by Congress to speed recovery. At the same time, I believe we must pay careful attention to the long-range implications of our decisions to avoid spurring future inflation of prices or interest rates, thereby eating up our hard-won gains.

THE NEED FOR FISCAL STIMULUS

Tax relief: Almost all economists and representatives of labor and industry agree that tax relief is an essential ingredient of any program to stimulate the economy. In March, Congress passed and the President signed, legislation providing tax cuts and other benefits amounting to $22.8 billion. One of the most imporant features of the bill—which I strongly supported—is that it will put money quickly into the hands of the buying public. The rebate of between $100 and $200 for taxpayers is designed primarily for those with incomes below $20,000 per year—those hardest hit by rising prices and unemployment. The bill also provides a $50 payment to social security and welfare recipients and a cash payment to low-income people who owe no tax.

Incentives to industry: To stimulate business, two corporate tax reductions were included in the Tax Reduction Act. One is a temporary 2-year increase in the investment tax credit to 10 percent for all corporations. Previously, rates were set at 7 percent for most companies and 4 percent for utilities. The temporary nature of this tax reduction is intended to encourage business to accelerate its investment plans, or at least to avoid postponing them. Another provision of the bill reduced taxes on the first $50,000 of corporate earnings by increasing the corporate surtax exemption from $25,000 to $50,000 and by assessing a 20-percent rate on the first $25,000 and a 22-percent rate on the next $25,000. On corporate earnings above $50,000, the present combined tax rate of 48 percent still applies. I believe these provisions are essential if industry is to try to maintain existing jobs and be encouraged to create new ones.

Housing: By February 1975, the average annual housing starts had fallen below 1 million from 2.36 million in 1972. In the construction industry alone, approximately 18 percent of the workforce is currenty unemployed. To reduce the inventories of new housing and to speed an upturn in the housing industry, the Tax Reduction Act provided a 5-percent tax credit, up to $2,000, on the purchase of a new house which is a principal place of residence. The home must have been started by March 25, 1975; must be purchased between March 12 and December 31, 1975; and must not have been listed previously at a lower price. Recent real estate sales indicate this tax credit is already helping the home building industry.

In my opinion, however, a full recovery in housing will ultimately depend in great part on monetary policy and the extent to which restraints are eased so that builders and buyers can obtain financing at affordable rates. To facilitate such policy, I cosponsored legislation requiring the Federal Reserve Board to report to Congress the actions it is contemplating in the coming months to insure an adequate money supply.

Unemployment: Until the economy recovers, those for whom no jobs exist must receive adequate unemployment benefits. As the unemployment rate in the private sector continues to rise, public employment projects must be expanded. Over the years, I have worked hard to develop manpower and employment legislation to achieve a real full-employment economy. I was a principal architect of the 1971 Emergency Employment Act, the Comprehensive Employment and Training Act of 1973, and the Emergency Jobs and Unemployment Assistance Act of 1974, and worked hard to provide adequate funding for these programs. I pledge to continue my efforts in these areas.

Although the Congress and the administration now agree that public service employment is an important part of the antirecession program, at issue are the size, nature, and duration of the program. I am convinced that there is a great need for an expanded, ongoing public service employment program to help stop the immediate spiral of recession and joblessness and insure against future, continuing high unemployment. I am sponsoring legislation which would increase substantially the number of public service jobs.

CONTROL OF THE FEDERAL BUDGET: THE KEY TO ECONOMIC STABILITY

The President's budget primarily reflects the administration's view of the Federal Government's role in our economy and society and in world affairs. However, the Constitution gives the "power of the purse" to Congress. In recent years, Congress realized that its procedures were inadequate to give careful scrutiny to the President's proposals. Instead, Congress annually voted on 13 separate spending bills plus numerous "supplemental" requests, without examining their total impact.

An important step forward was the enactment in 1974 of the Congressional Budget and Impoundment Control Act. This major governmental reform measure enables Congress to exercise more fiscal responsibility in determining the way the Federal Government collects and spends taxpayers' money. While the new budget procedures will not be fully implemented until 1976, Congress decided to put as much of this process as possible in place this year. The newly created Budget Committees of each house heard testimony from numerous Federal agency heads, spokesmen for the private sector and top economists. By April 15 each presented an alternative Federal budget to the Congress.

It is apparent that the budget cannot be balanced this year. The recession-induced falloff in Federal revenues, plus extra expenditures necessary to compensate the unemployed, create the imbalance. Raising taxes or cutting Federal services would make the situation worse. The Secretary of the Treasury, the Chairman of the Council of Economic Advisers, the Director of the Office of Management and Budget, and other advisers to the President, all testified before the Senate Budget Committee that a deficit of $53 billion could not be avoided. The President himself later adjusted his projected deficit to $60 billion, and additional spending requests from the administration and continuing high unemployment suggest that even that target is optimistic at this time. In addition, our review of the President's budget turned up several instances where anticipated revenues had been overstated, or expenditures understated, making the President's deficit appear smaller than it really was. In the long run, Federal expenditures must be cut—and/or taxes increased—to bring the budget into balance when the economy is at full employment. Through my assignment to the Budget Committee, I will work to accomplish that goal, but it cannot be done during a year when production is at two-thirds of the Nation's capacity.

In my opinion, there are a number of areas where Federal spending can be reduced. This is particularly true of the administration's request for more than $100 billion for the Defense Establishment. Many of these expenditures support unnecessary overseas military enterprises, bolster dictatorial regimes whose goals and policies are contrary to American principles, and detract from our ability to take care of our own citizens. I believe these outlays can be reduced substantially without jeopardizing in the least our national security. I will continue my efforts to bring these and other Federal expenditures under control by scrutinizing each spending request, by insisting on greater efficiency in Government programs, and by urging the executive branch to take steps to eliminate waste in Government operations.

In the final analysis, however, I believe that full employment and increased productivity are the keys to restoring a balanced budget. Not only do they increase the gross national product and provide new revenues to the Treasury; they also reduce the need for Government spending on welfare programs, food stamps, and unemployment compensation.

TAX REVISION

Next year the Treasury will not collect approximately $90 billion in potential revenues because of various exemptions, deductions, and credits. Many of these tax provisions were enacted years ago, and their continuing usefulness is questionable. Many enable some Americans to escape paying their fair share of taxes.

While the new Congressional Budget Act requires Congress to review these provisions in coming years, we have already taken steps in that direction. The recent tax cut bill, for example, added some $2 billion to Federal revenues by eliminating the oil depletion allowance for major producers and by altering the foreign tax credit for oil companies. I am continuing to work to review tax expenditures to make sure that our tax system is equitable.

ENERGY

It is clear that we cannot resolve our economic ills until we solve the energy problem. In the short term, we must reduce substantially our consumption of energy and insure that existing supplies of gasoline and other fuels are fairly distributed.

Last January, the President proposed a program of tariffs and taxes on crude oil that was designed to cut consumption by 1 million barrels of oil a day. Congressional analyses of this Presidential program showed increased per family fuel costs as high as $345—a stiff increase for many families already feeling the sharp pinch of inflation and recession. Congress responded by passing a resolution calling upon the President to postpone the imposition of his tariffs for 90 days, so that Congress could begin to solve the very complex and difficult questions that must precede the implementation of a national energy program.

The House Ways and Means Committee is now progressing toward completion of action the Energy Conservation and Conversion Act of 1975. Many other committees in both the House and the Senate are deliberating other energy bills. In recognition of this progress, the President recently postponed for an additional 90 days the date for imposing a second dollar of tariff on crude oil.

I believe we must develop a comprehensive national energy policy to provide an orderly development of our domestic energy resources within the framework of an effective program of energy conservation. We must insure against the needless and premature exploitation of our offshore oil and gas resources, at least until we have a national energy policy which has weighed the cost and the benefits of many alternative sources of energy and established a rational priority for their development. A top priority should be the expenditure of the necessary funds for the research and development of new sources of energy, such as solar and geothermal, coal gasification processes, nuclear fusion, and other alternatives. In the 93d Congress, in the pursuit of these objectives, I sponsored legislation to authorize a 5-year demonstration program to develop practical solar heating and cooling systems, and I supported legislation for a 10-year energy research and development program. These are both now law.

FOOD

Unchecked world population growth, a fertilizer shortage, bad weather, and misguided policies of the administration have resulted in sharply rising food prices. In 1973 and 1974, food price increases contributed substantially to the total increase in the cost of living. They have had a devastating effect both on people living on fixed incomes and on low- and middle-income families.

In my opinion, the Government must monitor food exports to make sure that U.S. supplies are adequate and domestic food prices do not increase as a result of excessive exports. While insuring the farmer a fair return, we must increase production. The Government must also take responsibility for developing and managing food reserves.

The wild speculation that we witnessed in recent years in the commodity futures markets will hopefully be checked by the new Commodity Futures Trading Commission, now chaired by former California Assemblyman William T. Bagley and created by legislation Senator HUMPHREY and I cosponsored in the 93d Congress. I wholeheartedly support efforts by the Department of Justice to determine whether price fixing and other unfair and illegal competitive practices have occurred in the food processing and distributing industries.

PRODUCTIVITY

To encourage productivity and competition, I support efforts by the Congress and the administration to review all government regulatory activities, purchasing practices, and allocation and price support programs which may be disrupting the productivity of our economic system. I also support vigorous enforcement of antitrust laws and stiff penalties for offenders.

CONTROLS

Alternative proposals for controls on wages and prices are being discussed. I much prefer self-regulation if it can be made to work. During the Nixon administration's imposition of wage and price controls, we experienced a wave of shortages, suffered economic hardships, and observed serious dislocations in our economy. As a result, I concluded that controls neither helped curb inflation nor strengthened our economy.

The Senate Banking Committee, of which I am a member, recently held hearings on proposed legislation to strengthen the role of the Council on Wage and Price Stability. This bill would have given the Council extensive new powers—including the authority to postpone wage and price increases for a period of up to 60 days. At the conclusion of the hearing, however, the committee rejected this bill. Instead, it agreed to report legislation which would simply extend the life of the Council for 2 years and increase its authorization for appropriations. I supported the committee's decision to report the substitute legislation, because I can presently see no reason to repeat our unfortunate experience with selectively applied controls.

Revitalizing our economy and getting the people back to work will continue to have my highest priority. I am giving my most critical view to the wide range of proposals being discussed, and I am grateful to the thousands of Californians who have assisted me with their thoughts and comments.

PRESIDENT BOK'S REPORT ON BETTER EDUCATION OF PUBLIC SERVANTS

Mr. KENNEDY. Mr. President, in his recent annual president's report, Derek Bok, the president of Harvard University, discussed the need for more effective university programs to educate public servants.

President Bok is in the vanguard of those who are encouraging the Nation's universities to put greater emphasis upon public service training programs. Recognizing that the majority of our public servants have been trained as specialists in the past, he suggests that few are adequately qualified to handle the complexities of modern public administration. By denying it the identity of an independent profession, the American educational system has shortchanged public service. The solution President Bok advocates "is nothing less than the education of a new profession."

Mr. Bok's perceptive observations and conclusions deserve serious consideration. The Nation has an obligation to provide the best possible education for those who will serve in the public sector.

Mr. President, I believe that President Bok's thoughtful report will be of interest to all of us concerned about the quality of public service, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

EXCERPTS FROM THE PRESIDENT'S REPORT TO THE MEMBERS OF THE BOARD OF OVERSEERS OF HARVARD UNIVERSITY, JANUARY 13, 1975

Ladies and Gentlemen, I have the honor to present my annual report for 1973–74. I have come to regard this occasion as an opportunity to explore an important aspect of education at Harvard. In the wake of grave public scandals followed by severe recession and unemployment, opinion surveys reveal an alarming disaffection over the quality of government in this country. Under these circumstances, it is timely to consider what universities can contribute to improve the level of public service and, specifically, what Harvard can do to prepare students for public careers.

THE PROBLEMS OF PUBLIC SERVICE

The past decade has undermined public confidence in the capacity of government to cope with the nation's problems. In the early sixties, many Americans were inspired by the thought that bold federal programs could make massive strides toward the solution of poverty, urban decay, racial tensions, unemployment, the arms race, and other national issues. After ten years, and many billions of dollars, the problems are still unresolved, and the public has experienced a cruel and divisive war, the spectacle of corruption in the highest reaches of government, and the growth of inflation and depression unmatched since the Great Depression.

This dolorous record has produced the usual list of scapegoats. Populists blame big business; editorial writers deplore the lack of "leadership" in high places; public officials blame the media; and masses of ordinary people have simply turned their backs on politicians and government institutions. None of these diagnoses seems adequate to explain our predicament, and it will surely avail us nothing to ignore the political process. There are many reasons of a more substantial kind that help account for our frustrations. Although I will not attempt to describe them all, some of the factors involved are worth mentioning, because they suggest new ways by which our universities can contribute to the nation's ability to meet its problems more successfully.

To begin with, it is clear that the process of government has become much larger and more complex than it was several generations ago. Over the past few decades, a growing number of new values and new interests have required attention by the government. Under the pressures of the Great Depression, Congress intervened to protect a long list of interests asserted by the unemployed, the poor, the aged, the unorganized worker, the farmer, the investor and many more. In recent years, new interests have arisen, such as those pertaining to the environment, the needs of minority groups and women, the sick, and the urban dweller. These needs have resulted in the proliferation of new laws, new regulations, and new government agencies. They have also greatly enlarged the number of interests that public officials must take into account in designing new government programs.

These developments have made the task of government more difficult in several respects. *First*, it is much harder to develop programs that can respond to the legitimate needs of one group without impinging on other interests that the government considers important; this is particularly true in an age when social science has so enlarged our ability to perceive the subtler ramifications of government intervention. *Second*, as the government grows larger, its officials can more easily lose sight of what happens to the human beings whose lives are affected by public programs; as the bureaucracy becomes more specialized, it is more difficult for any single official to feel personally responsible for any harm that may befall individual citizens. *Third*, it is now a much more complicated task to coordinate the activities of many different agencies to achieve a coherent effort to resolve public problems in a manner consistent with the intentions of elected officials. This problem has been aggravated by the tendency of the federal government to rely on state and local governments and on a mixture of private and quasi-public institutions to help effectuate public programs. With government becoming so large and complex, it is more difficult to administer individual agencies in an efficient manner.

These problems are most pronounced in the federal government because of its overwhelming size and range of responsibilities. But the same difficulties have arisen in state and local government and in large nonprofit institutions as well. For example, the size and complexity of school systems have brought home the need for much more sophisticated planning and administration. Much the same has occurred in the field of health with the development of larger systems for delivering medical care.

These complications have already produced significant changes in staffing within the government and nonprofit sector. Public agencies and nonprofit institutions have begun to accumulate substantial numbers of systems analysts, statisticians, economists, and personnel experts. But glaring inadequacies remain in the nature and qualifications of public servants, and these shortcomings hamper the ability of public institutions to meet their new responsibilities in a satisfactory way.

The federal career service has for several decades been heavily staffed by specialists: lawyers in the Justice Department, physicians in the Public Health Service, engineers in the Department of Transportation, economists and manpower specialists in the Labor Department, and so forth. Although the resulting levels of education are high, two critical ingredients are missing. To begin with, there are comparatively few civil servants with the general skills required to take the work of many specialists and transform it into coherent plans and programs to deal with major public problems. In addition, only a minority of civil servants have acquired any serious training in administering complex organizations.

The principal method for correcting these deficiencies has been to call upon the services of political appointees for key government positions. Lawyers and businessmen have been the typical candidates to play these roles, and many of them have been able persons with impressive experience in the private sector. Yet they have often proved inadequate to meet all of the demands of modern government.

Lawyers generally lack experience in administration, and this defect becomes increasingly critical as government agencies grow in size and complexity. Moreover, the attorney's stock in trade is a highly disciplined common sense in attacking problems, and this capacity alone will not suffice for comprehending the more sophisticated analytic techniques of computer simulation, systems analysis, statistical evaluation and the like that are increasingly used in the planning and evaluation of government programs. As a result, lawyers could well become a declining breed in the upper echelons of government, and those that remain will run the risk of becoming captives of staff reports which grow increasingly difficult to comprehend.

Businessmen are more familiar with the processes of planning and administration in large organizations. Nevertheless, their background does not extend to all the problems of modern government. For one thing, they have seldom had more experience in dealing with the numerous and often intangible goals that characterize public programs. It is one thing to pursue objectives such as profits and market shares and quite another to work in government where the most important goals are often impossible to quantify. Moreover, the experience of the business executive in private, hierarchical organizations does not necessarily prepare him to take account of the political process and the interests of different constituencies through which important government policies must be negotiated.

The problems just described are also present in state and local government. But they are often compounded by a shortage of able, qualified personnel that is the legacy

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of many generations of inadequate salaries, insufficient prestige, and excessive political patronage.

As for our large, nonprofit institutions, their leadership has traditionally come from the special fields which these organizations serve. Clinics have been run by doctors, universities by professors, and museums by art historians. In a simpler time, this tradition worked well enough. But when clinics evolve into massive prepared health plans and universities assume huge tasks of government research and community service, problems arise that demand the attention of persons with a broader training in managing complex institutions. These deficiencies are often masked for many years while prosperity reigns, but financial hardship eventually exposes the need for better planning and administration.

THE NEED FOR PROFESSIONAL TRAINING FOR PUBLIC SERVICE

In the face of these problems, universities have a major opportunity and responsibility to set about the task of training a corps of able people to occupy influential positions in public life. What is needed is nothing less than the education of a new profession. The profession may include persons elected to public office, individuals appointed to executive positions, and career civil servants promoted through the ranks. They may serve in the legislature, the executive branch or in large nonprofit institutions. But all will share the common experience of holding important positions of responsibility involving planning, policymaking and administration.

In order to create appropriate educational programs, one must first examine the field of public service to discover when and how the University can reach those individuals whom it seeks to train. This is no easy matter, for there exists no single, coherent profession comparable to law, medicine or even business. Indeed, it is this fact above all that explains the persistent failure to create strong schools of public administration. Elected officials come from many backgrounds. The highest positions in the executive branch are chiefly held by short-term political appointees recruited from a variety of private careers. Key positions in career civil services are generally occupied by specialists who entered government service as agronomists, doctors, economists, engineers, and scientists. Leadership posts in nonprofit organizations are usually taken from the professions that these organizations serve. In short, key administrators and policymakers are drawn from such a variety of professional groups that it is difficult to devise an educational program that can reach a substantial proportion of those who will eventually play important public roles.

Despite these problems, there are tendencies at work in public employment that make it possible to discuss new ways of equipping substantial groups of people with the general talents for policy development and administration that public service badly needs.

First, there are growing employment opportunities for young staff analysts equipped with a broad variety of skills for understanding complex public problems and recommending policy programs. The Office of Management and Budget, the staffs of cabinet officers and congressmen, and their counterparts at state and local levels are all illustrative.

Second, it seems likely that the Civil Service will gradually reform its criteria for high-level career positions to place more emphasis on broad administrative abilities rather than demonstrated competence in a particular professional specialty. This suggestion was embodied in the "Higher Civil Service" proposal in the Truman administration and reaffirmed in the second Hoover commission report of 1955. It was implemented partially in President Johnson's Executive Assignment Plan and was advanced last year in President Nixon's proposals for a new Executive Personnel system. Changes of this kind would offer much greater opportunities for advancement for the broadly trained staff analysts described in the preceding paragraph. They would also provide a strong impetus for promising specialists to enroll in mid-career training programs to broaden their skills and knowledge and thereby qualify for higher positions.

Third, the pressures of complexity, public accountability and financial stringency are rapidly creating a demand in a number of fields outside the federal government for persons with more sophisticated skills in policy analysis and administration. These tendencies are clearly apparent in fields as diverse as city planning and management, educational administration and the management of complex systems of health care. These fields are more or less self-contained in the sense that individuals are likely to spend their entire career in health or education or urban affairs. Hence, there is an opportunity for preprofessional and mid-career programs that combine general training in management and planning with special knowledge in the particular field.

This brief review suggests that it is possible to attract large numbers of students to educational programs that will prepare them for important policy and administrative roles. But the public sector remains sufficiently disorderly and varied in its needs that it is scarcely possible to consider the creation of a single professional program along the lines of a faculty of medicine or law. Many key policymakers and administrators will continue to be drawn from a diverse group of specialists who may never have contemplated a career in public service at the time they graduated from college. As a result, mid-career programs will be needed for more experienced persons without previous training in public management who find themselves moving from specialist roles to positions of broader responsibility. In addition, since there is a strong demand for broadly trained administrators in relatively self-contained professions such as health, education, and urban planning, similar programs must be devised in the other graduate schools that serve these professions. Finally, since careers in public service remain fragmented and uncertain, especially for political appointees and elective officials, ample room must be left for students who wish to hedge their bets by combining an education for public responsibility with a law or business degree.

In short, professional education for the public sector is a task that cannot be left to a single graduate school. It requires the participation of a number of different faculties within the University. And yet, our surveys of alumni in a variety of fields suggest that there is a common body of knowledge and general skills that can contribute to the education of policy analysts and administrators whether they seek their training in a school of government, a faculty of education, a department of city planning, or a school of public health. It is to this basic core of instruction that we must now turn.

THE BASIC CURRICULUM

The basic knowledge that public leaders need to carry out their responsibilities is very much a seamless web. For simplicity's sake, however, it is possible to distinguish among three major forms of knowledge: a familiarity with the more sophisticated analytic methods that we increasingly used in the planning and evaluation of public programs; a knowledge of methods of organization and management together with an understanding of the political processes that influence government action; and a sensitivity to the problems of ethics and competing values that inhere in all forms of public activity.

Analytic Skills: During the past two decades, government agencies and other large institutions have made increasing use of more sophisticated tools of analysis derived, for the most part, from the disciplines of economics, mathematics and statistics. These methods were widely publicized a decade ago through the heavy use of technical analysis in the Department of Defense under the stewardship of Robert McNamara. Because the techniques have often been applied without sufficient judgment and discrimination, they have attracted their fair share of criticism. Yet the use of methods such as program budgeting, cost-benefit analysis and simulation models has continued to spread beyond the Defense Department to other government agencies and nonprofit institutions. As a result, even the critics must acknowledge that key policymakers should be acquainted with these methods if only to appreciate their pitfalls and avoid becoming captive to elaborate staff studies which they cannot adequately comprehend.

For these reasons, it is important to include an exposure to economics in our basic core. Needless to say, no professional program could hope to train fully qualified economists, or there would be room in the curriculum for little else. But it should be possible to familiarize students with a basic understanding of the relationship among economic variables and the subtler ways in which they influence one another. In particular, such training should enable the student to analyze the role of incentives in influencing the behavior of individuals and institutions, whether the incentives take the form of taxes, interest rates, tariff barriers, profits, licensing arrangements, or public subsidies.

An exposure to statistics can likewise provide the student with skills that are applicable to a wide variety of public programs. The use of survey and sampling techniques can help policymakers obtain more reliable knowledge in evaluating public problems and recommending solutions. Statistics can also provide greater sophistication in making predictive judgments and assessing risks. Familiarity with computer techniques can make available a variety of methods for organizing and utilizing unwieldy masses of data. Even more important, statistics can provide the essential knowledge required to evaluate public programs to determine how effective they are in carrying out their intended goals.

With the help of statistics and economic theory, students can also study a variety of formal analytic methods that are widely employed in considering policy problems. Modeling techniques can simplify reality in ways that help in understanding the effects of government programs and estimating the effects of alternative actions. They can also assist the policymaker in choosing among alternatives to maximize his objectives. For example, the use of linear programming or decision theory can be applied to analyze allocation questions, such as how a political candidate should divide his time and funds, or whether off-shore drilling or building supertanker ports will increase the supply of oil without undue harm to our environment. In addition to these techniques, some attention may be given to methods of game theory, including bargaining and coalition theory, which can be used to analyze situations as diverse as military negotiations, legislative maneuvering or collective bargaining. Finally, students can learn the rudiments of cost-benefit analysis and thereby gain a more systematic approach to assessing the consequences of alternative policy choices.

It is important not to exaggerate the role of these formal techniques in the education of public servants. The professional program I envisage cannot hope to make anyone expert in the use of these analytic methods—although students are plainly free to proceed, if they choose, to acquire more specialized training in any of these areas. What the basic curriculum can achieve is nevertheless important.

It can develop a greater ability to break down complex public problems into a series of more manageable issues.

It can help students to appreciate a host of less obvious effects of government intervention and thus reduce the risk of overlooking secondary and tertiary consequences that often destroy the value of well-intentioned programs.

It can help the student to appreciate where the use of experts and sophisticated techniques can assist in the understanding of complex issues.

Finally, it can train students to be intelligent consumers of material based on advanced analytic techniques—to understand the findings and the methods employed and to appreciate their weaknesses and limitations as well as their strength. The importance of the latter point can scarcely be overestimated. There will alwaya be a need for generalists who can evaluate public action against a wide range of human, social and political considerations. But generalists will not play this role effectively if they cannot understand the advice they receive from specialists and appreciate both its strengths and its limitations. If the past generation offers any guide, there is little doubt that increasing amounts of advise in the next generation will be based upon more complicated methods of analysis. Thus, the training of generalists demands an exposure to broadly applicable methods of policy analysis just as it demands appreciation of a variety of matters that transcend these formal techniques.

Methods of Administration and Implementation: During the 1960's, many observers of government were disillusioned by the repeated failure of innovative public programs to achieve their goals, especially the programs undertaken as part of President Johnson's vision of a "Great Society." Very often, what appeared to be bold and excellent ideas did not produce the promised results after they were enacted. This unhappy experience reveals a failure on the part of many government agencies to appreciate fully the political and administrative considerations that affect the implementation of public programs.

These difficulties are rooted in an earlier view of public affairs that separated the problem of policy analysis from the task of implementation and administration. Of course, the public administrator must be intimately concerned with the political force and the problems of management and organization that affect the carrying out of public programs. But the problems of implementation must not be viewed solely in this light but as an integral part of the policymaking process itself. If policy analysts are truly concerned with achieving results rather than creating elegant abstractions, they must consider the political and administrative factors that often determine the ultimate effects of different policy alternatives. For this reason, it would be most unwise to create separate educational programs for policy anaylsts and administrators. Just as the administrator must be concerned with policy analysis in order to exercise his discretion wisely, so also must the analyst take account of political and administrative factors in framing sound policy recommendations.

It is more difficult to convey an understanding of these matters than it is to teach the analytic methods previously described. But something of value can be learned, and experience suggests the folly of refusing to communicate whatever we know about these important topics. Part of the task is to acquaint the student with the political and bureaucratic forces that bear upon every phase of public activity—the legislative and judicial processes through which public programs must pass, the interests of community and consumer groups that are affected by public intervention, and the influence of other executive bodies that constrain and affect the behavior of a government agency. These factors are still too elusive to be treated in a precise and rigorous fashion. But it is possible to help students to take a more systematic inventory of the political and bureaucratic forces that influence policy decisions and condition their implementation. Through repeated case studies, it is also possible to convey a somewhat clearer sense of how these factors may actually affect the results of different public programs.

Another important area of knowledge relates to factors within an agency or institution that affect its ability to carry out desired policies. It is here, especially, that there is much to learn from the work of business schools, where issues of this kind have been explored more deeply than elsewhere. Students can be helped to diagnose recurring organizational problems and develop imaginative and pragmatic solutions. They can learn to appreciate whatever is known of interpersonal relations and the motivation of people in large organizations. They can come to understand the basic forms of influence and control within an organization, including methods of budgeting, accounting, information systems, and performance reviews.

Needless to say, there are limitations on the degree to which students can be prepared to deal with these matters. It is plainly impossible to acquaint students with more than a tiny fraction of the infinite variety of organizational forms which they may encounter in a field as broad as public service. At best, problems and materials may expose the student to only a few key processes and institutions, such as the U.S Civil Service, the federal budgetary procedure and the legislative processes of Congress. Notwithstanding these limitations, it is possible to conceive of a program that will convey something of genuine importance. For example, despite the variety of public institutions, it is possible to equip the student with an ability to ask a series of questions about an institution and its organization that will help to analyze its inner workings. In addition, it is possible to convey to students a basic understanding of some widely applicable principles of interpersonal relations, organizational structure, and financial control. At the very least it should be possible to help students to recognize many of the factors that affect the performance of a public institution and the measures that can be taken to increase its effectiveness.

Problems of Values and Ethics: The emphasis we have placed on analytic techniques and administrative skills may alarm some readers by suggesting technocratic training that does not speak to the central concerns of many people about the conduct of public officials. Clearly, important public decisions are not made by technique alone. In the end, the critical choices in public life involve such matters as the accountability of public servants to the people's will, the wisdom displayed in making choices among competing values, and the ethical principles that should govern the methods that policymakers employ in carrying out their programs.

For example, one critical problem in public service is the degree to which administrative officials should follow their own conception of the public good or respect the dictates of some higher authority enanating from the executive branch, the legislature or the constitution. This is an issue of enormous importance to a democracy. In the words of Paul Appleby, "there is no single problem in public administration of moment equal to the reconciliation of the increasing dependence upon experts with an enduring democratic reality."

What can a university teach about these matters? Some understanding of the problem can be given by acquainting students with the constitutional system and conveying a sense of how courts and legislation limit the discretion of administrative officials. But troublesome issues will still remain. Under what circumstances should a legislator follow his own conscience when it conflicts with the views of his constituenta? What should an administrator do when the spirit of the law seems to clash with the meaning of an executive order? How far can executive officials go in finding ambiguities in the legislative intent to justify their own conception of appropriate policy? Unfortunately, there are often no clear principles to resolve questions of this kind. But a well-designed curriculum can still make a contribution by fostering greater awareness of these issues and by encouraging students to consider them in a careful, rigorous fashion.

Much the same can be said of other pervasive ethical dilemmas that public servants often encounter in their careers. If official policies clash with personal conscience, at what point should a public servant resign? Is it ever proper to leak information to forestall government action with which one disagrees? Is it ever justifiable to lie or deceive? When is it appropriate to withhold information of interest to the public or to other agencies of government? Under what circumstances does a conflict of interest arise which requires withdrawal from a particular decision? Once again, there are no formulae to resolve these questions, and professors will accomplish little by giving formal lectures on the subject. But surely students will be better prepared for public life if they have learned to recognize these issues and have had an opportunity to read and discuss the best of the literature on the ethical considerations involved.

It is more difficult to know how students can be brought to recognize the full range of values that inhere in policy issues and to reconcile them wisely. In large part, this is an important task of a well-conceived liberal arts education. Subjects as diverse as anthropology, economics and psychology may help to overcome parochialism by awakening students to the values of different groups in the society. Literature can bring students to appreciate more vividly the concerns of individuals confronted by large, insensitive bureaucracies and organizations. History and biography can convey a wealth of vicarious human experience that can help develop a capacity to make judgments about recurring human dilemmas.

What, specifically, can a program in public policy add to this foundation? This effort is admittedly more difficult than the task of assembling a curriculum to teach analytic methods or problems of organization and administration. But several useful possibilities come to mind. First of all, a study of political philosophy may deepen a student's understanding of a number of fundamental values that repeatedly arise in making policy decisions. For example, the philosophic debate on paternalism illumines problems that arise in laws as diverse as rules compelling the use of seat belts or restrictions on homosexuality. Works on distributive justice provide a useful framework for considering a variety of problems in fields such as taxation and welfare.

A careful discussion of these issues can also help develop a more rigorous treatment of conflicts of value. Students can be encouraged to exercise greater precision in defining issues and terms, to frame their arguments and analogies more carefully, and to state their premises more exactly to transform what I. A. Richards describes as "premature ultimates"—"natural" rights or "justice" or "human dignity"—into more concrete descrip-

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tions of the moral considerations involved. These habits of thought may not resolve fundamental conflicts in value but they will often help to narrow the area of disagreement and lay the groundwork for more intelligent discussion.

In addition to work in applied ethics, it is conceivable that courses could be designed using history or biography to give students greater insight into the process of resolving conflicting values. For example, historical materials can convey a sense of how policy issues evolve over long periods of time and how a multitude of factors influence the perception of these problems and affect the efforts of government to resolve them. In this way, historical examples can help to overcome the artificiality of policy problems adapted for class discussion in other courses. More important still, selected case studies can make students more sophisticated in the uses of history and protect them from the facile recourse to historical examples to resolve current policy issues. Our national experience is replete with the use of faulty analogies to episodes such as the capitulation at Munich or the guerrilla wars in Malaya, and much would be gained by warning students to avoid similar mistakes.

Beyond these elements of a curriculum in public policy and administration, there will be other subjects which arguably deserve inclusion. Some critics may urge a course in the history of public administration or a survey of government institutions which will provide students with a proper context for their other courses. Others may argue for more explicit attention to the role of law in order to convey to students a sense of fair process and an awareness of alternative methods of regulation and control through law. Nevertheless, the subjects I have outlined still strike me as the most widely applicable body of skills and knowledge for key policymakers and administrators.

It is also worth mentioning that a curriculum in public policy and administration will have to be adapted to fit the special needs of different educational programs. There may be room to study all the subjects I have mentioned in some detail in the course of preprofessional programs to prepare students for public life. On the other hand, mid-career programs are typically shorter in length with the result that careful choices must be made. In the usual case, mid-career programs will appeal to public servants who are specialists but expect to rise to positions of broad administrative responsibility. For such persons, courses in analytic methods may need to do little more than provide an awareness of available techniques and a rudimentary capacity to understand reports making use of these methods. The greater emphasis should be placed on the problems of administration and implementation that participants will confront upon assuming larger responsibilities. Still further adjustments may be necessary in programs designed for specialized areas of public service, such as health or education. In programs of this kind, it will be best to adapt the materials so that cases and problems are drawn from situations within the special area in question. In addition, the preprofessional programs for these areas will have to combine material in policy analysis and administration with adequate substantive knowledge of the field, perhaps by creating joint-degree programs with other professional schools.

PROBLEMS OF IMPLEMENTATION

In sketching this outline of a basic curriculum, I do not mean to ignore the formidable difficulties that will arise in actually creating a useful academic program. Much time and energy will be needed to develop adequate problem-oriented materials for the curriculum, and continuing efforts must be made to refine the body of knowledge and skills on which the curriculum depends. But a more fundamental issue exists which should be faced at the very outset. Is the objective to create a professional school for policy analysis and administration or to establish a graduate school of applied social science?

The difference between these alternatives is not glaringly obvious, for each involves a commitment to research and teaching in the field of public policy. But there are important distinctions, albeit of shading and emphasis. The primary aim of a professional school will be to educate students for positions of leadership in elective or appointed offices while a graduate school will take fewer students and prepare them for academic careers or for staff positions as sophisticated policy analysts. A graduate school will gather a faculty composed of members trained in one of the traditional academic disciplines who share a taste for policy issues. A professional school will likewise include such persons within its faculty, but it will also attract many professors who have received their training in professional schools and have spent some portion of their careers in public service. A graduate school will be chiefly concerned with research, often of a disciplinary-oriented nature, and even its educational program will be directed toward the development of research skills. A professional school, on the other hand, will place greater importance on teaching and will emphasize curriculum development and pedagogic methods aimed at instilling a capacity to make policy decisions with the help of a variety of skills and disciplines.

Both of these institutions can make an important contribution, and both can play a respected role in the university. But it is important to make a clear choice between the two. Otherwise, it will be extremely difficult to make coherent decisions in selecting students and faculty and developing the curriculum.

In the case of this University, I must acknowledge a marked preference for the professional school. It is clear at Harvard that research on policy issues will continue whether or not any new programs are established. The major new opportunity lies in preparing students for careers in public service. And in the end, the performance of our public institutions will depend much more on the quality of their leaders than on the sophistication of their technical staffs. As a result, if Harvard is to make the maximum contribution to public life, we must devote our energies to educating those who will occupy positions of authority in public institutions.

Even if a clear decision has been made to develop professional programs for public service, a number of pitfalls will remain which can threaten the realization of this objective. The first of these problems is the risk of devoting disproportionate emphasis to formal analytic techniques. Among the subjects I have described, statistics, economics and the related methods of analysis may appear to have more content because they are more precise and reflect a more developed body of knowledge. Teachers in these fields are likely to complain that a professional curriculum allows them too little time to convey an adequate understanding of their disciplines. As a result, they will surely press for more space in the curriculum. But it would be wise to resist these pressures. The apparent precision of the formal techniques is more than offset by their limited usefulness in resolving the unruly problems that actually confront public officials. As a result, excessive emphasis on technique will simply leave the student unprepared to deal with real problems or, worse yet, encourage him to distort reality in order to achieve apparent solutions by formal analysis. If universities are truly interested in educating key public officials, they cannot ignore the "softer" problems of ethics, values, and the human aspects of administration.

This conclusion leads to the second major question. In selecting students for the professional programs, will the admissions office seek out those who are most likely to pursue broad public careers or will they simply choose the applicants with the highest academic records and the highest quantitative aptitude? It will surely be easier to make selections simply on the basis of high grades and scores. Moreover, such students will seem attractive because they will be easier to teach, especially in the more complicated analytic portions of the curriculum. But they will also be the students most likely to seek careers as professors and analytic specialists. And they will surely add their weight to the pressure to expand the courses in the "hard" analytic techniques at the expense of the "softer" areas of the curriculum. Such consequences would be unfortunate. If a university is genuinely committed to professional education for public service, it would be as short-sighted to concentrate on the training of expert policy analysts as it would be for our better business schools to train only members of corporate planning staffs.

The third major problem has less to do with *what* is taught than it does with *how* the teaching is carried out. In this regard, schools of public policy and administration would do well to ponder the experience of schools of law and business, which have traditionally produced most of our institutional leaders in the public and private sectors One will not learn much about the educational value of these schools by looking at their printed catalogues. The real lessons lie in the nature of the learning process, which is remarkably similar in both schools. In both, class materials are largely composed, not of texts, but of problems adapted from actual situations. In both, instruction is chiefly carried on, not by lectures, but by Socratic discussion in which the professors criticize and question but leave the students to find their own solutions. In both, the most successful part of the curriculum occurs in the first year where courses are largely prescribed so as to create a common experience and a common agenda of problems to be resolved by the students through a process of discussion in and out of class. Finally, both institutions place much less emphasis on conveying information or technique than on repeated drill in the fundamentals of thinking carefully and systematically about human problems.

All of this sounds simple enough. Nevertheless, the price to be paid is a deliberate sacrifice in the amount of material covered in order to emphasize student participation and the patient development of a capacity for careful analysis. In addition, successful programs of this type require a dedication to teaching beyond the levels of effort generally practiced in other parts of the University. These lessons will not come easily to professors who already feel that they cannot cover enough of their material and who come from traditional academic disciplines unused to the demands of rigorous Socratic teaching.

Still another major problem involves the need to convey to students the ability to synthesize all the skills they have learned in order to resolve complex policy problems. One cannot repeat too often that the central aim of a public policy curriculum is to educate generalists for public service. As Brooks Adams put it over a half century ago, "Administration is the capacity of coordinating many, and often conflicting social energies in a single organism . . . probably no very highly specialized class can be strong in this intellectual quality . . . yet administration or generalization is not only a faculty upon which social stability rests, but is, possibly, the highest faculty of the human mind."

Despite this admonition, it will be difficult for universities to educate students in the art of synthesis and generalization, since almost all of the professors who can be recruited initially to teach in policy programs will come from one of the specialized disciplines. Already, one hears the complacent observation that synthesis can be left to the students themselves, since they are the ones who can best understand all the methods of analysis to be brought together in resolving policy problems. Surely this is naive. The process of synthesis is of the highest order of difficulty and deserves competent instruction at least as much as any other part of the curriculum.

In all probability, the problem can be resolved after sufficient time has elapsed so that former students in public policy programs can return to teach on their faculties. But this prospect raises a fifth, and final, issue. What sort of faculty should be recruited to staff a professional school for public service? In answering this question, one must bear in mind that the faculty must bear a heavy responsibility for research. Analytic methods are plainly in need of considerable refinement if they are to become more widely usable. Management and administration in government require intensive study merely to attain a level comparable to the state of the art in the private sector. Much of the needed research, though not all, will probably require the attention of faculty members trained in one of the traditional disciplines. But if this research orientation is pressed too far, the curriculum may grow too abstract for the students' professional needs, and the faculty may fail to do enough to promote the skills of synthesis and integration toward which the program should ultimately be directed. In short, the ideal faculty must retain a delicate balance between discipline-oriented specialists and professionally oriented generalists. Maintaining this balance may prove to be the most difficult problem of all because of the ever-present danger that one wing of the faculty will predominate and gradually transform the entire school in its image. But there is no alternative but to recognize this danger and strive constantly to avoid it, for only with a balanced faculty can the school carry out its dual mission of providing effective professional education while adding to the body of knowledge on which that education must ultimately depend.

EDUCATION FOR PUBLIC SERVICE AT HARVARD

A number of programs are already in existence throughout the University to prepare students for careers in public service. The most general of these is the Public Policy Program in the Kennedy School of Government. The Public Policy curriculum is the project of a major effort by a diverse group of faculty members. Although a majority come from the various social science disciplines, members of the Law Faculty have contributed to the program, and several professors from the Business School and teaching courses in the field of organization and administration.

The first class of students was admitted to this two-year Program in 1969. At present, approximately 25 students enter each year. Roughly half of these students are enrolled only in the Program while the remainder take joint degrees in other faculties, notably Law but also Public Health, Medicine and Business. The curriculum contains virtually all of the subjects I have described earlier in this report. In addition, students are required to spend considerable time in each of the two years working on actual policy problems arising in agencies at the federal, state, and local levels. Although only four classes have thus far graduated from the Program, alumni(ae) have already gone on to hold positions in the White House, on Congressional staffs, in the policy analysis sections of several departments of the federal government, and in a variety of other agencies in state and local governments.

The School of Government also offers a mid-career program for established public officials from a number of government agencies, chiefly at the federal level. Although these students are able to take "counterpart" courses resembling the regular Public Policy offerings, they have considerable freedom to pursue whatever subjects they wish within the University. A loosely structured program of this kind can be of great value to public officials who wish to engage in systematic study of particular fields relevant to their professional work. But it is also clear that the present program does not fill the need for mid-career education outlined earlier in this report. In all probability, therefore, new programs will have to be added.

In considering these changes, the School of Government might well examine the experience of the Business School in its highly successful programs in advanced management.[1] These programs attract experienced executives in their late thirties to early fifties who are destined for positions of broad management responsibility after having specialized in some aspect of their company's operations, such as finance, marketing, or production. During a thirteen-week period, these executives take a prescribed series of courses emphasizing the broader aspects of management that they may confront as they reach higher levels of executive responsibility. The curriculum is problem-oriented and requires the participants to work cooperatively in analyzing a series of cases drawn from actual corporate experience. By encouraging continuous discussion among students from different companies and varied forms of specialized experience, the programs succeed in enlarging the perspective of the participants as well as acquainting them with a body of knowledge relevant to their future responsibilities.

Similar advantages could be achieved in the public sector as well. Like their business counterparts, public servants could be attracted at a point in their career when they seem likely to move from assignments demanding specialized competence to positions of broader administrative authority. To be sure, difficulties may arise in creating a successful program in the public sector because many participants will have had much less experience than their business counterparts in matters of planning, organization and administration. Nevertheless, it would be a great mistake to try to overcome this problem by conveying large quantities of seemingly relevant information through the lecture method. The essential values of a mid-career program are more likely to be achieved by requiring a common curriculum that brings together a variety of specialists to work together in resolving a series of problems that reflect pervasive issues confronting key public officials. Thus, if more material must be covered, it would be best to lengthen the program rather than alter the basic method of instruction. Fortunately, this alternative may prove to be feasible since government agencies have been willing to allow public officials to participate in mid-career programs extending over an entire academic year.[2]

Progress will be slow in perfecting the Public Policy curriculum and developing a new mid-career program, because the faculty is small and because much effort and time are required to develop aucessful problem-oriented materials. Nevertheless, the School of Government has already taken significant steps to make the task easier. Last fall, the School voted to reorganize its faculty to include only those members with a substantial interest in the new programs previously described. In addition, work is under way to find mechanisms that will insure sustained participation from the Business School to develop new courses drawing heavily upon its experience in the areas of organization and adminitstration.

The School of Education offers a three-year program enrolling over fifty new students each year which is devoted to the planning, management, and evaluation of educational institutions and systems. Graduates have gone on to serve in a variety of key administrative and policy roles, such as school principals, superintendents, college administrators and managers and planners in state departments of education and federal education agencies. The curriculum combines most of the subject matter described earlier in this report with substantive courses in education such as learning and cognitive development, sociology of education, race relations and education, and the like.

Beyond the three-year doctoral program, the Schools of Education and Business have joined in giving a six-week mid-career program for college administrators. Taught by the case method, this course of study includes material on budgeting, planning, personnel relations, and a variety of other problems. In addition to this program, the School of Education offers a mid-career program in administration for officials in primary and secondary school systems. The School is also exploring the feasibility of several other mid-career institutes aimed at such groups as members of state boards of education, education aides to governors, and officials of teachers' unions.

In the School of Design, the curriculum of the Department of City and Regional Planning has been revised to prepare students for a range of administrative and policy positions in state and local government. Over 100 students are admitted each year in this two-year program which emphasizes both knowledge of urban problems and a variety of analytic and administrative methods applicable to government work in this sector. Thus, the curriculum includes such offerings as Quantitative Methods for Planners, Planning Law and Administration, Politics of Urban Planning, Simulation and Urban Development, Management Issues in Private and Public Planning, and Planning Analysis, Policy and Inplementation Workshops. Having revised its curriculum, the Department is now contemplating a broad effort to remodel its course materials to utilize a case and problem method similar to that of the Business School.

The School of Public Health also has a two-year preprofessional program. Approximately 80 students are enrolled in this course of study which combines a general background in biology and medicine with courses in analytic techniques, administration, evaluation and the political processes affecting health care. In contrast with Education and City Planning, however, this program has been developed in cooperation with Business and Government so that students can pursue much of their work in these two Faculties after completing an initial year in the School of Public Health.

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[1] The Advanced Management Program and the Program for Management Development.

[2] Through the Institute of Politics, the School of Government has also been experimenting with short-term institutes for elective officials. In 1972 and again in 1974, a number of newly elected Congressmen were brought to Harvard for an intensive series of seminars on major issues that these legislators would confront upon taking office. While these progams are too brief to encompass the material described in this report, they represent a promising method of assisting important groups of goverment officials.

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In 1972, the Faculties of Public Health, Medicine, and Business initiated a six-week summer program for experienced officials who needed intensive training to prepare them for administrative positions in large prepaid health plans and other complex health organizations. After several successful years administration, the program may soon be transferred entirely to the School of Public Health. In addition, Public Health is surveying the entire field of health care administration to determine needs for other mid-career programs. With the aid of a large grant from the federal government, the School is likely to mount a number of new efforts of this type within the next few years.

The Law School presents a somewhat different situation. Relatively few law students proceed immediately to jobs in the public sector concerned with broad problems of policy and administration. Yet many of these students will eventually occupy such positions, for lawyers have traditionally been the major source of elected and appointed persons in key government positions. As a result, it is important to find some way of exposing a substantial number of law students enrolled in the Public Policy Program on a joint degree basis. But these students make up only a small fraction of those who will eventually occupy significant positions in public life.

In order to meet this problem, counterpart courses have been devised which are jointly taught by faculty members from the Schools of Law and Government. This effort has not yet been entirely successful. It is difficult to decide what material should be covered in the limited time that can be made available in the normal law curriculum. In addition, much of the formal analytic work seems forbiddingly technical for law students, who are often quite unaware of whether they will ever enter public life. As a result, enrollments in the counterpart courses have been small, and it is clear that considerable ingenuity will be needed to develop a program that will be useful and appealing to a larger segment of the student body.

As programs for public service develop throughout the University, every effort must be made to encourage cooperation and coordination among the participating Faculties. The nature of the cooperation will vary considerably from one Faculty to another. The Business School and the School of Government must obviously work in the closest possible relationship, since each Faculty has a contribution to make to the development and teaching of courses in the basic Public Policy curriculum. The Faculty of Public Health, on the other hand, may continue to rely on professors in the Schools of Government or Business to teach the courses relating to policy analysis and administration rather than recruit their own instructors to perform all of the teaching required. Still other Faculties, notably Education and City Planning, will probably choose to supply their own instructors but may wish to arrange joint appointments with the School of Government and work together in developing course materials and recruiting new faculty. Many of these relationships are already under active study. To encourage this process, I have appointed a University-wide Committee on the Harvard Program in Public Policy and Administration and have elected to serve as its Chairman.

We will need to summon great energy and new resources to develop the programs I have described and sustain them at a level of real distinction. Several hundred students will enroll each year in these programs. More faculty will be needed, more research must be done, and professors must be given adequate time and support to redesign courses and develop successful case materials for instruction.

I can scarcely overemphasize the importance of this effort. We may well be approaching the threshold of a new era of scarcity and restraint in which the deficiencies of government cannot be papered over by constantly rising levels of prosperity. Moreover, we have certainly moved beyond the era when any important group can afford to harbor the belief that ineffective government will leave them free to pursue their private interests. Like it or not, public officials will establish the framework that determines the ability of each segment of society to achieve its goals. For these reasons, every citizen has vital stake in the quality of leadership in our public institutions. Since universities are primarily responsible for advanced training in our society, they share a unique opportunity and obligation to prepare a profession of public servants equipped to discharge these heavy responsibilities to the nation.

DEREK C. BOK,
President.

VOTER REGISTRATION IN LOUISIANA

Mr. KENNEDY. Mr. President, earlier this month, the Honorable Wade O. Martin, Jr., secretary of state of Louisiana, called my attention to an excellent recent study by the Institute of Politics at Loyola University, entitled "Opinions and Attitudes of Louisiana Citizens About Politics, Politicians, and Political Participation."

Chapter II of the study contains a series of findings on voter registration that will be of interest to many of us in the Senate as we prepare to deal in this session with legislation to improve access to registration. Of particular interest in the study are the reasons given by potential voters for their failure to register. The study was based on a survey of nearly 1,000 adult citizens in October and November 1974. It found that over 23 percent of those interviewed said they failed to register because of problems related to the registration process—10.5 percent said it was too difficult to register, 9.9 percent said the registrars' hours were inconvenient, and 2.8 percent said they did not know where to register. The study also found that the proportion of persons citing such reasons was even higher for black voters. In addition, it found that more than 20 percent of the elderly citizens failed to register because of the difficulty of registering, compared to 10.5 percent in the sample as a whole.

Mr. President, the Loyola study is an important addition to the growing mass of evidence that the burdens of voter registration are significant obstacles to participation by many citizens in the political process. My hope is that legislation will be enacted early in this Congress to ease the burden, so that all citizens may have the opportunity to exercise their birthright in our democratic society, the right to vote.

Mr. President, I ask unanimous consent that chapter II of the Loyola study to which I have referred, be printed in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCERPT FROM "OPINION AND ATTITUDES OF LOUISIANA CITIZENS ABOUT POLITICS, POLITICIANS, AND POLITICAL PARTICIPATION," INSTITUTE OF POLITICS, LOYOLA UNIVERSITY, NEW ORLEANS, LA.

II. PROFILE OF REGISTERED AND UNREGISTERED CITIZENS

At the outset of the interview, each person was asked whether he or she was registered to vote.

The following series of tables provide a comparative examination of those Louisiana citizens who say they are registered with those who say they are not. The final section of the chapter deals with the reasons given by those who are unregistered for not registering.

In analysing the tables, the following should be kept in mind: some individuals in surveys of this type tend to say they are registered when in reality they are not. Because registration is considered part of an individual's "civic virtue"—something he should do—some individuals don't like to admit they are not registered. Consequently, the proportion of citizens who say they are registered usually is higher than it likely is in fact.

The highest proportion of registered voters live in the north-central region. The nonregistered are in Orleans metro.

TABLE 1.—PROFILE OF REGISTERED AND NONREGISTERED CITIZENS BY REGION

Status	State-wide	Orleans-metro	South-east	South-central	South-west	North-central	North
Registered	81.8	73.9	84.2	83.0	82.7	98.5	85.6
Nonregistered	18.2	26.1	15.8	17.0	17.3	10.5	14.4

Almost 40 percent of all the unregistered citizens of Louisiana, in fact, live in the Orleans metro area.

TABLE 2.—REGIONAL BREAKDOWN OF REGISTERED AND NONREGISTERED

Region	Registered	Nonregistered
Orleans metro	24.5	38.9
Southeast	16.6	14.0
South central	18.4	16.9
Southwest	10.0	9.4
North central	10.1	5.3
North	20.4	15.5

Over ⅔ of nonregistered citizens live in the cities and surrounding suburbs of Louisiana.

TABLE 3.—RESIDENCE OF REGISTERED AND NONREGISTERED

Residence	Registered	Nonregistered
City	37.6	42.1
Suburb	15.5	26.4
Town	18.7	11.2
Rural	28.3	20.4

As would be expected, a higher proportion of newer residents are unregistered than those who have lived in the State longer.

TABLE 4.—LENGTH OF RESIDENCE IN LOUISIANA OF REGISTERED AND NONREGISTERED

Length	Registered	Nonregistered
All of life	77.9	69.5
Over 10 yr	17.0	13.8
5 to 10 yr	2.4	5.9
1 to 5 yr	2.1	7.3
Less than 1 yr	.6	3.7

One-third of all individuals in the 18 to 30 age group say they are not registered.

TABLE 5.—REGISTERED AND NONREGISTERED CITIZENS BY AGE

Status	Age group					
	18 to 30	30 to 40	40 to 50	50 to 60	60 to 70	Over 70
Registered	66.9	83.7	86.5	88.5	86.9	88.7
Nonregistered	33.1	16.3	13.5	11.5	13.1	11.3

The 18 to 30 group constitute over 40 percent of the nonregistered.

TABLE 6.—AGE OF REGISTERED AND NONREGISTERED

Age	Registered	Nonregistered
18 to 30	20.1	44.6
30 to 40	17.7	15.5
40 to 50	18.4	13.0
50 to 60	18.8	10.9
60 to 70	14.9	10.1
Over 70	9.4	5.4

Education has a significant influence on whether an individual registers or not The more schooling a person has the more likely he or she will register.

TABLE 7.—REGISTERED AND NONREGISTERED CITIZENS BY EDUCATION

Status	Years of school						
	0 to 8	9 to 11	High school graduate	Trade school	Some college	College graduate	Post graduate
Registered	77.8	75.6	84.6	85.5	84.1	95.6	96.7
Nonregistered	22.2	24.4	15.4	14.5	15.9	4.4	3.3

A majority of registered citizens have a high school education or better while nearly ⅔ of those not registered have less than a high school education. Over 40 percent of the unregistered, in fact, have 8-years of schooling or less.

TABLE 8.—EDUCATION OF REGISTERED AND NONREGISTERED

Years of school	Registered	Nonregistered
0 to 8	31.6	40.4
9 to 11	15.0	21.8
High school graduate	28.0	23.0
Trade school	3.7	2.8
Some college	12.0	10.1
College graduate	6.0	1.3
Post graduate	3.5	.5

A majority of both the registered and nonregistered come from the lower middle and lower income catagories. The nonregistered total is nearly 70 percent in those 2 income groups.

TABLE 9.—INCOME OF REGISTERED AND NONREGISTERED

Income	Registered	Nonregistered
Less than $5,000	29.4	39.8
$5,000 to $10,000	27.8	29.4
$10,000 to $15,000	21.5	16.1
$15,000 to $20,000	8.6	5.5
Over $20,000	6.0	2.6
Refused	6.8	6.6

A slightly higher proportion of union members are registered than nonregistered.

TABLE 10.—UNION MEMBERSHIP OF REGISTERED AND NONREGISTERED

Membership	Registered	Nonregistered
Yes	20.0	16.1
No	80.0	83.9

Catholics constitute a slightly lower proportion of nonregistered citizens than they do of the whole population.

TABLE 11.—RELIGIOUS AFFILIATION OF REGISTERED AND NONREGISTERED

Religion	Registered	Nonregistered
Catholic	37.3	31.8
Protestant	59.2	60.1
Jewish	.3	0.
Other	.9	2.1
None	2.3	6.0

A very high proportion of nonregistered adults in Louisiana are black.

TABLE 12.—RACE OF REGISTERED AND NONREGISTERED

Race	Registered	Nonregistered
White	75.8	58.7
Black	24.2	41.3

There is virtually no difference between registered and nonregistered voters in regard to the proportion of males and females in each category.

TABLE 13.—SEX OF REGISTERED AND NONREGISTERED

Sex	Registered	Nonregistered
Male	50.9	49.5
Female	49.1	50.5

We then asked all those individuals who said they were not registered to tell us why they were unregistered.

Over 23 percent listed factors dealing with the registration process: hours and location of registrar's offices and the difficulty involved with registering. Another 28 percent either said they were not interested or felt it wasn't worth the effort to register. 11 percent did not meet the requirements while 12 percent just had not gotten around to doing it. Over 22 percent did not list a reason.

Table 14—Reason for not registering

Reason:	*Percent*
Haven't lived at address long enough	8.8
Just turned eighteen	2.2
Don't know where to register	2.8
Too difficult to register	10.5
Registrar's hours inconvenient	9.9
Not interested in registering	25.9
Not worth registering	2.8
Just never took time to register	12.2
Other	2.2
No reason	22.7

The largest proportion of unregistered citizens—the 18–30 year old group—either had not met the legal requirements or had not taken time to register. Another 25% of these young citizens, however, said they did not have any desire to register.

The "lack of interest" reason, in fact, is the most mentioned by all individuals over 30.

TABLE 15.—REASON FOR NOT REGISTERING BY AGE

Reason	18 to 30	30 to 40	40 to 50	50 to 60	60 to 70	Over 70
Haven't lived at address long enough	8.3	14.8	18.2	0	5.6	0
Just turned 18	4.8	0	0	0	0	0
Don't know where to register	3.6	0	0	5	0	12.5
Too difficult to register	5.9	3.7	18.2	15.0	22.2	25.0
Registrars' hours inconvenient	10.7	11.1	18.2	5.0	0	0
Not interested in registering	21.4	25.9	22.7	30.0	44.4	37.5
Not worth registering	4.8	3.7	0	0	0	0
Just never took time to register	15.5	22.2	4.5	10.0	0	0
Other	2.4	0	0	5.0	5.6	0
No reason	22.6	18.5	18.2	30.0	22.2	25.0

Black citizens list various aspects of the registration process as the reasons for not registering more often than do white citizens. However, a slightly higher proportion of blacks say they are not interested in registering than do whites.

TABLE 16.—REASONS FOR NOT REGISTERING BY RACE

Reason	Race	
	White	Black
Have not lived at address long enough	12.6	3.8
Just turned 18	1.9	2.5
Don't know where to register	2.9	2.5
Too difficult to register	6.8	15.2
Registrar's hours inconvenient	10.7	8.9
Not interested in registering	24.3	29.1
Not worth registering	3.8	1.2
Just never took time to register	10.7	13.9
Other	2.9	1.2
No reason	23.3	21.5

KAUNDA ON U.S. POLICY

Mr. PERCY. Mr. President. At a recent state dinner at the White House, President Kaunda of Zambia spoke in frank terms about the deficiencies he sees in U.S. policy toward Africa, especially in the U.S. attitude toward achieving majority rule in Rhodesia and Namibia and ending apartheid in South Africa. President Kaunda says that it is not enough to issue perfunctory declarations of support for the principles of freedom and justice in Africa. He states that such declarations should be backed up by concrete support on specific issues, like the demand for a peaceful transition to majority rule in southern Africa.

I ask unanimous consent that his thought-provoking remarks, as reprinted in the New York Times of April 25, 1975, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

KAUNDA: "DISMAYED" BY AMERICA

(By Kenneth D. Kaunda)

We seek American understanding of Africa's objectives and America's fullest support in the attainment of these objectives.

The relations between Zambia and the United States cause me no concern because they are cordial, although there is room for improvement through more sound cooperation. What gives Zambia and Africa great cause for concern is America's policy toward Africa—or it is the lack of it, which, of couse, can mean the same thing.

I have not worked at the U.N., but I have been told that at the U.S. sometimes there are tricks in which an abstention in a vote can be a vote for or against. A no-policy position may not be a neutral position indicative of a passive posture, but a deliberate act of policy to support the status quo or to influence events in one direction or the other at a particular time.

We have, in recent years, been most anxious about the nature and degree of the United States participation in building conditions for genuine peace, based on human equality, human dignity, freedom and justice for all—for all—particularly in southern Africa.

You will forgive us, Mr. President, for our candor if we reaffirm on this occasion our dismay at the fact that America has not fulfilled our expectations. Our dismay arises from a number of factors.

We are agreed that peace is central to all human endeavors. We are agreed that we must help strengthen peace wherever it is threatened. There has been no peace in southern Africa for a very long time, a very long time, indeed, even if there was no war as such. The absence of war does not necessarily mean peace. The threat of escalation of violence is now real. It is our duty to avoid such an escalation.

To build genuine peace in southern Africa, we must recognize with honesty the root causes of the existing conflict. First, colonialism in Rhodesia and Namibia. The existence of a rebel regime in Rhodesia has since compounded that problem. Second, apartheid and racial domination in South Africa. Over the last few years, a number of catalytic factors have given strength to these forces of evil.

External economic and strategic interests have flourished colonial and apartheid regimes. Realism and moral conscience dictate that those who believe in peace must join hands in promoting conditions for peace. We cannot declare our commitment to peace and yet strengthen forces which stand in the way of the attainment of that peace.

The era of colonialism has ended. Apartheid cannot endure the test of time. To achieve our aim, we need America's total commitment to action consistent with that aim.

So far, American policy, let alone action has been low-keyed. This has given psychological comfort to the forces of evil.

We become, Mr. President, even more dismayed when the current posture of America toward Africa is set against the background of historical performance in the late fifties and early sixties.

We cannot but recall that America did not wait for, and march in step with, colonial powers, but rather boldly, boldly marched ahead with the colonial peoples in their struggles to fulfill their aspirations: an America undaunted by the strong forces of reaction against the wind of change, whose nationals helped teach the colonial settlers about the evils of racial discrimination: an America whose Assistant Secretary for African Affairs, "Soapy" Williams, could be slapped in the face by a white reactionary on our soil and yet, undaunted, still smile, still stand by American principles of freedom, justice and national independence based on majority rule.

Yes, the reactionaries hated Americans for spoiling the natives, as they would say, for helping dismantle colonialism.

We ask and wonder what has happened to America. Have the principles changed? The aspirations of the oppressed have not changed at all. In desperation, their anger has exploded their patience. Their resolve to fight, if peaceful negotiations are impossible, is born out by history.

So, their struggle has now received the baptism of fire; victories in Mozambique and Angola have given them added inspiration.

Can America still end only with declaration of support for the principles of freedom and racial justice? This, I submit, would not be enough. Southern Africa is poised for a dangerous armed conflict. Peace is at stake. Urgent action is required.

At this time, America cannot realistically wait and see what administering powers will do or pledge to support their efforts when none are in plan. America must heed the call of the oppressed.

Can America stand and be counted in implementing the Dar es Salaam strategy adopted by Africa? In Dar es Salaam early this month, Africa reaffirmed its commitment to a peaceful solution to the crisis in southern Africa as a first priority.

We call upon America to support our efforts in achieving majority rule in Rhodesia and Nambia immediately, and the ending of apartheid in South Africa.

If the oppressed peoples fail to achieve these noble ends by peaceful means, we call upon America not to give any support to the oppressors. Even now we call upon America to desist from direct and indirect support to minority regimes, for this puts America in direct conflict with the interests of Africa—peace deeply rooted in human dignity and equality and freedom without discrimination. We wish America to understand our aims and objectives. We are not fighting whites, we are fighting an evil and brutal system. On this there must be no compromise, none at all.

SOVIET-AMERICAN TRADE

Mr. ABOUREZK. Mr. President, I ask unanimous consent that an article by O. Edmund Clubb in the April 26 issue of Nation on Soviet-American trade be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SOVIET-AMERICAN TRADE—CAN'T WE DO ANYTHING RIGHT?

(By O. Edmund Clubb)

At a meeting with Soviet trade officials in Moscow on April 10, Treasury Secretary William E. Simon voiced an American desire "to participate fully in the opportunities offered by open international trade"—that is, trade with the USSR. If that is the case, it is worthwhile to recall a Congressional assessment that found Soviet-American trade prospects reasonably favorable. According to a study by a subcommittee of the House Foreign Affairs Committee, "Economic advantages to the United States are likely to be centered on such specific sectors as imports of petroleum and natural gas and exports of soybeans, feed and cereal grain, and computers, and other high-technology products."

The report foresaw that the exchange "by any projection is not likely to represent a large share of United States trade," but it still calculated that, if projects involving the exploitation and sale of Soviet natural gas to the United States were approved, the trade might grow to a total of $5 billion annually. Moreover, it was thought that significant long-term political benefits might accrue from the growing economic exchange. "Overall," the report said, "such political gains

might far outweigh the relatively modest economic returns."

That 105-page study was made public on June 9, 1973, on the eve of Soviet party leader Brezhnev's arrival in Washington for a meeting with President Nixon. The study had been prepared in the light of general principles enunciated by Nixon and Brezhnev when they had met in Moscow in May 1972, and in view further of the three-year agreement signed by the two countries in October 1972. That latter agreement, designed to be a solid base for a new economic relationship, granted most-favored-nation (MFN) treatment to the USSR in exchange for settlement of the Soviet lend-lease debt to the United States. There seemed real promise of *mutual* benefit. And at Yalta, in June 1974. Nixon and Brezhnev signed a ten-year agreement providing a broad framework for the expansion of economic exchanges and cooperation between the two countries.

The contretemps of December 1974 is fresh in the public memory. In the face of a clear warning from Brezhnev on October 15 that the attaching of political conditions to trade agreements would be improper and "unacceptable" to the Soviet Union, Congress on December 20 passed the Trade Reform Act bearing the Jackson-Vanik amendment, which makes the extension of MFN treatment to the USSR conditional upon a Soviet grant of freedom of emigration for its citizens. Furthermore, the Senate Foreign Relations Committee, diverging radically from the line taken in the study prepared by its House counterpart, had decided that it would not be in the best interest of the United States to have official American participation in the development of Soviet natural-gas resources. So when extending the lending authority of the Export-Import Bank for four years at the $25 billion level, Congress in December stipulated that no Export-Import Bank credits might be used for the production, transportation or distribution of energy materials from the USSR. Finally, Congress put a $300 million ceiling on credits that might be extended to the USSR for any purpose, with that amount to be extended over four years and the maximum in any one year to be $75 million. The $300 million limit might be exceeded only if the President deemed it in the national interest *and the Congress approved*. Congress had not established such limits on total credits for any other country.

The immediate sequel is well known: Moscow refused to accept the indicated requirements for receiving MFN treatment and manifested deep discontent with the credit limitation. Thus the 1972 agreement stood without effect and the Yalta agreement of June 1974 lost much of its force. The Trade Reform Act had checked, substantially, the movement toward Soviet-American economic cooperation.

For an adequate appreciation of the balance of forces in the situation, one must remember that the Nixon administration's 1972 move toward economic rapprochement with the USSR—after twenty years of near-total estrangement—was made to overcome an American disadvantage. The European Economic Community (EEC) and Japan had been building up profitable trade relations with the Socialist bloc for a full decade: and, with the American world trade position deteriorating, the United States had finally decided to compete for a share of that growing market—and especially the Soviet market. But the Trade Act, theoretically designed to facilitate the liberalization of trade exchanges, had failed to do so in the case of the Soviet Union.

The first reason for that setback to the policy of economic cooperation was the attempt by Congress, primarily for domestic political reasons, to link the grant of MFN treatment to Soviet emigration policy. Here a secondary factor also operated. When it tried to win a Soviet political concession in exchange for regularizing economic relations, Congress clearly overestimated the value Moscow put on the new relationship—and thus overrated the strength of the American bargaining position. Although the United States had taken the initiative to rehabilitate trade ties, American political figures were soon heard talking as if Russia had been driven to seek American technology and industrial equipment so that it might emerge from economic stagnation. Sen. Henry Jackson, the prime architect of the Jackson-Vanik amendment, asserted on November 15, 1973, that there was "overwhelming" evidence that the Soviet economy stood badly in need of assistance—but that the help should come "through a reordering of Soviet priorities away from the military into the civilian sector"; it should *not* be given by the United States. Those who, like Jackson, talked of the USSR's dire need were able easily to convince themselves that the United States had the upper hand and could dictate terms, both economic and political.

The circumstance that Russia suffered a massive crop failure in 1972, causing it to buy $1 billion worth of grain in the United States, seemed to confirm the hypothesis that a weakened USSR would have to accede to American stipulations. Besides, a peculiar resentment was born of the grain deal. Although the big American grain companies, as good capitalist enterprises, could be presumed pleased at having sold their not inconsiderable grain stocks at a substantial profit, some critics held that, because the Soviets, in equally sage capitalistic manner, had avoided stiff price hikes by not divulging the extent of their needs, the American nation had been victimized.

Congress took due political note; the matter became a public issue. And in October 1974, when the Trade Act was under consideration, the White House caused two big American grain exporters to cancel a new $500 million sale of grain to the Soviet Union. President Ford was quoted by the head of one of the companies as remarking that there were "political problems in Congress and with the people of the United States, who would be irate that grain was going to Russia in this magnitude." But corn, wheat and soybean prices promptly fell sharply in the American market. And some six weeks later the Soviets were permitted to contract for smaller amounts of grain. They presumably paid less per unit than they would have in October.

Thus it was that the U.S. Congress passed the Trade Act in a form designed to achieve American economic *and political* aims, while offering little in return. The nullifying of the October 1972 agreement was overt, and it was substantive. Congress thus removed the incentives for the Soviet Union to make concessions, whether with respect to trade or as regards Soviet emigration. In mid-January, when both sides were engaged in some assessment of reasons for the development, Tass made what could be taken as an official observation: "As for trade, it is not a unilateral process. We want and are prepared to trade with the West, but . . . only on the basis of full equality and mutual benefits." At a later point in the commentary, Tass remarked pointedly: "The Soviet people . . would never make their right to decide their own internal affairs an object of bargaining. It would never occur to them to predicate their normal state-to-state relations with the United States, say, on abolition of private ownership of the means of production."

It is now evident that the USSR's economic need is *not* so great that it must accept disadvantageous terms for American trade. The Soviet Union is the world's second strongest economic power. In fact, it is the dominant element in an even more powerful combine, the Council for Mutual Economic Assistance (CMEA), which embraces the USSR, Eastern Europe, Cuba and the Mongolian People's Republic. The United States, on the other hand, for all of Secretary of State Henry Kissinger's attempts to foster "interdependence" among the United States, the EEC and Japan, is far from having won command of a solid phalanx of capitalist economies. Particularly in regard to trade with the Soviet Union, EEC countries and Japan were not following the American line before 1972; and with economic depression assailing them, they are even less inclined to follow that lead today. It was only recently that the United States and the USSR reached agreement on broad measures of economic cooperation. The EEC countries and Japan have relationships with the Soviet Union that are already well along on the way of development.

The critical factor is that Russia possesses tremendous reserves of industrial raw materials—including energy materials—and has evidently made the strategic decision to exchange some of its natural riches for large quantities of industrial equipment and technology, in order to speed up its economic development. Soviet natural-gas deposits are estimated to make up nearly one-third of the world's total, and production is steadily increasing. The Soviet production of petroleum. which has also been climbing sharply, in 1974 totaled approximately 450 million metric tons, thus surpassing American production—which, even as in the case of natural gas. is falling. As the world's largest consumer of energy, the United States is a heavy importer of petroleum; the USSR, which plans to produce about 490 million tons in 1975, is an exporter. The United States may be reluctant to assist the Soviet Union with the production of energy materials, but the USSR is increasing production rapidly without American official aid, and is expanding its network of oil and gas pipelines.

Consider now the situation prevailing with respect to Soviet economic exchanges with some of the United States' principal trading partners, especially in the field of energy. In December 1969, the USSR agreed to supply West Germany with natural gas over a period of twenty years, in exchange (in part) for large-diameter gas pipe; the agreement envisaged delivery of 3 billion cubic meters of natural gas per annum by 1978. And in May 1973 the two countries signed a ten-year pact providing for economic, industrial and technological cooperation, with the USSR to provide West Germany with petroleum, natural gas and other industrial raw materials. West Germany is the Soviet Union's chief capitalist trading partner.

As was to be expected, France early entered the field of Soviet trade. In early 1974, it became known that Russia had opened up a huge new natural-gas field near Orenburg, with sulfur as a by-product. With French technical assistance, the first of six projected sulfur-recovery units had been put into operation. At Paris, on December 6, 1974. President Giscard d'Estaing and Soviet leader Brezhnev signed a five-year pact providing for a doubling of Franco-Soviet trade to a figure of $2.65 billion annually by 1980. The agreement included a French credit of $2.5 billion for the financing of Soviet purchases over the five years. And a separate agreement provided for the supply to France of 2.5 billion cubic meters of Soviet natural gas per year to 1980, and 4 billion cubic meters annually thereafter. It was notable that the pertinent joint communiqué referred not to détente but to the policy of "entente" and cooperation between the two countries.

Japan had waited upon American participation in the development of Soviet natural-gas resources, the Japanese interest being focused primarily in deposits located in Eastern Siberia. With the long American delay, Japan and the USSR early this year signed an agreement providing for the extension of $100 million in Japanese credits for the exploitation of oil and natural-gas resources located on the continental shelf of Sakhalin, with Japan to receive 50 per cent of the production of both commodities. In signing the agreement, provision was made for later participation by American interests, should there prove to be an American desire. That new joint enterprise fell within the larger framework of Soviet-Japanese cooperative undertakings—and a steadily growing trade.

Britain is in the picture with a trade that in 1974 had risen to $1.2 billion. And in February 1975, Prime Minister Wilson made a visit to Moscow that brought agreement on a program of expanded economic cooperation, with the British side to provide approximately $2 billion in low-interest credits to the USSR. Where trade in 1974 had stood four to one in favor of the Soviet exporters of primary materials, the two sides agreed now to work for a more balanced and substantially increased exchange.

And Italy is among those present, especially as far as energy materials are concerned. In 1969, it signed a twenty-year, $3 billion contract for the import of Soviet natural gas via a pipeline to be extended from Bratislava to the Italian border. That pipeline has been completed, and the natural gas flows to Italy, with the contract providing for 100 billion cubic meters to be delivered over the life of the contract. Against the background of a 30 per cent increase of trade in 1973, the USSR and Italy in July 1974 entered upon a ten-year agreement for the development of economic, industrial and technological cooperation.

There are several noteworthy elements in the picture of Soviet relations with the capitalist sector of the world economy. For one thing, it is evident that the USSR is able to tap sources of industrial equipment and technology other than the United States, and some of those sources are, in certain respects, more advanced technologically than is the United States. Further—and this factor seems not to have been widely noted—the other capitalist economies have their own export-import banking facilities, and are quite prepared to foster trade with the USSR by extending liberal credits, and without placing arbitrary limits on such credits.

It is moreover apparent that, in the situation where all the industrialized societies are dependent to varying degrees upon outside sources for supplies of energy and other industrial raw materials, some of our prime trading partners are willing, where the profit motive operates, to be partially dependent upon Soviet sources of supply in the critical present. For in a world of dwindling resources a prosperous autarky is impossible; and in a seller's market *no* source is "dependable"—in American terms. Iran, Venezuela and Canada, in their individual ways, have driven that point home to Washington with respect to the particular matter of oil prices and oil supply. In that general situation, some of our capitalist trading partners have proceeded from the area of "détente" to that of "entente" and to economic cooperation, with the Soviet Union.

The American position is attended by contradictions: officially, given the strictures of the Trade Act, the United States has not progressed beyond economic détente; but American private enterprise has proceeded measurably farther in the direction of "economic cooperation." In the three years 1972–74, under the burgeoning new relationship, the USSR bought much more from the United States than it sold. That naturally pleased American businessmen and, due to the initiative of private American corporations and banks, various promising deals have recently been made. In August 1974, the General Electric Co. contracted to deliver by early 1976, at the price of $250 million, sixty-five gas-turbine compressors for the Soviet natural-gas pipeline system. In November, the USSR bought $100 million worth of tractors from the International Harvester Co.—on cash terms. In February of this year, Intertex International of New York sold the USSR $25 million worth of machinery for the manufacture of artificial fur—again for cash on delivery. Also in February, since the Export-Import Bank's credits to the USSR are now restricted, the Bank of America, at a Washington meeting of the U.S.-U.S.S.R. Trade and Economic Council, proposed that it form a banking syndicate to provide a credit fund of $500 million for the financing of Soviet purchases in the United States. Soviet-American trade thus still stands at a respectable level. Nevertheless, exchanges in 1974 were valued at just under $1 billion, as compared with $1.4 billion for 1973 (when, to be sure, deliveries against the big 1972 grain purchase were a factor), and the future development of that trade is hampered by denial of MFN treatment, and by the lack of government credits other than the piddling $300 million.

Moscow is not without cash in hand. Thanks to higher prices for gold and industrial raw materials—including of course energy materials—it had in 1974 a favorable trade balance of nearly $2.7 billion. Nevertheless, financial opinion stresses the importance of providing adequate credits in the present competitive situation. In a February report to Congress, the Export-Import Bank stated that, due in part to restraints on the bank's lending authority, U.S. companies had begun to feel a reduction of export business. It said further that there were indications that, "in those capital goods sectors of great importance to increasing the level of United States exports, several factors, especially the ability of other countries to finance a larger portion of the export price of their goods than Eximbank feel able to do, were diverting exports from the United States or otherwise causing a slowdown in potential United States sales abroad." Observing that "Official credit agencies in Europe and Japan continued to support as much as 85 per cent of the export price of their exports," the bank reported that a recent survey had shown that major American engineering firms were now in effect submitting their bids from foreign countries "in order to get more adequate financing."

The relevance of those remarks to the issue of Soviet-American trade was apparent. For in circumstances where the American trade deficit in 1974 was $3.07 billion, one of the areas of competition between the United States and its prime capitalist trading partners is clearly the Soviet Union.

What does the future hold in that regard? The existing situation confronts the United States with certain concrete disadvantages. As regards settlement of the lend-lease debt, the 1972 agreement required the USSR to make three payments totaling $48 million against the agreed total of $722 million, with the third payment due on July 1, 1975; but the USSR need make no payment after that until granted MFN treatment.

There is the question of energy materials. As long as American inflation continues, OPEC almost certainly will not offer petroleum at cheaper *dollar* prices. Natural gas? The Federal Power Commission reported at the beginning of the year that, due to declining domestic production, the natural-gas supply situation had unexpectedly worsened; and in February, noting that reductions in delivery had "adversely affected the nation's economic stability and welfare," it ordered that a comprehensive inventory of national natural-gas reserves be compiled. In the meantime, of course, unlike West Germany, France and Italy, the United States remained "independent" of Soviet natural gas.

There is the matter of markets for American agricultural products. The United States' 1974 wheat crop was the biggest in history, and at the time when the Administration forced the cancellation of the Soviet order for 34 million bushels (having permitted the sale of 49 million bushels to China a short time before), some 350 million bushels were still in the market, at high prices, out of a total of a billion bushels available for export that year. But prices for wheat, corn and soybeans had dropped by March 1 of this year far below their October 1947 highs (with soybeans down 48 per cent from $9.69 to $4.95 a bushel). In early 1975, the Soviet Union canceled one small order for wheat; China canceled two. At a time when it is anticipated that American farmers will increase their acreage enough to bring in a record crop of more than 6.2 billion bushels of corn, other countries have also cut back on their purchases of American feed grains. Now Congress purports to see a need to increase farm price supports. The USSR has in the past been a big buyer of American corn (the aborted October deal included 92 million bushels). If there are substantial market surpluses of American grain in 1975, would the USSR, showing up as a prospective purchaser, be turned away?

And what of emigration from the USSR—the issue that gave rise to Congress' assault on the 1972 agreement in the first instance? Such emigration dropped from a level of 32,500 in 1973 to about 21,000 in 1974. The Soviet periodical *Novaya Vremya* reported on January 30 of this year that the number of Soviet Jews applying for emigration had actually dropped continuously since 1973 by reason of difficulties (duly detailed by *Novaya Vremya*) Soviet Jews encountered in Israel. And, sure enough, it was reported from Vienna in mid-March that 40 per cent fewer Soviet emigrants had passed through that point since the first of the year than in the same period of 1974. The surface indications are plain enough; the emigration of Soviet citizens to Israel, and to the United States, will in all probability decrease this year as compared with last. The Jackson-Vanik amendment is shown to have been ill-advised in more ways than one.

Addressing the U.S. Congress on the same day that Treasury Secretary Simon spoke in Moscow, President Ford remarked on the restrictions that Congress had imposed on Soviet-American trade, and said that in the past six months Western Europe and Japan had extended more than $8 billion in credits to the USSR, thus seizing upon opportunities "which could have gone to Americans." He added that the Trade Act had "seriously complicated prospects" of would-be Soviet emigrants.

The President said that remedial legislation was urgently required "in our national interest." And it can be assumed probable that in due course, as the crisis in the capitalist sector of the world economy deepens—which it shows every sign of doing—and as other (and sometimes bigger) problems than the right of Soviet citizens to emigrate intrude upon the attention of the U.S. Government, it can be assumed that in due course MFN treatment, and credit terms as generous as those offered by EEC countries and Japan, will be granted to the USSR—in service of the concept of economic cooperation.

ANNOUNCEMENT OF POSITION ON VOTE

Mr. STEVENS. Mr. President, while en route from Fairbanks, Alaska, after receiving an honorary doctorate degree from the University of Alaska, I was unable to participate in the rollcall vote on S. 846, military aid to Turkey. For the record, I would have voted in favor

of this measure if I had been present for the vote on May 19, 1975.

MIDDLE EAST REAPPRAISAL

Mr. ABOUREZK. Mr. President, recently Alfred J. Hotz, a professor of political science at Augustana College and a personal friend, wrote an excellent article on the serious issues surrounding the Arab-Israeli conflict. He rightfully points out that American foreign policy in the Middle East has been marked by a disappointing lack of clarity, and in some instances, plain doubletalk. Not only has this policy historically jeopardized U.S. interests in the Middle East, it is now one of the underlying factors in the seemingly unbreakable negotiating deadlock.

Professor Hotz aptly argues that this country can no longer conduct its policy on the assumption that American and Israeli interests are always parallel. One interest which is shared by every government, hopefully, is to secure a lasting peace. But, until Israel recognizes that the necessity for flexibility is tantamount to achieving peace, the dangerous and potentially explosive deadlock is sure to continue.

Recently, Professor Hotz was accorded the honor of Professor of the Year at Augustana. Knowing of the tremendous contribution which he has made to quality education in South Dakota, I cannot think of a more appropriate recipient.

Mr. President, I ask unanimous consent that the article by Professor Hotz be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Sioux Falls Argus-Leader, Apr. 13, 1975]

MIDDLE EAST REAPPRAISAL COMMENTARY

(By Alfred J. Hotz)

While the deteriorating Vietnam situation occupies the major attention of the Ford Administration and the American public, the far more dangerous issues surrounding the Arab-Israeli protracted conflict require an even more serious reappraisal.

The recent failure of Secretary Kissinger's second-stage "shuttle diplomacy" brings again into sharp focus the apparent irreconcilable Israeli objectives of "absolute security" vs. Arab objectives of "absolute justice". Dr. Kissinger's valiant efforts to encourage both sides to modify their respective absolute demands has, thus far, been only partially successful.

Presently, it is reasonably clear that the Arab states, particularly Egypt (and possible Syria) have moderated their previous postures, and recognize the realities that the state of Israel has the right to exist within "secure and defensible borders," as required by U.N. Resolution 242.

President Ford, in turn, has reiterated the firmly held position that "the United States remains fully committed to the survival of Israel"—i.e., a clear warning to the Arab states.

COMMITMENT NOT PRONOUNCED

Unfortunately, America has not, as yet, pronounced its equally firm commitment to "justice" for the Arab legitimate claims—i.e., Israel withdrawal to the pre-1967 borders, with minor adjustments; and solutions for the legal rights of the Palestine Arabs. No responsible Arab leadership can ignore the obvious fact that Israel not only occupies, but has established Jewish settlements on Arab territories—i.e., Golan Heights, the West Bank, and the Sharmel-Sheik region. Moreover, no tangible expressions have been forthcoming by either Israel or the United States with regard to the vital Arab-Palestine question.

Why do such ambiguities remain in the American posture even as of today? I submit that the lack of success in Kissinger's mediation efforts has been primarily due to the failure of past administrations to clearly define our national interests in the Middle East.

POLICY OF INDIFFERENCE

American lack of clarity and design caused the U.S. to pursue a policy of "indifference" after the first round of war (1948–49). Following the second round (Suez Intervention-1956), the result of Israeli collusion with the British and French to overthrow Egypt's Nasser, we applied a policy of "benign neglect" during the ensuing 10-year quiet period safeguarded by United National forces.

However, the Israeli "preemptive strike" (1967) finally alerted our policymakers to the recurring dangers within the volatile Middle East. We supported U.S. Resolution 242 whose parameters established a balanced formula for a negotiated peace. Yet we failed to pressure Israel to implement that resolution's withdrawal provisions.

This "wait-and-see" policy was directly responsible for the outbreak of the Yom Kippur War (October 1973). The resultant military stalemate did offer opportunities for Kissinger's mediation efforts, which, while partially successful, have floundered over the uncertainties within both Arab and Israeli perceptions of American national interests.

TWO CRITERIA APPLIED

Thus far, America has applied only two of the vital criteria that buttress any definition of the national interest, namely the ideological and military components. Ideologically, we quite properly perceived Israel as a viable, democratic state, and emotionally, sympathized with a valiant Jewish civilization reincarnated after the horrors of Hitler's programs.

Militarily, we deeply admired and respected Israel's superb fighting qualities to defend the newly created nation against the hostility of the surrounding Arab states, and, thereby, to preserve a tolerable military balance of power.

However, our policymakers have sadly neglected three other vital criteria that remain fundamental to the definition of American interests in the volatile Middle East, namely geopolitical, economic and psychological. First, from the strategic (geopolitical) standpoint, the Arab nations offer greater advantages in terms of protection of the southern flank of NATO than does the small, isolated, Israel garrison state.

Second, even prior to the oil-linkage question, the long-range economic promise and productivity of the Arab nations ranks higher by comparison with Israel's economic capabilities.

Third, the more subtle psychological-credibility factor again weighs more realistically on the side of the Arabs.

TWO FACTORS CLEAR

Indeed, at this critical juncture, two factors are irrevocably clear: (1) that American and Israeli interests are not always "parallel", and (2) that time is no longer on Israel's side, even in a military sense, despite augmented American economic aid and sophisticated weaponry.

Many Israeli intellectuals are of the firm opinion that the Jerusalem government has, in the past, lost many excellent opportunities for creating a more favorable negotiating climate with the Arabs. Even the indomitable David Ben Gurion frequently admonished the Golda Meier government to withdraw from Arab territories.

Therefore, time is running short for all protagonists, but especially for the United States. Ambiguities must be replaced by clarities of design and purpose, otherwise the climate towards a negotiated settlement will be overtaken by both contesting sides locking themselves into a "point of no return", which would presage another tragic round of war.

CONSEQUENCES OF WAR

Thus, a 5th round, even in the unlikely contingency that the United States and the Soviet Union would not be drawn-in directly, would have the following drastic consequences: (1) "radicalize" the Arab states as to preclude any kind of political settlement for decades, not just years; (2) strain on Western Alliance irrevocably with a consequent world-wide economic breakdown; (3) "polarize" the Middle East in terms of greater influx of Soviet influence; (4) invite the Afro-Asian reaction against America—i.e., a North-South conflict during the decades ahead; and (5) create bizarre fissures within America with regard to support for Israel, which would make the strains of pro- or anti-Vietnam rhetoric appear as drops in a bucket.

FOREMOST TASK

Therefore, the Ford administration's first and foremost task must be to declare that the United States will not countenance the outbreak of military hostilities by either Israel or Egypt/Syria. However, to carry conviction, we must secure the cooperation of the Soviet Union in a joint declaration, which entails certain accommodations with Moscow.

Secondly, the administration must pressure Israel to be more "flexible" in its absolutist demands. The Rabin government must be reminded not to take American support for granted, and be encouraged to, itself, undertake new "initiativea" for peace and security.

American national interests in the Middle East can no longer be predicated solely on a pro-Israel policy.

PRESIDENT FORD'S ACTIONS IN THE RECENT "MAYAGUEZ" INCIDENT

Mr. THURMOND. Mr. President, this Nation recently was confronted with an unusual situation. An unarmed U.S. merchant ship, the *Mayaguez*, was seized in international waters by an armed vessel belonging to the new Communist government of Cambodia. The Cambodians had apparently decided to test the will and resolve of the United States. The Cambodian leaders were convinced that the United States would sit idly by and allow its citizens to be placed in captivity, as happened when the *Pueblo* was seized by the North Korean Government.

The Cambodians soon found out that they were sadly mistaken about the reaction of the U.S. Government and President Gerald Ford. President Ford's reaction was prompt and decisive. After warning the Cambodians about the consequences of not releasing the ship and its crew, and after negotiations through intermediaries failed, the President took firm, yet calculated action. As a result of President Ford's willingness to take positive steps to meet what was, at the very least, an act of piracy, the Cambodian Government as well as the rest

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of the world is now on notice that the United States will not tolerate any acts of aggression against ships flying her flag on the high seas.

I wholeheartedly and fervently commend President Ford on his most courageous and exceedingly well-timed actions in meeting this crisis.

Mr. President, Mr. James J. Kilpatrick wrote a splendid column entitled "Cheers for President in *Mayaguez* Reaction," which was published today, May 20, 1975, in the Washington Star. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Cheers for President in "Mayaguez" Reaction

Well, God bless Jerry Ford. By his resolute handling of the Mayaguez incident, the President boosted the national morale, spit in the Communists' eye and incidentally promoted his own political fortunes. He had the country smiling on Thursday. It had been a long time since we had much to smile about.

The last few years, and especially the last few months, have constituted one of the most melancholy chapters in the history of the American republic. Defeat abroad was piled upon shame at home. Recession, inflation, unemployment, vandalism, violent crime, disgrace and corruption in high places—the litany of bad news went on and on. However briefly, the clouds now seem to lift.

In the long chronicle of arms, the Mayaguez incident may rate no more than a footnote. Yet small matters may have large consequences, and the consequences of Mayaguez will be felt both at home and abroad.

It is a truism in foreign affairs, as it is in human affairs that strength inspires respect and weakness breeds contempt. If we have learned anything about the nature of Communist aggression, surely we have learned that much at least. The Communists are forever pressing, testing, probing for weakness.

A part of the tragedy of Vietnam is that the Communists probed for weakness after the signing of the Paris accords—and they found weakness. The enemy rightly concluded that the United States had lost its resolve. This same perception was not lost on the South Vietnamese. The end was inevitable.

Then came Cambodia. Anti-American demonstrations in Laos triggered a pro-Communist shakeup there. Thailand scrambled to make peace with her new neighbors. From Singapore to Seoul, from Malaysia to Manila, heads of state reacted with barely concealed consternation. Ripples from the Pacific reached the Mediterranean. This was the wretched situation when the importunate Cambodians, for whom a small blessing may also be invoked, recklessly seized the freighter.

Ford's bold but measured response will not undo the terrible damage that had been done. Of course it will not. But it will help. In some small degree, he has restored the grand old image of an angry Uncle Sam. Hallelujah!

The incident will have domestic consequences also. Pride cannot be measured nor confidence precisely analyzed. These are intangibles, but they have the force of electric current. The President's action could jolt us out of a depression, not of the economy but of the spirit; and a surge of confidence is sorely needed now.

Ford himself will surely benefit politically. He did what had to be done. He made the right diplomatic motions, but he refused to pussyfoot around. While Sen. McGovern was still mewling about a few days' delay, Ford acted. In the course of a dramatic 24 hours, Americans caught memorable impressions of potential leaders. Sens. Kennedy, Humphrey and Jackson left images of indecision and weakness. Sens. Buckley, Tower and Baker, among others, left images of firmness and strength.

The incident itself is likely to pass swiftly from the news, but the images will remain on the retina much longer. The armed services will benefit from this affair: We are likely to hear less talk of whacking the Navy and Marines.

A small affair, yes. It ought not to be overblown. But after so long a series of failures, it is wonderfully good to hear a President report even a modest success; Mission accomplished!

THE UNITED STATES, THE OAS, AND CUBA

Mr. PERCY. Mr. President, the United States is having a difficult time ridding itself of the unwanted diplomatic and economic embargo against Cuba. Although the United States and a majority of the other members of the Organization of American States are now convinced that the time has come to end the embargo, we are permitting procedural technicalities in the OAS to delay the abolition of this anomaly.

A Washington Star editorial of May 12, 1975, made some constructive suggestions for cutting the redtape. In the meantime, as I stated on May 6—S7466—I believe we should begin the normalization process by lifting the U.S. trade embargo now.

I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OAS: Get on With It

It is a more than faintly ridiculous spectacle to observe the current meeting here of the Organization of American States foreign ministers doing absolutely nothing to end the long isolation of Cuba when a clear majority of them are ready to act now.

We make no special point of the fact that nine of the 23 member states either have restored diplomatic and trade relations with Cuba or never broke them at all. The important point is that a minority viewpoint is prevailing at the highest level of the OAS because of the glutinous maze of juridical technicalities that consistently renders the organization impotent and even clownish.

As a matter of OAS procedure, sometimes likened to swimming in peanut butter, the General Assembly cannot touch the Rio Treaty under which Cuba has been a pariah state since 1964. Yet the same foreign ministers could amend that treaty in a truce simply by reconstituting itself as what the OAS calls an "organ of consultation."

It passes all understanding why Secretary of State Henry A. Kissinger and the other foreign ministers in all probability will close up shop on May 19 and return to their chancelleries without touching the Cuban question. It is explained by many officials, no doubt mesmerized by years of the stupefying OAS oratory and juridical schematics, that there really is no hurry since the member nations would have to ratify the vote and this could take up to three years.

It is this sort of convoluted thinking that has made the OAS into an ineffective wind tunnel for far too many years. Why, in the name of Simon Bolivar and Jose Martie, cannot the top policymakers of the hemisphere undo here and now what they did with such great rapidity when Fidel Castro was perceived as a common menace?

The signals are clear enough. Castro is ready to bury the machete and talks blithely of sports programs with the most recent U.S. senator errant. President Gerald Ford and Henry Kissinger are ready when the others are. And most of the others—probably excepting Chile, Paraguay and Uruguay—are ready now. Even the Soviet Union, weary of supporting the Cuban Marxist experiment for nearly 15 years, scents the chance to get out from under the $2 million a day dole it pays to keep Castro going in light of his new-found sugar riches.

It was nearly as clear a year ago in Quito when these same foreign ministers met to vote on a resolution to lift the embargo. Unfortunately, the Rio treaty specifies a two-thirds majority to unimpose the sanctions and only 12 'Si' votes could be found. Five other swing nations looked to the U.S. for a signal, detected a hands-off approach from Kissinger's peace plane in the Mideast, and joined the U.S. in abstaining.

Now the OAS has come up with a new strategy. Instead of pursuing a two-thirds vote, the strategists have decided to change the rules so that only a simple majority is required—12 votes instead of the 14 required under existing rules. But the Rube Goldberg procedures say that the General Assembly cannot change the Rio treaty rules or order, only the OAS as an organ of consultation can do this. And so we are back to Square One or Catch 22 or hasta manana.

It is a situaton that cries out for some leadership and the U.S. can well afford to exercise a fruitful role as the traditional leader of the OAS instead of offending them all with such blunders as the discriminatory Trade Act affecting Venezuela and Ecuador. If such leaders as Kissinger, Emio Rabasa of Mexico, Gonzalo Facio of Costa Rica and others decided on an interim means of by-passing the technicalities, this session of the OAS could doubtless decide in loud clear tones to end the isolation of Cuba.

One way, we suggest, would be for the foreign ministers to adhere to their own rules and adjourn on May 19. They could then declare themselves an organ of consultation and swiftly amend the Rio Treaty so that a simple majority of votes could end the embargo. We suppose there is no way around the need for ratification but we regard that as no reason for doing nothing about Cuba. After all, each nation will be empowered to decide for itself what relationship it wants with Cuba so the question of ratification is of interest only to collectors of the more arcane jurisprudential aspects of international law.

Taking action now, even if only as a sense-of-the-OAS gambit, would go a long way toward easing tensions in a hemisphere that has no need for unnecessary problems. Castro would be reassured and perhaps become less paranoid about his neighbors.

Since some very key member states have chosen to defy the OAS prohibition against relations with Cuba and more are on the verge of doing so, the legal eagles of the OAS might protect the dignity of their rules better by adhering more to the spirit than to the letter of the law.

If Castro was a menace to any state by exporting revolution, or if he was uninterested in having peace and commerce with his neighbors, we would say that the isolation should stand. But Castro is a threat only to those in Cuba who disagree with him, and his interest in normalization is obvious. Let's get on with it.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

SECOND SUPPLEMENTAL APPROPRIATIONS ACT, 1975

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of H.R. 5899 which the clerk will state by title.

The legislative clerk read as follows:

A bill (H.R. 5899) making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Appropriations with amendments.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc and that the bill, as thus amended, be regarded for the purpose of amendments as original text, provided that no point of order shall be waived by reason of agreement to this request.

Mr. ROTH. Mr. President, reserving the right to object——

The PRESIDING OFFICER. Is there objection?

Mr. ROTH. I have no objection to the proposed unanimous consent except for the deletion of sections 304, 305, and 306 of the House bill. I do strongly object to the deletion of these sections, which contain strong antibusing provisions. If the distinguished chairman would delete that from his request I would not object to a unanimous consent.

Mr. McCLELLAN. Do I understand that if I amend the request that all amendments will be considered agreed to en bloc except sections 305, 306——

Mr. ROTH Section 304, 305, and 306.

Mr. McCLELLAN. The exceptions are 304, 305, and 306, those three, the Senator would like to have excluded from the unanimous-consent request?

Mr. ROTH. That is correct.

Mr. McCLELLAN. Is there objection to modifying the request?

Mr. YOUNG. I have no objection to excluding them.

Mr. McCLELLAN. Mr. President, I will modify my unanimous-consent request to agree to, en bloc, all committee amendments to the bill before the Senate, save and except sections 304, 305, and 306 which appear on pages 73, 74, and 75 of the bill.

Mr. ROTH. Mr. President, will the chairman yield for a question?

Mr. McCLELLAN. I yield.

Mr. ROTH. By this modification does it mean that the original text of sections 304, 305, and 306 as continued in the House version remain as part of the bill and the Senate committee proposals would have to be offered as amendment?

Mr. McCLELLAN. These amendments would have to be called up and voted on, that is what it means. It excludes the others if they are adopted, subject to any amendment that anyone might want to offer. These will have to be offered, under this agreement, as amendments to the bill as offered to the Senate, as proposed by the Appropriations Committee of the Senate.

Parliamentary inquiry, Mr. President. I ask if I have stated it correctly.

The PRESIDING OFFICER. The Chair would automatically lay before the Senate committee amendments that were excepted.

Mr. McCLELLAN. All right. I think I stated it correctly.

Mr. ROTH. I withdraw my objection.

The PRESIDING OFFICER. Is there objection to the modified request? Without objection, the modified request is so ordered.

The amendments agreed to en bloc are as follows:

On page 2, beginning with line 4, insert:

Farmers Home Administration

AGRICULTURAL CREDIT INSURANCE FUND

Additional loans may be insured, or made to be sold and insured under this Fund in accordance with and subject to the provisions of 7 U.S.C. 1928–1929 as follows: operating loans, $100,000,000.

On page 2, in line 16, strike out "$24,623,000" and insert "$176,856,000".

On page 2, in line 17, after "expended," insert:

able until expended, including $52,000,000 for the summer operations of the Special Food Program, for which sum the Secretary shall apportion to each State an amount of the funds appropriated for the program for the period May through September 1975 that bears the same ratio to the total of such funds as the amount of funds expended during the period May through September 1974 in such State bears to the total amount of funds expended in the program during the same period in all States. If any State cannot utilize all of the funds so apportioned to it, the Secretary shall make further distribution to the remaining States based on need for such funds.

FOOD STAMP PROGRAM

For an additional amount for the "Food stamp program", $884,815,000, to remain available until expended.

SPECIAL MILK PROGRAM

For an additional amount to carry out the provisions of the "Special milk program", as authorized by section 3 of the Child Nutrition Act of 1966, as amended (42 U.S.C. 1772), $5,000,000.

On page 4, beginning with line 1, insert:

CHAPTER III

DISTRICT OF COLUMBIA

Federal Funds

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA

For an additional amount for "Federal payment to the District of Columbia", to be paid to the general fund of the District of Columbia, $8,000,000.

District of Columbia Funds

GENERAL OPERATING EXPENSES

For an additional amount for "General operating expenses", $1,021,000.

PUBLIC SAFETY

For an additional amount for "Public safety", $2,284,600.

EDUCATION

For an additional amount for "Education", $1,792,800.

HUMAN RESOURCES

For an additional amount for "Human resources", $1,733,500.

HIGHWAYS AND TRAFFIC

For an additional amount for "Highways and traffic", $605,000, of which $305,000 shall be payable from the highway fund.

ENVIRONMENTAL SERVICES

For an additional amount for "Environmental services", $1,200,000, of which $600,000 shall be payable from the water fund, and $500,000 from the sanitary sewage works fund.

SETTLEMENT OF CLAIMS AND SUITS

For an additional amount for "Settlement of claims and suits", $166,300.

Division of Expenses

The sums appropriated herein for the District of Columbia shall be paid out of the general fund of the District of Columbia, except as otherwise specifically provided.

On page 5, in line 11, strike out "III" and insert "IV".

On page 5, in line 25, strike out "$146,400,000" and insert "$256,400,000".

On page 6, beginning with line 1, insert:

READJUSTMENT BENEFITS

For an additional amount for "Readjustment benefits", $425,000,000, to remain available until expended;

On page 6, in line 17, strike out "IV" and insert "V".

On page 6, beginning with line 23, insert:

Bureau of Outdoor Recreation

LAND AND WATER CONSERVATION FUND

For an additional amount from the "Land and Water Conservation Fund", $7,492,000, which shall be available to the National Park Service for land acquisition, to remain available until expended.

On page 7, in line 6, after "$350,000," insert "to remain available until expended."

On page 7, beginning with line 7, insert:

National Park Service

PLANNING AND CONSTRUCTION

For an additional amount for "Planning and construction", $2,300,000: *Provided*, That these funds shall be available to assist in constructing a sewage system and treatment plant in cooperation with the towns of Harpers Ferry and Bolivar, West Virginia, to serve such towns and the Harpers Ferry National Historical Park: *Provided further*, That this appropriation shall be rescinded if H.R. 4481 is enacted into law and contains funds for this purpose.

On page 7, in line 20, strike out "$6,600,000" and insert:

$8,500,000, of which $2,000,000 shall remain available until October 1, 1975: *Provided*, That with the exception of $28,352,000 for public school assistance, none of the funds appropriated under this head in this or any other appropriations Act for fiscal year 1975 shall remain available beyond June 30, 1975, unless specifically provided otherwise in such Acts.

CONSTRUCTION

For an additional amount for "Construction", $10,000,000, as authorized by Public Law 93–638, Title II, Part B, to remain available until expended.

On page 8, in line 8, after "$900,000", insert "to remain available until expended."

On page 8, beginning with line 9, insert:

TRUST TERRITORY OF THE PACIFIC ISLANDS

For an additional amount for "Trust Territory of the Pacific Islands", $8,050,000 to remain available until expended: *Provided*, That none of these funds shall be available until the enactment of authorizing legislation.

On page 8, in line 23, strike out "$1,000,000" and insert "$8,000,000".

On page 9, beginning with line 1, insert:

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PAYMENTS TO THE U.S. VIRGIN ISLANDS AND PUERTO RICO

(Indefinite Appropriation of Receipts)

There shall be appropriated from the Treasury and transferred and paid into the treasuries of Puerto Rico and of the United States Virgin Islands the amount, as determined by the Administrator of the Federal Energy Administration, of all import license fees collected by the Administrator pursuant to Presidential Proclamation Numbered 3279, as amended, between May 1, 1973, and January 31, 1975, exclusive of refunds and reductions, for imports of crude oil, unfinished oils, and finished products, into Puerto Rico (other than imports from the United States Virgin Islands) and into the Customs Territory of the United States from the United States Virgin Islands. Such sums so transferred and paid over shall be used and expended by the Governments of Puerto Rico and the United States Virgin Islands for public purposes as authorized by law.

On page 9, beginning with line 18, strike out:

Smithsonian Institution

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $390,000.

SALARIES AND EXPENSES, NATIONAL GALLERY OF ART

For an additional amount for "Salaries and expenses, National Gallery of Art", $00,000.

On page 10, in line 1, strike out "V" and insert "VI".

On page 10, in line 21, after "Act," insert "or any other Act,".

On page 11, beginning with line 21, insert:

Health Services Administration

HEALTH SERVICES

Of the funds appropriated for Health Services by Public Law 93–517, $5,000,000 shall remain available through June 30, 1976 for the National Health Service Corps, in addition to funds provided to the National Health Service Corps by Public Law 93–324, as amended.

National Institutes of Health

NATIONAL INSTITUTE OF ARTHRITIS, METABOLISM AND DIGESTIVE DISEASES

For an additional amount for expenses necessary to carry out the National Arthritis Act of 1974 with respect to the National Commission on Arthritis and Related Musculoskeletal Diseases, $300,000 for fiscal year 1975.

On page 12, in line 14, strike out "$134,000" and insert "$1,192,000, of which, $1,058,000 shall be derived by transfer from the appropriation for 'Health Resources', fiscal year 1975."

On page 12, beginning in line 25, after "Act," strike out:

$127,600,000, of which $18,700,000 shall remain available until December 31, 1975, for carrying out section 3 of the National Health Planning and Resources Development Act of 1974

and insert:

$126,475,000, of which $10,000,000 shall be available for carrying out section 3 of the National Health Planning and Resources Development Act of 1974,

On page 13, in line 6, strike out "$22,000,000" and insert "$29,575,000".

On page 13, in line 16, strike out "$4,000.000" and insert "and Part B of the Headstart-Follow Through Act, $9,000,000."

On page 13, in line 19, after "out", insert section 705 ($204,131,000), section 708(a) ($12,447.000), section 708(c) ($9,958,000), section 711 ($7,468,000), and section 713 ($2,489,000) of

One page 13, in line 22, strike out "$125,000.000" and insert $236,493,000".

On page 13, beginning with line 23, insert:

EDUCATION FOR THE HANDICAPPED

For an additional amount for "Education for the Handicapped" for carrying out Part F of the Education of the Handicapped Act, $250,000.

On page 14, at the end of line 4, insert "$82,400,000, of which $15,000,000 for veterans' cost-of-instruction payments shall remain available until June 30, 1975, and".

On page 14, in line 7, strike out "to".

On page 14, in line 7, before "remain" insert "for insured loans shall".

On page 14, in line 8, after "expended", insert a colon and the following:

Provided, That title I, Chapter VII of Public Law 93–305 (Second Supplemental Appropriations Act, 1974) is amended by striking out the paragraph following "Higher Education" and substituting therefor: "For carrying out section 705(a) of the Higher Education Act, without regard to other provisions of said Act, $250,000 to be used in connection with construction projects for extension and continuing education programs: *Provided*, That such sums shall remain available for obligation through June 30, 1975".

On page 14, in line 24, after "729,748,000" strike out the comma and "including $252,000 to carry out section 1113 of the Social Security Act".

On page 14, beginning in line 25, insert a colon and the following:

Provided, That funds appropriated for "Public assistance" for fiscal year 1975 shall be available for carrying out section 707 of the Social Security Act: *Provided further*, That community mental health centers providing covered services to qualified social services beneficiaries pursuant to titles IV–A, VI, and XX of the Social Security Act shall be reimbursed on the basis of reasonable cost for such services without any reduction in such reimbursement on the basis that such centers are receiving Federal funds under the Community Mental Health Centers Act and that the receipt of funds appropriated for community mental health centers for the fiscal year 1975 shall not be used as a factor by the States in calculating reduced reimbursements for services provided pursuant to titles IV–A, VI, and XX of the Social Security Act.

On page 15, in line 17, strike out "section" and insert "sections 301 and".

On page 15, at the end of line 18, strike out "$500,000" and insert "$2,300,000, and for carrying out title III of H.R. 14225 (93rd Congress), $25,000, to remain available until expended."

On page 15, beginning with line 22, insert:

PAYMENTS TO SOCIAL SECURITY TRUST FUNDS

For an additional amount not to exceed $20,242,000 for payment to the Federal Buildings Fund for portions of the standard level user charges, pursuant to section 210(j) of the Federal Property and Administrative Services Act of 1949, as amended.

On Page 17, in the line 2, strike out "$462,000,000" and insert "$484,000,000, of which $12,000,000 shall remain available through October 31, 1975."

On page 17, in line 14, strike out "for the fiscal year 1975," and insert "to remain available until September 30, 1975".

On page 17, in line 16, strike out "$455,000,000" and insert $500,000,000."

On page 18, in line 10, strike out "$200,000" and insert:

$1,323,000, of which $1,123,000 shall be for the payment of standard level user charges, together with funds available in Public Law 93–517 for this purpose.

On page 18, beginning with line 14, insert:

SPACE AND FACILITIES

For expenses, not otherwise provided. for payment of standard level user charges pursuant to Public Law 92–313, $360,000.

On page 18, in line 18, strike out "VI" and insert "VII".

On page 18, beginning with line 20, insert:

SENATE

Salaries, Officers and Employees

Committee Employees

For an additional amount for "Committee Employees", $75,050.

ADMINISTRATIVE AND CLERICAL ASSISTANTS TO SENATORS

For an additional amount for "Administrative and Clerical Assistants to Senators", $26,274: *Provided*, That effective January 1, 1975, the clerk hire allowance of each Senator from the State of Texas shall be increased to that allowed Senators from States having a population of more than twelve million, the population of said State having exceeded twelve million inhabitants.

Contingent Expenses of the Senate

MISCELLANEOUS ITEMS

For an additional amount for "Miscellaneous Items", $165,000: *Provided*, That, notwithstanding any other provision of law, the Sergeant at Arms, subject to the approval of the Committee on Rules and Administration, is hereafter authorized to enter into multi-year leases for automatic data processing equipment.

STATIONERY (REVOLVING FUND)

For an additional amount for "Stationery (Revolving Fund)", $225: *Provided*, That effective April 1, 1975, and each fiscal year thereafter, the annual allowance for stationery for the President of the Senate shall be $4,500.

Administrative Provisions

1. The unexpended balances of any of the appropriations granted under the heading "Salaries, Officers and Employees" for the current fiscal year shall be available to the Secretary of the Senate to pay the increases in the compensation of officers and employees notwithstanding the limitations contained therein.

2. Subject to the provisions of section 201 (f) of the Congressional Budget Act of 1974, during such period that the expenses of the Congressional Budget Office are paid from the contingent fund of the Senate, the provisions of the paragraph relating to advances for expenses of Senate committees under the heading "SENATE" in the Act of March 3, 1879 (2 U.S.C. 69), shall apply to the Congressional Budget Office in the same manner as it applies to committees of the Senate, and for such purpose the Director of such Office shall be treated as the chairman of a committee of the Senate.

3. Subject to the provisions of section 7 of the Resolution entitled a "Joint Resolution to provide for the establishment of the American Indian Policy Review Commission", approved January 2, 1975 (88 Stat. 1910), during such period as the expenses of the American Indian Policy Review Commission are paid from the contingent fund of the Senate, the provisions of the paragraph relating to advances for expenses of Senate committees under the heading "SENATE" in the Act of March 3, 1897 (2 U.S.C. 69), shall apply to the American Indian Policy Review Commission in the same manner as it applies to committees of the Senate, and for such purpose the Chairman of such Commission shall be treated as the chairman of a committee of the Senate.

4. Section 3 under the heading "Administrative Provisions" in the appropriation for the Senate in the Legislative Branch Appropriation Act, 1975 (Public Law 93–371), is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f) (1) Subject to the provisions of paragraphs (2), (3), (4), and (5), a Senator may lease one mobile office for use only in the

State he represents and shall be reimbursed from the contingent fund of the Senate for the rental payments made under such lease together with the actual nonpersonnel cost of operating such mobile office. The term of any such lease shall not exceed one year. A copy of each such lease shall be furnished to the Sergeant at Arms of the Senate.

"(2) The maximum aggregate annual rental payments and operating costs (except furniture, equipment, and furnishings) that may be reimbursed to a Senator under paragraph (1) shall not at any time exceed an amount determined by multiplying (A) the highest applicable rate per square foot charged Federal agencies by the Administrator of General Services in the State which that Senator represents, based upon a 100 percent building quality rating, by (B) the maximum aggregate square feet of office space to which that Senator is entitled under subsection (b) reduced by the number of square feet contained in offices secured for that Senator under subsection (a) and used by that Senator and his employees to perform their duties.

"(3) No reimbursement shall be made under paragraph (1) for rental payments and operating costs of a mobile office of a Senator unless the following provisions are included in its lease:

"(A) Liability insurance in the amount of $1,000,000 shall be provided with respect to the operation and use of such mobile office.

"(B) The following inscription shall be clearly visible on three sides of such mobile office in letters not less than four inches high:

"'Mobile Office of Senator (name of Senator)

"'FOR OFFICIAL OFFICE USE ONLY'.

"(4) No reimbursement shall be made under paragraph (1) for rental payments and operating costs of a mobile office of a Senator which are attributable to or incurred during the 60-day period ending with the date of any primary or general election (whether regular, special, or runoff) in which that Senator is a candidate for public office, unless his candidacy in such election is uncontested.

"(5) Reimbursements under paragraph (1) shall be made on a quarterly basis and shall be paid upon vouchers approved by the Sergeant at Arms of the Senate."

On page 26, in line 1, strike out "VII" and insert "VIII". On page 26, beginning with line 2, insert:

DEPARTMENT OF DEFENSE—CIVIL

Department of the Army Corps of Engineers—Civil

CONSTRUCTION, GENERAL

For an additional amount for "Construction, General", to remain available until expended, $3,660,000 for which $1,000,000 shall be for necessary expenses of the Secretary of the Army to further the purposes of the Federal project for Cook Inlet Navigation Improvements, Alaska, pursuant to section 203 of Public Law 93–153, by removing to a depth of minus 25 feet mean lower low water the tides at an approximate position of 61 degrees 12 minutes 03 seconds north, 150 degrees 04 minutes 48 seconds west, Cook Inlet, Alaska, which constitutes a danger to navigation in the shipping channel to the Harbor of Anchorage, and the removal thereof is urgently necessary to complete the construction of the trans-Alaska pipeline, and the Secretary of the Army, acting through the Chief of Engineers, is directed to proceed with such work on an emergency basis; and of which $1,500,000 is to undertake urgent remedial action to mitigate the imminent threat to lives and property at McMechen, West Virginia, from a massive landslide at that city, and such work is hereby authorized.

Administrative Provision

LOCKS AND DAM 26, MISSISSIPPI RIVER, ILLINOIS AND MISSOURI

Appropriations having been heretofore approved by Congress in Public Laws 91–144, 91–439, 92–134, 92–405, 93–97, and 93–393, to be expended under the direction of the Secretary of the Army and the supervision of the Chief of Engineers, for the replacement and modification of Locks and Dam 26, Mississippi River, Illinois and Missouri, substantially in accordance with the plans approved by the Secretary of the Army on July 14, 1969, the consent and approval of Congress for the construction of said Locks and Dam 26 by the Secretary of the Army having been granted thereby is hereby reaffirmed: *Provided*, That nothing contained herein shall be construed as authorizing a twelve-foot channel above Locks and Dam 26.

OPERATION AND MAINTENANCE

For an additional amount for "Operation and Maintenance, General", $35,000,000, to remain available until expended.

On page 28, in line 7, strike out "$6,725,000" and insert "$3,800,000".

On page 28, in line 9, strike out "VIII'" and insert "IX".

On page 28, beginning with line 12, insert:

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $9,227,000.

ACQUISITION, OPERATION, AND MAINTENANCE OF BUILDINGS ABROAD

(SPECIAL FOREIGN CURRENCY PROGRAM)

For an additional amount for "Acquisition, operation, and maintenance of buildings abroad (special foreign currency program)", $7,000,000, to remain available until expended: Provided, That this appropriation shall be available only upon the enactment into law of H.R. 4510 or equivalent legislation.

On page 29, beginning with line 6, insert:

MISSIONS TO INTERNATIONAL ORGANIZATIONS

For an additional amount for "Missions to international organizations", $300,000.

On page 30, beginning with line 1, insert:

CONTRIBUTIONS FOR INTERNATIONAL PEACE-KEEPING ACTIVITIES

For payments, not otherwise provided for, by the United States to meet expenses of the United Nations Emergency Force and the United Nations Disengagement and Observer Force in the Middle East, $28,837,000, notwithstanding the limitation in Public Law 92–544 (86 Stat. 1110): Provided, That this appropriation shall be available only upon enactment into law of authorizing legislation.

On page 30, beginning with line 12, insert:

SALARIES AND EXPENSES, GENERAL ADMINISTRATION

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and Expenses, General Administration", $129,000 to be derived by transfer from the appropriation "Salaries and Expenses, Law Enforcement Assistance Administration, 1975".

On page 31, in line 4, strike out "$77,000" and insert "$983,000".

On page 32, beginning with line 3, insert:

Federal Prison System

SUPPORT OF UNITED STATES PRISONERS

(TRANSFER OF FUNDS)

For an additional amount for "Support of United States prisoners", $2,900,000 to be derived by transfer from the appropriation "Salaries and Expenses, Law Enforcement Assistance Administration, 1975".

On page 32, in line 12, strike out "$15,000,000" and insert "$25,000,000".

On page 32, at the end of line 13, after the comma, insert:

Justice and Delinquency Prevention Act of 1974, to remain available until August 31, 1975: *Provided*, That an additional $10,000,000 previously appropriated for "salaries and expenses, Law Enforcement Assistance Administration" shall remain available until December 31, 1975, to carry out title II of the Juvenile Justice and Delinquency Prevention Act and to be used only for administrative expenses, including personnel, state planning costs and special emphasis and treatment programs.

On page 33, in line 8, strike out "$1,100,000" and insert "$1,340,000".

On page 35, in line 25, strike out "$800,000" and insert "$929,000".

On page 36, beginning with line 1, insert:

Department of the Treasury

Bureau of Accounts

FISHERMEN'S PROTECTIVE FUND

For payment to the "Fishermen's Protective Fund", in accordance with section 5 of Public Law 92–569 approved October 26, 1972, $3.000,000, to remain available until expended.

United States Information Agency

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $1,529,000.

On page 36, in line 12, strike out "IX" and insert "X".

On page 36, beginning with line 21, insert:

Federal Aviation Administration

OPERATION AND MAINTENANCE, NATIONAL CAPITAL AIRPORTS

For an additional amount for "Operation and maintenance, national capital airports", $850,000 to be derived by transfer from the appropriation for "Civil supersonic aircraft development".

On page 37, in line 6, after "$360,000," insert "to remain available until expended."

On page 37, beginning with line 8, insert:

OVERSEAS HIGHWAY

For necessary expenses for construction of the Overseas Highway in accordance with the provisions of section 118, "Federal-Aid Highway Amendments of 1974", to remain available until expended, $1,000,000, to be derived from the "Highway Trust Fund".

On page 37, in line 24, strike out "$74,725,000" and insert "$77,725,000".

On page 38, beginning with line 3, insert:

RAIL TRANSPORTATION IMPROVEMENT AND EMPLOYMENT

For payment of financial assistance to assist railroads by providing funds for repairing, rehabilitating, and improving railroad roadbeds and facilities, $700,000,000 of which not to exceed $7,000,000 shall be available for administrative expenses of the Secretary to remain available until December 31, 1976: *Provided, however*, That these funds shall be available only upon enactment of authorizing legislation.

On page 39, beginning with line 1, insert:

RESEARCH, DEVELOPMENT AND DEMONSTRATIONS AND UNIVERSITY RESEARCH AND TRAINING

For an additional amount for "Research, Development and Demonstrations", $5,000,000, to remain available until expended, *Provided*: That the amount shall be available for the purpose of Title II, Public Law 93–503 (National Mass Transportation Assistance Act of 1974).

On page 39, beginning with line 13, insert:

United States Railway Association

ADMINISTRATIVE EXPENSES

For an additional amount for "Administrative Expenses", $5,000,000, to remain available until expended.

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On page 40, in line 10, strike out "X" and insert "XI".

On page 40, beginning with line 12, insert:

Bureau of Accounts

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $13,621,000.

SPECIAL PAYMENT TO RECIPIENTS OF CERTAIN RETIREMENT AND SURVIVOR BENEFITS

For an additional amount for "Special payment to recipients of certain retirement and survivor benefits", $1,750,000,000.

On page 41, beginning with line 2, strike out:

SALARIES AND EXPENSES

For an additional amount for "Salaries and Expenses", $220,000.

On page 41, in line 7, strike out "$1,937,000" and insert "$1,000,000".

On page 41, at the end of line 9, strike out "$4,483,000" and insert "$2,000,000".

On page 41, beginning with line 15, insert:

EXECUTIVE OFFICE OF THE PRESIDENT

Special Assistant to the President

Of the amount provided under this head in the "Treasury, Postal Service, and General Government Appropriation Act, 1975", $40,000 shall be available for expenses of travel, notwithstanding the provisions of Section 501 of the Act.

On page 42, in line 4, strike out "$363,100,000" and insert "$371,070,000".

On page 42, in line 10, strike out "expended" and insert "September 30, 1976".

On page 42, beginning with line 11, insert:

Commission of Federal Paperwork

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $50,000.

On page 43, beginning with line 1, insert:

Personal Property Activities

GENERAL SUPPLY FUND

For necessary expenses for the "General Supply Fund", $65,000,000.

On page 43, beginning with line 5, strike out:

Federal Election Commission

SALARIES AND EXPENSES

For expenses necessary to carry out the provisions of the Federal Election Campaign Act Amendments of 1974, $500,000.

On page 43, in line 20, strike out "XI" and insert "XII".

On page 44, in line 2, after "79" insert "and Senate Document Numbered 40".

On page 44, in line 3, strike out "$59,699,187" and insert "$94,037,225".

On page 44, beginning with line 22, insert:

Senate

"Office of the Legislative Counsel of the Senate", $23,550;

CONTINGENT EXPENSES OF THE SENATE

"Senate policy committees", $30,160;

"Inquiries and investigations", $575,625;

"Folding documents", $3,400;

"Miscellaneous items", $3,100;

On page 45, in line 19, strike out "$31,160" and insert "$21,220".

On page 45, in line 20, strike out "$18,655" and insert "$12,685".

On page 46, in line 3, strike out "$14,910" and insert $"12,010".

On page 46, beginning with line 11, insert:

"Senate Office Buildings", $451,200;

"Senate Garage", $16,900;

On page 46, in line 20, strike out $1,565,000" and insert "$1,365,000" and a colon and "Provided, That $200,000 of the amount allocated for rental of space under this head, fiscal year 1975, may be used for increased pay cost".

On page 48, beginning with line 17, insert:

Office of Management and Budget

"Salaries and expenses", $500,000;

On page 52, in line 25, strike out "$260,635,000" and insert "$266,350,000".

On page 53, in line 4, strike out "$156,900,000" and insert "$154,600,000".

On page 53, in line 20, strike out "$225,635,000" and insert "$233,185,000".

On page 55, in line 6, strike out "$12,000,000" and insert "$6,100,000".

On page 56, in line 4, insert:

"Operation and maintenance, general", $13,000,000;

On page 56, beginning with line 21, insert:

CENTER FOR DISEASE CONTROL

"Preventive health services", $2,802,000 which shall be derived by transfer from the appropriation for "Health Resources";

On page 57, beginning with line 2, insert:

For increased pay costs authorized by or pursuant to law, to be derived by transfer from the appropriation for "Health Resources", as follows:

National Heart and Lung Institute $500,000;

National Institute of Dental Research, $160,000;

National Institute of Arthritis, Metabolism, and Digestive Diseases, $94,000;

National Institute of Child Health and Human Development, $468,000;

National Institute of Environmental Health Sciences, $222,000;

National Library of Medicine, $400,000;

On page 57, beginning with line 17, insert:

"Alcohol, Drug Abuse, and Mental Health Administration", $1,547,000 which shall be derived by transfer from the appropriation for "Health Resources";

On page 71, beginning with line 1, insert:

DISTRICT OF COLUMBIA

(Out of District of Columbia Funds)

"General operating expenses", $1,383,500, of which $21,500 shall be payable from the highway fund (including $5,300 from the motor vehicle parking account), $3,600 from the water fund, and $1,400 from the sanitary sewage works fund;

"Public safety", $20,246,900, of which $979,200 shall be payable from the highway fund;

"Education", $11,919,000;

"Recreation", $496,700;

"Human resources", $3,980,800;

"Highways and traffic", $801,400, of which $609,900 shall be payable from the highway fund (including $14,700 from the motor vehicle parking account);

"Environmental services", $3,577,000, of which $851,700 shall be payable from the water fund, $1,176,600 from the sanitary sewage works fund, and $30,500 from the metropolitan area sanitary sewage works fund.

SEC. 307. The Secretary of Housing and Urban Development may not obligate the funds made available to the Department of Housing and Urban Development in Title II of this Act unless all budget authority provided by law to carry out provisions of Section 235 of The National Housing Act has been made available for obligation.

Mr. McCLELLAN. Mr. President, at this time I want to make a statement on the bill. I am not now offering the excepted amendments at this time.

Mr. President, H.R. 5899, the Second Supplemental Appropriations Act, 1975, as reported by the Appropriations Committee provides new obligational authority of $15,939,642,998. Of this amount $14,164,790,103 is contained in title I, General Supplementals and $1,774,852,895 is in title II, Increased Pay Costs.

For title I, the committee recommendation is $1,247,779,000 over the budget estimates and title II is $279,656,550 below the budget estimates. This represents a new increase of $968,122,450 over the budget estimates for the entire bill as reported.

With regard to comparative estimates with the House-passed bill, the Senate Committee recommendations for title I are $4,523,200,587 over the House and for title II we are $19,399,825 over the House. This represents a total of $4,542,600,412 over the House bill.

The House passed this bill on April 15, 1975 and the Senate Committee considered it and ordered it reported on May 13. In the meantime, Mr. President, the Senate received a number of additional budget estimates that were not submitted to nor considered by the House. To a large extent, this explains the rather significant increase over the House bill. The Senate Committee considered $3,452,132,902 in late budget estimates that were not considered by the House.

Mr President, this Supplemental Appropriations bill which approaches $16 billion is one of the largest supplemental bills we have had for many years. We regret the size of this bill, but the committee is convinced that all of the funds provided for in this bill are needed at this time.

The respective subcommittee chairmen and members will be on the floor to discuss the details of the various chapters in the bill and I shall not take the time to detail them in my remarks. I would, however, like to point out just a few of the major items that comprise most of the bill.

Chapter I, the Department of Agriculture contains slightly more than $1 billion. This is all for food programs, including almost $900 million for the Food Stamp program. The 1975 budget was submitted on the assumption that the economic situation would improve and that inflation would level off. Neither of these assumptions have proved to be correct. Unemployment has risen along with the cost of food and, as a result, we have millions of participants in the program and an increased cost for those participants. Other factors contributed to the need for increased funds but the bulk of it can be explained as a result of the distressing economic situation.

In chapter IV, Department of Housing and Urban Development and Related Agencies, we have an increase of more than $800 million. Most of this is for increased veterans programs.

More than half of the bill total is contained in chapter VI, Department of Labor and Health, Education, and Welfare. In this chapter, we have $5 billion for repayment of advances to the unemployment trust funds and this, of course, is directly related to the economic conditions. This chapter also contains approximately $3 billion for education programs and other programs for HEW. As I indicated, this chapter exceeds $8 billion.

Chapter X, Transportation, includes more than $800 million in new budget authority. The major portion here is an item of $700 million to provide financial assistance to railroads for improving, repairing and rehabilitating railroad beds and facilities.

Chapter XI, Treasury, Post Office and General Government contains new budget authority of more than $2.25 billion and the bulk of this chapter is contained in one item, $1.75 billion for special payments to recipients of certain retirement and survivor benefits. These are payments mandated by the tax legislation that was enacted recently by Congress.

Chapter XII, provides for payment of claims and judgments and totals about $100 million.

DEPARTMENT OF DEFENSE PORTION—SECOND SUPPLEMENTAL APPROPRIATIONS BILL

Mr. President, the committee considered a supplemental request of $1,807,803,000 for the Department of Defense, excluding military construction. Of this total, $46,074,000 was for increased subsistence allowances, $235,300,000 was for increased retired pay costs, and $1,526,429,000 was for increased military and civilian pay costs.

The committee recommends new appropriations of $1,528,600,000, plus the transfer of $168,694,000 within existing appropriations, or total funding of $1,697,294,000. The transfer is from funds set aside in departmental reprograming, but denied for this purpose.

Total funding recommended is $110,509,000 below the administration's request. The reductions are based on recomputation of requirements using information made available subsequent to submission of the supplemental request. Essentially, this same factor accounts for the committee's recommendation being $5,015,000 higher than the amount in the House bill.

Mr. President, these few items represent a little more than $13 billion of the bill total of slightly more than $14 billion for title I. Most of these items are mandated by previously enacted law and neither the Congress nor the administration has much discretion in the matter.

Mr. President, that concludes my general remarks with respect to making appropriations, therefore, I will now yield to the distinguished Senator, the ranking minority member on the committee, from North Dakota.

Mr. YOUNG. Mr. President, I support the remarks of the chairman of the Appropriations Committee, Mr. McCLELLAN. He has provided a detailed overview of this second supplemental appropriations bill for fiscal year 1975.

The Appropriations Committee is recommending an increase of $4,542,600,412 over the amount provided by the House of Representatives. However, I would like to re-emphasize that the Senate received additional supplemental requests in the amount of $3,452,132,902 that were not considered in the House bill. This additional requested amount reduces the difference between the bill we are recommending today and the House bill to approximately $1 billion.

Funds recommended by the committee include approximately $5 billion for the Manpower Administration in the Department of Labor; $3 billion for various programs in the Department of Health, Education, and Welfare; $800 million for the Department of Transportation; $1 billion for food programs in the Department of Agriculture and approximately $2 billion for social security and civil service recipients of which $1.75 billion is for special payments for retirement and survivor benefits. In addition to the above, $1,774,852,895 is provided for increased pay costs for all Government agencies.

As a part of the $800 million for the Department of Transportation, the committee added $700 million to provide Federal financial assistance to railroads for rehabilitating and improving rail rights-of-way providing such amounts would be authorized. The Senate Public Works and Commerce Committees introduced and the Senate passed an authorization bill of $600 million for this purpose subsequent to the Committee on Appropriations reporting the bill.

The Subcommittee of the Committee on Appropriations have held extensive hearings on each of their areas of responsibility of this supplemental bill and have recommended the detailed amounts as contained in the bill and the report.

I urge approval of this bill.

Mr. PASTORE. Mr. President, I thank the chairman of the full Appropriations Committee (Mr. McCLELLAN) for his explanation of the items in the second fiscal year 1975 supplemental appropriations bill. I would like to add a very few comments relating to chapter IX of the bill which relates to the programs falling under the jurisdiction of the Subcommittee on the Departments of State, Justice, Commerce, the Judiciary, and Related Agencies.

Chapter IX of the bill includes some 25 supplemental items in the amount of $95 million. Virtually all of these items are of a minor and routine nature and for the most part include unavoidable costs that were not anticipated when the President formulated his 1975 budget 1½ years ago.

In each of the 25 items, the committee is recommending that the Senate adopt the lower of the House allowance or the budget request.

There are two exceptions, however.

MIDDLE EAST PEACEKEEPING ACTIVITIES

First, the House in its action, did not include the $28 million requested by the State Department for the U.S. assessed contribution to the Middle East Peacekeeping activity. The House denied this item without prejudice because of a lack of authorization legislation.

The necessary authorization has now been enacted in the Senate and is moving in the House. Consequently, the committee has included the required funds.

JUVENILE DELINQUENCY

Second, the committee has included an amendment to the Justice Department budget which would accelerate the implementation of the provisions of the Juvenile Justice and Delinquency Prevention Act. As the Members know, the authorization legislation was enacted last September by overwhelming margins in both the House (329 to 20) and Senate (88 to 1). Subsequently, the administration approached the Appropriations Committee with a request to reprogram up to $20 million to implement the program. Both House and Senate Committees readily agreed to the reprograming proposal. Unfortunately, the Office of Management and Budget has refused to release the funds.

In response to this delay, the House added $15 million to the bill to get the program going. The committee recommends that an additional $20 million be added—$10 million in new appropriations and $10 million to be derived by transfer from unused LEAA funds. I strongly support this committee amendment and recommend its adoption by my colleagues in the Senate. I would like to point out that what, in effect, we are proposing is to agree with the House to eliminate—because of recent developments—the budget request for items such as the Vietcong and North Vietnamese contributions to the so-called Vietnam Peacekeeping Force and in turn redirect these funds to meet urgent domestic needs such as the problem of juvenile delinquency. The effect of this proposal is to assure that every State shall receive at least $200,000 in the next several months to begin to deal with the problem of juvenile delinquency with special emphasis on the prevention of delinquency.

I recommend that my colleagues adopt the committee recommendations for chapter IX.

Mr. ROBERT C. BYRD. Mr. President, in chapter V, the Department of Interior and Related Agencies, the committee is recommending an appropriation of $174,994,000. This is $40,714,000 over the House allowance and $27,804,000 over budget estimates to date.

I should note at the outset that nearly $22 million of the increase over the budget estimates has the administration's formal written support and would receive an estimate if time permitted. That makes the true increase over the administration's recommendations closer to $5.9 million.

The bulk of the funding recommended in this chapter is for firefighting and forest insect control expenditures and for certain cost increases in fuel, utilities and supplies in response to budget requests.

The committee made several changes in the House allowances, and these are covered in the report. I will highlight the principal ones:

Nearly $7½ million was added for National Park Service land acquisition at three units in Maryland, Pennsylvania, and Michigan. All these amounts are included in the fiscal 1976 budget, so this recommendation takes the form of an advance to meet bicentennial priorities and cover certain hardship cases.

There is also $2.3 million added for Park Service construction for a municipal sewage system serving the Harpers Ferry National Historical Park. These funds are needed now or other Federal support for this joint project will expire on June 30.

Ten million dollars has been added to fund a new Indian program of public

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school construction assistance authorized by Public Law 93–638. The committee also included $2 million over the budget for the growing backlog in road maintenance on Indian reservations.

We restored $7 million of the House cut in Federal Energy Administration funds. It was the committee's feeling that important energy management programs would suffer under the House allowance. I should note that $9 million requested for home winterization grants is included in Chapter VI under the Community Services Administration. I support the grant program under the FEA, but the needed authorization has not yet passed.

Finally, the committee added an indefinite appropriation of nearly $4½ million for payment of oil import fee revenues to the U.S. Virgin Islands and Puerto Rico. We do not have a budget estimate yet, but the funding has the administration's written support.

Also to assist the territories, the committee has included $8,050,000 in supplemental funding for the Trust Territory of the Pacific Islands. An authorization for $16,500,000, which was the administration's legislative request, just passed Congress and to my knowledge has not yet been signed. No budget estimate has been submitted yet.

On this item, the committee recommended substantial reductions in the total amount authorized because of several serious questions that have been raised over the management of trust territory programs. Only those amounts deemed essential to ongoing operations have been approved.

The **PRESIDING OFFICER**. The clerk will state the excepted committee amendments.

The assistant legislative clerk read as follows:

> On page 72, beginning with line 23 strike sections 304, 305, and 306, and insert new language.

Mr. **McCLELLAN**. Mr. President, the committee amendments to sections 304, 305, and 306, general provisions, were excluded from the unanimous consent approval. I assume that would be the pending issue before the Senate at this time.

The **PRESIDING OFFICER**. The question is on agreeing to the committee amendment.

Mr. **McCLELLAN**. That is the pending issue, I assume.

A parliamentary inquiry, Mr. President.

The **PRESIDING OFFICER**. The Senator will state it.

Mr. **McCLELLAN**. Is that the issue before the Senate?

The **PRESIDING OFFICER**. It is a single amendment that is pending.

Mr. **ROTH**. Mr. President, is this the proposed amendment to sections 304, 305, and 306? Am I correct?

The **PRESIDING OFFICER**. It is a single strike out and insert the amendment to sections 304, 305, and 306.

Mr. **ROTH**. Mr. President, I rise in opposition to the proposed committee amendment to sections 304 and 305. I think in effect what these amendments do is to very substantially gut the antibusing language in the House version. Mr. President, for that reason I strongly support the language that was adopted by the House.

Mr. President, the language adopted by the House does the following:

The first section prohibits HEW from using supplemental funds to force busing, school closings, and transfers or assignments on racial grounds over the protests of the parents of the students involved.

The second section of the amendment prohibits HEW from forcing the same actions as a condition of obtaining Federal funds which would otherwise be available.

The third section forbids the use of Federal funds in the supplemental for the transportation of students or teachers to overcome racial balance or to carry out a plan of racial desegregation. Now the committee amendment would very seriously weaken these provisions; in fact, it defeats the very purpose of this antibusing legislation. The practical effect of the proposed amendment would be to permit HEW to use funds for busing when it finds a school or school district is not desegregated as that term is defined in title IV of the Civil Rights Act of 1964, or it would permit HEW to cut off funds where a school district was not implementing an acceptable plan to desegregate schools. As I said earlier, the committee amendment guts the purpose of the House version and should, for that reason, be defeated.

Mr. President, it is wrong for the Federal Government, through the use of Federal funds and other coercive means, to ride roughshod over the wishes of the parents of our schoolchildren by forcing their children to be bused to schools outside of their neighborhood. As I have said ever since I have been in Congress, the answer to our school problems lies in quality education rather than in the breakup of our neighborhood schools.

I have recently introduced a joint resolution proposing an amendment to the Constitution to prevent forced busing as well as an amendment to prohibit the use of Federal funds for busing without first obtaining parental consent. All of these measures are worthy of the most serious consideration by the Congress.

As most of my colleagues know, former Congresswoman Edith Green, an ardent integrationist and staunch supporter of the Supreme Court decision of 20 years ago, as I am, recently said:

> More and more rank and file black Americans are speaking out for quality education rather than the mere matching of children of a certain skin pigmentation. Many white and black parents are annoyed by the disruption of their neighborhood schools and incensed by the dreams of those who think children are merely numbers.

Whites and blacks alike today seem to be more concerned about the quality and kind of education their children receive than where they go to school. The heavy-handed intrusion of the Federal Government into the lives of our citizens in the educational as well as other areas must be stopped—and I see the House amendment as one means of reversing this process.

The road to a solution to the forced busing problem is a difficult one but we in the Congress will have to start traveling it now if we are to protect the educational futures of the children whose parents sent us here to represent them.

The people of Delaware and, I believe, the rest of the country are becoming impatient with the Congress for refusing to face up to this important issue. So let us begin acting now by retaining the House version of section 304 and section 305.

The **PRESIDING OFFICER**. The question is on agreeing to the amendment.

Mr. **ROTH**. Mr. President, I ask for the yeas and nays.

The **PRESIDING OFFICER**. Is there a sufficient second? There is not a sufficient second.

Mr. **ROTH**. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. **ROTH**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **ROTH**. Mr. President, I ask for the yeas and nays on the committee amendment.

The **PRESIDING OFFICER**. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The **PRESIDING OFFICER**. Under the previous unanimous-consent order, there will be no rollcall votes until the hour of 12:30 p.m.

Mr. **ROTH**. Mr. President, I request that the rollcall vote on this be held at 12:30 p.m.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Does the Senator from Delaware ask that the pending amendment be laid aside until the hour of 12:30?

Mr. **ROTH**. That is satisfactory to the Senator from Delaware, with the understanding that the vote will be held at 12:30.

Mr. **McCLELLAN**. Mr. President, do I correctly understand that the Senator is requesting that a vote be taken on this amendment not later than or at 12:30 this afternoon? In other words, that limits the debate on the amendment. If that is what the Senator wishes to do, it will have to be debated in that period of time.

Mr. **ROTH**. In answer to the distinguished chairman, I have no objection to continued debate. Since there seems to be no request for further debate and since the vote cannot be held at the present time——

Mr. **McCLELLAN**. No one has spoken in support of the committee's position. I assumed there would be some who might wish to be heard on the amendment, and I did not want to preclude anyone from the opportunity to discuss it.

The **PRESIDING OFFICER**. The Chair did not seek to limit debate. When the Senator from Delaware had concluded his remarks, no one rose to continue, and the Chair called for a vote. However, under the previous order, no votes are to occur before 12:30 p.m. That was the reason for that decision. If further debate is required or desired, the Chair will be happy to accommodate Senators.

Mr. **McCLELLAN**. I understood that situation. I just wanted to be certain that we were not agreeing to vote on this amendment at that time. Under the unanimous-consent agreement, there are to be no rollcall votes until that time. However, there may be some Senators who want to oppose the position of the distinguished Senator who sponsors this amendment. I did not want to preclude them from having that opportunity.

Mr. **BROOKE**. Mr. President, will the Senator yield?

Mr. **McCLELLAN**. I yield.

Mr. **BROOKE**. The distinguished chairman is quite correct. There is opposition to the Senator from Delaware's position. I strongly oppose it.

I have a statement which I would like to make, but in the interest of time, and since very few Senators were in the Chamber, I thought that I would just put the statement in the RECORD and have the vote at 12:30.

This is a matter on which we have voted time and time again. It is nothing new. It is the same old business. What is being attempted is to go back even furthere than we did in the Mansfield-Scott language which was included in the bill last year. The effect of rejecting the committee amendment and accepting the House amendments would be to destroy even that.

I think most Senators are well aware of what the House amendments would do, and I did not think it was necessary to have a lengthy debate. I certainly am in opposition to the amendments.

I appreciate the distinguished chairman's fairness in giving us an opportunity to be heard.

Mr. **McCLELLAN**. All I was trying to do was to preserve the rights of Senators who may want to speak in opposition to the amendment, or otherwise. I did not want this debate to be shut off.

Mr. **BROOKE**. That certainly is not surprising. It is customary of the Senator to be fair. And I certainly appreciate the opportunity to be heard.

Mr. **ROTH**. Mr. President, I wish to emphasize that I, too, was not trying to cut off debate. Since no one had risen to speak on either side, and inasmuch as the Chair stated the vote could not occur until 12:30, I asked that the vote be postponed until that time.

The **PRESIDING OFFICER**. The Senator from Delaware is correct. That was the ruling of the Chair. There was no intent to limit debate in any way.

Since the excepted committee amendment is pending, unanimous consent would be required before the Senator from Rhode Island's amendment could be considered.

Mr. **BROOKE**. Mr. President, once again we have before us amendments which seek to ignore the tragic educational and social consequences of segregation in the Nation's schools. Once again we have before us amendments which can only lead to future delay in achieving equal educational opportunity for all our children. And, once again I ask my colleagues to join me in rejecting these unconscionable amendments.

The major effect of the amendments passed by the House of Representatives would be the substantial dilution of the guarantee of equality embodied in title VI of the 1964 Civil Rights Act. Title VI bars discrimination in all federally assisted programs and makes Federal grant making agencies, such as HEW, a potent ally of the courts in combating race discrimination and assuring black children of their constitutional right to a desegregated education.

Title VI was more than a reaffirmation of Federal policy; it was the basis of an alternative approach to school desegregation. Every Federal agency administering Federal assistance was charged with the obligation of putting an end to discrimination in federally assisted programs. If discrimination continues, the act authorizes the "termination of or refusal to grant or continue assistance under any such program or activity." In short, title VI imposed on HEW's Office of Education the responsibility for affirmatively enforcing nondiscrimination in all school districts receiving Federal assistance. To enforce its orders, HEW was given the right to terminate Federal aid to any school system refusing to comply.

Title VI reflected an appreciation on the part of Congress of the complex administrative problems associated with the process of school desegregation and the inability of the judicial process to deal comprehensively with the problem on a nationwide basis. The disappointing progress made in the courtroom in the decade following Brown against Board of Education amply supported Congress' judgment of the need for an additional means—the Federal purse—for realizing the goal of equal educational opportunity. Title VI admirably serves this need in the area of school desegregation by requiring HEW to assume a major role in monitoring school desegregation, and by replacing the court order with the termination of Federal funds as the sanction for assuring compliance.

The importance of HEW's administrative authority under title VI is underscored by the continuing commitment of huge sums of Federal assistance to public education at the elementary and secondary level. In view of the significance of the role played by HEW in achieving our goal of equal educational opportunity, the limitations on the termination power envisioned by the House amendments is indeed a matter of grave concern.

The House amendments contains two related restrictions on HEW authority to enforce compliance with the requirements of title VI. In effect these provide that no funds under the act may be used to force or, as a condition to the receipt of such funds, to require any school system to bus its students, to abolish any school, or transfer or assign any student "on account of race, creed, or color."

That these provisions would seriously hamper, if not totally foreclose, any meaningful attempts by HEW to secure compliance with the nondiscrimination requirements of existing law is clear in view of the nature of the obligation imposed on educational authorities by title VI. As construed by the courts and applicable HEW regulations, funded educational agencies are under the "affirmative duty" to operate systems which are free from discrimination and "to correct the effects of past discrimination". The Supreme Court has consistently recognized that this process will invariably require that students be assigned on the basis of race. Thus, in Swann against Board of Education, the Court specifically endorsed the use of various racially based desegregation measures involving the remedial assignment and transportation of students. And in a companion to Swann, the Court sustained an HEW inspired desegregation plan involving racial student assignments saying that:

> Any other approach would freeze the status quo that is the very target of all desegregation processes. McDaniel against Barresi.

In short, the House amendments would gut administrative enforcement of title VI by depriving HEW of its authority to withhold Federal funds from educational agencies which fail to pursue affirmative nondiscrimination policies mandated by that enactment—that is, policies which necessarily require that students be assigned to schools on the basis of race. In effect, the agency would be relegated to voluntary means of negotiation, conciliation, and the like to secure compliance with Federal law; methods which, if the past is any indication, would prove futile in most cases or would at best lead to haphazard and inconsistent results.

The program primarily affected by this action is the Emergency School Aid Act. One of the eligibility requirements under that act—section 706) is that the applicant school district be implementing a plan to desegregate elementary and secondary school in the district or to reduce minority group isolation in such schools. Since at least some pupil reassignment is a factor in virtually all elementary and secondary desegregation cases, this amendment could severely impair the ability of the Department to enforce the requirements of the statute with regard to desegregation.

The Senate should also reject the House's action because of serious doubts which surround the constitutionality of these provisions. Several Federal courts have held that where race discrimination is involved the prohibitions of the fifth and 14th amendments apply to public and private programs administered by recipients of Federal assistance. In Simkins against Moses Cone Memorial Hospital, the Court of Appeals held that the racially exclusionary policies of certain hospitals receiving Federal aid under the Hill-Burton Act were imbued with sufficient official involvement to bring the hospitals' activities within the fifth amendment ban on racial discrimination. And the Supreme Court ruling in McDaniel against Barresi strongly suggests that Federal funding activities may not be administered without regard to the affirmative desegregation requirements of the Constitution. As such, the House amendment is clearly susceptible of constitutional challenge as an unlawful limitation on HEW's authority to insure that Federal assistance programs are administered in accord with constitutional standards.

In sum, Mr. President, this amendment would place an intolerable burden on HEW authority to administer Federal educational funding.

We cannot afford to lead our educational system into chaos. We cannot go on record as favoring discrimination by denying remedies to discrimination.

Mr. President, I urge my colleagues to defeat this amendment.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter from the Secretary of Health, Education, and Welfare addressed to Senator MAGNUSON, chairman of the Subcommittee on Labor and Health, Education, and Welfare, together with an attached statement.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE.
Washington, D.C., April 17, 1975.

Hon. WARREN G. MAGNUSON,
Chairman, Subcommittee on Labor and Health, Education, and Welfare, Committee on Appropriations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The purpose of this letter is to bring to your attention certain actions of the House of Representatives in passing the Second Supplemental Appropriations bill (H.R. 5899) on April 15. As adopted by the House, that bill contains two provisions which give us some concern with regard to the ability of the Department to enforce title VI of the Civil Rights Act and the programmatic requirements of the Emergency School Aid Act, funds for which would be appropriated by the bill.

The provisions about which we are concerned are sections 304 and 305 of the House-passed bill. Those sections, which prohibit the use of appropriated funds for certain school desegregation activities, are similar to provisions which have been in the Department of Health, Education, and Welfare appropriations Acts for the past several years. (See, *e.g.* sections 208 and 209 of the 1975 Labor-HEW Appropriations Act, P.L. 93-517.) However, as passed by the House, the provisions do not contain the words heretofore included which would limit the operation of the sections to any school district "which is desegregated as that term is defined in title IV of the Civil Rights Act of 1965." The effect of that deletion would be to prohibit the Department from taking action to require the reassignment of students among schools, as a condition to receiving funds appropriated under this bill, even where that would be necessary in order effectively to desegregate the public schools.

The program primarily affected by this action is the Emergency School Aid Act. One of the eligibility requirements under that Act (section 706) is that the applicant school district be implementing a plan to desegregate elementary and secondary schools in the district or to reduce minority group isolation in such schools. Since at least some pupil reassignment is a factor in virtually all elementary and secondary desegregation cases, the House amendments could severely impair the ability of the Department to enforce the requirements of the statute with regard to desegregation. Moreover, to the extent that the amendment would cause the Department to provide Federal financial assistance to school districts that are, and will continue to be, segregated, the amendment presents a substantial Constitutional issue. A more detailed statement on the effect of the House amendments is enclosed.

Because of the adverse effects discussed above, we urge that if sections 304 and 305 of the House-passed bill are included in the bill reported by your Committee, they be amended to read as those sections have in prior years.

Sincerely,
CASPAR W. WEINBERGER,
Secretary.

EFFECT OF THE MOORE AMENDMENT TO THE SECOND SUPPLEMENTAL APPROPRIATIONS BILL, 1975

The amendment offered by Congressman Moore and adopted by the House of Representatives on April 15 would add three sections to the General Provisions in the Second Supplemental Appropriations bill. These provisions would be identical with the Green-Whitten amendments to the 1975 Labor-HEW Appropriations bill as passed by the House last year, but which were later modified in conference.

Sections 304 and 305 are similar to provisions which have been in HEW and Office of Education appropriations Acts for the past several years. However, the Moore amendment would delete certain language from those provisions and thereby reduce the ability of the Department to take action against school districts which are illegally segregated. The language of those sections is set forth below, with the words which would be deleted by the current House amendments marked in brackets:

SEC. 304. No part of the funds contained in this Act may be used to force any school or school district [which is desegregated as that term is defined in title IV of the Civil Rights Act of 1964, Public Law 88-352,] to take any action to force the busing of students; to force on account of race, creed, or color the abolishment of any school [so desegregated]; or to force the transfer or assignment of any student attending any elementary or secondary school [so desegregated] to or from a particular school over the protests of his or her parents or parent.

SEC. 305. No part of the funds contained in this Act shall be used to force any school or school district [which is desegregated as that term is defined in title IV of the Civil Rights Act of 1964, Public Law 88–352,] to take any action to force the busing of students; to require the abolishment of any school [so desegregated]; or to force on account of race, creed, or color the transfer of students to or from a particular school [so desegregated] as a condition precedent to obtaining Federal funds otherwise available to any State, school district, or school.

As enacted in prior appropriations Acts, these sections had the effect of limiting the reach of the Department's title VI authority over schools which already complied with title VI and the Fifth and Fourteenth Amendments to the Constitution. As amended by the House in this bill these sections would have the effect of limiting the Department's reach over schools which were in violation of title VI and the Constitution.

The most important effect of these two sections relates to the Emergency School Aid Act, funds for which are appropriated in this bill. The practical effect of the deletions noted above would be not only to severely limit the Department's ability to enforce title VI of the Civil Rights Act, as it relates to funds appropriated under this program, but also to impair the authority of the Department to require, as a condition for the receipt of ESAA funds, that a school district be implementing a plan to desegregate elementary and secondary schools in the district or to reduce minority group isolation, as required by section 706 of that Act.

Section 306 is identical with section 209 (b) of the 1975 Labor-HEW Appropriations Act (P.L. 93–517) and would have no effect on programs included in this appropriations bill, because it merely restates section 420 of the General Education Provisions Act (as added by section 252 of the Education Amendments of 1974) which is currently applicable to all Education Division programs, including those for which funds would be appropriated by this bill.

Mr. PASTORE. Mr. President, I ask unanimous consent that the amendment proposed by the Senator from Delaware be laid aside temporarily, to be reinstated after the conclusion of the amendment that I intend to call up.

The PRESIDING OFFICER. Is there objection?

Mr. MATHIAS. Mr. President, reserving the right to object, will the Senator amend his request so that I might intervene with an amendment immediately after his amendment and before the vote on the amendment of the Senator from Delaware?

Mr. PASTORE. I have no objection to that request being made part of my unanimous consent request.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROTH. Mr. President, I think the situation should be clarified, because it is not the Roth amendment that is before the Senate. In the unanimous-consent request, I objected to the substitution of the watered-down committee amendment to the House anti-busing language. So we are now considering the committee amendments to the House language.

Mr. PASTORE. Mr. President, I ask unanimous consent that the pending amendment be laid aside temporarily, to be reinstated upon the conclusion of the amendment I propose to offer and upon the conclusion of the amendment of the Senator from Maryland.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

AMENDMENT NO. 483

Mr. PASTORE. Mr. President, I call up my amendment No. 483.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Rhode Island (Mr. PASTORE) proposes an amendment numbered 483.

The amendment is as follows:

On page 33, line 8, strike "$1,340,000" and insert in lieu thereof "$1,720,000". On page 33, after line 20, insert the following:

"FISHERMEN'S GUARANTY FUND

"For an additional amount for the 'Fishermen's Guaranty Fund', $1,910,000 to remain available until expended.

"OFFSHORE SHRIMP FISHERIES FUND

"For expenses necessary to carry out the provisions of the Offshore Shrimp Fisheries Act of 1973, $230,000 to remain available until expended.".

Mr. PASTORE. Mr. President, I propose three amendments to the bill which I have sent to the desk.

Mr. President, subsequent to the full Appropriations Committee meeting to consider the second fiscal year 1975 supplemental appropriations bill, the administration transmitted a request for additional supplemental funds.

The total of the request is $2,520,000 and includes the following three items:

First, $380,000 for the Department of Commerce to support an energy conservation program in cooperation with the American business community.

Second, $230,000 for the offshore shrimp fisheries fund. This is a mandatory item and will allow continued operation of 325 U.S. shrimp vessels in Brazilian waters in 1975.

Third, $1,910,000 for the fishermen's guaranty fund. This is a mandatory item that provides compensation to fishing vessel owners and crews for losses resulting from Ecuador's seizures of seven U.S. fishing vessels which occurred from January 23 through February 2, 1975.

Mr. President, the chairman of the committee, and his counterpart, the ranking member (Mr. YOUNG) have been apprised of this amendment. I understand that there is no objection to it. I ask for a voice vote on the amendment.

Mr. McCLELLAN. Mr. President, there is no objection to this amendment. It deals with a budget request.

The PRESIDING OFFICER (Mr. FORD). The question is on agreeing to the amendment of the Senator from Rhode Island.

The amendment was agreed to.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Mr. MATHIAS. Mr. President, I call up my amendment which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Maryland (Mr. MATHIAS), for himself and Mr. BEALL, proposes an amendment:

On page 42, following line 24, insert the following:

GENERAL PROVISIONS

The limitation on the aggregate amount of purchase contracts pursuant to section 5 of the Public Buildings Amendments of 1972 (Public Law 92–313) contained in section 507 of Title V, Public Law 93–331, is increased to $396,106,000.

Mr. MATHIAS. Mr. President, I offer an amendment to the second supplemental appropriations bill to increase the limitation on GSA's purchase contract building authority from the existing $300 million to $396 million. This amendment, which is an administration request, was considered, but not acted upon, by the Treasury-Post Office Subcommittee. Like the House Appropriations Committee, the subcommittee denied the request "without prejudice," until such time as the buildings that are involved in this amendment had been authorized. I am pleased to report that the Senate Public Works Committee, on May 14, approved the two Social Security Administration buildings that necessitate this additional appropriation.

As indicated in the administration request, the increase in the limitation on the purchase contract authority is for the specific purpose of constructing Social Security Administration facilities in the Baltimore, Md., area. My amendment will provide the required funds, and only the required funds, needed to build a computer facility on the Woodlawn campus of the Social Security Administration, and an office building in downtown Baltimore. I want to insure that the legislative history of this bill reflects the specific purpose for this amendment.

The need for both these buildings has been fully documented by the Social Security Administration and the General Services Administration. The capability of SSA to continue to perform its mission nationwide is dependent upon the construction of both buildings. I submit that this project is of considerable importance to each Member of this Chamber.

In view of the positive action of the Public Works Committee, and in view of the crucial necessity for the construction of these facilities, I urge the adoption of my amendment.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. MATHIAS. I am happy to yield.

Mr. PASTORE. Mr. President, I wish to associate myself with everything the Senator from Maryland has said. This is an important project, and in time I think it will show that the Government will save money.

Mr. MATHIAS. I thank the Senator from Rhode Island.

Mr. MONTOYA. Mr. President, we analyzed and evaluated this project very thoroughly in the Subcommittee on Treasury, Post Office and General Government, and we were unable to include this limitation. It is a limitation, not a new appropriation. We were unable to include it because under the basic authorizing legislation there is a requirement that the GSA go before the respective Public Works Committees of the House and the Senate for approval of the prospectus.

At the time of the markup, we had no such approval, although both committees were considering an increase in the limitation.

The fiscal year 1975 limitation on purchase contract authority for GSA construction is $300 million. The effect of this amendment is to increase the limitation to $396 million, so that GSA can go ahead with the construction of the two Social Security buildings, which they sorely need, near Baltimore, Md. In view of the approval of the prospectuses by both the House and the Senate Committees on Public Works, which approval took place in the last 2 or 3 days since the full committee considered this, I personally and in behalf of the subcommittee have no objection to the amendment. In fact, I endorse it.

Mr. MATHIAS. I thank the distinguished Senator.

Mr. McCLELLAN. Mr. President, without objection, I shall accept the amendment on behalf of the committee as satisfactory.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. YOUNG. I object but only to permit me to make a short statement.

I hope this does not become a regular practice, adding large sums or obligations of money to an urgent supplemental bill. Many of these items could and should wait until the regular appropriations bill, which will be forthcoming in a month or so. I shall not object in this case, I withdraw my objection. But I hope this will not become a regular practice.

Mr. BEALL. Mr. President, I rise in support of the pending amendment to the second supplemental appropriations bill which would make an additional $96 million available for the construction of both the computer facility at the Social Security complex in Woodlawn and an equally importannt office building in downtown Baltimore. I have cosponsored this amendment offered by my distinguished colleague (Mr. MATHIAS) because I am convinced that the Social Security Administration and the people it serves need these facilities and need them now.

I would like to point out that almost all of the citizens of the United States have come to depend on the efficiency of the Social Security Administration. Also, I do not think there is any question as to the need to expand still further its capability. Therefore, with the anticipated and dramatically expanding role of the Social Security Administration, I believe it is incumbent upon us to provide a corresponding expansion of facilities so as to allow for the continued performance of the Agency's national function. To do less would not only be very shortsighted but would result in a disservice to our people.

In addition, the longer construction of the computer and office space is delayed, the greater the eventual cost to the taxpayers. Moreover, construction of these facilities is going to be carried out sometime in the not too distant future. Obviously, the cost next year and the year after is going to be higher than this year. So, if we are interested in the ultimate cost to the taxpayers, we should get the job done before the cost becomes prohibitive.

Mr. President, I strongly urge my colleagues to adopt this amendment.

Mr. MONTOYA. Will the Senator yield?

Mr. YOUNG. Yes, I yield.

Mr. MONTOYA. This is not a new appropriation at all.

Mr. YOUNG. It amounts to an obligation.

Mr. MONTOYA. It is an increase in the limitation on purchase contracts so that GSA can go ahead with construction.

Mr. YOUNG. It results in an expenditure eventually.

Mr. MONTOYA. Yes.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. MONTOYA. Mr. President, I have an amendment which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 43, between lines 19 and 20, insert the following:

UMI

TEMPORARY STUDY COMMISSIONS, NATIONAL COMMISSION ON SUPPLIES AND SHORTAGES,

SALARIES AND EXPENSES

Funds appropriated under this heading in the Supplemental Appropriations Act, 1975, shall remain available until December 31, 1975.

Mr. **MONTOYA.** Mr. President, this amendment to H.R. 5899 will provide for extending to December 31, 1975, funds appropriated for expenses of the National Commission on Supplies and Shortages.

This is merely a language change which will extend the availability of the funds already appropriated. This amendment is consistent with Public Law 94–9, which extended the final reporting date and the authorization for appropriations from June 30, 1975, to December 31, 1975. I have discussed this amendment with the Chairman of the Committee on Appropriations and with the ranking minority member, and I believe they concur in its acceptance.

Mr. **McCLELLAN.** Mr. President, I know of no objection to the amendment. I am prepared to accept it if there is no objection.

Mr. **YOUNG.** I have no objection. I think it should be accepted.

The **PRESIDING OFFICER.** The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. **BIDEN.** Mr. President, I will cast my vote because I do not think busing is a worthwhile concept. However, my vote is a reluctant one became I am not sure this is the proper vehicle on which to attach a busing amendment. Basically, the text of the committee and House amendments both states that no funds in this bill may be used for busing for desegregation purposes. However, it is my understanding that none of these funds can be used for busing anyway. Consequently, we are somewhat engaging in a charade.

What is important about this vote is that it is a demonstration on the part of Congress that at least some of us feel that busing is no longer a viable principle—if it ever was. Recent studies and articles have indicated, at least preliminarily, that it often creates more problems than it solves.

Furthermore, Mr. President, this vote reflects a frustration on the part of many Members of Congress, who oppose busing, yet strongly favor civil rights and equal educational opportunity—and who are looking for a resolution of this problem that is both fair and constitutional.

Some proposals which have come before us, such as the Gurney amendment which would have restricted the right of courts to order busing, are not only clearly unconstitutional, but strike at the very heart of our system of government. And 500 law professors commented, arguing that it was unconstitutional, as did every law review article on the subject. Even the late Alexander Bickel, one of the most respected constitutional lawyers in the country, and a strict constructionist, stated:

> Much as I agree that the courts have gone substantially wrong of late in administering the rule of Brown v. Board of Education, and have created a problem which is, in the magnitude, not unlike the one they propose to solve, I deplore as much more destructive the attempt to work such a reallocation of powers between Congress and the Supreme Court.

I concur with the sentiments of Professor Bickel. I took an oath to uphold the Constitution—an oath which I intend to obey. I will not join those Senators who disregard that oath to vote for an "antibusing" proposal because of political expediency.

Other proposals have come before this body which cut off funds for certain busing plans. When such proposals have been constitutional and would be effective, I have supported them.

Frankly, Mr. President, I am searching for a solution. So are many of the people of Delaware with whom I talk, both black and white. The overwhelming majority of my mail on this subject is neither racist nor irrational. Rather it is an effort by concerned people to find a way to solve a problem which will allow equal educational opportunity for all without creating a hardship which busing brings.

I, too, am committed to that end. It seems clear that busing has not proved to be the answer to equal educational opportunity. It is time we found another approach.

Mr. President, in this regard, I would like to bring to the attention of my colleagues a recent editorial in the Wall Street Journal. The editorial cites the preliminary findings of Prof. James S. Coleman's new study. You will recall that his 1966 study on educational opportunity pointed out many of the problems caused by inequality in our schools. In his latest study, the Journal reports that he has found:

> Forcing integration on a community through busing . . . can be harmful and overlooks the question of whether there are going to be any educational benefits. When the will for integration does not exist . . . "the imposition of it by the courts does not make it successful."

Mr. President, I commend the Wall Street Journal editorial to the attention of my colleagues and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

> [From the Wall Street Journal, May 20, 1975]
>
> PUBLIC POLICIES AND IDEALISM
>
> "As a practical matter we are now busing black children from predominantly black schools to other predominantly black schools." So said a superior court judge who, five years after ordering busing for Inglewood, Calif., recently allowed that city to discard its busing program. Meanwhile, the plan cost $300,000 and enrollment in the 17 district schools went from 60% white to 80% minority. Some people still claim that busing failed in Inglewood because of half-hearted enforcement efforts, but that seems to be largely wishful thinking.
>
> There appears to be growing understanding that busing is flawed in both execution and conception, although it's not always easy to convince everyone of that. For example, a federal judge recently ordered busing of some 21,000 Boston school children to achieve compulsory integration in that city. But busing is nonetheless losing its attraction even among longtime enthusiasts, who are also coming to understand its implications.
>
> Philadelphia educational officials were reportedly astounded several months ago at the results of a two-year federal study contradicting arguments stressing the need for integration. Those results bear directly on the busing controversy because the state Human Relations Commission directed Philadelphia school officials to seek total integration, which presumably can only be accomplished through massive busing. Yet the study found that while black and white pupils seem to learn better in integrated grade school classes, when black students reach junior high they benefit more from the presence of a black majority.
>
> Even more damaging to the probusing argument is the recent statement by sociologist James S. Coleman, whose 1966 report on equal educational opportunity is often cited to justify busing for purposes of integration. Professor Coleman recently reported that busing in Northern cities has failed to achieve the main goal of better education for the underprivileged, and may even be condemning future black children to even greater racial isolation than before.
>
> Forcing integration on a community through busing, he said, can be harmful and overlooks the question of whether there are going to be any educational benefits. When the will for integration does not exist, Professor Coleman observed, "the imposition of it by the courts does not make it successful."
>
> Instead, court-ordered busing to advance integration often results in large numbers of middle class whites fleeing to the suburbs, taking their property tax payments with them and further impoverishing city schools. "White flight" can be caused by factors other than school busing, of course, as witness the exodus of middle class refugees from New York City's crushing tax burden. But few policies are as likely to produce white flight as forcibly busing children to schools in unfamiliar and possibly dangerous neighborhoods.
>
> We do not for a moment believe that the opposition to busing means that the American people cannot create a viable multiracial society. This society over the past 20 years has swept aside racial barrier after racial barrier. Surely racial prejudice still exists, but much of the bitter opposition to busing, and much of the white flight, is a response not to the mixing of races but to the mixing of economic classes. Such opposition, natural for any parent who desires upward social mobility for his children, is made all the more bitter when busing is ordered and supported by judges and opinion leaders whose own children are well insulated from the lower classes.
>
> Beyond that, we think that much of the opposition to busing reflects the reasons for our own opposition to it, which is not practical but moral. Busing inevitably implies racial quotas, and that is not the kind of society we want to create. We can create a society with equality of opportunity, regardless of race. When we fully succeed, there will not be the same number of blacks in every school, any more than there are currently the same number of Italians, Jews or Chinese.
>
> When we do succeed in creating that kind of open, multiracial society, we will have a far better society than one in which blacks are condescendingly doled out by numbers. We think that this is something the American people understand far better than many of their judges and opinion-leaders.

The **PRESIDING OFFICER.** The question now recurs on the committee amendments. No vote can come until 12:30.

Mr. **McCLELLAN.** Mr. President, the bill is open for amendment. All the committee amendments have been adopted except those that were reserved or exempted from the unanimous-consent request, and they are to be voted on at 12:30 or thereafter.

I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. **ROBERT C. BYRD.** Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Pursuant to the previous order the Senate will now proceed to a vote. The yeas and nays have been ordered. The question is on agreeing to the committee amendments with reference to sections 304, 305, and 306.

Mr. **STENNIS.** Mr. President, a parliamentary inquiry.

The **PRESIDING OFFICER.** The Senator will state it.

Mr. **STENNIS.** Will the Chair state what we are voting on?

The **PRESIDING OFFICER.** On agreeing to the committee amendments relating to sections 304, 305, and 306.

Mr. **STENNIS.** Another parliamentary inquiry.

The **PRESIDING OFFICER.** The Senator will state it.

Mr. **STENNIS.** That is the one that relates to the matter of busing, use of money for busing; is that right?

The **PRESIDING OFFICER.** The Chair would not interpret the sections. They are on pages 72, 73, and 74 of the bill.

Mr. **McCLELLAN.** Mr. President, a parliamentary inquiry.

The **PRESIDING OFFICER.** The Senator will state it.

Mr. **McCLELLAN.** A vote "aye" sustains the position of the committee.

The **PRESIDING OFFICER.** That is correct.

Mr. **McCLELLAN.** A vote "no" would be against it.

The **PRESIDING OFFICER.** That is correct.

Mr. **PASTORE.** That is correct.

The **PRESIDING OFFICER.** That would restore the House language.

Mr. **SYMINGTON.** A parliamentary inquiry, Mr. President.

The **PRESIDING OFFICER.** The Senator will state it.

Mr. **SYMINGTON.** Does this vote involve in any way Locks and Dam 26?

The **PRESIDING OFFICER.** The Chair is informed that it does not.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. **ROBERT C. BYRD.** Mr. President, may we have order in the Senate.

The **PRESIDING OFFICER.** Will all Senators take their seats. Those standing here will please refrain from conversation.

The clerk may proceed.

The legislative clerk resumed the call of the roll.

The **PRESIDING OFFICER.** Will the Senate please come to order. The clerk will suspend. Will the Senators take their seats and will the staff members refrain from conversation.

The clerk may proceed.

The legislative clerk resumed and concluded the call of the roll.

Mr. **ROBERT C. BYRD.** I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Idaho (Mr. CHURCH), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. LONG), the Senator from Wyoming (Mr. McGEE), and the Senator from North Carolina (Mr. MORGAN) are necessarily absent.

Mr. **HUGH SCOTT.** I announce that the Senator from Michigan (Mr. GRIFFIN) and the Senator from North Carolina (Mr. HELMS) are necessarily absent.

I also announce that the Senator from Tennessee (Mr. BAKER), is absent on official business.

The result was announced—yeas 51, nays 38, as follows:

[Rollcall Vote No. 191 Leg.]

YEAS—51

Abourezk
Bayh
Bellmon
Brooke
Bumpers
Burdick
Case
Clark
Cranston
Culver
Eagleton
Glenn
Gravel
Hart, Gary W.
Hart, Philip A.
Haskell
Hatfield
Hathaway
Humphrey
Jackson
Javits
Leahy
Magnuson
Mansfield
Mathias
McClellan
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Symington
Taft
Tunney
Weicker
Williams
Young

NAYS—38

Allen
Bartlett
Beall
Biden
Brock
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Curtis
Dole
Domenici
Eastland
Fannin
Fong
Ford
Garn
Goldwater
Hansen
Hartke
Hollings
Hruska
Huddleston
Johnston
Laxalt
McClure
Nunn
Proxmire
Randolph
Roth
Scott, William L.
Sparkman
Stennis
Stone
Talmadge
Thurmond
Tower

NOT VOTING—10

Baker
Bentsen
Church
Griffin
Helms
Inouye
Kennedy
Long
McGee
Morgan

So the committee amendments with reference to sections 304, 305, and 306 were agreed to.

Mr. **BAYH.** Mr. President, I send an amendment to the desk.

The **PRESIDING OFFICER.** Will the Senator suspend?

Will the Senate please come to order and Senators take their seats?

The Senator from Indiana.

Mr. **BAYH.** Mr. President, I have sent an amendment to the desk which I request the clerk to read.

The **PRESIDING OFFICER.** The clerk will state the amendment.

The legislative clerk read as follows:

> On page 18, line 10, strike "$1,323,000" and insert in lieu thereof "$1,840,000".

Mr. **BAYH.** Mr. President, I have discussed this amendment very briefly with the chairman. Let me, for the benefit of the Senate, quickly point out——

The **PRESIDING OFFICER.** The Senator will suspend for just a moment.

Will the Senate please be in order? The Senator from Indiana deserves our respect.

The Senator may proceed.

Mr. **BAYH.** Mr. President, this amendment will restore to the level of the budget request the $717,000, funds which have been requested for the Railroad Retirement Board to process the increased workload created by Public Law 93–445 which took effect on January 1 of this year. That law, passed late last year, provided for a complete overhaul of the Railroad Retirement Act of 1937 to correct deficiencies in the Railroad Retirement System and to insure more effective coordination between the Railroad Retirement Act and the Social Security Act. This is necessary because of the large number of workers who, prior to retirement, come under the jurisdiction of both retirement systems. Enactment of the Railroad Retirement Act of 1974, which I fully supported and which received the strong support of the Senate, was essential to restoring the Railroad Retirement System to a sound financial footing.

Achieving this important objective, however, has substantially increased the workload of the Railroad Retirement Board, thus necessitating this budget request for supplemental appropriations for salaries and expenses in fiscal 1975.

The House and the Senate Appropriations committee allowed only $200,000 of the requested $717,000. In the case of the Senate Appropriations Committee, and its Subcommittee on Labor-HEW on which I am privileged to serve, there was a valid reluctance to provide the requested appropriations since the Railroad Retirement Board had already begun to fill the positions for which it was seeking funds. Not only had the Board begun to fill the positions in the absence of appropriated funds, it had also failed to provide the committee with proper notification under the Anti-Deficiency Act. For this reason the committee was reluctant to appropriate the requested funds, lest that be viewed as tacit approval of the premature commitment of these funds by the Board.

Then, subsequent to the time the pending bill was reported from committee, the Railroad Retirement Board and the Office of Management and Budget finally provided appropriate notification to the committee. It is on this basis, full compliance with the law that heretofore had been lacking, that I offer this amendment to increase the $200,000 approved by the committee by $517,000 to bring it up to the $717,000 budget request.

I do so, Mr. President, not out of concern for the bureaucrats at the Railroad Retirement Board. Rather I do so out of concern for the retirees and future retirees whose well-being is dependent on the effective implementation of the Railroad Retirement Act of 1974. There is no doubt that this legislation did significantly increase the workload of the Railroad Retirement Board, and to make certain that the Board properly delivers services to those who need them, and to guarantee that the congressional intent in revising the Railroad Retirement

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Act is implemented, I urge adoption of this amendment.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. McCLELLAN. Mr. President, I understand there is a budget request for this amount. If there is, I have no objection.

Mr. MAGNUSON. I have no objection, but I want to reiterate that I hope they will not do this again. We were reluctant to put this money in but the Board went ahead and filled these positions without any authority whatsoever. That does not sit very well with us. But the people involved are important, so I believe we should accept the amendment.

Mr. BAYH. Mr. President, I may say to the distinguished subcommittee chairman that I think he, our subcommittee, and the full committee were completely within our rights to deny this full appropriation when we considered it at the subcommittee and the full committee level. OMB and the retirement board had ignored the law and had refused to notify us of the policy they were following. But I believe they now have the message because of the action we have taken and I hope they will not do it again. I do not think they will because we have told them that we will not go along with them unless they adhere to the law.

Mr. McCLELLAN. Mr. President I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. McCLELLAN. Mr. President, I call up an amendment at the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> On page 71 between lines 19 and 20, insert the following:
>
> DIVISION OF EXPENSES
>
> The sums appropriated herein for the District of Columbia shall be paid out of the general fund of the District of Columbia, except as otherwise specifically provided.

Mr. McCLELLAN. Mr. President, this language is standard in all District of Columbia appropriation bills and is already included in chapter 3 of the bill on page 5 in connection with the other district of Columbia appropriations. It is just a technical amendment. I ask that it be accepted.

Mr. YOUNG. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. PHILIP A. HART. Mr. President, I call up my amendment which is at the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. PHILIP A. HART. I ask that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 23, immediately below line 2, insert the following:
>
> 5. Notwithstanding paragraph (3) of section 105(e) of the Legislative Branch Appropriations Act, 1968, as amended, two employees of the Senate Select Committee to Study Governmental Operations with Respect to Intelligence Activities may be paid at the highest gross rate provided in subparagraph (A) of such paragraph, and 11 employees of such Committee may be paid at the next highest gross rate provided in such subparagraph.

Mr. PHILIP A. HART. Mr. President, I am offering this on behalf of the Senator from Idaho (Mr. CHURCH) who is unavoidably detained. It bears on an authorization to the Senate Select Committee on Intelligence Activities. This committee, which is due to report to the Senate by September, asks permission to increase from 4 to 11 the personnel that would otherwise be limited by the Reorganization Act in salary. The reason is in order to get senior personnel on this short-term commitment the committee finds it necessary to offer these higher salaries. But the amount that is now appropriated for the committee is sufficient to permit the employment of the personnel at the higher levels.

Mr. PASTORE. Will the Senator yield?

Mr. PHILIP A. HART. I yield.

Mr. PASTORE. What is the salary?

Mr. PHILIP A. HART. $35,636. But the authorization to engage more than the present statutory limit at that salary can be paid within the appropriation already made available.

Mr. PASTORE. But the top salary will be the $35,000?

Mr. PHILIP A. HART. No. Two would be at $37,050.

Mr. PASTORE. Those are the salaries that we pay for committee staff members, too, are they not?

Mr. PHILIP A. HART. I am advised that both of these figures are the figures allowed standing committees as of now.

Mr. McCLELLAN. Will the Senator yield?

Mr. PHILIP A. HART. If I understand correctly, this amendment will authorize the select committee to employ 2 people at $37,050 annually, 11 at $35,636, and the others would be not higher than $33,975.

Mr. McCLELLAN. What this amendment does is to authorize 11 at $35,636. Is that correct?

Mr. PHILIP A. HART. A total of 11 rather than the 4 which otherwise would be the limit.

Mr. McCLELLAN. In other words, the 4 is part of the total of 11?

Mr. PHILIP A. HART. That is correct. In effect, if the amendment were agreed to, there would be seven more who would be authorized to be engaged at the figure of $35,636 rather than four.

Mr. McCLELLAN. It seems to me that is a pretty big staff. This is a pretty delicate job, if we are going to do it. They may need them; I do not know. Has the chairman of the Legislative Subcommittee examined this amendment?

Mr. HOLLINGS. Yes, Mr. Chairman, I have. If the Senator will yield, it does not add an additional amount to the appropriation, but it does give the needed authorization. We approve of it at the subcommittee level.

Mr. McCLELLAN. As I understand it, there are no additional funds at the moment.

Mr. HOLLINGS. That is correct.

Mr. McCLELLAN. But it does mean an additional amount will have to be appropriated hereafter, I am confident.

Mr. HOLLINGS. Not if the committee completes its job in the assigned time. The resolution has already been approved and this should help the committee to complete its work this year.

Mr. McCLELLAN. If it is completed within the time and within the funds now appropriated to it.

Mr. HOLLINGS. That is correct.

Mr. PHILIP A. HART. I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BROOKE. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> On page 13, line 22, after "$236,493,000" insert the following: ", to remain available until August 15, 1975".

Mr. BROOKE. Mr. President, this amendment would provide additional time for the Department of Health, Education, and Welfare to allocate funds for the emergency school aid program contained in this bill.

Both the House and the Senate bills provide for the funds to remain available through June 30, 1975. My amendment makes the funds available until August 15, 1975.

I believe the additional time is needed to assure that the award of the substantial amount of money that will be appropriated for this program is done in an orderly and efficient manner.

The emergency school aid program consists of formula grants to all states, as well as a number of special project grant programs, such as bilingual education and educational television.

In each case, applications must be submitted, reviewed and approved before funds can be allocated. In some instances the applications may be defective or weak and are sent back to the State for improvement. The Department sets aside about 20 percent of its funds to take care of applications which must be resubmitted.

This process took 4 months to complete last year. This year HEW is expecting up to 2,000 applications, which may set a new high for the program.

Even assuming this bill, the Second Supplemental Appropriations Act, is signed into law in the next few weeks, we still are asking HEW to do months of work in only a few weeks. It is unreasonable to expect this.

Extending the availability of the ESA funds through August 15, 1975 will provide the Department the time it should have to review, and act upon, all grant applications in a careful, efficient manner.

Mr. President, I have discussed this amendment with the distinguished chairman of the Appropriations Committee, and it is my understanding that he will accept this amendment, as will the distinguished ranking member of the Appropriations Committee, Senator YOUNG.

Mr. McCLELLAN. Mr. President, I understand that this amendment would not increase the appropriation. It would only extend the time in which the money is made available.

Mr. BROOKE. The Senator is correct. There is no additional appropriation. It is just a time extension.

Mr. McCLELLAN. I have no objection. I am prepared to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. BARTLETT. I believe the Senator from Arkansas is aware that currently pending before the Senate Commerce Committee is S. 1306, a bill that would provide for a $100 million loan for the Rock Island Railroad. I believe he is aware that two-thirds of this money would be spent on rehabilitation and maintenance of principally the railroad itself on the Rock Island routes. Included in the supplemental appropriations bill before the Senate is $700 million earmarked for railroad improvement and employment.

I ask this question of the distinguished chairman: Was it the committee's intention that a portion of this money be used for the railroads that might have difficulty in obtaining private financing? Specifically, is it anticipated that any of this money will be available for the Rock Island's use?

Mr. McCLELLAN. Mr. President, the committee report on this bill, on page 99, states as follows:

> The combined use of these funds for labor and materials will make the program available to all railroads including the bankrupts and near bankrupts. For example, the Committee expects the funds to provide railroads such as the Rock Island and Chicago and Northwestern with critical resources to repair and upgrade many of their routes.

This is the intention of it. I think everyone familiar with this appropriation is fully advised. We discussed it many times.

Mr. BARTLETT. Mr. President, will the the Senator yield for another question?

Mr. McCLELLAN. I yield.

Mr. BARTLETT. The Senate passed, I believe on May 16, S 1730, the authorization bill, the Emergency Rail Transportation Improvement and Employment Act, by a vote of 67 to 10. Is that correct?

Mr. McCLELLAN. Yes. This measure was approved by an overwhelming majority of the Members of the Senate.

The authorizing legislation represents an excellent example of cooperation between Senate committees to provide prompt action on pressing national railroad problems. In this case, unemployment and deterioration of essential rail services, the authorizing legislation represented the joint efforts of the Committee on Public Works, the Commerce Committee, the Committee on Labor and Public Welfare, and the Committee on Appropriations.

The situation of the Rock Island Railroad was brought before the hearings on the authorizing legislation. I presented a statement in support of the authorizing provision.

Mr. BARTLETT. I thank the distinguished chairman.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. JAVITS. Mr. President, I thank Senator McCLELLAN and the committee for the very constructive action taken on education respecting alcohol and drug abuse, by providing $4 million for this program. Its importance is emphasized in such an excellent way. I know of Senator McCLELLAN's interest, inasmuch as I served with him on the Committee on the Judiciary for some years; and I just wanted to express my great appreciation.

I wish to call attention to two other points in the report. One is of a parochial character, relating to Lake Champlain, one of our very beautiful lakes in New York, for which I express my appreciation to the committee.

Also, I applaud the fact that the committee included the money, which the House did not, for emergency food and medical service. The committee recognized with fine perception exactly where this is needed for Americans who were lost in the shuffle. The $30 million the committee recommended, with its development of unique and special mechanisms to counteract conditions of starvation and malnutrition among the poor, will go a long way toward aiding these Americans cut off from the mainstream. They are native Americans in many cases, who, because of language, ethnic background, and other difficulties, are lost in the shuffle. This was meant to reach them.

Finally, I raise a point to which I know the answer, but I think it will be useful to have it in the record. The $700 million for maintenance of way, for which we passed the authorization bill the other day. It was eliminated in conference on the Emergency Job Appropriations Act. It is now included in this bill.

Do I correctly understand that there really is no basic difference with the House, except that they did not wish to appropriate in the previous bill when we had no authorization as yet?

Mr. McCLELLAN. The House opposed it vigorously in the other bill, one reason being that there was no authorization. I cannot advise the Senator what position the House will take with respect to this provision. But we do have authorization legislation now, insofar as the Senate is concerned, and this would have to have House authorization before the money could be spent. Hopefully, the Senate will take some favorable action.

I regret that it is necessary to try to remedy the railroad problems in this country by this kind of effort. We would all rather see an overall policy with respect to the rail transportation system, and hopefully that will come about sometime soon.

In the interim, we have railroads that are deteriorating and that should be preserved. This will serve not only to help rehabilitate those railroads and keep them from deteriorating further, but also, if we are permitted to enact this provision and to make this appropriation, it will serve to put many people back to work in the maintenance crews—people who were laid off because of inability of the railroads to pay for their labor.

It has a twofold purpose. It would help to strengthen or to restore the facilities that are essential to railroad services. Also, it would have the effect of putting many people back to work. Considering what the conditions are today, especially the heavy unemployment in this country, I think this is a good approach, under the circumstances.

Mr. JAVITS. Mr. President, I thank the Senator very much. It is an excellent approach in this time of severe unemployment, when we are authorizing public service jobs. This is a remarkable effort to deal with this problem with the private sector—railroads are private enterprise, though regulated—especially where it meets such a vital national need.

I see Senator RANDOLPH on his feet. With me and others, he was the author of the authorizing legislation.

I hope very much that the House will recognize that this is a way in which we are trying to convert to real usefulness the concept of public service jobs. I hope very much the House will help us to do it.

Mr. President, I am pleased to see the actions taken by the Senate Committee on Appropriations on May 14 in reporting the Second Supplemental Appropriations Act for fiscal year 1975 (H.R. 5899). I would like to commend the chairman of the committee, Mr. McCLELLAN, and the chairman of the Subcommittee on HEW-Labor Appropriations, Mr. MAGNUSON, as well as the other members of the committee who supported the actions taken by the committee.

I was gratified to see the committee recommendations in regard to the Community Services Administration. On March 4, I appeared before the Subcommittee on HEW-Labor Appropriations in regard to the funding requested by the Community Services Administration, CSA.

The CSA is the successor to the Office of Economic Opportunity which was enacted into law under the Economic Opportunity Act of 1964, as amended by the Headstart, Economic Opportunity and Community Partnership Act of 1974. This Agency, in a multitude of programs with various approaches, funds community action agencies. This provides local communities a voice in their own destiny in dealing with the problems of the poor.

I was pleased to see that the committee recommended $500 million for the operation of the Community Services Administration in fiscal year 1975. This is an increase of $46 million over the $454 million currently authorized under the continuing resolution, and an increase of $45 million over the House allowance of $455 million.

This level of funding for the programs

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will meet the basic needs of the Community Services Administration. The $330 million, which was the budget request for the community action agencies, will enable the 881 community action agencies to continue to operate at their current expenditure level.

Various other programs earmarked by the committee demonstrate the various programs which help the poor and disadvantaged of all ages. An example is the senior opportunities and services program, for which the committee has recommended $10 million. This program is designed specifically to identify and meet the needs of the elderly poor. It involves the development of new employment, volunteer and referral services, and the creation of additional services and programs for the elderly poor.

The committee recommended $30 million for the emergency food and medical services program, which I had requested in my testimony before the subcommittee. The House made no provision for this program and there also was no budget request for it. This program, which has shown a marked success in assisting local communities to counteract conditions of starvation and malnutrition among the poor, with distinct and unique approaches to special groups of individuals who are presently isolated from the mainstream of America life and opportunity. In the past, this program has developed unique and special mechanisms for migrant and seasonal farmworkers and Native American groups, and I commend the committee for recommending that $4.5 million be set aside for these Native Americans.

In its recommendation for $19 million for the emergency energy conservation services program under section 222(a)(12) of the Economic Opportunity Act—which I authored—an increase of $10 million over the House allowance, the committee has made a valuable start in providing such services as emergency loans and grants, special fuel voucher and stamp programs, to establish a winterization program for the poor.

While this first approach will not solve all the problems of winterization it is a first step. This appropriation will help the CSA to continue its energy related programs which it has begun from local initiative and other general appropriations following the pattern of Project FUEL in the State of Maine. It is clearly advisable to expand these efforts under section 222(a)(12) of the Economic Opportunity Act of 1964, as amended. It represents an approach dealing directly with the poor and economically disadvantaged, and has been successful. I also would like to commend Senator MANSFIELD on his proposal to establish a national energy center. This center would enable CSA to develop new winterization programs, and to coordinate the programs already in existence.

I hope the Senate will consider making available additional funds which the administration and the Community Services Administration believe can be effectively utilized. It is believed that this would be an amount of $64 million, which I requested in my testimony before the subcommittee.

Joined by 18 Senators, who wrote the President on February 20 and the committee on February 25, we had pointed to needs in terms of pending or expected applications before the Community Services Administration totaling $14 million. The Director of the Community Services Administration, Mr. Gallegos, in testimony before the Subcommittee on HEW-Labor Appropriations, stated that $64 million of that amount could be effectively utilized in this fiscal year.

Lastly, Mr. President, I wish to commend the committee for its recommendation of $452 million for the Headstart program. This program, which is celebrating its 10th anniversary this year, has shown remarkable growth and success. In its detailed report, the committee has recommended an increase in the appropriation to $452 million, $37.7 million over the budget request, and $22 million over the House amount. The 334,000 children that participate in this program, either throughout the year, or in the summer Headstart program, readily attest to the vital need and interest in this program. With this increased appropriation, the goal of providing a more adequate level of support for 35,000 handicapped children enrolled in Headstart will be realized. The early recommendation of this increased figure has made available the additional sum in time for the 1975–76 school year when it will be most needed.

Again, Mr. President, I wish to commend the chairman of the committee, and all of its members.

Mr. McCLELLAN. I yield to the distinguished Senator from West Virginia.

Mr. RANDOLPH. Mr. President, I am appreciative that the able manager of the pending appropriations bill has given us the opportunity to comment on the approval of the program to rehabilitate our railroad system at the point of need, the roadbeds that have deteriorated for a period of several years.

I am grateful, as always, to the senior Senator from New York (Mr. JAVITS), who addresses himself very accurately to this subject matter. Several Senators have given special attention to this problem and we have tried within the Committee on Labor and Public Welfare and the Committee on Commerce to bring a measure from the authorization standpoint which followed the appropriation brought by the Senator from Arkansas (Mr. McCLELLAN) to the Senate Chamber. In doing so he is indicating his knowledge of the deficiency in our roadbed situation, and acting even before the formal legislation authorizing certain guidelines in connection with this work.

I shall not overemphasize the problem, except to indicate that what the chairman is completing, hopefully, here today will serve a double purpose. That is, to give employment to many thousands of maintenance-of-way workers who have been separated from their employment by railroads throughout the country. Also, there will be added opportunities for workers other than those who were furloughed to be gainfully employed. Certainly, in a period of unemployment, this is a very real need.

Second, the deterioration of the roadbeds has brought a situation where freight, for example, has had to be moved very, very slowly. We have had coal trains that are cut to 10 to 15 miles per hour because of the condition of the tracks. In the movement of many products, there have been slowdowns because of neglected trackage. I do know of cases, and I do not attempt to dramatize, where there were persons actually walking in front of the locomotive as the train would move slowly with freight.

We also understand that there is a need to rebuild the faith of the American people who are passengers on our rail lines that they can travel with safety between those cities that compose the network of railroads in this country.

Mr. PASTORE. Will the Senator yield?

Mr. RANDOLPH. Yes, I yield.

Mr. PASTORE. As a matter of fact the irony of pushing this new philosophy of converting to coal because of the paucity of petroleum products is that we find now that, even if we do want to convert, we cannot get the coal up there because the roadbeds will not permit it.

Mr. RANDOLPH. The able Senator from Rhode Island has indicated one of the problems with which we are faced. I have heard persons say, "I am afraid to ride a certain train because I am told that the rails, the roadbed, are not in satisfactory condition." I do not try to alarm in this matter. The able Senator from Arkansas would not try to alarm the would-be passenger. But we really feel that there are thousands of persons who would be riding trains now if they felt that those trains were operating over rail systems where the deteriorated trackage had been rebuilt. So I commend the Senator and his colleagues of the Committee on Appropriations and those of the authorizing committees who have worked with us from the standpoint of this very important item. Both of the able Senators from Indiana, Senator BAYH and Senator HARTKE, have been productively involved in this effort.

Mr. McCLELLAN. Mr. President, I agree with the statement of the Senator from West Virginia because he has been most accommodating and cooperative in this problem. He has moved his committee expeditiously with the legislation and it is necessary now to give us the authorization and the support in appropriation.

I agree with everything that the Senator has said. Ultimately, this Government is going to have to bail out the railroads, going to have to spend a lot of money in this situation. By spending some now, we not only put people back to work who have been separated from their jobs in this period of time when we are hunting ways to give people jobs and increase employment in the country, but we decrease unemployment. It is just the practical thing to do. As we spend the money now, properly, and do it in a practical way, we will prevent further deterioration that is going to cost more when we get to an ultimate, overall plan and program in this railroad problem.

I point out, too, that we have a lot of money in these bills that we have already passed for public service jobs. I am not opposing them as such. But in this kind of job, where men go out and, by

the sweat of their brows, construct something and do that hard work, we are getting something for the money we are paying. These are not legislated jobs, something that we just do to create employment. There is need for the employment and the job is there. Is it a question of filling the job.

I yield to the distinguished Senator.

Mr. RANDOLPH. It is correct that the Senator draws our attention to public service and public works jobs in this context. I have supported public service jobs. But I do feel that with the public works job—be it, as in this instance, rebuilding roadbeds, or other types of public works projects—one job leads to another job, creates another job. Some of these will be in supplying materials, you see, because a portion of this appropriation is for materials needed for rail rehabilitation activities.

Then, as the Senator has indicated in other words than I shall use, a lasting benefit, at least a very permanent contribution, has been made to the strength of the country.

I call attention because the Senator from Connecticut is on the floor. Does Senator RIBICOFF know of the Boston and Maine Railroad? Of course; it is in New England. In that instance, Mr. John Dustin, the president, had to tell us in the committee hearing that he had to lay off 400 good maintenance-of-way workers from that company. In so doing, he realized that there would be a further deterioration of the roadbeds. Yet it had to be done because of the recession and because of the need to cut the overall costs of the operation of the company.

I do not go into details about that particular company and I know very little about its financial structure. But I do know that there are 400 maintenance-of-way workers who are not employed. In that instance and in hundreds of instances throughout the country, those persons, by the very authorization, legislative intent, and then the money, are given the opportunity—the furloughed workers, first of all—to be reemployed because, as the Senator from Arkansas well understands, they do know this business. There will be others, of course, that will join them in the work of rebuilding the roadbeds.

Mr. McCLELLAN. In other words, to be restored to that job that they had and are familiar with and that is needed.

Mr. RANDOLPH. That is correct. They have the preference in employment.

Mr. McCLELLAN. I thank the Senator.

Mr. RANDOLPH. I thank the Senator very much.

Mr. BAYH. Mr. President, will the distinguished Chairman yield?

Mr. McCLELLAN. Yes. I yield to the distinguished Senator.

Mr. BAYH. Mr. President, I listened with a great deal of interest and approval to the colloquy among the distinguished committee chairman, the Senator from West Virginia (Mr. RANDOLPH), and the Senator from New York (Mr. JAVITS).

There does not need to be a great deal of discussion surrounding this supplemental appropriations bill. I remind our colleagues of the tragic plight of the Nation's economy. We have discussed that at frequent intervals. I think most of us recognize there is no magic formula for that.

I remember becoming involved in the activities of our distinguished chairman of the Committee on Public Works, as we tried successfully to get the impounded highway funds and the impounded water pollution funds released so that those funds could go back, not really as public service jobs, but in the private sector to provide services that were needed by the people and to get that started.

As the chairman of the Subcommittee on Transportation Appropriations, it was my good fortune to introduce this particular $700 million feature that the chairman of the full committee enthusiastically joined, and he was one of the major movers in this area.

We had this same amendment in the jobs bill. We were not able to convince the House to accept it, at least partially because the authorization legislation had not been forthcoming.

Because of the work of the Senator from West Virginia and others on the Committee on Commerce, now we have authorized this at the Senate level, and so we felt we could come back and try it again.

I will add one word of comment to the discussion so far. Unless we are willing or able to convince our brothers and sisters on the other side of the Capitol dome to get off the dime on this, our labor is going to be for naught.

The railroad system of this country is in a deplorable condition. Nobody here needs to be reminded of that. We are not going to solve the railroad problem by the passage of this one amendment.

I say that I think this is a first step. It is an immediate step that can start putting people to work, as has been described here, to accomplish two things:

First, to provide jobs and, second, to provide something that is of lasting benefit, through the private sector, that will remain after the money has been spent.

But I think it is important for us to recognize that this in no way is inconsistent with some of the ideas of the trust fund and some of the other well-intentioned and meaningful programs, that other people have in mind, that are necessary for a long-range solution to the railroad problem.

Mr. McCLELLAN. Mr. President, will the Senator yield at this point?

Mr. BAYH. Yes.

Mr. McCLELLAN. That is except to help keep the trains running until we do get approval.

Mr. BAYH. Yes.

I am concerned that there is this little bickering developing among certain Members of the House of Representatives, and I do not want to impugn their motives, with the resulting feeling if they go along and say we are going to hire 35,000, 45,000, or 50,000 rail workers and maintenance workers, to start putting these tracks back in workable condition, this is going to foreclose them from coming along with a long-range, more permanent solution.

That is not the purpose of this. This is designed to get us started now when people are unemployed, and certainly the work that would be done now is work that is not going to have to be done by whatever the long-range solution to the problem is.

So I hope that our colleagues in the House of Representatives will recognize that this is important only as a first step. It is not a final answer. It is not a panacea. But it is extremely important.

I appreciate the leadership in the authorization area that has been provided by the Senator from West Virginia. I am glad to have been a small cosponsor of that bill, which is extremely important.

Mr. McCLELLAN. I thank the distinguished Senator from Indiana.

LEGISLATIVE BRANCH ITEMS IN THE SECOND SUPPLEMENTAL APPROPRIATIONS BILL

Mr. HOLLINGS. Mr. President, the committee has added a comparatively small amount of money to the second supplemental appropriations bill for the legislative branch above the amount approved by the House of Representatives.

As the bill came from the other body, it contained $9,584,329 for program items under title I and $12,451,270 for increased pay costs under title II. The committee has added $266,549 for four Senate program items and a net increase of $884,825 for the increased pay costs relating to Senate items including those under the Architect of the Capitol. It is a pleasure to report that the Senate is able to absorb $3.2 million of the more than $3.8 million that was budgeted for these increased pay costs, and that the legislative branch as a whole absorbed 23 percent of the amounts originally estimated.

The Senate program items that we added included: First, $75,050 for the Appropriations Committee primarily to meet additional workload imposed by the Budget Reform Act; and second, $26,274 for additional clerk hire for the Senators from Texas since the provisional population estimates now place the State of Texas into the 12 million population category; and $225 for the costs during the remainder of this year of a $900 annual increase in the stationary allowance of the Vice President.

The other Senate program item is $165,000 for the first 13 months rental of an upgraded Senate computer. This upgrading is necessary to provide a Senate-wide network which will provide terminals in each Senate office so that the Senators will have advantage of a congressional legislative information system. This system, which the subcommittee expects to be fully operating in 1 year, will provide all of the data now stored in the retrieval systems of the House of Representatives and the Library of Congress. The Senate system will feature easy access via only one terminal to information that presently can only be secured by the use of several terminals. In addition to the legislative assistance, the upgraded computer will enable the programing of a microfilm index system that will enable Senators to quickly retrieve their correspondence, legislative

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position papers, press clippings, and et cetera.

The committee has also added an administrative provision that would allow Senators to lease one mobile office from the funds provided for the rental of State offices. As the Senate will recall, Senator Dole introduced S. 699 on behalf of himself and 30 other Senators to provide mobile offices to Senators. This bill was referred to the Appropriations Committee. We went into this matter thoroughly, and the committee determined that instead of having the Sergeant at Arms provide the mobile office as stipulated in the bill, we would authorize the Senators to make a lease and be reimbursed out of the contingent fund for the lease and operating costs of a mobile office. There will be no increased costs to the Senate for the mobile offices as the costs must come out of the amounts previously provided in the regular bill for home State offices.

We have written into the bill restrictions on the operation of the mobile offices that they will be used only in the Senators home State; the requirement of a minimum of $1 million in liability insurance on the vehicles; suitable identification of the mobile office; and that no Senate reimbursement be made to a Senator for lease or operation of the mobile office within 60 days of a contested election in which the Senator is candidate.

The committee also recommends concurrence with the House of Representatives in the amounts provided for several joint items, and appropriations totaling $3,350,000 requested by the Architect of the Capitol for testing equipment for the new Capitol security system and the higher fuel and electricity bills of the Capitol Power Plant.

DISTRICT OF COLUMBIA ITEMS IN THE SECOND SUPPLEMENTAL APPROPRIATIONS BILL

Mr. CHILES. Mr. President, the District of Columbia requested the remaining $8.8 million of the authorized Federal payment for fiscal 1975, and the appropriation of $52,800,500 in District of Columbia funds. The House of Representatives did not provide for these items because the budget estimates were delayed until after the bill was reported in the other body. The additional $52,800,500 in District of Columbia funds consisted of $43,105,300 to meet the unabsorbable increased pay costs, with more than $5 million of the remainder requested to offset price increases in fuel, electricity, and other energy items. There was also $1 million requested because of a short-fall in the reimbursement from the Justice Department because of a decrease in the number of Federal prisoners incarcerated in D.C. prison facilities; and $700,000 to implement the Teachers Salaries Amendment of 1974.

The District demonstrated good faith to the committee by making a straightforward presentation of this request. There is no increase in programing in this supplemental, since all of the items are mandatory in nature and are necessary to carry out the level of programing approved in the regular bill. The District will finance $44 million of the additional $52 million requested from its own resources; including $16 million through an austerity program implemented by the Mayor late last year. We do not have the situation of former years where the balance of the Federal payment was requested to be salted away for the following year's budget—these funds are required to finish out this fiscal year.

The committee went into each of these items. We directed that the District make an up-to-date review of the increased pay costs since several months had passed since they were originally estimated. As a result of this review, the Mayor informed the committee that $700,000 could be cut from the estimates due to employment not reaching the levels originally projected. In addition, we found that $100,000 of the amount requested for increased electricity costs for the Department of Environmental Services was no longer necessary. Therefore, the committee has reduced the additional Federal payment requested by $800,000 and has made reductions of the same amount in the appropriations of the District of Columbia funds.

Mr. HUMPHREY. Mr. President, I appreciate having the attention of the distinguished Chairman of the Committee on Appropriations.

Under the provisions of the Environmental Protection Agency Act, there is statutory authority for what is known as the Safe Drinking Water Act of 1974. This act was passed without any appropriations having been made.

This particular act, which was passed at the conclusion of last year, as a result of the discovery of contaminated water supplies in certain parts of our country, has two sections.

One section relates to standards for safe drinking water.

The second section relates to research and demonstration project grants to permit the testing of the most modern technology in cleansing and purifying water supply.

I rise to call the Senate's attention to a matter that is of the utmost concern to the people of Duluth, Minn.

The Reserve Mining Co. has been dumping into Lake Superior over the years what are known as taconite tailings. This is the wasted product from processing of taconite ore.

As the Senate knows, or I trust it knows, the Federal District Court has ruled that the dumping of these tailings must stop. The U.S. Court of Appeals for the Eighth Circuit, on review, has ordered that within a reasonable period of time these dumpings of tailings must stop.

In the meantime, the Environmental Protection Agency has ruled that the water that has been the source of supply for the city of Duluth is a health hazard.

There has been elaborate and extended testimony before the Federal courts on this subject.

The water is infested with what we call asbestos particles, which are cancer-producing agents. There has been testimony from competent medical authorities in the Federal courts relating to the health hazard.

So, the city of Duluth today is under order to cease and desist in the use of water from Lake Superior unless it can be properly filtered.

With present technology, the present filtration plants cannot possibly filter out these minute particles known as asbestos particles.

Therefore, what we are seeking is the use of our funds to apply the most up-to-date technology on a project and demonstration basis. The Safe Drinking Water Act of 1974 requires that any such project on a demonstration basis must be communitywide in its jurisdiction or in its coverage.

The city of Duluth is in a very serious set of circumstances. It is prepared to do anything it possibly can do, but it needs to have the new technology tried and tested.

The cost of a demonstration project is approximately $6 million. The present Safe Drinking Water Act provides for Federal assistance up to two-thirds of the cost of a project.

So that there is a need of $4 million of Federal funds.

Now, somebody might ask, "Well, why did we not get at this sooner?" The simple truth is that the act was just passed last December and, quite candidly, the Government has been very severe in terms of its rules and regulations, but has not been very cooperative in terms of its recommendations for funding.

The city of Duluth is prepared to do its fair share. It would be prepared to put in a whole new filtration system if it knew what kind of a system to put in and, therefore, what I would like to have the Senate consider is an amendment under the Environmental Protection Agency, on page 65, wherein we could put some funds in here to initiate this demonstration project which is authorized under the Safe Drinking Water Act of 1974.

I have talked with a Member of the House who represents this district, Congressman Oberstar, and I told him what I was going to try to do here, and I am convinced that if we add this in this bill, we can get a project underway and that the House membership will stand with it.

The total amount that is needed is $4 million. I am not at all sure we would need to go that far at this time. I do not want to overextend the case, but we have got to have some help.

Right now the restaurants, the cafes and the schools in Duluth, Minn., have specialized little filtration projects they are trying to use hopefully that will eliminate the asbestos fibers, but there is no proof. The medical authorities who testified in the Federal court were sufficiently persuasive so that the Federal judge ruled that it was a health hazard. So has the Federal agency.

I want to ask my good friend from Arkansas, the distinguished chairman, if he would be receptive at least in taking the matter to conference so it can be discussed more openly and fully in the conference committee of a modest amendment that would permit us to at least undertake the beginnings of a research and demonstration project on a matter of grave concern to over 100,000 people who live in the city of Duluth.

The mayor of the city—I was home this weekend—Mayor Baudin called me, talked to me; the city council members and the mayor were down here last week. I told him that I would wait until the supplemental appropriation came up to see if we could do something about it. The county commissioners have been here to see me; the head of the pollution control agency in the State of Minnesota has been here.

By the way, the State is doing its share in this matter by helping Duluth in its share of funds. In other words, the $2 million that the city of Duluth would put up in part would be put up by the State Legislature of Minnesota.

Mr. McCLELLAN. Senator, is this money authorized?

Mr. HUMPHREY. Yes, it is. The money is authorized. The authorization, Mr. Chairman, for fiscal 1975 is $7.5 million; for fiscal 1976 $7.5 million; for fiscal 1977 $10 million.

Mr. McCLELLAN. No funds have been appropriated at all?

Mr. HUMPHREY. There have been no funds appropriated because the bill passed just before we adjourned in the 93d Congress.

Mr. McCLELLAN. No part of the authorization funds have yet been appropriated?

Mr. HUMPHREY. No part of the authorization funds have been appropriated.

Mr. McCLELLAN. This comes within the jurisdiction of the Appropriations Subcommittee chaired by Senator Proxmire, and I would like to have his comments on it. He is on his way over, and I would like to have the matter discussed with him before I make any statement on it. I try to support my subcommittee chairmen; certainly I do not go around them, and I give them an opportunity to be heard.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. PASTORE. Of course, there are many other localities more or less in the same position. I quite agree there is an authorization for this. I was wondering do we have any commitment on the part of all EPA that they will undertake to do this for Duluth if they get the money?

Mr. HUMPHREY. Yes. As a matter of fact, may I say, this is a very unique situation because of the nature of the contaminating substance.

Mr. PASTORE. No, I am all for it.

Mr. HUMPHREY. The asbestos particles are what I am speaking about.

Mr. PASTORE. I am raising the point here that when you begin to designate in the law a particular locality you usually get repercussions from other localities which find themselves more or less in the same position.

Mr. HUMPHREY. I understand.

Mr. PASTORE. If you have an understanding with EPA, why do you not just put it in as a general account for EPA and then let the Senator from Minnesota work it out with EPA as to where the research will be done? I think there would be less a resistance toward it.

Mr. HUMPHREY. I understand that very well, and I am very content that this should happen.

Mr. McCLELLAN. If we should have it that way, I think the Senator should ask for the full amount this year, and that gives others an opportunity to share in it. I would be inclined to take it to conference, at least, but I would like to have an expression from the distinguished chairman of the subcommittee, and I understand he is on his way over here.

Mr. HUMPHREY. The full amount, Senator, is $7.5 million.

Mr. McCLELLAN. I rather think if we are going to do this as the distinguished Senator from Rhode Island says, do not single out one town, let us appropriate the money authorized, and let it go through the regular administrative process.

I would like to wait until Senator Proxmire arrives. In the meantime, I will ask for a quorum.

Mr. HUMPHREY. I want to say to the Senator that I fully concur in his suggestion. I hope he does not mind that I had a special interest in the city of Duluth. I have to go up there next week. I was up there last week. The Mayor met with me Saturday, and so did the city council.

Mr. PASTORE. If the Senator did have a special interest, no one can fault him on it.

Mr. HUMPHREY. I, therefore, propose an amendment under the section on page 65 "Environmental Protection Agency" to add on line 20 after the word "enforcement," where the figure $1,100,000 is, a new section saying "$7,500,000," or "under the terms of the Safe Drinking Water Act of 1974 for research and demonstration grants."

Mr. McCLELLAN. Mr. President, I suggest the absence of a quorum, and the Senator can prepare his amendment.

Mr. HUMPHREY. Very well.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLELLAN. Mr. President, a parliamentary inquiry, is any amendment pending?

The PRESIDING OFFICER. There have been no amendments sent to the desk.

Mr. McCLELLAN. There is no amendment pending?

The PRESIDING OFFICER. That is correct.

Mr. KENNEDY. Mr. President——

The PRESIDING OFFICER. The Chair recognizes the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

On page 17, line 16, strike out "$500,000,000" and insert in lieu thereof "$521,000,000."

Mr. KENNEDY. Mr. President, this is a very simple amendment. It provides for an increase to the community economic development programs of the Community Services Administration—title VII—of $21 million.

The community economic development programs have been really among the most successful programs to stimulate self-help and community organization in both urban and rural poverty communities.

I feel in the total review of the Office of Economic Opportunity, this section may well prove to be the most successful in reversing the patterns of poverty.

Perhaps the model for these experiments in improving the urban areas has been the Bedford-Stuyvesant program which was initially developed by Robert Kennedy and the senior Senator from New York (Mr. Javits). That program has made a tremendous difference in responding to community needs. And it has prompted corporations such as IBM to reinvest in the inner city and to reverse the corporate exodus from poverty areas.

The total figure that has been appropriated each of the last 3 years has been $39 million. Because of the particular needs of a hospital complex in Philadelphia, the House has increased the title VII program by some $14 million this year. But with $14 million being targeted to this hospital complex, there has been no increase in the level of funds for the community economic development program.

This would provide a very small and modest increase in this funding in an effort—verified by the program managers— to insure a bare maintenance level for these activities. The total number of programs that are seeking assistance are many, many times higher than the increase which we are requesting here today.

I know we are under a strict budgetary constraint, but it seems to me that this will be resources well expended.

The community economic development program directed by community development corporations—CDC's—in some 36 sites across the country does more than simply develop community-based businesses—although it has been successful in this area as well. Rather, it brings together all of the resources within the poverty community and provides them with the mechanism to mobilize power and resources both within and outside the community.

Capital investment funds are leveraged from the business community and from banking—institutions that normally would totally ignore the poverty area. But with the title VII assistance, the community development corporations can demonstrate they have the seed money to carry out substantial development programs.

The CDC's are now operating in 36 areas and affecting populations of more than 5 million. During their history, they have helped create more than 12,500 jobs and those jobs are filled by wage-earning and tax-paying men and women. Forty percent of these workers were unemployed prior to the CDC activity.

Some 250 businesses have been created in these areas and the CDC's in addition are providing vital services, including housing, social services, health clinics, and manpower training. In fact, in Bedford Stuyvesant alone, the manpower programs have placed some 5,000 individuals.

Obviously this program—at the level of funding it has been held to—has not reached its full potential. For the possibility exists of hundreds of CDC's in urban and rural poverty communities, 10 years from now in which there is a major impact on the face of poverty in America as a result of their activities.

The community support for this program, as I have seen in my State in Roxbury and East Boston, is substantial. They produce in a way that the community can understand—in jobs, in new economic resources, in businesses, and in social services.

And what is most impressive, the funds that we have appropriated for these programs have produced not only additional revenues through taxes, but a dollar-for-dollar match from the private investment community and from other public entities. Thus, the program has been extremely successful as a stimulator of total investment in the investment.

But we have consistently failed to provide sufficient resources to this program—particularly in the past 3 years. There has been no increase whatsoever. Yet inflation has cut directly into the potential benefits of each and every one of these CDC's and it has halted totally any hope of expanding the number of CDC's who can participate in the program.

Mr. MAGNUSON. Mr. President.

The PRESIDING OFFICER. The Chair recognizes the Senator from Washington.

Mr. MAGNUSON. Like the Senator from Massachusetts, I am quite familiar with this program. It has been one of the best we have ever had, but it has remained static over the years and this year's budget is also $39 million.

But there is a tendency because they have broad authority, once in a while to—I will not use the term "raid" the amount, but they do some shifting around and use it for different things.

That being the case, I inquired of the administrator and they say that they could efficiently use about $15 million.

I hope the Senator from Massachusetts will amend his amendment, drop it down to $15 million. I have conversed with the distinguished chairman of the Appropriations Committee and we will take it to conference and see what we can do with it. I think we can justify it on the programs that have been resulting, as they have been very, very successful.

Mr. KENNEDY. Mr. President, I appreciate the remarks of the floor manager of the bill.

I want to modify my amendment and do so to change the figure to some $15 million instead of the $21 million so that the total increase would be $515 million instead of $521 million in the overall appropriations for the Community Services Administration, with the understanding that this will raise the title VII Community Economic Development program appropriations to $745 million, $21 million above the Committee-approved level.

I want to just finally say that this program has been evaluated by Abt Associates, an outside consultant and it was found to be highly effective and with great potential for significantly reducing the level on poverty in the country.

Mr. President, I move to change my amendment to $515 million rather than $521 million.

The PRESIDING OFFICER. The Senator has the right. The amendment will be so modified.

The amendment, as modified, is as follows:

> On page 17, line 16, strike out "$500,000,000" and insert in lieu thereof "$515,000,000."

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield to the Senator from New York.

Mr. JAVITS. First, may I congratulate the Senator for convincing the Appropriations Committee of the justness of such a material increase. Second, I join with the Senator in the amendment. I am deeply gratified and thank Senators MAGNUSON, MCCLELLAN, and YOUNG for allowing it to go through.

I wish to testify personally about the oldest and the largest of these programs, the Bedford-Stuyvesant Corporation. This has been kind of a memorial to Robert Kennedy, one of its founders. Indeed, it is a model for community activities in my State and in many other States.

I can just pledge to the committee that I shall do my utmost to keep it on the straight and narrow. It does not need that pledge, but I make it anyhow in deference to the fine attitude shown by the chairman of the committee and the chairman of the subcommittee.

Mr. MAGNUSON. May I say that in the State of Washington, not quite that large, but it affects the Indians in Upper Puget Sound who would be out of work except for what little farming they do when the lumber industry is down. They do not have any jobs, but they have developed an aquaculture in the State which is just fantastic.

They are raising oysters, big crabs, and among other things, they have perfected a small salmon that is adult and they are selling these. This project is just about self-sufficient.

The State college up there has loaned professors and a lot of students go there to learn fisheries.

So there is an example of what a little seed money can do. There would be literally scores of them that would be just sitting there if it was not for this, and the contribution they have made is great.

Mr. JAVITS. I thank my colleague very much.

Mr. KENNEDY. Mr. President, I thank the Senator from Washington, the Senator from Arkansas, and the Senator from North Dakota for accepting this amendment. And I particularly want to thank the chairman of the Labor-HEW Appropriations Subcommittee for his diligence in the areas on health, education, and aging appropriations. His support was essential, I believe, in obtaining agreement from the administration to spend in fiscal year 1975 at a level of $150 million. And in these areas, as well as with regards to this amendment, I thank the Senator from Washington (Mr. MAGNUSON).

I move the adoption of this amendment, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. McCLELLAN. Yes.

Mr. MANSFIELD. Mr. President, in April, I urged the Labor-HEW Appropriations Subcommittee to include in H.R. 5899 funds for "Emergency Energy Conservation Services" under section 222(a) (12) of the Economic Opportunity Act of 1964, as amended.

Section 222(a) (12) of the Community Services Act of 1974, signed into law by President Ford on January 4, 1975, is designed to reduce the impact of high energy costs on low-income individuals and families, including the elderly and the near poor. It authorizes the Director of the Community Services Administration—successor to the Office of Economic Opportunity—to establish winterization programs and provide other supportive assistance, such as emergency loans and grants, special fuel voucher or stamp programs, transportation, nutrition, and health services in emergency cases.

The CSA winterization assistance program has demonstrated energy conservation through the highly successful pilot project—Project FUEL—conducted by CSA in the State of Maine in 1974. It has been well documented that this appropriation is an investment in energy conservation.

A major long-term thrust of both energy conservation and the alleviation of energy-related hardship among the poor, however, must be the development of new energy technology appropriate to the needs of the people. It is clear that the beginnings of such a technology exist today. There is a great deal of uncoordinated and inadequately financed research and development activity in such areas as solar heating, more efficient burning of wood and coal, materials recycling, housing design, community power generation, and windmills.

It is clear that without advocacy and support from CSA, Federal encouragement of activities in the development of alternative sources of energy will continue to be directed exclusively to highly sophisticated and costly research and technology which, if it ever benefits people of moderate and low income, will only do so years hence. At the same time, CSA does not have the technical support capability to exercise sound judgment in the selection of alternative energy projects, for example, to determine whether a particular proposal for the solar heating of low-income housing is technically feasible. Without strong advocacy and assistance from CSA, such a proposal, even if technically feasible and sound, has little chance of being funded from

the Solar Heating and Cooling Demonstration Act, from the National Science Foundation or from ERDA.

Thus, in addition to its present responsibilities, CSA's winterization assistance program should also utilize a national energy center to provide the low technology required on an immediate, practicable, and workable basis. This activity is not a "think tank," but just the opposite—an action group to find and package technology in order that people can be trained to immediately carry out effective projects. These activities will be communication, training, and actually delivering technology as needed. The objective will be to deliver as much technology as possible for the least possible cost. This function is not presently available to CSA either within the Government or by private firms. Such a center will increase the already significant cost-effectiveness of the winterization program by preparing energy conservation systems designed for specific climates and areas.

The committee has done an excellent job in increasing the funding level for the CSA winterization assistance program. It is a start in the right direction and as the performance level of the program increases, as I am sure it will, future increased funding levels will be justified. I ask the committee, however, in the conference report on H.R. 5899 to direct the Community Services Administration to establish a national energy center. This will give CSA the guidance to begin development of such a center and specific appropriations for that purpose can be sought through future appropriations.

I hope this meets with the approval of the distinguished chairman of the committee and the distinguished chairman of the subcommittee.

ENERGY CONSERVATION AND CLIMATIZATION FOR THE POOR

Mr. CRANSTON. Mr. President, I wish to join in full support of the remarks of the distinguished majority leader (Mr. MANSFIELD). I concur fully with his statement of strong concern for the establishment of a national energy center to coordinate winterization program activities carried out under section 222(a) (12) of the Economic Opportunity Act of 1964, as amended.

I am most grateful to the committee and to Chairman MAGNUSON and the distinguished majority leader for adding in the Second Supplemental Appropriations Act as reported, $19 million for the section 222(a) (12) program.

I have worked closely with Senator MANSFIELD on this program over the last month. The program and the establishment of the center are matters of considerable interest to me for the following reasons:

First, as a member of both the Labor and Public Welfare Committee and the Banking, Housing and Urban Affairs Committee, I am involved in the work of both of these committees with joint jurisdiction over housing-related energy problems of the poor. For example, title XI of the Energy Independence Act of 1975, as proposed in the President's energy message would have established a winterization program similar, although not as complete, as the one, already called for by EOA section 222(a) (12). This bill was jointly referred to both committees.

Second, the California Community Action Programs Association has specifically asked me to support establishment of the center. The association has indicated that there is a critical need to develop alternative energy sources appropriate to the various California constituencies which it represents, and to their physical locations and climates. Moreover, the ever rising costs of more traditional fuels make the need to reduce poor people's dependence on costly energy sources an increasingly critical one. At the present time, we are lacking a source of technical support which can keep abreast of current activities in the field, assess alternative proposals and systems, encourage technological innovation, and assist local groups in the development of technology appropriate to the needs of the people. The proposed national energy center would serve that purpose.

Third, we have been very actively working in concert with Senator MANSFIELD's staff, in developing the concept of the center.

Finally, I initiated a letter to Senator MAGNUSON, chairman of the Appropriations Committee's Subcommittee on Labor, Health, Education, and Welfare, cosigned by Senator MANSFIELD and six other Senators in which we urged funding of $64 million for the program and emphasized the need for the program and the center. We stated then, and I would like to reassert at this time, that the center is a major component in assuring the cost-effectiveness of the winterization program.

Mr. President, I ask unanimous consent that the letters be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C., *April 21, 1975.*

Hon. WARREN G. MAGNUSON,
Chairman, Subcommittee on Labor-Health, Education, and Welfare, Committee on Appropriations, Washington, D.C.

DEAR MR. CHAIRMAN: We are writing to urge that the Subcommittee include in H.R. 5899, the Second Supplemental Appropriations Act, 1975, funds for "Emergency Energy Conservation Services" under section 222 (a) (12) of the Economic Opportunity Act of 1964, as amended.

These funds would provide insulation and winterization services for the elderly, poor, and near-poor. If they are to secure relief from next winter's cold, winterization activities must be completed during the coming summer and fall. Thus, it is vital for the funds to be made available at this time.

DISCUSSION

The Community Services Administration (CSA) and over 700 of its delegate agencies have already utilized $22 million in local initiative funds for this program in FY 75. But we must build upon and expand those efforts. The Federal Energy Administration has (we think conservatively) estimated that five million homes occupied by the poor are badly in need of insulation.

You will recall that seventeen Senators wrote you on February 25 regarding this program and the need to expand CSA's ongoing efforts. The Director of CSA, Mr. Bert Gallegos, has etated that, as of February 12, 1975, there were pending unsolicited and unmet applications for programs under section 222(a) (12) totalling $88.1 million, and that an additional $53.5 million in new proposals were being developed, for an aggregate of $141.6 million. He has further testified before your Subcommittee on March 4, 1975, that $64 million can be effectively utilized in FY 1975.

The program is patterned after the highly successful pilot project ("Project FUEL") conducted by CSA in the State of Maine in 1974. That project resulted in winterizing more than 3,000 homes at a total cost of less than $160 per home. The $280,000 expended on materials resulted in dramatic benefits. Health problems, particularly among the elderly, were reduced. Families were able to save fuel costs of two or three times the amount spent in materials.

We believe that this program can make a highly effective use of funds. Most of the money would go for insulation materials, since states will be encouraged to use enrollees in programs under the Comprehensive Employment and Training Act of 1973 (CETA), as well as volunteers, to do the labor. The program would also utilize a national energy center. This would be an action-oriented center, designed to find and package technology of an immediately applicable nature. The center should greatly increase the program's cost-effectiveness, by preparing energy conservation packages designed for specific climates and areas.

Mr. Chairman, we wish to stress the program's importance in terms of energy conservation. CSA's report on "Project FUEL" indicates that 1.6 million gallons of fuel oil and kerosene were conserved. They also estimate a yearly savings of six gallons of fuel oil for each dollar spent on insulation materials. Thus, the appropriation that we are now requesting is also an investment in energy conservation. It will repay itself many times over, not only in reduced fuel costs for individuals but in increased energy independence for our Nation.

RECOMMENDATION

Although the President has not submitted a budget request for this program as we had urged, the above discussion, we believe, illustrates the critical nature and cost-effectiveness of this program. We therefore urge the subcommittee to add $55 million to GSA's appropriation over and above the $9 million added on the House floor for this purpose. This would bring the total amount available under section 222(a) (12) to $64 million—the amount Director Gallegos has testified could be effectively utilized this fiscal year and an amount equal to the President's winterization request for FY 1975 and 1976 (under title XI of his energy proposal which the Banking, Housing, and Urban Affairs Committee has already decided not to include in the bill, S. 1483, which it has ordered reported from Committee). We also ask that this $64 million be identified in the Committee report as specifically for section 222(a) (12) winterization, acclimatization, and energy conservation activities, including the establishment of an energy center.

Although we understand that the Subcommittee included $10 million for winterization purposes under section 222(a) (12) in the Emergency Employment Appropriations Act, H.R. 9452, we believe that it would be preferable to include all funds for this purpose in one bill. We would favor the bill in which GSA's regular appropriations will be included, the Second Supplemental Appropriations Act, H.R. 5899.

Thank you and the members of the Committee for your consideration. We are most grateful for your assistance.

With warm regards.

Sincerely,

Mike Mansfield,
Harrison A. Williams, Jr.,
Alan Cranston,
Henry M. Jackson,
Edmund S. Muskie,
Lee Metcalf.

Mr. CRANSTON. Mr. President, in closing, I would strongly urge the committee to direct in the conference report on H.R. 5899 that the Community Services Administration establish a national energy center to assist CSA in the development and expansion of its winterization assistance program. Such an energy conservation program is in the Nation's interest and deserves our full support as the Senator from Montana has already so eloquently pointed out.

Mr. President, I would like to take this opportunity to congratulate my colleagues on the Appropriations Committee for their efforts on H.R. 5899, the Second Supplemental Appropriations Act, 1975. I, particularly, want to thank the distinguished chairman of the Subcommittee on Labor-HEW (Mr. Magnuson) and its ranking minority member (Mr. Burke) for his tireless efforts and dedication to insuring adequate funding for many important human needs programs. There are a number of such programs, contained in this supplemental, which I would like to discuss in greater detail.

VETERANS COST-OF-INSTRUCTION—VCI—PROGRAM

Mr. President, the VCI program was designed to enhance the educational opportunities available to veterans, especially disadvantaged Vietnam-era veterans. Despite the obvious need for the program, and its demonstrated success, the administration has never requested funding for the program. I would like to extend my deep appreciation, and I know the appreciation of thousands of Vietnam-era veterans, to Senators Magnuson, Hollings, Case, and this year especially to Senator Bayh, for their efforts to insure funding for the VCI program.

The committee's most recent funding action—adding $15 million to the $23.7 million already appropriated in fiscal year 1975 for the distribution during school year 1975–76—is especially critical for the effective operation of the VCI program. As the committee's report—No. 94–137—on the act so accurately points out—

> When this item [VCI] was considered in conjunction with the regular 1975 bill, eligible institutions were estimated to total 1,000. Subsequent to that action, new legislation was enacted which has the effect of expanding participation to an additional 350 institutions. Under these circumstances, the average level of program support to participating institutions would be reduced by nearly 25 percent. In addition, veterans' enrollments are expected by some to increase as much as 40 percent during the upcoming academic year. For these reasons, the Committee has recommended that additional funds be provided to avoid short-changing those who have served their country in the military.

Mr. President, on April 22, 1975, Senators Randolph, Bentsen, Javits, Mathias, and I wrote to Chairman Magnuson urging that additional funds be appropriated for the VCI program. I ask unanimous consent that the April 22 letter and a background and justification statement in support of VCI funding increase recommendation be inserted in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Washington, D.C., *April 22, 1975.*

Hon. Warren G. Magnuson,
Chairman, Subcommittee on Labor-Health, Education, and Welfare, Committee on Appropriations, Washington, D.C.

Dear Mr. Chairman: We are writing to urge your Subcommittee to include in H.R. 5899, the Second Supplemental Appropriations Act, 1975, $20 million for the Veterans Cost-of-Instruction (VCI) program. This $20 million added to the $23.7 million already appropriated in the Labor-HEW Appropriations Act, 1975, P.L. 93-517, would result in an aggregate FY 1975 appropriation of $43.7 million for awards for eligible institutions.

Additionally, we urge the Committee to include in the FY 1976 Labor-HEW Appropriations bill such sums as may be necessary to maintain a level of funding for all eligible VCI institutions comparable to the academic year 1975–76 funding level—$43.7 million in line with our supplemental request for FY 1975 outlined above.

The total appropriation of $43.7 million is less than the $50 million appropriation approved by both this Committee and the Senate in fiscal years 1974 and 1975. In both instances, the funding level was cut back to the House-approved $23.7 million in Conference.

A level of funding closer to the previously Senate-approved level is urgently needed now to prevent many CIV schools from experiencing severe cutbacks in their fiscal year 1975 (school year 1975–76) awards resulting from an anticipated 33 percent increase in the number of institutions which will be eligible for VCI awards. This increase is the result of two factors: (1) amendments to the program enacted last August in the Education Amendments of 1974, P.L. 93–380, which enabled additional schools to qualify for the program; and (2) a substantial (estimated at from 25 to 60%) increase in the number of veterans enrolled in colleges and universities this year over last year's number. In order to make it possible for the student veterans in these newly eligible VCI institutions to benefit from the services of a full-time office of veterans affairs, and to prevent severe cutbacks in existing VCI programs, we believe it is of critical importance that the additional funds we are recommending be made available for the VCI program in fiscal year 1975.

Mr. Chairman, the House has included $23.7 million for the VCI program in its "Education Division and Related Agencies Appropriations Act, 1976", H.R. 5901. We are encouraged by the House's initiative in this regard. However, the Office of Education has adopted a practice—despite Congressional efforts to change this funding procedure[*]—of obligating VCI monies at the *end* of the fiscal year (in effect forward-funding), rather than making funds available to eligible institutions for use *during* the academic year in which they are appropriated. Continuation of this practice will prevent any VCI funds appropriated in FY 1976 from reaching schools until academic year 1976–77.

We, therefore, are convinced that the only way to avoid severe cuts in program funds during academic year 1975–76 is to supplement the available FY 1975 appropriation and to provide for continuation, in the FY 1976 Labor-HEW Appropriations bill, of such an increased level of funding. Enclosed is a detailed Background and Justification Statement explaining the bases for our request, including the statutory authorization for such appropriations, the history of the program's success, and the evidence of the continuing need for it.

We hope you and the members of the Committee will consider this recommendation favorably, and we are most grateful for your assistance in this matter.

Warmest regards.

Sincerely,

Alan Cranston,
Jacob K. Javits,
Jennings Randolph,
Charles McC. Mathias.
Lloyd M. Bentsen.

BACKGROUND AND JUSTIFICATION STATEMENT IN SUPPORT OF VCI FUNDING INCREASE RECOMMENDATION

The VCI program, enacted in the Education Amendments of 1972 (P.L. 92–318), was designed to provide incentives and supporting funds for colleges and universities to recruit veterans and to establish special programs and services to assist veterans in readjusting to an academic setting, especially disadvantaged veterans. Institutions which met various requirements of the legislation for special veterans programs were to be entitled to payments of up to $450 for each of certain categories of veterans enrolled in an undergraduate program on a full-time basis.

In the VCI program's first year of operation (school year 1973–74), and in the second year (1974–75), eligible colleges and universities received only 17 percent and 14 percent, respectively, of their entitlements. Despite this, VCI programs have provided a central focus for efforts to meet the needs of veteran-students. During these first two years, however, many smaller schools found it necessary to return their awards for lack of sufficient funding to meet the requirements of the law. And most schools have been unable to implement fully the kinds of programs they had originally planned. At the even lower level of entitlement funding anticipated for next year, many more schools will find it necessary to return their awards, and all VCI institutions will experience a significantly reduced capacity to implement their programs.

At a time when thousands of Vietnam-era veterans continue to suffer from serious readjustment and employment problems, the need is to enhance rather than severely restrict available educational opportunities and services, particularly to those veterans who are educationally disadvantaged.

Nevertheless, there are those who would suggest that the need for the program is over. Since its inception in 1972 by Congressional initiative over Administration opposition, the VCI program has been a victim of Administration recalcitrance, indifference, and continued hostility. In 1973, it refused to release funds or issue program guidelines and regulations until a court decision directed otherwise, and, most recently, requested the rescission, rejected by the Congress, of the program's FY 1975 appropriation. The Administration has argued (1) that the program is inflationary; (2) that the need for the program has passed; (3) that institutions should cover the cost of the program; (4) that the program is duplicative; and (5) that the authority for the program expires on June 30, 1975, and that, therefore, FY 1975 appropriations would not be spent until FY 1976, at which time authority for the program will have expired.

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[*] The Senate Appropriation's Committee's Report on H.R. 15580, the Labor-HEW Appropriations Act, 1975, urged the Office of Education to spend Fiscal Year 1975 funds *during* the academic year. The Office of Education has refused to give heed to this direction, and it seems unlikely that it will obligate funds in a different manner this year.

These arguments are both inaccurate and misguided in substantial part for the following reasons: (1) The inflationary impact of $23.7 million, or even $50 million, seems minimal at best, especially for a labor-intensive program which enables more than 1000 campus offices of veterans affairs to recruit into college and to provide a wide range of greatly needed services to veterans.

(2) The need for the program has hardly passed. The evidence of the continuing critical purpose for this program is in fact overwhelming. Nearly 700,000 Vietnam-era veterans who are high school dropouts have made no use whatsoever of their educational and job training benefits under the G.I. Bill. Literally millions more have used but a small proportion of their benefits. The March unemployment rate for young Vietnam-era veterans (17.3 percent) continues to be double the national rate (8.7 percent). It is important to note that the law requires VCI institutions not only to establish full-time offices of veterans affairs, but also to go into their communities to find those veterans who are unskilled, unemployed, and most in need of educational assistance. Many disadvantaged veterans would be relegated to the unemployment lines, menial jobs or no job and exhausted UCX benefits if they were not informed of available opportunities by local VCI coordinators.

Further evidence of the need for continued and even expanded operation of the VCI program is the hundreds of phone calls, letters, telegrams, and program reports many Congressional offices have been receiving describing the sucess of the program, stressing its unique and valuable function, and urging its continuation and more adequate funding.

(3) Although the Administration contends that institutions can cover the costs of the program, there is absolutely no evidence to support that proposition. The evidence is exactly to the contrary. It has been estimated by the National Association of Veterans Program Administrators that 85 to 90 percent of all campus veterans offices would be forced to close if the VCI program is discontinued. The validity of this estimate is strongly supported by the very great energy-price squeeze which institutions of higher education are now experiencing.

(4) The program is *not* duplicative of the Veterans Administration's Vet Rep Program, as the Administration has implied. Again, the opposite is the case; the law prohibits duplication. Section 243(a) (3) added to title 38 of the United States Code by P.L. 93–508, the Vietnam Era Veterans Readjustment Assistance Act of 1974, describes the responsibilities of the Veterans Representatives—their primary function (clause (A)) being to expedite the Veterans Administration's implementation of the educational benefits program under title 38. Section 243(a) (3) (E) provides that Vet Reps are also responsible for coordinating VA matters with all on-campus veterans' groups, working particularly closely with veterans' coordinators at educational institutions receiving VCI payments. Most significantly, section 243(a) (5) requires that Vet Reps carry out their functions in such a way as to complement and not interfere with the statutory responsibilities and duties of VCI coordinators and their assistants. Thus, by law, the responsibilities (primarily planning, implementing, and directing the full-time offices of veterans' affairs that make available tutorial assistance, job placement services, peer counselling, and outreach services) of VCI coordinators are clearly different from those of the Vet Reps assigned to VCI institutions.

(5) The Administration argues against FY 1975 appropriations for VCI since they would not be expended until FY 1976, at which time, it contends, authority for the program will have expired. First, funds appropriated in FY 1975 will not be spent until FY 1976 only because the Office of Education has refused to allocate them for expenditure during FY 1975. Second, although the VCI provision, section 420 of the Higher Education Act, explicitly authorizes the program only through June 30, 1975, section 414 of the General Education Provisions Act (added by P.L. 93–380, the Education Amendments of 1974) provides a one-year extension, unless Congress acts to the contrary, of both program authority and the authorization of appropriations for all Higher Education Act programs. As a result of this extension, not only can FY 1975 funds be expended during FY 1976 provided they are expended on or before June 30, 1975—according to the Office of Education's own method of forward funding—but also further funds may be appropriated in FY 1976.

Mr. CRANSTON. Mr. President, one good example of the kind of difficulty that has plagued the VCI program since its inception is the serious problem surrounding application procedures for academic year 1975–76 VCI awards. The combination of incorrect application materials, delayed mailings, and non-receipt of errata sheets have caused numerous difficulties and much confusion among those institutions attempting to apply.

Although the Office of Education extended the original May 6, 1975, application deadline to May 12, many schools were not aware of this extension. On May 9, 1975, my distinguished colleague from Maryland (Senator Mathias) and I wrote the Commissioner of Education, Terrell H. Bell, urging that the application deadline be extended to June 6, 1975. I was pleased to note in the Federal Register, volume 40, No. 97, of Monday, May 19, 1975, at page 21756, that the Office of Education has extended the deadline for submission of applications to May 30. Although I believe many schools could have utilized the additional week we requested to prepare accurately their application materials, the extension to May 30 is a significant improvement over OE's originally proposed an inequitable May 12 extension.

Mr. President, I ask unanimous consent that our May 9, 1975 letter to Commissioner Bell be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Washington, D.C., *May 9, 1975.*

Hon. Terrell H. Bell,
Commissioner,
Office of Education,
Washington, D.C.

Dear Mr. Commissioner: We are most concerned about the problems surrounding application procedures for academic year 1975–76 Veterans Cost-of-Instruction (VCI) program awards. It appears that a number of factors have combined to cause numerous difficulties and much confusion among those institutions attempting to apply.

It is our understanding that application materials—although dated April 11, 1975—did not reach many colleges and universities until close to the end of that month. Apparently, they were mailed in small batches, rather than all at once. Moreover, when these materials finally were received by schools, they contained a May 6, 1975, application submission deadline and several critical errors.

Among the errors was a mistake in the method for calculating the number of veterans enrolled, which is *the* basis for determining institutional eligibility. As a result of this error, a number of institutions were led to believe that they were not eligible for VCI awards. Although an errata sheet subsequently was mailed to correct this and other errors, we understand that it was not mailed until April 25. There may still be institutions which have not received these corrections, and in some cases, where the errata sheet has been received, it has created more confusion.

The errata sheet also extended the May 6 deadline to May 12. This extension, however, has been of little value to schools that did not receive the corrections until early May. Even if the application forms had been free of errors, the original May 6 deadline would have imposed unnecessary hardships on schools attempting to apply.

We believe it is imperative that you take steps immediately to ensure that all colleges and universities have a full and fair opportunity to apply for a VCI award, which is certainly required by the law. Most importantly, we urge that you extend the final application deadline to June 6, issuing a corrected, single, clear application, and making full use of Office of Education Regional Office Directors, VCI coordinators and VA Vet Reps (section 243 of title 38, United States Code) to inform schools in their areas of this extension, and to assist schools in completing their application materials.

We will look forward to hearing from you at your earliest convenience regarding your plans for resolving these difficulties. At that time, we also would appreciate learning why initial application materials were not prepared for mailing until April 11, and then mailed, in many cases, at a considerably later date.

Thank you for your cooperation in this matter.

Sincerely,

Charles McC. Mathias, Jr.
Alan Cranston,

OFFICE OF EDUCATION: ALCOHOL AND DRUG ABUSE EDUCATION

Mr. CRANSTON. Mr. President, the committee recommendation to provide $4 million for alcohol and drug abuse education activities has my full support. This program has been operating on a continuing resolution over the period of the last 11 months, due to a decision on the part of the Congress to defer consideration of appropriations in the regular fiscal year 1975 Appropriations Act until enactment of the necessary authorizing legislation.

The cost effective benefits of preventive activities and programs that provide reasonable alternatives to individuals considered high-risk candidates for drug use and abuse provide a particularly compelling reason in this time of recession and high deficit spending for supporting the committee's recommendation. I also endorse the committee recommendation eventually to bring all HEW drug-related activities and programs under the auspices of the Alcohol and Drug Abuse and Mental Health Administration where authority for drug prevention, treatment, and rehabilitation lies.

ASSISTANT SECRETARY FOR HUMAN DEVELOPMENT: HEAD START

The committee recommends $452 million for Head Start, an increase of $37.7 million over the budget request and $22 million over the House amount.

The Head Start program is now in its 10th year of operation and has achieved wide acclaim as being our Nation's most effective model for providing developmental education for pre-school children. Yet Federal support for Head Start has not been adequate even to keep pace with inflation, nor for meeting the needs for expansion of program services to meet the added costs of serving handicapped children or expanding enrollments.

The committee recommendation has my full support and endorsement.

RAILROAD IMPROVEMENT AND EMPLOYMENT

Mr. President, I also want to congratulate the Committee on its recommendation of $700 million to provide Federal financial assistance to railroads for repairing, rehabilitating, and improving rail rights-of-way and facilities.

Our Nation's railroads have been severely affected by the economic recession. The severe drop in employment that has occurred in the railroad industry, in addition to our Nation's dependence on the railroad industry for the distribution of freight and commodities attests to the need for this appropriation.

ARTHRITIS

I am delighted, Mr. President, with the responsiveness of the committee to recommendations I had made in a letter to the distinguished chairman of the Subcommittee on Labor-HEW Appropriations (Mr. Magnuson) dated April 7, 1975. In that letter, I asked that adequate funds be appropriated to support the initial efforts of the National Commission on Arthritis and Musculoskeletal Diseases established by the National Arthritis Act, an act which I authored and which 76 Senators cosponsored in the last Congress. This Commission is charged with formulating a long-range arthritis plan, including specific recommendations for the use and organization of national resources to combat arthritis.

The recommendations of this Commission will be all important in the implementation of the other authorities in the National Arthritis Act, and I am pleased with the speed with which the Department of Health, Education, and Welfare, has moved to appoint the members of the Commission and to convene its first organizational meetings. The appropriation of $300,000 in the Second Supplemental Appropriations Act, 1975, as reported, will enable the Commission to make a strong beginning in this fiscal year.

In a related action, the committee has also earmarked $4.5 million of the amount appropriated for the regional medical programs to continue arthritis pilot programs begun in fiscal year 1974 using similarly earmarked funds. These programs are of importance in developing a strong base for effective research, treatment, and rehabilitation related to arthritis; the committee's action in providing continuation funding for these pilot projects will permit them to realize their full potential and provide important documentation as well as open new areas for the prevention, treatment, and rehabilitation of victims of arthritis.

RMP

The committee's support of the House increase over the budget request for regional medical programs is a step with which I am in full agreement. The California regional medical program has established an outstanding record in developing needed health resources in California, in training new types of health personnel, such as nurse practitioners, and in helping communities plan for adequate health resources. The amount appropriated for RMP—$50 million—will enable this valuable resource to undergo an orderly transition, while the new authorities of the National Health Planning and Resources Development Act of 1974—Public Law 93–641—are being implemented.

The amount appropriated to support the initiation of the new State and local agencies authorized by that act will allow a strong start to be made immediately to start this important program.

NURSING RESEARCH

The inclusion of $1.2 million for new nursing research projects in the supplemental will support badly needed programs to expand nursing education, particularly in the development of clinical specialists and nurse practitioners. These valuable new members of the health care team have proved their worth many times over, and I believe they will play an increasingly important role in the health care of the future.

VETERANS

Mr. President, as chairman of the Subcommittee on Health and Hospitals of the Veterans Affairs Committee, I am particularly pleased that the request made by the administration to carry out certain recommendations arising from the findings of the special survey report on the level of the quality of patient care at Veterans' Administration hospitals and clinics, conducted by Dr. John D. Chase, Chief Medical Director of the Veterans' Administration, has been accepted by the committee and the full amount requested has been included in the Second Supplemental Appropriations Act, 1975.

Last month, Senator Hartke, chairman of the Committee on Veterans Affairs, and I, wrote a joint letter to the distinguished chairman of the Subcommittee on HUD-Space-Science-Veterans Appropriations (Mr. Proxmire) supporting the administration fiscal year 1975 supplemental request of approximately $70 million. Inclusion of this request in the bill currently before us will mean that additional badly needed nursing staff to improve coverage of hospital wards will be provided; that certain improvements at VA hospitals, including air-conditioning, installing emergency electrical systems, elimination of safety hazards, the improvement of outpatient clinics, and the replacement of boiler plants at selected hospitals can also be achieved. These were all deficiencies identified in the quality of care report.

Appropriations of funds at this time to begin these physical improvements, and to hire new staff will enable the VA to address these problems more rapidly, Mr. President.

FUEL BILL ASSISTANCE

Mr. MUSKIE. Mr. President, we have just passed through the second winter of hardships for those who cannot afford the fuel needed to keep their homes heated.

And again, we have done too little to help.

Therefore, I am pleased that we are now considering a supplemental appropriation in the amount of $19 million to assist the poor meet their home heating needs.

Available for the remainder of the fiscal year 1975, these funds can be used by the Director of the Community Services Administration to establish home insulation programs in preparation for another winter.

Even this small first step has been achieved only after months of considerable effort and months of consideration. Last fall, I introduced legislation which would have provided direct financial assistance to low- and moderate-income families who could not afford to pay their fuel bills. Early this year Senator Javits and I and 17 other Senators urged both the President and the Congress to provide this necessary kind of assistance.

Viewed in terms of national need, the sum we are appropriating is modest, to say the least. But it is one step toward a full program, not only for winterization services, but emergency loans and grants, special fuel voucher or stamp programs, transportation, and other supportive assistance as well. I hope such a program will soon be funded.

By passing this appropriation, we are recognizing the immediacy of our task. Using existing authority, we can make use of the summer months for opportunities that otherwise would be lost.

In my home State of Maine, the Office of Economic Opportunity carried out "Project Fuel," that provided direct aid to thousands of low-income families. On a relatively small scale, it demonstrated the large impact and benefits such a program could have nationally.

Using this proven approach, the success of the Maine program could be repeated elsewhere.

Such a program is imperative to ease the suffering of those already suffering other conditions of poverty and unemployment.

According to the final report of the Ford Foundation's energy policy project, low-income Americans spend 15 percent of the family budget on energy compared to 4 percent for the well-to-do. While others can adjust their lifestyle to accommodate the high cost of energy, the poor must make the cruel choices of adequate fuel versus food, clothing, or medical care.

These fellow-citizens deserve our help.

Mr. McCLELLAN. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, by the Senator from Massachusetts.

Mr. McCLELLAN. I thought so. I ask for a vote on that amendment. Let us dispose of it.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

The amendment, as modified, was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Arkansas.

Mr. McCLELLAN. Mr. President, we have to proceed with some order.

I understand the Senator from Montana wants to offer an amendment.

Mr. MANSFIELD. No. I made a statement which I hope will meet with the approval, and I am sure it will, of the chairman of the full committee and the chairman of the subcommittee.

Mr. McCLELLAN. I misunderstood. I thought the Senator would be offering an amendment.

Mr. MAGNUSON. Mr. President, I want to say it meets with my approval. This is a step in the right direction. We have to move a little slowly, but the committee is very sympathetic to this proposal.

Mr. MANSFIELD. I appreciate that statement.

Mr. CURTIS. Mr. President, I ask unanimous consent that a memorandum prepared by the Department of Health, Education, and Welfare be printed in the Record at this point.

There being no objection, the memorandum was ordered to be printed in the Record, as follows:

Second Supplemental Public Assistance Appropriation Language

The Senate Appropriations Committee has recommended the addition of the following bill language in the Second Supplemental Appropriations Act, 1975 (H.R. 5899) to the "Public Assistance" account:*

Provided further, That community mental health centers providing covered services to qualified social services beneficiaries pursuant to titles IV–A, VI, and XX of the Social Security Act shall be reimbursed on the basis of reasonable cost for such services without any reduction in such reimbursement on the basis that such centers are receiving Federal funds under the Community Mental Health Centers Act and that the receipt of funds appropriated for community mental health centers for the fiscal year 1975 shall not be used as a factor by the States in calculating reduced reimbursements for services provided pursuant to titles IV–A, VI, and XX of the Social Security Act.

This language mandates that Federal grants from the community mental health centers program, which provide initial operating support for CMHC's, be disregarded in computing reimbursements for services which may be financed through the public assistance social services programs.

Where a service provided through a CMHC can be reimbursed through Public Assistance, this language provision provides for a reimbursement calculation based upon 100 percent of reasonable costs.

This language provision requires the Federal Government to pay for more than 100 percent of the costs of the service.

75 percent of the service through the public assistance social services program (75 percent Federal matching) and

A range of from 90 percent to 70 percent Federal support through the CMHC staffing grant for poverty area mental health centers or a range of 75 percent to 30 percent for non-poverty area CMHC's—about one-half of the centers are in each category. Staffing grants are provided over an eight-year period on a declining percentage basis.

In other words, the Federal Government could be financing from 105 percent of the cost up to 165 percent of the cost of CMHC social service reimbursable activities.

Not only is this fiscally irresponsible, it is inappropriate for the Congress to legislate this kind of policy through appropriation language.

There was no review by the appropriate authorizing committees.

It overturns, by appropriation language, proposed regulations published in the Federal Register on April 14, 1975, thereby preventing the Department from carrying out statutory responsibilities established by the Congress and assigned to HEW.

It creates a situation where the Federal Government pays for more than the cost of providing a service.

The language is clearly legislating through appropriation action, and

The language does *not* serve as a limitation on the expenditure of funds—on the contrary, it mandates the expenditure of additional funds.

Mr. CURTIS. Mr. President, in a moment I will make a point of order against the amendment appearing on pages 14 and 15, beginning on line 24 on page 14 and running over to line 14 on page 15.

This is legislation on an appropriation bill. The matter has not been called to the attention of the legislative committee involved. The chairman of that committee (Mr. Long) is not available in the Chamber today. I do not have any instructions from him, however, but I am preserving the rights of the committee until he is consulted.

I also believe that this language, in addition to being legislation on an appropriation bill, inadvertently provides for more than 100 percent Federal cost of a program; that some funds would come out of the general assistance program and then this program itself. I am told by the Department of Health, Education, and Welfare that the Federal Government could be financing from 105 percent of the cost up to 165 percent of the cost of the community mental health center social service reimbursable activities.

I am sure this was not intended.

Mr. President, I am not unaware of the need for the right kind of services in connection with mental health. I am not unsympathetic with that at all. But since it is legislation on an appropriation bill and does raise some questions about the financing, I make a point of order, Mr. President, that the amendment in the bill beginning on line 24, page 14, through the end of line 14 on page 15 is legislation on an appropriation bill.

The PRESIDING OFFICER. In the opinion of the Chair the language objected to is clearly legislation. Therefore, the point of order is well taken.

Mr. CURTIS. I thank the Chair.

Mr. HUMPHREY. Mr. President, I have had a visit with the distinguished Senator from Wisconsin (Mr. Proxmire), the chairman of the subcommittee, relating to the item that I was discussing earlier, namely, funding under the Fresh Drinking Water Act of 1974.

I propose an amendment to the bill before us on page 6 after line 16 to insert the following:

To carry out the provisions of section 1444 of the Safe Drinking Water Act, $7.5 million to remain available until expended.

Mr. President, that is my amendment.

Mr. PROXMIRE. Will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. PROXMIRE. I have discussed this amendment with the distinguished Senator from Minnesota. It is a good amendment. I can tell him that, as one who comes from Wisconsin and represents very rural Wisconsin, which is also tragically affected by this contamination of Lake Superior and these filings that many feel may be causing cancer, that I think this is a humane and vital amendment. It is appropriate to have it on a supplemental appropriation bill. Indeed, if I had known about the situation, known that we could do it, we would have considered it, certainly, in the subcommittee, and I would have urged the subcommittee and the full committee to accept it.

I would suggest one technical modification.

On page 6, after line 16 I would suggest that a title "Environmental Protection Agency" be inserted, simply to make it clear that this is the agency that is responsible.

Mr. HUMPHREY. Mr. President, I modify my amendment accordingly, so that the caption will be "Environmental Protection Agency," and then the language would read as I read it into the Record and as I presented it to the clerk.

Mr. PROXMIRE. If the Senator will yield, as I understand it this $7.5 million has been authorized.

Mr. HUMPHREY. The Senator is correct. It is authorized for fiscal 1975. For fiscal 1976 there is another $7.5 million. Then the bill authorizes $10 million for fiscal 1977. But in this proposal we are talking about only the authorization for this year.

Mr. PROXMIRE. Mr. President, I have talked with the people in Superior, and the Senator from Minnesota has talked with people in Duluth, and they are deeply concerned about this matter. It literally is a matter, without exaggeration, of life and death. People are suffering from cancer because of this situation. This is precisely the kind of action that would be helpful in using our modern technology, which is just coming on the scene, to solve this problem and literally to save lives.

Mr. HUMPRHEY. I thank the Senator from Wisconsin.

Mr. President, I ask unanimous consent that the names of Mr. Proxmire, Mr. Mondale, and Mr. Javits be added as cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I have checked with the ranking Republican member of the subcommittee, and he agrees that this is a good amendment and is willing to support it.

Mr. McCLELLAN. Mr. President, unless there is objection on the part of the distinguished Senator from North Dakota, I am prepared to accept the amendment and to take it to conference.

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*Beginning on line 3, page 14 of the H.R. 5899.

Mr. YOUNG. I have no objection. I hope we can complete this bill soon. There are important items that can be handled expediously. The House is going to adjourn in a couple of days, and they will want us to go to conference possibly this afternoon.

Mr. HUMPHREY. I have no other amendments.

The PRESIDING OFFICER. The amendment not having been stated previously, the clerk will now state the amendment, as modified.

The legislative clerk read as follows:

> The Senator from Minnesota (Mr. HUMPHREY), for himself, Mr. PROXMIRE, Mr. MONDALE, and Mr. JAVITS, proposes an amendment as modified:
>
> On page 6, after line 16, insert the following:
>
> ENVIRONMENTAL PROTECTION AGENCY
>
> To carry out the provisions of section 1444 of the Safe Drinking Water Act, $7.5 million to remain available until expended.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, of the Senator from Minnesota.

The amendment, as modified, was agreed to.

Mr. NELSON. Mr. President, I suggest the absence of a quorum.

The Senator from Illinois (Mr. PERCY) wanted notice, and he just left the Chamber.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BUCKLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUCKLEY. Mr. President, I ask unanimous consent that Mr. Hal Brayman, of the Public Works staff, be accorded the privilege of the floor during the discussion of this bill and all amendments thereto.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUCKLEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. NELSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CASE). Without objection, it is so ordered.

Mr. NELSON. Mr. President, I rise to a question of order.

The language appearing on page 27, lines 1 through 16, of H.R. 5899, is authorizing language in an appropirations bill and therefore is in violation of Senate rule XVI, paragraph 4.

The language reads as follows, beginning on line 4:

> Appropriations having been heretofore approved by Congress in Public Laws 91-144, 91-439, 92-134, 92-405, 93-97, and 93-393, to be expended under the direction of the Secretary of the Army and the supervision of the Chief of Engineers, for the replacement and modification of Locks and Dam 26, Mississippi River, Illinois and Missouri, substantially in accordance with the plans approved by the Secretary of the Army on July 14, 1969, the consent and approval of Congress for the construction of said Locks and Dam 26 by the Secretary of the Army having been granted thereby is hereby reaffirmed: *Provided*, That nothing contained herein shall be construed as authorizing a twelve-foot channel above Locks and Dam 26.

I ask the Chair for a ruling on the point of order.

The PRESIDING OFFICER. Will the Senator restate his point of order? What is the Senator's objection to the language? The Chair understands the language to which reference is made.

Mr. NELSON. The language appears to be authorizing language in an appropriations bill and therefore is in violation of Senate rule XVI, paragraph 4.

The PRESIDING OFFICER. The language is on page 27, between lines 4 and 16.

Mr. NELSON. Including the title.

The PRESIDING OFFICER. Including the title, it would be between 1 and 16.

The Chair is advised that that language is merely a recitation of facts and a disclaimer, and not legislation. In accordance with that advice, the Chair rules that the point of order is not well taken.

Mr. NELSON. The Chair has ruled that this language does not represent an authorization for the locks and dam 26 project. Nevertheless, I am troubled by the impression created by the language. I believe it should be known that there are substantial differences of opinion concerning this view. In fact, this language seems to affirm something, or attempts to affirm something that, in fact, does not exist.

On September 6, 1974, Federal District Judge Charles Richey ruled the Corps of Engineers had acted without the proper and necessary congressional authorization in proceeding with the construction of locks and dams No. 26, *Atchison, Topeka and Santa Fe, et al.*, v. *Calloway et al.* (382 F. Supp. 610 (Sept. 6, 1974)).

In granting the preliminary injunction that stopped the project, Judge Richey specifically held—

> Therefore, the Court concludes that the proposed Locks and Dams 26 does not have the "consent" of the Congress under 33 U.S.C. 401. . . . Thus, an authorization bill would be necessary at the least for Congressional consent under section 401.

Congress must pass the laws. Members may debate and argue the merits of particular points and give their individual views as legislative history, but it is up to the courts finally to interpret the law. A Federal district judge in Washington has specifically ruled that this project is not authorized. The project has been stopped. No funds were requested for the project in the President's fiscal year 1976 budget.

One may argue the merits of that decision, but the fact remains that the decision has not been appealed. It is the law of the land.

This committee language only clouds the issue. It does nothing to resolve or address the problem. If anything, it makes the problem worse and the language should not be in the bill at all.

There is a serious problem along the Mississippi. It affects people all the way up the Mississippi to Minneapolis. It is a problem that needs to be solved as soon as possible. This language will not solve the problem. The issue, it seems to me, must be squarely faced. Public hearings are going to be held. The chairman of the House Committee on Public Works, on May 6, 1975, wrote that in his judgment this project was not—I emphasize "was not"—authorized by Congress. The chairman agreed with Judge Richey that the 1909 "repair and maintenance" language could not be construed as authorization for Locks and Dam 26. The Corps' plans go far beyond the 1909 legislative authorization permitting the Corps to "repair and maintain" existing facilities.

The Corps' plans are ingenious. Using the "repair and maintain" language, they appear to propose to reconstruct the whole facility 2 miles downstream. They propose to increase the capacity of the lock from 46,200,000 tons to 190 million tons. They want to quadruple the size of the existing facility and, most importantly, the Corps wants to begin construction of the 12-foot navigation channel without direct congressional authorization.

Construction of locks and dam 26 as advocated by the Corps would condemn the entire Mississippi River navigation system to immediate obsolescence. Every other dam will become inadequate. Without the benefit of public hearings or congressional review, we will have embarked on a multibillion dollar Federal program—without congressional review.

The chairman of the Committee on Public Works has informed the members of the Senate that public hearings on this specific issue will be held. In fact, as a preliminary step, oversight hearings on the inland waterway system have already commenced. It would be premature for the Senate to act on this matter through an appropriations bill before the authorizing committee has completed its hearings and recommended a course of action to the Senate.

Several vital studies are currently underway that should be reviewed by Congress before any further action is taken. First, the Corps of Engineers is preparing a new environmental impact statement designed to study the effects of Locks and Dam 26 on the entire Mississippi River.

Second, the Corps is also completing an economic analysis of the project, which should provide basic information on economic impacts on other transportation modes and on the Nation as a whole.

Third, at the request of the Senate Committee on Commerce, the Department of Transportation is reviewing the transportation questions associated with replacement of Locks and Dam 26.

Fourth, the Corps, the Fish and Wildlife Service, and other Federal and State agencies have formed the Great River Environmental Action Team to consider future needs on the Mississippi River. Recommendations on the Mississippi's needs will be forthcoming.

I agree with Chairman Jones and Judge Richey. We must allow Congress, through the Committee on Public Works, to work its will.

One other important point must be made. Judge Richey dismisses the argument that prior appropriations by Congress have, in a de facto manner, authorized the project. Judge Richey held:

> Such a contention is not only unpalatable, but also is erroneous as a matter of law.

There is no valid justification for the corps to use this 1909 "repair and maintenance" language to justify the wholesale development of a new and expensive water resource development program. The Corps of Engineers should not be permitted by default on the part of Congress to develop its own projects. Over the past, Congress has unfortunately given the corps too much discretion. We have gone much farther than we should. Too much power has been assumed by the corps through congressional neglect and default. We must draw a much finer line on discretionary powers that we have given the corps so that they may not go beyond the intent of Congress without review.

Mr. President, I ask unanimous consent that Judge Richey's opinion be printed in full in the RECORD following my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. NELSON. Mr. President, I ask unanimous consent that a letter addressed to other Members of Congress and signed by the Senator from Illinois (Mr. STEVENSON), the senior Senator from Wisconsin (Mr. PROXMIRE), the Senator from Iowa (Mr. CULVER), the junior Senator from Wisconsin (Mr. NELSON), the senior Senator from Iowa (Mr. CLARK), the senior Senator from South Dakota (Mr. MCGOVERN), and the senior Senator from Minnesota (Mr. MONDALE) be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, D.C., May 16, 1975.

DEAR COLLEAGUE: We would like to call your attention to an unusual feature of the Second Supplemental Appropriation for 1975, H.R. 5899, as reported by the Senate Appropriations Committee on May 14. On pages 27-28 of the Committee's bill is a section entitled "Administrative Provision: Locks and Dam 26, Mississippi River, Illinois and Missouri." The apparent intent of this section is to provide, in an appropriation bill, language that could be construed to represent Congressional authorization for the new Locks and Dam 26 on the Mississippi River, at Alton, Illinois. We believe that inclusion of this language in the Supplemental Appropriation circumvents proper Congressional procedure, and we are requesting your help to defer final action until promised public hearings can be held and a more complete record established.

The Chairman of the Senate Public Works Committee has informed members of the Senate that public hearings on this specific issue will be held. In fact, as a preliminary step, oversight hearings on the inland waterway system have commenced. It would be premature for the Senate to act on this matter through an appropriations bill before the authorizing committee has completed its hearings and recommended a course of action to the Senate.

Several vital studies are currently underway that should be reviewed by the Congress before action is taken:

First, the Corps of Engineers is preparing a new environmental impact statement, designed to study the effects of Locks and Dam 26 on the entire Mississippi River;

Second, the Corps is also completing an economic analysis of the project, which should provide basic information on economic impacts on other transportation modes and on the nation as a whole.

Third, at the request of the Senate Commerce Committee, the Department of Transportation is reviewing the transportation questions associated with replacement of Locks and Dam 26.

Fourth, the Corps, the Fish and Wildlife Service, and other federal and state agencies have formed the Great River Environmental Action Team to consider future needs on the Mississippi River. Recommendations on the Mississippi's needs will be forthcoming.

All the signers of this letter are not necessarily opposed to ultimate construction of Locks and Dam 26: we all believe, however, that it is inappropriate to act hastily on a Committee amendment that has not had the benefit of any testimony.

This issue will shortly come before the Senate. We urge you to give this most important matter your full consideration. For more information contact Jeffrey Nedelman at 45323.

Sincerely,
Adlai E. Stevenson, William Proxmire, John C. Culver, Gaylord Nelson, Dick Clark, George McGovern, Walter Mondale, U.S. Senators.

Mr. NELSON. I ask unanimous consent that a reprint of an article from the Sierra Club bulletin of October 1974, authored by Mr. Jonathan Ela, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CORPS GAMES IN MID-AMERICA

(By Jonathan Ela)

It seems that the Corps of Engineers has studied this parable diligently—at least in the Midwest—for on the Upper Mississippi River between Minneapolis and St. Louis it has adroitly employed camel tactics to achieve piecemeal what it dares not attempt all at once. In fact, the Corps and its allies would like to quadruple the navigational capacity of the Upper Mississippi Waterway over the next 50 years, increasing the system's rated capacity from 46 to 190 million tons annually. But it would prefer not to tell the public about this plan, or about the specious assumptions it uses to justify the project, assumptions that inflate all conceivable benefits and either ignore or minimize all public costs. Instead, the Corps asserts that it is merely proposing "improvements" of the present system, each one comparatively small and unobjectionable by itself, but when taken as a whole, inimical to the welfare of both the public and the river. Fortunately, the public has begun, at last, to learn how to keep the tent flap closed.

The history of navigation "improvements" on the Upper Mississippi and its tributary, the Illinois River, spans nearly 150 years, for these waters are the Corps' original public-works playground. So far, the Inland Waterway System consists of 29 locks and dams on the Mississippi and seven locks and dams on the Illinois. These structures, with the assistance of an enormous amount of maintenance dredging each year, provide a channel with a minimum depth of nine feet, which ties together such ports as Minneapolis and Chicago in the north, and St. Louis and the lower Mississippi and Ohio rivers in the south. The system's annual rated capacity of 46.2 million tons consists largely of bulk cargo such as grain, coal, and chemicals.

This commercial waterway operates in the precarious context of a river system that embodies an immense spectrum of public values extending far beyond navigation. The river is a great public resource of incalculable importance to millions of people in Mid-America. It provides virtually limitless opportunities for all kinds of recreation, such as hunting, fishing, waterskiing, canoeing, bird watching, hiking, and so on. The Upper Mississippi is also the site of two major national wildlife refuges, which provide essential resting grounds for waterfowl using one of the four great migratory flyways in North America.

In addition, the undeveloped bottomlands along the Mississippi River are rich in resident birds, mammals, and fish and other aquatic life. Furthermore, environmental groups have identified some 60,000 acres of public lands on the Upper Mississippi National Wildlife and Fish Refuge that qualify for wilderness preservation. Such a wilderness of meandering sloughs and backwaters bounded by the towering river bluffs would be among the most scenic and unusual units in the entire wilderness system.

Already, the Corps' existing navigation facilities have seriously compromised the natural integrity and recreation potential of the river system.

The turbidity caused by dredging—and even the propeller action of commercial vessels—has destroyed aquatic life. Wavewash generated by the long, snakelike barge trains that ply these waters contributes to erosion along the shores. The Corps' present dredging practices, including the disposal of spoil, has led to sterilization of significant areas of the river and has resulted in walls of sand that are choking off precious backwater areas by restricting the free flow of fresh water. All in all, the river is dying—slowly but surely—because of the paramount priority the Corps has given to navigation.

The waterway has also led to a substantial amount of industial development along the river in the form of coal-fired powerplants, shipping facilities, and the like. The siting of much of this development has been extremely unwise and has led to the unplanned and piecemeal destruction of the generally unspoiled and rustic qualities that still prevail along much of the river. Nobody argues that navigation should be terminated—for it is a traditional and necessary use of the river—but increasingly, citizens are demanding that it be placed in the context of all the values inherent in the river. The nonshipping public—most of us, after all—should be given a louder voice in future decisions affecting the river.

Such a suggestion is repugnant to the Corps, however, which has always regarded the Mississippi River as its own private canal, and which has cooperated with shipping interests for generations to assure that mutual plans for the river go unchallenged and unimpeded. It is against this background—an existing navigation project and rising public concern about the deleterious effects of navigation—that we see the Corps' application of camel's-nose-in-the-tentism in its classic and most spectacular form.

First, the Corps identifies a demonstrable weakness in existing navigation facilities (an easy task in any such system). Then, it asserts publicly that this weak element must be replaced—ostensibly to bring this component up to snuff with the rest of the system, but actually to replace the entire system one step at a time. For the new link in the system, of course, will be more efficient than any of the older links, one or more of which can thereby be identified as new weaknesses. Thus, once the Corps has obtained a commitment to replace one weakness, a host of new ones will appear automatically. Weakness by weakness, the entire system will thereby be replaced and upgraded—without anyone's ever stopping to consider whether a new system was either necessary or desirable. When, at last, hundreds of millions, or perhaps even billions, of dollars have been spent, supposedly merely to maintain the present system, the remaining costs to complete the new system will be small enough that the Corps can then announce that it is economically imperative to proceed with the whole new scheme. At this point, the Corps is in the tent, and the public is out in the cold wondering what happened.

The Corps wishes to quadruple the capacity of the Upper Mississippi River system by deepening the channel from nine to twelve feet, by increasing the size of locks to accommodate larger tows, by permitting more powerful and faster tows, and by extending the navigation season past the traditional freeze-up point. To realize these goals will require a public investment of more than three billion dollars and will change the face of the Upper Mississippi River—in fact, there would no longer be an Upper Mississippi River, merely a Mississippi Canal, with all the scenic charm, recreation potential, and biological interest of a storm drain.

The proclaimed weak link in the Upper Mississippi River waterway, the nose in the tent, is Lock and Dam 26, at Alton, Illinois, just north of St. Louis. The Corps proposes to replace Lock and Dam 26 completely at a site two miles downstream from the existing structure. The new facility would consist of a massive earthen dike, a concrete dam with nine gates controlling the flow of the river, and, most important, two locks 1,200 feet long and 100 feet wide. Although the Corps bills this facility as a replacement, it represents, in fact, an enormous expansion of the existing system, and is the first major step in reworking the entire river.

Lock and Dam 26 is especially significant because it is the only structural hindrance to expanded navigation between the lower-Mississippi and Ohio River system and the mouth of the Illinois River. Therefore, replacement and expansion of this facility would lend impetus to further expansion on both the Upper Mississippi and the Illinois. Lock and Dam 26 was skillfully chosen as the place to start the total assault on the Upper Mississippi. Once a commitment to rebuild Lock and Dam 26 is obtained, the Corps can proceed up both rivers, while still protesting that its purpose is only to assure maximum efficiency of the present system.

The Corps has claimed that it has valid reasons to replace Lock and Dam 26, namely that not only is the structure the least-efficient link in the present system, but also that it has deteriorated and must be replaced to avoid failure. But this latter contention is scarcely believable considering that the Corps has admitted the lock could be repaired so it would last another 50 years for only about one-quarter the cost of replacing it. And even the most credulous mind must balk at the Corps' rationale in light of the fact that the proposed replacement of Lock and Dam 26 will consist of two locks, each substantially larger, and deeper than the present lock, which together will quadruple the tonnage capacity of the facility.

In fact, there is no conceivable way that the Corps could economically justify the replacement of Lock and Dam 26 without assuming vastly increased traffic throughout the entire system. But for the system to accommodate such an increase, an entire new scheme of waterway improvement upstream of Lock and Dam 26 would have to be implemented. Although replacement of Lock and Dam 26 is but one part of the total scheme to quadruple shipping on the river, it is in itself the largest construction project in the history of the Midwest, weighing in at a boggling 380 million dollars.

At the same time that the Corps' ultimate intentions of developing a whole new waterway system were becoming more and more evident, the agency completely disclaimed the need to examine the effects of Lock and Dam 26 beyond the immediate construction site. Thus, the environmental-impact statement only examines problems in the immediate vicinity of the new dam.

In other words, we have here a classic example of another Corps strategy: When computing benefits, the Corps quietly assumes the existence of an entire new system, but when computing costs—including environmental costs—the Corps assumes only those of immediate construction. To cap things off, the Corps took the position, of course, that because reconstruction of Lock and Dam 26 was merely a routine matter of system maintenance further Congressional authorization was unneeded.

As environmentalists observed this scheme unfolding, it took some time to shake off a feeling of incredulity. But eventually, the Sierra Club and the Izaak Walton League of America determined that Corps behavior was so egregious that a major legal challenge should be mounted, and that, in fact, such litigation could serve not only to save our beloved Mississippi River, but also as a test case to challenge the validity of similar Corps procedures around the nation. It must be understood that environmentalists are not attempting to close the door to increased navigation, but only to assure that any decision to proceed with navigation expansion is made on a basis that examines *all* pertinent benefits and costs for the entire system.

Shortly after the two environmental groups resolved to pursue litigation on this matter, it came to light that a number of railroads were also interested in the issue. Barge traffic directly competes with rail traffic for the movement of bulk commodities along many routes, and the railroads were concerned that the public subsidy being given to the barge lines would make their already perilous economic position even more untenable. It is not widely known that barge navigation routes such as the Mississippi River are 100-percent subsidized by the American taxpayer: Shippers and barge operators do not pay a penny for either the initial capital investment or for the annual maintenance of a waterway system. Railroads, on the other hand, must pay a large proportion of their annual revenues for basic maintenance and improvements, along with real-estate taxes and similar costs. The railroads argue that huge additional public subsidies on the Upper Mississippi and Illinois rivers, which may ultimately total over three billion dollars, will permit more and more barge traffic at ever lower rates, which will not only directly affect the quality of rail service, and indeed the viability of the railroads themselves, but also will place shippers who do not have access to the waterway system at a tremendous disadvantage.

The railroads argue that the Corps has computed project benefits on a narrow basis that looks primarily at benefits to shippers and barge operators while ignoring the total economic impact on all parties nationwide; that if a thorough and comprehensive economic analysis were made, as required under a variety of statutes, the results would show that the implementation of the new Upper Mississippi Waterway leads to a net economic inefficiency—or loss—rather than a national economic benefit. Put another way, the railroads argue that many of the supposed benefits of the new waterway do not represent real gains, but simply transfer revenues from one economic sector to another.

When it became clear that two parallel legal efforts were emerging, common sense dictated that the environmentalists and railroads mount a cooperative legal effort to force reexamination of the Corps' plans. Thus was born one of the most logical and fruitful limited alliances the environmental movement has yet seen. Although the Sierra Club has no intention of meddling in the specifics of any competitive dispute between railroads and barges, it is certainly compatible with our history of concern about navigation projects to force valid and legitimate economic justifications of public works projects. The destruction of a river resource for economic reasons is very difficult for us to accept in almost any circumstance, but when the economic justification is spurious, as there is every reason to believe is the case on the Upper Mississippi, that destruction represents a double insult. Furthermore, environmentalists are very interested in developing a national transportation policy that is both efficient and minimally degrading to the environment. The sorts of analyses that would be forced by the railroads' legal arguments could very well show that alternative modes of transportation, including rail shipping, may eliminate the need for many destructive waterway developments.

Accordingly, the Sierra Club, the Izaak Walton League, and 21 railroads filed separate but parallel suits in Washington, D.C., on August 6. A temporary restraining order halting the opening of bids on initial construction of Lock and Dam 26, planned for the following day, was immediately granted. On September 5, Judge Charles Richey, in an opinion unsurpassed for clear, incisive logic, issued a preliminary injunction continuing the stay on construction activity of Lock and Dam 26.

Judge Richey said the project requires further authorization by Congress; and he sustained, on a preliminary basis, the merit of the plaintiffs' overall contention that Lock and Dam 28 represents only the first step in the total development of a new Upper Mississippi Waterway System designed to handle four times the existing traffic. Indeed, at one point, he declared that the Corps' contention that construction of Lock and Dam 26 is merely for maintaining the efficiency of the present system was "unworthy of belief."

Although the judge reserved decision on several of the plaintiffs' contentions until the actual trial, his overall opinion represents a strong vindication of the positions held by both the environmentalists and the railroads. On all contentions on which he chose to comment, his opinion confirms with eloquence the basic arguments presented by the plaintiffs.

Thus the camel's nose has for now been pushed out of the tent; for the moment, the Mississippi River has been granted a reprieve. But further development on the river is probably the one project in the nation that is closest to the Corps' heart—if it has one—and the agency will hardly give up without a fight. The actual trial on the Upper Mississippi River lawsuit, which will probably be held early next year, will be hotly contested, and we can be sure that the

Corps is already beginning to lay the groundwork in Congress for a legislative remedy should the courts continue to proclaim the illegality of the agency's intentions. Furthermore, the issues raised in this lawsuit are of extreme national importance, and the Corps would be seriously hindered by any sweepingly adverse judicial opinion in this case.

Consider the consequences to the Corps: First, it would be forced to seek Congressional approval for its actions, a necessity that is clearly in the nation's lawbooks but that the Corps systematically chooses to ignore when it can. Second, camels-nose-in-the-tentism would be banned, and the Corps would be forced to publicly proclaim and justify its ultimate intentions on massive waterway projects. Such public scrutiny would include all systemwide environmental effects, which the Corps would prefer to keep undisclosed. Third, the economic chicanery so often used by the Corps to justify the unjustifiable would be exposed, a fatal blow to the agency. In terms of value as a legal precedent, and considering the fashion in which common Corps practices are accentuated and laid bare in this instance, the Upper Mississippi litigation is probably the most important water-resource lawsuit in history.

Not only must the Corps desperately fight back, but so must its economic and political clientele. At present writing, St. Louis economic interest such as barge operators, shippers, contractors, and affected labor unions, all of whom stand to gain huge windfalls both by the construction of Lock and Dam 26 and the ultimate completion of the total new navigation system, are organizing to support their friends in the Corps. Through their spokesman, a retired Corps colonel who was formerly District Engineer in St. Louis, and who is now employed by a large contractor, these groups are making veiled threats of filing a countersuit against the Sierra Club and the Izaak Walton League, a clear attempt at intimidation that certainly misjudges the conviction of environmentalists and the climate of public opinion that makes our work possible.

And so the matter stands. The preliminary battles have all been won by the environmentalists, but the war has just begun—not a war to stop the Corps or to stop navigation, but one to establish for the first time that navigation must be made compatible with other values on the Mississippi River, and to assure that any huge increase in barge activities, such as the four-fold increase planned by the Corps, will only proceed if the superb environmental qualities of the river are maintained.

Success in this effort could lead, at least, to a balance between commercial uses of the river, including navigation, and other, equally important values, such as wildlife protection, wilderness preservation, and recreation. Failure here would mean that the camel is in the tent, the public in the cold, and the Mississippi River up the creek. A sizable portion of our largest river would become a sterile ditch, and the Corps would have new impetus for continuing similar boondogglery across the nation, turning our rivers into ditches until Doomsday.

[U.S. District Court, District of Columbia,
Sept. 6, 1974, Civ. A. Nos. 74–1190, 74–1191.]

ATCHISON, TOPEKA AND SANTA FE RAILWAY
COMPANY, ET AL., PLAINTIFFS,

V.

HOWARD H. CALLAWAY ET AL. DEFENDANTS

Railroad, environmentalists, and others brought action to halt reconstruction of lock and dam on Upper Mississippi River Navigation System. On plaintiffs' motion for preliminary injunction, the District Court, Charles R. Richey, Jr., held that, in view of the increased tonnage which the lock would handle and the likelihood that the project was merely the beginning of a complete overhaul of the entire system, the construction required congressional approval; that congressional approval had not been given; and that environmental impact statement which did not consider possible environmental effects of the reconstruction of the entire system of locks and dams was insufficient.

Preliminary injunction granted.

1. Navigable Waters—7

Corps of Engineers may replace a lock and dam or similar structure which has become ineffective or damaged without congressional approval but may not rebuild a structure merely to meet expected future increases in traffic without such approval. 33 U.S.C.A. § 5; Rivers and Harbors Appropriation Act of 1899, § 9, 33 U.S.C. § 401.

2. Navigable Waters—7, 22(1)

Standard for determining if proposed project is a reconstruction of a lock and dam or similar structure, in which case no specific congressional approval is necessary, or whether the proposed activity is a rebuilding, for which congressional approval would be needed, is whether the proposed structure represents a material change in the character and capacity of the existing structure. 33 U.S.C.A. § 5; Rivers and Harbors Appropriation Act of 1899, § 9, 33 U.S.C.A. § 401.

3. Injunction—147

Evidence that proposed project by Corps of Engineers in rebuilding lock and dam would change the capacity of the structure from 46.2 million tons to 190 million tons, that the depth and dimensions would be increased, and that increase in size of the lock would be ineffectual unless a number of other locks and dams were also rebuilt, so that plan proposed by Corps was more than likely one for enlargements of an entire system, demonstrated sufficient likelihood that opponents of the project would succeed on claim that the project required congressional approval to entitle opponents to preliminary injunction against the project. 33 U.S.C.A. § 5; Rivers and Harbors Appropriation Act of 1899, § 9, 33 U.S.C.A. § 401.

4. Navigable Waters—7, 22(1)

Fact that Congress appropriated funds for rebuilding of lock and dam did not meet statutory requirement that Congress approve construction of any lock and dam, especially where Corps of Engineers, in seeking the funds had indicated to Congress that the project was one which did not need specific congressional approval. 33 U.S.C.A. § 5; Rivers and Harbors Appropriation Act of 1899, § 9, 33 U.S.C.A. § 401.

5. Health and Environment—25.5

National Environmental Policy Act requires that agencies of the federal government consider the impact of an overall program and not just isolated aspects of facilities. Environmental Policy Act of 1970, §§ 2 et seq., 102, 42 U.S.C.A. §§ 4321 et seq., 4332.

6. Health and Environment—25.10

Even though future action has not been finalized, if it is envisioned, agency proposing the action must consider the environmental impact of subsequent actions in furtherance of the program and include such considerations in its environmental impact statement. Environmental Policy Act of 1970, § 102, 42 U.S.C.A. § 4332.

7. Health and Environment—25.10

Where proposed lock and dam would provide for more than a tripling of the amount of traffic on waterway and where Corps of Engineers conceded that other locks and dams in the system would require modification or rebuilding, Corps violated National Environmental Policy Act by failing to prepare a detailed environmental impact statement encompassing the systematic impact resulting from the rebuilding of lock and dam under consideration. Environmental Policy Act of 1970, § 102, 42 U.S.C.A. § 4332.

8. Health and Environment—25.10

Environmental impact statement which was issued in connection with proposed construction of lock and dam on waterways and which mentioned alternatives in the form of possibility of other modes of transportation meeting the expected increase in traffic of goods only by making conclusory statements to the effect that other forms of transportation could not handle the increase in the traffic and would cost more to shippers failed to adequately consider feasible alternatives as required by the National Environmental Policy Act, Environmental Policy Act of 1970, § 102, 42 U.S.C.A. § 4332.

9. Navigable Waters 22(1)

Rivers and Harbors Act of 1970 applied to proposed reconstruction of lock and dam on Mississippi waterway where the proposal had not been authorized by Congress and would drastically increase the tonnage which the lock and dam were capable of handling in a given year. * * * Act Dec. 31, 1970, § 122, 84 Stat. 1823; Flood Control Act of 1970, § 209, 42 U.S.C.A. § 1962–2.

10. Injunction 89(1)

When federal statutes have been violated, court should not inquire into traditional requirements for equitable relief before granting an injunction.

11. Health and Environment 25.5

Opponents of proposed reconstruction of lock and dam on Mississippi waterway who were likely to be successful on merits of suit which was based on violation of statutes requiring congressional approval for building of locks and dams and violation of Environmental Policy Act were entitled to preliminary injunction against the project where failure to grant the injunction would result in irreparable harm to the environment and economic harm to the opponents, some of whom were railroads which competed with shippers on the river. Rivers and Harbors Appropriation Act of 1899, § 9, 33 U.S.C.A. § 401; Environmental Policy Act of 1970, § 102, 42 U.S.C.A. § 4332.

Joseph V. Karaganis, Jon T. Brown, Sanford R. Gail, Joseph D. Feeney, Jr., Chicago, Ill., for plaintiffs.

Irwin Schroeder, Jr., Washington, D.C., Atty., Dept. of Justice, E. Manning Selzer, Gen. Counsel, Army Corps of Engineers, Washington, D.C., for defendants; Fred R. Disheroon, Asst. Gen. Counsel, Corps of Engineers, Washington, D.C., of counsel.

MEMORANDUM OPINION

Charles R. Richey, District Judge.

This case is before the Court on Plaintiff's Motion for a Preliminary Injunction to prevent the Defendants from constructing a 3.2 billion dollar Upper Mississippi River Navigation System and its first component, Locks and Dam 26, located at Alton, Illinois.

On August 6, 1974 two actions were filed in this Court by the Izaak Walton League of America, et al. and the Atchison, Topeka and Santa Fe Railway Company, et al.[1] against Howard H. Callaway, Secretary of the Department of the Army, the Army Corps of Engineers, and Lieutenant General William G. Gribble, Chief of Engineers, Department of the Army. On the same day, United States District Judge Howard F. Corcoran issued a temporary restraining order prohibiting the letting of bids for the proposed Locks and Dam 26. On August 20, 1974, this Court

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granted the Plaintiffs' Motion to Consolidate the two cases and a hearing was held on the Motion for a Preliminary Injunction. This Court is now faced with the important task of deciding questions of national importance in that they involve a substantial environmental, economic, and social impact upon the entire inland waterway system of the midwestern United States, and the manner by which similar projects in other parts of the nation will be handled in the future by Congress and the Army Corps of Engineers.

I. BACKGROUND

Locks and Dam 26 is one of a series of locks and dams extending from Alton, Illinois to St. Paul, Minnesota. Together, these twenty nine locks and dams make commercial traffic possible on the Upper Mississippi River and the Illinois Waterway. Locks and Dam 26, however, as the Defendants have recognized, is the pivotal crossroads of this river complex. This is because it is the first locks and dam to the Upper Mississippi River and serves as the gateway of all commerce. This is not an overstatement. Locks and Dam 26 is a key intersection affecting the total inland waterway system of America's breadbasket. All traffic from the Upper Mississippi River and Illinois Waterway must pass through these locks on its way west on the Missouri River, east on the Ohio River, and south on the Lower Mississippi River.[2]

The existing Locks and Dam 26 was originally authorized by Congress in the 1930's and was operational by 1938. At the present time, it has fallen into an alleged state of deterioration. In 1968, in recognition of the condition of the structure, a report prepared by the Army Corps of Engineers was submitted to the Board of Engineers for Rivers and Harbors and the Secretary of the Army recommended that a new structure, located two miles downstream, be built to replace the existing facility. Agency approval was given in 1969, and in 1970 Congress appropriated funds for planning. A survey Report and a General Design Memorandum were prepared, followed by a Draft Environmental Impact Statement. In 1974, a Final Environmental Impact Statement was released. And, after hearings before both the House and Senate Subcommittees on Appropriations (Public Works), Congress, on August 15, 1974, appropriated over twenty-two (22) million dollars for the project.[3] This money, say the Defendants, will go to the construction of a coffer dam,[4] the first major step toward the building of a new Locks and Dam 26. This will take over nine months. The entire structure will not be completed for at least eight years, although the Defendants admit that it will probably be closer to eleven years before the entire facility is operational.[5] The total cost of the project has been estimated by the Defendants to be over 383 million dollars.[6]

II. ISSUES

The gravamen of the Plaintiff's claim is that the proposed Locks and Dam 26 is merely the first step in a multibillion dollar project to rebuild the Upper Mississippi River System without specific authorization from Congress in violation of 33 U.S.C. § 401.[7] Specifically, the Plaintiffs maintain that the Army Corps of Engineers intends to rebuild the entire system because 1.) the dramatic increase in size and capacity of the new Locks and Dam 26 will so affect the other structures that it will necessitate their rebuilding, 2.) the life expectancy of the entire system, not just Locks and Dam 26, is nearing its end, and 3.) the Corps in other documents, specifically the Upper Mississippi River Comprehensive Basin Study of 1970 (Appendix J), has indicated that the building of a new Locks and Dam 26 will require numerous other structures, or modification of existing structures, in order to cope with the increased capacity.

Plaintiffs further claim that the Army Corps of Engineers has violated Section 209 of the Rivers and Harbors Act of 1970,[8] in that the Corps 1.) ignored the objectives of national economic development and environmental protection, 2.) improperly and inadequately assessed the benefits and costs of the project and, 3.) failed to consider feasible alternatives. Coupled with the above claim, Plaintiffs allege that the Army Corps of Engineers has also violated Section 122 of the Rivers and Harbors Act of 1970[9] by not examining possible adverse economic, environmental, and social effects of the project. And, finally, the Plaintiffs assert that the National Environmental Policy Act of 1969 (hereinafter NEPA)[10] has been abridged because the Army Corps of Engineers has insufficiently analyzed and assessed the environmental impact of the proposed Locks and Dam 26 and the system-wide rebuilding. It is Plaintiffs claim that the Corps has illegally attempted to segment the system so as to facilitate its justification and to hide its true intent to rebuild the system from the Congress and the public. Furthermore, Plaintiffs state that the Corps has transgressed the mandates of NEPA by: failing to disclose the data used to prepare the Environmental Impact Statement (hereinafter EIS), thereby impeding public and Congressional scrutiny of the project, using unrealistic and outdated data and thereby rendering the EIS analysis and assessment arbitrary and capricious and because it fails to analyze alternatives or their environmental impact.

The Defendants contest these claims and allege that the proposed rebuilding of Locks and Dam 26 does not need the consent of Congress, but rather is specifically permitted by 33 U.S.C. § 5.[11] The Defendants, in the alternative, maintain that even if Section 5 were found to be inapplicable, recent Congressional appropriations are sufficient, albeit implied, authorization for a new Locks and Dam 26. The Defendants strongly protest that this is not a multibillion dollar project encompassing numerous structures, but rather, is singular in nature, even though they admit that other projects are being considered. In response to the alleged violations of Sections 122 and 209 of the Rivers and Harbors Act of 1970, the Defendants argue that Section 122 is inapplicable because the project was authorized prior to the enactment of the statute thereby exempting the project from its requirements and that, regardless of this technicality, the Corps has given adequate treatment to the factors contained in Sections 122 and 209.

The Defendants also dispute the claimed violations of NEPA on the grounds that the plaintiffs have not borne their burden of proving a lack of reasonable, good faith compliance and that the EIS is sufficient because the alleged omissions were considered and discussed in an appropriate manner and because the Corps had a right to omit certain information as beyond the scope of reasonable concern.

III. DISCUSSION

A. The proposed locks and dam 26 at Alton, Illinois, requires the consent of Congress under 33 U.S.C. § 401 and may not be built without authorization under 33 U.S.C. § 5.

In order to decide whether Congressional consent is required, the relationship between 33 U.S.C. §§ 5 and 401 must be examined and understood. Under the latter Section, Congressional consent is required before the commencement of construction of *any* dam or other structure in a navigable river of the United States.[12] The word *any*, in regard to this case, is crucial. On its face, Section 401 would appear to prohibit the building of any structures, even by the Federal government, without prior Congressional approval. However, Section 5 permits the Army Corps of Engineers to entirely reconstruct a dam or other structure, that is to build a dam or other structure in place of an existing structure, without the consent of Congress when, due to its condition, reconstruction is "absolutely essential" to its efficient and economical maintenance and operation, and further permits the Corps to make modifications in plan and location as "may be necessary to provide adequate facilities for existing navigation." Thus the word *any* in Section 401 is qualified by Section 5, to the extent that the criteria of Section 5 are met. A critical distinction can, therefore, be drawn between reconstructing under Section 5 and what may be characterized as rebuilding under Section 401, the latter term being a designation for those replacement structures which do not meet the criteria of Section 5.

The Defendants would have this Court hold that since the present Locks and Dam 26 is considered by the Corps to be obsolete, its replacement is within the ambit of Section 5, requiring no specific authorization.[13] This argument hinges on the word "existing" in Section 5. It is the Defendants' contention that this term encompasses future traffic needs since it would be illogical for Congress to allow for a structure that would be obsolete on the drawing board. While this Court agrees that Congress did not legislate planned obsolescence, the agency's position must be rejected as there are compelling reasons that it is wrong. *See* Wilderness Society v. Morton, 156 U.S. App. D.C. 121, 479 F.2d 842, 865 (1973).

[1] What the Defendants have failed to appreciate is the consequence of their position. If the Army Corps of Engineers can replace any existing structure merely because it considers it to be obsolete, then not only would there be no distinction between Sections 5 and 401, but also there would be raised the specter of an unlawful delegation of legislative power. The plain meaning of Section 5 prohibits this Court from adopting the Defendants' interpretation. Section 5 is essentially a maintenance provision. *It does not give the Corps a right of replacement in perpetuity.*[14] Section 5 permits a reconstruction only when it is "absolutely essential", and only allows a modification in plan and location when it is necessary to meet the needs of "existing" navigation. The clear meaning of the Section is that the Corps may *replace* a structure which has become ineffective or damaged, but may not *rebuild* a structure merely to meet expected future increases in traffic. In essence, only Congress can authorize such a project.[15]

The Defendants argue that Section 5 should be given a broader interpretation. They contend that this is possible if the word "existing" is interpreted to include future traffic. The word "existing" in the statute, however, connotes the present and not the future. This is its plain meaning and there is no legislative history to the contrary. Although this may appear to the Defendants as unduly restrictive, when Section 5 is read in conjunction with Section 401, it is apparent that all the Corps has to do to build a new structure to replace one that has allegedly become obsolete is to obtain the consent of Congress. It is understandable that Congress reserved such a decision to itself as in many instances it would entail, as does the instant matter, considerations which would substantially affect the environment, the economy, and the society of the nation. The Corps has admitted that this is "the largest construction project in the history of the mid-west." EIS at 138. It is impossible for this Court to believe that Congress would permit the decision to proceed to be made by the Corps and not by Congress.

Footnotes at end of article.

It must be recognized that there is a discernible line between *reconstructing* and *rebuilding*. It can be ascertained by determining whether the proposed structure represents a material change in the character and capacity of the existing structure. In the case of Gulf, C. & S. F. Ry. Co. v. Meadows, 56 Tex.Civ.App. 131, 120 S.W. 521, 524 (1909) a Texas court stated:

> "Appellant in its pleadings and brief claims that it was repairing an old bridge, but the truth of the matter is that it tore down an old wooden bridge, and placed in its stead a new steel structure. It was engaged in the construction of a new bridge, as much so as though no other bridge had ever spanned the river. It would not matter when the original bridge was constructed, whether before or after the enactment of the federal statute, when it undertook to erect a new bridge of different construction and different material, it was subject to the provisions of [Section 401]."

Thus it may be said that one of the basic factual questions in this case is whether the proposed structure is one of *"wood"* or one of *"steel"*. Since this is on motion for a preliminary injunction, the Plaintiffs must show that there is a likelihood that they will prevail on the merits in their contention that the proposed structure is of the latter type.

B. The plaintiffs have shown a likelihood that they will prevail on the merits under section 401.

[2] As previously stated, the standard for determining if the proposed Locks Dam 26 is a reconstruction or a rebuilding is whether the proposed structure represents a material change in the character and capacity of the existing structure. The Plaintiffs have adduced sufficient evidence to convince this Court that it is likely that they will prevail on their allegation that the Defendants have violated 33 U.S.C. § 401.

[3] First, the Plaintiffs have clearly shown, and, the Defendants have admitted, that the character and capacity of the proposed Locks and Dam 26 will be substantially increased. The present "practical capacity" of the existing structure is 46.2 million tons.[16] The proposed structure will accommodate 190 million tons.[17] While the design of the new structure will be similar to the existing one, the depth and dimensions will be increased to create a greater "practical capacity".[18]

There is, however, a dispute as to the depth of the channel. The Corps maintains that it will be nine feet[19] whereas other agencies and the Plaintiffs claim that it will be twelve feet.[20] While this Court is willing to accept the Corps representations, it is cognizant of the fact that the twelve foot channel has been and still is under considerations.[21] And, as the record reveals, the character of the proposed structure makes it amenable to such change.[22]

Second, the Plaintiffs have met their burden on the issue of whether this is a singular or systemic rebuilding. This Circuit has refused to accept *post hoc* rationalizations of agency action and will scrutinize the record to determine its true intention. See, Scientists Inst. For Pub. Info., Inc. v. A.E.C., 156 U.S. App. D.C. 395, 481 F. 2d 1079, 1095 (1973). While in its representations to the Congress and in its responses to comments in the Final EIS the Corps rejected the contention that it is undertaking a system-wide improvement project, the record is replete with contrary indications.

In the Final EIS the Corps has conceded that: "Few water resource projects compare in scope and extent with this project, and its construction must be considered a major expenditure of public funds."[23] The Defendants maintain that this refers only to the proposed Locks and Dam 26. While this is arguable, its meaning is illuminated by the following statement from the Draft EIS:

> "There are at present some constraints to the realization of this prediction in that other locks in the system would be overloaded before such tonnages could be reached. Thus, considering the impact of the project under existing conditions—that is, utilizing the other existing locks and dams in the system—the tonnages that could be shipped on the upper Mississippi River and Illinois River would be constrained to present capabilities of other locks in the system. To be able to carry the amount of cargo forecast will necessitate alteration or replacement of other locks and dams in the system.
>
> The construction of replacement Locks and Dam No. 26 will, therefore, create impetus to revise other portions of the system to create the most efficient utilization of the added capacities of Locks and Dam No. 26."[24]

Upon a thorough reading of the EIS and the General Design Memorandum No. 2 (hereinafter GDM), this Court has found even subtler indications too numerous and complex to recount. An example will suffice. In Exhibit 15, Sheet 4 of the GDM appears a conclusion that the twenty-one foot depth of the proposed lock chamber will provide for a twelve-foot navigation channel. But, to the contrary, in the EIS it is stated that a twenty-one foot depth in the lock chamber is insufficient to accommodate continuous traffic which requires a twelve-foot navigation channel, although such traffic could be passed through the locks with some delay. The Corps would have this Court conclude that the twelve-foot channel has therefore been rejected and that no system-wide improvements to such effect are contemplated by the proposed Locks and Dam 26. This contention is unworthy of belief in light of the following reasons. First, most of the traffic at present and in the near future does not require a twelve-foot channel. Second, those that do would not disrupt the flow of commerce to such an extent that the proposed structure must be considered an isolated improvement. And, third, as this Court already noted, the structure is conducive to the eventual accommodation of continuous traffic requiring a twelve-foot channel. Furthermore, the Plaintiffs have also shown that they are likely to prevail upon their contention that the proposed Locks and Dam 26 is *not* "absolutely essential". The record reveals that while the existing structure may be said to be deteriorating, "remedial measures have been accomplished to correct the more serious deficiencies."[25] And, more importantly, it has been shown that the existing structure can be refurbished so as to extend its life for fifty years at an estimated cost of 100 million dollars,[26] compared to the 383 million for the new structure. The Corps claims that a new structure is still absolutely essential because of the present delays in passing traffic through the Locks. These present delays, however, have been shown to be easily remedied.[27]

Upon a careful examination of the voluminous record presented to date in this case, it is the conclusion of this Court that the Plaintiffs have successfully demonstrated that they are likely to prevail upon their contention that the Proposed Locks and Dam 26 is in violation of 33 U.S..C. § 401.

C. The Proposed Locks and Dam 26 has not been authorized by Congress even though Congress has appropriated funds for the project.

As this Court has found that the Defendants cannot rely on 33 U.S.C. § 5, the issue remains whether Congress has approved the proposed rebuilding of Locks and Dam 26.

The Defendants argue that because Congress has appropriated funds for the project, it has therefore given its consent. The Defendants, however, in the hearings before Congress and in all of their public documents, including the EIS, have continually asserted that this is a Section 5 project which does not need specific congressional authorization.[28] What in essence the Defendants now argue is that Congress ignored these assertions and authorized the project under Section 401. Such a contention is not only unpalatable, but is also erroneous as a matter of law. While some legislators did question under which statute the Defendants were proceeding,[29] they had a right to rely on the Defendants representations that this was a Section 5 project. For, legislators voting for appropriations have the right to assume that the agency had been following and will follow the law. *See*, E. D. F. v. Froehlke, 473 F.2d 346, 355 (8th Cir. 1972).

[4] This Court cannot agree that the mere appropriation of funds meets the statutory requirement for Congressional consent under Section 401.[30] It is a general principle that Congress cannot and does not legislate through the appropriation process. This principle has been codified in Rule XXI of the Manual of the House of Representatives, which provides in pertinent part:

> "2. No appropriation shall be reported in any general appropriation bill, or be in order as an amendment thereto, for any expenditure not previously authorized by law, unless on continuation of appropriations for such public works or projects as are already in progress."

Thus, an authorization bill would be necessary at the least for Congressional consent under Section 401. And, Locks and Dam 26 would not come under the exception since it is not a project already in progress. On this point, House Rule § 836 must also be considered:

> "Previous enactment of items of appropriation unauthorized by law does not justify similar appropriations in subsequent bills unless if through appropriations previously made a function of the government has been established which would bring it into the category of continuation of works in progress."

Furthermore, the fact that no point of order was raised to the recent appropriation is not indicative of authorization, nor on the basis of § 836 can the previous appropriations provide such an indication. Therefore, this Court concludes that the proposed Locks and Dam 26 does not have the "consent" of Congress under 33 U.S.C. § 401.[31]

D. The defendants have violated the Environmental Policy Act of 1969, 42 U.S.C. § 4321 et seq., by not preparing a "detailed statement" encompassing the systematic impact resulting from the rebuilding of Locks and Dam 26.

[5] The National Environmental Policy Act of 1969, 42 U.S.C. § 4332 requires that agencies of the Federal government consider the impact of an overall program and not just isolated aspects of facilities.[32] A restricted impact analysis is prohibited because it "would frustrate the vitality of NEPA by allowing piecemeal decisions."[33] Thus, an agency may not engage in segmentation, i.e. "an appraisal of each tree to one of the forest."[34]

A bone of contention in this case has been whether the rebuilding of Locks and Dam 26 represents the first step in a system-wide improvement of the Upper Mississippi River and the Illinois Waterway. While it has already been found that the Plaintiffs are likely to prevail upon this assertion, there

Footnotes at end of article.

is an additional reason why this Court must conclude that the Defendants have been guilty of segmentation.

[6, 7] The concept of segmentation encompasses more than prohibiting the mere artificial division of the program, it also requires that the Courts guard against an agency's considering only the immediate impact of the first step in a program.[35] The intent of Congress was to have NEPA effect the earliest deliberations of proposed actions.[36] Therefore, even though future action has not been finalized, if it is envisioned then the agency must consider the impact of subsequent actions in furtherance of the program. In the instant case, the proposed Locks and Dam 26 will provide for more than a tripling of the amount of traffic on the Upper Mississippi and the Illinois Waterway. Yet, the Final EIS includes an analysis of only the immediate and local impact of the project. This is so despite the fact that the Corps concedes that due to the increased capacity of the proposed structure other locks and dams in the system will require at least modification or rebuilding. This Court must therefore conclude that the Defendants have violated NEPA by failing to prepare a detailed statement encompassing the systematic impact resulting from the rebuilding of Locks and Dam 26.

This is not to say that the Corps must prepare a complete impact statement now for all future action that it intends to take in furtherance of the program. Rather, the Corps must identify and analyze the environmental impact the proposed structure and increased traffic will have on the entire Upper Mississippi River system and Illinois Waterway. The Defendants, however, argue that studies are being performed on this subject, and that on the basis of present information it is believed that there will be little risk of environmental damage, and that unexpected environmental effects from increased traffic can be controlled or eliminated. While this may be true, none of this was included in the EIS and, more importantly, none of the data on which these statements and conclusions are based is set forth in the EIS for congressional and public scrutiny. What the Defendants fail to comprehend is that the rule against segmentation requires government agencies to recognize the interrelationship of environmental effects at the formative stage.[37]

The Defendants argue that even though there may be a cumulative environmental impact segmentation is permissible since Locks and Dam 26 meets the test set forth in the recent case of Sierra Club v. Callaway, 499 F. 2d 982, 1974. (Wallisville Project). The Fifth Circuit Court of Appeals in determining whether the Wallisville Project was a component, increment or first segment of the larger Trinity River Project, stated that the issue of segmentation should be decided on a case by case basis considering the factors of the scope of the project, the timing of the project, and the interdependence of the project to the overall program. While these are not the only factors to consider in this case, upon an application of the factors set forth in the Wallisville case, this Court finds that Locks and Dam 26 is not susceptible to a segmented analysis.

First, the Corps has stated openly that the proposed Locks and Dam 26 is the largest project undertaken in the midwest and will cost over 383 million dollars—a major expenditure of public funds to say the least. The decision to expand the capacity of this part of the Upper Mississippi River Navigation System, which includes the Illinois Waterway, from 46 to 190 million or more tons is, in essence, the decision to expand the capacity of the entire system. It is this decision that will necessitate the improvement of other segments of the system. Thus, Locks and Dam 26 is to the other parts of the Upper Mississippi system what the Trinity River Project is to the Wallisville Project, not visa-versa.

Second, the proposed Locks and Dam 26 is just on the verge of implementation as opposed to the Wallisville Projects which is near completion. Despite this fact, the Defendants argue that this case is similar to Wallisville in that not only has Congress not appropriated funds for the other segments but also they will take at least fifty years to complete. And, they add that segmentation in this case is essential because the structural integrity of the existing Locks and Dam 26 is in doubt making it a priority project. This Court is not persuaded that these are sufficient reasons to allow segmentation. While it is true that Congress has not appropriated funds, the proposed structure, as the Corps admits in the Final EIS, will necessitate system-wide improvements. Further, the rebuilding of Locks and Dam 26 itself will take approximately a decade, and will therefore require that the existing structure be maintained until it will be replaced. The Corps implores that they be allowed to replace the structure and will later examine its systemic impact. This is exactly what NEPA seeks to prevent.

While this Court has sufficiently dealt with the question of interdependence in its discussion of the previous issues, one further comment is necessary. This Circuit, in Scientists Institute, *supra*, 481 F.2d at 1087, noted that: "Individual actions that are related either geographically or as logical parts in a chain of contemplated actions may be more appropriately evaluated in a single, program statement."

This perception is particularly applicable in this case. Although it is conceivable that no further improvements of the Upper Mississippi River system may occur, the fact that improvements are expected requires a present evaluation of their future impact.[38] This Court cannot allow the Defendents on the one hand to segment the project and ignore the systemic impact and on the other cite as the justification for the increased capacity of the proposed structure the need for expansion of the capacity of the entire system.

E. The defendants have violated NEPA by failing to adequately consider alternatives to the proposed action and by failing to disclose essential data.

[8] In order to determine whether the EIS demonstrates an adequate assessment of alternatives to the proposed action, this Court has sought to ascertain the primary purpose of the project.[39] Although the Defendants have focused upon the deteriorating condition of the existing structure so as to bring the project within 33 U.S.C. § 5, it is the conclusion of this Court that the primary purpose is to expand the facility's capacity to meet the expected increase in traffic on the Upper Mississippi River and Illinois Waterway.[40]

Even though the primary purpose is expansion, the EIS restricted its consideration of alternatives to "no action", different types of construction, and changes in location.[41] The only references in the EIS to the possibility of other modes of transportation meeting the expected increase in traffic of goods are the conclusory statements that: railroads and other forms of transportation could not handle the increase in traffic of goods, especially grain, would require greater public investment, would cost more to shippers, would, by stifling industrial growth, have an adverse economic and social effect on the region, and would require greater energy consumption in light of the projected availability of fuels.[42]

While this Court is not in a position to agree with or dispute the merits of these conclusions, neither is the Congress nor the public since the data on which they were based and the agency's reasoning process were not included in the EIS. This is contrary to the policy of NEPA, which has been called an "environmental full disclosure law." E. D. F. v. Corps, 325 F.Supp. 728, 759 (E.D. Ark. 1971). What the lack of disclosure in this case does is to prohibit review by masking the reasons upon which the initial choice has been made between rebuilding or relying on existing structures and alternative modes of transportation. This is a clear violation of NEPA. *See*, Committee to Stop Route 7 v. Volpe, 346 F.Supp. 731 (D.C.Conn 1972).

Upon an examination of the EIS, this Court must conclude that it fails to adequately consider feasible alternatives. It is apparent to this Court that this is another case in which the agency has limited its consideration to only those alternatives that it can adopt. *See*, N. R. D. C. v. Morton, 148 U.S. App. D.C. 5, 458 F.2d 827 (1972). Such violations of both the letter and spirit of NEPA can not be tolerated.

F. The alleged violations of sections 209 and 122 of the Rivers and Harbors Act of 1970 are cognizable by this Court.

[9] As it has been found that the proposed Locks and Dam 26 has not been authorized by Congress, this Court holds that Section 122 of the Rivers and Harbors Act of 1970 does apply to the proposed project. However, since the requirements of Sections 122 and 209 are similar to those of NEPA,[43] it is unnecessary at this stage in the proceedings to examine in depth the Plaintiffs' allegations in this respect as this Court has found NEPA to have been violated.

G. The injunction must issue as Federal statutes have been violated and the Plaintiffs have shown likelihood of success and irreparable harm.

[10] When, as in the present case, federal statutes have been violated, it has been the long standing rule that a court should not inquire into the traditional requirements for equitable relief. *See*, United States v. City and County of San Francisco, 310 U.S. 16, 60 S.Ct. 749, 84 L.Ed. 1050 (1940). While this Court is bound by that rule, there are other compelling reasons that the injunction should issue.

[11] First, this Court is concerned with the analytical harm to NEPA.[44] The Congressional policy underlying that statute is that agencies which propose major federal action consider the national environmental and societal interest. Since NEPA has been violated, this Court cannot allow the proposed Locks and Dam 26 project to proceed until the agency properly determines the reasonable alternatives, and thus where the national interest lies.

Second, the Plaintiffs have shown not only that they are likely to succeed on the merits but also that they will suffer irreparable harm which outweighs any injury the Defendants would bare. If the proposed project is not consented to by Congress, then the injury to the environment, which the Defendants admit will occur, will be needless. Further, the Plaintiffs Railroads, being already in a tenuous financial position, would be unnecessarily harmed, perhaps even collapse, if the unauthorized expansion of the Upper Mississippi River and Illinois Waterway is allowed to proceed.

And finally, this Court is sensitive to the fact that the public interest lies with both parties. On the one hand, the public is concerned with maintaining the environment as well as the existence of the numerous

midwestern railroads, and on the other, with the traffic delays and structural integrity of the existing Locks and Dam 26 as well as the free flow of commerce up and down the Upper Mississippi River and Illinois Waterway. Moreover, the public is concerned with the economic and social effect on the region. Having considered these interests, it is the opinion of this Court that the injunction must be granted. The project will be delayed only until the Defendants obtain the consent of Congress and cure the defects in the EIS. This will take a relatively short period of time considering that just the building of the new Locks and Dam 26 will take at least a decade, and until then the existing structure will have to be maintained.

An order in accordance with the foregoing has been issued.

FOOTNOTES

[1] The other Plaintiffs consist of twenty, mid-western railroads, the Sierra Club of America, and the Illinois branch of the Isaak Walton League.

[2] The following map from the Final Environmental Impact Statement on Locks and Dam 26 shows the Mississippi Inland Waterways System and the proposed project site at Alton, Illinois. See page 613 for map.

[3] This appropriation was part of a general appropriations bill passed by the House of Representatives on August 13, 1974 and by the Senate on August 15, 1974.

[4] A coffer dam is an enclosure from which water is pumped thereby exposing the bottom of the river to permit construction.

[5] *See*, Final Environmental Impact Statement, Locks and Dam 26, at 3 (I. II. I.).

[6] Id., at 2, 11.

[7] Section 401 provides that:

It shall not be lawful to construct or commence the construction of any bridge, dam, dike, or causeway over or in any port, roadstead, haven, harbor, canal, navigable river, or other navigable water of the United States until the consent of Congress to the building of such structures shall have been obtained, and until the plans for the same shall have been submitted to and approved by the Chief of Engineers and by the Secretary of the Army:

Provided, That such structures may be built under authority of the legislature of a State across rivers and other waterways the navigable portions of which lie wholly within the limits of a single State, provided the location and plans thereof are submitted to and approved by the Chief of Engineers and by the Secretary of the Army before construction is commenced: *And provided further*, That when plans for any bridge or other structure have been approved by the Chief of Engineers and by the Secretary of the Army, it shall not be lawful to deviate from such plans either before or after completion of the structure unless the modification of said plans has previously been submitted to and received the approval of the Chief of Engineers and of the Secretary of the Army.

[8] 42 U.S.C. § 1962-2.

[9] Pub. Law 91-611, 84 Stat. 1823 (1970).

[10] 42 U.S.C. § 4321 et seq.

[11] 33 U.S.C. § 5 provides in pertinent part that:

[F]or the purpose of preserving and continuing the use and navigation of said canals and other public works without interruption, the Secretary of the Army, upon the recommendation of the Chief of Engineers, United States Army, is authorized to draw his warrant of requisition, from time to time, upon the Secretary of the Treasury to pay the actual expenses of operating, maintaining, and keeping said works in repair, which warrants or requisitions shall be paid by the Secretary of the Treasury out of any money in the Treasury not otherwise appropriated: *Provided*, That whenever, in the judgment of the Secretary of the Army, the condition of any of the aforesaid works is such that its entire reconstruction is *absolutely essential* to its efficient and economical maintenance and operation as herein provided for, the reconstruction thereof may include such modifications in plan and location as may be necessary to provide adequate facilities *for existing navigation:*

Provided further, That the modifications *necessary to make the reconstructed work conform to simlar works previously authorized by* Congress and forming a part of the same improvement, and that such modifications shall be considered and approved by the Board of Engineers for Rivers and Harbors and be recommended by the Chief of Engineers before the work of reconstruction is commenced . . . . (Emphasis added)

[12] While the original purpose of Section 401 was to assert the federal power over the nation's waterways so as to prevent obstructions to navigation by states and private parties, it has been held to apply to the Federal government. *See*, United States v. Arizona, 295 U.S. 174, 55 S.Ct. 666, 79 L.Ed. 1371 (1935).

[13] The Defendants maintain that the facility must be considered obsolete because it is experiencing structural deterioration and has reached its capacity to adequately serve the present and future traffic needs of the Upper Mississippi River System.

[14] Cf. Northwest Paper Co. v. F. P. C., 344 F.2d 47, 50-1. (8th Cir. 1965).

[15] The Commission on Organization of the Executive Branch has been critical of the Corps' expanded interpretation of Section 5. Commenting on a project simillar to the proposed Locks and Dam 26, the Commission stated:

"The Locks proposed to be installed are not replacements, but constitute a new navigation improvement program for these rivers. The Ohio River project currently contemplates the replacement of 9 dams having locks of low lift by 3 dams having locks of lift equivalent to the existing 9. Although the project channel depths are authorized for 9 feet, the new locks will provide for at least 12-foot depths. The issue which we raise is not as to the engineering soundness of the project, but as to the authority of the Corps of Engineers to proceed without specific authorization. No decision of a court or opinion of the Department of Justice is cited to support the construction of this statute. While the statute authorizes the Corps of Engineers to replace or reconstruct obsolete or worn-out works, it is stretching it too far to find in it authority to proceed with such programs as are contemplated on the Ohio and Warrior-Tombigbee."

[16] EIS at 3.

[17] *Id.* at 4.

[18] *Id.* at 5, 136-37. "Practical capacity", as this Court understands the term, means the amount of traffic, in tons, that can pass through the Locks without undue delay in the course of one year.

[19] The Defendants point specifically for support to the discussion at page 137 of the EIS.

[20] The Plaintiffs, in support of their contention, emphasize, *inter alia*, that the General Design Memorandum No. 2 proposal was for a twelve foot channel. GDM at 2-1. Further, they point to the letter of Assistant Secretary of the Interior Nathaniel P. Reed, dated August 5, 1974, to Secretary of the Army Howard H. Callaway, which reveals Interior Department concern that the Corps intends to construct an unauthorized twelve foot channel.

[21] EIS at 14.

[22] *Id.* at 137-38.

[23] *Id.* at 179.

[24] Draft EIS at Three-18. A similar statement appears in the GDM at A-17.

[25] EIS at 3.

[26] Id. at 150. The capacity, however, would remain at its present level.

[27] See, Affidavit of Dr. Joseph L. Carroll. The true concern of the Corps is the future delays created by the existing structure.

[28] *See*, Statements of Colonel Hall before the Senate Subcommittee of the Committee on Appropriations, October 13, 1969, p. 6803; EIS at ?; GDM at 1-1.

[29] *See*, Statement of Senator Allen J. Ellender, Chairman, Subcommittee of the Committee on Appropriations, October 13, 1969, at 6802-3.

[30] The Defendants' reliance on Orlando v. Laird, 443 F.2d 1039 (2d Cir. 1971) is misplaced. Although the Second Circuit did reject the appellant's contention that "congressional authorization (for the Viet Nam war) cannot, as a matter of law, be inferred from military appropriations," it held that the manner by which Congress declared was a political question. Id. at 1043. Moreover, this Court can find no support for the Defendants' position that appropriations are sufficient authorization in this matter in the *Laird* opinion.

[31] This Court is also of the opinion that 42 U.S.C. § 1962d-5 may not have been complied with in this matter. That Section requires that any water resource development project over ten (10) million dollars (first cost) be approved by resolutions of the Committees of the House and Senate on Public Works. The parties have not shown that such resolutions were or were not passes. However, since this Court has found that Section 401 has not been complied with, a determination of this issue is not necessary for a decision on the motion for a preliminary injunction.

[32] *See*, Scientists, Institute for Public Information v. A. E. C., 156 U.S. App. D.C. 395, 481 F.2d 1079, 1086-1087 (1973).

[33] Sierra Club v. Froehlke, 359 F. Supp. 1289, 1323 (S.D. Tex. 1973).

[34] Jones v. Lynn, 477 F.2d 885, 891 (1st Cir. 1973).

[35] *See*, Indian Lookout Alliance v. Volpe, 345 F. Supp. 1167, 1170 (S.D. Iowa 1972).

[36] *See*, Scientists Institute, *supra*, 481 F.2d at 1087-1088.

[37] Id.

[38] If this Court were to scrutinize the proposed Locks and Dam 26 in a vacuum, then it would have to conclude that the Plaintiffs are likely to prove that the environmental injury so outweighs the benefits of the expanded structure as to make the agency's decision to proceed arbitrary and capricious.

[39] *See*, Sierra Club v. Froehlke, 350 F.Supp. 1289, (S.D.Tex.1973).

[40] An examination of the entire record reveals that this is the avowel purpose. For example, see EIS at 4. See also, Upper Mississippi River Comprehensive Basin Study (1970) Table J-32.

[41] *See*, EIS at 149-170.

[42] *Id.* at 150-52.

[43] See text accompanying notes 8 and 9.

[44] *See*, Jones v. D. C. Redevelopment Land Agency, 499 F.2d 502 (D.C.Cir.1974).

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. SYMINGTON. Mr. President, I yield to my able friend the senior Senator from Illinois for a minute.

Mr. PERCY. Mr. President, I thank my distinguished colleague, and my comment will be very brief, indeed.

Mr. President, I do not support deletion of the provision relating to Locks and Dam 26 from the bill before us to-

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Footnotes at end of article.

day as I think it is important to have a clear authorization of this project. I feel that the authorization has been implicit for several years and indeed funds have been appropriated in the past to continue this project, but I would, of course, prefer an unambiguous authorization.

I, of course, am in favor of full hearings on this project and am cosponsoring legislation to be introduced by Senator STEVENSON to specifically authorize this project. In that way all those who have strong feelings regarding this project will have the proper forum to voice their opinions. I am pleased that the chairman of the Public Works Committee has said that public hearings on this specific project will be held later this year.

It is important to clear up this issue as construction of Locks and Dam 26 has been halted by Judge Richey based on whether the proposed Locks and Dam 26 project requires the specific authorization of the Congress. The section in the bill today would make such a specific authorization and I cannot vote for deletion of this section from the bill.

I thank my distinguished colleague from Missouri.

Mr. SYMINGTON. Mr. President, I thank the Senator.

Locks and Dam 26 is the key facility in the entire Mississippi River navigation system. All of the States that border the Mississippi River depend heavily upon the waterway movement through this facility of grains, fertilizers, coal, petroleum products, minerals, and other heavy commodities.

The economic well-being of many of the Nation's farmers, consumers, electric utilities, manufacturers, and businessmen depends to a great extent upon the assurance that this vital waterways traffic in heavy commodities will be accommodated as the commerce and trade of the country continue to grow.

Locks and Dam 26 is more than 35 years old. For the last 5 years the facility has been forced to handle larger tonnages of traffic than its practical design capacity of 46 million tons per year. Delays have resulted, with attendant increases in cost which have had to be passed on to consumers.

The facility needs to be replaced as soon as possible and, from a commonsense point of view, the new replacement facility should be designed and built to accommodate the increased flow of traffic in future years.

Beginning in 1969, 6 years ago, Congress appropriated money specifically for the replacement of Locks and Dam 26, by first making available to the Secretary of the Army money for preliminary design work. In fiscal year 1974 and again in fiscal year 1975, the Congress specifically appropriated funds for the beginning of construction on the project.

In view of the recent decision of the U.S. District Court for the District of Columbia, granting a preliminary injunction preventing the start of construction, however, it is necessary for the Congress to reaffirm the fact that it did give its consent to the project.

Some environmental groups, including the Sierra Club, as mentioned by our distinguished colleague from Wisconsin, are concerned about the possible environmental impact of the construction of this replacement facility.

The U.S. District Court for the District of Columbia retains jurisdiction over this case, and all agencies of the Federal Government and all parties to the case, including the environmental groups, will have an opportunity to review and comment on the expanded environmental impact statement which the court has required the Corps of Engineers to prepare and submit to the court.

We are assured, therefore, that every procedural and substantive safeguard will be observed with respect to environmental considerations, and there will be compliance with every environmental law of the United States.

This locks and dam 26 project will help to stimulate the sagging construction industry in the Midwest, especially in Missouri and Illinois, and will provide jobs for many hundreds of workers. The finished project will provide the Nation with a capital investment of very great value to the entire economy.

On some commodities there is competition among the various modes of transportation—water, rail, and highway—but the fact remains that many of the railroads of the Midwest with the healthiest financial performance parallel the Mississippi waterway, or connect with it at various points.

We need to expand and improve the capability and capacity of all of the elements of our transportation system, and all should be treated fairly.

To that end, we have been and will continue to devote our attention to assistance for the U.S. railroads.

The question now before us, though, is whether to reconfirm the action we have taken six times before, and affirm again, in the pending bill, H.R. 5899, that the Congress does approve the construction of locks and dam 26 and desires the Secretary of the Army to proceed with the project.

Mr. President, because of the nature and the detail into which it has gone, I ask unanimous consent that from the committee report on the second supplemental appropriations bill, 1975, presented by the distinguished senior Senator from Arkansas, pages 72, 73, and 74, that part which includes the details of the reasoning that I have summarized in my statement be printed at this point in the RECORD.

There being no objection, the excerpt from the report was ordered to be printed in the RECORD, as follows:

ADMINISTRATION PROVISION: LOCKS AND DAM 26, MISSISSIPPI RIVER, ILLINOIS AND MISSOURI

The Committee recommends an amendment in the nature of an administrative provision reaffirming the consent and approval of Congress for the replacement and modification of Locks and Dam 26, Mississippi River, Illinois and Missouri as follows:

Appropriations having been heretofore approved by Congress in Public Laws 91–144, 91–439, 92–134, 92–405, 93–97, and 93–393, to be expended under the direction of the Secretary of the Army and the supervision of the Chief of Engineers, for the replacement and modification of Locks and Dam 26, Mississippi River, Illinois and Missouri, substantially in accordance with the plans approved by the Secretary of the Army on July 14, 1969, the consent and approval of Congress for the construction of said Locks and Dam 26 by the Secretary of the Army having been granted thereby is hereby reaffirmed; Provided, That nothing contained herein shall be construed as authorizing a twelve-foot channel above Locks and Dam 26.

This provision is recommended in light of recent court actions, including a preliminary injunction issued by a judge on the District Court for the District of Columbia against construction of the project replacing and modifying Locks and Dam 26. The judge halted work on the project mainly for two reasons: (1) That the Secretary of the Army and the Corps of Engineers could not proceed with the project without further approval from Congress, as the authority under which the Secretary and the Corps were using (1909 Act hereafter discussed) was not applicable in the Locks and Dam 26 replacement and modification, and (2) That the environmental impact statement on the project was inadequate primarily because the impact on the entire inland waterway navigation system in building the new Locks and Dam 26 was not considered. The provision recommended by the Committee relates to the first reason cited above. Regarding the second reason, the Corps is presently preparing a revised environmental impact statement for the project to include the matters not covered and inadequacies in the present statement. This effort should be completed within the next few months and is subject to the input and actions of interested parties through the normal process.

The 1900 River and Harbor Act (35 Stat. 818; 33 U.S.C. 5), commonly called the 1909 Act, gave the Secretary of the Army authority to replace navigation locks and dams as may be necessary to provide adequate facilities providing such reconstruction conforms to similar works previously authorized by the Congress. Since the enactment of this legislation, the Secretary of the Army has utilized this authority to rehabilitate or replace 16 locks and dams and an additional 8 are being replaced presently. These 24 projects have been done with the knowledge of the Congress and with specific appropriations totaling $1.7 billion. In addition, there are several locks and dams now under design and several others being studied.

Locks and Dam 26 is located just north of St. Louis, Illinois, and presently consists of a 600' x 110' lock and a 360' x 110' lock. This lock and dam was constructed in 1938. It is still operating but is deteriorating and requires extensive maintenance. It is the most significant bottleneck for transportation in the Mississippi system. During summer operation it is not unusual for tows to wait several hours for their turn into and through the locks. The present traffic of approximately 50 million tons per year is projected to increase to 70 million tons by 1980 and 100 million tons 20 years thereafter. For these reasons the Secretary of Army approved on July 14, 1969, the relacement of Lock and Dam 26 and within two days had advised the Public Works and Appropriations Commitees in both House and Senate, of his action. Subsequently funds were included in the President's budgets and appropriated in FY 1970 through 1973 for advance engineering and design.

The Committee recommended and the Congress approved funds to initiate construction of the project in fiscal year 1974. In the current fiscal year (1975), the amount of $22 million was included in the appropriations bill and was approved by Congress to continue construction of the project. Testimony on the project has been received from Members of the Senate and the House, interested organizations, and the public, in addition to the Corps, every year during the last seven to eight years in connection with the annual appropriation hearings. These annual public hearings are a long standing practice of the Committee.

Based upon these repeated actions by the Committee and the Congress, including the annual appropriations signed into law for the last six fiscal years, there seems to be little question that the Congress has in fact given its consent to this replacement and modification project, and that the Secretary of the Army has acted within the authority granted him.

Locks and Dam 26 is a key, controlling navigation structure of the inland waterway transportation system. All traffic from the upper Mississippi River River must go through the structure. Without it, navigation above St. Louis would come to a standstill. Principally because of its serious deterioration and structural integrity, the Committee recommended and the Congress approved funds for the replacement and modification project over these last six years. The new facility is already five years behind schedule. The impact that would result from the failure of the present structure would be most serious indeed and has not been disputed. The continued delay in replacing the structure will further aggravate the inefficiency of the present system, will increase the cost of the project in the long term, and will incur continuing and rising maintenance investments for a structure that is overworked and 40 years old. Because of the importance of the project, it is not a question of whether it is needed: only when. The testimony and information presented to the Committee over the last several eyars clearly shows the replacement project to be long overdue. In the opinion granting the preliminary injunction, the judge stated that "the project will be delayed only until the defendants (*the Secretary and the Corps*) obtain the consent of the Congress and cure the defects in the EIS."

Mr. PROXMIRE. Mr President, will the Senator yield?

Mr. SYMINGTON. Mr. President, I am glad to yield.

Mr. PROXMIRE. I shall be very brief.

I simply want to support my colleagues on this matter. I agree with him wholeheartedly.

I am deeply concerned with the cost of this operation. As I understand it the cost of this particular lock may be only a few hundred million dollars, but it establishes a situation in which the entire Mississippi, as the junior Senator from Wisconsin points out, would have to be dredged to a 12-foot level which, as I understand it, would cost $5 or $6 billion.

It seems to me that if the authorization function of the Senate should serve any purpose it should serve the purpose of letting us know, when we go into matters of this enormous expenditure, what the expenditure is going to cost; whether the benefits really are there; the realism of the estimated benefits; and giving us a full picture of where we are going.

I think that the argument of the junior Senator from Wisconsin has not been refuted. There may have been an implicit authorization, or may not have been an implicit authorization. There has not been an explicit series of hearings developing a record on which Members of the Senate could thoughtfully make a judgment whether this enormous amount of money should be expended or not expended.

Mr. SYMINGTON. Mr. President, I appreciate the thinking of the distinguished senior Senator from Wisconsin, and because of my respect for him I must say I am quite surprised as to his position.

Mr. STENNIS and Mr. BUCKLEY addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Mississippi.

Mr. STENNIS. Mr. President, I yield to the Senator from New York.

I am going to represent the committee when I speak anyway. If he wants to speak first representing his State, all right.

The PRESIDING OFFICER. The Chair recognizes the junior Senator from New York.

Mr. BUCKLEY. Mr. President, I thank my friend from Mississippi.

Mr. President, I wish to comment on that portion of the bill that concerns lock and dam 26, a Corps of Engineers navigation project at Alton, Ill. I shall not oppose this language because I believe it will not affect the important court case on this project.

But I believe it would be instructive to review the history of this work.

In 1909, the Congress passed legislation that permitted the Chief of Engineers to reconstruct navigation projects when "reconstruction is absolutely essential" to the efficient and economical operation of the project, provided that the "reconstructed work conforms to similar works previously authorized."

Since that time, the Corps of Engineers has spent $1.7 billion under the 1909 act to replace or rehabilitate 16 locks and dams. Another 8 are now under reconstruction, 4 are under design, and 11 are under study. Using the 1909 act, the corps is in the process of reducing to 19 from 46 the number of locks on the Ohio River system.

Under this authority, the corps also began planning the reconstruction of locks and dam 26 at Alton, Ill., several years ago.

Mr. President, I yield to my distinguished friend from Massachusetts.

Mr. BROOKE. Mr. President, I ask for the yeas and the nays on final passage?

The PRESIDING OFFICER. Is there a sufficient second to the request?

Mr. STENNIS. Mr. President, will the Chair state the parliamentary situation?

The PRESIDING OFFICER. The yeas and the nays have been requested on final passage, and a sufficient second has been shown.

Mr. BROOKE. I thank my distinguished colleague.

The yeas and the nays were ordered.

Mr. BUCKLEY. Using this authority, the corps also began planning the reconstruction of lock and dam 26 at Alton, Ill., several years ago. The present lock and dam, completed in 1938, is strategically located: Just to the north is the confluence of the Illinois—carrying traffic to Chicago—and Mississippi Rivers; just to the south is the Missouri River, St. Louis, and the gateway to the Ohio and lower Mississippi Rivers.

To meet a problem of lock deterioration and increase river traffic, the corps has designed a replacement dam and a pair of locks that will cost about $400 million, significantly increasng the capacity of the existing locks. While design and construction of the replacement has received money in various public works appropriations bills, it was never individually authorized by the Committee on Public Works.

This replacement work was halted prior to construction by a lawsuit that was filed by Midwest railroads and a group of environmentalists. On January 23, 1975, Army Secretary Callaway asked, in a letter to Chairman RANDOLPH of the Committee on Public Works, for a congressional "reaffirmation or clarification" of the authority of the Secretary of the Army prior to proceeding with the construction of lock and dam 26. Any project that involves an expenditure of nearly $400 million, while increasing a project's capacity by about fourfold, merits authorization as well as appropriations.

Mr. President, I also believe that Congress must reevaluate the 1909 act, a fact on which the Corps of Engineers agrees.

I shall soon introduce legislation to modify the 1909 act provision, limiting it to its intent: modification in the corps' navigation system. While I believe that the corps' work is important in this area, I also believe Congress must clarify the authority of the corps, eliminating the present ambiguities of intent.

I am pleased that the Committee on Public Works has initiated hearings on the navigation program. The chairman of the Water Resources Subcommittee, Mr. GRAVEL, made a field tour of navigation programs last week, including a visit to lock and dam 26. I believe that this effort will assist the Congress in determining the future of an inland navigation program.

While Congress may go forward on lock and dam 26 after it has had a full opportunity for review of the proposal, we must examine this with care in full hearings and in an attempt to develop a rational program for the inland waterway system in the Midwest. Such a review, I believe, will also show inescapably the need for a fair and equitable user charge system on the waterways of this Nation.

I ask unanimous consent that the chapter of the National Water Commission report on inland navigation be printed at this point in the RECORD.

There being no objection, the chapter was ordered to be printed in the RECORD, as follows:

THE INLAND WATERWAY PROGRAM [1]

THE PROGRAM

The inland waterway program of the Federal Government had its beginning in 1824 when a small appropriation was made to the

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Footnotes at end of article.

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U.S. Army Corps of Engineers to remove a few snags and sandbars that were interfering with navigation on the Mississippi and Ohio Rivers. Over the ensuing years, many rivers were improved by deepening them or by the construction of systems of locks. The United States now has more than 25,000 miles of commercially navigable waterways. More than 15,000 miles of these waterways have depths of 9 feet or more, and almost 9,000 miles have a depth of 12 feet or more. Of special importance is the system of waterways in the Mississippi River Basin which encompasses almost 9,000 miles of federally improved waterways extending from the Gulf of Mexico to the upper reaches of the Mississippi and Ohio Rivers, to established ports well up on the Arkansas, Tennessee, Cumberland, and Missouri Rivers, and up the Illinois River to connect with Lake Michigan. The Gulf Intracoastal Waterway is another heavily used component of the waterway system of the United States.[2]

Commercial traffic on the inland waterway system, exclusive of the Great Lakes, totaled about 204 billion ton-miles in 1970, which is more than four times the traffic carried by the waterways in 1950. About 36 percent of the tonnage moving over the inland waterways in 1970 was petroleum and petroleum products. Bituminous coal and lignite made up about 21 percent of the tonnage, and grains, grain products, and soybeans about 5 percent.[3] The use of the inland waterways for recreation is increasing rapidly and congestion is becoming a serious problem where recreational craft wish to pass through locks.

During recent years, the inland waterway system has carried about 10 percent of the Nation's total intercity traffic, while about 6 percent of that total has moved on the Great Lakes, 44 percent by rail, 20 percent by trucks, and another 20 percent by oil pipeline. The proportion of the total traffic carried by inland waterways has increased from about 4 percent in 1950 to 10 percent in recent years.

Federal expenditures for the improvement of the inland waterway system had totaled $3.2 billion[4] by June 30, 1971. The cost to the Federal Government of operating and maintaining the system has been running over $80 million annually. Under present policies, the Federal Government usually bears the full construction cost of improving waterways for commercial use, but non-Federal interests are required to provide lands, easements, rights-of-way, and spoil areas and provide and maintain public terminal and transfer facilities.

In 1970, there were 1,849 transportation companies operating on the inland and coastal waterways. Only 141 of these were subject to regulation by the Interstate Commerce Commission. The 1,849 companies operated almost 24,000 vessels of which about three-fourths are unpowered barges.[5] The largest barges now in use have a capacity of 3,000 tons, a load that would fill 55 average sized railroad freight cars or 30 of the big new ones. Barges are joined into "tows" which are generally pushed[6] by diesel-powered towboats. Towboats with powerplants of 4,000 horsepower are fairly common. Such a vessel can handle up to 20,000 tons of freight in a single tow. Towboats with powerplants of 8,500 horsepower have proven practicable on the Mississippi River. Average charges to shippers of moving bulk commodities on the waterways are said to be about 3 mills per ton-mile[7] and average transportation savings over alternative means of transportation have been estimated by the Corps of Engineers to average 5 mills per ton-mile.[8]

Since the beginning of the Federal program in 1824, the Corps of Engineers has been responsible for its planning and execution. In the early years of the Nation, States undertook the construction of waterways. One of the most famous, as well as the most successful, of the State projects was the Erie Canal built by the State of New York. Later, it was rebuilt as the State Barge Canal and is still in operation.[9] However, the other State canal projects have been abandoned or replaced by Federal waterways.

From the beginning of the Federal program, there has been a strong demand for waterway projects in the belief that the "low cost" transportation thus permitted would stimulate economic development in the less developed regions of the Nation. The construction of waterways has also been used as a means of forcing reductions in railroad freight rates. For these and other reasons, many parts of the country still seek projects to make their rivers more navigable. The Corps of Engineers has made reports on a number of potential waterways and the Congress has authorized the construction of an additional 2,351 miles of waterway, the cost of which is presently estimated at $4.6 billion. Other possible waterways not authorized, but supported by the regions that would be benefited, would have an aggregate length of 2,514 miles and, according to preliminary estimates, would cost about $5 billion.[10]

During recent years, a counterforce has come into play in the form of an increased public interest in the impact of waterway construction on the environment. This force has resulted in the stoppage of construction work on one project, the Cross-Florida Barge Canal Project, and in the future it may be much more difficult to obtain authorizations or appropriations for new waterway projects than has been the case in the past.

APPRAISAL OF THE PROGRAM

The Federal inland waterway program has been appraised by many study commissions and similar bodies since its beginning almost a century and a half ago. The National Water Commission has reviewed the findings of the principal previous studies, as well as the results of an independent study made for it by Professor Dwight M. Blood of the University of Wyoming.[11] There is no need to repeat all of the findings of these reports here, since the reports are readily available. The principal deficiencies pointed out in these reviews may be briefly stated as follows:

First, a major weakness of the present program stems from deficiencies in the procedures by which it is determined whether or not a proposed waterway project would result in a justified addition to the national transportation system.

Second, a major weakness of the legislative policies governing the present program is that they do not require beneficiaries to share in the cost of constructing, operating, and maintaining Federal waterway projects.

Third, the inland waterway system is inescapably an element of the national transportation system. Yet, the waterways are not planned, evaluated, or regulated as a part of the national transportation system.

Deficiency in evaluation procedures

This deficiency is serious, but calling attention to its existence should not be interpreted as an attempt to cast doubt upon the economic justification of waterway improvement as such. Some of the existing waterways have undoubtedly reduced the real cost of transportation to the Nation by amounts greatly exceeding the costs of providing them. For example, there can be no doubt but that the improvement of the mainstem of the Ohio River has been a sound investment for the Nation. But there is a tendency to conclude that because some waterways have contributed greatly to the prosperity of a region or the Nation, all waterways are, or will be, justified. This is a very old mistake. The success of the Erie Canal, built by the State of New York early in the last century, brought on a great demand for similar waterways in other States. Many of the waterways built by the States and private enterprise turned out to be financial failures. Modern economics has provided much more reliable methods for predicting what effect a contemplated waterway project would have upon the national income. Yet, projects are still undertaken that could not pass the test of an unbiased economic evaluation.

Deficiency in the present cost-sharing policy

The Federal waterway improvement program had its beginnings when the major reason for providing transportation facilities—then limited to waterways and roads—was to induce the settlement and economic development of regions that were essentially uninhabited. This was an overriding national purpose. When a region to be served by a waterway had few people living in it, there was no way for local beneficiaries to assume any part of the cost of improvements and it was in the national interest for the Federal Government to bear these costs. As time passed, other means of transportation were developed, and the regions served by waterways increased in population and affluence. The national purpose of pushing back the frontier and developing underdeveloped regions was achieved. Eventually, railways, highways, and pipelines were developed, and improving technology made the waterways a highly efficient and competitive mode of transport, the costs of which can easily be paid by the direct beneficiaries. However, the policy of Federal assumption of practically all costs which had been established during the formative period of the Nation's economic growth has never been adjusted to take into account the present competitive situation in the Nation's transportation system. New waterway projects serving highly developed regions are still being installed entirely at Federal expense, paid for from the general revenues. Commercial users of inland waterways pay no Federal fuel tax, nor any lockage fees or other form of remuneration for the cost of providing and maintaining the waterways. A change in the policy governing the division of the cost of waterway projects between the public Treasury and those who directly benefit from the low-cost transportation facilities is long everdue. The lack of an equitable cost-sharing policy is a major weakness of the present waterway program.

Failure to treat waterways as elements of a national transportation system

The third major defect stems from the fact that to date the United States has failed to develop a really effective national transportation policy, and hence has not achieved a national transportation system that meets the transportation demands of the United States at least cost to the public as a whole. The present situation is well characterized in a report,[12] issued by the Department of Commerce in 1960, in the following words:

"National transportation is presently out of balance. It is less a national system than a loose grouping of individual industries. We have built a vast network of highways, railways, inland waterways and seaports, airways and airports, and pipelines, with little attention to conflict among these expanding networks. Economic regulation has been administered in rigid compartments although many basic problems are common to many areas of transportation. Total capacity is not closely geared to total need.[11]

Although the remedy lies in the development of an effective national transportation policy, it is impossible to separate water policy and transportation policy insofar as inland waterways are concerned. A water commission is not in a position to deal with this problem in its entirety. Nevertheless it is appropriate for this Commission to call attention to the fact that the national transportation sysem can never attain optimum efficiency until its waterways become an integral component of that system, and are utilized in such a way as to minimize the total cost to the Nation of meeting its transportation needs. It is also appropriate for this Commission to point out that when waterway user charges are imposed, as recommended in this report, and institutional arrangements require that the rates charged by other modes of transportation realistically reflect economic costs, freight which can move on the waterways at the least real cost to the Nation will be encouraged to move by water. Finally, it is proper for this Commission to emphasize the importance of initiating a vigorous effort to achieve the goal of an efficient and fully coordinated national transportation system, and as a first step to improve the data base for such an effort.

DISCUSSION

The Commission's review of the three areas of deficiency leads to consideration of remedies which would modernize the Nation's waterway policies by improving evaluation procedures, promoting more equitable cost-sharing arrangements, and lead to better utilization of waterways as elements of a national transportation system.

Improving evaluation procedures

First, there is an urgent need to improve the procedures by which the decision is reached that a particular waterway project should be added to the national transportation system. This subject is treated broadly in Chapter 10 of this report in the section on evaluation. However, the problem of evaluating waterway projects is rendered unique by the fact that the Congress has, for this one type of water project, enacted into law certain procedures for determining the desirability of the construction of a contemplated waterway. This it did by including in Section 7 of the Department of Transportation Act of 1966 a provision requiring a determination of the probable effect of the waterway on the cost of transportation to *shippers*.[11] While there can be no objection to requiring the report on a waterway to show the potential savings to shippers, this is not a measure of the economic benefits of a waterway. From the standpoint of the Nation, a waterway project is justified only if it will reduce the economic—i.e., "real"—cost *to the Nation* of providing the transport services in question, and if the benefits derived exceed these costs. An estimate of the savings to shippers is of little value in determining whether a proposed waterway should be built, for a number of reasons not the least of which is that these so-called savings may be wiped out after the investment is made if the competing mode—such as a railroad—reduces its rates. This is not true of reductions in economic costs. They represent the value of the resources, including labor, required to provide the transportation service, and hence do not change if rates change. It follows that a comparison of economic costs must be made to determine whether the construction of a waterway would reduce the real cost to the Nation of providing needed transportation services.

It is the view of this Commission that it would be desirable for reports on pontential waterway projects to show both the "savings to shippers" as required by Section 7 of P.L. 89-670, and a comparison of the true economic costs of transportation by the waterway and by the least-cost alternative mode—rail, truck, pipeline, or combinations thereof—and the associated benefits. The Congress and the public would then know three things: (1) what shippers might save, either by shifting their shipments to the waterway or as a result of the competing mode reducing its charges; (2) what "real" savings would accrue to the Nation if the waterway were constructed; and (3) whether construction of the waterway is economically sound. Unfortunately, and in the opinion of the Commission unnecessarily, Section 7 has been interpreted as requiring the executive branch to confine its analysis to a determination of the first figure. The law does not prevent the executive branch from applying any test of desirability that it considers essential to determining whether or not a project is in the national interest. The Commission believes the economic test should be included in any future evaluation of a proposed navigation project and that Congress should amend Section 7 to *require* that an economic evaluation be made in addition to the estimation of the savings to shippers.

Improving cost-sharing policy

As indicated previously, there is no longer any rational justification for assumption by the Federal Treasury of the entire cost of constructing, operating, and maintaining navigable waterways. Once this is accepted, the problem becomes one of deciding what share of the cost should be borne by non-Federal interests, and what is the best way to collect that share. Many who have advocated cost-sharing have proposed that the carriers operating on Federal waterways be required to pay tolls, or user charges. Others have suggested a fuel tax.[14] Another means, less frequently proposed, would be to require the carriers to maintain a record of their use of Federal waterways, probably in terms of ton-miles, and periodically to submit a report somewhat like an income tax return, along with a payment of whatever tax might be due for the number of units of use reported.

After considering these approaches, the Commission arrived at the conclusion that for existing waterways recovery of construction costs already incurred is impractical and that the most practicable system for recovering future operation and maintenance costs would be a combination of a fuel tax and lockage charges. The fuel tax should be paid both by commercial and pleasure craft. The lockage charges might be collected as lockage fees at each passage through the lock of a commercial vessel and by sale of annual lock permits to recreational vessels and other small craft. An alternative for commercial vessels would be for the lockmaster to record their passage and bill each company on a monthly or quarterly basis. It appears to be the view of some representatives of inland waterway shipping interests that if user charges are imposed they should be uniform on all segments of interconnected waterways, such as the Mississippi River and its tributaries. The Commission believes this would be feasible.

At the hearings on its draft report, Commission members repeatedly asked witnesses who represented inland waterway interests what distinction they saw between on the one hand, trucks which must pay user charges in the form of license fees, toll charges, and fuel taxes and, on the other hand, barge tows which pay no such user charges. Some witnesses replied that trucks carry a different kind of cargo than barges, typically a higher-value cargo. Most asserted that trucks do not pay 100 percent of the cost of the highways they use; that passenger car owners and general taxpayers pay part of the cost. In view of the Commission's recommendations as to the charges to be collected from users of existing improved waterways—which would apply to recreational as well as commercial craft, and would not in fact reimburse the Federal Government for 100 percent of the costs of improving the waterways—the Commission regards these attempted distinctions as being without any real difference. Furthermore, the user charges that are collected by Federal and State governments in the form of fuel taxes do pay 100 percent of the costs of constructing and operating the Federal interstate highway system, and proposals to divert a portion of the revenues from these charges to mass transit subsidies are being seriously considered.

It is the view of the Commission that for waterways built in the future, the entire cost—construction costs as well as operation and maintenance costs—should be borne by the direct beneficiaries of the project. It would not, however, be desirable to require the repayment of the construction costs of new waterways in the form of user charges as this could result in the user charges for the new waterways being several times larger than those collected on the old waterways. A preferable system would be one under which the user charge collected on a new waterway would be the same as the charge for a comparable old waterway in the same region, and which would require that an appropriate non-Federal entity[16] or a Federal or Federal-State corporation[15] agree, in advance, to repay the construction cost, with interest, in installments over a period of years, in a manner similar to that in which non-Federal entities presently reimburse the Federal Treasury for capacity provided in Federal reservoirs for the storage of water to be used for municipal and industrial supply. The costs of operating and maintaining the new waterways would, under such a scheme, be covered by the fuel taxes and user charges collected from the users of all components of the waterway system.

The cost to the Federal Government of operating and maintaining the shallow-draft inland waterways averaged about $73 million annually for the 5-year period 1968–1972, inclusive.[17] The commercial traffic on these same waterways during this 5-year period amounted to something less than 200 billion ton-miles. Had a user charge system to recover the entire cost of operating and maintaining these waterways been in effect during that period, the user charge per ton-mile should not have amounted to more than about 0.4 mil ($.0004) per ton-mile of commercial traffic, since recreational traffic would also bear part of the cost.[18] Although numerous statements were made at the Commission's regional conferences to the effect that user charges would seriously reduce or even eliminate the use of inland waterways, no solid evidence was offered in support of such statements. On the contrary, testimony as to the wide disparity in favor of water rates over rail and truck rates suggested that for the principal waterways traffic would not be diverted by user charges such as those recommended by the Commission.

In summary, the Commission believes that:

(1) For existing, or "old," waterways, the aim should be to recover, through a combination of fuel taxes and lockage charges, a progessively increasing annual total that would, by the end of 10 years, and indefinitely thereafter, be sufficient to cover the entire Federal annual expenditure for operation and maintenance. No attempt should be made to recover any part of the sunk construction cost.

(2) For "new" waterways, it would be desirable for the Federal Government to require that in advance of construction an appropriate entity other than the Federal Treasury agree to repay the construction cost, with interest, over a specified period of years. Costs of operating and maintaining the new waterways should be collected from the users, the same as for existing waterways.

There are a number of reasons for requiring future costs of waterways to be paid by the users rather than the Federal taxpayers. One of these reasons has already been mentioned: If non-Federal interests agree to repay the first cost of a waterway, the Congress and the public can be sure that those urging the project are sincere in believing that it is justified. Thus, cost-sharing requirements would be effective in eliminat-

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ing political pressures from a group seeking a project for no other reason than that they expect it to be paid for by the Federal Treasury.

Another reason for requiring cost-sharing is that it is essential to prevent the inequity that results when those who benefit substantially from the construction of a public work pay no more of its cost than those who receive no benefits whatsoever, and who may even be adversely affected because they reside in a region that will be placed at a disadvantage by a project that stimulates the economy of a competing region.

User charges on waterways can also help eliminate inequities between different modes of transportation that result from uneven Federal policies. The railroads believe it is inequitable to require them to compete with carriers who pay nothing for the use of waterways provided at public expense. The problems involved in imposition of user charges to correct this inequity are complicated by the deficiencies in present laws governing the regulation of transportation rates. The principal objective of regulation should be to achieve a national transportation system that meets the Nation's transportation needs at least cost. To assure that this goal be achieved, it is essential that waterways be used to transport freight that can move by water at a lesser real cost to the Nation than by any other mode of transportation. But present regulation by the Interstate Commerce Commission does not always prevent competing modes from reducing their rates below cost for the purpose of diverting from the waterways traffic that could move at a lesser real cost by that mode. For this reason, the Commission believes that when the Congress imposes user charges on waterways it must also make possible such regulation of rates as may be necessary to insure that each mode of transport is used to the best advantage of the Nation as a whole. Regulation should require that all rates be compensatory, and filed with at least 30 days notice, to preserve rate stability, but otherwise should promote, rather than stifle, competition among various modes.

Better utilization of waterways as elements of a national transportation system

The foregoing leads directly into the third deficiency mentioned which presents a problem that lies somewhat outside the proper sphere of interest of the National Water Commission, since it involves both transportation and water policies. Nevertheless, the Commission believes it has an obligation to recommend that provisions be made at an early date for a vigorous attempt to determine the changes in national transportation policy that will insure that waterways shall be used most effectively and equitably as an important element of the national transportation system. The complex problems involved cannot be solved by simply requiring carriers to pay for the use of the public waterways.

Pending the development of a better solution to this problem than any that has been previously proposed, two courses of action should be pursued: (1) The Congress should seek to assure that the Nation's great investments in waterways shall be used—to the extent that their use is economically justified—by requiring that the rates charged by other modes of public transportation be so regulated that the imposition of user charges would not have the effect of shifting to these other modes any traffic that can move at lesser real cost by water; and (2) the executive branch should take steps to make available a more adequate data base to those who must ultimately find an answer to the difficult and complex problem of bringing into existence the best possible national transportation system.

The Commission recognizes the concerns expressed by knowledgeable witnesses at the hearings on its review report to the effect that inland water carriers could not expect fair treatment if they were placed under the regulatory jurisdiction of the same Federal agency that regulates rail and truck carriers. Simply stated, the water carriers fear that the agency would be pro-railroad or pro-truck. If such fears proved well-founded, the Commission's recommendation that waterways be treated as part of a national transportation system would be frustrated. However, the Commission believes that the Congress by setting up and overseeing the right kind of transportation regulatory agency could provide reasonable assurances that such agency would not favor one form of transportation over another, but allow each to carry that cargo which from the standpoint of the national interest it carries best. If Congress does not create such a body, it cannot establish and enforce a rational national transportation policy.

RECOMMENDATIONS

5–1. Any report proposing a Federal inland waterway project should provide an estimate of the true economic cost and benefit to the Nation of providing the contemplated transportation service, and a comparison thereof with the true economic cost of providing this service by the least-cost alternative means. This should be in addition to the estimate presently required by Section 7 of the Department of Transportation Act of 1966.

5–2. Legislation should be enacted to require non-Federal interests to bear an appropriate share of the cost of Federal inland waterway projects. Such legislation should require: (a) that carriers and pleasure craft using inland waterways be required to pay user charges such that the total collections on all Federal waterways would be sufficient to cover Federal expenditures for operation and maintenance of the entire system; (b) that within the bounds of administrative practicability the user charges should consist of a uniform tax on all fuels used by vessels operating on the inland waterways, plus lockage charges at rates sufficient to repay the cost of operating and maintaining the locks within integral segments of the total waterway system; (c) that charges be imposed gradually over a 10-year period and increased progressively so that by the end of that period they will be sufficient to recover annually the entire cost of operating and maintaining the Federal inland waterway system; and (d) that as a condition for Federal construction of future inland waterway projects responsible federally chartered or non-Federal entities be required to enter into agreements to repay the construction costs, including interest, over a specified period of years unless the Congress determines that a particular waterway will result in national defense benefits sufficient to justify assumption of a part of the cost by the Federal Government.

5–3. Any legislation requiring the payment of waterway user charges should also authorize and direct the Federal transportation regulatory agencies to regulate rates for all competing modes of transportation in such a way as to encourage the use of the waterways for any traffic that could move by that mode at the least economic cost to the Nation.

5–4. The Department of Transportation should broaden and intensify its efforts to improve national transportation policy. It should develop a plan for such administrative and legislative actions as may be required to bring into being an integrated national transportation system in which all modes of transportation, including inland waterways, are utilized in such a way as to reduce to a practical minimum the cost to the Nation of meeting the demands for transportation. To prepare the way for the development of such an integrated and efficient national transportation system, the Department of Transportation should develop and submit to the President and the Congress recommendations designed to provide the data base that will be needed to achieve the objective of this recommendation.

FOOTNOTES

[1] At the time the National Water Commission was created, the Congress was awaiting completion of the studies and report of the U.S. Commission on Marine Science, Engineering, and Resources, created under Public Law 89–454 of the 89th Congress to study the problems and develop new policies for the ocean resources adjacent to the United States. This made it evident to the National Water Commission that the Congress did not intend it to duplicate the work of the Marine Commission and make recommendations as to policies governing ocean shipping, foreign commerce, and maritime problems. Hence, the recommendations in this section are not intended to apply to deep-draft vessels operating on the Great Lakes, on the lower reaches of major rivers used by such vessels, on the entrance channels to deep-draft harbors, or on the oceans. The Commission recognizes that, with the development of new type barges and cargo containers, an increasing amount of cargo will move from inland shallow-draft waters into foreign commerce without being unloaded at coastal harbors and reloaded into oceangoing vessels. In time this change of technology conceivably may require that new national policies be adopted for both inland and ocean shipping. But for the foreseeable future, the Commission believes that the traditional distinction between inland waterway and ocean shipping can be observed, and that as a practical matter the self-supporting policies which it recommends for inland waterway transportation can be implemented even though some cargo which originates at inland ports may move directly into foreign commerce. Should a fuel tax be imposed as suggested by the Commission, it can be allocated between taxable and nontaxable uses and refunded to the taxpayer in the same manner as the tax on gasoline purchased for on-farm-use.

[2] Blood, Dwight M. (1972). Inland Waterway Transport Policy in the U.S., prepared for the National Water Commission. National Technical Information Service, Springfield, Va., Accession No. PB 208 668. pp. II–1 to II–3.

[3] U.S. Army Corps of Engineers (1972). Waterborne Commerce of the United States, Calendar Year 1970, Part 5, National Summaries. U.S. Army Engineer District, New Orleans, La. And U.S. Army Corps of Engineers (1951). Annual Report of the Chief of Engineers, Volume I. U.S. Government Printing Office, Washington, D.C.

[4] Not converted to present dollars. Information furnished by Corps of Engineers.

[5] Blood, Dwight M. (1972). Inland Waterway Transport Policy in the U.S., prepared for the National Water Commission. National Technical Information Service, Springfield, Va., Accession No. PB 208 668. pp. II–10, II–13.

[6] Except on the Gulf Intracoastal Waterway where they are pulled.

[7] American Waterways Operators (1973). Statement of Braxton Carr, President, at Washington Conference, National Water Commission, February 9, 1973.

[8] U.S. Congress, Senate Committee on Public Works (1955). Hearings on Flood Control, Rivers and Harbors, and Miscellaneous Projects, S. 414, S. 524, and S. 1069, 84th Congress, 1st Session. Statement of Lt. Gen. Samuel D. Sturgis, Chief of Engineers, April 18, 1955, p. 31.

[9] The State of New York is seeking Federal participation in the operation, maintenance, rehabilitation, and improvement of the State Barge Canal. It is also considering legislation to impose user changes on the carriers using this waterway.

[10] Information on potential waterways furnished by U.S. Army Corps of Engineers.

[11] Blood, Dwight M (1972). Inland Waterway Transport Policy in the U.S., prepared for the National Water Commission. National Technical Information Service, Springfield, Va., Accession No. PB 208 668.

[12] U.S. Department of Commerce (March 1960). Federal Transportation Policy and Programs. U.S. Government Printing Office, Washington, D.C.

[13] P.L. 89–670, October 15, 1966, Sec. 7, 80 Stat. 931, 942, 49 USCA 1656.

[14] Presidents Kennedy, Johnson, and Nixon have supported fuel tax legislation, but the Congress has not seen fit to enact such legislation.

[15] Perhaps a State, or an interstate compact commission, where more than one State should contribute.

[16] Patterned after the St. Lawrence Seaway Development Corporation, perhaps, or similar to the Delaware River Basin Commission or a federally chartered regional corporation as discussed in Chapter 11 of this report.

[17] Data provided by the U.S. Army Corps of Engineers. The amount shown does not include the cost of operating and maintaining those lower reaches of major rivers that are used by deep-draft vessels. The annual operation and maintenance costs for these deep-draft sections averaged about $13.5 million for the 5-year period 1968–1972.

[18] Information furnished the Commission by Professor Marvin Barloon of Case Western Reserve University suggests that from 15 to 20 percent of the marine fuel consumption in the Mississippi River and tributaries and Gulf coastal waterways might be for pleasure boat operation. (Letter dated February 21, 1973, to Commissioner James R. Ellis.)

THE "1909 ACT"

SEC. 6. That section four of the river and harbor Act approved July fifth, eighteen hundred and eighty-four, be, and is hereby, amended and reenacted so as to read as follows:

"SEC. 4. That no tolls or operating charges whatever shall be levied upon or collected from any vessel, dredge, or other water craft for passing through any lock, canal, canalized river, or other work for the use and benefit of navigation, now belonging to the United States or that may be hereafter acquired or constructed; and for the purpose of preserving and continuing the use and navigation of said canals and other public works without interruption, the Secretary of War, upon the recommendation of the Chief of Engineers, United States Army, is hereby authorized to draw his warrant or requisition, from time to time, upon the Secretary of the Treasury to pay the actual expenses of operating, maintaining, and keeping said works in repair, which warrants or requisitions shall be paid by the Secretary of the Treasury out of any money in the Treasury not otherwise appropriated: *Provided,* That whenever, in the judgment of the Secretary of War, the condition of any of the aforesaid works is such that its entire reconstruction is absolutely essential to its efficient and economical maintenance and operation as herein provided for, the reconstruction thereof may include such modifications in plan and location as may be necessary to provide adequate facilities for existing navigation: *Provided further,* That the modifications are necessary to make the reconstructed work conform to similar works previously authorized by Congress and forming a part of the same improvement, and that such modifications shall be considered and approved by the Board of Engineers for Rivers and Harbors and be recommended by the Chief of Engineers before the work of reconstruction is commenced: *Provided further, also,* That an itemized statement of said expenses shall accompany the annual report of the Chief of Engineers: *And provided further,* That nothing herein contained shall be held to apply to the Panama Canal."

At this point Mr. GOLDWATER assumed the chair.

Mr. STENNIS. Mr. President, as I understand there is no pending amendment or motion before the Senate now on this lock and dam No. 26. There is language on that subject on page 27 of the bill, which is the committee amendment, and these remarks here do make a history and make a record of the thought of the different Members.

Now, Mr. President, I shall be brief, speaking for the chairman of the Subcommittee on Appropriations on Public Works.

Historically, Mr. President, the renewal of a lock and dam, as well as the upkeep, the renewal or replacement modernization, you might say, have been considered since 1909 as a natural consequence of the original authorization, and although appropriation bills are made from year to year on these different items and are made on a line item basis and specifically identified, for renewals of the locks and dams, it has never been considered necessary to express additional authorization for that particular item. This has been the longstanding precedent and procedure.

These matters, though, do annually come before Congress for the appropriation and, in fact, here just a few months ago, less than a year ago, we appropriated $22 million for this specific item, the construction of the new locks and dam No. 26 on the Mississippi River in the area of St. Louis, and that money was being spent, of course, until the court ruled—here in Washington, D.C., as I understand it, ruled—that there was no authority for the replacement and modification of locks and dam No. 26 and the expenditure of the money.

Now, to bring this matter into focus and also as an expression of the subcommittee and the committee position with reference thereto, we put in this provision here on page 27 of the bill relating to locks and dam No. 26. The key language of this clause is:

> . . . the consent and approval of Congress for the construction of said Locks and Dam 26 by the Secretary of the Army having been granted thereby is hereby reaffirmed:

But we put in the proviso in there in response to some of the concerns, clearly reading as follows:

> Provided, That nothing contained herein shall be construed as authorizing a twelve-foot channel above Locks and Dam 26.

That again is carrying out the pattern of operation here that has prevailed on these matters since the act was passed in 1909, and with the numerous replacements that have been made since then and are being made today.

So I submit, Mr. President, just to say that we are proceeding here and acting without authority of law and without congressional consent, charges of that kind fall flat here when we look at the actual record as to what has been done and what the pattern of operations still is.

As late as the fiscal 1975 appropriation bill, it carries with it $22 million for this very identical item, and carries it as a separate, identifiable item, that is, it is spelled out just like all other public works projects in the accompanying report.

This is a matter that may well be discussed. I think it is farfetched that the court could conclude on the facts before it strong enough to prohibit by injunction the proceeding with this important installation, which is described by the Senator from Missouri as being the most important lock and dam on the entire Mississippi River and tributary system so far as commerce volume is concerned.

So, perhaps, this history here will be worth something to that court if it does reconsider—this was a temporary injunction, as I recall—its ruling.

Certainly it is clear and without exception as to what Congress has done, how it has interpreted its authority, and how it has decided, Mr. President. Congress is capable of making a decision and has a place in these things as much as the court, and I speak with deference to the judicial branch of our Government, but there is this unbroken line of authority over and over again not only as to this project but as to many, many, many more, and in an area that carries a large part of the volume of the water transportation of this country.

So we will have this matter in conference on the bill. We have this language in here reiterating that the money previously appropriated and spent was legally appropriated and spent, and so forth, and that will be in conference. If the members of the conference from the other body wish to object to it, they will have a chance.

Also, in conversation with the distinguished Representative from Tennessee, Mr. EVINS, who is chairman of the subcommittee on the House side, we have agreed that we would bring into the discussion at least, whether actually in the conference, the Representative from Alabama who is chairman of the Public Works Committee in the House, get his views and his thoughts and feelings on this matter.

So this is purely a congressional matter and has been decided over the years without any voice of disapproval, so far as I have known or heard of. That is the way we seem to be agreeing on it today, largely, not altogether unanimously, but by a large part of the manifestation of the interest.

Those are the facts and those are the rulings, so to speak, of the Congress.

I see the Senator from North Dakota here in the Chamber, and he is certainly an authority on this matter, has great interest in it, lives within the tributaries to be served by this structure, and I am glad to yield the floor to him.

Mr. YOUNG. I would like to say, if it was not for navigation and improvements in navigation, especially those sponsored by the late Senator Ellender year after year in the public works appropriation bill, we would be in a chaotic situation today with respect to transportation.

I have been on the Appropriations Committee for more than 25 years, and we have had money for improvement of

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locks and dams almost every year, sometimes two or three or more.

We have made these improvements and replacements before without requiring a special authorization. The Senator from Mississippi has stated the Committee's case with his usual thoroughness, and I support what he has said.

Mr. **SYMINGTON**. Will the Senator yield?

Mr. **STENNIS**. Yes, I will yield the floor if the Senator wishes.

Mr. **SYMINGTON**. Mr. President, I wish to respectfully commend the distinguished chairman of the committee and assure him it would have been more proper if he had spoken first on a matter he understands far better than I do.

I was in committee late this morning and I heard this matter was going to come before the floor, I did not know at that time what the situation was. I respectfully commend the Senator for his outstanding statement on this matter.

I would hope Judge Richey, or whoever the judge is that becomes involved in this authorization procedure, will remember when he considers it that the distinguished Senator from Mississippi is not only a great Senator, but also is considered a great judge in matters of this character.

I thank the Senator.

Mr. **STENNIS**. Well, I thank the Senator for his words. The Senator did not have to explain, though, his position in proceeding. I thought I nodded to the Senator by telegraphic way here for him to go ahead of me.

Mr. President, unless there are other questions, I am glad to yield the floor.

Mr. **STAFFORD**. Mr. President, I would like to ask a question of the distinguished Senator from Washington, if I may, in connection with the pending supplemental appropriation.

My question to the distinguished Senator has to do with the winterization program, so-called, and the language in the committee report on page 51, which says:

> The intent of the Committee is that this appropriation be used for winterization and financial relief of the poor and near poor, not for expansion of administrative machinery.

Then the act itself provides in section 5(a) of Public Law 93–644:

> Providing legal or technical assistance or otherwise representing the interests of the poor in efforts relating to the energy crisis,

and so on.

My question is this in connection with the winterization program for the poor in the second supplemental appropriation: Is it correct to assume that the $19 million recommended by the committee can be used for all or any of the functions set forth in the Emergency Energy Conservation Services section of the Community Services Act?

Mr. **MAGNUSON**. The Senator from Vermont is correct.

Mr. **STAFFORD**. I have one more question for the distinguished Senator from Washington. Does the Community Services Administration have the authority to continue to be flexible in the use of funds for Emergency Energy Conservation Services to support all activities specified in the enabling legislation?

Mr. **MAGNUSON**. The Senator is also correct.

Mr. **STAFFORD**. I thank the distinguished Senator very much for his responses.

I yield the floor.

Mr. **BROOKE**. Mr. President, a few moments ago on this floor there took place a colloquy on the uses of $19 million provided by our Committee for Emergency Energy Conservation Services.

The purport of the discussion apparently was to establish the "flexibility" of the funds in relation to the purposes in the Community Services Administration Act. I regret that I was not present on the floor at the time of this colloquy, for if I had been I would promptly have cited the language of our committee report which earmarks funds for a specific purpose.

Let me quote from the committee report:

> The Committee has included $19 million for Emergency Energy Conservation Services, an increase of $10 million over the House allowance. The budget request did not contain any funds to begin implementation of this program. The Senate had originally included $10 million for the energy program in the 1975 Emergency Employment Appropriations Act supplemental, which was dropped in conference with the understanding that the funding would be considered in this bill.
>
> The Emergency Energy Conservation Services program is designed to aid low-income families reduce their energy consumption and lessen the impact of the ever increasing cost of energy. The Committee believes this program will provide an important step forward in attempts to conserve energy resources. In addition to winterization, the funds provided in this bill will be used for short-term assistance, including loans and grants to eligible individuals, to help them avoid utility cut-offs in instances where they temporarily cannot pay utility bills.

Thus, it should be clear that the $10 million added on to the House allowance of $9 million was to establish the program to help the poor pay their utility bills and avoid the shutoff of service.

This is the intent of our committee.

Mr. **NELSON**. Mr. President, no one quarrels with the assertion that Lock and Dam 26 is an important navigational facility. If it were not for Lock and Dam 26, nothing could get up the Mississippi River to my State or to Minnesota.

However, the issue is, has this proposal been specifically authorized by the Congress?

Of course, it is a debatable point or we would not be here debating it, but Judge Richey has held that it is not authorized.

In fact, I am advised secondhand by authority that I consider reputable that Maj. Gen. J. W. Morris, Chief of the Civil Works, Department of the Army Corps of Engineers, agrees with the interpretation of Judge Richey.

I gathered this secondhand from a source I consider reputable. It may be checked to determine whether or not that is an accurate report. If it is not correct, I will correct the RECORD.

Let us read the plain language of the statute, it is not very difficult and it is not equivocal. Headnote 1 in the decision by the court, which I have asked to have printed in full in the RECORD, reads:

> Corps of Engineers may replace a lock and dam or similar structure which has become ineffective or damaged without congressional approval but may not—

I emphasize "may not"—

> rebuild a structure merely to meet expected future increases in traffic without such approval.

No language could be clearer and simpler and subject to less opportunity for misinterpretation than that.

In headnote 2, what is the standard?

> Standard for determining if proposed project is a reconstruction of a lock and dam or similar structure, in which case no specific congressional approval is necessary, or whether the proposed activity is a rebuilding, for which congressional approval would be needed, is whether the proposed structure represents a material change in the character and capacity of the existing structure.

Nobody can argue that going from 46.2 million ton capacity to 190 million ton capacity is not a material change. It is more than two times the size of the present structure. It is not the same structure at all and clearly is not authorized by the law itself. There can hardly be any argument about that.

Mr. President, I ask unanimous consent that all of section C of the opinion which is on page 619 and concludes on page 620 be printed in full in the RECORD at the conclusion of my remarks.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

(See exhibit 1.)

Mr. **NELSON**. In the opinion, section C is:

> C. THE PROPOSED LOCKS AND DAM 26 HAS NOT BEEN AUTHORIZED BY CONGRESS EVEN THOUGH CONGRESS HAS APPROPRIATED FUNDS FOR THE PROJECT
>
> As this Court has found that the Defendants cannot rely on 33 U.S.C. § 5, the issue remains whether Congress has approved the proposed rebuilding of Locks and Dam 26.
>
> The Defendants argue that because Congress has appropriated funds for the project, it has therefore given its consent. The Defendants, however, in the hearings before Congress and in all of their public documents, including the EIS, have continually asserted that this is a Section 5 project which does not need specific congressional authorization. What in essence the Defendants now argue is that Congress ignored these assertions and authorized the project under Section 401. Such a contention is not only unpalatable, but is also erroneous as a matter of law. While some legislators did question under which statute the Defendants were proceeding, they had a right to rely on the Defendants representations that this was a Section 5 project.

Of course there is a debate. We hear it on the floor of the Senate. But I think the law is clearly on the side of the judge, given the size and dimension of the proposed change here; given the fact that if you go to a 190-million-ton lock it will make obsolete every single lock all the way up the rest of the Mississippi because none of those locks will have that capacity. It is the responsibility of the Public Works Committee to conduct the hearing, bring the matter before the Congress, and get a specific authorization for whatever proposal it is that is recommended in that authorization. Certainly, we should not be allowing the Corps of Engineers to dramatically expand projects any time they want to.

There is a corps project in my State that started out in 1962 as a proposal for a flood control project, for an 800-acre lake and a dam 71 feet high. Over the years it has grown to an 1,800-acre lake and a dam 103 feet high.

At what stage do we require the Corps of Engineers to be responsible to specific authorizations of the Congress? If they can get away with this, we might as well delegate the authority for them to build any project they please and we will pay for it after the fact.

This is the responsibility of the Congress and this project goes far beyond that authorization of almost 70 years ago.

EXHIBIT 1

C. THE PROPOSED LOCKS AND DAM 26 HAS NOT BEEN AUTHORIZED BY CONGRESSS EVEN THOUGH CONGRESS HAS APPROPRIATED FUNDS FOR THE PROJECT

As this Court has found that the Defendants cannot rely on 33 U.S.C. § 5, the issue remains whether Congress has approved the proposed rebuilding of Locks and Dam 26.

The Defendants argue that because Congress has appropriated funds for the project, it has therefore given its consent. The Defendants, however, in the hearings before Congress and in all of their public documents, including the EIS, have continually asserted that this is a Section 5 project which does not need specific congressional authorization.[28] What in essence the Defendants now argue is that Congress ignored these assertions and authorized the project under Section 401. Such a contention is not only unpalatable, but is also erroneous as a matter of law. While some legislators did question under which statute the Defendants were proceeding,[29] they had a right to rely on the Defendants representations that this was a Section 5 project. For, legislators voting for appropriations have the right to assume that the agency had been following and will follow the law. *See,* E. D. F. v. Froehlke, 473 F.2d 346, 355 (8th Cir. 1972).

[4] This Court cannot agree that the mere appropriation of funds meets the statutory requirement for Congressional consent under Section 401.[30] It is a general principle Congress cannot and does not legislate through the appropriation process. This principle has been codified in Rule XXI of the Manual of the House of Representatives, which provides in pertinent part:

> 2. No appropriation shall be reported in any general appropriation bill, or be in order as an amendment thereto, for any expenditure not previously authorized by law, unless on continuation of appropriations for such public works or projects as are already in progress.

Thus, an authorization bill would be necessary at the least for Congressional consent under Section 401. And, Locks and Dam 26 would not come under the exception since it is not a project already in progress. On this point, House Rule § 836 must also be considered:

> Previous enactment of items of appropriation unauthorized by law does not justify similar appropriations in subsequent bills unless if through appropriations previously made a function of the government has been established which would bring it into the category of continuation of works in progress.

Furthermore, the fact that no point of order was raised to the recent appropriation is not indicative of authorization, nor on the basis of § 836 can the previous appropriations provide such an indication. Therefore, this Court concludes that the proposed Locks and Dam 26 does not have the "consent" of Congress under 33 U.S.C. § 401.[31]

Mr. **STENNIS**. Mr. President, I shall not take any further time.

I ask unanimous consent to have printed in the RECORD at this point a letter from Maj. Gen. J. W. Morris, Director of Civil Works, Department of the Army, on this point, in which he states that he is confident that the Congress has provided in special authorizing legislation or in associated appropriation legislation sufficient authority for the Secretary of the Army.

I also ask unanimous consent to include in the RECORD at this point a letter on the same subject from the Honorable Howard H. Callaway, Secretary of the Army.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE ARMY,
Washington, D.C., December 11, 1974.

Hon. JOHN L. MCCLELLAN,
Chairman, Committee on Appropriations,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: I have inclosed for your information a brief fact sheet on recent court actions which have precluded initiation of construction of Locks and Dam 26 on the Mississippi River near Alton, Illinois. I am confident that the Congress of the United States has provided in special authorizing legislation, or in associated appropriations legislation, sufficient authority for the Secretary of the Army, through the Chief of Engineers, to replace this project and other locks and dams in similar condition. Even so, a delay of several years most probably will occur until the courts have finally decided that such is the case for Locks and Dam 26. The effects of this extended delay on the efficiencies of our water transportation system, and to some extent on the economy of the Nation, can only be adverse and, therefore, I felt they warranted being brought to your attention.

Sincerely,

J. W. MORRIS,
Major General, USA,
Director of Civil Works.

FACT SHEET

Subject: Locks and Dam 26.

1. This Information Brief provides background information on recent court actions related to Lock and Dam 26 and also outlines the impact of this court action on the related navigation transportation system.

2. Section V, 35 Stat. 818, 3 March 1909, commonly called the 1909 Act, gave the Secretary of Army authority to replace navigation locks and dams as may be necessary to provide adequate facilities providing such reconstruction conforms to similar works previously authorized by the Congress. Since the enactment of this legislation, the Secretary of Army has utilized this authority to rehabilitate or replace 16 locks and dams and an additional 8 are being replaced presently. These 24 projects have been done with the knowledge of the Congress and with specific appropriations totaling $1.7 billion. In addition, there are 4 locks and dams under design and 11 others being studied.

3. Among the 4 locks and dams under design is Lock and Dam 26, located just north of St. Louis, Illinois, and presently consists of a 600'x110' lock and a 350'x110' lock. This lock and dam was constructed in 1938. It is still operating but requires extensive maintenance and is the most significant bottleneck for transportation in the Mississippi system. During summer operation it is not unusual for tows to wait over 3 hours for their turn into and through the locks. The present traffic of approximately 50 million tons per year will increase to 70 million tons by 1980 and 100 million tons 20 years thereafter. For these reasons the Secretary of Army approved on 14 June 1969, the replacement of Lock and Dam 26 under the 1909 Act and within two days had advised the Public Works and Appropriations Committees Chairman in both the House and Senate, of his action. Subsequently funds were appropriated in FY 1970 through 1973 for advance engineering and design. The funds initiated for construction were included in the Appropriations Bill for FY 1974 and FY 1975 Appropriations Bill included $22 million.

4. On 6 August 1974, the Atchison, Topeka and Santa Fe Railway in conjunction with the Izaak Walton League, asked Judge Charles R. Richey, District Court for the District of Columbia, to enjoin the Corps of Engineers from awarding the construction contract. On 5 September, Judge Richey granted a preliminary injunction based upon his finding that:

a. The proposed Lock and Dam 26 may not be built under USC 5 without further authorization from the Congress.

b. The Corps of Engineers' environmental impact statement had not complied with NEPA, primarily because we had not considered the impact on the entire navigation system in building Lock and Dam 26.

5. Based upon the repeated advice by letter and during the annual Appropriations Hearings of the Congress, and the periodic appropriations which have been signed into law, there seems to be little question that the Secretary of Army has acted within his authority and ultimately should be successful in having the injunction removed. At the same time this is going to be a timely process since trial to relieve the temporary injunction cannot be held until next spring at the earliest. In the meantime work on Lock and Dam 26 has been deferred. The effects of the delay will aggravate the inefficiency of the present navigation system at the Lock and Dam 26 site, will increase the cost of the project in the long term, and will incur continuing and rising maintenance investments for a structure that is overworked and now 40 years old.

6. Besides Lock and Dam 26, there are necessary improvements on the Gulf Intracoastal Canal Association (Vermilion Lock

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[28] *See,* Statements of Colonel Hall before the Senate Subcommittee of the Committee on Appropriations, October 13, 1969, p. 6803; EIS at 2; GDM at 1–1.

[29] *See* Statement of Senator Allen J. Ellender, Chairman, Subcommittee of the Committee on Appropriations, October 13, 1969, at 6802–3.

[30] The Defendants' reliance on Orlando v. Laird, 443 F.2d .1039 (2d Cir. 1971) is misplaced. Although the Second Circuit did reject the appellant's contention that "congressional authorization (for the Viet Nam war) cannot, as a matter of law, be inferred from military appropriations," it held that the menner by which Congress declared was a political question. Id. at 1043. Moreover, this Court can find no support for the Defendants' position that appropriations are sufficient authorization in this matter in the *Laird* opinion.

[31] This Court is also of the opinion that 42 U.S.C. § 1962d–5 may not have been complied with in this matter. That Section requires that *any* water resource development project over ten (10) million dollars (first cost) be approved by resolutions of the Committees of the House and Senate on Public Works. The parties have not shown that such resolutions were or were not passed. However, since this Court has found that Section 401 has not been complied with, a determination of this issue is not necessary for a decision on the motion for a preliminary injunction.

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and Dam) and on the Ohio River system (Gallipolis Lock and Dam) which are in a status of uncertainty and also are being delayed pending resolution of the Lock and Dam 26 issue.

DEPARTMENT OF THE ARMY,
Washington, D.C., January 23, 1975.
Hon. JOHN L. MCCLELLAN,
Chairman, Committee on Appropriations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This letter concerns recent developments related to the replacement of Locks and Dam 26, Mississippi River Navigation Project. Background information on this matter was submitted earlier in a fact sheet transmitted on 11 December 1974 by letter from Major General J. W. Morris, Director of Civil Works.

In a hearing before Judge Richey on 19 December, the Justice Department requested that the scheduled 3 March 1975 trial of the case be postponed until after the Corps of Engineers had completed its revision of the Environmental Impact Statement (EIS) for the project. The Judge inquired several times as to whether the Corps of Engineers intended to seek further legislative approval from the Congress before proceeding with the project. The Department of Justice representative responded that the Corps of Engineers believed that it had acted properly under the authority granted, and did not believe further legislative authority was needed from the Congress. Thereafter, Judge Richey clearly indicated that in his view the "law of the case" was that Section 6 of the 1909 Act could not serve as the authority for the construction of the new Locks and Dam 26. This is consistent with Judge Richey's earlier statement in his opinion of 6 September 1974 that the "project will be delayed only until the defendants obtain the consent of the Congress and cure the defects in the EIS."

I have always intended to act clearly within the authority granted by the Congress and believe I have done so in this case. In view of the opinion of Judge Richey and the prospect of a lengthy trial, however, I now believe that my best course of action will be to seek from the Congress a reaffirmation or clarification of the authority of the Secretary of the Army prior to proceeding with the construction of Locks and Dam 26. We will advise Judge Richey of this procedure and request of him a deferral of the litigation pending Congressional action.

The Chief of Engineers is presently updating his economic analysis and report on the Locks and Dam 26 so as to comply with the instructions from Judge Richy relative to the EIS. This effort is expected to be completed in approximately nine months. At that time I will submit a revised report to the Public Works Committees of the Congress for their consideration and appropriate action unless the matter of authority has been resolved at an earlier date.

Sincerely,

HOWARD H. CALLAWAY,
Secretary of the Army.

Mr. **STAFFORD**. Mr. President, I wish to express my strong support for the provision in H.R. 5899 that appropriates $350,000 to the U.S. Fish and Wildlife Service to initiate an environmental study of Lake Champlain.

This examination of varying lake levels would be undertaken in coordination with the Canadian Government, through the International Joint Commission (IJC).

Appropriation of money to initiate the study now is necessary to assure the continued cooperation of the Canadian Government in this environmental review.

Let me outline the history. The question developed from a 1937 decision by the IJC, the body used by our two governments to resolve frontier questions. The IJC approved projects in Canada that would regulate the flow of the Richelieu River, which drains Lake Champlain into the St. Lawrence River. These projects were designed to lower Lake Champlain, and thus to lessen seasonal flooding along the Richelieu. A dam was completed in 1939. But other necessary work to regulate and lower Champlain's waters was never completed.

Beset with flooding in the Richelieu Valley, the Canadians recently revived this dormant concept. In 1973, the IJC asked its Engineering Board to study the desirability of regulating the river's flow.

Following careful review, the Engineering Board last fall said a full environmental study was necessary to precede any true evaluation of work on the Richelieu. Following public hearings and discussion, the six-member IJC supported the need for the study.

In a letter, the Commission's Secretary told Secretary of State Kissinger:

> The Commission has concluded that reliable information on the environmental impact and economic net benefits is lacking . . . The Commission wishes to point out that a commitment by the two governments to ensure prompt and adequate funding of the essential studies is an integral part of the action needed.

I would note that the benefits of regulation lie in Canada; the perils of regulation lie in the United States. I want to commend the Canadian representatives and Government for their constructive approach throughout these discussions. This cooperative spirit is good news to the people of the Champlain Valley.

Our Canadian neighbors could have been recalcitrant. They could have gone ahead with construction. But they did not. They recognized that a problem existed, and they have sought to work with us to resolve both their flooding problem and our environmental concerns.

We can do no less in return. We must act with dispatch to complete the environmental study as quickly as possible. This $350,000 appropriation would provide that impetus. We must not allow the call for study to appear to be a ruse for delay.

The executive branch has moved to meet this concern. At the suggestion of the State Department, the U.S. Fish and Wildlife Service has assumed leadership on the study. And the Department of the Interior reprogramed $25,000 to Fish and Wildlife to initiate planning on the study. But a serious need exists now for $350,000 to pay for a careful topographical mapping of the perimeter of Lake Champlain, in 1-foot intervals. Such a precise topographic study will provide scientists with the information they need to identify the effect of any reduction in lake levels on the lake's diversified and productive wetlands. These 30,000 acres of existing wetlands are critical to the lake's productivity and environment. If a significant portion of them were drained, what impact would occur?

Mapping is a necessary preface to the answer. It must precede substantive studies on vegetative cover and fauna. If the mapping money is delayed until the 1976 fiscal year budget, mapping could not begin until the spring of 1976 or later. This might delay the whole study cycle by a full year or more, pushing the completion of the full study into 1978, at the earliest. If we can obtain this mapping money now, I am hopeful that we may be ready to move into the full scientific studies by next spring.

Our Canadian neighbors have acted with fairness. We can do no less.

Mr. President, I want to urge adoption of this money, and to say a word of thanks to the distinguished chairman of the Appropriations Subcommittee on Interior (Mr. ROBERT C. BYRD) and the distinguished ranking member (Mr. STEVENS) for their attention to this matter. And I want to thank my distinguished colleagues (Mr. LEAHY) and the two distinguished Senators from New York (Mr. JAVITS and Mr. BUCKLEY) for their interest and leadership in bringing attention to this study.

Also, I would add a word of commendation to Members of the House, Mr. JEFFORDS, Mr. MCEWEN and Mr. HANLEY, for their interest and assistance.

Mr. **HUMPHREY**. Mr. President, I wish to rise in support of the agricultural funding as provided in the Second Supplemental Appropriations bill for 1975.

And may I say that once again, the Subcommittee on Agricultural and Related Appropriations, under the distinguished leadership of Senator MCGEE, has performed an outstanding job in responding to the requirements before us.

These funding requests are solidly based and should be approved without delay.

The child nutrition funding is needed to cover unanticipated expansion and increased reimbursement rates for these programs as provided by law which include feeding for needy children and summer feeding programs.

It is my understanding that the distinguished chairman of the House Appropriations Committee, the Honorable GEORGE MAHON, is prepared to accept this amendment regarding funding for the summer feeding program.

The earlier refusal of the other body to accept section 32 funding of the 1975 summer feeding program, as provided in S. 1310, raises basic issues regarding the use of section 32 authority which concerns me greatly. The way that this section is now being interpreted by the Budget and Appropriations Committees is inconsistent with the original intent of the 1935 law, in my judgment.

The use of section 32 funding to help finance domestic feeding programs, should not, in my judgment, be considered as so-called back-door funding. Section 32 of the 1935 act was explicitly designed to remove agricultural commodities in surplus for donation to domestic feeding programs.

Recent action, by the Budget and

Agriculture Committees suggests that they have taken it upon themselves to negate the purpose of this act—which, in my judgment, is beyond their power. Section 32 funding of domestic feeding programs was not included under the Budget and Impoundment Control Act as a back-door fiscal program.

The food stamp and special milk programs are entitlement actvities and the funding increases in this bill are required in fulfilling the law. Enrollment in the food stamp program has now gone over 19 million and may reach 21 or 22 million.

The $105 million for the Forest Service is the usual catch-up funding for forest firefighting. There is no difference with the House over the amount needed.

It also is urgent that approval be given of the full $100 million for insured farm operating loans. Some States are without funds for this program.

Mr. President, most of the amounts in this bill have either been mandated by law or have been received from the Department of Agriculture since the House acted. The record should be made clear that these funds are urgently needed and should be approved without delay.

Mr. President, I ask unanimous consent to have printed in the RECORD a table showing increases in the second supplemental appropriations bill recommended by the Senate over the House figure with respect to agriculture.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

20 SUPPLEMENTAL APPROPRIATIONS BILL, 1975 (AGRICULTURE)

[In dollars]

	House amount	Increase: Over House	Increase: Senate recommended amount
School feeding program	24,623,000	100,233,000	124,856,000
Special food (summer feeding)		52,000,000	52,000,000
Food stamp program		884,815,000	884,815,000
Special milk program		5,000,000	5,000,000
Total	24,623,000	1,042,048,000	1,066,671,000
Forest Service	105,000,000		105,000,000
Agricultural Credit Insurance (insured loans)		100,000,000	100,000,000

Mr. **BUCKLEY**. Mr. President, I wish to state my support for the provision in H.R. 5899 that appropriates $350,000 to the Fish and Wildlife Service. This is money to initiate an environmental study of changing water levels in Lake Champlain. The distinguished senior Senator from Vermont (Mr. STAFFORD) has explained in detail the need for this supplemental appropriations. We need it to demonstrate our concern with the flooding problems in Canada, and we must show our willingness to act to resolve the questions relating to Lake Champlain levels. Any eventual action by Canada may have the impact of lowering the lake's average level by about 18 to 24 inches. While that may not sound as if it is very much, it could have a drastic effect on the character and size of the wetland areas adjacent to the lake. To what effect? What vegetative changes would occur? What would be the effect on migratory waterfowl use? I want to quote from the March 1975 interim report by the International Joint Commission (IJC). This report analyzed the need for a lake-level study:

> It is reasonable to assume that the shallows of the Lake, and in particular the adjoining wetlands, hold the secret of the Lake's diversity and success. Lake Champlain wetlands have remained essentially intact because of limited residental and industrial development. . . . There is also an increasing belief that marshes may play an important role in maintaining water quality of the Lake and its estuaries.
>
> The Commission concludes that a study to determine environmental benefits and costs is necessary before it can develop the most practicable method of regulation, "the joint environmental studies should be initiated as quickly as possible. . . The Commission concluded that it is essential that both Governments provide the requisite initial funding as quickly as possible in order to assure the earliest undertaking and completion of the necessary studies.

Mr. President, I urge the approval of this money so that the study can go forward.

I want to express a word of commendation to the subcommittee's chairman (Mr. ROBERT C. BYRD) and its ranking Republican (Mr. STEVENS) for their interest in assuring that this provision was retained in the bill. And I want to say a word to the distinguished Member of the House, Mr. MCEWEN, for his effective leadership in bring this provision to the attention of the House and having it included in the House bill.

Mr. **MAGNUSON**. Mr. President, I would like to say a few words about chapter VI of the supplemental bill—the Labor-HEW portion.

The bill includes $8.5 billion, an increase of $360 million over the budget and $220 million over the House amount. The two largest items in the bill are an all-too-familiar product of our faltering economy: $5 billion to meet unemployment payments in the States through fiscal year 1976; and $1.7 billion required to meet increasing welfare and medicaid needs in the States. To get an idea of just how serious the situation is, the welfare estimate drawn up last year was understated by more than $1 billion; the estimate we got in February—just 3 months ago—was off by $360 million. Obviously, the costs of a faltering economy go far beyond paying out welfare and unemployment checks.

Other major items in the bill include:

For Headstart and native American programs, $484 million, an increase of $22 million over the House bill. Headstart serves about 334,000 youngsters, of which about 35,000 are handicapped. The increase recommended will help cover the rising cost of living as well as the additional cost of enrolling a handicapped child.

For the new Community Services Administration, $500 million, an increase of $45 million over the House. This is the unit that runs about 880 urban and rural community action agencies around the country, serving about 21 million poor people. It also operates senior citizens' centers to help out 800,000 older Americans. In addition, the committee put back in $30 million for the emergency food program. This program has been working well in serving the needy; yet the budget tries to wipe it out every year.

Included to continue the emergency school aid program at last year's level. $236 million—no more, no less. About half the Senate's Members wrote us in favor of this level.

Provided for health resources, the bulk of which is to implement the new Health Planning and Resources Act, $126 million. This will provide the seed money for the new health systems agencies that are supposed to coordinate health care in the United States. In addition, the bill includes $50 million to allow the regional medical programs to make an orderly transition. Also included is $29 million for the District of Columbia medical facilities.

Other programs provided for in this bill include: $184 million for social security; $83 million to pay student loan default claims; and $15 million to maintain the veterans' cost-of-education program.

It would be a rare occasion if we didn't have at least one controversial item in connection with Labor-HEW programs. This time it's House bill language prohibiting the payment of unemployment benefits during the summer to teachers who have a contract. I can assure you we struggled with this one for some time—but the committee decided to agree with the House. However, we added technical language suggested by the Secretary of Labor so that no funds from this appropriation, nor any other appropriation, could be used to pay these benefits.

The Senate also added bill language to the Public Assistance account which prohibits HEW from deducting Federal, State, and locally contributed seed-money from any mental health center's reimbursement under social services. HEW's current policy is a disincentive to centers when it comes to treating the needy. It also penalizes centers when they try to collect for services rendered. The committee's language would help the centers become self-sustaining and less reliant on Federal grants.

Everyone here knows my feelings about these supplemental bills. This is the sixth one we have worked on this fiscal year. I certainly hope this new budget reform system will improve on this problem instead of encouraging a constant flow of supplementals up Pennsylvania Avenue. Hopefully, this will be our last supplemental this year, and we can now turn our attention to getting out the Education and regular Labor-HEW bill for fiscal year 1976.

I ask unanimous consent that the following table be inserted in the RECORD.

There being no objection, the table

was ordered to be printed in the Record, as follows:

Current status of Labor-HEW chapter of the second supplemental

(H.R. 5899)

Budget Estimates	$8,104,569,000
House Bill	8,245,067,000
Senate Committee Recommendation	8,465,412,000
Compared with:	
Budget estimates	+360,843,000
House bill	+220,345,000
Major Changes over the Budget:	
Emergency school aid	+161,493,000
Regional Medical Programs	+38,000,000
Head Start	+37,700,000
Emergency food and medical services	+30,000,000
Energy conservation services	+19,000,000
Veterans's cost-of-education	+15,000,000
D.C. medical facilities	+29,575,000
Community service programs	+30,200,000

Mr. BROOKE. Mr. President, I believe the chairman (Mr. Magnuson) has adequately covered the work of our Labor-HEW Subcommittee on the second supplemental and I shall not try to duplicate what he has said.

I would like to address myself to a few aspects of our Labor-HEW chapter of the bill, chapter VI, which are of particular concern to me.

One is the funding for the emergency school aid program which is designed to assist local school districts deal with problems relating to school desegregation.

The administration asked only $75 million for this program which operates on a forward-funded basis. This means that the money we appropriate now will be for use in the upcoming school year.

There is, at best, limited support for the administration proposal in the House and the Senate. Indeed the House increased the administration request by $50 million to $125 million with instructions to carry out the program according to the law, which provides for formula grants to the States.

This is a good start, but it is clear to our committee and to many Members of the Senate that still more is required.

The process of school desegregation is not finished. The Federal courts are considering a number of desegregation orders and only recently Judge Pratt of the Federal district ordered HEW to examine some 170 school districts to determine whether compliance problems exist and further desegregation is required.

As school districts come under court orders, agree to HEW administrative actions or undertake voluntary desegregation plans, they likely will seek funds under ESA to help in the often difficult transition to a desegrated school system.

The demand for ESA funds increased 19 percent in fiscal 1974 over fiscal 1973, according to HEW. The Department expects a heavy demand this year with 1,700 to 2,000 applicants for ESA funds. Clearly, many school districts are sufficiently concerned about problems of race relations to seek additional assistance in this area.

Some individuals, seeking to hold down the ESA appropriation, argue that only a few court desegregation orders will become effective this fall. It is important to remember, however, that the districts involved in these orders represent the most critical problems. There literally are hundreds of school districts which have taken desegregation steps only in the recent past and have a continuing need for ESA assistance to smooth the transition to a unitary school system.

Thus the need for human relations counselors, teacher training programs, new curriculum approaches, and community involvement, to cite several areas, is not a short-term one. It may last for a number of years beyond the time when a school desegregation plan is first implemented.

Reflecting the continued high level of local need for the ESA program, more than 40 Senators from all parts of the country joined in a letter to our subcommittee urging that we increase the House allowance to the fiscal 1974 level of $236,493,000.

I was glad to move in subcommittee to provide this level of funding and I am pleased my amendment was accepted without opposition both by our subcommittee and by the full Appropriations Committee.

The emergency school aid program can make an important contribution toward the goal of equal educational opportunity, but to do so it must have at least the level of financial support provided by our committee.

Our committee also amended a House provision which HEW says will reduce its ability to take action against school districts which are illegally segregated. The language not only would interfere with the enforcement of title VI of the Civil Rights Act but could prevent HEW from certifying school districts for eligibility to receive emergency school aid.

Our committee wisely changed the House provisions back to the same language on this matter included in the regular fiscal year 1975 Labor-HEW bill.

Our committee also has provided an additional $22 million for the Head Start program; $10 million of this amount is to offset the effect of inflation on Head Start programs. The additional $12 million is to provide a more adequate level of support for the 35,000 children enrolled in Head Start.

Mr. President, at this point I would like to read from our committee report because I believe it most adequately explains what we had in mind for Head Start:

> The Committee is not convinced that the budget request or the House allowance is sufficient to meet increased costs of local Head Start projects, nor does the budget reflect the higher costs which would result with expanded enrollments of handicapped children. Of the increase provided over the House bill, $10,000,000 would be focused on providing a realistic level to help offset the toll inflation has taken on local Head Start programs. Without this additional support, local grantees would undoubtedly have to cut back on (1) the number of children served, and (2) the quality of services provided each child.
>
> The remainder, $12,000,000, together with an additional $8,000,000 appropriated by the House, is aimed at providing a more adequate level of support for the 35,000 handicapped children enrolled in Head Start. Estimates of the additional cost of serving handicapped children range as high as $1,151 per child or nearly twice that of the nonhandicapped child. The Department has requested $20,000,000 for Head Start handicapped in fiscal 1976. The Committee, in accepting the House increase and in adding $12,000,000 more, is thus providing the $20,000,000 in this supplemental bill to assure its availability in time for the beginning of the 1975–76 school year when most of it will be needed. Providing these funds at this time will give HEW and local grantees sufficient time to carefully plan for their use in the upcoming school year.

I am pleased the committee accepted this amendment which I was glad to author.

Our committee also provided $10 million, under another amendment I sponsored, to initiate a program of providing loans and grants to help poor families meet delinquent utility bills and thus avoid the cut off of service.

I view this as "seed" money in the sense that it can generate contributions from local sources to swell the total amount available to meet the problem.

I urge the adoption of chapter VI.

Mr. BAYH. Mr. President, for chapter X of this bill, the committee recommends appropriations totaling $842,059,000 in new budget authority. This represents an increase of $714 million over the House bill and $710,530,000 over the budget requests. The major cause of the large increase over the budget and House is the $700 million amendment we have included to enable the Secretary of Transportation to begin a program of rehabilitation on the Nation's railroad roadbeds and tracks.

Mr. President, the committee had included this same amendment in the Emergency Employment Appropriations Act in anticipation of early consideration by the Congress of the authorizing legislation necessary to implement a program of this sort. In conference with the House on that amendment, after extended discussion of the merits of this type of program and the reasons why the Senate considered it imperative that such a program be started this summer when the greatest number of people could be put to work on the roadbeds, it became clear that the conferees from the other side could not accept an amendment of this kind without there being an authorization for it already in existence.

Consequently, the House rejected the Senate amendment in the Emergency Employment Appropriations Act as well as a preferential amendment offered by Mr. Conte, the ranking Republican member of the House Appropriations Subcommittee on Transportation, reducing the appropriation from $700 million to $200 million. As a result of that vote, the Senate receded in its amendment when the conference report was voted upon this past Friday.

However, also this past Friday, the Senate passed by a vote of 67 yeas to 10 nays, the authorization necessary to begin the type of rail rehabilitation program the committee had in mind in making the appropriation. By again including this appropriation of $700 million for rail reemployment and rehabilitation in the second supplemental appropriations bill, the committee is reemphasizing its view that this type of program is urgently needed in order to forestall any further deterioration of the tracks and

roadbeds over which our Nation's trains must operate.

Mr. President, I will not take the time of the Senate here this morning to belabor the merits of this program any further. I think the vote on S. 1730 last Friday and the comments of my distinguished colleagues at that time have made the view of the Senate crystal clear in that regard. I only want to say that the reasons which I, and the other members of the committee who joined me in introducing this amendment in the other bill, had in mind are still just as important today and perhaps even more important than they were several weeks ago. What we had in mind then and what we have in mind now is to provide reemployment opportunities for railroad workers who have been laid off because of the financial crisis being faced by the railroad industry.

There are presently some 31,000 railroad employees, including over 15,000 maintenance-of-way workers, drawing unemployment benefits. They are not at work even though many of the railroad companies have a sufficient supply of the materials necessary to utilize their skills because the railroads simply do not have the money to pay their salaries. As we point out in the report accompanying this bill, the railroad industry during the first quarter of 1975 reported losses exceeding $100 million while during the same period last year they reported profits over $170 million.

Needless to say, the railroad industry has been brutalized by the current recession perhaps to a greater degree than any other industry. Consequently, they have been forced to reduce their expenses and, accordingly, workers who would normally be out there repairing and improving the roadbeds and tracks are sitting at home and drawing unemployment benefits.

Surely, there is no question that the Nation cannot afford to allow our railroads to continue to operate under the conditions they have been forced to endure in the past. This legislation is not a cure-all for the major and complex problems of the railroads. It is a program, however, that will prevent the track and roadbeds from further decline while the committees of the Congress have the time to resolve the problems of railroads on a long-term basis. There is no need to have people unemployed and the roadbeds rotting while that long-term effort is being carefully and prudently worked out.

I would only hope that the authorizing committees of the other body of the Congress, now that a Senate authorization for this program is in existence, will proceed as expeditiously as they can to consider the merits of this program and the need to get it started this summer during the "peak season" for roadbed work. Otherwise, the most appropriate and effective time to have begun such a worthy effort will have passed us by.

Mr. President, I would also point out that the $5 million which the committee has included for the administrative expenses of the U.S. Railway Association is an increase over the budget as well. We included this money for USRA even though this same appropriation is already included in the emergency employment appropriations bill due to the danger that bill faces of being vetoed. Consequently, we are over the budget and the House by $5 million in this bill. The committee felt that, due to the important function the USRA is presently performing of preparing the final system plan under the Regional Rail Reorganization Act, a special effort should be made to see that their request is not unnecessarily delayed. Since, by this action, the USRA's $5 million request will be included in two appropriation bills, the committee will take whatever action it finds necessary to rectify that situation in the fiscal 1976 budget if both bills should become law.

The other major appropriation of new budget authority which we are recommending is for Amtrak. The House cut the $77.9 million budget request by $3,175,000. The Secretary of Transportation appealed for full restoration and made a good cause for it. Since Amtrak has virtually no control over which lines they will operate and which ones should be terminated, the resultant losses are bound to occur. If we are to get better control of their loss situation, it must come through changes in their authorization. The committee, therefore, recommends restoration of $3 million of the House reduction.

For railroad safety, we recommend concurrence with the $1 million included in the House bill. This will enable the FRA to put together a computer rail car that will help them in their track inspection responsibilities.

For the Urban Mass Transportation Administration, the committee recommends concurrence with the House allowance of $50 million in liquidating cash to pay off obligations incurred under the National Mass Transportation Assistance Act. We have also included $5 million for fare-free demonstration projects even though there was no budget request for it and nothing was included in the House bill. The National Mass Transportation Assistance Act, which became law late last year, authorized $40 million for this program. In the overview hearing on the Department's fiscal 1976 budget, Secretary Coleman indicated that the information that could be obtained from such fare-free transit experiments would be most useful to the Department in its efforts to arrive at some means of increasing usage of mass transit facilities in our urban areas. The committee intends that these funds be used to initiate such programs in one or more urban areas.

For the Federal Highway Administration, we concur with the House action in appropriating $360,000 for the railroad-highway crossing project at Lafayette, Ind. This appropriation will be used to fund an engineering and feasibility study for possible rail relocation in that city.

Also, the committee has included $1 million for engineering studies of the Overseas Highway, which connects the Florida Keys with the mainland. The authorization for this program is contained in the Federal-Aid Highway Amendments of 1974.

We recommend concurrence with the House allowances for the Coast Guard's operating expenses of $24.5 million and retired pay of $9,150,000, in addition to their allowance of the full budget requests of $500,000 for the Rail Services Planning Office of the ICC and $17,824,000 for the Washington Metropolitan Area Transit Authority.

For the pay costs included in title II of this bill for the Department of Transportation and related agencies, we concur with the House allowances totaling $69,674,000—a reduction of $2,922,625 below the budget requests of $72,596,625.

Mr. FANNIN. Mr. President, I commend the Committee on Appropriations and in particular, its chairman, Senator McClellan, and the chairman of the Interior Appropriations Subcommittee, Senator Robert C. Byrd, for the approval of the joint request of Senators Metcalf, Jackson, Goldwater, Montoya, Mansfield, Domenici, and myself for funds to implement section 204 of Public Law 93-638, the Indian Self-Determination and Education Act of 1974. Section 204 established a school construction program to meet the critical needs of reservation public schools and previously private schools now managed by Indian tribes. By providing $10 million to inaugurate the public school portion of this program, in this fiscal year, the committee will set in motion a much-needed response to the ever-increasing need for adequate modern facilities to serve Indian children attending reservation public schools.

Mr. President, I have long been concerned with the apparent inability or unwillingness of the Federal Government to meet its responsibility to provide adequate construction assistance to public schools serving Indian children residing on or near reservation Indian lands. These Federal lands, which are tax exempt, create financial conditions which make it impossible to obtain sufficient local funds for construction projects. Through the impact aid program, the Federal Government has long recognized this problem but regretably, has failed to provide the funds to meet the policy objectives established in Public Law 815, the impact aid school construction program. For example, under the 1974 budget, $19 million was appropriated to support Public Law 815, of which $9.5 million, or 50 percent of the total would be allocated to sections 14(a) and 14(b), the reservation public school portion of Public Law 815.

This $9.5 million allocation would cover the construction needs of perhaps five schools. Yet, there were 39 eligible applications approved for funding with a total cost of $37,347,202. Clearly the 1974 budget was inadequate to meet the needs of those schools serving reservation Indian children. Moreover, the 1975 budget requested only $10.5 million for 14(a) and 14(b) to meet a backlog which had grown to $45 million. Again, this level of funding could only cover the needs of a few schools.

The lack of funds for reservation public schools has had a clearly pronounced effect on the capacity of these schools to meet their educational objectives. The continuing growth in student enrollment in schools whose facilities are inadequate if not outdated can only make a bad situation worse. In view of the critical situation which the lack of funds has produced, I sponsored legislation to alleviate this problem. This legislative response took the form, with slight modification, of section 204 of Public Law 93-638. In brief, section 204 established a construction program within the Department of Interior through which funds would be provided to supplement the Public Law 315 program operated within HEW. This program will help to overcome existing funding deficiencies, but more importantly, will hopefully reduce the waiting time between the filing of an application for needed school funds and the delivery of funds for implementing an approved application.

Mr. President, this program could not have come at a more important time. With financial demands increasing and enrollments rising, the reservation public schools are facing funding dilemmas of considerable proportion. The temptation to shift scarce resources from instructional or special program needs to meet capital outlay projects is great, but with section 204 there is a chance that such decisions can be avoided and needed instructional funds can be maintained to assure a quality educational program for our Indian citizens. But of even more importance, the 1976 budget proposes an appropriation of only $10 million to cover Public Law 815, of which less than $5 million is to be used for reservation public schools under sections 14(a) and 14(b). This proposal only repeats the previous budget requests: Insufficient funds to meet a backlog of large dimensions.

Mr. President, the action of the Appropriations Committee restores my confidence that in the face of clear need we can act. The appropriation of these funds will realize expanded opportunities to assure a quality educational program for our Indian children. I commend the committee for its action and hope the conference committee will accept this provision.

PROTECTING THE AMERICAN READING PUBLIC

Mr. GOLDWATER. Mr. President, I am pleased that the Committee on Appropriations has approved the full funds requested by the U.S. Postal Service for fiscal year 1975 to implement Public Law 93-328.

In brief, this law, of which I am a coauthor, provides that excessive increases in the postage rates of newspapers, magazines, and books shall be spread over a longer number of years in order to enable these mail users to adjust to the higher costs.

Mr. President, these payments are very much in the public interest. The primary benefactor of this law is the entire American reading public—anyone with an interest in the printed word.

What is at stake is the opportunity for the American reading public to enjoy the widest possible circulation of news, information, and opinions in the mails, a privilege which has been a part of the fundamental heritage of our citizens since the founding of the Nation.

The total circulation of newspapers and magazines, both nonprofit and profit, in the mails is 9 billion issues of year. This includes some 2.6 million copies of daily newspapers each day, more than 50 percent of all weekly newspaper circulation, and two-thirds of magazine circulation.

Moreover, and this is very important, half of the books acquired by public libraries are delivered by mail. Also, numerous libraries operate an extensive interlibrary loan-by-mail program and a book-by-mail program for the benefit of many citizens, including the handicapped.

If these funds are not appropriated, these public service library programs will be sharply curtailed. Many veterans, church, farm, and other publications—which are faced with increases in postal rates up to 1,000 percent—will fold. Those that survive may be forced to change their format, or frequency of publication, to the public disadvantage.

If these funds are not approved, profit publications must squeeze into 1 year the full burden of postage increases that public law provides shall be staged over 4 years; nonprofits must cope with 12 years of increases in only 6 years.

Mr. President, in closing, I would note that section 3 of Public Law 93-328 includes a provision requiring the President to transmit to the Congress in his budget the totals required to reimburse the Postal Service for revenue foregone because of the phasing of postage increases.

Certainly, the President can make recommendations and the Congressional Appropriations Committees can consider the funds, as in the case of any budget presentation, but Congress has expressly mandated a precise means by which Congress is to deal with these funds, and this must be complied with by including the funds required for this purpose in the President's budget totals.

For some reason, this practice was not followed in the presentation of the 1975 budget, and I am delighted that my colleagues did not permit that failure of compliance to interrupt the phasing program. A lack of compliance with the law should obviously not serve as a reason for penalizing the American reading public.

Mr. PACKWOOD. Mr. President, today we are being called on to vote for almost $16 billion in supplemental appropriations for fiscal year 1975. I intend to vote for this bill for reasons I will outline, however, I have very serious misgivings about the magnitude of this additional spending. It is $1 billion in excess of what the administration requested.

The comprehensive nature of the bill and the demonstrated urgency of the majority of the programs it funds convince me that this bill is necessary. The bulk of these funds will be used to extend ongoing programs, among them continuing aid to education, to our veterans, and to the unemployed who are deserving of assistance in these particularly difficult times. Additional funding for energy research and development is also included. I support these programs, Mr. President.

Notwithstanding the many essential appropriations included in this bill, I do not sanction the increase of $1 billion over the President's budget requests. If these appropriations were to come before the Senate as separate measures, I would vote against a number of them.

However, the fact remains that this bill is a conglomerate of many useful and necessary expenditures, and for this reason I will vote in favor of it.

Mr. PROXMIRE. Mr. President, I want to add my words of praise for Senator McClellan, our chairman, for the skill and diligence he has shown in shepherding this difficult and complicated bill through the Appropriations Committee.

As all subcommittee chairmen know, this is the season when supplemental budget requests fly thick and fast. No sooner did we receive a bill from the House than additional budget requests started to flow in from the administration. The HUD-independent agencies section of the bill contains $535 million in Veterans' Administration pension and GI bill money that was requested after the House acted. Other subcommittee chairmen have had the same experience.

In this atmosphere it is a particularly difficult matter to move the bill quickly, but not too quickly—to make sure that needed money is included but that the legislation is acted upon quickly enough to provide funds in a timely fashion. Chairman McClellan has acted with all deliberate speed, so that we have a bill before us today which should meet the Nation's most pressing needs through the end of the fiscal year.

As I indicated the Senate has added $535 million to the House-passed version of title IV of this bill to provide unanticipated GI bill and pension benefit costs. Of this amount $425 million would pay for a sharp rise in the number of veterans applying for educational benefits while $110 million is needed to pay increased pension costs resulting from the adverse impact the recession has had on pensioners' income. The Government has an obligation to pay these costs. Veterans are entitled to the benefits under law.

These funds, together with the $217,547,000 provided in the bill as it passed the House and approved by the Senate Appropriations Committee for various VA programs, bring total supplemental VA funding in fiscal 1975 to $2,283,540,000. They boost total appropriations provided by title IV of the bill from the $274,172,000 approved by the House to $809,172,000. So we can see that the continuing escalation in the costs of our veterans' programs continue to play a significant role in the overall budget picture.

The committee has expressed its concern over the decision of the VA to request funds for major and minor construction through the supplemental appropriations process. Certain deficiencies at various VA hospitals were identified as a result of a quality-of-care survey. The cost of correcting these inadequacies will initially be $63,441,000. But this is just the down payment. The Congress will have to provide an additional $137,494,000 at a minimum to finish the job.

Decisions of this magnitude should be handled through the normal appropriations process, not through supplemental funding. It is for this reason that the committee has provided the major and minor construction funds contained in this bill with the greatest reluctance and

with the strong recommendation that the VA develop a capability for identifying needs of this sort in the course of routine budget review.

The only funding included in chapter IV of this bill that was not requested by the administration is $54,625,000 for the Department of Housing and Urban Development's community development block grant program. These dollars would be spent to fund projects in so-called urban balance communities—cities of under 50,000 population in standard metropolitan statistical areas.

This money was added to the bill on the floor of the House after it was discovered that in the absence of earmarked funding no money would be made available to these communities in fiscal 1975. There has been a great deal of support for this item in the Senate. It would fund approximately 190 applications at an average cost of $286,000. This appropriation exhausts all available authority to provide dollars to implement the program in the current fiscal year.

Mr. President, I want to make it crystal clear that by approving this earmarking the Appropriations Committee did not intend to endorse a change in the allocation provisions of the statute.

As chairman of the Committee on Banking, Housing and Urban Affairs, I would oppose changing the statutory allocation until we gain additional experience under the program and until the Committee on Banking, Housing and Urban Affairs is able to consider proposed amendments to the new law.

In short, the Appropriations Committee is recommending supplemental community development funds in this bill to satisfy the intent of the 1974 law, and not to change that law or establish any precedent for revising it through appropriations acts.

Undoubtedly the most controversial action we have taken is to make the availability of pay raise money for the Department of Housing and Urban Development contingent on the willingness of HUD to spend section 235 homeownership assistance program funds. As most of my colleagues will recall the Congress has clearly indicated its intent that these section 235 funds should be spent. We have treated the administration's decision not to spend the money as both a deferral and a rescission and in both instances we have told HUD to get on with it. They have refused—insisting that this decision to withhold $264 million appropriated for the section 235 program is not subject to congressional override.

The release of section 235 money would result in the production of 200,000 housing units at a time when jobs are badly needed, particularly in the construction industry. HUD testified before our subcommittee that no new housing units would be available for occupancy under the section 8 program—the Department's substitute for section 235—for at least 18 months. The 235 program is tried and true. The language in today's bill would press HUD to spend money that could create jobs quickly—money the Congress wants spent. It would tell HUD in no uncertain terms that this Congress wants to see the Department build homes and provide jobs now—not 18 months from now.

The only item in chapter IV of the bill that I have not discussed is the $2 million provided for the National Commission on Water Quality. This relatively modest amount will permit the Commission to finish its job of completing a study of the ramifications of meeting our water pollution control goals by 1983. It will provide the last of the $17 million authorized by the Congress for the Commission's work.

I urge the Senate to pass this legislation quickly so that needed funds—especially the section 235 money—may be made available in the near future.

APPROPRIATION FOR SPRUCE BUDWORM SPRAYING PROGRAM

Mr. MUSKIE. Mr. President, I wish to commend the Committee on Appropriations for supporting the Forest Service request for $5 million for insect and disease control programs in the second supplemental appropriation before us today. The funds for control of insect infestations includes $3,975,000 to control spruce budworm in northern Maine, $885,000 to control the Southern pine beetle throughout the Southern States, and $400,000 for control of the mountain pine beetle in areas of Wyoming, Colorado, and South Dakota.

The severity of the spruce budworm outbreak in my home State of Maine makes this appropriation imperative. Due to unusual climate conditions the infestation of the spruce budworm has reached alarming proportions in Maine. The U.S. Forest Service reports that of the 7.9 million acres of spruce-fir forest in Maine, 5.3 million acres are now experiencing moderate to heavy infestation. In order to prevent widespread mortality and topkill, forestry officials estimate that a minimum of 2 million acres will have to be sprayed by June 1 of this year—13 days from now.

I cannot overemphasize the importance of the forest to Maine, the most heavily forested State in the Union. The lumber, paper, and recreation industries represented are the backbone of Maine's economy. The forest products industry provides one-third of the jobs in the State, and contributes 40 percent of Maine's annual manufacturing output.

A recent Time magazine article estimates that if the trees on the 3.5 million acres most seriously infested are killed, the United States will lose enough wood to have built 13 million houses or enough paper to have kept 92 million Americans in newspapers, tissues, and wrapping for a year. That is not the only potential loss. Maine would be deprived for the 40 years needed for forest regeneration of at least $13.6 million a year in taxes from the forest-products industry. Workers and businessmen serving the timber industry could lose another $106 million per year. Beyond that, Maine's $450 million-a-year tourist industry will suffer; no campers or hunters will want to go into a gloomy wasteland of dead trees.

Mr. President, if the spruce budworm infestation is left unchecked, its effects on an already sagging economy could be catastrophic.

The impact resulting from heavy defoliation would be tragic in other ways. Severe mortality would increase forest fire hazards. Further destruction of the spruce-fir forests would jeopardize fish and wildlife populations and increase erosion problems.

Clearly, prompt and effective control of this insect pest is a matter of high priority. Complicating the control effort is the pressure of time. The life cycle of budworm is such that spraying must occur by June 1 in order to achieve maximum control.

In the fight against this insect pest, there has been constant and commendable cooperation among the Maine Bureau of Conservation, the U.S. Forest Service, paper and forest products companies and other landowners, the Maine legislature, and the entire Maine delegation to Congress. As a result, the complicated process of preparing for the spraying has been completed. The 50-percent Federal share of the costs which this appropriation represents is a major remaining hurdle. Aircraft chartered to do the spraying are to begin arriving in Maine today, in anticipation of the Federal funds.

Mr. President, the House has already supported the full appropriation for spruce budworm control, and it also has the support of the administration.

Due to the special nature of the problem and the serious time constraints involved, I urge my colleagues to support swift passage of this legislation and a prompt resolution in conference of the differences in the House and Senate supplemental appropriations measures. It is my hope, and the fervent hope of all those involved in the battle against budworm, that a supplemental appropriation will be enacted into law before the start of the Memorial Day recess.

Mr. STEVENS. Mr. President, I rise in support of the general provision printed on page 41, line 11, of the committee amendment. This provision was recommended by the President in his budget, and would permit the Department of Defense to reimburse the Postal Service for mail services rendered the Department in fiscal years 1973 and 1974, from expired appropriations for those years.

The need for this additional payment arose because initial budget estimates for these years had to be drawn up back in 1972 at a time when the Postal Service and the Defense Department had just developed an improved sampling system for measuring the Department's indicia mail volume. Inadequate samples were available at that time under new procedures to permit a hard and fast projection of volume for the years in question. Subsequent samplings have shown that the additional volume was used and it is my understanding that the Department of Defense, the General Accounting Office, the Postal Service, and the Office of Management and Budget are all in agreement that this money is owed to the Postal Service for services rendered and that it ought to be paid.

This provision was deleted in the House on the theory that the Postal Service ought to write this off as a bad debt. If the debt is not paid the practical effect will be that other postal customers will continue to bear these costs which should have been paid by the Department of Defense. In my opinion, it would be unconscionable, in these times when we expect the public to pay the increasing postal rates that come with persistent inflation, for the Government to shirk part of its own postal debt and place this additional burden on postal customers.

There is simply no getting around the fact that this debt is owing and should be paid. The general provision is needed and should be enacted.

I understand that some question has been raised whether this provision might be subject to a point of order as a reappropriation of funds. In my judgment, there is no reason to challenge the provision on that ground. Under section 701 of title 31, the Secretary of Defense already has authority to restore and apply the very funds covered by the language to the debt in question. This is simply a matter of correcting a previous underestimate of the cost of services provided and funds are yet remaining which can be applied to that purpose under present law. We are saying only that that should be done in accordance with existing law.

SUPPORT FOR JUVENILE JUSTICE AND DELINQUENCY PREVENTION APPROPRIATIONS

Mr. BAYH. Mr. President, today the Senate is considering an appropriation of funds for a measure which far too long has been denied proper implementation—the Juvenile Justice and Delinquency Prevention Act of 1974.

This act which I introduced some time ago is designed specifically to prevent young people from entering our failing juvenile justice system, and to assist communities in developing more sensible and economic approaches for youngsters already in the juvenile justice system. It creates an Office of Juvenile Justice and Delinquency Prevention in the Law Enforcement Assistance Administration of the Department of Justice to coordinate all Federal juvenile justice programs now scattered throughout the Federal Government. It establishes a National Advisory Committee on Juvenile Justice and Delinquency Prevention to advise LEAA on Federal juvenile delinquency programs. It also provides for block grants to State and local governments and grants to public and private agencies to develop juvenile justice programs with special emphasis on alternative treatment and prevention.

Mr. President, the need for adequate implementation of this legislation is all too obvious for those concerned with the rising tide of crime in America; a frightening phenomena that is largely the result of a rapidly escalating crime level among our young people.

While youths between the ages of 10 and 17 make up 16 percent of our population they account for fully 45 percent of all persons arrested for serious crime; 51 percent of those arrested for property crimes and 23 percent for violent crimes had not yet reached their 18th birthday. That part of our population under 22 years old account for 61 percent of the total criminal arrests in this country.

The seriousness of the present situation was dramatically underscored in testimony submitted just recently at our subcommittee's inquiry into juvenile delinquency in our elementary and secondary schools. It was estimated at that hearing that vandalism in our schools is costing the American taxpayer over $590 million per year. Moreover, a survey of 757 school districts across the country conducted by the subcommittee staff found that teachers and students are being murdered, assaulted, and robbed in the hallways, playgrounds, and classrooms of American schools at an ever-escalating rate. Each year, in fact, approximately 70,000 teachers are physically assaulted in this country.

Who can dispute the need for immediate action? The recently released Federal Bureau of Investigation report on trends in crime for 1974 presents additional confirmation of the rising tide of criminal activity in America. Serious crime in the United States rose 17 percent last year, the highest annual increase since the FBI began collecting crime data 45 years ago. In fact, the increase for the final quarter of 1974 had reached 19 percent.

The suburban increase for last year was 20 percent while crime in rural areas increased 21 percent. In smaller communities—under 10,000—crime increased by 24 percent last year while robbery went up by 30 percent.

It is important to stress that these are problems that impact on the lives of our citizens in rural, suburban, and urban areas. In fact, one who reviews the top 50 crime centers, based on the number of serious crimes per 100,000, will discover Phoenix, Ariz., Daytona Beach, Fla., Fresno, Calif., and Albuquerque, N. Mex., among the top 10 in the Nation.

Mr. President, this is not the first occasion on which I have found it appropriate to emphasize these tragic and startling statistics. For more than 4 years as chairman of the Subcommittee on Juvenile Delinquency, I have stressed these concerns, but more importantly the failure of the Federal Government to adequately respond to juvenile crime and to make the prevention of delinquency a Federal priority.

The Juvenile Justice and Delinquency Prevention Act is the product of these many years of work. It was developed and supported by bipartisan groups of citizens throughout the country and was sent to the President by strong bipartisan majorities of 88 to 1 in the Senate and 329 to 20 in the House.

The act recognizes that our present system of juvenile justice is failing miserably. It is based on our findings that the present system is geared primarily to react to youth offenders rather than to prevent the youthful offense. It is, likewise, predicated on conclusive evidence that the system fails at the crucial point when a youngster first gets into trouble. The juvenile who takes a car for a joy ride or the youngster who thinks shoplifting is a lark are often confronted by a system of justice completely incapable of dealing with them in a constructive manner.

I am all too aware of the limited alternatives available to the juvenile judges in communities across this Nation when they are confronted with the decision of what to do with a juvenile involved in an initial, relatively minor offense. In many instances the judge has but two choices—send the juvenile back to the environment which created these problems in the first place with nothing more than a stern lecture, or incarcerate the juvenile in a system structured for serious offenders where the youth will invariably emerge only to escalate his level of law violations into more serious criminal behavior.

In addition to the dilemma we now face as to what we do with the young troublemaker, we are also confronted with thousands of children who have committed no criminal act in adult terms. In fact, almost 40 percent of all children involved in the juvenile justice system today have not done anything which could be considered a violation of criminal law. Yet these children—70 percent are young girls—often end up in institutions with hardened juvenile offenders and adult criminals. Instead of receiving counseling and rehabilitation outside the depersonalized environment of a jail, these youngsters are comingled with youthful and adult offenders. There should be little wonder that three of every four youthful offenders commit subsequent crimes.

Some youthful offenders must be removed from their communities for society's sake as well as their own. But the incarceration should be reserved for those youths who cannot be handled by other alternatives.

Each year an excessive number of juveniles are unnecessarily incarcerated in crowded juvenile or adult institutions simply because of the lack of a workable alternative. The need for such alternatives to provide an intermediate step between essentially ignoring a youth's problems or adopting a course which can only make them worse, is evident.

Mr. President, the recidivism rate among youthful offenders under 20 is the highest among all age groups and has been estimated at between 75 to 85 percent in testimony before our subcommittee. Obviously, past Federal efforts to provide alternatives have been inadequate and have not recognized that the best way to combat juvenile delinquency is to prevent it. The act represents a Federal commitment to provide leadership, coordination, and a framework for using the Nation's resources to assist State and local agencies, both public and private, to deal more effectively with juvenile crime and delinquency prevention.

Moreover, this legislation provides a workable program for delinquency prevention. A recently released General Accounting Office report found that, if this act were properly implemented, it "should help prevent and control juvenile delinquency."

In order to properly implement this very promising program, Mr. President, we need a sufficient appropriation of money. As Elmer Staats, Comptroller General of the United States, testified at a recent hearing of our subcommittee:

> Since juveniles account for almost half the arrests for serious crimes in the Nation, adequate funding of the Juvenile Justice and Delinquency Prevention Act of 1974 would appear to be essential in any strategy to reduce the nation's crime.

Because the Juvenile Justice Act represents such a promising approach to these problems, I find it particularly distressing that the President has consistently expressed opposition to its implementation. Despite the fact that he signed this act into law last September, he has, to this date, failed to nominate a director for the program and has omitted any funds for activities under the act from his fiscal budget request for 1976. I can think of few more blatant examples of false economy and misplaced priorities than the fact that, while juvenile crime in this country is costing Americans $12 billion annually, the administration continues to be steadfastly opposed to the expenditure of one red cent to reduce that loss.

The $35 million contained in today's second fiscal year 1975 supplemental bill will permit LEAA to begin to address the congressional mandate of the Juvenile Justice and Delinquency Prevention Act.

I am appreciative of the support for this measure expressed by the Appropriations Committee, especially its distinguished chairman, Senator McCLELLAN; the distinguished chairman of the subcommittee, Senator PASTORE, and committee members, Senators HRUSKA and MATHIAS.

I urge my colleagues to give the bill favorable consideration and hope that the House of Representatives will agree with our view that prevention of delinquency and efforts to curb juvenile crime demand immediate and adequate funding.

Mr. President, I ask unanimous consent that the appropriate section of the report—page 83—regarding the Juvenile Justice and Delinquency Prevention Act be printed in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

> The Committee recommends $35,000,000 for the Law Enforcement Assistance Administration, an increase of $20,000,000 over the House allowance, of which $10,000,000 shall be derived by transfer of 1971–74 reversionary funds.
>
> The Juvenile Justice and Delinquency Prevention Act of 1974 authorized $75,000,000 to implement the provisions of the new legislation. Unfortunately, the Administration has not requested an appropriation to carry out the new program. Late last year, the Law Enforcement Assistance Administration requested Committee approval to reprogram up to $20,000,000 to implement this program. This reprograming was readily approved by both Appropriations Committees of Congress. Nevertheless, the Office of Management and Budget has yet to release the funds.
>
> The problem of Juvenile Delinquency Prevention is most serious. Almost one-half the serious crimes committed in this country are by youths under 18 years of age.
>
> The Committee agrees with the House that because of the OMB delay with regard to the reprogramed funds, it is necessary for the Congress to reaffirm its earlier reprograming decisions by appropriating additional funds to implement the new Juvenile Delinquency legislation. In order to increase the efficient and effective expenditure of funds, the Committee has extended the availability for $25,000,000 in new budget authority until August 31, 1975. These funds would be used principally for State formula grant allocations based on population with a minimum grant of $200,000 to each State. The Committee has also included language in the bill to divert $10,000,000 in 1971–74 reversionary funds to be applied toward the implementation of the new legislation. These funds would be used primarily to accelerate the special emphasis prevention and treatment programs, provide some increased State planning, and develop the necessary administrative mechanism to insure the success of the new program. The Committee has provided that reversionary funds shall remain available until December 31, 1975, primarily to insure the stability of the development of a professional staff to administer the program and would expect the grants awarded from reversionary funds to be obligated much earlier in the fiscal year. The Committee strongly believes that a staff of at least 51 positions are required to mount the program effectively and has included sufficient funds to support such a staff.

Mr. ROTH. Mr. President, I feel that I cannot support the supplemental appropriations bill because the House version of the antibusing amendment to the bill has been gutted. It is my strongly held view that by taking this action the Members of this body have ignored completely the wishes of my constituency who wish to maintain the integrity of the neighborhood school system, who are opposed to forced busing and who do not want the Federal Government to decide where and how their children shall go to school.

It is time we in the Congress come to grips with the issue of forced busing, once and for all. If we do not take steps to stop forced busing and get on with the business of developing quality education for our youngsters our educational system in this country is going to fall into disarray and all at the expense of our children. Mr. President we in this Nation cannot afford to tamper with the future of our children by using them in a social experiment which very few black or white seem to want.

To emphasize my strong feelings about this very important matter I am voting against the entire supplemental appropriations bill. I recognize that this bill provides money for a number of good programs which I have always supported. My vote is being cast not against these programs but as a symbol of my grave concern about the heavy hand of Government in forcing its will upon our citizens—particularly as it relates to the forced busing issue.

The bill provided a rare opportunity for all of us to begin to show our concern and to take concerted action on the problem of forced busing. It is clear the Senate is not listening to the people. When the next opportunity to address this issue arises, I hope it will be more responsive. The people we represent are looking to Congress for leadership in this area. Nothing less than the future of our children is at stake.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill, having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Idaho (Mr. CHURCH), the Senator from Hawaii (Mr. INOUYE), the Senator from Wyoming (Mr. McGEE), the Senator from New Hampshire (Mr. McINTYRE), and the Senator from North Carolina (Mr. MORGAN) are necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) would vote "yea."

Mr. HUGH SCOTT. I announce that the Senator from Michigan (Mr. GRIFFIN) and the Senator from North Carolina (Mr. HELMS) are necessarily absent.

I also announce that the Senator from Tennessee (Mr. BAKER) is absent on official business.

The result was announced—yeas 76, nays 14, as follows:

[Rollcall Vote No. 192 Leg.]

YEAS—76

Abourezk
Bartlett
Bayh
Beall
Bellmon
Biden
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cranston
Culver
Dole
Domenici
Eagleton
Eastland
Fong
Ford
Glenn
Gravel
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Hruska
Huddleston
Humphrey
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McGovern
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Tower
Tunney
Weicker
Williams
Young

NAYS—14

Allen
Brock
Buckley
Byrd, Harry F., Jr.
Curtis
Fannin
Garn
Goldwater
Hansen
McClure
Nunn
Roth
Scott, William L.
Thurmond

NOT VOTING—9

Baker
Bentsen
Church
Griffin
Helms
Inouye
McGee
McIntyre
Morgan

So the bill (H.R. 5899) was passed.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections and renumber sections of the bill in the engrossment of the Senate amendments to the Second Supplemental Act 1975, H.R. 5899.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLELLAN. Mr. President, I move that the Senate insist upon its amendments and request a conference with the House thereon, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed and the Presiding Officer appointed the following conferees on the part of the Senate: Mr. McCLELLAN, Mr. MAGNUSON, Mr. STENNIS, Mr. PASTORE, Mr. ROBERT C. BYRD, Mr. PROXMIRE, Mr. MONTOYA, Mr. HOLLINGS, Mr. BAYH, Mr. CHILES, Mr.

YOUNG, Mr. HRUSKA, Mr. CASE, Mr. FONG, Mr. BROOKE, and Mr. STEVENS.

H.R. 5217 HELD TEMPORARILY AT THE DESK

Mr. MANSFIELD. Mr. President, I ask unanimous consent that H.R. 5217, to authorize appropriations for the Coast Guard, which came over from the House today, be held at the desk temporarily.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that it be in order at this time for the Chair to recognize the distinguished Senator from New Jersey (Mr. WILLIAMS) to present a conference report, which I understand will not take too long to be considered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that following the disposition of the conference report, the Senate then turn to consideration of Calendar 105, S. 182.

The PRESIDING OFFICER. Without objection, it is so ordered.

SECURITIES ACT AMENDMENTS OF 1975—CONFERENCE REPORT

Mr. WILLIAMS. Mr. President, I submit a report of the committee of conference on S. 249, and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated by title.

The assistant legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 249) to amend the Securities Exchange Act of 1934, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. WILLIAMS. Mr. President, exactly 1 month short of 4 years ago, the Subcommittee on Securities of the Committee on Banking, Housing and Urban Affairs began its study of the securities industry. Our investigation of the economics and regulation of securities trading extended over three Congresses and filled more than 17 volumes of hearings. What started as an inquiry into the causes of the paperwork crisis among securities firms during the late 1960's grew into the most thorough and far-reaching study of the operation and administration of Federal securities laws since the 1900's.

Today, we have before us the final product of the subcommittee's 4-year effort. The report of the conference on S. 249, the Securities Acts Amendments of 1975, represents omnibus securities legislation, embodying the principal conclusions of our studies and hearings and extensive deliberations. As reported by the conference, the bill has only minor changes in the version passed by the Senate on April 17, 1975—and all of the changes will improve the law, contribute to a stronger securities industry, and provide a more workable pattern of regulation.

The conference report covers a wide range of topics of great importance to both the securities industry and securities investors. Some of the major issues addressed are:

Institutional membership on stock exchanges; the [illegible] standards governing the payment of brokerage commissions; the securities holdings and transactions of large institutions; the regulation of trading of municipal securities; the creation of a national system for the clearance and settlement of securities transactions; and the establishment of a national market system.

These are large topics of great complexity. This legislation is carefully addressed to each of them to insure that in the near future, we will see not only increased services and protections available to public investors, but also a healthier, more soundly structured securities industry.

Apart from the specific topics, however, I want to call special attention to a theme which runs throughout this legislation. The securities industry, in the past, has tended to look to regulation and restraint rather than competition to govern the operation of the markets. Fixed commission rates, bars to membership, and limitations on market-making have characterized the industry. The conference report is designed to change that state of affairs. Under this legislation, regulatory constraints can be imposed only when they can be justified as necessary or appropriate to accomplish the purposes of the Securities Exchange Act of 1934.

It makes no difference whether competitive restraints result from a rule of the Securities and Exchange Commission or of a stock exchange. In either case, interference with competition must be justified. It will not be enough for the regulators to say simply that it will be more convenient or less messy to regulate business conduct rather than to allow normal economic forces to shape developments. They will be required, under this legislation, affirmatively to justify the need for utilizing their regulatory jurisdiction to achieve a congressionally defined objective.

Unquestionably, there are areas which do, and will continue to, require effective SEC and self-regulatory oversight. This legislation recognizes this need by expanding the SEC's powers and responsibilities. But in using these regulatory powers, the SEC, the exchanges, and the NASD will be operating under a new obligation to weigh the need for regulation against the costs the regulation would impose and the interference with competition that would result.

Furthermore, to insure that the SEC acts promptly in exercising its new regulatory powers, and that brokers, dealers and self-regulatory organizations are afforded the opportunity to participate in the decisionmaking process, the legislation prescribes very definite time frames and procedures that the Commission must observe. The legislation would thus require the SEC to reach and announce final decisions and to provide adequate supporting documentation in all cases in which administration action has been requested. In the future, the SEC will not be able to place significant self-regulatory actions in administrative limbo.

A good example of these two aspects of the legislation—the required balancing of regulation and competition and the specification of time tables for SEC action—is in the treatment the conferees agreed upon for exchange rules similar to the New York Stock Exchange's rule 394. Under the conference report, the SEC would be required to study the competitive effects of such rules and report back to the Congress within 90 days. The legislation is careful not to require the SEC either to preserve any such rule or to abolish it. Rather, the Commission is directed to take appropriate action if it finds that such a rule imposes a competitive burden which cannot be justified by the purposes of the act. If the Commission does not make such a finding, it is free to take no action.

I believe it is entirely appropriate that the Commission be given this directive. The Commission has had before it, a proposed change in rule 394 for nearly 8 months. I hope that as a result of the legislation, the Commission will resolve the propriety of rule 394 promptly, in an objective and judicious manner.

Unfortunately, the press has recently reported comments from the SEC's staff and one of the Commissioners which would suggest that the issue of rule 394 has already been decided. This would be regrettable. The Commission will soon have a new statute to administer. It is being asked to review an old rule in light of that new statute. I cannot believe that the Commissioners have had an adequate opportunity to resolve the difficult issues presented by that review.

Because I view the SEC's fair administration of the securities laws to be of such great importance, I ask unanimous consent to have printed in the RECORD at this point a letter I have today sent to Chairman Garrett on the matter of rule 394.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington D.C., May 19, 1975.

HON. RAY GARRETT, Jr.,
Securities Exchange Commission.
Washington, D.C.

DEAR CHAIRMAN GARRETT: In reading the May 19, 1975 issue of *Securities Week*, I was greatly disappointed to read the following quotation: "SEC sources described the situation this way: 'To all intents and purposes, there is a fixed date for abolishing 394 in the final version—December 1. . . . Moss was saying 'Let's do it by Sept. 1' and Williams wanted a year. They settled on six months."

In addition, the May 19, 1975 edition of the Wall Street Letter states: "SEC Commissioner, John Evans, for one, said "I've said all along that 394 will probably be eliminated one way or another by competition or by the SEC. I feel there is a lot of sympathy around the Commission for getting rid of it, but I cannot speak for all of the

commissioners. Under the legislation we will take a fair objective look at 394. But I think it will be hard to find reasons to keep it."

As you may know, the Conference Report on S.249 directs the Commission to review all exchange rules which limit or condition the ability of members to effect transactions in securities other than on such exchanges. The Commission is directed to review such rules and report to the Congress 90 days after the enactment of the Securities Acts Amendment of 1975 as to the results of its review and to amend any exchange rules which impose a burden on competition and which do not appear necessary or appropriate to achieve the purposes of the Securities Exchange Act. Nowhere in the legislation is there an absolute Congressional mandate that the Commission repeal New York Stock Exchange Rule 394. The Commission may, if it finds the rule necessary to make the Exchange Act work countenance the continuation of Rule 394 even if it finds such rule to be anti-competitive. On the other hand, it may alter the rule in order to bring it into compliance with the new competitive standards set forth in the Securities Act Amendments of 1975 or it may abrogate the rule in its entirety. This decision is left to the Commission after making a 90-day study during which it takes into consideration the new legislative standards contained in S.249.

In my opinion, the statements attributed to your staff and to Mr. Evans are most ill-advised. The provisions pertaining to Rule 394 which are contained in this legislation are not now contained in the 34 Act, thus, necessitating a fresh, unbiased Commission review of Rule 394. The Commission in conducting its review and, if it in fact recommends new rule changes, would be acting as a quasi-legislative body.

Therefore, I feel most strongly that the above-mentioned remarks by a member of the Commission and by an unnamed member of your staff detracts from the objective review which the Congress intended in adopting this provision of S.249. It also detracts from the atmosphere of judicious propriety and unbiased rule making which we all have the right to expect from an independent regulatory agency such as the SEC.

With every good wish, I am
Sincerely,
HARRISON A. WILLIAMS, Jr.

Mr. WILLIAMS. Mr. President, the conference report before us is the result of a cooperative effort by the Congress and the securities industry to fashion more effective laws to govern our securities markets. I want to note especially the fine help and constructive suggestions we have had from both the Securities Industry Association and the New York Stock Exchange. These organizations, as well as many other organizations and individuals in the industry have taken a forward looking approach to the needs of the investing public. They have worked long and hard with us to conceive and draft workable, effective legislation. Without their help, and especially the help of the principal officers of these organizations, the bill before us today would be far less satisfactory than it is.

I would also like to thank the cosponsors of this bill, Senators TOWER and BROOKE and the chairman of our full committee, Senator PROXMIRE, for their major contributions to the development and passage of this legislation. Our securities bills have been bipartison, and I am extremely pleased that the final product remains in that tradition.

The conference report is reform legislation in the very best sense. I urge that the Senate accept it so that it may be enacted into law at the earliest possible date.

LANDMARK SECURITIES BILL

Mr. PROXMIRE. Mr. President, the securities markets of the United States are both the symbolic and actual bedrock of our free enterprise system. Open and public markets have made possible the mobilization and allocation of vast amounts of capital for corporate America. By attracting the participation of the small investor, they have allowed millions of Americans to share in the profits of our free enterprise system.

It is evident from developments in recent years, however, that both the securities industry and the securities markets have experienced profound and painful changes. It was only 4 years ago, as I recall, that the Senate met to consider 11th hour legislation to insure investors against loss from brokerage house insolvencies and avert a near crisis in investor confidence. That near crisis jolted public confidence—it also served to alert the Congress to the serious conditions which existed in the securities markets and the securities industry, and the broader implications for our economy.

It was clear then, and it is now, that our securities markets are in need of fundamental reform if they are to continue generating the capital our Nation needs to retain its economic health. As a prelude to reform, the Senate in 1971 authorized the Subcommittee on Securities to conduct the most extensive reexamination of the competitive, legal and regulatory underpinnings of our securities in four decades.

During the course of that study, and for the consideration of the predecessors to the bill before us today, I was privileged to serve on that subcommittee under the able chairmanship of Senator WILLIAMS. My knowledge of the bill and my appreciation for the enormous credit due to Senator WILLIAMS and the other members of the subcommittee is, therefore, firsthand.

Mr. President, there are essentially three groups with important stakes in the maintenance of efficient equity markets: the individual investor who channels surplus savings into stock investments; the broker/dealer community; and the corporations who rely on healthy securities markets for the raising of equity capital. Past conditions have caused uncertainty or misapprehension by all of these groups about the viability and future of our capital markets which we can ill-afford. By creating a national market system, rationalizing the basic regulatory framework, broadening disclosure and freeing the natural forces of competition, S. 249 contains promise and opportunity for each of these groups.

In approaching reform in the regulation and mechanisms of the secondary trading markets, S. 249 relies on a precept that has long served this country well—competition. The bill would invigorate the limited competition that has historically existed in the securities markets. Moreover, it will elevate competition as a principal factor in the entire securities trading and regulatory process. In the emerging national market system, S. 249 will insure that competition can play its role in maintaining the integrity of the trading markets, the quality of services and products offered to the investing public, and the capability of the markets to discharge their essential functions in the most economically efficient way.

Indeed, the foundation for the national market system outlined broadly in the bill is a competitive network of securities markets and securities firms linked electronically by advanced communications systems. The end result will be the improved, nationwide dissemination of vital market information and maximum opportunity for an investor—whether located in Milwaukee or Manhattan—to get prompt and efficient executions of his orders.

Two principal beneficiaries of this bill will be small investors and regional brokers and dealers. They have long been a mainstay of our capital raising process, but the institutional investor phenomenon, among other factors, has served to downplay and discourage their full participation in recent years.

The new market system for trading securities that will be facilitated by the bill—the national market system—will be truly nationwide in its scope. It will not be centered in New York; nor will it be located in Chicago or Los Angeles. Instead, it will be an electronics network that blankets the Nation. Through this communications network investors, wherever located, will have immediate access through their brokers to essential price and quote information and to the markets. Unfortunately, when the system is fully established, purchases or sales will occur wherever the best price can be found.

A broker will be able to determine, quickly and efficiently, where the system the best price is obtainable. For the small investor, this means that he will be placed on equal footing with large investors and receive the full benefit of the interplay of competitive forces in deep and liquid, fair and orderly markets.

For brokers and dealers with regional orientations, the bill offers similar promise. The securities industry is a vast and heterogeneous mix of diversified businesses. Some brokerage houses serve only selective institutional clients; others—such as national wire houses—offer a full range of services to individuals and institutional customers. And there are so-called "regional houses" which are generally identified with a particular geographic region and usually found far away from metropolitan centers. In my judgment, they are among the most vital components in the financial industry because they serve as financial conduits for countless millions of small investors who have long been ignored.

Concern has been expressed that regional firms may not survive the advent of greater competition as conceived in S. 249. But I believe, based on past performance as demonstrated in the course of the Study, that regional firms will not only survive, they will prosper as the small investor returns to the equity markets.

Mr. President, the Securities Acts

Amendments of 1975 is a landmark bill that will shape the future structure of our securities markets for decades to come. It holds the key to more efficient and better coordinated securities markets and the full realization of the pattern of investor protection created by the Congress in 1934. Mr. President, I am pleased to have been associated with the study and, as the chairman of the Banking Committee, proud to urge its prompt passage and swift enactment.

Mr. WILLIAMS. Mr. President, I ask unanimous consent that printing of the report be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAMS. Mr. President, I move that the conference report be agreed to.

The motion was agreed to.

REINSTATEMENT OF ALEXANDER P. BUTTERFIELD

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 182, which the clerk will state by title.

The assistant legislative clerk read as follows:

> A bill (S. 182) to authorize the appointment of Alexander P. Butterfield to the retired list of the Regular Air Force, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Armed Services with amendments: on page 1, in line 7, strike the word "prerequisites," and insert the word "perquisites,"; in line 10, strike "February 7, 1973" and insert "February 1, 1969"; and on page 2, beginning with line 4, strike out the following:

> SEC. 2. The effective date of the appointment authorized by this Act is the day after Alexander P. Butterfield ceases to hold office as Administrator of the Federal Aviation Agency, or the day before his death, whichever is earlier;

So as to make the bill read as follows:

> *Be it enacted by the Senate and House of Representatives of the United States in Congress assembled,* That, notwithstanding any other provision of law, the President alone is authorized to appoint Alexander P. Butterfield, formerly a retired colonel, United States Air Force, to the grade of colonel on the retired list of the Regular Air Force, with the pay, allowances, emoluments, perquisites, rights, privileges, and benefits of an officer of his grade and length of service who was on that retired list on February 1, 1969. No pay, allowances, or other benefits shall become due as a result of the enactment of this Act for any period before the effective date of the appointment of the said Alexander P. Butterfield under this Act.

The PRESIDING OFFICER. Time for debate on this bill is limited to 2 hours, to be equally divided and controlled by the Senator from Nevada (Mr. CANNON) and the Senator from Iowa (Mr. CULVER) with 30 minutes on any amendment and 20 minutes on any debatable motion, appeal, or point of order.

Who yields time?

Mr. CULVER. Mr. President, at this time I ask unanimous consent to have the yeas and nays on final passage of S. 182.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. CULVER. I ask unanimous consent that Charles Stevenson, of my staff, be accorded the privilege of the floor during the consideration of S. 182.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. CANNON. Mr. President, first, I ask unanimous consent that Frank Krebs, of my staff, be permitted to be on the floor during action on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. Mr. President, I yield 2 minutes to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise to support S. 182, a bill reported favorably by the Committee on Armed Services to provide reinstatement of military status to Alexander P. Butterfield.

Upon Mr. Butterfield's appointment as Administrator of the Federal Aviation Administration, he resigned his commission as a colonel in the Air Force on the retired list. This bill would merely enable the President to restore Mr. Butterfield to his retired status in the Air Force.

Mr. President, on two previous occasions, Congress has passed special legislation of this type. Both bills related to former Administrators of the FAA and the individuals concerned were Gens. Elwood D. Quesada and William F. McKee.

It is my feeling that Mr. Butterfield undertook substantial personal sacrifice to accept the position of FAA Administrator. Now that he has completed his duties, it seems fair to me that he be returned to the status he originally held, as he had legitimately earned his military retirement through 20 years' service in the Air Force. It would not be proper to deny him the original appointment simply because he had served in the military, nor would it be proper to deny him a return to that status after having completed his duties.

Mr. President, in conclusion, I note that the Department of the Air Force poses no objection to this legislation and it had the support of the majority of the members of the Senate Committee on Armed Services. I urge the Senate to approve this bill as reported.

Mr. GARY W. HART. Mr. President, will the Senator yield?

Mr. CANNON. I yield 1 minute to the Senator from Colorado.

Mr. GARY W. HART. Mr. President, I ask unanimous consent that Ed Miller of my staff be accorded floor privileges during consideration of and the vote on S. 182.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. Mr. President, I yield myself 10 minutes.

The bill is intended to restore Alexander P. Butterfield to his retired status in the Air Force. Mr. Butterfield resigned his commission in order to meet the eligibility requirements that the Administrator of the Federal Aviation Administration be a civilian at the time of his nomination. The bill would authorize the President to appoint Mr. Butterfield to the grade of colonel on the retired list of the Regular Air Force with pay and other benefits based on a retirement date of February 1, 1969.

There is no authority under existing law to place a person who is not a Regular or Reserve member of the Air Force on the retired list of the Air Force. Since Mr. Butterfield is not presently a Regular or Reserve member of the Air Force, special statutory authority is necessary for him to be appointed to the retired list of the Regular Air Force.

On January 4, 1973, President Nixon submitted the nomination of Alexander P. Butterfield to be Administrator of the Federal Aviation Administration.

Section 301(b) of the Federal Aviation Act of 1958 (49 U.S.C. 1341(b)) (72 Stat. 744), sets forth the qualifications of the FAA Administrator, including, among other things, "At the time of his nomination he shall be a civilian. . . ." In regard to this section the conference report of the Federal Aviation Act of 1958 stated:

> The requirement in Section 301(b) that the Administrator be a civilian at the time of his nomination means that he shall be a civilian in the strictest sense of the word. Thus, at the time he is nominated he may not be on the active or retired list of any regular component of the Armed Services. . . . (House Conference Report No. 2556, 85th Congress)

When his nomination was submitted, Mr. Butterfield held the rank of colonel in the U.S. Air Force, retired. Hence, his nomination clearly conflicted with section 301(b) and he was ineligible to be nominated for Administrator of the FAA. Mr. Butterfield's nomination was subsequently withdrawn.

On February 1, 1969, Mr. Butterfield resigned from the U.S. Air Force and thereby gave up all pay, privileges, and obligations associated with retired status in the Regular Air Force. On February 26, 1973, Mr. Butterfield's nomination was resubmitted to the Senate. His nomination was reported favorably by the Commerce Committee and was confirmed by the Senate on March 9, 1973.

On at least two previous occasions the Congress has passed special legislation bearing on an individual's compliance with section 301(b) of the Federal Aviation Act.

Elwood R. Quesada was nominated to be the first Administrator of the FAA on January 17, 1959. In order to comply with the requirements of section 301(b), he had to resign his commission as a lieutenant general in the U.S. Air Force, retired. On September 16, 1959, and while Mr. Quesada was still serving as the Administrator for the FAA, Congress passed Private Law 86-177 (73 Stat. A-77) to authorize the President to reappoint Mr. Quesada to his previous status as lieutenant general in the Air Force, retired. This reinstatement to military retired status was to become effective upon Mr. Quesada's departure as Administrator of the FAA or upon his death whichever came first.

On April 29, 1965, Gen. William F. McKee, U.S. Air Force, retired, was nominated to become Administrator of the FAA. Because of his status as a U.S. Air Force general, retired, General McKee

was ineligible to be nominated as Administrator of the FAA by section 301 (b). On June 22, 1965 Congress passed Public Law 89-46 (80 Stat. 171) to authorize the President to appoint General McKee Administrator of the FAA and to authorize General McKee to retain the rank, grade, and emoluments of his retired military status while holding the office of Administrator. The effect of this legislation was to nullify the "civilian" requirement of section 301(b).

It should be emphasized that Mr. Butterfield's ultimate nomination and tenure as Administrator of the FAA fully complied with the terms and spirit of section 301(b). Mr. Butterfield completely severed his ties with the military prior to his nomination and was a civilian in "the strictest sense". While FAA Administrator, he was not subject to military authority. Moreover, a potential conflict of interest in carrying out his duties as FAA Administrator was removed because he had no connection with the military. Thus Mr. Butterfield's nomination and confirmation were fully consistent with the congressional intent of section 301(b).

In resigning his military commission to become Administrator of the FAA. Mr. Butterfield undertook a substantial sacrifice in terms of personal pay, security, and perquisites. He had legitimately qualified for military retirement through his 20 years of service in the Air Force. He gave up retired status in order to serve as FAA Administrator. This sacrifice continued throughout his tenure as FAA Administrator. The committee felt it only fair that upon termination of his service as FAA Administrator Mr. Butterfield should again receive the benefits which he justly deserved.

In a closely analogous situation, the Congress decided that General Quesada should be reinstated to his retired military status upon termination of his tenure as FAA Administrator. While the legislation for General Quesada—Public Law 86-177—was limited to an individual case, the circumstances in that case are no less compelling than in the Butterfield case.

Dealing with Mr. Butterfield on an individual basis represents an appropriate congressional remedy to his situation. People who are willing and qualified to assume key posts in the U.S. Government should not be forced to incur an additional personal sacrifice simply because they served as members of the U.S. Armed Forces. To deny such people their retired status on a permanent basis would be an undesirable obstacle to attracting the most qualified people into Government service. At the same time it may be unwise as a general policy to reinstate automatically retired military status to anyone who resigned such status to serve in the U.S. Government. A case-by-case approach in which the Congress evaluates the circumstances and equities of an individual's situation would seem to be preferable. This bill to reinstate the retired military status of Mr. Butterfield is in keeping with such a policy.

Enactment of this proposal will cause no additional increase in the budgetary requirements of the Department of Defense, and the Department of the Air Force interposes no objection to enactment of this legislation as set forth in the letter from the Department of the Air Force to Senator STENNIS, dated March 11, 1975.

Mr. President, I ask unanimous consent that the letter to which I have made reference be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

> DEPARTMENT OF THE AIR FORCE,
> OFFICE OF THE ASSISTANT SECRETARY,
> *Washington, March 11, 1975.*
>
> Hon. JOHN C. STENNIS,
> *Chairman, Committee on Armed Services, U.S. Senate.*
>
> DEAR MR. CHAIRMAN: This letter is in request for the views of the Department of the Air Force with respect to S. 182, 94th Congress, a bill "To authorize the appointment of Alexander P. Butterfield to the retired list of the Regular Air Force, and for other purposes."
>
> The purpose of S. 182 is to restore Alexander P. Butterfield, former Colonel, United States Air Force (Retired), to his former status on the retired list of the Regular Air Force with the retired pay and other benefits to which he would have been entitled had he not resigned to accept appointment as Administrator of the Federal Aviation Administration (FAA). Restoration of retired pay and entitlement to other applicable benefits will not be effective until the day after he ceases to hold the office as Administrator of the FAA or the day before his death, whichever is earlier, and will not be retroactive for the period he served as Administrator.
>
> The proposed legislation is not without precedent, since similar action was previously taken in the case of at least one other Regular Air Force retired officer who was also required to resign his commission to accept appointment as Administrator of the Federal Aviation Administration, and who was later reappointed to the retired list. Such resignation is required because of the specific provision in section 301(b) of the Federal Aviation Act of 1958 (49 USC 1341(b) that the Administrator must be a "civilian". Under existing law, the military departments are without authority to reappoint former retired officers to their former status on the retired list under Mr. Butterfield's circumstances. Therefore, enactment of S. 182 is necessary in order to afford fair and equitable treatment to him.
>
> Under current law (10 U.S.C. 1401, 1401a, and 8991), military retired pay is computed based on the applicable rates of basic pay at time of retirement, plus authorized cost of living increases. Mr. Butterfield was originally retired on February 1, 1969, and resigned on February 8, 1973. The reference in S. 182 to "February 7, 1973," the day before Mr. Butterfield's resignation, might possibly be construed to authorize resumption of his retired pay based on the rates in effect on that date, plus authorized cost of living increases. Such a construction would place him in a higher retired pay bracket than his contemporaries, who were initially retired on February 1, 1969. While we concur in legislation which would restore Mr. Butterfield to his former military status with all the benefits he had acquired as the result of his military service, we do not believe that any advantage should accrue to him by reason of his resignation or reappointment. Accordingly, it is recommended that the reference in S. 182 to "February 7, 1973" be changed to "February 1, 1969" to make clear what we believe is the intent of this bill. It is also recommended that the word "prerequisite" be changed to "perquisites" and that the reference to the "Federal Aviation Agency" be changed to "Federal Aviation Administration" to reflect the correct name. With these changes, the Department of the Air Force recommends enactment of S. 182.
>
> Enactment of this bill will cause no apparent increase in budgetary requirements of the Department of Defense.
>
> This report has been coordinated within the Department of Defense in accordance with procedures prescribed by the Secretary of Defense.
>
> The Office of Management and Budget advises that, from the standpoint of the Administration's program, there is no objection to the presentation of this report for the consideration of the Committee.
>
> Sincerely,
> DAVID P. TAYLOR,
> *Assistant Secretary of the Air Force, Manpower and Reserve Affairs.*

Mr. HARTKE. Mr. President, will the Senator yield for a question?

Mr. CANNON. Yes, certainly.

Mr. HARTKE. Is the intention of this to reestablish for Mr. Butterfield all of his rights again as a retired officer?

Mr. CANNON. Yes. The intent is to establish all of his rights which he gave up at the time he resigned his commission.

Mr. HARTKE. Is that including pension and military benefits, totally, across the board?

Mr. CANNON. That is correct, all of his military benefits. It would not restore him to active duty. He was on the retired list. He had accrued his retirement benefits as a result of 20 years service in the military. It would restore him to the status that he had at the time he resigned.

Mr. HARTKE. Does the Senator not realize that this is a direct contravention of the established policy of Congress that military people should not be placed in these positions? We have done it with Quesada. We did it with McKee. Now we are doing it with Butterfield. In other words, why not repeal the whole act and get rid of it, if you want to stop going through the subterfuge?

Mr. CANNON. The purpose of having that in the act was so that a man would not be worried about his personal status and about having another master at the time he was directing the FAA, because some of the situations that arise might be a conflict between the military and civilian aviation authorities.

The Senator did point out that we did cover that in the Quesada case, and we covered that in the McKee case.

I point out that we recognized the benefit that military people can perform for the benefit of the Federal Government in the case of President Eisenhower, and we reinstated President Eisenhower to his previous benefits after he had served as President of these United States because we wanted to have him restored to the status that he was in at the time that he took over that position.

Mr. HARTKE. There is no constitutional provision or no legislative provision which says a President of the United States shall not have been or be a military man.

But there is a definitive legislative statement in the creation of the FAA Act that says that the appointee shall not be a military man under any circumstances and that if he is one he cannot hold that status. If all the Senator is do-

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ing is taking away from him temporarily, what the Senator has done is really a subterfuge.

I opposed the McKee nomination on the same grounds. I would oppose this nomination on similar grounds.

But I cannot understand. We should do two things. We ought to just go ahead, abolish the act, repeal it outright, and be fair with these people; and we ought not mislead ourselves any more about the fact that we are really going to have nonmilitary control of the FAA.

Besides, this man's reputation, there is certainly one which was not admirable. The whole D.C. 10 incident can be laid at his doorstep, as the Senator from Nevada well knows.

The fact of the matter is that if he had warned those manufacturers at the time, those people would be alive today. But instead of doing that he sent out a directive which was much less effect than an absolute warning. I would hope that we would reject this legislation.

Senator PEARSON and I opposed the McKee nomination on the same grounds at the same time, and if we are going to do this, let us just be fair with all the military people and say:

> Go ahead and apply for these jobs because it does not make any difference. We will reinstate you after it is all over anyway.

Mr. CANNON. Well, Mr. President, I would simply say I was not the one who selected him for the nomination. That was the President of the United States. But I think, in all fairness, this man had accrued benefits at that time, benefits that he would have been entitled to for the rest of his life had he not elected to serve his Government in the position that the President of the United States asked him to serve.

So I say, in all fairness, he ought to be reinstated and, therefore, I am sponsoring that position on the floor.

Mr. HARTKE. Mr. President, will the Senator yield?

Mr. CANNON. I was not really responding to a question before. I would rather have a Senator use up some of the other time.

Mr. CULVER. I yield some time.

Mr. HARTKE. Did not Mr. Butterfield know this at the time he went in?

Mr. CANNON. No, as a matter of fact, he did not. The minority report indicates he did know that, and I have been advised he did not. He did not find it out until after his name had been sent up in nomination. That placed him in a rather embarrassing position if he would have said, "Well, I won't take the job unless you do this."

Mr. HARTKE. In other words, he sacrificed it. If he were in that position at that time before he accepted the nomination, before he was confirmed, he was fully aware of the fact that he knew that he did not have any of these benefits left to him; is that not right?

Mr. CANNON. Yes. Before he was confirmed, yes. But not at the time he accepted and his name was sent up in nomination.

Mr. HARTKE. Yes.

Did he not say at that time he understood the McKee situation was water under the dam, in substance, saying he understood he was taking it with a waiver of these rights?

Mr. CANNON. That is correct.

The PRESIDING OFFICER. The Senator from Indiana has 1 minute remaining.

Mr. HARTKE. I had 1 minute to start out with. [Laughter.]

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Mr. CANNON. Mr. President, I reserve the remainder of my time.

Mr. STENNIS. Mr. President, will the Senator yield to me on the time allowed to the Senator from Nevada so that I may just state my position?

Mr. CULVER. Yes.

The PRESIDING OFFICER (Mr. CASE). Without objection, the Senator yields to the Senator from Mississippi.

Mr. STENNIS. Mr. President, I shall be quite brief. I certainly want to thank the Senator for yielding to me at this time.

Mr. President, I was not attending the sessions of the Senate when Mr. Butterfield was confirmed on March 1, 1973, but I was here when General Quesada was confirmed and also General McKee.

In those two instances, each of them came as near as anything I have seen around here to the position seeking the man.

This is a very difficult office to fill. General Quesada was very outstanding, I think, almost by unanimous consent. General McKee was one of the most forceful and effective men I have ever known, and they were brought in for this position and did an excellent job and, in that way, why the exception was made. Congress returned them to their original position.

The law may be defective. Those two might have been a mistake, but what Congress did about them certainly impresses me and, it seems to me, that as long as we are operating under the current law we will have to treat these men alike. This man served satisfactorily. I am not personally familiar with his service—but I am sure—I have never had a showing of anything to the contrary—his services were satisfactory. So that is the spirit which prompts me to approve this man.

I asked the Senator from Nevada to handle the matter and, in his usual fine way, he delved into it fully, and I hope that the Senate will see fit to pass this bill in fairness and in deference to this man who served as Director of the FAA.

If we want to change the law that is an altogether different matter. Wherever a bill, an introduced bill, along that line goes, I am sure it will get consideration of Congress, including this Member.

Again I thank the Senator for yielding to me.

Mr. CULVER. Mr. President, I ask unanimous consent that the dissenting views which the distinguished Senator from Colorado (Mr. GARY W. HART) and I filed with the committee report on this bill be printed in the RECORD at this point.

There being no objection, the dissenting views were ordered to be printed in the RECORD, as follows:

DISSENTING VIEWS

The action proposed by a majority of our colleagues in supporting this bill has ramifications which go well beyond the restoration of retirement, health, and other benefits to Alexander P. Butterfield. It represents a continuing erosion of respect for the deep-rooted and essential principle of separation between military and civilian authority. And, even more seriously, it represents an abdication of responsibility for maintaining that principle by the one committee which, more than any other, should be exercising particular vigilance to uphold it. Citation of exceptional precedents does not furnish a basis for deviation from this bedrock principle in this case.

Let us look at the record. In 1958 the Congress chose to combine in one agency, now the Federal Aviation Administration, regulatory authority with respect to air traffic operations that had theretofore been exercised separately by military and civilian agencies. This meant that the airspace needs and interests of the military, which might frequently conflict with those of commercial and private aviation, would be settled "in house" by a single authority. Congress was most insistent that this authority should be unmistakably civilian, and went to great pains to avoid any possibility of military control or influence over FAA decisions. Thus, Section 302(c) of the Act provided for the participation of military personnel in FAA activities, to aid the Administrator with respect to "regulation and protection of air traffic, including provision of air navigation facilities, and research and development with respect thereto, and the allocation of airspace" but "no (military) person so detailed or appointed shall be subject to direction by or control by the department from which detailed or appointed or by any agency or officer thereof directly or indirectly with respect to his responsibilities under this Act or within the Agency."

The Administrator, a civilian, was to be solely in charge. This was expressly stated in Section 301(b) and reinforced in Section 302(b)—which provided that if the Administrator had at any previous time been a regular officer in any one of the armed forces, then the Deputy Administrator must be someone who has never served as a regular military officer. In any event, the Administrator himself at the time of nomination must have severed any remaining ties he has held with the military. He must be, as the majority acknowledges, "a civilian in the strictest sense of the word." It is the failure of strict adherence to that commitment that is so very troublesome in this case.

The majority say that the letter of the law was observed when Mr. Butterfield, before his nomination as Administrator, resigned his commission as colonel on the retired list of the Regular Air Force. They further point to two precedents for reinstating Mr. Butterfield to that list now that his FAA service has been ended; and they claim that such action would be wholly consistent with the intent of the law to prevent undue military influence from affecting the decisions of the Administrator. It is instructive, accordingly, to examine those precedents and their implications.

THE QUESADA CASE

In 1959, just one year after passage of the FAA Act, Congress adopted a private bill similar to S. 182 to authorize the reappointment of Elwood R. Quesada, the first Administrator, to his former status with the Regular Air Force when he resigned from the FAA. This was, however, in all respects a unique case. Mr. Quesada had served as Special Assistant to the President for aviation matters and, as the Secretary of the Air Force pointed out in a letter to this Committee, had been responsible for putting together the FAA legislation. No one was as qualified as he to be the first head of the new agency. Thus his resignation from the Air Force, as Secretary Douglas put it, "represents a sacrifice which, in this case, it is felt the Congress did not intend."

The Armed Services Committee agreed with that judgment, but not before going to considerable lengths—all recorded in the 1959 hearings—to assure itself that the Quesada case would not be taken as a precedent for similar action in the future.[1] It is therefore quite improper, in our judgment, for the Committee now to cite the Quesada case as a controlling precedent for the present action.

THE MCKEE CASE

In 1965, Congress passed a private bill authorizing the President to appoint William F. McKee, a retired four-star general from the Regular Air Force, as Administrator of the FAA without resigning the rank, grade or emoluments of his retired military status. Congress in effect waived entirely the application of Section 301(b) of the Act to General McKee. In this and in several other vital respects the action of the 1965 Congress is clearly distinguishable from the action now being proposed to the 1975 Congress.

First, of course, the originating committee for the McKee bill was not the Armed Services Committee but the Committee on Commerce. That committee acquiesced in the special dispensation requested of it by President Johnson, on the ground that General McKee had acquired specially relevant expertise in a civilian capacity with NASA after returning from active military duty (while continuing to draw both civilian and military pay, which he was evidently unwilling to give up). But the committee went out of its way to express grave reservations about the propriety of what it was being asked to do:

"Aside from questions relating to compensation, the majority of the members of the committee have grave reservations concerning what appears to be an increasing tendency to fill civilian government positions with retired military personnel. . . . *This matter should be thoroughly reviewed by the appropriate committees* of Congress."[2]

To document and buttress its concern, the Committee further quoted relevant extracts from a previous report it had prepared five years earlier on the subject:

". . . We believe it necessary to express some substantial doubts on the wisdom of repeated appointments of retired military officers to high civilian positions, particularly in the administrative and regulatory agencies. . . .

"However, an appointment to an agency is not an honorarium for services performed in the past. Rather, such an appointment should be based on expected future performance in the highly sensitive area of balancing and adjusting competitive forces in the public interest.

"Furthermore, and perhaps most important, one of the basic principles in our society is that the control of government, including the policymaking function, should be vested in civilians with the military subordinate. Continued appointments of career officers could destroy the symbol of civilian government as well as promote the unfortunate practical effects associated with almost dominant military influence.

"There may, of course, be occasion when the particular job or the capabilities of the man indicate the desirability of appointment of a professional military man. *But this should be the unusual rather than the usual.*"[3]

In fact the McKee decision was expressly based on an "unusual" precedent cited to the committee by President Johnson; namely, the 1950 legislation enacted by Congress to authorize General of the Army George C. Marshall to serve as Secretary of Defense. George Marshall was of course a widely revered and trusted public servant of demonstrated probity and breadth of vision, who had already served with distinction as Secretary of State (and had authored the famous "Marshall Plan" that bore his name). Nevertheless, the record shows that when this Armed Services Committee approved his designation as Secretary of Defense, it wrote in the following extraordinary proviso:

"SEC. 3. It is hereby expressed as the intent of the Congress that the authority granted by this Act is not to be construed as approval by the Congress of continuing appointments of military men to the office of Secretary of Defense in the future. It is hereby expressed as the sense of the Congress that after General Marshall leaves the Office of Secretary of Defense, no additional appointments of military men to that office shall be approved."[4]

It was on that basis and with that understanding that the McKee legislation was approved; and, significantly, there have been no subsequent efforts to push through advance-waiver legislation of the McKee type since 1965.

THE BUTTERFIELD CASE

The record shows that Alexander Butterfield was well aware of the actions and reservations of the Congress with respect to Section 301(b) of the FAA Act when he consented to having his name placed in nomination. As it happens, the sponsor of the present bill was presiding over Mr. Butterfield's confirmation hearings in the Committee on Commerce, and he elicited from the nominee an admission that Mr. Butterfield had explored the prospects of obtaining McKee-type legislation only to learn that there was little prospect of its approval. Mr. Butterfield then forthrightly stated:

"The issue is now water under the bridge. It should be forgotten."[5]

It is true that Senator Cotton, at a later point in the hearings, told the nominee that he was "reasonably confident that Quesada treatment would be forthcoming."[6] But this individual observation cannot be taken as a commitment of the Congress. Furthermore, a contrary reading would put Mr. Butterfield and any like him who succeed to the position of FAA Administrator in the most untenable posture conceivable insofar as the intent of Congress is concerned.

To see why this is so, we need only compare the status while in office of General McKee and that of Alexander Butterfield. McKee was secure in his dual position as a civilian administrator with retired military pay and benefits. There was nothing the Air Force could do to withhold or diminish his emoluments, and therefore no need or incentive for him to curry any favor from the Air Force while he was Administrator. His independence in this regard was further buttressed by Section 2 of his private bill (adapted *in toto* from the earlier Marshall legislation):

"In the performance of his duties as Administrator of the Federal Aviation Agency, General McKee shall be subject to no supervision, control, restriction, or prohibition (military or otherwise) other than would be operative with respect to him if he were not an officer on the retired list of the Regular Air Force."

Mr. Butterfield was of course nominally a civilian, at the time of his appointment, so no special statutory safeguards of this sort were provided for him. But what realistically was his position, if he hoped—as he had been encouraged to do—that "Quesada treatment" might be available to him upon completion of his service as Administrator? Would he not need the continuing good will of the Air Force to support private legislation on his behalf, as indeed that service has done by letter to the Committee in this case? Even if the legislation were passed while he was still in office (which in fact is how it was originally drafted), all it would do is *authorize* his reappointment to the retired list; would not the good favor of the Air Force still be needed to persuade the President to exercise the reappointment authority?

To ask these questions is not to impugn the personal integrity or honorable intentions of Mr. Butterfield any more than that of General McKee or General Quesada. The character or performance of Mr. Butterfield is not at issue. These are institutional, not personal questions.

Congress has said in Section 301(b) that it wants a strictly independent civilian Administrator of the FAA. If the present bill is passed, however, that will be a dead letter. The majority protests against this interpretation, with the claim that it is proceeding on a "case-by-case" policy. Yet candor must compel acknowledgement that: (1) There have been only five FAA Administrators since the FAA Act was adopted; (2) of these, only three were affiliated with the armed services at the time of their selection by the President; and (3) if the Butterfield bill passes, *all three cases* will have been decided the same way—in defiance of the purpose and intent of Section 301(b).

There are no special circumstances justifying that sort of action in this case. No one claims that Mr. Butterfield was uniquely qualified among all other possible candidates for the post he accepted, or that no one else could be found to take the job, or that he imposed as a precondition to acceptance of his office a Congressional commitment that military pay and benefits would be restored. In short, if Mr. Butterfield can qualify for restoration of what he himself freely chose to relinquish, then so can anyone else and Section 301(b) is dead.

WHAT IS AT STAKE

This issue does not arise in a vacuum. There has long been concern, as manifested in the reports previously cited by the Committee on Commerce among others, about excessive appointments of retired military officers to high civilian positions. Recently, there has been heightened concern about active duty officers switching to policy positions of the highest civilian significance and then resuming their military careers with important and highly visible assignments. What was said ten years ago has acquired added urgency and importance now: "This matter should be thoroughly reviewed by the appropriate committees of Congress."

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[1] Hearings on S. 2500, before the Senate Armed Services Committee, August 13, 1950, p. 18:

Chairman RUSSELL. Any further questions of Senator Monroney (the bill's sponsor)?

Senator STENNIS. I would just like to ask this question, if I may. You have the bill drawn in such a way now that it will be a precedent only—in other words, it is limited to this gentleman by name?

Senator MONRONEY. Yes, sir; I think that is absolutely necessary.

Senator STENNIS. But your purpose isn't to set any general precedent on this practice?

Senator MONRONEY. No, sir; I don't think it should be. The fact of the matter is, we wanted a civilian but the nearest thing to a civilian we could get at that point who had the necessary knowledge of the job was a military officer who had resigned his commission. . . .

* * * * *

Chairman RUSSELL. I have always thought it was well to avoid setting any precedent to have the name of the officer included in the bill to show it was done just in that case.

[2] S. Rep. No. 271, 271, 89th Cong., 1st Sess., June 1, 1965, p. 5. (Emphasis added.)

[3] *Ibid*, p. 4. (Emphasis added.)

[4] *Ibid*, Appendix A.

[5] Hearings on the Nomination of Alexander P. Butterfield before the Senate Committee on Commerce, March 1, 1973, pp. 57–58. (Committee Print.)

[6] *Ibid*., p. 63.

The place to start is in this Armed Services Committee, and the time to call a stop to recent trends is now.

S. 182 does injury to one of the most fundamental operating principles in our Government—the separation between military and civilian authority. This separation, which is grounded in the Constitution, is deliberately designed to promote the highest professionalism in the military while at the same time keeping the military under civilian control and removed from the formulation of public policy. There has been a growing and disturbing tendency for this separation to become increasingly obscured. The weakening of this vital distinction tends to undermine professional military morale and implies that advancement in the military service is based on considerations other than military professionalism. In addition, it risks involving the military in controversies over unpopular policies which are properly the domain of the civilian political process and the responsibility of its officeholders.

These are fundamental concerns, springing from basic principles which can no longer be honored solely in the breach. S. 182 may seem a fortuitous occasion on which to take a stand—but without some beginning there can be no end.

We oppose passage of S. 182.

JOHN CULVER.
GARY HART.

Mr. CULVER. I thank the distinguished chairman.

This is a matter of principles, not personalities. In taking this strong stand against the reinstatement of retired military status to Mr. Butterfield, I have absolutely no prejudice against Mr. Butterfield personally. His career elsewhere in Government; his identification in the public mind with the recent administration are irrelevant to the issue under consideration.

We are talking about a statute enacted to prevent potential conflict of interest. We are talking about a constitutional principle as old as the Republic.

The constitutional principle is the scrupulous separation of civilian and military functions in our democratic system.

The legal principle involved is whether the law requiring the FAA Administrator to be a civilian should be upheld or flaunted by making an exception of a case that does not qualify for exceptional status.

The central question is when does a "special case" become a precedent that has the effect of undermining the law?

If we are to make revolving door exceptions in repeated cases that do not have unique justification; then we are, in effect, repealing the law.

Considering the fact that there is no moral issue against Mr. Butterfield, it may seem that fighting his reinstatement to retired military status is making a mountain out of a molehill. What harm can the restoration of one man's military status and perquisites do?

I submit that the constitutional principle at stake—the preservation of civilian control of our Government—is no small one. It is an integral part of the foundation of our Democratic system.

This principle is clearly challenged by the accommodation of Mr. Butterfield's desires by special legislation in this case.

The law states that the Administrator of the FAA shall be a civilian. The legislative intent, from the time of the creation of the FAA, comes through clearly as construing "civilian" in the strictest sense of the world.

Mr. Butterfield understood—and this is plainly on the record—that when he agreed to divest himself of his military commission and perquisites that this was a permanent move.

This is the way the record must be interpreted unless there was some understanding between the lines that Mr. Butterfield's wishes would be taken care of by making yet another exception to the law.

This is what is so disturbing. Can an individual administer as a civilian an important agency such as the FAA which has jurisdiction in both civilian and military areas if he lives in hope that when his civilian tour of duty is over he will be permitted to resume his military status?

The purpose of the law is to avoid crises of potential conflict of interest situations before they materialize. If every appointment of this kind is a potential exception, what is the strength of the law?

In previous cases——Quesada and McKee—where exceptions were made, there were compelling circumstances to justify making the exceptions. There are no comparable circumstances in the Butterfield case. At the time it acted on the previous exceptions, Congress leaned over backward to emphasize that no precedent was intended.

Because the proposed Butterfield reinstatement does not have the unique and compelling justifications of the Quesada and McKee cases, it would be precedent-setting. This is, therefore, the point to take a stand on the law—to uphold it or repeal it.

Let us take a look at the Quesada and McKee cases to see if they are in any logical way comparable to the Butterfield case. Mr. Quesada, a lieutenant general of the Regular Air Force, had served as special assistant to the President for aviation matters and had been responsible for putting together the legislation establishing the FAA. No one was as qualified as he to be the first head of the new agency. He was literally drafted for the job. It was a unique case and, as Secretary Douglas then put it, his resignation from the Air Force represented a sacrifice "which, in his case, it is felt the Congress did not intend."

The Armed Services Committee agreed with that judgment, but not before going to considerable lengths—all recorded in the 1959 hearings—to assure itself that the Quesada case would not be taken as a precedent for similar action in the future.

William F. McKee, a retired four-star general from the Regular Air Force, had served in several major commands, including head of Air Force Logistics Command and Vice Chief of Staff. He had acquired specially relevant expertise in a civilian capacity with NASA. The Committee on Commerce voted out the private bill authorizing the President to appoint General McKee as Administrator of the FAA without resigning the rank, grade, or emoluments of his retired military status. Despite General McKee's extraordinary qualifications—which distinguish his case from the Butterfield case—the committee went out of its way to express extreme reservations about the propriety of what it was being asked to do:

> Aside from questions relating to compensation, the majority of the members of the committee have grave reservations concerning what appears to be an increasing tendency to fill civilian government positions with retired military personnel . . . This matter should be thoroughly reviewed by the appropriate committees of Congress.

These reservations led the Congress to include a special section in the law expressing "the intent of the Congress that the authority granted by this act is not to be construed as approval by the Congress of continuing appointments of military men to the office of Administrator of the Federal Aviation Agency in the future."

Another salient point that sets the Quesada and McKee cases apart from the Butterfield case is that the relinquishing of retired military status in both earlier cases would have entailed major personal sacrifice. Neither man qualified for civil service pension, and thus would have lost all retirement benefits if special bills had not been passed. This consideration does not apply to Mr. Butterfield, who can have a generous civil service retirement without being reinstated to his retired military position.

If S. 182 is passed and Mr. Butterfield is reinstated to retired military status, he will be eligible for $997.09 per month in gross military retired pay. In addition, he would be eligible for civil service retirement pay, based on 6 years' service, and payable either in a lump sum or in a deferred annuity until age 62.

If S. 182 is not passed, Mr. Butterfield would still be eligible for civil service retirement, including credit for 20 years of military service, of $1,411.38 gross per month. All he would lose from the disapproval of S. 182 are exchange and commissary privileges, participation in the survivor benefit plan, and military medical care for himself and his dependents.

Certainly there is not sufficient hardship involved here to justify enacting a private relief bill that circumvents the clear legislative intent of a specific statute and a fundamental constitutional principle.

In accepting appointment to the FAA post, Mr. Butterfield freely chose to relinquish his military retirement benefits. The matter was thoroughly aired at the time of his confirmation.

In his confirmation hearing before the Senate Commerce Committee on March 1, 1973, Mr. Butterfield told Senator CANNON:

> Once I learned that special legislation would have little chance of passing the Senate and House, and that resolution one way or the other would probably take months, I did what I felt I had to do—wrote the letter to Secretary Seamans asking that my name be dropped from the retired roles. That was nearly a month ago. The issue is now water under the bridge. It should be forgotten.

To revive the issue of Mr. Butterfield's military reinstatement in the face of such explicit understanding and in the absence of any uniquely compelling circumstances relating to qualifications or hardships would be to make a mockery of congressional procedure.

There is no prejudice expressed or implied in my remarks against the character of Mr. Butterfield. The issue at stake goes far beyond the desire of one individual for reinstatement to retired military status.

In the wake of events of the past few years wherein we have seen the weakening of our constitutional system by the development of massive conflicts of interest, we have in my judgment the duty to preserve the laws that guard against such situations.

At a time when we are profoundly reassessing our foreign and defense policies in the light of new problems and perils, we have the responsibility to be doubly vigilant in upholding the constitutional principle of civilian control of the Government.

The matter before us may seem to some not to be of that much consequence.

But at some point—in the national interest—we must take a stand. I believe this, Mr. President, is such a point.

Mr. President, at the outset I would like to make it emphatically clear, if that were necessary, that the issue here today does not involve the personality of Mr. Butterfield. The issue here today is far more fundamental, it is far more important, and it is a matter of principle. It is a matter, first of all, of constitutional principle, that bedrock principle of our Founding Fathers, whether or not we are going to have a separation in this society and in this Government between the military, on the one hand, and the civilian authority, on the other.

Mr. President, I have been particularly distressed that this critical distinction between the civilian authority, on the one hand, and the military authority, on the other, has been blurred, has been systematically abused on far too many occasions in this country. We have seen high military officers being advanced in the professional service not on the basis of their professional military record but on their political connections.

This rebounds, Mr. President, to the disadvantage of the military, to an abuse of the military in this country. We have seen examples under other administrations where, in my judgment, high-ranking military authorities have been called back to America to appear even before joint sessions of Congress and defend, personally defend, unpopular military actions and decisions which are the proper responsibility and accountability of civilian authority under our Constitution and under our laws.

Mr. President, I submit if we continue to be insensitive and indifferent to the erosion of this fundamental principle of a free society, then we are lending ourselves in an incremental but serious way, to the weakening of the very pillars of this institution, of this society, and of its form of government.

There is at issue in this modest bill yet another major and fundamental principle, and that is whether or not we are, as the distinguished chairman of the Armed Services Committee has said, going to obey the law, whether we are going to respect and observe the law as written by Congress in 1958 when it created the Federal Aviation Agency.

Mr. President, as the distinguished chairman of the Armed Services Committee knows, perhaps better than anyone else on the floor at the present moment, that decision by Congress in 1958 to establish a civilian authority to blend within one jurisdiction responsibilities for both military and civilian control of the airways was a very basic reorganization of the American Government. Congress on that occasion took painstaking efforts to make sure in this sensitive area of public policy, in view of the prior military domination of those policies, that control of that sensitive and critically important regulatory authority, an authority vulnerable to conflict-of-interest and abuse, would be insulated, would be protected, against political manipulation.

In the congressional judgment and wisdom, this legislative language was carefully crafted by the conferees from the House and from the Senate. They went to great lengths, Mr. President, to state in unequivocally clear language under section 301(b) that the Administrator of the FAA must be a civilian in the strictest sense of the word—let me repeat, in the strictest sense of the word.

Under section 302(b) they went on to say that in the event, Mr. President, that the Administrator was a former military personality, then the Deputy Administrator had to be a civilian. They nailed that language into that statute and I do not think they, in their considered judgment and their preoccupation with this public policy question, did that in idle fashion.

Mr. President, there are only a couple dozen cases in our entire Federal Government where Congress has taken comparable care in expressly spelling out the requirement for civilian authority and control. We have it in the Secretary of Defense, we have it in his deputy, we have it in the service secretaries, we have it in the assistant secretaries. Outside of DOD, we only have it where? CIA, NASA, and FAA. That is all. These are the only cases where Congress after careful consideration and reflection in the public interest has said that we do not feel the public's interest will be served if we mix the military and the civilian to any degree in the administration of these critical responsibilities.

Mr. President, the distinguished Senator from Nevada and the distinguished chairman of the Armed Services Committee and the distinguished Senator from South Carolina have all properly referred to the history of this agency and the two exceptions to this fundamental rule of the 1958 law creating the FAA. I think it is only fair that we carefully examine those precedents and determine whether or not, based on consideration of those facts, they, in fact, have any relevancy whatsoever to the present case.

Mr. President, the first case is that of General Quesada. Who is General Quesada?

General Quesada was a very outstanding general in the Air Force. He was a special assistant to President Eisenhower for aviation affairs and, Mr. President, he was credited with shepherding the 1958 law which created the FAA through Congress. He was nominated for this position because he was "uniquely qualified" for the responsibilities at the dawn of creation of this agency. He was someone, as the Senator from Mississippi (Mr. STENNIS) has suggested, uniquely qualified, where the position sought the man.

At the time of his nomination Secretary Douglas of the Air Force said it involved a personal sacrifice that exceeded any that Congress could have intended. He was a remarkable man, a uniquely gifted administrator with specialized knowledge, in the most personalized sense, of this field.

Then we had the case of General McKee in 1965 where, once again, it was argued—it was not universally shared, but it was argued—that we once again were faced with a situation where a very unique individual, General McKee, in the judgment of President Johnson, had special qualifications at this particular historic juncture in the life of that agency, based on his experience in the Air Force and as an Administrator at NASA and in other areas.

They went to General McKee and they said, "Would you like to have this job as the head of the FAA?" He said, "Not on your life. Not on your life, if it means giving up all my military perquisites and my current civilian pay."

It was suggested that maybe they could work out a special arrangement for this special personality because, for a second time in the life of that agency, the position was seeking the man. They came here to this Congress and said to the Congress, "Let us make a deal, let us prospectively waive section 301(b) of the 1958 statute."

There are two Senators here on the floor today who were members of the Commerce Committee on that occasion, the distinguished Senator from Kansas and the distinguished Senator from Indiana. They said, "No, this is not right. This does not comport with the legislative history on this bill. This is wrong public policy. It invites conflict of interest."

They referred also to the damaging consequences to the constitutional and fundamental principle of separation of the military and civilian authorities in the interest of both.

They had a very serious debate here and they voted. It was a recommital vote, many of those here this afternoon will well recall, and it passed by two votes. So that exception went through.

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Mr. President, those were the two exceptions. I think it is important, it is extremely important in judging the applicability of those two cases to the present case before us today to review the congressional comments at the time these two cases were considered by the appropriate committees.

The Quesada case. In the Quesada case, the Armed Services Committee, in 1959, held hearings on this subject, and they did so to make sure of what? To make sure that the Quesada case would not be taken—repeat—would not be taken as a precedent, as a precedent for similar action in the future.

Mr. President, I am reading now from hearings on S. 2500 before the Senate Armed Services Committee, dated August 13, 1959, page 18:

> Chairman Russell. Any further questions of Senator Monroney (the bill's sponsor)?
>
> Senator Stennis. I would just like to ask this question, if I may. You have the bill drawn in such a way now that it will be a precedent only—in other words, it is limited to this gentleman by name?
>
> Senator Monroney. Yes, sir. I think that is absolutely necessary.
>
> Senator Stennis. But your purpose isn't to get any general precedent on this practice.
>
> Senator Monroney. No, sir. I do not think it should be. The fact of the matter is we wanted a civilian but the nearest thing to a civilian we could get at this point who had the necessary knowledge of the job was a military officer who had resigned his commission.
>
> Chairman Russell. I have always thought it was well to avoid setting any precedent to have the name of the officer included in the bill to show it was done in just that case.

Therefore, Mr. President, I think it is clearly improper for the committee now to cite the Quesada case as a controlling precedent for the present action.

Take the McKee case that I have alluded to. The Commerce Committee on that occasion was responsible for reviewing the legislation calling for a waiver of section 301(b) and its application to the nomination of General McKee.

The Commerce Committee, in 1965, went out of its way to express grave reservations about the propriety of what it was being asked to do. I would like to quote from the committee report on the McKee case:

> Aside from questions relating to compensation, the majority of the members of the committee have grave reservations concerning what appears to be an increasing tendency to fill civilian Government positions with retired military personnel. This matter should be thoroughly reviewed by the appropriate committees of the Congress.

To further document and buttress its concern, the committee quoted relevant extracts from a previous report it had prepared 5 years earlier on this same subject. I would like to quote from that report:

> We believe it necessary to express some substantial doubts on the wisdom of repeated appointments of retired military officers to high civilian positions, particularly in the administrative and regulatory agencies. Continued appointments of career officers could destroy the symbol of civilian Government as well as promote the unfortunate practical effects associated with almost dominant military influence. There may, of course, be occasions when the particular job or the capabilities of the man indicate the desirability of appointment of a professional military man. But this should be the unusual rather than the usual.

So warned the committee on that occasion. That was June 1, 1965, Mr. President.

So much for the precedents.

Now comes Mr. Butterfield.

I wish to say once again, if it is necessary to reiterate, that I have absolutely no prejudice against Mr. Butterfield personally. His career elsewhere in Government and his identification in the public mind with the recent administration are irrelevant to the issues now under consideration.

With all due respect to him, the issues now properly under consideration transcend that personality.

Mr. President, when Mr. Butterfield was originally nominated by the White House for this position, they sent his nomination up, as the Senator from Nevada mentioned, and they were unaware of the fact that the 1958 law, section 301(b), required that he divest himself, having been a career military man, of all his perquisites and benefits on the retired list. They were advised by counsel of the Commerce Committee that this was not proper.

The White House discussed this with Mr. Butterfield, and Mr. Butterfield voluntarily elected to resign his commission and to come before the Commerce Committee on the occasion of his nomination hearings.

Mr. President, Mr. Butterfield clearly, freely chose to relinquish military retirement benefits, and I believe he should be commended for it. I believe he should be commended for his 20 years of distinguished military service. I think this Nation should be grateful to him for it. I do not think anyone could stand here in the Chamber of the Senate with any other thought in mind. They should commend this dedicated American public servant who, seeing another opportunity to serve his Government, made that difficult judgment, and I do not minimize its importance, to give up what he had in fact and in fairness worked for, to give it up so he could serve his country in yet one more important assignment during his life.

Most importantly, he voluntarily elected to do that consistent with the interest of the Constitution of the United States, and the laws of the land. That does not call for an honorarium, but it may call for some proper acknowledgment, respect, and appreciation. I offer it to him.

But when Mr. Butterfield appeared before the Commerce Committee—and interestingly enough, Mr. President, before the distinguished Senator from Nevada—on March 1, 1973, Mr. Butterfield, in response to a question by Senator Cannon of Nevada, said, "Once I learned"—I, Butterfield—"that special legislation would have little chance of passing the Senate and House, and that resolution one way or the other would probably take months, I did what I felt I had to do: wrote the letter to Secretary Seamans asking that my name be dropped from the retired rolls. That was nearly a month ago. The issue"—and I quote Mr. Butterfield in his official testimony at the time of his appointment and nomination—"is now water under the bridge. It should be forgotten."

What did Mr. Butterfield clearly do? He did what every reasonable person might consider doing in his self-interest. He talked to the people at the White House and they said:

> Run over to Congress and go around and see all of these people on the Commerce Committee, in the House, in the Senate. Pay your courtesy calls. And while you are there, you might just want to explore with them the possibility of special legislation. If they treat you like McKee or Quesada, you can have your cake and eat it.

He made those trips. I do not impugn his motives. He made those trips, and he got the message. He told the Commerce Committee what the returns were on that straw poll.

They said, in effect:

> Nix. No soap. It is off. We are not going to play any games like that. We had an awful fight with McKee. There is no way that we can justify doing this, this coziness, this Government-by-buddy system about which America is sick and tired.

It is not what you know; it is not what the law says; it is who you know.

So he came back, and he said to the committee:

> The issue is now water under the bridge. It should be forgotten.

I commend him for that decision, even though perhaps reluctantly arrived at. But he made it. He took that job, and he took that opportunity. And he should take gratification, if he can, from having served his country once again, hopefully with distinction and with honor and with capacity.

But, Mr. President, this was no case of the position seeking the man. We have had it pointed out here, properly, that McKee was unique and Quesada was unique. McKee was the first Air Force four-star general who was not a pilot, because he was a superb administrator. That was what they needed. As to Quesada, we have been over that.

What is the problem here? Mr. President, the problem is simply this: We wrote a bill. We, Congress, carefully crafted a bill that attempted to be ironclad in its resistance to manipulation and conflict and vulnerability, particularly the military side, because of the unique interest that the military had in the location of airports and air traffic rights and procedures and because of the problems they had when they had two separate systems before 1958. At that time the military was landing everywhere they wanted to land, without adequate regard for civilian safety and civilian health.

What we are doing here is governing by exception. We should have the courage and the integrity to abolish section 301(b) and section 302(b) or we should stop making a mockery of the law. We should stop contributing continually to the complicated commingling of the military and civilian interests and authority and responsibility. We should not subject the military to this, and we should not subject the public interest to this.

One of the problems is that if we get into a situation in which we just go through a sham exercise, if we just sign off on these retirement benefits, then there may be a wink across the table, and "When I'm done with this job, I'm going to get all that back." That is not what was intended when we enacted this law, and it certainly is not consistent with the fundamental, bedrock principles of the Constitution as to the critical importance of maintaining separation and distinction between military and civilian authority.

In the case of McKee, in which we had that expressed waiver prospectively agreed upon, they went even one step further when they wrote that law. The Congress said that in McKee's case:

> In the performance of his duty as Administrator of the Federal Aviation Agency, General McKee shall be subject to no supervision, control, restriction, or prohibition, military or otherwise, other than would be operative with respect to him if he were not an officer on the retired list of the regular Air Force.

So they put in that language for McKee right there. That was a signal to the military and everybody else that he could enjoy independence, because it was statutorily prescribed for him, personally.

But let us take Butterfield's case. Butterfield comes in, and he does not know whether or not he is going to get it back, and he would probably like to get it back. I am not impugning his integrity for a moment, but it presents an obvious problem. If he sits there and tries to make these decisions with that hanging over his head, if he is a good boy so far as the military is concerned, he is not going to have any trouble having the military recommend to the President to give it back to him. He has been a good boy. It has to be recommended by the Air Force and approved by the President. It is just that kind of situation that is absolutely unconscionable in terms of any compliance with the clear legislative history and intent that operated at the time this provision was carefully drafted.

Finally, Mr. President, we have a reference to substantial personal sacrifice. In fact, Mr. Butterfield will not suffer financial hardship. He can receive a civil service pension of $1,411.38 per month. His military retired pay, interestingly enough, would be only $997.09 per month. He will now receive, under the civil service retirement, if we do not pass this bill, a free $45,000 life insurance policy, under civil service. He gets all the 20 military service years credited with civil service, because he has the necessary 6 years for a pension. Neither McKee nor Quesada had that alternative. They did not qualify for the civil service benefits, if we want to talk about hardship.

What he does not get are the PX and the commissary privileges. He does not get to fly free on a military airplane if space is available, and it is true that he does not get the medical health benefits that go with a retirement status. But in a country where increasingly you have to be rich in order to be sick, that is not a hardship compared with what other Americans face. He can get an $80 a month death plan for his family. He will be getting $1,411.38 per month, plus the satisfaction of having served his country again, in the FAA, as head of it.

Finally, Mr. President, I think that to approve this bill would establish, for the first time, a general precedent. It would vitiate and wipe out—make no mistake about that—section 301(b), section 302(b), and the whole import of that subject, in terms of the conflict-of-interest questions and the public policy issues involved. It would establish a special consideration for military men in FAA, and it would create this potential conflict of interest for military men who might be so appointed.

Finally, Mr. President, I point out—and the Senator from Nevada quotes it again—that even the majority report concedes that—

> It may be unwise, as a general policy, to reinstate automatically retired military status to anyone who resigns such status in order to serve in the U.S. Government.

So says the distinguished Senator from Nevada.

They go on to say:

> A case-by-case approach in which the Congress evaluates the peculiar circumstances and equities of an individual situation would seem to be appropriate—

This is the language of the majority report. All I can say is that I agree—Amen. That should be the way we are going about this. It does not happen to be the way.

On that basis, this bill clearly should be defeated.

To revive the issue of Mr. Butterfield's military reinstatement in the face of his own explicit understanding and in the absence of any uniquely compelling circumstances relating to qualifications or hardship would, in my judgment, simply make a mockery of congressional procedure. No prejudice is expressed or implied in my remarks against the character of Mr. Butterfield. Sometimes, I hope, what we consider in this place transcend personal considerations.

The issue at stake goes far beyond the desire of one individual for reinstatement to retired military status. In the wake of events of the past few years, wherein we have seen the weakening of our constitutional system by the development of massive conflicts of interest, we have, in my judgment, the duty to preserve the laws that guard against such situations.

At a time when we are profoundly reassessing our foreign and defense policies in light of new problems and new perils, we have the responsibility to be doubly vigilant in upholding the constitutional principle of civilian control of this Government.

The matter before us, Mr. President, may seem to some not to be of that much consequence. Some may say we are just making a mountain out of a molehill. But at some point, in the national interest, we must take a stand. I believe that, for me, Mr. President, this is clearly such a place.

Mr. GOLDWATER. Will the Senator yield 10 minutes?

Mr. CANNON. I yield 10 minutes to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I congratulate the Senator from Iowa, He has presented his case very well and I think in the way he has done it, he has provided a service.

I intend to support S. 182, a bill to provide for the reinstatement of retired military status to Alexander P. Butterfield, recently resigned Federal Aviation Administration Administrator.

The opponents claim the bill represents a continuing erosion of respect for the deep-rooted and essential principle of separation between military and civilian authority.

I agree with that principle and I would not support this bill if I felt that principle was being violated. But I ask how this particular case can be related to the essential principle of separation between military and civilian authority.

In fact, Mr. President, if the Senator from Indiana would care to draft an amendment that would strike sections 301(b) and 302(b), I would support it. I relate later in my paper that I think the time for this fear or concern has been outlived.

Can an honest review of the situation as it was when Mr. Butterfield became the FAA Administrator, lead one to the conclusion that the principle cited had any applicability at that time and to that position? I suggest that it did not.

What were the conflict of interest or potential conflict of interest issues at that time?

Can the opponents of the bill point to decisions made by Mr. Butterfield during his tenure as Administrator that would have been made differently had he retained his commission and his retired status?

I suggest nothing would have been any different as regards those decisions. I also believe that Mr. Butterfield's past military experience helped, rather than hindered, his efforts to make objective decisions.

Now, Mr. President, let me quote from a portion of the dissenting views contained in our committee report on S. 182:

> Mr. Butterfield was of course nominally a civilian, at the time of his appointment, so no special statutory safeguards of this sort were provided for him. But what realistically was his position, if he hoped—as he had been encouraged to do—that "Quesada treatment" might be available to him upon completion of his service as Administrator? Would he not need the continuing good will of the Air Force to support private legislation on his behalf, as indeed that service has done by letter to the Committee in this case? Even if the legislation were passed while he was still in office (which in fact is how it was originally drafted), all it would do is authorize his reappointment to the retired list; would not the good favor of the Air Force still be needed to persuade the President to exercise the reappointment authority?

Now let me further examine a sentence in the just-quoted paragraph which reads:

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Would he not need the continuing good will of the Air Force to support private legislation on his behalf, as indeed that service has done by letter to the Committee in this case?

Mr. President, the letter referred to was in response to a request from Chairman STENNIS for the views of the Department of the Air Force on the bill and is a routine procedure, as it is with every bill that in any way might impact on the Department of Defense. To imply that the Department of the Air Force's favorable reply was in any way dependent upon Mr. Butterfield's having kept the Air Force's good will while he was Administrator, I suggest, is a grave injustice to both parties.

Mr. President, so that this point will be clear as possible, I ask unanimous consent that the letter from the Air Force to the committee be printed at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE AIR FORCE,
OFFICE OF THE ASSISTANT SECRETARY,
Washington, March 11, 1975.

Hon JOHN C. STENNIS,
Chairman, Committee on Armed Services, U.S. Senate.

DEAR MR. CHAIRMAN: This letter is in response to your request for the views of the Department of the Air Force with respect to S. 182, 94th Congress, a bill "To authorize the appointment of Alexander P. Butterfield to the retired list of the Regular Air Force, and for other purposes."

The purpose of S 182 is to restore Alexander P. Butterfield, former Colonel, United States Air Force (Retired), to his former status on the retired list of the Regular Air Force with the retired pay and other benefits to which he would have been entitled had he not resigned to accept appointment as Administrator of the Federal Aviation Administration (FAA). Restoration of retired pay and entitlement to other applicable benefits will not be effective until the day after he ceases to hold the office as Administrator of the FAA or the day before his death, whichever is earlier, and will not be retroactive for the period he served as Administrator.

The proposed legislation is not without precedent, since similar action was previously taken in the case of at least one other Regular Air Force retired officer who was also required to resign his commission to accept appointment as Administrator of the Federal Aviation Administration, and who was later reappointed to the retired list. Such resignation is required because of the specific provision in section 301(b) of the Federal Aviation Act of 1958 (49 U.S.C. 1341 (b)) that the Administrator must be a "civilian". Under existing law, the military departments are without authority to reappoint former retired officers to their former status on the retired list under Mr. Butterfield's circumstances. Therefore, enactment of S. 182 is necessary in order to afford fair and equitable treatment to him.

Under current law (10 U.S.C. 1401, 1401a, and 8991), military retired pay is computed based on the applicable rates of basic pay at time of retirement, plus authorized cost of living increases. Mr. Butterfield was originally retired on February 1, 1969, and resigned on February 8, 1973. The reference in S. 182 to "February 7, 1973," the day before Mr. Butterfield's resignation, might possibly be construed to authorize resumption of his retired pay based on the rates in effect on that date, plus authorized cost of living increases. Such a construction would place him in a higher retired pay bracket than his contemporaries, who were initially retired on February 1, 1969. While we concur in legislation which would restore Mr. Butterfield to his former military status with all the benefits he had acquired as the result of his military service, we do not believe that any advantage should accrue to him by reason of his resignation or reappointment. Accordingly, it is recommended that the reference in S. 182 to "February 7, 1973" be changed to "February 1, 1969" to make clear what we believe is the intent of this bill. It is also recommended that the word "prerequisites" be changed to "perquisites" and that the reference to the "Federal Aviation Agency" be changed to "Federal Aviation Administration" to reflect the correct name. With these changes, the Department of the Air Force recommends enactment of S. 182.

Enactment of this bill will cause no apparent increase in budgetary requirements of the Department of Defense.

This report has been coordinated within the Department of Defense in accordance with procedures prescribed by the Secretary of Defense.

The Office of Management and Budget advises that, from the standpoint of the Administration's program, there is no objection to the presentation of this report for the consideration of the Committee.

Sincerely,

DAVID P. TAYLOR,
Assistant Secretary of the Air Force, Manpower and Reserve Affairs.

Mr. GOLDWATER. To keep this in context, I point out that the paragraph following the one previously cited, states:

> To ask these questions is not to impugn the personal integrity or honorable intentions of Mr. Butterfield any more than that of General McKee or General Quesada.

Just for a point of the record. I make the comment that we have had other military men serve in this capacity. One was John Shaffer and the other was Mr. Halaby.

Whether the integrity of Mr. Butterfield has been impugned or not will have to be judged by Mr. Butterfield, but I suggest, if not, it is very close. However, I further suggest that the answer to the questions raised about needing the good favor of the Air Force is a resounding "No." In my opinion, it is a poor attempt to make a case that is just not there.

Mr. President, let me comment on how I interpret the intent of section 301(b) of the Federal Aviation Act of 1958, which specified that at the time of his nomination, a potential FAA Administrator "shall be a civilian." It appears to me the purpose was to preclude an Administrator from being subjected to pressures that might cause him to favor military aviation interests over civilian aviation interests. However, it must be remembered what the situation was at the time the law was written. I think this is very important and I hope that I might be listened to.

We were in the process of bringing all of the civil and military traffic operations under one authority and into one system. Naturally, at that time there might have been parochial interests that each side would want to preserve in the new system.

I might point out, Mr. President, that Mr. Quesada, a military man, brought the first semblance of intelligence and enforcement of flying regulations into the FAA. I have been flying for 45 years and, until General Quesada became head of the FAA, no one was ever asked for an instrument ticket, even a ticket to show that he was qualified to fly, a medical examination, or an annual examination. It was under Mr. Quesada, who really brought these things to bear, that we began to get some order in the whole field of safety in flying.

I remind my colleagues of one other thing that happened in World War II. There were no four-engine aircraft flying on the airways of America. The first four-engine aircraft capability was developed in World War II for the military and not for civilian use.

Also, prior to World War II, we did not exceed 200 miles an hour on our airways. At the end of World War II, we had aircraft that flew final approaches faster than aircraft cruised before World War II. So where would we look for the intelligence and the ability to put this combined airway system together?

I say, too, in defense of these men, Mr. President, I know there have been times in the past years when both the Air Force and the Army would like to have instituted their separate airways, but because they had former military people serving, these suggestions were thrown out.

As I said, at that time, we might have had parochial interests that each side would want to preserve in the new system. I hope I have brought them out.

I believe we are all aware of the result of the reorganization and the success of the Federal Aviation Administration. As a pilot, I have used the Air Route Traffic Control System frequently and, in my opinion, it is the best in the world. I have flown into and out of both civilian and military fields all over the country and I can attest we have one completely and totally integrated system.

There is not the slightest trace of a conflict of interest.

My point here is that almost 18 years after the Federal Aviation Act was passed there does not seem to be any real need to have the "civilian only" clause in the law today. I believe the civilian only clause was a valid concern when the law was initially passed but the reasons that prompted the clause originally have long since disappeared. I also suggest there was really no requirement for the clause when Mr. Butterfield was confirmed on March 9, 1973, even though he was at the time a "civilian."

I suspect a major part of the opposition to this bill reflects an antimilitary sentiment. I do not believe the opponents of this bill can show that by having an ex-military man as FAA Administrator, the principle of civilian control over the military has been violated.

There are positions, however, such as the Secretary of Defense, Deputy Secretary of Defense, or the service Secretaries and other policy positions in the Department of Defense and the executive branch where such a rule has a relevancy. But I fail to see its relevancy with the FAA position, especially since the original problem was long ago resolved.

Mr. TOWER. Mr. President, will the Senator yield for a question?

Mr. GOLDWATER. I am happy to yield for a question.

Mr. TOWER. It is not a fact that the people of this country have on many occasions throughout our history elected professional military men as Presidents of the United States, and generally most of them have been fairly competent Presidents; some of them have been outstanding?

Mr. GOLDWATER. The Senator is absolutely correct.

In spite of the antimilitary attitude in this country, I recall that President Kennedy turned to General Maxwell Taylor and recalled him to active duty. I believe we went through this same routine under another law. President Eisenhower came under the same routine.

There have been a number of general officers or high-ranking military officers who have been called back for specific jobs in our Government. Why? It is because the field they have served in all their lives gives them an expertise that the civilian has no way of getting.

I point out to my friend from Texas—I may be wrong on this but I think Purdue University is the only school today that gives courses in the type of administrative work that we are talking about, that could lead to a man being qualified to be the FAA Administrator, having gained that experience academically through a school. There may be others. I know that at Arizona State University we are trying to establish one.

But the record of our country is so complete with men who have served in the military and then gone on; and when they have been called to come back and serve, they have.

I am not arguing that all of them went through the so-called Quesada treatment or McKee treatment; They did not, but nevertheless—

The PRESIDING OFFICER. The Senator's time has expired.

Mr. GOLDWATER. Will the Senator yield me 5 more minutes?

Mr. CANNON. I yield the Senator 5 more minutes.

Mr. GOLDWATER. What we are talking about here, I think, has essential application to our whole system of government, and I would hate to see the division between the military and the civilian grow larger.

I can say this to my friend from Iowa: That there is no group of people in this country who respect the separation of the civilian and the man in uniform more than the man in uniform. I have been around them enough to know that.

Mr. CULVER. Mr. President, will the Senator yield?

Mr. GOLDWATER. I am about through, Mr. President, and then I will yield.

I think it would be a grievous error for the Senate not to restore Mr. Butterfield's retired status; a status he gave up to comply with the letter of the law but not necessarily in order to comply with the intent.

Mr. President, the Senator from Iowa, in making his opening remarks, commented that high-ranking military men have political pull.

I have known a lot of high ranking military men in my life who never voted, including President Eisenhower. Some of them had friends in Congress. Some of them had friends other places. I do not agree that they have the amount of political pull that is attributed to them.

The Senator referred to high ranking military personnel being brought back to this city—I assume he refers to the Vietnam war and even the Korean war—to give reports to Congress and giving reports that sounded good when the commanders, I can assure the Senator, did not think they were good. But what do you do when a Commander in Chief—and that is the man who is responsible for the actions of a man in uniform—says "Get up before a joint session of Congress and tell them we are going to win this war in Vietnam in 6 weeks?"

The general can tell the Commander in Chief to forget about it, but if he values his position and the position of the military he is not going to do it.

Mr. CULVER. Mr. President, will the Senator yield?

Mr. GOLDWATER. I want to close on this point.

Money has never been an issue as to whether a man in uniform would forego his emoluments in order to take a civilian job. If that were the case, we would not have had any.

My comment, too, in closing, is that PX, commissary, and most importantly medical benefits would be enjoyed by this gentleman were he restored, and under the Civil Service he cannot invoke full Civil Service retirement prior to the age of 55; otherwise, he would take a percentage cut from Civil Service retired pay for each year under 55, and I think that Mr. Butterfield is 49 years of age.

So, I urge my colleagues to vote in favor of S. 182.

Again, I will happily join any Senator in sponsoring an amendment to strike sections 301(b) and 302(b), which I think were necessary at the time but unnecessary now.

I have yielded back the remainder of my time.

Mr. CULVER addressed the Chair.

The PRESIDING OFFICER. The Senator has yielded his time.

Mr. GOLDWATER. If I have time I will yield it.

Mr. CULVER. Mr. President, I thank the distinguished Senator from Arizona for yielding.

Let me just say how heartened I am to hear the Senator from Arizona say and acknowledge that what we are really debating here this afternoon is essential principles.

Let me also hasten to say that in maintaining this critically important distinction, so fundamental to our system and our way of life, my fear, I say to the Senator from Arizona, is coming not from the military failure to understand this distinction, its appropriate application and its importance, but rather, as the Senator implies, from the failure of civilian elected representatives of the American people to understand it——

Mr. GOLDWATER. I agree.

Mr. CULVER (continuing). Who do not understand the basically constitutional distinction and principle and the historical reasons that gave rise to it.

Mr. GOLDWATER. I agree.

Mr. CULVER. I share with the Senator from Arizona, as a veteran, the strong, sincere, deep belief that we, as a people, should be eternally grateful for the extent to which there has been this widespread basic acceptance by the American military of this principle. It is remarkable, the extent to which they have perceived, respected, and appreciated and understood the very basic tenants of this society and its principles.

I wish I could say as much for my fellow politicians.

I do think there has been no greater disservice to military morale than the irresponsible and reckless fashion, in which high ranking political personages in our Government, of both parties, have called upon the military to defend unpopular decisions that are the proper accountability of the civilian. In addition, the Senator knows and I know, there are those who have been politically promoted to some big jobs in the military.

We saw the case in the Marine Corps and the CIA. We see the case in NATO today.

It is difficult to defend the quality of those appointments based on professional military achievement or competence.

The PRESIDING OFFICER. The time of the Senator from Iowa has expired.

Mr. GOLDWATER. Mr. President, I yield the Senator 5 additional minutes.

Mr. CULVER. If I could finish the statement, those are political appointments.

How would the Senator feel if he were poised to be Commandant of the Marine Corps on the basis of his professional service record and lose the opportunity due to political favortism? How would he feel if he had the necessary command responsibility and experience to justify the culmination of a military career to be head of NATO and see it go by the boards because somebody knew somebody or somebody owed somebody something? How would he feel if he were a dedicated military person fighting an unpopular war in Vietnam, feeling the policy was wrong, and being ordered by his Commander in Chief to go before a joint session of Congress and defend it and compromise and pervert the integrity of his profession that way?

No, sir, I do not have any problems with my military fellow Americans. It is my civilian political fellow Americans who trouble me the most, and that is what the debate here today is all about.

I will just conclude. The Senator mentioned President Eisenhower. President Eisenhower, General Marshall, those men understood it. Dwight Eisenhower warned in his farewell address to the Nation, and I quote:

> In the councils of Government we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex. The potential for the disastrous rise of misplaced power exists and will persist. We must never let the weight of this combination endanger our liberties or the democratic process.

Now, Mr. President, I must say it is really tiresome to hear it said that those of us who advocate the essential necessity to maintain the distinction, and respect it, between the military and the civilian, are somehow antimilitary.

I would submit, sir, with all due respect that the thing that has taken down the military is the civilian-political failure to understand that distinction, to fight for it, to maintain it, and not tolerate and permit the perversion of the professional military.

So I say here, I hope I have made my point clear, that I in no way am impugning the personal integrity of Mr. Butterfield. I really do not think that is the problem. When we raise those questions about the potential conflict about putting him into a position and bypassing and circumventing the clear intent of the 1958 statute, then I think we, not the military, have defaulted on our clear constitutional duty and responsibility which is every bit as sacred as the one the military undertake. Under our system of government it even poses a greater degree of responsibility and accountability which we should no longer fail to appreciate.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. CULVER. I am glad to yield.

Mr. GOLDWATER. I could not make a more eloquent argument as to the Senator's point, with which I completely agree, than he has made, but I think he is getting away from the point today.

Now, are we accusing Mr. Butterfield of having received this appointment because of a political favor? If that is the charge, I think we ought to work on that.

I think the debate here should center on whether or not Mr. Butterfield should be reinstated as a reservist and receive those benefits for which he worked 20 years.

I agree completely with what the Senator is talking about, and I get just as mad about it as he does. I do not like it. It used to make me sick to my stomach to hear people come back here from Vietnam and say, "It is just around the corner," because Robert McNamara said that is the thing to say, and they knew it was not just around the corner.

So if we are going to try to charge Mr. Butterfield with having been the recipient of political power, a colonel, that is one thing, and possibly the Senator can make that argument. I do not believe he can. Whether or not he was the most capable man around, I do not know, but I will say this——

Mr. CULVER. Mr. President, will the Senator yield?

Mr. GOLDWATER. But I will say this: He has done a good job under a most unusual situation, because since the advent of the FAA we have constructed another agency which has taken over most of the safety work originally given to the FAA, and that is something beside this point, but something we are going to have to iron out someday.

I have said all I want to say on this, but I think the Senator has made a very, very good case. However, I do not think he is applying his logic to this particular case, but to the whole general case, and I am in complete agreement with him on that.

Mr. CULVER. Mr. President, if the Senator will yield, the specific facts in the Butterfield case, in my judgment, are distinguishable from the Quesada case and the McKee case. In answer to the Senator's question, I do not think Mr. Butterfield is on trial here today. I think the Senate is.

I think the Senate is on trial, and I think this is going to be a test vote not on who is promilitary and who is antimilitary, but who really understands the fundamental principles implicit in the Constitution, such a basic consideration of a free society, in keeping this separation, and who is going to obey the law; it is also a vote on whether we, as the Senate, want to make a mockery, a repeated mockery, of this carefully crafted insulation from conflict-of-interest situations.

This is no reflection on Mr. Butterfield. We are talking about institutions. We are talking about principles. We are talking about obeying the express language of a statute which in my judgment is clear, unequivocal, and compelling. I think the test today will occur on whether or not the Senate is going to begin on this occasion to start to reassert what is far more fundamental in our system than just the proper role of Congress, whether we are going to respect the Constitution and our own laws.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. CULVER. I yield myself 5 minutes. I yield to the Senator from Rhode Island.

Mr. PASTORE. Did Mr. Butterfield know what he was getting into when he received the appointment?

Mr. CULVER. Yes, I think it is very clear that Mr. Butterfield did. I quote from his appearance on March 1 before the distinguished Senator from Nevada at the Commerce Committee hearing:

> Once I learned—
>
> I, Butterfield—
>
> that special legislation would have little chance of passing the Senate and House, and that resolution one way or the other would probably take months, I did what I felt I had to do—wrote the letter to Secretary Seamans asking that my name be dropped from the retired rolls. That was nearly a month ago. The issue is now water under the bridge. It should be forgotten.

Mr. PASTORE. Does that necessarily mean that he was giving up for good his association with the Army or the Air Force or that it only means that because a special exemption had to be made before he could take the position that rather than wait he would resign from the Air Force?

My question is specifically this: Was he told at the time that once he accepted this he became a civilian for good and that he could not again return to the armed services?

Mr. CULVER. I do not think a fair reading of the public record would indicate that he could have had any other understanding.

Mr. PEARSON. Mr. President, does the Senator from Iowa have any additional time?

The PRESIDING OFFICER. The Senator from Iowa has 10 minutes still remaining.

Mr. PEARSON. Mr. President, will the Senator yield 2 minutes to me?

Mr. CULVER. I yield 2 minutes to the Senator from Kansas.

Mr. PEARSON. Mr. President, in this debate today some very fundamental issues have been developed in depth ranging all the way from constitutional principles to voluntary action.

For myself, I was one of those who were earlier approached because of my position on the Commerce Committee as to whether or not if Mr. Butterfield's name came up here and, I suppose, because of my prior positions on General McKee, whether or not we could effect another waiver, and I spoke only for myself and I said "no."

The proposition put at that time was not can we have a relinquishment of military benefits today and put it back later on; no one mentioned that. I think, in all due credit to Mr. Butterfield, who turned out to be a pretty good administrator, he did not have that in mind either. So, aside from these great fundamental questions it just seems to me we ought not to finesse this. We ought not to make a charade out of the statute.

The Senator from Indiana and the Senator from Arizona and myself in moments of pique say, "We just ought to abolish the statute, we ought to repeal it."

Well, we will not have to. We have already done that. If Congress is not going to follow congressional intent, we ought to stop complaining about the people downtown.

Mr. Butterfield did a pretty good job. I voted for him, but we really ought not to let this thing slide over.

I thank the Senator.

Mr. CANNON. Mr. President, I yield myself 2 minutes with respect to the question of the distinguished Senator from Rhode Island. I, as chairman of the Aviation Subcommittee of the Commerce Committee where this matter came, the nomination originally, was contacted to find out if a waiver could be granted under the McKee type situation, and I advised the people who contacted me that it could not.

The name of Mr. Butterfield was sent up and the White House was advised by a number of people, Senator Pearson and others, that a waiver could probably not be granted in this case, and if it did, it would take a long period of time.

I said that I would not, as chairman of the committee, even hold hearings on the nomination while he was a retired officer because under the statute I felt he could not, therefore, qualify.

Now I am advised by Mr. Butterfield that when his name was sent up he did not realize he was going to have to resign, but before I would hold hearings, he did have to resign and his name having been sent up, he decided to make the decision at that point to resign because he knew there was no likelihood of a waiver going through under a McKee-type situation.

So when he appeared before the committee for confirmation, he was then a civilian.

There has been no violation of the law. The Senator suggested a violation of the law. The law has not been violated. He was a civilian at the time he came up, he was confirmed and we are not violating the law in attempting to permit him to be reinstated. We amend law every day.

The PRESIDING OFFICER. The Senator's 2 minutes are up.

The Senator is recognized for 1 additional minute.

Mr. CANNON. If the Congress wants to amend it.

Mr. PASTORE. Will the Senator yield?

Mr. CANNON. Yes.

Mr. PASTORE. It is true that the Congress can amend it, can undo anything it does. But the point still is that what we are doing today, in effect, is what we refused and intimated we would not do at that time.

Mr. CANNON. No.

Mr. PASTORE. So, in effect, that is the result.

Mr. CANNON. No.

Mr. PASTORE. Well, that is the result. What we are saying now is that it did not make any difference what the law was, that a military man could not assume a civilian position. What we are saying now, having done that, we will put him back as a military man. So, in effect, what we are doing in 1975 is what we intimated to the administration we could not do under the law at the time of his appointment.

In effect, that is the result.

Mr. CANNON. Not that we could not, but would not do.

I said, we would not push the McKee type situation. McKee was different from Quesada because in McKee we made a special exemption.

The PRESIDING OFFICER. Does the Senator take another minute?

Mr. CANNON. The Director of NASA has to be a civilian and McKee served in a number of important positions around here different from what the law requires, and not only head of the FAA.

I yield 2 minutes to the Senator from Texas.

Mr. TOWER. Mr. President, the language of the report states that the record shows that Alexander Butterfield was well aware of the actions and reservations of the Congress in respect to section 301(b) of the FAA Act when he consented to having his named placed in nomination.

I talked to Mr. Butterfield this morning. He said that this is not correct, that when nominated by the President for this position, which, incidentally, he did not seek, he was not aware of section 301(b), this is what Mr. Butterfield says:

> The publicity was out, the announcement had been made by the White House, my conscience would not have permitted me to withdraw my name after the announcement was made. Later on, another formal paper nomination was made as required by Senator Cannon and at that time I was aware of section 301(b), but again the announcement had already been released.

I hope that will clarify that matter in the Record. This is what Mr. Butterfield's response is.

I hope that this will be adopted, Mr. President. This man has been a good public servant.

In my view, military men are among the best public servants. I think we do have a splendid class of professional military men in this country, they have been well trained, well educated, many of them speak several languages, they have a sophistication in international affairs, and very often I think they make splendid public servants. Ordinarily, they have already demonstrated their enormous loyalty to the United States of America.

I hope we are never of a mind around here that we think something is frightening about the military mentality that makes a military man unfit to the service of his people in his employment.

The PRESIDING OFFICER. Who yields time?

Mr. CLARK. Mr. President, does the Senator from Iowa have time remaining?

I would like simply to ask a couple of questions of the Senator.

First of all, if we are going to be asked to make an exception to the law by passing another law, as the Senator from Nevada just suggested, and if, indeed, we are in the prospect of doing that to violate what the Senator described as a constitutional principle of separation, what is the purpose of it?

I mean, what are the benefits to Mr. Butterfield?

To my understanding in listening to the debate, he is going to continue to get his retirement benefits, that he loses very little in the process of this, but can the Senator be specific about what benefit accrues to Mr. Butterfield out of this legislation, or as a result of this legislation, why are we going to make an exception, why are we going to violate a constitutional provision, for what reason?

Mr. CULVER. It is difficult to understand, because under the civil service pension, which he does have rights to, he would get $1,411.38 per month but his military retirement pay would be only $997.09 per month.

He also gets a free $45,000 life insurance policy, civil service, and the thing he does not get is PX privileges, the commissary. He does not get the military medical benefits which I think is probably very important to him. He cannot fly on space available in military aircraft.

But on the medical pay, as the Senator is well aware, for $80 a month he can get a comprehensive health insurance plan for himself and his family.

I do not think it requires a special relief act by the U.S. Congress to do that, and I think this is really what, essentially, is at issue here.

Mr. CLARK. Well, I would like to ask any person here in the Chamber if we take exception to that, is that the purpose of this law, we simply make an exception to a constitutional principle or make an exception to this law so someone can have PX privileges and health care privileges?

What was the other—commissary privileges?

Mr. CULVER. Commissary and flights on military aircraft on a space-available basis.

Mr. CLARK. I wonder if anyone disagrees with that. Is that the reason for the change in the law?

Mr. CANNON. Well, that is certainly not the reason for the change in the law. This goes far beyond.

We are trying to equate this to a basic fairness principle similar to the procedure we followed in the case of Quesada, in the case of McKee, in the case of President Eisenhower. We restored President Eisenhower to all of his benefits after he left the Presidency.

Now, this has been very ample from the standpoint of precedents and Senator Goldwater responded to the Senator from Iowa.

The Senator's statement is not correct. Mr. Butterfield would not receive the same benefits now under civil service retirement if he were to retire because, I am not sure exactly what his benefits would be, but certainly less than full retirement, as the Senator from Iowa stated.

Mr. CULVER. Will the Senator yield on that point?

Mr. CANNON. I yield on the Senator's time.

Mr. CULVER. That is fine.

These figures, I would suggest, and I think the Record should show, are the product of the Armed Services Committee staff and my own staff, independently arrived at, identically agreed to. Those figures——

The PRESIDING OFFICER. The Senator has 6 minutes remaining.

Mr. CULVER. I yield 2 minutes to the Senator from Colorado.

Mr. GARY W. HART. Mr. President, I would like to ask the distinguished Senator from Iowa a further question.

In his opening remarks, and the cases cited as precedent here, the so-called Queseda and McKee cases, there seem to be special circumstances involved, particularly in terms of the qualifications of the individuals that may not be involved here.

Does the Senator from Iowa see the kind of special circumstances in the case of Mr. Butterfield that existed where General Quesada was concerned?

Mr. CULVER. No, I clearly think they do not exist in either case for the reasons I made reference to.

General Quesada had been a special assistant to President Eisenhower, helped draft the law establishing the FAA, served 27 years, was a three-star general, and was uniquely gifted, as Senator Goldwater mentioned, in terms of the critical requirements at that time, at the agency's inception, to manage the responsibilities of the department.

General McKee had served in several major commands, including head of Air Force Logistics Command and Vice Chief of Staff, had served 35 years, and was a four-star general. He had served as assistant administrator for management development at NASA.

I think these men clearly merited special consideration and were exceptionally qualified and served with distinction in those FAA posts. I think for those reasons those cases are clearly distinguishable.

With all due respect to Mr. Butterfield, I was a little surprised to hear the Senator from Nevada suggest that his case was comparable to General Eisenhower.

Mr. GARY W. HART. Will the Senator yield for a further question?

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Mr. CULVER. I yield.

Mr. GARY W. HART. The Senator made clear in his opening remarks that there was nothing punitive here, nothing personal against Mr. Butterfield's background. I would like to identify myself with that sentiment.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CULVER. I yield 1 additional minute.

Mr. GARY W. HART. Is it not the case that under the precedent we are reaffirming here today, if the distinguished Senator will respond, that there is nothing to prevent someone from being appointed from the military ranks to this position, serving a matter of days and being restored to his full military status thereafter, after having made one or two very important decisions? Is that the case?

Mr. CULVER. That is correct.

Mr. GARY W. HART. There is no time of service involved here at all?

Mr. CULVER. That is correct.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. CANNON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CANNON. Is it necessary to yield back the remainder of my time in order to offer the committee amendments?

The PRESIDING OFFICER. It is not necessary to yield back the time.

Mr. CANNON. Mr. President, there are three perfecting amendments at the desk. I ask for their immediate consideration.

The PRESIDING OFFICER. The first committee amendment will be stated.

The legislative clerk read as follows:

On page 1, line 7, strike out "prerequisites" and insert in lieu thereof "prequisites".

The PRESIDING OFFICER. Is there objection to such a modest request? The question is on agreeing to the first committee amendment.

The first committee amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the second committee amendment.

The legislative clerk read as follows:

On page 1, in line 10, strike out "February 7, 1973" and insert in lieu thereof "February 1, 1969".

The PRESIDING OFFICER. The question is on agreeing to the second committee amendment.

The second committee amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the third committee amendment.

The legislative clerk read as follows:

On page 2, beginning in line 4, strike out:

Sec. 2. The effective date of the appointment authorized by this Act is the day after Alexander P. Butterfield ceases to hold office as Administrator of the Federal Aviation Agency, or the day before his death, whichever is earlier.

The PRESIDING OFFICER. The question is on agreeing to the third committee amendment.

The third committee amendment was agreed to.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. Mr. President, I have an amendment at the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

At the end of bill, insert the following:

Sec.   . Section 2004 of title 10, United States Code, is amended by adding at the end thereof a new subsection as follows:

"(g) In computing the six-year period referred to in subsection (b)(1), any period during which any such officer was in a missing status (as defined in section 551(2) of title 37) shall be disregarded.".

The PRESIDING OFFICER. There is 15 minutes a side on this amendment. Who yields time?

Mr. ALLEN. I yield myself such time as I may use, Mr. President.

This amendment, Mr. President, is not germane to the present bill. It would be subject to a point of order if any Senator wishes to make a point of order. I believe Senators will probably want to consider the amendment on its merits rather than on the question of whether it is germane or not. Time is of the essence in this particular matter.

Under the existing law, and I am advised that it is called the Goldwater law, named after the distinguished Senator from Arizona (Mr. Goldwater), the Air Force has the right each year to send 25 of its officers to graduate school, including law school. The requirement is that they must have served for at least 2 years and not more than 6 years.

A situation has been called to my attention by two former prisoners of war, one from my home State of Alabama. That constituent was a prisoner of war for more than 4 years. That 4 years added to his other years of service would make his active duty service more than 6 years, and he would not be eligible to apply for this assignment. He has been accepted in law school but it is not known that he will be nominated. This amendment would take out from under the active duty status of this maximum of 6 years that is permitted the time spent as a prisoner of war and would give a prisoner of war who has returned to the active service an opportunity to apply for this type of further schooling.

All this amendment would do would be to elimiate the prisoner-of-war time that the serviceman had served and make him eligible to apply.

I have spoken to the distinguished floor manager of the bill, the distinguished chairman of the Armed Services Committee, the distinguished Senator from Texas, and the distinguished Senator from Arizona (Mr. Goldwater) on this matter, and they have no objection. In fact, Senator Goldwater, who is the author of the original legislation, feels that this should be done. I hope the point of order will not be raised.

Mr. CULVER. Mr. President, a point of order.

The PRESIDING OFFICER. On whose time?

Mr. CULVER. A point of order.

The PRESIDING OFFICER. The Senator is recognized.

Mr. CULVER. Mr. President, it is with great reluctance that I do raise the point of order on the nongermaneness of this particular amendment to the pending bill.

Mr. ALLEN. I will raise a point of order as to his point of order that a point of order cannot be made until the 30 minutes have expired.

The PRESIDING OFFICER. The point of order cannot be made until the time of the Senator from Alabama has expired.

Mr. CULVER. I reserve the right.

Mr. GOLDWATER. Will the Senator yield?

Mr. ALLEN. I am delighted to yield.

Mr. GOLDWATER. Mr. President, I think this amendment should be adopted. I did not expect that it would be offered here this afternoon. The Judge Advocate Corps has gotten so low in its membership in numbers, not quality, and it is getting so increasingly difficult to get young lawyers into the service, that several years ago, before there was any idea that prisoner of war status might have an effect, we did pass legislation that allowed each service, not just the Air Force, to send 25 men to law school each year, provided they had had 2 years of service and not more than 6. We felt that this was necessary because after a man has been in 2 years, he has either made up his mind to stay or get out. If he goes to law school, the chances of retaining him in the Judge Advocate Corps is much better. I think it is only proper.

In fact, the way I remember the legislation I thought that it was permissive to each service to be able to waive the matter of time. It is obvious that the legislation was so restrictive that they cannot do that. An amendment like this will be necessary at some time.

I thank my friend from Alabama for introducing it.

Mr. TOWER. Will the Senator from Alabama yield?

Mr. ALLEN. I yield.

Mr. TOWER. The Senator did discuss the amendment with me. I think it is the only fair and just thing that we can do. Certainly, at the time the law was enacted it was not anticipated that this kind of a situation would arise. I certainly believe we owe it to the men who have logged so much time in prisoner of war camps to give them the opportunity to qualify without counting that time against them. They have had enough counted against them already. I commend the Senator from Alabama for introducing the amendment.

Mr. ALLEN. I thank the distinguished Senator.

Mr. CANNON. Will the Senator yield?

Mr. ALLEN. I yield.

Mr. CANNON. I support the amendment of the Senator from Alabama. I believe it will correct an inequity for a former prisoner of war that was never intended. I am happy to support it.

Mr. STENNIS. Will the Senator yield to me briefly?

Mr. ALLEN. Yes.

Mr. STENNIS. I understand that this is general legislation. Is that correct?

Mr. ALLEN. It is general legislation.

Mr. STENNIS. It is designed to take care of any prisoner or war, not just one from Alabama or anywhere else.

Mr. ALLEN. Yes. It was merely called to my attention by a constituent in Alabama.

Mr. STENNIS. Mr. President, I commend the Senator for offering the proposal. It seems to me that it would be unfortunate if we were not able to handle a matter such as this.

The Senator said that time was of the essence.

Mr. ALLEN. Yes. I would like to explain that.

Mr. STENNIS. I wish the Senator would.

Mr. ALLEN. The Air Force makes its choices before the end of June. It is necessary that this measure be passed if prisoners of war who served more than 6 years are to be eligible for assignment to this further education.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

Mr. PASTORE. Does not the Senator feel that this would be the better part of wisdom: His amendment essentially is one that would receive unanimous consent of this body. Naturally, we are all for the prisoners of war and want to give them all the benefits they are entitled to. If, for any reason, these benefits are being denied them, they should be given to them. I suggest that if the Senator would introduce this as a bill and ask for immediate consideration, he could have his law this afternoon.

The trouble is that the Senator is mixing up something that has nobility with something that is being disputed as a violation of the separation of powers, and I think we are getting apples mixed up with oranges.

I can see the strategy in this, and I can see what effect it will have. I think it is unfair to mix at this moment something that has the compassionate aspect——

Mr. ALLEN. Mr. President, I yield for a question.

Mr. PASTORE. I will ask the Senator a question. Would it not be better and more effective and more expedient to introduce it as a bill and ask for immediate consideration, and we will all vote for it?

Mr. ALLEN. I have introduced a bill already. If I can get it considered at this time, I will be willing to withdraw the amendment.

Does the Senator from Mississippi have objection to the Committee on Armed Services being discharged from further consideration?

Mr. STENNIS. Mr. President, if the Senator will yield, I had no personal knowledge of the existence of the Senator's bill until this morning, when he mentioned it here. I would hate to see us do this on a matter of this kind. This bill is going to be voted on in a few minutes. After all, what is the objection to putting the amendment on the bill? Is the inference here that this is a strategy on the part of the Senator from Alabama?

Mr. PASTORE. I think so.

Mr. ALLEN. I can understand the objection of the Senator from Iowa to a bill benefiting Mr. Butterfield, but I cannot understand his objection to a bill benefiting prisoners of war. Possibly he has a reason for that.

I yield back the remainder of my time, so the Senator can make his point of order.

Mr. CULVER. Mr. President, does any time remain on the amendment? I wish to make a point of order.

Mr. PASTORE. Mr. President, will the Senator yield before making his point of order?

Mr. CULVER. I yield.

Mr. PASTORE. Mr. President, we are being told that we cannot agree to a bill because we do not know what is in it, but we are ready to vote for an amendment that would do exactly the same thing, without knowing what is in the amendment.

I say, very frankly, that I think this is turning out to be a charade, and it is wrong—it is absolutely wrong.

The Senator from Iowa perhaps will lose his case. Perhaps he does not have the votes. But all he is raising here this afternoon is the fundamental principle under the Constitution that this is a civilian government, not a military government. That is the reason why we passed these laws, in order to discourage the military from taking over civilian power. We do that in the case of a Secretary of Defense. We do that in the case of a Secretary of State. We have done it all the time. Why do we do it? We do it because we say that this is a civilian government and it should never be taken over by the military. That is the purpose behind it. That is all we are trying to enforce. That is why Congress passed the law. Now we are changing it. We are making it a matter of personalities. It is not a matter of personalities at all.

Every man in the military knows that when it comes to a civilian job, he has to make a choice. We do it with our judges. I had to do it when I was Governor. We had a judge who became a captain in the Navy. When he got out of the Navy, a question arose as to whether or not he could assume the bench; and he had to be reappointed and had to be reconfirmed. The reason for that is fundamental: because there must be a separation of powers.

This afternoon, in order to blur up and to fuzz up a principle, what are we doing? We are offering an amendment that everybody is for. If it is agreed to, the question will be, did we vote to help the prisoners or did we vote to sustain a principle of the Constitution?

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. PASTORE. Of course I yield.

Mr. STENNIS. I will say this to the Senator. As to any inference that there is any kind of plan or scheme here of putting a POW amendment on the bill to make a man eligible in a few days, I can speak only for myself, but I say that the Senator is totally mistaken. Talking about wrong, his inference is downright wrong, to be making a charge such as that on the floor of the Senate.

Mr. PASTORE. I am not making the charge. But I have lived to be 68 years old, and I have been in public life 40 years, and I can see a strategy when a strategy takes place.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. GOLDWATER. Mr. President, when the Senator from Alabama came to me prior to the submission and discussion of this measure and asked me about offering this amendment, I could not see any real difficulties. But I must say that I am persuaded by the arguments of the Senator from Rhode Island that there is conflict. As one vitally interested in both matters, I feel that this body would be better off if we voted on each matter separately.

Therefore, I am going to ask the Senator from Alabama to consider withdrawing this amendment, so that we can get along with voting on the original S. 182, which is why we are here, and then see if we can get along with the job of persuading the chairman of the Committee on Armed Services to bring up the other bill, which has a lot of sense to it.

Mr. PASTORE. We can bring it up this afternoon, and I will vote for it.

Mr. ALLEN. I will accede to the request of the Senator from Arizona.

Mr. President, I ask unanimous consent to have printed in the Record a document in behalf of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the material was ordered to be printed in the Record, as follows:

Henry P. Fowler, Jr.

Henry P. Fowler, Jr. was born on March 6, 1939 in Washington, D.C. He is a graduate of Valley Forge Military Academy and The George Washington University, holding a B.A. in Sociology.

He entered Officer Training School in the U.S. Air Force and graduated in February, 1965 as a distinguished graduate. He received his commission as a second lieutenant and was subsequently given an Air Force regular commission by President Johnson.

Henry Fowler attended and completed pilot training and then completed F–4 fighter/bomber training where he graduated as the outstanding pilot.

On December 20, 1966 he was assigned to Ubon Royal Thai Air Base, Thailand. On March 26, 1967 his F–4C aircraft was struck by two surface to air missiles over Hanoi, North Viet Nam. He was taken prisoner on this date and returned to the United States in February, 1973, six years later. He returned with numerous awards and decorations which include the Silver Star (the third highest medal given by this country), two Purple Hearts and three Air Medals.

After being interned in the Travis Air Force Base Hospital he attended the C–141 Aircraft Training School at Altus Air Force Base, Altus, Oklahoma. He graduated as the Honor Student of his class.

On April 6, 1974 Henry Fowler was married to the former Patricia Gay Gwin, a United Airlines stewardess.

He is presently flying the C–141 aircraft at Travis Air Force Base, California. He spends ninety percent of his time working in the Social Actions Office, serving as assistant Equal Opportunity and Treatment Officer (see attached letter). He is also attending Command and Staff School and is enrolled in classes with Chapman College leading to a Masters Degree in Psychology.

UMI

He recently has been chosen by the Junior Chamber of Commerce as one of the outstanding young men of America of 1974.

FACTS AND SPECIFIC ACHIEVEMENTS

Since 15 Apr 74, Captain Fowler has been assigned to the Social Actions Office under the ADCAP Program. He has served as Assistant Equal Opportunity and Treatment Officer and, when the EOT Officer has been on TDY for as long as nine weeks, he has filled that position. He spends ninety percent of his duty time in this office and performs his duties in an obsolutely superior manner. He has directly participated in fourteen EOT cases and has been extremely successful in working with others. He has demonstrated an outstanding ability to deal with people of all races, nationalities and sexes, and has worked particularly diligently on cases involving equal opportunities for WAFs.

He has written letters for the commander clarifying a supervisors position in WAF administration. He developed the 60 MAWg policy on Equal Opportunity and Treatment. He wrote the Wing Social Actions Plan. Capt. Fowler frequently briefs all incoming personnel on the functions and many facets of the Social Actions Office at the biweekly newcomers orientation. He writes much of the material which emanates from this office including letters to and for the Commander. Capt. Fowler has represented our office and the 60MAW as guest speaker at a variety of functions and establishments. Some of these included: Commencement Speaker at the California Highway Patrol Academy at Sacramento; The Lion's Clubs at both Fairfield and Rodeo, California; the NCO Dining Out at Travis AFB; Veteran's Day at the National Guard Armory at Richmond, California; POW/MIA Memorial Dedication at Travis AFB; and American River College at Sacramento, California.

All of his speeches have received the highest praise.

Strengths: Capt. Fowler continuously displays an extreme interest in his work and always demonstrates outstanding initiative and acceptance of responsibility. Capt. Fowler's forte is, without doubt, his ability to express himself both orally and in writing.

Suggested assignments: Capt. Fowler should be afforded the opportunity to attend law school at the earliest opportunity. His abilities can best be utilized in the social actions career field until he is selected for training in the legal field.

Self improvement efforts: Capt. Fowler continuously attempts to improve himself by studying the English Language on his own and by attending formal classes. He is presently enrolled in the non-resident Command and Staff School which he is attending by seminar at Travis AFB. He is enrolled at Chapman College pursuing a Master's Degree in Psychology.

Other comments: Capt. Fowler's bearing and behavior are outstanding. He exemplifies top military standards. I believe that Capt. Fowler is a superior officer displaying outstanding growth potential. Promotion well ahead of his contemporaries and in the secondary zone is strongly warranted.

ORINDA, CALIF., *May 13, 1975.*

Hon. JAMES B. ALLEN,
Washington, D.C.

DEAR SENATOR ALLEN: I am writing to you in regard to a matter of utmost personal importance concerning legislation allowing active duty officers to attend law school. I was a Prisoner of War in North Vietnam for nearly six years and find that I am now not qualified to attend law school under 10 U.S.C. 2004 because I have over six years active duty.

I have made a request to Senator Goldwater that he sponsor private legislation which would enable me to attend law school under the provisions of the aforementioned bill. A suggested draft bill is attached.

I am a regular Air Force Officer having received a regular Air Force Commission as a result of being selected as a Distinguished Graduate Officer of Officer Training School. I received the award as outstanding pilot of my F–4C class in November 1966 and was the honor graduate of the C–141 Flight Training School after my return from North Vietnam. I do now and always have intended to make the Air Force my career. Up until now, I have been a pilot; however, I am presently flying with a waiver due to an injury sustained while in the hands of the North Vietnamese. I am far behind my contemporaries in flying time and experience due to my six years of imprisonment. I earnestly desire to work in a field of endeavor which is of interest to me and of benefit to the Air Force. My extreme interest in attending law school stems from a personal desire not only to receive a higher education, but to better serve the United States Air Force and the United States of America. However, to qualify for law school, I need Congressional action.

I have been accepted for admission at the Cumberland School of Law (copy of acceptance letter attached). I plan to buy a home in Birmingham and make Alabama my permanent residence. I ultimately want to retire there.

I have served my country well and have received numerous decorations. I respectfully request assistance in allowing me to attend law school while on active duty. Please help me enter this law school class.

Thank you very much.

Sincerely,

HENRY P. FOWLER, Jr.,
Captain, U.S. Air Force.

CRIMINAL COURT OF
JEFFERSON COUNTY,
Birmingham, Ala., May 16, 1975.

Re Capt. Henry P. Fowler
Hon. JIM ALLEN,
U.S. Senator,
Senate Office Building,
Washington, D.C.

DEAR SENATOR ALLEN: I am writing you in behalf of my son-in-law Captain Henry P. Fowler. During the past two weeks I have discussed the matters involving Captain Fowler with Miss Conradi of your Birmingham office, and I understand that she has discussed these matters with Mr. Mitchell of your Washington office.

Captain Fowler was a prisoner of war in North Vietnam for approximately six years. He has served his country well and has received numerous decorations including a silver star and two purple hearts. He has been accepted as a law student at the Cumberland Law School for the school year starting in September, 1975. He has received very high recommendations from his commanding officers at Travis Air Force Base, recommending that the Air Force select him as one of those who would be sent to school under the provisions of 10 U.S.C. Number 2004. He nor his superior officers were aware of the fact that his 10 years active duty, including 6 years as a prisoner of war would be such as to prevent his selection. Under the provisions of the above cited law, which is referred to in the Air Force as the "Goldwater Bill", an applicant cannot be selected who has more than 6 years active duty.

Captain Fowler and my daughter intend to make Alabama their permanent home. Captain Fowler is an outstanding young man; has great ability as a public speaker, and has an exemplary record. His father was General Counsel for the United States Chamber of Commerce in Washington, D.C. prior to his death.

I respectfully request that you and Senator Sparkman join in sponsoring special legislation to allow Captain Fowler to attend law school while on active duty. It would certainly appear that it would be grossly unfair to bar him from the opportunity of attending law school because of the fact that he was a prisoner of war for six years.

I am enclosing a Bill which was prepared by the authorities at Travis Air Force Base. I do not know whether or not it is in proper form. Your efforts in his behalf will be greatly appreciated, and we will all owe you a very deep debt of gratitude.

Respectfully yours,

ROBERT W. GWIN,
Judge.

Mr. ALLEN. At any rate, Mr. President, the Senate has been advised of the pendency of this bill, and Senators will understand what is in the bill when it is brought up at a later date.

(At this point, Mr. STONE assumed the chair.)

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. CULVER. I yield.

Mr. MANSFIELD. Mr. President, I had not determined how I was going to vote on this measure until now because I had to weigh several factors. However, I have reached the point where I intend to support the position of the Senator from Iowa.

I speak as one who served for 5 years as an enlisted man in the armed services—the Army, the Navy, and the Marine Corps—never having achieved a higher rank than private first class.

I think we have to face up to this matter of members of the military services coming into the civilian branches of the Government after they have been allowed to retire, upon the conclusion of 20 years of service, with a retention of a percentage of their pay. They are eligible for the rest of their lives, on a retired status, to have all their medical cares attended to. Many of them take over other jobs. They are described as double-dippers, and I understand that some are even triple-dippers.

When Mr. Butterfield came before the Committee on Commerce in 1973, he said the following:

> Once I learned that special legislation would have little chance of passing the Senate and House and that resolution, one way or the other, would probably take months, I did what I felt I had to do, wrote the letter to Secretary Seamans asking that my name be dropped from the retired rolls. That was nearly a month ago. The issue is now water under the bridge. It should be forgotten.

I think it is about time we face up to our responsibilities under the constitution and reaffirm the principle of the separation of the military from the civilian and the subordination of the military to the civilian in this Government of ours.

I think we have ignored this principle for too long a period of time. Because of the debate this afternoon and the logical arguments advanced by the distinguished Senator from Iowa, I intend to vote in support of what he proposes.

The PRESIDING OFFICER. The amendment of the Senator from Alabama is withdrawn.

The Senator from Nevada is recognized.

Mr. CANNON. Mr. President, what is the time situation?

The PRESIDING OFFICER. The Senator from Nevada has 17 minutes remaining.

Mr. CANNON. How much time does the Senator from Iowa have?

The PRESIDING OFFICER. The Senator from Iowa has 3 minutes remaining.

Mr. CANNON. Mr. President, I yield myself 3 minutes. I wish to respond to the distinguished majority leader. I hope I may have his attention, as well as the attention of the Senator from Rhode Island.

We have heard a great deal here about the separation of powers. I wish to make a very brief statement.

After his election as President in 1952, then General of the Army Dwight D. Eisenhower resigned his commission in the U.S. Army. Upon completion of his two terms as President of the United States, he was appointed by President Kennedy to the active list of the regular Army in his former grade of General of the Army. This appointment was made pursuant to Public Law 87–3.

Public Law 87–3 authorized the President of the United States to appoint former President Eisenhower to the active list of the regular Army in his former grade of general of the Army, with his former date of rank in such grade. Public Law 87–3 did not entitle former President Eisenhower to the pay or allowances of a general of the Army, as a former President is entitled to other benefits and allowances provided by statute, which are greater, I may add, than as a general of the Army.

Public Law 87–3 serves as a precedent for S. 182 in that Congress, by special legislation, authorized the President to reinstate the military status of an individual who had resigned his commission to serve in public office—the identical situation here.

In particular, the Eisenhower precedent demonstrates the inappropriateness of the argument that S. 182 constitutes a blurring of the military-civilian distinction and is an undesirable mixture of military and civilian roles. If the President of the United States could be reinstated to his former military status without undermining the distinction between military and civilian roles, then surely, the Administrator of the Federal Aviation Administration can be reinstated to military status without undermining this same distinction.

Mr. MANSFIELD. Will the Senator yield?

Mr. CANNON. I am delighted to yield.

Mr. MANSFIELD. Mr. President, I point out that when General Eisenhower was elected President of the United States, he automatically became Commander in Chief of all the Armed Forces of the United States. Is that correct?

Mr. CANNON. He automatically did and he resigned his commission as general of the Army, of the U.S. Army.

Mr. MANSFIELD. But instead of being general of the Army, he was the Commander in Chief of all of the Armed Forces of the United States.

Mr. CANNON. No doubt about it.

Mr. MANSFIELD. So I do not get the point. Mr. Butterfield was not a commander of anything in his civilian capacity, but General Eisenhower was, under the Constitution, the Commander in Chief of all the Armed Forces of the United States.

Mr. CANNON. There is no doubt about that.

Mr. GARY W. HART. Will the Senator from Nevada yield for a question?

Mr. CANNON. I will yield on his time.

Mr. GARY W. HART. Will the Senator from Iowa yield on his?

Mr. CULVER. I yield.

Mr. GARY W. HART. Was it not the case, in the case that the Senator from Nevada is citing, that General Eisenhower, upon reassuming his military position, did not get dual benefits, that he only got benefits accruing as a result of having been President of the United States and not a general of the Army?

Mr. CANNON. No, that is not completely true. He did get some other benefits. He did not get the pay and allowances of the general of the Army, but he did get military assistants assigned to him as a result of the office staff expense that was made available to him. He had military assistants assigned and paid.

Mr. GARY W. HART. Is the Senator from Nevada suggesting that there is any comparison at all between Mr. Butterfield and President Eisenhower?

Mr. CANNON. Only for the separation of power precedent. We had a military man who resigned his commission and later was reinstated, authorized by Congress. Later, in General Quesada's case, we had a similar situation. So there are precedents.

Mr. GARY W. HART. I thank the Senator.

ALEXANDER P. BUTTERFIELD AND A. E. FITZGERALD

Mr. PROXMIRE. Mr. President, the proposed reinstatement of Alexander P. Butterfield to military status has quite properly been questioned on constitutional grounds. The Constitution, of course, provides for a separation between military and civilian authority and for the principle of keeping the military under civilian control.

As my colleagues, the Senator from Idaho (Mr. CULVER) and the Senator from Colorado (Mr. GARY HART) point out in their dissenting views, the tendency for this fundamental principle to become increasingly obscured is growing.

BUTTERFIELD ABUSED HIS POWER

There is another reason to deny Mr. Butterfield's application for military reinstatement, and one that would cause me to vote against it even if the constitutional question were not at issue.

Mr. Butterfield, while a White House aide, committed what I consider a most serious offense—he abused his power by helping to intimidate, harrass and punish a Government employee for daring to tell Congress the truth about Air Force cost overruns.

Alexander P. Butterfield was at the time the Air Force's man inside the White House who made sure that justice would be denied to A. E. Fitzgerald.

Mr. Fitzgerald was the Air Force official who testified candidly and truthfully to the Joint Economic Committee in 1968 and 1969 on the subject of Air Force procurements including the C–5A. I presided as chairman over those hearings and I know for a fact that Mr. Fitzgerald did what any government employee is obligated to do. He responded to a committee invitation and he testified truthfully.

It so happened that Mr. Fitzgerald's truthful testimony embarrassed some members of the Air Force because they had engaged in a systematic coverup of the truth. For months the facts about the cost overruns and other problems with the C–5A were well known within the Air Force and well hidden from Congress.

After Mr. Fitzgerald's testimony the Air Force coverup artists were exposed and their initial reaction, and one that became an obsession, was to retaliate against Mr. Fitzgerald. Thus began the long and continuing ordeal of A. E. Fitzgerald who is still struggling for his own full reinstatement in the Air Force.

Alexander P. Butterfield became the willing tool of the Air Force inside the White House. From his position of influence Mr. Butterfield extended himself to do the Air Force's bidding by prejudicing his White House superiors against Mr. Fitzgerald.

THE BUTTERFIELD MEMO

On January 20, 1970, Mr. Butterfield sent a memorandum to Robert Haldeman on the subject of A. Ernest Fitzgerald marked "Administratively Confidential." This document reveals so much about Mr. Butterfield's character and the wrongful acts he committed that I want to quote from it at length and then request that it be placed in the RECORD. I hope that my colleagues will reflect upon this memo before the vote.

Mr. Butterfield begins his memo by saying:

> I may be "beating a dead horse" at this late date . . . but it was only a few days ago that Alan Woods called to ask if we had arrived at any particular administration line regarding Mr. A. E. Fitzgerald. And someone else (I can't remember who) asked the same question at about the same time.

This introduction to the subject is significant in light of the date of the memo, January 20, 1970. Mr. Fitzgerald's firing from the Air Force became effective on January 5, 1970, 2 weeks before the memo was written. Why, then, was a White House aide writing a memorandum about a Government employee who was no longer with the Government?

The reason is that individuals within the Government were attempting to find a new position for Mr. Fitzgerald by appealing to the President's sense of fairplay. It was widely understood that Mr. Fitzgerald had been given a raw deal, that he did not deserve to be fired.

One of the persons who had come to this conclusion was Clark Mollenhoff who had been hired by President Nixon as a White House aide to act as a sort of troubleshooter. Mr. Mollenhoff was supposed to identify potential problem areas inside the Federal Establishment and seek to resolve them so as to avoid public scandals. The controversy over the firing of A. E. Fitzgerald was just such a situation, and Mr. Mollenhoff had made an inquiry into it.

It was Mr. Mollenhoff's judgment that the Air Force was wrong in dismissing Mr. Fitzgerald and that a new place should be found for him within the Government.

The Air Force violently disagreed and took steps to block Mr. Mollenhoff's efforts inside the White House. This was Mr. Butterfield's function, and fearing that efforts to help Mr. Fitzgerald might succeed, Mr. Butterfield did his best to further poison the atmosphere inside the White House.

LOYALTY IS THE NAME OF THE GAME

The memorandum goes on to say:

> Fitzgerald is no doubt a top-notch cost expert, but he must be given very low marks in loyalty; and after all, loyalty is the name of the game.

We might stop to consider Mr. Butterfield's characterization of the "game." Undoubtedly he is referring to the conduct of the Federal Government and its management of public affairs. I have always assumed that the name of that game is the public interest. Apparently Mr. Butterfield operated on a different principle. To him, it was not the public interest or the taxpayers that mattered most, it was loyalty. A Federal employee, by Mr. Butterfield's lights, owed his principle responsibility to his employers, rather than to the public. As Mr. Fitzgerald's truthful disclosure had embarrassed his employers in the Air Force, Mr. Butterfield gave him "very low marks in loyalty."

The fact that Mr. Fitzgerald was "a topnotch cost expert" was beside the point to Mr. Butterfield. A Government employee must not only be dedicated to the public interest and competent in his job, he must fit Mr. Butterfield's definition of "loyalty" to entitle him to keep his job. It was irrelevant to Mr. Butterfield that Mr. Fitzgerald was trying to reduce Government waste and save the taxpayers' money.

FALSE CHARGES AGAINST FITZGERALD

The Butterfield memo goes on to say:

> Last May he slipped off alone to a meeting of the National Democratic Coalition and while there revealed to a senior AFL–CIO official (who happened to be unsympathetic) that he planned to "blow the whistle on the Air Force," by exposing to full view that Service's "shoddy purchasing practices." Only a basic no-goodnik would take his official business grievances so far from normal channels.

These assertions were incorrect and improper. In the first place Mr. Fitzgerald denies ever attending such a meeting. The conversation that Mr. Butterfield recounts never took place.

Second, Mr. Butterfield refers to an alleged meeting in May 1969, where Mr. Fitzgerald is supposed to have said that he intended to expose the Air Force's shoddy purchasing practices. In fact, by May 1969, many of the Air Force's shoddy purchasing practices had already been exposed.

By May 1969, Mr. Fitzgerald had testified several times before the Joint Economic Committee, the revelations about the C–5A and other weapons cost overruns had been made, and other witnesses had given similar testimony to the Joint Economic Committee and other committees of Congress. It would have made no sense for Mr. Fitzgerald to threaten to do something that had already been done.

Third, Mr. Butterfield was attempting to prejudice the President against Mr. Fitzgerald by linking him to the Democratic Party and organized labor. Even if the alleged connections existed they should not have been considered as justification for hounding a topnotch cost expert out of his job.

LET HIM BLEED AWHILE

The Butterfield memorandum continues:

> We should let him bleed for a while at least. Any rush to pick him up and put him back on the Federal payroll would be tantamount to an admission of earlier wrong doing on our part.

What kind of a public servant suggests to the President of the United States that a former Government employee should be allowed to bleed, for a while at least?

Mr. President, I submit that Alexander P. Butterfield committed one of the most grievous offenses that a public official can commit. He abused his power. Mr. Butterfield used his considerable influence as a White House insider to injure wrongfully another individual.

Mr. Butterfield's views of public affairs was that the public interest and the rights of individuals must be sacrificed on the altar of so-called loyalty to his immediate employer. He thereby impunged his own integrity and his own fitness as a public servant. It is my view that Mr. Butterfield disgraced himself and the Federal service as a White House employee, and that he does not deserve to be reinstated in the Air Force. I intend to vote against his reinstatement.

I request unanimous consent to insert in the RECORD at the close of my remarks the text of the memorandum from Mr. Butterfield to Mr. Haldeman.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

> THE WHITE HOUSE,
> *Washington, D.C., January 20, 1970.*
>
> Re A. Ernest Fitzgerald.
> Memorandum for: Mr. Haldeman.
> From: Alexander P. Butterfield.
>
> I may be "beating a dead horse" at this late date . . . but it was only a few days ago that Alan Woods called to ask if we had arrived at any particular Administration line regarding Mr. A. E. Fitzgerald. And someone else (I can't remember who) asked the same question at about the same time.
>
> You'll recall that I relayed to you my personal comments while you were at San Clemente, but let me cite them once again—partly for the record—and partly because some of you with more political horse sense than I will probably want to review the matter prior to next Monday's press conference.
>
> Fitzgerald is no doubt a top-notch cost expert, but he must be given very low marks in loyalty; and after all, loyalty is the name of the game.
>
> Last May he slipped off alone to a meeting of the National Democratic Coalition and while there revealed to a senior AFL–CIO official (who happened to be unsympathetic) that he planned to "blow the whistle on the Air Force" by exposing to full public view that Service's "shoddy purchasing practices". Only a basic no-goodnik would take his official business grievances so far from normal channels. As imperfect as the Air Force and other military Services are, they very definitely do not go out of their way to waste government funds; in fact, quite to the contrary, they strive continuously (at least in spirit) to find new ways to economize. If McNamara did nothing else he made the Services more cost-conscious and introspective—so I think it is safe to say that none of their bungling is malicious . . . or even preconceived.
>
> Upon leaving the Pentagon—on his last official day—he announced to the press that "contrary to recent newspaper reports" he was not going to work for the Federal Government, but instead, was going to "work on the outside" as a private consultant.
>
> We should let him bleed, for a while at least. Any rush to pick him up and put him back on the Federal payroll would be tantamount to an admission of earlier wrong-doing on our part.
>
> We owe "first choice on Fitzgerald" to Proxmire and others who tried so hard to make him a hero.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. CULVER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass? The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Hawaii (Mr. INOUYE), the Senator from Wyoming (Mr. MCGEE), the Senator from New Hampshire (Mr. MCINTYRE), and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

Mr. HUGH SCOTT. I announce that the Senator from Tennessee (Mr. BROCK), the Senator from New York (Mr. BUCKLEY), the Senator from Michigan (Mr. GRIFFIN), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I also announce that the Senator from Tennessee (Mr. BAKER) is absent on official business.

I further announce that, if present and voting, the Senator from New York (Mr. BUCKLEY) would vote "yea."

Mr. CULVER. Regular order, Mr. President.

The PRESIDING OFFICER. The Senate will be in order.

The result was announced—yeas 42, nays 47. as follows:

. . . [Rollcall Vote No. 193 Leg.]

YEAS—42

Allen
Bartlett
Beall
Bentsen
Brooke
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Curtis
Domenici
Eastland
Fannin
Fong
Ford
Garn
Glenn
Goldwater
Hansen
Helms
Hruska
Huddleston
Laxalt
Long
Mathias
McClellan
McClure
Percy
Randolph
Roth
Scott, Hugh
Scott,
  William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Taft
Talmadge
Thurmond
Tower
Weicker
Williams

NAYS—47

Abourezk
Bayh
Bellmon
Biden
Bumpers
Burdick
Case
Chiles
Clark
Cranston
Culver
Dole
Eagleton
Gravel
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Humphrey
Jackson
Javits
Johnston
Leahy
Magnuson
Mansfield
McGovern
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Proxmire
Ribicoff
Schweiker
Stone
Symington
Tunney

NOT VOTING—10

Baker
Brock
Buckley
Church
Griffin
Inouye
Kennedy
McGee
McIntyre
Young

So the bill (S. 182) failed of passage.

Mr. CULVER. Mr. President, I move to reconsider the vote by which the bill failed of passage.

Mr. CRANSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senate will be in order? Senators will kindly take their seats. The Senate will be in order and the Senators will take their seats.

ORDER FOR ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senators will carry their conversations to the cloakrooms or take their seats. The regular order has been called for. The Senate will be in order.

Mr. ROBERT C. BYRD. Mr. President, I thank the Chair for attempting to secure order.

ORDER FOR RECOGNITION OF SENATOR JAVITS AND SENATOR EAGLETON AND FOR TRANSACTION OF ROUTINE MORNING BUSINESS AND CONSIDERATION OF S. 288 ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order tomorrow, Mr. JAVITS be recognized for not to exceed 15 minutes, and that he then be followed by Mr. EAGLETON for not to exceed 15 minutes; after which there will be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements limited therein to 5 minutes each, at the conclusion of which the Senate proceed to the consideration of S. 288.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. ROBERT C. BYRD. Mr. President, tomorrow the Senate will take up S. 288, which is Calendar No. 140, and upon the disposition of that bill the intention of the leadership is to move to Calendar No. 141 and then to 142. In the event the House should override the President's veto on the surface mining bill the Senate will then take up that veto message.

Also the Senate may proceed with the beginning of debate on the military procurement bill tomorrow. There will be no rollcall votes on that measure tomorrow under the agreement previously entered. Whether or not there will be rollcall votes on other measures or conference reports that may be called up, among which is the conference report on the supplemental appropriation bill, remains to be seen.

Mr. ROBERT C. BYRD subsequently said: Mr. President, in my outline of the measures that were to be taken up tomorrow, and I stated it was the intention of the leadership to take up three measures in succession, I retract that statement of intention so that the measures that were stated would be of a tentative nature only.

Mr. GOLDWATER. I appreciate that because one of those measures originated in the House and applies to legislation I worked on for 18 years. This is the first I heard of it or have seen of it.

While reading, it does not look like it does much, but I would like to have my staff look at it.

Mr. MANSFIELD. Will the Senator yield?

It is subject to the Senator's wishes tomorrow, and he will notify either the assistant majority leader or the Senator from Montana, now speaking.

Mr. GOLDWATER. I appreciate that very much.

EMERGENCY TECHNICAL PROVISIONS ACT

Mr. ROBERT C. BYRD. Mr. President, at this time I ask unanimous consent to proceed to the consideration of a measure on the calendar that has been cleared on both sides of the aisle, Calendar Order No. 137.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The assistant legislative clerk read as follows:

> A bill (H.R. 4221) to amend the Higher Education Act of 1965, as amended, relative to the reallocation of work-study funds, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Labor and Public Welfare with an amendment to strike out all after the enacting clause and insert the following:

> That this Act may be cited as the "Emergency Technical Provisions Act".
>
> AVAILABILITY OF FUNDS FOR COLLEGE WORK-STUDY PROGRAMS
>
> SEC. 2. That part of the funds appropriated by Public Laws 93–192 and 93–517 for the work-study program authorized under part C of title IV of the Higher Education Act of 1965 which has been granted to an eligible institution and which exceeds the amount needed by such institution to operate a work-study program during the period for which such funds are available shall become available to the Commissioner of Education for making grants to other eligible institutions within such State until the end of the fiscal year succeeding the fiscal year for which such funds were appropriated.
>
> INTERPRETATION OF SECTION 414 OF THE GENERAL EDUCATION PROVISIONS ACT
>
> SEC. 3. In the case of any statutory advisory council (as defined in section 441 of the General Education Provisions Act) which submits an annual report to the Congress or to the President concerning the administration of an applicable program (as defined in section 400 of such Act), section 414 of such Act shall be construed to extend the duration of such advisory council whenever such section 414 operates to extend the duration of the program with respect to which such advisory council submits such a report.
>
> DURATION OF EDUCATION ADVISORY COUNCIL ON EQUALITY OF EDUCATIONAL OPPORTUNITY
>
> SEC. 4. Section 716(b) of the Emergency School Aid Act is amended by striking out "July 1, 1975" and inserting in lieu thereof "September 30, 1976".
>
> AVAILABILITY OF BASIC EDUCATIONAL OPPORTUNITY GRANTS
>
> SEC. 5. Funds appropriated for making payments of basic educational opportunity grants, during fiscal year 1975, under subpart 1 of part A of title IV of the Higher Education Act of 1965 to eligible students in accordance with the payment schedule in effect under section 411(b) for fiscal year 1975 which are in excess of the amount paid under such section prior to the end of such fiscal year shall remain available for payments under such section during fiscal year 1976.
>
> EFFECTIVE DATE
>
> SEC. 6. (a) The provisions of this Act shall be effective upon the enactment of this Act.
>
> (b) Subsections (b) and (d) of section 431 of the General Education Provisions Act shall not operate to delay the effectiveness of regulations issued by the Commissioner of Education to implement the provisions of this Act.

Mr. ROBERT C. BYRD. Mr. President, is it one amendment or more amendments?

The PRESIDING OFFICER. One amendment to the bill and one amendment to the title.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended to read as follows:

An Act relating to the operation of certain education laws.

Mr. **JAVITS.** I would ask the majority whip on a motion to reconsider whether he wants this finalized on the education bill.

Mr. **ROBERT C. BYRD.** I have no feeling one way or the other.

Mr. **JAVITS.** Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. **HUGH SCOTT.** I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. **HUGH SCOTT.** Mr. President, will the Senator from West Virginia yield?

Mr. **ROBERT C. BYRD.** Yes.

Mr. **HUGH SCOTT.** The Senator has made reference to the conference report on the supplemental appropriations bill. As I understand, if that comes up tomorrow it will be voted on. Has the Senator referred to any other probable or possible votes tomorrow?

Mr. **ROBERT C. BYRD.** It is my understanding that the conference report on the refugee bill has been agreed to today, and we may very well have that conference report up tomorrow.

Mr. **HUGH SCOTT.** If we dispose of both the conference reports is there other legislation planned for final action this week so far?

Mr. **ROBERT C. BYRD.** Not beyond the measures that I have outlined, may I say to the distinguished Republican leader, to my knowledge.

The majority leader and I have consulted about this, and I have stated about everything that we can see as of now.

Mr. **HUGH SCOTT.** I thank the distinguished assistant majority leader.

TIME LIMITATION AGREEMENT—S. 323

Mr. **ROBERT C. BYRD.** Mr. President, I ask unanimous consent, this request having been cleared on the other side of the aisle, that at such time as S. 323 is called up and made the pending business before the Senate, and this will not occur until after the Memorial Day holiday, there be a time limitation for debate on the bill of 1 hour to be equally divided between Mr. Moss and Mr. PEARSON; that there be a time limitation on an amendment by Mr. PEARSON of one-half hour; that there be a time limitation on any other amendment of 30 minutes; a time limitation on any debatable motion or appeal, or point of order, if such is submitted to the Senate for its discussion, of 20 minutes; and that the agreement be in the usual form.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

FURTHER ROUTINE MORNING BUSINESS

Mr. **ROBERT C. BYRD.** Mr. President, I ask unanimous consent that there now be a further period for the transaction of routine morning business.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

METCALF URGES SENATE TO OVERRIDE STRIP MINING VETO

Mr. **METCALF.** Mr. President, I was deeply disappointed that President Ford has once again vetoed the surface mining legislation which Congress has worked on so long and so hard. My disappointment was compounded when I read the President's veto message.

The President's professed reasons for finding the bill unacceptable are inaccurate and, indeed, almost dishonest.

For example, he states that as many as 36,000 people would lose jobs. In February, then-Secretary of the Interior Rogers C. B. Morton told the House Interior Committee that enactment of surface mining legislation would result in a net gain of employment.

The President states that consumer costs—particularly for electric bills—would go up.

One of his objections has been that Congress has not rolled over and played dead on his recommendations for an omnibus energy bill which will increase the price of electric energy to the consumer by more than $10 billion. A Massachusetts paper has described this proposal as the greatest "ripoff" in utility history. The attorney general of Michigan, Frank J. Kelley, has described this portion of the President's energy program as a transfer of the benefits of the tax reduction bill, including the tax rebates, from the consumers of America to the utilities. Yet the President suggests that requirements for reclamation of mined land would be an intolerable cost to electric consumers. I would suggest that most of the electric consumers in America would rather pay for reclamation and restoration of stripped lands in their electric bills than pay for automatic fuel adjustments clauses, putting construction work in progress in the rate base, and absolute exemption from taxation or regulation for the utilities of America.

Congress has rejected a good deal of President Ford's energy program because it is expensive, it is solely designed to swell the profits of the oil and energy barons, and it is not designed for a long-term program of energy legislation.

I am sure that the price of coal will increase somewhat when those costs, which are now being paid by society in the form of polluted water, ravaged land, and loss of high-quality agricultural land, are made a part of the cost of doing business for the coal industry. However, these costs will be a minuscule part of utility bills—probably not more than 50 cents a month for an individual with a high electric consumption. Surely this is a small price to pay for the environmental protection which H.R. 25 would provide.

The President also cites large losses of coal production amounting to 140 to 162 million tons in 1977. These estimates have never been explained by the Federal Energy Administration or the Interior Department. They have not identified which provisions of the bill cause the problem or why the reclamation standards could not be met. The President points out that the bill which he sent to the Congress in February would have entailed production losses of up to 80 million tons. However, he now indicates that his support for his own bill was contingent upon enactment of his comprehensive energy program which involved dramatic price increases for oil and natural gas. Increases which far exceed any price increases for coal resulting from enactment of H.R. 25.

The President goes on to refer to problems which might be caused by "ambiguous, vague, and complex provisions." It appears to me that his fears on this score are much more vague and ambiguous than the provisions he complains about.

The President is also concerned about the Federal Government's enforcement role during the initial implementation of the act. The legislation makes it clear that the primary enforcement responsibility lies with the States. The Federal Government's role is simply that of a watchdog. If the State laws, which the President lauds, are so effective then the Federal watchdog will seldom have to bark.

The President's next complaint lies against the reclamation fee which he believes is "excessive and unnecessary." Apparently he does not want to have the millions of acres ravaged by strip mining in the past restored nor does he want to provide aid to State and local governments faced with rapidly increasing costs for government services in areas where coal mining is expanding.

Finally, the President refers to potential windfalls to private landowners in connection with reclamation of previously mined land. His statement that the bill would permit the Federal Government to pay private landowners 80 percent or more of the cost of reclaiming such lands is very misleading. The bill expressly provides that the Government would pay less than 80 percent where the reclaimed lands would be worth more than they were prior to reclamation. Furthermore, the entire payment program is discretionary so that if the President did not wish to use it, he would not have to do so.

Mr. President, the Congress has worked for 4 years to develop surface coal mining legislation which achieved a reasonable balance between the need to develop our national coal resources and protect the other values of the lands involved. H.R. 25 strikes such a balance. Unfortunately, the President's veto message leads me to conclude that his idea of balance is to continue to allow the coal companies—many of whom are owned or controlled by big oil companies—to continue business as usual. The Nation cannot tolerate this. The Congress must override the President's veto so that we can get on with the business of mining the coal we need in a way which protects the environment.

Mr. **MANSFIELD.** Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. **ROBERT C. BYRD.** Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—S. 920

Mr. **ROBERT C. BYRD.** Mr. President. I have cleared this request with the other side of the aisle and with Mr. STENNIS.

On behalf of Mr. JACKSON, I ask unanimous consent that two amendments to the military procurement authorization bill may be in order regardless of their germaneness. Mr. STENNIS explained to me, and so did Mr. JACKSON, that Mr. STENNIS had suggested to Mr. JACKSON that if those two amendments were not called up in committee for disposition there that Mr. JACKSON would have the opportunity to call them up on the floor during the debate on the military procurement authorization bill. Inadvertently no mention was made of the two amendments last week when we entered into the agreement on the military procurement bill.

Therefore, at the request of Mr. JACKSON and with the approval of Mr. STENNIS, I ask unanimous consent that the following two amendments be in order, regardless of germaneness: The extension of section 501 of the Defense Procurement Act of 1970, and DOD remedies for discrimination in petroleum procurement.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

PROGRAM

Mr. **ROBERT C. BYRD.** Mr President, the Senate will meet tomorrow at the hour of 12 o'clock noon.

After the two leaders or their designees have been recognized under the standing order, Mr. JAVITS will be recognized for not to exceed 15 minutes, after which Mr. EAGLETON will be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business of not to exceed 30 minutes, with Senators permitted to speak not in excess of 5 minutes each during that period.

As to the program for tomorrow, upon the conclusion of routine morning business the Senate will take up S. 288, a bill to amend the Land and Water Conservation Fund Act of 1965 so as to authorize the development of indoor recreation facilities in certain areas.

It has been indicated that the Senate also may take up S. 1123, a bill to establish the Indian Nations Scenic Trail; and it is possible H.R. 4109, an act to amend the Grand Canyon National Park Enlargement Act may be called up, but that is not definite at this time.

Other than that, it is hoped that the tion of the Senate. The conference reappropriation bill will be ready for action of the Senate, the conference report on the refugee bill is expected to be ready for final disposition in the Senate.

Other conference reports, being privileged matters, may be called up. Other measures that may have been cleared for action by tomorrow could, of course, come up. Rollcall votes could occur.

ADJOURNMENT

Mr. **ROBERT C. BYRD.** Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 12 o'clock noon tomorrow.

The motion was agreed to; and at 5:50 p.m. the Senate adjourned until tomorrow, Wednesday, May 21, 1975, at 12 noon.

HOUSE OF REPRESENTATIVES—*Tuesday, May 20, 1975*

The House met at 10 o'clock a.m.

Msgr. James P. Cassidy, director of hospitals and health, Archdiocese of New York, offered the following prayer:

O Heavenly Father, Lord of all nations and Father of all people, we ask Your blessings upon all who rule over us in Your place.

Grant that they may exercise their office with wisdom and justice. Bless them too with the courage to ignore their own selves in being aware and sensitive to the needs of all the people they have been elected to serve.

Grant that all people may be aware of their responsibilities and strive to fulfill them with the help of Your Holy Spirit.

Grant that they may always strive for the freedom and liberty of all people, and today on Cuban Independence Day, especially for the people of the Cuban nation.

Grant that the more longingly we look forward to the life of Heaven, the more fully we strive to better ourselves and this world which You have created.

THE JOURNAL

The **SPEAKER.** The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 4269. An act to amend the Organic Act of Guam and the Revised Organic Act of the Virgin Islands.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 846. A bill to authorize the further suspension of prohibitions against military assistance to Turkey, and for other purposes.

MIDDLE EAST NEGOTIATIONS

(Mr. ADDABBO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **ADDABBO.** Mr. Speaker, the President of the United States will meet with Egypt's President Anwar el-Sadat in Salzburg, Austria, on June 1 and those discussions may shed light on the chances for a peace settlement in the Middle East. As this important meeting and other discussions of a Geneva Conference on the Middle East take place, it is imperative that the United States clarify our policy in this troubled area and that we reflect on our military and economic assistance programs in the Middle East.

The recent reports that Egypt would request a U.S. loan to be used to repay the Soviet Union have been denied by sources close to President Sadat and that is welcome news, however, the fact remains that the United States is now considering loans of more than $350 million to Egypt, an increase of $100 million over last year. That loan fund frees other moneys which can be used for military weapons and I urge President Ford to consider the loan request in that light as he prepares to meet with Sadat.

The settlement of the Middle East situation has always depended on the basic recognition by the Arab nations that Israel is a sovereign state with all the basic international rights which that sovereignty implies. This continues to be the necessary first step in arriving at a reasonable solution. The United States must also protect Israel's right to defend herself by preserving borders which can be defended. The Arab nations are emphasizing solidarity on the eve of the Ford-Sadat meeting and the solidarity which Israel needs is the knowledge that the United States will reaffirm our friendship and understanding of the needs of the one democracy in the Middle East surrounded by neighbors dedicated to her destruction.

We cannot prove ourselves to be the leader of the free world by policies which endorse the sale of Hawk missiles to Jordan while we claim to support policies designed to ease tensions in the Middle East. Tensions are increased by such actions and they can only be reduced by convincing the Arab nations that we will stand by Israel in the event she is attacked.

The upcoming talks are important for these reasons and also because they can lead to a productive Geneva Conference. I wish President Ford well in his efforts and I urge my colleagues in the House to express themselves to the President and the Secretary of State on these issues which hang over the nations of the Middle East as well as other nations who realize the significance of war or peace in the Middle East to the rest of the world.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the bill on the Private Calendar.

PLOTEMIA MABANAG BARENG AND BASTIANA LILIAN MABANAG BARENG

The Clerk called the bill (H.R. 1757) for the relief of Plotemia Mabanag Bareng and Bastiana Lilian Mabanag Bareng.

There being no objection, the Clerk read the bill, as follows:

H.R. 1757

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Plotemia Mabanag Bareng and Bastiana Lilian Mabanag Bareng each may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, and a petition filed in their behalf by Louis P. Bareng, a citizen of the United States, may be approved pursuant to section 204 of the Act.

With the following committee amendments:

On page 1, line 5, after the name "Bareng" strike out the word "each".

On page 1, line 5, after the words "classified as" strike out the words "a child" and substitute the word "children".

On page 1, beginning on line 6, after the words "of the Act, and" strike out the words "a petition" and substitute in lieu thereof the word "petitions".

On page 1, line 9, strike out "Act." and substitute in lieu thereof the following: "Act: *Provided,* That the natural mother, or brothers or sisters of the beneficiaries shall not, by virtue of such relationship, be accorded any right, privilege, or status under the the Immigration and Nationality Act."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TO PROVIDE UNEMPLOYMENT COMPENSATION FUNDS

(Mr. CEDERBERG asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. CEDERBERG. Mr. Speaker, in the supplemental that we passed some time ago there were funds for unemployment compensation for the States. This is a matter now pending in the other body, and we really do not know just exactly how long that will take before we can have a conference and complete the legislation. Therefore I am introducing today a resolution to remove those unemployment funds from that bill in the hope that we can expedite this matter promptly, because many States, my own included, are running out of funds. If we do not take very prompt action on this matter we may find ourselves in a position where these unemployment benefits may not be able to be paid. That is the reason I am going to introduce the resolution today.

Many other States will be coming into the same position before long. I just wanted to announce this to the House.

POSTPONING VOTES ON SUSPENSION OF RULES AND RESOLUTIONS FROM COMMITTEE ON RULES UNTIL AFTER 1 O'CLOCK P.M. TODAY

Mr. McFALL. Mr. Speaker, I ask unanimous consent that any votes on suspension of the rules and any votes on resolutions reported from the Committee on Rules may be put over until after 1 o'clock p.m. today.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

CALL OF THE HOUSE

Mr. WYLIE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 224]

Anderson, Ill.
Andrews, N.C.
Barrett
Beard, R.I.
Biester
Bingham
Blanchard
Brown, Calif.
Broyhill
Burke, Calif.
Burton, John
Casey
Chisholm
Clay
Conlan
Conyers
Crane
Derwinski
Dickinson
Diggs
Dingell
Drinan
Duncan, Oreg.
Eilberg
Esch
Eshleman
Fish
Florio
Foley

Fulton
Giaimo
Green
Hannaford
Hayes, Ind.
Hébert
Hefner
Henderson
Jarman
Johnson, Pa.
Landrum
Litton
Lott
Lujan
McCormack
McHugh
Macdonald
Martin
Milford
Mitchell, Md.
Moakley
Mollohan
Moorhead, Pa.
Morgan
Mosher
Mottl
Murtha
Neal
Nix

O'Brien
O'Hara
Patman, Tex.
Pepper
Randall
Rangel
Rees
Riegle
Rose
Ryan
Scheuer
Sebelius
Shuster
Spellman
Stanton
J. William
Stephens
Stokes
Sullivan
Teague
Udall
Ullman
Waxman
Wolff
Yatron
Young, Alaska
Young, Ga.
Young, Tex.

The SPEAKER. On this rollcall 348 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

TEMPORARY ASSISTANCE FOR U.S. CITIZENS RETURNED FROM ABROAD

Mr. CORMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6698) to amend section 1113 of the Social Security Act to make permanent the program of temporary assistance for United States citizens returned from abroad, subject to specific limitations on the aggregate dollar amount of such assistance which may be provided and on the aggregate dollar amount of such assistance which may be provided and on the period for which such assistance may be furnished in any particular case.

The Clerk read as follows:

H.R. 6698

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1113(d) of the Social Security Act is amended to read as follows:

"(d) The total amount of temporary assistance provided under this section shall not exceed—

"(1) $8,000,000 during the fiscal years ending June 30, 1975, and June 30, 1976, and the succeeding calendar quarter, or

"(2) $300,000 during any fiscal year beginning on or after October 1, 1976.".

SEC. 2. Section 1113(c) of the Social Security Act is amended by striking out "for such period after their arrival as may be provided in regulations of the Secretary" and inserting in lieu thereof the following: "for such period after their arrival, not exceeding ninety days, as may be provided in regulations of the Secretary; except that assistance under this section may be furnished beyond such ninety-day period in the case of any citizen or dependent upon a finding by the Secretary that the circumstances involved necessitate or justify the furnishing of assistance beyond such period in that particular case".

The SPEAKER. Is a second demanded?

Mr. VANDER JAGT. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. CORMAN. Mr. Speaker, this is a noncontroversial bill. It was reported out of the Committee on Ways and Means by a unanimous vote last week.

This program was first established to assist the Americans fleeing Cuba in 1961. It has been extended several times since then, but its authority has now expired.

The program is urgently needed now because there are presently no funds available to give temporary assistance to the Americans and their dependents evacuated from Indochina.

Many of the Vietnamese who fled their country brought enough money to establish themselves in America, but there are hundreds of Americans stranded at Camp Pendleton without any funds at all. We have now passed the authorization and appropriation for assisting alien refugees, but our own citizens are excluded from that assistance.

The Committee on Ways and Means believes that the program should be made permanent. In each of the years since 1961 a small number of destitute Americans have been brought back to the United States from abroad. Under section 113 the Department of Health, Education, and Welfare has provided them with temporary shelter and an advance of funds for transportation to their home in this country. Expenditures under the program in these years have ranged from $80,000 to $260,000.

H.R. 6698 authorizes $8 million for the program through September 1976 and $300,000 for each fiscal year thereafter.

Assistance to be provided under this program, as amended by H.R. 6698 is strictly limited in four important ways:

First, assistance will be provided only for Americans and their dependents. None of this money is available for refugees who are not U.S. citizens or dependents of a U.S. citizen.

Second, before a person may receive assistance under the program, he must be certified as "without available resources" by the Department of State.

Third, the program is reimbursable. The beneficiary must repay the Government when and if they are able.

Finally, assistance will be limited to 90 days for each recipient unless the Secretary of Health, Education, and Welfare determines the recipient needs further assistance.

Mr. Speaker, this is a good program. It is urgently needed at this time, and it should be continued into the future. I urge passage of H.R. 6698.

Mr. VANDER JAGT. Mr. Speaker, I rise in support of this legislation. As the gentleman from California has explained, it seeks to reactivate section 1113 of the Social Security Act. This section was designed to provide assistance to U.S. citizens who are destitute and who are returned from abroad because of illness or war or other great catastrophe or crisis.

Mr. Speaker, the urgency behind the bill is brought about by the fact that not only do we have refugees coming to our shores but our own U.S. citizens are being returned by the same unraveling of events in Indochina. This Nation cannot provide assistance to destitute refugees and deny such assistance to its own citizens who are in the same circumstances because of the same series of events.

In reactivating this section, I believe the committee has put in two very significant limitations: First, a limitation on the total amount of assistance that can be given, and, second, a limitation on the length of time that this assistance can be provided in any individual case.

The legislation authorizes $8 million in effect for pretty much 2 fiscal years, or through October 1, 1976, and then $300,000 per year thereafter.

Mr. Speaker, I commend the chairman of the committee and the members of the committee for the extensive analysis of the problem which led to this legislation, which passed the subcommittee and the full committee unanimously. I strongly urge my colleagues to support this legislation.

Mr. CORMAN. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. CORMAN) that the House suspend the rules and pass the bill H.R. 6698.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. CORMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PROVIDING FOR CONSIDERATION OF HOUSE RESOLUTION 371, TO SEND A CONGRESSIONAL DELEGATION TO THE INTERNATIONAL WOMEN'S YEAR CONFERENCE IN MEXICO CITY

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 483 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 483

Resolved, That upon the adoption of this resolution it shall be in order to consider the resolution (H. Res. 371) to send a congressional delegation to the International Women's Year Conference in Mexico City, June 19, 1975, to July 2, 1975, in the House as in the Committee of the Whole.

The SPEAKER. The gentleman from California (Mr. SISK) is recognized for 1 hour.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 483 makes in order the consideration of House Resolution 371, a resolution authorizing the Speaker to send a congressional delegation to the International Women's Year Conference in Mexico City from June 19 to July 2, 1975.

House Resolution 483 provides for the consideration of House Resolution 371 in the House as in the Committee of the Whole, which means that there will be no general debate on the resolution, but as soon as the rule is adopted, we will go into the 5-minute rule and Members may use this time to discuss the merits of the resolution.

Mr. Speaker, I urge the adoption of House Resolution 483 in order that we may discuss and debate House Resolution 371.

Mr. LATTA. Mr. Speaker, I concur in the statements made by the gentleman from California (Mr. SISK).

I know of no opposition to this resolution.

Mrs. HECKLER of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentlewoman from Massachusetts.

Mrs. HECKLER of Massachusetts. Mr. Speaker, I rise in support of this resolution, and I urge my colleagues to pass it with dispatch.

Mr. Speaker, as a sponsor of this resolution and a member of the U.S. Commission on International Women's Year, I strongly support the appointment of a delegation of eight Members of the House of Representatives to attend the IWY Conference in Mexico City in late June and early July.

This Conference will bring together women from all corners of the world—the developed and the developing nations, rich countries and poor countries, urban and rural societies, technical and agrarian economies. The experiences we can share with one another will further bind us together as women, and as citizens of the world, with surprisingly similar aspirations and goals for our own societies and those of generations to come.

The Mexico City Conference will provide an ideal opportunity for women to communicate with one another on a very personal level, in addition to representing our respective countries at a world conference.

As Members of the U.S. Congress, we have a voice in decisions affecting the lives of citizens the world over. It is, therefore, incumbent upon us to understand the cultures and societies affected by the votes we cast. A delegation of women from the U.S. Congress will assist in a continuing dialog between women throughout the world and the highest elected women officials in this country.

Mr. Speaker, my support for this resolution is wholehearted. U.S. representation which includes an impressive number of women legislators will serve as a two pronged example to those at the Conference—it will illustrate both the positive advances made by women in the United States and also point out that though we are vocal and active, our numbers in the U.S. Congress continue to be relatively small. Our present station is cause to both rejoice in the positive accomplishments and to spur us on to greater achievements—as citizens, as women, and as elected representatives of the American people.

Mr. SISK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. WYDLER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Pursuant to the unanimous consent agreement made earlier today, further proceedings on this resolution will be postponed until later today.

Will the gentleman withdraw his point of no quorum?

Mr. WYDLER. I will withdraw the point of order.

The SPEAKER. The gentleman cannot proceed with the resolution, in view of the fact that the rule was not adopted.

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PROVIDING FOR CONSIDERATION OF H.R. 5247, LOCAL PUBLIC WORKS CAPITAL DEVELOPMENT AND INVESTMENT ACT OF 1975

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 485 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 485

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5247) to authorize a local public works capital development and investment program. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works and Transportation, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Public Works and Transportation now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER. The gentleman from California (Mr. SISK) is recognized for 1 hour.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA), pending which I yield myself time as I may consume.

Mr. Speaker, House Resolution 485 makes in order the consideration of H.R. 5247, the Local Public Works Capital Development and Investment Act of 1975. House Resolution 485 provides for an open rule with 2 hours of general debate.

House Resolution 485 provides that it shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Public Works and Transportation now printed in the bill as an original bill for the purpose of amendment under the 5-minute rule.

H.R. 5247 authorizes the Secretary of Commerce to make grants to State and local governments for local public works projects. Projects that would be eligible for funding would include, but not be limited to, the following: Demolition and other site preparation activities, new construction, renovation, and major improvements of public facilities and recreational centers. The Federal share of any project for which a grant is made under these provisions shall be a mandatory 100 percent.

H.R. 5247 authorizes a total not to exceed $5 billion to carry out the terms of this act.

Mr. Speaker, I urge the adoption of House Resolution 485 in order that we may discuss, debate, and pass.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as has been ably explained by the gentleman from California, Mr. SISK, this rule provides 2 hours of general debate for the consideration of H.R. 5247, the Local Public Works Capital Development and Investment Act of 1975. The bill will be open to all germane amendments. There are no waivers of points of order in the bill. In order to expedite the amending process, the rule provides that the committee substitute will be considered as an original bill for the purpose of amendment.

The purpose of H.R. 5247 is to provide funds to State and local governments for the construction and repair of local public facilities.

Under this bill, the Secretary of Commerce is authorized to make grants to State and local governments for public works projects. Eligible projects would include demolition and other site preparation activities, new construction, renovation and major improvements of public facilities such as municipal offices, courthouses, libraries, schools, police and fire stations, detention facilities, water and sewer lines, streets and roads, sidewalks, lighting, recreational facilities, civic centers, museums, and health, education, and social service facilities.

The Federal share of any project for which a grant is made shall be a mandatory 100 percent of the cost of the project. Grants may not be used for the acquisition of any interest in real property. Grants are to be made only for projects for which the applicant gives satisfactory assurances that, if funds are available, onsite labor can begin within 90 days of project approval. Each State will receive at least one-half of 1 percent, but not more than 10 percent of the funds.

This bill authorizes $5 billion for fiscal year 1976. To put this amount in perspective, the conference report on the budget resolution provided for approximately $2.1 billion either for this public works program or some other stimulative program that Congress may enact.

The administration is strongly opposed to enactment of this bill. The bulk of the spending for such a program is likely to occur at a time of economic upturn, contributing to the crowding out of private investment and stimulating inflation. The provision of 100-percent Federal financing is likely to result in an inefficient allocation of the Nation's resources.

Mr. SISK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The question was taken.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

Mr. SPEAKER. There has been a unanimous-consent agreement not to vote until 1 o'clock. We are going to have a long span of time here in which neither the gentleman from California nor the gentleman from Alabama can yield time. We want to keep full track of the time.

The Chair would ask the gentleman from Maryland whether he would withdraw his point of order.

Mr. BAUMAN. Mr. Speaker, with all due respect to the Speaker, this is a rule involving $5 billion, and some of us feel that there ought to be a recorded vote on it.

The SPEAKER. Under the authority previously given, further proceedings on this matter will be postponed until 1 o'clock this afternoon.

PROVIDING FOR CONSIDERATION OF HOUSE RESOLUTION 371, TO SEND A CONGRESSIONAL DELEGATION TO THE INTERNATIONAL WOMEN'S CONFERENCE IN MEXICO CITY

Mr. WYDLER. Mr. Speaker, earlier I objected to proceeding further with consideration of House Resolution 483. I now ask unanimous consent that we proceed to the further consideration of that resolution.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR SENDING CONGRESSIONAL DELEGATION TO INTERNATIONAL WOMEN'S YEAR CONFERENCE IN MEXICO CITY

Mr. SISK. Mr. Speaker, pursuant to the provisions of House Resolution 483 I call up the resolution (H. Res. 371) to send a congressional delegation to the International Women's Year Conference in Mexico City, June 19, 1975, to July 2, 1975, for consideration in the House as in the Committee of the Whole.

The Clerk read the title of the resolution.

The Clerk read the resolution, as follows:

H. RES. 371

Whereas the United Nations has designated 1975 as International Women's Year; and

Whereas the President of the United States, on January 30, 1974, issued a proclamation in recognition of International Women's Year and called for participation in and support of such year by Federal and State officials, private organizations, and individuals; and

Whereas the objectives of International Women's Year focus on equality, full participation of women in the development of all nations, and recognition of women's increasing contributions toward world peace; and

Whereas the Congress should seek to promote the fuller recognition of the importance of that year and to further the communication of the knowledge attained during, and the principles affirmed by, that year; and

Whereas a United Nations-sponsored International Conference will be held June 19 to July 2, 1975, in Mexico City; and

Whereas it is important that Congress have a thorough knowledge of the course of the proceedings of that Conference so that it may better perform its responsibilities to the women of this Nation: Now, therefore, be it

Resolved, That—

(1) the Speaker of the House of Representatives is authorized and requested to appoint a delegation of eight Members of the House of Representatives to attend the International Women's Year Conference in Mexico City in the months of June and July 1975; and

(2) there are authorized to be paid from the contingent fund of the House, upon vouchers approved and signed by the Speaker, such funds as may be necessary to meet the expenses of such delegation.

Mr. SISK. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I rise in support of House Resolution 371, a resolution authorizing the Speaker to send a congressional delegation to the International Women's Year Conference in Mexico City from June 19, to July 2, 1975.

House Resolution 371 authorizes "such funds as may be necessary" to be paid from the contingent fund of the House.

As the Members know the United Nations General Assembly has proclaimed 1975 as International Women's Year. The theme for International Women's Year is equality, development, and peace. The conference in Mexico City will be the main event of International Women's Year. By passing this resolution the Congress can officially and formally recognize the existence of International Women's Year.

Mr. Speaker, the resolution allows the appointment of eight Members of the House to attend this very worthwhile conference. I support the resolution and urge its adoption.

Mr. LATTA. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I might point out that the Committee on Rules had original jurisdiction of this matter which was introduced on March 26, 1975, by the 18 women Members of the Congress.

The resolution authorizes the Speaker to appoint a delegation of 18 Members of the House of Representatives to attend the International Women's Year Conference in Mexico City during the months of June and July 1975 and funds for this purpose are to be paid from the contingency fund of the House upon vouchers approved and signed by the Speaker.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I would like to ask the gentleman from Ohio whether the Speaker of the House of Representatives does not already have full authority under the changed House rules adopted at the beginning of this session, to send Members anywhere he wishes, and to use contingency funds of the House for such purpose?

Mr. LATTA. Mr. Speaker, in reply to the inquiry of the gentleman from Maryland let me say that the Committee on Rules did not think that the Speaker had that power, and since this is a very important conference we thought that a resolution covering this should be brought to the floor.

Mr. BAUMAN. Could the gentleman from Ohio tell us what the costs of this trip will be?

Mr. LATTA. No. I think the gentleman had better address that question to the women Members of the House, because I do not happen to be going on that trip.

Mr. BAUMAN. I might say that it is a very distinguished group that is going, and the gentleman from Ohio might want to consider going with them.

Does any member of the Committee on Rules have any information as to the potential cost of this proposed junket to Mexico City?

Mr. SISK. At the time that the matter was discussed in the Committee on Rules the question was raised, but we did not get an accurate figure. The estimated cost would depend, of course, on the actual expenses down there. I think that we can get a pretty accurate figure as to the travel for the eight people, assuming eight of them go. I understand that two people have indicated they wish to go. If all eight were to go, naturally there would be several thousands dollars in the way of costs for their travel expenses, as well as their hotel expenses, because this resolution does authorize such coverage.

Mr. BAUMAN. I thank the gentleman from California.

Mr. SISK. I understand, by the way, that we could use counterpart funds, but I am unaware, actually, of their existence, or how much in counterpart funds might be available.

Mr. BAUMAN. Again I thank the gentleman.

AMENDMENT OFFERED BY MR. FASCELL

Mr. FASCELL. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FASCELL: Page 2, line 6 after the semicolon intert *Provided, however*, so as to provide a reasonable basis for comparison for the other delegates attending the conference. One such Member shall be the chairman of the House Administration Committee, the destinguished gentleman, from Ohio, Mr. HAYS.

Mr. FASCELL. Mr. Speaker, I am sure the amendment speaks for itself, and I will not insist on the amendment.

Mr. SISK. Mr. Speaker, do I understand that the gentleman asks unanimous consent to withdraw his amendment?

Mr. FASCELL. Mr. Speaker, I withdraw.

The SPEAKER. The gentleman from Florida withdraws his amendment.

Mrs. BURKE of California. Mr. Speaker, I introduced House Resolution 371 in behalf of all the women Members of Congress. This resolution would authorize the appointment of a congressional delegation to the International Women's Year Conference in Mexico City this summer.

As you may know, the United Nations' General Assembly proclaimed 1975 as International Women's Year. On January 30, 1974, the President of the United States issued a proclamation in recognition of International Women's Year and called for participation in and support of the goals and activities of the year.

The theme of International Women's Year is "Equality, Development, and Peace." It will be devoted to intensified action to promote equality between men and women, to insure full integration of women in economic, social, and cultural development efforts, and to recognize the importance of women's increasing contribution to international cooperation and the strengthening of world peace.

Many national international activities have taken place and are planned for International Women's Year. The major event of the year will undoubtedly be the United Nation's sponsored conference to be held in Mexico City from June 19–July 2.

This is the first world meeting to be devoted to women at the level of government delegations and it will bring together representatives of most of the nations of the world as well as delegates from nongovernmental organizations. Many proposals will be discussed to enhance the role of women at all levels, in all areas of activity and in all cultures. An international plan of action for making "equality, development, and peace" a reality is expected to be adopted at the conference.

The Conference is the impetus for a worldwide effort to not only give recognition to women's equal rights in law, but to give all women equal opportunities to exercise those rights in fact in all aspects of life.

By sending a congressional delegation to attend the Conference as official observers, we can show congressional support for achieving these objectives and for advancing the status of women. We can therefore take an active role in developing and launching a program that will have a positive impact on women and men throughout the world. At the same time, the Congress will benefit from the knowledge gained by the delegates at the Conference which in turn will be helpful in carrying out our responsibilities to the women of this Nation.

I would like to clarify one point concerning the funding provision of this resolution. Although House Resolution 371 authorizes to meet the expenses of the delegation from the contingent fund of the House, it is preferable that counterpart funds be used for this purpose when possible. It is the intent behind this resolution that each Member who is appointed to attend the Conference in Mexico City will request her or his respective committee chairman to authorize counterpart funds. In this way, the costs will be spread out rather than unduly straining the contingent fund.

I want to emphasize that this resolution is a bipartisan effort and that it has the full support of all the women Mem-

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bers of Congress. We see the World Conference for the International Women's Year in Mexico City as a constructive effort toward realizing a future where women and men will live in mutual respect, freedom, and dignity and we firmly believe that Members of Congress should actively participate in this effort.

Ms. ABZUG. Mr. Speaker, I rise in support of this resolution.

The focal point of International Women's Year is, as you all know, the the government-to-government United Nations conference to be held in Mexico City from June 19 to July 2. This conference is the first world meeting to be devoted to a discussion of the problems of women by official government delegations. The conference will bring together not only these official delegates but a large number of representatives of nongovernmental organizations as well. These NGO's, as they are called, will meet together in a parallel conference called the Tribune.

The conference will certainly be the most important event in International Women's Year, and I think that it is highly appropriate for Congress to send a delegation to participate in the proceedings there. I would like to note that the World Plan of Action developed by the conference will certainly include many recommendations for legislative action in the field of women's rights. Thus, it is of crucial importance that Members of Congress be present at the conference to inform themselves of issues and suggestions on which the Congress may wish to act in the future.

According to the State Department, a congressional delegation would have the opportunity to influence the proceedings at the conference in two ways. First of all, such a delegation could attend the daily morning sessions of the U.S. delegation at which the events of the past day are reviewed and plans are made for strategy for the coming day. Additionally, although their opportunities to attend the plenary sessions and the committee meetings of the conference are somewhat more limited, it would be possible for the congressional delegates to attend some of these meetings on a rotating basis.

I would like to mention that, to date, Congress has not even passed a simple resolution in support of International Women's Year. This inaction is unfortunate in light of the importance of the year to both men and women in the United States. Authorizing a congressional delegation to attend the events in Mexico City this summer would be a good first step by which the Congress can demonstrate its commitment to the goals and themes of International Women's Year.

Mr. SISK. Mr. Speaker, unless there is a further request for time, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. WYDLER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Pursuant to the previous unanimous consent agreement and the prior announcement of the Chair, the vote on this resolution will be postponed until after 1 p.m.

Does the gentleman from New York ask unanimous consent to withdraw his point of order that a quorum is not present?

Mr. WYDLER. I do, Mr. Speaker; I withdraw my point of order that a quorum is not present for the purpose of this vote.

The SPEAKER. The gentleman from New York withdraws his point of order.

CALL OF THE HOUSE

Mr. WYDLER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 225]

Adams
Anderson, Ill.
Andrews, N.C.
Ashley
Barrett
Beard, Tenn.
Biester
Brown, Calif.
Broyhill
Clay
Cleveland
Cochran
Conyers
Dickinson
Diggs
Dingell
Drinan
Eilberg
Esch
Eshleman
Evins, Tenn.
Florio
Forsythe
Frey
Green
Hannaford
Harsha
Hayes, Ind.
Hébert
Hefner
Jarman
Johnson, Pa.
LaFalce
Leggett
Litton
Lujan
McCormack
McKinney
Macdonald
Martin
Metcalfe
Milford
Mitchell, Md.
Mollohan
Montgomery
Moorhead, Pa.
Morgan
Murtha
Neal
Nix
O'Brien
O'Hara
Passman
Patman, Tex.
Randall
Rangel
Riegle
Rose
Ryan
Scheuer
Sebelius
Shuster
Stanton, J. William
Stephens
Teague
Udall
Ullman
Yatron
Young, Alaska
Young, Tex.
Zeferetti

The SPEAKER. On this rollcall 362 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERMISSION TO VACATE POSTPONING OF VOTES TO 1 P.M. TODAY, AND TO PROCEED ON VOTE ON HOUSE RESOLUTION 485

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the order whereby votes on procedural questions have been postponed until 1 o'clock today be vacated so that the House might proceed on the vote on House Resolution 485, the rule for the bill H.R. 5247.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 5247, AUTHORIZING A LOCAL PUBLIC WORKS CAPITAL DEVELOPMENT AND INVESTMENT PROGRAM

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 377, nays 6, answered "present" 2, not voting 48, as follows:

[Roll No. 226]

YEAS—377

Abdnor
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Carr
Carter
Casey
Cederberg
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R.W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Dickinson
Diggs
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hansen
Harkin
Harrington
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Hinshaw
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kemp

Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
McClory
McCloskey
McCollister
McDade
McDonald
McEwen
McFall
McHugh
McKay
Madden
Madigan
Maguire
Mahon
Mann
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moorhead, Calif.
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nichols
Nolan
Nowak
Obey
O'Neill
Ottinger
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Price
Pritchard
Quie
Quillen
Railsback
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncallo
Rooney
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stratton
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C.H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Young, Fla.
Young, Ga.
Zablocki
Zeferetti

NAYS—6

Ashbrook
Bauman
Crane
Kelly
Latta
Moore

ANSWERED "PRESENT"—2

Abzug
Chappell

NOT VOTING—48

Andrews, N.C.
Barrett
Biester
Brown, Calif.
Broyhill
Byron
Carney
Dingell
Eilberg
Florio
Green
Hannaford
Hébert
Hefner
Holland
Jarman
Johnson, Pa.
Litton
Lujan
McCormack
McKinney
Macdonald
Martin
Milford
Mollohan
Moorhead, Pa.
Morgan
Murtha
Neal
Nix
Oberstar
O'Brien
O'Hara
Passman
Patman, Tex.
Preyer
Randall
Riegle
Rose
Ryan
Sebelius
Stanton, J. William
Stephens
Stokes
Teague
Yatron
Young, Alaska
Young, Tex.

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Eilberg with Mr. Biester.
Mr. Florio with Mr. Byron.
Mr. Barrett with Mr. Andrews of North Carolina.
Mr. Teague with Mr. Johnson of Pennsylvania.
Mr. Stokes with Mr. Carney.
Mr. Dingell with Mr. Martin.
Mr. Hébert with Mr. Jarman.
Mr. Macdonald of Massachusetts with Mr. Lujan.
Mr. Moorhead of Pennsylvania with Mr. Milford.
Mr. Nix with Mr. Brown of California
Mr. Yatron with Mr. McKinney.
Mr. Passman with Mr. Neal.
Mr. Litton with Mr. O'Brien.
Mr. Green with Mr. Broyhill.
Mr. O'Hara with Mr. Randall.
Mr. Morgan with Mr. Sebelius.
Mr. Hannaford with Mr. J. William Stanton.
Mr. Preyer with Mr. Patman.
Mr. Murtha with Mr. Stephens.
Mr. Hefner with Mr. Riegle.
Mr. Oberstar with Mr. Young of Alaska.
Mr. Mollohan with Mr. Rose.
Mr. Holland with Mr. Ryan.
Mr. McCormack with Mr. Young of Texas.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON RULES TO FILE A PRIVILEGED REPORT

Mr. SISK. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a privileged report.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

APPOINTMENT OF CONFEREES ON S. 1236, TO AMEND EMERGENCY LIVESTOCK CREDIT ACT OF 1974

Mr. FOLEY. Mr. Speaker, pursuant to clause 1 of the Rules of the House of Representatives, I move to take from the Speaker's table the bill (S. 1236) to amend the Emergency Livestock Credit Act of 1974, and for other purposes, together with a House amendment thereto, insist on the House amendment, and agree to the conference asked by the Senate.

The SPEAKER. Pursuant to clause 1 of the House, the Chair appoints the following conferees: Messrs. BERGLAND, POAGE, DE LA GARZA, BALDUS, ENGLISH, RICHMOND, HIGHTOWER, WAMPLER, FINDLEY, and MADIGAN.

LOCAL PUBLIC WORKS CAPITAL DEVELOPMENT AND INVESTMENT ACT OF 1975

Mr. JONES of Alabama. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 5247) to authorize a local public works capital development and investment program.

The SPEAKER. The question is on the motion offered by the gentleman from Alabama.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 5247, with Mr. FOLEY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Alabama (Mr. JONES) will be recognized for 1 hour, and the gentleman from Arkansas (Mr. HAMMERSCHMIDT) will be recognized for 1 hour.

The Chair recognizes the gentleman from Alabama.

Mr. JONES of Alabama. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 5247 as reported by the Committee on Public Works and Transportation would authorize $5 billion in Federal grants for the construction of local public works projects.

This bill is designed to achieve two goals—to provide jobs for unemployed workers in construction and related industries and help States and local governments provide badly needed but unfunded public facilities.

National unemployment figures show that 8.9 percent of the labor force is out of work—and the figure is predicted to climb. In the bellwether construction industry, the figures are even worse—nationally over 18 percent and in many cities more than 40 percent of the construction workers are jobless.

Testimony before the committee has shown clearly that there is a backlog of public works projects that can be started quickly whenever funds become available. To insure quick starts, this bill provides that applicants give assurances that on-site labor can begin within 90 days of project approval.

The conference report on House Concurrent Resolution 218, the Congressional budget for fiscal year 1976, states that the conference committee agreed to retain the House budget resolution estimates of $5 billion in budget authority for this program along with an estimated $2.1 billion in outlays in fiscal year 1976.

Mr. Chairman, I would like to reflect for a moment, if I may, on a number of factors which form the backdrop to the current severe recession, in which over 8 million people are looking in frustration for a job and over 1 million others are so discouraged by the prospect of failure that they have given up the hunt altogether.

In his budget message of last February, Mr. Chairman, the President indicated that unemployment would average 8.1 percent for 1975, 7.9 percent for 1976, and 7.5 percent for 1977. More recently, however, some administration officials have indicated that these estimates are overly optimistic.

Mr. Chairman, the facts simply do not bear this out. As I have previously noted, the most recent statistics place national unemployment at 8.9 percent, which means amounts to more than 8 million persons that are actually looking for work. This exceeds any since the waning days of the Great Depression of the 1930's. It is hard to believe that the recession has already bottomed out.

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I certainly hope it has but I venture to say that the economic signs that we see today may not be as bad as they were, but they still are not good. In April, for instance, unemployment rose to 8.9 percent from 8.7 percent in March—a smaller increase than the .5 percent jump from February to March. No one is certain that this means that the unemployment rate will begin to drop later this year but many people are afraid that next month's figures will be over 10 percent.

What is remarkable is that we are being asked to live with unemployment of such a high degree. Increasingly, we have become tolerant of unemployment of 7 and 8 and even 9 percent—rates almost unthinkable little over a decade ago. Economists agreed that full employment during the Kennedy administration implied 4 or less percent unemployment; the Nixon administration raised this to 5 percent. Today, many economists, regardless of their political affiliation, are trying to tell us that 6 percent unemployment is probably the lowest the Government can attain without stirring up inflation. And if we are to believe the President's forecasts, even this modest target is a long way from realization—probably 1979 at the earliest.

Mr. Chairman, this is unconscionable. I am not willing to accept, or passively tolerate this. Nor can I believe that improved social benefit programs and extended unemployment insurance make joblessness less painful for the individual or for society as it was a decade ago. Testimony before the committee clearly showed that people want to work—not exist on the dole. The human and economic waste that results is too great for Congress to ignore.

No doubt, Mr. Chairman, the proliferation of benefit programs provided by the Government have cushioned somewhat the impact of joblessness. We would certainly be much worse off today without unemployment compensation, insurance, food stamps, welfare, public service employment, and the like.

The total bill for these services this fiscal year will require between $30 and $40 billion. Studies undertaken by the House Budget Committee show that for each percentage point of unemployment in excess of 4 percent, there is a resultant increase of $2 billion in Government expenditures for these services, as well as a decrease of $14 billion in Federal tax revenues.

Mr. Chairman, we should consider H.R. 5247, the Local Public Works Capital Development and Investment Act of 1975, in light of our past experience. And it seems to me that this type of economic policy response makes a great deal of sense.

In short, H.R. 5247 provides up to $5 billion in direct, 100-percent Federal grants to State and local governments for the construction, renovation, repair, and other improvement of local public works facilities.

The bill's purpose is twofold: First, to combat unemployment, basically by stimulating activity in the construction and construction-related industries; and second, to stimulate national economic activity by assisting State and local governments in the construction, renovation, repair or other improvement of badly needed local public facilities.

Now, Mr. Chairman, it seems a bit ironic to me that at the time when so many workers are forced to go without work, to live on unemployment compensation or welfare, many cities and towns across the Nation are sitting on huge backlogs of needed public projects.

The problem—several years of extremely high interest rates, coupled with inflation-induced, prohibitive materials costs, have clearly imposed a staggering burden on local governments in trying to keep pace with the facilities needs of their communities.

Examples are numerous. Repeatedly throughout the hearings on this bill, Governors and city and county officials alike, representing the broadest cross-section of both urban and rural interests, called our attention to projects in their communities that have already gone through the time-consuming planning process, and are ready to start within 90 days. I refer to several thousand repair and rehabilitation projects on school buildings, park and recreation facilities, streets and sewers, in New York City alone. Total cost for these projects, which could be initiated immediately, would amount to over $200 million. Mayor Beame stated that there exists some $200 million more worth of projects in the city which could be implemented during the coming fiscal year.

What can we say of the smaller communities of the Nation, and their needs and capabilities for the construction of public facilities? A survey was conducted on some 31 counties in 22 States, both urban and rural. The survey showed that all but two of the counties indicated that they had at least one public works project ready to go if funding was available. Four of the counties identified only 1 project ready to go, while 11 counties indicated at least 3 projects which could be initiated immediately, and 5 mentioned as many as 25 projects. Estimated project costs range from $10,000 for a road and drainage project, to $36 million for the sewer and wastewater project.

In short, Mr. Chairman, this survey, along with the extensive testimony received in hearings held on H.R. 5247, demonstrates that there is indeed a great backlog of public facilities needs in the cities and towns of the Nation, and that many of these could be rapidly initiated once funds were made available.

It is these communities, and this type of project, which would benefit through the immediate enactment of H.R. 5247. The bill makes available grants-in-aid for public facilities projects which promise rapid implementation and the reduction of unemployment and, at the same time, by requiring the use of additional materials and equipment, provided needed stimulation to the basic industries most impacted by the current recession.

And the cost? Mr. Chairman, the cost of doing nothing is too great. Something is wrong with our priorities if we are willing to pay $30 to $40 billion this year to people who do not have jobs and then not find $5 billion to put people to work on worthwhile, long-lasting projects of a truly beneficial nature to the communities in which they are undertaken.

Mr. Chairman, H.R. 5247, the Local Public Works Capital Development and Investment Act of 1975, comes at a time when the rising unemployment, the slowdown of work in our major industries, and the problems of our State and local governments to meet their financial burdens are steadily increasing. This bill will not only put the unemployed man and woman back to work, but it will revive the financial operations of the State and local governments and thereby provide a needed boost to every segment of the Nation's economy.

H.R. 5247 is an investment in our Nation's future that we should enact as quickly as possible and I encourage my colleagues to firmly support this worthy measure.

I yield to the gentleman from Minnesota (Mr. Fraser) for a question.

Mr. FRASER. Mr. Chairman, I would like to ask Chairman Jones a question about the bill now before us.

The city of Minneapolis in my district operates its own public works program using city employees, some of whom are funded under the Comprehensive Employment and Training Act. Under locally negotiated labor agreements, these workers are paid at prevailing union wage scales.

I would like to know if the city of Minneapolis could apply for funding under this act for public works projects in which the city would use CETA employees. In effect, Minneapolis would use Federal public works money to supplement the funds it now gets from the Labor Department under the Comprehensive Employment and Training Act.

Mr. JONES of Alabama. I would say to the gentleman that there is nothing in the legislation which would preclude the action which the gentleman refers to. In short, the answer is yes.

Mr. Chairman, I pay tribute to the Speaker and the leadership of the House as well as all the members of the committee for the long hours of work that were devoted to bringing this bill to the floor today. Mr. McFall, the majority whip in particular, has done a yeoman job on this legislation.

I would pay tribute to the Speaker (Mr. Albert) and to the leadership of the House for their role in the creation and development of this bill. They have supported the Committee on Public Works and Transportation every step of the way in bringing this bill to the floor. The majority whip (Mr. McFall) testified before our committee and, as so often in the past, has been an outstanding force in securing legislation to put the unemployed back into work on public works projects.

Our thanks also to the gentleman from Texas (Mr. Wright) who, in addition to being the ranking member of the Committee on Public Works and Transportation, chaired the House Democratic Task Force on Energy and Economic Policy, which urged public works projects as a means of creating employment. The gentleman, as a member of the House Budget Committee, was instrumental in retaining the budget authority and outlays for this program in the House budget resolution and in the conference report on the congressional budget.

Mr. Chairman, I wish to express my very sincere pleasure in the work accomplished by the gentleman from New Jersey (Mr. Roe). His subcommittee has had a particularly arduous schedule. His leadership in bringing H.R. 5247 to the floor has been outstanding.

The ranking minority member of the Committee, the gentleman from Ohio (Mr. Harsha) and the ranking member of the subcommittee, the gentleman from Arkansas (Mr. Hammerschmidt) have as always been totally cooperative on this bill. They have worked with us in bringing forth this legislation and their efforts are sincerely appreciated.

This has been a true team effort—I am proud of all my colleagues on the Committee on Public Works and Transportation—working together they have given this body a bill worthy of its great tradition as a House that represents the people.

This bill is a bill for all our fellow citizens who need assistance. I trust the other body will give it quick consideration and that it will shortly become the law of the land.

Mr. Chairman, I yield to the gentleman from New Jersey, chairman of the subcommittee (Mr. Roe), such time as he may consume.

Mr. ROE. Mr. Chairman, I associate myself with the remarks made by our distinguished chairman, the gentleman from Alabama (Mr. Jones), in giving the Members a synopsis and summary of this bill.

Mr. Chairman, H.R. 5247, the Local Public Works Capital Development and Investment Act of 1975, authorizes $5 billion to fund a local public works program to combat unemployment, to stimulate activity in the construction and materials industries, and to assist State and local governments to provide adequate public facilities. The program is to be administered by the Secretary of Commerce acting through the Economic Development Administration.

The Secretary is authorized to make 100-percent grants to State and local governments for the construction, renovation, repair, or other improvement of local public works projects. No grant may be used for the payment of any interest in land, and no grant may be used for the payment of maintenance costs. A final determination of each application must be made within 60 days of receiving it. Grants can be made only when it is shown that, if funds are available, onsite labor can begin within 90 days of project approval.

The Secretary may supplement any federally assisted public works project by increasing the Federal contribution to 100 percent of project cost if the Federal matching financial assistance is immediately available and construction has not started. The Secretary may also make grants for all or any portion of the State or local share of cost of any public works project authorized by any State or local law.

Projects of local governments must be given priority but no grants may be made for any project having as its principal purpose to permanently affect any natural watercourse. The funds generally would be available for grants in the following manner. At least one-half of 1 percent, but not more than 10 percent, of the funds appropriated can be granted within any one State. Guam, the Virgin Islands, and American Samoa together will receive not less than one-half of 1 percent of funds appropriated.

When the national unemployment rate is $6\frac{1}{2}$ percent or more, 70 percent of the funds appropriated must be used in areas where the unemployment rate exceeds the national average. The remaining 30 percent are first to be used for projects in areas of $6\frac{1}{2}$ percent unemployment but less than the national average and then funds are to be used for projects in areas having less than $6\frac{1}{2}$ percent unemployment.

Budget authority and outlay for this act were included in the House budget resolution and the Congressional Budget Conference Committee agreed to retain the House figure of $5 billion in budget authority for this program and an estimated $2.1 billion in outlays in fiscal year 1976.

The April national unemployment figures show that 8.9 percent of the labor force is out of work. This figure is predicted to climb. This means that currently 8.2 million of workers are unemployed. Unemployment in the construction industry far exceeds the national rate. It has been estimated that the $5 billion authorized by the bill would lead to the direct creation of 250,000 jobs and to the indirect creation of tens of thousands more.

The testimony from witnesses at our hearings have clearly demonstrated that there is a backlog of public works projects that can be started quickly whenever funds become available.

This bill was reported out of committee by a voice vote. We request an open rule with 2 hours' debate and would like the rule to provide that the committee amendment be considered as a substitute and be considered the original bill for the purpose of floor action.

Mr. Chairman, I would be remiss if I did not take time to express my deep appreciation to the ranking minority member of the subcommittee, John Paul Hammerschmidt, and all the members of the subcommittee. In order to meet our commitment to get this bill to the floor as quickly as possible, we had to conduct 2 weeks of most intensive, long hearings that some days ran well into the evening. It is difficult to single out individuals for service above and beyond the call of duty but Ms. Abzug, Mr. Nowak, Mr. Oberstar, Mr. Levitas, Mr. Howe, and Mr. Mineta deserve particular commendation for the work that they have put into this bill.

Mr. Chairman, as the House begins consideration of the Local Public Works Capital Development and Investment Act of 1975 (H.R. 5247), I would like to explain to my colleagues who have not had the privilege of following the development of this bill in committee the philosophy behind the bill and the effect it will have upon the Notion's economy.

This bill, H.R. 5247, the Local Public Works Capital Development and Investment Act of 1975 is but one aspect of the entire program for economic recovery that is being considered by the Congress. Others included the tax reduction and reform measure, the housing bill, extended unemployment compensation benefits, the energy legislation we will take up later this week, the resolution on the Federal Reserve Board's conduct concerning interest rates and the money supply, and the Emergency Employment Appropriations Act on which we completed action last week.

So, as you can see, this local public facilities bill is certainly not a panacea. It cannot—and it is not intended to—solve all the many problems of our economy by itself. It is but one piece, albeit a very important piece, of our overall program for economic recovery.

Mr. Chairman, the hard facts are that the official national unemployment figures show that 8.9 percent of the labor force, or 8.2 million people, are looking for jobs—and this figure surely does not reflect the actual number who are out of work. This figure is expected to go even higher this summer.

In the construction industry the figures are much worse—nationally over 18 percent of construction workers are unemployed and in most cities it is closer to 40 percent.

At the same time, it has been clearly shown that there is a huge backlog of badly needed local public works projects that can be started quickly. This bill is addressed squarely to these two problems.

H.R. 5247, the Local Public Works Capital Development and Investment Act of 1975, authorizes $5 billion to fund a local public works program to combat unemployment, to stimulate activity in the construction and materials industries, and to assist State and local governments provide adequate public facilities. The program is to be administered by the Secretary of Commerce acting through the Economic Development Administration.

The Secretary is authorized to make 100 percent grants to State and local government for the construction, renovation, repair, or other improvement of local public works projects. No grant may be used for the payment of maintenance costs. A final determination of each application must be made within 60 days of receiving it. Grants can be made only when it is shown that, if funds are available, onsite labor can begin within 90 days of project approval.

The Secretary may supplement any federally assisted public works project by increasing the Federal contribution to 100 percent of project cost if the Federal matching financial assistance is immediately available and construction has not started. The Secretary may also make grants for all or any portion of the State or local share of cost of any public works project authorized by any State or local law.

Projects of local governments must be given priority but no grants may be made for any project having as its principal purpose to permanently affect any natural water course. The funds generally would be available for grants in the following manner. At least one-half of 1 percent but not more than 10 percent of the funds appropriated can be granted within any one State. Guam, the Virgin Islands and American Samoa together will receive not less than one-half of 1 percent of funds appropriated.

When the national unemployment rate is 6½ percent or more, 70 percent of the funds appropriated must be used in areas where the unemployment rate exceeds the national average. The remaining 30 percent first to be used for projects in areas of 6½ percent unemployment but less than the national average and then funds are to be used for projects in areas having less than 6½ percent unemployment.

This bill was reported out of the committee by voice vote.

Budget authority and outlay for this act were included in the House budget resolution and the Congressional Budget Conference Committee agreed to retain the House figure of $5 billion in budget authority for this program and an estimated $2.1 billion in outlays in fiscal year 1976.

I want to pay particular tribute to the ranking minority member of the Economic Development Subcommittee, JOHN PAUL HAMMERSCHMIDT and all the other members for the long hours of intensive work that they have devoted to the hearings and discussion of this bill in the past month. The bill before you is the product of the most splendid cooperation of all the members and the many other groups, including particularly the environmental organizations.

In passing, let me note that, while this measure began as a part of the House Democratic program for economic recovery, it is by no means a partisan bill. If you will examine the committee report accompanying this legislation, you will note that there are no dissenting views. If you will examine the record of hearings, you will read many positive statements about this legislation from Republican, as well as Democratic Members.

There is one simple reason for this fact: No Member of Congress, either Republican or Democrat, has a vested interest in recession and high unemployment. Members of Congress from both sides of the aisle sat through long hours of hearings on this bill and then concluded, as I hope the full House will now, that unemployment at the rate of 9 or 10 percent is not a Republican or Democratic problem—it is an American problem. And legislation designed to counter the most severe recession since the Great Depression in the 1930's is not Democratic or Republican legislation; it is badly needed national legislation in which every Member of this House has a vital personal stake.

During our hearings on H.R. 5247, people representing a very broad spectrum of American society testified in favor of this program of local public works to counter unemployment. The people of our Nation, a good many of whom appeared personally before our committee, want this bill and want it badly. Many broad-based national organizations testified in support of this measure. And, both Democratic and Republican members of the Committee on Public Works and Transportation strongly support the bill. In fact, virtually the only negative commentary we heard during consideration of this bill was that put forward by the administration.

Both Democratic and Republican members of the committee disagree with the administration viewpoint as expressed during our hearings, as did almost every public witness. Nevertheless, I believe it is only fair to outline for you the specific objections of the administration as well as the reasons the committee has concluded that these objections are not valid.

One major thrust of the administration's testimony was that the local public works bill would be inflationary. There are two ways, according to the administration, in which local public works could be inflationary: By pressing up against the limits of productive capacity, thereby driving up prices through competition for scarce resources; and by adding to the overall Federal deficit, thereby crowding out private borrowers from the capital markets and driving up interest rates.

The first argument has no merit whatsoever. Under no conceivable formulation could spending $5 billion in the construction industry—which has literally tens of billions of dollars of idle capacity and an unemployment rate of approximately 25 percent—press up against the limits of production. There is no competition for scarce resources, either materials or labor, in this sector of our economy, which has been knocked flat on its back by the high interest rate policies of the administration. So this bill simply will not be inflationary because there are no shortages of labor or supplies.

What of the second argument, that this local public facilities bill will add too heavily to the Federal deficit, thereby forcing private borrowers from the capital markets, raising interest rates, aborting the recovery, and causing inflation? This notion also has no substance.

To begin with, the Federal deficit level already approved by this House includes the funds for the public works program created under this legislation. And this deficit level is actually not very much higher than the administration's recommended deficit in the President's budget estimates.

Second, there is simply no danger whatsoever of "crowding out" private borrowers from the capital markets. The Morgan Guaranty Bank, the First National City Bank, the Chase Bank, and representatives of many other business, banking and academic institutions have all said that there will be little if any difficulty in financing the expected Federal deficit. To quote the Morgan Bank, it seems reasonable "that the interplay of steep declines in economic activity and easing monetary policy affords latitude for an orderly matching of the supply and demand for credit during 1975. As this process unfolds, the near-hysterical whoops in some quarters of an impending financial crunch should subside." Obviously the bankers—those most concerned with the placing of the debt—do not share Mr. Simon's fears about "crowding out."

Third, as if the assurances of the Morgan Bank and other banks were not sufficient, the simple fact of the matter is that, even with an expanded Federal deficit, the actual level of debt placed in this year and the coming year, will be lower than the total debt actually placed in the preceding two years. The fall-off in the private sector's needs for capital has been very sharp, a consequence of the sharpest fall-off in business since the Great Depression. Thus, we could actually finance a Federal deficit substantially larger than the deficit now expected for this year and next year without placing upon the capital markets a larger burden than they actually handled in the past several years. And, finally, one is led to wonder about the logic about the administration's position: If it were true—which I do not believe—that a higher Federal deficit would cause higher interest rates and therefore higher inflation rates, then does not the normal administration policy as pursued by the Federal Reserve Board, of extremely tight money and high interest rates, in and of itself cause inflation? The administration claims most of the time to pursue high interest rates in order to stop inflaton. Why is it, then, that in this case high interest rates would cause inflation?

Whatever the answer to this last question may be, the plain fact of the matter is that it is simply absurd to assert that $5 billion spent in the construction and materials industries, industries with idle capacity many times greater than this amount, will cause inflation.

A second administration argument in opposition to the local public facilities construction bill is that the allotted money will be spent too slowly to have a meaningful impact upon unemployment and that it may, in fact, come at a time when the economy is already recovering so strongly that it will actually impede economic recovery or cause inflation. This argument has no merit, for several reasons.

To begin with, the actual record of activity on local public works bills in the past does not warrant the conclusion that this money will be spent slowly. I would refer those who are interested in pursuing this particular matter to a long and detailed factual summary of the performance of previous public works acceleration programs contained in the record of the committee hearings for April 17.

Second, the types of projects for which funds are to be made available under H.R. 5247 are small, local projects which will require little leadtime. The committee's hearing record is replete with examples of communities which have moderate-sized programs which have been completely planned and are ready to go except for the lack of local funds or bonding capacity. These small-scale projects, already planned, will permit rapid funding to counter unemployment.

Third, to guard against any possible slow startups, if this were a problem with these small local projects, the committee has added to the originally introduced legislation a safeguard provision prohibiting the Secretary of Commerce from approving applications for projects which cannot show actual onsite employment within 90 days.

Furthermore, by the administration's own projections, even though economic recovery may begin to take place in the third and fourth quarters of this year, it will undoubtedly be terribly slow and feeble and will not much reduce high unemployment. Even if the present decline were to reverse and production were to begin increasing tomorrow, unemployment would still continue to rise for many months and would remain at a high for quite some time. By the administration's own projections, unemployment is expected to remain in the 7.5 to 8 percent range for the next several years—hardly a situation which would indicate that a $5 billion local public works bill for rapid startup projects would hit the economy at a time of rapid recovery and low unemployment, thus causing inflationary pressures, or creating supply bottlenecks which would retard overall recovery.

I have spoken now at some length about what the Local Public Works Capital Development and Investment Act of 1975 will not do. But at least equal emphasis ought to be placed upon what the bill will accomplish.

This local public facilities construction measure has a threefold purpose: To give the overall economy a badly needed general stimulus; to counter unemployment specifically in the construction and materials industries, which have been terribly hard hit by the current recession; and to provide a means whereby local communities can build much-needed public facilities, which have been too long deferred.

The entire national economy will receive a stimulus as a consequence of the rapid creation of jobs resulting from the proposed $5 billion local public works bill. Over the life of this program, $5 billion in public works expenditures should create more than 275,000 jobs directly on construction of the facilities themselves. This estimate is based upon a projected cost of $18,000 per job—a very high—and therefore very conservative—job cost estimate. Actual recent past experience would indicate that the cost per direct construction job might well run closer to $15,000 per direct construction job created, resulting in even more jobs created.

In addition to those jobs created working directly on public works facilities themselves, a very substantial number of indirect jobs in related industries, for example, materials production, will be generated. Using a multiplier of two related jobs for each direct job—again a very conservative estimate—it is reasonable to expect the creation of perhaps 550,000 offsite jobs. Thus, total onsite construction and related offsite jobs created during the life of the $5 billion local public works program would be very conservatively estimated at 825,000 jobs, each of a year's duration.

The net stimulative impact of this local public works measure, however, would not cease with 825,000 jobs created on the construction site and in immediately related industries such as materials production. More than 800,000 gainfully employed workers, with money in their pockets to spend, would have an additional stimulative effect on consumption levels in industries ranging across the entire economy. Virtually every industry in America, from clothing to office furniture to automobiles, would be given a boost at a crucial time by the inflow of cash from hundreds of thousands of newly employed workers.

Finally, the impact of this proposed local public facilities act would be felt very quickly and beneficially in communities across the Nation, many of whose public facilities are in a sad state of disrepair. The hearings held by the Committee on Public Works and Transportation have established that there are without question billions of dollars of local public facilities projects which are past basic planning and local approval stages and which could be let out to bid immediately upon receiving assurance of funding.

Specific examples of communities in which there are hundreds of millions of dollars worth of projects which could be thus quickly funded are to be found in the record of the committee hearings. And representatives of national organizations representing local governments—the U.S. Conference of Mayors, the National League of Cities, the National Association of Counties, et cetera—who are familiar with the problems of local government nationwide have assured us that a similar situation prevails in communities across the Nation, and that there will be no shortage of eligible projects. In fact, some representatives of the Administration testified against this proposed local public works measure on the ground that it would stimulate far more eligible applications from local communities than could be funded under the proposed authorizations. Such a situation did, in fact, occur under previous local public facilities programs: the area redevelopment and accelerated public works programs generated many more applications from local communities than could be funded—an indication of the great backlog, even a decade ago, of needed public facilities at the local community level.

In short, because of the successful experience and substantial accomplishments of previous local public facilities programs, such as those of the early 1960's, which helped bring the national economy out of the severe recessions of the 1950's and laid the foundation for a decade of prosperity, we on the committee have concluded that the impact of the funds authorized under this bill will be felt quickly by the broad national economy. Workers will be taken off the jobless lists and put to work rapidly, helping to quicken a national economic recovery which otherwise threatens, according to the administration and many private forecasters, to take years in bringing the economy back to anywhere near the full employment level.

I have described the great need for this local public facilities bill; outlined its prospective positive accomplishments; and summarized reasons why it will not have a negative impact on the economy in terms of inflation. But none of these things would matter if the costs we must pay for this program are too high. What are the real costs of this local public works bill?

Perhaps we should begin to answer this question by examining the cost of doing nothing, of failure to act at all.

The price already paid by the American people for the current recession has been staggering. Since the fourth quarter of 1973, when the current downward economic spiral began, hundreds of millions of dollars in national production have been lost. Unless more significant action is taken to counter the recession, there is little reason to expect unemployment rates to drop below 7.5 percent for years to come, thus virtually guaranteeing that an even greater amount of national production will be lost in the future.

This loss of national production has impacted very heavily on Federal revenue. Virtually the entire Federal deficit anticipated for fiscal 1976, approximately $70 billion, is attributable not to congressional overspending, but rather to reduced revenues arising from the recession. According to the President's budget, each incremental rise of 1 percent in the Nation's unemployment rate costs the Federal Government in excess of $16 billion—approximately $14 billion in lost revenues, and $2 billion in welfare and unemployment compensation costs. A reduction, then, from our very high unemployment rate—currently 8.9 percent and rising swiftly—to the full employment level of 4 percent would generate perhaps an additional $80 billion in revenues and savings for the Federal Government, placing the Federal budget well in surplus.

Obviously, the current high level of unemployment, and our failure to counter it effectively, have been the prime cause of budget deficits.

Thus we can account fairly accurately, in economic terms, for the immense costs of failure to counter the current recession and high unemployment. Not so easily measured, however, is the cost of people's shattered dreams and broken hopes. We have no index of despair by which we can judge the burdens placed on American working people by continued very high rates of long-term unemployment. We have no means by which to measure the suffering and anguish of families whose breadwinner goes out day after day and returns home every night empty handed.

Nevertheless, while not easily measured, the evidence of a society rent by despair over inability to find useful, productive work is visible and lies all about us, emphasized by rising crime rates, broken families, drug use, and a host of other measures of societal breakdown.

Clearly, the cost of this $5 billion local public works authorizing bill pales in comparison with the costs of continued inaction and indifference to the problems, both personal and economic, caused by the severe unemployment and recession America is now experiencing. The cost of working to counter the recession is far lower than the cost of continued paralysis in the face of these serious economic problems.

The cost of inaction is monumental— but what will be the real costs of acting on this local public works bill to the Federal Government. Not surprisingly, what is good for the general society and economy is also good for the Federal budget.

In the short term, there is no question but that this program will result in a small net increase to the Federal deficit. But a broad macroeconomic stimulus measure such as this proposed local facilities bill will have over the long term a very beneficial effect on the Federal budget. Over the life of the program, creation of nearly 900,000 man-years of employment, or nearly a 1% increase in employment, would provide an increase in revenues to the Federal Treasury more than enough to offset the initial $5 billion cost of the program itself. And this does not take into account the value of the facilities themselves or the increased productivity of local government and increased general welfare of our citizenry because of improved public facilities.

Thus, the Local Public Works Capital Development and Investment Act of 1975 is truly an investment in America. Not only will badly needed local public facilities be created, but also, even for the Federal Government itself, the immediate costs of the program will be offset in the future by increased revenues arising from a much higher level of national employment.

Finally, nearly a million workers and their families will be placed in useful and productive jobs, alleviating the anguish and worry now faced by these families because of unemployment. This will result in a quickening of the overall pace of national economic life, a force reverberating through the entire economy and, ultimately, providing a badly needed boost to an economic recovery which, without this extra stimulus, will take several years to bring unemployment down even to the unacceptable level of 7 percent.

Thus, I would hope that you, my colleagues, with a firm understanding of the accomplishments to be achieved by this local public works measure, with a clear picture of how the bill will—and will not—impact upon the national economy, and with a true understanding of the costs of this measure and of the fact that it is an investment in America on which the return will be far greater than the short-term costs, will see fit to support H.R. 5247 when it comes before the House later this week.

As I have stated, the members of the Committee on Public Works and Transportation, both Republican and Democratic, are virtually unanimous in their support of this bill. And we would hope that the administration would also now see fit to place its support behind this measure, for the last thing America needs in this hour of economic peril is a partisan tug-of-war. We would welcome the administration's support for this legislation as part of our mutual struggle to counter the problems of recession and joblessness, with the sure knowledge that, working together, we can bring prosperity and full employment back to this great land.

In closing, I would like to call your attention for a moment to the severity of unemployment in local communities and in Members' districts throughout the Nation. I have included following my statement previously unpublished figures showing unemployment for the month of March in the 50 States and in major labor market areas, statistics which were obtained by my staff well in advance of their normal publication date. A brief glance at these previously unpublished local unemployment figures will, I believe, demonstrate to the Members of this House the urgency and necessity for the local public facilities construction measure being brought before the House by the Public Works and Transportation Committee later this week. I hope you will join with the members of the committee, both Republican and Democratic, in supporting this legislation.

The table referred to follows:

Unemployment rates in 50 States and 150 major labor market areas, March 1975[1]

[In percent]

	Unemployment rate[2]
Alabama	9.6
Birmingham	6.7
Mobile	-----
Alaska	11.5
Arizona	9.9
Phoenix	10.8
Arkansas	10.3
Little Rock-No. Little Rock	6.4
California	10.2
Anaheim-Santa Ana-Garden Grove	8.7
Fresno	(3)
Los Angeles-Long Beach	9.9
Riverside-San Bern.-Ontario	11.6
Sacramento	(3)
San Diego	(3)
San Francisco-Oakland	9.8
San Jose	9.2
Stockton	(3)
Colorado	5.8
Denver-Boulder	5.6
Connecticut	9.9
Bridgeport	11.4
Hartford	7.9
New Britain	11.9
New Haven-West Haven	9.4
Stamford	6.7
Waterbury	12.4
Delaware	10.9
Wilmington	11.5
District of Columbia	7.8
Washington	5.6
Florida	10.6
Jacksonville	(3)
Miami	9.7
Tampa-St. Petersburg	10.1
Georgia	10.2
Atlanta	10.1
Augusta	8.3
Columbus	8.7
Macon	8.5
Savannah	8.0
Hawaii	7.7
Honolulu	7.4
Idaho	8.9
Illinois	7.9
Chicago	7.7
Davenport-Rock Island-Moline	5.7
Peoria	5.0
Rockford	(3)
Indiana	10.2
Evansville	9.5
Fort Wayne	11.5
Gary-Ham.-East Chicago	7.1
Indianapolis	7.9
South Bend	8.6
Terre Haute	8.3
Iowa	6.2
Cedar Rapids	5.6
Des Moines	5.7
Kansas	5.2
Wichita	5.4
Kentucky	7.4
Louisville	6.6
Louisiana	8.0
Baton Rouge	6.9
New Orleans	7.5
Shreveport	8.8
Maine	12.1
Portland	8.8
Maryland	7.5
Baltimore	8.1
Massachusetts	12.5
Boston	11.5
Brockton	11.6
Fall River	14.0
Lawrence-Haverhill	12.6
Lowell	13.0
New Bedford	15.8
Springfield-Chicopee-Holyoke	13.0
Worcester	11.2
Michigan	15.4
Battle Creek	12.8
Detroit	16.1
Flint	18.7
Grand Rapids	12.7
Kalamazoo-Portage	11.0
Lansing-East Lansing	12.9
Muskegon-Muskegon Hghts	13.6
Saginaw	13.4
Minnesota	7.0
Duluth-Superior	10.3
Minneapolis-St. Paul	7.4
Mississippi	6.4
Jackson	5.8
Missouri	7.6
Kansas City	8.5
St. Louis	9.4
Montana	9.6
Nebraska	6.6
Omaha	8.3
Nevada	10.9
New Hampshire	8.1
Manchester	10.6
New Jersey	9.9
Atlantic City	12.6
Jersey City	12.2
Newark	9.7
New Brunswick-Perth Amboy	(3)
Sayreville	8.7
Paterson-Clifton-Passaic	11.4
Trenton	(3)
New Mexico	8.7
Albuquerque	8.4
New York	10.2
Albany-Schenectady-Troy	7.9
Binghamton	8.1
Buffalo	14.7
a. N.Y. City, plus Putnam etc	10.8
b. Nassau-Suffolk	7.2
Rochester	7.6
Syracuse	(3)
Utica-Rome	10.7
North Carolina	11.7
Asheville	13.6
Charlotte-Gastonia	10.5
Greensboro-Winston-Salem	(3)
High Point	9.5
Raleigh-Durham	6.8
North Dakota	6.0
Ohio	9.4
Akron	9.4
Canton	9.2
Cincinnati	8.5
Cleveland	8.0
Columbus	7.5
Dayton	8.8
Hamilton-Middletown	14.8
Lorain-Elyria	8.7
Steubenville-Weirton	4.7
Toledo	11.8
Youngstown-Warren	12.0
Oklahoma	6.0
Oklahoma City	5.5
Tulsa	5.1
Oregon	11.5
Portland	10.0
Pennsylvania	9.2
Allentown-Bethlehem-Easton	8.6
Altoona	11.0
Erie	9.5
Harrisburg	7.7
Johnstown	8.0
Lancaster	8.2
Northeast Pennsylvania	12.1
Philadelphia	10.0
Pittsburgh	8.3
Reading	7.9
York	9.6
Puerto Rico	16.7
Mayaguez	(3)
Ponce	(3)
San Juan	(3)
Rhode Island	16.2
Providence-Warwick-Pawtucket	16.0
South Carolina	12.5
Charleston	9.7
Greenville-Spartanburg	11.5
South Dakota	5.6
Tennessee	9.6
Chattanooga	7.7
Knoxville	(3)
Memphis	6.7
Nashville-Davidson	7.9
Texas	6.0
Austin	3.8
Beaumont-Port Arthur-Orange	6.0
Corpus Christi	6.5
Dallas	5.5
El Paso	10.9
Fort Worth	5.2
Houston	4.7
San Antonio	7.4
Utah	7.2
Salt Lake City-Ogden	7.1
Vermont	10.8
Virginia	7.8
Newport News-Hampton	6.8
Norfolk-Va. Beach-Portsmouth	7.1
Richmond	5.2
Roanoke	8.7
Washington	9.9
Seattle	9.2
Spokane	10.2
Tacoma	9.0
West Virginia	8.0
Charleston	6.9
Huntington-Ashland	7.8
Wheeling	(3)
Wisconsin	8.2
Kenosha	(3)
Madison	(3)
Milwaukee	(3)
Racine	(3)
Wyoming	5.8

[1] Statistics from U.S. Department of Labor, Manpower Administration, Office of Planning and Evaluation, Division of Labor Market Information.

[2] Not seasonally adjusted.

[3] Not available.

Mr. HOWARD. Mr. Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from New Jersey.

Mr. HOWARD. Mr. Chairman, I congratulate the gentleman from New Jersey (Mr. Roe) and the members of the subcommittee for coming out with this much needed bill.

Mr. Chairman, as a member of the Committee on Public Works and Transportation, I am happy to rise in firm support of H.R. 5247, the Local Public Works Capital Development and Investment Act of 1975.

Over 10 years ago, the committee began hearings on innovative and badly needed economic development legislation. I refer to the Area Redevelopment Act of 1962, and later Public Works and Economic Development Act of 1965.

Passage of these two measures launched the Federal Government into new and major programs designed to assist those people living in economically distressed areas of the Nation, areas suffering from the absence of basic public facilities necessary to attract and sustain commerce and industry. In other words, these areas, lacking that very basic economic infrastructure needed for long-term growth and development, suffered concomitant high unemployment and low income.

Representing a unique, flexible, and truly workable program, the Public Works and Economic Development Act sought to provide this basic and necessary infrastructure. While creating immediate jobs for the unemployed, the act provided the requisite stimulation for long-term and lasting economic growth in areas plagued by chronic unemployment.

Repeatedly, in recognition of the fine track record achieved by this legislation, the committee has moved to extend the authorizing provisions of the act, oftentimes in lieu of an administration which, at best, sought to obstruct such action. It has done so, I believe, with clear understanding of what has been needed to stimulate economically distressed areas of the Nation.

Today, we no longer can face solely the notion of isolated and economically depressed pockets throughout the country. Rather, we must confront unemployment of 8.9 percent, or almost 8.2 million persons. We must confront the possibility that unemployment will continue to rise in the months ahead, though perhaps more slowly than in past months. And we must confront, despite decreasing factory inventories, falling factory orders and corporate profit lows.

Indeed, there is no dearth of economic indicators showing us the severe economic plight of the Nation. Each of these, though less bad than those of previous months, is not yet good. And projections leave little room for optimism—we can look forward to a slow, prolonged recovery with high unemployment through the end of this decade.

And how do we respond? The administration would like us to believe that in order to preclude a new round with the boom-bust cycle and a too-rapid recovery which could produce new inflationary booms, we must proceed with caution. I agree; yet even caution is not without boundaries.

Within government, there exists a pervasive feeling that Americans will settle for less. We seem all too prone to accept, and even tolerate, high levels of unemployment. I have been informed that even analysts are updating their figures to suggest that 6 percent unemployment is probably the best that the Government can do.

Mr. Chairman, an unemployment rate of 6 percent translates into so many people, with some very real human needs that must be met. If all that we can look forward to is full employment with 6 percent unemployed, then we are in for some very grave problems.

The Committee on Public Works and Transportation has gone on the record as not wishing to accept, nor tolerate, high unemployment and a deteriorating national economy.

H.R. 5247, introduced by a number of bipartisan members of the committee and reported favorably by the same, represents another attempt by the committee to develop innovative and badly needed economic development legislation in response to present economic conditions. In short, the purpose of the bill is to combat unemployment, basically by stimulating activity in the construction and materials production industries, while at the same time assisting State and local governments in the construction of backlogged, but necessary, public facilities.

This is to be accomplished by providing direct, 100-percent Federal grants to State and local governments for the construction, renovation, repair, or other improvement of local public works facilities.

At a time when over 8 million persons are without work, we find also that many cities and towns across the Nation are allowing their vital public facilities needs to go unmet. The problem is, simply, lack of funds, and an unwillingness to assess their already hard-pressed citizens a little more. Throughout hearings on the measure, countless witnesses provided examples of the great backlog of public facilities needs confronting their communities. And the single underlying thread is that each of these communities, whether large or small, has already imposed a staggering burden on its citizens in meeting these needs.

A measure, then, which would embody the twofold purpose of putting people back to work, while at the same time assisting the communities of the Nation in public works construction, would seemingly be highly desirous. Yet, it would seem that many of us would prefer to pay people not to work.

Since 1973, the costs of providing benefits for the unemployed and underemployed, such as food stamps, aid to families with dependent children, unemployment compensation, has more than doubled, from $13.6 billion to an estimated $30.4 billion this year. Does it not seem a bit ironic that we are willing to expend this enormous sum to keep people out of work, while at the same time we question the validity of a measure, considerably less in cost, which would put people back to work and provide long-lasting improvements to numerous communities?

I cannot doubt the need for this legislation. The bill provides up to $5 billion in total authorizations. This is a large amount, and I do not wish to hide this by employing relatively as a standard. But it is estimated that this amount would result in the creation of 250,000 immediate jobs, and many more through the ripple effect such an expenditure would have. In addition, the bill would result in another $14 billion in national production being generated within 2 years after its enactment. Unlike unemployment benefit programs, the Federal Government could recoup much of the initial outlay through this increase in national production and through tax revenues generated by the people who have been put back to work.

I can think of no better program for us to embark on at this time. It is far better to have people productively employed than waiting in line at unemployment offices. It is far better that our communities build permanent and necessary facilities that will serve for years to come than to be saddled hopelessly with the forces that will continue to bring economic decay and decline.

I urge my colleagues to move favorably on this bill, and, by so doing, provide an investment in the future of the Nation.

Ms. **ABZUG**. Mr. Chairman, will the gentleman yield?

Mr. **ROE**. I yield to the gentlewoman from New York.

Ms. **ABZUG**. Mr. Chairman, I thank you for this opportunity to rise in favor of H.R. 5247, the Local Public Works Capital Development and Investment Act of 1975, of which I am proud to be an original cosponsor.

There can be no doubt that this legislation represents a needed stimulus to the rapidly failing economy. Our country is now experiencing the highest rate of unemployment since the depression of the 1930's. Its impact is nationwide. No region is unaffected in my own State, New York, the unemployment rate has exceeded 10.6 percent. But this figure can be matched or exceeded by the vast majority of Members with statistics from their own States. The rate in California is 10.2 percent. The Massachusetts rate is 12.5 percent. Michigan is suffering from 15.4 percent unemployment. Pennsylvania is experiencing a 9.2 percent rate; Alabama has a 9 percent rate; in Arkansas, it is 10.3 percent; Florida has 10 percent unemployed; Georgia 10.1 percent; in Idaho, it is 9.9 percent; Maine has 11.7 percent; Montana, 10 percent; Nevada is experiencing a rate of 11.4 percent; Oregon has 11.9 percent unemployed; in Washington, the figure is 9.8 percent.

Industrial production and new building starts are down significantly. The statistics I noted translate into 8 million citizens who are out of work. The economic downturn has hit the construction and its allied industries with particular severity. April unemployment in the construction industry reached a staggering 18.7 percent. This means more than 700,000 workers are unemployed in that industry alone. Even those with jobs are working shorter hours.

The Federal Government has an obligation during such periods of national economic crisis to develop programs which will result in effective and immediate relief from these crisis conditions. Using public works projects to stimulate economic activity has been adopted in the past as an effective economic stimulant. In 1962, the Congress instituted a $900 million program to accelerate public work projects. The program supported 7,700 projects which were started quickly. The majority of those on the payroll of these projects were employed within the first 12 months of the initiation of work on them.

This legislation, too, will provide a direct infusion of substantial capital into the economy. The $2.1 billion outlay, which the Budget Committee estimates for the program during the next fiscal year, will create hundreds of thousands of jobs in the construction industry and in supporting and ancillary industries.

Undertaking the program outlined in the bill will not only provide short-run help to the economy, but will also create a foundation for long-term economic stability. The cost of the program is high, but we have been told by the Budget Committee that a full employment economy could mean the ultimate abolition of the deficit. Authorizing $5 billion for job creation and economic stimulus now would, therefore, lead to substantial future savings for the Federal Government.

The public works bill will be especially helpful to those areas which are suffering from the highest unemployment. Section 9(c) gives priority to those States and local governments which have experienced unemployment rates above the national average for a 3-month period. Section 9(d) requires that 70 percent of funds appropriated be granted to those priority areas. This targeting of funds will provide needed capital to those areas in all parts of the country which have been hardest hit. I moved these provisions during the consideration of this legislation by the Public Works Committee, and they were adopted because the committee believed that they guaranteed the effectiveness of this measure as an economic stimulant.

A broad range of eligible projects is outlined in section 4. Some of these, such as demolition, renovation, and repair are highly labor intensive; their initiation will create a great number of jobs. It is my feeling that the bill would be even more effective in its efforts to combat unemployment, if a provision had been included which required that the majority of appropriated funds be designated for the most labor-intensive projects. This type of provision would have guaranteed that a major purpose of the bill—the creation of the largest possible number of jobs—would be accomplished.

We have succeeded in this measure in targeting funds to the geographic areas in which they are most needed. I believe that the committee should have gone one step further, and also targeted them to the kinds of projects which would create the greatest number of jobs. I am concerned that we did not require those who will administer the program to grant a major percentage of the authorized funds to such labor intensive projects. There is now the possibility that too many large-scale public works efforts, which traditionally apply only 20 to 25 percent of their costs to labor, will be funded with this authorization. While funding such projects will meet one objective of the bill—namely, stimulating the economy through the construction of public facilities to State and local governments—it could fall short of fully realizing the job-creating function of the legislation.

Mr. **HAMMERSCHMIDT**. Mr. Chairman, I yield such time as he may consume to the distinguished ranking minority member of the Public Works Committee, the gentleman from Ohio (Mr. HARSHA).

Mr. **HARSHA**. Mr. Chairman, in view of my strong and continuing interest in Economic Development legislation in this body, I rise today in support of H.R. 5247. As ranking minority member of the Committee on Public Works and Transportation, I endorse this effort to provide jobs to an ailing sector of an ailing economy.

There is no need to dispute or debate the state of the economy, or of unemployment in general or in the construction trades and related industries. We here on Capitol Hill are reminded daily of these important matters whether from the standpoint of unemployment or the need for facilities left unfulfilled.

What I want to emphasize today is the degree to which this bill before you, H.R. 5247, is as precisely targeted and timed as possible to assure that it works as intended, while minimizing any economic side effects.

It is broad in terms of its nationwide applicability, with one-half of 1 percent of the funds to be appropriated reserved to each State and with a maximum of 10 percent to any one State. Funding will be available for a broad range of qualifying projects: Available independently, as a supplement to ongoing Federal-matching programs, or as a contribution to non-Federal, State-local programs.

Yet, it is targeted in terms of the priority projects in areas of highest unemployment, with refinements to take into account the unique degree of unemployment in the construction trades, which is twice the national average. It also takes into account the mobility of the labor force in construction and the fact that a project might be located in an area of relatively low unemployment, while the workers constructing the project might come from surrounding areas where the unemployment rate is much higher.

Based on our experience with public investment programs over the years, we have also built in a number of requirements to assure that the program focus on quick-start projects, including accelerated issuance of regulations and guidelines, accelerated processing and decisions on applications, and accelerated translation of project paperwork into onsite construction jobs.

Moreover, projects are limited to exclude land acquisition which would take too much time and too much money away from projects, and to exclude maintenance which would dilute achievement of the objectives to provide new or improved public facilities in our communities and to stimulate demand in industries providing materials, supplies, and equipment to construction undertakings.

This same targeting and timing should help assure that undesirable economic side effects are kept to a minimum. The stimulus should be limited to an area suffering severely from idle capacity in manpower and machinery. The acceleration given such emphasis in this bill would assure quick starts and quick payout rather than be delayed until the economy has bottomed out beyond dispute and begun its upturn. This in turn should assure that any stimulus on the spending side, or stimulus on the deficit side would be minimized. I hope we agree that the Federal Government has a role in the economic recovery process, and that we in Congress have a responsibility to respond. This bill is just such a response; it embodies the combination of objectives I have cited and offers promising prospects for near-term results.

This is an emergency piece of legislation, reflecting the fact that unemployment in the construction trades has reached a point where it is twice that of the national rate, which in itself is totally unacceptable. Therefore, there is great urgency to act, and this bill offers a great opportunity to act.

I urge enactment.

Mr. **ROE**. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. NOWAK).

Mr. **NOWAK**. Mr. Chairman, today the House has an opportunity to demonstrate its determination to restore jobs to American workers and to return confidence in government to the American people.

As a cosponsor and member of the Public Works Committee, I would like to commend our distinguished Chairman (Mr. JONES of Alabama) and our distinguished subcommittee chairman (Mr. ROE) for their efficient leadership in formulating this bill. We heard scores of witnesses from numerous areas of concern and have refined several provisions in response to the testimony. We have reported out a sound bill, a progressive bill, a productive bill, and an urgently needed bill.

Witnesses at the hearings represented a broad spectrum of interests—mayors of large urban areas and small towns, Governors, county organizations, Indian groups, labor leaders, environmentalists, rural cooperatives, construction groups, economists, and administration officials. The only substantive opposition to this concept came from the executive branch, and although it was consistent, it was not corroborated. I would like to address the major administration objections to the public works concept.

The primary complaint centers on extended leadtimes for public works projects previously authorized—the fact that funding for 1962 and 1965 authorizations peaked 2 years after enactment, with vestigial funds still flowing several years later. That would be a valid point if this bill were a repetition of the earlier acts, but it is not.

The purpose of this program is to accelerate public works programs; to finance only those projects that are ready to go; to resurrect plans buried in the morass of redtape, impoundments, and local budget insufficiencies.

The bill specifies:

> Grants . . . shall be made only for projects . . . that, if funds are available, on-site labor can begin within ninety days of project approval.

It specifies that the grant applications must be acted on within 60 days. Regulations must be promulgated within 30 days of enactment.

How can this be labeled, in the words of one administration witness:

> That the stimulus comes after the economy bottoms out?

Does anyone here today really believe we are "bottoming out" of our economic doldrums? That in the short time until our own State and local officials have this money in hand for putting jobless people to work on lagging public facilities, it will no longer be valuable?

If so, I suggest a quick review of recent administration crystal-gazing—those stubbornly cheerful and uniformly erroneous predictions of economic recovery cannot supplant the hard statistics of increasing unemployment, continuing inflation, and decline in productivity.

We are not talking about overheating a newly stimulated economy 2 years from now; we are talking about stimulating a stagnant economy now. Listen to some of the testimony we heard about "long leadtime":

> We have seven public works projects totaling $8 million which are off the drawing boards, and ready to go but which have not been implemented because of a lack of available funds. (Mayor Stanley Makowski, Buffalo, N.Y.)
>
> In Paterson alone we have a vast array of projects which could be under construction before the end of the year if funds were available. (Mayor Lawrence Kramer, Paterson, N.J.)
>
> We have developed a list of needed capital improvement projects for the State of New Mexico totalling in excess of $325 million. These projects include the needs of state agencies, Indian communities, counties and municipalities. (Nick Salazar, President, North Central New Mexico Economic Development District)
>
> I have attached a "laundry list" of 80 projects within my five-county District that could serve as a potential source to employ the people in the construction trades and also encourage economic development. (John Ladd, President, National Association of Development Organizations)
>
> All but two counties surveyed . . . indicated that these projects could be started within thirty to sixty days . . . estimated value from a low of $10,000 for a road and drainage project to a $36 million dollar sewer and waste water project" (National Association of Counties survey of 31 counties in 22 states, Daniel T. Murphy, Chairman for Regionalism, Transportation Steering Committee)
>
> Were we to have assurances that federal funding would be available we could begin within weeks to build two jails . . . We need court facilities . . . until the funds are made available, however, that building will remain an architect's sketch only . . . highlights of our construction needs . . . projects we are ready to build, or need to design and build. (Chairman Roscoe Bobo, Wayne County, Michigan, Board of Commissioners)

Witness after witness itemized project after project that could get underway promptly. Comparing this legislation to previous public works programs is simply a diversionary tactic by an administration unwilling to invest capital in its own people in their own communities.

The alleged inflationary aspect should not even be an issue today; our conference budget resolution included the $5 billion authorization for this program, and a figure of $2.1 billion in outlays, and there is no need to reopen debate on it.

The point to keep in mind at this juncture is that even with the amounts already budgeted—the emergency job appropriations bill the public works bill before us, the tax reductions, the emergency housing legislation, and other stimulative measures—even with all of these programs which produce the distasteful deficit we have adopted, we are still projecting an unemployment rate of 7.5 percent—or 7 million people.

No one cherishes a deficit of $68.8 billion. But no one can possibly be comfortable with the thought of accepting a status quo of 7 million people officially classified as unemployed. As a goal, 7.5 percent unemployment is totally unacceptable; as part of the program for economic recovery, it becomes a target which justifies the expenditures.

We are all familiar with the fact that if our unemployment rate were now 4.5 percent, our budget would be balanced. This bill is an investment in our citizens, an investment in jobs, facilities, and economic recovery.

If we want to discuss "leadtime," let us also discuss the time involved in waiting for some stimulus to create a demand for goods, to get idle factories and businesses back in production so that the jobless can be recalled. Let us discuss the production index now 12.4 percent below a year ago, or plants operating at only 65 percent of capacity. Let us consider seriously whether it is better to sit back and watch for the hoped-for upturn at some unspecified future time; or whether to provide the boost, the work and capital for a beginning.

Unemployment is a massive problem in the country today, but the construction industry has the dubious distinction of bearing the largest brunt—now even outranking the automobile industry.

This bill offers hope to the unemployed and underemployed, not only in the construction industry itself—carpenters, architects, bricklayers, engineers—but also through a multiplier effect to other job related fields—manufacturers of machinery and other required materials, suppliers of raw materials and processors, sales, maintenance, and repair personnel, and on through the economy as increased employment permits increased purchasing power for all consumer goods.

Although the administration grudgingly agrees to the necessity for public service jobs, incredibly enough it submits tax rebates and unemployment compensation as the answer to getting the economy going again while helping the jobless. I submit that a maximum $200 tax rebate in an out-of-work household will barely pay the overdue bills, and that even a year's worth of unemployment checks is not stimulative in nature.

On the contrary, business and State compensation trust funds are running out of money and tax receipts are diminishing. The climbing official unemployment figures—now 8.2 million—are, by the administration's own admission, understated because they do not count the estimated 5 million who have given up looking, whose benefits are exhausted, who are working part time, or who have not yet been able to enter the labor market. But welfare rolls are lengthening and food stamp applications are piling up.

Surely, this trend is counter productive. Surely it is better to pay a man to build a school than to pay him to stand in line waiting for his Government handout. Compensation for enforced idleness cannot equate with salary for productive work.

That is what this bill is all about. It would provide the means to employ people to improve their communities: not to lean on shovels or rake leaves, but to repair public buildings, build badly needed facilities, work on permanent, tangible structures for the future while contributing to the productivity of the present.

This bill is not an instant cure-all for our economic ills. It can be an effective remedy, an integral part of the overall treatment, and it should be enacted without delay.

Mr. ROUSSELOT. Mr. Chairman, I make the point of order that quorum is not present.

The CHAIRMAN pro tempore (Mr. SHARP). Evidently a quorum is not present.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN pro tempore. Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to Rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. SHUSTER).

Mr. SHUSTER. Mr. Chairman and members of the Committee, my initial intention was to oppose this legislation and, indeed, if the legislation which is before us today were the legislation as originally introduced, I would be standing here opposing it. However, as a result of substantial hearings which were conducted by our subcommittee, and as a result of several amendments which were offered and accepted in committee, I have changed my view and have decided to support this legislation vigorously.

Certainly the objectives of H.R. 5247 are worthwhile beyond dispute: Putting unemployed people back to work on the job, providing economic stimulus in a severely depressed sector of American industry, and giving the communities of this Nation the benefits of capital investment in public facilities, are laudable goals.

However, the economic chaos of the recent past caution that even contructive objectives are not enough, we must be equally concerned with the manner in which we attempt to bring about employment because sometimes our efforts may be self-defeating. We must be concerned over what we do and how we do it, and the impact of our actions in view of the total spending, as well as deficits and longer term trends in the economy, and I recognize that the Committee on the Budget has given great attention to this issue, but I submit that the legislative committees, as well, must be deeply concerned with this matter, and particularly the Committee on Public Works, because of our extensive jurisdiction over multi-billion-dollar public investment programs.

In this connection I was mindful of several concerns which were expressed by the administration, and particularly the concern that leadtime in many public works projects is so long that the bulk of the spending would occur after the recession is brought under control, and indeed we could find ourselves faced with our good intentions actually fueling the fires of inflation a few years down the road.

There were those who testified before our committee that a $100 billion deficit is all right. In fact, there were those who argued that this Nation could stand a deficit greater than $100 billion. I cannot concur with that view, nor can I dismiss as old-time religion the view of the Director of the Office of Management and Budget, and the Secretary of the Treasury, who have pointed out that in the past under accelerated public works projects we have actually stimulated the economy too late. In the past we have stimulated the economy after the recession was over.

It was brought to my attention that an article by Nancy Teeters in the Brookings Institution Papers on Economic Activity, 1971, presented an analysis of the economic impact of the accelerated public works projects of 1962.

This analysis, I believe, was very significant and made the point that too often we have stimulated the economy too late and in effect fueled the fires of inflation after the recession was over.

Specifically, the expenditures of the Accelerated Public Works Project of 1962 did not stimulate the economy until too late. It was not until 1963 that $62 million, the conference report on the Conmillion; in 1965, $321 million; in 1966, $88 million; and in 1967, $21 million. So the point is well taken that a program which was passed in September of 1962 with an obligational authority of $850 million really did not help.

This same point, which I believe was a critical defect in the original legislation, is made in a slightly different way by the Economic Development Administration's publication entitled "An Evaluation of the Public Works Impact Program, Final Report, January 1975," which states among its principal conclusions the following, and I quote:

> Employment generated by Public Works Impact Program was both "pro-cyclical" and "proseasonal", occurring at the same time that other expansionary forces were at work within the national economy.

So we have here corroborating evidence to show that we must be deeply concerned not only with how much money we are going to spend and into what projects we hope to spend it, but also when it is going to be spent. It was against this background that I originally planned to oppose this legislation. During hearings, however, we had many witnesses testify before us, and during a particular colloquy with George Meany, president of the AFL-CIO before our committee, Mr. Meany made the following statement, and I quote:

> This bill is directed not towards projects that the local authorities are thinking about, not projects that they like to have, but projects that are past the blueprint stage and they are ready to go and have not moved forward for only one reason: local governments do not have the money. So I would say—

And I am quoting Mr. Meany here—

> Within 60 days of the appropriation these things could go in any part of the country.

Reflecting on this point of view and on the need to limit the economic stimulus to quick startups. I introduced an amendment in the full committee which was accepted, and that amendment which is now part of the legislation before us today is as follows:

> Grants made by the Secretary under this section shall be made only for projects for which the applicant gives satisfactory assurances, in such manner and form as may be required by the Secretary and in accordance with such terms and conditions as the Secretary may prescribe, that, if funds are available, on-site labor can begin within 90 days of project approval.

This amendment, I believe, cures a critical defect in this bill, this language applies only to section IV. Later today I will be offering an amendment to cure this same problem in both section 6 and section 7. In my judgment, this amendment eliminates a critical defect from the bill by assuring that only quick-start projects will be approved by avoiding the delayed stimulus and burden on the Treasury at a time of economic upturn, which we all look forward to in the months ahead.

It should also be noted that while the bill carries an authorization of $5 billion was actually expended; in 1964, $331 current Resolution 218 contains an outlay estimate of only $2.1 billion for this stimulative legislation in fiscal year 1976.

The approach embodied in this bill is greatly preferred in my judgment over that included in the so-called Emergency Employment Act which is now out of conference. This legislation is not short-term make work, not the creation of a new work force, not a leaf-raking proposal, but it is rather the creation of jobs for skilled construction workers and those in industries providing the materials and the supplies.

Moreover, the spending will result in far more than paychecks for those on the public payroll. This investment will result in facilities of enduring benefit to communities across this Nation.

Mr. Chairman, I therefore urge the adoption of this legislation.

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan (Mr. RUPPE).

Mr. RUPPE. Mr. Chairman, I rise in support of this particular piece of legislation and I would like to congratulate the members of the committee for bringing it to the floor today.

I understand that the legislation, if it were to be funded in total, would provide for an almost immediate increase in the number of jobs available in this country of some 250,000 persons. Even if the moneys in the final appropriation total no more than the $2.1 billion that are in the congressionally approved

budget, it still means that this legislation will lead to a job increase in the United States of well over 100,000 persons. The major point to remember is that these 100,000-plus individuals will be put to work in productive projects building schools or courthouses, perhaps sewer and water treatment facilities, hospital additions or airport improvements, or the other types of things I might add that in my own district are desperately and immediately needed.

I think in a way it is a refreshing effort and a pleasing contrast to the direction undertaken by the public employment bill. Certainly the public employment legislation as such can be demonstrably needed or necessary in many parts of the country, but I could speak again for Michigan in stating that to a large degree the public employment legislation will not lead to permanent improvements in the standard of living or permanent improvements in the various communities in which the appropriated moneys are going to be spent. In fact, in my own area again there has been a great deal of argument over who gets the public service funding. In many cases the administrators will be doing much better in terms of their pay checks and salaries than will the unemployed men. I would say far too often with unemployment legislation it is the bureaucrats and administrators who have done exceedingly well under the legislation and not those who have been unemployed and out of work for long periods of time.

So I am very pleased with this type of legislation the committee has chosen to bring to the floor today which in my opinion is the type of legislation which will lead to putting the unemployed, particularly those in the construction fields, to work. This legislation will lead to the types of construction and municipal and community improvement that is so desperately needed throughout the United States.

I think the chairman and the committee should be congratulated.

Also this legislation is being targeted to the areas of high unemployment where those unemployed can be immediately affected. Certainly the idea of limiting to 10 percent the amount of moneys any one State can receive under the legislation, and yet targeting within the States those areas that have the high rates of unemployment, will be a meaningful part of this legislation.

In speaking for Michigan, which has well over the 6.5 percent figure of unemployment targeted in this legislation and well over the national average, I can speak as well for my own district where again the unemployment rate in the construction industry is quite high, and I can say that this type of legislation will have an almost immediate effect on those individuals in the construction field that are presently without jobs. As I reiterated previously, from this alleviation of unemployment, from these construction dollars, we will see in my own area school construction, court house construction, hospital add-ons, development in many transportation areas such as highways and airports, that are desperately and immediately needed.

I think one of the vitally important things of this legislation is that in my view we are not starting up another Federal bureaucracy. We are not starting up another Federal program that is guaranteed to go on forever, go on ad infinitum. Next year or the year after if we snap out of the economic recession that we are in at this time, either this committee or perhaps more directly the Budget Committee and the Appropriations Committee can cut out funding for this program. So we are not building the type of bureaucracy that is going to be with us 5 or 10 years down the line, a type of bureaucracy that will enjoy the benefits of this legislation, but we are rather developing a one-shot program that will do a great job for the people in this country and do it immediately, and yet when the necessity for such a program is no longer with us, the Appropriations Committee or the Budget Committee can certainly cut out the expenditure in this area almost immediately.

The last and final point I want to make is that in my view the legislation targets the needs of local government, the needs of the country that are most important. Local government operates through the property tax base and has not had the type of funding necessary to meet many of the local needs, many of the local calls for help, if we will.

The very fact that in this legislation we are targeting local needs and asking local governments to identify what they want, I think, is a great plus for this legislation.

I think many people in local government feel too often that they have to take the type of funding or the type of program that is acceptable to the Federal bureaucrat in Washington. Often, rather than go through all that, they would rather make their own way.

I think this type of legislation is indicative of the fact that this Congress wants local government involvement and wants to meet the target needs as determined by local elected officials.

I would like to congratulate the committee on the legislation as a whole and certainly for their emphasis in placing the money in areas of high unemployment and in consulting with local elected governments in the country to make sure the needs of local government are met. I think this legislation can best meet these needs.

Mr. ROE. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. JOHNSON).

Mr. JOHNSON of California. Mr. Chairman, I rise today in full support of H.R. 5247, the Local Public Works Capital Development and Investment Act of 1975.

I think the committee has done a very fine job in bringing this bill to the floor. I want to commend the majority and the minority and also I want to commend the staff at this time for their wonderful job in developing the information to put this bill together.

Mr. Chairman, the economic outlook is, in one word, "gloomy." Our latest unemployment figures show 8 million Americans are out of work—almost 9 percent of our entire labor force. And this is not taking into account an estimated 1.1 million persons who have dropped completely from the rolls of those looking for a job, too discouraged by the prospect of failure.

Unemployment itself has a staggering cost. Implicitly, this is felt in lost national production and decreasing tax revenues. Explicitly, we will expend an estimated $30 billion this year alone for unemployment benefit programs such as unemployment insurance, food stamps, welfare, public service employment, and the like. Studies suggest that for every percentage point of unemployment in excess of 4 percent, there is a resultant increase of $2 billion in Government expenditures for such services, as well as a $14 billion decrease in Federal tax revenues.

These costs are fixed, and do not go far toward providing that all out effort required if we are to make more than just a passive response to steadily deteriorating economic conditions of the Nation.

Then, when a bill such as H.R. 5247 crosses our desks, I have to wonder if this is not more in line with the effort we should be making.

The purpose of this bill is twofold; that is, while combatting high unemployment, basically by stimulating activity in the construction and construction-related industries, H.R. 5247 would also stimulate national economic activity by assisting State and local governments in the construction of needed local public facilities. It would do this by providing up to $5 billion in direct, 100-percent Federal grants to State and local governments.

Mr. Chairman, it seems a bit ironic that at a time when some 8 million workers are jobless, many cities and towns across the Nation are sitting on a huge backlog of needed public works projects, projects which, if initiated, would create a number of jobs while providing long-lasting public facilities. In short, H.R. 5247 would go far toward amending this situation.

There can be no doubt but that $5 billion is a huge expenditure, especially at a time when caution in Government spending is required. Yet, by providing funds for such projects as storm drainage systems, sidewalk and street improvement, library, school and community building construction, H.R. 5247 would create an estimated 250,000 jobs immediately. And with the creation of each new job, there would be a multiplier effect, involving all the backup forces involved in public works construction. Unlike unemployment benefit programs, this job-creating program would increase tax revenues and national production, while decreasing the fixed costs associated with the benefit programs.

It is estimated that this bill could stimulate approximately $14 billion in additional national production within 24 months of its enactment. This would allow the Federal Government to recoup practically the entire cost of this program in a relatively short time through additional Federal revenues arising from this increase in production. Yet, none of these estimates include the very real benefits, however immeasurable in dollars and cents, that will be realized by the residents of countless local communities across the country who will enjoy the use of these needed public facilities.

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On account, H.R. 5247 is too good an investment in our Nation's future. Lessening immediately the severe unemployment suffered by most of the Nation's communities, while at the same time providing for the construtcion of badly needed public facilities, this measure goes far toward providing that corrective action so necessary if the Nation is to see its way out of its very severe economic ills.

I strongly encourage my colleagues to endorse this worthy measure.

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. Don H. Clausen), a Member of the committee.

Mr. DON H. CLAUSEN. Mr. Chairman, as my colleagues are aware, there is a strong and urgent need to deal with the serious problem of unemployment as a part of our total effort to bring about economic recovery. The real question, however, is how we achieve this objective. I am well aware, for example, that there has been a great deal of support for the so-called public service employment approach. While some areas may have derived real benefits from this method of creating jobs, a number of local governments in my own area in northern California have indicated a preference for the job-creating approach which we have taken into account and put together in H.R. 5247.

As an example, local officials have pointed out the problems in fully utilizing the CETA funding, because use of the funding is limited strictly to employment. Facing tight budgetary situations and many competing priorities for funding, these officials point out that they have no funds for the brick and mortar that would provide the newly employed with an actual job to do. Faced with a choice of simply putting people on a payroll with little or nothing for them to do or letting the money go unused, these officials and the communities they represented are faced with an impossible choice.

On the other hand, the approach the committee has taken in bringing H.R. 5247 before the committee is one that will put people back to work on priority projects that will have a lasting value to the communities in which they are constructed. In other words, there is a significant return for the dollars invested.

I know that many of my colleagues are concerned that projects eligible for approval and funding through this measure might be subject to unceasing delay and redtape, and thus the positive economic impact this legislation would have on the current recession crunch would be lost. There is a similar concern that such delays would result in the bulk of the funds being spent after we have cleared the recession hurdle, bringing on a new round of inflation.

Those of us on the committee were mindful of these dangers in bringing this program together. For these reasons, we included the stipulation that only those projects that are ready to go within 90 days will be eligible for funding. This came about as a result of an amendment offered by our friend and colleague from Pennsylvania (Mr. Shuster).

In summary, we believe that this measure will create jobs, develop purchasing power and provide local units of government with a funding commitment for priority facilities without contributing to a new spiral of inflation. The most important factor involved, however, is whether or not the legislation as authorized and a funding level developed, will ultimately be implemented within the time frame that is articulated in the amendment, where labor intensive jobs can be brought on to line and implemented within the 90-day period.

I would like to refer to an interim report to the Congress of the National Commission for Manpower Policy to support the thrust of this legislation as advanced by our committee. I will read directly from this report:

> Because of the high level of unemployment in January 1975 and the still higher level that probably will be reached during the year, the Commission focused attention at its second meeting on an initial assessment of the adequacy and flexibility of job creation and income transfers to alleviate the human distress that results when people lose their jobs and/or are unable to obtain employment.
>
> The Commission centered attention on the following four facets of manpower programming: (1) job creation in the form of public service employment and public works projects; (2) income maintenance devices in the form of unemployment insurance, unemployment assistance and welfare; (3) the status of funding for these programs; and (4) the quality of local labor market information and analysis. Its principal findings and recommendations follow. These must be considered preliminary in light of the recent enactment of many of the manpower programs and the brief period in which the Commission has had to assess them.
>
> 1. JOB CREATION
>
> Federally funded and operated job programs were a major response to the high unemployment rates of the 1930's which did not drop below the 10 percent level until the onset of mobilization for World War II. The rationale for such programs was to provide the unemployed with the opportunity to work for their income and to enable them to produce a useful public output. During the 1960's, a number of modest work experience programs were initiated which were primarily directed at moderating the chronic employment problems of selected groups in the labor force. The federal government did not reinstitute a broadly-based direct job creation program until 1971 when the Emergency Employment Act (EEA) was enacted.

Now moving to the third point, the Commission makes reference directly to the position that we have taken in support of the local public works investment concept of the legislation, as opposed to the overdependence upon the public service jobs, and I want to state in specific terms what the Commission has offered in the way of recommendations:

> The Commission questions whether public works projects which result in more permanent social and economic benefits might not be better than public service employment as a way to put the unemployed to work. While noting the permanent social and other gains from such productive projects, the Commission also recognizes the difficulties engendered by start up and other timing considerations and the relatively high unit cost of the jobs created through the more traditional public works approach. There may be, however, some forms of public works activities which may be more responsive in the short run.
>
> Numerous examples of socially and economically beneficial projects were cited by Commission members, including insulating the owner-occupied homes of low income families; rehabilitating dilapidated and abandoned housing; and the undertaking of recreational, conservation, and environmental projects. These activities could be carried out by a variety of agents including private and community groups as well as state and local governments.

Those comments and suggestions made by the commission, in our view, tend to dovetail with the public works investment program suggested for authorization by the committee.

Mr. HARSHA. Mr. Chairman, will the gentleman yield?

Mr. DON H. CLAUSEN. I will be glad to yield to the gentleman from Ohio.

Mr. HARSHA. I thank the gentleman for yielding.

As the gentleman knows, he has been a strong advocate of economic growth centers and development and economic growth highways to try to diffuse out-migration and try to take away migration from the small, rural areas to the large metropolitan areas, in order to try to relieve some of the urban blight and some of the evils that go with that.

In view of that strong position the gentleman has taken over the years—I believe he was an author to the amendment of the 1973 Highway Amendment Act, and even prior to that, which set up an economic growth system, and we tried to expand on that—would the gentleman reflect upon how this particular legislation could be used to implement that program and what effect it might have upon out-migration?

Mr. DON H. CLAUSEN. The gentleman is correct, that we did advance the economic growth center concept, with the emphasis being placed upon allocating funds into those areas that could, in fact, accommodate growth and direct the emphasis of economic growth away from those areas where the overwhelming percentage of population of the Nation actually exists. As we view it, one of the prime contributors to the inflationary problem has been the emphasis placed upon allocating funds into the areas that are the prime contributors to inflation.

The thrust of our objective was to allocate funds into the areas that are the most recession prone.

In light of the gentleman's comments, we feel that this is a legislation vehicle whereby a public works job-producing approach, as we have here, can direct funds into those areas that have higher than average unemployment, thus making the greatest contribution to an antirecession program for the country, and hopefully, on a selective basis, withholding funds from the inflation-prone areas of the country.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. DON H. CLAUSEN. Yes; I yield to the gentleman from Michigan.

Mr. CEDERBERG. I ask the gentleman, Where are we going to get these funds?

Mr. DON H. CLAUSEN. As far as we are concerned, the level of funding that is committed under this authorization will have to come from the general fund.

Mr. CEDERBERG. Where will the moneys come from?

Mr. DON H. CLAUSEN. The moneys will be allocated through the regular authorization and appropriation process. We offered, as a suggestion to the administration, the idea that we would move away from the funding commitment to public service jobs. This idea was not shared unanimously by the committee.

Mr. CEDERBERG. But we did not do that.

Mr. DON H. CLAUSEN. That is correct, but again, this was the position the minority took. We felt we would be better off to channel funds into the public works-type project rather than have a continuation of the commitment to the public service employment program because we felt we would get more return for the money invested. It is for that reason that we have taken the position of authorizing the suggested funding level.

I recognize that under the budget bill cleared by this Congress, the full $5 billion level was not authorized, so it is conceivable that the full funding we are requesting may very well never be realized.

Mr. CEDERBERG. In other words, this is just an authorization, sort of window dressing on top of the jobs bill we just passed for $5 billion? This is $5 billion more?

Mr. DON H. CLAUSEN. Not as far as we are concerned; we do not look at it as window dressing. We look at this as a very serious commitment to try to do something about the unemployment situation; and while the gentleman was not on the floor earlier, one of the primary reasons that I supported the legislation was because of an amendment that was adopted by the committee, which was recommended by our friend, the gentleman from Pennsylvania (Mr. Shuster), which requires that on-site jobs would have to commence within 90 days or there would be no funds for the project. It was intended to get on target immediately and only apply to those projects that were ready to go.

Mr. CEDERBERG. Ninety days from when?

Mr. DON H. CLAUSEN. From the time of project approval.

Mr. SHUSTER. Mr. Chairman, will the gentleman yield?

Mr. DON H. CLAUSEN. Yes, I yield to the gentleman from Pennsylvania, the author of the amendment.

Mr. SHUSTER. To answer the gentleman from Michigan, it would be 90 days from the time of approval. When funds are available and approved, there must be on-site labor commenced within 90 days. This must be certified to and accepted by the Administration. It is up to the administration, the Secretary of Commerce I believe, to specify in what manner it is to be certified; and only with that certification from the representative of the administration can funds be made available. This is to get away from the long term.

Mr. CEDERBERG. If the gentleman will yield further, of course, we have no idea when an appropriation may be made for this. It may come next November or something like that, and we might be right in the middle of winter and it might not be practical to put anybody to work, say, up in the northern part of my State, in 90 days. Then we do not get any money; is that the idea?

Mr. SHUSTER. That is the idea. The funds would not be available. This is tightly controlled, the start-up time, so that there is no long lag of time, because this, of course, was one of the big objections of the administration.

Mr. DON H. CLAUSEN. There were suggestions made that if we finalize action through the authorization-appropriation-allocation process, it might take up to 18 months before it would have a favorable impact on the economy and thereby contribute to inflation at a time when the economy was stronger, so we think one of the strongest features of the legislation is the requirement that projects ready to go within 90 days would be the only ones eligible for funding.

Mr. SHUSTER. Mr. Chairman, will the gentleman yield further?

Mr. DON H. CLAUSEN. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. I would emphasize to the distinguished gentleman from Michigan that many of us are urging the President to veto the so-called emergency employment bill, and we are quite prepared to support such a veto. We are offering this as an alternative, we believe a better alternative; and I would hope that the gentleman would use his good offices to perhaps urge a veto on that legislation.

Mr. CEDERBERG. The gentleman does not have to worry about that.

If the gentleman will yield further just a bit, we have had experience with these accelerated public works projects before, and they have never really been able to put anybody to work at the time when we really needed the jobs. There is always a lag of time for months and months, and I would be amazed if anybody is able to put these to contract in 90 days, especially under the most favorable bidding procedures, because these will all have to go off to bid, I suppose. We will have at least 30 to 60 days before bids can even be let.

Mr. SKUBITZ. Mr. Chairman, will the gentleman yield?

Mr. DON H. CLAUSEN. I yield to the gentleman from Kansas.

Mr. SKUBITZ. Mr. Chairman, I would say to the gentleman from California (Mr. Don. H. Clausen) that it is not quite clear to me if it is 90 days from the passage of this act or 90 days from the date of the passage of the appropriation bill that carries funds for this act.

Mr. DON H. CLAUSEN. Mr. Chairman, I will yield to the author of the amendment for the answer to that inquiry.

Mr. SHUSTER. Mr. Chairman, I thank the gentleman for yielding, and on page 10 of the bill, in subsection (c), lines 13 and 14, it says:

> That, if funds are available, on-site labor can begin within ninety days of project approval....

Therefore it says, No. 1, funds available in the appropriation.

Mr. SKUBITZ. That would be the appropriation bill.

Mr. SHUSTER. And, No. 2, the specific project approval by the Secretary of Commerce.

Mr. SKUBITZ. Then it is 90 days from the appropriation of the money?

Mr. SHUSTER. And the specific project approval.

Mr. SKUBITZ. I thank the gentleman.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. DON H. CLAUSEN. I am happy to yield to the gentleman from Texas.

Mr. WRIGHT. Mr. Chairman, the gentleman from California (Mr. Don H. Clausen) is making an extremely important statement, and one with which I would like to associate myself. There was one comment made by the gentleman which may have left a slightly erroneous impression, and I rise only to correct any misimpression that may have been gained.

The gentleman referred to the action of the Committee on the Budget, and of the Congress, in approving a budget for the coming fiscal year, and this might have given rise to some concern that not all of this money was accommodated in the congressional budget. On the contrary, the entire $5 billion authorization was encompassed in the authorization totals included in the congressional budget, and it was anticipated by those who wrote the conference committee report that at least some $2.1 billion actually would be expended within the coming fiscal year.

Mr. DON H. CLAUSEN. Mr. Chairman, I appreciate the gentleman from Texas (Mr. Wright) offering that clarifying comment.

Mr. Chairman, for the reasons already stated, I sincerely hope that the Members of the Congress will support this legislation so that we can move forward and address ourselves to the unemployment question.

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 5247.

This bill is designed to accomplish three objectives. It will create jobs and payrolls for unemployed workers in the construction trades, in which the unemployment rate is twice the national average. It will give a shot in the arm to industries related to construction, the suppliers of materials and equipment. And it will give a quick start to priority public investment in facilities serving the public in communities across the country.

After extensive hearings and amending in subcommittee and full committee, this bill has been revised and refined to do the job we intend it to do.

In this connection, I want to compliment the work of the able chairman of our subcommittee, my friend Bob Roe, who chaired our hearings in the full committee, and colleagues on both sides of the aisle who worked hard to shape this legislation.

This is a broad bill, available to States

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and communities across the country which all suffer from their share of unemployment and recession. One-half of 1 percent of the funding is reserved for each State, with a ceiling of 10 percent of appropriations placed on the amount any one State can get.

Project eligibility is also broad. The entire range of public projects, which make for a better life in our urban and rural areas, are eligible. The bill provides 100 percent Federal funding for projects, or supplemental funding for existing Federal matching programs to bring the Federal share up to 100 percent. And it would permit Federal assistance to substitute for the State or local share—though not both—in the case of projects under State-local programs not now receiving Federal assistance.

There are concerns over the danger of setting a precedent for future 100 percent Federal financing. This is not the intent of this legislation. This bill is out of the ordinary. But it is an emergency response to an extraordinary problem: Double-digit unemployment in a severely depressed sector of the economy. If we consider 8.9 percent unemployment unacceptable, and if we are willing to pass other legislation to deal with the general level of recession and unemployment, then I support extra steps to zero in on an area where the problem is twice as bad.

This is not an old-time make-work program. It does not just throw money at a problem. Priority has to be given to areas of highest unemployment. The committee has recognized the mobility of the construction work force, and that workers for a project in one community may come from surrounding areas. Projects may be ready to go most rapidly in a locality where unemployment is relatively low, but might provide jobs for unemployed in areas where unemployment is high.

Finally, unemployment in the construction trades does not necessarily parallel the rate for the work force in general in any particular area. So, in addition to unemployment criteria, priority considerations include unemployment in the construction trades, and the rate of unemployment in areas from which workers for a particular project may come.

H.R. 5247 is targeted to projects which the locality can get as quickly as possible. These are projects that are ready to go and will not be held up for a lot of planning, design, preparation of environmental impact statements or other requirements that would slow them down. This should help to match the local community's own project priorities, and pull off the shelf those projects that the States and communities have planned to move on but for lack of funds. Land acquisition, which takes time and diverts a large proportion of funds from the primary objective of the bill is excluded. Maintenance is also excluded.

This bill benefits from the experience of the committee in its other programs. For example, the Secretary cannot take a year getting out his guidelines and regulations. He is given 30 days after enactment of this bill. If this bill is going to set a precedent, that is the kind of precedent I would like to see. Processing time is limited to 60 days after a completed application is filed. Failure to act within that period constitutes approval.

Finally, workers must be onsite within 90 days of an application's being approved, provided that funds are available. I am confident that these deadlines can be met in our many distressed areas, in which there is in place the economic development district organizations, known for their ability to work with the local communities and assist them in getting projects into the mill.

There are worries that the program might not have an economic impact until the economy had bottomed out and headed back up. We cannot ignore the fact that deficit spending, coinciding in time with an upturn, could lead to either a printing press policy on the part of the Federal Reserve or heavy Treasury borrowing in the money market resulting in other needs, such as housing and small business, being crowded out.

It is precisely because of those concerns that acceleration was built into this bill. Resources would be channeled into a most severely depressed sector of the economy with so much idle capacity. The bill provides for 70 percent of appropriated funds for the first priority area projects, and the remaining 30 percent for projects in all other areas. This will assure those areas with unemployment above the national average a generous amount of funds for projects.

The conference committee on the budget resolution estimates actual outlays at $2.1 billion in fiscal 1976. Considering the increase in Government revenues resulting from payrolls and business activity generated by projects under this bill, plus the reduction in the burden of unemployment compensation, the return will be substantial.

This legislation represents a unique combination of elements, providing economic stimulus but timed and targeted with precision as consistent with fairness and the need for quick starts. We have worked hard to make the best of our experience with these types of programs to do just that. It is balanced, workable, and able to pick up and move worthwhile projects that are ready to move and benefit countless communities. And, it will represent a constructive congressional response to the very real economic hardship of thousands of skilled, semiskilled, and unskilled workers by putting them back to work and helping rebuild this Nation.

The Federal Government has a responsibility to aid in the economic recovery of the Nation and this bill represents one way in which we in the Congress can help discharge that responsibility. I urge its enactment.

Mr. ROE. Mr. Chairman, I yield such time as he may consume to the gentleman from Minnesota, Mr. Oberstar.

Mr. OBERSTAR. Mr. Chairman, the local public works program we are considering today is without question the most effective measure we can undertake to combat unemployment, turn the recession around, and help get this country's economy back on its feet.

Community facilities construction—building those facilities most needed by local government—will give the economy the immediate stimulus it needs in those areas where unemployment is the highest; the benefits will ripple throughout the economy as contractors place orders for materials and production of those materials gets underway in other areas of the United States; and the local communities will enjoy for generations the benefits of this program in the form of community buildings, recreational facilities, water and sewer lines, sewage treatment plants, hospitals, firehalls, and so on, which will continue to serve the public long after the immediate need for jobs has passed.

The program we are proposing today is patterned after two similar programs enacted by Congress in other times of high unemployment and deepening recession. The well-known WPA program of the mid-1930's created employment for over 8.5 million Americans in the depth of the Great Depression. Over a million of those jobs coming within the first 10 days of its enactment.

Then in 1962, when the country was in the grips of another serious economic decline with unemployment averaging well over 6.5 percent nationally, this committee, under the farsighted leadership of the Honorable John A. Blatnik, brought forth the accelerated public works program, a junior, streamlined version of WPA.

The President signed that bill into law on a Saturday and the U.S. Forest Service had taken men off the unemployment lists and put them to work on the following Monday. This program operated with the lowest administrative cost of any comparable program I have witnessed in 13 years of public service. It was run efficiently, effectively, and imaginatively. By the end of the 2-year program 7,800 projects had been approved with an investment of $880 million in Federal APW grants; $920 million in local matching funds for a total investment of $1.8 billion.

The vast majority—80 percent—of these funds went into community projects related to health, water pollution control, community buildings, all of which have the greatest multiplier effect in terms of local job creation.

In fact, APW funds made it possible for the Nation to make a giant leap forward in the water pollution control program, building 1,500 sewage treatment plants in 2 years. In addition, accelerated public works funds built 1,250 water supply systems and sewer projects; 300 hospitals, nursing homes, and other health-related facilities; 1,200 street and road projects and 860 community buildings; as well as 2,600 various other local projects. In all, an estimated 250,000 jobs were created and, when the program ended, some 10,500 applications were still on hand requesting $2 billion in Federal funds—visibly demonstrating that the program was a success, that local government could, and, in fact, did respond promptly and with sound proposals.

Since that time local governments have become more aware of the need for readiness to move on community facilities and testimony before our committee from mayors of large metropolitan areas, such as New York and Detroit, as well as those from middle-sized cities, such as Duluth, Minn., and rural communities such as Grand Marais, Minn.—population 1,200—forcefully demonstrated that they are ready to go with projects designed and engineered and can go to bid within days after approval of their application and be underway with construction within 60 days of project approval.

The testimony before our committee established a record of readiness on the part of communities; a record of awareness of the need to create jobs; a record of eagerness to move ahead at once with this program.

Unemployment costs this Nation heavily. Economists demonstrated to our committee that each percentage point of unemployment costs the national economy $14 billion in lost productivity and an additional $2 billion in unemployment benefits, public assistance, and welfare, for a net loss of over $16 billion. Even if we succeed in reducing national unemployment by one-half of 1 percent, the increased productivity that will result will more than pay for the investment we will be making.

Furthermore, last year with unemployment running around 6.5 percent, the national outlay for unemployment compensation, welfare and other forms of public assistance, loss of income due to early retirement for social security, the total cost to the Nation was on the order of $8 billion. This year with unemployment hovering at 9 percent, that public assistance bill has jumped to $24 billion—and I am not even counting the lost productivity which would amount to over $65 billion, according to the estimates of some economists.

What we are saying in this bill is that the Nation is going to spend this money anyway on unemployment compensation, welfare, social security benefits, and other forms of public assistance—in effect, paying people for not working—and that it makes much more sense to take a small portion of that amount and use it constructively to put people to work, give them gainful employment, make them productive members of society, restore their dignity and self-respect and help restore the economic health of this Nation.

In conclusion, Mr. Chairman, I know from personal experience with the earlier accelerated public works program that the Local Public Works Act will prove effective. It will create jobs; it will reduce unemployment; it will enhance the small towns and big cities of America. It will help us find our way out of this worst recession since the 1930's and I strongly urge an overwhelming vote in support of this legislation.

Mr. ROE. Mr. Chairman, I yield such time as he may consume to the gentleman from South Carolina (Mr. Holland).

Mr. HOLLAND. Mr. Chairman, I take great satisfaction in being a cosponsor of the Local Public Works Capital Development and Investigation Act, H.R. 5247, and would urge all my fellow Members to support this legislation.

In effect what we are trying to do with this legislation is to create a mechanism that makes commonsense: Instead of putting people to work alone, we are going to take that productive labor and put it into investments in the future so there will be some services and facilities that are not going to be built any other way.

We have towns that are growing because of the development of energy resources, which are crucial to the country, whether it be uranium, whether it be shale oil, or whatever the case. These towns desperately need the infrastructure to support this growth, yet the local governments have no hope of raising the total amount of moneys needed.

Now, the administration would have us sit back and tell our unemployed constituents that the economy is bottoming out, that the upswing is coming, that a $60 billion deficit would send us into spiraling inflation. To wait.

My people do not want to wait; they want to work.

We ought to recognize that the deficit is not created by the programs and by the spending. The deficit is created by the recession. The prospective deficit, even $60 billion, is totally due to a deficient public revenue based on recession.

If we were operating at the same rate we were a few years ago we would have available billions more in Federal revenue. What we forget is that we would also be generating a like amount of money at the State and local levels. But State and local government cannot run at a deficit like the Federal Government can, we have got to do something at the Federal level about their revenues as well.

H.R. 5247 does something about the revenue the rescission has cost the State and local government. It makes available to these localities the moneys to provide their residents with the public works facilities they could not otherwise afford.

Mr. Chairman, I rise in support of H.R. 5247 as an investment in America and urge my fellow Members to do likewise.

Mr. ROE. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas (Mr. Roberts).

Mr. ROBERTS. Mr. Chairman, today we are to consider H.R. 5247, the Local Public Works Capital Development and Investment Act of 1975.

Mr. Chairman, the purpose of this legislation is to combat unemployment by stimulating activity in two leading sectors of the economy—the construction and the materials production industries. And it is to do this while assisting State and local governments throughout the Nation in the construction of badly needed, long-lasting public facilities.

H.R. 5247 authorizes $5 billion in direct Federal grants to State and local governments for the construction, repair, or other improvement of local public facilities.

The backdrop against which this legislation has been introduced is, in one word, gloomy. By saying this, I do not intend to join the growing ranks of those crying wolf. However, I do intend to sound alarm over a gravely important issue—unless swift action is undertaken now, the economy may be badly weakened for years to come.

We now have the unemployment figures for the month of April. Unemployment stands at 8.9 percent, which roughly translates into some 8.2 million workers. What is worse, there are an estimated 1.1 million "discouraged workers"—those who have stopped looking for jobs and who have seemingly vanished from the unemployment records maintained by the Department of Labor.

Needless to say, the recession has deepened beyond administration expectations. In his budget message earlier this year, the President projected unemployment to average 8.1 percent for 1975. According to most economists, however, the jobless rate has yet to peak. Most feel unemployment will reach 9.5 percent and above before peaking, figures which could result in a year's average of 9.3 percent.

Yet, at a time when so many workers are forced to go without work, to live on unemployment compensation or welfare, there exists a huge backlog of badly needed public projects, projects which, if initiated, could go far toward putting these very individuals back to work.

What is the problem? Several years of extremely high interest rates, coupled with inflation-induced, prohibitive materials and supplies costs, have clearly imposed a staggering burden on local governments in trying to keep pace with the facilities needs of their communities.

Examples abound of communities having great difficulties in financing the provision of essential community services. For many communities, it has become virtually impossible to provide the public facilities upon which the health, safety, and general welfare of their citizens depend. Every one of us could offer a number of examples from our own congressional districts—cities and towns that have long lists of badly needed public works projects that could be initiated at once: Storm drainage systems, sidewalk improvement, libraries, schools, police stations, community centers, street lights and traffic signals, and so on. The underlying threat tying these communities together is the fact that in each case, local funds do not exist.

If ever, the Congress must move to amend this situation at once.

In creating new jobs promptly, the Local Public Works Capital Development and Investment Act of 1975 would, if enacted, provide funds to local and State governments for such projects as these.

Mr. ANDERSON of California. Mr. Chairman, I rise in support of H.R. 5247, the Local Public Works Capital Development and Investment Act of 1975.

I believe this legislation is of the utmost importance, and deserves prompt consideration and passage by this body.

This act will provide $5 billion in urgently needed relief for our Nation's unemployment crisis—certainly one of the most important issues facing us today. H.R. 5247 is designed to have an immediate effect upon the unemployment situation, since eligible public works projects must be able to provide onsite labor within 90 days after the grant has been approved. Additionally, the act provides a distribution breakdown which attempts to give priority to those State and local governments which are hardest hit by unemployment.

I feel this act will have three important results which show the benefits of this program. First, of course, it will provide employment to many Americans who currently are out of work.

Second, it will provide an economic stimulus to our sagging economy. Unemployment has many effects upon our society and its economy. It is demoralizing to those who must suffer it, since it leaves one with a feeling of helplessness, and a lessening of self-worth. Unemployment also causes a loss to our economy, since the money which would ordinarily be earned and spent by a worker is lost.

By providing employment and wages, H.R. 5237 will have the effect of stimulating our economy. And the funds for its operation have already been accounted for in the first concurrent resolution on the budget for fiscal year 1976, so we have an idea of what effect it will have on our national debt.

Third, it will provide, through public works projects in our States and local communities, public facilities which will be of lasting benefit to the citizens of the United States.

To understand the importance of this act, it is important to have some picture of the extent of unemployment in the United States. Therefore, I would like to insert this table in the RECORD at this point:

SEASONALLY ADJUSTED UNEMPLOYMENT RATES

	U.S. unemployment		California		Percentage of U.S. unemployed in California
	Amount	Percent	Amount	Percent	
January 1975	7,290,000	8.2	921,200	8.8	12.6
March 1975	7,980,000	8.7	952,500	9.3	11.9
April 1975	8,176,000	8.9	949,800	10.0	11.5

Sources: U.S. figures, Bureau of Labor Statistics, Departmen of Labor. California figures, Manpower Division, Department of Labor, also, California Employment and Development Department.

This table contains the unemployment rates in the United States as a whole, as well as the total number of unemployed, for the months of January, March, and April of this year. For comparison, the second column contains the unemployment rates and totals for the State of California during the same period. The last column shows the percentage of unemployed persons in the United States as a whole who live in California.

As you can see, California in April had 11.5 percent of all unemployed in the United States. As of last January, California ranked ninth in total unemployment.

The following table lists States in order of greatest unemployment, with the figures based on the January 1975 rates, when national absolute unemployment was 9.1 percent:

State unemployment rates—January 1975

[In percent]

Puerto Rico	17.2
Michigan	13.9
Rhode Island	13.8
Alaska	11.4
Nevada	10.7
Maine	10.6
Massachusetts	10.4
North Carolina	10.4
California	10.1
Oregon	10.0
Arkansas	9.9
New Jersey	9.8
Georgia	9.7
Vermont	9.6
Washington	9.4
New York	9.3
Idaho	9.2
Indiana	9.1
Montana	9.0
South Carolina	8.9
Connecticut	8.7
Florida	8.7
Delaware	8.6
Pennsylvania	8.5
West Virginia	8.5
Kentucky	8.4
Arizona	8.3
Minnesota	8.1
Ohio	8.0
Missouri	7.7
Utah	7.6
Wisconsin	7.3
Alabama	7.2
Hawaii	7.2
New Mexico	7.2
Louisiana	7.1
District of Columbia	7.0
Illinois	6.8
New Hampshire	6.5
Tennessee	6.5
Mississippi	6.2
Nebraska	5.8
North Dakota	5.8
Texas	5.7
Wyoming	5.5
Maryland	5.4
Oklahoma	5.4
Virginia	5.4
South Dakota	5.2
Colorado	5.1
Iowa	5.1
Kansas	4.7

This table will give some indication of which States will benefit most from this act. Those States which have unemployment rates which are greater than the national average, such as California, Michigan, New York, and Oregon, will receive first priority under the act, and 70 percent of all available funds. Those States with unemployment rates greater than 6.5 percent will receive second priority, such as Wisconsin, Alabama, and Utah. The remainder of the funds will go to States and local governments with less than 6.5 percent unemployment, such as Maryland, Oklahoma, and Kansas.

Lest the impression be given that certain States will reap most of the benefits of this act, I would like to point out that no State may receive more than 10 percent of the funds under this legislation. California, for instance, will receive no more than 10 percent of the funds authorized, even though 11.5 percent of the Nation's unemployed during April resided in the State. Additionally, since local governments and political subdivisions may apply directly for funds, areas within a low unemployment State will be able to get funds if they exceed the national level.

In conclusion, I would like to reiterate the importance of this act. It will create up to one million jobs for persons who are currently out of work, especially in the hard hit construction industry. It will create urgently needed stimulus to the economy, up to $10 billion in the first year, according to the Joint Economic Committee. And it will provide all the individual benefits which come with steady, worthwhile employment.

Mr. Chairman, it is for these reasons that I strongly urge the passage of the Local Public Works Capital Development and Investment Act of 1975.

Mr. ALEXANDER. Mr. Chairman, the Committee on Public Works and Transportation and its Subcommittee on Economic Development has earned the appreciation of the Congress for the dispatch and diligence with which they have worked to bring the Local Public Works Capital Development and Investment Act of 1975 to us for consideration.

H.R. 5247, as we consider it today, is very similar to the $5 billion propsal by the same title which I introduced in March. I intend to vote for this legislation. I urge our colleagues to join me in this commitment to generate new work opportunities for the more than 8 million of our Nation's citizens who are presently jobless.

It is my understanding that the Senate Subcommittee on Economic Development has begun hearings today on the Senate version of this legislation. I would hope that the other body will move quickly to approve this public works employment proposal and that we may have it enacted into law by the end of June.

I have long advocated the establishment of two basic kinds of long-term public works employment programs. The first is one similar to those which we have traditionally operated. These involve a mixture of Federal, State, and local government funds. The second would be a program designed to provide economic stimulus in times of high unemployment such as we are plagued with at this time. It is this second kind of program that we are considering today.

I am pleased that the bill before us seeks to insure that we put workers and jobs together as early as possible after the grants provided under this act are awarded. It makes good human and economic sense to work toward this objective of providing worthwhile work for the jobless and at the same time putting needed local community public facilities in place. Both actions will result in long-term gains for people and for communities.

The bill before us also takes an important step in providing for Federal grants which can be substituted for State or local share costs of a project if such action will enable communities to get on with the task of public works employment development.

Too often in the past we have faced a situation in which a community urgently needed a public facility and could get Federal and/or State funds for it, but did not, itself, have the resources for the local matching share of the cost. The provisions in this bill before us will do much to remove the blight put on the future or small communities, towns, and cities by their near empty capital development treasuries.

One of the reasons I so strongly support public works employment programs such as we have before us at this time is that they are so well suited to respond to the needs of the people of the countryside. While public service job programs meet a wide variety of needs in metropolitan areas, like most programs designed for the big cities, they do not do as good a job of benefiting nonmetropolitan areas.

There are just not as many public service opportunities in small communities, towns, and cities of the countryside, as there are under a public works program.

It is vital that when we in Congress design jobs programs we meet our moral responsibility to insure that the interests of the citizens of the countryside and of the big cities are treated equitably. My study of past distribution of Federal resources between metropolitan and nonmetropolitan areas convinces me that too often this has not been done. Countryside residents have been getting shortchanged. For this reason, I urged that at least 30 percent of the money in the Local Public Works Capital Development and Investment Act be earmarked for spending on projects in nonmetropolitan areas. Unfortunately this has not been done.

There are provisions in the bill before us, though, which if objectively applied can, and I believe are intended to, achieve this objective. These include requiring consideration of the severity and duration of unemployment and the level of family income as criteria for project selection.

The problems of jobless persons have been a chronic concern in the countryside for many years. The search for jobs, for economic survival, is inevitably given as a principal reason for men, women, and families migrating from the countryside to the cities.

Joblessness is no less a painful experience for the citizens of the countryside than it is for those of the cities.

The national unemployment rate for January and February was 8.2 percent. For Arkansas, where more than half our people live in nonmetropolitan areas, the rate for the same period was 9.9 and 10.3 percent, according to the U.S. Department of Labor.

I represent 21 of Arkansas' counties. In January, 16 of those counties had unemployment rates ranging from 10.6 to 21.4 percent. In February, 15 of those same counties had rates ranging from 11.5 percent to 21.8 percent. During January, the average unemployment rate for the 21 counties was 12.8 percent. It rose to 13.1 percent in February. Only one of the counties in my district is part of a metropolitan area.

It is my understanding that the 1970 census data are the most detailed statistics available on family income levels. At that time the percentage of Arkansas families with incomes below the poverty level was 22.8, more than twice that of the Nation. And, in 19 of the counties which I represent this percentage ranged from 23.8 to 43.6 percent.

That we in Arkansas need to generate many more jobs for residents of the countryside is clear from these data. That Arkansans have been recognizing the need for public works projects and planning for them is evident from the fact that, even under its restrictive provisions, they submitted $25 million worth of projects to the Department of Commerce for funding under the Public Works and Economic Development Act title X program.

Let us get on with our efforts to generate jobs for our jobless citizens. Let us get this bill enacted into law. And, let us move with dispatch to appropriate the funds that will move this program the next step up the ladder from promise to performance. The human energy, ingenuity, and creativity being eaten up by the battle to survive the spirit-crushing pressures of unemployment is forever lost to us. In the future let us harness it for stepping stones from the quagmire of unemployment to the solid ground of full employment and a healthy economy.

Mr. ASHBROOK. Mr. Chairman, I am strongly opposed to H.R. 5247, the Local Public Works Capital Development and Investment Act of 1975. Despite what proponents of H.R. 5247 may claim, enactment of this $5 billion public works boondoggle would be counterproductive to the recovery of our economy.

Since the early 1960's I have stood in the well of the House too many times to recall and warned my colleagues that we must reduce Federal spending. I have stated repeatedly that the United States cannot afford all the new programs that the Congress wanted.

The Congress, however, has gone on its own merry way. It tried to act like none of the economic laws applied. It voted new spending program after new spending program with no idea of where the money would come from. The result has not been so merry.

These profligate policies have finally caught up with us. Irresponsible Federal spending and the accompanying huge deficits have fueled inflation, dried up mortgage money, forced up interest rates, prevented business expansion, and thrown millions out of work. Our free enterprise system has been left in shambles, teetering on the brink of total collapse.

Yes, the Congress has spent our Nation into the severest recession since the Great Depression of the 1930's. And it seems to have learned nothing in the process.

Rather than holding the line on Federal spending it is determined to go on a budget-busting spree of record proportions. After spending us into the recession, the Congress now says it can spend us out of the recession. This scheme is doomed to failure. More Federal spending and larger deficits will only push us into a deeper economic hole.

I challenge my colleagues to tell us why this additional $5 billion public works bill will strengthen our economy when a $171.9 billion increase in Federal deficits since fiscal year 1969 has not had this effect. By all the standards of liberal economic theory—the bigger the deficits the more stimulus to the economy—we should already be basking in the glow of the strongest economy in our Nation's history.

The fact is that another $5 billion Federal spending program would not boost our Nation's economy. It would be a further drain on the capital market, a market that is already dominated by Government borrowing. Once enacted, this program would be permanent.

Approximately $0.60 out of every dollar being borrowed today is by the Federal sector. This leaves little money to lend out for mortgages or to finance business expansions and industrial growth.

The lack of investment capital is reaching crisis proportions. Per capita investment has been falling in the United States while growing in the other industrialized nations. If this trend continues, our standard of living will become static and we will fall behind our world competitors.

An additional Federal expenditure of $5 billion for public works projects would crowd more private borrowers out of the capital market. It would further choke the private sector of our economy, the sector that provides the economic strength of our Nation.

How can our free enterprise system ever recover if we continue to drain off all the capital? How can we increase jobs and productivity in the private sector when the Government walks off with the needed investment capital?

Our economy will not bounce back until the Congress starts cutting Government spending and balancing the budget. Reckless Federal spending has gotten us into our economic mess and we will not reverse the trend unless we reduce Federal spending. Only when we get Federal expenditures under control can we begin to revitalize our free enterprise system and rebuild our economy.

Even worse, this bill provides for no local participation. The Federal Government would supply pay for it all. Our regular, time tested public works approach would be undercut by this so-called emergency boondoggle.

Mr. McFALL. Mr. Chairman, I strongly suppport H.R. 5247, the Local Public Works and Capital Development and Investment Act, and I urge my colleagues to give overwhelming approval to this legislation.

This bill is an integral part of the economic recovery program developed by the House leadership and supported by the House Democratic majority. It is a part of the economic stimulus package contained in the congressional budget resolution, and it is a logical follow-on to the Tax Reduction Act, now Public Law 94–12, and the Emergency Employment Appropriations bill, cleared for the President.

This bill will give a key boost to our economy at a critical stage in our progress toward recovery. The measure will generate an estimated 200,000 jobs in the construction and materials production industries. State and local governments will be able to construct much needed public facilities. The groundwork will be laid for sustained economic growth and creation of permanent jobs in local areas throughout our country.

The bill provides 100 percent Federal grants to State and local government for the construction of local public works. Anything less than a full Federal grant program would not be effective because the cities and local governments which need the program the most are in no

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position to put up even a small matching payment.

The bill provides for a $5 billion authorization. Although this is a large amount, it is much smaller that the cost of one percent of unemployment—$16 billion, consisting of $2 billion in unemployment payments and $14 billion in lost Federal income tax revenues.

It is far better to have people productively employed, providing for their families and generating tax revenues rather than to have them standing in line at the unemployment offices.

This legislation is particularly critical at this time in view of the restrictive tendencies now being shown by the Federal Reserve Board and the administration. If their restrictive philosophy prevails, it could cut off economic recovery before it even has a chance to take hold.

Walter W. Heller, Chairman of the Council of Economic Advisers under Presidents Kennedy and Johnson and now regents' professor of economics at the University of Minnesota, has discussed the urgent need for further stimulus in an article in the Wall Street Journal.

Mr. Heller estimates that about $200 billion of our annual productive capacity is now idled and that American industry is operating only at two-thirds of capacity. He notes:

> It remains a chilling reality that three consecutive years of seven percent real growth would still leave unemployment at more than 6 percent.

He points out that there is no assurance that even 7-percent growth will be maintained through 1976.

Mr. Heller notes that the various economic stimulus measures sponsored by Congress—the tax cut and budget stimulus—will tail off after this year. He recommends that Congress proceed with even stronger and longer lasting economic recovery and job-creating programs.

He says that Congress should extend the tax cut through 1976 and that—

> Congressional spending and deficit targets should be adjusted to allow an added $5 billion to $10 billion for recovery programs targeted to areas of high unemployment and effective only as long as national unemployment exceeds a triggering level.

Above all, he urges that Congress not be intimidated by scaretalk about deficits and inflation so that it becomes unwilling to deal boldly with today's deep recession.

The Public Works and Capital Development and Investment Act is a bold and well-targeted measure to deal with our continuing severe economic difficulties. I urge its strong support by all Members of the House.

I want to include in the RECORD the full text of the article by Walter W. Heller:

[From the Wall Street Journal, May 13, 1975]

The Dangers of an Upturn

(By Walter W. Heller)

That much heralded business upturn, not far off, will be the economic non-event of 1975. For while *business* will turn up, unemployment will hang high and unused capacity will be huge. The great danger is that Messrs. Burns and Simon, gaining aid and comfort from the upward *direction* of activity, will ignore the abysmal *level* of the economy and press their Holy War against inflation with recovery-aborting fervor.

Right now, we are in the darkness that comes just before the dawn. Unemployment is still rising, to a peak between 9% and 10%. Much consumer demand is being met from inventories instead of new production. Prospects for autos and housing range from feeble to anemic. Plant and equipment outlays are still being marked down.

But as the 1975 tax cuts pour into the economy, as inventories are drawn down and production steps up to meet the consumer demand, and as the pace of government spending (especially on defense) picks up, the economy should begin a rebound. Starting by July or August, it should carry real GNP upward at a 6%–7% pace in the second half of the year.

Still and all, the dawn will break cold and grey for the unemployed. The jobless rate will hover near 9% throughout 1975. And this year's rebound will not become next year's recovery unless the forces that are turning the economy around are buttressed by monetary and fiscal policies for sustained expansion.

Before tossing our hats in the air at the first signs of an upswing, we should reflect a moment on the path of the stimulants that will bring it about:

Tax cuts. After pumping money into the economy this quarter at a $50 billion annual rate, the injections will drop to a $15 billion rate in succeeding quarters. (In contrast, the 1946 tax cut, in today's terms, would have produced a sustained $26 billion rate of injection.)

Budget stimulus. Even assuming expenditures in the neighborhood of $365 billion in fiscal 1976 and continuation of about $12 billion of the tax cuts next year, the budget will swing significantly toward restriction (by some $10 billion to $15 billion in full-employment terms between the first half of 1975 and the first half of 1976) at a time when recovery is still in its early stages.

Money supply. After the temporary current spurt in money supply growth, the Federal Reserve will be tempted to go back to its "standard" 6% growth target. If it does, this alone could condemn us to a paltry 4%–5% rate of increase in real GNP in 1976.

Inventories. The big spur to production implicit in the drop in inventory liquidation rates from the peak of perhaps $20 billion to the neighborhood of zero by the end of the year is hardly likely to be sustained via inventory accumulation in 1976.

THE WHIPLASH OF RHETORIC

Yet under the whiplash of the Ford-Simon-Burns rhetoric, even the *prospect* of an upturn is being used to mobilize the nation's continuing fears of inflation in a campaign against more expansionary budgetary and monetary policy. The upturn itself will give aid and comfort to that campaign. The forces then arrayed against vigorous policies for expansion would indeed be formidable:

The Federal Reserve, still smarting from charges of election-year overexpansion in 1972, will let its deep-seated anti-inflationary bias be its guide.

The White House, following its inherent economic conservatism, seems ready to settle for a mild expansion and slow absorption of the unemployed.

Congress, intimidated by scare-talk about deficits and inflation and determined to demonstrate its fiscal responsibility under the new budget procedures, is likely to be imprudently "prudent." That is, in guarding against the distant threat of renewed inflation, it seems unwilling to deal boldly with today's deep recession.

This dangerously timid and restrictive mood—which, if it persists, could lead us from the 1974–75 recession, after a brief spurt, into a 1976 stagnation—seems to be rooted in neglect of some factors and misperception of others.

First, in its blind preoccupation with inflation, it seems to forget that (a) the ferocious inflation of 1973–74 is rapidly ebbing, (b) there is no reason to expect the forces that generated over one-half of that inflationary upsurge—two years of disastrous crop failures, a quintupling of oil prices and dollar devaluation—to recur during the expansion of the mid-1970s, and (c) a miserly monetary policy and restrictive fiscal policy would blunt both the upswing and productivity that can help us subdue inflation in the short run and the expansion of savings and capital spending that can forestall shortages in the longer run.

Second, in assessing the economy's capacity to absorb stimulus, we seem to forget that (a) this recession is twice as deep as any previous postwar recession, (b) while real GNP has dropped 8% in the past 18 months, potential GNP has also been rising (by 6%, if we use trend growth), thereby idling about $200 billion of our annual productive capacity, and (c) American industry is now operating at only two-thirds of capacity. It remains a chilling reality that three consecutive years of 7% real growth would still leave unemployment at more than 6% and that present policies provide no assurance that even 7% growth will be maintained in 1976.

Third, even the redoubtable John Dunlop, in expressing the fear that bottlenecks in primary processing industries will abort recovery, seems to forget (a) that operating rates in primary processing industries are running below 70%, and (b) that many of the 1973–74 shortages reflected a frenzied flight into commodities—partly protective, partly speculative—as much as, perhaps more more than, a genuine scarcity of materials for productive use, and (c) that many of these materials are only now being disgorged in 1975's massive inventory liquidation. True, that inventory liquidation makes the huge idle capacity today somewhat deceptive. But inventory gorging and hoarding also blew the bottleneck problem in 1973–74 out of all proportion.

Fourth, two major misapprehensions about the budget continue to plague the country and inhibit the Congress. One myth is that the huge federal budget is somehow the result of government profligacy. The facts are that (a) nearly $69 billion of the projected 1976 deficit is due simply to the ravages of recession (about $45 billion of reduced revenues and $15 billion of increased unemployment costs) and (b) the $4 billion overestimate of offshore oil lease revenues and a $6 billion or so under estimate of domestic expenditures bring Mr. Ford's deficit to some $70 billion—small wonder that Republican Senator Bellmon angrily accuses the White House of "phony" budget numbers.

A companion myth is that civilian spending is the main source of upthrust in the federal budget today But it is defense purchases, already running several billion dollars above projections, that are programmed (according to the Special Analyses section of Mr. Ford's budget) to rise some $25 billion, at annual rates, in the next five quarters. Leaving aside the energy program and the rise in unemployment benefits, the Ford budget for fiscal 1976 projects an 11% increase in defense expenditures, 9% for income security, 6% for health and zero for education, manpower and social services.

THE COSTS OF STAGNATION

Fifth, those who shrink from vigorous expansionary policies are also forgetting the huge costs of continued stagnation, not only in the human terms of intolerably high unemployment and intolerable losses of output, but in terms, already mentioned, of the productivity advances and capital formation foregone in a stagnating economy.

Is this an argument for pulling out all the stops? No, but it is an argument for stopping all the pulls—the downward pulls of niggardly monetary policy, a fading tax cut and parsimonious budget policy.

The Fed should lose no time in assuring the country that it will accommodate expansion, even if this means going beyond the newly declared 5% to 7½% monetary growth range, as it surely does.

The Congress should move promptly to make crystal clear, preferably by early reenactment, that the $12 billion to $13 billion of tax cuts beyond the rebate, Social Security payments and housing credit will continue in 1976.

Congressional spending and deficit targets should be adjusted to allow an added $5 billion to $10 billion for recovery programs targeted to areas of high unemployment and effective only as long as national unemployment exceeds a triggering level, e.g., expanded unemployment compensation and public service jobs and a new program of countercyclical assistance to hard-hit state and local governments, all of which would gradually self-destruct as the economy regains its health.

A year from now will be plenty of time for another look at expansionary policies. Even if we follow a resolute program of expansion, one that would boost real GNP at an 8% annual rate, we would still find the U.S. economy in mid-1976 with 7½%–8% unemployment, with output running some $125 billion below its potential, and with shortages and bottlenecks still no threat. That will give us plenty of time to review the bidding and determine whether, when, and how restraint should be applied. To do it at the first sign of an economic upturn would be an abject confession of economic bankruptcy.

The danger of an upturn, then, is that the Burns-Simon axis mistake the warm and gentle zephyrs of the rebound for the gathering winds of a new inflation—to be leaned against in the best (or worst) Fed tradition and to be used as a club against bold congressional action. The consequence? The rebound may never become a recovery. If the White House and the Fed, hypnotized by the fear of inflation, quickly turn from expansion to restriction, they will snatch defeat from the jaws of victory.

Mr. DOMINICK V. DANIELS. Mr. Chairman, I rise in strong support of H.R. 5247, the Local Public Works Capital Development and Investment Act of 1975.

I certainly want to commend the House Committee on Public Works and Transportation and the distinguished chairman of the committee for the hard work they have done on this legislation. The bipartisan spirit which has characterized the committee's work on the bill is a fine example of how effectively and efficiently this House can be in responding to compelling national issues.

The bill will provide as many as 250,000 onsite construction jobs in municipal offices, water and sewage treatment plants, and health, education, and social service facilities in large and small communities all over the country. Additionally, another 250,000 jobs in related industries that supply construction materials could be generated by the bill.

I am hopeful that my colleague will join me in strongly supporting this legislation which will help break the rising spiral of unemployment that has plagued the Nation. Construction programs developed under this legislation will do much to alleviate the shocking 25 percent unemployment rate in the construction industry, as well as benefitting local communities through the construction of much-needed facilities.

Mr. Chairman, passage of this legislation will be a signal to the people of the United States that Congress is intent on solving the unemployment crisis, and that it will not accept any delay in the implementation of this vital measure.

Mrs. LLOYD of Tennessee. Mr. Chairman, I rise today in support of the legislation before us.

H.R. 5247, the Local Public Works Capital Development and Investment Act of 1975, would go far toward coming to grips with two very severe national economic problems. This measure will create many jobs quickly, basically by stimulating activity in two leading sectors of the economy—the construction and the materials production industries. At the same time, however, the legislation, if enacted, will assist countless State and local governments throughout the Nation, already overburdened by extremely high interest rates and prohibitive materials costs, in the construction of badly needed public facilities.

Mr. Chairman, the rural areas of this country have been expecially hard hit by the current recession. Thousands of rural communities desperately need essential public facilities of all kinds. The enormity of the need for just water and sewer facilities alone is staggering. A survey conducted 5 years ago by the Farmers Home Administration showed some 44,000 rural communities without adequate waste disposal systems and 30,000 without adequate water systems. These were all towns of 5,500 and less population. And I have been informed by an official of the administration that these figures are still very much valid.

At the time the study was conducted, the estimated cost providing these communities with adequate water and sewer facilities, according to the Farmers Home Administration, was approximately $12 billion. With our most recent bout against inflation, can there be any doubt that this figure has doubled over the past 5 years?

And these figures apply only to water and sewer systems alone. This is not to list the many other kinds of public facilities for which there is also a great need in rural areas.

Now, Mr. Chairman, would you not agree that it is indeed paradoxical that with these thousands of rural communities across the country, desperately in need of essential public facilities, so many people remain out of work?

H.R. 5247 would make available funds for financing the construction, repair, and other improvement of public facilities, while stimulating employment in the construction and construction-related industries. And it is my opinion that a good deal of employment will be generated in many other sectors, through the multiplier effect of this legislation.

In rural areas, the housing industry would be stimulated to a considerable extent. There is a close relationship between rural housing and the availability of water and sewer facilities. The one in large measure depends on the other. No doubt, Mr. Chairman, if we can get the housing industry going again, we will be well on the road to recovery.

Mr. Chairman, I would like to call your attention to a very specific provision included in this legislation. I commend the Committee on Public Works and Transportation, to whom this bill was referred, for including "the extent of unemployment and underemployment in proposed project areas" as one of the many criteria to be considered by the Secretary of Commerce in the apportionment of program funds.

In the past, rural areas have suffered from grossly inaccurate measurements of unemployment and, more importantly, underemployment. Agreed, it is very difficult to ascertain unemployment and underemployment in rural areas, usually because the Labor Department's figures are not current. Moreover, there is probably more underemployment in rural areas than in urban. A great many farmers must hold two jobs these days to break even. Now when a farmer loses his nonfarm job, he is not counted as unemployed. According to figures supplied by the Department of Agriculture, one-half of all farm families obtain more than half their income from nonfarm jobs.

Another important provision of H.R. 5247 allows State and local governments to determine unemployment rates for their own communities, and to furnish these to the Secretary of Commerce. The Secretary is directed to provide assistance to State and local governments in the calculation of such rates to insure validity and standardization.

Unless we have a more accurate measurement of unemployment and underemployment in rural areas, it is not likely that the intent of this legislation, or, for that matter, any other legislation, can be carried out. H.R. 5247 would amend this situation.

Mr. Chairman, H.R. 5247 is essential for sustaining the vitality of local governments all over the country. I strongly endorse this measure, and urge my colleagues to move favorably on it.

Mr. DE LA GARZA. Mr. Chairman, H.R. 5247 takes cognizance of the fact that a national unemployment emergency exists at this time—right now. Two provisions of the bill are designed specifically to expedite action to meet the emergency by creating useful jobs in communities throughout the Nation.

Section 2(e) provides that the Secretary of Commerce, acting through the Economic Development Administration, shall make grants only for projects for which the applicant gives satisfactory assurances that onsite labor can begin within 90 days from the time the project is approved.

Section 5 provides that regulations and procedures, including application forms, necessary to carry out the act shall be prescribed by the Secretary not later than 30 days after enactment. This section further provides that the Secretary shall make a final determination on each application for a grant not later than 60 days after he receives the application. Failure to meet the deadline

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will be considered as approval of the requested grant.

Mr. Chairman, it is my hope that this timetable can be speeded up, and I believe it can be if the regulations and procedures adopted are written in such a way as to cut red tape down to an absolute minimum.

Application forms should be simplified so they can be filled out by answering questions in one-two-three fashion. This not only will expedite processing the forms but also should make possible the completion of forms by already hired personnel of local governments, thus avoiding expenditure of funds to engage outside planners or consultants.

The simple forms will make possible the fast approval of applications. Speed is of the essence. Action to meet the present unemployment emergency through the local public works capital development and investment program authorized by this act must not be delayed.

The need for simplifying procedures was pointed up sharply for me recently when I received a copy of a letter written by mayor of a small town in my district, the 15th Congressional District of Texas to withdraw his community's application for financial assistance in building a sewer plant. After wrestling with a variety of redtape over a period of 3 years and expending several thousand dollars of local funds for engineering and professional help, the municipal government was advised that it would have to start all over with a new application. At this point the city governing body just gave up and withdrew the application.

Mr. Chairman, thousands of communities need the public facilities which H.R. 5247 would make it possible to build. Tens of thousands of people need the jobs that would be provided by construction of these facilities. As we approve this legislation, I trust the message is clear that Congress seeks prompt action to meet these needs.

Mr. FRENZEL. Mr. Chairman, I shall not vote for H.R. 5247. It is simply another attempt to bury the recession under a flurry of Federal Government spending. Some of the spending will, no doubt, be effective and achieve the committee's purposes. A good deal of it, undoubtedly, will not.

More importantly, this bill, according to the committee report, will be nearly $3 billion over the budget resolution, and possibly as much as $5 billion over the budget.

Since this spending has not been planned either by the Budget Committee or by the executive department, the bill's attempt to "provide jobs in 90 days" would appear to be more of an empty boast than a reliable promise. Our track record in public works programs demonstrates an inevitable lag which would predict that the bulk of the jobs created will come too late. With some improvement the bill might be acceptable. First, it should be reduced in amount, and second, it should be improved as suggested in the supplemental remarks of Congressman Mineta.

As it stands, I shall vote against it.

Mr. MINISH. Mr. Chairman, I rise in support of H.R. 5247, the Local Public Works and Capital Development Act. As a cosponsor of this legislation, I want to commend my colleague from New Jersey (Mr. Roe) for his leadership on this vitally important subject. Through the hard work and diligence of Mr. Roe and his subcommittee the House has before it today legislation which will go a long way toward alleviating our present tragically high level of unemployment.

H.R. 5247 would authorize up to $5 billion in Federal funds to create jobs and long-term capital development through the nationwide construction of public facilities. The bill calls for direct 100 percent Federal grants to States and localities for public projects which can be started promptly and which will have an immediate beneficial effect on the employment situation, particularly in the hard-pressed construction industry.

As my colleagues I am sure are aware, national unemployment figures show that an official 8.9 percent of our labor force is out of work—the unofficial and more accurate figure is much higher. In the construction industry, well over 18 percent are out of work nationally and in some areas the unemployment rate in this sector of the economy exceeds 30 percent.

Mr. Chairman, there are literally thousands of needed public works projects around the country which are "ready to go" awaiting only the necessary Federal approval and funding. Grants could be used by States and local governments for construction, repair, or other improvement of local public facilities, but 70 percent of the funds appropriated must be used in areas, such as New Jersey, where the unemployment rate exceeds the national average.

Mr. Chairman, this measure is of the greatest importance to our national economy, particularly to those millions of citizens without work. I urge overwhelming approval by this body.

Mrs. HOLT. Mr. Chairman, as we debate H.R. 5247, there should be music and the proponents should dance the "pork barrel polka."

They promote it as a $5 billion package of goodies that will provide jobs. They fail to mention that it will be another Government raid on capital needed by private industry.

The point to be emphasized is that both taxation and borrowing by Government at all levels has reached such intolerable heights that private industry is being starved. That explains why our economy, even before the current recession, was failing to provide sufficient jobs to cope with our expanding work force.

It also explains why unemployment in the private, productive sector of the economy will remain high in the foreseeable future unless we reverse the growth of government.

This legislation increases by $5 billion the amount the Federal Government will need to borrow. The estimated budget deficit for the next fiscal year is at least $70 billion and probably as high as $80 billion. It is likely that all levels of government will be borrowing as much as 80 percent of the capital available in the Nation within the next fiscal year.

Mr. Chairman, we have all watched what has happened to the housing industry within the last couple of years. Mortgage money became scarce and interest rates soared to record highs, throwing the housing industry into a depression.

This was a direct result of huge Government consumption of capital needed by private industry. Virtually all kinds of industries suffered the problem, but the housing industry has been the most severely depressed.

The question is: Are we going to repeat all the economic mistakes of the past?

Will Government drain away too much capital that the growth of private industry will be stagnated? Will the Federal Reserve respond by increasing the money supply, causing a new surge of inflation? Will consumer resistance to soaring prices then cause a worse recession, or even a depression?

From the course pursued thus far by this Congress, I would say that the errors will be repeated. In fact, it is possible that economic recovery from the recession will be choked off by the enormous borrowing by Government.

Mr. BAUMAN. Mr. Chairman, I have listened with an ever-increasing amazement to the various Members who have spoken in favor of H.R. 5247. I am particularly surprised at my colleagues on the Public Works Committee from my side of the aisle. While I am sure they support this bill in good faith, they must also acknowledge the inherent contradiction in supporting this kind of legislation and the need for true and effective solutions which will really solve our national economic problems.

This bill authorizes $5 billion, which the Government does not have, to create a 100-percent federally financed program for State and local government construction projects. Although there are millions unemployed in the United States, the sponsors of this bill admit that the full amount provided will only at best increase employment by 250,000 spread out over 2 or 3 years. Even that is a guess.

I sincerely doubt that this bill will alleviate unemployment to any significant degree. It is certain to add enormously to the national problem of inflation because it will be financed by more deficit spending. The committee argues that in a $1.5 trillion national economy, a mere $5 billion will not be felt, but they completely ignore the fact that this is being added to more than $20 billion in Federal spending measures which have already been reported from congressional committees this year, as well as the $22 billion tax cut passed by the Congress.

The inevitable result of this legislation will be to cause a greatly increased rate of Federal borrowing higher than any time in the last 30 years. And as night follows day, the national deficit already approaching $75 billion will require Government to borrow and crowd out private capital needs which finance the

private sector, the only real source of business expansion and new jobs. This bill guarantees higher interest rates, fewer housing starts, and more inflation. I fail to see how that will help those who are seeking jobs.

But even if you concede the arguments of the sponsors of this bill, consider its actual operation if the legislation is passed. The bill requires that the Secretary of Commerce grant funds to State and local government construction projects, first to governments in those areas having unemployment rates for 3 successive months in excess of the national unemployment rate, which is currently 8.9 percent. The State of Maryland would not be a priority area since our statewide rate is now 7.5 percent. Yet, the bill requires that 70 percent of the money authorized go to States who meet this qualification. The lion's share, therefore, would not be available in present circumstances to Maryland.

Even if individual local governments in Maryland would qualify, the amendment included in the bill, offered by the gentleman from Pennsylvania (Mr. Shuster) makes it highly unlikely that most of the counties in my district would qualify. His amendment requires that from the time that money is appropriated and the bill approved, grants will go to governments which can guarantee or do in fact begin actual construction within 90 days. There is almost no local government in my State that can meet a 90-day limitation with the numerous State and Federal review requirements as well as the need for competitive bidding. While some selected governments may have projects underway which could qualify, this provision would virtually guarantee that the projects that would be funded would not necessarily be those that were most needed. Thus, we have borrowed Federal money being thrown into projects which would better be deferred, and much-needed projects being ignored. I might add that removing a need for matching State and local revenues practically assures that much of this funding would be wasted.

I, therefore, cannot support H.R. 5247. I know that the administration has announced its strong opposition to the bill. This is pork barrel government at its worst, and as I have pointed out, will not produce solutions to unemployment. Those solutions depend upon the defeat of legislation of this type, a return to balanced budgets, and restoration of confidence in our free economic system on the part of those in the private sector. I would hope that the President will veto this bill on the obvious basis that more government spending and more inflation can never cure what such policies have already caused—one of the most severe recessions we have seen in years.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I rise in support of H.R. 5247, the Local Public Works Captal Development and Investment Act. This bill is an essential component of any comprehensive strategy designed to restore prosperity and growth to the American economy. It will create new jobs and it will provide important new public facilities necessary for future development.

I would like to caution my colleagues, however, against viewing the passage of this bill as the final solution to our Nation's economic malaise. The troubles besetting our economy are complex and multifaceted. They cannot be corrected through the enactment of any single piece of legislation, not even the final bill that we are considering today. Unemployment will persist in many sectors and significant national needs will remain unsatisfied.

I would like to call the attention of my colleagues specifically to a sector of our economy which has been largely ignored in the formulation of congressional economic policy, but which has been severely affected by the current recession. I am talking about the State and local governments.

State and local governments constitute a significant factor in our national economy, employing over 12 million workers and spending $200 billion a year. In my opinion, it would be senseless to develop a comprehensive economic recovery program which ignores the needs of this key sector in our economy, particularly in light of the hardships imposed by the current recession. A recent Joint Economic Committee study clearly demonstrated the devastating impact that the recession has had on State and local governments, forcing them to undertake $8 billion in tax increases and expenditure cutbacks. These budget adjustments will partially undermine our attempts to stimulate the economy and should be dealt with swiftly and effectively by Congress.

I have recently introduced the Intergovernmental Counter-Cyclical Assistance Act of 1975 (H.R. 6416) which would effectively stabilize State and local government budget actions so that they are consistent with national economic policy. The recently enacted conference report of the Budget Committees provided funding for this program. Hearings have already begun in the other body and my distinguished colleague from Texas, the chairman of the Government Operations Committee, has promised House committee hearings in the near future.

Mr. Chairman, I call attention to this bill because I believe we must be careful not to rest on our laurels and to assume that one single action is enough. The economy will continue to be weak and the patches of blue that some people see are still gray to me. Clearly we need a comprehensive recovery program, which incorporates this legislation and other programs that have yet to be enacted.

Mr. BADILLO. Mr. Chairman, I urge my colleagues to give their wholehearted support to H.R. 5247, the Local Public Works Capital Development and Investment Act of 1975. The legislation, as reported by the Committee on Public Works and Transportation, is expected to generate 250,000 jobs through the allocation of $5 billion in direct, 100-percent Federal grants to State and localities for financing public works projects. Seventy percent of all funds appropriated will be reserved for funding applications submitted by States and localities with unemployment rates in excess of the national average. The remaining 30 percent will be allocated to public works projects in other classifications of priority. The unemployment rate utilized in determining priority status will be the unemployment rate of the area of project construction, although upon the request of the applicant the unemployment rate of adjoining areas that will supply the labor force can also be included in the calculations. To assure maximum benefits to the ailing construction industry, in considering the level of unemployment special consideration will be given to prevailing rates of unemployment and underemployment in the construction and related industries. Thus an area which has a relatively low amount of general unemployment but a high level of construction unemployment shall also qualify for assistance under this act.

Mr. Chairman, this legislation is desperately needed. Our economic situation is grim. In our large population centers unemployment figures are growing—in most they have risen alarmingly between January 1973 and February 1975. New York, during that time, experienced a rise from 5.4 to 10.4 percent. In Los Angeles the figures rose from 6.5 to 10.2 percent. Detroit has had an increase from 6.3 to 16.2 percent, while the rise in Philadelphia was from 5.6 to 9.9 percent. In Chicago, unemployment more than doubled—jumping from 4.2 to 10.9 percent; while in St. Louis the percentage increase was 5.2 to 8.9 percent. Nor can much comfort be derived from the national figures. The overall unemployment rate rose from 4.9 percent in Janurya of 1973 to 8.7 percent in March of 1975.

Federal policies have contributed to the problems. New housing units authorized in New York under federally supported programs dropped from 18,689 to 14,355 in 1974; in Los Angeles the decrease was from 15,484 to 8,961 during that period. Detroit's share fell from 1,019 to 892, and Philadelphia's decreased by more than a third—from 3,695 to 2,391. Chicago experienced a spectacular decrease from 5,173 to 1,826.

The construction industry is, of course, one of the hardest hit. In January 1973 the unemployment rate among construction workers was 9.1 percent. By January 1975 it has risen to 22.6 percent. Employment in this area dropped from 4,028,000 jobs in 1973 to 3,489,000 jobs in February 1975—a net loss of over a half million jobs. Simultaneously construction under the Department of Housing and Urban Development's section 325 program fell from 113,233 starts nationwide in fiscal 1972 to 57,646 in fiscal 1973 and a low of 8,361 in fiscal 1974. Section 236 starts dropped from 140,460 in fiscal 1972 to 118,593 in fiscal 1973. By fiscal 1974 they were at a level of 44,444. Nor is relief in sight. Section 8, the administration's new approach to subsidized housing needs continue to go unmet and tisement of projects has just now begun. Since funding of tried and working programs was terminated in a reliance of section 8 implementation, our national housing needs continue to go unmet and the construction industry to suffer.

Obviously, Congress must take the initiative to reverse these trends. And since construction of housing is not a permissible activity under this proposed program, the only hope for revitalizing the construction industry lies in undertaking an extensive program of public works.

The impact of the measure before us will be relatively modest—250,000 jobs can reduce the overall national unemployment level by only 0.3 percent—but the construction, renovation, and improving of such public facilities as municipal offices, courthouses, libraries, schools, police and fire stations, water and sewage treatment facilities, water and sewer lines, streets and roads, sidewalks, lighting, recreation facilities, convention and civic centers, museums and health, education, and social service facilities should be of appreciable assistance to ailing local economies.

Mr. Chairman, our country is ready and able to benefit from this program. In Community Planning Districts 1, 2, and 3 of the Bronx, which cover a large portion of my congressional district, over 300 million dollars worth of work on 16 schools, one community college, one library, one mental health center, two multi- and family-service centers, three parks and playgrounds, five sewer projects, seven projected road rehabilitation programs, four firehouses and three precinct facilities remain uncompleted due to lack of funds. These projects are ready to go. They lack only the necessary funding. Moreover, the $300 million figure does include the provision of vest pocket parks, sorely needed by the citizens of the area, nor does it include facilities in Planning Districts 4, 8, and 9 which also serve my constituents. Needs throughout the city are commensurately great. And, although I have no comparable national statistics, I am sure that New York City's situation is paralleled in many of our large urban areas, especially those that have suffered severe losses of Federal program support during the recent years.

Of course, the bill is by no means perfect. I would prefer to see a stipulation in the measure setting aside a stated percentage of funds for labor-intensive public works projects. Such a set-aside would add to the program's effectiveness and aid in creating a maximum number of jobs. Were it not for the constraints of time and the overriding need to keep this legislation simple and easy to administer, I would offer modifying language and urge my colleagues to support it. But time is of the essence and even in its present form the measure is capable of accomplishing a great deal of good. Mayor Beame of New York City, testifying before the Committee on Public Works and Transportation in support of this legislation, furnished statistics indicating that every $100 million worth of projects translates into approximately 2,500 man-years of work. Accordingly, the over $300 million worth of projects located in my district are capable of providing 7,500 man-years of employment. Those jobs are badly needed. I urge the House to pass this bill.

Mr. ROE. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. Does the gentleman from Arkansas have any further requests for time?

Mr. HAMMERSCHMIDT. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read the committee amendment in the nature of a substitute now printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Local Public Works Capital Development and Investment Act of 1975".

SEC. 2. (a) The most severe economic decline in a generation has brought about massive unemployment and has greatly worsened the already severe difficulties experienced by State and local governments in funding construction of badly needed public works projects. High levels of unemployment now prevail in all parts of the Nation and in virtually all sectors of the economy. Joblessness is especially severe in the construction industry, where fully one-fourth of all workers are now unemployed and unemployment has been at depressed rates, above 8 per centum, for more than four years. The high rate of long-term unemployment in the construction industry has not only created grave difficulties for those individuals immediately affected in the construction and materials industries; it has also contributed directly and substantially to the weakening of the entire economy of the Nation, as depressed conditions in the construction industry, brought on by extremely high interest rates, have undermined the strength and vitality of other sectors, ultimately spreading throughout the entire economy.

(b) The current depressed state of the national economy has had an especially heavy impact upon local governments. For decades, local governments have experienced growing difficulties in funding from their own limited resources, primarily local real property taxes, the public facilities needs of their communities. Unlike previous difficulties experienced by local governments, however, the current economic decline has been accompanied by extremely high interest rates, which have brought communities across the Nation to a point at which it is simply no longer possible for them to finance needed public facilities, thereby threatening the health, safety, and general welfare of their citizens.

(c) That a vast pool of idle manpower should coexist with a huge backlog of badly needed and long overdue local public facilities work of all kinds is both needless and unwise public policy. This deleterious situation is directly counter to the existing national policy, stated in the Employment Act of 1946, of maintaining maximum employment, production, and purchasing power.

(d) The Congress finds that the goals of providing employment opportunities for all those able, willing, and seeking to work, of meeting the unmet needs of local communities for better public facilities, and of stimulating the national economy, which currently has approximately $230,000,000,000 of idle capacity, in a noninflationary manner, can be achieved through a program of Federal assistance to State and local governments directed toward improving local public facilities. The Congress therefore declares that there exists a national unemployment emergency and that, to combat this unemployment emergency and stimulate activity in the construction and materials industries and in the economy generally, and to assist State and local governments in promoting the general welfare of their citizens through the provision of adequate public facilities, there should be established a program of Federal grants-in-aid to State and local governments for the construction, repair, or other improvement of local public facilities, such grants-in-aid to be made available for public facilities projects which promise rapid implementation and reduction in unemployment.

SEC. 3. As used in this Act, the term—

(1) "Secretary" means the Secretary of Commerce, acting through the Economic Development Administration.

(2) "State" includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

(3) "local government" means any city, county, town, parish, or other political subdivision of a State, and any Indian tribe.

SEC. 4. (a) The Secretary is authorized to make grants to any State or local government for construction (including demolition and other site preparation activities), renovation, repair, or other improvement of local public works projects (including but not limited to (1) those public works projects of State and local governments for which Federal financial assistance is authorized under provisions of law other than this Act, and (2) the architectural design, engineering, and related planning of local public works projects). No part of any grant made under this section shall be used for the acquisition of any interest in real property.

(b) The Federal share of any project for which a grant is made under this Act shall be 100 per centum of the cost of the project. Nothing in this Act shall be construed to authorize the payment of maintenance costs in connection with any project constructed (in whole or in part) with Federal financial assistance under this Act.

(c) Grants made by the Secretary under this section shall be made only for projects for which the applicant gives satisfactory assurances, in such manner and form as may be required by the Secretary and in accordance with such terms and conditions as the Secretary may prescribe, that, if funds are available, on-site labor can begin within ninety days of project approval.

SEC. 5. The Secretary shall, not later than thirty days after date of enactment of this Act, prescribe those rules, regulations, and procedures (including application forms) necessary to carry out this Act. Such rules, regulations, and procedures shall assure that adequate consideration is given to the relative needs of various sections of the country. The Secretary shall consider among other factors (1) the severity and duration of unemployment in proposed project areas, (2) the income levels and extent of underemployment in proposed project areas, and (3) the extent to which proposed projects will contribute to the reduction of unemployment. The Secretary shall make a final determination with respect to each application for a grant submitted to him under this Act not later than the sixtieth day after the date he receives such application. Failure to make such final determination within such period shall be deemed to be an approval by the Secretary of the grant requested. For purposes of this section, in considering the extent of unemployment or underemployment, the Secretary shall consider the amount of unemployment or underemployment in the construction and construction-related industries.

SEC. 6. In addition to the grants otherwise authorized by this Act, the Secretary is authorized to make a grant for the purpose of increasing the Federal contribution to a public works project for which Federal financial assistance is authorized under provisions of law other than this Act. Any grant made for a public works project under this section shall be in such amount as may be necessary to make the Federal share of the cost of such project 100 per centum. No grant shall be made for a project under this section unless the Federal financial assistance for such project authorized under provisions of law other than this Act is immediately available for such project and construction of such project has not yet been initiated. No part of any grant made under this section shall be used for the acquisition of any interest in real property.

SEC. 7. In addition to the grants otherwise authorized by this Act, the Secretary is authorized to make a grant for the purpose of providing all or any portion of the required State or local share of the cost of any public works project for which financial assistance is authorized under any provision of State or local law requiring such contribution. Any grant made for a public works project under this section shall be made in such amount as may be necessary to provide the requested State or local share of the cost of such project. A grant shall be made under this section for either the State or local share of the cost of the project, but not both shares. No grant shall be made for a project under this section unless the share of the financial assistance for such project (other than the share with respect to which a grant is requested under this section) is immediately available for such project and construction of such project has not yet been initiated. No part of any grant made under this section shall be used for the acquisition of any interest in real property.

SEC. 8. No grant shall be made under section 4, 6, or 7 of this Act for any project having as its principal purpose the channelization, damming, diversion, or dredging of any natural watercourse, or the construction or enlargement of any canal (other than a canal or raceway designated for maintenance as an historic site) and having as its permanent effect the channelization, damming, diversion, or dredging of such watercourse or the construction or enlargement of any canal (other than a canal or raceway designated for maintenance as an historic site).

SEC. 9. (a) Not less than one-half of 1 per centum or more than 10 per centum of all amounts appropriated to carry out this Act shall be granted under this Act for local public works projects within any one State, except that in the case of Guam, Virgin Islands, and American Samoa, not less than one-half of 1 per centum in the aggregate shall be granted for such projects in all three of these jurisdictions.

(b) In making grants under this Act, the Secretary shall give priority and preference to public works projects of local governments.

(c) In making grants under this Act, if for the three most recent consecutive months, the national unemployment rate is equal to or exceeds 6½ per centum, the Secretary shall (1) expedite and give priority to applications submitted by States or local governments having unemployment rates for the three most recent consecutive months in excess of the national unemployment rate and (2) shall give priority thereafter to applications submitted by States or local governments having unemployment rates for the three most recent consecutive months in excess of 6½ per centum, but less than the national unemployment rate. Information regarding unemployment rates may be furnished either by the Federal Government, or by States or local governments, provided the Secretary determines that the unemployment rates furnished by States or local governments are accurate, and shall provide assistance to States or local governments in the calculation of such rates to insure validity and standardization.

(d) Seventy per centum of all amounts appropriated to carry out this Act shall be granted for public works projects submitted by State or local governments given priority under clause (1) of the first sentence of subsection (c) of this section. The remaining 30 per centum shall be available for public works projects submitted by State or local governments in other classifications of priority.

(e) In determining the unemployment rate of a local government for the purposes of this section, unemployment in those adjoining areas from which the labor force for such project may be drawn, shall, upon request of the applicant, be taken into consideration.

(f) States and local governments making application under this Act should (1) relate their specific requests to existing approved plans and programs of a local community development or regional development nature so as to avoid harmful or costly inconsistencies or contradictions; and (2) where feasible, make requests which, although capable of early initiation, will promote or advance longer range plans and programs.

SEC. 10. All laborers and mechanics employed by contractors or subcontractors on projects assisted by the Secretary under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary shall not extend any financial assistance under this Act for such project without first obtaining adequate assurance that these labor standards will be maintained upon the construction work. The Secretary of Labor shall have, with respect to the labor standards specified in this provision, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133z-15), and section 2 of the Act of June 13, 1964, as amended (40 U.S.C. 276c).

SEC. 11. No person shall on the ground of sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any project receiving Federal grant assistance under this Act, including any supplemental grant made under this Act. This provision will be enforced through agency provisions and rules similar to those already established, with respect to racial and other discrimination under title VI of the Civil Rights Act of 1964. However, this remedy is not exclusive and will not prejudice or cut off any other legal remedies available to a discriminatee.

SEC. 12. There is authorized to be appropriated not to exceed $5,000,000,000 to carry out this Act.

Mr. ROE (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. SCHULZE. Mr. Chairman, I make the point of order that a quorum is not present.

The Chair will count.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The Committee will rise informally in order that the House may receive a message.

MESSAGE FROM THE PRESIDENT

The SPEAKER resumed the chair.

The SPEAKER. The Chair will receive a message.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries.

The SPEAKER. The Committee will resume its sitting.

LOCAL PUBLIC WORKS CAPITAL DEVELOPMENT AND INVESTMENT ACT OF 1975

The committee resumed its sitting.

AMENDMENT OFFERED BY MR. SHUSTER

Mr. SHUSTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SHUSTER: Page 10, line 9, strike out "section" and insert "Act".

Mr. SHUSTER. As you can see, Mr. Chairman, this is a simple, technical amendment to make absolutely sure that the onsite labor quick startup provisions apply to every category of assistance provided under this legislation.

I am the author of section 4(c) and it was my intention that the requirement for certifying that onsite labor commence within 90 days of project approval apply to grants available not only under section 4, but also sections 6 and 7.

A careful reading of sections 4, 6, and 7 together in their entirety reflects this intent. However, the wording of the reported bill has raised questions in the minds of some Members in this respect. Accordingly, I offer this amendment to make my intent and that of the committee absolutely clear.

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. SHUSTER. I yield to the chairman of the subcommittee.

Mr. ROE. Mr. Chairman, the committee has reviewed this amendment. It is fine and commendable. We find it to be in order and accept it.

Mr. HAMMERSCHMIDT. Mr. Chairman, will the gentleman yield?

Mr. SHUSTER. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Mr. Chairman, the minority side have examined the amendment and we find it to be commendable and we commend the gentleman for offering it. We accept the amendment.

The CHAIRMAN. The question is on

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the amendment offered by the gentleman from Pennsylvania (Mr. SHUSTER).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments?

If not, the question is on the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FOLEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5247) to authorize a local public works capital development and investment program, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the committee amendment in the nature of a substitute adopted in the Committee of the Whole.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. SNYDER

Mr. SNYDER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. SNYDER. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

> Mr. SNYDER moves to recommit the bill (H.R. 5247) to the Committee on Public Works and Transportation.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. ROE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 312, nays 86, not voting 35, as follows:

[Roll No. 227]

YEAS—312

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Beard, R.I.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Brown, Calif.
Brown, Mich.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Carter
Casey
Chappell
Chisholm
Clausen, Don H.
Clay
Cochran
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
D'Amours
Daniels, N.J.
Davis
de la Garza
Delaney
Dellums
Dent
Derwinski
Dickinson
Diggs
Dodd
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
English
Esch
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Fish
Fisher
Fithian
Flood
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fraser
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Green
Gude
Guyer
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Harkin
Harrington
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Hinshaw
Holland
Holtzman
Howard
Howe
Hubbard
Hughes
Hungate
Jeffords
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Keys
Kindness
Koch
Krebs
LaFalce
Leggett
Lehman
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
McClory
McCloskey
McCormack
McDade
McFall
McHugh
McKay
McKinney
Macdonald
Madigan
Maguire
Mahon
Mann
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Myers, Pa.
Natcher
Nedzi
Nichols
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Pressler
Preyer
Price
Pritchard
Railsback
Randall
Rangel
Rees
Regula
Reuss
Richmond
Rinaldo
Risenhoover
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rosenthal
Rostenkowski
Roush
Roybal
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schroeder
Schulze
Seiberling
Sharp
Shipley
Shuster
Sikes
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Spence
Staggers
Stanton, James V.
Stark
Steed
Steiger, Wis.
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Taylor, N.C.
Teague
Thompson
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Waggonner
Walsh
Waxman
Weaver
Whalen
White
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wright
Yates
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—86

Abdnor
Archer
Armstrong
Ashbrook
Bauman
Beard, Tenn.
Broomfield
Brown, Ohio
Burleson, Tex.
Burlison, Mo.
Butler
Cederberg
Clancy
Clawson, Del
Cleveland
Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, R.W.
Derrick
Devine
Downing
du Pont
Erlenborn
Eshleman
Findley
Flynt
Forsythe
Frenzel
Frey
Gradison
Grassley
Hagedorn
Hansen
Holt
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Johnson, Colo.
Kelly
Kemp
Ketchum
Krueger
Lagomarsino
Landrum
Latta
Lent
McCollister
McDonald
McEwen
Michel
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Poage
Quie
Quillen
Rhodes
Robinson
Rousselot
Runnels
Satterfield
Schneebeli
Shriver
Skubitz
Smith, Nebr.
Snyder
Steelman
Steiger, Ariz.
Symms
Talcott
Taylor, Mo.
Thone
Treen
Wampler
Whitehurst
Winn
Wydler
Wylie
Young, Fla.

NOT VOTING—35

Andrews, N.C.
Annunzio
Barrett
Biester
Broyhill
Coughlin
Danielson
Dingell
Eilberg
Florio
Hannaford
Hefner
Horton
Johnson, Pa.
Litton
Lujan
Madden
Martin
Mollohan
Moorhead, Pa.
Morgan
Murtha
Neal
Nix
O'Brien
Patman, Tex.
Riegle
Rose
Ruppe
Sebelius
Stanton, J. William
Stephens
Vigorito
Yatron
Young, Alaska

So the bill was passed.

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Litton.
Mr. Eilberg with Mr. Neal.
Mr. Florio with Mr. Murtha.
Mr. Hefner with Mr. Riegle.
Mr. Moorhead of Pennsylvania with Mr. Rose.
Mr. Horton with Mr. Patman.
Mr. Morgan with Mr. Andrews of North Carolina.
Mr. Nix with Mr. Hannaford.
Mr. Vigorito with Mr. Stephens.
Mr. Yatron with Mr. Broyhill.
Mr. Dingell with Mr. O'Brien.
Mr. Biester with Mr. Lujan.
Mr. Barrett with Mr. Ruppe.
Mr. Danielson with Mr. Coughlin.
Mr. Madden with Mr. Johnson of Pennsylvania.
Mr. Mollohan with Mr. Martin.
Mr. J. William Stanton with Mr. Sebelius.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ROE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on H.R. 5247, the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

MAKING IN ORDER ON TOMORROW OR ANY DAY THEREAFTER CONSIDERATION OF CONFERENCE REPORT ON H.R. 5899, MAKING SUPPLEMENTAL APPRORIATIONS FOR FISCAL YEAR ENDING JUNE 30, 1975

Mr. MAHON. Mr. Speaker, I ask unanimous consent that it may be in order in the House on tomorrow or any day thereafter to consider a conference report on the bill (H.R. 5899) making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

SURFACE MINING CONTROL AND RECLAMATION ACT OF 1975—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94–160)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I am today returning without my approval, H.R. 25, the proposed Surface Mining Control and Reclamation Act of 1975. I am unable to sign this bill because:

1. As many as 36,000 people would lose jobs when unemployment already is too high.
2. Consumers would pay higher costs—particularly for electric bills—when consumer costs are already too high.
3. The Nation would be more dependent on foreign oil—when we are already overly dependent and dangerously vulnerable.
4. Coal production would be unnecessarily reduced—when this vital domestic energy resource is needed more than ever.

America is approaching a more serious domestic energy shortage, and we are not facing up to it.

We can develop our energy sources while protecting our environment. But this bill does not do that. I have supported responsible action to control surface mining and to reclaim damaged land. I continue to support actions which strike a proper balance between our energy and economic goals and important environmental objectives.

Unfortunately, H.R. 25 does not strike such a balance.

Since I submitted my comprehensive national energy program earlier this year—a program which included a tough but balanced surface mining bill—our energy situation has continued to deteriorate. With domestic energy production continuing to drop, we are today more vulnerable to the disruption of oil supplies than we were during the Mid-East oil embargo. We will be even more vulnerable as our economy recovers and energy consumption increases. This vulnerability places us in an untenable situation and could result in new and serious economic problems.

Coupled with this steadily deteriorating situation is the fact that the Congress has yet to act on a comprehensive energy problem capable of achieving goals on which we all agree. Several Congressional committees have worked hard to develop solutions. Unfortunately, their proposals are inadequate to achieve the energy objectives I have set.

As the one abundant energy source over which the United States has total control, coal is critical to the achievement of American energy independence. In the face of our deteriorating energy situation, we must not arbitrarily place restrictions on the development of this energy resource.

It is with a deep sense of regret that I find it necessary to reject this legislation. My administration has worked hard with the Congress to try to develop an acceptable surface mining bill and other agency programs which could, when taken together, enable us to reduce energy imports and meet environmental objectives. While the Congress accepted in H.R. 25 some of my proposals, it rejected others necessary to reduce the adverse impact on coal production and to clarify various provisions of the legislation to make it precise and more workable.

The Department of the Interior and the Federal Energy Administration now advise me that, if this bill were to become law, a production loss of 40 to 162 million tons would result in 1977. This would mean that 6 to 24 percent of expected 1977 coal production would be lost. Actually, production losses resulting from H.R. 25 could run considerably higher because of ambiguities in the bill and uncertainties over many of its provisions.

The bill I sent to the Congress in February would have also entailed production losses estimated between 33 and 80 million tons. Even though these losses would have been substantial, we could have accepted them if Congress had enacted the comprehensive energy program I proposed. But, now the potential losses of H.R. 25 are intolerable.

The reduction in coal production would mean that the United States will be forced to import more foreign oil. To demonstrate the seriousness of this problem, it is estimated that we would be forced to import an additional 215 million barrels of oil a year at a cost of $2.3 billion for every 50 million tons of coal not mined. At a time when our dependence on Mid-East oil is expected to double in just 2½ years, I believe it would be unwise to further increase this dependency by signing into law H.R. 25. This kind of setback in coal production would cause our dependence on Mid-East oil to triple by 1977.

Additional reasons for withholding approval of H.R. 25 are its legislative shortcomings. These include:

—Ambiguous, vague and complex provisions—as the record of congressional debate indicates. The bill would lead to years of regulatory delays, litigation and uncertainty against the best interests of achieving either our environmental or energy objectives.

—Cumbersome and unwieldy Federal-State regulatory and enforcement provisions. H.R. 25 would inject the Federal Government immediately into a field which is already regulated by most States. Since 1971, 21 States which produce over 90 percent of the Nation's surface mined coal have either enacted new environmental legislation governing surface mining or have strengthened laws already on the books.

—H.R. 25's tax provisions which would be excessive and unnecessarily increase the price of coal.

—Its provisions which enable State governments to ban surface mining of coal on Federal lands—thus preventing a national resource from being used in the national interest.

—Its provisions permitting the Federal Government to pay private landowners 80 percent or more of the cost of reclaiming previously mined land, leaving title to the land in private hands, could provide windfall profits at the expense of coal consumers.

In short, I favor action to protect the environment, to prevent abuses that have accompanied surface mining of coal, and to reclaim land disturbed by surface mining. I believe that we can achieve those goals without imposing unreasonable restraints on our ability to achieve energy independence, without adding unnecessary costs, without creating more unemployment and without precluding the use of vital domestic energy resources.

GERALD R. FORD.

THE WHITE HOUSE, *May 20, 1975.*

The SPEAKER. The objections of the President will be spread at large upon the Journal, and the message and bill will be printed as a House document.

Mr. UDALL. Mr. Speaker, I ask unanimous consent that further consideration of the veto message from the President on the bill H.R. 25 be postponed until tomorrow, Wednesday, May 21, 1975.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will announce that the Chair will take unanimous-consent requests from Members, but not for speeches.

DEPARTMENT OF DEFENSE PROCUREMENT AUTHORIZATIONS

Mr. PRICE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 6674) to authorize appropriations during the fiscal year 1976, and the period beginning July 1, 1976, and ending September 30, 1976, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize military training student loads and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Illinois (Mr. PRICE).

The motion was agreed to.

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IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 6674, with Mr. Rostenkowski in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, title I, ending on page 4, line 18 of the bill was open for amendment at any point. Are there any further amendments to title I?

AMENDMENT OFFERED BY MR. LEGGETT

Mr. LEGGETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Leggett: Title I, Section 101(c)(1), page 3, line 12: After "Navy" delete "$4,422,400,000" and insert in its place, "$3,862,500,000".

Mr. LEGGETT. Mr. Chairman, this amendment would strike and defer $559.9 million for the fourth Trident submarine. This is not just the perennial Trident amendment; it will be the last amendment to this title.

I ask the Members to pay close attention. This amendment would delete production funds for Trident Ship No. 4 from this year's bill. It will not affect research and development or advanced procurement for later ships. It will not affect the Trident missile.

I have here in my possession a written response the committee has received from Dr. Malcolm Currie, the Director of Research and Development for the Department of Defense. In response to a question I asked on March 5, Dr. Currie points out that the options for this ship, which is Ship No. 4, expire on February 29, 1976. Therefore, the master production schedule will not be finalized until June of 1976.

As a planning milestone, the Navy estimates the keel-laying will occur for the fiscal year 1976 Trident about 1 year after the execution of the contract or option.

I would like to translate that. The only shipyard that can build these ships, which is the Electric Boat Shipyard in Connecticut, is so backed up it will not even have a construction schedule until the end of the next fiscal year for this particular ship. The keel will not be laid until February 1977, and that is if everything goes according to schedule, which has not necessarily happened in the past.

At present they have three Trident ships assigned to this shipyard at a total outfitted cost of $1.8 billion per ship. So the program in this yard is on the order of $5½ billion for Tridents, and they have been awarded contracts for 18 of the quiet, new SSN-688 submarines. They cannot take any more quiet submarines, but they are going to be getting them anyway. This one yard, we estimate, currently has ship orders for better than $2.6 billion. Things are going to get worse. They anticipate that in about a year or a year and a half there will be 28 submarine awards in this one yard, if the continuing schedule is carried out, which would appear to be an impossible situation as far as the Department of the Navy is concerned.

The GAO report indicates that things are not going according to schedule at all in this yard. The report is that the Trident Ship No. 1 will be 6 months behind schedule; that there are severe problems involved with lack of management discipline; there have been $172 million cost overruns on the ship development program already. Projected unit procurement cost is up 36 percent in the past 8 months.

This amendment does not affect any of that. This is a common area where we are in the Trident program.

There is no reason in the world why we should authorize money that cannot be spent for the fiscal years in which it is authorized. The argument might be made that we need long leadtime money for this ship. We have already funded the long leadtime program. The long leadtime items have already been delivered to the Electric Boat Shipyard, so they do not need this authorization either for the long leadtime items nor for the execution of the contract with the Electric Boat next spring, and there is going to be no money for the building of the ship that is going to be required until 1977.

As a practical matter this is what we call a cosmetic amendment to this bill, because it saves money in this year but the money will be included in the fiscal year 1977 program, but I do not think it makes really much sense to advance fund these ships that are not going to be built for several years. We are not going to have a Trident ship in the water at the earliest until 1979. The Navy wants to build two ships every other year and one ship in the intervening years. In reality it probably should be building these ships on a 0-1-0-1-0-1 schelule. So I think we should make the authorization conform to reality and reduce the size of this year's bill.

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent, Mr. Leggett was allowed to proceed for 2 additional minutes.)

Mr. LEGGETT. Mr. Chairman, I am not going to rehash all the arguments on this change. There is a question going on now in the Pentagon and the Navy as to whether all our ships ought to be fast, or whether all our Trident ships ought to have 24 missiles, and the question is also on the size of the Trident II, on the need for the big Trident II missile, because it appears that by cutting down some of the MIRV's that are included in Trident C-4 we can get an immense capability out of that.

The amendment is very simple. It takes out $559 million out of the Navy account. In case the Members have reservations about what I have said, I will read Dr. Currie's response. He says:

> The schedules for the first and second follow ships are due in about three months.

That means for the Trident ships funded last year we do not have the building schedules in our hands yet for those ships. The option for the fourth ship expires next February, and he says:

> Therefore, its master construction schedule may not be finalized until as late as June 1976. Nevertheless, in accordance with Congressional direction, advanced procurement funds have been provided to contractors for procurement of long lead components. Actual construction of subassemblies by the shipbuilder will commence with the signing of the contract . . .

But they do not need this money until considerably later in the game. I am not going to critique the Trident system any more than I have. This is a good amendment. It does save $559 million.

I predicted several years ago we could not continue with the Trident program as originally planned. As it happened, we determined a year later we could not. I have determined and a number of people have determined we cannot continue with this schedule. We can proceed to push forward with this but I do not think it saves any money.

Mr. BENNETT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the Seapower Subcommittee looked into this very thoroughly, including the comments made by the General Accounting Office which were referred to. Specifically the General Accounting Office said the Navy should closely monitor the ships' progress and any problems. They did not recommend what the gentleman from California has recommended. Neither does the Navy because if we did what the gentleman suggests there would be a terrible cost to the Treasury.

I have in my hand a letter from Rear Adm. H. E. Lyon, U.S. Navy, the Trident project manager, dated 7 May 1975, in which he says:

> Department of the Navy,
> Trident System Project,
> *Washington, D.C., May 7, 1975.*
>
> Hon. Charles E. Bennett,
> *Chairman, Seapower Subcommittee, Committee on Armed Services, House of Representatives, Washington, D.C.*
>
> Dear Mr. Bennett: You requested my comments concerning the need to authorize and fund the fourth TRIDENT submarine in FY 1976 even though start of construction is not scheduled until November 1976 (FY 1977) with keel laying subsequent to that date.
>
> Authorization and construction funds for the fourth TRIDENT submarine are included in the President's FY 1976 budget request. Award of the construction contract is planned for December 1975 and must be completed by February 29, 1976, to prevent losing a favorable contract option. Construction funds must be approved before the contract can be awarded.
>
> The "start of construction" date is defined as the date on which fabrication (lofting, layout, burning, forming, etc.) of the submarine structural parts is initiated.
>
> To support start of construction for the fourth TRIDENT submarine in November 1976, the following work must begin immediately upon award of the construction contract:
>
> a. Production planning and scheduling of manning and facilities—this includes preparation of work authorizations for over 5,000 items. Schedules of several different types must be prepared in detail and issued. Effort by shipyard support groups (industrial, engineering, planning, cost and schedule, and others) must be initiated.

> b. Procurement of material and equipment in sufficient time to allow for manufacturing lead times—this includes hull steel; steel for tanks, decks, and foundations; electrical switchboards; heat exchangers; forgings; castings; missile and torpedo tubes; and other items. These items are in addition to those funded prior to construction contract award; e.g., reactor plant components must be ordered two to three years prior to submarine construction contract award to support orderly construction. Other major propulsion plant components such as turbine generators, and main propulsion turbines and reduction gears must be ordered at least one to two years prior to submarine construction contract award.
>
> The keel laying ceremony occurs after construction has reached the stage when several hull cylinders are fabricated and ready for assembly. This is normally about one year after start of construction. Deferral of the fourth TRIDENT submarine from FY 1976 to FY 1977 would delay start of construction, keel laying, and delivery by one year.
>
> If authorization of the fourth TRIDENT submarine were deferred to FY 1977, the ship cost would increase by $150 to $225 million, of which $50 to $125 million would be caused by production inefficiencies, including loss of learning, and $100 million due to inflation. Such a delay in the fourth ship would also cause delays and increased costs in later ships currently planned for series construction. Additional cost increases would occur if advance procurement funds requested in FY 1976 and FY 197T are not approved.
>
> The President's proposed TRIDENT submarine building program of 3 ships every 2 years already represents a slowdown from the program of 2 ships per year contemplated last year and is a significant reduction from the 3 ships per year originally planned by the Department of Defense. Due to the urgent need for these ships and the considerable increase in cost which would result, there should be no further stretchout of the TRIDENT submarine building program.
>
> Admiral Rickover has reviewed the TRIDENT submarine building program as it affects matters under his cognizance and concurs with the above comments.
>
> Respectfully,
> H. E. Lyon,
> *Rear Admiral, U.S. Navy, TRIDENT Project Manager.*

That first cutdown cost our Treasury Department $450 million. The second cutdown cost our Treasury $600 million and if we follow the same procedure that the gentleman from California (Mr. Leggett) has suggested here, this further cutdown would cost another half billion dollars in the program, since he does not recommend that the program come to an end, and he could hardly recommend the program come to an end because the Soviets already have and are building comparable ships right now.

I am reading from Admiral Rickover's letter where he says the Soviets have at sea eight ships of the new Delta class with ballistic missile submarines, with 16 more under construction. These ships are the equivalent of our Trident submarine, the first of which we will not have until the end of this decade.

They already have a fleet of these operating and we will not have ours until the end of this decade if we proceed as the Department of Defense has allowed us to proceed. They have more nuclear submarines and missiles than we do and they are building new ones at the rate of six to eight a year.

Even at our planned Trident rate of one or two a year, Mr. Chairman, there could not be any more foolhardy amendment offered than the amendment offered by the gentleman from California.

Those Members who share with me an abounding and deep aspiration to have the military might of our country stand fast and progress in behalf of preserving peace in the world, should look at the Trident submarine as the most single important aspect of preserving peace in the world, because it is the least likely to be detected. It is the most powerful weapon we have in the triad of the three things that we are trying to do to protect ourselves against a nuclear war.

It is the greatest nuclear war deterrent America has. It is not yet built and comparable programs are being undertaken by the Russians. To cut this program down or slow it up is only to cost us more money. It will add billions of dollars in cost simply by slowing it down, so it makes no sense whatsoever to turn our backs on the most important single military weapon we have in our arsenal and do it in a way that will cost the Treasuary Department billions of dollars by this delay. There is no reason in the world why anybody would undertake to do what the gentleman from California has suggested.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Chairman, I do not disagree with anything the gentleman has said about the importance of the Trident. I believe it is probably the most effective weapon we have in our arsenal, but at the same time I do not think the gentleman has answered the argument of the gentleman from California.

Mr. BENNETT. What is the argument?

Mr. JOHNSON of Colorado. That is what I want explained in more detail. The gentleman said if we do not include this figure in the budget this year, it does not slow down the building of the weapon which is not going to have the keel laid until sometime in the summer of 1977.

Mr. BENNETT. I could not compete with the charisma of the gentleman from California. I have to rely on the facts. The facts have been stated by the manager of the project for the Navy and I read what he said that award of the construction contract submarine is planned for December 1975 and must be completed by February 29, 1976, to prevent losing a favorable contract option. Construction funds cannot be approved before the contract can be awarded.

Mr. JOHNSON of Colorado. Will the gentleman tell us what the contract option was? All I have read about is that we have a cost overrun, the Government picks it up, whatever that option might be.

Mr. BENNETT. This was the option in which we got three additional submarines at a cheaper rate than we would have otherwise. It will save a lot of money for something we need.

Mr. JOHNSON of Colorado. Is this the only yard contemplated in which we will be getting the Trident?

Mr. BENNETT. It is the only one we need at this moment, but others may be coming in and I hope they can come in.

Mr. BOB WILSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment. I want to support the chairman of the Sea Power Subcommittee in his opposition to this amendment.

The Trident system is being built to insure that our Nation will have a credible submarine-based ballistic missile system at sea as the lives of our Polaris/Poseidon systems run out.

Polaris/Poseidon utilize technology developed in the early 1950's. Over the years these ships have incorporated new missile support systems and equipments, and progressively longer range missiles have been installed culminating in today's 2,500-mile-range Poseidon missile system. The basic submarine is unchanged, however, and further modifications to improve capabilities and extend the useful life can only be done at great expense with doubtful results.

Age and technological obsolescence will soon threaten the continued successful deployment of these ships. Polaris submarines were designed for an effective life of 20 years. These ships, each with their two crews, have been operated harder than any other U.S. Navy ship. Enemy antisubmarine warfare techniques have become more refined.

From the technological aspect and from the threat aspect, it is now time to begin augmenting and replacing these ships.

Trident, utilizing technology of the 1970's, will be significantly more survivable than present Polaris/Poseidon submarines developed in the 1950's.

It will be quieter, have an improved nuclear reactor, and a new command and control system with improved sonar and defensive weapons systems. The first three submarines are under contract as are the major equipments to go on those submarines.

The development of a new missile is underway with a high probability of meeting all performance goals. This missile was designed specifically to allow backfitting on our latest Poseidon submarines and thus provide some assurance that a crash replacement program with Trident would not be necessary.

Trident, while expensive, is the most cost effective follow-on to the Polaris/Poseidon system. Our country must be able to replace, in an orderly manner, the ships of the Polaris/Poseidon force if we are to continue to maintain an effective SLBM in our triad of strategic forces.

I urge you to support the continued acquisition of this vital system.

Mr. ROBERT W. DANIEL, JR. Mr. Chairman, will the gentleman yield?

UMI

Mr. BOB WILSON. I yield to the gentleman from Virginia.

Mr. ROBERT W. DANIEL, JR. Mr. Chairman, the gentleman from California cited delays and slippage in the program as one reason for the passage of his amendment. It is my understanding that much of this slippage is in the construction of the new land launching facility which is being constructed for the benefit of the Trident program. This lag is about a half a year, and is being made up at the present time with the assistance of the Navy. Therefore, I think we can look ahead and see that this lag will be reduced.

Mr. PRICE. Mr. Chairman, I move to strike the last word, and rise in opposition to the amendment.

Mr. Chairman, the Trident system has been studied considerably by the Congress. It has been reviewed by the Navy and the Department of Defense. There have been many studies made considering both the military advantages and cost effectiveness of the Trident versus smaller systems.

The Congress has supported the decision of the Department of Defense to proceed with the program. I think that the most economical way is to proceed with the program and to bring it to final conclusion at the least cost possible. It is a very costly program, as anyone will concede, but delay only adds to that cost.

For instance, this particular amendment would cause a year's delay in the Trident at a cost increase on the one particular ship of from $150 to $225 million. So, actually the only thing we would be voting for here is a delay in the program at a greatly increased cost.

Mr. Chairman, I hope that the committee will reject the amendment.

Mrs. SCHROEDER. Mr. Chairman, I move to strike the last word.

Mr. LEGGETT. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from California.

Mr. LEGGETT. Mr. Chairman, I thank the gentlewoman for yielding to me. It is too bad that we really cannot understand simple dialog and really simple English. I have indicated that my amendment will not delay the Trident program. Dr. Currie has indicated, and I guess the gentleman in his argument here has indicated, that this contract is not going to be executed until, at the earliest, at the end of this year, and we have got an option until February of next year.

We do not have to have this ship authorized any more as far as funds go to enter into the contracts. We have already bought a couple hundred million dollars worth of long leadtime items, so the Navy is fully authorized to execute the contract.

We are going to hold to our new budget procedure, fiscal year 1977 authorization program, before the end of this year, and so as a practical matter, we will get the authorisation of this item in the next bill and take it out of this bill, where it really is surplusage.

Mr. PRICE. Mr. Chairman, will the gentlewoman yield to me?

Mrs. SCHROEDER. I yield to the gentleman.

Mr. PRICE. The gentleman from California (Mr. Leggett) is wrong. We have to have budget authority to proceed to obligate the required appropriation. The only single thing that comes from the amendment offered by the gentleman is delay. If we do not have the authority in this bill to obligate these funds, the Committee on Appropriations cannot act. So the gentleman's explanation just is totally without foundation.

Mr. LEGGETT. Mr. Chairman, will the gentlewoman yield to me further?

Mrs. SCHROEDER. I yield to the gentleman from California.

Mr. LEGGETT. Mr. Chairman, it is very interesting that when we want to do something in the committee, all we do is jig up an amendment and take up $1.1 billion out of the Navy shipbuilding program and take out all of the future-year acceleration, it clearly admits that we do not fully fund the shipbuilding program, and the committee action does not seem to deter execution of contracts for 22 or 23 ships; but when we would attempt to defer a portion of a submarine program, then it has all kinds of different ramifications.

It is my information that the Navy has authority to execute this option in February 1976. We have no evidence whatsoever to the contrary. If the chairman has contrary evidence, even if he does——

Mr. PRICE. The contrary evidence is the law that you cannot exercise this option without being funded to do so.

Mr. LEGGETT. They have already been funded for the long leadtime items. They have funded better than $200 million per boat.

Mr. PRICE. That is not the funding for the construction of the ship.

Mr. LEGGETT. That is the preconstruction program.

Mr. PRICE. The gentleman knows these long leadtime items are useful things and do, in the long run, save money; but it is not the full authorization for the ship, and this is what is required now to make the final contract for the construction of the ship. The gentleman knows those things.

Mr. LEGGETT. But under the committee's amendment the gentleman admits he was underfunding the shipbuilding program by nearly $1 billion; and so we do not have to have this authorization like this. This is not a criteria for the Navy contract, plus the fact that the fiscal year 1977 authorization bill is going to be before this House before the end of the year, and before the contract will be executed we will be talking about this same thing at the time and we will be able to review the bidding, as to where we are going, and things like that. Again, this is a cosmetic amendment. It does not hurt anybody, it does hurt anything. It does not cost one dime.

The argument that has been made that this will cost us $200 million, put us behind the Soviets—the Soviets do not have one single Trident submarine on the drawing board. They are proliferating, but they are building smaller submarines. I would say if we want to make a cut in the defense bill, this has to be the easiest possible one to make. If we do not want to make it, of course, that is up to the option of the House.

Mr. RANDALL. Mr. Chairman, I move to strike the last word, and I yield to the gentleman from Florida (Mr. Bennett).

Mr. BENNETT. I thank the gentleman for yielding.

Mr. Chairman, the gentleman from California (Mr. Leggett) said that this amendment would not slow up the contract. We have overlooked the fact that there is an authorization for the actual contract for the ship. This amendment will slow it up. The gentleman is referring to long leadtime items as if they had started at construction. I have already quoted from the Navy letter, and he merely asserts his own assertion to the contrary. I believe the Navy is the more accurate source of this information.

The Navy does know what it is doing. This is the highest level of the Navy which told me, "to prevent losing a favorable contract opinion" this is necessary, and they go on to give details. They say "this includes preparation of work authorizations for over 5,000 items. Schedules of several different types must be prepared in detail and issued. Effort by shipyard support groups—industrial, engineering, planning, cost and schedule, and others—must be initiated.

"Procurement of material and equipment in sufficient time to allow for manufacturing leadtime—this includes hull steel; steel for tanks, decks, and foundations," and so forth, must be undertaken. It takes at least 1 or 2 years prior to submarine construction for the contract award to be underway for them to accomplish this objective.

The gentleman has repeatedly said there is no evidence in front of the committee that this would foul up the contract and foul up the production of the submarine.

After reading to him a statement from the highest levels in the Navy that it would have this adverse effect, the gentleman merely makes a very affable, delightful appearance before the Congress as a whole making contrary statements. He makes his assertions in the teeth of what the Navy has testified to and what everybody who is familiar with the hearings before the Seapower Subcommittee knows about. The gentleman from California was until this year a member of the Seapower Subcommittee. Therefore, he actually knows this.

If the Members will just recollect, when we attended those meetings of the Seapower Subcommittee, which were quite extensive, last year, they will remember this sort of things was testified to in great detail, and therefore, the gentleman from California would know this is, in truth and in fact, the situation. There is no way of escaping it.

He mentioned one other thing which I think I should comment on. In some way he seems to feel that there is something purely cosmetic about the reduction the Seapower Subcommittee has recommended in striking some escalation funds for the future. The committee frankly stated that this postponement of this expenditure was primarily for the purpose of seeing to it that we do not encourage acceleration.

For us to say that costs are always going to be run up at the present rates is just an invitation to industry to run the costs up at those rates. Therefore, we thought it would be the better part of good sense to let them guess a while. Consequently, this was not a phony, uncalculated thing. It was not anything to pull the wool over anybody's eyes or anything like that. This was a frank, open desire on the part of the Seapower Subcommittee to see to it that we did not encourage the escalation. I think our proposed procedure is going to save us hundreds of millions of dollars.

Mr. Chairman, I think the very fact that we are saying that we do not know it is going to be that high is going to be helpful; but the gentleman is for postponing the building of this Trident submarine, which is another matter.

Of course, it is true that the Russians have not built one single Trident submarine. Certainly they have not, but they have a submarine, the Delta, of which they have eight, which is comparable to the Trident when the Trident finally gets off the ways. We do not build the Delta submarines; they do not build Trident submarines. It is a similar proposition as far as what their range is, the Delta and the Trident. However, the range of our submarines today, Polaris and Poseidon, is not comparable to the range of their submarine, the Delta. They already have 8 Deltas afloat, with 16 under construction at this moment. We are here just getting one or two of the Trident submarines of a similar nature, a very modest effort. I think it, the Trident, will be better than the Delta.

If we had to rely purely on the Polaris and Poseidon, which is all we have today, we must remember they have eight submarines comparable to the Trident, which we do not yet have. I think it is misleading for the gentleman from California to say that they do not have any Trident submarines. Of course they do not have any Trident submarine. Admiral Rickover does not work for the Russians. However, they do have the Delta submarines, which are vastly superior to our Poseidon and Polaris.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. RANDALL. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for yielding.

Is it not true that the Russian Delta-class submarine actually has such a range on its missiles that it can fire and hit most strategic targets while being moored at its berth in the harbor?

Mr. RANDALL. The gentleman from Florida (Mr. Bennett) may not have sufficiently emphasized or adequately pinpointed the distance and capability of the Soviet Delta submarine's range. I am sure it is not a secret and the range has been published in several publications stating that range is 4,500 miles. On the other hand, the range of our Polaris submarine-launched missiles is about 2,200 miles.

Mr. DODD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will try to be brief in my remarks.

I represent the Second Congressional District of Connecticut, which is the home of the Trident submarine.

I want to tell the committee that I am not standing here in opposition to this amendment today for that reason alone. I also represent Kaman Aircraft, which was responsible for some of the work to be done on the B–1 bomber; and yesterday I voted for the amendment which would have cut out the procurement funds for that program. Therefore, my association with and my support of this particular program is not based solely on the fact that I represent the shipbuilder, but I would like to address the real issues that are raised in this amendment, and that is whether or not the shipbuilder and the Navy are going to proceed on schedule with the production of this submarine.

I have looked at this very closely. I know the yard well. I am familiar with the GAO report that was done earlier this year that raised this very issue.

The fact of the matter is that in December 1975 and between February of 1976, the option has to be exercised by the builder if we are going to proceed with this program, and that requires that there be funds available. You cannot exercise the option if funds have not been authorized. It will be absolutely essential that we have funding if the contractor is to begin construction.

The Navy has requested that construction begin in November 1976. What does that mean, "beginning construction?" The laying of the keel? It is not like a sailboat or a pleasure craft. It does not mean to actually lay the keel in submarine construction. The hull cylinders are being constructed, and they need steel, and other component parts are needed to be purchased before they can lay the keel.

So it is in fact a false argument to say that construction will not begin. In fact, the GAO report which investigated whether or not Electric Boat was going to have a backlog of work, reported that there was no evidence which could support that fact. GAO said in their report that Electric Boat was suffering what other industries were suffering. The Boat was proceeding on schedule with new facilities that are being constructed, and they will be on line with the new facility at Quonset, R.I. They are moving ahead, and things are on schedule so that there is really no reason whatsoever that they cannot begin construction in 1976. So not to allow the funding when every reliable source says that construction will in fact begin, would be wrong. So I urge my colleagues to consider seriously the issues.

The issue has not been raised as to whether or not the Trident program is a good or a bad program. Even the severest critics of our defense program recognize the Trident program is the best of the defense programs. If it is a good program then we might as well proceed with it.

If the isue is "let us save the taxpayers' money"—because if we do delay the program we will cost the taxpayers between $150 and $200 million, then we should authorize these funds. So if the program has merit, let us proceed with this particular submarine, and not hit the taxpayers with additional costs at a later period in time.

We have seen this program cut down severely over the last 3 or 4 years, where originally the Navy was asking for 3 and 1, and then 3, and now it is 1 and 2, 1 and 2 in the series of constructions so that they have come down to the bottom line; they cannot go any lower. If we want to prepare for the future as the Poseidon-Polaris is phased out over the next few years, then let us proceed with this program. This is not an offensive weapon, but a deterrent weapon. We are not spiralling the production of arms when we support this particular program.

So I sincerely ask my colleagues to look at this closely and to reject this amendment, because it will cost the taxpayers more dollars.

I think we have a responsibility in this particular day to see that our tax dollars are being spent wisely and well.

Mr. BEARD of Rhode Island. Mr. Chairman, will the gentleman yield?

Mr. DODD. Mr. Chairman, I yield to my colleague, the gentleman from Rhode Island.

Mr. BEARD of Rhode Island. Mr. Chairman, I agree wholeheartedly with the gentleman from Connecticut. If we are going to build it then let us do it now.

This also has an effect in Rhode Island where we are suffering from 17 percent unemployment. So let us not delay; let us do what is right. If we are going to build it, then let us build it now, and get our people back to work, as well as making sure that we have a good defense in this country.

Mr. DOWNEY of New York. Mr. Chairman, I move to strike the requisite number of words, and I rise to support the amendment.

Mr. Chairman, I want to talk to the gentleman from Florida. I heard the gentleman say that he was concerned with the Soviet Union, that they have submarines that are MIRVed. Did I hear the gentleman say that?

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY of New York. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, my colloquy was in the form of a question to the effect that the Russians have a Delta class submarine with missiles on board with a range sufficient to hit strategic targets while the submarines are still moored at their berth in the harbor.

Mr. DOWNEY of New York. I am

sorry. I just want to make sure that the gentleman did not say that the Soviets did not have MIRV missiles on the submarines, because not only with the Delta class submarines but with others, the Soviets can deploy 700 nuclear missiles against us. Our fleet can deploy 5,500 nuclear missiles against Soviet targets. The range, of course, as the gentleman is aware, is classified.

Mr. RANDALL. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY of New York. I yield to the gentleman from Missouri.

Mr. RANDALL. I thank the gentleman for yielding.

The range is not classified. The Soviets enjoy a much greater range. They greatly, outdistance our delivery capability overall, with regard to the submarine launched missiles.

Mr. DOWNEY of New York. The gentleman understands, of course, that megatonnage, while that is important and a relevant factor, is not really as important as accuracy, since megatonnage declines as the square of the cube root, and the gentleman understands that.

Mr. BENNETT. If the gentleman will yield to me, I enjoyed the dissertation by the gentleman. I must say a lot of these observations about how inaccurate the Russian weapons are seemed based upon a little euphoria by ourselves, and I do not think this justified. I think some of their weapons are much more accurate than our public estimation is. There is no way of proving it because they have not informed us.

Mr. DOWNEY of New York. The gentleman from Florida understands that they have not tested as of this date a MIRV-launched SLBM.

Mr. RANDALL. If the gentleman will yield further, the gentleman from Florida (Mr. Young) did not discuss MIRV. Nobody thinks the Russians are using MARV. We are not using a MARV ourselves. How did the gentleman arrive at that conclusion? Neither is at present using MARV.

Mr. BOB WILSON. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY of New York. I yield to the gentleman from California.

Mr. BOB WILSON. I thank the gentleman for yielding.

It is the accent of the gentleman from Florida. He does not speak well. What he said was "moored," and "moored" sounds like "MIRV" in a Southern accent.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY of New York. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. I thank the gentleman for yielding.

I would like to respond to the gentleman from California and say that the Southern way to pronounce "moored" is "moored" and it spelled moored, as in "tied up". I used it in that context. I said "moored at its berth in the harbor."

If anybody has difficulty understanding my Pennsylvania accent after it has been adjusted by living in Florida for 28 years, I apologize.

Mr. DOWNEY of New York. I accept the apology.

Mr. RANDALL. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY of New York. I yield to the gentleman from Missouri.

Mr. RANDALL. I thank the gentleman for yielding.

I thought the gentleman from Florida Mr. Young was talking about multiple independently targeted vehicles or MIRV and not about maneuverable vehicles or MARV and I hope everybody is in agreement.

Mr. DOWNEY of New York. Wait. Wait. Everybody is agreed that we have MIRV and that the Soviet Union does not have it on their submarines. Is that what we are agreeing to? I just want to lay the grounds for that on which we are agrceing.

Mr. RANDALL. If the gentleman will yield further, I do not think we can agree to that assumption because there is no way we can be sure and certain of the capabilities of the Soviets.

Mr. DOWNEY of New York. The Soviet Union has not tested a MIRV on their submarines, so I presume then we can agree at least that they do not have a MIRV capability on a submarine.

Mr. RANDALL. If the gentleman will yield further, I thought we were talking about range, and if the gentleman is wondering whether that is classified that is not an issue in the discussion. But my good friend, the gentleman from New York, should recognize that while our intelligence capability may be good we are not perfect and there is a possibility of error in our intelligence of the capability of the Soviet Union.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield.

Mr. DOWNEY of New York. I yield to the gentleman from California.

Mr. LEGGETT. I thank the gentleman for yielding.

Mr. Chairman, I think it is almost time to vote on this amendment. We are getting very far afield. We are not taking on the Soviet fleet; we are trying to build a Trident submarine and put the authorization in the proper year, and all of the evidence to date, not withstanding the eloquent statement of the gentleman from Connecticut and some of the other people who want jobs there, is that there is not one job that is going to be lost by this amendment. All it is going to do is put the $500 million in the proper time frame.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from California (Mr. Leggett).

The amendment was rejected.

The CHAIRMAN. Are there further amendments to title I? If not, the Clerk will read.

The Clerk read as follows:

TITLE II—RESEARCH, DEVELOPMENT, TEST AND EVALUATION

Sec. 201. Funds are hereby authorized to be appropriated for the use of the Armed Forces of the United States for research, development, test and evaluation, as authorized by law, in amounts as follows:

(a) (1) During the fiscal year 1976:

for the Army, $2,049,228,000;

for the Navy (including the Marine Corps), $3,268,661,000, of which no funds will be expended for AEGIS or the Combat System Engineering Development Site for AEGIS until the Secretary of Defense provides to the Committee on Armed Services of the House and Senate a plan that identifies the nuclear platform and funding for AEGIS fleet implementation during or prior to 1981;

for the Air Force, $3,760,691,000; and

for the Defense Agencies, $581,793,000; of which $25,000,000 is authorized for the activities of the Director of Test and Evaluation, Defense.

(2) During the period July 1, 1976, to September 30, 1976:

for the Army: $535,017,000;

for the Navy (including the Marine Corps), $849,730,000;

for the Air Force, $982,677,000; and

for the Defense Agencies, $141,193,000; of which $3,400,000 is authorized for the activities of the Director of Test and Evaluation, Defense.

Mr. PRICE (during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

AMENDMENT OFFERED BY MR. SIKES

Mr. SIKES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Sikes: On page 6, line 11, strike out $3,760,691,000 and insert $3,766,691,000 and on page 5, line 20, strike out $982,677,000 and insert in lieu thereof $986,077,000.

Mr. SIKES. Mr. Chairman, I am proposing this amendment because the 1973 war in the Middle East showed us that enemy air defenses in the 1980's will be characterized by highly mobile antiaircraft and surface-to-air missilery controlled by sophisticated detection and guidance radars. It is becoming increasingly difficult to counter such threats with existing systems such as jammers and radiation seeking air-to-ground missiles. The most effective way to control such threats is with a hard kill weapon.

A system known as the precision location strike system—PLSS—promises to have the capability to counter this projected European-Middle East environment. It will detect, identify and locate the enemy air defense radars at standoff ranges. It also provides the means for guiding low-cost weapons to those radars. The detection, location, and strike functions can be accomplished in seconds. If this development is successful, it will provide a capability unmatched by any other defense suppression system. The standoff capability is particularly important because this eliminates the necessity for penetrating enemy defenses and exposing men and equipment.

The budget request for fiscal 1976 and the interim fiscal period is $29.6 million. The committee recommended $7.6 million. This would bring the program virtually to a standstill and necessitate costly contract cancellations. My amendment, which appears to be the absolute minimum for carrying on this program effectively, is for $17 million.

Let me remind you again that the Arab-Israeli war demonstrated that SAM's and antiaircraft artillery were highly lethal against penetrating Israeli aircraft. We are seeking to develop a system to use against the radar which controls the SAM's and the antiaircraft weapons. Our Air Force has no capability now to deal with the SAM's and AAA's which accompany the armored divisions and alternately shoot down and move. We are trying to save men and aircraft by killing enemy weapons before they kill our aircraft. At present, the Air Force has only limited standoff capability and capability for surviving strikes.

The Air Force needs additional standoff capability and additional capability for surviving strikes directly on enemy targets. Other defense suppression systems are complementary to this one. It is not duplication.

I have discussed the subject with the distinguished chairman and ranking minority member of the committee and I believe they are prepared to accept the amendment.

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the chairman of the committee.

Mr. PRICE. Mr. Chairman, the committee did consider this program at length. We are familiar with the program. We did reduce it after our initial hearing, but that has been almost a month or so ago now, and in the light of the further investigation that our staff has been able to make and the staff of the gentleman from Florida has been able to make, I have no objection to the amendment.

Mr. SIKES. Mr. Chairman, I thank the chairman and I yield now to the distinguished gentleman from California (Mr. Bob Wilson) if he cares to comment on this.

Mr. BOB WILSON. Mr. Chairman, we have no objection to the amendment on this side.

Mr. SIKES. I thank the gentleman from California.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from California.

Mr. LEGGETT. Mr. Chairman, I think the amendment offered by the gentleman from Florida is in proper form and it is required. We have cut about $50 million out of this program in the R. & D. Subcommittee merely because the program had appeared to be overworked and would not respond to the challenge, that is the Aegis. This program has been cut out entirely in the Senate and we cut $5 million, so unless we put some money back in we will not have anything to bargain with in the Senate. This will provide for a very high degree of accuracy and were we to do it over again I think we would do what the gentleman from Florida is doing.

Mr. SIKES. I appreciate the gentleman's comment.

Mr. Chairman, I ask for an aye vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. Sikes).

The question was taken; and on a division (demanded by Mr. Sikes) there were—ayes 64, noes 16.

So the amendment was agreed to.

AMENDMENT OFFERED BY MR. LEGGETT

Mr. LEGGETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Leggett: Page 5, line 24, after the conclusion of section 201, insert the following new section:

"Sec. 202. No funds authorized to be appropriated under the Act may be used to flight test a Maneuvering Reentry Vehicle (MaRV) on a ballistic missile system."

Mr. LEGGETT. Mr. Chairman, this is the MaRV amendment. We have some charts that are going to be assembled in a few minutes. I think some of my colleagues intend to offer some charts, also.

This amendment will prohibit the testing of nuclear reentry systems after they are MaRVed, not MIRVed. It will not prevent research on MaRV and only includes certain testing on the MaRV missiles for the Trident program should be abated, but this does affect any work not behind that.

This amendment is a very interesting amendment for me, because it does not take 1 dime out of this bill. Before I talk about why national security requires us to prevent MaRV testing, I will spend a minute to describe what MaRV is and what it does. We have heard of the so-called "smart bombs" we used in Vietnam. These look at the target with radar, laser, or visual light and direct themselves to the target. They would home in on the target and they were many times more accurate than dumb bombs that just go down where they are aimed.

MaRV does the same think for a ballistic missile. It is a reentry vehicle. It can be a single warhead, but it will practically always be a MIRV. It will let our missiles improve their accuracy by 10 times, from about two-tenths of a mile to two one-hundredths of a mile.

Russian missiles are considered to be far less accurate and they have a longer way to go. They have an estimated five-tenths of a mile accuracy and the MaRV program would build then up 25-fold in accuracy from the half mile that they currently enjoy.

Now, if I may have the attention of the House, what is wrong with being accurate? What is wrong with being able to hit a target aimed at rather than something else? What is wrong with it is that this improved accuracy does not make much difference in attacking soft targets, such as cities, airfields, or factories, but if we are going to attack hard missile silos, accuracy is tremendously important. What is wrong with attacking silos? The only reason for doing this is if we are going to conduct a first strike. That is when we attack the other side when he does not plan to attack us. We do not plan to do this. It is not our policy to initiate nuclear war.

I think we all agree with this policy. We can never be confident that the Russians are going to take the same attitude. We always have to plan on the assumption that they may want to launch a first strike against us. The entire purpose of a strategic force is to deter the Soviet first strike. We do this by presenting the Russians with absolute certainty that no matter how hard they hit us, we will be able to retaliate and wipe them out. So, by making a first strike more feasible. MaRV does not do us any good because we have no interest in a first strike, but it does give us great concern that the Soviets may attempt a first strike against us.

As Senator McIntyre has said, it is putting a hair trigger—the MaRV program—on nuclear war.

Let me explain exactly how much MaRV will increase Soviet capability. We have been hearing a great deal about the size of their missiles, how big their warheads are, how big their missiles are. If we look at the charts presented to us by the Department of Defense, we see huge pylons representing the Soviet capability and a much smaller pylon representing the U.S. capability.

There is a reason for that. We are not really idiotic on our side, and we do not lack the capability for national defense. We just have a different strategy. Look at the equation on the board we have here:

$$K=\frac{ny^{2/3}}{(CEP)^2}$$

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent Mr. Leggett was allowed to proceed for 5 additional minutes.)

Mr. LEGGETT. The Pentagon uses a formula of kill capability which equates (n), which is the number of warheads; yield to the two-thirds power, because a big explosion only hits the things on the ground and two-thirds of the explosion hits the things in the air and does not really do any damage. Then, the program is proportional to the accuracy, or CEP. squared.

So kill capability equals the number of missiles times the yield to the two-thirds power, divided by the square of the accuracy. So, when we compare the U.S. capability with the Soviet capability, we both have less than the Vladivostok agreed upon 2,400 missiles; we both have less than the Vladivostok agreed upon 1,320 MIRV missiles, but we have more capability than they do, mainly because we have better accuracy.

I include the following:

TABLE 1.—PRESENT PROGRAMS

Missile	Yield, megatons		Accuracy, nautical miles	Warheads		Number of missiles	K	
	Per warhead	Total		Per missile	Total		Per missile	Total
UNITED STATES								
Minuteman III	.017	280	0.2	3	1,650	550	22.1	12,127
Minuteman II	1	450	.3	1	450	450	11.1	5,000
Titan	5	270	.5	1	54	54	11.7	631
Poseidon	.04	198	.3	10	4,960	496	12.8	6,393
Polaris A-3	.6	96	.7	1	160	160	1.5	240
U.S. total		1,294			7,274	1,710		24,391
U.S.S.R.								
SS-9	25	7,200	.7	1	288	288	17.4	5,011
SS-11	1	1,010	1	1	1,010	1,010	1.	1,010
SS-13	1	60	.7	1	60	60	2.	120
SS-8	5	545	1.5	1	109	109	1.3	142
SS-7	5	500	2	1	100	100	.7	70
SS-N-6	1	528	1.5	1	528	528	.4	211
SS-N-8	1	180	.8	1	180	180	1.6	288
U.S.S.R. total		10,023			2,275	2,2[illegible]3		6,852

If we would refer to the chart here, it can be seen that the thing the Pentagon does not use in its charts is function of accuracy. Accuracy is a major determinant of the kill capability formula which we have described. As we have here, we have the current generation of Minuteman missile, nonclassified, having a generally accepted accuracy of 0.2 miles. The Minuteman II capability is 0.3 miles. The Poseidon missile is 0.3 miles. What these accuracies give us is a kill capability for the United States of approximately 24,000 units. We have two MIRV systems. We have small megatonnage, as is indicated in the far column.

The Soviets, on the other hand, have rather large megatonnage, 25 megatons in the SS-9 and a megaton in many of those other systems. But the thing that we ignore is the fact that their accuracy, as we are able to measure it—and I would agree with the gentleman from Florida that we are not precisely able to measure anything that the Soviets have, but we use our maximum intelligence, and our maximum intelligence in taking the guesswork out of things, which is the way we have to plan our national defense—the Soviet kill accuracy is seven-tenths of a mile up to 2 miles, which gives them a total kill capability of 6,000 units, so that today the Pentagon feels rather comfortable with a kill capability balance of 24,000 to 6,000:

TABLE III.—LATE 1980'S

Missile	Yield megatons		Accuracy, nautical miles	Warheads		Number of missiles	K	
	Per warhead	Total		Per missile	Total		Per missile	Total
UNITED STATES								
Minuteman III	0.25	425	0.02	3	1,650	550	2,205	1,212,750
Minuteman II	1	450	.3	1	450	450	11.1	5,000
Titan	5	270	.5	1	54	54	11.7	631
Trident II	.06	345	.02	20	5,760	288	6,500	1,822,000
Trident 1	.06	288	.02	10	4,800	480	3,250	1,560,000
U.S. total		1,765			12,714	1,822		4,650,381
U.S.S.R.								
SS-1[illegible]	2	3,756	.1	6	1,878	313	948	296,724
SS-19	.4	2,417	.1	6	6,042	1,007	324	326,268
SS-1[illegible]	1	60	.7	1	60	60	2.0	120
SS-8	5	545	1.5	1	109	109	.4	142
SS-N-8	1	910	.5	1	910	910	4	3,640
U.S.S.R. total		7,678			8,999	2,39[illegible]		626,894

If we take this chart down and move to the third generation, in this third generation we have MaRV, and we have what we call terminal homing on targets. That means that we can take out anything we want to take out because we get down to a hundred feet or so for the accuracy on the MaRV capability, and using the formula which I referred to in the previous equation, K N times yield to two-thirds power divided by CEP squared, our Minuteman-3, our Minuteman-2, our Trident-2, which we will have, and our Trident-1, this gives us a kill capability, despite——

The CHAIRMAN. The time of the gentleman has expired.

Mr. LEGGETT. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. LEGGETT. The megatonnage that we are using on Trident-2, and Trident-1, about 60 kilotons, is a rather small yield; but when you apply the formula, this gives a kill capability for the Minuteman-3 of 1.6 million units, a kill capability for Trident-2 of 1.8, and of Trident-1, 1.5, or a total kill capability of 5.6 million units.

The Soviet Union would not have MaRV when we do, because they are behind us in a number of highly classified things relating to accuracy, but they would be able to MIRV, they would be able to improve some of their accuracy, but they would still be at one-tenth of a mile at best on most of their programs, and they would have then a kill capability of 725,000 units. And, as the chart indicates, their total program, in comparison to the United States, would be something like this little red line, as compared to this rather large blue line, 725,000 as compared to 5.6 million.

The reason we do not want testing is that we have to presume that if we test a missile, it is deployed; and if we see the Soviets testing MIRV's, we assume that they are deployed. If we see them testing MIRV's out of submarines, we presume they are deployed out of submarines. It no longer becomes a bargaining chip for SALT if we test. We have tested MaRV's, but the MaRV's we have tested are evasive MaRV's. They are not high-accuracy MaRV's. They are not terminal homing. They are not high accuracy. The Soviets know they are not high accuracy.

We have conducted maybe 6 to 10 tests, and we will not be able to test a high-accuracy MaRV for perhaps 4 or 5 years. We are continuing with our research and development for high-accuracy MaRV's. I am not attempting to take out the research and development for high-accuracy MaRV's, but I do believe that we should be able to build up our capability and work up to the brink of testing. If we see the Soviets test, then I suppose we should proceed to test also, because this is highly——

The CHAIRMAN. The time of the gentleman has again expired.

Mr. LEGGETT. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

Mr. DICKINSON. Mr. Chairman, reserving the right to object, does the gentleman think he can conclude in 1 whole minute?

Mr. LEGGETT. Yes, the last minute.

Mr. DICKINSON. Mr Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from California (Mr. LEGGETT)?

There was no objection.

The CHAIRMAN. The gentleman from California (Mr. LEGGETT) is recognized for 1 additional minute.

Mr. LEGGETT. Mr. Chairman, the MaRV is highly destabilizing. We do not need it right now. If we move tomorrow, then the Soviet Union will move tomorrow, and their capability will be many times ours on a MaRV scale. They will go up to 5 or 10 million units, too. What that, then, will make us do is that if we want to avoid a first strike, it will force us into the mobile Minuteman program. The mobile Minuteman program is going to cost probably, according to the Pentagon, $40 billion. If we can avoid going into a $40 billion program, if we can

negotiate our way out of this, and if we can be reasonably secure or certain that this will not all occur, then I think it is well worth doing.

Mr. Chairman, my whole point in this, in an amendment that does not cost any money, is to avoid spending $40 billion in the future and winding up with less security.

Accuracy is as important as the cube of yield, if destroying hard silos is your game. This means that if MaRV is going to improve Soviet accuracy 25 times, this will have the same effect as enlarging their missiles by 25 cubed, which means 15,625 times. Let me repeat that. If the Russians get MaRV, it will do them as much good as making their nuclear warheads 15,625 times bigger.

If they do not have MaRV, there is no way they will be able to get a high-confidence first strike against our ICBM's and our bombers. You have been hearing a lot about the big missiles the Russians have. Well, let me tell you something. With a 1 megaton warhead like they are supposed to have on their new generation of ICBM's and with the three-tenths of a mile accuracy which they may be able to start deploying sometime in the next year or so, they only have a 51 percent possibility of destroying one of our missile silos. But if they get MaRV and get their accuracy down to the point I mentioned a minute ago even a puny little 40-kiloton warhead—we have 10 of these on our Poseidon missiles—they will have better than a 99.9 percent chance of killing a U.S. missile silo. What this means is they will be able to pull their submarines in close to our shores, launch their missiles and in 5 minutes our bombers and our ICBM's will have gone up in smoke.

We would be able to do the same thing with our own MaRV of course. But that won't do us any good since we do not plan to strike first.

So, I hope I have convinced everybody in this Chamber that we do not want Russia to get MaRV. The question is: How do we stop them? Consider this:

First. This can only be done by SALT agreement or treaty.

Second. Neither side is likely to forego MaRV unless it can be convinced the other side is doing likewise.

Third. Since a MaRV missile is externally indistinguishable from a non-MaRV missile, and since a MaRV test is detectable and verifiable, a no-MaRV treaty can be concluded only before either side has tested MaRV.

Fourth. The United States is perhaps 5 years away from first test of a high-accuracy MaRV, and perhaps 10 years away from deployment. The Soviet Union is probably 5 years behind us, as they were on MIRV. We are presently testing other types of MaRV systems which are not highly accurate; they are designed to evade ABM's or antiaircraft missiles, rather than for accuracy. But these systems involve some of the same technology as high-accuracy MaRV; moreover, while it is feasible to distinguish between tests of a MaRV and a non-MaRV, it is difficult to distinguish between tests of a high-accuracy MaRV and an evasive MaRV.

Fifth. Therefore, the longer these tests continue, the less credible are our claims that we do not have a high-accuracy MaRV ready for deployment. Today, the Soviet Union can believe us when we say we do not have the technology for high-accuracy MaRV. By next year, it will be harder to make this claim credible, and the chance of reaching a no-MaRV treaty will be reduced. By the year after that, our chances may be gone entirely.

This is why I regard this amendment as vital, even though it neither adds nor subtracts a cent from the bill.

I should also point up that the only counter to Soviet MaRV would be to replace all of the ICBM's we have spent so much time and money on. We will have to replace them with mobile ICBM's. These will not be as good as what we have now. They will be more complicated and, therefore, less reliable, and we will always be wondering if Soviet spies have pinpointed their location. Moreover, they will not come free: The Defense Department estimates a mobile system will cost around $40 billion, so this bill does involve a great deal of money in the out-years.

Mr. DICKINSON. Mr. Chairman, I move to strike the requisite number of words and rise in opposition to the amendment.

Mr. Chairman, I had anticipated making a rebutal to the argument put forth by the gentleman from California (Mr. LEGGETT), but either I did not understand it correctly or else the gentleman did not explain it correctly because I really do not know what he said.

The gentleman has opposed a number of our basic strategic weapons, such as the Trident submarine. He wanted to take that out. I opposed his position. I am glad to see we did not take it out. He said that it would not save any money; all it would do is wreck the program. He was not successful in that. He wanted to take out the CRAF money, which simply says that we are going to subsidize our commercial airlines in case we have to call on them for a strategic airlift in case of emergency. We do it with merchant ships. We should do it with our air fleet.

Mr. Chairman, the gentleman made one statement which I think is inaccurate when he said he presumes that the Russians are honoring that 2,400-weapon delivery system out of the Vladivostok agreement.

We heard recently in the committee that our people already believe that they have exceeded this by 100 and that they would have to reduce it in order to come into compliance. We have no way of knowing at this time whether this is true or not. Simply put, though, Mr. Chairman, I think this is a very technical matter. As we can see from the very elaborate charts that the gentleman brought in here, it is something that one cannot develop in 5 minutes. It is something that cannot be developed in 50 minutes. It is something that the Research and Development Subcommittee has gone into over a number of years, over many, many meetings.

We have concluded that the Department of Defense is substantially correct in asking for this money to go forward with the program. We think it is absolutely essential in our national interests, in our strategic defense and offense. We think it is absolutely essential to have the capability or the threat of the capability, to use in our negotiations with the Russians, in the SALT negotiations.

I think, Mr. Chairman and members of the committee, without spending a great deal more time on this, we have to put our confidence and our trust somewhere. I think it has been demonstrated in the past that our trust and our confidence is well placed in the committee of the Congress that is given this responsibility, that is, the House Committee on Armed Services, where there are Members who have developed expertise, who are interested, and are knowledgeable.

I can just simply say, Mr. Chairman, that I think the House would be making a terrible mistake to adopt the gentleman's amendment. I think it is not in the best interests of the country, and I would certainly hope that the House would vote the amendment down.

Mr. BINGHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this amendment, although it does not carry immediate financial implications, I think perhaps offers potentially the greatest savings of any of the amendments that we will be considering in the course of the consideration of this bill.

I commend the gentleman from California (Mr. LEGGETT) for his work on this amendment; he has put a tremendous amount of time and study into it.

The importance of this amendment is down the road. If this MaRV system is developed by both sides—and make no mistake, if it is developed by the United States and deployed, then it will be developed and deployed by the other side—this will lead to a whole new stage of the arms race, a whole generation of new weapons with a dangerously destabilizing effect. Because if the MaRV is deployed by both sides, then in order to defend against the first-strike threat of such a system, we will have to develop fantastically expensive new systems. And it will have been our fault because we took the initiative and tested and deployed the MaRV.

The key to this nightmare, if we are to stop it, is to arrive at an agreement with the Soviet Union that will prohibit MaRV testing.

Today in Vienna Secretary Kissinger is wrestling with the problem of giving effect to the limitation of MIRVed weapons that was agreed to at Vladivostok. The difficulty is that, once the testing phase is over, verification of any limiting agreement becomes a major problem. It may well be impossible to verify the deployment of such weapons as MIRV and MaRV once they have been tested. Once you pass the testing stage you have crossed the Rubicon. You then have lost the opportunity to say "no" to that sys-

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tem on a mutual basis with our adversaries, and so the arms race reaches new levels.

For these reasons, this may well be the most important amendment that we will be considering today. Fortunately, is timely. We have time to develop an agreement on this subject. If we start by deciding that the United States is not going to initiate testing, that gives us the opportunity to agree on a mutual restraint and stop this whole frightening quantum jump in the arms race.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from California.

Mr. LEGGETT. Mr. Chairman, I want to commend the gentleman from New York for his insight in this total matter.

May I say this: That as I understand it, under the amendment, we have a limitation on testing that would not preclude spending rather large amounts of money in developing the research capability on MaRV other than testing.

Mr. BINGHAM. Yes.

Mr. LEGGETT. So that we could build MaRV up to the point where we could test it on a moment's notice, so to speak.

But the gentleman from New York, I know, has been very much concerned with the SALT agreement, and as to what is bargainable, and what is not.

I believe it was Secretary Kissinger who, at one point, threw up his hands and said "he wished he had never heard of MIRV." Is that correct?

Mr. BINGHAM. So I understand.

I think we missed an opportunity when we failed to arrive at an agreement not to test MIRV's. Now we are facing the same question with respect to MaRV. Let us set a limit on MaRV while such a limit is still verifiable.

I thank the gentleman for his comments.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I am most anxious to understand this, and I do not think I do.

If we decide not to test MaRV's, is there any indication that the Russians will also decide not to test MaRV's? Would we be in a more favorable position to urge them not to do so if we test the weapons, and then limited their deployment? Or if we decided against testing the MaRV, could they develop the weapon, even if we had an agreement with them not to do it?

Mr. BINGHAM. As I understand the significance of the amendment offered by the gentleman from California, the withholding of testing on our side would be conditioned on there being worked out an agreement so that both sides would withhold from testing. We would take that step indicating that we would expect to enter into an agreement with the Soviets to do the same.

Mr. LEGGETT. Mr. Chairman, if the gentleman will yield further, I will be glad to try to answer the same question.

It so happens that MaRV is what we call a nonverifiable weapon. You cannot verify it once a MaRV weapon is deployed. So it is important that we deal with the testing question very precisely, because once a thing such as this is known to be tested, then the family of nations, that is, the United States and the Soviet Union, presume that a thing that is tested is deployed since it is not verifiable. We can verify silos, so we know the number, but those missiles that are large enough to carry a MIRV we have to presume that since the Soviet Union is testing a MIRV that then every single one of the MIRV-sized silos has a MIRV capability, whether or not there is a MIRV there or not.

So it is important that we not test MaRV, and then agree not to use it, because once it is tested, notwithstanding anything to the contrary, the system is presumed to be deployed and is then not bargainable in SALT.

Mrs. FENWICK. Can we determine whether it has been tested?

Mr. LEGGETT. Yes.

Mr. BINGHAM. That is verifiable.

Mr. HICKS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I think it is worthwhile that this amendment be brought up because I think that this House ought to discuss strategy and policy a bit, and this is the way that it can be done.

What the gentleman from California (Mr. Leggett) said was that we were 5 years ahead of the Soviets, and he said we ought to wait and let them catch up with us before we go forward. In effect he is saying, during that time maybe we are going to get them to agree that they are not going to go forward with the system.

Let us look at the history. When I first came here 10 years ago and became a member of the Committee on Armed Services, we determined that we were going to build a thousand missiles—1,054—and we were not going to build any more than that. We let the Soviets know that. That became an established fact for years. The Soviets at that time had 200 or 300 missiles, something of that nature, and the idea was they would build up equal to ours, and we were going to let them have parity, and it was not going to go any farther than that.

What actually happened? Did they stop at that amount? The missiles they not only built bigger, but they built almost twice as many. They got up to about 1,800. What reason do we have to believe that they will do any differently this time? If we are ahead, why should we not stay ahead?

Mr. Leggett says, and Mr. Bingham says that we have got all this future arms race. We are going to have a future arms race forever until we get some kind of agreement some place along the line not to have an arms race.

Are we going to say we are not going to test lasers, for example? That is a future weapon we are going to have some time. Are we going to say we are not going to test gas, for example? I do not think we should deploy it; I do not think we should produce it; but certainly we ought to test any of these weapons as far as we possibly can.

If the Soviets know our capability for testing, if they want to come forward and say, "Don't test MaRV, and we will not test it," if they want to table some such kind of a motion, then we can look at it and we can agree to it. But they never do that.

The only time they come in and want to enter into any kind of agreement with us is when they are ahead. I think we ought to maintain our lead. I do not think we should say we are 5 years ahead: let us wait until they catch up with us. Then they get ahead, and at that point we wonder, What can we do about the situation?

It is the same thing with missiles in the ground; it is the same thing with airplanes; it is the same thing with every weapon I have heard anything about. The amendment of the gentleman from California should be rejected.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. HICKS. I yield to the gentleman from Missouri.

Mr. ICHORD. I thank the gentleman for yielding.

I want to commend the gentleman in the well for the remarks he just made and join with him.

The distinguished gentlewoman from New Jersey (Mrs. Fenwick) has asked a question which has yet to be answered.

The gentleman from California went over a very interesting formula, which we have covered in the committee: The K unit formula. K is equal to NY to the two-thirds power over the square of CEP. But there is nothing, I would say in that formula that would give us some assurance that the Russians will not test MARV, and certainly the gentlewoman makes a very valid point when she says we would be in a much better position if we went ahead with MARV, as opposed to giving it up unilaterally, to get the Russians to enter into an agreement. The question has not been answered by the gentleman from California.

Mr. HICKS. I could not agree more with the gentleman and with the gentlewoman.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. HICKS. I yield to the gentleman if I have any time left.

Mr. LEGGETT. I thank the gentleman for yielding.

Apparently the gavel has not sounded yet.

I would just like to say the gentleman has indicated that it would be worthwhile to reach agreeemnt on MARV. It would not seem to be that the Soviets have much inclination today to make an agreement.

I think the gentleman is probably correct because perhaps they do not fully understand the ramifications of it.

Mr. HICKS. I would not make that assumption.

Mr. LEGGETT. I do not know what

assumption the gentleman has made but he indicates he does not believe that.

Mr. HICKS. No, I would not make the assumption they do not understand the ramifications of it. I do agree with the other assumptions.

Mr. LEGGETT. The gentleman does agree that though once a program is tested in the atmosphere it is detectable and once it is detected we have to presume for bargaining purposes that it is deployed if there is no agreement on it.

Mr. HICKS. That is correct.

Mr. WAGGONNER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, yesterday and until this point in time today we have had a series of amendments which have been offered. Yesterday the amendments followed two patterns and they continued until this amendment today to follow the same patterns.

There was first the idea that it was all right to do research and development but we should not put anything beyond that which we have into production and we should not obligate any additional dollars for production or for procurement for that matter of fact.

Then the other course which amendments took was that we should not engage in research and development in certain instances because we did not need the weapons that this money was to be spent for.

Now this amendment comes along and the philosophy of this amendment is: Let us not do anything to improve that which we already have.

So if we consider all these ideas we are saying: Let us not build anything new. Let us not develop anything new. And now, let us not improve anything we have got.

The end result of that attitude is that we wind up with nothing and that is where we cannot afford to go. We cannot afford to assume the position that we do not need anything.

The philosophy of the amendment offered by the gentleman from California (Mr. Leggett) is, as I understand it, the MaRV, the maneuverable reentry vehicles, as far as we are concerned should not be improved because of a difference in philosophies which has to this point in time provided for us an advantage. The Russian philosophy is more throw weight, a higher megatonnage, and the gentleman says as a result of that and the difference in tonnage on their part their vehicles and their guidance systems are not as accurate as ours.

We have chosen another route of less throw weight, smaller megatonnage, and higher accuracy. The gentleman says since we are more accurate now than they are we have got a gap, so let us just leave it where it is.

It is pretty much the same question which was asked by the gentlewoman from New Jersey (Mrs. Fenwick): How do we know, what assurances are there that the Russians are going to leave us ahead if we attempt to stand still? This we cannot afford to do with the advantage we have now as far as accuracy is concerned.

I am glad the gentleman asked the last question of the gentleman from Washington (Mr. Hicks), because the gentleman admitted himself that we have no assurances that if we stood still the Russians would. When he reads the Record back tomorrow that is exactly what it is going to say unless he edits his remarks.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. I yield to the gentleman from California.

Mr. LEGGETT. Mr. Chairman, all I said was that this system was not verifiable, and that once a test was made that was verifiable we had to presume that those systems were deployed, and I think that is exactly the situation. Let the record show that these remarks have not been edited.

Mr. WAGGONNER. The gentleman further concluded his own remarks a few moments ago with at least four "if's." We cannot base our action upon the "if's" when the Russians control the "if's": If we do this, if we do that, if they do not do this, if they do not do that. He predicated his amendment on those if's. My friend, the "if's" the Russians control, we do not control.

We simply must improve this system. We have got to maintain the lead we have now. Our philosophy is different. Can you imagine where we would be with a smaller throw weight, less throw weight, smaller megatonnage, and less accuracy in comparison with the Russians with more throw weight, more megatonnage and the same accuracy?

Mr. BOB WILSON. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. I yield to the gentleman from California.

Mr. BOB WILSON. Mr. Chairman, this amendment reminds me of the Nuclear Test Ban Treaty we entered into with the Russians. I was in that back in the sixties and the reason we were trying to negotiate a treaty to prevent the use of large megaton weapons was that the Russians were about to test large megaton weapons and we were not. Yet just at the time we were talking about a treaty, they tested their superbomb, a 25-megaton weapon. The biggest one we ever tested was a 5-megaton weapon. They have tested their weapon. They know whether it works and how it works on these larger superbombs. We are stuck under the Nuclear Bomb Treaty with small megaton warheads. We need this kind of capability to be even with the Russians larger warheads. It is wrong to end our testing in this new technology.

Mr. WAGGONNER. Mr. Chairman, the philosophy is, "Don't build, don't buy, don't test, and now don't improve."

We cannot afford not to improve. We must vote this amendment down.

Mr. MAGUIRE. Mr. Chairman, I move to strike the requisite numbers of words.

Mr. DOWNEY of New York. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Eighty-five Members are present, not a quorum.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its sitting.

Mr. MAGUIRE. Mr. Chairman, I think the matter that we are discussing right now is probably the most important matter that this Committee will consider on the defense authorization budget. That is because we are here deciding whether or not to take a step which, if we take it, has the potential for undermining the mutual deterrence system on which our defense posture has been founded for the last 20 years.

Mutual deterrence is based on the capacity of our country, and of the Soviet Union, each to respond with overwhelming force if attacked. This is called a second-strike capability. Each side has this capability. It comes into play regardless of what first strike may be made. First strikes are not attempted because they cannot be successful. Each side knowing that if it does strike first it will suffer the disastrous consequences of a nuclear second strike against its own land and people. This mutual second strike capability is the very core of the balance of power system on which our defense has been based for many, many years.

If we go ahead now to test a system, the MaRV which would give us the capacity to knock out the Soviet Union's second-strike capability, there will be two results from that. First, we make this world a much more dangerous place. We do not improve our national security. We undermine our national security. Second, by jeopardizing the effectiveness of every expenditure that this country has made on military security in the last 20 years, we produce a situation in which it may be necessary for us and for the Soviets in future years to move to entirely new levels of mutually destructive weaponry in a futile effort to restore the security balance we have today, but which we will lose if we undermine the principless of mutual deterrence.

This amendment is essential if we are going to protect and preserve the defense posture which we have constructed in this country over a number of years, and on which all our strategic policies have been based. This amendment is essential if we are going to preserve the possibility of achieving meaningful arms control agreements which will enhance our national security.

There is no way, by proceeding with MaRV, that we can improve our national security. Instead we would undermine our national security and make it extremely difficult for us to control the spiraling arms race.

I would urge this Committee to adopt

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this amendment today because so much is at stake.

Mr. DOWNEY of New York. Mr. Chairman, will the gentleman yield?

Mr. MAGUIRE. I will be glad to yield to the gentleman from New York.

Mr. DOWNEY of New York. I thank the gentleman for yielding.

Mr. Chairman, I would just like to commend the gentleman from New Jersey (Mr. Maguire) on his perception and understanding of this very complex issue.

I think the gentleman has highlighted most notably the fact that MaRV is a very destabilizing situation, no matter who has the capability.

Mr. MAGUIRE. Mr. Chairman, I thank the gentleman. The point is that it destabilizes; and second, we do not need it because the Soviets do not have the capability to defend against our existing strike capability.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. MAGUIRE. I will be glad to yield to the gentleman from California.

Mr. LEGGETT. I thank the gentleman for yielding.

Mr. Chairman, I want to commend the gentleman. I understand the amendment, and I am sure the gentleman does. This cannot affect research and development for MaRV.

Mr. MAGUIRE. That is correct.

Mr. LEGGETT. The United States and the Soviets can go ahead and do their research and development for MaRV. All this does is maintain our options for bargaining with the Soviet Union, so that this is a bargainable item. Is that not right?

Mr. MAGUIRE. That is correct. We preserve every bit of leverage that we would want to have, but we do not take the fatal step which would undermine everything we have accomplished so far.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. Seiberling and by unanimous consent, Mr. Maguire was allowed to proceed for 1 additional minute.)

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. MAGUIRE. I will be happy to yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I want to commend the gentleman for his exceptionally fine statement. I want also to commend the gentleman from California (Mr. Leggett) for an absolutely brilliant exposition of this whole subject.

Mr. Chairman, I would simply add that it is tragic that we are here dealing with undoubtedly the most important amendment on this bill, and one of the most awesome responsibilities that the Congress will face, not alone in this session, but perhaps in our lifetime—and there probably are not 100 people in the House listening to this argument. This is probably the most crucial decision that Members of Congress will ever make in their lifetime, and yet here we are with an almost empty House.

Mr. MAGUIRE. I agree with the gentleman. I cannot think of anything that would be more disastrous to our national security than for us to help create a situation in which each side feels compelled to develop a foolproof first strike capability and then, once it is developed, to use that capability before the other side moves first.

Mr. WEAVER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, we must realize that every weapon we add to our military arsenal does not strengthen us. Some weapons we add weaken us. They might weaken us militarily, they might weaken use economically. I believe MaRV weakens us in both ways, militarily and economically.

Mr. Chairman, I speak today on how MaRV will weaken us economically. I want to address myself to those Members who are cost conscious, who are opposed to budget-busting, who are deeply concerned about inflation.

We all know proper defense spending is essential. But what we do not realize is that military spending puts a terrible inflationary burden on our economy, for this simple reason: Military spending produces goods that are not, we pray, consumed.

A dollar for building a freight car creates jobs. The freight car then earns more dollars and creates more jobs carrying freight, but a dollar spent on missiles stops there. Missiles do not carry coal and do not generate electricity. People cannot live in them. In other words, for every such dollar spent, there is no further economic benefit, and the costs of MaRV are the most inflationary costs of all. They are staggering.

MaRV means the loss of hundreds of thousands of jobs. It means decreased buying power. It means budget-busting, and I will explain why. If we test MaRV, the Soviets will be forced to test MaRV. If the Soviets deploy MaRV, it will make our present ICBM's obsolete because they can then hit our ICBM's on the button, as we, of course, could theirs; and we will have to replace our entire ICBM position.

What will that cost us? Here are the Defense Department figures. These go to the year 2000.

Our present ICBM's will cost us $8.9 billion to maintain to the year 2000, but if we must replace them, as MaRV will force us to do, then it is going to cost us—and these are Defense Department figures—$40 billion. We will have MaRV, and I am not even cranking that into the cost. We will have to put up a totally new ICBM system on freight cars, and trundle them around. Believe me, members of the committee, this will not be cheap.

This is the present ICBM cost to the year 2000. If we deploy MaRV, this is what we are going to be spending. This is what we are going to be voting on today.

Where will that $40 billion come from? These are figures from a Yale economist. They deduct the $8.9 billion, leaving us $31 billion. More than $13 billion of this will be in personal consumption loss. If the Members vote against this amendment, they are voting for a loss of $13 billion of personal consumption in this country. It will mean $2.1 billion for nonresidential structures such as factories; $3.4 billion for producers' durable equipment; that is, machines, dies, and tools; $3.5 billion for residential housing; $1.3 billion for civil purchases; $3.9 billion in State and local government purchases; $3 billion in airports; and $775 million in imports.

One more thing about the $31 billion figure: It assumes we need the MaRV. The MaRV is a very bad deal for our security. Testing the MaRV is a threat to our security.

The CHAIRMAN. The time of the gentleman from Oregon (Mr. Weaver) has expired.

(By unanimous consent, Mr. Weaver was allowed to proceed for 1 additional minute.)

Mr. WEAVER. Let us remember why we were sent here. Let us resist the temptation to give the Pentagon everything it wants. Let us pass this amendment.

Mr. RHODES. Mr. Chairman, will the gentleman yield?

Mr. WEAVER. I yield to the gentleman from Arizona.

Mr. RHODES. As I understand the gentleman's thesis, it is that if the Russians develop MaRV, it will be necessary for us to replace our whole Minuteman structure or system and come up with some other system of ICBM's; is that correct?

Mr. WEAVER. That is correct.

Mr. RHODES. This would be true if the Russians get a MaRV, whether we have one or we do not; is that not correct?

Mr. WEAVER. We can detect immediately if the Russians are testing MaRV's, and we can move immediately then to test our MaRV.

Mr. RHODES. That would be true if we were far enough along in research and development.

Mr. WEAVER. This amendment will not stop research and development one bit. Research and development continues right up to the testing point.

Mr. RHODES. May I ask the gentleman how anybody knows whether research and development has been successful without testing. It has always seemed to me that it is like love and marriage: we cannot have one without the other.

Mr. WEAVER. We can go up to that point where we are going to test. The Army has to make the decision as to when they want to test, and at that point we stop.

Mr. RHODES. And then, of course, if you have been on the wrong track you have to start all over again because you do not know if you are on the wrong track until you test it and find that you have a dud. You cannot do it any other way. There is no way you can develop a weapons system that way.

Mr. WEAVER. And neither can the Russians, or others that do not test the MaRV. We say we will not test this, and then all we have to do is not test it.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. White, and by unanimous consent, Mr. Weaver was allowed to proceed for 2 additional minutes.)

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. WEAVER. I yield to the gentleman from Texas.

Mr. WHITE. Mr. Chairman, I would ask the gentleman from Oregon (Mr. Weaver) does the gentleman believe that if our country did not test, or did not develop MaRV further, that the Russians would stop developing the MaRV system themselves?

Mr. WEAVER. I can only feel that there is a good chance they will. If they do not, then we do not. If they do, then we will go ahead and test it.

Mr. WHITE. I might say that the history of the Soviet military machine has not indicated that they would stop at all. If we really want to eliminate MaRV from the world scene does the gentleman not think that, in fact, we should go forward so that we have some bargaining power at the table?

Mr. WEAVER. Mr. Chairman, may I say to the gentleman from Texas that the minute we test this program then we lose all the bargaining power that we possibly could have, because at that time nobody can verify whether we are deploying it or not. So therefore they have to assume we have it, and we cannot give it away at the bargaining table; it is impossible—but we can do so before we test it. We can agree with the Russians that we will not test it if they will agree that they will not test it. But once we test it then we lose the bargaining potential at this level.

Mr. WHITE. If the gentleman will yield further, I might just add that I have had some experience at the negotiating table. I have negotiated a few times, and I have never gone to the negotiating table without something in my hand that the other side wanted, some pressure that would force them to come to some agreement. So the best thing I would say to do would be to go ahead with the MaRV; that will be the pressure, and they will be compelled to agree.

Mr. WEAVER. The pressure is to test it. If we test it, then we are lost.

Mr. LEGGETT. Mr. Chairman, if the gentleman will yield further, it is my understanding that we are not suggesting in this amendment that we cannot move ahead with the MaRV, we can move ahead with the MaRV. Our committee undoubtedly over the next 4 or 5 years is probably going to be considering maybe $1 billion worth of expenditures on this program.

What we do suggest is that we do not, atmospherically, test it, because at that point we are at the point of no return, where it can no longer be used for détente, and the Soviets will undoubtedly do their best on this.

Mr. STARK. Mr. Chairman, I move to strike the requisite number of words.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. STARK. I am happy to yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, I rise in support of this amendment.

Mr. Chairman, this amendment is one which opponents of defense cut amendments can support. It involves no cut in defense spending and no cut in R. & D. It simply prohibits the testing of MaRV's.

In 1971, Senator Stennis, chairman of the Senate Armed Services Committee, said the following about counterforce improvements:

> We do not need this type of improvements in payload and guidance now . . . our accuracy is already sufficiently good to enable us to attack any kind of target we want and to avoid collateral damage to cities. The only reason to undertake this type of program is to be able to destroy enemy missiles in their silos before they are launched. This means a U.S. strike first. . . ."

More recently, in testimony before the Senate Foreign Relations Committee, Secretary Kissinger stated that "he wished he had never heard of MIRV." If we go ahead with the MaRV program 10 years from now future Secretaries of State will be saying even more fervently, "I wish I had never heard of MaRV."

The purpose of this amendment—to prohibit testing of MaRV—is to assure the Russians that we have no immediate intention of deploying MaRV, even though through the continuing R. & D. program we preserve that option should arms control efforts fail. However, going ahead now with testing of MaRV's and other increased-accuracy programs which give us a capability extremely close to a first strike, will seriously damage the progress toward a substantial SALT agreement and dangerously accelerate the arms race.

Of the variety of defense issues before the Nation this year, the most pressing is the proposal by Secretary Schlesinger to develop a counterforce capability which, over the course of the coming years, will require the expenditure of several tens of billions of dollars. A counterforce capability means an American missile force capable of attacking Russian missiles in their silos, rather than population centers and industrial targets.

Although a counterforce strategy was analyzed and rejected by Secretary MacNamara in the early sixties, the current administration claims that it is now necessary so that the United States can respond in kind to a limited Russian nuclear attack on American land-based missiles. No even remotely credible scenario under which a Russian Government would assume the incalculable risk of such an attack has ever been presented to the Congress or the American public. The administration's request is, therefore, expensive and unnecessary.

Nor do I believe that the concept of a "clean," "controlled" nuclear war involving "few" civilian casualties is anything more than an arcane intellectual exercise with little or no connection to the real world. Acquiring the counterforce capability necessary to implement such a strategy would, therefore, also be extremely dangerous, since it would blur the heretofore distinct line between a thinkable conventional war and the unthinkable disaster of nuclear conflict.

Any policy which makes the use of nuclear weapons more conceivable, is not only destabilizing in the context of the superpower relationship, but has serious implications for the control of the spread of nuclear weapons to the rest of the world.

Mr. STARK. Mr. Chairman, I would just like to talk a little bit about the purpose that we all ought to look at in a military authorization bill, and that is to determine whether we really think we are here to provide the Pentagon brass with whatever new toys they want, just like the Tooth Fairy—there is plenty of evidence for that.

Are we here to serve the cause of increased technology no matter what its outcome or its purpose, just because it is possible to build something that will enable us to kill more people more quickly? There is a lot of evidence for that, too.

Or are we here to define national security interests that will protect us from aggression and perhaps allow us and our children to live in peace for some indeterminate length of time? From the Department of Defense there is not much in evidence that they are interested in that, seeing that over the past 15 years they caused 55,000 Americans to be killed, and threw away $150 billion worth of our material resources.

I suppose there are many in this Chamber who voted for legislation to enable this country to do things who would not have voted that way had they been able to look back at the history of Vietnam from the position they can today. Once the Members vote to defeat this amendment, they cannot turn back; it is too late. It has been said time and time again here that we are giving that bargaining chip away. We are going to hear arguments later on in this bill that we ought to save the bargaining chip of keeping troops in Europe. Why is it that the bargaining chips we always want to save are the bargaining chips that are going to cause us to spend more money with the Department of Defense and defense contractors; and never the bargaining chips that may do something to bring peace, and perhaps back us away from the headlong race we are making toward nuclear war?

I might suggest—and it is presumptuous of me to question the research that the Department of Defense has already done—we can skip all of this palaver and get down to the fact that we have the capability to blow the whole world apart, and we can blow it apart in a watermelon size. So why do we not say to the Russians, "Look, if you don't do what we like, we will just push the button and kill us all tomorrow." We can argue for days and days whether we want to blow the world apart in watermelon size, in a rock size, or in a fist size, but we can do that. We have the technology.

We have not tested it all, but I would hope that the Committee on Armed Services would be there when we do.

In technological terms the MaRV is a great weapon for somebody who wants to launch a nuclear war. It is absolutely nothing for somebody who wants to prevent a war. We have been reassured, I think, that the research and development of MaRV will go on, but we are getting to the point of cutting away. We have got a sword of Damocles. I agree with the gentlemen who are concerned

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with our retaliatory posture and our defense posture as the best preventive for an all-out nuclear war, but that sword that hangs over us hangs by three threads. If we vote against this amendment, we cut away two of the three threads that are there that can prevent the nuclear war.

I want to know whether the Members want to go home and tell their voters that we learned something from the Vietnam war, and that we are bright enough in this body to learn by our mistakes, and that we have learned the good commonsense to stop sometimes before it is too late, because by voting for the MaRV, we cut away the two threads, the manned bomber and the ICBM, and we hang in the balance, the survival of our Nation, and the prevention of an all-out atomic war by this one weapons system.

I am not sure that we all want to do that. I urge my colleagues to think about it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DOWNEY of New York. Mr. Chairman, I move to strike the requisite number of words, and I rise in favor of the amendment.

The gentleman from New York (Mr. PIKE) yesterday stood in this well and talked about some of the things we should be talking about as a Congress, and the debate that should be going on in the public arena on what we spend our arms money for, and what that money is buying. MaRV testing happens to be one of those crucial issues.

We were talking about what MaRV does. It is a high-accuracy warhead. What it gives us the ability to do, and this is another appropriate defense acronym, is kiss Soviet hard targets, kiss them with our own missiles, which means they can be destroyed. This gives us what Secretary of Defense Schlesinger commonly refers to as a counterforce capability. Rather than just being able to respond to the U.S.S.R. in a massive retaliatory manner, we are now being provided with the option of destroying some of their missiles, some of their bomber sites, and some of their cities, if we want to.

The way the Secretary characterized this is by simply saying, "We can always get on the phone and call the Soviet Union and say, 'Do you see those 15 missiles you have on your radar? Well, those are only aimed at your ICBM silos and a few of your bomber bases. Do not be upset; we have not targeted any of your cities'." This is counterforce."

This is what we are talking about when we talk about high-accuracy weapons. We are talking about counterforce, and we are talking about first strike capability. If we want to test this in the atmosphere—and once we test it, we will ultimately deploy it—then we are assured that the Soviet Union is going to say, "Aha." Since they look at us with the same suspicion as we look at them, they are going to look at us with our Trident submarine with its expanded missile and say, "Those SLBM's cannot only destroy all our hard targets, they can destroy our cities and industrial bases and we must respond."

We have got to move ahead. We have got to move ahead to counter these destabilizing programs.

Maybe MaRV is a capability we should have. Maybe we ought to have a first strike and a counterforce. That is what we must discuss in this Congress. We are not discussing who is ahead or why. We are ahead, far ahead. The question is today: Do you want to say we have the power and the will to say to the Soviet Union: "Look, we are ahead of you, far ahead of you, but we want to slow down the arms race. We do not want this technology to reap a harvest of destruction on us as it ultimately might."

We can do this today simply by preventing the testing of MaRV. We are ahead of the Soviet Union in technology. We do not lose anything. We would be negotiating from a position of strength.

Mr. RANDALL. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY of New York. I yield to the gentleman from Missouri.

Mr. RANDALL. Mr. Chairman, the fallacy of the gentleman's argument lies in some of the gentleman's claims. The fact is that MaRV has never been raised in the SALT talks. It has never been seriously discussed in the SALT deliberations.

Mr. DOWNEY of New York. There are two points I would like to comment on. It has been raised at the SALT talks. Our Ambassador, Mr. Johnson himself said it had been raised. We discussed it briefly with the Russians.

The question is whether we are ahead, which I think should be discussed. Without getting into details, we cannot test the MaRV unless you have the technology to test and deploy MIRV. The Soviets cannot do that. They have tested it on their ICBM's but not on their SLBM's.

Mr. RANDALL. But the fact remains we have no assurances. Whatever is alleged is pure speculation and conjecture.

Mr. DOWNEY of New York. We have assurances.

Mr. RHODES. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY of New York. I yield to the minority leader.

Mr. RHODES. Mr. Chairman, actually the Soviet Union now has a first strike capability because of their weapons system. Is that correct?

Mr. DOWNEY of New York. No, it is not correct. I will explain that.

Mr. RHODES. This is the first time I have heard that.

Mr. DOWNEY of New York. The fact is their weapons are bigger and their megatonnage is greater but it does not give them the ability to destroy our silos. Only high accuracy gives them that capability. Their warheads are not accurate enough to come within 200 feet of a silo. That is how accurate their warheads must be to have a first strike capability.

Mr. RHODES. The gentleman is giving me some information I have not had before.

Mr. DOWNEY of New York. But the gentleman can get this from the Department of Defense. They will be happy to tell the gentleman. I am sure the gentleman can ask the President. He would tell the gentleman.

Mr. RHODES. If the gentleman will yield further, I think I should inform the gentleman I served on the Defense Appropriations Subcommittee and I think it was pretty well acknowledged at that time that the ability the Russians had on launching pads did give them a first strike capability over and above the Minuteman.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield at that point?

The CHAIRMAN. The time of the gentleman from New York has expired.

(By unanimous consent, Mr. DOWNEY of New York was allowed to proceed for 3 additional minutes.)

Mr. DOWNEY of New York. I yield to the gentleman from California.

Mr. LEGGETT. Mr. Chairman, the gentleman on the minority side, the minority leader was talking to the youngest Member of the House who made a brilliant debate on behalf of my amendment, but the minority leader attempted to take some unfair advantage in talking about a little bit of historical perspective.

We have never ever considered that the Soviet Union has had a first strike capability against the United States and the gentleman, astute member of the Appropriations Committee as he was, knows that.

The threat at all times was that the Soviets might be able to get a first strike and we were attempting over the past decade through the things we were doing to hedge against that first strike. That is why we had the ABM program and a number of other things, but at no time up to this point do they, the Soviets, have a first strike, and they do not nearly have it now, and the gentleman knows that fact.

Mr. RHODES. If the gentleman will yield, the gentleman from New York was talking about a 5-megaton capability on Russian missiles and we all know and I am sure the gentleman from California knows full well they have missiles with megatonnage capacity far in excess of the 5 megatons and they can use them.

Mr. DOWNEY of New York. Mr. Chairman, I will take some of my time back from the esteemed minority leader, if I might.

Mr. RHODES. We cannot now settle the first strike capability, but it is my opinion they do have an advantage and all we are trying to do is counter an advantage which is in existence.

Mr. DOWNEY of New York. Mr. Chairman, if I may respond to the minority leader, let us assume that the Soviets have built on to the SS–9, a 25-ton warhead, which they are phasing out because it is obsolete. It has been this Nation's policy and, it is a wise policy, to have smaller, more accurate warheads. As a result of this policy we are 5 to 6 years ahead of the Soviet Union in accuracy. Accuracy is the most important criterion in determining whether one side or the other has a first strike capability.

The gentleman from Arizona is aware of the formula $K = NY$ two-thirds/(CEP)^2 and the gentleman understands that the megatonnage equivalence is more important for determining lethality than gross megatonnage. And more important than megaton equivalents is accuracy. The Soviet warheads are bigger. Ours are more accurate. Ours are more potent. If anyone is close to a first strike capability, we are.

Mr. MAGUIRE. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY of New York. I yield to the gentleman from New Jersey.

Mr. MAGUIRE. I thank the gentleman for yielding. Mr. Chairman, by definition there is no first-strike capability by the Soviets if their first strike is incapable of wiping out our ability to respond with overwhelming force. We have the submarines. We have the missiles. There is no way they can wipe those out in a first strike. Therefore, they do not have a first-strike capability.

Mr. DOWNEY of New York. The gentleman is correct. The Soviets at the present time do not have a first-strike capability, neither do we.

Ms. ABZUG. Mr. Chairman, I support the amendment offered by Mr. LEGGETT, to prohibit testing of MaRV. These maneuvering re-entry vehicles are the key to the whole new posture that Secretary Schlesinger instigated last year—a strategy that, however disguised, puts us in a first-strike posture.

The improvement in accuracy of our missiles would remove the protection for the whole world, of the knowledge that the United States and the U.S.S.R. hold each other's cities hostage, so neither can strike first. If we now build the capacity to destroy the Soviets' protective missiles with deadly accuracy, they can react in only one way—by preparing to destroy ours. Thus both will have first-strike capacity and both will be the losers.

When pressed, the Secretary acknowledges that we already have the capacity to hit Soviet missile silos, airfields, and other sites, as well as cities. At a secret briefing on counterforce attacks, made public January 10, 1975, the Secretary said—page 39:

> The change in targeting doctrine can be implemented without the procurement of any additional weapons . . . we could have selective responses even if we had a smaller force structure than we presently have, and with no greater yields.

Then why, we may ask, are we spending millions now on programs that will eventually cost billions? The aim, apparently, is to influence Soviet perceptions of our intentions. Perception is the Secretary's favorite word. He seems to feel that if the Soviets perceive that we are sharpening our weapons, they will be intimidated. At the same time, he tells us we must sharpen our weapons because we are intimidated, believing that the Soviets may make improvements in one area in a decade or two. The logic escapes me.

I believe that the Soviets—and the rest of the world—would perceive our peaceful intentions a lot more clearly if they saw us making a gesture to reduce our nuclear stockpiles. This is what the Vladivostok agreement was all about, but so far neither side has taken a step to reduce any nuclear stockpiles. The United States has far the greatest number: each of the three components of our Armed Forces could level the Soviet Union many times over. Therefore we must be the first to forego so-called improvements, and begin to make some real reductions.

This amendment unfortunately does not cut out the research and development that began last year, but it does prohibit the testing of this monstrosity. That is a start, and I urge my colleagues to support it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. LEGGETT).

The question was taken; and the Chair announced that the noes appeared to have it.

RECORDED VOTE

Mr. LEGGETT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 124, noes 276, not voting 33, as follows:

[Roll No. 228]

AYES—124

Abzug
Adams
Addabbo
Ambro
Anderson, Calif.
Aspin
AuCoin
Badillo
Beard, R.I.
Bedell
Bingham
Blouin
Bonker
Brademas
Brodhead
Brown, Calif.
Burke, Calif.
Burton, John
Burton, Phillip
Carney
Carr
Chisholm
Clay
Collins, Ill.
Conyers
Corman
Cornell
Dellums
Diggs
Dodd
Downey
Drinan
Eckhardt
Edgar
Edwards, Calif.
Fascell
Ford, Mich.
Ford, Tenn.
Forsythe
Fraser
Fulton
Green
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Hechler, W. Va.
Helstoski
Holland
Holtzman
Howard
Hungate
Jacobs
Jenrette
Johnson, Colo.
Jones, N.C.
Kastenmeier
Keys
Koch
Krebs
LaFalce
Leggett
Lehman
Lloyd, Calif.
McCloskey
McHugh
McKinney
Macdonald
Maguire
Matsunaga
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Mink
Mitchell, Md.
Moakley
Moffett
Mosher
Moss
Nolan
Nowak
Oberstar
Obey
Ottinger
Patterson, Calif.
Pattison, N.Y.
Pritchard
Rangel
Rees
Reuss
Richmond
Rodino
Roncalio
Rosenthal
Roybal
Russo
Ryan
St Germain
Sarbanes
Scheuer
Schroeder
Seiberling
Simon
Solarz
Spellman
Stanton, James V.
Stark
Steiger, Wis.
Stokes
Studds
Thompson
Tsongas
Udall
Van Deerlin
Vanik
Waxman
Weaver
Wirth
Yates
Young, Ga.

NOES—276

Abdnor
Alexander
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Bafalis
Baldus
Baucus
Bauman
Beard, Tenn.
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Blanchard
Boggs
Boland
Bolling
Bowen
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Conte
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R.W.
Daniels, N.J.
Davis
de la Garza
Delaney
Dent
Derrick
Derwinski
Devine
Dickinson
Dingell
Downing
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Edwards, Ala.
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Findley
Fish
Fisher
Fithian
Flood
Flowers
Flynt
Foley
Fountain
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hansen
Harsha
Hastings
Hays, Ohio
Hébert
Heckler, Mass.
Heinz
Henderson
Hicks
Hightower
Hillis
Hinshaw
Holt
Horton
Howe
Hughes
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Johnson, Calif.
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krueger
Lagomarsino
Landrum
Latta
Lent
Levitas
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
McClory
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McKay
Madden
Madigan
Mahon
Mann
Mathis
Mazzoli
Meeds
Melcher
Michel
Milford
Miller, Ohio
Mills
Minish
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nichols
O'Hara
O'Neill
Passman
Patten, N.J.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Preyer
Price
Quie
Quillen
Railsback
Randall
Regula
Rhodes
Rinaldo
Risenhoover
Roberts
Robinson
Roe
Rogers
Rooney
Rostenkowski
Roush
Rousselot
Runnels
Ruppe
Santini
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Sharp
Shipley
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Spence
Staggers
Steed
Steelman
Stratton
Stuckey
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Thornton
Traxler
Treen
Ullman
Vander Jagt
Vander Veen
Waggonner
Walsh
Wampler
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C.H.
Wilson, Tex.
Winn
Wolff
Wright
Wydler
Wylie
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—33

Andrews, N.C.
Barrett
Broyhill
Danielson
Eilberg
Evins, Tenn.
Fenwick
Florio
Hannaford
Hefner
Hubbard
Johnson, Pa.
Litton
Lujan
Martin
Mollohan
Morgan
Murtha
Neal
Nix
O'Brien
Patman, Tex.
Pressler
Riegle
Rose
Stanton, J. William
Steiger, Ariz.
Stephens
Sullivan
Teague
Vigorito
Yatron
Young, Alaska

So the amendment was rejected.

The clerk announced the following pairs:

On this vote:

Mr. Eilberg for, with Mr. Florio against.
Mr. Riegle for, with Mr. Morgan against.
Mr. Danielson for, with Mr. Teague against.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there further amendments to title II?

Mr. PRICE. Mr. Chairman, I move to strike the last word.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. PRICE. Yes, I yield to the gentleman from Texas.

Mr. MAHON. Mr. Chairman, for clari-

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fication, I would like to ask the chairman a few questions.

I would like to inquire of the distinguished chairman whether or not sections 706 and 707 of the bill, H.R. 6674, provides the Navy with contracting and/or spending authority which may be contrary to the expressed intent of section 401 of the Congressional Budget and Impoundment Control Act of 1974?

Mr. **PRICE.** Sections 706 and 707 do not provide the Navy with contracting or spending authority contrary to the expressed intent of section 401 of the Congressional Budget and Impoundment and Control Act of 1974.

Section 401 of the Budget Act is a procedural section which restricts the consideration of bills and resolutions which provide new spending authority, "unless that bill, resolution, or amendment also provides that such new spending authority is to be effective for any fiscal year only to such extent or in such amounts as are provided in Appropriations Acts."

Section 706 would provide no new spending authority, since the Navy can enter into shipbuilding contracts only to the extent that funds are already appropriated for the basic cost of the ship plus 2 years of projected contract escalation. If there is no escalation, the obligation will be fully funded and the amount appropriated for projected escalation will be in excess to the needs of the contract. If the escalation is more than projected, the Navy will be forced to request additional funds for this purpose—as it has in every year since 1968. No obligations may be recorded under section 706—by its own terms and by the terms of section 708—unless unobligated balances of appropriated funds are available.

Section 707 is not contrary to section 401 of the Budget Act. The authority granted in section 707 is similar to authority of other agencies of government to settle claims and judgments, the payment of which is contingent upon the passage of a subsequent Appropriations Act.

Section 707—by its own terms and by the terms of section 708—is not contrary to section 401 of the Budget Act.

Mr. **MAHON.** If the purpose of section 708 of the bill (H.R. 6674) is to bring sections 706 and 707 into compliance with section 401 of the Congressional Budget and Impoundment Control Act of 1974, do you nevertheless still effectively provide contracting and/or spending authority to the Navy with respect to shipbuilding?

In other words, if the House agrees to sections 706 and 707 of H.R. 6674, will the Navy be provided with contracting authority and claims settlement authority prior to the availability of appropriated funds for that purpose?

Mr. **PRICE.** The purpose of section 708 was to make clear that any "new spending authority" which anyone could possibly perceive to be included in sections 706 and 707 would be effective only to the extent or in amounts provided in appropriations acts, that is, prior appropriations acts in the case of 706 and subsequent acts in the case of section 707.

If the House agrees to sections 706 and 707, the Navy will in no case have contracting authority prior to the availability of appropriated funds. Shipbuilding contracts in all cases will be based upon appropriated funds, and obligations cannot be recorded beyond the amounts appropriated. Since the amount of contract escalation—especially that beyond 2 fiscal years—is unquantifiable, the Navy will not be required to speculate beyond that period and obtain all funds for projected escalation in order to enter into contracts.

The settlement of any claim, by the terms of the settlement and by the terms of section 707 and section 708, will not result in new spending authority, since no obligation will arise until the contingency of an appropriation act for that purpose is met. The Appropriation Act will have actually been enacted before any obligation arises.

The **CHAIRMAN.** The time of the gentleman has expired.

(At the request of Mr. MAHON, and by unanimous consent, Mr. PRICE was allowed to proceed for 3 additional minutes.)

Mr. **MAHON.** If the distinguished Chairman will yield further, and if the distinguished chairman will permit me to ask, will section 706 prohibit the Appropriations Committee from fully funding shipbuilding and conversion programs as we have been doing for some 15 years?

Mr. **PRICE.** H.R. 6674, and its accompanying legislative history to date, reflects the sense of the Armed Services Committee that huge sums should not be authorized for appropriation, many years in advance of the year of obligation, when the authorization of these funds is based on mere speculation about future economic events. The committee believes that this practice, first, needlessly inflates the budget; second, provides a huge account for future reprograming; and third, bears no relation to reality. To the extent that any authorization bill may place limitations on appropriations, H.R. 6674 also may limit future appropriations for shipbuilding programs.

Mr. **MAHON.** I want to thank the distinguished chairman of the committee for his statement with respect to the intent of the language in the bill.

Mr. **PRICE.** I am glad to furnish the information.

The **CHAIRMAN.** The Clerk will read.

The Clerk read as follows:

TITLE III—ACTIVE FORCES

SEC. 301. Each component of the Armed Forces is authorized an end strength for active duty personnel as follows:

(a) (1) For the fiscal year beginning July 1, 1975, and ending June 30, 1976:

(A) Army, 785,000.

(B) The Navy, 528,651.

(C) The Marine Corps, 196,303.

(D) The Air Force, 590,000.

(2) For the period beginning, July 1, 1976, and ending September 30, 1976,

(A) The Army, 793,000.

(B) The Navy, 535,860.

(C) The Marine Corps, 196,498.

(D) The Air Force, 590,000.

AMENDMENT OFFERED BY MR. DELLUMS

Mr. **DELLUMS.** Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DELLUMS: On page 6, after line 16, add the following language:

"SEC. 302. The Department of Defense is authorized an end strength for active duty personnel as follows: For the fiscal period beginning July 1, 1976, and ending September 30, 1976; 2,045,358. Within this authorized figure of 2,045,356 for active duty personnel of the Armed Forces, no more than 346,500 military personnel may be assigned to active duty on land outside the United States and its possessions and territories during this fiscal period."

Mr. **DELLUMS.** Mr. Chairman, we offered this amendment in subcommittee and in the full committee of the Committee on Armed Services and, needless to say, the amendment failed; so we seek this afternoon a broader platform for much broader support for what I consider an extremely important amendment.

Question No. 1: What is the purpose of this amendment? What does it do?

No. 1: It proposes an end strength reduction of 70,000 active-duty personnel from the administration's request for a period which ends September 30, 1976.

Mr. Chairman, this amendment would result in a reduction of 70,000 troops over a 15-month period ending September 30, 1976. It is based upon a current estimate of 416,500 U.S. overseas land-based troops. It would not force the removal of any person from the military since the normal attrition rate is between 200,000 and 300,000. All the military would have to do is simply not recruit 70,000 persons.

Why this amendment? First, Mr. Chairman, at a moment in our history when we have limited resources and difficult choices, priorities must be the order of the day. We must face every decision we make with logic and reason and capability. If we are to address the human problems that are mounting in this country, then we must address this military budget. So I would suggest that if the military budget is sacrosanct, then our human services programs must wither away.

The greatest waste in the military today is the huge excess of spending as a result of our overseas troop commitments. This particular Pentagon spending does less for our economy and buys the smallest contribution to real national security.

Another reason is that we Members of the Congress must reassert our congressional control over our overseas military presence. For years Congress has approved these levels without ever questioning them. These levels are not arrived at by constitutional processes of congressional control. As a matter of fact it represents an abdication of our responsibility. These figures are arrived at by one, the executive branch of this Nation and two, foreign governments.

The key point here is that there is no specific treaty that dictates the forward deploymemnt of any specific number of troops in any situation. Executive agreements are not submitted to Congress. Such commitments are the result of political foreign policy calculations, not military decisions to which we should rightfully defer to the Pentagon.

Next—and I think this point is very, very important—debate here should be over our permanent interests, about the long-term rationale of our troop levels, not over the policy context of the last couple of weeks. The question we must look at is: Is our military acting within the framework of our foreign policy calculations and limitations or is our military indeed our foreign policy?

From where should these cuts come? First of all it is our responsibility, Mr. Chairman, to establish limits and set policies. Let the executive branch within the framework of our responsibility establish policy to carry out those policies.

I agree with my colleagues on the floor who believe we should not unilaterally reduce our troops in Europe until there is some logical conclusion to Mutual Balanced Force Reduction Talks discussions which will result in some specific movement within the near future.

Another important consideration here is that I do not believe it is our responsibility nor the duty of the Congress to specifically lay out where these cuts can come.

The **CHAIRMAN.** The time of the gentleman from California has expired.

(By unanimous consent, Mr. DELLUMS was allowed to proceed for 5 additional minutes.)

Mr. **DELLUMS.** Mr. Chairman, that is the responsibility of the military. That is the responsibility of the Pentagon.

I would now like to give Members a theoretical presentation of where I think these cuts can come.

We can cut 23,000 troops from Thailand. I would remind my colleagues that we are being kicked out of Thailand now.

Then 20,000 troops could be taken out of Japan and Okinawa, which still leaves 32,000 there.

Then we can cut 15,500 from South Korea, which would leave still 26,500 there.

We could cut 8,000 troops which could be taken from the Philippines, leaving 8,000 there.

We can cut 2,000 troops from the island of Taiwan, which will leave 3,000 there.

We can cut 200 from the beautiful island of Bermuda, which would leave us 800 there.

We can cut 800 from Cuba, leaving us 2,200 there.

We can cut 500 troops from Morocco, leaving us 500 there.

That totals 70,000 troops reduced without touching Europe.

Now, let us look at some specifics. Let us take that nation that is on the front page of all our newspapers throughout the country, on the lips of the President, the Secretary of State, and the Secretary of Defense—South Korea. First of all, the South Koreans have 600,000 troops under arms. Many of them are combat experienced as the result of their recent involvement in the Indochina war. Their ostensible enemy is the North Koreans, with 320,000 troops under arms; they have not fired a shot in 22 years, except occasional sniper fire.

I would submit to my colleagues that South Korea is a nation perhaps one-fiftieth the size of the United States, yet with a military force of one-fourth the size of this country; one of the best trained, best experienced, best equipped miliary forces on the face of this Earth.

The argument is that the North Koreans may invade the South Koreans—ridiculous.

We, the United States, also have 1,000 tactical nuclear weapons in South Korea and 54 nuclear-bomb carrying airplanes.

My question is: Are we there to defend the South Koreans from a North Korean attack, when I think on the scale of 1 to 10 the probability is zero, or are we there, in fact, to protect our own nuclear tactical weapons?

If we are, let us come up front.

I asked Secretary Schlesinger—

> How can you justify on military grounds a forward deployment of 42,000 troops?

His response, and we can read it in the RECORD, was—

> The gentleman from California is correct. We cannot justify on military grounds the forward deployment of troops in South Korea. We are there to provide a political presence.

If we are simply providing a political presence in South Korea, why do we need 42,000 troops to provide a political presence? Why not 4,200 or 420 or 42? Maybe 4.2 troops, if all we are doing is providing a political presence?

But once we got the Secretary on the record, I have heard a lot of ridiculous arguments in the last 5 or 6 days. "No, Mr. DELLUMS, not that we are trying to protect the South Koreans from an invasion by the North Koreans. We are trying to prevent the South Koreans from invading North Korea."

We must reduce troops in South Korea. They are a competent, capable military force.

Needless to say, we should be dealing with the moral and ethical question of whether we should be supporting a corrupt government, whether the president of that nation can say, "There will be no dissent in this nation."

What would happen in this country if the President of the United States said the first amendment should be repealed until I decide?

What is the business of a democratic nation supporting a government that has been corrupt and violating the rights of its people?

Take Japan and Okinawa—52,000 troops. Secretary Schlesinger said there are two reasons for 52,000 troops: First that we are trying to make sure Japan never becomes another world power. If the Senate takes the position that says we should come to the aid of Japan, will it convince the country? We have not taken that position and I submit that assertion has enormous ramification.

The second argument is that we are providing a refueling spot in the Western Pacific. Perhaps we do need a refueling spot, but with the total aggregate of 52,000 troops, as I said Thursday, that has to be the largest gas station on the face of the Earth.

Thailand—the Thailand Government is kicking us out. We will have a 23,000 reduction there.

Taiwan—there are 5,000 troops, 1,000 of which are part of the Joint Defense Command established by treaty. The remaining 4,000 do no more than service Air Force and Navy bases and are not assigned there according to any treaty obligations.

The **CHAIRMAN.** The time of the gentleman from California has expired.

(By unanimous consent, Mr. DELLUMS was allowed to proceed for 3 additional minutes.)

Mr. **DELLUMS.** I appreciate my colleagues bearing with me. This is an important amendment and I would think a few more minutes would do no disservice to this House on this important amendment. We have been here several hours and into the night before this. We surely can take the time to debate this question now.

Bermuda. Two hundred and fifty troops are assigned to the Navy Maritime Patrol Squadron, the only Department of Defense combat mission assigned there. The other 750 are noncombat command and support troops which provide services to the base recreational and vacational facilities, and are in no way related to the patrol. Why do we have the troops there?

Mr. Chairman, great emphasis is now being given to the symbolic values of any cut, be it 70 or 70,000 troops. But, in the long run, a meaningless military commitment does not add up to a meaningful political commitment. Events of recent days should teach us two things: A commitment should be clearly defined, and no commitment should be undertaken that is more than the American people are willing to sustain. When these two rules are ignored, as Indochina shows, a tragedy becomes also a defeat for American foreign policy and American influence.

Finally, to the arguments of my colleagues on this side of the aisle who believe that this is the wrong time, I would submit to them that I have been here going on my fifth year. Every year is the wrong time. I would suggest to my liberal, doveish colleagues who are in opposition to the amendment, when will the millenium come? When will there be peace in the world if you and I lack the courage to stand up and take some actions on behalf of the people? When will the magic moment come when someone taps us on the shoulder and says, "Now you can reduce the budget." This is the moment of difficult choice and hard decision when we must deal on the basis of priorities. We do not need all these troops deployed overseas. There are places where they can be reduced and cut down.

Mr. Chairman, I close with this comment: A great human being the late Dr. Martin Luther King once said that power asks, "Is it safe?" Expediency asks, "Is it politic?" Vanity asks, "Is it popular?" Conscience asks, "Is it right?"

I ask the Members of the Committee, is it right? I believe it is right that we reduce our troops, that we face this budget, that we point out to the American people that there are more than two alternatives, isolationism and interventionism—there is a role for people. I ask for the support of the Committee on this amendment.

Mr. **WHITEHURST.** Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have sat in this

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House for a number of years and I have listened to amendments of this kind being offered, and I have also heard the adjective "mischievous" applied to them. I say to the Committee this afternoon that this adjective is far too weak. "Catastrophic" is a better description for this amendment.

I listened very carefully to what the gentleman from California had to say. I took the time to read his statement which he sent around to us, which he made earlier this week. I read this, and I recall when I was a teacher of history, times of watershed. Decisions were made here, and the passion of the moment prevailed and no real thought was given to the future of what was down the pike. I am very much afraid that if we adopt this amendment this afternoon, we will go down that particular road, swayed by the passion of the moment.

What are the motives the gentleman has given to us today? He has told us that we can make a saving. We can cut down 70,000 men from our Armed Forces by pulling these people back and by not recruiting that many to replace them. What does this mean overseas in terms of real costs in the keeping of the peace? I want to address myself to that, but I just want to make note of something first:

The truth of the matter is that since 1965, the year before the buildup in Vietnam, we had a troop strength overseas of 750,000.

The gentleman himself just said it is now 416,000.

In the western Pacific alone, the area he singled out, the area he wants to cut, the reduction has been in excess of 100,000 men. The flow is in that direction, not in the other direction.

What are the consequences of making this cut? History shows, and it has shown conclusively, that peace is best guaranteed by a balance of power. It is not guaranteed by our motives or the motives of our potential adversaries. It is guaranteed by a balance. And if we look at the time of the great wars of this century, or prior to this time, we will see that those wars were initiated when that balance was tipped, or, perhaps, through miscalculation when someone thought the balance no longer existed.

What will the reduction in forces produce in South Korea? More stability? Oh, no. No. By all that is logical, that will not occur. We know perfectly well the question raised since the fall of South Vietnam, not just in our own hearts, but by the statements that have been made in other countries and those who have had commitment with us, and they have raised that question very vocally: Can the Americans be called upon to maintain their commitments?

The President of the Philippines has raised this question. Other national leaders have raised it in Europe and the Far East. A reassessment is going on there right now.

Take this step, cut these forces, and you will give more substance to those reassessments than anything that we have done in the Far East in the last 25 years.

No one can draw a scenario for you, but I will suggest this: In the last 6 weeks Kim Il-sung went to Peking. Our Sino experts tell us that he went there to seek some assurances as to whether or not China would support an attack upon South Korea. We cannot say for certain if that is true, but I think we can say this: You cut down the force that is there right now, and you are going to endanger that balance.

What are the Japanese going to do if we do it? They will certainly reassess their position with regard to China and with regard to the Soviet Union.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. WHITEHURST was allowed to proceed for 2 additional minutes.)

Mr. WHITEHURST. The relative peace that has existed in the Far East since the end of the Korean war has rested on this balance that has been very, very real. Make that cutback, as the gentleman has suggested, and I will tell the Members that balance is going to be tipped over. What we need to do this afternoon is to defeat this amendment and make the margin of that defeat so large that it will send an emphatic message to friend and foe alike that this country has not abdicated its responsibilities.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. WHITEHURST. I will be glad to yield to the gentleman from California.

Mr. DELLUMS. I thank the gentleman for yielding.

Mr. Chairman, the gentleman made a case for our involvement in Korea. First of all, I indicated we have over 1,000 tactical nuclear weapons in South Korea. Recently, one of our commanders was quoted as saying:

> I am a tac-nuke man myself.

And in several corners of this Nation and in this town there are people who believe that our 42,000 troops are in South Korea not to defend South Koreans nor to ward off the North Koreans, but to defend our 1,000 tac-nuke weapons from the South Koreans.

How does the gentleman respond to that?

Mr. WHITEHURST. Mr. Chairman, I do not subscribe to that, and I do not think anyone with any real sense of responsibility subscribes to it.

Mr. DAN DANIEL. Mr. Chairman, will the gentleman yield?

Mr. WHITEHURST. Yes, I yield to the gentleman from Virginia.

Mr. DAN DANIEL. Mr. Chairman, I think, in answer to the gentleman's question, that the troops are there as a deterrent to the use of nuclear weapons.

Mr. WHITEHURST. Absolutely. I agree with the gentleman.

Mr. DELLUMS. There are 600,000 combat-experienced troops there. Let us use some reason and logic with each other. There are 600,000 combat-experienced troops. The enemy has 320,000 with no experience in 22 years.

What leads the gentleman to believe that the North Koreans will invade South Korea? What intelligence-gathering sources would lead the gentleman to that irrational conclusion?

Mr. WHITEHURST. Is the gentleman aware of the reserve forces available in North Korea?

Mr. DELLUMS. What is the reserve?

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. WHITEHURST. Yes, I yield to the gentleman from New York.

Mr. STRATTON. Is it not true that the forces we have in Korea today are there primarily to deter the outbreak of a new war?

Mr. WHITEHURST. Most certainly.

Mr. STRATTON. Is it not likely that if we were to reduce those forces, as the gentleman from California suggests, particularly in view of the trip that the Korean Dictator Kim Il-sung made to Peking the other day, that they might well begin a new war?

Mr. WHITEHURST. Absolutely.

Mr. HAYS of Ohio. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have no doubt that the gentleman from California sincerely believes that this is the time to offer this amendment, but I submit that this is the wrong time of the wrong year of the wrong century to offer such an amendment.

I have been associated with NATO in one capacity or another for more than 20 years, and I can tell you that the Europeans, because of recent events, are jittery at the moment about what the purposes of the United States may be. I do not think we can count, members of the committee, on the Soviet Union reassuring them by motivating us as it has in the past.

I remember one time when the American commitment to NATO seemed to be a little bit weak, although the rhetoric was strong. Mr. Dulles was making speeches saying that we were not going to have that sterile policy of containment anymore; we were going to have a policy of liberation. The Hungarians were stupid enough to buy that, and they tried to liberate themselves. The Russians waited for 10 days to see what we were going to do. We did not do anything, and the tanks rolled in and the blood flowed in the streets of Budapest and in the villages and towns and cities of Hungary.

Then we had another experience with them in Czechoslovakia, and again the Russian tanks rolled and the Czechs fell.

I ask the Members, What would you do if you were the Prime Minister of Belgium or Holland or Denmark or one of the little countries in Western Europe and a week before the President went to the NATO summit the Congress of the United States said:

> Yes, we are going to take out 70,000 troops, maybe not from Europe, but from somewhere, and certainly some would be from Europe"?

You would probably think the best thing that you could do would be to make the best deal you could with the Communists, and that is exactly what the Russians hope to do.

They have a word for it in Europe called the "Finlandization of Europe." You do what they want because you do not dare do what they do not want.

I can say from personal experience that it would cause a great deal of despair behind the Iron Curtain, where some people still dare to hope that some day, some way, they are going to get the Russians out of their country.

What was the Marshall Plan founded for? I fought my first campaign, strangely enough, in a coal mining, steelmaking district, on the issue of whether or not I would support the Marshall Plan, which the then sitting Congressman had voted against. I won that election on that campaign because I made the case to my people that if the Russians could add to their preponderant raw materials strength and their big population the industrial know-how and the industrial capacity of Western Europe, they would have us looking up the muzzle of their gun barrel economically, so to speak.

I do not think they intend to start a land war in Europe unless we invite them to.

But I do believe that they intended to dominate Western Europe if they can. That is what it is all about today, whether or not we can remain economically independent or whether we start by little nibbles—and as somebody said, by being bitten to death by ducks—nibbling here, nibbling there, drawing out from here and cutting down there, until we signify to the rest of Western Europe that they had better come to an accommodation with the Russians.

Mr. Chairman, I say that in view of what has happened this year that this is the wrong year, by far and away the wrongest year that we have ever had this proposition come up.

Just let me say in closing that there is no way that we can withdraw into isolationism and remain free. We depend on the rest of the world. My steel-producing district depends upon sources outside of the United States for more than 50 percent of its iron ore. We depend on the rest of the world for 100 percent of our tin, for 60 percent of our copper, for 100 percent of our raw rubber, and the list can go on and on for 96 or 97 percent of our aluminum ore, and so forth, and unless we want to put ourselves in the position of being dominated by a power whose admitted aims and objectives are to dominate the world, if we are willing to allow our standard of living to be reduced so that instead of 8 million people being unemployed there might be 18 million or 28 million unemployed, then this is the kind of an amendment that will do it.

Mr. Chairman, I suggest that we vote down the amendment overwhelmingly.

Mr. RONCALIO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in reluctant opposition to the amendment.

Mr. Chairman, I shall not use the full 5 minutes.

This is the first time since 1970 that I have taken the floor to speak in opposition to my esteemed colleague, the gentleman from California (Mr. DELLUMS), whom I respect immensely, just as I respect every man who has ever worn the uniform of our country in combat, as has the gentleman from California and been decorated in so doing.

I would be inclined to hold with the gentleman from California if I thought that it would result in more Americans exporting democracy, and the substance of our Constitution instead of what we have witnessed in too many banana republics, but I do not believe it wise to withdraw our troops from anywhere on Earth.

I read Jack Anderson's column over the weekend about the morality of the American foreign policy in the last 6 or 8 years. I certainly hope that every Member of this Congress will read what he had to say about what we have been up to diplomatically. The article follows my remarks.

I just cannot believe that reducing our troop forces anywhere now would be in the best interests of democracy or the return of morality to our scene.

I wish that we could quit supporting every two-bit dictatorship who frustrates freedom of speech in their countries.

Seoul, Korea, sits less than 20 miles from the militarized border of North and South Korea. I have never seen it, but I understand it is a corridor virtually covered with artillery targeting and I do not think that now is the time to take abrupt action regarding what has long been our policy of containment of what has been called Asian militant communism, whatever that's supposed to be. I think that we should return to a policy around the world that is dedicated and designed to preserve democracy and to seeing it practiced. Many of our soldiers could do that for us abroad, just as some at home, including combat veterans who serve in the House of Representatives. There are few who can hold up this ideal with greater meaning for millions everywhere than the gentleman from California.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. RONCALIO. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I would like to associate myself with the remarks of the gentleman from Wyoming. I also agree with everything the gentleman from California (Mr. DELLUMS) has said, except that I very much feel, as the gentleman from Wyoming feels, that this particular moment is not a time to reduce our troop strength in Asia. I have voted for such reductions in the past and salute Mr. DELLUMS for persisting in his efforts to eliminate the stationing of troops abroad in places and numbers where they are not really serving any useful military purpose. I hope he will renew his efforts next year. However, I feel that the effect of such an action at this time could be disastrous.

Mr. RONCALIO. I thank my friend, the gentleman from Ohio. I would rather cut off my arm than vote against a motion of the gentleman from California (Mr. DELLUMS), but I have to at this time, and I hope he appreciates it.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. RONCALIO. I yield to the gentleman from California.

Mr. DELLUMS. I thank the gentleman for yielding.

Perhaps the most powerful argument that has been raised on this side does not go to the substantive aspect of the amendment but simply asks, as my colleague, the gentleman from Ohio, said, the symbolic question.

I would like to submit this to the gentleman, that if we can agree that there is some waste and that all of our troops are not serving a useful purpose around the world, then the question is, Why is this not the right time to communicate to the world that we as a powerful and sophisticated nation are willing to rethink, reevaluate, streamline, and trim our military forces?

Mr. RONCALIO. Let me answer that question by saying, If we are really sincere about trimming and streamlining, we would cut down waste by about 50 percent tomorrow by the gutsy and simple act of abolishing half of our subcommittees. Removing waste could begin right here.

Let me answer the boos that I heard when I said I would rather cut off my arm than vote against the gentleman from California (Mr. DELLUMS). There is not a finer human being in this democracy than that man from California. If fighting for food, fairness, and justice for all people is being radical, then I am proud to be associated with a radical.

Mr. Jack Anderson's column from the Sunday Post follows:

DIPLOMACY MINUS MORALITY

(By Jack Anderson)

The global rout of Henry Kissinger's policies—and his attempt to disarm his own handiwork by laying it at the door of an obstreperous Congress and an unsteadfast people—calls for comment.

Kissinger has cut a great swath through our times. He has a formidable intellect and an arresting eloquence. He is possessed of an awesome drive and dedication. He is a brilliant negotiator and a commanding personality.

But he has made one great mistake. As the chief navigator of our foreign policy since 1969, he has kept the flag of American idealism deliberately lowered and has sailed the seven seas without a moral rudder. He has been willing to do what must be done to get "results," ready to make common cause with any pirate who controlled a useful ship.

If the expediency of the moment called for throwing the gentle Cambodian people into the maw of an already lost war in order to facilitate our retreat from it, or for the terror bombing of Hanoi at 11:59 of the war to disguise the surrender inherent in his peace terms, well—that's the way the game is played.

If the calculations of power politics caused America to stand before the Solzhenitsyns of the world with eyes averted while placating their oppressors, or to deceive Congress and the public as to exactly what had been done or pledged in their name, well—it isn't easy to be Bismarck.

For a time Henry Kissinger dazzled Washington. He was adept in the backrooms at producing accords that meant different things to different signators, assiduous in building up houses of cards by ambiguities.

He practiced a diplomacy of duplicity and manipulation, putting expediency ahead of principle. He underestimated the American ideology. He forgot that there comes a time when the foreign policy of a democracy is no stronger than the people's respect for it.

One by one, the houses of cards have fallen in. Success woud have permitted at least a pragmatic defense of his tactics. But where are the victories?

The Indochina debacle is merely the latest example. By 1969, the Vietnam war was lost. It was painfully evident that we could not

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forever defend a regime that could not defend itself.

Yet instead of facing the true reality and dismantling the war in the most humane and least costly manner possible, Richard Nixon and Henry Kissinger prolonged it for four years in pursuit of appearances. They had their eye on the global chess game and domestic politics.

That the Nixon-Kissinger "peace with honor" was never more than a cynical slogan, that the Paris peace accords were made only to be broken was obvious even to the Joint Chiefs. Their secret estimate was that under the Paris agreement, the Saigon regime could not survive, for the accord left large North Vietnamese forces within South Vietnam, building up for the final kill.

The Vietnam mistake was part of a pattern. Here is the dismal record which must be understood before it can be corrected.

Early in his regime, Kissinger found our official coldness toward South Africa and Rhodesia inconvenient and quixotic, based as it was on mere ideological considerations. He thought he could saddle the issue and, with a little manipulation, play up to both sides. His first secret tilt was toward the white supremacist nations, while he sought to placate the black nations with U.S. aid. It didn't work. Today the black Africans—almost the whole continent—are convinced we're against them.

During the India-Pakistan war, we claimed neutrality while tilting toward Pakistan. It was another maneuver in the chess game. Thus, we ineffectualy backed the abject loser and alienated the world's largest democracy.

In the Greek-Turkish war over Cyprus, Kissinger's passion for meddling and manipulation embroiled us to such poor effect that it cost us the enmity not of one side but of both. But Greece and Turkey had been long-time U.S. allies.

In Latin America, Kissinger's neglect of our traditional allies has turned them against us. He was compelled to cancel a trip south of the border because he was advised secretly that his visit would cause riots in some countries.

By the time of the Secretary's attempt to mediate the Arab-Israeli hostilities, the long pursuit of pragmatism at the expense of principle had exacted its awful price. Kissinger had compromised so many interests, had carried so much water on so many shoulders in so many parts of the world, that President Ford had to take personal charge of the Middle East negotiations.

In Portugal, U.S. Ambassador Stuart Nash Scott tried to establish friendly relations with the new military government. He advised Washington that Portugal was not lost to the Communists, that the United States should bolster the moderates who wanted to remain in the Atlantic Alliance. Kissinger not only refused to listen but fired him for his wrongheadedness. Now Portugal has concluded a wholly free election, with 92 per cent participation. The Communists wound up with only 13 per cent of the vote. The ousted ambassador was right; Kissinger was wrong.

If Kissinger's mistakes suddenly are catching up with him, he has told friends plaintively that it isnt' his fault—if the presidency had retained its authority, if the Congress had not rebelled, if the people had not flagged.

But that is the point. The foreign policy of a great democracy, if it is to endure, must be forthright and based on principle. Free men will not long shed blood or spend their treasure to support mere facades, manipulations and secret deals.

An American foreign policy that does not recognize this is built on sand.

Mr. DAN DANIEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the gentleman from California was kind enough to distribute over the weekend his statement, for which I thank him. In that statement he raised what he described as a rhetorical question regarding at what time it would be in order to consider approving reductions in overseas troop assignments such as he requests.

Mr. Chairman, in the opinion of this Member, the question is not rhetorical; it is a completely valid question; and there is a ready answer and a source. Unfortunately, the gentleman is asking the question in the wrong forum. Only the leadership in the Soviet Union and Communist China can answer his question. Our defense expenditures and troop assignments are a response to the threat which is inherent in continuing the arms buildup by these two nations, and in the case of Russia, the continuing refusal to engage in any kind of meaningful discussions on troop reductions.

Mr. Chairman, it is the opinion of this Member that now is the time for stability in the Armed Forces of the United States. It is further my judgment that we have a Mexican standoff so far as our strategic forces are concerned, so it could very well be that our arguments in the Vladivostok Conference could be aimed at the wrong target. It seems to me, Mr. Chairman, that our best guarantee for peace is to keep our country economically strong, morally and spiritually right, and militarily impregnable.

Ms. SCHROEDER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the gentleman from California's amendment. I am a little distressed by hearing all the talk about whether or not this is the "right time." I do not think there could be a better time to discuss foreign troop deployments. We have ended an incredible period in the history of this country in our involvement in South Vietnam. No one has ever accused this country of not doing enough in South Vietnam. We did everything we possibly could. We committed people; we committed food; we committed the finest equipment the world has ever seen. We certainly did everything we possibly could, we spared no costs.

But one of the questions that I asked myself—and it haunts me as an American, and as Americans I think we must all think about it—is, Did we do too much for South Vietnam, and in doing too much maybe destroy the morale and lead the South Vietnamese to think that we were going to do the whole thing?

Perhaps we convinced them that only we could win the war and in so doing we destroyed their will to fight, their self image and their will to survive. They deferred too much to us because we insisted that they do it.

I think it is dangerous to tell the whole free world that, we will pick up the whole fight and we will defend everyone in the world we consider "free" and the Communists can defend everything that is Communist. We would be putting ourselves into an impossible position. We cannot defend everything in the whole free world. We must have a partnership with the free world countries. We have had difficulty in getting the NATO countries to be full partners. To get other countries to be partners we must end our paternalistic attitude toward the entire free world.

Another thing that haunts me about our commitments abroad is, the Volunteer Army and its inherent problems. If we really look at what we call "our fighting forces" abroad, I ask the Members whether or not they can fight. We just went through a difficult evacuation problem in South Vietnam.

We know how difficult some of the civilian evacuation was at the last minute. There was tremendous chaos and tension in South Vietnam, when that nation's tragic collapse started to snowball. What would we do in Europe if the Russians decided to move through Europe and we are sitting there with hundreds of thousands of dependents? How are we going to evacuate the hundreds of thousands of American dependents under fire of the Russians and carry on a war at the same time? I really question whether we can call that "a fighting force."

If we decide we cannot have forces abroad without their families—and believe me, I realize it is a terrible thing to ask people to give up their family life to serve abroad—but if we have dependents does it not make more sense to have fighting units stationed in the United States that we can take somewhere at a moment's notice? Is it not easier to airlift our soldiers to a battlefield than to try to evacuate our personnel who are all spread out under fire? This is something to talk about. When we look at the hundreds of thousands of troops and dependents around the world, we really must ask are they a fighting force and would really be used, or would the troops cause more chaos by being abroad and just be a nuclear tripwire.

By reducing our commitment by 70,000 we are not telling the world we are getting out. I think we are telling the world we will do everything we can to attempt to help and support them and be an equal partner but I think we really are saying that no longer is it just our cause. I think in the long run partnership rather than paternalism is a better role for the United States.

We have been accused of being too much of the big brother and being too heavyhanded. I urge all of the Members to reflect upon this. There is never a good time to discuss this matter. This is the time when we should begin a new emphasis and begin a new dialog on our role in the world and we should reflect upon this.

Mr. DELLUMS. Mr. Chairman, will the gentlewoman yield?

Ms. SCHROEDER. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, there are not many friends in the well this afternoon, so I would like to get the gentlewoman to respond to this. Several of our colleagues indicated we would be communicating something negative to the world, some weakness to the world if we in fact withdrew 70,000 troops. Would the gentlewoman comment on the reality that the American people are presently witnessing the spectacle of the United States being kicked out of Thailand and Taiwan and the Philippine Islands?

Ms. SCHROEDER. Yes, I think that is part of the partnership role. We are saying now: "Whether or not you want us we are going to stay." It is much more mature to accept an ally's judgment that they do not want or need our presence. We are not withdrawing from the world. Seventy thousand is a reasonable number and the gentleman from California made an excellent point about what kind of international commitments do we have in Morocco, Bermuda, and other points. These are serious questions and the world will not view this as a retreat for we are talking about a small percentage of the total number of troops abroad. This amendment says we trust our allies and are merely reappraising the military need for our troops abroad.

Mr. O'NEILL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I feel that I would be remiss to myself if I did not take the floor at this time. I once offered a similar amendment that the gentleman from California is offering today. I offered it a year ago.

I have changed my position on it. I have changed my position after deep study into the problem as I see it. As Sam Rayburn used to say, "I'd rather be right than consistent," so I say today, that I have changed my position.

What a troubled world we live in. We know the situation in Korea. We have 42,000 troops there. I have always been led to believe that we were there to help the South Koreans in the event that they were attacked by the North Koreans. I understand now that there is a new theory. The theory today is that we are there to prevent the South Koreans from attacking the North Koreans, that they have 600,000 troops and the finest troops in the world, whereas they are opposed by 450,000 on the opposite side.

The truth of the matter is that we have spent some $26 to $28 billion over there. For what purpose have we done this? At first, it was for the purpose of supporting a benevolent despot. Now we support a harsh, tough, cruel ruling dictator, who I am sure does not follow a policy in which I believe.

I have discussed the fact that we have 42,000 troops there. But what are they there for?

Now, I hear theorists say that the million and a half people assembled in Seoul, Korea, years ago, were to stir the people up to attack North Korea. I do not know whether this is so or not. I always thought it was the other way, that they were there as a protection, so that the Communists could not take over South Korea.

Indeed, that is a trouble spot of the world.

What about the fact that we do have troops in Thailand and the Philippines and we do have them in Indonesia? In all that area we hear there is talk and concern, "Get your troops out, get the American troops out." Yes, this is another trouble spot of the world.

What do we want to do with Japan? Do we want to take our troops out? Do we want Japan to have an army? Do we want Japan to have a nuclear force, nuclear weapons? That is what will happen if we pull our troops out from there.

Truly, I believe as the gentleman from California believes that we have too many troops over there. Let me say, I have the greatest respect for the gentleman from California (Mr. Dellums). I have watched him. I believe truthfully he is a pacifist. I have seen him on all issues concerning the war and I respect Ron Dellums, whatever position he takes, for the judgment he has. I know he testified from the sincerity of his heart and his mind.

But let us look at the rest of the world. Let us look at the Mediterranean, for example. We look at the situation with respect to Egypt and Israel and what is going to happen to the whole Arab world over there. We wonder about that.

We wonder about the problems in the Persian Gulf. We wonder about the problems in Cyprus. We spent so many hours last year on the Greek-Turkish situation.

Even more serious than the Cyprus situation is the situation of the Aegean Sea where an oil deposit has been discovered. They say that there are troops, Greek troops on the Aegean Islands; and supposedly from the rumors we hear, that the troops are on the Turkish side of their boundary and the Greeks on their side of the boundary.

We were surprised at what happened in Portugal. Many thought it would go communistic by a bigger margin; but the Communist junta at the present time controls that government.

In no way is the Government of Spain going to allow the Communists to infiltrate and try to organize there.

In no way is the Government of France going to allow the Communists to come over from Portugal through Spain to organize in France.

The whole world is troubled. We ourselves, the United States, our ship of state is in the middle of a turbulent sea. What happens when we are in the middle of a turbulent sea? A good mariner tries to set his course. He tries to get the ship on course. He tries to get it out of the troubled seas.

Has the policy we have had been wrong? Is it time to reassess? Do we want to allow Japan to arm herself? Do we want to encourage the communists in those Far Eastern countries?

What is our position? I stood in this well a year ago and said that we should reduce our troops by 100,000. I have great respect for the gentleman, but I told him the other day that I think his amendment is the right amendment at the wrong time.

I say to this Government, "Yes, we should reassess; we should find out what our policy is going to be in the future; we should determine what our policy is going to be, and that policy should be determined after consultation with the Congress of the United States on both sides of the Capitol.

It is my opinion that the amendment of the gentleman from California is an amendment that comes at the wrong time. I think we should reassess our positions. I think we should give notification to the executive department of the feeling of this Congress. I hope the amendment is not agreed to.

Mr. LEGGETT. Mr. Chairman, I move to strike the last word, and I rise in support of the amendment.

Mr. Chairman, I suppose I have been here on a lot of defense issues, but this is the first time I have ever really had occasion to speak on a troop issue. I suspect it is probably at the wrong time, because I suspect that our vote this year, as I read the House, is going to be smaller than in previous years on this issue.

Mr. Chairman, I want to say that my distinguished colleague from California, who may be a pacifist, may argue that we ought to take 70,000 of our troops away from overseas because of whatever motive he might have. As far as that is concerned, I am not what is called a pacifist; I am really not a dove. I classify myself as a cheap hawk.

Nothing has been said on this floor here this afternoon about economics. I personally, if we could afford it, would like to see bastions of the United States proliferating around the world very much like the old Roman army, because I think we are altruistic in many of the things we do. I think we have been trusted to keep the peace. We were the only country that could conquer a world with nuclear weapons, and we abated that opportunity in 1945. I think that the United States is a great democracy, and we have proved that we can be trusted.

There has been some discussion here that if we want economic independence, we have got to keep our forces around the world. Nobody has mentioned the fact here in several days of debate that this country is going broke. We started off the debate pointing out that this bill was about a billion dollars out of balance with the budget resolution, indirectly rationalized. If the record is read after we have cleared up some of that dialog, one can understand what we meant.

We have made not one single reduction in all the amendments that have been offered to date, and the authorization bill now constitutes about 30 percent of the defense budget and is about a billion, perhaps $2 billion—and I am not going to argue that at this point—out of phase.

How can we reduce our forces? The gentleman from California (Mr. Dellums) has his views. He says we should take them out of Korea, out of various and sundry areas. If we would have taken the majority leader's views last year and taken that 100,000-man reduction and put that into law, we would have taken our forces out of Thailand; maybe not all of them, but a substantial number. Then, perhaps we would not be behind the eight ball there where we are today; where we are being forced not only to get out of Thailand in a moderate amount, but we are being forced to get out of Udorn, Udan, Nan-Kham and U-Tapao, and others. We are forfeiting billions of dollars worth of bases over there because we did not use our heads and moderate our posture

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when it was dictated. We have created a backlash.

We have a backlash now in the Philippine Islands. As a practical matter, if one goes to Subic Bay, it looks like Norfolk or Boston or Bremerton during World War II. It does not look like a devastated American Navy shipyard. It looks like one of our American shipyards did years ago when we had a bonanza of work.

We can substantially cut down our capability in Subic Bay.

The Committee on Appropriations has filed a report, and their secret analysis says that we would be better postured in Korea not to get out, but to rather substantially modify our force structure there and put the Korean divisions up to the northern top rather than have our U.S. divisions there, an take some of our forces out of there.

I do not support 15,000; maybe I support a 10,000 reduction in that area.

As far as Europe is concerned, since we argued here on the floor last year to cut our force in Europe, we have actually expanded our force there by 16,000 men.

Are the Europeans doing their duty? I had occasion to debate this issue with the European NATO Minister on television some months ago, and I did a little study, which I do not have the figures for exactly before me now, but I do recall that the United States is spending more per capita for defense than is Germany, than is Italy, than is France, than any of our NATO partners. We are spending more, and we are in worse shape.

But that is not the important thing.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. LEGGETT was allowed to proceed for 2 additional minutes.)

Mr. LEGGETT. Mr. Chairman, what the facts show are that we are spending more for Europe's NATO defense per capita, ignoring Asia and ignoring the continental United States, we are spending more for European defense than the Europeans are spending for themselves, except for Germany.

Mr. Chairman, I think that if we want to be strong and if we want to be helpful to the world, we have to be economically independent. And, believe me, the United States is rapidly deteriorating to the posture of New York City and New York State. A very large public entity can go broke, and all you have to do is spend yourself to death.

I think we have to make a little sense in this United States. We have to recognize we cannot do it in Korea and we have to recognize we cannot do it in Southeast Asia, we cannot do it in Thailand, we cannot do it in Europe, we cannot do it in Israel. We could provide some defense, maybe, all over; but we have to recognize our overall posture. We have to get out of the $70 billion deficit business, and we are not going to do it this way.

Enactment of this bill signifies that this House does not agree with the budget we enacted just the other day.

When the President says that we are going up to $100 billion in deficit in the Congress; we may not get up to $100 billion, but we are going to go substantially over $70 billion if we do not pass this amendment.

This is the cornerstone, and when they come up on Labor, HEW, and when they come up on pollution and we say, "Let's stay within the budget," they will say, "Ah, look what you did on defense. You ignored the budget."

I am willing to put my vote where my mouth is, and I am prepared to hold back in a number of sectors where I would like to spend, but we have to do it in a balanced way; and the balanced way agreed upon by a close vote the other day was to take it out of all sectors.

Mr. Chairman, I urge the gentleman's amendment.

Mr. NEDZI. Mr. Chairman, I move to strike the last word and I rise in opposition to the amendment.

Mr. Chairman, I will try not to use my 5 minutes. First of all, let me say that I share the high regard expressed by others in the well today for the gentleman from California. I do believe that the philosophical argument and symbolism involved in this kind of amendment has been thoroughly ventilated.

I would like to address myself for a moment to some of the practical questions that are involved in the presentation of this amendment at this time.

As the gentleman from California indicated, this amendment was discussed in the subcommittee. It was also discussed in the full committee. It was turned down.

I would like to bring to the attention of the House that at no time did we ever receive any testimony in support of this kind of troop cut. And I should emphasize at this point that this is not merely withdrawal of 70,000 troops from overseas; it is also a cut in our Armed Forces of 70,000.

In that connection, let me just say that as one who has been involved in personnel problems for quite a number of years on the Committee on Armed Services, this is the first time that I can feel comfortable in saying that the management of our personnel has been going in the proper direction. We have decreased total numbers of 50,000 over the last year so that the decline in total personnel numbers has been proceeding in the proper direction. I think it would be unfortunate at this time if we thrust the burden of reducing our forces by 70,000 on the managers of our personnel.

In the Defense Department we do have such problems as officers and enlisted men, support and combat troops, the closing of bases, and all of this, which are matters that have to be considered. I might add that the subcommittee was very open to outside witnesses. In fact, what probably was unprecedented, we had testimony from Brookings Institution witnesses, and even those witnesses would advocate only a reduction of 20,000 in total numbers, and they did not address the question of withdrawing individuals from overseas.

One further problem, of course, is that in the event we had any kind of flareup anywhere overseas, this kind of limitation, as appears in the amendment, would prevent the deployment of any of our existing divisions which are in CONUS from being deployed overseas. It is just that kind of practical problem which deserves thorough ventilation by a subcommittee such as the Armed Services Personnel Subcommittee.

Mr. Chairman, I urge the defeat of the amendment.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. NEDZI. Yes, I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Has the gentleman read the report prepared for the Committee on Appropriations, which was alluded to by the gentleman from California (Mr. LEGGETT), which is related to the maintenance of our 42,000-troop force level in Korea?

Mr. NEDZI. I have not read that report, no.

Mr. JOHNSON of Colorado. Of course, that is one of the difficult problems about talking about this. It has been classified as being a secret document.

All I could tell the gentleman is that after reading that secret document, I believe that the amendment of the gentleman from California in this case should be supported, but if we cannot talk about that topic because nobody has read the report because it is classified as secret, all I can do is urge the other Members of the House to read the report prepared for the Committee on Appropriations with respect to the maintenance of our troop forces in Korea.

Mr. NEDZI. In response to the gentleman, I might say that we are just talking about one country, and I purposely did not get into the subject matter of where these troops are or how they are maintained. I am addressing the practical problems that are going to result if we have to cut our forces by 70,000 men, and I am talking about the fact that before our subcommittee there was no testimony with respect to the reduction of forces of this dimension.

Mr. JOHNSON of Colorado. Mr. Chairman, I thank the gentleman.

Mr. HILLIS. Mr. Chairman, will the gentleman yield?

Mr. NEDZI. I yield to the gentleman from Indiana.

Mr. HILLIS. Mr. Chairman, I ask the gentleman whether or not in the testimony before our subcommittee it was brought out that our present number is 785,000, and an effort is being made to restructure that force from a 13-division force to a 16-division force without any additional troops.

Mr. NEDZI. That is an effort that is being made. We can talk on both sides of that particular argument, but the fact of the matter is that our total numbers are going down.

As far as I am personally concerned, the managers of this personnel program at the present time, led by Assistant Secretary Brehm, are doing an outstanding job, and I would not like to frustrate their effort.

Mr. HILLIS. Is not the point that the gentleman is making here that it would create a great deal of turbulence within the armed services to thrust this amendment on them now?

Mr. NEDZI. Yes.

Mr. BOB WILSON. Mr. Chairman, will the gentleman yield?

Mr. NEDZI. Yes; I yield to the gentleman from California.

Mr. BOB WILSON. Mr. Chairman, I do not like to think of the Army as an employment agency, but in their advertising they talk about jobs, schools, and opportunities to learn new jobs and so forth. Therefore, we have to take into consideration that they are an employing force that is of major importance to us in this country.

We have reduced our troops since 1968 by more than 1,200,000, which meant 1,200,000 more men and women in the job market.

A lot of you became concerned about bringing a lot of Vietnam refugees to the United States and we are accepting a lot of refugees, about 150,000. Out of that, there are about 35,000 jobs. Now here we are with this amendment.

Mr. NEDZI. With all due respect, I can think of better ways of creating jobs.

Mr. BOB WILSON. All right, but let us face reality. Here we are, with this amendment, talking about putting 70,000 more people into the job market at a time when we already have critical unemployment. I think whether we like it or not, we have to consider the consequences of this particular amendment with respect to jobs.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. DELLUMS).

The question was taken; and the Chair announced that the noes appeared to have it.

RECORDED VOTE

Mr. DELLUMS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device; and there were—ayes 95, noes 311, not voting 27, as follows:

[Roll No. 229]

AYES—95

Abzug
Adams
Anderson,
  Calif.
Badillo
Baucus
Bedell
Bergland
Bingham
Blouin
Brodhead
Brown, Calif.
Burke, Calif.
Burton, John
Burton, Phillip
Carney
Carr
Chisholm
Clay
Collins, Ill.
Conyers
Corman
Cornell
Coughlin
Dellums
Diggs
Downey
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Esch
Ford, Tenn.
Fraser
Frenzel
Gaydos
Green
Harkin
Harrington
Hawkins
Hechler, W. Va.
Helstoski
Hicks
Holland
Holtzman
Howard
Howe
Jacobs
Johnson, Colo.
Jordan
Karth
Kastenmeier
Keys
Krebs
Leggett
McClory
McCloskey
McCormack
McHugh
Madden
Melcher
Metcalfe
Meyner
Mezvinsky
Miller, Calif.
Mineta
Mitchell, Md.
Moakley
Moffett
Mosher
Nolan
Ottinger
Pike
Rangel
Reuss
Richmond
Risenhoover
Roush
Roybal
Ryan
Schroeder
Stanton,
  James V.
Stark
Steelman
Stokes
Studds
Thompson
Udall
Van Deerlin
Vander Veen
Vanik
Weaver
Whalen
Wilson, C.H.
Young, Ga.

NOES—311

Abdnor
Alexander
Ambro
Anderson, Ill.
Andrews, N.C.
Andrews,
  N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Bafalis
Baldus
Bauman
Beard, R.I.
Beard, Tenn.
Bell
Bennett
Bevill
Biaggi
Biester
Blanchard
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carter
Casey
Cederberg
Chappell
Clancy
Clausen,
  Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Conte
Cotter
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dent
Derrick
Derwinski
Devine
Dickinson
Dingell
Dodd
Downing
du Pont
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Flowers
Flynt
Foley
Ford, Mich.
Forsythe
Fountain
Frey
Fulton
Fuqua
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammer-
  schmidt
Hanley
Hansen
Harris
Harsha
Hastings
Hayes, Ind.
Hays, Ohio
Hébert
Heckler, Mass.
Hefner
Heinz
Henderson
Hightower
Hillis
Hinshaw
Holt
Horton
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Koch
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
McCollister
McDade
McDonald
McEwen
McFall
McKay
McKinney
Macdonald
Madigan
Maguire
Mahon
Mann
Mathis
Matsunaga
Mazzoli
Meeds
Michel
Mikva
Milford
Miller, Ohio
Mills
Minish
Mink
Mitchell, N.Y.
Montgomery
Moore
Moorhead,
  Calif.
Moorhead, Pa.
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nowak
Oberstar
Obey
O'Hara
O'Neill
Passman
Patten, N.J.
Patterson,
  Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Pickle
Poage
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rees
Regula
Rhodes
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Rousselot
Runnels
Ruppe
Russo
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Steed
Steiger, Wis.
Stratton
Stuckey
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Vander Jagt
Waggonner
Walsh
Wampler
Waxman
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—27

Addabbo
Barrett
Eilberg
Florio
Hannaford
Hubbard
Johnson, Pa.
Litton
Lujan
Martin
Mollohan
Morgan
Murtha
Nix
O'Brien
Patman, Tex.
Peyser
Pressler
Riegle
Stanton,
  J. William
Steiger, Ariz.
Stephens
Sullivan
Teague
Vigorito
Yatron
Young, Alaska

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. SIKES. Mr. Chairman, cuts in personnel either civilian or military are unrealistic and unjustifiable in this year's defense bill. Time after time, we have passed bills in Congress to provide jobs in the effort to lift our Nation out of recession. It makes no sense to cut jobs in this program when they have a useful purpose. It is important, much more important that we keep our defenses honed up.

U.S. military forces already have been cut to an absolute minimum if job required for them wordwide is to be accomplished. Even if this were not the case, another cut in personnel, both military and civilian, is a cut in jobs. I can not think of a worse policy for Congress to engage in at this particular time. We are seeking to create jobs, not abolish them. The jobs in the military in the main are skilled jobs. The job holders perform an important and a necessary function.

If we abolish these jobs on the one hand and create additional, artificial jobs through makework programs, it can not be called an efficient process. The work that is done may or may not be important. The programs may or may not be effective. The work will not be as essential as the work which now is being done in the defense establishment.

Nondefense programs which are made up principally by the social programs—health, education, social security, et cetera—have multipled in recent years. In the past decade they have increased from $78.8 billion to $255.3 billion per year. In the same period, national defense has shrunk to 26.9 percent of the budget. We should not cut defense still further in this year's budget.

The CHAIRMAN. Are there further amendments to title III? If not, the Clerk will read.

The Clerk read as follows:

TITLE IV—RESERVE FORCES

SEC. 401. The Selected Reserve of each Reserve component of the Armed Forces will be programed to attain average strength of not less than the following:

(a) (1) For the fiscal year beginning July 1, 1975, and ending June 30, 1976:

(A) The Army National Guard of the United States, 400,000.

(B) The Army Reserve, 226,000.

(C) The Naval Reserve, 112,000.

(D) The Marine Corps Reserve, 32,481.

(E) The Air National Guard of the United States, 94,879.

(F) The Air Force Reserve, 51,789.

(G) The Coast Guard Reserve, 11,700.

(2) For the period beginning July 1, 1976, and ending September 30, 1976:

(A) The Army National Guard of the United States, 400,000.

(B) The Army Reserve, 226,000.

(C) The Naval Reserve, 112,000.

(D) The Marine Corpa Reserve, 33,013.

(E) The Air National Guard of the United States, 94,543.

(F) The Air Force Reserve, 53,642.

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(G) The Coast Guard Reserve, 11,700.

Sec. 402. The average strengths prescribed by section 401 of this title for the Selected Reserve of any Reserve component shall be proportionately reduced by (1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at any time during the fiscal year or other period, and (2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at any time during the fiscal year or other period. Whenever such units or such individual members are released from active duty during any fiscal year or other period, the average strength for such fiscal year or other period for the Selected Reserve of such Reserve component shall be proportionately increased by teh total authorized strength of such units and by the total number of such individual members.

Mr. PRICE [during the reading]. Mr. Chairman, I ask unanimous consent that title IV be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. Are there any amendments to title IV? If not, the Clerk will read.

The Clerk read as follows:

TITLE V—CIVILIAN PERSONNEL

Sec. 501. The Department of Defense is authorized an end strength for civilian personnel as follows:

(a)(1) For the fiscal year beginning July 1, 1975, and ending June 30, 1976, 985,000.

(2) For the period beginning July 1, 1976, and ending September 30, 1976, 991,441.

Sec. 502. (a) In computing the authorized end strengths for civilian personnel there shall be included all direct-hire civilian personnel employed to perform military functions administered by the Department of Defense (other than those performed by the National Security Agency) whether employed on a full-time, part-time, or intermittent basis, but excluding special employment categories for students and disadvantaged youth such as the stay-in-school campaign, the temporary summer aid program, and the Federal junior fellowship program and personnel participating in the worker-trainee opportunity program. Whenever a function, power, or duty or activity is transferred or assigned to a department or agency of the Department of Defense from a department or agency outside of the Department of Defense, the civilian personnel end strength authorized for the Department of Defense shall be adjusted to reflect any increases or decreases in civilian personnel required as a result of such transfer or assignment.

(b) When the Secretary of Defense determines that such action is necessary in the national interest, he may authorize the employment of civilian personnel in excess of the numbers authorized by subsection (a) (1) and (2) section 501 of this title, but such additional number may not exceed one-half of 1 per centum of the total number of civilian personnel authorized for the Department of Defense by the paragraph of such subsection covering the fiscal year or other period for which the excess employment is authorized. The Secretary of Defense shall promptly notify the Congress of any authorization to increase civilian personnel strength under the authority of this section.

Sec. 503. (a) In addition to the civilian personnel authorized in section 501 of this title, the Department of Defense is authorized an end strength for indirect hire foreign national civilian employees as follows:

(1) For the fiscal year beginning July 1, 1975 and ending June 30, 1976, 96,000.

(2) For the period beginning July 1, 1976, and ending September 30, 1976, 96,000.

(b) When the Secretary of Defense determines that such action is necessary in the national interest, he may authorize the employment of indirect hire foreign national civilian personnel in excess of the numbers authorized by paragraphs (1) and (2) of section 503(a) of this title, but such additional number may not exceed one-half of 1 per centum of the total number of indirect hire foreign national civilian personnel authorized for the Department of Defense by the paragraph covering the fiscal year or other period for which the excess employment is authorized. The Secretary of Defense shall promptly notify the Congress of any authorization to increase indirect hire foreign national civilian personnel strength under the authority of this section.

Sec. 504. Section 138 of title 10, United States Code, is amended as follows:

(a) Subsection (c)(2) is amended by striking out "each component of", "any component of" and "of that component".

(b) Subsection (c)(3) is amended by striking out "each component of" immediately after "civilian personnel end strength level for".

Mr. PRICE [during the reading]. Mr. Chairman, I ask unanimous consent that title V be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

AMENDMENT OFFERED BY MR. GONZALEZ

Mr. GONZALEZ. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Gonzalez: On page 8, line 15, after 1976, strike out "985,000" and insert in lieu thereof "990,000".

On page 8, line 17, after 1976, strike out "991,441" and insert in lieu thereof "996,000".

Mr. GONZALEZ. Mr. Chairman, this is a simple amendment to raise the civilian manpower ceiling for the Department of Defense by 5,000 positions.

Under the committee bill, there would be a reduction of about 10,000 jobs in the Air Force. The Army would lose about a third that number, and the Navy would in fact end up gaining positions. For some reason, the committee all but prohibits the reduction of any Navy jobs.

Yet I know for a fact that the Air Force has enormous unmet needs for repair work and other logistical support. If this bill is enacted without change, thousands of jobs in the Air Force Logistics Command would be lost. These are necessary jobs; they are jobs that have to be done.

Let's not kid ourselves. If Government employees do not do essential military work, it does not necessarily mean that the work is not done at all. The essential work has simply got to be done—if not by Government employees, then by contract employees, at a 20 to 30 percent greater cost. This kind of economizing is sheer folly. We save nothing by putting on manpower ceilings that cut out essential work—we succeed only in making costs higher, or what is worse, actually weakening our Armed Forces.

My amendment is very simple: it provides for 5,000 more civilian positions than the committee bill authorizes. I believe that this would be enough to allow for necessary work to get done, without in any way increasing the numbers of Government employees. In fact, Defense employment would still shrink, if my amendment is adopted. My amendment would simply assure that enough people are on the payroll to get essential repair and support work done.

I believe that my amendment would in the long run save the Government money, by keeping essential work in-house, where it can be done best and cheapest.

Let me tell you what will happen at one base, if this amendment is not adopted.

At Kelly Air Force Base, about 1,300 people would lose their jobs, if the committee bill prevails.

This is an installation where last year a quarter million manhours worth of work had to be turned away, because nobody was available to do the work. This is an installation where 6,000 jobs have already been eliminated. Right now that Air Force base is down to its lowest employment level in 20 years. And yet drastic reductions are still called for in the budget and in this bill.

I know for a fact that if these cuts are carried out, we will have two results:

First, we will face the need for hiring back hundreds of people in fiscal 1977, to get necessary work done. That will cost millions of dollars. And during this year, the result of the cuts will be to make necessary a massive program for retraining people who have been bumped from one job to another, again at a cost of millions.

Second, it will be necessary to contract out more work, and that will cost the taxpayers anywhere from 20 to 30 percent more, for the same amount of work.

Finally, let me say that during the time all these cuts have been going on, the taxpayers have put in nearly $80 million worth of new equipment and buildings at Kelly Air Force Base. Yet this bill would cut out the people who are supposed to use those buildings and equipment. We have been building a monument to absurdity, unless those facilities are utilized. But they cannot be used, if the Government is not allowed to hire the people to go in them.

All my amendment would do would be to make it possible for the Army and Air Force to get their essential work done. It would not increase the size of the Government's payroll; it would only provide for a reduction of sensible proportions.

I urge the adoption of my amendment, and add this note: If we do not, the House will go to conference with the Senate absolutely empty-handed.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman from Florida.

Mr. SIKES. Mr. Chairman, the gentleman's amendment is very sound, and it should be strongly endorsed. Of course maintenance is something that must be done. The longer it is postponed, the more it is going to cost. Additional personnel are needed and needed now.

We have passed one bill after another in the Congress to create jobs. We do not know what the product will be or how useful those jobs will be. Here are jobs that are immediately available and which are useful and needed.

It would be sound for the Committee to approve this amendment. Hopefully, we can improve the state of maintenance on our weapons, equipment and buildings. It would make sense to add personnel to do deferred maintenance which has been postponed year after year and which becomes more costly with each passing year. All maintenance levels have been reduced. This is poor economy. Instead of cutting personnel, we should be adding additional money to be used to provide employment to modernize and improve the buildings and equipment we have on hand. Whatever we do, there is no justification for eliminating jobs which are accomplishing something and voting huge new programs for more bureaucracy and for jobs which may or may not be useful.

Mr. GONZALEZ. I thank the gentleman very much.

Mr. NEDZI. Mr. Chairman, I move to strike the last word and I rise in opposition to the amendment.

Mr. Chairman, I rise very reluctantly because I know the gentleman from Texas is sincere in believing that this is the best way in which to help an unfortunate situation in his district.

However, I would like to point out that the argument which the gentleman from Texas has is not with the Armed Services Committee, but it is with the Office of Management and Budget. The committee did not cut any numbers in this civilian ceiling. Our bill does not provide for any service ceilings. It does not mandate a certain number to the Air Force, to the Navy, to the Marine Corps or to the Army. It provides an overall ceiling.

As a matter of fact, in response to a request from the Department of Defense for this kind of added flexibility, the committee saw merit in it and provided them with that flexibility, so that increasing this ceiling at the present time provides absolutely no assurance that what the gentleman seeks to accomplish in Texas is actually going to happen.

This does not assure that there will be enough people on the payroll, and the bill does not cut out any people. And, consequently, the amendment should not be adopted because it interferes with the orderly numbers that have been provided for in the bill.

Mr. KAZEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am reluctant to rise against my subcommittee chairman on this amendment, but I do support the amendment of the gentleman from Texas.

Mr. Chairman, last year the authorized civilian strength for all of the services was 994,367. In this year's bill, there are 9,367 less positions than those authorized for last year department-wide. I will point out to my chairman, the gentleman from Michigan (Mr. Nedzi), that reductions already budgeted by the Air Force that are included in the committee's bill amount to 9,674 less in the Air Force alone. This argument about the cuts being distributed among all of the services is just not so. The Air Force is taking all of it, 9,674. This is the information I have from the Department of Defense. This means that whatever cuts we make this year will be cuts taken by the Air Force. And I do not know where the cuts in the Navy, the Army, or the Reserve are going to come from, because the figures just do not show up in the figures that have been presented to me by the Department of Defense.

Just last week we spent over $5 billion for public service jobs. Today we passed a $5 billion public works bill, to put people to work.

I think this move is false economy. We are saying there is something wrong about somebody working for the Department of Defense. Those jobs should not be there. We are going to get rid of very expensively trained people, very highly trained people, we are going to throw them out of a job, come back around on the other side, and hire them in public service jobs.

Mr. Chairman, this just does not make sense. Our Government is a government of the whole. I do not know what the Defense Department is thinking about when they say that we are going to reduce so many civilians simply because they anticipate that this Congress is going to do it for them. I submit that this is not so. This Congress is on record as wanting to hire people, not fire people, at this time, and particularly these highly trained, highly expensive employees who have a job to do. They are employees who are absolutely needed in order to maintain the missions of our armed services.

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. Yes, I yield to the gentleman from Texas.

Mr. GONZALEZ. Mr. Chairman, I ask the gentleman from Texas this only because some committee chairman is talking about Defense Departmentwide cuts. That may be true on the House side, but the Senate does not work that way. The Senate mandates service cuts by Army, Navy, Marine Corps, and Air Force.

Therefore, if this is adopted the way it is, without my amendment, we are going to go into conference with the Senate absolutely helpless.

Mr. KAZEN. Mr. Chairman, there is no question about that. I was coming to that point next.

The Senate committee has taken ill-advised action which I hope will be reversed on the floor. They have cut 23,000 civilian employees, and they have designated where they are going to be cut. My information is that the Army will be cut by 5,100; the Navy and Marines by 11,800; the Air Force by 4,600; and the defense agencies by 1,500.

How in the world the Defense Department is going to be able to accomplish its mission without the civilian personnel that are needed to do the job, I do not know.

On top of that, the fact remains that these people who lose their jobs may be hired under one of the employment acts we have enacted or if they are not hired directly, they are going to have to contract out work under contract and as my colleague, the gentleman from Texas (Mr. Gonzalez), has just said, it is going to cost us a lot more money to contract this work out than to have it done by the services themselves.

Mr. Chairman, I urge the committee to adopt the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. Gonzalez).

The question was taken; and the Chairman being in doubt, the committee divided, and there were—ayes 27, noes 28.

RECORDED VOTE

Mr. KAZEN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 96, noes 300, not voting 37, as follows:

[Roll No. 230]

AYES—96

Abzug
Alexander
Anderson, Calif.
Badillo
Beard, R.I.
Bennett
Brinkley
Brooks
Burgener
Burke, Calif.
Burke, Fla.
Burleson, Tex.
Burton, John
Burton, Phillip
Carter
Casey
Chappell
Clausen, Don H.
Clay
Corman
Davis
de la Garza
Dellums
Dickinson
Downing
Duncan, Oreg.
Eckhardt
Edwards, Calif.
English
Evans, Colo.
Fascell
Flowers
Fraser
Gaydos
Gibbons
Gonzalez
Green
Hawkins
Hays, Ohio
Hicks
Hightower
Hinshaw
Howard
Johnson, Calif.
Jones, Okla.
Jordan
Karth
Kazen
Krebs
Krueger
Lagomarsino
Leggett
McDonald
McEwen
McFall
Mahon
Mann
Matsunaga
Milford
Mills
Mink
Mitchell, Md.
Mitchell, N.Y.
Montgomery
Oberstar
Passman
Pettis
Pickle
Poage
Randall
Rees
Roberts
Roncalio
Rousselot
Roybal
Runnels
St Germain
Schroeder
Sikes
Stark
Steed
Steiger, Wis.
Stokes
Talcott
Thornton
Udall
Walsh
Waxman
White
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wright
Young, Ga.
Young, Tex.
Zablocki

NOES—300

Abdnor
Adams
Addabbo
Ambro
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Bafalis
Baldus
Baucus
Bauman
Beard, Tenn.
Bedell
Bell
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brodhead
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burke, Mass.
Burlison, Mo.
Butler
Byron
Carney
Carr
Cederberg
Chisholm
Clancy
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Conyers
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Delaney
Dent
Derrick
Derwinski
Devine
Diggs
Dingell
Downey
Drinan
Duncan, Tenn.
du Pont
Early
Edgar
Edwards, Ala.
Emery
Erlenborn
Esch
Eshleman
Evans, Ind.
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Flynt
Foley

UMI

Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Frenzel
Frey
Fuqua
Gilman
Ginn
Goldwater
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hansen
Harkin
Harrington
Harris
Harsha
Hastings
Hayes, Ind.
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Helatoski
Henderson
Hillis
Holland
Holt
Holtzman
Horton
Howe
Hughes
Hungate
Hutchinaon
Hyde
Ichord
Jacoba
Jarman
Jeffords
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kasten
Kastenmeier
Kelly
Kemp
Ketchum
Keya
Kindness
Koch
LaFalce
Landrum
Latta
Lehman
Lent
Levitaa
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
McClory
McCloakey
McCollister
McCormack
McDade
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mathis
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Miller, Calif.
Miller, Ohio
Mincta
Minish
Moakley
Moffett
Moore
Moorhead, Calif.
Moorhead, Pa.
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
Obey
O'Hara
O'Neill
Ottinger
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pike
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Rangel
Regula
Reuss
Rhodes
Richmond
Rinaldo
Risenhoover
Robinson
Rodino
Roe
Rogers
Rose
Rosenthal
Rostenkowski
Roush
Russo
Ryan
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggera
Steelman
Stratton
Stuckey
Studds
Symington
Symms
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Traxler
Treen
Tsongas
Ullman
Vander Jagt
Vander Veen
Vanik
Waggonner
Wampler
Weaver
Whalen
Whitehurst
Wiggins
Winn
Wirth
Wolff
Wydler
Wylie
Yates
Young, Fla.
Zeferetti

NOT VOTING—37

Barrett
Dodd
Eilberg
Evins, Tenn.
Florio
Fulton
Giaimo
Hannaford
Heinz
Hubbard
Johnson, Pa.
Jones, Ala.
Litton
Lujan
Martin
Mollohan
Morgan
Murtha
Nix
O'Brien
Patman, Tex.
Peyser
Pressler
Riegle
Rooney
Ruppe
Stanton, J. William
Stanton, James V.
Steiger, Ariz.
Stephens
Sullivan
Teague
Van Deerlin
Vigorito
Whitten
Yatron
Young, Alaska

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENTS OFFERED BY MR. HAYES OF INDIANA

Mr. **HAYES** of Indiana. Mr. Chairman, I offer several amendments, and ask unanimous consent that they be considered en bloc.

The **CHAIRMAN**. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. HAYES of Indiana: Page 8, line 15, strike out "985,000" and insert "698,338".

Page 8, line 17, strike out "991,441" and insert "706,313".

Page 8, line 24, immediately after "excluding" insert the following: "civilian personnel engaged in industrially funded activities, and excluding".

Mr. **HAYES** of Indiana. Mr. Chairman, the amendments that have just been read to title V would exclude approximately 285,000 civilian defense employees from the computation of civilian personnel under the manpower ceiling. The ceiling would be readjusted downward to accommodate that number of employees that are excluded; that is, those who work for the Department of Defense in what we call industrial funds. These Government installations are reimbursed at the time the costs are accrued and the costs are then recorded as expenditures of appropriations of other moneys.

The amendments will not need to be supported later by additional appropriations; that is, we do not have to go now to appropriations to support this employment. The employment at these installations will increase and will lower according to the amount of workload.

As a matter of fact, I suspect that some of the installations being discussed in the previous amendment by the gentleman from Texas are included here and, in fact, would possibly be accommodated; that is, they would not be cut due to the manpower ceiling.

Mr. **NEDZI**. Mr. Chairman, will the gentleman yield?

Mr. **HAYES** of Indiana. I yield to the gentleman from Michigan.

Mr. **NEDZI**. Mr. Chairman, this is an amendment which we had an opportunity to review in some detail. The matter has been discussed with the chairman of the committee and the ranking member of the committee and the subcommittee.

I would like to announce that the amendment is acceptable to both the subcommittee and the committee.

Mr. **HENDERSON**. Mr. Chairman, will the gentleman yield?

Mr. **HAYES** of Indiana. I yield to the gentleman from North Carolina.

Mr. **HENDERSON**. Mr. Chairman, I was prepared to offer an amendment to title 5 of this bill, which would have provided the Secretary of Defense and the heads of the military departments with sufficient authority to carry out the intent of Congress to use the least costly form of manpower that is consistent with military requirements and the other needs of the Department of Defense.

I have been very disturbed over the lack of specific information that shows that rigid and fixed ceilings reduce the costs of civilian manpower. I believe the Secretary of Defense and the military departments need flexibilities in order to economically manage their manpower resources.

I do not, at this time, intend to offer my amendment, however, as the immediate problem faced by the Department of Defense can be alleviated by the acceptance of the amendment offered by my colleague from Indiana. While his amendment is not a lasting solution to the inefficiencies of rigid ceilings, it does provide some measure of relief which is necessary at this time.

The proposal to continue rigid and fixed ceilings on the numbers of civilian employees will result in inflexibilities that could prompt serious and costly manpower decisions. While I recognize the needs for controls and constraints on all Federal public expenditures, I believe that the appropriation process provides a basis for adequate oversight by the Congress to insure that civilian employment remains within reasonable economic limits.

During the hearings on this bill, from the testimony given, I was convinced that the statutory ceiling, rather than serving its intended purpose to limit or reduce the number of dollars spent for pay of civilian personnel, has not, and will not in the future, accomplish this objective. In fact, the ceiling merely states the number of people that the Defense Department may have on the rolls 1 day of the year; namely, June 30 at the end of the fiscal year for which these funds are authorized. The more important limiting factors are the inflexibilities that this type of authorization builds into the system.

As a matter of fact, such ceilings frequently require more expensive operations by forcing the Defense Department to manipulate manpower resources in order to reach the arbitrary end of fiscal year employment levels. Since much of the work still has to be done, activities substitute other and more costly sources of manpower, such as overtime labor, military personnel, contracting to industry for personal services, and the reduction of employment in one location to free spaces for priority work in a different location.

Ceilings have resulted in DOD placing a partial freeze on hiring, encouraging eligible employees to retire, and making reductions in force in order to meet fixed authorizations imposed on a particular date. Then, after this date passes, some activities start to increase employment again to meet workload needs which often involves rehiring some recently separated employees. Certainly, such practices are not the most effective and economical way to manage civilian employment.

It is also interesting to note that by establishing fixed ceilings on a specific date, some categories of employees may be omitted entirely from the intended controls because of the nature of their employment. For example, approximately 8,000 overseas dependent school teachers are not counted against this year's ceilings since they are employed for only 9 to 10 months and are off the active rolls from June through August because of summer vacation schedules. Thus, the employment of teachers is not calculated in the DOD civilian strength figures and represent a free commodity when determining if statutory ceiling controls have been complied with.

The Comptroller General has worked with our Manpower and Civil Service Subcommittee to evaluate the effects of personnel ceilings as a method of reducing Government expenditures and increasing effectiveness. The Comptroller General has concluded, and so reported to the committee, that statutory manpower ceilings hinder efficient and economical operations. His report of April 30, 1971, subject, "Impact of Employment Ceilings on Management of Civilian Personnel," concluded that—

> Personnel ceilings or hiring limitations, whether imposed by statute or by the executive branch, do not provide the most effective management controls over civilian personnel resources in our opinion.

The Comptroller General more recently reviewed a test project in the research laboratories in the Department of the Air Force, under a project known as "resource flexibility." This was a test program to determine relative cost effectiveness with and without personnel ceilings. The Secretary of Defense and the Comptroller General were favorably impressed with the project and have authorized its continued application. This is covered in the Comptroller General report of June 21, 1974, subject: "Project Reflex."

The Comptroller General concluded and recommended that the Office of Management and Budget, through the Administrator of the General Services Administration, develop guidelines for all Federal agencies and also recommended that the Secretary of Defense specifically authorize continuation of Project Reflex in the three services. He further recommended that the Congress should be informed of the benefits of managing Federal activities primarily with fiscal controls and without personnel ceilings.

Statutory ceilings have, in some cases, forced the military services to use military personnel for functions that should be done by civil service employees. This is not only a misuse of military personnel, but usually results in higher personnel costs. Even if the hourly pay rate equivalent for military personnel and civilian personnel were approximately the same, the additional costs in the support of military personnel for logistics and in providing for their training, increase the expenditures of military over civilian. This is certainly understandable in that a military member costs are for a 24-hour-day period where the civilian is for 8 hours. Generally, the civilian must have the skill and be qualified for the position he has been hired for, whereas, in the case of the military—especially in the case of a first-tour enlistment—it is necessary for the Government to pay for training for the job he will be filling. The other 24-hour costs are obvious and include such things as housing, medical and dental care, the cost of food, clothing, and general support for the military man and his dependents.

I am also concerned with the problem of backlog and deferred work in naval shipyards and other Navy establishments which cannot be effectively dealt with because of ceiling restrictions. We have received reports from the Navy that at times it is necessary to reduce employment in one location in order to free civilian spaces for accomplishing urgent work at another location. This seems to be an extreme and costly measure especially since some of the separated employees will be rehired at the onset of a new fiscal year.

My colleague from Florida (Mr. BENNETT) of the Committee on Armed Services, advises me that the Navy shipyards are capable within present funds authorized and approved by the Congress to substantially reduce the backlog of 74 ships, or 13 percent of the fleet, that are overdue for repair and overhaul, if flexibility were granted to the Navy from the ceiling on the number of civilian employees authorized for the shipyards.

As we can see, statutory ceilings are hindering the Navy's ability to maintain and improve fleet readiness and may have serious national defense implications.

In last year's Defense Authorization Act, Congress expressed its desire that the Defense Department utilize the least costly forms of manpower consistent with military requirements and the needs of the Department of Defense. Yet, by setting fixed manpower ceilings, we have effectively removed the flexibility from DOD to make such a determination. In effect, we have tied DOD's hands by telling them they may only use a fixed amount of in-house employees and that, if other essential work is to be done, it will have to be performed elsewhere regardless of costs involved. This obviously does little to reduce civilian personnel costs.

I sincerely believe we must devise a more effective means of controlling civilian personnel costs without causing serious problems in DOD manpower management if we are to fulfill our responsibility for cost-effective and efficient Government operations and wise expenditure of the taxpayers' money.

Mr. **HILLIS**. Mr. Chairman, will the gentleman yield?

Mr. **HAYES** of Indiana. I yield to my colleague from Indiana.

Mr. **HILLIS**. Mr. Chairman, I wish to associate myself with the gentleman's remarks on the amendments. I think it was very well done and the gentleman has worked extremely hard in preparing it and that we were all informed on it.

Mr. **HAYES** of Indiana. I thank the gentleman for his support and assistance with the amendment.

Mr. **MYERS** of Indiana. Mr. Chairman, will the gentleman yield?

Mr. **HAYES** of Indiana. Mr. Chairman, I yield to my colleague from Indiana.

Mr. **MYERS** of Indiana. Mr. Chairman, I thank the gentleman for yielding to me. I want to thank him for the effort and hard work he has put in previously in saving jobs, as well as for this amendment.

As was previously stated, this is the type of amendment which is not going to cost anything nor add any deficit. It is going to be a contributing factor toward making our defenses stronger. I congratulate the gentleman on his amendment and ask that it receive an aye vote.

Mr. **HAYES** of Indiana. I thank the gentleman, both for his remarks, and for his efforts in assisting employees of his district at the installation covered by this amendment. The success of this amendment depended in large measure on his efforts.

Mr. **LEGGETT**. Mr. Chairman, will the gentleman yield?

Mr. **HAYES** of Indiana. I yield to the gentleman from California.

Mr. **LEGGETT**. Mr. Chairman, the amendment offered by my colleague of Indiana (Mr. HAYES) is the type of imaginative legislation that I, for one, have been hoping that our new Members would stimulate. This amendment evidently springs from a very clear view of what constitutes essential civilian manpower within the Department of Defense. As Mr. HAYES' previous statements in the RECORD have pointed out, industrially funded position within DOD are filled on the basis of available work; putting a manpower ceiling on a shipyard or maintenance facility with a set amount of work to do and a dollar budget merely increases overtime and the length of time necessary to complete the job while decreasing efficiency. This, of course, is precisely the opposite of the effect we want. The work is there, and needs to be done; it is the kind of easily identifiable industrial work that does not collapse into amorphous masses of forms in quadriplicate. For that reason, it is only sensible that the amount of work dictate the number of people to do it.

Although it sounds very complex, this is a very simple amendment. It is an efficiency amendment. It makes certain that the will of the Congress is not thwarted when the manpower ceilings are instituted for the Department of Defense, because it insures that productive positions remain filled and that the cuts fall on places where cuts can economically be made.

I want to compliment the gentleman from Indiana on the clear thinking which brought this amendment about, and urge that it be adopted.

Mr. **GONZALEZ**. Mr. Chairman, will the gentleman yield?

Mr. **HAYES** of Indiana. I yield to the gentleman from Texas.

Mr. **GONZALEZ**. Mr. Chairman, will the gentleman tell us what his definition of "industrial worker" is?

Mr. **HAYES** of Indiana. Yes. Under the statute, the industrial funds are those which are considered to revolve, and they are more specifically reimbursed at the time that the cost is accrued. An example of that would be an Air Force engine overhaul operation which would receive engines, say, from a fighter wing in one end of the country and perhaps go to Texas for overhauling and repair.

Another example would be an Air Force radar system which had to be installed and perhaps research done on it at a naval facility. Some of those are operated as Government owned-Government operated; some are Government owned-contractor operated installations, but they are manned by civil service employees.

Mr. **GONZALEZ**. The gentleman is not excluding contractors out of this?

Mr. **HAYES** of Indiana. No, we are not. These are both Government owned-Government operated and Government owned-contractor operated.

Mr. **GONZALEZ**. And it would involve

classified employees, civil service employees?

Mr. HAYES of Indiana. Yes.

Mr. GONZALEZ. As well as contracted out?

Mr. HAYES of Indiana. That is my understanding.

Mr. GONZALEZ. I thank the gentleman.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Indiana (Mr. HAYES).

The amendments were agreed to.

The CHAIRMAN. Are there any further amendments to title V? If not, the Clerk will read.

The Clerk read as follows:

TITLE VI—MILITARY TRAINING STUDENT LOADS

Sec. 601. Each component of the Armed Forces is authorized an average military training student load as follows:

(a)(1) For the fiscal year beginning July 1, 1975, and ending June 30, 1976:

(A) The Army, 83,101.

(B) The Navy, 69,513.

(C) The Marine Corps, 26,480.

(D) The Air Force, 51,225.

(E) The Army National Guard of the United States, 9,788.

(F) The Army Reserve, 7,359.

(G) The Naval Reserve, 1,661.

(H) The Marine Corps Reserve, 2,769.

(I) The Air National Guard of the United States, 1,952.

(J) The Air Force Reserve, 810.

(b) For the period beginning July 1, 1976, and ending September 30, 1976:

(A) The Army, 75,185.

(B) The Navy, 70,751.

(C) The Marine Corps, 26,788.

(D) The Air Force, 52,890.

(E) The Army National Guard of the United States, 9,481.

(F) The Army Reserve, 5,518.

(G) The Naval Reserve, 2,106.

(H) The Marine Corps Reserve, 4,088.

(I) The Air National Guard of the United States, 2,180.

(J) The Air Force Reserve, 836.

Mr. PRICE (during the reading). Mr. Chairman, I ask unanimous consent that title VI be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. Are there amendments to title VI? If not, the Clerk will read.

The Clerk read as follows:

TITLE VII—GENERAL PROVISIONS

Sec. 701. (a) Section 139 of title 10, United States Code, is amended as follows:

(1) Subsection (a) of such section is amended—

(A) by striking out paragraph (1) and inserting in lieu thereof:

"(1) procurement of aircraft or missiles or procurement, repair, maintenance, overhaul or conversion of naval vessels,";

(B) by striking out "or" at the end of paragraph (4);

(C) by inserting "or" after the semicolon at the end of paragraph (5); and

(D) by inserting immediately after paragraph (5) the following new paragraph:

"(6) military construction (as defined in subsection (e) of this section);".

(2) Such section is amended by adding at the end thereof the following new subsection:

"(e) For purposes of subsection (a)(6) of this section, the term 'military construction' includes any construction, development, conversion, or extension of any kind which is carried out with respect to any military facility or installation (including any Government-owned or Government-leased industrial facility used for the production of defense articles and any facility to which section 2353 of this title applies) but excludes any activity to which section 2673 or 2674, or chapter 133, of this title apply, or to which section 406(a) of Public Law 85-241 (71 Stat. 556) applies.".

(b) The amendment provided by paragraph (2) of subsection (a) above with respect to funds not heretofore required to be authorized shall only apply to funds authorized for appropriation for fiscal year 1977 and thereafter."

Sec. 702. Section 671 of title 10, United States Code, is amended to read as follows:

"§ 671. Members not to be assigned outside the United States before completing training

"(a) Except as provided by subsection (b), no member of an armed force may be assigned to active duty on land outside the United States and its territories and possessions until he has had four months of basic training or its equivalent.

"(b) Under regulations prescribed by the Secretary of Defense or the Secretary of Transportation with respect to the Coast Guard when it is not operating as a Service of the Navy, a member of an armed force who has completed basic training and training in a military specialty as is prescribed by the Secretary concerned may be assigned to active duty on land outside the United States and its territories and possessions, where, at the time of such assignment, members of the armed forces are not subject to hostile fire, explosion of hostile mines, or other hostile action.".

Sec. 703. The sixth paragraph of section 4(a) of the Military Selective Service Act (50 U.S.C. App. 454(a)) is amended by inserting ", except as provided by section 671(b) of title 10, United States Code" after "(including the Canal Zone)".

Sec. 704. The second sentence of section 511(d) of title 10, United States Code, is amended to read as follows: "Each person enlisted under this subsection shall perform an initial period of active duty for training and may be released from active duty upon completion of basic training and training in a military specialty as is prescribed by the Secretary concerned. Insofar as practicable, the initial period of active duty for training shall commence within 180 days after the date of that enlistment.".

Sec. 705. The third sentence of section 6(c)(2)(A)(iii) of the Military Selective Service Act (50 U.S.C. App. 456(c)), is amended by striking out "for not less than four consecutive months," and inserting in lieu thereof "as provided by section 511(d) of title 10, United States Code.".

Sec. 706. Notwithstanding any other provision of law, contracts, or other obligations for the construction, conversion, overhaul, or repair of naval vessels may be incurred in recordable amounts which do not exceed unobligated balances available in the current and the following fiscal year for such purposes.

Sec. 707. Notwithstanding the availability of appropriations therefor, the Secretary of the Navy is authorized to settle claims arising under contracts entered into prior to July 1, 1974, for the construction or conversion of naval vessels, except, that (1) any such settlement shall expressly limit any payment thereunder to appropriations subsequently authorized and appropriated by Congress and, (2) the Secretary of the Navy shall promptly forward to the Senate and House of Representatives Armed Services Committees and the Senate and House of Representatives Appropriations Committees copies of all settlements made under the authority of this section.

Sec. 708. The authority provided in sections 706 and 707 of this title is to be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

Sec. 709. Concurrent with the submission of the President's budget for the fiscal year commencing October 1, 1976, the Secretary of Defense shall include a recommendation for authorization for a five-year naval ship new construction and conversion program. Thereafter, concurrent with the annual submission of the President's budget, the Secretary of Defense shall report to the Committee on Armed Services of the Senate and the House of Representatives such amendment to such a five-year program as he deems necessary for the current year, and for the succeeding years, based upon, but not limited to, alterations in the defense strategy of the United States and advances in defense technology.

Sec. 710. No funds authorized for appropriation to the Department of Defense shall be obligated under a contract for any multiyear procurement as defined in section I-322 of the Armed Services Procurement Regulations (as in effect on September 26, 1972) where the cancellation ceiling for such procurement is in excess of $5,000,000 unless the Congress, in advance, approves such cancellation ceiling by statute.

Sec. 711. Section 2386 of title 10, United States Code, is amended—

(1) by striking out "Funds" and inserting in lieu thereof "(a) Except as provided in subsection (b), funds"; and

(2) by adding at the end thereof the following new subsection:

"(b)(1) Except as provided in paragraph (3) of this subsection, funds appropriated for a military department available for the development or production (whether by a domestic or foreign contractor) of any major weapons system shall be used for the acquisition of all manufacturing data relating to such system which is originated by the contractor during such development or production.

"(2) Each contract entered into by any military department after the date of the enactment of this subsection for the development or production of any major weapons system shall contain provisions necessary to carry out the purposes of paragraph (1) of this subsection, including conditions under which the contractor agrees to waive any proprietary rights he may have with respect to any manufacturing data.

"(3) Any military department may, at any time after the initial development and testing of any major weapons system, request to waive the application of paragraph (2) of this subsection with respect to any manufacturing data which may be originated during the further development or the production of the system, except for such manufacturing data as may be necessary for the maintenance and later modification of such system. Before any military department exercises any waiver provided for in this paragraph, the Committee on Armed Services of the House of Representatives and the Senate must first be notified of the reasons for the waiver and each such committee must concur therein.

"(4) As used in this subsection—

"(A) 'manufacturing data' means all data (including, but not limited to, necessary drawings, test data, reliability data, system acceptance methodology, and related computer applications) which is necessary to carry out the manufacture, maintenance, and modification of the major weapons system concerned; and is in a form sufficient to enable any other person or any agency to produce, maintain, and modify such system.

"(B) 'major weapons system' means any weapons system the estimated cost of the development or production, or both, of which is not less than $100,000,000.".

Sec. 712. Notwithstanding any other provision of law, the Assistant Secretary of Defense (Comptroller) may not transfer or reprogram any funds authorized to be appropriated for research, development, test, and evaluation by title II of this Act, or by any Act enacted after this date of the enactment of this Act, to any other account unless the Secretary concerned first notifies the Committees on Armed Services of the House of Representatives and the Senate of such proposed transfer or reprograming and each such committee concurs therein.

Sec. 713. (a) Notwithstanding any other provision of law, the aggregate amount of any upward adjustments in certain elements of compensation of members of the uniformed services required by section 1009 of title 37, United States Code, may not exceed 5 per centum during the period from January 1, 1975, through June 30, 1976, except that no such restriction shall apply unless—

(1) a 5 per centum restriction on the aggregate amount of upward adjustments of the General Schedule of compensation for Federal classified employees as contained in section 5332 of title 5, United States Code, is also required during that period, and

(2) during any period in which there is a limitation on increases in compensation of members of the uniformed services there shall not be placed into effect any adjustment in sales prices in the commissary store systems to the extent necessary to reimburse the appropriations or the Department concerned for any part of the cost of civilian and military personnel employed in such commissary store system.

(b) No reduction in compensation is required under subsection (a) of any upward adjustment that may have been put into effect under section 1009 of title 37, United States Code, between January 1, 1975, and the date of enactment of this section.

(c) Any upward adjustment in compensation which has been limited by subsection (a) of this section to an amount or amounts less than otherwise would have been in effect shall not be increased subsequent to June 30, 1976—

(1) in order to compensate a member for the difference between the amounts he has received under provisions of subsection (a) and the amounts he would have otherwise received; or

(2) except in accordance with the normal procedures and timing which would have been in effect for any such pay increase subsequent to June 30, 1976, without regard to any limitation under subsection (a) of this section.

Sec. 714. (a) Beginning with the quarter ending December 31, 1975, the Secretary of Defense shall submit to the Congress within thirty days after the end of each quarter of each fiscal year, written selected acquisition reports for those major defense systems which are estimated to require the total cumulative financng for research, development, test, and evaluation in excess of $50,000,000 or a cumulative production investment in excess of $200,000,000.

(b) Any report required to be submitted under subsection (a) shall include, but not be limited to, the detailed and summarized information included in reports required by section 139, chapter 4, of title 10, United States Code.

Sec. 715. No defense article in the inventory of the Department of Defense included in the approved force acquisition objective and the approved force retention stock which has been acquired pursuant to this or any other authority shall be transferred to any foreign country at less than the current replacement cost, less depreciation, if any, of that article, unless the facts of the proposed transfer are reported to the Committee on Armed Services and Appropriations of both the House and Senate, and no objection has been raised to the proposed transfer by either body within ninety days.

Sec. 716. Section 139(b) of title 10, United States Code, is amended by striking out "sixty" and inserting in lieu thereof "ninety".

This Act may be cited as the "Department of Defense Appropriation Authorization Act, 1976/197T".

Mr. PRICE (during the reading). Mr. Chairman, I ask unanimous consent that title VII be considered as read, printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

AMENDMENT OFFERED BY MR. STRATTON

Mr. STRATTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STRATTON: On page 15, at the end of line 4, insert a new section, section 705, as follows:

"Sec. 705. Notwithstanding any other provision of law, in the administration of chapter 403 of title 10, United States Code (relating to the United States Military Academy), chapter 603 of such title (relating to the United States Naval Academy), and chapter 903 of such title (relating to the United States Air Force Academy), the Secretary of the military department concerned shall take such action as may be necessary and appropriate to insure that female individuals shall be eligible for appointment and admission to the service academy concerned and that the academic and other relevant standards required for the appointment and admission of female individuals shall be the same as those required for the appointment and admission of male individuals, including equal opportunity for appointment under the provisions of sections 4342, 6954 and 9342 of title 10, United States Code."

And renumber the following sections accordingly.

Mr. STRATTON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. STRATTON. Mr. Chairman, this is the women in the academies amendment. I think there has already been a great deal of attention to it, so I will not need to explain it in detail.

I think the members of the committee are aware of the fact that the Member in the well is a member in good standing of the Armed Services Committee. They know that I do not usually support far-out positions as far as defense legislation is concerned; but the idea of women in the service academies is, I think, an idea whose time has come.

It is just a simple matter of equality. The services have been promoting the enlistment of women for the last several years, and with a good deal of success. Women are now in the ROTC program, and they are attending our officer candidate schools. And for the last year or more we have had women midshipmen in the U.S. Merchant Marine Academy. Therefore, it seems to me that there is no real reason why we should continue to deny women the opportunity of attending the elite defense schools, for those who wish to make the military a career and who have the qualifications to be admitted to those academies.

The only serious argument that has been offered against admitting women to the academies is the contention that the academies train officers exclusively for combat. But, Mr. Chairman, that just is not true. The General Accounting Office a few weeks ago, at my request, undertook a detailed survey of various academy graduates who were on active duty as of October last year. They discovered that 29 percent of the graduates of the Air Force Academy had never had a combat assignment, and they discovered that of the more than 30,000 graduates of all of the academies then on active duty more than 10 percent, 3,777, had never had a combat assignment. So without any reference to combat at all, there are plenty of opportunities for women to be utilized and utilized adequately in the services under the present arrangements.

Mr. Chairman, I do not want any special concessions for women. I think they should be required to follow the same program, they should be required to meet the same standards; but I believe they have already demonstrated their capabilities. About 10 percent of all ROTC students and about 10 percent of all OCS students today are women.

I think it would be well for the committee to be aware in advance of what may be proposed to sabotage this particular amendment. There may be an effort made to suggest that we ought to allow women to serve in combat. I think that is a red herring at this point. It is not necessary for women to serve in combat in order to give the country a just return for the amount of money that we might spend in educating them in the service academies.

If we should later decide we want to remove some of these combat limitations on women, we could do that at a later time. But if such an amendment should be offered now I hope the Members will vote it down.

There may be another amendment offered to require more study of this matter, to allow us to perfect the language so that we have exactly the right formula.

Mr. Chairman, this question has been studied at great length already. We held extensive hearings last year. I do not think we need any more study at this point. All we need is to establish the basic legislative policy that we wish to remove sex discrimination when it comes to admissions to the service academies.

If later on it turns out we need further legislative refinement, that can come later; but what we need now is to make that decision. The Senate made it several years ago, and I think it is time for us to make it now.

The other day the New York Times carried on its front page a lengthy account of what is happening in the Army today. Secretary Calloway as of July 1 is ordering all women in the Army to take training in the M-16 rifle, and here is what the writer of the article concludes on the basis of the experience that has taken place today with the M-16.

The CHAIRMAN. The time of the gentleman from New York has expired.

(By unanimous consent, Mr. STRATTON was allowed to proceed for 3 additional minutes.)

Mr. STRATTON. Here is what the author of the New York Times article has to say:

> Rifle training, in fact, illustrates what has become a new army axiom. Even though both men and women think that women are not suited for or cannot perform certain army skills and charges, every time a new one is open to women, both sexes discover that women can perform just as well as men. Virtually all the problems arising are the result of attitudes on the role of the sexes and not on female abilities.

The same thing has been said by Admiral Mack who is the Superintendent of the Naval Academy. He said in his testimony before our committee:

> In my estimation, women could serve in any role in the United States at any time if this law were changed. They could come to the Naval Academy. They could pass the course in large numbers, and do all that is required of them physically, mentally, professionally, and in any other way; and there would be little requirement for change in our course curriculum, physical facilities, or anything of that sort. If the law were changed, in my mind, women could do anything that men could do and, in some cases, perhaps even better.

Therefore, Mr. Chairman, this amendment deserves to be adopted.

Mr. NEDZI. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I will be happy to yield to my friend, the gentleman from Michigan.

Mr. NEDZI. Mr. Chairman, I thank the gentleman for yielding.

The gentleman will recall that when he raised the matter in full committee, I moved to table, not because of opposition to the basic principle, but because of concern about the language and the possible difficulties it might cause the academies in administering this kind of program.

I would like to state at the present time that following that meeting, we did contact the academies and the Department of Defense in an effort to determine whether they had any recommendations as to appropriate language in order to achieve the purpose the gentleman is seeking to achieve, and the request seemed to fall on deaf ears. Consequently, we have no alternative but to go along with the gentleman's amendment at the present time, and I support the gentleman's amendment.

Mr. STRATTON. Mr. Chairman, I will say to the gentleman that I deeply appreciate his support. Since he pulled something of a surprise on me in the committee, I wanted to have the opportunity to complete my statement here today before he might have harpooned me. I am delighted to have him on my side this time instead of on the other side.

Mr. DUNCAN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from Oregon.

Mr. DUNCAN of Oregon. Mr. Chairman, I am not certain that I want to associate myself with all of the remarks of the gentleman in the well, but I do want to associate myself with the general thrust of his remarks.

In the early 1960's, in my previous terms in the Congress, I appointed a girl to West Point. I told her that I did not think she would get it, but if she wanted to be one of the first to storm the battlements, I would be glad to go along with her.

I am delighted that today on the floor of the House we are going to accomplish the storming of those battlements. It has never been right that the women serving in the armed services since World War II should be denied admission to those institutions of learning which have trained the cream of the military.

Mr. Chairman, I say to the gentleman of New York that I am delighted to join with him in the ultimate objective.

Mr. STRATTON. Mr. Chairman, I thank the gentleman, and I will tell him that his young lady did not fight in vain.

Mr. TREEN. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from Louisiana.

Mr. TREEN. The gentleman in the well quoted Admiral Mack, the Superintendent of the Naval Academy, as saying he saw no reason for women not to be accepted there.

This is not true, and I am holding the statement containing Admiral Mack's testimony, which was in opposition to the admission of women to the Academy. He said, "I do not see any advantages to appointing women to the Naval Academy, et cetera."

The CHAIRMAN. The time of the gentleman from New York has expired.

(By unanimous consent, Mr. STRATTON was allowed to proceed for 1 additional minute.)

Mr. STRATTON. Mr. Chairman, to answer the gentleman, Admiral Mack originally came in with a statement last year in which he approved women in his academy. He said, "We are prepared to handle their admission. It is up to the Congress."

Then later on he amended his statement. He apparently got the word from somewhere. He apparently was led to believe that Congress was opposed to admitting women and so he changed his testimony to opposition.

My quote comes from the part of Admiral Mack's statement which remained unchanged. The portion just read by the gentleman from Louisiana is apparently from the portion of the admiral's statement which was amended.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, I rise in support of the gentleman's amendment.

I think we all recall that in World War II, when the proposal was made to have women in the Armed Forces, there was bitter opposition among many of the professionals. Yet, they all changed their mind after experience with it. Men have no monopoly on intelligence or courage, and there are plenty of noncombat assignments.

I think it will work out fine, and I support the gentleman's position.

Mr. DON H. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from California.

Mr. DON H. CLAUSEN. Mr. Chairman, I rise in support of the Stratton amendment which would permit women to enter the military service academies on the same basis as men. As you may know, I have cosponsored legislation to insure the rights of eligible women desiring to attend the academies.

Historically, women have played an important role in our Armed Forces. By 1978 there will be 45,000 women in all three branches of the armed services. This legislation will go a long way toward enhancing the competition in the various services and improving the quality of military personnel.

Women are playing a vital role in our Armed Forces and this role is expanding rapidly. The admission of women to service academies is a natural chain of events as they move into more encompassing roles. The purpose of the service academies is to turn out the best qualified personnel to fill these top leadership positions, and we must give women the best training available to fulfill their career objectives.

This is an idea whose time has come and I strongly urge my colleagues to support this amendment in the interest of removing yet another barrier to full equality for women.

Mr. BOB WILSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. du PONT. Mr. Chairman, will the gentleman yield?

Mr. BOB WILSON. I yield to the gentleman from Delaware.

Mr. du PONT. Mr. Chairman, 2 years ago, I introduced the first bill in the Congress to allow women to attend the service academies. Today, I hope I shall help pass the first amendment to permit that to happen.

The military is one of the few remaining areas of Government that has been particularly remiss in affording equal rights to citizens by its refusal to allow women to attend the Naval, Army, and Air Force Academies.

Discrimination based upon sex is clearly wrong and particularly so when it affects one's opportunities for employment.

I believe that the basic elements of fairness as well as the U.S. Constitution guarantee women the right to be admitted to the service academies should they otherwise qualify. As a large contributing sector to the Federal income and funds, it seems odd women are not able to benefit from and contribute to those very institutions they help support; no equivalent facilities as extensive in quality and size are available exclusively to women.

The role of women in the military is rapidly expanding. The number of women serving in the military has increased from 55,400 in fiscal year 1973 to 97,000 in fiscal year 1975 and is planned to rise over 120,000 in fiscal year 1977. The proportion of women in the total active military force will increase from 2.5 percent

in fiscal year 1973 to 5.6 percent in fiscal year 1977.

Some of the specific actions taken to enhance opportunities for women in the services by the Department of Defense are as follows:

In the Army women are now eligible to enter training and perform specifically identified jobs in 93 percent of the Army's enlisted military occupational specialties. The only skills excluded are those associated with combat or close combat support.

Women now may command any unit except combat or tactical support types.

Positions that can be filled by women have increased from 19,000 to over 215,000.

The Navy has opened all enlisted occupational specialty areas to women.

Women line officers currently hold challenging assignments that include: Naval War College student; commanding officers of shore activities; instructors at NROTC, USNA, and Officer Candidate School.

Naval aviation has been opened to women officers in the past 2 years. Presently there are six women designated as naval aviators with an additional eight women in various stages of flight training.

The Marine Corps has recently taken the following actions:

Revisions have been made of all Marine Corps regulations and policies which are not constrained by law to eliminate any discrimination on the basis of sex.

The Marine Corps manual has been changed to allow women to command other than women Marine units.

The Air Force has opened all officer and enlisted career specialties with the exception of those directly related to combat. Only 3 of the 48 officer utilization fields are currently closed to women: pilot, navigator-observer, and missile operations.

Each service has opened ROTC training to women.

Beginning July 1 all women WAC's will participate to mandatory basic weapons training. Women are also being required to learn how to use M-16's.

The purpose of the service academies supposedly is to train highly skilled and motivated officers for the Armed Forces who will rise to top leadership positions in the services. Highly motivated and well qualified persons are needed—sex is irrelevant in meeting the goal.

It is very important that the military should continue its program to encourage female partcipation by opening its academies to women. It will further their potential growth and increased efficiency.

The quality of performance by the women appointees at the Merchant Marine Academy is an indicator that women are capable of coping with academy life.

The modern military needs administrators, economists, computer specialists, communications experts, linguists, and many other specialists for careers which do not involve hand-to-hand combat.

In view of the changing facts on the role of women in the Armed Forces, it is ridiculous, wasteful, and anachronistic to maintain that the best officer training our Nation has to offer should be limited to men only. The Armed Forces would benefit just as much as women by making these opportunities available to the most qualified candidates of both sexes.

After considering the evidence that women are qualified to assume the many responsibilities of the military it should be apparent that they are able to cope with the life of the military academies.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. BOB WILSON. I yield to the gentelman from Minnesota.

Mr. FRENZEL. Mr. Chairman, I rise in strong support of the Stratton amendment and congratulate the distinguished gentleman from New York for his leadership in attempting to remove the ban on women to our service academies.

In previous Congresses, I have sponsored legislation to enable women to enter our service academies, and have testified before the Armed Services Committee in support of this idea whose time is long overdue. I was pleased with the subcommittee's interest in this concept last year, and I applaud the introduction of this amendment at this time.

We have for too long denied ourselves the advantage of female talent and capability in leadership positions in our armed services. Important strides have been made through the ROTC programs and through direct commissioning to improve our officer corps with women officers. However, everyone knows that the probability of achieving the highest leadership positions is overwhelmingly in favor of military academy graduates. The only way we can take advantage of the most talented young women is to open the service academies to them. They know where the opportunities are, and they are much more likely to bring their abilities to our armed services through the military academies than through the ROTC program.

I hope this amendment is adopted by an overwhelming margin today. It may not seem terribly important to some Members of Congress, but this amendment gives us a chance to renew our commitment to equality and at the same time improve the officer corps of our armed services. That is a better benefit than we can get from most amendments.

Mr. HEINZ. Mr. Chairman, will the gentleman yield?

Mr. BOB WILSON. I yield to the gentleman from Pennsylvania.

Mr. HEINZ. Mr. Chairman, as a sponsor of similar legislation, H.R. 1857, which I introduced on January 23 of this year, I would like to compliment the distinguished gentleman from Delaware (Mr. du Pont) on the statement the gentleman has just made. I remember well when the gentleman introduced his own legislation somewhat over 2 years ago, at which time it was a real first. I took that occasion to take the gentleman's legislation and circulate it to my Service Academies Committee, which is composed of members of the VFW and the American Legion, and I asked them for their opinion on the gentleman's legislation.

I was very encouraged that the vast majority of them, 5 out of 7, said they favored the gentleman's legislation. I think that that is a very strong vote in support from the people who have served in our Armed Forces and fought in this Nation's wars, and I compliment again the gentleman from Delaware for his pioneering of the legislation which is before us today. I urge my colleagues support of the amendment to end the ban on permitting women to enter our service academies.

Mr. MONTGOMERY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to this amendment.

Mr. Chairman, never having been married, I, quite frankly, do not know how well women perform in combat. Seriously, I am concerned that if we have the adoption of this amendment, this really is a foot in the door of putting women into combat.

I serve on the subcommittee that had the opportunity to have hearings on this important measure, and all the Secretaries, all the Chiefs of Staff for the different services, testified against this proposal.

I should like to quote General Weyand, the Chief of Staff of the Army. This is what he said about not letting women into the Academy:

> As I view it, the issue of whether women should become cadets at West Point is tied directly to the basic question of whether Americans are prepared to commit their daughters to combat. I am not prepared to do that. And I hope that is the sentiment of most Americans.

This is the statement by General Weyand.

A further statement by the Superintendent of West Point is as follows:

> It is not solely a college. It is a military installation; a total full-time training environment for our future military leaders.

What I am afraid we are getting ready to do is have a two-track educational system in our Academies. We are getting ready to turn them into colleges instead of training personnel for combat. I might say that the Navy has pointed out that it would cost around $200,000 to start converting to bringing women into the Academies just in the educational field.

Our Committee on the Armed Services, headed by the gentleman from Illinois (Mr. Price) went to Israel. I think the people of Israel know something about fighting. We asked them, "What do you do? Do you have women in combat?"

They said, "We have women in some units. When we move into combat, we move the women to the rear."

I repeat this is the first step of getting American women involved in combat.

The gentleman from New York (Mr. STRATTON) the very capable, fine member of this committee, states that a significant number of Academy graduates do not go into combat or have combat assignments. But I would like to point out that 10 percent of the officers killed in Vietnam were West Point graduates.

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Forty percent of the 1943 West Point graduating class were killed.

I might say that under the structure of the military, only 1 out of every 5 in an infantry division actually gets into combat, so I would say that this amendment does not hold water.

In closing, Mr. Chairman, I am afraid that the gentleman from New York (Mr. STRATTON) will come back next year with an amendment which will knock out the law that says women cannot serve in combat. He offered this amendment in committee that would let women serve in combat. It was tabled, and I am just afraid, as I said earlier, we will have this before us again where we will strike the law out saying women cannot serve in combat.

Mr. DAN DANIEL. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I would like to yield to a friendlier person, but I will yield to the gentleman.

Mr. DAN DANIEL. I thank the gentleman for yielding.

Is it not true that a change in the law would be required before women could serve in combat?

Mr. MONTGOMERY. That is correct. I would like to have the assurance of the gentleman from New York (Mr. STRATTON) that he is not coming here next year to try to change the law.

Mr. STRATTON. If the gentleman is asking me a question, will the gentleman yield to me?

Mr. MONTGOMERY. I yield to the gentleman from New York.

Mr. STRATTON. I thank the gentleman for yielding.

I have indicated quite clearly that I would oppose any attempt to offer a combat provision to this amendment. I think that the admission of women to the academies can stand on its own feet. I went along with the combat provision in the committee because some of the other members, as the gentleman will recall, offered it; but I said at the time I did not think it was necessary, and I have no intention of offering it next year.

Mr. MONTGOMERY. The gentleman did offer it in committee.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank the gentleman for yielding.

I think that answer is quite explanatory. If we are going to have an amendment that allows women to go to military academies but they are not going to serve in combat, then they are merely going to be going to the academies. I think if we have an academy, even though many of the men do not necessarily see combat, they are all prepared, ready, and obligated to go to combat, if necessary. If we are going to send women to the academies and not place them in combat, then they are merely going just to be going. I think we ought to be honest in what we are doing.

Mr. MONTGOMERY. I certainly agree with the gentleman.

AMENDMENT OFFERED BY MR. TREEN AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. STRATTON

Mr. TREEN. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. TREEN as a substitute for the amendment offered by Mr. STRATTON:

On page 15, at the end of line 4, insert a new section, section 705, as follows:

"SEC. 705. The Secretary of Defense shall immediately undertake a study to determine the feasibility of establishing a separate academy offering undergraduate level instruction to train women for careers in the Armed Forces. Such study shall include information with respect to the estimated cost of establishing and operating such an academy, the courses of instruction which should be offered in order to meet the requirements of the Armed Forces, the manner in which students should be selected, how such an academy should be administered, and such other related matters as the Secretary of Defense deems appropriate. The Secretary of Defense shall submit the study required by this section to Congress not later than June 30, 1976."

And renumber the following sections accordingly.

Mr. TREEN. Mr. Chairman, I have come down on this side of the aisle because there are more Members on this side and I would like to get some bipartisan support for this amendment; an amendment which is in the nature of a substitute.

Let me explain what it does and does not do. It does take out the Stratton amendment completely. That is one of its purposes.

Second, it mandates the Secretary of Defense to immediately undertake a study to determine the feasibility of establishing a separate academy for the Armed Forces for women and to report back no later than June 30, 1976.

I think this should appeal to several groups of the Members. First of all, it should appeal to all who do not want to admit women to the academies at this time, and, to be honest, that includes me. I do not think it is proper to suggest that any of us in this category are motivated by what is called "male chauvinism." I think it is nonsense to say that all distinctions based on sex amount to invidious discrimination or that they are unfair or inequitable. We have many such distinctions in our State laws and in our Federal law; they are quite fair and I am sure all here would agree.

We oppose this because of the unique mission of our service academies, and that mission is to prepare each person who comes for any possibly military role including and specifically directed toward combat. The fact of the matter is, as has been pointed out here, under the law today women may not be sent into combat.

We have, for those Members who do not know, and there may be a few in that category, several means for women to obtain commissions in the armed services, through our ROTC and our OCS programs. One might say then, well, why not open the academies? Again the answer is because we would like to retain at least one institution for each of the three service branches in this country that is totally concerned with preparing a person to be a combat leader.

It is true, as the gentleman from New York (Mr. STRATTON) has pointed out, that some of the graduates of our academies do not go into combat. I think he cited a figure of 10 percent of all graduates who have not gone into combat; but, as was also pointed out, each of these persons when he was admitted to the Academy must have been eligible and qualified for combat—mentally and physically.

The fact that 29 percent of Air Force graduates have not been in combat, when we consider that they have only been graduating for about 10 years or a little bit more, I think is an argument in favor of my position. It means 71 percent of the Air Force graduates in the few years we have had the Academy have gone into combat. But the main point is that this occurs by the accident of assignment or by some physical accident that occurs to that individual.

Mr. HÉBERT Mr. Chairman, will the gentleman yield?

Mr. TREEN. I yield to the distinguished gentleman from Louisiana.

Mr. HÉBERT. Mr. Chairman, I want to associate myself with the remarks of my colleague, the gentleman from Louisiana, in his proposal for a complete study. As indicated by what the subcommittee chairman, the gentleman from Michigan (Mr. NEDZI) said, there is confusion completely in the language of the amendment of the gentleman from New York (Mr. STRATTON). What we need to do is study and work it out. I think the plan of the gentleman from Louisiana (Mr. TREEN) is a plan that should be followed and then we can come up with a sensible and workable proposition. I support the amendment.

Mr. TREEN. I thank the gentleman for his generous contribution.

Mr. Chairman, let me hurry on to some other points.

The argument is made: Why not send women to the academies for noncombat roles?

If that is to be the case, why not send them to some other institutions, like the ROTC or OCS? If we permit women to enter the academies and assume they will not go into combat, which assumption we have to make at this time, then it raises the question: Why not permit physically ineligible men into the academies, that is, men who could not ever go into combat? They would have a reasonable claim.

The fact of the matter is, and the testimony received by the subcommittee revealed over and over, that the regimen in these academies is quite severe. I think it would be a grave mistake for us, in order to accommodate those who are not as physically able, to reduce that regimen to a common denominator.

Others propose that we have a double-track system—one for men and one for women. I think Secretary Callaway stated it very well—and I wish I had the

time to read his testimony on that point—when he said that a double-track system would cause loss of respect for the challenge that is involved in finishing one of our academies.

Academy training is very costly. We all want to be cost-effective. There is a 5-year service obligation for anyone finishing our academies and, of course, that could be interrupted in the case of women.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

(By unanimous consent Mr. TREEN was allowed to proceed for an additional 3 minutes.)

Mr. TREEN. Mr. Chairman, the fact of the matter is that this 5-year obligation can be interrupted by the very normal biological function of childbearing.

I never appoint a young man to an academy unless I am convinced he is intending to make a career of the service, because it is a very expensive proposition to educate them. We hope we are getting career people out of this. Again, because the female has the function of bearing children and the obligations of motherhood, there are strong disincentives for a career in the service.

The second group of people that should be attracted to this amendment are those that have some doubts about the basic issue. There are Members who would at least like to have a committee report before us. We do not have such a report—one that would give contrasting views, that would let us see the statements of our Secretaries, our service chiefs, and our superintendents of the academies. They were all opposed to female admission and gave good reasons for their opposition.

I think this House needs a comprehensive report on an issue of this magnitude so that we can better understand, first, the basic issue; second, the problems attendant if we decide to have women enter the academies; third, the method of implementation, and, fourth, the alternatives.

Finally, the third group of people who should be responsive to my amendment are those that have a concern about the argument that the U.S. Government pays for an education at a cost of $70,000 to $80,000 to put a young man through one of the academies; and that it is unfair, it is inequitable, to deny that kind of education to our women.

Well, first of all, the mission of the academies is not for the purpose of individuals getting an education. The mission and the purpose of the academies is to provide us with combat leadership.

But, I can understand that concern, I can understand the argument that we taxpayers spend a lot of money to educate men in our academies so why not women also. Well, there are alternatives to admission to one of our existing academies. One of these alternatives I have set forth in this substitute amendment—a mandate to the Secretary of Defense to study the feasibility of an academy of the Armed Forces for women.

There is another alternative and it is embodied in a bill I have worked on for several months and have introduced in the House. The bill would provide congressional scholarships for women so that the Senators and Congressmen may provide scholarships to make up for the discrepancy that results from excluding women from the academies.

In conclusion, I would like to say that if any Member has doubt in his mind about this, I ask that he resolve his doubt against the Stratton amendment because, in doing that, he is not saying "no" forever to women in the academies. He is saying, "Let us consider some alternatives. Let us get a report on all aspects of the matter."

If any Member is in doubt, he should vote for my substitute amendment because, by voting for this amendment, he will avoid setting a course that we will not be able to alter.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I move to strike the last word, and I rise in opposition to the substitute amendment.

Mr. Chairman, I am in opposition to this substitute amendment. The gentleman has admitted that he is opposed to the proposal of women in the academies, and obviously the amendment is designed to prevent this. I support the Stratton amendment. To the gentleman from Mississippi (Mr. MONTGOMERY) it was I who had the amendment in the full committee to allow women to go into combat so that this could be done properly and legally. This is the way it should be.

We paid combat pay to women in the Air Force in Vietnam during the recent South Vietnamese war. We have had nurses in combat situations in every war we have had. Women have proved that they can do the things that are necessary in such a situation.

We had a situation recently where Dixie Kuhn, a captain in the Navy, has just been appointed Superintendent of the Navy Officer Candidate School in Newport, R.I. Obviously, the Navy feels that she is a qualified person, one who is qualified to superintend a school which is creating officers for combat duty.

We have the case of Capt. Micki King, coach of the divers at the Air Force Academy. For those Members who are afraid that women are going to be in close contact with men if they go to the academies, good heavens, what could be any closer than having a diving coach in the gymnasium? It is ridiculous.

The comment was made by the gentleman from Mississippi concerning the statement of General Weyand. He says that he would not want a daughter of his to go into combat. Well, I would not want a son of mine to go into combat either. I do not think General Weyand would either if he had his choice. That is not a strong argument against women in the academies.

The gentleman from Louisiana (Mr. TREEN) says that we should study this thing. We should see if we can have a separate academy just for women. Every academy has made a study of this situation. They are having a contingency situation. They are all prepared to accept women as soon as Congress takes action.

I have served on the Air Force Academy board of visitors, and they are prepared to accept women.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. CHARLES H. WILSON of California. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, the suggestion was made that the service academies are the only ones that train combat officers. Is it not true that the Chief of Staff of the Army, General Weyand, is himself a graduate of ROTC, and he was a distinguished combat officer?

Mr. CHARLES H. WILSON of California. Of the great State of California, as a matter of fact.

Mr. STRATTON. I might point out to the gentleman that 26,000 officers were commissioned in the Armed Services in fiscal 1975. Of this total only 2,500 came from the academies, and the remaining 23,500 came either from ROTC, OCS or direct appointment.

Mr. CHARLES H. WILSON of California. The gentleman is perfectly correct. This idea that we should take this $80,000-a-year education—as the gentleman from Louisiana said, someone would bring this up, and I bring it up right now—just to men alone and not make this available to women when we are saying, "All right, the women can have the $10,000 or $15,000 education through ROTC, and they would be trained for all these duties other officers are trained for, is absolutely unfair and uncalled for. The gentleman from New York read the report of the New York Times about women being trained in rifle training at Fort Bragg and trained to do military police duty. There is absolutely no reason in the world why we cannot accept this amendment.

I think we should defeat the Treen substitute amendment and agree to the Stratton amendment. It is a good amendment. We are long overdue in accepting something like this.

Mr. McDONALD of Georgia. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I arise in opposition to the amendment offered by the gentleman from New York (Mr. STRATTON). As both a practicing physician, urologist, and a member of the House Armed Services Committee, I believe this amendment is unsound from both a physiologic and national defense point of view.

Furthermore, from the standpoint of responsibility and need of congressional oversight, it is important to note that the Personnel Subcommittee of the Armed Services Committee has not held hearings on this amendment in this Congress. Moving in haste on a matter of such sweeping change is remarkably ill advised.

One cannot help but note that there is in some quarters of general society today a pellmell rush in an attempt to gain the will-o'-the-wisp ideal of an egalitarian society. In view of the historic failure of the utopian state, I must ask the obvious question of this amendment: Why? What is the reason for women in

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the service academies other than the pursuit of some egalitarian ideal? Frankly, I can find none; going further, there are overwhelming reasons for this amendment's rejection.

A prime factor for rejection is the blunt fact, not subject to serious debate, that the male and female are different.

That truth, under normal times, would not require the technical testimony of a urologist. Females have the unique anatomical and physiologic ability of childbearing and the life sustaining feature of lactation or breast feeding. These features, along with the maternal instinct, are discriminating features between males and females. All egalitarian concepts notwithstanding, these are the facts of life in the real world, and there is nothing this legislative body—or any other political body—can do about it. Anyone with a serious objection will have to take up the debate with the Almighty.

After the usual 4 years of study at the service academy, there is a 5-year service obligation. Under this amendment, how will the female officer serve this obligation of 5 years if she also has three—9-month—full-term pregnancies? Further, how will this obligation of 5 years be fulfilled if this same female officer also elects to breast feed her infant over a 1-year period before her next pregnancy? It is truly difficult to visualize an effective defense force that included a portion of officers serving while 7, 8, or 9 months pregnant. Going on, can anyone seriously imagine an officer giving a lecture or leading a tank column but requiring a pause to breast feed her infant? That situation which might produce a box office triumph in a broadway comedy, has no serious parallel in the real world.

In reference to service academies, there is the additional problem of physical standards. Experience of Federal physical standards in other areas such as police, shows that such standards would have to be neutral in most instances. Tests would have to be neutralized in order to shoehorn in people to fit the social theory involved. In the case of Griggs against Duke Power, a discriminatory test was upheld, however, but only if such test is job related. If any such test were challenged, the burden of proof would be on the Defense Department to prove that the job requires the specified skill.

An additional negative argument and a very compelling one is in the area of cost effectiveness. The purpose for the service academies is to train the leadership for the defense of the Nation at the highest and most competent levels. Federal tax revenues support the service academies and graduates should be qualified for full military service, including combat duty. Under section 6015 of title 10, United States Code, woman serving in the regular Navy and in the regular Marine Corps, are prohibited from being assigned to duty on vessels of the Navy other than hospital ships and transports. Under section 8549 of title 10, United States Code, female members of the Air Force, other than medical personnel, are prohibited from duty in aircraft engaged in combat missions. Army regulations prohibit women from serving in combat or combat-related assignments.

So long as these restrictions remain, participation by women in academy training would not be cost effective since the basic curriculum and primary function of the academies is to prepare prospective officers for combat assignments.

When I ask myself what I want our academy graduates to be, it is many things, but the central part of the answer is that at the minimum they must be capable of providing the very best leadership to our fighting forces.

General of the Army Douglas MacArthur said it best in a speech to the Corps of Cadets at West Point in 1962, and I would like to quote a portion of that speech:

> And through all this welter of change and development, your mission remains fixed, determined, inviolable—it is to win our wars. Everything else in your professional career is but corollary to this vital dedication. All other public purposes, all other public projects, all other public needs, great or small, will find others for their accomplishment; but you are the ones who are trained to fight: yours is the profession of arms . . . Others will debate the controversial issues, national and international, which divide men's minds; but serene, calm, aloof, you stand as the nation's war guardian, as its lifeguard from the raging tides of international conflict, as its gladiator in the arena of battle.

Continuing on this theme of combat leadership, General MacArthur concluded with these words:

> You are the leaven which binds together the entire fabric of our national system of defense. From your ranks come the great captains who hold the nation's destiny in their hands the moment the war tocsin sounds. The Long Gray Line has never failed us. Were you to do so, a million ghosts in olive drab in brown khaki, in blue and gray, would rise from their white crosses thundering those magic words—duty—honor—country.

It is therefore obvious that the combat issue is not a false one; it is indeed the central question. If we do not wish our women to serve in combat roles, we should not have them attend our academies where the very presence of persons precluded from combat roles upon graduation could irreparably damage the special environment we have built to insure the Douglas MacArthurs and George Pattons are there when we need them.

The gentleman from New York quotes a General Accounting Office figure of 10 percent in referring to that portion of Academy graduates who have never had a single combat assignment. This of course means that 90 percent of the graduates have had combat assignment.

Further figures give a further analysis of this combat assignment or combat training assignment. Of the initial Academy graduate assignments the breakdown is as follows:

Army—about 93 percent go to combat and combat support areas.

Navy—about 98 percent go to ships, flight training, and nuclear power training.

Air Force—about 80 percent go to combat potential assignments—flight training or missile training.

In summation, Army, Navy, and Air Force academies' missions are to produce male officers to fill combat billets. It is imperative that the maximum enrollment of males who may acquire this training be maintained. The current facilities at the Academies are such that to admit females would be to reduce, by the number admitted, the number of critically needed males who receive this education. To be effective and worthwhile, any program of admission of females would have to envision substantial numbers. To do that and to thus reduce the attendance of males proportionately would work serious harm to fleet and combat units and other activities which have an increasing demand for Academy graduates.

I oppose this amendment because its adoption would be damaging to our defense capability.

AMENDMENT OFFERED BY MR. MURPHY OF NEW YORK TO THE AMENDMENT OFFERED BY MR. STRATTON

Mr. MURPHY of New York. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

> Amendment offered by Mr. Murphy of New York to the amendment offered by Mr. Stratton: In the Stratton amendment, strike the words "chapter 403 of title 10, U.S. Code (relating to the U.S. Military Academy),".

PARLIAMENTARY INQUIRY

Mr. TREEN. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. TREEN. Mr. Chairman, my amendment was offered as an amendment in the nature of a substitute. Do I understand that this is an amendment to the substitute or just an amendment to the Stratton amendment?

The CHAIRMAN. This is an amendmen to the original amendment of the gentleman from New York (Mr. Stratton).

Mr. MURPHY of New York. Mr. Chairman, this is a very simple amendment. It goes to the very heart of the debate as expressed by my colleague, the gentleman from New York, and my colleague, the gentleman from Georgia, and my colleague, the gentleman from Maryland, and also my colleague, the gentleman from Delaware, and that is the propriety of the question of assigning graduates of our service academies to combat assignments.

Graduates of the Naval Academy do not necessarily have to be commissioned in a combat branch or assignment. Graduates of the Air Force Academy do not have to be assigned in combat branches or assignments. In fact, they do not have to be commissioned in flying skill areas.

But, by law, graduates of the Military Academy must be commissioned in the infantry, the artillery, the Corps of Engineers, armor, or the signal corps, all combat branches.

You cannot be commissioned to the Adjutant General's Corps, or intelligence, or ordnance, or other technical branches of the service, as you can be from the other service academies.

Never in the history of this country have we had a total mobilization. Even during World War II, when 12 million dedicated men and women joined arms to preserve democracy on a united basis, we did not have to commit ourselves in a total mobilization. But there is an example in this world today of a country that has had to totally mobilize, and that is the small democracy of Israel.

I visited Israel last year, a year after the October 1973 war. I spent three days in the field with their officers, both men and women, and I found out that three women had been killed in action in front-line combat in that war, and that a dark cloud still held over the entire country for the deaths of these women, and particularly it reflected itself in the memories of the members of their armed services.

In Israel, on the very frontier, on the very brink of disaster, in a totally mobilized society, they did not permit women to be commissioned in combat branches or even to serve in a combat branch in enlisted or commissioned capacities.

The amendment that I offer goes to the very heart of this: Exempt the one service academy that commissions all of its men in combat branches.

I might correct at this point in time a statistic that was given by my colleague, the gentleman from New York.

In my class in the Military Academy, 125 men were commissioned in the infantry. Within 1 year 55 had been killed in action of that 125. Subsequently another ten had been killed in action in successive wars. That is over 50 percent of just the infantry-assigned officers. I could make the same statistic for the class of 1951 and the class of 1949. We would go higher for the class of 1943 and the class of 1944 from the Military Academy.

In no other academy did we have this type of statistic.

The Congress authorizes 4,400 spaces for each of the three academies. Should 5 percent of the academy allowances be set aside for women, 220 places at each of three academies or 660 places would be divided to men who would be career, combat officers? I urge the committee to continue programs that recognize and utilize the very special skills that women can bring to our complex defense establishment but certainly career combat assignments to the U.S. Military Academy is not appropriate. I do not think that the women of America or the men of America want to make combat assignments for their women; exempt this one academy, and I think we will resolve the problem.

Ms. ABZUG. Mr. Chairman, I move to strike the requisite number of words, and I rise to oppose the acceptance of this amendment.

Mr. Chairman, I had really not intended to speak on this great subject because I thought you all were doing so well for a while, but, speaking of General MacArthur, it seems that old canards never die, they end up on the floor of this House.

The fact is that women feel very strongly and many men 'oo in this country, and hopefully many of the men in this House, that there should be equal opportunity for women to enter into the Military Academies. They have a right to get the kind of training and the kind of education—to be able to be trained for leadership which is offered there if they wish to.

I found the remarks of Congressman McDonald very interesting.

When women wanted to enter into colleges it was claimed that they were inadequate to be trained for college educations.

When women wanted to enter into the legal profession it was claimed that they did not have the legal mind in order to become lawyers.

When women wanted to become doctors it was claimed that they did not have the scientific skills to be able to become doctors.

When women wanted today to become TV repair women or telephone repair women it was claimed they did not have the physical strength or technical know-how to become telephone repair women or television repair women.

The gentleman's remarks about the fact that the Academy is the place where we train leadership, the Academy is the place where we train the best leadership of our Nation is right on point, I would suggest that it might be very interesting, indeed, if we added some new element namely women, to the leadership of the Armed Forces in this great Nation of ours.

I would suggest—and personally I do not regard women in the military as my first priority—that those who support the right of entry of women into the academies recognize that there is a certain distortion in society which results from discriminating against half of the population from participating in any aspect of its life. The fact is that General Weyand, who has been quoted here so brilliantly, could very effectively be replaced by a Gen. Jane Smith who might well do much better in the assessment of some of the wars and battles that he has been involved in.

I would point out to the gentleman that the suggestion in his remarks that women are incapable of giving leadership to the Armed Forces, of determining the great strategy that has destroyed people, men, and women, in this country and elsewhere is as arrogant as it is wrong. Women could do no worse—they could only do better. I think women have the ability and perhaps more ability. I believe women will be able to bring a new insight and new direction toward strategy and tactics that could well improve upon the ways in which we have dealt with confrontations. We have engaged in warfare, engaged in combat in this country often times when unnecessary causing more pain and suffering.

In response to the notions which have been suggested about our physical inequality, or rather our lactating and maternal responsibilities, I might respond by saying that women were lactating on the frontiers of this Nation; and women were lactating on the frontiers of Israel when they fought to establish that homeland. They were lactating during wars throughout the history of this great Nation and the history of the world. Somehow or other that did not stop progress; that did not stop civilization; and that did not prevent women and men from continuing their relationship to each other in a proper way.

I think those things are just straw men, not straw women. I think they are just brought up here in order to prevent the realization of what the gentleman rather condescendingly referred to as an egalitarian ideal. Yes, this is International Women's Year. Yes, we are about to be 200 years old And it seems to me that as we approach these great events it is about time that men and women in the Congress of the United States recognized that this country will only be strong, that this country will only be meaningful, when it does subscribe in fact to the egalitarian ideal and not just in symbols, as the gentleman does.

We cannot believe in democracy; we cannot say that we are really open and truly hoping to create a great nation unless and until we make all areas of life—economic, political, and social—and all institutions open to men and women equally.

As far as the problem of combat is concerned, there are women who think they should go into combat, and they should have that right, though heaven knows we would like to see an end to combat for ever and ever, and a beginning of settling international disputes peacefully. I think that is a subject we will have to discuss at another time. But certainly it seems to me that a vote against the opportunity and the right of choice, which is all we are discussing here, for women to also participate in this important aspect of American life would be to deny the fundamentals of democracy and the action of this body when it passed, may I remind the Members, the equal rights amendment overwhelmingly. The passage of the equal rights amendment meant that we believed that women should participate together with men in the benefits and privileges as well as the responsibilities of our society.

Mr. DAN DANIEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. DAN DANIEL. I yield to the gentleman from Illinois.

Mr. PRICE. I thank the gentleman for yielding.

Mr. Chairman, I think that the Committee understands the issue here, and I think we have had sufficient debate on this subject. I personally oppose this amendment. I would recommend to the Committee that we support the substitute amendment and vote on the measure at this time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Murphy) to the amendment offered by the gentleman from New York (Mr. Stratton).

The question was taken; and on a division (demanded by Mr. Murphy of New York) there were—ayes 35, noes 95.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana (Mr. Treen) as a sub-

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stitute for the amendment offered by the gentleman from New York (Mr. STRATTON).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ASHBROOK. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 113, noes 284, not voting 36, as follows:

[Roll No. 231]

AYES—113

Alexander
Ashbrook
Ashley
Bauman
Beard, Tenn.
Bennett
Bevill
Biaggi
Bowen
Breckinridge
Brinkley
Brown, Mich.
Broyhill
Burgener
Burleson, Tex.
Byron
Carter
Casey
Cederberg
Chappell
Cleveland
Collins, Tex.
Crane
Daniel, Dan
Daniel, R.W.
de la Garza
Delaney
Derwinski
Devine
Dickinson
Downing
Duncan, Tenn.
English
Erlenborn
Evans, Ind.
Flynt
Fulton
Ginn
Goldwater
Gonzalez
Goodling
Hagedorn
Haley
Hammerschmidt
Harsha
Hébert
Hefner
Henderson
Hicks
Hightower
Hillis
Hinshaw
Hutchinson
Ichord
Jarman
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Kazen
Ketchum
Kindness
LaFalce
Lagomarsino
Lloyd, Calif.
Lloyd, Tenn.
Lott
McDonald
McEwen
Madigan
Mahon
Mathis
Michel
Miller, Ohio
Mills
Montgomery
Moore
Moorhead, Calif.
Murphy, N.Y.
Myers, Ind.
Myers, Pa.
Nichols
Patten, N.J.
Poage
Price
Risenhoover
Robinson
Rousselot
Runnels
Santini
Satterfield
Shuster
Sikes
Sisk
Skubitz
Slack
Snyder
Spence
Steed
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thornton
Treen
Vander Jagt
Waggonner
Wampler
Wiggins
Wilson, Bob
Wright
Wylie
Young, Tex.
Zeferetti

NOES—284

Abdnor
Abzug
Adams
Addabbo
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Beard, R.I.
Bedell
Bell
Bergland
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Breaux
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Carney
Carr
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cochran
Cohen
Collins, Ill.
Conable
Conlan
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniels, N.J.
Danielson
Davis
Dellums
Dent
Derrick
Diggs
Dingell
Downey
Drinan
Duncan, Oreg.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Gradison
Grassley
Green
Gude
Guyer
Hall
Hamilton
Hanley
Hansen
Harkin
Harrington
Harris
Hastings
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Holland
Holt
Holtzman
Horton
Howard
Howe
Hughes
Hungate
Hyde
Jacobs
Jeffords
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jordan
Karth
Kasten
Kastenmeier
Kelly
Kemp
Keys
Koch
Krebs
Krueger
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Long, La.
Long, Md.
McClory
McCloskey
McCollister
McCormack
McDade
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Maguire
Mann
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mineta
Minish
Mink
Mitchell, N.Y.
Moakley
Moffett
Moorhead, Pa.
Moss
Mottl
Murphy, Ill.
Natcher
Neal
Nedzi
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Passman
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Pickle
Pike
Preyer
Pritchard
Quie
Quillen
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Rodino
Roe
Rogers
Roncalio
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Ruppe
Russo
Ryan
St Germain
Sarasin
Sarbanes
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Simon
Smith, Iowa
Smith, Nebr.
Solarz
Spellman
Staggers
Stanton, James V.
Stark
Steelman
Stokes
Stratton
Stuckey
Studds
Symington
Thompson
Thone
Traxler
Tsongas
Udall
Van Deerlin
Vander Veen
Vanik
Walsh
Waxman
Weaver
Whalen
White
Whitehurst
Wilson, C.H.
Wilson, Tex.
Winn
Wirth
Wolff
Wydler
Yates
Young, Fla.
Young, Ga.
Zablocki

NOT VOTING—36

Barrett
Dodd
Eilberg
Florio
Hannaford
Hawkins
Hubbard
Jenrette
Johnson, Pa.
Litton
Lujan
Martin
Mitchell, Md.
Mollohan
Morgan
Mosher
Murtha
Nix
O'Brien
Patman, Tex.
Peyser
Pressler
Railsback
Riegle
Rooney
Stanton, J. William
Steiger, Ariz.
Steiger, Wis.
Stephens
Sullivan
Teague
Ullman
Vigorito
Whitten
Yatron
Young, Alaska

So the amendment offered as a substitute for the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. STRATTON).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. SYMMS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 303, noes 96, not voting 34, as follows:

[Roll No. 232]

AYES—303

Abdnor
Abzug
Adams
Addabbo
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Beard, R.I.
Bedell
Bell
Bennett
Bergland
Biaggi
Biester
Bingham
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Breaux
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Carr
Chisholm
Clancy
Clausen, Don H.
Clay
Cochran
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniels, N.J.
Danielson
Davis
Delaney
Dellums
Dent
Derrick
Derwinski
Diggs
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
English
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fraser
Frenzel
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hall
Hamilton
Hanley
Harkin
Harrington
Harris
Hastings
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Hicks
Hillis
Hinshaw
Holland
Holt
Holtzman
Howard
Howe
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kemp
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Leggett
Lehman
Lent
Levitas
Lloyd, Tenn.
Long, La.
Long, Md.
McClory
McCloskey
McCollister
McCormack
McDade
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mann
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mink
Mitchell, N.Y.
Moakley
Moffett
Moorhead, Pa.
Moss
Mottl
Murphy, Ill.
Myers, Ind.
Natcher
Neal
Nedzi
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Pickle
Pike
Preyer
Pritchard
Quie
Quillen
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Rodino
Roe
Rogers
Roncalio
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Ruppe
Russo
Ryan
St Germain
Sarasin
Sarbanes
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Simon
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Staggers
Stanton, James V.
Stark
Steelman
Steiger, Wis.
Stokes
Stratton
Stuckey
Studds
Symington
Talcott
Thompson
Thone
Thornton
Traxler
Tsongas
Udall
Ullman
Vander Jagt
Vander Veen
Vanik
Walsh
Waxman
Weaver
Whalen
White
Whitehurst
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wydler
Yates
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NOES—96

Alexander
Andrews, N.C.
Ashbrook
Bauman
Beard, Tenn.
Bevill
Bowen
Breckinridge
Brinkley
Broyhill
Burgener
Burleson, Tex.
Byron
Carney
Carter
Casey
Cederberg
Chappell
Clawson, Del
Cleveland
Collins, Tex.
Conlan
Crane
Daniel, Dan

Daniel, R. W.
de la Garza
Devine
Dickinson
Dingell
Downing
Erlenborn
Flynt
Fountain
Goldwater
Gonzalez
Hagedorn
Haley
Hammerschmidt
Hansen
Harsha
Hébert
Henderson
Hightower
Horton
Jarman
Johnson, Colo.
Jones, Ala.
Kazen
Kelly
Ketchum
Lagomarsino
Landrum
Latta
Lloyd, Calif.
Lott
McDonald
McEwen
Mahon
Mathis
Michel
Milford
Montgomery
Moore
Moorhead, Calif.
Murphy, N.Y.
Myers, Pa.
Nichols
Passman
Poage
Price
Risenhoover
Robinson
Rousselot
Runnels
Santini
Satterfield
Shuster
Sikes
Sisk
Skubitz
Slack
Spence
Steed
Symms
Taylor, Mo.
Taylor, N.C.
Treen
Van Deerlin
Waggonner
Wampler
Whitten
Wiggins
Wilson, Bob
Wright
Wylie
Young, Fla.

NOT VOTING—34

Barrett
Blanchard
Dodd
Eilberg
Florio
Hannaford
Hawkins
Hubbard
Johnson, Pa.
Litton
Lujan
Martin
Mills
Mitchell, Md.
Mollohan
Morgan
Mosher
Murtha
Nix
O'Brien
Patman, Tex.
Peyser
Pressler
Railsback
Riegle
Rooney
Stanton, J. William
Steiger, Ariz.
Stephens
Sullivan
Teague
Vigorito
Yatron
Young, Alaska

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. McCLOSKEY. Mr. Speaker, I move to strike the requisite number of words.

I have a question to direct to the chairman of the Committee on Armed Services. The chairman will recall that back in 1972, the House suggested in committee report 92–1149 on June 19, 1972, that the Department of Defense send no new armed service officers to the 14 institutions of higher learning which had either dropped ROTC programs or which prevented military recruiting on their campuses because of opposition to the Vietnam war. This provision was dropped in conference, but subsequently the services have pursued this policy. A recent letter from Deputy Assistant Secretary of the Army Paul Phillips dated March 24, 1975, said that the Defense Department will send personnel to these schools "only if the institution offers a course which is in the best interest of national security, the military services, and the individual."

Since this is only policy and not law, there would seem to be no need to amend the law if the gentleman from Illinois can assure the House that the bill before us, and current DOD policy does not permit or require that "the best interest of national security, the military services, and the individual" be interpreted to prevent armed services or other authorized personnel from attending institutions which were within the category described in the committee report, H.R. report 92–1149.

Mr. PRICE. I can assure the gentleman that the bill before the House, and DOD policy under this bill will not permit or require such interpretation.

The CHAIRMAN. Are there any further amendments to title VII?

AMENDMENT OFFERED BY MR. ASPIN

Mr. ASPIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASPIN: On page 21 between lines 23 and 24 insert the following:

"SEC. 717. Notwithstanding any other provision of this Act, the total amount of money authorized to be appropriated under titles I and II of this Act for fiscal year 1976 shall not exceed $24,653,197,000. Within 30 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Speaker of the House and the President of the Senate for referral to the Committee on Armed Services of the House and the Committee on Armed Services of the Senate a report setting forth in detail how the Secretary proposes to apportion the reductions required under this section among various procurements and other programs for which authorizations are provided under such titles I and II for fiscal year 1976. The recommended apportionment shall not take effect for a period of thirty days following the receipt of the report from the Secretary of Defense in order to give Congress an opportunity to revise by law the recommended apportionment."

Mr. ASPIN. Mr. Chairman, I would like at this point, to return to something we began to talk about when the debate on amendments to this bill began, when the gentleman from Washington (Mr. ADAMS) addressed the committee and talked about the total amount of spending that is in this bill. I do not think it has been as widely recognized throughout the debate about just how big an increase is being asked for this year.

The total amount we are being asked to authorize this year is $26.5 billion, which is an enormous increase.

As Members can see by looking at this chart, we see what the authorization bills have totaled in previous years, going back to 1971, 1972, 1973, 1974, and 1975, a general increase of about this kind of magnitude.

We have had a general increase in the authorization bills. This year the committee is recommending a $26.5 billion amount, which is a 27-percent increase over the amount appropriated last year. The amount appropriated was a little bit below the amount authorized, but from comparing it to the amount appropriated last year, we see this is a 27-percent increase, as Members can see on the chart.

Mr. Chairman, there are some I think very good reasons why we should be spending more money this year than we have spent in previous years on defense.

I think it is very important that we have some kind of increase this year. The first point is inflation. Inflation has been bad last year, so just to keep up we would have to have some kind of increase.

The second reason is what is going on in the world, the fall of Saigon, what is going on in Cambodia, and so forth. These things have unsettled our allies and worried our friends. I think we ought to do something about that. I think we ought to give some increase in defense spending, so we can address ourselves to those problems.

But the point is, do we need to give a 27-percent increase? What I am proposing is that we put a ceiling on defense spending this year of $24.7 billion which is an 18-percent increase over the amount appropriated last year.

Now, how do we get 18 percent? I think there was at least 11 or 12 percent worth of inflation last year, although the rate of inflation is dropping off. It has been less this year in the last few months.

But we ought to go beyond this somewhat—maybe 6 or 7 percent because of events in the world making a total of 18-percent increase.

Now, Mr. Chairman, what I am proposing is a ceiling amendment, but the ceiling is not a meat ax approach. Let us understand how the ceiling amendment works. It is not a certain percentage applied across-the-board to every part. It does not leave the whole decision up to the Pentagon as to where they will make the cut or what to do for a cut. Within 30 days after this is passed the Pentagon suggests to the Congress, and particularly the relevant committees of Congress, where they think the thing ought to be apportioned to get within the ceiling. The Congress then has an additional 30 days in which to act to change the apportionment, if they think it is necessary; but the final authority is still back in Congress. If this is a meat ax approach, then the original budget is a meat ax, because that is how the budget works. They send the budget over to us and we fiddle with it and then we pass it. This is exactly the procedure that would be followed with this amendment. In this it is not a meat ax approach, anymore than the budget is.

This leads me to another point and this is the point raised by the gentleman from Washington when he was here and when he was talking about this matter yesterday.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

(By unanimous consent Mr. ASPIN was permitted to proceed for an additional 3 minutes.)

Mr. ASPIN. Mr. Chairman, the gentleman from Washington was talking about how much we ought to spend in this bill in order to stay within the budget resolution that we passed. He said if we passed this bill we would be adding implicitly to the deficit or cutting other programs by $1.3 billion. If we pass the ceiling recommendation, we will be within the budget resolution passed. We can pass the budget resolution and stay within the budget resolution by giving them an 18-percent increase.

I know a lot of Members have gotten word from the National Guard back home saying that if we pass the ceiling we will be hurting the National Guard. This ceiling applies to title I and title II of the bill, not to title IV which affects the National Guard. The National Guard is not affected.

I would like to remind the members of this committee and tell the new members that this amendment has passed before.

It passed 2 years ago. The National Guard was not hurt when it passed. The Air National Guard was not hurt when it

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passed. The appropriations process was not messed up.

I would like to emphasize that what we are talking about here is a very substantial increase in defense spending, 18 percent, a higher amount, a higher increase than we have passed in any previous year, as the Members can see on this chart. I think it is important that we agree to this amendment.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. ASPIN. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Actually, the gentleman's amendment was not adopted in conference last year, so the National Guard, in effect, was not hurt. I agree with the gentleman that it does not affect the Guard or the Reserve as far as manpower is concerned, which is title IV. However, with $1 billion under title I. there is a provision for $115 million for A–7's to the National Guard which the committee put in.

I am concerned that if we agree to this amendment, the Pentagon will probably cut out the A–7's for the National Guard and will cause a further delay in equipment coming to the Guard.

Mr. ASPIN. Mr. Chairman, I would like to say that I agree with the gentleman. I think that is the point. Maybe the Pentagon would do that, but under the provisions of this amendment, the matter comes back to our committee and it get the final OK. So, if the distinguished gentleman from Mississippi is not absent and is alert and awake, I do not think he need worry. Our committee has always taken very, very good care of the National Guard and the Reserve.

Under this amendment, the committee has the final word. The Pentagon does not have the final word; the committee has the final word. The gentleman need not worry at all about the Guard or the Reserves.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. ASPIN. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, due to the fact that the committee and the House yesterday and today have turned down every amendment to reduce funds in title I and title II, can the gentleman tell me where he would recommend that these cuts come from?

Mr. ASPIN. The kinds of cuts I would recommend are the kinds of cuts the Appropriations Committee makes every year. The kinds of cuts we ought to make in this bill are fat cutting reductions. The way the Appropriations Committee cuts is that they do not take out major weapons systems. They do not cut out the B–1 or the Trident but they go over this bill with a very, very fine toothed comb. The kinds of things that the Appropriations Committee cuts are very, very small items, but they add up to a lot.

For example, last year they cut as follows:

FISCAL YEAR 1975 APPROPRIATION COMMITTEE PROCUREMENT CUTS

Army, aircraft:
$41.4 million, 19 CH–47C, Chinook helicopter.
$43.6 million, 128 UH–1H, Iroquois utility helicopter.
Navy aircraft:
$23.4 million, 14 AH–IJ, Sea Cobra gunship.
$6.7 million, new sensors for RA–5C reconnaissance aircraft.
$17.1 million, modification of E–2A/B early warning aircraft.
Navy, missile:
$19.0 million, 35 Condor missile.
$32.1 million, 74 standard active surface-to-surface.
$15.4 million, 500 Bulldog missiles.
$5.8 million, MARK–48 torpedo.
$1.7 million, MARK–49 modification.
Navy, shipbuilding: $81.4 million, AO fleet oiler.
Marine Corps procurement: $3.2 million, 589 teletype sets.
Air Force, aircraft:
$132.9 million, Civil Reserve (CRAF fleet) aircraft.
$4.8 million, B–52 spares.
Air Force, missiles: $15.0 million, Minuteman III spares.
Army: $23 million, site defense.
Navy:
$10.2 million, Condor missile.
$5.5 million, F–401 engine.
$2.1 million, standard surface-to-surface.
$4.0 million, AV–16 advanced Harrier.
$4.0 million, Project Sanguine.
Air Force: $4.2 million, Continental Operation Range.
Defense Agency:
$10.8 million, NSA.
$1.3 million, DIA.
$3 million, Defense Nuclear Agency.

These are the kinds of cuts that can be made and should be made. I urge the adoption of my amendment.

Mr. STRATTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. PRICE. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto, and on further amendments to the bill, end in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. MAGUIRE. Mr. Chairman, I object.

Mr. BLOUIN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. PRICE. Mr. Chairman, I move that all debate on this amendment and all amendments thereto, and on further amendments to the bill, end in 20 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from Illinois.

The motion was agreed to.

The CHAIRMAN. The Chair will announce the time after the gentleman from New York (Mr. Stratton) has concluded his 5 minutes.

Mr. STRATTON. Mr. Chairman, we have had a great couple of days on this floor. There has been a new attitude on defense in this House of Representatives. We have recognized, as a result of the events of the past few weeks, that this is not the time and this is not the place and this is not the year in which to cut back our military strength or to reduce the size of our Armed Forces.

We have indicated that determination time and time again, both today and yesterday, by substantial margins of 2 to 1 and 3 to 1, on a number of occasions.

This amendment would really do indirectly what we have so far consistently refused to do today. I think we ought to recognize that that is exactly what it is. This is a kind of lazy approach. This is a way in which we might try to assuage our consciences by first voting against all of these specific cuts and then go for this meat-ax approach which will do much the same thing in the hope that nobody will recognize what has happened. But do not be fooled. Where does the equipment for the National Guard and Reserve, for example, come from? It comes from title I and from title II. And this amendment, therefore, would cut the National Guard and the Reserves; it would damage them just as much as it would damage the Regular Forces. We did not fool the Russians of course, with such a vote because the only thing they look for is the bottom line on this bill, and this is an amendment to cut the bottom line.

There is actually a good deal of misinformation in connection with this particular amendment. For example, the gentleman from Wisconsin (Mr. Aspin) has said that 12 percent is in here for inflation and 6 percent more is for the growth. But the inflation factor, when we are talking about military equipment, is not 12 percent. It was closer to 18 percent this past year for durable goods.

So this Aspin proposal merely takes care of the inflation. It allows nothing for progress in development. It allows nothing for helping us catch up with the lag that we have with the Russians in so many areas, such as tank produotion, and antitank missiles; and such as our sagging fleet, which is way behind the Soviets.

Not only that, but the gentleman from Wisconsin has been talking about our authorization bill but he is comparing it with the appropriation bill of last year. The whole legislative process, of course, is a step-by-step arrangement, where first we authorize in this House and then we authorize in the other body, and then we go to conference, and then finally we have an appropriation bill.

We all know that the total figure drops steadily along the process. But the gentleman is proposing now that we cut at the very outset to the size of the appropriaion bill in our initial authorization. In fact, the very distinguished gentleman from Oklahoma (Mr. Jones), in a "Dear Colleague" letter the other day, pointed out that the gentleman from Wisconsin has completely overlooked $1.6 billion which is in the committee bill to pay for escalation costs in shipbuilding programs due this year.

So, actually, the required Aspin figure, when you put that $1.6 billion back in, as you have to do, is $26 billion, precisely the same amount that our committee has authorized. There is no increase at all.

Something else has been overlooked. This bill of ours represents only 30 percent of the total defense budget, and we have come up with a cut of $3.7 billion. Now the budget resolution calls for about $9 billion for the overall defense budget. So we are within our limit for our particular part of the budget, $3.7 billion out of a total of $9 billion.

The CHAIRMAN. Members standing at the time the unanimous-consent request was made will be recognized for two-thirds of 1 minute each.

The Chairman recognizes the gentleman from New Jersey (Mr. Maguire).

Mr. MAGUIRE. I want to make one point with respect to what the gentleman from New York (Mr. Stratton) said. I want to point out that the Committee on Armed Services of the Senate has already authorized a figure which is $1.5 billion below the House committee request. I do not think that as a result of the Senate version our military posture will be undermined.

I think we have a responsibility here in this body to be fiscally responsible, to put a cap on this budget, and to reorient the priorities of this Nation so that our national security will be truly served. If we do not pass this amendment we demonstrate that, as a Congress, we are not serious about even beginning that task.

Mr. Chairman, I urge support of the amendment.

(By unanimous consent Messrs. Sikes, Dan Daniel, Price, Kazen, Hébert, and Jones of Oklahoma yielded their time to Mr. Bolling.)

The CHAIRMAN. The gentleman from Missouri (Mr. Bolling) is recognized for 6 minutes.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. BOLLING. Yes, I will be delighted to yield to the gentleman from Texas.

Mr. KAZEN. Mr. Chairman, I just want to make the statement that this is an authorization bill. We still have the appropriation process. The Committee on Appropriations can appropriate anything they want to up to the authorization, which makes this really an extracurricular activity.

Mr. BOLLING. Mr. Chairman, it is very rarely that I have spoken on a bill out of the Committee on Armed Services, on an appropriation bill dealing with defense.

I have voted three times for a meat-ax cut, each time in absolute desperation, because I did not trust the process. I will be blunt about it.

I cannot think of a worse thing for us to do on this date than to have another meat-ax cut. I do not need to describe the situation that exists in the world, and the reexamination of the United States and its position in the world by all the governments of the world. The main emphasis in this reexamination is the point that the Government of the United States no longer successfully speaks with a single voice. The main point made, then, is that the Congress, and in particular the House, does not in any way support the programs proposed by the President.

Mr. Chairman, the Members know and I know that that is not so. However, this is the beginning of a long and complicated process. This is merely an authorizing bill. The real decision is made on the appropriation.

That decision will come a long way down the track. It seems to me that this is the wrong day to make the final decision on the amount that we appropriate for the purposes covered by this bill. This is the worst day of this year in which we will have the opportunity to deal with the matter. I do not pretend to be an expert on the details. I think if I had to I could defend the position that the gentleman from Wisconsin (Mr. Aspin), has made a very excellent case for his particular position, and that the gentleman from New York (Mr. Stratton), has raised a series of questions about the absolute validity of the meaning of those particular figures. But I do not claim to be qualified to get into that numbers game.

I think it is important today that we lean over backwards not to use the worst possible technique that one can resort to to cut military spending.

I voted again to knock out the B–1. If there had been a majority on anything, the House would have acted fully responsibly. I said in the beginning that three times I voted in desperation because I did not trust the process. Last year in May when I voted to cut this authorization bill I did not trust the integrity of the President of the United States. The new President did not come in until August. Last year I heard from the members of the Committee on Armed Services that they were not treated fairly.

This year the caucus of Democrats decided to replace the chairman of the Committee on Armed Services with a new chairman. This is the first time that the new chairman of the Committee on Armed Services has come to the floor of this House and sought the support of the Democrats and the Republicans for this position.

I believe that, taking all things into account, the wisest course of action—and I say this, and I remind the Members again that I voted for cuts in weapons systems, and I voted for this approach before, in desparation, this is the worst thing we could to today, so we should vote down the Aspin amendment and deal later in the appropriation bills with those figures that we think should be cut, but let us not use the meat-axe today.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. Scheuer).

Mr. SCHEUER. Mr. Chairman, one thing I hope we will do before the next Defense authorization bill comes up is to have searching scrutiny as to the mission of the Armed Forces.

I do not think we know, nor do I think we have even debated, where our true defensible interests lie; where are the perimeters of America's real interests that are worth deploying our military might and our young men to defend?

Mr. Chairman, it is high time that the State Department and the Defense Department join together in a reappraisel of what our defensible interests really are in the year 1975, taking into account the misconceptions, the unfounded assumptions, the flawed logic, the systematic self deception of the last 10 tragic years of our military involvement in Southeast Asia?

Only when we have a fresh vision of our Nation's role in today's new world, will we be able to perceive where our true interests lie worth defending. Only then will we know what mission to assign to the Armed Forces. And only then will we know what degree of risk we are prepared to take for peace and consequently, what manpower, procurement, weapons systems, and deployment policies must be developed to enable our Armed Forces to fulfill their mission of protecting our real national interests in today's world. Only then will we be able to use a surgeon's scalpel in cutting out the fat, the waste, the lugubrious overkill, that permeate our Defense Establishment.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota (Mr. Frenzel).

Mr. FRENZEL. Mr. Chairman, I support the Aspin amendment. I am a cosponsor for this amendment, and urge that it be adopted.

The need for the amendment is clear. This is the fiscal year of the $68 billion deficit—or maybe its the year of the $100 billion deficit. It is obviously not a year for authorizations and appropriations as usual.

In this period of soaring deficits all budget items must face the same terrible scrutiny. Those items that are necessary to our national security must, of course, be maintained. Those items that are merely desirable will have to be deferred.

Military expenses, above minimum security needs, must make the same sacrifices demanded of other spending categories. Certain expenses are vital, but some can stand responsible cuts.

This amendment does provide for a responsible cut. The reductions voted by the committee consisted largely of reduced costs in Indochina occasioned by our unplanned departure from the area. The apparent 10-percent cut, then, is not significant. The Aspin amendment allows a 12-percent increase in last year's spending for inflation. It also allows for a 6-percent increase for need. The need is well established by far greater spending by the competitive superpower, Russia.

However, even after the 12-percent, and the 6-percent increases, the amendment will cause a reduction of nearly $1.8 billion in this authorization. In addition to this fiscal dividend, the amendment leaves the choice of cutbacks to the military experts, with an approval by the authorizing committees of this Congress. That, I believe, represents a responsible cut.

The amendment does not apply to National Guard amounts. It is not a meat-axe approach. It will put the House bill at about the same level as that of the other body, but it lets the military and congressional experts make the choice as to how the reductions are carried out.

I realize that, for many Members, this may not be the most desirable time for reductions. I respect those feelings, and I have similar concerns myself. Like many Members, I have resisted many, specific reductions in specific systems.

Nevertheless, I believe that some admittedly desirable programs can be deferred in these most difficult times for our economy. This a modest and necessary reduction. I hope it will pass.

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut (Mr. Moffett).

Mr. MOFFETT. Mr. Chairman, during these long hours of debate on the Defense budget, a number of questions have come to mind, questions that go to the very heart of the debate about fiscal responsibility, to the very core of the goal of reordering national priorities, to the very essence of our responsibilities as Representatives, and to the very bottom of the clearly negative attitude toward this body.

From every corner of this Chamber, from old and young, Democrats and Republicans, since the beginning of this session, concern has poured forth about the spiraling deficit, about wasteful Government spending, and about the legacy of disastrous inflation we may be leaving to future generations. More emotional statements have been made on these points than perhaps any others that have come before us.

Yet we have heard little during this debate from those who fashion themselves as fiscal conservatives. Why should the B-1 escape the kind of scrutiny that they urge for social security, Head Start and health research? Why should we fail to act when even the Secretary of Defense is unable to make the case for a direct correlation between the size of our budget abroad and the message he says we are trying to convey to the rest of the world; a message of strength and national resolve.

And herein lies the most troubling aspect of the way in which we as Representatives are confronting this issue. Our failure to adequately assess the economic impact of this budget is inexcusable, but it is even more inexcusable to rubberstamp it out of a feeling that we have to send a signal to the rest of the world.

What kind of a signal are we trying to send? And why are we not so concerned about the wrong signals that are being sent now? What kind of a signal do we send to the rest of the world when they learn many of our senior citizens who have worked hard all their lives are eating cat food to stay alive? What kind of signal do we send when we are unable to put people to work solving our domestic problems? What kind of message do we send forth about our national strength as we produce more and more college graduates for the unemployment lines? What kind of impression do we create about our national resolve when we have citizens working 1 month out of every year just to pay their health bills? What kind of world image do we gain from our failure to develop adequate public transportation or from our inability to provide housing even for those who are middle income earners?

One cannot blame the rest of the world for wondering if the only signal we are capable of sending is one delivered through arms or the presence of our troops overseas. The bill before us today, and the arguments which have been offered in support of it, reflect tragically shallow and misguided assumptions about the role of America in the world.

Many of the amendments that have been defeated in this debate were reasonable in terms of national security, and vital in terms of our national economy.

They would have sent a signal to the rest of the world that our foreign policy in the future will be based not only on military strength but also on the power that comes from good sense and humility.

Mr. Chairman, Members of the House, many of us in this body were elected at least partly because of promises that the Defense budget should not escape close scrutiny by the Congress.

Many of us who have defense contractors in or near our districts have spoken forthrightly and courageously about the need to decrease our reliance on defense work, and about the need to convert our economies to peacetime pursuits. On purely economic grounds, we must acknowedge that defense spending tends to do more harm than good to the economy, especially when we consider that every dollar spent on unnecessary, wasteful, capital-intensive programs takes away from the amount left for socially productive, labor-intensive civilian programs. A recent Massachusetts Institute of Technology study estimates that every $1 billion in Federal expenditure transferred from defense to civilian programs creates 6,436 more jobs than it eliminates. Other studies have shown defense spending to be much more inflationary than Government expenditure in general, since defense goods never enter the mainstream of the economy. These are not easy matters to address in terms of political survival. But they are the very questions that will lead toward longterm justice for the workers and the economies of our States and districts.

For some of those who have supported reductions in the past we now hear that "this is not the time" to make reductions. They view this vote as a test of whether or not we will stand firm in the world.

Indeed this vote is a test, a test of the consistency of those who have long urged cuts in wasteful Federal spending, a test of whether this body has the wisdom and will to reject the way in which the administration has so clearly framed this debate, as a choice between the extremes of isolationism or interventionism.

The greatest doubts about our will and ability to respond militarily throughout the world come not from foreign friends or foes, but from our own Government. Let us not permit the confusion, doubt, and anger over the outcome of our involvement in Vietnam to endorse and perpetuate the paternalistic and uneconomic assumptions implicit in this bloated defense budget. I urge adoption of the Aspin amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana (Mr. Hillis).

(By unanimous consent, Mr. Hillis yielded his time to Mr. Bob Wilson.)

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. Leggett).

Mr. LEGGETT. Mr. Chairman, I rise in support of the Aspin amendment. I think this chart is graphic evidence enough of where we are going. We have escalated our procurement account from $12 billion last year to $18 billion this year, and this in light of a $70 billion deficit.

If we want to be at all fiscally responsible, I think we have got to do something with this bill or else certainly abdicate our functions in the area of budget responsibility.

I was very surprised to see the gentleman from Missouri take the well here and claim to be a supporter of budget reduction.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Indiana (Mr. Brademas).

Mr. BRADEMAS. Mr. Chairman, last month in West Germany I made a speech to a group of Americans at a U.S. Air Force base in which I said that I saw no serious prospect of troop reductions by the United States in Western Europe. I believe that, at the present time, that is the sensible position to take, and I voted that way today; but taking that position does not mean that I regard every single item in the military budget as sacrosanct.

Indeed, Mr. Chairman, when the Senate Committee on Armed Services reports out a military authorization bill that is $1.5 billion below the amount in the committee bill now before us in the House. I find it difficult to understand why, when we seek to offer a proposal today that represents a similar reduction—$1.8 billion—it should be described as a calamity.

Mr. Chairman, I urge adoption of the Aspin amendment, which I am pleased to be a cosponsor.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Pennsylvania (Mr. Heinz).

Mr. HEINZ. Mr. Chairman, I rise in support of the Aspin amendment. It has been attacked as a cut and a meat ax. It is neither. It is an 18-percent increase, not a cut. And the procedure of going first to the Pentagon and then to our congressional committees for reauthorization is anything but a meat ax. It is a carefully considered approach, and I urge that we accept the amendment.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Connecticut (Mr. Giaimo).

Mr. GIAIMO. Mr. Chairman, I rise in support of this amendment. This amendment deserves support. It is not an exorbitant cut in amount. The gentleman from New York (Mr. Stratton) claimed that $3 billion had been cut from this bill by the committee. That really is not accurate. What the committee did was to take out $1,300,000,000 for the South Vietnam aid, and it deferred about $1 billion of the shipbuilding money. So these are really not cuts; they are merely deferrals insofar as the shipbuilding money is concerned and the obvious elimination of the no longer needed Vietnam assistance funds.

The fact is that this is a modest amount that can be cut out of this authorization without affecting ongoing programs.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from New York (Mr. Koch).

Mr. KOCH. Mr. Chairman, I have not voted for every amendment that was offered today, but I am voting for this amendment because I think that it is a reasonable approach to this budgetary problem that we have. Every year we find that we vote for one figure, and then the Committee on Appropriations comes back with a lesser figure.

I happen this year to serve on the Committee on Appropriations, but that does not mean that we should not be doing our jobs right now. Therefore, I will be supporting the Aspin amendment.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from New York (Mr. Badillo).

Mr. BADILLO. Mr. Chairman, I rise in support of the Aspin amendment. I disagree with the logic that we must increase the authorizations because the war in Vietnam has ended. The war in Vietnam ended because we in the Congress said it should end and, therefore, we should not reward the military by giving them increased appropriations. The money that is available now should be used to rebuild our cities, not to continue to fatten the war calf.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa (Mr. Blouin).

(By unanimous consent, Mr. Blouin yielded his time to Mr. Harkin.)

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana (Mr. Waggonner).

Mr. WAGGONNER. Mr. Chairman, the gentleman who offered the amendment, the gentleman from Wisconsin (Mr. Aspin), when asked what he would recommend be cut, generally referred to the type reductions made by the Appropriations Committee last year. The situation is this. The committee tried to make specific cuts, this House has tried to make specific cuts and we have rejected those cuts. We must not place ourselves in the ridiculous, frustrating position now of saying since we could not agree on the cuts we want another chance but we want the Secretary of Defense to have it first.

I ask the Members to reject the Aspin amendment and let the Appropriations Committee work and the conference committee work and we will come up with something we can work with.

The CHAIRMAN. The Chair recognizes the gentleman from Florida (Mr. Young).

Mr. YOUNG of Florida. Mr. Chairman, I rise in opposition to the amendment.

(By unanimous consent, Mr. Young of Florida yielded his time to Mr. Bob Wilson).

The CHAIRMAN. The Chair recognizes the gentleman from Virginia (Mr. Dan Daniel).

Mr. DAN DANIEL. Mr. Chairman, Cicero, a renowned philosopher of Greece said many years ago:

> You are young my child and as time goes by things will change and reverse many of your present opinions. Refrain therefore awhile from setting yourself up as judge of the highest matters.

(By unanimous consent, Mr. Dan Daniel yielded his time to Mr. Price).

The CHAIRMAN. The Chair recognizes the gentleman from Missouri (Mr. Randall).

Mr. RANDALL. I rise in opposition to the Aspin amendment. This is not the time to consider this kind of amendment. This is an authorization measure. The amendment proposes certain limitations that can and should be handled by the appropriation committee.

The gentleman had an opportunity to propose his amendment in the committee. He is a member of the committee yet he did not offer the proposal. If the amendment had such merit then it should have been offered to be considered by the Armed Services Committee. If we follow a course proposed by the gentleman from Wisconsin we set a precedent that would completely undermine committee action. We had just as well dissolve the committee.

I cannot understand the gentleman's charts and graphs—here in the well, but if any of you are undecided or in doubt let me recommend you rely on the words of the late Speaker Sam Rayburn which were expressed so many times when we considered a defense authorization by former Speaker, John McCormack: "We all make mistakes. We all make errors. But if we are going to err, then let us always err on the side of strength and national security rather than to err on the side of weakness and insecurity."

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. Schulze).

Mr. SCHULZE. Mr. Chairman, two lines of argument have been advanced for making a percentage or across-the-board cut in the Defense authorization bill.

One is that the amount recommended by the Committee on Armed Services in H.R. 6674 exceeds the amount recommended by the Committee on the Budget when it developed the budget resolution passed by the Congress a short time ago.

The other argument is that the amount recommended by the committee in H.R. 6674 exceeds the amount appropriated last year and therefore is unjustified in these times of needed fiscal restraint.

I shall respond to both of these arguments.

In the first place, the Committee on the Budget has not reported any official estimate of what the Defense authorization bill should carry, and indeed it is not the responsibility of the Committee on the Budget to do so. The budget resolution recently passed by the Congress has a target ceiling for the Federal budget as a whole, not for any of its components.

Starting in fiscal year 1977 the Committee on the Budget also will recommend ceilings for functional categories of expenditures, including a category of national defense. Even then, the target ceiling will not govern the amounts recommended in the Defense authorization bill because the bill deals only with a portion of the national defense budget—less than a third.

Further, we are dealing here with an authorization bill, not an appropriation bill. The Committee on Appropriations will have the job of reconciling its recommended amounts with any target ceilings that are set for the Federal budget as a whole or for any functional categories.

In sum, Mr. Chairman, it is premature to try to match the specific amount in an authorization bill with some supposition about what the Committee on the Budget had in mind or the amount subsequently to be appropriated and reconciled with target ceilings.

Two members of the Committee on Armed Services who have entered dissenting views use different figures to argue about what the Committee on the Budget had in mind. At page 100 of the report on H.R. 6674, it is said that the authorization bill exceeds the Budget Committees estimate by $2 billion. At page 104 of the report, the difference is said to be $1.2 billion. These widely varying estimates show the fallacy of a premature match-up between authorizations and appropriations.

Those who want to cut the proposed authorization of $26.5 billion back to $24 6 billion, for procurement and R.D.T. & E., are playing fast and loose with the national defense. They ignore the heavy impact of inflation. They are unwilling to recognize that technology advances, and weapons cost more each year even if the inflation effects are canceled out.

What happens if such a cut finally prevails? The force structure of the armed services will be sharply reduced. Planning will be disrupted. Readiness will suffer. Procurements deferred will cost more in the end. The Secretary of Defense will be faced with the unpleasant task of allocating the heavy cut among the services. Imagine what in-fighting among the services this could cause.

However unpleasant the task, Mr. Chairman, note that the decisions will be made by the executive branch and not by the Congress. That is the consequence of a percentage cut, "meat-ax" cut.

Amendments of this sort shift the burden of responsibility from the Congress to the Executive. The Committee on Armed Services acted in a responsible way. It reviewed every program request line by line and exercised its best judgment, making numerous changes. Now comes an amendment asking us to throw away the expertise of the committee and to make a wholesale cut in the defense authorization bill. This is not the way for the Congress to go. The amendment should be voted down.

(By unanimous consent, Mr. Schulze yields his time to Mr. Bob Wilson.)

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. Dellums).

Mr. DELLUMS. Mr. Chairman, I take the well this afternoon with ambivalence. I will probably vote for this amendment, but I hasten to add I think we, the majority of this body, have been derelict in our responsibility to establish specific cuts, but this is another opportunity to cut the budget, and we can and will and must cut it, but I want to make it very clear this amendment lacks courage, but perhaps it will allow us to go home and say that we voted to cut the budget.

Mr. CONYERS. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Chairman, I rise

to concur with the gentleman from California.

Mr. Chairman, I thank the gentleman for yielding and wish to commend him for his excellent amendment to reduce our troop strength in the Pacific area.

Once again the mammoth demands of the Defense Department are presented to this committee as so inviolable that even this most modest of ways to reduce DOD expenditures is now being depicted as a meat ax approach. One of the more intriguing aspects of this amendment would be a revelation of what cuts the Department of Defense would make on its own initiative.

In view of the fact that every reducing amendment prior to this has gone down to defeat, one must begin to wonder if in fact the 94th Congress is the forward looking, progressive-minded body that so many commentators declared it to be after the last election. Will the time ever come when the Congress wil seriously examine the sacred military cow? If not now, when? After having been exposed to this incredibly long list of dubious weaponry programs, it is hard to believe that rational men would argue that our strength and hence our national security is based upon so slim a reed.

The unsolved mystery of Capitol Hill is how fiscal conservatives always lose their philosophy when annual consideration of the Defense budget begins. When, for example, will they begin to complain about the notorious surplus of officers whose numbers are far greater than they were at the height of World War II? Could not the military be required to tighten its belt just for once and give a little breathing space to the working men and women of this country and to those who wished they were?

It is time that we created badly needed jobs by taking from the military, whose end product has no economic use value whatsoever, and adding to the civilian sector of our economy, where the input is vitally needed. I wish that the Members of this body showed as much enthusiasm for relieving the widespread suffering caused by massive unemployment as they do in authorizing military spending year after year.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. EDGAR).

(By unanimous consent, Mr. EDGAR yielded his time to Mr. HARKIN.)

The CHAIRMAN. The Chair recognizes the gentlewoman from New York (Ms. HOLTZMAN).

Ms. HOLTZMAN. Mr. Chairman, I rise in support of the Aspin amendment to cut $1.3 billion out of this authorization bill for military procurement. First, it is important to note that this bill, without the proposed cut, exceeds the recommendations set forth in the budget resolution. Consequently, if we fail to adopt this amendment we are endorsing a higher deficit. Second, I am astounded by the arguments that because this is an authorization bill we do not have to look closely at the dollar figures. I do not believe that any committee of the Congress has a right to abdicate its responsibility to spend money wisely.

The Aspin amendment calls for a very modest cut in the Defense Department's request for an increase. The budget for procurement is substantially higher under this bill, even with the Aspin amendment, than it was last year. This country is not at war. It does not make any sense for us to be spending more on defense procurement in a time of peace.

There is no question that there is plenty of waste in this bill. We ought to have the courage to cut it out. If we reject the Aspin amendment, we are making an important decision on national priorities. The more we continue to spend on defense—especially in peace time—the less we will have to spend on economic development, job training, education programs, research for new energy and new food sources, mass transit, rebuilding our cities, and a whole agenda for domestic redevelopment.

I urge support of this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana (Mr. TREEN).

(By unanimous consent, Mr. TREEN yielded his time to Mr. BOB WILSON).

The CHAIRMAN. The Chair recognizes the gentleman from Indiana (Mr. JACOBS).

Mr. JACOBS. Mr. Chairman, the question was asked a few moments ago about what the Aspin amendment specifically cuts. I think there is an answer to that: It specifically cuts the increase that is asked for by the administration, which is supposed to have brought peace to this country, but it raises the ultimate question: Why does peace cost more than war?

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin (Mr. ASPIN).

Mr. ASPIN. Mr. Chairman, it has been said that this is going to be seen by the Russians as a cut of our defenses. It is not a cut. It is an 18-percent increase and the Russians will recognize that. The Russians will see that under this amendment we are willing to increase our defenses, but not at the cost of our economy.

This will not gut the defenses of our country. Every year the Appropriations Committee cuts more. Nobody says that the gentleman from Texas (Mr. MAHON) or the gentleman from Florida (Mr. SIKES) are gutting the economy of our country when they bring in the Appropriation bill. Yet the Appropriation bill will be lower than this one on the items that this bill covers.

The CHAIRMAN. The Chair recognizes the gentleman from Florida (Mr. BENNETT).

(By unanimous consent Mr. BENNETT yielded his time to Mr. PRICE.)

Mr. BENNETT. Mr. Chairman, as you know, I have always advocated fiscal responsibility in all areas of government and have done my best to cut the fat out of Federal spending—including defense expenditures. When considering defense budgets, I firmly believe we should follow the rule that we should spend every penny that is needed for our national defense, but not one penny more than is required. To accomplish this, we must approach the budget with a scalpel and carefully consider the consequences of any cuts that are made. Unfortunately, some prefer the hatchet to the scalpel, and if they are permitted to wield the hatchet, I have grave doubts about our future national security. The amendment now before us should be defeated.

The major criticism voiced on the defense budget is that we are spending more on defense than we ever have before at a time when we are not even engaged in a war. This criticism is wrong on two counts.

First, it claims that we are spending more than ever before on defense when, in fact, we are spending less in terms of our gross national product than we have since 1950. Second, this criticism presupposes that there is no danger and therefore no need to spend for defense when we are not actually at war. This assumption may have held true before World War II, but it is certainly not valid in the present world situation.

The DOD request this year is 25.7 percent of the Federal budget. This is the smallest chunk of the Federal budget devoted to defense since before World War II. It contrasts with 41.8 percent in 1964 and 42.5 percent in 1968—at the height of the Vietnam War. This year's defense spending is approximately 26.1 percent of the Federal budget.

While we have been decreasing the percentage of our Federal budget reserved for defense, the Soviet Union has lavished substantial increases in military spending, which show no sign of abating. Since 1968, we have reduced defense spending in real terms by 42 percent. The Soviet Union, however, has been increasing its defense spending at the rate of 3 to 5 percent a year. This disparity in defense spending has enabled the Soviet Union to catch up to us in many areas and even surpass us in a few. If this constant erosion of our military posture relative to the Soviet Union's is allowed to continue in the years ahead, our military strength may no longer serve as the all-important deterrent to Soviet expansion across the globe—even to our own shores.

Another telling indication of our diminishing emphasis on defense is the percentage of our gross national product that we devote to defense. The 1976 budget request represents 5.8 percent of our gross national product. This is the lowest figure since the beginning of the Second World War. In contrast, the Soviet Union is spending approximately 13 percent of its gross national product on defense. As a result, the Soviet Union is spending more in real dollars on defense than we are.

Moscow is not only spending more than we are in defense; it is also devoting more of what it spends to military hardware and technology. While 53 percent of the Defense Department's budget request is earmarked for personnel costs—both active and retired—only about 35 percent of the Russian defense budget goes for personnel costs. On the other hand, the Soviet Union is spending much more than we are for hardware and technology. It is estimated that the Soviet Union now outspends the United States by 20 percent for research and development; 60 percent for strategic nuclear offensive forces; 25 percent for procurement and 20 percent for general purpose forces.

The increased Soviet spending for defense coupled with diminished U.S. spending for this purpose is shifting the strategic balance in Moscow's favor. While we still maintain a qualitative edge in our missile systems, the Soviet Union is rapidly improving its technology in this area. With Moscow's superiority in the number and size of missiles, improved technology in equipping the missiles with multiple warheads would pose dire consequences for the United States.

At sea, the Soviets have moved rapidly from a coastal defense to a "blue water" Navy, with more surface combat ships than the United States and a vast superiority in the number of attack nonballistic missile and ballistic missile submarines. Here again, their building programs are far greater than our own. Their surface ships tend to be smaller, but emphasize speed and intense firepower; and they have been dramatically increasing their at-sea activity rates. They are ahead of the United States in surface-to-surface antiship missiles and have nuclear antiship missiles, which we do not. In a direct conflict, these weapons could take a heavy toll of our fleet at the outset.

The Russians have 50 percent more men under arms than we do and our conventional military resources in all branches of the service are in many important respects inferior to those of Moscow. Our programs for revitalizing and restoring these resources are so modest that we are falling further behind, rather than catching up.

Détente has produced many desirable results and I favor increased good relations in the years ahead. However, this does not mean that I favor unilateral disarmament by the United States.

Our improved relations with the Soviet Union have developed from the mutual respect each of us has for the defense capabilities of the other. But cordial relations must not be allowed to breed a false sense of security. We must remain vigilant and continue to provide a prudent deterrent against possible aggression. Our own security—and the peace of the world—depend on our ability to defend ourselves. And at the very least this means that we must maintain the relative strategic balance between the United States and the Soviet Union. Therefore, I strongly urge my colleagues to support the very reasonable Military Appropriations Authorization bill reported by the Armed Services Committee and to oppose the amendment now before us.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. BOB WILSON).

Mr. BOB WILSON. Mr. Chairman, this debate is about over. We are going through our constitutional process, and I think it is important to note that.

In the Committee on Armed Services, our former chairman, Mendel Rivers, had placed on the podium article I, section 8, of the Constitution, which says that the Congress shall have the right to raise and support the Army, to maintain a Navy and the right to rules and regulations thereof.

I think we have acted responsibly in turning down cut after cut in this bill today. I do not want to turn over to the Defense Department or anybody else the power to decide where to make some cuts. I think it is up to us, the Congress, to make those decisions.

I want to commend the chairman of our committee. This is the first major bill he has brought before the Congress. I think he has done a remarkable job in knocking down every proposed cut.

Mr. Chairman, this is a critical period in our history. It is our duty to maintain our military strength.

Secretary Schlesinger to whom I talked recently said that the trouble with the United States and the whole Defense posture is that an increase of about 5 percent per year in the Soviet's gross national product goes into national defense. Yet we have been decreasing each year by 5 percent our gross national product as related to defense spending. This is the reason the Russians are getting ahead of us. They will continue to get ahead of us until we recognize that these cuts are hurting our whole defense posture.

Eugene Rostow, a liberal who came before our committee, representing the Coalition for a Democratic Majority, said that we should not be cutting this authorization at all. He said we should be increasing it by at least $10 billion. He said to decrease it would cause us to commit national suicide, if we reduced it in the face of the problems we see in the world today.

The AFL-CIO—so many of us in Congress listen to the AFL-CIO—says this defense budget should be increased, not decreased. This is not the time to be talking about any decrease.

To the gentleman from New Jersey who suggests we follow the Senate because the Senate bill happens to be a billion dollars or so less than ours, we do not have to pay too much attention to what the Senate does. The House, I think, has more responsibility and goes into the hearings much more in depth and I believe with more consistency.

Mr. Chairman, I urge that we turn down the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi (Mr. MONTGOMERY).

(By unanimous consent, Mr. MONTGOMERY yielded his time to Mr. DAN DANIEL).

The CHAIRMAN. The Chair recognizes the gentleman from Virginia (Mr. DAN DANIEL).

Mr. DAN DANIEL. Mr. Chairman, the gentlewoman from New York mentioned the matter of priorities. I would say that unless we remain strong enough to deter aggression, all our other priorities become academic.

Mr. GUDE. Mr. Chairman, I rise in support of the Aspin amendment. An objective look at Government spending patterns certainly shows that civilian agencies have no corner on wasteful spending. The Aspin amendment indeed is more than generous in that it allows for an 18 percent growth and inflation factor.

While much has been made of the difference between what the Congress voted in the budget resolution and what the President had requested, few have noticed the very large difference between the Budget Committee's estimates for each spending category and the estimates supplied by the various legislative committees. The deficit proposed by the budget resolution exceeds that finally recommended by the President by some $8 billion, but the Budget Committee's estimate of outlays of some $368 billion exceeds the legislative committee estimates by almost $30 billion.

This means that without the restraints proposed by the Budget Committee, if each of our other committees had its way, the deficit would be some $30 billion greater than is now planned. Clearly the situation would not be expected to end up that badly after all appropriations bills had been voted, but the very large gap at this stage symbolizes the difference between the old piecemeal approach to spending and the new integrated approach which the new budgeting procedure is designed to provide. This gap also shows how important it is for our economy that this new budget procedure work as it was intended to work, that is that the Congress stick with the ceilings it has voted and pare future spending bills down to those limits.

Our first challenge and opportunity in this regard is before us today—the military procurement authorization. The authorization reported by the Armed Services Committee totals $26.5 billion, while the estimate used by the Budget Committee in developing its aggregate spending figures was $25.3 billion. Thus today's bill is $1.2 billion more than we voted to hold the line on several weeks ago, and if this bill passes in its present form we will immediately be $1.2 billion behind in our effort to control spending. Failure to gain that control now, in the first real test, will not only mean that we will have to make up the $1.2 billion by cutting some other programs—despite the fact that we can expect most of the other authorization bills to exceed the Budget Committee recommendations as well—but it will also indicate to the public that the Congress is not really serious about controlling spending and that we are back to the same old problems which have existed in the past Thus this authorization has a symbolic value above and beyond its immediate implications for military spending levels. Our failure to hold the line here, I fear, means that we will fail to hold it anywhere thus seriously compounding our economic difficulties. The Aspin amendment, to my mind, is a responsible effort to exert control over the spending process. It allows for growth and inflation in an ample manner. I intend to support it. and I urge my colleagues to do likewise.

Ms. ABZUG. Mr. Chairman, I support the Aspin amendment.

This is peace time. We should cut this budget. We need funds for labor-intensive jobs. Defense spending is a less effective way to create jobs.

Human services are being cut. We should be reducing our military expenditures instead of increasing them. The nuclear arms race is destined to spend

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us out of existence if it does not blow us out of existence.

We have more than enough to defend ourselves from attacks from the outside. The attacks from within our country—unemployment, hunger, no housing, no child care and health insurance. These we cannot defend ourselves against.

We could cut billions from the budget and still be secure.

This is but a modest cut. How can one not support it?

Mr. BINGHAM. Mr. Chairman, the military procurement, research and development authorization bill for fiscal year 1976, now before us, provides the 94th Congress with its act on the military budget. This authorization bill is a whopper—$26.5 billion for fiscal year 1976 and another $5.4 billion for the fiscal transition period of July 1, 1976 to September 30, 1976—and it authorizes DOD purchases of a stunning array of almost every conceivable kind of weapon system. What is more, DOD would be authorized to buy arms at a rate 21 percent higher than last year.

Such an increase is unjustified and I urge my colleagues to support the amendment by our distinguished colleague from Wisconsin, Mr. ASPIN, which would place a ceiling of $24.65 billion on the weapons procurement, research and development authorized in titles I and II of this bill. This amendment would require DOD to reduce its weapons spending by about $1.89 billion below the amount provided in the bill before us, the precise cuts to be subject to congressional approval. This reduction of about 7 percent is certainly modest; it would still allow an 18-percent increase in spending—12 percent to make up for inflation and 6 percent for real growth—such an increase would be the envy of many other Federal programs.

There are many places in which DOD could make the cutbacks in its planned expenditures required by the Aspin amendment without impairing national security in any way. Six members of the Armed Services Committee have produced an alternative defense posture statement which lists more than 20 weapons programs which could be eliminated or substantially reduced. The B–1 bomber, a gold-plated airborne weapon system with a currently estimated price tag of $84 million per plane, leads the list. The Air Force and its strategists want the United States to spend over $20 billion over the next few years to buy 244 of these marginally more effective weapons platforms. Since this is the year in which the Air Force would like to begin the move from R. & D. into production, the Congress must reject that step now or else the program's momentum will be too great to stop. The Soviets have virtually no effective strategic bomber fleet, so in this instance DOD's desires for sophisticated weapons go well beyond the principle of parity in strategic weapons which is our stated policy.

Another prime candidate for program reductions or deferrals is the Trident nuclear submarine, the most expensive Navy program ever conceived. The Trident is supposed to be the follow-on to the Polaris/Poseidon subs, even though the Polaris/Poseidon fleet is expected to be operating until the 1990's and no significant ASW threat to these vessels yet exists. If we can do without even one Trident, we can save the taxpayers $1.8 billion.

There are many other items authorized in this bill which could be reduced, eliminated or delayed in order to meet the requirements of the Aspin amendment. There is the AWACS tactical command and control aircraft, a $500 million project that could eventually cost over $4 billion to provide airborne coordination during a full-scale conventional war in Europe. There are funds for a completely unnecessary missile site defense antiballistic missile, and for development of a new tank for the Army which Congress has rejected once before. This bill also authorizes a massive purchase of F–15 fighter planes, when it would be more sensible to buy fewer of these $15 million airplanes and more F–16's, the lightweight fighter recently approved at less than half the price.

Congress must insist that the Pentagon bear some share of the belt-tightening required of all Federal agencies in these hard economic times. Left to their own devices, our armed services will continue to develop and produce ever more sophisticated and invariably expensive weapons, convinced that every one is necessary. Without appreciably increasing our national security, these weapons and the forces armed with them will continue to drain away billions of dollars that are sorely needed for more socially productive ends. The Pentagon this year had won the President's approval for a 36-percent increase in its weapons programs, while the community development funds available for our inner cities inched up 3 percent. The importance of reordering these priorities to address unmet needs, strengthening the structure of our society and not just our military defense remain compelling reasons for restraining the military budget. Without the Aspin amendment we cannot begin to do that, and I urge its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. ASPIN).

The question was taken; and the Chair announced that the noes appeared to have it.

RECORDED VOTE

Mr. ASPIN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 183, noes 216, not voting 34, as follows:

[Roll No. 233]

AYES—183

Abzug
Adams
Addabbo
Ambro
Anderson, Calif.
Andrews, N. Dak.
Aspin
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bell
Bergland
Biaggi
Biester
Bingham
Blanchard
Blouin
Bonker
Brademas
Brodhead
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burton, John
Burton, Phillip
Carney
Carr
Chisholm
Clay
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
Daniels, N.J.
Dellums
Diggs
Downey
Drinan
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Emery
Esch
Evans, Colo.
Evans, Ind.
Fascell
Fisher
Fithian
Ford, Mich.
Ford, Tenn.
Forsythe
Fraser
Frenzel
Fulton
Gaydos
Giaimo
Gibbons
Gude
Hamilton
Hammerschmidt
Harkin
Harrington
Harris
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Holland
Holtzman
Howard
Howe
Hughes
Hungate
Hutchinson
Jacobs
Jenrette
Johnson, Colo.
Jordan
Karth
Kasten
Kastenmeier
Keys
Koch
LaFalce
Leggett
Lehman
Lloyd, Calif.
McClory
McCloskey
McCormack
McHugh
McKay
McKinney
Macdonald
Madden
Maguire
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mink
Moakley
Moffett
Moorhead, Pa.
Moss
Mottl
Murphy, Ill.
Neal
Nedzi
Nolan
Nowak
Oberstar
Obey
O'Neill
Ottinger
Patterson, Calif.
Pattison, N.Y.
Pike
Quie
Rangel
Rees
Reuss
Richmond
Rinaldo
Rodino
Roe
Rosenthal
Rostenkowski
Roush
Roybal
Ruppe
Russo
Ryan
St Germain
Sarasin
Sarbanes
Scheuer
Schroeder
Sebelius
Seiberling
Sharp
Simon
Solarz
Spellman
Stanton, James V.
Stark
Steelman
Stokes
Studds
Symington
Thompson
Thone
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Weaver
Whalen
Wirth
Wolff
Yates
Young, Ga.

NOES—216

Abdnor
Alexander
Anderson, Ill.
Andrews, N.C.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Bafalis
Bauman
Beard, Tenn.
Bennett
Bevill
Boggs
Boland
Bolling
Bowen
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collins, Tex.
Conable
Conlan
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Davis
de la Garza
Delaney
Dent
Derrick
Derwinski
Devine
Dickinson
Dingell
Downing
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
English
Erlenborn
Eshleman
Evins, Tenn.
Fenwick
Fish
Flood
Flowers
Flynt
Foley
Fountain
Frey
Fuqua
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Guyer
Hagedorn
Haley
Hall
Hanley
Hansen
Harsha
Hastings
Hawkins
Hays, Ohio
Hébert
Hefner
Henderson
Hicks
Hightower
Hillis
Hinshaw
Holt
Horton
Hyde
Ichord
Jarman
Jeffords
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Ketchum
Kindness
Krebs
Krueger
Lagomarsino
Landrum
Latta
Lent
Levitas
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
McCollister
McDade
McDonald
McEwen
McFall
Madigan
Mahon
Mann
Mathis
Michel
Milford
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Murphy, N.Y.
Myers, Ind.
Myers, Pa.
Natcher
Nichols
O'Hara
Passman
Patten, N.J.
Pepper
Perkins
Pettis
Pickle
Poage
Preyer
Price
Pritchard
Quillen
Randall
Regula
Rhodes
Risenhoover
Roberts
Robinson
Rogers
Roncalio
Rose

Rousselot
Runnels
Santini
Satterfield
Schneebeli
Schulze
Shipley
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Spence
Staggers
Steed
Steiger, Wis.
Stratton
Stuckey
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thornton
Treen
Waggonner
Walsh
Wampler
Waxman
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wright
Wydler
Wylie
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—34

Barrett
Dodd
Eilberg
Findley
Florio
Green
Hannaford
Hubbard
Johnson, Pa.
Litton
Lujan
Martin
Mills
Mitchell, Md.
Mollohan
Morgan
Mosher
Murtha
Nix
O'Brien
Patman, Tex.
Peyser
Pressler
Railsback
Riegle
Rooney
Stanton, J. William
Steiger, Ariz.
Stephens
Sullivan
Teague
Vigorito
Yatron
Young, Alaska

So the amendment was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Dodd for, with Mr. Rooney against.
Mr. Hannaford for, with Mr. Florio against.
Mr. Eilberg for, with Mr. Teague against.
Mr. Riegle for, with Mr. Morgan against.
Mr. Green for, with Mr. Mollohan against.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. HARKIN

Mr. HARKIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARKIN: Page 21, after line 23, insert a new section:

SEC. 717. (a) Notwithstanding any other provision of this or any other Act, every 30 days the Secretary of Defense shall transmit to both Houses of Congress a message containing:

(1) A list of all contracts, subcontracts, and grants proposed to be made by the Department of Defense and,

(2) All facts, circumstances, and considerations relating to or bearing upon the decision of the Department of Defense to approve said contracts, subcontracts, and grants, including to the maximum extent practicable the manner in which the national interest will be fostered by the approval of such contracts, subcontracts and grants.

(b) The contracts, subcontracts, and grants transmitted under subsection (a) of this section shall be effective at the end of the first period of 30 calendar days of continuous session of Congress after the date on which the message is transmitted to it unless, between the dates of transmittal and the end of the 30 day period, either House passes a resolution stating in substance that the House does not approve all or any number of the contracts, subcontracts, and grants listed therein.

PARLIAMENTARY INQUIRY

Mr. DICKINSON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. DICKINSON. Mr. Chairman, I would like to ask first, is this amendment printed in the RECORD under the rule?

The CHAIRMAN. No.

Mr. DICKINSON. Further, Mr. Chairman, just so I do understand the parliamentary situation, it was my understanding that the House voted to cut off debate on this and all amendments within 20 minutes. That being the case, I was wondering how much time is available.

The CHAIRMAN. The Chair will state that the 20 minutes related to debate time. The gentleman from Iowa reserved 2 minutes, and the gentleman from Illinois (Mr. PRICE) has reserved 1 minute.

Mr. DICKINSON. So that there are 5 minutes still available to discuss this amendment?

The CHAIRMAN. No. There were 2 minutes reserved by the gentleman from Iowa (Mr. HARKIN) and 1 minute reserved by the gentleman from Illinois (Mr. PRICE).

Mr. DICKINSON. I am sorry. I misunderstood the Chairman.

I thank the Chairman.

Mr. HARKIN. Mr. Chairman, last year dozens of newspapers and columnists had a field day discussing various Government spending projects which strike ordinary people as ridiculous. We are all familiar with such expenditures, for example, $250 million for jet fighter-bombers that the Air Force does not want; $45 million for a Selective Service System which does not draft anyone; $375,000 for the Pentagon to study the Frisbee; $5.4 million a year to teach already accomplished musicians how to play in a band. It is time that we put an end to this junk stuff that the Department of Defense funds every year.

My amendment would do the same as the Bauman amendment on the National Science Foundation. My amendment is the same amendment as the gentleman from Maryland offered on the National Science Foundation to cut out some of these ridiculous wastes of money that go through the Department of Defense.

I ask my colleagues that if they are concerned about what their taxpayers' dollars are going for in the Department of Defense to vote for this amendment to make them accountable on a month-to-month basis for what they are spending the money for so we can knock out these ridiculous things like funding for the Frisbee and $5 million for the bands. It is very simple. It is the same as the Bauman amendment.

If we do not take any action in 30 days the project will be approved.

Mr. Chairman, I feel that most Members will want to indicate to their constituents how they feel on this vital, important conscientious subject. I intend to ask for a rollcall vote.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Illinois (Mr. PRICE).

Mr. PRICE. Mr. Chairman, the amendment offered by the gentleman from Iowa sets no limit or amount on the contracts. There are approximately 10.5 million contracts per year in the Department of Defense. In order to comply with this type of legislation, it would in my opinion, require at least 5,000 additional employees at the Department of Defense to channel the contracts to the Congress. It would require at least another 5,000 more employees in the Congress to examine the contracts after they got here.

Mr. Chairman, I ask for a vote on the amendment.

The CHAIRMAN. The time of the gentleman has expired.

PREFERENTIAL MOTION OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. BAUMAN moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. BAUMAN. Mr. Chairman, I only offer this motion in order to obtain time since I was not able to receive any time from the gentleman from Iowa (Mr. HARKIN) who offered what he claimed to be the Bauman amendment. I have read his amendment very carefully. It is not the same amendment which I offered to the National Science Foundation authorization bill because this new amendment covers subcontracts and contracts. My amendment covered only grants made by the National Science Foundation, and not contracts and subcontracts. There is a world of difference, especially since this pertains to the Department of Defense.

In doing research on my original amendment, I discovered that there is already written into statutory law a requirement that affects Department of Defense contracts, and that certain defense contracts, depending on the amount involved, must be submitted to the Committee on Armed Services of the House for consideration, so that in a way the Harkin amendment is redundant and unnecessary. I do not know whether the gentleman from Iowa voted in favor of my original amendment, but I commend his newly found interest in economy in Government. I welcome him for once to the ranks of those of us who try to save the taxpayer's money.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Illinois.

Mr. DERWINSKI. I thank the gentleman for yielding.

I thank the gentleman for clarifying the matter, but in case there are Members swayed by the argument who feel that a vote for the Bauman amendment would dictate a vote for this amendment, I want them all to know that I voted against the Bauman amendment, and I will vote against this amendment.

Mr. BAUMAN. I thank the gentleman from Illinois, I think.

Mr. HARKIN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the preferential motion.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield for an observation?

Mr. HARKIN. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. I just want to observe to the gentleman from Maryland that this is not the first time in my life I ever heard the father of an illegitimate child deny paternity.

Mr. HARKIN. I thank the gentleman from Ohio.

I thank the gentleman from Maryland

for giving me an opportunity to expand a little bit more on some of these ridiculous spending programs that waste the taxpayers' dollars.

If the offices of other Members are like mine, whenever they get one of these letters they begin to wonder, and people begin to ask the Members, just what it is we do to take care of these situations. If we pass this routine authorization bill for the Defense Department for $32 billion in the usual manner, we will have to answer to our constituents if we choose to be honest about it.

Mr. BAUMAN. Mr. Chairman, I demand regular order.

The CHAIRMAN. The gentleman speaks on the preferential motion.

The Chair would like to make the observation that any portion of the bill is open to amendment.

Mr. BINGHAM. Mr. Chairman, I would like to see how strongly the gentleman feels about his preferential motion, and when the time comes I will ask for a record vote on that motion.

Mr. HARKIN. Mr. Chairman, I ask the Members of this body that if they are interested in consistency, if they are interested in being really responsible to our constituents back home, just as they were responsible when the Bauman amendment first passed for the National Science Foundation, then I ask the Members to defeat this preferential motion.

The amendment I have offered is offered in good faith and is made to save taxpayers' dollars. That is what we are all here for, that is what we are all committed to do. If Members vote in favor of the preferential motion offered by the gentleman from Maryland, they are saying to their constituents that they are covering up the vote, that they do not want to be put on record as being responsible for the waste of these millions and millions of dollars, nor to find out why the Pentagon wants to use the Frisbee as a weapon.

Mr. WIRTH. Mr. Chairman, this has been an extraordinary 2 days. For years I have heard about the defense appropriations process, about gold-plated hardware systems, and about whirlwind votes under heavy pressure. I now know considerably more about the Congress and its workings than I did 48 hours ago. My commitment to the requirement for a strong national defense remains unshaken; my faith in the defense budget as a reflection of that commitment is badly shaken. Every sensible amendment related to hardware—all in title I—has been turned down. We have refused to recognize that technology by itself does not form a strong military; we have continued the famous C–5A syndrome by continuing appropriations for the AWACS, the B–1, the Trident and MaRV.

I voted against each of these systems—for the amendments—because I believe that these are examples of technology run amuck. These gold-plated weapons systems do not make an addition to the national defense anywhere close to their cost—the return for mammoth expenditures is marginal. Further, these systems continue to reflect our abiding dependence on technological solutions to fundamentally human problems.

In a parallel fashion, I voted against overseas troop cuts—against the Dellums amendment—because I felt that this was the wrong time in our Nation's history for us to reduce our presence abroad. As I have repeatedly pointed out, we need to confirm our international obligations while we reevaluate our role and our activities abroad. Troop withdrawals now, from Europe or South Korea, would be inadvisable.

Finally, although I generally do not approve of across the board percentage cuts, I voted for the Aspin amendment to cut almost $2 billion from the overall authorization. I wish we could have cut some of the fat through specific measures; unhappily each specific proposal was defeated, most notably those in the hardware area. Consequently, the only way left, to trim that budget as we have trimmed all other departmental requests, was to vote for the Aspin amendment. That vote reflects my conviction that there are excessive dollars in the defense budget; since we could not agree on hardware cuts, the Aspin amendment constitutes the best alternative. I remain hopeful that a strong and responsible defense policy can be achieved, but it is clear that we have a ways to go.

Mr. DERWINSKI. Mr. Chairman, in stating my support of H.R. 6674, the Defense Department authorization bill, I wish to acknowledge that I am especially impressed by the support of this bill by the executive council of the AFL–CIO. I call to the attention of the Members two paragraphs in a statement on national defense issued by the AFL–CIO executive council which met in Washington on May 6:

> In recent years Soviet military might has surged far beyond a mere defensive capability. The Soviet arms budget is growing by 5% a year, by conservative estimates. Since the first SALT agreements were signed, the Soviets have developed four new missile systems including new multiple warheads and multiple independently targeted re-entry vehicles (MIRVS). Their new missiles are far larger than ours and, if equipped with multiple warheads, could give them a vast strategic superiority. *Aviation Week* has regularly reported—and the Administration has not convincingly denied—that the Soviets are violating strategic agreements by building large numbers of new missile silos, by testing new ABM technology, by perfecting new means of missile concealment, and by developing mobile ICBMS.
>
> Our military power must be sufficient to effectively deter even the threat of attack. To achieve this goal may require us to spend more for defense than the budget proposed by Secretary Schlesinger, which, by the Administration's own projections, will probably not even keep pace with the inflation in the coming year. If fat can be found in the present budget, and if greater defense capacity can be achieved at no further cost, we will warmly approve. But if greater costs are required—so be it. No burden we must bear is too heavy to endure if the alternative is to live under dictatorship, or the constant prospect of war.

Mr. Chairman, I also recognize that when we speak of our national defense and of maintaining the effectiveness of our armed forces to provide the American public with security from attack, we have helped keep the peace in Europe by consistent cooperation with our NATO allies. I am also cognizant of the fact that the presence of the 6th Fleet in the Mediterranean and the cooperation of the then-government of Portugal during the Yom Kippur war enabled the United States to provide the equipment by which Israel was able to defend itself during that Middle East conflict.

Mr. RISENHOOVER. Mr. Chairman, I rise in support of all of H.R. 6674.

I note that H.R. 6674 is already a 7-percent reduction from the administration's request and I believe we have cut enough.

As our Nation moves from the agony of the Vietnam war—we must not retreat into a cocoon of isolation. We must revamp and reevaluate our international posture, but we must not confuse weakness with the will to wage peace.

I believe that world peace is possible—and has never been more accessible. But, I am not willing to let any other nation dictate the terms of that peace. I believe the United States of America must be equally strong—I mean we must match the might of any partners in peace—if we are to have a peace which is not enforced upon us.

I have heard the critics denounce our leadership and our Nation. But, I say to you today, that our potential and threatening enemies are less moral, less ethical and far more bloodthirsty and ambitious than any combination of American leadership we have ever known.

We must deal with them with both respect—and strength. And, I believe there will be respect for us only if it is built on strength.

As an Air Force veteran with some 3,000 hours flying time, I am concerned about the quality of airplanes which we furnish our fliers. I have had the happy experience of flying with confidence in quality planes—and the harrowing experience of flying junk. I believe that American fliers should have the latest—and the best.

The B–1 bomber, I believe, is fully worthy of congressional support. Now is the time to fashion an airpower which can meet the challenges of the 1980's and beyond.

I am told that—while the B–1 is an expensive weapon—the costs of updating and improving existing B–52's would undoubtedly cost more. Failing to meet the manned bomber challenges of the 1980's—letting another nation gain superiority—could be even more costly.

I am pleased that this Congress has undertaken an historically greater interest in oversight. I believe that the B–1 bomber should be under constant review and oversight by the Armed Services Committee. Certainly, I am opposed to waste, but the greatest waste would be to cut away the muscle of our Nation.

In general. I am pleased with the military authorization bill. I believe the Armed Services Committee has worked with care to snip away fat—but protect the muscle—of our Nation.

I believe we need a strong military reserve—good numbers of good men who are trained and ready for national emergencies.

I believe the Minuteman's lessons of 200 years ago are applicable today—except the dangers today are only seconds away.

Mr. Chairman, I believe we have a good military authorization bill. It is fiscally

sound and carefully drafted. It reflects a balanced perspective of today's dangers and tomorrow's possibilities. It is not a world policeman's budget, but it arms our Nation for peace—a peace on equal terms where we are a balanced coequal.

Mr. LEVITAS. Mr. Chairman, the defense appropriations authorization bill which we have been debating for the last several days is the largest dollar amount of money for a defense budget ever requested of this body. It is also considerably less than the amount originally requested by the Pentagon. The Armed Services Committee pared the Defense Department's request of $29.86 billion in fiscal year 1976 for procurement and research and development to $26.54 billion—a savings to the taxpayer of over $3 billion. The Appropriations Committee will have a chance to strive for even further economies.

A number of amendments have been presented before us that would reduce or delete various line item expenditures, particularly those involving shiny, new hardware items. Some of these projects are of marginal value at best, and do not deserve an exalted place in our scheme of priorities.

However, when considering the military budget as a whole, I cannot but feel that this is not the year for an across-the-board cutback in the defense spending or in troop withdrawals, for two reasons:

First. There has been an immediate, world-wide reaction to the recent events in Vietnam. Our traditional foes are hoping to see an America faltering and withdrawing from her international commitments, while our traditional allies are questioning both our will and our ability to continue our stabilizing presence in the world arena. A large cut in defense spending—at this time—can only serve to encourage our enemies and further undermine the confidence of our allies.

Second. The second reason is closely related to the first. The United States is the most powerful force for peace and stability in the world today. We are the balance to a strong, antagonistic Russian and Red Chinese world presence. We need, in this year especially, to maintain a strong defense posture. America does not need to be militaristic, just prepared.

In the process of seeking peace, we must be credible. Negotiation from weakness is never successful. To attain peace we must be strong enough to convince our adversaries that we are not afraid but are genuine in our desire for a world free and free from fear.

While I am convinced that we have to look at every part of the Federal budget—including defense—for potential cuts in order to keep the Federal deficit down, I do not think this is the time for the United States to signal the world that it is cutting back on its strongly felt and long held commitments.

I hope that during the coming year we will find those places in the Defense budget where economies can be achieved. I will support those cuts in spending at the proper time.

Mr. FISHER. Mr. Chairman, it is difficult for the typical Congressman, as it is for the average citizen, to analyze a large complex military budget. My own experience as an infantry soldier in World War II hardly qualifies me to decide on priorities and assign dollar amounts to the personnel. weapons and weapon systems, and other budget items. But I have studied the $26.5 billion budget and consulted with persons in my district who know a good deal about these matters.

These are the principal points I am trying to use to guide me in casting my votes on amendments and on the bill itself.

First. Preserve the amounts recommended by the Committee on Armed Services for Personnel. It is my belief that the Defense Department has gone far enough for now in substituting hardware and automation for people.

Second. Preserve the amounts recommended for research and development, and demonstration and testing. During times of peace—at least absence of war—emphasis should be placed on these activities, not on massive, expensive, operating facilities. equipment, and weapons systems.

Third. Reductions should be sought in the large production programs, in items with little relation to systems designed to achieve major objectives, and especially in items mainly useful for military operations not likely to be engaged in.

The careful evaluation of means and objectives continues to be necessary as a guide to budget decisions. Now that all U.S. troops and civilian support have been withdrawn from Vietnam and Cambodia, the premium will be on readiness and flexibility for response to a variety of uncertain situations in those parts of the world that present difficulties. For these reasons well trained, highly motivated personnel plus a vigorous research and development capability will be more than large stockpiles of items, many of which will never be employed.

In a complex budget of inter-related parts such as we are dealing with, the degree of freedom for altering the amounts proposed for different items is not great. But it should be taken advantage of to move in the directions I have noted. I shall try to make my votes accordingly: For continued deployment of U.S. forces in Europe, for adequate pay for both military and civilian personnel with allowance for cost-of-living increases, for adequate support for training and education, for R. & D. on promising new weapons systems, against large acquisition of hardware, against items not thoroughly tested, against new and converted equipment of doubtful value for the kinds of operations anticipated.

The net result of these fors and againsts is some reduction in the budget proposed, more or less in line with the amendment which would trim the committee's total by about 7 percent but still allow an increase of some 18 percent over the 1975 budget amount. This responsible and modest reduction should be achievable without major difficulty or risk to national security. It has the further advantage of pointing toward lower Federal deficits in the future.

Mr. MIKVA. Mr. Chairman, I rise today to speak in support of the Aspin and Downey amendments to H.R. 6674, the fiscal year 1976 military procurement and research and development authorization.

Mr. Chairman, we are heading into the next fiscal year with a huge budget deficit which is largely the result of the current recession, as well as inadequate tax and economic policies of the past. No matter how we cut the budget, we will still be faced with an enormous budget deficit.

In the present situation, we must be exceptionally judicious in deciding how Government expenditures will be allocated. On the one hand, we must be sensitive to the urgent domestic needs of this country, to the needs of our citizens who are suffering the consequences of high unemployment and inflation. On the other hand, there must be a realistic view of the potential dangers beyond our borders in the post-Vietnam period.

In his own budget proposal, President Ford proposed a 35-percent increase in military procurement and research and development, while proposing cuts in aid to elementary and secondary education. manpower training. social services, and LEAA grants. The President's priorities, I believe, are seriously out of touch with the realities facing this country. At a time when good teachers are being fired because of a lack of funds, at a time when basic social services are being eliminated because of a lack of funds. and at a time when crime rates in a period of near depression are soaring, a budget proposal is a dangerously insentive one which is skewed so heavily toward militray research and development, and away from human needs.

Mr. Chairman, the present situation calls for a delicate balance between critical, immediate domestic needs and defense needs. The Aspin amendment would place a ceiling of $24.65 billion on authorizations for military procurement and research and development. I believe the amendment represents both a judicious and prudent amount of funding. The authorization in the amendment is approximately $1.89 billion less than the amount provided in committee. Nevertheless, the amendment represents a $3.77 billion—or 18-percent—increase compared to the appropriations last year. Part of this increase would cover the costs of inflation, while an estimated 5 to 8 percent would provide real growth.

The Aspin amendment would keep us within the limits of the budget resolution, while the committee's bill would exceed those limits. It is just as important for Congress to stay within the limits of its own budget resolution as it is for the Department of Defense to stay within the limits of the ceiling imposed by the Aspin amendment. The basic idea of a ceiling is to provide inducements to eliminate waste and mismanagement—and that should apply at all levels of Government.

Mr. Chairman, I have long opposed the development of the B–1 bomber, both for its incredible cost and apparent lack of effectiveness. The cost for a single B–1 bomber is now $85 million. The direct cost of the system is now estimated to be $20 billion. And over a 10-year period, the total cost will approach $70 billion. We simply do not need a B–1 bomber. There are alternatives available which are not nearly so costly and which would provide most of the benefits that the B–1 bomber allegedly would provide. I strongly support the Downey amendment which would delete all of the $945 million in the bill for procurement and R. & D. on the B–1 manned bomber.

If, as now appears, these amendments are defeated, I intend to vote against the bill in the hope that a sizable negative vote in the House will encourage the Senate to act a little more prudently than the House has done.

Mr. DOWNEY of New York. Mr. Chairman, today we in the House of Representatives will consider H.R. 6674 the Defense Authorization Act for the coming fiscal year. I hope we will weigh carefully each of the provisions contained in this $26,539,023,000 request before voting on the bill and on the numerous floor amendments which will be offered. Let us not forget that it is we in the Congress and not the generals in the Pentagon who are charged under the Constitution with writing spending legislation.

We have before us this year the largest military budget request in our Nation's history. The procurement bill which we will consider next week requests a 36 percent increase over last years' procurement funding. The administration which has asked for a 5 percent cap on social security and retirement benefits, which has asked for strict limitations on Federal spending in an effort to limit the size of the Federal deficit, now asks that the military's procurement budget be increased by more than one-third.

Our commitments abroad do not permit large-scale reductions in the defense budget this year. But our problems at home require that we scrutinize the administrations' military budget with greater care than has been typical of the House of Representatives in the past.

One of the best examples of the need for our heightened attention to this bill is the request for nearly $1 billion for research, development, and procurement of the B–1 manned bomber. The B–1 bomber is the most expensive aircraft ever proposed for mass production. The American taxpayer is being asked to spend over $20 billion for a force of 244 bombers—$85 million per plane.

The Defense Department refers disparagingly to our force of B–52 bombers as a "15-year-old" system, assuming nobody will recognize that old may still be good. Like an aging spouse, the B–52 is long on function, but short on glamour. The fact is that our B–52 fleet, augmented by planned improvements, will be flyable and effective as a nuclear attack force well past 1990.

This year, we must not condone this "new toy" mentality. Our strategic force today is built primarily upon land-based and sea-launched ballistic missiles, not upon bombers. The decreasing role of the manned bomber can be adequately fulfilled by existing systems. The extra carrying capacity of the B–1 bomber, given its enormous cost and the massive capacity of our present nuclear arsenal, is just not necessary to our security.

Another prime example of the need for our closest scrutiny is the request for over $500 million for the simultaneous development and production of an airborne surveillance system known as AWACS. Originally, AWACS was designed primarily as a strategic air defense system for the continental United States. However, when it became clear in 1973 that there was no enemy bomber threat to the United States, the primary mission of AWACS was changed and the plane was defended as having a "vital" tactical role in Europe—tracking and controlling friendly aircraft operating over enemy territory.

Then, last year, the apparent vulnerability of the AWACS to physical attack and its susceptibility to inexpensive enemy jamming devices forced the Air Force to come up with a new mission for the AWACS—the third in 2 years—air defense in Europe.

AWACS will cost Americans nearly $120 million per plane. Plane for plane, it is almost 50 percent more expensive than the B–1 bomber. Yet, even in its new mission the plane can probably be jammed by $100,000 jammers and is a sitting duck for $50,000 surface-to-air missiles or relatively inexpensive lightweight fighter-interceptors.

The AWACS is now being developed nearly exclusively for service over Europe, yet the Europeans have shown little interest in the plane. In an effort to persuade NATO to accept AWACS, the Defense Department has expressed a willingness to offer the plane for sale at a bargain cost of about $50 million per aircraft. NATO is still reluctant. The result is a proposal for construction of a $120 million plane that will probably never be used to defend the United States, that NATO is not sure that it wants, and that nobody is sure will work.

We must also carefully examine funding for the purpose of testing a maneuvering reentry vehicle—MaRV—on a ballistic missile system. This is, by far, the most dangerous of the Defense Department's strategic weapons proposals.

Our present MIRV—multiple independent reentry vehicle—system enables us to launch several vehicles with nuclear warheads—each with its own separate preselected target—from one bus-like ballistic missile. The MaRV system would permit us to alter the course of each of these nuclear-armed vehicles while in flight toward enemy territory, thus radically improving its accuracy.

The MaRV is a technologically impressive weapon whose deployment decreases our national security. In combination with MIRV, high-accuracy MaRV's offer the side deploying them the ability to destroy the vast majority of the other side's hard-missile silos in a single-wave first strike—thereby eliminating the mutual balance of terror which is the greatest deterrent to the nuclear war.

Clearly, the world would be better off without high-accuracy MaRV. However, the device can be avoided only by agreement with the Soviets. Such an agreement, however, is possible only if both sides are confident that violations of the agreement can be detected. While MaRV testing is detectible, MaRV deployment is not. Once we have tested MaRV we will never again be able to reach an agreement with the Soviets banning its use.

Our decision to ban MaRV testing will in no way weaken our present military deterrent. We can, and probably will continue our development of MaRV as a bargaining-ship in future negotiations. But, if we don't want to eliminate the little nuclear stability we have today, we must act next week to ban testing of MaRV.

Mr. Speaker, I am concerned, as we all are, about our ability as a Nation to defend ourselves against attack from any foreign country in any segment of the world, and I intend to support this military authorization measure when it comes before this body for final passage.

But, Mr. Speaker, we have got to begin to probe, to question, and to scrutinize this record budget. We have got to identify those programs that are vital to our national security and give them our full support. But we must also isolate and eliminate those items which do not strengthen our defense but simply waste the limited money and resources we have available.

The Congress must undertake these policies, or we will be failing to meet our main obligations as representatives of the people under the Constitution: "To provide for the common defense," and to determine how the taxpayers' money is spent.

Mr. GOLDWATER. Mr. Chairman, I rise to express my strong support for the B–1 strategic bomber program. This Defense authorization legislation, H.R. 6674, is an important element in the preservation of the basic defense preparedness of the United States. In deciding whether or not to fund the procurement and research and development sections of this legislation, the Congress is deciding whether or not to underwrite the future of the United States. Make no mistake about it, the B–1 bomber program is directly related to American military strength, national security and our future as an independent, soverign nation.

The agrument that does the most to confuse the issue of the B–1 bomber and to build a false sense of security is the contention that the "G" and "H" generation of B–52's can be refitted and rebuilt without any loss in the quality of our defense posture. Well, it is true that a B–52 can be equipped with new equipment. The question that I wish to ask the advocates of this approach is, so what? How many of you would advocate the reequipment and reconditioning of a 12-year-old car for yourself and your family? The comparison is valid and legitimate and the answer obvious. No one, when choosing between security, safety, and sensibility on the one hand, and the possible, short-term saving of some money—a highly speculative savings—would choose the latter. That is the choice that confronts the Congress. The only difference is that our national

security and future national integrity are at stake in this decision.

Further, the Nation will be getting quite a bit for its money in the B–1. The B–1 program will bring substantial employment in the highly skilled, highly technical aviation industry. This employment will enable the United States to continue basic research and development activity that is essential to the maintaining of American technical expertise in this industry. A finely honed technological capability is indispensible to the continued ability of the United States to meet the challenges of the future. Also, the continuation of the research and development aspects of the B–1 program means he continuation of basic technology transfer. Technologies developed in the B–1 program in such areas as communications, high-stress metallurgy, electronics, aviation safety, et cetera, have direct, general application in all areas of our daily life. These applications mean jobs and the improvement in the daily quality of our lives.

What is at stake here is the maintenance of basic national security, maintenance of high level technical expertise in aviation and related industries, maintenance of basic aviation research and development in the strategic bomber area, and continuation of essential technology transfer. The "G" and "H" generation B–52's are now 12 years old. They have served the United States and the free world well. But age and the continuing revolution in technology are causing their days to be numbered. The strategic bomber fleet of the United States needs a replacement, not a reconditioning. We will be succumbing to a false sense of economy if we fail to press on with the B–1 program.

The **CHAIRMAN**. The question is on the preferential motion offered by the gentleman from Maryland.

The motion was rejected.

The **CHAIRMAN**. The question is on the amendment offered by the gentleman from Iowa (Mr. HARKIN).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. HARKIN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 51, noes 345, not voting 37, as follows:

[Roll No. 234]

AYES—51

Abzug
Badillo
Bingham
Blouin
Burke, Calif.
Burton, John
Burton, Phillip
Chisholm
Clay
Collins, Ill.
Conyers
Dellums
Diggs
Early
Edwards, Calif.
Ford, Tenn.
Harkin
Harrington
Hawkins
Holland
Holtzman
Hungate
Jones, N.C.
Kastenmeier
Keys
Leggett
Macdonald
Mann
Melcher
Metcalfe
Mezvinsky
Mikva
Miller, Calif.
Mink
Moakley
Nolan
Nowak
Ottinger
Pike
Rangel
Richmond
Roncallo
Roybal
Ryan
Scheuer
Schroeder
Stark
Stokes
Vanik
Weaver
Wolff

NOES—345

Abdnor
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Blanchard
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Conte
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dent
Derrick
Derwinski
Devine
Dickinson
Dingell
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Eckhardt
Edgar
Edwards, Ala.
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Fish
Fisher
Fithian
Flood
Flowers
Flynt
Foley
Ford, Mich.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hansen
Harris
Harsha
Hastings
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Hinshaw
Holt
Horton
Howard
Howe
Hughes
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Madigan
Maguire
Mahon
Mathis
Matsunaga
Mazzoli
Meeds
Meyner
Michel
Milford
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Moss
Murphy, Ill.
Murphy, N.Y.
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Oberstar
Obey
O'Hara
O'Neill
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Pickle
Poage
Preyer
Price
Pritchard
Quie
Quillen
Randall
Rees
Regula
Reuss
Rhodes
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Rosenthal
Rostenkowski
Roush
Rousselot
Runnels
Ruppe
Russo
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Schneebeli
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, James V.
Steed
Steelman
Steiger, Wis.
Stratton
Stuckey
Studds
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Waggonner
Walsh
Wampler
Waxman
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wright
Wydler
Wylie
Yates
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—37

Barrett
Dodd
Eilberg
Findley
Florio
Green
Hannaford
Hubbard
Johnson, Pa.
Litton
Lujan
Madden
Martin
Mills
Mitchell, Md.
Mollohan
Morgan
Mosher
Murtha
Nix
O'Brien
Patman, Tex.
Peyser
Pressler
Railsback
Riegle
Rooney
Rose
Skubitz
Stanton, J. William
Steiger, Ariz.
Stephens
Sullivan
Teague
Vigorito
Yatron
Young, Alaska

So the amendment was rejected.

The result of the vote was announced as above recorded.

The **CHAIRMAN**. Under the rule, the committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ROSTENKOWSKI, Chairman of the Committee of the Whole House on the State of the Union, reported that that committee, having had under consideration the bill (H.R. 6674) to authorize appropriations during the fiscal year 1976, and the period beginning July 1, 1976, and ending September 30, 1976, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes, pursuant to House Resolution 470, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The **SPEAKER**. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted in the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The **SPEAKER**. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The **SPEAKER**. The question is on passage of the bill.

MOTION TO RECOMMIT OFFERED BY MR. FRENZEL

Mr. FRENZEL. Mr. Speaker, I offer a motion to recommit.

The **SPEAKER**. Is the gentleman opposed to the bill?

Mr. FRENZEL. I am.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. FRENZEL moves to recommit the bill H.R. 6674 to the Committee on Armed Services.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

RECORDED VOTE

Mr. BLOUIN. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 332, noes 64, not voting 37, as follows:

[Roll No. 235]

AYES—332

Abdnor
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
AuCoin
Bafalis
Bauman
Beard, R.I.
Beard, Tenn.
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Blanchard
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carney
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Conte
Corman
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R.W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dent
Derrick
Derwinski
Devine
Dickinson
Dingell
Downey, N.Y.
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
du Pont
Eckhardt
Edgar
Edwards, Ala.
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Fish
Fisher
Fithian
Flood
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hansen
Harkin
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Heckler, Mass.
Hefner
Heinz
Henderson
Hicks
Hightower
Hillis
Hinshaw
Holt
Horton
Howard
Howe
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Mahon
Mann
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Michel
Milford
Miller, Ohio
Mineta
Minish
Mink
Mitchell, N.Y.
Moakley
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nichols
Nowak
O'Hara
O'Neill
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Pickle
Pike
Poage
Preyer
Price
Pritchard
Quie
Quillen
Randall
Regula
Reuss
Rhodes
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncallo
Rostenkowski
Roush
Rousselot
Runnels
Ruppe
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schulze
Sebelius
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Spellman
Spence
Staggers
Stanton, James V.
Steed
Steelman
Steiger, Wis.
Stratton
Stuckey
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Thornton
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Waggonner
Walsh
Wampler
Waxman
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C.H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

NOES—64

Abzug
Aspin
Badillo
Baldus
Baucus
Bedell
Bingham
Blouin
Brodhead
Burke, Calif.
Burton, John
Burton, Phillip
Carr
Chisholm
Clay
Collins, Ill.
Conyers
Cornell
Dellums
Diggs
Drinan
Early
Edwards, Calif.
Forsythe
Fraser
Frenzel
Harrington
Hechler, W. Va.
Helstoski
Holtzman
Kastenmeier
Keys
Koch
Maguire
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Moffett
Nedzi
Nolan
Oberstar
Obey
Ottinger
Rangel
Rees
Richmond
Rosenthal
Roybal
Russo
Ryan
Schroeder
Seiberling
Solarz
Stark
Stokes
Studds
Thompson
Traxler
Tsongas
Weaver
Yates
Young, Ga.

NOT VOTING—37

Barrett
Dodd
Ellberg
Findley
Florio
Green
Hannaford
Holland
Hubbard
Johnson, Pa.
Litton
Lujan
Martin
Mills
Mitchell, Md.
Mollohan
Morgan
Mosher
Murtha
Nix
O'Brien
Patman, Tex.
Peyser
Pressler
Railsback
Riegle
Rooney
Rose
Skubitz
Stanton, J. William
Steiger, Ariz.
Stephens
Sullivan
Teague
Vigorito
Yatron
Young, Alaska

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Ellberg for, with Mr. Dodd against.

Mr. Rooney for, with Mr. Mitchell of Maryland against.

Until further notice:

Mr. Morgan with Mr. Barrett.
Mr. Green with Mr. Mills.
Mrs. Sullivan with Mr. Patman.
Mr. Teague with Mr. Riegle.
Mr. Rose with Mr. Stephens.
Mr. Vigorito with Mr. Yatron.
Mr. Mollohan with Mr. Nix.
Mr. Florio with Mr. Murtha.
Mr. Litton with Mr. Hubbard.
Mr. Hannaford with Mr. Holland.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. NEAL. Mr. Speaker, because I accepted the invitation of the President of the United States to accompany him to Charlotte, N.C., today for the Bicentennial Celebration of the signing of the historic Mecklenburg Declaration of Independence, I was absent until just before the vote on the Dellums amendment today.

Had I been here I would have voted "yea" on H.R. 5247, the Local Public Works Capital Development and Investment Act of 1975.

SENDING CONGRESSIONAL DELEGATION TO INTERNATIONAL WOMEN'S YEAR CONFERENCE IN MEXICO CITY, JUNE 19 TO JULY 2, 1975

The SPEAKER. The unfinished business is the question on the resolution (H. Res. 371) to send a congressional delegation to the International Women's Year Conference in Mexico City, June 19 to July 2, 1975.

The resolution was agreed to.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 5899. An act making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 5899) entitled "An act making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCCLELLAN, Mr. MAGNUSON, Mr. STENNIS, Mr. PASTORE, Mr. ROBERT C. BYRD, Mr. PROXMIRE, Mr. MONTOYA, Mr. HOLLINGS, Mr. BAYH, Mr. CHILES, Mr. YOUNG, Mr. HRUSKA, Mr. CASE, Mr. LONG, Mr. BROOKE, and Mr. STEVENS to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 6755) entitled "An act to enable the United States to render assistance to, or in behalf of, certain migrants and refugees," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SPARKMAN, Mr. MANSFIELD, Mr. CHURCH, Mr. CASE, and Mr. JAVITS to be the conferees on the part of the Senate.

APPOINTMENT OF CONFEREES ON H.R. 5899, SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 1975

Mr. MAHON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 5899) making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and agree to the further conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Texas? The Chair hears none and appoints the following conferees: Messrs. MAHON, WHITTEN, EVINS of Tennessee, BOLAND, NATCHER, FLOOD, STEED, SLACK, MCFALL, YATES, CASEY, CEDERBERG, MICHEL, CONTE, MCDADE, and MYERS of Indiana.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO HAVE UNTIL MIDNIGHT WEDNESDAY NIGHT, MAY 21, 1975, TO FILE A CONFERENCE REPORT

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tomorrow night to file a conference report on the bill (H.R. 5899) making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 6755

Mr. RUSSO. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 6755) to enable the United States to render assistance to, or in behalf of, certain migrants and refugees.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

CONFERENCE REPORT (H. REPT. NO. 94-230)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6755) to enable the United States to render assistance to, or in behalf of, certain migrants and refugees, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as "The Indochina Migration and Refugee Assistance Act of 1975".

SEC. 2. (a) Subject to the provisions of subsection (b) there are hereby authorized to be appropriated, in addition to amounts otherwise available for such purposes, $455,000,000 for the performance of functions set forth in the Migration and Refugee Assistance Act of 1962 (76 Stat. 121), as amended, with respect to aliens who have fled from Cambodia or Vietnam, such sums to remain available in accordance with the provisions of subsection (b) of this section.

(b) None of the funds authorized to be appropriated by this Act shall be available for the performance of functions after June 30, 1976, other than for carrying out the provisions of clauses (3), (4), (5), and (6) of section 2(b) of the Migration and Refugee Assistance Act of 1962, as amended. None of such funds shall be available for obligation for any purpose after September 30, 1977.

SEC. 3. In carrying out functions utilizing the funds made available under this Act, the term "refugee" as defined in section 2(b) (3) of the Migration and Refugee Assistance Act of 1962, as amended, shall be deemed to include aliens who (A) because of persecution or fear of persecution on account of race, religion, or political opinion, fled from Cambodia or Vietnam; (B) cannot return there because of fear of persecution on account of race, religion, or political opinion; and (C) are in urgent need of assistance for the essentials of life.

SEC. 4. (a) The President shall consult with and keep the Committees on the Judiciary, Appropriations, and International Relations of the House of Representatives and the Committees on Foreign Relations, Appropriations and Judiciary of the Senate fully and currently informed of the use of funds and the exercise of functions authorized in this Act.

(b) Not more than thirty days after the date of enactment of this Act, the President shall transmit to such Committees a report describing fully and completely the status of refugees from Cambodia and South Vietnam. Such report shall set forth, in addition—

(1) a plan for the resettlement of those refugees remaining in receiving or staging centers;

(2) the number of refugees who have indicated an interest in returning to their homeland or being resettled in a third country, together with (A) a description of the plan for their return or resettlement and the steps taken to carry out such return or resettlement, and (B) any initiatives that have been made with respect to the Office of the High Commissioner for Refugees of the United Nations; and

(3) a full and complete description of the steps the President has taken to retrieve and deposit in the Treasury as miscellaneous receipts all amounts previously authorized and appropriated for assistance to South Vietnam and Cambodia but not expended for such purpose, exclusive of the $98,000,000 of Indochina Postwar Reconstruction funds allocated to the Department of State for movement and maintenance of refugees prior to the date of enactment of this Act.

(c) Supplementary reports setting forth recent information with respect to each of the items referred to in this section shall be transmitted not more than ninety days after the date of transmittal of the report referred to in subsection (b) of this section and not later than the end of each ninety-day period thereafter. Such reports shall continue until September 30, 1977, and a final report shall be submitted no later than December 31, 1977.

And the Senate agree to the same.

PETER RODINO,
PAUL SARBANES,
ELIZABETH HOLTZMAN,
CHRISTOPHER S. DODD,
MARTY RUSSO,
HAMILTON FISH,
WILLIAM S. COHEN,
Managers on the Part of the House.

JOHN SPARKMAN,
MIKE MANSFIELD,
FRANK CHURCH,
CLIFFORD P. CASE,
JACOB JAVITS,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill H.R. 6755, "The Indochina Migration and Refugee Assistance Act of 1975", submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Committee of Conference recommends that the House recede from its disagreement to the amendment of the Senate to the text of the bill with an amendment which is a substitute for both the text of the House bill and the Senate amendment thereto.

Except for clarifying, clerical, and necessary conforming changes, the differences between the two Houses and the adjustment made in the committee of conference are noted below.

FUND AUTHORIZATION

The House bill authorized "such sums as may be necessary, but not to exceed $507 million" for the performance of functions set forth in the Migration and Refugee Assistance Act of 1962, as amended, with respect to aliens who have fled from Cambodia or Vietnam.

The Senate amendment authorized the appropriation of $405 million for the fiscal year 1975 for the same purpose.

The House receded with an amendment which would authorize $455 million without fiscal year limitations.

RETRIEVAL OF FOREIGN ASSISTANCE FUNDS

The Senate amendment directed the President to make every effort to retrieve all amounts previously authorized and appropriated for assistance to South Vietnam and Cambodia, excluding $98 million in economic assistance funds previously allocated to the Department of State for the movement and maintenance of refugees. All funds retrieved were to be deposited in the Treasury as miscellaneous receipts.

The House bill did not contain a comparable provision.

The Senate receded.

The managers on the part of the Senate receded only because the House Members stressed that the Senate provision would have subjected the conference report to a point of order in the House. Although they have deleted the mandatory language, the conferees have required under Section 4, the reporting requirement of the conference agreement, that periodic reports be submitted by the President concerning the status of his official efforts to retrieve these funds.

RETURN TRANSPORTATION FOR REFUGEES

The Senate amendment contained a provision directing the President to take a survey of the refugees from South Vietnam and Cambodia to determine which were desirous of returning to their homeland. The provision also included a specific authorization for use of funds made available under the bill for payment of the return transportation cost for those desiring to return home.

The House bill did not contain a comparable provision.

The Senate receded.

The managers on the part of the House and the Senate agree that sufficient authority exists under existing law for return transportation of refugees and that the funds made available under this bill will be available for that purpose. Therefore, they consider that specific authorization in this bill is not necessary. The conferees on the part of both Houses understand from Executive Branch officials that a number of efforts are made during the processing of refugees throughout staging areas and the reception centers to insure that they are aware that they may return to their homeland if they so choose and that funds are available for the cost of their return transportation. The conferees fully expect that every effort will continue to be made to communicate this message to the refugees. The conferees also agreed to inclusion of language in the reporting requirement in Section 4 which provides for submission of full and complete information relative to matters concerning the return of refugees to their homeland.

REPORTS

The House bill contained a provision which required the President to keep the Committee on the Judiciary of the House of Representatives and the Committee on Foreign Relations of the Senate currently informed of the use of funds and the exercise of functions authorized in the bill.

The Senate amendment contained a requirement that, not less than thirty days after the date of enactment of the bill, the President shall transmit to the Committees on Foreign Relations, Judiciary, and Appropriations of the Senate and the Speaker of the House of Representatives a report describing fully and completely the status of refugees from Cambodia and South Vietnam and his plans for their resettlement, including certain specific information.

Reports setting forth certain supplementary information would be required not less than each ninety days following transmittal of the initial report, the supplemental reports to continue until September 30, 1977.

The conferees have agreed to a provision incorporating language from both the House and the Senate provisions. The conferees believe that the reports called for under the conference agreements will insure that Congress has available to it current and periodic reports concerning the status of the refugees program, as well as future plans. The conferees have included language requiring specific information on the return of refugees to their homeland and on the retrieval of foreign aid funds from the pipeline, subjects which were covered in provisions deleted from the conference report.

Peter Rodino,
Paul Sarbanes,
Elizabeth Holtzman,
Christopher J. Dodd,
Martin Russo,
Hamilton Fish,
William S. Cohen,
Managers on the Part of the House.

John Sparkman,
Mike Mansfield,
Frank Church,
Clifford P. Case,
Jacob Javits,
Managers on the Part of the Senate.

MAKING IN ORDER CONSIDERATION OF CONFERENCE REPORT ON H.R. 6755

Mr. RUSSO. Mr. Speaker, I ask unanimous consent that it may be in order to consider the conference report on the bill (H.R. 6755) tomorrow or any day thereafter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PERMISSION FOR COMMITTEE ON HOUSE ADMINISTRATION TO FILE PRIVILEGED REPORT

Mr. McFALL. Mr. Speaker, I ask unanimous consent that the Committee on House Administration may have until midnight tonight to file a privileged report.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

GENERAL LEAVE

Mr. McFALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Resolution 371.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. O'NEILL asked and was given permission to address the House for 1 minute.)

Mr. O'NEILL. Mr. Speaker, I rise to announce the program for the remainder of the week. When we adjourn tonight, we will adjourn to meet at the regular hour at 12 o'clock noon tomorrow.

On Wednesday we will consider H.R. 25, Surface Mining Control and Reclamation Act, to vote on the override of the veto.

We will also take up H.R. 6950, legislative appropriations for fiscal year 1976.

Then we will consider H.R. 5727, Parole Reorganization Act, with an open rule, and 1 hour of debate.

This will be followed by H.R. 6900, Emergency Compensation and Special Unemployment Assistance Act, subject to a rule being granted and we will take up the conference report on H.R. 6755, the Refugees Assistance Act of 1975.

On Thursday we will ask unanimous consent to come in at 10 o'clock in the morning, at which time we would bring up Senate bill 249, the Securities Reform Act conference report.

At 11 o'clock the House will be in recess to receive former Members of Congress.

Following that we would bring up H.R. 5899, the second supplemental appropriations for fiscal year 1975. This is a conference report, and as we know, I believe there are 172 articles in disagreement. There is a very good possibility it may last 2 or 3 hours.

The gentleman from New Jersey (Mr. Thompson), the chairman of the Subcommittee on House Administration, informs me that they have two privileged motions that they will bring up Thursday.

Mr. Speaker, that is the program, other than the motions that will be made, the normal motions that we make to allow Members to go to their homes and do their grassroots investigations and see how things are going on at home.

PERSONAL EXPLANATION

Mr. ANNUNZIO. Mr. Speaker, on today, Tuesday, May 20, during rollcall No. 227, H.R. 5247, Local Public Works Capital Development and Investment Act, I was away from the floor on official business. Had I been present, I would have voted "aye."

PERSONAL EXPLANATION

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, earlier today, I was absent from the floor in connection with business of the Judiciary Committee when two votes were taken. For the Record, I now state how I would have voted on each of those questions had I been present:

Rollcall No. 227: Final passage of H.R. 5247, the Local Public Works and Capital Development Act. I would have voted "aye."

Rollcall No. 228. An amendment offered by Mr. Leggett to H.R. 6674, the military procurement and research and development authorization for fiscal 1976. I would have voted "aye."

UNFAIR TREATMENT OF CHILE By STATE DEPARTMENT

(Mr. McDONALD of Georgia asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. McDONALD of Georgia. Mr. Speaker, last Thursday, I sent, by registered mail, a letter to the Secretary of State, Mr. Kissinger, relative to Chile. This concerns a unilateral decision by the Department of State to bar Chile from purchasing for cash items of military use from the United States. This in my view, is wrong. Chile is a long and trusted friend of the United States, and the State Department decision has no basis in law that I am aware of.

It is fascinating to note that the press has focused with intense heat on the new regime in Chile as it attempts to struggle out of the morass created by Allende and his Marxian Socialists. However, the press at the same time ignores the country of Peru, which is awash with Soviet tanks and military advisors. This military buildup, by a military authoritarian government in Peru can be used for only two purposes—to oppress the people of Peru or for an invasion of Chile, its long time enemy. Therefore, it is strongly in the interest of peace that Chile be able to maintain its armed forces and that we do not have a new war break out in this part of the world.

Therefore, I was intensely pleased that 100 of my colleagues were willing to join with me in asking the Department of State to reverse this decision. My further understanding is that Members of the other body are also circulating a similar letter in order to further prod the Department of State. It is hoped that we will be successful. It is my further intention to make the State Department response available to this House. A copy of the letter and the signators follows for the edification of my colleagues:

February 27, 1975.

Secretary of State,
U.S. Department of State,
Washington, D.C.

Dear Mr. Kissinger: We, the undersigned, had understood that in the foreign assistance legislation for fiscal 1975 the restrictions on the use of any funds for military grant aid or credit sales to the Republic of Chile would apply only to funds authorized in the bill. Indeed, more broader restrictive language was specifically removed from the House version of the legislation in conference to make sure that cash sales in the private sector and with respect to unrestricted military items such as spare parts supplemental equipment, etc., would not be affected.

Page 41 of the Conference Report on the Foreign Assistance Act of 1974 states as follows:

"The Senate bill contained a provision which limited assistance to Chile to $55 million in fiscal year 1975, none of which could be used for military assistance, credits or guaranties.

"The House amendment added a new subsection 620(y) suspending military assistance (except $800,000 in military training), credit sales, and cash sales to Chile through fiscal year 1975, and also prohibiting the issuance of export licenses for Chilean arms purchases from U.S. manufacturers unless the President reports to the Congress that Chile is making fundamental improvements in the observance of human rights. If such a report is made, foreign military cash sales and commercial sales may be made and up to $10 million in credit may be extended to Chile.

"The House receded with an amendment to limit the funds that could be used for assistance to Chile to $25 million in fiscal year 1975, none of which funds may be used to finance military assistance, credits, or guaranties. The amendment also deleted the reference to "any other law . . ."

We are further informed that an unilateral interpretation by the Department of State holds that while Chile may purchase planes, for example, in the private sector for cash, it cannot purchase for cash the absolutely essential spare parts, armament, and similar military material heretofore available and necessary to make the military equipment useable.

This is a problem which affecta the national security of the United States and the security of the hemisphere. Not only do we want to maintain our business relations with our frienda in Latin America, but we want to maintain our military relations. If these materials are not available from the United States for cash, they will certainly be acquired by the government of Chile from other countries of the world, to our great loss now and in the future. All too often we have seen foreign interests move into the vacuum left when we get bureaucrat decisions to cut off military supplies to countries who have been friendly. They simply purchase their needs from some other country, and more often than not such purchases have carried with them military advisers and influence from countries hostile to the Western Hemisphere and to the United States. We need only to look to the situation in Peru in that regard.

We urge you to review this situation, and if our understanding is correct, to take immediate measures to carry out the spirit of the statute—i.e., that cash military sales to the Republic of Chile remain unaffected by the foreign aid bill for fiscal 1975.

Your cooperation in this matter will be very much appreciated.

List of Signatures

Richard H. Ichord (D.-Mo.)
Goodloe E. Byron (D.-Md.)
W. S. (Bill) Stuckey, Jr. (D.-Ga.)
Robert W. Daniel, Jr. (R.-Va.)
Joe D. Waggonner, Jr. (D.-La.)
John M. Ashbrook (R.-Ohio)
Jack Brinkley (D.-Ga.)
Floyd V. Hicks (D.-Wash.)
Larry McDonald (D.-Ga.)
Steven D. Symms (R.-Idaho)
G. V. Montgomery (D.-Mass.).
Floyd Spence (R.-S.C.).
Dan Daniel (D.-Va.).
Robert E. Bauman (R.-Md.).
Jim Lloyd (D.-Calif.).
Andrew J. Hinshaw (R.-Calif.)
Dawson Mathis (D.-Ga.).
George Hansen (R.-Idaho).
Bo Ginn (D.-Ga.).
Bill Nichols (D.-Ala.).
Barry M. Goldwater, Jr. (R.-Calif.).
David E. Satterfield III (D.-Va.).
John H. Rousselot (R.-Calif.).
Trent Lott (R.-Miss.).
F. Edward Hébert (D.-La.).
Robin L. Beard (R.-Tenn.).
John J. Duncan (R.-Tenn.).
Theodore M. Risenhoover (D.-Okla).
W. G. (Bill) Hefner (D.-N.C.).
Philip M. Crane (R.-Ill.).
Gene Taylor (R.-Mo.).
Gene Snyder (R.-Ky.).
David N. Henderson (D.-N.C.).
James M. Collins (R.-Tex.).
William L. Dickinson (R.-Ala.).
Richard C. White (D.-Tex.).
Charles H. Wilson (D.-Calif.).
Richard T. Schulze (R.-Pa.).
W. Henson Moore (R.-La.).
Robert G. Stephens, Jr. (D.-Ga.).
William M. Ketchum (R.-Calif.).
James A. Haley (D.-Fla.).
John B. Conlan (R.-Ariz.).
Robert J. Lagomarsino (R.-Calif.).
Jack F. Kemp (R.-N.Y.).
Tim Lee Carter (R.-Ky.).
Carroll Hubbard, Jr. (D.-Ky.).
Mendel J. Davis (D.-S.C.).
Robert L. F. Sikes (D.-Fla.).
Charles Wilson (D.-Tex.).
Marjorie S. Holt (R.-Md.).
John J. Flynt, Jr. (D.-Ga.).
Thomas N. Kindness (R.-Ohio).
Ed Jones (D.-Tenn.).
Thad Cochran (R.-Miss.).
Don Young (R.-Alaska).
Robert L. Leggett (D.-Calif.).
Thomas N. Downing (D.-Va.).
Tom Bevill (D.-Ala.).
Olin E. Teague (D.-Tex.).
Omar Burleson (D.-Tex.).
Harold Runnels (D.-N. Mex.).
Charles E. Grassley (R.-Iowa).
Samuel S. Stratton (D.-N.Y.).
G. William Whitehurst (R.-Va.).
Elwood Hillis (R.-Ind.).
Floyd Fithian (D.-Ind.).
Bob Wilson (R.-Calif.).
David C. Treen (R.-La.).
Charles E. Bennett (D.-Fla.).
James G. Martin (R.-N.C.).
George O'Brien (R.-Ill.).
Marilyn Lloyd (D.-Tenn.).
John Buchanan (R.-Ala.).
Donald J. Mitchell (R.-N.Y.).
W. R. Poage (D.-Tex.).
John T. Myers (R.-Ind.).
Del Clawson (R.-Calif.).
William L. Armstrong (R.-Colo.).
Bill Archer (R.-Tex.).
William C. Wampler (R.-Va.).
William F. Goodling (R.-Pa.).
Joe L. Evins (D.-Tenn.).
Kenneth L. Holland (D.-S.C.).
Tim L. Hall (D.-Ill.).
Bud Shuster (R.-Fla.).
Walter Flowers (D.-Ala.).
C. W. (Bill) Young (R.-Fla.).
Larry F. Winn (R.-Kans.).
William J. Randall (D.-Mo.).
Sam Steiger (R.-Ariz.).
James H. Quillen (R.-Tenn.).
Garry Brown (R.-Mich.).
Tom Hagedorn (R.-Minn.).
Edward Derwinski (R.-Ill.).
John W. Jenrette, Jr. (D.-S.C.).
Butler Derrick (D.-S.C.).
Tennyson Guyer (R.-Ohio).
Allen T. Howe (D.-Utah).
Samuel L. Devine (R.-Ohio).
J. Herbert Burke (R.-Fla.).

PERSONAL EXPLANATION

Mr. BLANCHARD. Mr. Speaker, earlier this evening I was unavoidably detained during the vote on the Stratton amendment rollcall No. 232.

Since I supported that measure, I would like to state that had I been present, I would have voted for the amendment.

PERSONAL EXPLANATION

Mr. FITHIAN. Mr. Speaker, on May 7, 1975, on rollcall No. 187, the strip mine bill, I am recorded as not voting. I was present and physically voted "aye" on the electronic device.

THE 73D ANNIVERSARY OF CUBAN INDEPENDENCE DAY

The SPEAKER pro tempore (Mr. McFall). Under a previous order of the House, the gentleman from Alabama (Mr. Buchanan) is recognized for 60 minutes.

Mr. BUCHANAN. Mr. Speaker, it is my privilege to rise today in commemoration of the 73d anniversary of Cuban Independence Day. Today is also a day to congratulate and encourage those many men and women who have continued to work for a free Cuba, a Cuba to which they can return secure in the knowledge that theirs is a free country controlled by its people and honoring their basic individual rights.

Today is indeed a special day not only to those of Cuban descent who live in our country but to the millions of Cubans still within their homeland. On this date in 1902 the Cuban people celebrated their independence from 400 years of Spanish rule. Even as our great Nation played a role in helping them secure their freedom then, so must we still remain committed to the ideal of true Cuban independence.

Our Nation's association with a free Cuba movement is deeply rooted in history. This body first lent its support to Cuban Independence in 1869 with the passage of a resolution calling on President Grant to recognize a republican government as soon as it was established on the island.

As Americans, we can be proud of the role we have played in the intervening years in behalf of an independent Cuba. We must, however, continue to press for the attainment of true freedom in Cuba in our time and continue to recognize the heroism and courage which has kept alive the dream of freedom there.

The same desire which led the Cuban patriots of years ago to fight for independence has not dimmed. Thousands of Cuban patriots still work actively to secure the freedom of their homeland. Surely as we approach our own celebration of independence, we will continue to share with all Cubans their desire to be truly free.

It is my hope that our Government will continue to work for reconciliation and change in Cuba toward the recognition of the basic human rights of all of her citizens and the return of control to their hands. This heroic people who live only 90 miles from our own shores deserve our

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prayerful support in their continuing struggle for liberty.

GENERAL LEAVE

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

REMEMBER, WE MAY ALL HAVE CONSTITUENTS ON BOARD THE NEXT SHIP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. TALCOTT) is recognized for 10 minutes.

Mr. TALCOTT. Mr. Speaker, I rise to applaud and thank the President for his handling of the piracy of the U.S. merchant ship *Mayaguez* by the Khmer Rouge Communists. I do it for a constituent on board, for his family, and for all of us who believe in America and freedom of the seas.

I commend the President for his methods and style. He acted in the historical tradition of the United States. He immediately announced the seizure of a merchant ship on the high seas as an illegal act of piracy and promised appropriate action He acted cautiously and firmly. He offered negotiation; when rejected, he ordered effective action to achieve the safe recovery of the crew, ship, and cargo. He relied on the Navy and the Marines—who performed valiantly under the most delicate and sensitive circumstances.

By the execution of his appropriate action, the crew was recovered safely and the ship and cargo were saved.

Unfortunately—but as expected—the marines involved in the recovery effort suffered casualties. We should grieve for them and for their families. This incident serves to remind us of the sacrifices they face every day to safeguard us even on the opposite side of this planet. I offer my condolences and my gratitude.

This was no little, remote, or unimportant incident.

The seizure was contrived. The Communists intended to probe our weaknesses and test our will in a remote place where popular support would be weak. A success in twisting our tail would have been methodically repeated in other areas until we succumbed in major situations close to, or at, home. This is the Communist strategy which is being tactically accomplished world-wide every day.

The handling of this incident greatly bolstered my confidence in our President and our country. He demonstrated courage to act when he knew the consequences were enormous and when he could not be confident of support from the Congress.

If we are to enjoy freedom of the seas for ourselves and others in the world, we must take this kind of determined action.

If we are to preserve peace—with freedom for ourselves and our descendants here at home, we must respond to these kinds of aggression decisively.

Unfortunately, we may not want to be reminded that no small nation would have designed to commit an illegal act of piracy against the United States in pre-Vietnam times.

The deterioration of our national will, the reneging of our commitments in Southeast Asia, the broad perception that the Congress and the people of America no longer would resist Communist aggression, are all outgrowths of our conduct of the war in Vietnam, and was the direct, if not sole, provocation for the *Mayaguez* incident.

The President can expect barbs and criticism. It is very easy to find fault from the gallery. Hindsight is easier than foresight; action with responsibility is easier than observation with no responsibility.

AN UPDATED SMALL BUSINESS TAX REFORM BILL IS NEEDED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. EVINS) is recognized for 5 minutes.

Mr. EVINS of Tennessee. Mr. Speaker, the very important matter of the impact of taxation upon the small business sector of the economy has occupied the attention of the House Small Business Committee of the House of Representatives for several years. Thus, in May 1953, during the 83d Congress, hearings were held on the "Effect of the Present Tax Structure on Small Business," and in the report thereon—House Report No. 1002—the committee concluded that the Federal tax structure at that time undoubtedly acted as a deterrent to the continued growth and expansion of small business.

In the intervening years, my committee continued its interest in taxation and its members endeavored to ameliorate some aspects of the severity of its effect upon small entrepreneurs. In 1971, and again in 1973, it was my pleasure to sponsor identical legislation introduced by the distinguished former Senator, Hon. Alan Bible, from Nevada, who was the able chairman of the Senate Select Committee on Small Business, for the purpose of small business tax reform and simplification. This measure then became quite well known as the "Bible-Evins Small Business Tax Bill."

The fact that taxes have a weighty impact on commerce and industry is widely recognized and that the tax burden on business is greatest in its impact on small business is not disputed. That is the rationale for the continued interest of the members of the committee ever since. It is obvious, that in the present time of a severe economic recession, the whole subject of taxation assumes a greater degree of urgency than it had in the past.

As chairman of the new Committee on Small Business of the House of Representatives, I was pleased to note in the CONGRESSIONAL RECORD of April 24, 1975, the remarks of the distinguished Senator from Wisconsin, Hon. GAYLORD NELSON, who is the very able chairman of the Senate Select Committee on Small Business.

I was pleased to advise the chairman of the Senate committee of my full cooperation with him and with his committee. Because of the importance of this subject, I wish to invite the attention of my colleagues in the House to my letter and to Senator NELSON's statement which follows:

SMALL BUSINESS COMMITTEE BEGINS IN-DEPTH STUDY OF BUSINESS TAX STRUCTURE

(Statement by Senator GAYLORD NELSON)

Mr. President, the Senate Select Committee on Small Business has for many years been deeply interested in tax problems of the small business community. That vital sector of the American economy accounts for 97 percent of the total number of businesses, between 52 and 53 percent of the employment, and more than one-third of the gross national product.

Under its previous chairman, the distinguished former Senator from Nevada (Mr. Bible), the committee took the lead in developing a comprehensive small business tax simplification and reform proposal which was first placed before the Senate in June of 1970. That bill was subsequently refined and reintroduced in 1971 and 1973. In August 1974, nearly one-fourth of its provisions were accepted by the Ways and Means Committee for inclusion in the omnibus tax reform bill. That legislation, however, did not come before the full House or Senate for action last year.

POSITION OF SMALL BUSINESS HAS DETERIORATED

The difficulties of new, small, and medium-sized independent business firms have not improved with the passage of time. The weight of Federal, State and local taxation, as well as the attendant paperwork burdens, grow heavier every year. Moreover, the inflation of 1974—with its 21-percent increase in the wholesale prices and the "deep recession" of 1974–75—with the sharpest economic contractions in sales and production since the Great Depression, have injured smaller businesses first and worst.

The 3 days of testimony which our committee took in February on small business tax needs, incident to congressional consideration of the Emergency Tax Reduction Act, revealed that profits of smaller businesses turned down earlier in 1974 than those of big business; that the equity securities market for financing smaller firms came to a standstill; and that interest rates offered to small businesses ranged from 12 to 18 percent for needed capital to pay essential bills.

SOME TEMPORARY RELIEF IN EMERGENCY TAX REDUCTION ACT

We are very pleased that Congress responded to the plight of these smaller firms with several relief provisions in the Tax Reduction Act. But that action is only temporary—for one, or at the most 2 years—with minor exceptions.

It is therefore urgent that Congress reexamine the business tax structure as it affects the entry and growth of new small business; and the ability of existing small and medium-size independent firms to expand, innovate, and survive in the considerably more complex economy of the 1970's.

Because of the short-term nature of the tax reduction bill, Congress must return to consideration of business tax questions within a very short time. We would hope that small businesses will receive the consideration that their numbers and importance in the economy merit. As a part of this process, our committe wishes to develop sound and responsible small business proposals so that the final tax legislation will be equitable

and responsive to the circumstances of the great majority of America's 12 million small industrial, commercial, and farm businesses.

NEED FOR LONG-TERM STUDY

In order to do this, we are hereby giving notice of beginning a sustained, indepth study of the business tax structure as it affects the variety of enterprises which are classified as "small businesses".

The preservation of the larger values of enterprise and freedom of economic choice, will involve digging deeply into the technicalities of the tax law, and serious research into the relationship between business and individual taxes and how past tax provisions have affected investment, savings, and productivity. However, the committee is making its commitment to this effort with the objective of assisting the Congress in every way possible, so that our Federal Government can arrive at policies which benefit our entire economy by harnessing more efficiently the dynamism of free private enterprise.

TAXES AFFECT THE QUALITY OF LIFE

The workload is great; but the stakes are also very high. Although the connections may be difficult for many people to perceive, there are few if any subjects of greater importance to the quality of life in this country than the tax system.

There is a tendency to take for granted the Nation's reliance on the business community to furnish us with the necessities of life—food, clothing, and shelter—as well as our reliance on business to deliver the daily conveniences and amenities which we seek. The business community is the source of useful employment for our citizens, and small business accounts for more than half of all of these jobs.

We must remind ourselves that the business tax system is a major influence on whether people will devote their efforts to these tasks; whether they will take the personal and financial risks to provide and improve goods and services; and whether they will ultimately feel rewarded for their labors.

The business tax system has a decisive impact on whether new and expanding businesses will become and remain viable. Thus, if a person still dreams the American dream of owning his own business and making it grow by his own efforts and talents, he must be concerned with how the tax system treats that enterprise. We in the Congress must likewise be sensitive as to how the tax system affects such smaller businesses relative to their larger and stronger competitors.

A NEW LOOK AT THESE ISSUES

In my view, national emergencies of various kinds over the years have precluded Congress from devoting the time and attention to these matters which they deserve. However, in my opinion, there are no higher priorities at the present time.

In conducting our inquiry, the committee will be contacting national and regional small business organizations, business and trade groups from all over the country, as well as business and law schools, research institutions, congressional committees, and Government executive departments and agencies, and urging them to join us in this work.

We expect that public hearings will commence in mid-June, and that the inquiry will last only so long as is necessary to develop a record which will be helpful to the Congress.

Our February, 1975, hearings gathered testimony that the present tax system is, in many ways, choking enterprise, risk-taking, and individual effort and freedom of choice, and in many ways frustrating economic growth.

These hearings confirmed that effective rates of taxation for larger business were, in many instances, lower than for smaller business, except for the very smallest corporations which earned less than $25,000. The evidence shows that while most small companies pay taxes at or even above the 48 percent statutory rate, one out of five large companies pays taxes at less than 43 percent, and that the 100 largest businesses, year after year, pay only between 25 and 30 percent of their income in taxes.

This seems to me to be a complete reversal of the American philosophy that the underdog is entitled to at least an even break. Our tax system seems to give the breaks to the big companies.

I am not suggesting nor implying that these figures result from illegalities on the part of big business. On the contrary. One reason for these advantages is that the big companies can afford the fees of expert accountants and lawyers who can guide them toward actions which are in strict compliance with tax laws and regulations which are so complex that only the giants know how to utilize them.

We need to examine whether such a tax scale is desirable, and whether the Government's policies developed over the years that produced this result are sound.

In my judgment, we must inquire into whether the sheer weight of tax reporting is keeping entrepreneurs buried under paperwork at their desks and diverting their time and talents from building the Nation's economy and their own businesses.

We must take a new look at our tax system in a perspective which is both fresh, and in the great tradition of the American Enterprise system, which has brought greater material wealth to a greater proportion of the population than any other economic system in history.

CANADIAN AND BRITISH TAX SYSTEMS AS POSSIBLE MODELS

For instance, when we look at Canada and England, we find business tax systems which in several ways are far more advanced than our own. Canada, for example, will by next year have enjoyed a "small business deduction"—parallel to the U.S. surtax exemption of $100,000 for 3 years. For the 2 years prior to that, their small business deduction level was at $50,000, and before that it was at $35,000. Our country has in the emergency tax reduction bill just raised the surtax exemption to $50,000 for 1975 only. The tax laws of both Canada and England recognize the distinction between small, medium, and large businesses with many provisions that have not yet found their way into our tax laws.

The experience of these systems should be studied vis-a-vis the American tax policies and will be a significant part of our investigation.

SUMMARY

Our committee study will be performed in order to be helpful in every way possible to the Senate in formulating legislation that will be good for the economy as a whole, as well as for smaller businesses, and will be good for every consumer by bringing forth the best efforts of American business persons.

It would be appreciated if all those who are interested in participating in this study would contact the Select Committee on Small Business, 424 Russell Senate Office Building, Washington, D.C. 20510, telephone 202/224–5175, as soon as possible.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON SMALL BUSINESS,
Washington, D.C., April 28, 1975.

Hon. GAYLORD NELSON,
Chairman, Select Committee on Small Business, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: It gave me pleasure to note that the Senate Select Committee on Small Business has decided to again begin an in-depth study of the business tax structure with particular emphasis on its impact upon the small business sector of the economy.

As you no doubt know, on April 22, 1971, during the 92nd Congress, Senator Bible, your predecessor, as Chairman of the Select Committee on Small Business, introduced S. 1615 and on the same day I sponsored an identical measure, H.R. 7692. During the 93rd Congress, it was again my pleasure to introduce a revised small business tax bill, H.R. 5222, which was identical to the new bill of Senator Bible, S. 1098.

The House Ways and Means Committee held hearings in the 93rd Congress on these measures at which time both Senator Bible and I appeared and testified. As a result of such proposed legislation in both the 92nd and 93rd Congress, they became known as the "Bible-Evins Small Business Tax Measures".

I shall be pleased to fully cooperate with you and your Committee in sponsoring and supporting new identical measures for this long overdue tax relief for small business and for simplification of the complex internal revenue laws in order to ease the burden upon the small businessman.

With kindest regards and best wishes, I am

Sincerely your friend,
JOE L. EVINS,
Chairman.

JOHN M. "JACK" HOUSTON, FORMER KANSAS CONGRESSMAN, PASSES

The SPEAKER pro tempore under a previous order of the House, the gentleman from Kansas (Mr. SHRIVER) is recognized for 5 minutes.

Mr. SHRIVER. Mr. Speaker, it is with deep regret that I report to my colleagues in the House the recent death of a former Member of this body from Kansas, John M. "Jack" Houston. Mr. Houston died on April 29 in Laguna Beach, Calif., where he and Mrs. Houston resided for the past 15 years.

He was elected to the House from the old Fifth District of Kansas as a Democrat in 1934, and he served with distinction here until January 3, 1943. Mr. Houston served on several House committees during his congressional tenure including Goverment Operations, the Public Buildings and Grounds Committee—now Public Works—World War Veterans Legislation—now Veterans' Affairs—and the Committee on Appropriations.

Following his congressional service, Mr. Houston was appointed by President Franklin D. Roosevelt to the National Labor Relations Board in 1943, and President Truman re-appointed him to a second 5-year term in 1948. He served until his retirement on August 27, 1953.

Jack Houston was born on a farm near Formosa, Jewell County, Kans. He attended public schools in Wichita, Kans., and was a graduate of Fairmount College, now Wichita State University.

He was a World War I veteran having served as a noncommissioned officer in the Marine Corps. He also was a past commander of the American Legion post in Newton, Kans.

Mr. Houston engaged in the retail lumber business in Newton and was mayor of Newton from 1927 to 1931.

He is survived by Mrs. Houston; a son, Robert; a daughter, Patricia; and a sister, Mrs. Richard Bird of Wichita.

Jack Houston served his community,

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his State, and his Nation with dedication and devotion. We mourn his passing and extend our heartfelt sympathy to his loved ones.

FRANCIS WHITING HATCH

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. HECKLER) is recognized for 5 minutes.

Mrs. HECKLER of Massachusetts. Mr. Speaker, Mark Van Doren once observed that "Wit is the only wall between us and the dark."

Things are a little darker in Massachusetts this week because the superb wit which was the special gift of Francis Whiting Hatch has been lost to us for all time.

To his widow, the former Katherine Kennard, his son, Francis W. Hatch, Jr., minority leader of the Massachusetts House of Representatives, and to the entire Hatch family, I extend my deepest sympathy. I include here in my remarks Mr. Hatch's obituary which appeared in the May 15 edition of the Boston Herald American:

FRANCIS HATCH, EX-AD EXECUTIVE

Francis Whiting Hatch, an outstanding figure in the literary, charitable and business circles of Greater Boston, died yesterday in Phillips House, Mass. General Hospital, at 78. Formerly of Wayland, he lived in Castine, Me., since his retirement in 1959.

An author, poet, composer and former advertising executive, he was for many years a contributor of light verse and short stories to newspapers and magazines, including the Boston Herald, Boston Globe, Yankee, Atlantic Monthly, Christian Science Monitor, Ellsworth American and Down East. "Where but New England," a weekly newspaper column, was published by Essex County newspapers until his death.

His music and lyrics for the Harvard Hasty Pudding Club in 1919 were the first of many musicals he wrote for the Weston Friendly Society, the Vopes Players and other groups. Much of his writings were about nostalgia and humor of bygone days in Boston and Castine.

He was vice president and director of Batten, Barton, Durstine & Osborn advertising agency more than 20 years. Former directorships include the Putnam Fund, Incorporated Investors, Metro-Goldwyn Mayer and Shreve, Crump and Low.

He was chairman of the Greater Boston Community Fund in 1956 and the Red Cross War Fund campaign in 1946. For many years he was a trustee of the Boston Symphony Orchestra, Mass. General Hospital, N.E. Conservatory of Music and Castine Hospital, where he was president and treasurer more than 30 years.

He was also a former president of the Harvard Alumni Ass'n, president general of the Society of Cincinnati, and Vice president of the Boy Scouts of America.

His clubs included the Tavern, India Warf Rats, St. Botolph, Somerset, Century Ass'n. of New York and the New York Anglers. A mason, he was a member of the Lodge of St. Andrew.

He was a graduate of Volkman School and Harvard College, class of 1919, and served as a first lieutenant in World War I.

He leaves his wife, the former Katherine Marjory Kennard; a son, Francis W., Jr., Minority Leader of the Massachusetts House of Representatives; a sister, Mrs. Oakes Ames of Cambridge, and 5 grandchildren.

PRESERVING THE SHELLFISH INDUSTRY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. BAUMAN) is recognized for 10 minutes.

Mr. BAUMAN. Mr. Speaker, I am today introducing legislation aimed at providing assistance for the U.S. shellfish industry.

In recent years the shellfish industry has suffered not only from natural disasters but man-made pollution as well as government attempts to regulate and restrict. In my own Chesapeake Bay area, natural disasters such as tropical storm Agnes in 1973 resulted in significant natural problems for those who harvest and process clams, oysters and other shellfish. Added to this has been man-made pollution coming from faulty sewerage treatment facilities, sedimentation and surface water runoff.

For nearly 50 years the Federal and State Governments have conducted a cooperative program of supervision and regulation of the shellfish industry known as the national shellfish sanitation program—NSSP. For the most part this has permitted the U.S. Food and Drug Administration to exercise general supervisory control of the State agencies which in turn have enforced regulations to maintain the purity of shellfish products. This cooperative program has worked well.

Recently, however, several Federal agencies have been making claims on the shellfish industry in an attempt to increase their control at the expense of State government supervision by placing questionable regulatory burdens on the industry. Examples of this trend can be seen in so-called "clean water" proposals in the State of Maryland which drastically change the water discharge regulations governing seafood processing plants. Most recently, the FDA has proposed, under the Administrative Procedure Act of 1946, a formalized rule structure which would replace the existing voluntary Federal-State-industry program for the sanitation control of oysters, clams, and mussels. Thus, a 50-year program which has worked relatively well may be replaced by the iron hand of Federal regulation.

With all the other problems facing the shellfish industry I believe we should be very slow to permit absolute Federal regulation. Inevitably, this removes from the first line of industry experience the making of vital decisions which seriously affect the industry and the consuming public.

One thing that has become clear in recent years is the strong need for a complete survey of the problems of the shellfish industry and its related difficulties. I am therefore today introducing legislation which will amend the Coastal Zone Management Act of 1972. This bill seeks to assist shellfish producing States in an effort to enhance and restore our shellfish resources. The bill creates a National Advisory Shellfish Commission whose express purpose will be to explore fully the impact of Federal regulation on the shellfish industry including problems of water quality, bacteriological standards, pesticide and toxic metal guidelines, as well as recommendations for methods of improving the harvesting of shellfish. The Commission will be required to report to the Secretary of Commerce and the Congress its findings and recommendations, not later than June 30, 1976.

It is my hope that such a Commission will recommend against future intrusion by the Federal Government and toward that end its membership will be composed of not only the appropriate Federal officials but representatives from the States and from seafood-processing and fishermen's groups as well.

The legislation will also permit the Secretary of Commerce to make grants to eligible shellfish-producing States for the purpose of managing and enhancing shellfish resources in their areas. A portion of these funds will be required to be set aside for grants to shellfish harvesters and processors for the purpose of improving their methods and equipment in order to meet modern standards including those required by any proposed Federal regulations. I think it is inherently unfair to impose stringent Federal requirements with no regard for the economic hardship which often results.

Finally, this legislation will prevent, for the time being, any imposition of Federal regulations affecting harvesting, processing or transportation of shellfish. In my view this suspension is essential until such time as the Commission created by the bill reports their findings to the Congress.

Mr. Speaker, this legislation should be promptly considered by the Congress in order to save an important national industry. Thousands of jobs and millions of dollars are involved in shellfish producing and harvesting. I am hopeful that this legislation will receive early and favorable consideration. A copy of the legislation follows:

H.R. 7153

A bill to amend the Coastal Zone Management Act of 1972 to assist the States in enhancing and restoring the shellfish resources of the coastal zone, to establish the National Advisory Shellfish Committee, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Shellfish Area Management Act of 1975".

SEC. 2. The Coastal Zone Management Act of 1972 (16 U.S.C. 1451–1464) is amended by redesignating sections 307 through 315 as sections 308 through 316, respectively; and by inserting immediately after section 306 the following new section:

"SHELLFISH MANAGEMENT

"SEC. 307. (a)(1) The Secretary of Commerce shall establish a committee of 25 members to be known as the National Shellfish Advisory Committee (hereinafter in this section referred to as the 'Advisory Committee').

"(2) The members of the Advisory Committee shall include the Administrator of the Food and Drug Administration or his designee, the Administrator of the Environmental Protection Agency or his designee, the Administrator of the National Oceanic and Atmosphere Administration or his designee, representatives of the shellfish industry, including seafood processors and fishermen, the

Governors of the shellfish producing States or their designees, and members of the general public.

"(3) The Secretary of Commerce shall designate one of the members of the Advisory Committee as the Chairman and one of the members as the Vice Chairman. The Vice Chairman shall act as Chairman in the absence or incapacity of, or in the event of a vacancy in the office of, the Chairman.

"(4)(A) Except as provided in subparagraph (B), members of the Advisory Committee shall each be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS–18 of the General Schedule for each day (including traveltime) during which they are engaged in the actual performance of duties vested in the Advisory Committee.

"(B) Members of the Advisory Committee who are full-time officers or employees of the United States shall receive no additional pay on account of their service on the Advisory Committee.

"(C) While away from their homes or regular places of business in the performance of services for the Advisory Committee, members of the Advisory Committee shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5 of the United States Code.

"(5) The Secretary of Commerce shall provide such administrative support services to the Advisory Committee as it may need.

"(b)(1) The Advisory Committee shall—

"(A) undertake a comprehensive review of all aspects of the shellfish industry including but not limited to the harvesting, processing and transportation of shellfish;

"(B) evaluate the impact of Federal legislation affecting water quality on the industry;

"(C) examine and evaluate methods of preserving and upgrading areas which would be suitable for the harvesting of shellfish, including the improvement of water quality in areas not presently suitable for the production of wholesome shellfish and other seafood;

"(D) evaluate existing and pending bacteriological standards, pesticide standards, and toxic metal guidelines which may be utilized to determine the wholesomeness of shellfish; and

"(E) evaluate the effectiveness of the National Shellfish Sanitation Program.

"(2) The Advisory Committee shall submit a report to the Secretary of Commerce and to the Congress on the activities required to be undertaken by it under paragraph (1) together with such comments and recommendations as the committee may deem necessary, not later than June 30, 1976.

"(c)(1) The Secretary of Commerce is authorized to make annual grants to eligible coastal States for the purpose of managing, restoring, and enhancing the shellfish resources of the coastal zone and to assist the States in exercising effectively their responsibilities under the National Shellfish Sanitation Program.

"(2) Grants under this subsection shall be made to the States based on rules and regulations promulgated by the Secretary. Such regulations shall at a minimum require each coastal State to set aside not to exceed 25 percent of funds received under this subsection for the purpose of making grants to shellfish harvesters and processors to assist them in the improvement of their vessels, plants, and other equipment.

"(3) The authority to make grants under this subsection shall expire on June 30, 1977.

"(d) Notwithstanding any other provision of law, no Federal agency shall promulgate any regulations affecting the harvesting, processing, or transporting of shellfish in interstate commerce before the submission to the Congress of the report required under subsection (b)(2)."

SEC. 3. Section 302 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1451) is amended by striking the "and" after the semicolon in paragraph (g), and by striking out paragraph (h) and inserting in lieu thereof the following:

"(h) The harvesting, processing, and transportation of shellfish provides important economic benefits for individuals and communities whose livelihood is dependent upon the continued vitality of the shellfish industry;

"(i) The safe harvesting of shellfish is contingent upon the growing and harvesting of shellfish from inland and coastal waters which meet appropriate water quality standards;

"(j) The scientific validity of existing bacteriological, ecological, pesticide, and metal toxic standards for coastal waters is unclear; and

"(k) The importance of water quality to the maintenance of safe shellfish growing areas requires the States to exercise their full authority over lands and waters in the coastal zone, and in cooperation with the Federal Government, to restore and enhance water quality; but the establishment of mandatory Federal regulations with respect to such lands and waters would be detrimental to the continued existence of the shellfish industry and to the general public."

SEC. 4. Section 316 of the Coastal Zone Management Act of 1972 (as redesignated by section 2 of this Act) is amended—

(1) by striking out "and" at the end of paragraph (2);

(2) by redesignating paragraph (3) as paragraph (4) and by striking out "section 312" in paragraph (4) (as so redesignated) and inserting in lieu thereof "section 313"; and

(3) by inserting immediately after paragraph (2) the following new paragraph:

"(3) such sums as may be necessary and appropriate to carry out the purposes of section 307(c): and".

THE FLYING BRONTOSAURUS WINS AGAIN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. MCKINNEY) is recognized for 5 minutes.

Mr. MCKINNEY. Mr. Speaker, to my disappointment the House has defeated the amendment to the defense authorization bill—H.R. 6674—which would have deleted funds for the B–1 bomber program. I strongly supported this attempted termination of a project which will be a drain on our economic resources for years to come and which will provide no significant improvement in our Nation's defenses. My colleagues have offered excellent arguments—both pro and con. I would like to take time now to explain why I oppose this program and supported this amendment.

The military has argued from the traditional position that a bigger bomber is a better deterrent. In fact, this is not the case, The Air Force intends for the later model B–52's to be operational into the 1990's. This would allow time for a comprehensive study of the relative need for a strategic or tactical manned strike force as well as pertinent cost-effectiveness comparisons incorporating the numerous options available.

The Military Establishment has become so deeply committed to a more complex weapons system that a strong economy would have difficulty providing this weaponry in adequate numbers. However, a shift toward cost-conscious contracting policies and to a larger number of less expensive weapons could actually benefit the defense industry. But as we have already seen, the B–1 project is plagued by enormous cost overruns and production underruns: the same gross inefficiencies which erode the profit margins of Lockheed and Grumman. Following his path is probably going to lead to further Government subsidies to the defense industry, at the expense of social programs as well as other sectors of private industry.

On the basis of long-term job stability the people working on B–1 related projects would be better served through conversion programs designed to shift their skills and facilities devoted now to the B–1 to such areas of civilian need as transportation or housing. The employment that this program provides for people in the defense industry is important to the economy. However, termination of this program now would result in much less disruption to the economy than if it ended 2 or 5 years from now upon realization that the plane was too expensive and obsolete.

Actually, diverting the funds for this program to nondefense areas, or to create meaningful public service jobs, would result in a much-needed stimulation out of the recession without pushing us back into inflation. Statistically it has been shown that defense spending does not contribute as many jobs per dollar as does nondefense spending which is usually concentrated in labor-intensive areas of the economy. Defense spending heightens inflationary pressures by increasing employee incomes without adding to the supply of goods being made available for the consumer: The result is an imbalance of supply and demand, and a subsequent inflationary increase in prices. I would much prefer to see more workers with incomes engaged in the production of goods available at prices all could afford.

This Congress has been assailed as one unable to control its desire to spend. The rejection of the B–1 program would have refuted that claim. It was a step that could have been taken without reducing the security of the United States. At a time when the long-range bomber has been displaced as the leading edge of the nuclear arsenal, the B–1 is intended to be an insurance policy against the simultaneous failure of land-based and submarine-launched missiles. The B–1 project is at best a marginal improvement over the B–52 already in our defense system. It is a luxury at a time when enough tax dollars have been drained from an ailing economy by the inefficiencies and overruns of this program. There are more important national priorities than to develop a plane which will be obsolete by the time the project is completed. The Congress cannot afford to continue to rip off the civilian economy to fund such programs.

HOW TO CREATE JOBS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Kemp) is recognized for 10 minutes.

Mr. KEMP. Mr. Speaker, the only real and lasting means by which to create jobs and increase productivity in our society is to increase the amount of savings and investment of capital in the private sector.

It should be obvious to all objective observers that the United States is falling way behind in its capital formation needs and our standard of living and jobs are at stake.

Estimates are that we will need $4½ to $5 trillion of capital investment in the next decade if we are to achieve the rate of growth necessary to protect and promote jobs, boost housing and construction, and reduce the level of poverty in America.

The 30-percent decline in business profits in the first quarter of this year is a serious problem which is not being addressed by this Congress except to aggravate the problem by huge deficits. Lower profits means less jobs and ultimately less wages to the detriment of all working people in this country.

At this point, Mr. Speaker, I include articles from the Chicago Tribune putting forth the case for increasing incentives for capital formation:

Trillion for Capital

Secretary of the Treasury Simon warned Congress the other day that our industrial plant will need at least $4 trillion in new capital investment funds in order to support the economy and the American people adequately in the next 10 years.

Testifying before the Senate Finance Committee, Mr. Simon said: "The desired results will require government policies which will moderate inflation and balance the federal budget over time in order to avoid diverting needed capital away from investment and into the financing of chronic government deficits. A continuation of the fiscal and monetary distortions of the past decade will only frustrate our capital investment efforts and lead to still more serious economic problems in the future."

Four trillion dollars is a huge sum and is nearly three times the total invested in plant modernization and expansion in the last 10 years. Some ask whether we can afford it; the answer is that we have to, even if it means major changes in national priorities and our way of life. Not to come up with the necessary money would prove far more costly in the long run.

The United States achieved the world's most powerful economy thru its ability to generate savings and investments which, in turn, created jobs, improved productivity, and raised the standard of living. "Continued prosperity cannot be taken for granted," Mr. Simon said. "It must be earned. We must be willing to allocate more of our resources to the future and fewer to satisfying immediate demands."

Altho our national output of $1.4 trillion last year was equal to about 90 per cent of the combined total of the nine countries of the European Economic Community and Japan, our competitive edge in world markets has been deteriorating.

During the 1960s, as the accompanying graph shows, we put a smaller share of our money into capital investment than any other major free country. American productivity and overall economic growth was among the lowest. Our capital investment record reflects the short-sighted emphasis we place on personal consumption and government spending as opposed to saving and capital formation.

Paul W. McCracken, former chairman of the Council of Economic Advisers, adds another ominous note: that the amount of money added to our industrial plant for each person added to the labor force in the 1970s is 22 per cent below what was invested between 1956 and 1965. And while we have been drifting, France and Germany have nearly doubled their industrial investment and Japan has more than tripled its.

New capital is needed both to supply a growing work force with the tools of production, and to modernize existing plants. In nearly every field our factories are antiquated. Acording to the February issue of Morgan Guaranty Survey, nearly 40 per cent of the American industrial complex is more than 10 years old and 17 per cent is 20 years old or older. On top of all this, fully half of the $4 trillion will be needed to develop new sources of energy and to meet environmental and health requirements.

Clearly, our capital requirements will be larger in the next decade than anything we have faced before. We have to increase the quality and quantity of housing, develop new energy resources, improve the environment, rehabilitate our aging transportation system, continue the mechanization of agriculture, and construct new office buildings, communications networks, medical facilities, and schools. We have to modernize our existing plants and expand them so as to meet the need for jobs, goods, and services of an expanding population.

The Puritan ethic of hard work and savings built the United States into the economic wonder of the world. Only a new national commitment to capital formation and investment can maintain our position.

And How To Raise It

It will take more than $400 billion in capital investment a year—more than the entire federal budget—if the United States is to maintain its long term growth in real national output of 4 per cent a year, and thus its standard of living. This compares with $154.7 billion invested last year.

To do this clearly will require a shift in the nation's domestic economic policies away from emphasis on personal consumption and government spending and toward encouragement of saving and investment.

"This is a difficult concept for some to accept," says Secretary Simon, "because they prefer current consumption. With so many needs still unsatisfied in a land of relative plenty, this feeling is understandable. Our ability to fulfill those needs will only be restricted, however, if we fail to prepare for the future. The simple truism that we cannot consume more than we produce should be obvious, but we sometimes ignore it in setting national prorities."

For example, the federal budget has been in deficit in all but one of the last 15 years, in 40 of the last 48 years. These deficits disrupt capital markets because the government crowds others out of the borrowing line in order to finance its deficits. "Instead of reducing private investment to release resources for government social programs," Mr. Simon warned, "we should concentrate on balancing the budget . . . so that the future flow of savings is not diverted away from investment."

The key in bringing about a shift from consumption to investment appears to lie in tax reform. While taxes take a smaller share of our income than they do in most other industrial nations, the United States relies more heavily on the income tax—which discourages saving—while most other nations rely on consumption taxes. This reflects our emphasis on gratifying today's wants rather than tomorrow's needs. We're not sure that Europe's value added tax is the ideal solution, but the administration and Congress will have to consider something like it in determining future priorities.

Another area that should be considered is reform of the two-tier system of corporate taxation, whereby profits are taxed once at the corporate level and again at the shareholder level as dividends. None of our competitor countries does this—and their capital investment climate has improved while ours has deteriorated.

Of course this is going to take some real leadership. Corporate profits have become a favorite whipping boy of the liberals. They have blamed corporations for just about everything from inflation to Dutch elm disease. It is time to remind ourselves that profits are the essence of the free enterprise system; that they are the path to higher wages and an increased standard of living. Without corporations, all of us would be working full time, instead of part time, for the government, and that's called socialism.

Mr. Speaker, what could happen in this country if we do meet this challenge is so encouraging that every Member of Congress ought to be working every day to assure it. Assume that we meet this challenge and invest sufficient capital to sustain a 5-percent real growth rate.

America in 1985 would have:

First. A 50-percent decline in the number of people living in poverty, which means 12 million fewer poor people.

Second. A total of 20 million more jobs for Americans—the work force would grow from 86 million to 106 million people—up a full 25 percent.

Third. An increase in median family income of 75 percent.

And, fourth. Thirty-five million more housing units.

Economic growth—and the re-creation of jobs—can be best assured through inducements to capital formation.

We should provide sufficient inducements to assure a growing base of personal savings.

We should establish more realistic guidelines for depreciation allowances.

We should give better tax treatment for retained corporate earnings used for investment purposes.

We must ameliorate our relatively harsh treatment of capital gains compared with that of most other countries.

We must stabilize our fiscal and monetary policies to prevent violent swings in the economy.

And we should eliminate unnecessary controls—those outmoded regulations that unduly restrict the economic system and push prices up and production down.

Specific tax reform measures proposed in the bill include:

First, amending the corporate normal tax rates, including provision for reduced taxes for small businesses;

Second, increasing the estate tax exemption for family farming operations to $200,000;

Third, granting an extension of time for payment of estate taxes where the estate consists largely of small business interests;

Fourth, an exclusion from gross income for certain qualified savings and investments up to $500 per year, or $1,000 for a joint return;

Fifth, increasing class life variances for purposes of depreciation—ADR's;

Sixth, providing for alternative amortization periods for pollution control facilities which do not add to productivity;

Seventh, expanding the scope of employee stock-ownership plan financing;

Eighth, an elimination of the present double taxation of common dividends—now taxed once at the corporate level and once at the individual level;

Ninth, granting a $1,000 exclusion from capital gains for each capital transaction;

Tenth, increasing the investment tax credit and making it permanent, an essential requisite for long-term business planning; and

Eleventh, increasing the corporate surtax exemption, allowing taxable year price level adjustments in property—indexing.

This program is no more probusiness than it is prolabor. It simply is projobs, and it is jobs which we need more than anything else in the economy today—jobs which do not depend upon taxes—as do public service jobs. I deplore that Congress may realize what the problem is but that it does not have the courage to correct it through inducements to capital formation.

When one considers that all taxes are paid by the people, and when one further considers that disincentives and outright discouragement of capital formation in our present laws must be changed to nurture the capital formation which we so badly need, this is the way in which we should proceed.

Mr. Speaker, as one who voted against the budget busting, deficit boosting public works program earlier today, I add this editorial pointing out what deficits are doing to destroy rather than create jobs:

[From the Wall Street Journal, May 12, 1975]

Crowding Out—III

When it finished opening all the envelopes from the April tax returns, the Treasury found itself with $5 billion more than it had expected. Announcement of this pleasant discovery sparked a rally in the bond markets, and by nightfall bond traders who had been cheering our "crowding out" editorials had switched their tune.

One expects bond traders to have that kind of time horizon, but one hopes those thinking seriously about the economy will look further ahead. "Crowding out" does not primarily concern chaos in the bond markets; that can happen, but it is merely a bizarre symptom. The disease itself centers on two far more fundamental things, the rate of inflation, and the rate of capital investment. Bond markets aside, these two fundamentals will shape the progress of the economy over the next several years.

The crowding-out argument consists of a series of very simple statements: Government borrowing competes with private borrowing. Government borrowing finances government deficits. Private borrowing finances capital investment. Capital investment is a central determinant of future economic growth.

Borrowing is possible only to the extent savings are available to finance it. When borrowing demands exceed savings supply, interest rates rise. At this point the Federal Reserve System has two choices:

The Fed can allow the rates to rise. This means that someone who would have borrowed at the lower rates must drop out of the market. The government will not drop out by reducing its deficit. So private borrowers must drop out by reducing capital investment. Thus the government crowds out investment.

Or the Fed can create enough money to accommodate both government and private borrowers. If the Fed creates money too rapidly, it causes inflation.

We are a bit startled, frankly, that this series of truisms should engender such controversy. There are of course differences over magnitudes, and these differences are important in assessing the likelihood of bond-market chaos and other crises. But the magnitudes are not so important in assessing the impact of government borrowing on capital formation. For whatever the interest rates are, and whether they are at a given moment headed up or down, they would be lower if the government demands were less. These lower rates would mean more private borrowing, and more capital formation. In this sense, the cancellation of planned bond issues over the last six weeks is simple proof that crowding out is now taking place,

Now, to say that government deficits are never without costs is not to say the costs should never be borne. We have previously expressed our skepticism about the standard Keynesian view that deficits are in themselves stimulative. We have trouble seeing how it helps for the government to give money to B that it took from A, whether it took from A by taxing or borrowing. The real reasons the truisms evoke such controversy is that while they are truisms, lining them up seriatim points to the Achilles heel of Keynesian doctrine. But the world works in mysterious ways, and just possibly there is some truth to the Keynesian prescription.

In any event, up to some limits a deficit is not very damaging during a recession. Since private loan demand naturally falls, there is room for additional government borrowing before interest rates are dramatically affected. In any event, existing income-support programs will drive up spending as more people collect unemployment payments and the like. Surely we want to support incomes, both for social purposes and economic ones. And the process reverses itself as recovery starts; the deficit shrinks to make room for rising private loan demand.

There are limits to this natural adjustment process, however, and the current deficits are very large. To cover the deficit, the Treasury will borrow some $70 billion of new money in the credit markets this year. By comparison, the largest previous deficit for any calendar year since World War II was $21.9 billion.

The strains of Treasury demands are already apparent. Bond issues are in fact being postponed, though since the beginning of the year the Federal Reserve has created money at an annual rate of 7% to 7.5%, already at the top of the range the Fed considers non-inflationary over the next year.

Now comes Secretary Simon's announcement last week that during 1976 the Treasury will need to borrow another $86 billion on top of the $70 billion this year. We all hope, of course, that 1976 will be a recovery year, when private borrowing needs start to climb. And Secretary Simon's estimate is predicated on the assumption that Congress will stick to the spending ceilings set by the House Budget Committee. With this kind of borrowing, it's hard for us to see how the Fed can avoid the choice of allowing a credit crunch to crowd out investment, or boosting the money supply in ways that will unleash a new round of inflation. In fact it will choose the second, and we will be on a new roller-coaster of boom and bust.

Which brings us to the most annoying of all the various criticisms of the crowding-out thesis, that it is fundamentally correct but "premature." This warning comes from both the First National City Bank and Ronald A. Krieger of Goucher College, writing in The New York Times. The crowding-out crisis will not occur until 1976 or 1977, they argue, and to warn of it during 1975 is to cry wolf too early.

Whether or not crowding out goes beyond an erosion of the potential capital stock and becomes a full-blown crisis depends on Congress' spending and taxing decisions, in particular on whether it tries to fight recession by putting into place spending programs that will persist into the recovery phase. In case Professor Krieger and Citibank haven't noticed, Congress is making those decisions right now, every day.

WORLD HUNGER RESOLUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Metcalfe) is recognized for 15 minutes.

Mr. METCALFE. Mr. Speaker, last fall, much of Africa and many of the major food-producing areas of South Asia were in the throes of one of the most devastating droughts in history. Tens of thousands died and millions were on the verge of starvation.

Although the famines in Africa and South Asia were primarily caused by severe droughts, the coming of rain to those areas does not eliminate the problems. World hunger and malnutrition are growing realities whose causes are multifaceted and long term. As a result, effective solutions to the problems of world hunger and malnutrition must be developed in a comprehensive manner, taking into consideration both short-range and long-range actions and objectives.

On January 14, I introduced House Resolution 38, which expresses the sense of the House concerning the serious problems of hunger and malnutrition which exist in Africa and South Asia. This resolution provides that the President assess the situation in the drought-stricken areas where people are suffering from malnutrition; report to Congress such recommendations as he deems appropriate to alleviate such suffering; and that the appropriate committees of Congress should then give priority to assessing and acting upon the President's recommendations. I have reintroduced this resolution, along with Congressman Charles C. Diggs, Jr. and 35 other Members of Congress. Congressman Diggs, the other cosponsors, and I strongly urge our colleagues on the Committee on International Relations and in the full House to act quickly on this resolution so that this country can begin the long, but rewarding task of helping these nations and their people achieve food self-sufficiency.

TAXPAYER RIGHTS 1864: A LESSON TO BE LEARNED?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. Vanik) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, during the Civil War, a number of new and unprecedented taxes were enacted to meet the staggering costs of that conflict. Despite the fact that our Nation was in a period of utmost danger, the Congresses of those days included safeguards designed to protect the citizen against arbitrary and capricious actions of the Federal Government's tax agents.

Following are several of the provisions

from the 1864 Revenue Act which limit the Government's assessment powers:

> He (the collector) shall summon, giving notice of not less than two nor more than ten days, the parties in possession of said goods, enjoining them to appear before the assessor . . . at a day and hour in such summons fixed, then and there to show cause if any there be, why, for such neglect or refusal such should not be declared forfeited to the United States.
>
> If the forfeiture shall have been wrongfully declared, and sale made, the Secretary is hereby authorized, in case the specific articles cannot be restored to the party aggrieved in as good order and condition as when seized, to make up to such parity in money his loss and damage.
>
> Before forfeiture shall be declared . . . the amount of the duties which may be due from the person whose manufactures or products are seized, shall first be ascertained.

Mr. Speaker, in the 111 years which have passed since these provisions were enacted, our Nation has made significant advances in civil liberties and civil rights. The rights for which the Civil War was fought have been made effective. The Bill of Rights has, through judicial interpretation, been extended to the States and now protects the citizen from governmental abuse of power at all levels.

But in the area of tax law, we seem to have made very little progress. Today, the IRS stands as the single most powerful and unrestrained Federal "law enforcement" agency, able to ruin a man's life and destroy property and business, all without the restraints of due process or the protections of the fourth and fifth amendments.

Today, under the jeopardy assessment and termination of tax year provisions, the IRS can seize a man's property, his home, his cars, his tools of business—all without notice. If the IRS is proven wrong in a court of law, the citizen may still be bankrupted by the legal expenses and by the intervening loss of property and income. And today, a taxpayer can be assessed enormous sums—amounts far higher than the tax he may actually owe.

In many ways, Mr. Speaker, the American citizen was safer under tax bills enacted in the midst of our worst national crisis than he is today.

It is time that the Congress reviewed some of the arbitrary powers of assessment and collection presently used by the IRS. It is my hope that when the Congress considers a tax reform bill, provisions will be added to curb unnecessary and excessive powers of the Internal Revenue Service.

The IRS will never have the full respect and support of the American people until it is perceived as a fair and just agency, operating within the traditional checks and balances of the American system of Government.

CONCERN ABOUT DEFENSE AUTHORIZATION BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

Mr. BEDELL. Mr. Speaker, the House Armed Services Committee worked long and hard on this bill, and they should be commended for their effort. They have challenged many of the Pentagon's arguments and figures, and they have cut $3.7 billion from the Defense Department's requests.

Nevertheless, I remain concerned about this legislation, for, while the figures are lower, the substance of the bill remains essentially unchanged. We still propose to provide far too much money for weapons systems that will add nothing to our national security.

Although the committee has made some reductions, the bill as reported, still recommends a total authorization of $26.54 billion, an increase of $4.61 billion, or 21 percent, over the amount authorized for the same purposes in 1975. It also recommends $5.65 billion, or 27.1 percent, above the amount actually appropriated for fiscal year 1975 for such purposes.

In addition, the $5.65 billion increase over last year's appropriations includes $4.57 billion in increases for the procurement of new weapons systems. This is an incredible 37.1 percent increase over last year's spending.

These figures are revealing and provide considerable cause for reflection.

The Pentagon has presented its shopping list for 1976. We are being asked here today to pick up the tab for a series of extremely expensive pieces of military hardware which will be of highly questionable value. I submit that it would be a mistake and a disservice to the American people to approve these expenditures as a matter of course.

It is time to take a long, hard look at our national priorities. In this time of critical economic turbulence here at home, the Nation should be concentrating its resources on economic recovery, on satisfying basic human needs, on building a better society for the American people—not on amassing a huge stockpile of destructive weapons which will have little practical value to this Nation and its people.

I favor a strong America—an America capable of defending itself against foreign aggression, an America willing and able to uphold its legitimate commitments to its legitimate allies, and an America prepared to share the responsibilities of leadership in the international comity of nations.

However, there is more to national strength than absolute numerical superiority in the instruments of war or a diversified arsenal that can destroy the world 10 times over.

I submit that the time has passed when we can afford to rubberstamp the Pentagon's requests for the procurement of increasingly costly and complex new weapons systems. It is neither necessary nor wise to do so.

We talk of national security and of a strong America. When we talk in such terms we cannot confine ourselves to a discussion of military power alone. We must also talk about unemployment, poverty, and illiteracy here at home. The American people also contribute to the strength of America. It is time to recognize the fact that there are other highly significant factors in the "national security" equation.

National security means more than mere military might. It also means employment security for our workers, income security for our families, nutritional security for our poor and aged, and educational security for our children. It is no longer acceptable to sanction a 37.1-percent increase in the military procurement budget, while slashing important domestic social programs and vetoing the emergency farm bill. Nearly 10 percent of our working people go to bed each night without hope for a decent job in the near future, and we are frustrated in our attempts to provide help for them. Yet, budgetary considerations are conveniently and mystically put aside when the Pentagon wants a newer model airplane or a more destructive missile system. It is time to embrace a more enlightened view of our national priorities and of our national security interests.

When will we learn that our national security cannot be measured by the size of our national defense budget? No single budgetary item has through history produced the wasteful cost overruns and needless spending as our defense appropriations. From the C-5A to the B-1 bomber, we are witness to expensive weapons development which we can no longer afford.

The lesson of our long and painful Indochina experience is that the United States cannot, and indeed should not, play the role of the lone policeman of the world. I wonder if we have really learned that lesson.

It is time to reassess past policy assumptions, so long held sacrosanct, and to construct a foreign policy and a defense budget that reflects a more realistic conception of America's role in the world. Prudent force levels must be maintained. But, military spending cannot be allowed to continue unrestrained.

It is time to fashion a more realistic military and foreign policy based on the realities of a changing world situation. The time to start is today.

WE TRIED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi (Mr. MONTGOMERY) is recognized for 10 minutes.

Mr. MONTGOMERY. Mr. Speaker, everyone seems to be writing and talking about what went wrong in South Vietnam. Nine trips to Southeast Asia gives me some grounds for expressing myself on the subject. On one of these trips, I chaired the House Select Committee on U.S. Involvement in Southeast Asia.

It is very easy to blame someone else when things go wrong and many, including some of the former South Vietnamese leaders, are blaming the United States.

The point I would like to emphasize is that we certainly tried in South Vietnam. The United States did more for the South Vietnamese than any other nation has ever done for another ally. You know, we might have over done it. To say that we did not adequately equip, train, and supply the South Vietnamese is just not fair to the United States. South Vietnam had the largest army and the only significant air force and navy in Southeast Asia.

In 1969, when I was in South Vietnam, Americans had taken over directing traffic on the highways and in the cities and we were even picking up garbage in Saigon. In 1970, I suggested to President Nixon and to the Congress that we had too many Americans in South Vietnam and that it had become our war. The Vietnamese were just sitting back and letting us run the show.

There has been much suffering and sadness among the Vietnamese people because of the war, but with our help, there has been much improvement in the living conditions of the people.

Through our people's program, medical care, which they had never had before, was brought to the masses. Most villages and hamlets I visited had doctors, nurses, and medicines available through American aid. In spite of the war, the South Vietnamese population has grown. The United States introduced the miracle rice and provided more food, especially meats. Great highways and bridges were built and are still being used. The South Vietnamese went from the bicycle and cart era to trucks and motor bikes; better transportation than any other nation in Southeast Asia.

When all has been said and done, historians will have to say that the South Vietnamese pretty much blew it themselves. Of course, you say the United States stopped the bombing; did not replace equipment one for one, et cetera; but when you lose your country in a month's time with only limited fighting and abandonment of large amounts of war materials, where do you put the blame?

Some say the United States never learns from history, but maybe we can this time. With God's help, let us never become involved in another war; but, if we do, let us not fight with one hand tied behind us in a "no win," politically controlled, limited war such as Vietnam. This is the lesson—fight to win, no holds barred.

You can give another nation medical, economic, and military aid, plus training, but it seems you can't teach or train motivation and the desire for freedom. Let us be sure that with the next nation we help, there is a greater assurance the people and the leadership we support want what we are trying to give them.

Let us not forget the suffering and sacrifices this Nation has undergone. You only have to go a short distance from the Nation's Capitol to Walter Reed Hospital or to Arlington Cemetery to realize the terrific sacrifices this Nation has made. I might point out that our young Americans fighting in Vietnam were as good soldiers as their dads, uncles, and brothers were in World War II and Korea.

I do not particularly like hearing other nations criticize the United States of America. Where were these nations when the South Vietnamese and the United States needed them? In fact, why do not these nations come forward now and help on the refugee problem. We must learn that the United States cannot be the provider and policeman for most of the world and that we will have to pick and choose more carefully where our economic and military aid goes.

I am not too worried about other nations doubting our commitments. We did not let the Government of South Vietnam down. The Vietnamese did it to themselves. Our Allies, if they do break with us, will find it rather hard to find an ally who does not require more in return than the United States expects.

Let us gain from the experiences of our Nation's involvement in this far-away land and unite our efforts toward a greater America. Let us quit blaming ourselves for South Vietnam. We tried.

PRESERVATION OF THE FAMILY FARM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Utah (Mr. McKAY) is recognized for 5 minutes.

Mr. McKAY. Mr. Speaker, I am proud to add my voice to those who recognize the pressing need for preservation of an endangered species, the family farm. I have introduced a bill today which will protect the family farm from high estate taxes which make it prohibitively expensive for families to hold on to their small farming operations. This bill also provides protection for scenic open spaces, woodland, and historic sites listed with the National Register of Historic Places.

The bill provides that land used for farming, or for the other above-mentioned uses, will be valued, for estate tax purposes, at its present use, not at its potential use or its value for other purposes. The bill further provides that such use must be maintained for at least 5 years after the transfer of an estate.

There is a pressing need in this country to change the IRS code to allow the family farm to survive. At present, high estate taxes often make it unfeasible to keep land after the settlement of an estate. Where a farm, a woodland, or open space is taxed as if it were subdivision property, it becomes difficult, indeed to keep on farming, or to retain that idle, open land. Consequently, we find much of our scenic and recreational land being swallowed up into urban sprawl.

I believe this legislation will provide an approach to protection of our family farms and open spaces and I am hopeful that my colleagues will support such legislation in this Congress.

THE FEDERAL BUREAU OF INVESTIGATION VIOLATES THE LETTER AND THE SPIRIT OF THE FREEDOM OF INFORMATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 10 minutes.

Mr. DRINAN. Mr. Speaker, on February 25, 1975, I applied, pursuant to the Freedom of Information Act, to Mr. Clarence M. Kelley, the Director of the Federal Bureau of Investigation, for any file maintained by that organization on myself.

I indicated to Mr. Kelley in my letter that I had never been the subject of any FBI investigation, nor had I ever been involved in anything related to criminal prosecution.

On February 26, 1975, Mr. Kelley acknowledged my letter, and stated that my request for information under the Freedom of Information Act would be handled as expeditiously as possible. Mr. Kelley indicated that my request was being processed within the request lines promulgated under the Freedom of Information Act.

Although the letter of February 26, 1975, promised action as expeditiously as possible, I heard nothing for many weeks. On April 30, 1975, I wrote once again to Mr. Kelley, reminding him of our exchange of correspondence on February 25 and February 26.

I reminded Mr. Kelley that the Freedom of Information Act gives to the Government agency 10 working days in which to comply with a request. I indicated to Mr. Kelley that I had been, in my judgment, very patient with the extraordinary and unexplained delay in carrying out the commitment and promise made to me in Mr. Kelley's letter of February 26, 1975.

I requested that the long-promised information be in my hands on or before May 6, 1975.

On May 6, 1975, Mr. Kelley gave me the following explanation for the delay in transmitting to me this information promised on February 26:

> I appreciate your patience in view of the time that has elapsed since the receipt of your request, however, I hope you understand our delay has been occasioned by an extremely heavy workload generated by the recent amendments to the FOIA. We have received, during the month of April alone, in excess of 1000 requests and we are currently increasing the number of our personnel processing FOIA requests to approximately 100 in order to handle this volume of work.
>
> I wish to advise you that with specific regard to your request, we have screened certain classified documents which make reference to you and have determined they continue to warrant classification pursuant to criteria established by Executive Order. These documents would be considered to be withheld under Title 5, United States Code, Section 552(b)(1).
>
> We will continue our processing of your request and furnish to you completely our position relative to the release of information as soon as it is completed. I am confident that as we adjust administratively to the unanticipated and unprecedented volume of FOIA requests, we will be as promptly responsive to them as intended by the Act. I regret I am unable to meet your requested deadline, but trust you will appreciate our situation and continue your cooperation in this regard.

On May 7, 1975, I answered Mr. Kelley requesting information as to the number and nature of the Executive order which, according to his letter, justified the continued classification of documents.

I indicated to Mr. Kelley that I would wait until May 19, 1975, for the information promised on February 26, 1975. I indicated to the Director of the FBI that, if the promised information is not delivered on May 19, I would be required to state publicly that the FBI is in violation of the letter and the spirit of the Freedom of Information Act.

On May 12, 1975, Mr. Kelley answered my letter with repeated excuses enunciated in the following paragraph:

> I intended in my letter dated May 6th to convey the impact of an unanticipated volume of FOIA requests, which during the month of April totaled 1,789, upon the actual processing of records under the Act. We have made every effort to respond to citizen requests within the ten-day period to acknowledge receipt of inquiries and advise if, in fact, we maintain records concerning them. In those instances where voluminous records are involved, we have made it a practice to so advise the citizen, and to point out to him the necessity of an extension of time to conduct the actual processing under the FOIA.

Mr. Kelley then went on to state that—

> Our records reveal you have not been the subject of an FBI investigation.

He then continued by stating that—

> Numerous references to you are contained in investigations conducted by the FBI concerning other subject matters. While some of these references consist of public source data, such as newspaper clippings which may be released without review, others require determinations involving third party privacy, confidential source information and other considerations under the FOIA.

Mr. Kelley concluded by stating that—

> Every effort will be made to complete processing of your request within the next ten to fifteen days.

On or around May 14, 1975, I had a call from an Inspector of the FBI asking if I would withdraw my statement that after May 19, I would be required to state that the FBI was in violation of the letter and the spirit of the Freedom of Information Act. Since this gentleman gave me no reason to do so, I declined this suggestion. I so wrote to Mr. Kelley on May 16, 1975.

Mr. Speaker, it is distressing to find one of the central law enforcement agencies of the Federal Government violating so openly the provisions of the Freedom of Information Act. Section 552(6)(A) of that Act as amended in 1974 stipulates that each agency shall determine within 10 days after the receipt of a request whether to comply with such request and shall immediately notify the person making the request of the determination.

The Freedom of Information Act specifies that "in unusual circumstances" the time limits "may be extended by written notice to the person making" the request. The written notice must contain the "reasons for such extension and a date on which the determination is expected to be dispatched." Even in such circumstances, however, no notice "shall specify a date that would result in extension for more than 10 working days."

In view of the lapse of a time of longer than 20 working days between my original inquiry to Mr. Kelley on February 25 and my second request on April 30, the provision for an extension up to 10 working days has no applicability in this case.

What is particularly distressing in this case, Mr. Speaker, is the fact that the FBI spends such an enormous amount of time in keeping files on persons totally uninvolved in law enforcement or in those inquiries made by the FBI pursuant to a possibility of a nomination of an individual to a Federal office. Mr. Kelley has conceded that the FBI has never investigated me at any time for any purpose. Nonetheless, the FBI apparently has a file on me. Mr. Edward Levi, the new Attorney General, recently admitted to a subcommittee of the House Judiciary Committee that the FBI has 6.5 million files on American citizens.

I agree completely, Mr. Speaker, with the overwhelming number of my constituents who, in a recent questionnaire responded to by 12,105, voted 86 to 14 against the FBI gathering information about American citizens which is not related to a criminal investigation.

The impact of lawlessness engaged in by a law enforcement agency of the Federal Government can hardly be exaggerated. I reluctantly must conclude that the FBI has acted in a lawless manner in failing to comply with the basic provisions of the Freedom of Information Act.

There are avenues of appeal, including a lawsuit in the Federal courts. It may be that I will be required to pursue that particular avenue. The objective of such a lawsuit would be to reenforce by a judicial decree the mandate of the Congress which requires the FBI to respond to requests made under the Freedom of Information Act within 10 working days. One would hope that it would not take the directives of two branches of Government to compel the FBI to follow the law. If such action is required to curb the lawlessness of the FBI, I will seek a court decree.

STATUS REPORT ON EQUAL CREDIT OPPORTUNITY BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Annunzio) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, the House was scheduled to take up, under suspension, today my bill, H.R. 6516, the Equal Credit Opportunity Act Amendments of 1975.

Several Members of Congress, particularly the gentleman from Maryland (Mr. Mitchell), were concerned that one section of the bill might cause problems with some recent court decisions in civil rights cases. Since the purpose of my bill is to prevent discrimination in the granting of credit based on race, color, religion, national origin and age and is in no way designed to affect court decisions already on the books, I was indeed concerned that the questionable section might result in just such an outcome.

Therefore, I was happy to agree to the request that the bill not be taken up under suspension today in order that the bill could be carefully reviewed and that it could be amended to insure that civil rights case laws could not be affected.

I am satisfied in my own mind that the bill in no way interferes with court decisions, but since there is a division of opinion among several of my colleagues, I was more than happy to withdraw the bill in order to avoid the possibility that the bill might have an unfortunate effect.

When the bill is considered under suspension on June 3, I have stated that I would support an amendment to remove the questionable section. This bill is so important, in that it will be the first time credit discrimination is banned in all aspects of credit granting, that I do not want any side issues to cloud the landmark nature of this issue.

ILLEGAL LOBBYING BY EMPLOYEES OF THE EXECUTIVE BRANCH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. McFall) is recognized for 5 minutes.

Mr. McFALL. Mr. Speaker, tomorrow, May 21, the House will consider the President's veto of the strip mining bill.

This is a controversial matter, and opinions are strongly held on both sides of the question. Proponents of the bill maintain that it is a measure vital to a sound environmental policy; opponents reply with the same level of conviction that it is not.

Unfortunately, however, the executive branch—in its zeal to see that the President's veto is upheld—seems to have forgotten that lobbying by Government employees is not only illegal but a violation of the Federal criminal code.

Members of the House have been besieged with telephone calls and visits from various employees of interested and noninterested agencies, all delivering the same orchestrated message, that the President's veto must be upheld.

Mr. Speaker, it would be unfortunate if some hapless employee of the executive branch had to be prosecuted under section 1913, title 18, United States Code merely to demonstrate to the White House that the prohibition on lobbying with appropriated money is still alive and well in the statute books.

I include at this point in the Record the appropriate section of the code, for the edification of the persons in question, and in the hope that this is the last we shall have to hear of such matters.

> § 1913. Lobbying with appropriated moneys.
>
> No part of the money appropriated by any enactment of Congress shall, in the absence of express authorization by Congress, be used directly or indirectly to pay for any personal service, advertisement, telegram, telephone, letter, printed or written matter, or other device, intended or designed to influence in any manner a Member of Congress, to favor or oppose, by vote or otherwise, any legislation or appropriation by Congress, whether before or after the introduction of any bill or resolution proposing such legislation or appropriation; but this shall not prevent officers or employees of the United States or of its departments or agencies from communicating to Members of Congress on the request of any Member or to Congress, through the proper official channels, requests for legislation or appropriations which they deem necessary for the efficient conduct of the public business.
>
> Whoever, being an officer or employee of the United States or of any department or agency thereof, violates or attempts to violate this section, shall be fined not more than $500 or imprisoned not more than one year, or both; and after notice and hearing by superior officer vested with the power of removing him, shall be removed from office or employment. (June 25, 1948, ch. 645, 62 Stat. 792.)

LOCAL PUBLIC WORKS CAPITAL DEVELOPMENT AND INVESTMENT ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. Dodd) is recognized for 5 minutes.

Mr. DODD. Mr. Speaker, the Local Public Works Capital Development and Investment Act provides assistance for local public works projects in areas hard hit by the economic recession—those areas with a high rate of unemployment.

The morale of families and entire communities is at a very low ebb. The helplessness felt by a breadwinner trying to keep his family together, the desire for independence, only to stand in an unemployment line, is not seen in statistics on the Nation's unemployment figures. There is no way that the economy could improve quickly enough to provide the needed employment and the public service assistance provided for by this bill. This aid is needed now.

The Second District of Connecticut, which I represent, includes three of the lowest labor market areas in the State in both wage rates and per capita income. The Danielson labor market area is approaching a 20-percent unemployment figure, and closely behind Danielson, is the Norwich area at 12 percent and the Willimantic area at 10.5 percent. These areas could immediately take advantage of $34.5 million of the $5 billion authorized for this act. This would be for projects that could be begun immediately, except that there is no funding available. Small towns and small projects often lose out to large metropolitan areas when it comes to funding of our large Federal programs. But these projects are not small to these towns, they are of vital importance. At the same time that public facilities will be constructed, or improved, vital employment will be provided for many hundreds of people presently outside of the labor force.

In the Second District, in the depressed areas, several water and sewer projects that were not included in Federal programs could be begun immediately. Central business districts could be revitalized, industrial parks could be developed, road improvement projects would commence. One town, Norwich, is in need of a new police station, but local and State funds are not available. One of our community colleges, Quinnebaugh, is existing without a campus although the plans have been drawn up for the construction of their first building. At present they are conducting night classes in the local high school. No funds are available for the construction. And in many of these areas, hundreds of people are hunting frantically and, unfortunately, futilely, for jobs.

I can think of no better way to provide assistance for many local economies, and at the same time, produce much-needed public facilities, than by using the manpower that is idle at the present time.

I would hope that this Congress will think of those unemployed people in need of a hard day's work, and the projects that without this kind of program, would never be completed.

HOUSE RESOLUTION 457, 92D CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. Hays) is recognized for 10 minutes.

Mr. HAYS of Ohio. Mr. Speaker, House Resolution 457, 92d Congress enacted by Public Law 92–184 into permanent law on December 15, 1971, provides the Committee on House Administration the authority to fix and adjust from time to time various allowances of members, the Resident Commissioner from Puerto Rico or a Delegate to the House of Representatives. Pursuant to this authority the committee has issued order No. 19, effective this date, order No. 20, effective June 1, 1975, order No. 21, effective June 1, 1975, and order No. 22, effective for the 94th Congress. Committee order No. 19 modifies and supersedes committee orders No. 2 and 2—revised. Committee order No. 22 cancels and supersedes committee order No. 7, and modifies and supersedes committee order No. 9:

Committee Order No. 19

Resolved, that effective this date, until otherwise provided by order of the Committee on House Administration;

(a) The contingent fund of the House of Representatives is made available for reimbursement of transportation expenses incurred by Members (including the Resident Commissioner from Puerto Rico, the Delegates from the District of Columbia, the Virgin Islands, and Guam) in traveling, on official business, by the nearest usual route, between Washington, District of Columbia, and any point in the district which he represents, for not more than 26-round trips during each session of Congress (at the discretion of the Member, Resident Commissioner and Delegates no more than 6 of the 26-round trips may be allocated to the employees of their offices), such reimbursement to be made in accordance with rules and regulations established by the Committee on House Administration of the House of Representatives.

(b) The contingent fund of the House of Representatives is made available for reimbursement of transportation expenses incurred by employees in the office of a Member (including the Resident Commissioner from Puerto Rico, the Delegates from the District of Columbia, the Virgin Islands, and Guam) in traveling, on official business, by the nearest usual route, between Washington, District of Columbia, and any point in the Congressional district represented by the Member, for not more than 6-round trips during each session of Congress. Such payment shall be made only upon the receipt of a voucher approved by the Member, containing a certification by him stating that such travel was performed on official business. The Committee on House Administration shall make such rules and regulations as may be necessary to carry out this section.

(c) A Member of the House of Representatives (including the Resident Commissioner from Puerto Rico, the Delegates from the District of Columbia, the Virgin Islands, and Guam) may elect to receive in each session of Congress, in lieu of reimbursement of transportation expenses for each session of Congress as authorized in paragraph (a) above, a lump sum transportation payment of $2,250 for each session of Congress. The Committee on House Administration of the House of Representatives shall make such rules and regulations as may be necessary to carry out this section.

(d) This order shall not affect any allowance for travel of Members of the House of Representatives (including the Resident Commissioner from Puerto Rico, the Delegates from the District of Columbia, the Virgin Islands, and Guam) which is authorized to be paid from funds other than the contingent fund of the House of Representatives.

Committee Order No. 20

Resolved, That effective June 1, 1975, until otherwise provided by order of the Committee on House Administration, each Member of the House of Representatives, the Resident Commissioner from Puerto Rico, and the Delegates from the District of Columbia, the Virgin Islands, and Guam shall be entitled to an additional annual clerk hire allowance of $22,500. There shall be paid out of the contingent fund of the House of Representatives such sums as may be necessary to carry out this order until otherwise provided by law.

Committee Order No. 21

Resolved, That effective June 1, 1975, until otherwise provided by order of the Committee on House Administration, each Member of the House of Representatives, Delegate and Resident Commissioner shall be entitled to a constituent communication's allowance equivalent to the fair market value of the printing and production costs of two standard 11x17 inch congressional districtwide constituent reports per annum for use in production and printing of newsletters, questionnaires or similar correspondence eligible to be mailed under the frank. The Committee on House Administration shall make such rules and regulations as may be necessary to establish the fair market value of the cost of printing and production of two standard 11x17 inch congressional districtwide constituent reports. There shall be paid out of the contingent fund of the House of Representatives such sums as may be necessary until otherwise provided by law.

Committee Order No. 22

Resolved, that effective for the 94th Congress, until otherwise provided by Order of the Committee on House Administration, that in addition to the basic installation and service charges not to exceed the cost of three telephone lines at each of three district offices, the number of units provided for official telephone calls, telegrams, cablegrams, and radiograms made or sent by on or behalf of a Member, Delegate, or the Resident Commissioner of Puerto Rico is hereby changed to an overall allowance of 125,000 units for each regular session of Congress. These units shall be transferable among the Washington, D.C. and district offices. In addition, payment for the use of a WATS line is authorized, but the charges for such WATS line shall be calculated and deducted at a rate of 11 cents per unit. Such units shall accumulate and be available for use until the aggregate number of such units at the close of each session or Congress is not more than 250,000. Unused units in excess of 250,000 at the close of a session may not be carried forward for use in a succeeding session or Congress.

SOCIAL SECURITY TRUST FUND FINANCING PROBLEMS AND SOLUTIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. BONKER) is recognized for 5 minutes.

Mr. BONKER. Mr. Speaker, in recent months, financial troubles in the Social Security Trust Fund have been much discussed. Magazines, news columnists and the wire services have reported on the 1975 deficit of $3 billion and on the projected exhaustion of the trust fund's reserves by 1981.

Quite understandably, many constituents of all ages have expressed their concern to me. They ask how we in the Congress have permitted this situation to develop. They wonder if there will be sufficient funds for their own retirement years. They justifiably inquire as to whether their retirement savings are better invested in our social security system than in a private retirement system.

Below is an explanation of trust fund deficits and proposed solutions which I have derived from testimony before the House Select Committee on Aging and from various reports submitted to the Congress by the trustees of the social security system, the advisory council on social security, and the panel on social security financing.

TWO DEFICITS: SHORT AND LONG TERM

The social security trust fund actually has two deficits with which we must be concerned. The short term deficit's effects will be felt as early as 1981 if corrective measures are not taken. The effects of the long term deficit will not be fully known until the middle of the next century. These two deficits have different causes and, consequently, require different solutions.

THE SHORT-TERM DEFICIT

Our social security system is "current cost" financed. That means that today's workers pay the benefits of today's retirees. Today's workers will be funded when they retire by the working force of tomorrow.

In the past, current cost financing has worked well. But two current factors, which are historically difficult to predict, are the primary causes of a short-term deficit:

First. An inflation rate that triggers high cost-of-living increases for social security retirees;

Second. High unemployment that reduces payments into the social security fund. In short, estimated revenues are less while benefit costs are more. It is the resulting short-term deficit which we must remedy before the social security reserves are drained.

THE LONG-TERM DEFICIT

Congress also must be mindful of a longer term deficit, projected over the next 75 years of trust funding. Several factors contribute to the long-term problem:

First. Changes in the fertility rate. "Fertility rate" refers to the number of children that a woman entering her child-bearing years can expect to have. A fertility rate of slightly higher than two for example, is necessary for so-called zero population growth. The rate in this country has been steadily declining. While it is currently at a rate of 1.9, some authorities project that it will decline to 1.6 before it begins to climb, ultimately leveling off at about 2.1 sometime in the next century.

The current low fertility rate has profound significance for trust funding, since it determines how many new workers there will be in future years to support the older population. Right now, there are about 100 workers contributing to the fund for every 30 beneficiaries. But by the year 2030, because of the declining birth rate, there will be a 45 to 48 beneficiaries for every 100 workers.

Second. Changes in the mortality rate. Authorities differ on how long our Nation's mortality rate will continue to improve. Some project that it will steadily improve until the year 2000; others foresee steady improvement until at least 2050. As the average age of death continues to rise, the average number of years that the social security system will pay benefits to a single beneficiary will rise. And of course, the cost of our retirement system will be still greater.

Third. Real wage growth. As workers' wages rise, so do contributions to the trust fund. However, if wages rise no faster than the rate of inflation, higher contributions to the trust fund will be eaten up by the automatic cost-of-living increases which are awarded to social security recipients. Consequently, for the status of the trust fund to improve, contributors' wages must rise at a rate higher than inflation.

Fourth. Rate of inflation. As was noted earlier, the current high rate of inflation contributes to the short-term deficit. But inflation also has a significant impact on the long-term deficit because social security benefits will rise whenever the cost of living rises. Long range inflation estimates run between 3 and 4 percent. Since this rate of inflation is likely to be higher than the rate of increased contributions, the trust fund will suffer.

Both the short and long term deficits are products of highly unpredictable factors. Earlier Congresses could not have foreseen the current inflation/recession cycle or the projected change in population composition. The deficits do not result from legislative or administrative irresponsibility but from the occurrence of a series of unpredicted events.

Of course, to a certain extent, the Federal Government should have anticipated the unexpected. And it did. It maintained the trust fund reserves to insulate the trust fund in times of unexpected difficulties. The reserve funds are being used right now, as they were meant to be, to protect Social Security beneficiaries while we find solutions to trust fund problems.

SOLVING THE SHORT-TERM DEFICIT PROBLEM

In testimony before the Retirement Income Subcommittee of the House Select Committee on Aging, the Commissioner of Social Security, Mr. Cardwell, listed the short term alternatives:

First. Increase the payroll tax rate.

Second. Increase the earnings base subject to the Social Security tax.

Third. Combine (1) and (2).

Fourth. Use general revenue funds.

There is very little support for an increase in the payroll tax rate. The tax is already high, at 9.9 percent split between employer and employee. Since it is a first dollar tax, and not graduated according to income, it is also a somewhat regressive form of taxation.

A raise in the income base included in the Social Security tax is favored by Robert M. Ball, Social Security Commissioner between 1962 and 1973. Under present law, the maximum base for Social Security taxation is $14,100, rising to about $16,500 by 1977. Mr. Ball recommends that the base be increased to $24,000 by 1977. He calculates that by then the country will be in a less depressed economic state and individuals and companies involved will be better able to absorb the incease. He argues, furthermore, that these individuals would receive a fair return on their larger investment, since they would receive substantially higher benefits. The AFL-CIO has supported a similar proposal, which would raise the income base to $28,000 in steps.

Opponents argue that these high-middle-income individuals are already heavily taxed by other Federal tax provisions. These individuals are most likely to prefer private pension systems to the social security program. They would prefer to withdraw entirely from the social security system than to pay a higher effective tax.

Sentiment on the use of general revenue financing is also divided. Currently, eligibility for social security is based on a "retirement test"; if you meet this test, you are eligible for benefits, regardless of your financial worth. Two Social Security Commissioners, testifying before our committee, argue that, if general revenues were introduced into the program, the "retirement test" would give way to a "means test." Since the general public would not wish to support individuals with sufficient retirement savings out of the general revenues, eligibility would ultimately be based on need, rather than on retirement. They note, furthermore, that general revenue funding is more sensitive to economic fluctuations and to the changing sentiments of the U.S. public.

However, a number of senior citizens organizations and Members of Congress favor some general revenue financing. For example, in testimony before the Aging Committee, legislative counsel to the American Association of Retired Persons and the National Retired Teachers Association recommended that cost-of-living adjustments in excess of 3 percent be financed from general revenues. The groups maintain that such a limited use of general revenue funds would not lead to the institution of a means test or to unwarranted benefit increases. They argue that the Federal Government is responsible for large-scale inflation control and should, therefore, pay the price for unusually high inflation. Opponents note that period of high inflation, particularly when coupled with high unemployment, are the times when the Federal Government is least able to afford general revenue contributions.

Another alternative, involving the indirect use of general revenues, was proposed by the Advisory Council on Social Security. It suggested channeling medicare hospital insurance funds to the social security cash benefits program. The employee and the employer would, therefore, both pay the same social security tax. However, the part of that tax which is currently paid to medicare part A would be diverted to the cash benefits program. Hospital insurance would then be funded out of the general revenues.

The advisory council maintains that it is better to retain the cash benefits program on its earnings-related basis. By not using the general revenues for the cash benefits program, future retirees will not have to rely on financing provided by future Congresses. Cash benefits would remain entirely dependent upon earnings especially set aside for that program.

The advisory council maintains that hospital insurance expenditures are more properly funded from the general revenues. Benefits derived from hospital insurance are already divorced from earnings; they are entirely dependent upon the health care costs of each individual.

Opponents do not wish to see medicare fully funded from the general revenues, again for fear that a "means test" will ultimately result. They note that health care is already exorbitantly expensive and that the infusion of general revenues into the system will induce the nonregulated health industry to further raise its rates.

However, the "means test" argument is as likely to be applied to any general revenue financing of cash benefits. And the current contributory nature of medicare insurance has certainly done nothing to keep down the rising costs of health care. The transfer of medicare part A to general revenue financing may be the most palatable solution to the short-term deficit problem. For those of us already committed to the institution of a national health care system, general revenue financing of medicare is a beginning.

SOLVING THE LONG-TERM DEFICIT PROBLEM

Because of the uncertainty of the variables involved, trying to solve the entire long-term deficit problem at this time is not advisable. We do, however, have a responsibility to minimize the deficit expected in the next century.

Virtually every group studying the trust fund has endorsed the stabilization of the cash benefits table so that it is not overly insensitive to inflation. In 1972, the Congress sought to keep the elderly apace with rises in the cost of living by tying social security benefit increases to the rate of inflation. This system of automatic adjustments for inflation works equitably for those who are already retired. Senior citizens are thus insulated from spiraling prices; their benefits are worth just what they were before inflation.

But inflation adjustments have had an unforeseen and unreliable effect on the benefits of future retirees. Inflation affects wages, thereby affecting placement on social security's wage-related benefit scale. Upon retirement, benefits are further automatically adjusted when the cost of living rises. In effect, benefit levels for future retirees are adjusted not once but twice for inflation.

This situation is unfair to employees who happen to have worked during periods of low inflation. And to some extent it is unfair to all future retirees, who have no idea what their benefit level will be because they cannot predict inflation rates during their working lives.

Consequently, there is substantial agreement that the replacement ratio should be stabilized. Future retirees are entitled to know what relationship monthly wages will bear to monthly retirement benefits. While there is concurrence on the need to meet this problem, solutions vary.

The panel on social security financing prefers a "real wage approach". Under this system, the average monthly wage on which retirement benefits are based would be calculated in constant dollars, that is, the employees' wages would be computed without the effects of inflation.

Others have suggested that the Congress set a permanent replacement ratio to determine the percentage of the workers' monthly wages which should be returned in social security benefits. Workers, upon retirement, would receive this constant percentage of their earlier buying power regardless of the rate of inflation.

Still other, more complicated formulas have been proposed for the stabilization of the cash benefits table. The Congress has a responsibility to select and implement one of these formulas, before inflation further distorts the table.

On the other hand, some long term deficit problems may work themselves out naturally. The fertility rate or the growth of real wages could be higher than expected; the rate of inflation could be lower than expected. Then the size of the trust fund deficiency would shrink.

Even the projected low fertility rate may have several effects which will help trust fund revenues:

First. The changing structure of the American family has meant that a larger share of our female population will work. To the extent that these women increase the size of the total working force, they will increase the number of trust fund contributions.

Second. If Americans continue to have fewer children, a smaller share of their incomes will be devoted to the care of young dependents. They will thus have a greater capacity to absorb higher trust fund costs.

Third. With our current high rate of unemployment, it is difficult to imagine a time in the next century when our labor force may be too small. Senior citizens, who now wish to continue to work past retirement age, are crowded out of the labor market by younger workers. One effect of the low fertility rate, however, may be to increase job opportunities for older Americans in the next century. Those senior citizens who wish to put off retirement for a few years will have the chance to do so. At the same time, they will be contributing to trust fund solvency—both by paying social security tax on their earnings and by voluntarily foregoing social security benefits for a few years.

Mr. Speaker, I hope that the above discussion of trust fund deficits has demonstrated that while there is certainly reason to be concerned, there is no reason to be alarmed. Congress has provided the trust fund reserves to carry our social security system through periods of economic difficulty. With the help of these reserves, the social security income of every recipient remains secure. And the Congress will continue to work to improve, not reduce, the level of benefits provided to our social security recipients.

At the same time, the Congress is studying solutions to both the short- and long-term social security deficits. It has adequate time to implement these solutions and improve the program before the benefits of current, or future, retirees are jeopardized.

AN ENERGY TRUST FUND IS A MISTAKE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. BROWN), is recognized for 5 minutes.

Mr. BROWN of California. Mr. Speaker, I rise to elaborate on my reasons for opposing title IV of H.R. 6860, the "Energy Conservation and Conversion Act." My position was not reached this week, but is one that I have held for years about trust funds in general. This particular trust fund has special problems that can be identified, but my opposition comes primarily from my philosophical position against trust funds. I believe that the Congress should use the new Budget Act, and the normal authorization and appropriations process to deal with such important national issues as energy funding allocations. As a subcommittee chairman on the Science and Technology Committee, which has authorizing authority over the Energy Research and Development Administration, I do not think this normal legislative process is seriously flawed.

At the conclusion of these remarks, I will insert for the RECORD some of the communications I have received against title IV of this bill. They deal with specific problems that these groups see with title IV, and come primarily from organizations that have long experience with the power of special interests to capture and abuse trust funds. I would hope that my colleagues would read these remarks before they cast their vote on this important issue.

Finally, I would like to repeat one sentence from a statement I made to this body on March 3 of this year, when the subject of an energy trust fund first came up; "Mr. Speaker, we should be abolishing trust funds, not creating them."

The comments on the energy trust fund follow:

STATEMENT BY THE ENVIRONMENTAL POLICY CENTER

H.R. 6860 as approved by the Ways and Means Committee includes provisions that will give even greater subsidies to the oil industry, force substantial and artificial increases in the cost of oil and gas, retard the development of solar and other non-fossil energy systems, and obstruct any serious effort to conserve energy.

Secs. 411–413, establishing an energy trust fund, would in theory make dollars available for all potential energy sources. In fact, the only energy systems capable of absorbing the large-scale subsidies made possible by the trust funds are those controlled and promoted by the oil industry—systems so inefficient and costly that their development would seriously endanger our economy.

The energy trust fund would move us closer to permanent dependence on a minimum $16 bbl oil and $4 mcf gas, by providing start-up funds for synthetic fuels that otherwise would be unable to compete with more efficient, reliable, safe energy. The high cost of producing synthetics would build into our economy pressures to protect the original investments through continuing guaranteed markets for the synthetic fuels. this would force other energy systems to absorb the losses caused by the need for energy conservation.

The extraordinary investment required to develop and produce subsidized nuclear and synthetic systems will lead to additional private capital drain away from other sectors of the economy—including the capital-short low-sulfur coal industry in the eastern United States.

Plant development subsidies and product prices guarantees for nuclear, shale oil, and coal gasification would only reinforce the concentration of economic and political power of the major oil companies. Taking subsidies away from these companies in one tax measure, and then using another device to hold out subsidies that only those firms can really take advantage of, continues the preferential treatment that major oil companies have traditionally enjoyed under the tax laws.

Genuine energy use conservation programs in the transportation and construction areas deserve strong support. But the most efficient, reliable, safe energy production programs stand a better chance of development if all energy funding proposals are made to compete within the traditional Congressional appropriations process. In the scramble for the apparently easy money of a trust fund, major oil companies and public land lessees in western States would be the principal beneficiaries, priorities for national energy investment would be distorted, and our country would soon face an even more critical shortage of the capital and resources needed to develop energy systems that can genuinely respond to the needs of our economy.

We respectfully urge support for deletion of any trust fund financing of energy development from H.R. 6860.

Statement by the Sierra Club

H.R. 6860, the "Energy Conservation and Conversion Act of 1975" will come to the floor shortly, and we are writing to express our grave concern with certain aspects of it.

We must all recognize the need for effective action to conserve energy, including the need for both a regulatory approach and for an important role to be played by appropriate price levels in turn with current economic situation. The gasoline tax provisions in the bill are an important first step, and we hope that they will be retained in the final version.

We are particularly concerned that Title IV creating a $10 billion a year energy trust fund, will have disastrous impacts, and we would urge its removal from the bill. This provision would create a massive trust fund from the gasoline tax revenues and, for all practical purposes, place its open-ended expenditure in the hands of the Administration. This would abrogate meaningful Congressional oversight on energy research programs. We deeply fear the uses for which this fund is to be applied and we ask you to carefully reconsider the need for what we consider to be potentially one of the most harmful of all energy proposals.

Explicit provisions in the bill could set a wrong course for energy policy which could be impossible to stop and which years from now would be impossible to salvage. Examples are easy to cite. Plutonium-Breeder reactor program, unable to make it on its own in the private utility market, and fraught with unfortunate possible consequences, could be pampered into economic viability. Uneconomic oil shale development, with yet unresolvable water, waste, and land problems, can spring into a subsidized reality. Likewise, synthetic gas or oil from coal, now uneconomic without subsidies and destroying along with it the ranching and farming industry of the Northern Great Plains, can miraculously come to life. The trust fund could too easily wind up being a major subsidy for marginal and destructive energy development. Despite later efforts to prevent this from happening we fear that, once going, the trust fund will be hard to control, direct, and stop.

Section 412 of the bill specifically directs that funds be spent on synthetic fuels from fossil sources and loans or subsidies for shale oil production, two programs, as mentioned above, about which we have most serious concerns. The section further would allow price guarantees on long-term purchase contracts for other new energy sources. This amounts to an open-ended stimulus for otherwise uneconomic and potentially environmentally destructive projects. Many worthwhile projects such as solar and wind are just not capable of absorbing a massive infusion of money while the harmful, uneconomic ones mentioned, being very capital intensive, could become viable and distort normal market forces.

Some of the uses mentioned in Title IV unarguably are very necessary. Certainly we need increased operating subsidies for mass transit. But we do not need a trust fund to do this! We would also oppose a trust fund solely for mass transit because some of the creative mass transit schemes could put the highway trust fund to shame.

Having just eliminated a major subsidy to the energy industry, the oil depletion allowance, an energy trust fund would restore to the enegry industry, in monumental fashion, a subsidy which would make the depletion allowance look insignificant by comparison. We hope that the House will see the wisdom of retaining the moderate gas tax now in the measure, while allowing the funds acquired thereby to flow into the general treasury where, with appropriate on-going Congressional oversight, they can be spent on needed research through the already-existing energy and development administration.

Statement by the Friends of the Earth

History has clearly demonstrated that the trust fund concept is an inefficient and retrogressive one. The energy trust fund would seriously hurt the consumer, by providing money to subsidize expensive and economically punitive forms of energy, both through research and through the guarantee of price supports. Its open-ended nature would permit the use of the fund to underwrite any energy source, no matter how uneconomical or environmentally unsound it may be. Its implementation will end any hope that free market forces can again act to keep energy prices from continuing their upward spiral. Furthermore, it will undercut any beneficial conservation impacts of the gasoline tax since it will encourage growth in the use of other energy sources which cannot be justified, either environmentally or economically.

Statement by Public Citizen

Elimination or Placing Curbs on the Energy Trust Fund

We believe the proposed energy trust fund is an unwise method of stimulating energy development. The size of the trust fund will facilitate entering into programs which require huge outlays and would prove too uneconomical to develop otherwise. These include the daugerous breeder reactor program and the potential destruction of western lands through the funding of price guarantees for oil shale and coal gasification. These programs will channel additional billions of dollars of government subsidies to the oil industry and further tighten their monopoly over the nation's energy sources. If there is to be a trust fund it should exclude these questionable subsidies.

Statement by Environmental Action

Energy Conservation and Conversion Trust Fund

Title IV of H.R. 6860 creates an energy trust fund from the special taxes and fees levied through other provisions of the bill. Although the provision purports to benefit programs to conserve and increase our energy supply, the trust raises the prospect of intense pressure to spend these funds regardless of the effectiveness of the programs initiated. We urge you to support the removal of this provision, thus allowing the accrued funds to flow into the general treasury where, with appropriate on-going Congressional oversight, they can be spent when needed on effective research programs.

RESOLUTION FOR MODIFIED CLOSED RULE ON H.R. 6799

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. Hungate) is recognized for 5 minutes.

Mr. HUNGATE. Mr. Speaker, on Tuesday, May 20, 1975, the Committee on the Judiciary ordered favorably reported the bill H.R. 6799, to amend the Federal Rules of Criminal Procedure for certain courts and proceedings.

Pursuant to the provisions of clause IX of the manual section of the Rules of the Democratic Caucus for the 94th Congress, I am hereby inserting in the Congressional Record notice of my intention to request, following the expiration of 4 legislative days, the Committee on Rules to report to the House a resolution providing for a "modified closed rule" on the bill H.R. 6799. The rule I will be requesting will provide in effect that after an extensive period of general debate not to exceed 2 hours, on the bill, further consideration of the bill for amendment would be postponed to a time certain to give Members an opportunity to draft and to insert in the Record any amendments which they proposed to offer so long as those proposed amendments are printed 2 days prior to commencement of consideration of the bill for amendments under the 5-minute-rule. Those amendments if offered, would not be subject to amendment on the floor. The rule would also provide that no pro forma amendments would be in order. It should be made clear that any Member may speak for or against any proposed amendments to this bill, but because the betterment of our criminal justice system is the object of the bill, I would

hope that statements would be directed toward that aim and that alone. I believe that the complicated and technical nature of this bill mandates a rule such as this one in order for the House of Representatives to work its will on this important proposed legislation.

THE IMPACT OF REVENUE SHARING ON HOUSING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. Mitchell) is recognized for 5 minutes.

Mr. MITCHELL of Maryland. Mr. Speaker, the following article was brought to my attention by Mr. Bill Powers of the Housing Assistance Council. I highly commend it to the attention of my colleagues.

HUD's Bonanza for Suburbia

(By Al Hirshen and Richard T. Le Gates)

The Housing and Community Development Act of 1974, signed by President Ford last August, will divert Federal housing money away from most of the big cities, with their rapidly deteriorating inner cores, increasingly minority populations, and predominantly Democratic electorates, to Republican, largely suburban, Middle America. While the funding formula is complex and allegedly "neutral," analysis of where the money will go and its probable use confirms that the measure is another instance of Republican welfare for the rich.

Had it not been for the downfall of Richard M. Nixon, it is likely that suburban Middle American cities would now be receiving a large chunk of "community development" money *automatically*. No forms, no proposal writers, no trips to Washington, no nothing—just money. It is known as "revenue sharing." The pure Nixonian form of community development revenue sharing languished for four years and finally died, a victim of Congressional jealousy over any threat to its supervisory prerogatives. The 1974 Housing Act represents a compromise between the Johnson Administration's categorical grant programs, which earmarked funds for specific projects, and straight revenue sharing, but it still pulls the money from the Newarks and the Garys and shifts it to Des Moines and Grosse Point.

One virtue of the "categorical" programs, was that their very "narrowness" made them visible. If funds for a park were given to a city and no park materialized, there were grounds for suspicion. The application and reporting paperwork (while often ridiculously excessive) provided the basic public record for review and control of the programs. Public hearing requirements and, increasingly "citizen participation" requirements, strengthened the hand of intended program beneficiaries to influence the expenditure of funds.

The generality of fundable activities under the new Housing and Community Development Act, the looseness of application provisions, the nearly automatic nature of the entitlements, and the absence of detailed periodic reporting make visibility and control of the new money difficult and provide almost limitless opportunities for patronage, self-dealing, or graft.

Cities' entitlements under the 1974 Act are calculated by a formula which compares their population, extent of poverty, and extent of overcrowding to national norms. While the Secretary of Housing and Urban Development is empowered to recognize regional or area variations in income and cost of living. HUD regulations state that the Secretary has determined that this is neither feasible nor appropriate. Cities which during the past have received more money than their formula entitlement are protected from any funding cut for three years and then fall to their formula level during a transition period of two years. By 1980 all cities will receive funds on a pure formula basis. This "neutral" formula for a more "rational" and "equitable" distribution of Federal urban development monies is disguised political dynamite. Everything will be fine for three years until the "grandfather clause" runs out. Then the true nature of the legislation will become clear.

What will happen to cities in the San Francisco Bay area is illustrative. The largest cities, with severe urban problems, are in trouble. San Francisco will continue to receive $28.6 million a year for three years (comparable to annual receipts under the categorical housing and urban development programs in recent years), but at the end of that period its entitlement under the neutral formula will drop dramatically to $22 million in 1978, $16 million in 1979, and $12 million in 1980. Oakland will experience a comparable drop, from $12 million to $7 million. The truly depressed cities in the region, with minorities already a majority of the population, will suffer even more. Richmond, with a black/Latin majority and a black mayor, will experience a drop from $3 million to $1.3 million when the grace period runs out; and the extremely depressed black enclave of Pittsburg will see its entitlement drop from $3 million to nothing at all. (With a population less than 50,000, it has no entitlement after the grace period runs out.)

The large middle-class, white-collar suburbs which have grown up elsewhere in the Bay area—physically well-off, overwhelmingly white, and politically conservative—are in an altogether different position. Concord, for example, will be entitled to $229,000 in the first year of special revenue sharing—more than nine times the amount it has received in recent years; within five years that figure will nearly triple. Fremont's share will shoot up from $269,000 in 1975 to more than $1 million by 1980. And this pattern will be repeated nationally.

Newark, New Jersey, will have its funds cut in half between 1975 and 1980—from $20.5 million to $10 million. Gary, Indiana, will have its entitlement cut during the same period from $6,950,000 to $3,773,000. Only a few problem cities with large populations, notably New York and Los Angeles, stand to gain.

Under the 1974 Act many cities have an *automatic claim* to more money than they have ever thought of using for community development activities. And they can spend the money on almost any activity involving physical construction, and they can forget about meeting meddlesome Washington guidelines concerning poverty and race. The new handbooks on the Act will not be regulations but simple "how to do it" guides, according to HUD.

The location, character, and size of the communities which will benefit are significant. Until now, urban development funds have gone to cities with severe physical and social problems which have learned to play the grantsmanship game. The older industrial cities of the eastern and Great Lakes regions have received the most. Those in the Midwest and West with less marked physical deterioration have received less. In conservative states (notably the South), cities have often chosen not to vie for such funds, either because they do not see themselves as having urban problems or because they are philosophically opposed to Federal strings which might ease the plight of the poor and minorities.

Relatively well-off cities will benefit from the fact that one of the standards chosen to measure their physical housing needs is overcrowding, not the real condition of their houses. A well-preserved midwestern city with the same total population, comparable overcrowding, and one-half the total poverty of one of the smaller, badly distressed East Coast cities—Camden, New Jersey, for example—would be entitled to 75 per cent of the amount of money Camden would receive. This would be true even if only 3 per cent of its housing could be characterized as deteriorated, as compared to 50 per cent of Camden's.

The HUD programs which already exist in large cities will also change under the new law. Poor and "blighted" neighborhoods in these cities received grants under Great Society categorical programs such as Urban Renewal, Model Cities, and Federally Assisted Code Enforcement. All of these programs tied Federal funding to specific poor and physically deteriorated neighborhoods. The 1974 Act funds may be spent anywhere in the city. A provision in the Senate bill which would have provided that no more than 20 per cent of an applicant community's funds could be used for activities which do not directly and significantly benefit low and moderate income families or blighted areas was dropped. Where the funds go within the community may be determined solely at the whim of local government.

Some groups are likely to see the subsidy potential for their pet development interests. The Chamber of Commerce has always wanted someone other than itself to pay for some form of central business district renewal—from a mall with concrete planters to a convention center/sports arena/parking garage/shopping complex. Pressure on the administrators of the old categorical Urban Renewal program was to find more and more of these Central Business District (CBD) projects, rather than those which would rehabilitate or reconstruct poor neighborhoods. The Urban Renewal Administration frequently caved in to these pressures, but exerted some influence to keep small poverty projects going as well (often as the trade-off for funds the city really desired). With local officials fully in the saddle, even this weak barrier no longer exists.

The suburban developers also have a concrete agenda for 1974 Act money: They want sewers and water pipes. HUD sewer and water grants have been the fastest growing category of sought-after money of the last half decade, and most of it goes into tract developments on the urban fringe. In the contest between the Chamber of Commerce and developers on one side and the Model Cities citizen participation component, the Project Area Committees, and the tenant unions on the other, it is clear which side the city council will favor.

If disguised tax relief, cosmetic capital improvements. Central Business District projects, and sewer and water installations are in, what categories of urban development activities are out? Most of the programs targeted at proverty problems have been unpopular with conservative local governments. Virtually none would have been undertaken by local governments with local money. Many cities refused to undertake them even with "free" Federal funds, and others grudgingly undertook them because it was the price of admission to HUD money for the CBD and sewer and water grants. Public housing construction, rehabilitation of deteriorating units, "software" social programs (construction job training, home ownership counseling, health and educational activities) will starve.

HUD cannot be relied on to check those tendencies. By the late 1960s HUD staffing was a mixed bag—aging New Dealers who had come in with the Public Housing Program worked with conservative mortgage bankers who had filtered into the Department through FHA mortgage insurance programs, and more energetic, active, and liberal staff attracted to the Johnson programs (such as Model Cities). Six years of conservative government has demoralized the young-

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er and more liberal staff, many of whom have resigned, been laid off, or transferred (whole wings of the Washington HUD building are empty while the Anchorage HUD area office has grown). The Administration vested greater program control in local area offices which are now largely headed by local personnel from FHA insuring offices—hardly a dynamic set of civil servants. The unlikelihood that this type of HUD official will exert much influence on local jurisdictions to initiate more socially responsive programs is compounded by the legislation. The 1974 Act *requires* the HUD Secretary to approve applications unless in extreme instances he finds that they are severely defective.

Since neither HUD nor local governments could be greatly relied upon to protect the interests of low income and minority persons, a major thrust of the urban legislation of the 1960s was to strengthen "citizen participation" in urban development programs. To a greater extent than anyone ever anticipated, this strategy worked. The Nixon Administration's antagonism toward community participation was rooted in this fear of its success. Perhaps the most bizarre compromise in the new legislation involved the citizen participation requirements. The Senate would have required applicant cities to involve residents in community development activities and to provide adequate resources for their participation. The Act as adopted makes this provision *entirely discretionary.*

In the name of grassroots democracy, equity, and efficiency, the Housing and Community Development Act of 1974 will take funds from the most needy urban areas and give them to the less needy, redistribute wealth and power from Democratic and liberal areas to ones which are predominantly Republican and conservative, and establish a framework in which cosmetic projects and patronage will win over projects desperately needed by the poor.

CONGRESSMAN RICHARD OTTINGER DISCLOSES HIS FINANCIAL STATUS

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, in accordance with my practice during my previous service in this body, the legislation I have introduced to require full disclosure of assets and liabilities in order to protect against undisclosed conflicts of interests (H.R. 3249), and my conviction that full disclosure is the best protection of the public from potential conflicts, I set forth here and have released to the press today the following complete statement of assets and liabilities of myself and my wife, as well as our 1974 income and income taxes paid thereon:

Richard L. and Betty Ann Ottinger, statement of assets, liabilities and capital as at March 31, 1975

ASSETS

Cash	$3,587
Marketable securities—Betty Ann Ottinger (cost $55,645)—at market value (Schedule 1)	166,598
Marketable securities—Richard L. Ottinger trust dated March 19, 1969 (cost $422,118)—at market value (schedule 1)	1,779,443
Real estate:	
Residences in Pleasantville, N.Y. and Washington, D.C.—at estimated market value	400,000
Total	2,349,628

LIABILITIES AND CAPITAL

Liabilities—Notes and loans payable:	
Testamentary Trust u/w/o Lawrence Ottinger f/b/o Richard L. Ottinger	301,912
Patricia L. Chernoff	150,000
Trust u/a dated 10/30/57 f/b/o Richard L. Ottinger	50,000
Other loans payable	40,000
Total	541,912
Income taxes payable on unrealized gain on marketable securities	513,898
Total liabilities	1,055,810
Capital	1,293,818
Total	2,349,628
Summary:	
Total assets	2,349,628
Total liabilities	1,055,810
Net worth	$1,293,818

SCHEDULE 1: RICHARD L. AND BETTY ANN OTTINGER SCHEDULE OF SECURITIES AS AT MARCH 31, 1975

BETTY ANN OTTINGER

Number of shares, corporation, and current market value

180, Simplicity Pattern Co., $2,385.00.

40, Sears Roebuck & Co., $2,700.00.

160, Travelers Corp., $3,790.00.

175, International Business Machines, $36,159.38.

200, Gulf Oil Corp., $3,900.00.

1,930, Champion International Corp., $29,673.75.

1,500, Weyerhaeuser Co., $51,000.00.

Par value: $37,000, Chase Manhattan Bank, certificate of deposit, $37,000.00.

Total, $166,598.13.

RICHARD L. OTTINGER

Number of shares, corporation, and current market value

375, Merck & Co., $28,406.25.

3,600, Anheuser Busch, Inc., $135,450.00.

15,608, Simplicity Pattern Co., $206,806.00.

40, Sears Roebuck & Co., $2,700.00.

1,800, Connecticut General Insurance Corp., $73,800.00

1,200, Travelers Corp., $28,350.00.

1,238, International Business Machines, $255,801.75.

8,100, Xerox Corp., $575,100.00.

1,234, Texaco, Inc., $29,770.25.

400 Champion International Corp., $6,150.00.

7,494, Weyerhaeuser Co., $254,796.00.

Par value: $62,000, Chase Manhattan Bank, certificate of deposit, $62,000.00.

Par value: $25,000, Iowa Electric & Power Co., $21,000.00.

Par value: $25,000 Alabama Power Co., $18,187.50

Par value: Honeywell Finance, Inc., $48,125.00.

Par value: $50,000, Ascension, St. James Br. & Ferry Auth., La., $33,000.00.

Total, $1,779,442.75.

RICHARD L. AND BETTY ANN OTTINGER SCHEDULE OF ASSETS OF VARIOUS TRUSTS OF WHICH RICHARD L. OTTINGER IS INCOME BENEFICIARY AS AT MARCH 31, 1975

Number of shares, corporation, and current market value

3,000, Anheuser Busch, $112,875.

1,400 Avon Products, $52,150.

100 Eastman Kodak, $9,225.

342 IBM Corp., $70,583.

75, Merck & Co., $5,881.

3,600 Perkin Elmer, $102,150.

150, Proctor & Gamble, $14,363.

900, Sears Roebuck & Co., $60,750.

306, Weyerhaeuser Co., $10,404.

Total, $438,181.

Par value $9,000, Baltimore, Md., 4%, due 8/1/86, $6,995.

Par value $10,000, Bedford, New Castle, etc., 3%, due 6/1/83, $7,649.

Par value $161,000, Chase Manhattan Bank, Certificate of Deposit, due 4/21/75, $161,000.

Par value $10,000, Chelan Co., 3.4%, due 12/1/2003, $6,200.

Par value $9,000, New Jersey Turnpike Auth., 5.2%, due 1/1/2008, $6,795.

Par value $15,000, New York, N.Y., 5%, due 5/1/91, $10,153.

Par value $6,000, New York, N.Y., 7%, due 9/1/76, $5,976.

Par value $25,000, Pennsylvania, 4½%, due 7/1/2000, $17,240.

Par value, $30,000, Sears Roebuck & Co., 4.625%, due 5/1/77, $28,312.

Par value $9,000, So. San Joaquin, Calif., 3.05%, due 7/1/2004, $5,850.

Par value $20,000, U.S. Treasury Bills, due 4/3/75, $19,735.

Par Value, $9,000, Washington, D.C., 2.5%, due 5/1/91, $5,195.

Total, $281,100.

Cash, $1,379.

Total, $720,660.

The above securities are not reflected as assets of Richard L. Ottinger since he is only an income beneficiary of the trusts. The schedule is prepared for informational purposes.

RICHARD L. AND BETTY ANN OTTINGER STATEMENT OF INCOME AND INCOME TAXES

1974, income received, $106,286.

1974, income taxes paid, Federal, $23,399; New York State, $10,424; total income taxes paid, $33,823.

ELECTRICITY—NATIONAL POWER GRID BILL REINTRODUCED

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, on March 17, 1975, I introduced the National Electric Energy Conservation Act of 1975. Senator METCALF introduced a companion bill in the Senate on the same day. The bill was reintroduced on April 14 and April 28, so that to date 43 of my colleagues have joined me in the effort to use our electric generating capacity more efficiently by forming a national power grid.

I am pleased today to reintroduce the bill a third time so that two other colleagues, Mr. ROE and Mr. HARRIS, may lend their support to this measure.

I would also like to share with the Members an article from the journal Rural Electrification, May 1975, entitled "1975: Year of the Grid."

1975: YEAR OF THE GRID

(By Mike Molony)

It's taken over 25 years to get around to it, but at long last Congress is about to take a serious look at the idea of a nationwide electric energy grid.

In a March 17 press conference, Sen. Lee Metcalf (D-Mont.) and Rep. Richard Ottinger (D-N.Y.) announced their simultaneous introduction of legislation to create a federally owned and operated national power grid. Cosponsored by six other Senators and more than 35 House members, the "National Electric Energy Conservation Act of 1975" would create a new National Power Grid Corporation and several regional bulk power corporations with directors appointed by the President.

All federally owned electric power facilities, including those now operated by the

Bureau of Reclamation, Army Corps of Engineers, Southwest Power Administration, Southeastern Power Administration, Bonneville Power Administration and Alaska Power Administration, would be transferred to the control of the new "national G&T." TVA would become one of the regional corporations.

In addition to absorbing these existing facilities, the National Grid Corporation also would be given authority to issue government-guaranteed, tax-exempt bonds to finance the purchase of existing private or cooperatively owned generating and transmission facilities, and/or the construction of new facilities as required. Also included in the grid corporation charter would be power to institute condemnations under the right of eminent domain.

Even though to some this legislation as written would seemingly put the Federal government into a position of dominance in the field of power generation and transmission, Sen. Metcalf disagrees with the notion that his bill would set the stage for nationalization of that portion of the electric utility industry. "The National Electrio Energy Conservation Act," his prepared statement says, "will make available on a broader scale the increased efficiencies and cost savings which have been associated with public power, while leaving distribution to the municipal and privately owned utilities which are now providing that service."

The joint statement issued by Metcalf and Ottinger went on to review some of the justifications for nationwide interconnection: "With the Nation's existing generating facilities operating at only about 62% of rated capacity, it is obvious that we could achieve much greater output from the power plants now on line if an efficient high-voltage transmission system were available to move bulk power from one region to another according to their alternating peak demand requirements.

"The National Electrical Energy Conservation Act will assure the most efficient utilization of the electric generating facilities now on line. It also provides for intelligent and coordinated construction on new facilities. It will reduce the need for new generating facilities by 25% and that is no small saving when one considers the hundreds of billions of dollars estimated to be spent on electric plants before the end of this century."

Almost within a week of the Metcalf-Ottinger statement, the subject of Federal involvement in the electric industry came up again, this time in a March 25 speech by Interior Secretary Rogers C. B. Morton before the Southeastern Electric Exchange in Boca Raton, Fla.

Secretary Morton, who is chairman of President Ford's cabinet-level Energy Policy Council, said the Administration was considering a variety of proposals for direct government subsidies of the electric power industry on a temporary basis. Referring to recent cost increases and financing difficulties, Morton said: "Were it not for the extraordinary events of the past year and a half—and the shocking effects of these events on the electric utility in particular— I would not be advocating any Federal involvement.

"But we must be realistic," Morton said, "you do need help."

Morton said proposals under study include: loan guarantees and other government financing mechanisms; additional changes in the tax treatment of utility stock dividends; rebates on oil taxes and import fees; cash rebates on unused investment tax credits.

With talk like this, Secretary Morton unwittingly may be improving the chances for enactment of a national grid system. Based upon the dubious success of previous Federal efforts to "bail out" troubled industries (railroads, aerospace firms, etc.) through tax breaks and injections of Federal funds, it's unlikely that another request along these lines would be received with overmuch enthusiasm.

If faced with a choice between a questionable policy of giving "dollar transfusions" to the ailing portions of the industry, or the more directly supervised partnership prescription of the Metcalf-Ottinger bill (or something like it), Congress very well may opt for the grid.

Even in the charged-up atmosphere now surrounding efforts to form a national energy policy, the wheels of Congress turn oh-so-slowly, and it will be several months at least before much more is heard about the national grid. In the House of Representatives, the Metcalf-Ottinger proposal is now known as H.R. 5048 and is in the hands of the Interstate and Foreign Commerce Subcommittee on Energy and Power. Rep. John Dingell (D-Mich.) chairs that subcommittee and indicated he plans hearings on this proposal for midsummer. In the Senate, where the bill is identified as S. 1208, the Commerce Committee chaired by Sen. Warren G. Magnuson (D-Wash.) probably will begin action on the bill at about the same time.

THE ROLE OF TRADE ASSOCIATIONS IN THE SOLUTION OF NATIONAL PROBLEMS

(Mr. EVINS of Tennessee asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. EVINS of Tennessee. Mr. Speaker, Mr. Earl W. Kintner, a distinguished attorney, recently delivered an address before the Southwestern Regional Conference of the Federal Bar Association, Houston, Tex., in which he provides perceptive insight into the importance of trade associations with reference to solution of national problems.

Mr. Kintner's paper also includes a discussion of antitrust practices which is most interesting.

Because of the interest of my colleagues and the American people in these matters, I place herewith in the RECORD the address by Mr. Kintner.

The address follows:

THE ROLE OF TRADE ASSOCIATIONS IN THE FACE OF CONTEMPORARY PROBLEMS

(Remarks of Earl K. Kintner)

It is a pleasure to be here to discuss the role which a trade association can play in resolving some of the problems which our country faces in these troubling times. We have already heard Phil Verleger discuss some contemporary problems and Morris Harrell review the traditional antitrust principles applicable to trade associations. I would like to draw some conclusions, based partly on their remarks, and hopefully to challenge your thinking. My basic thesis is that traditional antitrust principles which have been applied to trade association activities over the past seventy years may not be satisfactory as we attempt to resolve our contemporary problems. I hope that my talk will give you food for thought as we face these difficult issues, since tough questions demand well reasoned and innovative solutions to which we all must contribute.

Modern day problems faced by trade associations and all Americans have been well documented. Double digit inflation. A deepening recession. Energy shortages. Environmental pollution. Each of these is a serious contemporary problem.

Unfortunately, however, the traditional—and sometimes simple—solution to each of the problems threatens to exacerbate a different one. Reducing the money supply to fight inflation stifles business growth. Increasing disposable income to fight recession promotes inflation. Efforts to ease the energy shortage run the risk of promoting recession and increasing pollution. A tightening of environmental standards entails an energy penalty.

The specific issue with which I am concerned here today is similar. One of the answers most prominently put forward in the effort to fight inflation is the vigorous enforcement of the antitrust laws. While I do not intend to challenge the validity of this assertion today, we must recognize the obvious shortcomings of such an approach. Not only does traditional antitrust enforcement fail to produce affirmative short-term benefits with respect to the economy, but in circumstances where economic recovery is heavily dependent on technological breakthroughs, indiscriminate antitrust enforcement can be counter productive. For example, joint industry efforts which are discouraged under traditional antitrust law may well be useful in exploring and developing new approaches to increase our energy supplies and to reduce pollution. As a consequence, I submit that such joint efforts must not be dismissed out of hand with a wave of the antitrust wand, either by government officials or trade associations themselves.

Antitrust enforcement officials have consistently let it be known that they will utilize traditional antitrust principles in evaluating joint research and development in energy and environment-related efforts. As early as 1971, Richard McLaren stated that the general policy of the Antitrust Division was to support individual company research and development, and that "firms [should] be permitted to exchange research and feasibility information only upon a strong showing that a collective approach will yield substantial net gains." Mr. McLaren's conclusion was based upon his view that "[t]he competitive system has served us well in the past and I think it will continue to serve us well in our search for . . . a better environment in this new era."[1]

The Antitrust Division continues to take the same position today. Thomas Kauper, current Division head, recently stated that "[a]ctions which deprive competitors of the opportunity or incentive to compete through R & D [research and development] strike at the heart of the competitive process."[2]

As an antitrust lawyer, I applaud the Antitrust Division's efforts to promote competition. Yet, our contemporary problems demand responsive, often innovative solutions, some of which may require more than "knee jerk" antitrust reactions. Trade associations as well as government agencies can play a crucial role in searching for these solutions.

I

Environmental controls

In the environmental area, the traditional antitrust approach is represented by the *Smog* decree,[3] a favorite topic of antitrust lawyers at seminars such as this one. In 1952, scientists speculated that motor vehicles were instrumental in the creation of photochemical smog in the Los Angeles basin. At that time, the major vehicle manufacturers, through their trade association, for the declared purpose of accelerating progress in emission control, agreed to exchange technical research information. In 1955 they executed a cross licensing agreement pro-

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Footnotes at end of article.

viding patent protection to the manufacturer supplying information.

In 1969, the Justice Department filed suit, alleging that these agreements were intended to delay rather than speed the development of emission controls. After the defendants' denials of the allegations in the complaint, the case was settled by a consent decree, generally prohibiting the manufacturers from cooperating in technical areas involving emission controls, and even forbidding, in some cases, joint responses to proposed government regulations.

While the Justice Department may have been correct in its analysis of the traditional antitrust principles, it is my view that the Decree has unfortunately produced some unanticipated—and undesirable—fallout. First, together with the Clean Air Act Amendments of 1970, it has meant that vehicle manufacturers must engage in separate, and extremely costly, research in attempts to comply with the 1970 law. We now know that the result has been the use of widely-debated catalytic converters, which are quite expensive (*i.e.*, inflationary) and very likely inefficient over the long run.[4] While we cannot know for sure, it is quite possible that an industry-wide effort—spurred by the mandate of the Clean Air Act—may have produced a more efficient and less costly solution,[5] and perhaps one that would be more energy-efficient.

Perhaps the most damaging result of the *Smog* decree, however, has been the inhibiting effect it has had in many industries on the search for better technology to fight pollution. Trade association counsel correctly and conservatively analyze the *Smog* decree, and advise their clients not to sponsor collective research and development programs. While such advice may be appropriate from an antitrust standpoint, it may be a great deal less so when viewed in light of the total societal costs. At the very least, this question deserves more careful scrutiny than it has yet received.

The need to carefully evaluate joint research efforts in the environmental area is made all the more apparent by Congress's tendency to require the use of the "best available technology" in standards-setting under the environmental laws. As an EPA official has noted,[6] the common thread running through environmental programs is the need for an encouragement of technological innovation. Since the Antitrust Division (reinforced by the *Smog* decree) has taken the position that competition rather than collaboration is appropriate, the necessary technology must be attained by each firm on its own. Even aside from the competitive advantage this gives to larger firms with greater resources,[7] it may well result in the "best available technology" being less than a cooperative effort could achieve.

One of the innovative pathways that is trod less often than it should be—due largely I suspect to the innumerable warnings sounded by antitrust officials—is industry self-regulation through product standards, testing and certification programs. Traditional antitrust recognizes and accepts industry self-regulation in limited circumstances, and in my view trade associations can play an important role through self-regulation in solving present day problems, even when traditional rules are applied.

The early antitrust cases involving illegal standardization efforts were usually concerned with a standards program that was regarded as a vehicle for price-fixing or limitations on production.[8] Of course, subtle efforts to use a standardization program to exclude competitors from the marketplace are also prescribed.[9] Moreover, even in the absence of an intent to restrain trade, a trade association may still run risks in a standardization program if there is an adverse effect upon competition.[10] The Federal Trade Commission is wary of such private efforts, no matter how well intentioned.[11]

On the other hand, industry standards programs, when properly implemented, are clearly lawful.[12] Moreover, I believe that such programs can be extremely useful in forestalling or tempering government regulatory programs. If the standards are voluntary and the standards making process open to all comers, the program will in all likelihood be acceptable.[13]

In my view, an outstanding example of a constructive trade association approach to problems created by environmental standards, within the constraints of antitrust principles applicable to standardization programs—and pro-competitive in its effect—is the proposed voluntary self-certification program in the automotive parts industry.[14] Briefly, as proposed in the *Federal Register*,[15] the purpose of the program is to "fully implement" the "warranty, recall, antitampering, and maintenance instructions provisions of the Clean Air Act," while at the same time "allowing the after-market parts industry the opportunity to protect its market and the consumer the right to select from a variety of acceptable parts."[16] The program was formulated initially by a trade association and provides that the trade association will develop standards and test procedures for motor vehicle parts (*e.g.*, carburetors) that may affect emissions. The tests developed would be short and inexpensive so that even small manufacturers could participate. The EPA would approve standards and tests developed by the industry, and publish them in the *Federal Register*. Manufacturers could then utilize the test procedures to demonstrate that their parts do not adversely affect emissions, while the EPA and the consumers would have the same assurance.

Here indeed, it appears to me, is an innovative attempt by a trade association, in conjunction with the government, to resolve a contemporary problem. The certification program would permit the independent after-market to compete with the vehicle manufacturers. The goal of inexpensive procedures would help assure that higher prices to the consumer do not ensue. Our environmental objectives would be enhanced. And since the program is voluntary, open to all comers, and subject to governmental approval and surveillance, the antitrust risks to the participating associations and manufacturers are minimal.

Of course, trade associations may—and should—also perform their traditional functions in assisting their members to resolve current problems. For example, a trade association might adopt voluntary standards for truth in advertising, or for advertising with regard to environmental issues, so long as association members are in no way coerced to conform to the standards.[17] Joint lobbying with Congress and administrative agencies with respect to environmental matters is, in the absence of bad faith, generally permissible.[18] Trade associations may continue to perform the vital function of educating their members about actual and proposed anti-pollution laws and regulations. And they may bring lawsuits to challenge the validity of unfair pollution laws.[19]

Clearly, trade associations have a crucial role to play in helping to resolve pressing contemporary difficulties. The times demand creativity, and I believe that trade associations have the ability to innovate, even in the face of traditional antitrust principles.

II

Energy: Problems and responses

Nowhere is a trade association's function more important than in providing its membership with quick and accurate information relative to new government programs and fast-breaking national developments. And nowhere is this better exemplified than in our recent experience with the government's response to the energy crisis.

The array of new problems created in the marketplace as a result of critical shortages of fuel over the past year and a half, and the government's regulatory response to that situation, have created an entirely new and extremely important area of service for the trade association. The Federal Energy Administration and its price and allocation regulations have created a number of potential antitrust difficulties for all forms of businesses which, all too frequently, are beyond the resources and capacity of the individual business enterprise. I would like to discuss a few of the more significant influences that federal allocation and price programs for petroleum have exerted on the marketplace and the potential for significant contributions by trade associations in coping with and resolving these difficulties.

The very nature of the allocation program is to maintain the delivery of essential petroleum products to existing business enterprises in order to avoid harmful business interruptions. An unfortunate concurrent effect of this program has been to restrict market access to potential new entrants. The reason for this is quite simple. The vast majority of American business enterprises have a surprisingly critical dependence on fuel, whether it be in processing, plant space heating or simply the transportation and delivery of their products. Businesses already in existence in 1972 have a reasonable assurance of a continuous supply of essential fuel for their business by reason of the historical base period method which is the foundation of the allocation program. On the other hand, individuals seeking to begin new businesses or existing enterprises seeking to branch into new activities must first search out the necessary fuel supplies for the enterprise by means of an involved, often unreliable allocation system which includes opportunities for adverse comment by affected parties.

Let me provide an example. Assume a new retail gasoline service station market of 10 square miles in which 5 other stations are located. The new station must file an application with the Federal Energy Administration to obtain a supply of gasoline to sell to the public. Among those permitted to comment adversely on his application are the existing competitors in the market area. Obviously, this presents a situation rife with potential antitrust hazards. Individual service station operators are often too unsophisticated to realize the full consequences of ill-advised or intemperate action in the face of such a situation. At the same time they are also in a poor position to respond intelligently to the significance of a reallocation of fuel in the individual marketplace.

Both problems can be effectively addressed by a trade association. The association has the responsibility and sophistication to understand the limitations placed on its conduct with respect to restrictions on market entrants, and usually has the necessary market information with respect to supply, demand, and relevant demographic data to provide an intelligent analysis on which the federal agency can take meaningful action. Unfortunately, too many trade associations are either unaware of this function or have not fully analyzed the significant ramifications for their membership that ill-advised action could have.

The second phenomenon created by the petroleum price regulations is the tendency toward restrictions on price competition in the marketplace. The regulations governing the establishment of allowable prices, as well as the calculation of product cost, remove a significant amount of price flexibility from the hands of the individual entrepreneurs. Under such circumstances, customer volume becomes a critical aspect of business

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Footnotes at end of article.

growth and competitors are often compelled to engage in promotional activities indirectly related to price in order to enlarge customer volume. For example, many businesses have taken to offering non-price regulated commodities at drastically reduced prices in an effort to attract higher customer volume for the price-regulated products. The result can often be unintentioned or unrealized violations of the antitrust laws with respect to predatory pricing or discriminatory pricing of the unregulated products.

Perhaps the most significant factor in both of the above described situations is that they tend to affect large numbers of small businessmen who are generally unaware of the antitrust ramifications of their conduct. At the same time, they are generally not in a position to independently speak to the appropriate regulatory agencies in an effort to correct these situations or to at least better define the scope of liability. I believe this is a critical area for the trade association as an industry spokesman and as an industry educator.

The Federal Energy Program has also had a number of other side effects which directly impact the energy industry. For example, the Allocation Program itself by preserving historical relationships, restricting markups and recognizing pricing distinctions by functional levels, has tended to reinforce the position of the major oil companies with respect to vertical integration. Under the Federal Energy Program, it is desirous for a company to control as many levels of the distribution system as is possible in order to have maximum benefit of functional level markups, as well as better control over the ultimate distribution of petroleum products.

For example, the regulations leave the acceptance of new customers largely to the discretion of the suppliers who are usually the major oil companies. These majors obviously have a preference for new business entities in which they directly participate, and since they are encouraged to function as arbiters of competing interests they are in an ideal position to exercise their preferences. Oftentimes, this phenomenon occurs at functional levels or regulatory levels which are beyond the reach of most small businessmen, with the result being no effective countervailing private spokesmen. Once again, this provides a fertile area for the involvement of trade associations to serve as monitors of private implementation of the energy program in order to avoid the disturbing trend towards total integration of our energy industry.

The scarcity and uncertainty of fuel supplies has also encouraged more and more companies to attempt to obtain guaranteed sources of fuel through acquisition or merger. This has created a different, but equally important, pressure toward vertical integration which can present serious antitrust problems for the unwary. The foreclosure of energy supplies to competitors which can result from this practice is equally dangerous.

Because these moves are generated by crisis, they often occur without the careful deliberation they should receive. Furthermore, because of the pace of these developments, federal regulatory scrutiny is often delayed with the result that companies are often irrevocably committed to a course of conduct prior to any hint of regulatory disapproval.

In such situations, the trade association can be a key instrument of education and caution. Associations must endeavor to detect such trends in their industry, determine the official government reaction and advise their membership of all the ramifications of such conduct.

Perhaps the most threatened group of businessmen victimized by the energy crisis is the independent, non-branded gasoline dealers. Traditionally, these entrepreneurs purchased on the open spot market because they were unable to obtain long-term supply contracts from the major oil companies. The spot market consists largely of imported oil and surplus production from domestic sources. Under the Federal Energy Administration's two-tier pricing program for crude oil, imported oil and surplus production described as "new crude" had permissible price levels oftentimes double and triple those applicable to old crude oil supplies.

The result during the energy crisis of 1973–74 was that independent, non-branded dealers were forced to purchase from the most volatile supply market at the most exorbitant price levels. Since volume is often the key to discount gasoline sales, the allocation restrictions coupled with the exorbitant price of the spot market seriously damaged the independent, non-branded dealers.

While it would not be appropriate to suggest that they should have undertaken some group effort to combat this in the marketplace, it was and will remain essential that they do obtain competent national spokesmen who can present their case in the most favorable light in the appropriate regulatory agencies of the government. Once again, the trade association is the critical vehicle; but, it in turn must be familiar with the competitive ramifications of the situation with which it is dealing and must be able to act in a fashion which reflects the interests of its membership while avoiding the restraints on trade that could run it afoul of the antitrust laws.

The most difficult single problem created by the energy crisis for trade associations was the critical conditions that could develop almost overnight in a given industry and which in turn would bring enormous pressures on trade organizations to undertake oftentimes desperate and reckless measures to combat the crisis.

The best example is the conduct of the independent truckers during the winter of 1973–74. The sudden, unpredicted and often arbitrary reductions in diesel fuel occasioned by the Allocation Program quickly translated into struggles for business survival for much of the independent trucking industry. Lacking the long-term guaranteed supplies of the large trucking concerns and forced to purchase fuel at exorbitantly high market prices, these truckers generated enormous pressure for instantaneous action by their industry representatives.

The result was a national confrontation which sorely damaged the public image of the independent trucker and introduced elements of violence and coercion which have no place in a free society. While I will not presume to reexamine that situation with the perfect vision of hindsight, I am convinced that there is a lesson to be learned from it for every trade association in the United States.

We now know that this nation is to be afflicted with an energy shortage for the foreseeable future. We further know that that shortage will, from time to time, create severe and sometimes catastrophic shortages for particular industries. We also know that unless the industry has prepared in advance to deal with these situations in an efficient and carefully planned manner, there is a strong likelihood that segments of the industry will take matters into their own hands, and with often dangerous and undesired results.

Obviously, any trade association action in the field of energy can have competitive ramifications for industry members. However, there are ways in which these difficulties can be coped with by the association and indeed must be coped with if the association is to be responsive to its membership. Certainly, there can be dangers in a trade association seeking to obtain allocation priorities for its industry over that of a competing industry. But these dangers are not insurmountable and indeed go to the very essence of the purpose of a trade association. While a degree of care must always be exercised when an associate works toward the competitive advantage of the industry it represents, think how that is far more desirable than a situation where, out of desperation, the individual competing members are forced by crisis to band together outside the association in order to take direct competitive action.

I realize that I have spent a considerable time discussing the various storm clouds for trade associations created by our nation's current economic, environmental and energy problems. Let me now turn for a moment to at least one silver lining that seems to be emerging from all this bad weather.

The Department of Commerce has recently undertaken a number of steps which could signal a shift from the Government's *Smog* decree philosophy. The Department recently announced that it is developing joint research proposals in the energy field which hopefully will result in a "blueprint" for joint research and development which is acceptable to the Justice Department. In addition, the Commerce Technical Advisory Board has released a set of general guidelines on current antitrust enforcement policy for companies interested in joint R&D projects.

While I would have to describe this as a small first step toward recognition of the vital role of industry-sponsored R&D, it nonetheless is certainly a step taken in the right direction which, hopefully, will be quickly followed by many more.

FOOTNOTES

[1] "The Quality of Life and the Antitrust Laws," Address by Mr. McLaren, Spring Meeting of the Antitrust Section, American Bar Assn., April 1, 1971.

[2] "Innovation Insurance: Private or Public?," Address by Mr. Kauper, Seminar on Institutional and Legal Constraints to Cooperative Energy R & D, December 16, 1974. Mr. Kauper acknowledged that when joint research benefits rather than harms competition, antitrust law should not be an impediment.

[3] *United States* v. *Automobile Mfrs. Ass'n.*, 1969 Trade Cases ¶ 72, 907 (C. D. Calif. 1969).

[4] The efficiency of catalytic converters is a matter of widespread debate.

[5] The Senate Commerce Committee stated as early as 1967 that industry cooperation could be of value in searching for solutions to the problem of air pollution. *See*, S. Rep. No. 403, 90th Cong., 1st Sess. 18–19 (1967).

[6] Kirk, "The Quality of Life and the Antitrust Laws: An EPA Perspective," 40 *ABA Antitrust Journal* (1971) at 296.

[7] Section 308 of the Clean Air Act provides for the mandatory licensing of patents in certain situations. While this may serve to protect smaller firms in certain situations, it may also discourage investment in research and development.

[8] *See, e.g., Milk and Ice Cream Can Institute* v. *FTC*, 152 F. 2d 478 (7th Cir. 1946); *C-O-Two Fire Equipment Co.* v. *United States*, 197 F. 2d 489 (9th Cir. 1952).

[9] *See, e.g., Radiant Burners Inc.* v. *People Gas Light & Coke Co.*, 364 U.S. 656 (1961); *United States* v. *American Society of Mechanical Engineers*, Civ. No. 70 Civ. 3141 (S.D.N.Y. 1972) (consent decree).

[10] *See, e.g., FTC* v. *Fashion Originators Guild*, 312 U.S. 457 (1957).

[11] *See, e.g.*, FTC Staff Study on Industry Self-Regulation; *The Society of Plastics Industry, Inc.*, FTC File No. 732 3040.

[12] *See, e.g.*, G. Lamb & C. Shields, *Trade Association Law and Practice*, 78, 86–87 (1971), and the cases cited therein.

[13] *See* letter from Thomas Kauper, U.S. Dept. of Justice, to Paul W. Holland, Bureau of Product Safety, March 28, 1973, in 608 ATRR D-1 (April 10, 1973).

[14] I should disclose that I am general counsel of the Motor and Equipment Manufac-

turers Association, the trade association which was the original proponent of this program. My comments should of course be viewed in that light.

[15] 39 *Fed. Reg.* 40192 (Nov. 14, 1974).

[16] *Id.*

[17] *See* FTC Advisory Opinion Digest No. 287, 1966–70, *FTC Complaints and Orders* (CCH) ' 16,499 (Sept. 17, 1968). The recreational vehicle industry has recently initiated just such an advertising program.

[18] *See, e.g., Eastern Railroads Presidents Conference* v. *Noerr Motor Freight, Inc.*, 365 U.S. 127 (1961); *California Motor Transport Co.* v. *Trucking Unlimited*, 404 U.S. 508 (1972); *Woods Exploration & Producing Co.* v. *Aluminum Co. of America*, 438 F.2d 1286 (5th Cir. 1971).

[19] *See Association of Data Processing Service Organization* v. *Camp*, 397 U.S. 150 (1970); *Society of Plastic's Industry* v. *New York City*, 3 E.R.C. 1370 (N.Y. Sup. Ct. 1971); *Mutation Mink Breeders Assn.* v. *Lou Nierenberg Corp.*, 23 F.R.D. 155 (S.D.N.Y. 1959).

SITUATION OF ETHNIC ALBANIANS IN YUGOSLAVIA

(Mr. BROOMFIELD asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. BROOMFIELD. Mr. Speaker, there are many thousands of Albanian-Americans living in the greater Detroit area; known for their industry and law-abiding nature, they have played an important role in the economic, civic, and cultural life of the city.

I was visited this week by a delegation of leading Albanian-Americans that included a close friend and constituent, Mr. Ekrem Bardha of Birmingham, Mich. Other members of the group were Mr. Hafizi Yousef Azem, a member of the Central Committee of Balli Kombetar and Union of Kossovars; Dr. Faton Gashi; Professor Floschar of Taylor, Michigan; and Mr. Shaqir Salhi, a teacher from Washington, D.C.

These gentlemen called on me to express their deep anxiety over the situation of ethnic Albanians residing in Yugoslavia. There are at least 1.5 million, and possibly over 2 million, Albanians living in Yugoslavia; they constitute an underprivileged minority in that country and there are indications that they do not enjoy the same measure of civil rights and economic opportunity accorded to their fellow countrymen. Their plight is of understandable concern to the Albanian community in the United States, and I would like to associate myself with this concern.

I was informed by the delegation that late last year ethnic Albanians studying at Pristina University demonstrated peacefully for equal civil rights and improved economic conditions in their region. Scores of students reportedly were arrested and, early this year, several were tried and sentenced to three to 9 years at hard labor on charges of irredentism and plotting against the state.

The harsh treatment apparently meted out to the Albanian students at Pristina stands in stark contrast to the more lenient attitude of the government of Yugoslavia in dealing with other student demonstrations.

All of us are aware that Yugoslavia is a nation of minorities—there are some 22 distinct ethnic groups in the country. However, I do not think it is too much to ask, in an era of détente and improved bilateral relations between Yugoslavia and the United States, that ethnic Albanians be accorded rights and treatment equal to other minorities in Yugoslavia. We obviously cannot dictate the terms on which Yugoslavia deals with its citizens of Albanian descent, but I would like to register my strong personal concern on this issue and my hope that the Government of Yugoslavia will act to insure equal rights for all its citizens.

The overseas Albanian community has protested the Pristina sentencing to high-level officials in this country and in Western Europe, to Amnesty International and to the European Federation of Minorities. To date, they have had no satisfaction.

We in the United States tend to focus our foreign policy concerns on issues of global significance. Yet, with our long history as a compassionate nation concerned with the rights of man, I believe the status of ethnic Albanians in Yugoslavia—a human problem of intense concern to many of our citizens—merits our attention and sympathy. These people, as full-fledged citizens of Yugoslavia, deserve to be treated on an equal basis with other minorities in that country. They deserve our support in calling attention to their situation.

I, therefore, urge the Department of State to use existing diplomatic channels to bring our concern about ethnic Albanians to the attention of the appropriate Yugoslav authorities. I recommend that the U.S. representative at the United Nations Commission on Human Rights bring the recent sentencing of ethnic Albanians to the attention of the Commission. I also propose that, as a signal of our concern, Radio Free Europe give serious consideration to broadcasting in the Albanian language and that the United States Information Agency look into all possibilities of reaching Albanians living in Yugoslavia.

Finally, Mr. Speaker, I would like to include in the Record an article from the January 16 New York Times detailing the sentencing of the Albanians involved in the Pristina demonstrations.

The text of the article follows:

YUGOSLAVIA JAILS 4 ETHNIC ALBANIANS

(By Malcolm W. Browne)

BELGRADE, YUGOSLAVIA, January 15.—Four Yugoslavs of Albanian origin have been tried and imprisoned on charges of plotting against the state and the Communist party.

The intent appeared to be to discourage organized dissent in the Serbian province of Kosovo, whose predominantly Albanian population is by far the poorest in Yugoslavia. Sociolligists have likened the position of Albanians in this multinational society to that of blacks in the United States.

An announcement by the state press agency, Tanyug, did not disclose details of the trial or the charges. It said that the trial had "proved the defendants' enemy activity, conducted in the form of irredentism, to have been aimed against the socialist self-management system in Yugoslavia." They were sentenced to terms of three to nine years.

The use of the term "irredentism"—meaning the belief that peoples of the same linguistic and ethnic heritage should belong to one nation—implies that the defendants advocated the secession of Kosovo from Yugoslavia so it could be joined to neighboring Albania.

A special relationship has long existed between Kosovo and Albania, which is the most xenophobic nation in Europe. An ally of China, she rejects any but the most formal contacts with the rest of the world and her borders are generally closed.

Such formality applies to neighboring Yugoslavia, despite diplomatic and trade relations. While most Yugoslav citizens are barred from private travel to Albania, ethnic Albanians may travel fairly freely to and from Albania.

The defendants at the trial, which took place in Pristina, capital of Kosovo, were charged with belittling the position of region and of Albanians generally in Yugoslav society. They were also accused of pro-Soviet leanings.

Despite almost daily denials, Yugoslav officials are showing growing concern about the potentially centrifugal effects of nationalist forces among peoples of distinct linguistic, ethnic and religious backgrounds. There also appears to be increasing official resistance to divergence from the party line.

CUBAN INDEPENDENCE DAY

(Mr. ALBERT (at the request of Mr. Fisher) asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. ALBERT. Mr. Speaker, I am pleased to join my colleagues in commemorating the 73d anniversary of the attainment of independence by Cuba.

On May 20, 1902, Gen. Leonard Wood of the U.S. Army relinquished his authority in the governance of Cuba to Tomas Estrada Palma, Cuba's first elected President and the successor to Jose Marti as head of the Cuban Revolutionary Party.

The American occupation of Cuba, after the Spanish-American War, had achieved strikingly beneficial results. Famine and disease, which had been rampant, were greatly reduced. Industrial and agricultural production, formerly at a standstill, were revived.

Particular attention was given by the American military Government to health and education. Hospitals were built, sanitation improved, and yellow fever eradicated. A public school system was established and the university modernized. The judicial system was reorganized, buildings and other facilities provided, and judges placed on salaries for the first time.

An electoral law gave the franchise to adult males who could read, who owned property, or who had served in the army. Elections for municipal offices were held in June 1900, and, in September 31 delegates were elected to the Constitutional Convention which drafted the Constitution of 1901.

Thus it was that the United States helped Cuba win its independence from Spanish rule and helped set it on its course as a new country.

On this anniversary of Cuban independence, it is appropriate that we mark that event's significance and express the hope that eventually the Cuban people may once again know the blessings of freedom and independence. The Cuban people, still believing, as did their great poet and patriot, Jose Marti, that "the

general happiness of a people rests on individual independence," will someday regain their precious freedom.

Cubans who have fled to the United States to become enthusiastic new American citizens, particularly in the Miami area, have shown outstanding diligence in all of their undertakings. There are some 7,000 businesses owned by Cuban Americans, among them a $55 million shoe factory. There are 17 private schools and at least a dozen clinics which they own and operate. Biscayne Towers, one of Miami's most imposing structures, was designed and built by members of the Cuban-American community.

On this anniversary, we express our admiration for the great Cuban people, those in our midst, and those in their native land, where independence was achieved 73 years ago.

FAILURE OF FEDERAL AGENCIES TO ENFORCE PROVISIONS OF DAVIS-BACON ACT

(Mr. DOMINICK V. DANIELS asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. DOMINICK V. DANIELS. Mr. Speaker, as a result of hearings on unemployment which I conducted in my district yesterday, I missed several votes. I am, therefore, stating for the record my position on the issues which were before the House.

The hearings which I conducted together with my good friend, Senator Harrison A. Williams, chairman of the Senate Labor and Public Welfare Committee, were joint hearings with that committee and the House Education and Labor Subcommittee on Manpower, Compensation and Health and Safety of which I am the chairman. The subject of the hearings was the effect on unemployment in New Jersey of the failure of various Federal agencies to enforce the provisions of the Davis-Bacon Act.

As a result of yesterday's preliminary session, we found that since the overwhelming number of New Jersey contractors have union contracts, the failure of Federal agencies to require that contractors on Federal projects pay the prevailing wage rates results in severe unemployment in the construction industry among those union contractors. Unscrupulous, fly-by-night contractors operating out of suitcase and working on Federal projects are hiring cheap, often unlicensed, labor to do electrical, plumbing, and other critical construction work. In several instances, we learned that these contractors employed illegal aliens to work on Federal projects.

Mr. Speaker, while I regret being unable to vote on the matters before the House yesterday, unemployment in my district has reached well over 15 percent. It is my intention that these hearings and the continued investigation will help to alleviate that unemployment problem. Had I been present yesterday I would have voted in the following manner:

First. H.R. 4073, Appalachian Regional Development Act—"Yea."

Second. H.R. 12, Executive Protection Service—"Yea."

Third. H.R. 5710, Marine Protection Research and Sanctuaries Act—"Yea."

Fourth. Amendment to H.R. 6674 seeking to eliminate $260.3 million authorized for procurement of AWACS command and control aircraft—"No."

Fifth. Amendment to H.R. 6674 that sought to delete $46 million authorized for conversion of civil reserve air fleet—"No."

Sixth. Amendment to H.R. 6674 that sought to delete $108 million authorized for procurement of B–1 bomber—"No."

UNHATCHING OUR FEDERAL EMPLOYEES

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, I recently had the opportunity to submit testimony for the record at hearings held in New York City on Congressman Clay's bill to reform the Hatch Act.

Since I feel very strongly about this act and its infringement upon the basic rights of Federal employees, I would like to insert into the Record the testimony I presented in order to make my position on this important matter known:

TESTIMONY OF CONGRESSMAN RICHARD L. OTTINGER

Mr. Chairman, I am grateful for the opportunity to submit testimony on behalf of legislation I have co-sponsored to curtail one of the most flagrant violations of individual rights this country has ever witnessed—the Hatch Act.

As a co-sponsor of your bill (H.R. 3935) to permit civilian employees of the Federal Government to participate fully in the political life of our Nation and at the same time insulate them from improper political solicitation, I hope that the 94th Congress will move swiftly to grant these individuals the opportunity to exercise their fundamental rights under the Constitution. It is indeed appalling that we have tolerated the unfairness of the present system for some 36 years now, and I am encouraged by the degree of interest that has been shown in correcting this situation in the 94th Congress.

A great deal of the confusion that surrounds enforcement of the Hatch Act is due to the vagueness of its wording and the consequent difficulties in applying it properly in individual cases. Such vagueness has not only complicated the difficulties of the courts in interpreting the law, but has also permitted past Administrations to compound the abuses inherent in the basic concept by incredibly restrictive interpretations.

The major provisions of our Hatch Act reform legislation would redefine the meaning of political management and campaigns to permit the following activities:

Candidacy for service in political conventions.

Participation in political meetings and primary campaigns.

Involvement in the preparations for or organization and conducting of political meetings and rallies.

Membership in political clubs and organizations.

Distribution of campaign literature and wearing and distributing campaign badges and buttons.

Having a publishing, editorial or managerial connection with political publications.

Participating in a political parade.

Circulating nominating petitions.

Candidacy for public office.

The proposed bills would also authorize voluntary political contributions by employees of the Federal Government and permit them to express their political views so long as this is not done by using any authority or influence which may belong to them by virtue of their employment by the Federal Government.

I believe that this last provision is especially significant, since it prohibits coercion of fellow employees, on-the-job solicitation of political contributions and other abuses that could be carried on in connection with official authority. Thus, higher level employees are prohibited from imposing their private political views on subordinate personnel and at the same time these subordinates may feel free to express their opinions without fear of reprisals from above. I enthusiastically support continuation of this type of protection for Federal employees.

Today the Federal work force is approaching the figure of 3 million individuals. There are some 200,000 persons so employed in New York State, nearly half of them in the New York City area. It is imperative that we act as quickly as possible to include these people, the last remaining group to fall outside of the protection the Constitution affords regarding political freedom, in the mainstream of American political life by extending to them the right to voice their opinions and support their candidates.

Federal employees pay taxes. They have an unusual stake in Federal policies. To continue to deprive them of their political rights is a travesty. Mr. Chairman, I offer my complete support to you in this effort, and I am proud to have the opportunity to work with you to correct the abuses of the Hatch Act.

CHEMICAL WARFARE—BROWN RESPONSE

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, on March 18, 1975, I printed in the Record a letter to the Chairman of the Joint Chiefs of Staff, Gen. George S. Brown, raising certain questions about the Department of Defense position on chemical warfare as stated in the U.S. military posture for fiscal year 1976. (See Record, pages 7077–7079 for that letter and the military posture statement.)

I would like to provide the Members with General Brown's response. His letter follows:

CHAIRMAN OF THE
JOINT CHIEFS OF STAFF,
Washington, D.C., April 22 1975.

Hon. RICHARD L. OTTINGER,
House of Representatives,
Washington, D.C.

DEAR MR. OTTINGER: This is in further response to your letter of 11 March 1975 in which you asked a number of questions concerning chemical munitions. Initially, I would like to summarize the rationale behind our current chemical policy.

During World War II, President Roosevelt made a number of announcements concerning U.S. chemical policy. His strong personal hatred of gas warfare is well known and was evident throughout his announcement on 8 June 1943. The President forcefully declared "we shall under no circumstances resort to the use of such weapons unless they are first used by our enemies. . . . Any use of gas by any Axis power, therefore, will immediately be followed by the fullest possible

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retaliation (in kind) upon munitions centers, seaports, and other military objectives throughout the whole extent of such Axis country."

The present U.S. policy on chemical warfare and biological research is based on Presidential decisions of 25 November 1969 and 14 February 1970. The President, on 25 November 1969 completely renounced any use of lethal biological agents and weapons and all other methods of biological warfare. He announced that the U.S. would confine its biological research to defensive measures such as immunization and safety measures. The President also reaffirmed the U.S. policy of no first use of lethal chemical weapons and extended this no first use policy to cover the use of incapacitating chemical agents. On 14 February 1970, the policy on biological agents and weapons was extended to include even chemical toxins.

There is a commonly held misconception that our recent ratification of the 1925 Geneva Protocol removes any chemical threat to U.S. forces. This is not the case. The Protocol limits the "first use" of lethal chemicals but does not address the production and stockpiling of such weapons. The U.S.S.R., the United Kingdom, the Peoples Republic of China, and now the United States, among others, have found that their vital national interests require that they enter reservations to the Protocol preserving the right to retaliate with chemical weapons to a chemical first attack. Thus, the Protocol actually prohibits only "first use" of the weapons it covers. Since the U.S. long ago renounced first use of lethal chemical weapons, ratification renders more formal what has been a longstanding U.S. policy. The issue then narrows to the question of whether the United States requires the limited retaliatory stockpile necessary to deter use by others. In my military judgment, the safety and security of the United States Armed Forces requires this capability.

You are correct when you interpret my remarks as indicating an intelligence estimate of a very strong Soviet offensive chemical weapons capability. The Soviet Union and the Warsaw Pact present a serious potential threat to US and Allied forces in Europe and elsewhere. We believe that the USSR is better prepared to operate offensively and defensively in a chemical warfare environment than any other nation in the world. The significance of what we found after the most recent Middle East war was in its role as evidence of the emphasis the Soviets are placing on improving their already impressive chemical capability. If you have any question about the seriousness of this potential threat, the Defense Intelligence Agency is prepared to provide a detailed classified briefing on this subject.

The objective of the US chemical policy and program is to deter the use of chemical weapons by other nations by providing a capability to retaliate with chemical weapons should deterrence fail. Historically, the use of chemical weapons in war has been restrained by the threat of retaliation in kind. It is generally concluded that fear of retaliation best explains why the Nazis did not use the nerve agents they had developed in the early stages of World War I. This same threat of retaliation upon the potential user and his allies clearly shaped decisions by both Allied and Axis powers throughout World War II. We believe that such a retaliatory capability continues to serve as a deterrent today.

Despite the assertions made to the contrary, our current stockpile does not ensure an adequate retaliatory capability. It is inadequate both in quantity and in composition. It is aging. The last production order for for agent GB was in FY 57 and FY 61 for agent VX. We have provided detailed classified information to the Armed Services and Appropriations Committees concerning the status of the stockpile in connection with the testimony surrounding the posture statements. I would be pleased to provide any additional information any Member of Congress may require. Modernization of the chemical munitions stockpile is needed if the US is to maintain a limited, but credible, capability in this area.

To provide such a capability, binary munitions are being planned as a means of modernizing a portion of our chemical warfare deterrent stockpile. These weapons are designed with two relatively harmless chemical components which are mixed during the flight of an artillery projectile to produce upon impact the same lethal nerve agents found in our current stockpile. They provide significant operational and safety advantages over any other known approach which could have been selected for modernization. Operationally, a binary weapon would be shipped and stored in a fail-safe mode by physically separating the two components.

Some have suggested that we entirely abandon our retaliatory capability and adopt a defensive-only posture relying upon our nuclear deterrent to deter any chemical attack as well. Reliance upon a nuclear deterrent risks lowering the nuclear threshold by denying an option which falls between conventional munitions and escalation to tactical nuclear weapons. You recall, I am sure, the judgment expressed in the 1974 report of the House Foreign Affairs Committee on the "Ratification of the Geneva Protocol of 1925" where it is stated that the "suggestion of looking to U.S. nuclear capability as a deterrent to any CW first strike is an extreme alternative that would require full and careful review." The risks inherent in a strategy which makes nuclear war more likely far outweigh the savings which would result from abandoning the modernization program.

In my judgment, an effective deterrent requires a force fully prepared with protective equipment and having a credible ability to retaliate. Detailed responses to your questions are attached. The President has recommended that we develop and maintain a capability to deter chemical warfare. This posture has protected the United States for almost a half century. The issue really is, "Should we abandon this proven posture for an unproven one?"

I appreciate your interest and share your concern for ensuring that the appropriate course of action is taken in response to this threat to our national security. I especially welcome your assurance that this information will be made available to the other Members of Congress. I will provide whatever additional information you feel you require in order to make an informed judgment on this issue.

Sincerely.

George S. Brown,
General, U.S. Air Force.

THE "MAYAGUEZ" INCIDENT

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, the United States has not seen "gunboat diplomacy" since the years of World War I, but last week we saw it resurrected in a new and different form. A number of my constituents have written to me in protest over the President's resort to premature and excessive military action creating unnecessary risks and loss of life in rescuing the captive ship, the *Mayaguez*.

I am deeply distressed by what I view as a hasty overreaction by the President to the critical *Mayaguez* situation. Another 48 hours of negotiation and mature diplomacy might have achieved the same result without the loss of American lives that occurred, not to mention the damage to our relations with Thailand and Japan.

I wish that President Ford and Secretary of State Kissinger would be able to see past the short-range praise they have received for this episode and realize how dangerous a path they pursued. Anthony Lewis this morning published an excellent article in the New York Times on the *Mayaguez* incident and for the benefit of my colleagues who are concerned about the course of American foreign policy, I am inserting the column in the Record:

The Morning After

(By Anthony Lewis)

Chicago.—The rule laid down by the United States in the Mayaguez affair must go something like this:

When a foreign country seizes an American ship, claiming a violation of its waters, the U.S. will unilaterally judge that legal claim. If we reject it, we shall demand the ship's release, allow a day or two for its return and then launch a military attack. As one distinguished voice put it in commenting on the Mayaguez: "Once established diplomatic procedures had failed to achieve prompt recovery . . . President Ford had no alternative but to employ direct military means."

Exactly: No alternative but immediate force. So the next time Ecuador seizes an American tuna boat for fishing within a claimed 200-mile limit that we do not recognize, Washington will give Ecuador a day or two and then bomb. And the next time we seize a Russian vessel for fishing within our claimed limit, all who cheered the Mayaguez action will understand and sympathize when the Soviets serve an ultimatum on us.

Wise decisions by governments, as by judges, require dealing with particular facts in terms of larger principle. That is the case at hand must be decided with an eye for the consequences in cases as yet unimagined.

By that standard the American action against Cambodia last week was folly. It reflected no general principle of law, diplomacy or morals that we would really be prepared to follow in other cases. For all the bluster and righteous talk of principle, it is impossible to imagine the United States behaving that way toward anyone other than a weak, ruined country of little yellow people who have frustrated us.

Respect for facts goes along with respect for principle in wise decisions. Do we know the facts of the Mayaguez affair? Does what we know give us confidence in the wisdom and humanity of our government's actions? Consider just three questions.

1. Was there any ground for Cambodian suspicion of the Mayaguez?

A Cambodian communique said that American observation planes had flown over the country daily since the Khmer Rouge victory last month. It said that small boats carrying Thai and Cambodian agents with radio equipment and bombs had been caught in Cambodian waters. It said the Mayaguez had entered those waters and was stopped for questioning.

The United States has made reconnaissance flights and tried to land spies elsewhere in the past. When the Pentagon Papers were published in 1971, we learned that before the Tonkin Gulf incident of 1964 there had been provocative raids against North Vietnam. Are we sure the Cambodians had no reason to be edgy when they saw the Mayaguez? Are we sure the ship was in international waters?

2. How much time was allowed for diplomacy?

At 5:03 A.M. May 12, Eastern daylight time, Washington heard about the seizure of the Mayaguez. At 2:00 P.M. that day the White House announced the news and began diplomatic efforts for release of the ship.

The Cambodian communiqué said U.S. planes began strafing and bombing around the ship and islands about five hours after the White House announcement. The delayed United States report put the first air attack on Cambodian gunboats at 1:00 A.M. May 14, or 35 hours after diplomatic moves began. When were the first attacks? In any event we allowed less than a day and a half for a response from the untried and isolated government of a shattered country.

3. What was the purpose of U.S. military action?

The official reason was to save American lives and property. But the timing suggests there was more to it than that.

At 8:15 P.M. May 14 Washington learned of a Cambodian broadcast offering to return the Mayaguez. At 9:15 the White House demanded the crew be released and promised to cease military action if it was. At 10:53 the United States destroyer Wilson, communicating from the scene, said a small boat was approaching with at least thirty white men aboard. At 10:57, nevertheless, United States planes bombed a Cambodian airport miles away. At 11:14 President Ford was told that all the crew was safe. At 11:50 United States planes bombed an unused oil refinery.

That record speaks volumes. The last attacks, at least, could only have been punitive in purpose. They were designed to punish a "little half-assed nation," in Senator Barry Goldwater's inelegant phrase.

Bombing an unused refinery after the ship and crew were recovered: That's really big brave stuff. It was indeed Barry Goldwater's vision of America that prevailed last week: a bully among nations, acting without consultation, without concern for facts or principle.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Broyhill (at the request of Mr. Rhodes), until 3:30 this afternoon, on account of official business.

Mr. Hefner (at the request of Mr. O'Neill) , until 3 p.m., today, on account of official business.

Mr. Morgan (at the request of Mr. O'Neill), for today, on account of official business.

Mr. Murtha (at the request of Mr. O'Neill), for May 20 through May 22, on account of death in the family.

Mr. Neal (at his own request), from 10 a.m. till 12 noon, today, on account of official business.

Mr. Thompson (at his own request), for May 21, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Evins of Tennessee, for 5 minutes today, after other special orders.

Mr. Randall, for 60 minutes, May 21, 1975.

(The following Members (at the request of Mr. Schulze) to revise and extend their remarks and include extraneous material:)

Mr. Talcott for 10 minutes, May 21, 1975.

Mr. Crane, for 5 minutes, today.

Mr. Shriver, for 5 minutes, today.

Mrs. Heckler of Massachusetts, for 5 minutes, today.

Mr. Bauman, for 10 minutes, today.

Mr. McKinney, for 5 minutes, today.

Mr. Kemp, for 10 minutes, today.

Mr. McClory, for 30 minutes, May 22, 1975.

(The following Members (at the request of Mr. Fisher) to revise and extend their remarks and include extraneous material:)

Mr. Gonzalez, for 5 minutes, today.

Mr. Metcalfe, for 15 minutes, today.

Mr. Vanik, for 5 minutes, today.

Mr. Bedell, for 5 minutes, today.

Mr. Montgomery, for 10 minutes, today.

Mr. McKay, for 5 minutes, today.

Mr. Drinan, for 10 minutes, today.

Mr. Fraser, for 5 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. McFall, for 5 minutes, today.

Mr. Dodd, for 5 minutes, today.

Mr. Hays of Ohio, for 10 minutes, today.

Ms. Abzug, for 10 minutes, today.

Mr. Bonker, for 5 minutes, today..

Mr. Brown of California, for 5 minutes, today.

Mr. Hungate, for 5 minutes, today.

Mr. Conyers, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Evins of Tennessee, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $765.

Mr. Bingham, to extend his remarks just before the last vote.

Mr. Neal, to extend his remarks immediately following the final vote on H.R. 6674.

Mr. Gude, immediately prior to the vote on the Aspin amendment.

Ms. Abzug, to extend her remarks before the vote on the Leggett amendment and also before the vote on the Aspin amendment.

(The following Members (at the request of Mr. Schulze) and to include extraneous matter:)

Mr. Coughlin.
Mr. Myers of Indiana.
Mr. Derwinski in three instances.
Mr. Pritchard.
Mr. Frenzel in three instances.
Mr. Guyer.
Mr. Armstrong.
Mr. Grassley.
Mr. Conlan.
Mr. Frey.
Mr. Goldwater.
Mr. Harsha.
Mr. Talcott in three instances.
Mr. Kemp.
Mr. Gilman.

(The following Members (at the request of Mr. Fisher), and to include extraneous matter:)

Mr. Gonzalez in three instances.
Mr. Anderson of California in three instances.
Mr. Rosenthal.
Mr. Wolff in three instances.
Mr. Beard of Rhode Island.
Mr. O'Neill.
Mr. Dan Daniel.
Mr. Fraser.
Mr. Downey of New York in five instances.
Mr. Mineta.
Mr. Richmond.
Mr. Santini in two instances.
Mr. Brodhead in two instances
Mr Patten.
Mr. Gaydos in 10 instances.
Mr. Biaggi in 10 instances.
Mr. Studds.
Mr. Chappell in five instances.
Mr. Edwards of California.
Mr. Long of Maryland.
Mr. Lloyd of California.
Mr. Chisholm.
Mr. Jenrette.
Mrs. Spellman in two instances.
Mr. Rangel.
Mr. McDonald of Georgia in three instances
Mr. Wirth.
Mr. Hébert.
Mr. Drinan in 10 instances.
Mr. McKay.
Mr. Waxman.
Mr. Bonker in two instances.
Mr. Nowak.
Mr. Fithian in five instances.
Mr. Stuckey.
Mr. Annunzio.
Mr. Udall.
Mr. Holland in two instances.
Mr. Mikva.
Mr. Conyers in three instances.
Mr. John L. Burton.

SENATE BILL REFERRED

Bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 846. A bill to authorize the further suspension of prohibitions against military assistance to Turkey, and for other purposes; to the Committee on International Relations

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ENROLLED BILL SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 4269. An act to amend the Organic Act of Guam and the Revised Organic of the Virgin Islands.

BILL PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 4269. An act to amend the Organic Act of Guam and the Revised Organic Act of the Virgin Islands.

ADJOURNMENT

Mr. FISHER. Mr. Speaker, I move that the House do now adjourn.

UMI

The motion was agreed to; accordingly (at 9 o'clock and 3 minutes p.m.), the House adjourned until tomorrow, Wednesday, May 21, 1975, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. RODINO: Committee of conference. Conference report on H.R. 6755 (Rept No. 94-230.) Ordered to be printed.

Mr. HAYS of Ohio: Committee on House Administration. House Resolution 427. Resolution to provide funds for the expenses of the investigation and study of the exploration and exploitation of the Outer Continental Shelf to be conducted by the ad hoc Select Committee on the Outer Continental Shelf; with amendment (Rept. No. 94-231). Referred to the House Calendar.

Mr. HENDERSON: Committee on Post Office and Civil Service. H.R. 6706. A bill to clarify existing authority for employment of personnel in the White House Office, the Executive Residence at the White House, and the Domestic Council, to clarify existing authority for employment of personnel by the President to meet unanticipated personnel needs, and for other purposes; with amendment (Rept. No. 94-232). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ARCHER:

H.R. 7116. A bill to provide a tax credit for expenditures made in the exploration and development of new reserves of oil and gas in the United States; to the Committee on Ways and Means.

By Mr. SHARP (for himself, Mr. Brodhead, Mr. Eckhardt, Mr. Moffett, and Mr. Wirth):

H.R. 7117. A bill to require automobile manufacturers to meet mandatory fuel economy standards; to the Committee on Interstate and Foreign Commerce.

By Mr. ARCHER (for himself, Mr. Andrews of North Dakota, Mr. AuCoin, Mr. Bafalis, Mr. Burgener, Mr. Collins of Texas, Mr. Derwinski, Mr. Devine, Mr. Emery, Mr. Frenzel, Mr. Gradison, Mr. Hagedorn, Mr. Hyde, Mr. Kemp, Mr. Ketchum, Mr. Kindness, Mr. Lent, Mr. Martin, Mrs. Pettis, Mr. Robinson, Mr. Runnels, and Mr. Sebelius):

H.R. 7118. A bill to require that estimates of the average cost for each taxpaying family be included in all bills and resolutions of a public character introduced and reported in the Senate and the House of Representatives; to the Committee on Rules.

By Mr. ARCHER (for himself, Mr. Symms, Mr. Treen, Mr. Winn, Mr. Milford, and Mr. Lagomarsino):

H.R. 7119. A bill to require that estimates of the average cost for each taxpaying family be included in all bills and resolutions of a public character introduced and reported in the Senate and the House of Representatives; to the Committee on Rules.

By Mr. BEARD of Rhode Island (for himself, Mr. John L. Burton, Mr. Vander Veen, Mr. Solarz, Mr. St Germain, Mr. Won Pat, Mr. Badillo, Mr. Waxman, and Ms. Abzug):

H.R. 7120. A bill to provide useful work to unemployed individuals in activities which promote the public welfare; to the Committee on Education and Labor.

By Mr. BENITEZ:

H.R. 7121. A bill to amend section 125 of the Elementary and Secondary Education Act of 1965 to include the Commonwealth of Puerto Rico in the provision for minimum payments for State-operated programs; to the Committee on Education and Labor.

By Mr. BIAGGI (for himself, Mr. Roe, Mr. Ottinger, Mr. Charles Wilson of Texas, Mr. Nix, Mr. Ketchum, Mr. Downey of New York, Mr. Bevill, Mr. Zeferetti, Mrs. Boggs, Mr. Santini, Mr. John L. Burton, Mr. Beard of Rhode Island, Mr. LaFalce, Mr. Blanchard, Mr. Dominick V. Daniels, Mr. Eilberg, Mr. Murphy of New York, and Mr. Moore):

H.R. 7122. A bill to authorize the Secretary of the Interior to establish a National Law Enforcement Heroes Memorial within the District of Columbia, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BRECKINRIDGE:

H.R. 7123. A bill to authorize the lease and transfer of burley tobacco farm marketing quotas to farms within contiguous counties in the same State; to the Committee on Agriculture.

By Mrs. BURKE of California (for herself, Mr. Brodhead, Mr. Clay, Mr. Downey of New York, Mr. Fauntroy, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harris, Mr. Hawkins, Mr. McCormack, Mr. McKinney, Mr. Mineta, Mr. Mosher, Mr. Riegle, Mr. Stokes, Mr. Udall, and Mr. Waxman):

H.R. 7124. A bill to provide increased employment opportunity by executive agencies of the U.S. Government for persons unable to work standard working hours, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. CEDERBERG:

H.R. 7125. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

H.R. 7126. A bill to establish a program of comprehensive medical, hospital, and dental care as protection against the cost of ordinary and catastrophic illness by requiring employers to make insurance available to each employee and his family, by Federal financing of insurance for persons of low income, in whole or in part according to ability to pay, and by assuring the availability of insurance to all persons regardless of medical history, and on a guaranteed renewable basis; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. DUNCAN of Tennessee:

H.R. 7127. A bill to amend the Export Administration Act of 1969; to the Committee on International Relations.

By Mr. FOLEY (for himself and Mr. Fithian):

H.R. 7128. A bill to amend the act of August 24, 1966, as amended, to assure humane treatment of certain animals, and for other purposes; to the Committee on Agriculture.

By Mr. FULTON (for himself, Mr. Chappell, Mr. Haley, Mr. Burke of Florida, Mr. Beard of Tennessee, Mr. Burleson of Texas, Mr. Byron, Mr. Cederberg, Mr. Dominick V. Daniels, Mr. Downing of Virginia, Mr. Findley, Mr. Guyer, Mr. Harsha, Mr. Hillis, Mr. Jones of Tennessee, Mr. Michel, Mr. Myers of Indiana, Mr. O'Brien, Mr. Spence, Mr. Taylor of Missouri, Mr. Wampler, Mr. Whitehurst, Mr. Wylie, and Mr. Young of Florida):

H.R. 7129. A bill to establish a program of comprehensive medical, hospital, and dental care as protection against the cost of ordinary and catastrophic illness by requiring employers to make insurance available to each employee and his family, by Federal financing of insurance for persons of low income, in whole or in part according to ability to pay, and by assuring the availability of insurance to all persons regardless of medical history, and on a guaranteed renewable basis; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. GUDE (for himself and Mr. Fithian):

H.R. 7130. A bill to establish in the Department of Housing and Urban Development a direct low-interest loan program to assist homeowners and builders in purchasing and installing solar heating (or combined solar heating and cooling) equipment; to the Committee on Banking, Currency, and Housing.

By Mr. GUDE (for himself, Mr. Moorhead of California, Mr. Rosenthal, Mr. Burgener, Mr. Milford, Mr. Ashley, Mr. Ryan, Mr. Mitchell of Maryland, Mr. Scheuer, Mr. Mazzoli, Mr. Mitchell of New York, Mrs. Burke of California, Mr. Sarasin, Mr. Horton, Mr. Fisher, Mr. Brown of Michigan, and Mr. Howe):

H.R. 7131. A bill to amend the Internal Revenue Code of 1954 to exempt cooperative housing corporations, condominium management associations, and residential real estate management associations from taxation on certain types of income; to the Committee on Ways and Means.

By Mr. GUDE (for himself, Mr. Yatron, Mr. Edwards of California, Mr. Krebs, Mrs. Mink, Mr. Miller of California, Mr. Carr, Mr. Fithian, Mr. Solarz, Mr. Hechler of West Virginia, Mr. Scheuer, Mr. Melcher, Mr. Ryan, Mr. Hyde, Mr. Downey of New York, Mr. Waxman, Mr. Fascell, Mr. Ford of Tennessee, Mr. Gilman, Mr. Hicks, Mr. Studds, Mr. Brown of Michigan, and Mr. Robinson):

H.R. 7132. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer to amortize over a 60-month period, solar heating and cooling equipment which is placed in service for nonresidential structures, or in lieu of such amortization, to take an investment tax credit for such equipment; to the Committee on Ways and Means.

By Mr. LENT (for himself, and Mr. Esch):

H.R. 7133. A bill to transfer primary jurisdiction over the food stamp program to the Secretary of Health, Education, and Welfare, with the Secretary of Agriculture advising on foods approved for participation in the program; to the Committee on Agriculture.

By Mr. McKAY (for himself, Mr. Santini, and Mr. Howe):

H.R. 7134. A bill to amend the Internal Revenue Code to encourage the continuation of family farms, and to provide that farmland, woodland, or open land which comprises part of an estate may be valued, for estate tax purposes, as such rather than at its fair market value, and to provide that real property which is listed on the National Register of Historic Places may be valued, for estate tax purposes, at its value for its existing use, and to provide for the revocation of such lower evaluation and recapture of unpaid taxes with interest in appropriate circumstances; to the Committee on Ways and Means.

By Mr. MELCHER (for himself, Mr. Carr, Mr. D'Amours, Mr. Gilman, Mr. Moore, Mr. Moss, Mr. Rodino, and Mr. Vigorito):

H.R. 7135. A bill to authorize the Secretary of Agriculture to encourage and assist the several States in carrying out a program of animal health research; to the Committee on Agriculture.

By Mr. MILLER of California (for himself, and Mr. Perkins):

H.R. 7136. A bill to continue the special supplemental food program for women, infants, and children through September 30, 1975; to the Committee on Education and Labor.

By Mr. OTTINGER (for himself, Mr. Roe, and Mr. Harris):

H.R. 7137. A bill to improve the Nation's energy resources; to the Committee on Interstate and Foreign Commerce.

By Mr. OTTINGER (for himself, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Brown of California, Mr. Carr, Ms. Collins of Illinois, Mr. Conyers, Mr. Dellums, Mr. Eilberg, Mr. Ford of Tennessee, Mr. Hanley, Mr. Harrington, Mr. Hechler of West Virginia, Mr. Metcalfe, Mr. Mitchell of Maryland, Mr. Pattison of New York, Mr. Rangel, Mr. Richmond, Mr. Riegle, Mr. Rosenthal, Mr. Scheuer, Mr. Solarz, and Mr. Thompson):

H.R. 7138. A bill to amend title XVI of the Social Security Act to provide for the payment of a special housing allowance to each recipient of supplemental security income benefits whose housing expenses exceed an amount equal to 24 percent of his or her income, so as to reduce such expenses to that amount; to the Committee on Ways and Means.

By Mr. PATTISON of New York:

H.R. 7139. A bill to authorize the States to carry out certain functions of the Secretary of the Army and the Chief of Engineers on intrastate waters; to the Committee on Public Works and Transportation.

By Mr. STEIGER of Arizona:

H.R. 7140. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Mogollon Mesa project, Arizona, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. STEIGER of Wisconsin (for himself, Mr. McDade, Mrs. Lloyd of Tennessee, Mr. Gude, Mr. Melcher, Mr. Eshleman, Mr. Shipley, Mr. Kasten, Mr. Dan Daniel, Mr. Kindness, Mr. Baldus, Mr. Perkins, Mr. Sisk, Mr. Roncalio, Mr. Quie, Mr. Randall, Mr. Moore, Mr. Obey, Mr. Andrews of North Dakota, Mr. McCormack, Mr. de Lugo, Mr. Ichord, Mr. Cornell, Mr. Taylor of Missouri, and Mr. Cohen):

H.R. 7141. A bill to provide for the duty-free entry of binder twine and baler twine made of man-made fibers; to the Committee on Ways and Means.

By Mr. WOLFF:

H.R. 7142. A bill to amend the Airport and Airways Development Act of 1970; to the Committee on Ways and Means.

By Mr. DON H. CLAUSEN:

H.R. 7143. A bill to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax, to increase the estate tax marital deduction, and to provide an alternate method of valuing certain real property for estate tax purposes; to the Committee on Ways and Means.

By Mr. COHEN (for himself, Mr. Studds, Mr. D'Amours, and Mr. AuCoin):

H.R. 7144. A bill to amend the Fish and Wildlife Act of 1956 in order to authorize the Secretary of Commerce to make loans to U.S. fishermen to cover the costs of damages to their vessels and gear by foreign vessels; to the Committee on Merchant Marine and Fisheries.

By Mr. CONTE:

H.R. 7145. A bill to amend title 38 of the United States Code to promote the care and treatment of veterans in State veterans' homes; to the Committee on Veterans' Affairs.

By Mr. DUNCAN of Tennessee (for himself, Mr. Waggonner, Mr. Robert W. Daniel, Jr., Mr. Carter, Mr. Evins of Tennessee, Mr. Frey, Mr. Gilman, Mr. Guyer, Mr. Ichord, Mr. Milford, Mrs. Pettis, Mr. Runnels, and Mr. Whitehurst):

H.R. 7146. A bill to amend title IV of the Social Security Act to improve and make more realistic various provisions relating to eligibility for aid to families with dependent children and the administration of the aid to families with dependent children program, and for other purposes; to the Committee on Ways and Means.

By Mr. ENGLISH (for himself, Mr. Albert, Mr. Jarman, Mr. Jones of Oklahoma, and Mr. Risenhoover):

H.R. 7147. A bill to designate the Mountain Park Reservoir, Okla., as the Tom Steed Reservoir; to the Committee on Interior and Insular Affairs.

By Mr. FRASER (for himself, Mr. Bingham, Mr. Udall, Mr. Bedell, Mr. Bonker, Mr. Corman, Mr. Fisher, Mr. Green, Mr. Karth, Mrs. Keys, Mrs. Meyner, Mr. Mikva, and Mr. Stark):

H.R. 7148. A bill to provide that all petroleum imported into the United States after September 1, 1975, shall not be available for purchase other than by the Government of the United States; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. KASTENMEIER:

H.R. 7149. A bill to amend title 17 of the United States Code with respect to registration for unpublished works and with respect to the fees of the Copyright Office, and for other purposes; to the Committee on the Judiciary.

By Mr. MICHEL:

H.R. 7150. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for social agency, legal, and related expenses incurred in connection with the adoption of a child by the taxpayer; to the Committee on Ways and Means.

By Mr. RONCALIO:

H.R. 7151. A bill to construct an Indian Art and Cultural Center in Riverton, Wyo., and for other purposes; to the Committee on Education and Labor.

By Mrs. SPELLMAN:

H.R. 7152. A bill to amend title 18 of the United States Code to permit the mailing, broadcasting, or televising of lottery information and the transportation, mailing, and advertising of lottery tickets in interstate commerce but only concerning lotteries which are lawful; to the Committee on the Judiciary.

By Mr BAUMAN:

H.R. 7153. A bill to amend the Coastal Zone Management Act of 1972 to assist the States in enhancing and restoring the shellfish resources of the coastal zone, to establish the National Advisory Shellfish Committee, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. EARLY:

H.R. 7154. A bill to authorize the appropriation of funds for the erection of a sculpture in memory of Dr. Robert H. Goddard, the Father of Modern Rocketry, on the grounds of Clark University; to the Committee on House Administration.

By Mr. ROGERS:

H.R. 7155. A bill to direct the Federal Trade Commission to conduct a broad scale investigation of all activities within its jurisdiction which involve condominiums and condominium projects, and to take such actions and make such recommendations as may be necessary or appropriate under the law to provide more adequate protection for purchasers and owners of condominiums; to the Committee on Interstate and Foreign Commerce.

By Mr. CEDERBERG:

H.J. Res. 464. Joint resolution making urgent supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes; to the Committee on Appropriations.

By Mr. D'AMOURS (for himself, Mr. Beard of Rhode Island, Mr. Boland, Mr. Burke of Massachusetts, Mr. Cohen, Mr. Conte, Mr. Cotter, Mr. Dodd, Mr. Early, Mr. Emery, Mr. Harrington, Mrs. Heckler of Massachusetts, Mr. Jeffords, Mr. Macdonald of Massachusetts, Mr. McKinney, Mr. Moakley, Mr. St Germain, Mr. Sarasin, and Mr. Studds):

H.J. Res. 465. Joint resolution to amend the act creating the American Revolution Bicentennial Advisory Council to permit the appointment of members from the New England States; to the Committee on the Judiciary.

By Mr. JEFFORDS (for himself and Mr. D'Amours):

H.J. Res. 466. Joint resolution to amend the Emergency Petroleum Allocation Act of 1973 to prohibit the President from setting minimum prices for crude oil, residual fuel oil, or any refined petroleum product without congressional authority, to prohibit the President from using section 232(b) of the Trade Expansion Act of 1962 or any other provision of law to establish such minimum prices without congressional authority, and for other purposes; jointly to the Committees on Interstate and Foreign Commerce, and Ways and Means.

By Mr. OBERSTAR (for himself and Mrs. Smith of Nebraska):

H.J. Res. 467. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. CHARLES WILSON of Texas (for himself, Mr. Clay, Mr. Edwards of Alabama, and Mr. Esch):

H.J. Res. 468. Joint resolution to urge the President to return the crown of St. Stephen to Hungary; to the Committee on International Relations.

By Mr. KETCHUM (for himself, Mr. Rousselot, and Mr. Symms):

H. Con. Res. 287. Concurrent resolution expressing the sense of Congress with respect to the complexity of Federal income tax forms; to the Committee on Ways and Means.

By Mr. MYERS of Indiana:

H. Con. Res. 288. Concurrent resolution to collect overdue debts; to the Committee on International Relations.

By Mr. CONTE:

H. Res. 486. Resolution creating a select committee to study the impact and ramifications of the Supreme Court decision on abortion; to the Committee on Rules.

By Mr. METCALFE (for himself, Mr. Diggs, Ms. Abzug, Mr. Anderson of California, Mr. Bell, Mr. Bergland, Mr. Bingham, Ms. Burke of California, Ms. Chisholm, Ms. Collins of Illinois, Mr. Conyers, Mr. Downey of New York, Mr. Drinan, Mr. Edwards of California, Mr. Gilman, Mr. Hawkins, Mr. Hicks, Ms. Holtzman, Ms. Jordan, Mr. LaFalce, Mr. Melcher, Mr. Mitchell of Maryland, Mr. Nix, Mr. Ottinger, and Mr. Pepper):

H. Res. 487. Resolution expressing the sense of the House of Representatives concerning the serious problem of malnutrition which exists in certain areas; to the Committee on International Relations.

By Mr. METCALFE (for himself, Mr. Diggs, Mr. Rangel, Mr. Rees, Mr. Reuss, Mr. Roe, Mr. Sarbanes, Mr. Simon, Mr. Solarz, Mr. Stokes, Mr. Studds, Mr. Vigorito, Mr. Waxman, and Mr. Wright):

H. Res. 488. Resolution expressing the sense of the House of Representatives concerning the serious problem of malnutrition which exists in certain areas of the world; to the Committee on International Relations.

MEMORIALS

Under clause 4 of rule XXII,

146. The SPEAKER presented a memorial of the Assembly of the State of California, relative to the cost of assisting and maintaining refugees from Southeast Asia; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

Mr. BROWN of California:

H.R. 7156. A bill for the relief of Maj. Robert W. E. Jacobi, USAR, retired; to the Committee on the Judiciary.

By Mrs. HECKLER of Massachusetts:

H.R. 7157. A bill for the relief of the estate of Joseph Schafer; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred to as follows:

130. By the SPEAKER: Petition of the municipal council, Saipan, Mariana Islands, Trust Territory of the Pacific Islands, relative to the establishment of the Commonwealth Government for the Northern Mariana Islands; to the Committee on Interior and Insular Affairs.

131. Also, petition of the board of supervisors, Columbia County, N.Y., relative to unpaid real estate taxes owed by the Penn-Central Railroad; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 6860

By Mr. BROWN of California:

On page 98, after line 6, add the following new subsection (c):

"(c) No amount in excess of $250,000,000 shall be spent from the Trust Fund in any one fiscal year for any one program, project, or category authorized by law."

By Mr. CONTE:

Page 4, strike out line 23 and all that follows thereafter down through line 19 on page 14.

Page 15, line 4, strike out "133(a)(3)" and insert "123(3)".

Page 18, line 19, strike out "any" and all that follows thereafter down through line 23 and insert the following: "any rate of duty established by part I and any adjustment to any rate of duty made by him under part I."

Page 19, lines, 6, 7, and 8, strike out "the factors taken into account in making any modification under subsection (b) or (c) of section 111,".

Page 19, line 12, strike out "(a) In General. ——".

Page 20, strike out line 1 and all that follows thereafter down through line 23 on page 21.

Redesignate the parts and sections of title I of the bill accordingly.

Page 5, line 8, immediately after "takes effect." insert the following: "During any calendar quarter which begins after the date of the enactment of this Act, the maximum average daily number of barrels specified in the table contained in this subsection shall be increased by the amount of petroleum and petroleum products determined by the Federal Power Commission to be necessary to compensate for natural curtailments."

Page 15, line 22, immediately after "motor vehicles)." insert the following: "Nothing contained in this section shall be construed to affect any import license waiving payment of fees and duties which was issued pursuant to Presidential Proclamation numbered 4210, April 18, 1973."

Strike out section 112 (relating to establishment of import licensing system) beginning on page 9, line 9, and ending on page 14, line 19.

Strike out part IV, beginning on page 20, line 16, and ending on page 21, line 23.

Page line, line 22, immediately after "motor vehicles)." insert the following: "Nothing contained in this section shall be construed to affect any import license waiving payment of fees and duties which was issued pursuant to Presidential Proclamation 4210, April 18, 1973."

By Mr. CRANE:

Page 96, line 25, strike out "and".

Page 97, line 10, strike out the period and insert "; and".

Page 97, after line 10, insert:

"(5) payments to States to replace State tax revenues lost because of decreased use of gasoline and special fuels resulting from the imposition of the taxes provided by sections 4086 and 4051 of the Interal Revenue Code of 1954, as added by this Act."

By Mr. FOLEY:

Page 102, lines 18–19, strike out "(used in a trade or business described in section 46(c)(3)(E)(i))".

Page 103, after line 11, add the following subsection:

"(G) in a facility concerning which the Administrator of the Federal Energy Administration finds that conversion from petroleum and petroleum products to alternative fuel sources is not practicable considering all relevant factors, including, but not limited to the technological feasibility of such conversion, the availability of alternative energy supplies, and the ability to satisfy applicable pollution prevention standards when using such alternative fuels, and the economic hardship of the particular firm and community in queston."

EXTENSIONS OF REMARKS

SENIOR CITIZENS AND THE ECONOMY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. DOWNEY of New York. Mr. Speaker, on March 3 I held a day-long public hearing in my district on senior citizens and the economy. I heard testimony from more than two dozen witnesses, including heads of senior citizen organizations, agency directors, and some very outspoken individuals representing themselves. The hearing room was packed with interested older Americans anxious to be heard by their congressmen as well as by the various public officials who were also in attendance.

In my remarks, I pointed out that the plight of the older Americans is well known, but it seems that their pleas have fallen on deaf ears. I am concerned that we do more than merely keep retired persons above some statistical poverty level. Unless the Congress acts to thwart in sensitive policies and inflation, we will, in effect, be legislating poverty for the older Americans. I think they deserve better treatment than that.

At the hearing that day, Eleanor Morris, Region II Program Director of the Administration on the Aging, was my guest. She spoke of the importance of hearing directly from the senior citizen.

I ask that our remarks be included in the Record.

The remarks are attached:

Senior Citizens and the Economy

The Chairman. My name is Tom Downey. I'm the Congressman from this district, and this is the first of several public hearings on various subjects that I'll be holding in my district.

This one pertains to senior citizens and our economy.

Before I begin, I'd just like to lay down the ground rules of our hearing. I want to make it as informal as possible. I want you to tell me about your problems and make references to various programs and things you think need to be done on the federal level.

Before I begin, I would like to introduce some people who are here today. We are honored to have Councilman John P. Finnerty and the man we all love the most, our Receiver of Taxes, Edward Boogerton.

There is no need to recount to you the bleak nature of our national economic health. We are touched by it and aware of it. The ongoing public debate and the price tags in the supermarkets combined to give each of us a clear picture of what is happening. That the current inflation and recession are not affecting us equally. Those who are forced to live on fixed incomes suffer the most. The plight of the older Americans is well known, especially since they have organized themselves at all levels of government to influence public policy on their own behalf. But it seems that their pleas have fallen on deaf ears recently.

At a time when the cost of living has risen twenty-two per cent in just two years, we hear serious proposals that Social Security recipients will be limited to only a five per cent cost-of-living increase. At a time when senior citizens are paying proportionately larger shares of their income on food and health care, we hear the Administration suggest that the price of food stamps be increased and that Medicare benefits be cut by ten percent. It is true that these proposals will save the government money, but they will save the government money at the expense of those least able to afford it.

The Bureau of Census recorded in 1972 that nearly 5,000,000 people over age sixty had incomes below the official poverty level. The intervening years have taken their toll in the form of increased costs for everything, but particularly for food and fuel. Unless the Congress acts to thwart insensitive policies and inflation, we will, in effect, be legislating poverty for the older Americans. I think they deserve better treatment than that.

I am concerned that we do more than merely keep retired persons above some statistical poverty level. The final goal as a matter of public policy is to see that senior citizens are able to live their lives in dignity and self repsect. That goal will require imaginative legislation and enforcement. It is for that reason I am here today. I want to hear from the senior citizens themselves exactly how they feel about the way the government is treating them. After today's session, I want to be able to say that I know specifically what the gaps in current programs are, and what my senior citizen cons''tuents think can be done about them.

I have recently been honored with an appointment by the Speaker of the House of Representatives to the Select Committee of the Aging. I will report to the Committee on what you tell me today. From that forum, I will be better able to act on behalf of senior citizens, acting in a watchdog role over legislation to see that they get their fair share of this country's resources.

Also, I have recently established a Senior Citizens' Advisory Committee, composed of local people involved with this problem. They will keep me continually advised of the kinds of assistance needed. The Committee will also provide me with a convenient forum through which I can inform senior citizens of congressional action that affects them.

Let me add, that I am gratified by the amount of interest and enthusiasm shown for this reading. I can conclude only that the desire of the many witnesses to testify is testimony itself to the urgency of the problems facing senior citizens and the economy.

I would now like to introduce Eleonor Morris, Region II Program Director of the Administration on the Aging.

Ms. MORRIS: It's a pleasure to be here, and I want to convey the appreciation of our Commissioner, Arthur Flemming, for the invitation that he be here today. Unfortunately, he was not able to be here, but I was pleased to hear he will get a transcript of the hearing.

The Administration on the Aging which I represent, is a small agency, but, with the federal bureaucracy, it has a responsibility for efficacy for older people. You don't find out, though, what the needs of older people are in Washington or New York City. So, I feel it's a very important opportunity for me and for the representative of the State Office for the Aging, Barbara Alleyne, who is here and for Elizabeth Taibbi, who is our local counterpart, to hear directly from you how it is.

The CHAIRMAN: Thank you, Ms. Morris. Let me say that these hearings will probably be an exercise in self discipline for the Hearing Officer today. We intend to go from nine-thirty in the morning until we finish with one recess scheduled at ten-fifteen and one scheduled at eleven-fifteen. I intend to recognize the people in the order that they have asked to testify. Later on in the afternoon, those of you who have not either sent us a request to testify or filled out a card will be heard on any particular matter you would like to speak on. I ask that the people scheduled to testify try to limit their remarks to ten minutes. If I have some questions or Ms. Morris has, we will put them to you at the time you testify.

LEGISLATION INTRODUCED TO STRIKE A BICENTENNIAL GOLD COIN

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. ASHBROOK. Mr. Speaker, our Nation will soon celebrate the 200th anniversary of American independence. To commemorate this historic event, I am introducing a bill that directs the Secretary of the Treasury to mint and issue a Bicentennial gold coin. A similar measure has been introduced on the Senate side by Senator Mark Hatfield.

U.S. mint-produced gold coin would be a fitting tribute to our first 200 years as a nation. It would symbolize our pride in America's past and our faith in its future.

Such a coin would be a prized possession for the millions of coin collectors throughout America. For the noncollecting public as well, it would be a lasting and cherished memento of the Bicentennial.

I urge my colleagues to take swift action on this legislation. It would be tragic if we missed the opportunity to strike a Bicentennial gold coin due to congressional inaction.

Following is the complete text of the bill:

H.R. 4291

A bill to authorize the issuance of gold commemorative coins bearing the seal or symbol of the American Revolution Bicentennial Administration

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) notwithstanding any other provision of law, the Secretary of the Treasury (hereinafter referred to as the "Secretary") shall strike, in such quantities as he determines to be sufficient to meet the demands of purchasers as provided in subsection (b), gold commemorative coins, of such size and composition as he deems to be appropriate, but each such coin shall contain at least two-thirds gold by weight. Each such gold commemorative coin shall bear the seal or symbol of the American Revolution Bicentennial Administration and such other emblems, devices, and inscriptions as the Secretary deems appropriate.

(b) The gold commemorative coins struck pursuant to this Act shall be offered for sale to the public, and the Secretary is authorized, by regulation, to limit the number of such gold commemorative coins which any one person or group of persons may purchase.

(c) The gold commemorative coins struck and sold pursuant to this Act shall be legal tender for all debts, public and private, public charges, taxes, duties, and dues.

OPPOSITION TO HATHAWAY NOMINATION

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. WIRTH. Mr. Speaker, even though we in the House have nc vote on confirmation of Cabinet nominees, I would like to lend at least moral support to Colorado's two Senators, Messrs. Haskell and Hart, by stating my opposition to the confirmation of Stanley K. Hathaway as Secretary of the Interior.

Many environmental protectionists have urged rejection of Governor Hathaway on the grounds of his insensitivity to, or at best confusion over, environmental considerations in the quest for energy independence. I share their concern, but they have already made that case better than I could. My own opposition is based more on Governor Hathaway's readiness to run roughshod over the consumer and to brush aside long-term planning for an energy price and tax policy. As you know from my remarks in the Record last week, Mr. Speaker, energy price and tax strategy is a special interest of mine.

In testimony to the Federal Energy Administration in Denver last August, Governor Hathaway said that:

> The simple fact is we are not going to have cheaper energy in this country any longer . . . and unfortunately our people are going to have to become accustomed to higher prices for energy.

This is undoubtedly true, but his attitude seems cavalier. He appears to believe in any and all incentives to exploitation of domestic fuel resources. He appears indifferent to the burden on the consumer. He has little sense of the delicate balance that must be struck in any rational long-term price and tax strategy.

As Senator Gary Hart pointed out, Governor Hathaway's reflex in favor of the economic interests of a few giant private corporations is clear from his record in his own State of Wyoming. There he permitted major oil and coal companies to work public land in return for abysmally low royalty payments into the public purse. Is this an augury of what he would do as Secretary of the Interior? At the FEA hearings I referred to earlier, Governor Hathaway said, "I think there is a great potential in the Rocky Mountain States, particularly on public lands," to be realized "if the economic incentives are adequate." Well, we in Colorado are unhappy about the plunder of our State that the Government-industrial complex seems to have in mind.

In their endorsement of Governor Hathaway, Senators McGee and Hansen made a revealing statement. The nominee, they said, is "as well prepared . . . as anyone the President might nominate." Are there not better qualified people known to the White House? Many of the President's recent appointees have been excellent—certainly he can do better in this case. The Secretary of the Interior is an increasingly sensitive post, particularly in environmental and energy concerns, and increasingly in international negotiations with the OPEC countries. I believe we can do better, Mr. Speaker, I hope my colleagues will urge the Senators of their respective delegations to reject this nomination.

PERSONAL INCOME TAX RETURN

HON. JOHN M. SLACK

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. SLACK. Mr. Speaker, at this time I would like to take the opportunity to make known my personal income for calendar year 1974, as recently reported on my income tax return.

In 1969 and 1970 I divested myself of all corporate and business investments because my growing responsibilities as a member of the Appropriations Committee caused me some concern that I might find myself in a conflict-of-interest situation.

In the past I have occasionally released information about my personal income, but I have not previously published a complete account. This was not due to unwillingness on my part, but rather because demands for such information always seemed to arise out of vague or untrue charges by a political opponent during a campaign, or surfaced from high pressure tactics promoted by some special interest group which had appointed itself as the "conscience" of the Congress.

Presently there is no political campaign under way; I have no political opponents, and the clamor generated by the spokesmen for conscience seems to have died away. I am therefore willing to submit this information voluntarily for the public record.

In an effort to state the facts as clearly as possible, I have followed the format of Internal Revenue Form 1040, as filed by millions of American citizens:

Line 9 shows my Congressional salary of $42,500.

Line 11 shows interest income of $1,496.06.

Line 12 shows other income as $114.07.

Line 13 lists total income as $44,110.13.

Line 14, expenses above reimbursements, totals $131.03.

Line 15 lists adjusted gross income as $43,979.10.

On Schedule A of Form 1040 there is listed on line 41 total deductions of $5,279.71. This consists of: State and local taxes, $2,385.44; interest paid, $400; charitable contributions, $370; allowable medical-dental deduction, $150; miscellaneous deductions, $1,974.27.

On Form 1040, line 16, total income tax due is $10,879.73.

On Line 22, there is listed a total of $11,600.40 Federal income tax withheld.

On line 24, the amount of Federal income tax overpaid is listed at $720.67.

I paid West Virginia State income tax in the amount of $1,489.10 for 1974.

In accordance with the Federal Election Campaign Act of 1971, Public Law 92–225, all receipts and expenditures during the 1974 campaign were handled by the Slack for Congress Committee, 1616 Charleston National Plaza, Charleston, W. Va. 25301, of which Vincent V. Chaney is treasurer. That fund had no taxable income in 1974.

NEW YORK URBAN LEAGUE'S 10TH ANNUAL FREDERICK DOUGLASS AWARD DINNER

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. RANGEL. Mr. Speaker, today, I I would like to join the Honorable Hugh L. Carey, Governor of New York, in congratulating the recipients of the Frederick Douglass Award presented at the New York Urban League's 10th Annual Frederick Douglass Award dinner. Since its founding 56 years ago, the New York Urban League has worked to continue the struggle of a pioneer black leader in U.S. history, Frederick Douglass. The recipients of this award—John Mosler, Alfonso Sherald, Yvonne Wright, and Dr. John Holloman—are certainly deserving of the Frederick Douglass Award given the highest achievements that each has demonstrated.

In his remarks, Governor Carey commented, "Frederick Douglass learned to read as a slave, and he secretly shined boots on the side to buy his first book. That enterprise, that thirst for learning, never left him. And when the earnings of that knowledge enabled him to buy his freedom, it was a lesson he never forgot." This description of Frederick Douglass exhibits the strength and endurance that enabled this great leader to go on and to attain such triumphs as U.S. Marshal for the District of Columbia, recorder of deeds for the District of Columbia, minister-resident and consul-general to the Republic of Haiti, as well as the charge d'affaires to Santo Domingo, all during a time when a black man was at the height of his struggle for freedom. This exuberant initiative is also characteristic of the young persons receiving this year's Frederick Douglass Award. John Mosler, Alfonso Sherald, and Yvonne Wright are three youngsters among hundreds of others who have been given another opportunity to tackle the exigencies of life that once seemed to be hopeless. I commend the Street Academy under the auspices of the Urban League for offering their guidance to these young people and helping to make this day possible for them.

To Dr. Holloman, I join Governor Carey in congratulating your fine achievements in carrying out Frederick Douglass' high hopes of equality and justice for all.

The article follows:

EXCERPTS OF REMARKS BY GOV. HUGH L. CAREY

Mayor Beame, Charles Millard, Vernon Jordan, Evelyn Cunningham, distinguished colleagues, ladies and gentlemen.

I am pleased to be with you tonight to congratulate this year's winners of the Frederick Douglass Awards. I also join in paying the most heartfelt tribute to the man whose spirit we now honor. It was my great privilege while in Congress to be on the committee which designated his home in Anacostia as a national landmark.

Frederick Douglass learned to read as a slave, and he secretly shined boots on the side to buy his first book. That enterprise, that thirst for learning, never left him. And when the earnings of that knowledge enabled him to buy his freedom, it was a lesson he never forgot.

"We shall be the advocates of learning, from the very want of it," he wrote.

Those words appeared in the anti-slavery newspaper Douglass published for seventeen years in Rochester, New York. I believe New York is still the home of that spirit of freedom, that quest for true equality between all peoples.

For Douglass realized early on, that the abolition of slavery was only the beginning of the struggle. True equality, as Douglass understood so well, cannot be measured by the triumph of one man. Until all men and women have the same opportunities available to them; until the words of the law are reflected in the deeds of men—until then, we cannot call ourselves an equal, democratic society.

Since its founding fifty-six years ago, the New York Urban League has continued that Douglass concern.

Recognizing that a society divided where it lived—rich and poor—could never work together equally, the League sought decent housing for all.

Recognizing that the disadvantaged could never be equal until they held equal jobs, the League expanded the frontiers of integration through education and training.

The Street Academy, which we honor tonight, is one of the great success stories of that proud tradition. Hundreds of youngsters, whose lives had reached a dead end before they were 21, have been given another chance. Once considered hopeless, they have demonstrated scholastic skills and career aptitudes under this program, that are little short of amazing.

Congratulations to you, John Mosler, Alfonso Sherald and Yvonne Wright and to those who worked with you, to make this dream such a successful living reality.

And congratulations to you Dr. Holloman.

You stand in the proud tradition of those who have received these awards in previous years. Men and women who have not allowed difficulty to deter them, or success to turn their heads.

You stand in the finest tradition of service, compassion, and humanity for your fellow man so amply demonstrated by Frederick Douglass over a century ago.

As he wrote then: "What you suffer, we suffer; what you endure, we endure. We are indissolubly united, and we must fall or flourish together."

With efforts like yours, we can't fail to flourish.

Thank you.

AMENDING THE FEDERAL MEAT INSPECTION ACT

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. BEDELL. Mr. Speaker, I am today introducing legislation which would amend the Federal Meat Inspection Act to require that imported meat and meat food products be labelled "imported" at all stages of distribution until delivery to the ultimate consumer. It would also require certain eating establishments, which serve imported meat, to inform customers of this fact.

The amount of foreign meat that is imported into this country is substantial. And, for the most part, it is absorbed into the domestic economy with little notice. Current labelling requirements are simply inadequate. In my view, the American people are entitled to know all the essential facts about the products they buy, whether they be an automobile, a television, or a cut of meat.

During 1974, meat imports into the United States totaled 1,079 million pounds—product weight—with 97 percent of that total being beef. In 1974 beef imports accounted for 7 percent of national beef consumption.

Moreover, all indications point to the fact that meat imports will increase in 1975. Meat imports rose dramatically in the first quarter of 1975, and the U.S.

Department of Agriculture estimates that meat imports will reach 1,150 million pounds by the close of 1975. Clearly, imported meats, and beef in particular, have a significant impact on domestic consumption.

In my view, present labelling requirements for imported meat and meat food products must be strengthened. Foreign meat imported into the United States is requires that these blocks of meat be normally transported in frozen blocks of about 50 to 60 pounds. Existing statute labelled according to country of origin. However, after processing in this country, such labelling is no longer required. Thus, when consumers purchase meat in a grocery store or at a public eating establishment, they have no way of determining whether or not that product was foreign or domestically produced.

Many Americans, if given the choice, would prefer to buy meat which has been raised and processed in the United States. Such meat has been subject to the rigorous inspection process mandated and supervised by the U.S. Department of Agriculture. Also, the extended shipping and storage process which imported meats of necessity undergo can only increase the possibility for the thawing and refreezing of such products. This is, as we know, not a healthy prospect.

I believe that it is important that the American consumer be fully informed about the nature of the food products he or she wishes to buy. The legislation I am introducing today will insure that the consumer knows whether the meat he or she purchases is domestic or foreign by requiring that imported meat be labelled "imported" at all stages of distribution until delivery to the final consumer. It will insure that the American people are fully informed about the meat for sale in the grocery store or at a public eating establishment before they choose what cuts to buy.

TRIBUTE TO WILLIAM N. KEPLEY, JR.

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. KETCHUM. Mr. Speaker, I know that my colleagues in the House of Representatives will join with me today in paying tribute to Mr. William N. Kepley, Jr., an outstanding figure for 36 years in the field of education. On June 4, 1975, Antelope Valley Community College, Calif., will hold a friendship meeting to honor Bill Kepley as he prepares to retire from his fulfilling career.

Mr. Kepley has dedicated 25 years of his work to the California community colleges. He came to Antelope Valley 8 years ago, assuming the position of superintendent-president. Prior to that time, Bill Kepley both taught, and administered, at numerous community colleges. In 1961, he served as founding president of Southwestern College in Chula Vista. Also, he acted as curriculum coordinator for the seven colleges of the Los Angeles City Junior College District, and as administrative assistant to the district's superintendent. Bill Kepley officiated as president of the Los Angeles Valley College for a year.

His contributions to the field of education were not limited to administration, as I have said. Los Angeles Harbor schools were privileged to have Bill Kepley demonstrate his skills as an instructor. There, Bill passed along his knowledge of economics, political science, and physical education. In addition, he served as coordinator of public relations, and track coach. Administratively, Bill Kepley acted as dean of curriculum and instruction, as well as dean of extended day.

Despite his heavy working schedule, Mr. Kepley has always found time to serve the community's needs outside the halls of academe. All those who have worked with Bill in the Antelope Valley Health Planning Council; the Antelope Valley United Way; the Free and Accepted Masons; and the Chamber of Commerce are well aware of the dynamic effort he has put out. In addition, he served a term each as president and vice president of the Lancaster West Rotary Club.

It seems most appropriate that a man who gained all his own education through the California school systems should return to them, giving back far more than he took. Certainly, this man's many years of devoted service have earned him the right to recognition. I am most pleased to be able to participate in this small way, and would like to take this opportunity to wish Bill Kepley, his wife, Becky, and their two daughters, every best hope upon the occasion of Bill's retirement. His leadership will be sorely missed, and he stands as a fine example to the educational world.

INTRODUCTION OF SRF ACT OF 1975

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. WON PAT. Mr. Speaker, before you I have placed legislation entitled "the Guam Shipyard Repair Facility Act of 1975." This measure calls upon the Secretary of the Navy to maintain the Guam ship repair facility at the highest level of activity it has previously known. The measure further calls upon the Secretary to conduct a study of the necessity of maintaining shipyard repair facilities in the Pacific which are dependent on foreign treaties or foreign workers and report his findings within 6 months from the date of the passagge of the act to the Armed Services Committees of the House and the Senate of the United States.

Can anyone deny that the lesson learned from a decade of involvement on the Asian Continent is the need to bolster our defense capabilities on secure territory? Have we not learned from recent events and the capturing of one of our merchant marine vessels by Cambodia? It is quite patently evident to me that the exporting of jobs from a facility securely based on American soil to foreign, albeit friendly, governments neglects the inherent advantages of having American territory in the Pacific and continues to place the reliance and security of this country at the mercy of our friends who rightly must serve their own interests before ours.

The legislation I have introduced is a start in that direction. While I do not presume to fully understand the logistical requirements of the U.S. Navy in the Western Pacific, I do know that they no longer can count on our foreign bases for support. We have all witnessed former and present allies openly calling for a reassessment of their ties with this Nation in recent days.

The genesis of my bill began several months ago when I was shocked to learn that the Navy Department announced plans to layoff over 360 employees at the Guam ship repair facility—SRF—and close the important apprenticeship program which has provided the naval activity on Guam most of the skilled employees it has. My shock was magnified many times over since we on Guam had been told only a few months previously by the Navy that the workload at SRF would increase as a result of the homeporting of a destroyer squadron in Guam. In anticipation of this activity, a number of employees were sent to the mainland for special training.

Suddenly, and without warning, news went out that the homeporting plans had been canceled, and several of the vessels were instead destined for Japan, where all work would be performed by foreign workers instead of American workers in Guam.

Despite my immediate and vigorous protests to the Department of Defense and to the President of the United States, the Navy is determined to go on with the reduction-in-force at their Guam facility. The hundreds of loyal, dedicated, and highly skilled workers who have depended on SRF to provide them with a livelihood will soon face unemployment and an uncertain future. Their fate is all the more cruel because Guam's economy is, like that of most areas, in a tailspin. Adding to their difficulties is the reality that Guam does not have a program of unemployment compensation. Thus, salary will be cut off with a sudden and devastating finality. Americans must depend on a strong military presence in the Western Pacific and we stand to lose with this deplorable degradation of our capabilities in Guam.

Along with the American Federation of Government Employees which represents nearly 3,000 military workers on Guam, I call in no uncertain terms for a reassessment of this proposed reduction in force. In fact, I am obliged, if history is to be believed, to urge a buildup rather than reduction of American defense capabilities on the American territory of Guam.

In view of the present world situation, I believe that any reduction of our military capability in Guam to be a mistake.

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For this reason, my legislation provides for upgrading of the naval ship repair facility at Guam and, most important, a long-term review of our future plans in overseas shipyards. I am as concerned about the long-range effects of this measure as I am about saving the jobs of those who have served our country so well only to lose their positions to foreign labor. We must not allow this to happen in the name of national defense and commonsense. I hope that the Congress will agree with me and enact this measure in the near future.

VIET STUDENTS

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. SIMON. Mr. Speaker, the Daily Egyptian, the student newspaper of Southern Illinois University, ran an editorial written by Geoff Skinner which I believe represents the sense of idealism of the American student much more than some of the voices we hear occasionally. I commend Geoff Skinner and the Daily Egyptian for this forthright stand, and I insert the editorial here for my colleagues:

VIET STUDENTS

Humanitarian aid to Vietnamese refugees has reached considerable proportions from this country. The United States has become responsible for the lives of over 100,000 Vietnamese who chose to leave their country rather than live under the government which has taken control of South Vietnam.

Hopefully, the United States will also remember those students from Southeast Asia who have chosen to study at universities and colleges in this country. All of the headlines referring to the flood of refugees from Cambodia and South Vietnam have neglected these young people who have lost their homes, and, in some cases, their families. They do not deserve to lose any more than they already have.

A bill recently introduced by Representative Paul Simon (D-Ill.) would authorize $6.5 million in the coming fiscal year to nearly $2,300 Vietnamese and Cambodian students who had begun studying in this country before January, 1975.

Simon's bill deserves praise as a humanitarian gesture and should be met with Congressional approval. According to Simon, the majority of Vietnamese and Cambodian students do not come from wealthy families, and the cost of American education would simply be too much of a burden for the students to bear.

As the influx of the refugees has been met with opposition by many Americans, so too will this call for aid to the students. Many Americans will find it hard to accept that foreign students will receive college financial assistance while some American students can't even come to close to affording a post-high school education. These Americans are justified in their concern for American students and their future, and these concerns should be weighed as Congress studies Simon's bill.

But, as Simon points out, if his bill fails, it will not bring any more money to American students. The bill is an attempt to help people who are currently in need. There is no bloodshed involved, no Americans will lose their lives. Simon's bill would simply be an example of Americans giving a little of themselves to aid people in need.

GEOFF SKINNER,
Student Writer.

APARTHEID IN RACIST SOUTH AFRICA

HON. CHARLES C. DIGGS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. DIGGS. Mr. Speaker, on April 28, the gentleman from Georgia (Mr. McDONALD) saw fit to enter into the RECORD an item in which reference is made to me and to persons who have been and, in some cases, still are associated with me. It is clear that the gentleman sought to imply uncomplimentary things about us and others mentioned, because of our common interest in seeing an end to the system of apartheid practiced in racist South Africa.

Those of us in the United States who are involved in the effort to end abridgements of human and civil rights practiced against our fellow man, share this goal with people of a broad spectrum of political persuasions throughout the world. I remind Congressman McDONALD, who is a lawyer and should know this, that many of the men and women who founded our own Great Nation were fleeing tyranny and repression of one sort or another, and held dear the right of all mankind—in theory, at least—to "life, liberty, and the pursuit of happiness."

All Members of this Congress are aware that the Republic of South Africa is the only country in the modern world which uses the full machinery of state to impose and to maintain legal, social, and economic discrimination based on race and color. In fact, on December 16, 1966, the General Assembly of the United Nations passed a resolution—2202 A—condemning the policies of apartheid practiced in South Africa as a "crime against humanity". Only two countries voted against that resolution: Portugal—which was itself a repressive power at that time—and South Africa herself.

Mr. Speaker, I do not wish to perpetuate the injustice intended to the individuals disparaged by the gentleman from Georgia by again listing all the participants in and sponsors of the community hearings on apartheid held here last month. I would only point out, for the record, that the list included several members of the District of Columbia City Council and the School Board; a distinguished international attorney who formerly served as consultant to the House Foreign Affairs Subcommittee on Africa, which I chaired; a prominent judge for the city of New York; a respected radio news commentator; and many others known for their service, loyalty, and dedication to this country. I trust that this clarification will correct the record and the previous remarks of the gentleman from Georgia (Mr. McDONALD) will be put into proper perspective.

ABORTIONS ON MEDICAID

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. DENT. Mr. Speaker, recently the Senate debated, and voted to table indefinitely, the so-called Bartlett amendment to the Social Security Act. The measure, introduced by Senator DEWEY BARTLETT of Oklahoma, would have prohibited any further use of social security funds under medicaid for the performance or encouragement of abortions.

Commonweal magazine, a Roman Catholic periodical published weekly, carried an interesting treatment of the Senate action surrounding the Bartlett proposal, written by U.S. Representative ROBERT E. DRINAN of Massachusetts. Representative, or as we Catholics call him, Father DRINAN, would seem splendidly qualified in several instances to address himself to the issue of abortion, not only as a priest and legislator, but also as the former dean of the Boston College School of Law.

Our colleague makes a number of important and telling points in discussing abortion, not only administratively, but constitutionally and morally as well. He draws no final conclusions, but instead gives us all reason to seriously consider what some of his observations might imply. I maintain, as does Representative DRINAN, that there are a number of ramifications involved in the abortion question that will require sober, reasoned reflection, and not impassioned, unreasoning demands. All that I might ask is that one read our colleague's Commonweal presentation, and think.

The article follows:

ABORTIONS ON MEDICAID?

The United States Senate came one step closer on April 10 to the acceptance of a policy which would refuse to condition use of the statutory benefit of Medicaid upon the forfeiture of the constitutional right of abortion.

No one will be really satisfied with the 54-36 vote to table the amendment of Republican Dewey Bartlett of Oklahoma. That amendment proposed that "No funds authorized under the Social Security Act may be used to pay for or encourage the performance of abortions, except such abortions as are necessary to save the life of a mother."

The defeat of the Bartlett amendment is a reversal for the Senate, which in late 1974 had refused by a vote of 50-34 to table this measure. The amendment was deleted in conference because the House had not taken up the matter; in addition, the inclusion of such a basic policy in an appropriations bill was thought to be inappropriate.

If there is any such thing as a "Catholic position" on abortion and the law it was not present in the Senate debate on April 10. Senator Bartlett, a Catholic former Governor of Oklahoma, was opposed by Senator Edward Kennedy, the chairman of the relevant subcommittee and floor manager of the bill. The fifteen Catholics in the Senate divided eight to seven in favor of tabling the matter.

The basic question centered on whether or not the more than 22 million people eligible for Medicaid benefits can have this program reimburse physicians and hospitals for abortions. The decision of the Senate not to change existing law is in line with 41 states which either voluntarily or by court order now fully reimburse for legal abortions under Medicaid. The remaining states have various restrictions, some of which are now being challenged in the courts.

At stake is some $40 to $50 million spent annually by Medicaid for abortion reimbursement. A study by H.E.W. which gave this estimate, however, indicated that the federal government would spend between $450 and $560 million in one year alone if those women who obtained an abortion through Medicaid carried their pregnancies to term and received the usual medical care and welfare payments.

No one reason emerged why the Senate voted to table the Bartlett amendment. Senator Kennedy pointed out perceptively that the proposed amendment is poorly drawn, does not define the word "encourage," and is probably broad enough to prevent Medicaid from furnishing IUDs. Senator Kennedy also noted that at least 51,000 rapes were reported last year but that the actual incidence of rape is possibly nine times that amount with 4 per cent of those rapes resulting pregnancies—a number which could mean as many as 18,000 per year.

Senator James Buckley, a co-sponsor of the Bartlett amendment alleged that 28 percent of all abortions in the year 1974 were paid for by the federal government. Senator Buckley asserted that the issue was not whether the senators approved or disapproved of abortion but whether women are entitled to federal funding for the exercise of their legal rights to obtain an abortion.

Senator William Hathaway (D.Maine) opposed the Bartlett amendment in these words: "By denying the use of Medicaid and other Social Security funds for abortion, the amendment effectively denies the opportunity for an abortion to the poor, and to the poor alone."

Senator Hathaway concluded that since the "Bartlett amendment only applies to low-income people, but not to the population at large, it is blatantly discriminatory on economic grounds, and therefore unconstitutional.

The discriminatory impact of the Bartlett amendment was pointed out in a report by the U.S. Commission on Civil Rights. The Commission's report emphasized that it took no position on the moral or theological issues underlying abortion. The Commission simply stated that the no-abortion restriction on Medicaid funds would impact adversely only on low-income women, among whom racial and ethnic minority women are disproportionately represented.

The two-hour debate on the Bartlett amendment had four proponents including Bartlett and Buckley. The others were Senator Pastore (D-R.I.) and Senator Garn (R-Utah). Speaking against the Bartlett amendment, in addition to Kennedy and Hathaway, were Senators Percy (R-Ill.) and Javits (R-N.Y.). Material at the end of the debate against the amendment was inserted by Senators Muskie (D-Maine), Packwood (R-Oregon), Nelson (D-Wis.), Bayh (D-Ind.) and Brooke (R-Mass.)

It is uncertain whether the House will take up an amendment which would cut off Medicaid funds for abortions. Three Republican congressmen who regularly brought this issue to the floor of the House in the 93rd Congress were all defeated. The complexities of this matter, touched upon but not really explored in the Senate debate, might well give pause to any member of the House who would want to preclude Medicaid funds from any woman who is seeking a legal abortion.

It seems to me that, whatever one's view of abortion might be, a law terminating Medicaid benefits for indigent pregnant women who elect to terminate their pregnancies by abortion cannot be justified by any legal or constitutional norm.

A woman's decision to terminate her pregnancy by abortion is now, by Supreme Court mandate, a fundamental constitutional right. It is elementary jurisprudence that the government may not condition the receipt of a statutory benefit upon the forfeiture of a constitutional right. It could be argued that the woman who is denied Medicaid help for an abortion does not forfeit her constitutional right but forfeits only any claim to financial reimbursement for the exercise of that constitutional right. This particular distinction is the crucial question and is a question unfortunately not really resolved by the Senate debate on April 10.

The denial of Medicaid benefits is at least an infringement or a qualification upon the constitutional right of a woman to an abortion. Such a qualification can be justified under accepted legal norms only by some compelling governmental interest in the narrowing or the diminution of a constitutional right. Such a compelling governmental interest was not demonstrated by the proponents of the Bartlett amendment. The compelling interest cannot be that of a taxpayer alone since the removal of Medicaid for abortions will cost the American taxpayer ten times as much as the price of federally-assisted abortions since only those eligible for Medicaid would be affected.

The Senate by tabling the Bartlett amendment followed the policies enunciated by six different federal court decisions. These rulings have stated that, if the federal government makes Medicaid funds available for maternity care, it may not simultaneously deny Medicaid funds for abortions. These courts have never said that the federal government has an obligation to finance abortions. Indeed these federal decisions do not even say that the federal government must finance maternity care under Medicaid. But the six federal decisions are unanimous in stating that if the federal government provides one, it has to provide the other. To do otherwise would place the federal government clearly at variance with the Supreme Court decision on abortion as well as with a long line of court rulings on equal protection.

The Senate debate on April 10 will not close the book on the complex question of how Congress will or should react to abortion. The debate raised questions to which no one in the Congress has answers. One, raised by Senator Birch Bayh, related to the kind of counseling which applicants for abortions under Medicaid received. Senator Bayh wondered whether alternatives to abortion are presented to such applicants. Other participants in the debate suggested or intimated that mothers on welfare were offered federally-financed abortions as a substitute for planned parenthood.

About the only generalization that can be drawn from the Senate debate on Medicaid and abortions is the fact that there is no such thing as a "Catholic position" on this subject. Some may fear that Catholic citizens in America are seeking to impose their own views of abortion on non-Catholic citizens. However true or untrue that allegation may be, no one can assert that Catholics in the Congress are united on any legal-moral approach to abortion.

ENERGY BILL A "POLITICAL MIRAGE"

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. STEIGER of Wisconsin. Mr. Speaker, yesterday's Milwaukee Journal carried an editorial worthy of all my colleagues' consideration. I urge my colleagues to study with care the provisions of H.R. 6860. The editorial follows:

ENERGY BILL A "POLITICAL MIRAGE"

Perhaps the best that can be said for the energy legislation finally recommended by the House Ways and Means Committee is that it embraces the important principle of using higher prices to induce conservation. However, this is contradicted by another major provision of the same bill.

The legislation's real teeth, such as they are, would not bite for another two years or more, if ever. So timid is this "energy conservation" measure, in fact, that Rep. Conable (R-N.Y.) aptly termed it a "political mirage."

The bill provides for a potentially sharp increase in gasoline taxes and excise taxes on inefficient autos and certain business uses of energy. These are sound principles, although the mandatory auto efficiency standards proposed in the Senate by Wisconsin's Gaylord Nelsn are desirably tougher.

Efficiency standards for the auto excise tax would not go into effect until the 1978 model year, and would be only a fraction of a mile per gallon more stringent than the auto industry already plans to achieve. The committee's staff estimates, therefore, that this provision would not produce any revenue.

Hardly anything would be accomplished by the gasoline tax boost either, at least not for several years. The first boost of 3 cents for 1976 wouldn't induce much conservation. Another increase of as much as 20 cents could occur after 1976, depending on how much US gasoline consumption exceeded the record level of 1973. While this could mean a total federal tax of 27 cents (it is now 4 cents) in 1977, Congress would retain power to block the additional boost if it chose.

While the committee rightly moved—if only in principle—toward market price incentive for conservation, it moved in a contrary direction on another major provision. It included oil import quotas, to reduce US imports equivalent to the bill's estimated energy savings.

Import quotas would require cumbersome federal allocation machinery, to do what the market price might better accomplish. More seriously, quotas are fundamentally out of step with the free world trade policy that it is in the best interest of the US to encourage.

Committee Chairman Ullman, who earlier had urged much stronger legislation, contends that the final version is "tough enough to do the job." It may not get a chance to prove him right. The committee's close 19 to 16 final vote indicates tha the bill will have a hard time in the full House. The Senate has already proved gutless on energy legislation.

Ullman says the problem faced by the lawmakers is that the nation's serious, impending energy shortage is "an invisible crisis" right now to the public. Perhaps so, but that doesn't excuse Congress' disgraceful lack of vision and leadership so far.

ENERGY SIDELIGHTS

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. HARRIS. Mr. Speaker, Mr. Paul E. Whittington who has contributed meaningfully to research and development, especially in our space program, recently shared his unique insight to the challenge of investigating the "scientific unknown."

I would commend these thoughts as they apply to our energy problems to my colleagues—with the note that they are based on 28 years of creative work and experience. The article appeared in the Herndon Tribune.

ENERGY SIDELIGHTS

(Paul E. Whittington)

The solution of future energy problems includes research and development—science and technology—scientists' and engineers and adequate Federal funding.

In the field of research and development there are capable dedicated persons who have and are accomplishing miracles. To name a few of the accomplishment in the recent past some may be recalled: pasteurization of milk by Pasteur, the water closet invented by Thomas Crapper, the internal combustion engine, the electric generator, TV, the transistor and the man-on-the-moon.

There is another side of the coin known as research and development—corruption The Christian Science Monitor of March 26, 1975 states, "Fear, fame, and fortune seem to be replacing the challenge of the unknown as the driving force of much that passes for scientific research."

It is time that, in view of our need for good scientific energy work, to look at waste in the research and development area. The persons involved are well educated persons but with pressure of fear and are seeking prestige, fame and maybe even fortune, some may stray from strict ethics. Some lack technical competence—others do not. Research and development peering into the unknown is a very risky job and some, yes many failures are normal. How do the competent and incompetent face failure? These persons are, as we all are, faced with the fundamental need to pay the home mortgage, put food on the table, pay for the orthodontist bills and find enough for some entertainment. Probably more than others, scientists and engineers long for and seek recognition and prestige, sometimes known as self fulfillment. Therefore all are at the mercy of dollars for their salaries, laboratories, equipment and security.

Some stray from the straight and narrow path and stretch the truth in statements of accomplishment. Others, without much review, continue worthless projects for years after the project is dead but not buried. Still others work on worthwhile projects without enthusiasm for zeal needed to make real progress. Others simply lack good judgment in the fundamentals of "define and measure." "Define and measure" is the simple basis for scientific work. Many scientists do not understand this fundamental.

There is no single answer to the sordid side of research and development. It is time that the Federal Government recognizes that all is not well in research and development. No longer should it be assumed that simply providing money will assure success—it won't. Capable supervisors with the serene knowledge that their judgments will be sound are needed to inspire, lead, recognize poor and marginal tasks, *and above all* be NO men when a project is ill conceived.

The above is based upon 28 years in research and development work.

ANNUAL QUESTIONNAIRE RESULTS

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. SNYDER. Mr. Speaker, I would like to call to your attention the thinking of the people of the Fourth District of Kentucky as expressed in the results of my annual questionnaire poll which I have just tabulated.

I circulated the questionnaire in Feburary, before the collapse of South Vietnam and Cambodia: 120,000 were sent out and I received 18,000 responses.

In view of the impending legislation on the energy bill reported by the Ways and Means Committee, I hope all my colleagues will take special note of the answers to the first five questions which I asked, all relating to the energy crisis and various legislative proposals in its regards.

With the possible exception of the last question, the responses from the Fourth District should be of interest to all Americans inasmuch as these issues concern the entire Nation:

	Percent		
	Yes	No	No opinion
1. Do you think there is a real domestic oil shortage?	33.2	62.7	4.1
2. Do you favor raising the tariff on imported oil to limit imports and improve our unfavorable balance of payments?	50.0	44.7	5.3
3. Do you favor raising taxes on domestic oil and gas?	15.1	82.7	2.2
4. Do you favor gasoline rationing?	26.5	72.8	.7
5. Do you favor reducing environmental standards that effect energy production and use?	61.7	33.0	5.3
6. Would you favor deregulating oil and gas, keeping depletion allowances and adding no new taxes, to spur competitive, domestic exploration, refining and sales under toughened antitrust laws with multimillion dollar penalties and heavy jail terms?	71.9	18.6	9.5
7. Do you favor "priming the economy" by—			
(a) Cutting Federal income taxes which would increase Federal deficit spending?	14.5	49.5	36.0
(b) Cutting Federal income taxes coupled with a comparable reduction of Federal expenditures?	62.4	16.5	21.1
(c) No Federal income tax reduction, but by balancing the budget?	41.4	25.1	33.5
8. Do you favor continuing military and economic aid—			
(a) To Israel?	29.0	43.3	27.7
(b) To Arab countries?	11.3	58.7	30.0
(c) To South Vietnam?	20.8	51.9	27.3
(d) Or, ending all foreign aid until we're out of debt?	55.9	29.6	14.5
9. Do you favor enactment of a national health insurance plan that would raise estimated Federal expenditures anywhere from $5,400,000,000 to $73,100,000,000 per year?	14.0	81.0	5.0
10. Do you favor a Constitutional Amendment to end busing of schoolchildren to achieve racial balancing?	89.2	9.	1.3
11. Do you favor the construction of the Red River Dam?	15.7	72.1	12.2

TAX INDEXING WOULD END GOVERNMENT'S INFLATIONARY REWARD

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. CRANE. Mr. Speaker, the necessity for eliminating the inflationary reward which Government receives as a result of our present progressive rate of taxation has never been of more importance to Americans than it is today.

I have joined with a number of my colleagues in cosponsoring legislation which would reverse this trend—the Cost of Living Adjustment Act.

At the present time, as the Wall Street Journal notes in a recent editorial, "If prices double and real incomes remain the same, nominal incomes are doubled and all workers are pushed into higher brackets. The Government's revenues not only keep up with inflation, but the Government actually increases its claim on real resources."

Recent statistics compiled by the Joint Economic Committee show that real income tax rates for middle-income families last year rose 26.5 percent—whereas the inflation rate averaged 12 per cent. The largest price increase was in the cost of Government. While food rose 11.9 percent and transportation rose 14.3 percent, the income taxes paid by a middle-income family increased 26.5 percent.

Those who have joined in cosponsoring this legislation are concerned over the fact that the Federal Government is the only real winner in the current inflationary economic situation. At the present time, the Government's income is superindexed in the sense that its real income is increased by inflation. Since it is Government's policies which cause inflation, a real conflict of interest is involved.

Those in the Democratic Party who express great concern on a regular basis for the average workingman have not been quick to join in supporting this measure. I urge them to consider this material carefully, and to decide whether they wish to pursue policies which enhance Government power or, on the other hand, to support a proposal which permits hard-working Americans to keep more of the real fruits of their labor.

The Wall Street Journal notes that, "Had the tax schedules been tied to prices last year, on January 1 of this year tax brackets would have been adjusted upward across the board to reflect last year's 14-percent increase in the Consumer Price Index. The effect would have been a tax reduction of about $15 billion, and a pure economic stimulant with such favorable supply and demand

effects that Treasury might even come out ahead on revenues. Instead, the administration and Congress dithered for months before agreeing on a $22.8 billion package of economic stimulation that has almost no desirable supply effects."

It is high time that Congress turned its attention to the Cost of Living Adjustment Act, legislation which would index taxes, deindex Government spending, and eliminate the vested interest Government now has in continuing inflationary policies.

I wish to share with my colleagues an editorial on this important subject which appeared in the Wall Street Journal of May 6, 1975, and insert it into the RECORD at this time:

ANNIVERSARY OF AN EDITORIAL

On this day one year ago we urged consideration of an idea that, with the benefit of hindsight, would surely have helped prevent some of the nation's current economic troubles had it been implemented: De-indexing the federal government. We return to the theme, disappointed that there has been almost no national discussion of the idea even though it seems foolproof, i.e., neither politicians, academicians nor bureaucrats could botch it up.

The idea is simply to put the federal government on the same footing as the people during this inflationary era, doing so by making annual and automatic adjustments in the personal income-tax schedules. As it now stands, the federal government harvests an inflationary reward through the progressivity of the tax system. Consider: If prices double and real incomes remain the same, nominal incomes are doubled and all workers are pushed into higher brackets. The government's revenues not only keep up with inflation, but the government actually increases its claim on real resources.

Had the tax schedules been tied to prices last year, on January 1 of this year tax brackets would have been adjusted upward across the board to reflect last year's 14% increase in the Consumer Price Index. The effect would have been a tax reduction of about $15 billion and a pure economic stimulant, with such favorable supply and demand effects that Treasury might even come out ahead on revenues. Instead, the administration and Congress dithered for months before agreeing on a $22.8 billion package of economic stimulation that has almost no desirable supply effects.

What's more, because inflation is still inexorably increasing the government's claims on real resources via this progressive tax trap, what stimulation there might be in the $22.8 billion package is probably being offset. In a real sense, the tax on capital is still being increased daily by pushing income from dividends, interest and capital gains up the tax schedules, and of course, it is even clearer that the tax on labor—wages and salaries—is similarly affected.

If a system of tax-schedule adjustment were enacted now, the economy would benefit immediately even though no adjustment would be made to the schedule until Jan. 1, 1976. The market would perceive that this fiscal drag had been removed from the economy, that the government would no longer be able to expand claims over real resources through inflation, and investment would expand. Workers bargaining for wage increases sufficient to both maintain real incomes and offset their rise into higher tax brackets because of inflation would no longer need worry about the latter; wage demads would be reduced accordingly.

Despite those attractions, the idea is not seriously being advanced by any politician save James Buckley, Senator from New York, although Californians are talking about state income tax inflation adjustments. It is easy to understand why liberals oppose the idea and don't even like to discuss it. As a matter of liberal theology, a public sector that can expand through the subterfuge of the progressive tax trap is all to the good. The "fiscal dividend" that liberals hail as the means of financing expanded social programs is little more than the government's increased tax bite that accrues silently, through inflation.

De-indexing the government would seem to be a natural issue for conservatives and moderates. They shy away from it because the tax reductions involved would be as a first approximation increase the impending federal deficits, with the attendant effects on the credit markets, Federal Reserve monetary policy and private capital formation. Yet de-indexing is clearly preferable to the kind of tax cut we have already had; its stimulative effect would be far greater, thus reducing the imputed deficit by increasing federal revenues. This should surely be kept in mind when Congress weighs whether to change the recent cuts from temporary to permanent.

To the great benefit of the Canadian economy, Prime Minister Trudeau two years ago indexed the tax schedules over the opposition of far right and far left. To celebrate this anniversay of our editorial, President Ford might at least ask someone in his administration to study the idea. Or a year from now he may wish he had.

FORD OFF BASE IN CRIME TALK

HON. HELEN S. MEYNER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mrs. MEYNER. Mr. Speaker, I am afraid that the most recent statements from the administration on crime control sound more like desire for revenge than plans for the prevention of crime. I am entering here an excellent editorial from the Courier-News of Somerville, N.J., on this subject:

[From the Somerville (N.J.) Courier-News May 2, 1975]

FORD OFF BASE IN CRIME TALK

President Ford, in a tone reminiscent of the cries for law and order of the Nixon-Agnew-Mitchell days, has called for mandatory jail terms for persons convicted of violent crimes.

Ford's hard-line proposal reminds us of the "preventive detention" program advocated in the early days of the Nixon administration—a program that gave the courts the right to jail before trial those whom they determined to be menaces to society.

Such suggestions, although holding attraction as possible ways to alleviate the crime problem, are at best of questionable constitutionality and in the long run would do far more damage to all of our rights as individuals than they would help us to close in on the criminals.

The President's call for "domestic tranquality" also smacks of the mandatory prison terms advocated and obtained by Vice President Rockefeller in his successful effort to gain conservative support in his 1970 campaign for governor of New York.

And the tone of his suggestions if not the content takes on the coloration of a political ploy to placate the strong law and order advocates without accompanying empathy with those who feel that law and order without justice is worse than none at all.

The President is quite right in saying that "we are facing a serious problem of disregard for the law," but his suggestion that violent crime obsesses America seems exaggerated.

Ford's proposal is deficient on a number of counts:

Mandatory jail sentences would allow udges no latitude in determining the severity of sentences following conviction for certain violent crimes, and permit no consideration of circumstances surrounding individual cases. It would also deny the courts the right to place convicted persons on probation.

Already overcrowded jails would become more so, as has happened in New York as a result of the Rockefeller drug laws.

Study after study has shown that severe jail sentences are little or no deterrent to crime.

Instead of calling for mandatory sentences, the President should direct his efforts in a number of ways to reduce crime. The government, for example, should make greater attempts to eliminate two of the root causes of crime—poverty and drugs.

Intensified law enforcement to prevent crime should be pursued, and every effort should be made to rehabilitate those criminals in jail rather than increase the inmate population in an arbitrary fashion.

There is no question a large part of the problem lies with the judges whose sentencing consistency is sporadic at best; who act in the courtroom as if they were unaware of the lack of adequate parole and probation capabilities in their communities; who carry out the pretense that rehabilitation is working in the prisons; and who often seem unaware of the problem this leaves for the innocent victims on the street.

Better methods of selecting those judges—and an assurance there will be enough of them—both strong points made consistently by Chief Justice Warren Burger in public urging of court reform—are vital.

Just last year, Ford signed the Juvenile Justice and Delinquency Act, a measure designed to delineate and improve the federal government's anti-delinquency program. Yet, seven months later, the administration has not nominated a director for the program and even eliminated funds for the project in its 1976 budget request.

While violent crime is a serious national problem, the solution lies in a humanitarian justice, not an arbitrary, hard-line approach.

THE DANGEROUS PROBLEM OF SCHOOL VIOLENCE MUST BE STOPPED

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. BIAGGI. Mr. Speaker, in recent weeks this Nation has heard shocking reports about the problem of school violence. A report issued by a Senate subcommittee outlined the true extent of this problem. Reports of widespread vandalism, personal assaults on students and even deaths resulting from school violence were common. In response to this, the House Subcommittee on Elementary, Secondary and Vocational Education will hold hearings on this grave national crisis on June 18 and 19. I plan to testify at these hearings on the problems of violence in the New York City school system, one of the largest in the Nation.

At this point in the RECORD, I would

like to insert an article which appeared in the Sunday Washington Post which outlines the proliferation of violence in schools in and around the Washington, D.C., area. I urge my colleagues to read some of the shocking accounts of violence which occur in the schools here and assure them that they are indicative of a national disease which affects almost every school district in the Nation. It is a problem whose solution must be found so that our children can be assured of quality education without having to fear for their lives.

The article follows:

VIOLENCE PROLIFERATES IN AREA SCHOOLS

Monday, May 5. Spingarn High School, 24th Street and Benning Road NE. It is 3:15 p.m. and classes have just ended for the day. A teacher is alone in her classroom finishing up some work. Two men armed with a knife walk through the door saying at first that they're looking for someone. When they find the teacher is alone, each rapes her.

St. Patrick's Day, 1975. A stairwell at Prince George's County's Crossland High School in Camp Springs. Three students with a score to settle surround 15-year-old Raymond Thomas Norton, punch and kick him, beat him with a lead pipe until he falls unconscious with a depressed skull fracture.

Nov. 22, 1974. Langley High School in an affluent neighborhood of suburban Fairfax County. Art teacher George Juliano tries to break up a fight between students in a hallway. He is attacked by a group of at least six girls who bite and claw at him, kick him in the groin and punch him in the face.

While the three incidents are by no means common, each serves as a dramatic illustration of a problem that is causing increasing concern among educators and parents in this area and throughout the nation.

It is estimated by the National Education Association that at least 70,000 teachers are being assaulted every year by students and that 155,000 have had personal property stolen or vandalized. In the school year 1972–73, 100 students were murdered in schools throughout the nation and countless numbers were assaulted, beaten, stabbed, robbed or shot.

Public opinion polls in the District of Columbia and in Anne Arundel County, Md., reflect the fact that in the eyes of the public, discipline and disorder are the No. 1 problem facing the public schools.

From the inner city to the middle-income and affluent suburbs, the school is the site of a growing climate of lawlessness, spawned by racial tensions, a high level of violence in society, generally inadequate parental supervision and other reasons. In many cases, it is seriously impairing the educational process and leaving teachers demoralized.

In Prince George's County's Bowie High School, physical education teacher William Boyd says that he is sworn at and cursed every day by students and that some teachers have simply given up trying to teach.

"There are a lot of teachers who could care less," Boyd says. They just get their pay check every two weeks. They aren't doing much teaching and they don't enforce discipline. That makes it hard on the professionals who are trying to do their jobs."

In the District of Columbia, a home economics teacher at Woodson Junior High School, Minnesota Avenue and Foote Street NE, telephoned The Post to say she was so upset over threats of physical assault that she had stayed away from school for two weeks.

"Some of these kids have no respect for teachers, parents, schools, for anything. You wouldn't believe how some of these 12- and 13-year-old girls talk. They just curse and curse. How can you teach in that kind of atmosphere? You're not a teacher but a policeman, a probation officer," the teacher said.

The incident that triggered her withdrawal from school occurred early this month when someone suddenly threw a coke bottle full of water at her while classes were changing, the glass showered her room. But there have been other frightening incidents at Woodson this year, she said, including the dousing of a teacher's aide with water, a student hitting a teacher so hard that her face swelled and she stopped coming to school, another teacher resigned after being hit by a student, and a girl student was dragged into a girls' bathroom and stripped of her clothes by other girls, who then invited boys in to take a look.

Although there's no firm proof, some educators believe the increased level of school disorders may be affecting academic achievement. "Test scores are down and it could be that there's a connection," says Marvel Hess, president of the Montgomery County Education Association.

Educators in all areas stress that the overwhelming majority of students are law abiding and serious about getting an education. Still, the relatively few who are not have caused serious problems for the school systems, and solutions are elusive.

There is no standard measure for keeping track of the exact number of violent incidents, but trends do emerge from what data is available and from interviews with students, teachers and administrators.

Prince George's County: Teachers assaulted at an estimated rate of 100 a year. One student dead in a shooting just last week. Property loss through theft, vandalism and arson during the last six months of last year $355,696.

Alexandria: 1,531 major and minor incidents of disruption in 1974 reported to the central office. They range from a vaguely defined "persistently troublesome behavior" to assaults on teachers and drug abuse. One teacher trying to break up a fight between two students is bitten on the arm and breast.

Fairfax County: A bomb explodes in a rest room at McLean High School causing damage but no injuries. Police patrol the grounds near Madison High because of a continuing problem with trespassers, mostly dropouts, fighting among students and suspected drug trafficking.

Montgomery County: Eight teachers assaulted, pushed, shoved or grabbed during January alone. Verification of at least one gun and one knife carried by students in a senior high school during the same period. Losses to vandalism and theft during the six months ending last Jan. 1: $188,000.

In the District of Columbia, the Spingarn rape early this month, while unusual, is not unprecedented. There were seven rapes committed in the city's public schools or on school grounds during 1974. There were also nine incidents of sodomy, 79 robberies, 142 assaults and 885 burglaries.

There have been no killings in the city's public schools since 1972, but between 1969 and 1972 there were four murders; two junior high school students, an assistant principal of a high school and a high school guidance counselor were shot or stabbed to death during school hours or at school events.

Since 1970, District police walking their beats have included city schools on their rounds. In Prince George's County a force of 42 investigators—up from seven in the fall of 1972—work solely in the schools.

Their investigations run the gamut from robbery to extortion. While the extortions generally involve small amounts of money, they happen often enough so that they are of serious concern in all school systems in the area. An incident last Jan. 13 at John Hanson Junior High School in Oxon Hill is fairly typical. A 13-year-old boy was asked for 25 cents by a 15-year-old school mate. When he refused to hand over the money, the elder youth beat him and took 50 cents from him.

And there is a strong suspicion that there is a fair amount of extortion that goes unreported because the victimized students are frightened.

In addition to investigating school related crimes and disorders, the Prince George's security force keeps records of all such incidents. During January, for example, they recorded 116 assaults on students, 14 on teachers, 11 assaults involving weapons and four assaults in which more than two persons were involved.

The weapons ranged from a gun used by non-students in a Jan. 21 holdup at Central High School near Seat Pleasant to a knife used in a bathroom fight at Thomas Pullen Junior High School in Landover to a Jan. 21 incident at Oxon Hill High School when a vice principal was struck on the arm in the parking lot when a youth tried to run him down with a motorcycle.

Officials also make the point that school violence is not limited to the upper grades of secondary school. On Feb. 25, an 11-year-old boy followed a classmate into a coat closet at Camp Springs Elementary School, then knocked him to the floor with a karate chop. The victim was sent to Andrews Air Force Base Hospital with a brain concussion.

On Jan. 24, at Charles Carroll Junior High School in Hyattsville, a 13-year-old girl beat a 13-year-old boy over the head with a stick until the stick broke. Then she took the jagged end and jammed it into his ear.

"We have seen a general increase in all categories of crime, but then so has the county," says Peter D. Blauvelt, a former metropolitan police officer and chief of security services for the Prince George's schools. "Schools only reflect the society around them."

Blauvelt has his 42-person force, most of them former police officers, deployed so that 26 schools—13 high schools and 13 junior high schools—receive the full time services of a single officer. The remaining officers rove from school to school.

Not only has school crime increased, says Blauvelt, but the nature of crime has changed and it's becoming increasingly more vicious.

"It's no longer your kid out on a lark trying to shoot out the street lights with a B-B gun."

Blauvelt's point is illustrated in an April 13 incident at Benjamin Tasker Junior High School in the upper-middle-income section of Belair. Two youths, ages 14 and 15, decided that discipline at the school was being enforced too strictly. They fashioned themselves out a home-made Molotov Cocktail one Sunday afternoon, went over to the school and tossed it through the window of a vice principal's office. No one was injured and damage was estimated at $1,000. The pair was subsequently arrested and their cases are pending now before juvenile authorities.

Indeed, arson accounted for the biggest single increase in property losses in the Prince George's public schools in recent months.

Schools are broken into and fires are set in an attempt to conceal burglaries, students being sent to the principal's office will start fires in supply closets on the way, and fires are being set in desks and wastebaskets, officials say.

It is a trend that is apparent in other school systems in this area and throughout the nation, and it is one that authorities find ominous.

Said the National School Public Relations Association in a report on vandalism and violence in the public schools:

"For many years, the biggest single vandalism loss has been window breakage. Now this is changing. Larceny and fires—many caused by arson—are moving higher in the loss totals . . . The shift of higher losses from window breakage to other categories, especially larceny and arson is ominous. Window breakage is usually associated with 'bad boys,' the bored kids out for a lark, daring one another to throw the first rock. Larceny and arson are usually associated with more criminal and extremist elements—rioters, organized crime, dope addicts seeking a profitable haul of saleable items from schools."

In both Prince George's County and in Alexandria, where busing to desegregated schools was implemented two years ago, racial tensions and hostilities prompted sporadic clashes.

Officials in both places say now that racial fighting has ebbed considerably recently, but there remains an undercurrent of tension.

The St. Patrick's Day beating at Crossland High School in which Raymond Thomas Norton suffered the fractured skull had racial overtones, although it did not begin as a racial incident. It began when a black youth attempted to steal some property of Norton's and a scuffle broke out. Before it was broken up, another black youth had been pushed through a glass door and had to be taken to a hospital for 47 stitches on his face and lips.

Word spread through the school that the incident had been racially motivated and three friends of the youth whose face was cut vowed to get Norton. They caught up with him in the stairwell later on and the beating occurred, officials said.

Two months later, Norton is still out of school and is on a home study program. His assailants, two 17-year-olds and one 16-year-old have been expelled and await action by Prince George's County juvenile courts.

The injury to Norton, says Andrew Bowie, security officer at Crossland for the last two years and a former lieutenant in the metropolitan police department's youth squad, is the most serious since he has been at Crossland. But he has in his office a number of weapons that he has taken from students before they got a chance to use them, including several switch blade knives and a weapon called a "numbchuck." A numbchuck consists of two sticks, each about a foot long, connected by a three foot long chain.

Like many of the Prince George's security officers, Bowie spends a good deal of time investigating petty offenses, like stealing from lockers and pocketbooks, and in running down violations of the marijuana laws.

There is a patch of woods behind Crossland where students gather during breaks and after school to smoke marijuana, and Bowie uses a long-range camera to photograph them, then calls them and their parents in for a conference.

While there is virtual unanimity in the educational field that school disorders are a serious problem, there is little agreement on solutions. A special task force in Montgomery County has been studying the issue for over a year and has agreed that something should be done, but no one is sure exactly what.

Many teachers believe that schools are being asked to do too much with too little resources. They say they are not getting the kind of cooperation they need from parents, and one incident last February involving a student's mother at Garnet-Patterson Junior High School at 10th and U Streets NW. in Washington bears this out.

The student, a girl, had been absent from school and the teacher requested a note from the parent explaining why. The parent's reply stated there was no reason why she should have to explain her daughter's absence so long as she knew where her daughter was.

The teacher told the girl her mother would have to speak to the principal or some other school official and the girl swore and cursed at her.

"I asked her to leave the room and she refused so I called the principal," the teacher said. "When he came she called him names too, but she did leave the room with him. I learned later that she walked out of school and went home.

"A short time later, her mother, a heavyset woman, appeared at the door of the classroom while I was teaching the class and demanded to talk with me. She said, 'Come here, now!'

"When I refused, she walked quickly over to me and punched me hard on my left shoulder. I was stunned and momentarily couldn't think at all. I tried to walk out the door. But she caught me, struck me on the back, and tore my dress slightly. I lurched into the hallway where our librarian had heard the commotion and came to see what caused it. He pulled me into his room and closed the door."

Then the police came and removed the woman from school.

ISABEL M. BRYLAWSKI: A GREAT LADY

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. PATTEN. Mr. Speaker, recently a concert violinist, respected music critic, and great lady retired from one of the finest newspapers in the Nation—the Home News, of New Brunswick, N.J.

Her name is Isabel M. Brylawski and all who have the privilege of knowing her love her. She never married and never had a family of her own, but the thousands of students to whom she gave violin lessons were, in a sense, her children. They will all remember and love her, not only for her deep interest in them, but also for the great lady she will always be.

I hereby insert in the CONGRESSIONAL RECORD a moving column that was written by a man who worked with her for 7 years on a popular feature that involves human problems—GAP—"Got a Problem"—Jimmie Fleming, the man with the Hemingway touch.

I join her thousands of friends in wishing Isabel Brylawski a happy, healthy, and peaceful retirement. It was typical of her to join a hospital project as a volunteer soon after her retirement, a project concerning heart disease. That is the real story of Isabel Brylawski's life—helping people. That is how she has lived and that is probably the way she will die—many years from now. I hope that she lives forever, because she has blessed Middlesex County with her kindness, goodness, and her love for people. Isabel Brylawski reminds one of what Montaigne wrote:

> Nothing that is human is alien to you.

The article follows:

OF PEOPLE AND THINGS

(By Jimmie Fleming)

Parting of the ways: When Isabel M. Brylawski, concert violinist turned music critic during a career that spanned 23 years at The Home News, took her leave officially this month it ended an association of mutual admiration that extended through every segment of the newspaper.

A surprise party, cooked up by those who had been most closely identified with Isabel through a good many years of devotion to her job, put the icing on the cake.

Enticed to the Veronica Zimmerman Daly home on Redmond Street in New Brunswick, Isabel was greeted by a group of her feminine co-workers along with publisher Hugh Boyd; retired Home News controller James Castles; and yours truly, her associate producer of the GAP (Got a Problem) column..

Seven years ago Miss Brylawski was assigned to help introduce the GAP column and was instrumental in making it a popular feature.

A graduate of the Institute of Musical Art (now the Juilliard School of Music) and the Ecole Normale de Musique in Paris, Miss Brylawski was a concert violinist here and abroad, a leader of a touring all-girl orchestra, concert master of the Plainfield Symphony and first soloist with the New Brunswick Civic Symphony.

Miss Brylawski, prior to joining The Home News staff, also operated a music studio and taught advance courses at Rutgers summer sessions.

She was hailed by her associates at the party for "her compassionate understanding of everyone's problems, her ready and willing help to all, and a devotion to duty that has been unparalleled."

In response, Isabel said: "I enjoyed every minute of my employment at The Home News and regret that I must leave. I'll miss you all."

OPENNESS AND HONESTY IN GOVERNMENT—A NEED TO REAFFIRM OUR COMMITMENT

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. HARRINGTON. Mr. Speaker, President Ford should reverse his priority of protecting narrow bureaucratic and essentially institutional interests and adopt a broader commitment to openness and honesty. These are the goals the President first enunciated when he came to office and I think the American people should hold him accountable to them.

The President, the CIA and other agencies of the Federal Government including the Justice Department under Attorney General Edward H. Levi, are stalling on requests for data from the Senate Select Committee on Intelligence and a House Subcommittee on Civil and Constitutional Rights. Delaying tactics on the part of the President do not speak highly for his pledge of openness and honesty in his administration.

As I understand it, the Senate Select Committee on Intelligence has not had the cooperation from either the CIA or President Ford that his pledge for a speedy and thorough investigation would imply.

These actions only add to the suspicion that the executive branch and the intelligence community intend to do everything possible to prevent a thorough investigation of alleged misconduct. The refusal on May 13th by Attorney Gen. Edward H. Levi to allow access to "raw files" of the FBI only serves to increase that suspicion.

The investigation of the FBI's intelligence activities by Representative DON EDWARDS Subcommittee on Civil and Constitutional Rights goes to the heart of the first and fourth amendments guarantees of freedom of thought and the right of the people to be secure in their per-

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sons, houses, papers, and effects against unreasonable searches and seizures. In a different era perhaps we might have accepted official assurances that these rights were indeed being protected, but today the crisis of credibility looms too large, the willingness of officials to lie to its own people too often demonstrated.

The GAO, which has been assisting the subcommittee in their investigation, has been receiving summaries of files on individuals but Attorney General Levi has refused their request for a random sample of "raw files" to determine the accuracy of those already submited. According to sources close to the investigation, the Justice Department's position has hardened considerably since the intelligence committees have gotten involved.

Attorney General Levi himself has admitted that the right to discuss freely the issues involved is not sufficient in many cases for the people to make an intelligent decision. In an address to the Association of the Bar of the City of New York, Levi says:

> It is not enough that the people be able to discuss these issues freely. They must also have access to the information required to resolve those issues correctly. Thus, basic to the theory of democracy is the right of the people to know about the operation of their government.

There is no possible way for the Subcommittee on Civil and Constitutional Rights to determine if the summary files provided thus far by the FBI are indeed accurate reflections of what are contained in the raw files without at least a minimum comparison of those summaries with a random sample of raw files. When Congress began to demand access to the Watergate tapes most people felt that if there was nothing to hide then the President should turn over the tapes. Well, we all know where that ended and this is a similar situation.

Levi admits the necessity for information if the people hope to resolve an issue correctly. Thus, his refusal to give access to the "raw files" of the FBI can only represent an attempt to frustrate any future requests by either the House or Senate Select Committees on Intelligence. Such actions only prolong the inevitable and further erode the thrust and confidence of the American people in their governmental institutions.

One simply cannot escape the glaring similarities to the Watergate fiasco. Both President Nixon and President Ford pledged themselves to thorough investigations; Nixon's actions gave the lie to his pledge and President Ford's actions are beginning to cast a lengthening shadow over his. President Nixon offered summaries of his tapes—Attorney General Levi offers summaries of FBI files. CREEP lawyers sat in as monitors during the initial interviews of these involved in the scandal—the CIA and FBI want monitors to sit in on interviews of past and present employees. President Nixon used every available means to slow the Watergate investigation if not halt it entirely—President Ford has thus far only been accused of stalling.

It is both pitiful and ironic that so soon after Watergate, the American people must again suffer through a long and potentially destructive fight between Congress and the Executive branch in order to obtain the truth of recent allegations concerning our intelligence community. The American people can no longer accept on "faith" the assertions of their "leaders" that their actions are in the best interests of those they are elected to serve. The American people and we, their elected representatives, must begin to check the growing authority of the executive branch if democratic dialog is to be preserved. In the final analysis the cure for the ills of democracy is more democracy, not less.

REFUGEES PROVIDE TEST OF NATION'S COMPASSION

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. EVINS of Tennessee. Mr. Speaker, the Nashville Tennessean in a recent editorial entitled "Refugees Provide Test of Nation's Compassion," emphasizes that only 30,000 of the South Vietnamese refugees are heads of households and will compete in the labor market with Americans for scarce jobs.

No one wants to be confronted with this problem—but it is here and the question is: How do we respond?

The Tennesseean in its editorial refers to the timeless words engraved on the Statute of Liberty in New York Harbor:

> Give me your tired, your poor, your huddled masses yearning to breathe free, the wretched refuse of your teeming shores, send these, the homeless tempest tos't to me. I lift my lamp beside the golden door.

The editorial suggests that in this creed we must find our answer and our response to the homeless refugees seeking a haven in our country.

Because of the interest of my colleagues and the American people in this most important subject, I place the editorial from the Tennessean in the RECORD herewith.

The editorial follows:

REFUGEES PROVIDE TEST OF NATION'S COMPASSION

The people of the United States have always been a compassionate and generous society in the main, and once more there is an opportunity to provide living proof of that in dealing with the war refugees from Vietnam.

The nation has assumed responsibility for those who fled the final collapse of their country. It is a responsibility with historical precedent, of a nation being a haven for those who flee persecution and war. It is also a moral responsibility in the sense that the refugees are creatures of American policy and, indeed, many are former employes of this country.

Since the United States sought to shape the political destiny of South Vietnam and failed, it cannot in good conscience turn its back on those who are now the victims. The ultimate test, however, is not the government's, but the people's compassion.

Some in this country are understandably jittery and concerned about this wave of refugees which was sudden, disorganized and caught the country virtually unprepared. The refugees are viewed as possible competitors for scarce jobs, as aliens who are plunged into a strange culture without preparation and, finally, as living reminders of a national trauma, if not a nightmare.

While it is doubtful if the refugees will have any major impact on the economy—hardly more than 30,000 heads of households—there are some perfectly natural questions: whether some were seriously endangered or merely wanted to leave, and whether there are undesirables among them.

Evidently some did get out who had the right connections. And there may be some who were corrupt and came out with wealth. But the immigration laws do not make such easy distinctions on those who seek asylum.

Too, it must be remembered that the total national immigration figure for 1973 was more than 400,000, and that about a quarter of this number came from Asia. The refugees are hardly the kind of wave that the Cubans represented in the aftermath of the Castro takeover.

Apart from the subject of compassion, however, are some questions that need to be asked of government. How many refugees are there? It isn't yet clear whether estimates of the total are valid, but the best guess is that 150,000 are involved.

For transportation and resettlement, the Ford administration is asking Congress for an additional $507 million to go with the $98 million currently being used from the fund for postwar reconstruction in Vietnam.

That figures out at about $4 thousand for each refugee. In a breakdown of fixed and expected costs, the government set $30 million for evacuation by sea, $132 million for evacuation by air and transport to staging areas, $32 million for building facilities, $185 million for maintenance and processing; $78 million for resettlement costs to volunteer agencies, $125 million for subsequent welfare and medical costs, and $20 million for those expected to travel on to settlement in other lands. Presumably a few more million will be thrown in for incidentals.

All that is rather steep. The costs incurred in resettlement ought not be borne by local communities, and this will have to be funded in ways that make it as bearable for the refugees as possible. Perhaps the estimates are not out of line, but Congress should make sure.

In any event, the people of this nation have a chance to reaffirm the principles on which it was founded, and the tradition so aptly described in the poem that is inscribed on the Statue of Liberty.

JUST THE FACTS ABOUT ISRAEL

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. DRINAN. Mr. Speaker, I would like to bring to the attention of my colleagues an excellent article written by Mr. Albert Schlossberg, president of the Jewish Community Council of Metropolitan Boston, which was published in the April 10 issue of the Jewish Times.

Mr. Schlossberg cogently sets forth the true and simple facts surrounding the present situation in Israel. He accurately describes the many differences between the conflicts in South Vietnam and in Israel and concludes that Israel,

unlike Vietnam, must never be subject to Kissinger's secret deals and promises.

I highly commend this perceptive article to my colleagues:

JUST THE FACTS, MA'AM . . . . .

(By Albert Schlossberg)

If the boys in the Kremlin had planned it, events on the international scene could not have worked out better for them—so it appears on the surface. The foreign policy of the United States over the past decades has come apart like a cheap umbrella in a hurricane. In the Mid-East the personalized diplomacy of the good Dr. Kissinger has failed to produce the brilliant success that he had hoped for. Indo China speaks for itself. In the southern half of this hemisphere serious doubts are being raised with respect to the value of a Kissinger grand-tour through Latin and South America. Greece, Turkey and Cypress give off their own odors. All may not be lost, but one would have to be a super optimist to see any light at the end of the proverbial tunnel.

To clear the decks I'll address myself to Indo China first. Despite the words of President Ford and his secretary of State, there are very few similarities in the Vietnam and the Middle East situations. America's private interest in Indo China has never been clearly spelled out by the late President John F. Kennedy or by all of the presidents who followed him. Whether their collective policy was right or wrong, is a moot point at this time. The trauma and suffering of a million human beings fleeing from advancing Communist armies in Vietnam should be enough to cause us to stop arguing amongst ourselves and concentrate on the humanitarian aspects of the problem.

If we are to say our al chaits, we should also admit that when the Paris peace agreements were negotiated the U.S. has only two concerns, get our POWs back and get our troops out of Vietnam. All of the rest of the words at the Paris meetings were "just window-dressing. There is another al chait and to whom it belongs will have to be decided at a later date. Neither Dr. Kissinger or any other representaitve of the U.S. government has denied the report that the Vietnamese leaders were promised that if the North Vietnamese and Viet Cong attacked in force, the U.S. would react with military force to stop the violation. Dr. Kissinger may have intended to comply with this promise. The Congress of the United States, by legislative fiat made this impossible. Was Vietnam a political, military or diplomatic fiasco, is the question that historians will be debating for a long time to come.

Despite the loud cries of anguish from President Ford and the thinly veiled words of Henry Kissinger, Israel is not South Vietnam. I get tired of repeating myself, but Israel has never suggested that she wants American men spilling their blood and guts on the sands of the Sinai or on the snows of Golan. Israel is not South Vietnam. The government of Israel is the result of a democratic process that involves all of the people, Jew and non-Jew alike, in an elective system that determines who the leaders will be. Israel is not South Vietnam. In Israel all ablebodied men and women beyond the age of 18, (with a few specific exceptions), serve in the armed forces of their country. Israel is not South Vietnam. Until the Yom Kippur War Israel paid in hard-earned, hard-cash currency for the military supplies that she received from the United States. Unlike South Vietnam, the Israelis have accepted financial burdens upon themselves that make all other nations in the world seem like utopian societies. High taxes, high prices for consumer products, lower wage levels, devalued currency and almost no luxuries.

The Middle East is not Indo China in other ways. The strategic importance of the area has never been questioned. The NATO agreements would not be worth the proverbial powder to blow them to Hell if Israel did not exist. If Soviet hegemony were to be extended to the entire Middle East area the United States and Western Europe would be at the complete mercy of the Kremlin bosses. The U.S. Sixth Fleet, now woefully undermanned and underequipped, would be driven out.

The Mediterranean, the Indian Ocean, the Persian Gulf and the Red Sea would become Soviet lakes. The oil-rich sheihkdoms would soon be completely dominated by Russia and the oil embargo of a year ago would look like child's play. The economies of Western Europe, Japan, and all other nations except the United States would be subject to Soviet strangulation. We, the U.S.A., could very well survive the loss of the 8 percent of our total energy needs that we now receive from the Arab countries, but because our present trading partners would suffer economic chaos, we would have no markets for our goods and products and Fortress America would soon be in serious trouble.

But there is a single glaring example of the Vietnam fiasco that does have relevance to Israel and the Middle East. Kissinger's secret deals and promises. Let us assume that the good Dr. Kissinger intended to follow through on his pledge to come to the aid of South Vietnam when and if the North Vietnamese when and if the North Vietnamese attacked in violation of the Paris agreements. Let us further assume that he would have similar intentions with respect to any promises that he might make to the Israelis. Dr. Kissinger and the Ford Administration would have no better chance of guaranteeing such assistance to Israel than they had with South Vietnam. Given the mood of the U.S., given the trend that suggests a return to isolationism, given the election campaign of '76, Israel would have to be a damned fool to even consider secret agreements as a viable solution of their problems.

The Israelis have the right and the only idea that's worth a damn. Open agreements between the parties directly involved in the conflict. Step-by-step is fine. Deal with Egypt first, Jordan next, Syria, Lebanon and any others in any other order, O.K. But unless the Arab countries are willing to sit across a table from the Israelis and admit that Israel is there to stay, to be dealt with as a political reality, to like or not to like, but to be accorded political recognition, economic freedom and diplomatic acceptance, all of the shuttles, all of the words, all of the machinations will prove to be in vain. These are the facts, and all of Sadat's facade of new-found moderation and presumed good will will not change a thing.

NATIONAL MOTHER OF THE YEAR

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. FORD of Tennessee. Mr. Speaker, Mrs. Josephine Wainman Burson of Memphis, Tenn., has been named the National Mother of the Year for 1975 by the American Mothers Committee. Mrs. Burson has been active in civic affairs for many years. Her achievements are testimony to her concern for her fellow human beings. I would like to introduce into the RECORD today the citation of the American Mothers Committee and the text of Mrs. Burson's acceptance speech.

CITATION

Mrs. Josephine Wainman Burson, National Mother of the Year, is honored by the American Mothers Committee, Inc., New York, N.Y., for outstanding service to family, community, State, Nation through strengthening the moral and spiritual foundations of the home and through prayer in the home and by public example has contributed to religious life advancing the ecumenical concept of brotherhood and international good will.

MARY FILSER LOHR,
President, American Mothers Committee, Inc.

NATIONAL AMERICAN MOTHER OF 1975
ACCEPTANCE SPEECH

(By Mrs. Josephine Wainman Burson)

Today all over the world there is ferment, discussion and upheaval over the role of women. The traditionalist rejects the idea of women entering occupations once reserved for men, serving on juries, etc. On the other end of the spectrum is the woman who rejects all of the old social mores of our society. One fights for the Equal Rights Amendment, the other campaigns against it. Both predict dire consequences if their point of view does not prevail. I cannot agree completely with either extreme point of view.

There is a road that women can take that is satisfying to them as women, fulfilling as a person and as an individual who has a contribution to make to society. This isn't a new idea nor a new philosophy of life for women to follow. It is something that many women have been doing for years. She is, perhaps, the woman who is the center of the storm in the discussion over professionalism and volunteerism. She is the professional volunteer who gives her talent, her intellect, her time to numerous community causes. Included in these ranks are women who work, who are professionals, and many who are called housewives. In the years of social change that we have passed through these women have been the catalyst for many of the great social advances we have experienced.

There is still much to be done and one of the major problems facing the woman who wants to be an activist is where to lend her energies. She asks, Do I take up the cause of women's rights first (and there are inequities that need to be corrected), or do I join forces with other women and men to focus attention on the many problems which still exist in our country and need the best minds and greatest effort for their solution.

It is a question of the order of our priorities.

I believe that women have choices to make. I believe they can make those choices and I believe the options open to women are greater than ever before.

Participating in a volunteer capacity in an organization that teaches illiterates to read and write does not preclude a woman from working for the civil rights of women in jobs and salaries. Working as a volunteer in a movement that provides medical care or a day center for underprivileged youth does not mean that a woman cannot participate in the political process or run for office or encourage other women to do so.

At this particular moment in time I would like to see women be humanitarian leaders in helping the refugees that are coming to our country. Some of us still remember with pain and guilt the ships laden with displaced persons that we turned away from our shores in the forties. For a country that prides itself on decency and has demonstrated humanitarian concern this episode is a stain on our history.

Because we have become so involved in the extremes of discussion and argument over the role or future destiny of women we tend to think in exclusive terms. We fail to see there is no dichotomy in working on more than one level or giving ourselves to achieving more than one goal.

UMI

Mother, wife, community volunteer, professional or women's lib are not mutually exclusive. Today's woman has the privilege and opportunity of blending these into an exciting life that does not diminish the quality of her home, her life or her image of herself as an individual.

SECRETARY McLUCAS LOOKS AT THE MAN IN UNIFORM TODAY

HON. F. EDWARD HÉBERT

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. HÉBERT. Mr. Speaker, it was my privilege on Armed Services Day in New Orleans to introduced Secretary of the Air Force John McLucas. I have been privileged over the past 26 years to introduce every speaker at Armed Forces Day in New Orleans and have been privileged to hear some outstanding and magnificent addresses.

But the one delivered by Secretary McLucas undoubtedly is one of the most profound, in-depth discussions of the situation as it exists in the world today as related to our men in uniform and the ability of the military that I have ever heard.

It is an address that should be read and studied by every American. It is an address which points out most emphatically that the military has never failed to carry out its mission when allowed to carry it out.

This address was given after the successful performance of the military in rescuing the *Mayaguez* and its crew from the Cambodians. In that instance, the military was told to go in and win, and they did. They performed their mission.

If only those same instructions had been given to the military in Vietnam. If only they had been told to go in and win, they would have and quickly.

But instead our Nation is experiencing the anguish of division and the torture of separation among its own people.

Enough of my comments. I submit here the address of Secretary McLucas at Armed Forces Day in New Orleans. It is a masterpiece.

The address follows:

REMARKS BY SECRETARY McLUCAS

Mr. Chairman, Mr. Hébert, Ladies and Gentlemen: Throughout this week and especially on May 17, we have many events planned to show our respect and gratitude for the Armed Forces of the United States. Events of the last two to three days have reminded us of the fact that military force is still necessary to get some people's attention. Today we have closed out a very small action, but it was a significant action because it was a signal. It was not a bellicose signal. It was suited to the task we had to perform.

On television and in some newspapers, questions are being raised as to whether we acted too quickly. There is room for difference of opinion, but I believe 90 per cent of the American people approved our action and wanted our ship and crew returned and wanted this signal sent.

Rapidly changing events point up the need to deal in longer term perspective. We cannot change our policies daily, so we need to try to state objectives that will guide our actions and relations over the long term.

Rather than focus on today's events, let me treat the role of the military in broader perspective. Our military forces trace their origins back to the days of the Revolution.

Just a little less than four weeks ago, I participated in the Bicentennial celebrations at Concord and Lexington, Massachusetts. It was a happy time when large numbers of people came to celebrate. There was a parade including Minutemen from many surrounding towns. The President gave a speech and many officials including the Governor and the British Ambassador were there.

Emerson's poem about the "shot heard round the world" took some poetic license, but captured the essence of the events of those days 200 years ago. The British troops who went to capture a cache of arms met resistance in Lexington and Concord, and the series of military actions called the American Revolution began. No doubt many people said, Be patient; do not over-react; no military action is necessary. In fact, we know that there were divided opinions at the time: about one third of the colonists wanted to fight; one third wanted to negotiate; and one third wished that things would settle down so they could get back to work. Yet we know how those events led to a build up of the desire to be free and we know what the final result was.

Many times since, this nation has had to rely on our military forces. Over the years following events when military force had to be used, this need has led to two types of reaction. The stronger one, I would like to think, is respect for and support of our military people. Most of my generation remember World War II, when members of the Armed Forces felt sympathy and support from the public.

On the other hand, we must also face the fact that there have been many times—mostly immediately after wars—when the military has not been popular. I remember, as a child, the attitude of most people to veterans of World War I. My friends and I certainly had very little patience with them and their war stories.

This country has not had a tradition of large peace-time forces, and has felt uncomfortable about large standing armies. This had led periodically to their neglect. So over the years, and again today, it has been necessary to stop and acknowledge the key role that America's military has played. I am happy to be in a position to do that today.

I do not mean that we should pay excessive homage to the military or to the idea that there are military solutions to all of our problems—or all the problems of the world. Nonetheless, it is a fact that we live in a world where military force exists. Until we find a way to eliminate entirely the use of force in handling disagreements among nations, we must not only acknowledge the key role of our military forces but also take care to see that they are maintained in a good state of readiness in terms of people, equipment, training, and morale.

The present disillusionment with the military, which is the result of a long and unhappy involvement in Southeast Asia, is not unique. We have in America a basic optimism—and I thank God for it—but often that optimism has led to disappointment. In World War I we became enamored of the idea that we were fighting the war to end all wars. Immediately after war's end, our optimism led to demobilization. We demobilized rapidly, glad to be able to put not only war but foreign involvements behind us. In retrospect, I believe most people would agree that this kind of military and diplomatic isolationism was a grave mistake and cost us dearly in the years that followed. Perhaps that optimism and the consequent turning away from foreign interests led to World War II. When World War II began our military was relatively unprepared and unequipped. Fortunately, we had the time to mobilize and equip a citizen army and navy. Yet, again after World War II, we breathed a sigh of relief and engaged in the most rapid demobilization the world has ever seen.

These events demonstrate that we have had a history of being uneasy about maintaining a large military establishment. Such a feeling is easily understood when we think of the historical difficulties that many of our ancestors faced, many of whom looked on America as a refuge from Europe's interminable wars and conflicts. Moreover, in our lifetimes we have seen plenty of examples of heavy-handed military regimes in the world, which were unresponsive to civilian government.

We have been fortunate in this country that we have a tradition of the military following the legitimate orders of our nation's leaders. American military allegiance to constitutional authority has never been questioned except in the world of fiction. In my exposure to the top military leaders of the last decade, I have known none who questioned the rightness of the military being under civilian control.

Even when they felt that the civilian leaders were wrong, we have seen no tendency for them to take matters into their own hands. Our military has made mistakes, but among them is not included the idea popular in some countries that they should take over and straighten out the mess that we civilians have made.

Today, as we honor our Armed Forces, we recognize that military power alone will not assure us either security at home or a proper role in world affairs. We know that military strength does not guarantee that everything will go right for us, but we also know that without military strength much more will go wrong for us. To maintain our influence in the world, and our relative independence of action in policy matters at home and abroad, we must remain strong.

For many years, especially since World War II, we have recognized that we live in an interdependent world. Anyone who did not recognize that to be true before 1973 must know it now as we attempt to deal with the knotty problems of the Middle East, to mention but one area. Thus it is apparent that our military posture must be tied to, and, in fact, is intertwined with, our relations with a host of nations around the world.

In the years since World War II, we have allied ourselves with dozens of nations in Europe, Latin America, and Asia. While these alliances, for the most part, have accomplished their objectives, we have found that not only must we have good relations with allies, but also we must work to reduce tensions with adversaries. The people of the world will not be grateful to strong and powerful neighbors and allies who, even while providing protection for them, keep the world in a continual state of tension and confrontation.

Many of our leaders of the recent past have accepted this truth and have worked to reduce tension. This kind of activity was most marked during the years of Mr. Nixon's presidency and is being continued under the guidance of President Ford.

This relaxation of tensions, which we call detente, is a welcome turn of events. It provides for the development of many ties, cultural and scientific, and improves the prospects for mutually beneficial trade agreements.

But we must keep several factors in mind as we look for the benefits of detente.

First, detente is possible only as long as we maintain our strength. A lack of military strength on our part would make us unwilling to take initiatives toward increased contact and would lead to increased distrust of Soviet initiatives.

Second, detente does not mean that the Soviets have decided to cut back on their military outlays. There continues to be a

significant growth in the Soviet military budget year by year. Today we estimate that their overall budget exceeds ours by 25 per cent and in the strategic field by something like 60 per cent.

I have said that the United States must maintain a strong military posture. I have not implied that we must match the Soviets in every item, and, in fact, we are not trying to do that. Our overall budget is less than theirs and we have only half as many people in uniform—some two million versus their four million. At the same time, neither can we ignore what they do.

One of the results of our involvement in Southeast Asia has been a desire to "reassess our priorities" and put more of our resources into non-defense matters. We have pressing social problems that cry out for resolution.

Some people do not recognize the extent to which we have realigned our priorities. Since 1968 we have reduced the size of our military forces each year. Today we have the smallest number of people in uniform since 1950. In the last 10 years the defense budget has grown 68 per cent in dollars but has shrunk 18 per cent in buying power. Ten years ago the defense budget took 9 per cent of the gross national product; today it takes only 6 per cent. While the defense budget went up by about 85 per cent, the non-military federal budget increased 220 per cent. In the same period public assistance increased 440 per cent, aid to education 250 per cent, social services 250 per cent, and health expenditures 960 per cent. So there have been big changes in our priorities.

I do not believe that we should expect further decreases in the proportion of effort going to defense. We of the military need a period of stability in our budget and in the size of our forces. While we may be somewhat biased because of our perspective in the Pentagon, there are at least two reasons why we feel we can not afford further large cuts in the military.

First, there is much to be done to keep our forces strong, well-trained, properly equipped, and in a good state of morale. We must buy new equipment to replace aging inventories, and we must continue a strong research and development program to insure that our weapons, communications equipment, and other systems do not become obsolete.

Second, a cut in our defense posture at this stage would very likely give exactly the wrong kind of signal to friend and adversary alike. The eyes of many people are on us to see how we react to the fall of governments in Southeast Asia and to the increasingly complex international picture in other parts of the world. Not only are we reassessing our own role in affairs in the Middle East, Latin America, and Europe, but other nations are reassessing what they can expect from us. Many countries feel that we gave too much attention to Southeast Asia. They will be looking to see if they get more attention now.

There is no question but that our strength and our will are going to be tested elsewhere, just as they were tested on Monday by the capture of the merchant ship Mayaguez.

I believe most Americans welcome a reassessment of our position and our possible role in various parts of the world, but many frankly are tired of it all and long for the good old days when nations of the world were not so interdependent.

While sympathizing with that desire to bow out or at least take some time off, I believe most of us recognize that we cannot go back to the good old days.

We cannot turn back the clock. A world in which the United States abandoned its place of leadership and in which the dominant force was Soviet power would not be very friendly toward what we call the free world—that number of Western democracies and their allies with whom we share so much in common heritage and beliefs.

While some have felt that we have played too strong a part in world affairs, I believe that even they would agree that the least we want to be able to do is to help our friends, and to deter our adversaries from taking actions against us and our friends. In short, we must be able to defend our interests. The role of the military is to deter attack and to prevent pressure from being applied to us and to our friends. Deterrence allows us to concentrate on other social goals. Let us remember that our first social goal is to remain alive and free of foreign domination.

No, we cannot return to Fortress America. A strong military will insure that we do not have to.

Recent actions in Congress encourage me in thinking that we continue to have support for a strong military force. There are still many people on the Hill who like Eddie Hébert can be counted on to support us. As I have gotten around to meeting most of the new Congressmen, I feel that they too want us to keep a strong defense capability.

Let me close with a word of caution. We may have learned several lessons, from our recent experiences in Southeast Asia. There is some good in causing us to rethink our role and deciding that maybe we do not have all the answers. However, we should not lose our convictions. We should not assume that one idea is as good as another, or that one form of government is as good as another. In our free-wheeling turbulent democracy, we have a heritage that is good, unique, and perhaps irreplaceable.

The American military is dedicated to supporting the unique form of government. We acknowledge that support and applaud them for it. I salute our men and women in uniform and I thank you for inviting me to this observance of Armed Forces Day.

ON AMENDING H.R. 6860—COMPREHENSIVE NATIONAL ENERGY CONSERVATION AND CONVERSION PROGRAM

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. PICKLE. Mr. Speaker, it is my intention to offer an amendment to H.R. 6860, the comprehensive national energy conservation and conversion program, to provide for a congressional concurrent resolution of disapproval for any proportionate increase in gasoline taxes above the 3 cents a gallon provided for in the bill. The purpose of the concurrent resolution of disapproval is to allow both Houses of Congress to vote disapproval of any increase, in the event that such a motion is offered by either the committee, or a Member of Congress.

I recommended a similar approach in committee, but it failed by a voice vote because some had felt it was a partisan amendment. By no means is it a partisan amendment. It is a right of refusal amendment.

If the FEA Administrator finds that the domestic consumption of gasoline in any preceding calendar year has exceeded the domestic consumption of gasoline for 1973, he publishes this determination not later than January 31, and stipulates that the tax be raised by 5, 10, 15, or 20 cents per gallon. This increase would go into effection April 15 of that year.

The action in the Congress would take the form of a concurrent resolution of disapproval, which must be passed by both the House and the Senate. If introduced in the House of Representatives, it would be referred to the Committee on Ways and Means, and if in the Senate, to the Committee on Finance. Passage of the resolution would mean the extra gasoline tax would not go into effect.

Under the bill as written, if national consumption of gasoline for the calendar year preceding, exceeded the 1973 consumption of gasoline by more than 1, 2, or 3 percent, it could mean an increase in gasoline taxes by as much as 20 cents a gallon by 1977. While the committee bill envisions gradual increases from 5 cents up to 20 cents if there is a heavy increase in gasoline consumption in a year or so, the public could be faced with a heavy gasoline tax increase in 1 year. It seems to me that before this happens, Congress should have the right to disapprove such a heavy increase.

During the committee consideration of the bill, an amendment was added that allowed delay from January 30 to April 15 before the tax went into effect. Obviously, the intent was to allow some time to transpire before the proposed increase and the actual imposition of the tax. Since this was the intent, then some procedure should be established to allow Congress to have time to consider all factors.

There are so many imponderables about possible fuel increases that it seems to me Congress ought to reserve the right to take another look at the situation before such a large tax that would affect the pocketbook of almost every taxpayer would go into effect. Therefore, I think it in the best interest for Congress to reserve the right to disapprove any such increase in the gasoline tax.

My proposed amendment will appear in the amendment section of the RECORD.

THE HERCULES C–130H

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. McDONALD of Georgia. Mr. Speaker, the C–130 plane is a great success story and a bright spot in an otherwise generally weak economic picture for the United States. The C–130 is a product of the Lockheed Marietta, Ga., plant, an area which I am proud to represent. However, the article I am today inserting for edification of my colleagues appeared in the Pacific Defense Reporter March 1975 issue and is published in Sydney, Australia. The article follows:

THE HERCULES C–130H

THE HERCULES—WORLDWIDE DEMAND

In 1974, a year when aircraft sales generally declined, Lockheed bucked the global trend and began stepping up production of its long lived C–130 Hercules from three to six per month.

The reason of course was simply customer demand. A demand that has remained so steady that Lockheed closed the year with a backlog of orders for 138 aircraft from 23 customers in some 20 different nations.

Much of the backlog—including 50 units for the US Air Force, represents purchase of the C–130H, the latest of 45 separate versions to come from the line at Marietta, Lockheed's Georgia plant.

The customer list in fact reads something like a United Nations roster. It shows Abu Dhabi, Argentina, Brazil, Canada, Denmark, Gabon, Greece, Iran, Malaysia, Morocco, Nigeria, Saudi Arabia, Spain, Sweden and Zaire—with Australia looming large as a return customer towards the middle of the year as it seeks a replacement for its present Hercules fleet.

In addition, there are orders from the US Marine Corps and the US Tactical Air Command (TAC), as well as orders for the commercial L100 series from customers in the US, South Africa and the Philippines.

The TAC is the original Hercules operator, and since accepting its very first C–130s in December 1956, the US Air Force has come back for more, year after year, and at the end of 1974, had received 831.

THE C–130H—FULL OF IMPROVEMENTS

Today's C–130H looks much like the C–130A. Squat, sturdy, four propjet powerplants, utilitarian, and above all, businesslike. Designed for hard use in out of the way places rather than for pleasing aesthetics, the Hercules—after more than 1300 deliveries, retains the proven features it started with over two decades ago.

The only differences immediately discernable from the outside are the four-bladed 13.5-foot Hamilton standard propellers that replace the 15-foot three-bladed propellers on the "A" models and external fuel tanks. (About half of the 218 C–130As built later received 450-gallon external tanks mounted on short pylons outside engine nacelles. The current 1350-gallon installation on a longer pylon fits between engine pairs on each side.)

. But look inside the nacelles and among aircraft systems and inspect the structure and you'll find advances around.

Takeoff equivalent shaft horsepower for the T56–A–15 engine for example has increased from 3750 in early aircraft to 4508. It delivers 24 per cent more horsepower for hot-day takeoffs. It helps the C–130H climb quicker, cruise faster at higher altitudes and go farther than its predecessors. The T56–A–15 can be expected to go 4000 hours before major overhaul. It has lower specific fuel consumption. And with greater reliability it offers reduced maintenance and over-all operating costs.

Carroll Dallas, a Lockheed-Georgia engineer who helped design the first production C–130 later "E" models and the current "H" version, recently said that the Hercules on the line today, reflects the latest state-of-the-art and that . . . "The C–130H has a totally new type of centre and outer wing CMA, an updated environmental control system and a modern avionics package . . . it features improvement in the landing gear, flight controls and electrical system, and range, speed and payload have constantly improved as new models have been introduced. Anyone familiar with the original C–130 would hardly recognize the structural details and functional systems now".

It's all the end product, he says of a continual engineering effort designed to seek ways of boosting performance safety and mission reliability.

These operational refinements make even better a proven basic design that has logged well over 9 million dependable flight hours.

Like the C–130E's currently in service with the RAAF, the "H" has a cargo compartment 10 feet wide, 9 feet high and 40 feet long, excluding the integral ramp. Total volume is 4,300 cubic feet. Floor height above the ground is 3.4 feet. "Box size" and payload are large enough to accommodate 90% of all the vehicles assigned to an American Mechanised Division. In addition to a wide range of other secondary roles (see box) it can deliver about 45,000 lbs of cargo, 92 fully equipped troops, 64 paratroops, or be rapidly converted to the ambulance role capable of carrying 74 litter patients.

Maximum ramp weight which started at 124,200 lbs has now reached 155,000 lbs, whilst maximum payload has climbed from 35,000 to 45,000 lbs.

STRUCTURAL CHANGES—THE MAIN FEATURES

Probably the most significant internal strucutral change aimed at making the Hercules a "new aircraft" has been in the wing assembly.

Because of the severe day in day out rough field treatment that USAF and Allied planes received in South East Asia, Lockheed began to analyze the effects of this intensive stress on structures in the late sixties.

From the results of this analysis came a new centre wing box that has extended the airplanes lifetime significantly. The structure, which included fatigue resistant fasteners was tested at 40,000 simulated flight hours—a figure so impressive that all U.S. Services retrofitted their Hercules with the stronger component (original C–130A's excluded).

Lockheed has so far modified nearly 600 aircraft with the long life wingbox for the U.S., Australia, New Zealand, Brazil, Iran and Colombia, and has on-going work in progress for Pakistan, Saudi Arabia, and Indonesia.

Production aircraft began getting the new structure in early 1969. Three years later some re-design gave the outer wings the same fatigue standards. That improvement went into production airplanes in 1973.

The structural aluminium alloy now is stress corrosion resistant and has the latest sulphuric acid anodized base for a new polyurethane protective coating. A corrosion-inhibitive polysulphide sealant is applied to seal the wing during assembly. An environmental "aerodynamically smoother" sealant protects internal joints and seams. The technique affords double protection for integral fuel tanks because fillet-sealing and fastener over-coating goes on top of the sealed structure.

Following an anti-corrosion system pioneered on the C–5 Galaxy, Lockheed equipped each integral tank with a water removal suction system. Activated by fuel boost pumps it eliminates bacteria-promoting "water bottoms".

COMPLETE AVIONICS UPDATE

Lockheed has also upgraded the C–130 Avionics package completely. Solid state devices replace vacuum tubes and integrated circuits take over the discrete electronic components. In addition, the new propjet transport comes with one of the world's most advanced Search and Weather Radars, and single early vintage Gyrocompasses of the past have given way to two highly accurate Sperry C12 slave directional Gyro Compass systems.

Typical avionics installation includes glide slope receivers, marker beacon receivers, radio altimeter, dual TACAN (Tactical air navigation) and UHF communication systems. Also included are navigation computer, USAF standard flight director, crash position indicator and an angle of attack and stall warning system.

Hercules observers with a fine eye for detail may be able to note that Lockheed has increased the length of each landing gear fairing 20 inches forward. The extended fairing encloses a new auxiliary power unit. The fairing contains front air scoops to feed the APU compressors and an exhaust vent that opens and closes in flight as needed. The APU supercedes a dual gas turbine compressor and air turbine motor. It gives the C-130—for the first time—an inflight source of additional electrical power.

Two separate systems supply hydraulic power to the rudder controls which have tandem actuators for fail-safe operation. Newer fatigue resistant metal and longer life seals add further reliability to both rudder and aileron actuators.

The airplanes three hydraulic power systems—utility, emergency, and booster—are simpler more reliable and have better back-up capability. Innovations include in-line type pumps, both engine driven and auxiliary, wet motor boost pumps, flareless fittings in hydraulic tubing, three-micron absolute filter elements, T-section seals in lieu of "O" rings and a single-valve ramp control.

Engineering to constantly improve the Hercules extends from top to bottom. New models for instance have higher capacity multi-disc brakes with modulating individual wheel control anti-skid systems. That decreases brake fade. Forged aluminium wheels, assure better fatigue resistance and fusible main wheel plugs prevent tyre blow-outs that overheated brakes could cause.

Beginning with April deliveries each C–130 will have more reliable and efficient air conditioning refrigeration units with solid state temperature controls that operate at less than 4000 r.p.m.

A PROGRAMME OF CONTINUOUS DEVELOPMENT

Lockheed is constantly investigating other new techniques and materials that may be applicable to aircraft structure.

Under a national aeronautics and space energy programme the company produced two Hercule's center wing sections with reinforcements of boron composite—a material that combines light weight and strength instead of the usual aluminium alloy components. Installed on TAC C–130Hs they will be monitored for three years to obtain comparative data. Production use is considered possible.

Another airplane in USAF operational service has one 9-by-10-foot fuselage panel joined by weldbonding instead of rivets. It too will undergo three years of flight tests. Weldbonding combined epoxy adhesives with electrical fusion (spotwelding) at many contact points plus a curing period in a large autoclave.

The process results in a stronger and less expensive component than a riveted section Lockheed believes that with adequate development it conceivably could revolutionize aircraft manufacturing.

Looking further ahead company studies show that today's Hercules compares favourably with an all-new fanjet-powered replacement candidate.

Right now it can meet a 27000-foot takeoff field length requirement for a typical TAC mission of 400 nautical miles carrying 20,000 pounds of payload. With STOL modifications it could take off in 2380 feet with a 27,000-pound payload for the 400 N.M. radius mission. A fanjet the company said would save only a few minutes on the identical mission—and require twice as much fuel.

Meanwhile Hercules in commercial livery stand by airlifting to frozen and sun-baked oil exploration sites materials that may help alleviate the world's petroleum crunch.

Saturn Airways of Oakland Calif. U.S.A. in paricular flies regularly into the Prudhoe Bay area not far from the North Pole with such loads as electrical generator plants, portable buildings, wheeled and tracked vehicles and pipe. The same carrier and others fly L100s to the Middle East and Latin America with oil field drilling equipment.

Saturn operates 11 Herks. On the other side of the world, SAFAIR of South Africa has ordered nine and received three "Dash 30" L100s, a super stretch model with 5101 cubic feet of cargo compartment volume—1431 more than the military aircraft.

The addition of one 100-inch plug just aft of the flight deck and one 80-inch plug aft of the wing increase cargo compartment and fuselage length 15 feet.

The L100–30 is virtually a match for the C–130H in handling characteristics and performance with considerable payload enhancement. Other L100s fly as contract carriers resupplying U.S. domestic and offshore military bases and airlift podded engines by American-made wide-body jets.

With firm and anticipated orders that assure production well into 1977 Lockheed-Georgia company—with good reason for confidence—predicts the airplane will still be attracting global customers in 1980.

SENIOR CITIZENS AND THE ECONOMY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. DOWNEY of New York. Mr. Speaker, on March 3, I held a day-long public hearing in my district on senior citizens and the economy. I heard testimony from more than two dozen witnesses, including heads of senior citizen organizations, agency directors, and some very outspoken individuals representing themselves. The hearing room was packed with interested older Americans anxious to be heard by their Congressman as well as by the various public officials who were also in attendance.

Toward the end of the long hearing, several seniors spoke up to express their frustrations on many issues. They spoke of the need for a national health program, income tax reform, social security reform, and the formation of a day center for the aged. These are just a few of the issues they are concerned about. I think my colleagues would do well to read their words, which I include to be printed in the RECORD.

SENIOR CITIZENS AND THE ECONOMY

Mr. GASNER. My name is Walter Gasner.

I am sitting here because I have a broken leg.

One thing I want to say is we need national health for every one of us.

I am a disabled person. I am getting privileges from the V.A. Hospital. Why can't the federal government give the same basis of one-year hospitalization as a retired New York State employee which I just got. When I was in the hospital last month and for over eighteen more weeks in Southside in Brunswick—I don't know the exact time—I don't know if I would have had a house after working for the State of New York close to twenty years, because those twenty weeks would have ran about $25,000.

I'd like to ask another question. The law should be changed for disabled people and for the wives of disabled people. They need nursing aides to help them in their need even though they are under sixty-five.

People say where will this money come from. I say simple. Let's unclog the loopholes. Our former President Nixon and now President Ford have one slogan "Rob the poor and give the rich." As far as the oil cartels, they have been doing a fabulous job. They have to be plugged. I think this United States has to go back to the old system of free enterprise, which is in plain simple words, capitalism, not monopolism.

Now, I bring this point up about if New York State can treat their civil service workers, disabled and retired with one-year hospitalization—

I signed in at Southside. I just got a reminder bill from my doctor that I still owe him 500 some-odd dollars after paying him over $500 and Group Health Insurance paying him over $700. We need a national health program.

How do we make it on $450 between Social Security and a New York pension. My wife sells in a factory where I met you on Suffolk Avenue where you were electioneering for office.

I'm proud to say lets try a young one now. The older ones aren't doing anything. I hope all the young people in Congress on up give this country back to the people.

We need adequate health care for disabled people and senior citizens. The raise in food stamps is ridiculous. I'd like to see Mr. Nixon and his wife live on forty-seven dollars a week for two people. They told me I'm making too much money.

The CHAIRMAN. I don't know how anyone lives on forty-seven dollars a week in terms of food, and it's clear that many of the people who came here today have that and less.

During my campaign, I said I felt strongly that we needed to insure quality health insurance for all Americans and, before enacting a national health security bill, we have to do some plugging up of loopholes in Medicare and Medicaid.

I can just tell you, sir, that with the things we learned here today hopefully we can use them as a basis of appeal to my colleagues in the House of Representatives to do something concrete to provide an adequate level for older Americans.

Mr. GASNER. I believe in capitalism. I worked two jobs for sixteen years, and I believe that free enterprise takes care of capitalism. Each one balances itself off. When the big monopolies, oil interests and whatever take over, you don't have any more free enterprise. That is why we are getting it up the neck.

The CHAIRMAN. I agree.

Is there anyone who would like to speak who has not filled out a form?

Yes, ma'am?

Mrs. CARBONE. My name is J. Carbone. I live at 149 Grand Boulevard in Centereach.

I belong to Senior Citizen Club No. I.

I'm speaking not only for myself, but for every senior citizen throughout the United States.

I don't know if you have anything to do with this, but, if you haven't, I wish you would refer it to who can take care of it.

I feel that when income tax time comes around, we fill out our income taxes at this time of year, and we don't include Social Security because that was money we have worked for fifty years or sixty years and set aside for when we needed it. What we are getting is money that is ours and not theirs. We paid it in, and now we are getting it back a little at a time. Some of us make it to get it two or three years, and some of us don't make it. So long as it's taxable to the United States, I feel when you are ready to pay your regular taxes you should deduct whatever taxes are required but disregard the Social Security checks because that brings your total over $6,500. Therefore, you are not entitled to a tax cut, and I'd like something done so that the people of Long Island will get this real estate tax cut.

It went up a hundred and fifty dollars this year where we had all we could to pay it last year. Now, it's even harder.

The CHAIRMAN. I think one of the problems we discussed before was the problem of living in your own home and trying to live with the burden of increased property taxes. What we need to do there is either upgrade the income level or deduct Social Security from it.

Mrs. CARBONE. That's right.

I have a clipping from the newspaper that explains the meaning of the words earnings and Social Security.

Ms. BUDDE. I think I'll write you a letter but I'd like to introduce myself. I'm Nancy Budde, and we are starting a day center for the aged in Amityville.

The CHAIRMAN. If I can be of any help to you in that, please don't hesitate to call on me.

SPEAKER FROM THE AUDIENCE. Mr. Downey, may I ask you something?

Mr. Klein has my home. In 1974, our food stamps were taken away from us. I was on welfare and social security disability. The food stamps were taken away from us. We were given a ten dollar increase to make up for food stamps. We haven't had an increase in SSI for three years.

My rent has gone up. So has my gas and electricity, my garbage and my water.

You ask Social Security. You ask anybody. Nobody knows to tell you how to pay these things.

The CHAIRMAN. Those are some of the problems that SSI has given people as far as food stamps not meeting their needs and in terms of increased rentals.

SPEAKER FROM THE AUDIENCE. Is there any chance of we people getting a little break? Just a little break?

The CHAIRMAN. I can tell you that there is a chance of getting a break. I can also tell you realistically that it's not going to come tomorrow or for several months, but it's possible. It's certainly one thing I will fight for, but I can only promise you my best efforts.

SPEAKER FROM THE AUDIENCE. Is there a possibility of rent control going out here?

The CHAIRMAN. You would have to address that to the County Legislature.

MOYNIHAN THE EXOTIC

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. BOLLING. Mr. Speaker, Henry Fairlie's "Moynihan the Exotic" which appeared in the Washington Post of Sunday, May 18 is more than a comment on an interesting personality. More importantly it is a comment on at least an aspect of American liberalism to which I remain committed. Mr. Fairlie's remarks follow:

MOYNIHAN THE EXOTIC—IS HE THE RIGHT MAN FOR THE U.N.?

(By Henry Fairlie)

No one would refuse an opportunity to spend an evening with Daniel Patrick Moynihan. But would anyone in his senses appoint him to be the ambassador to the United Nations? The very reasons why his company is so good—an intellectual agility that finds its expression in an unquenchable garrulousness—must disqualify him as a spokesman in so volatile an assembly.

He has said that the United States should go over to the "attack" in its addresses to the countries of the Third World, and that is exactly what he would do. He would not be able to stay silent; he would not sit still. He would rise every morning to prepare an oration against a nation as harmless as Dahomey. He would practice a new form of gunboat diplomacy, his words his guns. Every morning we would open our newspaper to read that Mr. Moynihan was engaged in a duel with Liberia; he would involve the United States in a series of debates that would embroil it in a series of agitating disputes.

He would not leave ill alone.

Let me not be misunderstood. Mr. Moynihan is one of the most worthwhile of public figures in America. In a drab age, he is a colorful man, even an exotic. In another century, he would have made a great cardinal, even a pope; in yet another, a governor of the East India Company when it was gobbling up the remanants of the Moguel Empire, His temper is to rule.

American by birth and Irish by lineage, he is English by aptitude. He seems to practice at being an Englishman, and one sometimes has the feeling from his conversation that he is only really at home in the square mile or so which has Piccadilly as its axis. His apartment in the Albany, perhaps, or in Half Moon Street; his tailor in Jermyn Street; his shirtmaker in New Bond Street; his barber in St. James' Street; his cigar merchant in the Burlington Arcade; his wine merchant in Knightsbridge; his truffles and game ordered from Fortnum & Mason, all that a gentleman might need for a light repast no more than a step from his front door. His Englishness may not, after all, be quite that of an Englishman in its strenuousness and its deliberation, yet he dares to affect to be one even when Englishmen no longer do.

No one who has read the "Ambassador's Journal" of John Kenneth Galbraith can doubt that there were times when, during his assignment in Delhi, he imagined that he was the Viceroy of India, continuing the line of great proconsuls which Britain had broken in 1947; and there is equally no doubt that it was to the Viceroyalty of India that Mr. Moynihan also thought that he had been appointed.

At the time of his appointment, I predicted (in a speech that is on record) that it would not be long before we saw pictures of him in a plumed hat; before we read of him at a regimental dinner, drinking champagne deep from the polo championship cup; before we learned that he had himself proclaimed a durbar—a viceroyal formal reception—and that he would ride to it couched on an elephant; until one day we would read without surprise that, following the example of his hero, Benjamin Disraeli, he had persuaded his sovereign to take the title of Emperor of India and the coinage of the United States would be inscribed: *Ric. Nix.: Ind. Imp.*

And sure enough, it was only a few months later that I opened the Sunday magazine of a newspaper to find a photograph of Moynihan perched on an elephant beneath a canopy that befitted his station in life.

Almost all of Mr. Moynihan's writings in recent years have been a vindication of his own record in government, of the 13 years which he has spent, as he puts it, "for the most part of the political level," serving Averell Harriman and John Kennedy, Lyndon Johnson and Richard Nixon, in turn, and now it seems, Gerald Ford. "I believe I am the only person," he has said, "to have served in the sub-Cabinet or Cabinet" of these three Presidents: a claim which, if they could make it (by having served "at the political level"), others might be wary of advertising.

In order to vindicate himself a few years ago, Moynihan had to vindicate Richard Nixon, and the courtliness with which he did so appeared to be untouched by any irony. One had the feeling from it that he was accustomed to addressing his sovereign as Disraeli addressed his queen—"We authors, madam . . ."—but without the smile that rescued the flattery of Disraeli from obsequiouaness, so that the courtier was in fact the courted; and there is some point now in recalling Mr. Moynihan's manner at the time.

The picture that he gave was, if not convincing, at least moving. Richard Nixon had taken charge: "The cautious campaign was behind him. Ahead lay his reputation in history." Richard Nixon thought about strategies for social change: "Nixon's decision not to dismantle the Great Society but to try to do it better forced the Administration to think in strategic terms." Richard Nixon thought profoundly on social issues: "In truth the President was by now deep into the question of dependency—more, surely, than any of his predecessors." Richard Nixon became personally engaged in social questions: "From the first, Nixon was absorbed by the riddle of welfare." Richard Nixon was intellectually moved by challenge of fiscal policy: "The new President was more interested in ideas and ideologies than may have been perceived. He had found a liberal lacuna, and chosen to explore it out of a complex of motives of which at least some part, clearly, was the intellectual satisfaction."

At last, after reading the biographies of Disraeli and Lord Randolph Churchill, which there is reason to believe Moynihan drew to his attention, Richard Nixon placed himself in history: " 'Tory men and liberal policies', he mused 'are what have changed the world.' " The portrait was complete; Mr. Moynihan had clothed his emperor, which has been one of the occupations of the *nuovi homini*—the new men—throughout the ages.

What is interesting about this portrait is not only that it is a form of self-vindication—he must impute to Richard Nixon the right motives and goals in order also to attribute them to himself—but that Richard Nixon's own evaluation of his own motives, the attempt to place himself in history which became a form of self-delusion, is accepted at face value by Mr. Moynihan. And it is this that makes one uneasy at the facility with which he has been able to serve, at the political level, three (and perhaps now four) presidents with such differing political objectives.

His writings have become, as I have said, a serial vindication of his political life; he is forever telling us when he was right in an administration and even, with a modesty that he wears with presumption, when he was wrong. But there is more to it than that. Mr. Moynihan must vindicate his translation from the liberal who served John Kennedy into the conservative who served Richard Nixon.

In the first chapter of "Maximum Feasible Misunderstanding," Mr. Moynihan attempted to provide some intellectual construction for his new-found conservatism. He leaped from Michael Oakeshott, that most elusive of English philosophers and most deductive of English essayists, in whose work we ought not to try to find any prescriptions, to Robert A. Nisbet, whose exploration of the "sociological tradition" has in fact been a personal discovery of the conservative tradition in the political and social thought of Europe since the French Revolution—and then to Burke and Tocqueville and Acton, the three (again European) conservatives to whom defecting liberals always turn for their rationalizations when they turn their coats. Finally, he appeals to Paul Goodman, whose thesis on "Growing Up Absurd" he describes as "explicitly conservative," whereas it is hard to detect in it anything but a kind of backward-looking utopianism, a pining for a time in the future when there shall be restored a past that never existed.

This is the fig-leaf, not only of Mr. Moynihan but of the other new conservatives with whom he is associated, and beneath it is the nakedness of men who have deserted one political faith and are now searching for another which can claim to be intellectually respectable. Their own loss of faith in liberalism must therefore be represented as the death of liberalism, and much of their writing is little more than a pulling aside of the lace curtains to peek gloating at the funeral procession, in which the mourners are as various as their motives. Liberalism is to them the god that failed. They did not desert it. Rather, to their eyes, it gave up the ghost and left them faithless.

"A set of untroubled, even serene, convictions as to the nature of man and society," says Mr. Moynihan, "and the ever more promising prospects for the future of a sudden collapsed" in the mid-20th Century. But it would be nearer the truth to say that liberalism has not collapsed, but been on the defensive, and that it has been in that state more or less since 1914. What is surprising in this perspective is the resilience and vitality that liberalism has exhibited during the succeeding 60 years, especially in the United States.

Against terrible odds, in an age in which everything has seemed to combine against its spirit, liberalism has upheld standards of decency—of sheer human decency—which no other philosophy or tradition could so clearly articulate. If it is the task of the conservative, as Lord Hailsham has said, to extract and rescue the truth that lies in each succeeding heresy, than his task could today not be more plain. As the political literature—to say nothing of the political events—of this century has shown, we have very little with which to replace liberalism, and without it both conservatism and socialism tend to degenerate; the conservative ought to bend to recover its truths.

If we are to understand the political temper of Mr. Moynihan we must recognize how deep his rejection of liberalism goes. For there is a resentment in it against the god that failed, that is telling. Like all apostates, he inclines to savagery in rejecting what he once believed. He quotes Edmund Muskie, for example, as having said, "The blunt truth is that liberals have achieved no fundamental change in our society since the end of the New Deal." Mr. Moynihan goes on to add himself: "If that is true, the blunter truth would be that they had proposed virtually no fundamental change." Both of these statements are falsehoods and, in their effect if not their intent, they are meticulous: the kind of untruths that make good people despise the political tradition of their country.

To take only the most obvious example: it was the liberals who at a crucial stage led the battle for civil rights; it was as a result of their efforts that the movement "took off" and that it did so, as one is entitled to believe, just in time. The inspiration came from within the liberal tradition. It was a working out of the liberal philosophy. The struggle was sustained by liberal organizations and by liberal men and women. The procedures—persuasion, legislation, litigation—were those of liberal institutions.

The movement may seem now to have passed out of their hands and out of their control—although this seems to me to be a simplistic judgment, a result of reading the political climate by weather vanes. But the original civil rights movement—with all its consequences, beyond what originally was intended—has been the cause of what surely must be counted as the most fundamental change in American society in this century. And at least for 20 years—let us say, from 1945 to 1965—it was a liberal initiative.

But the attack, of course, is more precise than that. Says Mr. Moynihan, any questioning of existing social policy "that might have developed under Kennedy, out of the sheer elegance of thinking up yet another variation of demi-New Deal designs for progress, was blocked by the assassaination. The Johnson liberals, to whom this brand of progressivism was still—back home—a fighting creed, were utterly resistant to doctrinal doubts." Once again, one is dealing with a falsehood, which is well on the way to becoming an orthodoxy, set beyond any challenge.

The programs of the Great Society had many faults, but it is not helpful to describe them as demi-New Deal because in important respects there was nothing New Deal about them at all. At the very least, they were a new stock grafted on to the old one, but that they were a new stock is beyond any sensible question. They addressed themselves to the problem of race, as the programs of the New Deal did not; their avowed intention—no matter how far they succeeded—was to correct, and even compensate for, the discrimination of centuries.

They further avowed, in Title II of the Economic Opportunity Act, that the poor should themselves have a voice in the decisions which would affect their everyday lives—and that was not a concern of the New Deal. Again, the failure, actual or alleged, of many of the community programs does not alter the fact that a concept was introduced which has yet to run its course.

But there was a third difference in concept, perhaps the most tremendous of all. The programs of the New Deal were introduced when economic depression and poverty were widespread; it is no diminution of them to say that they were, by and large, designed to help the top 80 per cent of the American people to release themselves from fear. The peculiarly disadvantaged were not generally a concern of the New Deal.

But the programs of the Great Society were introduced when this top 80 per cent were enjoying the fruits of abundance, when the fears of their parents did not grip them. It was in this situation that the Great Society called on them to assume as their concern the bottom 20 per cent of the population, "the other America" to which Michael Harrington had drawn attention in 1962. "To help that one-fifth of all American families with incomes too small to even meet their basic needs," as Lyndon Johnson proclaimed in his first State of the Union message.

This is not the place to argue why I believe, from my observation of many of the programs in the field, that it is these changes in concept which are the true legacy of the Great Society. What I am concerned with here is the—one hesitates to say his malice, because he is not a malicious man—the ill-temper, then, with which Mr. Moynihan repudiates a large part of his own past, which is also a large part (and *that* the most generous) in the political tradition of his country.

His own lack of generosity is not reserved only for the liberals. Apart from them the brunt of his attack has fallen on the "profession of reform" or the "profession of welfare," the "service-dispensing" or "welfare-dispensing" new class. In his writings, they invest every administration, and they invest society as a whole: "a very considerable middle class of persons who derived their status and their prosperity from ministering to the needs of those below them in the social hierarchy." But above all, they invest Mr. Moynihan's imagination, they bug him.

With a casual word of appreciation to soften his onslaughts, he is almost contemptuous of the teaching profession. And once again one must ask whether this lack of generosity of spirit does not tell us something more, whether we are not again hearing the exaggerated rejection by the apostate of all that he once believed, and we must ask whether this attitude has ever made for stability of judgment.

It is my own belief that the United States ought, in a phrase to which he gave currency, to treat Mr. Moynihan to a period of "benign neglect"; and his friends could then enjoy him more in the evenings.

SOCIALISM RUNS AMUCK—THE EXAMPLE OF GREAT BRITAIN

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. McDONALD of Georgia. Mr. Speaker, on the evening of May 5, 1975, Mr. Eric Sevareid, in a broadcast over CBS from 6:30 to 7:30 p.m., described the present sad state of Great Britain. In this broadcast he made some very serious assertions as to the sad state of the British economy and the British Socialist Government under Prime Minister Wilson. In my view, it was a very succinct analysis.

Mr. Stephen Barber, the Washington correspondent for the London Daily Telegraph, filed an analysis of this broadcast for his British readers and this, too, reflected great concern over the state of affairs in his native land.

Therefore, since Britain is still one of our chief allies, I think it highly appropriate that these two items be included in the RECORD for the information of my colleagues. The script of the broadcast by CBS and the item from the Daily Telegraph of May 8, 1975, follows:

CBS EVENING NEWS WITH WALTER CRONKITE (ROGER MUDD SUBSTITUTING) MONDAY, MAY 5, 1975

ROGER MUDD. Eric Sevareid has just returned from an assignment in West Germany, and here's his commentary on what he found there, three decades after the war ended.

ERIC SEVAREID. In Southeast Asia, where the vital security interests of the United States do not lie, the century's longest war—thirty years—has ended. In Europe, where our vital interests do lie, the century's longest peace reaches the thirty-year mark this week.

Thirty years ago, this reporter crossed the River Rhine into a German scene of total destruction and abject, exhausted people. We were in the same region the other day and everything has come full circle. Then, a pack of American cigarettes bought obeisance. Today, an American with his debased dollars, feels humiliated by the mighty German mark. The greatest warrior race has become the greatest merchant race. The conquered of that time are economically stronger than any of the surrounding conquerors today. Germany, too, has felt the general western recession but mildly, compared to other countries, and they are pulling out of it already.

Responsible Germans keep a low profile about their astonishing success. It is the frankly stated wish of leaders like Willy Brandt that Germany not become an economic super-power in Europe, and they foresee unhappy political and psychological consequences should that occur. They want Britain to stay in the Common Market—and the British vote on this in a month's time—partly to dilute their own power in the European community, to reassure the French most of all.

More remarkable even than the German economic miracle is the German political miracle. Few societies have ever gone from the dictatorial, authoritarian tradition to open democracy and managed to stay there, but the Federal Constitution has lasted now a quarter century and shows only minor strains.

There is an air of confidence. The parochial nationalism of the previous generation is muted. Paranoia has all but disappeared. The new, young generation is remarkably objective about their society, free of guilt feelings about the past and properly so, pan-European in outlook, quite willing to get along with the east, and regarding East Germany itself as a different nation.

This is an immensely important and hopeful thing for the future of the west—a democratic, stable, rational Germany. In terms of our own long-range interests, this surely overbalances the collapse into Communism of Indochina.

But there is a giant fly in the European ointment, with a more serious potential than what is happening in Portugal, Italy, and Turkey. And that is the condition of Great Britain. One comes away from London with a sense that a great industrial system is not only running down but breaking down. The conflict is still mostly articulated in the old accents of tolerance, but beneath the surface, the tension gathers. An endless economic crisis is approaching some kind of political and social confrontation of rather ominous proportions—another story for another time.

CBS EVENING NEWS WITH WALTER CRONKITE (Roger Mudd substituting) Tuesday, May 6, 1975

ROGER MUDD. Rapid and drastic political change is now most noticeable in Southeast Asia, but it's also occurring in western Europe and in Britain, which is the subject of Eric Sevareid's commentary.

ERIC SEVAREID. The President will go to Brussels this month to tell the Atlantic allies that America's word is still its bond. He will also touch down in Spain, scene of a coming political transition. He will not visit Portugal, trying to find a new footing after a generation of authoritarian rule. And he will not visit Britain, our closest ally, always regarded as the strongest and most reliable. But it's a serious question whether it can be so regarded any longer.

It is not merely that her military strength is ebbing and her economic strength weakening but that Britain is drifting slowly toward a condition of ungovernability. It is now a debatable question whether Parliament or the great trade unions are calling the political tune. The country, as one English writer puts it, is sleep-walking into a social revolution, one its majority clearly does not want but does not know how to stop. As a rough analogy, Wilson's government is at the stage of Allende's Chilean government when a minority tried to force a profound transformation of society upon the majority—not that the backlash in Britain need be militaristic, but some kind of backlash is building up, with no certain policy and no certain leader.

In the last year, the cost of living rose some twenty-one-percent but average wages by thirty-two-percent, and worker productivity steadily falls, as does business investment. The city of London is financially broke. Property taxes rose by seventy-five-percent in two years. Thousands of middle-class people move out of the city every year, like New York. Unemployment, Britain's special nightmare, rises steadily, and great corporations are insolvent, one after another.

Behind all this are the doctrinaire socialists, the true believers, for whom the picture in their heads is more real than the reality around them. One of the troubles with Marx was that he lived before Freud; human psychology was not his strong suit. The socialists persist in thinking that a worker in a nationalized factory will feel he owns it and will joyously work the harder. The opposite happens, for everybody's property is nobody's property and is so treated.

Their emphasis is on sharing wealth over producing wealth, on equality over liberty. The end of this is almost certainly the loss of the wealth and, less certainly, the loss of the liberties. It is no small matter that the regime is trying to force all British journalists, editors included, into one monopoly union, sure to be dominated by what we call the radical chic and what they call the trendy left.

The powerful Communist influence in trade union leadership is no longer disputed. What do they want? Not a Communist Britain in the foreseeable future, much more likely a chronically weak, dispirited Britain, able to play no effective role in the world or the alliance. That would suit very nicely the long-range strategies of the Soviet Union.

Britain "Drifting Slowly Toward Ungovernability"

(By Stephan Barber)

One of America's most pro-British radio and television personalities, Mr. Eric Sevareid of the Columbia Broadcasting System, created a furor in Washington yesterday by uttering some home truths—as he saw them—about the present state of Britain.

He compared Britain today to Chile under the Marxist President Allende, and blamed "doctrinaire Socialist . . . true believers" for its troubles.

In his commentary after the evening news on Tuesday, he noted that President Ford will be meeting with NATO heads of Government in Brussels at the end of this month and that he will also visit Spain and Italy as well as having talks with Egypt's President Sadat in Austria.

CLOSEST ALLY

But he will not, this time, be visiting Britain. (There is hardly any need since Mr. Wilson was in Washington yesterday with Mr. Callaghan.)

"Britain," said Mr. Sevareid who, as a war correspondent, was in London all through the blitz and the doodlebugs, "is our closest ally, always regarded as the strongest and most reliable!" And then he went on to say regretfully:

"It is a serious question whether it can be so regarded any longer. It is not merely that her military strength is ebbing and her economic strength weakening but that Britain is drifting slowly toward a condition of ungovernability.

"It is now a debatable question whether Parliament or the great trades unions are calling the political tune.

SLEEP WALKING

"The country, as one English writer puts one its majority clearly does not want, but it, is sleep walking into a social revolution, does not know how to stop.

"As a rough analogy, Wilson's Government is at the stage of Allende's Chilean Government when a minority tried to force a profound transformation of society upon the majority—not that the backlash in Britain need be militaristic, but some kind of backlash is building up, with no certain policy and no certain leader."

Mr. Sevareid observed the figures for inflation, the steady decline in worker productivity and business investment.

"The City of London is financially broke," he said, 'unemployment rises steadily and great corporations are insolvent, one after another."

A famous American liberal, he then put his finger on the culprits, in Britain's decline, as he saw it:

PICTURE IN THEIR HEADS

"Behind all this are the doctrinaire Socialists, the true believers, for whom the picture in their heads is more real than the reality around them.

"One of the troubles with Marx was that he lived before Freud. Human psychology was not his strong suit.

"The Socialists persist in thinking that a worker in a nationalised factory will feel he owns it and will joyously work the harder. The opposite happens, for everybody's property is nobody's property and is so treated.

"Their emphasis is on sharing wealth, over producing wealth, and equality over liberty. The end of this is almost certainly the loss of the wealth and, less certainly, the loss of the liberties.

"It is no small wonder that the regime is trying to force all British journalists, editors included, into one monopoly union, sure to be dominated by what we call the "radical chic" and what they call the "trendy Left."

COMMUNIST INFLUENCE

"The powerful Communist influence in trade union leadership is no longer disputed. What do they want? Not a Communist Britain in the foreseeable future.

"Much more likely a chronically weakened, dispirited Britain able to play no effective role in the world or the alliance. That would suit very nicely the long-range strategies of the Soviet Union."

Mr. Sevareid disclosed yesterday that his broadcast had aroused the ire of many of his listeners. He added that he hoped very much that the British would wake up.

"You always count on muddling through," he said, "which works in wartime. I think it's harder in peacetime. But please do!"

U.S. ASSISTANCE TO VIETNAM REFUGEES

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. BROWN of Ohio. Mr. Speaker, I was so impressed by the comments in a letter that I received from a young marine from my congressional district that I felt it would be of interest to others. The following is an excerpt from the letter in which this marine voices his opinion with regard to U.S. assistance to refugees from Vietnam:

April 25, 1975.

Mr. Brown:

* * * * *

I consider myself a patriotic person. I have served one year of my four year enlistment and am very proud to be a member of the United States Marine Corps.

I have faith in my God and Country, and now my faith in our government has been substantiated.

The people of the United States have got to become a "spoken majority" instead of the "silent one" it has been.

Right now I am aboard the USS *Denver* floating off the Coast of South Vietnam. I believe it is the responsibility of the United States to protect the rights of all free people. Many Americans laugh at the concept of Communism. Well, they wouldn't be laughing if they were here to see what has been going on. It is an easy thing to sit in luxury and preach isolationism. But what about the people who look to the United States as a way to freedom.

I am willing to sacrifice my life so my loved ones back home can be free, but I'm also willing to die so others can be free.

The people of South Vietnam are our responsibility and we have to commit our military and economic aid in order to ensure their rights of freedom.

Mr. Brown, what I have written is what I believe. I am tired of people criticizing the government and never doing anything constructive. If you believe there's something wrong then try to make changes and improve it.

In closing, I would like to say one last thing. In the eighth grade I was president of my class at New Carlisle Junior High. One day I got to accept, for the school, the Declaration of Independence from you! Once again, thank you very much.

Sincerely yours,

(Name withheld.)

ERISA COMPLIANCE DIFFICULTIES REPORTED

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. ROSENTHAL. Mr. Speaker, I would like to bring to my colleagues' attention remarks made by my constituent, Max Weil, on difficulties encountered by small employers in complying with the reporting requirements under the Employees Retirement Income Security Act—ERISA. Mr. Weil presented his views at a hearing on ERISA held on May 1 by the Subcommittee on Labor Standards of the House Education and Labor Committee.

While I do not take a position on all that Mr. Weil says, I feel it is essential that ERISA regulations be made clear and fully workable if all employees whom the act was intended to reach are to receive prompt and effective protection. Mr. Weil's comments follow:

Excerpts From Statement on the Employees Retirement Income Security Act, May 1, 1975

(By Max Weil)

I am a pension consultant whose clients are mostly small and medium sized employers. The Retirement Plans we administer range from as little as one to as many as 250 participants; the majorty of our clients' plans have less than 25 participants. E.R.I.S.A. was conceived to cure the ills of the "Broken Promise", to make certain that employees would realize the hopes and commitments they expected from their employers' retirement plans. I support Pension Reform and approve of most substantive provisions of the Act.

It is the intent of my testimony to demonstrate that the Reporting and Disclosure requirements, if administered as interpreted presently, will have two disastrous results:

1. Thousands of small employers will terminate their Plans, because the paperwork burden is so overwhelming that the cost and effort to comply is unacceptable.

2. The objectives of ERISA will be nullified, because the deluge of millions of forms will create an avalanche so great, that the limited, inexperienced staff of the Labor Department will be totally unable to use any collected data in regulating even the large plans.

The first step in attempting to regulate a large industry is to determine its size and composition. I have made a most strenuous effort to obtain exact statistics concerning the number and percentage of all qualified plans in existence with less than 100 participants.

I have obtained the following accurate statistics from the IRS Computer File, which has been in existence only since July 1, 1970. In the 4 year period from July 1, 1970 to June 30, 1974, IRS approved *198,754* new corporate profit sharing, pension and annuity plans. *Of this number, 183,430 plans, or 92.3%, had between 1 and 25 participants each;* 10,855 plans, or 5.5% had between 26 and 100 participants each; and only 4,400 plans, equaling just 2.2% of all new plans, had over 100 participants.

These figures have not been published previously, and I doubt very much that there are many people in the United States who are aware that 98% of all new plans in the last 4 years have less than 100 participants per plan.

From the above startling statistics, it is crystal clear that Congress and the Treaaury and Labor Departments must consider the problems of small plans to a far, far greater degree than has been done to date.

Most of our clients do not have in-house facilities to accomplish the administrative and actuarial tasks in connection with their qualified plans. Therefore, they retain firms like ours to handle all aspects of administrative and actuarial calculations. The fees these clients can afford to pay for administrative services are modest, and increased governmental-mandated paperwork requirements will cause a very real burden to such companies.

The great danger to the very existence of the Private Pension System under ERISA lies in the unbelievably complex reporting and disclosure requirements, whose avowed purpose is to make sure the law is observed properly.

I do *not* object to supplying needed and worthwhile information to governmental agencies; I *do* object to governmental bureaucratic harassment which forces taxpayers to waste money, time and effort year after year because governmental agencies demand information they cannot use and do not use, and cannot and do not absorb.

ERISA mandates a Plan description to be filed by all qualified plans with the Labor Department, and the first form issued under the new law is the EBS–1 form, of which official copies have recently been released. If EBS–1 is an example of what we may look forward to under ERISA, we are in deep trouble!

I am very much opposed to EBS–1 and urge the Congress to use its influence, even at this late stage, to cause the form as prepared presently to be revoked. These are my reasons:

1. The form is vague, because it is an "essay" form. There are thirty (30) essay questions in the EBS–1 form, including five schedules "D" which every plan must submit. There is an example of *one* such essay question:

"Describe other significant terms of the plan which have not been described elsewhere in this form."

2. EBS–1 asks questions subject to interpretation and therefore requires well educated and high level employees to fill out. It cannot be filled out by clerical staff. This greatly increases the cost to the small employer of filling out the form.

3. EBS–1 asks a number of questions which apply only *after* existing plans are amended for plan years beginning after 12/31/75 for existing plans.

4. EBS–1 is voluminous—20 pages (including instructions) and far too costly for small plans to fill out. There is no separate EBS–1 for small plans. This is indicative of the Labor Department's total lack of concern and understanding with the problems of small plans.

5. *The EBS–1 is counter productive.* It is the avowed purpose of ERISA to correct abuses and to inform the Labor Department of plan provisions. The Labor Department has estimated that two million EBS–1 forms will be filed, including qualified plans, non-qualified and welfare plans.

What will happen when Labor receives 2,000,000 reports, with 20 pages each, plus attached schedules, essay questions and answers, in handwriting which no one will read and understand?

Nothing will happen! These reports will go to warehouses, where they will lie for years unread, and next year Labor will come out with another version of EBS–1, because the first version was useless.

6. The Act also contains *Section 110,* in which Congress most wisely gave the Secretary of Labor *complete discretion* to provide alternative methods of compliance of satisfying *any requirements of Part I of the Act,* if he determines that the application of such requirements increase the costs to the plan or impose unreasonable administrative burdens with respect to the operation of the plan.

Thus, the Secretary of Labor *can* waive EBS–1 in its entirety, and he *can* postpone any EBS–1 until 1976.

If these types of reports are permitted to be forced upon small employers, I repeat again that thousands upon thousands of employers will rather terminate their plans altogether than be strangled and smothered by this unbelievable paperwork burden.

I believe in Pension Reform. I am for it, not against it. I believe the Private Pension System can expand under ERISA. But the Private Pension System cannot exist unless drastic changes are made with respect to reporting and disclosure rules for small employers.

Here are my specific suggestions:

1. The Secretary of Labor and Secretary of Treasury should jointly appoint a special combined Task Force *solely* concerned with all reporting and disclosure requirements for small employers whose plans have less than 100 participants. (Remember this covers over 90% of all plans). Thus, small plans would have separate forms prepared by special teams devoted exclusively to the problems of small employers.

2. An Advisory Committee of laymen should be appointed, members of the public, as a consulting group to work with this Task Force in developing the guidelines for all reporting and disclosure requirements for small employers. The Task Force should consult with this Committee in the development of all forms and reports.

This committee should consist of: (a) Executives of small employers who have plans; (b) Pension Consultants servicing small plans; (c) Accountants servicing small employers; (d) Representatives of Insurance Companies funding Pension Plans for small plans.

3. The present EBS–1 should be withdrawn immediately, at least for all plans with less than 100 participants.

In its place, plans (for at least those with less than 100 participants) should file a copy of their Schedule A, Form 4848.

4. The new Task Force, in consultation with the Advisory Committee, should establish criteria regarding all forms, their voluminousness, ease of filling out, with boxes and checkoffs, all geared to simplicity and ease of computerization.

5. The Secretary of Labor should announce that, in view of the administrative burdens and tremendous costs which would be imposed on small employers, and in view of the power granted him by Section 110 of the Act, all other reporting and disclosure requirements be postponed until the Task Force and the Advisory Committee have developed reasonable and meaningful solutions to the problems facing small employers under ERISA.

6. The Advisory Committee should be charged with the responsibility of receiving suggestions from all interested parties in the small Pension Area, should have at least a limited staff, and should make a public report to the Congress, by December 31, 1975, as to its progress.

I do not believe my recommendations require legislative relief, especially in view of the broad discretion of Section 110 of the Act; they only require good will and common sense, and an expression of support from Congress. If, however, the Secretaries of Labor and Treasury cannot or will not adopt my recommendations without new legislation, I urge such legislation promptly.

ERISA is good; the present rules concerning reporting and disclosure for small plans are bad.

I plead for Pension Reform which is meaningful and which will carry out the noble objectives of the framers of ERISA.

I plead for common sense and simplified administration, so that ERISA will truly herald a brighter day for all employees and will lead to a more secure retirement for all American workers.

UNEMPLOYMENT IN THE AUTOMOBILE INDUSTRY AND ITS SUBSIDIARIES

HON. RAY J. MADDEN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. MADDEN. Mr. Speaker, on last Friday, I visited the Budd Co. automobile subsidiary plant in the Calumet region located in Gary, Ind.

The Gary subsidiary of this national automobile industry facility is but one of the 125 Budd Co. plants located throughout the United States engaged in manufacturing automobile body parts. A short time ago, the Gary plant had full time employment for approximately 3,500 employees and today the employment has been reduced to approximately 1,200 due to the unfortunate economic recession which has swept over our Nation in the last 4 or 5 years.

During my visit, I spoke with both management and representatives of the workers of the plant and it is needless to say that they are alarmed as to the future of their operation, not only in Indiana but throughout the country.

The Calumet region is also the center of the steel industry of the Nation, having three major steel mills, U.S. Steel, Inland, Youngstown and several minor steel operations within the region on the shores of Lake Michigan.

The unemployment condition in the Budd Co. subsidiary plant is a direct result of the lack of full operation of the automobile and steel industry in general.

Upon returning to my office this morning, I received a letter from H. K. Hockenberry, plant manager of the Gary Budd Co., which contains some very valuable experienced and practical suggestions for the Members of Congress to consider this week when the energy and environmental legislation is debated on the floor of the House.

I submit plant manager Hockenberry's letter in the Record for the consideration of the membership:

UMI

THE BUDD CO.,
Gary, Ind., May 16, 1975.

HON. RAY J. MADDEN,
Rayburn Office Building,
Washington, D.C.

DEAR CONGRESSMAN MADDEN: Thank you for visiting our Gary facility today and sharing our concern for the current state of the Automotive Industry and its future.

As a direct result of penalizing legislation, our employment at Gary has been reduced from 3,000 in 1973 to 1,200 employees as of today. This does include the thousands that have been laid off by the steel mills supplying the Automotive Industry or the other numerous supplier industries. If lack of confidence by the American consumer persists, we have no immediate hope of bringing full employment back to the Gary Plant or the Automotive Industry and its suppliers.

Although you and other members of Congress can initiate legislation that will stipulate miles per gallon, size of vehicle and safety standards, etc., your constituents and others in the Automotive Industry (where one in six Americans is employed) will not be brought back to work because Congress cannot mandate buying decisions. We are asking that you and your colleagues not further penalize the Automotive Industry with additional regulations that dictate mileage, size and weight of vehicles. What is needed immediately is a suspension of the regulations which are already in existence and allowances for the industry to meet technological problems within an orderly, practicable and economic time frame.

The needs of your constituents and our employees are immediate. Congressional action to eliminate the 10% Federal Excise Tax on trucks, buses and highway trailers will provide affirmative stimulus to our industry. The Gary Plant and our industry is adversely affected by consumer uncertainty. We feel this lack of buying confidence is caused by a number of reasons, principal among them the lack of Federal legislation charting for the nation a clear direction that will assure the consumer adequate energy supplies. The Federal Government is the only body in the Country today that can by its action influence energy policy to restore consumer confidence in the future, particularly as it will affect the purchase of automobiles.

Our laid off employees do not enjoy unemployment. They need jobs!

Very truly yours,
H. K. HOCKENBERRY,
Plant Manager.

YONKERS SENIOR CITIZEN OF THE YEAR

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. PEYSER. Mr. Speaker, all too often, this youth-oriented society negects its senior citizens so completely and so heartlessly that, without a doubt, many useful years of work and contribution are lost and ideas that could conceivably solve the problems of society are shunted away to old-age homes and other shelters out of the common road of life.

Not all senior citizens are content to accept such a fate, however, and are working, after retirement, in many volunteer programs benefitting society as a whole and the senior citizen in particular. A prominent leader in such affairs is Edward Duggan of Yonkers, N.Y., who was recognized last week as "Senior Citizen of the Year" in Yonkers. Congratulations from this body are most definitely in order.

In the past several years, Mr. Duggan has traveled to Washington many times for the benefit of senior citizens. He planned and attended the 1971 White House Conference on Aging by appointment of former Governor Rockefeller, and has traveled around New York State as a leader of county, regional, and State councils of senior citizens. In recognition of his efforts individually, he has been appointed an executive member of the National Council of Senior Citizens and a member of the AFL-CIO Retiree Association, of the New York State Senate Advisory Committee on Aging and various local, countywide, and regional committees on aging. His untiring efforts have brought him national attention. Being named "Senior Citizen of the Year" was a just and fitting recognition for a most worthy man.

Mr. Speaker and Members, the activities of Mr. Duggan are numerous and great and are the activities of a man past what is normally considered the "prime of life." We, as younger members of our society, should be justifiably proud of Mr. Duggan and his achievements and should only hope to lead as meritorious a senior citizens life when that time comes.

APRIL UNEMPLOYMENT RATE

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. DOWNEY of New York. Mr. Speaker, in April the unemployment rate was 8.9 percent according to the Labor Department. This is a conservative figure and does not make allowance for those who have become so discouraged that they have given up looking for work and have dropped out of the labor force. The present group of young people, the most highly educated in our history, are being hard hit. Talented individuals are unemployed or underemployed. Their frustration and suffering will no doubt have a profound impact on our national morale for years to come. We in the Congress must not allow ourselves to forget the human tragedy behind unemployment statistics. I would like to take this opportunity to share with my colleagues a letter that I received from one of my constituents. Although collectively the problem of unemployment is disheartening, the full effect can only be realized on the individual level. Unfortunately, this case is but one among many. It is my hope that by bringing his plight to the attention of the House, the momentum which we have we maintained in these first months will continue. As elected officials we have a responsibility to create an economic climate within which the individual can realize his or her highest fulfillment. My constituent's letter follows:

DEAR SIR: I am writing concerning the current depression in our economy. May I ask the question as to where this mass madness is to end? I am out of work so long that I have completely forgotten what it is like to have a job. I am 26 years old, I have a college degree, and I cannot even find the barest subsistence level of employment. I graduated from college in 1971, and since then I have not been able to find a decent, steady job. In my "journey" or "crusade" to find a good job I was forced to labor in places and at jobs not even fit for people with a second grade level education.

I buy the newspaper everyday and all but ravish the want ads within—but often without the mere result of an interview—let alone a job. I applied for emergency employment at the Hauppauge Federal job program, but again, no one summoned me in for a work interview. I am in a condition of horrible financial insecurity. The only money I possess is that from my meager income tax returns. But it doesn't end there. My mental and emotional state is becoming more volatile and unstable because of the various psychological factors accompanying the hope and/or lack of work. I live in darkness. When will the people of Suffolk County and this country have work? Many of us stand on borrowed strength. I am only a hair away from the welfare line. Please respond by indicating to me the concrete measures you are taking to increase jobs in Suffolk County.

We need jobs now.

IS THE UNITED STATES GOING TO PAY EGYPTIAN DEBTS TO THE SOVIET UNION?

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. ASHBROOK. Mr. Speaker, in my 15 years of service in this body I have heard many amazing requests made of our Government and made by our Government. A recent one tops all the others, and that is that President Anwar el-Sadat of Egypt will ask the United States for financial aid to repay Egyptian debts to the Soviet Union.

Why should the United States help to repay Egyptian debts to the Soviet Union?

It seems that the Soviets who are owed from $4.7 billion by the Egyptians are more adamant at collecting debts than is the supposedly capitalist United States. Mr. Sadat is reported as saying, "The Soviet Union won't give me even a grace period."

The United States, on the other hand, has allowed numerous countries not only grace periods but also outright forgiveness of numerous loans. The India debt cancellation is only one recent example.

One portion of these debts are for arms that the Egyptians have used against Israel. Of course, Israel relies on U.S. aid for weapons. Now the United States is going to be asked to help pay for the arms that were used against the Israel forces fighting with American weapons. It makes no sense to be giving American tax dollars to the Soviet munitions industry.

I hope President Ford will not get the United States involved in paying off loans to the Soviet Union. I see no reason

why American tax dollars should be going into the Soviet Union.

At this point I include in the RECORD the text of an article "Sadat Says He'll Ask United States for Aid on Debt to Soviet" from the May 15, 1975 New York Times:

SADAT SAYS HE'LL ASK UNITED STATES FOR AID ON DEBT TO SOVIET

(By Henry Tanner)

BEIRUT, LEBANON, May 14.—President Anwar el-Sadat said in an interview published today that he would seek financial aid from the United States to settle Egypt's large debts to the Soviet Union.

Mr. Sadat, in an interview in the Lebanese weekly Al Hawadess, was quoted as having said that aid would be one of the topics he would discuss with President Ford in Salzeburg, Austria, on June 1 and 2.

Mr. Sadat arrived in Baghdad tonight from Kuwait, where he spent three days in conversations with Emir Sabah al-Salem al-Sabah, the Kuwaiti ruler. Mr. Sadat will visit Jordan and Syria before returning to Cairo early next week.

In the interview, President Sadat reiterated his frequent complaint that the Soviet leaders had refused to agree to requests for a rescheduling of Egypt's debts.

Estimates of these debts stemming from military and economic assistance including construction of the Aswan High Dam, range from $4-billion to $7-billion.

"The Soviet leaders won't give me even a grace period," Mr. Sadat was quoted by the weekly. "We are contacting Arab countries for speedy action to straighten out Egypt's economy and to enable her to honor her commitments to the Soviet Union and others. These contacts are not confined to Arab countries but will be extended to the United States."

Financial talks between the United States and Egypt have been conducted in Cairo in preparation for the Salzburg meetings of the two Presidents.

The interview was the first time President Sadat indicated so clearly that without immediate help Egypt would not be able to honor her commitments to foreign governments including the Soviet Union.

Mr. Sadat's four-nation tour is regarded by informed diplomats as a reflection of a subtle but fundamental policy change decided upon by the Egyptian President after the failure of Secretary of State Kissinger's "shuttle diplomacy" in March.

For the last 18 months, since Mr. Kissinger's first visit to Cairo after the war in October, 1973, Mr. Sadat has been acting with deliberate independence as far as other Arab leaders were concerned.

Now, while still relying on the United States as the key to the Middle East conflict Mr. Sadat has resolved to operate strictly within the Arab context and to seek an Arab consensus before making a move.

According to Egyptian officials the present tour has three main objectives:

To seek an Arab consensus on what the Arab countries should expect from the United States in the coming stage of negotiations.

To mediate local disputes between Arab states, notably between Iraq and Syria over the waters of the Euphrates River and between Iraq and Kuwait over their border which has never been formally delineated.

To seek financial and military support from the oil-producing Arabs.

At a news conference in Kuwait President Sadat conceded that he had discussed Egypt's "enormous" economic difficulties with the Kuwaiti Emir.

In his news conference remarks and in the interview with the Lebanese weekly, Mr. Sadat reiterated a challenge to the Ford Administration to state clearly and publicly that the United States wanted Israel to withdraw from Arab territories seized during the war of 1967.

"The time has come for the United States to say whether it protects Israel within its borders or with the Arab territories that the Israelis seized by force," he said.

This apparently will be his key request to President Ford.

THE "MAYAGUEZ": UNANSWERED QUESTIONS

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. HARRINGTON. Mr. Speaker, last Friday, in a letter to Chairman MORGAN of the International Relations Committee, I asked that we study the U.S. response to Cambodia's seizure of the SS *Mayaguez*. In raising this matter, I questioned not only certain details of administration performance but the policies and attitudes the action seemed to reflect.

In Thursday's New York Times, and again in today's edition, columnist Anthony Lewis raised some of the same questions. I am therefore inserting his views in the RECORD for the attention of my colleagues.

While I do not dispute the President's authority to take limited military action to protect American lives and property on the high seas, the timing, scope, and circumstances of Mr. Ford's response in the *Mayaguez* affair leave me very concerned about administration perceptions of the U.S. role in the world. If Congress truly intends to reassert its right in the shaping of foreign policy, we will look at this incident with extreme care.

The texts of Mr. Lewis' columns follow:

THE MORNING AFTER

(By Anthony Lewis)

CHICAGO—The rule laid down by the United States in the Mayagüez affair must go something like this:

When a foreign country seizes an American ship, claiming a violation of its waters, the U.S. will unilaterally judge that legal claim. If we reject it, we shall demand the ship's release, allow a day or two for its return and then launch a military attack. As one distinguished voice put it in commenting on the Mayagüez: "Once established diplomatic procedures had failed to achieve prompt recovery . . . . President Ford had no alternative but to employ direct military means."

Exactly: No alternative but immediate force. So the next time Ecuador seizes an American tuna boat for fishing within a claimed 200-mile limit that we do not recognize, Washington will give Ecuador a day or two and then bomb. Add the next time we seize a Russian vessel for fishing within our claimed limit, all who cheered the Mayagüez action will understand and sympathize when the Soviets serve an ultimatum on us.

Wise decisions by governments, as by judges, require dealing with particular facts in terms of larger principle. That is, the case at hand must be decided with an eye for the consequences in cases as yet unimagined.

By that standard the American action against Cambodia last week was folly. It reflected no general principle of law, diplomacy or morals that we would really be prepared to follow in other cases. For all the bluster and righteous talk of principle, it is impossible to imagine the United States behaving that way toward anyone other than a weak, ruined country of little yellow people who have frustrated us.

Respect for facts goes along with respect for principle in wise decisions. Do we know the facts of the Mayagüez affair? Does what we know give us confidence in the wisdom and humanity of our government's actions? Consider just three questions.

1. Was there any ground for Cambodian suspicion of the Mayaguez?

A Cambodian communique said that American observation planes had flown over the country daily since the Khmer Rouge victory last month. It said that small boats carrying Thai and Cambodian agents with radio equipment and bombs had been caught in Cambodian waters. It said the Mayaguez had entered those waters and was stopped for questioning.

The United States has made reconnaissance flights and tried to land spies elsewhere in the past. When the Pentagon Papers were published in 1971, we learned that before the Tonkin Gulf incident of 1964 there had been provocative raids against North Vietnam. Are we sure the Cambodians had no reason to be edgy when they saw the Mayaguez? Are we sure the ship was in international waters?

2. How much time was allowed for diplomacy?

At 5:03 A.M. May 12, Eastern daylight time, Washington heard about the seizure of the Mayaguez. At 2:00 P.M. that day the White House announced the news and began diplomatic efforts for release of the ship.

The Cambodian communique said U.S. planes began strafing and bombing around the ship and islands about five hours after the White House announcement. The delayed United States report put the first air attack on Cambodian gunboats at 1:00 A.M. May 14, or 35 hours after diplomatic moves began. When were the first attacks? In any event we allowed less than a day and a half for a response from the untried and isolated government of a shattered country.

3. What was the purpose of U.S. military action?

The official reason was to save American lives and property. But the timing suggests there was more to it than that.

At 8:15 P.M. May 14 Washington learned of a Cambodian broadcast offering to return the Mayaguez. At 9:15 the White House demanded the crew be released and promised to cease military action if it was. At 10:53 the United States destroyer Wilson, communicating from the scene, said a small boat was approaching with at least thirty white men aboard. At 10:57, nevertheless, United States planes bombed a Cambodian airport miles away. At 11:14 President Ford was told that all the crew was safe. At 11:50 United States planes bombed an unused oil refinery.

That record speaks volumes. The last attacks, at least, could only have been punitive in purpose. They were designed to punish a "little half-assed nation," in Senator Barry Goldwater's elegant phrase.

Bombing an unused refinery after the ship and crew were recovered: That's really big brave stuff. It was indeed Barry Goldwater's vision of America that prevailed last week: a bully among nations, acting without consultation, without concern for facts or principle.

BARBAROUS PIRACY

(By Anthony Lewis)

The diplomacy of violence: That is still, then, to be our trademark. Once again an American Government shows that the only way it knows how to deal with frustration is by force. And the world is presumably meant to be impressed.

The Khmer Rouge were wrong and foolish to seize the American merchant ship Mayaguez, if the facts were as stated in Washington. They violated necessary norms of international behavior. We had reason to be concerned, especially about the fate of the crew.

But using a sledgehammer to crack a nut is self-defeating for nations as for individuals. Violent escalation of the conflict could hardly be expected to achieve the immediate aim of the crew's release; to the contrary, it might heighten the danger. More broadly, the military action showed a lack of that perspective expected of a great power—the perspective, in this case, recent history.

Imagine that in 1775 and for years after an enormously powerful state equipped with futuristic weapons had intervened in our Revolutionary War. From bases in Canada it rained destruction on the thirteen colonies. A million Americans, a third of the population, fled their homes; 300,000 were casualties.

When the war was finally over, how might the victorious Americans have felt about that foreign state? If one of its ships had sailed into what were claimed to be American waters, might we have been tempted to board and seize the vessel?

A comparison between America in 1775 and Cambodia in 1975 is not so far-fetched. The peasant society of Cambodia today is hardly more advanced, technologically, than eighteenth-century America. Cambodia was just as defenseless against B-52's as the thirteen colonies would have been.

American planes dropped 250,000 tons of bombs on Cambodia between 1969 and Aug. 15, 1973, when Congress prohibited all U.S. military action in, over or on the waters adjoining Indochina. Between a third and a half of Cambodia's 7.5 million people became refugees. Jon Swain of The London Sunday Times, one of the correspondents recently evacuated, described the physical damage he saw as follows:

"The entire countryside has been churned up by American B-52 bomb craters, whole towns and villages razed. So far, I have not seen one intact pagoda. . . . The war damage here [Kompong Chhnang], as everywhere else we saw, is total. Not a bridge is standing, hardly a house. I am told most villagers spent the war years living semi-permanently underground in earth bunkers to escape the bombing."

With that background, Americans should be slow to point a finger of moral disapproval at the Khmer Rouge. Nor can we rightly take a lofty position on the need to respect law. Washington has not reacted with force when Ecuador seized U.S. fishing boats more distant from shore than the Mayaguez was. And the American bombing of Cambodia was itself of dubious constitutionality.

The United States also bears a heavy responsibility for the political character of Cambodia today. If we had not invaded the country in 1970, and then intervened massively in her civil war, Prince Sihanouk would doubtless have returned to power soon with a left-leaning but more traditional regime. The Khmer Rouge movement would not have developed as it has, in all its hardened zeal. Most of the human suffering of the war would have been avoided.

The Khmer Rouge inherited a ruined nation. We are rightly horrified by accounts of the harsh measures taken. But after what has been done to them, are the Cambodians really to be blamed if they are xenophobic?

Those Americans who had a part in the savagery of our policy toward Cambodia over the years should be particularly slow to utter deploring pieties now. Secretary of State Kissinger, a principal author of the policy, has described events in Cambodia as "barbarous," "inhuman," "very tragic" and "an atrocity of major proportions." A man so steeped in the blood of Cambodians should have the shame to remain silent.

And now the insensitivity is in deeds as well as words. Once again we have to show the world how tough we are: The attitude of the teen-ager proving his manhood did not end with Richard Nixon's Presidency. Demonstrative violence is in fact a central element in Henry Kissinger's diplomatic philosophy. But how long must it be our country's?

How disheartening, too, to see the Mayaguez affair evoke from Congress the old jingo talk and calls for Presidential action. Senator Clifford Case, co-author of the 1973 ban on military action in Indochina, lived down to his reputation as a pusillanimous liberal by telling President Ford that he could ignore the law. Have we learned nothing from Vietnam about law and the Presidency? Have we forgotten that America had the world's respect when she stood for patience and magnanimity in human affairs?

SBA REVERSES ITS POSITION ON PROPOSAL TO INCREASE INTEREST RATES ON LOANS TO SMALL BUSINESS

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. EVINS of Tennessee. Mr. Speaker, the Small Business Administration recently published in the Federal Register a proposed regulation to increase costs on loans made by financial institutions to small business and guaranteed by SBA by allowing lenders to add 2 to 4 points as a fee in addition to the present maximum rate of 10¼ percent on such loans.

At a hearing held by the Committee on Small Business, of which I am honored to serve as chairman, the Honorable Thomas S. Kleppe, SBA Administrator, and his staff made a presentation to the members of this committee on the proposed regulation. The reaction of the members to the proposal was extremely critical. Discussion revealed that lending institutions engaged in such a program would make approximately a 20 percent return on such loans and possibly in excess of this figure under certain circumstances.

The 1976 budget includes $1.2 billion for bank loans guaranteed by SBA, which if the proposal were adopted would be increased to $1.8 billion, and ultimately would increase by 1979 to $3.5 billion. If the proposal were adopted, the cost to the small businessman based on average loans would be $36 million, $54 million and $105 million.

The OMB–SBA proposed regulation contemplates authorizing a new kind of financing institution—a small business loan company—which would introduce a new type of financial institution into our already numerous high-interest types of such institutions. The Administrator was advised of the committee's strong objections to any proposal increasing interest costs and fees on loans to small businessmen. The Administrator indicated his intention of withdrawing the proposed regulation and not putting it into effect following the hearing.

The Small Business Committee has been aptly named the watchdog for the Nation's small businessmen. The efforts of the action of this committee on this matter are just another indication that all Members of the Congress, regardless of party, are concerned with the welfare of the Nation's small businessmen who represent 96 percent of all business, contribute 45 percent of the gross national product, and provide a living for 100 million Americans.

The committee's action in this instance was in the true sense in the public interest.

TAFT AMENDMENT TO CONSUMER BILL WOULD ENDANGER THE POSITION OF ORGANIZED LABOR

HON. JAMES V. STANTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. JAMES V. STANTON. Mr. Speaker, although the Consumer Protection Act of 1975 has widespread support, it ran into opposition in the Senate which threatened to defeat it again this year. So I am pleased that, last week, the Senate overcame this last-ditch opposition and approved the bill by an overwhelming margin.

But as a member of the House Government Operations Committee, which will guide the bill through the House, I am deeply concerned about the tactics of obstruction and delay used by opponents of the bill.

One of the major efforts in the Senate to confuse the issue, and thereby destroy the bill, was the offering of an amendment to grant the new agency power to intervene in collective bargaining and other proceedings before the National Labor Relations Board.

This was the so-called Taft amendment. Enactment of this amendment would reverse a policy initiated by Congress 40 years ago and maintained by the courts and Congress ever since, of refusing to permit Federal agencies to become involved substantively in private labor-management negotiations. Under this policy, the NLRB acts to insure that bargaining will be fair and honest, but it leaves the final form of agreement to be decided by the give-and-take of bargaining.

Thus the proponents of amendments such as this are threatening the historic gains made by the workingman and by organized labor when, under the guise of ending the labor "exemption" from the bill, they speak of granting power to the agency to interfere with union contract negotiations. There is no labor exemption in the bill. Labor is not exempted from its provisions any more than anyone else is. What the bill refuses to do is extend the Government agencies to an area where it has never operated before.

What the bill will do is provide consumers with a real voice in those decisions of Government departments and agencies which do affect consumers. When the CAB decides on an air fare, and when the Federal Energy Administration makes policy on oil pricing, consumers all over the nation feel the effect in their pocketbooks. And when the FAA makes decisions on what safety equipment will be required on commercial aircraft, and what will not be required, the lives of thousands are affected. In all of these decisions, the representatives of the special interests are there, with their lavish, well-financed presentations on why what is good for them is also good for "the national interest." The establishment of the Agency for Consumer Advocacy will give consumers something they never had before comprehensive, well-organized representation of their interests in matters of vital concern to them.

Thus, Mr. Speaker, I intend to do all I can to see that the bill will be enacted, and I shall strongly oppose in my committee and in this Chamber any attempts to resurrect a Taft-type amendment that is aimed at the workingman and organized labor.

A TRIBUTE TO ALTON ADAMS, SR.

HON. RON DE LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. de LUGO. Mr. Speaker, the Virgin Islands recently paid tribute to one of its native sons by naming a day in honor of Alton Adams, Sr., the noted composer, bandmaster, and journalist. I believe it is only fitting that this man who has given so much to the people and culture of the Virgin Islands be honored in this way.

Unwilling to be limited by his fame, Mr. Adams has generously devoted his time and efforts to a variety of community projects. He helped establish the teaching of music in the public schools, and he organized the first youth band in the Virgin Islands. In addition, Mr. Adams has presented many radio programs emphasizing the cultural heritage of Virgin Islanders.

Mr. Speaker, I have known Alton Adams for many years, and I know he has selflessly contributed his talents to our community out of love for our people and our culture. It is a small token of our feelings for him that a special day was laid aside to honor him.

The Virgin Islands Daily News recently printed an article on Alton Adams Day, and I would like to share it with you:

GOVERNOR PROCLAIMS DAY FOR MUSICIAN ALTON ADAMS

Governor King has signed a proclamation designating Wednesday, as Alton Adams Day in the Virgin Islands in recognition of the outstanding contribution in the field of music Alton Adams, Sr. has made to the people of the Virgin Islands.

The Governor, in his official proclamation, noted that as composer, bandmaster, and journalist, Adams has contributed greatly to the aesthetic life of his fellowmen with deep-rooted conviction.

He pointed out that the honoree has been credited with establishing music in the public schools and organizing the first juvenile band on the three islands.

Additionally, Adams has presented radio programs highlighting the cultural background and heritage of the islands with emphasis on the accomplishments of Virgin Islands residents in the fine arts of music, literature, and painting.

He is currently completing his memoirs of the island which he hopes will become useful as a valuable textbook for Virginia Islands students.

The Governor called upon residents as well as public and private institutions, businesses, and industrial organizations to join the observance of Alton Adams Day and express appreciation to Adams and his family for his devoted lifetime service to the community.

AMENDMENT TO VOTING RIGHTS ACT

HON. CHARLES E. WIGGINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. WIGGINS. Mr. Speaker, I have caused to be printed in today's RECORD, pursuant to rule 23, clause 6, a copy of an amendment in the nature of a substitute which I shall offer to H.R. 6219, a bill extending and amending the Voting Rights Act.

My amendment proposes to modernize and make more rational the "triggering" mechanism contained in section 4 of the Voting Rights Act. It is an important amendment deserving of careful study by the Members.

To assist my colleague in understanding the purposes and the affect of my amendment, I have prepared a section-by-section analysis which follows:

WIGGINS SUBSTITUTE (H.R. 6985) SECTION-BY-SECTION ANALYSIS

SEC. 2. Section 2 extends the special coverage provisions of the Act (§§ 4, 5, 6 and 8) until February 5, 1977 by amending the ten year period currently in § 4 to read "eleven-year-180-day period." This compares with a ten year extension of the special provisions until August 6, 1985 as accomplished by Sec. 101 of H.R. 6219.

The reason that Section 2 of the substitute has a short extension is that a complete revision of the § 4 trigger is made in Section 3(a) of the bill based upon data from the 1976 presidential election. Until such data becomes available, an extension of the current coverage seems appropriate.

SEC. 3. This section is the heart of the bill. In two separate divisions, Sections 4 and 5 of the Voting Rights Act are revamped to produce bold, new, and rational legislation.

(A) Division A amends § 4 of the Act effective February 6, 1977. After that time the following basic changes will occur:

(1) A new trigger will become operative covering States and political subdivisions based upon minority voting turnout in the most recent general election. Whenever a jurisdiction has separately at least 5 percent black or Spanish citizens and less than 50 percent of such persons voted in the most recent general federal election, then the special coverage provisions of the Act will apply.

(2) However, coverage will only be dependent upon the most recent general federal election so that if a jurisdiction is able to raise its minority voter turnout above 50 percent, then coverage will cease until such time as the minority voter turnout falls below 50 percent.

(3) To prevent the trigger from being unconstitutionally overbroad a jurisdiction may file an action in the United States District Court for the District of Columbia to "bail out" if it can prove that no law or practice has or is likely to have the effect of denying or abridging the voting rights of any citizen on account of race, color or national origin. To prevent a jurisdiction from repealing its laws, obtaining a declaratory judgment, and then reenacting the discriminatory laws, a precaution is provided: The court retains jurisdiction after a successful bailout until after the next general federal election during which time the Attorney General can reopen the action to re-cover the jurisdiction.

This mechanism is fair yet practical. The trigger encourages states to turn out the minority vote and to improve election laws and practices, if early bailout is desired. While it is true that a jurisdiction is automatically bailed out once it meets the 50 percent test in a subsequent election, special coverage will be imposed if at any future time the minority vote falls below 50 percent. Also, as will be developed, bolstering the remedies available in §§ 3 and 5 of the Act will provide an effective alternative for coping with any discriminatory voting laws passed while a jurisdiction is not covered by the trigger.

Under the present Act the trigger in § 4(b) encompasses all jurisdictions in which less than 50 percent of all persons of voting age voted in 1964 and 1968 presidential elections and in which a "test or device" was employed. Section 4(a) of the current Act provides a bailout which is more apparent than real with respect to many of the covered jurisdictions. To effectively bail out of the special coverage provisions of the Act, a jurisdiction must show that for the past 10 years (20 as extended by H.R. 6219 (it has not used a test or device with the purpose or effect of denying or abridging the right to vote on account of race or color (or in contravention of the guarantees set forth in § 4(f)(2) as added by H.R. 6219). However, recent Supreme Court cases have made this bailout almost per se impossible for states which had inferior schools for minorities and used a literacy test in the early 1960's by concluding that the effect of such literacy tests when coupled with the educational disparity automatically results in discriminatory application of such tests.

This trigger mechanism is anachronistic and possibly unconstitutional in that it is not rationally related to the actual denial of minority voting rights; by focusing on literacy tests in existence prior to 1965 without taking account of present discrimination the current Act has given the covered jurisdictions no incentive to improve their voting laws.

The trigger suggested in § 3 of this substitute remedies the deficiencies of the trigger in the present Act by encouraging states to improve their voting laws so that they may bail out via a declaratory judgment and to encourage a high minority voter turnout in subsequent elections. In this manner current problems are addressed and affirmative solutions are encouraged.

(B) This division amends § 5 of the Voting Rights Act effective February 6, 1977, to produce the following changes:

(1) The power of the Attorney General under § 5 to preclear state voting laws is expanded to require preclearance of all existing voting laws of the jurisdiction regardless of the time they were placed on the books. Under the current Act as extended by H.R. 6219, the Attorney General is restricted to reviewing only those voting laws that are different from laws on the books when the jurisdiction was covered. This deficiency in the current Act has encouraged states not to change their voting laws and has created a problem of entrenched discrimination whereby discriminatory laws that were on

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the books prior to the date of coverage of a jurisdiction are invulnerable to attack by the Attorney General under the Voting Rights Act. Section 3(b) of the substitute remedies this problem, as noted above, by allowing the Attorney General to review all laws; thus, if a discriminatory reapportionment plan were implemented while a jurisdiction was not covered, the Attorney General could invalidate that reapportionment plan at a later date if the jurisdiction becomes subject to the special coverage provisions of the Act.

(2) When a voting practice is submitted for preclearance to the Attorney General, the Attorney General is mandated to examine both the present and probable future effect that such law will have. Under the current Act the Attorney General is authorized to examine only the present purpose and effect of the law. Section 3(b) of the substitute thus has the advantage of eliminating laws which are likely to have a discriminatory impact although the immediate impact of such laws has not yet been felt.

(3) Section 3(b) of the substitute mandates the Attorney General to examine voting laws to see if they deny or abridge the right to vote on the basis of race or color or national origin. The current Act as extended by H.R. 6219 will only permit examination for discrimination on the basis of race or color or in contravention of the guarantees set forth in § 4(f)(2) of H.R. 6219. The coverage afforded by § 3(b) of the substitute is more progressive and equitable in so far as it prohibits discrimination against any ethnic or national origin group. Unfortunately, H.R. 6219 does not protect the voting rights of ethnic groups who are not American Indian, Alaskan Native, Asian American or persons of Spanish heritage. While the trigger of the Act must be geared to cover racial minorities which have been discriminated against, the relief afforded by the Act can be and should be extended wherever discrimination in fact surfaces. The substitute accomplishes this laudable objective.

Sec. 4. This section amends § 3 of the Voting Rights Act in ten separate ways, all of which are effective immediately except for paragraph (9) which is effective February 6, 1977. The thrust of these amendments is to immediately expand the relief available under § 3 of the Voting Rights Act by incorporating provisions made in §§ 203, 205 and 401 of H.R. 6219. These provisions extend the coverage of § 3 to allow an aggrieved person to receive the special coverage remedies of the Voting Rights Act as relief in a suit commenced pursuant to the fourteenth or fifteenth amendments to redress the denial or abridgment of voting rights on the basis of race or color or in contravention of the guarantees set forth in § 4(f)(2). Under the current Act only the Attorney General may invoke the relief of § 3 to redress a denial or abridgment of the right to vote on account of race or color in violation of the fifteenth amendment. Section 4 of the substitute improves upon these provisions in H.R. 6219 by allowing an aggrieved person to invoke these special remedies if the right to vote is denied or abridged on account of race or color or national origin in violation of the fourteenth or fifteenth amendments. Furthermore, the court is authorized to suspend and retain jurisdiction of all voting qualifications, prerequisites to voting, standards, practices, or procedures with respect to voting to the extent they have denied or abridged the right on account of race or color or national origin. This policy is in contradistinction to H.R. 6219 which denies this relief to certain discreet ethnic minorities that are not of a specific national origin group. To reiterate, while the trigger must be narrowly drawn to accommodate evidence of discrimination, once a voting practice is under review, if discrimination is detected in any form it should be obliterated.

Effective February 6, 1977, the coverage of § 3 is expanded consistent with the expansion of the § 4 trigger, effectuated by § 3(a) of the substitute, to allow the court to strive down and/or retain jurisdiction of any voting law regardless of when it was enacted. As previously noted, the present Act as extended by H.R. 6219 fails to deal with this problem of entrenched discrimination.

Finally, to remain consistent with the period of retention of jurisdiction in a bailout suit under § 4(a) of the new trigger as effectuated by § 3(a) of this substitute, the court is permitted to retain jurisdiction in § 3 of the Act only until determinations are made after the next general federal election.

Sec. 5. Section 5 is an exact replication of § 102 of H.R. 6219. This section permanently bans all tests and devices as defined in § 201 of the Voting Rights Act.

Sec. 6. Section 6 is an exact replication of § 402 of H.R. 6219 and provides that a reasonable attorney's fee may be awarded to the prevailing party in a suit under this Act.

Sec. 7. Section 7 amends title II of the Voting Rights Act to mandate the Director of the Census to conduct surveys to elicit the citizenship, race or color, and national origin of each person of voting age in the nation and the extent to which such persons were registered to vote and in fact voted in the election surveyed. While it is mandatory for a person to supply such information, a precaution is provided to protect the person's right of privacy with respect to other matters: Every person is fully advised of his right to fail or refuse to furnish information concerning his political party affiliation, or how he voted or the reasons therefore, and specific exemption from the penalty provisions normally imposed by statute is provided. However, the normal criminal penalties that are pertinent to other official surveys in order to insure accurate statistics are incorporated with respect to the relevant information elicited in this survey.

Section 403 of H.R. 6219 has a similar procedure. However the survey procedure in § 403 applies only in covered jurisdictions, fails to elicit citizenship, and does not make responses mandatory. In light of the reliance of the new trigger in H.R. 6219 and the substitute upon ascertaining the citizenship of certain language minorities, it is imperative that any survey gather data to ascertain this factor.

Moreover, since the new trigger set forth in § 3(a) of this substitute is applicable to more than one election, it is necessary to survey all states rather than only the covered jurisdictions. Lastly, it has been convincingly demonstrated in other official surveys that unless responses are made mandatory subject to the sanction of mild penalty, the data received may be statistically insignificant. The case law is clear that in order to establish information necessary to guarantee voting rights that any imposition such a survey may have on the right of privacy must give way to an overriding governmental interest.

Sec. 8. Section 8 is a replication of § 404 of H.R. 6219 and merely extends the anti-fraud provisions of § 11(c) of the Voting Rights Act to apply to the election of delegates from Guam and the Virgin Islands.

Sec. 9. Section 9 is a replication of § 405 of H.R. 6219 and codifies a regulation enabling the Attorney General to give affirmative approval to a voting change submitted to him under § 5.

Sec. 10. Section 10 is a replication of § 406 of H.R. 6219 and corrects an erroneous statutory reference incorporated into the Act in 1970.

Sec. 11. Section 11 is a replication of § 407 of H.R. 6219 and represents an amendment to recognize the existence of the twenty-sixth amendment to the Constitution as it relates to the 18 year old vote.

Sec. 12. Section is a replication of § 408 of H.R. 6219 and recognizes case law and the twenty-fourth amendment as it relates to the poll tax.

Sec. 13. Section 13 incorporates an expansion of § 6 of the Act to embrace the fourteenth amendment. A similar section is set forth in § 205 of H.R. 6219.

Sec. 14. Section 14 tracks the language of § 206 of H.R. 6219 in extending the protection of the Act to cover ethnic minorities. Consistent with the other provisions of this substitute, such protection is extended to cover all national origin groups rather than the four groups singled out in H.R. 6219.

SUBSTITUTE GASOLINE TAX AMENDMENT TO H.R. 6860

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. CORMAN. Mr. Speaker, I understand that there is a chance that the provision of the Energy Conservation and Conversion Act, calling for a tax on gasoline above the initial 3 cents, may be eliminated from the bill on the floor of the House. Should this happen, there will be little left in the bill to discourage the purchase of gasoline. If we do not reduce our demand for fuel, there is no doubt that prices will continue to rise. It is important that the oil industry not be allowed to add to its already swollen profits through price increases generated by stepped-up demand. In order to prevent this, I am proposing a substitute amendment to the present gasoline tax provision to be offered in case this provision is dropped.

My proposal calls for a graduated gasoline tax through which the Federal Government would take an increasingly larger bite out of any price increases at the refinery level. Each year, the Federal Energy Administration would determine whether any increase had occurred in the nationwide average refiners' price of a gallon of gasoline. Based on this determination, the increase would be taxed accordingly:

If the amount of the excess is—	Then the amount of tax is—
no more than 4c	25% of the excess
more than 4c but not more than 8c	1c plus 50% of the excess over 4c
more than 8c	3c plus 75% of the excess over 8c

The present price of gasoline at the refinery level is approximately 28.4 cents per gallon. Should a 4-cent increase occur over the period from June 30, 1975 to June 30, 1976, a tax of 1 cent would be imposed on the refiner beginning in January of 1977. An increase of 8 cents would trigger a tax of 3 cents and a 12-cent rise would result in an additional tax of 6 cents. The average price of gasoline to the consumer, which includes the distributor's and retailer's markup, State and existing Federal taxes, is now approximately 54.3 cent per gallon. Adding the 3-cent tax imposed by this legislation and a possible price rise of 4 cents, the

cost to the consumer would rise to 62.3 cents out of which the Government would take an additional 1 cent under this amendment. A 12-cent price rise would precipitate an additional tax of 6 cents bringing the cost up to a total of 75.3 cents.

I fully support the concept of the 20 cent additional gas tax called for in the bill should our consumption increase over the 1973 level. However, I believe that it is important to have my proposal as a backup should this tax be defeated.

My amendment, which will be published in the notice of amendments in today's Record, would serve as a warning to the oil industry that any increase in the price of gasoline would be taxed by the Federal Government and returned to the consumer in the form of a rebate. Through the use of this system, market forces would determine the amount of the tax imposed, and oil companies would be prevented from reaping the benefits of increased costs to the consumer.

AMENDMENTS TO H.R. 6860

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. KETCHUM. Mr. Speaker, at the appropriate times during consideration of H.R. 6860, I intend to offer the following amendments:

Amendments to H.R. 6860 as reported, proposed by Mr. Ketchum of California.

Page 30, line 4, strike out "January 31, 1977" and insert "October 15, 1976".

Page 30, line 5, strike out "January" and insert "October".

Page 30, lines 12 and 13, strike out "preceding calendar year" and insert "one year period ending on September 30".

Page 30, line 14, strike out "1973" and insert "the one year period ending on September 30, 1973".

Page 30, line 16, strike out "calendar year" and insert "one year period ending on September 30".

Page 30, line 17, strike out "1973." and insert "the one year period ending on September 30, 1973.".

Page 30, line 21, strike out "January" and insert "October".

Page 30, line 23, strike out "April 15" and insert "November 1".

Page 31, in the heading of the table following line 1, strike out "calendar year preceding the year" and insert "one year period ending on September 30 of the year".

Page 31, in the heading of the table following line 1, strike out "1973" and insert "the one year period ending on September 30, 1973".

Section 4992 (a) (2) is amended as follows:

On page 103, after line 9, insert the following new section (g):

(g) where there is no technologically feasible alternative to the use of petroleum, or petroleum products determined by a study under paragraph (c) (1) (A).

Section 4992 (c) (1) (A) is amended as follows:

On page 104, line 7, after the word "economically," insert the words "or technologically."

Page 10, on line 3 strike out the words "sealed bids." and all thereafter through line 8 and insert the following: "sealed bids, and such licenses shall be fully marketable."

TESTIMONY OF CONGRESSMAN MILLER BEFORE INVESTIGATION SUBCOMMITTEE

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. MILLER of California. Mr. Speaker, the Investigations Subcommittee of the House Armed Services Committee today is holding hearings on H.R. 4029, of which I am a cosponsor, and identical bills. This legislation will preserve the military commissary system, which is under assault by the Department of Defense. I would like to put my testimony before the subcommittee into the Record in order to share my thoughts on this matter with my fellow Members.

Mr. Miller's testimony follows:

Testimony of the Honorable George Miller of California, Before the Investigations Subcommittee of the House Armed Services Committee, May 19, 1975

Mr. Chairman, I am grateful for this opportunity to address the subcommittee on the subject of legislation pertaining to military commissaries. Within my home district, which includes most of Contra Costa County (California), there are many military employees, both active and retired, who are quite concerned with the Department of Defense's proposed changes in the commissary reimbursement policy. I am pleased to have cosponsored H.R. 4029 on their behalf. By halting implementation of the suggested change in policy, our bill will hold the line on prices in commissaries throughout the United States.

Let us first understand the origin of these revised guidelines. The Department of Defense suggested these new regulations, which would require commissaries, after October 1, 1975, to reimburse the Defense Department for 50 percent of their personnel costs. After October 1, 1976, that percentage would be increased to 100 percent. The result of this action would be a minimum surcharge of 10 percent on commissary purchases, and reliable opinions estimate that the real increase might, in fact, fall closer to 16 or 18 percent.

Commissaries are utilized by active and retired members of the armed forces, men and women who by their long service have demonstrated a strong devotion to this country. Moreover, they have sacrificed considerably, until quite recently, in salary compared with their civilian counterparts. In addition to these people, commissaries are used by widows, disabled veterans and dependent children. Now, no one in this Congress feels stronger than I that unnecessary frills need be trimmed from the military budget and from other government expenditures. But frankly, I don't think we need call upon veterans with long service, widows, disabled veterans and dependent military children to do the sacrificing. The Defense Department order reflects the same callousness as the Administration's suggestion that our elderly and disabled on social security be satisfied with a 5 percent increase in a year when the inflation rate is over 8 percent.

These kinds of proposals place the heaviest burdens of recession on those least able to bear them. Two-thirds of the active duty military forces have incomes under $7000 a year. Despite the recent increases in military pay, the Defense Department acknowledges that the value of military pay was cut 5.8 per cent by inflation in the last year. Furthermore the rise in costs which this proposed policy will cause will hit hardest at the lower ranking and elderly enlisted retirees whose fixed income under retirement is painfully low.

Already a large number of retired military personnel are forced to supplement their incomes with food stamps, and this trend is bound to increase if the Pentagon proposal is enacted. In the Washington, D.C. area, where a large proportion of the users of commissaries reside, 40 per cent of the patrons now must use food stamps to help pay for their food. In 1974, the Navy redeemed over $2 million in food stamps used at commissaries, and that figure will increase to $3 million during the current year. Increased commissary costs likely would lead to a 50 per cent rise in the use of food stamps by those shopping at commissaries, and the cost of this expansion might well be greater than the rise in government income from the reimbursement increase.

The Pentagon has done a good bit of boasting in the last year or so about increases in military pay. Secretary Schlesinger has gone so far as to suggest that military wages are now comparable to those in the civilian sector. I am not sure that is really the case, and I know a lot of my constituents would beg to disagree with the Secretary. Even presuming his statement to be near the truth, it seems to me that the hypocrisy of this proposal is blatant. Increased reimbursement would add, it is said, about $100 a year to each user of commissaries. It appears that what we have here is a case of giving on the one hand and taking away with the other. I don't think that this proposal is fooling anyone; I don't think that taking away these ancillary benefits is going to do much to encourage men and women to enlist in the armed forces.

I am pleased that this committee is moving swiftly on legislation designed to ensure that the low-standing policy of providing these services to those who have served our nation despite great sacrifice and, at times, great risk to their safety. Shopping at commissaries is an earned right which I cannot believe this Congress will cripple under the guise of fiscal belt-tightening or reform of our defense policies.

AMERICA—OUR HERITAGE

HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. WINN. Mr. Speaker, at this time I would like to draw the attention of my colleagues to another in a series of essays, entitled "America, Our Heritage," written by Lee Ruessner of Leawood, Kans. Lee's essay was submitted in a statewide PTA citizenship essay contest for fifth and sixth graders, and I found it very timely. At this time, I would like to insert Lee's essay in the Record:

"America—Our Heritage"

"My country 'tis of thee, Sweet land of liberty . . ." Yes, America is a land of freedom and liberty. We live in a free country where there are different kinds of freedoms—freedom of speech, freedom of the press, freedom to vote, and freedom of religion. All people in America are guaranteed life, liberty, and the pursuit of happiness.

Our country contains a mixture of people from all over the world. These people bring their ideas and ways of life with them. This makes America unique and unusual. These different people specialize in different skills and this helps make America creative. The variety of people helps make America strong.

America is rich in natural resources. It is one of the largest countries in the world.

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Minerals such as coal, iron ore, natural gas, and petroleum that are important to industry, are found here. We have some of the best plains for growing grain and grazing cattle. America is also blessed with many beautiful trees, rivers and mountains.

We, as Americans, have a belief that we can overcome problems, for example, our country is able to survive such things as the Civil War and Watergate. We feel that our problems are a challenge.

Liberty, freedom, people, resources and challenge—these are the things that come to my mind when I think of the words "America —Our Heritage."

CONTINUED SUPPORT URGED FOR ISRAEL

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. NOWAK. Mr. Speaker, the recent flurry of events in Indochina justifiably is prompting an internal reassessment of our Nation's foreign policy goals and our international commitments. There will be much soul-searching in the months ahead as our foreign aid programs—both economic and military—undergo scrutiny and challenges unparalled in recent years. Much of this review will be couched in terms of "who are our friends?" and "where do we benefit most from our foreign aid investments?" On both counts, Israel deserves a continued high rating from the United States. While our economic situation and domestic needs may force budgetary restraints on all foreign aid programs, I certainly feel that assistance to Israel should remain high on our list of priorities.

A disturbing trend of late, however, is the tendency to connect aid to Israel with our former assistance to South Vietnam. The Buffalo Jewish Review, in an effort to put the issue in perspective, on May 9th editorialized as follows:

ISRAEL IS NOT VIETNAM

The fall of South Vietnam to the Viet Cong has brought reports from Israel of fears about its implications for United States commitments to the Jewish state.

Actually, the connection between Vietnam and Israel was chiefly made by spokesmen for the Johnson, Nixon and Ford Administrations who wanted to persuade supporters of aid for Israel that they should also support aid for Vietnam. But some of the leading critics of American Vietnam policy have never accepted this connection. Indeed, the differences are so great that it is difficult to see how any linkage can exist.

Israel is a democracy. Its people are united in support of their state, and have shown a willingness to defend themselves. These things were not true in South Vietnam. Indeed, Israel has never wanted American troops to aid her and Zionist philosophy would almost forbid this. Israel has asked only for the arms and supplies she needs to defend herself.

While the American people were deeply divided about Vietnam, they have shown through their representatives in Congress a commitment to the survival of Israel.

Perhaps most of all, while there were differences over whether American security depends on what happens in Southeast Asia, no one doubts that it is in America's interest to have a strong and viable Israel in the Mideast.

This does not mean that all will be smooth sailing for Israel. The Ford Administration is still exhibiting a coolness toward Israel and though the United States is still expected to provide Israel with economic and military aid, it may not be all that Israel wants.

But this has nothing to do with Vietnam and now that the war is over this Administration may be able to devote more of its time and energies to other areas, including the Middle East.

This time of reappraisal of our foreign policy goals is also the time of solidify our ties with friendly democratic nations. First and foremost, Israel is a democracy. It is engaged in a struggle for its national existence, not embroiled in a civil war. There are no tiger cages in Israel, no elections during which Government opponents face arrest. In this light support of Israel promotes both our national interests and our Nation's ideals. In addition, in international forums, Israel has shown itself to be a reliable supporter of the United States on occasions when many of our European Allies were silent or without support.

These are times, too, of uncertainty in the Middle East, where the threat of war has never entirely receded in 27 years. However, as we continue to seek to promote a negotiated settlement in the Mideast, we have a moral responsibility to stand firm in our support for Israel's rights and we must keep pressing for a reciprocal willingness from the Arab nations to forge a real compromise, a real commitment to nonbelligerency.

Determined American demonstrations of our commitment to stand firmly behind Israel's just struggles are essential not only for maintaining the status quo and the balance of power, but for forging the path toward genuine peace in this troubled area of the world.

TESTIMONY OF DR. E. T. DUNLAP

Hon. Theodore M. (Ted) Risenhoover

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. RISENHOOVER. Mr. Speaker, the distinguished Dr. E. T. Dunlap, chancellor for higher education in Oklahoma has presented timely testimony before the Committee on Education and Labor which reflects the review of State Higher Education Executive Officers Association regarding career, vocational, and occupational education.

Dr. Dunlap most adroitly advised the committee on both philosophical and practical aspects of postsecondary education needs of our country. The testimony reflects the official position of the association as adopted April 25, 1975, and he was acting as a national spokesman.

Mr. Speaker, I include that important statement in the RECORD:

TESTIMONY OF DR. E. T. DUNLAP

In order to place our views on the subject of vocational education in the proper context, I should like first to share with the Committee certain basic principles to which we are committed and which will form the context of our specific views on the subject at issue today.

STATEMENT OF PRINCIPLES OF FEDERAL LEGISLATION

1. Education is a state responsibility, therefore, the Federal Government should respect the right and role of the States to develop and maintain unique systems for planning, coordination and governance of postsecondary education to meet the variety of postsecondary educational needs of their citizens.

2. Federal programs should be sufficiently flexible to allow for the meeting of individual needs within the states, in the light of federal priorities, rather than calling for shifting of state priorities to obtain federal funding.

3. Federal programs should not be enacted into legislation or initiated without reasonable assurance of sufficient funding to make them viable for the legislative life of the program. Further, all federal programs should be forward funded so as to allow for the most efficient use of resources. To enact Federal legislation and then fail to fund it, not only creates false expectations with an ensuing credibility gap in relation to federal action, but contravenes national purposes as legislatively enacted and creates resentment and uncertainty on state and institutional levels.

4. Federal law should recognize the roles, responsibilities and efforts of States in planning, coordinating and financing postsecondary education, including:

a. Recognition of the diversity among states with respect to fiscal capability, economic conditions, diversity of postsecondary education institutions and structures for coordination, administration and governance of postsecondary education; and

b. Development of Federal programs which build upon, and are coordinated with state programs in contrast to federal programs which ignore, duplicate or distort state efforts.

5. Federal requirements for state planning for segments of postsecondary education should be related to, be an integral part of and grow out of comprehensive state planning for postsecondary education. The Federal government should recognize and reinforce such statewide planning without:

a. Specifying the particular structures within the State which shall undertake it;

b. Predetermining what the outcome shall be; or

c. Mandating the specific form it should take.

At the same time, the Federal government can and should offer incentives to the states to encourage such comprehensive planning to be as inclusive of the postsecondary education community as possible and should provide technical assistance directly or indirectly to other agencies to help the states and their postsecondary agencies accomplish this.

POSTSECONDARY OCCUPATIONAL AND VOCATIONAL EDUCATION LEGISLATION

As integral parts of the career functions of education as a whole, career, occupational and vocational education are and should be of major concern to all levels of the education community. From the Land Grant College Act of 1862 to the Vocational Education Amendments of 1968 and Title XB of the Education Amendments of 1972, the federal government has progressively expanded its interest and support for the vocational components in education at all levels, and this has been more than matched by the states in which the majority of the operating funds for occupational and vocational programs have and continue to come. Current levels of state and federal concern and interest are increasing rather than decreasing at the present time.

In the Educational Amendments of 1972, under Title XB, the federal government clearly recognized for the first time that the states through their postsecondary education institutions—technical institutes, community colleges, senior institutions and their branches, and proprietary schools—are as heavily involved in occupational programs designed for immediate entry into the world of work as are secondary schools. While the Vocational Education Amendments of 1968 recognized postsecondary education involvement to some extent, the setting aside of 15 per cent of the funds for postsecondary vocational education still placed the primary responsibility for vocational education with the secondary schools. Today, however:

1. Approximately 50 per cent of the students in community colleges are enrolled in occupational or immediate job entry programs;

2. Technical institutes tend to be primarily, if not wholly, postsecondary in nature;

3. An increasing number of baccalaureate and higher institutions and their branches have technical, occupational and related programs; and

4. The majority of the occupational and technical programs at proprietary schools are postsecondary in nature.

The picture has shifted and it is critically important that any revised or new Vocational Education Act clearly recognize this fact.

The relevance of postsecondary occupational education to, and the necessity of taking it fully into account in, any effective comprehensive planning for higher and postsecondary education within the states is clear.

This was recognized by The Congress in Title XB of the Education Amendments of 1972 by specifically making planning for postsecondary occupational education an integral part of the overall planning process to be carried out by state postsecondary education commissions (1202). If the educational, career, occupational and vocational needs of post-high school-age students and adults—as well as the human resources and needs of the states and nation—are to be met, then such postsecondary education comprehensive planning, not for the purpose of compliance with federal regulations but to serve the citizens of the states and the nation, is essential.

The Vocational Education Act of 1963, as amended in 1968, has made major contributions with implementation and funding by the states to the development of vocational education in the states and the nation. However, it is time to reconsider some of its basic provisions to meet changing circumstances, including recognition of the major role of postsecondary institutions and systems in the career, occupational and vocational fields. Simple extension of the 1968 amendments or modifications of these or more of the same are no longer adequate. At the very least, any extension or new amendments should take into account Title XB of the Education Amendments of 1972. The emphasis in the act should be on flexibility to meet the needs of citizens of local, state and national levels.

Accordingly, any effective version of a new vocational-occupational education act or amendments should include the following considerations that go beyond the Vocational Education Act of 1963 as amended in 1968.

1. A clear statement of national objectives, but with the recognition that these may be differently realized in the various states in the light of their particular needs, structures and concerns based upon economic, demographic, social, educational and business and industrial profiles. Among these national objectives should be:

a. Access to appropriate vocational, occupational and career education regardless of age or level of educational attainment;

b. More effective and continuous planning at all levels to meet local, state and national needs of citizens—planning that includes the working community as well as education units and institutions;

c. Improved institutional, guidance, counseling and career information including information to protect the student as a consumer;

d. Innovation in vocational, occupational and career education to meet the changing needs of students of all ages, including those who because of work or life conditions cannot attend full time or in traditional schools or campus settings; and

e. Integration of vocational education with academic education in effective development of career preparation and renewal.

2. Consolidation of titles in the light of objectives but with maximum flexibility in the use of funds in accordance with adequate state planning to meet the unique needs within the states.

3. Increased funding for postsecondary occupational and vocational education which reflects:

a. The number of people involved in postsecondary occupational and vocational education;

b. The types of varieties of programs; and

c. The level and cost of such programs.

Within postsecondary education, federal funds should not be set aside specifically for particular types of institutions in order to provide maximum flexibility in the use of vocational funds in the light of effective statewide planning.

4. Removal of the "sole state agency" requirement as applied to all vocational and occupational education at the state level as this relates to planning and administration. Except in those states where a single state agency is responsible for planning and coordination of all types and levels of education, the act should provide for a separate administrative agency on the elementary-secondary level and at the postsecondary level. The problems at each level are analogous but not the same. While there should be, in fact must be, provision for common effort and coordination of planning on two levels, the mandate that they be the same is in actuality to creat a third branch of education rather than recognize the integral involvement of vocational and occupational education in the total educational process.

5. Planning for postsecondary occupational and vocational education should be an integral part of comprehensive planning for postsecondary education, including higher education as a whole within the states. To make it otherwise is to encourage fragmentation, conflict, duplication and ineffective use of resources. The responsibility for such planning should rest with the agency within each state having primary responsibility for comprehensive postsecondary planning within the state. It should not be the function of the federal government to require or encourage duplication of agencies within the states. Likewise on the federal level more effective coordination is needed between the Office of the Deputy Commissioner for Occupational and Adult Education and the Deputy Commissioner for Postsecondary Education, with other areas of the Department of Health, Education, and Welfare concerned with occupational education, and with the Departments of Labor and Agriculture. Fragmentation on either state or federal levels leads to ineffective and weakened programs.

6. Of primary importance for planning, coordination and implementation at all levels is more adequate data collection and analysis including education, program, manpower and resources data. The states should be encouraged to collect and analyze such data, to utilize the national data where applicable, and to integrate vocational data into general education planning at all levels. The federal government as one beneficiary of such data collection and analysis should share the cost of such data collection and should provide technical assistance to the states when necessary or desirable.

Mr. Chairman, I would like to illustrate the concern which I and my colleagues have by reference to my own State of Oklahoma. At the present time the Oklahoma State System of Higher Education which I serve as Chancellor, has some 358 different programs of postsecondary technical and occupational education enrolling nearly 13,000 students requiring an expenditure during the current year of some $16.5 million. Of the total support for these programs, more than 94 per cent is provided by state funds with less than 6 per cent coming from the federal government through the states' allocation of federal Vocational Education Act funds.

If we are to continue the expansion of our commitment to the urgently needed programs of postsecondary technical and occupational education, it is of critical importance that the level of Federal support for these programs be increased.

It is also important that those funds which are made available be made available in such a way as to give maximum benefit in the total comprehensive planning for postsecondary educational opportunity. When funds are allocated to an agency without responsibility for postsecondary educational programs, with these funds later reallocated after the basic operating plan for the year has been adopted, it is impossible to make the most efficient use of available resources.

Our recommendations to the Committee therefore, are these: (1) That the level of funding for postsecondary technical and occupational education be subatantially increased based on documented need determined by such factors as enrollment, graduates, relative costs, manpower requirements or a combination of these or other similar factors; and (2) That the funds appropriated for postsecondary technical and occupational education be allocated directly to the agency within each state legally responsible for postsecondary education. By such an arrangement the Congress will ensure more efficient utilization of available funds and will eliminate the possibility of postsecondary funds being diverted either for state level administrative costs or for other activities unrelated to postsecondary technical and occupational education.

Mr. Chairman, again, I wish to express my appreciation to you and the members of the Committee for the opportunity of appearing before you today. The results of your deliberations will have major impact on education at all levels in this country for some time to come. The members of the State Higher Education Executive Officers Association offer their assistance in your continued deliberation to the end that the best interest of all students and citizens in the states and the nation will be served.

Thank you.

THE LATE KENNETH B. KEATING

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. OTTINGER. Mr. Speaker, the loss which all of us who knew Kenneth Keating feel is a very great one indeed. New Yorkers will always remember him for his outstanding service in the U.S. Senate, as a Congressman, an associate justice of New York's court of appeals, and our Nation's representative to India and Israel. Ken Keating distinguished himself as a thoroughly nice and gentle man, a much beloved and respected Ambassador, and an extraordinary public servant. We will miss him and offer our sympathy to his wonderful family.

MAKING ELECTION DAY A NATIONAL HOLIDAY

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. RINALDO. Mr. Speaker, the election of 1974 showed once again that a vast number of Americans are not exercising their principal right as free citizens—the right to vote.

Since the end of the Second World War, great improvements have been made to remove barriers from voting. The poll tax has been abolished and the Voting Rights Act of 1965 has moved against more subtle forms of racial discrimination. Yet in the past election only 33 percent of the eligible voters came to the polls. Clearly, something is very wrong.

As we move toward our Bicentennial we must rededicate ourselves to the principles of democracy, and there could be no more fitting act of Congress to commemorate our 200th birthday than to make Election Day a national holiday.

In today's busy world, workers often have to commute long distances to work. Many have to leave for their job before the polls open and arrive home after they have closed. Others work odd hours, which make it inconvenient, if not impossible, to get to the polls. While some employers do provide time for their employees to vote, all too often the decision to vote or not to vote is based on the economic consideration of loss of pay as a result of missing work; this is unconscionable.

Another very serious problem is that those workers who do vote tend to vote on their way to work or on their way home. This trend has caused long lines, and reports from across the country indicate that people are unwilling to wait in long lines to exercise their right to vote. By making Election Day a national holiday, many of these problems can be eliminated.

A national election holiday will not only give a greater number of citizens the ability to vote, but will increase the opportunities for citizens to participate in the electoral process by working at the polls or for the candidate of their choice.

Most democracies around the world have designated Election Day a holiday so that workers have the chance to participate. The following chart shows that of the countries surveyed, all but England and Japan have Election Day either on Sunday or have designated the weekday as a holiday. The chart also shows how poorly U.S. voter turnout compares with that of other countries.

Country	Election day	Date	Percentage of voter turnout in most recent election
Germany	Sunday	1972	91.1
France	do	1974	87.0
England	No holiday	1974	73.0
Greece	Sunday	1974	80.0
India	Holiday	1971	57.0
Israel	do	1974	83.0
Japan	No holiday	1974	73.0
Sweden	Sunday	1973	90.0
United States	No holiday	1974	38.0

The Senate, on two recent occasions, has approved legislation to make Election Day a national holiday; most recently in the Campaign Reform Act of 1974. This year, as we consider improving that act, and as we think of methods to celebrate our 200th birthday, I can think of no greater tribute to democracy than declaring Election Day a national holiday.

WRITING TO WASHINGTON DOES GET ACTION

HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. NOLAN. Mr. Speaker, for many long months, America has been gripped by recession and plagued with doubt about our ability to deal with a very critical economic situation. Throughout this troubled time, we in Government have urged the people of the United States not to lose faith, but to take stock in the tremendous reserve of resource and achievement we have.

In that regard, I want to bring to the attention of all Members of Congress, and the American people, a very thoughtful and refreshing approach to the problem of pessimism in America. Mr. C. J. Erickson is the president of the Princeton State Bank in Princeton, Minn. In my judgment, he is on the right track, as indicated in the attached newspaper clipping covering correspondence he has had with Senator HUMPHREY and President Ford:

WRITING TO WASHINGTON DOES GET ACTION

The following correspondence initiated by C. J. Erickson of Princeton should be of great importance to each and every citizen of the United States:)

GERALD R. FORD,
President of the United States,
White House,
Washington, D.C.
Hon. HUBERT H. HUMPHREY,
U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: After a great deal of thought I have decided to present my humble opinion on a subject I have contemplated for the past several years. I am writing to the two of you because I consider both of you on the top of my list as the statesmen of our times. I am confident you will give consideration to the contents of this letter.

We are nearing the 200th Birthday of our nation. Pessimissim is our greatest enemy. It is so discouraging to read and hear daily the statement, "Every man, woman and child owes so much of our government debt". Why not tell our people the truth. Let's tell them what this great nation has accomplished in the last 200 years.

I have been in the banking industry for 37 years. Over these years I have viewed, reviewed and prepared thousands of financial statements. I have always considered the value of the end result, namely net worth. In short, total assets less liabilities.

I have never opposed a public works program if our nation receives value for the dollars spent. We are now in need of such a program. Let's inventory our government assets and subtract our liabilities and on our 200th Birthday tell our people, young and old, what we have accomplished in 200 years. Our net worth will astonish most of us.

Let's review what some of our assets are: public buldings including furniture and fixtures, federal highways, mineral resources, national parks, national forests, federal dams, military equipment and bases, national museums and art galleries and contents, congressional records, harbors, currency, gold and silver plus so many other assets such as all the knowledge of our people which is a result of our educational system. Last, but not least, our accounts receivable which means all money due the United States Treasury and government agencies.

This total of assets would be astronomical. Subtract our debt, divide by our population and the per capita amount would be unbelievable. A print-out containing this information should be made available to every citizen and I believe we would change our thoughts from pessimistic to optimistic. It would create a pride among all our people. We would then try to preserve our properties rather than destroy them. I believe it would reverse our entire outlook on life. Most of us would say, "How great we are. How much we have".

This would indeed be a large task to accomplish, but I feel that with the assistance of our tremendous computer equipment we could do it. We would employ thousands of computer personnel, appraisers, mathematicians, scientists, fieldmen, secretarys and others. Perhaps we would have to divide the nation into congressional districts or smaller to accomplish this great task. But I feel confident the results would be inspiring. We have a great country. Why not let us and future generations know this.

I would be extremely pleased to hear your reactions to my idea.

Thank you very kindly.

Sincerely,

C. J. ERICKSON,
President, Princeton State Bank.

P.S.—At a future date, our States and political sub-divisions should do likewise to enable us to have a complete picture.

ROBIN BEARD INCORRECTLY LISTED AS SUPPORTER OF H.R. 6416

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, in a "Dear Colleague" letter issued by HAROLD FORD and me, to seek additional cosponsors for H.R. 6416, the Intergovernmental Counter-Cyclical Assistance Act of 1975, Representative ROBIN BEARD of Tennessee was incorrectly listed as a cosponsor of the measure. ED BEARD of Rhode Island should have been listed as a cosponsor.

My apologies to both gentlemen for the error.

INTERSTATE GUN TRAFFICKING

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. CONYERS. Mr. Speaker, one of the issues central to the alarming increase of private possession of handguns in this country is the relative ease with which handguns are moved interstate, in contravention of the Gun Control Act of 1968, to the point that lost or stolen weapons are becoming the fastest-moving item on the black market.

Over the past 3 months, the Subcommittee on Crime has learned, through extensive testimony, that effective law enforcement is the most serious casualty of this unrestricted activity. The Director of the Bureau of Alcohol, Tobacco and Firearms, the Federal agency charged with enforcing the 1968 act, has testified that their inability to gather, store and retrieve weapons data centrally and require its submission renders Federal efforts to stop interstate gun trafficking almost nugatory.

Yesterday, another important perspective was added to the trafficking-law enforcement picture in testimony given by Detective Sgt. Owen D. Quarnberg, of the Utah County, Utah, sheriff's office, who was introduced by the gentleman from Utah (Mr. MCKAY). In his remarks, Sergeant Quarnberg framed the issue very effectively:

> [W]e are rapidly approaching a time when the number of firearms privately owned by our citizens, could reach a level where there will be a weapon for each man, woman, and child. There is no immediate incentive toward, nor possibility of, a "zero population growth" of firearms. A seemingly unsatiable demand by the "honest citizen" and criminal alike has created a tremendous incentive for thieves to steal firearms. The business is lucrative .... Our intelligence indicates that this is not only the random opportunity criminal, but organized thieves as well. Our intelligence also indicates that the groups which deal with the fencing of stolen weapons extend beyond state lines and in fact, extend into our surrounding states.

Detective Sergeant Quarnberg further indicated that thieves can profitably sell stolen handguns to individuals, fences, or pawnbrokers with impunity because local law enforcement agencies like his have difficulty tracing them to their true owners or proving that the suspect who has them in his custody at arrest came into their possession unlawfully. Moreover, accordingly to the sergeant—

> The problem of tracing ownership really becomes critical when we recover a firearm which has been used in a violent crime. Many times locating the original owner would help solve the crime.

In response to Members' questions, Sergeant Quarnberg estimated that, out of all the handgun investigations he has participated in over the past 4 years—somewhere in the neighborhood of 2,000—50 to 75 percent more cases could have been solved if purchase, ownership, and transfer data were available to the sheriff's office. To remedy this situation, Sergeant Quarnberg suggested that complete data on firearms' ownership be made available to local law enforcement agencies and that manufacturers immediately adopt a standardized serialization system to avoid duplication.

Because I believe this information adds to a great deal to the debate over stricter Federal firearms controls, I include a copy of Sergeant Quarnberg's statement in the RECORD at this point.

The statement follows:

STATEMENT OF SERGEANT QUARNBERG

Mr. Chairman and Members of the Subcommittee:

Thank you for the opportunity to appear before your Subcommittee and address one of the multiplicity of problems facing American Law Enforcement.

My name is Owen Quarnberg, Detective Sergeant for the Utah County Sheriff's Office, Utah County, Utah. My testimony is submitted in behalf of the officers of my department and the Law Enforcement effort they help to perpetuate.

We commend the efforts of this Subcommittee in helping to generate solutions to this nation's rising crime problem of which we are all too acutely aware.

In the United States there are approximately 74 commercial firearms manufacturers. Each year they produce large numbers of firearms for American markets. Additionally, there are 104 companies abroad, both foreign and American owned, which produce firearms for American markets.

With nearly 300 million people in the United States, we are rapidly approaching a time when the number of firearms privately owned by our citizens, could reach a level where there will be a weapon for each man, woman, and child. There is no immediate incentive toward, nor possibility of, a "zero population growth" of firearms. A seemingly unsatiable demand by the "honest citizen" and criminal alike has created a tremendous incentive for thieves to steal firearms. The businses is lucrative. We estimate that in our area alone, our citizens have lost some $50,000.00 worth of firearms so far this year. Our intelligence indicates that this is not only the random opportunity criminal, but organized thieves as well. Our intelligence also indicates that the groups which deal with the fencing of atolen weapons extends beyond state lines and in fact, extends into our surrounding states. Example: A.T.F. agents working with the Provo Police Department recently arrested an individual with caches of atolen weapons in Utah and Arizona. An investigation revealed that these weapons had been originally stolen in a number of states.

There are essentially three profitable ways for the thieves to dispose of these stolen firearms.

The first is for them to sell the firearm directly to another individual, no questions asked. Unless that buyer runs afoul of the police in such a way that ownership of the firearm is questioned, we have very little chance of recovering this class of firearm.

Secondly, the thieves may either take them out of the state or sell them to a "fence" who will take them out of state to sell them. Again, unless the "fence" or the ultimate buyer is stopped and the weapon checked, there is very little chance of recovery.

Thirdly, the thief may take the firearm to a pawn shop and either pawn it and not redeem the gun or he may sell it out right. In this case we have a much better chance of recovery of the stolen gun.

We have legislation which requires our pawn dealers to submit to us, each week, a copy of all business transactions. As these are received, all information regarding firearms is compiled and sent to our state bureau of criminal identification. They enter the appropriate information in the National Crime Information Center's computer, here in Washington. If the appropriate information matches with that in the computer, it transmits what we call a "hit". When we receive this information, which usually takes about a week, we go to the pawn shop, inform the owner that the gun is stolen, and we pick it up. The computer tells us which police department reported the gun stolen and other information.

Armed with this information we begin an investigation to trace all those who have possessed the firearm since it was stolen. In every case we have investigated this year, the gun turned out not to be stolen. The time spent by everyone who is involved in processing these reports as well as the computer time makes this a very costly process. It indicates some weakness in our system that could be corrected if we are going to be effective in controlling the flow of illegal and stolen firearms.

One help would be to require all dealers of used or second hand firearms to submit a form to their respective police departments, on a weekly basis, detailing a complete description of the firearm as to manufacturer, model, complete serial number, complete caliber, type (pistol, rifle, or shotgun) along with complete identification information on the person pawning or selling the gun.

One other help would be to require the manufacturers to standardize their serial number assignment methods.

Also, there needs to be a minimum amount of information which must be submitted to state bureaus of identification by the police agency in order for the stolen firearm to be entered in the computer.

Lastly, there needs to be some method of getting the citizen to record the complete information on their guns at least in their own files, if not with the police. This last one is of great importance because a large number of stolen guns do not get entered because the victim does not even know such things as the model, let alone the serial number.

Because many are not entered on the computer, when the police come across weapons that on one will claim, there is no way to locate the original owner.

The problem of tracing ownership really becomes critical when we recover a firearm which has been used in a violent crime. Many times locating the original owner would help solve the crime.

I realize that, rather than solving problems, what I have presented may have raised even more questions. I would be happy to try and respond to any questions you may have at this time. Thank you again for the opportunity to come here.

APPENDIX

I. HANDGUNS, WEAPON TYPE, AND SERIAL PREFIX CODE

A—Revolver; single action, SA.
B—Revolver; double action, DA.
C—Pistol; single shot, SS.
D—Pistol; automatic, AP.

II. RIFLES

A—Bolt action, BR.
B—Pump, PR.
C—Lever action, LR.
D—Automatic, AR.

III. SHOTGUNS

A—Bolt action, BS.
B—Pump, PS.
C—Lever action, LS.
D—Automatic, AS.

ENVIRONMENTAL STUDY CONFERENCE

HON. ALAN STEELMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. STEELMAN. Mr. Speaker, as a member of the Environmental Study Conference's interim executive committee, I would like to bring to our colleagues' attention the following article from the May 10, 1975, National Journal Reports. ESC is performing a valuable service to House Members, and I encourage more Members to join the conference. A list of the 118 Members who already have joined also follows:

NEW HOUSE GROUP AIMS TO INFORM MEMBERS OF ISSUES

(By Arthur J. Magida)

Tucked into a cramped office on the fourth floor of the Rayburn House Office Building is the Environmental Study Conference (ESC), the newest offshoot of a Congress desperate for concise, quick and objective information.

Formed by Rep. Richard L. Ottinger, D-N.Y., at the end of January to act as a clearinghouse for environmental information and to focus attention on ecological affairs, the ESC's four person staff has been working in a combined storeroom and mimeographing room surrounded by piles of paper and enough typewriters and mimeograph machines to stock a small office supplies store. Several times a day secretaries from Representatives offices use the mimeograph machines and the office fills with the distracting clanking of the copying roller.

CREATION

The ESC was the brainchild of Ottinger, who is executive vice president of the Friends of the Earth Inc. Ottinger said in an interview that when he was in the House from 1965 to 1970, he saw the need for a group such as the ESC. When he returned to Congress in January as the temporary chairman of the 75 Democratic freshmen, Ottinger had the prestige and the expertise to form the ESC.

Ottinger said he noticed that although an overwhelming number of the new Democrats in the House were keenly concerned with environmental issues, the issues often were lost in the clamor over the energy crisis. He said that providing a non-partisan objective forum to disseminate information on environmental affairs could enable Members of Congress to give ecological issues the attention he says they deserve.

The New York Democrat said that "It is crucial to get early warning of an issue"—especially for a bill that a Member might oppose. He said, "Environmentalists often act too late," frequently moving after a committee has released a bill. This forces them to convince a committee member to change a vote, which is more difficult than convincing him of the vote in the first place.

PURPOSES

One of Ottinger's goals for the ESC was to provide a system that would alert those both in and out of Congress to issues and bills that were emerging so there would be time to study them and organize either for or against them.

On Jan. 27, nine Democrats and two Republicans announced the formation of the ESC. They said that the purposes of the conference would include:

Providing Members interested in the environment with a vehicle for furthering their legislative goals;

Seeking information about the environment from sources outside Congress for the use of ESC members;

Following closely the status of environmentally significant legislation and to alert ESC members when these bills are under consideration in committee or on the House floor;

Serving as a two-way clearinghouse between ESC members and informed sources outside of Congress by gathering information for ESC members and by providing outsiders with information on congressional activities;

Establishing task forces within the ESC on certain subjects, "especially with regard to environmental threats that may be susceptible to legislative remedy."

GROWTH

The membership rolls of the ESC have swelled since the Jan. 27 announcement. By March 5, there were 65 members. By April 25, there were 118.

Ottinger said that he was worried that the ESC would not attract Republicans—"I'm a fairly aggressive progressive," he said—and the proportion of Democratic members is somewhat larger than the proportion of Republicans. In the whole House, 66 per cent of the Members are Democrats, 33 per cent are Republicans. But in the ESC, 78 per cent are Democrats, while 21 per cent are Republicans. About half the ESC members entered the House in January. Only three of those 58 freshmen are Republicans.

STAFF

By the end of February, the ESC interim executive committee selected James H. Rathlesberger, 26, was a legislative assistant for environmental affairs for Rep. Henry S. Reuss, D-Wis., for the last two years. From July 1971 to December 1972 he was a research director for the League of Conservation Voters. While with the league, Rathlesberger wrote a book—*Nixon and the Environment* (Village Voice Press, 1972)—detailing President Nixon's lack of concern with the environment.

By the end of March, three other persons were hired for the staff: Kenneth R. Murphy, 28, a journalist since 1973 with *Environmental Reporter* newsletter, who writes the ESC's weekly newsletter on legislation and committee hearings; Susan J. Sladek, 27, a congressional liaison specialist with the Environmental Protection Agency from 1971 to 1975, who works on the newsletter and fact sheets on specific bills; and Kathryn L. Baker, 24, a former legal secretary, who is office manager.

FINANCES

ESC members are charged $25 dues a year, but encouraged to pay more. The ESC's weekly legislative newsletter is available to non-profit groups for $50 annually and to others for $100. The conference uses borrowed office space. Each month, Rathlesberger must find which ESC member has an opening on his staff so that the money can be used to pay the ESC staff. He said that while the Democratic Study Group has long-term commitments from Members for use of staff slots, the ESC has only monthly commitments.

INFORMATION

The ESC has distributed analyses of environmental legislation and activities that several environmentalists have called "invaluable." Its first weekly bulletin was dated April 7. The bulletins, averaging 18 pages, describe bills coming to the House floor during that week and list the floor managers and the positions on the legislation of the Administration, interest groups and the Senate. They list committee hearings on environmental issues and executive actions and provide charts of the status of major environmental bills.

OUTLOOK

Ottinger said he expects the conference to hold its first forum—on the Clean Air Act amendments—within the next few weeks. Rathlesberger said he hopes to have enough money for another staff member soon.

The group is supported by virtually every organization outside of Congress that works on environmental affairs. David Luken, acting director of the natural resources, environment and energy section of the Chamber of Commerce of the United States, said that the ESC "will probably provide a very valuable service to its members. It is a mechanism that I hope House Members will make more use of."

Sheldon Kinsel, conservation liaison for the National Wildlife Federation, said the new group "has tremendous potential. It will increase the efficiency of Congress because it will be able to tap outside sources that have great expertise and can spend all their time working on issues. In this town, information is power."

ENVIRONMENTAL STUDY CONFERENCE MEMBERSHIP

Bella S. Abzug, Jerome A. Ambro, Mark Andrews, Herman Badillo, Max Baucus, Robert E. Bauman, Berkley Bedell, Alphonzo Bell, Jonathan B. Bingham, James J. Blanchard, Lindy (Mrs. Hale) Boggs, Edward P. Boland, Don Bonker, John Brademas, William M. Brodhead, George E. Brown, Jr., John J. Burton, Bob Carr, Silvio O. Conte.

John Conyers, Jr., Robert J. Cornell, Lawrence Coughlin, E. (Kika) de la Garza, John D. Dingell, Thomas J. Downey, Robert F. Drinan, John J. Duncan, Robert Duncan, Joseph D. Early, Bob Eckhardt, Robert W. Edgar, Don Edwards, David F. Emery, Dante B. Fascell, Millicent Fenwick, Hamilton Fish, Jr., Joseph L. Fisher, James J. Florio, Edwin B. Forsythe.

Donald M. Fraser, Gilbert Gude, John Paul Hammerschmidt, Mark W. Hannaford, Tom Harkin, Herbert S. Harris, II, Philip H. Hayes, Ken Hechler, H. John Heinz, III, Henry Helstoski, Jack Hightower, Elizabeth Holtzman, Frank Horton, Allan T. Howe, William J. Hughes, James M. Jeffords, Robert W. Kasten, Jr., Martha Keys, Edward I. Koch, John Krebs, Robert Krueger.

Robert J. Lagomarsino, Robert L. Leggett, William Lehman, Elliott H. Levitas, Matthew F. McHugh, Torbert H. Macdonald, Andrew Maguire, Romino L. Mazzoli, John Melcher, Helen S. Meyner, Edward Mezvinsky, Abner J. Mikva, George Miller, Norman Y. Mineta, Patsy T. Mink, Donald J. Mitchell, Anthony Toby Moffett, William S. Moorhead, John E. Moss, Stephen L. Neal.

Lucien N. Nedzi, Richard Nolan, Richard L. Ottinger, Edward W. Pattison, Claude Pepper, Larry Pressler, Joel Pritchard, Henry S. Reuss, Frederick W. Richmond, Theodore M. Risenhoover, Peter W. Rodino, Jr., Robert A. Roe, Fred B. Rooney, Philip E. Ruppe, Martin A. Russo, Ronald A. Sarasin, Paul S. Sarbanes, James H. Scheuer, Patricia Schroeder, John F. Seiberling.

Philip R. Sharp, Paul Simon, Stephen J. Solarz, Gladys Noon Spellman, Alan Steelman, Gerry E. Studds, Burt L. Talcott, Frank Thompson, Jr., Paul E. Tsongas, Morris K. Udall, Guy Vander Jagt, Richard F. Vander Veen, Charles A. Vanik, Henry A. Waxman, James Weaver, Timothy E. Wirth, Sidney R. Yates, Andrew Young.

A TRIBUTE TO KENNETH B. KEATING

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. MURPHY of New York. Mr. Speaker, America lost a fine statesman and dedicated public servant just recently with the passing of Ambassador Kenneth B. Keating. Ambassador Keating's long and versatile career, however, will remain as an inspiring example of the many ways in which a patriotic and hardworking person can serve his or her country.

The Ambassador to Israel at age 74, Ambassador Keating began his years of public service by serving in both World War I and World War II. In 1946 he was elected to his first term in Congress, and after 12 years as a Member of the U.S. House of Representatives he was elected as Senator from the State of New York.

After his departure from the Congress in 1964 Ambassador Keating was elected to the New York Court of Appeals. Several years later the President appointed him Ambassador to India, and after resigning this post in 1972 he was recalled for diplomatic duty in 1973, this time as Ambassador to Israel.

Soldier, Congressman, Senator, judge, and Ambassador—Kenneth B. Keating was truly an outstanding America. His countless contributions as a public servant will not be forgotten by New Yorkers, the Members of this body, or the entire American people.

THE AGRICULTURAL APPROPRIATIONS BUDGET AND THE NEEDS OF RURAL AMERICA

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. FITHIAN. Mr. Speaker, I recently received an excellent analytical letter from the distinguished dean of agriculture at Purdue University, Dean R. L. Kohls.

Dean Kohls is specially concerned about the agricultural appropriations budget and its impact on research and extension operation in the State of Indiana.

In the area of research, it is necessary to further increase the funds for the Hatch Act, which supports the agricultural experiment stations. We must do everything possible to restore the agricultural research thrust of the past few years. A 12-percent increase allows us only an opportunity to stand still. The Presidential budget for the support of the extension service through the Smith-Lever funds calls for only a 6-percent increase. If this minimal increase is approved, the program will deteriorate.

To continue the research programs operating at full capacity, it is also necessary to add some additional funds for the renovation of facilities and replacement of major research equipment. It is important that the laboratory and research equipment be brought up to date.

I am privileged to reprint this letter in the RECORD and call it to the attention of my colleagues:

PURDUE UNIVERSITY,
West Lafayette, Ind., April 22, 1975.

HON. FLOYD FITHIAN,
Longworth Building, Constitution Avenue,
Washington, D.C.

DEAR FLOYD: As you approach the agricultural appropriations budget, I thought I would share a few thoughts with you on the President's budget recommendations as they reflect upon the research and extension operations of your state:

(1) The budget for the Hatch funds which support the Agricultural Experiment Stations on a matching and formula basis shows some increase. The nearly 12% increases does at least reflect our growing inflationary problems. It will *not* restore the agricultural research thrust to its levels of a few years ago, but it will at least help stem the decline.

(2) The special appropriations for supporting the research and extension work in rural development under the Rural Development Act have been deleted as a special line and put into the Hatch and Smith-Lever funding. Frankly from the viewpoint of Congressional intent to strengthen rural development work, this is not a good move—in many states (not in Indiana, if I can help it) this will simply mean a reduction of emphasis in rural development. However, from the viewpoint of the real situation of the past several years, this move is probably in order. The actual appropriations made to the research and extension title have been far below authorization and too low for effective utilization. The case then is up to Congress: if its purpose is to truly foster rural development, the appropriation should be kept separate but substantially increased from its current minimal levels; otherwise this merger approach is wise.

(3) The special earmarked funds to undertake special research work is sharply increased in the present bill. You should be aware of some of the implications of this approach. These funds are dispersed as grants to appropriate state experiment stations from the USDA office of Cooperative State Experiment Stations. This means that we can yet be caught up in the concept of charging overhead costs in the several states. Hatch funds are not subject to this overhead concept. Generally speaking a federal dollar buys more research activity through Hatch appropriations than through the special grants route. What is really needed is an approach that would permit the administration of special purpose funds through the Hatch Act structure *without* the distribution formula provisions applying. A key point should be remembered. Research funds handled as grants for special purposes are effective only so long as the Experiment Station structure supported by the Hatch formula funds is strong and viable. Over the long pull, special research money at the expense of a weak Hatch Act appropriation will result in the deterioration of the nation's problem-solving ability in the food arena.

(4) The president's budget for support of the Extension Service through the Smith-Lever funds show only a six percent increase. This is inadequate to cover inflationary needs and will not permit a maintenance of programs. The fact that there is a greater increase proposed for research than extension is not the issue. The issue is that at this point in time a greater investment is needed in the research and extension functions that undergird our future food supply. Neither of these proposed budgets reflect this priority need. The Hatch proposal will permit us to barely maintain ourselves—the Smith-Lever will result in some deterioration.

(5) A special point needs to be brought to your attention. We are in urgent need of a *special appropriation* to be distributed to the state stations for *renovation of facilities and major research equipment*. It is my understanding that this has occurred some time in the past—but has not been done now for many years. Our laboratories and research equipment are out-of-date and worn out. We desperately need a major injection of this kind. In this recession year, of course, such an appropriation would serve the additional purpose of stimulating the economy. Any help in this partciular area would be very welcome. None is provided in the present budget.

I hope the above observations are of help. Of course, I am a biased advocate for the future of our food supply and for the well-being of rural America. The present budget proposals show some improvement over the past efforts of the administration to scuttle the state systems of Experiment Stations and Extension Services. They should be interpreted, however, for what they are—maintenance oriented, not expansionary.

Additional increases to both the Hatch and Smith-Lever lines would be especially helpful to our work in Indiana.

Please call if I can be of further help.

Sincerely,

R. L. KOHLS,
Dean.

STATEMENT OF THE ENVIRONMENTAL PROTECTION AGENCY

HON. JOHN W. JENRETTE, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. JENRETTE. Mr. Speaker, I believe that the Environmental Protection Agency is overinterpreting its mandate. There is virtually no area of urban or rural life in America today that is not subject to jurisdictional claims of the EPA. I believe it is time that the Congress reviewed the enabling legislation establishing this agency. There are few Congressmen and Senators who do not have their own private horror story regarding the almost arrogant, far-reaching power of the EPA.

Accordingly, I am in the process of drafting legislation that will call for a sweeping review of the original legislation with the aim of more clearly defining EPA's powers.

I have no predisposition regarding the EPA's efficacy or utility. There is little doubt in my mind that it has performed an invaluable service in a number of areas. But we can all recall that just a few short years ago, when there was no such agency as the EPA, we all somehow managed to exist and even prosper. We all watched as this Agency grew to super size from just a handful of staffers. There are now 9,203 employees in this Agency and it is growing daily.

Dr. Irving Kristol of New York University recently stated:

> If the EPA's conception of its mission is permitted to stand, it will be the single most powerful branch of government, having far greater direct control over our individual lives than Congress or the Executive or state and local government.

I do not want to hamstring the EPA and make it a big, fat, useless agency without teeth. But on the other hand I think we are seeing a graphic example of how "absolute power corrupts absolutely." No one elected the bureaucracy that is beginning to govern our daily lives. They received no mandate from the electorate.

There is an old bit of wisdom that states whenever a power is abused, then that power will be thrown off. The EPA should guard against a too zealous use of its regulatory powers if it would not seriously hamper its capacity to serve a useful purpose. The EPA could learn a good lesson from the way monkeys are captured in some parts of India. A small opening is cut in a gourd and fruit or nuts are placed inside. When the monkey reaches inside and grabs the bait, he makes a fist that is too big to get out of the opening. When the tribesman approach the chained gourd, the monkey refuses to release his prize and is captured. The EPA is refusing just as adamantly to relinquish any part of what it conceives its mission to be.

This irrational obduracy, demonstrated on so many occasions by the EPA, may lead to a cutback in its powers even beyond what is proper or advisable.

In my own Sixth District of South Carolina, the EPA has caused serious problems. They have issued strict new regulations causing the U.S. Department of Agriculture to order the suspension of the use of Mirex—an effective pesticide used against fire ants—beginning June 30 as applies to aerial application. Scientists at Clemson University showed that three widely spaced applications of Mirex annually present no danger to the coastal area ecology. They showed that although Mirex can bioaccumulate, such spaced applications causes no danger to the life cycle of various aquatic species. On the other hand, testimony by hundreds of farmers and others showed that the infestation of the South American pest has caused danger to livestock and humans and the fire ant mounds make use of farm machinery difficult to impossible. Testimony by Under Secretary of Agriculture Phil Campbell showed conclusively that the fire ant can be completely eradicated if the EPA would simply relent just a bit. But no concessions have been forthcoming.

The EPA refused for quite some time to allow the controlled use of DDT against the tussock moth in Oregon. While it refused to budge on this issue, the moths defoliated 174,000 acres of forest. It relented only after heavy congressional pressure and a lawsuit was filed.

Replies to letters sent to the EPA are patronizing, supercilious, and condescending. They explain in ABC fashion their concern with the ecology and their responsibilities. They take great delight in shifting all blame to other agencies—in the case of Mirex they point the finger at the USDA. Decisions affecting the lives of millions of persons are made in the face of overwhelming testimony and evidence from the scientific community and the citizenry.

Dr. Harry Bell, president of the South Carolina Farm Bureau and chairman of the Technical Committee of the National Cotton Council, recently testified before the Agriculture Committee on which I serve about the EPA's recalcitrance.

Bell told the committee that:

> We are especially concerned about the influence on pesticides policy of those who ignore experience and scientific evidence, who have no appreciation for the necessity and benefits of pesticides, and instead rely on their political instincts.

Bell continued:

> There is a tendency for decisions to emanate from the office of General Counsel (for EPA) instead of the Office of Pesticides Programs. We saw the political aspects in 1972 when the Administrator cancelled DDT in spite of the favorable findings of the hearing examiner, recommendations of the scientific advisory committee, and USDA, and pleas from user groups.

Mr. Speaker, let me emphasize that no one would like to see the pendulum swing back to the 1950's when pollution was rampant and corporate profits were more important than the environment. No one would like to see Rachel Carson's splendid "Silent Spring" become a reality. I am just as concerned about the environment as the most ardent EPA staffer or Sierra Club member. I grew up in the outdoors in one of the most verdant and fantastic areas of the country. There are those who think that there may still be a few ivory billed woodpeckers in the Great Pee Dee swamp in my district. Game and fish abound in my district. I would not like to see one fish kill due to pesticide, or see one bird die of insecticide.

It occurs to me as I try to establish my credentials as one who is concerned with the ecological well-being of my country how the EPA has been allowed to intrude and overstep its mandate. As I try to establish that I have nothing against conservation, I realize that many in my shoes have probably been afraid of being branded as someone callously indifferent to the ecology. We have seen how some lawmakers have been branded among the "dirty dozen" and how easy it is to be typed as insensitive.

It is the case of the entourage of the emperor afraid to say aloud that he had no clothes. It is time that we take a long, hard look at the EPA—not with the goal of dismantling it and emasculating it but with the simple goal of imparting to it a good dose of rationality and pragmatism.

ENERGY CONSERVATION AND CONVERSION ACT

HON. PHILIP E. RUPPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. RUPPE. Mr. Speaker, when the House considers the Energy Conservation and Conversion Act, H.R. 6860, I intend to offer an amendment which would expand the credit allowed against the gas tax liability for certain work-related travel. The bill as reported allows a credit equal to one-half the gasoline tax—in excess of three cents a gallon—times the number of gallons of gasoline—in excess of 25 per month—used by the taxpayer in work-related travel which is defined in such a manner to make it applicable for certain construction and migrant labor activity which is not located at one site.

However, in my district in Michigan there are laborers who often have to travel as much as 80 miles one way to get to their work, and this is not out of choice, but out of necessity. There are copper and iron ore mines in northern Michigan which are located great distances from adequate available housing. I am sure that these miners will do their utmost to conserve gasoline, but this tax on gasoline which we are about to legislate will be an economic burden which they could not avoid voluntarily without seeking alternate employment which is scarce at best.

I hope the House will favorable consider my amendment.

NEW ASSIGNMENT FOR CHARLES M. COOKE, JR.

HON. ALBERT H. QUIE

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. QUIE. Mr. Speaker, all of us have come to know many individuals who represent executive agencies on the Hill. One of the very effective liaison officers in the Department of Health, Education, and Welfare has just been named Special Assistant for Student Assistance to the Secretary. Charles M. Cooke, Jr., has served our Government in several capacities worthy of our commendation, but many of us have had the privilege of working with him during the past 2 years in his capacity as Deputy Assistant Secretary for Legislation—Education. He has done an outstanding job.

Because HEW is responsible for such a wide range of student assistance programs that require constant troubleshooting, I am pleased Charlie Cooke will now be applying his many talents to those problems. I understand that much of his attention will be focused on abuses in the guaranteed student loan program, something many of the Members have been concerned about.

Following is the press release from HEW giving additional information:

New Assignment for Charles M. Cooke, Jr.

HEW Secretary Caspar W. Weinberger selected Charles M. Cooke, Jr., 43, as his Special Assistant for Student Assistance.

Secretary Weinberger said that problems in the area of HEW's student assistance programs generated the need for an assistant "to work with and report directly to him on all facets of the student aid programs administered by the Department and the Office of Education.

"Mr. Cooke is expected, of course, to carry out his responsibilities in full and timely consultation with the Commissioner of Education," said the Secretary.

Citing instances of students being defrauded by institutions, irregularities by institutions with regard to their handling of Federal student assistance programs and students defaulting on their loan repayments, the Secretary charged Mr. Cooke "to focus his activities initially on possible fraud, program irregularities and potential emerging problems in student financial assistance."

In a related statement Commissioner of Education Terrel H. Bell said, "The Secretary and I have confidence in Charlie's ability and judgment and know he will contribute greatly to our efforts to attain more effective administration of student assistance programs."

Since August, 1973, Mr. Cooke has served as Deputy Assistant Secretary for Legislation (Education). In that capacity he has been responsible for the development of the Department's legislative programs in the education area.

He was instrumental in the negotiations during 1973 and 1974 which culminated in the Education Amendments of 1974, signed by President Ford in August, 1974.

From 1960 through 1965, Mr. Cooke was a member of the Department of History at the U.S. Air Force Academy in Colorado Springs, Colorado, where he became Associate Professor of History.

In 1966 he served in the Plans and Policy Section of the Military Assistance Command in Vietnam. From 1967 through 1969, Mr. Cooke served as Assistant for Vietnam, East Asia and Pacific Region, Office of the Assistant Secretary of Defense, International Security Affairs.

In May, 1969, he resigned his Air Force Commission as a Major and accepted an appointment as Special Advisor on Vietnamese Affairs to the Under Secretary of State where he served until August 1970.

In August, 1970, he was named Director of HEW's Office of Special Concerns. In that post, he was responsible for informing minority groups and other special interest groups of Departmental programs and policies affecting them. He was instrumental in initiating a Department-wide Upward Mobility program for minorities and women, and in 1972 was awarded the First Annual HEW Award for Equal Opportunity Achievement.

He is a 1953 graduate of the U.S. Naval Academy and earned his Master of Arts degree in Chinese History from the University of Washington in 1960. During his military service, he was awarded the Legion of Merit, the Bronze Star, two Air Force Commendations, and the Staff Officers Medal, 1st Class, from the Republic of Vietnam.

Mr. Cooke, his wife and five children reside in Alexandria, Virginia.

COMMENCEMENT ADDRESS AT THE UNIVERSITY OF NOTRE DAME BY ALAN PIFER, MAY 18, 1975

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. BRADEMAS. Mr. Speaker, I believe that Members of Congress will read with great interest a most thoughtful address delivered on May 18, 1975, at the 130th commencement exercises at the University of Notre Dame by Alan J. Pifer.

Mr. Pifer, president of the Carnegie Corp. of New York and the Carnegie Foundation for the Advancement of Teaching, received an honorary doctor of law degree.

Mr. Pifer has held numerous positions on local, State, and national organizations, principally in the areas of foreign affairs, education, and urban problems. He also originated, supported, and participated in the Carnegie Commission on the Future of Higher Education, the most extensive study ever made of higher education.

Mr. Speaker, other persons honored by the University of Notre Dame yesterday are:

Persons Honored by University of Notre Dame

Arthur J. Decio, chairman of the board of the Skyline Corporation, Elkhart, Ind., doctor of laws.

Dr. Peter F. Drucker, Clarke Professor of Social Service at Claremont (Calif.) Graduate School and a noted management theorist, doctor of laws.

Nancy Hanks, chairman of the National Endowment for the Arts, Washington, D.C., doctor of fine arts.

Albert E. Jenner, Jr., a Chicago attorney who served as chief special counsel to the minority of the House of Representatives Committee on the Judiciary in the impeachment inquiry respecting President Nixon, doctor of laws.

Congresswoman Barbara Jordan, of the 18th District of Texas, doctor of laws.

Chancellor William D. McElroy of the University of California at San Diego, who is president-elect of the American Association for the Advancement of Science, doctor of science.

Dr. Donald B. Rice, a Notre Dame alumnus who is president of the Rand Corporation, Santa Monica, Calif., doctor of engineering.

Author and publisher Frank Sheed, Jersey City, N.J., doctor of laws.

Alice Tully, New York, N.Y., a noted music patron and former singer, doctor of fine arts.

Mr. Speaker, I insert the text of Mr. Pifer's address at this point in the Record.

Commencement Address at the University of Notre Dame

(By Alan Pifer)

Few things that have happened to me in recent years have afforded me more pleasure than the invitation to receive an honorary degree from this University and to deliver this commencement address. Not least it gives me the opportunity I have long hoped for to express to the assembled Notre Dame community some thoughts about your truly great president, Father Hesburgh. In an age of irresolution and small minds, he is one of only a tiny handful of genuine leaders the American people today possess. Equally distinguished and active in the intellectual, humanitarian and spiritual realms, he is a precious asset not only to the nation but to the entire world. If I may speak for men and women everywhere, we thank you at Notre Dame for sharing Father Ted with us.

My talk to you today may seem more like a sermon than a commencement address. But it is after all Sunday and Whitsunday at that. The topic I have chosen, because it is much on my mind these days, is the moral responsibility of higher education.

SHOULD A UNIVERSITY BE COMMITTED TO MORAL VALUES?

The issue of whether a college or university should have an institutional commitment to an explicit set of moral values would until recently have been considered an inappropriate and perhaps even dangerous question to raise on the campus—contrary to the very nature of the academy. On many campuses it would, at least, have excited astonishment, and even derision and on others would have caused people to turn away in embarrassed silence.

Nevertheless, if the truly massive evidence of moral malaise in our society today is causing us to reassess and think deeply about our social and political institutions generally, how, then, can higher education, an activity which now involves more than half of our young people as well as numerous adults, escape its share of reexamination?

Gone today and properly so is the doctrine of *in loco parentis*, in which colleges and universities were expected to act as surrogate parents, supervising the moral behavior of their students. It is not this level of morality I am addressing, however, but a deeper and more difficult issue—one that appears at first to expose a number of troublesome dilemmas.

For example, have we not understood that an explicit moral commitment on the part of a college or university would conflict with its traditional commitment to academic and individual freedom? Would it not, in order to have meaning, imply institutional stands on issues such as Vietnam, the environment, Watergate, or busing, to name just a few? And would this not compromise its hard-won protected position of autonomy in the society?

Furthermore, how could it take such stands without doing violence to the rights of those within its walls who hold contrary views? Does not the ideal of the true university presuppose that every member of it is free to seek what he or she believes to be the truth in whatever fashion is thought best, provided this does not interfere with the rights of others?

To accept the traditional nature of the true university and in the same breath recognize the pressing need for all our social institutions, especially universities because of their critical importance to our nation's youth, to make a commitment to moral values would seem to confront us with an irreconcilable contradiction.

And which values? Whose values? What kind of commitment? What are supreme matters of conscience to one may be no more than personal prejudice or predilection to another. Much blood has been shed in the course of human history because people could not agree on the answers to these questions.

A WAY OUT OF THE DILEMMA

I choose my way out of the dilemma by saying I believe there are at least some moral values of such a high order and so important to our future as a people that a commitment to them by a university or college must override any conceivable objection. One approach to describing this set of values is to define those qualities, outside the realm of the purely intellectual, that an institution would seek to foster in its graduates. There are four which seem to me of transcending importance at this juncture of history. They are integrity, tolerance, humanitarianism, and humility.

INTEGRITY

It is painful to have to talk of integrity, or honesty, in an academic gathering. This is so because of the traditional, tacit assumption that the pursuit of knowledge by its very nature produces a deep respect for integrity. And yet we have seen all too clearly that higher education does not necessarily contribute to the growth of integrity in its graduates.

Lying, cheating and lawbreaking have been the hallmarks of some of our nation's top political leadership, including even a President. One corporate executive after another has pleaded guilty to breaking campaign laws—not just inadvertently but by ingenious, deliberate design.

All of these men were products of higher education, many with advanced degrees. While the family, the community, including the church, and lower levels of schooling must assume the main burden of responsibility for moral awareness, one does have to wonder whether higher education plays any role at all. Did these morally blind individuals never in their college or university careers have any deep encounter with questions of morality, values, ethics? Can their moral insensitivity to any degree be fairly laid at the door of the higher educational institutionals they attended? It is a troubling question.

Certainly there is no greater need today than to reestablish the highest standards of personal integrity at all levels of society, but especially at the leadership level. Adherence to such standards, of course, extends well beyond just shunning the more obvious forms of unethical behavior; it precludes many other practices which, while not exactly unlawful, are a good deal less than truly ethical. This kind of shoddyness, petty cheating, misrepresentation and corner-cutting we see all about us as an accepted aspect of American life, justified by the claim that it is "only smart business practice," or "realistic," or that "everyone is doing it." What will higher education have to say or do about this?

TOLERANCE

It is also somewhat painful to have to bring up the question of tolerance in an academic gathering, since knowledge of nature and mankind is the basis of tolerance. And yet, with college-educated men and women now diffused throughout the society, occupying in large part its leadership structure, we still find widespread evidence of intolerance in the nation. Race hatred, religious bigotry, class superiority and sex discrimination are evils found in nearly every community. And although there has been some real progress toward social justice in recent decades, the enjoyment of equal rights by all Americans is still a very long way from realization. What is the higher education community doing to help reduce the gross disparity between our declared democratic ideals and the reality of the way the nation lives out its daily life?

HUMANITARIANISM

Next, we come to humanitarianism—the disposition to be kind to our fellow human beings and to help those in need. Unlike integrity and tolerance, humanitarianism has rarely if ever been considered an attribute of higher education. On the contrary, a college education in this country has always had the connotation of individual opportunity for social and economic advancement which, where success is achieved, can lead to smugness and complacency. There may well be truth to the charge that higher education contributes more to selfishness than selflessness. We could wish there was something within our colleges and universities which fostered a humanitarian outlook, which bolstered the generosity of spirit that has always been one of the finer traits of our national character.

HUMILITY

Lastly, there is humility. Since the Second World War, over thirty years now, we have enjoyed unprecedented power in the world. More recently, however, American hegemony has begun to wane, partially through the gathering strength of other nations but also because of our own mistakes, especially the ghastly mistake of our involvement in Southeast Asia.

Where we stand today, therefore, is not where we stood yesterday. We are still a very strong nation, no doubt of it, but we have suffered a resounding defeat in Vietnam. We have been beaten not so much by a "small, underdeveloped, non-white nation," as some would have it, as by a growing awareness of the contradiction between our deepest American ideals and our actions in Southeast Asia. The question now is whether we will have the courage to admit the mistake and use the experience to forge a better nation, or will be led to resentment and arrogance to make still other costly mistakes, with even more drastic consequences.

Here, of course, it was campus protest that did so much to catalyze national sentiment against our involvement in Vietnam. But it also gave rise to the greatest divisiveness in our country since the Civil War, pitting students against college administrations, children against parents, brothers and sisters and friends against each other. I do not believe that higher education has, in any coherent, institutional way, ever attempted to promote the understanding that true national maturity is an amalgam of the pride *and* humility on the part of its citizenry . . . and what I meant by that is a just sense of our limitations as well as our strengths. Our chances of world leadership from here on will, I firmly believe, be entirely dependent on a wide appreciation of that truth among our people. In the vanguard of this understanding could be those who have enjoyed the benefits of higher education. But will they?

YOUTH AND MORAL VALUES

Is it naive to expect that a college or university really can foster qualities such as integrity, tolerance, humanitarianism and humility in those who pass through its halls? Yes, I am afraid it is naive, if one holds to the simplistic notion that the indication of moral awareness is something that is *done* to the student. Education, as we know, means to lead out, with the implication that what is inherent within us needs only to be brought to the fore. Indeed, the capacity for moral awareness and sensitivity is something most people seem to have anyway, as a natural attribute of youth.

Eric Erikson, in his book, "Young Man Luther," writes that youth stands between the past and the future, both in individual life and in society; it also stands between alternate ways of life. He describes the late teens and early twenties as the most exuberant, the most careless, the most self-sure, and the most self-consciously productive stage of life. At the same time, it is an age "most painfully aware of the need for decisions, most driven to choose new devotions and to discard old ones, and most susceptible to the propaganda of ideological systems which promise a new world-perspective at the price of total and cruel repudiation of an old one." The need for devotion, the need for repudiation: these constructive and destructive aspects of youthful energy, Erikson writes, have been and are employed in the making and remaking of tradition . . .

How poignant, how apposite these words are in the present situation. Many of the young people of the past decade and today are considered to have a profound sense of moral awareness, to be a truly moral generation. Outraged at the injustices, the hypocrisy, the baseness they have observed in the adult world, they have expressed their moral concern by rejecting the materialistic values and conventions of older generations and by seeking personal redemption in protest movements, new life styles and service to the community.

THIS GENERATION IS NOT UNIQUE

But this generation is not unique. Older generations were imbued with moral awareness and filled with righteous indignation in their youth, only to see this flame extinguished as they grew older and lost their way in the harsh realities and inflexibilities of the economic and social system. Those of us who grew up in the nineteen-thirties, for example—the Depression generation—had plenty of moral fervor, but later, in the affluent post-war era, busy with the pursuit of our own individual interests, we seemed to lack either the perception of the continued concern to do anything substantial about the problems of national and international inequality which lay at the root of so much of the world's pathology. Indeed, far from being part of the solution, we were intrinsic to the problem. Is it ever to be so? Will the present generation be any different? Is there hope in its moral commitment for a better society in the future, or will its commitment—and its acts—also give way to indifference and cynicism as time passes?

THE ROLE OF HIGHER EDUCATION

The answer, to this enormously important question, it seems to me, lies not only within young people but very largely today at the door of higher education. When I first went to college, just before the Second World War, less than 20 percent of the appropriate age group had that privilege, and a large proportion of the nation's leaders, products of an earlier age when college attendance was even less, were men and women who lacked higher education. Today about half the age group goes to college and it is rare to find a public official, a business man, a professional person, even a professional athlete, who has not attended college. In my day, therefore, higher education was at best a marginal institution in terms of having any chance to influence the moral tenor of the nation. Today it has almost unlimited capacity in that direction.

HOW CAN THE UNIVERSITY RESPOND TO MORAL AWARENESS OF STUDENTS?

The problem that presently demands attention is how the college or university will deal with the instinctive or nascent sense of moral awareness in its students.

How will it respond to their moral readiness? How can it turn this to constructive ends? How can it refine and deepen it into permanence? How, in short, can the university prove worthy of the moral propensity of the young people who put their trust in it?

The proper responses to these questions are well known and widely honored—mainly in the breach—so I have little, if anything, new to add.

THE CURRICULUM

First, of course, we look to the undergraduate curriculum, and within it to the traditional liberal arts fields, as places where the student can learn how mankind has grappled with the moral issues of the past. Although our age seems to have them in abundance today, the human failings of dishonesty, intolerance, selfishness and arrogance are not, after all, traits that are peculiar to modern times. Such fields as history, literature and philosophy have a lot to say about the harm these evils have done, in addition to explicating the thoughts and actions that have advanced civilization. Nothing can be more foolish than to ignore that testimony.

One can understand the desire of today's undergraduate to leave college equipped with a readily marketable skill. There is nothing wrong in this. But if our colleges and universities begin to turn out graduates with little but this kind of training, where then will be found the statesmen, the philosophers, the moralists and the thinkers, without whom no society can hope for greatness?

I must, therefore, express concern at the growing emphasis in undergraduate education on the acquisition of specific vocational skills. If it is not leavened by enough liberal education to produce a person capable of moral discrimination, who knows enough about what man has wrought in his millenia of development and about the natural world to see him or herself and the current human predicament in perspective, I fear for the future of this nation.

THE FACULTY

The curriculum, of course, has little meaning in itself without the faculty. The accusation that the faculty during the past couple of decades has shirked its primary responsibility to teach has been made ad nauseam, and in some campuses there has undoubtedly been some truth to the charge. At these institutions the rewards for faculty members have been found in lengthy publication records or in outside service activities rather than in teaching.

My purpose is not to add to the indictment, but, rather, to call attention to the essential role that faculty, especially senior faculty, must play in giving moral content and meaning to the curriculum. There are always a few students who can find their own way to the heart of a subject.

But the great majority will get there only through the guidance, reinforcement and deeper understanding which comes from exposure to mature and wise scholarly minds and the opportunity to interact with them. This kind of teaching, conscientiously carried out by the faculty, is a *sine qua non* of any institutional commitment to moral values.

INTEGRITY IN SCHOLARSHIP

Thirdly, there is the matter of integrity in scholarship, to which I have already alluded. Here again the indictment is familiar: trivial research carried out under the specious claim that it is adding to knowledge, publication to satisfy the exigencies of "publish or perish," misrepresentation of research results, and so on. Here surely is an area where considerable reform may be necessary if universities are to measure up to their moral commitment and be worthy of the young people who attend them.

THE UNIVERSITY AS FORUM

The fourth answer is less familiar and more open to challenge, although in essence it conforms to the tradition of the university as sanctuary. I speak here of the capacity of a university to serve as a forum for the debate and for the illumination of great moral issues through such means as visiting speakers, teach-ins and colloquia. Activities such as these can easily stray across the line that separates objective analysis from advocacy, thereby jeopardizing the university's traditional claim to autonomy and violating freedom on the campus. If, however, they expose young people to a broad spectrum of views, especially on the raging controversies of the day, giving students the fullest knowledge to draw their own conclusions, such activities can serve to heighten immeasurably a campus community's understanding of moral values.

THE MORAL TONE SET BY MEMBERS OF THE UNIVERSITY COMMUNITY

Finally, there is the moral tone set by individual members of the university community, be they students, faculty, administrators or trustees, through the example of their own outlook and conduct. All of these groups are important but most so the faculty because of the preceptorial position its members occupy. It is my belief that the vogue-even fetish-in recent years of value-free teaching in the university, especially in the social sciences, may have done considerable harm. No one, of course, would advocate ideological teaching in the classroom, nor am I suggesting a return to religious sectarianism. There is, however, no canon of teaching or scholarship which forbids the professor from making clear his own commitment to moral values in his teaching and in the personal statement of his life. Indeed, I would argue that such a commitment may be essential to truly great teaching.

No person of intelligence looking honestly into the future today could be other than deeply troubled. The path ahead is uncertain at best and may be beset with terrible trials and dangers for the nation and for mankind.

MORAL COMMITMENTS ARE MADE BY PEOPLE

As we contemplate that future, who can doubt that our ultimate strength and protection will lie not in the amount of arms or wealth we possess but in our character as a people. The university cannot by itself determine what that character will be, but its influence for good can be immense. A university, nevertheless, is not capable of making a moral commitment in itself for its members. However we may personify the institution, it remains inert and insentient. The commitments can only be made by people, by the students, faculty and administrators, who form the academic community—men and women such as yourselves here at Notre Dame. The future, therefore, lies in your hands.

AQUACULTURE AS A FARMING ENTERPRISE

HON. BILL CHAPPELL, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. CHAPPELL. Mr. Speaker, when H.R. 6860, the Energy Conservation and Conversion Act, comes to the House floor for consideration on Wednesday, I plan to offer the following amendment:

On page 55, line 10: Redesignating paragraphs (3), (4), (5), and (6) as paragraphs (5), (6), (7), and (8) respectively and inserting new paragraphs (3) and (4) to read as follows:

(3) Section 6420(c)(2) is amended by striking out "or horticultural" and inserting in lieu thereof; ", aquacultural or horticultural".

(4) Section 6420(c)(3)(A) is amended by striking out "or horticultural" and inserting in lieu thereof; ", aquacultural or horticultural".

The purpose of this amendment, Mr. Speaker, is to give due recognition to aquaculture as a farming enterprise. The committee has rightfully exempted, in this bill, gasoline used on a farm for farming purposes because of the vital importance of agricultural products to the Nation's well-being. In defining the term "farm", however, the committee has overlooked the inclusion of one of the most viable alternatives for expanded food production in this country—aquaculture. Aquaculture, or fish farming, will make a significant contribution to nutrition in this country and will contribute significantly to easing the world food crisis by virtue of its high productivity under selected conditions, and also by the fact that aquatic crops are primarily protein crops rather than starchy staple foods.

Aquaculture currently provides more than half of the Nation's catfish, 40 percent of the oysters, practically all of the trout, and over 10 percent of the salmon. In addition, appreciable amounts of shrimp, lobster, crayfish, clams, scallops, abalone, mussels, pompano, and other aquatic animals are produced annually through aquaculture. With the present state of aquaculture technology, it has been estimated that production by aquaculture could be increased between three and five times from current production levels and that a more concentrated development effort could result in a fifteen to twentyfold increase in production.

Mr. Speaker, aquaculture promises a dramatic increase in the supply of protein for the consumer in the form of fish and fishery production. The committee, by not including fish farming as a farming enterprise, has overlooked one of the most promising and important areas of food production in this country—an area certainly as important, as if not more important than, the area of horticulture which has been included in this bill.

Mr. Speaker, I strongly urge the adoption of this amendment to include aquaculture in the farm exemption for gasoline use.

EVER-ESCALATING COST OF ELECTRICITY

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. HARRIS. Mr. Speaker, no problem has concerned me more since coming to the House in January than the ever-escalating cost of electricity. In my district of northern Virginia, many families find that the monthly electric bill now exceeds the mortgage payment.

I am inserting into the RECORD a recent letter from my good friend, Mr. Charles J. Colgan, a member of the Board of Supervisors of Prince William County, Va., along with my response. I commend Mr. Colgan's suggestions to my colleagues:

PRINCE WILLIAM COUNTY
BOARD OF COUNTY SUPERVISORS,
Manassas, Va., May 8, 1975.

Hon. HERBERT HARRIS II
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN HARRIS: On April 29, the Prince William County Board of Supervisors passed a resolution, which I introduced, requesting that the Virginia Congressional Delegation and our two Senators initiate legislation, which would require domestic suppliers of oil to furnish residual fuel oil to electric utility companies in the Eastern part of the United States.

I am sure you have received numerous telephone calls and letters, concerning the extremely high electric bills that many of your constituents have been receiving. It has gotten to the point, that in many cases, their electric bill is as high as, or even higher than their mortgage payments. According to VEPCO officials, the primary reason for these sky-rocketing electric costs is the high cost of residual fuel oil. According to VEPCO, they are forced by the Federal Energy Administration to purchase this oil from foreign suppliers, and the cost of this oil has increased from $2.00 a barrel several years ago to $11.50 a barrel today.

I believe, that if domestic suppliers of oil were required by law to furnish or at least supplement the utility companies oil supply, we would find a very drastic reduction in utility rates. I hope that you will introduce legislation, which will bring this about. I might add, that from all indications, the people in Prince William County are extremely pleased with the job that you in Congress, and you have let the nation know that the presence of a Freshman Congressman can, indeed have an influence on the Congres as a whole.

Sincerely yours,

CHARLES J. COLGAN,
Supervisor, Gainesville Magisterial District, Prince William County, Virginia.

HOUSE OF REPRESENTATIVES,
May 15, 1975.

Hon. CHARLES J. COLGAN,
Supervisor, Gainesville Magisterial District, Manassas, Va.

DEAR CHUCK: Thank you for your thoughtful letter concerning the high prices VEPCO is paying for fossil fuel, and the serious impact these exorbitant price increases are having on consumers in Prince William County. Not only is this situation having a critical impact on the average working family in Northern Virginia, but on our schools, hospitals, small businesses, and local governments as well.

Let me assure you that no other problem has consumed so much of my time, nor has been of more concern to my constituents than has the electric utility cost problem. There are several areas of possible relief which I am pursuing at the federal level which I would like to share with you. Of course, I remain a strong proponent of utility rate reform at the state level.

With respect to the regulations of the FEA, you are entirely correct in asserting that Virginia and other mid-Atlantic states are being discriminated against in the allocation program. Because VEPCO chose to operate without long-term oil supply contracts, it was caught without a domestic supplier when the FEA was set up in 1973. There currently is a surplus of residual available in the country, which VEPCO can purchase on the spot market under existing FEA regulations, but has not made the fullest use of this possibility. Although the FEA has an equalization program which is supposed to minimize the difference in prices for crude and refined products in various parts of the country, it has never functioned properly.

I recently testified before the Energy and Power Subcommittee of the House Interstate and Foreign Commerce Committee, with my own suggestions for energy legislation. The energy bill being drafted by that Committee will include a long-overdue review of the FEA regulations with a view toward revision. I support this review and revision, particularly with respect to the allocation of residual fuel for utilities.

It has been my experience in dealing with the FEA—whether in trying to secure more fuel for METRO, or to fight corporate takeover of the neighborhood filling station—that the agency simply does not want to succeed in its mission to protect and serve the public. The fact is that the Ford Administration is philosophically opposed to the existence of a Federal Energy Administration, and goes out of its way to sabotage its fair and efficient operation. Every inquiry I have made to that office has been accompanied with the "advice" that FEA ought to be dismantled so we can "return" to a free market.

Chuck, you and I know that no free market can exist in an industry so concentrated and dominated by a few large companies as is the oil industry. When we hear that VEPCO is dependent on "foreign oil" we should realize that VEPCO is actually dependent on the South American branch of Exxon or Shell for a large portion of its fuel. Nobody likes the idea of a "controlled" market in this country, but the real issue is whether we allow Exxon to control and fixed prices or whether we attempt to use an agency like the FEA to arrive at a fair set of controls on the high price of fuel.

That's why I am working diligently with a group of consumer-oriented Members of the House to actually roll back the price of oil and coal to levels which are related to the cost, rather than to the demand, for such fuels. That is why I have cosponsored legislation to break up the major oil companies into smaller, competing firms in the national interest.

I am also pushing legislation in the House to do away with the automatic fuel pass-through. This device has been much abused, and has served as an obstacle to a business-like approach to fuel purchasing by VEPCO and other utilities. By eliminating the automatic pass-through and requiring the utility company to justify its costs in a full public hearing, we can be sure that VEPCO is shopping around for the best fuel buy for our dollars.

Thanks again for sharing your thoughts on this matter with me. I know you are doing all that you can at the county level to cut costs and conserve energy. I hope we can continue to work together on this critical concern.

Sincerely,

Herbert E. Harris II,
Member of Congress.

LEGISLATION TO PERMIT THE TEMPORARY OPERATION OF CERTAIN AIRCRAFT WITHOUT EMERGENCY LOCATOR TRANSMITTERS

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. GOLDWATER. Mr. Speaker, Public Law 91–596 requires the carriage of emergency locator transmitters—ELT—by certain categories of civil aircraft. These transmitters actuate automatically upon being subjected to excessive impact forces and provide a continuous electronic signal for search and rescue aircraft to use as a guidance beacon.

The enactment of such a requirement was done by the Congress to solve an administrative logjam that had developed because of the numbers of individual regulatory agencies and other departments that were involved in the final solution to this problem. The legislative mandate provided the necessary direction for the agencies concerned. The aviation industry supported the concept having reservations only as to the search techniques and the then absence of the necessary technology and design standards for this new equipment.

ELT PROGRAM HAS BEEN SUCCESSFUL

The administration advises that an assist or save of an aircraft, lost or in distress, has occurred each 2.6 days on the average during the first quarter of 1975. This excellent record is clouded, however, by the time and money spent checking out abnormal numbers of false alarms.

NEED FOR AMENDMENT

As happens, once in a while, the legislative language inadvertently places restrictions on the regulatory agency that were neither intended or deemed necessary by the authors of the legislation. This occurred in this instance by accidently depriving the Federal Aviation Administration—FAA—of the authority to deviate from the mandatory ELT carriage requirements even when good and sufficient technical reasons exist and safety would not be derogated. All other actions directed under the act properly grant the how of compliance, together with establishing the necessary technical and operational standards, to the FAA to administer in their best judgment—with the exception of the ELT requirement.

The proposed amendment would correct this omission which is currently handicapping the FAA and causing unnecessary and unwarranted hardship on aircraft operators.

CONDITIONS HAVE CHANGED SINCE ORIGINAL LEGISLATION

Since passage of Public Law 91–596, major changes in air traffic control procedures, equipment and aircraft capabilities have occurred which tend to reduce the dependence once required on the ELT.

First. Increased radar coverage provides the FAA with more accurate positional data;

Second. Imposition of terminal control areas—TCA—with their requirements for transponders, two-way radio and automatic altitude reporting equipment; and

Third. An ever-increasing percentage of operations conducted under FAA positive control—IFR operations.

All of these changes have lessened the importance of having the supplemental ELT equipment as compared to the 1970 time period of the original legislation.

PROBLEMS THE PROPOSED AMENDMENT CAN ALLEVIATE

Considering that over 150,000 aircraft carry ELT's—many voluntarily although not required by law—the design, manufacturing and maintenance of this new equipment posed a challenging problem to the electronic industry in such a short time. It was not unexpected that service experience would bring to light design and/or manufacturing deficiencies. This has occurred in every electronic development and was aggravated in this instance because of the stringent demands for impact strength, dependability and endurance in this unique application.

The major problem that immediately developed and continues to plague the FAA and the industry is one of false alarms. Most transmissions made on the emergency frequencies immediately trigger an extensive national search system involving the Department of Defense, Department of Transportation, State and local authorities to mention the minimum participants.

Regardless of the cause of the false alarm, that is, corrosion due to battery malfunction, failure of the "g" switch, et cetera, each signal must be investigated for obvious reasons. In March 1975, the U.S. Air Force reported a total of 468 false alarms for the month which is an increase of 32 percent over the preceding month. Since one of the basic reasons for requiring the ELT was the burgeoning costs of search efforts, it can be readily appreciated that the false alarm investigations are counterproductive.

Without the ability to deviate from the existing wording of the law, the FAA is unable to reduce this incidence of false alarms by normal regulatory authority. Recently, a design deficiency resulted in a recall of approximately 20,000 units by one manufacturer. These units were failing, resulting in undesirable false alarm signals.

The deficiency could only be corrected in the manufacturer's factory and few, if any units, were available for exchange or interim use while the field units were being modified.

If the FAA had had the authority contained in the proposed amendment, these questionable units could have been removed for timely correction while appropriate and substitute operational procedures for the aircraft owners could have been arranged. The proposed amendment will provide this capability. It is unknown how many false alarms would have been

avoided under these preferred conditions but most opinions indicate it would have been a sizable number with an appropriate cost saving to the Government.

Presently, another manufacturer, who has in excess of 15,000 ELT's in service, is having trouble securing replacement battery units. These batteries must be replaced on a calendar shelf-life basis to insure a proper power source. Although, the FAA, with assistance from the industry, is endeavoring to find an alternate supplier, it appears that within 30 days that most operators utilizing this FAA-approved equipment will be unable to fly unless the relief proposed in this bill is provided.

FAA ENDORSEMENT

Mr. Speaker, it is my understanding that the Administrator, FAA, has strongly endorsed this change in the law as being necessary if they, the FAA, are to properly exercise their air safety requirements under the terms of the act.

CONGRESSMAN SILVIO CONTE RECEIVES HONORARY DEGREE FROM BOSTON COLLEGE

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. DRINAN. Mr. Speaker, I know that everyone in this Chamber and everyone in the First Congressional District of Massachusetts rejoices at the fact that Congressman SILVIO O. CONTE today received an honorary degree from Boston College, the alma mater of this distinguished Member of the House.

The honorary doctor of laws which Congressman CONTE received from Boston College, from whose law school he graduated in 1949, is but the most recent of a long line of such awards from distinguished universities. Congressman CONTE holds honorary degrees from North Adams State College, in North Adams, Mass.; Williams College, Williamstown, Mass.; Hampshire College in Amherst, Mass.; the University of Massachusetts and Amherst College in Amherst.

Congressman CONTE began his public life when he was elected a senator from the Berkshire District of Massachusetts in 1951. He served in the Massachusetts Senate until he was elected to the 86th Congress on November 4, 1958.

In receiving an honorary doctor of laws degree from Boston College Congressman CONTE was joined by other distinguished persons, who included the Honorable John T. Dunlop, Secretary of Labor of the United States, Vincent C. Ziegler, former chief executive officer of the Gillette Co., and Prof. Paul Ricoeur of the philosophy faculty, both of the University of Paris and the University of Chicago.

The citation for Congressman CONTE at Boston College on May 19, 1975, was as follows:

> THE HONORABLE SILVIO O. CONTE, DOCTOR OF LAWS
>
> Alumnus of our Boston College Law School who has nine times been elected to the United States Congress from the First District of Massachusetts, twice with the signal honor of being nominated by both parties. Third-ranking Republican on the important House Appropriations Committee and the ranking minority member of the Small Business Committee. As befits a son of our westernmost county, Berkshire with its green hills and pleasant prospects, he strives against the specter of a silent spring, and is cited for his leadership in conservation. Statesman and a friend to truth, he commands the confidence of constituent and colleague, and honors his University by the decisions he makes for commonwealth and country.

BETTER TIES WITH CUBA URGED

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. BINGHAM. Mr. Speaker, the Subcommittee on International Trade and Commerce and the Subcommittee on International Organizations of the House Committee on International Relations are currently holding joint hearings on H.R. 6382, a bill I introduced which would lift the U.S. trade embargo on Cuba by repealing the legislative authority for it. The subcommittees are examining all points of view on the embargo and related questions. One such view was expressed recently in a recent editorial in the New Orleans Times-Picayune. The editorial, which appeared May 10, 1975, concludes—correctly, I think—that trade with Cuba could help our own economy, reduce Cuba's dependence upon the Soviet Union, and ease the problems faced by Cuban exiles in this country. Excerpts from the Times-Picayune editorial follow:

> BETTER TIES WITH CUBA URGED
>
> Sen. George McGovern's heavily publicized jaunt through Cuba must be seen primarily in the context of presidential-campaign politics, but such unofficial contacts with heads of adversary governments can serve as catalysts of processes that have been going on for some time.
>
> The process involved here is the gradual reacceptance of Cuba into the hemispheric community—a deed that was expected to be done at the Organization of American States foreign ministers meeting in 1974, but surprisingly was voted down. The United States has long been on record as desirous of better relations with Cuba and ready to lift the economic embargo imposed by the OAS if the other members want to.
>
> Detente is in the air generally, and the apparently sound judgment is that Cuba is not the threat to Latin nations it clearly was in 1964, when the embargo was imposed. Reopening trade could help our economy and reduce Cuba's overdependence on the Soviet Union. Relaxation of tensions could also ease the problems of divided families and improve mutual understanding.
>
> The question now is simply how to get together and on what terms. Sen. McGovern suggests baseball diplomacy on the pattern of the Ping-Pong diplomacy that reopened China. U.S. Secretary of State Henry Kissinger seems to want something more substantial from the Cuban side, but so, apparently, does Cuban Prime Minister Fidel Castro from our side. He wants the embargo lifted at least to allow trade in food and medicine.
>
> Regardless of who knocked the ball into Cuba's Court, it is back in ours now, and should not be left to dribble as we let the embargo vote at the OAS drop by our abstention.

CAPITAL INVESTMENT IS THE KEY TO ECONOMIC RECOVERY

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. CRANE. Mr. Speaker, throughout the Nation the single question which is being asked by the overwhelming majority of Americans is how we can emerge from our current economic slump and restore jobs to the millions of men and women who are now out of work.

Much of the political response to the very real problem of economic recession has been of a nature which will only make matters worse if it is followed.

If men and women are out of work, some argue, then the Federal Government must provide them with jobs, even if it must spend billions of dollars more than it has in the process. The idea that the provision of meaningless, make-work jobs to those who are unemployed can, in any way, improve the prospects for a healthy economy, is rejected by all who understand even the elementary laws of the marketplace. It may be good politics for some to call for deficit spending and public jobs, but it is bad economics.

Deficit spending produces inflation, and inflation causes a curtailment of demand which leads to a cutback in production and to increased unemployment. What some propose as a cure is really one of the elementary causes of our current economic decline.

In order to provide jobs the American economy must generate capital investment. Secretary of the Treasury William Simon recently warned that our industrial plant will need at least $4 trillion in new capital investment funds in order to support the economy and the American people adequately in the next 10 years.

Discussing this unfortunate state of affairs, the Chicago Tribune noted that,

> During the 1960's . . . we put a smaller share of our money into capital investment than any other major free country . . . New capital is needed both to supply a growing work force with the tools of production, and to modernize existing plants. In nearly every field our factories are antiquated.

The Tribune declares that,

> The key to bringing about a shift from consumption to investment appears to lie in tax reform . . . an area that should be considered is reform of the two-tier system of corporate taxation, whereby profits are taxed once at the corporate level and again at the shareholder level as dividends. None of our competitor countries does this . . . Of course this is going to take some real leadership. Corporate profits have become a favorite whipping boy of the liberals . . . It is time to remind ourselves that profits are the essence of the free enterprise system; that they are path to higher wages and an increased standard of living.

The real answer to our current economic difficulties is to permit the free market to work, capital to be accumulated and invested, and jobs to be produced as a result of such industrial expansion.

I wish to share with my colleagues the editorial, "Trillions for Capital" **as it** appeared in the Chicago Tribune of May 11, 1975, and insert it into the RECORD at this time.

TRILLIONS FOR CAPITAL . . .

Secretary of the Treasury Simon warned Congress the other day that our industrial plant will need at least $4 trillion in new capital investment funds in order to support the economy and the American people adequately in the next 10 years.

Testifying before the Senate Finance Committee, Mr. Simon said: "The desired results will require government policies which will moderate inflation and balance the federal budget over time in order to avoid diverting needed capital away from investment and into the financing of chronic government deficits. A continuation of the fiscal and monetary distortions of the past decade will only frustrate our capital investment efforts and lead to still more serious economic problems in the future."

Four trillion dollars is a huge sum and is nearly three times the total invested in plant modernization and expansion in the last 10 years. Some ask whether we can afford it; the answer is that we have to, even if it means major changes in national priorities and our way of life. Not to come up with the necessary money would prove far more costly in the long run.

The United States achieved the world's most powerful economy thru its ability to generate savings and investments which, in turn, created jobs, improved productivity, and raised the standard of living. "Continued prosperity cannot be taken for granted," Mr. Simon said. "It must be earned. We must be willing to allocate more of our resources to the future and fewer to satisfying immediate demands."

Altho our national output of $1.4 trillion last year was equal to about 90 percent of the combined total of the nine countries of the European Economic Community and Japan, our competitive edge in world markets has been deteriorating.

During the 1960s, as the accompanying graph shows, we put a smaller share of our money into capital investment than any other major free country. American productivity and overall economic growth was among the lowest. Our capital investment record reflects the short-sighted emphasis we place on personal consumption and government spending as opposed to saving and capital formation.

Paul W. McCracken, former chairman of the Council of Economic Advisers, adds another ominous note: that the amount of money added to our industrial plant for each person added to the labor force in the 1970s is 22 per cent below what was invested between 1956 and 1965. And while we have been drifting, France and Germany nearly doubled their industrial investment and Japan has more than tripled its.

New capital is needed both to supply a growing work force with the tools of production, and to modernize existing plants. In nearly every field our factories are antiquated. According to the February issue of Morgan Guaranty Survey, nearly 40 per cent of the American industrial complex is more than 10 years old and 17 per cent is 20 years old or older. On top of all this, fully half of the $4 trillion will be needed to develop new sources of energy and to meet environmental and health requirements.

Clearly, our capital requirements will be larger in the next decade than anything we have faced before. We have to increase the quality and quantity of housing, develop new energy resources, improve the environment, rehabilitate our aging transportation system, continue the mechanization of agriculture, and construct new office buildings, communications networks, medical facilities, and schools. We have to modernize our existing plants and expand them so as to meet the need for jobs, goods, and services of an expanding population.

The Puritan ethic of hard work and savings built the United States into the economic wonder of the world. Only a new national commitment to capital formation and investment can maintain our position.

. . . AND HOW TO RAISE IT

It will take more than $400 billion in capital investment a year—more than the entire federal budget—if the United States is to maintain its long term growth in real national output of 4 per cent a year, and thus its standard of living. This compares with $154.7 billion invested last year.

To do this clearly will require a shift in the nation's domestic economic policies away from emphasis on personal consumption and government spending and toward encouragement of saving and investment.

"This is a difficult concept for some to accept," says Secretary Simon, "because they prefer current consumption. With so many needs still unsatisfied in a land of relative plenty, this feeling is understandable. Our ability to fulfill those needs will only be restricted, however, if we fail to prepare for the future. The simple truism that we cannot consume more than we produce should be obvious, but we sometimes ignore it in setting national priorities."

For example, the federal budget has been in deficit in all but one of the last 15 years, in 40 of the last 48 years. These deficits disrupt capital markets because the government crowds others out of the borrowing line in order to finance its deficits. "Instead of reducing private investment to release resources for government social programs," Mr. Simon warned, "we should concentrate on balancing the budget . . . so that the future flow of savings is not diverted away from investment."

The key in bringing about a shift from consumption to investment appears to lie in tax reform. While taxes take a smaller share of our income than they do in most other industrial nations, the United States relies more heavily on the income tax—which discourages saving—while most other nations rely on consumption taxes. This reflects our emphasis on gratifying today's wants rather than tomorrow's needs. We're not sure that Europe's value added tax is the ideal solution, but the administration and Congress will have to consider something like it in determining future priorities.

Another area that should be considered is reform of the two-tier system of corporate taxation, whereby profits are taxed once at the corporate level and again at the shareholder level as dividends. None of our competitor countries does this—and their capital investment climate has improved while ours has deteriorated.

Of course this is going to take some real leadership. Corporate profits have become a favorite whipping boy of the liberals. They have blamed corporations for just about everything from inflation to Dutch elm disease. It is time to remind ourselves that profits are the essence of the free enterprise system; that they are the path to higher wages and an increased standard of living. Without corporations, all of us would be working full time, instead of part time, for the government, and that's called socialism.

ONE HUNDRED YEARS AND MORE OUGHT TO BE ENOUGH

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. FORD of Tennessee. Mr. Speaker, Judge W. Otis Higgs, Jr., of Memphis, Tenn., will be honored on May 21 by the Afro-American Police Association. Judge Higgs has presided over division IV of criminal court, a court of the State of Tennessee, for more than 4 years. I am including in today's RECORD an article written by Judge Higgs. It is a fine example of his concern for his people, his city, and his country:

[From the Memphis (Tenn.) Commercial Appeal, May 11, 1975]

ONE HUNDRED YEARS AND MORE OUGHT TO BE ENOUGH

(By W. Otis Higgs, Jr.)

From 1619 to 1863 the institution of slavery flourished and thrived in America. For 244 years black people worked and toiled as chattel slaves. They were considered subordinate and inferior, and in 1857, in Dred Scott vs. Sanford, the Supreme Court spoke precisely, clearly and unequivocably: "A black man has no rights—a white man needs respect."

By 1865, a presidential proclamation, a civil war and the 13th Amendment had forever ended chattel slavery in America. Those human beings without rights, respect, knowledge or education, were set free. James Oppenheim, in his book, "The Slave", put it this way:

> "They set the slave free,
>   striking off his chains,
> Then he was as much a slave
>   as ever,
> He was still bound by fear
>   and superstition.
> His slavery was not in his
>   chains, but in himself."

The ending of the Civil War confronted America with one of the most controversial problems in United States history. What was to be done about the status of the ex-slaves? Politicians and newspaper reporters described it as the "Negro problem." Booker T. Washington and Dr. W. E. B. Dubois would later debate the question and offer opposing solutions to the problem. White opinion ranged from continued oppression to absolute freedom.

> "Oh, I've been rebuked and I've been scorned,
> Done had a hard time sure as you're born."

Today, more than 100 years later, finds America grappling with the same problem. One hundred and more bitter and antagonizing years have not resolved the problem. One hundred and more bitter, devastating years have not eliminated the problem of earning a living. One hundred and more bitter years have not eliminated racism. One hundred and more bitter years have not eliminated the problem of education.

Ralph Ellison in his "Invisible Man" provides us with an excellent description of the black man's plight and white America's refusal and or neglect to realistically approach the problem.

"I am invisible, understand, simply because people refuse to see me. Like the bodiless heads you see sometimes in circus sideshows. It is as though I have been surrounded by mirrors of hard distorting glass. When they approach me they see only my surroundings, themselves or figments of their

imagination, indeed everything and anything except me."

Much has been accomplished, however, throughout America. Much has been accomplished in Memphis. But there is something remaining to be done if Memphis is to provide a beautiful dream for all of its citizens. Our leadership must adopt a positive approach to the problem. While progress has been made, the objective fact is that the masses of blacks in Memphis continue to live in poverty.

The fact that a few of us have made it is insignificant when compared to the masses.

Memphis at large must be made to change, to join a positive approach to the problem. The entire city must be made to listen and seriously deal with the problem. A few handouts will not eliminate the problem. This year demands that we begin to recognize the problem and treat its causes and effects. One hundred and more bitter years ought to be enough.

The Memphis black community has a great amount of distrust and suspicion of whites. A certain story of racial discrimination in employment has become a part of black folklore. As a small boy I sat attentively at the feet of black men who told the story.

Musicians have played instruments, and singers have belted out emotional lyrics about the story. Poets have penned their poems about it and book after book has adopted its theme. It goes something like this:

"I worked for this company 25 years. I knew the business from A to Z. One day the boss brought a young white boy into the company and said 'John teach him the business'. I taught this young white boy everything I knew. Before long he became my boss and later became the president of the company."

I submit that this story is alive and well and living in Memphis in 1975. This inherent distrust and suspicion must be overcome. The only way to establish legitimacy in the minds of black people is to overcome historical distrust and suspicion. One hundred and more bitter years ought to be enough.

Sometimes I reflect and meditate on the human misery in the black community. So many idle, talented and dedicated people who do nothing. There are great minds in the black community. These talented minds have never been developed. These minds and this talent have become a vast untapped natural resource that Memphis has failed to develop.

But how much greater would our city become if we launched programs to develop the black community to its fullest potential?

How much greater would our city become if the intelligence and brilliance relegated to street corners were developed?

How much greater would our city become if a major effort was made to lift the black community into the mainstream of Memphis?

I submit that if the black community was developed to its fullest potential Memphis would become one of the greatest cities in the world. Frederick Douglas wrote in "My Bondage and Mr. Freedom":

"We raise the wheat, they give us the corn; We bake the bread, they give us the crust; We sift the meal, they give us the husk; We peel the meat, they give us the skin, and that's the way they take us in; We skim the pot, they give us the liquor and say that's good enough for the nigger."

One hundred and more bitter years ought to be enough.

In 1943, I sat in a first grade classroom at Melrose Elementary. I shall never forget the overwhelming majority of answers given by the students when Mrs. Sanders put the question: What do you want to be when you grow up? Most of us said Pullman porter, postman, barber, teacher, preacher and nurse. Certainly, these are noble professions—but not a single black child in that classroom and no black person in the history of my schooling ever expressed an interest in being mayor, governor, or the president of the United States.

Somehow, the American dream of 1943—from rags to riches—did not apply to the first grade class of Melrose Elementary. There were jobs and positions beyond our subconscious thought. Every child daydreams and imagines himself in some fantasyland of make-believe. But in 1943 there were jobs and positions beyond our wildest dreams. My 6-year-old mentality, and I dare say the mentalities of every adult in the city of Memphis, black and white, couldn't contemplate Memphis ever having a black judge.

Racism and segregation had created a "place" for black people and black people were brainwashed into accepting that "place." 1975 has brought little change in this outdated thinking. Many blacks and whites continue to believe that there's still a "place" for black people. Absolute rejection of this notion must be the order of the day. Intelligence and brilliance are not commodities reserved exclusively for whites. I'm reminded of the words of a little tune:

> "Anything you can do,
> I can do.
> Anything you can do,
> I can do better.
> I can do anything,
> better than you."

Memphis is indeed a beautiful city. Its strategic location on the Mississippi makes it ideal for riverfront development. Business has been productive and white Memphis enjoys a fairly high standard of living. Yet black Memphis remains bound in poverty. Black people have been almost totally excluded from financial activity and the economic market.

Residential segregation is a fact in Shelby County. Realtors and financial institutions combined their efforts in achieving this unhappy state of affairs. There must be massive action for curtailment. Realtors must be urged to change their ways. Mortgages must be made easier to obtain. Similarly, jobs and credit must be made available to the masses of blacks. In short, Memphians must make major changes at all levels. These changes should reflect the mistakes and wrongs of the past. One hundred and more bitter years ought to be enough.

Black people have many profound, ego-crushing problems in Memphis; racism, housing, crime, unemployment. It appears as if we're a despised group of people. But the most interesting phenomenon is that Memphis loves our music. They now call it Memphis music.

Discriminate against them in every segment of Memphis life but love their music. Vigorously protest integrated schools and busing but love their music. Permit dilapidated, rat infested houses to perpetually exist but love their music. Oppose the construction of public housing in certain neighborhoods but love their music. Yes, love the music, dance to it, sing to it, but react cautiously toward the musicmakers.

Similarly, Memphis State basketball developed tremendous black athletes. These young black men spirited the Tigers to national recognition. They deserve our praise and adulation.

However, many young black men and women will never arrange music or dunk a basketball. But they can contribute in other areas. The point is, if blacks can contribute to the cultural life and to sports, they should be allowed to pierce the discrimination veil in business and industry. They can be taught to perform needed services for private industry and for city government.

The leadership of Memphis can no longer afford to look upon the black community as a nagging, demanding group never happy, always complaining, never satisfied. It must be viewed as human potential for a great city. Everything reasonable must be done to lift it to a lofty height. One hundred and more bitter years ought to be enough.

It's difficult for me to understand how a people in a city where intelligence is so plentiful could allow so much to happen in one hundred or more bitter years and allow it to continue to happen.

Not only has the city's leadership failed in race relations, but in practically every aspect of Memphis life. Progress is the exception to the general rule of incredible neglect. The present condition of downtown Memphis is symptomatic of a city without vision or foresight. A city where the prevailing attitude is to flee from blacks at all costs. Apparently the presence of blacks is despicable, and areas they inhabit are destined for complete abandonment by whites. If the pattern continues, one could predict with reasonable certainty, other areas with abandonment possibilities. Obviously, this is a bad commentary for an American city in 1975. To paraphrase Humpty Dumpty:

> Memphis sat on the wall,
> Memphis had a great fall,
> All the squires, officials, and councilmen,
> Couldn't put Memphis together again.

Many men have dared to dream of beauty and excellence. I find myself dreaming simply of truth for our city. We can no longer afford intellectual dishonesty and political demagoguery. Where is the truth? Where can we find it? Is it in politics? Where can we find intellectual honesty, intestinal fortitude, truth and integrity? The poet said it beautifully:

> "Oh God, shall I find it in Thy holy Church,
> Or must I give it up as something dead,
> Forever lost, no matter where I search,
> Like dinosaurs within their ancient bed?
> In this vast world of lies and hate and greed,
> Upon my knees, Oh Lord, for truth I plead."

One hundred and more bitter years ought to be enough.

The philosophies of many of our governmental leaders can be summed up in the words of Bugs Bunny—What's up, Doc? Crime is consuming the entire city. What's up, Doc? Poverty and unemployment have reached alarming proportions. What's up, Doc? One hundred thousand Memphians live in substandard housing. What's up, Doc? Racism is a living reality in Shelby County. What's up, Doc? We always know the question, but never get answers with creativity, innovativeness or solutions.

One of the major problems in Memphis is that government is unresponsive to the needs of black people. When political committees carved out districts for black representatives the community applauded. Blacks viewed this renaissance as the arrival of a political promised land. Finally, at long last, our representatives on the City Council, Board of Education and County Court could use the political forum to solve hundreds of years of incredible, shameful neglect. "Thank God, a change is coming."

The jubilation, however, was short lived. By and large, black representation in government has been an empty promise. The same antagonism and racial polarization that characterized the Memphis civil rights movement found its way into governmental chambers and meeting rooms. In fact, black representation amounts to nothing more than sophisticated street demonstrations. The confrontations between the black community and government are too numerous to cite in this article. The plain and simple truth of the matter is that government has been unwilling to share the power. Blacks have always been the "outs" trying to get "in." No people in the history of the world have ever

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rid themselves of a different social and economic problem without sharing in the power.

Mother Goose's story of the three little pigs holds more fact than fiction for Memphis, Tennessee. I'm decidedly convinced that aspiring blacks are similar to wolves and the power structure a sty of pigs.

"Little Pig, Little Pig,
Let me come in,
Or I'll huff and I'll puff
And I'll blow your house in;
No, No, not by the hairs
Of my chinny, chin, chin,
Will I let you come in."

Bold and courageous men and women are needed to cause Memphis to reach its true grandeur. Practical and realistic goals should be set to demonstrate progress. The mistakes of the past must serve as a guideline for creating a glorious and magnificent future. All Memphians, at least privately, should adopt the slogan, One hundred and more bitter years ought to be enough.

Black life in Memphis has been difficult and trying. Of, but not in the society. A judge, but black; a PhD. but black; an elected official, but black. Always "out," trying to get "in." Longing to be accepted by the entire city. A Memphian but black.

Interestingly enough in spite of the obvious cruelty of what W.E.B. Dubois described as "twoness." "An American and a Negro," blacks and whites are locked together in Memphis. "We determine each other's fate. Both races must reach in each other" and transform the past into a beautiful future. One hundred and more bitter years ought to be enough.

The present state of affairs has brought torment to the lives of many blacks. Racism causes intragroup hatred and hostility. Blacks have been maimed, stabbed and shot at the slightest provocation by other blacks. Nobody in the black community has gone untouched. We bear the scar. Hopes and dreams are continually frustrated. The evil ramifications of racism must be put to an end. Paul Lawrence Dunbar touched the very essence of black frustration when he wrote:

I know what the caged bird feels!
I know why the caged bird beats his wings!
I know why the caged bird sings.
Its blood is red on the cruel bars;
And a pain still throbs in the old, old scars.
When his wing is bruised and his bosom sore.
He sings—and it's not a song of joy or glee,
But a prayer that he sends from his heart's deep core,
But a plea, that upwards to Heaven he flings—
I know why the caged bird sings.

How then shall we end one hundred and more bitter years? In the words of "The Prophet," we must learn that it is the pleasure of the bee to gather honey of the flower, and it is the pleasure of the flower to yield its honey to the bee; for the bee a flower is a fountain of life; and to the flower a bee is a messenger of love; and to both bee and flower, the giving and the receiving is a need and an ecstasy."

I submit that if Memphis is to survive—if Memphis is to become a great city—if we're to overcome one hundred and more bitter years—blacks and whites must live like the bees and the flowers.

HEALTH INSURANCE GAP

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. RANGEL. Mr. Speaker, the Ways and Means Subcommittee on Health will hold comprehensive hearings this year on national health insurance. As Congress debates this issue, it is critical that we are aware of the huge gap in coverage left by private health insurance plans.

Health care costs are escalating, yet an estimated 42 million citizens have no protection from private health insurance For tens of millions more, their coverage is inadequate and will not cover the level of expenses likely to be incurred during serious illnesses.

At this time I would like to include in the RECORD information on the health care gap provided by the Committee for National Health Insurance:

NEW FIGURES BELIE COVERAGE CLAIMS

Nearly 42 million Americans under age 65 have no private health insurance at all. The number does not include the many thousands of workers and their families who have lost coverage this year due to layoffs.

New data on the limited extent of private health insurance coverage were reported in the February 1975 Social Security Bulletin. The government publication said that 22 percent of all Americans under 65 had no coverage for hospitalization or any other health costs as of December 31, 1973. The gaps in coverage were considerably greater than those presented by the Health Insurance Association of America, which claimed that only 9 percent of the under 65 population had no private health insurance.

The Social Security Bulletin reported that private health insurance met only 25.2 percent of the $85.9 billion total national expenditures for personal health care in 1973. Medicare met about 40 percent of the health care expenditures of the aged in that year.

OUR GROWING NATIONAL HOUSING CRISIS

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. BADILLO. Mr. Speaker, when the House debated the Emergency Middle Income Housing Assistance Act a couple of months ago, I warned my colleagues that our existing housing programs are falling seriously short of meeting national housing needs and are particularly unresponsive to the requirements of our large metropolitan centers. At that time I argued that the housing needs in our cities are reaching crisis proportions and Congress is doing little to alleviate the problems.

Recently developed statistics graphically outline the magnitude of our housing crisis and the desperate plight of our cities. The New York Times on Sunday, May 11, published a table, based on data developed by the Joint Economic Committee, which traces the rise, nationwide, in housing prices between 1970 and 1974. For that time period the graph shows an increase of $5,800, or a rise from $35,500 to $41,300 in the cost of a median-price home. Monthly expenses necessary to carry the requisite mortgage jumped simultaneously from $373 to $486, while the minimum income requirement for the purchaser rose concomitantly from $17,900 to $23,300. Since statistics represent national averages and the prices in large metropolitan areas are commensurately higher, it is only too obvious that the provisions of the Emergency Middle Income Housing Act make its enactment irrelevant from the standpoint of our urban centers. The $38,000 ceiling on mortgages—with a special $42,000 stipulation for high-cost areas—and the 10 percent set-aside for the use of high cost areas, act to bar large cities from effective participation in the benefits of the program.

In a more regional context, the same copy of the Times also featured an article by Joseph P. Fried asserting that, based upon a recent assessment, better than 10 percent of the total number of households in the States of New York, New Jersey and Connecticut are living in substandard or badly deteriorated housing. Furthermore, the amount of substandard housing in the region is far in excess of the new housing being built or old housing being rehabilitated. Overall, the immediate, unmet housing needs of the citizens of New York, New Jersey and Connecticut amount to 1,437,000 housing units.

Mr. Speaker, we simply cannot permit this situation to continue. Neither the Emergency Middle Income Housing Assistance Act nor the Emergency Home Owner Relief Act address themselves to these problems. Nor, for that matter, does any piece of legislation developed to date by the Committee on Banking, Currency and Housing.

Very shortly I plan to introduce legislation that, by emphasizing rehabilitation, will more realistically and effectively respond to these problems. In the meantime, I commend the articles I cited to the attention of my colleagues:

THE IVY-COVERED COTTAGE, NEARLY AN IMPOSSIBLE DREAM

One kind of American dream, the rose-covered cottage, the split-level in the suburbs, has been priced beyond the reach of most families in the United States, and there appears to be little chance they can recapture it.

The median price of a new home is up to $41,300. A family must have an annual income of at least $23,300 to afford it, according to a report of the Congressional Joint Economic Committee. The median price of a used house is $35,660, and the income needed is $21,170. Because most Americans don't have that kind of income, a new home is unavailable to 85 per cent of all families, and a used home is out of reach for 80 per cent, the report says.

Inflation and high construction costs and interest rates have pushed the prices up more than $5,000 in the last five years, the report says. In addition, the monthly carrying charges—taxes, insurance, utilities—have risen sharply.

The effect of all this is that the American dream, under present conditions, is realistic only for the rich and the upper middle class. People at lower economic levels increasingly must settle for rental housing, the report says.

OTHER DREAMS ARE SHAKEN, TOO

Another fragment of the American dream, reinforced by two decades of relative prosperity, has been that the future will be better. How has the reality of inflation and recession affected that faith?

According to a survey by Yankelovich, Skelly and White, an opinion research organization, while 62 per cent of American families feel they are coping financially, almost one out of two families feels its future will not be determined by its own actions and

45 per cent have begun to accept the idea that each year may not bring financial improvement.

The Protestant Ethic—duty before pleasure, hard work pays off—still dominates American family values. But one out of every two family members now believes that work and a good standard of living is a social right.

THE COST OF OWNING A HOME

	Median price	Monthly expense	Minimum income	Percentage of families with minimum income
New houses:				
1970	$35,500	$373	$17,900	14.9
1971	36,300	364	17,470	18.0
1972	37,300	375	18,000	20.8
1973	37,100	397	19,060	21.5
1974	41,300	486	23,330	15.0
Old houses:				
1970	30,000	319	15,310	21.5
1971	31,700	330	15,840	22.5
1972	33,400	349	16,750	24.8
1973	31,200	348	16,700	29.6
1974	35,600	441	21,170	20.0

Source: Congressional Joint Economic Committee.

HOUSING FOR THE POOR: CRISIS IS TOO MILD A WORD

(By Joseph P. Fried)

Most housing officials in New York, New Jersey and Connecticut will tell you the regional housing situation for poor and lower-middle-class families had reached a crisis stage. A conservative assessment is that better than 10 per cent of the total number of households in the three states are living in substandard or badly deteriorating housing.

A Connecticut housing official, Benson Cohn, described his state's situation relative to the rest of the region without resorting to the term "housing crisis": This is one of the good states—where the need is only overwhelming, not demoralizing.

Housing bureaucrats, builders, construction workers and, most important, the families who are trapped in slums are enmeshed in the housing predicament. It is a "crisis," too for many lower-middle-income families—"moderate-income" in the official jargon—who must often pay excessive portions of their income for housing if they are to live in decent quarters.

The essence of the situation is that the amount of substandard housing in the region, as in the nation generally, is far in excess of the amount of new housing being built or old housing being rehabilitated, at affordable prices for those who desperately need it. (Though definitions vary, and much depends on family size and local cost-of-living scales, families with less than a $10,000-a-year income are often considered low-income in this region and those earning $10,000 to $15,000, moderate income.)

Statistics quantify the regional housing need, though there's no way to measure the personal suffering that comes with it.

Mr. Cohn, a planning official with Connecticut's Department of Community Affairs, estimates that, based on census data, there are 25,000 substandard housing units (apartments and single-family homes). These are dilapidated or badly deteriorating units, or units that lack basic plumbing.

Citing a recent study, Mr. Cohn noted that when factors other than the physical conditions of housing are considered—such as overcrowding, and families who are spending more than a quarter of their income for rent—there is a need for 141,000 units for Connecticut low-income families.

Contrasting with the need, fewer than 5,000 units are being produced annually in Connecticut under state and Federal programs. And it is these programs, not private enterprise, that are responsible for nearly all new and significantly rehabilitated housing for families with less-than-middle incomes.

NEW YORK'S ANNUAL NEEDS

In New York, the State Division of Housing and Community Renewal estimates that to replace substandard housing from Brooklyn to Buffalo, 64,000 new or substantially rehabilitated units are needed annually. Last year, the number of units authorized for construction under various government-aid programs totaled 12,000—and many of these were for upper-middle-income families able to pay monthly rents of about $100 a room. The number of units extensively renovated is known to be minuscule compared with what is needed.

As for New York City, at least 30,000 units a year, over 10 years, are needed to replace apartments that are dilapidated, deteriorating or lacking essential plumbing, according to the state agency. Last year, about 10,000 units were authorized in the city under government-aid programs, and here, too, many for upper-middle-income families.

In New Jersey, the State Department of Community Affairs estimates there are 340,000 substandard units that should be replaced or upgraded, nearly 40,000 of them in Newark alone. Last year 6,000 low- and moderate-income units were started in the state under government programs; another 1,000 units were rehabilitated.

The regional housing picture for the future is equally grim: Inflation and an uncertain mortgage market make the prospects for building better housing for slumdwellers and lower-middle-income families increasingly elusive.

Government housing programs are in a state of flux. On the state level, the New York Urban Development Corporation, which in recent years has built a major share of government-aided housing in the state, has collapsed financially. At best, the rescue plans put together in Albany will allow the agency only to complete its existing projects.

Federal subsidies, mostly cut off by the Nixon Administration housing freeze in 1973, are about to be restored under a new program of rent supplements (as opposed to construction subsidies) designed for lower-income families in new or rehabilitated housing, or in housing that needs no improvement.

Unfortunately, even the most optimistic Federal projections are that a mere 50,000 families may be helped in New York, New Jersey and Connecticut by the first year's rent-subsidy authorizations under the new program. These total nearly $168-million in the three states.

This estimate contrasts with the conservative estimate of 2-million families living in substandard or declining housing in the three states.

SUMMARY OF ENERGY CONSERVATION AND OIL POLICY ACT OF 1975, H.R. 7014

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. DINGELL. Mr. Speaker, I am inserting in the RECORD the summary of the Energy Conservation and Oil Policy Act of 1975, H.R. 7014, which I introduced May 15, 1975, and which the Energy and Power Subcommittee, of which I am chairman, has reported to the Interstate and Foreign Commerce Committee for further action. It is anticipated the full committee will begin consideration of this comprehensive energy bill during the week of May 19.

The Energy and Power Subcommittee believes this summary information to be vital to the Members of the House of Representatives at this time inasmuch as the House is scheduled to begin floor consideration May 21 of the energy tax bill as reported by the Ways and Means Committee.

It also is my intention today to insert the text of H.R. 7014 in the body of the RECORD.

The summary of this legislation follows:

SUMMARY OF ENERGY CONSERVATION AND OIL POLICY ACT OF 1975 AS AMENDED BY THE SUBCOMMITTEE OF ENERGY AND DEFINITIONS

TITLE I—FINDINGS, PURPOSE AND DEFINITIONS

Title I sets out general findings upon which the legislation is grounded.

The statement of purposes summarizes the objectives of the several titles.

The definitions are to be applied throughout the draft bill except in those sections which amend other laws (e.g., Allocation Act amendments in Titles III and IV). In those circumstances defined terms in those other acts apply.

TITLE II—STANDBY ENERGY AUTHORITIES AND NATIONAL CIVILIAN STRATEGIC PETROLEUM RESERVE

Part A—Standby energy authorities

Part A of Title II contains the following Presidential authorities:

(1) To prescribe energy conservation plans.

(2) To impose rationing.

(3) To require international oil allocation.

(4) To authorize persons in the oil industry to develop and carry out voluntary agreements for international oil allocations. The Attorney General could grant limited antitrust immunity with respect to such agreements.

(5) To authorize the President to exchange information with other countries participating in the International Energy Program. Confidential or proprietary data is required to be transmitted to other countries in a manner which will avoid identification of the person submitting the data.

The energy conservation plan and rationing authorities may be exercised if—(1) a contingency plan for the exercise of the authorities has been approved by concurrent resolution of the House and Senate (which resolution must be acted on within 60 days after submission of the plan), (2) the President has determined that implementation of the contingency plan is required by a severe energy supply interruption or the International Energy Program, and (3) neither House of Congress disapproves the President's request to implement the contingency plan. Special provisions apply in the case of emergencies occurring during the first 90 days after enactment of the bill.

The international oil allocation authority may be exercised if—(1) the President determines it necessary to carry out the International Energy Program, and (2) neither House disapproves his request to implement a plan to exercise such authority.

The authority respecting international voluntary agreements and the international information exchanges may be exercised at any time in order to carry out the International Energy Program.

Part B—National civilian strategic petroleum reserve

This part declares it to be the policy of the United States to create a Strategic Re-

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serve. The statutory scheme requires the President to develop a Plan for the Strategic Reserve which must indicate a comprehensive environmental assessment, cost estimates, size estimates, and details of siting and construction, etc. The Plan must be submitted to the Congress for review. If neither House disapproves of the Plan, the President is authorized to implement it. Certain extraordinary authorities, including condemnation authorities and materials allocation, are authorized under limited circumstances and subject to Congressional review. A trigger mechanism similar to that employed for the exercise for the standby authorities of Part A of Title II authorizes the President to draw down and distribute the Reserve pursuant to a Congressionally reviewed Disposal Plan. The decision to implement the Disposal Plan is also subject to Congressional review.

As a component of the Strategic Reserve, an Early Storage Reserve program is established, the purpose of which is to begin the immediate storage of crude oil and petroleum products utilizing existing storage capacity. Development of the Early Storage Reserve follows the same procedures and is subject to the similar protections as are applied to the Strategic Reserve. The Early Storage Reserve is integrated with development of the entire Strategic Reserve.

TITLE III—MEASURES TO INCREASE ENERGY SUPPLIES PRICING AND PRODUCTION

Part A of Title III contains a crude oil pricing provision. This provision is tied to enactment of an inflation minimization tax and a production maximization tax consonant with the purposes of the provision.

If the prescribed inflation minimization tax and production maximization tax are enacted, a price ceiling system would be established. Oil presently classified as "old oil" by F.E.A. regulations would be subject to a decline adjustment factor of 1% per month which would gradually reduce the volume of such oil subject to the old oil ceiling price of $5.25 per barrel. This adjustment recognizes and reflects declining field production rates. By taking this factor into consideration in establishing the amount of old oil which is subject to price control, the provision encourages recovery techniques to augment production which would not be encouraged under present regulations. "Old oil" production in excess of this declining volume, but less than 1972 average monthly production volumes, would be sold at the market price. Oil presently classified by F.E.A. regulations as "new oil" and stripper production would also be permitted to sell at the market price. Oil presently classified as "released oil" under F.E.A. regulations is treated in the same manner as other old oil.

Both the inflation minimization tax and the production maximization tax are excise taxes on crude oil price. The inflation minimization tax would apply to old oil production in volume amounts above the 1972 volume adjusted to reflect field decline and below 1972 average monthly volumes. In the first month this tax would equal 90 percent of the difference between the market price and $5.75. In each succeeding month, the 90 percent tax would be levied on the difference between the market price and $5.75 increased at a rate of ½ percent per month. A means of redistributing the revenues from this tax to consumers would have to be provided.

The production maximization tax would apply to new oil production and stripper production. In the first month this tax would equal 90 percent of the difference between the market price and $7.50. In each succeeding month, the 90 percent tax would be levied on the difference between the market price and $7.50 increase at a rate of ½ percent per month. A plowback provision gives a credit against tax liability of 100 percent for qualified investments in domestic oil and gas exploration and development. A means of redistributing the revenues from this tax to consumers also would have to be provided.

Tertiary recovery is excluded from both taxes.

If the prescribed taxes are not enacted, the price provisions of the Emergency Petroleum Allocation Act are retained.

This part also requires establishment of, and production at, maximum efficient rates of production. Due diligence requirements are imposed on all Federal oil, gas and coal leases, with lease forfeiture the penalty for noncompliance.

The President is authorized to allocate energy production materials during a severe energy supply interruption. The President is also authorized to restrict exportation of energy materials needed to develop domestic resources.

TITLE IV—ENERGY CONSERVATION MEASURES

Part A—Allocation Act amendments

This part contains a series of Amendments to the Emergency Petroleum Allocation Act including:

(1) Reevaluation of Section 4(a) Regulation;
(2) Conversion Mechanism to Standby Authority;
(3) Mandatory Gasoline Allocation Savings Program;
(4) Retail Distribution Control Measures;
(5) Limitations on Pricing Authority;
(6) Direct Controls on Refinery Operations;
(7) Inventory Controls;
(8) Hoarding Prohibition; and
(9) Supplemental Authorities to Assure Reasonableness of Petroleum Prices.

The Reevaluation of Section 4(a) Regulation Amendment requires a thorough review of the pricing and allocation regulation by FEA with a view toward simplification of the system to meet current needs.

The Conversion Mechanism to Standby Authority Amendment provides an improved method of congressional review of proposals to remove products or segments of the industry from regulation pursuant to the review of the regulatory framework. The amendment provides a convenient method for making the transition from a mandatory allocation program to a standby authority by retaining a familiar and flexible framework with which both industry and government are experienced.

The Mandatory Gasoline Allocation Savings Program amendment requires that gasoline consumption be restricted to 1973–1974 levels and that no growth in gasoline consumption above these levels be permitted for three years. In addition the President is given discretionary authority to further reduce gasoline availability by 1% increments if such reductions in consumption can be achieved consistently with the objectives of the Emergency Petroleum Allocation Act of 1973. This is an interim measure imposed until conservation measures become effective in reducing consumption.

The Retail Distribution Control Measures Amendment provides a mechanism whereby any motorist inconvenience which might possibly arise from the Mandatory Gasoline Allocation Savings Program will be minimized and gasoline availability at non-business working hours assured.

The Limitations on Pricing Authority Amendment prohibits the President from establishing minimum prices.

The Direct Controls on Refinery Operations Amendment and Inventory Controls Amendment provide the President with additional authorities he may require to manage the Mandatory Gasoline Allocation Savings Program.

The Hoarding Prohibition Amendment would prohibit hoarding during periods of shortage.

The Supplemental Authorities to Insure Reasonableness of Petroleum Prices amendment is fashioned after the proposal by M. A. Adelman, Professor of Economics, Massachusetts Institute of Technology. This amendment is permissive. It authorizes the President to act as exclusive agent in acquiring imports of petroleum products for the United States. A secret bidding process and the potential to sell to the large American market may result in "shaving" of prices by O.P.E.C. members. Regulatory and audit safeguards are imposed upon the operations of the program.

PART E—INDUSTRIAL ECONOMY CONSERVATION

This part establishes an Industrial Energy Conservation Program to improve the energy efficiency of large consumers of energy. It is a voluntary program under which the FEA Administrator will publish energy efficiency targets for the 2,000 largest energy consuming manufacturers. These manufacturers would then prepare plans for achieving those targets.

The targets are intended to bring about improvements in energy efficiency of 15 percent by January 1, 1978 and 20 percent by January 1, 1981, as compared to the manufacturer's energy consumption in calendar year 1972 (or 1973 or 1974, if the manufacturer was not in business in 1972).

The manufacturers would file yearly reports concerning their energy consumption, unit volume of production and progress in achieving the energy efficiency target. The Administrator is required to review and evaluate the plans and reports, which would also be available to the public. The Administrator would provide information to assist manufacturers in improving their energy efficiency In determining whether energy efficiency targets are being achieved, the Administrator will consider such matters as changes in quality of available raw materials, the energy content of available fuels, the utilization of waste energy and by-products to provide fuel or energy, the mix and quality of products, governmental regulatory requirements, and other factors relevant to achieving the energy efficiency targets.

The provisions of this part require manufacturers to furnish information concerning progress in achieving the energy efficiency targets, but do not impose any penalties for failure to achieve the targets.

The Administrator must conduct continuing evaluations of progress in energy conservation and publish annual reports. The FEA is also required to publish guidelines concerning methods and devices for achieving maximum energy efficiency in consumption of energy in various processes and equipment designated either in the law or in the Administrator's regulations, including: kilns; reheat furnaces; melting furnaces; electric motors; pumps and compressors; distillation equipment; boilers; rolling, drying and pressing processes; smelting processes; and catalytic reforming and cracking processes.

The Administrator is also required to evaluate and hold hearings on the effects which the industrial energy conservation program may have on employment.

TITLE V—IMPROVING ENERGY EFFICIENCY OF CONSUMER PRODUCTS

Part A—Automobile fuel mileage

Part A of title V provides for mandatory automobile fuel economy standards. Each manufacturer's average fuel economy for all of his production (including imports) in a model year must meet the following standards:

Model year:	*Miles per gallon*
1978	18.5
1979	19.5
1980	20.5
1985	28.0

Standards for model years 1981–84 are set administratively by the Secretary of Transportation. The standard for 1985 may be modified administratively, subject to Congressional veto.

Standards are required to be adjusted downward to reflect any decrease in fuel economy which results from more stringent motor vehicle emission standards.

A ½ MPG margin of error is provided for, thus not penalizing a manufacturer who misses the standard by less than ½ MPG. If a manufacturer exceeds the standard by more than ½ MPG, he is permitted a one-year carry back or carry forward or both.

Violations of the fuel economy standard subject the manufacturer to a civil penalty of $50 per unit of automobile production in the model year times the number of miles per gallon by which the manufacturer misses the standard.

Trucks and multipurpose vehicles are not included in determining the manufacturer's average fuel economy; however, DOT is directed to establish separate standards for these vehicles.

Fuel economy labeling of automobiles is required.

PART B—ENERGY LABELING AND EFFICIENCY STANDARDS FOR CONSUMER PRODUCTS OTHER THAN AUTOMOBILES

Part B of title V is designed to upgrade energy efficiency of consumer products other than automobiles. The Secretary of Commerce is authorized to prescribe test procedures, energy efficiency labeling requirements, and, in certain cases, energy efficiency performance standards for consumer products.

The test procedure section provides that if the Secretary of Commerce prescribes a test procedure for a class of consumer product, then any advertising claims respecting energy efficiency must be based on tests conducted in accordance with the prescribed procedures.

Energy labeling may be required only for certain enumerated classes of major household appliances and for other classes of consumer products which consume more than 100 KW, or energy equivalent, per year per household. A labeling rule would require disclosure of the energy efficiency or energy use of the product, and the range of energy efficiency or use of other products in the class.

If the Secretary prescribes a labeling rule for a class of major household appliances and then finds (1) that labeling will not suffice to induce manufacturers to produce (or consumers to purchase) products of that class which achieve the maximum energy efficiency which is technologically feasible, and (2) that the benefits of increased energy efficiency outweigh any increased consumer costs and any decrease in utility of the product, the Secretary may prescribe an energy efficiency performance standard for that class of product.

Civil penalties and injunctive authority are available to the Secretary to enforce the requirements of the foregoing provisions. Inconsistent state regulations are preempted.

TITLE VI—CONVERSION FROM OIL OR GAS TO OTHER FUELS

Title VI is designed to encourage conversion from oil or gas to other fuels.

The authority of FEA under the Energy Supply and Environmental Coordination Act (ESECA) to issue and enforce orders prohibiting power plants and other major fuel-burning installations from using petroleum products and natural gas is extended in duration, and enlarged in scope to permit the orders to be issued to certain additional categories of plants and installations. In addition, FEA's authority to require new power plants to be constructed with a coal-burning capability is enlarged to encompass other major fuel-burning installations.

FEA is authorized to prohibit any power plant from using natural gas as boiler fuel if it is capable of using petroleum, if it cannot be converted to coal, if oil can be used consistent with Clean Air Act requirements and if certain other requirements are met. In addition, FEA is given authority to require new power plants and other major fuel burning installations to be constructed with an oil burning capability, if they cannot be required under ESECA to be constructed with a coal burning capability.

Finally, FEA is authorized to guarantee up to 80 percent of loans made to small coal operators for the purposes of opening up new low sulphur underground coal mines.

TITLE VII—GENERAL PROVISIONS

Part A—Procedure, review, enforcement, and other general provisions

Title VII contains provisions of general applicability relating to procedural requirements which are to attend administrative rulemaking or the issuance of orders, judicial review of administrative actions and enforcement mechanisms.

Subject to certain exceptions, these provisions provide for a minimum 30-day period following publication of any rule or order of general applicability in which interested persons are to be afforded an opportunity to comment (including, in most cases, an oral hearing).

Judicial review tracks the procedures set out in the Economic Stabilization Act. These are designed to permit expeditious review but would not allow a stay order to issue to delay agency action pending judicial scrutiny. The Temporary Emergency Court of Appeals is employed at the appellate level to expedite review.

Enforcement is obtained through injunctive process. Civil penalties may be imposed of up to $5,000 for each violation and penalties of up to $10,000 applied for willful violations.

Any person who repeats an offense after having once been required to pay a civil penalty may be subjected to a criminal fine of $50,000 for each violation and imprisoned for not more than 6 months.

Provision is made for participation by State and local governments in the administration of the gasoline rationing system should its implementation prove necessary.

Section 705 contains a general expiration date of June 30, 1985.

Part B—Congressional review

Section 751 contains the congressional review mechanism which conditions the exercise of certain authorities contained in the Act. A 15 day review procedure is provided with certain expediting devices to assure that review is completed within that narrow time frame. Action to implement these authorities could not take place earlier than the expiration of the 15-day congressional review period unless both Houses of Congress approved. Action could not take place at all if either House passed a resolution of disapproval within the 15-day period.

Section 752 contains the congressional review mechanism applicable to contingency plans for the exercise of energy conservation plan and gasoline rationing authorities. This mechanism is designed to assure that congressional action will occur on a concurrent resolution respecting any such contingency plan within 60 days.

INTERNS FOR POLITICAL LEADERSHIP

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. MAGUIRE. Mr. Speaker, the bill I am introducing today, the Interns for Political Leadership Act of 1975, offers opportunities for student involvement with the Federal, State, and local levels of American government. I know no better way for a student to attain a working knowledge of the governing process than through direct involvement in our political system. It is essential that we provide these opportunities for firsthand experience to our leaders of tomorrow.

A democratic system of government requires active participation by the people it serves. But many of our younger people have lost interest in the political process because of Vietnam and Watergate. Nothing endangers the democratic process more than general public cynicism and apathy about government. The program I am proposing would provide an opportunity for tomorrow's leaders to become involved in government, and to learn how to influence major decisions which affect them.

My bill would amend the Higher Education Act of 1965 by creating a new title XII. The Commissioner of Education would be authorized under this title to award grants to institutions of higher learning for the purpose of establishing internship programs at the Federal, State, and local levels.

The Commissioner and an appointed National Advisory Council for Political Leadership Interns would set the criteria for eligibility as well as select the institutions to receive grants. All universities and colleges are entitled to apply for these internship grants.

Students selected for participation in the internship program would receive course credit as established by their respective institutions. Participants would be able to relate their work experience to readings and classroom work. The interns will also receive a limited stipend. These stipends would be half paid by the Federal Government had half paid by the institution through arrangements with Federal, State, and local governments.

Appropriations totaling $16.25 million are called for in this bill; $5 million in fiscal year 1976, $1.25 million in the following 3-month transition period—resulting from adoption of a fiscal year starting on October 1 instead of July 1—and $5 million each for fiscal years 1977 and 1978.

Over 7,400 interns, approximately 17 from each congressional district, working full time at the Federal, State, and local levels would participate annually. This figure is based upon Federal support of $540 per intern for a 12-week internship. At the present time, students who do not have independent financial resources may find great difficulty in meeting their expenses for transportation, housing, and so forth.

This legislation would facilitate interaction between Government officials and educators as well as students. Such interaction leads to greater understanding while also providing new sources of input and assistance. Student confidence in our Government can be restored through a national internship program, one affording a closer look into the processes of American Government.

The Senate version of this bill, introduced by Senator HUBERT HUMPHREY, is presently pending in the Committee on Labor and Public Welfare.

My bill has the support of educators, Government officials, and professional organizations. A number of my colleagues have also joined me in introducing the Interns for Political Leadership Act of 1975.

We must realize that many Americans are dissatisfied with their Government. This program would be a constructive step toward regaining their respect and participation.

I include the bill in the RECORD at this point:

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Interns for Political Leadership Act of 1975".

SEC. 2. The Higher Education Act of 1965 is amended by redesignating title XII and all references thereto as title XIII and sections 1201 through 1206 and all references thereto as 1301 through 1306 and by inserting immediately after title XI the following new title:

"TITLE XII—POLITICAL LEADERSHIP INTERN PROGRAM

"PROGRAM AUTHORIZED

"SEC. 1201. The Commissioner is authorized to make grants, in accordance with the provisions of this title, to institutions of higher education for the planning, development, administration, and operation of an internship program under which students will be provided practical political involvement with elected officials in the performance of their duties at the local and State levels of government and Members of Congress through internships in their offices. Such internship program shall be carried out through arrangements administered by institutions of higher education, and with the cooperation of State and local governments and Members of Congress. Under such program the interns, who are students at any institution of higher education which is a grant recipient, will be assigned duties in offices of State and local elected officials and Members of Congress, which will give them an insight into the problems and operations of the different levels of government, as well as an opportunity for research and for involvement in the policymaking process. Arrangements for such grants shall provide for coordination between the on-campus educational programs of the persons selected and their activities as interns, with commensurate academic credit given for their work and achievement as interns.

"SELECTION OF STUDENTS FOR PARTICIPATION AND DISTRIBUTION OF GRANTS

"SEC. 1202. (a) The students who are to participate in the internship program provided for in this title shall be selected by the institutions of higher education receiving grants under this title.

"(b) The Commissioner shall assure that grants under this title are distributed among the States in the same ratio, to the extent practicable, as the number of Members of Congress of a State bears to the total number of Members of Congress in all States.

"(c)(1) In order to assist the Commissioner to select institutions of higher education within a State to receive grants under this title, he shall appoint a National Advisory Council for Political Leadership Interns. Such Council shall be composed of twelve members appointed from among individuals especially qualified to serve on the Council.

"(2) The Council shall advise the Commissioner with respect to the distribution of grants under this title within each State and with respect to such other matters of policy as may be appropriated in carrying out the objectives of this program as authorized under this title.

"(3) The Commissioner shall make available to the Council such staff, information, and other assistance as it may require to carry out its duties under this title.

"(4) The provisions of part D of the General Education Provisions Act shall apply to any Council established under this title.

"(d) Whenever the Commissioner determines in the third quarter in any fiscal year that grant funds will not be needed in any State he may redistribute such funds to institutions of higher education in other States which he determines have a need for them.

"FEDERAL SHARE

"SEC. 1203. (a) The Federal share of the cost of student stipends under this title shall not exceed 50 per centum.

"(b) The Federal share of the cost of planning, developing, and administering any program under this title shall not exceed 20 per centum of such cost.

"ADMINISTRATION

"SEC. 1204. The Commissioner shall by regulation prescribe the stipends to be paid by institutions of higher education to the interns participating in the program assisted under this title, and the duration and other terms and conditions of such internships.

"DEFINITIONS

"SEC. 1205. For the purpose of this title—

"(1) the term 'Members of Congress' includes the Resident Commissioner for the Commonwealth of Puerto Rico and the delegate for the District of Columbia; and

"(2) the term 'State' means the fifty States, the Commonwealth of Puerto Rico, and the District of Columbia.

"APPROPRIATIONS AUTHORIZED

"SEC. 1206. There are authorized to be appropriated to carry out this title the sum of $5,000,000 for the fiscal year 1976, $1,250,000 for the ensuing three-month transition period, and $5,000,000 in each of the two succeeding fiscal years. Funds appropriated pursuant to this section shall remain available for the succeeding fiscal year after the fiscal year for which they were appropriated."

PRESIDENT FORD'S COURAGE AND LEADERSHIP IN THE "MAYAGUEZ" INCIDENT

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. KEMP. Mr. Speaker, President Ford's courage and leadership during the *Mayaguez* incident—and the way in which that courage and leadership brought success to the effort to recover the ship and its full crew—are a real plus for America.

The President's action was immediate, yet prudent; firm, yet measured; forceful, yet fair. This is what American foreign policy ought always to be, in regard not just to isolated incidents such as this but also to our long-range global interests, commitments, and strategies.

What a marked contrast this incident was with the *Pueblo* incident, when vacillation at the top levels of government allowed a highly sophisticated intelligence-gathering naval vessel to be taken by the third-rate power of Communist North Korea. The *Pueblo's* crew underwent months of brutal torture at the hands of their captors. Our national defense capabilities were impaired by the loss of super-secret code books and intelligence-gathering technology and devices. Our foreign policy was weakened through the indecisive face we showed to the world.

That was not to be the case this time because our President moved swiftly and decisively to make sure that aggression was not rewarded.

The leadership of the President and his principal advisers—as well as the heroic and courageous actions of our air, and naval forces, and marine detachments—showed to the world that in spite of all our difficulties in South Vietnam and Cambodia, we can be firm when we have to and that we do have the continued will to exercise our military power in the defense of our own citizens.

In a world in which some had reason to doubt the will of the United States to protect its own interests, the President has demonstrated that we will not tolerate the taking of our ships or kidnaping of our citizens. And, it should be stressed that the taking of a ship by a military force is an act of war, not just an act of piracy.

Over the weekend I listened to and read the comments of the captain and the crew of the *Mayaguez*. They are, as I am too, totally convinced that they would have been either executed or subjected to inhumane treatment by the Cambodians if we had not intervened quickly. And, even when the recapture operations started and their lives were endangered, they were elated, because they knew that American forces had come to rescue them.

Leadership is vital to the restoration of American confidence—from its foreign policy to its economic recovery and President Ford should be commended for his efforts on behalf of preventing future incidents of intimidation and piracy against the United States and its citizens. As Commander Bucher of the *Pueblo* said over the weekend, if we had acted then as President Ford acted last week the *Pueblo* incident would have been a plus rather than the humiliation it was.

A BILL TO ELIMINATE THE DUTY ON SYNTHETIC BALER AND BINDING TWINE

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. KASTEN. Mr. Speaker, the beef and dairy farmers of this country are in serious economic trouble. They are currently caught by the double problems of rising production costs and declining prices—the cost-price squeeze. In the past year and a half, in my home State of Wisconsin, this squeeze on

profits has forced more than 4,000 dairymen out of business. In the long run this not only hurts farmers; it also adversely affects our entire economy. Without some aid to these hard-hit farmers we will find that when our economy returns to the path of economic growth and full employment the increased demand for farm products will be met with falling production. If the current situation persists, I foresee a situation, not unlike the recent past, in which the demand for goods will exceed the supply and another round of double-digit inflation will be touched off. We need to take action now to insure that the farmers of America can weather the current economic storm and maintain the desperately needed productive capacity for food.

The bill I introduce today is one positive step in this direction. By removing the exorbitantly high duties placed on synthetic baler and binder twine we can eliminate a major factor in the farmer's cost-price squeeze.

In the last 2 years the price of baler twine has increased by nearly 500 percent—from $7 per bale to nearly $35 per bale.

Baler and binder twines are both vital elements in the harvesting and marketing of hay—a primary food for our beef and milk cattle. Last year our farmers produced more than 130 million tons of hay which had a market value of more than $5 billion. Without this twine, it is difficult, if not impossible, to economically harvest, transport, and market hay. About 80 percent of the hay our farmers produce is bound by this twine.

In the past, our farmers usually required nearly 300 million pounds of baler twine each year in order to satisfy their requirements. Domestic production accounted for 50 million pounds thus leaving the bulk of the demand, roughly 250 million pounds to be satisfied by foreign sources.

Last year there was a great leap in our demand for twine. Because of it, we needed to import nearly 335 million pounds of natural baler and binder twine—neither of which have import duties. Though our demand appears to be on the rise, the world supply of natural fibers appears to be on the decline. A recent drought in one of the major producing regions has stunted the growth in the foreign production of the natural fibers that are used in the production of twine. While increased demand may yet stimulate an increase in worldwide prices and production, because it takes nearly 6 years from planting to production, any increase in foreign production of natural fibers will not be realized in this country for a long time. Thus our farmers are having to turn to synthetic baling twine in order to meet their needs.

I would never, however, lend my support to any bill that would damage our domestic synthetic twine industry. Unfortunately, there are only three significant domestic manufacturers of synthetic twine and they fill only a small percent of our domestic needs. And even in the face of rapidly rising demand and twine prices, they have shown little interest in meeting domestic demand and world competition.

The current duty on the synthetic fibers that are used in twine is exorbitantly high. Synthetic fibers which are imported from nations which have been granted "most-favored nation" status, are assessed not only a 12½-cents-per-pound tariff but also are charged a 15-percent ad valorem duty. This is in sharp contrast to the lack of any duties on imported natural fibers used in the production of twine.

The duty on every 20-pound bale of these fibers is roughly $6. If all imported twine was synthetic—though it is not—it would cost farmers $45 million in tariffs alone—most of which would be passed on to the consumer in terms of higher prices.

It is because of these special factors—an increasing demand for synthetic twine fibers, a lack of any significant domestic manufacturing interest in producing synthetic twine, and above all the squeeze that our farmers are in—that I introduce and support this bill to eliminate the duty on imported synthetic baler and binding twine.

THE DOLLAR-VALUE LIMITATION: A SUBSTITUTE FOR AN INCREASED GASOLINE TAX

HON. DAVID F. EMERY

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. EMERY. Mr. Speaker, sometime this week, we will be considering the energy bill (H.R. 6860) which, if passed, would vitally affect not only our future economic outlook, but also our relations with the rest of the industrialized world. Title I of this bill calls for the imposition of quotas on petroleum imported into the United States with broad authority granted to the President to increase or decrease supplies, depending on his interpretation of domestic economic conditions.

I would like to inform you, Mr. Speaker, that I plan to offer a substitute amendment to title I of H.R. 6860 calling for a dollar limitation on petroleum imports with exemptions for purchasers of cheaper oil.

Under my plan, the Federal Energy Administration would institute a flexible dollar limit on all oil imports. There would be no limitation on the quantity of oil coming to this country, rather, oil imports would be limited to a total dollar value—$5,850,000,000 per quarter in 1975 and $5,625,000,000 per quarter in 1976. In simple terms, this system would encourage domestic oil importers to "shop around" for the cheapest foreign oil available so that they could import the most oil possible with their money. A dollar limit system has many immediate advantages over a straight quota program.

First, the balance of trade deficit, which has been estimated at $4.5 billion in 1974, would be gradually eliminated. In 1974, our oil imports totaled approximately $24 billion. The reductions recommended in my proposal would bring imports and exports into balance in just over 2 years. This process of reducing oil imports has already begun, as the first quarter 1975 trade surplus would indicate. Although this drop is generally attributed to the recession—which reduces industrial demand for petroleum products—our program would continue this process by forcing reductions with an emphasis on reducing primes rather than quantity.

Second, by setting our limit on a dollar basis, we would not discriminate between petroleum products to be manufactured. Our free market system would make the selections as to use of our imports—whether for fuel oil, lubricants, or synthetic fabrics.

Third, a dollar limit would promote competition among refiners and importers at home to produce lower-priced petroleum products, as well as among the OPEC—Organization of Petroleum Exporting Countries—effectively reducing or weakening OPEC's present rigid stand on price. To those who fear a loss of supply, I point out that the United States gets a substantial part of its oil imports from the less radical OPEC members, or from those badly in need of dollars.

Fourth, a dollar system is workable, in place, and can be set in motion in 24 hours. The Oil Import Office of the Federal Energy Administration now issues import licenses and requires all importers to register price, quantity and origin of all oil imported. The current status of oil imports could be reviewed on a quarterly basis, with adjustments made accordingly, although targeted to the annual goal.

To spur oil imports at lower prices, a bonus of exemption would be offered in the form of nonquota oil to those importers and refiners who are able to purchase oil at lower than average prices. This unique feature of my proposal would work as follows: Each 3 months, the FEA would designate an average import price for that period. Any imported oil brought into the country at savings greater than 5 percent of this 3-month average during the following 3 months would not be counted against his annual dollar limit. A successful program of exemptions would continually lower the base price, and ultimately, the cost.

For example, assume that the previous 3-month average price was $12 per barrel. Under such a system, an importer could purchase oil at $11.40 per barrel or less with this purchase not counting in the imported share of the dollar limit, but all purchases at a price greater than $11.40—95 percent of the $12 average price—would be counted against the quarterly limitation.

This system would encourage our importers to assign less expensive oil to the United States. Since most of our importers have vast distribution and marketing networks, it would be to their advantage to keep their systems operating at top efficiency by keeping up imports, but at a lower price. Once in motion, the bonus-exemption would encourage competition, cheap prices and reduce our over-dependence on foreign oil.

Therefore, my program would not only reduce consumption and thereby promote energy independence, but it would attack the problem of ending the artificial high price energy environment.

In summary, there is no advantage to be found in the quantitative quota concept that my proposal does not embody. Moreover, the dollar limit offers positive solutions to many problems which the alternative proposal does not even address. I hope, Mr. Speaker, that every one of my colleagues will give this amendment his closest attention and support it as an alternative to the quota system.

The following is a text of my amendment for your consideration:

Title I—Limitations on Imported Petroleum and Petroleum Products and Exemption From Such Limitations

Sec. 101. Purpose.—It is the purpose of this title to reduce dependence of the United States on foreign oil by imposing restrictions on the importation of petroleum and petroleum products so as to reduce the amount of imports of petroleum and petroleum products as rapidly as practicable without seriously endangering the economic well-being of the United States and to minimize inflation, and, at the same time, encourage economic recovery.

Sec. 102(a) During each calendar quarter of calendar year 1975 the aggregate quantity of petroleum and petroleum products which may be imported into the United States may not exceed a quantity valued at more than $5,850,000,000.

(b) During each calendar quarter of calendar year 1976 the aggregate quantity of petroleum products which may be imported into the United States may not exceed a quantity valued at more than $5,625,000,000.

Sec. 103(a) The Secretary shall take such actions as may be necessary and appropriate to insure that the aggregate quantity of petroleum and petroleum products imported into the United States during each calendar quarter of calendar years 1975 and 1976 do not exceed in value the applicable value set forth in section 102.

Sec. 104. (a) Subject to the requirements of this section the President shall have the authority to amend the total dollar value set forth in Sec. 102 on a quarterly basis should he determine that such shortages in supply of petroleum or petroleum products exist so as to seriously endanger the economic well being or national security of the United States.

(b) The President shall be required to transmit to the Congress a statement of intention to amend Sec. 102 as prescribed under paragraph (a) of this section to both Houses of Congress on the same date and to each House while it is in session. A specific statement of the President's rationale shall accompany any such amendment. Such transmittal shall be made no sooner than ten calendar days before the beginning of the applicable quarter.

(c) Any amendment to Sec. 102 shall not take effect if, between the date of transmittal and the end of such ten day period, either House passes a resolution of that House, prohibiting such change as prescribed under Sec. 104(a).

Sec. 105. (a) The Congress shall have the authority to review and extend the provisions of this title to any calendar year or portion thereof after the last quarter of 1976. Any extension of this title must be set by November 30, 1976.

(b) If the Congress fails to carry out the provisions of Section 105(a), the applicable values set forth in section 102(b) shall be extended on a quarterly basis until Congress acts as authorized under the provisions of section 105(a).

Sec. 106. Any importer who can show, to the satisfaction of the Secretary (pursuant to such documentation as the Secretary may require), that the price paid by him for any imported petroleum or any imported petroleum product which was imported into the United States by him or for his account during any calendar quarter during 1975 or 1976, was less, by 5 per centum or more, than the average price for all quantities of such petroleum or such petroleum product which were entered during that quarter may, during the immediately succeeding calendar quarter, enter any quantity of that kind of petroleum or petroleum product. Section 102 shall not apply with respect to any such entries during such succeeding calendar quarter as defined in this section.

Sec. 107. (a) No duty shall apply with respect to petroleum or to any petroleum product which is entered or withdrawn from warehouse for consumption after December 31, 1974.

(b) Effective with respect to articles entered or withdrawn from warehouse for consumption after December 31, 1974, no adjustment action taken under section 232(b) of the Trade Expansion Act of 1962 before the date of the enactment of this Act shall have any force or effect with respect to petroleum or any petroleum product.

(c) Upon request therefore filed with the appropriate Federal agency on or before the sixtieth day after the date of the enactment of this Act, the amount of any duty, tax, or fee imposed by the President (pursuant to any action by him before the date of the enactment of this Act under section 232(b) of the Trade Expansion Act of 1962 or any other provision by law) and paid by any person on the importation after December 31, 1974, of petroleum or any petroleum product shall be rebated to such person.

Sec. 108. For purposes of this title—

(a) The term "petroleum" means crude petroleum provided for in items 475.05 and 475.10 of the Tariff Schedules of the United States.

(b) The term "petroleum product" means any article provided for in part 10 of schedule 4 of the Tariff Schedules of the United States other than petroleum and natural gas.

(c) The term "Secretary" means the Secretary of the Treasury.

(d) The value of imported petroleum and petroleum products shall be the value thereof as determined pursuant to section 402 of the Tariff Act of 1930, and shall also mean the price at which such product was bought or sold at port of entry at date and time of such transaction. For purposes of computing such value, all imported petroleum and petroleum products shall be deemed to be dutiable.

ANALYSIS BY THE TAX REFORM RESEARCH GROUP

HON. WILLIAM J. GREEN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. GREEN. Mr. Speaker, H.R. 6860, the Energy Conservation and Conversion Act of 1975, provides a tax credit for the purchase of equipment to recycle solid wastes. This provision is opposed by a broad range of interests, including tax reform groups, environmental groups, those in the recycling industry, and the Treasury Department. This new loophole will cost the Treasury $1 billion by 1980, and perhaps another billion between 1980 and 1984.

Moreover, the bulk of the benefits of this provision will go to those already involved in recycling, as a reward for continuing current levels, rather than to new entrants into the business, and even some of those who might be benefited have contacted my office in opposition, claiming that their business would not necessarily be benefited, but merely that their accounting procedure for tax purposes would be confused.

For these reasons, I intend to offer an amendment to delete the recycling credit. In support of that effort, and for my colleagues' information, I am inserting material prepared by the Tax Reform Research Group analyzing the arguments against the recycling tax credit. In addition, I am inserting excerpts from letters of opposition by the American Iron and Steel Institute, the Sierra Club, Environmental Action, Taxation with Representation, and Friends of the Earth.

The material follows:

Analysis by the Tax Reform Research Group

Although those few groups which will benefit from the measure have ingeniously labelled it a conservation measure the credit is strongly opposed by virtually every organized conservation and environmental group.

The credit will probably cost the Treasury a cumulative total of $1 billion between now and 1980, according to the Joint Committee on Internal Revenue Taxation and the Treasury. Apparently, it might cost an additional billion dollars between 1980 and the credit's expiration date of 1984.

The Treasury staff testified in opposition to the credit during the Ways and Means Committee markup. They estimated that only about 2% of the tax benefit would go to taxpayers for actually increasing the level of their recycling activities due to the tax incentive. 93% of the tax benefits would go to businesses as a reward for simply continuing the amount of recycling in which they are already engaged.

Thus the cost of bestowing windfall benefits on existing producers far outweighs the small stimulus to recycling.

The credit will produce negligible energy savings and has at best a tenuous claim to relevance as part of an energy bill. The fact that only a minimal increase in recycling is likely obviates any general contention that producing virgin materials consumes more energy than recycling waste materials.

Environmentalists are properly concerned that passage of this costly and ineffective subsidy will tend to preempt the field and block a thorough evaluation of more promising measures.

The presently proposed credit is simply a warmed-over and refurbished version of a proposal to create a depletion allowance for waste material which the Ways and Means Committee rejected in 1974. Proponents argue that the existing depletion allowances and other tax preferences designed to encourage exhaustion of our virgin minerals and timber should be balanced by a corresponding incentive to use recycled materials.

Such logic is all too typical of the way in which our tax laws have been encrusted with layer upon layer of special preferences designed to compensate one special interest group for preferences previously granted to another group.

This kind of logic has already led to periodic expansions of the oil depletion allowance so that it now covers over 100 minerals including clamshells. Enactment of the recycling credit will be cited by the minerals and other industries as legitimizing their existing depletion allowances and other preferences. It will thus impair reform efforts.

The notion that any such credit could be justified on the grounds that it places recyclables on an equal footing with virgin materials is rejected by EPA and conservation groups.

The credit is especially unfair because it can offset 100% of tax liability rather than being limited to 50% of tax liability—as is the case with the investment credit for most other industries. Thus it is expected to enable many scrap processors to avoid federal income taxes altogether.

Some of the credit's technical deficiencies are illustrated in the following statement from the American Iron and Steel Institute which, together with the copper producers, has opposed the credit:

"Much of the complication is attributable to wide variations in the quality of scrap. Presently, scrap of higher quality is in short supply.

"Lower quality scrap, which is the object of environmental concern, is not moving into the production stream fast enough despite the fact that scrap prices generally have increased several fold over the past several years. The conclusion is obvious—granting an incentive to the industry for purposes of increasing steel scrap recycling will provide unwarranted benefits for consuming scrap grades which move into the production stream anyway without incentives, because they are needed. Furthermore, if scrap prices which are close to their highest level in history cannot pull certain grades of obsolete scrap into the recycling stream, neither will a nominal tax incentive accomplish the same purpose.

"In order to encourage consumption of hitherto unobtainable steel scrap from municipal solid waste, etc., incentives to municipalities are needed, not a tax windwall to scrap consumers who must have the material anyway. Specifically the industry has encouraged a federal support for loan guarantees, and market development programs to encourage the recycling of municipal solid waste."

With respect to paper recycling the EPA staff has made the following analysis:

"It is our belief that *significant increases in paper recycling are unlikely unless basic investment changes in the industry take place*. That is, capacity expansion and plant modernization in the industry must be oriented toward re-pulping and processing recycled paper rather than toward integrated virgin pulp and paper mills. The decision to use recycled vs. virgin fiber is generally not made on a day-to-day basis depending on comparative prices. For example, when a company decides to build an integrated pulp and paper mill in the Southeast, they have decided that the input will be virgin fiber. Similarly, a decision to build a deinking mill near a city for converting old newspaper to newsprint is at that point a decision to use recycled fiber. There is, of course, a broad middle ground, of "blend" situations, but even in these cases a mill must install the appropriate capital equipment to re-pulp, process, and clean the wastepaper."

In an attempt at partially meeting this objection the bill was amended so, that the credits *earned* by purchasing waste material can only be used in the event additional recycling equipment is purchased. But this may discrimate against new entrants since their new equipment may take years to install and they will not be purchasing any waste material and earning usable credits in the interim.

The EPA staff has requested additional time to work with the Congress since they believe a more effective subsidy can be designed. This request should be granted.

As with so many other ill-conceived attempts at converting the tax code into a vehicle for special interest subsidies this measure contravenes the primary purpose of our tax code—viz raising sufficient federal revenues in an equitable manner. The resulting revenue loss will either boost the federal deficit or be borne by all other taxpayers.

American Iron and Steel Institute,
Washington, D.C. April 24, 1975.

Section 733 of H.R. 5005—the "Energy Conservation and Conversion Act of 1975" contains a provision expanding the present investment tax credit to include "post consumer" solid waste material. The credit would be based on the purchase price of the material but reduced to the extent the price exceeds 200 percent of the price for the commodity during the base period 1971 through 1973 (adjusted for any change in cost of living index since that time). The credit would be effective for the period 1975 through 1979.

As the bill was introduced, the material eligible for recycling would be glass, paper, textiles, and nonferrous metals which have been used by the ultimate consumer and which have no significant value or utility except as waste material.

On April 16, 1975, the Ways and Means Committee tentatively decided to add ferrous metals to the list of materials covered by the recycling credit.

The steel industry has a vital stake in an adequate supply of purchased scrap, since it is largest scrap user in the country, consuming more than 80 million tons in 1974.

While the industry supports the environmental objectives inherent in Section 733 of H.R. 5005 and is also interested in developing new sources of supply for ferrous scrap, we conclude we cannot support the inclusion of ferrous scrap in Section 733, because we do not believe the tax incentives contained in the bill will accomplish this purpose.

The Committee should, therefore, take no affirmative action on this amendment. Enactment would result in tax benefits for consumption of scrap already being recycled for economic reasons. We do not believe this is a proper application of federal tax policy.

The economics of recycling steel scrap are extremely complicated and the question of incentives to induce further recycling cannot be answered in simple terms. Much of the complication is attributable to wide variations in the quality of scrap. Presently, scrap of higher quality is in short supply.

Lower quality scrap, which is the object of environmental concern, is not moving into the production stream fast enough despite the fact that scrap prices generally have increased several fold over the past several years. The conclusion is obvious—granting an incentive to the industry for purposes of increasing steel scrap recycling will provide unwarranted benefits for consuming scrap grades which move into the production stream anyway without incentives, because they are needed. Furthermore, if scrap prices which are close to their highest level in history cannot pull certain grades of obsolete scrap into the recycling stream, neither will a nominal tax incentive accomplish the same purpose.

In order to encourage consumption of hitherto unobtainable steel scrap from municipal solid waste, etc., incentives to municipalities are needed, not a tax windfall to scrap consumers who must have the material anyway. Specifically the industry has encouraged a federal support for municipalities in the form of technical assistance, loans, loan guarantees, and market development programs to encourage the recycling of municipal solid waste. The industry has been working with a number of municipalities developing ferrous scrap recycling programs, and would welcome the participation of scrap processors in these endeavors.

The steel industry therefore recommends the rejection of this provision as it pertains to ferrous scrap.

Sincerely,

John P. Roche,
President.

Sierra Club,
Washington, D.C., May 15, 1975.

Dear Representative:

* * * * *

Another provision with many problems is Section 533, the recycling tax credit, a measure purporting to encourage recycling by lowering the tax bill of firms now using secondary materials. We oppose this measure in its present form, as we have opposed similar proposals in the past, and we urge that the Section be deleted from the bill.

It is generally recognized that special tax treatment provisions, such as those envisioned in Section 533, often cause problems, since they further complicate the Tax Code and they increase the burden of taxation on the general taxpayer. Moreover, we must oppose Section 533 on the following grounds: (1) that the measure is poorly designed and will be ineffective, (2) the acceptance of the "tax equalization" argument would make removal of existing tax loopholes more difficult, (3) the measure would use general tax revenues via subsidies to solve a problem created by those producing and consuming products entering municipal waste and (4) the measure would effectively preempt the field and thus block a thorough evaluation of more promising measures.

To sum up, while we believe that HR–6860 has some very worthy features, we believe it could be greatly strengthened by certain amendments and deletions. We urge you to support amendments to delete Title IV and Section 533 when the bill comes to a vote. Thank you.

Sincerely,

Brock Evans,
Director, Washington Office.

Comments on Section 533 of H.R. 6860 by Environmental Action

A. What Does Section 533 Do?

1. Section 533 would create a tax credit for users of post-consumer solid waste based on 10% of the value of all such waste purchased and used. This credit would be accumulated in a capital account and could only be invested in machinery or equipment for recycling post-consumer solid waste materials, up to 15% of the equipment's value. However, if such a capital account were large enough, a taxpayer would be permitted to offset 100% of his income tax liability, rather than the usual 50%.

2. Post-consumer solid waste material the price of which provides the basis for the credit is defined to include users of production scrap, although it purports to exclude users of production scrap who also generate such scrap themselves.

3. The period during which the credit may be accumulated expires at the end of 1980. The credit may be applied to capital investments made through 1983.

B. Why Strike Section 533?

Section 533 should be deleted from the Energy Bill because it is poorly timed and poorly formulated.

1. Poor Timing: Although it is recognized that current tax policy encourages excessive utilization of our nation's virgin materials and energy resources, there are at least two methods of correcting such inequities: 1). the creation of a tax credit for users of post-consumer solid waste, and 2). the removal of existing tax advantages for the virgin materials with which post-consumer solid waste

competes in production (percentage depletion allowances for minerals and capital gains treatment for timber). The best manner for Congress to rationally alter national tax policy in this area is to consider both proposals concurrently, rather than consecutively. In this way, if the Congress chose to pass both proposals, the passage of one would not jeopardize valuable support for the other. Both concepts need greater analysis of their impact than has been done at this time. This concurrent analysis of tax policy options could be accomplished in the Tax Reform legislation which is the next item of business before the Committee on Ways and Means. Support for removing tax advantages for virgin materials should not be jeopardized by passage of Section 533 in the rush to pass an energy bill.

2. Poor Formulation: Notwithstanding the timing issue, Section 533 is so formulated that it is likely to be ineffective and costly to the Federal Treasury. Section 533 will be ineffective in stimulating greater recycling of post-consumer solid waste because of provisions of the section concerning duration, distribution and waste sources.

a. Duration: EPA's analysis of Section 533 prior to final modification illustrated that a recycling incentive must be in existence long enough to shift user raw material preferences on a long-term basis. It seems unlikely that current virgin raw material users will be encouraged to invest in capital equipment in order to shift to the use of post-consumer solid waste as a raw material when the incentive for making such a shift is removed by the time such equipment is brought on line. The provision favors current high users of post-consumer solid waste since the credit may be accumulated over the next five years, but applied over the next eight; rather than permitting both accumulation and application for the longer period.

b. Distribution: The calculation of the credit is based on the price of the post-consumer solid waste material which bears no relationship to the weight of the material which is a more accurate measure of the burden the material places on the waste stream. Consequently, non-ferrous metal would receive a disproportionately high part of the tax credit relative to the low tonnage of nonferrous available in the waste stream for recycling.

c. Waste sources: There is considerable doubt concerning whether the term post-consumer waste has been adequately defined in order to eliminate the prospect of current industrial converting wastes and in-plant manufacturing scrap users receiving a windfall tax benefit for purchasing equipment for recycling that they have already found to be economically advantageous to use. (90 percent or more of these wastes are currently recycled.) No such measure should be passed by the Congress which does not clearly eliminate the possibility that the loss of revenues to the Treasury will not be compensated by recycling a corresponding increase in post-consumer solid waste in order to reduce the materials and energy intensiveness of our economic system.

Clearly, the discussion above concerning the duration of Section 533 and the waste sources qualifying for the credit indicate that the costs of the section will outweigh the potential benefit. However, the cost will be exacerbated by the provision which permits taxpayers to offset their entire tax liability by the recycling tax credit, rather than the usual 50 percent limit to such an offset currently provided in Section 46 of the Internal Revenue Code. This provision can only benefit large current users of post-consumer solid waste since they would be the only users in a position to accumulate a tax credit large enough to offset their entire income tax liability.

We urge the Congress to defer action on Section 533 of H.R. 6860. This request is not intended to be open-ended. The U.S. Environmental Protection Agency should be open-ended. The U.S. Environmental Protection Agency should be required to advise Congress on which incentive measures would be effective in reducing waste and encouraging recycling. The U.S. Treasury should also be called upon to provide meaningful cost analysis of the revenue losses associated with these measures. Given the importance and the complexity of improving our national material policy, a delay to ensure that such information is incorporated into such policy is a necessity.

Organizations supporting the removal of Section 533: Congress Watch, Environmental Action, Environmental Policy Center, Friends of the Earth, Public Interest Economic Center, Tax Reform Research Group, Sierra Club.

TAXATION WITH REPRESENTATION,
Arlington, Va., May 8, 1975.

DEAR REPRESENTATIVE: We wish to thank the members of the Ways and Means Committee for their decision to strike the worst of the proposed new tax loopholes from the Energy Bill. The elimination of these loopholes shows that the members of the Committee have not been fooled into thinking that they can solve the whole energy crisis through use of tax incentives.

However, there are still some highly questionable tax loopholes in the current bill. We strongly recommend that these provisions be reconsidered and eliminated. It is inexcusable to ask the American taxpayer to shoulder an additional excise tax on gasoline which is likely to reach 23c a gallon, while at the same time providing corporations with tax writeoffs and credits for things those firms are likely to do anyway.

Specifically, we recommend that the following sections be eliminated from the Energy Bill:

1. The Tax Credit for Junk (Recycling Tax Credit). A tax credit for "post-consumer and industrial waste" is an inefficient way to encourage recycling, and Treasury figures indicate that, at best, this provisions will increase use of junk by only 2 percent. The credit as now set forth in the bill will provide windfalls to those (like the major steel and paper companies) that already use scrap as a normal part of their production process. It will provide minimal incentives to others to use waste, and no direct help of any sort to states and municipalities that want to install waste recycling systems.

If the Committee wishes to encourage use of scrap materials, while at the same time promoting tax reform and simplification of the Internal Revenue Code, it should repeal the percentage depletion deductions currently granted to a variety of virgin materials. This will raise revenue, promote tax equity, and lessen the bias in current law against the use of scrap material.

For example, some of the principal beneficiaries of the proposed junk credit will be the nation's steel producers. On average, steel firms now pay federal taxes at effective rates that are about 15 percentage points below the statutory 48 percent corporate rate. Percentage depletion is an important factor contributing to this low effective tax rate. Last year, for example, eight steel firms with net earnings of more than $3 billion claimed almost $114 million in percentage depletion deductions with respect to coal, iron, and other virgin ores. Instead of eliminating the tax abuse involved in percentage depletion, so as to encourage use of recycled materials, the Committee's action creates a contradictory new tax incentive. The result will be to lower steel company taxes still further, because steel firms will now enjoy *two contradictory tax incentives*: percentage depletion for virgin materials and the junk credit for recycled materials. At a minimum, firms should be required to elect which of those two contradictory incentives they will claim. * * *

FRIENDS OF THE EARTH,
Washington, D.C., May 16, 1975.

DEAR CONGRESSMAN:

* * * * *

The Recycling Tax Credit, Section 533, despite its name, is not a provision that has environmental support. It will serve as a tax credit for junk dealers and others who handle scrap, but will not encourage new recycling efforts. The Treasury Department has estimated that at a cost of one billion dollars in lost revenues over five years, the credit will only increase recycling by about two percent. Recycling is a necessary program for this nation to undertake, but it cannot be efficiently achieved through this tax measure, which will serve only to provide windfalls to those who already find it economically advantageous to recycle. If Congress is willing to spend a billion dollars on recycling over the next five years, it should do so directly, to grants to cities and states to establish resource recovery programs.

Both the Energy Trust Fund and the Recycling Tax Credit seriously undermine whatever benefits may be obtained through the gas tax. With them, HR 6860 becomes of dubious value. We urge you to strike both measures from the bill.

Sincerely,

JEFFERY KNIGHT,
Legislative Director.

AMERICAN PEOPLE FAVOR DEREGULATION

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. ARCHER. Mr. Speaker, the Louis Harris poll recently released a survey which I thought had some important answers concerning energy questions facing this Congress. I believe it would be worthwhile for all my colleagues to read carefully the results:

HARRIS SURVEY

(By Louis Harris)

The number of Americans who believe the energy shortage in this country is "very serious" has dropped from 44 to 24 per cent since last January. Moreover, most of President Ford's emergency energy recommendations of last winter appear to be bogged down in congressional committees.

Nonetheless, in the months since Mr. Ford came up with his tough but controversial energy program, public opinion has solidified on many key dimensions:

By 46–31 per cent, a plurality of the public now favors "deregulation of the prices of all oil and natural gas produced here." This latest result is a marked turnabout in public thinking from last July when a 42–28 per cent plurality opposed deregulation. This dramatic shift must be viewed as a major gain for President Ford.

By 68–15 per cent, a majority would favor "setting up a system of quotas on oil brought into this country from abroad to cut down on the dependence on foreign oil." This turn of public opinion must be viewed as a setback for President Ford, who has advocated controlling oil imports by placing a tax on all oil shipped in from abroad.

By 73–13 per cent, the public favors "the government allowing drilling for oil offshore off the Atlantic, Pacific and Gulf coasts," up from a 67–19 per cent majority who favored it last July. The public thus comes down decisively in favor of giving a green light to exploration efforts.

By 66–23 percent, a majority of the public supports "a major expenditure of federal money to increase public transportation, such as more buses, commuter trains, and rapid transit systems." Sentiment for mass transit has also risen from a 57–31 percent who backed it a year ago.

By 71–16 percent, a lopsided majority opposes "the federal government taking over the oil companies and regulating them like a government corporation." Such a federal take-over has been advocated by some members of Congress recently.

By 63–28 percent, a majority of the public opposes a tax "to be paid every year by owners of cars that are 'gas guzzlers', which get under 18 miles to the gallon." This decisive public sentiment must be taken as a setback for key Democrats in Congress who have pushed such a "gas guzzler" tax.

The implication of these results is that the American people have become very selective in their approach to the various energy programs that have been proposed. In rather typical fashion, they have weighed each specific proposal in both the President's program and the Democrat's program and have come up with remarkably decisive views of their own.

In fact, the clear-cut majorities registered in this latest Harris Survey on highly controversial energy measures indicate that the public is less confused and indecisive than their leadership in Washington. Even more remarkable is the public's decisions to opt for energy control measures when the felt urgency of a shortage has declined precipitously.

In mid-April, a cross section of 1,568 adults nationwide was asked:

How serious do you think the energy shortage is in this country—very serious, somewhat serious, or not serious at all?

HOW SERIOUS IS ENERGY SHORTAGE IN UNITED STATES?

[In percent]

	Very serious	Somewhat serious	Not serious at all	Not sure
1975:				
April	24	48	25	3
January	44	40	12	4
1974:				
July	26	41	30	3
June	22	44	31	3
April	23	45	28	4
March	22	44	28	6
February	31	41	22	6
January	34	45	17	4
1973:				
November	50	37	9	4
September	28	45	21	6

When former President Nixon raised the issue of an oil shortage crisis in the fall of 1973 and again when President Ford came up with his urgent energy message over a year later, the American people responded by acknowledging that a serious crisis did exist. They wanted something done about it then and they still do. But a national energy policy out of Washington still appears to be lacking.

TALCOTT CORRECTS THE RECORD ON A VIETNAM REFUGEE DISTORTION

HON. BURT L. TALCOTT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. TALCOTT. Mr. Speaker, I reluctantly take the floor to discuss a report of an incident which never happened and which should never have been reported as happening. However, because the incident reflects inaccurately and unfairly on me, and hurts some of my best and most loyal friends, I am making this public statement to clear up the matter once and for all.

On April 29, an AP dispatch concerning American reaction to the expected arrival of Vietnamese refugees was published in a number of newspapers nationwide. After discussing the reaction of a variety of people, the dispatch contained the following paragraphs:

> Perhaps the harshest criticism came from Rep. Burt L. Talcott, R-Calif., whose district includes Camp Roberts near San Luis Obispo. He said in Washington that he was "pleased to announce" that neither Roberts nor Camp San Luis Obispo will be used to shelter the refugees.

He said:

> Generally my district was more positive, understanding and compassionate than some other areas.
>
> But there is another feeling that, damn it, we have too many Orientals.

The first sentence must be taken in the context of the entire article, which dealt with reaction to the influx of Vietnamese refugees. The sentence begins "Perhaps the harshest criticism came from Representative BURT L. TALCOTT." Now, this is phrased in such a way that the reader who goes no further would naturally assume that I had made a statement strongly opposing, or somehow criticizing the influx of refugees. However, the sentences following, as can be seen, do not in any way, shape or form justify such a statement. I made no criticism, harsh or otherwise. Anyone who reads the article carefully will see that I did not anywhere make a harsh criticism, or any criticism, of the refugee influx; all I did was to relate the various feelings of some of my constituents—on the many facets of the issue. When asked by a reporter what "the feelings in California" were about a possible influx of refugees, I responded, in part, as it appears in the article. He said:

> Generally my district was more positive, understanding and compassionate than some other areas.
>
> But there is another feeling that, damn it, we have too many Orientals.

Therefore, the phrasing of the first sentence is clearly inaccurate and unfairly reflects my position on this matter. An accurate summary of the remarks I made would have been written as follows:

> When asked about the feelings of Californians concerning the expected influx of refugees, Talcott replied that, speaking for his area, there was more compassion than shown elsewhere, but there were some who exhibited very hostile feelings toward the refugees.

The distortion was compounded by the fact that earlier, in an entirely separate press release, I had attempted to notify my constituents—many of whom were very concerned about this possibility—that refugees would not be temporarily placed in our area for processing. I said that I was pleased to announce that, while our area should be prepared to accept our fair share of refugees for permanent resettlement, other areas were better suited to handle the immediate project of temporary processing of the refugees. As it turned out, the appropriate Federal authorities agreed. My remark that I was pleased to announce that refugees would not be processed at abandoned military facilities in our area was placed immediately after a sentence stating that the harshest criticism of the refugee program had come from me. The effect was to make it appear that I was pleased that the refugees were not coming to our area, and that I would be even more pleased if they did not come to America at all. The implication was incorrect and contrary to my views.

To make the situation even worse, the sentences in the dispatch were phrased in such a way and grammatically positioned in the sentences to make appear to everyone but the closest and most discriminating reader that I personally had said: "Damn it, there were too many Orientals" in our State anyway. In fact, as could be expected, this is exactly what was reported in at least one story. The news media in general did not bother to verify the quote, or consult me, before attributing such a remark directly to me. There were exceptions—but very few. Of course, I said no such thing and, although it should not be necessary to add, I most strongly condemn such a viewpoint—it is out of place in America and properly offensive to most Americans.

Mr. Speaker, this inaccurate and unfair story, it republication and its subsequent distortions, have caused me considerable embarrassment. I have had to waste hours in explanation to known readers. I have had to respond to many outraged constituents who were quite naturally upset and angered that I would be quoted as saying such a thing.

I will leave it to others to judge the quality of this type of journalism and the adverse impact it can have on the victims.

At this point, to make the record absolutely clear, I ask unanimous consent to insert a statement of my views on the Vietnamese refugees along with a letter I have written to constituents concerned about this matter and a news item from the San Jose, Calif., Mercury, which accurately summarizes the whole incident. I held these views before this unfortunate situation developed, and I continue to hold these views.

I commend highly the professional journalists who saw the original dispatch but acted morally and responsibly to either consult me or to verify the accuracy of the original dispatch before republishing or further distorting the incident.

I have learned what some journalists believe their readers want to read and hear; I have learned how they will distort a report, or rewrite a story, with the result that it will attract attention and exacerbate emotions. But I have also learned that most good journalists will verify their facts and strive to print the truth even on pain of losing a story that stirs, excites, and sells. I have also learned that some reporters and editors will retract a story which distorts or gives the wrong impression and at least one will do it in larger headlines and in a superior position than the original

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distorted report. I am glad to salute and thank these professional journalists who set high standards for their profession and thereby safeguard the truth.

I am especially grateful to Lee Quarnstrom, an able reporter for the Watsonville Register-Pajaronian, which is consistently critical of my record and has always endorsed my opponents, but who, without my knowledge, wrote to Newsweek to take exception to their report which published the erroneous statement and attributed it to me. I am also grateful to many of my colleagues who have expressed their disapproval of the various articles and offered to help rectify the distorted attribution to me.

Because the news media has such wide coverage and such enormous power—and their victims have none—they also have commensurate responsibility for seeking and publishing the truth. I am convinced that most people in the news media understand their power, recognize their responsibility, and conscientiously strive to maintain professional standards among their colleagues.

The articles follows:

House of Representatives,
Washington, D.C.

To the Editor: In the course of the recent national crisis caused by the need to re-settle a number of refugee Vietnamese. I issued a statement to the people of our District which said, in part:

"Humanitarian considerations require that we accept this responsibility. . . ."

I was confident that my feelings in this matter were made clear by this statement, and I still believe that they were.

However, in the tradition of America, and as the First Amendment gives every American the right to do, the people of the 16th District expressed to me, through the various media of communications, their individual feelings about this matter.

When asked to do so by the correspondent of a national news outlet, I gave a sampling of the opinions of our people as expressed to me via mail and telephone. Unfortunately, one of these opinions was couched in words which contained profanity, and the substance of which has been interpreted by some as reflecting racial bias.

The fault for this release of another person's opinion on this matter is mine. I accept full responsibility for it. However, I still firmly believe that this single opinion does not reflect the feeling of the District as a whole, and most certainly does not reflect my feeling on the matter.

Let me also say, that with all other Americans of good will, I stand just as firmly with the belief that the right to free speech is the inalienable privilege of every man, even though the sentiments he expresses may be misguided.

Burt Talcott,
U.S. Congressman.

Talcott Quote Misreported; South Vietnam Refugees Not Slurred

(By Gil Bailey)

Washington.—A racial slur concerning Vietnamese refugees is being wrongly attributed to Rep. Burt Talcott (R-Salinas) an investigation by the Mercury Washington Bureau has disclosed.

The slur charges grew out of a relatively brief interview given CBS radio and a telephone interview given the Los Angeles Times. In both cases, misleading editing may have contributed to the impression of a racial slur. Talcott on Monday was asked about his congressional district's and California's reaction to the Vietnamese refugees.

In the radio quote, Talcott said the Vietnamese should be made "comfortable" and then recounted a conversation he said he held with Gov. Edmund G. Brown Jr. a week ago Friday in which Talcott said Brown expressed fears of Orientals "gravitating" towards California.

Talcott said he then urged the governor to take a more "positive attitude."

"I didn't see any racial overtones in it at all," the CBS interviewer told the Mercury Washington Bureau.

In the case of the times story, which was picked up by the Associated Press, Talcott was asked about his district's reaction.

"Generally, my district was more positive, understanding and compassionate than some other areas," he told the Times.

Then, continuing to relate the expressions of his district, Talcott, quoting some of those reactions, added:

"But there is another feeling that, damn it, we have too many Orientals. If they all gravitate to California, the tax and welfare rolls will get overburdened, and we already have our share of illegal aliens."

The Times and CBS interviews took place Monday.

Talcott was interviewed the Friday before by the Mercury Washington Bureau.

In response to a question, he said that his office had reported, as had the offices of Reps. Norman Mineta (D-San Jose), Don Edwards (D-San Jose), and Fortney Stark (D-Alameda County), adverse reactions to the refugees with some racial overtones.

Then, Talcott urged the people of his district to aid the Vietnamese.

"They (the people of his district) ought not to be fearful. The Vietnamese have always been the most delightful of people. We have to care a little about them," Talcott said.

As a result of the Los Angeles Times story and the quotes carried by CBS radio and the Associated Press stories Talcott has come under sharp personal attack for a "racial slur." Telegrams have been sent to his office demanding his resignation and the Japanese American Citizens League has asked for a retraction.

In addition, Talcott was sharply questioned about the Los Angeles Times story by Rep. Mineta at Monday's California House caucus. Mineta is of Japanese descent.

However, Mineta too has noted the racial overtones of some of the reaction to the refugees.

Talcott, in a statement on the attacks, noted that he had said, "humanitarian considerations require that we accept this responsibility (of taking care of the Vietnamese refugees)."

He added, "When asked to do so by the correspondent of a national news outlet, I gave a sampling of the opinions of our people as expressed to me via mail and telephone. Unfortunately one of these opinions was couched in words which contained profanity, and the substance of which has been interpreted by some as reflecting racial bias."

MISS MARGARET KINDRED: DEDICATED EDUCATOR

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. LAGOMARSINO. Mr. Speaker, on this occasion, I wish to comment about the dedicated efforts and many years of excellent public service rendered to the people of my congressional district by Miss Margaret Kindred, superintendent of the Hope School District in Santa Barbara, Calif. After 40 years of service in the crucial field of education, Miss Kindred is retiring.

Miss Kindred's participation in education started in a little red schoolhouse and continued through the years of expansion following World War II and into the final quarter of this century. During that time, the profile of education has changed dramatically in the United States. But the profile of education she has maintained during her many years of service throughout California as teacher and administrator have always remained excellent. During her tenure in the Hope School District, for the past 14 years, the students have continuously scored in the top 10 percent of the State achievement tests.

Miss Kindred was born in Madrid, Iowa, on October 3, 1914, and attended a one room schoolhouse, Pleasant Hill, through 8th grade. She attended high school in Monroe, Iowa. Her family moved to California in 1930. She graduated from Downey High School in 1931, from Fullerton Junior College in 1933, and Santa Barbara State College in 1935.

Her teaching career began in Tepusquet, in northern Santa Barbara County when she was 20 years old. She subsequently taught at Point Arguello Light House Station, Honda, Point Conception Light House Station, Cold Spring, Simi, and Mill in Ventura County.

In 1946, she came to Hope School in Santa Barbara where she served as a teacher, as principal, and in 1961, as superintendent.

She attended summer schools at Santa Barbara State College, Berkeley, Harvard, Redlands, Wayne State University, Detroit, San Francisco State University, the University of Southern California, and the Early Childhood Education Workshop in San Diego.

She served as president of the Santa Barbara County Teachers Association, as secretary of the California Elementary School Administrators Association, southern section, president of the California School Administrators Chapter 100. She is a life member of the NEA and the National PTA.

She is the recipient of the Freedom Foundation Benjamin Franklin Medal honoring Hope School 1967, for outstanding achievement in bringing about a better understanding of the American way of life.

March 14, 1975, was designated "Miss Kindred Day" by Hope School PTA. Her guiding hand both as an educator and as an administrator will certainly be missed at Hope School, but the strong foundation and forceful momentum for quality education will long endure.

NEED FOR HIGH NATURAL GAS PRIORITY FOR IRRIGATION

HON. GEORGE H. MAHON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. MAHON. Mr. Speaker, over a period of months I have joined with citi-

zens of the Panhandle-Plains of Texas as well as others from the Southwest region of the United States in opposition to a proposed change by the Federal Power Commission in the priority category of natural gas used for irrigation purposes.

In an administrative hearing called by the FPC to investigate certain issues pertaining to this ruling, southwest lawyers have presented a strong case illustrating the devastating impact such a change would have on irrigated areas throughout the country which depend on natural gas to pump the water for their crops. I joined with others in insisting that a series of hearings be held in the field so that a large amount of evidence on the dramatic effects of this ruling could be entered into the Record. These field hearings which were held in Phoenix, Ariz., Albuquerque, N. Mex., and Lubbock, Tex., were concluded during the week of May 12.

If the proposed FPC change is put into operation farmers will be confronted with an intolerable situation that will have disastrous consequences impacting heavily on our national program of maximum agricultural production for domestic purposes and for international trade.

The Texas Legislature on April 18, 1975, passed a strong resolution in opposition to the proposed change which I am pleased to place in the Record at this point. It is hoped that the Federal Power Commission will act favorably upon the recommendations which have been made by the people of Texas. The resolution was signed by Hon. W. P. Hobby, president of the Texas Senate and Hon. Bill Clayton, Speaker of the Texas House.

The resolution follows:

Senate Concurrent Resolution

Whereas, Natural gas has been used as a fuel for irrigation engines in the Panhandle and South Plains of Texas for a number of years and is the most economical and readily available fuel in this area of the state; and

Whereas, Natural gas is transported to more than 50,000 irrigation wells in the Panhandle and South Plains of Texas by an extensive network of underground pipelines, many of which have been laid by the irrigation farmers themselves at an average cost of approximately $1,000 per well; and

Whereas, The irrigation belt of the Panhandle and South Plains of Texas produces an extraordinary amount of food and fiber products, most of which could not be produced without irrigation and the use of natural gas as a fuel to power the irrigation engines; and

Whereas, Currently no other fuel is available in sufficient quantities to furnish power for irrigation engines, and it would not be economically feasible to modify existing equipment for the transportation, storage, and use of any alternative fuel made available at a later date; and

Whereas, The Federal Power Commission on December 19, 1974, rendered Opinion 697-A in Docket RP72-6 changing the priority of natural gas for irrigation purposes from a No. 2 commercial priority to a No. 3 industrial priority, which for all practical purposes made natural gas unavailable for irrigation equipment; and

Whereas, This potentially disastrous ruling was made by the Federal Power Commission without providing notice to the farmers of the Panhandle and South Plains area and without providing an opportunity for them to present evidence or testimony to the commission on this very important matter; and

Whereas, The Plains Irrigation Gas Users Association, on behalf of affected member farmers, has filed a motion for leave to intervene in the aforementioned docket number and a motion to restore natural gas for irrigation purposes to a No. 2 commercial priority; both motions are still pending before the Federal Power Commission; now, therefore, be it

Resolved. By the Senate of the State of Texas, the House of Representatives concurring, that the 64th Legislature hereby respectfully memorialize the Congress of the United States to instruct the Federal Power Commission to restore natural gas or irrigation purposes to a No. 2 commercial priority before there is extensive and lasting damage to the economy of the Panhandle and South Plains of Texas and serious disruption of the national economy; and, be it further

Resolved, That official copies of this resolution be prepared and forwarded to the President of the United States, to the President of the Senate and the Speaker of the House of Representatives of the United States Congress, and to all members of the Texas delegation of the Congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America; and, be it further

Resolved, That official copies of this resolution also be prepared and forwarded to the Federal Power Commission as an expression of the views of the 64th Legislature of the State of Texas.

W. P. Hobby.
President of the Senate.
Bill Clayton,
Speaker of the House.

REVISION OF HEALTH RESEARCH AUTHORITIES

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1975

Mr. ROGERS. Mr. Speaker, on May 15, I and most of the members of the Subcommittee on Health and the Environment, Mr. Peyser, Mr. Symington, Mr. Carney, Mr. Scheuer, Mr. Waxman, Mr. Hefner, Mr. Florio, Mr. Maguire, Mr. Carter, Mr. Broyhill, Mr. Hastings, and Mr. Heinz have introduced legislation which would:

First. Extend with revisions, the existing programs established under the National Heart, Lung, and Blood Act.

Second. Extend, with minor revisions, the National Research Act, which authorizes awards for biomedical and behavioral research and training;

Third. Authorize a limited exemption for disclosure of research information contained by the Secretary of HEW in connection with application for a grant, fellowship or contract; and

Fourth. Replace the existing authority for screening, counseling, treatment, research and information programs, and education programs for sickle cell anemia and Cooley's anemia with a new general authority authorizing a national program with respect to all genetic diseases, including, but not limited to, sickle cell anemia, Cooley's anemia, and Tay-Sachs disease.

A summary of the bill follows:

Title I. This title extends for two years, authority of HEW to conduct research, experiments and demonstration programs with respect to heart, lung, blood and blood vessel diseases. The only major substantive revisions in existing law are provisions that provide explicit authority for the National Heart and Lung Institute to conduct programs with respect to the use of blood products and the management of blood resources and a provision authorizing the Heart and Lung Institute to hire 50 experts and consultants.

The bill would extend the existing authority for prevention and control programs of $20 million for fiscal year 1976 and $30 million for fiscal year 1977. It extends authorizations for the National Heart, Blood Vessel. Lung and Blood Disease and Blood Resources Program at $375 million for fiscal year 1976 and $425 million for fiscal year 1977.

The fiscal year 1975 authorization for prevention and control programs is $45 million; the FY 75 authorization for the overall Program (excluding prevention and control) is $475 million. The total FY 75 appropriation for these two programs was $324 million. HEW estimates that $19.9 million of this amount was spent for prevention and control programs.

Title II: This title extends, for two years, at existing authorization levels, the program enacted last year which provided explicit authority for HEW to provide awards for biomedical research and training.

The authorization for fiscal year 1975 was $207,947,000; the obligation was $155,400,000.

The amendments to the existing authority are technical in nature.

Title III: This title would authorize a limited authority to the Secretary of HEW to withhold information contained in research protocols, hypotheses and designs submitted in connection with an application for a grant, fellowship or contract under the Public Health Service Act from public disclosure until twelve months after the application was approved, except in cases in which the information involves research on human subjects.

On November 6, 1973, the U.S. District Court for the District of Columbia in *Washington Research Project, Inc.* v. *Department of Health, Education and Welfare* ordered that certain documents submitted to HEW should be made available for inspection and copying. The documents sought were: approved grant applications, site visit reports, summary opinions ("pink sheets"), interim reports and renewal applications.

On September 12, 1974, the United States Court of Appeals for the District of Columbia Circuit reversed the lower court on two counts, holding that site visit reports, summary opinions and interim reports were "evaluative" and not subject to disclosure, but upheld the lower court's finding concerning release to the public of research designs submitted in grant applications.

Title III seeks to resolve the competing differences between many members of the research community who believe that a scientist's ideas are his stock-in-trade which deserve protection from plagarism, and several public interest groups, which are especially concerned that research protocols involving human subjects be disclosed upon request. This is a controversial subject and I am not wedded to the provisions of Title III. I do believe, however, that this matter deserves a hearing and consideration by the Subcommittee on Health and the Environment, and, thus it is included in this bill in order that the issues may be aired.

Title IV: This title would extend the existing authority of the Secretary of HEW to establish sickle cell and Cooley's anemia testing, counseling, research and education programs to all genetic diseases. It would provide authority for the establishment and operation of voluntary genetic testing and counseling programs, primarily through ex-

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isting health programs such as family planning projects and programs in maternal and child health funded under title V of the Social Security Act. It would provide for the establishment of an administrative unit within HEW to carry out a program to develop information and educational materials on the diagnosis, treatment and counseling of genetic diseases. The title would authorize $20 million for fiscal year 1976, and $25 million for fiscal year 1977 for grants and contracts for testing and counseling programs and the development of information and educational materials.

The title would also authorize projects for research and research training in genetic diseases, the training of genetic counselors, social and behavioral scientists and the education of practicing health professionals and the public with respect to genetic diseases.

Hearings are scheduled on this legislation Tuesday, Wednesday, and Thursday, May 20, 21, and 22.

HEARINGS ON H.R. 3000, AMENDMENT TO THE HATCH ACT

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mrs. SPELLMAN. Mr. Speaker, recently the Subcommittee on Employee Political Rights and Intergovernmental Programs held public hearings on H.R. 3000, an amendment to the Hatch Act, in my own Fifth Congressional District of Maryland. I would like to share with my colleagues the remarks of Mr. Gaither L. Boliek, Jr., of 10514 Edgemont Drive, Adelphi, Md. Mr. Boliek is an employee of the Navy Department, and his interesting testimony was most helpful and informative to the members of the subcommittee.

His statement follows:

TESTIMONY OF GAITHER L. BOLIEK, JR.

My name is Gaither L. Boliek, Jr., and I am currently employed as a civilian employee by the U.S. Naval Surface Weapon Center located at White Oak, Silver Spring, Maryland. My testimony is my own personal opinion.

I would like first to express my gratitude to the 25 sponsors of this bill, and especially to my Congresswoman, Mrs. Gladys N. Spellman, who invited me to testify before this Subcommittee.

I strongly support amending the Hatch Act to eliminate its long standing restrictions on partisan political activities of government employees. On the other hand I urge retention of the Act's provisions prohibiting Federal employees from coercing or intimidating their subordinates in political matters.

The Act's restrictions on political activities have, over the years, become an instrument of intimidation where many Federal employees won't even vote for fear of breaking the law. I know some who even fear the political activity by members of their family violates the Hatch Act. This may not be the direct fault of the law, but it is the reality that proceeds from the law. It amounts to disfranchisement. Again, I urge the elimination of those parts of the Hatch Act forbidding partisan political activities of government employees.

Returning to a consideration of that part of the Hatch Act which forbids superiors to coerce or intimidate their subordinates, it is eminently clear that such provisions must be retained. This preserves inviolate the Federal employee's freedom of choice to support and vote for the candidate he feels most worthy of his vote. What political right could be more elementary in our participatory democracy!

However, this testimony will be of little consequence if the U.S. Civil Service continues to allow government agencies to ruthlessly manipulate the existing laws. I appeal to this distinguished Committee to investigate existing inequities.

I urge this Committee to promote vigorously H.R. 3000.

THE STUDENT STRUGGLE FOR SOVIET JEWRY

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. WOLFF. Mr. Speaker, we in the Congress are well aware of the persecution of Jews in the Soviet Union. The details of the plight of specific individuals, however, are not so widely known.

Marina Tiemkin is a 15-year-old teenager in the Soviet Union. The Student Struggle for Soviet Jewry has written a description of the mistreatment Marina has suffered as a consequence of her expressed desire to emigrate. At this point, I would like to enter into the RECORD the Student Struggle's statement regarding her plight. I commend it to my colleagues.

THE STRUGGLE FOR SOVIET JEWRY

On a cold day in February 1973, 14-year-old Marina Tiemkin was forcibly kidnapped from her home by Moscow police. While her father protested angrily, Marina was taken kicking and screaming, without hat or coat, to a waiting car. Her captors beat her as they dragged her down the stairs.

For some time no one knew where Marina was. Soviet authorities refused to tell. Though her parents lived in the same apartment, they are divorced, and her mother refused to have anything to do with Marina because Marina wanted to go to Israel.

Finally, at the end of March, Marina called her father, Alexander Tiemkin. She'd been flown to Orlenok, a "Pioneer" youth camp near the Black Sea for "re-education." She had succeeded in slipping away from the group for a few minutes and managed to phone. Alexander, who is a PhD in physics and mathematics, travelled immediately down to the camp and succeeded in seeing her alone for a few minutes before being discovered by camp officials. Marina was amazed to hear that her eight letters to her father had all been stopped. "They didn't allow me to phone," she said. "They told me the mail was working normally."

Marina staged a four-day hunger strike when she arrived at the camp, but was forced to carry on with camp activities nevertheless. "If you suffer a little, it's nothing," the camp director told her. "He's a real sadist," Marina told her father. Marina was the only Jew in the camp, which specializes in Soviet doctrine and military-type activities. "G-d forbid what an attitude to Jews they have here," she declared.

Alexander went to ask for help from the principal of the special French school Marina attended in Moscow, and was told that "Marina is being saved from your influence so that she should be brought up as a Soviet girl". In the camp Marina was constantly watched; her letters were intercepted: and she was under great pressure to forget her Jewish heritage and desire to go to Israel.

Marina's problems began in April 1972 when her father applied for permission to emigrate to Israel. Her mother, Maya Markovna Raiskaya, a child psychiatrist, agreed reluctantly at first, but later felt that her job as a senior scientific worker at a branch of the Moscow Academy of Educational Sciences would be jeopardized if her daughter left for Israel. Her threats and insults against her daughter grew more serious and at one point a district department of education suggested that she give her daughter to the State since she could not cope with her.

In May 1972, despite her mother's wishes, permission was granted to Marina and her father to leave for Israel on October 19th. When they went to pick up their visas, however, they were told a visa had been issued only for her father. Three weeks later, Marina and her father were snatched from the street by the Moscow police and detained for seven hours. During this time, they were told a hearing was set for November 9th, and that the court had decided to return Marina to her mother's custody. The court wished to "restrict Tiemkin's participating in the upbringing of his daughter" because he is "a bad influence".

Alexander appealed this decision, but on January 17, 1973 lost. The judge stated that there was no doubt that Alexander was a loving father, but that his Zionist activities and efforts to emigrate to Israel proved he was an anti-social influence. The judge based her decision on three points of "evidence": that Marina ate matzah on Passover, that she refused to wear her Pioneer tie to school, and that she considers herself an Israeli citizen.

In September 1973, Prof. Tiemkin was given a choice by the KGB: either be sentenced to a labor camp on the trumped-up charge of "parasitism" or leave the U.S.S.R. Since arriving in Israel, he has continued his vigorous campaign for Marina's release. Tiemkin has learned from eyewitnesses that after his expulsion from the Soviet Union, Marina was brought back to Moscow and was put into a psychiatric hospital for a time, where she was treated with drugs to break her will.

Marina is now kept by her mother. Dr. Tiemkin has written to S.S.S.J. stating: "Each morning Marina is accompanied by her mother to school. After school she is accompanied home by her mother's mother, who guards her until Rayskaya returns. No doubt in school teachers and maybe children spy on Marina. Marina can't even phone our friends, or my mother, and can't meet with them. It is absolutely impossible to isolate Marina without the help of the KGB."

Marina herself has written, "I want to live in my Homeland, to speak Hebrew, to study our history. . . . I am a Jewess and cannot live without Israel. Please help me!"

NUCLEAR POWER BENEFICIAL TO ALL AMERICANS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. BIAGGI. Mr. Speaker, nuclear energy has been held up by its critics as the boogey man of the electrical power generation industry. Fears of mass destruction by the explosion of such plants or the seepage of nuclear materials into water supplies are foisted on an unsuspecting public, with few counter arguments presented, the public is ready to believe the worst about a substance associated with war and destruction.

However, nuclear power can be safe, effective, and economical. The risk of the plant being destroyed or the nuclear materials leaking out are less than minimal. Far greater damage will be done by the pollution of the air from fossil fuel burning plants.

At a time when we are concerned with the high cost of electricity and with the need to cut back on our foreign oil imports, I am pleased to note the great benefits that nuclear energy has over fossil fuels. Consolidated Edison, which operates nuclear powerplants at Indian Point that generate electricity for New York City, recently issued a report on the amount of fuel and dollars saved through the use of nuclear fuel.

So that my colleagues might have a better understanding of the great benefits to be derived from nuclear powerplants, I am enclosing the Con Ed report at this point in the RECORD:

INDIAN POINT OIL SAVINGS

During the week ending May 10, 1975 Indian Point Unit 2 generated 115 million kilowatthours from nuclear fuel, thereby saving 234 thousand barrels of oil. This resulted in a fuel cost saving of $3,086,000—including rates and charges and sales tax—which is passed on to our customers through the operation of the fuel rider. Excluding rates and charges and sales tax, the savings for the week amounted to $2,706,000.

In the period January 1, 1975 through May 10, 1975 Indian Point Unit 2 generated 1,490 million kilowatthours from nuclear fuel, thereby saving 3,037 thousand barrels of oil. This resulted in a fuel cost saving of $40,041,000—including rates and charges and sales tax—which is passed on to our customers through the operation of the fuel rider. Excluding rates and charges and sales tax, the savings for this period amounted to $35,107,000.

During 1974, Indian Point Units 1 and 2 generated 4,065,276,000 kilowatthours from nuclear fuel, thereby saving 8,925,000 barrels of oil. This resulted in a fuel cost saving of almost $110 million—including rates and charges and sales tax—which is passed on directly to our customers through the operation of the fuel rider. Indian Point savings during 1974 excluding rates and charges and sales tax amounted to over $95 million.

Commencing with this report, fuel cost savings will include rates and charges and sales-tax to reflect more accurately the savings at the customers' level.

RULING ON AN AMENDMENT

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. CRANE. Mr. Speaker, I am appearing before the House Rules Committee this afternoon to request ruling that an amendment to the Energy Conservation and Conversion Act of 1975 which I am introducing today is germane and is appropriate for consideration by the House of Representatives. I am introducing this amendment with the support of Governors of the 50 States, so that moneys from the energy trust fund established by this bill may be diverted to the States as partial compensation for revenue losses resulting from the additional taxes imposed by this bill.

The amendment will be added to the section authorizing expenditures from the trust fund. I introduced the amendment in the Ways and Means Committee, but it was defeated.

My amendment is necessary to help offset some of the losses States will experience as a result of this bill. The bill as presently drafted is projected to increase Federal revenues by $4.8 billion in 1976 and $7.8 billion in 1980 while reducing gasoline consumption by imposing an excessive gasoline tax. The result of decreased gasoline consumption as estimated by the Illinois Department of Transportation will be total State gasoline tax revenue losses for the 50 States of $1.5 billion in 1976, $3.8 billion in 1980, and $5.8 billion in 1985. It is inappropriate for us to permit this bill to become law in such a form that individuals will be taxed twice—first by this bill itself and second by the States to offset the losses created by this bill.

The total effect by 1980 will be to increase State and Federal taxes by as much as $11.6 billion, unless the energy trust fund moneys are shared with the States. The purpose of this bill was to conserve energy and not to raise revenues by unreasonably taxing the already overtaxed, hardworking middle class.

The only States which will receive reduced gasoline tax revenues as a result of this bill will be those States that conserve energy. We must not penalize States for conserving energy. The text of the amendment that I intend to introduce, if ruled appropriate and germane by the Rules Committee, is as follows:

AMENDMENTS TO H.R. 6860

Page 96, line 25, strike out "and".

Page 97, line 10, strike out the period and insert "; and ".

Page 97, after line 10, insert:

"(5) payments to States to replace State tax revenues lost because of decreased use of gasoline and special fuels resulting from the imposition of the taxes provided by sections 4086 and 4051 of the Internal Revenue Code of 1954, as added by this Act."

THE SAIGON TYRANTS

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. ANNUNZIO. Mr. Speaker, I would like to call to the attention of my colleagues an editorial that appeared in the May 19 edition of the Savannah Evening Press with reference to "The Saigon Tyrants," which outlines the Communist elimination of a free press in South Vietnam.

About 10 days ago I called to the attention of my colleagues an editorial from the Wall Street Journal about the death of the South Vietnamese Confederation of Trade Unions and the process by which the free trade labor movement in South Vietnam was being systematically destroyed.

It is apparent from these articles, and from the reports now filtering back to us from Saigon, that the free trade labor movement was the first to go, once the Communists took over; and now, the free newspapers have been shut down and the free news media have been silenced.

It has been reported that after Ho Chi Minh's birthday on May 19, it will be forbidden to buy or sell Western books of any kind. Already, all but one of Saigon's 51 cinemas have been closed, and no foreign newspapers or magazines have been permitted since the fall of the city.

These totalitarian acts follow rapidly—one after the other—and individual liberties once taken for granted are fast being eroded by the new Communist rulers. The editorial from the Savannah Evening Press follows:

THE SAIGON TYRANTS

When former President Thieu of South Vietnam engaged in reprisals against newspapers opposed to his regime, American critics assailed him as corrupt and a foe of freedom of the press.

One of the first actions of the new Communist rulers of South Vietnam was to shut down newspapers and muzzle the other news media in Saigon. Now a government-controlled newspaper and government radio blast propaganda around the clock and the public gets no news at all.

At least the South Vietnamese under Thieu had some newspapers independent of government control and some source of information other than propaganda broadcasts.

But those who used to call Thieu a tyrant for battling the opposition press haven't said one critical word about the Communists' elimination of a free press in South Vietnam.

"HEALTH PLUS"

HON. L. A. (SKIP) BAFALIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. BAFALIS. Mr. Speaker, I would like to take this opportunity to share with you an outstanding example of what local initiative can do to fulfill the needs of our senior citizens with only a minimum of governmental assistance.

Charlotte County Health Plus Community Action, Inc., a nonprofit volunteer organization, is known locally as Health Plus, Inc. This organization's goal is to see that no senior citizen will ever go to bed hungry or neglected—and with the tremendous local support for Health Plus that goal is closer every day. It has been estimated the projects sponsored by Health Plus would normally have cost the Federal Government $35,000. Yet, last year they only asked for $9,600 since the balance of their $44,000 budget was obtained from local contributions. Furthermore, the need for qualified staffers and directors is being filled by competent and dedicated volunteers at no cost to the organization.

The "Adopt a Grandparent" project which Health Plus has sponsored is a prime example of this effort. Through cooperation with local schools, Health Plus has set up a program under which local youth volunteer to spend time with senior citizens. The youths wash windows, weed, and do other household chores which their adopted "grandparent" is unable to perform. I feel this is a most innovative way to bridge the generation gap while providing the senior

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citizens with assistance they need desperately but do not have the financial resources to pay for.

Health Plus has initiated many other fine programs and continues to innovate in hopes of continually improving their service to the community. It is a fresh example of how local resources can be mobilized to attack the problems of senior citizens at little expense to the Federal Treasury.

MORE IOWANS FORCED TO THE RANKS OF UNEMPLOYED

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. GRASSLEY. Mr. Speaker, in the few short months I have served as a Member of Congress, two industries in the Third Congressional District of Iowa have been compelled by Federal regulations to close their doors, thereby adding more Iowans to the ranks of the unemployed.

Some 1,300 employees of the Mason City, Iowa, Armour & Co. meatpacking plant will soon be out of work as a result of Department of Agriculture and Environmental Protection Agency orders requiring plant alterations in excess of $1.5 million. As the company cannot afford to make such alterations, it has shrugged its shoulders and will soon leave Mason City.

It is with disbelief and deep regret that I have received word that another Iowa industry will be forced to close as it cannot meet stringent Federal air pollution control and safety guidelines promulgated by the Occupational Safety and Health Administration and the Environmental Protection Agency. In this instance, the Headford Brothers and Hitchins Foundry of Waterloo, Iowa, employing 70 persons, has determined that it cannot afford the cost of installing pollution equipment on the cupola of the foundry's melt department.

One of my constituents whose husband has been with the foundry for more than 30 years advises me that some of the unemployed with such service do not have retirement plans, which compounds the pain of Government-induced unemployment.

Mr. Speaker, an article appearing in the May 13 edition of the Waterloo Courier and an editorial in the May 15 edition of the same newspaper provide a detailed examination into the perils private enterprise must undergo in doing battle with Federal bureaucrats. The articles are an excellent commentary on how Federal regulations are increasing the size of our unemployment rolls at the precise moment Congress is asked to create more jobs in both the private and public sectors. I would encourage my colleagues to give their earnest attention to the message contained in these sad but true reports:

FOUNDRY TO CLOSE; FEDERAL RULE CITED

Inability to satisfy federal air pollution control and safety guidelines is forcing the closing of the Headford-Brothers & Hitchins Foundry, company officials said Tuesday.

"We'll pour our last iron on May 30," Wes Cole, executive vice president of the 87-year-old firm, said.

W. E. Niedert, company president, said that it would cost more than the net worth of the company to meet the air quality standards and "an equal amount" to satisfy federal requirements under the Occupational Safety and Health Act.

Cole eatimated cost of installing pollution equipment on the cupola for the foundry's melt department alone would be $250,000.

The foundry at 607 Cleveland St. was founded in 1888 and employs 70 people.

Federal air standards are enforced by the Iowa Air Pollution Control Commission, which is a branch of the Department of Environmental Quality.

Headford Brothers was granted variance from the federal standards by the commission over a year ago, according to Cole. That variance expires May 31.

"We were given the time to come up with some sort of a solution to meet the standards, but we have not been able to do so," Cole said.

Among the options considered were to install pollution equipment, convert to an electric melting system, or discontinue melting altogether, according to Niedert.

"The board of directors decided that we just couldn't afford to spend the money required. Even if we had, we had no assurances that the federal agency wouldn't change the regulations. We may have apent half the money and then discovered that it was wasted," Niedert said.

He added the closing comes at a time when the firm "is probably in the best financial shape it has been in its 87-year history."

Niedert said that the company's melting department operates only three to four hours per day.

"We just don't feel that this small amount of operation justifies the expenditure of the amount of money necessary to meet the federal standards, not only for us but by any small company."

Niedert said that company officials had contacted the regional office of the federal Environmental Protection Agency, asking whether another extension might be granted or whether the requirements might be changed.

"They didn't give us any direct answer, anything we could operate on," Niedert said.

Niedert also said the foundry has never been inspected by federal or state officials concerning either pollution emission or safety standards.

"That's not the way they operate. They just set the standards, and we have to meet them," Niedert said.

He added that the company at one time had decided on a type of emission control to be installed. "Then we found out that the system had caused some explosions in other parts of the country," he said.

"This is a relatively new field, and people don't really know what they're doing or where they're going."

Niedert said that the company planned to sell the equipment and had "three or four" inquiries as to purchasing the building.

The firm's main customers are International Harvester Co. of Canton, Ill., Cedar Rapids Engineering, and Aurora Pump Co. of Aurora, Ill.

DOES IT MATTER THAT BIG BROTHER KILLED A FOUNDRY?

In the national scheme of things, the closing of Headford Brothers & Hitchins Foundry at the end of this month will have scant if any impact.

No matter that the firm's 70 employes will be out of work. No matter that a $750,000 annual payroll will be lost to the Waterloo area.

Rather, chalk up a victory for federal bureaucrats in the Environmental Protection Agency (EPA) and others who administer the Occupational Safety and Health Act (OSHA). And don't forget to give Congress some credit for abdicating to these bureaucrats the power to make rules with the force of law.

Headford Brothers officials say the firm's inability to meet federal air pollution control and worker safety standards at a cost the foundry can afford is largely responsible for the decision to go out of business.

If they care at all, the feds may acknowledge that the closing is regrettable.

And they may say the same about more than 500 other similar foundries across the nation which have closed in the past five years. Most have attributed their deaths to inability to generate capital to meet federal pollution and safety standards.

But after all, Big Brother wants all Americans to breathe perfectly clean air and to work in conditions of perfect safety. Aren't these goals more important than whether some small and moderate size firms give up the ghost?

No matter that Headford Brothers has operated its cupola for a normal maximum of only three hours a day for nearly 40 years but still must meet the same pollution control standards as many larger firms which operate cupolas 16 hours or more a day.

No matter that the EPA is imposing the same standards on firms in relatively sparsely populated areas such as Waterloo as it imposes on those in densely populated metropolitan areas such as Chicago and Pittsburgh—where extremely rigid pollution control requirements well may be justified.

No matter that this Waterloo foundry is closing amid a sharp national economic recession.

No matter that President Ford has called for relaxation of environmental standards in order to assist long-term economic recovery, only to meet EPA resistance.

No matter that the EPA probably would be hard put to show that Headford Brothers has been harming the health of Waterloo area residents.

No matter that Headford Brothers already has spent about $35,000 trying to meet OSHA standards but now has concluded that an entirely new foundry building would be needed. ("And even then we might not meet the standards," says the firm's president, W. E. Niedert.)

Nope, all that matters is that a firm which admittedly is not meeting Big Bother's concept of what is best for its employes and the citizens of the Waterloo area ceases its "violations."

Granted, Headford Brothers' 70 employes will be standing in the unemployment lines. They might prefer jobs and full stomachs to cleaner air and tighter work safety rules.

But compared with all-wise Big Brother, what do they know?

MIDLOTHIAN (ILL.) FIRE DEPARTMENT WILL CELEBRATE ITS 50TH YEAR OF SERVICE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. DERWINSKI. Mr. Speaker, on Saturday, May 24th, the Midlothian (Ill.) Fire Department will celebrate its 50th year of service to the Village of Midlothian. Midlothian, located south of Chicago, has always been distinguished as a progressive community which is exemplified by the outstanding service performed by its fire department.

The present chief, Frank Wiswell, has been with the fire department since 1930. Under his leadership, the force of 37 men of which 26 are volunteers, provide a valuable service to their community in many other fields as well as firefighting. These dedicated firemen are active in assisting their fellowman in all types of emergencies such as performing ambulance, rescue, and first-aid service to the citizens of Midlothian.

The history of the Midlothian Fire Department dates back to January 1925, when it was established by the Civic Development Association of Midlothian. This first department was composed of 37 men under the direction of its first appointed chief, Charles Batzel. At that time, the department rendered service to a population of less than 1,000 as compared to the present populous of Midlothian of approximately 16,000.

Let us not forget the dedication and valor exhibited by these firemen who are always ready to serve their community in the best of American tradition.

TALCOTT REVEALS AFFECTS OF ILLEGAL ALIENS ON 16TH DISTRICT JOBS AND PUBLIC SERVICES

HON. BURT L. TALCOTT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. TALCOTT. Mr. Speaker, the illegal alien problem is a national concern, as we all know. However, it is particularly severe in certain areas of the country, including my State of California.

I would like to offer some statistics that show the enormity of the illegal alien problem.

First of all, with respect to jobs, it has been estimated by the Immigration and Naturalization Service that at least 13,000 jobs in my district are presently being taken by illegal aliens. At peak harvest times the figure may increase to at least 23,000.

Mr. Speaker, these are jobs that our poor and unemployed desperately need; Vietnam vets, senior citizens, and unskilled minorities all need these jobs. The Congress must take decisive action that will assure that these jobs are made available to those legally entitled to work.

One of many hidden costs of illegal aliens is the public services that the illegals utilize. The largest such cost is probably medical care. For instance, in Monterey County alone, over $300,000 is being spent annually on health services for the illegals. Another $75,000 is being spent on other public services, including law enforcement activities.

Mr. Speaker, the diversion of public services to those illegally in America again strikes hardest at the poor, the disabled, and the elderly—those who need public services the most; and when law enforcement resources are spent on illegals, it affects adversely the public safety of all of those legally in the United States.

The immense impact of illegal aliens on the job market and public services in my area is multiplied nationwide. We cannot allow this situation to continue. I again urge the Congress to act speedily to approve workable, effective legislation to give jobs and public services back to those who are entitled to them.

ADDED IMPETUS FOR 200-MILE FISH JURISDICTION LEGISLATION

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. STUDDS. Mr. Speaker, the lead editorial in this morning's Washington Post recognizes that the Congress will probably pass legislation this year to protect the declining fish stocks off our coasts from excess fishing by foreign fleets. As the primary House sponsor of legislation to extend U.S. jurisdiction over coastal fish from the existing 12 miles to 200 miles off our coasts, I agree with the Washington Post that we can do so in a way that will do minimal damage to the likelihood of gaining an eventual international agreement on a Law of the Sea Treaty. I joint the Post in urging the Executive to show a live concern for the very real economic and resource problem of coastal fisheries, and believe that we can pass legislation to conserve the fish without creating any new international crises. I commend the Washington Post editorial to my colleagues:

PROSPECTS FOR A LAW OF THE SEA

Reports of the death of the Law of the Sea Conference, the United Nations' long-running effort to limit national disputes on, in and under the oceans, are decidedly premature. It may yet turn out that no treaty will be written on national territorial and economic jurisdiction, navigation and the transit of ships, fisheries, deep seabed mining, pollution, research and like issues. At the eight-week conference session just concluded at Geneva, however, at least some progress was made in every area except seabed mining. An "informal single negotiating text," something like a bill, was drafted, and negotiations on it are to resume in New York next March. One cannot be sanguine. But it is unfair to conclude the lack of solid international agreement makes it legitimate or necessary for each nation to go off on its own. This is the only chance the world will have to apply the rule of law to its oceans. As last week's costly chase over the Mayaguez all too amply demonstrated, the alternative is chaos and conflict.

The one area where the United States probably will act unilaterally concerns fisheries. The Law of the Sea Conference had long been on notice that, without an agreement on extending coastal nations' fisheries jurisdiction, the Congress would itself write legislation to extend American fisheries jurisdiction from the existing three miles to 200 miles. The chief offenders here are Russia and Japan, whose large modern fleets have endangered a dozen or more coastal species. The Conference will probably denounce the United States for legislating an extension. But one can expect the denunciation, and the damage of the example, to be limited. For one reason, extension would be consistent with the Conference's developing consensus on a 200-mile economic zone for coastal nations. For another reason, Russia and Japan are widely perceived to be inadequately concerned with proper management and conservation of fisheries resources. There is reason to believe that if the Executive shows a live concern for the very real economic and resource problem of coastal fisheries, the Congress will respond in a way that will do minimal damage to the diplomatic objective of international agreement on a Law of the Sea treaty. In any event, that should be the goal.

That the conference split on deep seabed mining is no less troubling for being expected. The problem is that the United States, the only country with seabed mining technology, wishes to establish a system that will both attract private capital and assure access to the minerals to be extracted, while the poor and land-locked countries, calling the deep seabed the "common heritage" of mankind, want a system ensuring their own control and profit. In the absence of international agreement on this intensely ideological issue, pressure is mounting for another unilateral American move, Deepsea Ventures and Kennecott, the two leading corporations in the business, would have the United States license and protect their proposed operations; this course is favored by their friends in the Interior Department and in Congress and by others fearing a future resource squeeze. But while delay in the matter of fisheries will allow further ravaging of fish stocks, those manganese nodules are in no similar peril. Commerical mining isn't due to begin for more than five years, and plenty of other problems must be straightened out first. In brief, there is both time and diplomatic need to see if the seabed mining gap cannot be narrowed next year.

The United States has the largest and most diverse oceans interests of any nation. Thus we have the greatest need to impose an agreed pattern of law on the seas. At the Conference, a broad consensus has already been achieved on extension of the national territorial sea to 12 miles, on freedom of navigation beyond 12 miles, and on unimpeded transit through the more than 100 straits that would be overlapped by national waters under a 12-mile rule. If a Law of the Sea treaty were already in universal effect, there would have been no incident such as the one that occurred in the Gulf of Siam last week. The gains so far made and those still within reach are too important to be put at risk by unilateral national acts that can be safely deferred.

THE SAVINGS OF 10,000 LIVES

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. FRENZEL. Mr. Speaker, in these times of international disasters and economic follies, some reports of the opposite character, good news, have filtered in from the National Transportation Safety Board.

Nearly 10,000 fewer people died in U.S. transportation accidents in 1974 than in 1973, according to statistics released from the NTSB.

Highway deaths, which represent 90 percent of all transportation fatalities, experienced the largest decline, from 55,500 in 1973 to 46,200 in 1974, a reduction of 9,300 persons. This decrease of 10 percent was the most dramatic one since World War II, and causes an increasingly brightening outlook for motorists on the Nation's travel routes.

The reduction of deaths on the high-

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way was paralleled by reductions in pipeline deaths of 48 percent, recreational boating of 16 percent, and railroads of 13 percent. The declines have occurred principally because of two basic factors. First of all, as gas lines lengthened due to the Arab boycott in 1974, motorists temporarily abandoned their cars, or at least reduced their use. The second factor, which extended through the rest of the year, was the reduction to 55-miles-per-hour speed limit on the Nation's freeways.

If the country had experienced disasters resulting in deaths of 10,000 persons, the news would have been proclaimed far and wide. But, the savings of 10,000 lives caused hardly a ripple in our media.

The saving of 10,000 lives may have been unplanned, and it may have gone largely unnoticed. But, it is nonetheless pleasant and should be here recorded as one of the unpredictable benefits of an otherwise unpleasant energy crisis.

THE TEST OF GREATNESS

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. BRODHEAD. Mr. Speaker, the termination of our involvement in South Vietnam marks the end of years of sacrifice and internal dissension in this country. Mel Ravitz, a distinguished citizen of Detroit, has written a cogent and thoughtful analysis of the aftermath of our tragic involvement in that part of the world. I want to share his thoughts with my colleagues:

THE TEST OF GREATNESS

(By Mel Ravitz)

The recent capture of the last of South Vietnam by the Viet Cong after almost fifteen years of American involvement came as a sobering fact to most of us regardless of the position we held about that war. That event emphasized that the world's strongest military power was beaten back by a small, but determined nation, and forced to evacuate its people. The issue is no longer whether we should or shouldn't have been there. For the last several years it is obvious that most Americans had no stomach for that war, and many are now concluding with admirable hindsight that we should never have entered.

It is not my purpose to reexamine that war or the military and political factors leading to our withdrawal. Rather, I want to consider the American spirit after the fall of Saigon.

When a great and powerful nation experiences the military and political humiliation we have, there are several possible reactions its citizens can manifest: they can rationalize the defeat and point out that we really didn't commit all our resources to winning and that if we had wanted to "show them" we could have done so with one hand tied behind our back. That may or may not be true, but it's certainly a boastful, arrogant reaction that is entirely beside the point.

Another possible reaction is to agree that we were indeed defeated but to blame it on some person or group. This scapegoating device is easy to argue: we could have won the war if it hadn't been for the politicians in Congress or the campus radicals or some other group who somehow restrained our full nuclear commitment.

Still another possible reaction is for citizens to have a reduced confidence in themselves and their country, not because we entered the war but rather because we lost it and retired in disarray.

It seems to me that the true measure of a nation is how it handles defeat. If we either make excuses or brag that we could have won or lose our self-confidence and respect, then indeed we will have lost more than a war. We will have lost our morale and our society will be in mortal danger.

It's long past the time we Americans should have been out of Southeast Asia. Regardless of the circumstances that took us out, we are out. We ought to be glad of that and pleased too with the opportunity to reassess our world position and our domestic circumstances. Without doubt we are still an important political and military power but we have much work to do to recapture the respect we once held. We won't regain that respect by sulking, by scapegoating, by 'showing' them or by self hate. We will regain the world's respect and renew our self respect by attending to the domestic issues we have long neglected: poverty, unemployment, housing, crime, and plight of the cities. Unless they are soon resolved they will give us serious cause for alarm about our substantive and spiritual survival.

COMMUNIST ACTIVITIES AND MR. CHARLES O. PORTER—YET AGAIN

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. McDONALD of Georgia. Mr. Speaker, for those of my colleagues who have been following the tedious series of letters from Mr. Charles O. Porter with regard to his holding an executive position in an important Communist Party, U.S.A. front, the National Committee Against Repressive Legislation—formerly the National Committee to Abolish HUAC/HISC. I insert the most recent message from the former Congressman.

The text of the Porter letter follows:

EUGENE, OREG., *May 14, 1975.*

The Honorable LARRY P. McDONALD,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. McDONALD: I was on the House floor briefly Monday and if I'd had time I would have tried to find you to get a first-hand look at what kind of person you are.

My impression from what I know about from what you have inserted in the Congressional Record and what you have written is not favorable. I have to conclude that the use of the word "honorable" in connection with your name is no more than a formality.

You say you see "no merit in continuing this exchange, and rest upon the material . . ." You do not respond to my suggestion that you make these statements about me outside of the immunity given you by the Congressional Record.

The truth is you know nothing about these allegations. They were prepared for you by some hack in the John Birch Society on the basis of the wildly inaccurate files of the House Internal Security Committee. If you had any confidence in the "documentation" you would not hesitate to respond to my request to make these statements where you could be sued, as you would be, for defamation.

Only one conclusion is possible: You have no honor. You are a disgrace to both your nation and your state.

If you have any other excuse for your conduct, I hope you will communicate it to me. In any event, I manage to get to the floor of the House of Representatives two or three times a year and on one of those occasions I shall have time to seek you out and see for myself how you manage to hold your head up and look me in the eye when I ask you why you let yourself be used for such unworthy purposes.

I'd be glad to have you prove me wrong but I doubt that you'll even try.

Very truly yours,

CHARLES O. PORTER.

It grieves me that Mr. Porter wishes to continue this unusual form of correspondence. As to which of us is honorable, there is no need to add anything further since the clear record of this exchange speaks for itself. I am satisfied with the result and can easily understand Mr. Porter's frustrations.

It is unfortunate that Mr. Porter and I were unable to meet when he was in the Capitol. I was present on the House floor at that time. Unfortunately I did not at first recognize him. The loss of his beard has given him a much more conservative appearance than in the photographs I remember.

It is of course a pleasure to meet with former Members of the House and to learn from their experience, virtues, and in some cases tragic mistakes. But by the time I realized Mr. Porter was here in Washington and on the House floor, as per his custom, he was ensconced in one of the telephone booths reserved for Congressmen and was involved in innumerable phone calls for the balance of the period. I did not wish to interrupt what might possibly have been important business.

And Mr. Porter is aware that I have made no allegations. The fact of the matter is that the letterhead of the National Committee Against Repressive Legislation lists him as chairperson of the Northwest Committee Against Repressive Legislation, under the subtitle, "Western Regional Office." NCARL has been thoroughly investigated by a committee of the House and has been found to be a CPUSA front, founded by the CPUSA and still run by an identified CPUSA security unit functionary, Frank Wilkinson.

And since Mr. Porter wishes to bring up the matter of the John Birch Society, on whose national council I am proud to serve, but which does not prepare my speech material, let me remind Mr. Porter of an article he placed into the RECORD in February 1959.

The article, by a Dale Francis, was commended by Mr. Porter as "an interesting guideline for use as the months go on." The article attacked Mr. Robert Welch, founder of the John Birch Society, for naming Fidel Castro a Communist; and it objected to an article in American Opinion by another distinguished anti-Communist which noted Castro was working with Communists.

Perhaps, Mr. Porter would now like to say whether he recognizes that Mr. Welch was really right about Castro?

Let me say again, I am sorry to have been unable to meet with Mr. Porter personally while he was in Washington. I wish to point out that the Communist

Party makes every effort to involve national figures in its fronts, campaigns, and causes. But NCARL has been well investigated and exposed.

Once again I call upon Mr. Porter to resign his office with NCARL and repudiate its goals and those of its masters.

TRIBUTE TO LT. NICHOLAS BROOKS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. GILMAN. Mr. Speaker, this week marks Lt. Nicholas G. Brooks' 32d birthday. Regretfully, Nick will not be with us to celebrate such a joyous occasion because he and more than 900 of his fellow servicemen are still carried on the rosters of our Department of Defense as missing in action in Southeast Asia.

Mr. Speaker, there are many of us in the Congress who share a common concern about these men who are still catagorized as MIA's. Because of my concern, I have, along with some 200 of my colleagues, cosponsored House Resolution 335, calling for the establishment of a select congressional committee to resolve the problem of U.S. servicemen missing in action in Southeast Asia. By establishing this select committee it is hoped that past inaction can be overcome and that we will, once and for all, dispel the uncertainty that has lingered for these long-suffering families.

Mr. Speaker, may the following insertion of the biography of MIA Nicholas G. Brooks, a lieutenant in the U.S. Navy, inspire us to do more for those who gave so much for all of us:

NICHOLAS G. BROOKS, LIEUTENANT, U.S. NAVY, BORN MAY 18, 1943, MISSING SINCE JANUARY 2, 1970

Nick Brooks attended elementary and high school in Newburgh, N.Y. While in high school, he spent the summer of 1960 in Austria as an exchange student, as part of a program sponsored by American Field Service.

He held the presidential offices of Junior Class, Cranarian Council, Episcopal Young Churchmen, Key Club and various offices in the local and state Hi-Y groups. He was a member of the Varsity football team, Junior Sportsmen's Club, Boy Scout and Sea Scout troop.

Nick received a letter of commendation in the National Merit Scholarship Program and a New York State Regents Scholarship.

After completing one year at the University of Wisconsin where he was enrolled under a Naval ROTC scholarship, he entered the Naval Academy in 1962. At the completion of that year he was awarded the Military Excellence Award for freshmen. He received his appointment to the Naval Academy through the Naval Board.

After graduating from Annapolis in 1966, he served one year in Vietnam aboard the destroyer "Eversole." Upon his return to the states, he went to Pensacola for his flight training. He returned to Vietnam on the Aircraft Carrier "Ranger" in October '69. Nick, a Navigator-Bombardier and his pilot were flying an A–6 on a bombing mission when they were shot down over Mu Gia Pass, border of North Vietnam and Laos, January 2, 1970.

Nick's wingman and another controlling aircraft observed two ejections and two good parachutes just prior to the impact of the aircraft. Navy Department report reads, "a very sensitive but usually reliable source" reported Nick survived to evade. More recently, additional information revealed that Nick was captured, tied to a tree, freed himself and escaped. He was captured again, tied to a tree a second time, freed himself again and escaped. From that point, his whereabouts are unknown.

FACTS ABOUT THE STRIP MINING BILL

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. UDALL. Mr. Speaker, fable misapplied as fact has plagued the development of strip mining legislation. To its credit, the Congress has ignored the wild claims and distortions of the energy industry and has insisted on writing a tough yet workable strip mining bill.

Again, however, the President has chosen to parrot the coal companies' false and misleading charges and as such the veto is an intolerable accusation that Congress has acted irresponsibly.

The vote to override is, therefore, one of the most important votes that will be taken in this Chamber. A review of the myths circulated by the bill's critics reveals that an affirmative vote is on solid grounds.

Fable: Enactment of H.R. 25 will result in increased utility bills.

Fact: Belied by H.R. 25's support by such consumer-oriented concerns as Nader's Congress Watch, opposition to H.R. 25 on the basis of consumer protection is one of the industry's most transparent arguments. Increased utility bills are a product of the price of oil and coal which have been artificially inflated. If anything, coal companies are concerned that reclamation methods may cut into their excessive profits. But the best evidence available to the committee is that compliance with H.R. 25 can be achieved without any significant increase in current mining reclamation cost.

The most expensive mining and reclamation costs incurred by the industry are on the steep slopes of the Appalachian Mountains. TVA has determined on the basis of an actual mining operation conducted in conformance with the environmental standards of the bill that total production and reclamation costs are $8.65/ton, thus while production costs for such coal are under $9/ton, the coal sells for $15 to $20/ton under long-term contracts.

Fable: Enactment of H.R. 25 will result in significant coal production losses.

Fact: It is the experience of the States that implementation of stringent regulations does not interfere with increased production. Pennsylvania's tough law was passed over the industry claims that it would put them out of business. But according to the Commonwealth's chief administrator of that State reclamation law:

> Today we have more strip mines and more strip mining production than ever before and the industry is making more money.

The administration's production losses are based on patently foolish interpretations of the plain language of the bill. Indeed, Department of Interior officials have admitted that their estimates are grounded on "unreasonable" interpretations of the bill's language, yet these estimates are still cited by the President.

For example, the administration has asserted that 66 million tons will be precluded due to provisions relating to protecting alluvial valley floors, the most sensitive hydrologic areas in the West. In fact, only a few mines producing a total of 10 million tons per year are located in such areas, not the 21 major mines as ascribed by the administration.

The predicted production loss attributed to the bill's impact on small mines on steep slopes—over 52 million tons per year—are also unsupportable. TVA determined last winter from an actual steep slope mining operation by a small company, that the standards of the bill could be met for a total production and reclamation costs of $8.65 per ton of coal which would give the coal company more than a comfortable profit at normal price levels. TVA recommended that the President sign this legislation.

Moreover, the source of the production loss figures, the Department of Interior which is well known for its friendly relationship with the mining industry, recommended that the President sign the bill. Commonsense tells you that the Department does not believe its own figures and neither should anybody else.

Fable: Enactment of H.R. 25 will result in loss of jobs.

Fact. To the contrary, mining will expand under the bill and with the implementation of the abandoned mine reclamation program, even more jobs will be made available. As Secretary Rogers Morton testified before our committee in February 1975:

> There will be a net gain in employment because reclamation is going to require capital investment. It is going to require a work force, so we should have a net gain.

As the job loss projections are based on the administration fallacious production loss estimates, the predicted impact on employment is also unjustified.

The fact of the matter is that both the UMW and the AFL–CIO which represents over 90 percent of all coal mine employment, support the override of the veto and enactment of this legislation. Such support would be absurd if the projections of unemployment had any merit.

Fable: The Congress has not been responsive to the administration's specific criticisms of the bill.

Fact: In February President Ford transmitted 27 proposed amendments to the bill and over half were either adopted outright or modifications were made to meet the objections raised by the President. These changes were in addition to the dozens of administration amendments that were already incorporated in the bill.

The conference report on H.R. 25 has received a strong bipartisan support on the floor of both Houses and by the conferees themselves. Interior Secretary-designate Stanley Hathaway praised the

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bill before the Senate Interior Committee and said that he would urge President Ford to approve it.

But the mining industry had its way with the President and it is now up to us to demonstrate that the Congress will not be misled and will not be bullied.

It is up to us to override.

PROFESSORS REFLECT ON ALLIED LIBERATION OF CZECHOSLOVAKIA

HON. F. EDWARD HÉBERT

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. HÉBERT. Mr. Speaker, 30 years ago we were celebrating the end of war in Europe, the war which ended by what came to be called the allied liberation of Czechoslovakia.

Today I want to share with you some reflections of American college and university professors of Czech and Slovak origin in connection with this event.

This material was made available to me by Prof. Radomir V. Luza, my friend who is a professor of history at Tulane University. I think you will find it most interesting, and I insert it at this point in the RECORD:

PROFESSORS REFLECT ON ALLIED LIBERATION OF CZECHOSLOVAKIA

We, the undersigned university and college professors of Czech and Slovak origin in the United States, forming an ad hoc committee, are deeply concerned over recent international trends in general and the present situation in Czechoslovakia in particular. We believe that the occasion of the 30th anniversary of the Allied liberation of Czechoslovakia is an opportune moment to reflect on the past three decades, and to comment on recent developments in that unhappy country.

Thirty years ago, Czechoslovakia was liberated from Nazi occupation by Allied forces. The Czechs and Slovaks believed that a "firm and permanent" agreement between Western Allies and the Soviet Union was a prerequisite for accommodating legitimate Soviet interests in Eastern Europe. The Soviet guarantee of Czechoslovak sovereignty in 1943 was considered a logical step in a policy which Czechoslovakia had followed vis-a-vis the Soviet Union since 1935. The Yalta Declaration on Liberated Europe seemed to prevent the creation of a Soviet regime in Prague: in the words of President Roosevelt, the Allies would "join together . . . to help the people . . . to solve their problems through firmly established democratic processes." In May 1945, the Czechoslovak government embarked on a path of far-reaching popular reforms only to be stopped by the Soviet inspired communist take-over in February 1948.

What followed was a twenty-year period of harsh oppression: Czechs and Slovaks lost their dignity, their freedoms, and many also their liberty and lives. When the tensions of the Cold War began to subside, the prospects for an internally generated process of gradual change and modernization seemed real. Unfortunately, the 1968 Soviet invasion of Czechoslovakia once again prevented its people from realizing their own vision of a more humane, socially just, democratic society.

The undersigned scholars believe that a genuine détente between the USA and the USSR could promote European stability and development; provided that both the West and the East show an appropriate sense of responsibility. The central issue at stake in the process of détente is the preservation of peace through the recognition of human rights and through the acceptance of the right of national self-determination—regulative principles to be respected and applied not only in former colonies, but all over the world, including Eastern Europe. Efforts toward détente cannot be a one-sided affair. They must involve all aspects of human life and everyone concerned must make a contribution to it.

Desirous of better relations between the West and the East, the undersigned believe that the United States and its European allies should regard self-determination and respect for human rights in Eastern Europe as indispensable aspects of the policy of the preservation of peace. In Eastern Europe, the U.S. government could serve this goal by insisting that:

(1) Soviet occupation forces in Czechoslovakia be withdrawn;

(2) special importance be attached to the free flow of people and ideas between the West and the East; and

(3) economic exchanges between the USA and the USSR and its East European neighbors be based on reciprocity.

At the same time, the US government should in the spirit of the residual Allied moral commitment to a Liberated Europe urge the Prague government to take into consideration the legitimate rights of the Czechs and Slovaks through the following steps:

(1) the release of all political prisoners;

(2) the end of all police measures of harassment, repression and persecution of those Czechs and Slovaks who have been deprived of their civil rights because of their opposition to the sustained violation of basic human freedoms;

(3) granting the full enjoyment of human rights to tens of thousands of citizens who in addition to suffering other deprivations, have been removed from their positions;

(4) the return of all banned books to the library shelves and desisting from blacklisting authors, the blacklist including virtually all writers of some reputation and international standing.

These actions by the Prague government would constitute a meaningful contribution to the celebration of the 30th anniversary of the liberation of Czechoslovakia from Nazi occupation and to the policy of genuine détente.

Josef Andrele, University of North Carolina, at Chapel Hill.

Milos Basek, Columbia University.

Charles S. Bednar, Muhlenberg College.

Marie H. Bizek, San Francisco State University.

Vera Z. Borkovec, American University.

Lev Braun, Farleigh Dickinson University.

Josef Ctvrtlik, California State University, Long Beach.

Zdenko F. Danes, University of Puget Sound.

Peter Demetz, Yale University.

B. Divis, Ohio State University.

Harry Drchal, Manhattan College.

Victor S. Drapela, University of South Florida.

Mojmir Frinta, State University of New York, at Albany.

Milan Fryscak, New York University.

Albert M. Gessman, University of South Florida.

Jan Hajda, Portland State University.

Otomar Hajek, Case Western Reserve University.

Miroslav J. Hanak, East Texas State University.

Jana S. Hearn, Carnegie-Mellon University.

Lubomir S. Hnilica, Vanderbilt University.

Vaclav Holesovsky, University of Massachusetts.

Jiri Horak, Manhattan College.

Zdenek Hruban, University of Chicago.

Milos Hudlicky, Va. Polytechnic Institute.

Karel G. Hujer, University of Tennessee, in Chattanooga.

Frederick G. Kent-Salansky, Northern Illinois University.

Jan Kmenta, University of Michigan, at Ann Arbor.

Henry Kmen, Tulane University.

Erazim V. Kohak, Boston University.

Ferdinand Kolegar, Roosevelt University.

Josef Korbel, University of Denver.

Karel Kovanda, M.I.T.

Frank Kral, University of Pennsylvania.

Jan Kucera, Washington State University.

Geoffrey Z. Kucera, University of Hawaii, at Manoa.

John G. Lexa, New York University.

Radomir Luza, Tulane University.

Pavel Machotka, University of California.

Victor S. Mamatey, University of Georgia.

Jan Marik, Michigan State University.

Vojtech Mastny, University of Illinois, Urbana.

Jaroslav Mencl, Case Western Reserve University.

Frank Munk, Portland State University.

Ludvik Nemec, Rosemont College.

Alexander D. Pavlista, H.H. Lehman College of the City of New York University.

Leopold Pospisil, Yale University.

Mojmir Povolny, Lawrence University.

Vladimir Reisky de Dubnic, University of Virginia.

Jan Rocek, University of Illinois at Chicago Circle.

Eva Rocek, University of Illinois at Chicago Circle.

Joseph S. Roucek, University of New York.

Francis Schwarzenberg, Loyola University, Chicago.

Milos M. Sebor, Eastern Kentucky University.

Vlado Simko, University of Cincinnati.

Hugo M. Skala, Fareleigh Dickinson University.

P. Smejtek, Portland State University.

Peter A. Stark, Queensborough College.

Milos Strupl, Hillsborough College.

Rudolf Sturm, Skidmore College.

J.J. Sustar, Allegheny Academy.

M. Synek, University of Texas, Austin.

Edward J. Taborsky, University of Texas, Austin.

Ivan Taborsky, University of Texas, Arlington.

Jan F. Triska, Stanford University.

Otto Ulc, State University of New York, Binghampton.

Walter Ullman, Syracuse University.

René Wellek, Yale University.

Thomas G. Winner, Brown University.

William V. Zeman, College of Medicine and Dentistry of New Jersey.

JOHN C. KLUCZYNSKI FEDERAL BUILDING

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. RUSSO. Mr. Speaker, yesterday the House of Representatives passed by unanimous consent the bill H.R. 4241, a bill to name the Federal office building at 230 South Dearborn Street, Chicago, Ill., as the "John C. Kluczynski Federal Building." I was pleased to cosponsor this legislation for surely no one could be more deserving of such recognition.

Klu is sorely missed here in Congress. He served the American people with honor and distinction in the Congress for

almost 25 years and prior to this served in the Illinois State Legislation for some 15 years. Illinois' Fifth Congressional District was well represented and his contributions to his State and Nation as a whole are so numerous as to defy innumeration.

Those who were privileged to serve with him over the years in Congress speak with great warmth of this gentleman who so ably served as ranking majority member of the House Committee on Public Works and Transportation as chairman of the Transportation Subcommittee. For my own part, I know that as senior member of the Public Works Committee from Illinois he played a crucial role in the building of the Federal complex in Chicago's Loop. Thus, it is especially appropriate that this Federal office building be named for him. It is a final tribute to a dedicated and distinguished public servant.

PETS AND APARTMENTS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. BIAGGI. Mr. Speaker, I introduced a bill this year, H.R. 3290, which would prohibit Federal housing assistance to any project that bans pets in its units. The bill, sadly, has not received any attention from the Committee on Banking, Currency, and Housing.

Many arguments are raised against having pets in apartment buildings. They are allegedly dirty, damaging to the property and noisy. Thus to control these problems landlords ban all pets from their buildings.

The fact is, though, we are not talking about a problem with pets, but with pet owners. There are some irresponsible pet owners who let their dogs run loose in public areas, do not keep them properly, and allow them to damage property. However, there are regulations in most jurisdictions prohibiting this that go unenforced. Yet all pet owners must suffer as a result of the irresponsible few.

I believe people have a right to pets. For many, particularly the elderly shut-ins, they may be the only comfort and companionship they have. For others, pets are a source of protection giving early warning to the presence of intruders. And for all, they are a source of great joy and love.

I received a letter this week from a young married woman who lives in Laurel, Md. She had just received a notice of proposed eviction because she was keeping two cats in her apartment against the rules of the building. Her letter is so moving, I am including it at this point in the RECORD for the edification of my colleagues:

DEAR CONGRESSMAN MARIO BIAGGI: It is a blessing to hear that someone other than myself loves and cares for animals. Our apartment project doesn't allow pets. I own a six week old stray kitten and an eight month old male. The cats and I are inseparable. They both have received all the required shots and are as healthy as oxen. They have no fleas or parasites whatsoever and are potty box trained. They always stay inside and get in no one's way at all. I deeply love them both and I am also concerned for the thousands of stray puppies and kittens being born every day. When I was a child I grew up with many pets and learned a deep love for nature and patience with small animals. They were the only real happiness and close friends I could have had. I learned many wonderful things from observing them and appreciation of one more of God's gifts. Now that I'm married and plan to have children I too want them to benefit from the lessons and love an animal has to share. Living in an apartment like this one makes this impossible. We got a notice to get rid of our cats or get evicted. We didn't get rid of them and live in constant fear of being found out. Giving them up would be like giving up our own child. Please help us with our problem, because we love our animals and feel secure in our apartment. I feel that a person who loves and cares for animals is a great and warm person. I'm sure you are a great person because you really care.

STATEMENT ON D.C. FULL VOTING REPRESENTATION

HON. JOHN W. JENRETTE, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. JENRETTE. Mr. Speaker, as we approach the anniversary of this Nation, I believe it is fitting that I, as a South Carolina Congressman, add my voice to those who seek redress for an old wrong. I am announcing my support for full voting representation for the District of Columbia. I am well aware that this will come as a surprise to many of my colleagues and perhaps many people in my Sixth District of South Carolina.

But as we approach 1976 I sincerely believe that the Nation's Capital should be a showplace of democracy in every sense. There are almost a million persons living in the District of Columbia who have no voting representation in the Congress. How can we justify this inequity when other great capitals such as Bonn and London provide this elementary right? I feel that legislation calling for constitutional amendments to provide full voting representation are not only proper but long overdue.

There is no tenable argument for denying this most basic of rights any longer. When the estimated 45 million visitors arrive in Washington for the 1976 Bicentennial, how can we look them in the eye and say this is the seat of democracy, but the people who live here pay taxes without voting representation in the Congress?

Mr. Speaker, it is time that we stop looking the other way when this matter is raised. For more than a decade we have read and heard that a new and enlightened South is emerging—one that has risen above the old prejudices and inbred ideas; one that has discarded forever the blindness of our forefathers. Now it is time for the rest of my colleagues from the South to rally behind this proposal as a graphic way of showing that all of the ancient divisiveness and tacit opprobrium are mere relics, rusty ideological antiques that have no place in a Nation about to observe its 200th anniversary.

No one dares say it out loud but one reason for the dilatory response on full voting representation for the District has been that it has become a predominantly black city. Instead, all manner of other fallacious, tortured reasoning is set forth, ranging from specious arguments about the Federal nature of the city to invocation of the plans of the Founding Fathers. One might hear the real reason for opposition in some back room delivered in a whisper. Some even say the Senate would much prefer that the number of Senators remain at an even 100.

I submit that not one of these arguments merits distinction. It is time to discard the last vestige of inequality and taxation without representation left in these United States.

THE LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. CONYERS. Mr. Speaker, in order to find better ways of reducing crime and improving the administration of criminal justice, the Law Enforcement Assistance Administration was set up by Congress under title I of the Omnibus Crime Control and Safe Streets Act of 1968. Its budget, which was approximately $880 million in fiscal year 1975, is used for institutional research and development, commissioned studies, crime prevention programs, intraining for law enforcement personnel, and for gathering together relevant data. Judging from the results those better ways still have not been discovered.

In considering the criminal justice system, there are three things which many Americans seem to agree upon. Local citizens should be given a greater voice and role in the planning, administration and oversight of the criminal justice system. We should shield juveniles from unnecessarily punitive criminal proceedings, and confinement with hardened criminals. And there is also a growing body of opinion which questions whether greater amounts of money spent on crime prevention will achieve the desired results.

There is growing concern that LEAA be carefully scrutinized with regard to the correlation between amounts spent on crime prevention and results obtained. An editorial in the Washington Post, May 19, 1975, addresses itself to this matter.

I insert editorial to be printed in the RECORD at this point.

THE COST OF FIGHTING CRIME

There was a time, not long ago, when it was a popular belief that money cured social ills; indeed, that the more money spent, the better the cure would be. If we need any more lessons in how wrong that precept can be, consider the sorry saga of the fight

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against crime. In 1967, annual federal, state and local spending to combat crime was about $4.5 billion. Several serious-minded groups looked at the rate of crime and the amount of money being spent and concluded that the amount should be doubled. That figure was surpassed some time ago and the total effort now stands at $14.5 billion a year. For that kind of money, given the precepts of the 1960s, we should all feel snug and safe on every byway in the land. But hardly anyone does.

It turns out that more money to do the same things we did before is no solution to the problem of crime. What is needed is a new approach to old problems. It was with something like that in mind that the Law Enforcement Assistance Administration was founded. It was intended to put federal dollars into new and imaginative approaches to the problem. It would be unfair to blame LEAA for the fact that its $800 million a year has had almost no effect on the crime rate. That is, after all, only five per cent of the total being spent in the United States on crime prevention and control.

In frustration at the rising cost and the diminishing results, Congress is preparing for careful oversight of the federal effort in the fight against crime. There are a number of important issues for such oversight to address, and two of them seem urgent. The first is the role of the private citizen at the community, state and federal level, and the second is the need to take a serious look at how juveniles are being handled in the criminal justice system, for we may be unwittingly creating our hardened offenders.

In each of the 50 states and five territories, there are State Criminal Justice Planning Agencies. They receive federal funds from LEAA and direct their states' crime fighting efforts by deciding how the money should be spent. The trouble is that there is no requirement that private citizens sit on those planning agencies' boards of directors. They are composed largely of the professionals in the criminal justice system, who, in turn, owe their allegiance to the agencies and departments in which they serve. The result of that arrangement, all too often, is that the traditional approaches to crime are sustained with the ever-increasing inflow of funds. The innovations that had been hoped for—and which are desperately needed—rarely materialize. It is high time, as a first step toward real innovation, that at least half the membership of those boards be made up of people whose only allegiance to the criminal justice system is that of citizens concerned that they and their neighbors be protected to the greatest extent possible.

In the new climate that such a change might bring, it might then be possible to address the question of priorities and innovations. As matters now stand, LEAA grants to combat juvenile crime account for roughly 18 per cent of the total amount of money LEAA spends in the states. Yet, in 1973, juveniles accounted for 51 per cent of all arrests for property crimes, 23 percent for violent crimes and 45 per cent for other serious crimes. Moreover, total arrests of juveniles under age 18 rose 144 per cent between 1960 and 1973. Adult crime rose 17 per cent in the same period. The state planning agencies appear not to be putting the money where the need is. As recent events in Washington demonstrated, the problem of the juvenile offender deserves serious effort, and there are few places in the country where that effort is being made.

The National Council on Crime and Delinquency, one of the leading investigative institutions in the field, has been urging that police and the courts take a serious look at the idea of diverting what it calls the "status offender" away from the criminal justice system. This is a young person, a runaway or a truant, who now can be found in the juvenile court system because of an offense that could only be an offense if committed by a juvenile. Truancy is one example, but there are others, such as curfew violations in some communities. The council's studies suggest that today's "status offender" is often tomorrow's hardened offender, that "career criminal" of whom President Ford spoke at Yale several weeks ago. The point is to find that young person early and deal with him or her in some way other than through juvenile court and juvenile detention. Those are truly the schools for crime. Pursuing such ideas is one example of innovation worth some effort, but it, like all other ideas, requires broad community support and a good deal of coordination among all the agencies that touch the lives of juveniles. It is that kind of role that LEAA can serve better than the one it now serves. It is spending a great deal of its money assisting local police departments to do things those departments would have to do anyway, such as hire personnel and upgrade their equipment. There are other ways of financing those activities. We need LEAA to do what wouldn't be done if it didn't do them, and therein may well lie some creative solutions to the problem of crime. It is even possible that some of those solutions can be advanced without the fancy price tags that have accompanied the most recent efforts in crime prevention.

A TRIBUTE TO MAE STOVER

HON. JIM LLOYD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. LLOYD of California. Mr. Speaker, I am honored to share with my colleagues in the Congress some words of tribute to a delightful woman who has devoted the past 30 years to the Democratic Party in San Bernardino County, southern California.

Mae Stover, also known as Mrs. Democrat of San Bernardino County, is retiring from full-time participation in volunteer political activities, and she will leave her post as executive secretary of the West End Democratic Club.

Under guidance and dedication, the West End Democratic Club was founded in 1936. It is the oldest continuing Democratic organization in San Bernardino County, and it has opened up the political process to hundreds of persons.

Mrs. Stover, a young 87 years old, will be honored June 6 in a gala tribute in Claremont, Calif. She has been the recipient of many honors for her service to the Democratic Party.

Her honors are well deserved. The West End Democratic Club, mainly through the efforts of Mae Stover, has served the community by providing full-time voter registration, by bringing hundreds of people into the political arena as participants, and by developing future and present leaders at all levels of government.

Mae Stover will be missed at the West End Democratic Club headquarters, but she will always serve by her example of service and dedication.

I wish to declare that such devotion and service is worthy of recognition by the House of Representatives as being in the best tradition of democracy and America.

COMMON CAUSE GIVES ITS VIEWS ON OIL PRICING

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. WIRTH. Mr. Speaker, in the RECORD for Tuesday May 20, 1975, appears a series of remarks which I made on the question of oil prices and the decisions which the Members of the House will soon be called upon to make with regard to that question. At the time I made those remarks I posed eight basic questions which I feel lie at the heart of the oil pricing issue.

If we can find answers to those questions, I believe we will have taken the single most important step possible in the overall search for a national energy policy. My hope has been that others in this city and around the Nation would join in offering their answers to the questions which I have posed; today I am, therefore, happy to draw to the attention of my colleagues a statement by David Cohen, president of Common Cause.

Mr. Cohen's statement outlines the views of Common Cause on several of the oil pricing questions which I have raised, and in addition provides a very pertinent perspective on the problem of information disclosure with respect to oil costs. I strongly recommend Mr. Cohen's statement; it represents a thoughtful set of observations from an organization whose views deserve careful consideration by all of my colleagues. I submit the statement herewith:

PHASE-OUT OF OLD OIL PRICE CEILINGS

(By David Cohen)

Common Cause believes that energy conservation must be the critical factor in our national energy program. It is the only course of action that will have a meaningful short-term effect. Energy conservation is necessary to reduce our dependence on foreign oil. This reduction is essential for national and international stability.

To deal directly with the critical problem of U.S. dependence on foreign oil, Common Cause urges the imposition of oil import quotas adjusted in relation to economic recovery. Resultant shortages must be apportioned through an allocation system that protects regional needs and essential consumption. The planned reduction can be concentrated on gasoline consumption—the most discretionary use of fuel—through imposition of a steadily increasing gas tax with appropriate rebates. Other, longer-term conservation steps, including enactment of a tough auto efficiency tax, must be taken.

There is a clear need to develop additional domestic energy sources no matter how successful our energy conservation program is. The Energy Policy Project of the Ford Foundation pointed out that even in its limited growth scenario (1.9% growth per year), energy supply will need to be approximately 28% larger in 1985 than in 1973.

Common Cause believes that energy prices should reflect the true social cost of energy production. Higher energy prices will force energy conservation and perhaps encourage increased energy production. We do not, however, share FEA's callous disregard of the impact of higher energy costs on consumers. Steps must be taken to minimize the impact of higher energy costs on consumers, especially those with low incomes.

We could consider support of a program to increase the controlled price only under the following circumstances:

(1) The increase must be gradual. The effect of a total and immediate decontrol of domestic crude oil would be devastating to our national economy as well as to the average consumer. Our economy is too shaky to stand a heavy blow in the form of rapid energy cost increases. In this regard, the Federal Energy Administration's (FEA) proposal for gradual rather than total decontrol is welcome.

(2) There must be a cap on domestic oil prices. Common Cause has not seen any persuasive argument against maintenance of some price ceiling. This would act as a basic protection for consumers against the whims of the oil industry. The estimated cost of decontrol to consumers is calcuated in billions of dollars. Additionally, without a price ceiling, domestic oil prices would be determined by the foreign oil cartel. This would exacerbate our economic vulnerability to foreign political decisions—the opposite effect of the Administration's objectives. Common Cause does not favor runaway decontrol. We favor a legislated cap on all domestic oil prices. At its ultimate, this cap must not exceed the current price of foreign oil. FEA would periodically establish the prices within the legislated cap. At a minimum, the proposed regulations should be amended to set a cap on all domestic oil prices.

(3) There must be maximum information disclosure. It is extremely difficult under present circumstances to determine what a reasonable current price should be. At the May 13 hearings on this proposed rule-making, proponents of decontrol cited replacement costs of oil production in excess of $12 a barrel. Proponents of regulation cited costs of under $5. Unfortunately, the government lacks the data necessary to determine actual industry costs. If it has such information, it has made no public use of it. FEA should demand that industry provide the necessary cost information. This information should and can be shared with the public in a form that does not injure individual companies. FEA, during its periodic review of prices, should be required to examine this data and make public a written finding that any reregulation upward that it proposes is justified by the facts.

(4) There must be a windfall profits tax. Common Cause could favor increased oil prices only if designed to force energy conservation and to encourage energy production. But consumers and taxpayers need to be protected from unreasonably high oil industry profits. Therefore, Common Cause will not support a significant reregulation upward of oil prices that does not include a windfall profits tax. We oppose any plowback provision to such a tax. FEA's proposed regulations should not go into effect until an equitable windfall profits tax without a plowback provision becomes law.

NORTHWEST TIMBER FAMINE

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. BONKER. Mr. Speaker, warriors thousands of years ago found that a pointed, wood stick was often a more effective weapon than a club. As time went on, other primitive warriors found that attaching a stone point to the wood shaft made an even better weapon. Rather than improve the wood in the spear, warriors moved from stone to bronze, and then iron, steel, and a host of other nonrenewable materials. Thus, these early men started a pattern of resource use that would eventually bring us to our present time of shortages.

We need now to look back to our Neanderthal brothers and say to ourselves "Perhaps wood was the better idea."

Supplies of metal, plastic, and petrochemicals are finite. The emerging nations of this world are competing intensely for the declining stocks of these nonrenewable materials. These resources can only become more scarce, thus more expensive.

An even more drastic situation can be seen when we look at fuels. Not only is the world consumption of these vital substances accelerating at an ever-rapid rate, but the known supplies are even less available than many other nonrenewable materials. This energy shortage is aggravated by the use of many nonrenewable materials since their recovery and processing demand large quantities of energy.

Amidst this spate of shortages, one single resource promises to be available continually as we enter the new age. It is abundant, can be used for almost any purpose, has low energy demands for processing and use, and can be grown in perpetuity. That substance of course is wood.

However, the new age of wood will not be an age of abundance unless we take steps to make it so. Predictions by the U.S. Forest Service indicate that wood may be in critical short supply by the year 2000. Extensive efforts are needed now to grow more timber and to find ways to extend this resource through more efficient utilization. We weaken these efforts when we export large volumes of this great resource without developing methods for increasing the yield of finished products from each tree.

In addressing the current timber supply situation we must give consideration to the possibility of a "timber famine." The goal of balancing cut and growth is tied to two major issues: First, log exports, and second, availability of forest land for timber production.

There is ample evidence to show that between 1962 and 1970 there was a loss of 8.4 million acres of commercial forest land. This is most significant to future timber growing prospects. Compounding this problem is the increasing pressure to use more forest land for recreation and nontimber purposes, such as urban development, airports, and reservoirs. However, our commercial forest land can be brought up to its technical and potential production with intensified forestry. It is important at this point to emphasize that "intensified forestry" is not synonymous with intensified harvesting, or even increased harvesting.

Intensified forestry refers to an expansion of efforts in applying forestry practices that can provide more rapid growth of timber, improved access to timber, and improved methods of insect, disease, and fire control.

The other major issue in preventing the possibility of a "timber famine" is stopping the export of our logs. We must carry this one step further by preventing any increase in harvests from national forests to meet the timber needs of those who may be exporting their own logs and then buying Federal timber to meet their manufacturing needs. Any increase in harvest should be allowed only after intensified forestry practices have been applied so that the resultant increase in growth rates would allow a proportionate increase in harvests. The legislation H.R. 5544 is designed to accomplish that purpose. It will place a total ban on the export of logs harvested from national forest lands. It will also prevent the substitution of national forest timber for private timber that has been exported.

The emphasis now and in the future must be keeping this great natural resource at home so that conversion from its raw state into finished products will be accomplished in our own mills, thereby keeping our jobs at home. Keeping our logs and their manufacture at home will also result in increased research in the use of residues such as slabs, edgings, sawdust, veneer cores, shavings, and other similar materital. Great strides have been made, but there is room for more progress in this area. Enactment of H.R. 5544 is necessary to help reduce the possibility of "timber famine" in the Northwest.

CONYERS: REMEMBERING SAMUEL C. MITCHELL, JR.

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. CONYERS. Mr. Speaker, to live is to experience the complexities of life often with little understanding of its tragic moments. This particular aspect of what it means to be human confronted us recently in the passing of Samuel C. Mitchell, Jr.

Mr. Mitchell began an illustrious 25-year career with the Department of State in 1950, working in the Division of Communications and Records, where he served until 1955. In 1955, he assumed the duties of an organization and methods examiner in the personnel division where he stayed until 1962. After working for a year in the Bureau of African Affairs, Mr. Mitchell served as placement specialist in personnel from 1963 to 1967. In 1967, Samuel C. Mitchell, Jr., assumed the position of Chief of the Civil Service, Counseling, and assignments division in the State Department which he held until his death.

Those of us who knew Mr. Mitchell in a professional capacity will always appreciate the unselfish service he so excellently performed to the United States and Foreign Service employees in the area of job placement, employee relations, and employee organizations. For a man so thoroughly committed to helping others, and whose professional career was characterized by much the same concern and commitment that permeated his family life, it is not surprising that many who were able to benefit from his professional activities were also able to share the personal pleasures of Samuel Mitchell, Jr., and family. One such pleasure, the art of cooking, was so widely shared and appreciated by others that Washington Post food editor, William Rice, did a feature story in March of 1973 on this prized skill of the State Department official.

Since loved ones will always live in the hearts and minds of family and friends, as memories of love and happiness, I wish to insert in the RECORD at this time the feature article by William Rice, and a May 15, 1975, article which appeared in the Washington Post acknowledging the passing of Samuel C. Mitchell, Jr. I hope that these articles demonstrating the high esteem in which Mr. Mitchell was held by others will provide some comfort to his family, and give them strength to continue their efforts for all the things for which he lived and worked: An article which appeared in the Washington Post, May 15, 1975, on the death of Samuel C. Mitchell, Jr.:

ACKNOWLEDGING THE PASSING OF SAMUEL C. MITCHELL, JR.

(By Sarah Booth Conroy)

Samuel C. Mitchell Jr., 49, chief of the State Department's civil service counselling and assignment division, died Wednesday at his home, 500 Underwood St. NW, of complications following a heart attack some time ago.

Mr. Mitchell was widely known throughout the department and the Foreign Service. Much of his work involved finding jobs in the United States for Foreign Service employees who could no longer serve abroad. He also was a member of the committee working with labor and employee organizations, and prepared individual grievance cases for employees.

Mr. Mitchell was known to his friends as an accomplished cook of traditional American recipes. In an article about his cooking by Washington Post food editor William Rice, Mr. Mitchell said that he did the cooking in the family for his wife, twin daughters and son.

"I was taught by my dad that a beautiful steak is a work of art, and picked up an interest in cooking from him. He was a porter, then went on the White House staff and became steward of President Franklin D. Roosevelt's railroad car. He worked for Presidents Truman and Eisenhower, too."

Mr. Mitchell was a graduate of Shaw Junior High School and Dunbar High School. He attended Howard University and graduated with honors with a bachelor's degree. He then went to Harvard law school but ran out of money and went to work, as he once said, "with the Post Office as a substitute clerk. I never figured out who I substituted for because he never came to work . . . I worked an average of 10–11 hours every day."

Mr. Mitchell started at the State Department as a clerk in machine records and worked his way up until his last promotion in April.

He joined the Army in 1943 as a private, and was assigned to attend Transportation Corps Officers Candidate School. He was commissioned a second lieutenant and served in the southwest Pacific.

Mr. Mitchell is survived by his wife, Juanita, a teacher in the D.C. schools for almost 30 years; a son, Samuel III, and twin daughters, Janice and Jacklyn, all of the home.

THE SENSIBLE APPROACH

(By William Rice)

Long before the current crisis over rising food prices, Samuel C. Mitchell was leading grocery shopping excursions, cooking weekend meals that provided tasty leftovers well into the week and insisting on a diet that made sense economically and nutritionally.

Mitchell, chief of the Civil Service Career Counseling and Assignments Division of the Department of State's Office of Personnel, wears an apron as proudly as he does his official title.

"I have assumed the role of food planning in our family," he explained during an interview in his State Department office. "When we married in 1950 I knew my wife wanted a career. She is a teacher and is often involved in work or meetings. She likes cooking, but it is not her long suit. In her family at meal time they put food on the table and ate.

"I was raised differently. I was taught that a beautiful steak is a work of art by my dad and picked up an interest in cooking from him. He was a porter, then went on the White House staff and became steward of President Roosevelt's railroad car. He worked for Presidents Truman and Eisenhower, too.

"As a boy I would go with him sometimes when he bought meats, wine and supplies for the President's car. I'd see the sides of meat hanging, and got a first-hand look behind the scenes listening to Dad and the merchant talk.

"When we had our first children, twins, I gave a hand in the kitchen and my wife and I began to shop together."

Shopping is still a family undertaking for the Mitchells and has evolved into a Saturday ritual. The menus Sam Mitchell plans are built around food he cooks during the weekend when he is away from the office.

"My menus are designed for a working family," he said. They are high on protein, low on cholesterol and stress fresh fruits and salads. The kids have thrived on them.

"My wife, our 13-year-old son and I leave promptly at 9 Saturday morning. We go to several markets to search for vegetables, fruits and meats. We're home by 1 for lunch. After that I cook in the afternoon and again on Sunday. This provides food that generally lasts through Wednesday. On Thursday and Friday we make meals that can be cooked quickly after work using chops or fish or a steak."

Another portion of Mitchell's weekend routine involves arising early each Sunday and leaving his Underwood Street NW home in time to arrive at Posins', the Georgia Avenue grocery, at 8 a.m. There he purchases a Danish or coffee ring, an assortment of freshly baked breads and perhaps some rolls.

These are served for Sunday dinner to company, which frequently includes Mitchell's father. Despite menu planning considerations, no one is expected to skimp the first time around.

One guest testified that Mitchell himself hardly sits down, so busy is he cooking, carving and presenting the food. He considers his efforts "nothing special," but modestly acknowledges his recipes do taste good and says of late he has been getting help in the kitchen from one or both of his daughters, who are 17.

Breakfast in the Mitchell home is a family meal and a substantial one. Lamb kidneys or creamed chipped beef might be served on a weekend morning, along with grits and soft boiled eggs.

Boneless rump roast and ham are among the meats he cooks. Macaroni and cheese, created by chef Mitchell, not by a food company, is very popular. Mitchell makes this dish and potatoes (often sliced Idahos cooked slowly in a loaf pan with milk, grated onion and seasoning) in sufficient quantity to be served for a second meal as well.

Spinach is a favorite leafy green vegetable. It is washed and cleaned one day and stored in the refrigerator. To cook it, Mitchell simply forces the spinach into a pot with some butter (but no water), covers the pot and cooks it down during a few minutes, lifting the cover to stir from time to time.

Mustard and turnip greens take longer, about 45 minutes, while an occasional treat is fresh watercress boiled with a ham bone.

Soups and salads are regular features of the family diet, while the children—urged on by their mother who is "a grapefruit fiend"—snack on fruit instead of candy.

BEAN SOUP

Serves 6 to 8

1 pound bag dried lima beans
1 ham bone, fat trimmed off
1 medium onion, cut in pieces
Salt and pepper to taste

Soak beans in water overnight. Drain, place in pot with ham bone and about 2 quarts water. Bring liquid to a boil, then simmer partially covered for two hours, or until the beans are fully cooked.

Remove half the beans and puree them with the onion in a blender. Remove the ham bone and cut away any meat. Mince it. Return puree and minced ham to the pot. Season soup to taste and cook an additional hour. Skim off any surface fat before serving.

BAKED HAM

(Serves 8 to 10)

½ cup brown sugar
2 teaspoons prepared mustard
½ teaspoon ground cloves
½ teaspoon ground ginger
¼ teaspoon paprika
½ smoked, precooked ham (about 5 pounds)
1 can (12 ounce) domestic beer

Mix together first five ingredients and rub the mixture into the fatty part of the ham. Place in an ovenproof baking bag or make a wrapping from foil to surround the ham. Add ¾ of the can of beer, seal the bag according to manufacturer's directions, place in a roasting pan and cook in a preheated, 400-degree oven for 1½ hours.

FRUIT EXTRAVAGANZA

(Serves 10)

1 can (6 ounces) frozen fruit punch
1 banana, cut into rounds
1 fresh pear, diced
1 fresh apple, diced
6 grapefruits, in sections
6 oranges, in sections
1 package (8 or 9 ounces) frozen peaches, partially thawed
1 package (10 ounces) frozen raspberries
2 cups ginger ale
Red grapes or maraschino cherries (optional)

Place the fruit punch into a serving bowl and add the fresh fruit. Variations can be made according to what is available in the market and to personal taste. Chop the peaches into bite-size pieces and add them. Puree the raspberries in a blender and stir the puree into the fruit. Add ginger ale, mix and place the bowl in the refrigerator for 2 to 3 hours. Remove 30 minutes before serving.

PRITCHARD CONCERT ENSEMBLE IN COMMAND PERFORMANCE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. RANGEL. Mr. Speaker, Robert Pritchard, known as Dean of Afro-American Concert Pianist returned to Washington, D.C., on April 20, 1975, to appear in command performance before President Kenneth Kaunda of Zambia and Mrs. Betty Kaunda at a diplomatic

reception offered under the patronage of the Ambassador of Zambia to the United States, His Excellency Mr. Steike G. Mwale.

Dr. Pritchard formed the Pritchard Concert Ensemble in 1972 to offer command performances before Third and Fourth World Heads of State of the Art Music of the New World's Multi-Ethnic and Multi-Cultural Sciences. These cultural exchanges are important for they tend to strengthen the international relations that are essential to global peace and happiness. The Pan American association of which Dr. Pritchard is board chairman are to be commended for their support and maintenance of the Pritchard Concert Ensemble for this is a prime example of positive impact on relations between the People of the Republic of Zambia in the context of the theme of Fourth World Interdependence.

I would like to share with my colleagues a beautiful poem which expresses warm solidarity between two distinguished individuals: H. E. Dr. Kenneth D. Kaunda to pianist composer Robert S. Pritchard on October 13, 1972:

"How I wish I could write Songs of Praise! . . .

"I would write about him for he travels all
over the world to interpret what my
country talks about—Humanism! . . .

"I would write about him whose fingers pro-
duce marching songs of love in a
world full of hate! . . .

"Do you know that at least Zambia loves and
adores you! . . .

"Carry forth the message of Humanism
across mountains over there! . . .

Yes, here too! . . .

"So go, dear Prit, and preach the message
Humanity needs most! . . .

". . . Oh yes, Do it across the world, remem-
ber and come back home to Human-
ism in Zambia! . . .

"Oh yes, dear Prit, thou has ridden the furi-
ous tornadoes of racial discrimina-
tion and hate—yes, thou has con-
quered them and turned them into
forces of love to Humanity . . . .

LOTTERY LEGISLATION

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mrs. SPELLMAN. Mr. Speaker, I am introducing legislation today in response to a particularly acute problem which I found has arisen in relation to legal State-run lotteries and our present Federal gambling laws.

At present 13 States sanction legally run State lotteries. A number of procedures by the States concerning the use of the mails and other interstate communicative actions are illegal under title 18 of the United States Code.

This legislation amends title 18 of the United States Code to permit the mailing, broadcasting, or televising of lottery information and the transportation, mailing, and advertising of lottery tickets in interstate commerce, but only concerning lotteries which are lawful.

This legislation, if enacted, would allow the interstate broadcast, publication, and mailing of information about the Maryland State lottery by Washington metropolitan area radio and television stations, newspapers, and advertising mail distributors. Such legislation, revising Federal gambling laws, would allow the Maryland State lottery to increase its revenue, providing more State revenues, which in turn are used for the common weal through State government programs.

Mr. Speaker, such legislation would not only benefit my own State of Maryland but the other 12 States which conduct lotteries. I urge that the House Judiciary Committee give it speedy action.

THE TRAGEDY OF MORAL DECAY

HON. JOHN O. PASTORE

OF RHODE ISLAND

IN THE SENATE OF THE UNITED STATES

Tuesday, May 20, 1975

Mr. PASTORE. Mr. President, recently the Chairman of the Federal Communications Commission, Mr. Richard E. Wiley, addressed the Catholic Apostolate of Mass Media. The subject of his talk was the tragedy of moral decay.

The speech touched on television and the recently agreed to family viewing plan.

I ask unanimous consent that the speech be printed in full in the RECORD and I commend it to my colleagues.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY RICHARD E. WILEY

It is a distinct honor for me to have the opportunity to address this Catholic Apostolate of Mass Media—and especially so on World Communications Day.

Ladies and gentlemen, I have devoted considerable thought to an appropriate subject for this diverse audience. As Chairman of the Federal Communications Commission, and with many of our employees and a number of outstanding communications attorneys here today, I suppose it would be only natural if I were to choose a topic within our area of expertise. I hope, then, that you will pardon me if I take this occasion to depart—at least at the outset—from such a normal course and, instead, take this occasion to talk to you straight from the heart on a matter about which I feel very deeply and one which affects the lives of everyone of you.

It is my considered belief, and I say this with all the sincerity I can muster, that the citizens of this country are witnesses today to a great tragedy—one which encompasses a dramatic challenge to concerned and responsible segments of American life: the tragedy of moral decay. For it is more than just an idle phrase, one which we often hear and thus become insensitive to, that recent years have brought with them an alarming decline in the basic morality of this great nation.

Indecency, perversion, materialism, violence, crime have become—for too many of our fellow citizens—a veritable way of life. And of direct pertinence to this group, a substantial portion of the nation's populace, and particularly its youth, have apparently concluded that our fundamental traditions and values—including religion—are neither important nor even relevant to modern life.

These are the people who, in the common idiom, have "opted" out of our society as we know it. These are the people who, in rejecting the traditional American way of life for the drug culture, the flesh market and the gambling den, have ironically alleged that ours is a "sick" society. These are the people who have flaunted our customs and mores on the basis of some "higher" code of conduct which they have cloaked with a nebulous morality and their own personal notions of propriety and rectitude. And these are the people whose challenge must be intelligently met by responsible segments of American citizenry.

This is not a call, however, for a curtailment of our Constitutional rights—thankfully, this is a land in which such freedoms are indelibly imbedded in our national fabric. Nor is it an invitation to censorship or repression—fortunately, such measures have been universally regarded in this country as repugnant. Moreover, my comments should not be taken to suggest that our society is without problems and adverse conditions which require both concern and attention. We have involved ourselves in a prolonged and divisive war. We have yet to ferret out and solve the root causes of the crime and disorder which infest our core cities. We need desperately to attack the terrible symmetry of poverty, disillusionment, alienation and disorder. And, certainly, we must face squarely the question of equal rights and opportunities for all of our citizens, whatever their race, creed or color.

But, at the same time, ours is a nation which, more than any other in the history of the world, has the ability and the will to find solutions to these and other failings. It is a nation which enjoys unparalleled affluence and stature. It is a nation of advanced educational, scientific and cultural achievement. It is a nation, despite all the empty rhetoric to the contrary, in which freedom of thought and action is revered and protected. In short, by any objective standard, it is a nation to be greatly admired and exalted.

And, yet, the tell-tale signs of a national moral decline are there for anyone who cares to look and to perceive. Why, why—the question cries out for an answer.

I believe that it is important to recognize this tragedy for what it is and to set about to find a way to deal with it. And while secular remedies can and must be found, I suggest that the ultimate solution may lie beyond the limits of man's law and man's grasp. It is a solution which, like the problem itself, is nothing new. It is the solution to which mortals, in trouble, must inevitably turn. It is a solution of which some segments of the modern church, for all of its introspection and turmoil, its confrontation with social and political entities, its strivings for "relevance", its theological Newspeak that God is Dead, has paradoxically lost sight. It is a solution which, at once, is pristine in its simplicty and awesome in its strength. It is—as you in this room surely know—the transforming, redemptive power and love of the Almighty.

The thesis I suggest to you today is that moral decay and religious principle are like twin buckets in a well—when one goes up, the other goes down. When religion declines, immorality inevitably will be on the rise. And the depressing fact, as recognized by various pollsters and observers, is that religion—slowly but steadily—is losing its abiding influence on American life.

Examples are legion: holidays have taken the place of holy days. The worship of God has been replaced by the idolatry of sexual symbols and materialistic pursuits. The power of prayer has been removed, not so much from the public educational process, but almost from the public state of mind. And

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theaters and other places of entertainment are packed every weekend while church pews go half-empty. In this connection, I am reminded about the clergyman who met an unregenerated acquaintance on the street and inquired: "Just what do you have against coming to church?" "Plenty," answered the recreant, "the first time I went to church, you dumped water on my head, and the second time, you tied me to a woman I've had to listen to ever since." "I see," said the clergyman quietly, "and the next time I'll see you, I imagine, will be to throw dirt in your face."

Unfortunately, too many of us seek the benefits of regular church attendance no more often than this wayward sinner. Statistics tell us that less than 40% of Americans regularly attend religious services and that a majority see religion as having less impact on their lives than in the past.

Into this religious and moral vacuum must step you, the average American citizen. As we approach our bicentennial year, it seems to me that it is time for rededication—a rededication to some of the basic principles on which our society was built and which has made it the greatest nation in the history of the world. I refer to such things as a basic morality in the lives of our people, patriotism, respect for law and order, respect for one's parents and, by no means last, the power of prayer. And if this says to you that I stand for God, mother and country—well, by all means, make the most of it.

Each of us, in our own way, in our own job and in our life, must find that sense of rededication. In my position at the FCC, I have tried to encourage the development of a "New Ethic" in the industries we regulate—a New Ethic which rejects the shoddy, the deceptive and the fraudulent practice and which refuses the temptation to exalt the dollar over public service—a New Ethic which should be adopted by the industry not because of Dick Wiley, not because of the government, but, simply, because it is in the public interest; because—very fundamentally—it is *right*.

And, in another and important area of communications, I have attempted to focus the attention of the broadcast industry on the problem of excessive and gratuitous violence and indecency on television and the corrosive effect such programming can have on the basic values of our society. The FCC is forbidden by law and by the Constitution from interfering with the content of broadcast programs or from censoring the efforts of our licensees. I agree with this fundamental limitation on our authority—in a free country, it cannot be otherwise.

But with freedom must come responsibility. And this is particularly so with the broadcast industry which has been given the privilege of operating on scarce radio frequencies and whose service is beamed directly into the American home.

It has been estimated that an American child born today will, by age 18, have spent more of his life watching television than in any other single activity except sleep. And with the increasing advent of early morning and late evening programs, even sleep may soon become a second class citizen in comparison to the omnipresent tube. Is it any small wonder, then, that responsible American citizens are paying close attention to the effect which television is having on our citizens—and particularly, on our children?

This concern has increasingly focused on one particular facet of broadcast programing: the depiction of killings and other acts of violence. In one "notable" week of television in the 1960's, 144 murders, 13 kidnappings, 7 torture scenes, 4 lynchings and myriad other acts of cruelty were portrayed during hours when large numbers of young children would be watching. While the situation perhaps has improved in recent years, estimates still suggest that the average American child—between the ages of five and fifteen years—will view the killing of more than 13,000 persons on television.

Television can, and should, serve as a "window to the world" for our children but it must be remembered that what these children learn from the medium depends on what they see. And, in too many cases, what they are seeing is a panorama of man's inhumanity to man. I would submit that—in the process of delivering entertainment—there are better and more socially constructive lessons to be taught to our young people.

In an effort to restore some semblance of public trusteeship and basic responsibility in this area, the FCC has worked with the broadcast industry to develop a new plan—a plan which, on the one hand, will provide a measure of protection to children for objectionable programming but, on the other hand, allow television—if it is to achieve its full maturity—to continue to present sensitive and controversial themes which are appropriate, and of interest, to an adult audience. This plan, which will go into partial effect this fall, is the Family Viewing program: a program by which the first two hours of early evening viewing (7 to 9 p.m. here in Washington) will be devoted to programming which is suitable for the entire family, including younger children. Additionally, the industry has made a new commitment to the American public to lower the overall level and intensity of violence and sex.

It is clear that the Family Viewing plan is not perfect, that it is susceptible to abuse and erosion and that it is premised on the subjective judgments of members of the broadcast industry. However, as I have said before on other public occasions, I think it represents at least the potential of a whole new attitude and method of operation by those who produce and present television programming to the American public. Only time and the exercise of good judgment, good taste and good faith by the industry will determine if this effort will prove to be successful.

One thing, however, should be remembered. The purpose of the Family Viewing period is simply to provide assistance to concerned parents who want to monitor the viewing habits of their offspring. The primary responsibility for a child's healthy development does not lie with television—it lies with his parents. The guidance, the learning, the discipline and, indeed, the example which mom and dad may impart will have more effect than any other force to chart the future path of a young person. And if there is, indeed, to be a rededication to principle and to basic values, then—I would suggest—it must begin within the American home and within the basic staple of our way of life: the American family.

Ladies and gentlemen, I believe that the time has come for a moral and spiritual reawakening in this country. Despite our problems, the mistakes we have made and the shortcomings of our society, we have been blessed with the resources, the national strength of character and, above all, the basic faith in God to bring about a new American renaissance. This renaissance can be ours—both as individuals and as a nation—for with God's love and God's help, we can be truly *born again*. This is the message which you can bring into every aspect of your life and with every person with whom you interact—and your personal action and involvement, while seemingly isolated and unimportant, can have a powerful rippling effect which ultimately can affect our entire society.

This, truly, is the message. This is the Good News. This is the abiding tenet of our mutual Faith. And, although nineteen centuries have come and gone, this is *still* the greatest story ever told.

CANADA-UNITED STATES ENVIRONMENTAL COUNCIL

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. FRASER. Mr. Speaker, environmental considerations do not stop at political boundaries. In recognition of this fact a number of American and Canadian environmental groups recently formed an organization to focus on issues of mutual concern. The new organization is called the Canada-United States Environmental Council.

Groups participating in the Council are: From the United States, Friends of the Earth, Izaak Walton League of America, National Audubon Society, Natural Resources Defense Council, Sierra Club, and The Wilderness Society; from Canada, Alberta Wilderness Association, Canadian Arctic Resources Committee. Canadian Environmental Law Association, Canadian Nature Federation, Energy Probe-Pollution Probe, Federation of Ontario Naturalists, Manitoba Environmental Council, Prairie Environmental Defense League, and Western Canada Chapter, Sierra Club.

The council held its first meeting last November in Toronto and its second meeting this March, in Arlington, Va. At the March 5 session the council adopted a number of significant positions on environmental issues. I would like to include these policy statements in the RECORD at this point:

POSITION STATEMENTS APPROVED AT THE SECOND MEETING, CANADA-UNITED STATES ENVIRONMENTAL COUNCIL, MARCH 1975

ARCTIC GAS PIPELINE

The proposed Arctic International Wildlife Range, which comprises both the existing Arctic National Wildlife Range (and its proposed extension) in Alaska and a similar area on the Canadian side of the border, embraces some of the most superb scenery, wilderness and wildlife habitat on this continent.

The Canada-United States Environmental Council believes that current proposals to transport gas from Prudhoe Bay to the lower United States across this area would cause unacceptable damage to these values. The Canada-United States Environmental Council is therefore opposed to any method of transport of natural gas or petroleum from Prudhoe Bay or other parts of Alaska which requires the crossing of any part of the Arctic Wildlife Range, and its proposed extensions.

The above statement endorsed by:

Alberta Wilderness Association, Canadian Arctic Resources Committee, Canadian Environmental Law Association, Canadian Nature Federation, Federation of Ontario Naturalists, Friends of the Earth, and Izaak Walton League of America.

National Audubon Society, Natural Resources Defense Council, Pollution Probe, Prairie Environmental Defense League, Sierra Club, The Wilderness Society, and Western Canada Chapter, Sierra Club.

ENERGY

The Canada-United States Environmental Council is alarmed about the environmental threats posed by the development of new energy areas in both Canada and the United States. Specific concerns include:

1. *Offshore petroleum development.* The Council is concerned about the current haphazard petroleum activities in the Outer Continental Shelf areas in the United States and the arctic and east coast areas in Canada. Although some development may be necessary, at present there is a lack of basic biological and baseline information about the areas to be affected and an inadequate degree of local involvement and awareness on onshore implications. The Council seeks appropriate limitations and controls on development in these areas until adequate studies have been made.

2. *Coal strip mining.* The Council is concerned about pressure in both countries to develop large-scale surface strip mining for coal in the West. It was agreed that strip mining should be severely restricted and that greater emphasis should be placed upon extracting coal through below-ground operations in the East with effective enforcement of law and safety regulations.

3. *Oil shale and sands.* The Council is concerned about the serious environmental damage that would be caused by large-scale surface mining of oil from oil shale and sands. Existing environmental impact assessments on both these processes are inadequate. It was agreed that urgent research is needed to develop alternative non-nuclear *"in situ"* technologies to extract this oil and that crash programs under current techniques must be avoided.

4. *Nuclear power.* The Council feels that nuclear fission is not the long-term answer to energy problems in either Canada or the United States. Common problems of the two different nuclear systems include: (a) disposal of radioactive wastes; (b) on-going low-level radioactive emissions and the possibility of accidental releases of radioactive material; (c) international sales of reactors to politically unstable countries. It was agreed that there should be no new commitments to nuclear power plants in either country at this time.

Throughout the discussions on energy, delegates were critical of the inadequate attention to energy conservation policies in both countries. It was agreed that fundamental changes in lifestyle in both countries are needed, with the aim of moving toward a stabilization in per capita energy consumption.

Delegates also criticized the inadequacies of token gestures currently being made toward development and implementation of alternative and renewable energy sources such as solar, wind, geothermal and tidal power. It was agreed that such sources should be encouraged now as supplemental sources of energy where environmentally appropriate. Ultimately, they should be viewed as major contributors to the energy mix.

The above statement endorsed by: Alberta Wilderness Association, Canadian Environmental Law Association, Canadian Nature Federation, Energy Probe, Federation of Ontario Naturalists, and Friends of the Earth.

Izaak Walton League of America, National Audubon Society, Prairie Environmental Defense League, Sierra Club, The Wilderness Society, and Western Canada Chapter, Sierra Club.

OIL TANKERS

1. Both the United States and Canada should take action to ensure that tankers entering their ports and navigable waters are designed and constructed with the best available pollution-control technology, including but not limited to: (a) Features such as double bottoms or double hulls, designed to reduce outflows from collisions and groundings; (b) Features such as controllable-pitch propellers, bowthrusters, twin screws/twin rudders, high-horsepower propulsion systems designed to improve maneuverability and stopping ability; and (c) Features such as segregated ballast designed to reduce operational discharges.

2. In particular with regard to the marine transport leg of the Trans-Alaska pipeline, the commitments of Secretary of the Interior Rogers Morton that tankers carrying Alaskan oil would meet the highest standards should be fully implemented.

3. Neither the United States nor Canada should be limited in the scope of content of its regulations to standards agreed upon under the auspices of the Intergovernmental Maritime Consultative Organization.

4. A coordinated effort should be made to regulate tanker traffic in geographical areas of joint concern, including the Strait of Juan de Fuca, the Canadian Maritime Provinces and Eastport, Maine.

The above statement endorsed by:

Alberta Wilderness Association, Canadian Environmental Law Association, Energy Probe, Friends of Ontario Naturalists, and Friends of the Earth.

National Audubon Society, Natural Resources Defense Council, Sierra Club, The Wilderness Society, and Western Canada Chapter, Sierra Club.

LAW OF THE SEA

The Canada-United States Environmental Council is deeply concerned about the need for protecting the natural values and resources of the oceans. Delegates emphasized the importance of the United Nation's Third Law of the Sea Conference which will reconvene in Geneva and Caracas this year. Delegates believe that any Law of the Sea agreement must include:

(a) A commitment by all states to take all necessary measures to prevent and control marine pollution from all sources;

(b) A commitment by coastal states to adhere to minimum, internationally established requirements for control of pollution from activities in any zones where coastal states are given exclusive rights to exploit ocean resources for economic purposes, such as the widely discussed zone extending 200 miles from the coast;

(c) Authority on the part of states whose resources and coasts are threatened by pollution from vessels, such as coastal states and port states, to establish broad regulations to prevent vessel pollution, including regulations additional to or more stringent than those set by flag states or international authorities; and

(d) A commitment by all states to accept responsibility for all damage, including costs of clean-up, to the marine environment resulting from activities conducted by them or persons under their control, such as vessels flying their flags, regardless of where such damage occurs.

The above statement endorsed by:

Alberta Wilderness Association, Canadian Environmental Law Association, Canadian Nature Federation, Federation of Ontario Naturalists, Friends of the Earth, and National Audubon Society.

Natural Resources Defense Council, Pollution Probe, Prairie Environmental Defense League, Sierra Club, The Wilderness Society, and Western Canada Chapter, Sierra Club.

FUR SEAL CONVENTION

The Canada-United States Environmental Council recommends that the North Pacific Fur Seal Convention be amended to provide both the U.S. and the U.S.S.R. with unilateral authority to determine the optimum sustainable population of the seal herds on their respective islands with unilateral authority to suspend taking when populations levels fall below the optimum sustainable population level. Specific CUSEC recommended changes to Article IV 2: Replace the existing Article IV 2 of the convention with "2. If the total number of seals on any island or group of islands falls below the level of optimum sustainable population, commensurate with the health and stability of other segments of the ecosystem, then commercial killing of seals will be suspended by the Union of Soviet Socialists Republics or the United States, on their islands so affected. The U.S. and U.S.S.R. will each determine the optimum sustainable population for their own islands after consideration of recommendations from the North Pacific Fur Seal Commission."

2. The Canada-United States Environmental Council further recommends that the convention be amended to include a provision that any party has the option of electing not to have its percent of the estimated harvest total killed during the next annual harvest. Such an election would reduce the total killed by that percent, and would not affect the number of skins going to the other parties.

3. The Canada-United States Environmental Council further recommends that the convention be amended to include the definition of humane taking from the U.S. Marine Mammal Protection Act of 1972. The convention should specify that the fur seals be taken in the most humane manner possible causing the seals the least pain and suffering.

The above statement endorsed by:

Alberta Wilderness Association, Canadian Enviromental Law Association, Canadian Nature Federation, Federation of Ontario Naturalists, Friends of the Earth, National Audubon Society, and The Wilderness Society.

GREENPEACE V WHALE PROTEST VOYAGE

The Canada-United States Enviromental Council endorses the Greenpeace Foundation's Project Ahab voyage to protest whaling the North Pacific during April–June 1975. The Greenpeace V will attempt to communicate scientifically with the whales being hunted by the Japanese and Russians and to prevent the hunting of the whales by placing itself between the whales and the whalers. The Greenpeace V voyage is part of a continuing effort to have the International Whaling Commission establish a ten-year moratorium on whaling.

The above statement endorsed by:

Alberta Wilderness Association, Canadian Environmental Law Association, Canadian Nature Federation, Federation of Ontario Naturalists, Friends of the Earth, National Audubon Society, Pollution Probe, Prairie Environmental Defense League, Sierra Club, The Wilderness Society, and Western Canada Chapter, Sierra Club.

GARRISON DIVERSION PROJECT

Serious economic, social and environmental impacts in the State of North Dakota and the Province of Manitoba of the U.S. Bureau of Reclamation's Garrison Diversion Project have been revealed in the recently released Institute of Ecology studies on the project. In view of these impacts and continuing budget appropriations for the project, delegates agreed to continue to seek a moratorium on further project construction. Appropriate input to U.S. and Canadian agencies and departments will be undertaken by the groups involved in CUSEC.

The above statement endorsed by:

Alberta Wilderness Association, Canadian Environmental Law Association, Canadian Nature Federation, Energy Probe, Federation of Ontario Naturalists, Friends of the Earth, and Izaak Walton League of America.

Manitoba Environmental Council, National Audubon Society, Prairie Environmental Defense League, Sierra Club, The Wilderness Society, and Western Canada Chapter, Sierra Club.

LAKE CHAMPLAIN-RICHELIEU RIVER WATER CONTROL PLAN

The Canada-United States Environmental Council supports a thorough environmental impact study of proposal to regulate water levels of Lake Champlain and the Richelieu River, and urges the International Joint Commission and the Government of Canada to await the completion of such study before deciding what to do. The Council also urges the consideration of non-structured methods, such as flood plain management, zoning and flood insurance, as means of dealing with high water in the Richelieu flood plains.

The above statement endorsed by:

Canadian Environmental Law Association, Canadian Nature Federation, Federation of Ontario Naturalists, Friends of the Earth, Izaak Walton League of America, National Audubon Society, Pollution Probe, Prairie Environmental Defense League, Sierra Club, and The Wilderness Society.

SPECIAL SUPPLEMENTAL FOOD PROGRAM

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. MILLER of California. Mr. Speaker, this short bill costs nothing, but will remedy an extremely serious problem.

It involves the special supplemental food program, known as WIC—women, infants, and children—which expires on June 30, 1975.

The House of Representatives has already passed legislation extending WIC well beyond this date. As a result, I fully expect WIC to be extended by Congress. There is tremendous professional and community support for WIC.

However, it does not appear that this new legislation will become law until late June 1975. That is what necessitates this bill, as the States need some more immediate guarantee that funds will be available to continue WIC. Each State must receive its letter of credit containing WIC funds by or near June 1, 1975, or they will have to close down their programs, disrupting the nutrition support and medical supervision of hundreds of thousands of low-income infants, children, and pregnant women. Some States have already sent out the word to shut down programs. This disruption is not only necessary, it would be bad public policy to stop the WIC program, dismantle the food-delivery mechanism, and stop the flow of medical data, only to have the entire program authorized and funded soon thereafter. This is the scenario this bill seeks to avoid.

I am informed by the Department of Agriculture that there will be several million dollars unspent from this year's WIC authorization. This money can be carried over for the 3-month period authorized in this bill, thereby eliminating the need for any new funds. Of course, it is my hope that a permanent extension of authorization will soon become law.

However, Mr. Speaker, until that happens, this provision is necessary for the future of this valuable program.

The bill follows:

H.R. 7136

A bill to continue the special supplemental food program for women, infants, and children through September 30, 1975

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 17 of the Child Nutrition Act of 1966 (80 Stat. 885, as amended; 42 U.S.C. 1786) is amended—

(a) by inserting after "1975," in the first sentence of subsection (a) the following: "and for the period July 1, 1975, through September 30, 1975,"; and

(b) by inserting after "1975," in the third sentence of subsection (b) the following: "and for the period July 1, 1975, through September 30, 1975,".

ANNABEL THOMPSON CARTER

HON. CHARLES WILSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. CHARLES WILSON of Texas. Mr. Speaker, there is probably not another teacher in all of Texas who deserves the rest and relaxation that retirement can bring more than Annabel Carter, who will be leaving the Lufkin School District this year. No one who knows her, however, really expects her to rest or relax—they do not think she knows how.

Mrs. Carter has taught in the Texas public school system for 41 years. In that time, she has taught almost every grade and a wide range of subjects: from art history to Texas history to boys' shop. She has even coached a sixth grade football team.

But her major accomplishments—and they are outstanding—are in the field of choral music. In that subject she has no peer. She has organized more than a dozen choirs in her career and brought each of them to near perfection.

She began her teaching career at La Vega Independent School near Waco, and moved from there to Waco, to Fort Worth, to Austin, and in 1956, she became one of my constituents. Since then, she has taught at Lufkin Junior High West. There she organized the boys' choir, mixed chorus and the girls' contest choir; those groups have won 16 sweepstakes in the past 7 years. Over the last 3 years, her entries have won more than a thousand solo and ensemble first awards in State and invitational contest.

Her contributions to the community include the original plays, songs, pageants and programs she has produced, as well as the annual Christmas programs for patients at the Waco Veterans' Hospital, which she organized for 4 years. She has contributed her time free of charge to the Baylor High School Music Camp for the past 15 years, in return for scholarships for Lufkin students.

Mrs. Carter is a member of the Texas Music Educators Association, the American Choral Directors' Association, the Community Concert Association, the Governor's Council of Fine Arts, and she has been named to the World Who's Who of Musicians.

All of these awards have come to a woman who has not sought public recognition, a woman who has most often found her reward in the beauty of her students' voices and in their triumphs.

The greatest compliment a teacher can ever receive is the appreciation of her students—and often that appreciation does not come until much later in life. Mrs. Carter was the subject of a paper written by a college student who had been a fourth-grade student of hers. In his paper, he described the qualities of persistence and perserverance she taught him and told of a time when she had comforted him in the loss of his young sister. The young man added:

> All these high standards found in Mrs. Carter were embraced with a profound knowledge of subject matter, and a high degree of respect and integrity for her country and her fellow workers . . .

To that, I add only my personal admiration and respect.

PRIVACY LEGISLATION: REPUBLICANS IN FOREFRONT

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. COUGHLIN. Mr. Speaker, I am pleased to call to the attention of my colleagues an article which appears in the May 1975, issue of the College Republican magazine.

The article, title "GOP Leads Privacy Effort," describes the many initiatives in the field of rights-to-privacy legislation that have been undertaken by Republican Members of Congress. I find it significant that so many Republican Congressmen are concerned about protecting the privacy of American citizens.

I am also delighted to note that the author of the article, Marc Rosenberg, is a constituent of mine from Cheltenham, Pa.

The text of the article follows:

GOP LEADS PRIVACY EFFORT

Republicans have quietly moved to the forefront of Congressional efforts to guarantee citizens' rights-to-privacy. In doing so, they are not seeking any special publicity, but are working behind the scenes to assert traditional Republican beliefs in the importance of the individual and the personal rights enumerated in the Constitution.

The GOP has taken more than its share of lumps as a result of Watergate and the more recent revelations of various domestic intelligence activities. The latter are especially painful because Republicans (through association with the sitting President) are being incorrectly identified in the public's mind with the CIA, FBI and military intelligence activities that actually took place mainly during the Johnson administration.

The truth of the matter is that in recent years the impetus for new laws to protect rights-to-privacy has come primarily from Republican Members of Congress. Last year, for instance, college students were cheered by passage of the Family and Educational Privacy Act, which gives students access to files kept on them by their schools but denies this access to unauthorized third parties. This law was authored by Sen. James Buckley (R, C-NY) and is better known as the Buckley Amendment.

The educational privacy act was one of twelve specific proposals that were either initiated or endorsed in a report issued last August by the House Republican Task Force on Privacy. The Task Force consists of 13 GOP Representatives, chaired by Barry Goldwater, Jr. Its recommendations were unanimously endorsed by the Republican Research Committee, on behalf of all Republicans in the House of Representatives.

During public hearings in March of this year, the House Judiciary Subcommittee on Civil Liberties praised the Task Force report as being the most thoughtful and comprehensive document of its kind. They commended Mr. Goldwater and his colleagues for their efforts.

Last year, Congressman Goldwater (R-Ca) also distinguished himself in the privacy area by being the prime sponsor of the Goldwater-Koch Comprehensive Privacy Act. This new law guarantees citizens access to most files kept on them by the federal government and provides a mechanism for correcting or deleting inaccurate information. At the same time, the law prohibits improper dissemination of information found in these federal files.

In other areas, Sen. Lowell Weicker (R-Cn) is leading efforts to guarantee the confidentiality of citizens' federal tax returns and to prevent abuse of the IRS's audit powers. Rep. Jack Kemp (R-NY) has proposed legislation to help safeguard the privacy of personal medical records. And Sen. Howard Baker (R-Tn) has established himself as the leading Congressional authority on domestic intelligence activities of the CIA. (He attempted to have the Ervin Committee examine this area last year, and he now serves on the Senate's special committee to investigate intelligence agency operations.)

In this current session of Congress, probably the single most important piece of privacy legislation is the Bill of Rights Procedures Act, which was developed by Sen. Charles Mathias (R-Md) and Rep. Charles Mosher (R-Oh).

This legislation would require federal agents to obtain court orders before they could conduct any surveillance on any private citizen. It would greatly strengthen the protections granted by the First, Fourth and Fourteenth Amendments and would plug up many loopholes in existing laws.

This past February Mathias and Mosher testified before the Subcommittee on Civil Liberties, which is currently considering the Bill of Rights Procedures Act.

They warned that "American citizens today, in many instances, are becoming virtually paranoid about government surveillance." They noted that this can result in a "chilling effect." This phenomenon is described as citizens being intimidated by the fear that improper surveillance is taking place, so that they then avoid participating in certain political rallies or other lawful exercises of Constitutional rights.

At the time he testified, Congressman Mosher noted that 62 Congressmen had joined him as cosponsors of the Bill of Rights Procedures Act. The cosponsors were evenly divided, 31 from each party, representing the whole spectrum of political philosophies, and coming from every part of the country. The number of cosponsors is now over 70.

The Judiciary Committee is continuing hearings on the Bill of Rights Procedures Act and indications are that it will receive favorable treatment. There is a very good chance that the Mathias-Mosher bill will be put before the House for a vote this summer.

In the meantime, the House Republican Task Force on Privacy and individual GOP Members of Congress continue to press ahead in many areas for greater safeguards of citizens' rights-to-privacy.

This is not a Johnny-come-lately interest. The GOP was founded over a century ago, primarily as a result of public concern over the rights of Americans who were being held in slavery. Republican legislators today are working to fulfill the Party's historic commitment to the rights and freedoms of the individual.

SAM CRISTOFANO—PUBLIC WORKS MAN OF THE YEAR

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. MINETA. Mr. Speaker, it is indeed a great privilege to share with my colleagues in the House of Representatives some of the accomplishments of Mr. Sam M. Cristofano, Director of Public Works for the city of Santa Clara, Calif., who is being honored this week as one of the Top 10 Public Works Men of the Year.

Selection of Mr. Cristofano as one of the Top 10, comes as part of National Public Works Week, May 18 to 24, an annual observance spotlighting the work done by public works agencies throughout the United States and Canada. The event is sponsored by the American Public Works Association in cooperation with the American Society of Civil Engineers, American Water Works Association, Council of State Governments, Institute of Traffic Engineers, National Association of Counties, National League of Cities, and Water Pollution Control Federation. He was selected for this honor from scores of nominees by a distinguished panel of judges as being representative of the finest in public works. In the opinion of the judges, and in my own opinion, Mr. Cristofano's work reflects the highest standards of professional conduct and the wise use of manpower and public funds.

Born in Denver, Colo., and educated in that city's elementary and high schools, Sam Cristofano joined the Army in 1946 and served in Korea with the First Infantry Regiment, Sixth Division.

Upon his discharge from the service 2 years later, he enrolled at the University of Colorado, and in June 1952, received a bachelor of science degree in civil engineering. After graduation, he first worked for the Colorado State Department of Public Health and later with the city of Ingelwood, Colo. In 1955, he moved to California to take a position with the State of California's Department of Public Health. In 1957, Mr. Cristofano obtained registration as a civil engineer in California and Colorado. In July of the same year, he joined the city of Santa Clara as street superintendent. On April 1, 1963, he was promoted to director of Public Works and Utilities for Santa Clara.

Realizing the need for continuing education, Mr. Cristofano enrolled, in 1971, in the Public Works Administration program at the University of Santa Clara; and in 1974, he received a master of science degree from that university. Because of his successful completion of this management program and his recognized efforts in and knowledge of solid waste management in Santa Clara County, Mr. Cristofano has subsequently served as visiting lecturer, teaching the graduate course on solid waste management. Recently, the University of Santa Clara has also appointed Mr. Cristofano as the public works representative on their Construction Education Advisory Committee.

As the city of Santa Clara's director of Public Works and city engineer, Mr. Cristofano is the administrative head of the Engineering, Street, and Automotive and Building Maintenance Departments. His responsibilities include design engineering, traffic engineering, construction inspection, street construction and maintenance, public parking lots, storm drainage, solid waste management, street trees, automotive and equipment maintenance, and building maintenance. The public works department, under Mr. Cristofano's direction, has 125 employees; and its 1974–75 combined operation and capital improvement budgets exceed $21,500,000.

During his tenure as Santa Clara's director of public works, Cristofano has managed over 40 special assessment districts. Within the last 2 years, he has successfully established an assessment district for improvement of a 432-acre tract which, when completed, will be one of the highest quality industrial parks in northern California. In the field of solid waste collection, Cristofano inaugurated many innovations, saving the Santa Clara taxpayers $1.75 million over a 10-year period, without sacrificing the city's high level of service.

Mr. Cristofano has served, and currently serves, on a variety of advisory committees including the Santa Clara Valley Water District Technical Advisory Committee for Solid Waste Management, the Advisory Council of City Engineers, the Citizens Advisory Committee for the Guadalupe River, and the Transit and Transportation Committee of the Santa Clara Chamber of Commerce. In addition, he currently serves on several committees of the American Public Works Association, and for the past 5 years he has been the chairman of the Research Committee for the Institute of Municipal Engineers. Since 1970, he has also served as chairman of the annual Western Regional Solid Waste Symposium.

Sam M. Cristofano was the charter president of the South Bay Area Chapter of the American Public Works Association, and currently serves as that chapter's delegate to the APWA House of Delegates. He was also founding president of the Municipal Public Works Officials of Santa Clara County, and is a member of the Governmental Refuse Collection and Disposal Association and the Institute of Solid Wastes.

He now serves on the Legislative Commitee of the California Municipal Utilities Association, and is a past member of the California League of Cities Transportation Committee.

In 1972, he was the recipient of the Charles Walter Nichols Award from the American Public Works Association for demonstrated imagination and innovative leadership in the field of solid waste management.

In short, Mr. Sam M. Cristofano is well worthy of the designation as one the top 10 Public Works Men of the Year. His contributions to the residents of the city of Santa Clara, to the students at the University of Santa Clara, to his colleagues in the public works field, and to those like myself who have had the opportunity to work with him, are exemplary of the best in his chosen profession and the public interest.

Mr. Speaker, I greatly appreciate having had the opportunity to share with you some of the accomplishments of Sam M. Cristofano, one of the Top 10 Public Works Men of 1975. He is surely deserving of this identification. Moreover, it is both fitting and proper that we offer him this recognition today, May 20, 1975, within the context of our consideration of H.R. 5247, the Local Public Works Capital Development and Investment Act of 1975, for it is public works officials of the quality and commitment of Mr. Cristofano who will make that measure achieve its full potential in the cities, counties, special districts, and States of this Nation.

TANSTAAFL: A PARABLE

HON. WILLIAM L. ARMSTRONG

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. ARMSTRONG. Mr. Speaker, life has become so complicated that a great many of us are losing sight of timeless principles, particularly eternal truths about human nature.

A recent editorial in Industry Week magazine beautifully underscored one such verity. I commend it to my colleagues in the House:

TANSTAAFL

After the War of the Almonds, the Land of Kulumar was the richest and most powerful of all.

Its fields were bountiful and its granaries were full.

Its flocks were fat and sleek.

The Kulumese were proud and productive. They worked and they rejoiced in the highest standard of living known.

Sire, the Generous, surveyed all this plenty and said: "Surely a country as rich as Kulumar should provide food and housing and garments for our less fortunate. I will ask the Lawmakers to levy a tax on the workers to provide this."

And the Lawmakers, each of whom hoped one day to become Sire, levied the taxes. They then said: "Let there also be free circuses for those who do not work. And let there be soft hassocks and free food and wines for those who watch the circuses."

And the Lawmakers levied more taxes.

When the workers of Kulumar heard of the free circuses, the soft hassocks, and the food and wines, and then figured their now monstrous taxes, they said: "That is for us."

The farmers left the fields. The shepherds abandoned their flocks. The weavers laid down their shuttles. The blacksmiths cooled their forges. All the Kulumese were watching the free circuses.

Plenty turned to scarcity. No longer was there abundant food. Garments were hard to come by. The Kulumese did not even have camel chips to heat their tents.

Prices rose and rose. And the Lawmakers raised taxes again and again. (It was the only thing they knew how to do.)

Misery and gloom replaced joy and pride.

And Sire, the Generous, who was well-intentioned, went to the Wise Man of the Mountain and said: "Wise One, I have tried to give the good life to my people. But they no longer want to work. Food and goods are scarce. Prices are outrageous. Taxes are even more so. Give me a solution."

And the Wise Man of the Mountain replied in Kulumese: "TANSTAAFL."

Which means: "There Ain't No Such Thing As A Free Lunch."

NEW JERSEY, THE GARDEN STATE

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. PATTEN. Mr. Speaker, recently I received a poem from one of my talented constituents, Ms. Madeline Takacs Barboe.

The name of the poem is: "New Jersey, The Garden State," which illustrates the history and beauty of New Jersey.

I wish to have this included in the Extensions of Remarks in the RECORD:

NEW JERSEY, THE GARDEN STATE

(By Madeline Takacs Barboe)

New Jersey, Garden State, third of the original colonies—
Now is one out of fifty, of which we all can be proud,
For its outstanding geography and history
That citizens of nation and state all o'er have avowed.
Many of its shores have pounding surf,
Plenty slopes and hills show gainly turf,
Its woods and rills abound with life
As any sports-fan can tell without strife.

We New Jerseyites love this our home and hearth—
Nestled 'tween the Delaware, Hudson, Atlantic, Appalachian,
With Hackensack, Navesink, Passaic, and Raritan;
Urban/suburban Trenton, Newark, . . . "Castle on Earth."
Its buff-colored flag with centered State arms,
On high waves o'er the official red oak,
Eastern goldfinch, and violet for all folk
To view a scene that colorfully charms.

In our history, we owe much to both women and men,
As—Molly Pitcher at Monmouth and Lenni Lenape Indian;
George Washington at Trenton, Morristown, Somerville, Princeton;
The Quakers, Moravians, Betsy Griscom Ross, Livingston;
Seventeen Woodbury brothers, Byllinge, Carteret, Berkeley;
Goodwin, Kovats, William Franklin, William Henry;
Andrews, Fitch, Holland, General Kearny, Thomas Edison;
Dorothea Lynde Dix, Grover Cleveland, Woodrow Wilson.

And, John (Robert, Edwin) Stevens, William Penn,
Captain James Lawrence, Vrey, Blair, Boyden;
James Marshall, Samuel Colt, Williams, John Woolman,
Parker, Hugh Taylor, Mason, Walt Whitman;
Morse's telegraph-Morristown, J. Fenimore Cooper;
Bardeen, Brattain, Shockley; Roebling, Joyce Kilmer;
Lake's 'Argonaut,' Vineland-Binet test: Goddard;
Johnson brothers; 1st air flight-Woodbury: Blanchard.
1st organized baseball team-game/Hoboken;
1st intercollegiate football/Rutgers-Princeton;
Transatlantic cable from Britain—
Queen Victoria to Buchanan via Trenton.
1st chartered bank: Newark; 1st planned industries: Paterson;
1st research lab: Menlo—West Orange; 1st movie studio (Edison);
Deal: ship-to-shore radio—'phone; wireless TV–Whippany;
Telstar-1st communication satellite; Astronaut Schirra, "Wally."

We're known also for Lenox china, Greenwood rocket mail/pottery;
Woodbridge brick, Weymouth iron, oak and pine forestry,
Camden-Esterbrook and Campbell; Hackettstown hatcheries;
Farming, fishing, research; copper/oil refineries;
Lakehurst, Hopatcong, Sandy Hook, shipbuilding,
'Plane/engine production; munition, glassmaking;
With canals, ferries, tunnels, postroads;
Ports; air/water; Parkway, Turnpike, plus railroads.

Our schools, homes, and groups reach active minds,
So past, present, and future re-cord knowledge finds,
Now then, let all of us in our Home State,
Strive ever onward to appreciate
Liberty, justice, and equality;
To uphold one another with fraternity,
Up-raise each other toward prosperity
With fairness to all 'til eternity!

"ASK CONGRESS" SERVES THE PUBLIC INTEREST

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. O'NEILL. Mr. Speaker, one of the greatest contributions one can make toward enhancing our democratic form of government is through increasing public awareness and understanding of how the democratic process and government works. It is in this connection that I would like to draw attention to a House of Representatives program created by our distinguished colleague from New York (Mr. WOLFF) which over the years has done much to foster understanding throughout the country about how Congress works and acts on major issues of the day.

I refer to the nonprofit, nonpartisan, public affairs television show, "Ask Congress" which was designed by our colleague, Mr. WOLFF. "Ask Congress," which is filmed in the House of Representatives studio, invites two Members each week, one from each party, to answer questions sent in from viewers across the country on major issues before the Congress. The gentleman from New York (Mr. WOLFF), who moderates "Ask Congress," is careful to insure that both sides of an issue are explored and that Members from both parties are represented. In this way, the public is educated on the whole of an issue and is exposed to the various viewpoints of Members from around the country who may

represent districts very different from that of the viewer. The people are able to get a more well-rounded and accurate insight into the workings of Congress and of the men and women who make up the House of Representatives.

"Ask Congress" serves the public's interest, and I hope it will continue with the success it has enjoyed over the years.

NEW DEVELOPMENTS IN DETROIT: THE POLICE COMMISSIONER IS A LADY

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. CONYERS. Mr. Speaker, "The Black Urban Condition" is the title of a comprehensive account of the changing role of black people in American cities. The author is Dr. Hollis R. Lynch, a professor of history at Columbia University and our distinguished and able colleague from Michigan, the Honorable CHARLES C. DIGGS, Jr. has written a perceptive introduction.

A section of the book deals with black representation in a variety of municipal police departments as of 1959. The following describes the Detroit situation then:

Negroes make up 3 per cent of the Detroit police force—133 of 4,365 policemen. Most are assigned to districts heavily populated by Negroes, none to all-white districts.

Thirty-nine Negroes work at headquarters. Ninety-four are assigned to fifteen precincts. Six white precincts have 1,000 white policemen and no Negroes. Three precincts where the population is 80 per cent Negro have sixty-three Negro policemen, 437 white policemen. Thirty-one Negro police and 965 white policemen are assigned to six precincts with a mixed population.

Integration within precincts was begun this year. Scout car crews previously consisted of two white policemen or two Negroes. On March 1, in one precinct only, crews were assigned regardless of race, a move that stirred resentment among white officers. For three days, policemen throughout the city ignored traffic violations and issued fewer than one-tenth the normal number of tickets. Pressure by the Mayor, the Police Commissioner and leaders of the Detroit Police Officers Association ended the slowdown. No incidents have been reported since, and seven more precincts were integrated smoothly on April 1.

Leaders of the Negro community have welcomed the move as a atep-forward reducing complaints of discourtesy, brutality and unlawful arrest.

Arthur L. Johnson, executive secretary of the Detroit chapter of the National Association for the Advancement of Colored People, said he was pleased by integration within the precincts but wanted Detroit to hire more Negro policemen and to assign them to all precincts.

Today, under the leadership of Coleman A. Young, the first black citizen to be elected mayor in the 169 year history of the city of Detroit, we are finally building a police department that attempts to represent all the people of our city. The fact of the matter is that police have traditionally been at odds with inner city residents. The history of community and police relations in Detroit presents clear evidence of racial hostility. Many policemen are strangers in the communities in which they work. Some are considered to be oppressors by the very people they are supposed to serve.

This problem has been faced realistically by a concerned Detroit leadership in city hall, as well as by a number of civic organizations including New Detroit, Inc. One concept that has been carefully developed is that of mini-police stations which operate in 15 neighborhoods and bring services closer to the community. Fifty-five such mini-centers are planned by the end of the year. A great effort is being made to encourage officers to live within the city limits. But it does not stop there. Public support is mounting in behalf of a policy that would require policemen to be residents of the precinct where they work. It is believed this would result in greater responsiveness to the needs of communities and greater respect for citizens. The Young administration is also employing civilians in the police department to relieve officers of desk assignments.

One of the goals of the recently adopted city charter is to give civilians more control over the police department as a whole. A civilian board of commissioners was established to reduce the kind of police-community alienation that has become a cold fact of life in the cities of this Nation. What further distinguishes our board of commissioners is the presence of a young and talented black woman, Susan Cooper. As a commissioner, Ms. Cooper shares in the board's powers to oversee police discipline and its relations with the community. The intelligent and sensible way in which she has discharged her duties in connection with the mostly white, male department, including the chief of police, has commanded the attention of, and won praise from many segments of the community, including her co-commissioners—Prof. Edward Littlejohn, Rev. Charles Butler, and Messrs. Douglas Frazier and Alexander Richey.

Ms. Cooper is best described as an attractive, brainy, no-nonsense, and articulate young woman. We in Detroit are especially proud of her and feel that she has more than lived up to the mayor's prediction that she would be a superb police commissioner. She is known around the city as one who has come out of the community and yet has not let her professionalism weaken her deep ties to the people whom she serves.

A recent Christian Science Monitor article describes Ms. Cooper and her views about her work. I insert it to be printed in the RECORD at this point:

MINORITY CLOUT OVER CITY POLICE—MORE CITIZEN CONTROL HELPS RELIEVE TENSION

(By Robert M. Press)

A young black woman is helping run the 5,400-member, mostly white, mostly male Detroit police force.

She is not a token appointee: she has real "clout" and says she may be forced to use it. Her appointment is one example of the efforts of many cities across the United States to give citizens more control over their police and give blacks and other minorities a more representational share of police jobs.

At stake in these changes are: (1) a possible check on crimes that are helping drive more and more city families to suburbs, leaving the poor behind; (2) a possible lowering of tensions between city police and many citizens.

Susan Cooper's job, as one of five Detroit police commissioners appointed by Mayor Coleman A. Young last July, is to tackle both these issues.

"The level of frustration is very high across the board in Detroit," she says, leaning forward at her desk, which is covered with memos, letters, and reports.

She is tall, slender, wears her hair in a full Afro, and is accutely aware of the potential importance and difficulties of her new five year appointment.

"How can I in five years move to change what has been institutionalized over the last 100 years?"

Years of having an almost all-white police force while the minority population of Detroit has been growing (it was nearly 45 percent in 1970) has left "resentment" on both sides. A white police officer has difficulty "empathizing" with a black citizen, and the black citizen feels the officer is there to "perpetuate the status quo" instead of to be of service, she says.

"Do we hire more black cops?" That is one way to improve things, she says. And the city is doing that. Minority representation on the force is now 19 percent, higher than when Mayor Young was elected.

"Do we force the police to live in the city?" That is another way, she says.

But the key, she stresses, is empathy—"a whole change of attitude."

Officers should realize that "even the person walking around in blue jeans and Army jacket is probably paying taxes and paying their salary."

The commission has launched a program to give minorities a better chance at jobs and promotions within the department. The commission's investigative staff, despite some resistance, has been examining police files to lay groundwork for further recommendations.

The police department is planning sensitivity training for officers.

Some officers feared a "sweep" by the commission, which handles department discipline, has subpoena power for investigations, and has the power to "resolve" citizen complaints.

But as she has done before, Miss Cooper is moving slowly, gathering facts. Her four years as executive director of Concerned Citizens Council, a job she still holds, has taught her it pays to act on facts, not just emotions.

Yet there is an "undercurrent" of opposition to some of the commission's moves, says Thomas Moss, one of the police department's civilian deputy chiefs. And if strong foot-dragging occurs on its recommendations, the commission might be forced to "exercise our clout in a very heavy manner," says Miss Cooper.

THE LAST AGONIES

HON. DAN DANIEL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. DAN DANIEL. Mr. Speaker, the other day I heard a commentator remark that for the first time in 36 years, the world was at peace.

The absence of declared war is not

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peace. Often bloodshed continues. What many fail to realize is that the Communist dictionary and our own assign different meanings to words. Peace to a Communist means "I live—you die." Peaceful coexistence to a Communist means an era in which the people of the world have succumbed from internal or external pressure to communism. There is no accommodation—no middle ground. The Communist victors in Cambodia and South Vietnam are in the process of imposing on their former adversaries their concept of peace.

The following editorial in the Richmond News Leader for April 30, 1975, says it better than I and I respectfully request that this be printed here, and commend it to the reading of all Members:

THE LAST AGONIES

It is all over now for the people of South Vietnam. Long have they fought for their liberty. Long did American troops fight with them—against the invading Communists, and against anti-American derogators. Regarding those derogators, we give you—for example—the following from Mr. Tom Hayden, described in *The New York Times* as a leader "in the Indochina peace campaign"; "I see [the collapse of South Vietnam] as a result of something we've been working toward for a long time. Indochina has not fallen—it has risen. [Americans should recognize that] Communism is one of the options that can improve people's lives."

Or consider the following. In the words of *The Times*, it was "purportedly written by Bernardine Dohrn of the Weather Underground Organization, [and] was received through the mail of the Op-Ed Page of *The New York Times*. Miss Dohrn is on the Federal Bureau of Investigation's ten-most-wanted list." Wrote—"purportedly"—Miss Dohrn: "Ten years of struggle against the war in Vietnam has been the crucible for a generation of Americans. We can never forget what we have seen and understood: the brutality and violence of the United States military establishment, the lies and hypocrisy of the government, the moral corruption of an official system of murder, rape, torture, and now the kidnapping of [South Vietnam's] children."

To the abiding chagrin of the South Vietnamese—and to the chagrin of the cause of liberty throughout the world—too many Americans have accepted such proto-Orwellian language with an infantile credulity. The gooping nonsense about Vietnam that has been dished out to the American public by persons who should know better has been almost unbelievable. Contemplate, for instance, two headlines from the first page of The Times' "Week in Review" section of April 27: "Communist Rule Will Be Disciplined, Moralistic," and "With Thieu Gone, Peace in Vietnam Seems Near."

To impute even a hint of "morality" to a Communist is to do him a favor he doesn't deserve. And peace? On that matter, we prefer the observations of Alexander de Solzhenitsyn, who knows about Communism as well as any human being. If the Communists take over, he said two weeks ago, "the whole of Vietnam could turn into a concentration camp." Yes. Yes indeed: The Communists will create a concentration camp from Saigon—renamed today "Ho Chi Minh City"—to Da Nang; they will create a silence and will call it "peace."

The requirement that peace— i.e., the cessation of military hostilities—be established in South Vietnam has been one of the prevailing myths of the past two years. In fact, during the past several months that presumed necessity has made the American government as accommodating as a weathercock to the ever-escalating Communist demands—even to the point that the American government sanctioned the naming of "neutralist" Duong Van Minh as President to superintend the surrender of South Vietnam to Communism. Yet the cessation of military hostilities was evidently not so important to the millions of refugees who rushed not toward Hanoi, but toward Saigon.

Those refugees were tramping out a message as they fled, and the message was: "More than the cessation of hostilities, we desire our liberty." For if it had been a mere cessation of hostilities they desired most, they would have stayed where they were—welcoming their self-styled "liberators" with arms spread wide. Indeed, the South Vietnamese preference for liberty was implicit in the frequent taunts of "Chay lang" by Saigon children to passing Westerners in recent weeks. It is a local gambling phrase meaning a person who runs away without paying a debt.

The failure of the American government—specifically, America's congressional leadership—to live up to American pledges to the South Vietnamese is the undergirding reason that instead of bowing in thanks that the military hostilities are over, Americans should shake in shame. The United States went to the aid of the South Vietnamese because Americans believed—in the words of John Kennedy—that we should "pay any price, bear any burden, meet any hardship, support any friend, oppose any foe, in order to assure the survival and the success of liberty." But at some moment between then and now, the defense of liberty—at least, the defense of it for others—ceased to be a fashionable American enthusiasm. We ceased to stand firm for the freedom of the South Vietnamese.

A country that does not stand for something is likely to fall for anything. And so, Americans fell for a bundle of manufactured illusions sold to them by the derogators, and very soon a Congress eager to do anything about contrived domestic issues was adamantly refusing to do anything—something—about the creeping enslavement of the South Vietnamese. By denying further military aid to South Vietnam, last summer and last month, America's congressional leadership declared its incompetence in defending liberty, perhaps anywhere.

And make no mistake. Although the Cambodians and the South Vietnamese have been caught in the immediate battlefields, the real target of the Communists has been, and continues to be, the United States. On this point, pro-Communist Prince Norodom Sihanouk of Cambodia, speaking last Thursday, is instructive:

"The war [in Cambodia] lasted five years, as long as the United States was involved, but once America got out, the Phnom Penh regime lasted four days, from Saturday to Wednesday. Isn't it all perfectly clear? The same thing is happening in Vietnam. It is not Thieu [the Communists] are defeating, but the United States. And the consequences in Asia are incalculable."

Once "America got out" of South Vietnam, the Saigon regime lasted not four days, but about four hours.

The Communists won in Southeast Asia when the American commitment to defend the liberty of the Southeast Asians collapsed. Of the many millions of casualties in Indochina, the breaking of America's will was the most serious, the most abject. It happened many years ago. Since that time, there has been a posthumous quality to the lingering efforts of Americans and South Vietnamese. Yesterday's surrender but confirms that the patient died. And now, although there will be silence emanating from South Vietnam as there has been silence emanating from Cambodia for the past two weeks, Americans can rely on the certainty of desperate cries there as loud as the last agonies of beasts. But there will be a difference. These will not be the cries of animals, but of human beings. All that Americans can do now for those people who would be free is . . . pray. That is the least we owe them. The very least.

GASOLINE CONSERVATION PROGRAM

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. FITHIAN. Mr. Speaker, when the House takes up consideration of H.R. 6860—a comprehensive national energy conservation and conversion program—on Wednesday, May 21, 1975, I intend to offer an amendment to strike in its entirety title II—gasoline conservation program. The amendment is designed to strike all the matter from page 29, line 1 through and including line 24 on page 57.

This amendment eliminates the gasoline tax. Debating the issue of whether or not there should be a 3 cents tax or a 23 cents tax, or a 3 cents tax now and 20 cents later, or some sort of installment taxation severely misses the point. There should be no tax increase, and there should be no increase in the price of gasoline.

For years the consumer has had to bear the high costs of energy, especially the increases in gasoline prices. Unfortunately title II of H.R. 6860 further places the burden for gasoline conservation on the consumer, instead of on the multinational oil companies whose profits have skyrocketed over the last 3 years. We must not allow the consumer to again be victimized by the large oil companies.

The problem is that consumers are already paying too much for their gasoline and energy-related products, including everything from heating fuel to fertilizer costs. We do not solve the basic problems by requiring that the consumer again be forced to pay an unfair tax increase. Additional costs of energy conservation should, in all fairness, be borne by the big oil companies which have made so much profit during the present crisis.

The ordinary motorist in my district was paying as little as 25 cents per gallon for regular gasoline in the summer of 1972. Today, he is being charged nearly 60 cents a gallon. Premium grades of gasoline are even higher. There is no justification for the Congress or the oil companies to further raise the price of gasoline one-tenth of a cent, and certainly not the projected 23 cents over several years.

In the last 2 years, the oil companies have forced up the price of gasoline by more than 100 percent in many localities. The Nation is now being told that it is possible to significantly effect the consumption of gasoline by pushing the price up another 5 percent. This, of course, simply will not work, except to the degree that increased taxation will further aggravate unemployment and save gasoline which the working people use to drive to work. All evidence indicates that a 10- or 20-cents-per-gallon increase in cost of gasoline will not to any appreciable degree reduce consumption. Such a tax would fall unfairly on certain regions of the country—people—those in the lower to middle-income bracket who must drive to work.

The average working family has for too long borne the brunt of high taxes, high prices, and energy shortages. We should not be talking about raising the cost of gasoline, but actually rolling back oil prices so that prices can actually be reduced. And we must act now.

I ask for your support of this amendment to delete the entire gasoline tax from H.R. 6860.

A TRIBUTE TO VIETNAM VETERANS

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. LONG of Maryland. Mr. Speaker, I wish to share with my colleagues and the American people the thoughts of David E. Shutz, a Baltimore County Vietnam veteran who, like myself, believes we owe a great unrepayable debt to the thousands of brave men and women who sacrificed their careers, limbs, and even their lives to bravely serve our country in a thankless war in Southeast Asia. Our sincere gratitude is also owing to the families of these dedicated Americans—families which will never again be the same because of this war.

The letter follows:

DEAR CONGRESSMAN LONG: Now that the war in Vietnam is over, I think that it is fitting that we the people of the United States pay tribute to those men who paid the ultimate price for this country's mistake in Vietnam. Fifty thousand men were sacrificial victims of our blundering policy in Vietnam.

Should the people of this country forget about those men who sacrificed the most? Are those men who died in Vietnam out of sight and out of mind? I saw my friends and fellow Americans suffer and die on the battlefields of Vietnam. I can't and will not forget the sacrifice these men made because they were unlucky enough to be called to do their country's bidding. American men of past wars have been honored in memorials commemorating their valor and performance of duty toward their country. Memorials in the past have been erected to commemorate the heroic feats of men and women fighting for causes which were won. Maybe that's the reason I see no rush to memorialize those who fought and died for a losing cause that was unpopular in the public eye. We memorialize athletes in sport halls of fame, but forget the real heroes who sacrificed their lives because their country deemed it necessary for them to do so.

I feel that these dead heroes and their families and friends deserve a memorial to be erected in their honor to remind Americans that these people paid the tuition for the lessons learned in waging war in Vietnam. The Congress of the United States should enact a bill that will provide for the construction of a memorial to commemorate America's fallen heroes in Vietnam.

Sincerely yours,

DAVID E. SHUTZ,
Vietnam Veteran.

SENATE—*Wednesday, May 21, 1975*

The Senate met at 12 noon and was called to order by Hon. ROBERT MORGAN, a Senator from the State of North Carolina.

PRAYER

The Reverend Dr. C. Ralston Smith of Washington, D.C., special assistant to Rev. Billy Graham, offered the following prayer:

Our gracious heavenly Father, it is easy for us, on such a day as this, to believe that God is in His Heaven and all is right with the world; for the heavens declare Thy glory; and the firmament sheweth Thy handiwork. All about us nature gives eloquent witness to Thy tender and extravagant care.

In the midst of this beauty we come invoking Thy blessing upon the Members of this Senate. As needy creatures we are of ourselves unable to seize the opportunities of the day; nor are we of sufficient strength to carry its burdens. However, we remember Thy precious promises that as our days, so should our strength be, and that Thy strength can be made perfect in our weakness.

Invade us, then, with the power of Thy Holy Spirit and invest in us such a sensitivity to the situations which confront us that with confidence in Thy guidance we can achieve that end which will glorify Thee and do good to our fellow men.

In the upcoming brief holiday give a measure of rest and refreshment to these leaders as they, with all our countrymen, are reminded once more of those who from the first day until now have paid a full measure of devotion for our freedom.

These things we ask in the name of Jesus Christ, our Saviour. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 21, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JOHN C. CULVER, a Senator from the State of Iowa, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. CULVER thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, May 20, 1975, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ADDITIONAL CONFEREE ON H.R. 5899

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator from Maryland (Mr. MATHIAS) be added as a conferee on the supplemental appropriation bill, H.R. 5899, and that the House be notified immediately of this action.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RESTORATION OF THE OLD SUPREME COURT CHAMBER

Mr. MANSFIELD. Mr. President, on behalf of the U.S. Senate Commission on Art and Antiquities, I am pleased to announce that the restored Old Supreme Court Chamber in the Capitol will be formally dedicated tomorrow, and the room will be opened to the public next week.

The Chamber, located on the ground floor of the U.S. Capitol, served as the Supreme Court's meeting place from 1810 until 1860. It was the setting for many landmark constitutional decisions handed down while John Marshall and Roger B. Taney were Chief Justices of the United States.

The room also has great significance to the history of this legislative body, for it was the first Senate Chamber in Washington, D.C. As such, it was the site of the first joint session in the new Capital City and the Presidential inaugurations of Thomas Jefferson.

The space was designed for the Supreme Court by Benjamin Henry Latrobe, at the same time that he constructed a two-story Senate Chamber directly above.

The Old Supreme Court Chamber has been returned to its mid-19th century appearance by the Architect of the Capitol, under the direction of the Commission on Art and Antiquities. Senator HUGH SCOTT and I serve as cochairmen of the Commission. The other members are President pro tempore of the Senate JAMES O. EASTLAND, of Mississippi; chairman of the Committee on Rules and Administration, Senator HOWARD W. CANNON, of Nevada; and the ranking minority member of the Committee and Rules and Administration, Senator MARK O. HATFIELD, of Oregon.

Mr. President, I ask unanimous consent to have printed in the RECORD a background statement with respect to the Chamber and a copy of the rules which govern the use of the room.

UMI

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE SUPREME COURT CHAMBER—1810–1860

Congress held its first joint session in the new Capital City of Washington on November 22, 1800. However, two months were to pass before consideration was given to where the Supreme Court would meet. On the same day that President John Adams submitted to the Senate his nomination of John Marshall to be Chief Justice of the United States, the Commissioners of the City of Washington wrote to the Senate and House of Representatives requesting "that an arrangement may be made for the accommodation of the Supreme Court of the United States in the Capitol." (January 20, 1801). The next day, the Senate resolved that the Secretary of the Senate "be directed to inform the Commissioners of the City of Washington that the Senate consents to the accommodation of the Supreme Court in one of the committee rooms, as proposed in their letter." The House of Representatives agreed to the Supreme Court's meeting in the Capitol several days later.

In 1801, only the north or Senate wing of the Capitol Building had been completed. This small building served both houses of Congress, the Library of Congress, the Circuit Court for the District of Columbia, as well as the Supreme Court

The first room assigned to the Supreme Court was a small committee room in the southwest corner of the original North Wing, described by a contemporary source as "a half-finished committee room meanly furnished and very inconvenient." It was in this humble floor setting that the Supreme Court sat for the first time in Washington, D,C. on February 2, 1801, and where John Marshall began his thirty-four year tenure as Chief Justice. The National Intelligencer noted that in addition to Marshall, Justices William Cushing, Samuel Chase, and Bushrod Washington were present at this session.

Even before he was elected President of the United States, Thomas Jefferson had taken a great interest in construction of the Capitol Building. Like many prominent statesmen of the Federal period, Jefferson saw this building as a symbol of national unity and looked upon its construction as an occasion to raise the level of American architectural standards. In 1803, he was given a unique opportunity when Congress passed legislation granting the President almost full control over public buildings projects in the District of Columbia.

To direct this construction, Jefferson named one of the few trained architects in America, Benjamin Henry Latrobe. As Surveyor of Public Buildings, Latrobe turned his attention immediately to the far from completed Capitol.

Building the Capitol's south wing for the House of Representatives demanded most of Latrobe's time until 1807. When it was completed and the Representatives had moved to their elegant new chamber, Latrobe proposed extensive modifications for the north wing, including construction of a chamber for the Supreme Court. Although the north wing only had been in use since 1800, Latrobe found much of the structure deteriorating from poor construction. Falling plaster, especially in the Senate Chamber, was but one of the many causes for the architect's alarm.

Besides structural repairs, Latrobe wanted to move the Senate Chamber from the first or ground story to the second floor, so that it would be on the same level as the new House of Representatives' Chamber. The Supreme Court would be located directly below, in the original Senate Chamber, the site of Congress' first joint session in Washington and of the Presidential inaugurations of Thomas Jefferson.

During the construction of its new Capitol meeting place, the Supreme Court held its sessions of 1808 and 1809 in the room that had been vacated recently by the House of Representatives. Several early 19th century sources note that this room was so cold and inconvenient that the Court often sat in a tavern opposite the Capitol on First Street.

The work did not proceed without difficulties. In September 1808, the construction superintendent, John Lenthall, was killed when he prematurely removed props supporting the Supreme Court Chamber's vaulted ceiling, causing the arched ceiling and Senate Chamber floor above to collapse. Cost overruns were a constant problem, and Congress was slow in appropriating funds to continue the project.

Latrobe redesigned the ceiling and by August 1809 the massive vault was rebuilt on an even more ambitious scale. The architect wrote to Presidest Jefferson that "this vault is one of the most extraordinary ever attempted as to span and altitude; being a segment of a dome 110 feet in diameter, supported by less strength of walling than any other arch in ancient or modern times with which I am acquainted."

Certain factions in the capital city were opposed to the location of the Supreme Court Chamber in the Capitol. This was an outgrowth of the regional jealousy that had developed between the northwest section of Washington and Capitol Hill.

The northwest advocates wanted the Court to meet at Judiciary Square. Latrobe was wrongly blamed for misrepresenting the President's wishes by building the courtroom in the Capitol. There was an extended newspaper controversy and a suit for libel, but the Chamber remained. Latrobe summarized the problems of location in his report on the state of the public buildings, dated September 6, 1809. He wrote that he believed Jefferson had intended a temporary chamber for the Judiciary in the Capitol, which upon the subsequent erection of suitable headquarters elsewhere, would become the Court of Impeachment.

On February 5, 1810, the Supreme Court met for the first time in a chamber specially designed for its use. It still had to share its quarters with the Circuit Court, and the Mayor's Orphan Court expressed interest in using the space.

A colorful description of the courtroom in 1810 is found in Charles J. Ingersoll's, *Inchiquin, the Jesuit's Letters*:

"Under the Senate Chamber, is the Hall of Justice, the ceiling of which is not unfancifully formed by the arches that support the former. The Judges in their robes of solemn black are raised in seats of grave mahogany; and below them is the bar; and behind that an arcade still higher, so contrived as to afford auditors double rows of terrace seats thrown in segments round the traverse arch under which the Judges sit. . . . When I went into the Court of Justice yesterday, one side of the fine forensic colonnade was occupied by a party of ladies, who, after loitering some time in the gallery of the Representatives, had sauntered into the hall, and were, with their attendants sacrificing some impatient moment to the inscrutable mysteries of pleading. On the opposite side was a group of Indians, who are here on a visit to the President in their native costume, their straight black hair hanging in plaints down their tawny shoulders, with mockassins on their feet, rings in their ears and noses, and large plates of silver on their arms and breasts."

The Supreme Court had barely gotten used to its new Chamber when the War of 1812 broke out and the British marched on Washington. Surveying the damage after the Capitol was burned on August 24, 1814, Latrobe wrote that "great efforts were made to destroy the court room, which was built with uncommon solidarity, by collecting into it, and setting fire to, the furniture of the adjacent rooms. By this means the columns were cracked exceedingly; but it still stood, and the vault was uninjured. It was, however, very slenderly supported, and its condition dangerous."

Latrobe returned to Washington to supervise rebuilding the Capitol, which the British had left a "magnificent ruin." Once more, the Supreme Court was forced to find transient quarters, hence the February 1815 and 1816 sessions were held in rented houses on Capitol Hill. In 1817, the Court moved to a temporary location in the partially restored Capitol.

Latrobe's design for the rebuilt Supreme Court Chamber was dominated by a handsomely detailed, lobed half dome, described by 19th century visitors as an "umbrella vault" or "half a pumpkin shell." Architectural historians cite the Supreme Court vault, which was completed in 1816, as a triumph both structurally and aesthetically, "a bold conception . . . entirely unprecedented in shape and detail." Along the room's east wall Latrobe placed a triple arch supported by Doric columns. Latrobe's biographer, Talbot Hamlin, wrote of the room, that "nowhere else perhaps did Latrobe achieve so perfectly that complete expression of the integration of form and structure for which he was always seeking."

The project to rebuild the Capitol was fraught with as many difficulties as its original construction. In 1817, Latrobe was forced to resign and was replaced by Charles Bulfinch, a Boston architect who had been responsible for the Massachusetts State House.

The Supreme Court Chamber was ready for the February session of the Court in 1819. The National Intelligencer was "highly pleased to find that the Court-room of the Capitol is in a state fit for the reception of the Supreme Court."

On the second day of the session, the Court handed down its decision in the Dartmouth College Case, which had been argued during the previous term. For the first time the Court held that a private corporation charter was a contract within the meaning of the Constitutional clause forbidding impairment of the obligation of a contract.

The case of the Trustees of Dartmouth College v. Woodward is also noteworthy because it established the legal reputation of Daniel Webster, who had defended his alma mater. Webster argued many more cases before the Supreme Court while a Representative and Senator from New England, and it has been written that he cared more for his Supreme Court pleading than his Congressional role.

Vivid descriptions attest to Webster's oratorical skill. According to contemporary accounts, when it was known that Webster was to argue a case, galleries in the legislative Chambers emptied and observers flocked to the Supreme Court on the floor below. Rich men were said to have offered bribes in order to secure the best seats in the small room.

A former Illinois Congressman in his reminiscences compared Webster's speech before the Supreme Court during the case involving Stephen Girard's will, to the best camp-meeting preaching of the period. At one point in Webster's three-day argument, the standing-room-only audience broke into enthusiastic applause. Another observer noted with amazement the transformation of Webster's usually dreamy and nonchalant countenance to one roused into strong excitement, when he was pleading in the courtroom. She wrote, "it is something to see him moved with anxiety and the toll of intellectual conflict; to see his lips tremble, his nostrils expand, the perspiration start upon his brow; to hear his voice vary with emotion, and to watch the expression of laborious thought while he pauses, for minutes together, to consider his notes, and decide upon the arrangement of his argument."

Supreme Court sessions of the early 19th

century soon became social "happenings" with the women of Washington in frequent attendance. Margaret Bayard Smith, wife of the editor of the National Intelligencer, wrote of giving in to her desire "to join the female crowd who throng the court room." Her diary entry provides a capsule description of women at court:

"The effect of female admiration and attention has been very obvious, but it is a doubt to me whether it has been beneficial, indeed I believe otherwise. A member told me he doubted not, there had been much more speaking on this account, and another gentleman told me that one day Mr. Pinkney [Attorney General William Pinkney] had finished his argument and was just about seating himself when Mrs. [James] Madison and a train of ladies enter'd—he recommenced, went over the same ground, using fewer arguments, but scattering more flowers. And the day I was there I am certain he thought more of the female part of his audience than of the court, and on concluding, he recognized their presence, when he said, 'he would not weary the court by going thru a long list of cases to prove his argument, as it would not only be fatiguing to them, but inimical to the laws of good taste, which on the present occasion, (bowing low) he wished to obey.' The court was crowded while he spoke; the moment he sat down, the whole audience arose, and broke up, as if the court had adjourn'd. The women here are taking a station in society which is not known elsewhere. On every public occasion, a launch an creation, an inauguration, in the court, in the representative hall, as well as the drawing room, they are treated with mark'd distinction."

The Justices were included in the active Washington social life to which Mrs. Smith referred. One observer noted that after robing and taking their seats at the bench, the Justices received their cards of invitation from the Marshal, and answered them before the day's docket of cases was called.

The dominant figure in the Supreme Court Chamber until his death in 1835, was Chief Justice John Marshall. In a series of notable decisions, Marshall firmly established the role of the Supreme Court as the authoritative interpreter of the Constitution. Besides the Dartmouth College Case, many of Marshall's basic constitutional opinions were handed down in this small chamber on the ground level of the Capitol Building. These included *McCulloch v. Maryland, Gibbons v. Ogden, Cohens v. Virginia, Brown v. Maryland*, and *Ogden v. Saunders*.

The distinguished British commentator, Harriet Martineau, recorded this scene in John Marshall's courtroom a few months before his death:

"I have watched the assemblage while the Chief Justice was delivering a judgment, the three judges on either hand gazing at him more like learners than associates; Webster standing firm as a rock, his large, deep-set eyes wide awake, his lips compressed, and his whole countenance in that intent stillness which easily fixes the gaze of the stranger. [Henry] Clay leaning against the desk in an attitude whose grace contrasts strangely with the slovenly make of his dress, his snuff box for the moment unopened in his hand, his small grey eye, and placid half-smile conveying an expression of pleasure which redeems his face from its usual unaccountable commonness. The Attorney-General, his fingers playing among his papers, his quick black eye and thin tremulous lips for once fixed, his small face, pale with thought, contrasting remarkably with the other two; these men, absorbed in what they were listening to, thinking neither of themselves nor of each other, while they are watched by the groups of idlers and listeners around them; the newspaper corps, the dark Cherokee chiefs, the stragglers from the far West, the gay ladies in their waving plumes, and the members of either House that have stepped in to listen; all these I have seen at one moment constitute one silent assemblage, while the mild voice of the aged Chief Justice sounded through the Court."

The second major period of Supreme Court history began with the appointment of Roger B. Taney as Chief Justice in 1835. While national supremacy was the keystone of John Marshall's tenure on the high bench, the Taney Court emphasized the Tenth Amendment, which states that "the powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people." The Court's decision in the Dred Scott Case, delivered on March 6, 1857, was representative of its different interpretation of the Constitution.

Throughout the Court's occupancy of its first floor Chamber, judges, lawyers, and visitors were critical of its location. A reporter for the New York Daily Tribune wrote in dismay of finding the Court in a "dark, damp, low subterranean apartment." Another observer blamed the early deaths of some Justices on the Chamber's dampness and bad ventilation. The room's lighting was the focus of most criticism, however. It was dependent upon natural light from three windows and auxiliary lamps placed around the room. Try as the Court might, lighting was never adequate and the room was constantly described as dim, dingy, or gloomy.

The Supreme Court continued to meet on the first floor of the Capitol until 1860, when it moved to the room directly above, which the Senate had vacated in favor of a larger Chamber in the newly built Senate wing. The old courtroom on the ground floor served as a law library until 1950 and in recent years the Chamber has been closed to the public and used for storage.

The old Supreme Court chamber has been restored to its appearance of 1850–1860, by the Architect of the Capitol, under the direction of the U.S. Senate Commission on Art and Antiquities. The furniture arrangement is based upon mid-19th century descriptions and a floor plan which appeared in Bohn's Handbook of Washington for 1854. Several of the Chamber's furnishings reflect the influence of the late classical period. Among them are many original pieces associated with the 19th century courtroom, including four justices' desks, numerous settees, tables and chairs, and the busts of the Chief Justices. Donations by the Supreme Court and private individuals have made this collection possible. The room also contains a number of reproductions based on original furnishings.

On the raised platform in front of the room's bed-curtained windows, have been placed nine Justices' desks. Constructed of mahogany with low galleries and simply turned legs, they are believed to have been purchased, circa 1937, from Alexandria cabinetmaker, James Green. Behind the Justices' desks are nine chairs typical of styles adopted by the Members, circa 1860, and popular with the Court well into this century. It was customary for each Justice's chair to be of a design and size of his own choosing.

Court officials were seated at both ends of the bench: to the Justices' right, the Deputy Clerk and Clerk of the Supreme Court and the Attorney General; to their left, the Deputy Marshal, Marshal, and the official Reporter of the Court.

At a lower level and separated from the bench by a wooden balustrade is the area reserved for attorneys presenting cases before the Supreme Court. They were seated on panel-back arm chairs before baize-covered mahogany tables. The small anteroom located south of the Justice's bench formed part of the Robing Room, where the Judges often donned their long black robes before proceeding to the bench.

Nineteenth century spectators watched the Court proceedings from wooden panel-back settees placed at two levels on either side of the pit. Upholstered sectional sofas also accommodated visitors.

Design of the carpet in the restored Chamber was taken from a posthumous portrait of John Marshall, executed in 1858 by W. D. Washington. The artist incorporated details from the mid-19th century Chamber in his portrait, a copy of which hangs in the House wing of the Capitol.

The Large wall clock placed over the west mantel was ordered for the courtroom by Roger B. Taney two years after he became Chief Justice. Made by Simon Willard, it is marked by a beveled face and encircled by a gilded case in floral relief. The round case surmounts a scrolled bracket at whose center appears the head of a bearded classical figure.

The Chamber's auxiliary lighting devices represent fixtures known to have been purchased for the Court in the 19th century, including oil-burning solar and Argand lamps.

Facing the bench is the relief Justice, which was rendered in plaster by the Italian sculptor Carlo Franzoni in 1817. The allegorical group is dominated by the figure of Justice with scales upraised in her left hand, her right hand resting on an unsheathed sword. At the feet of Justice, an eagle guards several bound volumes representing the laws. The third figure, typifying the new Nation, is depicted by a winged youth, seated before a rising sun. He holds a large tablet representing the Constitution of the United States.

Marble busts of the earliest Chief Justices of the United States have been returned to their original locations in the room. The bust of John Jay (1789–1795) was executed in 1831. In accepting the commission, sculptor John Frazee wrote that he believed it to be 'the first instance where our government has voluntarily bestowed its patronage on an American genius in this department of the arts." Also represented are John Rutledge (1795), commissioned in 1858, Oliver Ellsworth (1798–1800), commissioned in 1834, and John Marshall (1801–1835), executed by Hiram Powers in 1836. In recognition of his service in this Chamber, a bust of Roger B. Taney by Augustus Saint-Gaudens, which had been placed in the post–1860 courtroom, is on view in the Robing Room.

OLD SUPREME COURT CHAMBER RESTORATION DETAILS

Most of the distinctive architectural features designed by Benjamin Henry Latrobe for the Old Supreme Court Chamber were found to be in good condition when the restoration project began. These included the Greek Doric columns, vaulted ceilings, and coffered arcades.

To return the Chamber to its appearance when last used by the Court in the mid 19th century, the existing built-up wood flooring in the central portion of the room was removed, and the pit, which was located formerly at a level of two steps below the outer perimeter was exposed and restored.

Three fireplace openings, two of which were closed when the Capitol was air-conditioned in 1936, and the third, removed to provide an entrance from the north-south corridor of the Capitol when the room was used as a law library, were reconstructed. The first two are located in the area behind the bench, in the north and south walls of the east arcade. The third is found in the center of the west wall, below the alto relief, Justice. Examination of the sandstone wall in this area revealed the outline of the original mantel. No description of the original mantelpiece was found, but a new mantel has been designed that conforms to the outline of the original, and features Greek Doric column supports identical to those incorporated by Latrobe in his plans for this room. The mantels are made of statuary white marble and the fire openings in conglomerate marble, similar to that used by Latrobe for the columns and pilasters of the Senate Chamber.

UMI

The allegorical relief representing Justice, which was executed in plaster by Carlo Franzoni, remained intact from the time of its installation in 1817. Paint research was carried out, however, to determine the sculpture's original colors. The coffered arcades were also restored in colors used in the early decoration of the Capitol.

The original sandstone of the walls and columns had been exposed in keeping with the Chamber's original appearance. In some areas, the paint accumulation was ¼" in thickness.

Funds for the restoration of the Old Supreme Court Chamber were included in the Legislative Appropriation Bill for fiscal 1973. The Architect of the Capitol's proposal, as submitted to Congress, placed the total estimated cost of the project at $478,000, with a breakdown as follows:

Construction work:	
Structural	$113,150
Mechanical	144,150
Furniture and furnishings:	
Desks, chairs, and other furniture, carpeting, curtains, etc.	110,050
Contingency for two-phase construction	38,950
Administration, architect-engineer fees, and miscellaneous expenses	49,700
Total	478,000

RULES OF USE FOR THE OLD SUPREME COURT CHAMBER

Pursuant to Senate Resolution 382, agreed to October 1, 1968, the Old Supreme Court Chamber on the ground floor of the Senate wing of the U.S. Capitol Building is being preserved as a historic site by the U.S. Senate Commission on Art and Antiquities.

The Old Supreme Court Chamber will be open to the public from 9 a.m. until 4:30 p.m. each day that the Capitol Building is open, except when the room is being used for ceremonial occasions associated with the heritage of the judicial and legislative branches.

The Sergeant at Arms of the Senate, under the direction of the Commission on Art and Antiquities shall have responsibility for the security and maintenance of the Old Supreme Court Chamber.

Food, drink, and smoking are prohibited in the Chamber.

Visitors are expected to respect the barriers limiting access to historic properties placed in the restored Chamber.

Requests for use of the Old Supreme Court Chamber as a location for fitting ceremonial convocations should be addressed in writing to the Chairman, U.S. Senate Commission on Art and Antiquities. Requests to view the Chamber at other than the appointed public hours, should be directed to the office of the Senate Curator.

SENATE RESOLUTION 164—SUBMISSION OF A RESOLUTION RELATING TO THE OPENING OF THE RESTORED OLD SUPREME COURT CHAMBER

Mr. MANSFIELD. Mr. President, on behalf of the distinguished Republican leader and myself, I send to the desk a resolution and ask for its immediate consideration, and I ask that it be read in full.

The ACTING PRESIDENT pro tempore. The resolution will be stated.

The legislative clerk read as follows:

Whereas the United States of America celebrates in 1976, two hundred years of national independence; and

Whereas the United States Capitol has served as a living landmark during the years since the laying of the cornerstone in 1793; and

Whereas the Chamber in the Senate Wing of the Capitol which was used by the Supreme Court of the United States from 1810 to 1860 has been restored to its mid-19th Century appearance; and

Whereas before it was the venue of the Supreme Court, in this Chamber the Senate first convened within the Capitol; and

Whereas in this forum was fashioned a new formulary of the rights of a free people and the shape of the administration of justice for this nation; and

Whereas the approach of a third century of the independence of the United States testifies to the evenhanded jurisprudence with which those rights have been safeguarded; and

Whereas in restoring the Chamber of the Supreme Court, the Congress has provided a place of tribute to the principle of equal justice under law; now

Therefore, be it resolved by the Senate of the United States in session assembled;

That the Chamber of the Supreme Court is declared opened;

That the people are invited to share with the Congress this place in the Capitol and to take edification from its historical significance to their legacy of freedom under the Constitution of the United States.

And be it further resolved,

That the Senate extends its congratulations and appreciation to the Commission on Art and Antiquities and its staff, to Members of the Senate and the House of Representatives, to the Office of the Architect of the Capitol, and to all those citizens who contributed to the restoring of this Chamber.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 164) was considered and agreed to.

The preamble was agreed to.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 140 and Calendar No. 142.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

DEVELOPMENT OF INDOOR RECREATION FACILITIES

The Senate proceeded to consider the bill (S. 288) to amend the Land and Water Conservation Fund Act of 1965 so as to authorize the development of indoor recreation facilities in certain areas which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause and insert the following:

That the Land and Water Conservation Fund Act of 1965 (78 Stat. 897), as amended, is further amended by deleting paragraph (2) of subsection 6(e) and inserting in lieu thereof the following new paragraph (2):

"(2) DEVELOPMENT.—For development of basic outdoor recreation facilities to serve the general public, including the development of Federal lands under lease to States for terms of twenty-five years or more: *Provided, however,* That not more than 25 per centum of the total amount allocated to a State in any one year may be approved by the Secretary for the planning and development of sheltered facilities for swimming pools and ice skating rinks in areas where the Secretary determines that (1) the unavailability of land or climatic conditions provide no feasible or prudent alternative to serve identified unmet demands for recreation resources; and (2) the increased public use thereby made possible justifies the construction of such facilities.".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

INDIAN NATIONS SCENIC TRAIL

The bill (S. 1123) to establish the Indian Nations Scenic Trail, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1123

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5(c) of the National Trails System Act (82 Stat. 921; 16 U.S.C. 1244(c)) is amended by adding at the end thereof the following:

"(15) Indian Nations Trail, extending from the Red River in Oklahoma approximately two hundred miles northward through the former Indian nations to the Oklahoma-Kansas boundary line.".

The title was amended to read as follows:

A bill to provide for a study of the Indian Nations Trail.

SENATOR MANSFIELD'S APPEARANCE ON "FACE THE NATION"

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD a transcript of the program "Face the Nation," on which I appeared last Sunday, in which the interrogators were George Herman, of CBS News, Jack Nelson, of the Los Angeles Times, and Lesley Stahl, of CBS News.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

FACE THE NATION: AS BROADCAST OVER THE CBS TELEVISION NETWORK AND THE CBS RADIO NETWORK, MAY 18, 1975

Origination: Washington, D.C.

Guest: Senator Mike Mansfield, Democrat of Montana, Senate Majority Leader.

Reporters: George Herman, CBS News; Jack Nelson, Los Angeles Times; and Lesley Stahl, CBS News.

Producer: Mary O. Yates.

Associate Producer: Joan Spiegel Barone.

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HERMAN. Senator Mansfield, has the Mayaguez incident and President Ford's fast action there proved anything about the War Powers Act—that it's too confining, or too lose, or needs any revision?

Senator MANSFIELD. No, I think it's a good act. The President did report within the 24-hour period—the 48-hour period; however, there was no consultation. There were briefings.

HERMAN. Is consultation required, in the true sense of consultation?

Senator MANSFIELD. I believe so—not that it would have any effect on what the President might do, but I think that perhaps it would be worthwhile to get the advice of some of his old friends in the Congress as to what the attitude of the representatives

of the people would be; not necessary, though.

ANNOUNCER. From CBS News, Washington, a spontaneous and unrehearsed news interview on FACE THE NATION, with the Senate Majority Leader, Senator Mike Mansfield, Democrat of Montana. Senator Mansfield will be questioned by CBS News Correspondent Lesley Stahl; Jack Nelson, Washington Bureau Chief of the Los Angeles Times; and CBS News Correspondent George Herman.

HERMAN. Senator Mansfield, I asked you that particular question about the Mayaguez incident because it seems to me it's likely to be some kind of a precedent in the future. Future Presidents may quote what happened in this particular incident as justification for what they may want to do. Do you think that this was adequate, proper use of all that's in the War Powers Act?

Senator MANSFIELD. All except the consultative process, which is in the act and about which I am really not concerned personally, but as a matter of principle I think it should be applied to the Congress, or at least the leadership and the chairmen and the ranking Republican members. And frankly, I wouldn't have been interested in this question at all had not Ron Nessen at the White House made the assertion, I believe, that all the leadership had been consulted before action was taken and had approved.

NELSON. Well, Senator, you indicated, though, earlier, that you had some questions about that whole incident. Do you question the fact that the bombing of Cambodia's mainland continued for at least forty minutes after the President had been notified that the crewmen had been returned safely?

Senator MANSFIELD. I raised those questions after we were told what the plans were at the White House when the President called us down. I won't raise them now, but I hope that we will be made more aware of what the situation is, in the words of Senator Vandenberg, at the takeoff rather than after the proposals had been agreed to without any consultation.

STAHL. Senator, there are those who are saying that the Mayaguez incident will teach countries around the world that the United States will live up to its commitments. As a student of Asian affairs, do you think that, for example, North Korea will look at this incident and believe that the United States will live up to its commitments to South Korea?

Senator MANSFIELD. Oh, I don't think, as far as the incident is concerned, that was needed to convince North Korea as to what our intentions were. We do have the treaty with South Korea. We will live up to our commitments. However, I would wish that the words of bravado would be muted, because the facts will speak for themselves. Under the Constitution the President has great powers.

HERMAN. I'm not exactly sure I understand the situation—I hate to keep harking back to the War Powers Act—but you believe that it was fully complied with, but you were not consulted ahead of time; but that is not required?

Senator MANSFIELD. Not me. I said—what I said was that it meant little—it had no—it created no difference as far as I was concerned personally, but I think the principle is a good one, and there ought to be more consultation between a President and the Congress before the use of military force is agreed to. That is what the War Powers Act contains.

HERMAN. Well, that implies that it was, to a slight extent, bent or violated—the President not consulting with you before—

Senator MANSFIELD. Well, perhaps, but maybe he didn't have the time, and circumstances had—when they all come out, the story is told, we'll be able to amplify that and explain it.

NELSON. Well, do you think Congress should look further into it, Senator, or do you think that we should wait for the administration to tell the whole story?

Senator MANSFIELD. No, I don't think we should look into it. I don't think we should look backwards. We've looked backward too often, conducted too many investigations, and I think we ought to face up to the present and plan for the future—

NELSON. Do you consider the matter closed?

Senator MANSFIELD. I'm just relieved that the Mayaguez incident turned out as well as it did.

STAHL. Well, looking back for one minute, the United States tried to—as you know—reach the Cambodian government in some way. Looking at that aspect of it, and also considering that the South Vietnamese have proposed an opening of relations with this country, would you favor opening relations with—quickly with that part of the world, the countries that are—

Senator MANSFIELD. Yes, I would, if for no other reason than to learn a lesson from the Mayaguez incident so that we could establish contact. We had no way of establishing contact except through the People's Republic of China, and its representative returned our note unopened. I understand that Ambassador Bush in Peking did try to establish some contact with the Cambodian Embassy in that city, but evidently it was because of the lack of diplomatic contact that the use of force was recommended.

STAHL. So you favor recognizing South Vietnam?

Senator MANSFIELD. I think we ought to recognize the governments there so that if any such incidents as the Mayaguez occur in the future, we'll have a better chance through diplomatic channels to bring about its release before the use of force is made necessary.

HERMAN. Has Cambodia indicated any interest in recognition?

Senator MANSFIELD. No, but South Vietnam, I understand, has, according to the public prints.

STAHL. Senator, during the fall of South Vietnam, Secretary of State Henry Kissinger implied that he felt Congress was in part to blame for that. Have relations between Congress and the Secretary of State improved any?

Senator MANSFIELD. In the first place, the Congress was not to blame. After all, we have a dual responsibility along with the executive branch, and we made our views known in no uncertain terms. As far as the relationship between Congress and Kissinger is concerned, it's still a very good one.

NELSON. Senator, can I take you for a minute back to the—foreign affairs and China? You've indicated in the past that you thought that perhaps the—our relations with the Taiwan government, the nationalist government of Taiwan, should be perhaps curbed somewhat in order to further our relations with the People's Republic of China. Do you feel that way now? Do you think we should cut our military forces on Taiwan?

Senator MANSFIELD. I would just refer to the Shanghai Communique, which called for a reduction of forces on Taiwan, a normalization of relations with the People's Republic of China, and a recognition on the part of both Chinas, and now the United States, that there's only one China.

HERMAN. I gather you think we have not implemented that fast enough.

Senator MANSFIELD. I think some implementation has occurred. We have reduced our forces by about half on Taiwan, but on the other hand we have placed contracts there for the manufacture of certain kinds of fighter airplanes, and we have loaned monies within the past four months—four or five months—in the sum of about 300 million dollars for the purpose of building power plants.

HERMAN. Do you object to all of those?

Senator MANSFIELD. No, I do not.

HERMAN. Do you object to any of them?

Senator MANSFIELD. No.

HERMAN. Well, I'm not exactly sure I understand what your point is. It—you think we are implementing the Shanghai agreement fast enough?

Senator MANSFIELD. That is a question for the executive branch to decide, based on the circumstances in the area. We have reduced our forces by about half, as I've indicated, on Taiwan; and I would assume that when the President goes to China in the fall, that this matter will be discussed further. Progress has been made. Whether it's fast enough or not remains to be seen.

HERMAN. Don't I recall that you said our attitude towards Taiwan was a flaw in our relations with the Peking government?

Senator MANSFIELD. Yes, indeed, and I did that on the basis of my observations of the situation in China itself, and conversations with some of the leading figures in the People's Republic government.

HERMAN. Well, what I'm trying to find out is, what you think the flaw is—what we should be doing that we have not or vice versa?

Senator MANSFIELD. Well, that is up to the executive branch, because the agreement was made between Nixon and Chou En-lai, approved by Mao Tse-tung, and now it's going to be up to Ford and Chou En-lai and Teng Hsiao-ping.

HERMAN. You have no advice before you consent on this matter?

Senator MANSFIELD. No.

STAHL. Senator Mansfield, on the Vietnamese refugees, it appears that not one refugee who either doesn't have a relative or wasn't a high government official or didn't work for the United States government has yet been cleared out of the camps that we've set up. What is your opinion of the administration's program for these refugees?

Senator MANSFIELD. Well, I think they're doing the best they can under confusing and chaotic circumstances, but it appears to me they did a lot more in the beginning than they're doing now. And the longer they keep these refugees on Guam and at these camps in the United States, I think the more difficulties they're going to encounter. I would say they ought to speed up the process. Other countries, such as Canada, which has agreed to take 3,000; Australia, I believe, about 1,500; France and others, which may take them—that they ought to be considered and the flow out as well as the flow into the country ought to be speeded up.

STAHL. But the State Department says that third countries don't seem to be that willing to take these refugees.

Senator MANSFIELD. Others are not. But the countries I mentioned have indicated their willingness.

NELSON. Senator, last October on Face the Nation, you said that wage and price controls were necessary and it would be only a matter of time before they were implemented. Do you still feel they're necessary, and do you think they'll be implemented?

Senator MANSFIELD. Oh, yes, I think they're necessary because I think we're living in a fool's paradise if we think the energy situation is over, that the depression is on the way out. There are signs, of course—the recession, rather—there are signs, of course, that it's bottoming out, but the unemployment rolls are about 8.9 per cent at the present time, which means about 8.2 million out of work. You have another million who have not applied—who've gotten tired of applying for jobs, and you've got 500,000 and more coming out of the high school graduating and college classes this spring. So the situation as far as unemployment is concerned is bad. We're not doing anything much about it. We did pass an emergency

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unemployment bill which will take care of about 900,000 or a million, but that isn't enough.

HERMAN. Will it be vetoed?

Senator MANSFIELD. I hope not.

NELSON. But you think wage and price controls, then, will be implemented.

Senator MANSFIELD. Oh, eventually. Not at this moment, but I think that they will come, because once—if we do not get away from the recession and the unemployment factor, I think we'll have to do something along those lines.

HERMAN. You paint a pretty grim economic picture for the——

Senator MANSFIELD. It is grim.

HERMAN. —immediate future. Do you think it's going to result in civil disorder as well as economic disorder?

Senator MANSFIELD. Well, I'm worried about what might happen in the big cities—the urban areas—this summer, if something isn't done to alleviate unemployment, especially among the younger people, who are suffering the most. And I would point out too that a lot of the veterans of Vietnam are without employment, and their rate is higher than the average.

STAHL. Senator, the Shah of Iran is now saying that he thinks oil prices for imported oil will go up. What is Congress doing about an energy package?

Senator MANSFIELD. Unfortunately, very little. The administration has a program. The President has met the Congress more than halfway as far as deregulating old oil is concerned, and holding back on the imposition of the last two dollars on import taxes on petroleum. He has gone more than halfway. The Congress is behind him in that respect. And unfortunately, I have to report in all candor that there's a great deal further for us to go.

STAHL. Well, the House Ways and Means Committee has passed a proposal that would increase the gasoline tax. Do you favor that measure?

Senator MANSFIELD. No.

STAHL. What would you do instead?

Senator MANSFIELD. I think that we ought to build up our reserves, at least up to a six months basis; rather than to waste what we have, I think we ought to do away with the profligate use of petroleum products——

HERMAN. How much is that?

Senator MANSFIELD. —which is endemic in this country, impose the 55-mile speed limit, cut down on air conditioners, insulate houses, and try and bring home to the American people that this waste—wastage should not continue because we're not over the hump. And the Shah also announced that he's going to increase prices, as you indicated.

STAHL. Well, there used to be a great sense of urgency about the oil shortage, which doesn't seem to be the case in this country.

Senator MANSFIELD. That is correct.

STAHL. What happened to that feeling?

Senator MANSFIELD. Well, the American people have become complacent, the Congress has too. The oil shortage is in the offing, and what they've (the Middle East nations) turned on they can turn off at any time and we'll have it with us again.

NELSON. Well, Senator, do we have any real idea of what our oil reserves are, and if we don't shouldn't the Defense Department and say the CIA have an accurate estimate of the reserves?

Senator MANSFIELD. Well, the Geological Survey, ten days or two weeks ago, indicated that our oil and gas reserves are less by half than had been anticipated and announced previously, so we are in a bind. We're behind in the development of nuclear power. Shale oil is a long term proposition, coal will take some time, geothermal and solar energy are still in their infancy, and the Alaska pipeline will not do a great deal to alleviate the shortage which will confront this country at some future date.

NELSON. Do you think we have an accurate estimate then of what our reserves are? Do you think—

Senator MANSFIELD. I think so.

HERMAN. Doesn't the immediate prospect for oil depend on peace in the Middle East, and how do you assess the chances of continuing peace there?

Senator MANSFIELD. Well, I'm sorry that Kissinger was not successful in his last trip to the Middle East. The result of that failure means, in my opinion, that there will be a full-fledged conference at Geneva sometime this summer at which time the Arab states will be united along with the Soviet Union against Israel. I think that the attitude of the Europeans and the Japanese will be on the side of the Arab states, and I think the odds have dropped as far as a peaceful settlement are concerned because of this particular failure at that particular time.

HERMAN. How do you assess reports—very recent reports—I think there were some in the paper this morning—that the Soviet Union has had poor luck trying to bring together the forces for the conference in Geneva, and the report that Egypt's President Sadat will seek American money to try to repay loans to the Soviet Union?

Senator MANSFIELD. Well, the first part I take with a grain of salt; the second part I would have some belief in.

HERMAN. Do you have any official reason to believe that he's going to seek money from us?

Senator MANSFIELD. None at all.

STAHL. Would you favor giving that money?

Senator MANSFIELD. I would move with great caution on the allocation of any monies to any country because I think we have wasted $150 billion since 1945, and there again we've been profligate with what we have. I think it's time to pull in a little bit as far as expenditures abroad are concerned, and recognize that we only have so much in the way of resources. As a matter of fact, in many areas we are becoming a have-not country. We should reassess our foreign policy, not only in the Middle East, and where we are doing it voluntarily and in Southeast Asia where we are being forced to, but throughout the world, and recognize the realities.

STAHL. What is your opinion of our government's policy of selling military weapons to Jordan, but holding off giving the same kind of aid to Israel?

Senator MANSFIELD. I'm not in favor of the policy of selling our arms to any country in the world except under the most necessary circumstances. I think we are becoming the armaments merchants of the world, and the figure last year, if I remember correctly, was about 8.3 billion dollars in sales, and they are going up this year. Why should we be the arms supplier of the world? It takes away from our resources; it takes away from our energy in research and development. I think we ought to spend more time in looking after the needs of our own people, technologically and otherwise, than to engage in worldwide adventures in armaments.

STAHL. What's the general congressional attitude about that?

Senator MANSFIELD. Well, I don't think most of them have given it much thought, but there is a sizable segment in the Congress which is disturbed.

HERMAN. You're coming up to a vote—is it tomorrow?—on the Turkish arms embargo. What do you think will happen?

Senator MANSFIELD. Well, I hope that we can pass the Scott-Mansfield resolution, because I think it's in the interest of Greece and Cyprus, as well as Turkey, and that it will give added stability to that part of the Mediterranean and that part of NATO.

HERMAN. You counted some noses, I presume. Do you think that the embargo will be killed?

Senator MANSFIELD. We have a fair chance.

NELSON. Senator, what about the armaments at home? Do you think the gun control legislation may pass this session?

Senator MANSFIELD. No.

NELSON. The President has come out very much opposed to it.

Senator MANSFIELD. No, it will not pass.

NELSON. You think it will not pass?

Senator MANSFIELD. No.

HERMAN. How about the proposition put forward——

Senator MANSFIELD. I think it's a matter for the states to consider anyway.

NELSON. You are opposed to gun control?

Senator MANSFIELD. At the federal level, yes.

HERMAN. How about the proposition put forward by Senators Humphrey and Javits this past week for a national economic planning board to give the United States some kind of central economic planning? Is that a good idea?

Senator MANSFIELD. I haven't read their proposal—it's a pretty long one—it just came out a day or so ago, but I do think we need a reassessment of our domestic policy, especially in the economic area, just as we need a reassessment on a worldwide basis of our foreign policy.

HERMAN. Do you think this is the way to go about it?

Senator MANSFIELD. I haven't read it.

STAHL. Senator, on reassessing our foreign policy, what's your position on the recognition of Cuba?

Senator MANSFIELD. That's something for Mr. Kissinger and the President to decide, because it is purely an executive function; it is not a function of the legislative branch; and what Kissinger has indicated is that they are moving in that direction. The first step, I assume, before recognition will be forthcoming—will be the removal of the trade embargo against Cuba.

STAHL. Well, if they came to you for advice and consultation, what would you say?

Senator MANSFIELD. I'd say, you're the boss, under the constitution.

NELSON. I'd like to ask you about your own political plans.

Senator MANSFIELD. The answer is yes. (Laughter.)

NELSON. You will be running again without question?

Senator MANSFIELD. Yes.

NELSON. And you will remain as Majority Leader?

Senator MANSFIELD. That's up to the Democratic conference.

NELSON. But you'll be interested in remaining as Majority Leader?

Senator MANSFIELD. Still, it's up to the Democratic conference; I've never sought the job.

HERMAN. Are you still a candidate for the job? the Majority? Will you still be a candidate for the job?

Senator MANSFIELD. I never was a candidate.

HERMAN. Well, you somehow got the job?

Senator MANSFIELD. But I never sought it.

HERMAN. Would you turn it down if it were offered to you again?

Senator MANSFIELD. That depends.

HERMAN. That depends on what?

Senator MANSFIELD. Everything. (Laughter.)

HERMAN. Such as—what kind of things?

Senator MANSFIELD. It depends on the situation at the time.

HERMAN. I don't understand what you mean—what situation?

Senator MANSFIELD. Well, you'd better understand it, because that's the only answer you're going to get.

HERMAN. Okay.

STAHL. I hope you will be more responsive to this question, Senator. Could you support George Wallace for Vice President?

Senator MANSFIELD. No.

STAHL. Why not?

Senator MANSFIELD. Because I don't think that he would be able to win the election, and I think we have other equally and more qualified Democrats in the race.

NELSON. Could you support a ticket with him on it? As a running mate?

Senator MANSFIELD. I'd find it difficult.

STAHL. I said Vice President—

Senator MANSFIELD. Oh I thought you said President.

STAHL. No, I said Vice President, and I'm also wondering if you would be willing to support him in order to prevent the formation of a third party?

Senator MANSFIELD. No.

HERMAN. Senator, the nomination of—I guess you can't call him Secretary Hathaway—but Mr. Hathaway to be a Secretary has been postponed. The consideration of it by the Senate has been postponed again. Why is it taking so long, and what's going to happen?

Senator MANSFIELD. Well, many questions have been raised regarding his tenure as Governor of Wyoming in the field of the ecology and the environment—strip mining and the like. It is my understanding that the committee will meet tomorrow to decide what will be done about Mr. Hathaway, and if his nomination is reported out, it will not be taken up until next month.

HERMAN. Do you think that is an unconscionably long time for this process?

Senator MANSFIELD. Not at all. I have received a lot of mail against Governor Hathaway from my state and throughout the country. I'm trying to keep an open mind, I want to see what the committee does, I want to see what the evidence is before I make up my own mind.

HERMAN. Speaking of long times, we still have no second senator from New Hampshire. What's going to happen there?

Senator MANSFIELD. Well, that matter should come to the Senate for consideration from the Rules Committee in the second week of June; it will follow the legislation on military authorizations.

HERMAN. Do you have any feeling as to how it is turning out?

Senator MANSFIELD. No.

NELSON. Senator, can I take you back to the '76 politics one more time? I believe in the past you didn't think Senator Kennedy should run for office?

Senator MANSFIELD. That's right, I still don't.

NELSON. And there is still a prevailing feeling among a lot of Democrats that Senator Kennedy still will be the man the Democratic convention will turn to, because it will deadlock. Now, a White House official said the other day, for example, that it will turn either to—that President Ford believes it will turn to either Muskie, Humphrey, or possibly Kennedy. You don't think that's possible?

Senator MANSFIELD. Oh, I can't tell this far ahead, but again I want to say that I hope Senator Kennedy does not run because I think he has an obligation to his family, I think he has to remember what happened to his brothers. Chappaquiddick will be a part in the campaign; he's a first-rate senator, does his home work, he's a good man. If he does run for the presidency, I will support him, but I hope devoutly he will not, and I take him at his word.

NELSON. How about Humphrey and Muskie?

Senator MANSFIELD. Good men.

HERMAN. Senator, let me ask you something that puzzles me a little bit—has puzzled me throughout this program. You are definitely expert on several fields of foreign policy, Asia particularly. You have various times indicated strong views on some of these subjects; and yet you constantly say that you have no advice for the President, you will not offer him advice. It is reported that you refused or declined at least to be an emissary on behalf of the President. Is this a proper role for a citizen of the United States to decline his advice to his President?

Senator MANSFIELD. I wouldn't force my advice on the President; if he asks me, I will give it to him, as I would have had, had I had the opportunity in the case of Cambodia and Vietnam, covering five presidents. But it's not a responsibility of a senator or a member of Congress to force his advice on the President, because in the first place, if he does advise the President on that basis, the President might not take it. Secondly, if the President asks him for advice, he does not have to take ie because the final decision under the constitution lies with the President in these areas, and you have to recognize that fact and not cross that line.

HERMAN. Thank you very much, Senator Mansfield, for being with us today on Face the Nation.

ANNOUNCER. Today on Face the Nation, the Senate Majority Leader, Senator Mike Mansfield, Democrat of Montana, was interviewed by CBS News Correspondent Lesley Stahl, Jack Nelson, Washington Bureau Chief of The Los Angeles Times, and CBS News Correspondent George Herman. Next week another prominent figure in the news will Face the Nation.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations which were reported earlier today.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nominations will be stated.

FEDERAL FARM CREDIT BOARD

The second assistant legislative clerk read the nominations of Ralph N. Austin, of Colorado, and David C. Waldrop, of South Carolina, to be members of the Federal Farm Credit Board, Farm Credit Administration.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

The second assistant legislative clerk read the nomination of Lowell W. Perry, of Michigan, to be a member of the Equal Opportunity Employment Commission.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of these nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HUGH SCOTT. I yield back the remainder of my time.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from New York (Mr. JAVITS) is recognized for not to exceed 15 minutes.

SMALL BUSINESS ACT AMENDMENTS OF 1975—S. 1972

Mr. JAVITS. Mr. President, as ranking minority member of the Small Business Committee, I would like to take a moment to recognize and acknowledge the role small business plays in the Nation. This is Small Business Week and hundreds of small businessmen from all over the country are in the Nation's Capital this week to meet and talk with their elected representatives.

I might add also, Mr. President, that today, at this very moment—I had to miss it because I wanted to be here to introduce this measure—there is occurring the awarding of small business awards at the national level for various fine achievements in the small business field.

In keeping with our continued appreciation and concern for the fate of small businesses in these troubled economic times, I consider it fitting to introduce at this time a bill designed to improve a number of substantive sections of the Small Business Act. I am equally pleased to be joined in this legislation by Senator NELSON, the chairman of the Senate Select Committee on Small Business.

Mr. President, the reforms which are incorporated in the Small Business Act Amendments of 1975 represent a recognition of the fact that notwithstanding the size of great corporations, most of the business in this country and most of the employment is carried on, still, under the heading of small business, and, therefore Small Business Week means the most, in impersonal terms, to our Nation as represented by its literally millions of small businessmen and their employees.

These amendments will accomplish the following:

First. Improve the SBA lease guarantee program by including within its scope "personal property" as well as "real property."

Second. Benefit the estates and heirs of retired and low-income persons by authorizing the SBA, under certain circumstances, upon the death of the borrower, to forgive a portion of disaster loans made to such individual to repair their homes.

Third. Raise the equal opportunity loan maximum from $50,000 to $100,000.

Fourth. Raise the local development company loan maximum from $350,000 to $500,000.

Fifth. Raise the SBA regular business loan maximum from $350,000 to $500,000.

Sixth. Expand the SBA displaced business program by authorizing the SBA to render financial and other assistance to small businesses displaced by State and local urban renewal projects in addition to Federal projects.

Seventh. Provide authority for the SBA to make loans for the "acquisition"

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of plants in addition to "construction, conversion, or expansion" in connection with the activities of local development corporations.

LEASE GUARANTEE

Mr. President, though section 401(a) of the Small Business Investment Act of 1968 authorizes the Small Business Administration to "guarantee the payment of rentals under leases of commercial and industrial property entered into by small business concerns to enable such firms to obtain such leases," and the Small Business Administration section 106.3(f) of the SBA rules and regulations has defined "commercial and industrial property" to mean "any property personal or real to be leased and used, occupied or possessed by small business concern in the conduct of this business," the Controller General of the United States, in a letter dated December 20, 1973, addressed to the Administrator of the SBA, gave the opinion that the legislative history of the lease guarantee statute refers to and describes "real," rather than "personal" property. Based upon this opinion the SBA needs new legislative authority to guarantee leases of personal property to small businessmen.

Mr. President, I feel it essential to set forth some of the background facts that has led to the conclusion as to the absolute necessity for such legislation and that it be acted upon expeditiously.

Since 1963 the equipment leasing industry has virtually exploded in the United States. Initially, company and manufacturers used equipment leasing as a financing device for firms with limited credit. In the beginning it was considered a "second-class" method of financing. In 1963, the Comptroller of the Currency ruled banks could lease personal property. Some 1,800 financial institutions and subsidiaries of industrial companies are now engaged in general equipment leasing and leasing is used by many major firms.

Fortune magazine has estimated that the original cost of capital equipment presently on lease is in excess of $60 billion, with 1972 leasing accounting for $11 billion. Types of equipment range over the entire spectrum from aircraft, to railroad cars, to knitting machines, to aluminum potlines, and pollution abatement equipment. This fantastic growth in the leasing industry continues to range between 10 and 30 percent per annum.

The major reasons for the growth of leasing are:

First, conservation of cash—frequently no downpayment or balances are required as would be in the case of a bank loan;

Second, flexibility;

Third, tax benefits—a tax-oriented lease may be beneficial to the lessee if its effective tax rate is less than 35 percent; and

Fourth, the investment tax credit.

Though there are many types of leases, it is anticipated that this legislation would authorize the SBA, using its expertise and experience in the guarantee lease area, to develop guidelines which would be consistent with the general criteria used in ascertaining whether or not a lease is, in fact, a "true lease" for Internal Revenue Service purposes. Such criteria would probably include: First, the economic life of the leased property; second, the anticipated fair market value at the end of the term of the lease; third, the specific criteria regarding options to purchase; and fourth, the interest the lessor retains in the property.

Mr. President, though growth of the leasing industry has been dramatic, it has been limited to large firms with prime credit. This is true even though the majority of equipment leases are for amounts of less than $50,000. We continue to find that a great number of small businessmen are excluded from these very attractive and frequently indispensable leases.

Discussions with bank leasing departments, equipment leasing companies, and manufacturers of capital equipment indicate the need for a personal property lease guarantee program for small business. Either the small business firms have been excluded entirely or the cost of the financing has been excessive. Instances of a financing cost in excess of 20 percent have been noted.

These discussions with the industry indicate that 40 percent or more of the applications for leases are declined. It is contemplated that a guarantee program would make perhaps 25 percent of the "declines" acceptable. The following projections have been developed by the Small Business Administration. It is assumed that the average equipment costs would be $50,000, which may be a conservative estimate. The information is presented in dollars of equipment, cost, and number of small businessmen for the first 2 years of the program:

[Dollar amounts in millions]

	Pessimistic	Most probable	Optimistic
YEAR 1			
Amount of financing	$25	$125	$250
Number of small businesses	500	2, 500	5, 000
YEAR 2			
Amount of financing	$125	$200	$375
Number of small businesses	2, 500	4, 000	7, 500

It is expected that this activity would grow in subsequent years.

Mr. President, while considering the legislation which I introduce today, I have been in constant contact with the National Federation of Independent Businessmen, which is perhaps the largest association of small independent businessmen in the Nation with a membership of over 385,000 firms. The National Federation of Independent Businessmen believes that such authority is needed and that its member firms would favor the enactment of this legislation. In response to an inquiry by my office, NFIB stated that:

"The leasing of commercial and industrial equipment is an area where small firms have always been at a distinct disadvantage vis-a-vis their larger competitors. Some of this inequity is a result of governmental practices while the remainder is due to the obvious differences in size and credit worthiness."

But, no matter what their source, NFIB believes that this legislation will go a long way toward eliminating most of these problems:

"The Federation believes that your proposal is a long overdue step in the right direction. We will do all in our power to further its enactment."

In addition to meeting the normal commercial needs of capital equipment by way of a lease guarantee, the legislation introduced today would also enable the SBA to guarantee leases on pollution control equipment and go a long way toward meeting financial requirements needed to address the environmental problems of the small businessman.

Mr. President, section 401(b) of the Small Business Investment Act of 1958, provides that for lease guarantees, "the Administration shall fix a uniform fee for its share of any guarantee * * * the amount of such fee shall be determined in accordance with sound actuarial practices and procedures, to the extent practicable, but in no case shall such amount exceed * * * 2½ per centum of the minimum annual guaranteed rental payable * * *"

In addition, section 403(a) of the act requires that the moneys provided for initial capital for the fund shall be repaid "whenever the level of the fund * * * is sufficiently high to permit * * * without danger to the solvency of the program * * *"

These two elements of the statute require that any premium or fee charged be sufficient to pay administrative processing and claims expenses and to cover all losses sustained.

Mr. President, this legislation I introduce today will establish a self-sustaining program which is designed so that its implementation will not require annual appropriations from Congress.

In order to administer such a program the SBA should establish a premium sufficient to cover all losses and expenses. SBA has conducted a number of actuarial studies concerning personal property lease guarantees. A study dated July 2, 1971, while not conclusive, would generally support a 4–6 percent rate as being adequate.

As in the case of the current SBA "real property" lease guarantee program in order to reasonably assure that the program will operate on a sound basis, certain parameters and limitations would be necessary. I envision the following general criteria as the basis for SBA regulations:

First. The guarantee would be extended to leases of new personal property which contribute directly to increased productivity, efficiency as to costs, safety and environmental improvement.

Second. Personal property which loses a major portion of its value at the inception of the lease would be excluded. Examples are furniture and fixtures, display cases, motel chattels, and restaurant equipment.

Third. Personal property readily available to all businesses for lease would not require a guarantee and would be excluded. Particular examples are automobile and light trucks.

Fourth. Guarantee term would not exceed 10 years.

Fifth. Lessors would be qualified by SBA based on business, financial strength, and other factors.

Sixth. Lessors would retain a minimum of 10 percent of the value of the equipment for its risk.

Seventh. A 3-month escrow deposit or 3-month deductible clause as authorized by section 401c(1) would be required.

Furthermore, in order to perfect a claim against the guarantee upon default, the following provisions would have to be satisfied:

First. The lessor would give simultaneous and immediate notice of delinquency in the payment of rental or violation of other default circumstances of the lease to the lessee and to SBA.

Second. If the default is not cured within the prescribed time in the lease, the lessor must take prompt legal action to secure possession of the property, unless advised in writing by SBA to forego such action.

Third. The lessor must make continuous attempts to rerent the property, or upon written notice by SBA to sell the property at the best possible price.

Fourth. The lessor must take prompt legal action to secure possession of any collateral provided by the lessee, or against any other guarantors of the lease.

Fifth. Claims for delinquent rent falling due after the 3-month escrow fund are exhausted or the 3-month deductible period has expired will be paid provided the lessor has complied with the above provisions.

Sixth. SBA will have the option to pay a settlement amount based on the unamortized portion of the cost of the equipment less a stipulated salvage value.

Seventh. If SBA determines that loss mitigation will be best served by continuing the lessee in possession, SBA may advise the lessor to forgo any legal action and pay the rental due.

Eighth. Upon the payment of rental claims, the lessor will agree to provide possession of the leased property to SBA, accept any successor lessee obtained by SBA, and provide documents giving SBA the legal right to pursue the defaulted tenant for any claims paid.

Mr. President, this lease guarantee program should be made available to any small business concern meeting the size requirements now used in the real estate lease guarantee program. In addition, I would envision that a guarantee to any one small business concern would be limited to equipment with a net invoice not exceeding $500,000, which is consistent with the maximum loan guarantee as recently passed by the Senate.

Furthermore, Mr. President, I envision that the SBA would require, as it does in the present real property lease program, an application fee in the neighborhood of 5 percent of the premium to be paid at the time the application is filed. This amount should be credited to the premium at the time the guarantee was issued.

Mr. President, contacts have been made with major leasing companies and the leasing departments of major banks. Initially, these firms will be solicited to submit applications and to participate in this program.

After analyzing applications from these sources, I believe that other leasing companies will be interested in submitting applications regarding the program extended to the small business community.

I believe also, that private sureties and insurance companies will be interested in participating with SBA in operating this program.

DISASTER LOANS

Mr. President, this legislation also would permit the SBA to address a very serious problem in its Disaster Loan program which has repeatedly been brought to my attention.

We have frequently recognized the urgent needs of disaster victims and have, on many occasions, passed legislation intended to relieve a portion of their burden. This legislation is intended to address the difficult problems faced by the elderly and the poor who frequently are hardest hit by disasters. The need for such additional relief is occasioned when a low income or elderly person, often on fixed income, dies shortly after a disaster has taken its toll. Frequently these deceased persons may have purchased their homes during somewhat less inflationary times or several years ago and, in order to obtain an SBA Disaster Loan to repair their homes, have had to put their home up for collateral.

Sometimes the amount of money required to repair the home is more than its original cost and far in excess of any amount the borrower could repay during his lifetime. This is especially true in the case of the aged and equally true in the case of some low-income persons.

We recognized this fact when we made provision in the Small Business Act that authorized the SBA to reduce or actually forego all payment of such disaster loans under certain limited circumstances.

This amendment would go a step further; in cases where a disaster victim has used his home as collateral for an SBA disaster loan and was residing in the home both at the time of the disaster and upon his death then the SBA could forgive the entire amount of the disaster loan up to a maximum of $10,000.

Mr. President, I should point out that I do not intend that this program be available to all persons, regardless of age and income. The specific criteria contained in this amendment will limit its availability to persons whose gross income is less than $10,000 if the borrower is age 65 or over, or, if under age 65, $5,000 in gross income.

Under current law the SBA frequently has no choice but to foreclose on the borrowers home once he has died and if his heirs are unable to meet the loan payments. The passage of this amendment would lend some additional measure of humanity to our disaster loan program and add an additional measure of dignity to the memory of those deceased persons by, at least to this degree, allowing them to pass on to their heirs their modest estates.

LOAN MAXIMUMS

Mr. President, the next three sections are all designed to recognize the growing financial needs of the small business community, the current state of our economy and to provide the SBA with additional flexibility in aiding the small businessmen, who now desperately need all the assistance they can get. As a result of recent inflation, the energy and raw materials shortage, and the decline in productivity many a would-be successful businessman has found that his current financing, frequently through SBA or other federally sponsored programs, is insufficient to meet his current capital needs.

EQUAL OPPORTUNITY LOAN

Section 4 raises the maximum loan guarantee amount available through the SBA Equal Opportunity Loan program from $50,000 to $100,000.

Mr. President, I think it is time we recognized that in today's economy, $50,000 is frequently just not enough money with which successfully to launch a business that stands any chance of survival. This is especially true in the manufacturing area which is the backbone of any economy. In addition, we should recognize that today's minority entrepeneurs have higher goals and aspirations, are generally more successful today than in the past, are more sophisticated, and are capable of taking advantage of more difficult and significant business opportunities.

In this connection, when the results of minority businessmen with equal opportunity loans is compared with general business failures, we find his recent success rate exceeds that of the corporate business community as a whole.

LOCAL DEVELOPMENT COMPANY AND REGULAR BUSINESS LOANS

Last summer this body passed favorably on legislation to raise the SBA regular business loan and the local development company loan from its present maximum loan limit of $350,000 to $500,000. Sections 5 and 6 of this bill increases the maximum loan limitations of these two programs—similar approval was not forthcoming from the House. The case for raising the loan maximum is even stronger today than it was last year and I shall not repeat them here, except to say that the small business community needs all the assistance the Federal Government can provide as they struggle with inflation, raw material shortages, declining sales and marginal profits in their attempt to survive in our beleaguered economy.

URBAN RENEWAL

Mr. President, section 6 of this legislation would authorize the SBA to render financial and other assistance to small businesses adversely impacted by State, local or Federal urban renewal. Basically, the current SBA authority allows that agency to assist only those small businesses that are displaced by urban renewal programs, Federal highway or other construction—funded in whole or in part by the use of Federal funds. Given the continued efforts on the part of State and local government to reshape their urban economy, eliminate blighted areas and halt outmigration it seems only logical to me that we not penalize those small businesses who, but by chance, are displaced by urban renewal as a result of local initiative and funding as opposed to those displaced by urban renewal with funds provided by the Federal Government.

Small business is too important to our total economy to any longer maintain such a distinction between firms the SBA is authorized to assist and those it is not.

Finally, Mr. President, the purpose of section 502 of the Small Business Investment Act of 1958 is to encourage Local Development Corporations to expand jobs and industry in local communities.

In May 1974, the General Counsel of the Small Business Administration issued an opinion which prohibited the use of the SBA 502 program for acquisition of existing facilities. The opinion was based on an interpretation of the phrase "conversion or expansion." Such a narrow interpretation of these words excludes the purchase of an existing facility unless substantial conversion or expansion takes place.

In some cases this interpretation may cause hardship and economic folly. Imagine the circumstance where there exists an empty building perfectly suited to the need of a new or expanding business. Under the present reading of the law, the businessman could not purchase this existing facility. To apply under the program he would have to build a new facility—costing perhaps five times the purchase price—or find a different facility which did not suit his needs and substantially convert it at major cost.

Mr. President, in urban areas, we are attempting to keep jobs and industry in cities. Abandoned facilities exist and can be purchased. There is almost no vacant land for new industrial construction, and industrial construction costs are prohibitive. In addition in urban areas we are trying to stimulate minority-owned businesses, and purchasing existing companies and existing buildings is economically an important tool. The present reading of the laws prohibits this.

In urban areas, the same problems occur. Industry in rural areas is essential to offer people a livelihood. If an existing plant could be purchased to stimulate employment in a rural area, it is counterproductive to disallow the purchase.

Mr. President, it is against this background that I urge early consideration of this amendment along with the others so that as we celebrate Small Business Week and approach the 200th birthday of this great Nation the Small Business Administration will be better equipped to deal with the many faceted problems faced by the small business community.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1792

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Small Business Act Amendments of 1975".

PERSONAL PROPERTY LEASE GUARANTEE

SEC. 2. Section 401 of the Small Business Investment Act of 1958 is amended—

(1) by inserting "or lessee" after "tenant" in subsection (c)(2); and

(2) by adding at the end of such section the following new subsection:

"(d) As used in this section, the term 'commercial and industrial property' means real or personal property used or to be used for commercial or industrial purposes."

DISASTER LOAN RELIEF FOR THE AGED

SEC. 3. The second unnumbered paragraph of section 7(b) of the Small Business Act is amended by inserting immediately after subparagraph (D) the following new subparagraph:

"(E) may, notwithstanding any other provision of law, cancel the principal amount of a loan made to cover the loss, damage, or injury resulting from such disaster if—

"(i) the borrower dies and the proceeds of the loan were used to repair, rehabilitate, or replace a single-family dwelling unit or a unit in a multi-family project which was occupied by the borrower at the time of the disaster and immediately prior to the borrower's death; and

"(ii) the taxable estate (as determined under part IV of subchapter A of chapter 2 of the Internal Revenue Code of 1954) of the deceased borrower does not exceed the sum of (I) the fair market value (determined as of the date of the decedent's death or the alternate valuation date under section 2032 of such Code) of the decedent's interest in the dwelling unit. the repair, rehabilitation, or replacement of which was financed by the loan, and (II) $10,000,

except that the total amount so canceled may not exceed $10,000, reduced by four times the amount by which the gross income (as determined under part I, II, and III, of subchapter B of chapter 1 of such Code) of the decreased borrower for the last taxable year ending before his death, together with the gross income of his spouse (as so determined) for such taxable year (if the spouse was a member of the borrower's household on the last day of such taxable year), exceeds $5,000 ($10,000 if the borrower was entitled to claim an additional exemption under section 151(c) of such Code (relating to additional exemption for taxpayer or spouse aged 65 or more)) for the taxable year.".

EQUAL OPPORTUNITY LOAN LIMIT

SEC. 4. Section 7(i)(1) of the Small Business Act is amended by striking out "$50,000" and inserting in lieu thereof "$100,000".

LOCAL DEVELOPMENT COMPANY LOAN LIMIT

SEC. 5. Section 502(3) of the Small Business Investment Act of 1958 is amended by striking out "$350,000" and inserting in lieu thereof "$500,000".

REGULAR BUSINESS LOAN LIMIT

SEC. 6. Section 7(a)(4)(A) of the Small Business Act is amended by striking out "$350,000" and inserting in lieu thereof "$500,000".

DISPLACED BUSINESS LOANS

SEC. 7. Section 7(b)(3) of the Small Business Act is amended by striking out "a federally aided urban renewal program or a highway project or any other construction constructed by or with funds provided in whole or in part by the Federal Government" and inserting in lieu thereof "a community development program or highway project or any other construction constructed by or with funds provided in whole or in part by a State or local government or by the Federal Government".

SEC. 8. Section 502 of the Small Business Act is amended by inserting "acquisition" after "plant".

QUORUM CALL

Mr. JAVITS. Mr. President, I momentarily suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TRIBUTES TO FORMER SENATOR KENNETH B. KEATING

Mr. JAVITS. Mr. President, I ask unanimous consent that the RECORD remain open until June 10, 1975, for further tributes to the memory of the late Kenneth B. Keating, formerly a U.S. Senator, a judge of the Court of Appeals of the State of New York, and U.S. Ambassador to India and Israel, and that all remarks in memoriam be compiled and printed as a Senate document.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Missouri (Mr. EAGLETON) is recognized for not to exceed 15 minutes.

Mr. EAGLETON. Mr. President, I ask unanimous consent that I may yield to the distinguished Senator from Kentucky to take up a brief matter.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SENATE RESOLUTION 155—CONTINUATION OF THE WHITE CORN SURVEY

Mr. HUDDLESTON. Mr. President, on behalf of the Committee on Agriculture and Forestry, I report Senate Resolution 155, as amended, and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 155) relating to white corn statistical information.

The ACTING PRESIDENT pro tempore. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution, which had been reported from the Committee on Agriculture and Forestry with an amendment on page 2, at the end of line 4, to strike the period and add the following:

and take steps to make the survey reliable.

Mr. HUDDLESTON. Mr. President, the Department of Agriculture recently announced its intention to discontinue making annual surveys of white corn production. The white corn industry is an important economic activity in some 18 States. White corn is used almost exclusively for human food. In 1975, from 750,000 to 1 million acres will be devoted to white corn. The value of the crop given last year's prices could be $250 million.

The statistical data compiled by the Department of Agriculture in its annual surveys have provided valuable assistance to producers, handlers, and processors.

Senate Resolution 155 expresses, therefore, the sense of the Senate that the Department of Agriculture should continue to publish the white corn survey, which provides the white corn industry with critical data for orderly production, marketing and processing. The committee amendment to the resolution calls upon the Department to make the survey reliable by obtaining data from all the significant white corn producing States.

Mr. President, I move the adoption of the resolution.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The resolution, as amended, was agreed to.

The preamble was agreed to.

The resolution (S. Res. 155), as amended, with its preamble, is as follows:

Whereas white corn is grown for human consumption and not for animal feed; and

Whereas the production of white corn has been steadily increasing in the United States in recent years to help meet the world food crisis; and

Whereas the annual white corn production forecasts by the Department of Agriculture have provided valuable assistance to producers, handlers, and processors of that commodity; and

Whereas statistical information on white corn published by the Department of Agriculture has helped provide substantial stability to the marketplace: Now, therefore, be it

Resolved, That it is the sense of the Senate that the Department of Agriculture should continue to publish the annual white corn production estimates and other statistical information relating to the production of that commodity and take steps to make the survey reliable.

WAR POWERS RESOLUTION AMENDMENTS—S. 1790

Mr. EAGLETON. Mr. President, four times since April 3 the President has reported to Congress under the war powers resolution that he ordered American forces into a hostile—or potentially hostile—situation. On each occasion the President cited the Commander in Chief clause of the Constitution as authority for ordering the military operation.

Controversy will accompany any use of military force, and this is especially true in this post-Vietnam era. Debate over a President's judgment—over whether he used too little or too much force, or whether he needed to use force at all—is, in my opinion, a healthy aftereffect of our Vietnam experience.

It is not my intention today, however, to engage in a retrospective analysis of or to quibble over President Ford's judgment in using U.S. forces. I believe it is more important at this time to objectively assess these recent experiences to see whether and how Congress became involved in the decisionmaking process—to see how the war powers resolution operated—and to suggest improvements both to better involve Congress in the future and to further define and proscribe the President's unilateral emergency power to use force.

Toward that end I am today introducing three amendments to the war powers resolution. Two of these amendments relate directly to the President's recent actions, and another simply broadens the coverage of the law without affecting its procedural provisions.

Before discussing these amendments in detail, I want to reiterate my basic disagreement with the approach taken in the war powers resolution and to modify that criticism somewhat by placing it in the context of recent events.

My opposition to the legislation when it emerged from the conference committee stemmed mainly from its failure to define in legally binding terms the emergency powers of the President and to insist that in all other cases Congress must authorize and initiate the introduction of U.S. forces into hostile situations.

The effort to write war powers legislation resulted from the excessive claims of Presidents of unilateral, inherent powers to commit the Nation to war to the exclusion of any congressional role in the decisionmaking process.

The specter that faced Congress as it considered this issue after the invasion of Cambodia in 1970 was the complete usurpation of its war powers. Presidents began simply to order the troops into battle in the name of national security, claiming an "inherent" right to do so. And the courts refused to act on what was labeled a nonjusticiable "political question" between the other two branches of Government. Congress was left to its own means to recapture its most important constitutional prerogative.

Congress own means are considerable, for under the Constitution Congress can make "all laws which shall be necessary and proper" in carrying out the provisions of the Constitution. And the "necessary and proper" clause went further: Congress could also make laws "for carrying into execution—all other powers vested by this Constitution in the Government of the United States or in any Department or Officer thereof."

Especially in areas of the Constitution where the assignment of responsibility is vague or undefined, Congress has the necessary power to clarify and define. The war powers area is just such an area. Certainly Congress could act here to protect its own prerogatives while being careful not to impinge on the President's recognized right to act in emergencies to "repel sudden attacks."

Yet Congress did not so act. The reason, according to a brief prepared by House conferees considering war powers legislation, was that the "necessary and proper" clause did not give "Congress the right to define the powers of the President." I believe that the acceptance of such a statement is equivalent to a declaration of congressional impotence.

Nonetheless, my concern over the war powers resolution was grounded on practical as well as constitutional considerations. The procedure established by the resolution did not involve Congress in the decisionmaking process until after forces were committed to battle. I was concerned that such a procedure would tie Congress hands and contribute to rather than inhibit the derogation of warmaking responsibilities that had characterized the congressional performance in recent years.

It is not my purpose today to rehash the debate on this issue or to assert that recent experience has proven my case. I am here because I sense a very positive desire on the part of those who supported the war powers resolution to involve Congress in the decisionmaking process at the outset, even before the provisions of the statute come into play. I am encouraged, for example, that such leading advocates of the war powers resolution as Senator JAVITS, and Representatives ZABLOCKI, MORGAN, and FRASER, fought to inject the concept of congressional authorization into the Vietnam evacuation. Congress eventual failure to act on this matter cannot, therefore, be ascribed to any of those who worked so long and hard on the war powers resolution.

The amendments I offer today do not go to my central criticism of that resolution. I recognize that reversing the House on such a fundamental matter as the issue of prior authority would be next to impossible. And I will add, on the positive side, that as long as there is a growing awareness of Congress constitutional responsibility to initiate war and a growing resolve to invoke that power, there is, concomitantly, a diminishing requirement for a statutory approach to the problem.

Which leads me to my first amendment relating to the "Purpose and Policy" section of the resolution. Subsection 2(c) cites situations wherein the President can commit U.S. forces to a hostile situation without the prior approval of Congress. These situations as currently listed are: First, to repel an attack upon the United States or its territories and possessions; and second, to repel attacks on U.S. forces stationed abroad.

Subsection 2(c), which of course is not binding on the President, can represent the policy of Congress as to the allocation of war powers. To the extent that 2(c) might exclude a generally accepted emergency power of the President, however, it loses standing as a legitimate policy statement.

Such a denigration of 2(c) has taken place over the past 2 months as Presidents have claimed an "inherent" right to use military forces to rescue American citizens. And Members of Congress, including me, have publicly acknowledged this right. Yet, subsection 2(c) states that in the absence of a declaration of war or a statutory authorization the President can commit U.S. forces to battle "only pursuant to . . . a national emergency created by attack upon the United States, its territories or possessions, or its Armed Forces."

When I questioned Senator JAVITS as to whether the words "only pursuant" were meant to exclude the right to rescue, he conceded that they did. Mr. President, I ask unanimous consent that my colloquy with Senator JAVITS on this subject on October 10, 1973, be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. EAGLETON. Mr. President, the President's right to introduce U.S. forces to rescue endangered citizens was thoroughly debated during consideration of the Senate war powers bill. While American case law was not particularly convincing one way or the other, historical precedent and international laws governing the use of force strongly supported the citation of such an emergency power. And there was little controversy over the provision in the Senate since the legislation carefully circumscribed the President's actions. The Senate considered the right to rescue to be a logical extension of the President's responsibility to "repel sudden attacks."

It is clear from the recent cases and from the Senate debate on war powers that Congress recognizes the traditionally exercised right of the President to rescue endangered Americans. It is also clear from the Senate war powers bill and from the recent action taken in both Houses on the Vietnam evacuation bill that Congress wants to carefully circumscribe the President's unilateral action. The amendment I am introducing today will satisfy those two considerations. More importantly, it should enhance the integrity of the resolution's policy section by making it all-inclusive.

This amendment carefully circumscribes the President's action by requiring him to determine:

First, that the citizens to be rescued are being involuntarily held with the express or tacit consent of the foreign government; second, that there is a direct and imminent threat to the lives of such citizens; third, that the foreign government in question either cannot or does not want to protect these individuals; and fourth, that the evacuation take place as expeditiously as possible and with a minimum of force.

These requirements trace the guidelines established in international law for the rescue of a nation's citizens endangered and without protection in another country. Waldock, in "The Regulation of the Use of Force by Individual States in International Law," cites the right to protect nationals abroad and states:

> . . . The landing of forces without consent, being unmistakably a usurpation of political authority, is prima facie intervention. The question is whether it is an intervention which is justifiable as an exceptional measure of self-protection. That must depend on whether it satisfies the principles laid down in the Caroline incident. There must be (1) an imminent threat of injury to nationals, (2) a failure or inability on the part of the territorial sovereign to protect them and (3) measures of protection strictly confined to the object of protecting them against injury. Even under customary law only an absolute necessity could justify an intervention to protect nationals. But, where such necessity existed, intervention seems to have been legally justifiable in the period before the Covenant.

Mr. President, the emergency powers of the President, even if only defined as a matter of congressional policy, should be all-encompassing. There is today, with one or two notable exceptions, a consensus that the right to rescue is inherent in the Commander in Chief. Even those who would not concede that such a right is inherent would probably agree that Congress, as a practical matter, should delegate the power to cover such emergencies while at the same time carefully circumscribing his possible actions. The amendment I propose today would satisfy those objectives.

I would like here to add a contemporary note concerning powers the President might possess to use force without prior congressional approval. These powers, to the extent they exist, are strictly defensive in nature, deriving from the assumed power of the President to repel sudden attacks on the Nation, its forces or its citizens when endangered abroad. Under no circumstances should a President take offensive action of a punitive or retaliatory nature without the express approval of Congress.

At this point Mr. STEVENSON assumed the chair.

Mr. EAGLETON. In this regard, I have read press accounts of the military operation employed to rescue the crew of the *Mayaguez*. Leaving merit completely aside, I am disturbed by reports that punitive action unrelated to the rescue itself might have been taken against Cambodia. If, for example, the bombing of Ream airport and port facilities at Sihanoukville—bombing which took place a half hour after the crew of the *Mayaguez* was safely aboard the *Wilson*—was unrelated to the need to protect U.S. forces, then the President, in my opinion, exceeded his authority under the Constitution and violated specific prohibitions against combat activity in Indochina. I have asked the General Accounting Office today to investigate this possibility.

The *Mayaguez* incident also afforded an opportunity to assess the effectiveness of the consultation provision of the war powers resolution. This provision states:

> The President in every possible instance shall consult with Congress before introducing United States Armed Forces into hostilities or into situations where imminent involvement in hostilities is clearly indicated by the circumstances, and after every such introduction shall consult regularly with the Congress until United States Armed Forces are no longer engaged in hostilities or have been removed from such situations.

It is clear now that little if any real consultation took place prior to the *Mayaguez* military operation. At most a number of Senators and Congressmen were notified or informed of action already planned or underway. As I understand the procedure employed by the White House to satisfy the consultation provision, no opportunity was given to Congress to provide advice prior to the introduction of forces.

This confusion over the word "consultation" should not exist. Definitions of the word have been established in case law and the standard dictionary meaning leaves little doubt that to "consult" is to seek advice.

Mr. President, I ask unanimous consent that a number of legal definitions of the word "consultation" be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. EAGLETON. The second amendment I propose should clear up any confusion as to the intent of Congress in this area. My amendment would replace the phrase "consult with Congress" in section 3 with the words "seek the advice and counsel of Congress." So that there can be no misunderstanding as to what this phrase means, I have included a definitional section stating that the President "shall discuss fully the proposed decision for using—the Armed Forces" with designated Members of Congress. I am hopeful that this amendment will assure that, even in emergency situations when the President is operating within his constitutional powers, Congress view will be represented and considered prior to the introduction of forces.

The third amendment I propose today is one that I presented during consideration of the Senate war powers bill. The purpose of the amendment is to assure that the war powers resolution does, in fact, cover all possible uses of force by the President. The amendment would circumscribe the President's use of American civilian combatants in the same manner uniformed Armed Forces are currently circumscribed by the law.

Under this amendment a President would be bound to report the engagement of American civilians, either directly or as advisers, in a hostile situation within 48 hours.

Mr. President, we have heard much in the past months about the covert activities of the Central Intelligence Agency—of the hiring of contract employees to advise foreign military forces—and of the use of contractors to engage in dangerous missions when the use of American uniformed personnel might be politically prohibitive.

It is time to recognize that American involvement in hostilities cannot be obscured by semantics. If we become involved in combat to pursue a policy objective other than the emergency defense of the United States, its forces or its citizens, then Congress should authorize that involvement. Either we are involved in hostilities or we are not involved. And that should be the operating principle of the war powers resolution.

The potential for use of covert civilian forces by a President to achieve military objectives is currently restricted only by the imagination of man.

We have already seen CIA personnel used as pilots and combat advisers. And

if we fail to pass this amendment, we may see an even more wide-ranging use of civilian combatants in lieu of uniformed personnel whose activities will be circumscribed by the reporting provisions of the war powers resolution.

I believe it is time for Congress to acknowledge the vast potential available to the President to expand his warmaking options beyond the scope we have thus far envisioned by using civilian combatants. Congress can protect its prerogatives by assuring that the war powers resolution covers this possibility.

Mr. President, we have learned much from our experience in Vietnam and we have continued to learn as the exigencies of the contemporary Indochina situation have forced us again to use military force in that region. As we look more dispassionately at President Ford's use of force in the past 2 months, I am hopeful that Congress and the President can work together to improve the decisionmaking process. As the late Alexander Bickel often asserted—

> There is no assurance of wisdom in Congress, and no such assurance in the Presidency—The only assurance there is lies in process——

Mr. President, much can be done to improve the process by which we go to war. I am hopeful that the Senate will consider carefully the amendments I have introduced today which are intended to make the war powers resolution a more utilitarian mechanism for protecting Congress unique power to declare war.

Mr. President, I ask unanimous consent that a Library of Congress memorandum entitled "Interpretation of War Powers Resolution" which refers to the legal status of subsection 2(c) of the resolution, be printed in the RECORD at this point.

There being no objection the memorandum was ordered to be printed in the RECORD, as follows:

INTERPRETATION OF WAR POWERS RESOLUTION

This is in response to your request whether §2(c) of the War Powers Resolution, P.L. 93–148, 87 Stat. 555, is a binding restraint upon the exercise of the President's powers. That section provides:

"The constitutional powers of the President as Commander in Chief to introduce United States Armed Forces into hostilities, or into situations where imminent involvement in hostilities is clearly indicated by the circumstances, are exercised only pursuant to (1) a declaration of war, (2) specific statutory authorization, or (3) a national emergency created by attack upon the United States, its territories or possessions, or its armed forces."

Questions are raised because of a paragraph in the conference report on the Resolution, H. Conf. Rept. No. 93–547, 2 1973 U.S. Code Congressional and Administrative News 2364, stating:

"Section 2(c) is a statement of the authority of the Commander-in-Chief respecting the introduction of United States Armed Forces into hostilities or into situations were imminent involvement in hostilities is clearly indicated by the circumstances. Subsequent sections of the joint resolution are not dependent upon the language of this subsection, as was the case with a similar provision of the Senate bill (section 3)."

The heading of §2 of the Resolution is headed "Purpose and Policy." The general understanding of such policy sections, or preambles as they were frequently known in older legislation, is that they "state the reason or occasion for making a law or to explain in general terms the policy of the enactment. . . . The function of the preamble is to supply reasons and explanations and not to confer power or determine rights." 1A Sutherland's Statutory Construction, §§20.03, 20.12 (4th ed. 1972). Preambles customarily preceding the enacting clause, while in modern legislative practice the use varies.

In any event, the language of the statute, as clarified by the legislative history to reveal legislative intent, if resort to it is necessary, is determinative and axioms of statutory construction are only useful guides. Upon consideration of the statute as a whole, including the placement of §2(c) under its particular heading and the failure to refer to it in subsequent sections clearly meant to have binding effect, and further upon consideration of legislative history, which is instructive in this respect, it appears that Congress meant §2(c) only as a, to use the conference committee's word, "statement" of its understanding of the scope of presidential powers and that the sections of the Resolution which impose binding obligations are not structured in terms of the limitations set out in this "statement."

That is, while §2(c) sets out a limited number of instances affording the President the constitutional power to use United States troops, the provisions of the Resolution require the President to consult with Congress prior to any introduction of troops into hostilities or into situations where imminent involvement in hostilities is indicated (3) and, to report to Congress any introduction of troops into hostilities or imminent hostilities, absent a declaration of war (§ 4), and provide for time limitations and congressional actions with regard to any commitment of troops. While, therefore, the President in Congress' understanding may only use troops under certain circumstances, any commitment of troops qualifying under the Resolution is subject to its provisions. Congress has seemingly constructed a system by which it may require extraction of United States forces without regard to the constitutionality of the President's action in the first place.

This construction is supported by the legislative history. The Senate bill, S. 440, 93rd Congress, also contained a §2 headed "Purpose and Policy," setting forth the view that the constitutional balance of the war powers had been disturbed and needed redressing. In §3 of the bill it was provided that "[i]n the absence of a declaration of war by the Congress, the Armed Forces of the United States may be introduced . . . only" and there was set out four situations, including the repulsion of an armed attack, the protection while evacuating United States citizens in situations of danger abroad, and pursuant to specific statutory authorization. Thereafter each section of the bill, requiring reporting, setting the period of commitment, providing termination dates, and setting forth congressional procedures was specifically tied to §3. Thus, §4, the reporting section began: "The introduction of the Armed Forces of the United States . . . *under any of the conditions described in section 3 of this Act* shall be reported promptly. . . . " Language identical to that in italic appeared in each section.

On the other hand, the House bill, H.J. Res. 542, 93rd Congress contained no such language. It provided simply for the reporting of the committing of United States troops, termination dates, and congressional action with regard to any commitment of troops coming within the specifications, in language basically similar to that in § 4(a) of the Resolution as adopted.

The version reported by the conference committee was therefore close to the original House version, with the principal exception that § 2(c) was included and the conference report, as quoted, makes clear that it does not qualify the sections following on it. In debate on the conference report in the Senate, Senator Eagleton opposing, Senator Javits defending, this construction is the one urged by the former and accepted, not without some qualification, by the latter. 119 Cong. Rec. S18, 992–S18,995. (daily ed. Oct. 10, 1973).

This construction, therefore, would leave unsettled the basic question of the balance of powers as between Congress and the President, while Congress would have claimed to itself the power to override any presidential action after a stated period and would have in effect claimed the power to make sure that any extended use of United States troops abroad would be pursuant either to a declaration of war or to some form of lesser specific statutory authorization.

Mr. EAGLETON. Mr. President, I yield back the remainder of my time.

EXHIBIT 1

[From the CONGRESSIONAL RECORD, Oct. 10, 1973]

Mr. EAGLETON. First, Mr. President, let me ask this of the distinguished Senator from New York, who is not only the initial author of S. 440, but manager of the bill on the floor, a conferee, a former attorney general of New York, and a distinguished lawyer: With respect to this word "only" in section (2)(c), he has laid great emphasis on the word "only," the Senator said the Presidential powers are only, pursuant to this section, used to react to emergencies such as an attack upon the United States, its territories, and its possessions.

I take it that the Senator's current position is that under the Constitution the President has no emergency authority with respect to American nationals endangered abroad.

Mr. JAVITS. I said no such thing. I said—

Mr. EAGLETON. The Senator emphasized the word "only."

Mr. JAVITS. I understand. I said "is exercised only." That takes in what we understand the current situation to be and what we are willing to accept is the current situation.

I would tell the Senator this: There was a very long argument about including the concept of rescuing nationals. It was felt that whatever was specified on that score, in order to be conservative in respect of the President's power, would have to be so hedged and qualified that we were better off just not saying it, in view of the fact that it is a rather rare occurrence, and just leaving that open; and that is what we did.

Mr. EAGLETON. Then I take it, from that answer, that the word "only" is interpreted to mean "more or less only"?

Mr. JAVITS. No; only means only, and sometimes in life something is so de minimis in terms of its occurrence or likelihood, and the President can always come to us for authority—

Mr. EAGLETON. Does the Senator mean to say that the rescue of American nationals in danger abroad is de minimis?

Mr. JAVITS. He can always come to us for authority if he is in any doubt.

Mr. EAGLETON. I ask the Senator, as a respected constitutional lawyer, in his view does the President have or does he not have authority to act unilaterally to rescue American nationals in danger abroad who might be found in the midst of rebellion or the threat of war?

Mr. JAVITS. I think the normal practice which has grown up on that is that it does not involve such a utilization of the forces of the United States as to represent a use of forces, appreciably, in hostilities so as to constitute an exercise of the war power or to constitute a commitment of the Nation to war. The Constitutional Convention spoke only of "repelling sudden attacks."

Mr. Eagleton. With all due respect, Mr. President, I find that incredible. The Dominican Republic—Lyndon B. Johnson's memorable adventure—was that action not predicated on emergency authority to rescue American citizens in Santo Domingo?

Mr. Javits. It may have been so predicated, but I do not think it was justified. Any President, so long as the Army, Navy, and Air Force will obey him, can seek to assert authority which may not be justified under constitutional law. We could not help that even if we passed the Senate bill as the conference report. He would still do the same thing.

Mr. Eagleton. I take it, then, by the word "only," on which the Senator laid great emphasis, that "only" means only, truly, honestly only?

Mr. Javits. Yes.

Exhibit 2

Words and Phrases, Permanent Edition, Volume 9

CONSULT–CONSULTING

After Consultation

"To 'consult' is defined as to apply to for direction or information; to ask the advice of—as to consult a lawyer; to discuss something together; to deliberate." Hewey v. Metropolitan Life Ins. Co., 62 A. 600, 602, 100 Me. 523.

The word "consult" means to seek the opinion or advice of another; to take counsel; to deliberate together; to confer; to apply for information or instruction. C.I.R. v. John A. Wathen Distillery Co., C.C.A., 147 F.2d 998, 1001.

The adjective "consulting" is defined as designating one called in conference regarding some case or project, such as consulting engineer. Goldenberg v. Village of Capitan, 203 P.2d 370, 372, 53 N.M. 137.

"Consult" means to seek opinion or advice of another; to take counsel; to deliberate together; to confer; to deliberate on; to discuss; to take counsel to bring about; devise; contrive; to ask advice of; to seek the information of; to apply to for information or instruction; to refer to. Teplitsky v. City of New York, 133 N.Y.S.2d 260, 261.

Ballentine's Law Dictionary

CONSULT. To seek advice, as to consult a lawyer.

CONSULTATION.

The deliberation of two or more persons on some matter; a council of conference to consider a special case. Dunbar v Fant, 170 SC 414, 170 SE 460, 90 ALR 1412; a writ awarded by the superior court upon its refusal to issue a writ of prohibition for the removal of a cause from the ecclesiastical court to the superior court. See 3 Bl Comm 114.

Webster's Third New International Dictionary

CONSULT

1 (a) to deliberate on; (b) to take counsel to bring about; 2 (a) to ask advice of; seek the opinion of; apply to for information or instruction (consult a doctor about an ailment); (b) to refer to esp. for information (consult a dictionary); (3) to have prudent regard to: have an eye to: CONSIDER (consult one's pocketbook before buying); to take counsel; deliberate together; CONFER (the doctors consulted together about the nature of the disease) (after consulting with a lawyer) (the three powers could consult on how to ameliorate the internal political conflict.

CONSULT

1, *archaic*: the act of consulting or deliberating; (2a) CONSULATION (Puritan consults deliberated the king'a execution) (b) *archaic*: a secret meeting for devising treasonable or seditious actions: CABAL.

CONSULTANT

1: one who consults another; 2: one who gives professional advice or services regarding matters in the field of his special knowledge or training (as a consulting physician or engineer): EXPERT

CONSULATORY RESPONSE

The opinion of a court of law on a special case.

CONSULTATION

1: a council or conference (as between two or more persons) usu. to consider a special matter (holding frequent consultations with his lawyers to discuss the case): *specif*: a formal deliberation between two or more physicians on the diagnosis of a disease or its treatment in a patient; 2: the act of consulting or conferring: deliberation of two or more persons on some matter (the two firms were in consultation over the construction of the new airplane).

CONSULATIVE

Of or having to do with consultation: having the privilege or right of conference: ADVISORY (employed in a consultative capacity only) (the committee's duties were consultative rather than administrative).

CONSULATORY

Of or having to do with consultation: ADVISORY, CONSULTATIVE.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER (Mr. Stevenson). Under the previous order, there will now be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements therein limited to 5 minutes each.

ORDER FOR ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until 11 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Later in the day an order was entered providing that the Senate stand in adjournment until 10 a.m. tomorrow.)

ORDER FOR RECOGNITION OF SENATOR MORGAN AND FOR A PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized tomorrow, the Senator from North Carolina (Mr. Morgan) be recognized for not to exceed 15 minutes, after which there be a period for the transaction of routine morning business of not to exceed 30 minutes, with Senators permitted to speak not in excess of 5 minutes each during that period.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR NO ROLLCALL VOTES TO OCCUR TOMORROW PRIOR TO 12:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be no rollcall votes tomorrow prior to the hour of 12:30 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. Culver) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 12:02 a.m., a message from the House of Representatives, by Mr. Berry, one of its reading clerks, announced that the House disagrees to the amendments of the Senate to the bill (H.R. 5899) making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Mahon, Mr. Whitten, Mr. Evins of Tennessee, Mr. Boland, Mr. Natcher, Mr. Flood, Mr. Steed, Mr. Slack, Mr. McFall, Mr. Yates, Mr. Casey, Mr. Cederberg, Mr. Michel, Mr. Conte, Mr. McDade, and Mr. Myers of Indiana were appointed managers of the conference on the part of the House.

At 2:05 p.m., a message from the House of Representatives, by Mr. Berry, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 1757. An act for the relief of Plotemia Mabanag Bareng and Bastiana Lilian Mabanag Bareng;

H.R. 5247. An act to authorize a local public works capital development and investment program;

H.R. 6698. An act to amend section 1113 of the Social Security Act to make permanent the program of temporary assistance for U.S. citizens returned from abroad, subject to specific limitations on the aggregate dollar amount of such assistance which may be provided and on the period for which such assistance may be furnished in any particular case; and

H.R. 7136. An act to continue the special supplemental food program for women, infants, and children through September 30, 1975.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

House Joint Resolution No. 210 adopted by the Legislature of the State of Connecticut; ordered to lie on the table:

"Resolution Welcoming the South Vietnamese Refugees to the United States of America

"Resolved by this Assembly:

"Whereas, the end of the United States' involvement in South Vietnam has created an influx of Vietnamese refugees into this country; and

"Whereas, President Ford has expressed his concern at the uncharitable reaction of some Americans to the plight of these refugees; and

"Whereas, excepting the American Indian, we, as citizens of this country, are all immigrants or descendants of immigrants from every country in the world; and

"Whereas, sixty per cent of these refugees are children, many are elderly, many are too old to enter the job market, and of the 30,000 prospective members of the labor force, many are doctors, lawyers and businessmen who can readily find places for themselves in American life and contribute needed skills to our society; and

"Whereas, despite the current economic situation, the United States has a moral obligation to render the greatest possible degree of assistance to all those who seek haven on our shores as a result of the turmoil of war in Southeast Asia. The United States of America can do nothing less; and

"Whereas, to turn our backs on these refugees at this time, we would, in the words of AFL-CIO President, George Meany, "be denying our heritage and the history of this country as a haven for the oppressed."

"Now, therefore, be it resolved, that the members of this assembly unite in welcoming these South Vietnamese refugees to "the land of the free and the home of the brave"; and

"Be it further resolved, that the clerks of the house and senate cause a copy of this resolution to be sent to Gerald R. Ford, President of the United States, and to the clerks of the United States House of Representatives and the United States Senate, as an expression of our strong support of the humanitarian efforts to assist the refugees of South Vietnam."

HOUSE BILLS REFERRED

The following bills were read twice by their titles and referred, as indicated:

H.R. 1757. An act for the relief of Plotemia Mabanag Bareng and Bastiana Lillian Mabanag Bareng; to the Committee on the Judiciary;

H.R. 5247. An act to authorize a local public works capital development and investment program; to the Committee on Public Works; and

H.R. 6698. An act to amend section 1113 of the Social Security Act to make permanent the program of temporary assistance for U.S. citizens returned from abroad, subject to specific limitations on the aggregate dollar amount of such assistance which may be provided and on the period for which such assistance may be furnished in any particular case; to the Committee on Finance.

ENROLLED BILLS SIGNED

The ACTING PRESIDENT pro tempore (Mr. Culver) announced that on today, May 21, 1975, he signed the following enrolled bills, which had previously been signed by the Speaker of the House of Representatives:

H.R. 4481. An act making emergency employment appropirations for the fiscal year ending June 30, 1975, and for other purposes; and

H.R. 5357. An act to authorize appropriations to the Secretary of Commerce for the promotion of tourist travel.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HUDDLESTON, from the Committee on Agriculture and Forestry; with an amendment:

S. Res. 155. A resolution relating to white corn statistical information (Rept. No. 94–150).

EMERGENCY LIVESTOCK CREDIT—CONFERENCE REPORT (REPT. NO. 94–151)

By Mr. McGOVERN, from the committee of conference, submitted a report on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1236) to extend and amend the Emergency Livestock Credit Act of 1974, and for other purposes, which was ordered to be printed.

INDOCHINA MIGRATION AND REFUGEE ASSISTANCE—CONFERENCE REPORT

By Mr. SPARKMAN, from the committee of conference, submitted a report on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6755) to enable the United States to render assistance to, or in behalf of, certain migrants and refugees.

By Mr. HASKELL, from the Committee on Interior and Insular Affairs, with an amendment:

H.R. 3130. An act to amend the National Environmental Policy Act of 1969 in order to clarify the procedures therein with respect to the preparation of environmental impact statements (Rept. No. 94–152).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. WILLIAMS, from the Committee on Labor and Public Welfare:

Lowell W. Perry, of Michigan, to be a member of the Equal Employment Opportunity Commission.

By Mr. DOLE, from the Committee on Agriculture and Forestry:

Ralph N. Austin, of Colorado, and David C. Waldrop, of South Carolina, to be members of the Federal Farm Credit Board, Farm Credit Administration.

By Mr. EASTLAND, from the Committee on the Judiciary:

W. Laird Stabler, Jr., of Delaware, to be U.S. attorney for the District of Delaware.

(The foregoing nomination from the Committee on the Judiciary was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. STENNIS, from the Committee on Armed Services:

Norman R. Augustine, of Virginia, to be Under Secretary of the Army.

(The foregoing nomination from the Committee on Armed Services was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. STENNIS. Mr. President, from the Committee on Armed Services, I report favorably the nomination of Major General Berry, U.S. Army, for promotion to the grade of lieutenant general; and, in the Air Force, Major Generals Allen and Colladay to the grade of lieutenant general. I ask that these names be placed on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, in addition, there are 98 appointments in the Army to the grade of colonel and below. In the Navy and Naval Reserve, there are 2,772 for promotion to the grade of commander and below; in the Marine Corps and Marine Corps Reserve, there are 88 permanent appointments to the grade of colonel. In the Air National Guard there are 26 officers for promotion to lieutenant colonel in the Reserve of the Air Force. Since these names have already appeared in the Congressional Record and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the Congressional Record of May 9, and May 12, 1975, at the end of the Senate proceedings.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. EAGLETON:

S. 1790. A bill to amend and improve the war powers resolution. Referred to the Committee on Foreign Relations.

By Mr. TOWER:

S. 1791. A bill for the relief of David Olivas-Sanchez, his wife Felicitas Franco De Olivas, and their children, Martin Olivas-Franco and Isidro Olivas-Franco. Referred to the Committee on the Judiciary.

By Mr. JAVITS (for himself and Mr. Nelson):

S. 1792. A bill to amend the Small Business Act and the Small Business Investment Act. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. RIBICOFF:

S. 1793. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder. Referred to the Committee on Finance.

By Mr. CHURCH:

S. 1794. A bill to amend the Small Reclamation Projects Act of 1956, as amended. Referred to the Committee on Interior and Insular Affairs.

By Mr. HUMPHREY (for himself, Mr. Javits, Mr. Bayh, Mr. Eagleton, Mr. McGovern, Mr. McGee, Mr. Nelson, Mr. Jackson, and Mr. Clark):

S. 1795. A bill to amend the Employment Act of 1946 by providing for the development and adoption of a balanced economic growth plan, and for other purposes. Referred to the Committee on Government Operations.

UMI

By Mr. McCLURE (for himself, Mr. BUCKLEY, and Mr. CHURCH):

S. 1796. A bill to authorize the Secretary of the Army to delegate to the States certain functions with respect to the location and plans for structures, excavations, dredging, or fills in or on certain navigable and other waters of the United States. Referred to the Committee on Public Works.

By Mr. PELL:

S. 1797. A bill to amend title VI of the Comprehensive Employment and Training Act of 1973 to provide that 10 percent of the emergency job funds made available to eligible applicants will be used for jobs in private nonprofit institutions, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. BUCKLEY:

S. 1798. A bill to amend title 3, United States Code. Referred to the Committee on Finance.

By Mr. CLARK (for himself and Mr. CULVER):

S. 1799. A bill to authorize the Secretary of the Army to carry out certain dredging and related activities on the Missouri River Oxbow Lakes. Referred to the Committee on Public Works.

By Mr. PELL (for himself and Mr. JAVITS):

S. 1800. A bill to amend and extend the National Foundation on the Arts and Humanities Act of 1965, to provide for the improvement of museum services, and to provide indemnities for exhibitions of artistic and humanistic endeavors, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. TAFT:

S. 1801. A bill to provide an alternative plan for providing essential rail services to the Midwest and Northeast regions of the United States, to modernize certain railroad procedures, and for other purposes. Referred to the Committee on Commerce.

By Mr. BURDICK:

S. 1802. A bill for the relief of Ashok Raine. Referred to the Committee on the Judiciary.

S. 1803. A bill to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax and to increase the estate tax marital deduction. Referred to the Committee on Finance.

By Mr. HUMPHREY (for himself, Mr. JACKSON, Mr. DOMENICI, and Mr. FANNIN):

S.J. Res. 86. A joint resolution authorizing the President to proclaim October 26 of each year "National Solar Energy Day." Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. EAGLETON:

S. 1790. A bill to amend and improve the war powers resolution. Referred to the Committee on Foreign Relations.

(The remarks of Mr. EAGLETON when he introduced the above bill appear earlier in the RECORD.)

By Mr. JAVITS (for himself and Mr. NELSON):

S. 1792. A bill to amend the Small Business Act and the Small Business Investment Act. Referred to the Committee on Banking, Housing and Urban Affairs.

(The remarks of Mr. JAVITS when he introduced the above bill appear earlier in the RECORD.)

By Mr. RIBICOFF:

S. 1793. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder. Referred to the Committee on Finance.

Mr. RIBICOFF. Mr. President, today I am introducing legislation to repeal the earnings limitation for all social security beneficiaries. This arbitrary limitation on the right of senior citizens aged 65 to 72 to work and earn money serves as a major work disincentive. I first introduced this bill in January 1973. I am pleased that the concept of repealing the earnings limitation has broad support, including Senator BARRY GOLDWATER.

Social security should not be a contract to quit work. Those penalized by the earnings limitation often have the greatest need for more income than social security benefits can provide. And the working man is penalized, since income from investments is not counted in determining whether benefits shall be reduced. A man earning thousands of dollars from investments receives his full social security check while the man who has labored for a salary all his life and needs to continue working as a matter of economic survival cannot do so without a penalty.

I have said many times that social security is one of the finest domestic programs the Federal Government administers. But the system is not perfect. And parts of it—the income limitation for instance—are wrong. Here we take able-bodied men and women who want to work, who are good at their work and who would feel lost without their jobs, and we put pressure on them not to work and then we penalize them if they continue to work. This injustice must be corrected. It should have been corrected years ago.

The impact of eliminating the earnings limit would be widespread. As of January 1, 1972, an estimated 10 million persons aged 65 to 72 were eligible for social security benefits or were dependent on beneficiaries. At least 2.5 million of these people are directly affected by the earnings ceiling. Nearly a million earn enough that their social security benefits are eliminated entirely. Another million earn enough that their benefits are reduced. And a half-million more earn amounts which are only $100 or $200 below the ceiling. They receive their full social security benefits only because in many cases, they intentionally limit their earnings because of the earnings limitation. HEW studies have shown that the greatest deterrent to work occurs at just below the ceiling level.

The estimated additional cost of this proposal does not take into account the fact that the additional money that beneficiaries can earn will produce substantial tax revenues, thereby reducing the cost to the American taxpayer. In addition, the administrative expense of sending out forms, keeping records and collecting rebates from senior citizens who have "overearned" is a needless waste of money—money that would otherwise go directly to those in need.

For too long we have played an arbitrary numbers game with the earnings limitation. Congress has raised the figure by small amounts every year. While this is an improvement, it is not enough.

Simply raising the limit does not remove the inherent inequity of the earnings test. Therefore, I propose eliminating the test and allowing senior citizens to play a productive role in society as long as they wish, secure in the knowledge that their Government is not penalizing them for working.

By Mr. CHURCH:

S. 1794. A bill to amend the Small Reclamation Projects Act of 1956, as amended. Referred to the Committee on Interior and Insular Affairs.

Mr. CHURCH. Mr. President, I send to the desk for appropriate reference a bill to amend the Small Reclamation Projects Act of 1956.

During the almost 20 years since passage of the Small Reclamation Projects Act, the program has assisted thousands of farmers throughout the western United States who have joined together in order to participate in irrigation projects under the Federal reclamation laws. The act has proven to be a valuable tool for the development and effective utilization of our water and related land resources.

The importance of the program to the Nation is reflected in the number of projects which have benefited under the act. In Idaho, for example, six different projects have been completed under the provisions of the act. Nationwide, 41 projects have been completed with loans totalling $95 million. In addition, 14 projects with loans totalling $66 million were under construction as of January 1975. The Department of Interior is actively considering 10 more projects and I have been informed that at least 44 additional loan applications are being prepared.

The origin and success of the small reclamation projects program is due, in large part, to the strong support of the National Water Resources Association which played a major role in the drafting of the original legislation. Last fall, during the Association's annual convention, the membership reviewed the operation of the small reclamation projects program and concluded that perfecting amendments to the act were desirable in order to improve the program and correct problems which had become evident through experience with the act. The measure which I introduce today, reflects nearly two decades of experience with a widely used Federal program and I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1794

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, the Small Reclamation Projects Act of 1956 (70 Stat. 1044) as amended, is further amended as follows.

(a) Subsection 2(d) of the Act, as amended, is further amended to read as follows:

"(d) The term 'project' shall mean (i) any complete irrigation project, or (ii) any multiple-purpose water resource project that is authorized or is eligible for authorization under the Federal Reclamation laws, or (iii) any distinct unit of a project described in clauses (i) and (ii) or (iv) any project for the drainage of irrigated lands, without regard to whether such lands are irrigated with water supplies developed pursuant to the Federal Reclamation laws or (v) any project for the rehabilitation and betterment of a project or distinct unit described in clauses (i) (ii), (iii) and (iv) provided that the estimated total project cost described in clauses (i), (ii), (iii), (iv) or (v) does not exceed the maximum allowable estimated total project cost as determined by subsection (f) hereof. Nothing contained in this Act shall preclude the making of more than one loan or grant or combined loan and grant, to an organization so long as no two such loans or grants or combinations thereof, are for the same project, as herein defined."

(b) Section 2, as amended, is further amended by adding a new Subsection (f), as follows:

"(f) The maximum allowable estimated total project cost of a proposal submitted during any given calendar year shall be determined by the Secretary using the Bureau of Reclamation composite construction cost index for January of that year with $15,000,000 as the January 1971 base."

(c) Section 4, as amended, is further amended by adding a new Subsection (d) as follows:

"(d) At the time of his submitting the project proposal to the Congress, or at any subsequent time prior to completion of construction of the project, the Secretary may increase the amount of the requested loan and/or grant to an amount within the maximum allowed by Subsection (a) of Section 5 of the Act as herein amended, to compensate for increases in construction costs due to price escalation and/or for such changes in or additions to the proposed plan as he may find proper and necessary to carry out the original purposes of the project; *Provided*, That no such increase shall become effective prior to sixty calendar days (which sixty days, however, shall not include days on which either the House of Representatives or the Senate is not in session because of an adjournment of more than three calendar days to a day certain) from the date on which the Secretary's findings and approval for such increase are submitted to the Congress and then only if, within said sixty days, neither the House nor the Senate Interior and Insular Affairs Committee disapproves the project proposal by Committee resolution."

(d) Section 4, as amended, is further amended by changing Subsection (d) to Subsection (e) and amending it to read as follows:

"(e) No obligation of funds shall be made for financial participation in any such project prior to sixty calendar days (which sixty days, however, shall not include days on which either the House of Representatives or the Senate is not in session because of adjournment of more than three calendar days to a day certain) from the date on which the Secretary's findings and approval are submitted to the Congress and then only if, within said sixty days, neither the House nor the Senate Interior and Insular Affairs Committee disapproves the project proposal by Committee resolution. The provisions of this Subsection (e) shall not be applicable to proposals made under Section 6 of this Act."

(e) Section 4, as amended, is further amended by changing Subsection (e) to Subsection (f).

(f) Subsection 5(a), as amended, is further amended by deleting "$10,000,000 or" and inserting in lieu thereof the following:

"two-thirds (⅔) of the maximum allowable estimated total project cost as determined by Subsection (f) of Section 2, or"

(g) Section 10, as amended, is further amended by deleting "$300,000,000" and inserting in lieu thereof, "$400,000,000."

By Mr. HUMPHREY (for himself, Mr. JAVITS, Mr. BAYH, Mr. EAGLETON, Mr. McGOVERN, Mr. McGEE, Mr. NELSON, Mr. JACKSON, and Mr. CLARK):

S. 1795. A bill to amend the Employment Act of 1946 by providing for the development and adoption of a Balanced Economic Growth Plan, and for other purposes. Referred to the Committee on Government Operations.

THE BALANCED GROWTH AND ECONOMIC PLANNING ACT OF 1975

Mr. HUMPHREY. Mr. President, today, I am pleased to introduce together with Senator JAVITS and Senators EAGLETON, BAYH, McGOVERN, McGEE, and NELSON, the Balanced Growth and Economic Planning Act of 1975.

This is an extremely important bill, perhaps the most important I have authored in my Senate career. It represents months of effort on the part of Senator JAVITS and myself, and many others who contributed their ideas and who helped work out the details of the bill.

Let me make a brief explanation of what this bill does. Basically, it establishes procedures within the executive branch and within the legislative branch for the drafting, consideration, and adoption of a long-term economic plan. Such procedures are vitally necessary if the Federal Government is to put its own house in order.

The bill creates an Economic Planning Board in the Office of the President, composed of three persons nominated by the President with the advice and consent of the Senate.

The function of the Board is to draft a proposed balanced economic growth plan. It does this with the assistance of the Council on Economic Planning, made up of the President's Cabinet and other high-ranking officials, and an Advisory Committee on Economic Planning composed of 12 persons, 4 appointed by the President and 8 appointed by the Congress.

The bill also provides congressional and local participation roles that are of central, importance in the planning process. Under the bill, the President will submit his proposed plan to Congress every 2 years. He will also submit copies of his proposed plan to the Governors of each State at the same time that the plan is submitted to Congress.

The Joint Economic Committee will be responsible for holding hearings on the proposed plan and for reporting a concurrent resolution to the House and the Senate, approving, rejecting, or modifying the proposed plan.

Prior to holding its hearings, the Joint Economic Committee will receive views and comments on the proposed plan from each of the standing committees of Congress. In addition, the Governor of each State is given the opportunity to submit a report to the Joint Economic Committee responding to the proposed plan. Each Governor's report, as we envision it, will include the views of other local officials and citizens within the State after public hearings have been held within the State, in accordance with procedures to be established by the Governor.

It is the intent of the authors of this bill to provide for the widest possible public participation. We believe that the involvement of State and local officials and citizens is essential to the success of long-term economic planning in the United States.

We have heard much in recent months of the lack of public confidence in the economy. I believe that the public is on the verge of losing confidence in both the economy and the political process.

The loss of public confidence goes far beyond the present economic difficulties, serious as our economic situation now is. The people are drifting away from their Government. They feel left out, cut off from the centers of power where decisions are made directly and indirectly influencing their lives and well-being.

The Balanced Growth and Economic Planning Act is designed to bring the people and their State and local elected influencing their lives and well-being. practical reason that effective national long-term economic planning requires national, grass roots cooperation, or it is doomed to failure before it gets off the ground.

One of the problems I have encountered in discussions of economic planning is that there is a tendency for some people to have a closed mind about the subject. There are many biases when it comes to planning, both for and against.

Part of the difficulty lies with the definition of economic planning, or rather with the definitions, for there does not seem to be a single accepted meaning of the term.

When I think of planning, I think of looking ahead and attempting to anticipate future events. The point is not to plan just for the sake of planning, or to attempt to manage or control the economy. I do not believe a rigidly managed economy would work well in America.

If planning is to be a useful tool for helping to solve our long-term economic problems, it must be tailored to meet the peculiar and unique characteristics of the American economy and the American political system.

For this reason, in drafting the bill we adhered to three principles:

First, the planning process must be open and democratic. Long-term economic policy is too important to leave to the economists or to any group of experts. American-style economic planning must be based on the widest citizen participation and the full involvement and cooperation of State and local elected officials.

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Second, Congress must be an equal partner with the President in the framing of the plan, and it must have the authority to approve, disapprove, or modify any plan.

Third, the planning process must include an improved system for gathering information about the economy and for distributing this information to the public. It is my conviction that the quality of decisions improves with the quality of information and understanding in the public and the private sectors.

I am confident that the introduction of this bill will spark wide debate. Indeed, it already has. A number of newspaper and magazine articles have been written in recent weeks on the subject of economic planning—some of them in direct response to the Balanced Growth and Economic Planning Act.

I am also confident that support for the bill will increase as understanding for the need for long-term planning increases. The harsh fact is that the economy is performing poorly and the prospects for the future are grim, unless we institute long-overdue reforms in the way we develop economic policy.

I am one U.S. Senator who is ready to do something to avoid the bleak forecast of high unemployment, slow growth and continuing inflation for the next several years.

I am one U.S. Senator who is ready to do something about our failure to achieve national goals in areas such as employment, housing, and urban development.

The Balanced Growth and Economic Planning Act will help us confront our economic problems and find solutions. If we do not plan, we will continue to have shortages and inflation and high unemployment. If we do not plan, we will have wage and price controls.

Mr. President, I ask unanimous consent to have printed in the RECORD the Balanced Growth and Economic Planning Act of 1975, a fact sheet explaining the bill, and articles written by Richard L. Strout for the Christian Science Monitor, May 15, 1975, Jack Friedman for the New York Times, May 18, 1975, and Saul Friedman for the Philadelphia Inquirer, May 13, 1975.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1795

A bill to amend the Employment Act of 1946 by providing for the development and adoption of a Balanced Economic Growth Plan, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Employment Act of 1946 is amended by adding at the end thereof the following new title:

"TITLE II—BALANCED GROWTH AND ECONOMIC PLANNING

"SHORT TITLE

"SEC. 201. This title may be cited as the 'Balanced Growth and Economic Planning Act of 1975.'

"FINDINGS

"SEC. 202. (a) The United States is suffering its worst economic decline since the 1930's. The combination of severe inflation and recession has disrupted the nation's economy and has caused hardship for millions of Americans. Recession and inflation have both revealed basic structural deficiencies in the United States economy and have been intensified by conflicting and erratic short-term economic policies without in many cases providing long-term solutions.

"(b) The failure to develop a long-term national economic policy has also created fundamental imbalances in the economy.

"(c) No single Government agency is responsible for acquiring a current detailed view of the national economy and its component interrelationships and the data necessary to maintain such a picture. Without such information, it is not possible adequately to analyze the economy, to anticipate and identify emerging problems, or to advise the President and the Congress about timely and effective action. Government data collection must be better coordinated and systematized and information should be in a form that permits the identification in detailed comparison of major available options.

"(d) Although the Federal Government plays a major role in the nation's economy, the United States has no single governmental body engaged in the systematic and comprehensive formulation of national economic goals and policies. The formulation of long-term national economic goals, the identification of available and potential labor, capital, and natural resources, and recommendations for policies to reconcile goals and resources would enable the Federal Government to determine and rationalize its own impact on the national economy. These activities would provide assistance to State and local governments and the private sector by permitting action with greater knowledge of the nation's economic direction.

"(e) The establishment of an agency to recommend to the executive and legislative branches consistent long range economic goals and priorities, and policies to provide for their realization, would fill a major national need.

"(f) Individual economic security and personal well being are essential requirements to balanced growth in a free society. The economic decisions of the Federal Government have direct impact on the lives of individual citizens. It is therefore necessary to provide a process of open and democratic planning for the future to enable the citizens of the United States to participate fully in the making of policies affecting the national economy.

"(g) The Congress finds that the formulation of national economic goals, consistent with the Nation's economic resources and the identification of coherent policies to realize those goals are important national requirements which will achieve balanced economic growth and promote the economic well being of all our citizens.

"PURPOSES

"SEC. 203. The Purposes of this title are to:

"(1) Establish an Economic Planning Board in the Executive Office of the President with responsibility for anticipating the Nation's economic needs, measuring available national economic resources, assuring an adequate supply of industrial raw materials and energy, outlining economic goals, and in the light of long-range economic trends and opportunities, for developing a proposed Balanced Economic Growth Plan, and recommending policies to achieve the objectives of the Plan.

"(2) Provide for the development of a Balanced Economic Growth Plan, embodying coherent and realizable long-term economic goals, consistent with the Nation's economic resources and identifying the policies and actions that would be required to attain such goals.

"(3) Provide for the continuing and systematic access by the Economic Planning Board to economic information and data required to prepare, review, and revise the Balanced Economic Growth Plan and to evaluate implementation of the Plan, and for the general dissemination of such information and data in accordance with this act to promote widespread, informed and effective public participation in the planning process.

"(4) Provide for appropriate participation by State and local governments and regional organizations, business, labor, consumers, other interested groups, organizations, and private citizens in the development and revision of such Plan.

"(5) Provide for Congressional review of each proposed Balanced Economic Growth Plan and for the approval or disapproval of the Plan by concurrent resolution of the Congress.

"(6) Establish procedures whereby the departments and agencies of the Federal Government will contribute to the continued assessment and implementation of the Balanced Economic Growth Plan.

"ECONOMIC PLANNING BOARD

"SEC. 204. (a) There is established in the Executive Office of the President an Economic Planning Board (referred to in this title as the 'Board'). The Board shall be composed of three members who shall be appointed by the President, by and with the advice and consent of the Senate. The Board shall be composed of persons of diverse backgrounds and experience. The President shall designate one of the members of the Board as Chairman.

"(b) The Board shall—

"(1) prepare and submit to the Council on Economic Planning a proposed Balanced Economic Growth Plan, as provided in section 208(a), for approval by the Council;

"(2) seek the active participation by regional, State, and local agencies and instrumentalities and the private sector through public hearings and other appropriate means to insure that the views and proposals of all segments of the economy are taken into account in the formulation of the Plan;

"(3) evaluate and measure the achievement of the goals and objectives contained in any approved Balanced Economic Growth Plan and report thereon, as provided in section 208(b);

"(4) review major programs and activities of the Federal Government to determine the extent to which such programs or activities are consistent with any approved Plan;

"(5) coordinate the long-range planning activities of the departments and agencies of the Federal Government to assure maximum consistency of such activities with the goals and objectives stated in an approved Plan; and

"(6) carry out such other functions pertaining to long-term economic planning as the President may direct.

"(c) The Board is authorized—

"(1) to appoint and fix the compensation of, such specialists and other experts as may be necessary to carry out the functions of the Board, the Council, or any advisory committee under this title, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title regarding classification and General Schedule pay rates; and subject to all such provisions, to appoint and fix the compensation of such other officers and employees as may be necessary for carrying out such functions;

"(2) to procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code;

"(3) to contract with any public agency or instrumentality or with any person or organization for the performance of services in furtherance of the functions and responsibilities of the Office; and

"(4) hold such hearings at such times and places as deems advisable, and administer oaths and affirmations to witnesses.

"(d)(1) Section 5313 of title 5, United States Code, is amended by adding at the end thereof the following:

"'(13) Members of the Economic Planning Board.'

"DIVISION OF ECONOMIC INFORMATION

"SEC. 205. (a) There is established in the Board a Division of Economic Information through which the Board is authorized to secure information, data, estimates, and statistics directly from various departments, agencies, and establishments of the Executive branch of government. All such departments, agencies, and establishments shall furnish the Board any available material which it determines to be necessary in the performance of its duties and functions (other than material the disclosure of which would be a violation of law). The Board is also authorized upon agreement with the head of any such department, agency, or establishment, to utilize its services, facilities, and personnel with or without reimbursement, and the head of each such department, agency, or establishment is authorized to provide the Director such services, facilities, and personnel.

"(b) The Board shall carry out a program to insure the dissemination of economic data, statistics, and information in such form and manner as will provide a basis on which State and local governments, private enterprise, and the Federal government can make informed economic decisions and participate effectively in the planning process carried out under this title.

"(c)(1) The furnishing of any information, data, estimates, or statistics under this title by any person acting independently or pursuant to a requirement established under this title shall not be a violation of or evidence of a violation of any of the antitrust laws of the United States.

"(2) Disclosure of any information, data, estimates, or statistics in violation of any rule or regulation promulgated by the Board or the disclosure of any trade secret or proprietary information or any other information furnished to the Federal Government on a confidential basis by any person in the exercise of functions under this title shall be a violation of section 1905 of title 18, United States Code.

"COUNCIL ON ECONOMIC PLANNING

"SEC. 206. (a) There is established in the Economic Planning Board a Council on Economic Planning (referred to in this title as the 'Council') which shall consist of—

"(1) The Chairman of the Economic Planning Board, who shall be the Chairman of the Council;

"(2) the Secretary of State;

"(3) the Secretary of the Treasury;

"(4) the Secretary of Defense;

"(5) the Secretary of the Interior;

"(6) the Secretary of Housing and Urban Development;

"(7) the Attorney General;

"(8) the Secretary of Transportation;

"(9) the Secretary of Agriculture;

"(10) the Secretary of Commerce;

"(11) the Secretary of Labor;

"(12) the Secretary of Health, Education, and Welfare;

"(13) the Chairman of the Federal Reserve Board;

"(14) the Chairman of the Council of Economic Advisers;

"(15) the Director of the Office of Management and Budget;

"(16) the Administrator of the Federal Energy Administration; and

"(17) the Chairman of the Advisory Committee on Economic Planning.

"(b) It shall be the function of the Council to review and make such revisions as it deems appropriate in the Balanced Economic Growth Plan as submitted by the Board under section 204, and, upon approval of the Plan, to transmit the Plan to the President, and to review, on a regular basis, progress made in the implementation of the Plan. The Council shall adopt such rules for the conduct of its business as it may deem proper.

"ADVISORY COMMITTEE ON ECONOMIC PLANNING

"SEC. 207. (a) To furnish advice and assistance to the Board in the preparation and review of the Plan, there is established an Advisory Committee on Economic Planning which shall consist of—

"(1) four members appointed by the President;

"(2) four members appointed by the Speaker of the House of Representatives; and

"(3) four members appointed by the President of the Senate.

The Committee shall elect a Chairman, and shall meet at the call of the Chairman, but not less than twice a year. The members of the Advisory Committee shall be appointed from among representatives of business, labor, and the public at large, who are competent by virtue of training or experience to furnish advice to the Board on the views and opinions of broad segments of the public in matters involved in the formulation and implementation of the Balanced Economic Growth Plan. Each member of the Advisory Committee shall be entitled to be compensated at a rate equal to the per diem equivalent of the rate for an individual occupying a position under level III of the Executive Schedule under section 5314 of title 5, United States Code, when engaged in the actual performance of his duties as such a member, and each member shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of his duties.

"(b) The Advisory Committee is authorized to establish regional or industry subcommittees to furnish advice and assistance to it in the formulation and implementation of the Plan. Any such subcommittee shall consist of at least one member of the Advisory Committee and shall be broadly representative of the particular region or industry, including business, labor, and consumer interests.

"THE BALANCED ECONOMIC GROWTH PLAN

"SEC. 208 (a) Not later than April 1, 1977, and biannually thereafter, the President shall transmit to the Congress a proposed long-term Balanced Economic Growth Plan prepared by the Board and approved by the Council. The Plan shall—

"(1) establish economic objectives for a period to be determined by the Board, paying particular attention to the attainment of the goals of full employment, price stability, balanced economic growth, an equitable distribution of income, the efficient utilization of both private and public resources, balanced regional and urban development, stable international relations, and meeting essential national needs in transportation, energy, agriculture, raw materials, housing, education, public services, and research and development;

"(2) identify the resources required for achieving the economic objectives of the Plan by forecasting the level of production and investment by major industrial, agricultural, and other sectors, the levels of State, local, and Federal Government economic activity, and relevant international economic activity, for the duration of the Plan; and

"(3) recommend legislative and administrative actions necessary or desirable to achieve the objectives of the Plan, including recommendations with respect to money supply growth, the Federal budget, credit needs, interest rates, taxes and subsidies, antitrust and merger policy, changes in industrial structure and regulation, international trade, and other policies and programs of economic significance.

"(b) The President shall submit to the Congress with the proposed Plan a Report prepared by the Board and approved by the Council. The report shall—

"(1) provide whatever data and analysis are necessary to support the objectives, resource needs, and policy recommendations contained in the Plan;

"(2) provide an examination of longer-term economic trends beyond the period of the Plan and recommend objectives with respect to the goals outlined in subsection (a)(1);

"(3) compare the actual results with respect to matters referred to in subsection (a) since the submission of the previous Plan with the projected results of the Plan when submitted and indicate (A) the reason for any failure to achieve the objectives of that Plan, and (B) the steps being taken to achieve the objectives of the previous Plan and (C) any necessary revisions in the Plan.

"STATE AND LOCAL PARTICIPATION

"SEC. 209. (a) The Board shall establish procedures to insure widespread consultation with regional, State, and local planning agencies in preparation of the Plan.

"(b) At the time of submission of any proposed Plan to the Congress, the President shall transmit copies of the Plan to the Governor of each State and to other appropriate State and local officials. Within 60 days from the submission by the President to Congress of the proposed Plan, the Governor of each State may submit to the Joint Economic Committee a report containing findings and recommendations with respect to the proposed Plan. Any such report submitted by a Governor shall include the views and comments of citizens within the State, after public hearings have been held within the State.

"(c) Upon the request of any regional, State, or local planning agency, the Economic Planning Board shall review the plan of such agency to determine its consistency with the Plan and recommend changes to bring such plan more fully into conformity with the Plan. Funds available to such an agency under section 701 of the Housing Act of 1954 may, in accordance with such regulations as the President may prescribe, be used by such agency for the purpose of making such changes.

"CONGRESSIONAL REVIEW

"SEC. 210 (a) Each proposed Balanced Economic Growth Plan shall be referred to the Joint Economic Committee of the Congress. Within 60 days after receipt by the Congress of such proposed Plan, each standing committee of the House of Representatives and each standing committee of the Senate and each joint committee of the Congress shall submit to the Joint Economic Committee a report containing its views and recommendations with respect to all matters contained in the Plan which relate to matters within the jurisdiction of each such committee. The reports by the Committee on the Budget of the Senate and the Committee on the Budget of the House of Representatives shall contain the recommendations of such committees respecting budget policy for the duration of the Plan.

"(b) The Joint Economic Committee shall hold such hearings for the purpose of receiving testimony from Members of Congress, appropriate representatives of Federal departments and agencies, the general public, and interested groups as the Committee deems advisable. The Committee shall also consider the comments and views on the

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proposed plan which are received from State and local officials under section 209.

"(c) Not later than 105 days after the submission of a proposed National Economic Plan to the Congress, the Joint Economic Committee shall report to the House of Representatives and to the Senate a concurrent resolution which shall state in substance that Congress approves or disapproves the proposed Plan, in whole or in part, and which may contain such alternatives to, modifications of, or additions to the Plans as the Committee deems appropriate. The report accompanying such concurrent resolution shall include findings and recommendations contained in the proposed Plan. The Joint Economic Committee may from time to time make such other reports and recommendations to the House and Senate as it deems advisable.

"(e) Not later than 15 days after submission of a proposed National Economic Plan to the Congress, the Congress shall act upon a concurrent resolution reported under subsection (c). Upon adoption of any such resolution, a copy thereof, together with a copy of any report or document prepared by any committee of either House or by any joint committee in connection with the consideration by the Congress of the proposed Plan shall be transmitted to the President.

"(e) There are hereby authorized to be appropriated to the Joint Economic Committee such sums as may be necessary to enable it to carry out its functions under this section.

"FINAL ADOPTION OF THE PLAN

SEC. 211. (a) Upon receipt of a concurrent resolution pursuant to section 208, the President may make such modifications as he deems appropriate in any part of the Plan which was disapproved or which was not approved by the Congress, and shall publish a copy of the Plan, together with a copy of the concurrent resolution and all reports and documents accompanying such resolution, except that, if the concurrent resolution disapproved the entire proposed Plan, the President shall revise the Plan and resubmit it to the Congress not later than 30 days after the receipt of the concurrent resolution. Not later than 30 days after receipt of a revised Plan under the preceding sentence, the Congress shall, by concurrent resolution, approve or disapprove, in whole or in part, the revised Plan.

"(b) The President directly, or acting through the Board, may not take any action under section 212, and the Board may not take any action under such section, with respect to any part of the Plan which has not been approved or which has been disapproved by the Congress.

"EXECUTIVE BRANCH IMPLEMENTATION OF THE PLAN

"SEC. 212. (a) The President, with the assistance of the Board, shall take appropriate actions to insure that the departments and agencies of the executive branch will carry out their programs and activities in such a manner as to further the objectives of the Plan, and to encourage State and local governments and the private sector to carry out their programs and activities in such a manner as to further the objectives of the Plan.

"(b) Whenever the Board determines that any department or agency of the Federal Government has submitted any budget request to the President or the Congress, or proposed any legislation, rule or regulation, or undertaken any other activity which may have a significant effect on the achievement of the goals and objectives contained in an approved Balanced Economic Growth Plan, the Board may require the head of such department or agency to submit a detailed statement to the Board assessing the consistency of the proposed budget, legislation, rule, regulation, or other action, with the Plan, together with the reasons for any significant departure from such goals and objectives.

"DIVISION OF BALANCED GROWTH AND ECONOMIC PLANNING

"SEC. 213. (a) There is established within the Congressional Budget Office a Division of Balanced Growth and Economic Planning (hereinafter referred to as the 'Division') to perform long-term economic analysis. The Division shall be headed by a Deputy Director who shall perform his duties under the supervision of the Director of the Congressional Budget Office and shall perform such other duties as may be assigned to him by the Director. Such Deputy Director shall be appointed in the same manner, serve for the same period, and receive the same compensation as the Deputy Director provided for in section 201 of the Congressional Budget Act of 1974.

"(b) It shall be the responsibility of the Division to assist the Joint Economic Committee in the discharge of its duties under this act and to provide—

"(1) information with respect to long-term economic trends, national goals, resource availability, and the economic policies necessary to achieve balanced long-term economic growth,

"(2) information necessary for the preparation of the report and concurrent resolution identified in section 210(d), and

"(3) such related information as the Committee may request.

"(c) At the request of any other committee of the House of Representatives or the Senate, or any joint committee of Congress, the Division shall provide to such committee or joint committee the information necessary to fulfill their responsibilities under section 208(a).

"AUTHORIZATION

"SEC. 214. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title."

"RELATION TO THE COUNCIL OF ECONOMIC ADVISERS

"SEC. 2. It shall be the duty of the Council of Economic Advisers to make an analysis of the relationship between the Economic Report and the Plan. The analysis of the Council shall be included in the Economic Report transmitted to Congress.

"ECONOMIC INFORMATION

"SEC. 3. At the time of the presentation of the first Balanced Economic Growth Plan to Congress, the Division of Economic Information of the Economic Planning Board, at the direction of and with the approval of the Board, shall transmit to the Congress a report on economic data, statistics, and information, which shall contain the following:

"(1) A review, carried out in conjunction with other departments and agencies of the Federal Government, of the activities, methods, and purposes of the information and statistical gathering, collation, analysis, and presentation functions of the Federal Government.

"(2) An analysis of the existing information and statistical systems, and the economic data required under Section 204 of this act.

"(3) Recommendations for the improvement or modification in the standards, methods, and systems of statistics and information gathering.

"(4) Recommendations for such additional authority as may be necessary to obtain data not available under section 204 of this act.

FACT SHEET ON THE BALANCED GROWTH AND ECONOMIC PLANNING ACT OF 1975

The purpose of the Balanced Growth and Economic Planning Act is to establish procedures within Congress and the Executive Branch to formulate systematically and comprehensively long-term national economic goals and to recommend policy that will match goals and resources.

BASIC ASSUMPTIONS

The bill proceeds on two basic assumptions: first, that the economy will perform better with planning procedures and, secondly, that economic choices will be more explicit and widely debated so that Congress and the public can participate fully in the making of economic policy.

Under the proposed new procedures economic policy will be developed from an improved information base, it will be better coordinated, it will consider emerging and long-term problems to a greater extent than is the current practice, and it will take into account the views of state and local officials and the public.

VOLUNTARY PLANNING

The Balanced Economic Growth Plan that results from the new procedures will establish long-term economic objectives, paying particular attention to the attainment of the goals of full employment, price stability, balanced economic growth, an equitable distribution of income, efficient utilization of private and public resources, balanced regional and urban development, stable international relations, and meeting essential national needs in various sectors of the economy. The plan will identify the resources required for achieving the objectives and recommend legislative and administrative actions to achieve them.

Implementation of the plan within the Federal Government will be achieved through coordination of policy and actions among Government agencies. Implementation in the private sector and in States and localities will be achieved through voluntary co-operation.

ECONOMIC PLANNING BOARD

The bill sets up an Economic Planning Board in the Office of the President, provides for Congressional review and approval or disapproval of each proposed plan, and establishes procedures for public participation in the planning process.

The Economic Planning Board is composed of three members, appointed by the President with the advice and consent of the Senate. The Board will operate in close association with the Council on Economic Planning, composed of members of the President's Cabinet, and other high-ranking officials. There is also an Advisory Committee on Economic Planning composed of 4 members appointed by the President, 4 members appointed by the Speaker of the House, and 4 members appointed by the President of the Senate.

It is the Board's duty to submit a proposed balanced economic growth plan to the Council for its approval. In drafting the proposed plan, the Board is required to seek the active participation of regional, State, and local agencies and private persons through public hearings and of the appropriate means to insure that the views of all segments of the economy are taken into account. The Board is responsible for evaluating and reporting on achievement of the goals and objectives in any approved plan, determining whether major Federal programs are consistent with any approved plan, and coordinating the long-term planning activities of Federal agencies.

The function of the Council is to review any proposed plan submitted by the Board, and transmit it together with revisions to the President. The functions of the Advisory Committee are to help provide the Board and the Council with the views of broad segments of the public, including business, labor and consumer interests, about matters relating to the formulation and implementation of any plan, and to establish advisory subcommittees.

The Division of Economic Information is established in the Economic Planning Board. The purpose of the Division is to help the Board obtain information and estimates directly from Federal agencies and to assist in the dissemination of information to State and local governments and to private persons so that they can make informed economic decisions and participate effectively in the planning process. An initial function of the Division will be to survey and assess government information gathering programs and recommend reforms.

SUBMISSION OF PROPOSED PLAN BY PRESIDENT

The President is required to submit to Congress, every 2 years, a proposed Balanced Economic Growth Plan together with a report prepared by the Board to aid in the consideration of the proposal. At the same time, the President submits copies of the proposed plan to the Governor of each State and to other State and local officials.

CONGRESSIONAL REVIEW

It is the duty of the Joint Economic Committee to hold public hearings on the proposed Balanced Economic Growth Plan after its submission to Congress, to consider the views on the plan of each standing committee of Congress and the reports of the Governors, and to report to the House and Senate within 105 days after its submission a concurrent resolution approving, disapproving, or modifying in whole or in part, the proposed plan. The Committee must also make a report with findings and recommendations with respect to each of the main recommendations in the proposed plan.

LOCAL PARTICIPATION

The Governor of each state may submit, within 60 days from the submission of the proposed plan by the President, a report to the Joint Economic Committee responding to the proposed plan. A governor's report should include the views of citizens within the State after public hearings have been held within the State.

The purpose of this part of the bill is to provide for the widest public participation. The Governors, local officials and citizens of each State are given the option of commenting on the proposed plan at the same time it is being considered in Congress.

CONGRESSIONAL ACTION

Congress must act on the proposed plan within 135 days from its submission by the President by adopting, modifying, or rejecting the concurrent resolution reported by the Joint Economic Committee.

If the concurrent resolution disapproves the entire proposed plan the President must revise and resubmit it. If any portion of the proposed plan is disapproved by Congress, that portion may not be implemented by the President or the Director.

SHOULD U.S. HAVE A "5-YEAR PLAN?"

(By Richard L. Strout)

WASHINGTON.—A corporation plans for its sales expansion, a parent plans for his child's education—but the U.S. Government doesn't plan for its oil needs nor anticipate where next year's gasoline will come from.

That is the argument of a group of senators and economists who want to set up an office of national economic planning. The "single most important piece of legislation in my 24 years of public service," says Sen. Hubert H. Humphrey (D) of Minnesota.

Immediately, it runs head-on into those who associate government planning with socialist control.

If planning advocates "came right out and said they wanted to create an economic police state their cause would never get off the ground," charged Walter Wriston, First National City Bank president to a meeting of the Society of American Business Writers here.

But New York banker Robert V. Roosa says, "The choice is not between plan and no plan, but between coherent planning and chaotic planning."

"Are you satisfied with the way the economy now is operating?" asks Sen. Jacob Javits (R) of New York, in effect. "Achievement of full employment and price stability can no longer be left to luck."

Economist Wassily Leontief, who received a Nobel Prize, Leonard Woodcock, president of the United Automobile Workers, and J. Irwin Miller, chairman of the Cummins Engine Company, are among backers. They support "the balanced growth and economic planning act of 1975." It would set up an economic three-man board to coordinate data from other agencies and offering a report beginning in 1977.

Herbert Stein, former chairman of the Council of Economic Advisers under Presidents Nixon and Ford, pooh-poohs the idea. Federal planning, he thinks, is a subtle prescription for transferring power "from people acting in the market to people acting in the government."

Dr. Stein's opposition is not unexpected, since the planning proposal, by inference, is a criticism of the President's Council of Economic Advisers for not doing more long-range planning itself.

Significantly heading the list of academies, union and business leaders supporting the program, is Leon H. Keyserling, former chairman of the Council of Economic Advisers under President Truman.

By a coincidence, an independent five-man planning group set up by President Truman under Chairman William S. Paley, in January 1951, issued a five-volume report, "Resources for Freedom," forecasting a dangerous energy and fuel shortage in another 25 years or so.

In October, 1970, Congress established the National Commission on Materials Policy to look into world scarcities. It was the beginning of a feeling among many that the earth's resources are finite, with famine latent.

In June, 1973, the new commission delivered its report, "Material Needs and Environment—Today and Tomorrow." It made more than 150 recommendations. Congressional staffs and committees are still studying it; little has been done.

In 1974 the Commission on Supplies and Shortages was created as a rider to another piece of legislation.

A private group, the National Academy of Sciences' Committee on Mineral Resources and Environment (Comrate Committee) issued a report, February, 1975.

Some critics say what America needs is more action by Congress, not more commissions.

Sens. Humphrey and Javits argue, however, that something must be done to coordinate data being collected by 50 different unconnected agencies. The director of the new planning body would be "chief adviser to the president for economic affairs." By contrast, the present Council of Economic Advisers would continue to concentrate on "short-run problems."

How would recommendations be enforced?—"Voluntary," say Messra. Humphrey, Javits, and Leontief; there would be "coercion," assert critics.

A PLANNED ECONOMY IN THE UNITED STATES?

(By Jack Friedman)

With the unemployment rate approaching 9 per cent and inflation at a similar level Americans are very critical of the way in which national economic decisions are being made.

The general belief is that policymakers do not anticipate upcoming problems and that current economic policy is determined by the timing of the next election. Under these conditions, it is felt, the winner of the 1976 Presidential race may well be determined largely by the state of the economy and by a candidate's image as an economic problem solver.

Democratic and Republican Presidential candidates alike, then, are searching for politically appealing economic proposals which are general in nature and do not commit them to definite programs. One of the most appealing will be national economic planning.

Leonard Woodcock, head of the United Automobile Workers Union, puts the case this way: "We live in a large, complex, technological society in which planlessness means massive dislocations. It is a crime to allow millions of workers to lose their jobs because we refuse to plan."

Although widely practiced in Western Europe, planning was for years associated here with Communist central planning alone. It has not been attempted in the United States in peacetime since the National Resources Planning Board of the New Deal days.

A change in thinking has recently occurred. America's economic turmoil during the last decade has created a new open-mindedness throughout the United States, even among businessmen, toward the idea of national planning.

Just last week Senators Hubert H. Humphrey, Democrat of Minnesota, and Jacob K. Javits, Republican of New York, introduced the first bill that would establish national planning here, creating a Federal agency, the Economic Planning Board. The legislation has had the backing of a private group including Nobel Prize-winning economist Wassily Leontief; Robert V. Roosa, partner in Brown Brothers, Hariman, and Mr. Woodcock.

But economic planning is an idea that is not well understood in the United States. As John Dunlop, Secretary of Labor, observes, "It's hard to discuss planning because almost nobody knows what it means."

In a basic sense, planning simply means thinking ahead to prepare for the future.

Short-term economic thinking goes on continuously throughout the Federal Government. Such activity is fragmented. It usually focuses on specific issues such as highway construction or agricultural price supports. Often the objectives and implementation of different programs conflict.

The new Senate and House Budget Committees provide a Congressional overview of spending levels and priorities instead of the usual piecemeal approach. Their activity is a step toward planning.

In contrast, the Humphrey-Javits bill would establish comprehensive planning with consideration of the economy as a whole or major sectors of it over a long period of time. A plan might include projections of gross national product, investment, employment, prices, government spending, taxes and other factors. When imbalances between national needs and resources are identified, specific actions could be taken to correct them.

According to this concept, the plan, covering six years, would be a guiding document for the executive branch. It would be revised and extended every two years. The President would submit it for congressional approval through a joint resolution. New appropriations or laws needed to implement the plan would require legislative authorization.

The first step in establishing United States planning would be to improve data collection, analysis and forecasting capabilities. The incompleteness and decentralization until recently of data gathering on energy is cited as an example of the general weakness of current collection methods.

While improved forecasting is widely supported as an objective, many experts are skeptical about its feasibility based on recent experience.

William Fellner, who recently served on

the President's Council of Economic Advisors, has observed, "The success of long-term forecasting to date has been quite limited."

Until the results of forecasting are widely accepted, the resistance to using them to guide policy will be powerful.

Many businessmen, labor leaders and economists see national planning as helping industry and government anticipate problems and design long-term programs. They want a plan to be tied to the formulation of government monetary, fiscal and spending policies.

This approach contrasts to planning involving direct controls over the private sector such as preferential credit allocations or price and wage controls.

James Balog, chairman of the Wall Street firm of William D. Witter, Inc., argues, "We wouldn't run our families the way we run the economy. We try to have a boom during an election year at the price of recessions in between. Corporations plan and the government should, too. Planning could help us look beyond the next election."

Henry Ford 2d, chairman of the Ford Motor Company, speaks out frequently in favor of planning, as long as it does not lead to new Federal controls.

Mr. Ford believes that the shortages in the supply of metals and other materials seen in 1973 and 1974 could have been anticipated if there had been planning. Secretary Dunlop has already begun to warn that prosperity after the current recession will be cut short unless Federal officials begin to deal now with likely industrial capacity bottlenecks.

Despite the support for planning without direct controls, there is fear that it could create momentum toward such controls, fears that spur often violent opposition.

Walter Wriston, chairman of the First National City Bank, believes that the Leontief group, "is pressing for a program designed to destroy the free-market system and with it our personal liberty. National economic planning would be delegated to bureaucrats who like all regulators would then require arbitrary power to enforce each decision."

Conservative Senator James Buckley of New York agrees: "The economic efficiency which comes from the free-market system is the key to satisfying human needs. Planning will systematically inhibit industry's ability to respond to the wishes of individuals"

Eli Shapiro, chairman of the finance committee at the Travelers Corporation, asks: "How do you keep planners, who believe that they have a better vision of the future than anyone else, from eventually trying to run the private sector as a self-appointed elite?"

On the other hand, many believe that planning does not necessarily lead to elitism or strong government controls. "The fear of controls is exaggerated," says Prof. Paul Samuelson of the Massachusetts Institute of Technology, a winner of the Nobel Prize in economics.

Interestingly enough, many conservatives tend to envision the planning elite as being dominated by liberal economists and professors who want to move toward more government spending and control. Many liberals, meanwhile, fear that the elite would be dominated by conservative business interests which would use planning to suppress economic reform and to support big business.

Kenneth Arrow, a Nobel Prize-winning economist at Harvard speculates, "If the economic stakes in planning were ever high enough, business interests would try to use planning to maintain the status quo. They would be tempted to corrupt the system for their own advantage."

Thus basic questions must be asked: What is the purpose of planning and whose values will predominate? Should we plan for greater material growth or for qualitative change in American life such as improved urban living and environmental protection?

George Meany, head of the American Federation of Labor and Congress of Industrial Organizations, argues:

"We need long-range economic planning and priorities to minimize unforeseen major developments and reduce the degree to which American society has stumbled and fumbled along in the past few years," he says. "As an example, the United States was not prepared for the urban crisis of the 1960's—which could have been foreseen by sensible long-range economic planning in the 1950's."

Almost all non-Communist countries do attempt some form of planning. Cooperation of the private sector is not legally mandatory, but powerful government inducements usually exist, most notably preferential credit allocations. France, Great Britain and Japan are distinctive examples.

France has the best known system, called "indicative planning." It is called that because it indicates where the economy and government policies will be heading but does not coerce industry into fulfilling plan objectives. The lessened uncertainty which results is intended to aid businessmen in evaluating their long-term investments.

Bruce Scott and John McArthur, professors at the Harvard Business School, reached a very different conclusion, however, after a three-year analysis of French planning.

According to Professor Scott, currently a trustee of the Penn Central, "France's Ministry of Finance as well as industry executives generally disregard the plans. When the Government allocates credit or intervenes in the private sector, which occurs often, it isn't done with the plan in mind."

The fact that plans often become simply academic documents is a common complaint among economists. Nevertheless, many of them believe that the process of creating a plan in itself can be of great value, drawing all interested groups into a national dialogue on long-term priorities and programs.

British planning began during World War II. The Labor Party, with its ambitious program of nationalization, extended it into the peacetime years.

But plans of the Conservative and Labor Parties alike have been continually revised and then dropped as rapidly changing international economic conditions forced the adoption of numerous short-term economic policies.

The current Labor Government has proposed the concept of a "planning agreement," under which a company would make pledges regarding investment and employment for the following three years and in conjunction the Government would promise to maintain a certain level of financial assistance.

In Japan, industrial associations and government agencies meet to project future growth of key industries and investment priorities. Government policies are defined and coordinated as a result of this informed process as well as through the formal five-year plans which the Economic Planning Agency creates.

Business cooperation is not mandatory, the Government uses credit policies and informal "administrative guidance" to induce cooperation. Many Western executives believe that Japan has the most-planned capitalist economy in the world and that it has been quite successful despite the nation's pollution and urbanization problems.

Norway and Sweden are cited by Professor Leontief as successful examples of planning. He particularly admires their data collection, coordination and analysis activity.

But the professor believes that "America cannot import a planning system from abroad. Countries differ in their planning methods because the countries themselves differ. We should want and expect a distinctive American style."

Many other countries have parliamentary systems involving a unified executive and legislative majority. In contrast, the United States has a check-and-balance system with divisions between the President and Congress; among Federal, state, and local governments, and among agencies within the same Administration. This may protect against excesses by planners and politicians. On the other hand, some argue that such institutional fragmentation would obstruct agreement on a plan and prevent continuity and coordination in its execution.

At this time Congress, the Administration, the business sector and labor are increasingly receptive to planning—if it does not lead to government control over industry. Sentiment is growing in the United States for more long-term, coordinated government approaches to economic problems. And this is the substance of planning.

NATIONAL ECONOMIC PLAN URGED

(By Saul Friedman)

WASHINGTON.—Sens. Hubert H. Humphrey (D., Minn.) and Jacob K. Javits (R., N.Y.), with broad and powerful support from business, labor, campus and citizen groups, announced yesterday that they would introduce landmark legislation to provide for national economic planning by the federal government.

The announcement was the opening of a congressional campaign for what may be the most significant and controversial piece of economic legislation in 30 years, for its aim is to reform "the free market" system.

Humphrey, the chairman of the Joint Economic Committee, told a crowded press conference that his bill "is the most important piece of legislation I have authored in 25 years of congressional service."

Javits, the ranking Republican on Humphrey's committee, said that the legislation would meet with "very violent objections" and would touch off "one of the most important debates we've ever had on the economic system."

They agreed that the legislation, the "Balanced Growth and Economic Planning Act of 1975," would not pass any time soon.

OLD "MAGIC" FAILS

But Humphrey compared it to Medicare and to the various civil rights bills that passed after years of persistent effort. He and Javits added that planning legislation could be passed in the next session of Congress or by 1978.

The proposed plan would then be debated in Congress and throughout the country for up to four months, before Congress decided whether it should be approved, disapproved or changed.

Javits predicted that the whole idea of federal planning would be opposed by those who are convinced "that planning means regimentation, the loss of economic freedom and the end of the American free enterprise system."

He emphasized, however, that any plan that evolved from the structure and process recommended in the legislation would be voluntary.

Despite Javits' assurances, leaders of the organization that helped draft the bill—the Initiative Committee for National Economic Planning—believe there should be some measure of compulsion for industry to make production and profit information available to the planners and to follow the plan that is approved.

The press conference, called to introduce the proposal, reflected the controversial nature of natural planning and the campaign to get a broad range of support behind it.

Those who spoke for the legislation included the United Auto Workers president, Leonard Woodcock; an Indiana industrialist, J. Irwin Miller, and Nobel Prize-winning economist Wassily Leontief.

Woodcock said, "The need for long-range democratic economic planning on a national basis has never been more urgent. We have lived too long with boom and bust. Experience has taught us that the unseen magic of the so-called free market does not work."

Leontief, who won fame devising "input-output" planning techniques for economists, said that the United States could not negotiate or compete worldwide or deal with the problems that cause inflation without planning the use of resources and setting goals, as other nations do.

TWO SERIOUS TRENDS

Humphrey, who has been considering the legislation for months, said that "the need for greater economic planning arises from the poor performance of our economy. . . . We have just gone through the worst period of inflation since the Civil War, and we are now experiencing the highest level of unemployment since the Depression. As a result, our standard of living is today lower than it was 11 years ago.

"Despite this . . . I have not seen any substantial effort to reform the economy, or our piecemeal and shortsighted economic policies. . . ."

The Humphrey-Javits Bill, which will be formally introduced this week and referred to committees for hearings, would create a three-member Economic Planning Board, appointed by the President with the consent of the Senate.

The board would operate in cooperation with a Council on Economic Planning, consisting of cabinet and other high-ranking officials, and an advisory committee with four members each appointed by the President, the Speaker of the House and the Senate majority leader.

The council and its advisers, together with state and local officials, citizens groups, industry and labor representatives, would help the President and his board draw up a plan that sets long-term goals and needs in employment, production, transportation, communications and the like.

Every two years the President would be required to submit to Congress a proposed "Balanced Economic Growth Plan," sending copies to governors and other state and local officials.

Mr. JAVITS. Mr. President, today Senator HUMPHREY and I and others are introducing a measure of such importance that I did not feel that I could let the occasion go by without making some statement about it, though it has already been widely publicized and is getting to be very well known in the country and, I think, will become more well known as time goes on. It is the Balanced Growth and Economic Planning Act establishing a three-member Economic Planning Board in the Executive Office of the President.

The Board is charged with the preparation of a long-term national economic plan which would be submitted to Congress every 2 years. The balanced economic growth plan would be reviewed and approved by a Council on Economic Planning, composed of major executive branch department heads dealing with economic policy.

At the same time that the President submits the balanced economic growth plan to Congress, he also sends copies to each Governor, so that State and local participation in the planning process will be possible.

The committee of Congress responsible for coordinating the congressional comments on the plan is the Joint Economic Committee, which would be given authority to report a concurrent resolution approving or disapproving the plan.

The plan would not be legally binding on the Government or the private sector. It would instead represent a consensus between the executive and legislative branches on the long term economic objectives to be pursued and the identification of the means and programs necessary to achieve those objectives. Actual implementation of the proposed plan would be through existing legal authority of the executive branch or new legislation, it being assumed that Congress would then seek to implement the plan insofar as it could and, in the private sector, on the matter of self-interest and patriotic relationship to the ultimate objectives of our country, that there, too, the coordinating process would take place.

This bill establishes a process for taking a longer term view of our problems. This ought to be a simple and noncontroversial way to approach our economy, but the difficulty is that there are lots of superstitions built up on the sheer use of the word "planning," which give people fears which are completely unjustified about this approach but which, nonetheless, will have to be dealt with as the debate continues.

The fact is that if an individual or a business took as little trouble to prepare for the future as our Federal Government, he would long ago have filed for bankruptcy. My own native city of New York is now learning the extremely painful cost of a decade of advanced and desirable social policies that were nonetheless beyond its underlying financial capability. Yet the Federal Government, even now reeling from the worst recession since the 1930's, has no basic long-term strategy for restoring economic prosperity or dealing with major structural constraints that now restrict and distort the proper functioning of our economy.

Economic policymaking in the Federal Government is either short-term, that is, the annual exercise of the President's economic report—designed to deal with only the most immediate problems, or is narrowly focused on one area, such as energy. We need both approaches, but we need something more: A mechanism to take both a longer term view and a more broadly encompassing look at the economy. Excessive concentration on the problems of inflation led us into unnecessarily restrictive policies by the Federal Government, which brought on the worse recession in 40 years. Now there are fears that excessive Government spending could lead to a new round of inflation. One cannot isolate inflation and recession, and try to treat them separately.

Similarly, our energy requirements cannot be looked at in isolation; energy policy must be integrated with tax policy, transportation planning, environmental regulation, and industrial development. The planning process that our bill provides would attempt to draw all aspects of the energy problem together. The Economic Planning Board would not be empowered to act on its own authority in this or any other area, but it would make clear to Congress and the public the consequences of certain types of choices and would give us a clearer idea of the side effects of the various legislative actions we take.

It is unrealistic to believe that the free market system alone under presently complex conditions, where some societies run State-dominated economic systems, where there is very large participation by the State, even in the so-called free market countries—therefore, that the automatic operation of the free market system alone can satisfy our public and private needs for not only economic well-being but economic security.

We are improvident in terms of the future of education. For example, we are improvident in terms of the availability, source, nature, and cost of the raw materials which we need.

We are starving certain public services that are essential to the future well-being of our Nation; the deterioration of public education in many parts of the country is only one example. At the same time the free market system does not permit citizens to choose cleaner air over high powered automobiles. The range of choices offered by the market is both limited and artificially induced by various promotional means. The free market has been a remarkably productive mechanism in our society, but it is not an article of religious faith or the embodiment of some platonic ideal and it is time, today, that it was married to more modern techniques, including the technique of planning. This can be done through our governmental structure, with our courts and our legislators, and without mandatory economic planning to the apparition which is always seen when one mentions the words in a free society like our own, but which is unjustified and need not necessarily be.

Certainly we do not intend to substitute government choice for individual choice. I have said before that planning adapts to the character of a country. Planning will give us a better look at our future in order to build a better society.

So we can take the best there is in planning to give us a better look at our own future in order to build a better society, without running full tilt into its gravest dangers.

Mr. President, I consider this measure which the Senator from Minnesota (Mr. HUMPHREY) and I are introducing to be one of the most important which I have had any relation to. If our country is wise enough to undertake a great debate with respect to it, as I hope it will be, and as is indicated from the reactions I have already had, we will only come out the better, the wiser, and the better organized because of it.

I repeat, there need be no fear about this planning idea. We will control it as we control the other aspects of our des-

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tiny, and there is no danger of its running away with us, because I see no disposition by the two Senators or by others concerned to permit that to happen.

By Mr. McCLURE (for himself, Mr. Buckley, and Mr. Church):

S. 1796. A bill to authorize the Secretary of the Army to delegate to the States certain functions with respect to the location and plans for structures, excavations, dredging, or fills in or on certain navigable and other waters of the United States. Referred to the Committee on Public Works.

Mr. McCLURE. Mr. President, I am today introducing legislation that I believe will ease the burden of red tape heaped upon the public by the courts, the Congress, and the U.S. Army Corps of Engineers.

Earlier this year I introduced S. 838, which sought to resolve a problem involving the navigable waters of the United States. That bill, and a predecessor piece of legislation in the 93d Congress, S. 4031, has been the subject of extensive discussion during hearings by the Committee on Public Works. The record of the hearings demonstrated clearly the need for prompt action.

Specifically, this new bill broadens S. 838. It would direct the Secretary of the Army to delegate his permit authority over the location of structures, excavations, dredging, or filling in certain waters, when a State develops a similar program of permits and controls. Two problems confront the Congress. This bill should resolve both. One issue involves the so-called navigable waters. Section 10 of the 1899 Rivers and Harbors Act created a system of Corps of Engineers permits covering the location of any structure or other impediment to navigation in the "navigable waters."

That act, however, did not define "navigable waters." Over the years, the courts of the United States have defined navigable waters. The most recent definition was subsequently set out in section 209.380 of title 33 of the Code of Federal Regulations. That definition stated that navigable waters of the United States are those waters which are presently, or have been in the past, or may be in the future, susceptible for use in purposes of interstate or foreign commerce.

Up until then, the corps was using a loose interpretation which stressed the existing commercial navigability of the waterway. Not much attention was paid to previous commercial uses of a waterway or to waters with the potential of commerce. The waterway also had to go from a commercial starting point in one State to a final destination in another State, with no land links in between.

Under the newer interpretation, the corps was no longer concerned only with waters which were presently being used for interstate commerce; they were concerned with waters which were once used for and/or could possibly be used in the future for commercial navigation. And they were no longer concerned only with waters which provided interstate transportation; they were now also concerned with waters which would or could serve as one link, in conjunction with land transportation, with the interstate movement of commerce.

The interpretation had a profound effect on the corps' scope of jurisdiction. Under the new interpretation, lakes such as Lake Coeur d'Alene, Lake Chatcolet, Round Lake, Hidden Lake, and the lower reaches of the St. Joe River in Idaho suddenly become navigable and subject to 1899 act permits.

A similar decision, I understand, has produced outrage among persons living on or around Lake George in New York.

In each case, there are waters which meet the current legal definition of "navigable water," but are not used for any significant interstate commercial navigation. In fact, they are essentially recreation-oriented waters, although there is some commercial navigation which does not cross State lines. The fact that it might tranship by other means across State lines should not change its intrastate character.

But the corps' decision on navigability means that residents along all those lakes will need Corps of Engineers permits—and often State permits as well—for the construction of any additional docks or piers for boats and for any excavation or fills to perhaps add a patio or deck to a summer home.

The second problem is of more recent vintage. It was created with passage of section 404 of Public Law 92–500. That section requires that the corps issue permits for any dredging or filling in the "navigable waters," but then goes on to define navigable waters, when used in Public Law 92–500, to mean "the waters of the United States."

Under court order, the Corps of Engineers on May 6 of this year published in the Federal Register four alternative regulatory schemes for controlling the disposal of dredge or fill material in "the waters of the United States." The corps must publish final regulations 40 days later.

This action appears to separate the regulatory schemes that cover docks and other structures, and cover dredge and fill work. Docks and other structures will henceforth be controlled in the "navigable waters;" filling and dredged spoil disposal will be controlled in "the waters of the United States."

What are the "waters" of the United States? Under one of the May 6 alternatives, they include all the navigable waters, plus the extension of those waters and their tributaries up to their headwaters, plus all interstate or intrastate lakes, rivers, or streams used by interstate travelers for recreation or other purposes, or for removal of fish sold in interstate commerce, or by industries operating in interstate commerce, or to aid the production of agricultural products sold or transported in interstate commerce. Can you imagine any waters not covered by that definition?

The corps in one case has estimated that this change in the State of Nebraska will enlarge the corps' jurisdiction from 2,300 miles of rivers to 23,000 miles of rivers in Nebraska, alone. And that says nothing about all those Nebraska lakes, the waters of which are used to aid in the production of agricultural products sold or transported in interstate commerce.

It may mean that any farmer must get a permit when he installs a culvert across a brook on his land, and tops it with a bit of soil. The Water Resources Subcommittee took testimony last week at a hearing in Mississippi that the new regulations might require Federal permits when rice farmers flooded their land.

The possibilities are endless—and frightening.

The corps has estimated in testimony to our committee that this new task will require 5,000 men and women out in the field investigating farmers and homeowners for possible violations. And the cost would be $100,000,000 yearly.

Two of the proposed corps alternatives would require, in waters that are not considered navigable, that the affected State act affirmatively first, and the corps permit would then issue automatically "in the absence of overriding national factors" to the contrary.

It appears to me that such an approach goes far toward resolving the difficulty of corps permitters snooping into every farm in America. My bill would go farther—mandating a delegation of authority to any State that creates a similar permit program, and at least keeping the Feds off the south 40.

I believe the corps should devote its efforts to areas of greater national significance, to those areas where there is a legitimate navigational interest.

As I mentioned, Idaho has a strong and effective law regulating structures and other infringements on waters such as Lake Coeur d'Alene. Must we waste this resource and duplicate it with yet another Federal bureaucratic layer? The answer is obvious. My bill would provide a solution that in no way will undermine our valid concerns about the environment, and navigational safety, while lessening red tape and the Federal presence. The issue, as I see it, is not whether permits should be required, but rather whether the Federal Government must be involved in such a function. I maintain that it should not. I maintain that this authority can and should be delegated to the States, as it is being effectively done to cover the far more difficult and significant discharges of industrial pollution under section 402 of Public Law 92–500.

I am encouraged that the Committee on Public Works has indicated a need for action to resolve these problems. I believe this legislation is an appropriate response.

I wish to thank my distinguished colleague (Mr. Church), and the distinguished Senator from New York (Mr. Buckley) for their cosponsorship of this bill.

Mr. BUCKLEY. Mr. President, I am pleased to cosponsor this bill, which my good friend, the distinguished Senator from Idaho (Mr. McClure), is introducing. I applaud him on his initiative.

In brief, this bill would direct the corps to delegate its permit authority over the location of structures, excavations, dredging, or filling in certain waters when a State develops a similar program of permits and controls.

It is necessitated by two major problems confronting the public. One issue involves the so-called navigable waters. Section 10 of the 1899 Rivers and Harbors Act created a system of Corps of Engineers permits covering the location of any structure or other impediment to navigation in the "navigable waters."

That act, however, did not define "navigable waters." Over the years, the courts of the United States have defined navigable waters. The most recent definition, which became effective on September 9, 1972, states that the navigable waters of the United States are those waters which are presently, or have been in the past, or may be in the future, susceptible for use in purposes of interstate or foreign commerce.

Under this new interpretation, the corps no longer is concerned just with the present use of waters for interstate commerce; they are involved in waters that were once used or could possibly be used in the future for commercial navigation.

The new interpretation has had a profound effect on the corps' scope of jurisdiction. Under the new interpretation, lakes such as Lake George in New York are suddenly "navigable" and subject to 1899 Act permits.

But the corps' decision means that residents around Lake George and other lakes will need Corps of Engineers permits—and often State permits as well—for the construction of any small dock or pier for their boats.

The problems growing from various corps permit programs have been exacerbated in recent weeks by the draft regulations that were issued by the Corps of Engineers to comply with section 404 of Public Law 92–500, the Federal Water Pollution Control Act. That section requires that the corps issue permits for any dredging or filling in the "navigable waters." But that law goes on to define navigable waters, when used in Public Law 92–500, to mean "the waters of the United States."

There clearly is a need, in the national interest, to regulate dredging and filling in many of the waters of the United States, particularly wetland areas. But there is also a clear need to act with restraint and reasonableness. I quarrel vigorously when such regulations must be imposed by Federal inspectors, often acting merely to add bundles of red tape upon what may be a more than adequate State program of regulation and control.

Section 402 of Public Law 92–500 wisely established a national permit system for pollution discharges. But it then added necessary flexibility to allow the Environmental Protection Agency to delegate this responsibility to States that have the willingness and capability to shoulder it. New York is one of these.

I believe that we can and must allow the Corps of Engineers likewise to delegate its responsibilities for permits covering structures in the navigable waters, whatever the definition, and for dredge-fill permits in the "waters" of the United States. The States are often better equipped to handle this responsibility, and those that want to accept the responsibility should be encouraged to do so.

Much controversy has arisen in recent weeks over "navigable water" permits at Lake George in New York. There is much concern among the millions who love that beautiful lake that the proposed corps permit authority will be inflicted with a heavy hand. Personally, I have great respect for the corps. But I do not believe they have the manpower or the local knowledge to follow upon this sharply broadened responsibility.

As I said earlier, I believe that the distinguished Senator from Idaho (Mr. McClure) is to be commended for his leadership on this issue. His initiative is a reasonable and intelligent one. I support it and as a member of the Senate Committee on Public Works which has jurisdiction in this matter, I promise to work hard for its early passage.

By Mr. PELL:

S. 1797. A bill to amend title VI of the Comprehensive Employment and Training Act of 1973 to provide that 10 percent of the emergency job funds made available to eligible applicants will be used for jobs in private nonprofit institutions, and for other purposes. Referred to the Committee on Labor and Public Welfare.

AMENDMENT OF COMPREHENSIVE EMPLOYMENT AND TRAINING ACT OF 1973

Mr. PELL. Mr. President, today I am introducing legislation to amend the Comprehensive Employment and Training Act of 1973, to encourage the development of public service employment opportunities in the private nonprofit sector of our economy, within education, charitable, and service institutions.

Private nonprofit institutions such as universities, hospitals, museums, and cultural and charitable institutions, all made valuable and essential contributions to our Nation. These institutions have all keenly felt the effects of the current recession. Many of these fine insitutions are having serious difficulties in maintaining even their present level of services to their communities. Private nonprofit groups frequently rely heavily on contributions and donations from benefactors, and the levels of these contributions have been badly hurt by our current economic crisis.

I believe that private nonprofit groups provide an excellent base for CETA jobs, whether it is by the temporary maintenance of service positions which otherwise would be dropped, or the expansion of employment and service opportunities.

Presently, only a small proportion of CETA funds are directed to these worthy programs. The purpose of this legislation is to establish, as a base level, a 10-percent direction of title VI funds to private nonprofit groups, so that they may continue to serve this Nation, and their communities, in a useful and appropriate role, at the same time that they provide employment for workers who, otherwise, would be unemployed.

By Mr. BUCKLEY:

S. 1798. A bill to amend title 3, United States Code. Referred to the Committee on Finance.

Mr. BUCKLEY. Mr. President, the bill I am introducing today is made necessary by the fact that we live in violent times. Certain municipalities in our country have been forced to assume heavy financial burdens in order to provide sufficient protection for foreign diplomats. Those costs have become a serious financial imposition upon several cities, and especially so in the case of New York.

Time and again, I have been proud of New York City's men in blue as they have handled, with fortitude and patience, demonstrations—and worse than demonstrations—at the offices of the United Nations and at foreign consulates throughout Manhattan. Under provocation and physical assault, they have protected the persons and property of diplomatic missions and the U.N. They deserve the commendation of their countrymen.

But their often heroic work has involved more than enduring shouting and shoving, cursing and punching, by demonstrators. It is expensive. The tight police protection for the unwanted visit to New York of Yasir Arafat, the guntoting godfather of the Palestine Liberation Organization, cost the city $700,000. In 1974, the total bill for police security for diplomatic facilities in the city was $3.1 million.

That may be more than is spent for police protection in many American cities, but not a penny of it was spent for the protection of New Yorkers. It was spent to safeguard guests into New York but of the United States. And that is the point of this bill. It concerns national expenses, not local ones. The protection of foreign consulates and of the world headquarters on the East River—whatever one may think of its utility—is America's responsibility, which should not be foisted upon the financially hard-pressed citizens of New York City.

It is important that we understand what this bill would not do. It would not permit the unwanted intrusion of the Executive Protection Service into law enforcement in our cities. It would not set any precedent for the creation of a national police force, a measure upon which I look with the greatest abhorrence. It would provide no toehold for Federal police power to force its way into local affairs. It explicitly reserves to those few localities covered by its provisions the choice of asking the EPS personnel to guard foreign diplomats.

On more than one occasion, I have insisted that the Federal Government must not involve itself in matters which are properly the sphere of State and local governments. This bill does not in the least contravene that belief. On the contrary, it states its logical corollary: That State and local governments must not be unfairly saddled with the responsibilities and costs of those matters which are properly the obligation of the Federal Government.

To make the city of New York—or Los

Angeles or New Orleans or any other American metropolis—assume the costs of protecting large concentrations of foreign diplomatic property and personnel is every bit as unfair as it would be to require five or six States to foot the bills for supporting our diplomatic missions in London and Paris.

This may not, at the moment, seem an urgent piece of legislation. Most Americans may now be unconcerned about reimbursing a few cities for the expenses they incur in meeting the obligations which the United States owes to official foreign visitors to our shores. But that will not always be the case. The next time a controversial international figure stands at the podium of the United Nations, while New York's policemen stand outside as symbols of our country's belief in the rule of law and the necessity of international order, then Americans will again be aware of the debt we all owe those men and their city.

It is my hope that the Congress will not wait that long, that we will begin now to deal fairly with New York and other cities whose taxpayers are bearing a financial burden which should rightfully be claimed by the Nation as a whole.

I send the bill to the desk and ask that it be appropriately referred. I also ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1798

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the second sentence of section 202 of title 3, United States Code, is amended by striking out "and (7)" and inserting in lieu thereof the following: "(7) foreign diplomatic missions located in metropolitan areas (other than the District of Columbia) in the United States, and in its territories and possessions, where there are located twenty or more such missions headed by full-time career officers, except that such protection shall be provided only on the basis of extraordinary protective needs required and then only upon request of the affected metropolitan areas and (8)".

(b) Section 202(8) of title 3, United States Code, as renumbered by subsection (a) of this section, is amended by striking out "other".

(c) Subsection (a) of section 203 of title 3, United States Code, is amended by striking out "eight hundred and fifty" and inserting in lieu thereof "twelve hundred".

(d)(1) Section 208 of title 3, United States Code, is amended by redesignating section 208 as section 209, and by inserting the following new section 208:

"208. Reimbursement of State and local governments.

"In carrying out its functions pursuant to section 202 (1) and (8), the Secretary of the Treasury may utilize, with their consent, on a reimbursable basis, the services, personnel, equipment, and facilities of State and local governments, and is authorized to transfer funds made available pursuant to this chapter to such State and local governments as reimbursement in full for the utilization of such services, personnel, equipment, and facilities.".

(2) The table of sections for chapter 3 of title 3 of the United States Code is amended by striking out "208. Appropriation to carry out provisions." and inserting in lieu thereof the following:

"208. Reimbursement of State and local governments

"209. Appropriation to carry out provisions".

(e) The amendments made by subsections (a), (b), and (d) of this section shall take effect as of July 1, 1974.

SEC. 2. (a) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(107) Director, United States Secret Service, Treasury Department."

(b) Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(139) Deputy Director, United States Secret Service, Treasury Department."

SEC. 3. Section 5108(c) of title 5, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (13);

(2) by striking out the period at the end of paragraph (14) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(15) the Secretary of the Treasury, subject to the standards and procedures prescribed by this chapter, may place an additional ten positions in the United States Secret Service in GS–16, GS–17, and GS–18.".

By Mr. CLARK (for himself and Mr. CULVER):

S. 1799. A bill to authorize the Secretary of the Army to carry out certain dredging and related activities on the Missouri River Oxbow Lakes. Referred to the Committee on Public Works.

LAKE MANAWA DREDGING PROJECT

Mr. CLARK. Mr. President, this legislation would authorize the Corps of Engineers to join the State of Iowa and local communities in southwestern Iowa in an urgently needed effort to revitalize one of the region's most valuable recreation areas, Lake Manawa.

In 1973, more than 500,000 people—from Iowa and Nebraska and other States—visited the lake and surrounding area to take advantage of the recreational opportunities it offers. But that number probably will decrease this summer, as it has decreased since 1969, because the lake is filling with sediment and the water level is dropping. A recent study by the Iowa Conservation Commission explained the problem:

> It is difficult to see how Manawa can exist more than another generation. Not only will recreational activities cease but unless some sort of corrective measures are undertaken, Manawa will be a very disagreeable place . . . It is very conceivable that in the next 20 years Lake Manawa, without any action taken, could become an urbanized backwater swamp of the Missouri River.

This problem is not one that should concern only Iowa. Lake Manawa is a regional recreation area available to millions of people throughout the Midwest. In addition, it is now clear that the Missouri River was the major contributor to the sediment problem.

Lake Manawa must be dredged if it is to regain its vitality and meet its potential. The State of Iowa and people in the Council Bluffs area have taken the lead in the effort. There is now a Council Bluffs area task force on the Lake Manawa problem headed by Ken Bedwell, and the Iowa State legislature is considering legislation to provide State funds for the dredging. All this legislation does is permit the Federal Government to give them a hand.

Under the bill, the Federal Government would pay only half of the cost, and not less than 20 percent of the lake's shoreline would be guaranteed for public use. The legislation also authorizes the Corps to complete similar work on other Missouri River Oxbow Lakes where it is necessary.

Mr. President, the Iowa Conservation Commission has estimated that improving the lake could result in a more than 50 percent increase in its use. The project has wide support. It would be an asset to Iowa, to the region, and to the country. The alternative, "an urbanized backwater swamp of the Missouri River," is not acceptable.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1799

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subject to the conditions in section 2 of this Act the Secretary of the Army, acting through the Chief of Engineers, is authorized to carry out such dredging and related activities and shoreline stabilization work on the Missouri River Oxbow Lakes, with particular attention to Lake Manawa in the State of Iowa, as the Secretary determines necessary to fully implement the general improvement program in and around such lakes for recreation and fish and wildlife purposes being carried out by such State and other public agencies.

SEC. 2. The authorization in the first section of this Act shall be subject to the conditions that—

(1) non-Federal interests pay 50 per centum of the cost of the dredging and other work authorized; and

(2) not less than 20 per centum of the shoreline of the lakes in the general improvement program described in the first section is made available for use by the general public without discrimination on the basis of race, creed, or color, on either a free basis or for a fee determined to be reasonable by the Secretary of the Army.

LAKE MANAWA—A REGIONAL RECREATIONAL NEED

Mr. CULVER. Mr. President, I join today with Senator CLARK in introducing a measure that will be very beneficial to the residents of southwest Iowa and southeast Nebraska. This bill would authorize the Corps of Engineers to carry out certain dredging projects on Lake Manawa and other Missouri River Oxbow Lakes.

Lake Manawa is probably the most popular water recreational area in the southwestern corner of Iowa, and annual visitation figures support this assumption. In 1973, 595,000 people used the lake. Unfortunately, this figure does not compare with the 850,000 people who used the lake in 1969.

A recent report by the Iowa Conservation Commission explains the reason for this drastic drop in the number of people using the lake. It states that Lake Manawa has suffered from heavy siltation over the past few years. The commission has concluded that the problem is so serious that—

> It is difficult to see how Manawa can exist more than another generation. It is very conceivable that in the next 20 years Lake Manawa, without any action taken, could become an urbanized backwater swamp of the Missouri River.

The deterioration of this lake not only has adverse recreational ramifications but also economic consequences. The Iowa Conservation Commission estimates that improvements in the lake could result in a more than 50-percent increase in its use. According to the Corps of Engineers, this could result in an average annual benefit to the area of $964,000 over the next 15 years.

This measure provides for a cooperative effort by the Federal Government and the State of Iowa. The State would share the costs of the dredging project with the Federal Government. As an indication of the local support for the renovation of Lake Manawa, a task force from the Omaha metropolitan area has been assembled to address these problems, and the Iowa legislature has demonstrated a willingness to match the Federal funds for such an endeavor. This level of cost-sharing is in harmony with that provided under the Federal Land and Water Conservation Fund and the Federal Water Project Recreation Act.

Though Lake Manawa is a State lake, I think the Federal Government should have some interest and responsibility in renovating it. In every sense of the word, the lake is a regional recreational spot, serving the residents of the Omaha, Nebr., metropolitan area. In addition, the deterioration of the lake may be related to the Missouri River. The Commission suspects that the scouring of the Missouri River affects the water level of the lake, and the siltation problem may have originated from the floodwater of the river.

In closing, I believe the Corps of Engineers can contribute greatly to resolving the serious problems facing Lake Manawa. I hope that Congress will act favorably on this bill.

By Mr. PELL (for himself and Mr. JAVITS):

S. 1800. A bill to amend and extend the National Foundation on the Arts and Humanities Act of 1965, to provide for the improvement of museum services, and to provide indemnities for exhibitions of artistic and humanistic endeavors, and for other purposes. Referred to the Committee on Labor and Public WELFARE.

ARTS, HUMANITIES, AND CULTURAL AFFAIRS ACT OF 1975

Mr. PELL. Mr. President, I introduce on behalf of myself and Senator JAVITS, for appropriate reference, the Arts, Humanities, and Cultural Affairs Act of 1975.

Title I of this proposed legislation extends the life of the already-existing National Endowments for the Arts and the Humanities established under the National Foundation on the Arts and Humanities Act of 1965 for 4 years.

Since its enactment 9 years ago, both National Endowments have grown from tiny organizations into ones which, in this fiscal year, have a combined budget of approximately $160 million.

There has been much written about the fine work of both endowments in their support of creative and innovative programs and projects. The endowments do not need my praise to establish their bona fides to justify increased funding. It is unfortunate that, as we discuss the extension of the endowments legislation, there is a climate abroad in the Congress which supports the idea that every Federal grant must be totally in keeping with our own preconceptions and beliefs. We have only to think back to the action in the House of Representatives which would have the House and Senate exercising veto power over each proposed individual grant from the National Science Foundation to understand about what I am talking.

I am afraid that, as we discuss the endowments legislation, this same type of thinking will be urged upon us, for it is easy to grab a headline by reading the syllabus for a Federal grant totally out of context with the grant itself. However, I do believe that, for any program to be successful, it must take an occasional chance, and it must be willing to fund projects or proposals which could well backfire and arouse anti-intellectualism and negativism.

When we first enacted the legislation which established both endowments, there was concern voiced by those calling themselves political conservatives about the possibility of Federal control of the arts and humanities. After 10 years, it is quite clear that such control has not occurred. However, those same skeptics, when it suits their own views, are now seeking to have not only Federal control, but also congressional control of all Federal grants. This is an approach which I oppose.

Title I makes two substantive amendments to the basic national foundation enabling legislation. The first amendment proposes a set-aside of 4 percent of authorized program funds for the support of the American Film Institute. Established under a large grant and supported by the National Endowment for the Arts and Miss Hanks, its very able chairman, the American Film Institute has grown over the years into an internationally known organization. There was discussion last year about legislation creating an autonomous American Film Institute, although some thought it should continue to be a grantee of the National Endowment for the Arts. Creating a percentage set-aside for the American Film Institute is a middle-ground route. It keeps the American Film Institute under the umbrella of the endowment, but allows the American Film Institute a certain amount of independence and latitude in setting its own course of action.

The second substantitive amendment mandates the creation of State humanities councils. This has been a matter of discussion over the years. The chairman of the National Endowment for the Humanities, Dr. Ronald Berman, has done a magnificent job in implementing congressional intent in establishing volunteer State humanities councils. I believe his efforts have laid the groundwork for this proposed amendment which would allow each State humanities council a certain amount of autonomy and promise of continued existence. I want to emphasize that both of these amendments are for discussion purposes. They address two items of interest to various Senators and Congressmen. It could well be found in the hearings that no amendments are needed or that the idea established in these proposals can be achieved in another manner.

It should be noted that this bill does not increase the funding of the endowments over the next 2 years, but, rather, continues their authorizations at the present levels with the final 2 years open-ended with no figure spelled out. This is contrary to past practice, when the Congress has incrementally raised the endowments' authorizations each year. This year, however, with a total authorization of approximately $230 million, the funding is only at approximately $160 million, thus there is room to grow. While I would like to see more growth, I think that, at this time, it is fiscally realistic to maintain this approach to authorization levels.

Title II of the bill establishes a Museum Services Act which would give Federal support to museums in order to help them improve the services which they offer to the public. Through the creation of a National Museum Services Board and an Institute for the Improvement of Museum Services, the Federal Government would assist museums to improve their displays, hire professional staff, meet some of their administrative costs, and be of general aid to our hard-pressed museums.

Part B of title II is the Arts and Artifacts Indemnity Act, which would establish a Federal program of indemnification to cover exhibitions which are brought to the United States as part of our international relations. This is not an insurance bill for museums. Rather, it is a program to aid museums which, working with the Federal Government, bring in international exhibitions either in exchange for their own collections, or by themselves, to further international understanding.

It has been estimated that anywhere from half to two-thirds of the cost of an international exhibition arises from insurance payments, payments which are necessarily high because any catastrophic loss would be commensurately steep. What is even more to the point is that when Federal museums such as the National Gallery and the Smithsonian engage in exchanges with foreign governments, they must go to private insurance companies and pay for roughly $500,000 worth of insurance.

This bill would create a very limited program which would, in effect, pledge the full faith and credit of the United States to indemnify other countries if arts and artifacts which are brought here are damaged or destroyed. It should also be noted that we have written a deductible into this policy which would not have the Federal Government paying for the usual wear and tear of such exhibitions. It is not the purpose of the bill to reimburse museums for a chipped frame or glass. but I do believe that there is a Federal responsibility to reimburse, let us say, England, if works of art on loan from that country during the Bicentennial were damaged through accident or due to actions of a political extremist. There is precedent for such a program. The Federal Government has pledged its faith and credit to indemnify both the exhibition of the artifacts from the People's Republic of China and the current exhibition of Scythian gold at the Metropolitan Museum of Art in New York City.

The Special Subcommittee on Arts and Humanities has scheduled a hearing on the proposed Arts and Artifacts Indemnity Act for June 4, 1975.

Mr. JAVITS. Mr. President, today I am cosponsoring with Senator PELL a bill, S. 1800, which extends the funding authority for the National Endowment for the Arts, and the National Endowment for the Humanities. As Senator PELL has indicated in his introductory remarks, there are certain provisions which require further study.

The American Film Institute provision would automatically set aside a percentage of the Arts Endowment appropriation for their exclusive use. Legislation has been discussed to create by statute an independent Film Institute. Hearings were held on this matter last fall, and several alternatives have emerged. The percentage set aside is one alternative, and does represent a middle ground between the current situation and an independent, free standing Film Institute, but I am concerned about this latter approach, because I believe it will tend to begin a process of fragmentation of the Endowment and could lead to lessening of the Endowment's overall impact of advocacy for the arts. The Federal Government needs a strong and unified voice speaking for and supporting the arts. This is the hallmark of every great civilization, and should be strengthened in America. I encourage my colleagues to examine this situation carefully, so that the contemporary and vital media of films is assured its appropriate level of Federal support and encouragement and the Endowment is not weakened in performing its mission.

Tomorrow, Senator PELL and I will cosponsor an administration proposal which also extends funding authority for the National Endowments.

By Mr. TAFT:

S. 1801. A bill to provide an alternative plan for providing essential rail services to the Midwest and Northeast Regions of the United States, to modernize certain railroad procedures, and for other purposes. Referred to the Committee on Commerce.

OMNIBUS RAIL ACT OF 1975

Mr. TAFT. Mr. President, there are a great many things these days which are a mess. Indeed, if an irreverent historian were to characterize this century, he might well name it the century of colossal messes. But high among these messes, both in magnitude and in its claim on our attention, stands the mess our railroads are in.

When I point this out, I point out nothing new. There are few of us who are not all-too-familiar with the decay of our once great railroad system. The very mention of railroads today brings to mind not visions of pullman palace cars and crack limiteds, of rail, steam, and speed, but of rotten ties, rails like cooked spaghetti, and tumble-down stations, of wheezing engines, lines of motionless cars, and equally endless lines of forlorn stockholders, their former giltedged securities now lining the bottom of the birdcage. With occasional exceptions, the American railroads have become the little engine that couldn't.

There has been no lack of plans to tackle this problem. Already in this session of Congress we have seen numerous bills introduced to deal with some aspect of the railroad problem. Unfortunately, no one to date has proposed legislation which tackles the whole problem, going after not the symptoms but the causes of the disease; and which is based on a free-enterprise solution. Those two tasks are what this bill hopes, modestly, to attempt.

Both tasks, must, in fact, be accomplished: The Nation is dependent on a functional rail system. But strangely, little attention has been devoted to them. Our deliberations have tended to focus on the symptoms of the disease; not the cause. After all, bad track is not the cause of the rail industry's trouble, but the result of it—the result of 25 years of a rate-of-return on investment not equal to the cost of capital, hence of disinvestment. Is there any gentleman in this Chamber who would do what we have asked railroad investors to do, and invest for a return under 3 percent? We look at the Penn Central, and we say, "Management was bad: They disinvested in the railroad and put their funds into other sectors of the economy." I would suggest that at the rate of return railroads have been allowed, any management which did not disinvest should be tarred and feathered by the stockholders. Is the problem lack of track maintenance? No. That is the symptom, not the disease. The disease is lack of ability to compete in the capital market, and that, in turn, is a product of Government regulation, of the general mess created when Government tries to "improve" the free market. The railroad mess is, above all, an example of the fact that economic laws do not need police to enforce them.

Let me note that I do not include the administration's proposed legislation, sent to Congress this past Monday, in this category. I fully support those provisions of that legislation which would limit the power of the Interstate Commerce Commission to set rates and to delay or block mergers.

However, I think these proposals must be regarded as a beginning, not a completion, of the task of deregulation. Simply restricting the role of the ICC is not enough to put railroading back on a free enterprise basis: ICC authority over rate-making and abandonment must be eliminated.

I also must question the administration's proposal for $2 billion in Government-guaranteed loans for rebuilding of roadbed. First, I am not at all certain Government funds are necessary for the purpose, except in relation to the bankrupt Northeast railroads. If we take the actions required to return railroading to a free enterprise basis, and thus permit the railroads to obtain a competitive rate of return on investment, they will once again have adequate sources of both internal and external private capital for right-of-way maintenance. Railroad management will also have the necessary economic incentive to invest in permanent facilities.

Even if and where direct involvement of Government money is required for right-of-way rebuilding, such as in the Northeast, I question the wisdom of a program of straight low-interest loans. Such loans will obviously tempt railroads to withdraw their own funds from maintenance work, invest those funds in other enterprises, and replace, rather than augment them, with low-interest Government loans. In those situations where direct Government funding of track repair work is required, I would prefer to see a system of matching grants, whereby Federal funds would have to be matched, in some proportion, by the commitment of the railway's own funds to track work. This would prevent the replacement of private with Federal funds.

Thus far, we have ignored the disease, and worried mainly about the symptoms. But even there, the prescriptions offered have been, for the most part, for more of the same medicine that has already brought the patient to a near-terminal condition: That is, Government intervention, Government control. We see proposals for Government corporations, Government carpools, Government ownership of tracks. In short, we see a steady move, at immense expense to the taxpayer, in the direction of nationalization of the railroads.

That is, I fear, the choice we now face, without fully realizing it: Do we move, now, decisively, to return railroading to a genuine free enterprise situation, or do we nationalize the railroads?

To me, nationalization by any other name—Conrail, Confac, and so forth—smells just as expensive. It suggests at least $100 billion of taxpayers' money in capital costs, plus endless yearly deficits in the billions.

It suggests a decisive break with the American tradition, the tradition that industry is the preserve of the free citizen. Yet it is toward nationalization that we are, clearly if unsystematically, moving.

It is the purpose of this bill to halt that move, and to reverse it. It is the purpose of this bill to reaffirm our belief in the free enterprise system—which is to say our belief in the American citizen, in his ability, as a free individual, to build through his investment and his labor, the industry of our society.

This is an omnibus bill. It is directed to the basic aspects of the fundamental problem of our railroads. And it is a free enterprise bill; a clear-cut alternative to our steady drift toward nationalization of the railroads. It is a bill which I believe can solve the railroad problem, because I believe free enterprise can solve that problem. It does, indeed, mandate some Government financial involvement in the solution. The Government has caused the problem, and the Government must now pay for its mistakes. But that involvement is minimal and it does not expand Government control—gradually, it eliminates it. I believe a free enterprise solution can and will work; because I believe in the American people. I certainly believe a free enterprise solution will work better than one which would create the largest and most complex Government bureaucracy of all, which is what a nationalized rail system would be.

The bill has four basic parts. The first deals with the most pressing aspect of the rail problem: The bankrupt railroads of the Northeast.

The Congress recognized the gravity of the Northeast rail crisis, particularly of the bankruptcy of the Penn Central, in 1973, when it passed the Regional Rail Reorganization Act. That act directed the establishment of two bodies: The United States Railway Association, a planning body; and ConRail, a new railroad corporation. The theory behind the act was that the USRA would designate certain lines from the Northeast bankrupts to become ConRail; and that this slimmed-down ConRail system would then become a private, profitmaking, corporation.

The process established by the act has gone forward as planted. There is only one problem: There is little, if any, prospect that ConRail, as we see it emerging from the USRA planning process, will ever make a profit.

Under the Regional Rail Reorganization Act, Congress established the Rail Services Planning Office as a monitor of the USRA. The RSPO has recently issued its report on the USRA's preliminary system plan. To quote the RSPO study:

> To characterize the financial data presented as portraying a financially self-sustaining rail service system for the region would require a considerable exercise of semantic elasticity.

If we are as optimistic as the USRA, ConRail would, between now and 1985, require Government financing—not including payment for the rail properties acquired, and after debt retirements—of $1.1 billion. If we are just a bit more realistic in regard to inflation and ICC policy, that rises to $3.5 billion—compared to $1.8 billion in revenue earned by ConRail over the same period.

As Prof. Alexander L. Morton of the Harvard Business School has noted:

> The bankrupt railroads will need a reversal in their earning power of about half a billion dollars per year to make the CRC (ConRail) a financial success. What provisions does the RRR Act contain to promote such a dramatic turnaround? Either the bankrupts must increase revenues while holding costs constant, or they must reduce the cost of handling existing traffic. We can cross off the prospect of substantially increasing revenues in the near future. The freight-ton mileage of the bankrupts has actually decreased 30 percent since the end of World War II, a decline that is the product of long-term trends such as the diminishing importance of coal, inroads from the trucking industry, and the alow growth of the New England region relative to other areas. In the years ahead, larger shipments of foodstuffs for export, greater use of coal by utilities, and some shift of traffic back from trucking may stem or even reverse this downtrend. Nevertheless, it is questionable whether the bankrupt carriers would now have the truck capacity and equipment to carry much more traffic should new business materialize. Long under great financial pressure, these carriers allowed their freight-handling capacity to contract as freight traffic dwindled.
>
> Higher freight rates would be another means of expanding railroad revenues. The Interstate Commerce Commission granted a 10 percent across-the-board rate increase this past summer to boost revenues. If the past is any guide, however, freight rate increases permitted by the Interstate Commerce Commission will lag behind the inflation of wages and other costs. Thus, it appears that the turnaround in operating income must be accomplished primarily through cost economies . . .
>
> Estimates of how much the rationalization process will help the railroads assume that the USRA and the CRC will be given a free hand in pruning the network and restructuring operations. The opposite is more likely the case, however. Shippers, communities, and States have usually fought the downgrading or abandonment of rail service over individual lines, even where such abandonment only reduces the choice of routes rather than leaving shippers without rail service altogether. Already regional groups are mobilizing to protest the envisaged cutbacks. The RRR Act itself lends some support to their efforts with the declaration: "Abandonment, termination or substantial reduction of rail service in any locality will adversely affect the Nation's long-term and immediate goals with respect to energy conservation and environmental protection." The Board of Directors of the USRA, which is responsible for designating which lines shall be retained in the final system plan, is likely to put teeth into this congressional mandate.
>
> At least five of the eleven members of that board—those representing cities, States, and organized labor, and the two representing shippers—may be expected to oppose any cutbacks made at the expense of their constituencies. Where the CRC is obliged to continue to provide freight service along uneconomic branch lines, it qualifies for Government subsidies to reimburse operating losses. The act sets aside up to $90 million of Federal money for each of the next two years to aid the States in paying these subsidies. These funds will, of course, help eradicate present losses.
>
> Once the final system has been designated, it may be possible to achieve further operating economies by improving rail plant—upgrading main-line track, improving signaling systems, rehabilitating terminals and yards, and so on. Such improvements, however, incur large capital costs of their own. While the RRR Act provides up to $1.5 billion in Government-guaranteed loan funds, this is hardly an adequate amount, given the dilapidated condition of the Northeastern rail plant. For example, about 40 percent of Penn Central's routes are under "slow orders" which requires trains to operate below their normal speeds because of the unsafe condition of the track. Estimates of how much it will cost to rehabilitate the rail plant and restructure the system range between $2 billion and $8 billion. Considering the recent wage inflation and the doubling in cost of steel rails and wooden crossties, it is unlikely that the cost could be less than the $2.9 billion recently estimated by the Penn Central trustees. If the CRC must finance these improvements with funds borrowed at prevailing interest rates, it will incur capital costs of $200–$300 million per year, a huge offset to any operating economies that may be achieved.
>
> However necessary rationalization and restructuring are, they are not likely to erase present operating deficits. Where else can the bankrupt lines achieve operating economies? Theoretically, at least, labor costs could be cut enough to eliminate the losses entirely. Wages and salaries comprise 50 percent of operating expenses, and restrictive work rules are widely believed to inflate railroad costs needlessly. The act effectively protects rail employment near existing levels and provides no significant reform of work practices. It requires an offer of employment to all persons under age 65 who have been employed more than three years by any of the railroads joining the CRC. Employees can be furloughed by the CRC if the rationalization causes a lack of work, but furloughed employees continue to draw full salary. The act creates a fund totaling $250 million that may be used to pay the wages of furloughed employees. This amount will not go far, however, for it is less than one-fifth the annual wage bill of the bankrupt railroads.
>
> Labor costs for the CRC may actually rise above recent levels. Formerly, rail labor unions permitted the financially strapped Penn Central to eliminate jobs as workers retired or quit.
>
> Total employment on the Penn Central declined from 120,000 in 1961 to only 89,000 in 1971. Now that the Federal Government has interceded, the unions may be more reluctant to permit the CRC to change work rules to eliminate jobs, even when those jobs become vacant.
>
> Perhaps nothing would be so helpful in resuscitating the Northeastern railroads as an infusion of energetic new management. The RRR Act stipulates that the CRC be headquartered in Philadelphia, (the headquarters of the Penn Central). . . .
>
> But it is doubtful that the ambitious, creative, resourceful talent needed to invigorate the CRC and to expand Northeastern rail markets will be found in sufficient depth within the present ranks of Penn Central management.
>
> Things may, in fact, go from bad to worse. Under the RRR Act, six or seven bankrupt railroads will be merged into one. Yet most observers feel that the 1967 merger of the Pennsylvania Railroad and New York Central was a principal cause of the Penn Central bankruptcy three years later. One advantage of the Penn Central and other private railroads is that their boards of directors are (in theory at least) united pursuant of efficient railroad operation. In contrast, the prospective boards of directors of the USRA and, by extension, the CRC are quite explicitly divided and political. Included among the eleven members of the USRA's board are representatives of organized labor, profitable railroads, shippers, cities, States, and the financial community, in addition to the Chairman of the Interstate Commerce Commission and the Secretaries of Transportation and Treasury. Superimposing a highly political board of directors on a management whose "track record" is already poor can only make restoration of the bankrupts more difficult. . . .
>
> In short, there is scant hope that the RRR Act will revitalize Northeastern railroads. The theory is that a viable new railroad can be created if it is permitted to escape from under the blanket of obligations, regulatory restrictions, and debt that suffocated its predecessors. But it now appears that even the CRC will not emerge unburdened from the service obligations, labor practices, governmental controls, and dispirited management plaguing the bankrupts.

In short, ConRail's prospects of being a profitable railroad are dismal. Not even its supporters argue it can make money for quite some time, and USRA admits its projections are highly theoretical. What else, really, is to be expected? For ConRail is, in the end analysis, the Penn-Central expanded and renamed.

If we go ahead and establish ConRail, and it does not succeed financially, it will

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require continuous Government subsidy. With the subsidy will, naturally, come Government direction.

And with permanent Government funding and direction, we will have nationalized a large part of our railroad system.

This is the danger facing us. But although we face this great danger in the Northeast rail crisis, we also face a great opportunity: An opportunity to rationalize not only the Northeast rail system but that of the entire Nation—and to do so on a private-enterprise basis. The opportunity is to create a healthy, privately owned rail system of coast-to-coast and north-to-south rail lines. The means to do this is to eliminate ConRail and sell off the Northeast rail lines in a process of controlled liquidation.

One of the best studies to be produced by any arm of the Government in recent years is the report of the Task Force on Railroad Productivity, "Improving Railroad Productivity." This report notes that:

> The railroad industry is presently composed of 68 Class I operating, line-haul railroads plus several hundred smaller companies. This fractured or balkanized structure has been a primary factor in preventing the industry from developing and implementing an industry-wide strategy for responding to changes in the freight market. The fact that individual railroads must depend on one another for cooperation at the same time that they compete with one another creates a set of internal pressures and incentives that have numerous perverse effects. There is at present neither effective cooperation nor effective competition within the industry. Profound changes during the past century—in the character of freight demand, in the extent of truck competition, and in rail technology—all argue for a distinctly different corporate structure for the industry than that which survives today. The industry should be restructured into four, five or so continental railroad systems that operate and compete with one another nationwide. This would give managements of individual railroads the opportunity to manage independently of other railroads and would create effective intramodal competition in all the major regions of the country. Such a restructuring has the incidental advantage of providing a most attractive long-run solution to the railroad crisis in the Northeast.

And as Professor Morton has further noted:

> The best way to dispose of the bankrupt Northeastern railroads is not to ignore the lesson of the Penn Central merger and combine them into one still larger muddle. Instead, the bankrupts should be broken up and sold off in pieces to the more prosperous Southern and Western Railroads. The Penn Central should be split into its former parts; then the Erie, the old New York Central, and the old Pennsylvania Railroad would provide opportunities for at least three Western and Southern trunk lines to extend their operations into the richest freight territory in the world. For one thing, this disposition would cause a relatively quick infusion of new railroad management into the Eastern lines.
>
> For another, it would maintain and even enhance railroad competition in the Northeast rather than eliminating it. Finally, and perhaps most important, such a disposition would help end the present interchange of rail traffic at Chicago and other Mississippi River gateways. The interchange at these gateways is so slow, so unreliable, and so costly that many Eastern shippers prefer to truck their cargoes hundreds of miles for direct loading onto Western railroads rather than ship them through the Penn Central. Even containers moving through Chicago are more often than not transferred from one railroad to another by truck. The task force report claims that no reform is as important to the long-run prosperity of American railroading as the formation of four to seven independent, competing continent-wide railroad systems. The sale of the Northeastern bankrupts to Western and Southern railroads would thus aid the development of nationwide rail systems at the same time that it would help solve the problem of what to do with the bankrupt railroads.

The first title of this bill is designed to set this process in motion. It directs that the USRA shall continue its planning activity; but that once the final system plan is divised, instead of turning it over to ConRail, it shall be auctioned off to free enterprise in a process of controlled liquidation.

Controlled liquidation is the alternative to ConRail. Controlled liquidation means quite simply, that the lines of the bankrupt railroads will be sold to the highest bidder who wishes to acquire them for transportation purposes—the lines could not be sold for scrap. By the provisions of this bill, within 180 days of enactment USRA shall propose to Congress a plan for controlled liquidation.

This plan will insure the same continuation of vital rail service that ConRail would insure. USRA still will develop its final system plan designating lines which must continue to have service. Sale of bankrupt railroads' properties will only be on the basis that the purchasers provide such service. That is to say, the purchasers could not simply buy the best lines and leave the less economically interesting, but still vital, properties. They would be offered "package deals"; to get the lines they wanted, they would have to accept those they were less interested in.

The act does, as any solution to the Northeast rail crisis must, provide some Federal funding for rebuilding the deteriorated rights-of-way of the Northeast bankrupts. The purchasers of those lines could get Federal assistance for that purpose. However—and this is a key point—that assistance would only be provided on a matching grant basis. For every dollar the purchaser would put into right-of-way rebuilding, the government would put in an amount. This requires that the purchaser invest his own funds, and prevents him from substituting Federal for private capital.

Those rail lines not designated part of the final system would be abandoned under the same basic safeguards now contained in the Regional Rail Reorganization Act.

Finally, it is difficult to foresee what additional authority USRA may need to carry out a controlled liquidation process. Accordingly, USRA is to request, in its report to Congress, such additional authority as it may require.

This is the first basic part of an omnibus solution to the rail mess—a free enterprise solution to the Northeast rail crisis, that also provides for rationalization of the entire national rail system.

This alone, however, is not enough to solve the overall rail problem. It is not even enough to solve the Northeast rail crisis; because alone it does not deal with the problem of returning the railroad industry to free enterprise. The Northeast rail crisis is a symptom of the railroads' illness, a warning; and if we do not act to permit all railroads to act according to the dictates of the free market, the Northeast rail crisis will be duplicated in every region of the country.

To return railroading to free enterprise, it is absolutely necessary that we eliminate ICC authority over railroad ratemaking and abandonment. That is the purpose of title II of this bill.

Title II of this bill is identical in content to S. 1476, which I introduced on April 18 of this year.

As I noted at that time, in my judgment, among the fundamental problems of—

The railway industry are its required operations of unproductive branch lines and its irrational rate structure.

The railroads which are in the greatest financial difficulty are in almost every case those which are saddled with the operation of hundreds of thousands of miles of unproductive branch lines. The financial problems of the Granger roads are not unrelated to their vast unproductive or parallel trackage.

The required operation of unproductive branch lines places a drain on equipment and working capital, involves costly maintenance, and results in higher charges to shippers and consumers.

Should we require America's railroads to operate branch lines which hold forth no possibility of ever generating a profit?

The difficulty of abandoning all unproductive branch lines under current procedures can be illustrated by the following statements from the Astro report:

> The ill-fated New Haven Railroad offers an emphatic example of the rigidity of the Commission's position in this respect. In 1960, a special ICC investigation into the stricken carrier's financial condition revealed, among other deficiencies, that the New Haven was being burdened by the operations of a "maze of small branch lines." With one-third of the mileage operated carrying some 80 percent of freight revenues, the Commission urged the New Haven to cut plant to conform with shrinking traffic.
>
> While the bankrupt road was losing over $128 million between 1961 and 1968, its trustees found abandonment applications still governed by a business-as-usual policy. Delays of over three years were encountered in obtaining abandonments of less than ten miles. In one case the bankruptcy court was forced to authorize $40,000 to keep a 19-mile line open pending an abandonment application which was granted shortly thereafter. Faced with a regulatory insistence that each line be treated one-by-one, the trustees finally concluded that a comprehensive program could not be carried out in time to be of help.
>
> By the end of the New Haven's operation as a separate railroad, it had been able to shed only 235 miles of line. In 1961, the ICC itself had suggested that 1,200 miles of light density lines be reviewed as possible candidates for pruning.

A second major problem with the railway industry is its rate structure. The ICC was created in large part to prevent arbitrary and discriminatory rates. The record shows that the ICC has sometimes done exactly the opposite. Rates vary not only as to the commodity shipped, but as to the direction in which the freight moves.

A study made for the Toledo-Lucas County Port Authority several years ago illustrated the irrational results of this rate policy. It cost less to ship farm tractors from Springfield, Ill., all the way to New York City than it cost to ship them to Toledo, Ohio. Road graders made in Indianapolis, Ind., could be shipped to New York for less than they could be shipped to Toledo, Ohio. Excavating machines made in Peoria, Ill., could be shipped to Norfolk, Va., for one-third less than they could be shipped to Toledo, Ohio.

An importer of sugar in Columbus, Ohio, could have it shipped from Norfolk, Va., for less money than from next door in Toledo. A buyer of chrome ore in Calvert, Ky., could have it shipped from New Orleans, La., for about one-third as much as from Toledo, Ohio. Iron ore could be shipped to Ashland, Ky., from Baltimore, Md., for only about half as much as from Toledo. Rate hearings are long, protracted, and expensive. The results are irrational and the consumer is the one who suffers.

In the "Big John" case, consumer savings on meat, bread, butter, and milk were estimated at $30 to $40 million annually under rates proposed by the Southern Railway. It took over 2 years, however, for the Southern to obtain permission to lower its rates and two more before final approval was received. At a speech before the New York State Bar Association on January 28, 1971, the Honorable Richard McLaren, Assistant Attorney General Antitrust Division, Department of Justice, made these observations about ICC rate regulations:

Regulation has led to high value-of-service freight rates with little relationship to the lowest cost available in transporting a given commodity. Under ICC ratemaking proceedings, rates generally are allowed to rise to the level of the highest cost carrier in the market. For the most part, only inefficiency is rewarded in this protective atmosphere and in the long run, the Nation's resources are seriously misallocated.

Shippers, consumers, and carriers all pay the cost of high rates and inefficiency. ICC rate maintenance is estimated to account for $400 million to $1 billion of the Nation's annual freight bill. Artificially high rates discourage interstate commerce and—as the recent experiences of the railroads vividly demonstrate—do not lead to increased profits for the carriers.

He concluded by stating that—

> Of one thing I am sure, competition as a regulator has a far better track record than the administrative agencies.

The task force on railroad productivity has found that—

> Whatever benefits regulation of the transportation industries may bestow, these are almost certainly heavily outweighed by the costs. Various features of regulation cause a massive amount of waste—in such forms as inefficiency and idle resources—throughout the transport industry. Such waste is presently estimated to cost shippers and consumers in the range of $4 to $10 billion per year. Detailed regulatory controls have also constrained railroad managements from adapting to changing markets and, over time, have dulled initiative and the incentive to innovate within the industry. Regulatory modernization—including in particular substantially greater latitude to adjust freight rates and freer entry into for-hire trucking—have been tried in several countries—including Canada, Great Britain, and Australia—and in isolated instances within the United States. The relaxation of regulatory controls in these cases has not led to chaos as its opponents predicted, but has tended to heighten competition, to improve transport service and to reduce costs by eliminating idleness and inefficiency in transport.

The task force study further notes that—

> An attempt has recently been undertaken to make a net evaluation of the cost to society of ICC regulation. These total costs . . . are placed in a range between $3.8 billion and $8.9 billion. An intermediate estimate, which may be taken as the best single "guess", is $5.6 billion per year. The estimates, incidentally, include nothing for the misallocation of traffic between railroads and barges. Accordingly, if the estimates err, they probably err on the side of understatement.
>
> Indeed, simply the idleness in railroad plant and in trucking might justify an estimate almost as high as $5.6 billion. The author of the estimates, recognizing their incomplete character, has suggested that including costs which he was unable to quantify, the actual total excess cost was probably between $4 billion and $10 billion per year.

In sum, the present organization of intercity transportation creates an implicit tax on consumers and shippers of perhaps some $4 to $10 billion per year. The Federal Government should attempt to relieve society of this tax.

Federal regulation of abandonments and ratemaking is directly responsible for the low rate of return on railroad investment, and has imposed not only an enormous indirect tax on the American people, but an increasing direct tax as well, through the need for direct Federal funding of railroad operations.

Net railway operating income of class I railroads, in constant dollars, was $1,252,000,000 in 1929, and $589,000,000 in 1939—when America was just emerging from the Great Depression—and only $486,000,000 in 1970. In 1929, average rate of return on net investment was 5.3 percent in 1939, it was 2.56 percent and in 1970, it was 1.73 percent. As the task force notes:

> The net return on investment in (rail) transportation property is clearly below the long-run cost of capital to the rail industry or the 6% standard which the Congress, in an era of low interest rates, decreed to be a "fair return."

Can bankruptcies such as those of most of the railroads in the Northeast, and disastrous deterioration of the physical plant of our railroads, come as a surprise, when calculating in the inflation rate, capital investment in a railroad yields a negative return? Do we expect our business community to invest in railroads as a charity?

Title II of this bill would address both the abandonment and the ratemaking problems on a long-term basis. It would give railway management the unilateral right to abandon unproductive branch lines. The railway must give 90 days notice to the public and the Secretary of Transportation. Upon receipt of such notice the Secretary of Transportation may stay the abandonment of that facility, with or without a hearing, if he determines that the continuing operation of that line is essential to the national economy, the regional economy, or the national defense. In the event that he stays the abandonment, the Department of Transportation shall reimburse the carrier for all out-of-pocket losses incurred in the operation of such line during the period of the stay. The act protects the workers by providing that no employee's employment shall be terminated as a result of the abandonment except by attrition.

The protracted nature of regulatory proceedings in the past justifies the elimination of a hearing as a requirement for the Secretary's action. Hearings have become field days for lawyers and should not be required for the elimination of unproductive branch lines. If it is determined that the continuing operation of these lines are essential to the public, the public should pay for their continued operation.

After a period of 1 year, continued operation of the branch line in question is dependent on the State where the line is located paying 30 percent of the subsidy. This is exactly the formula already approved by Congress and signed into law in the Northeast Rail Organization Act. It would prevent any "raid on the treasury" by States for branch line operation subsidies, by making the State responsible for a portion of those subsidies.

To prevent any unfair allocation of subsidy funds between the States, it is stipulated that grants shall be in proportion to the mileage of track in a given State as related to the total national mileage, except that each State shall receive at least 3 percent of the total funds, and no State shall receive more than 10 percent. Again, this is the exact formula already agreed to by both Houses of Congress in the Northeast Rail Reorganization Act.

In relation to ratemaking, title II divests the ICC of all ratemaking authority. This title allows each carrier to establish its own rates in the competitive market structure subject to the following limitations:

First. There shall be no rate discrimination as to the identity of the shipper, the direction in which the shipment moves, or the value of the cargo,

Second. There shall be no rebates made to any shippers and,

Third. There shall be no agreements between carriers with respect to rates or charges.

Title II would permit rates to be based upon the weight and cubic volume of the shipment, the need for special equipment or special switching, the distance traveled and whether the cargo was general merchandise or a bulk commodity. Rates could also be lowered for unit train shipments and multiple car shipments.

These rate provisions could be enforced in the U.S. district courts upon complaint of the Secretary of Transportation or any party in interest.

This title is designed to eliminate the discriminatory, cumbersome, complex, arbitrary, and irrational rate structures existing in the railroad industry today. The shippers and consumers will be protected by the antidiscrimination provisions of this title. In short, this title is intended to protect the public rather than the practitioners before the ICC who seem to be the principal beneficiaries of the existing law.

This title will give the railroad industry the chance it needs to rebuild itself. It will do so without massive infusion of Federal funds, and, in fact, it will immediately eliminate an indirect tax on the American people of $10 billion. It will return railroading to a free enterprise basis. Without such deregulation, I must say, nationalization is almost a certainty.

Title III of the bill deals with another fundamental problem of the railroad industry: Outdated and expensive labor work rules.

Work rules dictate what a railroad worker shall be paid for what service, and sets limits on the jobs an individual worker can do. Many of these work rules were just and needed protections for railroad workers when trains were pulled by hand-fired steam locomotives. Today, however, the actual work has changed—yet in some cases the rules have not. This results in inefficient use of labor, and unfair expense to the railroad.

A few examples will illustrate the nature of the problem. These rules apply to most class I railroads:

For pay purposes, a day's work is defined as 8 hours or 100 miles. Today, 100 miles is not a long distance, and it often requires only 2 or 3 hours to go that distance. Yet overtime must be paid if a crew goes more than 100 miles.

A train is usually required to carry four men—an engineer, conductor, and two trainmen—even though neither safety nor the actual work requires such a large crew.

There is a rigid division between yard and road crews. Idle road crews cannot be used to do switching in yards, nor can yard crews go more than 4 miles from the yard limits.

If a train is delayed more than 75 minutes in leaving its starting terminal, each crewman gets double pay for each minute until the train departs.

On trains now having only an engineer that formerly would also have had a fireman, the engineer receives $4 extra pay per day.

Switch engines in yards can be started only between 6:30 and 8 a.m.; 2:30 and 4 p.m.; and 10:30 p.m. and midnight.

As the report of the task force notes:

> There are opportunities for increasing rail labor productivity significantly by modifying existing work rules . . .
>
> Another consequence of restrictive work rules is the distortion and inefficiency that result as management adapts to them. The work rules in labor contracts with the operating unions provide a clear example. Excessive crew sizes and other limitations on the work that can be performed by individual crews inflate the cost of operating trains. Management's natural response is to operate fewer and longer trains and to construct automated yards. The reduction in train frequency causes a deterioration in the speed and reliability of delivery and lowers freight-car utilization. The increase in train length heightens the likelihood of train delays en route, increases the probability of damage to lading, and requires that freight cars be built to higher specifications to withstand the greater draw-bar forces and shocks from slack action. The high cost of train crews is a major factor . . . in the losses suffered on many light-density branch-line operations, often leading to their eventual abandonment.

Nor, in the long run, do uneconomical work rules help labor. Rail industry employment has declined 61 percent in 25 years. As the task force reported:

> In general, the inflation of labor costs caused by work rules encourages management to substitute capital and purchase services for labor wherever possible, so that the end result may even be to depress rather than sustain employment—ironically, the opposite of what the unions have normally intended. To some extent the high rate of growth in rail labor productivity, considerably in excess of the growth of total rail productivity, merely measures the success of the railroads in avoiding the use of labor. To use the example of train operations again, more powerful locomotives, larger freight cars, longer and less frequent trains, automatic hump yards, etc. all represent substitutions of capital for labor that have been extremes as a result of work rules.
>
> It is clear, then, that restrictive work rules have not served the long-run interests of either labor or management; alternative and preferable divisions of productivity gains, that make both sides better off, can almost always be identified. Where counterproductive work rules remain in force, negotiation of an appropriate compromise can be of benefit to both labor and management.

At the same time, the task force report states, quite correctly, that there are numerous instances where improvements in work rule efficiency have been negotiated, to the benefit of the railroads and of labor. Further:

> Labor relations in the railroad industry have been quite constructive and peaceful in recent years, and precedents have been set for progress on further mutual concerns of labor and management.

Labor is as interested as anyone else in a healthy, economically viable, and productive rail industry. Organized labor knows that a healthy industry means more jobs and better pay.

Title III of this bill thus directs the Secretary of Transportation to study the work rule situation, and to report to Congress within 1 year on ways to improve that situation, to the benefit of the rail industry and those employed in it.

Title III specifically directs the Secretary to suggest such actions as may be necessary to protect any railroad workers who might be adversely affected by work rule reform. Again, the best—and in the long run, the only real—protection for railroad labor is a healthy, productive railroad industry. I want to see a railroad industry where the total number of jobs is rising, not falling.

Title IV of the bill deals with a problem that, unlike the other three titles, is not related to the current problems of our railroads. Rather, it looks to a way one of those problems can be turned to the advantage of the American people.

As I noted in title II, the railroad industry has a problem in its uneconomical branch lines. This bill does not in any way encourage branch line abandonment; it merely shifts the social costs of running such branch lines onto the social entities which benefit from the branch line service. However, we have seen, and we will continue to see, some abandonment of branch lines, where such lines no longer provide any needed service. Title IV of this bill takes advantage of such abandonments by directing the Secretary of Transportation to acquire and preserve the rights-of-way of such lines, and to make them available for public purposes.

One of the foremost of such purposes is public recreation. The rights-of-way of abandoned branch lines are often ideal for conversion into bikeways, walking paths, and linear parks. They often lead from urban to rural areas, traversing scenic countryside. As the report of the Outdoor Recreation Resources Review Commission, entitled "From Rails to Trails," Notes:

> As our metropolitan areas swelled, the adjacent countryside most accessible to the population was developed without a sufficient number of trails. Now, however, we are being given a second chance as numerous abandoned rights-of-way became available (which . . . offer outstanding recreation opportunities at a relatively modest price. These new trails can fulfill many needs of the American people. Beyond their sheer recreation value, they will promote better health by offering a place to exercise. They are energy efficient, since petroleum is required only for the lubrication of bike gears, and they can give trail users a better understanding of our history and of our Nation's resources. The success of trails that have already been established along rights-of-way demonstrates the value of providing more such facilities.

I consider the opportunity to acquire these rights-of-way for public purposes so important as to justify a separate title in this bill. We once missed a similar opportunity, when we let the rights-of-way of the interurbans disappear. Today, rights-of-way are now needed for many purposes, including, once again, light rail transit. We must not let the opportunity to acquire valuable rights-of-way slip by again.

In conclusion, I believe it fair to call this bill the omnibus rail bill of 1975. I believe it deals not just with the symptoms of the rail crisis, but with the fundamental causes of that crisis. It will, if enacted, move this Nation toward a healthy, efficient rail system based on private enterprise.

The choice before us is increasingly clear. Either we act as this bill suggests, and move toward a free enterprise solution, or we will, in the forseeable future, have a nationalized rail system. Such a system will cost the people of this country untold billions of tax dollars. And I feel safe in predicting that a nationalized system would not run like the famed Pennsylvania Railroad of years ago, nor run like the efficient European and Japanese systems of today; it would run like the American Post Office.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1801

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Omnibus Rail Act of 1975".

TITLE I—ALTERNATIVE RAIL REORGANIZATION PLAN

DEFINITIONS

SEC. 101. The definitions in section 102 of the Regional Rail Reorganization Act of 1973 shall apply to terms used in this title.

ALTERNATIVE PLAN

SEC. 102. The United States Railway Association, established pursuant to section 201 of the Regional Rail Reorganization Act of 1973, shall within 180 days after the date of enactment of this Act formulate and transmit to the Congress an alternative plan to that provided in such Act of 1973 for the preservation of essential rail services in the region. Such plan shall—

(1) designate the essential rail services in the region now being provided by railroads in reorganization which much he preserved;

(2) give full recognition to the goals and factors in section 206 (a) and (b) of such Act of 1973 to the extent not inconsistent with this Act;

(3) provide for the disposition of the rail properties of such railroads in reorganization to profitable railroads, other private entities, or State or local government agencies in such manner, without regard to the provisions of the Interstate Commerce Act but subject to any other necessary requirements, as will enable such profitable railroads, other private entities, or State or local government entities to provide such essential rail services;

(4) recommend such Federal assistance to such profitable railroads, other private entities, or State or local government entities as may be necessary to improve rights of way, including track and other related facilities, such assistance to be provided on a matching grant basis;

(5) provide for the abandonment of rail properties not necessary for such essential services in accordance with the provisions of title II of this Act; and

(6) recommend such other Federal legislation as may be necessary to put the plan in effect under adequate controls without any interruption in such services.

AUTHORIZATION

SEC. 103. There are authorized to be appropriated such amounts as are necessary to carry out the provisions of this title.

TITLE II—MODERN RAIL TRANSPORTATION ACT

SEC. 2. Part I of the Interstate Commerce Act is amended by striking out section 13a and inserting in lieu thereof two new sections as follows:

"ABANDONMENT, DISCONTINUANCE, OR CHANGE OF OPERATIONS OR SERVICES

"SEC. 13a (a) Except as provided in subsection (b) and subject to the requirement of subsection (c) of this section, and after ninety days following public notice and notice to the Secretary of Transportation, any carrier by railroad subject to this part may abandon, discontinue, or change, in whole or in part, the operation or service of any train or ferry operated by such carrier notwithstanding the constitution or laws of any State or the order of any State agency or court.

"(b) If the Secretary of Transportation finds, after receiving any notice pursuant to subsection (a), with or without public hearing at the discretion of the Secretary, that the continued operation of the train or ferry proposed to be abandoned, discontinued, or changed is essential to the national or any regional economy or to the national defense, he shall prior to ninety days following such notice (A) order the continued operation of such train or ferry without change, and (B) contract with such carrier to make payments to such carrier in the amount necessary to reimburse the carrier out of funds available pursuant to subsection (e) for losses suffered as a result of such continued operation ordered by the Secretary. Any such contract may be made for such period or periods, and may be renewed, as the Secretary determines, except that any such payment for continued operations beyond the initial year thereof, ordered pursuant to this subsection, shall be subject to the condition that the State wherein such operations are carried out pay 30 per centum of such payment. At any time the Secretary determines that such continued operation is no longer essential under the provisions of this subsection he shall terminate such payments, and authorize such abandonment, discontinuance, or change, effective on a date which is at least ninety days after public notice is given of such abandonment, discontinuance, or change.

"(c) No employee's employment with a carrier shall be terminated as a result of an abandonment, discontinuance, or change authorized in subsection (a), but a carrier may, after any such abandonment, discontinue, or change, reduce by attrition its total number of employees by an amount equal to the number of employees made unnecessary by such abandonment, discontinuance, or change.

"(d)(1) The Secretary of Transportation shall administer the provisions of this section and shall promulgate such regulations as may be necessary for such administration.

"(2) The district courts of the United States shall have jurisdiction upon complaint of the Secretary of Transportation, or any party in interest, alleging a violation of any provision of this section, to issue such writs of injunction or mandamus as may be necessary to restrain violations of, or compel obedience to, the provisions of this section.

"(e) There are authorized to be appropriated such amounts as may be necessary to make payments contracted for the Secretary of Transportation pursuant to subsection (b). The amount appropriated in any fiscal year pursuant to this paragraph shall be allocated to each State for such payments for continued operations in such State during such year in the same proportion as the total rail mileage in such State, as determined by the Secretary and measured in point-to-point length (excluding yard tracks and sidings) bears to the total such rail mileage in all the States, except that any such allocation shall be at least 3 per centum of such amount appropriated and shall not exceed 10 per centum thereof.

"RATES, FARES, AND CHARGES FOR THE TRANSPORTATION OF PROPERTY

"SEC. 13b. (a) Any provision of this Act which is inconsistent with the provisions of this section shall not apply after the effective date of this section to carriers by railroad subject to this part or to rates, fares, charges by, cr activities of, any such carrier which are established or carried out pursuant to this section. After such effective date rates, fares, and charges established pursuant to this section shall be just and reasonable charges for the purposes of this Act.

"(b) Any carrier by railroad subject to this part may establish or revise rates, fares, or charges, and classifications applicable thereto, for the transportation of property, subject to the following requirements:

"(1) No such proposed rate, fare, charge, or classification, or revision thereof, shall be made effective until after thirty days following public notice thereof and notice of the Secretary of Transportation, and all effective rates, charges, and classifications by each carrier shall be maintained in print and open for public inspection.

"(2) No discrimination shall be practiced in such rates, fares, charges, and classifications with respect to the identity of the shipper, the direction of the shipment, the value of the property shipped or for any other reason other than may be expressly authorized by the provisions of this section or other provisions of this Act.

"(3) No rebates shall be made to shippers.

"(4) No agreements shall be made between carriers with respect to rates, fares, charges, or classifications.

"(5) Rates, fares, or charges may be varied, or classification may be made, on the basis of—

"(A) bulk shipments and general merchandise shipments;

"(B) weight;

"(C) cubic volume;

"(D) the need for special equipment to transport the property;

"(E) special switching services necessary to transport the property;

"(F) distance; and

"(G) providing a lower weight to mileage rate for longer than for shorter shipments, for unit train shipments, and for multiple car shipments.

"(c) Any carrier by railroad, or any officer or other agent thereof, who knowingly violates the provisions of paragraph (2) or (3) of subsection (b) of this section shall upon conviction thereof be punished by a fine of not more than $10,000 for each violation.

"(d)(1) The Secretary of Transportation shall administer the provisions of this section and shall promulgate such regulations as may be necessary for such administration.

"(2) The district courts of the United States shall have jurisdiction upon complaint of the Secretary of Transportation, or any party in interest, alleging a violation of any provision of this section, to issue such writs of injunction or mandamus as may be necessary to restrain violations of, or compel obedience to, the provisions of this section."

SEC. 3. The amendment made by this Act shall be effective after ninety days following the date of enactment of this Act.

SEC. 4. Nothing in this Act is intended to amend the provisions of the Rail Passenger Service Act of 1970.

TITLE III—REFORMATION OF RAILROAD WORK RULES

FORMULATION OF PLAN

SEC. 301. The Secretary of Transportation shall, not later than one year after the date of enactment of this Act, formulate and report to the Congress a plan for reforming railroad work rules, including recommendations for necessary legislation to implement such plan and protect existing railroad employees.

AUTHORIZATION

SEC. 302. There are authorized to be appropriated such amounts as are necessary to carry out the provisions of this title.

TITLE IV—NATIONAL TRANSPORTATION RIGHT OF WAY LAND BANK

FORMATION AND USE OF LANDS

SEC. 401. The Secretary of Transportation is authorized to acquire, other than by condemnation, title to railroad rights of way which are not being used to provide rail services. All such acquired rights of way shall be maintained by the Secretary in a National Transportation Right of Way Land Bank and may be made available on a lease basis to public or private entities to be used for public recreational purposes or other public purposes. Any such lease may provide for compensation to the Secretary and shall

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be subject to such conditions as are necessary to protect the public interest.

AUTHORIZATION

Sec. 402. There are authorized to be appropriated such amounts as may be necessary to carry out the provisions of this title.

By Mr. BURDICK:

S. 1803. A bill to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax and to increase the estate tax marital deduction. Referred to the Committee on Finance.

THE 1975 SAVE THE FAMILY FARM ACT

Mr. BURDICK. Mr. President, reform of the Federal tax structure is commanding increased attention in the United States today. The inequities in the present law, the changing economic environment, and ever-increasing Federal revenue needs seem to be major factors contributing to this interest. It is only proper for the Congress to consider proposals to balance interests more equitably and justly.

While most attention has focused on the income tax in recent years, it is now time to seriously consider other elements of our tax structure. Today I am introducing the 1975 Save the Family Farm Act which, I hope, will lead to such a reevaluation of another part of our national tax policy. In particular, I am concerned about the effect estate taxes have upon the continued operation of family farming in this Nation.

Allow me to review briefly the history of Federal estate taxes. In 1916 the estate tax—that tax which is levied upon the entire estate left by a decedent—became a permanent part of the Federal revenue system. At its inception the law carried a $50,000 exemption, which was changed to $100,000 in 1926, to $40,000 in 1935, and to its present level of $60,000 in 1942. Marginal tax rates—ranging from 3 percent to 77 percent—see table I—as well as the exemption level have remained substantially unexamined and unrevised since 1942. It would be extremely difficult to find another tax which has remained so undisturbed over the past 33 years. Let us begin rethinking today.

Several authorities have argued for a restructuring of the estate tax law. The American Law Institute has completed a comprehensive study of the numerous recommendations for modifying these provisions. The Treasury Department, which has reviewed this report and other independent studies of the Federal estate laws, is presently preparing a series of proposals to overhaul this tax. Finally, several bills and amendments have been offered in the Congress to deal with the problem, one of which I cosponsored as an amendment to the Tax Reduction Act of 1975.

Again, why do we need a change? Just for comparison sake, let us look at the present value of the former exemptions at the time of their passage. $60,000 in 1942 would be the equivalent of $195,000 in 1974. $50,000 in 1916 dollars would purchase the equivalent of $241,284 in goods and services in March of 1975. However, in May of 1975, the exemption level is still $60,000, not the $200,000 derived by the Consumer Price Index escalator.

Now, it is only natural that one would inquire, why all the fuss? The combined receipts of Federal estate and gift taxes have amounted to a stable 2 percent of all annual Federal tax revenues—a relatively insignificant source of income. However, the taxes collected have risen from $1.6 billion in 1960 to $3.7 billion in 1971. Furthermore, the number of persons filing estate tax returns has increased substantially over the past several years—from 17,000 in 1940 to 132,000 in 1970. Hence, the tax is raising more money from many more Americans than was the case even a few years ago.

Recent figures released by the Treasury also confirm the notion that estate taxes are hitting more and more persons with an increasing impact. See table II. It is interesting to note that all forms of assets are being revalued at incredible levels.

Particularly significant in this regard is the case of the family farmer. The average value of farm production assets more than doubled in the decade of 1962 to 1972—from $47,500 per farm to $102,100 per farm. In 1970, 1 million farms in this country had farm assets approaching $200,000. In other words, at the time the Congress last took a serious look at the estate tax laws, the exemption therein more than covered the average farm estate. Today, it does not come close. Please note table III which shows the trends in farm valuation over the past 60 years.

As a result of the estate tax, American food policy, which has consistently urged families to stay on the farm, is now effectively countered by an outmoded, preinflationary tax policy which was last revised in the middle of the Second World War.

While some assert that death taxes absorb a relatively small part of a farm estate—see table I again—it is still common wisdom that most farm estates do not have the cash in liquid form to remove the tax lien without undue hardship. A noteworthy case is that of an Iowa survey of farm estates in 1957. Most disturbing was their conclusion that 91 percent of the analyzed estates would not have had sufficient liquid assets to pay estate and settlement costs and death taxes. The researchers also concluded that 12 percent of the farms considered would have been sold to pay costs and taxes. In short, present estate tax levels are confiscatory for a significant number of families on farms.

Granted, many large land holders have already fragmented their "bundle of wealth" for estate tax purposes. Through use of the $60,000 lifetime deduction and the $3,000 per donor per annum gift provisions, many estates have been sufficiently diluted to escape the estate tax. However, again we find rural citizens at a disadvantage, for they are less able to avail themselves of good legal services which sound estate planning requires. They are, therefore, less well equipped to cope with the intricacies of the estate laws.

Admittedly, revision of Federal estate taxes is only part of the picture. State laws also require significant amendment. With the Federal impetus to revise the estate tax provisions, it is hoped that the States will also undertake needed revision in the appropriate sections of their tax codes.

I urge speedy action on this proposal. For in this time of a world food crisis, we can ill-afford to chase the family farmer off his land.

Mr. President, I ask unanimous consent that the tables and the bill be printed in the Record.

There being no objection, the tables and bill were ordered to be printed in the Record, as follows:

TABLE I

Taxable estate [1] equal to or more than— [2] (A)	Taxable estate [1] less than— [2] (B)	Tax on amount in column (A) (C)	Rate of tax on excess over amount in column (A) (percent) (D)
0	5,000	0	3
$5,000	10,000	150	7
$10,000	20,000	500	11
$20,000	30,000	1,600	14
$30,000	40,000	3,000	18
$40,000	50,000	4,800	22
$50,000	60,000	7,000	25
$60,000	100,000	9,500	28
$100,000	250,000	20,700	30
$250,000	500,000	65,700	32
$500,000	750,000	145,700	35
$750,000	1,000,000	233,200	37
$1,000,000	1,250,000	325,600	39
$1,250,000	1,500,000	423,200	42
$1,500,000	2,000,000	528,200	45
$2,000,000	2,500,000	753,200	49
$2,500,000	3,000,000	998,200	53
$3,000,000	3,500,000	1,263,200	56
$3,500,000	4,000,000	1,543,200	59
$4,000,000	5,000,000	1,838,200	63
$5,000,000	6,000,000	2,468,200	67
$6,000,000	7,000,000	3,138,200	70
$7,000,000	8,000,000	3,838,200	73
$8,000,000	10,000,000	4,568,200	76
$10,000,000		6,088,200	77

[1] Taxable estate is defined as gross estate less the total of exemptions and deductions allowed under the Internal Revenue Code of 1954, as amended.

[2] The following example illustrates use of the table in calculating the amount of Federal tax liability: For a taxable estate of $10,000, the Federal estate tax is $500 (from column C); for a taxable estate of $15,000, the tax is $1,050 or $500 (from column A and C) plus $550 (from columns A and D).

Source: U.S.D.A., "Increasing Impact of Federal Estate and Gift Taxes on the Farm Sector," Economic Research Service, Agricultural Economic Report No. 242.

TABLE II.—MAJOR COMPONENTS OF GROSS ESTATE, AND ESTATE TAX RETURN FILINGS AS PERCENT OF DEATHS, 1958–72

[Dollar amounts in billions]

	Estate tax returns as percent of total deaths	Gross estates	Corporation stock	Real estate	Cash
1958	3.2	$11.6	$5.0	$2.5	$1.2
1960	3.8	14.5	6.8	2.9	1.4
1962	4.4	17.0	7.7	3.4	1.8
1965	5.2	21.9	9.2	4.3	2.6
1969	7.0	29.7	10.5	6.1	4.3
1972	8.9	38.9	12.3	8.8	6.1

Source: Department of the Treasury, "Statistics of Income: 1972, Estate Returns," publication No. 764, April 1975.

TABLE III.—VALUE OF LANDS AND BUILDINGS

	United States			North Dakota		
	Per acre (dollars)	Per farm (in thousands)	Total value (in billions)	Per acre (dollars)	Per farm (in thousands)	Total value (in millions)
1916	$46	$6.5	$42	$33	$14.3	$1,091
1942	34	6.1	38	14	7.5	538
1970	195	75.8	206	94	87.2	4,045
1974	310	125.5	324	151	152.7	6,519

Source: U.S. Department of Agriculture, "Farm Real Estate Historical Series Data: 1850-1970," Economic Research Service, No. 520.

S. 1803

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 2052 of the Internal Revenue Code of 1954 (relating to exemption for purposes of the Federal Estate Tax) is amended by striking out "$60,000" and inserting in lieu thereof "$200,000".

(b) Section 6018(a)(1) of such Code (relating to Estate Tax Returns) is amended by striking out "$60,000" and inserting in lieu thereof "$200,000".

Sec. 2. Increase in Estate Tax Marital Deduction.—(a) Section 2056(c) of the Internal Revenue Code of 1954 (relating to aggregate marital deduction) is amended by inserting after "shall not exceed" in paragraph (1) "the sum of $100,000, plus".

Sec. 3. The amendments made by sections 1 and 2 of this Act shall apply to the estates of decedents dying after the date of enactment of this Act.

By Mr. HUMPHREY (for himself, Mr. Jackson, Mr. Domenici, and Mr. Fannin):

S.J. Res. 86 A joint resolution authorizing the President to proclaim October 26 of each year "National Solar Energy Day." Referred to the Committee on the Judiciary.

NATIONAL SOLAR ENERGY DAY

Mr. HUMPHREY. Mr. President, today I am introducing legislation to designate October 26 as National Solar Energy Day. October 26 is the anniversary of the enactment of the Solar Energy Research, Development and Demonstration Act of 1974. That act represented the first Federal commitment to the development and utilization of solar energy as a viable energy source. Our commitment to harnessing the energy of the Sun for mankind's benefit must remain undiminished.

Constructive dreamers for ages have thought in terms of harnessing the power of the Sun for the betterment of man's life on Earth. But, until recently, the development of advanced solar energy technology and its utilization were more a vision than a distinct possibility for the future.

One reason solar energy technology did not make rapid strides was the lack of real incentive to pursue alternate energy sources. After all, we had an abundance of available fuel, or so we thought.

However, the cornucopia no longer is overflowing. We had that fact brought home to us all too forcefully in the last few years.

The other reason solar energy did not make rapid strides was the lack of an aggressive and comprehensive national solar energy program and the lack of any major, long-term national commitment of financial resources to the development of solar energy.

Public Law 93–473 authorized a vigorous Federal program of research, development, and demonstration to assure the utilization of solar energy and provided funding for the program.

Today, we are making strides in the use of solar energy, thanks in no small part to the encouragement of Congress, the growing support of the Government for solar energy development, and the energetic efforts of scientists and the solar energy industry. Next week, a most important conference will take place which will add even further impetus to ongoing efforts to make solar energy a viable energy source. That conference is the Solar Industry Expo, sponsored by the Solar Energy Industries Association, and supported by the Federal Energy Administration and the Energy Research and Development Administration. It will be held from May 27 through May 29, 1975, in our Nation's Capital, and will bring together scientists, industrial managers, Federal executives, and others interested in the development of solar energy and its related specialties.

Solar energy will not be the answer to all our energy problems in the future. But it will be a major part of the answer. Through widespread use of only six basic solar technologies, Dr. Alfred J. Eggers, Jr., of the National Science Foundation, estimates that 10 to 30 percent of the Nation's required input Btu's can be provided by solar energy by the year 2000 and as much as 50 percent by the year 2020. His estimate may become a reality because Congress and the President had the vision in 1974 to lend moral and financial encouragement to a national effort to develop solar energy.

Mr. President, I ask unanimous consent that the joint resolution proclaiming October 26 as Nation Solar Energy Day be printed in the Record.

There being no objection, the joint resolution was ordered to be printed in the Record, as follows:

S.J. Res. 86

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

Whereas the United States of America is embarked on a national program to increase energy resources and conserve nonrenewable sources of energy;

Whereas solar energy offers a nonpolluting, inexhaustible source of energy available for the benefit of all mankind;

Whereas the United States is committed to a program of solar energy research and utilization;

Whereas the full potential of solar energy to provide energy for mankind will only be realized when private industry begins to play a central role in developing and fabricating economically feasible methods of solar conversion and whereas the activities of private industry to do so should be encouraged and supported;

Whereas it is appropriate to establish one day each year during which to encourage solar conversion efforts, to recognize strides in solar energy research and utilization and to increase national awareness on solar energy conversion; Now, therefore, be it

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled,

That the President of the United States is authorized and requested to issue a proclamation designating October 26 as "National Solar Energy Day," and calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 560

At the request of Mr. Church, the Senator from Kentucky (Mr. Huddleston) was added as a cosponsor of the bill (S. 560) to amend title II of the Social Security Act to increase the amount which individuals may earn without suffering deductions from benefits on account of excess earnings, and for other purposes.

S. 1638

At the request of Mr. Eagleton, the Senator from Missouri (Mr. Symington) was added as a cosponsor of the bill (S. 1638) to authorize the Secretary of Health, Education, and Welfare to postpone the effective date of certain requirements imposed on States by Public Law 93–647 with respect to child support programs in the case of States which require additional time in which to implement the policies, programs, and activities so required.

S. 1652

At the request of Mr. Stone, the Senator from Utah (Mr. Garn) was added as a cosponsor of the bill (S. 1652) to amend the Internal Revenue Code of 1954 to provide that no interest is payable on income tax deficiencies in the case of returns prepared by the Internal Revenue Service until the expiration of 30 days after notice to the taxpayer of such deficiency.

SENATE JOINT RESOLUTION 62

At the request of Mr. Javits, the Senator from Arizona (Mr. Fannin) was added as a cosponsor of the joint resolution (S.J. Res. 62) to establish a National Hobby Month.

SENATE RESOLUTION 165—SUBMISSION OF A RESOLUTION AUTHORIZING SUPPLEMENTAL EXPENDITURES BY THE SELECT COMMITTEE TO STUDY GOVERNMENT OPERATIONS WITH RESPECT TO INTELLIGENCE AGENCIES

(Referred to the Committee on Rules and Administration.)

Mr. CHURCH submitted the following resolution:

Resolved, That section 6 of Senate Resolution 21, 94th Congress agreed to January 27, 1975, is amended by striking out the amounts "$750,000" and "$100,000" and inserting in lieu thereof "$1,150,000" and "$300,000", respectively.

AMENDMENTS SUBMITTED FOR PRINTING

DEPARTMENT OF DEFENSE APPROPRIATION AUTHORIZATION ACT, 1976—S. 920

AMENDMENT NO. 488

(Ordered to be printed and to lie on the table.)

Mr. HATHAWAY. Mr. President, on behalf of myself and Senators CLARK, BAYH, MCGOVERN, SCHWEIKER, MCGEE, MANSFIELD, WILLIAMS, BROCK, PHILIP A. HART, JAVITS, and PACKWOOD, I submit an amendment to the bill (S. 920) to authorize appropriations during fiscal year 1976, and the period of July 1, 1976, through September 30, 1976, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 488

At the appropriate place in the bill insert a new section as follows:

SEC. —. Notwithstanding any other provision of law, in the administration of chapter 403 of title 10, United States Code (relating to the United States Military Academy), chapter 603 of such title (relating to the United States Naval Academy), and chapter 903 of such title (relating to the United States Air Force Academy), the Secretary of the military department concerned shall take such action as may be necessary and appropriate to insure that female individuals shall be eligible for appointment and admission to the service academy concerned and that the academic and other relevant standards required for the appointment and admission of female individuals shall be the same as those required for the appointment and admission of male individuals, including equal opportunity for appointment under the provisions of sections 4342, 6954, and 9342 of title 10, United States Code.

And renumber the following sections accordingly.

AMENDMENT NO. 489

(Ordered to be printed and to lie on the table.)

Mr. HARTKE. Mr. President, today I am submitting, for myself and my distinguished colleague from Indiana, Senator BAYH, an amendment to title V of the Department of Defense Authorization Appropriation Act, S. 920, to exclude industrially-funded activities of the Defense Department from the computation of civilian manpower ceiling strengths. This amendment is identical to a provision submitted by Congressman PHILIP H. HAYES and approved unanimously by the House in its adoption of H.R. 6674. It is also strongly supported by the American Federation of Government Employees.

It must be emphasized that this amendment in no way alters the concept approved by Congress in previous authorization acts on civilian manpower ceilings. What this amendment does challenge is the attachment of such ceilings to self-supporting activities of the Defense Department that respond to supply and demand by unrelated defense appropriations.

Testimony before the Armed Services Committees of the Senate and House brought out evidence that ceilings on industrially-funded activities often require more expensive operations on the Defense Department by forcing the Department to manipulate manpower resources in order to achieve the arbitrary end of fiscal year employment levels. Because much of the work must be accomplished, frequently additional expenses, such as overtime labor, military personnel, contracting to private companies, and the actual reduction costs are involved instead of the obvious course of action—permitting the present number of needed civilian personnel to complete the necessary work assignments. At the same time, fixed costs—such as guards and utility costs—remain constant. The direct result is that the cost per man-hour to produce a similar volume of material goes up, which in turn, causes the cost of production to rise.

In fact, the Assistant Secretary of Defense for Manpower and Reserve Affairs, the Honorable William K. Brehm, testified that the Defense Department "concluded that civilian ceilings can lead to serious and costly inefficiencies" and personally requested that civilian employees in industrially funded activities be excluded from the ceilings. Also, the Comptroller General, after reviewing the results of a test project in the Department of the Air Force, recently recommended that Congress be informed of the benefits of managing Federal activities primarily with fiscal controls and without personnel ceilings.

The impact of such work on the entire operations of DOD cannot be ignored. According to the Defense Department, about 30 percent of all its civilian work is in industrially funded activities and 17 percent of all DOD civilians work in industrially funded maintenance depot locations.

When Congress passed the Defense Authorization Act last year, it expressly stated its desire that the least costly forms of manpower consistent with military requirements and the needs of the Defense Department be utilized. Yet, by sustaining this ceiling on industrially funded activities, we are in effect removing the flexibility for the Defense Department to make such a determination. In other words, we are tying the DOD's hands by telling them that they may only use a fixed amount of in-house employees and the essential work will have to be performed elsewhere regardless of the costs involved. This hardly does anything to reduce civilian personnel costs.

For these reasons, I respectfully request that this body adopt the following amendment.

Mr. President, I ask unanimous consent that the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 489

Title V is amended as follows:

(a) Section 501 (a) is amended

(1) by striking on page 20, line 5 "329,000" and inserting in lieu thereof "254,105";

(2) by striking on page 20, line 7 "310,300" and inserting in lieu thereof "144,562";

(3) by striking on page 20, line 8 "251,300" and inserting in lieu thereof "208,610"; and

(4) by striking on page 20, line 10 "71,400" and inserting in lieu thereof "69,595".

(b) Section 501 (b) is amended by inserting immediately after "excluding" on page 20, line 17, the following: "civilian personnel engaged in industrially funded activities, and excluding".

AMENDMENT NO. 490

AMENDMENT TO THE MILITARY PROCUREMENT BILL ON THE FEED AND FORAGE ACT

(Ordered to be printed and to lie on the table.)

Mr. ABOUREZK. Mr. President, I am submitting an amendment to the military authorization bill to amend a law that has been on the books for more than a century, a law that is almost completely unknown to the public and has only the most minimal visibility to Members of Congress. Yet through a "backdoor" and obscure financing technique, the Department of Defense has been able to skirt the normal appropriations process and obligate hundreds of millions of dollars. They make the vital financial commitment; in a perfunctory way we later pay for it.

The process works this way. Instead of coming to Congress and justifying their budget requests, obtaining appropriations with the support of both Houses and then obligating and expending the money, the process is reversed. The Pentagon is allowed to first obligate the money—without any participation by Congress in the decision—and then come to Congress at some later point to obtain funds to liquidate the obligation. By that time the hands of Congress are tied. The obligation is legal and binding. We have no choice but to appropriate the money.

In short, the essential commitment of Treasury resources is made not by the people's representatives, responsible for protecting the power of the purse, but by nonelected officials in the executive branch.

The law I speak of is found in title 41 of the United States Code, section 11. Sometimes it is referred to as Revised Statute 3732. More familiarly it is known as the "Feed and Forage Law," a name that by itself captures the ancient flavor of this legislation. The law allows the Departments of the Army, Navy, and Air Force to make contracts and purchases—in advance of appropriations—for clothing, subsistence, forage, fuel, quarters, transportation, or medical and hospital supplies. This is permanent authority. It remains in force year after year, decade after decade.

Other than designating the categories that can be funded, the law contains only one restriction: The obligations incurred "shall not exceed the necessities of the current year." Basically it is open-ended authority, invoked whenever the Department of Defense decides it is time, for whatever amounts it thinks necessary.

I have been unable to obtain a full accounting of this law, but it appears that in the brief period from 1960 to 1972 the Pentagon relied on this authority to obligate $1.7 billion. These statistics, compiled by the Comptroller's Office in the Department of Defense, are shown in a table which I will ask to have printed in the RECORD.

The statistics from the Comptroller's Office indicate the "Ultimate Method of Financing." A look at that column shows that obligations are sometimes covered by new appropriations but at other times by transfer or "recoveries of prior year obligations." In other words, the Pentagon need not always come to Congress for new money. It can finance in part with old money, either by transferring funds from other accounts or by recoveries—the Pentagon's term for deobligating money—freeing it up for other purposes.

It could be argued that the $1.7 billion in obligations is not a total drain on the Treasury, since the Pentagon is able to live off some of its "own resources." But when that happens, it still amounts to a unilateral action by the Pentagon without congressional participation. The allocation of public funds is in the hands of executive officials, not of Members of Congress.

Furthermore, such actions on transfers and recoveries deny Congress the option of rescinding unobligated balances. Instead, those balances are diverted to cover the feed-and-forage obligations. Congress is thereby prevented from disposing of unused balances in the way that it thinks best for the public.

This year Congress is being asked to appropriate $163,214,000 to liquidate contract authority under the Feed and Forage Act. We have no discretion in the matter. We have no opportunity to debate the merits of this particular request. It comes to us after-the-fact. Whatever the gap, whatever the liability, we must appropriate the funds. Think of the farce that makes of our so-called debate on budget priorities. We cannot exercise judgment, vote our conscience, or choose between a yea or a nay. Ours is the simple clerical duty of appropriating whatever is necessary.

Let me say that you have to be something of a wizard to know that this request is even in the budget. Look on page 277 of the "Budget Appendix for Fiscal 1976," covering the appropriation account "Operation and maintenance, Army," and you will find a table entitled "Status of the Unfunded Contract Authority." Under the column for fiscal 1976 there is the amount of $42,214,000 to be appropriated to liquidate contract authority. No one would know that is for feed and forage. No reference is made to 41 U.S.C. 11 or Revised Statute 3732. Yet the money is to be appropriated for that purpose. On subsequent pages are the amounts of $54 million for "Operation and maintenance, Navy," and $67 million for "Operation and maintenance, Air Force." There it is: a total of $163,214,000 which we will be appropriating to fund this obscure law.

LAST YEAR'S DEBATE

During debate on the Department of Defense Appropriation Authorization Act (S. 3000), on June 5, 1974, I offered an amendment to strike the feed and forage law from our statutes. The chairman of the Committee on Armed Services agreed to hold hearings at some point during calendar year 1974. The committees was to develop the relevant facts to determine the amount of money spent under the feed-and-forage authority for some recent period of time, say 20 years. With those facts in hand the committee was supposed to form a judgment on the question as to what, if any, legislation to recommend. On the basis of that assurances and understanding I withdrew my amendment. To my deep disappointment, hearings were never held.

While my amendment was being debated, a number of objections were raised. I would like to deal with them here, one by one.

First, it was argued that the amendment was improperly attached to an authorization bill. The chairman of the Committee on Armed Services stated that the amendment "pertains really to the Appropriations Committee more than it does to a bill of this kind from the Armed Services Committee."

I want to make clear to my colleagues that the feed and forage law is not an appropriation. It is an authorization to enter into contracts in advance of an appropriation. Like any other form of contract authority, it is properly within the jurisdiction of an authorization committee. The contract authority for clean water funds, enacted in 1972, came from the Public Works Committee. That same committee handles contract authority for highways, which we pass every 2 to 3 years.

The jurisdiction over contract authority has changed somewhat as a result of the Congressional Budget and Impoundment Control Act of 1974. Title IV of the act places restrictions on backdoor spending authority, including contract authority. Were we faced here with the issue of adding a new backdoor, the matter would no longer be solely within the jurisdiction of an authorization committee. But that is not the situation. My amendment deals with an old backdoor. Moreover, I am not adding a backdoor; I am trying to remove one.

I might point out that the chairman of the Committee on Appropriations observed during last year's date that—

> The Appropriations Committee is not a legislative committee, and this is primarily legislation which sets the rules by law as to what shall be done and not be done and the Appropriations Committee has to observe the rules.

Clearly this is a matter to be dealt with on an authorization bill.

Second, it was suggested last year that the feed and forgage law was within the jurisdiction of the Senate Select Committee on Termination of the National Emergency. The cochairman of that committee, the distinguished Senator from Maryland (Mr. MATHIAS), said that he had addressed requests to the Committee on Appropriations and Armed Services to determine their assessment of the necessity for the feed and forage law. The Senator believed that having that judgment as a part of the record would enable the committee to bring the feed and forage law to the floor as a part of the report of the Committee on the Termination of the National Emergency. The Senator from Maryland identified the feed and forage law as "one of the 470 statutes on the national emergency books which the Senate has asked our committee to review and make some recommendations on."

Let me lay this issue to rest. While it is true that the Committee on the Termination of the National Emergency included a section on the Feed and Forage Act in its report, Senate Report 93–549, pages 319–321, the act is not within the committee's jurisdiction.

The resolution creating the committee, Senate Resolution 9 of the 93d Congress, stated that the committee's function was to conduct "a study and investigation with respect to the matter of terminating the national emergency proclaimed by the President of the United States on December 16, 1950, and announced in Presidential proclamation numbered 2914, dated the same date." The committee was also to consider the problems that may arise if the national emergency were terminated.

There can be no question that the Feed and Forage Act is completely unrelated to the issue of proclaiming a national emergency. Feed and forage is permanent legislation, remaining on the books whether or not a national emergency exists. It does not come to life when the President proclaims a national emergency. It does not return to a latent condition when that proclamation is terminated.

When the Committee on the Termination of the National Emergency recommended legislation, as included on pages 7 to 10 of Senate Report 93–1170, it did not mention the Feed and Forage Act. It was not listed among the provisions of law to be repealed. No mention was made in the bill, S. 3957, referred to the Committee on Government Operations on August 22, 1974.

Nor was there any mention of the Feed and Forage Act in the report by the Committee on Government Operations (Senate Report 93–1193), released September 30, 1974. No mention was made in the National Emergencies Act introduced this year, S. 977, which is now before the Committee on Government Operations. There is nothing in Senate Resolution 10, continuing the Special Committee on National Emergencies and Delegated Emergency Powers, to suggest that the committee has any jurisdiction over the Feed and Forage Act. So let us not confuse ourselves over that jurisdictional issue.

Third, there is the impression that the Feed and Forage Act can be invoked by junior officers to provide emergency assistance. The chairman of the Committee on Armed Services noted during last year's debate:

> When we do go out of session, those of us who talk to these problems feel it is reassuring to know that whenever anything comes up anywhere around the world, for any of our troops—even a unit of perhaps 10—their commanding officer will have the authority under our law to at least get the fuel, the food, and the necessary things for them to live on; just their subsistence, the elements that are necessary.

In actual fact the control over the Feed and Forage Act is highly centralized. It cannot be invoked by a second lieutenant or even by a general. The pro-

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cedure, as spelled out in Department of Defense Directive 7220.8, requires the official or officer responsible to determine, and so certify in writing, that an emergency exists and that it was not feasible to obtain in advance sufficient funds to cover such necessities. The certification must indicate the amount of the overobligation—deficiency—and shall be filed with the supporting records to the next higher echelon. Overobligations must have the specific approval of the Secretary, or Deputy Secretary, of Defense.

I might add that there is an alternate source of authority to handle genuine emergencies. If indeed there is any danger to our troops, and existing funds are insufficient to meet their needs, the Antideficiency Act allows agencies to apportion funds on a deficiency basis whenever such action is required because of emergencies involving the safety of human life or the protection of property (31 U.S.C. 665(e)). Later in my remarks I will give other reasons to demonstrate that the Department of Defense, even if denied access to the feed-and-forage authority, has ample flexibility and discretion to satisfy the needs of our soldiers.

Fourth, the Feed and Forage Act is generally regarded as a Civil War law, since most of the language was adopted in 1861. The implication is that Congress, at a time of genuine emergency, decided to entrust to executive officials this extraordinary authority. The argument can then be made that we continue to live under "crisis conditions" and that therefore this statute, though passed at a different time and under different circumstances, is still needed today.

This is a misconception. The feed and forage law is not a Civil War statute. It is not an emergency statute borne of war. It dates back at least to 1820. If we examine the origin of this law, I think it will be evident that the reasons that prompted its appearance more than a century ago no longer apply.

ORIGIN OF THE LAW

During the early decades of our national Government, Members of Congress became concerned about the manner in which executive departments applied—or misapplied—public funds. An act of 1820 represented an important effort by Congress to tighten its control over the purse. On January 12, the House Ways and Means Committee reported a bill to regulate the Treasury, War, and Navy Departments. The purpose of the bill was to restrict the availability of unexpended balances for the War and Navy Departments and to direct the Secretary of the Treasury to make annual reports on the balances remaining in the Treasury or in the hands of the Treasurer. The latter had been acting as agent for the War and Navy Departments.

A week later the bill was recommitted to Ways and Means. As reported again on March 6 it was substantially enlarged. The bill now included additional restrictions on the military departments, such as the practice of transferring funds from one year to the next or from one account to another. Moreover, the bill included a precursor to the "feed and forage" law:

> Sec. 6. *And be it further enacted,* That no contract shall hereafter be made by the Secretary of State, or of the Treasury, or of the Department of War, or of the Navy, except under a law authorizing the same, or under an appropriation adequate to its fulfillment; and excepting also contracts for the subsistence and clothing of the army or navy, and contracts by the Quartermaster Department, which may be made by the Secretaries of those Departments.

I should point out that in 1820 it was the responsibility of the Quartermaster's Department to provide all forage, fuel, straw, and stationery for the use of the troops, to provide for the quartering and transportation of the troops, and for the transporting of all military stores, camp equipment, and artillery. Later versions of the feed and forage law, which omitted reference to the Quartermaster's Department, had to specify the categories of forage, fuel, quarters, and transportation.

The 1820 bill passed both Houses in substantially the same form as the March 6 version reported by Ways and Means. If the bill prompted any debate or discussion on the floor, the record does not show it. But some insight into the origin of the feed-and-forage provision is gained by looking at the debate on the military appropriations bill, which took place March 8 and March 9. Henry Clay, Speaker of the House, criticized the executive departments for entering into contracts prior to congressional authorization or appropriation:

> Mr. Clay did not concur, he said, in the idea that any contract made by an officer of the Government, was binding on Congress. If contracts were made, for example, for the erection of fortifications where they were not wanted, was the Government bound to execute the work? Certainly not. They might take back the contract, paying the other party all damages and cost he may have sustained by the annulment of the contract.

Lewis Williams, a Representative from North Carolina, agreed that executive officers had no right to make contracts in anticipation of congressional support, while William McCoy of Virginia protested "the practice of permitting the heads of departments to legislate for Congress, and to pledge the funds of the Government to any extent, at their pleasure. As a general principle, contracts ought not to be made by officers of the Government but under the authority of law."

In restricting this practice, the Members of Congress decided to allow flexibility in the case of contracts for the subsistence and clothing of the War and Navy Departments and contracts by the Quartermaster's Department. An element of flexibility was particularly necessary since other forms of executive discretion—access to unexpended balances and transfer authority—were being brought under closer legislative control. A desire to supply the elementary needs of the military was thus the primary impulse behind the enactment of section 6 of the 1820 law. Several decades later the Supreme Court in the Floyd Acceptances—1869—offered its understanding for the appearance of section 6:

> It will thus be seen that contracts for the subsistence and clothing of the army and navy, by the secretaries, are not tied up by any necessity of an appropriation or law authorizing it. The reason of this is obvious. The army and navy must be fed, and clothed, and cared for at all times and places, and especially when in distant service. The army in Mexico or Utah are not to be disbanded and left to take care of themselves, because the appropriation by Congress, for the service, has been exhausted, or no law can be found on the statute book authorizing a contract for supplies.

Another change in the feed and forage law was made in 1852. In reporting the Army and Navy appropriation bills, the House Ways and Means Committee added a section to forbid the transfer of funds from one account to another. That prohibition was enacted into law in the case of the Navy bill, but the same prohibition in the Army bill was modified by the Senate Finance Committee to give the President limited authority to transfer funds for "subsistence of the Army, for forage, for the medical and hospital departments, and for the Quartermaster's Department * * *." Senator Hunter, chairman of the Finance Committee, explained that the prohibition on transfers was to be "put on the footing of the law of 1820 * * *." The Senate modification was included in the final section that became law:

> Sec. 2. *And be it further enacted,* That all acts or parts of acts authorizing the President of the United States, or the secretary of the proper department, under his direction, to transfer any portion of the moneys appropriated for a particular branch of expenditure in that department, to be applied to another branch of expenditure in the same department, be, and are hereby, so far as relates to the Department of War, repealed; and no portions of the moneys appropriated by this act shall be applied to the payment of any expenses incurred prior to the first day of July, one thousand eight hundred and fifty-two. But nothing herein contained shall be so construed as to prevent the President from authorizing appropriations for the subsistence of the army, for forage, for the medical and hospital departments, and for the quarter-master's department, to be applied to any other of the above-mentioned branches of expenditure in the same department, and appropriations made for a specific object for one fiscal year, shall not be transferred to any other object, after the expiration of that year.

1820–61 PERIOD

From 1820 to 1861 Congress imposed a number of restrictions on the power of executive departments to shift funds from one year to the next, from one account to another, and to contract for items in advance of appropriations. In curbing such powers, Congress repeatedly found it necessary to allow the military departments a certain level of flexibility. The needs of soldiers on the distant frontiers were not to go unmet, because of inadequate funds or contracting authority.

Part of this flexibility was needed, because of the lack of adequate transportation and communication facilities during that period. In 1840, whether by rivers, canals, or turnpikes, it took almost a week to travel from New York to Cleveland and 3 weeks to go from New York to Chicago. Communications were still at a primitive state. Samuel Morse developed the first practical telegraph in 1832, but it was not until 1844 that a message was transmitted over the first experimental line running from Baltimore to Washington. The telephone, invented in 1876, was not available for distance communication until 1884, at which time a conversation was held between New York and Boston. While those advances facilitated communication between the major cities, they offered little help in relaying messages from Washington to the military outposts. Under such conditions the health and well-being of the soldiers depended very greatly on the feed-and-forage authority.

This limited authority was especially crucial in the event that Congress did not pass the regular Army and Navy appropriation bills on time.

For instance, the Secretary of the Navy complained about late appropriations in his report of December 2, 1825. He explained that the Navy appropriation bill was generally passed late in February of the short session and generally not until May of the long session. Since the budget year at that time began on January 1, this meant a delay of from 2 to 5 months. It was also the practice of Congress to change the "wording and character" of an appropriation, resulting in a further delay of from a month to 6 weeks before legislative instructions were given to and acted upon by Navy agents. The Secretary of the Navy concluded that "for nearly one-half of the year, the Department acts in perfect ignorance of the law under which it is bound to act."

In 1842 Congress adopted the fiscal year budget, letting the year run from July 1 to the following June 30. Even with this additional time for Congress to provide funds, the fiscal year often began without an appropriation for a department. That was the situation in August 1856 when Congress adjourned without passing the Army appropriation bill. In calling Congress back in special session for that purpose, President Pierce noted that he had partial authority to contract for the supply of cloting and subsistence. But if Congress did not appropriate funds for the Army "the Executive will no longer be able to furnish the transportation, equipment, and munitions which are essential to the effectiveness of a military force in the field. With no provision for the pay of troops the contracts of enlistment would be broken and the Army must in effect be disbanded, the consequences of which would be so disastrous as to demand all possible efforts to avert the calamity." He alerted Congress to other injustices:

> A great part of the Army is situated on the remote frontier or in the deserts and mountains of the interior. To discharge large bodies of men in such places without the means of regaining their homes, and where few, if any could obtain subsistence by honest industry, would be to subject them to suffering and temptation, with disregard of justice and right most derogatory to the Government.

President Pierce also described the threats of Indian raids against the inhabitants of the territories of Washington and Oregon, on the Western plains, and in Texas, New Mexico, and Florida. He feared that disbandment of the Army would invite "hordes of predatory savages from the Western plains and the Rocky Mountains to spread devastation along a frontier of more than 4,000 miles in extent and to deliver up the sparse population of a vast tract of country to rapine and murder." Congress passed the Army appropriation bill 9 days later.

1860–61 STATUTES

The Legislative, Executive, and Judicial Appropriation Act of 1860 contained two sections that restricted executive spending discretion. Section 2 repealed a provision that had allowed departments to reduce deficiencies in some accounts by drawing on surpluses elsewhere. Section 3 contained several provisions relating to public bids for contracts, the feed-and-forage authority, and restrictions on the purchase of patented arms or military supplies. The following history shows how those two sections were related.

When the bill was first reported by the House Ways and Means Committee, on March 19, 1860, it contained the following section placing restrictions on departmental spending power:

> Sec. 2. *And be it further enacted*, That no part of the amount appropriated by any act of Congress for the service of any one fiscal year shall be used for or applied to the service of any other year, nor be transferred to or used for any branch of expenditure than that for which it may be specifically appropriated; and that the twenty-third section of the act entitled "An act legalizing and making appropriations for such necessary objects as have been usually included in the general appropriations bills, without authority of law, and to fix and provide for certain incidental expenses of the departments and offices of the government, and for other purposes," is hereby repealed.

The section, therefore, had three features: A prohibition on transfer of funds between fiscal years; a prohibition on transfer of funds between appropriated accounts; and repeal of a section, passed in 1842, which had given departmental heads authority to cover deficiencies by drawing on surpluses. There was no committee report to elaborate on the objectives and purposes to be served by section 2.

John Sherman, chairman of House Ways and Means, asked that section 2 be modified by striking out the first part relating to transfers between years and by adding the date of August 26, 1842, to identify the act that contained section 23. The language of section 2 was modified as requested by Sherman and included in the bill passed by the House.

The Senate Finance Committee recommended that section 2 be deleted. Although there was no committee report to explain why, Senator Robert M. T. Hunter, chairman of the committee, told his colleagues that the Finance Committee—

> Did not believe such a change would work well . . . [T]hey had been constantly restricting the power of the Departments in regard to transfers, until they have restricted them as far as we think is proper.

Hunter expressed apprehension that a total prohibition on transfers "will turn out to be that we shall make larger appropriations than otherwise would be necessary." In other words, departments would pad their estimates as a hedge against unexpected contingencies and expenses.

The Senate adopted the recommendation of its Finance Committee and deleted section 2. Senator Jefferson Davis then offered the following amendment:

> *And be it further enacted,* That all purchases and contracts for supplies or services in any of the departments of the Government, except for personal services, when the public exigencies do not require the immediate delivery of the articles or articles or performance of the service, shall be made by advertising a sufficient time previously for proposals respecting the same. When immediately delivery or performance is required by the public exigency, the articles of service required may be procured by open purchase or contract at the places and in the manner in which such articles are usually bought and sold, or such service engaged between individuals, No contract or purchase shall hereafter be made unless the same be authorized by law, or be under an appropriation adequate to its fulfillment, except in the War and Navy Departments for clothing, subsistence, forage, fuel, quarters, or transportation, which, however, shall not exceed the necessities of the current year. No arms nor military supplies whatever, which are of a patented invention, shall be purchased, nor the right of using or applying any pretended invention, unless the same shall be authorized by law, and the appropriation therefore explicitly set forth that it is for such patented invention.

The only explanation for this amendment consisted of these words by Senator Davis:

> That is supplemental to existing legislation, and I think it will perfect the restrictions now imposed upon contracts for public supplies. It also introduces a new feature, that of preventing the purchase of patents from individuals for public use, unless Congress shall first make an appropriation for the purpose.

The Davis amendment was adopted without any discussion.

The House did not concur in the deletion of section 2. It proposed that the repeal of section 23—regarding general transfer authority—be put back in the bill. In turn, the House agreed to accept the new Senate language. Representative Justin Morrill explained that this would "circumscribe the discretion upon the part of the different departments of the Government; so that no transfer can be made from one appropriation to another, except for subsistence, forage, and in the commissary and medical departments of the Army. There it seems to be absolutely necessary; for our men must be fed and clothed, wherever they may be. All discretion in reference to other departments will be entirely prohibited, if this amendment be agreed to."

On the following day Senator Hunter described the House compromise as having the effect of leaving "to the War Department the power of transfer that it now has, and to repeal that section of

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the act of 1842 under which other departments have transferred to some extent." With regard to the War Department's transfer power, he was apparently referring to section 2 of the Army Appropriations Act of 1852 which permitted the President to transfer funds "for the subsistence of the Army, for forage, for the medical and hospital departments, and for the Quartermaster's Department * * *."

As agreed to by the House and the Senate and enacted into law, the 1860 bill contained these two restrictions on executive spending discretion:

> SEC. 2. *And be it further enacted*, That the twenty-third section of the act entitled "An act legalizing and making appropriations for such necessary objects as have usually been included in the general appropriation bills without authority of law, and to fix and provide for certain incidental expenses of the departments and officers of the government, and for other purposes," approved twenty-sixth August, eighteen hundred and forty-two, is hereby repealed: and the Secretary of the Interior is hereby authorized to pay, out of any moneys in the treasury not otherwise appropriated, such amount as may by him be regarded as reasonable and just for the rent of the rooms occupied by the United States courts at Los Angeles, California, from the twenty-seventh October, eighteen hundred and fifty-four, to the fifth August, eighteen hundred and fifty-six: *Provided*, That the whole amount shall not exceed the sum of three thousand dollars.
>
> SEC. 3. *And be it further enacted*, That all purchases and contracts for supplies or services in any of the departments of the government, except for personal services, when the public exigencies do not require the immediate delivery of the article or articles, or performance of the service, shall be made by advertising, a sufficient time previously, for proposals respecting the same. When immediate delivery or performance is required by the public exigency, the articles of service required may be procured by open purchase or contract at the places and in the manner in which such articles are usually bought and sold, or such services engaged between individuals. No contract or purchase shall hereafter be made unless the same be authorized by law, or be under an appropriation adequate to its fulfillment, except in the War and Navy Departments, for clothing, subsistence, forage, fuel, quarters or transportation, which, however, shall not exceed the necessities of the current year. No arms, nor military supplies whatever, which are of a patented invention, shall be purchased, nor the right of using or applying any patented invention, unless the same shall be authorized by law, and the appropriation therefore explicitly set forth that it is for such patented invention.

The picture at this point becomes more complex and confusing, for section 3 of the 1860 act—containing the feed-and-forage provision—was amended by the Naval appropriations bill, enacted on February 21, 1861. When the bill was reported by the House Ways and Means Committee on January 7, 1861, it did not contain any general restrictions on executive spending discretion. On the floor, however, Representative Thomas Florence, of Pennsylvania, offered an amendment to broaden the authority of the Secretaries of War and Navy to purchase patented arms:

> *Provided*, That so far as it prevents the discretion of these officers in the purchase and use of any article required for the purposes and use of the Army and Navy which may have been patented, the Secretary of War and the Secretary of the Navy are fully authorized and permitted to make any purchases and to secure the use of any article in their judgment absolutely needed or required for the public service now forbidden by the provisions of the second section of the act making appropriations "for sundry civil expenses of the Government," approved June 23, 1860.

In actual fact, the Sundry Civil Expenses Act became law on June 25, 1860, and it did not contain a section relating to patented arms for the Army and Navy. Representative Florence must have been referring to section 3 of the 1860 act. John Sherman made a point of order against the Florence amendment because it "repeals a law enacted on this subject at the last session of Congress." The point of order was sustained and the naval bill passed the House without reference to section 2 or section 3 of the 1860 act.

Nevertheless, concern about the restriction on patented arms resurfaced on the Senate side. Senator John P. Hale, member of the Naval Affairs Committee, offered an amendment to repeal section 3 of the 1860 act. As justification for the repeal he read from a report in which the Secretary of the Navy said that section 3 was injurious because it restricted the Navy's access to patented arms and military supplies. The effect, according to the Secretary, was to confine the Navy to antiquated equipment. Senator Hale described section 3 as "inconvenient and inhumane to the sailors; and the Secretary asks us to repeal the law that prevents him from buying these patented articles, and also which compels him to advertise for everything he wants to buy. There are certain articles which he should be at liberty to buy without advertisement, which discretion is taken away by this act. We propose, now, merely to repeal it."

Senator James Pearce, ranking Republican on the Finance Committee, agreed that it would be advisable to modify the law by allowing the Secretaries of the War and Navy Departments "to purchase many of the articles which have been mentioned in the paper—by the Secretary of the Navy—that has been read at the Secretary's table; but I should like to see the provision so far as it regards the purchase of patented arms, retained in the law." The Senate agreed to the following language:

> And be it further enacted, That the third section of an act entitled "An act making appropriations for the legislative, executive, and judicial expenses of the Government for the year ending 30th of June, 1861," and approved June 23, 1860, be, and the same is hereby, repealed, except so far as the said section prohibits the purchase of patented fire-arms, as to which the said section shall still be in force.

On the House side, Representative George Hughes of Maryland moved that the section on firearms be repealed as well:

> The War and Navy Department should have the right to purchase such patented arms as they may need. I am not a little surprised that the repeal of this part of the act is not provided for in this amendment.

Hughes withdrew his amendment, the House refused to concur in the Senate language, and the task of devising an acceptable alternative fell upon the conference committee. As enacted into law, the naval appropriations bill contained the following:

> SEC. 5. *And be it further enacted*, That the third section of the act entitled "An act making appropriations for the legislative, executive, and judicial expenses of the Government for the year ending the thirtieth of June, eighteen hundred and sixty-one" approved June twenty-three, eighteen hundred and sixty, be and the same is hereby repealed, except so far as the said section prohibits the purchase of patented firearms, as to which the said section shall still be in force.

This meant that the House and the Senate had inadvertently repealed the feed-and-forage provision, a mistake which Congress remedied within a few weeks by adding a section to the Sundry Civil Expenses Act.

As reported by the House Ways and Means Committee, the Sundry Civil Expenses Act of 1861 contained nothing about transfer or feed-and-forage authority. Nor did those subjects appear in the bill as passed by the House or reported by Senate Finance. On February 25, 1861, however, Senator James Simmons, of Rhode Island, offered an amendment to repeal section 3 of the act. He noted that the provision on patented arms prevented the Secretary of War from purchasing anything "but some of those flintlock guns. I think it is about time we had good arms, if we are to have any." Senator Pearce objected to the amendment on the ground that would allow the Secretary of War to indulge in favoritism when awarding contracts, but the amendment was agreed to by the Senate.

What came out of conference was substantially different. Two parts of the 1860 act were revived: The provision of public bids for contracts and the feed-and-forage authority. Section 10 of the Sundry Civil Expenses Act of 1861 read as follows:

> SEC. 10. *And be it further enacted*, That all purchases and contracts for supplies and services, in any of the Departments of the Government, except for personal services, when the public exigencies do not require the immediate delivery of the article or articles, or performance of the service, shall be made by advertising a sufficient time previously for proposals respecting the same. When immediate delivery or performance is required by the public exigency, the articles or service required may be procured by open purchase or contract at the places, and in the manner in which such articles are usually bought and sold, or such services engaged between individuals. No contract or purchase shall hereafter be made, unless the same be authorized by law or be under an appropriation adequate to its fulfillment, except in the War and Navy Departments, for clothing, subsistence, forage, fuel, quarters, or transportation, which, however, shall not exceed the necessities of the current year. And the third section of the act entitled "An act making appropriations for the legislative, executive, and judicial expenses of the Government for the year ending the thirtieth of June, eighteen hundred and sixty-one," shall be, and the same is hereby, repealed.

The current authority in title 41, section 11, of the United States Code differs from this 1861 act in three respects. The feed and forage law now applies to the Army, Navy, and Air Force. A second change occurred in 1906 when the words "medical and hospital supplies" were inserted after "transportation". Third, the Department of Defense Appropriation Act of 1966 included a reporting requirement for any exercise of authority granted in 41 U.S.C. 11.

AN ANACHRONOUS LAW

It is apparent that the original conditions giving rise to the feed and forage law have long since disappeared. The financial embarrassment facing the Secretary of the Navy in 1825 and President Pierce in 1856 has no counterpart today. If Congress fails to pass appropriations for the Defense Department on time, the Department is covered by a continuing resolution. As a stopgap funding provision, it enables the Department to continue operations uninterrupted while awaiting final action on the regular appropriation bill. At various points in the year the Defense Department can come to Congress for supplemental appropriations to meet unusual and unanticipated expenses.

Furthermore, Congress is no longer a "parttime" legislative body. The 19th and 20th centuries differ markedly in the length of congressional sessions. From 1851 to 1861 the "long sessions"—the first half of a Congress—averaged 236 days, while the "short sessions"—the latter half—averaged only 90 days. Today there is virtually no short session. As a practical matter we are in session year round.

It is also evident that the granting of the feed and forage authority was characteristically tied to the removal of the power of the transfer funds from one appropriation account to another. Today, in contrast, the Defense Department has access to both statutory and nonstatutory means of shifting funds from one program to another. The Department of Defense Appropriation Act for fiscal year 1975 contains transfer authority of $750 million, allowing administrators to take funds out of one appropriation account and place them in another. The act also includes a $2,500,000 contingency fund for the Secretary of Defense to be spent at his discretion for "emergencies and extraordinary expenses."

Moreover, the entire structure of military appropriation bills has changed fundamentally to give administrators additional flexibility. The Army and Navy Departments in the 1820–61 period were subjected to line-item control by Congress. But in recent decades we have funded the Defense Department with lump-sum appropriations. For example, the Defense Appropriation Act for fiscal 1975 contains a lump-sum amount of $7.7 billion for the military personnel, Army account; $7 billion for the operation and maintenance, Air Force account; $2.7 billion for the aircraft procurement, Navy account; $3.2 billion for Air Force research, development, test, and evaluation; and other large lump-sum amounts.

Within those huge accounts the Department of Defense is able to "reprogram" funds from one project and activity to another. The amount of funds reprogramed back and forth in the Defense Department involves several billion dollars a year, again illustrating the degree of spending flexibility available to Pentagon officials.

These examples—and others could be cited—demonstrate that the Department of Defense had adequate flexibility to cope with emergencies and unanticipated expenses. But there is still another reason for amending the feed and forage law. The past few years have highlighted the need for budget reform, the need for Congress to recapture its power of the purse. Nothing is more fundamental, more basic to constitutional principles, than to have financial commitments made by Congress and by Congress alone. No longer can we tolerate the existence of permanent authorizations that allow agencies to make endruns around the appropriations process. Let the Department of Defense, along with other agencies, come through the front door from now on.

Mr. President, I ask unanimous consent that the text of my amendment in addition to a partial report on the dates on which DOD has used the feed and forage law and the amounts used be inserted into the RECORD.

There being no objection, the table and amendment were ordered to be printed in the RECORD, as follows:

USE OF THE AUTHORITY OF SECTION 3732, REVISED STATUTES (41 USC 11)

[In thousands of dollars]

Fiscal year	Appropriation	Amount authorized	Amount used	Ultimate method of financing	Program in which the deficiencies were incurred and reason for use
	DEPARTMENT OF THE ARMY [1]				
1962	Operation and maintenance, Army	$54,044	$54,044	DOD Appropriation Act, 1966, Public Law 89-213.	Funds were required to cover deficiencies in transportation, fuel, medical and hospital supplies, clothing and maintenance.
1966	Military personnel, Army	28,000	0		
1966	Operation and maintenance, Army	139,600	138,602	$142,165 restoration authorized (Public Law 91-171).	Funds were required to cover deficiencies in transportation, fuel, medical and hospital supplies, and maintenance.
1967	Operation and maintenance, Army	7,433	0		
1968	Military personnel, Army	93,400	0		
1968	Operation and maintenance, Army	1,269,100	1,131,834	Transfer from emergency fund, Public Law 90-332 (2d suppl, 1968).	Funds were required to cover deficiencies in transportation, fuel, medical and hospital supplies, clothing, and maintenance of aircraft.
1968	Operation and maintenance, Army National Guard.	1,800	1,828	do	Do.
1969	Military personnel, Army	$410,000	0		
1969	National Guard personnel, Army	16,400	0		
1969	Operation and maintenance, Army	13,000	0		
1969	Operation and maintenance, Army National Guard.	181,300	0		
1972	Operation and maintenance, Army	75,800	[2] $75,800	Undetermined	To cover transportation in connection with increased activities in Southeast Asia.
	DEPARTMENT OF THE NAVY [3]				
1966	Military personnel, Navy	28,400	23,600	Recoveries of prior year obligations	Funds were required to cover deficiencies in subsistence of enlisted personnel, PCS travel costs, and clothing allowance for enlisted personnel.
1966	Military personnel, Marine Corps	19,000	1,700	do	Funds were required to cover deficiencies in subsistence, PCS travel costs, and clothing.
1966	Operation and maintenance, Navy	83,700	66,000	DOD Appropriation Act 1970 Public Law 91-171 and U.S.C. 701-708 (transfer of $65,963,088.16 from O. & M., N "M" account to O & M, N fiscal year 1966 account).	Funds were required to cover deficiencies in ship activities and overhaul, fuel, and transportation of things.
1966	Operation and maintenance, Marine Corps	7,900	6,800	Recovery of prior year obligations	Funds were required to cover deficiencies in depot supply maintenance, training and operation, and transportation of things.
1968	Operation and maintenance, Navy	338,700	0		
1968	Operation and maintenance, Marine Corps	46,600	0		
1968	Military personnel, Navy	142,800	0		
1968	Military personnel, Marine Corps	31,500	0		
1968	Reserve personnel, Navy	5,900	0		
1969	Military personnel, Navy	220,200	0		
1969	Military personnel, Marine Corps	61,500	0		

Footnotes at end of table.

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USE OF THE AUTHORITY OF SECTION 3732, REVISED STATUTES (41 USC 11)—Continued

[In thousands of dollars]

Fiscal year	Appropriation	Amount authorized	Amount used	Ultimate method of financing	Program in which the deficiencies were incurred and reason for use
	DEPARTMENT OF THE NAVY [3]—Con.				
1969	Reserve personnel, Marine Corps	6,400	0		
1969	Operation and maintenance, Navy	20,000	0		
1969	Operation and maintenance, Marine Corps	28,900	3,600	Recovery of prior year obligations	Funds were required to cover deficiencies in the cost of transportation of things.
1972	Military personnel, Navy	2,800	0		
1972	Operation and maintenance, Navy	91,100	[2] 78.300	Undetermined	
	DEPARTMENT OF THE AIR FORCE [4]				
1966	Military personnel, Air Force	45,100	40,323	Administrative cancellation	Funds were required to cover deficiency in subsistence of enlisted personnel and PCS travel costs.
1968	Military personnel, Air Force	72,700	0		
1968	Operation and maintenance, Air Force	528,100	0		
1969	Military personnel, Air Force	413,600	0		
1969	Operation and maintenance, Air Force	398,500	0		
1969	Operation and maintenance, Air National Guard.	15,700	0		
1972	Operation and maintenance, Air Force	85.000	[2] 70,155	Undetermined	To cover minimum essential costs for increased operations in Southeast Asia for fuel, supplies, maintenance, transportation, special air missions, temporary duty travel and other personnel support.
	DEFENSE SUPPLY AGENCY				
1968	Operation and maintenance, defense agencies.	15,900	0		

[1] Data prior to 1960 are not available.

[2] Preliminary June 30, 1972.

[3] Data prior to 1966 are not available.

[4] Data prior to 1954 are not available.

AMENDMENT NO. 490

At the appropriate place in the bill insert a new section as follows:

SEC. . (a) Section 3732 of the Revised Statutes (41 USC 11) is amended by—

(1) striking out in subsection (a) the following: ", except in the War and Navy Departments, for clothing, subsistence, forage, fuel, quarters, or transportation, which however, shall not exceed the necessities of the current year";

(2) striking out the subsection designation "(a)" at the beginning of such section; and

(3) striking out subsection (b) of such section.

(b) The first proviso contained in the paragraph entitled "Medical and Hospital Department", under the heading "MEDICAL DEPARTMENT", in the Act entitled "An Act making appropriations for the support of the Army for the fiscal year ending June thirtieth, nineteen hundred and seven" approved June 12, 1906 (34 Stat. 240), is amended by striking out the following: ", except in the War and Navy Departments, for clothing, subsistence, forage, fuel, quarters, transportation, or medical and hospital supplies, which however, shall not exceed the necessities of the current year".

NOTICE OF HEARING

Mr. EAGLETON. Mr. President, I am pleased to announce that the chairman of the Subcommittee on Health of the Labor and Public Welfare Committee has scheduled hearings for consideration of S. 1681, the Cosmetic Safety Amendments of 1975, which I introduced on May 7. The hearing will be held at 9:30 a.m. on June 12, 1975, in room 6226 of the Dirksen Office Building.

Any person who wishes to testify or submit a statement for inclusion in the RECORD should communicate as soon as possible with the Subcommittee on Health at 224–7675.

NOTICE OF HEARINGS

Mr. PELL. Mr. President, the Subcommittee on Education of the Senate Committee on Labor and Public Welfare has completed its oversight studies and hearings pertaining to vocational education.

With this segment of the subcommittee's work completed, I now announce hearings on postsecondary education, in effect covering all portions of the Education Amendments of 1972. I have tentatively scheduled June 10, 11, and 12 for a discussion on student assistance, while July 15, 16, 17, 22, and 23 will be concerned with general testimony on higher education, as well as testimony regarding section 1202 of the Education Amendments of 1972 which established State higher education planning commissions, the National Institute of Education, the various library assistance programs for developing institutions and, of course, the guaranteed student loan program.

I expect that these hearings, together with the ongoing oversight work, will develop a record on which effective legislative activity can be based so that an omnibus education bill may be reported by the subcommittee in the early fall.

Those persons who wish to testify or file a written statement with the subcommittee should contact Stephen J. Wexler, counsel to the Subcommittee on Education, at room 4228, Dirksen Senate Office Building, or 224–7666.

ADDITIONAL STATEMENTS

SENATOR THURMOND SUPPORTS VETO OF THE SURFACE MINING BILL

Mr. THURMOND. Mr. President, I rise in support of the President's decision to veto H.R. 25, the Surface Mining Control and Reclamation Act of 1975.

My reasons for opposing this bill are very simple. First, it makes no sense for the Congress to pass legislation which would cause more people to be unemployed. If this legislation becomes law, it has been estimated that as many as 36,000 people employed in the surface mining industry will be put out of work at a time when the Nation's unemployment rate has reached its highest level since the 1930's.

Furthermore, this bill would cut the production of coal in the United States drastically. The Federal Energy Administration estimates that 40 to 162 million tons of coal, up to 49 percent of current surface mine production, will be prohibited by the bill. This cut in production would come at a period when electric rates in the Nation are soaring. Mr. President, the consumers of this country can only stand so much, and this cut in coal production will result in even higher electrical costs throughout the land.

In my opinion, the Senate would do the United States a favor by sustaining the President's veto, and I call upon my colleagues to join me in supporting the President's decision.

SENATOR NUNN SPEAKS ON NATO

Mr. CULVER. Mr. President, on NATO affairs, one of the most knowledgeable and foresighted men in Washington is the distinguished Senator from Georgia (Mr. NUNN). He has authored constructive and far-reaching legislation to improve the structure of our own forces in Europe and to insure a more equitable sharing of our common defense burden.

On May 19, Senator NUNN delivered a major address to the NATO Chiefs of Staff in which he called for greater cooperative efforts on the crucial issue of weapons standardization and for global coordination of our national security poliices.

Mr. President, so that all members of the Congress may read Senator NUNN's cogent analysis of NATO's present status and future prospects, I ask unanimous consent that his address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

NATO—PRESENT AND FUTURE—A SPEECH TO THE NATO CHIEFS OF STAFF BY U.S. SENATOR SAM NUNN

Over the last few years, I have spent a considerable amount of time studying the purpose of NATO and the roles of the U.S. and the European countries in NATO. My conclusion is that American and European security interests are intimately related and that both European and American interests are served by a strong NATO. So as an American, I hope to keep NATO strong, and if the right actions are taken and the right attitudes displayed over the next few years, I believe that NATO can remain the security foundation of the free world.

Other than the defense of North America, no security interest is more important to the United States than the defense of Europe. Europe is the ancestral home for most Americans, and we remain tied together by history. We share the same sources of civilization, spiritual commitments, and views about democracy and the preservation of free society.

Beyond these strong historical and cultural ties lies some equally important economic realities. Europe is the world's second largest economic power, behind the U.S. and ahead of the Soviet Union. U.S. investments in Europe are now over $50 billion. Europe is the world's largest exporter and importer. U.S. exports to Europe total over $50 billion each year, providing jobs for probably over two million Americans. Since 1972, exports by the U.S. aerospace industry alone have generated about 90,000 new jobs. And Europe makes regular technological contributions that benefit American business, military forces, and our daily way of life.

For these reasons, few would argue with me when I say that a major U. S. interest is to help preserve a strong and free Europe.

However, some have suggested that detente with the Soviet Union has reduced the importance of NATO. I don't agree with this assessment. While detente is a desirable goal and while we want to ease tensions with the Russians and ohter potential adversaries throughout the world, we cannot forget that the Soviet goal of defeating Western democracy has never been renounced. Detente should be pursued by the West, but it should be defined as an easing of tensions, not as the arrival of the millenium.

Because Soviet military capabilities continue to become stronger, the West can pursue detente and seek reduced tensions only if Western democratic states present a common front and have the military strength to deter Soviet adventurism whenever it may occur. A weakened NATO, in my opinion, would produce greater tension and danger in the world. While continuing to pursue detente, we should again look at NATO's motto which remains true—"Eternal vigilance is the price of peace."

Together the NATO nations can afford the resources to provide deterrence to any Soviet aggression and thus provide a solid foundation for detente.

By itself the U. S. population is almost as great as the Soviet population, and the European NATO members have more people than either the U. S. or the Soviets. When added together, the U. S. and European gross national products are over twice as large as the Soviet economy. The Soviets cannot match our basic collective strength, if we stand and work together.

While our close relationship is well established, many Americans are still dissatisfied with the alliance. Some grievances by Americans are based on false premises, but others have a ring of truth. I would like to examine these concerns in two respects. First of all in the short run and second, in the long run.

During the next year, I expect the U. S. commitment to NATO to remain at about its current level. Through inefficiencies which are already taking place, I expect the U. S. commitment to increase in combat capability and effectiveness. I am sure that you have heard of the amendments that have been proposed in the U. S. Congress to force a unilateral withdrawal of U. S. Forces in Europe, and I do expect these amendments to be reintroduced this year. However, I believe that the supporters of NATO and those who oppose unilateral force reductions have slightly more votes this year in the Senate than they did last year. I cannot speak for the House, but I do believe that the Senate will reject a unilateral withdrawal from Europe this year, perhaps by only a few votes.

Paradoxically, one of the primary reasons why this change has taken place is the recent series of Communist successes in Southeast Asia. On the one hand, these events have contributed to isolationist sentiment in the U. S. But, at the same time, out of adversity comes a searching for friends, a longing for reliable allies, and a clarifying of purpose. Moreover, there is a growing awareness in the U. S. that we are economically and politically interdependent with our allies in Europe and Japan. This is one explanation, and I think it is an important one.

In addition, after several years of debate regarding unilateral withdrawal and the U.S. commitments to Europe, the discussion and debate is becoming more meaningful and up-to-date. I said in my report when I returned from Europe in March, 1974 that there was a vigorous debate in our country and that the debate should continue but I hoped that the debate would begin to focus on the right questions instead of the wrong questions. For example, people are beginning to realize that no money is saved by reducing American troops in Europe unless they are removed from the force structure; and U.S. forces now are already smaller than they were at any time since before the Korean War.

Most Senators also recognize that mutual reductions are possible; and if we can achieve any kind of agreement on MBFR, this is far preferable than any unilateral reductions. If agreement is reached in SALT II, the chances of success in MBFR should increase. The stark reality that you cannot play at the negotiating table without some cards has caused some pause in the move towards withdrawal.

Finally, many Americans are encouraged by the new emphasis NATO is giving to conventional defense. Most Members of Congress used to look at the large number of Soviet Divisions and assume that a convential defense was not possible. But now there generally is a more realistic appraisal of the conventional balance of forces and a recognition that NATO has the resources to provide a stalwart conventional defense if the resources are properly utilized.

None of this means that the NATO triad is being weakened. Conventional, theater nuclear, and strategic nuclear forces all are essential and all have important roles in NATO's strategy. But strengthening the conventional leg of the triad increases deterrence and raises the nuclear threshold.

During the last two years, I have introduced several pieces of legislation to help strengthen NATO that have become law. One argument in favor of troop reductions was that the United States should not have to suffer balance of payments losses because of its overseas troop deployments. My purpose in cosponsoring with Senator Jackson the amendment on balance of payments was to insure that the defense burden was evenly shared between Europe and the U.S.

Because the European nations are responding favorable to the amendment and moving toward a full offset of the U.S. military balance of payments losses in Europe, the defense burden is being more equitably distributed and the arguments for troop reductions are being weakened. Much, however, remains to be done to achieve equity in this regard. The offset is important, not just in terms of dollars, but in terms of perception. The American people are willing and able to pay our share, but they do not like to feel that we are not being given equitable treatment.

Last year I introduced another amendment designed to bring about a review of U.S. and NATO theater nuclear forces. I received the Defense Department's report last month, and it represents a serious effort by DOD to improve understanding of the complex issues that surround theater nuclear weapons. This assessment has and is being conducted very carefully with continuous and prior consultation with NATO Councils.

Last year I also introduced two amendments that were aimed at strengthening NATO's conventional capabilities. One of these amendments required that U.S. support forces (non-combat) in Europe be reduced by 18,000 men, but allowed an add-back to convert these support spaces to combat functions. I am pleased with the progress that the U.S. Defense Department has made in carrying out the provisions of this amendment: one brigade has already been redeployed to Europe, and another is scheduled for movement next year. This means that with the same number of men there is a substantial increase in combat capability taking place in the American forces.

By strengthening NATO's conventional deterrent, the very important role played by U.S. conventional forces in Europe is emphasized, and the political position in this country of our NATO commitment is greatly enhanced.

The other amendment on conventional forces related to standardization. We have just received the Defense Department's report on this. It indicates U.S. and NATO interest in standardization, but not much progress toward it.

Turning to the long run, I think there are two important steps that must be recognized in NATO by all of the governments involved, and that we must begin to move on in a vigorous way—if NATO is going to provide the security for the western world.

First, standardization or interoperability of NATO weapon systems is essential if we are going to keep an alliance that can afford to pay for its own defense.

Second, the alliance must be broadened politically and economically.

This lack of standardization and interoperability, besides generating massive logistic and operational problems, is also an inefficient use of the collective fiscal, technological, and industrial resources of the alliance. For example, while overall NATO R&D effort is about equal to that of the Warsaw Pact, much of the NATO effort is dissipated in excessive duplication.

The proliferation of weapon types and lack of arms standardization in the alliance is staggering: In central Europe alone, according to recent reports, NATO forces currently have 23 different families of combat aircraft, 7 different families of main battle tanks, and 22 different families of antitank weapons; NATO naval forces have 36 different fire-control radars, 8 different SAM systems, and over 20 different calibers of weapons of 30mm or larger; and there are over 100 separate tactical missile systems within the alliance.

For these reasons which are familiar to you, the U.S. and the rest of NATO should begin serious efforts to standardize, or at least assure interoperability of their equipment. This job will not be easy, and we must be careful to avoid a variety of possible pitfalls. For example, many past multinational development projects sometimes have been more expensive than comparable national projects would have been. Similarly, decisions on military equipment should not be made on the basis of satisfying parochial interest groups in any of the nation states.

The main point with regard to armament standardization should be that the various

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nations in the alliance acquire the best possible equipment related to distinct military functions at the lowest possible price, and that this equipment to the greatest possible extent be interoperable in a wartime scenario.

It is with these thoughts in mind that Senator Culver and I are now sponsoring a new amendment on standardization. The amendment would require that to the maximum extent feasible, equipment procured for U.S. forces identified for NATO be "standardized and interoperable with" equipment of NATO allies. Equipment bought for NATO standardization would be excluded from the provisions of the so-called "buy American" Act, and when non-standard equipment is purchased, the Secretary of Defense would be required to advise Congress and explain why this decision was taken. My hope is that this amendment, if pursued, will encourage the growth of standardization in NATO in such a way that it avoids the pitfalls I mentioned above.

The second major area in which the alliance needs to change is by broadening itself politically and economically. The people of America believe in national sovereignty and independence, but they cannot understand why, when America assists the European Allies in the defense of Europe, the allies are nowhere to be found when it comes to political assistance in areas outside Europe. The interests of the free world on many issues in many parts of the world are indivisible, and the narrow view of NATO that has prevailed often in the past, unless changed, could become its ultimate downfall.

We can pretend to believe that NATO should only protect the geography of the Members and should not address other issues, but this kind of short-sighted policy will not sell to the American people in the long run. Suppose for a moment our nation announced that we had no more interests in any part of the world but Europe and North America. What would be the reaction of the European allies? The European nations are vitally affected by what happens in Japan, in Korea, in the Middle East, and in the Pacific and Indian Oceans, and they could be expected to be shaken by such a change in U.S. policy.

For too long, the U.S. has had to carry most of the load around the world. In order to continue to nurture American interest in European defense, the allies will need to provide additional moral and material support to protect their interests throughout the world. At the same time, this need for a more complete recognition of European security interests throughout the world will require the U.S. to consult more with its allies. We cannot expect our allies to be in on the landing unless they play a vital role in the take-off.

I am not suggesting that the military alliance attempt to protect the whole world. I am suggesting that if NATO is to remain a viable alliance, both America and our allies must recognize that a unilateral approach imposed on America towards the problems of protecting the free world will inevitably, in the long run, cause us to become more and more isolationist, and less and less "alliance oriented."

The roles that countries play in the future must be based on current facts and not on lingering fears or guilt about world war II. A whole generation of Americans were born after World War II, and they do not fear the U.S. enemies of that war. I suspect that the same things can be said about many Europeans countries, particularly the younger generation. Most younger generation Americans do not fear the conventional rearmament of Japan and would encourage West Germany to assume a greater role in the world.

Furthermore, millions of Americans have difficulty understanding why the United States should spend almost six percent of our gross national product on national security and provide help for a prosperous and booming Europe which spends only about four percent of its GNP on defense, and Japan, which spends less than one percent of its GNP on defense. I am well aware of the sensitivity and the psychological impact on those who lived through world war II, but the history of World War II cannot provide the answer to this question in future years.

Even though Japan is not a member of NATO, it is and must be considered a partner in the Western Alliance and an important force for freedom and democracy in a crucial area of the world.

Common sense dictates that the allies who are economically strong must either make a proportionate military, or if not military, then at least an economic and psychological contribution to the security of the free world.

So what are NATO's future prospects? I believe the prospects are good if we meet head on the criticisms that I outlined above by taking the actions that are necessary to improve NATO's posture, organization and outlook. This means that over the near term NATO will have to continue to distribute the defense burden more equitably between America and Europe; and that NATO will need to continue emphasizing its conventional defense option and up-dating its theater nuclear posture. Over the longer run, the NATO nations must make progress in weapons standardization and Europe must take a broader view of its interests and responsibilities throughout the world. I am confident that if actions like these are taken, the NATO defense will remain the foundation which protects the free world.

As we celebrate the 30th Anniversary of the conclusion of World War II, as well as the 26th Anniversary of the North Atlantic Treaty Organization, let us recognize that change is inevitable, and let's strive together to mold that change for the benefit of NATO and the free world.

THE LACK OF ACTION ON ENERGY

Mr. ROTH. Mr. President, I am deeply disappointed that the Congress has been unable to come up with legislation to establish a vitally needed national energy program.

In March, the President accepted a compromise I had proposed in a good faith effort to work out a bipartisan energy program.

Apparently, however, too many in both the Senate and House want to carp from the sidelines for partisan and political reasons rather than take the bit between the teeth. They would rather have the President take the responsibility for unpopular but necessary measures. The President has shown his willingness to work with the Congress, but the Congress has responded with inaction and rhetoric.

The lack of action in both Houses clearly places in doubt whether the Congress can be a responsible institution deserving of respect and support. There are going to have to be more statesmen and fewer politicians.

This country cannot escape the fact that a national energy program is needed if the United States is not going to be at the mercy of the oil-producing States. Congress must formulate and agree on well-balanced solutions to increase domestic energy resources and conserve energy use for both the short and long term. These solutions must guarantee adequate supplies of energy at prices we can afford to pay, and be phased in in such a manner that they not be counterproductive to our efforts to revitalize our national economy and create jobs.

LEXINGTON AND LOUISVILLE FOOD PRICE INDEXES

Mr. HUDDLESTON. Mr. President, on May 15 the USDA released a summary of the marketing and transportation situation. It indicated that farm-retail spreads for a market basket of farm foods are expected to change little in the second quarter of 1975. Slight increases in meat prices were predicted which would cause an increase in the retail cost of the market basket.

During the second half of 1975 the release indicated that it was felt that marketing spreads may widen as rising wage rates, energy and material costs, and transportation charges continue to exert an upward push on operating expenses of food marketing firms.

The retail cost of a market basket of foods produced on U.S. farms averaged $1,824 annually in the first quarter of this year, up 1.5 percent from the previous quarter. Compared with a year earlier, retail costs in the first quarter were up about 6 percent.

Gross returns to farmers for market basket foods averaged $721 annually in the first quarter, down 4.5 percent from the previous quarter and down 8 percent from a year earlier.

Farm-retail spreads widen sharply in the first quarter of 1975 as returns to farmers dropped. The spread between the retail cost and the farm value of the market basket averaged $1,104 annually in the first quarter of last year. The farm-retail spread, which represents charges for assembling, processing, transporting, and distributing the products in the market-basket, widened sharply from year-earlier levels for most items.

Mr. President, the Kentucky Council of Economic Advisors has issued a news release regarding the Lexington and Louisville food price indexes. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the news release was ordered to be printed in the RECORD, as follows:

LEXINGTON AND LOUISVILLE FOOD PRICE INDEXES

The Consumer Price Index (CPI) is a statistical measure of changes in the price of goods and services bought by urban wage earners and clerical workers and their families. The index often is called the "cost-of-living index," but its official name is the "Consumer Price Index for Urban Wage Earners and Clerical Workers." It measures *changes* in the price which are the most important cause of changes in the cost of living, but it *does not* indicate how much families actually spend. The food component of this index as it appears in this report is a measure of changes in food prices of 95 items from month to month.

The procedure is to measure price change by repricing the same items at monthly intervals and comparing this to the cost of food bought by consumers in a selected base period. In this case, the base is the first month pricing was done, September 1973. The figures for areas outside of Kentucky are from the Bureau of Labor Statistics (BLS) estimates and are rebased on the September figures to make them comparable to the Kentucky figures. The items prices and the procedures used are the same as those for the national index constructed by the BLS.

The actual numbers for each city and the U.S. are not comparable, but the changes from month to month for each area may be compared. For instance, the prices of food rose less in Lexington from January 1975 to February 1974 than in Louisville. The absolute figures for January *do not* say that the cost of living is higher in Lexington, but rather that food prices rose more from September 1973 to January 1975 in Lexington than in Louisville. Cost-of-living comparisons require more detailed information on other items as well as on comparisons in the base period.

The change from March to April was .85 percent decrease in Louisville and .75 percent increase in Lexington. The March index for BLS collected data is published one month later than those for Kentucky cities.

CPI —FOOD AT HOME COMPONENT

	Louisville	Lexington	Cincinnati	United States
September 1973	100.00	100.00	100.00	100.00
October	98.76	98.02	99.80	99.66
November	97.32	99.02	100.27	100.60
December	96.31	97.93	101.13	101.54
January 1974	99.98	101.99	101.80	103.42
February	101.00	102.31	105.19	106.57
March	101.70	104.08	106.42	107.64
April	100.90	101.81	105.96	106.84
May	102.58	103.46	107.66	107.51
June	99.79	101.92	107.92	107.84
July	100.27	103.13	108.40	107.57
August	101.43	102.58	109.80	109.20
September	103.72	102.16	111.34	110.92
October	105.27	106.33	111.50	111.60
November	105.08	106.61	113.80	112.80
December	106.88	107.99	115.20	114.10
January 1975	105.49	106.43	113.76	114.87
February	107.21	107.12	116.51	115.28
March	106.58	107.35	....	.....
April	105.69	108.16	....	.....

Note: Cincinnati index is based on all food, including food in restaurants.

THEODORE M. LEARY, JR.

Mr. RIBICOFF. Mr. President, a capable and loyal staff is an indispensable necessity for a Senator. Each and every person on my staff plays an important role in aiding me in my work.

But it is the administrative assistant who must coordinate this effort. He or she must be a capable administrator, knowledgeable in world affairs and at the same time knowledgeable about the needs of each and every constituent in the State who needs the help of a Senator. The administrative assistant must also be a diplomat, a public relations specialist, a legislative analyst and a seasoned politician. And he must be willing to lead by example—coming in early, working late, combining hard work with good judgment, patience, and friendliness.

I have been fortunate to have a number of talented administrative assistants. I am proud that each one of them has gone on to establish his own career.

Today I am announcing that my present administrative assistant, Ted Leary, is going on to a new career.

Ted, who joined my staff in September of 1970, as a legislative assistant has served me well in a wide variety of legislative and constituent problems. He has brought to his work good judgment, commonsense and an ability to get things done. He has a fine legal mind which enables him to get to the heart of any problem quickly and find a solution. In April 1974 I appointed him administrative assistant. He has brought to his position the same degree of excellence which he demonstrated in his legislative capacity.

Ted Leary was born on February 18, 1945, in Beverly, Mass.

His academic record is excellent. After graduating from Phillips Exeter Academy in 1962, Ted received his B.A. cum laude from Harvard College in 1966 and received his J.D. cum laude from George Washington University Law School in 1969. While in law school he worked as an intern for Senator EDWARD M. KENNEDY of Massachusetts.

Following his admission to the District of Columbia bar, Ted worked as an attorney in the Litigation Division in the General Counsel's Office at the National Labor Relations Board.

In March 1970, he returned to Capitol Hill as a legislative assistant to Senator THOMAS MCINTYRE of New Hampshire. While his legislative duties were varied, he was deeply involved in Senator McINTYRE's committee work in the banking and housing field.

Ted Leary has been a close friend and adviser to me for the last 4 years. His administrative skills and his valued counsel will be missed. Mrs. Ribicoff and my entire staff wish him good health, success, and a full, constructive life.

THE 50TH ANNIVERSARY OF HICKSVILLE, N.Y., JUNIOR HIGH SCHOOL

Mr. JAVITS. Mr. President, Hicksville Junior High School, located in central Nassau County in Hicksville, N.Y., is celebrating its 50th anniversary this year. A special week of activities, both school and community, is planned for the week of June 2, 1975.

The junior high school building originally served the small farming community of Hicksville as a junior-senior high school. There was an addition to the building in 1929 to meet an increase in student population. After World War II the community population skyrocketed. A large wing and extended facilities were added and the building became a junior high school only. In the 1960's a temporary wing was added to the junior high school. It is, in terms of student population, the largest junior high school in one building in the State of New York.

Located on Jerusalem Avenue just south of Old Country Road, its beautiful architecture which combines colonial and gothic design dating back to the 1920's is in stark contrast to the severe suburban styles representative of the 1950's and 1960's.

The murals on the walls of the auditorium were painted during the late years of the Great Depression by an artist with the Work Projects Administration. These colorful paintings depict an insight into Hicksville's colonial history, the community's notable farming era, early industry and a reminder of the area's role as a cradle of aviation.

The grounds of the Hicksville Junior High School are rich indeed in history. Located on the south side of the building are memorial stones dedicated to the Hicksville boys who have served in both World Wars. The bell tower is devoted to the memory of three Hicksville boys who lost their lives in France during World War I. The Hicksville centennial celebration in 1936 and the weeklong area tercentennial celebrated in 1948 were held at the junior high school. .

The students of Hicksville Junior High School can look with pride at the past accomplishments of students who have gone before them and accept the challenge to try to better the already glorious history of the Hicksville Junior High School.

SOCIAL SECURITY BENEFITS NOT IN DANGER

Mr. CHURCH. Mr. President, the recent Board of Trustees report revealed that the social security system is faced with a short-term and a long-range actuarial deficit.

Benefit outlays are projected to exceed income for this year, essentially for two reasons.

First, our extraordinarily high rate of inflation has produced a higher cost-of-living adjustment than initially projected.

Second, the 8.9 percent unemployment rate—the highest level in 34 years—has greatly reduced the income for the program.

The long-term problem is primarily because of a sharply reduced birth rate. If present projections prove to be accurate, there will be a substantially greater proportion of older persons to younger workers in the 21st century.

Quite clearly, these problems merit the close scrutiny of the Congress and the administration.

But, they are clearly solvable if approached intelligently and dispassionately.

Social security is still sound, and it is working.

Moreover, the retirees of today and tomorrow should have no fear whatsoever that their monthly benefits are endangered.

This point was made very forcefully and convincingly in a May 12 account by Peter Milius in the Washington Post.

Mr. President, I commend this article—entitled "Social Security Benefits Not In Danger"—to my colleagues, and ask unanimous consent that it be printed in the RECORD at the close of my remarks.

The PRESIDING OFFICER. Without objection, it is so order.

(See exhibit 1.)

Mr. CHURCH. Mr. President, I also want to comment on one other matter—Secretary Weinberger's criticism of the Congress for not enacting the administration's proposed 5 percent ceiling for the July social security cost-of-living increase.

UMI

Once again, the administration has attempted to thrust the elderly into the front ranks as inflation fighters.

Older Americans are not responsible for the present inflation which now affects our Nation. But the elderly have been among its chief casualties.

I think it is very wrong that the administration has elected to balance the budget on the backs of the aged, instead of trying to cut back wasteful and unnecessary spending for the military, foreign aid, and other programs.

It should also be pointed out that there was overwhelming bipartisan opposition to the administration's 5 percent ceiling—a proposal which would have forced many older Americans back onto the poverty roles.

In fact the vote on my amendment to express congressional opposition to this limitation was 76 to 13.

EXHIBIT 1

[From the Washington Post, May 12, 1975]

SOCIAL SECURITY BENEFITS NOT IN DANGER

(By Peter Milius)

The Social Security system is not about to go broke. Congress will not let it.

Your elderly relatives are not going to lose their benefits.

You are not going to lose yours, either; when you retire, they will be there waiting for you.

For more than a year now, from both in and out of government, there has come a succession of increasingly bleak reports as to Social Security's future financial soundness. The bleakest report yet on the giant social insurance system came last week.

The Social Security trustees—the secretaries of the Treasury, Labor and Health, Education and Welfare—told Congress that total benefit payments are now expected to start outrunning total tax collections this year, rather than some year in the far-off future, as they had earlier reported.

If nothing is done in the interim, the trustees said, the vast Social Security trust funds—$46 billion at the start of this year—will be steadily drawn down, and by the early 1980s be exhausted.

The trustees' report was not good news, but neither was it the cataclysmic news it may have seemed. The system is not going to run out of money.

The way the law is written, Social Security benefits and taxes both now go up automatically each year, to keep up with inflation.

The trustees' report means that taxes will now have to go up faster than had been thought before, and benefits somewhat slower. But benefits will still go up, and will still be paid.

The mistake many people make about Social Security is in thinking of it in the same way as a private pension plan, or even an individual savings account: you pay in your money (and your employer also pays in, in your name), the government holds and invests it for you, then pays it back to you and your surviving dependents at your retirement or death, or if you become disabled.

If that were how it worked, each individual's money would simply be waiting in the trust funds for him or her to claim it; it would be frightening news to learn that the money was somehow disappearing, and the trust funds running dry.

In fact, however, the government has never wanted nor dared to take that much money out of the spending stream each year and squirrel it away. Rather than a pension plan or savings bank, the Social Security system has always been run much more like a kind of clearinghouse.

Economists call it a transfer system, a system under which the government simply transfers a certain amount of income each year from one part of the population to another. The money comes in from current workers and their employers, promptly goes back out again to retired and disabled workers, or survivors of workers who died before retirement.

You pay now to support your parents; your children will pay later to support you. The trust funds are almost incidental.

The systems is formally known as old-age, survivors and disability insurance. It was set up in the Depression, at the same time and in the same spirit as federal unemployment insurance: to replace part of the income lost when through no fault of your own, a family breadwinner lost or was somehow forced to give up his job.

In the 40 years since, the Social Security system has become one of the dominant institutions in the U.S. economy.

One dollar out of every 20 that the American people now receive in income comes to them through Social Security.

More than 30 million persons are now drawing benefits each month—one seventh of the population.

Total benefit payments next fiscal year are estimated at more than $70 billion—almost a fifth of the federal budget.

Two basic problems are facing this system now, one of them long-range, the other short.

The long-range problem has to do with the baby boom that occurred in the years just after World War II, and that was followed by the present decline in the birth rate, the so-called birth dearth.

The baby-boom generation was big; the present generation is small. The baby-boom generation will start to retire about the time the present generation starts to work. In relative terms, there will be fewer active workers supporing more retired ones. There are now about three people working and paying Social Security taxes for every one collecting benefits. By the 2010 or shortly thereafter, that ratio will be 2 to 1.

The shorter-range problem revolves around the law that Congress passed in 1972 to increase future benefits by the same per cent future price rise.

Congress was actually restraining itself when it passed the law. When it had raised benefits before, it had always raised them more than prices though not without reason; in 1959 benefits were so low that a third of the elderly people in the country were living in what the government officially defined as poverty. By 1973, that fraction had been reduced to one-sixth.

The problem in 1972 was simply that Congress, when it passed the law, underestimated the likely future inflation rate and thus the likely future benefit costs.

In addition, Congress miswrote the law in such a way as to increase the likely basic benefits of workers who will retire in the future much more than it had intended.

The law, besides simply raising the benefits of people once they are on the rolls, would also eventually raise what are known as replacement ratios, which Congress never meant to do.

Social Security benefits only replace a part of a worker's wages when he retires, the ratios tell you how large a part. Raising the ratios even a little raises the system's costs a lot.

With a few unimportant exceptions, the law now provides that only Social Security taxes may be used to pay Social Security costs.

The Social Security tax is now 9.9 per cent of taxable wages, 4.95 per cent on both employer and employee. (The total amount you and your employer both pay each week is 5.85 per cent, but part of that is for Medicare for the elderly, not Social Security.)

This tax rate has gone up rapidly in recent years. So has the tax base, the part of an individual's earnings to which the tax is applied each year. That tax base is $14,100 this year. Under the 1972 law, it will rise automatically each future year by the same per cent as average wages in the economy. It will be $15,300 next year, more thereafter.

This increase each year in the tax base, however, will not be enough to meet all the system's coming costs.

Unless Congress takes some other action, the trustees thus said last week that the tax rate will have to rise to 10.93 per cent for employer and employee combined by 1985, 12 per cent by the year 2000 and 22.44 per cent by 2050.

A 22.44 per cent tax rate is plainly insupportable. The Social Security tax is already under attack as too high, as well as for being regressive, in that it takes a far higher percentage of a poor worker's total income than it does of one who is highly paid.

The trustees proposed, as a first step, that Congress rewrite the law it passed in 1972 so that, instead of rising, the system's replacement ratios will stay where they are.

The rátios now are about 60 per cent for a low-paid worker—the benefits he first gets when he retires are about 60 per cent of the wages he last got when he was working—40 per cent for people making about the median wage, and 30 per cent or below for the higher paid. The benefit structure is progressive, which to some extent offsets the regressiveness of the tax.

If Congress does rewrite the law this way, as it probably will, the system's long-range costs will be much lower than now projected. Instead of a hypothetical tax rate of 22.44 per cent by the year 2050, it would need 16.32 per cent.

That still means, however, that somewhere in the future either taxes will have to be speeded up or benefits slowed down.

It also leaves unresolved the system's more immediate problem, the fact that inflation is higher than anyone thought it would be in 1972, that benefits and costs are thus rising faster than was then foreseen, and that the system will start eating into its trust funds this year.

To deal with this, the trustees, speaking for the administration proposed that the Social Security tax on employers and employees combined be increased the equivalent of 1.2 or 1.3 percentage points sometimes in the next few years. (No one wants to raise the tax until the recession is over.)

. They left for later the next question, which is whether to achieve the increase by raising the tax rate or the tax base.

Such groups as organized labor would rather raise the base, doing that makes the tax less regressive.

What labor would really like to do, however, is stop financing the Social Security system solely out of the Social Security tax, and start shoring up the system instead with general revenues.

Opponents say such a step would destroy the system, in that there would no longer be a fixed relationship between what a person puts in and what he or she eventually gets out. That is also the view of the administration.

In various indirect ways, however, Congress already has begun moving toward the use of general revenues to supplement Social Security.

One such indirect step was taken in 1972, when Congress federalized and began to beef up the nation's so-called adult welfare programs—old-age assistance and aid to the blind and disabled.

These welfare programs are paid for out of general funds. If a worker retires or becomes disabled and his or her Social Security benefits are below the welfare level, these welfare programs will make up the difference.

The Social Security system thus no longer has to worry so much about those receiving

minimal benefits; the welfare programs take some pressure off.

Congress also took some pressure off, indirectly, when it passed this year's tax cut to low-paid wage-earners with children. Though no one said so, it was understood that the cut in income taxes was intended to offset the Social Security taxes such people pay.

Instead of putting income tax money directly into Social Security and cutting Social Security taxes, Congress did it the other way around.

General revenues are one possible solution to Social Security's problems. And if not that, Congress will find another. Those 30 million people receiving benefits—a lot of them vote.

NEED FOR FLEXIBILITY IN THE IMPLEMENTATION OF THE EMERGENCY PETROLEUM ALLOCATION ACT

Mr. HATFIELD. Mr. President, while I have my differences with certain aspects of the President's energy program, I do agree completely that the petroleum allocation system, as presently established, and two-tier pricing of crude oil are creating distortions in our economy, are unnecessary in view of alternatives that are available and in view of the present supply situation, and are detrimental to the long-term interests of our country.

In recent hearings of the Senate Interior Committee, I have repeatedly stressed the need for flexibility in the implementation of the Emergency Petroleum Allocation Act. The Congress stated that the purpose of the act was to grant the President temporary authority to deal with shortages and distribution dislocations, and that the authority was to be exercised to minimize the adverse impact of such shortages or dislocations. In that shortages in petroleum do not exist, one might fairly ask why we stick with a set of stringent allocation regulations that were formulated during the crisis of the winter of 1973–74 to deal with extraordinary circumstances.

Shortages may recur, and we must be prepared for that possibility, but today's supply situation should allow us to try to restore more normal business relationships between suppliers and customers. Indeed, one of the prescriptions to the Allocation Act for the regulations to implement it is that they shall minimize economic distortion, inflexibility, and unnecessary interference with market mechanisms. Today's climate is a good one in which to start minimizing.

A stumbling block to minimization of economic distortion, inflexibility, and market interference is two-tier pricing of crude oil. Obviously, every customer would like to be supplied by an "old oil"-rich refiner, especially a small one that is exempt from all or part of the FEA entitlements program; but more than that, two-tier price controls, even with entitlements, have the entire petroleum industry right down to the neighborhood independent dealer strapped into a straitjacket. At the dealer level, the effect is threatening the economic viability of individual businesses, stifling attempts to meet changing needs of customers and communities, and removing what potential an established dealer may have had to improve his ability to compete.

As the debate over what should be done to alleviate these conditions will take place in the Senate long before the record of the Interior Committee hearings are printed, I will ask unanimous consent to have the testimony of Mr. Frank Zarb, Administrator of the FEA, appear in the RECORD today following my remarks. As I said at the outset, I may disagree with the administration on some of their recommendations, but I am convinced of the necessity to correct the two situations I have highlighted. Some have argued that the way to conserve energy and become less dependent on foreign sources is to create artificial shortages in this country, either by import quotas or by other means, and then allocate the shortages. I submit this is extremely shortsighted.

True, it will have a more immediate impact than some of the alternatives, but it will be destructive in the long run and it will lack public support. Artificial shortages will add to unemployment, further wound industries that rely on key petroleum supplies, devastate recreation and tourism, and cause new citizen frustration with gasoline waiting lines, rationing regulations, mandatory closing of stations, or the like. I submit there would be a demand for the political heads of those who would create artificial crises; but more to the point, such crude and heavy-handed programs inevitably produce unnecessarily severe distress and dislocations relative to what gets accomplished.

Indeed, we had an embargo. We could have another one. But we should be planning and legislating for long-term changes in our energy consumption patterns—changes that will move us away from energy-intensive technologies and that will institute a conservation ethic through our economic system for petroleum products and all other nonrenewable resources. Turning this corner will take some time, for long-range conservation programs cannot do overnight what quotas can do. But programs that do not rely on devices like the allocation system will be more sure, more true, more in the direction we want to go, and more long-lasting. And if there is anything this country needs right now, it is an energy program that meets the latter criteria—firm and unwavering and consistent with our basic principles of a free economy.

I ask unanimous consent that Mr. Zarb's testimony be printed in the RECORD, so that my colleagues in the Senate may review his description of the present FEA programs before deciding upon our next step. Also, I ask unanimous consent that an article from the May 17 Washington Post be printed in the RECORD following Mr. Zarb's testimony. The article describes a case in point, in my own State of Oregon, of the kind of inflexibility I find ridiculous today. I should add, however, that Mr. Gorman Smith, Assistant FEA Administrator for Regulatory Programs, indicated to me yesterday that his office was reviewing the case a second time.

There being no objection, the statement and article were ordered to be printed in the RECORD, as follows:

STATEMENT OF FRANK G. ZARB

Mr. Chairman, members of the Committee, I appreciate the opportunity to appear before you to discuss the mandatory petroleum allocation and price programs under the Emergency Petroleum Allocation Act of 1973 and the alternatives before us when the Act expires later this year.

Since my statement is rather lengthy and detailed, I shall attempt only to summarize it briefly and ask that the entire statement be placed into the record.

The statement consists of three principal parts. The first part describes events that led up to the Act and the factual environment that existed at the time the Act was passed. We think this background knowledge is necessary to understand why the Act contained certain provisions. It also contains a brief description of the creation of the FEA.

The second part presents a description of our regulations with emphasis on several significant aspects—namely, the current allocation program, including the old oil allocation program, and the principal features of the price control program. This description provides a framework within which to view the success of FEA an complying with the requirements of the Act.

The third part describes in general terms the problems that have emerged from the application of the Emergency Petroleum Allocation Act to a much changed supply situation. I have included several examples to illustrate how the provisions of the Act and our regulations that derive from them may be inconsistent with and counterproductive to the goals of the Act and of the various programs which the President and several leading members of Congress in both parties are advocating to deal with our current energy problems. This part also describes our proposal to solve many of these problems through the phasing out of controls on old oil and the elimination of the two-tier price system for crude oil.

With regard to the specific questions raised in your May 12 letter, time was too short to prepare comprehensive written responses. However, my colleagues and I are prepared to address any of these questions which the Committee desires to pursue at this time.

Briefly, in November 1973, when the Act was passed, we faced a severe shortage of crude oil and petroleum products caused by the Arab oil embargo and a set of circumstances which threatened both substantial dislocation in the availability of petroleum products and severe pressures on the market position of independent marketers and refiners. The principal aims of the Act were to meet the Nation's priority petroleum needs first, to distribute the remaining available products equitably, and at equitable prices, among all remaining consumers, and to do both in ways that would preserve the competitive viability of the independent segments of the industry.

To prevent prices from rising to unconscionable levels as a result of the shortage situation, the Act authorized the President to control prices under a general approach of dollar-for-dollar pass-through of increased product costs. Overall, the Act gave us the necessary authority to meet the shortage conditions that existed in the first half of 1974 with minimum impact upon the Nation while preserving the market position of the independent segments of the petroleum industry.

While this country still faces a critical energy problem, the dimensions of that problem are far different from what they were in 1973. There is no longer a general shortage of crude oil or petroleum products, with the possible exception of propane. Crude oil is freely available in the world market, albeit at high prices. Worldwide refinery capacity has increased and, as a result of the higher prices, total demand has declined. This has created, once again, surplus refinery capacity. Independent marketers are finding the major companies receptive to running their refineries at higher throughput rates to achieve lower unit costs and selling the surplus. Independent marketers are now finding supplies readily available. Stock levels are near record highs. Competition has reduced most dealer and supplier margins to below the maximum levels allowed by the Act. In short, in many ways, the market has returned to near the "normal" conditions that prevailed in 1972. For the most part, controls are no longer necessary (except perhaps on a standby basis) to assure adequate fuel supplies for priority users and independent marketers and to protect consumers from price increases resulting from acute shortages.

The principal distortion now remaining results from our two-tier crude oil pricing system. Imported oil, "new" and "released" oil, and "stripper" oil sell for roughly twice the cost of price-controlled "old" oil. Consequently, some refineries that have much higher input costs because of a disproportionate dependence on uncontrolled oil have difficulty competing effectively with those with lower input costs. To rectify this situation, the FEA put into effect a crude oil entitlements program that has the effect of reducing the disparities among crude oil costs that are created by the two-tier price system. In addition, FEA recently proposed the gradual phase out of controls on old oil prices which, if adopted, will eliminate this market distortion and thereby allow the present regulatory structure to be greatly simplified.

Currently, we are encountering a number of anomalies created by a law written for shortage conditions operating in a market characterized by adequate or even surplus supplies of the products covered by the statute. Daily we receive additional evidence that indicates that the EPAA and our regulations are creating distortions and unintended results. Many independent marketers, for example—a group that the EPAA was specifically designed to protect—now feel that the regulations designed to protect them are actually harming them under today's conditions.

For instance, the Independent Fuel Terminal Operators Association, in a statement before this committee on April 28, 1975, testified that they were becoming increasingly concerned at the proliferation of unnecessary, conflicting, and confusing regulations that are stifling competition—and worst of all—threatening the survival of independent marketers. They stated that they were being strangled by red tape, inundated in forms, and baffled by a maze of regulations. They urged that this was clearly not what Congress intended, and they suggested a change in direction and emphasis to establish a more limited allocation program that would eliminate the rigidities and inequities of the existing program and permit a greater play of market forces for the benefit of consumers and independent companies. They recommended that the EPAA be amended to authorize FEA to maintain a program on a standby basis that was based on sales to carefully designed classes-of-trade and to geographic regions, rather than on company-to-company sales as in the current program.

In the same view, The President of the National Oil Jobbers' Council (NOJC) stated on May 5, 1975:

". . . As for our survival, recent experience suggests that the shield which these regulations were to provide has become an unacceptable burden. The administrative burden was acceptable when shortages prevailed, but today it (the shield) no longer serves a useful service and should be replaced."

Similarly, FEA's wholesale Advisory Committee, meeting in Seattle on March 5, 1975, voted unanimously to support the following motion:

"That while surplus of supply exists, the Wholesale Advisory Committee supports the principal of return to a free marketplace economy as rapidly as possible with de-allocation and product price deregulation."

It is becoming increasingly obvious, therefore, that the segments of industry that our allocation laws and regulations were designed to protect now feel that government regulations are now contributing more to the problem than to its solution. In short, a regulatory program designed to cope with a temporary severe shortage is not well suited to an extended period of adequate supply.

We now have underway in the agency a general re-examination of the Emergency Petroleum Allocation Act and the current mandatory allocation and price control programs. We are studying the feasibility of a simplified allocation program that could be adopted on a standby basis, and expect to recommend to the Congress in the near future such legislation as may be necessary to accommodate the Act to current market conditions and the overall national energy program ultimately agreed to by the Congress and the President. Clearly, any decision on the future of the current mandatory allocation program must be taken in the context of our actions to create the financial incentives necessary to augment domestic production, as well as the program we adopt to achieve reductions in demand.

Mr. Chairman, with your permission, I will discuss the major problems inherent in the Allocation Act and the proposal to phase out controls on old oil, and will submit for the record our entire statement that elaborates more fully on these general points and try to respond to your questions.

Thank you.

I. CONDITIONS WHICH LED TO THE ENACTMENT OF THE EMERGENCY PETROLEUM ALLOCATION ACT OF 1973

A. Events leading to a shortage of refinery capacity

During the four years from mid-1969 to mid-1973, the United States experienced an extraordinary hiatus in the construction of new refinery capacity. A series of events combined to cause this moratorium.

First, in November 1969 Congress passed the Tax Reform Act of 1969, which eliminated the 7 percent tax credit for new refinery construction and reduced the depletion allowance from 27½ percent to 22 percent. These changes had the effect of increasing income taxes paid by the oil industry during the following year by about $500,000,000.

Second, in 1969 the President established a Cabinet Task Force to consider changes in our oil import policy. Many in the industry feared that import controls would be removed and that the U.S. would be flooded with cheap foreign oil. 1969 closed with considerable uncertainty concerning our oil import policy. A number of capital investment decisions were deferred. In 1970 the Cabinet Task Force recommended an increase in imports, but the President deferred making a decision. Thus, refiners remained uncertain as to whether adequate supplies of new crude oil would be available to fill new capacity.

Third, in 1970 interest rates increased and the stock market fell. As a consequence, during 1970 many refiners deferred capital expenditures where possible.

Finally, in response to the Clean Air Act and the National Environmental Policy Act of 1970, the Administration established the Environmental Protection Agency. The EPA announced rules for cooling water discharges and air emissions, which had the effect of increasing refinery costs, and commenced hearings on removing lead from gasoline, thus creating uncertainty concerning final gasoline specifications. Refinery engineers faced an unusual predicament. Not only did they not know exactly what crude oil would be available for new refineries because of the uncertainty of our import policy, but they also did not know what product specifications would be required. The year closed with considerable uncertainty, and refinery expansion decisions again were delayed.

In early 1971 conditions appeared to be improving. It became obvious that the government was not going to flood the domestic market with imports, and a picture of likely EPA product specifications began to emerge. However, in August 1971 the President froze prices.

With increased refinery costs due to environmental controls and refinery margins frozen, the industry once again postponed investments for new refinery capacity, investing its money instead in modifications of existing refineries to meet EPA standards.

In 1972 Texas and Louisiana peaked in production and it became obvious that any new refineries would have to use foreign feedstocks. However, the existing oil import controls essentially prevented obtaining such feedstocks. Financial conditions had improved, the investment tax credit had been restored and the industry was beginning to be seriously concerned about the adequacy of domestic refinery capacity, but the uncertainty concerning governmental import policies continued to defer new refinery investments.

In early 1973 Phase III of the Economic Stabilization Program was implemented, which substantially lessened the restrictive character of existing price controls. In April, the President removed mandatory oil import quotas, replacing them with a fee system. Within two months the industry announced plans for 2,000,000 barrels per day of new refinery capacity.

B. The effects of a shortage of capacity on independent refiners and marketers

Refinery expansions generally occur in large increments, creating for the companies involved temporary excess capacity for the period immediately following construction. However, to minimize unit costs, refiners generally attempt to run their refineries at near capacity. Therefore, periods of rapidly increasing refinery capacity are particularly advantageous for independent marketers, since they can ordinarily find large refiners willing to sell them surplus products at low prices in order to utilize their excess capacity. Consequently, during the rapid expansion of refinery capacity in the late 1950's and 1960's, the independents thrived and many new operators entered the business.

By 1971 it became obvious that the country would face a refinery capacity shortage if demand continued its upward trend without major new capacity additions. It was predictable that within a few years the supply of refined petroleum products available to independents would diminish. A number of independent marketers recognized their potential supply problem and made long term supply contracts with major refiners at prices above spot market rates. However, many did not, and they realized the seriousness of their predicament only in late 1972 or early 1973, as they became unable to obtain adequate supplies of products.

The independent marketers had one source of supply in addition to the excess supplies of the major integrated refiners: independent refiners. Unfortunately, at a time when the independent marketer needed

him most, the independent refiner was having troubles of his own. The independent refiner traditionally purchased crude oil from major pipeline companies owned by major oil companies. Few had their own production or purchased crude oil in the field from independent producers. They were assured adequate supplies of crude oil by the policies of state regulatory commissiona that maintained crude production at levels sufficient to meet demand of all refiners at current market prices.

As noted, in 1972 Texas and Louisiana production reached its peak. The United States surplus crude production capacity thereafter disappeared, and independent refiners began to experience difficulty obtaining domestic crude oil from traditional sources. Many were forced either to reduce refinery throughput and curtail supplies to their customers (*i.e.,* the independent marketers), thus further exacerbating the supply problems of independent marketers, or to compete with the major oil companies in the market for domestic and imported crude oil.

C. Changes in the crude oil supply and price picture in 1973

The effect on prices was predictable. The many small and independent refiners entering the crude oil market in late 1972 and early 1973 increased prices at the wellhead for crude oil produced by domestic independent producers. During the same period world crude prices were also increasing. An oil pipeline was accidentally broken in Syria while the Suez Canal remained closed since the Arab-Israeli war of 1967. This forced oil to be diverted around the Cape of Good Hope to reach southern European markets. Simultaneously, tankers capable of carrying both grain and crude oil were diverted to carry grain to Russia. As a result, a tanker shortage developed, tanker rates soared and landed costs increased, putting further pressure on U.S. prices, which by this time were increasing rapidly.

Pressures from the above conditions came to a head almost simultaneously and forced a series of governmental responses. As noted, import quotas were lifted in April 1973, with a fee system being substituted for them. In May 1973 a voluntary allocation program was initiated for crude oil. In June a price freeze was ordered and in August more permanent petroleum price rules were adopted by the Cost of Living Council. Propane and distillate stocks were low and, to avoid possible shortages, the Government ordered a mandatory allocation program for these products, effective October 3 and November 1, 1973, respectively.

There was never an opportunity, however, to determine whether these new programs would work. In early October the "Yom Kippur" war broke out in the Middle East, an embargo was imposed on the United States and other countries by the oil producing Arab countries, and the country was suddenly faced with the possibility of further drastic shortages in crude oil supplies and further spiralling of petroleum coasts. In this crisis atmosphere, Congress passed the Emergency Petroleum Allocation Act in November, 1973.

D. General provisions of the Emergency Petroleum Allocation Act of 1973

Considering the drastic conditions that existed in the fall of 1973, the drastic measures taken by the Congress in the Emergency Petroleum Allocation Act were generally appropriate. The supply picture at that time and the likely short-term consequences were spelled out by Congress in Section 2(a) of the Act as follows:

"(1) shortages of crude oil, residual fuel oil, and refined petroleum products caused by inadequate domestic production, environmental constraints, and the unavailability of imports sufficient to satisfy domestic demand, now exist or are imminent;

"(2) such shortages have created or will create severe economic dislocations and hardships, including loss of jobs, closing of factories and businesses, reduction of crop plantings and harvesting, and curtailment of vital public services, including the transportation of food and other essential goods; and

"(3) such hardships and disclocations jeopardize the normal flow of commerce and constitute a national energy crisis which is a threat to the public health, safety, and welfare and can be averted or minimized most efficiently and effectively through prompt action by the Executive Branch of Government."

Congress spelled out in very simple terms in Section 4(a) of the Act the extraordinary and mandatory authority it was giving to the President to deal with the crisis. Section 4(a) provides that:

"(a) Not later than fifteen days after the date of enactment of this Act, the President shall promulgate a regulation providing for the mandatory allocation of crude oil, residual fuel oil, and each refined petroleum product, in amounts specified in (or determined in a manner prescribed by) and at prices specified in (or determined in a manner prescribed by) such regulation. Subject to subsection (f), such regulation shall take effect not later than fifteen days after its promulgation. Except as provided in subsection (e) such regulation shall apply to all crude oil, residual fuel oil, and refined petroleum products in or imported into the United States."

In Section 4(b)(1), Congress specified, as objectives which must be met to the maximum extent practicable in the mandatory allocation and pricing program established by Section 4(a), the following:

"(A) protection of public health, safety and welfare (including maintenance of residential heating, such as individual homes, apartments, and similar occupied dwelling units), and the national defense;

"(B) maintenance of all public services (including facilities and services provided by municipally, cooperatively, or investor owned utilities or by any State or local government or authority, and including transportation facilities and services which serve the public at large);

"(C) maintenance of agricultural operations, including farming, ranching, dairy, and fishing activities, and services directly related thereto;

"(D) preservation of an economically sound and competitive petroleum industry; including the priority needs to restore and foster competition in the producing, refining, distribution, marketing, and petrochemical sectors of such industry, and to preserve the competitive viability of independent refiners, small refiners, non-branded independent marketers, and branded independent marketers;

"(E) the allocation of suitable types, grades, and quality of crude oil to refineries in the United States to permit such refineries to operate at full capacity;

"(F) equitable distribution of crude oil, residual fuel oil, and refined petroleum products at equitable prices among all regions of the United States and sectors of the petroleum industry; including independent refiners, small refiners, non-branded independent marketers, branded independent marketers, and among all users;

"(G) allocation of residual fuel oil and refined petroleum products in such amounts and in such manner as may be necessary for the maintenance of exploration for, and production or extraction of, fuels, and for required transportation related thereto;

"(H) economic efficiency; and

"(I) minimization of economic distortion, inflexibility, and unnecessary interference with market mechanisms."

Congress further required, in Section 4(b)(2) of the Act, that in specifying prices (or in prescribing the manner for determining them) the President must provide for the use of a single date in computing the base prices of crude oil, residual fuel oil, and refined petroleum products at all levels of marketing and distribution, and that the President must provide for a dollar-for-dollar pass through of net increased product costs to all marketers and distributors at the retail level. Section 4(c)(1) requires the President to allocate supplies so that small and independent refiners and marketers are assured their proportionate share of their 1972 supply levels.

Finally, Section 4(g) of the Act makes it clear that the requirements of the Act are mandatory and that the President cannot exempt crude oil, residual oil or a refined petroleum product from price or allocation controls unless he finds that there is no shortage of such oil or product, that exempting such oil or product will not have an adverse impact on the supply if any other oil or product, and that further regulation of that oil or product is not necessary to carry out the Act. Moreover, before any amendment exempting an oil or product may become effective, the President must submit the amendment and his findings to the Congress. If either House of the Congress passes a resolution disapproving the amendment within five sessional days following its submission, the amendment shall not take effect.

F. Creation of the Federal Energy Administration

At the time of the passage of the Emergency Petroleum Allocation Act, price control authority over the petroleum industry and the rest of the economy as well was exercised by the Cost of Living Council, which had discretionary price and allocation authority pursuant to the Economic Stabilization Act of 1970. There was also in existence an agency known as the Energy Police Office, responsible principally for advising the President and the Cost of Living Council on matters involving energy.

Promptly upon the passage of the Emergency Petroleum Allocation Act, the President issued Executive Order No. 11748, which established in the Executive Office of the President the Federal Energy Office ("FEO"). That Executive Order delegated to the FEO all of the President's authority under the EPAA and the Defense Production Act of 1950 insofar as it relates to the production, conservation, use, control, distribution and allocation of energy. Moreover, the Chairman of the Cost of Living Council was directed to delegate to FEO such authority as the Council had which related to energy matters, which was done on December 26, 1973. The President appointed William E. Simon, then Deputy Secretary of the Treasury, to be the first Administrator of FEO.

An FEO staff, composed of a few energy experts scattered throughout the government, was quickly assembled and set to work to meet the tight timetable established by Congress in Section 4(a) of the EPAA for promulgating allocation and pricing regulations. Those regulations became effective on December 27, 1973, with full implementation occurring on January 15, 1974, and, as explained in further detail below, have undergone continuous revision since then.

On May 7, 1974, Congress enacted the Federal Energy Administration Act of 1974, Public Law 93–275, which created the Federal Energy Administration as an Executive branch agency outside of the Executive Office of the President. This Act was implemented by the President on June 27, 1974, with the issuance of Executive Order No.

11790, which transferred the functions of the FEO to the FEA. The Federal Energy Administration Act expires by its own terms on June 30, 1976.

II. DESCRIPTION OF THE CURRENT FEA PRICING AND ALLOCATION REGULATIONS

A. *Price regulations*

1. Background Concepts

FEA price regulations are derived from those Cost of Living Council price regulations specially designed to deal with the petroleum industry, in accordance with the Phase IV economic sector-by-sector approach to price regulations, which were placed in effect on August 19, 1973, following a 60-day freeze on prices throughout the economy. Upon the transfer of authority to the Federal Energy Office, under the Stabilization Act and the Allocation Act, the CLC petroleum regulations (6 CFR Part 150, Subpart L) were incorporated by reference into FEO price and allocation regulations issued on December 27, 1973, and were republishd as Part 212 of Title 10, Code of Federal Regulations, in the Federal Register of January 15, 1974.

The FEO regulated prices of crude oil and petroleum products until April 30, 1974, under the joint authority of the Stabilization Act and the Allocation Act. In recognition of the April 30, 1974 expiration of the Stabilization Act, the FEO amended the scope of its price regulations to exclude certain petroleum products, such as asphalt, that are not within the scope of products regulated under the Allocation Act (*i.e.*, "crude oil, residual fuel oil, or refined petroleum products").

Currently, the price regulations are divided into three basic sets of rules—for producers, refiners, and resellers (wholesalers) and retailers. The regulations are structured in this way because of the different characteristics and varying degrees of complexity that exist at each level of the petroleum industry.

2. Producers

Under REA regulations, crude oil produced in the United States is either exempt from FEA regulations as to its first sale, or subject to a "two-tier" pricing system under which crude oil is priced at either a ceiling price or the current market price, as further described below.

a. The Two-Tier Pricing System:

The present two-tier pricing system for domestically-produced crude oil, which was first imposed by the Cost of Living Council, is the single most important aspect of the price regulations relating to producers.

The relevant background to this action began in 1959, when in response to significantly lower foreign crude oil prices that threatened the domestic petroleum production industry, the United States imposed a quota system on foreign oil imports. By the 1970's, however, increased U.S. demand for crude oil caused imports to rise despite the quotas.

As U.S. dependence on cheaper foreign crude oil increased, domestic demand failed to cause any significant increase in domestic prices. The quota system had not generated domestic prices high enough to halt significantly the decline in domestic crude oil production.

After the world crude oil supply tightened and the OPEC countries raised their oil prices substantially in 1973, the U.S. experienced more and more substitution of expensive foreign crude oil and petroleum products to offset the shortfall in domestic supplies.

Thus, in August 1973, when the Cost of Living Council devised a system of price controls for the petroleum industry, it concluded that, while most domestically-produced crude oil had to be subjected to ceiling price controls to minimize the inflationary impact of worldwide oil price increases, certain domestically-produced crude oil required an exemption from ceiling prices to encourage domestic production over the long run. It was necessary that the regulatory scheme maintain the proper balance between the promotion of increased supplies and the moderation of prices.

The solution was the two-tier pricing system for domestic crude oil. Under this system, FEA has imposed a ceiling price on domestic crude oil produced from a given property when production is at or below the level of production from the same property in the same month of 1972, denominated "old" oil. This ceiling price is basically the May 15, 1973 posted price plus $1.35, or about $5.25 per barrel on the average.[*] Crude oil produced in excess of 1972 production levels from the same property (*i.e.*, "new" oil) is not subject to a ceiling price and each barrel of new oil produced releases a barrel of old oil (*i.e.*, "released" oil) from a ceiling price. Thus, for example, if a particular property produced 10,000 barrels in January, 1972 and 11,000 barrels in January 1974, 9,000 barrels would have to be sold at the FEA-imposed ceiling price, and 2,000 barrels (1,000 barrels of "new" oil plus 1,000 barrels of "released" oil) could be sold at the free market price.

Also exempted from price controls in the Allocation Act is the first sale of crude oil produced from "stripper well" leases (*i.e.*, oil produced from properties that produced less than 10 barrels per well per day during the preceding calendar year).

Because the two-tier pricing system results in varying crude oil costs to refiners, depending on which domestic producers or importers supply them, it was necessary for FEA to adopt a crude cost equalization program, which is discussed in detail below in connection with FEA Crude Oil Allocation Regulations.

b. Imported Crude Oil:

FEA regulations exempt from ceiling price limitations the first sale into U.S. commerce of imported crude oil because imposing ceiling prices on the first sale of imports into U.S. commerce would result in substantial reductions, if not the elimination, of such imports at a time when the nation still depends on imported petroleum for one-third of its demand. In addition, any rule that would prevent a refiner (or reseller) from recouping what it had to pay to acquire the imported product would conflict with § 4(b)(2) of the EPAA, which provides for a dollar-for-dollar pass-through of increased costs of petroleum products at each level of the distribution chain.

A significant element in FEA's price regulations on imported oil is its regulation of "transfer prices." Under Section 4(a) of the Allocation Act, FEA is required to promulgate a regulation for the allocation of petroleum "at prices specified in (or determined in a manner prescribed by) such regulation." This regulation applies to all petroleum "produced in or imported into the United States" (emphasis added).

FEA regulations permit refiners to pass forward to customers their increased product costs on a dollar-for-dollar basis. For imported products and crude oil, these increases are measured by increases in "landed costs," that is, the cost of crude oil or product landed in the United States. For arms-length transactions the price paid is, of course, an actual cost to the purchaser.

A problem arises, however, in computing the landed cost in transactions between affiliated entities since the parties are not dealing at arms-length. In such transactions, the landed cost or "transfer price" charged by the foreign producer to its U.S. affiliate may be variously computed, and companies naturally choose methods that for tax or other legitimate business reasons are most advantageous to their collective enterprise.

If, however, the transfer price between a foreign producer and its U.S. affiliate is accepted for the determination of landed costs, the profits of the affiliated entities as a whole could be increased by raising the transfer price. Profits would be higher for the international affiliate due to the higher transfer price, but the U.S. affiliate will not necessarily suffer a corresponding decrease in profitability because FEA regulations would permit it to recover the higher transfer price through higher domestic prices. There is, therefore, an obvious incentive for transfer prices to be increased in order to maximize overall profitability, but attendant thereto is the corresponding harm to U.S. consumers in the form of higher prices.

The price regulations that FEO inherited from the Cost of Living Council established two sets of limitations on transfer pricing. First, the regulations required companies to compute landed costs in transactions between affiliates by use of the "customary accounting procedures generally accepted and consistently and historically applied by the firm concerned." Second, to provide for situations in which those accounting procedures might not accurately reflect costs, the regulations enabled the administering agency to look behind a company's accounting procedures. This provision, now § 212.83(f) of FEA's price regulations, provides in part as follows:

"Whenever a firm uses a landed cost which is computed by use of its customary accounting procedures, the FEA may allocate such costs between the affiliated entities if it determines that such allocation is necessary to reflect the actual costs of these entities or the FEA may disallow any costs which it determines to be in excess of the proper measurement of costs."

To avoid abuses in this regard, the FEA, following two extended rulemaking proceedings, issued regulations that prescribe the standards for establishing transfer prices and the standards that the FEA shall use to disallow or reallocate landed costs pursuant to § 212.83(f).

The regulations allow companies to establish transfer prices at arms-length levels. This is a market-oriented standard that attempts to treat affiliate prices in a fashion analagous to third-party pricing. The arms-length standard corresponds to the method that many companies have traditionally used in calculating transfer prices, and it is similar to the standard used by the IRS (although the IRS has not computed transfer prices for the years in question). A "net costs" method, which would have essentially limited the foreign production affiliate's margin per barrel to that of May 1973, was rejected because, among other reasons, it might have created a disincentive for production companies to export crude oil to the U.S. and might have materially lessened the ability of the U.S. to attract sufficient petroleum supplies during emergency periods.

3. Refiners

a. Dollar-for-dollar Passthrough of Increased Product Costs:

The price regulations applicable to refiners reflect the dollar-for-dollar product cost passthrough concept of the EPAA.

(1) Base Prices.—A refiner is limited in the prices it may charge for petroleum products to an amount that represents (1) the refiner's lawful May 15, 1973 selling price to a class of purchaser for that product plus an amount that represents the increase over May 1973 levels in the cost of crude oil and refined petroleum products purchased for resale by that refiner, plus (2) under certain circumstances, some of the increased costs of doing business (other than increased costs of crude oil), such as increased labor, marketing or utility costs.

The first component is termed the "base" price; base prices may be increased to reflect increased product costs. The second component of price is termed "non-product costs"; prices may be increased above base prices to reflect certain increased non-product costs, subject to a profit margin limitation. These concepts were promulgated originally in the Cost of Living Council regulations and were subsequently adopted by the FEO.

On increased product costs, the regulations set forth a method for each refiner to compute the total dollar amount of its increased refined petroleum product and crude oil ("product") costs in each month, and a method for allocating those increased product costs to prices of certain products or product categories in the following month.

(2) Profit Margin Limitation.—As previously noted, increases in eight specific types of non-product costs may also be passed through and reflected in a refiner's prices, but only if the refiner does not, in the fiscal year in which those costs are passed through, exceed its base period profit margin. "Profit margin" is defined in the regulations as a firm's profits expressed as a percentage of that firm's sales, and the base period consists of any two fiscal years, other than the current one, beginning after August 15, 1968.

b. Carry Forward of Unrecouped Increased Product Costs, "Banks":

If refiners were required to raise prices immediately to reflect increased costs of crude oil, or forfeit the opportunity to recover increased costs at a later time, pressure to raise prices would be very strong. Also, certain refiners that incur costs unevenly on a month-to-month basis would simply be unable to pass through all of their increased costs in a particular month in the next succeeding month.

Thus, FEA regulations are designed to permit some flexibility in the allocation of costs.

Product costs that are not recovered in one month may be carried forward and used, within certain limitations, in calculating prices in subsequent months until such costs are recovered.

c. Equal Application of Increased Costs Among Classes of Purchaser:

FEA regulations require generally that refiners apply increased costs to increase prices equally among classes of purchaser of a particular covered product. Differences in weighted average May 15, 1973 selling prices among classes of purchaser are generally reflected in like differences in current lawful selling prices for that product among those classes of purchaser. A principal function of the class of purchaser concept is to preserve the price distinctions among classes of purchaser that customarily existed under free market conditions.

To achieve the objective of making covered products available at equitable prices, FEA regulations require a seller to group together customers that are similarly situated and to compute a weighted average of the seller's May 15, 1973 selling prices in sales to those customers. Sellers are thus required to maintain a single lawful price for a product to all customers that fall into a particular class, rather than having to establish individual maximum lawful prices to individual customers.

On August 30, 1974, FEA promulgated an emergency amendment to Part 212 of its Mandatory Petroleum Price Regulations (39 FR 32306, September 5, 1974) revising § 212.83(d) and providing a limitation on the amount of unrecovered increased product costs that a refiner may carry over after September 1, 1974. The change sets forth specifically the interrelation between the carryover of costs provision and the requirement for equal application of increased product costs among individual classes of purchaser. If a refiner chooses not to allocate all costs available to compute the maximum lawful price for a given product, but still applies the costs so allocated equally to the prices charged to each class, he may carry over those costs not applied. However, for each product, the recoupment of increased product costs will be calculated on the assumption that the largest amount of increased product cost added to the May 15, 1973 selling price and included in the price charged to any class of purchaser was equally applied to the May 15, 1973 prices and included in the price charged to all classes of purchaser, without regard to whether such prices were actually charged. Thus, if as a result of market conditions, a refiner elects to forgo the addition of such increased product costs to increase the selling price to a class of purchaser, those increased costs cannot be recovered subsequently, to the extent that a greater amount of increased costs have been added to the unit price of any other class.

Under prior regulations, the difference between the price charged and the maximum lawful price represented unrecouped costs, which could be carried for later recoupment. Recognizing that, to some extent, refiners had been precluded from increasing prices for their products because of long-term fixed-price contracts, this treatment was continued for prices so restricted by contracts entered into on or before September 1, 1974. However, in order to ensure that this treatment of fixed-price contracts did not become a means by which sellers could avoid the intent of the price regulations to maintain price differentials between classes of purchasers, contracts entered into after September 1, 1974 were not exempted from these amended carryover provisions.

Thus, costs that a refiner is unable to recoup through price increases because of fixed-price term contracts entered into after September 1, 1974 cannot be carried forward for recovery in later months.

Additionally, the regulations governing the carry-forward of unrecouped increased product costs by refiners have been amended to limit the application of increased product costs that are not recouped in the first month in which they are available for passthrough and that are carried forward for use in a subsequent month. Under this amendment, the amount of such costs that may be used to increase prices in a single month above those charged in the immediately preceding month is limited to a dollar amount equal to ten percent of a refiner's total amount of unrecovered increased costs as of October 31, 1974, or as of the end of any month thereafter, whichever is higher.

This limitation was imposed because of FEA's concern that large amounts of accumulated costs provide the potential for drastic price increases if short term supply problems arise.

d. Special Treatment of Certain Products:

The refiner's cost allocation formulae set forth in the regulations recognize that refiners traditionally have not accounted for increased crude oil costs by assigning costs to each of the many products that they refine in precise proportion to the amount of crude oil required to produce the product. Supply and market conditions may dictate that a certain product will receive more than its volumetrically proportionate share of costs; concomitantly, these same considerations may dictate that other products receive less than their volumetric share of costs. The flexibility to increase and decrease prices of products relative to one another serves to provide refiners with incentives to increase the refinery yield of those products for which demand is greatest relative to other products. The overall passthrough limitation of the refiner's formulae assures that a refiner will recoup no more than its total increased product costs across its entire refinery output. Non-product costs must be allocated to products in the same proportions as product costs.

For certain petroleum products, however, for a variety of reasons, FEA regulations provide special limitations on the mechanism for passing through increased product costs. These limitations have changed from time to time to reflect changing conditions and considerations.

(1) Special Product Rule.—A "special product" rule was initially promulgated by the Cost of Living Council, when short supplies were imminent and disproportionate passthrough of increased product costs on special products was a real possibility. Since the defined "special products"—gasoline, No. 2 heating oil and No. 2-D diesel fuel—were a significant portion of refinery output as to which demand appeared to be relatively inelastic, restriction to a proportional passthrough of increased costs on these products was deemed to be appropriate. Further, the special products represented the overwhelming share of petroleum products purchased directly by individual consumers. Propane, which is a basic fuel for home heating and cooking, was originally excluded from "special products" status by the Cost of Living Council because propane traditionally had been underpriced and accordingly was in short supply. As refiners began allocating increased costs to propane, prices for propane rose much more quickly than prices for other products, and FEA therefore amended its regulations to protect propane purchasers, many of whom had no alternate form of fuel for home heating needs, from disproportionate cost passthroughs.

(2) Current Cost Allocation Rules.—Under current FEA regulations, proportionate shares of increased product costs are calculated separately for No. 2 oils (that is, No. 2 heating oil and No. 2-D diesel fuel), for general refinery products (that is, all covered products other than No. 2 oils, gasoline, and crude oil), and for gasoline. The treatment of gasoline, which was originally a "special product" has, however, been modified. Increased costs allocable to No. 2 oils or to general refinery products may now be reallocated to gasoline. No increased costs may be reallocated to No. 2 oils or to general refinery products from any other product category. Except with respect to propane, which retains its "special product" status, refiners may continue to allocate increased costs as they determine among products within the general refinery products category which includes such products as residual fuel oil and aviation fuels. In this manner, the general refinery products category is not permitted to bear, overall, a disproportionate share of increased costs, while at the same time a measure of pricing flexibility among the products within that category is preserved.

Finally, refiners that did not sell unleaded gasoline on May 15, 1973, are permitted currently to price unleaded gasoline at no more than one cent per gallon over the price for leaded gasoline having the same or nearest octane number.

(3) Gasoline Prices under the Import Reduction Program.—As announced in the notice accompanying the proposed regulations issued by FEA on January 17, 1975, the President has determined that it is in the national interest to achieve a reduction in demand for petroleum products, thereby to reduce the dependence of this country on imports of foreign crude oil and petroleum products.

A program to begin achievement of this objective was announced in the President's

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[*] More specifically, under Section 212.73(b) of FEA regulations, the ceiling price for a particular grade of domestic crude oil in a particular field is (i) that highest posted price for that grade of crude oil at that field on May 15, 1973 or, in the absence of such a price, the posted price for comparable crude oil at the nearest field on that date, plus (ii) a maximum of $1.35 per barrel.

State of the Union message to the Congress. Some changes already have been made in the regulations, and others have been proposed.

Continuing analysis and review of that program and of the options that are likely best to reduce this country's reliance on imported petroleum, with the minimum hardship to the nation's people and its economy, have led FEA to tentatively conclude that a larger share of the increased costs of petroleum should be allocated to the prices of gasoline than to the prices of other petroleum products. Since more gasoline is consumed in the United States than any other single petroleum product, a given percentage increase in the price of motor gasoline would likely result in a greater reduction in consumption than would result from applying the same percentage price increase to any other petroleum product. A reduction in demand can also be expected to result in part from the fact that gasoline may be the only petroleum product the use of which remains largely discretionary.

Also, unlike other petroleum products such as residual fuel oil—whose domestic prices are at or near world prices—domestic gasoline prices remain far below world prices. Prices for products other than gasoline, such as certain petrochemical feedstocks, residual fuel oil, and aviation fuel, have risen far more quickly during the past several years than have gasoline prices. FEA believes that in the future gasoline, therefore, ought to bear a greater share of increased costs.

In response to comments concerning the hardship to electric utilities and their customers caused by disproportionately large increases in residual fuel oil prices, further direct restraints have also been proposed on the passthrough of increased costs to residual fuel oil.

(e) Natural Gas Liquids:

Propane is produced both from crude oil and from natural gas, with approximately 30 percent of the domestically produced propane derived from crude oil and 70 percent from natural gas. About 10 percent of the propane used in the United States is imported. Other liquid products produced from natural gas and subject to FEA regulations are butane and natural gasoline.

The Cost of Living Council's Phase IV petroleum price controls, which were effective in August, 1973, and form the basis for FEA's current price regulations, did not distinguish between propane derived from crude oil and propane derived from natural gas. By virtue of the fact that "refiner" was defined broadly in the regulations to include gas processors as well as crude oil refiners, all propane, including that derived from natural gas, was subject to the same price rules. These price regulations were designed with crude oil refiners in mind, however, and were not well suited to regulate natural gas processors.

Propane prices become a controversial issue in the closing months of 1973 and the first months of 1974, at a time when prices rose dramatically from historic levels. During that time, propane was treated under the refiner price rules as one of the many products to which refiners could allocate increased product costs in any amounts they wished to determine maximum lawful selling prices. This treatment was intentionally adopted to allow propane prices to rise and thereby to provide an incentive to increase supplies of propane, which were seriously short at that time. This price rule, together with a tight supply situation for propane, permitted a disproportionate "loading" of increased crude oil costs on to propane prices.

Propane prices rose rapidly during the fall of 1973, creating strong pressures to revise the original CLC rule. Because FEO determined that prices had risen higher than necessary to encourage sufficient supply, FEO issued a Special Propane Rule in January, 1974, which restricted the amount of increased product costs that could be assigned to propane prices to that proportion of the total increased product costs incurred by a refiner in any twelve-month period, which that refiner's sales of propane bore to its total sales of all covered products in the same period.

The Special Propane Rule brought propane prices down somewhat, seemed to have stabilized them. However, beginning in June and July of 1974, propane prices began to increase once again. In response to the likelihood of further increases with the approach of the heating season, the FEA issued in August an Emergency Amendment to the Special Propane Rule that expressly dealt with the fact that some propane is derived from natural gas while other propane is derived from crude oil.

The Emergency Amendment to the Special Propane Rule further restricted the amount of increased product costs that could be assigned to propane produced from crude oil, so that the amount of increased costs of crude oil that could be used to justify higher propane prices was limited to that proportion of a refiner's increased cost of crude oil equal to the percentage that the sales volume of propane derived from crude oil was to the total sales volume of all covered products derived from crude oil.

The Emergency Rule further provided that, with respect to natural gas liquids, only the increased costs of natural gas liquids purchased from unaffiliated entities could be used to justify increased prices of propane. This was done because, under FEA price regulations, there should not have been significant increased costs since May 1973, as to natural gas liquids obtained from affiliated entities.

When the Emergency Amendment was issued, the FEA acknowledged that its price rules did not address the production of natural gas liquid products, including propane, from natural gas in an appropriately specific manner, and the FEA therefore indicated that it would propose more specific rules in the near future on this subject. On September 10, 1974, proposed rules specifically designed to cover prices of natural gas liquids and natural gas liquid products were published. Following receipt of written comments and hearings on this proposal, a final rule was issued.

The basic determination with respect to the new price rules for natural gas liquids and natural gas liquid products (propane, butane, and natural gasoline) was that, consistent with the FEA price regulations generally and with the requirement of Section 5(b)(11) of the Federal Energy Administration Act of 1974, the new regulations could continue to limit propane prices to historic levels, while providing a means of allocating the actual increased costs of producing propane from natural gas to the lawful prices that could be charged for the product.

The principal features of the revised cost-based system now in effect with respect to the pricing of natural gas liquids are:

(1) the continuation of May 15, 1973 as the reference point from which increased costs and lawful prices are to be determined, but with a permitted adjustment of May 15, 1973 selling prices of natural gas liquid products at the first sale level to at least 8.5 cents per gallon for propane, 9 cents per gallon for butane, and 10 cents per gallon for natural gasoline;

(2) provision for the addition of up to .5 cent per gallon to May 15, 1973 selling prices to reflect increased non-product costs incurred in processing natural gas liquids;

(3) provision for the addition of an increment to May 15, 1973 selling prices to account for actual increased cost of natural gas shrinkage attributable to the production of natural gas liquids since that date;

(4) provision for the increased costs attributable to propane to be applied selectively (with appropriate safeguards for independent marketers) among classes of purchaser to increase propane prices for sales to different classes of purchaser;

(5) a requirement that refiners who process natural gas liquids exclude revenue that represent recovery of increased costs of crude oil from the revenues received in the sale of natural gas liquid products, for the purpose of determining net-back payments to royalty owners or producers; and

(6) a price rule for natural gas liquids extracted in gas processing facilities constructed after the effective date of the new regulations, which provides an incentive for the construction of such facilities by permitting somewhat higher prices to be charged for products produced in new plants.

4. Reselling and Retailers

a. Dollar-for-Dollar Pass Through of Increased Product Costs:

(1) Product costs.—Resellers (wholesalers) and retailers are restricted in the prices they may charge for petroleum products to an amount that reflects their May 15, 1973 prices, plus an amount that reflects, on a dollar-for-dollar basis, increases in their cost of the product since May 1973. Increased costs are computed on the basis of the difference between the current weighted average unit cost of the product in inventory and the weighted averaged unit cost of the product in inventory in May 1973, and must be passed through on a product-by-product basis. In other words, increased product costs may not be reallocated among products by resellers or retailers.

(2) Non-product costs.—In addition, in recognition of increased non-product costs, the regulations permit specified per gallon increases in prices charged for certain products by resellers and retailers, to cover non-product cost increases. The amount of the increase permitted depends upon the type of product, the level of distribution, and the volume of product sold. These price increases to cover increased non-product costs were granted on an industry-wide basis because the large number of businesses involved made impracticable the firm-by-firm approach used for the limited number of refiners. For the same reason, resellers and retailers are not subject to a profit margin limitation.

b. Carry Forward of Unrecouped Increased Product Costs, "Banks":

If resellers were required to raise prices immediately to reflect increased product costs, or forfeit the opportunity to recover increased costs at a later time, pressure to raise prices would be very strong. Also, certain resellers that incur costs unevenly on a month-to-month basis would simply be unable to pass through all of their increased costs in a particular month in that month due to the severe price distortions this would create.

Thus, FEA regulations, for resellers as for refiners, are designed to permit some flexibility in the allocation of costs.

Product (but not non-product) costs that are not recovered in one month may be carried forward and used, within limitations essentially identical to those imposed on refiners, in calculating prices in subsequent months until such costs are recovered..

c. Equal Application of Increased Costs Among Classes of Purchaser:

FEA regulations require generally that resellers apply increased costs to increase prices equally among classes of purchaser of a particular covered product. As for refiners, differences in weighted average May 15, 1973 selling prices among classes of purchaser are generally reflected in like differences in current lawful selling prices for that product among those classes of purchaser.

On August 30, 1974, FEA promulgated an amendment to § 212.93(e), parallel to that issued the same day for refiners, precluding the carryover of increased costs not recouped because of an unequal application of such costs to the prices charged different classes of purchaser. As with the refiner rule, there is an exception to this rule where a lesser amount of increased product costs has been applied to one class of purchaser under a fixed price term contract entered into prior to September 1, 1974.

d. Lease Provisions:

FEA regulations provide that the rent charged for real property used for the retailing of gasoline may not exceed that charged on May 15, 1973. However, because FEA authority to control rents is no longer derived from the Economic Stabilization Act, but rather from its authority to control prices of petroleum products, this provision applies only to those leases to which all parties are refiners, resellers, or retailers.

B. Allocation regulations

1. General Background

The Emergency Petroleum Allocation Act of 1973 provides specific temporary authority for the allocation of crude oil, residual fuel oil and refined petroleum products to deal with shortages or distribution dislocations of these products. Broadly speaking, FEA has exercised its authority through two allocation programs—one for crude oil and one for the refined products.

Both crude oil and refined petroleum products are allocated pursuant to the Mandatory Petroleum Allocation Regulations. These regulations, as issued in final form on January 14, 1974, were designed to provide the basis for mitigating the effects of the product shortage caused by the Arab embargo. Upon the termination of the embargo, adequate crude oil supplies became available such that for the 1974–1975 winter and subsequently, refined products other than propane have no longer been in short supply.

In spite of ample product supplies, the Act requires FEA to continue the allocation program with respect to all products unless a particular product is exempted from regulation in accordance with procedures set forth in the Act. FEA has, however, adjusted the initial January 14, 1974 regulatory program to reflect increased supplies. For example, some allocation levels, which determine the amount of fuel a purchaser is entitled to purchase for a certain use, have been increased. In the event of new shortages, FEA would take action to amend its regulations to reflect such shortages. Thus, for example, some allocation levels which have been increased would be reduced.

Section 4(g)(2) of the Act provides a basis for exempting a particular product from allocation controls when the product is in plentiful supply. FEA's efforts to exempt residual fuel oil from controls in the summer of 1974 on the basis that ample supplies existed met such determined opposition that it was concluded that exemptions from the allocation regulations would not be possible until the effects of the two tier price system for crude oil could be neutralized or eliminated. Under the Act, of course, allocation controls would be reimposed upon a product which had been exempted if shortages were to reoccur.

2. Crude Oil Allocation Programs

There are three primary programs by which crude oil is allocated under the Mandatory Petroleum Allocation Regulations. First, domestic crude oil supply relationships existing on December 1, 1973 have been frozen to ensure continuing supplies to small and independent refiners and to provide a supply base for calculation of buy/sell list amounts. Second, an allocation program, known as the buy-sell program, has been established among refiners to provide access to crude oil supplies for small and independent refiners. This program is generally designed to protect the competitive viability of small and independent refiners and to assure adequate supplies of refined products in all geographic regions on an equitable basis. Third, the entitlements program is designed to provide all refiners with equal access to low priced domestic old crude oil to mitigate widely divergent feedstock costs among refiners resulting from the two tier price system. The programs are discussed more fully below.

a. December 1, 1973 Supplier/Purchaser Freeze:

The supplier/purchaser rule for domestic crude oil is set forth in 10 CFR § 211.63 and basically provides that all supplier/purchaser relationships in effect under contracts for sales, purchases and exchanges of domestic crude oil on December 1, 1973, shall remain in effect for the duration of the mandatory allocation program.

The supplier/purchaser freeze as of December 1, 1973 (the December 1 rule) does not apply to the first sale of crude oil from a stripper well lease (over which FEA has no jurisdiction for this purpose) nor to mandatory sales under the buy/sell list. In addition, as to new and released crude oil only, the freeze may be broken if a new purchaser outbids the present purchaser.

The decision to adopt the December 1 rule was made for four principal reasons.

First, the December 1 rule helped to maintain intact most of the pre-existing national distribution system for domestic crude oil, which was threatening to disintegrate during the last quarter of 1973. Since most domestic crude oil contracts were year-long contracts which did not terminate until after December 31, 1973, maintaining supplier/purchaser relationships as of December 1, 1973 preserved and stabilized most of the nation's crude oil distribution system during a period when the potential for disorder was at its peak.

The second major reason for the December 1 rule was that it established a supply floor upon which the buy-sell list supply estimates could be furnished. The initial buy-sell list for February through April 1974 depended upon each refiner being able to estimate its own crude oil availability for a three-month period. In order to make these estimates meaningful, it was necessary to stabilize as much of the existing crude flow as possible so that refiners would have a definite point of reference from which to measure the extent of their shortage. Without maintaining existing supplier/purchaser relationships, it would have been virtually impossible to make the estimates upon which the "buy-sell" allocation program depended. Moreover, the December 1 rule enabled FEA to minimize the amount of crude oil that had to be allocated through mandatory sales under the buy-sell list by preventing crude supply imbalances among refiners from worsening during the critical start-up of the allocation program. As described below, the December 1 rule is an important factor in the current buy/sell list program, since each refiner-buyer's allocation amount is generally calculated by utilization of the February through April 1974 crude runs at he fixed supply level.

The third principal reason for adoption of the December 1 rule was that it preserved access by small and independent refiners to price-controlled domestic crude oil. Without this rule, many small and independent refiners could have been supplanted or cut off by major integrated refiners.

Finally, the December 1 rule has an important function when considered in conjunction with FEA's price controls on old oil at the producer level. With old oil supply arrangements being frozen, producers do not have the ability to freely shift purchasers, and the present purchaser has no incentive to offer a price for old oil production in excess of the lawful ceiling price.

However, to the extent the supply needs of refineries have changed since December 1, 1973, the rule's inflexibility creates problems. This is particularly the case with new refineries and with refineries that are dependent on domestic oil the December 1, 1973 supply levels for which are decreasing or have been terminated.

b. Buy/Sell List Program:

Under the buy/sell program as currently in effect under 10 CFR § 211.65, each small refiner and independent refiner (as those terms are defined in the Allocation Act) is entitled to purchase in each three-month allocation quarter an amount of crude oil equal to the difference between (1) one-quarter of the crude oil it refined (i.e., its "runs to stills" or "crude runs") during the year 1972 and (2) the volume of its runs to stills during the period February through April 1974 (without regard to buy/sell purchases or sales by the refiner during that period), subject to processing agreement adjustments and increased allocation amounts to take into account post-1972 capacity. Small refiners are refiners with a total refining capacity not in excess of 175,000 barrels per day and independent refiners are refiners (regardless of size) that basically possess less than 30% coverage for their refining capacity in controlled crude oil production. Purchases by small and independent refiners, called "refiner-buyers," are made from the 15 U.S. refiners which are neither "small" nor "independent" within the meaning of the Allocation Act. This group, called "refiner-sellers," includes the 15 largest integrated oil companies in the United States, except for several firms classified as independent refiners by reason of their relatively small amount of controlled crude production. Each refiner-seller's share of the total sales obligation under the buy/sell list is fixed; it is the ratio of that refiner-seller's refinery capacity to the total refinery capacity of all 15 refiner-sellers as of January 1, 1973.

The current buy/sell list program has been in effect since June 1, 1974. The program in effect for February through May 1974 was based on each refiner's supply estimates (with no distinctions between majors and independent and small refiners). Each refiner with supplies less than the national average (as calculated by FEA) was permitted to purchase supplies up to the national average from refiners with supplies in excess of the national average. The intent was to permit all refiners in this period of extreme shortages to operate at the same supply to capacity ratio.

FEA's special pricing rules governing allocation sales of crude oil under the buy/sell program (10 CFR § 212.94) provide that a refiner-seller may charge the weighted average price of all crude oil delivered to it in the area of the country where the sale is made in the month in which the sale is made. The seller may also add to the price a "handling fee" of 30 cents per barrel and may adjust the price to take into account the fact that the crude oil sold may be of a higher or lower grade than the seller's average grade. Further adjustments may be made, if necessary, to shift to the buyer additional transportation costs associated with the sale. The program also allows a refiner-seller to pass through on a dollar-for-dollar basis in its prices for refined petroleum poducts any inceased costs related to replacing allocated crude with higher-priced, foreign crude oil (10 CFR § 212.83(c)).

Due to surplus crude oil supplies in the world market and FEA's adoption of the entitlements program (which provides crude cost equalization benefits formerly provided to a certain extent by buy/sell list purchases), of the approximate total purchase

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opportunity of 100,000,000 barrels on the list, between 60% and 70% was purchased in the allocation quarter commencing March 1, 1975. This contrasts with a utilization of between 85% and 90% in prior allocation quarters.

c. Old Oil Allocation Program:

The FEA adopted the final regulations for its old oil allocation program (the entitlements program) in November 1974. The program is designed to equalize substantially costs of crude oil for domestic refiners and to enable independent refiners and marketers who depend heavily upon high cost crude to remain competitive with those having lower crude costs. FEA's rationale underlying its adoption of the program was that some refiners—including the major old oil companies, as a class—enjoyed far greater access to price controlled old oil than certain other refiners—including small and independent refiners, as a class.

The entitlements program allocates low-priced old oil proportionately among all refiners based on their levels of crude runs in a particular month, thus significantly reducing cost disparities which were extant between refiners with access to old oil and those dependent on higher cost domestic (new, released and stripper) and foreign crude oils.

Under the program, cost differentials are reduced through the issuance of "entitlements" to refiners which grant them access to price-controlled old oil. Old oil represents about 40% of the total national supply, and the average price ceiling for old oil is approximately $5.25, compared with over $11 for domestic and imported oil not subject to price controls.

Each month, FEA establishes a national average ratio of old oil supplies to crude runs. By a notice published in the Federal Register, all refiners are issued entitlements equal to the national average ratio, with additional entitlements being issuable to small refiners. Refiners with less than the national average supplies of old oil will then sell their excess entitlements, and refiners with a higher level of old oil supplies than the national average will have to buy entitlements for these excess old oil supplies.

The issuance of entitlements is based on a refiner's actual crude runs, rather than refinery capacity, so that refiners' product outputs are more effectively cost equalized.

If, for example, 70% of a refiner's runs for a month were old oil, and the national old oil supply ratio was 40%, the refiner will have to buy entitlements equivalent to 30% of its total refinery runs for the month from refiners who had old oil supplies below the national average and who therefore had excess entitlements.

Every month, FEA determines the national old oil supply ratio and publishes 40 days after the close of the month a listing showing the number of entitlements issued to each refiner for that month. Entitlement transactions for a particular month are required to be completed by the close of the second month following that month.

Thus, refiners with less than their share of low priced old oil sell entitlements to refiners with more than the national average supplies of old oil. Refiners which sell entitlements use the proceeds to offset the cost of their high priced imported or domestic crude oil, a benefit which is generally required to be passed through to their customers under FEA's price regulations. On the other hand, refiners that purchase entitlements may increase their product prices to reflect entitlement costs.

Small refiners were given special consideration under the entitlements program. First, a bias provides for issuance of incremental entitlements to small refiners over and above the national old oil receipts to crude runs ratio for the particular month. The dollar value of these incremental entitlements has been calculated to be equivalent to the maximum subsidy received by small refiners under the oil import program, with an upward adjustment to take the recent rate of inflation into account. In addition, under an emergency rule (Special Rule No. 8), small refiners required to purchase entitlement were phased into the full amount of their purchase obligations, in order to enable them to file any necessary applications for exception and to adjust their business operations and product prices to their increased costs under the program. For small refiners that filed an application for exception by February 21, 1975, the rule's full exemption (as applicable to November and December entitlements required to be purchased for the first 30,000 barrels per day of each small refiner's runs) remained in effect until the initial decision on the application was issued.

Finally, the entitlements program was modified from the form in which it was initially issued to eliminate issuances of entitlements with respect to imports of residual fuel oil and No. 2 home heating oil after February 1, 1975. This amendment was made because the increased import fee structure under the President's energy program provides for a lesser fee for product imports than for crude oil. This difference in applicable fees was calculated to be equivalent to benefits that would have been received by product imports had such imports continued to be eligible for entitlement issuances after February 1, 1975.

3. Allocation Programs for Refined Products

The refined products allocated under FEA regulations are propane, butane, natural gasoline, motor gasoline, middle distillate fuels, aviation fuels, residual fuel oil, napthas, gas oils, benzene, toluene, mixed xylenes, hexane, lubricants, greases, special napthas (solvents), lubricant base stock oils, and process oils.

The basic concepts underlying the product allocation programs include (a) fixed supplier/purchaser relationships which were in existence as of a base period, (b) allocation entitlements based on allocation levels determined by purchasers' current requirements or base period (historical) use of product, and (c) suppliers' allocation fractions.

a. Supplier/purchaser relationships:

The allocation program established fixed supplier/purchaser relationships to assure a continued flow of supplies by providing the maximum number of purchasers with currently identifiable suppliers. Generally, suppliers were directed to supply their 1972 purchasers in order to comply in the most convenient administrative manner with the requirement of the Act that purchasers be supplied at 1972 levels or at a pro rata reduction from such levels in the event of a shortage. In the case of motor gasoline, a purchaser's base period supplier for each month, therefore, is his supplier for the corresponding month of 1972. Thus, in March 1975 the purchaser's supplier would be his supplier in March 1972. Purchasers without 1972 suppliers are assigned base period suppliers.

Some fuels, however, are allocated on a quarterly basis, rather than monthly, or on the basis of 1973 rather than 1972, so the base period may be a month or quarter of 1972 or 1973.

Supplier/purchaser relationships are generally established for the duration of the allocation program. However, supplier/purchaser relationships for consumers are somewhat flexible. Large consumers of products ("wholesale purchaser-consumers") and their suppliers may mutually terminate their fixed supplier/purchaser relationships. A new supplier/purchaser relationship between the wholesale purchaser-consumer and another supplier, however, must be assigned by FEA, and is deemed to be a base period relationship. Small end-users and their suppliers may terminate their supplier/purchaser relationships and may form new relationships without FEA approval.

Purchasers of products for resale ("wholesale purchaser-resellers") and their suppliers may not terminate their relationships without FEA approval. Furthermore, wholesale purchaser-resellers (typically, new gasoline retail sales outlets) without base period suppliers cannot form supplier/purchaser relationships without FEA approval.

Supplier/purchaser relationships generally exist for the benefit of purchasers. Base period suppliers must offer to their base period purchasers (including assigned purchasers) during an allocation period the amounts of product required by FEA's regulations. The base period purchaser, however, is not required to purchase his entitlement. In times of relative surplus, a purchaser may purchase his requirements from a non-base period supplier who has surplus product for sale.

b. Allocation entitlements:

(1) *Purchasers' allocation entitlements.*—Although supplier/purchaser relationships are fixed by reference to the various base period, the amount of product to be allocated to a purchaser depends on whether the purchaser is an ultimate consumer or a marketer of product, and in the case of consumers, the use to which the product is put. Generally, prior to proportionate reduction of allocation entitlements in times of shortage by application of an allocation fraction, marketers and resellers of products are entitled to receive 100 percent of their base period use while ultimate consumers are entitled to receive amounts determined by usage allocation levels. Consumers of products are classified as either "end users" (relatively small purchasers) or "wholesale purchaser-consumers" (large purchasers). Allocation levels have been established for certain uses of each product. A consumer has no allocation entitlement unless his use of a product has been accorded an allocation level. Consumers without allocation entitlements because their particular use of a product has no priority may purchase a product only to the extent that a supplier has surplus for sale.

(2) Allocation levels.—Allocation levels, which are expressed in terms of current requirements or a percent of base period (historical) use, vary according to the priority assigned each use. Agricultural production has the highest allocation level—one hundred percent of current requirements not subject to a pro rata reduction by application of an allocation fraction. Other users may have an allocation level expressed as one hundred percent of current requirements subject to pro rata reduction by application of an allocation fraction or as a percent of base period use. Thus, for example, the category "emergency services" of residual fuel oil has an allocation level of one hundred percent of current requirements, while "industrial use" of residual fuel oil is accorded an allocation level of one hundred percent of base period use.

c. Allocation fraction:

An ultimate consumer whose allocation level is subject to an allocation fraction and all marketers and resellers must accept a pro rata reduction of his basic entitlement if for an allocation period his supplier has insufficient product to meet the needs of his customers whose allocation entitlements are subject to a fraction. A supplier of ultimate consumers must determine and in effect reserve the amount of product to be supplied to purchasers with allocation levels not subject to a fraction before he determines whether he will have insufficient product to supply his customers whose entitlements are subject to a reduction by a fraction.

As previously noted, only consumers have

allocation levels which are based upon their use of a product. A consumer whose use of a fuel does not have an allocation level cannot be supplied until the supplier has met his supply obligations to those purchasers with an allocation level and those wholesale purchaser-resellers (marketers) which have a supplier/purchaser relationship with the supplier. Furthermore, with respect to some fuels, not all consumers whose use of the fuel conforms to an allocation level have an allocation entitlement.

Thus, the allocation levels for gasoline do not apply to end-users (unless they purchase gasoline in bulk) because of the extreme difficulty in determining the purpose of a purchase at the retail pump level. For example, a taxi fleet operator who purchases in bulk normally is entitled to an allocation of gasoline under the allocation level for "passenger transportation services" of one hundred percent of current requirements subject to an allocation fraction. An individual taxi operator who purchases gasoline at retail for passenger transportation services has no allocation level and, consequently, no allocation entitlement.

Product marketers (wholesale purchaser-resellers) do not have allocation levels based upon the use of fuel. Marketers purchase from their suppliers in order to sell the product to consumers or to other marketers. A marketer's allocation entitlement, generally, is based upon his purchase from his base period supplier during the base period. Thus, a motor gasoline service station which purchased 50,000 gallons of product in January 1972 has a base period use for January 1975 of 50,000 gallons (subject to adjustments). In addition, the marketer would receive product for those amounts he certifies to his supplier for uses not subject to an allocation fraction (such as agriculture production). Other than certified amounts, a marketer's allocation entitlement is subject to his supplier's allocation fraction.

The premise of an allocation program is short supply of product and the resulting need to replace the normal distribution process with allocations. Many, if not most, purchasers will be unable to purchase their actual product requirements. The mandatory allocation program accords an allocation level of one hundred percent of current requirements to agricultural production, Department of Defense use and for some products, certain other priority uses, without imposing a pro rata reduction of their requirements. Thus, all other purchasers with allocation entitlements may be unable to purchase their current requirements or entire base period volumes during a shortage. The allocation fraction is a method by which a supplier assures that his purchasers which must receive less than their requirements will share a shortage on a pro rata basis.

For each allocation period, a supplier determines his total supplies for that period. From total supplies, the supplier subtracts amounts certified for delivery under allocation levels not subject to an allocation fraction and amounts for the state set-aside (which is described below). The remaining supplies (defined as "allocable supply") are available for allocation to the remaining persons and firms which have a supplier/purchaser relationship with the supplier under FEA's regulations.

The supplier then determines his supply obligation for the allocation period. The supply obligation is the allocation requirements of those end-users, wholesale purchaser-consumers and marketers with whom the supplier has a supplier/purchaser relationship and whose requirements are subject to the allocation fraction.

The allocable supply for the allocation period is then divided by the supplier's supply obligation and the resulting fraction is the supplier's allocation fraction.

If the supplier's allocation fraction is less than 1.0, say 0.9, then those purchasers subject to the fraction will be offered only nine-tenths of their allocation requirements. If the allocation fraction is greater than 1.0, then the supplier will have surplus product for distribution under FEA's surplus product regulation.

If a supplier's allocation fraction exceeds 1.0, the supplier distributes product as if his fraction were 1.0. Special rules apply to the disposition of the surplus product which remains. Upon determining that his allocation fraction will exceed 1.0, large suppliers ("prime suppliers") are required to report their surplus to FEA. Within 10 days of receipt of the notice, FEA can direct the supplier to distribute his surplus to certain purchasers, retain the surplus in inventory or take other appropriate action. Thus, FEA might divert a supplier's surplus to another supplier who has a very low allocation fraction to provide relief to that supplier's customers.

If FEA does not direct the disposition of the supplier's reported surplus, he is then required to offer a portion of his surplus to his branded and non-branded independent marketer customers. These marketers must be offered in the aggregate the same proportion of the supplier's surplus product as their 1972 purchases bear to the supplier's supply obligation. Upon compliance with this rule, the supplier may distribute his remaining surplus at his discretion. Suppliers which are not required to report their surplus to FEA are nevertheless required to distribute their surplus in the same fashion.

d. Adjustments to Base Period Use:

Because the base period year in many cases is 1972, FEA has provided adjustments to base period volumes to reflect changed conditions since 1972. An "unusual growth" adjustment was provided to adjust for actual growth in 1973 in excess of 1972 purchases less certain amounts. Further, until August, 1974, the regulations provided a "changed circumstances" adjustment to reflect other growth. At the present time, base period volumes cannot be adjusted except upon a showing of serious hardship or gross inequity. The regulations, however, provide a basis to reflect increased current requirements for those consumers which have an allocation level expressed in terms of current requirements. These adjustments are more or less automatic unless a purchaser or his supplier disputes the amount of the increased current requirements. In cases of disputes, application must be made to FEA to resolve the issue.

e. State Set-Aside:

Provision for emergencies is made under the regulations through the State set-aside program. Currently, a percentage of products subject to the State set-aside, such as gasoline and distillate fuels, which would be otherwise available in a state must be "set aside" from the working stocks of the suppliers who serve the state to meet hardship and emergency requirements of consumers. The State, typically through the Governor's office, administers the distribution of the fuels in the State set-aside.

The State set-aside for an allocation period cannot be accumulated or deferred. The State offices normally release the unused portions of their set-aside for distribution within the State before the end of the allocation period.

f. Miscellaneous Features:

FEA's regulations attempt to provide a basis to allocate refined products in an equitable manner without undue delay or interference. Thus, the regulations fix supplier/purchaser relationships and use historic volumes for convenient reference. However, the mandatory allocation program recognizes that supply imbalances can occur between regions of the country. Consequently, provision is made whereby FEA can adjust reported allocation fractions and redirect product to areas where it is needed.

In many cases, suppliers changed their distribution patterns between 1972 and 1974, often withdrawing from market areas. Accordingly, the regulations, while imposing the obligation to supply 1972 customers, provide for substitute suppliers to assist base period suppliers in meeting their obligations with a minimum of disruption.

Special provisions exist to assist the construction industry since many of its members are no longer working on projects in the same areas where their 1972 suppliers are located. Thus, in 1972 a contractor may have used a local supplier in Denver for a project but in 1975 his work has shifted to a site in Alabama. Obviously, his base period supplier in Denver is unable to supply him in Alabama. The regulations provide a means for the contractor to be supplied by an assigned supplier at the new location.

(1) Curtailments of Alternate Sources of Energy

Because of increasing curtailments of energy sources other than refined petroleum products, such as natural gas, FEA is required under the Act to give consideration to applications for assignment of suppliers and base period volumes to those persons who can use refined petroleum products and who have been curtailed under a federal or state order or plan from their primary fuels. FEA's regulations provide a detailed basis for consideration of these applications without creating undue problems for traditional users of refined products who must now share their fuels with new users with significant energy demands.

(2) Special Provisions Applicable to Particular Products

As noted above, the general provisions provide a framework for allocation of all products. However, special conditions unique to certain products require distinct rules for allocating those products. The particular rules for each product are grouped under a separate subpart in the regulations. The nature and extent of these special rules can be indicated by providing a few specific examples.

(A) Aviation fuels:

Aviation fuels unlike gasoline, are allocated on a quarterly rather than monthly basis. Furthermore, the unique problems faced by international air carriers have required special rules to provide those carriers with domestic product without creating undue hardships for domestic air carriers.

Prior to the embargo, international air carriers purchased their fuel requirements from bonded stocks which are outside the allocation program. During the embargo the price of bonded aviation fuels increased sharply causing severe financial problems for these carriers. Further, many bonded fuel suppliers went out of business. Thus, international air carriers sought access to domestic supplies. Most, however, did not have base period suppliers or adequate base period volumes in those cases where they had purchased domestic fuels in the base period.

Domestic carriers were concerned that international air carriers if granted access to domestic fuels would purchase large quantities of domestic fuel and deprive them of already reduced supplies. Furthermore, it was anticipated that international carriers would purchase domestic fuel subject to allocation fractions and continue to purchase available bonded fuels to replace the quantities of domeatic fuel not allocated to them because of low allocation fractions. This would have been inequitable to domestic carriers. As a result, a rather complicated rule has been devised to provide for domestic allocations to international carriers which fluctuate as international carriers purchase bonded fuels. Internationals are thereby treated on an equitable basis with domestic carriers.

(B) Propane:

Because propane is in short supply with increasing demand because of natural gas curtailments, several unique features have been developed for its allocation in addition to the general rules. Thus, a purchaser of other fuels may purchase his current requirements in excess of his allocation level if he can locate surplus products. However, many users of propane are limited by regulations in their use of propane, including their inventories, to prevent undue diversion of available propane stocks. Special rules have also been devised to regulate the use of propane by synthetic natural gas manufacturers.

Propane has also proven to be different because, unlike other fuels, the effective level for application of the usual allocation rules is not the first distribution level but the second. Thus, special rules have been devised to account for the first level of production and to adjust for the need to apply the general allocation rules at the second (producer-supplier) level of distribution.

(C) Space heating fuels:

In order to assure adequate supplies of fuel for heating, space heating requirementa are accorded an allocation level which specifies a minimum allocation fraction a supplier may use to reduce the purchaser's allocation entitlement when the supplier experiences a shortage. For middle distillate fuels and residual fuel oil, the allocation level for space heating requirements is one hundred ten percent of the amount the purchaser used during the base period. In the event a supplier determines that his allocation fraction for period will be less than 0.8, the allocation level for space heating becomes eighty-eight percent of base period use, not subject to the allocation fraction. This is the equivalent of one hundred ten percent times 0.8, and in effect requires the supplier to apply a fraction no lower than 0.8 to the allocation entitlements of his space heating customers. In the case of propane, the allocation level is ninety-five percent of base period use, and the minimum allocation fraction is 0.9. Although these special rules for space-heating which combine aspects of the two priority allocation levels are complex and require suppliers to make an extra set of allocation calculations, they have been proven necessary by FEA's experience with its original allocation levels for space heating.

(D) Utility allocation:

In order to assist utilities which use residual fuel oil, a special utilities allocation program exists to allocate specified quantities of this fuel on a monthly basis to utilities. These quantities are determined each month by FEA and published in the Federal Register. Obviously, this allocation method can only be used in situations where there is a limited number of purchasers who report to FEA in order that their needs can be quickly assessed and suppliers advised on a monthly basis.

(E) Motor gasoline:

Motor gasoline retail sales outlets, with very few exceptions involving independent marketers, are treated in FEA's regulations as separate entities even when a number of such outlets are owned and operated by the same person or firm. Therefore allocation entitlements of retail outlets are calculated on an individual station basis rather than for an entire chain of outlets.

In order to provide marketers who own and operate two or more outlets a certain amount of flexibility in marketing gasoline while generally preserving historical distribution patterns, FEA gasoline regulations permit a marketer to shift a portion of any outlet's entitlement to another outlet to respond to changing demand patterns. This shift is limited to an increase or decrease of thirty percent in any outlet's entitlement.

These special rules, among others, have proven useful for motor gasoline to meet the needs of independent marketers while providing for equitable distribution of gasoline on a geographic basis.

g. Protection of Independent Marketers:

Section 4(c)(1) of the Act requires that the mandatory allocation program provide for allocation of residual fuel oil and refined petroleum products to each branded and nonbranded independent marketer and each small and independent refiner in an amount sold or otherwise supplied to them during corresponding periods of 1972, as reduced pro rata if supplies are below 1972 levels. FEA regulations provide basic allocations based on 1972 volumes, or for some products, 1973 volumes, to fulfill this requirement. In addition, FEA regulations contain other provisions specifically designed to perserve the competition viability of branded and nonbranded independent marketers and also of small and independent refiners engaged in marketing of product, an objective of the program specified in section 4(b) of the Act.

Suppliers whose allocation fractions exceed 1.0, for example, and who therefore have surplus product, are required by FEA regulations to offer their surplus to their branded and non-branded independent marketer purchasers in at least the same proportion as those class of marketers purchased of the suppliers' total supplies during the base period. This requirement prevents suppliers from favoring their owned and operated resale outlets in distributing surplus product.

A major area of concern with respect to independent marketers and small refiners is the retailing of motor gasoline. FEA regulations provide special rules with respect to independent marketers' and small and independent refiners' gasoline retail activities.

With respect to independent marketers and small and independent refiners who operate more than one retail sales outlet and who closed outlets after January 1, 1973, FEA regulations granted an adjustment to base period volumes of outlets which remain open by an amount up to the total base period volumes of the stations closed during the period January 1, 1973 through June 1, 1974. The regulation also provides that marketers may file for an adjustment to base period volumes for the remaining outlets to compensate for outlets closed after June 1, 1974.

Generally, FEA regulations treat each retail sales outlet as a single firm. This prevents firms which operate multiple outlets from shifting supplies from one outlet to another in excess of thirty percent. The regulations also provide, however, that independent marketers and small and independent refiners may apply to FEA for treatment of some or all of their retail sales outlets as a single firm. Granting a petition for treatment as a single firm does not necessarily give an independent complete freedom to move gasoline among outlets or open and close outlets at will, but does provide a flexibility not otherwise available to other marketers.

Most importantly, the entitlements program for refiners (described above) was adopted in part to provide relief to those independent marketers whose competitive viability was threatened because they were dependent for supplies upon refiners without low cost old crude oil. These marketers, as product supplies increased following the end of the embargo, were threatened because of their inability to purchase products on a basis competitive with those marketers who were supplied by refiners with large quantities of low priced old crude oil.

III. PROBLEMS INHERENT IN THE EMERGENCY PETROLEUM ALLOCATION ACT AND THEIR SOLUTION THROUGH THE PHASE-OUT OF OLD OIL

As noted above, the EPAA was conceived and enacted in the face of the 1973 Arab oil embargo principally to ensure the maintenance of essential activities and equitable distribution of limited petroleum supplies, while preserving an economically sound and competitive petroleum industry. Faced with projected shortfalls in excess of fifteen percent for the first quarter of 1974, the Congress concluded that government intervention in the marketplace was necessary on a short-term basis to avoid severe individual hardship and economic dislocation.

The Act was not, however, drafted with a view toward long-term controls. Moreover, as noted, the supply situation today is much different from what it was in the fall of 1973. Therefore, over the past several months problems which are inherent in the EPAA have become increasingly apparent to FEA as its regulatory program has emerged from the short-term crisis that precipitated it. Listed below, in no particular order, are some of the serious problems that are now surfacing and would in our opinion be perpetuated by a further extension of the EPAA as now written. Following the description of the problems created by the Act is a discussion of FEA's current proposal to phase-out price controls on old oil and thereby eliminate the two-tier price system which is the principal cause of many of these problems.

A. Problems inherent in the Emergency Petroleum Allocation Act

1. The EPAA is in Certain Major Respects Inconsistent with the National Goal of Achieving Long-Term Energy Independence

Although the original objective of the EPAA was to distribute equitably a limited supply of petroleum and to control prices so that the industry did not unnecessarily profit from the shortage at the expense of the public, the situation has changed completely since November 1973, when the EPAA was enacted. The EPAA was principally designed to enhance and fairly allocate restricted petroleum supplies on a short-term basis. Now, a worldwide surplus of petroleum exists, and everyone agrees that our major task is to reduce our undue dependence on imported petroleum, which currently meets about 38 percent of our domestic needs.

The most efficient way to reduce demand (and thereby to reduce imports) is, of course, through the pricing mechanism. While we recognize that there is considerable controversy over the timing and the extent to which prices should be raised to reduce demand, we believe that FEA should be given greater flexibility than the EPAA now affords it to permit market mechanisms to play at least a partial role in reducing our dependence on foreign oil.

The EPAA also creates such inflexibility in FEA's price control program that considerable disincentives to increased domestic production are created. For example, the requirements of Section 4(g) of the Act unnecessarily limit the President in decontrolling the price of all domestic crude oil, or even granting more limited exemptions to certain segments of the industry or types of production, in order to provide appropriate incentives to increased domestic production and refinery capacity. The agency's flexibility will be even more severely restricted if the interpretation of the Act given it by a three-judge panel of the Temporary Emergency Court of Appeals on February 18, 1975, in *Consumers Union v. Sawhill*, No. DC–26, is upheld on review by the full court.

Moreover, certain FEA allocation programs which are directly or indirectly mandated by the EPAA tend to frustrate the goal of reducing our dependence on foreign oil. For example, the crude oil entitlements and the buy-sell programs, which are largely designed to give small and independent refiners necessary access to the cost advantages of price-controlled domestic crude oil, must to some degree have the undesirable effect of encouraging imports, since the burden of their

higher cost is not borne solely by the importer, but shared with his competitors.

2. The EPAA Denies Consumers the Full Benefits of Competition

The EPAA and the FEA regulations which implement it have the effect of preventing the free operation of market forces in the petroleum industry. Such drastic restrictions on competition are no longer warranted by the current supply situation. We believe that the EPAA's broad-brush approach—necessary as it was in an embargo situation—has had the ironic effect in the current marketplace of maintaining some prices at artifically high levels, to the detriment of the ultimate consumer.

For example, the mandatory allocation requirements have necessitated the continuation of the supplier/purchaser relationships that existed during a certain base period, which for most products is 1972. Although necessary to ensure the flow of supplies during a shortage, fixed supplier/purchaser relationships have significantly reduced competition in the present surplus period. Thus, for example, they prevent the federal, State and local governments from procuring fuel at the lowest prices based upon competitive bids, causing continuing higher costs to taxpayers for fuel used by governments. Private consumers, unable to select their suppliers, may also thereby incur higher fuel costs.

Moreover, price controls, while overtly holding down prices, also are operating to support higher prices than might be possible in a free market. The two-tier price system, for example, creates cost disparities which in certain cases allow recovery of higher margins by competitors blessed with lower current costs than would be possible under free market conditions. The dollar-for-dollar pass through rule in Section 4(b)(2) of the EPAA, which in effect allows the continuation of historical profit margin levels, tends to provide government endorsement of and justification for such profit margins, even though those margins were in some cases unnecessarily high during the base period, and the logic of market conditions might dictate lower margins today.

FEA's mandatory allocation programs also restrict ease of entry into certain sectors of the industry, thus further preventing the public from realizing the full benefits of free competition. For example, under the EPAA, FEA is *required* to control the movement of all domestic crude oil. An important aspect in the planning of any new refinery construction, therefore, is negotiation with FEA to ensure that adequate volumes of crude will be allocated under the buy-sell list, and that the new refinery will be eligible to participate in FEA's entitlements program. A similar degree of government involvement can characterize other types of capital investment, down to and including the construction of new retail outlets. Such significant FEA intervention tends to make construction of new refineries or marketing outlets a matter of political clairvoyancy as well as economic calculation, thereby injecting uncertainties which undoubtedly are causing efficient projects that are in the public interest to be delayed or cancelled altogether.

3. The EPAA Prolongs Unwarranted Economic Distortions and Inefficiencies

An unavoidable effect of an extended allocation program is to maintain within the petroleum industry those inefficiencies and distortions that existed during an arbitrarily-chosen base period. Continuation of historic distribution patterns may result not only in prolonging such inefficiencies, but also may have adverse effects upon industrial expansion and population movement.

With respect to domestic crude oil, for example, FEA met the EPAA allocation requirements by freezing supplier/purchaser relationships as of December 1, 1973. As domestic production continues to decline at differing rates in different parts of the country, necessary adjustments in crude oil distribution channels cannot be resolved through the operation of normal market mechanisms, and can only be accomplished by ad hoc action by FEA, which is ill-equipped to deal with such matters.

Distortion must also result from continued regulation of only petroleum products without comparable regulation of such substitute sources of energy as coal, electricity and natural gas. Such disparate treatment disrupts the functioning of normal market forces, and prevents a coordinated response to the nation's energy problems.

4. The EPAA Makes it Very Difficult for the Petroleum Industry to Reach Rational Business Decision

The constant need for regulatory changes to respond to ever-changing market conditions (such as the establishment of the cost equalization program to solve problems created by the two-tier price system) seriously inhibits the industry's ability to engage in long-term business planning. That planning that can be done must also be skewed to reflect the diatortions built into the marketplace as a result of the rigid requirements of the EPAA. This problem will only be exacerbated by further piecemeal extensions of the EPAA, rather than enactment of a new regulatory program which deals with the realities of today's marketplace and our long-term needs.

A prime example of the uncertainty created by FEA regulations results from the supplier/purchaser relationship rules, noted above. These rules have created an administrative house of cards held together only by historical, and in many cases impractical, supplier/purchaser relationships that are mandated by the Act. The more time that passes, the more fragile these relationships will become and the greater the disruption that will result when the program is terminated. In this atmosphere, the industry is understandably reluctant to make the investment decisions which must be made soon if the country's long-term energy goals are to be met. It is therefore incumbent on the Congress to concentrate its attention to the longer-term solutions which will bring some normalcy to the industry.

B. Proposal to phase-out old oil

As can be seen from the above discussion of the problems inherent in the Emergency Petroleum Allocation Act, the solution to many of these lies in the elimination of the two-tier pricing system for crude oil. The two-tier pricing system inevitably causes cost disparities among refiners and marketers of petroleum products which in turn create economic distortions. Although these cost disparities have been substantially reduced by the crude oil entitlements program, they can never be entirely eliminated while the two-tier pricing system exists. Such cost disparities significantly hinder FEA's ability to assure that the competitive viability of the independent sector of the petroleum industry is maintained.

Moreover, the existing complicated structure of price controls at all levels of distribution, which is necessitated due to the existence of the cost disparities resulting from the two-tier price system, tends to be self-defeating over the long run by reducing normal incentives toward increased production and cost control and by eliminating the ability of the industry to engage in long range business planning. As the effectiveness of price controls lags over time, regulations of greater complexity and reach become necessary to maintain the controlled-price structure. Tightening of controls tends to further stifle initiative and to contribute to greater economic distortion.

In his State of the Union Message on January 15, 1975, President Ford called for a massive energy conservation program in which consumption of energy resources would be reduced and domestic production of fuels would be increased, in order to reduce this country's dependence on imported crude oil. Among specific complementary measures proposed to curtail domestic energy consumption, the President listed decontrol of the price of domestic crude oil.

Decontrol would permit domestic crude oil prices to rise to the prevailing world price levels so that the demand-dampening effects which have been felt worldwide would be felt to the full extent in the United States. Under the two-tier price system now in effect, the price of most domestic oil is held at a level approximately half that of world price levels, so that the impact which the escalation of free market prices has had on demand overseas has been considerably cushioned in the United States. The removal of price controls on domestic crude oil is a necessary and integral part of the program to reduce energy consumption and thereby curtail dependence on imported crude oil and lessen our balance of payment deficit.

In addition to reducing dependence on imported oil by reducing demand, decontrol of domestic crude oil prices would stimulate domestic production, or at least slow the rate of decline in domestic production, displacing some supplies of crude oil that would otherwise have to be imported.

It is now generally agreed that measures to insure maximum domestic production of crude oil are essential in order to assure adequate and dependable energy resources for the United States, until alternative domestic energy resources can be developed over the long term. Furthermore, the FEA has found that the production incentives afforded since the fall of 1973 by the rules permitting "new" and "released" domestic crude oil to be sold at free market prices are of decreasing impact or effectiveness.

The existing incentives are only effective for limited periods of time since the inevitable slackening of output will eventually bring production below base levels to the point where existing incentives are no longer adequate to encourage investment in secondary/tertiary recovery and other costly programs designed to increase total output of crude oil. While it is true that the additional incentive afforded by the decontrol of old oil would also eventually diminish in effect due to the inevitable decline or exhaustion of worked-over reservoirs, the purpose of FEA is not to devise a permanent solution to limited domestic production capabilities but to propose incentives of sufficient effectiveness and duration as will yield maximum levels of domestic production until such time as supplementary energy resources can be developed and exploited. Although existing incentives are believed to have contributed substantially to the current improvement in the rate of decline in domestic production, the FEA believes that existing incentives clearly cannot work to maintain domestic production at levels now thought necessary to avoid an unacceptable degree of reliance on imported fuels over the next few years.

Other parts of the President's program call for legislative action. In particular, the enactment of a windfall profits tax and of legislation to alleviate the impact of higher energy costs on consumers have been proposed. In light of the fact that the Congress has made little progress in either developing a comprehensive energy program or providing the President with the authority he needs to implement his comprehensive energy program, and in order to avoid any adverse impact on our national economic recovery, FEA has proposed a gradual two-year phase-out rather than abrupt decontrol of old oil. This gradual phase-out will allow the Congress sufficient time in which to enact an effective windfall profit tax, while at the same time gradually eliminating the economic disincentives and distortions resulting from the present two-tier price system. By spreading the relatively small, 5–6¢ per gallon, price increase over a 25-month period, furthermore, its impact upon the consumer would not be unduly burdensome, when compared to its benefits.

Although the FEA has not yet completed its analysis of all the comments received with respect to its proposal to phase-out old oil and is still considering possible modifications in view of those comments, we remain convinced that the Nation cannot afford to wait indefinitely for the Congress to enact a decontrol plan of its own. Action is presently needed to develop domestic supplies, to reduce our vulnerability to import disruptions by reducing demand, and to allow FEA to eliminate many complex regulatory programs whose continued existence is solely due to the distortions caused by the two-tier price system. Therefore, FEA is working rapidly to perfect its proposal to phase-out price controls on old oil, so that the amendment may be submitted to the Congress in accordance with the provisions of Section 4(g) of the Emergency Petroleum Allocation Act at an early date.

IV. CONCLUSION

I have tried to present a detailed explanation of our implementation of the Act by operation of our mandatory allocation and price control programs along with a discussion of some of the problems associated with indefinite continuation of those programs. One purpose of this presentation has been to impress upon you the complexity and totally pervasive nature of the regulatory program necessary to carry out the requirements of the Emergency Petroleum Allocation Act.

It is apparent that these regulatory programs, which were originally designed to deal on a temporary basis with a period of severe shortage of supply, are now operating in a totally different, surplus-supply environment. If the government is forced into the long-term posture of regulating this complex industry and influencing, if not dictating, its business decisions, we believe that the Nation will be poorly served. Accordingly, the Administration opposes any extension mandating this degree of regulatory involvement.

Let me emphasize that we are not oblivious to certain real problems which may require some continuing regulatory role with respect to the petroleum industry after August 31 of this year. For example, FEA forecasts that shortages of certain natural gas liquids such as propane and butane may continue to exist in the coming years. Some authority to allocate these products, if in critically short supply, may still be necessary to prevent large industrial users or synthetic natural gas plants from diverting excessive portions of the available supplies. The continued competitive viability of independent marketers and small refiners, which was one of the principal reasons for the enactment of the EPAA in 1973, also remains as valid a concern today. This area, too, would require continuing regulatory authority of a standby or limited nature, at least until the phased decontrol of old oil was completed.

The essential point, however, is that the form and extent of any necessary continuing federal regulation of the petroleum industry cannot conceivably be determined until the Congress has completed action on the President's short term energy conservation proposals, some of which are discussed above. The primary need for any continued allocation and price control authority would depend on the effects of those proposals, and would be appropriate to complement the near-term conservation measures to achieve the goals of the President's program.

This being the case, we urge that the Committee defer consideration of amendments to or extension of the Allocation Act until we understand with greater certainty the nature and characteristics of the national energy policy ultimately develcped by the Congress and the President. Instead, the Administration urges the Congress to continue its thorough and constructive review of the President's program, with a view to prompt action on its substance.

I am confident that the Congress and the Administration will use well the time available to us before the expiration of the Act and resolve many of our national energy policy issues. Then we may turn anew to examine carefully but promptly the type of continuing allocation authority which may be necessary to carry out our national energy program. And we will not hesitate to submit to the Congress such legislation as this examination suggests may be necessary.

[From The Washington Post, May 17, 1975]

FEA Orders Schools To Buy From Convicted Oil Supplier

(By Thomas O'Toole)

The Federal Energy Administration has told seven Oregon schools that they must continue to buy heating oil from a supplier convicted of stealing their oil and of charging them for oil he never delivered.

"I don't understand why we have to do business with somebody we plainly don't want to do business with," was the bewildered reaction of Robert Work, superintendent of schools in Eagle Point, Ore. "I don't understand why with all the oil there is around today the federal government is telling us who we have to buy it from."

The FEA has told Work he must continue to buy oil from the Hillyer Oil Co. of Medford, Ore., a company whose owner was placed on probation for two years and fined $2,000 after pleading no contest to a charge of theft involving the Eagle Point schools.

Hillyer owner Thomas Norman Hanson was charged with telling one of his drivers to siphon 500 gallons of a truckload of oil the driver was delivering to Eagle Point into a service station owned by Hanson.

The driver told Jackson County prosecutors that Hanson sent the Eagle Point schools a bill for 7,780 gallons of oil on that delivery, which was 330 gallons more than the driver picked up and 880 gallons more than he delivered to the Eagle Point schools.

"At the time this was going on Hanson was the sole supplier to the Eagle Point schools," said Jackson County Deputy District Attorney Raymond White.

Eagle Point is now able to buy some of its oil on the open market at prices lower than it pays Hillyer. It still buys oil from Hillyer but not as much as it bought last year and the year before, when it paid Hillyer an average of 40 cents a gallon for 225,000 gallons of fuel in each of those two years.

Thinking they could change oil suppliers as easily as it changes pencils and erasers, the Eagle Point school officials asked the FEA to assign it another oil supplier. The school officials cited their experience with Hillyer and also complained that Hillyer had no meters on its trucks so the officials never knew if they were getting oil they ordered.

The FEA denied Eagle Point's request on the grounds that Hillyer would not agree to a change. Eagle Point then appealed to a higher echelon at FEA. That appeal was denied because Eagle Point's ability to buy oil on the open market from suppliers other than Hillyer means that it "failed to demonstrate that it was experiencing a gross inequity," the FEA said.

CORRUPTION IN THE GRAIN TRADE—II

Mr. CLARK. Mr. President, in the last few weeks, there have been a series of disturbing reports about corruption in the grain trade and the indictment—and guilty pleas—of grain inspectors in Houston and New Orleans. The corruption has serious implications for U.S. trade and foreign policy, and it is a problem that deserves the attention and concern of the Congress.

Iowa is the Nation's number one corn-producing State—where farms have the highest yields in the world. The farmers of Iowa have worked hard to achieve that productivity. The entire country has gained from this effort, and so have the importing countries who rely on the abundance of U.S. agriculture. Now, the quality of U.S. grain exports and the integrity of the Government process that is supposed to guarantee that quality have been placed in jeopardy.

In a series of stories in the Des Moines Register and, in a front page story in the New York Times of May 20, there are extensive reports on indictments brought against federally licensed inspectors for taking bribes. The Washington Post carried still another story this morning. The bribes led inspectors to permit shipping companies to load corn into ships which normally would not pass inspection and Federal standards of cleanliness. Bribes also may have influenced the trading and weighing of grain, frequently accounting for inferior quality shipments to foreign countries, particularly developing countries who do not have the facilities nor the personnel to inspect the shipments themselves.

The Des Moines Register of May 11 and May 13 reported that charges of corrupt practices in our inspection system go back at least 6 years, and even though the administration knew of the problem, it did not undertake any investigation of its own. In fact, as grain shipments increased and complaints from this countrys' most important customers arose with greater frequency, the Department of Agriculture responded by cutting back the number of Federal inspectors.

Both newspapers report that the indictments suggest the possible involvement of the major grain exporting and shipping companies. The FBI and Justice Department are now undertaking an investigation of the problem, but it is unclear exactly how far they will take it.

These allegations alone are cause for considerable alarm. The New York Times article stated the problem succinctly:

> The inquiry has serious international implications. Grain makes up most of the $22 billion a year earned by this country's agricultural exports—a total of $11.87 billion is projected for this fiscal year—which represents an important tool of foreign policy. About one-third of all grain exports, including much of the corn from the Middle West, moves through the port of New Orleans.

Complaints have been registered by developing countries like Nicaragua as well as traditional trading partners in

Europe. These countries do not tie faulty shipments to individuals; they blame the U.S. Government—and with some justification.

What will be the outcome of our efforts to gain greater access to European markets for American grain if the grain is substandard and European customers are dissatisfied?

On May 13, Secretary Kissinger offered a proposal for an international system of grain reserves. Without commenting on the merits of the plan which is still being drafted, one cannot help but wonder what good it will do if it appears that the United States could keep substandard grain in storage for its share of world reserves.

There are many questions arising from these news stories that require further investigation. The Subcommittee on Multinational Corporations, of which I am a member, is pursuing this matter of corrupt inspection practices as part of a larger investigation of the grain trade. I call these informative news reports to the attention of my colleagues because of their significance, and I ask unanimous consent that the articles be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Des Moines Register, May 15, 1975]

Reveal Corn Misgraded in New Orleans: Inferior Shipment to Nicaragua

(By James Risser)

Washington, D.C.—U.S. grain inspectors at New Orleans, La., misgraded a 427,000-bushel corn shipment to Nicaragua in 1972, with the result that the Nicaraguans received an inferior grade of corn containing damaged kernels and "foreign material."

The misgrading was compounded by evidence that U.S. Department of Agriculture (USDA) personnel misled the Nicaragua government in the first place about the kind of corn it would receive.

The incident, described in a USDA file stamped "classified" brought a strong protest from the Nicaraguans and touched off an internal controversy at the Agriculture Department about the adequacy of federal procedures for inspecting and grading U.S. export grains.

NO SURVEILLANCE

The file, examined by The Register, shows there was no federal surveillance of the privately employed inspectors and graders during the two days the corn was inspected and loaded onto a Nicaragua-bound ship.

It has been learned that the Inspector who examined the ship itself, and certified it as being clean and free of foreign material and insects, was among the inspectors later indicted by a federal grand jury in New Orleans on charges of bribery.

The ship-hold inspector was Raymond S. Schultz, an employe of the New Orleans Board of Trade who was indicted last August on 66 counts of taking payments from shipping companies and from a ship-cleaning firm. None of the counts involved the Nicaraguan shipment, however.

FINE, PROBATION

Schultz pleaded guilty to 10 counts of bribery, was fined $500 and placed on 4 years probation.

A Des Moines Register investigation over the past six weeks in New Orleans, Houston, Tex., and Washington, has disclosed that:

The federal investigation of bribe payments to inspectors is continuing, has spread to other major grain ports and includes a probe of possible involvement of shipping and grain company executives.

Federal agents also are looking into the possible misgrading of U.S. grain to determine whether foreign purchasers and countries that get U.S. humanitarian food aid may have been sent substandard or contaminated grains.

The inspection system is plagued by conflicts of interest because, although they are federally licensed, the grain and ship inspectors are employed by boards of trade and other private agencies which are controlled by grain, shipping and other business interests.

The Agriculture Department was warned as long as 6 years ago that an inspector bribery system might be in operation, and also knew at least 3 years ago that there were inspection irregularities at New Orleans in particular. But during this time, and while U.S. grain exports were booming, the department reduced by half its surveillance over the inspection process.

The Nicaraguan complaint occurred during the export boom. Agriculture Department files show that at about the same time, other foreign purchasers of U.S. grains were complaining strongly that the quality of grain being shipped was deteriorating.

The corn purchased by the Nicaraguan government was shipped from the New Orleans Public Elevator by the Louis Dreyfus Corp. in November, 1972, aboard the MV North Duchess, according to USDA records.

SHIPMENT GRADING

After Schultz had inspected and approved the ship, inspector Richard Blades, also of the New Orleans Board of Trade, graded the shipment as containing 227,777 bushels of U.S. No. 2 yellow corn and 199,862 bushels of U.S. No. 2 white corn, copies of the inspection certificates on file in USDA offices in New Orleans show.

On Jan. 3, 1973, Ervin L. Peterson, administrator of USDA's Agricultural Marketing Service (AMS), said in a memorandum that the Nicaraguans had filed "a strong complaint" alleging excess broken corn and foreign materials in the shipment.

"It was also reported that the corn was misgraded by the licensed inspector at the time of loading," said Peterson, adding that "the adequacy of the federal supervision of the licensed inspection personnel" had to be examined.

DEMANDED PROBE

Peterson demanded an immediate investigation by Howard H. Woodworth, director of AMS's grain division, and called for "the institution of whatever actions required to ensure the accuracy of any grain inspections made by the designated grain inspection agency (the New Orleans Board of Trade) involved."

Woodworth's report two weeks later, while defending his office's surveillance of the inspection process, admitted, in effect, that the Nicaraguans had been misled by USDA grain export personnel and that the grain also had been improperly graded.

A reinspection of the corn by the AMS Board of Appeals and Review showed that the yellow corn should have been given the next lower grade of U.S. No. 3, or even U.S. No. 4, because of excessive amounts of damaged kernels and foreign material.

The board assigned several possible grades to the white corn, depending on the particular samples which were checked, but none of the grades was as high as the U.S. No. 2 assigned by the inspector.

WHITE CORN

The white corn graded either U.S. No. 3, or "U.S. sample grade" which is lower than U.S. No. 4. Also, some of the samples indicated the corn should have been designated "mixed" rather than "white" because of the high percentage of corn of other colors mixed in with the white corn.

Other samples of the white corn also were rated "weevily" by the board, indicating the presence of insects.

During the two-day loading process, "There was no surveillance of the loading or sampling of the corn at the public elevator" by grain division personnel in New Orleans, Woodworth acknowledged.

He contended, nevertheless, that the testing results "represent an acceptable level of inspection accuracy" and were within expected variations. He said, however, that the grading inspector had been "cautioned about an apparent lenient interpretation of 'broken kernels.' "

COST DIFFERENCES

Another Agriculture Department official involved in agricultural exports said, however, that the discrepancies in grades could not be justified and would mean substantial cost differences to the shipper and the purchaser.

Woodworth said that before the sale a representative of the Nicaraguan government had come to officials of AMS and of USDA's foreign agricultural service (FAS) for advice on what type of corn to buy. The Nicaraguan official specified that the white corn must be suitable for food purposes.

The USDA personnel recommended the purchase of U.S. No. 2 corn, but "did not caution the Nicaraguan representative that a U.S. No. 2 corn grade is a general purpose grade and permits a maximum of 5 per cent damaged kernels and a maximum of 3 per cent broken corn and foreign material, and, in the case of white corn, a maximum of 2 per cent of corn of other colors," Woodworth wrote.

NOT CAUTIONED

"In addition," he said, "the AMS and FAS representatives did not caution the Nicaraguan representative that U.S. corn was more fragile than Argentine corn, and that care should be exercised in loading and unloading the corn to maintain the quality of the corn."

The corn later was loaded and unloaded with mechanical trimmers and pneumatic equipment, both of which tend to break dry corn, he said.

Woodworth said he believed that most of the corn was, at the time of loading, "at the bottom of Grade 2 or the top of Grade 3."

An FAS official said the dispute over the quality of the corn eventually was settled privately between the Dreyfus Corp. and the Nicaraguan government, without any USDA involvement.

Woodworth acknowledged that with export business up, the grain division office in New Orleans could use more personnel to oversee the work of the inspectors. However, the beefing-up of the office did not take place until mid-1974, when it became known that inspection procedures in New Orleans were under investigation.

[From the Des Moines Register, May 11, 1975]

USDA Ignored Grain Bribes for 6 Years: Admits Laxity After Inspectors Indicted

(By James Risser)

Washington, D.C.—U.S. Agriculture Department (USDA) officials were warned six years ago that federally licensed inspectors were taking bribes in connection with the grading of export grain and the inspection of ships used to carry the grain abroad.

The USDA also had evidence as early as 1972 that something was drastically wrong with inspection procedures at New Orleans, La., export elevators.

The danger signals are contained in department documents examined last week by The Register.

They contain a variety of warnings from foreign purchasers of U.S. grain, from U.S. Embassy personnel, and from USDA officials about the possibility of a bribery system and about problems in New Orleans.

INDICTMENT CITED

But until a bribery scandal surfaced recently with the indictment of grain inspectors at New Orleans and at Houston, Tex., high department officials ignored fervent pleas that the bribery question be investigated and that supervision of inspectors be beefed up.

In fact, at the time U.S. grain exports were booming in the late 1960s and early 1970s, the Grain Division cut its staff of inspection supervisors from 300 to 220.

During the same period, surveillance of the grading and ship inspection activities of the inspectors was reduced by more than half, records show.

"LESS THAN ADEQUATE"

"Our supervision has indeed been less than adequate," Ervin L. Peterson, administrator of the Agricultural Marketing Service, acknowledged. Peterson, whose agency includes the Grain Division, said "we are taking steps now to see that our supervision is improved."

Staff cuts in the grain division were "unwise" but apparently came about because of the division's efforts to comply with budget reductions ordered by President Nixon and by USDA Secretary Earl Butz, Peterson indicated.

The extent of the bribery scandal, and the existence of additional federal investigations into the possible involvement of shipping and grain company officials, was disclosed by The Register May 4.

CONFLICTS SEEN

The investigation in Washington, New Orleans, and Houston showed that the inspection system contains inherent conflicts of interest primarily because the inspectors, although federally licensed, are employees of boards of trade and other private organizations controlled by grain, shipping, and other business interests.

The role of the Grain Division has been to license the inspectors, to supervise their work on a spot basis, and to conduct appeal inspections at the request of a shipper who disagrees with an inspector's ruling.

Seven grain inspectors in New Orleans and five in Houston, all federally licensed but employed by private agencies, were indicted recently on charges they took bribes to certify that export ships were clean, insect-free, and acceptable for loading with grain. Five of the New Orleans inspectors have pleaded guilty, and another was convicted in federal court.

INCREASING COMPLAINTS

In January, 1969, John A. Browning, chairman of the Grain Division's Board of Appeals and Review, spent three weeks in Europe talking with government officials and those in the grain trade about an increasing number of complaints about misgraded, contaminated and insect-infested grain.

In a number of countries, Browning was warned that it was commonly believed inspectors at the American ports were taking under-the-table payments.

Upon his return, Browning wrote a strongly worded report to Howard H. Woodworth, director of the Grain Division saying:

"The Grain Division should make doubly sure there is no bribery of inspectors or falsification of certificates or misgrading of the grain or improper sampling.

MANPOWER, FUNDS

"We should have the manpower and funds to supervise and keep inspectors under surveillance on weekend and night loading at those export points where foreign complaints indicate the lower grade grain was loaded."

Browning continued that "after listening to complaints for three weeks and seeing the look on people's faces and in their eyes when they accuse the inspection system of being subject to bribery, I cannot stress too strongly the part good inspection practices, constant supervision and quality control must play in helping this country retain the overseas grain market."

Apparently referring to the fact that inspectors work for agencies allied with the grain export trade, Browning wrote that "it is very difficult for people in other countries to understand our licensing of inspectors and supervision procedure."

Asked about the report, Woodworth said the Grain Division "is not staffed to find conspiracies or briberies," which he said is up to federal law enforcement officials.

"A LEAN STAFF"

Woodworth, who went along with budget and manpower cuts in the Grain Division, said he has built "a lean but efficient staff."

"I'm not an empire builder or a bureaucrat," he added.

Woodworth acknowledged, however, that his supervisory personnel at the ports "weren't very resourceful in guarding against briberies on the cleanliness of ships."

He portrayed ports as centers of corruption and said that in the case of grain exports, the name of the game is to get the grain past the sampler and onto the ships. "They're always finding ways to get by with everything they can."

THROUGH 1974

The recent indictments in New Orleans and Houston allege bribery payments going back as far as 1970 and continuing up through 1974.

Peterson, who became administrator of the agricultural marketing service three years ago, said he had not been aware of the Browning report on possible briberies until informed by The Register.

In January, 1973, in a report on a complaint from Nicaragua, about the quality of U.S. corn shipments, Woodworth contended the licensed inspectors have a 98 per cent accuracy rating.

But he acknowledged that Grain Division supervisory personnel were conducting on-site surveillance of the inspectors in only about 2 per cent of all export grain shipments.

He said that some of his staff, "for peace of mind and in keeping with past on-site surveillance practices," wanted to increase surveillance to about 10 per cent.

NEW EMPLOYES

Woodworth said in the 1973 report that it would require 14 new federal employes at an annual cost of $198,000 a year.

As an alternative, Woodworth proposed to increase surveillance at "the known problem elevators in the New Orleans circuit" by transferring people there from other Grain Division offices.

Woodworth's report was made in response to a demand by Peterson that the division look into complaints from the Nicaraguans and take "whatever action is required to insure the accuracy of any grain inspections made by the designated grain inspection agency involved."

The agency was the New Orleans Board of Trade, which is run by New Orleans business interests and employs licensed grain inspectors to examine ships and grain going out of two large elevators there.

NEW ORLEANS ELEVATOR

Woodworth told The Register that the Grain Division has had problems with one New Orleans area grain elevator in particular, where, he said, elevator personnel "took advantage of our mechanical sampling and made sure we didn't get representative samples of grain."

Woodworth's report also detailed how the Grain Division had cut back its activities between 1963 and 1973:

Field offices were reduced in number from 48 to 35 and inspection supervisors from 300 to 220.

Grain supervision inspections involving checking on the work of some 800 inspectors and 3,000 licensed grain samplers had decreased from 170,000 a year to less than 65,000.

Supervisory inspections of processed products also had dropped, from 50,000 a year to less than 35,000.

EXPANDING SALES

All this had occurred while the U.S. was rapidly expanding its overseas sales of grains and other food products.

Copies of Woodworth's 1973 report, outlining weaknesses in the inspection system, were sent to Butz's top aide. Under Secretary J. Phil Campbell, department records show. It also went to Assistant Secretary Richard Lyng and to Raymond A. Joanes, administrator of the Foreign Agricultural Service.

Peterson told The Register that the whole thrust of the Grain Division's work has been misguided. Rather than concentrating on statistical review of the inspector's accuracy, the division should have been cracking down on the private inspection agenices to see that their inspectors were performing honestly, he said.

[From the New York Times, May 20, 1975]

U.S. AGENTS PUSH A BROAD INQUIRY INTO GRAIN TRADE; GUILTY PLEAS BY FIVE INSPECTORS IN NEW ORLEANS INDICATE IRREGULARITIES IN HANDLING

(By William Robbins)

NEW ORLEANS, May 19—Federal agents, conducting a sweeping investigation here and in other ports, are piecing together a picture of corruption in the handling, grading and weighing of grain that raised questions about the integrity of United States standards and the quality of grain shipment to foreign buyers.

Seven privately employed grain inspectors who are licensed by the Department of Agriculture here have been indicted thus far in an investigation that began with charges of bribery for certification of ships for fitness to receive grain.

Five of the inspectors pleaded guilty to accepting bribes.

ALLEGATIONS CITED

Agents conducting a continuing investigation have been taking secret testimony alleging misconduct on another matter—the grading and weighing of grain. Local officials of some of the largest international grain companies have been questioned, some before a grand jury.

The reports to the investigators composed an account of allegedly deliberate loading of misgraded and sometimes wet and sour corn, inspectors who shirked grading responsibilities, fraudulent switching of grain samples and a subtle system of pressures, rewards and favors for inspectors.

The reports include also allegations of intimidation of Federal supervisors who spot-check the work of private inspectors and who are said to work at times in fear of their personal safety. On and near the premises of one grain elevator near here, some have had their automobile tires slashed and some have reported being "jostled" while riding "a man lift," a cage that rides on cables to the high reaches of the grain elevator.

OTHER INQUIRIES UNDER WAY

Investigators are known to feel that potentially far more explosive are possible findings in their inquiry into weighing of grain, although little information has been obtainable thus far on findings in that new phase of the investigation.

Similar investigations, but said to be less advanced, are under way in Houston, another major grain shipping port, and at other shipping points.

The inquiry has serious international implications. Grain makes up most of the $22-billion-a-year earned by this country's agricultural exports—a total of $11.87-billion is projected for this fiscal year—which represents an important tool of foreign policy. About one-third of all grain exports, including much of the corn from the Middle West moves through the port of New Orleans.

Complaints from foreign buyers about the quality of some United States grain exports go back many years, Washington agricultural officials say, but they were heard most recently when a United States delegation went to Moscow earlier this year in response to Russian protests about foreign matter found in the corn they received and about its quality.

Washington officials say they have received similar complaints from European buyers, who are asking for an American delegation to handle their problems. Some officials expressed fear of contract cancellations, which would have trade and economic reverberations reaching back to the farm.

"COULD HURT EVERYBODY"

"This could hurt everybody but especially the farmers, one Agriculture Department official said. "If there are cancellations, those farmers are going to be mad as hell, and they have a right to be."

The investigation is headed by the United States Attorney here, Gerald J. Gallinghouse, and Assistant United States Attorney Cornelius R. Heusel, aided by the Federal Bureau of Investigation, the Agricultural Department's Office of Investigations and the Internal Revenue Service, with the cooperation of local officials of the Agriculture Department's Grain Division.

Those leading the investigation have refused to discuss their findings but an account can be pieced together from a variety of sources, including witnesses, their attorneys and others close to the case.

At the core of the cases being developed in the investigation and allegations of a system of inspection with built-in conflicts of interest and close relationships between the inspectors, the agencies they work for and the companies whose handling of grain comes under their jurisdiction.

The private but Federally licensed inspectors work for private organizations whose income, based on tonnage moved, is governed by how expeditiously the grain companies can load ships. Each inspector is continuously assigned to one grain elevator.

SEVEN MAJOR ELEVATORS

There are five private agencies here assigned to inspect for seven major elevators, including those owned or operated by such international grain operations as the Bunge Corporation, Continental Grain, Cook Industries, Inc., and Mississippi River Grain Elevator, Inc., which is owned by Serafino Ferruzzi, an Italian who is a major factor in world trading and processing of soybeans.

The wide-ranging investigation here reportedly resulted from a complaint by a former ship captain, who telephoned the F.B.I. expressing shock after overhearing an offer of a $2,500 bribe to an inspector by the master of a vessel seeking certification for cleanliness and fitness to receive grain and a demand by the inspector for a higher payment.

In the investigation that followed indictments were brought against seven inspectors for accepting bribes to certify ships, a ship-clearing concern and its president for bribery and a grain sampler for perjury.

FIVE PLACED ON PROBATION

Only one of the inspectors has gone to trial. The five who pleaded guilty were placed on probation with light fines. The inspector who went to trial, William E. Fleetwood 3d, was convicted but has appealed. Another, James Timonet, who was accused of perjury as well as bribery, is awaiting trial.

Testimony at the Fleetwood trial pictured a pattern of bribery going back at least several years to a time when $250 to $300 was the "going rate," according to a shipping agency official, for buying certification of a ship. But inflation set in until Mr. Fleetwood was reportedly offered $2,500 and demanded $5,000 for his signature on a certificate of fitness for the ship.

There appeared to be competition for the bribes. Once the ship had been rejected by Mr. Fleetwood, after her operators refused to meet his price, according to the testimony, another inspector offered to accept $2,500 and signed a certificate even before boarding the ship.

The second inspector, Clearence P. Baker, who pleaded guilty and appeared as a Government witness at the Fleetwood trial, testified that he had to go through with the inspection because he was accompanied by an apprentice. He said he found the ship clean.

GO-BETWEENS USED

There was also testimony indicating the practice was encouraged by go-betweens for personal gain.

A boarding agent who said he regularly carried bribes from one shipping agency testified that he always expected to get "something for myself." He succeeded. He confessed to keeping up to $2,500 of the bribes offered.

One of the men indicted said in an interview he accepted bribe money "just because it was there." In the case to which he pleaded guilty he said of the ship "she was clean.

"I was going to approve her anyway," he said.

But there was also testimony indicating that it was often more economical for shipping operators to pay bribes than to spend the time and money to have the ship properly cleaned. The boarding agent testified that "the woman who represented the company that ran the ship authorized us to pay off every time."

He said that the cleaning job was particularly difficult because of the large size of the ship.

Two large checks used in payoffs were shown at the trial, one for $1,000 and one for $5.000. One carried a notation indicating the name of the ship for which a payoff was made, M. V. Virginia, and the stub of the other check carried both the name of the —ship, the Lotus Flower, and the notation, "Gratuities for grain surveyor."

SHIPPING OFFICIALS NAMED

Some high ranking officials of shipping companies were named at the trial as having authorized payments but they have not been indicted.

Two principal clues apparently led investigators from the ship certification cases to the grain-grading and weighing phases of the investigation.

One was the fact that some of the ship inspectors were also licensed to inspect grain.

But more important, apparently, was the discovery by a Federal supervisor of a ship being loaded with sour corn.

"The odor was so high you could smell it all the way to the elevator," one Federal supervisory official said.

A witness in the Fleetwood trial gave this account of the episode to a reporter: While the ship was being loaded, the inspector in charge quit work early but the loading continued unwatched. A federally licensed grain sampler, with no one to check his samples, stopped his own operations.

Sometime later, with the loading continuing at full speed, two Federal supervisors arrived, an alert was sounded and the sampler ordered operations to a halt.

IT WAS TOO LATE

It was too late. Detecting the odor of sour grain one of the Federal supervisors telephoned the director of the local field office of the Agriculture Department's Grain Division. The director, Harlan L. Ryan, dispatched an agent to make deep probes into the holds of the ship.

During the current investigation, the sampler was indicted for prejury for falsely attesting that he had been properly performing his duties. He pleaded guilty and was given a fine and a suspended sentence.

For the sampler, Laurence Berthelot, who was found by a reporter working as a laborer, his hands deep in debris that he was cleaning up behind a gasoline station, his life has been drastically changed. Many of those involved in the case have had difficulty finding any kind of employment.

Paraphrasing a blues song, Mr. Berthelot said: "If I didn't have bad luck, I'd have no luck at all."

The supervisor who discovered the sour grain on the ship, Robert Johnson, left the Grain Division after hearing rumors that a "contract" was out to break both his knee caps, though there is no evidence of a link between the discovery and the rumors. Mr. Johnson has avoided talking to reporters.

EMPLOYES OF PRIVATE UNITS

The inspectors indicted were employes of several private agencies, one of which is the New Orleans Board of Trade, Ltd., an organization whose main function is to promote trade and commerce. Its members and directors include officials of grain and shipping companies. Its inspectors grade grain at elevators of Continental Grain and at Public Grain Elevator of New Orleans, Inc.

Other agencies with indicted inspectors, include Delta Weighing and Inspection Bureau, Inc., whose inspectors operate at Mississippi River Grain Elevator, Inc., and the Destrehan Board of Trade, Inc., whose inspectors work at Bayside Elevator, which is operated by Kirk Industries, and the local elevator of the Bunge Corporation.

Delta Weighing and Inspection is headed by Sidney W. Provensal Jr. an attorney who is said to be a powerful political figure in Plaquemines Parish (County) and is an associate of Leander H. Perez Jr., president of the parish. Destrehan Board of Trade is headed by Bryan J. Lehmann Jr., a former state representative of St. Charles Parish.

Much of the work of the investigators has reportedly focused on operations of at least some of the inspectors or former inspectors working for Delta and Destrehan.

HEAVY PRESSURE REPORTED

At both agencies, investigators have been told by witnesses, heavy pressures were applied on inspectors to give favorable grading decisions, to expedite the loading of ships and not to hold up costly operations for cleaning foreign matter from grain or because of batches in which weevils were found.

The inspectors work long hours for the modest pay of $900 a month or less but approximately double their earnings with weekend and other overtime. Their rewards also reportedly include large bonuses.

At Desterhan, one witness reported receiving pay for five hours a week of unearned overtime, quarterly bonuses of $400 and a Christmas bonus of $1,000.

"And of course we all got turkeys at Christmas," one former inspector said. He also told of inspectors entertained by elevator personnel with expense account lunches.

But more important he said, were strong friendships developed as inspectors worked continuously at the same elevators.

"IT'S A FAMILY DEAL"

"We were all friends—it's a family deal," he said.

"It's incestuous," a Federal grain official commented.

Investigators have been told of wet grain loaded directly from barges to ships without drying to prevent spoilage. In some cases, according to one former inspector, "the corn would be so wet and hot it smoked when you lifted the cover."

The principal victims of the most serious misgrading and any weighing discrepancies, agriculture officials believe, have been less developed countries receiving food aid shipments. Such countries generally lack adequate weighing or inspection systems.

Discrepancies found by other countries are often settled by negotiation and price adjustments, officials say, with only the most serious cases reported in complaints to agricultural attaches at United States Embassies.

According to former inspectors, some elevators have a system to alert personnel when Federal supervisors approach the premises. The system misfired at one elevator in a case that amuses officials here. One supervisor had somehow reached his grain inspection laboratory unnoticed when another approached the elevator.

A guard, dialing a wrong number, reached the Federal laboratory and hissed a warning—to the Federal supervisor—that a federal supervisor was coming.

Federal officials have noticed that in some instances ship loading proceeds much faster when no supervisors are on the scene. In one case cited, at Mississippi River Grain Elevator, 40,000 bushels of corn were loaded in each of two eight-hour shifts with supervisors present, but 350,000 bushels were loaded in the third shift with no Federal supervisor on duty.

CONSTANT SUPERVISION

Mr. Ryan, head of the supervisory office, has ordered round-the-clock supervision at the elevator.

The constant surveillance resulted in a suit, subsequently dropped, seeking an injunction against "unreasonable and nonjustifiable surveillance, regulation and control."

Asked about the suit in an interview, Benjamin C. Toledano, the company's attorney, said he had been merely seeking a declaration as to whether discrimination against Mississippi River Grain was involved and whether similar surveillance was being conducted at other elevators.

He asserted that the slower pace of loading during surveillance was "an example of the way they impede our work."

"We're dealing with tremendous amounts of money," he said. He said he could prove that surveillance, including unloading and reloading of ships, had cost the company more than $1 million. Sometimes low-quality grain, because of fast-moving conveyors, gets aboard before inspectors or supervisors can alert the loaders.

"How could that be?" Mr. Ryan responded when asked for a comment. "We don't load the grain, we don't tell them to unload. We just give them the best grade the grain qualifies for."

In some cases, he said, grading necessitates cleaning of impurities from grain, a process that slows ship loading.

Mr. Toledano asserted that the elevator had "set a world record," loading 201 ships in 1973 "with not one complaint from a buyer."

Asked about reports of intimidation of supervisors on the Mississippi River Grain premises, the lawyer responded: "The waterfront is not the Bolshoi Ballet, you know. These are tough guys, and they don't like those creeps from the Department of Agriculture always looking over their shoulders."

Asserting that some countries adjust grading practices in poor crop years, such as 1974, he said: "These bureaucrats act as if every crop is a good crop year."

Federal regulations are written with precise requirements as to the amount of foreign matter, kernel damage and moisture that can be permitted for each grade of grain.

Mr. Toledano acknowledged that the executive vice president of Mississippi River Grain had been among witnesses called before a grand jury. The executive, Giovanni Rametta, was asked whether he had advised an officer of another company to pay off grain inspectors and had denied giving such advice, the lawyer said.

"We've never made a gift of anything," he said. "Maybe a couple of Christmas turkeys, but we don't feel we've done anything wrong."

Mr. Lehmann, who heads Destrehan, acknowledged that he had been questioned before a grand jury and said he had been asked about inspectors' bonuses and unearned overtime payments. He said the payment of bonuses was a general practice among the inspection organizations and that extra overtime had been paid to bring Destrehan inspectors' wages into line with others but that the system had since been changed.

"NEWS TO ME"

Mr. Lehmann said he knew of no pressures on the inspectors to misgrade grain.

"We stand as an impartial judge between the buyer and the sellers and always have," Mr. Lehmann asserted.

Mr. Provensal, who heads the Delta agency, said "that's all news to me" when asked about possible pressures on his employes to misgrade grain. He said he knew one witness who had testified to giving payments of $1,500 and $5,000 to a Delta executive but asserted:

"That's a damn lie and I know it—I'm confident none of my people have been involved. I give them a bonus. They don't get money from anybody else."

Mr. Provensal asserted that he had never heard a complaint about grading or weighing of grain by his employes from any customer.

A vice president of Cook Industries, Willard Sparks, said that the ship found loaded with sour grain at Bayside Elevators had been completely unloaded to avoid any possible problem. He said the Cook employe doing the loading had been operating automatic equipment from a control room.

"The guy doing the loading doesn't go out and smell the grain," Mr. Sparks said.

The executive said all Cook employes "know it's company policy" not to try to put pressures on inspectors.

The director of Continental Grains' New Orleans division, David Borchert, said he knew of no problems for his company in connection with the investigation and that none of its officers or employes had been before a grand jury.

"None of our people are in any way involved," Mr. Borchert said.

The director of the Bunge Corporation's New Orleans division could not be reached for comment on the port situation here.

Federal officials and others here say they believe that only by conversion to Government grading can the problems found in the Port of New Orleans be resolved. One company, Cargill, has requested constant Federal supervision and is paying a fee to obtain the service.

[From the Washington Post, May 21, 1975]

Foreign Buyers Complain of Poor Quality U.S. Grain

(By Dan Morgan)

Numerous foreign buyers of American grain have filed complaints with the government that they have received substandard, misgraded or disease-ridden corn and wheat since 1973, it was learned yesterday.

The countries include many of the United States' best agricultural customers, such as the Soviet Union, Britain, Italy, West Germany and India.

The dissatisfaction expressed in the complaints has included warnings that the customers will switch to non-American suppliers unless the situation improves.

In confirming an increase in complaints, officials of the Department of Agriculture also expressed fear that the poor quality of corn shipped abroad from the 1974 crop has already cost the United States some markets.

Leading Italian grain traders met in Milan last week to establish a strategy for dealing with what they said was a pattern of deliveries of substandard American corn unfit for use in average animal feeds. A spokesman for the group said the aim was to "beat unsatisfactory American behavior."

At the same time, a senior Soviet trade official, Evgeny Bannikov, arrived in this country to study American inspection and grading methods, following Soviet allegations that recent corn shipments contained an unacceptable number of broken kernels.

It was also learned that the State Department is looking into charges by grain handlers in the African Sahelian region and in Ethiopia that food sent as drought and famine relief in 1974 contained misgraded or even diseased material. Sources at the State Department said this investigation was not yet complete.

The widening international concern over the quality of American grain shipped abroad comes as federal investigators are conducting a far-reaching inquiry into dockside corruption in Houston and New Orleans involving federally licensed grain inspectors.

Several of the foreign complaints on file at the Foreign Agricultural Service of the Department of Agriculture question the "correctness" of the grain-trading system.

However, federal officials said yesterday it is still unclear if the problems occurring abroad relate to irregularities in the inspection process or to a poor quality corn crop in 1974.

The investigation in the major Gulf ports was triggered by a report to the FBI of bribes of up to $2,500 to federally licensed grain inspectors who clear ships as grain carriers.

Nine persons and a private company were indicted last August by a federal grand jury in New Orleans for bribery in connection with certifying ships as ready to receive cargo. The company and seven inspectors pleaded guilty, one inspector was tried and convicted, and another is awaiting trial

Rep. Edward Mezvinksy (D-Iowa) last week demanded an investigation of the inspection system. Sen. Dick Clark (D-Iowa) has warned that "corrupt practices" in the inspection of agricultural commodities could undermine the country's trade in farm goods.

The present inspection system is riven with built-in conflicts of interest, congressional critics say.

Responsibility for grading the commodities at the ports and certifying the ships that carry the grain is delegated to private agencies by the Agriculture Department. Some of these agencies are boards of trade or business organizations whose members include grain companies and others involved in export operations.

Inspectors' fees are pegged to the total tonnage inspected. Critics say this practice gives inspectors an incentive to clear ships with dirty holds and to move cargo with as few holdups as possible for poor quality grain.

The Des Moines Register revealed earlier this month that U.S. grain inspectors at New Orleans misgraded a 427,000-bushel corn shipment to Nicaragua in 1972 so that the Nicaraguans got damaged kernels and excess dirt.

Complaints on file in the Agriculture Department indicate that in late 1973, the United States sent India 72,000 tons of worm-eaten corn and the Food Corp. of India had to fumigate much of it.

A Parma, Italy, firm told the U.S. government in April that one lot in a durum wheat shipment from Philadelphia contained up to 80 percent of other wheat varieties A British firm claimed that samples from an American wheat shipment contained "a large amount of soya beans."

A British flour mill, complaining of a protein deficiency in wheat shipments, said: "One feels on occasion one is buying a commodity with a false description."

One of the principal Irish feed-grain importers complained to the Agriculture Department that it appeared that "an official grain inspection certificate was issued [for 800 tons of grain sorghum shipped from Galveston] which bears no relation to the cargo."

In many of the cases, the department's Inspection Division noted that breakage, overheating and many other factors can change grain following shipment.

A complaint filed last October by a Hamburg, Germany, import firm at the U.S. embassy in Bonn typifies foreign reaction.

Citing alleged deficiencies in the protein content of wheat shipped to Hamburg, the firm said:

"We suspect the substantial wheat sales to the Soviet Union are the reason the good quality standard of U.S. wheat could no longer be maintained for the quantities required by the world."

The firm said that mills in Germany pay 30 to 50 per cent more for U.S. wheat. Many now feel it is inferior to their domestic varieties. As a result, it "cannot be excluded" that the mills will shift to other grain-producing nations when other supplies are available, the reporter wrote.

NATIONAL ENERGY POLICY NEEDED

Mr. FANNIN. Mr. President, early in 1973 there issued forth from the halls of Congress legislation known as the Emergency Petroleum Allocation Act. It was touted by its supporters as a temporary tool to minimize the effects of the energy shortage and to protect the independent from the major oil companies. What it really served to do, as a number of my colleagues and I pointed out at the time, was to spread the shortage around, to add yet another layer of bureaucracy to the already growing Government regulation, and by and large to make life difficult for the entire energy industry, independents and majors alike.

This past week the Senate Interior Committee held an extensive oversight hearing at which suppliers, producers, and financial institutions testified as to the effects of the act. Their testimony—over 8 hours of it—bears out the fears I expressed 2 years ago when the legislation was enacted. The Emergency Petroleum Allocation Act has distorted the interaction of supply and demand in the marketplace. The Congress has failed to produce a comprehensive national energy policy, and the result has been a climate of uncertainty and the consequent reluctance of the private sector to invest which has all but crippled the energy industry.

The President has proposed a comprehensive energy policy. In January the administration sent to the Hill a package of detailed proposals which could give the Nation's energy policy the direction and purpose which is now so sadly lacking. The Congress, unfortunately, chose to throw up its arms in horror and demand time to prepare its own alternatives. That time has long passed, and the Congress is hardly closer to a comprehensive energy program than it was given the emergency allocation bill was pased in 1973.

This fiddling around on the part of the legislative branch is having most serious effects on the supply of domestically produced energy. Let me share with my colleagues some of the problems conveyed to the Interior Committee this week by four representatives of what is known as the service sector of the oil and gas industry. This sector manufactures drilling and production equipment and tubular steel goods, and provides the specialized services essential to the operation of such equipment and exploration, drilling and production activities.

Mr. Robert L. Parker of Parker Drilling Co. attributed the substantial slowdown in drilling operations to the negative impact of legislation—such as the repeal of the depletion allowance—on capital available for long-term investment, to uncertainty regarding future legislation and possible price decontrols, and pessimism due to the drop in first quarter profits experienced by many companies. He indicated that a considerable number of their customers had canceled contracts previously negotiated for drilling this summer, and that Parker Drilling had been forced to lay off 200 of their personnel.

The same story was told by William Hunter of the Seamless Tubular Division of Armco Steel Corp. Pointing out that the loss of the depletion allowance reduced an important source of funds needed for exploration and expansion and discouraged potential investors, he described a general trend on the part of consumers of oil country tubular goods to postpone expansion. Service and supply companies such as Armco will be adversely affected, of course, by the reluctance of their customers to commit themselves. This "waiting period", during which the energy industry studies effects of the removal of the depletion allowance and watches Washington for further action on tax and other measures, is having severe effects on all parts of the industry.

Two representatives of the Petroleum Equipment Suppliers Association, John F. Wagenhauser and W. F. Traeger, made a strong plea for definitive legislative action. Mr. Wagenhauser's words are most revealing:

> Uncertainties of the future have all but destroyed forward planning, and today we can rely on nothing more than commitments for the short term. . . . The complexities arising in attempting to apply the new law to specific factual situations have created an *atmosphere of confusion, doubt and skepticism* for the oil and gas industry . . . This attitude of uncertainty permeates the entire oil and gas industry from the smallest of the independents to the largest of the majors. Such an attitude coupled with the direct monetary loss resulting from repeal of the depletion allowance, cannot help but impair the ability of the oil and gas industry to supply the nation's requirements for reduced oil imports.

Addressing the importance of foreign markets for their services, Mr. Traeger gave an extremely helpful explanation of the interrelation of domestic and foreign markets for drilling and production equipment, which I highly recommend to my colleagues. Our domestic industry is facing increasing competition from foreign manufacturers, who are subsidized and supported by their governments. Furthermore, these foreign companies are rapidly closing the gap of technological superiority which once separated them from U.S. industry. These hearings made it clear that should we lose our foreign markets to foreign manufacturers, domestic customers must bear the full cost of domestic industry, increasing cost of domestic products and diminishing the funds available for development of domestic resources.

All of these expert witnesses advised the Congress—in Mr. Wagenhauser's words—to "stop talking and start doing." After years of talking about the need for a national energy policy, it would seem that the Members of Congress would have realized that the uncertainty created by their talks is counterproductive, both to the reduction of imports, and to the increase of domestic supplies. In the face of near recession and widespread economic confusion, delays and debate can only drive us further away from energy self-sufficiency.

Yet here sits the Congress, unable to achieve a consensus, unable to bring a successful bill to the floor, unable to reach agreement in committee, unable to compromise on basic issues. And all the while we have before us a comprehensive, balanced program which the administration's experts firmly believe is the way out of our energy predicament. We are shirking our responsibility to the American people if we do not act to provide them with this badly needed national energy policy.

Mr. President. I ask unanimous consent that the testimony of these four distinguished witnesses be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

Testimony by R. L. Parker, President and Chairman of the Board, Parker Drilling Company, Tulsa, Oklahoma, Monday, May 19, 1975, Washington, D.C.

GENTLEMEN: Within the past few weeks our company has experienced a substantial slowdown in drilling operations through our customers within the United States. This curtailment of exploration and development programs has reached substantial proportions.

Every area in which our company operates has been affected except the North Slope of Alaska. Our company is one of the largest, if not the largest, land drilling contractors in the United States operations. Our customers are both independent and major oil companies and major oil companies.

The majority of the contract drilling we do is to depths greater than 10,000 feet—most of it in the range of 20,000 feet. We are strictly a service contractor and have no production of our own. Our drilling operations have reached a five-month low today and the decline is continuing.

We have not been advised of any change in this trend by our customers. Therefore, we have found it necessary to cancel expansion plans for the construction of new drilling equipment within the United States and have cancelled most of our orders with major equipment manufacturers as well. This equipment, such as drilling masts, pumps, drawworks, valves, fittings, etc., had been ordered for the anticipated increase in drilling activities within the United States for next year. This equipment is the kind that was very difficult to get this past year.

The specific areas where we have been most affected are the Rocky Mountain areas where we have stacked 30% of our available rigs in the last 30 days, West Texas where we have stacked 15% of our available rigs, and Oklahoma where we have stacked 10% of our equipment.

More important has been the cancellation of contracts by eleven (11) of our customers for drilling that they had previously scheduled for this summer. We have found both majors and independents curtailing their programs. The reasons they have given us are basically the negative impact of recent legislation on the capital available for their exploration programs and the uncertainty of what lies ahead in future legislation and price decontrols. There has been, of course, additional pessimism from the major companies and cutbacks in their budgets through the serious drop of their first quarter profits. Much of the development drilling we were doing was on marginal wells economical and that was the first work affected.

Most of our customers are reassessing new budgets at this time and substantially reducing them in line with their available capital. This, of course, is directly translated into less exploration drilling in our country.

Because of these circumstances, it has been necessary for us to lay off 200 of our drilling crew personnel in the areas in which our rigs have been stacked.

A few specific examples mentioned above are as follows:

West Texas:

Rig No. 85 (25,000' capacity) has been down for 60 days due to a curtailment in Kirby Oil's exploration program.

Rig No. 45 (22,000' capacity) will be released shortly by Houston Natural Gas due to a curtailment in their drilling exploration program.

Rig No. 88 (25,000' capacity), will be released shortly by Union Oil after drilling only one of three wells due to a cutback in their budget.

Oklahoma:

Rig No. 47 (20,000' capacity) will be released by Exxon due to a lag in their drilling program.

Rig No. 71 (25,000' capacity) will be released by Amarex shortly due to a lack of drilling funds caused by the depletion cut.

Rocky Mountain:

Rig No. 56 (11,000' capacity) has been stacked by Husky Oil Company before the completion of its nine-month term contract due to a sharp curtailment in drilling activity. This rig was a newly rebuilt rig especially designed for Rocky Mountain drilling by Husky before the legislation.

Rig No. 116 (20,000' capacity) has been stacked by Shell Oil due to a severe cutback in drilling activity in their development program. The depletion cut has changed the economics for the Uinta field drilling. Shell has gone from six rigs to three rigs and is expected to further reduce to two rigs. This rig was completing 1200–1500 bopd wells every 50 days.

Rig No. 118—same as above.

We sincerely hope that the momentum to the United States' exploration program for energy can be restored in the near future.

STATEMENT OF WILLIAM H. HUNTER, GENERAL MANAGER—SEAMLESS TUBULAR PRODUCTS, ARMCO STEEL CORP. BEFORE THE SENATE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS, MAY 19, 1975

My name is William H. Hunter. I am General Manager of Seamless Tubular Products for Armco Steel Corporation in Houston, Texas. I appear here in response to a request from Senator Bartlett's office to discuss the effects of the loss of the depletion allowance on our business as it applies to oil country tubular goods.

Last July I attended a hearing before this same committee when we were searching for answers to the shortages and availability of materials, services and equipment for domestic oil and gas exploration, and the development of oil and gas. This was a serious, short-range problem and through the efforts of the steel companies and the suppliers, we were able to correct many of the shortages. The Federal Energy Office also acted to assist the independent operators by working with the steel companies, the major oil companies, and the distributors of oil country tubular goods to alleviate the crucial shortages and obtain material for the independent operators.

Armco Steel produces approximately fifteen (15%) percent of the oil country tubular goods consumed in the domestic market. Our total potential output of oil country tubular goods in 1975 is estimated to be 260,000 tons, which will be an increase of approximately 30,000 tons over the 1974 shipments. We will also produce 80,000 tons of non-oil country tubular goods which will go into energy related fields such as refineries, petro-chemical plants, and power plants.

Production from our tube mill at Ambridge and its tubular products is directed nearly 100% at supplying material for the oil and gas industry. Our customers vary from the largest oil company buyer to the smallest independent oil and gas operator.

Continued market sampling through surveys conducted with the purchasing and operating management of these customers is our guideline for gearing our operations to meet their requirements. In-depth surveys were made in July of 1974 and January of 1975. Both of these surveys indicated all operators, large and small, were very bullish about their future operations.

We have been under a very strict allocation program, with each quarter finding us considerably short of the demands for our tubular products. During the placing of our 3rd Quarter production for 1975, we found that several of our customers stated they had reduced their operations and their own inventories were sufficient to carry them through the 3rd Quarter on some items. All tonnages offered and refused were immediately placed with others who still had expanded requirements. Several statements were made by the operating companies that because of the recent government withdrawal of the depletion allowance and the inability of the government to enact a soundly defined energy program, they were going to wait and see the "blueprint."

We are still booked to a capacity operation through October of this year, so it has had very little effect on our current operations, but based on experience, this tonnage is subject to cancellation. However, our future plans for expansion and refinement of operations for capitalization programs are based on the long-range expectations of a full order book.

The National Supply Company, a Division of Armco Steel Corporation, is currently into the construction and has purchased the necessary manufacturing equipment at their machinery plants to provide support to the increased oil and gas drilling program of the major producers. This is a multi-million dollar expansion program. When completed this will increase by 50% the Division's production of drilling rigs and major replacement components. Armco feels that we are implementing a well-rounded program in support of the oil and gas industry which would make a very important contribution toward the objective of the government's "Project Independence."

Currently, during this waiting period the major oil companies and the large independent operators are re-assessing their positions to study the effects of the removal of the depletion allowance and also to watch Washington to see when the next shoe is "going to drop."

The past two years have been a period of optimism in this business, but recently this optimistic outlook has turned to one of pessimism and a let's wait and see attitude.

The removal of the depletion allowance reduced an important source of funds needed by major operators for exploration and expansion, and discourages outside investors who are another source of capital. These revisions in the tax structure will adversely affect the service and supply companies whose business is dependent on the activities of the major oil companies and the independent operators.

This concludes my remarks and I will be pleased to answer any questions.

STATEMENT BY JOHN F. WAGENHAUSER, PETROLEUM EQUIPMENT SUPPLIERS ASSOCIATION, PRESENTED TO SENATE INTERIOR AND INSULAR AFFAIRS COMMITTEE, OVERSIGHT HEARING ON EMERGENCY PETROLEUM ALLOCATION ACT, MAY 19, 1975

My name is John F. Wagenhauser. I am Senior Vice President, General Counsel and Secretary of Continental-Emsco Company of Dallas, Texas. I am appearing here today as a representative of the Petroleum Equipment Suppliers Association, with offices in the First City National Bank Building, Houston, Texas. Our Association is generally called "PESA". In "PESA," I am presently Chairman of the Legislative Committee.

PESA is a trade association comprised of manufacturers of drilling machinery and production equipment, the supply companies distributing and servicing such equipment, and the service companies that perform the highly specialized services essential to the exploration, drilling and production activities of the petroleum industry.

There are some 150 member companies of PESA, employing more than 200,000 people in the United States. We are the industry who supply the hardware, the skilled services and supplies to support the U.S. oil industry in its constant search for oil both domestically and abroad. We act as vendors to both the independent and major oil companies.

Today, my remarks will be directed to the manufacturing and supply functions which are performed by our member companies.

Since the great oil crisis of 1973 our member companies have expended more than $1.5 billion in capital expenditures, for plants and equipment to meet the demands of an ever-expanding oil industry. In addition, our industry embarked upon a forward buying spree in order to stock the highly specialized materials and supplies so vitally required to meet the ever-increasing demands of an active, vital oil industry. We have seen inventories increase from 30 to 60 percent over the past year and a half.

However, before getting down to the specifics of our manufacturing/supply function, we must lay the groundwork for the alarming attitudes of the U.S. oil industry and supporting industries existent today. Uncertainties of the future have all but destroyed forward planning, and today we can rely on nothing more than commitments for the short term.

The Tax Reduction Act of 1975 (HR 2166) provides substantial changes with respect to both the percentage depletion deduction for domestic and foreign oil and gas production and the treatment of foreign oil and gas operations for United States income tax purposes. The complexities arising in attempting to apply the new law to specific factual situations have created an atmosphere of confusion, doubt and skepticism for the oil and gas industry. We hope that the regulations, when issued, will resolve many of these problems, but for the moment we can see a bearish attitude by the oil and gas industry in their 1975–76 planning.

This attitude of uncertainty permeates the entire oil and gas industry from the smallest of the independents to the largest of the majors. Such an attitude, coupled with the direct monetary loss resulting from repeal of the depletion allowance, can not help but impair the ability of the oil and gas industry to supply the nation's requirements for reduced oil imports.

It is expected that the U.S. oil industry will require capital expenditures of $30 to $40 billion annually over the next decade for the necessary development of energy supplies. The depletion allowance loss, combined with the decline in earnings for the first quarter, will seriously affect the availability of investment capital necessary to complete scheduled development programs, particularly when most needed to expand our nation's productive capacity.

The absence of a comprehensive energy policy and increased pressure for more governmental controls on the U.S. petroleum industry are counter-productive to the reduction of oil imports, will serve to lengthen the recession, retard economic growth, and add to unemployment.

What then is the effect of these attitudes of uncertainty on the PESA member companies? I will briefly explain the manufacturing and supply functions and furnish examples of why the attitudes of uncertainty take place.

MANUFACTURING

As stated before, PESA member companies have expended more than $1.5 billion in capital expenditures for plants and equipment to meet the demands of the oil industry since 1973. Billions more are projected for expansion programs and scheduled to take place in the 1976–1978 period.

These expansions have taken place and been scheduled for near-term completion as a direct result of the oil industry's efforts to recover their capacity for exploration and development which had seriously deteriorated over the last fifteen years. Plant employment of hourly employees has increased ten to thirty percent over the past eighteen months and, together with expansions, was accomplished to provide the manpower and capacity to meet current productive requirements. Capital expenditures were predicated on a recovery factor of four to five years, but anticipated slow-downs will retard recovery on these investments eight to ten years with material reduction in cash flow and mounting unemployment.

The drilling contractor has been the first to feel the current cutbacks by the oil industry. These drilling contractors have, in turn, cancelled orders for more than forty complete drilling rigs and untold numbers of replacement units. We are currently experiencing order cancellations and can expect to receive additional cancellations, requests for delivery extensions, and readjustment because of this atmosphere of uncertainty and insecurity.

Reductions on our order books will mean direct reductions in manpower, possibly in excess of 25%, and idle capacity in all manufacturing departments. Further, such reductions will require readjustments in our material procurements from supporting manufacturers of castings, forgings, bearings, valves, fittings, etc., who are located in almost every state of this nation. In addition to the "domino" effect passed on to our supporting manufacturers, we are additionally faced with cancellation charges or increased inventory values of raw materials and buy-out items, which rapidly meet the "unacceptable" criteria.

Another vicious side effect of the impending cutbacks and of the "domino" type is the necessity of many of our manufacturers to withdraw sub-contract work for the return to and support of their own facilities. Subcontracting came about because our manufacturers did not have the initial capacity or machine tool capabilities to produce drilling machinery and equipment fast enough to meet required deliveries. While plant expansions were being completed and machine tools were on order, many of our manufacturing members were forced to go outside, placing hundreds of thousands of hours with sub-contractors so as to obtain the fabrication of critical components in order that drilling and production units could be completed on schedule. Now, with the cutbacks and slowdowns, our manufacturers have no alternative except to cancel or withdraw this work to their own facilities, leaving behind more idle machinery and unemployment.

SUPPLY

In addition to manufacturing and supplying a wide variety of highly sophisticated and specialized equipment to the oil industry, PESA member companies operate a network of field stores throughout this nation to serve the oil industry's day-to-day needs. The supply store function can be very simply described as—"people and inventory".

The inventory in a field supply store can range from several hundred to many thousand line items, consisting of products acquired from manufacturers in every state of the nation. These inventories have been increased dramatically since 1973 to meet the demands of the oil industry and the drilling contractor. Increases in the magnitude of 40 to 50 percent were common and still, long lead times kept certain items in short supply.

The responsibilities and monetary costs of maintaining adequate inventories are staggering. Impending cutbacks and slowdowns will severely increase the suppliers' operating costs for maintaining these inventories that were originally established to support and serve a healthy, driving oil industry that is now suffering withdrawal pains.

The other half of the equation for the supply function is the employee. He is indeed a rare breed of cat. He is trained as a specialist to be familiar with the many types and varieties of equipment used by the oil industry today. His training is not accomplished overnight and we often feel it takes three years training to reach average capability. With impending cutbacks and slowdowns, we can expect to lose a fair measure of these trained specialists in the obviously necessary paring of manpower. Experience teaches us that once this trained specialist leaves our industry he rarely, if ever, returns. This loss of valuable manpower makes replacement and subsequent training a drag on the suppliers to perform their future support and service to the oil industry.

Now, why are we so certain in this aura of uncertainty that there is going to be a slowdown or cutback in oil industry activity?

Well, it is because we have just polled the major oil producing areas in our nation and I think this committee would be most interested in comments elicited from both the independent and major oil company segments of the oil industry:

ARKANSAS-LOUISIANA

Murphy Oil Corporation

1975 capital expenditures reduced to $165 million from $280 million for 1974. Reduction primarily related to repeal of depletion allowance and other government controls. No bidding on offshore properties. All expenditures under study.

Engineering Property Management

Cancelled tubular goods and drilling contracts for six well program. Awaiting issuance of regulations on Tax Reduction Act of 1975 and possibility of further government controls.

ROCKY MOUNTAINS

Husky Oil Company

All allocated tubular goods for third quarter returned to the mill. Will farm out not drill any of their acreage in Utah, Wyoming and New Mexico.

Amoco

800,000 acres leased under the Great Salt Lake, with drilling program due to commence June 1975—cancelled entirely.

28 well program for Big Horn Basin, Wyoming—Cancelled entirely.

Decision made to withhold all exploration and development until stability returns.

Chevron

5 well program in Utah—cancelled entirely.

Texaco

Had 16 rigs drilling first quarter—now down to five because of loss of depletion allowance.

New policy instituted, that if producing oil well requires a pulling job, Texaco requires a 15 day pay-out or will shut down the well.

Cardinal Petroleum Company

Have cancelled drill pipe order (drill pipe is still in short supply). Two out of 12 rigs are operating.

There are between 60 and 70 idle drilling rigs stacked in the Rocky Mountain states.

GULF COAST—AMOCO

Total capital expenditures down to $140 million for 1975. Development wells only—no exploratory work.

Texaco

Domestic capital expenditures for 1975 cut back by $300 million. Will stretch development dollars to point that one year's work will take two years.

McMoran Exploration Company

Cut back 1975 budgeted drilling program by at least 25% and receiving increasing number of farm-out offers from major oil companies.

Louisiana Land and Exploration Co.

1975 first quarter earnings dropped 25% due to depletion allowance loss and therefore 1975 capital expenditures reduced from $88 million to $50 million.

Other significant developments:

Inland workover barge rigs have been idled and released from long-term contracts by majors in order to pare operating expenses.

South Texas—Laredo Gas Field. 50 wells have been completed in approximate 500 well programs. Drilling is costly and can be justified on basis of *intrastate* gas prices. Price control on this prolific gas field would result in complete cancellation of extensive drilling program.

WEST TEXAS

El Paso Natural Gas Company

Have cancelled all third quarter tubular tonnage. Operations being curtailed until their position can be re-evaluated in light of depletion allowance loss and air clears on control legislation.

15,000 tons of oil country tubular goods in inventory put up for immediate sale. No further inventories will be carried.

Gulf Oil Company

1975 capital expenditure budget cut $100 million.

Sun Oil Company

Operations curtailed Rigid expense controls require District Office authorization for minor expenditures.

Other significant development

Since end of first quarter some 17 large land drilling rigs have been idled and stacked due to cancelled contracts.

KANSAS-OKLAHOMA—AMOCO

No special or additional capital expenditures for good-to-excellent drilling prospects. In fact, have cut back a number of development wells.

Cities Services Oil Co.

Handle capital investment for 1975 on short-term only—prepared to suffer on long-term.

Phillips Petroleum Company

1975 capital investment cut back $200 million and are drilling only on committed projects. No further financial support to independents on dry hole money. Expect this will cut back some independents' activity.

Amerada Petroleum Company

All 1975 capital expenditures cut back and require New York headquarters okay.

Amerada state they are in a holding pattern, waiting for government to get out their own holding pattern.

Skelly Oil Company

All 1975 capital expenditures cut back $40 million.

Kerr-McGee

Out of drilling operations for 1975. All capital expenditure funds diverted to development of coal and other energy sources.

So there is the atmosphere and attitude of uncertainty that pervades the oil industry today. The monotonous consistency implies disastrous results for the PESA member companies who geared up with extensive capital expansions and substantially increased inventories to meet the demands of a free market system. Remembering that you can't turn this or any other industry on and off like a water tap, we feel like "We're all dressed up but with no place to go"!

The government needs to stop talking and start doing. We are sorely in need of a long-range comprehensive energy policy and how better to start than with the policy adopted by the International Association of Drilling Contractors more than a year ago. That policy calls for:

Decontrol of crude oil and natural gas wellhead prices;

Removal of price and other arbitrary controls on U.S. industry;

Regularly scheduled Federal onshore and offshore lease sales on pre-announced schedules;

Creation of a climate of consistency and reasonableness in regulatory and tax practices affecting oil and gas producing operations;

Removing barriers which discourage return of U.S.-owned offshore drilling units from overseas;

Reasonable environmental controls consistent with ecological needs.

Thank you.

Testimony of William V. Traeger, Immediate Past Chairman of Petroleum Equipment Suppliers Association Legislative Committee and Vice President and Secretary of Otis Engineering Corporation, Senate Committee on Interior and Insular Affairs Oversight Hearing on Emergency Petroleum Act, May 19, 1975

My name is William V. Traeger. I am Vice President and Secretary of Otis Engineering Corporation, headquartered in Dallas, Texas, a company that manufactures and distributes pressure control and safety equipment used on producing oil and gas wells and furnishes this equipment, as well as highly specialized technical services, to the petroleum industry. I am testifying as immediate past Chairman of the Petroleum Equipment Suppliers Association (PESA) Legislative Committee. The Petroleum Equipment Suppliers Association represents approximately 140 companies, which supply about 85% of all equipment and services used by the oil and gas producing industries. PESA members employ approximately 200,000 people, most of whom are Americans, employed in the United States. We are manufacturers, service companies or distribution companies domiciled and operating in most of the 50 states of this nation. With few exceptions, PESA members do not engage in exploration and development of oil and gas properties, act as operators of leases, nor do they buy and sell oil or natural gas. We are a group of small, medium, and some large companies which act as vendors equally to both the independent and major oil companies.

During January of 1974, I testified on behalf of PESA before the Senate Committee on Finance Subcommittee on Energy regarding emergency energy legislation.

At the time of those hearings, we were recovering from the effects of the Arab embargo and the entire nation was concerned over our dependence on petroleum imports and our inability to control the actions of the petroleum exporting countries.

There seemed, at that time, to be a determination that our nation become self-sufficient in our energy requirements. Project Independence set a goal to achieve self-sufficiency by 1985, relying heavily on the development of domestic oil and gas resources.

This determination to develop our domestic petroleum reserves at an accelerated pace combined with the temporary dislocations caused by economic controls had caused shortages of equipment supplied to the petroleum industry by our member companies. The Senate Finance Committee was considering legislation (S. 2806) which would have provided for embargo of export equipment sales and the allocation of equipment supplied to domestic customers.

The testimony received by the Subcommittee emphasized the importance of export markets; that our industry had the capacity to supply both domesic and foreign customers; and that allocation to domestic users would be cumbersome and counterproductive.

I believe at the time of those hearings in January, 1974, the Senate had a determination to meet the goal of energy self-sufficiency and considered full and expeditious development of our domestic petroleum resources essential to achieving self-sufficiency.

The PESA member companies recognized the demands that would be placed upon the petroleum industry and PESA member companies in developing domestic petroleum resources as quickly as possible and, during 1974, PESA members invested approximately one and one-half billion dollars in capital improvements to insure that sufficient capacity would be available to meet these heavy requirements for equipment and services.

My company, Otis Engineering Corporation, has more than doubled its capacity and is drawing up plans for an additional expansion to be completed in 1977.

Our employees at Dallas increased from 685 early in 1970 to over 1,350 at the end of 1974 and have been increased an additional 150 in the first quarter of 1975.

The cost of this capital expansion program has far exceeded the profits earned by our company and we were required to borrow money to pay for this expansion.

As a member of our company's management responsible for planning for the company's future, I am perplexed by the situation that confronts me in that while the determination to free ourselves of dependence on the import of foreign petroleum products still exists, the actions taken by the Congress seem destined to increase our reliance on foreign oil. In fact, estimates now indicate that Project Independence's target of 1985 for self-sufficiency may see us importing more than half our petroleum requirements.

The PESA companies in supplying and servicing the petroleum industry maintain close contact with the companies exploring for and producing oil and gas, and we are, I believe, an accurate barometer as to this segment of the petroleum industry. I, unfortunately, must report to you that the barometer is falling fast.

The signs are too prevalent and persuasive to leave any doubt that the storm is coming. The only question I have is . . . how turbulent will it be?

On the one hand, the provisions of the Emergency Petroleum Allocation Act place a lid on prices received for petroleum products while a variety of factors, including actions by the Congress, create a buildup of costs and a profit squeeze which drains vital capital from our industry and makes other forms of financing difficult or impossible. Many of our customers' long term commitments are "locked in" and adjustments of budgets to provide for the shortage of available capital will have a dramatic effect on industry expenditures for exploration and production.

I would like to comment first on the state of our domestic industry; second, on foreign operations; and, thirdly, on the interrelation of our domestic industry to foreign operations.

You will hear testimony today from other representatives of PESA indicating that our member companies are experiencing cancellation of equipment orders, inventory buildups, and other indications from contacts with customers that we may have come from a period of shortages and delivery delays to a period of over-supply and excess capacity.

We need only look across our northern border to our neighbor, Canada, to see the dramatic consequences of the enactment of legislation punitive to the petroleum industry. Exploratory and drilling operations have been severely curtailed and the effect upon Canada will be long range and severe.

I look at the same type of punitive legislation already enacted into law in this country and see the additional punitive legislation proposed and being considered by the Congress, and I am concerned over the future health of our industry and its ability to provide the capital that it will need in the coming years.

With regard to our export markets, we are faced with ever-increasing competition from foreign manufacturers, encouraged and subsidized by their governments, which can provide equipment at lower prices. Our technological superiority justifying the higher prices we charge for U.S. manufactured equipment is becoming less important as foreign manufacturers increase their technological skills.

The loss of these export markets would create many adverse consequences, since the experience we gain in serving these markets contributes heavily to our technological skills through the work we do in meeting the variety of problems encountered in oilfields throughout the world.

I have recently reviewed the Interagency report on U.S. Government export promotion policies and programs and was most disturbed by some of the analyses contained in that report.

This is, of course, a complex subject necessarily generating divergent and sometime contradictory views.

I do not believe some of the opinions expressed in this report questioning the benefits of our export markets and the advisability of increasing export sales would properly apply to the PESA companies.

I feel certain that this report will be presented to the Congress in connection with legislation dealing with export policies and programs, and I would caution you to consider carefully the prospective effects on the PESA companies' ability to maintain their foreign markets of any such legislation based upon conclusions reached in this report which may prove to be incorrect. If we lose these export markets, we will probably never have an opportunity to regain them.

We have also been concerned regarding the accuracy of estimates presented to the Congress of the effects of proposed changes in our tax laws regarding the taxation of foreign income. Estimates have been made to the Congress as to revenues that would be generated by the elimination of certain tax provisions enabling corporations to defer a portion of their income from export sales of products produced in the United States or receive credit for foreign taxes paid on such income.

These estimates would be accurate I am sure were the U.S. manufacturer able to maintain all of its export sales after his costs had been increased by the additional tax burden. But, if a U.S. manufacturer is selling in a highly competitive market and loses his export sales, then there is no foreign income to be taxed, and, additionally, the taxes paid on the U.S. manufacturing profit, the taxes paid by employees required to manufacture the equipment for export and the taxes paid by U.S. suppliers of components and raw materials and their employees, would be lost to the Treasury Department, and these losses should be offset against the estimated gains in revenue.

If we are to be entirely accurate in estimating the effect of such tax revisions, we should also take into account the loss of jobs and adverse effects on our balance of payments.

The PESA companies have long recognized that there is a direct relationship between their export markets and their capability to serve the domestic industry.

By supplying equipment and furnishing services on a worldwide basis, our member companies have access to a wide variety of operating problems and subsurface and reservoir conditions. This is particularly true with respect to marine equipment furnished by our industry members to the worldwide offshore oil industry. New and improved equipment has developed out of our work with export customers. For example, remotely controlled downhole safety systems now being installed in the Gulf of Mexico to prevent blowouts and control pollution were pioneered in the oilfields of Venezuela. Equipment required to resist the highly corrosive effects of the high sulphur content wells currently being drilled in the United States was developed, tested and put into inventory to serve the needs of the Canadian petroleum industry and the petroleum industry of the Arabian Gulf. Equipment necessary to complete wells on the ocean floor was tested and used at an early date by the French oil companies in their operations in Algeria and Gabon, and the benefits of these tests and the resulting improvements in equipment are now fully available to our domestic industry.

If we are to maintain technological superiority, it is essential that we continue to have access to the operational requirements which produce technological advances and improved products and services essential to the efficient development of our nation's petroleum resources.

If the PESA companies lose their foreign markets and our domestic customers must bear the full cost of our substantial productive capacity, our extensive inventories in different types and sizes, and our extensive research and testing facilities, the cost of our member companies products and services will necessairly be increased, aggravating the profit squeeze and diminishing the funds available for the development of our petroleum resources.

How do I approach our company's problems of planning for the future? Should I look to the projected demand for energy and the prospects that as we enter a period of economical recovery, our energy requirements will again increase each year, or should I look to the legislation which has been enacted by the Congress and which is proposed for enactment and the action of our government agencies to determine the proper course of action for my company to follow. I see our company's customers retrenching their domestic operations and recognize that this will effect our domestic market. On the other hand, I observe the benefits of our export markets being questioned and note the adpotion by the Senate of the "Standby Energy Authorities Act" (S. 622), which authorizes the President in Section 111 by rule or order to restrict exports of our products which will potentially be viewed by our foreign customers in the same way we view our access to Arab oil supplies and will cause them to search for alternate sources of the equipment we now furnish them.

In such a period of uncertainty, the natural inclination of a planner is to err on the conservative side, and I believe my current advice to the management of our company would be to review carefully their plans for expanding our manufacturing facilities in 1977.

While our industry is indeed in a grave situation, it is not without hope.

PESA has been considering the challenges facing us and has prepared a "PESA Profile" as an attempt to set forth our estimate of what needs to be done and what can be done now to help meet the goal of achieving energy self-sufficiency. I attach a copy of this pamphlet for your information and use.

This concludes my testimony and I thank you for providing me the opportunity to appear before you today.

POTATOES FOR PEACE

Mr. CHURCH. Mr. President, since last November, many of us from potato producing and processing States have repeatedly urged the President and the Departments of Agriculture and State to institute an expanded food assistance program to include the use of potatoes as a major staple in Public Law 480, the food for peace program.

While many crops were severely affected by last year's drought, potatoes, due to modern irrigation techniques, were unaffected, and experienced the largest crop in industry history.

Consequently, farmers have been faced with large and unmanageable surpluses, and have watched potato prices tumble from $4.50 per hundredweight last October to less than $1.50 today. These reduced prices seriously threaten the stability of the entire potato industry. Producers and processors alike are literally faced with the possibility of bankruptcy and ruin. Thousands of potato plant employees have already been laid off. Unemployment in the potato industry has reached the same sad levels as those experienced by the automobile industry.

Just recently, farmers dramatized the seriousness of their situation by distributing their surpluses to those in need—rather than selling them at prevailing market prices.

The distribution of potato products under an expanded food aid program would not only benefit hungry nations abroad, but would also assist our currently depressed potato industry by reducing the burden of our domestic surpluses.

I am pleased that the Senate has acted to approve a resolution calling for the use of potato products in food assistance programs.

I ask unanimous consent that the text of the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

S. Res. 122

Expressing to the Secretary of Agriculture the sense of concern felt by the Senate for the present plight of potato growers across the country.

Whereas the United States is suffering from a severe economic recession, with a high rate of unemployment; and

Whereas the poor and the unemployed in the United States need substantial additional quantities of nutritious food; and

Whereas the recent World Food Conference estimated that almost half a billion people suffer from malnutrition in the world today; and

Whereas a basic cause of malnutrition is the imbalance or inadequacy of vitamins, minerals, and protein; and

Whereas it is the commitment of the United States, as expressed in various statutes, including the Agricultural Trade Develepoment and Assistance Act of 1954 (Public Law 480), to share our agricultural abundance with needy persons domestically and in other parts of the world; and

Whereas national stocks of potatoes are presently unusually abundant and purchases of potatoes could be effected now by the Department of Agriculture on extremely favorable terms, which would be beneficial both to the farmer and to the Government; and

Whereas American potatoes represent an important source of vitamins, minerals, and plant protein; and

Whereas potatoes are a perishable commodity; and

Whereas this valuable source of food should be distributed expeditiously to a hungry world: Now, therefore, be it

Resolved, That it is the sense of the Senate that the Secretary of Agriculture immediately take steps to distribute potato stocks in useful edible forms to needy persons at home and abroad under the domestic food assistance programs and the Public Law 480 program.

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RICHARD TUCKER—IN MEMORIAM II

Mr. JAVITS. Mr. President, on January 28, 1975, I placed in the RECORD various tributes to the late Richard Tucker, one of our greatest operatic tenors. I ask unanimous consent that a further tribute to Mr. Tucker by Chairman Charles H. Silver at the last board meeting of the board of trustees of the Beth Israel Medical Center in New York City be printed in the RECORD.

There being no objection, the tribute was ordered to be printed in the RECORD, as follows:

EULOGY TO RICHARD TUCKER

The passing of our dear friend, companion and colleague—the sweet singer of his faith and his people whose voice enriched all the world—leaves a sad and silent place in our hearts that could only be filled by Richard Tucker.

We shall miss his friendly smile, his warm and robust good humor—yes—and his good counsel as our fellow trustee. But that is nothing to the emptiness he leaves in the wide, borderless empire of music and art outside our walls.

There, Richard Tucker was a king—and all who sat in the countless concert halls of every land were his devoted and adoring subjects.

God had given him a rare and precious gift.

He was one of the greatest to bestow that gift in eternally remembered, indescribably thrilling performances on the stage of the Metropolitan Opera House.

I sat on that stage a few days ago—near the coffin of my cherished friend.

It was impossible to believe that he would not appear in a moment, striding in from the wings, making the vast corners of that majestic music hall ring with the immortal arias he sang so well.

But it was not to be—not then nor ever again. The great, golden tones would be heard no more—except in memory and in the many treasured albums of recordings he has so generously left to us.

They are not the same. We will listen again and he will live again—but only for a few precious minutes.

The music will go on—but the great heart has stopped and these are just empty echoes of the warm, wonderful human being we have all lost.

And as the huge contour curtain of the Metropolitan closed in slow—oh, so slow and anguished falling folds of sorrow—the stabbing thought struck me that this was his last appearance on that great stage.

This is the only comfort we can find . . . The marvelous moments of glory and greatness with which he brightened the days we shared.

And now that we can share them no longer—now that the singer has fallen silent—only a great ache remains.

There is no world or act or wish or hope or prayer that can light up the stage again and put the spotlight on the heroic figure of that great, gifted man and bring forth those rich tones again.

We cannot grasp that strong hand of friendship or warm ourselves in the good-hearted glow of his company.

We cannot greet him here at board meetings.

We will never see the Cardinal throw his arms around him after a particularly thrilling solo at the Smith dinner.

But he will always be a part of these things—as he will always be part of the legend of the metropolitan and the future of Beth Israel.

Richard Tucker has not left us.

My heart was torn as I watched that mighty curtain close. Yet I feel that he left a legacy to me—and to you—a legacy of melody and soaring harmonies that death cannot really still.

He lives in our hearts.

He goes on singing there—and it is the music of everlasting remembrance that can never die.

Join me in these moments of deeply, solemn prayer without words as we mourn the music—and the magic—and the memory—of Richard Tucker.

THE ENDANGERED SEA

Mr. PELL. Mr. President, the Honorable Russell E. Train, Administrator of the U.S. Environmental Protection Agency made an excellent speech before the National Audubon Society on Saturday, April 19, 1975.

We all know that Russell Train enjoys a very high reputation for integrity, independence, and excellence of performance of his work.

I was particularly delighted to note in his speech that he supported the thought that the time may have come "to explore the possibility of international enforcement machinery, such as could be represented by an international coast guard or similar capability."

This idea of an international coast guard, or, as I have long called it, an international sea guard, is I believe an idea whose time has almost arrived.

No matter what arrangement is arrived at by the Law of the Sea Conference, some sort of provision will have to be for inspection or regulation of the resources of the deep sea.

The world being what it is, I cannot imagine that any single nation's navy will be empowered by all the other nations with this responsibility. For this reason, some sort of international sea guard will have to be brought into being.

I ask unanimous consent that his speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

THE ENDANGERED SEA

(By Hon. Russell E. Train)

It is a pleasure to be once again with my friends in the National Audubon Society as we observe not only the beginning of Earth Week but also the 70th year since this distinguished organization was formed.

There is some kind of impression afoot that the environmental effort was born yesterday, that it sprang up overnight and out of nowhere some six or seven years ago. You and I know better. The Audubon Society very early in its history led successful battles to halt the killing of shorebirds for the restaurant trade and the slaughter of egrets to decorate women's hats. And it was five decades ago when T. Gilbert Pearson, a president of National Audubon, urged the creation of an international treaty to halt environmental damage from oil spills. Even the word "environmentalist" is scarcely new. Robert Frost used it to describe himself in the poem "New Hampshire" written 52 years ago.

It was Frost who once voiced this warning which has a very contemporary ring in our ears:

"How many times it thundered before Franklin took the hint! How many apples fell on Newton's head before he took the hint! Nature is always hinting at us. It hints over and over again. And suddenly we take the hint."

And nature does indeed have to hit us on the head over and over again before we begin to take the hint. It wasn't until the pollutants and poisons in our air and earth and water had piled up to the point where they posed a clear and present danger to human life and health that we began to take them seriously. And while, as you know, we have made real strides toward curbing and controlling these environmental hazards, the going has been a lot rougher than some, at least, had originally imagined. None of us here, I think, is terribly surprised at the fact that it has not proven possible within a few years to make up for decades—even centuries—of environmental damage and degradation or, what is even more difficult, to change the ingrained and accustomed patterns of behavior, public and private policies and processes, lifestyles and the like that are responsible for our environmental ills in the first place.

Here on the Gulf of Mexico we stand face to face with both the familiar problems of technology and an extraordinary opportunity to deal with those problems before they happen and before they get out of hand.

Here, at the juncture of ocean and land, lie those productive but delicately balanced estuaries upon which marine life is still so dependent. The elaborate system of marshes and shallow bays have made the Gulf an immensely important natural environment, an enormous nursery where fish grow to near maturity and where waterfowl find shelter and food during winter months.

Indeed, in a broader sense we stand at the edge of that vast domain where life itself first began. It was in the oceans and the estuaries of the world that primitive one-celled life originated. It came from the sea, not—like Aphrodite in Greek legend—at a single miraculous instant, but over aeons of time. As the earth cooled, traces of oxygen were produced. Then came the photosynthetic cells in water, creating more oxygen which built up a shield against the deadly ultraviolet radiation from outer space. That in turn made more life possible, until creatures were able to crawl out onto the land and evolution began its long upward course to the creation of man.

Knowing these things, we cannot help but feel a swirling sense of awe and anguish as we stand at the sea's edge. For this birthplace, this original nursery of us all is endangered. Dredging and development is destroying the marshes. Filling and dredging have wiped out some 200,000 acres of shallow coastal bays in the Gulf and south Atlantic areas over the past two decades. Chemicals and sewage and oil spills are slowly and steadily sapping the oceans' ability to serve as a well of life. The oceanographer Jacques Cousteau tells us that the floor of the Mediterranean is littered with the debris and waste of modern technology. Ecologists warn us that it is a dying sea and that unless nations act to protect it, it will soon be a dead one.

All over the world, the seas are serving as a receptable for wastes. They have become a sink for enormous quantities of chemicals from fertilizers, herbicides and pesticides used in agriculture far inland. It is this kind of disjointed activity in our society, this process of action in one area leading to ecological shock waves far from the original source of pollution, that now threatens the sea. One of our major problems is that we don't really know what we're doing to our environment and, ultimately, to ourselves. Like children with a new toy, we have believed that just because a thing is technologically dazzling, it is good. We have worshipped at the altar of "cost efficiency" without knowing the true cost to society of dumping untreated pollutants into the air and water. We have followed a policy of plunder-now-and-pay-later whose price tag

must all too often be paid by victims far from the scene of the crime.

Indeed, compared with our skill and sophistication in creating pollution, our ability and instruments for comprehending and controlling it must rank somewhere at the level of the Stone Age.

With each passing year the need to control the increasing quantity of toxic substances in our environment intensifies. An estimated 500 to 700 new chemicals enter commerce in significant quantities every year. Substances once considered safe for widespread use are suddenly suspect and pulled off the market. In too many cases, the public and the environment continue to serve as testing grounds for such products. The more we learn about the health effects of pollutants, the worse things look. Researchers at the National Cancer Institute are reported to have estimated that 60 to 90 percent of all human cancers are caused by environmental factors—from ultraviolet rays to plastics and pesticides. And while progress has been made in treating this disease, it is obvious that the most sensible course lies in prevention, in controlling carcinogens before they enter man's environment.

One of the things I find most alarming is that our attitude toward the ocean is a carryover from our earlier attitude toward the land. Increasingly the seas are regarded as a place to put unwanted things, a place where accidental or deliberate spillage doesn't matter because the ocean is vast and nobody is around to protest. Having polluted the land, we are now starting to lavish our attentions upon the last clean place on the globe, trusting that the self-cleansing powers of the oceans will somehow solve matters. But freedom of the seas does not mean freedom to pollute. The globe has become too small and too crowded for that.

The growing and serious problem of ocean spills and dumping has become a matter of special concern. Here, in the Gulf, the National Audubon Society has been a strong and effective fighting force for the reduction and control of dumping. Your continued vigilance is vitally needed. According to United States Coast Guard figures, the number of all types of polluting discharges into navigable waters rose from about 8,700 in 1971 to nearly 14,000 in 1973, and the total is expected to be higher for 1974. By one estimate the amount of oil moving around the world in lanes of commerce will double each decade. This means that by the year 2000 we can expect six times as much traffic, with an obviously greater risk of oil spills and hazards to the environment. I need not tell this audience what an oil slick can do to a coastline, an estuarine system, or to waterfowl. Supertanker traffic is giving rise to increasing spills of oil in remote areas of the globe such as off the Cape of Good Hope and in the Straits of Magellan. Some of the spills have been catastrophic to important seabird populations. I believe that international action is urgently needed to find ways to protect the valuable and highly vulnerable seabirds of the world from destruction by oil.

One of the most pressing matters with respect to the oceans still lies in the future. This is the exploitation of mineral resources on seabeds around the world.

Lying on the floors of many oceans are some rather odd, black, potato-shaped lumps known as manganese nodules. No one really knows how they were formed, but scientists have found them rich in useful metals such as copper, nickel and cobalt. Already several companies are trying to devise ways of mining them, and that's where the environmentalists have begun to worry.

Few companies have any real experience in deep water mining of this type, and we can anticipate problems. The pace of life at profound depths of the sea is exceedingly slow. The life cycles of creatures there do not occur at the same rate as on the surface, and it would require a long time to restore the ecology after it had been disturbed by mining. Very large quantities of seabed mud and debris would undoubtedly be churned up to the surface. This sediment could shut out sunlight and prevent it from reaching life at lower depths. It could threaten commercial fishing and recreation, for the sediment might be carried by currents to distant beaches. Whether refining is done at sea or at the coast, the mine tailings and waste chemicals could pose another environmental hazard.

We have seen in the case of strip mining what can happen to the land when technology outpaces legislation and environmental controls. The repercussions from undersea mining could resound throughout the world.

Under the auspices of the United Nations, a second Law of the Sea Conference is now underway in Geneva to explore methods for controls over seabed mining. There is widespread support among nations for establishment of an International Seabed Resources Authority to deal with such matters. The UN must move forward and reach agreement in this area before such mining becomes widespread, for time is growing short.

Speaking more generally, the oceans represent not only a critical environmental problem area but a major opportunity for more effective international cooperation in the management of common resources. Beyond the disputed limits of national jurisdiction, the oceans are not subject to national sovereignty but are, indeed, part of the common heritage of all mankind. This has meant, in practice, that the open seas are open to unlimited exploitation on a first come—first serve basis. It seems to me that the time has come to match our assumption of unlimited rights to the oceans with the assumption of duties and obligations also held in common and enforceable.

The need for improved international cooperation to protect the oceans is increasingly recognized, as evidenced by the ocean dumping convention adopted at London in 1972, and the 1973 London convention for the prevention of pollution of the seas by ships, among other such efforts. At the same time, the mechanisms for enforcing such agreements are limited, to say the least, dependent in the usual case on the voluntary cooperation of individual nations.

We have seen how ineffectual such agreements can be as in the case of the international protection of whales. At a time when the principle of national sovereignty seems stronger than ever—among great and small nations alike—it may be unrealistic to propose limitations on that principle. But in the face of growing frustration with existing procedures and the growing likelihood that freely competitive exploitation is simply going to lead to the ultimate exhaustion of the ocean resource, it seems to me that the time has come to explore the possibility of international enforcement machinery, such as could be represented by an international coast guard or similar capability. I know this is a radical suggestion, but the times and the problems call for fresh and, if you will, radical initiatives.

Last year the President directed the Secretary of Interior to undertake a major expansion of leasing on the Outer Continental Shelf to help increase oil supplies because of the energy problem. This policy involves a number of important environmental considerations.

As we move to improve the country's energy situation, it is important that we act effectively to reduce our energy demand. A recent study by the National Industrial Conference Board showed that the Nation could make sizeable cutbacks in the growth rate of energy use without impairing economic expansion. In this connection, it is instructive to note that both West Germany and Sweden have per capita energy consumption rates about half that of the United States and both countries maintain high standards of living. The introduction of new plants and equipment in the U.S. already has reduced energy use and has achieved new economies. However, a sustained reduction in the energy growth rate will require a concentrated, long-term movement to more recycling, more fuel-efficient autos, more mass transit, and less waste across-the-board. Indeed, we need nothing less than a national War on Waste.

At the same time, we must move with determination to improve our energy supply, with scrupulous regard for environmental factors. There must be a parallel effort to develop clean, renewable sources of energy such as solar power that do not exhaust finite fuel supplies.

I believe that oil from the Outer Continental Shelf can be produced in an environmentally acceptable manner if done in the right places and under vigorous regulation.

One cause for environmental concern is the very magnitude of the new OCS development effort. It would more than double the total offshore acreage leased since the program began 22 years ago. Since drilling rigs necessary for exploration are already in short supply, it makes sense to me that we focus on areas where the resource potential is high and where the adverse environmental effects would be low. The State and local governments should be informed well in advance about coastal facilities likely to be needed. Without careful planning, new shipyards, platform construction sites, refineries and other developments at the coast could disrupt local fishing, recreation and agriculture: make massive changes in regional, social, economic and cultural patterns: and overwhelm the capacity of impacted areas to provide essential services such as housing, transportation, education, waste treatment, health and police protection. Comprehensive land use planning—with the necessary authority to implement and enforce land use controls and carried out in advance of development activity—is critically important to the wise development of coastal energy resources.

I have spoken at length about various environmental dangers with respect to the oceans and coastal areas because here we still have time to act. But I do not wish to devote all my time to a jeremiad, for the Nation has made a beginning in dealing with the problem, and I would like to describe briefly some positive steps.

We are making progress in cleaning up our waterways. The Federal government is putting massive amounts of money into this. Compared with the $1 million in Federal funds earmarked back in 1948 for construction loans, a total of nearly $18 billion is now being spent by the Federal government for wastewater treatment plants under the 1972 Water Pollution Control Act, and will be almost entirely obligated by the end of fiscal 1977.

This program will help to build treatment plants in the Gulf states, as in all coastal regions, and represents a major national investment in cleaner water with resulting benefits to freshwater, estuarine, and marine ecosystems. It will also create hundreds of thousands of jobs at a time when our economy needs them.

At EPA we also have been active in the area of pesticide control. Last month I rejected a request by the State of Louisiana for emergency permission to use DDT on cotton crops. I also acted last fall to suspend the registrations of Aldrin and Dieldrin, which are in the same chemical family as DDT, based on evidence that the two cause cancer.

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The Agency is now registering, re-registering and classifying all pesticide products, and we are involved in a large program to certify those who apply potentially hazardous pesticides, which will impose new controls on handling of these products. EPA also has joined with two other agencies in a $20 million research program to use natural enemies and biological controls of farm pests, which would lessen our dependence on use of chemical pesticides.

Finally, I have supported for several years a Toxic Substances Control Act now before Congress, which would require pre-market testing of new potentially hazardous chemicals before they are marketed, and would give EPA the authority to ban or otherwise restrict the use of substances found harmful to either human health or the environment. This would be the kind of preventive medicine that would help safeguard the environment against serving as a testing laboratory for such chemicals.

The EPA, and the environmental effort as a whole, continue to enjoy strong public support. A poll by Louis Harris last month showed that three out of four Americans are unconvinced that a temporary slow-down of water and air pollution controls will help ease the energy shortage or ease unemployment. Americans rank water and air pollution as the Nation's third and fourth greatest problems, respectively, above the energy shortage and second only to inflation and unemployment.

Despite the talk about an environmental backlash, and the hand wringing about the loss of momentum, I find no evidence of any erosion in the environmental movement. Organizations such as yours and the Sierra Club and Wilderness Society report that their enrollments and donations are increasing. In a recent survey of middle-class attitudes, Business Week declared that a "new conservation ethic is taking hold," reflecting a changing public attitude toward economic growth. The magazine quoted another Harris poll which found that citizens' groups enjoyed the highest support in environmental matters. As Harris observed, people "want to be involved, and they want to be part of the solution."

Mankind has made enormous strides in science and technology in this century. We have made the dreams of science-fiction writers see pale against the reality of our achievements—in space, in medicine, in the creation of labor-saving machinery. But our knowledge has also made us arrogant, and too often careless of the side-effects of this technology.

Before we degrade the seas with our pollutants, before we lay down any more new carcinogens or wipe out any more species, we should remember that we are connected to all life. Man also is a fragile, endangered species, still dependent ultimately after millions of years for the very air he breathes on simple cellular plant life in the sea. We must keep in mind what Sir Francis Bacon said nearly four centuries ago: "We cannot command nature except by obeying her."

The Gulf and the oceans beyond have enriched our lives by their abundance and their beauty. May we continue to respect these vast waters, this vibrant sea to which all life on earth is bound. With care and planning and foresight we can meet the needs of our society and still protect the web of life between sea and land. If nothing else, our instinct for self-preservation commands us to do so.

With the increasing understanding of environmental problems and with the very real progress we have made and are continuing to make in dealing with those problems, there is considerable room for optimism. Yet I would be less than honest if I did not admit to a very real sense of concern for the future. I see ahead continued population growth in the world, energy shortages and growing imbalances in the allocation of resources. Mankind's efforts to solve his resource problems—whether of energy or food or otherwise—will inevitably increase the stresses on the natural environment. Economic problems of unemployment and inflation add significantly to the difficulty of dealing with these problems. Moreover, the more critical our immediate needs appear to be, the greater the likelihood that decisions will emphasize short-term benefits at the expense of long-term costs.

Thus, for the foreseeable future, the conflicts—both real and apparent—between environmental protection and economic benefits are going to worsen. In government, we need political leaders who are sensitive to the broad range of values—economic, environmental and social—which are implicit in resource management issues. Thus, increasingly it seems to me that, as we deal with issues such as surface mining, we must take into account not only the more obvious environmental and economic concerns but also the human concerns—the impacts on people themselves—their culture, their way of life, and the quality of that life. In the private sector, we need more than ever before informed, vigilant, and vigorous citizen involvement in planning and decision-making.

In this 70th year of the National Audubon Society, it is good to be proud of what you have accomplished over the years. But just remember—the next 30 years are going to be the most important and the toughest. And we are going to need, more than ever, all the wisdom and the skill and the vigor that, for 70 years, have kept you growing younger and stronger by the year.

WEATHER MODIFICATION

Mr. HASKELL. Mr. President, in the 93d Congress I introduced a bill dealing with the subject of weather modification. In summary, it would have set up a method by which weather modification activities could have been monitored and controlled. During my examination of the subject of weather modification, one thing became clear to me; the state of the art of weather forecasting is not as refined as we would hope it to be. While significant dramatic progress has been made, as in the use of satellite observation of cloud cover, the practice of meteorological forecasts depends to a large extent on the personal expertise of its practitioners.

One very strong argument for passage of legislation concerning weather modification has been a lack of knowledge of the consequences of such activity, both in the short term and in the long term. This gap in knowledge in a certain sense is based upon the lack of technology which will allow the widespread collection and analysis of data concerning simultaneous meteorological phenomena.

Mr. President, recently, at the 16th Conference on Radar Meteorology of the American Meteorological Society in Houston a most interesting technical paper was presented. Mr. Grant Gray, who coauthored the paper in conjunction with Mr. Robert Serafin and Joseph Boyajian, discussed a new technological breakthrough in the area of storm detection.

I mention the 16th Conference on Radar Meteorology because the development of a new technique that displays radar observation in color on a television screen to provide detailed quantitative information on air motions and precipitation inside violent storms does present a new step forward in our ability to utilize such innovation for the benefit of mankind.

Mr. President, I ask unanimous consent that the informational release provided by the National Center for Atmospheric Research in Boulder, Colo. be printed in the RECORD. I recommend its close study by those who are interested in this field.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

COLOR RADAR DISPLAY REVEALS STORM DETAILS

HOUSTON, TEX.—Scientists and engineers at the National Center for Atmospheric Research (NCAR) in Boulder, Colorado, have developed a new technique that displays radar observations in color on a television screen to provide detailed quantitative information on air motions and precipitation inside violent storms.

The new real-time color radar display and some of its potential applications were discussed today (Tuesday, April 22) at the 16th Conference on Radar Meteorology of the American Meteorological Society at the Shamrock Hilton Hotel in Houston. Grant Gray, the engineer who designed the system, described it in a paper (scheduled for an 11:00 a.m. session) that he co-authored with Robert Serafin and Joseph Boyajian. All three men are wtih NCAR, which is a national research center sponsored by the National Science Foundation.

"The color radar display is a powerful new tool for observing severe storms and studying hail, heavy rainfall, turbulence, tornadoes and other violent weather phenomena that are often associated with these storms," says Serafin, who heads the NCAR group that developed the new system. "We feel that an important potential application of this system may be in the early detection of tornadoes."

Serafin points out that, in the past, visual sightings of tornadoes have been the only sure basis for issuing warnings to people who are in the path of the tornado. Although there has been some controversy in the meteorological community about the effectiveness of radar in tornado detection, a recent policy statement of the American Meteorological Society says that "it is generally acknowledged that Doppler radar offers the greatest hope for providing more timely and reliable tornado detection."

Used with a Doppler radar to reveal certain patterns of air motion that usually accompany tornadoes, the color radar display promises to be useful in detecting the birth and tracking the movement of tornadoes. Serafin believes that this technique, perhaps combined with other recent advances in satellite observations and measurements of electrical activity associated with tornadoes, should lead to improvements in tornado detection and warning systems.

Radar, which was developed during World War II to detect enemy aircraft and submarines, has become one of meteorology's most valuable tools for observing hurricanes, severe thunderstorms, and other storms that can cause great losses in human life and property. Rain and other forms of precipitation reflect the high-frequency radio beam emitted by the radar transmitter, and the return signal provides information on the location and intensity of the precipitation. A special breed of radar, the Doppler, can measure wind velocities by observing the speed at which particles of water or ice in a storm are moving toward or away from the radar antenna.

The traditional radar display shows precipitation as gray areas on the screen, with the varying shades of gray indicating different intensities. This means that the accuracy of interpretation of the radar observations is highly dependent on the skill, experience and intuition of the human observer.

The new system uses a spectrum of "false colors"—colors that have no relation to the actual color of anything in the real atmosphere—on a television screen to distinguish between different ranges of values observed by the radar. The key to the system is a special-purpose digital processor—a digital computer specifically designed to process the radar signals.

"The color display was made possible," Gray says, "by the advance of the last ten years in integrated circuitry, which let us build a compact and economic digital processor."

Serafin adds: "The color display is an innovative use of existing technology. It combines signal processing theory, integrated circuit technology and commercial television know-how. A single picture represents a tremendous condensation of information—a quarter-of-a-million bits or more—available in a form that can be analyzed easily by the observer."

The color display was field tested last summer in the National Hail Research Experiment, which NCAR is conducting from a field headquarters near Grover, Colorado. Some results of this field work were described in a paper presented at the Houston conference by David Atlas, director of the hail experiment, and two of his colleagues, Peter Eccles and Ronald Rinehart.

The digital processor of the color display system divides the radar beam into more than 500 intervals, extending out to the limit of its range, which for the large research radar used in the Colorado tests was 140 to 160 kilometers—close to 100 miles. The value of the radar return signal from each of these intervals is represented by a color on the screen. For each sweep of the radar antenna, a complete color-code picture for the area covered by the radar appears on the screen. It is updated for each sweep, which means that the display is in "real time"—that is, there is no delay between the sweep of the radar beam and the display of the data on the screen.

The equipment can display either radar reflectivities, which provide a measure of rainfall, or Doppler velocities. For a reflectivity display, each of the 16 available colors is assigned to a range of reflectivities. In the Colorado tests, for example, each color represented an increase or decrease of reflectivity by a factor of about three. The spectrum of 16 colors was sufficient to cover the full range of reflectivities typical of summer thunderstorms over the high plains, with red indicating highly reflective portions of the storm and green representing thin clouds of low reflectivity.

With the flick of a switch, Doppler velocities can be displayed to show the speed at which a storm cell, or other target, is moving toward or away from the radar antenna. Velocities over a range from zero to 60 miles per hour are measured by computing a slight shift in the frequency of the radar return signal. This is the Doppler effect, which in the realm of sound causes a train whistle to change pitch as the train approaches and then moves away.

Serafin says that the NCAR color display and a similar system developed recently by the Raytheon Company for the Air Force Cambridge Research Laboratories offer many valuable potential applications in operational weather observing as well as in atmospheric research.

"Many of us who have been working with radar for many years," he says, "share the feeling that a blindfold has just been removed from the eyes of the weather radar observer."

FRED HECHINGER ON NURSING HOMES

Mr. PERCY. Mr. President, I recently read a sensitive and thought-provoking essay about nursing homes by Fred M. Hechinger on the op-ed page of the New York Times. Mr. Hechinger's piece makes several important points. I think he is quite right in tracing the problems which have been uncovered in our country's nursing homes to a basic public attitude of indifference toward the elderly. This indifference which often results in old people being isolated and abandoned in long-term-care facilities has its roots, I believe, in our own fears of old age. These fears are cultivated, as Mr. Hechinger notes, by the youth cult which dominates our culture today.

In contrast to some observers who have made a similar point, Mr. Hechinger does not throw his hands up in despair and say that nothing can be done until these attitudes change. He argues that we should not wait for a revolution in society's attitudes toward its aged members before questioning the compatibility of the profit motive with high quality nursing home care.

I have raised this question as a member of the Subcommittee on Long Term Care of the Senate Special Committee on Aging. I, like Mr. Hechinger, do not mean to attack the free enterprise system by posing this question. Quoting Mr. Hechinger:

> It is merely to suggest that the profit system works properly only when the consumer can respond effectively to the seller, particularly to register dissatisfaction. The very old—like the very young—are usually incapable of exercising that role. They become not clients but prisoners of the system.

The dynamics of the marketplace may not operate or operate well in this sector of the economy. I think it is important for policymakers to confront this issue openly and to give careful consideration to Mr. Hechinger's suggestion that voluntary or public agencies be encouraged to assume more responsibility for caring for the elderly.

Mr. Hechinger stresses, as I do, the need for developing alternatives to institutionalization. The elderly should be maintained in their homes as long as possible.

In this context Mr. Hechinger comes out for a system of financial incentives for families to maintain their aged relatives at home. I have discussed this idea, most recently before a meeting of the American Association of Homes for the Aging in March. I note that the National Council of Senior Citizens has called on Congress to "amend the medicaid law to provide financial assistance to families who wish to care for ailing elderly parents in their homes." Evidently support is growing for this concept.

Finally, Mr. Hechinger suggests that perhaps unemployed young people might be mobilized to help solve the problem of inadequate staffing of nursing homes. This possibility should be explored, but untrained young people serving unwillingly in nursing homes could only make a bad situation worse.

Mr. President, I commend Mr. Hechinger's essay, "Silent Winter" to my colleagues' attention and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SILENT WINTER

(By Fred M. Hechinger)

Before long, commissions, juries and courts will close their books on the nursing home scandals. Fraud and thievery will have been exposed and perhaps punished. The Moreland Act Commission's proposals, though short of basic remedies, could offer minimal assurance that at least for a while it will not be quite so easy as before to grow rich on outrages committed against the aged. The public conscience will, with relief, move away from those places where old people are stored until they die.

It is not an act of cynicism to predict that these necessary efforts to uncover and punish past wrongdoing will fall short of fundamental change. Nothing has changed in the fifteen years since former City Investigations Commissioner Louis I. Kaplan exposed comparable horrors. The only change was the lure of super-profits with the advent of Medicaid.

The reasons why the aging have become such easy prey to exploitation lie deeper than the greed of a few operators, the corruption of institutions and the protective shield provided by venal or cowardly politicians.

Nursing Home Horrors could not have continued so long if even a moderate number of people had cared about what happened to the old. The fact is that the fate of old people is of little interest to the majority and an inconvenience to a large portion of the families of the aged.

The label nursing "home" may be a reminder that the collective conscience is still functioning. But resort to euphemisms is also an instant giveaway that something is being hidden. Those who dreamed up the term inconvenience to a large proportion of the families of the aged.

The high cost of space in modern urban apartments and the modern American family's mobility offer rational excuses for an ever-increasing reliance on others to assume responsibility for the aged. The pragmatic sociology of post-industrial urban America makes a virtue of segregating the generations. Children, teen-agers, young adults, the "mature" (read: middle-aged) and "senior citizens"—are lured into, or confined to, their own worlds, their own literature, and their own potential for commercial exploitation.

For purposes of governmental classification, aging is now said to begin at 45—undoubtedly because at that point the cost of pensions and fringe benefits becomes a deterrent to new employers. Modern medicine has prolonged life, while modern economics have shortened life's usefulness. Nursing homes place the obsolete aged out of sight and out of mind. It is no accident that the new American efficiency pays so much attention to "clearing out deadwood."

Population statistics make it a certainty that matters will get worse. In the 1950's and 1960's, in the wake of the World War II baby boom, the nation was inundated by youth. Inevitably, the "excess" number of the young will show up a generation later as an "excess" of the old. Will the successor to the Youth Cult be known as the Old Age Curse?

The obvious conclusion is that the potential for windfall profits from nursing homes will increase rather than diminish. Thus an

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honest assessment of the problem cannot avoid the basic question: Is it possible to operate homes for aged on a for-profit basis without exploitation?

To ask the question is not to launch a general assault on the profit motive in free enterprise. It is merely to suggest that the profit system works properly only when the seller, particularly to register dissatisfaction. The very old (like the very young) are usually incapable of exercising that role. They become not clients but prisoners of the system. Theirs is life's cold and silent winter.

Under such circumstances, the potential to exploit and profiteer, and in the process maltreat and humiliate the captive consumer, calls for an intensity of supervision and inspection which, to be effective, might well be more costly than letting the public agency actually run the enterprise. The recent ruling by the Appellate Division of the State Supreme Court that refusal by nursing home officials to admit safety inspectors does not warrant suspension of the homes' licenses and does little to bolster hopes for a toughened inspection system.

What, then, are some possible answers to an intolerable situation? A partial solution may be found in such legislation as proposed by Representative Edward I. Koch of New York and Senator Frank Moss of Utah, to provide the elderly with help for housekeeping in their own homes.

To such efforts to reverse the trend of institutionalizing the case of the aged might be added tax or other incentives to encourage and fiscally aid families who can make room for the old in their homes.

Since substantial numbers will still have to rely on nursing homes, the voluntary agencies should be urged and aided to shoulder a greater share of the responsibility. Ready availability of good care via the voluntary and public sector is the best way to undercut opportunities for profiteering.

As long as youth unemployment continues at a high rate, a system of national service might help nonprofit nursing homes cope with the difficult problem of adequate staffing.

Ultimately, however, regardless of any specific reforms, the shame of the old-age homes will be permanently eliminated only when the American people start being ashamed of the way they think of, and treat, old age.

SOVIET GRAIN STORAGE PLANS

Mr. HUMPHREY. Mr. President, the Soviet Union plays a decisive role in world agriculture. No other country is capable of shortfalls of the magnitude that can turn a world grain supply situation of surplus to one of tight supply with little or no warning. Developments in Soviet agriculture, therefore, are important to the agriculture intelligence requirements necessary to provide for the stability of world cereal markets.

Mr. A. Paul Danyluk, assistant U.S. agricultural attaché in Moscow, has written an important article on Soviet agriculture entitled, "Soviets Plan Huge Increase in Grain Storage Capacity." According to this article, the Soviet Union will expand its off-farm storage capacity over 30 percent to 180 million metric tons by 1980. Such an expansion would greatly increase their ability to offset shortfalls in production with reserve stocks, thereby reducing the possibility of the massive and unexpected entry into world markets which caused the most recent market disruptions in 1972.

The importance of this article in terms of its implication for the future stability of world cereal markets lends itself to the attention of policymakers concerned with the food security of consumers in this country and throughout the world.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SOVIETS PLAN HUGE INCREASE IN GRAIN STORAGE CAPACITY

(By A. Paul Danyluk)

The Soviet Union is reportedly planning to expand its off-farm grain storage capacity almost a third over the next 5 years, reaching a total off-farm elevator and grain warehouse capacity of roughly 180 million tons by 1980.

The Five-Year Plan for 1976–80 calls for construction of 40 million tons of off-farm grain storage capacity, an average of 8 million tons of new capacity per year. From 1961 to 1970, an average of 6.7 million tons of grain storage capacity was constructed annually, of which elevators accounted for 1.2 million tons.

The sharp rise in construction plans follows in the wake of grain crops in 1973 and 1974 that were the largest ever. It also suggests a response to criticisms about the high losses of grain due to shortages of both storing and drying facilities.

In a speech to the Plenum of the Central Committee in December 1973, Soviet party leader Leonid Brezhnev lamented that "because of the big harvest, large quantities of grain had to be stored in mounds under the open sky . . . and no one made an accounting of the value of the losses incurred."

Brezhnev then announced that measures would be taken and funds appropriated for the construction of enough "closed" grain storage facilities to fulfill the country's requirements.

Soviet awareness of the need for rapid expansion of its grain storage facilities became acute when the 1973 grain crop exceeded the planned level by 25 million tons.

The annual construction rate in 1961–65 average almost 6 million tons of grain storage capacity, but included only 700,000 tons of elevator capacity. For the period 1966–70, the yearly construction rate was 7.5 million tons, including 1.7 million tons of elevator capacity. For 1971–75, the average annual gain totaled only 6 million tons, but elevators accounted for over half of the new capacity. Not until the upcoming Five-Year Plan, calling for 8 million tons per year (85 percent in elevators), have the Soviets moved to establish grain storage construction levels compatible with growing needs.

For the 1961–65 period, average annual gross grain production was 130.3 million tons; for 1966–70, 167.6 million tons; and for 1971–74, 191.9 million tons, which has left large gaps between storage needs and actual capacity.

Grain storage facilities on state and collective farms reportedly have a total capacity of 100 million tons. Over the past several years, an increasing amount of grain has remained on the farm for use as livestock feed.

But losses are probably high, since much of the grain that remains on the farm is stored in primitive barn-type facilities. This is viewed as another reason for the current drive for rapid expansion of modern grain storage facilities.

Another factor contributing to the need for storage construction is geographic. Grain collection points in some major producing areas are reportedly so far apart, and waiting periods at the collection points are so long, that trucks can make only two or three deliveries daily.

To help alleviate this problem, 28 percent of the 40 million tons of new storage capacity planned for 1976–80 will be constructed in two major grain producing areas, the Ukraine (6.4 million tons) and Kazakhstan (5.2 million tons).

New facilities are also planned for a number of regions in the Russian Federation, including the oblasts of Volgograd, Saratov, and Kuybyshev, as well as Bashkir and Tatar ASSR's. Major construction is also planned for Stavropol, Krasnodar Krays, and the Urals, and the Central Chernozem and non-Chernozem Zones.

The work is expected to include new construction, additions to existing facilities, and some renovation. Apparently, almost the entire grain storage system is in need of some type of work.

It appears that Soviet grain silos are being built of precast reinforced concrete with steel lining. Construction of silos from sheet metal plates, on the other hand, would reportedly take much less time and be less costly.

Problems evidently exist with labor efficiency. Some elevators just recently constructed already need major repairs, owing mostly to poor construction of seals against moisture.

To improve planning, modernization, and implementation of technical advancements in both storage and processing, the Ministry of Procurements intends to expand staffs in major Soviet institutes. One of their major objectives in planning is to reduce construction costs.

The Soviets have already allocated about $4.7 billion for the 1976–80 grain storage project. About three-fourths of the planned 40 million tons in new capacity has been assigned to the Ministry for Agricultural Construction.

CONSUMER BUREAUCRACY

Mr. HANSEN. Mr. President, a local newspaper Sunday printed some interesting observations about the Agency for Consumer Advocacy bill (S. 200) that passed the Senate last week.

The Washington Star anticipates a Presidential veto of this measure on several grounds, and among them, "the cost of the operation might very well outweigh its benefits to the taxpayer, in the long run."

Mr. President, I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Star, May 18, 1975]

CONSUMER BUREAUCRACY

Certainly the Senate's passage last week of legislation to create a federal consumer protection agency came as no surprise. The measure had been filibustered last year and this year by its dedicated opponents, who knew they were defeated once it got to the floor for an up-or-down vote. For not too many legislators want to be tagged with an "anti-consumer" vote, though many know that this particular remedy may turn into something that lots of consumers will wish they never heard of.

Still, 28 senators did have the nerve to vote against this bill to set up an Agency for Consumer Advocacy, so even if the House passes it (as seems likely) there is a bare chance that a presidential veto could not be overridden. And President Ford, who opposes the measure with a good deal of fervor, should

not fail to veto it if the House follows the Senate's lamentable lead.

This will require some extra courage, though, even as the negative Senate votes did. The nay-sayers risked the political retribution of various shrill groups that see this as the great crossing over into the promised land of consumerism, and have naught but criticism for anyone who hesitates at the shore. The crossing may be a jubilant affair, but we expect that a lot of cactus awaits on the other side. This envisioned consumer agency has the capacity to become an administrative monstrosity beyond compare, which will bedazzle even those of us who are used to seeing infant bureaucracies balloon into giant dominions.

A clue to the possibilities may be found in a glad statement given after the Senate vote by the Consumer Federation of America: "It is gratifying to know that the Senate has moved to give consumers a voice in the thousands of federal agency decisions which daily affect their health, safety and economic well-being." The word that caught our eye was thousands. Thousands, indeed. This agency would be into everything under the sun. In a decade or less, with its almost limitless scope, we would not be at all surprised to see it grow into a department with thousands of lawyers and investigators on its payroll, and branch offices coast to coast.

Though its proposed beginnings are modest enough—a $60 million authorization over three years—its diffused mission makes mammoth expansion of both funding and functions almost inevitable. The cost of the operation might very well outweigh its benefits to the taxpayer, in the long run.

For the fact remains that regulatory agencies already exist to provide the protections referred to by the Consumer Federation, and surely no one thinks that all these are utterly failing. In addition, there are dozens of consumer protection units at work right now in the federal government. Hence the duplication of effort could be enormous if this new agency gets going, but undoubtedly its administrator would become awesomely powerful. He or she would have vast latitude to define "the consumer's interests" in riding herd over the other federal agencies. In addition, the agency would be a clearing house for consumer complaints (has your pop-up toaster pooped out?), while going to bat for the consumers in court, conducting studies and surveys, running a public information service, assisting state consumer agencies, interrogating businesses and doing a number of other things.

It is a task of almost impossible dimensions. And of course the fly in this soup is that consumers' interests quite often are in conflict: What's good for one group is anathema to another, yet the consumer czar would be supposed to speak for "the consumer" as some sort of a singular being. This dilemma already has turned the Senate bill into a hypocritical absurdity. To pass the measure, the senators found it necessary to vote several exemptions to its provisions, most notably farming operations and labor-management affairs. If these do not bear upon products and prices in a big way, nothing does.

So the concept is being applied selectively, with favors for certain politically powerful segments, even before it's enacted into law. This is reason for the House to consider well what a tangled thing it is contemplating, and for President Ford to stand ready for a veto.

LEARNING FROM OUR PAST MISTAKES IN MANAGING OUR FOOD SUPPLIES

Mr. HUMPHREY. Mr. President, I wish to point out a very informative article in the May 9 issue of Science entitled the "Great Food Fumble."

This article goes into great detail as to how we managed to go from a food surplus situation in the early 1970's to a condition of food scarcity today. The author, Mr. Fred H. Sanderson of the Brookings Institution, also outlines some of the possible options regarding the food issue from the most optimistic to the most pessimistic. His conclusion, following historical examples, runs toward the more optimistic view.

He goes over the background in terms of increased demand, the massive Soviet grain purchases of 1972–73, and the poor weather conditions.

The article weighs the reserve issue and concludes that a modest reserve could have been extremely beneficial in avoiding some of the disastrous problems which have beset us in the last 2 years.

The author addresses the question of how much stability is desirable and how large any reserve stocks should be.

The author concludes that a modest reserve held by the Government is a necessity because of the cost involved in maintaining reserve stocks.

Setting a reserve amount depends on a number of factors such as future export demand, the degree of price instability that we are prepared to tolerate, whether or not export controls are ruled out, the variability in grain yields, and the actual costs of carrying these stocks.

The need, as the article states, is to "strike a balance by providing a wide price range within which the stabilization authority would not interfere in the market."

This is a very informative article and one which deserves careful review and consideration.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE GREAT FOOD FUMBLE

(By Fred H. Sanderson)

Shortages and high prices of agricultural commodities have given rise to a new wave of alarm about long-term world food prospects. There is a widespread belief that the events of the past 3 years may be the first signs of a fundamental change in the balance between world food demand and supply. In its most extreme form, this school of thought sees the world rapidly approaching the point where population growth and rising affluence will outrun the world's capacity to feed itself; where it will run out of land, water, and energy; where additional applications of fertilizer and other inputs will bring negligible returns (1). A more moderate version of this view predicts, not imminent disaster, but a reversal of past trends in agricultural production costs. According to this view, the era of agricultural "surpluses"—and of "surplus" agricultural production capacity—has come to an end: rapidly rising demand in both the industrial and the developing countries will put increasing pressure on agricultural resources, causing real food prices (that is, food prices in relation to general price level) to rise. As a result, it will become increasingly difficult to sustain present levels of food consumption (2).

Others question this thesis. They believe that the recent shortages can be traced to transient factors; that the possibilities of expanding food production in developed as well as developing countries are far from exhausted; that rising demand can be satisfied largely through further increases in yield per acre; that there still are vast land reserves suitable for crop production should the need arises; and that the necessary expansion of agricultural production can be achieved, for many years to come, without a dramatic increase in real costs of production (3–5).

The historical record lends support to the more optimistic view. Alarm about world food supplies has been a recurrent theme ever since Malthus. At least three waves of pessimism have swept the world since the end of World War II: in the late 1940's and early 1950's, in the mid-1960's, and in the past 3 years. In each case, the concern was prompted by temporary shortages in the aftermath of war, or a series of droughts in major grain growing areas. In each case, the predictions of continuous shortages were based mainly on high rates of population growth in the developing world; it is only in the current crisis that almost equal emphasis is being placed on the "wasteful" indirect consumption of original food energy, in the form of livestock products, associated with rising affluence in the developed countries.

As it turned out, the growth of population has exceeded the most pessimistic expectations. Yet world grain production (which accounts for the bulk of the original food energy produced), kept sufficiently ahead of population growth to permit an annual improvement in per capita consumption of about 1 percent. To be sure, the improvement was not shared equally among rich and poor. In the affluent countries, with production rising by approximately 3 percent a year, and population growing by only 1 percent, a 2 percent annual increment in grain supplies was available for livestock feeding to support the rising demand for animal products. In the densely populated developing countries, where the diet still consists predominantly of grain and nearly all the grain produced is needed for direct human consumption, the growth of production—though also about 3 percent annually—barely kept ahead of population growth (about 2½ percent). This situation, of course, is extremely unsatisfactory, if we bear in mind that perhaps one-third of the people in these countries continue to live on the margins of subsistence; but it is not new.

CAUSES OF THE FOOD CRISIS

What, then, accounts for the sharp deterioration in the world balance of supply and demand in the past 3 years? Why did grain and soybean prices more than triple (Fig. 1) (2)?

It is the purpose of this article to show that these events (6) can be explained essentially as the result of transitory factors: an unusual, but not unprecedented, series of crop shortfalls in the U.S.S.R., South Asia, and North America; and the failure of the major producing and consuming countries to prepare for such an eventuality. However, long-term factors, making for greater instability in world agricultural trade, played a contributory role.

TABLE 1.—NET EXPORTS (+) OR IMPORTS (−) OF GRAINS, EXCLUDING RICE (3, 17)

	Millions of metric tons			
	1970–71	1971–72	1972–73	1973–74
United States	+38.3	+41.3	+70.7	+74.9
Canada	+15.8	+18.4	+18.9	+14.4
Australia	+12.3	+10.7	+5.1	+7.2
Western Europe	−27.6	−19.0	−18.7	−21.6
Japan	−15.3	−15.2	−17.5	−19.4
U.S.S.R.	+7.5	−1.0	−19.6	−4.6
Eastern Europe	−7.9	−8.9	−8.0	−5.2
China	−3.7	−3.3	−6.1	−7.7
Developing countries	−15.4	−26.9	−23.2	−30.3

The crisis was touched off by the failure of the Soviet grain crop in 1972. The crop was 161 million tons, 13 million tons down from 1971. The shortfall from the trend was severe—of the order of 20 million tons—though not quite as large as in 1963 (about 30 million tons) or in 1965 (24 million tons). However, in contrast to the mid-1960's, when it absorbed most of the shortfall by reducing grain consumption by livestock, the Soviet Union decided to make up the entire 1972 deficit by imports. In addition, it sharply cuts it usual exports—primarily wheat to Eastern Europe—from about 6 million tons to 1.7 million tons, and thus forced these countries to look for supplies elsewhere. For the U.S.S.R. and Eastern Europe combined, net imports rose to some 28 million tons in 1972–1973, as compared with around 4 million tons in normal years. It is this deficit that accounted for the rise of 26 million tons in grain exports by the three major grain exporting countries (7): no other significant changes in the grain trade pattern occurred in that year (Table 1).

The massive Soviet grain purchases in 1972–1973 were the principal factor in the decline of carryover stocks in the major exporting countries, from 92 to 58 million tons—a 20-year low (Table 2). Grain prices rose sharply.

Farmers in the United States, Canada, and Australia responded to the shortage and high prices by increasing the grain area by 22 million acres (10 percent). Wheat production went up by 12 million tons (19 percent) in 1973–1974, but low U.S. yields held the increase in coarse grains to 5 million tons. Meanwhile exports by the three main grain exporters continued at the same high level as in 1972–1973, with increased demand from developing countries, Communist China, Japan, and Western Europe offsetting the 18-million-ton decline in exports to the Soviet Union. The continuing high level of export demand resulted in a further drain on grain stocks. Grain prices continued to rise, reaching a peak of 3½ times the mid-1972 level for wheat and 2½ times for corn.

High prices stimulated a further increase in U.S. grain acreage by 10 million acres (7 percent) in 1974, and grain prices began to decline in the spring of that year in anticipation of a bumper harvest. Then disaster struck in the form of the worst growing season (particularly for corn) experienced in the United States in a quarter century. With the average grain yield 0.30 ton per acre (20 percent) below trend, the drought and early frost wiped out 50 million tons, thus more than offsetting the 37-million-ton production anticipated from the 25-million-acre increase in U.S. grain area in the past 2 years. Total grain stocks of the three major exporters are projected to reach new lows at the end of the current season. Grain prices went up again, reaching new peaks in the fall of 1974, with corn at an all-time high at three times its mid-1972 level.

High grain prices, together with stagnating or declining consumer incomes, are beginning to have an impact, however, in discouraging demand. In the United States, grain consumption for feed is expected to be down by 33 million tons (22 percent) from 1972–1973. Grain imports by Japan, which had been rising by 2 million tons annually in 1972 1973 and 1973–1974, are expected to decline for the first time in many years. The Soviet Union is again exporting about as much as it is importing. Exceptions are India, which is likely to import over 7 million tons of wheat this year, as compared with 3.6 million tons last year and between 1 to 2 million tons in each of the three preceding years, and Iran which may import more than 2 million tons. Increased export availabilities from Australia are contributing to an easier supply and demand situation that is reflected in the substantial decline of grain prices in the past few months.

LESSONS OF THE CRISIS

Questions are now being raised concerning the lessons that might be drawn from these events. Was the crisis avoidable? Why were stocks inadequate? Are government policies to be blamed? Were there factors that could not have been foreseen?

What can be done to avoid a recurrence? Are larger stocks the answer? How large a reserve do we need? Who should hold the stocks? How should they be managed? What degree of international coordination would be required? How much would it cost and how should the costs be shared? Who would benefit the most: farmers or consumers? Exporting or importing countries? Would the benefits justify the costs?

The first question can be answered affirmatively. The crisis could have been avoided if the United States (and other grain exporting countries) had been more prudent in maintaining grain production and adequate stocks.

Why did these countries run their stocks down to dangerously low levels? In the 5 years from 1968 to 1972, the policies of the United States and of other grain exporting countries were dominated by a soft market and the fear of surpluses. The United States and Canada were determined not to let "excess stocks" accumulate as in the 1950's and early 1960's. Competition was fierce, particularly in the world wheat market, to the point where price cutting and export subsidies caused the breakdown in 1968–1969 of the minimum price provisions of the just-negotiated International Grains Arrangement. As soon as stocks had recovered moderately from their low in 1967, the United States and Canada took steps to restrain production. Between 1967 and 1972, U.S. wheat acreage was cut back from 59 to 48 million acres; the U.S. coarse grain acreage was cut from 103 to 96 million acres; Canada's wheat acreage was cut from 31 to 22 million acres. If the acreage had been held at the 1967 level, more than 100 million tons of additional grain would have been available in 1972. If the acreage had been held at the somewhat lower 1968 level, more than 50 million tons of additional grain would have been available—more than enough to ride out the crop failures of 1972 to 1974 without significant price increases.

The U.S. Department of Agriculture was slow in reversing gears even though it had become apparent that the market had turned around. So anxious was the department to "get rid of the surpluses," even after the Soviets had entered the market on a massive scale, that it kept increasing wheat export subsidies to offset the increase in domestic prices. Thus export subsidies amounting to about $300 million were committed within a few weeks before they were terminated in the summer of 1972. Acreage restraints were not lifted completely until the 1974 crop.

Admittedly, cause and effect are always seen more clearly with the benefit of hindsight. However, poor harvests have occurred in the past, sometimes affecting two or more areas of the world simultaneously or in rapid succession. North America experienced two severe drought years in the mid-1930's affecting all grains, and two more droughts affecting wheat. Crop failures in the U.S.S.R. in 1963 and 1965 and in India in 1965–1966 and 1966–1967 were the major factors in the 41-million-ton decline of major exporters' grain stocks, and the 45-million-ton decline of U.S. grain stocks during that period (Fig. 2).

The experience of the mid-1960's should have been a warning. It signaled the crucial role which North American carryover stocks had come to play as a balancing wheel in the world grain market. These reserves enabled the world to meet the Soviet and Indian crop shortfalls of 1963 to 1966 without significant price increases.

TABLE 2.—WHEAT AND COURSE GRAINS: AREA (MILLIONS OF HECTARES), PRODUCTION, NET EXPORTS, AND BEGINNING STOCKS (MILLIONS OF METRIC TONS) OF MAJOR EXPORTING COUNTRIES, FROM 1962-63 TO 1974-75 (18)

	United States				Canada				Australia				Total			
Year	Area	Production	Net exports	Beginning stocks	Area	Production	Net exports	Beginning stocks	Area	Production	Net exports	Beginning stocks	Area	Production	Net exports	Beginning stocks
1962-63	58.9	158.3	32.5	101.5	17.7	27.8	9.1	13.4	9.1	11.0	6.8	0.5	85.7	197.1	48.4	115.4
1963-64	60.9	170.3	39.9	91.0	17.9	32.7	16.9	17.7	9.1	11.5	7.6	.7	87.9	215.0	64.4	109.4
1964-65	59.4	156.6	39.1	87.4	18.0	27.0	11.5	18.1	9.8	12.8	8.0	.6	87.2	196.4	58.6	106.1
1965-66	58.9	179.2	49.8	71.9	17.9	30.6	16.5	18.3	9.8	9.4	5.4	.7	86.6	219.2	71.7	90.9
1966-67	59.8	179.8	40.1	52.8	18.9	37.0	14.8	15.9	11.5	16.6	9.2	.5	90.2	233.4	64.1	69.2
1967-68	64.6	203.3	41.5	45.3	19.1	28.5	9.4	20.5	11.8	9.6	6.0	2.7	95.5	241.4	56.9	68.5
1968-69	61.7	197.1	31.3	58.7	19.2	32.7	8.1	22.5	14.1	18.6	7.2	1.8	95.0	248.4	46.7	83.0
1969-70	58.0	200.1	35.4	67.8	17.6	34.1	10.5	29.9	12.9	14.3	9.0	8.5	88.5	248.5	54.9	106.2
1970-71	57.7	182.1	38.6	68.1	12.7	26.5	15.8	34.6	10.7	13.4	12.0	8.6	81.1	222.0	66.4	111.3
1971-72	62.3	232.4	41.6	50.0	17.2	36.6	18.4	25.4	11.7	14.3	10.6	5.3	91.2	283.3	70.6	80.7
1972-73	57.2	223.3	71.0	67.4	17.0	33.3	18.7	22.1	11.5	10.1	5.6	2.6	85.7	266.7	95.3	92.1
1973-74	63.3	232.3	71.1	41.1	18.2	34.9	12.9	15.8	12.7	16.8	9.7	1.0	94.2	284.0	93.7	57.9
1974-75	67.3	198.6	60.0	26.7	17.6	29.8	12.8	16.4	13.1	16.8	12.2	2.6	98.0	245.2	85.0	45.7

What makes the situation in 1972 to 1974 different from that of the mid-1960's in that we were less well prepared for it. In 1963, U.S. and Canadian carryover stocks of wheat totaled 46 million tons—100 percent of the average annual disappearance (domestic consumption plus exports) during the preceding 3 years. In 1972, these stocks amounted to 39 million tons, 70 percent of average disappearance during the proceding 3 years. Over the same period, U.S. carryover stocks of course grains, as percentages of average disappearance in the preceding 3 years, declined from 43 percent to 28 percent. It is clear in retrospect that allowance should have been made for the increased volume of domestic consumption and exports in assessing the adequacy of stocks in 1971 and 1972.

There is a widely held view that an unpredictable surge of demand contributed importantly to the rapid drawdown of stocks in 1972 to 1974. Is there evidence of a "demand explosion" in the affluent countries? In the 1960's, total grain consumption (direct and indirect) in the OECD (Organization for Economic Cooperation) countries increased at a fairly steady rate of 2.5 percent annually. The increase from 1971–1972 to 1972–1973 was slightly higher (3.0 per-

cent); but it dropped to 0.5 percent in the following year, mainly because of high grain prices. Total grain consumption is related to income growth. The growth of real income in the OECD countries in 1972 and 1973 was somewhat above average (about 6 percent compared with an average of 5 percent in the preceding 8 years) *(8)*. Other things being equal, and assuming an income elasticity of total grain demand of 0.50 percent, the acceleration of total income growth by one percentage point may have accelerated the growth of grain consumption in the OECD countries by 0.50 percent a year, or about 1.7 million tons—hardly a major factor.

What about the developing countries? Income growth in these countries accelerated gradually during the 1960's and 1970's but was below trend in 1972 and only slightly above trend in 1973 *(9)*. Here again, the effect, if any, on grain consumption in these 2 years could not have been significant.

It is also claimed that the devaluation of the U.S. dollar played an important role in increasing foreign demand by making American grain prices more attractive.

This could, however, not affect the demand for American grain in the European Community, whose variable levy system automatically offsets any decline in the price of foreign grain, as compared with that of domestic grain, by an increase in the levy. It could have had an effect in Japan, but a recent analysis concludes that the impact on U.S. wheat sales to Japan could not have been more than 3 to 4 percent (no significant effect was found for corn and sorghum) *(10)*. In any event, any potential effects of the exchange rate changes in stimulating foreign demand were soon overshadowed by the sharp upsurge of world grain prices in the wake of the Soviet purchases.

One factor that was difficult to foresee was the decision of the Soviet Union, noted earlier, to make up the entire crop shortfall in 1972 by increased imports. Another indication of increased resistance to belt tightening is India's decision to import 7 to 8 million tons of grain this year, despite high prices and despite the fact that all but a small fraction of these imports must be purchased on regular commercial terms. Grain imports of developing countries, in general, have been greater than expected.

THE RESERVES ISSUE

What future course of action is suggested by the experience of the past few years? There seems to be agreement, in principle, that greater price stability is desirable and that more adequate reserves are needed; but the consensus is more apparent than real. At one extreme is the view, held strongly by the U.S. Secretary of Agriculture, that all that needs to be done is to give free rein to market forces *(11)*. Let farmers produce without artificial props or constraints. Leave the responsibility for carrying reserves to private traders, processors, and farmers. If importing countries are concerned about securing a regular flow of supplies within a certain price range, let them build up their own stocks, or enter into long-term contracts. At the other end of the spectrum are those who favor a return to total supply management, complete with increased price supports, deficiency, payments, government stockpiling, and acreage limitations when necessary.

Complete reliance on the market has the appeal of simplicity but will it do the job? Unrestricted production in the United States would seem to be desirable because it would lead to lower food prices, increased consumption, and the rebuilding of normal commercial stocks.

But it will not, by itself, ensure adequate stocks to guard against the ever-present possibility of simultaneous or successive crop failures in the United States and other areas of the world. Nor can private holders be expected to bear the cost of holding stocks adequate to meet contingencies that may occur only one in 6 to 8 years: this is clearly a job for governments. Long-term contracts may appeal to some of the more affluent importers, but the effect would be to make the rest of the market even more volatile.

A return to total supply management, on the other hand, would involve a great deal more government intervention than is required to ensure reasonable stability of supplies and prices. All that would seem to be required is a grain reserve of limited size, though adequate to meet contingencies such as those experienced in the mid-1960's and again in the past 3 years. The stocks would be over and above normal, privately held carryover stocks. They would be built up when world grain prices return to their normal relation with production costs and released only when (i) world prices are abnormally high or (ii) for famine relief in developing countries.

Such a buffer stock could serve the interest of farmers as well as consumers in both exporting and importing countries. It would tend to support farm incomes when prices are low, while avoiding excessively high prices such as we have seen recently. It would not interfere with the functioning of the market but would influence the market in a predictable fashion.

HOW MUCH IS ADEQUATE?

What should be the size of such a buffer stock? The answer depends on a number of factors, including the variability of North American grain yields, the variability of future export demand, the degree of price instability that we are prepared to tolerate, whether or not export controls are to be ruled out, and, of course, the cost of carrying stocks. A number of recent estimates based, in the main, on past experience of shortfalls for the world as a whole in any one year, and assuming only limited substitutability among grains, indicate reserve requirements ranging from 50 to 80 million tons to cover 95 percent of expected shortfalls *(12)*.

The experience of the years of 1963 to 1967 and 1972 to 1975 suggests that an even larger reserve, of more than 80 million tons, over and above privately held working stocks, would have been required to keep real grain prices reasonably stable during the latter period.

In 1963, U.S. and Canadian grain stocks (all grains for the United States; wheat only for Canada) totaled 109 million tons. By 1967, these stocks had been drawn down by 48 million tons to 61 million tons, without significant increases in world grain prices. In 1972, North American grain stocks totaled 85 million tons (of which 23 million tons were held privately in the United States).

By the end of the current crop year, these stocks are expected to be down by 58 million tons, to 27 million tons. It is possible that the run-up of grain prices could have been largely avoided if we had started in 1972–1973 with an additional 24 million tons of grain, as we did in 1963, but we cannot be sure. A beginning stock of 120 million tons in 1972–1973 would have permitted the drawdown of 58 million tons and would have left ending stocks in 1975 at the same level as in 1967; or alternatively, it would have enabled the United States to avoid the cutback in livestock feeding and would have left a minimum carryover stock of about 30 million tons.

If we assume, as a working hypothesis, that a North American grain carryover of 120 million tons would have been adequate to meet a contingency like that of the past 3 years without significant price increases, how much of this can be expected to be carried by private holders? The answer depends, among other things, on traders' price expectations and on the size of government stocks. As a rough estimate based on data for 1972, a working carryover of about 20 to 25 million tons may be expected to be held privately, leaving a reserve of 95 to 100 million tons that would have been required to keep grain prices at their 1972 levels. Alternatively, the price increases could have been substantially moderated if we had entered 1972–1973 with a reserve of 80 million tons, instead of 60 million tons.

COST OF GREATER STABILITY

The idea of a buffer stock of grain is as old as the story of Joseph in Egypt. There is no record that Pharaoh inquired about storage costs. Costs are a minor consideration when the issue of holding or not holding reserves becomes a matter of survival.

Fortunately, the United States does not find itself in that situation. In the event of a crop failure we can, without too much pain, cut down on the feeding of grain to livestock—although not without inflationary effects; or we can restrict exports—although not without damaging our long-term interests in foreign markets.

For the United States today, it is therefore appropriate to weigh benefits against costs. Yet this is an area of considerable uncertainty, partly because we lack adequate quantitative analyses of probable costs involved in carrying stocks adequate to keep prices within stated limits; and partly because of differing perceptions of the benefits (one man's benefits may be the other man's cost).

It is possible, however, to get a rough idea of the costs involved in carrying a specified level of reserves. To carry a stock of 80 million tons would involve around $450 million annually in storage costs alone. To this one would have to add interest costs and then deduct the price gain on resale. Both of these factors are affected by inflation: The greater the rate of inflation, the higher the interest charges but the greater, also, the probability that the reserve-holding authority will be able to sell at a substantially higher price. On the other hand, to the extent that the authority is successful in keeping price fluctuations within narrow limits, it will limit the opportunities for price gains to offset carrying costs.

There is a trade-off, therefore, between the desired degree of price stability and the cost, in terms of size of reserves required, length of time reserves must be carried, and price gains on resale (12a).

As an example, supposing the authority had acquired wheat over a number of years from 1968 to 1972, at an average price of $60 per ton, with the objective of keeping the price below $120 per ton, the price difference would have exceeded the carrying charges by a substantial margin. However, on the basis of past experience, it would be rash to count on this. The chances are that in the long run the price gains would not be sufficient to cover the carrying costs.

Questions on which further research is needed concern (i) the amount of grain that could be expected to be held by private traders, processors, and farmers in the absence of government intervention, and the variability of prices that would result; (ii) the relationship between the size of government-held (or government-subsidized) buffer stocks, the net costs of holding such stocks, and the resulting variability of prices; and (iii) how much of the cost is attributable to the extreme variability of Soviet demand.

BENEFITS OF GREATER STABILITY

The benefits of avoiding extreme price fluctuations lend themselves less readily to objective analysis than do the costs. Grain growers tend to enjoy price instability on the upswing but are quick to call for government intervention when prices fall. The reverse is true of grain users, including livestock and dairy farmers, and consumers. It has recently been suggested that demand

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may have become less elastic at higher and more elastic at lower prices, giving the consumer a greater stake and the producer a lesser stake in price stabilization (13). Be this as it may, the problem has to be looked at from the point of view of the national interest, and of the world as a whole.

There are several reasons why a greater degree of stability of grain prices is desirable. Grains are the principal food in the larger part of the world, and the principal raw material for food production in the industrialized world. Grain prices are, therefore, a major determinant of food prices.

The U.S. experience in 1973—a year not yet affected by the oil crisis—may serve to illustrate this point (14). As grain prices doubled, retail food prices rose by 20 percent. The rise in food prices, in turn, was the major factor in the 10 percent rise in the cost-of-living index; without it, the inflation rate would have been about 3 to 4 percent.

The inflationary effects of a temporary upsurge in grain prices are the more serious because they are largely irreversible. Higher food costs are locked into the wage and price structure of the nonagricultural sectors, which is flexible only upward. Any subsequent decline of grain prices will have only minor effects on retail food prices (60 percent of which are accounted for by processing and marketing costs) and even smaller effects on the cost-of-living index. The rise in the level of nonagricultural prices, in turn, will cause a permanent increase in agricultural production costs as farmers have come to depend rather heavily on inputs purchased from the nonagricultural sector. This "ratchet effect" of commodity booms—their tendency to give a permanent boost to the inflationary spiral—provides an important justification for efforts to stabilize supplies and prices of primary commodities (15).

Another benefit stems from the interest of the United States in preserving and developing its agricultural export markets. In 1974, grain and soybean exports brought in about $16 billion or 22 percent of total U.S. export earnings. It is true that current shortages and the resulting high prices were helpful in swelling our export proceeds for these commodities; in the long run, however, excessive instability of supplies and prices would be likely to stimulate protectionist tendencies abroad. Equally damaging to our export interests are the pressures for export controls, which are difficult to resist in times of acute shortages. The embargo on soybeans in the summer of 1973 and the barely averted threat of export controls on grains in 1974 already have led our traditional customers in Europe, Japan, and elsewhere to have second thoughts about their dependence on the United States as a supplier. A grain stabilization reserve would help to assure importing countries of uninterrupted supplies at reasonably stable prices, an assurance that is essential if these countries are to proceed with trade liberalization.

Last but not least, the United States shares with other countries a concern about averting famine abroad. When grain supplies are short and prices are high, the flow of food aid tends to dry up. Domestic needs and commercial exports take precedence over the pressing needs of countries unable to pay cash. Where funds have been set aside to finance food aid, they may buy less than half the quantities programmed before prices went up. Thus the quantities of grain shipped by the United States on concessional terms dropped to a 20-year low in fiscal year 1974. A grain stabilization reserve would facilitate a more stable flow of food aid to needy developing countries.

STRIKING A BALANCE

To place a value on these social benefits is, of course, a political judgment, and so is the determination of the degree of instability that is tolerable. Indeed, most of us would agree that considerable price flexibility is desirable. Price plays a vital role in guiding producer responses to changes in demand and changes in production costs, and consumer buying decisions (*16*). Here again, the problem is to strike a balance by providing a wide price range within which the stabilization authority would not intervene in the market.

AN INTERNATIONAL GRAIN STABILIZATION RESERVE

In the 1960's and early 1970's, the world's exportable grain reserves were carried almost exclusively in North America. **There is no** reason why the United States and Canada should bear this burden alone for the benefit of the world as a whole. What is needed is an international arrangement by which this responsibility would be shared among both exporting and importing countries. This could be done on the basis of a formula that takes into account a country's national income and its role in grain trade. The U.S. share should be about one-third. Participation by developing countries in sharing the cost would be desirable but not essential. Soviet participation is essential if Soviet requirements are to be covered. If the Soviet Union is not prepared to participate in the arrangement, it must accept to be excluded from its benefits. In other words, in the event of a shortage, participating countries would be justified—indeed required—to impose controls and perhaps a surcharge on exports to the Soviet Union.

There is no need for a new international bureaucracy to manage a world grain stabilization reserve. The grain could be stored in existing facilities in exporting and importing countries. Grain required by net importing countries to meet their stockholding commitments would be bought in the world market. Stocks would remain under national control, but acquisition and release would be subject to agreed guidelines and international consultations. What is needed is something more flexible than automatic action when prices reach specified levels but more binding than a consultation procedure that commits nobody.

A proposal for internationally coordinated grain reserves was put forward, in very general terms, by the Director General of the U.N. Food and Agriculture Organization (FAO) and endorsed at the World Food Conference last year. It is to be hoped that the governments will follow up on it before the memory of the fuel crisis recedes from the public mind.

OUTLOOK FOR THE MEDIUM TERM

Last year's experience should caution us not to count our chickens before they are hatched; but if we assume better luck with the 1975 harvest, grain and soybean prices should soon revert to their normal relationship with production costs. In fact, grain price prospects are already being viewed with alarm by our farmers. There is a danger that current legislation, which provides for substantially increased support prices, may launch the United States on yet another cycle of "surpluses" and acreage restrictions.

It is well to keep in mind, in this context, that a return to relative abundance of food in the affluent countries will not cure the problem of chronic food shortages in much of the developing world. The "world food problem" will, again, be recognized as being what it always was: the problem of the poor countries, particularly the densely populated countries of South Asia. Despite the gradual improvement of per capita food supplies over the past 20 years, the situation of these countries continues to be grim. In India, the Green Revolution has suffered a setback; grain production failed to increase in the past 4 years. This stagnation is only partly due to unfavorable weather; other factors, including the leveling off of fertilizer use, and problems of adaptation of the new varieties, seem to have played an important role. In other countries, such as Bangladesh, the Green Revolution has not yet begun.

The FAO has estimated that, on present trends, population plus income growth will boost net import requirements of the developing countries from an average of 16 million tons in 1969 to 1971 to 85 million tons by 1985 (5). Imports of this magnitude, while not precluded physically, would place a heavy burden on these countries' ability to earn foreign exchange. Even assuming wheat prices drop back to about $100 per ton f.o.b. Gulf ports, the foreign exchange cost would be about $10 billion.

The possibility that millions of acres of efficient American food production capacity may again be idle because of acreage controls is difficult to reconcile with this prospect. If it should again become necessary to support American farm incomes, it would seem to make more sense to accomplish this objective through a carefully planned build up of reserves for future emergencies, and substantially expanded food aid. To secure appropriate foreign participation in food aid, the United States could propose an increase in the quotas under the Food Aid Convention, from the present 4.2 million tons to 10 million tons, and increased pledges to the World Food Program.

Does food aid make sense? There are many people who question present programs on the grounds that they do not reach the people in greatest need and that they may cause developing countries to relax their efforts to increase agricultural production and to control population growth. A more fundamental criticism is that aid funds could be spent more efficiently on fertilizer and agricultural development assistance, and most efficiently, on education and research.

What the critics overlook is the element of time. It takes time to overcome the enormous technical, educational, and institutional obstacles to agricultural development. Even with greatly increased development assistance, there is a point beyond which the rate of improvement cannot be speeded up. The same is true of population control. Meanwhile, hundreds of millions of people live in conditions where malnutrition is chronic and starvation is an ever-present threat. Food aid can help meet their most pressing nutritional needs.

Properly administered food aid programs can make an important contribution to economic development. There is ample evidence that undernourishment is a major factor in the low level of human productivity in many developing countries. And there are several ways in which food aid can be linked directly with rural community projects and other agricultural development activities.

This does not mean that food aid should be regarded as a substitute for more direct ways of dealing with the basic problem, which is to speed up the growth of food production and to slow down population growth. There has been a marked shift in recent years in both U.S. and international economic assistance programs toward increased emphasis on agriculture, rural development, and family planning. Cooperation by the newly affluent oil-exporting countries should make it possible to expand this effort severalfold. To enlist their interest, it will be worth pursuing the proposal of an International Agricultural Development Fund which was put forward by some of the Arab countries and endorsed by the World Food Conference. A major expansion of the international agricultural research effort, sponsored by the World Bank, FAO, and UNDP (U.N. Development Program), is under way. The governments of many developing countries, with some prodding from the international organizations, are paying greater attention to the agricultural sector. There are good reasons to believe that in time these efforts will bear fruit.

REFERENCES AND NOTES

1. See, for example, Environmental Fund, Declaration on Population and Food, October 1974.

2. See L. R. Brown and E. P. Eckholm, *By Bread Alone* (published for the Overseas Development Council by Praeger, New York, 1974).

3. Examples of this more optimistic outlook are the recent survey of "The World Food Situation and Prospects to 1985" by the U.S. Department of Agriculture, Economic Research Service, Foreign Agricultural Economic Report No. 98, Washington, D.C., 1974, and in (4) and (5) below.

4. H. Walters, "The world food situation," paper presented at the National Agricultural Outlook Conference, reprinted in U.S. Senate Committee on Agriculture and Forestry, *1975 U.S. Agricultural Outlook* (Washington, D.C., 23 December 1974); D. G. Johnson, "Are High Farm Prices Here to Stay?" The Morgan Guaranty Survey (Morgan Trust Company, New York, August 1974): T. W. Schultz, "The Food Alternatives Before Us: An Economic Perspective," University of Chicago, Agricultural Economics Paper, 74; 6, 20 July 1974.

5. "Assessment of the World Food Situation, Present and Future," prepared by the Secretariat of the U.N. Food and Agriculture Organization for the World Food Conference, Rome, 1974.

6. For statistical data on world grain supply and distribution, *see Reference Tables on Wheat and Coarse Grains: Supply-Distribution for Individual Countries, USDA/FAS*, Foreign Agriculture Circular (U.S. Department of Agriculture, Washington, D.C., April 1974); *World Grain Situation: Review and Outlook*, Foreign Agriculture Circular (U.S. Department of Agriculture, Washington, D.C. February 1975).

7. Actually, a 30-million-ton rise in U.S. grain exports and a 1-million-ton rise in Canadian exports, offset by a 5 million-ton decline in Australian exports.

8. *Economic Growth of OECD Countries, 1963–1973* (U.S. Department of State, Bureau of Intelligence and Research, Washington, D.C., July 1974).

9. Agency for International Development, Statistics and Reports Division, *Gross National Product, Growth Rates and Trend Data by Region and Country* (U.S. Department of State, Washington, D.C., May 1974).

10. B. L. Greenshields, *Changes in Exchange Rates: Impact on U.S. Grain and Soybean Exports to Japan* (U.S. Department of Agriculture, Economic Research Service, Washington, D.C., 1974).

11. See statement by Secretary of Agriculture Butz before the House Committee on Agriculture, Subcommittee on Department Operations, 23 July 1974, printed in *World Population and Food Supply and Demand Situation* (U.S. Government Printing Office, Washington, D.C., 1974); also Secretary Butz's statement before the Correspondent Bank Conference, Chicago, Ill., 25 November 1974.

12. United Nations Food and Agriculture Organization (FAO), *World Food Situation: Evaluation of World Cereals Study Situation* (Rome, September 1974), (3, chap. 5).

12a. The net costs of carrying reserves would be reduced further whenever the authority purchases grain below the target prices provided by U.S. farm legislation. To the extent that such purchases raise market prices toward target prices, the government will have to pay out less in deficiency payments to farmers, and these savings could be offset against carrying costs. Target prices under present legislation are $2.05 per bushel for wheat and $1.38 for corn. Current legislative proposals would raise these levels by 50 to 67 per cent. Whenever market prices fall below support levels (loan rates) ($2.50 per bushel for wheat and $1.87 for corn under the proposed legislation) government purchases would be mandatory in any event.

13. R. Gray, "Grain Reserves Issues," Agricultural Outlook Conference, Washington, D.C., 9 December 1974.

14. D. E. Hathaway, "Food prices and inflation," *Brookings Papers on Economic Activity* (1974), No. 1. Also J. A. Schnittker, "The 1972–73 food price spiral," *ibid* (1973), No. 2.

15. See "Trade in Primary Commodities: Conflict or Cooperation?" (Brookings Institution, Washington, D.C., December 1974).

16. "The costs of stability," speech by Assistant Secretary of Agriculture Clayton K. Yeutter, 20 February 1975.

17. USDA/FAS, *Foreign Agriculture Circular*, FG 10–74, April 1974; *World Grain Trade Statistics*, September 1974; (3); 1973/74, except for developing countires: USDA/FAS, *Foreign Agriculture Circular, FG 3–75*, 4 February 1975.

18. USDA/FAS, *Foreign Agriculture Circular*, February 1975; USDA, *Grain Database*, 10 February 1975.

19. Date for: 1963 to 1968: USDA/ERS; for 1969 to 1974: USDA/FATUS; for 1975: USDA/ERS.

20. FAO, *Production Yearbook and Monthly Bulletin of Agricultural Economics and Statistics*.

ARDEN HOUSE CONFERENCE

Mr. JAVITS. Mr. President, the American Assembly was established by Dwight D. Eisenhower when he was president of Columbia University in 1950. Its purpose is to hold nonpartisan meetings and publish material on significant public policy issues. The meetings bring together men and women representing a broad range of experience for 4 or 5 days of discussion at Arden House, the gift of W. Averell Harriman to the university, which is located 50 miles north of New York City.

A recent Arden House conference was held last month on the topic: "The Records of Public Officials." Because this question is of timely interest to all our Members, I ask unanimous consent that the final report of this assembly, together with a list of the participants, be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

FINAL REPORT OF THE 48TH AMERICAN ASSEMBLY

At the close of their discussions the participants in the Forty-eighth American Assembly on *The Records of Public Officials*, at Arden House, Harriman, New York, April 3–5, 1975, reviewed as a group the following statement. The statements represents general agreement; however no one was asked to sign it. Furthermore it should not be assumed that every participant subscribes to every recommendation.

INTRODUCTION

America's government is the public's instrument, chosen to meet the claims of the future and the needs of the moment, building upon the uses of the past. It speaks to the people by its record. Whether to address best hopes and anxious desires, or to call up memories of past glories and frustrated ambition, that record can speak only if it is saved, and only if it is available.

Our government has yet to find a workable way to make and keep its own documentary history. The record of its most fateful decisions, no less than the story of its least substantial acts, is made uncertainly, imperfectly, incompletely.

The present National Archives and Records Service, despite much progress in its forty years of existence, does not have the independence, authority or resources to enable it to overcome the consequences of traditions and practices that have deprived the public of many records which surely were created for public purposes.

Many records of former public officials are scattered and difficult to reach and use. Those who must have them, for undeniably valued and useful public and private purpose, are frequently thwarted.

Our tradition in dealing with the records of public officials is a disappointing one. It has cost the nation a part of its heritage, and has deprived our policymakers, as much as the people, of instruments to guide present and future choices.

Recent experience is little different. However, we lately have seen a need at least for hasty solutions, and we have come to realize that we must now plan better, more lasting solutions. This American Assembly recognizes that as an obligation.

RECOMMENDATIONS

A. The Beginning of a New Tradition

This Assembly concludes and recommends:

1. All branches of the government must now recognize that the past practices of preparing, maintaining, preserving and controlling the records of public officials have not served the nation well.

2. The nation must recognize that the interests of its sovereign people, of policymakers, or scholars, of authors, of publishers and of journalists have been compromised and even denied by these past practices.

3. The government must acknowledge, by law and regulation, a legitimate, enforceable and paramount public interest in insuring that as many as possible of these records of permanent historical significance be preserved, that they be made available as soon as possible and to the fullest extent possible.

4. This interest must be defined through a recognition of a new form of public property rights, encompassing both the right of possession and the right of use, as well as all other rights attendant to those.

5. The public property interest should be the same for the records of all federal officials.

6. The public property interest must itself be inviolable. The mode and manner of preservation and utilization may vary with the nature of the records.

7. Legally enforceable new standards must be recognized for the preservation and utilization of these records, and the development, enforcement and revision of those standards must be entrusted to an independent agency of government, insulated from improper influence and obliged to make periodic public reports. (The recommendations regarding this agency are set out in Section E, below.)

8. The records must be managed according to professional archival procedures set forth by the new agency and implemented by each agency of government.

9. New standards must be developed to control the timing and limitations upon public disclosure of these records. Those standards must take into account demonstrable claims of privacy and personal privilege. There should be a periodic and systematic review of any standards providing for nondisclosure, such as claims of national security. If any provisions or arrangements are made in any specific instance for the sealing of records, the sealing should be subject to a specified maximum term.

10. Priority in access to public records

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should be given to those made or received in the pursuit of the public business of the government. Limitation on access could be negotiated for those records which are of a mixed public/private character, or of a purely personal or private character, with the burden of proof in every case borne by those seeking limitation.

11. The enforcement of standards should be subject ultimately to judicial review.

12. Nothing in this report is to be construed as an attempt to abrogate any right existing by or construed under the Constitution of the United States.

B. The Opportunity under Public Law 93-526

This Assembly concludes and recommends:

1. The Presidential Recordings and Materials Preservation Act, P.L. 93-526, provides an instructive precedent, at least by analogy, for the proposition that a public property interest in the records of public officials may be acknowledged and implemented.

2. The agreement which it abrogates, the so-called "Nixon-Sampson Agreement" regarding disposition of presidential records, is of doubtful validity, and it establishes no precedent.

3. The new act creates the National Study Commission on Records and Documents of Federal Officials, with a mandate which this Assembly believes should be unlimited in scope and range for the resolution of all issues dealing with the records of all federal officials.

4. The President, the Senate and other appointing authorities must move with urgency and dispatch to complete the membership of the Commission.

5. The Commission must assemble its staff, and proceed to its task, promptly. The Commission should make an early determination of the possible need for a request to Congress to extend the life of the Commission beyond March 31, 1976. It should define the problems, questions or issues it seeks to explore, and solicit the reaction of the public and of interested organizations to its conclusions on this matter.

6. The Commission is urged to give first consideration to issues involving the records of presidents and to give particular attention to the recommendations that follow regarding those records.

C. The Records of Presidents

This Assembly concludes and recommends:

1. The practice of recognizing ownership of presidential records by presidents or their heirs should be ended immediately. Experience under earlier conditions is no longer relevant, and the more recent experience may be considered to be relevant only as it suggests the possibilities of cooperative conduct between presidents and the custodians of public records.

2. The interest of the nation in the office of the presidency and in the performance of presidents is unique, and requires special attention to the preservation and utilization of presidential records.

3. That interest justifies public control of the records of presidents. That interest also justifies public control of, and at least limited access to, the records of persons associated with the president in the conduct of the public business, whether those persons be employees of the government or private citizens acting in the role of advisers on public policy.

4. The interest of a president or other person in records that may bear upon his personal privacy or that of his family should be recognized. It is sufficient that that interest be recognized in principle, with the burden of proof to be borne by the person making the claim of privacy to demonstrate that that claim should prevail.

5. If a president is able to demonstrate a privacy interest in any given record, that interest should be protected only by conditions on the timing of public disclosure. It should have no bearing on the public ownership of any such record.

6. A president should have no right of destruction of public records.

7. Congress should amend the Presidential Libraries Act of 1955 to establish as a principle of law that any person having custody over presidential records created hereafter shall act as a trustee of the public interest in those records.

8. An archivist to the president should be appointed as assigned by the new independent agency (See Section E.) to serve in the Executive Office of the President, effecting procedures prescribed by the independent agency.

9. Nothing in this report should be construed to curtail the right of the president to have access to and use of the records of his presidency. The right of a former president to have access to and use of the records of his presidency should be determined by the new independent agency.

10. In the event that it is decided, in conformity and procedures anticipated by this report, that specified records of a president shall not be preserved or retained for public use, the president should be entitled to assume ownership of those records, with all rights attendant to that ownership.

11. Any questions regarding the federal tax consequences of donations of any records of acknowledged personal ownership of a former president should be resolved within the framework of internal revenue law.

D. The Records of Other Officials

This Assembly concludes and recommends:

1. The principle of public ownership of public records should apply equally to executive, legislative and judicial officers, and to federal officers and employees (including military and diplomatic) of all agencies of the federal government, the District of Columbia, territories and areas administered under federal law.

2. This principle should apply to all records created hereafter in the conduct of public business.

3. Federal officers and employees currently serving whose records henceforth would be governed by this principle should be encouraged to follow it voluntarily with respect to records accumulated previously. Similar encouragement shoud be given to former officers and employees of the government.

4. All persons covered by this report should have the same rights accorded to presidents under Section C above.

5. Federal officers and employees should have a right, acknowledged by law and regulation, to consult with the new independent agency about the process of preservation and use of records of their offices. Such consultation would permit demonstration of possibly unique characteristics of an agency or its process sufficient to require particularized treatment. This should include, but not be limited to, such questions of treatment as the timing of public disclosure, and the specific location of any materials to be deposited as public records.

6. In preserving or retaining the records of persons other than presidents, the government should be particularly sensitive to the need to husband the necessarily limited resources of space, budget and management in the public records system.

7. All branches of government should be encouraged to establish practices for the creation of records dealing with exchanges or processes that heretofore have gone unrecorded, and should be encouraged to seek professional archival guidance of the new independent agency on the scope and range of preservation and disposal of records now routinely kept.

E. The need for a new public authority

This Assembly concludes and recommends:

1. The time has come for the establishment of a new, independent, archival and records management system under the new independent agency as suggested in Section A above.

2. The agency should consist of a board, drawn from various occupations, disciplines and political parties, and a professionally qualified chief officer, all of whom should be charged with the responsibility of preserving and making available the records of public officials in conformity with the principles and procedures outlined in this report. Its principal officers should have long tenure.

As one illustration, among others, it has been suggested that the new agency be created as the independent National Archives of the United States, consisting of the Archival Board of Governors and the Archivist as its chief officer. The power of appointment of the members of the Board should be in the president but he should be required to make a majority of the appointments from lists submitted to him by the Congress, the Judiciary and appropriate professional organizations, in order that there may be on the Board the diversity recommended in the paragraph above. No member of the Board other than the Archivist should be employed as a full-time officer or employee of the United States. The Archivist should be an ex-officio, voting member of the Board, but he should be ineligible to serve as chairman. The Board should propose the person to serve as the Archivist, who would be appointed by the President of the United States with the consent of the Senate. The Archivist should be subject to removal only upon specified grounds and upon the recommendation of the Board, by the act of the president. The Board should meet at frequent intervals, join in the development of policy, given specific approval to policy and review performance under it, and should be the final administrative body of appeal from decisions by the Archivist.

3. The agency should act through general regulations or guidelines and through particularized opinions and adjudications, publicly reported, dealing with specific circumstances, all with the aim of developing a body of law and custom regarding the records of public officials.

PARTICIPANTS THE FORTY-EIGHTH AMERICAN ASSEMBLY

Brown, Courtney C., Chairman, The American Assembly.

Cook, Blanche Wiesen, Professor of History, John Jay College of Criminal Justice, New York.

Darling, Richard L., Committee on Intellectual Freedom, American Library Association, Dean, School of Library Service, Columbia University.

Denniston, Lyle, (Rapporteur), Staff Reporter, Washington *Star*, District of Columbia.

Dodds, R. Harcourt, Program Officer, Office of Government and Law, The Ford Foundation, New York.

Graff, Henry F., Professor of History, Columbia University.

Grenquist, Peter C., President, Trade Book Division, Prentice-Hall, Inc., Englewood Cliffs, New Jersey.

Hanke, Lewis, Professor of History, Emeritus, University of Massachusetts.

Hoge, James F., Jr., Editor, Chicago *Sun-Times*, Illinois.

Jones, H. G., Curator, The North Carolina Collection, University of North Carolina, Chapel Hill.

Perkins, Bradford, Professor of History, University of Michigan.

Reed, Daniel J., Assistant Archivist for Presidential Libraries, National Archives and Records Service, Washington, D.C.

Rogovin, Mitchell, Attorney at Law, Arnold and Porter, Washington, D.C.

Stedman, Murray, Professor of Political Science, Temple University.

Sudow, William, Assistant to Representative Brademas, Congress of the United States, Washington, D.C.

Thompson, Mack, Executive Director, American Historical Association, Washington, D.C.

Towner, Lawrence W., Director and Librarian, The Newberry Library, Chicago.

Warner, Robert M., Director, Bentley Historical Library, Ann Arbor, Michigan.

Weinstein, Allen, Professor of History, Smith College.

Williams, Richmond D., President, American Association for State and Local History, Nashville.

Wyzanski, Charles E., Jr., (Discussion leader), Senior Judge, U.S. District Court, Boston.

SUMMARY OF TESTIMONY OF PRODUCING PANEL AT SPECIAL HEARING OF COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. BARTLETT. Mr. President, Special Interior Committee hearings were held on Monday, May 19, for the purpose of determining, as early as possible, how the change in the percentage depletion allowance law would affect petroleum industry exploration and development activity and the supply of energy for the United States. The hearings were requested by the minority members of the committee because we were convinced that the effective reduction of depletion could quickly reduce the upsurge in domestic drilling activity of the last 2 years. Our fears were well-founded; the domestic industry is rapidly curtailing its oil and gas drilling effort. As unfortunate as the situation is, it demonstrates in a tangible way what could happen as a result of other similar Federal legislation if enacted.

It is important that the relationship between the cash flow loss resulting from the reduction of depletion and the level of expenditures for exploration be properly understood by all my colleagues. Other important energy issues, the most significant of which are whether price controls on oil and natural gas should be lifted, remain to be debated by the Congress. An increase in the industry's tax burden and a reduction in price are completely analogous and do reduce the capital available for exploration and development. Conversely, an increase in price will provide more funds for investing in exploration and development activities.

Testimony was received from a panel of producing company representatives: This panel consisted of Mr. C. John Miller, president of the Independent Petroleum Association of America; Mr. T. Howard Rogers, president of Santa Fe Natural Resources, Inc., a nonintegrated producing operation, who also represented a group of 23 medium-sized integrated and nonintegrated firms; Mr. Charles Waidelich, president of Cities Service Co.; and Mr. Frederick Addy, vice president of Economics and Administration, Amoco Production Co.

I will briefly summarize the more significant points in each witness' remarks and then submit all the statements for the RECORD.

Mr. C. John Miller, who represents the independent producers, indicated that.

> Even though small producers retained some depletion, there is a great deal of uncertainty that stems from speculation as to how the fine print in the new tax law may ultimately be interpreted in the regulations promulgated by the treasury. . . . As the thousands of independents become familiarized with some of the more troublesome conditions attached to the small producer exemption, we can expect that exploration and development activities will reflect the realities of the new tax law. . . . I can report to you that independent producers are reflecting anything but a bullish psychology about their prospects and the viability of oil and gas exploration in the future. . . . They are disturbed not only by the uncertainties confronting them under the new tax law, but by continuing new threats under discussion in Congress with respect to possible additional tax charges as well as the form and duration of future wellhead price controls on both crude oil and natural gas.

According to Mr. Miller, the provision in the small producer exemption which limits allowable depletion to 65 percent of taxable income is actually a disincentive to the more aggressive explorers.

> It would discourage exploration expenditures which tended to reduce taxable income below about one-third of gross income. . . . Additional expenditures to find more oil and gas would thus be at the expense of the taxpayer's depletion.

Another troublesome provision is "the 'retailer exclusion' which would deny depletion to any producer owning as much as 5 percent interest in any retail outlet where 'any product' of oil or natural gas is sold. This could include fertilizer, plastics, or cosmetics."

Transferred properties are also denied depletion in the new law which "serves to discourage acquisitions of producing properties and reduces the value of transferred properties. The sale of producing properties by independents often is the best and perhaps the only means of clearing debt obligations and accumulating funds to expand exploratory operations."

As an example of a company caught by one of the limiting provisions of the bill, Mr. Miller referred to the Northern Michigan Exploration Co., a subsidiary of Consumers Power Co. in Michigan. Since 1967, the company has developed 3,300 barrels per day and 45,000 MCF per day of production. It is the company which caused the original wells to be drilled in lower Michigan, now one of the most active current oil and gas developments in the United States.

Because of the retailer exclusion, the company will lose $2.7 million in tax deductions with the following result: "Our capability to repay indebtedness has been susbtantially reduced; therefore our development of existing holdings may be slowed down or even partially curtailed. (It) will have a devastating effect on the ability of our company to continue in oil and gas exploration."

In summary, even though small producers still have some depletion, the limitations on the act plus regulatory uncertainties have caused a negative bearish psychology and, in some cases, curtailment of exploration and development operations.

Mr. Rogers of Santa Fe Natural Resources, Inc., a nonintegrated producer with about 46,000 barrels per day of production, spoke of the various sources of capital available to his company:

> Equity—ruled out because of our high risk and low rate of return, earnings and profits, capital recovery provisions in our tax laws, and borrowing. Borrowed capital is ruled out because of the risks, costs of borrowing, and limited supply of . . . funds. We are primarily dependent on internally generated capital to finance our investments. For all practical purposes, the Congress has just taken away our major source of capital recovery—the percentage depletion allowance.

Mr. Rogers emphasized that his company's exploration activity "was not done on borrowed capital nor by sale of participations, but from internally generated cash flow. Santa Fe's exploration budget in 1973 was $8.7 million. In 1974, because of higher crude prices, the exploration budget was increased to $30.2 million." However, because of the repeal of depletion "we were forced to reduce our proposed 1975 exploration budget of $39 million by $12 million to $27 million—almost one-third." It was added that if a windfall tax was enacted without an adequate plowback mechanism, Santa Fe would again have to reduce its 1975 exploration budget by another $13 million or about two-thirds of its original estimate.

Mr. Rogers emphasized that Santa Fe's predicament was not unique. He also represented 22 other medium-sized firms, both integrated and nonintegrated, whose production ranged from 1,400 to 74,800 barrels per day. Because of repeal of depletion, "statistics compiled from figures submitted by these—firms—indicate that exploration and development budgets will shrink in 1975 by over $118.5 million. Assuming a stable price level, a windfall profits tax without a plowback credit would further decrease exploration and development expenditures by $153.5 million. Thus, in this year alone over $212 million would be lost to exploration and development in our small group of companies."

Mr. Charles Waidelich, president of Cities Service Co., said:

> Net income of Cities Service for the three months ending March 31, 1975, totaled $27 million, a decline of $39 million, or 59 percent from the first quarter of 1974. These were the lowest first quarter earnings since 1964.

Cities reduced earnings result from a number of Federal actions, including the crude entitlements program, repeal of depletion, and the mandatory crude oil sales program. For Cities Service the repeal of depletion "will result in the loss of about $30 million in funds in 1975 that otherwise would have been available for reinvestment in the search for additional reserves. For 1975 our original plans called for a substantial increase in capital outlays. However, it is now clear that total available funds will fall considerably short of our planned capital expenditures, requiring a downward adjustment in our spending plans. The total 1975 program will be reduced by the $30-million loss of percentage depletion, plus the unrecovered costs imposed on Cities Service by the manda-

> tory crude allocation and entitlements programs."

Mr. Waidelich mentioned that Cities had drilled 129 new wells in 1970, 214 in 1974, and had planned 315 for 1975.

> Reduced expenditures for exploration and production will mean loss of additional production . . . loss of employment opportunities within our Company . . . and a possible effect on employment of contractors and suppliers.

As a vice president of economics and administration for Amoco Production Co., Mr. Frederick Addy explained what the repeal of percentage depletion would do to Amoco's exploration program:

> For the year 1975, the loss of percentage depletion will reduce the funds available to us for new investment by about 15 percent. By this I mean that after paying our producing and other operating expenses, including taxes, the balance available for exploration and development investments will be 15 percent less than was the case before percentage depletion was eliminated. Unfortunately, most of the resulting reduction in expenditures will be concentrated in the exploration phase of our business. This is because this segment of the business offers the most flexibility for being able to implement curtailments in operations.
>
> For example, our exploratory drilling budget for this year was originally projected to show an increase over 1974. Currently, however, we are budgeting an 8 percent decline. Because of inflation, the actual amount of physical effort will be on the order of 20–25 percent below last year. We are holding to this level of activity not because we don't have places to drill, not because we don't have drilling rigs, and not because we don't have pipe, but simply because we don't have the money. At the present time, we have a backlog of drillable exploration prospects which would permit us to expand drilling by at least 50 percent.

Several other indicators of reduced activity are the number of seismic crews operating in the United States, down better than 10 percent from the level last summer and the cancellations of orders for new drilling rigs. Amoco is trying to cancel contracts for an offshore rig and to sell some surplus pipe.

In my opinion Mr. Addy very ably explained some of the factors affecting an expanded exploration effort:

> First of all, prices for the major portion of our production are controlled at low levels. Secondly, industry production has been declining, so that with relatively stable prices over the last year or so revenues are declining. Additionally, costs are rising everywhere: employment costs for our company last year increased more than 15 percent, drilling costs increased over 20 percent, the costs for all types of equipment needed for production purposes increased over 25 percent. The outlook for at least the next several years is more of the same—declining production and rising costs. The arithmetic is obvious, there will be less and less money for those activities necessary to find and develop new reserves.

Mr. President, the other information I have collected indicates the experiences of these petroleum companies are not unique. This is confirmed by other witnesses at the hearing. For example, Mr. Robert Parker of Parker Drilling Co. pointed out that as of last Monday morning 120 land rigs—which are in suitable condition for drilling—were stacked in the United States.

The petroleum industry is retrenching, not because it wants to but because the Federal Government is forcing it to do so.

Mr. President, this information scares me because the future of the country is at stake and has been severely jeopardized. I am bringing this to the attention of my colleagues with the hope that it will make an impression and that it will cause them to reconsider some of their philosophies on energy policy.

I realize there may be those who look at this as a threat by the industry, but it is not. It is an industry acting in a very businesslike manner to the reality of having to pay more taxes. Courageous action by Members of Congress will be needed to reverse this alarming trend in exploration and development activities of the petroleum industry.

I ask unanimous consent that the complete testimony of the above four producing representatives be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT OF C. JOHN MILLER

My name is C. John Miller. I am a partner in Miller Brothers, an independent oil and natural gas exploration and production firm at Allegan, Michigan. I appear here as President of the Independent Petroleum Association of America, a national organization of independent petroleum producers representing some 4,000 members in every producing area in the United States.

At the outset, I would observe that it is fortunate that this committee feels obligated to assess the effects on domestic petroleum operations, and on future oil and gas supplies, of the changes in petroleum tax treatment incorporated in the Tax Reduction Act of 1975. I hope Congress will continue this assessment with the view of examining possible corrective actions that may be required to compensate for the ill effects of the repeal of percentage depletion on the great bulk of domestic petroleum production.

It was and is our conviction that repeal of percentage depletion at a time of urgent need to maximize our energy resource development was a critical setback for Energy Independence. The removal of some $2 billion that otherwise would be available for oil and natural gas exploration and development is in obvious conflict with the pressing need to increase domestic energy supplies and reduce to manageable proportions our dependence on others for essential fuels.

We believe that, as time goes by, the adverse repercussions of the new tax climate for oil and gas development will become apparent and that losses to the nation in reduced domestic energy supplies will far outweigh any public gain from increased taxes. It is too early, however, to assess these ill effects either quantitatively or by specific example. The reason is obvious: Operational changes, even though ill-affected by legislative actions, cannot occur overnight. Many drilling operations that were under way when the President signed the Tax Reduction Act on March 29, only six weeks ago, are still in progress.

It is not possible, therefore, to provide a definitive assessment of the economic and operational impact of these tax changes simply because they have not yet become evident in the statistics on industry activity. It is for this reason that I hope the Congress, through this committee and others, will continue its scrutiny of this very important issue, later this year and into 1976.

While it is too early to provide a factual "economic impact statement" of the changed tax climate for petroleum exploratory investment and capital formation, we are beginning to see disturbing outlines of change which do not auger well for the nation's energy future. The domestic industry and its investors are in the preliminary stages of assessing the effects of the new tax changes, including the many inhibiting restrictions attached to the "exemption" that retains some depletion for small producers. There is a great deal of uncertainty that stems from speculation as to how the fine print in the new tax law may ultimately be interpreted in the regulations promulgated by the Treasury.

Until regulatory interpretation is crystalized, there understandably is much uncertainty among independent producers and among industry tax advisers as to how they will be affected on their 1975 tax liability. For the time being, everyone is on his own and is functioning as his own tax expert. As the thousands of independents become familiarized with some of the more troublesome conditions attached to the small producer exemption, we can expect that exploration and development activities will reflect the realities of the new law. Because all producers operate differently in structuring venture or high-risk exploratory programs, some relying on their own funds, others on a few or perhaps many outside investors, others on joint ventures with other active explorers, the inhibiting features of the law will not apply equally to all operators.

While the new tax rules may affect different operators differently, the vast majority of operators will be affected *adversely* relative to past tax treatment. In the past few weeks since passage of the tax law, I have met with groups of independent producers in widely scattered sections of the country. I can report to you that independent producers are reflecting anything but a bullish psychology about their prospects and the viability of oil and gas exploration in the future. They are disturbed not only by the uncertainties confronting them under the new tax law, but by continuing new threats under discussion in Congress with respect to possible additional tax changes as well as the terms and duration of future wellhead price controls on both crude oil and natural gas.

Likewise, the suppliers of materials for the petroleum industry and the financial institutions face the same uncertainties.

Such constant uncertainty is disruptive and discouraging and serves to undermine the confidence which is so vital to those who must commit their talents, initiatives and funds to an extremely long-range planning process if this nation is to work its way back to a position of relative strength as to essential supplies of oil and gas.

Before commenting on some of the specific provisions of the new tax law which we feel Congress ultimately will need to change or offset in some manner, I believe it would be useful to look briefly at where we have been, where we stand today, and where we must go with respect to development of domestic petroleum fuels, oil and natural gas.

It is no secret that the nation's petroleum supply dilemma that became so evident during the Arab embargo of 18 months ago had its beginning in the mid-1950's when domestic petroleum exploration and development began a 16-year decline. From 1956 to 1973, geophysical exploratory activity dropped 61 percent, wildcat drilling dropped 54 percent, active rotary rigs 54 percent, and total drilling (well completions) 53 percent. During these long years of erosion of our efforts to find and develop petroleum fuels, the demand for petroleum liquids increased 90 percent and natural gas consumption rose 125 percent. These demands were met increasingly from reserves found through past discovery efforts and increased imports. Not since 1968 have we found as much crude oil we produced in any one year. Natural gas production has exceeded discoveries since 1967. (Excluding the 1969 North Slope discovery).

The root cause of these long years of decreasing efforts to find and develop oil and gas was progressively worsening economic conditions attributable to declining real prices for domestic oil and gas. For example, the combined price of oil and gas (expressing gas in oil equivalent) in 1974 constant dollars dropped from $3.51 in 1957 to $2.62 in 1973. The erosion in real prices resulted from the Federal Government's controls of prices, directly in the case of natural gas and indirectly through "jawboning" and coercion in the case of crude oil.

Under the economic conditions that persisted for more than a decade and a half, with declining real prices for petroleum fuels while costs of exploration and development increased year after year, the domestic industry dispersed its skilled work force, dismantled well over half of its exploration and drilling equipment, and approximately one half of the independent oil and gas explorers who were active in the mid-50's sold out, merged out, or simply quit and got out of the business.

Throughout this period, our Association along with many others in the industry warned that the nation was heading into a dangerous shortage of domestic fuels because of the long persisting economic deterioration in the domestic industry. Finally, in the spring of 1973, crude oil prices began to increase providing an improved economic climate that almost immediately reversed the long decline in exploration and development.

In 1974, according to final figures, the domestic industry accomplished the largest percentage increase in both exploratory and total well completions in its history. The 31,698 total wells drilled represented a 19 percent increase over 1973. The revitalized efforts of 1974 continued into the current year, with active rotary rigs in the early months continuing at levels above a year ago.

This recovery in exploration, drilling and development illustrates clearly the willingness of the industry generally, and particularly of the 10,000 independents who accounted for the great bulk of exploratory wells in 1974, to greatly expand the search for increased domestic petroleum supplies. These encouraging trends illustrate the confidence of the industry, based on its experience, that it can—given the encouragement of our Government—significantly increase the long-term supply of both oil and natural gas.

The increased pace of exploration-development activity, although unlike anything witnessed in the domestic industry for almost two decades, is only a modest start when viewed in terms of what must be done to provide the petroleum supplies that will be needed through the 1980's, after allowing for reduced consumption through improved efficiency and conservation. Based on our oil and gas discovery experience of the past two decades, we have analyzed the rate of expenditures and drilling required to reduce our 1985 oil and natural gas deepndency to the 1970 level of 15 percent. Assuming only a two percent annual growth in demand, our IPAA analysis shows that domestic expenditures for exploratory and development drilling alone must be more than doubled in the next decade. In other words, drilling outlays should be increased to $8.5 billion annually in the next decade, compared to expenditures of about $3.5 billion for domestic drilling in recent years.

This study also shows that a decline of $1 billion per year in drilling expenditures would reduce domestic production of oil and gas by the equivalent of 2.5 million barrels daily by 1985. If expenditures are not increased from recent levels, the nation would be dependent on imports for half of its petroleum requirements by the mid-1980's.

It should be clear, therefore, that government policies which serve to reduce the funds that are available for commitment to drilling unavoidably will serve to reduce future supplies of domestic oil and gas and increase our dependence on insecure foreign supplies The extent that increased taxes resulting from the repeal of percentage depletion will affect drilling activity, as I have already pointed out, has yet to be demonstrated. The impact on drilling will, I believe, begin to become evident in the third quarter when producers will begin to assess their position with respect to the provision that limits their percentage depletion to 65 percent of all taxable income.

It is a certainty that exploration, drilling and development will be adversely affected by the tax changes that are effective this year. It is a certainty that far less drilling will be done under these adverse changes than would have otherwise occurred. It is a certainty that future domestic petroleum production will be less because of these changes. How drilling and production will be affected in quantitative terms cannot be weighed in advance of the experience of at least one tax year.

Aside from the certainty that less oil and natural gas will be found and developed because of repeal of depletion, we should not forget the experience of the changes adopted in 1969 which reduced the oil and gas depletion rate from 27½ to 22 percent. In the following year, 1970, exploratory drilling in the United States dropped by 2,008 wells, a 21 percent decline from 1969. This was the biggest drop in exploratory drilling in a single year in our entire history. It is significant that we still have not regained the 1969 level of exploration.

I would like to address briefly some of the provisions incorporated into the tax bill presumably to "condition" the exemption for small producers. These provisions will serve to unduly penalize certain producers, limit expenditures for exploration and development, and thus deprive the nation of maximum potential effort to expand domestic oil and gas supplies.

A provision which gives cause for great concern in the limitation of a taxpayer's percentage depletion to 65 percent of total taxable income from all sources. Our concern with this is that it will penalize most severely those independents who are the most aggressive explorers. It would discourage exploration expenditures which tended to reduce taxable income below about one-third of gross income, as this is the point at which the 22 percent depletion rate approximates 65 percent of taxable income. Additional expenditures to find more oil and gas would therefore be at the expense of the taxpayer's depletion.

I find that many in Congress with whom I have discussed this counterproductive feature of the new law are not aware of its existence. If, as we believe, this provision tends to limit expenditures to find oil and gas contrary to the nation's interest in maximizing future supplies, the Congress hopefully will recognize its negative effect and take corrective action.

There are additional features of the law that we believe time, experience, and regulatory interpretation, will expose as being highly questionable. Among these is the very broad "retailer exclusion" which, in effect, would deny depletion to a producer owning as much as 5 percent interest in any retail outlet where "any product" of oil or natural gas is sold. This could include fertilizer, plastics, or cosmetics.

I would doubt seriously that Congress had in mind actually denying depletion to a producer of 50 barrels a day of crude oil who may have an interest in one service station in no way connected with his crude oil business. Yet this may be the literal regulatory interpretation put on this provision. It is our feeling that Congress will and should want to review and correct this provision.

The denial of depletion on proven producing oil and gas properties sold after last December 31 also raises disturbing questions. One is the question of defining a "proven" property. Irrespective of the final definition, this provision will discourage transactions that are traditional and useful in keeping many independent producers financially viable and involved in the industry. The sale of producing properties by independents often is the best and perhaps only means of clearing debt obligations and accumulating funds to expand exploratory operations. It is an accepted and integral part of the business cycle in the oil and gas producing industry.

Therefore, to the extent that denial of depletion on transferred properties serves to discourage acquisitions of producing properties and to reduce the value of transferred properties, it is our feeling that it will be contrary to the public's interest in encouraging expansion of maximum supplies of petroleum fuels.

There are other provisions of the law which we think are highly questionable, and which should be carefully examined as to their effects. Again, I think it important that Congress use its oversight procedures to look intently at the practical effects of these provisions as we gain experience under the law, and as the Treasury develops its regulatory interpretations. If these provisions individually or all together serve to inhibit exploration, development and production—which we believe to be inevitable—then corrective actions should not be long delayed.

Aside from the provisions which will limit the benefits of depletion retained for small producers, it is apparent that the repeal generally of percentage depletion already is having far-reaching negative effects that will seriously limit future exploration and development. There have been a number of incidents of cancellations of orders for new drilling rigs, attributed in industry trade press accounts to retrenchment of exploration activities that have been announced by numerous individual companies. For the most part, these curtailments will affect future exploration and development, and are not yet reflected in the operating rig count and other barometers of industry activity.

Hopefully, this committee and others in Congress will, in anticipation of these adverse impacts on the industry's programs to expand domestic supplies, begin now to evaluate ways and means to offset the economic effect of the repeal of percentage depletion.

One vital consideration is the need to eliminate price regimentation of both oil and natural gas. Congress has abandoned price controls as an instrument of policy on all but these two commodities. The longer price controls are continued, the longer we will frustrate the normal economic processes that work effectively to balance supply and demand and to allocate our resources to their most effective uses.

In this connection, in his book "Competition in the U.S. Energy Industry" done as part of the Ford Foundation's Energy Policy Project, Thomas D. Duchesneau of the University of Maine at Orono, makes this observation:

"The strong belief that certain products, including energy should be available at low prices is held by many and leads to much rhetoric and confusion of basic economic issues. Increased energy supplies in the long run are available only at higher costs and the feeling that energy prices should be rolled back to some lower level does not negate this fact. Situations in which political leaders offer blatant appeals to the public's ignorance of basic economic factors is not only irresponsible but creates a real

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possibility that legislative actions will lead to even greater problems in the future. This is a classic example of the conflict between correct economic policies and rewarding political strategies. It is difficult to underestimate the risks and dangers if policy makers were to succumb to short run political objectives in formulating energy policy."

I believe this statement by an uninvolved observer is particularly applicable to the situation existing today, wherein many members of Congress are insisting upon continuance of the wornout concept that the federal government can successfully deal with shortages of oil and gas while continuing price regimentation of both.

Aside from the pressing need to abandon price controls which have failed as public policy throughout history, we strongly feel that provisions incorporated in the Tax Reduction Act of 1975 will—contrary to the intent of Congress—discourage exploration by independent producers for whom some depletion was retained. The effects of these provisions should be carefully monitored as we gain experience under the law. Specifically, those which we believe will be most counterproductive and require corrective action by the Congress are:

1. The limitation of percentage depletion to 65 percent of all taxable income.

2. The broad provision that denies depletion to any taxpayer who may have an interest in "retail" sales of oil or natural gas or products derived therefrom.

3. The denial of percentage depletion on any "proven" oil or gas property transferred after January 1, 1975.

Submission by Northern Michigan Exploration Co. to the Senate Interior and Insular Affairs Committee Requesting Clarification of the Tax Reduction Act

Northern Michigan Exploration Company is a wholly owned subsidiary of Consumers Power Company, a public utility serving gas and electric customers in 67 of the 68 counties in lower Michigan. Northern Michigan Exploration Company was formed in 1967 to explore for and develop gas and oil production. The Company's activities were confined to Michigan until 1970 when Consumers Power Company became aware that their primary gas suppliers, Panhandle Eastern Pipeline Company and Trunkline Gas Company, would be forced to curtail gas deliveries. At that time Northern Michigan Exploration Company, as an independent operator, commenced exploration activities which resulted in the development of substantial gas reserves in Southern Louisiana, both onshore and offshore. Northern Michigan Exploration Company's activities were financed entirely by the stockholders of Consumers Power Company. The current financial status of the Company is that all common stock is held by the parent company and all other financing is in the form of bank borrowings secured by production payments.

The Company has achieved a current level of 3,300 barrels per day and 45,000 Mcf per day production operating as an independent producer. At present approximately half our existing gas production and none of our oil production is being sold to the parent company. Our most notable achievement to date is causing the original wells to be drilled in Northern Lower Michigan which have resulted in one of the largest and most active current oil and gas developments in the United States. Due to this activity, Michigan has led the various oil and gas producing states with either the first or second highest percentage increase in production as applied against the same month in the previous year.

Northern Michigan Exploration Company has operated in a competitive environment as a medium-size independent producer. The Company has borrowed substantially on current production in the belief that we would be treated similarly to other independent producers. Like other independents, our Company has only one profit center.

Under a strict interpretation of the "Tax Reduction Act of 1975" our Company would lose an estimated $2,700,000 in tax deductions. This total is made up of $1,800,000 for percentage depletion applicable to production in excess of 2,000 barrels/day oil equivalent and an additional $900,000 in tax deductions if we do not qualify for the independent's exclusion of the first 2,000 barrels/day of oil equivalent due to a strict interpretation of the act whereby our relationship with a "natural gas retailer" would prevent us from being able to avail ourselves of the same tax treatment afforded other comparable independent producers.

The substantial reductions in tax deductions to our Company can only result in a reduction of our current and future exploration programs. Our capability to repay indebtedness has also been substantially reduced, therefore our development of existing holdings may be slowed down or even partially curtailed.

The "Tax Reduction Act of 1975" will have a devastating effect on the ability of our Company to continue in oil and gas exploration. This effect is threefold and should be clearly understood. (1) Any reduction in depletion will cause a comparable reduction in exploratory drilling by our Company and most independent producers. (2) If our Company is discriminated against by a strict interpretation of its relationship to a "Natural Gas Retailer," we will reconsider whether we should explore at all as we would not be able to consider exploratory ventures on an equal basis with other independent producers. (3) Our Company has been successful in the past at creating original ideas which have led to substantial discoveries by our Company and others. It is these original ideas regarding high risk, high potential plays in frontier areas that will be shelved first by our Company and most other independent producers. Our Country can ill afford to discriminate against creative and successful oil finders.

We understood from most of the information available to us that the intent of the "Tax Reduction Act of 1975" was to differentiate between the independent producer with normally only one profit center as opposed to the major oil company who participates in all phases of the oil and gas industry from the well to the filling station.

We respectfully request that the rules promulgated under the Act will grant relief to our Company and others who do not participate in crude oil refining, transportation or refined product marketing.

Statement of T. Howard Rogers, President, Santa Fe Natural Resources, Inc.

Mr. Chairman and Members of the Committee:

My name is T. Howard Rogers. I am President of Santa Fe Natural Resources, Incorporated ("Resources"), a wholly owned subsidiary of Santa Fe Industries, Inc. Santa Fe Natural Resources is the parent company of our petroleum and mineral subsidiaries.[1] The two major subsidiaries of Resources are Chanslor-Western Oil and Development Company, operating principally in California, and Oil Development of Texas, operating principally in Texas.

As president of a company which is not a major company and which is dependent upon internally generated cash for investment in those areas which are critical to resolving the problem of energy supply, and as a member of a group of over twenty medium size oil and gas companies comprising the Domestic Petroleum Council, I would like to state my views concerning the impact of recent legislation and the potential impact of proposed legislation on my company and on our group of companies.

I recognize that, although the recent energy crunch is over, the crisis is still with us, and there remains a very serious problem of insuring that adequate energy supplies are available to this country. We support the federal government's effort to formulate a long-range energy program which will help this country become independent of foreign sources of energy. Unfortunately, in many respects, the oil industry is being treated as an adversary, rather than as a necessary and willing partner, in this undertaking.

The hostile legislative climate towards the petroleum industry is largely the result of consumer outrage over high industry profits at a time of soaring prices and long lines at the gas pump. Unfortunately, Congress has been goaded into an energy program which is not only needlessly harmful to the domestic petroleum industry, but is directly contrary to our stated goal of energy self-sufficiency.

Recent events have demonstrated the magnitude of the public misconception concerning the nature, composition and needs of our industry. Time does not permit a lengthy digression on this problem, but I do think two points should be mentioned:

1. Our industry is composed of an extremely heterogeneous group of companies of varying sizes and business interests. We are more than a group of huge multi-national corporations on the one hand and individual wildcatters on the other.

2. The unique nature of our business, whose principle assets are wasting natural deposits, requires huge capital investments and entails enormous risks which yield only a rate of return which would be considered average for low-risk enterprises.

The misconceptions concerning the composition of our industry would not be a matter of such grave concern to me if they weren't shared by many members of Congress. The floor debate accompanying the repeal of the percentage depletion allowance made it clear that there was little understanding of, and no consideration given to, the impact of repeal on the middle size companies. Let me emphasize that I am not advocating any special treatment for my company or other middle size companies, nor do I feel that we represent interests divergent from or contrary to the interest of any other segment of the petroleum industry. But I think it should be obvious to everyone that the impact on the middle size oil and gas producers should be considered before legislation is enacted.

The Domestic Petroleum Council has been formed because its members felt that it was vital to advise the Congress and the Executive branch of the effect of proposed and recently enacted legislation on companies such as ours. We are medium size companies whose average daily domestic production ranges from 1,400 to 74,800 barrels of oil and from 1,600 to 864,000 mcf of gas. Thus we are representative of the broad middle spectrum of the oil industry whose largest domestic producers accounted for a daily production of some 700,000 to over one million barrels of oil, and some 4.1 million to over 5.7 million mcf of gas in 1973, and whose smallest producers were the beneficiaries of the 2,000-barrel per day exclusion from the repeal of percentage depletion. In addition, we are a very diverse group of companies. Some of us, including Santa Fe, are strictly producers, while others are totally integrated. I have filed with the Committee as an attachment to my prepared remarks a copy of a statement providing information on the membership and goals of the Domestic Petroleum Council, and I ask that it be made part of the record.

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[1] Chanslor-Western Oil and Development Company, Oil Development Company of Texas, Oil Development Company of Utah, Coline Oil Corporation, and the Cherokee & Pittsburg Coal and Mining Company.

The enormous capital needs of the petroleum industry are well known to this Committee, and I will not attempt to analyze such a complex issue in the few minutes which I have here today. However, I would note that statements from industry spokesmen outlining our capital requirements have largely fallen on deaf ears—I suspect because it is so difficult to comprehend the huge dollar amounts of which we speak. There is apparently little sympathy for a capital intensive industry whose financial demands are such a charge on the already pressed national capital markets. But this is precisely the problem faced by companies such as ours.

For example, it has been estimated that the petroleum industry must invest at least $400 billion for capital and exploratory purposes during the 1970–1985 period to build up reserves compatible with increasing world needs.[2] Obviously, domestic producers will not and cannot carry this burden alone. However, we must increase our share if we ever hope to take even modest steps toward energy independence.

There are only four capital sources available to us for this investment: equity—ruled out because of our high risk and low rate of return; earnings and profits; capital recovery provisions in our tax laws; and borrowing. It is evident that the use of borrowed capital is very restricted in view of the risks involved in our industry, costs involved in borrowing, and limited supply of available funds. We are thus primarily dependent on internally generated capital to finance our investments. For all practical purposes, the Congress has just taken away our major source of capital recovery—the percentage depletion allowance. I must emphasize—the impact of its repeal on medium size companies such as ours is devastating.

With respect to profits, recent dramatic increases which provided real hope for increased exploration activity have already begun to shrink. Even more alarming is the prospect of a so-called "Windfall Profits" tax which provides no plowback credit for qualified investment. Earlier in the year, before percentage depletion was repealed, the House Ways and Means Committee adopted such a tax which, in its final form, provided for a plowback credit. Now that depletion has been repealed, we are threatened with the imposition of the same kind of tax without any plowback provision.

The logic of such an approach is baffling to say the least. A major incentive to domestic exploration and development—percentage depletion—has been repealed on the grounds that increased profits provided a sufficient substitute incentive, and now a tax is proposed which confiscates those very same profits. The proposal of such a tax is even more incredible in view of the fact that it is actually an excise tax based on price, is wholly unrelated to profits, and is to be imposed on products which are already subject to price controls and mandatory allocations.

The adverse impact which this program will have on our national energy goals is clear from its effect on our group of companies. Statistics compiled from figures submitted by Domestic Petroleum Council members indicate that exploration and development budgets will shrink in 1975 by over $118.5 million. Assuming a stable price level, a windfall profits tax without a plowback credit would further decrease exploration and development expenditures by over $153.5 million.

Thus, in this year alone over $272.0 million would be lost to exploration and development in our small group of companies.

The reduction of exploration and development budgets is the inevitable result of proposed and recently enacted legislation. The sources of capital for needed investment are being systematically eliminated. Moreover, the impact is cumulative.

When wasting deposits are the principal assets of an industry, and sources of capital needed to replace those assets are significantly reduced, gross revenues will decline as existing assets are depleted, leaving even less capital for reinvestment. Studies of the industry leave no doubt that capital expenditures closely follow the rise and fall of industry profits.[3]

My own company will be forced into similar exploration and development budget reductions as a result of proposed and recently enacted legislative changes. As dedicated as we are to the development of our natural resources, we have been forced to cut back on our reinvestments due to the current hostile legislative climate.

We have been producing oil and gas in the United States since 1910, and although we are a relatively small producer, we have made substantial capital investments to develop production. Between 1964 and the end of 1974 we spent $78 million for secondary recovery techniques of steam, fire, and water floods. As a result, we increased our daily production from 16,000 barrels per day in 1964 to 46,000 barrels per day in 1974, and we took our proven reserve position from a total of 43 million barrels in 1964 to a high of 155 million barrels in 1971. Following the pattern in the industry, these reserves declined to 138 million barrels at the end of 1974. Again, this was not done on borrowed capital nor by sales of participations, but from internally generated cash flow.

In 1969 we could see the end coming for secondary recovery investments, and we undertook a program of exploratory drilling, again confining our search to the continental United States. In accordance with our normal practice, we funded the program from internally generated cash, and over the 5-year period between 1969 and the end of 1974, we spent a total of 52.6 million dollars for land, drilling and leasehold expense. We found new reserves amounting to 6.4 million barrels, which will be produced over the coming years. These reserves have been found in California, Colorado, Wyoming, Montana, Arkansas, Louisiana, Texas and New Mexico.

In all, we drilled 61 wildcat wells of which 14 were discoveries, for a discovery ratio of 23%—about twice the national average. As a result of the 16 discoveries, we drilled 53 development wells of which 45 were successful. We now hold 1,003,500 acres of land under lease in eleven western states, and part interests in 17 tracts located offshore of the Gulf Coast (12,785, acres) on which we propose to do further exploration for oil and gas using a greatly expanded program.

In 1973, before the OPEC embargo and dramatic rise in prices, we spent $8.7 million for exploration. This sum was all the available capital we had after taking care of normal reinvestments in our presently owned properties. Unfortunately, however, this level of annual exploration investment was not enough to replace proved reserves which are now declining as a result of our large daily production rates.

In 1974, as a result of the increased price we were receiving for our crude, we were able to greatly increase our exploration budget and expenditures to $30.2 million. However, as a result of the repeal of percentage depletion, we were forced to reduce our proposed 1975 exploration budget of $39 million dollars by $12 million to only $27 million. Thus, the loss of depletion alone will reduce our proposed exploration expenditures by almost one-third.

The imposition of a windfall profits tax without any plowback would have an equally devastating impact. Santa Fe, like any other company, budgets for exploration those funds remaining after payment of fixed and variable costs, including taxes, are expended for its exploration program. Thus, a windfall profits tax with no plowback credit will result in an additional dollar-for-dollar reduction in funds available for exploration. If such a tax were imposed in 1975, in a form substantially similar to proposals made earlier this year, we estimate that our 1975 budget would be decreased an additional $13 million. Accordingly, out of our total 1975 budget of $39 million, we would be forced to make a reduction of $25 million or about two-thirds.

If such a result is consistent with the prospects faced by other oil and gas companies, and the statistics of our members certainly are not contrary, then our domestic energy outlook is nothing short of a disaster. This nation cannot afford to follow such ill-advised policies. Beyond this specific impact on our companies, we are witnessing the destruction of our free enterprise system before our eyes. The increasing intrusion of the government into every phase of our business is not only needlessly harmful to companies like Santa Fe, but it will obviously also be detrimental to the long range interests of the American public.

These legislative changes will undoubtedly affect more than our exploration programs. We had been planning to increase the scope of our petroleum-related activities by evaluating the drilling opportunities offshore the continental United States and Alaska.

With regard to our coal holdings, we have been investigating strip mining and the subsequent use of coal as boiler fuel or for gasification purposes. We find the capital requirements to be enormous, and even with our cash flow before depletion repeal we would have required borrowed capital. Moreover, since we are investing so much of the cash flow generated by higher prices into exploration, our capital requirements will continue to mushroom. We will become increasingly dependent on borrowed capital to finance development of our new discoveries.

I recognize that this Committee does not have jurisdiction over tax policy, but feel that it is absolutely imperative that the Congress immediately act to rectify the effects of this retributive legislation and direct its attention towards adopting an incentive, tax or otherwise, for domestic exploration and development of energy resources.

To sum up, our increased exploratory drilling program, which was only possible due to recent increases in the price of domestic crude oil which were producing earnings sufficient to fund the effort, has been substantially reduced as a result of the repeal of percentage depletion. We believe that our expanded budget for exploration was directly responsive to the nation's need to discover new energy sources, and regret that our efforts in this regard have been curtailed as a result of recent legislation. We hope that the Congress will not strike a second blow by enacting a "windfall profits" tax which has no provision for any plowback credit. Our need to find new reserves of oil and gas is most compelling, and we feel that private enterprise, rather than any federal bureaucracy is best qualified to undertake and direct exploration and related capital activities in the energy field.

I thank you, Mr. Chairman and Members of the Committee, for the opportunity to present my views and for your courtesy to see me today.

Domestic Petroleum Council

As a result of the legislative response to our domestic energy problems, the Domestic Petroleum Council was recently formed. The combination of the repeal of the percentage

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[2] The Chase Manhattan Bank, "How Much Oil—How Much Investment", March, 1975.

[3] See for example, The Chase Manhattan Bank, "The Profit Situation", April, 1974.

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depletion allowance, the continuation of price controls on crude oil and natural gas, and the proposed windfall profits tax will not only increase prices and increase our dependence on foreign oil, but will also eliminate competition and concentrate control of the domestic petroleum industry in the few largest companies. It is clear that, as a result of these proposals, we, only 25 of about 70 medium size companies who account for approximately 20% of domestic production, will be forced to reduce our current exploration and development budgets; to seek alternative investments for our cash flow; and find other sources of capital or be forced to gradually withdraw from the industry. For example, the budgets of our members alone will be reduced by about $272.5 million in 1975. We urge prompt executive and legislative action which will preserve a competitive domestic petroleum industry within our private enterprise system and contribute to our goal of domestic energy independence.

WHO ARE WE?

Twenty-five companies with aggregate daily domestic oil production of over 500,000 barrels (bbls) and gas production of over 4,000,000 thousand cubic feet (mcf) have joined the Council.

We are medium-sized companies. Our smallest members produce 1,400 bbls of oil and 1,600 mcf of gas daily. Our largest members produce 74,800 bbls of oil and 864,000 mcf of gas per day. By contrast, production of the larger domestic producers in 1973 ranged from roughly 700,000 to over one million bbls of oil and 4.1 million to over 5.7 million mcf of gas per day.

Our members operate in 47 states.

Over the five-year period ended December 31, 1974, our members spent over $3.6 billion for domestic exploration and development. During that period, our members drilled or contributed to the drilling of over 7,700 exploration and development wells.

Our members have paid over $2 billion in bonuses to the federal and state governments for the right of exploring public lands, the vast majority of which payments were made to the federal government. These amounts did no more than permit us to use the land area and, of course, are in addition to the millions apent in exploration and development of these public lands.

In addition to the payments of these bonuses to the federal and state governments we paid over $1 billion in federal, state and local taxes during the aforesaid five-year period.

The Tax Cut Bill repealed the percentage depletion allowance which will cost our members over $118.5 million additional in tax for 1975 alone.

The Energy Bill as presently constituted in the Ways and Means Committee provides for an excise tax wholly unrelated to profit, though misnamed a "Windfall Profita Tax." This would cost our members an additional amount in excess of $153.5 million in 1975 alone, assuming 1975 oil and gas prices do not decline significantly from 1974 levels.

As a reault of these tax proposals, over $272.5 million will be removed from our exploration and development budgets—our major controllable expenses—and placed in the Treasury Department. The depletion loss will become a part of the general tax revenuea and the windfall profits tax will be paid into a federally-administered trust fund for specified usea including mass transit subsidies.

ECONOMIC IMPACT OF THE TAX CHANGES

The basic need of the industry is to generate capital. Its ability to do so is gravely restricted because of the repeal of percentage depletion and the proposed windfall profits tax which will so reduce our return on investments in an industry of maximum risk that the industry will be forced to diversify—to invest its cash flow in less risky businesses with higher rates of return on that cash flow.

Even at the peak of the petroleum prices in 1974, the industry's return on high risk domestic investment was only 11.4%, as compared to a return for low-risk manufacturing of 12.9%. In 1973, the return on investment for domestic oil and gas was only 10.5% as compared to 21% on foreign petroleum, or 15.2% overall. This compares with a return on investment for all manufacturing of 13.8% in that year. Even without these tax changes, our 1975 profits were expected to be 20–25% lower than 1974, and with these changes they are expected to be even lower.

If we are compelled to seek safer investments with greater yield, our share of the petroleum business necessarily will be absorbed by the larger companies—whose sheer volume of cash flow will permit them to stay in the oil and gas business as we are forced to phase out.

PROPOSED SOLUTIONS

1. As to the Windfall Profits Tax—

It is indefensible to impose a so-called "Windfall Profits Tax" upon a product whose price is controlled. Even in the event of price decontrol, it would be equally indefensible to single out one industry for a confiscating excise based solely on *price* and not on *profit*. If it is determined to enact such an unfair tax, Congress must recognize the nation's need for increased domestic investment and permit a dollar-for-dollar plowback credit against the Windfall Profits Tax for investment in those areas of the domestic energy industries (including energy sources alternative to oil and gas) deemed by the Congress to be appropriate. This removes management discretion as to the corporate disposition of a very large percentage of cash flow, but it does insure reinvestment in domestic energy sources during the crunch.

2. Incentive for domestic exploration and development—

a. Tax 50% of the taxable income from the property at a rate not to exceed the capital gain rate, and the remaining 50% as ordinary income without a depletion allowance. This will give an incentive to the smaller companies to stay in the oil and gas business rather than selling their proven reserves to the major companies; or

b. Allow an exploration and development tax credit equal to 10% of the price of each barrel of new or enhanced recovery oil and 10% of the price of each mcf of new gas produced.

3. As to price control——

a. Decontrol the price of natural gas or, if decontrol is not attainable, adopt a suitable alternative reflecting the cost of competitive fuels.

b. Decontrol the price of oil and petroleum products.

Adobe Oil & Gas Corp.
Argo Petroleum Corp.
Austral Oil Company, Inc.
Burmah Oil and Gas Co.
Champlin Petroleum Co.
Clinton Oil Co.
Coastal States Gas Corp.
Equity Oil Co.
Felmont Oil Corp.
Forest Oil Corp.
General Crude Oil Co.
Helmerich & Payne, Inc.
Houston Oil & Minerals Corp.
Husky Oil Company
Louisiana Land & Exploration Co.
Mesa Petroleum Co.
Mountain Fuel Supply Co.
Murphy Oil Corp.
Pennzoil Co.
Quaker State Oil Refining Corp.
Reserve Oil & Gas Co.
Santa Fe Natural Resources, Inc.
Southland Rayalty Co.
Tenneco Oil Co.
Terra Resources, Inc.

STATEMENT OF CHARLES J. WAIDELICH, PRESIDENT, CITIES SERVICE CO.

My name is Charles J. Waidelich. I am President of Cities Service Company of Tulsa, Oklahoma.

Cities Service is a medium-sized corporation engaged primarily in the petroleum and natuarl gas business in the United States. The Company is fully integrated in the petroleum business. The domestic petroleum activites accounted for approximately 65 percent of the Company's gross investment in property, plant and equipment at the end of 1974. The Company has 17,400 employees and is owned by 123,000 stockholders, 99 percent of whom reside in the United States.

Mr. Chairman, I welcome this opportunity to discuss with the members of the Committee on Interior and Insular Affairs the effects of Federal regulations and legislation on Cities Service Company and the ability of the Company to continue to generate sufficient capital for reinvestment in the search for additional resources of oil and gas.

The effects of Federal regulations of the petroleum industry and the impact of recently enacted tax legislation have already drastically reduced the earnings of Cities Service Company. Published reports of other petroleum companies show that such a trend prevails generally in the petroleum industry.

Net income of Cities Service for the three months ended March 31, 1975, totaled $27 million, a decline of $39 million, or 59 percent from the first quarter of 1974. These were the lowest first quarter earnings for the Company since 1964.

Of the decline of $39 million in the year-to-year net income, $23 million was the direct result of Federal regulation.

Of the $23 million, $15 million was the direct result of higher cost of crude oil imposed upon Cities Service by the Emergency Petroleum Allocation Act of 1973, and the remaining $8 million represented the increase in income tax expense over what it would have been without the passage of the Tax Reduction Act of 1975.

The principal impact of the Tax Reduction Act of 1975 is the provision eliminating percentage depletion on oil and gas production, which for Cities Service will result in the loss of about $30 million in funds in 1975 that otherwise would have been available for reinvestment in the search for additional reserves.

During the past ten years approximately two-thirds of the Company's capital expenditures have been made for oil and gas activities. About 87 percent of the capital invested in oil and gas exploration and development was made in the United States. Our total capital expenditures and the outlays for oil and gas activities in 1974 were the highest in the Company's history. For 1975 our original plans called for a substantial increase in capital outlays. However, it is now clear that total available funds will fall considerably short of our planned capital expenditures, requiring a downward adjustment in our spending plans.

Our present program which is just now reaching maturity—meaning from the exploratory to the drilling phase—started about five years ago. In 1970 we completed 129 net interest wells and by 1974 the net completions increased to 214.

In 1970 we embarked upon an expanded lease acquisition program. In the Gulf of Mexico alone, for example, we participated in the purchase of 86 tracts at a net bonus cost to the Company of $244 million through last February 4.

Capital expenditures for our ambitious domestic exploration and production program in 1974 totaled $182 million. The 1975 program will be reduced by the $30 million loss

of percentage depletion, plus the unrecovered costs imposed on Cities Service by the mandatory crude oil allocation and entitlements programs.

The entitlements program, which requires that Cities Service subsidize our competitors for their operations, commenced last November. In the five months through the end of March of this year, the entitlements program has cost Cities Service about $28 million. This is an anti-competitive penalty imposed upon Cities Service for having historically been a producer and refiner of domestic crude oil.

In addition the mandatory crude oil sales program requires Cities Service to purchase foreign oil to replace lower-priced domestic oil that must be sold to others. The cost of this program to Cities Service amounted to about $7 million in the first quarter of 1975.

The added costs of these two programs amount to approximately three cents per gallon on refined products manufactured by Cities Service.

Reduced expenditures for exploration and production by Cities Service will mean loss of additional production of oil and gas that might have been developed. It also means a loss of employment opportunities within our Company and a possible effect upon employment to those contractors and suppliers who depend upon Cities Service for business.

Once our exploration activity turns downward, it cannot be turned upward within a short timeframe. I can assure you that the reduction in our 1975 program was made with great reluctance and we would be ready to reverse the direction if there were a way to generate sufficient capital to maintain the program. Our results have been good. In fact our natural gas production increased in 1974 counter to the industry trend. Any reduction in exploration activity hurts our country.

There is the urgent need for exploration and development just to maintain the nation's proven domestic reserves of oil and gas. Last year, for example, for each two barrels of oil added to domestic reserves, our nation produced three barrels. The ratio for natural gaa was that for each thousand cubic feet added to reserves two thousand cubic feet were produced.

The increased activity that is necessary cannot become a reality unless sufficient capital can be generated.

How then can an oil company continue to develop sufficient domestic resources of oil and gas?

I recommend strongly that those government regulations that restrict our ability to generate capital for reinvestment be removed. I refer specifically to the regulations that stem from the Emergency Petroleum Allocation Act of 1973, such as the crude oil and refined product allocation programs, the two-tier pricing system for domestic crude oil and the entitlements program.

These programs were designed to meet a temporary emergency shortage condition which no longer exists. Crude oil is currently in ample supply refineries are operating at less than capacity levels and the marketplace is highly competitive. Prices of petroleum products in the case of Cities Service are presently below permitted ceilings and I assume this to be true of other suppliers. Continuation of these restrictive regulations is contrary to the intent of Congress when the Emergency Petroleum Allocation Act of 1973 was enacted. These regulations have the effect of curtailing the expansion of oil and gas exploration. Regulation of supply is distorting the workings of the marketplace. The consumer is paying, and will continue to pay, a price for these programs.

STATEMENT OF FREDERICK S. ADDY, VICE PRESIDENT OF ECONOMICS AND ADMINISTRATION, AMOCO PRODUCTION CO.

My name is Frederick S. Addy, and I am Vice President of Economics and Administration for Amoco Production Company. My company is a subsidiary of the Standard Oil Company of Indiana, with responsibility for exploration and production for oil and gas in the United States.

My comments this morning are directed towards the impact that recent government actions have had on our exploration and development efforts; specifically, the loss of the percentage depletion allowance, and more generally, some of the other actions being contemplated by Congress or various government agencies.

To state our position in one sentence, we are in a squeeze. This may sound strange for an industry that has experienced a significant escalation in prices and which appears to be generating large profits and high rates of return, but it is an economic fact. The combination of frozen prices, declining volumes, rapidly rising costs in all phases of the business, and increased taxes have drastically reduced our capability to maintain an aggressive program to find and develop new oil and gas reserves. The loss of the percentage depletion allowance is only one factor aggravating this situation, but since it is the specific subject of these sessions, I will address it first.

For the year 1975, the loss of percentage depletion will reduce the funds available to us for new investment by about 15%. By this I mean that after paying our producing and other operating expenses, including taxes, the balance available for exploration and development investments will be 15% less than was the case before percentage depletion was eliminated. Unfortunately, most of the resulting reduction in expenditures will be concentrated in the exploration phase of our business. This is because this segment of the business offers the most flexibility for being able to implement curtailments in operations.

For example, our exploratory drilling budget for this year was originally projected to show an increase over 1974. Currently, however, we are budgeting an 8% decline. Because of inflation, the actual amount of physical effort will be on the order of 20–25% below last year. We are holding to this level of activity not because we don't have places to drill, not because we don't have drilling rigs, and not because we don't have pipe, but simply because we don't have the money. At the present time, we have a backlog of drillable exploration prospects which would permit us to expand drilling by at least 50%. Drilling rigs are available, pipe is stacked up on the ground, and our exploration people are begging for the opportunity to charge ahead, but our cash flow will not permit us to do so.

Available figures suggest that the industry is also in the position of having to curtail their expansive exploration and development programs. Recent industry figures indicate that the number of seismic crews in operation in the United States is down better than 10% from the level last summer. Similarly, it is almost impossible to pick up an industry publication without seeing some reference to orders for new drilling rigs being cancelled. In our own case, we are making efforts to cancel contracts for an offshore drilling rig, and are seeking outlets to sell some of our surplus pipe.

There are two basic requirements for a healthy, expanding domestic industry. The first is that the industry must have the economic incentive to justify its exploration and development activities. The second is that the industry must have the financial resources to finance those activities. At the present time, we and the industry are being hit hard on both counts.

From the incentive standpoint, the Federal Energy Administration has tried to encourage exploration by permitting prices for "new" oil to reach full market value. This certainly has been a step in the right direction. However, the reduction in percentage depletion and continued threats of price roll back, the imposition of windfall profits taxes, or the extension of FPC jurisdiction to intrastate gas sales do much to undermine the economic incentive. Additionally, price controls on "old" oil adversely affect the economics associated with increasing production and recovery rates from many older fields.

As I've suggested, granting price relief on new production does little good if the incentive is to be undermined by higher taxation. Of equal importance with incentive, however, is the need for the industry to have the funds available to exploit those opportunities for which there is an economic incentive. We and the industry are being particularly hard hit in this area.

First of all, prices for the major portion of our production are controlled at low levels. Secondly, industry production has been declining, so that with relatively stable prices over the last year or so revenues are declining. Additionally, costs are rising everywhere; employment costs for our company last year increased more than 15%, drilling costs increased over 20%, the costs for all types of equipment needed for production purposes increased over 25%. The outlook for at least the next several years is more of the same—declining production and rising costs. The arithmetic is obvious, there will be less and less money for those activities necessary to find and develop new reserves.

It is our opinion that the U.S. has sufficient resources to permit a significant expansion of domestic oil and gas production and thereby reduce its dependence on overseas sources. The increase in production will not occur overnight, for the exploration and development process by its very nature involves significant time lags. To achieve this, however, the industry must have the financial resources and these can only come from the revenues generated from current production.

IMPORTANCE OF OUR STOCK MARKETS TO ECONOMIC GROWTH

Mr. BENTSEN. Mr. President, today inflation and recession are clearly our leading domestic problems. Spiraling prices are making it harder and harder for the average American family to make ends meet. The high rate of unemployment translates into economic tragedy for the families of those American workers who are jobless.

All Americans understand the impact of inflation—it costs more and more to fill a supermarket basket. All Americans understand the impact of unemployment—there is simply no monthly paycheck to meet everyday living expenses. The current 8.9 percent unemployment rate is simply unacceptable.

Yet few Americans realize that the maintenance of healthy stock markets in our Nation is crucial to our fights against both inflation and recession.

Today's inflation is the result of several factors but one way to help reduce it is to insure that our economy continually maintains adequate levels of production needed for sustained economic growth. Although during periods of recession, excess productive capacity may appear in some sectors of the economy, we must not lose sight of the importance of continually maintaining adequate levels of productive capacity for noninflationary growth. Economic policy makers in Washington must not forget that previous production shortages and bottlenecks significantly contributed to infla-

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tion. Increased production results in greater competition and helps moderate prices. However, to increase production American industry needs vast sums of money and one of the traditional sources for financing this expansion is the stock market.

Industrial expansion and increased production are also needed to create new jobs and to reduce the danger of a prolonged recession.

Unfortunately, at this stage our stock markets are not providing sufficient money to meet the needs of American business. As national economic policy is formulated to curb inflation, to reduce unemployment and to promote growth, we must be sure that fiscal, monetary, and tax policies are also directed toward revitalizing our stock market.

Mr. President, most Americans view our stock markets simply as a vehicle for investing money in the hope of making a profit. However, this overlooks the fact that our stock markets serve a much more important and basic function for our entire economy. They provide a source of equity capital to help industry raise money for expansion and modernization toward several ends:

To deliver useful products to the consumer at reasonable costs;

To create new jobs for our growing work force;

To compete effectively in a growing world market so that we can maintain a favorable balance of trade;

To pay the costs of meeting environmental standards; and

To acheve reasonable energy and mineral self-sufficiency.

Our economy faces a huge demand for new capital in the years ahead and only with stock markets that function smoothly can we expect to meet that need and thus help curb inflation and reverse recession.

Mr. President, a number of prestigious organizations and corporations is now undertaking an educational campaign—known as "Campaign 1976"—to educate the public about the importance of our stock markets.

Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the May 1975 issue of the magazine, Better Investing which describes "Campaign 1976."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CAMPAIGN 1976

For many years, the National Association of Investment Clubs has worked to do its part in helping to maintain a strong capital market and a growing economy by introducing individuals to the benefits of owning a part of American industry.

Perhaps now more than ever, industry depends upon a free flow and availability of capital, and, in turn, greater employment depends upon the vigorous, productive industry made possible by sound capital markets.

Recognizing these needs, NAIC has now conceived and is building Campaign 1976, an action program aimed at interesting more of our citizens in individual ownership of industry.

Investment education has been NAIC's forte, and with this as the base, and with the cooperation of business and industry, their related associations and organizations and the securities industry, millions of our citizens will be acquainted with the program.

Mr. James J. Needham, Chairman of the Board of the New York Stock Exchange, is the Chairman of the Governing Committee of Campaign 1976. Shown at the bottom are the distinguished persons and organizations who have joined the Governing Committee to date. Each has agreed to work toward enlisting other corporations in the program which, in turn, will be asked to invite still other companies to join in the effort. This compounding of participation should lead to a burgeoning national movement with tremendous potential impact.

In concept, the plan is quite simple, inexpensive and yet meaningful.

Eight pieces of literature have been produced for distribution beginning in the last quarter of 1975 and continuing through seven additional quarters. Each of the small folders succinctly discusses the import of a particular economic factor as it affects the individual. Subjects covered are pricing goods, the benefits of high productivity, the need for profits, why capital is important, the role of free trade, the implications of world trade and the ramifications of inflation.

It is felt that when every citizen understands how he or she is affected by all these components of the economy, a greater understanding and appreciation of capital markets, business and industry can be achieved. A natural outgrowth would be a desire to participate in and contribute to free enterprise by becoming an owner of American business.

The organizations taking part in Campaign 1976 will distribute the literature to their employees, shareholders, public customers and other groups as each decides.

It is our hope that many people will, as a result, want to learn more about how business and industry operate, their problems and their successes. Education becomes the key.

We believe that few mediums can match the Investment Club as a way for people in all walks of life, of all ages and all levels of income to learn how industry works and at the same time become owners of that industry with modest sums. Learning together is what Investment Clubs are all about, and through this method, NAIC has introduced over 2,000,000 of today's investors to ownership of industry.

The literature of Campaign 1976 urges people to take whatever path they like to learning and suggests Investment Clubs as one route toward investment education.

Campaign 1976 is designed (1) to make a major contribution to bringing about a better understanding of business, investment and economic factors and how they relate to creating more and better jobs, and (2) to interest a large number of individuals in becoming owners of industry.

CAMPAIGN 1976 GOVERNING COMMITTEE

Chairman: James J. Needham, Chairman of the Board, New York Stock Exchange.

Karl Bendetsen, Director, Champion International Corp.

Arch N. Booth, President, U.S. Chamber of Commerce.

Richard M. Brodrick, President, National Investor Relations Institute.

W. Donham Crawford, President, Edison Electric Institute.

Justin Dart, Chairman, Dart Industries.

Jerome H. Holland, Director, various corporations.

E. Douglas Kenna, President, National Association of Manufacturers.

Paul Kolton, Chairman, American Stock Exchange.

Juanita M. Kreps, Vice President, Duke University.

Gordon S. Macklin, President, National Association of Securities Dealers.

Charles H. Prout, Vice President, Cutler-Hammer, Inc.

Raymond A. Rich, Chairman, U.S. Filter Corporation.

Robert W. Sarnoff, Chairman, RCA Corporation.

Carl Spielvogel, Vice Chairman, Operations, The Interpublic Group of Companies, Inc.

O. Pendleton Thomas, Chairman, B. F. Goodrich Corporation.

J. W. Walter, Chairman, Jim Walter Corporation.

C. V. Wood, Jr., President, McCulloch Oil Corporation, and Chairman, Committee of Publicly Owned Companies.

ENERGY POLICY IN REVERSE

Mr. HANSEN. Mr. President, let me repeat what I said just 2 months ago when I voted against the conference report of the Tax Reduction Act.

At that time I pointed out some of the principal defects in the bill which left me no choice but to vote against final passage.

First, it is beyond any reasonable dispute that our national policy should be to encourage production of oil and natural gas. Yet in this bill we propose to eliminate depletion for the integrated companies large and small alike, and phase out percentage depletion for all but 1,000 barrels a day and to reduce the rate on that 1,000 barrels to 15 percent.

What we have done is to eliminate the major incentive we have for the production of more oil and gas while leaving for another day consideration of alternative incentives.

At a time when the Nation is in critical need of additional oil and gas I cannot possibly support legislation which reduces the incentive to produce severely needed supplies.

Given the current energy crisis we face, I find no sound public policy that warrants the action we now seem ready to take.

Mr. President, it has been less than 2 months since the Tax Reduction Act was passed and already its effects on the oil and gas industry are apparent.

Last year the petroleum industry made the greatest increase in any 1 year in capital investments for oil and gas exploration and development.

In 1974, the Nation's 17 largest oil companies increased capital expenditures primarily for new exploration and production by $6.5 billion from $12.8 billion in 1973 to $19.2 billion while profits increased by $4 billion.

The number of wells rose 20 percent and there was a 17-percent increase in exploratory drilling.

Most companies reinvested more than their net profits for the year.

As examples, Sun Oil Co. spent $834 million, more than twice the amount of its profits, in developing new supplies of energy and in expanding and modernizing its facilities in 1974.

Texaco invested in the United States 71 percent of its total earnings although 62 percent of those earnings came from abroad.

But Texaco and the others have had to recompute their earnings in 1975 after the retroactive loss of depletion allowance.

And the 1975 first quarter profits for almost all of the oil companies are substantially down from last year.

In order to assess the effects of the loss of depletion allowance, oil price controls and other Federal Energy Administration regulatory programs, a panel of investment bankers was asked to testify before the Senate Interior Committee this week. All of them are experts in oil and gas financing and have seen the rapid effects the loss of depletion allowance and other pending legislation has had on the exploration and drilling activities and plans of both independents and majors.

Mr. President, I would like to quote a few paragraphs from the testimony of several of these witnesses.

Here's what George E. Austin, vice president of Morgan Guaranty Trust Co., of New York, said:

> The Tax Reduction Act of 1975 provided for the repeal of percentage depletion on oil and on some natural gas effective January 1, 1975. This action will cost the 20 largest companies about $2.0 billion per year based on present production and present prices. Considering that the aggregate cash flow (net income plus depreciation, depletion and amortization and deferred income taxes) of the 20 companies was $21.4 billion in 1974 while their aggregate capital expenditures and exploration expenses were $20.9 billion, it is obvious that the loss of percentage depletion is a very significant amount and will, in my opinion, cause a cutback in essential domestic exploration and production programs, unless the industry is able to raise prices to compensate. To the impartial investor, this action appears punitive in nature since it is well known that many commodities are entitled to percentage depletion yet oil and natural gas were singled out as not justifying it. The proposed windfall profits tax is another example of punitive legislation.
>
> The Emergency Petroleum Allocation Act of 1973 assures all domestic refiners, regardless of their operating efficiencies, managerial expertise, contractual arrangements and prior contribution to the development of national energy resources, virtually equal access to, and prices for, their basic raw material, crude oil. Within the context of this industry environment, the investor is unable to determine the fundamental value of a company. Should he invest in a company that is presently benefiting from the government regulations when they might be withdrawn on short notice? Conversely, should he invest in a company that is being hurt by current regulations, in anticipation of their removal? According to data from the Federal Energy Administration, the entitlements program has resulted in a transfer of $318 million among competing companies in the first four months of its existence. While it is nice to think of the benefits that certain companies have derived from this program, we think it is unfair to the stockholders of those companies who have to make such payments.
>
> In conclusion, it is clear that economic progress depends on capital. I respectfully submit to this Committee that investors represent the savings that are channeled into investments that have made the American system what it is today. Because capital is a scarce resource, these funds flow to the business which offers the highest return, commensurate with the risk. We strongly urge the Congress not to stifle the petroleum industry, so vital to our society, with onerous regulation and counterproductive legislation.

And, let me quote a few paragraphs from the statement of Charles D. Fraser, senior vice president of the First National Bank of Midland, Texas:

> Our bank, with $321 million in total assets and $170 million in loans, could hardly be considered a giant of the banking industry; however, I know of no bank which is so totally involved in the oil and gas business. Midland, Texas, is the focal community for oil and gas activities in the geologic region known as The Permian Basin. Geographically, this basin underlies western Texas and southeastern New Mexico. We are the largest independent bank in Texas and, by far, the largest oil and gas oriented bank in The Permian Basin. Our customers range from the largest, multi-national oil corporations to the smallest of independents. We also serve a multitude of oil industry service businesses including drilling contractors, well servicing contractors, logging companies, consulting geologists and engineers, equipment dealers, construction contractors, etc.
>
> For many years, we have predicted a rejuvenation of the Permian Basin oil and gas industry believing that foreign governments would force our nation to recognize the value of domestically owned and secure energy resources. In this sense we predicted the OPEC embargo of 1973; although, we had not expected this disruption so soon or in such a drastic manner. The immediate and almost irrational reaction in Congress resulted in a multitude of punitive proposals which, if enacted, would have been disastrous for our business as well as for the domestic oil industry. This prompted us to dedicate ourselves to the establishment of direct contacts with you in government. From such contacts, we hoped to determine probable rules of the future regarding our industry and to contribute our knowledge in an effort to minimize regressive or ill advised legislation and regulation. Although our immediate concern was prompted by the need to manage our bank's oil and gas lending, I am certain that the consequences of governmental action with regard to energy policy are much more far reaching. Your decisions on energy policy will dictate whether or not the United States can retain its position as the greatest nation in the world.
>
> Contrary to contemporary opinion, I charge that the United States has had a definite energy policy regarding crude oil and natural gas and that this policy has changed little since the OPEC embargo. Unless it is changed, our bank, and even worse, the nation as a whole is doomed to suffer grievous consequences. Focusing on the Permian Basin, any observer should be able to recognize the adverse impact of governmental policy on exploration and development activities. The Permian Basin produces one-fourth of our daily and domestically secure supply of crude oil. Geologically, this region is known as a mature basin. In simple terms, the Permian Basin has been the subject of a big Easter egg hunt which began in about 1925. Most of the larger eggs have already been found, but, in our continuing search for the jelly beans, we still find occasional large eggs. Examples of large eggs found recently are the ultra-deep natural gas reservoirs such as Gomez, Coyanosa, Barstow, and Block 16. Additionally, the large volumes of crude oil known to remain in previously discovered reservoirs are being subjected to expensive improved recovery techniques in an effort to maximize ultimate yields. Simultaneously, the areal limits of known fields are being extended continuously. The potential from these efforts is great, but our ability to make these sources available to The Nation in a reasonable time frame is threatened more by Federal policy and limited capital than by technical ability. From our viewpoint, current Federal energy policy continues to be a depressant.

Wallace W. Wilson, vice president of Continental Illinois National Bank & Trust Co. of Chicago, predicted that we will be faced with uncontrollable price increases and interruptions in supplies unless we reverse current energy policies quickly.

He said:

> Mr. Chairman, the domestic petroleum industry is caught between the rock and the hammer, the rock being the continued price controls and allocation regulations, and the hammer is the new tax burden imposed by the virtual elimination of percentage depletion. The combined effect of both of these measures is to create massive disincentives for capital investment in new exploration and development of petroleum in this country, at a critical time in our history when large inflows of new capital are vitally needed.
>
> In the course of preparing for my appearance here today, I reviewed the rather extensive record of the debates in both Houses which preceded the adoption of the major structural changes in percentage depletion. I was struck with the observation that the proponents for eliminating depletion mainly relied upon the same largely discredited arguments which have characterized previous debates on this issue plus the new element of reported industry profits in 1974. As will be mentioned further in this statement, these so-called obscene profits were largely nonrecurring and the exceptional components are now literally gone with the wind.
>
> While most of these arguments have been debated many times, especially since 1963, entirely new economic and political developments have occurred with the sudden emergence of a successful oil price cartel, following the nationalization of controlling interests in former American oil operations in most of the OPEC countries. This has been a shakeout of major proportions and its ultimate cost and supply effects to American consumers of petroleum cannot now be forecast with certainty. One prediction that was made time after time by industry representatives over a period of many years now has been fulfilled, with a vengeance:
>
> "There is no security in foreign sources of supply for an indispensible commodity, and if our reliance on such sources for petroleum continues to grow we will be faced with uncontrollable price increases and interruptions in supplies".

Mr. President, we were fortunate to have such men before the committee which the Senate by Senate Resolution 45, commissioned to make a study of national fuels and energy policy.

So that all Senators may have the benefit of their views of one of, if not the most, critical problems facing the Nation, I ask unanimous consent that their full statements be printed in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT OF GEORGE E. AUSTIN, VICE PRESIDENT, MORGAN GUARANTY TRUST CO. OF NEW YORK, BEFORE THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS, U.S. SENATE, MAY 19, 1975

Mr. Chairman, Members of the Committee: I am George E. Austin, a Vice President of Morgan Guaranty Trust Company of New York and a Group Head in our Trust and Investment Division, with responsibility for Investment Reseach in the broad field of Energy. I am also a Past President of the Oil Analysts Group of New York, a 100 mem-

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ber professional organization of petroleum industry security analysts from various banks, insurance companies, institutional brokerage firms, and investment advisors in the New York area. I am here today, at the invitation of your Committee, to offer some brief comments on existing and pending legislative actions involving the petroleum industry from the viewpoint of an investor. As a representative of a large investor, and as one who is familiar with the fundamentals of the energy situation and the petroleum industry, I have two points to make. First, the petroleum industry needs substantial additional capital in order for the nation to improve its self-sufficiency in energy. Second, potential investors are hesitant about making investments in the petroleum industry because of excessive government regulation and punitive legislation.

Before discussing these two points, I would like to briefly describe the activities of our Trust and Investment Division. We act as trustee for over 600 employee benefit plans, mostly pension funds for the employees of American industry, and as investment advisor to endowment funds and charitable organizations. We also act as trustee and administrator for personal trusts and estates. At the end of last year, the assets under our management amounted to $17.8 billion, about two-thirds, of which were invested in common stocks or other equity type securities. Within the total of assets under management, we held $1.4 billion in common stocks of energy related companies, including about $0.7 billion in companies that provide services or products to the petroleum industry and about $0.7 billion in oil companies. Considering the size of these holdings, we feel an obligation to our clients to express our views on legislative matters that have an impact on the petroleum industry and, therefore, on the investments that we make in their behalf.

Returning to my first point, why does the petroleum industry need substantial additional capital? In order to simplify my answer to that question, I would like to refer to the attached table, which shows that domestic additions to petroleum reserves have not kept pace with domestic petroleum production and consumption. I think we should at least replace the quantity that we use each year, that is, about 10.0 billion barrels of oil, liquids and natural gas equivalent. Over the past ten years, we have discovered an average of 6.5 billion barrels (including the North Slope of Alaska). As indicated on the table, the additions to reserves in the past several years have been far below that average. I would like to emphasize that this is a minimum expectation, one which does not provide for any growth in consumption. Furthermore, the cost to find and develop additional reserves in the U.S. has gone up sharply, from around $1.50 per barrel ten years ago to around $3.00 per barrel presently. The $3.00 per barrel figure does not include royalty payments to the land owner, operating costs, severance taxes, or income taxes. It is an approximation of the gross investment for exploration and production divided by the reserves discovered. It also does not include refining, transportation and marketing costs.

Based on the $3.00 per barrel finding and development cost, we should be spending $30.0 billion per year for exploration and production in the U.S. to bring on 10.0 billion barrels per year. In 1974, we estimate that the petroleum industry, both integrated companies and independents, spent $15.0 billion for domestic exploration and production, only one-half of the required amount. To give some idea of what that unit finding cost means, I would like to mention that the petroleum industry has spent around $40.0 billion in the Gulf of Mexico (an established producing area which accounts for close to 15% of our oil and natural gas production) since the beginning of significant activity there (around 1950) and has discovered 18.0 billion barrels of reserves in 25 years. Those figures represent a unit cost of roughly $2.25 per barrel. Since that unit cost is an average over the past 25 years, it does not fully reflect the sharp increase in drilling expenses in recent years. The total expenditures include $14.0 billion for lease bonuses paid by the petroleum industry to the federal government.

Can the petroleum industry generate its capital requirements internally? Based on present prices for domestic oil and natural gas, it seems unlikely that the net income and cash flow of the petroleum industry will be sufficient to finance the necessary capital programs. To support this conclusion, I am going to refer to aggregate data for the 20 largest U.S. based oil companies. These 20 companies account for about 60% of the oil and natural gas production in the U.S. and about 80% of the refining and marketing in the U.S. The largest company accounts for only 9% of the industry, indicating a very competitive environment. The total assets of these 20 companies were $145[illegible] billion at the end of last year, indicating a very capital intensive business. The following table shows the net income, return on average total assets and return on average total capital (stockholder's equity plus long term debt plus minority interest) for these companies for five different years.

PETROLEUM INDUSTRY

	Net income (billions)	Return on average total assets (percent)	Return on average total capital (percent)
1965	$4.2	8.5	11.3
1972	6.0	5.0	8.5
1973	9.4	7.4	12.0
1974	13.0	9.8	16.7
1975E	10.0	7.0	12.5

As indicated, net income increased relatively slowly from 1965 to 1972, and the return fell. The growth in net income in the 1965 to 1972 period was 5.2% per year. Net income rose sharply in 1973 and 1974, mostly as a result of higher prices, and the return reached a more satisfactory level of 16.7% in 1974. A classical economist would argue that the higher net income was simply a result of a normal correction in the market. That is, after a period when supply exceeded demand, the absence of adequate investment finally brought about a situation where demand exceeded supply and prices rose accordingly. However, net income will probably drop by around 23% this year because of: 1) additional incomes taxes, due to the repeal of percentage depletion, 2) the absence of inventory profits, which to a certain extent artificially inflated 1974 results, 3) lower chemical profits, and 4) the impact of the recession on oil demand and profit margins. The return will decline to an unsatisfactory level because of the large decrease in net income. So, just at the time that the return reached a level that would encourage investment, the government, in the form of the repeal of percentage depletion, brought about a situation which will discourage investment.

What is an adequate return? Considering: 1) the high risk associated with searching for oil and natural gas, 2) the high cost of capital (high interest rates and low price to earnings ratios), and 3) inflationary factors, which cause the assets on the balance sheet (at historical costs) to be substantially understated relative to replacement costs, I would suggest that a consistent return on total capital of 15% to 20%, is needed for the petroleum industry to generate the amount of capital necessary to improve the nation's self-sufficiency in energy. For comparison, I would like to cite a few figures for the 13 largest companies in the drug industry. In both industries, there has historically been a large amount of risk and a strong demand for the products. By that I mean the exploration risks in the petroleum industry and the research risk in the drug industry. In the case of the former, a company takes a big chance when searching for oil and natural gas, and in the case of the latter, the company takes a big chance in starting a project to develop a new medical product. Over many years, the success of both of these industries has contributed importantly to the progress of our society—one in the availability of reasonable quantities of low cost energy and the other in the introduction of better products to preserve our health. The return on average total assets and on average total capital for the drug industry in 1974 was 12.8% and 20.1%, respectively. The average return for the drug industry in the period 1965 to 1974 was 13.8% and 19.8% on assets and capital, respectively.

In order to achieve a return on total capital of 15% to 20%, I believe that an oil price of $10.00 to $12.00 per barrel and a natural gas price of $1.75 to $2.00 per Mcf are necessary. Therefore, I recommend removal of price controls in the petroleum industry. If the petroleum industry does not have sufficient incentives, in the form of higher prices, to enable it to realize an adequate return, the companies will have to look to outside investors to supply the necessary capital.

However, going to my second point, investors are hesitant about making commitments to the petroleum industry because they fear that excessive government regulation will prevent them from realizing an adequate return on their investments, in the form of dividend or interest income and/or capital appreciation. Naturally, the investor seeks the highest rate of return commensurate with the risk. I would like to cite three factors which make investors wonder if they will get an adequate return on their holdings of companies in the petroleum industry—1) price controls on oil and natural gas, 2) punitive tax legislation, and 3) the entitlements program.

The oil industry remained under price controls when the Economic Stabilization Act of 1970 expired on April 30, 1974. Generally speaking, price controls create artificial pressures within an industry, breed complacency and inefficiencies and, consequently, deter investors. Let me give you an example of how price controls affect investors. Natural gas prices at the wellhead have been regulated by the Federal Power Commission since 1954. As the demand for natural gas increased over the years, investors became concerned that supply was not keeping pace with demand simply because the permitted increase in prices lagged the rapidly escalating costs. It did not seem to us that the profit incentive, so necessary to stimulate the search for new supplies, was there. As a result, we reduced significantly our client's holdings in the natural gas industry.

I think it is fair to say that investors have a tendency to avoid regulated industries. Why is this so? In order to generate a good rate of return in regulated industries, there usually has to be timely and adequate price increases or rate relief and investors have observed from past experience that such increases or relief can be very slow in coming when governmental factors are involved. Meanwhile, the stockholders and bondholders suffer because of loss of income or decline in value, while the problems of the industry are worked out. The experience of the electric utility industry in attempting to get rate relief when fuel costs rose last year is ample evidence of this point. Similar difficulties in the airline and railroad industries

have left many investors with a negative attitude about making commitments to regulated companies.

For a contrast in investor attitudes, I would again like to refer to the drug industry. The mean price to earnings ratio for the petroleum industry is 7.4 based on latest 12 months earnings, while the mean multiple for the drug industry is 20.2 on the same basis. That is, investors are willing to pay almost three times more for the drug industry earnings, as they are for the petroleum industry earnings. One of the main reasons for this difference in evaluation is the uncertainty of present and potential government regulation and legislation in the petroleum industry.

The Tax Reduction Act of 1975 provided for the repeal of percentage depletion on oil and on some natural gas effective January 1, 1975. This action will cost the 20 largest companies about $2.0 billion per year based on present production and present prices. Considering that the aggregate cash flow (net income plus depreciation, depletion and amortization and deferred income taxes) of the 20 companies was $21.4 billion in 1974 while their aggregate capital expenditures and exploration expenses were $20.9 billion, it is obvious that the loss of percentage depletion is a very significant amount and will, in my opinion, cause a cutback in essential domestic exploration and production programs, unless the industry is able to raise prices to compensate. To the impartial investor, this action appears punitive in nature since it is well known that many commodities are entitled to percentage depletion yet oil and natural gas were singled out as not justifying it. The proposed windfall profits tax is another example of punitive legislation.

The Emergency Petroleum Allocation Act of 1973 assures all domestic refiners, regardless of their operating efficiencies, managerial expertise, contractual arrangements and prior contribution to the development of national energy resources, virtually equal access to, and prices for, their basic raw material, crude oil. Within the context of this industry environment, the investor is unable to determine the fundamental value of a company. Should he invest in a company that is presently benefitting from the government regulations when they might be withdrawn on short notice? Conversely, should he invest in a company that is being hurt by current regulations, in anticipation of their removal? According to data from the Federal Energy Administration, the entitlements program has resulted in a transfer of $318 million among competing companies in the first four months of its existence. While it is nice to think of the benefits that certain companies have derived from this program, we think it is unfair to the stockholders of those companies who have to make such payments.

In conclusion, it is clear that economic progress depends on capital. I respectfully submit to this Committee that investors represent the savings that are channeled into investments that have made the American system what it is today. Because capital is a scarce resource, these funds flow to the business which offers the highest return, commensurate with the risk. We strongly urge the Congress not to stifle the petroleum industry, so vital to our society, with onerous regulation and counterproductive legislation.

SELECTED U.S. ECONOMIC, ENERGY AND PETROLEUM DATA

		Energy consumption		Petroleum consumption		Petroleum production		Additions to petroleum reserves	
	Real GNP (billions)	(Quadrillion Btu's)	(Billion barrels)	Amount (billion barrels)	Percent of energy consumption	Amount (billion barrels)	Percent of petroleum consumption	Amount (billion barrels)	Percent of petroleum production
1965	$617.8	53.3	9.2	6.8	74	5.9	87	7.3	124
1966	658.1	56.4	9.7	7.2	74	6.2	86	7.1	114
1967	675.2	58.3	10.1	7.6	75	6.6	87	7.4	112
1968	706.6	61.8	10.7	8.1	76	7.0	86	5.3	76
1969	725.6	65.0	11.2	8.6	76	7.3	85	3.8	52
1970	722.5	67.1	11.6	9.0	77	7.6	84	19.1	251
1971	746.3	68.7	11.8	9.3	78	7.7	83	4.3	56
1972	792.5	72.1	12.4	9.7	78	7.7	79	3.4	44
1973	839.2	74.7	12.9	9.9	77	7.6	77	3.6	47
1974	821.2	73.1	12.6	9.8	77	7.3	74	3.7	50
Growth rates (percent):									
1965 to 1974	3.2	3.6	3.6	4.2		2.4			
1970 to 1974	3.3	2.2	2.1	2.1		(1.0)			
1973 to 1974	(2.1)	(2.1)	(2.3)	(1.0)		(3.9)			

[1] Q Btu's is quadrillion (10^{15}) British Thermal Units.

[2] Petroleum includes the equivalent barrels of natural gas consumption and production on a Btu basis.

STATEMENT OF CHARLES D. FRASER, SENIOR VICE PRESIDENT, THE FIRST NATIONAL BANK OF MIDLAND, TEX. BEFORE THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS, U.S. SENATE, MAY 19, 1975

I am Charles D. Fraser from Midland, Texas. I am employed by The First National Bank of Midland in the capacities of Senior Vice President, Loan Officer, and Petroleum Engineer in charge of our Oil and Gas Department. My experience in the oil industry began upon graduation from The University of Texas in June 1958. I hold Bachelor and Master of Science degrees in Petroleum Engineering and I am a Registered Professional Engineer in The State of Texas. For the last eight and one half years, I have been in banking. Before entering the banking field, I was a Petroleum Engineer with Mobil Oil Corporation for seven years and a petroleum consultant for two years. I am a Director of The Independent Petroleum Association of America and of The Permian Basin Petroleum Association.

Our bank, with $321 million in total assets and $170 million in loans, could hardly be considered a giant of the banking industry; however, I know of no bank which is so totally involved in the oil and gas business. Midland, Texas, is the focal community for oil and gas activities in the geologic region known as The Permian Basin. Geographically, this basin underlies western Texas and southeastern New Mexico. We are the largest independent bank in Texas and, by far the largest oil and gas oriented bank in The Permian Basin. Our customers range from the largest, multi-national oil corporations to the smallest of independents. We also serve a multitude of oil industry service businesses including drilling contractors, well servicing contractors, logging companies, consulting geologists and engineers, equipment dealers, construction contractors, etc.

For many years, we have predicted a rejuvenation of The Permian Basin oil and gas industry believing that foreign governments would force our nation to recognize the value of domestically owned and secure energy resources. In this sense we predicted the OPEC embargo of 1973; although, we had not expected this disruption so soon or in such a drastic manner. The immediate and almost irrational reaction in Congress resulted in a multitude of punitive proposals which, if enacted, would have been disastrous for our business as well as for the domestic oil industry. This prompted us to dedicate ourselves to the establishment of direct contact with you in government. From such contacts, we hoped to determine probable rules of the future regarding our industry and to contribute our knowledge in an effort to minimize regressive or ill advised legislation and regulation. Although our immediate concern was prompted by the need to manage our bank's oil and gas lending, I am certain that the consequences of governmental action with regard to energy policy are much more far reaching. Your decisions on eneergy policy will dictate whether or not The United States can retain its position as the greatest nation in the world.

Contrary to contemporary opinion, I charge that The United States has had a definite energy policy regarding crude oil and natural gas and that this policy has changed little since the OPEC embargo. Unless it is changed, our bank, and even worse, the nation as a whole is doomed to suffer grievous consequences. Focusing on the Permian Basin, any observer should be able to recognize the adverse impact of governmental policy on exploration and development activities. The Permian Basin produces one-fourth of our daily and domestically secure supply of crude oil. Geologically, this region is known as a mature basin. In simple terms. The Permian Basin has been the subject of a big Easter egg hunt which began in about 1925. Most of the larger eggs have already been found, but, in our continuing search for the jelly beans, we still find occasional large eggs. Examples of large eggs found recently are the ultra-deep natural gas reservoirs such as Gomez, Coyanosa, Barstow, and Block 16. Additionally, the large volumes of crude oil known to remain in previously discovered reservoirs are being subjected to expensive, improved recovery techniques in an effort to maximize ultimate yields. Simultaneously, the areal limits of known fields are being extended continuously. The potential from these efforts is great, but our ability to make these sources available to The Nation in a reasonable time frame is threatened more by Federal policy and limited capital than by technical ability. From our viewpoint, current Federal energy policy continues to be a depressant.

The energy policy of which I speak is amply documented in pre-1975, Federal tax laws; FEA regulations flowing from authority of the Emergency Petroleum Allocation Act of 1973; Federal Power Commission actions on natural gas pricing; and, most recently, the Tax Reduction Act of 1975. Pre-1975 tax laws appear to have been designed to encourage investment of American capital in the search for "cheap" foreign oil reserves. With little effective restraint on resulting imports, domestic exploration and development was condemned and discouraged. Additionally, 1969 tax reform legislation reduced the vitally needed depletion allowance, eliminated the carved out production payment as a viable means of generating capital, and de-valued domestic oil and gas properties by eliminating the ABC production payment. Simultaneously and under the guise of consumerism, the Federal Power Commission insured a forewarned shortage of natural gas by applying magic formulas for return on investment based on always out-of-date cost information and with no thought given to forward projections of the cost of finding gas in increasingly marginal reservoirs or at depths exceeding 20,000 feet. After more than 15 years of this well defined policy, it is amazing that any oil men are left in the Permian Basin.

The impact of National Energy Policy on the Permian Basin is vividly demonstrated by the statistics in Table I (attached). Some of the key comparisons are:

	Wells drilled	Rotary rigs running	Footage drilled	Crude oil produced
1957	7,506	515	36,147,000	551,000,000
1970	3,205	125	17,446,000	707,000,000
1974	4,795	271	26,866,000	809,000,000

It took the OPEC embargo to break the depression gripping our region. From 1960 through 1972, people moved away from The Permian Basin, students avoided the disciplines of geology and petroleum engineering, supply companies went out of business, rigs were stacked and cannibalized for parts, equipment manufacturers were forced to other industries by a seemingly inexhaustible supply of salvaged machinery, and our capacity to explore and develop evaporated. The price of crude oil at the wellhead remained virtually constant but declined in real dollars because of inflation. In 1970, there were more than 3000 vacant houses in Midland alone.

When the OPEC embargo and cartel price increases struck, our local oil and gas industry revitalized dramatically, as shown above. On May 9, 1975, 253 rotary drilling rigs were running in The Permian Basin; more than double the 1970 average. Many more old rigs are in various stages of reconstruction and rig manufacturers have a large backlog of orders for new equipment. It would appear that the domestic industry is going all out in response to improved economics. I warn you that this is not true. We as bankers and our oil customers know that our economic incentive is hanging by a thread.

Consider the furor over the price for "exempt" crude oil at the wellhead. The Emergency Petroleum Allocation Act of 1973 provided authority under which regulations suddenly defined four types of crude oil; new, released, old, and stripper. Following the traditional FPC concept of tiers, oil discovered in 1972 or before was arbitrarily classified as "old" and its wellhead price was frozen. To eliminate competition for "old" oil, producers are effectively prohibited from changing purchasers. As independent refiners, independent marketers, and businesses vitally dependent on petroleum products such as trucking companies realized the value of domestically secure sources, competition for the relatively small supply of "new" crude oil available for sale drove prices to totally unexpected levels. Neither our bank or its customers trust the ultimate validity of prices caused by this artificial tier system; therefore, we arbitrarily discount these prices in our loan decisions to levels of $7 to $8 per barrel. Simultaneously, our customers are taking a wait and see attitude. It could be that The Permian Basin crude oil is worth more than $10 per barrel to The Nation, but government policy has distorted the market to one of total uncertainty. Price control advocates make our loan and investment decisions even more uncertain. Some argue that domestic crude oil should be worth more than foreign crude oil. In real value, I am sure that this argument is true. Others contend that there is no free market because a cartel is fixing values. Factually, foreign countries can fix prices only on the portion of energy needs we are forced to import. The distorting tier system on the wellhead price for the 60% of our supply produced domestically will have to be removed before our bank will be willing to lend aggressively and before our customers will be willing to invest at maximum levels.

Within the past 45 days, enthusiasm for accelerating The Permian Basin oil activity has been further dampened as the content of The Tax Reduction Act of 1975 becomes known to us and our customers. We all know that the capital available to sustain our activity has been abruptly reduced by elimination of the depletion allowance for a major segment of the industry. Even though special exemptions in The Act preserve depletion to some extent for most of our local customers, total capital available in our area has been reduced. The result of this legislation has been immediate curtailment of drilling and development programs in the Permian Basin! For the first time since the embargo, drilling contractors are soliciting work instead of being able to select from a long list of anxious oil operators. One contractor reportedly has four rigs down with no place to go. One of our customers has released four rigs within the past 30 days. Equipment orders are being cancelled and salesmen are pounding the pavement in search of replacement purchasers. One large supply company has come up with a third quarter allocation of casing and tubing for which they are seeking purchases. Did The Tax Reform Act of 1975 actually cause this sudden drop in enthusiasm which I call a "wait and see attitude?"

The answer is simple. Added to the uncertainties over pricing, complex regulations and price controls already in effect, and the potential impact of proposals under consideration in Congress such as a price roll back imposed either by legislation or via a windfall profits excise tax, Federal control of intra-state gas prices, changes in tax treatment of intangible costs, and a Federal oil and gas company, passage of The Tax Reform Act of 1975 has convinced us that the risk of yet another piece of disastrous legislation exceeds the reward to be realized by an all out investment effort to find new oil and gas. Permian Basin oil operators are pulling in their horns!

The complex provisions of The Tax Reform Act are enough in themselves to force a prudent oil man to defer investments until he can assess the ultimate impact of this law on his present and future income. Consider some of these unresolved questions.

1. Is the owner of a natural gas treating plant, commonly called a gasoline plant, a refiner or a retailer and therefore ineligible for percentage depletion?

2. What is a "transferred proven property?"

3. Will charitable gifts reduce taxable income computed without regard to depletion and thereby reduce allowable depletion under the 65% limit?

4. What does "natural gas sold under a fixed contract" mean?

Many other questions exist in the minds of oil men (and bankers) regarding the ultimate impact of this law. Unfortunately, it appears that the courts will eventually have to decide what Congress intended.

In summary, every action taken by government to date appears to be retaliatory and dedicated to a "no win" policy with regard to self sufficiency. Yet, the most pessimistic estimators conclude that more than 50 billion barrels of oil and more than 450 trillion cubic feet of natural gas remain to be discovered within the secure boundaries of The United States. Optimistic estimators suggest 450 billion barrels and 2,000 trillion cubic feet. Who is correct and what is the reward for finding out? Even 50 billion barrels of oil would add 15 plus years to our present domestic capacity of about 10 years using a flat life approach and 1974 production. Suppose the optimists are correct? The only way to find out is to explore.

Price control advocates say a free market for domestic crude oil and natural gas will cause rampant inflation and hardship on the consumer. These people profess the ability to select an "adequate" wellhead price. I urge you to be skeptical of forecasts by intellectuals who try to predict the "proper" price for oil and gas at the wellhead. No one knows what the price of these energy sources must be to elicit the quickest possible increase in domestic productive capacity and maximize ultimate discovery of domestic reserves. When the cost of petroleum products get too high, for instance, at the service station, we the consuming public will impose a ceiling and voluntarily conserve. Is this not better than becoming 60% dependent on foreign oil and then having the valve shut off or the price raised to $25 per barrel.

I urge you to participate in a change of policy toward the American oil and gas industry to one of encouragement rather than the traditional policy of restriction, criticism, and condemnation. Our bank and its customers are not asking for price supports or subsidies. We feel that the utility approach followed by The Federal Power Commission with regard to natural gas pricing is a demonstrated failure and should be discarded. The tier system of pricing domestic crude oil must be phased away without a legislated price roll back or windfall excise tax. If a windfall tax is imposed, failure to include a liberal "plow back" recovery feature will be disastrous. Provisions of The Tax Reform Act of 1975 regarding depletion should be reconsidered and simplified. The term depletion allowance should be renamed for what it was supposed to accomplish; viz, an allowance for capital recovery, and made available to the entire oil industry. A plow back feature regarding depletion would appear potentially acceptable and certainly better than present law.

The only way to escape from arbitrarily high costs and uncertainty of crude oil supply imposed on the American people by foreign governments is to develop our own energy resources. The alternative is to be even more vulnerable. Activity in The Permian Basin has slowed preceptibly. We are not reacting out of anger. Before our bank and its customers can hope to maximize our investment capabilities, you must establish the rules under which we must play. Until you act, we are forced by prudence to move at a cautious pace.

TABLE I.—PERMIAN BASIN STATISTICAL INFORMATION

Year	Wells drilled	Rotary rigs running	Thousands of feet drilled	Crude oil produced (millions of barrels)
1954	4,962	NA	28,211	446
1955	6,454	NA	33,354	490
1956	6,695	NA	33,363	535
1957	7,506	515	36,147	551
1958	5,929	443	29,814	488
1959	6,209	512	31,822	522
1960	4,970	368	26,031	505
1961	4,626	370	24,435	517
1962	4,433	347	24,705	516
1963	3,864	307	22,820	531
1964	3,938	224	24,042	540
1965	3,984	172	23,773	570
1966	4,024	162	22,627	607
1967	3,422	142	18,049	640
1968	3,406	147	18,155	657
1969	3,140	144	18,828	680
1970	3,205	125	17,466	707
1971	3,194	124	18,631	709
1972	3,208	175	19,501	740
1973	4,051	252	23,900	803
1974	4,795	271	26,866	809

STATEMENT OF WALLACE W. WILSON, VICE PRESIDENT, CONTINENTAL ILLINOIS NATIONAL BANK & TRUST CO. OF CHICAGO, TO THE INTERIOR COMMITTEE, U.S. SENATE, MAY 19, 1975

Mr. Chairman, and members of the Committee: My name is Wallace W. Wilson. I am Vice President, Energy and Mineral Resources Division, of Continental Illinois National Bank and Trust Company of Chicago, and have been associated with this bank for more than 19 years. My responsibilities have included account administration, financial planning and lending activity for a broad spectrum of the energy industries, including major integrated oil companies, independent oil and gas producers, coal mining companies and joint ventures for the development of synthetic fuels. Prior to joining Continental Bank I was employed as manager of a headquarters engineering staff for a major international oil company, and as Assistant Professor of Petroleum Engineering at the University of Texas. I also served as a research group leader for another international major oil company, and as a staff engineer for a large consulting petroleum engineering firm. My total professional experience with the energy industries spans more than 33 years.

I belong to a number of engineering, professional and honorary organizations related to the production and utilization of energy fuels, and serve on the Energy Resources Commission for the State of Illinois.

My appearance here today is for the purpose of presenting my views on recent legislation affecting the petroleum industry, especially the virtual elimination of percentage depletion for large producers of oil and gas and the extension of crude oil price controls and allocation regulations. The views expressed are my own, and do not necessarily reflect the position of my employer.

Mr. Chairman, the domestic petroleum industry is caught between the rock and the hammer, the rock being the continued price controls and allocation regulations, and the hammer is the new tax burden imposed by the virtual elimination of percentage depletion. The combined effect of both of these measures is to create massive disincentives for capital investment in new exploration and development of petroleum in this country, at a critical time in our history when large inflows of new capital are vitally needed.

In the course of preparing for my appearance here today, I reviewed the rather extensive record of the debates on both Houses which preceded the adoption of the major structural changes in percentage depletion. I was struck with the observation that the proponents for eliminating depletion mainly relied upon the same largely discredited arguments which have characterized previous debates on this issue plus the new element of reported industry profits in 1974. As will be mentioned further in this statement, these so-called obscene profits were largely nonrecurring and the exceptional components are now literally gone with the wind.

While most of these arguments have developed, entirely new economic and political developments have occurred with the sudden emergence of a successful oil price cartel, following the nationalization of controlling interests in former American oil operations in most of the OPEC countries. This has been a shakeout of major proportions and its ultimate cost and supply effects to American consumers of petroleum cannot now be forecast with certainty. One prediction that was made time after time by industry representatives over a period of many years now has been fulfilled, with a vengeance:

There is no security in foreign sources of supply for an indispensible commodity, and if our reliance on such sources for petroleum continues to grow we will be faced with uncontrollable price increases and interruptions in supplies.

There is not enough time at my disposal to respond adequately to the rationale of those who successfully engineered adoption of the repeal of percentage depletion for oil and gas. The record already is replete with expert testimony to these points. I would like to make some observations, however, concerning what I believe are the essential issues.

First, percentage depletion has been a controversial issue because it has not been adequately understood by those outside of the extractive industries to which it applies. Unfortunately the basic concept of depletion, which is accounting for that portion of gross income which properly represents recovery of capital, as contrasted with earned income, has become muddled with many other unrelated considerations. The rationale for basing the depletion deduction on value, rather than the actual cost of a specific productive venture, is quite simple and reasonable; while value often exceeds unit costs, the productive facility may be sold with advantageous capital gain tax treatment to another operator for its market value, with the new owner having the purchase price as his basis for cost depletion. The question here is whether the original developer, who assumed the greater risk, also should be penalized with a lower basis for depletion than one who later purchases the property. To respond in the affirmative is to presume that the wildcatter could never afford to operate his own discoveries, but instead would be forced to sell them to someone else who would have more favorable tax treatment. It follows that depletion, to be equitable, was based upon value rather than cost. It also follows that with the phase-out of percentage depletion for independent operators they will have much less incentive to engage in exploration and development because liquidation will be more attractive than continued operation. By the same token, of course, there will be materially more incentive for companies who continue to operate producing properties to utilize their available capital for acquisitions rather than for the more risky exploration and development of new sources of supply.

Second, the combined effect of price controls, allocation regulations and the loss of percentage depletion is to reduce the amount of capital available for reinvestment, at a time when the only realistic solutions to our long-term energy dilemma require increased capital investment in new exploration and development. The Treasury estimate of $1.7 billion of additional taxes from the depletion changes is equivalent to about 10 percent of the capital budgeted for domestic petroleum activity during 1975. More significant, however, this amount is equivalent to about 20 percent of the average annual domestic investment during the last 10 years. I find it very hard to believe that annual cash flow losses of this magnitude even should be contemplated at the same time that major energy legislation is being drafted for the specific purpose of encouraging both the conservation of resources and development of new sources of supply.

One can but wonder whether the basic causes of our energy difficulties have been recognized. For example, the elimination of percentage depletion will reduce cash flow for reinvestment in domestic oil and gas operations by about $2 billion annually, and legislation now under consideration would appropriate a comparable sum for long-range research programs on new and exotic energy resources that could not be commercially available for decades. The revenue loss from the elimination of depletion cannot be made up through higher crude oil prices because about two-thirds of the domestic crude oil output is under price controls at less than half the present world price. And at the same time Congress seriously considers even more new financial deterrants in the form of so-called windfall profits taxes—actually merely new excise taxes, completely unrelated to earned profits—and a crude oil price rollback to pre-embargo levels. These proposals, taken in the aggregate, suggest that Congress has written off the domestic petroleum industry as a significant factor in supplying our future energy needs.

Despite much that has been said about the hazards of becoming even more reliant upon foreign sources for our petroleum needs, the current legislative program encourages growth in demand by continuing price controls at unrealistic levels, at a time when additional supplies can be provided only by imports. Price controls on crude oil therefore are buttressing the present level of world prices for crude oil by maintaining the high level of demand at the same time that our evident national policy is to significantly reduce our imports of crude oil and products. The present allocation procedures similarly are adding to the demand for imported petroleum by the inclusion of East Coast product imports in the entitlements program.

Mr. Chairman, it is already evident that the domestic petroleum industry is being forced to slow its capital expenditures because of the financial burdens imposed by the present allocation regulations and the major depletion changes just enacted. Practically every major company has announced substantially lower earnings for the fourth quarter of 1974 and the first quarter of 1975. The reported profits of early 1974, which some had termed "obscene" also were only temporary, since they principally arose from nonrecurring inventory valuations and foreign exchange gains.

Capital budgets announced by most of the major companies earlier this year were the highest in their history and greatly exceeded reported 1974 earnings, in some cases by multiples of two or three. To meet these ambitious goals substantial new financing programs were anticipated, involving commercial bank loans and the sale of securities. Prospects for significantly lower earnings this year have necessitated cutbacks in the level of those capital expenditures. The enactment of any additional taxes, such as the windfall profits levy or a price rollback would further exacerbate this critical situation.

One factor which seldom is recognized at the Federal level is the continued growth in state and local taxes on oil and gas production. One recent development, symptomatic of the problem, is the new reserves tax which is expected to be enacted by the State of Alaska during the next few days. This new tax would add about $250 million annually to taxes paid by oil producers in the North Slope area; one company likely will bear about half of this burden. Although tax increases by other states and local authorities so far have been more modest, the overall burden is large and growing. The analyses of the petroleum industry's tax payments, such as those which played a significant role in the debates on percentage depletion, customarily focus only upon Federal income taxes and do not consider the multitude of severance, ad valorem and other taxes imposed by states, counties, cities, school districts and even lesser known taxing authorities.

Mr. Chairman, our energy problems will be difficult to resolve under the best of circumstances because since 1954 we have followed a de facto national energy policy of holding energy prices at minimum levels regardless of the consequences to supply. This policy needs to be reversed, and quickly. Renewed emphasis must be placed on incentives for capital investment rather than consumption. The successful, permanent solution to these problems can be found within only two fundamental elements: realistic conservation measures to reduce any wasteful use and effective incentives to increase exploration and the development of new sources of supply. Just as we cannot clap with one hand, we need both of these ingredients to make our energy program effective.

SELBY-DAYTON APARTMENTS REHABILITATION PROJECT DEDICATED IN ST. PAUL

Mr. HUMPHREY. Mr. President, last Saturday I had the honor of participating in the dedication ceremonies for the Selby-Dayton Apartments rehabilitation project in St. Paul, Minn.

This project was funded under section 236 of the National Housing Act and is a clear indication of what can be done, despite the Federal bureaucracy, when talented and dedicated men and women feel that their goal is worth the extraordinary effort that it takes to participate in Federal housing programs today.

Completed on February 19, the Selby-Dayton rehabilitation project is 100 percent occupied, and provides decent housing for 93 Minnesota families.

The city of St. Paul, Mayor Cohen, Mr. Lee E. Pertl, the developer, Mr. Joseph Easley, the executive director of the Community Housing Corporation, Rev. Amos Brown, president of the Community Housing Corporation, and all of those who were instrumental in seeing this project to fruition deserve our congratulations and the thanks of a very grateful community.

Mr. President, I ask unanimous consent that "The Story of Selby-Dayton" be printed in the RECORD.

Mr. President, I also ask unanimous consent that the full text of my dedication remarks be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE STORY OF SELBY-DAYTON

The Selby-Dayton Project was conceived in July of 1970 by Lee E. Pertl, developer. After his submission to the Department of Housing and Urban Development in November of the same year, the project encountered a number of setbacks.

First, the project was rejected because the State of Minnesota did not allow the real estate tax break on rehabilitation as required under Section 236 of the National Housing Act. In November of 1970, the State Legislature succeeded in changing the tax law, and the project proceeded to its next step.

The second obstacle occurred in March 1972 when the developer learned that the buildings with a predominance of one bedroom units were designed for the elderly and would require an elevator in each of the buildings. The project was redesigned and again submitted to HUD.

The third obstacle encountered was seeking approval by the community. Model Cities gave this approval in August 1972 but with the stipulation that a minority contractor receive the contract. The developer acquiesced to this stipulation.

The fourth was a rejection by HUD because the project required approval by the Community Housing Corporation, the newly designated "Project Rehab" agency. Approval was received in September 1972.

At last, in December of 1972, Lee Pertl received his letter of feasibility for the first Section 236 project in the State of Minnesota. Mr. Pertl authorized his architect to commence working drawings.

In January, 1973, HUD declared a moratorium on all projects, and Selby-Dayton was cancelled. Many housing agencies, along with the Community Housing Corporation, congressmen and senators, rallied in Washington, D.C. with the Secretary and top officials of the Department of Housing and Urban Development, in an effort to get the moratorium lifted. Finally, in April, the Selby-Dayton Project was reinstated.

However, by November, and with growing inflation, the minority contractor had backed out of the project, and it was necessary to negotiate with another contractor who was willing to proceed using the figures of the first contractor. With all things in order, construction began April 1, 1974, with a completion date scheduled one year hence.

On February 19, 1975, approximately 10½ months later, Selby-Dayton was completed and 100% occupied. The project is operating profitably and is a credit to everyone involved from the government agencies down to the laborers who worked on the job.

St. Paul is justly proud of the Selby-Dayton Apartments and its developer, Lee E. Pertl.

REMARKS BY SENATOR HUBERT H. HUMPHREY

I am honored to have been invited to share this day of dedication with you. Your efforts have been extraordinary, and on behalf of a grateful community, I thank you deeply!

You have succeeded in providing low cost housing in the midst of the worst economic conditions that our nation has faced in 40 years.

These are difficult and trying times throughout our economy, but for housing, conditions are disastrous. You know first hand how tough it is today; particularly for groups like yours, to provide low and moderate income housing by rehabilitating and revitalizing our urban neighborhoods.

Never in history have political retrenchment, economic mismanagement, and social irresponsibility combined more effectively to prevent our economy and government from meeting America's most basic housing needs.

Conditions in our housing industry have become so bad that many voices representing a wide range of political viewpoints are saying that federal housing programs are not working and cannot work, and that they are too expensive.

But, you and I who share a long standing commitment to decent housing for all Americans—not just the wealthiest 15 percent—must ask the real question; "Too expensive, compared to what?"

Are federal housing programs too expensive when compared to families crowded together in dilapidated housing?

Too expensive compared to deserted and abandoned inner city neighborhoods?

Too expensive compared to shrinking tax resources for local governments?

Too expensive compared to that 85 percent of American families who cannot afford to purchase new homes, and the 80 percent who cannot afford to purchase used homes?

The answer is a self-evident and resounding—"No!"

Let me raise another real question. Why don't these programs work better? Why do they fail to provide housing for the people who need it?

I'll tell you why, because the Administration and the Federal Reserve, in their zeal to fight inflation, pushed our nation into an economic recession that is the worst since the Great Depression. Today, almost 9 percent of our work force is "officially" unemployed. In the construction industry, the figure is 22 percent. In the housing construction industry, the figure is 40 percent.

Federal housing programs are in trouble because interest rates reached all-time highs for mortgage lending—as much as 10 to 11 percent in some places. These rates have receded only slightly in the last few months.

Housing programs are in trouble because prices of basic building materials rose astronomically and, despite the precipitous decline in our economic health, have remained high.

Federal Housing Programs are called failures because the one agency at the federal level which is charged with promoting housing construction has adopted policies and regulations which have actually worked to prevent housing construction.

It's incredible to me that it now takes FHA two years to process an application for mortgage insurance on multifamily housing.

And then, Federal bureaucratic rules and regulations have been established which preclude housing construction in every major metropolitan area of this nation. HUD has a test, for example, which it calls the "fair market rent test." Under this test, the government is to assure that federally subsidized housing does not have a rent level that is higher than the rent level generally prevailing in the vicinity.

In plain words, this means that rents in a brand new building cannot exceed rents in already existing buildings. It is self-evident that this requirement is unrealistic.

Yes, I realize that everything possible must be done to keep rentals within reach of the people that are supposed to be helped by federally assisted housing. But such a test is not the answer.

Given recent experience with severe price inflation, the cost of new construction has far outpaced the increases in rents needed in older buildings.

The simple fact is that there is no area in the country where low-cost housing can be constructed with Federal assistance, if this so-called "fair market rent test" is allowed to stand.

The plain fact is that the administration has refused to administer and implement the programs which Congress has enacted.

Last summer, for example, the Congress passed overwhelmingly a housing bill that reflected its concern with the low level of housing production and with the depression in the home-building industry.

That law specifically provided that HUD would pay the increase in project operating costs due to higher utility costs and increased real estate taxes. To this day, HUD has not made any such assistance available. In fact, they flatly refuse to fund that program at all.

Another reason our housing programs are not working well is because two Presidents have illegally impounded the funds for these programs and frustrated every effort by the Congress to meet the housing needs of the American people.

The question we need to answer now is, "How are we going to reactivate our housing programs and begin anew our efforts to provide our people with decent homes?" So let me describe briefly the programs and commitments we must make as an enlightened and compassionate nation to achieve our housing goals.

First, we must have an economic policy

that will put people back to work. If a man has no job, he can't even afford subsidized housing.

Second, we must make a commitment to subsidize the construction and rehabilitation of low and moderate income housing. And, we have to be willing to spend the money necessary to get sound construction.

It is clear to me that without a subsidy, no significant amount of suitable housing will be built.

A recent study which was done, at my direction, for the Joint Economic Committee of the Congress, revealed that the percentage of new homes that were sold for under $20,000 decreased from 19 percent of all new homes in 1972 to only 9 percent in 1973. And during this time, production declined by 14 percent.

Your project here is truly one of the only subsidized rehabilitation projects in the country. That is why I am so proud of what you have accomplished here in the Selby-Dayton project.

Third, we must make a commitment to subsidize the operation of low and moderate income dwellings. The costs of electricity and fuel have risen so fast that families with low incomes simply cannot afford both shelter and heat.

They are often forced either to pay the rent and risk having the electricity cut off, or pay the electric bill and risk being evicted. The American people have a right to be protected from having to make these kinds of choices.

Congress recognized the tragedy of this kind of life last summer in passing the operating subsidy provision of the Housing Bill. It must now be implemented!

Fourth, we must reduce interest rates on home mortgages preferably to 6% or less, but surely not over 7%.

The same study in which the Joint Economic Committee found that the overwhelming number of families are now unable to buy homes because of high prices and high carrying charges, also set forth the monthly payments necessary to maintain a home.

At the median price of $41,300 and a median interest rate of 9.27 percent, a family has to pay $306 per month just for interest and principal. If that interest rate were reduced to 6 percent, the principal and interest each month would be only $233.

In other words, the home buyer today pays an average of $73 each month for the life of the mortgage, solely because of excessive interest rates.

In the Minneapolis-St. Paul area alone, an additional 20,000 families could purchase their own homes if the interest rate was reduced to 6 percent.

I introduced legislation in the Congress in February which would establish a Federal Housing Bank. This bank would make mortgage loans at a rate ½ percent above the rate on long-term Treasury bonds, with a ceiling of 6 percent. If long-term rates were higher than 6 percent, the Treasury would make annual payments for the difference.

But if rates are below 6 percent, as they have been on a number of occasions, the beneficiaries will be the home owning public.

Let me add that the rates on home mortgages can also be reduced by a socially enlightened policy at the Federal Reserve. And that is why I am pushing the Feds hard to join Congress in launching an effective economic recovery program.

Fifth, we need a public works and public facilities development institution which will help state and local governments finance capital expenditures at reasonable interest rates.

I have placed before the Congress legislation which would create a National Domestic Development Bank. The NDDB would provide construction loans to state and local governments at rates comparable to those of municipal securities and bonds.

Sixth. We need to encourage public and private cooperation and investment in community development. The Joint Economic Committee staff is preparing legislation that would encourage the formation of Public Development Corporations. These local corporations would, through a variety of assistance programs and tax provisions, seek the revitalization of the vast store of physical resources located in our cities and towns.

But above all we need leadership at the national level that is committed to the production of a better living environment.

I refuse to believe that we as a nation have lost our will and our creativity in facing problems squarely and overcoming them.

It is about time the leaders of this nation took a look at the goals, creativity and tenacity of our people and caught up with their vision and capability.

It is clear that you, in dedicating these rehabilitated dwellings today, share my conviction that, given the tools, the American people can and will overcome adversity and build a better tomorrow.

OVERSIGHT HEARINGS ON THE EMERGENCY PETROLEUM ALLOCATION ACT OF 1973

Mr. McCLURE. Mr. President, I am pleased to join my colleagues concerning the oversight hearings held by the Senate Committee on Interior and Insular Affairs on the Emergency Petroleum Allocation Act of 1973. I believe that the hearing record further enforces the basic fact that, namely, the EPAA is now working against the avowed national goal of energy independence. In truth, this act is discouraging the production and use of domestic fuels, and is encouraging—and even rewarding—the importation of both crude oil and refined petroleum products. It is beyond understanding why anyone would continue to support legislation which is actually creating the exact opposite of the expressed congressional intent. It is ludicrous to talk of extending a law on the basis that it is needed to protect the small refiner, when the actual result of the law is to force small refiners to pay major oil companies for the privilege of processing domestic crude oil. The continuance of such legal requirements will only further increase our dependence on foreign sources and decrease our ability to meet energy needs from domestic sources.

One of our witnesses testified on the potential that still exists in the United States for oil and natural gas. Mr. Kenneth H. Crandall, a member of the American Association of Petroleum Geologists and a practicing geologist for over 50 years, explained the much-publicized recent reports of low reserves, and showed why they should not be relied upon. Rather than repeat his findings, I ask unanimous consent that his testimony be printed in the RECORD so that a better understanding of the true reserve situation for oil and natural gas may be achieved.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

UNDISCOVERED OIL AND GAS RESOURCES OF THE UNITED STATES

(By Kenneth H. Crandall)

My name is Kenneth H. Crandall, of Piedmont, California. I have been a practicing geologist for just over 50 years. Of these, 44 were in the oil and gas industry where I did evaluations of oil and gas exploration areas and projects on a world-wide basis. I participated in the design of a system of estimating the possible size of oil and gas resources and the economic factors in projects and program areas about 25 years ago. It has been improved from time to time since then and has proven quite successful.

I have been a member of the American Association of Petroleum Geologists, the world's largest geological association, for over 50 years, its president in 1969–1970, served 3 years on its Advisory Council and am an Honorary Member.

I work with the National Petroleum Council as Special Assistant to the Chairman of the Committee on Future Petroleum Provinces of the United States, which conducted a survey of the oil and gas resources of the nation at the request of the Secretary of the Interior.

I was joint-convenor of an AAPG-Stanford Research Conference on the subject "Methods of Estimating the Volumes of Undiscovered Oil and Gas Resources" in August, 1974, at Stanford—where I have been Consulting Professor in the School of Earth Sciences for 6 years. The subjects I have been teaching are Geology of Energy Sources, Exploration Decisions, Offshore Exploration, and Geological Interpretation of Reflection Seismic data.

I feel that I have a more than adequate experience in the area of estimation of oil and gas resources.

The energy picture in the United States, and even worldwide, is a matter of general concern, especially in such nations as ours, where its use is a major factor in almost every part of our daily lives.

While there are wide areas of disagreement as to energy supplies, policies and programs, there are also areas of agreement on the part of many students of the problem. Let me enumerate:

1. We are being forced to depend increasingly on foreign supplies for both oil and gas which supply 75% of our energy needs. The imported portion of our supply has now passed 35% and is headed toward 50%, since our domestic crude oil production has dropped to just barely over 50% of our needs already. In view of our economic, balance of payments and national security problems, together with the OPEC cartel and associated international political problems, the warning lights are on all over the board.

2. We obviously must increase domestic production, conserve oil and gas supplies and bring on suitable substitute forms of energy as soon as possible. In view of the lead times involved for each of these, we must regard the period of the mid-1980's as critical, indeed. Oil and gas exploration programs and alternate energy source plant design, financing, environmental problems, permitting, construction and debugging—all require lead times totalling ten years or so before they can be effectively contributing. Of these, the source most likely to be of quick assistance is domestic oil and gas production.

3. By 1985 alternate energy sources must, however, be ready to take on an ever-increasing share of the load. On all of these matters there seems to be wide agreement between those familiar with the problem.

There has, however, arisen one area of seeming disagreement. This has to do with the amount of potential domestic supplies of oil and gas which remain undiscovered. There are some who adopt a very pessimistic attitude as regards the size of these undiscovered resources. They feel that they are so small that there is little reason to encourage exploration for them—especially by allowing the prices of crude oil and gas to rise to their market values with the expectation that higher prices would cause consumption to be curbed and that increased exploration would result in bringing in new

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supplies. They contend that the resources just aren't there in sufficient volume to provide this greater supply.

Our oil industry is replete with such examples of underestimating resource potential. This is because no one can, by any known means, measure the amount of undiscovered oil and gas. The estimation of these amounts are merely a means of communication of the estimator's views of the area's potential—often a very subjective thing, in a manner that will more adequately communicate these views than by mere wordy, technical descriptions or by the gleam in the eye, namely by numbers, which may mean much the same thing to all.

The accuracy of such numbers rests on the estimator's experience, the amount and character of the geologic and statistical data at his disposal and the methods he uses. The combined views of a number of estimators familiar with the area, its geology, exploration and production history, and statistical results is understandably inclined to be better than the views of only one man, though not always.

The quality of the communication of these views is dependent not only on the ability of the estimators but also on an understanding of the terms used, the definition of their meaning, and the methods by which the estimate was made.

Many such resource estimates have been made of the undiscovered oil and gas resources in the United States. Some have been made by almost purely mathematical means or statistical projections with little or no attention to the geology of the area. (Hubbert)

Others are made by using volumes of sedimentary rocks in the area being estimated, multiplied by an experience factor of so many barrels found per cubic mile of such rock, with only a bare recognition of the character of that rock and its value as a source, reservoir, trap or cap for oil generation and accumulation. (Weeks)

Some make an effort to compare the geological conditions in the area with those in a developed area and, using some risk factor, to assess the resource potential by such comparison. (U.S.G.S. 1975)

Still others use estimates of oil in place, based on geological studies, assume certain recovery factors—the amount of that oil that will be recovered—based on present or improved technology and economic conditions. (AAPG–1971)

Small wonder that the public and even those who follow such matters in government are confused—a plethora of terms, methods and conclusions. Anyone who wishes to make a point is able to find a figure somewhere which he can claim "proves" his case.

A good example of this is the alacrity with which some have seized on the estimates on the low end of a probability range of domestic oil resources found in a press release by the United States Geological Survey on May 7th, this year. This figure of 50 billion barrels is the estimate of recoverable oil resources in the United States which have a 95% or near-certain probability of existing. The 127 billion figure at the other end of the scale is widely ignored since it is only estimated to have a 5% probability of occurring. Inexplicably a resource estimate of average expectancy or a "most likely" number which almost surely resulted from the Monte Carlo simulation and which should lie somewhere near a mid-point between the other two is not even mentioned. Additionally, the Survey has not furnished an estimate for the shelf areas below 200 meters of water depth. An historic recovery factor of only 32% is used which doesn't even take into consideration the existing higher "new oil" prices and improved recovery technology—which could raise this factor to 40%, or even to the 60% shown as an alternate by the American Association of Petroleum Geologists in their 1971 Memoir and which might almost double the Survey's estimate.

There are certain other aspects of the USGS figures which should be kept in mind. The 95% certain or minimal estimates of resources are 50 billion barrels of oil, 11 billion barrels of natural gas liquids, and 322 trillion cubic feet of gas—the latter being the energy equivalent of 54 billion barrels of oil. These total 115 barrels of oil equivalent to which might be added 25 billion barrels of inferred oil reserves, the resources of the continental margins in waters deeper than 200 meters and increases in recovery beyond the 32% used—caused by the present higher prices and improved technology together with further increases of these in the future. Additions to estimates of resources in frontier areas are possible with the use of more and better data. With all these additions the minimal estimate could easily equal 180 billion barrels of liquids and oil equivalent of gas. If, however, we fail to provide proper incentives to exploration, only a very small portion of these will be discovered and produced.

A similar treatment of the estimates at the high end of the scale would suggest total amounts of nearly 400 billion barrels of liquids and oil equivalent of gas. Using a mean or average figure the total might be in the area of 270 billion barrels—the amount depending on the release by the Survey of their estimates as listed above. In view of the energy problems we have, it seems mandatory that we provide the proper climate to encourage the exploration for such resources.

The USGS had only about 120 days in which to gather the needed data, analyze and correct it and present it in advance of a dead-line. Their data, being all from Survey sources, is very sparse, especially in frontier areas where some of our best chances for large resources lie. It also may very well be that certain restrictions inherent in governmental publications, such as in making statements with regard to resources in the vicinity of uncertain national boundaries have been harmful. Taken all in all, the estimate has been made by talented but too few men, with too little time and information and deserves a better fate than to be misinterpreted and misused by those who do not understand it or do not wish to do so.

The recent estimate of oil and gas resources by the National Academy of Sciences was principally a review and analysis of previous estimates by others, together with an estimate of their own made by a method which is undescribed. Any variation of it from others is dismissed by a comparison of that with the huge size of our coal and oil shale resources. They have ignored the AAPG 1971 study, the National Petroleum Council estimates and the gas resource estimates of the Potential Gas Committee, which has been conducting for many years and is continuing the only revised scientific study of resources that I know of, later admitting that they had never heard of the Committee's existence or their survey's results.

The AAPG 1971 Memoir suffered from a lack of uniformity in methods of estimation between the various regions, though their analyses and presentation, backed by good geologic evidence and reasoning, were excellent.

If, for some reason, someone were to put a gun to my head and tell me to make an estimate of our nation's resources at once, I would, of course, do so, but it wouldn't be worth writing it down. To have any value it would have to be widely and well organized, use all the data obtainable and acceptable methods by many men, whose expertise in their areas would be the finest.

Now, all this criticism of the various attempts to make these estimates would be of little value and merely serve to confuse you without my making a suggestion of a better way to secure a broad-based, informed estimate of these resources. This I am prepared to make.

The American Association of Petroleum Geologists comprises the largest membership of geologists in the world—over 17,000, with more than 12,000 of them active in the United States. Their members have probably found more than three fourths of all the oil found in the world to date.

If those members of this Association who are most knowledgeable in the various geological provinces, together with other nonmember scientists similarly qualified, could be organized in a nationwide effort to estimate the undiscovered oil and gas resources of the nation, combining their expertise and knowledge without jeopardizing their employees' competitive position, we would very likely have the larger and best body of opinion possible brought to bear on this matter.

I have reason to believe that, should an invitation to do this, as a service to the American people, be forthcoming from a proper authority, AAPG would be ready to do so. They have already done so once—in 1969–1971 and a better, improved effort could be made now under present circumstances. The expenses connected with such an effort would be minimal.

Mr. McCLURE. Mr. President, in addition, we heard testimony from Dr. Charles D. Masters, Chief of the Office of Energy Resources of the U.S. Geological Survey, to the effect that "there is more oil in the ground than we can expect to discover." It is unfortunate that recent press reports of the USGS findings concentrated only on the lowest end of the range. In order to correct erroneous impressions, I ask unanimous consent that Dr. Masters' full statement be entered into the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF CHARLES D. MASTERS

Mr. Chairman and Members of the Committee: The study of the nation's oil and gas resource potential recently completed by the Resource Appraisal Group of the Geological Survey is a milestone in national resource appraisal. The Survey has worked intensely on the project for over a year, and used to great advantage the accumulated data of many decades of geological study. These data were analyzed through the focused efforts of some 70 area experts under the leadership of Mr. Harry Thomsen, supported by some 10 senior petroleum geologists in our Denver office. The significance of the report lies in its highly intensive data base, its statistically sound methodology, and its careful delineation of measured parameters. No appraisal of the unknown can claim unqualified accuracy, but we do believe that we have built a framework of understanding, that can be added to, and analyzed in its component parts permitting us to monitor the nation's progress in achieving some future level of oil and gas independence.

Though I have emphasized, Mr. Chairman, that our work has been the product of extensive study, may I also acknowledge that without the support from the Federal Energy Agency, we would have been unable to complete the work in the timeframe necessary to meet statutory requirements. Though the final report is not yet complete, I can report to you today on the methodology and some of the results.

Many persons have questioned and wondered about the results of this study in view of the fact that the findings appear to be different from some previous estimates. We are well aware of the difficulty the public may have in comprehending the many and various appraisals of the unknown and we

have attempted in this report to clarify and to stabilize some of the variables that have contributed to past differences. Mr. Chairman, the amount of oil in the ground remains the same—only the perspectives are a variance. With this report, therefore, we hope to establish a system of appraisal that will permit us, by monitoring the nation's exploration efforts, to progressively narrow the range of variance and to improve the quality of the appraisal.

In clarifying and stabilizing many of the variables in resource appraisal, as we attempted to establish a measurable standard from which to build, an end result has been the appearance of lower numbers. This has come about both because in fact the appraisal is more conservative, but also the methodology and parameters of appraisal are different. No assessment of the unknown can be totally objective nor conceived without probability of error. Accordingly we developed our assessment along a range of probabilities that have been reported within the limits of 95% and 5%. In the past, few estimators have acknowledeged the probability variance and fewer still have constrained the assessment at the 95% and 5% levels. The significance of this is that numbers, prepared in an attempt to quantify the unknown, but expressed without probability, are not comparable. In considering the results of this appraisal in comparison with other estimates, therefore, the reviewer must be mindful of the established limits on probability, which may account for part of the variance. He should also be aware that our appraisal is predicated on a qualitative understanding of the existing price cost ratio with allowance for progressive technology changes. Markedly increased price-cost ratio or revolutionary technology changes would result in an increased resource assessment.

The variable in resource appraisal associated with area may also be confusing. Some appraisals have included lands in Alaska, some not; some have included deep water provinces beyond 200 meters of water depth; some have not. In the present appraisal, we have excluded areas beyond 200 meters of water depth, not because we do not think they are prospective, but rather because we have insufficient data in these areas relative to other reported areas. Mr. Chairman, we believe that additional oil and gas will be found in deep water areas, and we hope to accumulate the data to make a meaningful assessment within the next year or two.

There are two other levels of possible confusion about resource reporting—"inferred reserves" and "subeconomic resources." We have cited "inferred reserves" in our report as being "identified" but they are as yet actually undiscovered or unrecognized by drilling, though we have evidence to predict that they exist in known fields. They are a valuable target for future exploration, but, in that they represent future additions to reserves proximal to identified fields, they constitute a different exploration problem from that posed in frontier areas and have been reported variably in previous resource appraisals. "Subeconomic resources" constitute that potentially recoverable portion of the resource base that will be left in the ground in the absence of the application of enhanced recovery techniques.

Only 32% of the oil in place is currently recovered on the average, but as the technology and economics of secondary and tertiary recovery methods improve, some portion of this in-place reserve can become an attractive target, and it is highlighted in our method of resource appraisal. Obviously, the concept of percentage recovery is an important element in any appraisal and an important concept for policy planning.

Mr. Chairman, we are well aware of the variances in oil and gas resource appraisal and are working hard not only to improve the appraisals, but as well, to remove the cloud of semantics from the debating arena. In the meantime, I know the committee is interested in the significance of these estimates and the implications of the differences between them in terms of policy. With respect to that question I would like to repeat the statements of our Director in previous testimony wherein he stated that all of the estimates lead to the same conclusion on three very important points.

One is that significant amounts of oil and gas remain to be discovered and developed and that additional exploration and related research on the improvement of discovery and extractive methodology will be worthwhile.

Another is that the most promising prospects for the discovery of additional accumulations are in the frontier areas of the outer continental shelves and Alaska.

Third, even the highest estimates show that this country will soon need to shift to other sources of energy as the mainstay of its energy supplies, particularly if energy consumption continues to increase at rates similar to those prevailing in recent decades. Energy conservation and vigorous attempts to develop other sources of energy must be important objectives, regardless of which of the estimates should ultimately prove to be correct.

In conclusion, Mr. Chairman, there is more oil in the ground than we can expect to discover. The essence of our probability assessment is that we will have to take economic chances to recover additional increments of the oil in place. To discover that oil, the potential rewards to the explorationist will have to offset the risk he is assuming in undertaking the search. And one additional point must be clearly understood. Oil and gas exploration is an extremely complex business that requires years of development time from the inception of exploration to initial or full production. Orderly development, as called for by the Secretary of the Interior, in a stabilized economic climate would seem to be a requisite.

I will be pleased to try to answer any questions the committee may have.

As Dr. Masters' testimony states, in order to "discover that oil, the potential rewards to the explorationist will have to offset the risk he is assuming in undertaking the search." This is only commonsense. But in order to gain a better understanding of the risks involved, we can look at the testimony of Mr. Kenneth E. Hill, executive vice president of Blyth Eastman Dillon & Co. Mr. Hill has prepared a detailed analysis of the capital requirements involved and the expenditure schedules with which we are dealing. And, as he discusses, failure to meet these requirements and schedules will doom any effort to achieve energy independence, with resultant increases in oil and natural gas imports.

Mr. President, I ask unanimous consent that Mr. Hill's statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

CAPITAL FORMATION REQUIREMENTS FOR THE U.S. PETROLEUM INDUSTRY

(By Kenneth E. Hill)

I have been asked to testify about the capital requirements of the United States petroleum industry over the next decade and the source of these funds. For most of its history, the industry was able to provide nearly all its own capital requirements from internal sources, but this has not been true since about 1967. Over the past ten years, capital expenditures within the United States have more than doubled from about $7 billion to $15 billion last year. But the funds obtained from internal sources have declined from 90 percent to 75 percent, which has meant an average of about $3 billion yearly was obtained from outside sources during recent years. These funds have been met almost completely through the issuance of debt since only a few oil company equity issues have been offered since 1970. This has resulted in a rapid increase in debt relative to equity.

The Chase Manhattan Bank group, representing about three-quarters of the domestic industry, has had its debt ratio increase from 20 percent ten years ago to about 30 percent now, including indirect debt. Several companies have had ratings on their debt issues reduced as the industry has issued huge amounts of debt so far this year, much of it to finance the $6 billion Alaskan pipeline. A debt ratio of 35–40 percent is considered to be the upper limit for prudence by lenders and in reasonable interest costs to the borrower, a level the industry as a whole will soon be reaching. This will make it difficult to raise large sums of money in the future to meet its expenditure requirements without issuing equity. But this is not fair to existing shareholders if it leads to a dilution in either book value or earnings. At the present low price earnings ratios and high yield for oil equities, which I expect to prevail as long as the present controls on the oil industry continue, I doubt any oil company would be willing to issue equity.

Where does the petroleum industry get its funds and what are its prospects of obtaining the required monies for the expected capital expenditures over the next ten years? All industry in capitalistic countries obtains the necessary funds for expansion from two primary sources: internal, from retained cash earnings; and external, from outside capital markets. Internal sources are made up of retained net income after reasonable dividend payout, plus the capital recovery provision for depletion, depreciation and amortization. The latter is a non-cash provision which provides for replacement of worn out or depleted assets at original cost. The internal source of money is by far the most important in nearly all industries, except possibly regulated utilities, and is certainly predominant in the petroleum industry. Under ordinary conditions, no growing industry such as petroleum can provide its needed capital entirely out of its own savings, so that there is always a marginal amount of funds which must be obtained from outside sources; that is, either equity or debt. But all these funds, internal or external, must be provided in the long run by the consumer (who may also be a saver, a stockholder, or a lender) through the mechanism of the law of supply and demand. If the price level is too low, the internally generated funds will be too little (since profits will be low) and the enterprise will soon reach a limitation on expenditures through inability to borrow or obtain equity. Prices must then rise to provide more earnings so that the necessary expenditures can be made to satisfy the consumers' needs at the higher price level.

During an inflationary period such as we have experienced for the past few years, the process of capital formation becomes particularly difficult. First of all, earnings become overstated, as in 1974, because of inventory profits and inadequate capital extinguishment charges, while taxation takes half these ephemeral earnings. But the inflationary pressures also cause a rapid rise in the cost of replacing earning assets, particularly in the petroleum industry where oil and gas reserves are being found mainly in deeper, more remote and offshore areas.

Thus, the non-cash charges become woefully inadequate to perpetuate and expand the energy industry, the largest and most basic in the United States. To overcome this deficiency, real earnings must rise, after inventory profits and adequate capital extinguishment charges, through a higher price level which will equate greater supply and lesser demand than was previously expected.

The capital requirements within the petroleum industry over the next ten years depend on the assumptions made regarding energy policy and the degree of implementation of Project Independence. In a recent paper, "Capital Requirements for the Natural Gas Industry," before the AGA in Los Angeles, I outlined a scenario that included a phased out decontrol of prices of oil over a five year period and of natural gas over a ten year period.

I also estimated that capital expenditures for the United States petroleum industry during the period 1975–1985 should total about $200 billion in 1975 dollars. Of this amount, about 60 percent, or $120 billion, was for exploration and production, including small amounts for synthetic oil from shale and gas from coal. And a relatively sterile $40 billion was expended for offshore lease acquisitions to obtain the dubious right to explore for oil and gas in such deep and hostile environments as the Gulf of Alaska, and off the East Coast. The annual rate of expenditures in constant dollars should nearly double from an estimated $12 billion in 1975 to over $22 billion in 1985, while the drilling effort would have to double to a rate of at least 300 million feet in 1985. These amounts are exclusive of requirements for working capital and debt amortization and, above all, do not include the effect of inflation on drilling and construction costs. If these additional amounts are taken into account, total outlays could reach about $300 billion and annual capital expenditures would need to rise above $30 billion in 1985. If both oil and gas prices are allowed to rise to free market levels, the industry would barely be able to finance this expansion through retained earnings and maximum reliance on borrowings.

This immense expenditure of $300 billion during the next decade would be about 2½ times what the petroleum business spent in the previous ten year period, 1965–1974. But it will still not buy us any greater independence from imported oil than we now have. In my paper, I estimate that our liquids production will only increase from 10.5 million b/d to 14 million b/d in 1985, principally because of an additional 2 million b/d from Alaska. And natural gas production would remain about the same at about 22 trillion cubic feet a year, but only if 2 trillion cubic feet is brought in from Alaska. If demand grows at a modest rate relative to the recent past of a little less than 3 percent annually, then the estimated total consumption of 50 million b/d of oil equivalent for energy in 1985 would only be satisfied through imports of about 10 million b/d. This would be a two-thirds increase from about 6.0 million b/d in 1974 when demand was an estimated 35.5 million b/d of oil equivalent, and the percentage of imported crude utilized in the United States would rise slightly from 37 to 40 percent. This would be far from satisfying the objectives of Project Independence and would still leave us quite dependent on the whims of a few Arab OPEC countries and cause an even greater outflow of funds, probably amounting to as much as $40 billion yearly by 1985.

If, on the other hand, we would hope to become much less dependent on Middle Eastern imports and achieve the objectives of Project Independence, the petroleum industry would need to spend substantially greater sums. And so would coal and nuclear energy. Petroleum itself might have to lay out over $400 billion, and the annual rate of expenditures would have to reach at least $50 billion by 1985, according to one recent study.[*] But now that depletion has been lost to the industry ($2 billion in 1975 at current controlled prices for both oil and gas), the only hope for generating these enormous sums is through the market mechanism. This can only be accomplished by complete decontrol of both oil and gas prices (phased in over a short period of time if politically necessary) and the eventual equating of our prices with international levels.

With high prices causing a substantial lessening of demand growth, this could occur by 1980 with a price range of $10–12 per barrel for all oil produced and $1.50–2.00 per MCF for new gas. But if decontrol is phased in over a longer period of time, a price level at least 25 percent greater would be required by 1985. These much higher prices should bring into being some of the alternative sources of expensive hydrocarbons such as tar sands, shale oil, and deep offshore fields. This crash program could lead to a substantial lessening of our dependence on Middle Eastern imports through a lowering of energy demand to 45 million b/d in 1985, which would be coupled with substantially increased domestic supplies of energy from all environmentally acceptable sources. Hopefully, our reliance on foreign imports would then decline to about 25 percent of our oil requirements.

These enormous sums can only be financed through increased internal earnings that higher prices would bring about, together with all available equity and borrowed capital from external sources. The report cited above indicates the return on equity must be at least 16 percent to generate the capital and credit needed to increase the spending to the required $50 billion by 1985. But the average has been only about a 12 percent return over the last ten years and to raise it to 16 percent would require cash earnings about one-third greater than expected. In effect, the consumer would have to replace the $2 billion lost through the elimination of depletion by paying higher prices for all petroleum products. Failing this reliance on free market pricing for oil and gas, there is no possibility that Project Independence objectives can be realized and this nation will continue to be dependent on Middle Eastern imports, and our future would continue to be insecure, both politically and economically.

MESSAGE SWITCHING

Mr. TUNNEY. Mr. President, on April 14 I wrote to Attorney General Levi to express my dismay over the imminent circulation of a proposal for the FBI to assume "limited" message-switching capabilities over the Nation's criminal justice telecommunications system. My immediate reason for writing was a concern that the circulation of the plan constituted tacit Justice Department approval of the plan itself and, therefore, was a violation of an agreement between Senator Ervin, my predecessor as chairman of the Constitutional Rights Subcommittee, and the then Attorney General William B. Saxbe. The agreement was reached May 6, 1974, when Mr. Saxbe wrote to Senator Ervin with assurances that there would be "no decision regarding this proposal without first advising the subcommittee."

Message switching is a highly technical issue. The efficient switching of both administrative and substantive criminal justice information between Federal, State, and local criminal justice units is seen by most experts as potentially a great aid in the struggle against crime. Its very helpfulness, however, means that the control over message-switching capabilities conveys enormous power to the agency that exerts that control. With the Nation's criminal justice system relying more and more on instantaneous, computerized telecommunications, the power inherent in the control of message-switching capabilities is bound to grow.

Thus, I am still concerned that it is inappropriate and premature for the FBI to take such a major and unilateral step into the control of the flow of criminal justice information. The issue warrants close scrutiny from the Congress, for hidden within its opaque jargon are a number of highly significant policy questions. Will the control over the criminal justice system's message switching by a single Federal agency unduly diminish State and local input into the Nation's criminal justice system? Will Federal control further intrude upon, and perhaps effectively destroy, our traditional separation of State and Federal police powers? Does an enlarged FBI role in message switching undermine recent attempts to create a "new federalism"? What does an FBI assumption of these powers imply for the privacy rights of American citizens? Will it lead inevitably to the de facto creation of a national police force?

These policy questions should be decided by the Congress. To address the merits of the specific proposal, I am today writing to the Comptroller General to request that the General Accounting Office provide assistance to the Subcommittee on Constitutional Rights in assessing all of the implications of the FBI's recent move. I am also instructing the subcommittee staff to meet next week with relevant GAO staff to discuss in detail the issues that I think the GAO study should address, among them:

First. Do we need a Computerized Criminal History—CCH—file at the Federal level located within the FBI's National Crime Information Center—NCIC? The evidence to date indicates that the traffic on the present system is dominated by the FBI headquarters and its field offices. Indeed, two of the original six States have dropped out of the system because CCH was not cost-effective. If there were no Federal dole, would any State remain as a participant?

Second. How long will the FBI's "limited" message-switching capabilities remain limited? Do the economics of such a role demand that the FBI build its telecommunications empire at the expense of alternative means of handling vital communications between law enforcement units?

Third. The GAO should audit and list all existing NCIC computer programs in order to determine their purpose, costs, utilization and impact on State and local agencies.

Fourth. The GAO should study and analyze the present system design and its

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[*] "Domestic Petroleum Industry Capital Needs and Availability, 1975–1985," The Standard Oil Company (Ohio), Cleveland, Ohio, April 14, 1975.

supporting telecommunications network to determine its technical efficiency.

Fifth. GAO should provide a detailed cost analysis of the present NCIC system outlining those costs that benefit State and local missions and those costs that benefit Federal missions.

Sixth. We should also receive an analysis of the relative merits of the FBI proposal, the work on national law enforcement telecommunications networks being conducted for LEAA by the Jet Propulsion Laboratory at a cost of $800,000, and the management models built into S. 1427 and S. 1428 and the Justice Department's May 16 regulations for criminal justice information systems issued pursuant to the McClellan-Kennedy amendments of 1973.

Seventh. GAO should also look into the issue of Federal as opposed to State management and operation of the NCIC system and determine and recommend the proper roles of Federal and State governments in a computerized criminal justice telecommunications system.

Mr. President, a comprehensive GAO analysis will also help the Justice Department. According to a May 14 letter to me from the Deputy Attorney General, Harold R. Tyler, Jr., the Justice Department is circulating the FBI plan in hopes of obtaining "the best and broadest advice regarding both the concept and details of the proposal." I trust the Justice Department will wait for the results of the GAO investigation before approving the FBI plan.

This issue and the concerns that grow out of it are being debated at all levels and in all branches of government. At this point, I would like to have printed in the RECORD the texts of my April 14 letter, Mr. Tyler's May 14 letter, today's letter to the Comptroller General, the position of the White House Office of Telecommunications Policy and a very strong statement on this issue that was written on May 9 by Congressman DON EDWARDS of California, who serves as chairman of the House Judiciary Subcommittee on Civil and Constitutional Rights. As we move closer to July 15–16, when I will be holding hearings on the criminal justice information bills and discussing message switching in great detail, I will continue to insert divergent viewpoints in hopes of stimulating a wider debate on this significant issue.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
Washington, D.C., April 14, 1975.

Hon. EDWARD H. LEVI,
Attorney General, Department of Justice, Washington, D.C.

DEAR MR. ATTORNEY GENERAL: It has come to my attention that the Federal Bureau of Investigation is likely to release—at the April 15–17 meetings of the National Crime Information Center participants at the Washington Hilton—an implementation plan designed to facilitate the FBI's takeover of the National Law Enforcement Telecommunications System's message-switching capability.

As you may know, many highly-respected members of the law enforcement community believe that such an action by the FBI would be tantamount to an unconstitutional intrusion upon state police powers and would be a major stride toward the creation of a national policy agency, a development that many Americans, including the late J. Edgar Hoover, deplored on many occasions.

The release of such a plan would violate the spirit of Attorney General Saxbe's agreement with Senator Sam Ervin, my predecessor as Chairman of this Subcommittee, to refrain from such actions until this Subcommittee has conducted a careful review of their implications. On May 6, 1974, Mr. Saxbe wrote the following in a letter to Senator Ervin: ". . . I can assure you at this time, I will make no decision regarding this proposal without first advising the Subcommittee."

Even if the implementation plan is disseminated under seemingly innocuous labels like "draft" or "preliminary," the natural assumption would be that the FBI is legitimately entitled to play a leading role in message-switching. In my opinion, that assumption is not yet warranted and certainly not legitimized.

In the most recent communication on this subject, Senators Ervin and Hruska wrote to Mr. Saxbe on October 30, 1974, and left no doubt about their sentiments:

"Regarding the message-switching issue, it is respectfully requested that your Department refrain from making any decision as to any such assumption, limited or not, either tentative or permanent, prior to the consideration of this subject by the Judiciary Committee or the enactment by Congress of criminal justice data legislation. This issue involves broad, far-reaching policy considerations. As we indicated to you during hearings on the pending legislation and in previous correspondence, we think it is a proper subject for joint consideration and resolution by the Department of Justice and Congress. It is very likely that the criminal justice data legislation adopted by the subcommittee will address the extent of federal involvement in local law enforcement information activities. It may well be that any plan implemented by your department to assume any NLETS functions would be superseded by such legislation. If so, there would occur needless expenditure of funds and confusion in this highly important activity.

Let me assure you that I share the sentiments of Senators Ervin and Hruska and that I am introducing legislation today similar to that described in the October 30 letter. It would be highly inappropriate and premature, in my opinion, for the FBI to circulate, at this time, a plan that, in effect, calls for the FBI itself to assume control over criminal justice message switching.

Sincerely,

JOHN V. TUNNEY,
Chairman, Subcommittee on Constitutional Rights.

OFFICE OF THE DEPUTY
ATTORNEY GENERAL,
Washington, D.C., May 14, 1975.

Hon. JOHN V. TUNNEY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR TUNNEY: The Attorney General has asked me to respond to your letter regarding the Federal Bureau of Investigation proposal to engage in limited message switching. The purpose of that proposal is to decentralize the computerized criminal history program, a part of the National Crime Information Center.

Your letter was received after the distribution of the FBI proposal. For that reason, we were unable to consider your suggestion that the proposal not be circulated. Moreover, our hope in circulating the proposal was to obtain the best and broadest advice regarding both the concept and details of the proposal. This consultation goes beyond the Department's prior assurance that no decision regarding the proposal would be made without advising the Senate Committee on the Judiciary. We will, of course, fully and carefully consider all of the advice we receive before reaching a decision.

You may be assured that the proposal is not, as you suggest, designed to facilitate the FBI's take-over of the National Law Enforcement Telecommunication System's message-switching capability. The Department remains committed to the System's important role in state-to-state telecommunications.

I understand that a representative of the Department has already met with members of your staff to discuss this matter. We look forward to having the continuing benefit of your advice.

Very truly yours,

HAROLD R. TYLER, Jr.,
Deputy Attorney General.

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
Washington, D.C.

Hon. ELMER B. STAATS,
Comptroller General of the United States, Washington, D.C.

DEAR MR. STAATS: On March 1, 1974, you reported to the Subcommittee on certain issues related to the development of the FBI's Computerized Criminal History System. In that report, you noted that the Subcommittee might want to discuss with the Attorney General certain FBI proposals to implement administrative message switching of certain Computerized Criminal History files.

Subsequent to that report, the Subcommittee has had numerous discussions with the Department of Justice regarding this issue. On April 14, 1975, the FBI prepared a proposed plan to implement a limited message switching operation. Previously, the Subcommittee had requested the Department of Justice to delay consideration of such a plan until the Congress had fully considered criminal justice data legislation.

The FBI's plan has been distributed to various individuals and groups for comment and review. The plan proposes that the limited message switching operation become operational on September 15, 1975.

The Subcommittee would like the General Accounting Office to review within 60 days certain issues related to the development of the proposal and to comment on certain information contained in it. The specifics of what your work would involve can be determined after the Subcommittee and your office have had an opportunity to read the FBI's proposed plan and discuss it further.

The Subcommittee appreciates the assistance your office has provided previously and looks forward to a continuing and beneficial relationship.

Sincerely,

JOHN V. TUNNEY,
Chairman, Subcommittee on Constitutional Rights.

MAY 12, 1975.

Hon. EDWARD H. LEVI,
Attorney General of the United States.
Department of Justice,
Washington, D.C.

DEAR MR. ATTORNEY GENERAL: This is in response to the submission by the Deputy Attorney General, Harold R. Tyler, Jr., of the proposed implementation plan of the Federal Bureau of Investigation to engage in limited message switching as part of the operation of the computerized criminal history program of the National Crime Information Center. I appreciate your offering the opportunity to comment on this controversial maneuver by the Federal Bureau of Investigation.

Having reviewed the study carefully, I am immediately struck by the cavalier assumption that the only obstacle to the proposed operation of this administrative message switching capability is the development of a technically feasible plan. The issues in this controversy do not center on technical capability. Last year when the Deputy Attorney General Laurence H. Silberman issued a tentative decision to permit the Federal Bureau of Investigation to enlarge the communication capacity of its National Crime Information Center, that decision was sharply criticized by Congressional and White House spokesmen. At that time, John M. Eger, acting director of the White House Office of Telecommunications Policy, said that the decision could "result in the adsorption of state and local criminal data systems into a potentially abusive, centralized, federally controlled communications and computer information system." Douglas W. Metz, at that time acting director of the Domestic Council Committee on the Right of Privacy, expressed similar concern "about the potential impact of this decision on individual rights, particularly the right to privacy." Senators Ervin and Hruska were particularly strenuous in their opposition to the position of the Department of Justice to allow the FBI to initiate an implementation plan to operate limited message switching as part of the operations of the National Crime Information Center. The Senators stressed that there were broad and far-reaching policy considerations that should be addressed before any thought could be given to the actual technical operation of any message switching operation.

The proposed implementation plan of the FBI does not begin to address the policy considerations and serious concerns that are prompted by this proposed action. The issues that have been posed over the past two years concerning the administrative control of any message switching operation can be summarized in three questions: (1) Does the FBI have legislativè authority to expand its National Crime Information Center to include message switching? (2) Would Federal control over message switching be contrary to the principle of state and local government self-sufficiency in the criminal justice telecommunication field? and (3) Would Federal control over message switching be inconsistent with security and privacy considerations at this time? Nowhere in the handling of this controversial issue has the Department of Justice confronted these problems and resolved them to the satisfaction of this Congress, particularly the Subcommittee on Civil and Constitutional Rights of the House Committee on the Judiciary.

It is also interesting to note that when comments were offered by various components of the Department of Justice over the past two years, they have indicated not only weak support for the proposition of FBI control over limited message switching, but in some cases, outright opposition to this proposition. In response to the first general question concerning the authority of the FBI to expand its National Crime Information Center to include message switching, in a memorandum dated August 6, 1973, Robert G. Dixon, Jr., Assistant Attorney General, Office of Legal Counsel, states:

"It is arguable, even in the absence of expressed statutory provision, that there is legislative authority to support the FBI's position that it is authorized to expand the activities to implement the switching of administrative messages in connection with its exchange of criminal history records."

He continues to point out that:

"Limited support for this development of computer systems to improve law enforcement techniques can be drawn from 42 U.S.C. § 3744(a)(2) which authorizes the Director of the FBI 'to develop new or improved approaches, techniques, systems, equipment, and devices to improve and strengthen law enforcement . . .' However, it should be noted that this section emphasizes federal aid to and cooperation with state and local law enforcement agencies to improve their capabilities and is primarily designed to expand and upgrade 'the law enforcement training program that is already in progress under the Offices of the Federal Bureau of Investigation.' "

In response to the second question of Federal control versus state control, in February 1, 1974, memorandum from Donald E. Santarelli, then Administrator to the Law Enforcement Assistance Administration, commented to the Attorney General.

"For the FBI to pre-empt an important state and local government initiative would be contrary to the principles of new federalism. This area of criminal justice is one of the most important of the inherent police powers of the several states. The authority and scheme of assistance established by the LEAA legislation would indicate that Congress intended that these activities receive federal aid but not be federally controlled."

He then went on to say that:

"LEAA has long recognized the need to prove the capabilities of state and local law enforcement telecommunication vital to effective operations of the criminal justice community. Message switching must cover the entire criminal justice area including police, courts, corrections, research and development, statistics, narcotics, parole, juvenile delinquents, and the like. It is questionable whether all these elements of the criminal justice system would want to join an FBI controlled operation. Moreover, FBI preemption over message switching at this time may well inhibit the development of useful technology in this vital area."

Mr. Santarelli's conclusion was that:

"For the reasons set forth herein LEAA requests that the FBI request be denied."

Of particular interest to this Subcommittee is the third question of the effect of this Federal control over message switching on the security and privacy considerations at this time. Donald Santarelli, in the same memorandum, stated:

"Given the current climate in the Congress respecting security and privacy and current concerns with the privacy of automated records, pre-emption by the FBI of this area without State and local concurrence or a clear-cut Congressional mandate to the FBI can only raise in the minds of many the spectre of Federal Domination and control of a primarily State and local criminal justice responsibility. LEAA believes that for the Attorney General to commit the Department to FBI pre-emption prior to congressional action as to the parameters of security and privacy legislation in the criminal justice field would be inappropriate."

It is obvious that the questions and concerns presented by this FBI proposal have not been answered. Before the Subcommittee on Civil and Constitutional Rights of the House Committee on the Judiciary would consent to comment on the technical operational plan proposed by the Federal Bureau of Investigation, we would insist that a dialogue be initiated between the Executive and Congressional branches of government to agree on exactly what the overall Federal involvement should be in computerized justice telecommunication systems. The arbitrary action of the Department of Justice of avoiding the issues that have been presented over the past two years and going directly to an implementation plan before soliciting Congressional comment is indicative of the potential abuse that we fear from a federally controlled telecommunication system in the area of law enforcement. Centralizing control over the powerful law enforcement communication system in the hands of the FBI is of questionable propriety.

For these reasons I decline to comment on the implementation plan as submitted by the Department of Justice. I respectfully request that the Attorney General revaluate the assumption that the FBI is legitimately entitled to play a leading role in message switching and begin to confront the major policy considerations and the far-reaching effect of this action.

Sincerely yours,

Don Edwards,
Chairman, Subcommittee on Civil and Constitutional Rights.

Office of Telecommunications Policy, Executive Office of the President,
Washington, D.C., May 12, 1975.

Hon. Harold R. Tyler, Jr.,
Deputy Attorney General,
Department of Justice,
Washington, D.C.

Dear Mr. Tyler: I appreciate the opportunity to review and comment on the FBI's most recent request for authority from the Attorney General to engage in message switching as part of the National Crime Information Center (NCIC) program. As we have said before, we fear that granting this authority could result in the absorption of state and local criminal data systems into a potentially abusive, centralized, Federally controlled communications and computer information system. There are some very fundamental issues which must be addressed before any plan for a nationwide computerized criminal history (CCH) system can be prepared, and these issues have not been addressed or resolved.

One basic concern is the threat posed by a system which could be used by a Federal law enforcement agency to monitor in detail the day-to-day operations of state and local law enforcement authorities. Such monitoring would enable Federal authorities to exert pressures on how state and local agencies do their job, thus upsetting the delicate balance between Federal and non-Federal functions.

A monitoring capability would also permit Federal agencies to gather data about individuals to which the Federal Government is not entitled, in contravention of the spirit, if not the letter, of Federal privacy legislation. For example, monitoring by the use of "flags" as described in the plan would permit an enormous amount of surreptitious intelligence gathering by any agency controlling a message switching capability. No system capable of central monitoring of state and local operations by procedures such as flagging should be authorized until adequate and enforceable safeguards are established.

Other aspects of the plan similarly confirm our earlier objection to proceeding with such a plan in the absence of proper policy guidance. For example:

The capability will exist for arrest data to be included in the index of single state offenders, which goes far beyond the concept of an index.

The NCIC could continue to store single state records indefinitely on the ground that the states are not ready to assume this responsibility, thus resulting in a comprehensive Federal file not relevant to legitimate Federal concerns.

There are no safeguards for assuring the accuracy of the multi-state offender records, which would be stored in Washington but be based solely on information provided by the states; similarly, the responsibility for performing this function is not delineated.

Proceeding to implement a message switching capability in the face of these risks would be difficult to justify even if clear benefits were obtainable and there were no other course of action. As to the first, there is serious question regarding the benefits to be derived, as witnessed by the fact, that, since 1971, only six states have ever contributed CCH records for automation, and two of

these states have discontinued participation in the program. In January 1973, the General Accounting Office issued a report questioning the value of the automated CCH program. This fundamental issue has never been addressed.

But even if the program were deemed beneficial, there are alternatives to the approach proposed in the plan which have not been adequately considered, including the original Project SEARCH concept of having only a centralized identification index under the management control of the states.

The implementation timetable proposed for your consideration in the FBI plan does not provide for the assessment of the basic concerns that have been expressed by many who have considered this proposal. Because of the wide sweep of these issues, I believe that they should be addressed on a broad basis within the Executive Branch. One possibility would be to organize a group composed of representatives of the Attorney General's Office, the Office of Management and Budget, the Domestic Council and OTP to undertake a comprehensive inquiry into these issues, including:

Assessment of the overall cost of this program, including costs to state and local governments;

Analysis of whether computerized criminal histories are worth that cost;

Evaluation of alternatives to the system concept proposed by the FBI;

Identification and implementation of necessary privacy safeguards; and

Evaluation of the proper Federal role in computerized criminal justice telecommunication systems.

In summary, it is our recommendation that approval of any action to implement a message switching capability should be withheld until such issues have been objectively evaluated and fully resolved. I hope these views are helpful and that you will not hesitate to contact us if we can be of any further assistance.

„ Sincerely,

John Eger.
Acting Director.

PROGRESS REPORTED ON SMALL BUSINESS PROBLEMS

Mr. MUSKIE. Mr. President, it was my pleasure this noon to attend a luncheon hosted by the Smaller Business Association of New England; the Smaller Manufacturers Council, Pittsburgh, Pa.; the Council of Smaller Enterprises, Cleveland, Ohio; and the Independent Business Association of Wisconsin. Senator McIntyre addressed the group briefly following lunch on the particular problems confronting small business and the approaches to those problems which are being developed in the Select Committee on Small Business of which Senator McIntyre is a member.

Senator McIntyre reported on early progress to revise the tax structure and review the paperwork of form requirements as they affect small businessmen, and was joined by representatives of the Small Business Association of New England in reporting continued progress in making all levels of the Federal establishment more aware of the special problems confronting small businesses. I commend Senator McIntyre and Chairman Nelson for the success the Select Committee on Small Business has achieved.

I believe the remarks of Senator McIntyre merit the review of our colleagues who could not attend the luncheon this noon and ask unanimous consent that they be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Statement by Senator Thomas J. McIntyre

Ladies and gentlemen: It is a pleasure to welcome the representatives of the country's outstanding regional small business organizations: the Smaller Business Association of New England, the Smaller Manufacturers Council of Pittsburgh, the Council on Smaller Enterprises of Cleveland, and the Independent Business Association of Wisconsin. The Toledo group is here again, and I am told you are being joined this year by the Cincinnati group.

I bring you welcome from my good friend, Senator Gaylord Nelson, Chairman of the Select Committee on Small Business, who had planned to be here with you. He has been called to the White House to represent the Senate in making the annual award to the Small Businessman of the Year.

I wish all of your organizations well. Your presence here is the most effective kind of communication with your elected members of Congress.

Over the years, the analysis of small business problems and proposed solutions furnished by these associations have proved invaluable. The Senate has obtained facts and figures which are often not available from other sources. The comments from these groups have been informed, and they have been timely.

Several provisions of the emergency Tax Reduction Act of 1975 are on the statute books today as a direct result of the testimony and statistical information provided by association witnesses in the Small Business Committee's hearings in February.

I can understand how frustrating it is when you attempt to explain to your local governmental units, your communities or your local newspaper that, altogether, the diverse firms which you represent, add up to a mighty force—13 million enterprises embracing 52 percent of all private employment, and 43 percent of the business product, and more than one-third of the Gross National Product.

We have the same frustrations when we attempt to make the Congress and the national press understand the importance of small business in achieving economic stability, promoting economic growth, and expanding employment.

And I am certain that almost every person in this room would tell me that one of the greatest frustrations encountered by small businessmen today is the paperwork burden. I am speaking specifically of the cost and time consumed filling out government forms.

Some of you know I've been deeply involved in the fight against the paperwork burden for nearly three years. Through the Small Business Committee, I've investigated the problem, reported its dimensions and proposed a number of remedies to ease the burden.

In these investigations, I've learned that form requirements are costing small business some $18 billion a year. Seventy percent of that total cost is imposed upon small business by Federal form requirements, more than 26 percent by state form requirements, and 1.25 percent by city hall form requirements. These are overall figures which vary from region to region. But, in general, the bigger the state, the more paperwork it requires of the small business within its borders.

Moreover, this is a burden which falls not only on the small businessman himself, it also falls upon the consumer, for part of the cost is ultimately borne by the buying public. This results in price increases, thereby contributing to inflation, and it makes small business less effective in competing with the giants of industry.

So I have tried to come up with some sound recommendations as to how best ease that burden, and I can report that progress is being made.

Last year three other Senators and I succeeded in getting a bill passed to set up a Federal Commission on Paperwork. We in Congress have named our members, and I am privileged to be one of those named. As soon as the White House names five additional members from the Nation's business community the Commission can begin its work in making recommendations to lessen the paperwork burden.

I am also planning to reintroduce legislation that would allow the Social Security Administration to change its quarterly wage reporting requirements to an annual requirement. The Social Security Administration initially opposed this recommended change, but I can report to you today that it now supports my legislation. I estimate this change alone can save small business about $250 million a year.

And speaking of taxes, for the first time since the Small Business Committee was founded 25 years ago we now have a three-step corporate income tax. We have a doubling of the "surtax exemption," the first increase since 1950. For this year and next year, businesses will enjoy a 10 percent investment credit and small business can apply the credit to $100,000 of used machinery instead of $50.000. For all future years, the Act increases permissible accumulated earnings from $100,000 to $150.000.

I would hope we can preserve and extend these advances.

Much work needs to be done in order to bring specific and convincing evidence of the merits of small business tax legislation before the Congress, the press and the public. The organizations here today have already begun this effort.

Our Small Business Committee will formally begin its in-depth study of the business tax system with public hearings on June 17, 18, and 19. We hope to lay down an official record that makes a sound case for tax equity for smaller and medium-sized independent businesses and the logical and resulting strengthening of our free enterprise system.

This is a task that will require even more of a cooperative effort than before, among your organizations and between the private sector, the Congress, and the Executive. For all of these reasons, we welcome you here and are looking forward to listening to your 1975 "Washington Presentation" on small business tax reform.

SECOND SUPPLEMENTAL APPROPRIATIONS ACT, 1975

Mr. TAFT. Mr. President. I am pleased to see that the supplemental appropriations bill includes $54.6 million to help fulfill the community development needs of "nonentitlement" communities within standard metropolitan statistical areas. However, I think it is also important that we realize the limited nature of the appropriation proposed and the problems underlying it.

The need for this appropriation is obvious. In large part because about seven times as many urban counties are expected to participate in the program as anticipated, these other communities have been left without community development funds for this fiscal year. I understand that the demand for community development funds from the

SMSA communities which have been left high and dry is at least several times the amount we are appropriating. Many of these communities were counting on community development funding to enable them to carry on urgently needed community projects.

The $54.6 million will help to fulfill these needs and it is the entire remaining unauthorized community development amount. However, it is obviously small relative to the demand for these funds.

Furthermore, this appropriation does not help communities outside of standard metropolitan statistical areas. Although these communities' funding was not impacted under the law by the urban county situation, their demand for funds also far exceeds the supply available. I understand that the demands from those non-SMSA communities not entitled to "hold harmless" amounts is about $1.5 billion, but the money available to fulfill these demands is only about $200 million.

These problems might be alleviated to some extent by increases in overall appropriations for the program. However, the problems are also ample evidence that provisions of the authorizing legislation which allocate money among different types of communities and governmental entities should be reassessed. The needs of smaller communities throughout the Nation in particular and their place in this program and others, would seem to merit further attention. It appears that these communities may have been much better off under the categorical grant programs, and the water and sewer program in particular, than they are now under community development.

I still strongly support the community development concept and program, but it appears that Congress may have to make changes so that the range of Federal program works as well as possible for all types of communities.

"SELECTIVE DÉTENTE"—A CLOSER LOOK AT EAST-WEST RELATIONS

Mr. HUMPHREY. Mr. President, the recent exchanges with the Soviet Union have offered encouragement to many hoping for the liberalization of Soviet restrictions on human rights. Yet, Mr. F. Stephen Larrabee, of the research staff of Radio Liberty, in his well-researched and thoughtful article entitled, "Détente and Human Rights," points to evidence that:

> The Soviet pursuit of détente on the international level has been accompanied by a harder line internally and increased restrictions on human rights and personal freedom.

While I join in the praise for improved political relations with the Soviet Union, I think we must, at the same time, encourage attention to the need to liberalize the restrictions on basic human rights in that country. It is incumbent upon those who lead the execution of U.S. foreign policy to respect the humanitarian objective of social liberalization, while pursuing the goal of political détente.

In view of the timeliness and importance of this article, I would like to recommend it to my colleagues and ask that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DÉTENTE AND HUMAN RIGHTS

(By F. Stephen Larrabee)

SUMMARY

Despite Soviet interest in international détente there has been a hardening of the internal line and further restriction of freedom of speech and other human rights. This process is outlined here with its implications for détente—particularly the Western desire for more "free flow of people, information, and ideas" which formed the core of "Basket Three" at the European Security Conference in Geneva.

The gradual emergence of an atmosphere of détente in the 1970s has served to focus increased attention on the question of human rights and freedom of expression. This question, as Leo Labedz has rightly emphasized, goes to the very heart of the question of détente, because since the Renaissance freedom of thought and expression have been the cornerstone of Western culture traditions.[1] Thus, what is involved is a fundamental principle of the Western heritage—its very cultural identity. At the same time, the emergence of a new atmosphere of détente has served to highlight the differences in view on the question of human rights and freedom of expression between the West, on the one hand, and the Soviet Union and its allies on the other. More than anything else, in fact, it has underscored the degree to which the European continent still remains divided despite the important changes that have occurred in East-West relations over the last decade or so.

When the process of détente first began to gather momentum in the mid-1960s, there were many in both the East and West who sincerely hoped and believed that it would lead to an eventual internal liberalization of the regimes in the Soviet Union and Eastern Europe. Indeed, at that time this was one of the main rationales behind détente.[2] And for a short while it seemed as if these goals might be realized, albeit slowly. There was a certain degree of liberalization of life in the social and economic realm, particularly in Eastern Europe. The Soviet intervention in Czechoslovakia however dashed initial hopes that the fledgling attempts by some of the East European regimes to develop a greater degree of internal autonomy might continue and even be expanded. The invasion demonstrated unmistakably that the Soviet Union had no intention of allowing détente on the international level to be combined with détente in domestic affairs, that is, with increased freedom of speech and a pluralization of domestic political forces which might threaten the monopoly of the party.

The Soviet invasion of Czechoslovakia was an important watershed. While it did not end progress toward détente on the international level—i.e., between states regardless of their social system—it did have a significant effect on Soviet internal policy as well as Soviet policy toward Eastern Europe. In effect, as J. F. Brown has astutely pointed out,[3] the invasion marked the official end of the Khrushchev era, that is, an end to the penchant for experimentation and the relatively open atmosphere that had existed in some East European countries (and to a lesser degree in the Soviet Union itesif) during the latter years of Khrushchev's rule, and which in some countries like Czechoslovakia had continued on even after Khrushchev's removal in 1964. What followed in the wake of the invasion was a broad "counterrevolution" (to use Brown's term) aimed at imposing a new cohesion and orthodoxy both at home and abroad.

Footnotes at end of article.

This "counterrevolution" has been marked, above all, by a hardening of the internal line both in Eastern Europe as well as the Soviet Union.[4] Thus détente on the international level has been accompanied not by a loosening of controls and greater freedom of expression, as was initially hoped, but by the opposite—an internal tightening and greater restrictions on freedom of expression. A detailed analysis of this process which does justice to its full scope cannot be given here. However we can broadly summarize its main features within the Soviet Union as follows: (1) an increase in the power and authority of the secret police; (2) a harsher cultural policy; (3) a wateringdown of the economic reform; (4) an increased emphasis on patriotism and Russian nationalism; (5) a greater stress on ideology and the sharpening of the ideological struggle; (6) a crackdown on dissent and nonconformist views.

Of interest here are the latter two elements. Since 1968 there has been a reassertion of ideology and a renewed emphasis on its importance both within the Soviet Union and the bloc as a whole. As one authority has put it: "A deliberate effort has been made to 'depoliticize' life by 'reideologizing' it."[5] In his speech to the 24th Party Congress at the end of March 1971—a speech which officially sanctified the policy of "Peaceful Coexistence" with the West—Brezhnev also called for an "ideological war" against "revisionism" and "bourgeois ideology"![6] Brezhnev's speech to the Congress marked the beginning of a new campaign for ideological vigilance. It is important to note in this connection that "Peaceful Coexistence" is regarded as applying solely to the relations between states and is in no way seen to affect the ideological sphere. Rather than leading to a reduction in ideological differences, in fact, détente is, seen as requiring a sharpening of the ideological struggle.[7] Although the correlation of forces in the international arena is seen as having shifted in favor of the socialist camp, this has not ended the competition between the two systems. Rather, according to Soviet ideologists, it has made the West more desperate and devious in its attempt to subvert the socialist camp. The West is now seen as trying to achieve by "peaceful infiltration" what it failed to achieve by more "aggressive" means in the past. As Michael Suslov, long-time member of the Politburo and the chief Soviet ideologue, noted:

> I must stress, comrades, that in all our ideological work we must permit no weakening of any sort in the struggle against reactionary bourgeois ideology. With the changes in the world situation in favor of socialism, the hopelessness of any attempts to bring military, economic, or political pressure to bear on the Soviet Union or the socialist commonwealth as a whole becomes more and more obvious. This being the case, the struggle becomes more and more acute in the area of ideology, *an area in which there is not, and cannot* be, *peaceful coexistence between socialism and capitalism.*[8]

The Soviet Union has stressed time and time again that "Peaceful Coexistence" is but one form of the class struggle.[9] This struggle has by no means ended. Rather, it has simply shifted to another area—to the ideological sphere—because in the nuclear age the continuation of the struggle by military means would risk the annihilation of all participants.

As the movement toward improved East-West relations has intensified, therefore, the Soviet Union has initiated a stepped-up campaign against a "free flow of information and ideas," a concept which has formed the core of the Western demands in the so-called "basket three" at the Security Conference in Geneva. The Western concern for a freer flow of information has repeatedly been decried by Soviet ideologists and apparatchiks as a "cover for winning freedom for propaganda hostile to socialism" and is accused of being aimed at "weakening and undermining the Soviet state by injecting into our peoples' minds the poisoned ideology of anti-Sovietism."

As one Soviet commentator recently charged: "The slogan of the free exchange of ideas, extensively proclaimed by certain Western circles, is in fact being used by them as a screen to cover their ideological intervention against the socialist and other sovereign states."[11]

The attempt to "compartmentalize" détente and exclude the issue of human rights from it has been manifestly evident in the Soviet resistance to Western demands in regard to "basket three" at the Security Conference itself. While the Soviet Union has lately shown greater willingness to allow a slight increase in cultural contacts in an effort to see the Security Conference brought to a rapid conclusion, this has generally been in the area of official exchanges—that is, exchanges which could, and would, be government sponsored and controlled. The Soviet authorities, however, have continued to resist the Western demands for greater freedom of travel on an individual basis. Other areas where there still remains no basic agreement include the question of jamming, working conditions for journalists, especially the question of expulsion and what constitutes "improper" reporting, and the Western request for reading rooms in the USSR, a request which the Soviet government has strongly resisted.

Within the United Nations the Soviet Union has also continued to press for an accord which would limit the scope for the use of satellite television, arguing that any unrestricted "free flow" would be a violation of legitimate state interests.[12] As with the question of emigration (which has undergone a significant decline in the last year or so),[13] the Soviet resistance to satellite television has rested on the argument that such unrestricted broadcasts would constitute a direct "interference" in the internal affairs of sovereign countries. In fact the Soviet proposal put before the UN to limit the scope of satellite television contains such vague formulations that they could be applied to restrict almost any broadcast deemed undesirable by the Soviet Union.[14]

The Soviet attempt to restrict the free flow of information has been particularly evident in the decision to sign the Universal Copyright Convention. While at first this was greeted by some in the West as an important breakthrough for the advocates of increased freedom of expression, it soon became evident that the opposite was the case. The revised copyright decree passed in February 1973 facilitates control over all works and means that an author who does not have official permission (which, of course, can be withheld if the work is found "unacceptable" to Soviet officialdom) can now be prosecuted under Soviet law. Thus the revised Soviet copyright statute contains the legal machinery to halt the foreign publication of authors who for ideological reasons are not published in the Soviet Union. As The New York Times rightly pointed out at the time, the Soviet decision was not a move toward increased liberalization but rather an attempt "to turn tight domestic censorship into effective international censorship."[15]

Such moves have been accompanied by an intensified crackdown on dissent within the Soviet Union.[16] The first signs of this crackdown began just a few months before the 24th Party Congress with the trial of Vladimir Bukovsky, a young Soviet dissident. Bukovsky's trial was followed by the suppression of the journal. The Chronicle of Current Events, the arrest of a large number of intellectuals in the Ukraine,[17] and the forced expulsion of a number of leading Soviet dissenters, the most prominent of whom was Aleksandr Solzhenitsyn. Even Andrei Sakharov, the Soviet physicist and "father of the Soviet H-bomb," who was long immune from attack, has lately been harassed. The most recent example of this crack-down on dissent has been the detention and arrest of several members of the worldwide human rights organization, Amnesty International, at the end of April 1975.[18] To be sure, these moves have by no means eliminated dissent in the Soviet Union. They have, however, succeeded in neutralizing many of the leading figures of the so-called "Democratic Movement" and intimidating many sympathizers who otherwise would have been bolder in expressing their sympathies.

While the above survey is by no means extensive, it does indicate the degree to which the Soviet pursuit of détente on the international level has been accompanied by a harder line internally and increased restrictions on human rights and personal freedom. At first glance this may seem somewhat paradoxical. For the Soviet leadership the pursuit of improved relations with the West has increased the danger that this may lead to a greater influx of Western ideas and a lowering of ideological vigilance. The Soviet Union, therefore, has attempted to contain this danger by combining a more flexible policy with a harder line domestically. This policy of "selective détente" has focused attention more than ever on the need for a genuine "free flow of people, information, and ideas," for as one concerned observer of East-West relations has with some justification noted, "unless the West defends its own cultural values, such values may be lost not only in the East but also in the West."[19]

FOOTNOTES

[1] In an excellent essay on the relationship of détente and culture, "Shadows over Helsinki," *Encounter*, June 1973, pp. 80–92.

[2] See for instance Zbigniew Brzezinski's influential book at the time, *Alternative to Partition*, New York, 1965, which outlined the basic tenets of what was later to become the US policy of "bridge building." The assumption was also implicit in the initial conception of the West German "Ostpolitik," particularly as it was pursued under the direction of Erhard's Foreign Minister, Gerhard Schroeder.

[3] See his perceptive article, "Détente and Soviet Policy in Eastern Europe," *Survey*, Spring-Summer, 1974, pp. 46–58.

[4] For a detailed discussion of the hardening of the internal line in the Soviet Union see Wolfgang Leonhardt, 'The Domestic Politics of the New Soviet Foreign Policy," *Foreign Affairs*, October 1973, pp. 59–74; and by the same author, "Sowjetische Innenpolitik seit Chruschtchows Sturz," in Richard Löwenthal and Heinrich Vogel (eds), *Sowjetpolitik der 70er Jahre*, Stuttgart, 1972, pp. 55–97. For the internal tightening in Eastern Europe see F. Stephen Larrabee, "Die sowjetische Politik in Osteuropa und das Problem der Entspannung," *Europa Archiv*, No. 8, 1973, pp. 274–82 and Labedz, "Shadows over Helsinki," *loc. cit*.

[5] Brown, "Détente and Soviet Policy . . .," *loc. cit.*, p. 54.

[6] *Pravda*, March 31, 1971.

[7] A detailed discussion of the Soviet ideological position cannot be given here. For a more comprehensive treatment see Klaus Mehnert, "Ideologischer Krieg trotz Koexistenz—sagt Moskau," *Osteuropa*, January, 1973, pp. 1–8. For a Soviet view of the relationship of Peaceful Coexistence to the ideological struggle designed for Western audiences see Michael Voslenski, "Friedliche Koexistenz aus sowjetischer Sicht," *ibid.*, November, 1973, pp. 848–55. For a more recent view by the same author see his "Klassenkampf—Kalter Krieg—Kräfteverhältnis-Koexistenz," *Osteuropa*, April 1974, pp. 259–69 and the rejoinder by Klaus Mehnert in the same issue, "Friedliche Koexistenz—eine Deutsche Meinung," pp. 270–4.

[8] *Pravda*, June 21, 1972; emphasis added.

[9] Thus the third edition, volume 16 of the *Large Soviet Encyclopedia* published in 1974 defines Peaceful Coexistence as "a form of the class struggle between Socialism and Capitalism in the international arena . . . the basic conflict between the two opposing social and economic systems is transferred from the plane of military clashes to the sphere of economic rivalry and to the confrontation of political systems and ways of life and the opposition of ideologies."

[10] I. Yakushevsky in *Leningradskaya Pravda*. December 27, 1974.

[11] E. Baskakov, *Sovetskaya kul-tura*, February 25, 1975.

[12] *International Herald Tribune*, November 5, 1974.

[13] In the first three months of 1975 only 2,313 Jewish immigrants arrived in Vienna the first point of arrival for emigrants from the Soviet Union. This is about half the number that arrived last year during the same period and about one quarter of the number in 1972 and 1973. *Frankfurter Allgemeine Zeitung*, April 21, 1975.

[14] One of the clauses, for instance, states that the broadcasts have to serve the cause of "peace, progress, and mutual understanding."

[15] *The New York Times*. March 21, 1973.

[16] Unfortunately only the briefest mention of the rise of dissent in the Soviet Union can be given here. For a good succinct overview of the dissent movement and the views of its leading personalities see Abraham Brumberg. "Dissent in Russia," *Foreign Affairs*, July 1974, pp. 781–98.

[17] The campaign in the Ukraine was particularly intensive and is a subject in itself. For a comprehensive treatment see Bogdan Bociurkiw, "Soviet Nationalities and Dissent in the Ukraine." *The World Today*, May 1974, pp. 214–26.

[18] *The New York Times*, April 20, 1975. It is important that one of the members whose apartment was searched, Valentin Turchin, stated that he felt that the action had been undertaken because the KGB seemed to believe that the West was losing interest in the fate of the dissidents and the issue of human rights in the Soviet Union.

[19] Labedz, "Shadows over Helsinki," *loc. cit.*

REFUGEES, BLOODBATH, AND DISTORTION

Mr. McGOVERN. Mr. President, sometimes I despair over the misinterpretation of one's public position that is executed through deliberate distortion by political enemies combined with careless or subservient interpretive reporting by the press. A case in point is my own publicly expressed conviction that most of the Vietnamese refugees who fled to this country in panic would be better off in their own country.

I continue to believe that our official spokesmen did a great disservice to the refugees by terrifying them into flight after widespread warnings that there would be a massive slaughter of the civilian population if the opposition forces won.

This did not happen to Americans in the 1860's after our own Civil War, although it was as bitterly fought as the Vietnamese civil war. Nor did it happen to those who fought successfully on the French side in Vietnam 20 years ago.

But in panic over a final bloody battle

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for Saigon that never materialized or in fear that Madame Binh and her associates would slaughter their fellow Vietnamese after assuming power, thousands of people put out to sea.

Of course we should receive them and make their reception here as decent as possible. But we should also recognize that just as God did not mandate us to kill the Vietnamese for 20 years in order to save them, neither did He mandate us to save them by scaring them out of their own land.

All I have ever proposed is that we make a survey of the Vietnamese refugees to learn how many wish to return, provided we arrange their transportation and negotiate an acceptable basis for their return with the new government in Saigon.

This commonsense proposal, which the Senate later approved unanimously, was first described by one Senator as a "people killing measure." And even a thoughtful, normally careful reporter, Bill Moyers, implied in Newsweek, May 19, that my statement was representative of the "hostility on the mainland to the coming of the refugees." Although I had painstakingly stressed that not one single refugee should be sent back who did not so request it, Mr. Moyers wrote:

> Sen. George McGovern has urged that the refugees be sent back to Vietnam "where they would be better off."

If Mr. Moyers is the man of integrity I believe him to be, he will correct this misinterpretation in a subsequent issue of Newsweek.

Meanwhile, I would like to suggest a good theme for a future column by Mr. Moyers or some other enterprising reporter:

> Whatever happened to that long predicted bloodbath in Saigon?

I ask unanimous consent that the full text of Mr. Moyers' article be printed in the RECORD:

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BECAUSE THEY'RE DOWN THERE

(By Bill Moyers)

OAHU, HAWAII.—Like most crisis centers that I have seen, this one is hardly as dramatic as the events that created it. It is quiet. All the men who sit around the heavy rectangular table, or study the charts on the wall, or talk in low voices into black telephones to ships at sea thousands of miles away do not have about them an air of high moment. They are tired.

There are no windows. If there were, they would let in the mid-May light of a brilliant Pacific sun. Instead, sixteen fluorescent panels in the low ceiling give the tan walls that sale and cheerless neutrality of a Holiday Inn conference room where traveling salesmen meet to discuss quotas.

A conference room it is. PACOM LOGISTICS CONFERENCE ROOM reads the sign on the door, and usually the men who sit around the table are here to coordinate the delivery of materiel and personnel to military forces throughout the 94-million-square-mile area that is the theater of operations for the United States Pacific Command. Recently for these men, however, working in this small room in the headquarters of Camp Smith, on a hill above Pearl Harbor, has been an unsettling experience. For they have been overseeing an evacuation under stress.

THE LAST SHUTTLE

Ever since Saigon collapsed they have been working around the clock to direct support for Americans and Vietnamese fleeing the end of a war. Each day they plot the movement of some 40 ships and a hundred airplanes that make up this last shuttle of a lost cause. These military men served in Vietnam and it is not easy to see it end this way. They believed in the assignment. They were told they were saving a nation. Now it is over. It has come down, finally, not to saving a nation but to saving thousands of desperate people who bet the wrong way. It has come down to finding and airlifting to refugee camps on Guam 50,904 cots, 3,038 tents, 26,803 mess kits, 5,925 water cans, 200,000 yards of mosquito netting, 2,500 short tons of rice, and twenty loudspeakers. And it is not easy to take. "I was an adviser there," one of the colonels says, pointing his finger at a small dot on a map of Vietnam. "A lot of my ARVN buddies got it right there. I just keep wondering what they would think now."

Yet I sense no bitterness in the room. There is no time for it. Yesterday a "bubble," as they call it, arrived in Subic Bay in the Philippines—a flotilla of 20,000 Vietnamese on junks and other small craft, swarming toward the American navel base there. Within hours they were loaded onto American ships heading for Guam, and the men at Pearl are busy planning for their onward movement to the United States. "We don't want them to stay on Guam long," Col. Irvin Hylton says. He is the duty officer today. Soon he will be going home to Virginia, to his daughter's marriage. First he wants to get the refugees to America. "The longer it takes," he says, "the harder it will be to assimilate them when they arrive."

WE'D BETTER GET WITH IT

The men in this room have become personally involved in the fate of those people on the boats out in the Pacific. "There was some bickering and tempers flared as we tried to get organized in here," Colonel Hylton says, "but then we realized those were human beings in trouble and we'd better get with it quick. The hardest thing to decide was whether to let the soldiers who were coming out maintain unit integrity. Those who came out with their buddies wanted to stay together, naturally. Combat does that. But we have to treat them as individual refugees—what do you do with a unit back in the States? The decision was to break them up. What gets you is that this is exactly the opposite of what we tried to teach them for ten years. We kept saying—stay together, stay together. Now we have to tell them they're on their own again."

Not altogether. One of the men at the table, Col. Richard van Ness, from upstate New York, has brought to his home in Honolulu the family of an ARVN officer who once saved his life. "We were friends. Drank together. Went around together. And when I heard what was happening I got on the telephone from here and got his family out with him. I've signed the papers to be their sponsor until they land on their feet. You just don't say, 'Sorry, buddy, we lost,' and then walk away."

Another officer, Comdr. Larry Lavely, from Cincinnati, has brought fifteen Vietnamese—seven children and eight adults, including a former province chief—to his home in Hawaii. The commander wept when he saw them get off the plane. "My neighbors put some of them up at night and we all have meals together in my place," Lavely said. "I'm usually on duty at night, so I have days to help out. Who pays for the food? My wife and I do. It's the least we can do. The real problem is that some of them intend to go to Montreal and have to tackle yet another immigration service. I'll work it out, though." And I think to myself: he will.

If there is no bitterness in the room, there is bewilderment toward reported hostility on the mainland to the coming of the refugees. Sen. George McGovern has urged that the refugees be sent back to Vietnam "where they would be better off." This riles a colonel, who says: "If they had thought so, they would have stayed there in the first place." Another has heard of a speech George Meany made, urging Americans to open their arms to receive the Vietnamese. "That tough old sonuvabitch is a real man," he says.

THE VIEW FROM THE BRIDGE

I point out that the skeptical comments reflect concern over unemployment and some feeling that many of the Vietnamese had bought their way out, but I also express the belief that only a minority of people will fail to welcome the refugees. "I hope so," Colonel Hylton answers. "You just have to understand what the skipper of one of our ships out there does when he looks down from the bridge and sees all those oustretched hands reaching up toward him. He doesn't ask whether the people were heroes or cowards, whether they were for or against us. He's only got one choice, actually."

What?

"He has to take them."

Why?

"Because—because they're down there, that's why."

THE EMERGENCY EMPLOYMENT APPROPRIATIONS ACT OF 1975

Mr. BENTSEN. Mr. President, last Friday, the Senate agreed to the conference report on H.R. 4481, the Emergency Employment Appropriations Act of 1975. The measure is comprehensive in scope, providing funding for a broad range of programs which will quickly generate employment across the land, and I strongly urge the President to sign it.

In completing work on this legislation, the Congress worked under two constraints. Both Houses were acutely aware that they were working under budget limitations required by the Budget Reform Act. Moneys now appropriated must fall within the budget ceiling we recently approved, or we will soon find ourselves having to cut from other vitally important programs or going on record in favor of even larger deficits. During floor consideration of H.R. 4481, we were assured by members of the Budget Committee that the budget resolution had been drafted to include the funding appropriated in this measure, and restraint was shown in making sure that the limits set in the budget resolution were not exceeded.

Congress was also constrained in its deliberations by the threat of a Presidential veto. Several months ago, the President requested funding for public service jobs and summer youth employment. We have essentially approved the President's requests for those two programs, but we have also concluded that much more can and must be done to help put this Nation back to work.

H.R. 4481, provides $1.625 billion for approximately 310,000 public service jobs during the next fiscal year. Under the Comprehensive Employment and Training Act, those jobs are far from make-work projects. The funding will provide employment in education, law enforcement, health, and transportation services.

All across the country, State and local governments are being squeezed between drastically falling revenues and a swelling demand for welfare and other social services. Governors and mayors are being forced to cut back on those services, and in the process of trying to balance their budgets, are being forced to lay off tens of thousands of public employees.

What is important to stress is that the funding for the public service employment programs will not only put some 310,000 Americans back to work. It will also help to insure the continuation of vital public services in a number of communities.

H.R. 4481, also provides $458 million for summer youth employment. That should generate some 840,000 jobs in the coming months for America's teenagers, and I believe that providing for those jobs is absolutely essential.

The unemployment rate among disadvantaged youth has already reached 40 percent, and in many of our urban neighborhoods, the percentage is much higher. The figure will certainly mushroom when the school year ends next month, and I quite honestly fear the consequences of such widespread idleness. America's young men and women want to work, want to gain employment experience, and want to contribute to the welfare of their families. I want to see those goals achieved, and I believe the legislation we have sent to the President will help to insure that they are attained for many.

H.R. 4481 also provides $119.8 million for part-time employment under the college work-study grant program. The cost of a higher education has soared during the past half decade, and next year, many colleges and universities will raise their tuition and fees 10 percent and more. Such increases will undoubtedly force many students to drop out of their college studies, and with costs likely to continue their rise, the likelihood of the students' return will become dimmer each year.

The dreams of countless parents and children will be shattered in the process. I do not believe that we as a society can revert to a system of higher education only for those whose families can afford it. The work-study program has enabled tens of thousands of young Americans to complete their education, and next year, more than ever, the jobs it funds will be absolutely essential. The appropriation for an expanded work-study program is a vital addition to H.R. 4481.

I was also particularly pleased that the conference report contained $30 million for several key employment programs for older Americans. With some $12 million remaining from a previous appropriation for this fiscal year, about 12,700 jobs for low-income persons aged 55 and over will be supported.

That, of course, will provide for only a fraction of the needs of our older workers. They have borne the real brunt of this past year's double-digit inflation and recession, and I am hopeful that more can be done for them in the fiscal 1976 appropriation.

H.R. 4481 also contains funding to accelerate a wide variety of public construction projects. In many instances, these projects have already been approved. The money provided will simply permit their construction and completion ahead of schedule.

The President has expressed serious reservations about this accelerated funding. I would, however, strongly emphasize that the projects in question are precisely those which can put tens of thousands of men and women back to work.

Unemployment among construction workers nationwide is 24 percent, but it is even higher in many key cities. No less than 49 percent of Miami's construction workers are unemployed. In Phoenix, the figure is 40 percent; in Cincinnati, 32 percent; in Newark, 32 percent; in St. Paul, Minn., 30 percent; in St. Louis, 24 percent; in Milwaukee, 23 percent; and in Philadelphia, 20 percent.

Might I remind the President that they are costing this Nation roughly $4,500 a year in unemployment compensation per man, and they are contributing nothing to public revenues. Their unemployment also translates into unpaid mortgages, unmet car payments, and mounting medical debts for illnesses to serious to be postponed.

Those men and women want to work, and we as a nation have numerous projects for them to undertake. Water treatment facilities, reclamation projects, building construction, and reforestation are all vitally needed in many parts of America. The funding we provide in this bill will hardly meet those needs or put every construction worker back on the job, but it is an essential start.

I again urge the President to sign this vitally needed jobs bill. The Congress has indicated that it will not accept 8 million unemployed throughout the next fiscal year, and I do not believe the President should, either.

SENATOR WILLIAM L. SCOTT'S NEWSLETTER

Mr. WILLIAM L. SCOTT. Mr. President, our office is mailing our regular newsletter to constituents this week, and I ask unanimous consent that a copy be printed in the RECORD for the information of my colleagues.

There being no objection, the newsletter was ordered to be printed in the RECORD, as follows:

NATIONAL DEFENSE AND FOREIGN AFFAIRS

Congress has under consideration the annual military procurement bill and, at the time of this writing, 21 printed amendments. The primary purpose is to authorize appropriations for procurement, research and development, test and evaluation of military equipment and supplies; to authorize personnel strengths for the military services; and to authorize military training for students and active and reserve components of the armed services. It is not intended, however, that there will be any votes prior to the end of the Memorial Day recess or that a vote on final passage will occur for more than a week thereafter. This will give members of the Senate the opportunity to consider the 190-page report carefully before voting on the bill or its various amendments.

Of course, the measure came from our Armed Services Committee and I generally support the concept of providing the military services with all necessary weaponry and equipment. The need to be prepared at all times was illustrated by the seizure of one of our merchant ships some days ago and the rescue of the American crew, as well as the ship. Of course, our concept of freedom of the high seas dates back to the Tripoli wars when Barbary pirates were plundering American shipping during the late 18th century. It is hoped that the recent action will tend to restore American prestige and be notice that our country is prepared to protect American citizens' rights during the post-Vietnamese period. There has been a conflict, however, for many years between government spending for defense and spending for social programs. Some feel that a strong national defense is essential to the security of the country and to assure that citizens will be free within our Democratic society to discuss and advocate social programs they consider to be in the national interest.

In my opinion, if we give priority to social programs we could be vulnerable to attack from outside the nation and lose the right of self-determination we all desire. I would hope, however, that we can encourage other freedom-loving nations to work with us in maintaining freedom from aggression rather than continue our effort to police the entire world as we have endeavored to do over the past several decades. Attempting to provide assistance to nations throughout the world may have contributed to our present economic difficulties and even have discouraged nations able to care for themselves, or to assist smaller nations from assuming their reasonable share of responsibility.

Within the defense budget there is also a conflict between the spending for necessary weaponry and spending for personnel related items. While some appear to believe that the cost of weapons and material have accounted for major increases in the defense budget in recent years, statistics indicate that over 75% of the increase in the defense budget since 1964 has been due to increases in military active duty pay, retired pay and other personnel related benefits. Therefore, if any significant reductions are to be made in the defense budget, it apparently must be done through cuts in manpower costs rather than weaponry, or simply put, a reduction in the number of military or civilian personnel. The conflict between expenditures for weaponry and material and personnel related costs will undoubtedly play a part in the general debate on the procurement bill and amendments thereto. My own views on sharing global responsibilities were indicated in a floor statement about 10 days ago, and a few days later on the conflict between spending for manpower and operation and maintenance versus spending for procurement and research and development.

Our office will be glad to furnish a copy of either statement to anyone who requests it. While it is my present intention to vote for the military procurement bill, I do want to consult with the committee staff and consider the report carefully with regard to individual items and amendments to the general bill. Your comments on this important bill will, of course, be welcome.

LORTON TRANSFER

A report was made in our last newsletter on a proposal to transfer the Lorton Penal Institutions from Fairfax County into the District of Columbia. Hearings are now scheduled on my bill for 10:00 a.m., June 17 and June 24, in Room 6202 Dirksen Senate Office Building. These will be open hearings and representatives of the State of Virginia, Fairfax County, the District of Columbia and the Department of Justice have been invited to appear and testify.

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You may, of course, share your thoughts on the proposal by writing directly to Mr. James G. Meeker, Staff Director, Subcommittee on National Penitentiaries, 6306 Senate Office Building, Washington, D.C. 20510, or by letting me know.

Memorial Day Recess

Congress will be in recess for the week following Memorial Day, which will permit me to visit around the state obtaining the views of constituents on matters of local concern and state and national issues. If you care to share a concern while we are in your area, I hope you will do so.

Plans contemplate meeting members of Chambers of Commerce and business leaders during the mornings and having open door sessions to talk with other constituents or groups during the afternoons.

The schedule is as follows:

Ingleside Inn, Staunton, May 27:

9 a.m. News Conference.

10 a.m. Conference with business leaders.

1:30 to 5 p.m. Open door discussions with other constituents or groups.

Holiday Inn South, Lynchburg, May 28:

9 a.m. News Conference.

10 a.m. Conference with business leaders.

1:30 to 5 p.m. Open door discussions with other constituents or groups.

Sheraton Motor Inn, Richmond, May 30:

9 a.m. News Conference.

10 a.m. Conference with business leaders.

Federal Building, 400 North 8th St., Richmond, May 30:

1:30 to 5 p.m. Open door discussions with other constituents or groups.

Talks are also scheduled before the Martinsville-Henry County Chamber of Commerce at 12:15 p.m. on May 29 and at the Hardin Reynolds Memorial School Alumni Association banquet, Patrick County, at 7 p.m. on May 31.

Consumer Advocacy Bill

The Senate passed a Consumer Advocacy bill a few days ago but the proposal has yet to be considered in the House of Representatives. It would create a new federal agency for the purpose of representing consumers before existing government departments, agencies, and the courts. As you know, similar proposals have been before the Congress for a number of years and proponents of the bill assert that the various government departments and regulatory agencies are unduly influenced by the business interests they are charged with regulating, or, in other words, that they are captives of the business community so that the consumer or the point of view of the public is not considered. The Consumer Advocate under this proposal could appear before any unit of government, except those which regulate labor and agriculture, present the viewpoint of the American consumer; and if the agency did not adopt the point of view of the Consumer Advocate, then the Advocate could appeal the agency decision on behalf of the consumer to the courts.

This appears to be an unnnecessary new federal agency; one which would do more harm than good by stirring up strife and litigation. Most of these agencies were created to fulfill a specific need and persons were appointed with expertise and knowledge in a specific field. They are quasi-judicial in nature and if, as suggested by the proponents, are not impartial and are not serving the public interest, then those in control of the agencies should be changed to persons who will represent the public interest rather than to create a new agency charged with the responsibility of seeing that existing agencies fulfill their functions.

Of course it is impossible to know the consumer point of view when we consider that all of us are consumers even though we may at a given time be a businessman or woman, a government employee, a clergyman or a member of any given group.

The President has indicated that he will veto the bill if it should be enacted by the House of Representatives in its present form and most of the mail received in this office has also opposed it.

One amendment I offered was to provide that the Attorney General, as the chief legal officer of the federal government, would be in charge of litigation brought by this proposed agency in the courts as he is with regard to general litigation by other government agencies and departments. It seems wasteful and divisive to have the Attorney General represent the regulatory agency taken to court by the Consumer Advocate at taxpayers' expense, and to have the Consumer Advocate represented by another office of government, again at the expense of the taxpayer.

There is no question that sometimes shoddy merchandise is manufactured and all of us have been disappointed at times with the action of a given department or agency of government. Yet there is no assurance that the new agency would represent our individual points of view or that it would be operated any more efficiently than existing agencies. Copies of my remarks on the bill generally, or on the amendment are available if you care to have them.

Panama Canal

Our mail continues to reflect Virginians' concern over the possible transfer of the Panama Canal to the government of the Republic of Panama. There appears to be opposition in the Congress to any change in our sovereignty over the Canal granted us by treaty in 1903. Some may forget that Panama owes its independence to the United States when the provisional government proclaimed its separation from Columbia in November 1903 with U.S. military forces standing by offshore. Shortly thereafter the new nation of Panama entered into a treaty with the United States granting us sovereignty over the Canal Zone in perpetuity. Economic benefits accruing to Panamanians from the Canal have helped give them the highest per capita income in Central America and the fourth highest in Latin America. You may be interested in knowing that I have co-sponsored a Senate Resolution urging retention of United States sovereignty over the Canal Zone and am hopeful that the Executive Branch will not take any action to weaken our position in the Canal Zone.

Voting Rights Act

Both Houses of Congress are presently considering whether to extend and expand the Federal Voting Rights Act. As you know, Virginia and various other states are required to submit every change in voting laws or in political subdivision boundaries to the Attorney General or the federal court in the District of Columbia for pre-clearance before the change is effective. This is a very frustrating and time consuming process, subjecting the actions of our state to review by the federal government of matters generally under control of the state.

In a recent statement before the Subcommittee of the Senate Judiciary Committee considering the proposal, it was pointed out that Virginia encourages all citizens to vote and no voting discrimination is practiced by the state government or any of its political subdivisions. In fact, it was argued that we would like to have as many citizens vote as possible and federal regulations sometimes hamper our state in its efforts to obtain greater participation. Should you like a copy of this statement, please let me know.

It is expected the full Senate Committee on the Judiciary will give consideration to the extension of the Voting Rights Act within the next few months. I have a number of amendments to offer, including one to change the date that determines whether a given state should be under the major provisions of the Act from the date of the presidential elections of 1964 or the presidential election of 1972. My amendment would substitute the later date.

Pamphlets Available

Our office has a supply of Agricultural Bulletins and if you would like copies of any of those listed below, they will be furnished upon request:

Calories and Weight, the USDA Pocket Guide.

Family Fare: A Guide to Good Nutrition.

More Wildlife Through Soil and Water Conservation.

Growing Bonsai.

A Guide to Budgeting for the Young Couple.

SOMETHING TO PONDER

"The great end of life is not knowledge, but action."—Thomas Henry Huxley.

William L. Scott,
U.S. Senate.

RECESS UNTIL 2 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 2 p.m. today.

There being no objection, the Senate, at 12:42 p.m., recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. Griffin).

Mr. McGOVERN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. McGOVERN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR—S. 920

Mr. McGOVERN. Mr. President, I ask unanimous consent that during the consideration of S. 920, the military procurement authorization bill, Alan Chvotkin and George Rucker, of the staff of Senator Abourezk, be given the privileges of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 144 and 145.

The PRESIDING OFFICER. Without objection, it is so ordered.

CERTAIN LAND OF THE UNITED STATES HELD IN TRUST BY THE UNITED STATES FOR THE PUEBLO OF LAGUNA

The Senate proceeded to consider the bill (S. 557) to declare that certain land of the United States is held by the United States in trust for the Pueblo of Laguna, which had been reported from the Committee on Interior and Insular Affairs, with an amendment.

On page 1, in line 9, strike out "less." and insert the following:

less;

Township 9 north, range 3 west, section 11, lots 1, 2, 3, 4, and 5, containing 9.65 acres, more or less;

Township 9 north, range 3 west, section 12, lots 1 and 2, containing 3.68 acres, more or less;

Township 9 north, range 3 west, section 14, lots 1 and 2, containing 4.72 acres, more or less;

Township 9 north, range 3 west, section 23, lots 1 and 2, containing 9.16 acres, more or less;

Township 9 north, range 3 west, section 26, lots 1 and 2, containing 9.28 acres, more or less; and

Township 9 north, range 3 west, section 35, lots 1 and 2, containing 3.41 acres, more or less.

So as to make the bill read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all right, title, and interest of the United States in and to the following described land, and improvements thereon, are hereby declared to be held by the United States in trust for the pueblo of Laguna:

New Mexico Principal Meridian

Township 9 north, range 3 west, section 30, northwest quarter and south half, containing 460 acres, more or less;

Township 9 north, range 3 west, section 11, lots 1, 2, 3, 4, and 5, containing 9.65 acres, more or less;

Township 9 north, range 3 west, section 12, lots 1 and 2, containing 3.68 acres, more or less;

Township 9 north, range 3 west, section 14, lots 1 and 2, containing 4.72 acres, more or less;

Township 9 north, range 3 west, section 23, lots 1 and 2, containing 9.16 acres, more or less;

Township 9 north, range 3 west, section 26, lots 1 and 2, containing 9.28 acres, more or less; and

Township 9 north, range 3 west, section 35, lots 1 and 2, containing 3.41 acres, more or less.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CONDEMNATION OF CERTAIN LANDS OF THE PUEBLO INDIANS

The Senate proceeded to consider the bill (S. 217) to repeal the act of May 10, 1926 (44 Stat. 498), relating to the condemnation of certain lands of the Pueblo Indians in the State of New Mexico, which had been reported from the Committee on Interior and Insular Affairs, with amendments.

On page 1, beginning with line 8, strike the following:

(b) The provisions of subsection (a) of this section shall be deemed to have taken effect as of July 15, 1974.

On page 2, beginning with line 1, strike out the following:

Sec. 2. All proceedings and actions pursuant to such Act of May 10, 1926 (44 Stat. 498), pending on July 15, 1974, or commenced on or after that date but prior to the date of the enactment of this Act, shall be held and considered to have terminated as of July 15, 1974, and thereafter to be of no force and effect.

And insert in lieu thereof:

Sec. 2. Immediately upon enactment of this Act, all proceedings and actions pursuant to the Act of May 10, 1926 (44 Stat. 498), pending on or commenced on the date of enactment of this Act shall be held and considered to have terminated as of the date of enactment of this Act, and thereafter to be of no force and effect: *Provided, however,* That nothing herein shall be interpreted as terminating or otherwise affecting any right of timely appeal (otherwise available but for the enactment of this Act) from any such proceeding or action in which a final decree or order has been entered before the date of enactment of this Act.

So as to make the bill read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to provide for the condemnation of the lands of the Pueblo Indians in New Mexico for public purposes, and making the laws of the State of New Mexico applicable in such proceedings", approved May 10, 1926 (44 Stat. 498), is hereby repealed.

Sec. 2. Immediately upon enactment of this Act, all proceedings and actions pursuant to the Act of May 10, 1926 (44 Stat. 498), pending on or commenced on the date of enactment of this Act shall be held and considered to have terminated as of the date of enactment of this Act, and thereafter to be of no force and effect: *Provided, however,* That nothing herein shall be interpreted as terminating or otherwise affecting any right of timely appeal (otherwise available but for the enactment of this Act) from any such proceeding or action in which a final decree or order has been entered before the date of enactment of this Act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

THE INDOCHINA MIGRATION AND REFUGEE ASSISTANCE ACT OF 1975—CONFERENCE REPORT

Mr. SPARKMAN. Mr. President, I submit a report of the committee of conference on H.R. 6755, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. Dole). The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6755) to enable the United States to render assistance to, or in behalf of, certain migrants and refugees, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the Congressional Record of May 20, 1975, at p. 15471.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the printing requirements be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPARKMAN. Mr. President, the conference report on the refugee assistance authorization bill represents a fair and reasonable compromise of the differences with the House. Let me explain briefly what the conference did.

There were four differences between the Senate and the House bills. These were on the amount of the authorization, the retrieval of foreign aid funds in the pipeline for Vietnam and Cambodia, specific authority for payment of return transportation for the refugees, and in the reporting requirements.

The Senate bill authorized the appropriation of $405 million in 1975 fiscal year, the amount of the appropriation bill which has already been signed into law. The House authorized $507 million without fiscal year limitation. The conferees agreed to an authorization of $455 million, without tying the authorization to any fiscal year. This will permit the President to come back to Congress for a supplemental appropriation of up to $50 million without further authorization, if this becomes necessary.

We had a difficult time with the House conferees on the Senate provision requiring the retrieval of foreign aid funds in the pipeline for South Vietnam and Laos. The House insisted that retention of that provision would have subjected the conference report to a point of order in the House since it was not germane to the bill as it passed the House.

The House germaneness rule has become a significant handicap to the Senate on bills handled by the Foreign Relations Committee, as I am sure has been the case with other committees. I would hope that the Senate leadership will study this problem to see what might be done to protect the prerogatives of the Senate before the situation becomes more critical.

In lieu of the Senate language the conferees agreed to include in the reports section a specific requirement that the President report periodically on progress made in retrieving foreign aid funds in the pipeline. The conferees fully expect that the President will make every effort to retrieve the maximum amount of these funds that is possible.

There was much discussion about the amendment of the Senator from South Dakota, Senator McGovern, relative to return transportation for the refugees. The House was adamant in its opposition to the provision. The Senate receded.

The statement of managers, however, makes it clear that there is ample authority to pay for the return transportation of refugees and that funds made available under this bill can be used for that purpose. Also, the periodic reports to Congress must contain information about the status of refugees who wish to return to their homeland. Under the circumstances, I believe that the conference agreement will insure that refugees are both made aware of their rights and that funds are made available for the fares of those who choose to return home.

Finally, the conferees agreed to a reporting requirement which is a combination of the Senate and House provisions. The Senate conferees believe that the requirement recommended will insure that Congress is kept fully and currently informed about the refugee program.

Mr. President, I hope that this conference report will clear both the Senate and the House today. Although the appropriation bill has been signed into law, due to a prohibition in last year's State Department authorization act, funds cannot be spent by the Department of State for the refugee program until this authorization bill is signed by the President. This is an urgent situation and I hope the Senate will approve the conference report promptly so that it can be sent on to the House.

Mr. JAVITS. Mr. President, there was a very close negotiation between ourselves and the House of Representatives. The compromises that were arrived at I think were eminently fair, and a very commendable sensitivity was demonstrated toward the refugees. That was so as to give them the best possible feeling about the hospitality of this country and the understanding that we are all a nation of immigrants and that in this kind of a catastrophe they are indeed very welcome here so long as they conform, as the overwhelming majority I know will, to our standards of relationship to each other and in relationship to our country.

The PRESIDING OFFICER (Mr. Dole). The question is on agreeing to the conference report.

The conference report was agreed to.

ORDER FOR ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stands in adjournment until 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE CONCURRENT RESOLUTION 42—PROVIDING FOR CONDITIONAL ADJOURNMENT OF CONGRESS FROM MAY 22, 1975, UNTIL JUNE 2, 1975

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. Mansfield, I send to the desk a concurrent resolution, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the concurrent resolution.

The legislative clerk read as follows:

S. Con. Res. 42

Resolved by the Senate (the House of Representatives concurring), That when the two Houses adjourn on Thursday, May 22, 1975, they stand adjourned until 12 o'clock noon on Monday, June 2, 1975, or until 12 o'clock noon on the second day after their respective Members are notified to reassemble in accordance with section 2 of this resolution, whichever event first occurs.

Sec. 2. The Speaker of the House of Representatives and the President pro tempore of the Senate shall notify the Members of the House and the Senate, respectively, to reassemble whenever in their opinion the public interest shall warrant it or whenever the majority leader of the House and the majority leader of the Senate, acting jointly, or the minority leader of the House and the minority leader of the Senate, acting jointly, file a written request with the Clerk of the House and the Secretary of the Senate that the Congress reassemble for the consideration of legislation.

Sec. 3. During the adjournment of both Houses of Congress as provided in section 1, the Secretary of the Senate and the Clerk of the House, respectively, be, and they hereby are, authorized to receive messages, including veto messages, from the President of the United States.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR H.R. 7136 TO BE HELD AT THE DESK UNTIL TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the message from the House of Representatives on H.R. 7136, an act to continue the special supplemental food program for women, infants, and children through September 30, 1975, be held at the desk until tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR STONE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the Senator from North Carolina (Mr. Morgan) is recognized tomorrow under the order previously entered, the Senator from Florida (Mr. Stone) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATO MEETING NEXT WEEK

Mr. JAVITS. Mr. President, I wish to note for the interest of the Senate that there will be a major meeting of the North Atlantic Treaty Organization heads of state next week. It will give us an opportunity in the post-Vietnam period to reaffirm our feeling in this country pertaining to NATO. I think it was clear even throughout the Vietnam period that NATO was a paramount regional security organization to which the United States adheres.

Our understanding is very clear that the peace of mankind, and most critically its freedom, depends upon the integrity and effectiveness of that organization.

In addition, the stakes are very great because an enormous part of the expenditure which we have for defense ultimately ends up within the NATO context, both in our own forces and in what we contribute to the NATO defense, in addition to the continued presence on the border between East and West Europe of important American forces.

Mr. President, with our President in Brussels for this meeting on the 29th and 30th of May, which is a very close time from now, I think it is critically important to affirm the nature of the alliance, our understanding of it, our adherence to it, our support of it, and our solidarity with the President as he negotiates to make it more efficient and more effective.

I have devoted a great part of my life to the implementation of the economic and social terms of so-called article II of the NATO treaty, which has definitely lagged as an element of free world security. Yet it is a critically important element, even if there is détente, as is shown by the emphasis which has been placed on the negotiations between ourselves and the U.S.S.R. and other Eastern European countries in respect to trade.

So, I hope, Mr. President, that we may find a way of expressing the feeling of our country that the NATO alliance is recognized as paramount and critical to us in terms of security and in terms of freedom. I hope that we not only adhere to it in letter, but in complete spirit, and that we take advantage of the opportunities, now that we have gotten the bone of Vietnam out of our throats, for the implementation of that alliance in all of its implications, not only military, which is so critical, but social and economic as well. It is very close to our hearts, and we thoroughly support it.

I call the attention of the Senators to the fact that I had the privilege of presiding as chairman over a committee of nine. We became rather popularly known as the "nine wise men." That was with respect to a continuing review of NATO. The committee made its report, at the end of 1973, and was almost prescience in its prediction, even of the oil crunch, of the measures which NATO had to take in order to perfect its arrangements for security and for economic and social cooperation.

I make this note in the Record, because the report is available. It is extremely useful. The nine-member committee was of a very high level, including the former head of the EEC, Dr. Hallstein, the former head of the Secretary General of NATO itself, Manlio Brosio, and other very distinguished men in the world of diplomacy and politics.

If any Senator desires a copy of this report, it is available at my office.

But more than anything else, Mr. President, I affirm the urgent need for an appropriate expression of support for our adherence to NATO, in letter and spirit, which is highly desirable, to support the position of the President as he negotiates next week in Brussels.

ELIGIBILITY OF FORMER POW'S FOR LAW SCHOOL

Mr. ALLEN. Mr. President, S. 1767, introduced by me on behalf of our distinguished senior colleague (Mr. Sparkman) is pending before the Committee on Armed Services. It seeks to amend the law so as to change a provision of law that operates to the detriment of prisoners of war in this respect.

There is an Air Force program that allows the Air Force to send to law school 25 members of the Air Force every year, provided they have been in service not less than 2 years, nor more than 6 years.

Two former prisoners of war, one from my home State of Alabama, have contacted me, pointing out that, in one case, the man was a prisoner of war for more than 4 years and his service in the Air Force has been longer than 6 years. He is not eligible to apply for this further education in the Air Force.

The purpose of this bill would be to remove his time of confinement as a prisoner of war from this 6-year period so that it does not operate to the detriment of the former prisoner of war.

The distinguished chairman of the Committee on Armed Service and the staff have considered the bill. Time is of the essence, because the Air Force makes its determination before the first of July. This does not give the appointment to anyone, but it merely removes the barrier that prevents prisoners of war, who have been such for a number of years, from even applying for this further education.

Mr. President, with that explanation, I ask unanimous consent that the Committee on Armed Services be discharged from further consideration of S. 1767 and that the Senate proceed to its immedate consideration.

The PRESIDING OFFICER. Is there objection?

Mr. STENNIS. Mr. President, reserving the right to object—and I shall not object—I wish to make a very brief statement.

I agree that the Committee on Armed Services be discharged from further consideration of the bill and that it be made eligible for disposition by the Senate.

This bill was introduced on May 19, which was Monday of this week. It came up for discussion on the floor of the Senate yesterday afternoon in connection with another bill, and I had not known until the Senator from Alabama mentioned to me that the bill had been introduced.

I have had it looked into by the chief counsel of our staff. As I understand, this proposal merely would amend existing law to the extent that a former POW, in his application, so far as computing the 6 years as provided in the present law is concerned, would be entitled to the benefits of the time he was a POW—of course, beyond his control or the Government's control—and it would not be counted against him in his application.

Mr. ALLEN. That is correct.

Mr. STENNIS. Is that the only purpose and the only extent of the change in the law?

Mr. ALLEN. That is the only extent. It does not give the appointment to anyone. It merely makes him eligible to apply, and it does not put the Government in the anomolous position of operating to the detriment of a prisoner of war by reason of his confinement as a prisoner of war.

Mr. STENNIS. One other question: This would not be controlling, but is it a fact that this does not add anything to the expense of this training, that the Government will not have to spend any more money?

Mr. ALLEN. Not one bit more. It would merely make him eligible for nomination or appointment.

Mr. STENNIS. To show that the meaning is in line with what the Senator from Alabama states, the chief counsel of our committee, Mr. T. E. Braswell, also thinks so; and he filed with me a written statement which contains this sentence:

> The provision would merely toll the period which an officer was in a missing status, for the purpose of computing the 6-year period.

Mr. ALLEN. That is correct.

Mr. STENNIS. The Senator agrees.

As I understand, this change would apply to a man who actually was a prisoner of war as well as one who was missing in action.

Mr. ALLEN. That is correct, yes.

Mr. STENNIS. Mr. President, I have no objection, and I will support the bill. I commend the Senator from Alabama for introducing the bill and for bringing it to the attention of the Senate.

Mr. ALLEN. I thank the distinguished chairman of the Committee on Armed Services.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

Mr. CURTIS. Mr. President, I commend the distinguished Senator from Alabama for bringing this bill forth, and I certainly support it.

I rose to ask whether the bill took care of someone in the status of a missing person as well as a known prisoner of war, and I understand that the Senator's answer to that is in the affirmative.

Mr. ALLEN. That is correct. That is the way it is worded in the bill.

Mr. CURTIS. In what connection is it necessary to compute the 6-year period? Does it have to do with the educational benefits?

Mr. ALLEN. The Air Force can name 25 of its officers every year to attend law school while still in the service. This is called the Goldwater bill. I might state that on the floor of the Senate yesterday, Senator Goldwater spoke in favor of this change.

It is provided that to be eligible for assignment, the person in the service has to have served at least 2 years, but he cannot have served more than 6 years. In the case of my constituent, he was a prisoner of war for 4 years; so the time that he served in the Armed Forces on active duty added to his prisoner-of-war period would go beyond 6 years, and he would not even be eligible to apply. The purpose of this bill merely is not to compute against him the time that he spent as a prisoner of war.

Mr. CURTIS. Mr. President, it seems to me that this is a matter of justice toward those who had the misfortune of being prisoners of war or missing in action.

Again, I commend the Senator from Alabama for presenting this matter.

Mr. ALLEN. I thank the Senator. I also thank the distinguished chairman of the Committee on Armed Services for his fine cooperation and assistance in the speedy handling of this bill.

Mr. STENNIS. Mr. President, as a further part of the legislative history, I suggest that it would be well to have the present law printed in the Record, and I ask unanimous consent for that purpose.

There being no objection, the material was ordered to be printed in the Record, as follows:

§ 2004. Detail of commissioned officers of the military departments as students at law schools

(a) The Secretary of each military department may, under regulations prescribed by the Secrteary of Defense, detail commissioned officers of the armed forces as students at accredited law schools, located in the United States, for a period of training leading to the degree of bachelor of laws or juris doctor. No more than twenty-five officers from each military department may commence such training in any single fiscal year.

(b) To be eligible for detail under subsection (a), an officer must be a citizen of the United States and must—

(1) have served on active duty for a period of not less than two years nor more than six years and be in the pay grade O-3 or below as of the time the training is to begin; and

(2) sign an agreement that unless sooner separated he will—

(A) complete the educational course of legal training;

(B) accept transfer or detail as a judge advocate or law specialist within the department concerned when his legal training is completed; and

(C) agree to serve on active duty following completion or other termination of training for a period of two years for each year or part thereof of his legal training under subsection (a).

(c) Officers detailed for legal training under subsection (a) shall be selected on a competitive basis by the Secretary of the military department concerned, under regulations prescribed by the Secretary of Defense. Any service obligation incurred by an officer under an agreement entered into under subsection (b) shall be in addition to any service obligation incurred by any such officer under any other provision of law or agreement.

(d) Expenses incident to the detail of officers under this section shall be paid from any funds appropriated for the military department concerned.

(e) An officer who, under regulations prescribed by the Secretary of Defense, is dropped from the program of legal training authorized by subsection (a) for deficiency in conduct or studies, or for other reasons, may be required to perform active duty in an appropriate military capacity in accordance with the active duty obligation imposed by regulations issued by the Secretary of Defense, except that in no case shall any such member be required to serve on active duty for any period in excess of one year for each year or part thereof he participated in the program.

(f) No agreement detailing any officer of the armed forces to an accredited law school may be enterd into during any period that the President is authorized by law to induct persons into the armed forces involuntarily. Nothing in this subsection shall affect any agreement entered into during any period when the President is not authorized by law to so induct persons into the armed forces. Added Pub.L. 93-155, Title VIII, § 817(a), Nov. 16, 1973, 87 Stat. 621.

Legislative History. For legislative history and purpose of Pub.L. 93-155, see 1973 U.S. Code Cong. and Adm. News.

UMI

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 1767) to amend section 2004 of title 10, United States Code, to provide that in computing the six-year maximum active duty service of any member of the armed forces for purposes of qualifying for being detailed as a student to a law school, any period of time such member was a prisoner of war shall be disregarded.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alabama that the Committee on Armed Services be discharged from further consideration of the bill and that the Senate proceed to the immediate consideration of the bill?

The Chair hears no objection, and it is so ordered.

The Senate proceeded to consider the bill.

Mr. ALLEN. Mr. President, on yesterday, in connection with the offering of this provision as an amendment, I inserted certain documentation in the RECORD; and I ask unanimous consent that that documentation be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

HENRY P. FOWLER, JR.

Henry P. Fowler, Jr. was born on March 6, 1939 in Washington, D.C. He is a graduate of Valley Forge Military Academy and The George Washington University, holding a B.A. in Sociology.

He entered Officer Training School in the U.S. Air Force and graduated in February, 1965 as a distinguished graduate. He received his commission as a second lieutenant and was subsequently given an Air Force regular commission by President Johnson.

Henry Fowler attended and completed pilot training and then completed F-4 fighter/bomber training where he graduated as the outstanding pilot.

On December 20, 1966 he was assigned to Ubon Royal Thai Air Base, Thailand. On March 26, 1967 his F-4C aircraft was struck by two surface to air missiles over Hanoi, North Viet Nam. He was taken prisoner on this date and returned to the United States in February, 1973, six years later. He returned with numerous awards and decorations which include the Silver Star (the third highest medal given by this country), two Purple Hearts and three Air Medals.

After being interned in the Travis Air Force Base Hospital he attended the C-141 Aircraft Training School at Altus Air Force Base, Altus, Oklahoma. He graduated as the Honor Student of his class.

On April 6, 1974 Henry Fowler was married to the former Patricia Gay Gwin, a United Airlines stewardess.

He is presently flying the C-141 aircraft at Travis Air Force Base, California. He spends ninety percent of his time working in the Social Actions Office, serving as assistant Equal Opportunity and Treatment Officer (see attached letter). He is also attending Command and Staff School and is enrolled in classes with Chapman College leading to a Masters Degree in Psychology.

He recently has been chosen by the Junior Chamber of Commerce as one of the outstanding young men of America of 1974.

FACTS AND SPECIFIC ACHIEVEMENTS

Since 15 Apr. 74, Captain Fowler has been assigned to the Social Actions Office under the ADCAP Program. He has served as Assistant Equal Opportunity and Treatment Officer and, when the EOT Officer has been on TDY for as long as nine weeks, he has filled that position. He spends ninety percent of his duty time in this office and performs his duties in an absolutely superior manner. He has directly participated in fourteen EOT cases and has been extremely successful in working with others. He has demonstrated an outstanding ability to deal with people of all races, nationalities and sexes, and has worked particularly diligently on cases involving equal opportunities for WAFs.

He has written letters for the commander clarifying a supervisors position in WAF administration. He developed the 60 MAWg policy on Equal Opportunity and Treatment. He wrote the Wing Social Actions Plan. Capt. Fowler frequently briefs all incoming personnel on the functions and many facets of the Social Actions Office at the biweekly newcomers orientation. He writes much of the material which eminates from this office including letters to and for the Commander. Capt. Fowler has represented our office and the 60 MAW as guest speaker at a variety of functions and establishments. Some of these included: Commencement Speaker at the California Highway Patrol Academy at Sacramento; The Lion's Clubs at both Fairfield and Rodeo, California; the NCO Dining Out at Travis AFB; Veteran's Day at the National Guard Armory at Richmond, California; POW/MIA Memorial Dedication at Travis AFB; and American River College at Sacramento, California.

All of his speeches have received the highest praise.

Strengths: Capt. Fowler continuously displays an extreme interest in his work and always demonstrates outstanding initiative and acceptance of responsibility. Capt. Fowler's forte is, without doubt, his ability to express himelf both orally and in writing.

Suggested assignments: Capt. Fowler should be afforded the opportunity to attend law school at the earliest opportunity. His abilities can best be utilized in the social actions career field until he is selected for training in the legal field.

Self improvement efforts: Capt. Fowler continuously attempts to improve himself by studying the English Language on his own and by attending formal classes. He is presently enrolled in the non-resident Command and Staff School which he is attending by seminar at Travis AFB. He is enrolled at Chapman College pursuing a Master's Degree in Psychology.

Other comments: Capt. Fowler's bearing and behavior are outstanding. He exemplifies top military standards. I believe that Capt. Fowler is a superior officer displaying outstanding growth potential. Promotion well ahead of his contemporaries and in the secondary zone is strongly warranted.

ORINDA, CALIF., *May 13, 1975.*

Hon. JAMES B. ALLEN,
Washington, D.C.

DEAR SENATOR ALLEN: I am writing to you in regard to a matter of utmost personal importance concerning legislation allowing active duty officers to attend law school. I was a Prisoner of War in North Vietnam for nearly six years and find that I am not qualified to attend law school under 10 U.S.C. 2004 because I have over six years active duty.

I have made a request to Senator Goldwater that he sponsor private legislation which would enable me to attend law school under the provisions of the aforementioned bill. A suggested draft bill is attached.

I am a regular Air Force Officer having received a regular Air Force Commission as a result of being selected as a Distinguished Graduate Officer of Officer Training School. I received the award as outstanding pilot of my F-4C class in November 1966 and was the honor graduate of the C-141 Flight Training School after my return from North Vietnam. I do now and always have intended to make the Air Force my career. Up until now, I have been a pilot; however, I am presently flying with a waiver due to an injury sustained while in the hands of the North Vietnamese. I am far behind my contemporaries in flying time and experience due to my six years of imprisonment. I earnestly desire to work in a field of endeavor which is of interest to me and of benefit to the Air Force. My extreme interest in attending law school stems from a personal desire not only to receive a higher education, but to better serve the United States Air Force and the United States of America. However, to qualify for law school, I need Congressional action.

I have been accepted for admission at the Cumberland School of Law (copy of acceptance letter attached). Plan to buy a home in Birmingham and make Alabama my permanent residence. I ultimately want to retire there.

I have served my country well and have received numerous decorations. I respectfully request assistance in allowing me to attend law school while on active duty. Please help me enter this law school class.

Thank you very much.

Sincerely,

HENRY P. FOWLER, Jr.,
Captain U.S. Air Force.

CRIMINAL COURT OF
JEFFERSON COUNTY,
Birmingham, Ala., May 16, 1975.

Re Capt. Henry P. Fowler
Hon. JIM ALLEN,
Senate Office Building,
Washington, D.C.

DEAR SENATOR ALLEN: I am writing you in behalf of my son-in-law Captain Henry P. Fowler. During the past two weeks I have discussed the matters involving Captain Fowler with Miss Conradi of your Birmingham office, and I understand that she has discussed these matters with Mr. Mitchell of your Washington office.

Captain Fowler was a prisoner of war in North Vietnam for approximately six years. He has served his country well and has received numerous decorations including a silver star and two purple hearts. He has been accepted as a law student at the Cumberland Law School for the school year starting in September, 1975. He has received very high recommendations from his commanding officers at Travis Air Force Base, recommending that the Air Force select him as one of those who would be sent to school under the provisions of 10 U.S.C. Number 2004. He nor his superior officers were aware of the fact that his 10 years active duty, including 6 years as a prisoner of war would be such as to prevent his selection. Under the provisions of the above cited law, which is referred to in the Air Force as the "Goldwater Bill", an applicant cannot be selected who has more than 6 years active duty.

Captain Fowler and my daughter intend to make Alabama their permanent home. Captain Fowler is an outstanding young man; has great ability as a public speaker, and has an exemplary record. His father was General Counsel for the United States Chamber of Commerce in Washington, D.C., prior to his death.

I respectfully request that you and Senator Sparkman join in sponsoring special legislation to allow Captain Fowler to attend law school while on active duty. It would certainly appear that it would be grossly unfair to bar him from the opportunity of attending law school because of

the fact that he was a prisoner of war for six years.

I am enclosing a Bill which was prepared by the authorities at Travis Air Force Base. I do not know whether or not it is in proper form. Your efforts in his behalf will be greatly appreciated, and we will all owe you a very deep debt of gratitude.

Respectfully yours,

ROBERT W. GWIN,
Judge.

Mr. ALLEN. Mr. President, I ask unanimous consent that the names of the following Senators be added as cosponsors of the bill: the Senator from Rhode Island (Mr. PASTORE), the Senator from Florida (Mr. STONE), the Senator from Michigan (Mr. GRIFFIN), and the Senator from Nebraska (Mr. CURTIS).

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1767) was ordered to be engrossed for a third reading, read the third time, and passed as follows:

S. 1767

A bill to amend section 2004 of title 10, United States Code, to provide that in computing the six-year maximum active duty service of any member of the armed forces for purposes of qualifying for being detailed as a student to a law school, any period of time such member was a prisoner of war shall be disregarded

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2004 of title 10 United States Code, is amended by adding at the end thereof a new subsection as follows:

"(g) In computing the six-year period referred to in subsection (b)(1), any period during which any such officer was in a missing status (as defined in section 551(2) of title 37) shall be disregarded.".

AUTHORITY FOR INTRODUCTION OF MEASURES AND INSERTION OF STATEMENTS IN THE RECORD

Mr. ROBERT C. BYRD. Mr, President, I ask unanimous consent that all Members of the Senate may have until 4:30 p.m., today to introduce bills and resolutions and to insert statements in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate meets at 10 a.m., tomorrow. After the two leaders are recognized under the standing order, Mr. MORGAN will be recognized for not to exceed 15 minutes, followed by Mr. STONE, for not to exceed 15 minutes. There will then be a period for routine morning business, not to exceed 30 minutes, with a 5-minute limitation on statements therein.

Most of tomorrow will be dedicated to the cleaning up of odds and ends, with the supplemental appropriations conference report being the major measure left uncompleted. Whether or not a rollcall vote will be requested on the adoption of that conference report, I cannot say.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 10 o'clock tomorrow morning.

The motion was agreed to; and at 2:29 p.m., the Senate adjourned until tomorrow. May 22, 1975, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate May 21, 1975:

DEPARTMENT OF STATE

John H. Holdridge, of California, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Singapore.

IN THE MARINE CORPS

The following-named (Naval Reserve Officer Training Corps) graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Allen, Rose A.
Cryan, William M.
Donovan, Martine A.
Drennan, William B.
Eddy, Gregory J.
Kiilsgaard, Sven K.
Minnehan, Michael B.
O'Neal, Michael C.
Robertson, Jeffrey A.
Spoons, Harrell D.
Winberry, Dennis A.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 21, 1975:

FARM CREDIT ADMINISTRATION

The following-named persons to be members of the Federal Farm Credit Board, Farm Credit Administration, for terms expiring March 31, 1981:

Ralph N. Austin, of Colorado.
David C. Waldrop, of South Carolina.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

Lowell W. Perry, of Michigan, to be a member of the Equal Employment Opportunity Commission for the remainder of the term expiring July 1, 1978.

(The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE OF REPRESENTATIVES—*Wednesday, May 21, 1975*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

I will say of the Lord, He is my refuge and my fortress; my God; in Him will I trust.—Psalms 91: 2.

Eternal Father, strong to save, amid the shifting sands of our mortality, give us, we pray Thee, clear and clean eyes to see the shining light of Thy perpetual presence and the glorious truth of Thy lifegiving word. Grant unto these chosen Representatives of a free people the spirit to enter upon the tasks of this day with a sincere purpose and an understanding mind that the decisions made and the work done may be for the highest good of our beloved Republic.

In the midst of the differences and the divisions of our time, keep our minds humble, our hearts faithful, and our spirits courageous as we endeavor to open the doors to a better life for our people and a brighter peace in our world.

In the spirit of the Master we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 4221. An act to amend the Higher Education Act of 1965, as amended, relative to the reallocation of work-study funds, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 249) entitled "An act to amend the Securities Exchange Act of 1934, and for other purposes."

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 11. Concurrent resolution to express as a national policy that all citizens have the right to live and work in a barrier-free environment.

THE NEED FOR AN AGRICULTURAL OPEC IN THE UNITED STATES

(Mr. WEAVER asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. WEAVER. Mr. Speaker, there have been reports of Russian grain buyers in this country. Is it possible that we might have a repeat of the great grain swindle of 1972?

We have done nothing to protect ourselves or to protect the integrity of our grain exports. However, I have introduced a bill that would remedy these wrongs, a bill to make the Commodity Credit Corporation the sole exporting agent for feed and food grains. This bill would get the best possible prices for farmers in the sale of their grains.

Mr. Speaker, if Iran and other nations can raise oil prices at will, we must protect ourselves by forming our own OPEC, an agricultural OPEC. My bill does this.

PERSONAL EXPLANATION

Mr. MADDEN. Mr. Speaker, yesterday on account of the all-day meeting of the Committee on Rules on the energy bill, I missed the vote on H.R. 5247, which was the public works bill that was passed by a vote of 313 to 85.

I ask that the permanent RECORD show that had I been able to be present I would have voted "aye" on that bill.

TOWARD FISCAL RESPONSIBILITY IN THE ADMINISTRATION OF THE HOUSE OF REPRESENTATIVES

(Mr. EDWARDS of Alabama asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EDWARDS of Alabama. Mr. Speaker, yesterday the House Administration Committee struck another blow to my hope for fiscal responsibility in the House of Representatives when it increased allowances for House Members by some $10 million a year.

In these days when economic conditions are the worst in almost 30 years, and when we are asking the taxpayers of this country to tighten their financial belts, I just do not see how an expenditure of $10 million for additional allowances can be justified.

I cannot argue that some of these allowances are not needed to better serve our constituents, but it just seems to me that this should come before the full House for an open vote by all the Members.

The House approved legislation back in 1971 which relieved the full House of having to vote on such increases in office allowances. That legislation was ill-conceived; it had no place in a representative form of government, and I will always be proud that I voted against it.

Mr. Speaker, I am cosponsor of House Resolution 99, introduced on January 27, which is designed to bring back some responsibility in this regard. This legislation would require that any proposal by the House Administration Committee to fix or adjust any allowance for Members of the House shall not take effect until such proposal is approved by the whole House. The people of this country have grave questions about the stewardship of the Congress in handling the taxpayers' money, and actions such as that taken by the House Administration Committee only add to their concern. It is important now more than ever before that we pass House Resolution 99 immediately, and I earnestly solicit your good support.

PROVIDING FOR PRINTING OF A HOUSE DOCUMENT, "FEDERAL ELECTION CAMPAIGN LAW RELATING TO THE U.S. HOUSE OF REPRESENTATIVES"

Mr. BRADEMAS, by direction of the Committee on House Administration, reported the following privileged concurrent resolution (H. Con. Res. 269, Rept. No. 94–233) which was referred to the House Calendar and ordered to be printed:

H. CON. RES. 269

Resolved by the House of Representatives (the Senate concurring), That there shall be printed, as a House document, "Federal Election Campaign Law Relating to the United States House of Representatives", and that seven thousand five hundred copies be printed, of which two thousand shall be for the use of the Committee on House Administration of the House and the remaining five thousand five hundred for distribution to candidates for the House of Representatives and for political committees supporting them.

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the concurrent resolution (H. Con. Res. 269).

The Clerk read the resolution as follows:

H. CON. RES. 269

Resolved by the House of Representatives (the Senate concurring), That there shall be printed, as a House document, "Federal Election Campaign Law Relating to the United States House of Representatives", and that seven thousand five hundred copies be printed, of which two thousand shall be for the use of the Committee on House Administration of the House and the remaining five thousand five hundred for distribution to candidates for the House of Representatives and for political committees supporting them.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

SURFACE MINING CONTROL AND RECLAMATION ACT OF 1975—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER. The unfinished business is the further consideration of the veto message of the President on the bill (H.R. 25) to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes.

MOTION OFFERED BY MR. UDALL

Mr. UDALL. Mr. Speaker, I move that further consideration of the veto message from the President on the bill H.R. 25 be postponed until Tuesday, June 10, 1975.

The SPEAKER. Does the gentleman from Arizona wish to be recognized on his motion?

Mr. UDALL. Mr. Speaker, I was going to move the previous question on the motion.

Mr. STEIGER of Arizona. Mr. Speaker, I would like to be heard on the motion of the gentleman from Arizona, if I may.

I was standing before the gentleman suggested moving the previous question.

The SPEAKER. The Chair will state that if the gentleman from Arizona (Mr. UDALL) debates his motion before he moves the previous question the gentleman has control of the time, and I am sure the gentleman will yield some of that time to the gentleman from Arizona.

Mr. UDALL. Mr. Speaker, I would seek recognition on the motion, and I will yield in just a moment to the gentleman from Arizona, 3 minutes, and I will take about the same amount of time.

The SPEAKER. The gentleman will proceed.

Mr. UDALL. Mr. Speaker, the vote to override the veto was scheduled for today. I have never seen in my years in the Congress a more misleading flood of propaganda than we have had on this veto, emanating in large part from the White House, and the coal industry and, regrettably, from the electric utility industry in America.

Because of this propaganda a great number of my colleagues are confused. There have been arguments that this legislation will cost jobs, and those arguments are false.

There have been arguments that coal production would suffer because of this bill, and those arguments are false.

There have been arguments that the public utility rates would be increased all over America, and those arguments are false.

We need additional time in order to get the truth out to the Members of the House, after which I am confident that the House will override this veto. That is the purpose of this delay. I regret it, but I see nothing else to do in light of the fact that two times in this Congress very large majorities have said they want this kind of sensible surface coal mining legislation. Two times in the last Congress this has been the judgment of the House, and the Senate has voted on four occasions in the last 6 months for legislation of this kind. Now we are faced with a barrage of propaganda, and we need time to answer it. Then we will be back on June 10 for a vote to override the veto.

I now yield 3 minutes to the gentleman from Arizona.

Mr. STEIGER of Arizona. Mr. Speaker, I thank the gentleman for yielding me this time. I recognize the validity of what the gentleman from Arizona said: He does not have the votes to override the veto.

It does seem to me, at least, a misrepresentation to talk about the flood of distortions that have emanated and resulted in this condition.

Mr. Speaker, I think my friend, the gentleman from Arizona, does this House a grave disservice if he thinks they can be persuaded, or that over 40 Members can be persuaded to switch their vote, which is a difficult proposition, to be sure, based on distortion.

Mr. Speaker, I assure you that if the gentleman from Arizona feels that his position has been distorted up until now, then wait until the next 2 weeks are over, or until June 10, because every environmental group in the country are going to be inundating us.

Mr. Speaker, I am going to ask for a rollcall vote on this motion. Let us either vote this thing up or down, as my friend has been wont to say in the past. He is doing the country a disservice. He, himself, recognizes that the presence of this bill has caused a lack of production and has developed an uncertainty. We have an opportunity here to end that uncertainty by voting either up or down. I think he does the House a disservice. I know he has done the President a disservice by his characterization of the President's veto as an insult.

Mr. Speaker, I think the gentleman has now insulted the entire House, and on the motion of the gentleman I am prepared to ask for a rollcall vote on the ground that a quorum is not present at the appropriate time.

Mr. UDALL. Mr. Speaker, I would only respond by saying this. With the gentlewoman from Hawaii, the chairman of the Subcommittee on Mines and Mining my subcommittee will hold joint hearings the week of June 2. Mr. Zarb will be called before the joint subcommittees. We will have him there. We will see what justification there is for the claimed loss of jobs that has frightened so many intelligent and responsible Republican colleagues, and we will be back here June 10 to see who is distorting this fact.

The country wants this bill; over two-thirds of the House and Senate want this bill; the country is being deprived of the bill by a small minority in this House and by the President who is getting bad advice and is unresponsive to the desires of the country.

Mr. Speaker, I move the previous question on the motion.

PARLIAMENTARY INQUIRY

Mr. KAZEN. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. Will the gentleman from Arizona yield for a parliamentary inquiry?

Mr. UDALL. I yield for a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. KAZEN. Mr. Speaker, if this motion should be defeated, what will the parliamentary situation be on this question?

The SPEAKER. Then the pending question will be on the overriding of the veto.

Mr. KAZEN. It would be taken up today if this motion is defeated?

The SPEAKER. It would be the pending question, unless there is some other motion such as referring it back to the committee.

Mr. KAZEN. Referring the President's message back to the committee?

The SPEAKER. Yes.

Mr. KAZEN. I thank the Speaker.

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from Arizona (Mr. UDALL).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. STEIGER of Arizona. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 208, nays 195, answered "present" 1, not voting 29, as follows:

[Roll No. 236]

YEAS—208

Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Armstrong
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bell
Bennett
Bergland
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Breckinridge
Brodhead
Brooks
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carr
Chisholm
Clay
Collins, Ill.
Corman
Cornell
Cotter
D'Amours
Daniels, N.J.
Danielson
Dellums
Dent
Diggs
Dingell
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Evans, Colo.
Evans, Ind.
Fascell
Fisher
Fithian
Foley
Ford, Mich.
Ford, Tenn.
Fraser
Fulton
Fuqua
Ginn
Gonzalez
Green
Gude
Haley
Hall
Hamilton
Hanley
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Heinz
Helstoski
Henderson
Hicks
Holtzman
Howard
Howe
Jacobs
Johnson, Colo.
Jordan
Karth
Kastenmeier
Keys
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Leggett
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, Md.
McCormack
McFall
McHugh
Macdonald
Madden
Maguire
Mahon
Mazzoli
Meeds
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pike
Preyer
Pritchard
Rangel
Rees
Regula
Reuss
Richmond
Riegle
Rodino
Roe
Rogers
Roncalio
Rooney
Rosenthal
Roush
Russo
Ryan
St Germain
Santini
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Shipley
Simon
Sisk
Smith, Iowa
Solarz
Spellman
Stanton, James V.
Stark
Steed
Steelman
Stokes
Studds
Taylor, N.C.
Thornton
Traxler
Tsongas
Udall
Ullman
Vander Veen
Vanik
Vigorito
Waxman
Wilson, Charles H.
Wilson, Tex.
Wirth
Wolff
Wright
Yates
Young, Ga.
Zablocki

NAYS—195

Abdnor
Ambro
Anderson, Ill.
Andrews, N.C.
Archer
Ashbrook
Bauman
Beard, Tenn.
Bevill
Biaggi
Bowen
Breaux
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Byron
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Conte
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Davis
de la Garza
Delaney
Derrick
Derwinski
Devine
Dickinson
Dodd
Downing
Duncan, Tenn.
du Pont
Edwards, Ala.
Emery
English
Erlenborn
Esch
Eshleman
Evins, Tenn.
Fenwick
Findley
Fish
Flowers
Flynt
Forsythe
Fountain
Frenzel
Frey
Gaydos
Gibbons
Gilman
Goodling
Gradison
Grassley
Guyer
Hagedorn
Hammerschmidt
Hansen
Harsha
Hastings
Hébert
Hechler, W. Va.
Hefner
Hightower
Hillis
Hinshaw
Holland
Holt
Horton
Hubbard
Hungate
Hutchinson
Hyde
Jarman
Jeffords
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Landrum
Latta
Lehman
Lent
Long, La.
Lott
McClory
McCloskey
McCollister
McDade
McDonald
McEwen
McKinney
Madigan
Mann
Martin
Mathis
Michel
Milford
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mosher
Myers, Ind.
Myers, Pa.
Nichols
O'Brien
Passman
Pettis
Pickle
Poage
Quie
Quillen
Railsback
Rhodes
Rinaldo
Risenhoover
Roberts
Robinson
Rose
Rousselot
Runnels
Ruppe
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Shriver
Shuster
Sikes
Skubitz
Slack
Smith, Nebr.
Snyder
Spence
Staggers
Steiger, Ariz.
Steiger, Wis.
Stratton
Stuckey
Symington
Symms
Talcott
Taylor, Mo.
Teague
Thone
Treen
Vander Jagt
Waggonner
Walsh
Wampler
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Winn
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Tex.
Zeferetti

ANSWERED "PRESENT"—1

Roybal

NOT VOTING—29

Conyers
Flood
Florio
Giaimo
Goldwater
Hannaford
Heckler, Mass.
Hughes
Ichord
Johnson, Pa.
Lujan
McKay
Matsunaga
Melcher
Mills
Mollohan
Murtha
Patman, Tex.
Peyser
Pressler
Price
Randall
Rostenkowski
Stanton, J. William
Stephens
Sullivan
Thompson
Van Deerlin
Weaver

So the motion was agreed to.

The Clerk announced the following pairs:

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FORMER CONGRESSMAN CLARENCE E. KILBURN

(Mr. McEWEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McEWEN. Mr. Speaker, it is my sad duty to inform the House of the death yesterday in Malone, New York, of a former Member, the Honorable Clarence E. Kilburn.

Clarence Kilburn retired from this body on January 1, 1965, having served in the House of Representatives for 25 years. At the time of his retirement he was the ranking minority member on the Committee on Banking and Currency,

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and dean of the New York Republican delegation. He had a long and distinguished career in this body.

Mr. Speaker, I know that with the changing membership in this body over the past 10 years, many of his former colleagues have, through retirement or death, left this body, but I also know that there are those here today who did serve with Clarence Kilburn and remember him well. They will, I know, share my feeling of loss on the passing of a good friend.

Congressman Kilburn, whose wife, Anne, predeceased him on July 28, 1973, is survived by two sons, William B. Kilburn of Malone, N.Y., and James C. Kilburn of Boston, Mass., and a daughter, Mrs. John C. (Katherine) Ballard, New Bedford, Mass. There will be a memorial service at the Congregational Church, Malone, N.Y., at 2 p.m. this Friday. It has been requested that there be no flowers, but I am sure that messages of condolence to the family from those who knew, served with and loved Clarence Kilburn, will be appreciated.

FAILURE OF THE MAJORITY PARTY IN CONGRESS

(Mr. BAUMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAUMAN. Mr. Speaker, on the vote just taken on the strip mining bill, we have seen a confession of the utter failure of the majority party in this House.

Mr. Speaker, yesterday the House Administration Committee voted a long list of additional prerequisites for House Members, which is being broadcast all over the Nation this morning as another example of the irresponsibility of Congress. That may or may not be true. Tomorrow we propose to go off on a 10-day vacation for a little trip back home or for some, a junket abroad. Behind us we leave the President's request of more than a year's standing to do something about the energy problem. Yesterday the Rules Committee refused to do anything about it, denying the energy bill a rule. And now by our vote today we refused to take up the veto on the strip mining bill, which is an important part of the energy issue.

Mr. Speaker, no wonder the Congress of the United States is held in such low repute by the people of this country, and I think they will know where to place the responsibility for this failure of the majority party.

MAJORITY RULE IS NOT IRRESPONSIBLE

(Mr. DENT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DENT. Mr. Speaker and Members of the House, I appreciate the interest and the concern of the gentleman from Maryland (Mr. BAUMAN), but I have always lived under one simple rule: That where a body is governed by majority rule and that majority votes one way or another, it is not irresponsible action. Nor do I feel that in a district where I have been elected for 43 years they do not have much regard for me.

Mr. Speaker, I know that some of us have peculiar ways of expressing our views, but I have always taken the position that every man I know is smarter than I am, and every person that I have ever met in my life I have respected, both for their faults, as I thought they were faults, and much more, for what I thought were their virtues.

I do not think that we ought to be chastising each other in this body. It is a difficult job, at best, to serve in a democracy, and especially one that is troubled so today, without going out and telling the public that we are not fit to serve for some reason or another.

I resent it very much, and I want the gentleman to know that I consider myself still well and fit to do my job. When I am not. I will retire.

PERSONAL EXPLANATION

Mr. HUGHES. Mr. Speaker, I was absent from this Chamber when the last vote was taken.

I would like to indicate for the RECORD that had I been present, I would have voted "nay."

CONTINUING THE SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN THROUGH SEPTEMBER 30, 1975

Mr. MILLER of California. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor be discharged from further consideration of the bill (H.R. 7136) to continue the special supplemental food program for women, infants, and children through September 30, 1975, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, yesterday the gentleman from California (Mr. MILLER) was good enough to tell me that he planned to bring this matter up before the House today. He explained that to me, and I appreciate that.

However, there was some confusion when I subsequently discussed it with the gentleman from Minnesota (Mr. QUIE) as to the amount of money that will be authorized under this bill, and whether there are any new funds available or whether this is for the use of existing funds.

Perhaps the gentleman from California could explain that to the House.

Mr. MILLER of California. If the gentleman will yield, I appreciate the question of the gentleman from Maryland (Mr. BAUMAN).

The purpose of this piece of legislation is to carry over those funds that would ordinarily be turned back to the Federal Government by the States. This was caused by the fact that the Department of Agriculture was very late in distributing funds. As a result, there was, I understand, testimony in the Committee on Agriculture of the Senate this morning that approximately $30 million to $35 million of already-existing funds, funds which were authorized by this Congress last year and appropriated by this Congress, are available to meet the demands of these programs until such time as we continue the authorization of the new School Lunch Act. Therefore, this is not a request for new funds. This is not an appropriation of new funds, but rather, sort of a redistribution of funds already available.

Mr. BAUMAN. This would give authority for only 90 days, before the end of which Congress would have to take some action?

Mr. MILLER of California. At that point, September 30, if the Congress did not take any action, the program would lapse. It is hoped that by that time the Senate will have completed its deliberations on the school lunch program.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the bill, as follows:

H.R. 7136

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 17 of the Child Nutrition Act of 1966 (80 Stat. 885, as amended; 42 U.S.C. 1786) is amended—

(a) by inserting after "1975," in the first sentence of subsection (a) the following: "and for the period July 1, 1975, through September 30, 1975,"; and

(b) by inserting after "1975," in the third sentence of subsection (b) the following: "and for the period July 1, 1975, through September 30, 1975,".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MILLER of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

LEGISLATIVE BRANCH APPROPRIATION BILL, 1976

Mr. CASEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6950) making appropriations for the legislative branch for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

Pending that motion, Mr. Speaker, I ask unanimous consent that general debate on the bill be limited to not to

exceed 1 hour, one-half of the time to be controlled by the gentleman from Pennsylvania (Mr. COUGHLIN) and one-half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. CASEY).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 6950, with Mr. MURPHY of New York in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous consent agreement, the gentleman from Texas (Mr. CASEY) will be recognized for 30 minutes, and the gentleman from Pennsylvania (Mr. COUGHLIN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas (Mr. CASEY).

Mr. CASEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, today we are considering the annual appropriations bill for the legislative branch for fiscal year 1976, along with the transition period. While I am presenting this legislation on behalf of the Committee on Appropriations, it reflects the combined efforts of all the members of the Legislative Branch Subcommittee, Mr. SHIPLEY, Mr. GIAIMO, Mr. MCFALL, Mr. YATES, Mr. EVANS of Colorado, Mr. ROYBAL, Mr. ROUSH, Mr. COUGHLIN, our new ranking minority member, who has been very helpful and cooperative, Mr. CEDERBERG, Mr. ARMSTRONG, and Mr. REGULA.

The bill contains funds for the operation of the House of Representatives, joint House and Senate committees and activities, the Office of Technology Assessment, the Library of Congress, the General Accounting Office, the Architect of the Capitol, the Botanic Garden, the Government Printing Office, and the Cost Accounting Standards Board. Conforming to long practice, funds exclusively for operation and activities of the Senate are left for decision and insertion by that body.

APPROPRIATIONS RECOMMENDED

Appropriations totaling $698,076,800 are recommended for fiscal year 1976, and $175,001,355 for the 3-month transition period between the end of fiscal year 1976, on June 30, 1976, and the beginning of the fiscal year 1977 on October 1, 1976.

The report accompanying the bill sets out the various items in the bill recommended by the committee, and the details of the requests are in the printed hearings. Copies of both are available here in the Chamber.

There are no major construction projects in this bill. Action has been deferred by this committee on the requests for funds for acquisition of property for an responsibility for decisions made by the I will explain in a little more detail later on; and the Public Printer has withdrawn his request relating to the acquisition of a site and general plans for a new Government Printing Office plant.

REDUCTIONS

The total recommendations in the bill are $10,547,640 less than was requested by the various offices and departments. Basically, this reduction reflects cutbacks in the additional staffing requested by the Office of Technology Assessment, the Library of Congress, including the Congressional Research Service, and the General Accounting Office. The committee has been concerned with accelerated growth in the staff of these particular organizations which appears to far exceed what was contemplated when legislation establishing and expanding the responsibilities and duties of these agencies was under consideration.

INCREASES

The recommendations in the bill are $61,982,231 more than has been appropriated for fiscal year 1975, including those in the Second Supplemental as passed by the House on April 15. This amount appears to be a large increase. However, most of the increases are due to legislation already enacted over which this committee has little or no control.

Over 38 percent of the increase or $23,873,229 is for pay increases and related costs provided for all Government employees. The sum of $19,339,280 or over 31 percent is to cover increased costs due to inflation and increasing postage rates used in determining the amount of the reimbursement to be made to the Postal Service for franked mail.

Last year the House, as the Members well recall, enacted the Committee Reform Amendments of 1974. That was House Resolution 988. Our committee can identify an increase of $8,346,020 or about 13½ percent in this bill attributable to the passage of this resolution.

Another increase over 1975 is $7,377,794, about 11.9 percent, due to other legislation or orders of the Committee on House Administration increasing certain allowances.

Additional district offices have been authorized for Members. Increases have been made in equipment, stationery, and postage stamp allowances. Funding resolutions for special and select committees have increased from $13,545,015 in 1974 for the second session of the 93d Congress to $25,654,186 in 1975 for the first session of the 94th Congress.

Legislation establishing the Budget Committee and eventually the creation of the Congressional Budget Office will have an impact on this bill. No funds are included for 1976. During the organizational period, funds are being provided out of the Senate contingency fund.

HOUSE OF REPRESENTATIVES

A total of $206,407,485 is recommended for the operation of the House during the next fiscal year. This amount is an increase of $20,861,040 above the 1975 appropriation level, of which $5,009,482 is to cover the cost of pay increases for staffs; $8,146,020 is to carry out the provisions of House Resolution 988; and $7,312,205 is related to other legislation and increases in allowances ordered by the Committee on House Administration.

A little over $1 million of the increase is attributable to increased workload requirements.

JOINT ITEMS

We have a total of $53,581,415 recommended for the various joint committees and activities of the Congress during the fiscal year 1976. Of that amount $46,101,000 is for reimbursement to the Postal Service for the cost of franked mail. Almost the entire increase of $7,792,091 over the 1975 appropriation is to cover the increased postage rates used in computing the reimbursement which is on the equivalent postage concept applicable to all Government agencies.

The second largest category in joint items is for the joint committees, and the recommendation totals $4,683,295.

OFFICE OF TECHNOLOGY ASSESSMENT

The committee recommends a total of $5.6 million for fiscal year 1976 for the Office of Technology Assessment. This is a decrease of $900,000 in the amount requested and $904,000 above the current year availability, including the 1974 carryover of $655,000. The committee is concerned over the rapid growth of this new office and possible duplication of effort and activities with other agencies of the Government as well as just within the legislative branch itself.

The newly established House Commission on Information and Facilities is charged with the function of conducting a thorough and complete study of House resources for information including the Congressional Research Service, the General Accounting Office, and the Office of Technology Assessment, and the organizational framework that makes them effective or ineffective. Our committee is anticipating that the report of the Commission will be of assistance to us in determining future needs of these agencies.

ARCHITECT OF THE CAPITOL

We have in this bill a total appropriation of $32,671,800 for 1976 for the Architect of the Capitol, for the care and operation of the various buildings and grounds under his jurisdiction. Funds for the operation of the Senate Office Buildings and the Senate garage have been left for decision and insertion by that body.

MASTER PLAN—CAPITOL GROUNDS

We have placed in this bill the sum of $350,000 for the preparation of studies and the development of a long-range master plan for the future development within the U.S. Capitol Grounds and for the future enlargement of these grounds. For too long we have expanded on a piecemeal basis. As we all know, there has been considerable debate about whether or not the site of the new Madison Library building should have been reserved for future House expansion. It is a little late for this committee to act on some of the errors of the past but we are going to endeavor to try to prevent errors in the future, and try to prevent needless expenditures in the future by having a master plan for Capitol Hill and the Capitol Grounds.

This need for such a plan has been called to the attention of the committee several times. We think it is needed

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by the House Office Building Commission, in fact, by all the Building Commissions on Capitol Hill, so that we will know where we are going and have a proper development. We do not want this master plan done in-house. The work should be contracted out to a competent nationally renowned firm or firms in order to utilize the services of the best talents available in the planning fields. There is language in the bill providing authority for this.

As I said earlier, we deferred action on the request for funds for the acquisition of any additional land or for the preparation of preliminary plans for a fourth House office building. The committee was concerned that there were too many unanswered questions. There are questions about what the size of the building should be. How much more space are we going to need. Before we start taking additional property we want to see what utilization can be made of the property we already have. That is the purpose of the delay on the acquisition of any additional property at this time.

Mr. ROUSH. Mr. Chairman, will the gentleman yield?

Mr. CASEY. I yield to the gentleman from Indiana.

Mr. ROUSH. Mr. Chairman, I want to express my appreciation for the chairman and his leadership in this matter. There is a need for more space on Capitol Hill and we have grown like Topsy around here and without a master plan: I think this is very important not only for the purpose of meeting the present needs but also for the purpose of meeting future needs. I think also it is necessary that we might meet the esthetic needs that the Nation's Capital should demand and that we develop this area so that it is attractive and practical and something that will serve the entire country and be something beautiful to behold.

I appreciate the leadership that our chairman has shown in this respect. He has been diligent and he has been very patient in dealing with some very difficult problems.

Mr. CASEY. Mr. Chairman, I thank my colleague, the gentleman from Indiana (Mr. Roush), who is a member of our Legislative Subcommittee. He has made a valuable contribution in this field and served on the subcommittee several years ago and is now back. He has contributed immensely to this program.

It is a little bit difficult to just refuse a request from the leadership to go out and buy additional land; but I think the House Office Building Commission understood our position when we pointed out that we had some unanswered questions and indicated that we thought it was a little abrupt to go out and take people's homes without having the benefit of the information that can be secured through the development of a master plan. The contribution of the gentleman from Indiana has been most valuable in this respect.

I must say to those people that have homes in the area under consideration, we do not know what the answer is going to be. Washington is the center of our Government and Capitol Hill is the center of the legislative branch. It may be that the development of a master plan may show the need to acquire that additional land; but until it does and until we have concrete support for that position, we will delay going ahead.

We have asked the new House Commission on Information and Facilities, that was created by House Resolution 988, to make a space utilization study. We do not want someone just to say, "Well, we are going to need so many square feet per person." We want that Commission to make a study, and they have assured us they will accelerate it, and we want their report as to how much space we should anticipate needing both now and in the future.

It is our desire that the master planner shall then say what we can do, as the gentleman from Indiana said, in a beautiful way. We do not want to just have something that will create a cluttered up atmosphere.

The needs of this Congress, I think, are superior to the needs of some other groups. They must bear this in mind to accommodate us if and when the need arises.

LIBRARY OF CONGRESS

Mr. Chairman, we recommend a total of $115,134,800 for the operation of the Library of Congress. This amount includes money for the Congressional Research Service. This appropriation is for the fiscal year 1976.

The budget for the Library's basic operation included a request for 140 new positions. The committee recommends only 46 of these new positions.

The budget for the Congressional Research Service proposed an increase of 157 new positions. Our bill recommends only 50 of these new positions, which will provide a total staff of 753.

For the fiscal year 1970 the Service was authorized 323 employees. At the time the Legislative Reorganization Act of 1970 was enacted it was estimated that three times that number would be required over a 5-year period to carry out the responsibilities envisioned by the act.

Now, our committee has not approved this total, because we want them to grow judiciously. They cannot walk out on the street and get the caliber of people they need. We are not just going to give them bodies. We want them to grow in a manner that will reflect ability on the part of those they choose. Also, we have the matter of housing. If Members have been in the present Library of Congress buildings, they will see where the Congressional Research Service is now located. Space is at such a premium it has been necessary to put temporary partitions in some of the beautiful hallways, exhibit halls, and reading rooms to accommodate the people they already have, others are housed in the attic and converted storerooms in the basement. I do not see how they could use all the additional help they want in a realistic or effective way under such conditions.

The committee is also concerned that there will be an overlapping of responsibilities and effort by the three agencies that I mentioned before which are doing research for the Congress. These are the General Accounting Office, the Office of Technology Assessment, and the Congressional Research Service.

We sincerely hope that the House Commission on Information and Facilities, created by House Resolution 988, which I mentioned earlier, will develop information that will assist us in making a determination of the future needs and what the duties of these three offices are and whether or not there is any inefficiency or overlap in their activities.

GOVERNMENT PRINTING OFFICE

The Government Printing Office has a total of $145,265,700 in this bill, of which $108,500,000 is for congressional printing and binding; and $36,765,700 is for the Office of the Superintendent of Documents.

The cost of congressional printing and binding continues to grow. A lot of this is due to the increase in labor costs, materials, and so forth. A total of $85,100,000 is provided for fiscal year 1976, an increase of $11,100,000 over 1975, for the cost of congressional printing and binding. The Public Printer advised that 43 percent of this increase is a result of anticipated growth in the volume of work; 52 percent is due to higher labor rates, and the remaining 5 percent is due to increasing costs of material.

It is estimated that the Congressional Record will increase by 5,000 pages. Hearings will increase by 40,000 pages, and the Federal Register will increase by 23,000 pages. The per page cost of the Congressional Record is estimated for 1976 at $286 a page, an increase of $26 per page over 1975. A little under 50,000 copies of the Record are printed daily.

The bill includes three restrictions on binding and automatic distribution of documents. I want to pay tribute to my colleagues on the committee, particularly the gentleman from Indiana (Mr. Roush) and the ranking minority member, the gentleman from Pennsylvania (Mr. Coughlin) in this regard. We started looking at the automatic distribution of documents which the Members receive in their offices. Under the provisions of the bill, committees will not be able to have binding of their printed hearings and other documents done for distribution to members of the committees unless the Member specifically makes a request in writing. I know many Members have more books coming into their offices, and they wonder where they came from and why. Someone has put the requirements for the distribution of certain volumes on the books as a law over the years and it has been building up.

The number of bound eulogies has been limited to 300 copies. The third restriction or proviso eliminates the automatic distribution of copies of the "U.S. Treaties and Other International Agreements," and the "Foreign Relations of the United States." The Members may not know it, but they automatically receive these. They are probably never used except to fill bookshelves.

The District of Columbia Code and supplements is another set of documents which is automatically distributed, but

how many Members actually need it? Unless a Member is associated with the District of Columbia Committee he does not normally need it. If he does, he can make the request and of course they are readily available in our library. The Members have been automatically getting two sets of the bound set of the United States Code and supplements. They will only get one now, unless a Member, in writing, specifically requests more.

GENERAL ACCOUNTING OFFICE

We have recommended that the General Accounting Office receive a total of $136,565,000 for its operation and activities during fiscal year 1976. This allowance is $11,576,000 above the current level, and includes authorization and funding for a net increase of 96 staff years. The request was for an increase of 226 staff years. As I mentioned earlier, the committee's concern over the buildup of staffs in this agency, along with the other so-called research agencies such as the Office of Technology Assessment and Congressional Research Service, has caused us to be cautious in adding on to this agency.

The committee recognizes the additional duties and responsibilities given to these agencies through legislation such as the Legislative Reorganization Act of 1970, the Congressional Budget and Impoundment Control Act of 1974, and the Committee Reform Amendments of 1974, House Resolution 988, but questions the size of the proposed staff attributed to the enactment of these laws.

GENERAL PROVISIONS

At the request of the Committee on House Administration, the committee has included two provisions relating to the reporting of foreign travel expenses incurred by Members of Congress, congressional staffs and members and employees of interparliamentary union groups or delegations. Currently there are varying reporting requirements, but the proposed language is designed to bring these requirements into conformity with House rules. All reporting for the House is to be made to the Committee on House Administration, and all reporting for the Senate will be made to the Secretary of the Senate, with the stipulation that the reports shall be open to public inspection.

Mr. Chairman, these are the highlights of the bill, and I do want to say this: The Members will see many stories saying, "Look at what the Congress spends on itself that is in this bill." The bill includes much more than money for the Congress itself. The Members know that the Library of Congress is actually a national library. It is not just for Members of Congress. It is for the whole country. The General Accounting Office is concerned with the entire Federal Government and is for the benefit of the whole country.

We have endeavored to meet the demands of the Members, to fortify them and to give them the staff and the equipment they need to compete with the executive branch.

Mr. Chairman, I hope the Members of the House will approve our bill.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield for a question?

Mr. CASEY. I will be glad to yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I want to first commend the chairman of the subcommittee for the work that he has done in bringing this bill to the floor. Although I may not agree with all of the particulars, the gentleman was courteous enough to hear my testimony opposing the additional House Office Building. I notice that that item has been deferred, and, in fact, the gentleman has gone along with my recommendations and that of many other witnesses that the House Office Building proposal await a full plan for future space requirements on Capitol Hill.

Mr. CASEY. That is correct.

Mr. BAUMAN. I notice there is repeated reference in the report to the problem the gentleman's committee has in dealing with increased committee staffing and staffing in general, the fact that authority for creating these staff positions is found in the House rules, in one instance, the reform bill passed last fall, actions of the Committee on House Administration, and in some instances the Committee on Rules, and the Committee on Appropriations itself has authority to increase staffing. All of this, of course, increases a need to appropriate more money to support the staffs.

Has the gentleman's committee given any thought to a consolidated approach, bringing under one roof all of the staff increasing authority?

Mr. CASEY. The fact of the matter is, the resolutions are approved by the Members of the House and have to do with their individual functions. Once they approve a resolution, we are hesitant to come back and say, "Now, this committee arbitrarily is going to limit you to the number of staff people you can put on since you just voted that you could do it." Also, we are hesitant when the House Administration Committee has been given the authority to make certain changes in travel and other allowances, to try and limit those allowances. The authority was given to the House Committee on Administration by the House as a whole. And so we think the House has spoken.

If the House wants to change that procedure, it should be done in the manner in which it was created.

Mr. BAUMAN. I have another question. I have recently learned that the Committee on Rules apparently does have the authority under our present House rules, and is considering giving each one of the members of the Rules Committee a legislative assistant. That, to me, seems like a tremendous extravagance. Was this considered by the gentleman's committee, the funding of added Rules Committee staff? In fact, there is a second instance, as I understand it, the Committee on Appropriations may grant each one of its members a legislative assistant as well.

Mr. CASEY. No, it was not considered because the gentleman knows that action was taken after this bill was marked up. However, we estimate what is going to be needed because some Members do not use all their staff allowance. They can use all of it. We never fund the maximum amount. If additional funds are required the Clerk of the House requests a supplemental.

Mr. BAUMAN. Does the gentleman's committee have any figure on the cost of the Committee on Appropriations for allowing itself legislative assistants, or does the committee have any figure as to the Committee on Rules?

Mr. CASEY. No, we do not have any figure for that.

Mr. BAUMAN. I thank the gentleman.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. CASEY. Yes, I yield to the gentleman from Louisiana.

Mr. PASSMAN. Mr. Chairman, with respect to the number of personnel, it is not mandatory that a Member use the personnel unless he has a need for them; is that correct?

Mr. CASEY. That is correct. Many Members do not use all the staff.

Mr. PASSMAN. In addition to that, the amount of money that is available may not be used; is that correct?

Mr. CASEY. That is correct.

Mr. PASSMAN. I am turning back over $5,000 a month.

I trust the Members. I do not question their integrity. If they need the clerks and they need the money, then they should have them to run their office.

Mr. CASEY. I agree with the gentleman. I think each Member has an obligation to determine the amount of work he has to do and he stands on his own two feet in that respect.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. CASEY. Yes, I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I, too, would like to join in the commendation of the gentleman in the well for deferring the House Office Building matter. I think it was a very wise decision on the gentleman's part and on the part of the committee.

My question is this: Some of us have bigger districts and some smaller districts. For one reason or another, some use more of their office allowance and some use less. What happens when some Member does not use, say, $50,000 of his allowance for clerk-hiring funds? Does that go back to the Treasury?

Mr. CASEY. No, it is never paid out. The Clerk's estimates are based on experience. If the Clerk underestimates, we have to make it up in the supplemental. If he overestimates, it is not spent. No one can withdraw it. No one can take it out in cash or anything of that nature.

Mr. SYMMS. I understand that, but is it transferred over to some other fund where it is used by another committee or something?

Mr. CASEY. No, no.

Mr. SYMMS. If someone is not using the money, is he actually saving it?

Mr. CASEY. The Clerk always underestimates, I assure the gentleman. He never requests the maximum amount for clerk-hire. If he underestimates he then comes back and says, "I have used up all that was budgeted. The Members have used more of their clerk-hire allowances than I anticipated on past experience." You never find him overestimating.

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Mr. COUGHLIN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the chairman of the subcommittee has very thoroughly explained the bill before us. I might say that the chairman has done an outstanding job in his work on this bill and that the members of the subcommittee spent more time and energy and hours on this bill this year than ever before, within my knowledge.

Really every single item in the bill was very, very thoroughly reviewed. We brought before us the chairmen of various commissions and committees to investigate and to try to ascertain what was happening in those committees.

The bill that comes before us has very significant cutbacks in the personnel requests of, first of all, the Library of Congress, where the request was cut back from 140 persons to 46 persons. The committee cut back the request of the Congressional Research Service, for example, from 157 persons to 50 persons, and it cut back the request of the General Accounting Office from an increase of 226 man-years to 96 man-years.

These are significant cuts in the requests that were made. The committee granted only the positions that it felt were absolutely necessary for these institutions to carry out their program.

Several affirmative things, I think, are important. First, the committee does recommend a sum of $350,000 for a comprehensive plan of the Capitol Hill area.

We have had such requests in the bill before, and they have not been passed by the Congress. But to me nothing can be more important than to develop some plan for this historic area as we look ahead to the next 20, 50, or 100 years.

We have seen just recently the questions that are raised when we propose the development of future facilities for this great body. We have seen that these do not fit as a part of a comprehensive plan because there is no comprehensive plan. What part of our entire Nation should be more the subject of a comprehensive plan for both its historic preservation and its future development than the very Capitol of the Nation?

I hope the Members will join in approving that appropriation.

Second, the chairman has mentioned two major concerns of the subcommittee that are certainly also major concerns of the minority on the subcommittee. The first major concern is the explosive growth in committees, commissions, paperwork and personnel on the staff of the House of Representatives itself.

Our concern is perhaps best expressed on page 9 of the committee report in which we state:

> The members of the committee have increasing concern over the increase in the number of Congressional committees, agencies, and commissions created in recent years, along with the additional resources that have been made available to existing activities that are sources of Congressional information.

For example, the total authorized personnel for standing committees will rise from 380 in 1974 to 608 in 1975, excluding the Committees on Appropriations and the Budget, which have no ceilings. Special and select committee staffs have increased from 485 in 1971 to 706 in 1974.

While we realize that many of these increases in personnel are the result of legislation passed by this body, I think it is important to also realize that we might be creating more paperwork and more confusion in the minds of the Members than we are creating solutions to problems, as well as creating the potential for overlapping jurisdictions in many areas.

A second major concern that ties in with the first is the increase in the volume of materials that are automatically distributed to Members of the Congress. The Members have all seen the volumes that come into their own offices, some of them in beautifully bound versions. Some of the volumes you probably have very little use for, some you may never even have seen, such as bound copies of the District of Columbia Code. Consider, for example, the automatic distribution of bound copies of eulogies for Members. Also, for example, consider the automatic distribution of bound copies of committee hearings.

We have language in this bill that would prohibit the automatic distribution of bound copies of committee reports unless a Member requests it in writing. They are entitled to them if they so request, but let us not have them just come in automatically, even when you do not need them.

We have done the same thing in the case of eulogies, and books will be provided to the successor of each Member, but not to each Member who may not need them or want them.

The same is true with the District of Columbia Code, U.S. treaties, and also extra copies of the United States Code.

I think that we bring before the Members a good bill and a bill that is deserving of their support. I commend the chairman and the members of the committee.

Mr. CASEY. Mr. Chairman, will the gentleman yield?

Mr. COUGHLIN. I yield to the gentleman from Texas.

Mr. CASEY. I thank the gentleman for yielding.

I want to commend the gentleman from Pennsylvania for his interest and diligence in attending committee meetings and in working to bring about the bill that we have before the House today. As he stated our committee spent more time on this appropriation bill this year than it has ever spent before. The gentleman from Pennsylvania knows that this kind of work does not help us back home, but it is work that has to be done. I want to say that the gentleman has certainly pulled more than his fair share of the load. I want to publicly express my appreciation for his assistance.

Mr. COUGHLIN. I thank the Chairman. I, of course, appreciate the work, time, and the patience that he has had in developing this bill.

Mr. Chairman, I yield 10 minutes to the gentleman from Colorado (Mr. Armstrong).

Mr. ARMSTRONG. Mr. Chairman, I am grateful to the gentleman from Pennsylvania for yielding this time to me. I want to commend my friend from Pennsylvania, the chairman and other members of the committee for the diligence and care with which they have developed this legislation. I mention this at the outset because I disagree with the conclusion my colleagues have reached.

In the last two decades, congressional staffing has tripled. During the same period of time the cost of running Congress has increased approximately elevenfold. I, for one, would not object to this cost increase if it were justified either by improved quality of work or, more importantly, by an increased ability of Congress to come to grips with the basic problems facing our country. I do not think this is the case. On the contrary, it seems to me Congress is becoming less and less able to cope with the situation, a sorry trend underscored by the failure of the House to enact energy legislation, control Federal deficits, detangle the redtape that is strangling the Nation's economy, and to face realistically many other urgent problems.

What ails Congress, in my judgment, is not inadequate staff or facilities, cramped quarters or office space, but, frankly, a lack of stomach for making hard decisions. At the same time, however, I do not want to be misunderstood. I am not here to tell you today that staff and facilities are unnecessary. I am simply saying there is no substitute for courage and wisdom, which it seems to me is so often lacking.

I want also to commend the committee, and particularly the gentleman from Pennsylvania, for offering amendments to this bill which have substantially reduced the cost of several programs. We have cut back on requests, which is the responsible thing to do. But the cuts are not deep enough.

Unfortunately, this bill still contains a substantial appropriation for which no real justification was submitted nor considered by the committee. I refer, of course, to the large amount of money which is simply, as the chairman has indicated, an estimate of how much will be spent under authorizations by the Committee on House Administration and by other committees.

This puts the Subcommittee on Appropriations in a dilemma. We ought to come to the floor with a bill we can vouch for. But we have no way to vouch for these expenditures, and I think we ought to frankly say so, not in criticism of other Members, and certainly not in criticism of any Member who uses all or the major part of funds made available to his office. That question is properly between each Member and his own constituents. But I want the House to realize the present procedures make it impossible for members of the committee to do its job, no matter how diligently we may try.

I believe that the spending of the Congress could and should be substantially reduced. If we were to attempt to do so we would not only save money, at a time when it is urgently needed to do so. But also we would set an example of prudence and self-restraint, instead of the example of self-indulgence, an example which I think is well noted by the executive agencies.

Mr. EVANS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. ARMSTRONG. I yield to the gentleman from Colorado (Mr. Evans).

Mr. EVANS of Colorado. Mr. Chairman, I am pleased we are discussing something that should be discussed during the consideration of the legislative appropriation for the next fiscal year. I have not been here very long, but I recall that 10 years ago when I first came here there was a feeling of utter helplessness. A feeling that we in the Congress, because of a lack of ability to discover and develop facts on our own, could not properly legislate. I remember listening to key chairmen, chairmen of full committees, expressing concern that they could not move since they had not received any message or word or report from the executive branch.

So over the last 10 years there has been a strong feeling on the part of many of us that we ought to do something to get this Congress back on what we hoped would be a more coequal footing with the executive branch. The only way we can do that, as my distinguished colleague knows, is to equip ourselves with people, people with skills and who answer to our own requests, either in our own offices or in the committees or in the Congressional Research Service or in the General Accounting Office.

We have done this. For this I do not apologize one bit. I think some staff may well be added in the future. I think such may be a good thing too.

But I would join the gentleman to this extent and that is that in the future we had better plan ahead. As we add other staff the consequences of our adding staff, as we have in the past, pushes us all too quickly into crash decisions of adding new buildings that are not planned for at all. So I would join the gentleman, at least an inch of the mile he has gone, that in the future as we increase our staffing it ought to be done more slowly and on the basis of more information and on the basis of good advanced space planning.

Mr. ARMSTRONG. I thank the gentleman for his contribution. I appreciate the point of view expressed by my colleague, the gentleman from Colorado. While I think I am less sanguine about the total in this bill than he is, I nonetheless understand and respect his point of view.

I would now like to address the basic issue: the system under which spending proposals are authorized without coming before the House itself. As I pointed out in my views in the committee report, it is really an exercise in futility for us to raise or lower this appropriation because it is, as the chairman has said, merely an estimate of what will be spent under the mandates of other committees. Regrettably the House has delegated to a committee of this body the real decisionmaking and, in effect, the House evades responsibility for decisions made by the House Committee on Administration.

Fortunately we will have an opportunity today, as a result of an amendment I will offer at the appropriate time, to consider a decision made yesterday by the House Committee on Administration. It is my understanding that under committee orders 19 and 20 and 21 and 22 the Committee on House Administration has increased the staff, has increased the trips to district of staff, has increased the trips of Members from 36 to 52 in the biennium, increased the phone allowance, and created a new fund from which we will pay for newsletters.

The basis for my objection is not really how much it will cost. I think the total is inflated. I think we are spending some hundreds of millions more than we need to do. But I object to the principle of Members hiding behind some committee.

My amendment will say:

> No part of any appropriation contained in this Act shall be available for paying salaries or expenses pursuant to Committee Orders Numbered 19, 20, 21 and 22 of the Committee on House Administration published in the Congressional Record of May 20, 1975, page 15483.

In this way we have an opportunity to pass judgment on the wisdom of these authorizations. I believe it will be the first time in recent history that the House itself has considered the issue instead of simply delegating that responsibility to that Committee on House Administration.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. ARMSTRONG. At this point I would be pleased to yield to the gentleman from Ohio (Mr. Hays).

Mr. HAYS of Ohio. Mr. Chairman, I would like to point out to the gentleman that sometimes the House mandates certain things and the Committee on House Administration does not have any choice.

I think it is fair to point out that this Congress is supposed to have oversight of all the activities of the executive branch. I think the gentleman in the well would probably admit there are not enough hours in the day to do that, even with the staff we have and if we doubled or tripled the staff, which I do not advocate.

I would like to point out one example. We were mandated to come up with a computer for the House of Representatives, and we did. I was told that it would require fewer bodies if we had a computer. I find out to my horror that it takes more bodies to operate a computer, because a computer operates only on what is put in it.

But the point I want to make, and nobody gets very excited about this, the press or anyone on the floor that I can find out, that we have one computer to do the work we have to do, as well as it can do and talk to the computers in the executive branch. I do not know how many they have today, but at last count a year ago they had 6,000. We have one.

That is what has happened to the Congress of the United States. We have been overwhelmed. We are buried in paper.

If we want to find out something in the executive branch, what they are doing about something, the only way we can do it is call up somebody and find out what they are doing about it. It is only in the last couple months that we have been able to get one or two of the executive branch people to take a readout on the computer. They have them. They have a number of them, but they will not let us look at them. They will read off and tell us only part of it.

So I was interested in the gentleman's complaint that Congress is not doing its job It is not all the fault of Congress. It is because there are people impeding Congress from doing its job because they do not want Congress to know what they are doing.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. COUGHLIN. Mr. Chairman, I yield 2 additional minutes to the gentleman.

Mr. ARMSTRONG. Mr. Chairman, I would like to respond to the gentleman from Ohio and then sum up.

The points the gentleman has made are well taken. They support and amplify what my colleague, the gentleman from Colorado (Mr. Evans) has said. At the proper time I will ask for a special order to discuss the overall operations of Congress, a concern which deeply troubles me.

I do not share the prevailing view of the oversight function of Congress. We are bogged down in minutia, inertia and trivia; but that is not the issue before us today. It is not more staff we need, but more courage. I think we need plain guts to deal with these issues; but neither is that the issue before us today. The issue proposed by my amendment is specifically the spending for these four committee orders and whether we think these are wise expenditures or not really is not my main concern. I intend to vote for the amendment, that is, to turn down the spending contained in these proposals; but the most important issue is that we will have reestablished the precedent of the House itself makes these decisions, rather than continuing to hide behind the Committee on House Administration.

A number of Members of the House have submitted a bill which would require the House to approve, or reject, proposed increases in pay and allowances; but the bill, of course, is referred to the Committee on House Administration where the bill languishes and dies.

Whether my amendment passes is not the ultimate concern. What concerns me the most is that we reestablish that it is the House, not a handful of Members of any one committee, that makes the decision.

The CHAIRMAN. The time of the gentleman from Colorado has again expired.

Mr. COUGHLIN. Mr. Chairman, I yield an additional 2 minutes to the gentleman from Colorado.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. ARMSTRONG. I yield to the gentleman from Iowa.

Mr. HARKIN. I certainly support the gentleman in the well as to the tremendous growth of this House and its responsibilities. As a new Member, of course, the amount of money we are spending is very great and is, of course, alarming; but what alarms me even more is the tremendous power I see in

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the executive branch of the Government.

I was elected, like the gentleman in the well, to represent half a million people. I have to service those constituents, but I find in my dealings with the executive branch and some of the agencies, that I get these little bureaucrats in there who were not elected. They do not represent anyone. They have more money to operate their agencies than I have to operate my office. It is very difficult to deal with them.

What I have been faced with, and I am sure that most new Members have, is this tremendous power in the executive branch. I am just wondering if the gentleman in the well will be offering any type of amendments or legislation in the future to reduce the executive branch of Government and cut down on some of their employees over there, and to bring them more in line with what the Congress has. I think that might be a better way to proceed.

Mr. ARMSTRONG. Mr. Chairman, I think the gentleman's point is well taken. In direct answer to his question, yes, I shall offer such amendments. I think the executive branch is swollen beyond its proper size.

However, I will say to the gentleman that in large part this arises from the failure of the Congress to make decisions. In fact, when it is confronted with a tough policy, it passes the buck. When we have an economic crisis, we do not say, "Here is what we do." We pass a two-sentence amendment giving the President the power to set prices, wages, nationalize industries. We do not act except in a "dog in the manger," negative sort of way.

We say that we are not going to permit the President to do thus and so, but we do not come forth with an energy policy of our own.

Yes, I intend to act where it is possible to restrict the size and scope of the executive branch.

Mr. COUGHLIN. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

Mr. CASEY (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, printed in the Record and open to amendment and points of order at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. BAUMAN. Mr. Chairman, reserving the right to object, I would like to ask the gentleman from Texas, before he makes that request, to explain to me one of the sections of the bill which I do not see mentioned in the report, section 103 on page 43. I read the report rather carefully as to any legislative changes, and this particular section dealing with the Legislative Pay Act of 1929 and mentioning Members, officers, and committees of the Senate and House, and clerk hire for Senators and Members, does not seem to have any explanation in the report.

Mr. CASEY. This is a provision that we have carried in the bill for many years to make sure that it specifically establishes that the rate of compensation of designated positions provided here shall be permanent law with respect thereto. It is just to avoid any conflict. We have had it in there for years.

Mr. BAUMAN. So that this allows the appropriations bill as written to vary previous legislative authorizations such as line items and so forth, in certain instances? This permits this appropriation bill to vary previous legislative authorizations dealing with salaries and clerk hire and so forth?

Mr. CASEY. It does not have to be authorized, if that is the gentleman's question.

Mr. BAUMAN. Quite frankly, the reason I was asking the question is to discover what the section did, specifically. It appears to me to be subject to a point of order as legislation in an appropriation bill, and I was trying to satisfy my mind as to whether or not it should remain in the bill.

Mr. CASEY. It has been in every bill since I have been in Congress. The gentleman will have to make that decision himself.

Mr. BAUMAN. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. Are there any points of order against the bill?

Are there any amendments?

AMENDMENT OFFERED BY MR. ARMSTRONG

Mr. ARMSTRONG. Mr. Chairman, I offer an amendment.

(The portion of the bill to which the amendment relates is as follows:)

Administrative Provisions

The provisions of House Resolution 10, Ninety-fourth Congress, relating to staff conferences; House Resolution 208, Ninety-fourth Congress, providing for additional parking facilities for the House of Representatives; House Resolution 360, Ninety-fourth Congress, establishing seventy-three additional positions on the Capitol Police Force for duty under the House of Representatives; and House Resolution 413, Ninety-fourth Congress, providing for additional staff assistance for the leadership of the House of Representatives, shall be the permanent law with respect thereto.

The Clerk read as follows:

Amendment offered by Mr. Armstrong: On page 10 after line 23, insert the following new paragraph:

"No part of any appropriation contained in this Act shall be available for paying salaries or expenses pursuant to Committee Orders Numbered 19, 20, 21 and 22 of the Committee on House Administration published in the Congressional Record of May 20, 1975, pages H4468 and H4469."

Mr. ERLENBORN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Eighty-five Members are present, not a quorum.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN pro tempore (Mr. Rooney). One hundred two Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The Chair recognizes the gentleman from Colorado (Mr. Armstrong).

Mr. ARMSTRONG. Mr. Chairman, for the benefit of Members who have just arrived, let me explain that the amendment which is pending provides that no part of any appropriation contained in this act shall be available for paying salaries or expenses pursuant to Committee Orders numbered 19, 20, 21, and 22 of the Committee on House Administration published in the Congressional Record of May 20, 1975, page 15483.

During general debate we had some discussion on whether or not Congress itself is fulfilling its proper role, whether it is decisive enough, whether we are really coming to grips with basic issues facing the Nation. On another occasion I hope we will be able to consider these matters at greater length.

For the moment, however, the issue is, Should we increase staff and the allowance for travel, telephone expense, and creating a new newsletter? Do we want to approve spending for the specific four items authorized yesterday by the Committee on House Administration?

My prime interest, I stress, is not whether the amendment is adopted, although I think it certainly deserves to be. These expenditures are not warranted, in my opinion, but the main thing is reestablishing the principle that the House should make its decision openly.

I am aware, as I am sure every Member of this body must be, there are Members who speak publicly from this well and in their districts, saying, "Oh, it is terrible, the increasing costs of Congress and so on and so on and so on" but then say to the members of the Committee on House Administration, "Increase that, increase that, and so on and so on and so on."

Mr. Chairman, I think that if we believe increases in these allowances and others as they come up are justified, then we ought to have the courage to vote for them. I want to make it plain that I do not fault anyone who feels that the increases are justified and who is prepared to defend that position. That is up to them and between them and their constituents, as to whether or not their constituents and the country are getting their money's worth.

I leave to the Members' conscience whether each of the increases are justified. In my opinion, some are; others are not. But each and every item deserves a public vote.

With these words of explanation, Mr. Chairman, I again urge my colleagues to support the amendment.

Mr. HAYS of Ohio. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Colorado (Mr. Armstrong).

Mr. Chairman, the gentleman from Colorado who offered the amendment admitted in a private conversation that he really did not know what all these orders did, at least he did not know what one did, and maybe it ought to be separated out.

I am not going to ask for that to be done, but let me tell the Members about the telephone amendment.

The matter that the committee handled yesterday on telephones simply negates the $600 a quarter that Members have been getting for their district office phones, and in lieu thereof substitutes an amount of units which was figured as nearly as possible to come out to that $600; then it has the bill sent to the Clerk, the same way your office telephone is. My judgment is that it will not cost the taxpayers any more money than it is now costing them. It will make it so that the Member does not have to fool with that every month, write his own check, and then get reimbursed at the end of the quarter.

In addition to that, we added some flexibility. The 25,000 units per year which we figured comes out to $2,400, is flexible. You can use it in your district office. If you do not use all of it there and want to use it in your office here, you can, or if you use more than 25,000 units in your district and do not use all of the 100,000 units here—in other words, you have 125,000 units a year to use in your offices. What you have now is 100,000 units a year, plus $2,400.

Maybe some Members would prefer to have the $2,400, but I do not think that makes much sense, because the way the committee has written it you cannot get the $2,400 unless you spend it. In other words, you can be reimbursed for the amount of money you spend.

So that as far as that particular committee rule is concerned. I think it is beneficial. I think it is beneficial to the Members, and I think it is beneficial to the taxpayers.

Also, there are a lot of people who are complaining about too many positions around here.

Mrs. FENWICK. Mr. Chairman, I move to strike the last word, and I rise in support of the amendment offered by the gentleman from Colorado (Mr. Armstrong).

Mr. Chairman, I did not expect and I am sure that many people in this Chamber did not expect to be threatened or to hear threats on the floor when an amendment is offered in good faith in the hope that it will provide good government. I think we can say that we should vote on items that come before the House specifically. I think that is our duty.

If we need more staff and more money, more and higher salaries, I think we should be prepared to say so, and vote for them. I think that is what representative government is all about.

But I certainly do not think that a minority, because it is indeed a small minority, should be threatened with loss of a proper proportion of the committee staffs as we have been by the gentleman in the well. As he said, he has the vote to do it. I do not think that many people in this House, certainly the reform-minded Members, those who were elected on reform tickets, can be happy, if that is how the Government of the United States is going to be run.

And may I speak to those Members of this House of the fine, old tradition, who have been here a great deal longer than I have. I am sure that is not what they expect to hear in this Chamber. I am new here, but I have been in the legislature.

I am not unaccustomed to the parliamentary process. I think we have heard here something today for which we are all going to be sorry and ashamed.

Mr. DENT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I serve on the subcommittee that generated this bill. I do not know how many have served long enough over the years to recognize that there are those amongst us who would still want to be working for the $18,000 a year that some started with. I have been unfortunate enough to be in the responsible position where I have had to introduce every pay raise, pension bill, and every travel resolution of the State Senate of Pennsylvania for about 22 years. I received all of the publicity against me, because I was raiding the till, yet no one who ever really examined the records ever found any unreasonable demands.

This body is still working for $42,500, which it received in 1969. I happen to be one who has no profession. I have had a little luck with business. I have a family and have raised it to the best of my ability. There is not a person in this room, and particularly these younger fellows who have small children and those who have children in the colleges, who can live in Washington, and live at home, pay his bills for his children, pay his share of the taxes—mine are over half or 65 percent of my Federal income—and still be able to run for office without going with a cup in his hand and begging somebody for something. We cannot allow ourselves to be ridiculed by newspapers or any other commentators, who have all accepted pay raises over the years that we were denied a pay raise by many who have no need for a salary from the Congress.

A girl working for me when I received my pay raise, and she got hers, making $10,000 a year, because of the cost-of-living index increases is now receiving $15,000 a year. If it were not for the fact that there is a limit on my staff director of $36,000 a year, he would be drawing more than I am—which is all right, if that is the way we want it.

This country is one that bases a great deal of its consideration of individuals on the amount of money they have and the amount of income they make. So when the Secretaries of the Departments received the same money we did up until the last raise, when I had legislation before me and invited a Secretary to come before the committee on hearings—prior to what has happened to us—we never had any Secretary of any Department refuse to appear and testify. But now that they are up to the $60,000 class because they receive the cost-of-living increases, we are lucky if we get a third-rate or fourth-rate man down the line to testify for the Department.

Congressmen only have as high a value as they think they have for themselves, and if we are going to have only millionaires, or, even worse persons that can get extra money for their expenses, then that is what we are intending to do.

This House will soon be a rich persons club.

What is this before us? We increased the Members' travel. I never served in a body—and I have served for 43 years—that did not pay my fare back and forth to my district every week. So we give the Members 26 trips, 6 if they wish to give them to somebody on their staff, and then 6 that must go to their staff. This is for those who live so far away that they cannot go home—out to Hawaii, out to Washington, out to Oregon—in order that they can represent their people.

The best Representative is the lucky one who lives close enough to go home. That is why I do not have to spend $185,000 or $200,000. There are two persons in this room—they may not be here at this moment—who in their last campaigns spent together $600,000-and-some odd to get elected—hurting each other—to be elected to this office. That is more money than I have spent twice over in my 43 years of running for office. My county would not stand for it, but they do expect me to stand up for the prerogatives.

Back when we had 6 trips a year, we paid out of our salaries, but who can pay for 30 or 40 trips, or 20 trips, out of their salaries? Then I could go home for $22.50 round trip by plane, and now I have to pay $73 round trip by plane.

Congress either just has to give it to me in my salary or make it available or I have to quit going home. I do not believe I ought to subsidize to the tune of $13,000 a year being a Member of Congress, and that is exactly what I am doing. I do not believe the Members are going to listen to false propaganda.

Mr. WIGGINS. Mr. Chairman, I move to strike the requisite number of words.

I am a member of the House Committee on Administration and I was present and voting yesterday during the consideration of the various increases which are being questioned today. So that the members of the committee will at least start with a common understanding of what in fact happened, let me review the proceedings on yesterday.

The full committee was presented by the Thompson subcommittee with a package of four proposals to increase the emoluments available to Members of the House of Representatives. Prior to a consideration of those four matters there was a Democratic Caucus, apparently with respect to those matters and other matters before the full Committee on House Administration.

When the House Administration Committee was convened a motion was made to close the hearing. That was the right of the members of the committee, and it is a right which is available to all other members serving on all other committees of the House of Representatives. The vote to support the motion to close the hearing was unanimous on the side of the

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majority and was unanimously rejected by the minority. Of course the majority prevailed.

Then in closed session we undertook a consideration of these four proposals. In fairness to the chairman, the subcommittee chairmen and the Members of the House, let it be understood that I believe there is merit in some of the increases proposed and personally I oppose others. It is accurate to say, however, that the majority voted unanimously for each of the increases and the most of the minority opposed them. Personally, I supported the increase for trip allowance, believing it to be justified, and personally I supported the change with respect to the repayment for telephone expenses. I did not support the others and it is accurate to say that a clear majority of the minority similarly opposed the other increases.

Mr. Chairman, the problem is not the amount of any given increase.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. WIGGINS. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. Mr. Chairman, the gentleman from California has made a completely accurate statement.

There is one thing I would like to add to it. That is, the committee did have four recommendations before it, but I think the gentleman will note and agree with me that those four were winnowed out of a great many that were proposed and they were finally cut down to those four. At one stage the subcommittee had considerably more than the four we dealt with yesterday.

Mr. WIGGINS. I will accept the chairman's statement. I do not serve on the subcommittee and do not know all the various proposals which may have been before it.

The problem, Mr. Chairman, is action previously taken by this House which yields to the House Committee on Administration the final judgment on these issues. I believe the Armstrong amendment probably sweeps too broadly a problem which ought to be handled more delicately. We ought to consider each proposed increase individually rather than as a unit. Nevertheless given the prior action of the House handing its authority to the House Committee on Administration, there is no other vehicle for Members of the House to stand up now and indicate their view with respect to these proposed increases.

Mr. Chairman, I hope that there will come a time when each Member will support legislation to deny to the Committee on House Administration the sweeping authority which it now possesses. But now is not that time. We must, however, seize upon this opportunity afforded by the Armstrong amendment to participate in an open, public debate on an issue otherwise hidden behind the closed doors of the House Administration Committee.

Mr. PHILLIP BURTON. Mr. Chairman, will the gentleman yield?

Mr. WIGGINS. I yield to the gentleman from California (Mr. PHILLIP BURTON).

Mr. PHILLIP BURTON. I would remind the gentleman that the procedure this House follows was taken from that utilized by the California State Legislature. A legislative body that just about every expert in the area of State government has stated is the finest State legislature in the country, because it has had the wisdom to equip itself with enough staff expertise and other wherewithal so that they might exercise most effectively their functions as one of the coequal branches of government.

As the gentleman in the well may recall, although I do not know the exact time of his arrival in the House, in earlier times we used to have extended debate whether Members should be permitted another typewriter, using more costs in the way of printed material in the RECORD than the whole cost of such a typewriter would entail.

Similarly, there was one occasion——

Mr. WIGGINS. Mr. Chairman, I would like the gentleman to conclude because the time has nearly expired.

Mr. PHILLIP BURTON. Mr. Chairman, I do not intend to abuse the gentleman's courtesy.

The CHAIRMAN. The time of the gentleman from California has expired.

(At the request of Mr. PHILLIP BURTON and by unanimous consent, Mr. WIGGINS was allowed to proceed for an additional 3 minutes.)

Mr. PHILLIP BURTON. Mr. Chairman, I have always felt, as a Member of the House, that we should not have to vote on ministerial matters that could best be left to one of the committees of the House.

I would make this one further observation, if I may. There has been no criticism by any of the outside public interest groups as it relates to this area but for one. We have not given ourselves enough in the way of staff help. We have not done enough in the way of data retrieval. We have not done enough to make it possible for us to have maximum access to our constituents; so if there has been any public interest criticism of this body in this area, it is not in the direction that we have been too extravagant, but in the direction that we have failed to measure up to our responsibilities.

Mr. WIGGINS. Mr. Chairman, I thank the gentleman from California for his comments. I do agree with much he says, but I cannot agree with this: that this House lacks the competence or the guts to make an intelligent decision on the record in public with respect to its own emoluments.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. WIGGINS. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I would like to inform the gentleman who has mentioned the need to returning to the full House of Representatives the power to make these decisions, rather than just a few Members of a committee that I have an amendment that I will offer shortly to this legislative bill which will accomplish just that. Hopefully, the gentleman from California can support that amendment.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. WIGGINS. Yes, of course, I yield to the distinguished Speaker.

Mr. ALBERT. Mr. Chairman, the distinguished Committee on House Administration has a responsibility given it by this House to determine what the needs of the Members are. Of course, they are not all identical, but it seems to me, in view of the enormous increase that most of us have had in letters, calls and requests for help from constituents and the resultant demands for trips to our districts, that the Committee on House Administration has made a good decision which should be supported by the House. This is especially so since we have so many young Members, who, I am sure, are constanly being asked by their constituents to attend functions in their own districts, and I think that is part of our job.

Mr. Chairman, I hope the House will back up the Committee on House Administration at this time and defeat the pending amendment.

Mr. CASEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I want to make this point. I am sure that the Committee on House Administration did not just dream up these four propositions and four regulations in the committee orders that they passed yesterday. Somebody requested them and those somebodies are the Members of this House who needed them.

Now, I may not need all the trips that they have authorized and I will not take them, so in this instance it will not cost any more money. I may not need the additional staff funds that they have in one of the orders. As with other staff funds, some of the Members do not use all their staff allowances now.

If I do not need it, I will not use it. On the matter of the telephone allowances, I believe everybody agrees that the committee did an excellent job in making that change. It reduces the complications in our telephone service.

With respect to the order on newsletters, there are two newsletters. I do not think the Members are going to make too much hay with two newsletters when they are 11 by 17. The committee is going to restrict the cost on them.

I want to reiterate, let us not point to the House Administration Committee as some cloak and dagger group which dreamed up these proposals. They have responded to requests from the Members of the House.

Mr. HAYS of Ohio, Mr. Chairman, will the gentleman yield?

Mr. CASEY. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. Mr. Chairman, the gentleman is making a point that needs to be made, that none of this is compulsory. I do not use all my clerk-hire funds now, and I do not expect to use the additional amount. I have never used all my telephone funds, but some Members do. I have used all my travel allowance because I go home every week.

I do not mind telling the Members that I sort of resent the condescending attitude which has been taken by some about these allowances. Some people proudly publish their net worth. I saw one of $5 million. That person does not have to worry about trips home, but some of these younger Members do.

I happen to be lucky enough that I do not have to worry about that either, if the Members want to know the facts, but some of these Members who are in debt, who have families, who have children in college, and who have to go home, do have to worry about it.

All I can say to any Members who feel strongly that this is too much, they do not have to take it. I think they ought to be as candid, some Members, as H. R. Gross was the last time we had a salary increase.

He made a big speech against it, and I simply asked him to yield—and he was always gracious about yielding.

I said,

> The gentleman is against the salary increase. Is he going to take it?

He, with a big grin said,

> I am going to take anything you ram down my throat.

Nobody is trying to ram anything down anybody's throat. We are saying that if a Member needs it, he has to make the determination. He has to answer to his constituents. If he does not need it, he should not take it.

As for me, the only thing I am really interested in is the telephone, which I think will be a saving in the long run to the taxpayers, and the trips home, which I do need.

Mr. CASEY. Mr. Chairman, again I want to say that I agree with what the chairman of the Committee on House Administration has said. I also want to point out that I do not care for the aspersions cast on members of the Committee on House Administration that they were acting in the dark of night when they considered and adopted these orders. I am sure they were responding to requests of Members of the House.

Mr. KOCH. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I do not now serve on the House Administration. I did in the last Congress and I think it has performed well. I am opposed to the Armstrong amendment.

Let me tell the Members why. I know there are those who would like to vote for the amendment so they can go back to their districts and talk about how they saved money, but let me tell the Members why it is wrong to do this.

I came to the House in 1969, and subsequently published my net worth statement for that year. Many Members do that. My net worth was $54,867, including the surrender value of my life insurance policies. I have republished it each year and on December 31, 1974, my net worth was $54,242, including the surrender value of my life insurance policies.

In the course of each year, I send my constituents three or four newsletters. They are reviewed by the Franking Commission which has jurisdiction over newsletter content and they contain no political material. The newsletters keep my constituents posted on activities in the Congress. The reaction is overwhelmingly favorable and I receive thousands of letters following one of these mailings, as I think all Members do when they send them.

Each of those newsletters costs me approximately $2,500, which I pay out of my salary, so that, depending on whether there are three or four annually, the amount I spend out of my salary exceeds $6,000 per year. It used to be that the newsletter cost $1,500. Now each costs $2,500 and I am not reimbursed for the costs. I will continue sending out the newsletters whether or not we are reimbursed, but I think it is wrong for me personally to bear the cost of performing what I consider to be part of the job that I was sent down here for.

Mr. Chairman, let us consider the flight fare. It costs $30.37 each way to travel between my district and Washington, and with the taxicab it costs me almost $80 for a round trip. I return every Thursday night when we are not in session on Friday. In terms of hours spent, I must tell you that I probably work harder in the district than here, because we conclude our work here generally around 5:30, although sometimes later than that. In the district I do not get to bed before 2 o'clock in the morning starting with Friday and over the weekend, simply because I am primarily using that time to see constituents and attend to my congressional responsibilities.

I fly to New York and I fly back. Last year I paid over $1,500 out of my salary over and above the reimbursements I received from the House of Representatives.

If one were to ask an employee in a corporation—not the president of that corporation, but an employee—to pay for his business trips out of his pocket, it would be asinine. One could not find people to work for such a corporation if it were company policy that they had to pay for regular business expenses out of their own salary and not be reimbursed.

Take the telephone. We get a telephone allowance. It is not adequate. For example, it does not cover the total costs for the FTS, the installation fees, or all of the monthly carrying charges. My recollection is that last year, out of my salary, I paid approximately $1,200 for the phone that is located in my office in the Federal Office Building in New York City. The calls that are made on that phone are made for casework and other congressional matters, not for personal use. Am I supposed to pay that $1,200, or should not this House pay every nickel of it?

When I fly home, as I do, let us say, over 40 round trips a year, am I supposed to absorb that cost? Even with the increase from the 18 round trips to the 26, I am still going to have to pay for the additional trips. Does that mean I should not take them?

Let us assume, for a moment, that I did not take those trips. Am I helping my constituents? I am hurting my constituents because when I am there I am performing what I consider to be the job that they sent me to Congress for.

Let me just conclude by saying this: In the past 6 years, or so, that I have been in the House, there have been many Members who have spoken on this floor and castigated salary increases. When one looks at their income, one generally finds that they have an independent income and financially are quite well off, some even millionaires. Of course, there are many others who do not fall within this category, who, out of principle as they see it, take a position different from mine. My argument is not with this latter group.

Upon my election in November of 1968 to this House of Representatives I gave up my practice of law. I am a full-time Congressman. I do not expect to pay out of my salary the cost of a flight to and from my district when it is on official business. I do not expect to pay for the telephone calls that I make on behalf of constituents in support of their cases that I am working to solve. I do not expect to pay for the newsletters that I furnish them which inform them about what this House is doing.

To do that, in my judgment, renders a disservice to this House and I urge the Members to oppose this amendment.

Mr. GOODLING. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am one of the Members of Congress that the more senior Members are talking about today. I find it is very expensive to try to represent my people in Congress, and I could not do it if my wife were not working. But I do not really believe that that is the issue, and I do not believe I have heard anyone indicate that we have a concern that these increases are not justified. I think they are justified.

I think the problem is that there are many of us who hope the next time the rating comes out on the Congress of the United States that it will be 51 percent favorable rather than some of the 26, 27, or 28 percent figures that we see.

I think we can do that. I think we can do that by staying on the floor and doing our work, not going home on recesses until we have energy bills or until we have taken care of strip mining or whatever it may be.

Mr. Chairman, if we do that, I have no doubt in my mind that we can go back to the public and tell the public that we positively cannot do the job of serving them according to the way we are paid, according to the privileges that we have, and they will buy that.

The problem I seem to have is going back to my district and saying that the committee—and I am not faulting the committee and no one else has; they have done exactly what they were instructed to do—but in going back to my district and saying, "This all came about by a committee proposal rather than by my having to stand on my own two feet to be counted."

Mr. Chairman, I think this is the whole issue at the present time. I think we will gain the confidence of the people back home simply by doing our job and having the courage to stand up and be counted. If we do that we can sell the need.

I have people day after day after day

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saying, "I do not know how you can make ends meet. You are rearing a young family. You try to pay your mortgage, and you are paying for one of those beautiful one-bedroom apartments in Washington at $350 a month."

Mr. Chairman, we can demonstrate or sell our need to the American public if we really do the job and if we stand up to be counted on every issue.

Mr. LANDRUM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, at the risk of being charged with heresy, I must say that I think this is the time the Members of this body recognize that we are here as representatives of the people and not here to get what we can out of it by way of financial gain.

I have heard these statements by fellow Members saying that they cannot do this and they cannot do the other out of the salary. I say to any Member who says that, "You knew what the salary was when you came here. You knew what the allowances were when you came here." I did. We asked the people to send us with an implied promise to him within the emoluments of the office.

Mr. Chairman, I have been coming back here every year since 1952. Service in the House has not made me a wealthy man, but it has made me a man who recognizes that the people at home are paying heavier burdens for the cost of Government than they have ever paid in their lives.

Service here tells me that the social security trust fund is on the threshold of collapse. Our distinguished chairman of the subcommittee, walking through here a moment ago, is now saying that we must add more taxes to the payroll tax, add more base to the payrolls, in order to take care of social security and retain actuarial soundness in social security trust fund.

I will yield to the gentleman in a minute. However, that is not the end. Taxes, taxes, taxes, and taxes. We are running a budget deficit this year, acknowledged, voted upon, and supported by the leadership of the House, approaching $70 billion. When one adds to that the off-budget outlays, there is going to be a deficit of a minimum of $85 billion.

Mr. Chairman, how in good conscience can a Member of this House take more money during this term than he was receiving when he ran for the job last year?

I do not criticize the chairman of the Committee on House Administration. I do not criticize any Member of the committee for the action that it took. I am here only to state what this Representative of the people believes. I believe that we should commence here today a program of fiscal sanity which will ultimately provide relief to overburdened taxpayers. We can set an example. We can restore confidence in the people. And we can do this simply by cutting out all of the unnecessary spending the action of Home Administration Committee will invite.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. LANDRUM. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. Mr. Chairman, I just wanted to point out that the statement made by the gentleman from Georgia about what he got when he came here is exactly right, except——

Mr. LANDRUM. Mr. Chairman, I would not make an inaccurate statement here if I knew it.

Mr. HAYS of Ohio. Except that his telephone allowance at that time was not low, it was zilch. It was zero. When I came here we paid for our own phones, every dime of it, out of our pockets, out of that $12,500.

Mr. LANDRUM. I do not deny that, but the point is that there is not a Member of this House but who gets sufficient money to operate his telephone, who gets sufficient money to operate his stationery account, who gets sufficient money to operate his clerical force, and to operate efficiently as a Representative of the people, if he would apply what he gets to do the work.

Mr. BURKE of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. LANDRUM. I yield to the gentleman from Massachusetts.

Mr. BURKE of Massachusetts. Mr. Chairman, I would not take the floor on this subject, God knows, but when the gentleman, my close personal friend, Mr. Landrum, who is recognized as one of the ablest members of the Ways and Means Committee, did mention my name I wanted to point out that what I did say yesterday was that the administration wants to raise taxes on social security after the 1976 elections.

I pointed out to them that if it is going to be raised that much after the 1976 elections that we ought to raise them now and let the people know who is doing it. I think that is the most honest way of doing it.

With reference to our discussion now going on, you know, I have been in legislative bodies for 27 years, and every time a pay raise comes up, or to reimburse for additional expenses, someone always comes along who opposes it. But who do you find down at the Sergeant-at-Arms office when that pay raise is granted, the first one in line? It is the fellow who shouted the loudest against it.

I have asked the question down through the years: If an increase were granted, would they take it?

You know, there is nothing compulsory about this, because if you do not need the trips you do not have to take them. In fact, if you do not want to take the money you do not have to take it. Nobody is twisting arms around here. But I would like to look at the record a year from now and see those who spoke against this today, whether or not they took the money.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Landrum was allowed to proceed for 2 additional minutes.)

Mr. LANDRUM. Certainly, as my friend, the gentleman from Massachusetts (Mr. Burke), has said, we do not have to take a dime of this; not a copper of this proposed increase in financial benefits do we have to take, we can leave it all untouched. But that is not the point. The point is simply that we are not following the needs and the wishes of the people we said we were coming here to represent. We are getting something through the back door that we have been unwilling to take through the front door. If we need a salary increase then we should stand up and be counted for it, and take it.

Of course, no salary increase is proposed here. But this is back-door spending of the worst type, inviting the worst criticism.

Members, again, as I said in my opening statement, at the risk of being charged with the highest degree of heresy. I think it is terrible for us to try to take what the committee gave to us yesterday.

Mr. GIAIMO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I had not intended to participate in this particular debate today, but I just cannot sit still and let the words and comments of my distinguished friend, the gentleman from Georgia, go unchallenged.

I oppose this amendment. I will repeat what has been said many times today, that we are not forced to take any of these additional benefits. We are not forced to fill all of our clerk hire. You are not forced to send out newsletters. We are not forced to take all of our trips home. If one wanted to go home more often but had to pay for it out of his pocket, he might think twice about going back to his district that extra time. But all of that is extraneous as far as I see it.

I would like to get to what my friend, the gentleman from Georgia, speaks about when he says what our constituents expect from us. I think that we each know what the constituents in our district expect from us, and if we do not know, we don't keep coming back here. I think they expect from us diligence. I think they expect from us integrity. And I think that they hope and pray and expect that we may be able to do something more than we have done to date, not in saving a few dollars here and there in the legislative budget, or making an additional trip home, or maybe writing that newsletter that I, for example, might not write if I had to pay for it. I think what they really want us to do is to look at that massive, huge, ever-growing Federal budget which is well over $300 billion a year and see if we cannot effect some savings there.

I submit to my colleagues that in order to do that, we have to have help, we have to have staff, and we have to have communication with our constituents. Give me the tools; give me the additional tools; and I will find savings in the Federal budget running into millions, if not billions of dollars, over what I could find if I had to work alone.

There are those who are constantly preaching false fiscal sanity here. There are those who always try to refuse us additional staff and additional help. I will tell the Members what motivates much of it. It is the old game of keeping them in the dark in the Congress and

Congress will not be able to find out what goes on in so many of the agencies of the Federal Government.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to our distinguished Speaker of the House.

Mr. ALBERT. I thank the gentleman from Connecticut for yielding.

I appreciate the fine speech that the gentleman is making. The legislative budget is only an infinitesimally small part of the Federal budget. But we are a coordinate branch of the Government, the branch closest to the people, the branch to which the people look most often, and I think the American people expect from us the best representation we can give them. If it means a difference of a few dollars, if it gives them more and better representation, they will gladly give, for they expect us to do that and perform our duties under the Constitution as the legislative body of this Nation. It is our duty to give ourselves the tools to do the job.

Mr. GIAIMO. I thank the Speaker.

If the Members give us the tools and the additional staff help that we need, we can find abuses, we can find unnecessary spending totaling millions and millions of dollars, and we will do a more effective job.

Mr. ANNUNZIO. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Illinois.

Mr. ANNUNZIO. I thank the gentleman for yielding.

I want to congratulate the gentleman from Connecticut in the well because I agree with his point of view.

I would also like to mention at this time, as a member of the House Committee on Administration, I do not want to leave the impression that the action taken by the House Committee on Administration was a one-way street, on every issue.

As an example, at least four Republicans voted for travel allowance. I think we had four or five voting on telephone.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. Annunzio, and by unanimous consent, Mr. Giaimo was allowed to proceed for 2 additional minutes.)

Mr. ANNUNZIO. If the gentleman will yield further, on each one of these votes that was taken, I do not remember—and it might be possible—that the Republicans voted "no" in a body on one of the issues, but we did have agreement to the extent that there was a division in the vote, and the vote was made in the committee.

Where are we now this afternoon?

I do not think this question should be debated any longer, to my mind, because we are all elected in our own districts and we all know what we are about to do. We are going to turn the clock back 4 or 5 years, when if the House Committee on Administration passed a benefit and not really for the Members but for their constituencies that we are privileged to represent, we then came here hat in hand to the floor of this House. And what did we find on the floor of this House? We found the gutless wonders of the world who would take the benefits but not voting we will be turning the clock back if we accept the proposal of the gentleman from Colorado. The gentleman talks about a back door. He is coming in by the back door, through the appropriation process, and he is saying to everyone of us today that if we vote for his proposal we will cut out the services to our constituents, but if we do not vote for his proposal we are going to add services to our constituents.

I understand there is another amendment and that this amendment is going to say: Let us strip the House Administration Committee. I agree with some of the remarks, that this is the House of the people where this issue should be discussed pro and con, but we are so brave around here that we voted against the pay raise and I had to sponsor an amendment to the election reform bill which set a stated amount of $15,000 on honorariums, so that Members of the Senate, who are making $80,000 and $100,000 in fees to come down to earth and vote for a pay raise we all know we need.

So the issue is this, simply this: If we have the courage to support the Committee on House Administration, that has supported us, we will vote "no," and if we do not have the courage we will vote "aye."

Mr. CASEY. Mr. Chairman, I think this issue has been adequately discussed. I ask unanimous consent that all debate on this amendment and all amendments thereto cease in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. SEIBERLING. I object.

The CHAIRMAN. Objection is heard.

MOTION OFFERED BY MR. CASEY

Mr. CASEY. Mr. Chairman, I move that all debate on this amendment and all amendments thereto cease in 15 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from Texas (Mr. Casey).

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. Seiberling).

Mr. SEIBERLING. Mr. Chairman, I am sorry that my good friend, the gentlewoman from New Jersey (Mrs. Fenwick), is not here because I thought her indignation a few minutes ago over the statements made by the gentleman from Ohio (Mr. Hays) was really unfounded, even though I recognize her sincerity. I did not understand that the distinguished chairman of the House Administration Committee was making any threats but merely pointing out that if the grant of funds for minority staff is justifiable—and I certainly believe it is—then certainly the funds authorized by the committee to enable the Members to give better service to their constituents are more than justified.

I travel back to my district more frequently than every other week. I do it not for my personal benefit but to make myself available to the people of my district. Whenever possible, I travel tourist class. Occasionally I meet constituents who are traveling first class who ask me why I am traveling second class. My reply is: "Because there is not any third class."

I think we need to serve our constituents with a minimum of expense, but I did not notice a great many of the people who are pleading for this minor economy today voting with us yesterday on our efforts to cut billions of dollars of unnecessary expenses out of the bill for military procurement.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. Wiggins).

Mr. WIGGINS. Mr. Chairman, I had intended to make a series of motions to strike, so as to permit the House to work its will with respect to each emolument. I have now changed my mind since the debate has served the basic purposes I had sought to achieve.

I only want to make one point for the benefit of the Members. There is not 1 cent in this proposal for the personal benefit of any Member, not 1 penny. Funds are proposed solely to reimburse Members for expenses actually concurred. I hope that in the rhetoric heretofore and hereafter we will keep that clearly in mind.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. Scheuer).

Mr. SCHEUER. Mr. Chairman, I would like to say a word for the freshmen in this House. We have a magnificent group of young people of both parties and they want to serve their constituents responsively and come back. I think they have invigorated this House. They have a mandate from the people, first, to make the system work better, to do a better job of oversight, to do a better job of cost benefit analysis and cost cutting; second, to make the House a more open body, to be willing to communicate more fully with the people. They need help with newsletters to communicate with their people. They need help to have more staff to do the job back in their districts and their job in Washington. If we want these promising freshmen from both parties to serve effectively and to survive, give them this help.

(By unanimous consent, Messrs. Dent, Mikva, Annunzio, Ford of Tennessee, Hays of Ohio, and Harkin yielded their time to Mr. Miller of California.)

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. Miller).

Mr. MILLER of California. Mr. Chairman, I want to thank my colleagues for yielding their time to me. First, I want to say I feel it is a very high privilege to serve as a Member of this House.

I ran for this office. I am very deeply in debt as a result of that. My family is still in California because we cannot afford to move out here. I am paying money out of my personal salary to pay for my congressional phone and office expenses.

I am very sick and tired of paying for the sins of others. Those who in the past have abused the high office of Congressman. I think I ought to be able to sign for what I think is necessary to run my office and to serve my constituents and

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make it open to the public and let the press discuss it, let them run it in my hometown paper, because I believe in what I am doing. I believe that all expenses of the Congress should be a matter of public record for inspection by all.

We have many constituents. I think we were all elected to serve them and to do that when one comes from California, one has to go home and has to stand before the constituents and tell them why we did not come up with an energy bill and tell them why we included a tax incentive for the homebuilders and what we are going to do about off-shore drilling in California. We have to be there, because they cannot afford to come here.

Now, I think all the talk about this lavish set of benefits we have is wrong. It is necessary to conduct ourselves as Congressmen. I think that it is about time that we consider ourselves professionals and that we quit apologizing for our seats in this House.

I think it is very important to the people who are here today as our guests and to the people in this country that they be able to confront us on a 1 to 1 basis in their own territory.

I campaigned for recesses so we could go home and my people could confront me. If they do not like what I voted for, they can tell me that.

I campaigned for our newsletters, because I said any recorded votes should be open and my people could hold me responsible for those votes.

I need those trips. I think other west coast Members need those trips.

We as Members of the freshman class have sought to make this a more activist body. We have sought to go home and say, "What do you want us to do? Where do you think we are wrong?"

I think that is what this package that the House Administration Committee has allowed us to do.

It is a very important part of this job. Do not forget that Members of Congress used to come and stay for 5 months and then go home. This is not the time for that. This country moves too fast. Public opinion changes too fast. We have a national media. I think we have got to be conscious of that.

I want to be able to call anyone in my district regarding any problem. Why do I have to wait until 5 o'clock at night in order to do that? Why must I have to interrupt my constituents during their dinner hour or while they are getting ready for bed to talk about their run-around by IRS? I think that is wrong. If a Member is afraid to return home, he probably does not belong here because he has got to be able to confront his voters on these issues.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. Mr. Chairman, I think the gentleman has made a very good statement. On the telephone thing, I would just like to point out that the only people in Washington who have a limit placed on them—and the House Administration Committee placed that limit—are the Members of the House of Representatives. Any lowest grade, whatever it is in the State Department in one direction and the Civil Service in the other, any lowest grade civil servant in any bureau downtown can get on the phone and call long distance all day, and what legislator in what State has any limit?

Mr. MILLER of California. I thank the gentleman for his comment.

As I say, I am a new Member. I thought that the second time I came to the well of this House would be on a loftier issue than this, but I must say that I think this is an important issue because I am privileged to be here. I cannot accept the remarks of those individuals who say, "You knew what the job paid. If you do not like it, get out."

I like it here. I want to be of service. I think the service can be greater, and I have embarked on programs to extend the services of my congressional office to all of my constituents but I cannot continue to pay for the expenses out of personal pocket.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. DEVINE).

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, regretfully, I do not support my colleague from Colorado. I think we should vote on these separately. I favor three of these items. I think they are correct, and would so vote.

I am sorry that we are not voting on them separately for I could and would not support the funding for the newsletter funding. I believe that the trips to our districts are a requirement of the job. The job has changed substantially, as many of the Members have pointed out. The job has certainly changed since I was first elected, when at that time we had two trips a year. It is necessary to be in our districts more frequently under todays requirements. Additionally I believe that the conversion of the telephone credit system of a $600 quarterly allowance to a unit allowance is a more correct procedure and would support that.

I regret that we are not voting on these four items individually because I would like to debate the issues on whether we should have printing funds for our newsletters. I think there are legal questions which should be discussed on that issue.

I must oppose this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Chairman, I think the question here is not one of how highly we evaluate ourselves. It is a question of how highly we evaluate the importance of the job we have been elected to do.

I believe the best definition of the Congress I ever heard was given by the late Hale Boggs of Louisiana. He said:

> The Congress of the United States is a collection of ordinary men and women grappling with extraordinary responsibilities.

I do not apologize to anybody for trying to equip a Member of Congress with the wherewithal to do better the job of maintaining constant contact with his constituency, trying to serve them better, and trying better, and more continuously, to inform them of his views and inform himself as to their views, because it is a necessary and integral part of this endlessly fascinating and frequently frustrating job.

To the extent that we hamper or needlessly restrain our capacity to perform these essential functions, we do a disservice, both to the institution of Congress and to the public it serves.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. ERLENBORN).

Mr. ERLENBORN. Mr. Chairman, I am surprised to hear some Members take the well of the House today to argue that these funds are necessary to conduct open government so that they can let their constituents know what they are doing. Now we find that the wherewithal to conduct their brand of open Government is provided in a closed meeting, with the Members hiding behind the Committee on House Administration, instead of being willing to act on this openly and to vote to increase our allowances in public.

Mr. Chairman, I was surprised at the partisan reaction of the gentleman from Ohio. Possibly the gentleman from New York (Mr. SCHEUER) gives the reason. He said,

> Let us vote those funds to help those freshmen come back.

I suppose when you control the Congress by a 2-to-1 margin, you would like to see everyone come back so that you can maintain that margin.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey (Mr. HUGHES).

Mr. HUGHES. Mr. Chairman, I am one of those freshmen Members who would like to speak for my constituents beyond the life of the 93d Congress. But that is not really relevant to what we are discussing.

What is relevant is what my constituents expect of me and, I would hope, of each and every one of us. What they expect is that we be effective in serving their interests.

My constituents would not be particularly impressed to learn that I cancelled a speaking engagement to explain my vote on a controversial issue because my travel allowance was exhausted. My district office would not get high marks for putting the pursuit of grant applications on hold lest we exceed the telephone stipend.

I am not alone among new Members of this House who have already, in the fourth month of service, completely exhausted my travel allowance.

But this does not mean that I intend to cut out trips back to the district. I intend to continue returning two, three and four times a week to escape the rarified air of Washington and exchange ideas and inform my constituency on why I have adopted positions on issues of importance to them.

Just this morning I returned from a Jobs Opportunity Conference in Atlantic City arranged by my office to acquaint businesses with the availability of federal contracts. This is clearly a responsibility I owe as a condition of service in an area of the country—south New Jersey—where unemployment is as severe as anywhere in the country.

I hear talk about how inexpensively some Members say they operated their offices 35 years ago. Costs are not the only items which have risen since the 1940's—what people expect of their elected officials has also gone up.

If anyone doubts this I suggest they spend a day in my Washington office where we log in 100 letters or more a day or in my three district offices where the phones are constantly ringing with calls from constituents with problems we can help solve.

It seems ridiculous that we should be taking this time to debate whether a Congressman or Congresswoman should have sufficient funds to hire an adequate staff and maintain incidental services necessary to provide prompt response to constituents.

I do not believe that the people who elected me expect to see me run their office out of my pocket. I suggest further that they would rather I not rely on private contributions to pay for legitimate office expenses.

And in this regard I was more fortunate than many of my freshmen colleagues. I had the several thousands of dollars necessary to get my district offices functioning in the first 3 months following my election. But these funds came out of my pocket to the point where my district staff became embarrased to call and ask for additional expense money.

Mr. Chairman, all I am saying is that what we are talking about is not extravagance but necessity. I am a little chagrined to see that the same people who only yesterday voted down the line for every military appropriations request are the same individuals leading this charge to deny services that their constituents expect and deserve.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr. Chairman, I support the amendment of the gentleman from Colorado.

I do not object to all of the things the Committee on House Administration has done, but I object to this technique of increasing the emoluments of office.

Mr. Chairman, what is wrong with the old principle so frequently followed by legislative bodies that we will change emoluments and salaries effective after the next election? What is wrong with the old principle that, as representatives of the people, we decide issues of this sort ourselves in solemn conclave assembled, not behind closed doors?

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts (Mr. STUDDS).

Mr. STUDDS. Mr. Chairman, I speak as one who urged this action on the gentleman from Ohio (Mr. HAYS) and members of the committee. I speak as one who spent $10,000 out of my own pocket last year on official expenses and who was deeply in debt from campaigns of prior years.

Mr. Chairman, I think the quality we lack most in this chamber is courage, and I am absolutely astonished to see the frightening bipartisan process of self-emasculation that goes on here. When I am asked at home whether I think the most recent increase in allowances was an outrage, I say: Yes, I consider it an outrage, it should be more than twice that. The people we represent have so much more intelligence and decency than we give them credit for having. They will understand and support what we do here if only we have the courage to explain to them clearly and honestly the necessity for it in the public interest.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Chairman, I serve on the House Administration Committee. I voted for two of the four resolutions of that committee which are being debated today.

The two I voted against carried great potential for abuse. The increase in staff trips, without limitation, or condition, poses real problems of campaign abuse. The resolution that forces the taxpayers to pay for congressional propaganda should be described as, at best, an incumbent protection device, or, at worst, a ripoff.

But we are not debating the merits of resolutions. Nor are we debating the excellence of the committee's work. The committee was merely carrying out the mandate of this House. I, and others, voted the committee the power to establish allowances without a vote of the House. That was an error which we should correct today.

What is at stake here is the principal of open government. The question is whether we are gutty enough to do our committee work in the open and whether we are willing to stand up and be counted on this floor on our necessary expenses of office.

I believe that the very least our constituents expect of each of us is that we conduct their business in the sunlight. I shall vote for the amendment so that we can have a chance to be recorded on this principle.

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina (Mr. MANN).

(By unanimous consent, Mr. DAVIS yielded his time to Mr. MANN).

Mr. MANN. Mr. Chairman, I rise, as did the gentleman from Texas (Mr. WRIGHT) to talk about the dignity of representative government. The gentleman from Pennsylvania (Mr. GODDLING) said that if we want to improve our public popularity rating, say to 51 percent, we should reject these expense increases. I think there is an even surer way to improve our rating, and that is to reduce our salaries. But, Mr. Chairman, I fear that either course, while enhancing political popularity, would in the long run deprive our constituencies of what they really want and deserve, and that is an effective Congress. To be effective that Congress must have the tools to do the job, the tools to exercise the power of the purse in an informed and responsible way, the tools to respond to the needs and demands of our constituents who are having difficulty with their Government, and the tools to formulate legislation that serves the interest of our country.

Gentlemen, regardless of how we may rate as an institution, or as a group, each of us has the good fortune of lately enjoying the confidence of a majority of our respective constituencies. As for mine, I hope they understand the importance of having a Representative in this great legislative body. If they do, one can be certain that they want me to be as effective as possible, on their behalf and on behalf of the Nation. If they do not appreciate the importance of representative government, that is our fault, and the allowances which this amendment would disallow will assist in removing that fault, through improved communications.

Mr. Chairman, let us have the courage to equip ourselves to do our jobs, with courage.

The CHAIRMAN. The Chair recognizes the gentleman from Florida (Mr. FREY).

Mr. FREY. Mr. Chairman, the word courage has been used a great deal today, I would be a lot more happy in going home if I could feel that this Congress did have the courage to deal with some of the key issues facing this country, such as the energy issue and the strip mining bill, and our tough economic problems.

We have spent an hour and a half or 2 hours debating this issue. There are a lot of areas that are vital to this country, but we are not taking care of them Inaction is our motto. I just hope that some of this new-found courage we are talking about is put to proper use in enacting legislation for all the people of this country instead of taking care of our own little problems. I support the amendment of the gentleman from Colorado.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. CHAPPELL. Yes, I yield to the gentleman from Pennsylvania.

Mr. DENT. Mr. Chairman, it is strange that not one word has ever been said before or not one objection raised by anyone here with respect to the action of the Committee on House Administration. No one has ever turned them down, and no one has ever said that the Committee on House Administration was acting wrongly, for 10 years.

UMI

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts (Mr. Burke).

Mr. BURKE of Massachusetts. Mr. Chairman, I yield to the gentleman from Texas (Mr. Wright) who was about to quote the words of the great legislator, Edmund Burke.

Mr. WRIGHT. Mr. Chairman, I thank the gentleman from Massachusetts for yielding.

His distinguished ancestor, writing in 1774 to the electors of Bristol, said:

> It ought to be the happiness and glory of a representative to live in the strictest union, the closest correspondence, and the most unreserved communication with his constituents. Their wishes ought to have great weight with him; their opinion high respect; their business unremitted attention. It is his duty to sacrifice his repose, his pleasures, his satisfaction, to theirs; and above all, ever, and in all cases, to prefer their interests to his own.
>
> But his unbiased opinion, his mature judgment, his enlightened conscience, he ought not to sacrifice to you, to any man, or to any set of men living. These he does not derive from your pleasure. . . . They are a trust from Providence, for the abuse of which he is deeply answerable.

What he was saying, I believe, includes the conviction that we owe an extraordinary measure of respect to the high calling of public service, that it can function only upon a mutual assumption of honor, that we betray the public when we belittle the enormity of our task or the institution in which we serve, and that we never should apologize for doing whatever things are necessary to equip ourselves to perform that function as fully and as well as our individual capacities permit. If we do not respect ourselves and the integrity of Congress itself, we can scarcely expect the respect of others.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. Coughlin).

Mr. COUGHLIN. Mr. Chairman, there are some portions of House administration proposals that I agree with and some that I do not agree with, but the overall question, and the nub of the question which will cause me to support the amendment, was perhaps best expressed by my colleague, the gentleman from New York (Mr. Scheuer), when he cited the need for these additional congressional prerequisites to help reelect freshmen Members.

I might say, particularly as a Member of the minority in this body, that I do not think the taxpayers would want to finance reelection campaigns in this way—even reelection of the distinguished freshman Democrats.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. Casey) to close the debate.

Mr. CASEY. Mr. Chairman, I want the Members of the House to fully understand that if they vote down the amendment offered by the gentleman from Colorado (Mr. Armstrong) that that is not going to put one penny in their pockets; their salary still remains at $42,500. All these additional allowances authorized in the Committee on House Administration orders are to reimburse the Members for official expenses. If they do not have those expenses then they do not need to take the money.

Mr. MOORE. Mr. Chairman, will the gentleman yield?

Mr. CASEY. I yield to the gentleman from Louisiana.

Mr. MOORE. Mr. Chairman, I am a Republican Member of the House, and I am a member of the Committee on House Administration, and I voted for this recommendation by the committee, and I shall vote for it now, and I can assure the Members that if they vote for this amendment that it will not get them reelected, because this is a reform measure to help us do our jobs properly without having to go back home with our hat in our hands, and try to get money there to help us do our job.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Colorado, Mr. Armstrong.

The question was taken, and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ARMSTRONG. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 148, noes 262, not voting 23, as follows:

[Roll No. 237]

AYES—148

Abdnor
Andrews, N. Dak.
Archer
Armstrong
Aspin
Bafalis
Baucus
Bauman
Beard, Tenn.
Bennett
Biester
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Byron
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cohen
Collins, Tex.
Conable
Conlan
Conte
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Derwinski
Devine
Dickinson
Downing
Duncan, Tenn.
du Pont
Edgar
Edwards, Ala.
Emery
Erlenborn
Esch
Eshleman
Fenwick
Fish
Flynt
Ford, Tenn.
Fountain
Frenzel
Frey
Goldwater
Goodling
Gradison
Grassley
Gude
Hagedorn
Haley
Hamilton
Hansen
Hastings
Hechler, W. Va.
Heinz
Hillis
Hinshaw
Holt
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Johnson, Colo.
Jones, Ala.
Kasten
Kemp
Kindness
Lagomarsino
Landrum
Latta
Levitas
Litton
Lloyd, Tenn.
McClory
McCollister
McDade
McDonald
McEwen
Madigan
Martin
Michel
Miller, Ohio
Mitchell, N.Y.
Moorhead, Calif.
Mosher
Mottl
Myers, Ind.
Myers, Pa.
Nedzi
Nichols
Perkins
Pettis
Pickle
Poage
Pritchard
Quie
Quillen
Railsback
Regula
Rhodes
Robinson
Rooney
Santini
Sarasin
Satterfield
Schneebeli
Schroeder
Schulze
Sebelius
Shriver
Shuster
Sikes
Smith, Nebr.
Snyder
Spence
Steelman
Steiger, Ariz.
Steiger, Wis.
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Traxler
Vander Jagt
Walsh
Wampler
Whitehurst
Wiggins
Winn
Wylie
Young, Fla.
Zablocki

NOES—262

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Annunzio
Ashbrook
Ashley
AuCoin
Badillo
Baldus
Barrett
Beard, R.I.
Bedell
Bell
Bergland
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boland
Bolling
Bonker
Bowen
Brademas
Breckinridge
Brodhead
Brooks
Brown, Calif.
Buchanan
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carr
Carter
Casey
Chappell
Chisholm
Clay
Cochran
Collins, Ill.
Conyers
Corman
Cornell
Cotter
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Dingell
Dodd
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edwards, Calif.
Eilberg
English
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fisher
Flowers
Foley
Ford, Mich.
Forsythe
Fraser
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Green
Guyer
Hall
Hammerschmidt
Hanley
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hightower
Holland
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kelly
Ketchum
Keys
Koch
Krebs
Krueger
LaFalce
Lehman
Lent
Lloyd, Calif.
Long, La.
Long, Md.
Lott
McCloskey
McCormack
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Maguire
Mahon
Mann
Mathis
Matsunaga
Mazzoli
Meeds
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Montgomery
Moore
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Natcher
Neal
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Peyser
Pike
Preyer
Price
Randall
Rangel
Rees
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Rodino
Roe
Rogers
Roncalio
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
St Germain
Sarbanes
Scheuer
Seiberling
Sharp
Shipley
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, James V.
Stark
Steed
Stokes
Stratton
Stuckey
Studds
Teague
Thornton
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner
Waxman
Weaver
Whalen
White
Whitten
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wright
Wydler
Yates
Yatron
Young, Alaska
Young, Ga.
Zeferetti

NOT VOTING—23

Boggs
Breaux
Diggs
Evans, Ind.
Fithian
Flood
Florio
Hannaford
Harsha
Johnson, Pa.
Leggett
Lujan
Melcher
Mollohan
Murtha
Patman, Tex.
Pressler
Ryan
Stanton, J. William
Stephens
Sullivan
Thompson
Young, Tex.

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. YOUNG of Florida. Mr. Chairman, I move to strike the last word.

Mr. Chairman, just a few moments ago in the earlier debate, the gentleman from Minnesota (Mr. Frenzel) made the comment that the procedure allowing the House Administration Committee to increase certain allowances for members was wrong, but that we were all to blame, that we were all responsible for making this procedure in order.

In the last 10 years every time something went wrong in the country some would charge that all of society is to blame. Some claimed that all of our society was to blame for the assassination of President Kennedy. We were all to blame for Vietnam; we were all to blame for Watergate. In fact, anything that goes wrong, someone says we are all to blame.

I would like to say to the gentleman from Minnesota that we were not all to blame for the procedure we are operating under today, because on July 21, 1971, when the authorizing resolution was adopted, despite the fact the gentleman did not join in, there were 167 Members of this House who voted against that resolution, who knew that it was an improper procedure and cast their vote that way. They should not be saddled with the gentleman's blame today.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Chairman, I would like to exempt the gentleman from my description and accept a good deal of the blame myself.

Mr. YOUNG of Florida. M. Chairman, I appreciate the gentleman's statement of enlightenment.

AMENDMENT OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Bauman: On page 10, line 23, strike the period and insert the following: ": *Provided*, None of the funds contained in this Act shall be made available for the purposes authorized by House Resolution 457, approved July 21, 1971 (Public Law 92–184) as a result of any order to be issued by the Committee on House Administration pursuant to the provisions of House Resolution 457, 92d Congress, for official expenses and allowances for Members, officers, and standing committees of the House of Representatives."

POINT OF ORDER

Mr. CASEY. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state his point of order.

Mr. CASEY. Mr. Chairman, this amendment has the effect of legislation by repealing for 1 year the action of House Resolution 457 of July 21, 1971. It is legislation, in my opinion, on an appropriation bill. It has reference to future actions under House Resolution 457.

Also, it would require that we would have to bring up a separate appropriation bill on any resolution the House Administration Committee might present in the future. Therefore, I make the point of order that this is legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from Maryland wish to comment on the point of order?

Mr. BAUMAN. I do. Mr. Chairman.

Mr. Chairman, the gentleman from Texas misreads the effect of the intention of the amendment. First of all, the amendment is to a section of the legislative appropriation bill which, in and of itself, is already legislation on an appropriation bill. There are ample precedents in the House to support an amendment to such a section even though it constitutes legislation. A point of order might have lain at the time the bill was open to amendment at any point, but it comes too late now, either against this section or by amendment.

I suggest to the Chair paragraph 3823 of Hinds' Precedents, in which the general order is that legislation in an appropriation bill being permitted to remain, it may be perfected by a germane amendment thereon. In fact, there are many, many precedents. This particular Hinds' precedent was established in 1898, but I will quote briefly from that particular precedent:

> No such point of order was made—

That is, against the section in the bill.

> and the bill therefore was sent by the House to the Committee of the Whole for consideration just as it was reported and in its entirety. Under these circumstances, as has been heretofore several times ruled, no point of order could be made in the committee against the paragraph on the ground that it contained new legislation. The Committee, in other words, could not refuse to consider what the House had sent to it for consideration. But the right of consideration involves also the right of amendment; that is to say, the committee has the right to perfect as it may see fit the matter submitted to it. For these reasons the point of order is overruled.

Later on, in 1898, again:

> If the Appropriations Committee should report an appropriation containing within it a provision not directly authorized by law, and if this should be considered—that is, no point of order made against it—amendments proposed to such provision should not be ruled out of order upon the point of order because the subject upon which they are predicated, having been virtually before the House, is a legitimate subject for amendment.

I refer the Chair to Deschler's Procedure, chapter 25, section 11.1.

Mr. Chairman, in section 11.1:

> It is in order, by way of a limitation on an appropriation bill, to make an appropriation contingent upon a future event, such as Congressional action, so long as the contingency is germane to the appropriation and the restriction does not change existing law.

This restriction does not change existing law. It does not allow money in this bill to be spent during the coming year for the purposes of carrying out the resolution adopted by this House in 1971, but the alternative would still be available if the House Administration Committee would come to the House each time it wished to act on one of these matters.

Therefore, I submit that the amendment is in order.

The CHAIRMAN. The Chair is prepared to rule.

A careful study of the amendment offered by the gentleman from Maryland indicates that it is simply a negative restriction on the use of funds in the bill, and no additional legislative action is directly required by the language of the amendment.

Therefore, the Chair overrules the point of order.

Mr. BAUMAN. Mr. Chairman, it was on July 21, 1971, that the House considered and adopted House Resolution 457. That particular resolution transferred to the Committee on the House Administration the power of final action in various described matters, such as clerk-hire, travel allowances and other matters which pertain to Members of the House of Representatives. Prior to that time the entire House had retained for itself the right to decide these matters, as I believe it should have.

I might add, for the edification of some of the Members, the vote was 233 in favor and 167 against the resolution. Since that time, I think, quite frankly, that the Committee on House Administration has acquitted itself well. The chairman and committee members have properly carried out the intention of the resolution. There has never been any question of scandal or wrongdoing. Although we may have disagreed, in some instances, with the decisions which the committee made, as we just saw in the debate a few moments ago, there has never been a question about their procedure. Except for one very fundamental question, and that question is why the entire House of Representatives should not consider these matters individually themselves and accept full responsibility, rather than permitting the committee, a limited number of members, to act upon such. The question is, why have we avoided our constitutional responsibilities?

Mr. Chairman, I would like to quote to the Members from the debate that occurred on that day in 1971. I quote from a gentleman who was destined to become President of the United States, at that time the leader of the Republican minority, Gerald R. Ford. Here is what he said:

> Members are turning over to 25 Members the responsibility that 435 Members ought to have.
>
> I will stand up and be counted on any justifiable increase. I believe the record will indicate that I have. But I want the responsibility for making that decision on my shoulders, not transferred to 25 members of the Committee on House Administration.
>
> * * * * *
>
> I think the better way is to require these additional benefits be voted on in the House by each and every Member of the House. That is why I oppose this resolution.

Mr. Chairman, I want to say that the House has shown, in the last hour and 15 minutes, that we have the ability to debate these matters, that we have the ability to act upon them. All my amendment would do is, for the coming year, perhaps a test period, if you want to consider it that, is to return constitutional responsibilities to the Members of the House of Representatives. It requires us to act on these matters out in the sunshine, out in the open. That is what the

American people expect of us and they have every right to expect nothing less. By our votes in favor of this amendment we can demonstrate our responsibility to our oaths of office and the people we have been sent here to represent.

Mr. THONE. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I will be happy to yield to the gentleman.

Mr. THONE. I thank the gentleman for yielding.

Mr. Chairman, I strongly support a record vote on these items. The majority party is slipping its hands into taxpayers' pockets and will use public funds in an attempt to reelect its freshmen Members of the House of Representatives.

That is the real meaning behind the Tuesday action by the House Administration Committee to raise allowances for Members and staffs.

A high percentage of first-term House Democrats are from normally Republican districts. The House Democratic leadership has decided that by using tax dollars it can prevent the thinning of the ranks of the Democratic class of 1974 that otherwise could be expected in 1976.

This is outrageous. The majority party's gall is unbelievable.

The most shocking aspect of the allowances for House Members is the sneaky, back-door way they are handled. I am violently opposed to any congressional actions that are not open, above board, and on the record. In 1971, I fought and voted against the measure that gave the House Administration Committee power to raise benefits for Members without any action by the full House. Both in the last session of Congress and again in January of this year, I introduced proposals providing that benefits for Members and their staffs could be increased only by recorded votes of the entire House. These resolutions were referred to the House Administration Committee, which has refused even to hold hearings on the subject.

When the proposal to give the House Administration Committee power to control allowances was debated on July 21, 1971, the then minority leader said:

> Once this authority is given to this committee, 25 Members out of 435, it will never be retrieved by the House as a whole until and unless there is a scandal. I think the better way to avoid that scandal is to require these additional benefits be voted on in the House by each and every Member of the House.

Mr. Chairman, President Gerald R. Ford's warning is more applicable today than it was 4 years ago. Let us reassume our responsibility before we all are sorry.

Mr. CASEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, this amendment is practically the same as the one that we have been debating for the last hour or so, with the exception that now the gentleman from Maryland (Mr. Bauman) wishes to preclude the Committee on House Administration from doing anything in the future, at least during the term of the appropriation bill which we have under consideration. I think this is the wrong way to do it.

If the gentleman wants to repeal the 1971 action, there is another way to do it, rather than trying to do it by means of this bill.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. CASEY. I would be glad to yield to the gentleman from Ohio.

Mr. HAYS of Ohio. Mr. Chairman, so far as I know, there is no contemplation on the part of the committee to do anything further at this time or, as far as I can see, in the next few months, about Members' allowances, except that if the Post Office Department does what they say they are going to do and raises the cost of stamps, we would probably propose to raise the Members' allowance by exactly what they raise the cost. And there is also a proposal, which I want to tell the Members about, that if IBM and other vendors, under the leasing arrangement that the Members have in their offices, substantially raise the price of the machines they lease to the Members, the committee would probably consider raising the allowance by exactly the amount of the raise in cost to Members.

In other words, if we did not do that, the Members would simply be taking a cut from what the Member is now getting, by the fact that these vendors are about, we understand, to raise their costs by 10 percent.

Mr. CASEY. What the gentleman means is the Members will probably have to take some of the machines out of their offices.

Mr. HAYS of Ohio. That is correct. The committee is trying to be responsible. I interpret the vote we just had as a vote of confidence in the committee.

As the gentleman from Texas (Mr. Casey), the chairman of the committee says, the gentleman's amendment is really plowing the same ground, except that it goes a little further.

I would hope that we could vote on it without very much debate and defeat it as decisively, or more so, than we did the previous amendment.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. BAUMAN. Mr. Chairman, will the gentleman from California yield to me briefly?

Mr. ROUSSELOT. Yes, I yield to my colleague, the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, the gentleman from Ohio (Mr. Hays) and the gentleman from Texas (Mr. Casey) are totally misrepresenting what this amendment does.

It is not going to take away our postage, it is not going to take away our typewriters, or anything else. It is not going to prevent the Committee on House Administration from presenting resolutions on the floor that will give the Members whatever they legitimately need and then having the House vote on such resolutions. The Committee on House Administration will not be able to continue as the final arbiter of these matters, but the House will. There is no block in this amendment to any increase or decrease of benefits during the next year. The amendment just says that the responsibility for these decisions are going to be right where it belongs, in the hands of all the Members of the House of Representatives instead of in the hands of this committee.

Mr. ROUSSELOT. Mr. Chairman, I thank my colleague, the gentleman from Maryland (Mr. Bauman).

Mr. Chairman, I did not support the amendment of my colleague, the gentleman from Colorado, because I favor three of the items that the Committee on House Administration has decided upon, to enlarge our various allowances. However, I have serious reservations about using Federal tax dollars to fund congressional newsletters, and I think this issue should have been debated. I would have preferred that each of the adjustments be voted on separately. In my case, I think that it is unfortunate that we are not given an opportunity to thoroughly debate each of these issues. The proof that each of these issues needs thorough debate, I think, is the fact that we just had a discussion on these adjustments, a very substantial discussion, for better than an hour.

The argument made that by presenting these issues to the floor we will not be able to adequately discuss them, I think, is a mistake. I do not agree with my colleague, the gentleman from Texas (Mr. Casey), whom I normally agree with on many issues, that this somehow will take away from us the ability to have the various allowances and take them away by this vote. The amendment merely says that if we are to discuss them, they are to be considered as part of an appropriation discussion.

Mr. Chairman, I think this amendment is a very reasonable approach. Yesterday we had a very complete discussion on weapons systems. I do not see why we should not discuss our allowances which, I think, will help dispel the claim by the news media that we are not willing to face these issues. I for one am willing to debate and vote on these adjustments in our congressional allowances.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I will be glad to yield to my colleague, the gentleman from Pennsylvania.

Mr. DENT. Mr. Chairman, I thank the gentleman for yielding.

The reason this legislation was passed to give this committee the sole authority to act upon whatever changes might be made in the House services and so forth was because at one time there was a resolution—and at that time the House passed on all of these things—and in the resolution before the House was a $500 increment in our stationery account.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman let me interrupt for one moment?

I do not think those kinds of issues would be heavily debated. I think that when we talk about a whole new concept of funding newsletters, that is a new issue.

Mr. Chairman, I think we should discuss it, and I believe the amendment of the gentleman from Maryland gives us that opportunity, and that is why I favor it.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. Yes; I yield to the gentleman from New York.

Mr. FISH. Mr. Chairman, I wish to associate myself with the remarks of the gentleman in the well. It seems to me that regardless of how one voted on the last amendment, one can vote on this amendment, in favor of the amendment of the gentleman from Maryland.

Mr. RUPPE. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Michigan.

Mr. RUPPE. Mr. Chairman, I would like to associate myself with the remarks of the gentleman in the well. I agree completely with the various provisions in this legislation which he supports, that is, additional travel to my district, increased district phone allowance, and provision, if necessary, for more office staff. I am opposed to the provision in the bill which would provide for two districtwide mailings at Government expense: This is a benefit to Members of Congress that could lead to widespread political abuse, and the effective use of office funds for election purposes.

Further, these office allowances should be voted on by all the Members of the body, not just the members of the House Administration Committee. I voted on July 21, 1971 to require the Members of Congress to vote on any proposed increases in personal emoluments or office allowances; with all due regard to the work of this distinguished committee, I see no reason to change my position today.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the remarks of the gentleman from Michigan (Mr. Ruppe).

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I will be glad to yield to my colleague, the gentleman from Pennsylvania (Mr. Dent).

Mr. DENT. Mr. Chairman, because I introduced an amendment to force every Member of the House to ask for that $500, some 60 Members did not ask for it until after it had quieted down. But before the end of the year, those who led the fight here on the floor went down and asked for their $500. So then they conceived the idea of letting the committee do it. I never cared which way they did it, because if I did not think it was right then I would not vote for it in the committee. But, the weaklings were afraid to stand up and ask for the benefit. So I prepared a resolution saying that we will give all of those Members who voted "No" an opportunity to do the same. We will not force you to take the money, but if you ask for it we will see to it that you can get it.

Mr. BRINKLEY. Mr. Chairman, if the gentleman will yield, some of the gentlemen in that Congress did not do so.

Mr. DENT. That is true, but they were given the right to do so by the resolution.

Mr. BRINKLEY. Mr. Chairman, I believe this amendment provides for a reasonable discussion of appropriations for House Members' allowances; I believe that the amendment brings appropriate attention to the floor. I hope my colleagues will see this amendment in a favorable light, and vote for it.

Mr. CASEY. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. ARMSTRONG. I object, Mr. Chairman.

Mr. CASEY. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 10 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair will recognize the Members who were standing at the time the motion was agreed to for 30 seconds each.

The Chair recognizes the gentleman from Louisiana (Mr. Waggonner).

(By unanimous consent, Messrs. Carney, Passman, Jones of Oklahoma, Blouin, and Harkin yielded their time to Mr. Waggonner.)

Mr. WAGGONNER. Mr. Chairman and my colleagues of the House, I want to read to the Members a statement I made to the House on July 21, 1971, when this House in its wisdom voted to give this committee the authority it now has. That statement is just as true today as it was then, and I will not change a word:

> Mr. Waggonner. Mr. Speaker and members of the committee, this House of Representatives established the House Committee on Administration as the housekeeping committee for the House of Representatives, and it is entirely appropriate that this House give to the committee they established authority commensurate with their responsibility.
>
> The truth is that the vast majority of the Members of this House want this committee to have this authority. The problem is the majority, or maybe too many at least, of the Members of this House are unwilling to do something on the record that might be interpreted as having done something for themselves.
>
> Let us face up to this thing like men. If any man who sits in this House was a member of that committee, 25 Members are at the present time, they would resent the implication that they would ever act except in the best interests of the House of Representatives or the taxpayers. I would if I still sat as a member of this committee, as I once did.
>
> The idea that turning over to this committee will of itself automatically bring about inordinate increases in some of the allowances available to us is without merit, because 2 years ago this House gave to the Committee on House Administration when I was chairman of one of its subcommittees the authority to establish your allowances for furniture and office equipment and gentlemen, those allowances have not been increased since that time because the need has not been demonstrated. But let us think about it in a little bit different way.
>
> The situation is simply this. Why should we in the legislative branch of the Government give a blank check to the executive branch of the Government and to the judicial branch of the Government to establish their allowances in these same areas—for telephone, for telegraph, for travel—for all these other things that they find absolutely necessary—and then put restraints on ourselves that do not allow us to do exactly the same thing? It is just that simple.
>
> Anybody who does not want this money can turn it back, as in some instances I have been doing, and in some instances many of you probably have been doing. But every one of these districts are different. Every man operates his office in a somewhat different way. So what applies to one is not necessarily to be applied to the others. We have rural districts, we have urban districts, we have inner-city districts, districts have grown in the last 10 years. This committee is responsible. They are the duly constituted housekeeping committee. They are responsible people sent here by their voters. They will, as they have, act responsibly, and they will not act under the table. What they will do will be known.
>
> My friends, we will be making a terrible mistake if we do not let them have this authority.

Mr. Chairman, I simply repeat those words and add, we will be making a worse mistake if we take it away now.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. Erlenborn).

Mr. ERLENBORN. Mr. Chairman, I think it is ironic so many of the Members here have talked in the past in their campaigns about open government, and yet they come here and give their proxies to a committee to vote extra emoluments of office. If they really mean to have open government, they would not conduct their meetings in secret in their caucus. They would not instruct the Members how to vote in committee, and they would be willing on this floor to vote for their own emoluments.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from California (Mr. John L. Burton).

(By unanimous consent, Messrs. Studds and Mikva yielded their time to Mr. John L. Burton.)

Mr. JOHN L. BURTON. Mr. Chairman, the reason that I oppose this amendment is, if there is something wrong with the process, then we ought to do it through the legislative way with a rule change.

I was here one day when we spent 2 hours talking about a $50,000 printing authorization for the Joint Economic Committee, during the last year, after my special election. Then we spent 45 minutes on—I think it was—a $93 billion defense bill. This House of Representatives should have more to do than to spend an hour in debate on whether, if one so decides to get an extra typewriter or not.

I would like to see some reforms. I would like to see the elimination of the stationery cash outlay. A lot of people say, "We do not want emoluments, but do not touch that."

If we bring things to the floor, let us bring them to the floor in a very big reform package, but let us do it through a resolution introduced that I will coauthor that will do something.

I think it is proper to have publicly paid constituent reports rather than using a slush fund that people raise from corporations and special-interest groups. I think it is better to have trips going home and reporting to our people on what is going on than having special-interest forces picking up our transportation bills, and I think it is the right thing to do. I can stand up and defend

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it because it is a service to the people I represent, and that is what we are talking about.

The Republican Party has a fund. Someone told me he sent six newsletters last year and he does not need this. I cannot go to some corporation or special interest to get the money, and I would not, I say this is the proper way to do it, openly and up front I urge a "no" vote on the amendment.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. Mr. Chairman, the lightning speed with which the legislative schedule for today was totally altered works a hardship upon all Members of Congress, but consideration of the legislative branch appropriations 1 day after the House Administration Committee—without approval of the full House—significantly increased various congressional emoluments and fringe benefits works a far greater hardship upon the American taxpayer.

News reports of action taken yesterday by the House Administration Committee speak to the point of how an additional $10 million annually may be spent by Members as a result of quiet and back-door methods of authorizing such action.

The key element none of us can ignore is not whether such funds are needed in each area, but the responsibility of each and every Member of Congress to account to his or her constituents on how tax dollars are spent for all purposes. This can only be accomplished by a recorded vote.

Unfortunately, the provisions of House Resolution 457 as adopted by the House on July 21, 1971, delegate full authority to the House Administration Committee to singlehandedly adjust amounts of congressional allowances, thereby circumventing any requirements on the part of 435 Members of Congress to record their votes on such questions. I ask each one of you, how do you expect to look your constituents in the eye and tell them you do not believe in such back-door spending methods?

Mr. Chairman, I would like to remind my colleagues of remarks against such back-door spending made during the July 21, 1971, debate by the gentleman I succeeded from Iowa's Third District, the Honorable H. R. Gross:

> The real question, the gut issue here and now, is the turning over to a little handful of 13 Members the ability to fix all the allowances without any further approval or disapproval by the House.
>
> I do not understand this sudden burst of speed to make life more comfortable for all the Members of the House.

Moreover, I would encourage my colleagues to give their earnest attention to the message contained in remarks made by President Ford during debate on the measure:

> We must recognize that what happens in the committee room is not nearly as exposed to the press or to the public as what happens on the floor of the House. Is it not paradoxical that we are demanding more public opportunity to see what goes on in many, many areas, and on this we are in effect changing the rules so there is less public exposure?

I would also like to point out to my colleagues that it was Congressman H. R. Gross that requested and received a recorded vote on this ill-advised legislative delegation of power authorized in 1971. It received his vote against the measure as it would have received mine.

The Chair recognizes the gentleman from California (Mr. ROUSSELOT).

(By unanimous consent, Mr. ROUSSELOT yielded his time to Mr. BAUMAN.)

The CHAIRMAN. The Chair recognizes the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Chairman, I just want to correct a misimpression that my good friend, the gentleman from California (Mr. JOHN L. BURTON), may have left. He said it is not legal to take corporate funds and use them for this purpose.

Mr. JOHN L. BURTON. Mr. Chairman, my friend, the gentleman from Maryland, is absolutely incorrect, as usual.

Mr. BAUMAN. I do not know whether to take to heart the part about "my friend" or not, but nevertheless I think the gentleman can be shown the statute which forbids the use of corporate funds for political purposes.

Mr. JOHN L. BURTON. Mr. Chairman, if my former friend will yield I would like to correct the gentleman.

Mr. BAUMAN. If the gentleman will take off the "former" before the word "friend" I will yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Chairman, a congressional newsletter can be a recipient and it has been a recipient of corporate funds.

Mr. BAUMAN. The gentleman can make his point on his own time.

The gentleman from Louisiana (Mr. WAGGONNER) often is my leader in the House. I was glad to hear him repeat his remarks made in 1971. I know his sincerity in what he says. But the world has changed many times since 1971. We did not have then the Watergate difficulties and all the scandals that have arisen in Government. Questions about the propriety of things that those in public office do had not yet reached its present level. The world has changed immensely. We ought to have a rethinking on the issue of accountability since the day the House voted on this issue in 1971. We can and we should come out and in the full light of day and vote on these matters in the House of Representatives in a fashion that allows our constituents to hold us responsible. Only by adopting this amendment can we accomplish that.

The CHAIRMAN. The Chair recognizes the gentleman from Colorado (Mr. ARMSTRONG).

Mr. ARMSTRONG. Mr. Chairman, I rise to compliment my friend, the gentleman from Maryland, on his amendment.

What my earlier amendment sought to do crudely his amendment does with great precision.

I think many people may have been confused about the specifics to which my amendment was directed, who will now rise to support the principle of open decisionmaking in the House which his amendment embodies.

Of course I support the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. ARCHER).

Mr. ARCHER. Mr. Chairman, I rise in support of the amendment which embodies the essence of legislation which I have introduced.

A great deal has been said today about courage. We now have an opportunity to express our views and show our courage. If the emoluments are meritorious and if these emoluments are responsible legislation, we should have no problem in standing up and casting our votes for them. Unless we do, the only accountability is on the shoulders of the members of the House Administration Committee. We should each be willing to accept the same accountability to our own constituents. They expect and deserve it. I urge the passage of the Bauman amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. COUGHLIN).

Mr. COUGHLIN. Mr. Chairman, as one of those who on July 21, 1971, voted against delegating the authority of this House, I rise in support of the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. CASEY) for the purpose of closing the debate.

Mr. CASEY. Mr. Chairman, I think the matter has been thoroughly discussed and we are ready for the vote.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Maryland (Mr. BAUMAN).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. BAUMAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 152, noes 259, not voting 22, as follows:

[Roll No. 238]

AYES—152

Abdnor
Anderson, Ill.
Andrews, N. Dak.
Archer
Armstrong
Bafalis
Baucus
Bauman
Beard, Tenn.
Bedell
Bennett
Biester
Boland
Breaux
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Coughlin
Crane
Daniel, R. W.
Derwinski
Devine
Dickinson
Duncan, Tenn.
du Pont
Edwards, Ala.
Emery
English
Erlenborn
Esch
Eshleman
Evans, Ind.
Fenwick
Fish
Flynt
Forsythe
Fraser
Frenzel
Frey
Gilman
Goldwater
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Hamilton
Hammerschmidt
Hansen
Harkin
Hastings
Hechler, W. Va.
Heckler, Mass.
Heinz
Hillis
Hinshaw
Holt
Hutchinson
Hyde
Jacobs
Jarman
Jeffords
Johnson, Colo.
Kasten
Kelly
Kemp
Ketchum
Kindness
Lagomarsino
Landrum
Latta
Lloyd, Tenn.
Lott
McClory
McCloskey
McCollister
McDade
McDonald
McEwen
Madigan
Maguire
Mann
Martin
Michel

Miller, Ohio
Mitchell, N.Y.
Moorhead, Calif.
Mosher
Mottl
Myers, Ind.
Myers, Pa.
O'Brien
Pettis
Poage
Pritchard
Quillen
Railsback
Regula
Rhodes
Rinaldo
Robinson
Rooney
Rostenkowski
Rousselot
Ruppe
Santini
Sarasin
Schneebeli
Schulze
Sebelius
Shuster
Smith, Nebr.
Snyder
Spence
Steelman
Steiger, Ariz.
Steiger, Wis.
Studds
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Traxler
Treen
Vander Jagt
Walsh
Wampler
Whitehurst
Wiggins
Wilson, Bob
Winn
Wydler
Wylie
Young, Alaska
Young, Fla.
Zablocki

NOES—259

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Baldus
Barrett
Beard, R.I.
Bell
Bergland
Bevill
Biaggi
Bingham
Blanchard
Blouin
Bolling
Bonker
Bowen
Brademas
Breckinridge
Brodhead
Brooks
Brown, Calif.
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Carter
Casey
Chappell
Chisholm
Clay
Collins, Ill.
Conte
Corman
Cornell
Cotter
D'Amours
Daniel, Dan
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fisher
Fithian
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Ginn
Gonzalez
Green
Haley
Hall
Hanley
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hefner
Helstoski
Henderson
Hicks
Hightower
Holland
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Ichord
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Keys
Koch
Krebs
Krueger
LaFalce
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Long, La.
Long, Md.
McCormack
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Mahon
Mathis
Matsunaga
Mazzoli
Meeds
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Montgomery
Moore
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Natcher
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pickle
Pike
Preyer
Price
Randall
Rangel
Rees
Reuss
Richmond
Riegle
Risenhoover
Roberts
Rodino
Roe
Rogers
Roncalio
Rose
Rosenthal
Roush
Roybal
Runnels
Russo
Ryan
St Germain
Sarbanes
Satterfield
Scheuer
Schroeder
Seiberling
Sharp
Shipley
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, James V.
Stark
Steed
Stokes
Stratton
Stuckey
Symington
Teague
Thornton
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner
Waxman
Weaver
Whalen
White
Whitten
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wright
Yates
Yatron
Young, Ga.
Zeferetti

NOT VOTING—22

Boggs
Conlan
Conyers
Diggs
Flood
Florio
Hannaford
Johnson, Pa.
Lujan
Melcher
Mollohan
Murtha
Neal
Patman, Tex.
Pressler
Quie
Shriver
Stanton, J. William
Stephens
Sullivan
Thompson
Young, Tex.

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. CASEY. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. MURPHY of New York, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6950) making appropriations for the legislative branch for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, he reported the bill back to the House with the recommendation that the bill do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

MOTION TO RECOMMIT OFFERED BY MR. ARMSTRONG

Mr. ARMSTRONG. Mr. Speaker, I have a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. ARMSTRONG. Yes, Mr. Speaker, I am opposed to the bill.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

> Mr. ARMSTRONG moves to recommit H.R. 6950 to the Committee on Appropriations.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. CASEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6755) entitled "An act to enable the United States to render assistance to, or in behalf of, certain migrants and refugees."

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

> S. Con. Res. 42. Concurrent resolution providing for a conditional adjournment of the Congress from May 22, 1975, until June 2, 1975.

The message also announced that Mr. MATHIAS was appointed as a conferee on the bill (H.R. 5899) entitled "An act making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes."

CONFERENCE REPORT ON H.R. 6755, INDOCHINA MIGRATION AND REFUGEE ASSISTANCE ACT OF 1975

Mr. SARBANES. Mr. Speaker, pursuant to the unanimous-consent agreement of yesterday, I call up the conference report on the bill (H.R. 6755) to enable the United States to render assistance to, or in behalf of, certain migrants and refugees, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of May 20, 1975.)

Mr. SARBANES (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. SARBANES. Mr. Speaker, this conference report, to which all of the managers, both in the Senate and in the House, have agreed, is basically the House-passed bill with some additions and modifications which were added from the Senate bill.

The Senate bill contained three provisions not found in the House bill, a provision directing the President to retrieve all funds previously authorized and appropriated for assistance to South Vietnam and Cambodia; a provision directing a survey to identify those refugees who desire to return to their native country; and a detailed reporting requirement that differs in several substantial respects from the reporting requirement in the House bill.

In addition to those three provisions contained in the Senate bill, and not found in the House bill, the other major difference between the House and Senate bills concerned the authorization

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level. The House bill provided a ceiling of $507 million, and the Senate bill established an authorization figure of $405 million. The conferees agreed on a reasonable compromise figure of $455 million.

With respect to the other differences I wish to note that the Senate was most generous in its willingness to compromise on a number of those provisions. The Senate receded from their amendments relating to the retrieval of foreign assistance funds and those provisions relating to the repatriation of refugees and instead provisions with respect to both of those matters were included in the reporting requirements in section 4 of the bill.

The compromise reporting requirement will now require the President to keep the Congress and certain committees thereof currently and fully informed. It provides for a report within 30 days which would set forth, in addition to other matters concerning the status of the refugees, a plan for the resettlement of those refugees remaining in receiving or staging areas; the number of refugees who wish to return to their homes and a description of the plan for their return, including initiatives made by the U.N. High Commissioner for Refugees; and, thirdly, a full and complete description of the steps the President has taken to retrieve and deposit in the Treasury amounts previously authorized and appropriated for use in South Vietnam and Cambodia.

In addition, the conferees agreed to incorporate language directing the President to transmit detailed supplementary reports every 90 days thereafter.

I believe this is a good conference report. The conferees of the House strongly defended the position of the House, and there was every effort made to bring this report to the House in an expeditious manner.

As my colleagues know, this is emergency legislation. Both the House and the Senate have moved as rapidly as possible in considering this bill. At the same time, I think it is fair to say that at no point in the legislative process was careful scrutiny or thoroughness in consideration of the provisions of the measure sacrificed for the sake of speed. I think that the House and the Senate have acted both expeditiously and carefully.

The appropriation bill is, of course, already at the White House, having passed both Houses and been sent there, but there is some confusion as to whether funds appropriated therein can be expended before this authorization bill is signed into law.

This measure was introduced by the distinguished chairman of the Committee on the Judiciary 2 weeks ago today and was approved by this House by a vote of 381 to 31 last week.

I believe the prompt response of the Congress to this difficult problem is to be commended, and is a clear indication that this country intends to preserve its long tradition of providing a haven for the homeless and for those who feel the threat of persecution.

Mr. Speaker, I urge the adoption of the conference report.

Mr. FISH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the conference report on H.R. 6755, the Indochina Migration and Refugee Assistance Act of 1975. I am happy that the Congress has been able to act with speed in this emergency to authorize assistance to the refugees of Vietnam and Cambodia. Both bodies have acted and at a conference, yesterday, our differences were reconciled and we are now able to bring this up for consideration—an authorization bill as agreed on by your conferees.

The bill is quite similar to that passed last week by this House. One difference which I would like to emphasize, one I believe strengthens this bill and the opportunity for congressional oversight over this refugee program. The bill reported by your conferees requires the President to consult with and keep the appropriate committees of each body fully and currently informed of the use of funds and the exercise of functions authorized in this act.

The President is also required to file a report within 30 days and subsequent reports within each 90 days thereafter setting forth: First, the plan for resettlement of the refugees remaining in various staging areas; second, the number of refugees who seek to return to their homeland and the plans to implement that return, including the efforts of the United Nations High Commissioner for Refugees; and third, steps taken by the President to retrieve moneys which were authorized for other assistance to South Vietnam. These moneys would be redeposited in the Treasury as miscellaneous receipts.

Mr. Speaker, these additions to the original House reporting requirements represent those areas where the Senate receded from its position that the President be required to take certain affirmative actions to provide for the return of refugees and for the retrieval of such aid money. I am sure that this reporting requirement, together with the oversight which we intend to conduct with respect to this refugee program will result in the executive branch complying with our wishes in these regards.

I wish to point out that during the course of our hearings in this matter, the interagency task force members have been most cooperative in complying with the suggestions of the subcommittee with respect to this refugee program. I am sure with continued cooperation, together with this strengthened reporting requirement, this program will be a successful one.

Mr. Speaker, I wish to congratulate the chairman of the Judiciary Committee and the chairman of the Subcommittee on Immigration and my fellow conferees for their cooperation and perseverance to bring this matter to the House for final passage today. The original bill was introduced May 7. In only 14 days we have completed the legislative process.

Mr. PHILLIP BURTON. Mr. Speaker, will the gentleman yield?

Mr. SARBANES. I yield to the gentleman from California.

Mr. PHILLIP BURTON. I thank the gentleman for yielding.

Am I correct in my interpretation that the offshore area includes Guam, the Virgin Islands, American Samoa, the Trust Territories, and Puerto Rico if they are confronted with the same circumstances? Any part of the 50 States will be treated the same as the 50 States and the District of Columbia.

Mr. SARBANES. That question was asked in the course of the committee hearings, and we were assured by a representative of the administration that the answer to that question is, "Yes."

Mr. Speaker, I have no further requests for time, and I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SARBANES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

The **SPEAKER.** Is there objection to the request of the gentleman from Maryland?

There was no objection.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. MOAKLEY. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight to file certain privileged reports.

The **SPEAKER.** Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PAROLE REORGANIZATION ACT OF 1975

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 468 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 468

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5727) to establish an independent and regionalized United States Parole Commission, to provide fair and equitable parole procedures, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. MOAKLEY. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 468 makes in order the consideration of H.R. 5727, the Parole Reorganization Act of 1975. House Resolution 468 provides for an open rule with 1 hour of general debate.

H.R. 5727 reconstitutes the U.S. Board of Parole as the U.S. Parole Commission, an independent agency within the Department of Justice, organized into five geographic regions.

H.R. 5727 spells out the factors to be taken into account when considering parole and allows the inmate access to the information being used at his hearing. It establishes a hearing process with complete sixth amendment protections for the revocation or modification of parole and also makes the Administrative Procedure Act applicable to the Parole Commission, thus requiring the publication of rules and regulations for the Commission.

Mr. Speaker, I urge the adoption of House Resolution 468 in order that we may discuss, debate, and pass H.R. 5727.

Mr. Speaker, at this time I yield to the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. Mr. Speaker, this rule makes in order what is entitled the Parole Reorganization Act of 1975. Mr. Speaker, in my humble opinion that is a misnomer. This legislation ought to be entitled, "Let the Prisoners Go Act of 1975."

I think that we ought to pay attention to what goes on here this afternoon. Mr. Speaker, everybody knows that we have an increasing crime rate in the United States. We have passed in recent years a Safe Streets Act, trying to make our streets in America once again safe.

But in fact we have not done too much towards making those streets safe. One of the reasons for it is that people who commit crimes are immediately back on the street, back faster than the law enforcement officials can apprehend them. Lo and behold, today we have before us a piece of legislation dealing with the parole of convicted—and I stress that word "convicted"—individuals which shifts the burden of establishing whether or not these people ought to be released onto the Parole Commission. It will then be up to the Parole Commission to establish that these individuals should not be put back on the street to commit infamous crimes on men, women, and children in this country.

Mr. Speaker, I think we are out of our minds if we pass this type legislation. Certainly as this matter is debated today this House will be scrutinizing this provision. How this measure ever came out of the illustrious Committee on the Judiciary with that provision in the bill is more than I can say, but certainly this afternoon this House in the amendment stage of this legislation should delete that provision and make that burden lie exactly where it is today, on the convict, the person who has been convicted of the crime. We must leave that burden with him to establish to the satisfaction of the Commission that he is fit and ready to be put back into society. We should not put that burden on the Commission and have the convict filing case after case and appeal after appeal to show that the burden and the duty on the Commission has been fulfilled.

Yes, Mr. Speaker, and there is even a provision in this act which provides that the Commission is authorized to pay the legal expenses but not the fees for the prisoners. Being a member of the bar, I do not know how far we can stretch that matter of expenses until we get into the matter of legal fees.

Mr. DEVINE. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Ohio.

Mr. DEVINE. Mr. Speaker, I thank the gentleman from Ohio (Mr. LATTA) for yielding.

Is the gentleman aware of what group or what lobby or what do-gooders are promoting this piece of legislation or at least this clause in the legislation?

Mr. LATTA. No, I am at a loss. I did not even know anything about it until the matter came before the Rules Committee. I do not know who is pushing it.

Mr. HAYES of Indiana. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I will be glad to yield to the gentleman if he can answer the question.

Mr. HAYES of Indiana. Are there any court cases that would possibly establish any of these rights that would be afforded by the provision the gentleman is referring to? Are there any cases establishing the prisoners' rights, cases that have gone to the courts?

Mr. LATTA. Does the gentleman mean shifting the burden of proof that the man should be paroled? No, I do not know of any.

Mr. DEVINE. Mr. Speaker, if the gentleman will yield further, it seems to me this proposal of shifting the burden of proof does violence to our jurisprudence system. Being a former prosecuting attorney, I am worried about what is the current posture of so many courts and judges across this country, that they are so preoccupied with the rights of the wrongdoers that they totally neglect the rights of the honest and law-abiding victims.

We have to keep this in mind. In order for a person to be incarcerated in an institution and be up for parole, he has had to go the whole gamut of arrest and trial and being convicted. In a felony case, the case has had to be presented to the grand jury to determine if probable cause exists, and if the grand jury is satisfied probable cause does exist, the accused is then indicted, and he is given an opportunity to have a jury trial, and he has counsel appointed for him if he cannot afford counsel, and the jury must find unanimously beyond any reasonable doubt that he has indeed committed the crime, and then in the opinion of the judge or the judgment of the court he may be sentenced, and if the judge feels strongly enough the person is incarcerated in accordance with the law.

When he comes up for parole, I think it is up to the convict himself, the criminal that has been convicted, to establish that he is now ready to return to society and be a useful citizen and not one that will go out and again prey on society or perhaps rob, commit murder, rape, or commit some other heinous crime.

Mr. LATTA. Mr. Speaker, I could not agree more with the gentleman. Certainly the present system has not been working, or we would not have as many repeaters as we have.

Now when we are proposing a law to shift the balance over on to the Commission. Lord help us to keep our streets safe.

I do not know, Mr. Speaker, I think we need a little light on this type of legislation. Certainly we are going to get some heat from back home if this is passed. When the people back home find that this Congress is about to pass this type of legislation, with an increasing crime rate across this country, we are going to feel the heat and see the light.

Mr. WIGGINS. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from California.

Mr. WIGGINS. Mr. Speaker, if we approve the rule, we are confident the committee will be able to demonstrate the light and dispel the heat and we will see from the propriety of this legislation that it is good legislation. I beg to differ with the observations of my friend, the gentleman from Ohio.

Mr. LATTA. Mr. Speaker, I am sure we have differed before, but that does not make it right.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. KASTENMEIER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5727) to establish an independent and regionalized U.S. Parole Commission, to provide fair and equitable parole procedures, and for other purposes.

The **SPEAKER.** The question is on the motion offered by the gentleman from Wisconsin (Mr. KASTENMEIER).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5727) with Mr. BURKE of Massachusetts in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The **CHAIRMAN.** Under the rule, the gentleman from Wisconsin (Mr. KASTENMEIER) will be recognized for 30 minutes, and the gentleman from Illinois (Mr. RAILSBACK) will be recognized for 30 minutes.

The Chair now recognizes the gentleman from Wisconsin.

Mr. KASTENMEIER. Mr. Chairman, I yield such time as he may consume to the distinguished chairman of the Committee on the Judiciary, the gentleman from New Jersey (Mr. Rodino).

Mr. RODINO. Mr. Chairman, first, I would like to commend the chairman of the subcommittee, the gentleman from Wisconsin (Mr. Kastenmeier) and the members of the subcommittee who for a long period of time have labored industriously studying this question of penal reform. The judgment that they have arrived at has not been arrived at lightly or easily or hastily. It is the result of many years of hearings, and finally this result.

I believe that the effort that was made by the chairman of the subcommittee is such that we have to commend him for an enlightened attitude toward this whole question of parole reform. The Parole Reform Act of 1975 represents a fundamental reform of our parole system. If we review it, we see that its practical function is greater than may appear on the surface.

The bill includes and codifies many reforms which have been responsibly initiated and carried out in recent years by the Parole Board itself. It would introduce badly needed uniformity and elements of due process into the procedure for making and reviewing parole determinations. It would further remove the impediment to progressive penology by establishing a definite parole date at one-third of a prisoner's full term.

It would allow the prisoner to look forward to a time of release and of being rehabilitated into society as long as he conforms to the rules of the institution.

I believe, Mr. Chairman, that this bill does contain adequate safeguards to protect the community against the premature release of dangerous recidivists, while at the same time it promotes the positive goal of rehabilitation. I think this is a great stride forward. Again, I wish to congratulate the chairman of the subcommittee and the committee members. I commend this legislation to the House, and urge its passage.

Mr. Chairman, the Parole Reform Act of 1975 represents a fundamental statutory reform of our parole system; at the same time, its practical effect is less sweeping than might appear on the surface. The bill codifies many reforms responsibly initiated and carried out in recent years by the Parole Board itself.

It is time that we streamlined and modernized our parole procedures in light of new and enlightened concepts of penology. The bill would introduce badly needed uniformity and elements of due process into the procedure for making and reviewing parole determinations.

Studies demonstrate that prolonged and indefinite periods of incarceration work counter to the goal of rehabilitation. The bill would remove this impediment to progressive penology by establishing a definite parole date at one-third of a prisoner's full term and by making parole at that date automatic in most instances. It would allow the prisoner to look forward to a definite release date, so long as he conforms to the rules of the institution, unless there is evidence that his release would involve danger to persons in the community, would present a substantial likelihood of renewed criminal activity, or would undermine respect for the law in light of the seriousness of the crime of which he was convicted.

The bill contains safeguards adequate to protect the community against the premature release of dangerous recidivists, while at the same time promoting the positive goal of rehabilitation.

I commend it to the House.

Mr. KASTENMEIER. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I appreciate the comments of the distinguished chairman of the Judiciary Committee. Among the Members responsible for this are all those who have served for the past several years on the subcommittee of the Judiciary Committee which, since 1971, has dealt with the question of prisoners, Federal penitentiaries and prison reform, and the general subject of corrections. In 1971, in response to a universally perceived need for the Congress to undertake again the question of corrections, our subcommittee, which is known today as the Subcommittee on Courts, Civil Liberties and Administration of Justice, took upon itself to involve itself in the question of corrections.

We visited a number of institutions, prisons, jails, State prisons and Federal institutions throughout the country. We had elaborate testimony, some 19 days of hearings and markup, altogether over a period of 4 years.

One of the things the subcommittee learned was that the universal complaint, not only from inmates, prisoners, but those who were in charge of institutions such as wardens, superintendents, judges, was that the parole system had literally not kept up to date with modern penology. Mindful of the fact that the U.S. system of parole has not been substantially revised since 1940, and before that since 1910, and in response to what we thought was the most compelling need in the corrections system for reform, we undertook to offer a substantial revision of the U.S. parole system. This happened late in 1971 and 1972.

Since then, in working with the sister subcommittee in the Senate dealing with corrections, and in working cooperatively with the present U.S. Board of Parole, we developed the bill before us today. In the meantime, responsive to the suggestions that we had made out of the subcommittee, the U.S. Board of Parole has undertaken to put in place a number of the procedural reforms and structural reforms we include in our bill.

Our bill substantially does two things. It reconstitutes the U.S. Board of Parole as a U.S. Parole Commission, an independent agency within the Department of Justice. It organizes it into five geographic regions, with definite statutory powers and obligations.

Second, the bill provides for an infusion of due process into the Federal parole procedures. The parole system has long been recognized as perhaps the single most antiquated, potentially capricious, and arbitrary corner of the criminal justice system. And since the sixth amendment criminal prosecution protections do not apply to the initial parole procedures, the protections that have been gained through the courts have been hard fought and remain inadequate.

Some of the provisions in the bill are as follows:

Now there are definite time periods in which prisoners shall be eligible for parole. This eliminates the uncertainty and allows the inmate time for himself to prepare himself for his own hearing.

It provides that if the record shows the inmate has observed the rules of the institution, he shall no longer be required to prove that he is acceptable for release when the proper time arrives. Rather, the bill does shift the burden, as was complained about by the gentleman from Ohio, to the Commission to make a positive finding that an inmate is not acceptable for release when eligible.

Yet I must point out, Mr. Chairman, to the committee that we do not weaken or change or liberalize the standards applied by the Commission whether or not the individual is released. Frankly, a modern-day commission or board of parole has before it the reports, the counselors' reports, the clinical reports, medical, all of the corrections reports, to make a finding. And it must make a finding, under the bill, and communicate it to the inmate. If there is a denial of parole, within 14 days with specificity it indicates to the prisoner why he was denied it and what he might well do to gain an affirmative finding in terms of a new application for parole a year hence.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KASTENMEIER. Mr. Chairman, I yield myself 1 additional minute.

So the Commission does discharge the positive obligation we have given it. The bill will not and is not intended to put out on the streets prisoners who would not otherwise be today. In that regard, this bill is neutral. It does infuse into the system respect for the law and the decisions of recent years providing prisoners due process in this regard, and it does give a sense of equity and understanding of certainty, at long last, to the inmate population of some 23,000-plus that populate our Federal prisons throughout this country.

Mr. Chairman, in conclusion I would urge support for this bill. It marks, I think, a landmark in terms of corrections, and I think Congress will be applauded for its action in years to come.

Mr. RAILSBACK. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I want to commend the distinguished chairman for shepherding the penal reform measure to its present stage.

In the spring of 1971, the Judiciary Subcommittee on Courts, Civil Liberties and the Administration of Justice embarked on a nationwide review of the problems confronting our correctional institutions. Since that time the subcommittee has conducted in excess of 30 days of public hearings on penal reform both in Washington and elsewhere. In

the past 3 years, the subcommittee or subpanels thereof have visited prisons and jails around the country. In California, San Quentin and Soledad, as well as Terminal Island; in Wisconsin, Waupun, Fox Lake, and the Milwaukee County Jail; in Illinois, the Cook County Jail in Chicago, Stateville Penitentiary in Joliet, Saint Charles Training School for Boys, the State Prison in Vienna; in Massachusetts, Walpole and Norfolk; in Pennsylvania, Lewisburg and Allenwood; in Kansas, Leavenworth; in Missouri, Springfield; in Virginia, Lorton, just to mention a few.

Without fail, every place we visited the inmates complained bitterly of existing parole procedures. They complained of little or no counseling, no assistance in preparing for their appearance before the board. When they went before the board or an examiner they were given 3 to 10 minutes to present their case. They were then excused and 30 or 60 days later they would receive a note with a box checked saying merely "parole denied." No reasons given for the decision and in 98 percent of the cases no administrative review of the decision and hopefully they would get another review within 3 to 5 years. Their anguish over existing procedures was best stated by Jimmy Hoffa, in testimony before our subcommittee:

> Parole is the predominant thought in every person's mind who goes to prison. . . . You cannot diminish the desire of individuals for a parole or the anxiety brought prior to a parole hearing and the despair when he comes out of the parole board and is turned down the way people are turned down. You are on the right tract to alleviate tension, to alleviate aggravation and alleviate hate. . . And it is hate, believe me. The people in that prison hate the words "parole boards."

This was the case in the Federal system prior to August 1973. and the Federal system was considered by many to be better than most State parole systems. In August 1973. with the subcommittee's encouragement, the Attorney General approved a major reorganization of the U.S. Board of Parole. Included in this reorganization are many of the ideas contained in H.R. 5727. For example, presently, the Board of Parole provides the opportunity for an inmate to have assistance at his parole determination hearing, including an attorney if he so chooses. He receives written notice of the time and place of the hearing. Parole determination decisions are presently made within 15 working days of the framework of published guidelines—reasons are now given when parole is denied—there exists a two-step administrative appeal process—from an examiner to a regional board member to the national board—there exist today five regions, each headed by a board member.

The Board has nearly quadrupled its number of hearing examiners who are hearing and deciding cases in panels of two. These relatively new procedures comprise a major part of this legislation and, therefore, most importantly, H.R. 5727 pretty much reflects existing practice.

The parole process, both State and Federal, has come to play an increasingly important part of the entire correctional process. Its purpose is to help individuals reintegrate into society as constructive individuals as soon as they are able. It also serves to alleviate the costs to society of keeping an individual in prison. It costs the taxpayer approximately $6,000 per person per year to keep a person locked up, whereas supervision of that person within the community costs less than $500.

Arbitrary and unchecked discretion permits and occasions irrational, selective and discriminary decisionmaking. It is my opinion and I believe that it is shared by the House Judiciary Committee that fair treatment in parole determination and revocation hearings will enhance the chance of rehabilitation by avoiding reactions to arbitrariness. When persons are treated fairly, society will be the ultimate benefactor.

I urge colleagues to support the passage of H.R. 5727.

Mr. KASTENMEIER. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. Danielson).

Mr. DANIELSON. Mr. Chairman, I thank the gentleman from Wisconsin for yielding me this time.

Mr. Chairman, I wish to associate myself with the remarks of the chairman of the full Committee on the Judiciary, the gentleman from New Jersey (Mr. Rodino), the subcommittee chairman, the gentleman from Wisconsin (Mr. Kastenmeier), and the remarks of the gentleman from Illinois (Mr. Railsback), who has just spoken.

I shall not go into the details of the bill because I think they have already been quite well covered, or I am sure they will be before the general debate is concluded.

I should like to address myself to only a couple of points which I think are uniquely important here, and should be emphasized.

As the gentleman from Illinois (Mr. Railsback) mentioned, the subject matter of parole, the lack of a determinate sentence, and the uncertainty, which are features of our present prison sentences in our Federal institutions, are probably the greatest cause of the dissatisfaction, the unrest, and the hatred demonstrated by those who are confined today in our prisons.

I submit that these circumstances may result in part from an effort of years ago to bring our prison policies up to date with what was thought to be enlightened practice, and so the people of America conceived and adopted the idea of an indeterminate sentence. People were sent to prison, and the final determination of how long they were going to serve was delegated to a so-called adult authority, or parole board, which was to have the decision of finally determining how much time a convict was going to serve.

Parole boards were established for the purpose of investigating the records of those who were confined, and for the purpose of determining whether or not they should be given some type of conditional release or parole.

The trouble was that this system delegated too much discrimination to too many people who were not really responsible, and who did not pay sufficient attention to the inmate's record during confinement, or to whether further confinement would serve a useful purpose.

People sent to prison had no idea whether they were going to receive a parole hearing this year, or next year, or whenever. If parole hearings were held the inmates had no idea what factors were to be considered. They did not necessarily have the right to be represented. They did not necessarily know what material was going to be brought before the parole board. Sometimes the hearings were held and then an unconscionable length of time took place before a decision was rendered, and even then, the convict did not necessarily know what factors determined their decision.

We have come a long way since then.

There is a present tendency to feel that the indeterminate sentence, although it seemed to be a good idea, when adopted, is not a good idea after all. Perhaps it is a better idea to have a time certain in sentencings. Perhaps it is better to recognize that very few reform schools reform, and that very few prisons rehabilitate. Perhaps it is better to have a time certain to give the convicted person a taste of what it is like to be confined, to try to give them some guidance, if that is possible, and to help them realize that if they live within the rules of the institution in which they are confined, they are going to be released on parole according to a known formula.

That is what we have under this bill. I think one of the most important features is the section which provides that after a prisoner has served a certain length of time, one-third of the sentence in the usual case, 10 years in the case of an exceptionally long sentence, he shall be given a parole hearing. That does not mean that he will necessarily be released. If in the determination of the parole board she should not be released, he will not be released, but unless there is some negative history in that convict's behavior which would call for longer confinement, he should then be released. That is where this burden of proof comes in. There has to be some showing that he has not earned or he is not entitled to the parole he would otherwise get. Quite obviously, some people will not get their parole at the end of one-third of the time, but we have another provision, section 4205(b), that provides that anyone who has not received parole at an earlier date shall be released at the end of two-thirds of his sentence unless, again, there is some compelling reason why he should not be.

Along with those two very salutary provisions we also have the provisions for appeal. There are two steps on the appeal, as has been mentioned in earlier argument. I think they are meritorious: they are forward-looking. I think that they serve to insure that the actions of the parole board will not be arbitrary or capricious. They are very valuable, I believe, in our parole system.

I would like to point out that this bill

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passed out of the subcommittee with a bipartisan vote. In fact, there were no negative votes that I recall. Before the full committee, again, there was a unanimous voice vote. It is the judgment of both the minority and the majority side of the responsible committee of this Congress that this bill should be passed, and I urge its adoption.

I also wish to point out that, from a purely dollars and cents point of view, we should not keep people in our prisons any longer than is necessary, that is, we should not keep them confined, at taxpayers' expense, when the confinement no longer serves a useful purpose. The reason is simply this: It costs too much.

While working on the bill now before us I did some research as to what it costs the American taxpayer today to maintain a prisoner in our prisons. The costs vary from institution to institution because of the different types of facilities and the use to which they are put.

These figures are based on fiscal year 1975 and fiscal year 1976 appropriations to provide care of 24,000 prisoners, and for the maintenance and operation of 37 penal institutions, community treatment centers in 14 metropolitan areas, and the central office. Employees number 7,682.

[In thousands of dollars]

Operating costs	1975 estimate	1976 estimate
1. Custody, care, and treatment of prisoners	90,359	101,674
2. Inmate education	7,426	8,110
3. Maintenance and operation of institutions	44,546	49,596
4. Medical service	11,283	12,466
5. Narcotic addict treatment	5,808	5,905
6. Technical assistance to State and governments	324	24
7. General administration	10,101	10,607
Total operating costs	169,847	188,382

The average cost per man per day for all types of penal institutions is as follows:

1974: $16.66, (actual); $6080.90 man/yr.
1975: $16.86, (est.); $6153.90 man/yr.
1976: $21.22 (est.); $7745.30 man/yr.

The Bureau of Prisons categorizes its Federal institutions, and ranks them from most to least costly as follows:

Medium security prisons: Prisoners in these institutions usually are sentences for under 10 years. They include women's and juvenile institutions, and are most expensive to maintain since they require a maximum amount of education and rehabilitation programs:

Low: La Tuna, Texas; $11.31 man/day; $4128.15 man/yr.

High: Ft. Worth, Texas; $24.86 man/day; $9073.91 man/yr.

Average cost: $19.21 man/day; $7011.65 man/yr.

Maximum security prisons: The costs here are attributed to costs of high security:

Low: Atlanta, Georgia; $9.78 man/day; $3569.70 man/yr.

High: Marion, Illinois; $23.16 man/day; $8453.40 man/yr.

Average cost: $13.48 man/day; $4920.20 man/yr.

Minimum security prisons: The comparatively low cost of these prisons can be attributed to the low number of programs necessary for the "white-collar" criminals kept here.

Average cost: $9.53 man/day; $3476.45 man/yr.

Hospitals: Federal centers for Federal prisoners:

Average cost: $22.15 man/day; $8084.75 man/yr.

The highest maintenance costs are spent in the medium security, cocorrectional—male and female—juvenile correction center in Morgantown, W. Va. It also maintains the least intensive security.

The lowest maintenance costs are spent in the minimum security prison camp, Eglin Air Force Base, Fla.

Location of institutions:

Medium security: Fort Worth, Tex.,* Lexington, Ky.,* Danbury, Conn., La Tuna, Tex., Sandstone, Minn., Terminal Island, Calif.,* Texarkana, Tex.

Maximum security: Lewisburg, Pa., McNeil Island, Wash., Marion, Ill., Terre Haute, Ind., Atlanta, Ga., Leavenworth, Kans.

Medium-maximum security: El Reno, Okla., Milan, Mich., Petersburg, W. Va., Tallahasse, Fla., Lompoc, Calif., Oxford, Wisc., Seagoville, Tex., Alderson, W. Va.

Minimum security: Florence, Ariz., Safford, Ariz., Allenwood, Pa., Eglin Air Force Base, Fla., Montgomery, Ala., El Paso, Tex.

Youth and juvenile: Ashland, Ky., Englewood, Calif., Pleasanton, Calif.,* Morgantown, W. Va.

Youth complexes: Miami, Fla., San Diego, Calif.*

Medical institutions: Springfield, Mo., Butner, N.C. (completion in 1976).

Metropolitan correctional centers—halfway houses): Chicago, Ill., San Diego, Calif.,* New York, N.Y.

I do not imply that we should release inmates from our prisons on the basis of costs alone, but I submit that the cost factors are a valid and important consideration in those instances where further confinement will serve no useful purpose.

Mr. KELLY. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan (Mr. HUTCHINSON).

Mr. HUTCHINSON. Mr. Chairman, there are some of us on the Committee on the Judiciary who are not in favor of this bill. The vote in the full committee, while it was a voice vote, was not unanimous. There were some "noes." I voted "no," and I heard two or three others. I just want to set the record straight that the committee is not unanimously in support of this bill.

My opposition to it is based upon what I think to be a very unwise change in public policy to say that a convicted person serving a sentence in the Federal penitentiary shall be entitled to parole unless—and put the burden upon the Parole Board to determine why the man should not be paroled at the end of one-third of his term.

I have always understood that parole power is part of the Executive power to pardon. It is an act of Executive clemency. It is an act of grace, not of right, and this bill, as I understand it, vests in the convicted person a qualified right to be paroled at the end of one-third of his sentence or as soon thereafter as the Parole Board is unable to demonstrate that he should be imprisoned longer.

In the public mind at least part of the criminal problem in this country is that courts are thought to be too lenient, and convicted prisoners get out on the streets much sooner than they should for the safety of society. I understand that the Federal Parole Board has been reconstituted during the last couple of years, and they have instituted some reforms which, in my opinion, should be permitted to function and to be tested at least for a time until we should write them into the concrete of statutory law.

I just do not think that it is good public policy to start out on the proposition that a prisoner should be entitled to parole unless—

Now the proponents of this bill have sought to allay my concerns by saying that really this change is more symbolic than anything else, that as a practical matter in the treatment of every parole case, the parole board does weigh the matter of determining why the man should not go out on parole, and all this does is simply require them to tell him in writing why they will not let him go, but it is important to me that we retain some symbolisms in this country, and I think it is important to remember that parole is an extension of the power of Executive clemency, a matter of grace and not of right.

The other thing that disturbs me about this bill, and there is not anything in this bill that would say there is any right of judicial review when a parole is denied, but once we write into the law even a qualified right of an individual for certain relief, I cannot see how we can avoid giving a prisoner the opportunity to test the denial of that relief in the courts, and I am very apprehensive that the U.S. district courts will begin to receive a great many petitions based upon the proposition that the Parole Board did not fulfill the requirements of the statute in denying the parole of the petitioner.

For these reasons I do not favor this bill and I shall vote against it and I urge my colleagues to vote against it.

Mr. KASTENMEIER. Mr. Chairman, I yield 4 minutes to the gentleman from Massachusetts (Mr. DRINAN).

Mr. DRINAN. Mr. Chairman, I commend the chairman of this committee and also the ranking minority member.

For the past 45 years the Congress has been silent in the area of parole reform despite the clamor of the courts and the entire criminal justice community for legislative direction in the establishment of a rational parole policy. Prestigious groups such as the President's Commission on Law Enforcement and the Administration of Justice, the National Council on Crime and Delinquency, the American Civil Liberties Union, and the Attorney General's Committee on Poverty and the Administration of Federal Criminal Justice, among others,

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*Denotes cocorrectional (male and female) prisons.

have presented an overwhelming case for action by the Congress to dissipate the air of secrecy and arbitrariness which surrounds current parole practices.

We have traveled to many prisons and we have talked to prisoners, corrections officers, and others. The message was always the same—something must be done about parole. We should keep in mind that parole is an area of Government action which profoundly affects a segment of the population who do not have ready access to the instruments of reform or even to the sympathies of the public.

We would like to believe that parole is an enlightened effort on the part of society to rehabilitate convicted criminals. Although few circumstances could better further that purpose than a belief on the part of such offenders in a fair and objective parole procedure, hardly anything could more seriously impede progress toward that important goal, than a belief on their part that the law's machinery is arbitrary, too busy, or impervious to facts. In such a climate the potential of the parole system remains unfulfilled.

I want to speak about features of this bill that go to the essence of the remarks the distinguished gentleman from Michigan (Mr. HUTCHINSON) was speaking about just a moment ago.

Ideally, the decisionmaking process operates with a full range of information related to the inmate. H.R. 5727 incorporates the comprehensive information requirements that are suggested by the Model Penal Code; namely, the reports and recommendations of institutional staff official reports of prior criminal record, the presentence investigation report, recommendations of the sentencing judge, reports of physical, mental, and psychiatric examination and any relevant information which may be submitted by the prisoner, his advocate, or another person. Most importantly this information which shall constitute the factors upon which a parole decision is based, is made available to the prisoner. The prisoner here has facts with which he can contend in the hearing process. Up to now he has had nothing. He went to a hearing not knowing what information the authorities had against him. Disclosure of information which shall be used in making a determination goes to the essence of due process.

I think it is really improper to say that the burden of proof has shifted. I think that the burden of persuasion has shifted to the examining officials. But the parole hearing is not an adversary proceeding. Evidence is not used in the usual sense and I feel that it clouds the question to suggest that the burden of proof has shifted. Under the Parole Reorganization Act, it becomes the Parole Commission's responsibility, in arriving at a denial decision, to provide a written statement of its reasons supported by a summary of evidence showing with particularity: First, that the prisoner cannot be expected to remain at liberty without violating any criminal law, second, release would be incompatible with the welfare of society, or third, that release would depreciate the seriousness of the crime.

Under the application of the Administrative Procedure Act to the Parole Commission's functions and the requirement that the examining panel take into consideration the factors established by the Commission within its rulemaking authority in arriving at a parole denial decision, the Parole Commission is obligated to publish and make available guidelines and related data which will provide a conceptual scheme for denial decisions. It will be necessary for the Parole Commission to make available information used in establishing criteria that, for example, provide a basis for judging the seriousness of an offense so as to promote an understanding of what it will mean to be denied parole based upon a finding that release would depreciate the seriousness of the crime.

I am especially pleased that H.R. 5727 provides for disclosure of the presentence investigation report to the prisoner. The President's Task Force on Corrections has indicated that the presentence investigation report is a prime influence in parole decisions. In testimony before the committee, the concern was raised as to whether the Parole Commission would be able to disclose the presentence investigation report or other such reports that are not within their control. The Parole Reorganization Act provides that authority. Information can only be withheld when it represents a diagnostic opinion, the disclosure of which might seriously disrupt a program of rehabilitation, reveals sources of information which have been obtained on a promise of confidentiality, or the disclosure of which would endanger the safety of a person.

Under proposed amendments to rule 32 of the Federal Rules of Criminal Procedure, presentence investigation reports will be made available to the individual unless such disclosure comes under one of the three categories referred to a moment ago. It is the intent of the committee that the Parole Commission make an independent determination on disclosure of the presentence investigation and other such reports based upon the guidelines contained in this bill. The Parole Reorganization Act provides additional safeguards of the prisoners right to information used in making a denial determination by requiring that the substance of withheld information be presented as well as a statement with reasons for the withholding decision.

The problems of arbitrariness and lack of a cohesive parole policy are further addressed in H.R. 5727 by the requirement of a written notice of a denial decision which is to include a summary of the evidence and information specifically serving as a basis for such decision. The committee clearly expressed its objection to a checklist or prototype denial statement for meeting the Parole Commission's responsibility to explain and justify its denial decisions.

It is clear that administrative convenience is not the priority of this legislation. Moreover, one of the major aspects of the bill is the guarantee that the prisoner will be presented with substantive reasons in a denial decision.

Is there a right to parole? Is this a qualified right? I would say no to both of those questions. It seems to me that the essence of this procedure is that the prisoner participates in the rehabilitative process. Because it is not an adversary proceeding it is not a situation where the prisoner and his keepers are contending with the rules of evidence. It is improper therefore to say that this is a right or a privilege that the prisoner has to parole. It is neither. Parole is the implementation of a correctional policy and if a prisoner abides by the rules of the prison, and that is the given condition, then he has a right to due process.

The rehabilitative process is further underscored in H.R. 5727 by the suggestion that when feasible, the Parole Commission should advise the prisoner of the actions he might take to enhance his prospects for parole.

In conclusion, Mr. Chairman, I would point out that the Parole Board controls approximately two-thirds of the time actually served under the fixed term Federal sentences and all of the time served under indeterminate sentences. Thus the actions of the Board have greater and more immediate impact on the average Federal prisoner than the action of the court which sentenced him. The exercise of such authority is a fearsome responsibility. The Parole Reorganization Act will lead to exercise which is rational, evenhanded, and consistent with our notions of procedural fairness.

Mr. RAILSBACK. Mr. Chairman, I yield 7 minutes to the gentleman from California (Mr. WIGGINS).

Mr. WIGGINS. Mr. Chairman, I support this legislation. I wish to associate myself with the previous remarks of the gentleman from Illinois (Mr. RAILSBACK), the gentleman from California (Mr. DANIELSON), and the chairman of the subcommittee, the gentleman from Wisconsin (Mr. KASTENMEIER).

Mr. Chairman, I should like to discuss with the Members and particularly with my good friends and valued leader, the gentleman from Michigan (Mr. HUTCHINSON) some of his objections to the bill.

First of all, the objection has been made that this bill shifts the burden of proof from the applicant for parole to the Parole Board. Let me understand clearly what the bill, in fact, does.

To those Members who have a copy of the bill, I direct their attention to section 4205 of the bill. It says that a prisoner shall be released on parole, but only if, first, his record shows that he has substantially observed the rules of the institution in which he is confined—a commonsense provision. The possession of those records is clearly within the custody of the institution and not the parole applicant.

Second, it says that he shall not be released if there is a reasonably probability that such prisoner will not live and remain at liberty without violating any criminal law. That is a commonsense provision also. Who is best able to prove the truth of that commonsense requirement? The answer is clearly, members of the Parole Board and their investigative staff, not the inmate himself.

The second requirement is that the inmate shall not be released if there is a reasonable probability that such release would be incompatible with the welfare of society. Again, the same observation can be made. It is the parole authority that is best able to demonstrate that fact, rather than the inmate himself.

Finally, the prisoner shall not be paroled if the prisoner's release would so deprecate the seriousness of his crime as to undermine respect for law.

Each and every one these requirements is best proved by the institution or by the parole authority, rather than the inmate.

In making the determinations which I have just described, certain factors must be taken into consideration, which are enumerated in section 4206 of the bill. The first factor is "reports and recommendations" of the staff—and who has custody and possession of those reports? Obviously, not the inmate.

The prior criminal record, the prior experience on parole and probation which are also factors are all records within the official custody of government and not the inmate. I can say the same with respect to presentence investigation reports: recommendations of the judge at the time of sentencing; and reports concerning the physical, mental, or psychiatric condition of the offender. All of these, in my opinion, are appropriate for consideration, and they are material in the possession of the official government and not the inmate.

So, members of the committee, in shifting the burden to government and away from the inmate, we are merely recognizing the pragmatic fact that an inmate in custody is ill suited to carry the burden. He can appear and say, "I am willing to live in society free from further error," but after having said that, and perhaps presenting a letter or so from friends, he is all through. There is very little else he can do. So, we do recognize in this legislation that government itself is best able to disprove by evidence in its possession the rebuttable presumption in favor of parole; and that an inmate is ill equipped to carry the burden to prove his fitness or parole.

Second, I wish to comment with respect to the question of judicial review. It is an issue which has troubled some Members. It is to be borne in mind that the bill is silent with respect to judicial review. Accordingly the bill adds nothing to current law, nor does it detract from current law.

What, then, is the current right of a person in custody who feels that he has been treated arbitrarily, capriciously, without cause, or perhaps in violation of internal rules? Is he without a remedy? Of course he is not. The casebooks are full of such cases now.

Mr. DRINAN. Mr. Chairman, will the gentleman yield?

Mr. WIGGINS. I yield to the gentleman from Massachusetts.

Mr. DRINAN. Mr. Chairman, I commend the gentleman, especially for his comments on the question of shifting of the burden. But, do I understand from his fine comments that the burden does not shift because it was always actually on those who had custody of those particular prisoners, and that the prisoner never had the burden because he does not have access to any of the documents, so that the burden does not really shift in this particular bill?

Mr. WIGGINS. Mr. Chairman, I think what the bill does is to recognize in statutory language the reality of practice. It does say that the parole applicant shall be granted parole, which creates a rebuttable presumption in favor of parole, unless the parole authorities come forward with findings indicating that parole is inappropriate.

Mr. DRINAN. Would the gentleman conclude that it is inappropriate and misleading to say that the burden of proof is shifted in this bill, contrary to traditional ways of giving parole?

Mr. WIGGINS. Not contrary to traditional ways. I think it simply conforms to traditional practice.

Mr. DRINAN. I thank the gentleman.

Mr. WIGGINS. Mr. Chairman, I would like to make a few additional observations with respect to judicial review. As I have indicated, the bill neither adds to nor subtracts from any judicial review rights presently enjoyed by an inmate in an institution. Some may feel that existing judicial review is unwarranted. How could we tolerate for one moment in this country arbitrary governmental action? Clearly, it should not go unchallenged. Existing law, which this bill does not add to, permits challenges to a decision of a parole board where the claimed action of the parole board is arbitrary, capricious, or in violation of law. Retreat from this existing law would be wrong.

It seems to me that it is consistent with the American system of fairness that if a parole applicant can demonstrate in a judicial proceeding that the parole authorities have violated their own rule, or that the parole authorities have acted arbitrarily, that man should not be denied a remedy. This bill does not create the remedy. That is already available to him under existing law. Accordingly this argument about excessive judicial review, I think, is overdrawn.

The CHAIRMAN. Does the gentleman from Illinois have further requests for time?

Mr. RAILSBACK. Mr. Chairman, I yield 2 minutes to the gentleman from Maine (Mr. COHEN).

Mr. COHEN. Mr. Chairman, I rise in support of H.R. 5727, the Parole Reorganization Act of 1975. Not only does this bill substantially improve the Federal parole process by statutorily establishing the U.S. Parole Commission as an independent agency within the Department of Justice, but it also insures that due process will be the rule rather than the exception in parole procedures. Clearly, this bill aims at eliminating the inequities in the system which have frustrated wardens, judges, and inmates for the last 40 years.

The members of the Subcommittee on Courts, Civil Liberties, and the Administration of Justice, and especially Chairman KASTENMEIER, Mr. RAILSBACK, and Mr. WIGGINS are to be congratulated for their efforts on this bill and thanked for the many hours which they spent considering its provisions.

It should be noted that we have not statutorily updated the Federal parole system since its creation in 1930. The bill being considered today substantially improves upon this 45-year-old system by making its guidelines more specific, and its procedures more equitable and efficient.

This is an extremely important bill which will enable the Federal Government to improve our correctional system. I urge my colleagues to strongly support its passage.

Mr. RAILSBACK. Mr. Chairman, I yield 1 minute to the gentleman from New York (Mr. FISH).

Mr. FISH. Mr. Chairman, I rise in support of H.R. 5727. To begin, I want to join with those who are congratulating the subcommittee for their efforts in what has been a long and difficult task. I was a member of the subcommittee when it first began to consider penal reform. During this period, many hours of hearings have been conducted with expert witnesses ranging from former Attorney General Ramsey Clark to labor leader, James R. Hoffa. In fact, the subcommittee began this important inquiry before the occurrence of the tragedies at San Quentin and Attica made this a fashionable subject for reformers.

Also, during this period, the committee members have traveled to visit numerous correctional institutions. Among those I have visited include: San Quentin, Walpole Prison, Mass., and Lewisburg Federal Penitentiary, Pa. Through such onsite visits I feel that we have come to better understand the actual conditions and visit personally with the inmates. They were able to be most frank regarding their problems and grievances.

Their list of reforms is long and most familiar to this body. They include: Treatment of minorities, visitation rights, inmate health and safety, censorship of mail and reading materials, drug treatment programs, sexual rights, religious freedom and, of course, the death penalty itself. One subject that was repeatedly raised as a necessary area for reform was existing parole procedures and the lack of prisoner rights under both Federal and State parole systems.

The U.S. Board of Parole presently consists of an eight-man panel serving for overlapping terms of 6 years. H.R. 5727 would expand the size of the Commission to nine at the recommendation of the Department of Justice. The Board functions both as a policymaking and administrative body. They have jurisdiction over all Federal prisons, and along with only 28 hearing examiners, are called to make approximately 26,000 decisions regarding parole applicants annually. In addition to considering applications for parole, the Board administers parole for deportation, issues warrants for parole violators, conducts revocation hearings, promulgates rules and regulations for the supervision, discharge from supervision, or recommitment of parole prisoners.

Right now, a prisoner generally becomes eligible for parole when he has served one-third of his sentence—or in the case of life sentence, 15 years—a condition which is fixed by law and the sentencing judge. This bill does not change the one-third eligibility rule (18 United States Code, section 4202). The remaining two-thirds of his time as a prisoner falls within the jurisdiction of the Parole Board. Thus, in terms of length of punishment, the Parole Board wields more power than the entire Federal judiciary.

H.R. 5727 has the dual aims of making the Parole Board more independent and insuring that prisoners are afforded due process rights in parole proceedings. At present, the Board is a component of the Department of Justice and has been severely criticized as being too susceptible to political whims and bureaucratic budgtary controls. Such political influence charges became national news not too long ago in connection with the cases of Jimmy Hoffa and the Berrigan brothers.

Under the proposed legislation, the Parole Board would be taken out from under the control of the Attorney General and made a semi-independent administrative agency. That is, it would still be within the Department of Justice for administrative purposes, but it would have its own separate budget. Further, the bill would prevent a return to the old system which existed prior to August 1973 when the Board practiced notoriously secretive and arbitrary procedures. Furthermore, the measure would require that all decisions of the Parole Board be put in writing. At this time the Parole Board is not required to list or explain any of its reasons for denying a prisoner parole. However, since their reorganization in 1973, and 1974, they now provide the inmate with the reasons for their decision, but they are not required to.

With the proposed "Parole Reorganization Act of 1975," Congress has an important opportunity to modernize a rigid and antiquated Federal parole system. At the same time, such legislation can provide an incentive and blueprint for the States to undertake similar reforms of their own parole systems. Hopefully, these long overdue changes will also be just the beginning of a comprehensive legislative revision of existing correctional practices.

I urge my colleagues to support the passage of H.R. 5727.

Mr. KASTENMEIER. Mr. Chairman, I yield 4 minutes to the gentleman from New York (Mr. BADILLO), a member of the subcommittee.

Mr. BADILLO. Mr. Chairman, I rise in support of this legislation, and I commend the gentleman from Wisconsin (Mr. KASTENMEIER) and the members of the subcommittee for the work that they have done over many years in order to bring this legislation to the floor.

Mr. Chairman, as the Members may know, I was present at Attica, as one of the members of the Observers' Committee. I negotiated with Corrections Commissioner Oswald on the demands that prisoners made at that time, and three of the most important demands had to do with the question of parole.

Since that time, I have received letters from prisoners throughout the country and I find that well over 50 percent of the letters received in my office have to do with the question of parole. Therefore, I think it is important that we in the Congress of the United States begin to set a standard which I hope will be followed by every State and every city throughout the Nation, that we begin to set a standard which will identify clearly what the procedures are when it comes to parole so that uncertainty may be removed.

Mr. Chairman, I want to point out on the question of burden of proof that, from the prisoner's point of view, there is no shift at all on the burden of proof in this legislation because this legislation says that in order for the prisoner to be considered for parole, he must observe the rules of the institution.

If the gentleman from Michigan (Mr. HUTCHINSON) can picture himself in the position of the prisoner, he will be able to appreciate that a person confined to an institution can only be expected to be judged on whether he has observed the rules. He has the burden of proof of observing those rules under this act. There is nothing else that he can do or be expected to do. The problem now is that prisoners who have observed the rules and who are not accused in any way of violating those rules may be denied parole, and they do not know what they did. Therefore, if it is something other than observing the rules, it is clear that the responsibility should be on the prison authorities to tell the prisoner what it is that is the basis for the denial of parole.

From the prisoner's point of view, however, he retains under this bill the affirmative burden of observing the rules.

Mr. Chairman, I want to bring out another topic which is pointed to in the committee report, because we did not just say that the prisoner should observe the rules.

On page 6 of the report we say the following:

> It is the intent of the Committee that all available information on the efforts that the prisoner may have made to improve his education, skills, or personal attributes be considered by the Commission.

I want to ask the chairman of the subcommittee to confirm whether it is not a fact that what we intended to mean by this paragraph is that in addition to merely observing the rules, the Parole Commission should take into account affirmative efforts that are made by the prisoner to improve his education, to improve his skills, so that if he does get released on parole he may be a more useful citizen.

I would appreciate the comment of the chairman.

Mr. KASTENMEIER. If the gentleman will yield, I am pleased to say that he is correct in that interpretation. I commend him for, as I recall, that suggestion with respect to the report made in our subcommittee markup.

As he might have observed, under section 4206 on Factors and Information Considered, certain material may otherwise be considered largely negative in terms of the prisoner, and what we have done is to try to balance that off to show some affirmative factors that should be considered in such a determination.

Mr. Chairman, I compliment the gentleman.

Mr. BADILLO. Mr. Chairman, I thank the chairman of the subcommittee.

I am sure the other Members see what we intend to do by this legislation, which is to put the burden on the prisoner, to put the burden on him to obey the rules of the institution, and further, to give him an incentive so that if he goes beyond merely observing the rules, if he takes advantage of courses that may be offered so that he can get a high school diploma or if he enrolls for training in a particular skill, that shall be affirmatively weighed. Under those circumstances, if we add to that the certainty that there will be a definite decision in his case at a fixed point in time and that if any other factor comes in, the prisoner shall know about it, we will have the kind of conditions that will make it possible for those who are in prison to know how they must behave and to know what they can reasonably expect and to that extent we will have improved the existing law.

Mr. RAILSBACK. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania (Mr. BIESTER).

Mr. BIESTER. Mr. Chairman, I served as a member of the relevant subcommittee when we first made our investigations of conditions in American prisons.

The most important element and the worst characteristic of all the prisons we visited lay not so much in the dank cells and the dark corridors, but in the depressed psychological atmosphere in American prisons, an atmosphere which seemed designed to and, in fact, far too often succeeds in reinforcing a sense of desperation and general demoralization on the part of the prospective releasee or parolee.

And the result is recidivism at a rate of 70 to 80 percent out of America's prisons.

Make no mistake about it. These men and women in these prisons are going to be on the street, and the question that too many have focused on is when they are going to be on the street and instead of that the focal point should be: What will they be like when they reach the street? How will they see themselves and how will they see themselves in relation to the system of American justice.

We should draw them to a feeling of self-worth and not depress those feelings.

If the system of law does not display a continuing respect for them, how can we expect them to achieve a sense of respect for themselves unless it be obtained in antagonism to the system itself, and the society that system represents? And how shocked we all are when such antagonism explodes.

There are those who believe that we can or should break a prisoner's will and self-respect, and always we seem to be

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shocked to discover that we have only succeeded in banking cool ashes around the smouldering fires of his deepening resentment. True, he may give lip service to the collapse of his will, with obvious servility, but someday he will need to prove to himself, at least, that the essence of himself has not been destroyed, and that distorted effort may be criminal and violent in nature.

Mr. Chairman, what this bill offers is a set of procedural rights to a parolee which recognizes him as worthy of rights guaranteed by a system of law that meets him half way, and whose past need not be an ugly prologue to an even grimmer future. Thus he may find self-respect in the context of the system rather than outside it. He may find a store of worthwhileness in the system as well as in himself, and if he can find those elements in himself and in the system then the likelihood of recidivism is, in my judgment, and in the judgment of the experts who have studied this matter, dramatically reduced. That produces a reduction in the number of crimes committed because we have met these prisoners half way. And that is the service and the result that we owe to all peaceful, law-abiding American citizens. That reduction is, I believe, likely under this bill, and I therefore urge my colleagues to support it.

Mr. Chairman, when we talk about the way we treat those who have been convicted of crimes, we continue to speak to the old dichotomy of "us against them." We all share the same society. Sooner or later we all inhabit the same cities, and the question is how we relate to each other and how we demonstrate and how our system of government demonstrates its continuing concern with the men and women whose lives have been broken because of some aberrant social behavior. If we can bring those men and women back into society we do them a service, but we also serve the people who might have been the victims of their future crimes if those efforts at salvage have not been made.

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. BIESTER. I yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Chairman, as a former member of the Committee on the Judiciary at the time when this matter was being investigated, and the initial legislation was being drafted. I rise in full endorsement of the remarks of the gentleman from Pennsylvania (Mr. Biester).

Mr. Chairman, I am pleased to support H.R. 5727, the Parole Reorganization Act of 1975. The legislative history of this bill goes back several years to the 92d Congress when I served on the Judiciary Subcommittee which initiated the study of parole reform that lead to the bill we are considering today.

I recall vividly visiting penal institutions for onsight investigations of the parole system as it was functioning at the time as well as the numerous hearings we held during that period. What we found was a system of parole review which is arbitrary and capricious. It is a system which does not work well for the individual inmate or for society.

It is therefore with great satisfaction that I lend my support today to the product of years of intensive work by the Judiciary Committee which is embodied in H.R. 5727. In fact, I sponsored bills which were the forerunners of this proposal in this and previous Congresses and feel a sense of personal association with this legislation.

It has long been recognized that the Federal parole system, which has not been changed since it was established in 1930, is overworked and cumbersome. The fundamental reorganization of the U.S. Board of Parole into a U.S. Parole Commission as an independent agency within the Justice Department with five regional offices, additional hearing examiners, and specific statutory authorities, including rulemaking and subpena powers, is overdue.

While this structural reform would go far to modernize the parole system's organization framework, I am particularly pleased with the substantive changes which this legislation would make in the actual parole process affecting the potential parolee, the conduct of the parole hearing itself, the conditions of parole, and the circumstances of parole revocation. These reforms constitute the heart of the bill as far as I am concerned.

From my own involvement with the Judiciary Committee's consideration of parole reform, based on lengthy hearings, tours of penal institutions, and discussions with prison and judicial officers, I have concluded that the parole system as it presently operates is deficient in three principal respects which tend to undermine respect for law and justice. These include the uncertainty of the parole system to the potential parolee, the uneven application of parole criteria, and the inability of a prisoner to know on what evidence a parole panel is basing its decision affecting him.

H.R. 5727 would go far toward remedying these deficiencies. It would, for instance, remove much of the uncertainty an inmate experiences with regard to his possible parole by setting definite time periods for parole eligibility and would enable him to prepare for his hearing by requiring 14 days' advance notice. The present uneven application of parole criteria would also be eliminated by establishing parole eligibility guidelines which would be applicable nationwide. One of the most important reforms in this bill would insure that prisoners are no longer subjected to parole decisions based on information to which they are denied access. H.R. 5727 would require that any files used in the parole proceedings must be made available to the inmate with few exceptions and that he must receive a speedy decision and explanation in writing within 14 days. These requirements would do much to eliminate the resentment, mistrust, and frustration with which many inmates regard the parole system from the outset and which tend to undermine its purpose.

Restoration of efficiency, fairness, and certainty to the parole process is essential and must be the goal of responsible legislators. H.R. 5727 is in line with this goal and I urge that it be passed.

Mr. SKUBITZ. Mr. Chairman, will the gentleman yield?

Mr. BIESTER. I yield to the gentleman from Kansas.

Mr. SKUBITZ. Mr. Chairman, if I read the provisions of this bill correctly, the life sentence does not mean a life sentence. It could be 10 years, and you are eligible for parole, is that correct?

Mr. BIESTER. The gentleman will find——

Mr. SKUBITZ. I am talking about eligibility.

Mr. BIESTER. Yes, in terms of eligibility. The general experience in the system of jurisprudence in the United States is that a life sentence averages out for a period of about 14 to 16 years.

Mr. SKUBITZ. This says 10 years, does it not?

Mr. BIESTER. At a certain point in that life sentence it is appropriate for those who control the continuing length of that sentence to begin to make a judgment about how much longer it shall go on. All that this bill provides is that that prisoners' circumstances must be studied, that they must be looked at, and that at least in that regard is the first initial step in determining whether, in fact, it would be reasonable to put him on parole. It does not require that the prisoner be placed on parole, and it does not require that his period of incarceration terminate.

Mr. SKUBITZ. I understand that, but this says one-third of such term or after serving 10 years of a life sentence.

The **CHAIRMAN** pro tempore. The time of the gentleman has expired.

Mr. RAILSBACK. Mr. Chairman, I yield 2 additional minutes to the gentleman from Pennsylvania (Mr. Biester).

Mr. SKUBITZ. If the gentleman will yield further, No. 2, if he lives up to the rules of the prison. I presume that means going to bed at 9 o'clock, properly going to exercise and exercising correctly, and then he has met the rules of the prison and the burden then—or whatever one wants to call it—would shift to the commission itself.

I asked about the case of Sirhan Sirhan who has now been in prison for about 7 years. Under this he would be eligible for parole in 10 years. If he has lived correctly and the board cannot find any reason to find otherwise, he will be out on the streets; am I correct?

Mr. WIGGINS. Mr. Chairman, will the gentleman yield?

Mr. BIESTER. I yield to the gentleman from California.

Mr. WIGGINS. I thank the gentleman for yielding.

First, with respect to the Sirhan case, he was prosecuted in a State court, and this bill has nothing to do with Mr. Sirhan. He has to rely upon whatever remedies are provided by that State's system.

Mr. SKUBITZ. If the gentleman will yield further, may I ask one question? Let us forget it is a State case and say we have an identical case in Federal court. He would be eligible; would he not?

Mr. WIGGINS. That is the question I would like to answer for the gentleman. At the present time under existing law a sentence of life means that after 15 years the inmate becomes eligible for parole consideration. Under the committee bill the period is shortened to 10 years.

Mr. SKUBITZ. I have always thought that a man's being sent to prison served one of two purposes: punishment and correction; but according to this definition, as far as the crime itself is concerned, regardless of what he does, in 10 years it meets the punishment; is that right?

Mr. WIGGINS. No, that is not correct at all.

Mr. SKUBITZ. If he lives under the rules, goes to bed at 9 o'clock, gets up, goes to meals properly, and meets all of the requirements of the institution, then he has met the requirements of this bill and he is eligible for parole?

Mr. WIGGINS. Not at all.

Mr. SKUBITZ. I cannot read the English language, then.

Mr. WIGGINS. Parole eligibility occurs after 10 years of a life sentence is served. But parole is not granted unless the Parole Board is unable to make the determinations required under 4205 of the bill. In a serious case such as Sirhan, the Parole Board has the right and, indeed, the duty to show that the seriousness of the crime is such that granting parole after 10 years would depreciate respect for the law.

Mr. SKUBITZ. I thank the gentleman.

Mr. KASTENMEIER. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. Pattison).

Mr. PATTISON of New York. Mr. Chairman, I rise in support of H.R. 5727, the Parole Reorganization Act of 1975. This bill represents a rational approach to the problems involved in one area of the Federal Corrections System. It does not pretend to solve all the basic problems of crime, prisons, or the corrections system. Those problems involve deep-seated, philosophical, and cultural differences. They are of great concern to all of us, but they are not involved to a substantial degree in this debate.

The major benefit that H.R. 5727 confers is that of order and a real measure of certainty, to prisoners, administrators, and sentencing judges. A prison is just another form of social organization. In that respect basic principles of social organization, of good administration, apply equally to the governments of prisons, schools, military units, and businesses. One of those principles is that to the extent possible members of a social organization should know where they stand, what their obligations are, and what effect their actions will cause. Most social organizations to one degree or another operate on the principle of rewards and punishments. Both rewards for acceptable conduct and punishment, or the witholding of rewards, for unacceptable conduct should be as predictable as humanly possible. To the extent that they are, the system will work well; to the extent that they are not, both the rewards and the punishments lose their effectiveness.

The capricious conferring of either rewards or punishments has the effect of undermining any social system. Others have described the specific provisions of H.R. 5727. About those specific provisions, no doubt reasonable men might disagree.

I would submit that those provisions are far less important than the fact that H.R. 5727 establishes a rather simple, easily understood set of procedures and a rational system for the implementation of those procedures. To the extent that the lack of such procedures has contributed to poor morale on the part of the administrators, judges, prisoners, and the public, with all the undesirable consequences of such poor morale, the bill H.R. 5727 will vastly improve our past and current practices in the granting or denying of parole, and for that basic reason I urge its adoption.

Mr. RAILSBACK. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. Kindness).

Mr. KINDNESS. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, it occurs to me that the subcommittee has done a great deal of work over a long period of time to bring this product before the House today, and they have gone out and talked to the prisoners and prison officials and prison personnel throughout the country to gather information, but I wonder whether they should have been talking to the American public on a broader basis, and to the man in my district who lies in the hospital today, beaten by a gang the other night, who broke every rib in his body and caused him contusions and concussion. There is a very good reason to believe that the ringleaders of the gang of 12 are out on parole.

We are talking here about more than changing the words in the statutes about parole. It has been stated here today that the subcommittee intentionally avoided setting up an adversary procedure. There will be created a new right and an adversary procedure. There will be more litigation. There will be more access to the courts to determine whether the Parole Commission has appropriately acted in determining whether a prisoner is entitled to a parole. The Parole Commission will have to show in court that it acted in accordance with the very specific directions in section 4205 in denying parole. That means the Commission must prove very subjective matters, including the state of mind of the convict. That one is impossible, of course. This bill would impose impossible standards. You cannot kid me or the American public about that. Certainly it is going to happen. We cannot create this new right of parole without either a lot of litigation or, in the alternative, all prisoners being released automatically when one-third of the sentence has been served. We can kid ourselves here, perhaps, and softly say that it will never happen. But it will. We have seen that trend in this kind of legislation in other areas.

There is this to be said about the bill. It is an attempt to improve a system that is not working well. We all realize that. And it is a legitimate and a sincere attempt. But I would submit to the Members that it requires careful consideration when we talk about this not being an adversary proceeding and yet when we provide for each prisoner to be permitted an advocate in his hearing to speak for him and to aid in the preparation of his case and we provide for costs to be paid, not attorneys' fees but costs, reasonable expenses. The taxpayers will be paying for legal counsel to be made available to convicts in parole hearings next thing you know. How else can they be assured of their right to an advocate, as provided in this bill.

And get this. The bill provides that once released, the parolee has to be given credit against his sentence for the time that he serves as a law-abiding citizen on the street. That only means one thing. If he commits another crime and he is back in jail again for that crime, and his parole is revoked, we have to give him credit for the time he was free and out of jail. The American people will never understand why you would want to change the law to reward the parole violator. I certainly do not understand this.

I would suggest that this bill needs to be given more consideration and I would urge a "No" vote.

Mr. KASTENMEIER. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I take this time because of the allusion of our colleague, the gentleman from Ohio (Mr. Kindness), to what is called the clean street time. It is true, there is a modification in this bill. For example, if an individual is sentenced for from 5 to 15 years and he is a model prisoner and there is no reason not to deny him a parole and he in fact is released at the end of 5 years, and then 8 of the following 10 years of his sentence he serves for example, to illustrate how it works, as a model citizen on parole under supervision. If, at the end of 8 years he violates the parole he will not be sent back for 10 additional years, as is the case under present law, but merely for the 2 years remaining. That is his liability.

We think under all fairness and equity that it is enough. As the gentleman from Ohio suggested, if the parolee might have committed another offense, he stands liable for whatever sentence he might be subject to under that offense as well. We think that is justice.

Mr. Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. Mikva) who served so well on the subcommittee.

Mr. MIKVA. Mr. Chairman, I, too, am a proud alumnus of this very distinguished subcommittee.

I wish to compliment the chairman and the members of the subcommittee for coming forth with a very important piece of legislation in a very complicated field.

As I listened to my colleague, whom I formerly served with on the Committee on the Judiciary, the distinguished ranking Member from Michigan, I realized he is as concerned about the criminal justice system as I am. No one can be satisfied with a society where recidivism is more the order of the day than the exception. Therefore, no one can say that the status quo is a good idea. Everyone agrees that it is not. The parole system is not working well. In my State the Governor has proposed a complete abolition of the parole system, a very thoughtful and long-researched idea, which would wipe out the parole system altogether. It would say that a felon would get a flat sentence. He would get one good day for every day of good time he serves and at the end of that time he is out—unsupervised and uncontrolled. This is not because anybody thinks that the prison system itself will rehabilitate, but rather it is a recognition that as the system now malfunctions, we are kidding the American society. We are pretending there is something magic about the prognostications of a parole board.

This bill tries to make some certainty, while we thrash about trying to make the whole system work. This bill recognizes that the rule-following capacity of people in prison is far lower than the rest of society. That is how they got there in the first place. If we are to teach them respect for law and order, we ought to give them examples of what rule-following is and not let their parole be determined by whim and caprice. If this bill does nothing else but create certainty about the parole system, we will have gone a long way to make it work better. I do not know whether anybody can predict what the behavior of somebody out on parole will be. At least we will stop pretending that there is something magic about the mumbo-jumbo of what the parole board goes through.

I do not know whether this bill is hard on law and order or soft on law and order, but it is an honest attempt to try to make the system work rather than stand pat for the next 50 years.

Mr. Chairman, I commend the committee for their efforts.

Mr. GUDE. Mr. Chairman, one of the major concerns which I know of regarding the Parole Reorganization Act of 1975 is the provision which calls for a positive statement by the board of parole as to why a prisoner should not be paroled. Some people feel that this will result in the release of far too many inmates before they are truly ready for release. I differ with this opinion, for I feel that requiring the parole board to state reasons for denial of parole will result in far greater scrutiny and understanding of each prisoner's record, both before and during incarceration, than has been the case in the past.

As the system currently operates, the vast majority of prisoners are released within the guidelines established by the board, indicating that most of the cases are considered pro forma. To require the boards to state their reasons for denial of parole will, of necessity, make the board consider the facts of each case in depth. In addition, the requirement for a total review and a statement of the reasons for denial will do much to aid the inmate understand why he has been denied parole and put him on notice that he must reform a particular trait, or traits, in order to be favorably considered the next time he becomes eligible for parole.

By telling the inmate, in plain, straight language, why he will not be released, I think that the parole system will be greatly improved, for such notice will do much to relieve the anxieties and tensions which a denial without reasons creates.

It is important to note that the standards which the board will be applying if this bill is enacted, will be identical to the standards which the board relies on now. They will look at a prospective parolee's past history and behavior in the prison and determine: First. Has the inmate observed the rules of the institution? Second. Will he be able to remain at liberty without committing further criminal acts? Third. Will his release deprecate the seriousness of the offense so as to undermine society's respect for the law? Fourth. Will his release be compatible with the welfare of society? If, in the opinion of the board, a prisoner can meet all of these criteria, he will be released. This is the way the system works now; but, as the system is currently administered, the parole board need not explain its actions to anyone, and thus, society and the inmate suffer.

I firmly believe that the changes encompassed in this bill will be a step in the right direction.

I have reached this conclusion based, in part, on a particular case which recently came to my attention and which allowed me to become aware of the manner in which the parole system actually operators. I was greatly disturbed by what I learned.

In this particular case, the individual pleaded guilty to a Federal offense, and became a witness for the prosecution. The individual, whom I will call Frank, gave his testimony freely, even after he had been sentenced, and even though he had received threats of death so serious that the U.S. Attorney arranged to have Frank receive 24-hour police protection. In passing sentence, the judge indicated that Frank would receive a 0 to 6 year term, with a specific provision that he would be eligible for parole immediately. I assume that part of the judge's decision on sentencing was based on the cooperative attitude which Frank displayed, the fact that Frank was a well-educated man with a good job and stable family, and that Frank was a first offender who exhibited considerable remorse for his actions.

When the parole board met initially to consider Frank's possibilities of parole, 4 months after Frank was jailed. He was given only a few minutes to explain why he thought he should be paroled. The board had before it the recommendation of the prison social workers recommending that Frank be released, the report of the prison authorities which stated Frank had adjusted well to prison life and was indeed a model prisoner. In addition, they had letters from the U.S. Attorney who had prosecuted the case, and the judge who tried the case and sentenced the individual indicating that they did not object to an immediate release. Finally, the board had before it letters from over 30 prominent citizens, business leaders, civic leaders, and employers stating that they hoped the board would see fit to release Frank, for they still felt he was an asset to the community and wanted to see him returned to normal life as quickly as possible. In spite of all of this positive information, the board "set back" his parole for 9 months—that is, they denied parole and refused to hear his case for 9 more months. The board was required, for the first time in many years, to state the reasons for denial of parole. Frank was sent a notice 2 weeks after his hearing, indicating that his parole was denied because he had a "salient factor score of 10," and that his "Offense Behavior Rating was moderately severe." In light of these two "scores," Frank was told that he would not be eligible for parole for a minimum of 12 to 16 months.

Because Frank was educated, he was able to find out what in the world a "salient factor score" and an "offense severity rating" were. A salient factor score is a mathematical equation which awards "points" for such items as family background, previous record, prior record on parole, nature of prior offenses, and the like. The higher the score, the better the individual's chance of returning to society according to the parole board. The "offense severity rating" is another statistical tool used by the parole boards to establish an average time for incarceration for various types of offenses. The listing of these two mathematical scores was the complete explanation of why Frank would have to spend another 8 to 12 months in prison. Frank decided to fight the decision of the parole board, once he discovered the meaning of "salient factor score" and "offense severity rating," for he learned that several errors had been made in the computation of these figures. Frank had to appeal the decision of the board, based on the fact that these errors were made, indicating that the board had not done a complete or thorough job of analyzing the facts of Frank's case. I am confident that many other errors have been made, resulting in release of inmates who should remain in prison as well.

For inmates to learn that the reason that they were denied parole was that their "salient factor score" was 7 or 8, or 9, makes these inmates bitter toward the system of justice in the country and toward society as well. The parole board should be required to inform inmates in plain, ordinary language, exactly why they must spend more time in prison, not that the "scores" are too low. With the board not now required to state its reasons clearly and in plain English, the prisoner is left in a situation in which he does not know what he must do to improve his chances of being paroled. If the board were to inform the individual that they did not feel he should be released because he had not abided by the prison rules, the prisoner would know that he must change his behavior if he wishes to get out. If the prisoner is told that, in the opinion of the board, his offense was so severe that they feel it would not be compatible with society to release him yet, he would understand that he is being punished for his offense, and that he has to pay a stiff price; that he would not get his hopes up too high for parole, but that he had better continue to abide by the prison rules. Everyone needs to know

where he stands and what his future may be.

To deny an inmate this information merely increases the tensions, hostilities, and hatreds which develop both toward the prison system and toward society at large. By allowing the parole system to cause so much of this tension, we are hurting society far more than most of us like to believe.

I saw these hostilities build in Frank during the course of his ordeal, and only because he was psychologically strong, had the support of his family and friends, and had a solid job and a loving home to return to, was he able to fight back his sense of complete outrage at the system.

I firmly believe that the concepts embodied in H.R. 5727 will do much to aid the parole system, and society at large, by merely opening the channels of communication and telling people, straight out, what they must do to win favorable consideration, and thus, be returned to society for another chance at living a law abiding life.

Mr. RAILSBACK. Mr. Chairman, I have no further requests for time.

Mr. KASTENMEIER. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Parole Reorganization Act of 1975".

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UNITED STATES PAROLE COMMISSION; PAROLE PROCEDURES, CONDITIONS, ETC.

SECTION 1. Title 18 of the United States Code is amended by repealing chapter 311 (relating to parole) and inserting in lieu thereof the following new chapter to read as follows:

"Chapter 311.—PAROLE

"Sec.
"4201. United States Parole Commission; structure; membership; etc.
"4202. Powers and duties of Commission.
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"§ 4201. United States Parole Commission; structure; membership; etc.

"(a) There is created, as an independent establishment in the Department of Justice, a United States Parole Commission (hereinafter referred to as the Commission), to consist of a national office and five regional offices. Except for administrative purposes, the Commission shall be independent of the Department of Justice, and for purposes of budgetary requests submitted to the Office of Management and Budget by the Department of Justice, requests of the Commission shall be separate from other requests of the Department and subject to the authority of the Commission as provided in section 4202 (a)(3).

"(b) Commissioners on the United States Parole Commission shall be appointed by the President by and with the advice and consent of the Senate.

"(c)(1) Except as provided in paragraph (2), the Commission shall be composed of nine Commissioners who shall be appointed for terms of six years.

"(2) Any individual appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. No individual may serve as a Commissioner for any period of time in excess of twelve years. For the purpose of this paragraph, service by an individual as a member of the United States Board of Parole shall not constitute service as a Commissioner.

"(d) The President shall designate one of the Commissioners to serve as Chairman of the Commission. The term of office of the Chairman of the Commission shall be two years. No individual shall serve more than three such terms.

"(e) The respective rates of pay for members of the Commission shall be equal to the maximum rate, as in effect from time to time, for level V of the Executive Schedule of section 5316 of title 5.

"(f) Each person holding office as a member of the United States Board of Parole on the day before the effective date of the Parole Reorganization Act of 1975 shall be a Commissioner whose term as such shall expire on the date of the expiration of the term for which such person was appointed as a member of the Board of Parole.

"§ 4202. Powers and duties of Commission.

"(a) The Commission shall have the power to—

"(1) establish general policies, guidelines, rules, and regulations for the Commission, including rules with respect to the factors to be taken into account in determining whether or not a prisoner should be released on parole;

"(2) conduct appellate review of determinations of the regional offices as provided in section 4216(b);

"(3) deny, revise, or ratify any request for regular, supplemental, or deficiency appropriations prior to any submission of such request to the Office of Management and Budget;

"(4) procure for the Commission temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5;

"(5) utilize the services, equipment, personnel, information, facilities, and instrumentalities with or without reimbursement therefor of other Federal, States, local, and private agencies with their consent;

"(6) without regard to section 3646 of the Revised Statutes of the United States (31 U.S.C. 529), enter into and perform such contracts, leases, cooperative agreements, and other transactions as may be necessary in the conduct of the functions of the Commission, with any public agency, or with any person, firm, association, corporation, educational institution, or nonprofit organization;

"(7) accept voluntary and uncompensated services, notwithstanding the provisions of section 3679 of the Revised Statutes of the United States (31 U.S.C. 665(b));

"(8) request such information, data, and reports from any Federal agency as the Commission may from time to time require and as may be produced consistent with other law;

"(9) arrange with the head of any other Federal agency for the performance by such agency of any function of the Commission, with or without reimbursement;

"(10) request probation officers and other individuals, organizations, and public or private agencies to perform such duties with respect to any parolee as the Commission deems necessary for maintaining proper supervision of and assistance to such parolees; and so as to assure that no probation officers, individuals, organizations or agencies shall bear excessive caseloads;

"(11)(A) issue subpenas requiring the attendance and testimony of witnesses and the production of any evidence that relates to any matter with respect to which the Commission or any Commissioner or agent of the Commission is empowered to make a determination under this chapter; such attendance of witnesses and the production of evidence may be required from any place within the United States at any designated place of hearing within the United States;

"(B) if a person to whom a subpena was issued under subparagraph (A) refuses to obey such subpena or is guilty of contumacy, any court of the United States within the judicial district within which the hearing is conducted or within the judicial district within which such person is found or resides or transacts business may (upon application by the Chairman) order such person to appear before the Commission or any Commissioner or agent thereof to produce evidence or to give testimony touching the matter under investigation; any failure to obey such order of the court may be punished by such court as a contempt thereof;

"(C) the subpena of the Commission shall be served in the manner provided for subpenas issued by a United States district court under the Federal Rules of Civil Procedure for the United States district courts;

"(D) all process of any court to which application may be made under this section may be served in the judicial district wherein the person required to be served resides or may be found;

"(E) for purposes of sections 6002 and 6004 of this title (relating to immunity of witnesses) the Commission shall be considered an agency of the United States; and

"(12)(A) collect systematically the data obtained from studies, research, and the empirical experience of public and private agencies concerning the parole process;

"(B) disseminate pertinent data and studies to individuals, agencies, and organizations concerned with the parole process;

"(C) publish data concerning the parole process;

"(D) carry out programs of research to develop effective classification systems through which to describe the various types of offenders who require different styles of supervision and the types of parole officers who can provide them, and to develop theories and practices which can be applied successfully to the different type of parolees;

"(E) devise and conduct, in various geographical locations, seminars and workshops providing contining studies for persons engaged in working directly with parolees;

"(F) devise and conduct a training program of short-term instruction in the latest

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proven effective methods of parole for parole personnel and other persons connected with the parole process;

"(G) develop technical training programs to aid in the development of training programs within the several States and with the State and local agencies and private and public organizations which work with parolees; and

"(H) authorize in its discretion the use of its funds for the reimbursement of expenses reasonably incurred by a prisoner's advocate attending the prisoner's parole determination hearing, as provided in section 4208(c)(2). Such reimbursement shall not include payment of any fee for services rendered.

The Commission shall have such other powers and duties and shall perform such other functions as may be necessary to carry out the purposes of this chapter or as may be provided under any other provision of law (including any provision of law which invests any powers or functions in the Commission or in the Board of Parole).

"(b) The Commission may delegate to any Commissioner or hearing examiner such of its powers as may be appropriate other than—

"(1) the power to appoint and fix the basic pay of hearing examiners, and

"(2) the power to establish general policies, guidelines, rules, and factors, under subsection (a)(1).

"(c) Upon the request of the Commission, each Federal agency is authorized to make its services, equipment, personnel, facilities, and information available to the greatest practicable extent to the Commission in the performing of its functions.

"(d) The Commission shall meet not less frequently than quarterly to establish its general policies and rules.

"(e) Except as otherwise provided by law, any action taken by the Commission shall be taken by a majority vote of all individuals currently holding office as members of the Commission and it shall maintain and make available for public inspection a record of the final vote of each member on statements of policy and interpretations adopted by it.

"§ 4203. Powers and duties of Chairman.

"The Chairman shall—

"(1) preside at meetings of the Commission;

"(2) determine the geographical jurisdiction of each regional office, and assign duties among the regional offices, in order to assure efficient administration;

"(3) direct (A) the preparation (for purposes of section 4202(a)(3)) of requests for appropriations for the Commission, and (B) the use of funds made available to the Commission;

"(4) designate three Commissioners to serve with him in the national office, one to serve as Vice Chairman (who shall serve at the pleasure of the Chairman, and shall act as Chairman in the absence or disability of the Chairman or in the event of the vacancy of the Chairmanship), and designate one Commissioner to serve in each of the five regional offices;

"(5) appoint and fix the basic pay of personnel of the Commission; and

"(6) have such other administrative duties and responsibilities as may be necessary.

"§ 4204. Time of eligibility for release on parole.

"(a) Wherever confined and serving a definite term or terms of over one hundred and eighty days, a prisoner shall be eligible for release on parole after serving one-third of such term or terms or after serving ten years of a life sentence or of a sentence of over thirty years.

"(b)(1) Any prisoner whose eligibility for release on parole is fixed under clause (1) of section 4217(a) at the time of sentencing shall be eligible for release on parole on a date as provided in that clause.

"(2) The regional office shall determine the date of eligibility of any prisoner sentenced under clause (2) of section 4217(a). Such date shall be not later than sixty days following the date prescribed by section 4207(b) for the prisoner's initial parole determination hearing.

"(c) The regional office shall determine the date of eligibility of any prisoner released on parole and subsequently reimprisoned. Such date shall not be later than sixty days following the date prescribed by section 4207(b) for the prisoner's initial parole determination hearing.

"§ 4205. Release on parole.

"(a) A prisoner shall be released on parole if his record shows that he has substantially observed the rules of the institution in which he is confined on the date of his eligibility for parole, unless it is determined by an examining panel (as provided in section 4207(a)) that he should not be released on such date for one or more of the following reasons:

"(1) there is a reasonable probability that such prisoner will not live and remain at liberty without violating any criminal law;

"(2) there is a reasonable probability that such release would be incompatible with the welfare of society; or

"(3) the prisoner's release on such date would so deprecate the seriousness of his crime as to undermine respect for law.

"(b) Any prisoner not earlier released under subsection (a), except a special offender as defined in section 3575(e) of this title, shall be released on parole after he has served two-thirds of his sentence, or after twenty years in the case of a sentence of thirty years or longer (including a life sentence), whichever is earlier, unless it is determined that he should not be so released because there is a high likelihood that he will engage in conduct violating any criminal law.

"(c) When by reason of his training and response to the programs of the Bureau of Prisons, it appears that there is a reasonable probability that the prisoner will live and remain at liberty without violating any criminal law, that his immediate release is not incompatible with the welfare of society, and that his release would not so deprecate the seriousness of his crime as to undermine respect for law, but he is not yet eligible for release on parole under section 4204, the Director of the Bureau of Prisons in his discretion may apply to the court imposing sentence for a modification of his sentence in order to make him so eligible. The court shall have jurisdiction to act upon the application at any time and no hearing shall be required.

"§ 4206. Factors taken into account; information considered.

"In making a determination under section 4205 (a) or (b) (relating to release on parole) there shall be taken into account the factors established by the Commission under section 4202(a)(1); and

"(1) any reports and recommendations which the staff of the facility in which such prisoner is confirmed may make;

"(2) any official report of the prisoner's prior criminal record, including a report or record of earlier probation and parole experiences;

"(3) any presentence investigation report;

"(4) any recommendation regarding the prisoner's parole made at the time of sentencing by the sentencing judge; and

"(5) any reports of physical, mental, or psychiatric examination of the offender.

There shall also be taken into consideration such additional relevant information concerning the prisoner (including information submitted by the prisoner) as may be reasonably available.

"§ 4207. Parole determination hearing; time.

"(a) In making a determination under section 4205(a) or (b) (relating to release on parole) the regional office shall hold a hearing (referred to in this chapter as a 'parole determination hearing') unless it determines on the basis of the prisoner's record that the prisoner will be released on parole. The hearing shall be conducted by an examining panel of two hearing examiners. In any case in which the two examiners do not concur, a third hearing examiner shall cast the deciding vote.

"(b) In the case of any prisoner eligible for parole on a date provided by section 4204, an initial parole determination hearing shall be held at a time prescribed by the regional office. Whenever feasible, in the case of a prisoner eligible for parole on a date provided by section 4204(a) or (b)(1), the time of such hearing shall be not later than sixty days before such date of his eligibility for parole (as provided by such section). Whenever feasible, in the case of a prisoner eligible for parole on a date provided by section 4204(b)(2) or (c), the time of such hearing shall not be later than ninety days following such prisoner's imprisonment, or reimprisonment, as the case may be.

"(c) In any case in which release on parole is not granted within fourteen days after the date of the prisoner's parole determination hearing, subsequent parole determination hearings shall be held not less frequently than annually thereafter.

"§ 4208. Procedure of parole determination hearing.

"(a) At least thirty days prior to any prisoner's parole determination hearing, the regional office shall (1) provide the prisoner with written notice of the time and place of the hearing, and (2) make available to the prisoner any file or report or other document to be used in making its determination.

"(b) Clause (2) of subsection (a) shall not apply to any portion of any file, report, or other document which—

"(1) is not relevant to the parole determination hearing;

"(2) is a diagnostic opinion the disclosure of which might seriously disrupt a program of rehabilitation; or

"(3) reveals sources of information which may have been obtained on a promise of confidentiality.

Whenever the regional Commissioner or an examining panel finds that this subsection applies to any portion of a file, report, or other document to be used in a parole determination hearing, such finding (including the reasons therefor) shall be stated on the record and shall provide the prisoner, or any advocate of the prisoner referred to in subsection (c)(2), with written notice of such finding and reasons. The regional Commissioner or examining panel shall make available to the prisoner, or any advocate of the prisoner referred to in subsection (c)(2), the substance of any portion of any file, report, or other document not made available by reason of paragraph (2) or (3) of this subsection, except when the disclosure of such substance would endanger, in the opinion of the regional Commissioner or examining panel (as the case may be), the safety of any person other than the prisoner or might seriously disrupt a program of rehabilitation.

"(c)(1) At any time prior to the parole determination hearing, a prisoner may consult with an advocate as referred to in paragraph 2, and as provided by the regional Commissioner, he may consult by mail or otherwise, with any person concerning such hearing.

"(2) The prisoner shall, if he chooses, be represented at the parole determination hearing by an advocate who qualifies under reasonable rules prescribed by the Commission. Such rules shall not exclude attorneys as a class.

"(d) The prisoner shall be allowed to appear and testify on his own behalf at the parole determination hearing.

"(e) A full and complete record of the parole determination hearing shall be kept, and not later than fourteen days after the date of the hearing, the examining panel shall (1) notify the prisoner in writing of its determination, and (2) unless he is released on parole, the panel shall furnish the prisoner with a written notice stating with particularity the grounds on which its determination was based, including a summary of the evidence and information supporting the finding that the criteria provided in section 4205 were established as to the prisoner. When feasible the examining panel shall advise the prisoner as to what steps, in its opinion, may be taken to correct the problems responsible for the denial of release on parole, so as to enhance the chance of being released.

"§ 4209. Conditions of parole.

"(a) There shall be imposed such conditions of parole as are deemed reasonably necessary to insure that the parolee will lead a law-abiding life or to assist him in doing so. In every case there shall be imposed as a condition of parole that the parolee not commit any criminal offense during his parole.

"(b) There may be required as a condition of parole that the parolee reside in or participate in the program of a residential community treatment center, or similar public or private facility, for all or part of the period of parole if the Attorney General (or director in the case of such similar facility) certifies that adequate treatment facilities, personnel, and programs are available. In the case of a parolee who is an addict within the meaning of section 4251(a) of this title, or a drug dependent person within the meaning of section 2(q) of the Public Health Service Act, there may be required as a condition of parole that the parolee participate in the community supervision programs authorized by section 4255 of this title for all or part of the period of parole. If the Attorney General (or director, as the case may be) determines that a parolee's residence in a center, or participation in a program, should be terminated because the parolee can derive no further significant benefits from such residence or participation, or because his residence or participation adversely affects the rehabilitation of other residents or participants, the Attorney General (or director, as the case may be) shall so notify the appropriate regional office, which shall thereupon make such other provision with respect to the parolee as it deems appropriate. A parolee residing in a residential community treatment center may be required to pay such costs incident to residence as the regional office deems appropriate.

"(c) In imposing conditions of parole there shall be a reasonable relationship between the conditions imposed and both the prisoner's previous conduct and his present capabilities, and all conditions shall be sufficiently specific to serve as a guide to supervision and conduct.

"(d) Upon release on parole, a prisoner shall be given a certificate setting forth the conditions of his parole. Special effort shall be made to make certain that the prisoner understands the conditions of his parole.

"§ 4210. Jurisdiction of Commission

"(a) Except as otherwise provided in this section, the jurisdiction of the Commission over the parolee shall terminate no later than the date of the expiration of the maximum term or terms for which he was sentenced, except that such jurisdiction shall terminate at an earlier date to the extent provided under section 4164 (relating to mandatory release).

"(b) Except as otherwise provided in this section no penalty or condition imposed pursuant to an order of parole modification or revocation shall extend beyond the date of termination of the Commission's jurisdiction over the parolee.

"(c) The parole of any parolee shall run concurrently with a period of parole or probation under any other Federal, State, or local sentence.

"(d) In the case of any parolee found to have intentionally refused or failed to respond to any reasonable request, order, or warrant of the Commission or any member or agent thereof, the jurisdiction of the Commission may be extended for the period during which the parolee so refused or failed to respond.

"(e) In the case of any parolee imprisoned under any other sentence, the jurisdiction of the Commission may be extended for a period equal to the period during which such parolee was so imprisoned.

"(f) The parole of any prisoner sentenced before June 29, 1932, shall be for the remainder of the term or terms specified in his sentence, less good time allowances provided by sections 4161 through 4165 of this title.

"(g) Upon the termination of the jurisdiction of the Commission over any parolee, the regional office shall issue a certificate of discharge to such parolee and to such other agencies as it may determine.

"§ 4211. Early termination or release from conditions of parole.

"(a) Upon his own motion or upon petition of the parolee, the regional commissioner may terminate supervision over a parolee prior to the termination of jurisdiction under section 4210, or the regional commissioner may release a parolee at any time from any condition of parole imposed under section 4209.

"(b) Two years after each parolee's release on parole, and at least annually thereafter, the regional commissioner shall review the status of the parolee to determine the need for continued supervision. In calculating such two-year period there shall not be included any period or release on parole prior to the most recent such release.

"(c)(1) Five years after each parolee's release on parole, the regional commissioner shall terminate supervision over such parolee unless it is determined, after a hearing conducted in accordance with the procedures prescribed in subsections (b) and (d) of section 4215, that such supervision should not be terminated because there is a likelihood that the parolee will engage in conduct violating any criminal law.

"(2) If supervision is not terminated under paragraph (1), the parolee may request a hearing annually thereafter, and a hearing, with procedures as provided in paragraph (1) shall be conducted with respect to such termination of supervision not less frequently than biennially.

"(3) In calculating the five-year period referred to in paragraph (1), there shall not be included any period of release on parole prior to the most recent such release.

"§ 4212. Aliens.

"When an alien prisoner subject to deportation becomes eligible for parole, the regional commissioner may authorize his release on condition that he be deported and remain outside the United States. Such prisoner, when his parole becomes effective, shall be delivered to the duly authorized immigration official for deportation.

"§ 4213. Parole modification or revocation.

"(a) Subject to the requirements of sections 4214 and 4215, the parole of any parolee may be modified for good cause when there is sufficient change in circumstances to warrant such a modification.

"(b) Subject to the requirements of sections 4214 and 4215, the parole of any parolee may be revoked for:

"(1) a violation of a condition of parole, or

"(2) a termination of parolee's assignment to a center or similar facility or program under section 4209(b).

"§ 4214. Order to appear or warrant for retaking of parolee.

"(a) If the regional commissioner believes that the parole of any parolee should be modified or revoked, he may—

"(1) order such parolee to appear at a hearing conducted pursuant to section 4215; or

"(2) if the parolee fails to comply with said order or otherwise appears unlikely to comply, issue a warrant and retake the parolee as provided in this section.

In the case of any parolee charged with a criminal offense, issuance of an order to appear or the retaking of parolee may be suspended pending disposition of the charge.

"(b) Any order or warrant issued pursuant to this section shall provide the parolee with written notice of—

"(1) the specific reasons for the proposed modification of his parole as provided under section 4213(a);

"(2) the conditions of parole he is alleged to have violated as provided under section 4213(b);

"(3) the time, date, place, and circumstances allegedly justifying modification or revocation;

"(4) the time, date, and place of the scheduled hearing;

"(5) his rights under this chapter, and

"(6) the possible action which may be taken by the Commission.

"(c) Any order or warrant issued under this section shall be issued by the regional commissioner as soon as practicable. Imprisonment in an institution shall not be deemed grounds for delay of such issuance.

"(d) Any officer of any Federal penal or correctional institution, or any Federal officer authorized to serve criminal process within the United States, to whom a warrant issued under this section is delivered, shall execute such warrant by taking such parolee and returning him to the custody of the regional commissioner, or to the custody of the Attorney General, if the regional commissioner shall so direct.

"§ 4215. Parole modification and revocation procedures.

"(a) A parolee retaken under section 4214 may be returned to the custody of the Attorney General and imprisoned if the regional commissioner or the hearing examiner designated by him determines, after a preliminary hearing, that there is probable cause to believe that he has violated a condition of his parole or probable cause to support the termination of his assignment to a center or similar facility or program pursuant to section 4209(b), and probable cause to believe that the parolee either—

"(1) will not appear for his hearing under subsection (b) when so ordered, or

"(2) constitutes a danger to himself or to others.

The preliminary hearing shall be held as soon as possible following the retaking of the parolee, and the parolee shall be advised of the charges against him and shall be allowed to testify at such hearing.

"(b) When any parolee is ordered to appear under section 4214 or is retaken by warrant under section 4214, a hearing shall be held not later than thirty days after—

"(1) issuance of the order, or

"(2) the date of the retaking,

whichever is later. In a case involving an alleged violation of parole or termination of assignment to a center or similar facility or program, the hearing shall be held reasonably near the location where the alleged violation occurred. In a case involving an alleged need to modify parole under section 4214(a), the hearing shall be held reasonably near the residence of the parolee. Special effort shall be made to make certain that the pa-

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rolee understands, prior to the date of the hearing, his rights and the procedures under this chapter. Hearings under this section shall be conducted by a hearing panel of two hearing examiners. In any case in which the two hearing examiners do not concur, a third hearing examiner shall cast the deciding vote. In the case of any parolee imprisoned in an institution to whom an order is issued, such hearing shall be conducted at such institution or other site specified by the regional commissioner and the parolee shall be allowed to participate in accordance with subsection (c). If the hearing panel finds by a preponderance of the evidence that the parolee has violated a condition of his parole: that his parole should be modified, or that his assignment to a center or similar facility or program should be terminated, the panel may modify or revoke his parole.

"(c) The hearing conducted pursuant to subsection (b) shall include the following procedures:

"(1) representation by an attorney (retained by the parolee or appointed pursuant to section 3006a of chapter 201) or such other qualified person as the parolee shall retain, unless the parolee knowingly and intelligently waives such representation;

"(2) proper and timely opportunity for the parolee to consult with his representative as provided in paragraph (1) and to examine any information or evidence to be used at such hearing;

"(3) opportunity for the parolee to appear and testify on his own behalf;

"(4) opportunity for the parolee to compel the appearance of witnesses and to confront and cross examine witnesses; and

"(5) maintenance of a full and complete record of the hearing.

"(d) No hearing shall be held under subsection (b) in the case of any parolee who is ordered to appear under section 4214 or who is retaken by warrant under section 4214 and who knowingly and intelligently waives his right to such hearing.

"(e) Following the preliminary hearing conducted pursuant to subsection (a), the regional commissioner may impose such interim modification of parole as may be necessary, without regard to the provisions of section 4209.

"(f) Not more than fourteen days following the hearing under subsection (b), the parolee shall be informed in writing of the finding and disposition of the hearing panel, including with particularity the reasons therefor.

"§ 4216. Appeals.

"(a) Whenever—

"(1) conditions of parole are imposed under section 4209,

"(2) parole is modified under section 4213 (a), or

"(3) a prisoner is denied release on parole under section 4204, or

"(4) his parole is revoked,

the prisoner or parolee may appeal such action to the regional commissioner not later than thirty days after receiving written notice thereof. Such appeal shall be decided by the regional commissioner within thirty days after receipt of the appellant's appeal papers and the regional commissioner shall inform the appellant in writing of his decision and reasons therefor.

"(b) Within thirty days of any adverse decision of a regional commissioner a prisoner or parolee may appeal such decision to the National Appellate Commission which shall consist of the Chairman and Vice Chairman of the United States Parole Commission, and one of the other Commissioners assigned to serve in the national office. The National Appellate Commission shall decide such appeal by a majority vote within sixty days after receipt of the appellant's appeal papers, and shall inform the appellant in writing of its decision and the reasons therefor.

"§ 4217. Fixing eligibility for parole at time of sentencing.

"(a) Upon entering a judgment of conviction, the court having jurisdiction to impose sentence, when in its opinion the ends of justice and best interests of the public require that the defendant be sentenced to imprisonment for a term exceeding one year, may (1) designate in the sentence of imprisonment imposed a minimum term at the expiration of which the prisoner shall become eligible for parole, which term may be less than, but shall not be more than, one-third of the maximum sentence imposed by the court, or (2) the court may fix the maximum sentence of imprisonment to be served in which event the court may specify that the prisoner may become eligible for parole at such time as the regional commissioner may determine.

"(b) If the court desires more detailed information as a basis for determining the sentence to be imposed, the court may commit the defendant to the custody of the Attorney General, which commitment shall be deemed to be for the maximum sentence of imprisonment prescribed by law, for a study as described in subsection (c) hereof. The results of such study, together with any recommendations which the Director of the Bureau of Prisons believes would be helpful in determining the disposition of the case, shall be furnished to the court within three months unless the court grants time, not to exceed an additional three months, for further study. After receiving such reports and recommendations, the court may in its discretion: (1) place the prisoner on probation as authorized by section 3651 of this title; or (2) affirm the sentence of imprisonment originally imposed, or reduced the sentence of imprisonment, and commit the offender under any applicable provision of law. The term of the sentence shall run from the date of original commitment under this section.

"(c) Upon commitment of a prisoner sentenced to imprisonment under the provisions of subsection (a), the Director, under such regulations as the Attorney General may prescribe, shall cause a complete study to be made of the prisoner and shall furnish to the regional office of the Commission a summary report together with any recommendations which in his opinion would be helpful in determining the suitability of the prisoner for parole. This report may include but shall not be limited to data regarding the prisoner's previous delinquency or criminal experience, pertinent circumstances of his social background, his capabilities, his mental and physical health, and such other factors as may be considered pertinent. The regional office may make such other investigation as it may deem necessary. It shall be the duty of the various probation officers and government bureaus and agencies to furnish the regional office information concerning the prisoner, and, whenever compatible with the public interest, their views and recommendations with respect to the parole disposition of his case.

"§ 4218. Young adult offenders.

"In the case of a defendant who has attained his twenty-second birthday but has not attained his twenty-sixth birthday at the time of conviction, if, after taking into consideration the previous record of the defendant as to delinquency or criminal experience, his social background, capabilities, mental and physical health, and such other factors as may be considered pertinent, the court finds that there are reasonable grounds to believe that the defendant will benefit from the treatment provided under the Federal Youth Corrections Act (18 U.S.C., chap. 402) sentence may be imposed pursuant to the provisions of such Act.

"§ 4219. Warrants to retake Canal Zone parole violators.

"An officer of a Federal penal or correctional institution, or a Federal officer authorized to serve criminal process within the United States, to whom a warrant issued by the Governor of the Canal Zone for the retaking of a parole violator is delivered, shall execute the warrant by taking the prisoner and holding him for delivery to a representative of the Governor of the Canal Zone for return to the Canal Zone.

"§ 4220. Certain prisoners not eligible for parole.

"Nothing in this chapter shall be construed to provide that any prisoner shall be eligible for release on parole if such prisoner is ineligible for such release under any other provision of law.

"§ 4221. Annual report.

"The Commission shall report annually to each House of Congress on the activities of the Commission.

"§ 4222. Applicability of Administrative Procedure Act.

"(a) For purposes of the provisions of chapter 5 of title 5, other than sections 552 (a)(4), 554, 555, 556, and 557, the Commission is an 'agency' as defined in such chapter.

"(b) For purposes of subsection (a) of this section, section 553(b)(3)(A) of title 5, relating to rulemaking, shall be deemed not to include the phrase 'general statements of policy'.

"§ 4223. Definitions.

"As used in this chapter—

"(a) The term 'prisoner' means a Federal prisoner other than a juvenile delinquent or a committed youth offender.

"(b) The term 'parolee' means any prisoner released on parole or deemed as if released on parole under section 4164 (relating to mandatory release)."

CONFORMING AMENDMENTS

SEC. 2. (a) Section 5108(c)(7) of title 5, relating to classification of positions at GS-16, 17, and 18, is amended to read as follows:

"(7) the Attorney General, without regard to any other provision of this section, may place a total of ten positions of warden in the Bureau of Prisons;".

(b)(1) Section 3655 of title 18, United States Code, relating to duties of probation officers, is amended by striking out "Attorney General" in the last sentence and inserting in lieu thereof "United States Parole Commission".

(2) Section 5005 of such title, relating to the Youth Correction Division, is amended by striking out "Attorney General" each place it appears and inserting in lieu thereof "Chairman of the United States Parole Commission" and by striking out "Board of Parole" each place it appears and inserting in lieu thereof "United States Parole Commission".

(3) The second sentence of section 5008 of such title, relating to duties of probation officers, is amended by striking out "Attorney General" each place it appears and inserting in lieu thereof "Chairman of the United States Parole Commission".

(c) Section 509(4) of title 28, United States Code, relating to functions of the Attorney General, is amended to read as follows:

"(4) United States Parole Commission".

(d) Clause (B) of section 504(a) of the Labor-Management Reporting and Disclosure Act of 1959 (29 U.S.C. 504(a)(B)), prohibiting certain persons from holding offices, is amended by striking out "Board of Parole" and inserting in lieu thereof "United States Parole Commission".

EFFECTIVE DATE

SEC. 3. This Act shall take effect sixty days after the date of enactment.

Mr. KASTENMEIER (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

AMENDMENT OFFERED BY MS. ABZUG

Ms. ABZUG. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. ABZUG: Page 31, line 11, after the word "sections", strike "552(a)(4)".

Ms. ABZUG. Mr. Chairman, I believe that the legislation before us implements needed reforms in the parole system in Federal prisons and I support it. I just wanted to bring to the attention of the committee a needed amendment. The amendment I have offered addresses itself to the provision in the legislation which seeks to exempt the Commission from having to make available for public inspection a record of the final votes of each member in every agency proceeding.

This is an important section under the Freedom of Information Act which, as the Members know, recently was amended and passed by the Congress over the veto of the President.

The implementation of the Freedom of Information Act is of utmost importance. I believe that provision of the bill I seek to delete would undercut the implementation of the Freedom of Information Act. If there are any particular problems which this committee may feel requires some special considerations, the way those problems would be handled would more effectively be through oversight hearings before the committee I chair on Government information and included rights. The committee has a continuing responsibility for oversight to see how the implementation of the new amendments are going forward as well as legislative jurisdiction over freedom of information and privacy.

To exempt the Commission from this section of Freedom of Information Act would undermine—although I know it is not the intent—but would undermine implementation of the Freedom of Information Act. I would suggest that is not the proper process for seeking such relief.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, will the gentlewoman yield?

Ms. ABZUG. I yield to the gentleman from Pennsylvania, who was the previous chairman of the Government Information and Individual Rights Subcommittee, which I now chair, and was very responsible for the passage of the Freedom of Information Act.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, first let me commend the gentlewoman, in her capacity as chairman of the subcommittee, for her alertness in protecting this legislation. I think the members of the legislative committee will be relieved to know that at my request Mr. Norman G. Cornish, who the gentlewoman will remember was deputy staff director of the subcommittee when I was chairman, in a memorandum informed me as follows:

> Mr. Maurice Sigler, Chairman of the U.S. Board of Parole, informed me by telephone today that he had absolutely no objection to the individual votes of the proposed U.S. Parole Commission being made a matter of public record.

Mr. Chairman, I thank the gentlewoman for yielding to me.

Mr. KASTENMEIER. Mr. Chairman, will the gentlewoman yield?

Ms. ABZUG. I yield to the distinguished chairman of the subcommittee.

Mr. KASTENMEIER. Mr. Chairman, the chairman of the subcommittee, the gentlewoman from New York, has made her amendment available to me and to other members of the subcommittee. We have no objection to the amendment.

If the gentlewoman would yield further, I would like to say that in the first instance the subcommittee did exempt the Parole Commission from the act by virtue of what we thought to be present practice. That is to say, that the votes on individual cases, inmates' cases, have been and continue to be confidential. However, as a matter of practice, we think, and we would certainly agree with the chairman of the Parole Board, that we have no objection to having, in the future, even informal votes on case by case available to the public.

I commend the gentlewoman from New York.

Ms. ABZUG. I thank the gentleman.

Mr. BIAGGI. Mr. Chairman, will the gentlewoman yield?

Ms. ABZUG. I yield to the gentleman from New York.

Mr. BIAGGI. Mr. Chairman, I rise in support of the bill, and commend the gentlewoman from New York on her amendment.

Mr. Chairman, I wish to make one brief observation about this legislation. I am in full agreement with the objective of this legislation, namely to insure due process protections in the various levels of the Federal parole system. I feel the present system is rampant with abuses and injustices some which have worked to the severe detriment of certain classes of prisoners including Italo Americans.

However I would hope that the Judiciary Committee will pursue with equal diligence legislation I have introduced, H.R. 2788, which seeks to extend new guarantees of due process to policemen and women involved in disciplinary or civil cases. My bill which is cosponsored by more than 85 of my colleagues would guarantee many of the same safeguards we are extending to prisoners seeking parole. These include being notified of exact dates for hearings, as well as right to counsel and a full detailed description of the individual rights under law.

Policemen in this Nation have harbored under a second class citizenry status for far too long. They are entitled to the same basic rights as the citizens they arrest. The House Judiciary Committee can contribute much to the police emancipation movement and I urge the chairman as well as my distinguished colleague Mr. CONYERS, chairman of the Subcommittee on Crime Revision to give H.R. 2788 their immediate attention.

Mr. DANIELSON. Mr. Chairman, will the gentlewoman yield?

Ms. ABZUG. I yield to the gentleman from California.

Mr. DANIELSON. Mr. Chairman, I would like to ask a question. I am certain I understand the gentlewoman's purpose here, and I would concur with the purpose. I did not receive a copy of the amendment before, and I have just now been briefed on it.

Is it the purpose of this amendment simply to make public the vote of the members of the hearing boards, how they voted on a particular application?

Ms. ABZUG. The section of the Freedom of Information Act that we are referring to provides "that each agency having more than 1 member shall maintain and make available for public inspection a record of final votes of each member in every agency proceeding."

Mr. DANIELSON. In other words, it would not make public the record examined by the Parole Board. The I would have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New York (Ms. ABZUG).

The amendment was agreed to.

The CHAIRMAN. Under the rule, the committee rises.

Accordingly, the committee rose; and the Speaker having resumed the chair, Mr. BURKE of Massachusetts, Chairman of the Committee of the Whole House on the State of the Union, reported that that committee, having had under consideration the bill (H.R. 5727) to establish an independent and regionalized U.S. Parole Commission, to provide fair and equitable parole procedures, and for other purposes, pursuant to House Resolution 468, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. HUTCHINSON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 260, nays 137, not voting 36, as follows:

[Roll No. 239]

YEAS—260

Abdnor
Abzug
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bell
Biaggi
Biester
Bingham
Blanchard
Blouin
Boland
Bolling
Bonker
Brademas
Brinkley
Brodhead
Brooks

Broomfield
Brown, Calif.
Buchanan
Burke, Calif.
Burke, Mass.
Burton, John
Burton, Phillip
Carney
Carr
Chisholm
Clay
Cleveland
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cornell
Coughlin
D'Amours
Daniels, N.J.
Danielson
Dellums
Dent
Derrick
Diggs
Dingell
Dodd
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
Erlenborn
Eshleman
Evans, Colo.
Fascell
Fenwick
Findley
Fish
Fisher
Flood
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fraser
Frenzel
Fulton
Gaydos
Giaimo
Gibbons
Gilman
Gonzalez
Gradison
Gude
Hall
Hamilton
Hanley
Harkin
Harrington
Harris
Hastings
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hightower
Hillis
Hinshaw
Holland
Holtzman
Horton
Howard
Howe
Hughes
Hungate
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, Okla.
Jordan
Karth
Kastenmeier
Ketchum
Keys
Koch
Krebs
Krueger
LaFalce
Leggett
Lehman
Levitas
Litton
Lloyd, Calif.
Long, Md.
McCloskey
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Madden
Maguire
Mahon
Mann
Matsunaga
Mazzoli
Meeds
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Myers, Pa.
Natcher
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Preyer
Price
Pritchard
Quie
Railsback
Rangel
Rees
Regula
Reuss
Richmond
Riegle
Rinaldo
Rodino
Roe
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roybal
Ryan
Sarasin
Sarbanes
Scheuer
Schroeder
Seiberling
Shipley
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, James V.
Stark
Steed
Steelman
Steiger, Wis.
Stokes
Stratton
Studds
Symington
Talcott
Thone
Thornton
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Walsh
Waxman
Weaver
Whalen
White
Whitten
Wiggins
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wright
Wylie
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki

NAYS—137

Ambro
Andrews, N.C.
Archer
Armstrong
Ashbrook
AuCoin
Bafalis
Bauman
Beard, Tenn.
Bennett
Bevill
Bowen
Breaux
Breckinridge
Brown, Mich.
Brown, Ohio
Broyhill
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carter
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cochran
Collins, Tex.
Conlan
Crane
Daniel, Dan
Daniel, R. W.
Davis
de la Garza
Delaney
Derwinski
Devine
Dickinson
Downing
Duncan, Oreg.
English
Esch
Evans, Ind.
Evins, Tenn.
Fithian
Flowers
Flynt
Fountain
Frey
Fuqua
Ginn
Grassley
Guyer
Hagedorn
Haley
Hammerschmidt
Hansen
Harsha
Hefner
Hicks
Holt
Hubbard
Hutchinson
Hyde
Ichord
Jarman
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kasten
Kazen
Kelly
Kemp
Kindness
Lagomarsino
Latta
Lloyd, Tenn.
Long, La.
Lott
McClory
McCollister
McDonald
Macdonald
Madigan
Martin
Mathis
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, N.Y.
Myers, Ind.
Nichols
Poage
Quillen
Randall
Rhodes
Risenhoover
Roberts
Robinson
Rogers
Roush
Rousselot
Runnels
Ruppe
Russo
Santini
Satterfield
Schneebeli
Schulze
Sebelius
Sharp
Shuster
Sikes
Skubitz
Smith, Nebr.
Snyder
Spence
Steiger, Ariz.
Stuckey
Symms
Taylor, Mo.
Taylor, N.C.
Traxler
Treen
Vander Jagt
Waggonner
Wampler
Whitehurst
Winn
Wydler
Young, Fla.
Zeferetti

NOT VOTING—36

Adams
Barrett
Bergland
Boggs
Casey
Conable
Cotter
Downey
du Pont
Florio
Goldwater
Goodling
Green
Hannaford
Hawkins
Henderson
Johnson, Pa.
Landrum
Lent
Lujan
Melcher
Mollohan
Murtha
Neal
Patman, Tex
Pressler
St Germain
Shriver
Stanton, J. William
Stephens
Sullivan
Teague
Thompson
Udall
Wilson, Bob
Young, Alaska

So the bill was passed.

The Clerk announced the following pairs:

Mr. Florio with Mr. Bergland.

Mrs. Boggs with Mr. Downey of New York.

Mr. Barrett with Mr. Landrum.

Mr. Teague with Mr. Mollohan.

Mr. Thompson with Mr. Murtha.

Mr. Green with Mr. William J. Stanton.

Mr. Cotter with Mr. Johnson of Pennsylvania.

Mr. Hawkins with Mr. Lent.

Mr. Henderson with Mr. Conable.

Mr. Udall with Mr. Lujan.

Mrs. Sullivan with Mr. Goodling.

Mr. Melcher with Mr. Shriver.

Mr. St Germain with Mr. du Pont.

Mr. Neal with Mr. Pressler.

Mr. Casey with Mr. Goldwater.

Mr. Adams with Mr. Patman.

Mr. Hannaford with Mr. Bob Wilson.

Mr. Stephens with Mr. Young of Alaska.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. **KASTENMEIER**. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The **SPEAKER**. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PERMISSION FOR COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO HAVE UNTIL MIDNIGHT SATURDAY TO FILE REPORT ON H.R. 5546

Mr. **ROGERS**. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have until midnight Saturday, May 24, 1975, to file the report on H.R. 5546, the Health Manpower Act of 1975.

The **SPEAKER**. Is there objection to the request of the gentleman from Florida?

There was no objection.

EMERGENCY COMPENSATION AND SPECIAL UNEMPLOYMENT ASSISTANCE EXTENSION ACT OF 1975

Mr. **BOLLING**, from the Committee on Rules reported the following privileged resolution (H. Res. 489, Rept. No. 94-234), which was referred to the House Calendar and ordered to be printed:

H. RES. 489

Resolved, That upon the adoption of this resolution it shall be in order to move, section 401(b)(1) of P.L. 93-344 to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6900) to provide an additional thirteen weeks of benefits under the emergency unemployment compensation program and the special unemployment assistance program, to extend the special unemployment assistance program for one year, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. **BOLLING**. Mr. Speaker, I call up House Resolution 489 and ask for its immediate consideration.

The **SPEAKER**. The Clerk will report the resolution.

The Clerk read the resolution.

The **SPEAKER**. The question is, Will the House now consider House Resolution 489?

The question was taken; and (two-thirds having voted in favor thereof) the House agreed to consider House Resolution 489.

The **SPEAKER**. The Chair recognizes the gentleman from Missouri (Mr. BOLLING).

Mr. **BOLLING**. Mr. Speaker, I yield 30 minutes to the gentleman from Tennessee (Mr. QUILLEN), pending which I yield myself such time as I may consume.

Mr. Speaker, so far as I know there is no controversy over this resolution. It does waive a point of order against the provisions of the Budget Act, but provision has been made to take care of that. The Committee on Rules heard the chairman of the Budget Committee in connection with this waiver. The chairman of the subcommittee handling the matter before the House has a committee amendment to correct the failure of the bill to comply with the provisions of the Budget Act. It is in fact a questionable matter as to whether there is any possibility of a provision of this bill failing to comply with the Budget Act under certain circumstances.

The rule is an open rule providing for 1 hour of debate.

I know of no opposition to the rule and under the circumstances I reserve the balance of my time.

Mr. **QUILLEN**. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Missouri (Mr. BOLLING) has explained the provisions of the rule and also the waiver of the backdoor spending provision of the budget act included in the rule. As the gentleman said, an amendment will be offered to eliminate the backdoor spending provision in the bill.

Mr. Speaker, I would like to call to the attention of the members of the various committees of the House the fact that the backdoor spending provision should be eliminated before the committees come to the Rules Committee for a rule.

Mr. Speaker, I know of no objection to the rule and I reserve the balance of my time.

Mr. **BOLLING**. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. **CORMAN**. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill—H.R. 6900—to provide an additional 13 weeks of benefits under the emergency unemployment compensation program and the special unemployment assistance program, to extend the special unemployment assistance program for 1 year, and for other purposes.

The **SPEAKER**. The question is on the motion offered by the gentleman from California (Mr. CORMAN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 6900) with Miss JORDAN in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The **CHAIRMAN**. Under the rule, the gentleman from California (Mr. CORMAN) will be recognized for 30 minutes, and the gentleman from Wisconsin (Mr. STEIGER) will be recognized for 30 minutes.

The Chair now recognizes the gentleman from California.

Mr. **CORMAN**. Madam Chairman, the purpose of H.R. 6900 is to extend unemployment benefits under the Federal Supplemental Benefits—FSB—and Special Unemployment Assistance—SUA—programs. These extensions are necessary because of the critical unemployment situation. Over a million unemployed workers could exhaust unemployment benefits by the end of this year unless these extensions are enacted.

Briefly, H.R. 6900 would:

First. Continue through June 30, 1976, the 26 week maximum entitlement under FSB provided by the Tax Reduction Act of 1975;

Second. Extend through 1976, with certain amendments, the SUA program for workers not covered under the permanent unemployment insurance system, and increase from 26 to 39 weeks the maximum entitlement payable through June 30, 1976; and

Third. Entitle the Virgin Islands to borrow money from Federal general revenues as is necessary to continue its unemployment insurance program.

1. PERMANENT FEDERAL-STATE UNEMPLOYMENT COMPENSATION BENEFITS

The unemployment compensation program is a Federal-State system designed to provide wage loss compensation to workers who are temporarily unemployed. Funds accumulated from taxes on wages during periods of employment permit payment of benefits to covered workers during periods of unemployment. The State unemployment compensation programs generally provide up to 26 weeks of benefits in a year for unemployed workers covered under the programs.

The Federal-State extended benefit program is a permanent program established by Public Law 91-373 which pays extended benefits to workers during periods of high unemployment. The program is financed equally from Federal and State unemployment tax revenues and may become operative either in an individual State or in the entire country.

Under the extended benefits program, States must pay extended benefits when the State's average insured unemployment rate—not seasonally adjusted—is 4 percent for a 13-week period and at least 120 percent of the rate for the corresponding period in the preceding 2 years; or, when the national insured unemployment rate for 3 consecutive months is 4.5 percent—seasonally adjusted. Extended benefits are payable until the State requirements are no longer met and the national insured unemployment rate for each of the 3 most recent months is less than 4.5 percent—seasonally adjusted.

Under the permanent system, the claimant who has exhausted regular benefits during an extended compensation period—that is, a period of high unemployment—receives extended benefits equal to his weekly benefit amount under the State program for up to one half of the number of weeks of entitlement to regular benefits, but for not more than 13 weeks. There is an overall limitation of 39 weeks of regular and extended benefits combined.

2. TEMPORARY UNEMPLOYMENT BENEFITS: FEDERAL SUPPLEMENTAL BENEFITS (FSB) AND SPECIAL UNEMPLOYMENT ASSISTANCE (SUA)

In December 1974, Congress enacted two temporary programs providing benefits to unemployed workers. These programs were in response to a sharp increase in the unemployment rate and the large number of workers who were expected, during this period of high unemployment, to exhaust benefits under the permanent unemployment compensation programs before they could find suitable employment.

The Emergency Unemployment Compensation Act of 1974—Public Law 93-572, approved December 31, 1974—reported out of the Ways and Means Committee, established the Federal Supplemental Benefits—FSB—program, effective through calendar year 1976. This temporary measure provides a maximum of 13 additional weeks of benefits during periods of high unemployment to individuals who exhaust all entitlement to benefits under the FSB permanent programs, including entitlement to Federal-State Extended Unemployment Compensation. Public Law 94-12—the Tax Reduction Act of 1975—increased the number of weeks that payments may be made under the program from a maximum of 13 to 26, effective until June 30, 1975. The FSB program is financed through repayable advances from Federal general revenues to the Extended Unemployment Compensation Account in the Federal Unemployment Trust Fund.

Unemployment benefits under FSB are payable in a State whenever the extended benefits are in effect. Public Law 93-572 permits the States to pay extended benefits and FSB when the State insured unemployment rate is 4 percent, without regard to the 120 percent factor. Public Law 93-572 also permits States to pay both Federal-State extended benefits and FSB when the national insured unemployment rate is 4 percent, rather than 4.5 percent.

Title II of the Emergency Jobs and Unemployment Assistance Act of 1974—Public Law 93-567, approved December 31, 1974—reported out of the Education and Labor Committee, established the program of Special Unemployment Assistance—SUA—effective through December 1975. This legislation provides a maximum of 26 weeks of benefits for unemployed experienced workers who are not eligible for unemployment benefits under any other State or Federal law.

SUA is payable when the total unemployment rate for the most recent 3 consecutive calendar months for which data are available is 6 percent—seasonally adjusted—at the national level, or 6.5 percent—not seasonally adjusted—at the local level—prime sponsor areas under CETA. SUA is no longer payable if, for the most recent 3 consecutive calendar months for which data are available, both requirements are not satisfied.

SUA is payable to an individual who lacks eligibility for compensation under any State or Federal unemployment compensation law, provided such individual meets the qualifying employment and wage requirements of the applicable State unemployment compensation law and is not subject to disqualification under such law.

New protection, equivalent to that provided under State unemployment insurance laws, became available for the first time under the SUA program for up to 12 million workers not now covered under State laws. The major groups covered by this program include:

Farmworkers.—With minor exceptions, workers in agriculture are generally excluded from coverage under State unemployment insurance laws. SUA provides such coverage for over a million farmworkers.

Domestic workers.—Only four State unemployment insurance laws now require coverage of any household workers. More than a million additional household workers receive protection under SUA.

State and local government—Twenty-nine States now cover under their own laws substantially all State government employment, for a nationwide total of 76 percent, or 2.3 million jobs; and eight States now cover under their own laws substantially all local government employment for a nationwide total of 22 percent, or 1.8 million jobs. However, more than 8 million workers in State and local government, who are still outside the regular UI system, are included under SUA.

3. PROVISIONS OF H.R. 6900

The maximum entitlement of 26 benefit weeks under the Federal supplemental benefits—FSB—program, initially increased from 13 weeks in the Tax Reduction Act of 1975, is extended from June 30, 1975, to June 30, 1976. This provides a combined maximum entitlement of 65 weeks of regular, extended and Federal supplemental benefits until June 30, 1976. As of July 1, 1976, the maximum FSB entitlement reverts to 13 weeks, and the combined maximum to 52 weeks, as provided under the original Emergency Unemployment Compensation Act of 1974.

The special unemployment assistance—SUA—program is extended through December 31, 1976. The maximum number of benefit weeks under SUA is increased from 26 to 39, payable through June 30, 1976. As of July 1, 1976, the maximum reverts to the original 26 weeks.

In addition to extending benefits, H.R. 6900 contains other amendments to title II of the Emergency Jobs and Unemployment Assistance Act of 1974, the special unemployment assistance program:

Payment of SUA benefits to teachers, researchers, and principal administrators employed by schools is prohibited during the period between academic years or terms if they have contracts with any school for both such years or terms.

The amount of SUA entitlement is reduced by the total amount of regular State benefits, extended benefits and Federal supplemental benefits drawn within the same benefit year.

Some noncovered work—as defined under the permanent State-Federal unemployment insurance program—is required for SUA entitlement.

The benefit year provisions contained in State unemployment compensation laws are applied to SUA.

The definition of noncovered work under SUA is clarified.

Authority and procedures pertaining to the treatment of fraud and erroneous payments under SUA are established.

Title III of this bill provides that the Virgin Islands may borrow money from Federal general revenues as is necessary to continue payment of benefits under its unemployment insurance program. Under existing Federal law, the Virgin Islands is precluded from participating in the Federal-State unemployment insurance program. The Virgin Islands, however, has had its own unemployment insurance program for several years. Because it is not covered under the Federal-State system, the Virgin Islands cannot receive repayable advances from the Federal unemployment account that are available to States that have depleted their unemployment insurance funds.

No advances may be made to the Virgin Islands under the authority of this bill after June 30, 1976 and the total amount of loans shall not exceed $5 million. Advances that are made must be repaid—without interest—by January 1, 1978.

With unempoyment at almost 9 percent and over 8 million Americans unemployed, we are facing the worst economic crisis since the depression of the 1930's. We should all realize that conditions would be much worse if we did not have the unemployment insurance system in place.

The extensions of the unemployment benefits provided in H.R. 6900 are desperately needed to assist the millions of unemployed workers who are having difficulty finding work, and to maintain the important stabilizing effect this program has on the general economy during periods of economic recession.

Mr. STEIGER of Wisconsin. Madam Chairman, I yield 2 minutes to the gentleman from Minnesota (Mr. FRENZEL), a distinguished member of the subcommittee.

Mr. FRENZEL. Madam Chairman, H.R. 6900 extends unemployment benefits under two special programs: First, Federal supplemental benefits; and second, special unemployment assistance. The programs will otherwise expire on June 30.

Unemployment compensation is one form of recession fighting that most people agree on. The income support that will be paid this year under these programs and the basic program will probably amount to $20 billion. In my judgment, this is the first priority antirecession expense and I strongly support the bill.

This bill is well above the budget—perhaps as much as $2 million. It is probably just as much over the budget resolution recently passed here. I have conscientiously voted against every authorization and appropriation that exceeded these limits, but I feel so strongly about the priority of these funds, that I support H.R. 6900, and am, in fact, a cosponsor.

This bill is not perfect. The trigger mechanism is inadequate. But, because of the difficulty in reconciling conflicting opinions on the trigger, and because of the need to extend these programs before they expire, the committee determined to pass a relatively simple extension now, and to deal with complicated structural reform later.

I hope the bill will be promptly passed.

Mr. STEIGER of Wisconsin. Madam Chairman, I yield 3 minutes to the gentleman from California (Mr. KETCHUM), a new member of the Committee on Ways and Means and our subcommittee.

Mr. KETCHUM. Madam Chairman, I joined my colleagues on the subcommittee in cosponsoring this bill with considerable reluctance. I realize that the bleak unemployment rate shows little sign of improvement, and this bill merely extends an existing program. These speak in favor of H.R. 6900. But I am deeply disturbed by the continued extensions in unemployment compensation benefits that seem to have become a trend in the last few years, and wish to add a note of caution to our discussions here today.

The principal question we must ask is whether we wish UI to remain an unemployment insurance program or whether it is to serve as the vehicle for an income-maintenance program. To my mind, the idea of UI is to provide adequate benefits to enable people to live for a period of time while searching for another job. It seems reasonable that this period should have definable limits—such as 39 weeks. This limited view of UI has worked very well in the last 40 years, and has won acceptance from employer and employee alike.

When we move into continued extensions of the program, when we move into a year or more of UI eligibility, the basic concept must change. In the first place, I believe we would be hard put to assume any further employer responsibility after 39 weeks. If the Congress wishes UI to continue for an indefinite period it is only fair and logical that the Federal Government pick up the tab for what becomes, in effect, a social welfare program, rather than asking our Nation's employers to foot the bill.

I also wish to point out that these extensions are bankrupting both the State and Federal UI trust funds. Sooner or later, if we keep extending the benefits, the money to pay for them will come out of the General Treasury.

It is at that point, to which I submit we are rapidly moving, that unemployment insurance actually becomes an income-maintenance program, of extended duration and funded by every American's tax dollars. I believe that we should at least have the guts to call it by that name, and admit what we have done.

The Subcommittee on Unemployment Compensation, I am pleased to say, is very aware of the problems facing UI. We shall shortly begin considering major legislation to reform the entire program. This bill will allow us the time to complete that task, while providing benefits for the currently unemployed. I support its passage.

Mr. KAZEN. Madam Chairman, will the gentleman yield?

Mr. KETCHUM. I will be glad to yield to the gentleman from Texas.

Mr. KAZEN. Madam Chairman, I just find it ironic that we are called upon to spend $7.8 billion today, in addition to all the other billions we are passing here today in the employment program, and yet yesterday the House refused to leave 5,000 people who are now employed simply because they work for the Department of Defense. I just do not know what in the world we are doing.

Mr. KETCHUM. I thank the gentleman for his comment.

Mr. CORMAN. Madam Chairman, I yield such time as he may consume to the gentleman from Michigan (Mr. BRODHEAD).

Mr. BRODHEAD. Madam Chairman, I am pleased to express my support for this much-needed piece of legislation.

Madam Chairman, I represent an area in the State of Michigan, the city of Detroit and environs, which is very hard hit by unemployment at the current moment, and this legislation, as I can testify from my own experience, is desperately needed by thousands of my constituents. It will be of great benefit to the people of my district and to many other people throughout the country. I urge the Members to give this bill a speedy favorable vote.

Mr. STEIGER of Wisconsin. Madam Chairman, I yield myself 3 minutes.

Madam Chairman, the bill that the Committee on Ways and Means brings to the floor tonight is a bill that does need to be passed. There is a problem in getting it to the other body and in trying to make sure that we reconcile whatever differences may exist between the two bills generally between now and the 30th of June.

Madam Chairman, this is not an inexpensive bill. It is $5.9 billion. If the expectations hold up, that is the estimate of how much will be expended in fiscal year 1976 and in calendar year 1976.

The bill is not the same as the one the administration asked for and that I introduced in their behalf, along with the gentleman from New York (Mr. CONABLE) and the gentleman from Minnesota (Mr. FRENZEL). That bill tried to deal with the issue with which the subcommittee found itself unable to deal; that is, the triggering mechanism. The triggering concept is different than the FSB and the SUA. The subcommittee, the Members will find from reading the report, is determined to deal with those issues in subsequent legislation in 1975. But we are not agreed amongst and between ourselves on how we ought to do it.

So we passed on that and, as a result, we will come back to it and, I hope, bring a bill that will enable us to resolve the problem, to deal with the FSB and the SUA benefits.

This bill contains a number of modifications in the supplemental assistance program which came out of the Committee on Education and Labor last year and was passed late in December 1974.

They are technical amendments designed to bring both the programs into consistency.

In addition to that, Madam Chairman, there is a provision dealing with the Virgin Islands, which I am pleased the subcommittee was willing to deal with. That is the provision that will enable the Virgin Islands to borrow up to $5 million out of the general fund to finance their program which will shortly, sometime this summer, run out of funds.

Thus, the bill is an agreed bill. It is a bill supported by the administration. It is a bill which I think this body needs to pass tonight, and I urge its adoption.

Madam Chairman, I support H.R. 6900, which would extend two unemployment benefit programs. One is the Federal Supplemental Benefits—or FSB—program, which permits the payment of up to 26 weeks of "emergency" benefits under the regular unemployment compensation system. The other is the Special Unemployment Assistance—or SUA—program, which pays benefits to those not eligible for regular unemployment compensation.

The FSB program provides a third tier of benefits under the regular unemployment compensation system, which covers all but approximately 12 million American workers. The first tier is the basic State program, providing up to 26 weeks of benefits for covered unemployed individuals. It is paid for out of State taxes levied on employers.

The second tier, the extended benefits program, which is financed equally from Federal and State unemployment tax revenue, provides up to 13 weeks of additional benefits, and is "triggered" on and off according to levels of the insured unemployment rate.

The triggering mechanism has been adjusted by the Congress several times in recent years. Extended benefits now may be paid if the insured unemployment rate for the State or the Nation reaches 4 percent, a level well below the current national rate.

The FSB program grew out of the Emergency Unemployment Compensation Act of 1971. This legislation permitted the payment of 13 weeks of benefits, beyond the 39 available under the basic and extended programs, to workers in states with extraordinarily high levels of unemployment. This was a temporary program, extended once, and its benefits ceased being payable in April, 1973.

A new third tier, this time called the Federal Supplemental Benefits program, was enacted in December of 1974. It also provided 13 additional weeks of benefits during periods of unusually high unemployment.

Earlier this year, through an amendment to the Tax Reduction Act of 1975, the FSB program was extended, and the duration of benefits was increased to a maximum of 26 weeks—bringing the total number of benefit weeks possible under the regular unemployment compensation system to 65.

H.R. 6900 would continue the maximum FSB duration of 26 weeks through June 30, 1976. After the date, the maximum would drop back to 13 weeks for the rest of the calendar year, when the program would expire.

The Special Unemployment Assistance program was developed by the Education and Labor Committee and incorporated into the Emergency Jobs and Unemployment Assistance Act of 1974. SUA benefits are paid to those who have had an attachment to the labor force as employees but who are not eligible for benefits under the regular system. The large sectors of employment covered under this program are government at State and local levels, agriculture and domestic services. SUA benefits are payable up to 26 weeks in any of some 400 areas, which are designated by the Secretary of Labor, if, over a 3-month period, the area has a total unemployment rate of 6.5 percent or if the total national rate, seasonably adjusted, is 6 percent.

H.R. 6900 would extend the SUA program through calendar 1976. It also would increase the maximum duration of benefits to 39 weeks through June 30, 1976. The maximum would then revert to 26 weeks for the remainder of the year, when this program also would end.

H.R. 6900 additionally would:

First. Prohibit SUA payments to teachers, researchers and principal administrators of schools during summer months if they have contracts for the current and ensuing school years or terms.

Second. Make the "benefit year" provisions of State unemployment compensation laws applicable to the SUA program, thus enabling persons to establish successive benefit years if they can meet their State's wage, employment and other requirements.

Third. Reduce the amount of an individual's SUA entitlement by the amount of benefits received under the regular UC system, thus preventing what has been termed a "double dip" payment of SUA benefits to those already protected by the unemployment insurance program.

Fourth. Require a SUA applicant to have some work experience, which is not covered under the regular unemployment compensation system before becoming eligible for SUA benefits.

Fifth. Permit the Virgin Islands to borrow up to $5 million from Federal general revenues to enable it to continue paying benefits under its unemployment insurance program.

Federal law prevents the Virgin Islands from participating in the Federal-State unemployment compensation system, but the territory has had its own unemployment insurance program for several years.

Because it is not covered under the Federal-State system, the territory cannot receive repayable advances from the Federal Unemployment Account, and because its own unemployment account is rapidly being depleted, it soon will run out of money to pay benefits. At that time, it is possible that unemployed Virgin Islands workers could become eligible for, and receive, SUA benefits. Thus, permitting the territory to borrow enough to maintain its current program seems to make a great deal of sense.

H.R. 6900 provides that no advances could be made to the territory after June 30, 1976, and any advances which are made would have to be repaid by January 1, 1978. If the Virgin Islands subsequently should be included in the Federal-State system, any outstanding advances made under the authority of this bill should be treated as if they had been made from the Federal Unemployment Account in the unemployment trust fund.

Madam Chairman, H.R. 6900 represents estimated additional unemployment compensation costs of $5.99 billion, covering two calendar years. The extension of benefit weeks under the FSB program would account for about $850 million of the total, but it should be noted that although the additional benefits are financed initially out of general revenues, they are repayable ultimately from Federal unemployment tax collections.

The bulk of additional costs, $5.14 billion, is required for extension of the SUA program and the added benefit weeks under that program through June 30 of

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next year. This amount is entirely financed out of general revenues.

The Labor Department has estimated that title III of the bill, which would permit the Virgin Islands to borrow from Federal general revenues, could add about $3 million in costs.

H.R. 6900 does not attempt to resolve the many complex substantative problems associated with the various unemployment compensation programs. However, the Unemployment Compensation Subcommittee of the Committee on Ways and Means will address itself to these issues in the very near future. During public hearings held by the subcommittee earlier this year, we already have received testimony touching upon a number of these matters, and we intend to consider them in greater depth, with the aim of developing a comprehensive bill.

We know, for example, that programs which pay benefits to insured workers up to 65 weeks and to uninsured workers up to 39 weeks are justifiable only during periods of unusually heavy unemployment. They were not designed for periods of economic normalcy.

The administration offered a solution to this particular problem in H.R. 6504, which I introduced and which was cosponsored by several of my colleagues on the committee. This bill included provisions for phasing out emergency and special unemployment benefits, and for applying modified "triggering" mechanisms which would be more sensitive to economic conditions in local areas.

Because of the complexity of these proposed changes, the subcommittee decided to examine them in greater detail. There simply was not enough time to do so, however, before the FSB program extension expires at the end of the current fiscal year. But the chairman of our subcommittee has given assurance that in our deliberation on the broader issues of unemployment compensation, the administration's proposals, as well as others dealing with the "triggering" provisions and the areas to which they might be applied, will receive careful and thorough review.

Against this background, Madam Chairman, I strongly endorse H.R. 6900, and urge my colleagues to approve it and send it to the other body, where I hope it also will be speedily and favorably considered.

Mr. FRENZEL. Madam Chairman, will the gentleman yield?

Mr. STEIGER of Wisconsin. I will be glad to yield to the gentleman from Minnesota.

Mr. FRENZEL. Madam Chairman, the gentleman has indicated the cost of this bill, and I think it is fair, and I hope the gentleman will agree to indicate to this body that the cost of this bill will run in excess by a considerable amount of the budget resolution which we have recently passed; I think perhaps by nearly $2 billion. But, like the gentleman from Wisconsin, I feel this is high priority money and deserves to be spent.

Notwithstanding the fact that it does exceed both of those budget limitations, I do support the bill, as does the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. Madam Chairman, I yield myself 1 additional minute.

The point the gentleman from Minnesota (Mr. FRENZEL) has made I happen to think is valid.

There was some question when the chairman of the Budget Committee appeared before the Committee on Rules this afternoon, during consideration of the rule, as to exactly how much, in fact, it is over or under the budget resolution adopted by the Congress. My judgment is that it is over that resolution, but we will come to that reconciliation, as I recall, some time in September of 1975, at which time I hope we will have more data, more information, on which to make a judgment.

Mr. CORMAN. Madam Chairman, I yield such time as he may consume to the gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Madam Chairman, once again the House is dealing with the complex and confusing question of unemployment compensation, and once again, I am afraid, we are postponing some of the hard decisions which I really believe must be made now to insure that this worthy system will survive.

Tonight I shall offer an amendment to H.R. 6900 which will raise the trigger levels which affect the Federal supplemental benefits—FSB—program. The 93d Congress enacted the FSB program last December, and added 13 additional weeks of payments for the unemployed to the already 39-week payment level provided for under the regular and extended benefit systems.

Under the current triggers, which this bill propose to retain, the additional weeks of payments are triggered when either the national insured unemployment rate is 4 percent for 3 consecutive months, or the State insured jobless level is 4 percent and the State has the extended benefit program in effect. It is my feeling that these trigger levels are unrealistically low.

My amendment would change both of these levels to a more reasonable scale of 5.5 percent. If my amendment were adopted, and this bill became law tomorrow, no State would lose the payments it is currently receiving under the FSB program. This is because the latest figures—April—show our national insured unemployment rate to be 7.83 percent.

But hopefully, this rate will decrease in the foreseeable future. If the national rate fell to 5.5 percent, then those States which had a rate of insured employment at 5.5 percent, would receive payments only for 39 weeks. According to the latest available statistics, 12 States and the District of Columbia are below the 5.5 percent mark. My amendment is strictly an attempt to make the unemployment program less onerous to those employers who may feel that the extremely low triggers will cause them to continue their Federal tax payments ad infinitum. My own State of Texas will have payments to the jobless restricted to 39 weeks if my amendment takes effect, and the national rates descends to 5.5 percent.

My real efforts in this amendment is to ask the Congress to bite the bullet—to draw the line. It seems that year after year we have continued to operate in a piecemeal, patchwork fashion. During the creation of the FSB program last December the Congress waived a significant portion of the triggering mechanism for a 2-year period. I strongly disagreed with that action, as I did when the same procedure occurred in previous sessions. It called for States to pay extended benefits when the insured unemployment rates was 4 percent and the rate was rising 120 percent over a corresponding period in 2 previous years. The 120 percent portion was waived last December as it had been in previous Congresses.

The unemployment compensation program has worked well over the years. It has helped those who are workers, and who were suffering the consequences, in the majority of cases, from circumstances beyond their control. The payments made to these recipients was used to pay rent, buy groceries, and provide the basic amenities. I really do not believe that anybody is getting rich off unemployment payments. But the program is now facing serious difficulties. In my opinion, it is very necessary to retain the fiscal balance of unemployment compensation in order to maintain its viability. I suggest that the first step toward this beneficial goal is enactment of higher trigger levels.

I urge you not to make a postponement of this crucial issue but to vote now in favor of the long-term health of the unemployment system.

Mr. FISHER. Madam Chairman, as a subcommittee member and cosponsor of the bill I should like to add a word of appreciation and commendation for the quality of committee leadership in both parties which has contributed substantially to the development of this proposal.

One of the few bright spots in the history of this current recession has been the performance of our Federal-State system of unemployment compensation as an instrument for shoring up a sagging economy. Even before our national leadership had concluded that we were faced by a bona fide recession, this program had gone into gear—first on a limited scale and then mounting to a $20 billion-a-year operation which distributed urgently needed purchasing power throughout the Nation. We can be thankful indeed that we had this program in place—not only because it gave us an operational headstart, but also because it provided the legislative base to which emergency extensions and expansions could be added. H.R. 6900 is a further urgently needed extension.

As the committee report on the bill points out, however, this program-extension legislation must be followed soon with some more basic legislative amendments addressed to the many shortcomings of the present statutes. During the many years when unemployment problems were in the shade of public attention, it was difficult to muster the interest and support required for legislative revision, for this is a complex field which does not lend itself to quick legislative repairs by a committee preoccupied with other matters. Now that unemployment is high on the list of national concerns, we must address ourselves to the legislative backlog in this area.

The gentleman from California who is chairing this newly established subcommittee has planned its schedule wisely so as to permit an incremental approach to our substantial workload. First we had several weeks of background hearings to acquaint us with an overview of the work ahead. Next, we addressed ourselves to those urgent extension matters that required immediate attention and reached an agreement of all members on the provisions of H.R. 6900. In a few more weeks we will begin our consideration of more fundamental changes in the basic statutes—with the expectation that a significant number of the needed changes can be brought to the floor of the House before the end of the session of the 94th Congress.

Madam Chairman, our subcommittee has the biggest pact of its task still ahead of it. I am gratified by the start we have made, however—both in the planning and conduct of our legislative work and in the cooperative relationship that has been developed between our majority and minority membership. This is not only a complex legislative area, but it also involves many controversial issues, and we cannot expect to report future bills with unanimous support. We can expect, however, that the good start we have made will benefit our future legislative deliberations.

Mr. CORMAN. Madam Chairman, I have no further requests for time.

Mr. STEIGER of Wisconsin. Madam Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, pursuant to the rule, the Clerk will now read the bill by title.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Emergency Compensation and Special Unemployment Assistance Extension Act of 1975".

TITLE I—ADDITIONAL THIRTEEN WEEKS OF EMERGENCY UNEMPLOYMENT COMPENSATION

ADDITIONAL THIRTEEN WEEKS

SEC. 101. Paragraph (3) of section 102(e) of the Emergency Unemployment Compensation Act of 1974 is amended by striking out "July 1, 1975" and inserting in lieu thereof "July 1, 1976".

MODIFICATION OF AGREEMENTS

SEC. 102. The Secretary of Labor shall, at the earliest practicable date after the date of the enactment of this Act, propose to each State with which he has in effect an agreement under section 102 of the Emergency Unemployment Compensation Act of 1974 a modification of such agreement designed to provide for the payment of the emergency compensation benefits allowable under such Act by reason of the amendment made by section 101. Notwithstanding any provision of the Emergency Unemployment Compensation Act of 1974, if any State fails or refuses, within the three-week period beginning on the date of the enactment of this Act, to enter into a modification of such agreement, the Secretary of Labor shall terminate such agreement.

Mr. CORMAN (during the reading). Madam Chairman, I ask unanimous consent that title I be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDMENT OFFERED BY MR. PICKLE

Mr. PICKLE. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PICKLE: Page 2, line 7, after the period insert the following new sentence: "Subparagraph (B) of section 102(c)(3) of such Act is amended to read as follows:

"(B) For purposes of subparagraph (A), there is a State 'emergency on' indicator for a week if there is a State or National 'on' indicator for such week, and there is a State 'emergency off' indicator for a week if there is both a State and a National 'off' indicator for such week, as determined under subsections (d) and (e) of the Federal-States Extended Unemployment Compensation Act of 1970 with the following modifications—

"(i) in applying paragraphs (1) and (2) of such subsection (d), '5.5 per centum' shall be substituted for '4.5 per centum' each place it appears,

"(ii) the last sentence of such subsection (d) shall not apply, and

"(iii) in applying paragraph (1)(B) of such subsection (e), '5.5 per centum' shall be substituted for '4 per centum'."

Page 2, line 14, strike out "designed to provide" and all that follows down through the period in line 16 and insert "which reflects the amendments made by section 101."

Mr. PICKLE. Madam Chairman, my amendment applies to the Federal supplemental benefit program, the emergency benefit program.

In essence what it says is this: If the national insured unemployment rate is 5.5 percent—unemployment is 5.5 percent—for 3 consecutive months; or if the State insured rate is 5.5 percent, and the State has the extended benefits in effect, then the 5.5 level would apply with regard to the trigger mechanism.

There is nothing complicated about it. Under the present law we use the percentage of 4 percent, and if there is a national unemployment rate of in excess of 4 percent, then all these States are triggered in for the benefit program. This is unrealistieally low. The employers of the United States pay now a tax of five-tenths of 1 percent to attempt to pay for these extended benefit programs. We have seen them grow from 26 weeks to 39 weeks, to 52 weeks, and now we are asking for 65 weeks.

I ask the Members how long do we continue this type of proliferation, using the same old 4 percent level?

Originally, when we established the extended benefits program, and it is a good program, we used the percentage of 4 percent plus 120 percent, which would represent chronic types of unemployment for a certain period of time for a 2-year period. Under these three-level conditions that benefits would be paid. Now we have lowered it to 4 percent, so each State in the Union is triggered, or drawing the benefits, the employer is paying the tax, and there is no money to pay it.

At least half the States are having to borrow from our funds now. I think many of them may go bankrupt if something is not done.

Madam Chairman, each year I have asked for consideration of this matter, and each year the then chairman of the committee, and our present chairman, and our distinguished chairman of the subcommittee this year, said yes, we are going to do something about that.

But we never got any action.

I think clearly again tonight that we must do something about it. I think we have reached a time when we ought to do something about it now.

If we put this percentage in this bill no State is going to be disqualified. I must say to the Members it looks like the chances of going below 5.5 percent in the next 12 months does not look good. So no State is going to get hurt. At least this would be an honest assurance that we are putting into it realistic trigger levels.

I think we have reached a point where we ought to be honest with the employers of the country who sponsored this type of program originally, who believed in it, who are willing to keep it going. But they also ask that the program not go bankrupt, so I am here asking the Members to take this amendment either on the basis if the National or State is in excess of 5.5, the trigger would go into effect on that basis and not the 4 percent, and I ask the Members to support my amendment.

Mr. CORMAN. Madam Chairman, I rise in opposition to the amendment.

(Mr. CORMAN asked and was given permission to revise and extend his remarks.)

Mr. CORMAN. Madam Chairman, I ask for a "no" vote on this amendment. The triggering device in the unemployment compensation program is extremely complex. Several years ago we adopted a trigger which we found we could not live with because it was so inequitable in its application. I agree with the gentleman that we must review the matter. His present proposal, if it should become effective, could have disastrous effects among the various States. However, it probably will have no effect next year because there is little hope that the insured unemployment rate is going to drop to 5½ percent nationally. But if it should, then we could have some peculiar situations.

For instance, the State of Texas, which has an insured unemployment rate of only 3.02 percent, would be triggered out; and then the unemployed workers in the city of El Paso, which has a 10.9 percent unemployment rate, would not be entitled to either extended or Federal supplemental benefits.

Mr. PICKLE. Madam Chairman, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from Texas.

Mr. PICKLE. I thank the gentleman for yielding.

I am not asking this because it would affect my State. I am saying if we set the 5.5 level, my State and others would get 39 weeks and not go up to the 65.

Mr. CORMAN. The administration has asked us to look at whether or not we need to trigger-on or trigger-off by areas smaller than States. Some of the

States, such as Texas and California, are extremely large. We may have large pockets of heavy unemployment where the extended and Federal supplemental benefits are badly needed, even though there is a relatively low unemployment rate in the rest of the State. The Unemployment Compensation Subcommittee will review the various trigger proposals. We will bring back to the House some reasonable triggering device before this session is over.

I urge my colleagues to vote down this amendment.

Mr. PICKLE. Madam Chairman, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from Texas.

Mr. PICKLE. I thank the gentleman for yielding.

Is the gentleman recommending that we adopt an area trigger?

Mr. CORMAN. I am not recommending it at this point. I am saying we must examine it and other proposals and decide which one provides the most equitable system.

Mr. PICKLE. The example the gentleman gives is one of area triggering, and I do not believe the gentleman wants that. I recognize he does not want any changes. I think we at least ought to change the trigger.

Mr. CORMAN. My position is the gentleman's proposal would not take into consideration high unemployment in local areas within a large state. The administration's proposal is just the reverse, but we have not yet had time to decide which of the two, or perhaps a combination, is more realistic. I would urge the House to vote down this amendment. We had a trigger that was totally unworkable, and consequently we had to suspend it 6 times. I do not want a trigger which we must come back and suspend each time it is about to take effect.

Mr. PICKLE. At least do I understand from the chairman of the subcommittee that he is going to come back with a realistic trigger?

Mr. CORMAN. Yes, sir.

Mr. STEIGER of Wisconsin. Madam Chairman, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. I appreciate the gentleman's yielding.

I want to join with him in opposing the Pickle amendment. The Committee on Ways and Means is exceedingly fortunate to have the services of the gentleman from Texas. He has been involved in this program. He is knowledgeable about it. And there is a degree of complexity when we get into this area.

My own judgment is that to make what in effect, frankly, would be a cosmetic change of 5½ percent does not solve the problem. The committee is going to have to go back and take a much more careful, much more thorough look. This amendment does not end all of our problems; it only begins them; and the committee and the subcommittee will at some time, I hope, this year be able to reach some agreement on how to deal with this problem.

This amendment is not the way to do it; I hope it is voted down.

Mr. CORMAN. Madam Chairman, I yield back the remainder of my time.

Mr. FRENZEL. Madam Chairman, I move to strike the last word.

Madam Chairman, I want to congratulate the gentleman from Texas for calling the attention of the House to a most important defect in our program in this bill. I do think we are fortunate in having him working on this problem. I do concur that the trigger is unrealistic and in many respects unworkable, but, having heaped that much praise on the gentleman's head, I must say I am going to oppose his amendment, as has the chairman of the subcommittee, and particularly as the gentleman from Texas has received from the chairman of the subcommittee his assurance that we are going back and going to work on and work out and develop a realistic trigger. I want to assure the gentleman from Texas I will be working with him for the thing he is trying to achieve.

Mr. PICKLE. Madam Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Texas.

Mr. PICKLE. Madam Chairman, I appreciate the statement of the gentleman from Minnesota. I have been given some faint praise by the former chairman, who is in the hall today. I have talked to the present chairman, the gentleman from California, and he has given me his assurance. I have received about all the praise and all the assurances I can use, so I think it is time for us now to do something about it. If we put it into effect tonight, no States would fail to receive their present benefits for the next 18 months, so I do not know why there should be so much hesitancy on something on which there is so much agreement. That being so, I think the Members ought to accept my amendment.

Mr. FRENZEL, Madam Chairman, I must say I appreciate the remarks of the gentleman, and I must say I agree with most of what he has said, but having said that I am going to vote against his amendment and I hope it is defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. PICKLE).

The question was taken; and on a division (demanded by Mr. PICKLE) there were—ayes 20, noes 63.

So the amendment was rejected.

The CHAIRMAN. If there are no further amendments to title I, the Clerk will read.

The Clerk read as follows:

TITLE II—AMENDMENTS OF EMERGENCY JOBS AND SPECIAL UNEMPLOYMENT ASSISTANCE ACT OF 1974

EXTENSION OF SPECIAL UNEMPLOYMENT ASSISTANCE

SEC. 201. (a) Section 206 of the Emergency Jobs and Unemployment Assistance Act of 1974 is amended—

(1) by striking out so much of the first sentence as precedes "*Provided*, That" and inserting in lieu thereof the following: "Except as provided by subsection (b), the maximum amount of assistance under this title which an eligible individual shall be entitled to receive during any special unemployment assistance benefit year shall be 150 per centum of the maximum amount that would have been payable to such individual during such benefit year as computed under the provisions of the applicable State unemployment compensation law, but not exceeding 39 times the weekly benefit payable to the individual for a week of total unemployment as determined under subsection (a) of section 205;"; and

(2) by adding at the end thereof the following new sentence: "Effective with respect to assistance for weeks of unemployment ending after June 30, 1976, the preceding sentence shall be applied by substituting 'the maximum amount of regular compensation' for '150 per centum of the maximum amount of regular compensation' and by substituting '26' for '39'.".

(b) Section 208 of such Act is amended—

(1) by striking out "March 31, 1976" and inserting in lieu thereof "March 31, 1977"; and

(2) by striking out "December 31, 1975" and inserting in lieu thereof "December 31, 1976".

DENIAL OF SPECIAL UNEMPLOYMENT ASSISTANCE IN CASE OF CERTAIN EMPLOYEES OF EDUCATIONAL INSTITUTIONS

SEC. 202. Section 203 of the Emergency Jobs and Unemployment Assistance Act of 1974 is amended by inserting "(a)" after "SEC. 203." and by adding at the end thereof the following new subsection:

"(b) An individual who performs services in an instructional research, or principal administrative capacity for an educational institution or agency shall not be eligible to receive a payment of assistance or a waiting period credit with respect to any week commencing during the period between two successive academic years (or, when the contract provides instead for a similar period between two regular but not successive terms, during such similar period) if—

"(1) such individual performed services in any such capacity for any educational institution or agency in the first of such academic years or terms; and

"(2) such individual has a contract to perform services in any such capacity for any educational institution or agency for the later of such academic years or terms.".

TECHNICAL AND CLARIFYING AMENDMENTS

SEC. 203. (a) Section 210 of the Emergency Jobs and Unemployment Assistance Act of 1974 is amended by adding at the end thereof the following new section:

"(c) Employment and wages which are not covered by the State law may be treated, under sections 203(1), 205(a), and 206(a), as though they were covered only if the employment—

"(1) is performed by an employee (as defined in section 3121(d) of the Internal Revenue Code of 1954), and

"(2) constitutes employment as determined under section 3306(c) of such Code without regard to paragraphs (1) through (9), (10)(B)(ii), (14), (15), and (17) of such section.

For purposes of paragraph (2), section 3306(c) of such Code shall be applied as if the term 'United States' includes the Virgin Islands.".

(b)(1) Section 205 of such Act is amended—

(A) by striking out the last sentence of subsection (b); and

(B) by adding at the end thereof the following new subsections:

"(c) If an individual knowingly has made, or caused to be made by another, a false statement or representation of a material fact, or knowingly has failed, or caused another to fail, to disclose a material fact, and as a result of such false statement or representation or of such nondisclosure such individual has received an amount of assistance under this title to which he was not entitled, such individual—

"(1) shall be ineligible for further assistance under this title in accordance with the

provisions of the applicable State unemployment compensation law relating to fraud in connection with a claim for unemployment compensation; and

"(2) shall be subject to prosecution under section 1001 of title 18, United States Code.

"(d) Any individual who has received an amount of assistance under this title to which he was not entitled shall repay the amount of such assistance to the State agency except that the State agency may waive such repayment if it determines that—

"(1) the payment of such assistance was without fault on the part of the individual, and

"(2) such repayment would be contrary to equity and good conscience.

Instead of requiring repayment under this subsection, the State agency may recover the amount to be repaid by deductions from any assistance payable under this title or from any unemployment compensation payable to the individual under any Federal unemployment compensation law administered by the State agency or under any other Federal law administered by the State agency which provides for the payment of any assistance or allowance with respect to any week of unemployment, during the three-year period after the date the individual received the payment of the assistance to which he was not entitled.

"(e) Any determination by a State agency under subsection (c) or (d) shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in that manner and to that extent.".

(2) Section 210(a) of such Act is amended by striking out "and" at the end of paragraph (3), by striking out the period at the end of paragraph (4) and inserting in lieu thereof a semicolon and by adding at the end thereof the following new paragraphs:

"(5) 'State agency' means the agency of the State which administers the program established by this title; and

"(6) 'special unemployment assistance benefit year' means the benefit year as defined in the applicable State unemployment compensation law.".

(c) Section 206 of such Act is amended by inserting "(a)" after "SEC. 206." and by adding at the end thereof the following new subsection:

"(b) In the case of any individual who files a claim for assistance under this title during a benefit year which such individual has established under any State unemployment compensation law, the maximum amount of assistance under this title which such individual shall be entitled to receive during the special employment assistance benefit year established pursuant to such claim (as determined under subsection (a) without regard to this subsection) shall be reduced by the amount of any unemployment compensation received during the benefit year established under the State unemployment compensation law.".

(d) Paragraph (1) of section 203 of such Act is amended by inserting "(A)" after "shall be excluded" and by striking out "; and" at the end thereof and inserting in lieu thereof ", (B) if such employment and wages constitute his sole qualifying employment and wages; and".

(e) Paragraph (4) of section 203 of such Act is amended by striking out "subsection (b)" and inserting in lieu thereof "paragraph (2)".

EFFECTIVE DATES

SEC. 204. (a) The Secretary of Labor shall, at the earliest practicable date after the date of the enactment of this Act, propose to each State with which he has in effect an agreement under section 202 of the Emergency Jobs and Unemployment Assistance Act of 1974 a modification of such agreement designed to provide for the payment of the special unemployment assistance allowable under such Act by reason of the amendments made by section 201. Notwithstanding any other provision of law, if any State fails or refuses, within the three-week period beginning on the date of the enactment of this Act, to enter into such a modification of any such agreement, the Secretary of Labor shall terminate such agreement.

(b) No compensation shall be paid to any individual under an agreement entered into by a State under the Emergency Jobs and Unemployment Assistance Act of 1974, by reason of the amendments made by section 201 of this Act, for any week beginning before whichever of the following is the later:

(1) the date on which the State agreed to a modification of such agreement under subsection (a); or

(2) the date of the enactment of this Act.

(c) The amendments made by section 202 and subsections (c) and (d) of section 203 shall apply to weeks of unemployment beginning after the date of the enactment of this Act.

(d) The amendment made by section 203(a) shall take effect on December 31, 1974.

(e) The amendments made by subsections (b) and (e) of section 203 shall take effect on the date of the enactment of this Act.

Mr. CORMAN (during the reading). Madam Chairman, I ask unanimous consent that title II be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDMENT OFFERED BY MR. CORMAN

Mr. CORMAN. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CORMAN: Page 9, line 23, strike out "later" and insert "latest".

Page 9, line 25, strike out "or".

Page 10, line 1, strike out the period and insert "; or".

Page 10, after line 1, insert:

(3) July 1, 1975.

Mr. CORMAN. Madam Chairman, this amendment to title II will preclude payment before July 1, 1975, of the 13 additional special unemployment assistance benefit weeks provided under H.R. 6900.

The purpose of this amendment is to bring the bill into conformity with the provisions of section 401(b)(1) of the Congressional Budget and Impoundment Control Act of 1974, as put into effect by H.R. 94–25.

Although it is unlikely that payment of the additional SUA benefits would occur prior to the fiscal year 1976, this amendment prevents such an occurrence.

Madam Chairman, I yield at this time to the distinguished chairman of the Budget Committee, the gentleman from Washington (Mr. ADAMS).

Mr. ADAMS. Madam Chairman, I thank the gentleman for yielding.

Madam Chairman, I rise in support of the amendment.

Madam Chairman, this bill provides another opportunity for the House Budget Committee, the Rules Committee, and the various other committees of the House to continue the process of controlling backdoor spending.

As I previously stated during consideration of H.R. 4222, the National School Lunch Act, on March 24, 1975, the Budget Committee has established a procedure with the various committees of the House for determining whether a bill has backdoor spending provisions, either by contracting, borrowing, or granting entitlements without Appropriations Committee action. We have asked the committees involved to try to work with the Budget Committee to remove any objectionable provisions so the bill on resolution will not be subject to a point of order. If for any reason the problem has not been resolved, the matter is presented to the Rules Committee which in turn may grant a waiver of section 401 of the Budget Act. Otherwise, the bill is subject to a point of order, unless amended.

This procedure has worked very well, and I want to thank the chairman of the Rules Committee and of the various committees and subcommittees of the House who have cooperated in making certain that backdoor spending provisions in bills were changed to avoid any potential point of order against the entire bill. I hope in the future all bills will be corrected in committee.

In this case, H.R. 6900 potentially would have violated section 401(b)(1), which provides that no entitlement bill that creates new spending authority shall become effective before the first day of the fiscal year which begins during the calendar year when such bill is reported. This bill also might violate section 401(b)(2), which prohibits the establishment of any new entitlement bill which exceeds the appropriate allocation in the most recently agreed-to concurrent resolution, in which case the bill would have been referred to the Committee on Appropriations of the House to report it with that committee's recommendations within 15 days.

In discussion before the Rules Committee, any possibility that H.R. 6900 would violate section 401(b)(1) was removed by the statement of Chairman CORMAN, manager of the bill, that a committee amendment will be offered to make certain that no entitlement will be available until after the beginning of the fiscal year on July 1, 1975. This is the amendment we are now discussing.

The second section 401(b)(2) is not applicable this year because the Budget Committee, after consultation with the Appropriations Committee and other committees of the House, agreed not to implement that section until next year. This is set forth on page 3 of the Implementing Report of the House Budget Committee—House Report 94–25—filed March 3, 1975.

The projection comparing the possible expenditures under this bill with the amount allocated in the current budget resolution shows the wisdom of not implementing this section until next year. The Congressional Budget Office, created by the act, has only now begun to function and was not able to give the committee a projection of the cost of this bill which could be compared to the amount allocated to this function in the report on the concurrent resolution.

This resolution indicates of the difficulty in dealing with estimates on entitlement bills until we have the Congressional Budget Office in operation which

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can, in cooperation with the administration, give us independent projections on the cost of these programs.

I have been asked how the costs of H.R. 6900, Emergency Compensation and Special Unemployment Assistance Extension Act of 1975, compare with amounts included for this function in the budget totals in House Concurrent Resolution 218, the first concurrent resolution on the budget for fiscal year 1976.

In future years when the Congressional Budget Act is fully implemented, the committees will be able to rely on the Congressional Budget Office for congressional estimates of costs associated with legislative proposals. Entitlement legislation which exceeds levels targeted in the first concurrent resolution on the budget would be referred to the Appropriations Committee for its review prior to floor action. Because we do not have an estimating capacity in the Congressional Budget Office at this time, the Budget Committee did not implement this provision for this year. However, the staff of the Budget Committee has reviewed the program proposals and the administration's cost estimates, and has concluded that the costs of the proposed legislation would not exceed the estimates for this area assumed in the budget resolution.

The administration's cost estimate for title I, extension of unemployment insurance for an additional 13 weeks, bringing the maximum to 65 weeks, is approximately the same as that assumed for this new activity in House Concurrent Resolution 218. The administration's cost estimate for title II, special unemployment assistance for the workers not covered by unemployment insurance, is $1.850 billion more than that estimated for this new activity under the concurrent resolution.

Included in the House Budget Committee's estimates for function 600, income security, is $3.50 billion for special unemployment assistance. In contrast, the administration estimates $5.35 billion. However, the administration estimate for the program extension fails to take into account the experience with this program in the past 4 months, which indicates that program costs will be only 20 percent of the projection for the fiscal year 1975. This means the costs would be in the range of $1.5 billion or approximately $700 million below the budget resolution report estimate for this expense.

I believe the Members can see from this difference in projections why it was not possible this year to implement this portion of the backdoor spending limitation.

I am hopeful that by next year we will be able to give the costs accurately for these entitlement programs.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California.

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE III—LOANS TO THE UNEMPLOYMENT FUND OF THE VIRGIN ISLANDS

SEC. 301. (a) The Secretary of Labor (hereinafter in this section referred to as the "Secretary") may make loans to the Virgin Islands in such amounts as he determines to be necessary for the payment in any month of compensation under the unemployment compensation law of the Virgin Islands. A loan may be made under this subsection for the payment of compensation in any month only if—

(1) the Governor of the Virgin Islands submits an application therefor no earlier than the first day of the preceding month; and

(2) such application contains an estimate of the amount of the loan which will be required by the Virgin Islands for the payment of compensation in such month.

(b) For purposes of this section—

(1) an application for loan under subsection (a) shall be made on such forms and shall contain such information and data (fiscal and otherwise) concerning the operation and administration of the unemployment compensation law of the Virgin Islands as the Secretary deems necessary or relevant to the performance of his duties under this section;

(2) the amount required by the Virgin Islands for the payment of compensation in any month shall be determined with due allowance for contingencies and taking into account all other amounts that will be available in the unemployment fund of the Virgin Islands for the payment of compensation in such month, and

(3) the term "compensation" means cash benefits payable to individuals with respect to their unemployment, exclusive of expenses of administration.

(c) Any loan made under subsection (a) shall be repayable (without interest) not later than January 1, 1978.

(d) No loan may be made under subsection (a) for any month beginning after June 30, 1976. The aggregate of the loans which may be made under subsection (a) shall not exceed $5,000,000.

(e) There are authorized to be appropriated from the general fund of the Treasury such sums as may be necessary to carry out this section.

Mr. CORMAN (during the reading). Madam Chairman, I ask unanimous consent that title III be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. Are there further amendments to title III? If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Miss JORDAN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6900) to provide an additional 13 weeks of benefits under the emergency unemployment compensation program and the special unemployment assistance program, to extend the special unemployment assistance program for 1 year, and for other purposes, had directed him to report the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. STEIGER of Wisconsin. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 381, nays 8, answered "present" 1, not voting 43, as follows:

[Roll No. 240]

YEAS—381

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Bedell
Bell
Bennett
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Butler
Byron
Carney
Carr
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conlan
Conte
Conyers
Corman
Cornell
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.

Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Dickinson
Diggs
Dodd
Downing,
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hansen
Harkin
Harrington
Harris
Harsha
Hastings
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson

Hicks
Hightower
Hillis
Hinshaw
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madigan
Maguire
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills

Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel

Rees
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers

Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stokes
Stratton
Stuckey
Studds
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wright
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—8

Burleson, Tex.
Carter
Collins, Tex.
Flynt
McDonald
Mahon
Poage
Symms

ANSWERED "PRESENT"—1

Gonzalez

NOT VOTING—43

Anderson, Ill.
Barrett
Beard, Tenn.
Bergland
Boggs
Brooks
Broomfield
Burton, Phillip
Casey
Conable
Cotter
Dingell
Downey,
du Pont
Florio

Goldwater
Goodling
Hannaford
Hawkins
Hays, Ohio
Hébert
Johnson, Pa.
Landrum
Lent
Lujan
Madden
Melcher
Mollohan
Murtha
Neal

Patman, Tex.
Pressler
Rose
Shriver
Stanton, J. William
Stephens
Sullivan
Teague
Thompson
Udall
Wilson, Bob
Wolff
Young, Alaska

So the bill was passed.

The Clerk announced the following pairs:

Mr. Barrett with Mr. Beard of Tennessee.
Mr. Florio with Mr. Goldwater.
Mrs. Boggs with Mr. Broomfield.
Mr. Thompson with Mr. du Pont.
Mr. Brooks with Mr. Anderson of Illinois.
Mr. Teague with Mr. Johnson of Pennsylvania.
Mrs. Sullivan with Mr. Bergland.
Mr. Hébert with Mr. Lujan.
Mr. Hays of Ohio with Mr. Hannaford.
Mr. Hawkins with Mr. Madden.
Mr. Rose with Mr. Conable.
Mr. Casey with Mr. Lent.
Mr. Phillip Burton with Mr. Pressler.
Mr. Cotter with Mr. Patman.
Mr. Dingell with Mr. Goodling.
Mr. Downey of New York with Mr. Shriver.
Mr. Melcher with Mr. Mollohan.
Mr. Murtha with Mr. Stephens.
Mr. Neal with Mr. Landrum.
Mr. Udall with Mr. William J. Stanton.
Mr. Wolff with Mr. Bob Wilson.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. CORMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

ADJOURNMENT UNTIL 10 A.M. TOMORROW, THURSDAY, MAY 22, 1975

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 10 a.m. tomorrow, Thursday, May 22, 1975.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PROGRAM FOR THURSDAY

(Mr. O'NEILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'NEILL. Mr. Speaker, I have taken this time to announce the program for tomorrow.

At 10 a.m. tomorrow we will meet, Mr. Speaker, and the conference report on the Stock Exchange Act will come up at that time. Apparently it is nót too controversial, and we anticipate that this will be through before the hour of 11.

At the hour of 11 the House will be in recess for a reception to receive the former members of the House of Representatives. The proceedings should take about an hour, and then at 12 o'clock the House will be called back into order, at which time we will have the conference report on the supplementary budget. I am informed by the gentleman from Texas (Mr. MAHON) that he anticipates that this will take a couple of hours. Therefore, if things proceed in a normal manner, the House should be adjourning some time shortly after 2 p.m. tomorrow.

PERSONAL EXPLANATION

Mr. SKUBITZ. Mr. Speaker, at the time of the vote on final passage on H.R. 6674, the defense authorization bill, I was unavoidably detained, and did not arrive on the floor in time to vote. I, of course, favor the legislation and would have voted "aye" on rollcall 235.

COMPREHENSIVE LEGISLATION FOR HEALTH CARE OF NATION'S ELDERLY AND DISABLED

(Mr. RONCALIO asked and was given permission to address the House for 1 minute, to revise and extend his remarks.)

Mr. RONCALIO. Mr. Speaker, I am pleased to be joining my two distinguished colleagues, CLAUDE PEPPER and ED KOCH, today, in sponsoring comprehensive legislation to assist in the health care of the Nation's elderly and disabled.

The Senate Special Committee on Aging has been conducting hearings since 1969 on the problems encountered by older Americans in receiving the special health care they require. This legislative package has been developed in response to the obvious need to change the health care delivery system for the aged, the disabled, and the chronically ill.

Under the present system, the emphasis has been on short-term care for acutely ill patients: on building elaborately equipped physical plants which concentrate on curing the disease but care little for providing for those who need less glamorous long-term care; and on educating medical personnel who feel uncomfortable outside the doors of their hospitals. This has resulted in a costly health care system. yet one that does not primarily involve itself with direct service to the patient. The problem is especially acute for the elderly who do not necessarily need to spend time in a hospital, but who do require some kind of supportive service, ranging from long-term care in a nursing home to remaining independent with some home health care.

In many ways, medicare has not been responsive to these needs. Some health services, such as preventive care and outpatient drugs, are not covered by the program.

Despite the valuable protection provided under medicare, it now covers only 40 percent of the average medical bill for aged persons. This can be an intolerable burden for those who live on fixed, limited incomes. The lack of comprehensive coverage has meant that many feel they cannot afford health care and neglect to seek the help they need; it means that when they finally do seek help their health may be beyond repair.

Every week, another investigation of nursing homes shows our elderly to be the victims of our health care system; in most areas of the country, it is impossible for them to receive quality long-term care. It is the most costly and least responsive system imaginable, and the passage of medicare seems to have resulted in higher costs and less service.

This package seeks to correct these abuses. The emphasis is on providing a variety of care to enable the elderly to avoid unnecessary and costly hospitalization and in correcting some of the problems in our long-term care facilities. It is hoped that this will reduce the cost of quality health care, require higher standards in our nursing homes, and increase the access to home health care for those who need it.

The evidence overwhelmingly supports the need of this package of legislation; in fact, any delay would be unconscionable. We simply cannot afford to continue to ignore the special health needs of our elderly, especially in light of the fact that our population balance is shifting—more and more of us are getting older and older, and with proper health care, more of those years could be spent being productive members of society.

STRIPPER WELL LEASE EXEMPTION REGULATION

(Mr. ECKHARDT asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. ECKHARDT. Mr. Speaker, on Monday, May 19, an FEA amendment on stripper well lease exemption regulation was submitted to Congress. It is difficult in a short period of time to determine how much this exemption would profit the oil companies, but if it would permit additional domestic production in the amount of a little over 5 percent to go to the OPEC price, it would result in more than $1 billion a year additional revenue for the oil companies. FEA could have achieved the same amount of production at a much cheaper price if, for instance, it had simply provided by rule that production of a well up to 20 barrels per day should sell at $7.50 per barrel. The increased revenues to the oil companies would be only a third as great as under the deregulation process.

There was no time to examine these questions in a committee of the House because of the short time frame permitted in the Emergency Petroleum Allocation Act of 1973. That act provides in section 4(g)(2) that a 5-day period begins to run after submission of the amendment to Congress and that such amendment shall take effect if neither House disapproves the amendment. After 2 days of that period had already run, the amendment has not yet been printed and distributed to the Members of the House.

The only way, under our rules, that disapproval could be had would be by direct action by the Rules Committee without consideration of the matter at all by the committee of primary jurisdiction, the Interstate and Foreign Commerce Committee. This flaw would be corrected in H.R. 4035 presently out of the Rules Committee and available for action in the House.

I merely want to point out to my colleagues how the present structure of the law and the rules governing committees and House action permit a possible billion dollars to be handed over to the oil companies by FEA fiat. It is shocking to say, but true, that a billion dollars is a small amount compared to what might be done through a total deregulation order.

I earnestly urge the leadership and my colleagues to consider H.R. 4035 at the very earliest opportunity after the recess in order that the integrity of the proceedings of the House, its dignity and its respect, be protected. H.R. 4035 would allow a reasonable period of 15 days for consideration of such a giveaway amendment as the one now before us.

FMHA AND RURAL HOUSING PROGRAMS

(Mr. EVANS of Colorado asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. EVANS of Colorado. Mr. Speaker, the Appropriations Subcommittee on Agriculture and Related Agencies recently held hearings on the Farmers Home Administration budget request. Subsequently, the National Rural Housing Coalition, represented by Mr. Lee P. Reno, submitted their analysis of that request and its implications for rural housing programs. I would like to present Mr. Reno's testimony for your consideration at this time:

> Six months ago, the National Rural Housing Coalition was among the participants at President Ford's "summit conference" on economic problems. Then, as now, we were in the grip of both inflation and depression, and we believe that some of the points we presented to that conference are an appropriate backdrop to consideration of the specific proposals and programs with which this committee must deal.
>
> Housing has been a major victim of both inflation and recession. Rising costs have priced a growing proportion of Americans—now the vast majority—out of the market for new housing. The median price of new housing rose by more than 50 percent (51.3%) between 1970 and 1974 and is now over $35,000. Only about 12 million of the 55 million American families have enough income to purchase new housing, and this, as much as lack of financing, is the reason for the present huge inventory of unsold new houses—few of which, however, are in rural areas.
>
> Most people now realize that there is a housing "crisis." Emergency housing legislation is now nearing final passage. What this crisis really means is that urban and suburban parts of our nation are now feeling the same problems which rural areas have felt for generations: high costs in relation to income, lack of financing, and absence of stagnation of delivery systems. The remedies before the Congress, however, do not seem to be addressed to dealing with the crisis of housing people who need help; rather—with the exception of foreclosure relief—they are addressed to a crisis in the housing industry.
>
> The appropriation bill which is now before you is, in many ways, far more significant than the pending emergency legislation in its impact on rural people who need housing help. It is not, however, a response either to the current housing emergency or to long-standing housing needs. It is not even a stand-pat program. Rather, it represents further lessening of an effort that has always been far too small and inadequate.
>
> The Administration's budget request, with few exceptions, is at or below last year's level. It totally eliminates two critical programs for low income people: farm labor housing and self-help housing. It fails to provide for the new rent supplement programs, necessary to bring 515 rental housing within reach of low income people, particularly the elderly (more than half of whom live in rural areas). It again does not provide for 504 grants, to assist low income owners make repairs. It reduces the funds available for subsidized assistance through interest credits.
>
> The budget before you calls for a total of 66,460 subsidized units during 1976, and 40,925 unsubsidized units—a total of 107,358 new, existing, or repaired units financed with the assistance of the Farmer's Home Administration. Yet, the Rural Housing Alliance has estimated that there are 2.3 million households in FmHA service areas needing better housing and with sufficient income to repay a FmHA loan.
>
> In 1949, Congress set the national goal of a decent home and a suitable living environment for every American family. In 1968, Congress provided for meeting that goal within a decade through provison of 6 million subsidized new or rehabilitated units. In 1974, Congress, as part of the Housing and Community Development Act, reiterated that 6 million unit goal. Today, with less than 3 years to go, we are at least 4 million units short of the goal. And FmHA's proposed budget will not significantly advance us toward it. Nor will it significantly relieve critical unemployment in construction in rural areas. Indeed, since the budget proposes to assist 7,500 fewer new units through subsidized programs than are planned for this year, it seems clear that the budget proposal will contribute to unemployment—reducing by 15,000 the number of construction and other jobs which would result if these units were provided. (Using the rule of thumb that each new unit creates directly or indirectly about two workyears of employment).
>
> The National Rural Housing Coalition is strongly supporting an effort to reach our housing goal of 6 million subsidized units during the 1968–78 decade by providing 3 million additional units under subsidized programs of HUD and the Farmers Home Administration during the next three years.
>
> This program proposal is embodied in H.R. 6240, introduced on April 22 by Hon. Parren Mitchell and 14 others. This legislation, if enacted, would provide, in addition to the numbers usually financed:
>
> Farm labor housing grants for 8,000 units;
>
> 502 interest credits for 80,000 new homes; and
>
> 515 interest credits for 25,000 units, with at least 5,000 of these receiving rent supplements.
>
> In other words, instead of the 33,800 subsidized new units proposed by the Administration, we propose 113,000 subsidized new units, and we urge that this committee increase the rural housing authorizations by enough to provide them. In this context, we would concur with the Administration effort to finance 23,000 existing dwelling with 502 interest credits; with new construction receiving heavy emphasis, the availability of interest credits for existing dwellings increases housing choices. But financing existing housing should be regarded as an adjunct to the provision of new units, not a substitute for new construction. This is particularly true in a time of tight housing supply and growing population in most rural counties.
>
> The budget before you, as just pointed out, fails adequately to meet the needs of moderate income people who can only obtain decent homes of their own through interest subsidies. But it at least keeps some momentum going, although at a slower pace than this year's.
>
> When it comes to the FmHA programs designed to serve the very poor—those who need housing help the most—FmHA is silent. It proposes the termination of the only two programs designed to provide additional housing for very low income people: the farm labor and self-help housing programs. We can only speculate as to why no mention was made of the termination of these programs in the FmHA budget statement. Our speculation is that both the omission of these critical programs from the budget, and FmHA's failure to mention this omission, stem from a basic insensitivity to the needs of low income people. Two years ago, FmHA itself estimated that there should be an additional 130,000 units of farm labor housing. Self-help housing is the only opportunity for many poor people to get homes of their own—and, it should be evident that the savings in interest subsidy over the life of the loan because of the reduced mortgage amount more than pay for the technical assistance which is necessary and provided.
>
> We urge appropriation of the full amounts authorized for farm labor housing grants and for self-help technical assistance.
>
> The authorizations themselves fall far short of the level of program required to

> meet these low income needs. But they would permit processing many new applications. This year, for example, we understand that FmHA has already received applications for more than $30 million for grants for farm labor housing. Only $5 million is available to meet this demand. Surely, therefore, appropriation of the remainder authorized—approximately $40 million—would permit development of further applications, create additional employment and, most important, provide decent shelter for farm workers whose present housing is deplorable and disgraceful.
>
> There are other housing programs which FmHA has not implemented nor asked for funds to do so. A provision of annual appropriations acts in the past has prohibited use of funds for administration of the 504 grant program, thus effectively eliminating it. This provision should be dropped, so that 504 grants can be made to low income people, particularly elderly home owners living on fixed social security, or other retirement incomes, or little or no incomes at all, so that they can make the repairs necessary to make their homes livable. There has recently been much discussion of ways to provide insulation and other measures to meet the energy crisis and help people cope with the rising costs of fuel. Section 504 grants combined with loans provide one obvious answer for very low income homeowners, and at least $10 million should be provided without further delay.
>
> We also note the needs for funding for Section 506 research and study programs for rural housing, and 525 technical and supervisory assistance programs. Such funds, for improved housing and delivery systems, could well prove cost-effective and more than pay for themselves.
>
> Finally, and of major importance, we note the needs for additional staff and administrative expense funds for FmHA. While FmHA officials cite to Congressional committees and others their improvements in efficiency and personnel utilization, people in the field trying to deal with FmHA—and many FmHA field people themselves—constantly tell us how truely understaffed the agency is. Even had FmHA responsibilities not been increased during 1974, its staff should have been. Last year, we recommended $200 million for salaries and expenses; this year, with pay increases, higher costs, and new responsibilities, the need should clearly be far more.
>
> In 1962, FmHA had about $1.3 billion in loans outstanding. By 1974 this had risen to $13 billion. During the same period the man-years of employment in the agency rose from approximately 5,300 to 8,200. Loans made increased from $600 million a year to $3.5 billion.
>
> In conclusion, we urge this committee to act on these Farmers Home appropriations in the context of critical rural housing needs, and the opportunities and obligations which FmHA has to meet them.
>
> If the sums involved seem large, they are not compared to other housing subsidies. The major housing subsidies identified in the federal budget are the tax expenditures for home owners. The deduction of mortgage interest and property taxes by home owners will cost the federal government an estimated $11.3 billion during 1976, according to the OMB estimate.
>
> We ask, if these tax expenditures required an appropriation process, would this committee:
>
> 1. approve a $1.4 billion subsidy for home owners with incomes over $50,000?
>
> 2. approve a $4.7 billion subsidy for home owners with incomes from $20,000–$50,000?
>
> 3. provide that people with incomes sufficient to itemize their tax returns (say, about $15,000) should be entitled to an $8.5 billion subsidy program?
>
> That, members of this committee, is what the current tax laws provide. The tax subsidies, we realize, are outside your jurisdiction; but you can and should provide more adequately in this bill for the housing needs of low and moderate income rural Americans, and the cost will be far less than tax expenditures for people at the upper end of the income scale. In this time of economic and housing crisis, you can do no less.

POWER OF CONGRESS TO CONTROL AGENCIES IN THE EXECUTIVE BRANCH

(Mr. DEL CLAWSON asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. DEL CLAWSON. Mr. Speaker, the constitutional separation of powers is explicit. We will all agree that Congress is empowered to write the laws of the land. And yet, I believe all of us in this body have taken note of increasing instances of blurring the clear definition of these powers by actions of agencies in the executive branch. Only a few "horror stories" are required to persuade us that eternal vigilance is the price we must pay if we are not to relinquish the law-writing function to a swarm of eager bureaucrats. Under the guise of "implementation" they can wreak changes, build empires, soar to heights of imaginative mismanagement of the public weal undreamed of in the Halls of Congress when the original legislation was written and enacted.

With increasing frequency we resort to legislation saying in effect "whoa" to prevent specific regulations from going into effect. The directives are promulgated as a result of legislation approved in the Congress with no intent to authorize what emerges in the way of burdensome Federal redtape, disruption of the lives of individual citizens and entire communities or costly wasteful regulation by the executive branch.

We are putting out bureaucratic brush fires when what we need is an efficient fire prevention system. I am introducing today a bill which is intended to provide such a system. The bill will establish a method whereby the Congress may prevent the adoption by the executive branch of rules and regulations which are contrary to law or inconsistent with congressional intent or which go beyond the mandate of the legislation which they are designed to implement. For the information of my colleagues the full text follows:

A bill to establish a method whereby the Congress may prevent the adoption by the executive branch of rules or regulations which are contrary to law or inconsistent with congresisonal intent or which go beyond the mandate of the legislation which they are designed to implement

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) whenever any officer or agency in the executive branch of the Federal Government (including any independent establishment of the United States) proposes to prescribe or place in effect any rule or regulation to be used in the administration or implementation of any law of the United States or any program established by or under such a law, or proposes to make or place in effect any change in such a rule or regulation, such officer or agency shall submit the proposed rule, regulation, or change to each House of Congress together with a report containing a full explanation thereof.

(b) Except as provided in section 2, any proposed rule, regulation, or change described in subsection (a) shall become effective 60 legislative days after the date of its submission to the Congress as provided in such subsection, or at such later time as may be provided in the rule, regulation, or change itself or in the report submitted therewith.

SEC. 2. (a) No proposed rule, regulation, or change described in the first section of this Act shall be placed in effect if, within the 60-day period described in subsection (b) of such section, either House of Congress adopts a resolution in substance disapproving such rule, regulation, or change because it contains provisions which are contrary to law or inconsistent with the intent of the Congress, or because it goes beyond the mandate of the legislation which it is designed to implement or in the administration of which it is designed to be used.

(b) Nothing in this Act shall prevent the Congress, at any time during the 60-day period described in subsection (b) of the first section of this Act, from adopting a concurrent resolution specifically approving the rule, regulation, or change involved; and upon the adoption of any such concurrent resolution the rule, regulation, or change may become immediately effective.

(c) The referral, reporting, and consideration under this section of any resolution with resepct to a proposed rule, regulation, or change in either House of Congress shall be governed by the Rules of that House which are applicable to other resolutions in similar circumstances.

(d) As used in this Act, the term "legislative days" does not include any calendar day on which both Houses of Congress are not in session.

SEC. 3. This Act shall apply with respect to all proposed rules, regulations, and changes therein which (but for the provisions of this Act) would take effect on or after the first day of the first month which begins after the date of the enactment of this Act.

A TRIBUTE TO DR. CARL C. BRUMBACK, PUBLIC HEALTH DIRECTOR OF PALM BEACH COUNTY, FLA.

Mr. ROGERS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ROGERS. Mr. Speaker, Thursday, July 3, 1975, Dr. Carl L. Brumback will be honored with a testimonial dinner by the community he has so faithfully served as the public health director of Palm Beach County for the past 25 years.

Mr. Speaker, it is not unusual for a Member of Congress to give just due and recognition to a distinguished constituent, but I believe that Dr. Carl Brumback, who is affectionately known as the "Dean of Public Health," should be given special honors.

Dr. Brumback was born in Denver, Colo. He attended public schools in Kansas. He earned his AB and his MD degrees at the University of Kansas and his MPH degree at the University of Michigan.

He served his country in the Army Medical Corps during World War II, as chief of medicine in Kassel, Germany. He retired from the U.S. Army Reserve as colonel.

His public health career started in 1947 as health officer in Laclede County, Mo. He then became Director of Public Health for the Atomic Energy Commission, Oak Ridge, Tenn. Since 1950 and until now he has been the public health director for Palm Beach County.

He took over the department when it consisted of only a few employees and minimum equipment and built it to an institution of more than 300 employees in 15 health clinics and community centers.

Despite his busy schedule he was awarded a diploma by the American Board of Preventive Medicine. He is a fellow of the American Public Health Association, the American College of Preventive Medicine, and the Royal Society of Health. He is a member of Alpha Chi Sigma, Phi Sigma, Nu Sigma Nu, Delta Omega, the American School Health Association, the Pan American Medical Association, and the Florida Society for Preventive Medicine.

Many deserved honors have come his way. He holds the Meritorious Service Award, 1968, of the Florida Public Health Association, the Certificate of Recognition from Alpha Kappa, and is an honorary member of the Florida Nurses Association.

His comprehensive knowledge of public health has brought him teaching appointments as adjunct professor of biological sciences at the Florida Atlantic University, as clinical associate professor at the University of Florida, and as field training preceptor at the University of North Carolina.

Among his numerous publications and papers were Community Responsibility for Promotion of Positive Health among the Aging, the Development of Community Health Centers, the Agricultural Migrant, Hepatitis Epidemic in the Young Drug-Oriented Society, and many more.

In his 25 years of public health service, Dr. Brumback has already amassed a lifetime's work of honors and accomplishments. His advice and counsel is sought by the county, the State, and the Federal Government. He has the respect and admiration of his colleagues and the community. But more than his accomplishments, his unflagging zeal and his sincere endeavor to help the poor and deprived make him a great human being.

In his years of service to Palm Beach County he was offered higher posts and greater financial rewards, but he always felt it his duty to pursue his conviction that public health and the delivery of qualified health services was his mission.

Mr. Speaker, I would like to express the hope that Dr. Brumback will continue for many years in the service he so outstandingly represented in Palm Beach County and in the State of Florida. Our Nation can be proud to honor and pay tribute to one of its finest citizens.

TWO NEW WILDERNESS AREAS NEEDED

(Mr. TALCOTT asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. TALCOTT. Mr. Speaker, I have today introduced two pieces of environmental legislation which are of vital importance to the area I represent, and which would be of great benefit to all Americans. First, I have submitted a bill to establish a Lopez Canyon Wilderness in San Luis Obispo County and, second, I have introduced a bill to establish a Pinnacles Wilderness.

Lopez Canyon is located within the Las Padres National Forest in San Luis Obispo, Calif., along the central coast of California. Lopez Canyon is an area of unsurpassed natural beauty, and is primarily a wild, rough, highland with outcroppings of picturesque rocks and—except for three flat, fern-covered Valleys—the area is covered mainly with pine, oak, and chaparral.

Pinnacles National Monument, which covers parts of San Benito and Monterey County, is a wild rock wonderland of narrow canyons and spectaculor panoramas; it is a contrast of tree-shaded parklands and hot, dry chaparral covered mountainside.

I want to particularly stress that I have revised the Lopez Canyon bill for last year's version to include a substantial amount of additional acreage in the wilderness area. There is also provision for the extension of the boundaries of the Pinnacles Monument and for the inclusion of this additional acreage in the wilderness area.

Mr. Speaker, I fully support the wilderness area concept; it is one of the most innovative and farsighted concepts of recent years. By designating Lopez Canyon and Pinnacles as wilderness areas, we can preserve the unspoiled natural beauty of these areas and assure that future generations of Americans may be able to rediscover with awe and wonder the joys of living with nature.

OLDER AMERICANS MONTH

The SPEAKER pro tempore. (Mr. McFALL). Under a previous order of the House, the gentleman from Missouri (Mr. RANDALL) is recognized for 60 minutes.

Mr. RANDALL. Mr. Speaker, as chairman of our Committee on Aging, I have requested this time so that members of the new House Select Permanent Select Committee on Aging, as well as other House members, might have an opportunity to commemorate Older Americans Month. In keeping with this purpose Mr. Speaker, I ask unanimous consent that all members have 3 legislative days in which to revise and extend their remarks in the body of the RECORD on this subject.

Mr. Speaker, Older Americans Month 1975 was designated by President Ford's Proclamation No. 4371 issued on May 1, 1975. At this point in the RECORD, I will read the full text of this proclamation as published in the Federal Register:

PROCLAMATION 4371—OLDER AMERICANS MONTH, 1975—BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

There is increasing awareness throughout America of the growing national resource represented by our older citizens. Their collective knowledge, experience, and energy can contribute significantly to raising the quality of life for all Americans.

As we approach our national Bicentennial, it is important to take special notice of older Americans. They have made and are making significant contributions to our Nation. It is fitting that we not lose sight of the continuing contributions this generation can make nor of our commitment as a society to meet their needs.

The First White House Conference on Aging in 1961 produced a senior citizens charter of rights and obligations. The Second White House Conference on Aging, held in 1971, broadened that recognition and deepened our commitment to providing opportunities to our older citizens for maintenance of income and health and for self-realization and continuing usefulness. It is appropriate to update the charter in light of growing knowledge and recognition of the needs and abilities of our older citizens. People of all ages should join in the development of a declaration of rights and obligations of older persons so that it can be proclaimed as part of our Bicentennial celebration.

Now, therefore, I, Gerald R. Ford, President of the United States of America, do hereby designate the month of May 1975 as Older Americans Month. I urge everyone to participate in the efforts to achieve the goal of proclaiming a new declaration of rights and obligations for older persons, which can become a rallying point for our Nation during the Bicentennial year of 1976 and a guide to action during the years ahead.

In witness whereof, I have hereunto set my hand this first day of May, in the year of our Lord nineteen hundred seventy-five, and of the independence of the United States of America the one hundred ninety-ninth.

GERALD R. FORD.

(FR Doc. 75-11797 Filed 5/1/75; 12:45 pm)

Mr. Speaker, it is fitting that this official recognition be made of the contributions and achievements of our more than 21 million senior citizens in our modern industrial society, as well as also recognizing the many problems which are unique to older Americans. Older citizens have been the driving force in our Nation. They are the generations which propelled our economy through the boom-years of the 1920's, which persisted and survived the economic chaos of the depression of the 1930's, and which geared up the massive national productivity during the 1940's that helped achieve victory for the United States and our Allies during World War II.

Through the diligence, loyalty, and plain hard work of those older Americans we honor this month, our Nation has grown into the most powerful, influential, and affluent country in the history of the world. They have contributed immeasurably to our economy and our society during their own lifetimes by their productive efforts, their community endeavors, service in our Armed Forces, in the raising of families, and in countless other ways.

Unfortunately, these accomplishments and contributions of our senior citizens toward the realization of our modern affluent society have been largely taken for granted. In a society that increasingly concentrates on the needs and virtues of the young, advancing age is too often viewed in abstract negative terms. Older Americans are "grouped" as a class on too many occasions, rather than being considered as individuals, each with a particular set of skills, experience, knowledge, needs, and unique problems.

There is also a tendency to put older citizens "on the shelf," so to speak,

as if they had nothing more to contribute to our society. Nothing could be further from the truth. I was therefore pleased that, in his proclamation, President Ford recognized this fact by taking note of the future efforts of which older Americans are capable, he said:

> There is increasing awareness throughout America of the growing national resource represented by our older citizens. Their collective knowledge, experience, and energy can contribute significantly to raising the quality of life for all Americans.

Mr. Speaker, today the rate of our aging population is growing more rapidly than the rate of population generally. We currently have slightly over 21 million persons in the United States aged 65 and over—about 9.5 percent of our total population. But at the present rate of population growth, by the year 2000 there will be some 28 million Americans aged 65 or over—between 12 and 16 percent of our estimated total population, 75 years ago at the turn of the century, the average lifespan for a person in this country was only 49 years. Today, because of the control of diseases from infancy to adulthood and other medical advancements, life expectancy has risen to 71 years.

This makes it even more important that we take adequate steps now to deal with the needs of older citizens so that as the numbers grow even larger in the coming decades we are not too little, too late in catching up with escalating requirements. Congress has been diligent in facing up to the economic and medical needs of our senior citizens, although it is obvious to us all that much more needs to be done.

Older Americans are not immune to the same types of economic hardships imposed on all citizens by the twin monsters of inflation and recession. It is a tragic fact that today in our land one out of every six persons aged 65 or over exists on a poverty-level income. Skyrocketing medical costs now mean that only slightly more than 40 percent of the hospitalization costs of our older citizens are covered by medicare. Millions of senor citizens live in dilapidated housing units. many of such units lacking even basic plumbing facilities. Property taxes are spiraling upward, imposing still other economic hardships on those elderly persons squeezed by inflation.

Transportation of older citizens for medical, recreational, or even shopping needs is too often not available, thus adding to the isolation and psychological hardships of many millions. The high cost of food and other basics has caused severe nutritional deficiencies for many millions more. Adequate diagnostic, hospitalization, medical, and nursing home care is lacking for many millions of our senior citizens.

Another related problem that affects all citizens has been the subject of hearings by our select committee on aging's retirement income and employment subcommittee during the past month. I refer to the short-range and long-range financing problems of the social security system.

Mr. Speaker, the various programs affecting the aged, the disabled, the sick, blind, and dependents administered by the Social Security administration affect the lives and the economic well-being of many millions of our citizens. Today, 1 out of every 7 persons in this country receives a social security check each month. Some 100 million Americans will make a payment to the social security system this year. In addition to the millions of older Americans who receive benefits, nearly 5 million children and 2.5 million disabled individuals and their spouses are also beneficiaries of the program. Millions of other needy elderly, blind, and disabled Americans receive benefits under the supplemental security income—SSI—program. Many other millions receive benefits under the medicare or medicaid programs.

In previous remarks here on the House floor during the past several weeks, I have reported on the information provided during our aging committee's hearings on social security financing. We have received testimony on this subject from outstanding national experts such as Social Security Commissioner James B. Cardwell, former Commissioner Robert M. Ball, and Mr. Cyril F. Brickfield, counsel to the National Retired Teachers Association and the American Association of Retired Persons, and his colleagues. I am pleased to note that despite the hysterical articles predicting bankruptcy of the social security system, there are neither short- nor long-range problems of providing adequate financing that cannot be dealt with by Congress to effectively relieve the current financing problems. The reserve funds are more than adequate to take care of the short-run annual deficits now occurring because of the recession and high number of unemployed workers.

The longer range problems can be remedied by several alternative plans to compensate for the declining birth rate in recent years. All of the expert witnesses were in agreement on these basic points.

Mr. Speaker, it should be noted here that Congress has kept the faith with the American people and with the concept of the social security system by providing adequate revenue to the various trust funds, as was possible to estimate at the time, for each amendment to the Social Security Act that increased benefit levels or otherwise improved the system. The current short-run financial deficit in the system is, therefore, not the result of any congressional shortcoming but can be directly attributed to the most severe economic recession in this country since the 1930's.

It should also be noted that Congress, by amending the Social Security Act to provide for automatic increases in the benefit levels to reflect cost-of-living increases, has made it possible for the millions of social security beneficiaries to maintain living standards despite inflationary pressures. Counting the most recent 8 percent cost-of-living increase for social security beneficiaries, to be reflected in checks received in July, 1975, Congress has approved benefit increases that amount to 76.5 percent during the past 5 years.

The Older Americans Act of 1965, providing Federal funds to the States and local entities to develop and support a variety of programs to help meet the needs of older Americans in such areas as housing, health, transportation, recreation, nutrition, and employment, has been a positive driving force for our senior citizens.

The 1975 amendments to that act, passed by an overwhelming vote here in the House earlier this year, will further improve the present law in making additional types of services available to our senior citizens. They include homemaker and other home services, residential repair and renovative programs, counseling and legal assistance programs, and a prohibition against discrimination based on age in any program or activity receiving Federal financial support. We all hope that the other body will also act promptly on this far-reaching series of amendments as contained in H.R. 3922 so they may be enacted into law this year.

Mr. Speaker, our colleagues, the genman from Florida (Mr. PEPPER), chairman of the Aging Committee's Subcommittee on Health and Long-Term Care, and the gentleman from New York (Mr. KOCH), are to be commended for their sponsorship of a series of 49 major bills that would make significant improvements in medical and nursing home care programs for the aged. They are also being sponsored by the distinguished Senator from Utah (Mr. MOSS). I am also pleased to be listed as a cosponsor of these important measures and trust that they will be considered by the Ways and Means Committee this year.

In this commemoration of Older Americans Month 1975, Mr. Speaker, we, in Congress, are sending a clear message to all of our elderly citizens. That message is—

> Your Nation and all of your fellow Americans commend you on a job well done. Your contributions during your lifetimes have helped make America great and have helped all of us enjoy the highest standard of living in the history of the world. Surely, we have problems—economic, social, global. But we will persevere and go on to even greater achievements as a country and as a people. We have kept faith with you in enacting programs to improve the quality of your lives and will strive in the years ahead to do an even better job to make certain that you fully enjoy in greater abundance the fruits of your labor, dedication, and sacrifices.

Mr. PEPPER. Mr. Speaker, will the gentleman yield?

Mr. RANDALL. I yield to the gentleman from Florida.

Mr. PEPPER. Mr. Speaker, I am pleased to join Chairman RANDALL and members of the House Select Committee on Aging in commemorating the contributions and accomplishments of older Americans in our modern Society. Earlier this month, on May 8, I inserted in the CONGRESSIONAL RECORD a "Tribute to Older Americans," at page 13662, and I shall extend that tribute today by noting some of the progress the Congress has made in this last session of the 94th

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Congress in the consideration of legislation benefiting this most deserving group of Americans who have contributed so much toward making this Nation a land of hope and opportunity for all.

The Older Americans Act Amendments of 1975 were passed in the House very early in this session on April 8 and this bill, H.R. 3922, is now in the Senate. The bill authorizes $2.6 billion through fiscal 1979 to extend and strengthen older Americans programs, and creates a new special service program for the elderly aimed at providing alternatives to institutional care for the elderly. I was honored to author title VII of the act, which provides for the nutrition program for the elderly. Alternatives to institutional care will be a prime consideration of the Subcommittee on Health Maintenance and Long-Term Care, which I chair. I was honored to join Senator Frank Moss, chairman of the Subcommittee on Long-term Care in the Senate Special Committee on Aging, in the introduction of 36 bills on April 29 of this year, which are part of a 48-bill nursing home reform package toward a national policy with respect to the infirm elderly. The first 12 bills were introduced on March 12 in the Senate by Senator Moss and cosponsored in the House by Congressman Ed Koch. Today, Representative Koch and I have reintroduced the entire package, joined by 52 of my colleagues on all the bills, and 110 on the home health services bill which is part of the package.

There are some provisions in the proposals which I would like to see amended and some may require refinments. I believe my subcommittee will respond to our very special challenge to see that we make constructive recommendations to the legislative committees here in the House regarding the priorities of consideration of this legislation during the 94th Congress. The home services, counseling assistance, residential repairs and transportation for the elderly which we have provided already in the Older Americans Act amendments must be strengthened and supported by the provisions in the package of bills toward a national policy with respect to the infirm elderly.

Mr. Speaker, I was heartened recently to note that the Louis Harris survey of old age and public attitudes confirmed a belief that I have had for many years regarding the financing of Federal programs to meet the social, recreational, nutritional, welfare and health needs of our Nation's elder generation. In this largest survey ever made of attitudes toward the elderly among the aged and the American public in general, Harris found that 71 percent believe the Government should use tax funds to help support the elderly. He also found that the aged would like to keep working as long as they can and generally feel they are better off than the public imagines. The survey indicated older Americans "are pretty alert . . . They feel full of life."

Mr. Speaker, let us pay the greatest tribute our society may pay to older Americans of every race, creed and color. Let us consider Federal programs to support older Americans efforts to preserve their health and their dignity and to enable them to continue to make a contribution to their families, their communities and their country. I pledge I shall do everything I can to see that Federal legislation financed out of general revenues are enacted to help older Americans help themselves.

The tribute referred to follows:

TRIBUTE TO OLDER AMERICANS

Mr. Pepper. Mr. Speaker, May 1975 has been designated by the President as "Older Americans Month."

In this period we are privileged to comply with the Great Commandment, "Honor thy father and thy mother," for our older Americans are, in fact, the fathers and mothers of our generation.

Who more than they deserve our honor and our tribute?

They have brought forth our generation. They have made for our generation a great and beautiful land with an inspiring history and tradition offering not only material but great spiritual blessings.

They have provided great institutions, affording and protecting the freedom that we enjoy under our Constitution, and our American way of life.

They have kept our land free of aggression and conquest so that we enjoy the rich heritage of liberty and personal dignity.

These fathers and mothers—our elderly of today—not only brought us into this beautiful land of ours, but they cared for us in our infancy. They nurtured us to strength and maturity.

They gave us education. They helped us to enjoy the blessings of a family and to find our place in the community and in our country to become a part—a meaningful part—of our time and generation.

They have in general provided the moral climate and the standards for our generation; fixed our family and national objectives, aims and aspirations—set the standards, as it were, of our time.

They have in general created the wealth which is our national inheritance and made possible the good life that we enjoy.

While helping us to enjoy material blessings, they have also taught us, as Justice Oliver Wendell Holmes once said in a memorial address:

"Life can still be lifted into poetry and lit with spiritual charm."

Is it not appropriate then that we keep the Commandment to honor our fathers and mothers who have done so much for us?

Now that they have moved from the flood of life into its eddies, its quiet waters, surely we are not to forsake them or cease to give them the loving care which they may require. Do we not owe them the tender duty to see that they receive the special care their long-burdened bodies may require and that they enjoy the friendship and comradeship and association with others which would dispel the pall of loneliness which may otherwise fall upon them?

Are they not deserving of adequate nutrition to sustain their aging bodies? And cannot we make provision which will assure that they shall not want?

Are they not entitled to live in some place they are proud to call home, be it a residence, apartment, or the house of another?

These are some of the questions that a generation wishing to honor its elders—its fathers and mothers—should ask itself in this month of May which is dedicated to older Americans.

Now the Earth is bursting with the beauty of spring. The lovely flowers in their beauty and glory are glowing everywhere, attesting that nature has again emerged from the cycle of winter into a new exhilaration of life.

We cannot make the elderly young again if we would, but we can bring a sense of spring to their hearts. We can freshen their spirits. We can inspire their minds at this season in May with a new sense of belongings—a new sense of importance, a new happiness.

The most beautiful flower we could give to them would be the rose of love that costs nothing. And there are many such flowers in every heart which could be given in great profusion without impoverishing the giver.

Let us then so enrich the lives and increase the happiness of our fathers and mothers—that they will truly be able to say with poet Browning:

"Grow old along with me!
The best is yet to be,
The last of life for which the first was made.
Our times are in his hand."

Mr. FORD of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. RANDALL. I yield to the gentleman from Tennessee.

Mr. FORD of Tennessee. Mr. Speaker, as a member of the Select Committee on Aging, I rise today to join with my colleagues in recognizing the month of May as Older Americans month.

The senior citizens of this country are indeed one of the most valued yet neglected segments of our society. They have given freely and enthusiastically of themselves for the good of their families and the Nation. They have served this country well in its times of need and now in the autumn of their lives it is the duty of the U.S. Government to lend willingly the assistance they require to live out the remainder of their existence usefully, meaningfully, and with dignity.

Older Americans month is a time during which each of us should ponder how we have responded to our responsibility to the elder citizens of America. It is a time when we should consider the steps we can and must take to provide the necessary help to these older people.

The recession we are now experiencing is exacerbating the many problems that have long confronted the elderly. This, more than any other period, is a timely moment for us to assess the needs of these respected persons and meet them swiftly and appropriately.

Mr. Speaker, I request the Members of this body to work seriously to relieve the deep suffering of the older people of this country—and Older Americans Month is the right time to begin.

Mr. ROYBAL. Mr. Speaker, if we were to devise a motto to properly describe the task before the Select Committee on Aging, I believe that phrase would read—vigilance and advocacy.

It is the responsibility of this committee to be the Federal watchdog on issues affecting the elderly; namely, housing, consumer protection, employment, health and social services, economic well-being, and legal assistance. As a committee, we are committed to hear the grievances, the concerns and frustrations facing older Americans. We are here to investigate problem areas, particularly those involving governmental neglect and omission, and to insure vigorous enforcement of Federal laws and policies. We are here to recommend to Congress approaches that will strengthen our commitment to the elderly and end the stopgap and ineffectual solutions of the past.

It is my hope that this committee will become a vehicle for reform and national awareness—one which seeks elderly participation in forming legislative solutions affecting their lives. In this sense, the Committee on Aging acts as an ombudsman and advocate for the elderly within the Federal structure.

As chairman of the Housing and Consumer Affairs Subcommittee, I intend to focus on five broad but related issues—the need for housing opportunities, tax reform and relief, legal assistance, consumer and credit protection, and economic and energy problems. These issues involve qunestions of equal opportunity and basic human justice.

In the area of housing, the subcommittee will direct its attention to the lack of housing opportunities for the elderly, the need for adequate housing and mobile home standards, high property tax rates and tenant rights. Further, we will investigate the need for a total life approach in our elderly programs—one in which housing is linked to other vital social services, including health, transportation, education and employment.

In the area of consumer protection, the subcommittee will develop a strategy and enforcement program for protecting consumer rights of the elderly. That effort must include what one senior organization calls "the right to safety, the right to be informed, the right to be heard and the right to choose." We need aggressive Federal action against deceptive practices which prey on the elderly, particularly those involving the sale and dispensing of therapeutic devices such as hearing aids. We must establish Federal safety and efficiency levels, including preclearance procedures, for potentially harmful medical and therapeutic devices. We must investigate the full range of consumer fraud and false representation, from land sales, lending and labeling practices, to price gouging. We must press for the establishment of a consumer protection agency and a network of consumer advisory boards throughout the country.

In the area of legal assistance, the subcommittee will study the need for expanded legal services to the elderly, as well as probe into issues involving commitment to mental institutions, guardianship, age discrimination in credit, housing and insurance.

On tax reform, the subcommittee will seek to establish a program of equitable tax relief for the elderly beyond the short-term results of the recent tax rebate act.

On food and energy practices, the subcommittee will examine the dilemma facing many elderly persons—the choice between either going cold or starving because of soaring price increases. We must work for a fair and equitable energy program which will protect the elderly and financially strapped citizen. We must develop a national food plan which will assure adequate nutritional meals for all Americans.

All of these issues demand our full attention. It is the role of this subcommittee to document the injustices and exploitation perpetrated against the elderly, and seek solutions in partnership with elderly groups and representatives. It is both a forum for the expression of grievances and a Federal advocate on their behalf. I welcome this opportunity and challenge as a member of the Select Committee and chairman of its Housing and Consumer Affairs unit to join in the struggle for equal opportunities and economic justice for older Americans.

Mr. BOB WILSON. Mr. Speaker, I am pleased to join today with my colleagues in the House to pay special tribute to our Nation's senior citizens. President Ford has proclaimed the month of May as Older Americans Month, and I would like to take the opportunity to thank the distinguished chairman of our Select Committee on Aging for scheduling this special order.

The needs of the aged are widely varied and cut across the entire field of Government and legislative responsibility. As was pointed out during the House debate on the Committee Reform Act last fall, several standing committees of the House have had responsibility for legislation affecting the elderly, but there was no committee concerned with the relationship of these problems to each other. I feel the House made a wise decision in establishing a Select Committee on Aging and am honored to serve on this new body.

The problems besetting our elderly citizens are myriad and complex—housing, income, transportation, health, and the maintenance of adequate income in the face of rampant inflation. Our mobile and fast-moving society has created difficulties not so commonly encountered by previous generations of senior citizens. Many senior citizens have been faced with the specter of living out their declining years miles away from loved ones; they are fearful that they will not have the financial and physical resources to care for themselves.

This should instead be the time to enjoy a deserved retirement after years of toil. We owe our Nation's senior citizens a debt of thanks for a job well done and a promise that we will not forget them now.

During the coming months, the Aging Committee will be looking into a variety of areas dealing with retirement income, health care, housing and consumer interests, and community services as they relate to the elderly. It is both a challenge and a privilege to be involved in this undertaking.

Mr. WAMPLER. Mr. Speaker, it is entirely appropriate that President Ford has designated May as Older Americans Month and that we here in the House of Representatives should pause from our routine business and contemplate on the accomplishments, needs, and aspirations of our senior citizens.

The Congress has made important progress in assisting older Americans to meet their needs in the areas of income maintenance, health care, housing, transportation, and social services. The recent amendments to the Older Americans Act will help to meet these needs; however, there is still very much work to be done.

I am particularly pleased about title VIII of the Older Americans Act which seeks to provide alternatives to institutional care. Under this provision of the legislation, State and local governments would be encouraged, and in some instances, mandated to provide the elderly with homemaker and health care services. There has previously been a serious lack of legislative proposals to provide alternatives to institutionalization. All legislation should be geared toward this vital goal of assisting older Americans in remaining active, productive members of society and allowing them to remain at home if at all possible among their family and friends. Providing homemaker and health care services to the elderly will also save the taxpayers millions of dollars because home health care is three times less expensive than hospitalization and four to five times less expensive than a nursing home.

A recent book titled "Nobody Ever Died of Old Age" expresses so well the thought that many old people die from loneliness, neglect, and the refusal of society to let them continue to live the life to which they have become accustomed.

The Congress must take the leadership in changing the national attitude which now tends to segregate old people from the mainstream of American life. I agree with the idea expressed by many others that older Americans are our most wasted national resource.

Discrimination against people on the basis of their chronological age is known as agism and is a very destructive voice in our society.

We cannot afford to waste the talents and experience of our senior citizens by not encouraging them to work. A careful review should be made of the possibility of extending the protection against age discrimination past the age of 65. The retirement test of the social security system must be eliminated so that the elderly can be encouraged to work instead of being penalized for working. The Federal Government must set the example by allowing workers to remain employed longer.

A particularly urgent problem is the difficulties faced by a 50-year-old worker, for example, who suddenly loses his job and is not yet old enough to retire or the 50-year-old woman who suddenly loses her husband upon whom she has depended for support. This age bracket of workers has serious problems in getting jobs because employers think they are too close to retirement age to make a contribution to a business. This is a prime example of agism which needs to be wiped out.

Allow me to emphasize with several examples my main point which is that our objective should be to quit segregating the elderly from the rest of society and treating them differently solely on the basis of age. This attitude kills the spirit of the elderly and leads to their gradual decline.

A registered nurse with many valuable years of experience applied for part-time work at a local hospital to supplement her social security benefits. The hospital refused to hire her because they wanted someone to work full time. The woman would have been very happy to work full time. but the economics of the resulting reduction in her social security benefits

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and her being forced to continue paying social security taxes on her earnings just did not make the job worthwhile. Society was deprived of her valuable services.

Another example of how we try to change the lifestyles of older people and remove them from their familiar surroundings also comes to my mind. An 89-year-old woman lived alone in a mountainous region in southwestern Virginia. She had lived in this house for almost 50 years, and she had been there alone since her husband died 15 years earlier. Her children decided that she was too old to stay there alone any longer. They worried about the lack of indoor plumbing, the wood burning stove, and the lack of a telephone. Please understand that this woman was alert, happy, and in excellent health. Her children's concern was just that she was too "old" to live alone. How you determine when someone is just too old to live alone is unclear to me.

The woman was moved to town to live with her children. The elderly woman's granddaughter noticed her grandmother becoming depressed and generally less alert. She appeared to have lost her will to live.

The perceptive granddaughter had a phone installed in her grandmother's country house, hired a neighbor boy to chop her wood, and promptly moved her grandmother back home. The grandmother's mental health improved markedly, she planted a garden and continued to raise her chickens as she had done for many years. She lived a productive life to age 96 in the familiar surroundings of her own home.

The point of these stories is that our attitudes and our laws do not reflect the reality that old people are no different from young people. They want to stay in their homes and continue to make productive contributions to society. We must stop discarding old people in nursing homes or sentencing them to a poverty stricken, boring existence.

Let us spend this month praising the creativity, wisdom, and experience of the elderly. Let us be outraged at the neglect, discrimination, and loneliness to which they are subjected and dedicate ourselves anew to alleviating their problems and preserving their dignity.

Mr. BEARD of Rhode Island. Mr. Speaker, it is an easy matter for me or any Member of the Congress to fashion tributes on any given occasion, from something like National Pickle Packers Week to the eventual destiny of the Washington Bullets.

On the occasion of Older Americans Month, we cannot permit ourselves to deal in soaring rhetoric or mundane claptrap. The 22 million elderly of this Nation have been in the political spotlight for a dozen years now, wielding enormous influence, fighting to be free of their second-class status in so many areas and awakening the country to the remarkable potential that has been shunted aside by the so-called youth movement that has seized much of the business community of this country.

Perhaps there is a tendency to think of older Americans as a segment of society confined to wheelchairs, nursing home beds or tiny apartments, supported solely by social security or inadequate pensions. What young Americans must learn and understand is that what we do in the next few years will directly affect them in the not too distant future. While efforts must be made to make life more bearable for the older American who cannot earn a living, I think business and industry must rethink its attitude toward the man or woman who has reached middle years. Thousands of people in America continue to make significant contributions in every walk of life despite the fact that they may be in their sixties or seventies while other thousands with outstanding capabilities cannot be employed because of the age barriers which are being lowered perceptibly as the years go by.

The examples of accomplishment by active senior citizens are everywhere, in business, science, social service, the law, medicine, education and government. The inspiration of these dedicated people has moved hundreds of thousands of older Americans to seek out opportunities for learning and the record of enrollment in adult education programs is loaded with people in their senior years. I point specifically and with considerable pride to the adult education program of the City of Providence School Department, headed by one of the most energetic and innovative persons in the field of adult education, Dr. Mary C. Mulvey.

I salute the older American with the cherished hope that younger Americans will somehow reorder their thinking with respect to their seniors so that our society may come nearer to that cohesiveness and cooperative spirit that were the hallmarks of the national purpose that founded this great country of ours.

Mr. SARASIN. Mr. Speaker, depression, discouragement, listlessness and senility are natural and progressive reactions to growing old in America. That is certainly not to say that all senior citizens suffer the torment of isolation and "give up" on life. Seniors in Connecticut's Fifth District are active in our communities, providing service to institutions for the mentally retarded and the mentally disturbed, helping each other with housekeeping chores and house repairs, providing legal counseling, transporting other seniors to centers for recreation and hot meals—and the list of accomplishments is endless. We are just now beginning to recognize that we have ignored this very vital segment of our population and with foresight and planning in the next few years we can help them help themselves.

Seniors do not need to be cordoned off from our communities and closeted carefully in homes or retreats, in fact we need their experience and expertise. What we can and must do is educate our population to the process of "learning to grow old." Eisdorfer and Lawton say in their book "The Psychology of Adult Development and Aging" that "you learn to be old just as you learn to do anything else in life." Despite physiological changes and problems with which we can all learn to adapt, behavioral changes occur when we have not learned to grow old and retain a positive self-image. Our society offers far too little in the way of boosting the morale of our seniors and educating the rest of America to the fact that they can provide valuable human resources that we desperately need as we grapple with the economic and foreign policy dilemmas before us.

We can help seniors substantially by providing services to help them maintain their individuality and independence in their own homes or relocating them in a new and happy environment. We can provide income maintenance, quality health care, vocational education and facilitate employment to enable men and women over 60 years of age to help themselves. Our population growth has stabilized and our medical care has improved to increase the average lifespan. We all have to face the reality of age and I am pleased and proud to be a member of the newly established Select Committee on Aging that is designed to look into all facets of the aging process. We have the beginnings of a service network for senior citizens and we need to work on the coordination of facilities and programs, public education of the problems and untapped reserves of talent in the older segment of our population, and a general awareness by national, State, and local administrators and Government decisionmakers to the fact that we need to address ourselves to these questions.

I look forward to working with the men and women who have made it their life work to see that seniors attain the recognition that is their due. Our Subcommittee on Federal, State, and Community services just heard from Mr. William Prendergast on behalf of Mr. Michael Balzano, Director of ACTION, which administers the RSVP and foster grandparent programs and we have already been briefed on several older American programs by Dr. Arthur Flemming, Commissioner of the Administration on Aging. This provides an opportunity for members of the subcommittee to question these individuals and engage in a healthy exchange of opinion. Our democratic process stresses the importance of the advocacy system and only in a push-pull process can we arrive at a workable system. Whether it be the delivery of hot meals to seniors who know little about nutrition or the solvency of the social security system, we can benefit by an exchange of thoughts and ideas. I look forward to meeting with seniors in my district, individually and in a forum setting to find out what is troubling them and in turn, their needs in order to help them help themselves and the American people. I hope to bring back to them the thoughts and reactions of the Select Committee and I can offer the varied ideas and natural talent that seniors in Connecticut can provide to the programs and facilities that we will consider as a select committee.

Mr. HUGHES. Mr. Speaker, the President has designated the month of May as Older Americans Month in recognition of the unique accomplishments and contributions that the 21 million individuals

over the age of 65 have made and are continuing to make in our country.

As a member of the House Select Committee on Aging, I wholeheartedly endorse the President's decision to call attention to the significant contributions which seniors make to society as a whole. The list of famous and accomplished senior citizens is long and varied, from Averell Harriman, Arthur Fielder, Clare Booth Luce, Anita Loos on down to the unheralded but productive workers in the green thumb program, the foster grandparent program, and the thousands of other older adults who man the community centers, the dining halls, and all the various constructive projects and programs in existence throughout the country.

My congressional district, the Second of New Jersey, has the second highest concentration of elderly residents in the country. Almost 75 percent of the mail received in my office is from senior citizens who represent all shades of the political and economic spectrum. The striking feature about these individuals is their willingness to help others without seeking personal gain. They are proud and independent people who reiterate their desire to be self reliant and productive members of their communities. They are militantly determined to make their area a better place to live.

The month of May, designated as Older Americans Month is for these nonfamous residents of the small towns, the farms, and the big cities across the country. As a fitting tribute to these people, I would like to see Congress take the initiative in helping them to solve their problems with health care matters, social security benefits, adequate housing, employment opportunities, and transportation needs.

The 94th Congress has made a solid beginning by standing firm on the food stamp issue and the social security cost of living increase due this summer. Now, we the Members of the Aging Committee in particular, must not let down on our efforts so that we may begin to repay, in a small way, the 21 million individuals who continue to do so much for their communities and their country.

Mr. COHEN. Mr. Speaker. I am pleased to join with the other Members of the House Select Committee on Aging in commemorating Older Americans Month. By doing so, we are honoring those who have helped make this country what it is today. The accomplishments and continual contributions of each generation of America's older citizens are widely recognized in all facets of life. Their knowledge and experience has made them a fountainhead of wisdom, and the requirements of our increasingly complex society dictate that we make full use of this valuable resource.

The United States is richly endowed with this resource. Before the 1970 census, it was calculated that there would be 28 million Americans 65 or over in 1980. Now it is expected that the population will contain approximately 40 million in this category. In my own State, senior citizens comprise 12 percent of the population, and Maine ranks ninth in the Nation in terms of the increase in the percentage of the population who are elderly since the last census. During this time of growing awareness of the part older Americans play in our lives, let us also continue our efforts to provide an environment for senior citizens that assures them the respect and recognition they have earned.

My experience in public office has taught me that the elderly, particularly those in Maine, are independent. They do not want to be cared for, but cared about. A recent article in the Washington Post quoted an elderly person as saying:

> Our greatest need is not met. It is one that we never outgrow: It is the need to feel cherished by someone—to know that there is a place where we "belong."

On the eve of our Nation's Bicentennial, therefore, it is most fitting that we give consideration to filling this need. The quality of life in later years depends upon action taken today. As we move forward in considering legislation during the 94th Congress and in years to come, let us realize that senior citizens are a diverse group with varied needs and interests; no simple generalization can accurately describe them. At the same time, we must recognize that many have common problems which can be resolved through effective Government programs. Our national health programs, housing programs, income maintenance programs and community service programs have a great impact on the lives of senior citizens. For many elderly individuals these programs often mean the difference between living independently and becoming dependent on others around them.

As full-time members of American society, the elderly should be able to live with purpose and dignity throughout their entire life span. To meet the needs of older persons more adequately, and to give them a greater opportunity to contribute to society, we must expand their range of choices. We must not lose sight of the efforts that today's elderly have made, and we must continue opening doors which enable senior citizens to exercise their skills and further this country's development. After all, each of us is an initiate in the society of the aged.

Mr. DOWNEY of New York. Mr. Speaker, it is appropriate, I think, that we take this time to recognize the role that our Nation's older citizens have in our society. On this 21st day of Senior Citizens Month we should be especially aware of not only the reverence we owe to the seniors, but we should also be aware of the particular problems they face as a class.

There is little chance that my colleagues and I will remain uninformed of their problems. The seniors have united and formed very effective organizations throughout the country. They have quickly become one of the most potent and influential lobbying groups around.

And it is no wonder.

One hundred years ago, only 2.9 percent of our population was 65 years of age or older. Today fully 21.1 percent of us are in that group, and it is the fastest growing of all age groups.

In this century our social structure has been altered dramatically with regard to senior citizens. As life expectancy increased, as families became more mobile and urban, and as a variety of other factors changed, the older family members became, by and large, a separate group. As mandatory retirement requirements became standard in many lines of work, this separation often meant isolation. Now that the current economic downturn has dealt a cruel blow to retired persons' usually fixed incomes, they are facing destitution as well.

Their reaction to their plight has been to appeal to the country for which they have worked long and hard, paying taxes all of their working lives. The Congress has responded to the needs of seniors over the years, meeting them as they arose.

However, given the rapidly growing number of older Americans, and the severity of the economic straits they find themselves in, the Congress has rightfully decided on a more comprehensive and orderly procedure for responding to their special needs—the creation of the House Select Committee on the Aging. I am proud to be a member of this committee.

As it begins its work, the select committee faces an opportunity to serve as the informed advocate for our Nation's older citizens. Through its own research and that of others, it can dispel many of the myths of aging that exist among younger persons and even among the elderly themselves.

As a committee, we should use our resources to educate our colleagues in this body of existing legislation and its effectiveness in aiding the seniors. We should point out the gaps that exist in such fields as health care, retirement income, housing, transportation, and nutrition. Then we should proceed to suggest remedies.

Assiduous use of our oversight function is imperative if we are to do the job we have been asked to perform. There is evidence, for example, that senior citizens as a group are routinely denied less than their fair share of Federal moneys under many programs. I think this committee would provide a great service to the elderly if it insisted to the agency directors downtown that no longer will this passive form of age discrimination be permitted. We should insist on a review of all programs designed for the elderly, to see if they are being administered as the Congress intended.

Essentially, the Select Committee on the Aging can focus the debate on questions involving older Americans. We can do much to advance their cause in the Congress. We have a clear mandate from our colleagues to do so. We have the resources and the talent to do a thorough job.

As a member of this new committee I am certain we can contribute significantly to solving many of the problems facing our older citizens. It is my hope that by Senior Citizens Month 1976, we will be a long way toward that goal.

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Mr. GRASSLEY. Mr. Speaker, President Ford recently proclaimed May to be Older Americans Month. While the Nation's senior citizens are well-deserving of this honor, I believe our society owes them a great deal more. Their wisdom and knowledge gained through living in one of the most rapidly changing and exciting periods in history have served as a foundation for the growth and improvement of America from one generation to the next.

Unfortunately, many have come to think of the typical older person as a lonely individual, detached from his family and his community. Of the over 20 million Americans who are officially defined as being senior citizens, 97 percent still live in the community. About 3 million of these are actively employed and their total income from salaries and wages amounts to nearly $22 billion. The tax revenues paid to the Federal Government alone from this working population amounts to a hefty $2 billion.

I am proud to state that I represent 60,000 senior citizens in the Third District of Iowa. Judging from my experience back home, I can honestly say that older persons throughout the United States have a great deal to offer our society which they are not now contributing. A primary obstacle to their contributory potential has been well-meaning but now outdated government action. For instance, the initial version of the Social Security Act dictated that individuals could collect benefits once they reached the age of 65. This program was established in 1935 primarily to encourage elderly workers to retire so that younger people might find jobs. But today, too many of our citizens interpret the age of 65 as the point at which senior citizens are unable to participate in an active, meaningful life. Even some private companies are now setting the age of 60 as a mandatory retirement age. But many forget that due to medical advances, the elderly live a longer and healthier life than they did 40 years ago. And many fail to realize that the elderly reject the idea that they must live under restrictions established at a time when the Nation's economy was far weaker than it is today.

Government action such as that which led to the creation of the social security system has played a major role in establishing popular but unfounded myths about the abilities and the dreams of older people. Indeed, in recent years we have witnessed the creation of new programs and even a Federal agency—the Administration on Aging—to counter the negative effects of such action. And Congress today has numerous legislative proposals before it designed to overcome some of the stigmas people have about dealing with the elderly. These proposals cover the gamut from assuring senior citizens fair treatment when they go to apply for credit, to making sure that they get a fair share of the Nation's expenditures on housing.

Any actions the Congress takes in the future in regard to the elderly must open doors. The Congress must assist in expanding their productive opportunities and in bringing their lifetime goals within reach. Such assistance should attempt to insure the independence of the individual. By insuring this independence, the individual can develop, maintain, and perpetuate a sense of pride, and can thus hold his head high among his family and his peers. Such a sense of pride commands the respect of others, and thus enables the proud individual to serve as an example, and thus as a teacher. It is this sort of atmosphere which is conducive to passing ideas and institutions from one generation to the next, and it is this passage that will guarantee America a strong and productive future.

GENERAL LEAVE

Mr. RANDALL. Mr. Speaker, I ask unanimous consent that all Members may have 3 legislative days in which to revise and extend their remarks on the subject of this special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

TALCOTT INTRODUCES LEGISLATION TO ENABLE EMPLOYERS TO DEAL EFFECTIVELY WITH THE ILLEGAL ALIEN PROBLEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. TALCOTT) is recognized for 10 minutes.

Mr. TALCOTT. Mr. Speaker, there is now widespread agreement that something needs to be done soon about the illegal alien problem; the only real issue is what must be done. Aside from the steps that I suggested in an earlier speech, there seems to be widespread agreement that the most effective way to deal with the illegal alien problem is to penalize employers who hire illegal aliens. In other words, let us shift the responsibility for enforcement of our alien laws to the employer. The employer is in actuality the enforcer of many other Federal programs.

The reasoning behind this approach is that heavy penalties will force prospective employers to be especially careful to screen out illegal aliens and deny them employment; and that, by thus eliminating the possibility of jobs, the illegals will return home—thereby greatly alleviating the attendant problems related to the presence of illegal aliens in the United States.

Mr. Speaker, I support such legislation; I think it is necessary in order to deal effectively with the illegal alien problem. At the same time, I believe that such legislation, as presently drafted, would be ineffective, unenforceable, and would place an unfair burden on the prospective employer.

As the bill stands, the burden would be on the employer to ascertain and determine the legal right to work of any prospective employee. I question the wisdom and realism of this approach unless it is combined with additional legislation which would provide the employer with a foolproof method of determining eligibility for employment.

Mr. Speaker, there are two major objectives to placing the burden on employers without giving them a means to determine who may legally work. First, it is unfair to employers; second, it may well cause employers to discriminate against Mexican Americans and foreign-surnamed or foreign-appearing job applicants.

If we place the burden solely on the employer to determine who may legally work, we are making the employer solely responsible for dealing with an international governmental problem of long duration. Most employers are simply not equipped to handle such a responsibility under present circumstances.

Although the vast majority of employers in my congressional district are now in conformity with the intent of the proposed law, and all of them would, I am sure, attempt to comply with such a law, I believe that making an employer responsible for enforcement of employment barriers will raise serious problems for employers who were seeking in good faith to comply with the new law.

This bill will require an extraordinary volume of litigation. What is the legal interpretation of "knowingly"? Most employers delegate employment to personnel managers, foremen, or recruiters. They admonish and expect their agents to comply with the law.

I am also concerned, Mr. Speaker, because I believe that making the employer solely responsible for this problem could result in discrimination against many individuals who are legally entitled to work. Because the proposed law provides no way for an employer to clearly ascertain that a prospective employee is legally entitled to work, employers may discriminate against foreign-surnamed of foreign-appearing individuals because of their fear that such individuals could bo illegal aliens.

The potential for discrimination was clearly spelled out by Manuel D. Fierro, president of the National Congress of Hispanic American Citizens in his testimony before the House Judiciary Subcommittee on Immigration. He testified as follows:

> Under the proposed legislation, employers will be able to require prospective employees to sign papers indicating that they are either American citizens or aliens permitted to work in the United States. The forms will be provided by the Attorney General and will constitute "Prima Facie" proof of the employers' good faith efforts to comply with the statute. It is easy to see however, that unless the INS keeps a closer surveillance of employers than it has in the past, such a procedure could degenerate into a mere formality. The employers could simply require their employees to sign these papers before they start to work—the way most employees have to sign withholding statements or give their social security numbers—without explaining the significance of the forms, or without making any effort to determine whether their employees are being truthful when they sign. The illegals, often illiterate in both English and Spanish and badly in need of work, would probably sign the forms anyway, even if they knew what they meant. Unless the employers are forced to look behind the signature and determine whether or not the employee is being truthful, the signed statement might simply become a way for the employer to evade the impact of the law. On the other hand, to require the employers to obtain some kind of proof of citizenship or permission to work in the United States would undoubtedly work a hardship on citizens, particularly people who do not have driver's licenses, passports, or birth certificates.

I particularly emphasize the following portion of Mr. Fierro's testimony:

> If an employer weren't sure that a prospective employee was telling the truth, he might not hire that person for fear of prosecution. This would have a detrimental, adverse effect on the employment of Mexican Americans as well as those labeled as foreign born. H.R. 982 in its present form abets discrimination against Mexican Americans and foreign born persons and will encourage employers to deny Mexican Americans an equal employment opportunity on the basis of national origin. Mr. Chairman and members of the Committee, I cannot overemphasize the seriousness of this fact, particularly in light of the long and well-documented history of job discrimination and other forms of exclusion experienced by Mexican Americans, and other Spanish speaking groups in this country.

Because of the above problems, Mr. Speaker, I believe that if we are going to imprison an employer for "knowingly" employing an illegal alien, which I believe we should do, then we should provide a document upon which the employer can "knowingly" rely. Anything less would be unfair, and would result in endless consternation, confusion, litigation, demeaning discrimination, unnecessary embarrassment, and administrative problems. This matter requires simplification, not confusion and litigation.

The simplest solution known to me is adapting the social security card as an employee identification card. Social security directly relates to employment and nothing else. The card need only show a photograph, name, numbers, and date and place of birth. This would discourage duplicate social security cards which now defraud and burden the social security system. The public accepts similar data on automobile operators licenses and other cards.

After the initial issuance, the costs would be minimal and probably more than recouped by improvement in social security administration. Of course the card would have to be reissued periodically, such as every 5 years and after name changes.

I am advised by Kodak Co. and Xerox that systems for issuing such cards can be devised and implemented economically and efficiently. I reiterate that the total costs would be more than repaid by providing a better management tool for the social security system, without even considering the enormous saving of having a noncounterfeitable, nonforgeable, simple employee identification card.

Of course the card would be used solely for employment purposes and the law would so state. The personal data would be limited strictly to information that all employers require of potential employees. There would be no invasion of personal privacy.

If H.R. 982 works, over a million jobs—many of them highly skilled, and all of them sorely needed—can be opened for U.S. citizens and legal immigrants.

If this bill is enacted without some fair means for easily knowing whether the prospective employee is employable or not, the law will not only be unfair to employers, especially the innocent ones, but it will increase litigation and never solve the problem.

At this point, I wish to insert in the RECORD an editorial in the Washington Post which concludes that "putting the burden on private employers is a poor answer" to the illegal alien problem, and also urges that the use of the social security card as an employee identification card should be seriously explored.

Mr. Speaker, I am today introducing legislation to establish an "employee identification card." I believe such a system is fair, workable, and would make a significant contribution to solving the illegal alien problem; it would not—let me emphasize—would not be an "internal passport"; it could not be demanded or required as identification by any Federal official or employer other than for the use already authorized for the present social security card.

Mr. Speaker, I hope this proposal will be given full and thoughtful consideration.

The editorial follows:

ILLEGAL ALIENS: THE GOOD FAITH SOLUTION

> An enduring dilemma for the United States Government is what to do about the illegal alien. This country still welcomes many from foreign lands, but in addition, as many as a million "illegals" are slipping across its borders each year. There are the visitors who try to avoid going home, and there are those who come from Mexico and other places, first to work in the fields of Texas and California, who eventually wind up in the urban centers across the country. A number of labor unions and agencies of government are concerned about the situation because illegal aliens may absorb as much as $1 billion from the economy in wages.
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> The House Judiciary Committee is moving forward with legislation intended to deal with one aspect of this problem—those employers who chronically and knowingly employ "illegals" at wages well below the labor market. Mostly these employers are farmers who hire dozens of workers at harvest time, but they could even be housewives looking for a cheap solution to the domestic labor problem. The Judiciary bill would seek to curb the behavior of these employers by placing on them the obligation to make a "good faith" effort to determine before hiring an employee that the employee is a legally present alien or an American citizen. Such an effort could consist merely of putting the question verbally or asking that the prospective employee sign a declaration of his legal status.
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> This bill is aimed squarely at the wholesale importation of farm labor into the border states of the Southwest and the West. But we are not certain it will hit its target, and it is possible that in trying to do so it could on occasion do harm to unwitting citizens. More important, it places the responsibility for enforcing the immigration laws on employers—and enforcement is a government function and government obligation.
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> Asking the people who deal in the wholesale employment of illegal alien labor to make a "good faith" effort to ascertain that their employees are legal residents is likely to turn out to be a waste of time in most cases. The probability of willful evasion is greater than the probability of general compliance. Meanwhile, the housewife who is unfamiliar with the provisions of the law could easily be caught in its net. A third violation of the provisions of the act would be a felony.
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> Whether such a measure would work fairly or even work at all is, of course, a matter of debate. That it would place the obligation for law enforcement in the wrong place, however, is clear. For some time, various efforts have been made to encourage the Social Security Administration to code its cards in such a way as to identify those aliens who may use their Social Security cards for the purposes of work. There have been many objections to this approach, among them that the Social Security card would then be the equivalent of a work permit and that there are many ways to evade its requirements (indeed many people are walking around with more than one such card as matters now stand). But there is still no good reason that this approach should not be explored more seriously than it has been in the past.
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> The Social Security system is, after all, the one jursidiction under which every potential worker in this country comes. There is no reason its standards cannot be sharpened in such a way as to keep track of at least a large portion of the people who come to this country to work. Admittedly, working out a system that would be immune from abuse is impossible, but if the problem were dealt with by a government agency, it would be in the appropriate hands. Putting the burden on private employers is a poor answer to this new enforcement problem and that fact should be faced by the government.

JOBS CREATION ACT OF 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 30 minutes.

Mr. KEMP. Mr. Speaker, together with nearly 50 of my colleagues, I have today introduced the Jobs Creation Act of 1975.

This legislation is designed to accelerate the formation of the investment capital required to expand both job opportunities and productivity in the private sector of the economy. And, it is done without additional reliance on government and through the removal and lessening of present disincentives to investment and savings found in our tax laws.

I am joined in the bipartisan and nationwide cosponsorship of this important legislation by Mr. ARCHER, of Texas; Mr. ARMSTRONG, of Colorado; Mr. ASHBROOK, of Ohio; Mr. BAUMAN, of Maryland; Mr BEARD of Tennessee; Mr. BROWN of Ohio; Mr. BURGENER, of California; Mr. CLANCY, of Ohio; Mr. CONLAN, of Arizona; Mr. CRANE, of Illinois; Mr. ROBERT W. DANIEL, Jr., of Virginia; Mr. DERWINSKI, of Illinois; Mr. DEVINE, of Ohio; Mr. DICKINSON, of Alabama; Mr. DUNCAN of Tennessee; Mr. ESCH, of Michigan; Mr. ESHLEMAN, of Pennsylvania; Mr. FRENZEL, of Minnesota; Mr. FREY, of Florida; Mr. GOLDWATER, of California; Mr. GOODLING, of Pennsylvania; Mr. GUYER, of Ohio; Mr. HAGEDORN, of Minnesota; Mr. HASTINGS, of New York; Mrs. HECKLER of Massachusetts; Mrs. HOLT, of Maryland; Mr. KASTEN, of Wisconsin; Mr. KETCHUM, of California; Mr. KINDNESS, of Ohio; Mr. LOTT, of Mississippi; Mr. MARTIN, of North Carolina; Mr. MCCLORY, of Illinois; Mr. MCCOLLISTER, of Nebraska; Mr. MILFORD, of Texas; Mr. MOORE, of Louisiana; Mr. PRESSLER, of South Dakota; Mr. QUIE, of Minnesota; Mr. QUILLEN, of

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Tennessee; Mr. ROBINSON, of Virginia; Mr. ROUSSELOT, of California; Mr. SEBELIUS, of Kansas; Mr. SHUSTER, of Pennsylvania; Mr. SPENCE, of South Carolina; Mr. SYMMS, of Idaho; Mr. THONE, of Nebraska; Mr. TREEN, of Louisiana; and Mr. WAGGONNER, of Louisiana.

The Jobs Creation Act would help substantially and dramatically to create jobs in the private sector of the economy. It would encourage additional savings and investments by individuals, stimulate home construction and plant expansion, cause major new equipment purchases, assure an increase in real purchasing power by the work force, and help assure the continuity of family businesses and farming operations. It would, consequently, begin a major nationwide shift from tax-consuming jobs to tax-generating jobs and would reduce unemployment compensation and similar aid through a reduced need for them—and all without dependency on new or expanded Federal grants or loan programs.

The proposed act consists of the following provisions:

First, it allows an exclusion from gross income of qualified additional savings and investments made during a tax year—an exclusion up to $1,000 or $2,000 for a married couple filing a joint return.

Second, it eliminates the present system of double taxation of common dividends by excluding dividends paid by domestic corporations from gross income.

Third, it grants a $1,000 exclusion from capital gains for each capital transaction qualifying.

Fourth, it grants an extension of time for payment of estate taxes where the estate consists largely of small business interests.

Fifth, it increases the estate tax exemption for family operations to $200,000.

Sixth, it amends the corporate normal tax rate and increases the corporate surtax exemption, including provisions for reduced taxes for small business, to give an effective corporate income tax reduction in the range of 6-percent.

Seventh, it increases the investment tax credit to 15-percent and makes it permanent.

Eighth, it allows taxable year price-level adjustments in property and allows increases in class life variances for purposes of depreciation—the latter increasing the asset depreciation range—ADR—from 20 to 40.

Ninth, it provides for a complete write-off in 1 year of required but nonproductive pollution control facilities and equipment.

Tenth, it provides for employee stock ownership plan financing, giving our work force a bigger stake in the productivity and profits of corporations.

Surely, this bill alone will not accomplish all that must be done to assure an adequate investment of job-creating capital over the next decade, but it is an important first step.

To avoid frustration of this bill's purposes we must also start concentrating on means to reduce Government deficit spending—because the borrowing that deficit spending necessitates pre-empts private capital needs out of the available money markets; we need to require more stable and less inflationary monetary policies; we must reduce the massive degree of Government regulation which requires businesses to turn otherwise productive uses of capital into nonproductive uses and prevents competition; and, to stimulate personal savings.

While some Members may not individually endorse every single provision we all agree that we must begin these steps of capital formation if we wish to help preserve our free and prosperous way of life.

During the 1960's the United States had the worst record of capital investment among the major industrialized nations of the free world. Correspondingly, our records of productivity growth and overall economic growth during this period were also among the lowest of the major industrialized nations. As other nations have channeled relatively more of their resources into capital investment and have acquired more modern plants and equipment, they have eroded our competitive edge in world markets. The logical consequence of such patterns has occurred: The loss of jobs in the American work force. That the present recession—including the high level of unemployment—is a direct consequence of our Government's economic policies and tax-and-spend-and-tax programs of the past years is an inescapable conclusion.

It is time this Nation—and this Congress—be more fully concerned with the relationship between capital investment and prosperity. History shows that true prosperity, measured in real and constant terms, is a direct consequence of increases in capital investment per capita. Yet in terms of constant 1958 dollars, the gross nonresidential fixed investment per person added to the civilian work force in our country has declined by an appreciable 17 percent in the past 18 years, down from $49,500 to $41,000.

America is losing its prosperity. It is losing the spirit essential to encourage a full economic recovery. It is forfeiting reliance on the forces of a free economy and the marketplace as the surest means of recovery, substituting for it a false belief that Government deficits can do it for us. There is no basis for that belief in recorded history.

On February 5 of this year, I had the honor of leading a colloquy on the House floor, through which 30 Members presented a statement on alternative economic policies, a statement which we all signed. For us, we drew the line beyond which we would not go in seeing the continuing erosion of individual economic freedom in this country—an erosion of freedom occasioned by once-gradual, now-accelerating intervention by Government in the economic affairs of the people. That statement read, in part:

> We believe that solutions to our dual economic problems of inflation and recession lie in returning decision-making to the people through the forces of the marketplace—letting the people decide what to produce, sell, and buy, and at what price levels. The pricing mechanism of the marketplace, derived from the interaction of supply and demand, is a more efficient, productive and stable regulator of the economy than government can ever be. No government agency or official is as capable of making such decisions as are the people through the voluntary exchange of goods and services. To believe otherwise is to deny the basic tenets of democracy and liberty.
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> We also believe increased productivity—not compulsory rationing, allocations or regulations and controls—is the basic answer to our problems. We believe prosperity to be related directly to the amount of capital invested in increased production. We believe over-concentration on consumption, fostered by government policy, has led to inadequate attention to the production which results in improved efficiency, more jobs at higher pay, and more goods at less cost.
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> Finally, we believe our economic ills—from heavy inflation to rising unemployment, from high interest rates to inadequate capital formation, from exorbitant fuel costs to anti-competitive regulatory practices—have one root cause: Policies of government, principally those of the Federal government which cause or contribute to inflation.
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> We, therefore, propose the following:
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> Controlling the run-away growth of government and the soaring increases in Federal expenditures and deficits, in an effort to better balance the budget. This would reduce the need for government borrowing from the capital markets and would put a brake on the inflationary expansion of the money supply.
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> The enactment of job-creating, accelerated capital formation techniques, sufficient to insure the full productive capacity of this country and the millions of jobs which would flow from such full capacity.

It is in furtherance of that statement that we here today offer for the consideration of this Congress—and the people it represents—the Jobs Creation Act.

An increase in private investment is the key to avoiding dependency on Government. As a matter of fact, that dependency deprives our economy of the means of assuring such private investment growth. There can be no rise in the absolute standard of living without increases in private investment in plant and machinery, and there can be no increase in that private investment when Government continues to take massive percentages of the peoples' livelihood in the form of direct taxes and indirect inflation.

Real economic benefits flow from adequate capital investment—increased wages, growth in additional investment, higher return to investors, improved production efficiency and the lowering of costs stemming from such efficiency, and an increase in goods and services.

Yet, as I indicated a few moments ago, America is falling behind in its investment rate. The amount of money added to our industrial plant for each person added to the labor force in the 1970's is 22 percent below what was invested between 1956 and 1965, as an example. As another example—one drawing a foreign parallel—while we have been drifting, France and Germany have doubled their industrial capacity and Japan has tripled its.

If this rate continues, there will be a capital shortfall of $1,500,000,000,000—$1.5 trillion—over the next 10 years in what it will take to just stay even at the standard of living we now enjoy. This shortfall means we will be underinvesting $400 million each and every day for a full decade. If we could find the capital to make up for that loss, we could reduce poverty by 10 million people, create 20 million new jobs, 30 million new homes

and a 75 percent increase in the standard of living.

A study released this week by the American Enterprise Institute for Public Policy Research of Washington, D.C., and authored by Alan Fechter, a senior research economist at the Urban Institute, shows convincingly why reliance on the tools of Government—public service employment programs and public works programs—are no answer. For every full $1 billion in such program money spent, no more than 50,000 jobs are created, and even they are not permanent. If this Congress went out and spent $8 billion—as some have proposed—in additional public service employment this year, it would reduce unemployment by only 400,000 or a total reduction of only about one-half of 1 percent in the unemployment rate.

There has to be a better way. There is a better way: Reliance on our massive $1.4 trillion per year economy to recreate these jobs, which it can do if the choking, strangling hands of Government policy and control are taken off that economy.

I have already enumerated the provisions of the Jobs Creation Act, and its projected impact on the economy. As I indicated, it will not do the job alone, but it is a crucial first step. Most of those cosponsoring the measure have also cosponsored other bills to carry into effect the other components of an economic recovery program—lessening expenditures and reducing the deficit, stabilizing monetary policy, reducing regulatory controls, et cetera.

The Jobs Creation Act will help to accomplish these objectives by reducing Government's tax demands on individuals and business. It could, by operation of its provisions, result in a projected loss of revenue to the Treasury of between $27.5 and $32.5 billion in revenue. But I hasten to add that much of that loss will be recovered through increases in the productivity of business and the earnings of more wage earners employed at higher real wages.

We have an excellent recent corporate tax cut parallel from which to make this judgment.

Several years ago the Canadian Government cut its corporate taxes drastically. The effective rate of taxation was reduced from 49 percent to 40 percent, amid cries that it would bring about a substantial decline in revenue to the treasury. Yet, because of the substantial increase in productivity and jobs genmoval of disincentives to investment—there were no losses in revenue. Instead of the $450 million net loss projected at erated by the tax cut—through the rethe time of its enactment, a $250 million surplus was generated.

We know what this bill will do. It will create jobs, cause additional home construction and plant expansion, cause major new equipment purchases, and so forth. All of this will automatically generate additional revenue for the Treasury in the form of corporate taxes paid on increased business activity. This will happen because of the expanded volume of business activity—not because of the continuance of too high an effective tax rate—and because people who were on unemployment and other forms of relief go back to work.

We have today requested the Economics Division of the Library of Congress to put the provisions of the bill we introduced today onto the economic model now at their disposal to determine the additional revenue which will be generated by this bill. To the degree this revenue offsets projected losses, the Government will not finance expenditures through inflation-creating borrowing. Of course, we believe that total spending should be reduced anyway.

We, the cosponsors of this measure, intend to pursue its enactment actively. We intend to obtain additional cosponsors. We intend to seek public hearings before the House Committee on Ways and Means and the Senate Committee on Finance on the measure.

In order that all Members, as well as the public, know specifically what the provisions of the two identical bills, H.R. 7240 and H.R. 7241 will do, I am at this point including the full texts of those bills:

H.R. 7240 AND H.R. 7241

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Jobs Creation Act of 1975".

SEC. 2. TABLE OF CONTENTS.—

Sec. 1. Short title.
Sec. 2. Table of contents.

TITLE I—INDIVIDUAL INCOME TAXES

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Sec. 301. Employee stock ownership plan financing.

TITLE I—INDIVIDUAL INCOME TAXES

TAX CREDITS FOR QUALIFIED SAVINGS AND INVESTMENTS

SEC. 101. (a) IN GENERAL.—There shall be allowed to an individual, as a credit against the tax imposed by this chapter for the taxable year, an amount equal to 10 percent of the amount of qualified savings deposits and investments such individual makes during such year.

(b) LIMITATION.—The credit allowed by subsection (a) for a taxable year shall not exceed $1,000 ($2,000 in the case of a joint return under section 6013).

(c) DEFINITIONS.—For the purposes of this section—

(1) QUALIFIED SAVINGS DEPOSITS AND INVESTMENTS.—The term "qualified savings deposits and investments" means—

(A) amounts deposited in a savings deposit or withdrawable savings account in a financial institution;

(B) amounts used to purchase common or preferred stock in a domestic corporation; and

(C) amounts used to purchase a bond or other debt instrument issued by a domestic corporation.

(2) FINANCIAL INSTITUTION.—The term "financial institution" means—

(A) a commercial or mutual savings bank whose deposits and accounts are insured by the Federal Deposit Insurance Corporation or otherwise insured under State law;

(B) a savings and loan, building and loan, or similar association the deposits and accounts of which are insured by the Federal Savings and Loan Insurance Corporation or otherwise insured under State law; or

(C) a credit union the deposits and accounts of which are insured by the National Credit Union Administration Share Insurance Fund or otherwise insured under State law.

(b) TECHNICAL AMENDMENT.—The table of sections for such subpart A is amended by adding at the end thereof the following:

"SEC. 43. Increased savings and investments by individuals.".

(c) EFFECTIVE DATE.—The amendments made by this section apply to qualified savings deposits and investments made after the date of enactment of this section.

EXCLUSION FROM GROSS INCOME OF AMOUNTS RECEIVED BY AN INDIVIDUAL AS DIVIDENDS FROM DOMESTIC CORPORATIONS

SEC. 102. (a) (1) Subsection (a) of section 116 of the Internal Revenue Code of 1954 (relating to partial exclusion of dividends received by individuals) is amended to read as follows:

"(a) EXCLUSION FROM GROSS INCOME.—Gross income does not include amounts received by an individual as dividends from domestic corporations."

(2) The section heading of such section 116 is amended by striking out "Partial Exclusion" and inserting in lieu thereof "Exclusion".

(3) The table of sections for part III of subchapter B of chapter 1 of such Code is amended by striking out the item relating to section 116 and inserting in lieu thereof the following:

"SEC. 116. Exclusion of dividends received by individuals."

(4) Section 643(a)(7) of such Code is amended by striking out "partial exclusion" and inserting in lieu thereof "exclusion".

(b) The amendments made by the first subsection of this section shall apply to taxable years beginning after December 31, 1974.

LIMITED EXCLUSION OF CERTAIN CAPITAL GAINS

SEC. 103. (a) In General. Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended by—

(1) redesignating section 124 as section 125, and

(2) inserting immediately after section 123 the following new section:

"SEC. 124. LIMITED EXCLUSION OF CERTAIN CAPITAL GAINS.

"(a) GENERAL RULE.—In the case of a taxpayer other than a corporation, gross income for the taxable year does not include an amount equal to the net section 1201 gain resulting solely from the sale or exchange of securities, to the extent that such amount does not exceed $1,000.

"(b) EXCEPTION.—Subsection (a) does not apply to a taxpayer who is subject to the tax imposed under section 1201(b).

"(c) **Definitions.**—

"(1) **Net section 1201 gain.**—The term 'net section 1201 gain' has the same definition it has under section 1222(11).

"(2) **Securities.**—The term 'securities' has the same meaning it has under section 165(g)(2).".

(b) **Technical Amendments.**—

(1) Section 1202 of such Code (relating to deductions for capital gains) is amended by adding at the end thereof the following new sentence: "No amount of such excess shall be allowed as a deduction under this section to the extent such amount is excluded from gross income unuder section 124.".

(2) The table of sections for part III of subchapter B of chapter 1 of such Code is amended by striking out the item relating to section 124 and inserting in lieu thereof the following:

"Sec. 124. Limited exclusion of certain capital gains.

"Sec. 125. Cross reference to other Acts.".

(c) **Effective Date.**—The amendments made by this section apply to sales or exchanges of securities occurring after December 31, 1074.

EXTENSIONS OF TIME FOR PAYMENT OF ESTATE TAX WHERE ESTATE CONSISTS LARGELY OF INTEREST IN CLOSELY HELD BUSINESS

Sec. 104. (a) **Elimination of Requirement of Undue Hardship.**—Section 6161(a)(2) (relating to extension of time for paying estate tax) is amended by striking out "undue" before "hardship".

(b) **Effective Date.**—The amendment made by subsection (a) shall apply only with respect to estates of decedents dying after the date of the enactment of this Act.

INTERESTS IN FAMILY FARMING OPERATIONS

Sec. 105. (a) Part IV of chapter 11B of the Internal Revenue Code of 1954 (relating to deductions from the gross estate) is amended by adding at the end thereof the following new section:

"Sec. 2057. Interests in Family Farming Operations.

"(a) **General Rule.**—For purposes of the tax imposed by section 2001, the value of the taxable estate shall be determined by deducting from the value of the gross estate the lesser of (1) $200,000, and (2) the value of the decedent's interest in a family farming operation continually owned by him or his spouse during the 5 years prior to the date of his death and which passes or has passed to an individual or individuals related to him or his spouse.

"(b) **Subsequent Disqualification Results in Deficiency.**—The difference between the tax actually paid under this chapter on the transfer of the estate and the tax which would have been paid on that transfer had the interest in a family farming operation not given rise to the deduction allowed by paragraph (a) shall be a deficiency in the payment of the tax assessed under this chapter on that estate unless, for at least 5 years after the decedent's death—

"(1) the interest which gave rise to the deduction is retained by the individual or individuals to whom such interest passed, and

"(2) the individual or any of the individuals to whom the interest passed resides on such farm, and

"(3) such farm continues to qualify as a family farming operation.

"(c) **Death of Subsequent Holder.**—In the case of the subsequent death of an individual to whom the interest in a family farming operation has passed, his successor shall be considered in his place for purposes of paragraph (b).

"(d) **Definitions.**—

"(1) **Family farming operation.**—A 'family farming operation' is a farm—

"(A) actively engaged in raising agricultural crops or livestock 'for profit', within the meaning of section 183, and

"(B) over which the owner or one of the owners exercises substantial personal control and supervision.

"(2) **Relations.**—An individual is 'related' to the decedent or his spouse if he is that person's father, mother, son, daughter, grandson, granddaughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, half sister, or in the absence of any of the above his next of kin.".

(b) The amendments made by subsection (a) of this section shall apply to taxes imposed by section 2001 after December 31, 1974.

TITLE II—CORPORATION TAXES

ADJUSTMENTS OF CORPORATE NORMAL TAX RATE

Sec. 201. (a) Section 11(b) (relating to corporate normal tax) is amended to read as follows:

"(b) **Normal Tax.**—The normal tax is the amount determined in accordance with the following table:

"If the taxable income is:	The normal tax is:
Not over $1,000,000	20% of the taxable income.
Over $1,000,000 but not over $10,000,000	$200,000, plus 20.25% of excess over $1,000,000.
Over $10,000,000 but not over $100,000,000	$2,000,000, plus 20.5% of excess over $10,000,000.
Over $100,000,000 but not over $1,000,000,000	$20,000,000, plus 20.75% of excess over $100,000,000.
Over $1,000,000,000	$200,000, plus 21% of excess over $1,000,000,000.

For purposes of applying the percentages and amounts of tax set forth in the preceding table in the case of a corporation which is a component member of a controlled group of corporations (within the meaning of section 1563), the taxable income of the other component members of such group shall, under regulations prescribed by the Secretary or his delegate, be taken into account.".

(b) The amendments made by subsection (a) of this section shall apply to taxable years beginning after December 31, 1974.

INCREASE IN INVESTMENT CREDIT

Sec. 202. (a) **Increase of Investment Credit to 15 Percent.**—Paragraph (1) of section 46(a) (determing the amount of the investment credit) is amended to read as follows:

"(1) **General Rule.**—

"(A) **Fifteen-percent credit.**—Except as provided in subparagraph (B), the amount of the credit allowed by section 38 for the taxable year shall be equal to 15 percent of the qualified investment (as defined in subsection (c)).

"(B) **Twelve-percent credit.**—In the case of property—

"(i) the construction, reconstruction, or erection of which is completed by the taxpayer before July 1, 1975, or

"(ii) which is acquired by the taxpayer before July 1, 1975,

the amount of the credit allowed by section 38 for the taxable year shall be equal to 12 percent of the qualified investment (as defined in subsection (c)).

"(C) **Transitional rule.**—In the case of property—

"(i) the construction, reconstruction, or erection of which is begun by the taxpayer before July 1, 1975, and

"(ii) the construction, reconstruction, or erection of which is completed by the taxpayer after June 30, 1975,

subparagraph (B) shall apply to the property to the extent of that portion of the basis which is properly attributable to construction, reconstruction, or erection before July 1, 1975, and subparagraph (A) shall apply to such property to the extent of that portion of the basis which is properly attributable to construction, reconstruction, or erection after June 30, 1975.".

(b) **Effective date.**—The amendments made by subsection (a) of this section shall apply to taxable years beginning after December 31, 1974.

INCREASE IN CORPORATE SURTAX EXEMPTION

Sec. 203. (a) **General Rule.**—Section 11(d) (relating to surtax exemption) is amended by striking out "$25,000" and inserting in lieu thereof "$100,000".

(b) **Technical and Conforming Amendments.**—

(1) Paragraph (1) of section 1561(a) (as in effect for taxable years beginning after December 31, 1974) (relating to limitations on certain multiple tax benefits in the case of certain controlled corporations) is amended by striking out "$25,000" and inserting in lieu thereof "$100,000".

(2) Paragraph (7) of section 12 (relating to cross references for tax on corporations) is amended by striking out "$25,000" and inserting in lieu thereof "$100,000".

(3) Section 962(c) (relating to surtax exemption for individuals electing to be subject to tax at corporate rates) is amended by striking out "$25,000" and inserting in lieu thereof "$100,000".

(c) **Effective Date.**— The amendments made by subsection (a) of this section shall apply to taxable years beginning after December 31, 1974.

TAXABLE YEAR PRICE LEVEL ADJUSTMENTS IN PROPERTY

Sec. 204. Section 1016(a) of the Internal Revenue Code of 1954 (relating to adjustments to basis) is amended—

(1) by striking out the period at the end of paragraph (22) and inserting in lieu thereof a semicolon; and

(2) by adding at the end thereof the following new paragraph:

"(23) in respect to any period after December 31, 1974, before making any other adjustments of basis under this subsection, for an amount which is equal to the difference between—

"(A) the basis of the property, as determined under section 1011, before adjustment under this section, multiplied by the ratio which the price index (average over a taxable year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics) for the taxable year in which the property is sold or otherwise disposed bears to the price index for the taxable year in which the property was acquired, or for the calendar year 1974, whichever is later, and

"(B) the basis of the property as determined under section 1011 before adjustment under this section.".

INCREASE IN CLASS LIFE VARIANCE FOR PURPOSES OF DEPRECIATION

Sec. 205. (a) **In General.**—Section 167(m)(1) of the Internal Revenue Code of 1954 (relating to class lives for purposes of depreciation) is amended by striking out "20" and inserting in lieu thereof "40".

(b) **Effective Date**—The amendment made by this section applies to property acquired or the construction of which is begun after December 31, 1974.

ALTERNATIVE AMORTIZATION PERIOD FOR POLLUTION CONTROL FACILITIES

Sec. 206. (a) **In General.**—Section 169 of the Internal Revenue Code of 1954 (relating to amortization of pollution control facilities) is amended by—

(1) striking out "60 months" in subsection (a) and inserting in lieu thereof "60 months or 12 months",

(2) striking out "60-month period" in subsection (a) and inserting in lieu thereof "60-month or 12-month period", and

(3) striking out "60-month period" in subsection (b) and inserting in lieu thereof "60-month or 12-month period".

(b) **Effective Date.**—The amendments made by this section apply to any new identifiable treatment facility (as defined in section 169(d)(4) of such Code) acquired or the construction, reconstruction, or erection of which is begun after December 31, 1974.

TITLE III—EMPLOYEE STOCK OWNERSHIP PLAN FINANCING

EMPLOYEE STOCK OWNERSHIP PLAN FINANCING

Sec. 301. (a) The Internal Revenue Code of 1954 is amended by adding the following new section 416 at the end of subpart B of part I of subchapter D of chapter 1:

"Sec. 416. Employee Stock Ownership Plan Financing.

"(a) **Definitions.**—

"(1) 'Employee stock ownership plan' means a technique of corporate finance described in section 4975(e)(7) that utilizes stock bonus plans, or stock bonus plans coupled with money purchase pension plans, which satisfy the requirements of section 401(a) and are designed—

"(A) to invest primarily in qualifying employer securities;

"(B) to meet general financing requirements of a corporation, including capital growth and transfers in the ownership of corporate stock;

"(C) to build into employees beneficial ownership of qualifying employer securities;

"(D) to receive loans or other extensions of credit to acquire qualifying employer securities, with such loans and credit secured primarily by a commitment by the employer to make future payments to the plan in amounts sufficient to enable such loans and interest thereon to be repaid; and

"(E) to limit the liability of the plan for repayment of any such loan to payments received from the employer and to qualifying employer securities, and dividends thereon, acquired with the proceeds of such loan, to the extent such loan is not yet repaid.

"(2) For purposes of this section, the term 'employer securities' means securities issued by the employer corporation, or by an affiliate of such employer.

"(3) For purposes of this section, the term 'qualifying employer securities' means common stock, or securities convertible into common stock, issued by the employer corporation, or by an affiliate of such employer.

"(b) **Special Deductions.**—

"(1) In addition to the deductions provided under section 404(a), there shall be allowed as a deduction to an employer the amount of any dividend paid by such employer during the taxable year with respect to employer securities, provided—

"(A) such employer securities were held on the record date for such dividend by an employee stock ownership plan; and

"(B) the dividend received by such plan is distributed, not later than 60 days after the close of the plan year in which it is received, to the employees participating in the plan, in accordance with the plan provisions; or

"(C) the dividend received by such plan is applied, not later than 60 days after the close of the taxable year, to the payment of acquisition indebtedness (including interest) incurred by the plan for the purchase of qualifying employer securities.

"(2) Notwithstanding the limitations of section 404(a), there shall be allowed as a deduction to an employer the amount of any contributions paid on account of a taxable year (as described in section 404(a)(6)) to an employee stock ownership plan, provided such contributions are applied to the payment of acquisition indebtedness (including interest) incurred by the plan for the purchase of qualifying employer securities.

"(3) For purposes of sections 170(b)(1), 642(c), 2055(a) and 2522, a contribution, bequest or similar transfer of employer securities or other property to an employee stock ownership plan shall be deemed a charitable contribution to an organization described in section 170(b)(1)(A)(iv), provided—

"(A) such contribution, bequest or transfer is allocated, pursuant to the terms of such plan, to the employees participating under the plan in a manner consistent with section 401(a)(4);

"(B) no part of such contribution, bequest or transfer is allocated under the plan for the benefit of the taxpayer (or decedent), or any person related to the taxpayer (or decedent) under the provisions of section 267(b), or any other person who owns more than 25 percent in value of any class of outstanding employer securities under the provisions of section 318(a); and

"(C) such contribution, bequest or transfer is made only with the express approval of such employee stock ownership plan.

"(c) **Treatment of Participants.**—

"(1) Qualifying employer securities acquired by an employee stock ownership plan through acquisition indebtedness incurred by the plan in connection with the financing of capital requirements of the employer corporation or its affiliates must be allocated to the accounts of the participating employees to the extent that contributions and dividends received by the plan are applied to the payment of such acquisition indebtedness (including interest), in accordance with the terms of the plan and in a manner consistent with section 401(a)(4).

"(2) Upon retirement, death or other separation from service, an employee participating under an employee stock ownership plan (or his beneficiary, in the event of death) will be entitled to a distribution of his nonforfeitable interest under the plan in employer securities of other investments allocated to his account, in accordance with the provisions of such plan. If the plan so provides, the employee (or beneficiary) may elect to receive all or a portion of the distribution from the plan in—

"(A) employer securities, other than qualifying employer securities;

"(B) cash;

"(C) a diversified portfolio of securities;

"(D) a nontransferable annuity contracts; or

"(E) any combination of the above.

"(3) An employee stock ownership plan may provide for the required repurchase of qualifying employer securities from an individual receiving a distribution thereof if all other such outstanding employer securities, whether or not acquired through the plan, are subject to repurchase from nonemployee shareholders under similar circumstances.

"(4) Upon receipt of a lump sum distribution, as described in section 402(e)(4)(A), from an employee stock ownership plan, an individual may exclude from gross income that part of the distribution which consists of employer securities or other assets if income producing, held or reinvested within 60 days in income-producing assets of equivalent value, for the purpose of providing that individual with dividends or other forms of realized current income from such assets. Upon subsequent sale or disposition of any employer securities or other assets distributed by an employee stock ownership plan, to the extent that proceeds realized from such sale or disposition are not reinvested within 60 days in income producing assets, the total amount of such proceeds (or the fair market value of any such securities or assets that are transferred without adequate consideration) shall be treated as ordinary income to the individual.

"(5) An employee receiving a distribution under paragraph (b)(1)(B) of this section shall be subject to taxation under section 402(a)(1), and the provisions of section 116 shall not apply to such distribution.

"(6) A contribution by an employer which is deductible under paragraph (b)(2) of this section, or a contribution described in paragraph (b)(3) of this section, shall not be included in the meaning of annual addition under section 415(c)(2).

"(7) No contribution to an employee stock ownership plan may be allocated for the benefit of any participant if the value of the total accumulation of employer securities and other investments under the plan for the benefit of that participant equals or exceeds $500,000, less the amount of any such accumulation for that participant under any other employee stock ownership plans.

"(d) **Special Provisions.**—

"(1) The acquisition or holding of qualifying employer securities and the incurring of acquisition indebtedness by an employee stock ownership plan shall be deemed to satisfy the requirements of section 404(a)(1) of the Employee Retirement Income Security Act of 1974 provided that—

"(A) the requirements of sections 408(b)(3) and 408(e) of such Act are satisfied; and

"(B) the same standards of prudence and fiduciary responsibility that corporate management must exercise with respect to its shareholders are satisfied.

"(2) Upon application by an employee stock ownership plan, the Secretary of the Treasury or his delegate shall issue an advance opinion as to whether a proposed transaction involving that employee stock ownership plan will satisfy all the requirements described in paragraph (1) of this subsection, and any such opinion shall be binding upon the Secretary.".

(b) Payments by an employer to an employee stock ownership plan as defined in section 416(a)(1) of the Internal Revenue Code of 1954, of the purpose of enabling such plan to pay acquisition indebtedness incurred for the purchase of qualifying employer securities or other contributions to such plan shall not be treated as compensation, fringe benefits, or deferred compensation payments for the purposes of any laws, Executive orders, or regulations designed to control, establish guidelines, or otherwise stabilize employee compensation or benefits, but shall be treated as the equivalent of debt service payments made in the normal course of financing the capital requirements of that employer.

Mr. Speaker, if we are to preserve economic freedom in our society—and there cannot long exist any type of free-

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dom without economic freedom—then we must begin now to reduce the overwhelming burden of taxes placed on our Nation's productive capacity. This bill is the crucial first major step in that direction. If we truly cherish individual freedom of choice in the economic lives of the people, we will enact this bill and do so very soon.

AMERICA MUST BE MILITARILY SUPERIOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. ASHBROOK) is recognized for 15 minutes.

Mr. ASHBROOK. Mr. Speaker, the only sane defense policy for the United States to follow is one of military superiority. On February 1, 1972, I made a speech entitled "How the United States Lost Military Superiority." I have not had to retract one statement that I made at that time.

As I stated then and repeat now: "The road to peace has never been through appeasement, unilateral disarmament, or negotiation from weakness. Among the great nations only the strong survive."

While we are still considered a strong nation—and may I say as an aside the actions of President Ford in the Cambodian seizure of an American ship were the right and just actions of a strong nation—the Soviet Union is quickly building up its power. The facts are plain to anyone who will look.

I have never changed my views. I am a hawk. I believe in military superiority. I do not speak of potential enemies as many do. We have real enemies in the Communist world.,

Soviet strategic forces have been growing at a rapid rate for more than the past 10 years and this has continued since the SALT I agreements of May 1972. The United States has accepted numerical inferiority in ICBM's and SLBM's.

The Soviets in the last 2½ years have been developing four new missile systems and constantly have been testing new multiple warheads and MIRV's. The Soviet missiles that can be equipped with MIRV's have three to six times the payload of American missiles that can be similarly equipped.

If the Soviets replace their older missiles with the new missiles that they are developing and which is allowed under the SALT agreement, they will increase their new largest missiles to threaten our estimates that it would only take 300 of their new largest missile to threaten our total ICBM force of 1,054. The Soviets would have left more than 1,300 ICBM's with more than 5,000 warheads to use against other American targets.

Taking a look at submarines which can launch nuclear missiles, the picture is no better. Under the Interim SALT Agreement we once again find the United States accepting inferiority in the number of such submarines and missiles. The Soviets were permitted 62 submarines with 950 missiles while we were permitted only 44 with 710 missiles.

The rationale for this American inferiority was that the Soviets had shorter-range missiles and thus needed more than we did to maintain equality. The only problem with that is the Soviets have tested versions of two new submarine missiles. One has a range of more than 4,500 miles which is far greater than the range of our existing Poseidon submarine launched missiles. The 4,500-mile range missile is in the class of our future Trident I missile which is still far from flight testing.

Turning to another area of strategic forces—bombers—the case is once again of Soviet expansion. The Soviets have started production of a new bomber—the Backfire. There is no limit under SALT in regard to bombers.

The United States presently has the aging B–52 bomber fleet. Bombers are an important part of any strategic force. They have versatility that missiles do not. They can be used both strategically and conventionally.

The United States must continue and speed up its work on the B–1 bomber. As I pointed out in 1972, we should have placed the B–1 in production at that time. The B–52 will have been flying 30 years before the B–1 will be able to be produced in quantity. In those 30 years the Soviets have increased the sophistication and amount of their defenses against the B–52.

The B–1 is an important and necessary addition to our strategic forces. It is a much more sophisticated plane than the B–52. It is more than three times as fast as the B–52, carries more than twice the bomb load, and has much greater survivability in a modern military environment. The B–1 is a needed replacement in our strategic forces.

From numerous reports, the Soviets are building new missile silos in excess of the number allowed in the SALT agreement. Also, they are testing a new radar system of a type used in ABM systems which is prohibited in the 1972 ABM Treaty. The Soviets are concealing missiles, which is also prohibited in the 1972 agreements and are continuing the development of mobile ICBM's—the development of which the United States considers a violation of the spirit of the interim SALT agreement.

It is becoming more and more obvious that the Soviet Union is not fulfilling the terms of the SALT agreement while the United States is following its dictates. The Soviets are continuing to expand their strategic forces at a great rate while, at best, the United States is standing still.

Before turning to a discussion of conventional forces, I think it is important to demolish one myth that has gained wide currency thanks to the liberal media. The myth is that we already have the forces to destroy the Soviet Union *x* number of times and the Soviets can destroy us *x* number of times; therefore, there is no need to keep increasing our strategic forces.

The truth of the matter is something else. This myth relies on several elements. One is that technology remains constant. The second one is that the major scenario for this myth is that the Soviets launch an all-out attack on us and we retaliate. The result is total destruction. Nobody gains, everybody loses.

The only problem with that scenario is that the Soviets from their buildup of forces and their expanding development and production of missiles, bombers, and ships are developing quite another scenario. That scenario, somewhat simplified, is the following: The Soviets build up a large superiority over the United States in strategic forces. They can then threaten the United States with a first-strike or commit a first-strike against the United States. The Soviets having such strategic superiority can wipe out a large portion of the U.S. strategic forces on the first-strike. Then they let the United States know that if any second strike is launched by this country they still have a huge number of missiles that can be targeted against American population centers. The threat of such action by the Soviets may be enough without any first strike being launched. In other words, the Soviets could use nuclear blackmail against the United States to gain their goal of world domination.

Turning to conventional forces, the picture is just as gloomy. Between 1962 and 1972 the Soviet Union built 911 naval vessels while the United States built 263.

While the United States has approximately 2.2 million men in military uniform, the Soviet Union has 3.4 million men. The figure for the Soviet Union does not include the millions of men in paramilitary units. Nor does it take into account the high ratio of support to combat troops in the U.S. military compared to the Soviet military.

The Soviets are estimated to have four times the number of tanks that we do and five times the annual production rate. The Soviets have about three times as many artillery pieces and twice as many mortars.

In tactical aircraft the Soviets have about 40 percent more than the United States and are producing those twice as fast.

In these few minutes I have attempted to give a picture of how far the United States has fallen behind the Soviet Union and why we must return to a policy of military superiority.

In conclusion I would like to very briefly discuss some of the economics of this situation. In the United States 56 percent of our defense budget goes to meet payroll—personnel costs. The figure for the Soviets is 25 percent. The Soviet Union now outspends the United States by 20 percent in general purpose forces and by 60 percent in strategic nuclear offensive forces. By 1970, the Soviets were spending more on defense in terms of absolute purchasing power than the United States. Soviet defense expenditures have been rising at a steady rate.

I do not know how much longer we as a nation can afford to allow this country to slip further behind the Soviet Union. We need a stronger defense to protect our very liberty.

THE 200TH ANNIVERSARY OF MECKLENBURG, N.C., DECLARATION OF INDEPENDENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. MARTIN) is recognized for 15 minutes.

Mr. MARTIN. Mr. Speaker, yesterday, May 20, 1975, was the 200th anniversary of the daring and bold act of the adoption of the Mecklenburg, N.C., Declaration of Independence 13 months before the July 4, 1776, adoption of the National Declaration of Independence. An enthusiastic crowd estimated at 75,000 to 100,000 came to Freedom Park in Charlotte yesterday to hear an address by President Ford on the growth and dynamic character of the South.

Last evening, it was my honor to give an address upon the occasion of the bicentennial anniversary of the Mecklenburg Declaration of Independence, of May 20, 1775.

This was presented before the Mecklenburg Historical Association at Sugaw Creek Presbyterian Church, Charlotte, N.C.

So that this historical analysis, for which I take personal responsibility, may be studied by all those who wish to examine the nature of a fascinating page of history, I have taken this special order today.

The address follows:

THE ESSENCE OF INDEPENDENCE

(By JAMES G. MARTIN)

The story that I will relate this evening is one that has been told many times and in conflicting ways. It is a tale of patriotism that we commemorate with pride. It is a narrative of bold triumph and of bald tragedy, of defiance and of despair, of pride and of prejudice, of documented fact and of disputed legend.

It is, moreover, a singular case of historic controversy, as to which at least two United States Presidents, Andrew Johnson and Thomas Jefferson, took firmly opposing views (both for personal reasons), and in which a third, John Adams, managed to get himself embarrassingly entwined (also for the personal reason of being over-anxious to shame Jefferson). Two Presidents in the early part of this century, cowered by the controversy, made little reference thereto while addressing the May 20th celebrations of 1909 and 1916, referring to William Howard Taft and Woodrow Wilson, respectively. More recently, both President Dwight D. Eisenhower on May 18, 1954, and President Gerald Ford this afternoon, have shown somewhat greater boldness by appropriately including a tribute to the Revolutionary patriotism of this County and cautiously alluding to the traditional meaning of this day, yet without embroiling themselves unnecessarily in this controversy that neither could resolve.

To begin with, let us analyze the problem as to what is disputed and what is accepted. The issue in dispute is a crucial one: whether the 27 members of a Committee of Mecklenburg did in fact adopt and sign in May 20, 1775, a clear, unprecedented and uncompromised Declaration of Independence, renouncing all allegiance to the Crown. May 20, 1775: surely, for all its controversy, there is no more celebrated date in the history of the State of North Carolina than this, the acclaimed date of the signing of this revolutionary document.

This event and the April 12, 1776, Halifax Resolves (instructing North Carolina's delegation to the Continental Congress to vote for independence in advance of all other provinces) secure for our State the proud claim to be "First in Freedom". This distinction is duly commemorated "on your flag and on your automobile tag".

The only objection today is to the May 20 date and the authenticity of the Declaration recorded by the Secretary of the delegation, John McKnitt Alexander. His original manuscripts of 1775 had perished in a fire in 1800. Before continuing the analysis of this component, let me turn to a summary of what is not in dispute, of what has been accepted generally by historians.

First: There were a series of meetings in late May 1775 in Charlotte Town, North Carolina, of a convention of delegates which formed itself into a Mecklenburg Committee of Public Safety.

Second: These meetings began on the day of, and just prior to, the arrival of a messenger with the shocking news of the Battle of Lexington. Many eyewitnesses recalled this singular arrival and fixed it in late May. John McKnitt Alexander fixed the date from his records and notes as May 19. Recent confirmation on the probability of this date is the research of Dr. Archibald Henderson, published in 1916, that the news of the Battle of Lexington actually reached Salem, North Carolina on the day of May 17, 1775, as found in the diary of Traugott Bagge, of that Moravian community.

Third: These meetings continued through May 31, 1775, at which time a set of 20 Resolves were adopted, proclaiming the suspension of the laws of Great Britain and the Royal Constitutions of all the Colonies, establishing the local authority for militia "independent of Great Britain" and Courts of Law, and providing that anyone receiving and exercising a royal commission or in disobedience of these Resolves would be subject to arrest and trial. The 18th Resolve, regarded by some as an admission of equivocation that Colonial authority was only temporarily suspended, reads in full as follows:

"18. That these Resolves be in full Force and Virtue, until Instructions from the General Congress of this Province, regulating the Jurisprudence of this Province, shall provide otherwise, or the Legislative Body of Great Britain resign ita unjust and arbitrary Pretensions with Respect to America." (One printed text adds the three words: "and no longer.")

While some point out that this allowed for the contingency of restoring British authority, others, eg., Governor William Graham who addressed the Centennial celebration in 1875, felt that this was adopted out of a political necessity to appease those who genuinely would regret any irreversible separation. Three present day historians, V. V. McNitt, LeGette Blythe and Chalmers Davidson, have cited the phrasing of John McKnitt Alexander to the effect that the Committee meetings had continued to this point "after cooling" and that an earlier action was allowed "to be a fash Act."

In any case, the 18th Resolve, while holding out a prospect of reconciliation, even so holds out a very defiant and offensive one, "until . . . the Legislative Body of Great Britain resign its unjust and arbitrary Pretensions with Respect to America".

Fourth: As the 4th accepted fact, after these May 31 Resolves were agreed to, and signed only by Ephraim Brevard (who by then may have succeeded John McKnitt Alexander as clerk or secretary of the Committee, and who headed a subcommittee to draft these twenty Resolves of May 31) the Committee then dispatched Captain James Jack by horse to the Continental Congress in Philadelphia with a packet of some of the proceedings of the Mecklenburg Committee. Captain Jack shared his news along the way at Salisbury and proceeded to Philadelphia where in late June (on or before the 23rd) he presented his messages to North Carolina's delegates Richard Caswell and William Hooper. He was politely but cautiously received by a Congress that was then preparing to send to Great Britain a petition for reformation of abuses and redress of grievances, disclaiming any design on independence. In order to avoid contradicting this disclaimer, Congress took no official notice of Captain Jack and sent him home. He returned to tell John McKnitt Alexander that the Mecklenburg Committee was regarded as premature. On the way, he stopped at Salem and relayed the same, which Bagge recorded in his diary, with the observation that "free and independent", Mecklenburg was deemed "premature."

Fifth: There was no doubt that the Committee had voted independence in the minds of Alexander, Captain Jack, John Davidson (a delegate), or any of eleven others who deposed in 1819–1830 that they had been there and heard the announcements. Some recalled particulars of the May 31 Resolves only, while other recalled features of the disputed May 20 Declaration. None doubted they had asserted independence.

Sixth: The May 31 Resolves were contemporaneously published in the newspapers of the day:

(a) The first publication was in the June 13, 1775 Charleston South Carolina Gazette and Country Journal which Georgia's Royal Governor James Wright dispatched to the Earl of Dartmouth (the Colonial Secretary) on June 20.

(b) Its first printing in North Carolina was in the June 16, 1775 New Bern North Carolina Gazette. This was found in the papers of Samuel Johnston of Edenton, along with a letter from Richard Cogdell, the Chairman of the Craven County Committee, sending a copy of the paper to Caswell and observing that "the Mecklenburg Resolves exceeds all other Committees or the Congress itself."

(c) Then it next appeared in the June 23, 1775 Cape Fear Mercury, which Royal Governor Josiah Martin of North Carolina had sent to Lord Dartmouth to alert him to this infamous document surpassing "all the horrid and treasonable publications that the inflammatory spirits of this continent have yet produced".

(d) These Carolina papers were copied elsewhere, notably in part in the July 12, 1775 Massachusetts Spy and American Oracle of Liberty, which when discovered by Peter Force in 1838 afforded the first public knowledge of the existence of the May 31 Resolves since the 18th Century! It was this discovery that raised the suggestion that John McKnitt Alexander had composed the May 20 Declaration from memory, confusing the May 31 Resolves with phrases in the National Declaration of July 4, 1976.

Seventh and finally: Historian George Bancroft, who rejected the May 20 Declaration, yet concluded that, even on the basis of the May 31 Resolves alone, Mecklenburg County had "separated itself from the British Empire" over thirteen months before the Continental Congress. This view is readily defensible and advocates for Mecklenburg a historical niche aa the "cradle of independence".

What then, of the May 20 Declaration? What historical fate is accorded this controversy? And what is the nature of the dispute?

Again let me attempt to reduce the issue to its essentials, beginning with the case against it.

1st: In 1819 Thomas Jefferson took offense at a auggestion in a letter from John Adams that Mecklenburg County had led the way to independence. Adams had sent Jefferson a copy of the June 5, 1819 Essex Register which had copied first known publication in the April 30, 1819 Raleigh Register of the narative account of the May 20 Declaration. That version had been prepared by Dr. Joseph McKnitt Alexander from his father's few papers that escaped the fire. Jefferson denounced the article as an imposture and "spurious", and denied that any such movement toward independence had ever occurred. He knew nothing about the May 20 Declaration, but neither did he know about the May 31 Resolves, which had never been

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published in the Philadelphia papers, perhaps as an accommodation to the anxiety of the Continental Congress regarding a reconciliation, Jefferson, Adams and early historians generally did not, for that matter acknowledge even the important Halifax Resolves of the North Carolina Provincial Congress of April 12, 1776, which had preceded all other colonies in directing its Congressional delegation to vote for independence. In fact it was William Wirt's claim of primogenitur for Virginia in his biography of Patrick Henry in 1817 that stirred the Congressional debates that Mecklenburg Congressman William Davidson interrupted with the news of Mecklenburg's origins of independence. The fact that the May 31 Resolves and the subsequent Halifax Resolves escaped the notice of busy men in Philadelphia hardly qualifies them as expert witnesses to other events in North Carolina. Jefferson had arrived in Philadelphia but a very few weeks before Captain Jack.

Jefferson did not live to see the affirmative reply with affidavits from the North Carolina legislature in 1831, defending the May 20 date and the mission of Captain Jack. Both he and John Adams had died on July 4, 1826, fifty years to the day after the adoption of his own immortal Declaration of Independence. Whether he had heard of the first Mecklenburg celebration, its Semicentennial in 1825, we do not know. His correspondence with Adams was not made public until 1829, in response to which the aforementioned legislative inquiry had its origin.

2nd: The next assault on Mecklenburg's Declaration came in 1838 with the discovery and publication by Peter Force of the until then unrecollected May 31 Resolves in part in the Massachusetts Spy as already mentioned. The full text of twenty Resolves was found in 1847 in the South Carolina Gazette of June 13, 1775. In retrospect, it is clear that all this finding really proved was that the Mecklenburg Committee had on May 31 adopted twenty significant resolutions asserting the suspension of British rule, however contingent that may appear, and organizing the local government accordingly. It's publication alone in 1775 does not prove either side of the argument whether this set of Resolves was supplemental to a May 20 Declaration or whether it stands alone as the only act of the Mecklenburg Committee. Force himself concluded that since the firmly established May 31 Resolves had not been mentioned before, McKnitt Alexander must have been confused about the date, and in his old age just reconstructed five nonexistent resolutions comprising a mythical declaration of independence. This spawned a tradition of disbelief among professional historians, which flourished to the point that the act of disbelief became the test of faith in some circles of that learned order.

3rd: The most zealous assault upon the two Alexanders' integrity and veracity, spilling guilt by association on all who had sought to corroborate them, came in May of 1853 in the accusations made by Dr. Charles Phillips. Upon examination of the narrative and copy of the May 20 Declaration obtained from the estate of General Davie, Phillips found that although for the most part it tracked precisely with the document found among McKnitt Alexander's papers by his son Dr. Joseph McKnitt Alexander, there were important additions. One of these so impressed Phillips that he published it as proof that John McKnitt Alexander himself never really intended this Davie copy to be taken as more than a product of his memory. This of course was the celebrated finding of a notation following Alexander's descriptions of both the May 19–20 proceedings and of the subsequent Courts of Enquiry.

Let me read that notation to you as it now appears in the handwriting of John McKnitt Alexander:

"It may be worthy of notice here, that the foregoing statement, tho' fundamentally correct; yet may not literally correspond w'th the original records of the transactions of said Court of Enquiry; as all those records and papers were burnt (with the house) on April 6, 1800:"

In that text, after the 28th word quoted and just before the words "Court of Enquiry" appear two words scratched out in the manner employed by John McKnitt Alexander and in an ink appearing to various examiners to be his. These words are "delegation and" (actually using the ampersand symbol). Now in Phillips rendering the two scratched out words are reported as though they were there all along. If Phillips simply restored them he never footnoted the distinction. Thereby Phillips established a historical meaning that Alexander (if indeed it were he that marked out the erroneous two words) never intended. To have left them in would have qualified that the entire statement "tho' fundamentally correct; yet may not literally correspond with the original records of the transactions of said delegation and Court of Enquiry; as all those papers were burnt . . ." The body which Alexander recorded as having adopted and signed the May 20 Declaration was generally characterized as the "delegation".

4th: The Phillips version has been the pivoted fulcrum of every discreditation of the May 20 Declaration since 1853. The authoritative work of William Henry Hoyt in 1907 hinges its disproof fundamentally on Phillips' rendering with the two words innocently in place. Hoyt was unable to examine the Davie copy himself though he sought it assiduously. It had been safeguarded by Governor David Swain, a believer in the May 20 Declaration, until his death in 1868, when it disappeared, lost from view until 1917 when it was found in the papers of the deceased Dr. Kemp Battle, former Custodian of the North Carolina Historical Society, and incidentally a nephew of Dr. Phillips. Meanwhile, a parade of historians had accepted Phillips' version as disproving the authenticity of May 20: including Henry Randall in his 1858 biography of Thomas Jefferson, James Welling in 1874, Lyman Draper in 1876, the aforementioned George Bancroft in 1858, and Alexander Samuel Salley, Jr. in 1907. Draper, in fact, left an accumulation of 12 letters from Dr. Phillips averaging over 1,200 words each. Some of these were strident ad hominem attacks on Alexander's son, Dr. Joseph McKnitt Alexander, his religion, his personal thrift and his veracity in a style sharply contrasting with Phillips' more lofty published essays.

The Centennial celebration here one hundred years ago was tarnished by disparaging editorials in the New York Herald and the New York World. Also, during that period of absence of the Davie copy, two Presidents of the United States attended May 20 celebrations in Charlotte, Taft in 1909 and Wilson in 1916, and both deemed it prudent to avoid more than an oblique reference to the events of 1775, the commemoration of which had brought them to Charlotte!

Oddly, it was not until 1939 that the Phillips version was challenged. Dr. Archibald Henderson discovered the two words "delegation and" to be marked over in the same ink with which they were written down, and suggested the possibility that Phillips had restored them on his own authority. Furthermore, Dr. Henderson noticed one other entire sentence, in John McKnitt Alexander's handwriting that Phillips had not even mentioned. At the end of the section of the narrative of the delegation proceedings and just before the first paragraph on the subject of the Court of Enquiry which he admittedly had to reconstruct from memory, the old patriot had written: "Thus far from the Journals and records of said Committee".

A significant chronology must be noted here:

(a) The Davie copy was obtained from his heirs in 1830 by Samuel Henderson. It then consisted of two sheets, back and front, with the upper half of the first torn off at the fold and missing. Henderson recognized the handwriting of John McKnitt Alexander, 13 years then deceased, and duly gave it to the son, Dr. Joseph McKnitt Alexander.

(b) Dr. Joseph McKnitt Alexander died in 1841, before Phillips' attack of 1853.

(c) The Davie copy had come into Governer Swain's possession around 1851 and, after Phillips "use" of it in 1853 and Swain's death in 1868, it was lost until 1917.

The two Alexanders thus could not have adulterated the Davie copy after Phillips' devastating "contribution"!

Now let it be acknowledged that at least one abuse of history was perpetrated by an advocate of the Mecklenburg Declaration. In 1905, in a deception intended to verify the May 20 claim, S. Millington Miller published in Collier's magazine a facsimile falsely purporting to be the long lost Cape Fear Mercury of June 3, 1775, showing the text of the May 20 Declaration of Independence. This affront fortunately was rejected by defenders and doubters alike before any real harm resulted.

The foregoing is the essential nature of the case against the authenticity of the May 20 Declaration of Independence. The essential case for it is equally simple, ommiting many theories and speculations that with ingenuity can accommodate all other facts to either position. Consider:

1st. The original minute book of 1775 was lost in the Alexandriana holocaust in 1800.

2nd. John McKnitt Alexander had sent a copy to the former Congressman, Dr. Williamson, in 1793 for the latter's use in compiling a history of North Carolina. That copy was also lost in another fire, probably unknown to Alexander, but not before Governor Montfort Stokes had seen it in 1793. in Fayetteville.

3rd. After the Alexandriana fire, Dr. Joseph McKnitt Alexander found two vital documents in his father's collection. One was a narrative and copy of the May 20 Declaration, in a handwriting that may have been that of Colonel William Polk, and similar to the Davie copy, except that it lacked the notations about which parts were "from the Journals and records", and which "may not literally correspond," etc., and was complete where the Davie copy had a half sheet torn off. This was the working copy that Dr. Alexander had used for the publication in the Raleigh Register in 1819.

The second was a ragged sheet of notes whose appearance and style suggest it to be his father's copy of the rough draft of outline notes for the minutes of the May 20 meetings. Many sentences are incomplete and written as if in haste to record key phrases. One notation indicates: "foregoing extracted from the old minutes, etc."

4th. This latter set of notes includes five resolutions in outline form. The first four parallel in order numbers 2 through 5 of the published May 20 Declaration, but lack the reference to Lexington found on number 2 in the published set. The last such outline resolution proposes "many laws and ordinances", thus perhaps suggesting the May 31 Resolves. Nothing in the outline resolutions relates to the first resolution of May 20, which defined as an enemy "Whosoever abetted or countenanced the British invasion of our rights." Even so, the sequence of the outline is otherwise strikingly relevant to the May 20 series. The first outline resolution declares: "We (the County) by a Solemn and awfull vote, Dissolved (abjured) our allegiance to King George and the British nation." The next is similarly bold: "Declared ourselves a free and independent people, having a right and capable to govern ourselves (as a part of North Carolina)".

5th. The Davie copy notations, according to Dr. Henderson's version, are evidence of proof for authenticity, not against it.

6th. Many of the Revolutionary veterans who submitted their recollections in 1819 through 1830 were convinced of the May 20th date and resolutions. At the 1825 and 1835 anniversary events none of those patriots who had been in attendance in 1775 objected to the notion that Mecklenburg had cast the first votes for independence on May 20, 1775. That they had cheered the Declaration of Independence in 1775 was just as real to them as the confidence of having been shot at seered the memories of the boys at Lexington.

7th. On September 1, 1775 a paper was written to Mecklenburg's delegation to the Provincial Congress, stating: "You are instructed to vote that the late Province of North Carolina is, and of right ought to be, a free and independent State. . . ." That may not have been adopted, but from September 1, 1775 these words are strikingly reminiscent of the phrasing of the third resolution of the May 20 Declaration.

On these seven foundations rest the case that the May 20 Mecklenburg Declaration of Independence is genuine. You may believe it or not.

If you wish to believe this, as I do, you must reconcile the pattern of testimony and memory of fourteen eye-witnesses and participants. You must also be willing to repose confidence in a respected man who tried to keep records from a period when few records were kept in North Carolina and who died two years before his character was attacked by a President he had never met, but probably admired, and against whose doubt his only defense had to come posthumously. To be a believer, your own faith must be tested by the lack of an original relic.

On the other hand, you may choose the opinion of the skeptic. To do so, you need cite no pattern of evidence nor defend any countervailing hypothesis. The skeptic may just suggest knowingly at strategic moments the words "myth", "fraud", "hoax" and "discredited", but not even this is required. In this option, your principal hazard is in resolving whether to take the same skepticism you display regarding the motives, mistakes and memory of the Secretary of two hundred years ago and his corroborating peers, and apply that same skepticism as well to motives, mistakes and methods of certain historians and curators of roughly 70 to 120 years ago.

The distinction is aptly characterized in an analogy proposed by Governor Graham in his address of a hundred years ago. If you wish to develop a conception of what an extinct creature looked like, would you rely entirely upon the descriptions of learned naturalists who had only a few bones from which to derive their notions, while skeptically disregarding the eyewitness accounts of men whose lives had to contend personally with the creature? Their nearness to the situation, their hearts surging in its presence and at the recollection thereof, may have caused them to exaggerate its appearance, but they knew what it was and never doubted its awesome existence.

Then there is a third option. Rather than be a believer or a skeptic, you may enter combat as a disbelieving rejector. To assert this position you must establish a case that John McKnitt Alexander was either senile or cunning, and that he fabricated fraudulent copies of a never-existent record and palmed them off on Colonel William Polk, Dr. Williamson and General Davie in order to generate a false legend for purposes of self-aggrandizement. You must deface with the same tar brush the gravestones of all those collaborators who would have had to have been duped by him. You would have to either confer daring foresight to his maneuver of risking a copy to Williamson in 1793, seven years before the fire, or else you must find yourself denying the claim of Governor Stokes that he saw it with his own eyes in Williamson's possession in that very year. Otherwise, you may be forced to propose a daring accusation that Alexander burned his own house down as a sacrifice in order to account for the absence of original minute books and documents.

Or you can try to avoid this by accepting Phillips' version of the Davie copy with the two scratched out words incriminatingly restored, but that leaves you two problems. You have to hypothesize (first) that someone with a motive forged the scratching and the preceding sentence that Phillips didn't mention, and (second) that he did so after Phillips' critical article in 1853. It could not have been Dr. Joseph Alexander, dead since 1841, and probably was not Dr. Battle the curator, for he was Phillips' nephew. If you point that finger at all, it must point pretty close to the memory of Governor Swain, which would be a monumental reputation to assault!

You may go back to the stance of being a skeptic. Or you may become a believer. Neither position is without its problems.

The current of controversy began 156 years ago and swelled to a destructive flood tide of acrimony for the better part of a century. It has more recently receded to a gentler dispute, but it will not be stemmed until a dike of evidence can be thrown up. For this reason, it is highly desirable that the argument be kept alive, since that debate can generate a search for new evidence, especially among the unpublished old letters in the possession of the numerous descendants of the Alexanders, Avery, Balch, Barry, Brevard, Davidson, Downs, Flennigen, Foard, Graham, the Harrises, Irwin, Kennon, McClure, Morrison, Patton, Phifer, Polk, Queary, Reese and Wilson (the 27 signatories) and Capt. Jack, Reverend Hunter, General Davie and Williamson, plus Cummins, Simeson, Clark, Johnston et al. (who were so close to the treasure) and especially of Governor Swain. It is to these old musty relics of correspondence that the search must be re-directed if the controversy is to have a constructive purpose.

Meanwhile, I commend to you all, true-believers and skeptics alike, the nurture and suitable commemoration of the May 31 Resolves. Of undisputed authenticity, this record alone is a grander claim to the first movement to independence than any other County or State can present. We must never let our zeal regarding May 20 distract us from a proper and respectful appreciation for the bold deeds of May 31. It was no small venture to form a local government upon its own authority with officers independent of Great Britain. Indeed this was the first precursor to the subsequent advice of the Continental Congress to some of the colonies in late 1775 to form temporary local governments independent of royal authority "during the continuance of the present dispute between Great Britain and the colonies." Perhaps someone in Philadelphia was heeding part of Mecklenburg's protest. Even this concept, subdued as it was by the standards of May 20, was fearfully regarded as tantamount to treasonous independence by the Provincial Congresses in Pennsylvania, New Jersey, New Hampshire and South Carolina. Even Virginia hesitated in December of 1775. So even were May 31 to stand alone, its Bicentennial should abundantly honor Mecklenburg County eleven days from now.

Yet there is reason to believe that it did not stand alone, but was the moderated sequel to an earlier "rash act" of two hundred years ago this morning. That faith must stimulate an urgent search for new discoveries. Until that unfolds, let us never again relegate these once-forgotten twenty Resolves to another "long night of obscurity" whence they came. It is a splendid heritage all its own, presenting primary proof of the Mecklenburg Committee of May, 1775, and should not be neglected. It is an important lantern in the past and we must not avert our gaze.

On April 6, 1800, a fire swept the house at Alexandriana and its contents, destroying nearly all the existing records of the Independence Movement in colonial Mecklenburg. Ever since that day, another fire of doubt has alternately smouldered and flared up, unrelentingly seeking to consume the remnant that had passed through the fire at Alexandriana. Let us reflect the light of that second fire, using it to illumine new pages of revelation of that "Solemn and awfull vote" on May 20, 1775.

Ladies and Gentlemen: I ask that you stand in honor of the reading of the Mecklenburg Declaration of Independence, by Miss Mary Louise Davidson, President of the Mecklenburg Historical Society, and lineal descendant of John Davidson the last surviving member of said delegation.

THE MECKLENBURG DECLARATION OF INDEPENDENCE, CHARLOTTE TOWN, N.C., MAY 20, 1775

(AUTHOR'S NOTE: This is the literal version of the so-called "working copy in an unknown hand" found in the papers of John McKnitt Alexander by his son Joseph.)

After a free and full discussion of the various objects for which the delegation had been convened it was unanimously ordained

1. That whosoever directly or indirectly abetted or in any way, form or manner countenanced the unchartered and dangerous invasion of our rights as claimed by G. Britain is an enemy to this County—to America & to the inherent & inaliable rights of man.

2. We the Citizens of Mecklenburg County do hereby desolve the political bands which have connected us to the Mother Country & hereby absolve ourselves from all allegiance to the British crown & abjure all political connection, contract, or association with that nation who have wantonly trampled on our rights & liberties & inhumanly shed the innocent blood of American patriots at Lexington.

3. We do hereby declare ourselves a free & independent people—are & of right ought to be a sovereign & self-governing association, under the controul of no power other than that of our God & the general government of the congress, to the maintainence of which independence civil & religious we solemnly pledge to each other our mutual cooperation, our lives, our fortunes, & our most sacred honor.

4. As we now acknowledge the existence & controul of no law or legal officers, civil or military, within this County, we do hereby ordain & adopt as a rule of life, all, each & every of our former laws—wherein nevertheless the crown of great britain never can be considered as holding rights, privileges, immunities, or authority therein.

5. It is also further decreed that all, each, & every military officer in this County is hereby reinstated in his former command & authority, he acting conformably to these regulations. And that every member present of this delegation shall henceforth be a civil officer, viz. a Justice of the peace in the character of a 'Committee-man' to issue process, hear & determine all matters of controversy according to said adopted laws—to preserve peace, union & harmony in said County & to use every exertion to spread the love of country & fire of freedom throughout America untill a more general & organized government be established in this province. A selection from the members present shall constitute a Committee of public safety for said County.

FEDERAL GUN CONTROL IS NOT THE ANSWER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. BAUMAN) is recognized for 15 minutes.

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Mr. BAUMAN. Mr. Speaker, all of us are concerned about the constantly increasing incidence of crime in the United States. Congress would be derelict in its responsibilities if it did not investigate a wide variety of proposals and suggestions for curbing crime. One of the most important duties of government is to protect the lives and well-being of its citizens.

It is difficult for me to understand, however, the single-minded devotion with which certain Members of Congress and the news media promote more restrictive controls on firearms as the cure-all for crime. One seldom hears such people talking about restrictions on criminals who use guns, or developing a criminal justice system in which the punishment for crime is swift and sure. No, indeed, these keepers of the public wisdom propose many measures, ranging from registration of all long guns and handguns, to banning of cheap "Saturday night specials," to outright confiscation of all guns.

Such reliance on control of inanimate objects rather than concern with the person who pulls the trigger, can only be classified as blind faith. Unless you assume that the advocates of gun control are more interested in controlling guns than controlling crime, you can only conclude that advocates of restrictive gun controls must have "reasons that reason knows not of." Certainly such advocacy goes beyond reason.

Consider the results of previous gun control efforts.

New York City for many years has had the most stringent gun control laws in the country. It is estimated that there are a million guns in the city, most of them in clear defiance of the law. The New York crime rate shows few signs of going down.

Since the passage of the Firearms Control Act of 1968, homicide in this country has gone up 300 percent. The number of crimes committed with guns has also increased.

The city of Baltimore last year initiated a program of purchasing firearms to get the guns off the streets. After a few weeks of intensive publicity about this creative and innovative approach, we have not heard much about it lately. Wonder why? During the life of the program, the number of gun-related murders actually rose by 50 percent. And this was several years after the State of Maryland had also adopted a handgun control law.

The record goes on and on. The advocates of gun control have a ready answer, of course. Previous efforts have not been restrictive enough and have not been applied on a national, uniform basis. Apparently there is no limit to their faith in restrictions on decent, law-abiding citizens as the answer to every problem.

A moment's reflection will tell you why Baltimore's program failed, and why any gun control program will fail to reduce crime. A program to get guns out of the hands of law-abiding citizens will only make the streets safer for criminals. If you are contemplating using a gun in a crime, you are not going to sell your gun to the city fathers, and you are not going to register it. A gun control program will make it more likely that your intended victims will not have a gun available for protection or self-defense. A registration program could give you a list of the houses in which there are guns. Whether you use that as a shopping list or a list of places to avoid will be a matter of personal preference or your estimate of your skills as a criminal. Is it any wonder that crime rises in the wake of gun control laws?

Those are some practical reasons to oppose restrictive gun controls. The overwhelming preponderance of the evidence is that gun controls do not work and will not work to reduce crime.

Perhaps more important are the philosophical, civil liberties and constitutional questions which restrictive gun controls raise.

Restrictive gun controls constitute a clear case of punishing the innocent for the crimes and sins of the guilty. Ninety-seven percent of the firearms in the United States have never been used in the commission of a crime. The overwhelming majority of gun owners have purchased their guns for perfectly legitimate purposes including sporting, recreation, or self-defense and protection. The vast majority of gun owners have taken the time and trouble to learn about gun safety and responsible use of firearms. Restrictive gun controls would make these otherwise law-abiding citizens subject to harassment, cumbersome procedures, or outright confiscation.

If there is a cardinal tenet of American jurisprudence, it is that a citizen is considered innocent until proven guilty. Gun control proposals turn this principle on its head, mandating the treatment of patently innocent citizens as criminals or criminal suspects, where not the slightest shred of evidence exists that they have done anything wrong or even remotely contemplated any wrongdoing. This sounds more like a police state than the Home of the Free.

What kind of a country would seriously propose to make the vast majority of innocent citizens pay for the crimes of a tiny minority by subjecting them to harassment and inconvenience and confiscation of their property?

Few proponents of gun control want to talk about the cost of a national gun control program. Some authorities have estimated the initial cost of a handgun registration program at between $4 and $5 billion. The cost would, of course, depend on the nature of the program adopted, but there can be little doubt that national gun control would require a massive increase in manpower for local police departments, and divert resources from the investigation and prevention of crimes against people and property. Either the cost of law enforcement would rise dramatically, or criminals would learn that the police are too busy investigating law-abiding citizens who happen to own guns to pay much attention to serious crimes.

Finally there is the constitutional problem. I am well aware that it is more characteristic of American politics to devote energy and creativity to devising methods to circumvent the Constitution than to trying to understand and abide by it. Nevertheless the second amendment is remarkably clear. "the right of the people to keep and bear Arms, shall not be infringed." This language, in my view, is so clear that a constitutional amendment would clearly be required before any gun control law as restrictive as most of the current proposals would come even close to being constitutional.

The second amendment does mention that "A well regulated Militia being necessary to the security of a free State," provides one reason for protecting the right of the people to keep and bear arms. Some advocates of gun control have gone so far in twisting this language as to suggest that only members of the armed forces and police forces be allowed to keep firearms. This argument ignores two salient facts. The idea of the right of the people is clearly conceptually prior to the necessity of a militia, and any study of the ideas of the Founding Fathers will bear this out. In addition, the tranditional idea of a militia in a free State is that it consists of every able-bodied citizen. This idea of a militia is clear not only in tradition but in law. Title 10, section 311 of the United States Code states that:

> The militia of the United States consists of all able-bodied males at least 17 years of age and . . . under 45 years of age who are or who have a declaration of intent to become citizens of the United States.

I have little doubt that modern interpretations of the law against discrimination based on sex or age would result in widening that definition.

Clearly, gun control is the wrong way to approach the problem of crime and the related problem of crimes in which a firearm is used. I have cosponsored legislation which would provide mandatory sentences for those found guilty of using a firearm in the commission of a crime. This approach clearly addresses the illegal use of a firearm rather than the innocent ownership of a firearm.

The real answer to crime involves dealing directly with those who commit crime. Our justice system should deal swiftly, justly and surely with those who commit crimes. Lenient sentencing practices and unnecessary hampering of law enforcement agencies, combined with a more solicitous concern for the criminal than for the victims of crime are much more important as contributory factors to a rising crime rate than the availability of firearms. Indeed, the widespread conviction on the part of millions of decent, law-abiding citizens that our criminal justice system is not protecting them effectively from criminals is one reason that many citizens are purchasing guns for defense and protection.

The almost monomaniacal urge by certain politicians to push for gun control as the answer to crime is clearly the wrong way to deal with the problem. It not only penalizes the innocent and infringes on the rights of law-abiding citizens, but there is no evidence that it would be effective. It is literally incredible to me that such proposals could be taken seriously by reasonable people.

UNJUSTIFIED INCREASES IN MEMBERS' ALLOWANCES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Hampshire (Mr. CLEVELAND), is recognized for 10 minutes.

Mr. CLEVELAND. Mr. Speaker, as a long-time member of the Committee on House Administration, I am becoming tired of being blamed for the overly generous increases which the committee authorizes in Members' allowances.

Yesterday's action, which was duly reported by our distinguished chairman and is described on page 15483 of today's CONGRESSIONAL RECORD, and which I opposed, is an illustration of this fact.

Under the authority of Public Law 92–184, the committee approved committee orders Nos. 19, 20, and 21, which, respectively, increases the travel allowance for Members and staff, increases the clerk-hire allowance for Members, and creates a brand-new constituent communication allowance.

Behind the innocent-sounding language of these orders, however, some significant effects can be discerned. On the basis of reasonably conservative calculations, the net effect of these orders—assuming Members take full advantage of them—will be to:

First, increase the amount of money Members can withdraw in cash in order to supplement their incomes by up to $7,000 a year;

Second, cost taxpayers approximately $15 million a year—without convincing justification, and at a time when the House ought to be exercising some fiscal restraints; and

Third, stimulate further public doubt about congressional tendencies to look out for its own interests at public expense.

As I indicated, Mr. Speaker, I believe these estimates are conservative. With regard to cash withdrawals, as our colleagues know, Members may now take a lump sum travel allowance of $2,250 per Congress in lieu of reimbursement for actual travel expenses. By increasing this allowance to $2,250 per session, Committee Order No. 19 increases the "cash-out" privilege by a net amount of $1,125 per year. In addition, Committee Order No. 21 establishes a constituent communications fund equivalent to the cost of producing and printing two district-wide mailings each year. The best estimate of the present cost of such mailings is between $2,500 and $3,000 per mailing, or a total of $5,000 to $6,000 a year. Since most Members now pay for these mailings from their stationery allowances, from which cash withdrawals may be made, the net effect of the new fund is to be free an approximately equal amount of stationery funds which may, at Members' discretion, be withdrawn in cash.

In determining the total cost of taxpayers of the allowances increased by the Committee on House Administration, I have used the following estimates. Based on actual funds expended during the 93d Congress for Member and staff travel, the committee increases would add approximately $533,000 for Member travel and $218,000 for staff travel. The increased clerk-hire allowance of $22,500, multiplied by 439 Members and Delegates, totals $9,877,500 although not all Members spend their full allowance. In addition, the proportionate cost of Government contributions for the fringe benefits to which the employees covered by the increased clerk-hire allowance would be entitled comes to $1,000,000 a year, based on actual costs reported by the Clerk of the House for fiscal year 1974 and his estimates for fiscal 1976. Similarly, using the minimum figure of $5,000 as the cost of two district-wide mailings a year, and assuming the additional allowance will be fully utilized, the total cost amounts to $2,634,000 a year.

For these reasons, therefore, I am delighted that the gentleman from Colorado (Mr. ARMSTRONG) and the gentleman from Maryland (Mr. BAUMAN) have forced these issues into the open. I applaud them for their courage and integrity. By forcing the House to go on record today, they have made the House accountable. They have made it possible to debate the issues. They have equipped the people we represent with facts on which to make informed judgments.

While I disagree with the actions of the Committee on House Administrations and of the full House in approving unjustified increases in allowances—and so voted both in committee and on the floor—perhaps we have made it possible for the people to inform their representatives in Congress that they, too, dislike paying taxes to support reelection prospects of Congressmen.

RESOLUTION TO OPPOSE INCREASING COST OF LOANS TO SMALL BUSINESSMEN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BADILLO), is recognized for 60 minutes.

Mr. BADILLO. Mr. Speaker, today I am introducing a resolution to disapprove the action of the Small Business Administration in proposing regulations which would have the effect of increasing the cost of loans to the small businessman.

This resolution is cosponsored by the chairman of the Small Business Committee, the gentleman from Tennessee (Mr. EVINS), the ranking minority Member, the gentleman from Massachusetts (Mr. CONTE), as well as the gentleman from Michigan (Mr. DINGELL), the gentleman from New York (Mr. ADDABBO), the gentleman from Missouri (Mr. HUNGATE). The gentleman from Rhode Island (Mr. ST GERMAIN), the gentleman from Ohio (Mr. CARNEY), the gentleman from New York (Mr. RICHMOND), and the gentlewoman from New Jersey (Mrs. FENWICK), who is here, and the gentleman from Iowa (Mr. BEDELL).

Mr. Speaker, the Small Business Administration published proposed regulations in April of this year stating that it planned to increase fees to small businessmen on guaranteed loans by a basic flat fee of $200 for every application and then an additional, negotiable fee of between 2 and 4 percent, depending upon the maturity date of the loan. Although it is called a fee, what the Small Business Administration is doing is really to increase the interest rate in the cost of loans to the small businessman and they are increasing the interest rate from the present ceiling of 10.25 percent to 20 percent.

We think that this is an outrageous increase in rates. We think that at this time in our history we should be providing the small businessman with an opportunity to borrow money at a low rate, so that he may be able to carry himself during this dangerous period of recession and so that he may remain in business.

We are concerned that the regulations may go into effect and think that there should be affirmative action taken by this Congress to notify the Small Business Administration of the fact that we disapprove of its policy.

In times of economic stress, this Nation's small businessman finds it extremely difficult to obtain necessary financing on reasonable terms. The small businessman is hit first, hardest, and longest when our economy is in an economic downturn.

As a member of the Small Business Committee, I have been concerned with the effects on the part of the administration to attempt to overturn the long-standing principle of loans to small businessmen at reasonable rates. The Small Business Administration was established as a vehicle to provide the Nation's small businessman an opportunity to obtain loans at reasonable rates if they were not otherwise available from other sources.

Some 10 years ago, 95 percent of all loans made by the Small Business Administration were on a direct basis and only 5 percent with lending institution participation. In the current year, the SBA program originally provided for $2 billion in loans made by financial institutions and guaranteed by SBA, with only $40 million of such loans to be made directly by the Government. When it is noted that at the time the program was contemplated the guaranteed loan percentage was 11 percent and the direct loan rate was 6¾ percent, it becomes obvious what the impact on the small businessman would be.

For fiscal year 1976, SBA has proposed a program of bank loans guaranteed by SBA of $1.2 billion with no direct loan money available, except the administration indicates that it will submit a program for $100 million worth of direct loans in the event the Congress passes legislation which would have the effect of raising the direct loan rate from 6¾ to 9¾ percent.

It is obvious from the statement of these facts that the administration is attempting to drive the small businessman into the financial institution's hands to obtain loans at higher rates which at the present time are about 50 percent higher than the prime rate. When it is considered that 90 percent of such loans are guaranteed by the Government, it does not take an expert to see what the results will be from the small businessman's standpoint.

Now, the SBA and the administration,

not satisfied with what is happening to the small businessman, propose to institute additional fees—2, 3, and 4 percent to be charged as a maturity fee for loans made by banking institutions guaranteed by SBA for periods of 5 to 7, 7 to 9, and over 9 years.

At a presentation made by the Honorable Thomas S. Kleppe, Administrator of SBA, at a recent meeting, it was pointed out that the return to the lenders under such a program would approximate 20 percent.

A majority of the committee members present at the hearing seemed to feel that the proposed regulation was unnecessary, harmful to the small businessman, and against the policy of Congress to "aid, counsel, assist and protect" small businesses.

The resolution I am introducing will express the sense of the House that it does not favor the proposed amendments and will preclude their adoption and implementation. I hope that my colleagues on both sides of the aisle will give it their support.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. BADILLO. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in support of this resolution. We heard testimony the other day as to the necessity to stop the publication in the Federal Register. It has already been published. We must stop these regulations from going into effect. The small businessman particularly needs the long-term loan which will receive the highest extra fee of 4 percent.

Precisely in that field, as a small businessman association this morning told us, precisely there they need the most help. They are in difficult times. It is hard for them to get loans. I honestly hope that the House would vote favorably on this resolution.

Mr. BADILLO. I thank the gentlewoman from New Jersey.

Mr. BEDELL. Mr. Speaker, will the gentleman yield?

Mr. BADILLO. I yield to the gentleman from Iowa.

Mr. BEDELL. Mr. Speaker, I thank the gentleman for yielding to me.

In testimony before our committee, the Small Business Administrator said that under present loan programs, small business pays interest of about 19½ percent. He said that this was true because these are amortized loans. I left the committee at the time, called two banks with whom I have done considerable business. Both confirmed the fact that general loans made to small businesses are not amortized loans. The only time they would be, would be maybe for certain parts and equipment. Indeed, these in Iowa, they even have these on computer so that these are simple interest loans. Thank God that information was incorrect, for indeed, if small businesses are having to pay 19½ percent for the money that they borrow, and if big business can borrow money for less than half of what small businesses are paying, it is just more reason why it becomes more and more difficult just to maintain small businesses in this country of ours where we see big business taking over more and more and more of our business economy, together with the tax advantages which they have, which are similar.

During these periods of increasing unemployment, it is inconceivable to me that we could talk about the possible doubling of interest to small businesses. Research by the Small Business Committee has indicated that for every $7,000 in loans to small busineses, we create one job. Those loans cost about 6 percent to the Government, if we include in their cost the administrative cost, interest subsidies and so forth.

If this Congress, by spending $420 per job, could help bring us out of this recession, I claim it would be the best money we could possibly spend.

I called on the Small Business Administration in my home State and talked to them about small business loans. They tell me that it is not that the banks want greater interest for the money. Banks are participating in these loans because of their interest in trying for community development, to help promote these small business interests. What they want above all else is to make it possible for these companies to have interest rates which will enable them to be healthy, and to grow and to maintain their success.

In my opinion, if we are going to maintain an America wherein small business can compete; if we are going to stop the movement toward bigness all across our society, I think it is important that some of us stand up and be counted and say, "We demand that small business gets a fair shake when it tries to compete with big business in our country."

Mr. BADILLO. Mr. Speaker, I thank the gentleman from Iowa. I must say that there can be no justification for increased interest rates to 20 percent, especially on loans that are guaranteed by the Small Business Administration. The theory, as I understood it in economics in college, is that interest rates were supposed to compensate the banks for the risks that they took, but in this case the Federal Government guarantees the loans.

Therefore, the risk is minimized. Certainly, under those circumstances there is no justification for an increase in the rate to 20 percent interest.

Mr. BEDELL. Mr. Speaker, if the gentleman will yield further, I talked with the small business people in my State. They also tell me that what they really need is increased appropriations for present programs, so we should expand our present programs.

Mr. BADILLO. I agree with the gentleman from Iowa. Of course, the Small Business Committee has only this year become a legislative committee, and I am delighted that we are both on it, as well as the gentlewoman from New Jersey.

I think we can begin to work in that committee to see to it that the small business program is improved, but let us not start off by yielding our authority to the Small Business Administration and letting them, in effect, increase the interest rates at this time. I think, for that reason, we have to show that we intend to be an active committee, that we intend to take our legislative responsibility seriously and to pass this legislation affirmatively so that we can begin to inquire into why the program has not been more successful; and to approve such legislation as may be necessary to insure that the program works more effectively in the future. Mr. Speaker, for the information of my colleagues. I include the full text of my resolution which reads as follows:

H. Res. 491

Resolution expressing it is the sense of the House of Representatives that it does not favor certain proposed amendments to the Rules and Regulations of the Small Business Administration pertaining to the imposition of maturity fees and other fees and changes for application prepration

Whereas, the Small Business Administration (SBA) is considering amending its Business Loan Policy Regulations as presently stated in Title 13 Code of Federal Regulations Part 120, Section 120.3(b)(5) and as published in the April 4, 1975 issue of the Federal Register, pages 15098–15099; and

Whereas, the SBA proposes that "maturity fees" be charged a borrower notwithstanding the provisions of paragraph (b)(5) of Section 120.3 C.F.R. Thus, a lender may charge a borrower a fee on any loan made by lender which has a maturity of five years or more. Such fee may be charged in addition to interest charged and other fees authorized. The fee shall be negotiable between lender and borrower but shall not exceed the percentages set forth in the following table:

Term of loan and permitted fee

	Percent
5 years or more, but less than 7 years	2
7 years or more, but less than 9 years	3
9 years or more	4

The amount of the maturity fee to be based on the actual amount of the loan to be disbursed to the borrower after reduction for all other fees and insurance charges. The maturity fee is a one time fee only and is to be charged at the time of actual loan disbursement(s) and may be deducted from the amount to be disbursed to the borrower; and

Whereas, in addition, the SBA also proposes to authorize a lender to charge a small business concern applying for a loan to be made in participation with the SBA a fee for the expense incurred in processing the loan application; and

Whereas, according to the latest revised statistics of the SBA, there has been a recent substantial increase in the loans guaranteed by that agency, thus negating the alleged need to add further "incentives" for banks and financial institutions to increase the number and amount of such loans; and

Whereas, according to reports the prime interest rate charged by banks and other financial institutions has in fact decreased from 12 percent per annum to 7½ percent per annum, it thus appears incongruous to raise the total cost charged to small business concerns for needed financial assistance, especially in the light of the present adverse economic climate; and

Whereas, that although some efforts are being made by the Government to attempt to curb inflation, the proposed escalation of the total costs for loans to be charged small entrepreneurs would be in direct opposition to such a goal and would tend to further elevate the level of inflation of the economy; and

Whereas, the proposed changes would in fact be contrary to the "declared policy of the Congress that the Government should aid, counsel, assist, and protect, insofar as is possible, the interests of small business concerns;" now, therefore it is

Resolved, That it is the sense of the House of Representatives of the Congress of the United States that it does not favor the hereinabove mentioned proposed amendments to the Rules and Regulations of the Small Business Administration and that it expresses its disapproval thereof.

NATIONAL CAN CORP. INITIATES DRIVE TO INSURE AGAINST HIRING ILLEGAL ALIENS

The SPEAKER pro tempore (Mr. McFall). Under a previous order of the House, the gentleman from Illinois (Mr. Annunzio), is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, I would like to call to the attention of my colleagues action that has been initiated by the National Can Corp. in Chicago to insure against hiring of illegal aliens.

We have all heard so much about illegal aliens who are now in the United States and are taking jobs away from Americans, but National Can is doing something constructive to alleviate the problem.

I want to commend the Board of Directors of the National Can Corp. for taking affirmative action to determine whether an individual has the legal right to be in the United States before making a decision to hire that individual.

Especially now, when America finds itself in one of the highest unemployment cycles in our history, it is important that we put as many Americans to work in productive jobs as possible. With an unemployment rate approaching 9 percent, every job counts.

According to officials at the Immigration and Naturalization Service, if all of business would adopt voluntary programs aimed at eliminating employment of illegal aliens, more than one million jobs for unemployed Americans would be opened up in a matter of months; and in 3 or 4 years, this could easily add up to an additional 2 million or more jobs for Americans.

I would like to include at this point in the Congressional Record a letter and news release I have received from National Can Corp. outlining this new program. The letter and news release follow:

National Can Corp.,
Chicago, Ill., May 12, 1975.

Hon. Frank Annunzio,
House of Representatives,
Washington, D.C.

Dear Representative Annunzio: At our annual shareholders meeting on April 11, 1975, I made the announcement that the National Can Corporation was adopting a policy to insure against the hiring of illegal aliens. Furthermore, that the corporation, and I personally, would be spearheading a drive to recruit other businesses to do the same.

General Leonard Chapman, Commissioner of the United States Immigration and Naturalization Service, has assured me that if all of business would adopt a similar policy, more than one million jobs could be opened up for U.S. workers within a matter of months; an additional two million jobs could be opened up over a period of three to four years.

I know how deeply concerned you personally are about the unemployment in the United States today, therefore, I hope that I can count on your support in this program.

We would welcome any comments or suggestions you have concerning this program. A press release summarizing my remarks at our annual meeting is enclosed for your information.

I look forward to hearing from you soon.

Sincerely,

F. W. Considine.

National Can Enacts Measures To Insure Against Hiring Illegal Aliens—Heads Drive To Recruit Other Business To Do the Same

Chicago, Illinois, April 11.—With unemployment at an all-time high since the depression, National Can Corporation announced today that it is enacting measures to insure against the hiring of illegal aliens.

According to the United States Immigration Service, it is the first major U.S. corporation to publicly adopt such a policy.

Frank W. Considine, president and chief executive officer of National Can, in making the announcement at the corporation's annual meeting in Chicago, said that in addition to its own policy, National Can would spearhead a drive in cooperation with the U.S. Immigration Service to get other companies to adopt similar measures. Considine personally will head up the drive.

General Leonard F. Chapman, commissioner of the U.S. Immigration Service, said that a concerted effort by all of business not to employ illegal aliens would help to open up more than one million jobs for unemployed U.S. workers within a matter of months; it could make available over a period of three to four years an additional two million or more jobs.

"The time when our nation could absorb the world's unemployment is long past," Considine said in making his announcement. "I don't see how we can any longer justify taking lightly the hiring of people who enter the country illegally, violating our laws, when so many of our own people are begging for jobs."

Considine stated that government statistics show that illegal aliens don't just occupy the low paying, unwanted jobs.

"Quite to the contrary," he said. "Illegal aliens hold jobs throughout our entire employment stream.

"It is estimated that more than one million illegal aliens are in New York; more than half a million in Chicago," Considine continued. "You can be sure that the people employed in these areas aren't harvesting crops."

According to the Immigration Service, more than two and one-half million illegal aliens come into the United States each year. They arrive from nearly every country in the world.

As unemployment in Europe continues to grow, the number of illegal aliens migrating to this country is expected to rise.

According to General Chapman, the surest way of shutting them out is to turn off the magnet that attracts them here . . . jobs.

"This is what we are trying to encourage major corporations to do," General Chapman said. "This is why National Can's public policy and leadership role in this vital issue is so important to our solution to the illegal alien problem."

National Can is listing on all of its employment forms, both temporary and permanent, salaried and hourly, the question: "Do you have the legal right to be in this country?"

It is posting signs in each of its plants, informing workers of the company's policy on the employment of illegal aliens. It is informing each of its employees that it is cooperating fully with the U.S. Immigration Service and that plants will be open for regular immigration inspection.

"This puts the illegal alien on notice that National Can is one company to avoid," General Chapman said.

"If more corporations would adopt this policy it would eventually transmit to the illegal alien that there are no jobs for them here. It would discourage them from coming to America on an illegal basis."

The General said that illegal aliens who were employed at company plants posting this information would most likely leave.

"They know that sooner or later with our regular inspections that they would be detected," he said.

Considine stated that this is of course National Can's goal . . . to open up more jobs for legal residents.

"If we can do something to help ease the unemployment problem in the U.S.," Considine said, "then we feel that we will have truly accomplished something.

"Our goal is to put the U.S. worker back to work, as quickly as possible. We feel that this program with the U.S. Immigration Service is an important step in the right direction."

National Can Corporation has 62 plants across the U.S. It employs over 14,000 people. In addition to its U.S. plants, the company has 12 plants overseas. Its 1974 annual sales were $710 million.

SMALL BUSINESS AND REASONABLE INTEREST RATES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. Bedell) is recognized for 5 minutes.

Mr. BEDELL. Mr. Speaker, if we are to maintain small business as the backbone of the American economy and a meaningful expression for individual initiative, it is imperative that we continue to provide the small businessman with reasonable interest rates which will allow him the chance to compete and grow.

As a member of the Select Committee on Small Business, it is with great concern that I view the recent proposal by the Small Business Administration to increase the loan rates for longer term loans by the addition of a "maturity fee" to be paid to private lenders.

In the Federal Register of April 4, pages 15098–15099, the SBA announced it is considering institution of the new program which would require that these maturity fees of 2, 3, and 4 percent be charged to loans made by banking institutions for periods of 5 to 7, 7 to 9, and over 9 years.

In testimony before the Small Business Committee last week, SBA Administrator Thomas Kleppe said that under his program, lending institutions could expect a return of 19½ percent should it sell its loan to an investor.

I understand these maturity fees are designed to make a new program of capital financing through semipublic "small business lending companies" feasible. By guaranteeing a rate of return approaching 20 percent on loans to small businessmen these SBLC's would be able to serve as a new source of capital for our Nation's small businessmen.

Under the SBA's proposal, private lending institutions would be allowed to charge up to 2 percent in maturity fees for loans from 5 to 7 years, up to 3 percent for loans from 7 to 9 years; and up to 4 percent for loans over 9 years in duration.

I do not believe it is the role of the Government to guarantee these high rates of return to private lending institutions. It seems to me that the SBA is placing the cart before the horse in its efforts to make more long-term financing available to the small business community by providing for an overly profitable climate for lending institutions at the expense of our small businessmen.

At a time when the prime rate has dropped from 12 to 7½ percent, I do not believe it is necessary that we sweeten the pot for private lenders at the expense of small businesses which cannot afford it.

While I commend the SBA in its efforts to secure new sources of long-term financing for small business, I am concerned that the addition of these maturity fees, and the addition of an extra layer of profit to the agency's guaranteed loan program, will work to the detriment of small businessmen.

SBA has budgeted $1.2 billion in guaranteed loans for 1976 and estimates that this will grow to $3.75 billion by 1979. Assuming a 3-percent increment due to the maturity fees, the cost to small business will be $36 million in 1976 and over $110 million in 1979.

The development of these SBLC's appears to me to represent further governmental expansion into the area of private enterprise which should be done with great care and only with the expressed consent of Congress. If indeed the cash available to long term borrowers is not currently adequate, I believe it would better serve the interests of small businessmen to thoroughly review our entire loan guarantee program before such a drastic step is taken.

It makes more sense to me that we make more money available through the SBA's current loan programs rather than bring out new proposals for which the small businessman would end up paying in the long run.

Because of my concerns, I am today joining with my colleague and fellow committee member, Mr. BADILLO, in sponsoring a sense of Congress resolution expressing opposition to the introduction of the maturity fees.

I urge those who are likewise concerned about the future of our small businesses to join me in this effort.

FINANCIAL DISCLOSURE OF REPRESENTATIVE ELIZABETH HOLTZMAN

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 10 minutes.

Ms. HOLTZMAN. Mr. Speaker, I believe deeply that elected officials must observe the highest standards of honesty.

One of the best ways of insuring integrity in Government is to provide the voters with the facts regarding each Representative's financial dealings—so that the voters can prevent dishonesty and conflict of interest when they go to the polls.

For this reason, I am making the following financial disclosure which I believe will enable the voters of my district to judge how I have discharged my public trust.

I made a similar disclosure last year.

I also wish to add that I resigned from my law practice before I took my seat in Congress. I have not resumed law practice since that time and will not do so while I am a Representative.

FINANCIAL STATUS

NONCONGRESSIONAL INCOME

In 1974, my income from noncongressional sources was as follows:

Lecture fees, $10,844.00:

University of Idaho.

Jewish Welfare Board Lecture Bureau.

Brookings Institution.

Villanova Womens Law Student Association.

University of Vermont Student Association.

John Jay College Student Activities Association, Inc.

Brooklyn College Department of Student Services.

Student Government Assn. State U., New Paltz.

Princeton University.

Case Western Reserve University.

State University at Stony Brook.

New York Library Association.

Unsecured Loans

I had no unsecured debts in 1974.

Noncongressional Reimbursements

Reimbursements to me for expenditures other than from the U.S. Government in 1974 totaled $740.64. These reimbursements were all for out-of-pocket expenses incurred in connection with speaking engagements. The sources of these reimbursements are:

University of Idaho.

Jewish Federation of Palm Beach County, Inc.

Case Western Reserve University.

Princeton University.

Securities

I own no stocks and bonds with a value of more than $25.

Income Taxes

The personal income taxes I paid for 1974—contained in my tax returns as filed on April 15, 1975—totaled $14,270 and are as follows: U.S. Government, $10,217; New York State, $3,271; New York City, $782.

Business Affiliates

I do not serve as a director, officer, or partner—or adviser or manager—of any business entity, foundation or professional organization—of a noneleemosynary nature.

PANAMA CANAL: ANTI-U.S. PROPAGANDA IN NEW YORK TIMES EXPOSED AND CLARIFIED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 15 minutes.

Mr. FLOOD. Mr. Speaker, in his "Essay on Criticism," Alexander Pope made the perceptive statement that "A little learning is a dangerous thing." The truth of this saying is now being frequently illustrated by many writers on the interoceanic canal problem. A glaring example is an article by Theodore C. Sorenson in the May 16, 1975, issue of the New York Times under the title, "About That Piece of the Good Old U.S. of A. in Panama."

Significant for what it fails to state as well as for what it says, the article gives full support to the State Department's pusillanimous program for surrender of U.S. sovereign control over the canal zone and, eventually, of the Panama Canal itself. This program was outlined in the notorious eight-point agreement on principles signed at Panama in the midst of an orgy of supporting propaganda on February 7, 1974, by U.S. Secretary of State Henry A. Kissinger, and Panamanian Foreign Minister Juan A. Tack. The article accepts Panamian attempts to blackmail the United States, quoting Panama's dictator, Omar Torrijos, as stating that unless a new treaty is approved by the United States it "may be impossible to avoid guerilla warfare." It then expressed the author's view that any conflict blocking the canal would be viewed as a "product of our intransigence."

Mr. Speaker, at this point, I would stress that the Congress, for valid reasons, has repeatedly opposed the State Department's canal policies; and my belief is that it will continue to do so. Should there be another 1964 type of mob assault on the Canal Zone so feared by our diplomats, it will be because of their own failures to protect the just rights of the United States and not because of the Congress. Certainly, the Congress will not rescue these fumblers from their own self-created difficulties at Panama. The sooner the Secretary of State realizes this fact the better.

The agitations that we now read in the press for us to surrender at Panama has the same flavor as the agitations in the late 1950's proclaiming that Fidel Castro was not a Communist, but would be a staunch friend of the United States. We must bear in mind his immediate confiscation of hundreds of millions of dollars in American-owned property in Cuba, his prompt alliance with the Soviets and his importation of Soviet weaponry. Also we recall the New York Times' earlier support for the pretense that the Chinese revolutionist, Mao Tse-tung, was in no sense a Communist, but a gentle agrarian reformer.

Persons who know China well were shouted down when they warned that Mao was closely affiliated with the Soviet and a prime leader of the U.S.S.R. faction in China for more than 20 years before being established by the Washington government at the cost of displacing Chiang Kai-shek, who was a tested friend of the United States.

Mr. Speaker and Members of the House, examine carefully the current propaganda and you may recognize the present pretensions regarding surrender at Panama as substantially the same pattern as those preceding the installation of Mao in China and Castro in Cuba.

Historically, the article is strikingly inaccurate, reflecting little knowledge of Canal history or problems. The United States does not pay a "rental" for the Canal Zone that it owns as stated in the article but an annuity. This annuity, originally $250,000, but now $2,328,000, is the gratuitously augmented obligation of the Panama Railroad previously paid by its owners to Colombia. That obligation was assumed by the United States in the 1903 treaty in connection with acquiring the railroad for canal construction. As previously stated the annuity is not a rental.

The article also quotes out of context part of a personal letter by Secretary of State John Hay to Senator Spooner, the author of the 1902 Spooner Act under which the Canal Zone was acquired and the canal constructed, but fails to mention Secretary Hay's careful analysis on October 24, 1904, of the position of the United States. On that occasion, Hay stressed that the completion of the Canal "will confer inestimable benefit on the people of the Isthmus and the nations of the world," and dismissed the claim of Panama to "titular sovereignty" over the Canal Zone as a "barren scepter." (Ho. Doc. No. 474, 89th Congress, pp. 26–27.) Nor does the article mention that when the 1903 treaty was being formulated there was strong opposition to it in the U.S. Senate with the risk of extended debate over what attributes of sovereignty were to be secured. To eliminate that danger to the treaty, the Panamanian Minister in Washington approved a concession of "sovereignty en bloc." (Earl Harding, "The Untold Story of Panama," New York: Athens Press, 1959, p. 39.)

The article mentions the "long-needed enlargement and modernization—of the canal—by adopting a new treaty in accordance with the Kissinger-Tack principles." This statement ignores the fact that under current treaty provisions the United States is authorized to increase transit capacity of the canal by "expansion and new construction" and hence is misleading. (CONGRESSIONAL RECORD, July 24, 1939, p. 9834). Such project was authorized later in 1939 but stopped in 1942 after expending more than $76 million on it. Such facts invite the query as to why should new authority for enlargement of the existing canal be sought when it is already possessed and major modernization was actually started under it.

Moreover, the article naively accepts the Panamanian claim that "her location" is her "principal natural asset" and that failure to surrender the Canal Zone to Panama will "alienate all of Latin America" and "risk the future of the canal and hemispheric peace." Such expressions reflect an abysmal ignorance of the subject, and a disastrous misjudgment of realities.

In opposing the views expressed in the article, I shall give some crucial historical facts that are essential for proper understanding:

First. Under the 1903 Treaty the United States secured the grant in perpetuity of full sovereign control over the Canal Zone for the construction, maintenance, operation, sanitation and protection of the canal—Hay-Bunau-Varilla Treaty of 1903.

Second. On May 25, 1904, Panama recognized that its jurisdiction over the Canal Zone ceased to exist on exchange of ratifications of the treaty, which was February 26, 1904. (H. Doc. No. 474, 89th Cong., p. 26.)

Third. Later, the United States secured title to all privately owned land and property in the zone from individual owners at a cost estimated on June 30, 1974, to total $166,372,173, which makes the Canal Zone by far our most expensive territorial acquisition. (CONGRESSIONAL RECORD, Jan. 17, 1975, p. 619).

Fourth. The total net investment of the U.S. taxpayers in the canal enterprise, including its defense, 1904–74, was $6,880,370,000. (CONGRESSIONAL RECORD, Dec. 5, 1974, p. 38294).

Fifth. Colombia, the sovereign of the Isthmus prior to November 3, 1903, has recognized the title to the Panama Canal and Railroad as vested "entirely and absolutely" in the United States. (Thomson-Urrutia Treaty of 1914–22.)

Sixth. The validity of the U.S. title has been confirmed by the U.S. Supreme Court (*Wilson* v. *Shaw*, 204 U.S. 24 at 33–35).

Seventh. The United States has met its treaty obligations in the management of the canal for the benefit of all nations on terms of equality, including those of Latin America.

Eighth. Panama has been the greatest single beneficiary of the canal, which has given it the highest per capita income of all of Central America with benefits to Panama from Canal Zone sources in 1973 totaling $187,490,000—Panama Canal Spillway, June 7, 1974.

Ninth. The U.S. Constitution vests the power to dispose of territory and other poverty of the United States only in the Congress, which includes the House as well as the Senate—article IV, section 3, clause 2, U.S. Constitution.

Tenth. The Kissinger-Tack "agreement on principles" was not authorized by the Congress and hence is not valid. CONGRESSIONAL RECORD, May 15, 1975, page 14558.

Eleventh. A total of 37 Senators and 129 Representatives have introduced identical resolutions opposing any dilution of U.S. sovereignty over the Canal Zone.

Twelfth. Members of the Congress have received thousands of letters from all of the 50 States as well as from leading canal employees, strongly opposing any surrender at Panama.

Thirteenth. Major national organizations such as the American Legion, Veterans of Foreign Wars, the DAR, and SAR, and U.S. Industrial Council as well as certain State legislatures, have likewise opposed any weakening of our sovereign control over the Canal Zone.

Mr. Speaker, as shown by the experience of the Suez Canal, the Panama Canal requires the sovereign control of a great power with adequate forces to protect it. In view of the war clouds now on the horizon in various parts of the world, instead of weakening our position on the isthmus, U.S. defenses there should be strengthened. Rather than reducing the size of the Canal Zone its area should be extended to include the entire watershed of the Chagres River.

In view of the importance of the Canal Zone for the future efficient operation and protection of the canal, the present leaders in the State Department certainly have no right to prejudice future U.S. generations in regard to American sovereign control over what is the jugular vein of hemispheric defense. There is only one flag that should fly over it and that is the flag of the United States.

As a consequence of what has been transpiring in regard to the Canal Zone, informed citizens of the United States have become gravely concerned. They have written the President and the Secretary of State as well as to Members of the Congress expressing their opposition to the projected giveaway. What do they receive from executive agencies in reply? Letters that seem to have emanated from one source asserting the belief that it will be possible to negotiate a new treaty that will protect U.S. interests and at the same time meet Panamanian aspirations, but without defining either. The Panamanian objective has nowhere been more succinctly stated than by former Minister of Finance of Panama, Gilberto Arias:

> In the future, with God's help, we will achieve our objective: that the Panama Canal be the property of Panamanians, under full and absolute jurisdiction of the Republic of Panama, maintained by Panamanians, operated by Panamanians, sanitated by Panamanians, and protected by Panamanians. (Ho. Doc. No. 474, 89th Congress, p. 203).

Moreover, Chief of Government Torrijos has made repeated threats of violence in event of inability to secure the desired new treaty.

As I have stated on numerous occasions, a long-range aim of the U.S.S.R. is the control of strategic waterways. In the Caribbean, it has Cuba with missile bases, Soviet submarines prowl in nearby waters, and Soviet agents have infiltrated the Panamanian Government. Thus the issue with respect to the Panama Canal is not U.S. control over the Canal Zone versus Panamanian, but continued U.S. sovereignty versus Soviet domination. We certainly do not wish a Vietnam type of retreat at what is the strategic center of the Americas that forms a part of the coastline of the United States and is an essential element in American sea power. The very idea of its cession to Panama or any other body is unthinkable.

The action that should be promptly taken by the Congress is authorization for resumption of work on the suspended third locks project for the major modernization of the existing Panama Canal as provided in measures now before the Congress. Certainly the Congress will not approve the necessarily large expenditures for such a major project except in an area over which the United States has sovereign control.

For more than 10 years the State Department has been advocating a policy of surrender of the Canal Zone without the authorization of the Congress. Its officials have never publicly refuted the exaggerated claims of Panamanian extremists and other agitators. Instead, they have made many pronouncements that have only created false hopes among Panamanian politicians and radicals.

In the case of the ship *Mayaguez* in Southeast Asia our Government took a strong stand, and has won almost universal support among our people. The stake at Panama is far greater in the current struggle for world power. The time has come to take a like stand to protect the security of transit at Panama. I now call upon the President to terminate the present diplomatic negotiations

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for disposal of the Canal Zone and canal, which the Congress has never authorized and never will.

Mr. Speaker, in order that the Congress and the Nation at large may evaluate the indicated Sorensen article in the light of the above enumerated realities. I quote it as part of my remarks and urge prompt action by the Congress on the pending Canal Zone sovereignty and major canal modernization measures.

The indicated article follows along with a perceptive editorial by the late Maj. Gen. Thomas A. Lane, one of our Nation's leading strategists:

[From the New York Times, May 16, 1975]

About That Piece of the Good Old U.S. of A. in Panama

(By Theodore C. Sorensen)

No gulf separating the Congress and the Organization of American States general assembly, now winding up in Washington, is greater than the ten-mile-wide Panama Canal Zone. That strip through the heart of a poor but proud nation, is, under a 1903 treaty, still subject forever to the United States' sovereign control.

Last year, Secretary of State Kissinger and the Panamania Foreign Minister, Juan A. Tack, adopted a statement of principles for a wholly new treaty with a fixed termination date respecting the territorial sovereignty of Panama.

But Strom Thurmond, Republican of South Carolina, backed by more than the necessary number of Senators, says he will block any such treaty. In that event, the Panamanian Chief of Government, Gen. Omar Torrijos Herrera, told me last month without rancor or bluster, it may be impossible to avoid guerrilla warfare.

Our side would have a vastly superior military force—as we used to say in Vietnam. But the other side would once again have the banner of nationalism, generations of resentment, a strong and determined leader, and the sympathy of most of the world.

If war closed the Canal the Panamanians would have more to lose than we would—as we used to say about the Arabs' embargoing oil. But the Panamanians' need for the absurdly low rentals and other income now received from the Canal, already reduced by the development of minerals and other sources of revenues, is more than offset by their need for a greater sense of national dignity.

Today, by crossing a street in the midst of their own country, Panamanians become strangers in a strange land, subject to foreign laws, foreign policemen and foreign courts in a language they cannot read or speak.

Today, on enormous military installations wholly unrelated to Canal defense, the training of Latin-American counterinsurgency forces—bitterly criticized by many of Panama's friends in the hemisphere—takes place in their very midst without their consent.

The 1903 treaty grants us the sovereign rights associated with colonial rule "in perpetuity." The treaty, accepted sight unseen under duress and in haste by the infant Panamanian Government, reflected Theodore Roosevelt's concern that our country might otherwise never achieve a two-ocean Navy or direct commercial transportation links between our two coasts.

"You and I know very well," Secretary of State John Hay wrote Senator John C. Spooner at the time, "how many points are in the treaty to which many patriotic Panamanians would object." They still object, and their patience is nearing its end.

The threat seems as foolish and distant today as it did in Vietnam a generation ago. But it could be equally disastrous to this country's global position. Any conflict that blocked the Canal would be viewed abroad as a product of our intransigence.

We can and must keep the Canal open, and obtain its long-needed enlargement and modernization, by adopting a new treaty in accordance with the Kissinger-Tack principles. The Panamanians have not irresponsibly demanded a treaty requiring our immediate abandonment of the Canal, its operation, its defense, or the large number of United States families who have lived there for generations. But neither will Panama's feelings be assuaged this time by increased financial payments alone. Justice and independence do not bear a price tag.

A new treaty should respect Panama's desire to judge her own people, govern her own territory and participate in administering the exploitation of her principal natural asset—her location. If our imperial past and Pentagon pressures cause the Senate to reject such a treaty, then we will not only alienate all of Latin America but also risk the future of the canal and hemispheric peace.

[From the Strategic Review, Winter 1974]

The Problem in Panama

Ellsworth Bunker, so-recently our esteemed Ambassador to the Republic of Vietnam, and presently in charge of negotiating an adjustment of treaty arrangements with the Republic of Panama, has announced the conclusion of a broad negotiating agreement committing the United States to surrender its sovereign rights in the Canal Zone. The change would be made through the negotiation of new treaties for operation and defense of the Canal.

The announcement was accompanied by sympathetic propaganda in the press, affecting to reassure our people that Canal Zone sovereignty is a relic of the colonial era which affronts our neighbor, Panama, and must be relinquished to restore good relations. We think such treatment is a serious disservice to an important question of policy.

When the United States became interested in building a canal at Panama, the isthmus was a disease-ridden jungle area in which a French company, in twenty years of effort and at a cost of 20,000 lives, had failed utterly to overcome the problems of sanitation and engineering. In a decade of great investment of money, energy and both medical and engineering skills, the United States transformed the country of Panama, as well as the Zone, and in 1914 opened the waterway.

To protect this investment, which was to be for the ages, the United States, under the terms of the Hay-Bunau-Varilla Treaty of 1903 with Panama, had taken full rights of sovereignty in perpetuity to a zone ten miles wide embracing the Canal route. It had also undertaken, in the Hay-Pauncefote Treaty of 1901 with Great Britain, to operate the Canal for world commerce with no special privileges for U.S. shippers.

It is estimated that the net cost of the Canal to the United States to date, including defense and not including interest on investment, has been about $6 billion.

Until the riots in Panama in January, 1964, the United States had made concessions to Panama on various aspects of the 1903 Treaty but had firmly resisted claims for relinquishment of sovereignty. It is this apparent change of position on the perpetuity of U.S. sovereignty which raises important new questions of policy.

Under the 1903 Treaty, the authority and jurisdiction of the United States in the Canal Zone are legally unchallengeable. The Canal, the U.S. investment in it, and the interests of world commerce are secure.

Under the proposed retrocession of sovereign powers to Panama, that Republic would acquire sovereign rights and authority over the operation and defense of the Canal; and the United States would then hold any such rights only by virtue of its treaty with Panama. Against eviction by a hostile government in Panama, the United States would have no more legal standing than Britain had against Egypt in its base at Suez in 1951.

The population of Panama is about the same as that of Detroit, about 1.5 million. The proposition before us is that Panama holds some inherent right of sovereignty which entitles it to take over this high American investment and operate it for its own benefit. It is perfectly clear that Panama has no such right today, and that it will not have such authority over this critical waterway unless the United States now cedes this authority to Panama.

We suggest that to enter such negotiations today is a serious abandonment of U.S. authority and responsibility. To confide this crucial waterway to the nominal control of a small country which is ill-qualified to administer or defend it is an act of Great Power irresponsibility. If Great Britain had in 1951, asserted the world interest in Suez and committed military forces to defend that interest, the Canal would not have been closed but would today be a lively artery of commerce bringing great tributory benefit to the people of Egypt.

The belief of some officials that U.S. operation and defense of the Canal under treaty provisions, instead of under sovereign authority, would eliminate the friction of recent years is a calamitous misjudgment of the present scene. Marxist-Leninist subversion would be intensified by such a retreat. Friction would mount and the U.S. position would become intolerable. The United States would be compelled to use force against the Republic of Panama, or to withdraw and allow the Canal to be operated and defended by another lessee. That is a prospect which no President should impose on his successors.

If U.S. sovereignty is to be surrendered in two decades or five decades, that decision should be made by Americans who will be in charge of national policy at that time. The only proper consideration for our leaders today is whether the United States should surrender sovereignty here and now. If they will not act affirmatively now, they should not prejudice the right of another generation to act in its time.

RABBINIC MISSION TO WASHINGTON

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. ABZUG) is recognized for 10 minutes.

Ms. ABZUG. Mr. Speaker, the New York Board of Rabbis, led by Rabbi Sol Roth, president, Rabbi Jacob Goldberg, chairman of the Israel Committee, and Rabbi Harold H. Gordon, executive vice president, held a Rabbinic Mission to Washington. Rabbis from many areas appeared on the west steps of the Capitol in deep prayer for the support of Israel. The following is a statement read by Rabbi Roth during that prayer mission:

Statement of Support for Israel at the Rabbinic Mission to Washington, May 21, 1975

The New York Board of Rabbis is deeply concerned over the mounting pressures directed by our Government at the State of Israel. The recent public declaration announcing a need for reassessment; the granting of arms to an Arab country during this period, even while Israel is denied the opportunity for discussions relative to new arms shipments; the labeling of Israel as intransigent and the simultaneous characterization of Egypt as moderate, though it was Egypt that refused any meaningful political concessions in return for the enormous concessions that Israel offered, are the basis for these concerns.

Our country is about to embark upon the celebration of its Bicentennial, and a reassessment during this period is indeed appropriate. We must reassess the obligations that freedom imposes upon us; we must reassess the character of our commitment to the preservation of liberty around the world. An honest and objective reassessment will make it abundantly clear that our Government must maintain its historic commitment to support the democratic State of Israel. We believe that the American people have been and continue to be sympathetic to Israel, because it is a fortress of freedom in the Middle East, and we believe that our Government should reflect this sentiment of the American people.

The New York Board of Rabbis, therefore, urges our Government:

(1) to make a public declaration, in clear and unambiguous terms, that it is committed to the preservation of the security of the State of Israel;

(2) to grant military and economic assistance to Israel in the quantity that will enable it to achieve its goal of security;

(3) to refrain from exerting pressure on Israel to make concessions inimical to its security.

Our dedication to the State of Israel and our attachment to the land of Israel have deep historic and religious roots. Inspired as we are by our own religious commitments and aware of the importance to Israel of our country's continued friendship, we have gathered on this day in the Capitol City to urge the leaders of our country to remain true to the American heritage of support for freedom around the world.

CONGRESSMAN DRINAN RAISES SERIOUS QUESTIONS WHICH REMAIN UNANSWERED IN THE WAKE OF THE "MAYAGUEZ" INCIDENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 10 minutes.

Mr. DRINAN. Mr. Speaker, the list of tragedies and mistakes that occurred in the *Mayaguez* incident multiply every day.

As I speak today we know that 15 U.S. military men are dead, 2 are missing, and 50 are wounded.

In the first hours after the *Mayaguez* operation, the administration suggested the glory of a John Wayne movie. We were told that the Marines shot up the bad guys and rescued the American ship. But more and more each day, Mr. Speaker, the American people ask whether the action taken unilaterally by the President came from a determination to rescue the hijacked ship and the kidnapped crew or rather from the desire of the administration to be able to proclaim, as Dr. Kissinger did, that the *Mayaguez* episode demonstrates that the United States will not be pushed around.

APPLICABILITY OF THE WAR POWERS RESOLUTION

Since the administration has deliberately told us virtually nothing about the essential facts surrounding the *Mayaguez* episode, it is not possible to speak categorically that the war powers resolution, passed over the veto of President Nixon on November 7, 1973, was in fact violated. All of the developing facts suggest, however, that the President certainly acted in a way that was almost totally unmindful of the mandate of the war powers resolution. That law was enacted by the Congress:

> To fulfill the intent of the framers of the Constitution of the United States and insure that the collective judgment of both the Congress and the President will apply to the introduction of United States Armed Forces into hostilities.

One can wonder whether the President observed this fundamental purpose set forth in the war powers resolution in view of the fact that he held at least four separate meetings of the Security Council before making his decision to commit U.S. forces. He did not, however, even inform congressional leaders until after the decision had been made and was in the process of being implemented. Such unilateral action can hardly be described to be totally consistent with at least the spirit of section 1541 of the war powers resolution.

It can be questioned also whether the President complied with section 1542 of the war powers resolution which stipulates that he must "in every possible instance consult with Congress before introducing U.S. Armed Forces into hostilities."

The only possible justification for the President's unilateral action comes from the provision of the War Powers Act which permits the President to introduce U.S. Armed Forces into hostilities when there is "a national emergency created by an attack upon the United States, its territories or possessions, or its Armed Forces." The seizure of an American ship in foreign waters is a very common happening in international life; it cannot be elevated by Presidential fiat to the status of a "national emergency created by attack upon the United States."

It seems fair to say that the only provision of the war powers resolution with which the President did comply was its requirement to report, in the absence of a declaration of war, about any case in which the U.S. Armed Forces have been introduced into hostilities. Although the President submitted a message to Congress within 48 hours of his original unilateral decision to use military force, it can be questioned whether or not the President actually fulfilled the requirements of the reporting section of the war powers resolution. Did the President actually set forth, as required by the law, "the circumstances necessitating the introduction of U.S. Armed Forces?" The President seeks to justify his action by resolving all of the disputed facts in his favor. He alleges that the *Mayaguez* was traveling in international waters. He asserts that the action by Cambodian naval patrol boats was illegal and dangerous. The Cambodians assert that the *Mayaguez* was within the 12-mile limit and was, consequently, traveling in territorial waters. This is of course precisely the contention made by U.S. officials when they seized the Polish trawler, *Kalmar*, on May 12, 1975, off the coast of San Francisco.

The President in his statements to the Congress, left unanswered many additional questions, among which is the issue of whether the crew of the *Mayaguez* knew of the unfriendly interference by Cambodians with other vessels which had been reported in the same vicinity within the immediately preceding days.

The President, furthermore, does not seem to have satisfied a second reporting requirement of the War Powers Act which stipulates that the President shall set forth "the constitutional, legislative authority under which such introduction took place." The President almost totally evades this very specific requirement when he states in the last paragraph of his letter of May 15, 1975, that—

> This operation was ordered and conducted pursuant to the President's constitutional executive power in his authority as Commander-in-Chief of the United States Armed Forces.

He seems to concede, at least by silence, that he had no "legislative authority" and, in addition, made no specific reference to justify the exercise of what he calls his "constitutional executive power"—a phrase which has no legal or constitutional meaning.

CONGRESS RIGHT TO KNOW

The war powers resolution imposes a duty upon the International Relations Committee of the House and the Committee on Foreign Relations of the Senate to take appropriate action after they have received the report of the President. This particular section of the War Powers Act does not limit the duty of taking appropriate action to the situation where U.S. military forces continue to operate in a particular foreign nation.

It is to be hoped, therefore, that the above named committees will as soon as feasible seek to assist the Congress and the country in the implementation of another mandate of the war powers resolution which states:

> The President shall provide such other information as the Congress may request in the fulfillment of its constitutional responsibilities with respect to committing the nation to war and to the use of U.S. Armed Services abroad.

Although the matter is not free from doubt, it can be hoped that the War Powers Act, by requiring specifically that the President "shall" provide the information which Congress requests, has removed from the President any executive privilege which he may claim or any confidentiality which he may assert with respect to revealing the attempts by the administration to resolve the *Mayaguez* situation by diplomatic means.

If the War Powers Act means anything, it means that the Congress and the country have a right to know all of the mistakes and miscalculations which the persons in charge made following their overreaction to the seizure of the *Mayaguez*.

LINGERING QUESTIONS

Among the many questions which simply must be answered if the President and the Pentagon desire any credibility

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with the American people are the following:

First. Why was the United Nations bypassed until the entire affair had been virtually concluded? The U.N. was set up as a peace-keeping agency. By ignoring this particular mechanism in favor of demonstrating military might, the United States lost a supreme opportunity to bring the entire international community into the resolution of not merely this seizure of an American ship, but all acts of violence against ocean-going vessels.

Second. Was it necessary to launch the Marine assault from Thailand in definance of that nation's expressed opposition?

Third. The President reported that three Cambodian patrol boats were sunk, four others were damaged and immobilized, while one other, suspected of having some U.S. captives aboard, was allowed safe passage. For what compelling reasons and with what loss of life were seven boats sunk or immobilized?

Fourth. How can Secretary Schlesinger state that there was no mistake in the deployment of Marines on an island where none of the crew from the *Mayaguez* was being maintained? In addition, who was responsible for the apparent failure of intelligence in sending Marines to an island where they would be confronted with unusual and unanticipated armed assault?

Fifth. For what reason did the Pentagon withhold information about casualties until finally, on May 20, 1975, the Pentagon announced that 15 U.S. military men had been killed, and 50 wounded? Can mere confusion cause the casualty list to fluctuate from 1 dead to 5 and the wounded to go from 21 to 70 and then back to 50?

It is not a pleasant task, Mr. Speaker, to feel obliged to criticize the President who undoubtedly sought to follow his best judgment in a situation where the safety of the 39 crew members of the *Mayaguez* could have been in jeopardy. But his actions must be scrutinized in the light of the War Powers Act, which is grounded on the fundamental premise that U.S. Armed Forces may be introduced only pursuant to the "collective judgment of both the Congress and the President."

CONCERTED SERVICES IN TRAINING AND EDUCATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 15 minutes.

Mr. ALEXANDER. Mr. Speaker, I am introducing legislation today which is directed at amending the Rural Development Act of 1972 to authorize, by law, the Concerted Services in Training and Education Task Force. A companion bill will be introduced by Senator CLARK tomorrow.

This is a program that was created by a 1964 Executive order in an attempt to deal with the unique problems of countryside America.

Despite its demonstrated capability to provide services to rural people in a unique, innovative and imaginative manner, however, this program is proposed for abolition June 30, along with the other programs of the Rural Manpower Service of the Department of Labor.

This action is proposed by the President, in his budget, and by the Department of Labor despite the fact that the Congress certainly intended that programs such as those developed by the Concerted Services in Training and Education Task Force be continued under the Concentrated Employment and Training Act. It is disappointingly clear that CETA is not dealing effectively with the unemployment problems of our Nation's countryside citizens.

I believe that there is general agreement that most of rural America is in dire need of all basic Government services if we are to live up to the commitment the Congress made in 1970 to revitalizing the countryside and in 1972 to balanced national development.

Half of our Nation's poor live in rural America. Sixty percent of the substandard housing in the Nation is in the countryside. The supportive services and facilities, such as health, education, transportation, which are usually taken for granted in urban areas, are either of poorer quality and quantity, unavailable or inaccessible for citizens of the countryside.

Recognition of these truths were the stimulus for Executive Order 10847 which established the Concerted Services in Training and Education Task Force.

The CSTE projects were conceived as a pilot effort to demonstrate that education and occupational training combined with other community and economic development activities can expand job opportunities in countryside communities. They were meant to illustrate that a mixture of educational and occupational training programs and local involvement develops local leadership, individual dignity and initiative in community awareness.

CSTE projects pull together resources from Federal, State, and local organizations and individuals to respond to the manpower needs of citizens of small communities, towns, and cities of the countryside.

The key to the outstanding results being achieved by these efforts has been cooperation among and between local, State, and Federal leaders.

The members of the interdepartmental CSTE Task Force, which governs this program are drawn from Federal agencies which administer programs that can respond to needs of rural citizens.

Two primary and valuable services have been performed by the task force. It has supplied local CSTE coordinators with a package of Federal services which can be employed to solve local problems, as opposed to the usual, uncoordinated process of chasing the available Federal dollars wherever they may be found and for whatever purpose they are available.

The task force also acts to encourage all Federal agencies to work together to meet the needs of countryside areas. This action is wholly consistent with section 603(b) of the Rural Development Act which mandates coordination among Federal agencies with programs which affect rural areas. Success of the CSTE program in bringing about a measure of cooperation between various Federal departments and agencies belies the widely circulated theory that such cooperation is an impossible dream.

Though the legislation which I am proposing ties the CSTE program to the Department of Agriculture for budget purposes the focal point of program delivery will remain the task force. It is essential to the free-form nature of this program that all relevant Federal agencies remain in the act.

USDA's Rural Development Service is already carrying on a modest program of coordinating Federal activities for rural development. My proposal will strengthen this capability. But, it is clear that USDA alone cannot and should not be expected to do the job alone. There are approximately 500 Federal programs which can be used to benefit citizens of the countryside. They are lodged in nearly every Federal agency.

It is with the intent of matching local needs at the proper time with the necessary mix of Federal assistance that this proposal is introduced today.

Early in its work the CSTE Task Force recognized that countryside people have urgent needs for educating and training. Of special concern was the approximately 3 million rural residents who had less than 5 years of schooling; the 19 million who had not completed high school; and the fact that only half as many eligible rural young people, as compared with urban youths, were obtaining vocational or occupational education of attending college.

Thus far no Federal funds have been specifically requested by any Federal agency for the CSTE program. Its resources have come from the allocation of regularly appropriated funds which the Federal agencies had the power to allot to such efforts.

This has made the strength of the program, its multi-agency approach, its weakness at the same time. That is because, at present, CSTE does not belong to anybody.

States obtain CSTE programs by submitting applications in a variety of ways. The task force considers these on a first-come, first-served basis.

When funding appears feasible in a particular State, the Governor of the State is invited to appoint an ad hoc committee to recommend the area where the project ought to be situated.

I do not feel, nor do I think that the creators of the CSTE programs believed, that these projects should be spread by the Federal Government like a carpet across the face of countryside America. I do support the establishment of at least one CSTE project in every State. At present the program involves 49 counties in 14 States.

It seems to me that this is needed so that the accomplishments of the CSTE projects can be used by Governors of the various States to determine the most

effective ways of using such resources as block grant programs for manpower in rural areas. Such success should persuade Governors and State legislators to be willing to finance needed, additional CSTE-type projects.

CSTE coordinators must be able to be innovators in every sense of the word. They must be able to take hold of funds and knowledge from existing sources and combine that with a generous mix of courage, boldness, imagination, and understanding to make Federal, State, and local programs work in the special ways necessary to benefit rural people.

They must continue to search out and employ hidden community resources for the improvement of the quality of rural life. This ability of the CSTE coordinator is enhanced by the fact that they are, in effect, "home town boys."

In identifying local needs and establishing priorities, in training and education, the coordinator makes use of existing overall economic development plans—OEDP's—or other locally developed plans. Where multipurpose regional planning and development commissions exist, the coordinator must complement their work. But, if there is no local planning, the coordinator works with local people to bring it into being.

In pilot areas a manpower inventory is normally conducted by the State employment service. Data are gathered on training interests, needs, and job opportunities to provide a factual basis for full development of the CSTE program.

Training projects responding to the most obvious needs of each area may be established before the survey is completed.

More than twice as many participants from countryside areas are involved in new training and education programs in CSTE project areas than was the case in the past or is the case in adjacent rural counties not in the CSTE area.

In 1969 the Center for Occupational Education at North Carolina State University was commissioned to do a thorough evaluation of the CSTE program. At this point in the RECORD, I would like to submit a portion of the conclusions of that study:

> The costs of the projects have been low, averaging $31,677.00 in each state per year (based upon current budgets). Total coordination costs at the Washington level are estimated at an additional $14,000 per year. The local coordinator is provided a salary, travel expense, office space, secretarial assistance, and in two states, an assistant coordinator.
>
> "In view of this evidence, the evaluators conclude that the continued existence of Concerted Services is justified. Further, these data support a program that includes: (1) a deliberate phase-in of additional units, (2) an enlargement of the Washington liaison office, (3) and a program of internal and external evaluation.
>
> "The question can legitimately be asked whether a cooperative approach such as Concerted Services is a feasible way to help needy rural people, or if it represents a "sell-out" to the power structure. These alternatives are posed in the Report of the President's National Advisory Commission on Rural Poverty:
>
> "Some groups make every effort to work through existing organizations, public and private. Others avoid working with local authorities entirely. The Cooperative Extension Service and the Community Action Program have largely taken opposite routes in this respect. While the Extension Service endeavors to work through the 'establishment' whenever possible, CAP tends to avoid joining forces with the established power structure, especially in rural areas. A more flexible approach would seem to be in order. Local and State authorities can and should be used more effectively than they have been to date. On the other hand, indifference to the plight of those in poverty by the same authorities should not be allowed to serve as a deterrent."
>
> "It would appear that the CSTE pilot projects provide a somewhat fortuitous test of the "more flexible approach" recommended by the Commission. Evidence the evaluation team has collected indicates that it is also a feasible one. Several facts lead to this conclusion.
>
> "First, the coordinators have job security. They thus are protected against pressures from interest groups motivated by parochial views. By contrast, a local government agency employee who has limited access to top level administrators could be forced to transfer to another geographical region or might otherwise be pressured if his views and programs ran counter to those favored by local leaders. The coordinators cannot be subjected to the same kind of pressures.
>
> "Second, a complete explanation does not lie in terms of job security and power arrangements alone. The difference is a broader perspective and a new reference group. The coordinators in their contacts with state, region and national representatives are enabled to acquire new information and a larger perspective for local problems. Their activities are designed to gain the approval not only of local people but of a national task force. Findings from the social sciences indicate that a new reference group is a powerful force in changing the direction of action.
>
> Third, a coordinator who is already known in the area served by the program does not need to sell himself before he sells an idea. The fact that he is generally accepted by local people means that new ideas and information stand a good chance of being heard and accepted.
>
> One further observation seems appropriate. Area development typically benefits those who are already well off. It is probably unrealistic to think that it could be otherwise. If prosperity comes to a given town, those who already own large parcels of property stand to benefit from the improvement. If a town with an exemplary vocational training program attracts new industry, the local banker stands to gain as well as the new employees. In short, those who are already rich or powerful have experience in taking advantage of situations and have resources such as contacts and capital that enable them to maximize the situation.
>
> So, it may be that there is no such thing as a program which assists only the disadvantaged. The solution, then, would appear to lie in developing programs which are designed to help the disadvantaged as well as the advantaged rather than those that benefit only the advantaged. At this stage of development, it is clear that both groups are now being assisted by Concerted Services.

This evaluation indicates quite clearly that CSTE is a common sense program. It works. It is inexpensive. It does not establish a huge bureaucracy to get its job done.

These factors make CSTE unique within the Federal establishment.

Since this is true, what possible reasons can be the basis of a rational, just decision to deprive rural people of this job creating program in a time of such great need as we now experience. We in this Congress, and in the last, have considered and approved a number of proposals, with price tags in the billions, to put the jobless to work. The CSTE program has never cost more than a million bucks. It has gone quietly, maybe too quietly, about the business of doing its job. Now it is slated for oblivion despite its success and despite the strong and continuing need for it.

I intend to push for passage of this legislation. I realize that can not come about before the June 30 "D-Day," Dismantling Day, for CSTE. Therefore, I most strongly urge the Secretaries of Labor; Health, Education, and Welfare and Agriculture to practice equity and understanding on behalf of rural people. I urge them to invest wisely in the future of America. I urge them, and particularly the Secretary of Labor, to see that a portion of the discretionary funds that are available to them are used to keep CSTE operating. The Secretary of Labor, especially, has an opportunity to do this through use of the discretionary funds available to him in the Concentrated Employment and Training Act.

CAN CONGRESS MAKE HARD CHOICES ON ENERGY?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 5 minutes.

Mr. BINGHAM. Mr. Speaker, I am distressed by the decision to postpone House consideration of H.R. 6860, the Energy Conservation and Conversion Act.

The energy crisis has been our most highly publicized problem for 2 years. Since the Arab oil boycott, Congress and the Nation have been acutely aware of the urgent need for an energy program that cuts waste and spurs new production. The people have waited patiently while we met in our committees and task forces; they have listened sympathetically while we—quite properly—denounced the President's program as economically destructive and ecologically dangerous.

Now the time has come to act, to put up or shut up, we are going home. Although we may not intend it as such, the country is—unmistakably—reading our departure as a sign of the inability of Congress to deal with the most important problem that faces the Nation today.

"Bashful Bully," read yesterday's headline in the Wall Street Journal; "Despite Tough Talk, Congress Backs Off On Spending, Energy . . . Realistic, Devious, or Inert?"

The answer we are giving the country to this question is: Inert.

It is not as if our year-and-a-half of discussion had left us in a chaos of mere verbiage, without anything like a program for action. We have a program. H.R. 6860 may not be an ideal bill—in fact, it has already been weakened far too much—but it *is* a solid basis for House action. It responds directly to the program outlines provided by the Wright

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and Pastore task forces. The gasoline tax it proposes will cut back the most obscenely wasteful item in America's bloated energy diet, as will the tax on inefficient automobiles. The import quotas in the bill are unquestionably a less economically disruptive step toward self-sufficiency than President Ford's $3 per barrel import duty. And the energy conservation and conversion trust fund is a potentially useful way to spur development of environmentally safe, new energy technologies.

We must either act now on H.R. 6860, or else face the consequences: Citizens realizing that Congress has backed off from making hard, though necessary, choices; the President acting accordingly, by implementing his own program; and our own subsequent inability to make our inevitable criticism of the President's actions come across as something more than mechanical noise.

Today's headline about a $2 per barrel rise in the price of OPEC oil this fall makes it clearer than ever that hard choices about energy policy must be made, and must be made soon. Congress was elected to make these choices. If we mean to do so, now is the time. If we do not mean to make these choices, we should go home on Friday, and rest. While doing so, we might occasionally take off a quiet half hour to watch the 7 o'clock news, and discover what decisions the President has already made.

Let's cancel the recess and go to work.

FAILURE OF OUR GRAIN INSPECTION AND SUPERVISION SYSTEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. MEZVINSKY) is recognized for 15 minutes.

Mr. MEZVINSKY. Mr. Speaker, over the past 2 weeks, the public has been learning the appalling details of corruption and bribery of privately employed but federally licensed grain inspectors. These inspectors are responsible for seeing that our grain exports which are expected in this fiscal year to bring in over $11 billion from overseas to help our balance of payments, are graded properly and meet Federal sanitary standards.

The failure of our grain inspection and supervision system has resulted in an alarming amount of substandard or insect-infested grain being shipped overseas to our best agricultural customers as well as to nations receiving humanitarian grain aid.

Last week I inserted in the RECORD a fine series of articles by Jim Risser of the Des Moines Register on the corruption in grain inspection. Today, I would like to add two other important articles on this subject, one by William Robbins of the New York Times and the other by Dan Morgan of the Washington Post.

[From the New York Times, May 20, 1975]

U.S. AGENTS PUSH A BROAD INQUIRY INTO GRAIN TRADE—GUILTY PLEAS BY FIVE INSPECTORS IN NEW ORLEANS INDICATE IRREGULARITIES IN HANDLING

(By William Robbins)

NEW ORLEANS, May 19.—Federal agents, conducting a sweeping investigation here and in other ports, are piecing together a picture of corruption in the handling, grading and weighing of grain that raises questions about the integrity of United States standards and the quality of grain shipments to foreign buyers.

Seven privately employed grain inspectors who are licensed by the Department of Agriculture here have been indicted thus far in an investigation that began with charges of bribery for certification of ships for fitness to receive grain.

Five of the inspectors pleaded guilty to accepting bribes.

ALLEGATIONS CITED

Agents conducting a continuing investigation have been taking secret testimony alleging misconduct on another matter—the grading and weighing of grain. Local officials of some of the largest international grain companies have been questioned, some before a grand jury.

The reports to the investigators composed an account of allegedly deliberate loading of misgraded and sometimes wet and sour corn, inspectors who shirked grading responsibilities, fraudulent switching of grain samples and a subtle system of pressures, rewards and favors for inspectors.

The reports include also allegations of intimidation of Federal supervisors who spot-check the work of private inspectors and who are said to work at times in fear of their personal safety. On and near the premises of one grain elevator near here, some have had their automobile tires slashed and some have reported being "jostled" while riding "a man lift," a cage that rides on cables to the high reaches of the grain elevator.

OTHER INQUIRIES UNDER WAY

Investigators are known to feel that potentially far more explosive are possible findings in their inquiry into weighing of grain, although little information has been obtainable thus far on findings in that new phase of the investigation.

Similar investigations, but said to be less advanced, are under way in Houston, another major grain shipping port, and at other shipping points.

The inquiry has serious international implications. Grain makes up most of the $22-billion-a-year earned by this country's agricultural exports—a total of $11.87-billion is projected for this fiscal year—which represents and important tool of foreign policy. About one-third of all grain exports, including much of the corn from the Middle West moves through the port of New Orleans.

Complaints from foreign buyers about the quality of some United States grain exports go back many years, Washington agricultural officials say, but they were heard most recently when a United States delegation went to Moscow earlier this year in response to Russian protests about foreign matter found in the corn they received and about its quality.

Washington officials say they have received similar complaints from European buyers, who are asking for an American delegation to handle their problems. Some officials expressed fear of contract cancellations, which would have trade and economic reverberations reaching back to the farm.

"COULD HURT EVERYBODY"

"This could hurt everybody, but especially the farmers, one Agriculture Department official said. "If there are cancellations, those farmers are going to be mad as hell and they have a right to be."

The investigation is headed by the United States Attorney here, Gerald J. Gallinghouse, and Assistant United States Attorney Cornelius R. Heusel, aided by the Federal Bureau of Investigation, the Agriculture Department's Office of investigations and the Internal Revenue Service, with the cooperation of local officials of the Agriculture Department's Grain Division.

Those leading the investigation have refused to discuss their findings but an account can be pieced together from a variety of sources, including witnesses, their attorneys and others close to the case.

At the core of the cases being developed in the investigation and allegations of a system of interest and close relationships between the inspectors, the agencies they work for and the companies whose handling of grain comes under their jurisdiction.

The private but Federally licensed inspectors work for private organizations whose income, based on tonnages moved, is governed by how expeditiously the grain companies can load ships. Each inspector is continuously assigned to one grain elevator.

SEVEN MAJOR ELEVATORS

There are five private agencies here assigned to inspect for seven major elevators, including those owned or operated by such international grain operations as the Bunge Corporation, Continental Grain, Cook Industries, Inc., and Mississippi River Grain Elevator, Inc., which is owned by Serafino Ferruzzi, an Italian who is a major factor in world trading and processing of soybeans.

The wide-ranging investigation here reportedly resulted from a complaint by a former ship captain, who telephoned the F.B.I. expressing shock after overhearing an offer of a $2,500 bribe to an inspector by the master of a vessel seeking certification for cleanliness and fitness to receive grain and a demand by the inspector for a higher payment.

In the investigation that followed indictments were brought against seven inspectors for accepting bribes to certify ships, a ship-clearing concern and its president for bribery and a grain sampler for perjury.

FIVE PLACED ON PROBATION

Only one of the inspectors has gone to trial. The five who pleaded guilty were placed on probation with light fines. The inspector who went to trial, William E. Fleetwood 3d, was convicted but has appealed. Another, James Timonet, who was accused of perjury as well as bribery, is awaiting trial.

Testimony at the Fleetwood trial pictured a pattern of bribery going back at least several years to a time when $250 to $300 was the "going rate," according to a shipping agency official, for buying certification of a ship. But inflation set in until Mr. Fleetwood was reportedly offered $2,500 and demanded $5,000 for his signature on a certificate of fitness for the ship.

There appeared to be competition for the bribes. Once the ship had been rejected by Mr. Fleetwood, after her operators refused to meet his price, according to the testimony, another inspector offered to accept $2,500 and signed a certificate even before boarding the ship.

The second inspector, Clearence P. Baker, who pleaded guilty and appeared as a Government witness at the Fleewood trial, testified that he had to go through with the inspection because he was accompanied by an apprentice. He said he found the ship clean.

GO-BETWEENS USED

There was also testimony indicating the practice was encouraged by go-betweens for personal gain.

A boarding agent who said he regularly carried bribes from one shipping agency testified that he always expected to get "something for myself." He succeeded. He confessed to keeping up to $2,500 of the bribes offered.

One of the men indicted said in an interview he accepted bribe money "just because it was there." In the case to which he pleaded guilty he said of the ship "she was clean.

"I was going to approve her anyway," he said.

But there was also testimony indicating that it was often more economical for shipping operators to pay bribes than to spend the time and money to have the ship properly cleaned. The boarding agent testified that "the woman who represented the company that ran the ship authorized us to pay off every time."

He said that the cleaning job was particularly difficult because of the large size of the ship.

Two large checks used in payoffs were shown at the trial, one for $1,000 and one for $5,000. One carried a notation indicating the name of the ship for which a payoff was made, M.V. Virginia, and the stub of the other check carried both the name of the—ship, the Lotus Flower, and the notation, "Gratuities for grain surveyor."

SHIPPING OFFICIALS NAMED

Some high ranking officials of shipping companies were named at the trial as having authorized payments but they have not been indicted.

Two principal clues apparently led investigators from the ship certification cases to the grain-grading and weighing phases of the investigation.

One was the fact that some of the ship inspectors were also licensed to inspect grain.

But more important, apparently, was the discovery by a Federal supervisor of a ship being loaded with sour corn.

"The odor was so high you could smell it all the way to the elevator," one Federal supervisory official said.

A witness in the Fleetwood trial gave this account of the episode to a reporter. While the ship was being loaded, the inspector in charge quit work early but the loading continued unwatched. A federally licensed grain sampler, with no one to check his samples, stopped his own operations.

Sometime later, with the loading continuing at full speed, two Federal supervisors arrived, an alert was sounded and the sampler ordered operations to a halt.

IT WAS TOO LATE

It was too late. Detecting the odor of sour grain one of the Federal supervisors telephoned the director of the local field office of the Agriculture Department's Grain Division. The director, Harlan L. Ryan, dispatched an agent to make deep probes into the holds of the ship.

During the current investigation, the sampler was indicted for perjury for falsely attesting that he had been properly performing his duties. He pleaded guilty and was given a fine and a suspended sentence.

For the sampler, Laurence Berthelot, who was found by a reporter working as a laborer, his hands deep in debris that he was cleaning up behind a gasoline station, his life has been drastically changed. Many of those involved in the case have had difficulty finding any kind of employment.

Paraphrasing a blues song, Mr. Berthelot said: "If I didn't have bad luck, I'd have no luck at all."

The supervisor who discovered the sour grain on the ship, Robert Johnson, left the Grain Division after hearing rumors that a "contract" was out to break both his knee caps, though there is no evidence of a link between the discovery and the rumors. Mr. Johnson has avoided talking to reporters.

EMPLOYEES OF PRIVATE UNITS

The inspectors indicted were employes of several private agencies, one of which is the New Orleans Board of Trade, Ltd., an organization whose main function is to promote trade and commerce. Its members and directors include officials of grain and shipping companies. Its inspectors grade grain at elevators of Continental Grain and at Public Grain Elevator of New Orelans, Inc.

Other agencies with indicted inspectors, include Delta Weighing and Inspection Bureau, Inc., whose inspectors operate at Mississippi River Grain Elevator, Inc., and the Destrehan Board of Trade, Inc., whose inspectors work at Bayside Elevator, which is operated by Kirk Industries, and at the local elevator of the Bunge Corporation.

Delta Weighing and Inspection is headed by Sidney W. Provensal Jr. an attorney who is said to be a powerful political figure in Plaquemines Parish (County) and is an associate of Leandor H. Perez Jr., president of the parish. Destrehan Board of Trade is headed by Bryan J. Lehmann Jr., a former state representative of St. Charles Parish.

Much of the work of the investigators has reportedly focused on operations of at least some of the inspectors or former inspectors working for Delta and Destrehan.

HEAVY PRESSURE REPORTED

At Destrehan, one witness reported receiv- told by witnesses, heavy pressures were applied on inspectors to give favorable grading decisions, to expedite the loading of ships and not to hold up costly operations for cleaning foreign matter from grain or because of batches in which weevils were found.

The inspectors work long hours for the modest pay of $900 a month or less but approximately double their earnings with weekend and other overtime. Their rewards also reportedly include large bonuses.

At Destrehan, one witness reported receiving pay for five hours a week of unearned overtime, quarterly bonuses of $400 and a Christmas bonus of $1,000.

"And of course we all got turkeys at Christmas," one former inspector said. He also told of inspectors entertained by elevator personnel with expense account lunches.

But more important, he said, were strong friendships developed as inspectors worked continuously at the same elevators.

IT'S A FAMILY DEAL

"We were all friends—it's a family deal," he said.

"It's incestuous," a Federal grain official commented.

Investigators have been told of wet grain loaded directly from barges to ships without drying to prevent spoilage. In some cases, according to one former inspector, "the corn would be so wet and hot it smoked when you lifted the cover."

The principal victims of the most serious misgrading and any weighing discrepancies, agriculture officials believe, have been less developed countries receiving food aid shipments. Such countries generally lack adequate weighing or inspection systems.

Discrepancies found by other countries are often settled by negotiation and price adjustments, officials say, with only the most serious cases reported in complaints to agricultural attaches at United States Embassies.

According to former inspectors, some elevators have a system to alert personnel when Federal supervisors approach the premises. The system misfired at one elevator in a case that amuses officials here. One supervisor had somehow reached his grain inspection laboratory unnoticed when another approached the elevator.

A guard, dialing a wrong number, reached the Federal laboratory and hissed a warning—to the Federal supervisor—that a federal supervisor was coming.

Federal officials have noticed that in some instances ship loading proceeds much faster when no supervisors are on the scene. In one case cited, at Mississippi River Grain Elevator, 40,000 bushels of corn were loaded in each of two eight-hour shifts with supervisors present, but 350,000 bushels were loaded in the third shift with no Federal supervisor on duty.

CONSTANT SUPERVISION

Mr. Ryan, head of the supervisory office, has ordered round-the-clock supervision at the elevator.

The constant surveillance resulted in a suit, subsequently dropped, seeking an injunction against "unreasonable and non-justifiable surveillance, regulation and control."

Asked about the suit in an interview, Benjamin C. Toledano, the company's attorney, said he had been merely seeking a declaration as to whether discrimination against Mississippi River Grain was involved and whether similar surveillance was being conducted at other elevators.

He asserted that the slower pace of loading during surveillance was "an example of the way they impede our work."

"We're dealing with tremendous amounts of money," he said. He said he could prove that surveillance, including unloading and reloading of ships, had cost the company more than $1-million. Sometimes low-quality grain, because of fast-moving conveyors, gets aboard before inspectors or supervisors can alert the loaders.

"How could that be?" Mr. Ryan responded when asked for a comment. "We don't load the grain, we don't tell them to unload. We just give them the best grade the grain qualifies for."

In some cases, he said, grading necessitates cleaning of impurities from grain, a process that slows ship loading.

Mr. Toledano asserted that the elevator had "set a world record," loading 201 ships in 1973 "with not one complaint from a buyer."

Asked about reports of intimidation of supervisors on the Mississippi River Grain premises, the lawyer responded: "The waterfront is not the Bolshoi Ballet, you know. These are tough guys, and they don't like those creeps from the Department of Agriculture always looking over their shoulders."

Asserting that some countries adjust grading practices in poor crop years, such as 1974, he said: "These bureaucrats act as if every crop year is a good crop year."

Federal regulations are written with precise requirements as to the amount of foreign matter, kernel damage and moisture that can be permitted for each grade of grain.

Mr. Toledano acknowledged that the executive vice president of Mississippi River Grain had been among witnesses called before a grand jury. The executive, Giovanni Rametta, was asked whether he had advised an officer of another company to pay off grain inspectors and had denied giving such advice, the lawyer said.

"We've never made a gift of anything," he said. "Maybe a couple of Christmas turkeys, but we don't feel we've done anything wrong."

Mr. Lehmann, who heads Destrehan, acknowledged that he had been questioned before a grand jury and said he had been asked about inspectors' bonuses and unearned overtime payments. He said the payment of bonuses was a general practice among the inspection organizations and that extra overtime had been paid to bring Destrehan inspectors' wages into line with others but that the system has since been changed.

NEWS TO ME

Mr. Lehmann said he knew of no pressures on the inspectors to misgrade grain.

"We stand as an impartial judge between the buyer and the sellers and always have," Mr. Lehmann asserted.

Mr. Provensal, who heads the Delta agency, said "that's all news to me" when asked about possible pressures on his employes to misgrade grain. He said he knew of one witness who had testified to giving payments of $1,500 and $5,000 to a Delta executive but asserted:

"That's a damn lie and I know it—I'm confident none of my people have been involved. I give them a bonus. They don't get money from anybody else."

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Mr. Provensal asserted that he had never heard a complaint about grading or weighing of grain by his employes from any customer.

A vice president of Cook Industries, Willard Sparks, said that the ship found loaded with sour grain at Bayside Elevators had been completely unloaded to avoid any possible problem. He said the Cook employe doing the loading had been operating automatic equipment from a control room.

"The guy doing the loading doesn't go out and smell the grain," Mr. Sparks said.

The executive said all Cook employes "know it's company policy" not to try to put pressures on inspectors.

The director of Continental Grains' New Orleans division, David Borchert, said he knew of no problems for his company in connection with the investigation and that none of its officers or employes had been before a grand jury.

"None of our people are in any way involved," Mr. Borchert said.

The director of the Bunge Corporation's New Orleans division could not be reached for comment on the port situation here.

Federal officials and others here say they believe that only by conversion to Government grading can the problems found in the Port of New Orleans be resolved. One company, Cargill, has requested constant Federal supervision and is paying a fee to obtain the service.

[From the Washington Post, May 21, 1975]

FOREIGN BUYERS COMPLAIN OF POOR QUALITY U.S. GRAIN

(By Dan Morgan)

Numerous foreign buyers of American grain have filed complaints with the government that they have received substandard, misgraded or disease-ridden corn and wheat since 1973 it was learned yesterday.

The countries include many of the United States' best agricultural customers, such as the Soviet Union, Britain, Italy, West Germany and India.

The dissatisfaction expressed in the complaints has included warnings that the customers will switch to non-American suppliers unless the situation improves.

In confirming an increase in complaints, officials of the Department of Agriculture also expressed fear that the poor quality of corn shipped abroad from the 1974 crop has already cost the United States some markets.

Leading Italian grain traders met in Milan last week to establish a strategy for dealing with what they said was a pattern of deliveries of substandard American corn unfit for use in average animal feeds. A spokesman for the group said the aim was to "beat unsatisfactory American behavior."

At the same time, a senior Soviet trade official, Evgeny Bannikov, arrived in this country to study American inspection and grading methods, following Soviet allegations that recent corn shipments contained an unacceptable number of broken kernels.

It was also learned that the State Department is looking into charges by grain handlers in the African Sahelian region and in Ethiopia that food sent as drought and famine relief in 1974 contained misgraded or even diseased material. Sources at the State Department said this investigation was not yet complete.

The widening international concern over the quality of American grain shipped abroad comes as federal investigators are conducting a far-reaching inquiry into dockside corruption in Houston and New Orleans involving federally licensed grain inspectors.

Several of the foreign complaints on file at the Foreign Agricultural Service of the Department of Agriculture questions the "correctness" of the grain-grading system.

However, federal officials said yesterday it is still unclear if the problems occurring abroad relate to irregularities in the inspection process or to a poor quality corn crop in 1974.

The investigation in the major Gulf ports was triggered by a report to the FBI of bribes of up to $2,500 to federally licensed inspectors who clear ships as grain carriers.

Nine persons and a private company were indicted last August by a federal grand jury in New Orleans for bribery in connection with certifying ships as ready to receive cargo. The company and seven inspectors pleaded guilty, one inspector was tried and convicted, and another is awaiting trial.

Rep. Edward Mezvinsky (D-Iowa) last week demanded an investigation of the inspection system. Sen. Dick Clark (D-Iowa) has warned that "corrupt practices" in the inspection of agricultural commodities could undermine the country's trade in farm goods.

The present inspection system is riven with built-in conflicts of interest, congressional critics say.

Responsibility for grading the commodities at the ports and certifying the ships that carry the grain is delegated to private agencies by the Agriculture Department. Some of these agencies are boards of trade or business organizations whose members include grain companies and others involved in export operations.

Inspectors' fees are pegged to the total tonnage inspected. Critics say this practice gives inspectors an incentive to clear ships with dirty holds and to move cargo with as few holdups as possible for poor quality grain.

The Des Moines Register revealed earlier this month that U.S. grain inspectors at New Orleans misgraded a 427,000-bushel corn shipment to Nicaragua in 1972 so that the Nicaraguans got damaged kernels and excess dirt.

Complaints on file in the Agriculture Department indicate that in late 1973, the United States sent India 72,000 tons of worm-eaten corn and the Food Corp. of India had to fumigate much of it.

A Parma, Italy, firm told the U.S. government in April that one lot in a durum wheat shipment from Philadelphia contained up to 80 percent of other wheat varieties. A British firm claimed that samples from an American wheat shipment contained "a large amount of soya beans."

A British flour mill, complaining of a protein deficiency in wheat shipments, said: "One feels on occasion one is buying a commodity with a false description."

One of the principal Irish feed-grain importers complained to the Agriculture Department that it appeared that "an official grain inspection certificate was issued [for 800 tons of grain sorghum shipped from Galveston] which bears no relation to the cargo."

In many of the cases, the department's Inspection Division noted that breakage, overheating and many other factors can change grain following shipment.

A complaint filed last October by a Hamburg, Germany, import firm at the U.S. embassy in Bonn typifies foreign reaction.

Citing alleged deficiencies in the protein content of wheat shipped to Hamburg the firm said:

"We suspect the substantial wheat sales to the Soviet Union are the reason the good quality standard of U.S. wheat could no longer be maintained for the quantities required by the world."

The firm said that mills in Germany pay 30 to 50 percent more for U.S. wheat. Many now feel it is inferior to their domestic varieties. As a result, it "cannot be excluded" that the mills will shift to other grain-producing nations when other supplies are available, the report wrote.

INTERNATIONAL WOMEN'S YEAR

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, yesterday when the bill respecting International Women's Year, which I helped to report out of the Rules Committee and for which I voted on final passage, was up for consideration, I was detained in an important meeting of the Rules Committee and was not able to be on the floor to participate in the debate. Had I been present I would have offered in the debate a statement submitted to the Human Rights Committee of the recent 62d Interparliamentary Union Conference, held at Colombo, Sri Lanka, on behalf of my distinguished colleague, Senator THOMAS J. MCINTYRE and myself, calling upon the committee to adopt a resolution endorsing the observance of International Women's Year. I am pleased to say that our proposal was substantially adopted thereafter by the Human Rights Committee and appears in the final draft resolution adopted by the Human Rights Committee. Mr. Speaker, I include the statement I would have offered in full in the body of the RECORD following my introductory statement:

ADDRESS BY REPRESENTATIVE CLAUDE PEPPER AND SENATOR THOMAS J. MCINTYRE, FOR THE DELEGATION OF THE UNITED STATES OF AMERICA TO THE HUMAN RIGHTS COMMITTEE ON BEHALF OF INTERNATIONAL WOMEN'S YEAR

Mr. Chairman, Dear Colleagues: The United States Delegation endorses and commends the eloquent statements which have been made by the various distinguished delegates in furtherance of women's rights and the resolutions which have been tabled.

The United States, by Constitutional amendment, in 1920, gave women in the United States the vote. In 1963, the Congress enacted legislation providing equal pay for equal work for women. Subsequently, we adopted additional legislation prohibiting discrimination against women in opportunities for employment in education and in various other aspects of women's lives. But in 1972, the Congress, unhappy at the progress that we had made in guaranteeing equal rights to the women of our land, however conscientious our efforts theretofore had been, approved a proposed amendment to the Constitution of our country. That Constitutional amendment provides:

"Equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex."

Today, thirty-four of the American States have ratified this proposed Constitutional amendment. Only four more need ratify it for it to become the supreme law of our land, thereby removing the last vestige of discrimination against the women of our country in any part of their lives.

The United States is helping enthusiastically to celebrate the United Nations designation of 1975 as International Women's Year.

In a proclamation in January 1974, President Nixon called on Congress and the public to provide for national observance of International Women's Year with practical and constructive measures for the advancement of women in the United States.

To this end, President Ford, in January 1975, established a National Commission on the observance of International Women's Year 1975. The Commission is composed of

up to thirty-five public members charged with encouraging appropriate and relevant cooperative activity in the field of women's rights and responsibilities.

The United States Government has also made a special contribution of $100,000 to the United Nations to help pay for the intergovernmental International Women's Year Conference at Mexico City June 23 to July 4, 1975.

Mr. Chairman, in furtherance of this high aim that we entertain, to further the equal rights of women in the world, the United States Delegation respectfully suggests that a resolution in the area of Women's Rights adopted by this Congress shall include the language of the resolution approved in the final act of the Inter-Parliamentary Union Conference on Europe at Belgrade earlier this year. Many of you will recall that that resolution adopted at Belgrade provides as follows:

"Endorse the observance of International Women's Year 1975 with the hope that there should be expanded contacts between women of the various nations of the world in the promotion of the legal and constitutional rights of women and urge the respective parliaments to take appropriate action to assure the equal rights and prerogatives to which women are entitled."

Mr. Chairman, in conclusion, not only the women of the world but all who believe in justice between men and women will heartily applaud a strong declaration by this great organization calling for the fullest measure of equality and justice for women. Women who have been the mothers of mankind, women who have so long borne so many of the burdens of the world.

Thank you, Mr. Chairman.

Further, Mr. Speaker, Senator MCINTYRE and I were pleased, as members of the Human Rights Committee of the Interparliamentary Union Conference held March 31–April 5, that the Human Rights Committee adopted an excellent draft resolution calling in strong language for the fair and effective protection of women's rights by the parliamentary bodies of the world. We were pleased to see the strong statement calling for the fullest protection of women's rights unanimously adopted by the representatives of 56 parliamentary bodies of the world. It shows that the sentiment for the protection of women's rights, while not equally observed in every country, is worldwide in its scope.

I think this draft resolution, to which I have referred, would be of interest to my colleagues in the Congress and to the people of our country and I include it in the body of the RECORD immediately following my remarks.

THE ROLE OF PARLIAMENT IN ACHIEVING EFFECTIVE EQUALITY OF RIGHTS AND RESPONSIBILITIES BETWEEN MEN AND WOMEN

DRAFT RESOLUTION ADOPTED UNANIMOUSLY BY THE COMMITTEE ON PARLIAMENTARY, JUDICIAL AND HUMAN RIGHTS QUESTIONS

Rapporteur: Mr. T. Larue (France).

The 62nd Inter-Parliamentary Conference,

Associating itself with the resolution adopted by the UN General Assembly with regard to the study and development of ways of ensuring equal rights for men and women, and endorsing the central theme of "Equality, Development, Peace",

Endorsing the observance of International Women's Year (1975) with the hope that there should be expanded contacts between women of the various nations of the world in the promotion of their rights,

Recalling that the principle of equal rights is contained in different constitutions and that many civil and social laws have been passed to that effect,

Bearing in mind that the full emancipation of women is a precondition for the democratic, social, economic and political development of all countries and the international community as a whole,

Noting that, despite the significant efforts made by many Parliaments and Governments, women continue to be the object of considerable discrimination, and observing that, in applying such discrimination, mankind is voluntarily depriving itself of the invaluable abilities of half of its members,

Noting the important contribution made to the study of this subject by the report which the International Labour Office prepared for the 60th session of the International Labour Conference,

Declaring its willingness to encourage all measures aimed at ensuring the full development of woman's personalities and qualities,

Expressing the conviction that equality of rights and responsibilities between men and women is individually linked in all countries to economic, political, social and cultural development,

Convinced that this equality between men and women in all countries of the world would contribute to strengthening vigorously the international movement for peace and the international women's movement as well as co-operation among peoples,

Convinced furthermore that such equality would contribute to the full development of freedom and to the pursuit of happiness,

1. Recommends all Parliaments and Governments to examine the condition of women in the context of global socio-economic development and to adopt, if this has not already been done, laws enabling women to be fully integrated in society at all levels and in all fields so as to ensure effectively their complete equality of all planes; in particular, to see to it that:

(a) The education and vocational training of women are improved and developed through the extension of mixed education in such a way that they may benefit without exception—from the same study courses and options as men;

(b) The social and cultural development of each country guarantee to women the right to work without restriction, to receive, for work of equal value, pay equal to that of men and, like men, benefit fully from all provisions of a social nature and that these provisions for equality are included in collective agreements;

(c) Women, when they have become mothers, are able—in the case of prolonged absence—to re-establish themselves in working life by means of retraining and, if possible, priority treatment with regard to recruitment;

(d) Flexible work arrangements, including those relating to part-time work, do not harm the advancement of women, and that women home-workers are protected;

(e) Working mothers benefit from all measures appropriate to their condition during pregnancy and that constant attention be given to their social and medical safety;

(f) The number and variety of State-controlled nurseries, day nurseries and professional day-care services be increased;

(g) Both women and men be guaranteed possibilities for sharing duties more equally at home and in paid work;

(h) Provisions of a social nature and especially those relating to the granting of old-age pensions be arranged in such a way that parents and particularly women, having regard to their present condition, are not penalized for the time spent in bringing up their children;

(i) the right to pensions be made equal for men and for women;

(j) All necessary provisions be made to ensure that legal separation or divorce should not, for the woman, lead to disproportionate burdens to her resources, nor entail other disadvantages of a social nature;

(k) The diffusion of information on contraceptives be at last facilitated by means of social and medical services and appropriate sexual education so that women, men and couples may plan for wanted births in full liberty and responsibility in order that termination of pregnancy be resorted to only in very exceptional cases and only in medical institutions;

(l) Equal rights and responsibilities in the education of children be granted both men and women;

(m) Women be promoted without discrimination within decision-making bodies of all kinds;

2. Calls upon States where women do not enjoy legitimate human rights, to change their policies and implement the provisions of the UN Charter and of the Universal Declaration of Human Rights, and grant women all civil and political rights on an equal footing with men in all fields.

EQUITY FOR THE DIVORCED

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I am today introducing legislation, H.R. 7158, which would reduce from 20 years to 10 years the length of time a divorced woman's marriage to an insured individual must have lasted in order for her to qualify for wife's or widow's benefits on his social security wage record.

At the present time, a woman whose marriage lasted less than 20 years is not eligible for these benefits. I believe that many women who were married for 10, 12, 15, or 18 years too should be eligible for wife's or widow's benefits on their husband's account. It seems to me discriminatory that there is at present an arbitrary cutoff date of 20 years to be eligible for benefits when there exists a significant number of women married more than 10 years but less than 20 years with whom we should be concerned.

There are those persons who support this legislation, as well as some who oppose it. Some of the objections are raised because of a misunderstanding of what the bill does and the fear that providing these benefits to a first wife will lessen the benefits to be provided to the second wife. Nothing could be further from the truth.

This legislation in no way affects the social security benefits to which a second wife and family are now legally entitled under the law. And, if a divorced wife remarries, she would not be eligible for these benefits.

The projected cost estimate of the legislation indicates that it is not prohibitively expensive. The estimated cost of this bill is $70 million. The bill would affect 20,000 to 30,000 persons during the first year it would take effect. The approximate number of women eligible in subsequent years would be 5,000 each year. The reason for the decreasing number of persons eligible in each succeeding year is explained by the fact that most women eligible for the program are

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older women. Younger women, whose marriage lasted 10 years or more, if they do not remarry, generally do work and upon retirement become eligible for benefits on their own account.

I am hopeful that our colleagues, in the interest of reducing discriminatory laws against divorced women, will be supportive of this legislation.

SUPPORT GROWS FOR NURSING HOME REFORMS, AND 111 MEMBERS COSPONSOR HOME HEALTH CARE ACT

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, the newspapers of my State and those of many other Members have been filled in recent months with grim stories of human exploitation and brutality directed against the elderly in our nursing homes. Reports of corruption have mounted, many recently explored by the Senate Subcommittee on Long Term Care, chaired by Senator Frank Moss.

My distinguished colleague, Representative Claude Pepper of Florida, chairman of the new House Select Committee on Aging's Subcommittee on Health Maintenance and Long Term Care, and I are today reintroducing, with cosponsors, a package of 48 bills designed to strengthen and tighten the regulation of our Nation's nursing homes so that we finally end these abuses.

Mr. Speaker, my National Home Health Care Act, H.R. 4772 and H.R. 4774, providing home health services under medicare and medicaid as an alternative to nursing homes for those who do not require the full range of institutional services, is a part of this package. I am pleased to report that this bill now has 111 House cosponsors, and I am hopeful that there will be prompt congressional action on this legislation. Many of these Members are cosponsoring the entire 48-bill package as well.

The package we are reintroducing today has six major goals:

First, to make long-term care more readily available to all older Americans;

Second, to establish higher minimum Federal standards for nursing homes participating in medicare or medicaid;

Third, to improve nursing home inspection, enforcement, and auditing procedures;

Fourth, to require public accountability by nursing homes;

Fifth, to provide financial incentives for good patient care and to encourage the development and rehabilitation of high standard nursing home facilities by loans and interest subsidies; and

Sixth, to provide training in geriatrics and training for physicians, nurses, aides, and orderlies in the special needs of nursing home patients.

I am gratified that the House-Senate package includes a bill which I drafted in response to many of the very serious nursing home problems in New York but which are national problems as well. The legislation would do the following:

First, provide Federal oversight of the closing down of medicare and medicaid nursing homes;

Second, require nursing homes to have transfer agreements with hospitals for specific services deemed unsatisfactory after inspection, in addition to the only currently available options of shutting down the entire nursing home or leaving it open and continuing the inadequacies;

Third, allow State agencies to cut off funds for medicaid facilities pending court review, instead of after. This is already allowed for medicare facilities, but not yet medicaid;

Fourth, require the auditing of Federal reimbursement for nursing homes, with further reimbursement to be based on what a prudent buyer would spend on the audited products and services;

Fifth, require public ownership disclosure of any nursing home interest including real estate and operating interests;

Sixth, require the disclosure of nursing home suppliers;

Seventh, prohibit profit reimbursement for a supply or service if the nursing home operator has more than a 10-percent interest in the supply or service company; and

Eighth, provide for psychological and social, as well as medical, assessment of medicare and medicaid long-term care patients, so that patients can obtain the proper level and form of care—skilled nursing care, intermediate nursing care, home health care, and so forth—without being overclassified into a costly, unnecessary level.

I believe that a national commitment is needed to control nursing home abuses and provide decent care for our elderly. There is a crisis in the health of our elderly and disabled, demonstrated in the many Federal, State, and local investigations of nursing homes.

The package of legislation which Representative Pepper and I are reintroducing today, and which Senator Moss has introduced in the Senate, responds to this crisis.

The cosponsorship of this package by Representative Pepper and Senator Moss, respective chairmen of the House and Senate subcommittees concerned with long-term care of the elderly, and the substantial number of House and Senate Members who have joined in this effort, enhances the chances of passage in this session of Congress.

WIGGINS SUBSTITUTE (H.R. 6985) SECTION-BY-SECTION ANALYSIS

(Mr. WIGGINS asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. WIGGINS. Mr. Speaker, section 2 extends the special coverage provisions of the act, sections 4, 5, 6, and 8, until February 5, 1977, by amending the 10-year period currently in section 4 to read "eleven-year-180-day period." This compares with a 10-year extension of the special provisions until August 6, 1985, as accomplished by section 101 of H.R. 6219.

The reason that section 2 of the substitute has a short extension is that a complete revision of the section 4 trigger is made in section 3(a) of the bill based upon data from the 1976 Presidential election. Until such data becomes available, an extension of the current coverage seems appropriate.

Section 3: This section is the heart of the bill. In two separate divisions, sections 4 and 5 of the Voting Rights Act are revamped to produce bold, new, and rational legislation.

Division A amends section 4 of the act effective February 6, 1977. After that time the following basic changes will occur:

A new trigger will become operative covering States and political subdivisions based upon minority voting turnout in the most recent general Federal election. Whenever a jurisdiction has separately at least 5 percent black or Spanish citizens and less than 50 percent of such persons voted in the most recent general Federal election, then the special coverage provisions of the act will apply.

However, coverage will only be dependent upon the most recent general Federal election so that if a jurisdiction is able to raise its minority voter turnout above 50 percent, then coverage will cease until such time as the minority voter turnout falls below 50 percent.

To prevent the trigger from being unconstitutionally overbroad a jurisdiction may file an action in the U.S. District Court for the District of Columbia to "bail out" if it can prove that no law or practice has or is likely to have the effect of denying or abridging the voting rights of any citizen on account of race, color, or national origin. To prevent a jurisdiction from repealing its laws, obtaining a declaratory judgment, and then reenacting the discriminatory laws, a precaution is provided: The court retains jurisdiction after a successful bailout until after the next general Federal election during which time the Attorney General can reopen the action to recover the jurisdiction.

This mechanism is fair yet practical. The trigger encourages States to turn out the minority vote and to improve election laws and practices, if early bailout is desired. While it is true that a jurisdiction is automatically bailed out once it meets the 50 percent test in a subsequent election, special coverage will be imposed if at any future time the minority vote falls below 50 percent. Also, as will be developed, bolstering the remedies available in sections 3 and 5 of the act will provide an effective alternative for coping with any discriminatory voting laws passed while a jurisdiction is not covered by the trigger.

Under the present act the trigger in section 4(b) encompasses all jurisdictions in which less than 50 percent of all persons of voting age voted in the 1964 and 1968 Presidential elections and in which a "test or device" was employed. Section 4(a) of the current act provides a bailout which is more apparent than real with respect to many of the covered jurisdictions. To effectively bail out of the special coverage provisions of the act, a

jurisdiction must show that for the past 10 years—20 years as extended by H.R. 6219—it has not used a test or device with the purpose or effect of denying or abridging the right to vote on account of race or color—or in contravention of the guarantees set forth in section 4(f)(2) as added by H.R. 6219. However, recent Supreme Court cases have made this bailout almost per se impossible for States which had inferior schools for minorities and used a literacy test in the early 1960's by concluding that the effect of such literacy tests when coupled with the educational disparity automatically results in discriminatory application of such tests.

This trigger mechanism is anachronistic and possibly unconstitutional in that it is not rationally related to the actual denial of minority voting rights; by focusing on literacy tests in existence prior to 1965 without taking account of present discrimination the current act has given the covered jurisdictions no incentive to improve their voting laws.

The trigger suggested in section 3 of this substitute remedies the deficiencies of the trigger in the present act by encouraging States to improve their voting laws so that they may bail out via a declaratory judgment and to encourage a high minority voter turnout in subsequent elections. In this manner current problems are addressed and affirmative solutions are encouraged.

(B) This division amends section 5 of the Voting Rights Act effective February 6, 1977, to produce the following changes:

The power of the Attorney General under section 5 to preclear State voting laws is expanded to require preclearance of all existing voting laws of the jurisdiction regardless of the time they were placed on the books. Under the current act as extended by H.R. 6219, the Attorney General is restricted to reviewing only those voting laws that are different from laws on the books when the jurisdiction was covered. This deficiency in the current act has encouraged States not to change their voting laws and has created a problem of entrenched discrimination whereby discriminatory laws of coverage of a jurisdiction are invulnerable to attack by the Attorney General under the Voting Rights Act. Section 3(b) of the substitute remedies this problem, as noted above, by allowing the Attorney General to review all laws; thus, if a discriminatory reapportionment plan were implemented while a jurisdiction was not covered, the Attorney General could invalidate that reapportionment plan at a later date if the jurisdiction becomes subject to the special coverage provisions of the act.

When a voting practice is submitted for preclearance to the Attorney General, the Attorney General is mandated to examine both the present and probable future effect that such law will have. Under the current act the Attorney General is authorized to examine only the present purpose and effect of the law. Section 3(b) of the substitute thus has the advantage of eliminating laws which are likely to have a discriminatory impact although the immediate impact of such laws has not yet been felt.

Section 3(b) of the substitute mandates the Attorney General to examine voting laws to see if they deny or abridge the right to vote on the basis of race or color or national origin. The current act as extended by H.R. 6219 will only permit examination for discrimination on the basis of race or color or in contravention of the guarantees set forth in section 4(f)(2) of H.R. 6219. The coverage afforded by section 3(b) of the substitute is more progressive and equitable insofar as it prohibits discrimination against any ethnic or national origin group. Unfortunately, H.R. 6219 does not protect the voting rights of ethnic groups who are not American Indian, Alaskan Native, Asian American or persons of Spanish heritage. While the trigger of the act must be geared to cover racial minorities which have been discriminated against, the relief afforded by the act can be and should be extended wherever discrimination in fact surfaces. The substitute accomplishes this laudable objective.

Section 4: This section amends section 3 of the Voting Rights Act in 10 separate ways, all of which are effective immediately except for paragraph (9) which is effective February 6, 1977. The thrust of these amendments is to immediately expand the relief available under section 3 of the Voting Rights Act by incorporating provisions made in sections 203, 205, and 401 of H.R. 6219. These provisions extend the coverage of section 3 to allow an aggrieved person to receive the special coverage remedies of the Voting Rights Act as relief in a suit commenced pursuant to the 14th or 15th amendments to redress the denial or abridgment of voting rights on the basis of race or color or in contravention of the guarantees set forth in section 4(f)(2). Under the current act only the Attorney General may invoke the relief of section 3 to redress a denial or abridgment of the right to vote on account of race or color in violation of the 15th amendment. Section 4 of the substitute improves upon these provisions in H.R. 6219 by allowing an aggrieved person to invoke these special remedies if the right to vote is denied or abridged on account of race or color or national origin in violation of the 14th or 15th amendments. Furthermore, the court is authorized to suspend and retain jurisdiction of all voting qualifications, prerequistes to voting, standards, practices, or procedures with respect to voting to the extent they have denied or abridged the right to vote on account of race or color or national origin. This policy is in contradistinction to H.R. 6219 which denies this relief to certain discreet ethnic minorities that are not of a specific national origin group. To reiterate, while the trigger must be narrowly drawn to accommodate evidence of discrimination, once a voting practice is under review, if discrimination is detected in any form it should be obliterated.

Effective February 6, 1977, the coverage of section 3 is expanded consistent with the expansion of the section 4 trigger, effectuated by section 3(a) of the substitute, to allow the court to strike down and/or retain jurisdiction of any voting law rgardless of when it was enacted. As previously noted, the present act as extended by H.R. 6219 fails to deal with this problem of entrenched discrimination.

Finally, to remain consistent with the period of retention of jurisdiction in a bailout suit under section 4(a) of the new trigger as effectuated by section 3(a) of this substitute, the court is permitted to retain jurisdiction in section 3 of the act only until determinations are made after the next general Federal election.

Section 5: Section 5 is an exact replication of section 102 of H.R. 6219. This section permanently bans all tests and devices as defined in sction 201 of the Voting Rights Act.

Section 6: Section 6 is an exact replication of section 402 of H.R. 6219 and provides that a reasonable attorney's fee may be awarded to the prevailing party in a suit under this act.

Section 7: Section 7 amends title II of the Voting Rights Act to mandate the Director of the Census to conduct surveys to elicit the citizenship, race or color, and national origin of each person of voting age in the Nation and the extent to which such persons were registered to vote and in fact voted in the election surveyed. While it is mandatory for a person to supply such information, a precaution is provided to protect the person's right of privacy with respect to other matters: Every person is fully advised of his right to fail or refuse to furnish information concerning his political party affiliation, or how he voted or the reasons therefore, and specific exemption from the penalty provisions normally imposed by statute is provided. However, the normal criminal penalties that are pertinent to other official surveys in order to insure accurate statistics are incorporated with respect to the relevant information elicited in this survey.

Section 403 of H.R. 6219 has a similar survey procedure. However the survey procedure in section 403 applies only in covered jurisdictions, fails to elicit citizenship, and does not make responses mandatory. In light of the reliance of the new trigger in H.R. 6219 and the substitute upon ascertaining the citizenship of certain language minorities, it is imperative that any survey gather data to ascertain this factor.

Moreover, since the new trigger set forth in section 3(a) of this substitute is applicable to more than one election, it is necessary to survey all States rather than only the covered jurisdictions. Lastly, it has been convincingly demonstrated in other official surveys that unless responses are made mandatory subject to the sanction of mild penalty, the data received may be statistically insignificant. The case law is clear that in order to establish information necessary to guarantee voting rights that any imposition such a survey may have on the right of privacy must give way to an overriding governmental interest.

Section 8: Section 8 is a replication of

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section 404 of H.R. 6219 and merely extends the anti-fraud provisions of section 11(c) of the Voting Rights Act to apply to the election of delegates from Guam and the Virgin Islands.

Section 9: Section 9 is a replication of section 405 of H.R. 6219 and codifies a regulation enabling the Attorney General to give affirmative approval to a voting change submitted to him under section 5.

Section 10: Section 10 is a replication of section 406 of H.R. 6219 and corrects an erroneous statutory reference incorporated into the act in 1970.

Section 11: Section 11 is a replication of section 407 of H.R. 6219 and represents an amendment to recognize the existence of the 26th amendment to the Constitution as it relates to the 18-year-old vote.

Section 12: Section 12 is a replication of section 408 of H.R. 6219 and recognizes case law and the 24th amendment as it relates to the poll tax.

Section 13: Section 13 incorporates an expansion of section 6 of the act to embrace the 14th amendment. A similar section is set forth in section 205 of H.R. 6219.

Section 14: Section 14 tracks the language of section 206 of H.R. 6219 in extending the protection of the act to cover ethnic minorities. Consistent with the other provisions of this substitute, such protection is extended to cover all national origin groups rather than the four groups singled out in H.R. 6219.

INTRODUCTION OF NATIONAL PARK SERVICE WILDERNESS PROPOSALS

(Mr. SEBELIUS asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SEBELIUS. Mr. Speaker, as the ranking minority member of the Subcommittee on National Parks and Recreation of the Committee on Interior and Insular Affairs, I am today introducing 40 bills—H.R. 7167 through H.R. 7206—which propose the designation of wilderness in various units of the national park system.

These bills all represent proposals of the administration which have resulted from studies required by the Wilderness Act of 1964 to be conducted and submitted to the Congress for its further consideration.

I want to make it perfectly clear at this time that in introducing these bills I take no particular position with regard to them. However, in order for the committee and the House to have an opportunity to review and consider the results of these studies mandated by the Congress, it is only appropriate that these administration proposals be introduced. I am fully aware that as these proposals may receive committee consideration in the future, there will be alternative proposals advanced on some of them by members and interested parties.

A great amount of time, effort and money has been expended by the National Park Service and interested citizens across the country over the past decade in the development of these and alternate wilderness proposals for these national park system areas. In view of this, and in consideration of the fact that all of this effort has occurred at the direction of the Congress through enactment of the Wilderness Act, I would hope that the Congress will move to conclude what it initiated a decade ago, with the prompt consideration of the proposals embraced by the bills I am introducing today, along with alternative proposals as they may develop.

A KEY SOLUTION TO CONSTRUCTION INDUSTRY PROBLEMS

(Mr. MILFORD asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. MILFORD. Mr. Speaker, day after day we all have people trail through our office, writing and telephoning their requests for what the Federal Government can do for them.

Therefore, when out of the blue, a constituent drops a workable idea on us we are flabbergasted. Particularly when it is one which does not cost the U.S. Treasury one red cent, nor asks us to do anything.

Mr. Speaker, fellow colleagues, that is what happened to me just the other day. And I am so flabbergasted, I want to pass along the idea, and include a report written by Mr. Walter Browning who has the Browning Co. in my district.

Mr. Browning was in Washington for the National Home Builders Association meeting.

But he stopped by my office just to shoot the breeze. On his way out, he casually dropped a two page document on my desk and said, "Why do you not take a look at this when you have time."

Last night I did just that.

And, my friends, this man may well have the "better mousetrap" to breathe life into the deflated housing industry which is plaguing both housing and employment problems in this Nation from coast to coast.

Mr. Browning says of his own industry:

> We have failed because we are not fulfilling our purpose. We are not building houses which 80 percent of our people can afford to buy.

But he insists that the housing industry can meet the needs of the people and appeal to a new and overlooked market by "thinking small."

The bulk of this market, according to Mr. Browning's research, are the young people under 30 who are in the $100 to $150 a week salary category in Fort Worth, Tex.

Instead of subsidizing houses—a plan we have seen is almost impossible to manage, maintain and accomplish the objective— permit the building of small, 800 square feet—two bedroom, one bath—brick duplexes on a plot of land the size of a single dwelling.

He says further that any small builder could build such housing with minimum costs, and many of our low income young people could afford to buy one side of the duplex—without a Federal subsidy.

I do not know about all of you but I can tell you that I spent many a happy day in a house no larger than that. The Congress found, through the abuses and mismanagement in the 235 and 236 programs, that Federal subsidizing of home ownership just did not work.

So we suspended those programs.

But there is the majority of people in all our districts—those with young people, retirees, unskilled workers, widows, et cetera—who need housing and housing they can afford.

Mr. Browning's idea is an original idea. Unlike many original ideas, it neither costs anything, nor asks anything of the Federal Government, but merely our assurances that the Government is not going to get back into the subsidized housing business.

I hope we in Congress have learned our lesson on that score, and will leave the housing business to those who know both what the people need and how to provide it.

I would urge my colleagues in this Congress to listen and to read what Mr. Browning has written, and pass it on to the municipalities and builders in your districts.

My friends, this is a fine example of the good old American traditions, independence, ingenuity, and sound business thinking. These are the only qualities that are going to bring our country out of recession. And ideas such as this will put us well on the road to economic and employment recovery.

Thank you for listening, and I am going to put Mr. Browning's full statement in the Record for your further perusal.

Single Family Assisted Housing

(By Walter Browning)

We can't afford subsidized housing.

But we must provide housing for our low-income people—that they can afford—and without a subsidy.

Many of us home builders have said "We can't provide this housing without a subsidy" citing as three big reasons:

1. High land cost
2. High construction cost
3. High cost of interim

I'd like to add number four—zoning.

But, instead of saying *we can't*, let's say *we can*, and start figuring how.

First we decide who our low income people are (In Fort Worth, $100–$150 is low)

1. Old age-retirees
2. Unskilled workers
3. Widows, etc.
4. But young people under 30 probably make up over 80% of our low income groups.

Now let's define what adequate housing would be affordable by the $100–$150 week person.

I believe a 2 bedroom, 1 bath unit would probably meet most of the needs of these young people.

Most of us started in early marriage with a 2 bedroom frame of approximately 800 square feet.

That's right, but where could we build an 800′ 2 bedroom, 1 bath frame today? This is where high land, construction and financing costs and zoning says *we can't*.

But let's keep thinking small and keep thinking how.

How about a fourplex? We could cut land costs and construction costs if we could build 800′ units. But we all know that, don't we? Besides, we would have to get the cities to change zoning laws and we'd have to sell the fourplex idea to the young.

I pursued this idea about two years trying to figure a way to provide affordable housing for the $100 a week person and got the city of Fort Worth to agree to write special zoning if I'd build fourplexes in the city, but along came 235's and goodbye to my idea. Because of its possible reinstatement, that idea has to wait until us tax payers get tired of paying for subsidized housing. However, I have since decided that perhaps fourplexes would be too much like apartments and might present too much sales resistance at this time, so how about a duplex? If we would build it on a 7000 sq. ft. single family lot, with 2 bedrooms and 1 bath (800′), and eliminate garages, we could build a 2 bedroom brick at a price the $150 a week person could buy without a subsidy in Fort Worth, Texas. And that would be providing housing for many of our low income young people and any small builder could build a duplex with minimum interim costs.

I'm building in a satellite city that has agreed to provide zoning to permit an 800′ (each side) duplex to be built on a single family lot and I intend to start as soon as I know subsidized housing is not going to be revived.

This under 30 market is probably the greatest housing market that has ever existed—because they do not now have the option to buy adequate housing—as you and I did when we started.

The greatest tragedy is that over 95% of us are building for less than 20% of the potential market. No wonder so many of us are suffering financially. My idea would open the door to these other people, too:

1. Small investor
2. Empty nester
3. Retirees
4. Father helping kids
5. Owner-renter and possibly others

We must provide adequate housing for the young, low income and old people, or we have failed as builders. The cities and the federal government have failed by not calling upon this industry to provide adequate housing so sorely needed for so long AND without a subsidy.

The NAHB should initiate the ideas for the industry and government BECAUSE we are the experts in housing and we can provide housing for our low income people if we put our ideas together and go to work.

That's my idea, where's yours?

"MAYAGUEZ" INCIDENT CAN USHER IN NEW ERA OF MUTUAL TRUST AND CONFIDENCE

(Mr. DUNCAN of Oregon asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. DUNCAN of Oregon. Mr. Speaker, a week ago the *Mayaguez* incident was headline news. At that time, I prepared a statement and released it in Oregon. It inadvertently failed to find its way into the Record.

Although the incident is already relegated to the back pages of the press, I think it is a significant event and I want my comments on the record so that the executive branch of Government, as well as my constituents, will know that I believe and believed that the President's action can usher in a new era of mutual trust and confidence.

Evidence thereof is to be found, I believe, in the high level of debate achieved by the House on the defense authorization bill. Deep philosophical disagreements still existed between the Members on a number of issues involved in that bill, yet the debate was characterized by courtesy and respect rather than the vituperation and almost hysteria that we have seen on other occasions. Such is the atmosphere we require if the critical decisions which we must make in the days to come on the role of the United States in world affairs are to be made wisely. Such is the atmosphere we need if we are to develop a consensus which a substantial majority of the American people can support and without which no American policy be it foreign or domestic can succeed. My remarks of May 15, 1975, follow:

Remarks of Robert B. Duncan

The Mayaguez incident is over as rapidly as it arose. Diplomacy was tried, as it should have been. But the President could not and did not permit the situation to deteriorate as it would have had the ship and crew been taken to the mainland.

The President's action has broad support because it was quick, sure, and above all, successful. I wonder what would now be said had it turned out differently. Even so, some commentators rush to print with rhetorical questions which suggest without alleging criticism.

I hope that this is the first step back from the tragedy of our failure in Southeast Asia. I hope the President's action and his close cooperation with the Congress during these tense hours restores a feeling of mutual confidence between those two institutions and between the people and their government.

And I hope that the skilled valiant efforts of our armed forces restore to them the dignity and respect they deserve as the protectors of a free society.

Others will test us again and again in the days to come. Courage combined with wisdom; restraint combined with decisiveness much characterize our action. President Ford has emerged from the shadow of his predecessor and merits our thanks and our support for this contribution to an orderly world.

CONFERENCE REPORT ON H.R. 5899

Mr. MAHON submitted the following conference report and statement on the bill (H.R. 5899) making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes:

Conference Report (H. Rept. No. 94–239)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5899) "making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 33, 41, 57, 64, 94, 122, and 172.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 4, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 21, 22, 34, 37, 38, 39, 50, 52, 54, 55, 65, 79, 80, 82, 84, 85, 86, 87, 89, 99, 101, 102, 109, 110, 111, 112, 113, 114, 115, 116, 118, 119, 120, 123, 124, 125, 126, 127, 135, 136, 137, 138, 139, 140, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169 and 170, and agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$5,000,000"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$6,800,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$3,000,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,000,000"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following: "and part B of the Headstart-Follow Through Act, $6,500,000"; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$215,000,000"; and the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert: "$74,900,000, of which $7,500,000 for veterans' cost-of-instruction payments shall remain available until June 30, 1975, and "; and the Senate agree to the same.

Amendment numbered 58: That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$473,000,000"; and the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$492,400,000"; and the Senate agree to the same.

Amendment numbered 62: That the House recede from its disagreement to the amendment of the Senate numbered 62, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$717,000"; and the Senate agree to the same.

Amendment numbered 81: That the House recede from its disagreement to the amendment of the Senate numbered 81, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"CONSTRUCTION, GENERAL

"For an additional amount for 'Construction, General', to remain available until expended, $1,160,000."

And the Senate agree to the same.

Amendment numbered 91: That the House recede from its disagreement to the amendment of the Senate numbered 91, and agree to the same with an amendment, as follows: In lieu of the sum named by said amendment insert "$72,000"; and the Senate agree to the same.

Amendment numbered 92: That the House recede from its disagreement to the amendment of the Senate numbered 92, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said

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amendment insert "$955,000"; and the Senate agree to the same.

Amendment numbered 93: That the House recede from its disagreement to the amendment of the Senate numbered 93, and agree to the same with an amendment, as follows: In lieu of the sum named by said amendment insert "$2,400,000"; and the Senate agree to the same.

Amendment numbered 97: That the House recede from its disagreement to the amendment of the Senate numbered 97, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,600,000"; and the Senate agree to the same.

Amendment numbered 105: That the House recede from its disagreement to the amendment of the Senate numbered 105, and agree to the same with an amendment, as follows: In lieu of the sum named by said amendment insert "$500,000"; and the Senate agree to the same.

Amendment numbered 142: That the House recede from its disagreement to the amendment of the Senate numbered 142, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert: "$250,000"; and the Senate agree to the same.

Amendment numbered 143: That the House recede from its disagreement to the amendment of the Senate numbered 143, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert: "$263,493,000"; and the Senate agree to the same.

Amendment numbered 144: That the House recede from its disagreement to the amendment of the Senate numbered 144, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert: "$155,750,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 3, 19, 20, 23, 24, 27, 29, 30, 32, 35, 36, 40, 43, 44, 45, 46, 47, 49, 53, 56, 59, 60, 63, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 83, 88, 90, 95, 96, 98, 100, 103, 104, 106, 107, 108, 117, 121, 128, 129, 130, 131, 132, 133, 134, 141, and 171.

George Mahon,
Jamie L. Whitten,
Joe L. Evins,
Edward P. Boland,
William H. Natcher,
Daniel J. Flood,
Tom Steed,
John M. Slack,
John J. McFall,
Sidney R. Yates,
Bob Casey,
Elford A. Cederberg,
Robert H. Michel
(except 82 and 83),
Silvio O. Conte
(except 82, 83, and 107),
Joseph M. McDade,
John T. Myers,
Managers on the Part of the House.
John L. McClellan,
Warren G. Magnuson,
John C. Stennis,
John O. Pastore,
Robert C. Byrd,
William Proxmire,
Joseph M. Montoya,
Ernest F. Hollings,
Lawton Chiles,
Birch Bayh,
Milton R. Young,
Roman L. Hruska,
Clifford P. Case,
Hiram L. Fong,
Edward W. Brooke,
Ted Stevens,
Charles McC. Mathias, Jr.,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5899) making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

TITLE I

CHAPTER I

DEPARTMENT OF AGRICULTURE

Farmers home administration

Agricultural Credit Insurance Fund

Amendment No. 1—Provides an additional $100,000,000 in loan authorizations for farm operating loans under the Agricultural Credit Insurance Fund as proposed by the Senate.

Food and nutrition service

Child Nutrition Programs

Amendment No. 2—Appropriates an additional $176,856,000 for the Child Nutrition Program as proposed by the Senate instead of $24,623,000 as proposed by the House. These funds would provide an additional $124,856,000 for increased participation in the school lunch program and for higher costs of meals served. The increase of $100,233,000 over the House amount was contained in an amended supplemental budget request (Senate Document 94–49) dated May 6, 1975, and was not considered by the House.

Also included, is $52,000,000 for operation of the summer program of the Special Food Program as authorized by P.L. 94–20 approved May 2, 1975.

Amendment No. 3—Reported in technical disagreement. The managers on the part of the House will offer an amendment to recede and concur in the amendment of the Senate.

The amendment specifies that the additional $176,856,000 for Child Nutrition Programs includes $52,000,000 for the Special Food Program. The amendment also specifies how the funds are to be apportioned to the States and gives the Secretary of Agriculture authority to redistribute funds that any State cannot utilize. This language provides a continuation of the method under which funds had been distributed last summer.

The conferees expect the Secretary to redistribute funds if necessary, but not prior to September 1, 1975.

Food Stamp Program

Amendment No. 4—Appropriates an additional $884,815,000 for the Food Stamp Program as proposed by the Senate. This amount was contained in a supplemental budget request (Senate Document 94–49) dated May 6, 1975, and was not considered by the House.

Special Milk Program

Amendment No. 5—Appropriates an additional $5,000,000 for the Special Milk Program as proposed by the Senate. This amount was contained in a supplemental budget request (Senate Document 94–49) dated May 6, 1975, and was not considered by the House.

CHAPTER III

DISTRICT OF COLUMBIA

Federal Funds

Amendment No. 6—Inserts chapter number and heading as proposed by the Senate.

Amendment No. 7—Inserts heading and appropriates $5,000,000 for "Federal payment to the District of Columbia", instead of $8,000,000 as proposed by the Senate.

District of Columbia Funds

Amendment No. 8—Inserts heading as proposed by the Senate.

Amendment No. 9—Inserts heading and appropriates $1,021,000 for "General operating expenses" as proposed by the Senate.

Amendment No. 10—Inserts heading and appropriates $2,284,600 for "Public safety" as proposed by the Senate.

Amendment No. 11—Inserts heading and appropriates $1,792,800 for "Education" as proposed by the Senate.

Amendment No. 12—Inserts heading and appropriates $1,733,500 for "Human resources" as proposed by the Senate.

Amendment No. 13—Inserts heading and appropriates $605,000 for "Highways and traffic", of which $305,000 shall be payable from the highway fund, as proposed by the Senate.

Amendment No. 14—Inserts heading and appropriates $1,200,000 for "Environmental services", of which $600,000 shall be payable from the water fund, and $500,000 from the sanitary sewage works fund, as proposed by the Senate.

Amendment No. 15—Inserts heading and appropriates $166,300 for "Settlement of claims and suits", as proposed by the Senate.

Amendment No. 16—Insert usual "Division of expenses" language carried in all bills providing District of Columbia appropriations, as proposed by the Senate.

CHAPTER IV

INDEPENDENT AGENCIES

Amendment No. 17—Changes chapter number as proposed by the Senate.

Veterans Administration

Amendment No. 18—Appropriates $256,400,000 for compensation and pensions as proposed by the Senate instead of $146,400,000 as proposed by the House.

Amendment No. 19—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate to appropriate $425,000,000 for readjustment benefits.

Environmental Protection Agency

Amendment No. 20—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment to appropriate $4,000,000 for a safe water demonstration grant, instead of $7,500,000 for such grants as proposed by the Senate. These funds are to fund a demonstration grant to remove asbestos fibers from the drinking water at Duluth, Minnesota.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

CHAPTER V

DEPARTMENT OF THE INTERIOR

Amendment No. 21—Changes chapter number.

Bureau of Outdoor Recreation

Amendment No. 22—Appropriates $7,492,000 for land and water conservation fund as proposed by the Senate.

United States Fish and Wildlife Service

Amendment No. 23—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides that the appropriation for construction and anadromous fish remain available until expended.

National Park Service

Amendment No. 24—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which appropriates $2,300,000 for planning and construction. The funds appropriated are to be available to assist in constructing a sewage system and treatment plant in cooperation with the towns of Harpers Ferry and Bolivar, West Virginia.

Bureau of Indian Affairs

Amendment No. 25—Appropriates $6,800,000 for operation of Indian programs instead of $6,600,000 as proposed by the House and $8,500,000 as proposed by the Senate. The $200,000 above the amount provided by the House includes $100,000 for repair and maintenance of roads on the Fort Totten and Turtle Mountain Indian reservations, North Dakota, and $100,000 for repair and maintenance of roads on the Navajo Indian reservation.

Amendment No. 26—Provides that $200,000 of the amount appropriated for operation of Indian programs shall remain available until October 1, 1975, instead of $2,000,000 as proposed by the Senate.

Amendment No. 27—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides that, with the exception of $28,352,000 for assistance to public schools, all other appropriations for fiscal year 1975 for operation of Indian programs shall not remain available beyond June 30, 1975, unless specified otherwise in appropriation acts.

Amendment No. 28—Appropriates $3,000,000 for construction instead of $10,000,000 as proposed by the Senate. The managers on the part of the House and the Senate are in agreement that the funds shall be used only for the highest priority public school construction projects in Montana and New Mexico.

Office of Territorial Affairs

Amendment No. 29—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides that the appropriation for administration of territories shall remain available until expended.

Amendment No. 30—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which appropriates $8,050,000 for Trust Territory of the Pacific Islands. The managers on the part of the House and the Senate are in agreement that the funds shall be used only for the purposes identified in the Senate report unless formal reprogramming approval is secured from the House and Senate Committees on Appropriations.

RELATED AGENCIES

Federal Energy Administration

Amendment No. 31—Appropriates $3,000,000 for salaries and expenses instead of $1,000,000 as proposed by the House and $8,000,000 as proposed by the Senate. The amount provided above the House allowance includes $1,000,000 for public information and education on voluntary energy conservation programs and $1,000,000 for studies related to insulation of homes and buildings.

Amendment No. 32—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides an indefinite appropriation of receipts for Puerto Rico and the Virgin Islands for oil import fees collected by the Federal Energy Administration in those territories between May 1, 1973 and January 31, 1975.

Smithsonian Institution

Amendment No. 33—Appropriates $390,000 for salaries and expenses and $90,000 for salaries and expenses, National Gallery of Art as proposed by the House.

CHAPTER VI

Amendment No. 34—Changes chapter number.

DEPARTMENT OF LADOR

Manpower Administration

Amendment No. 35—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which changes the language prohibiting the use of appropriated funds for special unemployment assistance payments during the summer months to teachers who have contracts for the next academic year to make it applicable to funds appropriated by any other Act, as well as this Act. The language in the House bill applied only to the funds in this Act.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Health Services Administration

Amendment No. 36—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which makes $5,000,000 appropriated for "Health services" by Public Law 93–517 available through June 30, 1976 for the National Health Service Corps, in addition to funds provided to the National Health Service Corps by Public Law 93–324, as amended.

National Institutes of Health

Amendment No. 37—Appropriates $300,000 for "National Institute of Arthritis, Metabolism, and Digestive Diseases" to carry out the National Arthritis Act of 1974 with respect to the National Commission on Arthritis and Related Musculoskeletal Diseases, as proposed by the Senate.

Alcohol, Drug Abuse, and Mental Health Administration

Amendments Nos. 38 and 39—Appropriate $1,192,000 for "Saint Elizabeths Hospital", as proposed by the Senate instead of $134,000 as proposed by the House, of which $1,058,000 shall be derived by transfer from the appropriation for "Health resources", as proposed by the Senate.

Health Resources Administration

Amendment No. 40—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment which will appropriate $118,900,000 for "Health resources" instead of $127,600,000 as proposed by the House and $126,475,000 as proposed by the Senate, and will earmark $10,000,000 for carrying out section 3 of the National Health Planning and Resources Development Act of 1974, as proposed by the Senate, instead of $18,700,000 as proposed by the House. The funds for carrying out section 3 shall remain available until December 31, 1975, as proposed by the House. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 41—Earmarks $22,000,000 of the appropriation for "Health resources" for carrying out section 305(b)(3) of the Public Health Service Act, as proposed by the House, instead of $29,575,000 as proposed by the Senate.

Office of Education

Amendment No. 42—Appropriates $6,500,000 for "Elementary and secondary education" instead of $4,000,000 as proposed by the House and $9,000,000 as proposed by the Senate. The increase over the amount proposed by the House is for Part B of the Headstart-Follow Through Act.

The intent of the conferees is that, with respect to the entering class, per child costs and enrollment levels in all ongoing Follow Through projects be maintained at levels provided in previous years.

Amendments Nos. 43 through 47—Reported in technical disagreement. The managers on the part of the House will offer motions to recede and concur in the amendments of the Senate with amendments which will earmark $185,588,000 for section 705 instead of $204,131,000 as proposed by the Senate, $11,309,000 for section 708(a) instead of $12,447,000 as proposed by the Senate, $9,052,000 for section 708(c) instead of $9,958,000 as proposed by the Senate, $6,794,000 for section 711 instead of $7,468,000 as proposed by the Senate, and $2,257,000 for section 713 instead of $2,489,000 as proposed by the Senate.

The managers on the part of the Senate will move to recede and concur in the amendments of the House to the amendments of the Senate.

Amendment No. 48—Appropriates $215,000,000 for "Emergency school aid" instead of $125,000,000 as proposed by the House and $236,493,000 as proposed by the Senate.

Amendment No. 49—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment extending the availability of funds in the bill for "Emergency school aid" until September 30, 1975, instead of August 15, 1975, as proposed by the Senate.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 50—Appropriates $250,000 for "Education for the handicapped" as proposed by the Senate.

Amendment No. 51—Appropriates $74,900,000 for "Higher education" instead of $82,400,000 as proposed by the Senate, and earmarks $7,500,000 for veterans' cost-of-instruction payments instead of $15,000,000 as proposed by the Senate.

Amendment No. 52—Inserts wording as proposed by the Senate relating to insured loans.

Amendment No. 53—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate providing that $250,000 appropriated in the Second Supplemental Appropriations Act, 1974 (Public Law 93–305) shall be available for carrying out section 705(a) of the Higher Education Act without regard to other provisions of the Higher Education Act, and such sum shall remain available through June 30, 1975.

Social and Rehabilitation Service

Amendment No. 54—Inserts legal citation referring to section 301 of the Rehabilitation Act of 1973 as proposed by the Senate.

Amendment No. 55—Appropriates $2,300,000 for "Rehabilitation services" as proposed by the Senate instead of $500,000 as proposed by the House.

Amendment No. 56—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate appropriating $25,000 to remain available until expended for carrying out Title III of H.R. 14225 (93rd Congress), Rehabilitation Amendments of 1974.

SOCIAL SECURITY ADMINISTRATION

Amendment No. 57—Deletes $20,242,000 for "Payments to social security trust funds" as proposed by the Senate.

The conferees are agreed that the proposed general fund appropriations for the Social Security Administration and the Railroad Retirement Board for payments to the Federal Buildings Fund raises complicated technical and policy issues which should not be settled in a supplemental appropriation bill.

Assistant Secretary for Human Development

Amendment No. 58—Appropriates $473,000,000 for "Human development" instead of

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$462,000,000 as proposed by the House and $484,000,000 as proposed by the Senate.

The conferees intend that, of the increase over the amount proposed by the House, $4,000,000 shall be for increased operating costs of Headstart projects and $7,000,000 shall be for support of special services for handicapped children.

Amendment No. 59—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment providing that $7,000,000 of the amount appropriated for "Human development" shall remain available through October 31, 1975, instead of $12,000,000 as proposed by the Senate.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

RELATED AGENCIES

Community Services Administration

Amendment No. 60—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate extending the availability of the amount contained in the bill for "Community services program" until September 30, 1975.

Amendment No. 61—Appropriates $492,400,000 for "Community services program" instead of $455,000,000 as proposed by the House and $515,000,000 as proposed by the Senate. The conferees are agreed that the increase over the amount proposed by the House provides $22,400,000 for the emergency food and medical services program, $7,500,000 for community economic development, and $7,500,000 for the emergency energy conservation services program.

In administering the emergency energy conservation services program, the Director of the Community Services Administration shall coordinate with services of the Federal Energy Administration.

The conferees are agreed that the Veterans Education and Training Services program will be considered in connection with the fiscal year 1976 appropriation bill.

RAILROAD RETIREMENT BOARD

Amendment No. 62—Authorizes $717,000 for "Limitation on salaries and expenses" to be derived from the railroad retirement accounts, instead of $200,000 as proposed by the House and $1,840,000 as proposed by the Senate.

Amendment No. 63—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment which deletes earmarking of $1,123,000 for payment of standard level user charges, and changes the language so as to permit the payment of such charges based on actual costs of occupying space within the additional funds limitation provided in the bill and the limitation established in the Labor-HEW Appropriation Act for 1975 (Public Law 93-517).

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 64—Deletes appropriation of $360,000 for "Space and facilities" as proposed by the Senate relating to payment of standard level user charges.

CHAPTER VII

LEGISLATIVE BRANCH

SENATE

Amendment No. 65—Changes chapter number.

Amendments Nos. 67 through 78—Reported in technical disagreement. Inasmuch as these amendments relate solely to the Senate and in accord with long practice, under which each body determines its own housekeeping requirements, and the other concurs without intervention, the managers on the part of the House will offer motions to recede and concur in the Senate amendments Nos. 66 through 78.

CHAPTER VIII

Amendment No. 79—Changes Chapter Number.

DEPARTMENT OF DEFENSE—CIVIL DEPARTMENT OF THE ARMY, CORPS OF ENGINEERS—CIVIL CONSTRUCTION, GENERAL

Amendment Nos. 80 and 81—Adds agency name and appropriates $1,160,000, for Construction, general for preconstruction planning of the Burlington Dam, North Dakota flood control project, instead of $3,660,000 as proposed by the Senate.

Boone County, Kentucky

The managers agree that, within available funds, the Corps should proceed with emergency road repairs as proposed in the Senate report.

Cook Inlet Navigation Improvements, Alaska

The conferees are agreed that the Congress finds that the removal of the shoal, as proposed by the Senate amendment, is necessary to complete the construction of the trans-Alaska pipeline, and the Corps of Engineers shall proceed, within available funds, pursuant to section 203 of Public Law 93-153, with immediate removal of the shoal.

Remedial Action, McMechen, West Virginia

The conferees urge that the Corps of Engineers provide full technical assistance and such other assistance and cooperation as authorized to the community of McMechen, West Virginia, in connection with the landslide/mudslide threatening that community.

Amendment No. 82—Adds "Administrative Provision."

Locks and Dam 26, Mississippi River, Illinois and Missouri

Amendment No. 83—Reported in technical disagreement.

The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment to change the language proposed by the Senate as follows:

Locks and Dam 26, Mississippi River, Illinois and Missouri

Appropriations having been heretofore approved by Congress in Public Laws 91-144, 91-439, 92-134, 92-405, 93-97, and 93-393, to be expended under the direction of the Secretary of the Army and the supervision of the Chief of Engineers, for the replacement and modification of Locks and Dam 26, Mississippi River, Illinois and Missouri, substantially in accordance with the plans approved by the Secretary of the Army on July 14, 1969, the consent of Congress for the construction of said Locks and Dam 26, by the Secretary of the Army granted thereby is hereby reaffirmed: *Provided*, That nothing contained herein shall be construed as authorizing a twelve-foot channel above Locks and Dam 26.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Operation and Maintenance

Amendment No. 84—Appropriates $35,000,000 for Operation and maintenance, general as proposed by the Senate.

NUCLEAR REGULATORY COMMISSION

Salaries and Expenses

The managers are agreed that funds are provided for a total of 2,006 permanent positions for the Nuclear Regulatory Commission for the current fiscal year.

DEPARTMENT OF THE INTERIOR

Bureau of Reclamation

Operation and Maintenance

Amendment No. 85—Appropriates $3,800,000 for Operation and maintenance as proposed by the Senate instead of $6,725,000 as proposed by the House.

CHAPTER IX

Amendment No. 86—Changes chapter number.

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

Salaries and Expenses

Amendment No. 87—Appropriates $9,227,000 as proposed by the Senate. The conferees are agreed that the Department may proceed to hire up to 95 additional positions for its security force for the protection of foreign officials. These positions are to be funded during the current fiscal year within existing resources.

Acquisition, Operation, and Maintenance of Buildings Abroad

(Special Foreign Currency Program)

Amendment No. 88—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate appropriating $7,000,000, to be available only upon the enactment of authorizing legislation.

International Organizations and Conferences

Missions to International Organizations

Amendment No. 89—Appropriates $300,000 as proposed by the Senate.

Contributions for International Peacekeeping Activities

Amendment No. 90—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate appropriating $28,837,000 to be available only upon the enactment of authorizing legislation.

DEPARTMENT OF JUSTICE

Legal Activities and General Administration

Salaries and Expenses, General Administration

(Transfer of Funds)

Amendment No. 91—Provides $72,000 instead of $129,000 as proposed by the Senate.

Salaries and Expenses, Antitrust Division

(Transfer of Funds)

Amendment No. 92—Provides $955,000 instead of $983,000 as proposed by the Senate.

FEDERAL PRISON SYSTEM

Support of United States Prisoners

(Transfer of Funds)

Amendment No. 93—Provides $2,400,000 instead of $2,900,000 as proposed by the Senate.

Law Enforcement Assistance Administration

Amendment No. 94—Appropriates $15,000,000 as proposed by the House instead of $25,000,000 as proposed by the Senate.

Amendment No. 95—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate providing that this appropriation remain available until August 31, 1975.

Amendment No. 96—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate providing that $10,000,000 of funds previously appropriated to the Law Enforcement Assistance Administration shall remain available until December 31, 1975 to carry out title II of the Juvenile Justice and Delinquency Prevention Act. The conferees are agreed that

the full $10,000,000 shall be made available for this purpose and that that amount shall be derived from Part C (block grant) funds which have been de-obligated. These funds will enable the Law Enforcement Assistance Administration to employ at least 51 persons in order to administer the program.

DEPARTMENT OF COMMERCE

Domestic and International Business Administration

Operations and Administration

Amendment No. 97—Appropriates $1,600,000 instead of $1,100,000 as proposed by the House and $1,720,000 as proposed by the Senate. Of the total amount provided the conferees are agreed that $1,100,000 is for carrying out the Department's responsibilities under the Foreign Investment Study Act of 1974 and for performing its industrial defense mobilization functions; $300,000 is for an expanded energy conservation program; and $200,000 is for establishing an industry consultations program pursuant to the Trade Act of 1974.

National Oceanic and Atmospheric Administration

Amendment No. 98—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate appropriating $1,910,000 for the Fishermen's Guaranty Fund and $230,000 for the Offshore Shrimp Fisheries Fund.

RELATED AGENCIES

Equal Employment Opportunity Commission

Salaries and Expenses

Amendment No. 99—Appropriates $929,000 as proposed by the Senate instead of $800,000, as proposed by the House.

DEPARTMENT OF THE TREASURY

Bureau of Accounts

Fishermen's Protective Fund

Amendment No. 100—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate appropriating $3,000,000 for the Fishermen's Protective Fund.

UNITED STATES INFORMATION AGENCY

Salaries and Expenses

Amendment No. 101—Appropriates $1,529,000 as proposed by the Senate.

CHAPTER X

Amendment No. 102—Changes chapter number.

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

Amendment No. 103—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate to provide $850,000, to be derived by transfer, for Operation and maintenance, National Capital Airports.

Federal Highway Administration

Amendment No. 104—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate to make the funds appropriated for Railroad-highway crossings demonstration projects available until expended.

Amendment No. 105—Appropriates $500,000 for the Overseas highway instead of $1,000,000 as proposed by the Senate.

Federal Railroad Administration

Amendment No. 106—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment to appropriate $76,225,000 for Grants to the National Railroad Passenger Corporation instead of $74,725,000 as proposed by the House and $77,725,000 as proposed by the Senate.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 107—Reported in disagreement. The managers on the part of the House will offer a motion to insist on their disagreement to the amendment of the Senate numbered 107 which would provide $700,000,000 for rail transportation improvement and employment.

Urban Mass Transportation Administration

Amendment No. 108—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment to appropriate $1,500,000 for research, development and demonstrations and university research and training instead of $5,000,000 as proposed by the Senate.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

RELATED AGENCIES

United States Railway Association

Amendment No. 109—Appropriates $5,000,000 for administrative expenses as proposed by the Senate.

CHAPTER XI

Amendment No. 110—Changes Chapter number as proposed by the Senate.

BUREAU OF ACCOUNTS

Amendment No. 111—Inserts new center head "Bureau of Accounts" as proposed by the Senate.

BUREAU OF ACCOUNTS

Salaries and Expenses

Amendment No. 112—Appropriates $13,621,000 to Salaries and Expenses. Bureau of Accounts as proposed by the Senate.

Special Payment to Recipients of Certain Retirement and Survivor Benefits

Amendment No. 113—Appropriates $1,750,000,000 for Special Payment to Recipients of Certain Retirement and Survivor Benefits as proposed by the Senate.

INTERNAL REVENUE SERVICE

Salaries and Expenses

Amendment No. 114—Deletes appropriation proposed by the House of $229,000, as proposed by the Senate.

Accounts, Collection and Taxpayer Service

Amendment No. 115—Appropriates $1,000,000 for Accounts, Collection and Taxpayer Service as proposed by the Senate instead of $1,937,000 as proposed by the House.

Compliance

Amendment No. 116—Appropriates $2,000,000 for Compliance as proposed by the Senate instead of $4,483,000 as proposed by the House.

Federal Law Enforcement Training Center

The Conferees concur in the relocation of the consolidated Federal Law Enforcement Training Center from Beltsville, Maryland, to the former Glynco Naval Air Station, Brunswick, Georgia. Funds appropriated in prior years for construction of the Center total $47,713,000. Of this amount, the Conferees approve not to exceed $30,000,000 for conversion of the Glynco facility, including necessary transition expenses. The modification of the facility and operations of the Center will be observed closely to assure that judicious and efficient use is made of the funds provided.

The present training facilities at Beltsville were originally constructed to meet the specialized needs of the U.S. Secret Service. Upon establishment of the Consolidated Federal Law Enforcement Training Center, these facilities were included under its jurisdiction. As a practical matter, the facilities were never used by the Consolidated Training Center except for firearms training, which historically has always been provided by the Secret Service for other Treasury law enforcement personnel and which was extended to all Federal agencies in the Washington Metropolitan Area that participated in the Consolidated Center.

Inasmuch as the Beltsville facilities are not suitable for in-service training by any of the participating agencies, the managers direct that these facilities revert to the control of the U.S. Secret Service for its specialized training needs. However, the firing ranges at Beltsville will continue to be made available by the Secret Service on a reimbursable basis to Federal law enforcement personnel in the Washington Metropolitan Area.

EXECUTIVE OFFICE OF THE PRESIDENT

Special Assistance to the President

Amendment No. 117—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate increasing the limitation on travel for the executive staff of the Vice President from $30,000 to $40,000.

CIVIL SERVICE COMMISSION

Payment to Civil Service Retirement and Disability Fund

Amendment No. 118—Appropriates $371,070,000 as proposed by the Senate instead of $363,100,000 as proposed by the House.

Intergovernmental Personnel Assistance

Amendment No. 119—Authorizes funds appropriated in the Treasury, Postal Service and General Government Appropriation Act FY-1975 to remain available until September 30, 1976, as proposed by the Senate instead of "to remain available until expended" as proposed by the House.

COMMISSION ON FEDERAL PAPERWORK

Salaries and Expenses

Amendment No. 120—Appropriates $50,000 for Salaries and expenses as proposed by the Senate.

GENERAL SERVICES ADMINISTRATION

Purchase Contract Limitation

Amendment No. 121—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate increasing the limitation on purchase contract authority by $96,106,000. The increase in the limitation is necessary to provide funding for a Social Security building to be constructed by GSA in Baltimore, Maryland.

PERSONAL PROPERTY ACTIVITIES

General Supply Fund

Amendment No. 122—Deletes appropriation of $65,000,000 proposed by the Senate.

FEDERAL ELECTION COMMISSION

Salaries and Expenses

Amendment No. 123: Deletes appropriation of $500,000 proposed by the House, as proposed by the Senate.

TEMPORARY STUDY COMMISSIONS

NATIONAL COMMISSION ON SUPPLIES AND SHORTAGES

Salaries and Expenses

Amendment No. 124: Permits funds appropriated for this Commission to be made available until December 31, 1975, as proposed by the Senate.

CHAPTER XII

Amendment No. 125—Changes chapter number.

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Claims and Judgments

Amendment No. 126—Adds "and Senate Document Numbered 40."

Amendment No. 127—Appropriates $94,037,225 as proposed by the Senate instead of $59,699,187 as proposed by the House.

TITLE II

INCREASED PAY COSTS

LEGISLATIVE BRANCH

Senate

Amendments Nos. 128 through 134—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendments of the Senate Nos. 128 through 134 inserting a center heading and appropriating $23,550 for "Office of the Legislative Counsel of the Senate", $30,160 for "Senate policy committees", $575,625 for "Inquiries and investigations", $3,400 for "Folding documents", and $3,100 for "Miscellaneous items". These amendments relate solely to Senate housekeeping items.

Joint Items

Amendment No. 135—Appropriates $21,220 for "Joint Economic Committee" as proposed by the Senate instead of $31,460 as proposed by the House.

Amendment No. 136—Appropriates $12,685 for "Joint Committee on Atomic Energy" as proposed by the Senate instead of $18,665 as proposed by the House.

Amendment No. 137—Appropriates $12,010 for "Capitol Guide Service" as proposed by the Senate instead of $14,910 as proposed by the House.

Architect of the Capitol

Amendment No. 138—Appropriates $451,200 for "Senate Office Buildings" as proposed by the Senate.

Amendment No. 139—Appropriates $16,900 for "Senate Garage" as proposed by the Senate.

Library of Congress

Amendment No. 140—Appropriates $1,365,000 for "Salaries and expenses" as proposed by the Senate instead of $1,565,000 as proposed by the House.

Amendment No. 141—Reported in technical disagreement. The Managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides that $200,000 of the amount allocated for rental of space under the head "Salaries and expenses", fiscal year 1975, may be used for increased pay costs.

OFFICE OF MANAGEMENT AND BUDGET

Salaries and Expenses

Amendment No. 142—Appropriates $250,000 for Salaries and expenses instead of $500,000 as proposed by the Senate.

DEPARTMENT OF DEFENSE—MILITARY

Military Personnel, Army

Amendment No. 143—Appropriates $263,493,000 instead of $260,635,000 as proposed by the House and $266,350,000 as proposed by the Senate.

Military Personnel, Navy

Amendment No. 144—Appropriates $155,750,000 instead of $156,900,000 as proposed by the House and $154,600,000 as proposed by the Senate.

Operation and Maintenance, Army

Amendment No. 145—Appropriates $233,135,000 as proposed by the Senate, instead of $225,635,000 as proposed by the House.

Operation and Maintenance, Air National Guard

Amendment No. 146—Appropriates $6,100,000 as proposed by the Senate, instead of $12,000,000 as proposed by the House.

TITLE II DEPARTMENT OF DEFENSE-CIVIL DEPARTMENT OF THE ARMY, CORPS OF ENGINEERS-CIVIL

Amendment No. 147—Appropriates $13,000,000 for Operation and maintenance, general as proposed by the Senate.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Center for Disease Control

Amendment No. 148—Provides $2,802,000 for "Preventive health services", to be derived by transfer from the appropriation for "Health resources", as proposed by the Senate.

National Institutes of Health

Amendments Nos. 149 through 155—Provide $500,000 for "National Heart and Lung Institute", $169,000 for "National Institute of Dental Research", $93,000 for "National Institute of Arthritis, Metabolism and Digestive Diseases", $469,000 for "National Institute of Child Health and Human Development", $222,000 for "National Institute of Environmental Health Sciences" and $400,000 for "National Library of Medicine", to be derived by transfer from the appropriation for "Health resources", as proposed by the Senate.

Alcohol, Drug Abuse, and Mental Health Administration

Amendment No. 156—Provides $1,547,000 for "Alcohol, Drug Abuse, and Mental Health Administration", to be derived by transfer from the appropriation for "Health resources", as proposed by the Senate.

DISTRICT OF COLUMBIA

(Out of District of Columbia Funds)

Amendment No. 157—Inserts heading as proposed by the Senate.

Amendment No. 158—Appropriates $1,383,500, for "General operating expenses", of which $21,500 shall be payable from the highway fund (including $5,300 from the motor vehicle parking account), $3,600 from the water fund, and $1,400 from the sanitary sewage works fund, as proposed by the Senate.

Amendment No. 159—Appropriates $20,246,900 for "Public safety", of which $979,200 shall be payable from the highway fund, as proposed by the Senate.

Amendment No. 160—Appropriates $11,919,000 for "Education" as proposed by the Senate.

Amendment No. 161—Appropriates $496,700 for "Recreation" as proposed by the Senate.

Amendment No. 162—Appropriates $3,980,800 for "Human resources" as proposed by the Senate.

Amendment No. 163—Appropriates $801,400 for "Highways and traffic", of which $609,900 shall be payable from the highway fund (including $14,700 from the motor vehicle parking account), as proposed by the Senate.

Amendment No. 164—Appropriates $3,577,000 for "Environmental services", of which $851,700 shall be payable from the water fund, $1,176,600 from the sanitary sewage works fund, and $30,500 from the metropolitan area sanitary sewage works fund, as proposed by the Senate.

Amendment No. 165—Inserts the usual "Division of expenses" language carried in all bills providing District of Columbia appropriations, as proposed by the Senate.

Title III—General Provisions

Amendments Nos. 166 through 170—Strike out Sections 304, 305, and 306 proposed by the House relating to forced busing, abolishment of schools, and assignment or transportation of students and substitute sections 304 and 305 (a) and (b) proposed by the Senate, relating to the same subjects.

Amendment No. 171—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment specifying the amounts which are to be made available for the payment of postal services which were furnished during fiscal years 1973 and 1974 and currently remain unpaid. The amendment reads as follows:

Section 306. Unobligated balances of operation and maintenance appropriations available to the Department of Defense—Military, in an amount not to exceed $18,950,000 in FY 1973 and $23,891,000 in FY 1974, shall be available to reimburse the United States Postal Service for services rendered to the Department of Defense during those fiscal years.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 172—Deletes language proposed by the Senate providing that the Secretary of Housing and Urban Development may not obligate the funds made available in Title II of this Act unless all budget authority provided by law to carry out provisions of section 235 of the National Housing Act has been made available for obligation.

The committee of conference has deleted the Senate language without prejudice. The committee agrees that the section 235 program should be used to meet the nation's urgent housing needs.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority included in the bill recommended by the Committee of Conference, with comparisons to the budget estimates, the House and Senate bills follows:

Budget estimates considered by House	$11, 540, 647, 646
House passed bill	11, 397, 042, 586
Budget estimates considered by Senate	14, 956, 698, 548
Senate passed bill	15, 964, 662, 998
Conference agreement	[1] 15, 066, 595, 998
Conference agreement with:	
Budget estimates	+109, 897, 450
House bill	+3, 669, 553, 412
Senate bill	−898, 067, 000

[1] Conference agreement excludes transfers ($206,407,375), increases in limitations ($274,306,000), Liquidation of Contract Authority ($53,714,000), District of Columbia funds ($51,208,500), and insured loans ($100,000,000). In addition, conference agreement excludes $700,000,000 for railroad improvement which is reported in disagreement.

GEORGE MAHON,
JAMIE L. WHITTEN,
JOE L. EVINS,
EDWARD P. BOLAND,
WILLIAM H. NATCHER,
DANIEL J. FLOOD,
TOM STEED,
JOHN M. SLACK,
JOHN J. MCFALL,
SIDNEY R. YATES,
BOB CASEY,
ELFORD A. CEDERBERG,
ROBERT H. MICHEL
(except 82 and 83),
SILVIO O. CONTE
(except 82, 83, and 107),
JOSEPH M. MCDADE,
JOHN T. MYERS,
Managers on the Part of the House.
JOHN L. MCCLELLAN,
WARREN G. MAGNUSON,
JOHN C. STENNIS,
JOHN O. PASTORE,
ROBERT C. BYRD,
WILLIAM PROXMIRE,
JOSEPH M. MONTOYA,
ERNEST F. HOLLINGS,
BIRCH BAYH,
LAWTON CHILES,
MILTON R. YOUNG,
ROMAN L. HRUSKA,
CLIFFORD P. CASE,
HIRAM L. FONG,
EDWARD W. BROOKE,
TED STEVENS,
CHARLES MCC. MATHIAS, Jr.,
Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. YOUNG of Florida (at the request of Mr. RHODES), for Thursday, May 22, 1975, on account of official business.

Mr. BROOMFIELD (at the request of Mr. RHODES), after 5:30 p.m., today, on account of official business.

Mr. DEL CLAWSON (at the request of Mr. RHODES), for Thursday, May 22, 1975, on account of official business.

Mr. DU PONT (at the request of Mr. RHODES), after 4:30 p.m., today, through June 4, 1975, on account of official business.

Mr. RAILSBACK (at the request of Mr. RHODES), from 5:30 p.m., May 20, 1975, until 1:30 p.m., today, for medical therapy.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. SCHULZE) to revise and extend their remarks and include extraneous material:)

Mr. DUNCAN of Tennessee, for 5 minutes, today.
Mr. KEMP, for 30 minutes, today.
Mr. TALCOTT, for 15 minutes, today.
Mr. ASHBROOK, for 15 minutes, today.
Mr. MARTIN, for 15 minutes, today.
Mr. BAUMAN, for 15 minutes, today.
Mr. CLEVELAND, for 10 minutes, today.
Mr. SARASIN, for 10 minutes, today.
Mr. TALCOTT, for 15 minutes, on Thursday, May 22, 1975.

(The following Members (at the request of Mr. HOLLAND) to revise and extend their remarks and include extraneous material:)

Mr. BADILLO, for 60 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. BEDELL, for 5 minutes, today.
Ms. HOLTZMAN, for 10 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. DODD, for 10 minutes, today.
Mr. LLOYD of California, for 5 minutes, today.
Mr. FLOOD, for 15 minutes, today.
Mr. FISHER, for 5 minutes, today.
Ms. ABZUG, for 10 minutes, today.
Mr. DIGGS, for 10 minutes, today.
Mr. DRINAN, for 10 minutes, today.
Mr. ALEXANDER, for 15 minutes, today.
Mr. ADAMS, for 15 minutes, today.
Mr. BINGHAM, for 5 minutes, today.
Mr. MEZVINSKY, for 15 minutes, today.
Mr. VANIK, for 5 minutes, today.
Mr. KOCH, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. KEMP, and notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $695.

Mr. HADDEN, to extend his remarks and include extraneous matter.

Mr. GUDE, his remarks prior to the rollcall on H.R. 5727 today.

(The following Members (at the request of Mr. SCHULZE) and to include extraneous material:)

Mr. CRANE in five instances.
Mr. BROWN of Ohio.
Mr. HAMMERSCHMIDT.
Mr. KEMP, in two instances.
Mr. MCCLORY in two instances.
Mr. EMERY.
Mr. LAGOMARSINO.
Mr. COHEN.
Mr. FRENZEL in two instances.
Mr. HAGEDORN.
Mr. BELL.
Mr. SYMMS in three instances.
Mr. DU PONT.
Mr. PEYSER.
Mr. ASHBROOK in four instances.
Mr. MYERS of Indiana.
Mr. ARCHER.
Mr. QUIE in two instances.

(The following Members (at the request of Mr. HOLLAND) and to include extraneous matter:)

Mr. YATRON.
Mr. LLOYD of California.
Mr. MCDONALD of Georgia in five instances.
Mr. STUCKEY.
Mr. BOLLING.
Mr. FITHIAN.
Mr. GONZALEZ in three instances.
Mr. ANDERSON of California in three instances.
Mr. BERGLAND.
Mr. FISHER in two instances.
Mr. UDALL in three instances.
Mr. EVINS of Tennessee.
Mr. ALBERT.
Mr. LEHMAN.
Mr. JAMES V. STANTON in two instances.
Mr. DUNCAN of Oregon.
Mr. DOWNEY of New York in five instances.
Mr. BEARD of Rhode Island.
Mr. ROBERTS.
Mr. ANNUNZIO.
Mr. MOTTL.
Mr. RANGEL in two instances.
Mr. DODD.
Mr. STARK.
Mr. FAUNTROY.
Mr. MCKAY.
Mr. PREYER.
Mr. VANIK in three instances.
Mr. HÉBERT.
Mr. HARRINGTON in two instances.
Mrs. LLOYD of Tennessee.
Mr. MINETA.
Mr. KOCH.
Mr. SYMINGTON.

ENROLLED BILL SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which were thereupon signed by the Speaker:

H.R. 6755. An act to enable the United States to render assistance to, or in behalf of, certain migrants and refugees.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following title:

H.R. 4481. An act making emergency employment appropriations for the fiscal year ending June 30, 1975, and for other purposes; and

H.R. 5357. An act to authorize appropriations to the Secretary of Commerce for the promotion of tourist travel.

ADJOURNMENT

Mr. BADILLO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 31 minutes p.m.), under its previous order, the House adjourned until Thursday, May 22, 1975, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1081. A letter from the President of the United States, transmitting budget amendments for fiscal year 1976 for the legislative branch (H. Doc. No. 94–163); to the Committee on Appropriations and ordered to be printed.

1082. A letter from the Deputy Secretary of Defense, transmitting seven reports of violation of the Anti-Deficiency Act, pursuant to section 3679(i)(2) of the Revised Statutes [31 U.S.C. 665]; to the Committee on Appropriations.

1083. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting the fiscal year 1976 Federal plan for meteorological services and supporting research, pursuant to section 304 of Public Law 87–843; to the Committee on Appropriations.

1084. A letter from the Acting Secretary of the Interior, transmitting a report on the study of the feasibility and desirability of designating the Old Cattle Trails of the Southwest (Western, Chisholm, and Shawnee) as segments of the National Scenic Trails System, pursuant to section 5(b) of Public Law 90–543 (H. Doc. No. 94–164); to the Committee on Interior and Insular Affairs and ordered to be printed.

1085. A letter from the Chairman, Indian Claims Commission, transmitting the final determination of the Commission in docket No. 204, *the Seminole Nation*, plaintiff, v. *the United States of America*, defendant, pursuant to 60 Stat. 1055 [25 U.S.C. 70t]; to the Committee on Interior and Insular Affairs.

1086. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on the quantities and actual value of major items of excess military equipment programed during the month of March for delivery on a grant basis, pursuant to section 8(d) of the Foreign Military Sales Act Amendments of 1971, as amended [22 U.S.C. 2321b(d)]; to the Committee on International Relations.

1087. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a determination by the Secretary of State that it is in the national interest to continue assistance to Argentina under the Foreign Assistance Act of 1961, as amended, without regard to the provisions of section 620(a)(3) of the act, pursuant to section 664 of the act (22 U.S.C. 2424); to the Committee on International Relations.

1088. A letter from the Administrator, Agency for International Development, Department of State, transmitting notice of his determination that assistance to Syria

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is in the national interest notwithstanding the fact that Syria is in default, during a period in excess of 6 months, in repayment of a loan made under the Foreign Assistance Act of 1961, pursuant to section 620(q) of the act; to the Committee on International Relations.

1089. A letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to extend the Export Administration Act of 1969, as amended; to the Committee on International Relations.

1090. A letter from the Acting Secretary of Commerce, transmitting the final report on U.S. participation in Expo '74 in Spokane, Wash., pursuant to section 5 of Public Law 92–598; to the Committee on International Relations.

1091. A letter from the Secretary of Health, Education, and Welfare, transmitting the annual report of the Emergency Medical Service Systems, pursuant to section 1210 of the Public Health Service Act, as amended (87 Stat. 603); to the Committee on Interstate and Foreign Commerce.

1092. A letter from the Vice President for Government and Public Affairs, National Railroad Passenger Corporation, transmitting a report for the months of March and April 1975, on the average number of passengers per day on board each train operated, and the ontime performances at the final destination of each train operated, by route and by railroad, pursuant to section 308(a)(2) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

1093. A letter from the Attorney General, transmitting a draft of proposed legislation to provide for the definition and punishment of certain crimes in accordance with the Federal laws in force within the special maritime and territorial jurisdiction of the United States when said crimes are committed by an Indian in order to insure equal treatment for Indian and non-Indian offenders; to the Committee on the Judiciary.

1094. A letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to amend section 304 of the Marine Protection, Research, and Sanctuaries Act of 1972 to extend the appropriation authorization for fiscal years 1976 and 1977 in order to carry out the provisions of title III relating to marine sanctuaries; to the Committee on Merchant Marine and Fisheries.

RECEIVED FROM THE COMPTROLLER GENERAL

1095. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during April 1975, pursuant to section 234 of Public Law 91–510; to the Committee on Government Operations.

1096. A letter from the Comptroller General of the United States transmitting a report assessing Project Head Start; jointly, to the Committees on Government Operations, and Education and Labor.

1097. A letter from the Comptroller General of the United States, transmitting a report on the need for regulating the food salvage industry to prevent sales of unwholesome and misbranded foods to the public; jointly, to the Committees on Government Operations, Interstate and Foreign Commerce, and Agriculture.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BRADEMAS: Committee on House Administration. House Concurrent Resolution 269. Concurrent resolution providing for the printing of a House document, "Federal Election Campaign Laws Relating to the U.S. House of Representatives" (Rept. No. 94–223). Ordered to be printed.

Mr. WHITE: Committee on Post Office and Civil Service. H.R. 504. A bill to amend subchapter III of chapter 83 of title 5, United States Code, to provide for mandatory retirement of employees upon attainment of 70 years of age and completion of 5 years of service, and for other purposes (Rept. No. 94–234). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOLLING: Committee on Rules. House Resolution 489. Resolution providing for the consideration of H.R. 6900. A bill to provide an additional 13 weeks of benefits under the emergency unemployment compensation program and the special unemployment assistance program, to extend the special unemployment assistance program for 1 year, and for other purposes (Rept. No. 94–235). Ordered to be printed.

Mr. PATTISON: Committee on the Judiciary. H.R. 1607. A bill to amend title 18 of the United States Code to make parallel the exemption from lottery prohibitions granted to newspapers and to radio and television; with amendment (Rept. No. 94–236). Referred to the Committee of the Whole House on the State of the Union.

Mr. MOORHEAD of California: Committee on the Judiciary. H.R. 4152. A bill to amend title 28 of the United States Code as to the title of the commissioners of the U.S. Court of Claims, and for other purposes; with amendment (Rept. No. 94–237). Referred to the Committee of the Whole House on the State of the Union.

Mr. FLOWERS: Committee on the Judiciary. H.R. 3884. A bill to terminate certain authorities with respect to national emergencies still in effect, and to provide for orderly implementation and termination of future national emergencies; with amendment (Rept. 94–238). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAHON: Committee of Conference. Conference report on H.R. 5899 (Rept. No. 94–239). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KOCH:

H.R. 7158. A bill to amend title II of the Social Security Act to reduce from 20 to 10 years the length of time a divorced woman's marriage to an insured individual must have lasted in order for her to qualify for wife's or widow's benefits on his wage record; to the Committee on Ways and Means.

By Mr. ALEXANDER:

H.R. 7159. A bill to amend the Rural Development Act of 1972; to the Committee on Agriculture.

By Mr. ASHBROOK:

H.R. 7160. A bill to require that estimates of the average cost for each taxpaying family be included in all bills and resolutions of a public character introduced and reported in the Senate and the House of Representatives; to the Committee on Rules.

By Mr. CONABLE:

H.R. 7161. A bill to deny special unemployment assistance in the case of certain employees of educational institutions; to the Committee on Ways and Means.

By Mr. FASCELL (for himself, Mr. Lehman and Mr. Pepper):

H.R. 7162. A bill to amend title XVIII of the Social Security Act so as to enable certain aliens to obtain coverage under the supplemental medical insurance program established by part B of such title; to the Committee on Ways and Means.

By Mr. MITCHELL of Maryland (for himself, Mr. Barrett, Mr. John L. Burton, Mr. Richmond and Mr. Giaimo):

H.R. 7163. A bill relating to collective bargaining representation of postal employees; to the Committee on Post Office and Civil Service.

By Mr. MITCHELL of Maryland (for himself, Mr. Murphy of New York, Mr. Stark, Ms. Burke of California, and Mr. Hawkins):

H.R. 7164. A bill to amend the Small Business Act to impose a moratorium on the repayment of principal and interest on certain loans made by the Small Business Administration for a period of 2 years or until such time as the President determines that the United States is no longer in a period of economic recession; to the Committee on Small Business.

By Mr. QUILLEN:

H.R. 7165. A bill to amend the Federal Food, Drug, and Cosmetic Act to establish certain limitations respecting the authority of the Secretary of Health, Education, and Welfare to regulate vitamins and minerals under that act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SCHULZE:

H.R. 7166. A bill to amend title 18 of the United States Code to increase the penalties imposed for certain firearms violations; to the Committee on the Judiciary.

By Mr. SEBELIUS:

H.R. 7167. A bill to designate certain lands in the Chincoteague National Wildlife Refuge, and Assateague Island National Seashore, Accomack County, Va., and Worchester County, Md., as wilderness; to the Committee on Interior and Insular Affairs.

H.R. 7168. A bill to designate certain lands in the Badlands National Monument, S.D., as wilderness; to the Committee on Interior and Insular Affairs.

H.R. 7169. A bill to designate certain lands in the Bandelier National Monument, N. Mex., as wilderness; to the Committee on Interior and Insular Affairs.

H.R. 7170. A bill to designate certain lands in the Big Bend National Park, Tex., as wilderness; to the Committee on Interior and Insular Affairs.

H.R. 7171. A bill to designate certain lands in the Black Canyon of the Gunnison National Monument, Colo., as wilderness; to the Committee on Interior and Insular Affairs.

H.R. 7172. A bill to designate certain lands in the Bryce Canyon National Park, Utah, wilderness; to the Committee on Interior and Insular Affairs.

H.R. 7173. A bill to designate certain lands in the Carlsbad Cavern National Park N. Mex., as wilderness; to the Committee on Interior and Insular Affairs.

H.R. 7174. A bill to designate as wilderness certain lands within Cedar Breaks National Monument in the State of Utah; to the Committee on Interior and Insular Affairs.

H.R. 7175. A bill to designate certain lands in the Chiricahua National Monument, Ariz., as wilderness; to the Committee on Interior and Insular Affairs.

H.R. 7176. A bill to designate certain lands in the Colorado National Monument, Colo., as wilderness; to the Committee on Interior and Insular Affairs.

H.R. 7177. A bill to designate certain lands in the Crater Lake National Park, Oreg., as wilderness; to the Committee on Interior and Insular Affairs.

H.R. 7178. A bill to designate certain lands in the Cumberland Gap National Historical Park, Tenn., Va., and Ky., as wilderness; to the Committee on Interior and Insular Affairs.

H.R. 7179. A bill to designate certain lands in the Death Valley National Monument,

Calif., and Nev., as wilderness; to the Committee on Interior and Insular Affairs.

H.R. 7180. A bill to designate certain lands in the Dinosaur National Monument, Utah and Colo., as wilderness; to the Committee on Interior and Insular Affairs.

H.R. 7181. A bill to designate certain lands in the Everglades National Park, Fla., as wilderness; to the Committee on Interior and Insular Affairs.

H.R. 7182. A bill to designate certain lands in the Glacier National Park, Mont., as wilderness; to the Committee on Interior and Insular Affairs.

H.R. 7183. A bill to designate certain lands in the Grand Teton National Park, Wyo., as wilderness; to the Committee on Interior and Insular Affairs.

H.R. 7184. A bill to designate certain lands in the Great Sand Dunes National Monument, Colo., as wilderness; to the Committee on Interior and Insular Affairs.

H.R. 7185. A bill to designate certain lands in the Great Smoky Mountains National Park, Tenn., and N.C., as wilderness; to the Committee on Interior and Insular Affairs.

H.R. 7186. A bill to designate certain lands in the Guadalupe Mountains National Park, Tex., as wilderness; to the Committee on Interior and Insular Affairs.

H.R. 7187. A bill to designate certain lands in the Haleakala National Park, Hawaii, as wilderness; to the Committee on Interior and Insular Affairs.

H.R. 7188. A bill to designate certain lands in the Hawaii Volcanoes National Park, Hawaii, as wilderness; to the Committee on Interior and Insular Affairs.

H.R. 7189. A bill to designate as wilderness certain lands within Isle Royale National Park, in the State of Michigan; to the Committee on Interior and Insular Affairs.

H.R. 7190. A bill to designate certain lands in the Joshua Tree National Monument, Calif., as wilderness; to the Committee on Interior and Insular Affairs.

H.R. 7191. A bill to designate certain lands in the Katmai National Monument, Alaska, as wilderness; to the Committee on Interior and Insular Affairs.

H.R. 7192. A bill to designate certain lands in the Mesa Verde National Park, Colo., as wilderness; to the Committee on Interior and Insular Affairs.

H.R. 7193. A bill to designate certain lands in the Mount Rainer National Park, Wash., as wilderness; to the Committee on Interior and Insular Affairs.

H.R. 7194. A bill to designate certain lands in the North Cascades National Park and in the Ross Lake and Lake Chelan National Recreation Areas, Wash., as wilderness; to the Committee on Interior and Insular Affairs.

H.R. 7195. A bill to designate certain lands in the Olympic National Park, Wash., as wilderness; to the Committee on Interior and Insular Affairs.

H.R. 7196. A bill to designate certain lands in the Organ Pipe Cactus National Monument, Ariz., as wilderness; to the Committee on Interior and Insular Affairs.

H.R. 7197. A bill to designate certain lands in the Pinnacles National Monument, Calif., as wilderness; to the Committee on Interior and Insular Affairs.

H.R. 7198. A bill to designate certain lands in the Point Reyes National Seashore, Calif., as wilderness; to the Committee on Interior and Insular Affairs.

H.R. 7199. A bill to designate certain lands in the Rocky Mountain National Park, Colo., as wilderness; to the Committee on Interior and Insular Affairs.

H.R. 7200. A bill to designate certain lands in the Saguaro National Monument, Ariz., as wilderness; to the Committee on Interior and Insular Affairs.

H.R. 7201. A bill to designate certain lands in the Shenandoah National Park, Va., as wilderness; to the Committee on Interior and Insular Affairs.

H.R. 7202. A bill to designate as wilderness certain lands within Sequoia and Kings Canyon National Parks, in the State of California; to the Committee on Interior and Insular Affairs.

H.R. 7203. A bill to designate certain lands in the Theodore Roosevelt National Memorial Park, N. Dak., as wilderness; to the Committee on Interior and Insular Affairs.

H.R. 7204. A bill to designate certain lands in the Yellowstone National Park, Idaho, Wyo., and Mont., as wilderness; to the Committee on Interior and Insular Affairs.

H.R. 7205. A bill to designate certain lands in the Yosemite National Park, Calif., as wilderness; to the Committee on Interior and Insular Affairs.

H.R. 7206. A bill to designate certain lands in the Zion National Park as wilderness; to the Committee on Interior and Insular Affairs.

By Mr. SKUBITZ:

H.R. 7207. A bill to amend the Federal Water Pollution Control Act, as amended, to define the term "navigable waters" as it applies to Corps of Engineers responsibility and authority to regulate the discharge of dredged or fill material; to the Committee on Public Works and Transportation.

H.R. 7208. A bill to amend title 38 of the United States Code in order to increase from 7 years to 11 years from date of separation from service the period in which multiple sclerosis is presumed to have been incurred during service; to the Committee on Veterans' Affairs.

By Mr. TALCOTT:

H.R. 7209. A bill to designate certain lands in the Pinnacles National Monument, Calif., as wilderness, to revise the boundaries of such monument, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 7210. A bill to designate certain lands in San Louis Obispo County, Calif., as the "Lopez Canyon Wilderness," and to establish Lopez Canyon Scenic Area; to the Committee on Interior and Insular Affairs.

H.R. 7211. A bill to amend the Social Security Act to provide for the issuance of new employee identification cards to replace the social security cards presently in use, with such new cards being issued only to citizens and to aliens legally entitled to work in the United States, and to prohibit the employment within the United States of any individual not holding such a card; to the Committee on Ways and Means.

By Mr. BOB WILSON:

H.R. 7212. A bill to amend title 10 of the United States Code so as to permit members of the Reserves and the National Guard to receive retired pay at age 55 for nonregular service under chapter 67 of that title; to the Committee on Armed Services.

H.R. 7213. A bill to incorporate the International Aerospace Hall of Fame; to the Committee on the Judiciary.

H.R. 7214. A bill to amend title 39, United States Code, to prohibit the Postal Service from requiring the delivery of mail to certain residences through the use of cluster mailboxes or curbside mailboxes unless the local government involved approves the use of such mailboxes; to the Committee on Post Office and Civil Service.

By Mr. BIAGGI (for himself, Mr. Early, Mr. Helstoski, Mr. LaFalce, Mr. Nowak, Mr. Stratton, Mr. Howard, Mr. Walsh, Mr. Whitehurst, Mr. Patten, Mr. Dominick V. Daniels, Mr. Zablocki, Mr. Vigorito, Mr. Chappell, Mr. Bevill, Mr. Hannaford, and Mr. Harris):

H.R. 7215. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to require as a condition of assistance under such act that law enforcement agencies have in effect a binding law enforcement officers' bill of rights; to the Committee on the Judiciary.

By Mr. BRADEMAS (for himself and Mr. Bell):

H.R. 7216. A bill to amend and extend the National Foundation on the Arts and Humanities Act of 1965, to provide for the improvement of museum services, and to provide indemnities for exhibitions of artistic and humanistic endeavors, and for other purposes; to the Committee on Education and Labor.

By Mr. BRADEMAS (for himself, Mr. Bell, Mr. Perkins, Mr. Quie, Ms. Mink, Mr. Peyser, Mr. Meeds, Mr. Jeffords, Ms. Chisholm, Mr. Pressler, Mr. Lehman, Mr. Cornell, Mr. Beard of Rhode Island, Mr. Zeferetti, Mr. Miller of California, Mr. Hall, Mr. Ford of Michigan, Mr. Hawkins, Mr. Thompson, Mr. Dent, Mr. Biaggi, Mr. O'Hara, Mr. Andrews of North Carolina, Mr. Risenhoover, and Mr. Simon):

H.R. 7217. A bill to amend the Education of the Handicapped Act to provide educational assistance to all handicapped children, and for other purposes; to the Committee on Education and Labor.

By Mr. BROYHILL:

H.R. 7218. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for services furnished by physician extenders and clinical staff of community mental health centers; to the Committee on Ways and Means.

By Mr. DEL CLAWSON:

H.R. 7219. A bill to establish a method whereby the Congress may prevent the adoption by the executive branch of rules or regulations which are contrary to law or inconsistent with congressional intent or which go beyond the mandate of the legislation which they are designed to implement; to the Committee on the Judiciary.

By Mr. COHEN (for himself, Mr. Burke of Massachusetts, Mr. O'Neill, and Mr. Studds):

H.R. 7220. A bill to amend section 501(c)(5) of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. CONYERS:

H.R. 7221. A bill to amend title 38, United States Code, to eliminate the time period in which a veteran has to use his educational benefits; to the Committee on Veterans' Affairs.

By Mr. DOMINICK V. DANIELS (for himself, Mr. Udall, Mr. White, Mrs. Spellman, Mr. Harris, Mr. Mineta, and Mr. Jenrette):

H.R. 7222. A bill to increase the contribution by the Federal Government to the costs of employees' group life insurance; to the Committee on Post Office and Civil Service.

By Mr. DIGGS (for himself, Ms. Abzug, Mr. Beard of Rhode Island, Mr. Bedell, Mr. Bonker, Mr. Brown of California, Mrs. Burke of California, Mr. Carr, Mr. Conyers, Mr. Dellums, Mr. Dingell, Mr. Drinan, Mr. Edgar, Mr. Edwards of California, Mr. Eilberg, Mr. Ford of Tennessee, Mr. Forsythe, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Jeffords, Ms. Jordan, Mr. Krebs, Mr. LaFalce, and Mr. Long of Maryland):

H.R. 7223. A bill to prohibit the transfer of nuclear materials to countries which have not ratified the Treaty on Non-Proliferation of Nuclear Weapons; Joint Committee on Atomic Energy.

By Mr. DIGGS (for himself, Mr. Metcalfe, Mrs. Meyner, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Mottl, Mr. Pattison of New York, Mr. Rangel, Mr. Richmond, Mr. Riegle, Mr. Roe, Mr. Seiberling, Mr. Simon, Mr. Stark, Mr. Stokes, Mr. Studds, Mr.

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Vander Veen, Mr. Wirth, Mr. Young of Georgia, Mr. Gude, and Mr. Hannaford):

H.R. 7224. A bill to prohibit the transfer of nuclear materials to countries which have not ratified the Treaty on Non-Proliferation of Nuclear Weapons; Joint Committee on Atomic Energy.

By Mr. DRINAN (for himself, Ms. Abzug, Mr. Anderson of California, Mr. Bedell, Mr. Brown of California, Mr. Carr, Ms. Collins of Illinois, Mr. Conyers, Mr. Dellums, Mr. Edgar, Mr. Edwards of California, Mr. Ford of Tennessee, Mr. Frenzel, Mr. Hannaford, Mr. Harrington, Mr. Koch, Mr. LaFalce, Mr. Melcher, Mr. Mitchell of Maryland, Mr. Moss, Mr. Riegle, Mr. Rosenthal, Mr. Ryan, Ms. Schroeder, and Mr. Seiberling):

H.R. 7225. A bill to repeal the Military Selective Service Act, and for other purposes; to the Committee on Armed Services.

By Mr. DRINAN (for himself, Mr. Solarz, and Mr. Stark):

H.R. 7226. A bill to repeal the Military Selective Service Act, and for other purposes; to the Committee on Armed Services.

By Mr. DRINAN (for himself, Mr. Eilberg, Mr. Fraser, Mr. Hicks, Mr. McDonald of Georgia, Mrs. Meyner, Mr. Mitchell of Maryland, Mr. Mosher, Mr. Stark, Mr. Symms, and Mr. Won Pat):

H.R. 7227. A bill to amend the Communications Act of 1934 in order to recognize and confirm the applicability of and to strengthen and further the objectives of the first amendment to radio and television broadcasting stations; to the Committee on Interstate and Foreign Commerce.

By Mr. DUNCAN of Tennessee:

H.R. 7228. A bill to amend the Internal Revenue Code of 1954 to permit the authorization of means other than stamps on containers of distilled spirits as evidence of tax payment; to the Committee on Ways and Means.

By Mr. ECKHARDT:

H.R. 7229. A bill to regulate commerce and protect human health and the environment by requiring testing and necessary use restrictions on certain chemical substances, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. EILBERG:

H.R. 7230. A bill to amend the Controlled Substances Act to provide penalties for persons who obtain or attempt to obtain narcotics or other controlled substances from a retail pharmacy by force and violence, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. EMERY:

H.R. 7231. A bill to amend the Federal Nonnuclear Energy Research and Development Act of 1974 for the purpose of authorizing research, development, and demonstration in the field of ground propulsion systems; to the Committee on Science and Technology.

By Mr. FAUNTROY:

H.R. 7232. A bill to provide for the disclosure by depository institutions of mortgage loans and deposit sources by zip code, county, or State, and for other purposes; to the Committee on Banking, Currency and Housing.

By Mr. FITHIAN:

H.R. 7233. A bill to assist the States to provide additional facilities for research in agriculture and forestry at State agricultural experiment stations, land grant colleges, and cooperating forestry research institutions funded under Public Law 87–788; to the Committee on Agriculture.

By Mr. GOLDWATER (for himself, Mr. Koch, Mr. Anderson of California, Mr. Blanchard, Mr. Cohen, Mrs. Collins of Illinois, Mr. Coughlin, Mr. Conte, Mr. Downey of New York, Mr. Esch, Mr. Hannaford, Mr. Heinz, Mr. Kelly, Mr. McCormack, Mr. Mezvinsky, Mr. Mikva, Mr. Moakley, Mr. O'Brien, Mrs. Spellman, and Mr. Symington):

H.R. 7234. A bill to protect the constitutional right of privacy of individuals concerning whom identifiable information is recorded by enacting principles of information practices in furtherance of articles I, III, IV, V, IX, X, and XIV of amendment to the U.S. Constitution; to the Committee on the Judiciary.

By Mr. GUYER:

H.R. 7235. A bill to authorize the issuance of gold commemorative coins bearing the seal or symbol of the American Revolution Bicentennial Administration; to the Committee on Banking, Currency and Housing.

By Mr. HARRINGTON:

H.R. 7236. A bill to amend section 203 of the Social Security Act to liberalize the rate at which benefits are withheld thereunder by reason of outside earnings, and to provide that the amount of any social security taxes paid by an individual shall be subtracted from his or her outside earnings before determining the amount of the benefits to be withheld by reason of such earnings; to the Committee on Ways and Means.

By Mr. JOHNSON of California:

H.R. 7237. A bill to amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. KASTENMEIER (for himself, Mr. Steelman, Mr. Addabbo, Mr. Findley, Mr. Fuqua, Mr. Meeds, Mr. Peyser, Mr. Steiger of Wisconsin, Mr. Thone, and Mr. Zeferetti):

H.R. 7238. A bill to require candidates for Federal office, Members of the Congress, and officers and employees of the United States to file statements with the Comptroller General with respect to their income and financial transactions; Jointly to the Committees on the Judiciary and Standards of Official Conduct.

By Mr. KEMP:

H.R. 7239. A bill to incorporate the National Ski Patrol System, Incorporated; to the Committee on the Judiciary.

By Mr. KEMP (for himself, Mr. Archer, Mr. Armstrong, Mr. Ashbrook, Mr. Bauman, Mr. Beard of Tennessee, Mr. Brown of Ohio, Mr. Burgener, Mr. Clancy, Mr. Conlan, Mr. Crane, Mr. Robert W. Daniel, Jr., Mr. Derwinski, Mr. Devine, Mr. Dickinson, Mr. Duncan of Tennessee, Mr. Esch, Mr. Eshleman, Mr. Frenzel, Mr. Goldwater, Mr. Goodling, Mr. Guyer, Mr. Hagedorn, Mr. Hastings, and Mrs. Heckler of Massachusetts):

H.R. 7240. A bill to accelerate the formation of the investment capital required to expand both job opportunities and productivity in the private sector of the economy; to the Committee on Ways and Means.

By Mr. KEMP (for himself, Mrs. Holt, Mr. Kasten, Mr. Ketchum, Mr. Kindness, Mr. Lott, Mr. McClory, Mr. McCollister, Mr. Martin of North Carolina, Mr. Milford, Mr. Moore, Mr. Pressler, Mr. Quie, Mr. Quillen, Mr. Robinson, Mr. Rousselot, Mr. Shuster, Mr. Sebelius, Mr. Spence, Mr. Symms, Mr. Thone, Mr. Treen, and Mr. Waggonner):

H.R. 7241. A bill to accelerate the formation of the investment capital required to expand both job opportunities and productivity in the private sector of the economy; to the Committee on Ways and Means.

By Mr. KOCH (for himself, Mr. Kemp, and Mr. McKinney):

H.R. 7242. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

By Mr. LEHMAN (for himself, Mr. Badillo, Mr. Fascell, and Mr. Harris):

H.R. 7243. A bill to amend the National Housing Act to prohibit Federal Housing Administration insurance of blanket mortgages on condominium projects, and Federal National Mortgage Association purchases of conventional condomium mortgages, where the developer retains or will retain a leasehold interest in the common areas and facilities of the project involved; to the Committee on Banking, Currency, and Housing.

By Mr. LEHMAN (for himself, Mr. Badillo, Mr. Fascell, Mr. Harris, Mr. Preyer, and Mr. Sarbanes):

H.R. 7244. A bill to amend the Internal Revenue Code of 1954 to provide an exemption from income taxation for cooperative housing corporations and condominium housing associations; to the Committee on Ways and Means.

By Mr. McKINNEY:

H.R. 7245. A bill to amend the Internal Revenue Code of 1954 to increase the investment credit to 12 precent and to provide an additional credit for machinery or equipment used in the manufacture of passenger automobiles; to the Committee on Ways and Means.

H.R. 7246. A bill to establish a ceiling on certain fuel imports, to provide for mandatory allocation of petroleum, to equalize petroleum prices, and for other purposes; jointly to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. MADIGAN (for himself, Mr. Brown of California, Mr. Mathis, and Mr. Jenrette).

H.R. 7247. A bill to amend the Federal Crop Insurance Act, and for other purposes; to the Committee on Agriculture.

By Mr. MEZVINSKY (for himself, Mr. Andrews of North Dakota, Mr. Aspin, Mr. Badillo, Mr. Blouin, Mr. Downey of New York, Mr. Harkin, Mr. Harrington, Mr. Hawkins, Mr. Hicks, Ms. Holtzman, Mr. Howe, Mr. Jenrette, Mr. Krebs, Mr. Leggett, Mr. Maguire, Mr. Mikva, Mr. Mitchell of Maryland, Mr. Moorhead of Pennsylvania, Mr. Ottinger, Mr. Peyser, Mr. Pressler, Mr. Riegle, Mr. Rose, and Mr. Roybal):

H.R. 7248. A bill to provide that the Secretary of Agriculture shall offer encouragement, advice, expertise, and other assistance for the purpose of establishing and maintaining farmers' markets designed to lower the cost of food for consumers and increase the income of small farmers; to the Committee on Agriculture.

By Mr. MEZVINSKY (for himself, Mr. Sarbanes, Mr. Seiberling, Mr. Solarz, Mr. Stark, Mr. Tsongas, Mr. Weaver, Mr. White, and Mr. Won Pat):

H.R. 7249. A bill to provide that the Secretary of Agriculture shall offer encouragement, advice, expertise, and other assistance for the purpose of establishing and maintaining farmers' markets designed to lower the cost of food for consumers and increase the income of small farmers; to the Committee on Agriculture.

By Mr. MILLS:

H.R. 7250. A bill to increase the amount to be appropriated for the development of the Arkansas Post National Memorial, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MOAKLEY (for himself, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mrs. Burke of California, Mr. Carney, Mrs. Chisholm, Ms. Collins of Illinois, Mr. Downey of New York, Mr. Ford of Tennessee, Mr. Harrington, Mr. Hawkins, Mr. Mineta, Mr. Moss, Mr. Murphy of Illinois, Mr. Ottinger, Mr. Pattison of New York, Mr. Richmond, Mr. Ryan, Mr. Solarz, Mr. Stark, Mr. Stokes, and Mr. Studds):

H.R. 7251. A bill to improve public understanding of the role of financial institutions in home and commercial real property financing; to the Committee on Banking, Currency and Housing.

By Mr. PEPPER (for himself, Mr. Koch, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Mrs. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, Mr. Downey of New York, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, and Mr. Fascell):

H.R. 7252. A bill to amend title XVIII of the Social Security Act to authorize the provision of intermediate care services under medicare, and for other purposes; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Florio, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Mrs. Lloyd of Tennessee, Mr. Maguire, Mr. Mazzoli, Mr. Murphy of New York, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, and Mr. Rees):

H.R. 7253. A bill to amend title XVIII of the Social Security Act to authorize the provision of intermediate care services under medicare, and for other purposes; jointly to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H.R. 7254. A bill to amend title XVIII of the Social Security Act to authorize the provision of intermediate care services under medicare, and for other purposes; jointly to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Mrs. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, Mr. Downey of New York, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, and Mr. Fascell):

H.R. 7255. A bill to amend section 213 of the Internal Revenue Code of 1954 with respect to certain nursing home expenses; to the Committee on Ways and Means.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Florio, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Mrs. Lloyd of Tennessee, Mr. Maguire, Mr. Mazzoli, Mr. Murphy of New York, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, and Mr. Rees):

H.R. 7256. A bill to amend section 213 of the Internal Revenue Code of 1954 with respect to certain nursing home expenses; to the Committee on Ways and Means.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H.R. 7257. A bill to amend section 213 of the Internal Revenue Code of 1954 with respect to certain nursing home expenses; to the Committee on Ways and Means.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Mrs. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, Mr. Downey of New York, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, and Mr. Fascell):

H.R. 7258. A bill to provide for the modification of the medicare reimbursement formula to allow small hospitals in rural areas with low occupancy to provide long-term care but only in those areas where there are no appropriate nursing home beds available; to the Committee on Ways and Means.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Florio, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Mrs. Lloyd of Tennessee, Mr. Maguire, Mr. Mazzoli, Mr. Murphy of New York, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, and Mr. Rees):

H.R. 7259. A bill to provide for the modification of the medicare reimbursement formula to allow small hosiptals in rural areas with low occupancy to provide long-term care but only in these areas where there are no appropriate nursing home beds available; to the Committee on Ways and Means.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H.R. 7260. A bill to provide for the modification of the medicare reimbursement formula to allow small hospitals in rural areas with low occupancy to provide long-term care but only in those areas where there are no appropriate nursing home beds available; to the Committee on Ways and Means.

By Mr. PEPPER (for himself, Mr. Koch, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Mrs. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, Mr. Downey of New York, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, and Mr. Fascell):

H.R. 7261. A bill to allow the States to use supplemetary security income payments plus a State supplement of not less than $100 per resident per month to provide care for residents in nonmedical shelter care facilities; to the Committee on Ways and Means.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Florio, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Mrs. Lloyd of Tennessee, Mr. Maguire, Mr. Mazzoli, Mr. Murphy of New York, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, and Mr. Rees):

H.R. 7262. A bill to allow the States to use supplementary security income payments plus a State supplement of not less than $100 per resident per month to provide care for residents in nonmedical shelter cars facilities; to the Committee on Ways and Means.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H.R. 7263. A bill to allow the State to use supplementary security income payments plus a State supplement of not less than $100 per resident per month to provide care for residents in nonmedical shelter care facilities; to the Committee on Ways and Means.

By Mr. PEPPER (for himself, Mr. Koch, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Mrs. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, Mr. Downey of New York, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, and Mr. Fascell):

H.R. 7264. A bill to require physician visits to patients in skilled nursing facilities at least once every 30 days; jointly to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Florio, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Mrs. Lloyd of Tennessee, Mr. Maguire, Mr. Mazzoli, Mr. Murphy of New York, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, and Mr. Rees):

H.R. 7265. A bill to require physician visits to patients in skilled nursing facilities at least once ever 30 days; jointly to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H.R. 7266. A bill to require physician visits to patients in skilled nursing facilities at least once every 30 days; jointly to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Mrs. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, Mr. Downey of New York, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, and Mr. Fascell):

H.R. 7267. A bill to amend titles 18 and 19 of the Social Security Act to require skilled nursing facilities to employ at least one registered professional nurse 24 hours per day, 7 days a week; jointly to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Florio, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Mrs. Lloyd of Tennessee, Mr. Maguire, Mr. Mazzoli, Mr. Murphy of New York, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, and Mr. Rees):

H.R. 7268. A bill to amend titles 18 and 19 of the Social Security Act to require skilled nursing facilities to employ at least one registered professional nurse 24 hours per day,

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7 days a week; jointly to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H.R. 7269. A bill to amend titles 18 and 19 of the Social Security Act to require skilled nursing facilities to employ at least one registered professional nurse 24 hours per day, 7 days a week; jointly to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Mrs. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, Mr. Downey of New York, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, and Mr. Fascell):

H.R. 7270. A bill to amend titles 18 and 19 of the Social Security Act to require that only licensed personnel may set up or distribute medication in skilled nursing facilities; jointly to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Florio, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Mrs. Lloyd of Tennessee, Mr. Maguire, Mr. Mazzoli, Mr. Murphy of New York, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, and Mr. Rees):

H.R. 7271. A bill to amend titles 18 and 19 of the Social Security Act to require that only licensed personnel may set up or distribute medications in skilled nursing facilities; jointly to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H.R. 7272. A bill to amend titles 18 and 19 of the Social Security Act to require that only licensed personnel may set up or distribute medications in skilled nursing facilities; jointly to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Mrs. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, Mr. Downey of New York, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, and Mr. Fascell):

H.R. 7273. A bill to amend the Social Security Act to provide for placing responsibility for medical care provided by skilled nursing facilities under titles XVIII and XIX in a medical director; jointly to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Florio, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Mrs. Lloyd of Tennessee, Mr. Maguire, Mr. Mazzoli, Mr. Murphy of New York, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, and Mr. Rees):

H.R. 7274. A bill to amend the Social Security Act to provide for placing responsibility for medical care provided by skilled nursing facilities under title XVIII and XIX in a medical director; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H.R. 7275. A bill to amend the Social Security Act to provide for placing responsibility for medical care provided by skilled nursing facilities under titles XVIII and XIX in a medical director; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Mrs. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, Mr. Downey of New York, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, and Mr. Fascell):

H.R. 7276. A bill to amend titles 18 and 19 of the Social Security Act to require minimum ratios for nursing home personnel to patients and for supervisory nurses to total nurses; jointly to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Florio, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Mrs. Lloyd of Tennessee, Mr. Maguire, Mr. Mazzoli, Mr. Murphy of New York, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, and Mr. Rees):

H.R. 7277. A bill to amend titles 18 and 19 of the Social Security Act to require minimum ratios for nursing home personnel to patients and for supervisory nurses to total nurses; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H.R. 7278. A bill to amend titles 18 and 19 of the Social Security Act to require minimum ratios for nursing home personnel to patients and for supervisory nurses to total nurses; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Mrs. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, Mr. Downey of New York, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, and Mr. Fascell):

H.R. 7279. A bill to amend title 18 and title 19 of the Social Security Act to require skilled nursing facilities to provide medically related social services; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Florio, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Mrs. Lloyd of Tennessee, Mr. Maguire, Mr. Mazzoli, Mr. Murphy of New York, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, and Mr. Rees):

H.R. 7280. A bill to amend title 18 and title 19 of the Social Security Act to require skilled nursing facilities to provide medically related social services; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver and Mr. Zeferetti):

H.R. 7281. A bill to amend title 18 and title 19 of the Social Security Act to require skilled nursing facilities to provide medically related social services; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Mrs. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, Mr. Downey of New York, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, and Mr. Fascell):

H.R. 7282. A bill to require admissions contracts between nursing homes participating in Federal programs and the patients they serve; jointly to the Committee on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Florio, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Mrs. Lloyd of Tennessee, Mr. Maguire, Mr. Mazzoli, Mr. Murphy of New York, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, and Mr. Rees):

H.R. 7283. A bill to require admissions contracts between nursing homes participating in Federal programs and the patients they serve; jointly to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H.R. 7284. A bill to require admissions contracts between nursing homes participating in Federal programs and the patients they serve; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Biaggi, Mr. Bingham, Mr. Bradamas, Mr. Brodhead, Mr. Carney, Mrs. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, Mr. Downey of New York, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, and Mr. Fascell):

H.R. 7285. A bill to amend the Social Security Act to provide for the updating of safety provisions in skilled nursing facilities; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Florio, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Mrs. Lloyd of Tennessee, Mr. Maguire, Mr. Mazzoli, Mr. Murphy of New York, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, and Mr. Rees):

H.R. 7288. A bill to amend the Social Security Act to provide for the updating of safety provisions in skilled nursing facilities; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H.R. 7287. A bill to amend the Social Security Act to provide for the updating of safety provisions in skilled nursing facilities; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Mrs. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, Mr. Downey of New York, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, and Mr. Fascell):

H.R. 7288. A bill to amend titles 18 and 19 of the Social Security Act to require nursing homes to post their current license, medicare/medicaid certification, a list of owners of the facility, the names of staff, a patient's bill of rights as well as a description of services offered by the facility and the facility's charges therefor; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Florio, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Mrs. Lloyd of Tennessee, Mr. Maguire, Mr. Mazzoli, Mr. Murphy of New York, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, and Mr. Rees):

H.R. 7289. A bill to amend titles 18 and 19 of the Social Security Act to require nursing homes to post their current license, medicare/medicaid certification, a list of owners of the facility, the names of staff, a patient's bill of rights as well as a description of services offered by the facility and the facility's charges therefor; jointly to the Committees on Ways and Means, Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H.R. 7290. A bill to amend title 18 and 19 of the Social Security Act to require nursing homes to post their current license, medicare/medicaid certification, a list of owners of the facility, the names of staff, a patient's bill of rights as well as a description of services offered by the facility and the facility's charges therefor; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Mrs. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, Mr. Downey of New York, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, and Mr. Fascell):

H.R. 7291. A bill to require the immediate reporting of epidemic diseases or accidents in nursing homes participating in Federal programs; jointly to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Florio, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Mrs. Lloyd of Tennessee, Mr. Maguire, Mr. Mazzoli, Mr. Murphy of New York, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, and Mr. Rees):

H.R. 7292. A bill to require the immediate reporting of epidemic diseases or accidents in nursing homes participating in Federal programs; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H.R. 7293. A bill to require the immediate reporting of epidemic diseases or accidents in nursing homes participating in Federal programs; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Mrs. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, Mr. Downey of New York, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, and Mr. Fascell):

H.R. 7294. A bill to require that State plans under title 19 are ratified by both the State's legislative and executive branch before being presented to the Secretary for his approval; to require that such plans be posted and available to the public; to require the Secretary to annually review a State's compliance with such plan and to publish performance ratings for the States and creating a cause of action allowing title 19 recipients individually or as a class to bring suit against a State for specific performance when a State fails to comply with the provisions of its plan; to the Committee on Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Florio, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Mrs. Lloyd of Tennessee, Mr. Maguire, Mr. Mazzoli, Mr. Murphy of New York, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, and Mr. Rees):

H.R. 7295. A bill to require that State plans under title 19 are ratified by both the State's legislative and executive branch before being presented to the Secretary for his approval; to require that such plans be posted and available to the public; to require the Secretary to annually review a State's compliance with such plan and to publish performance ratings for the States and creating a cause of action allowing title 19 recipients individually or as a class to bring suit against a State for specific performance when a State fails to comply with the provisions of its plan; to the Committee on Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H.R. 7296. A bill to require that State plans under title 19 are ratified by both the State's legislative and executive branch before being presented to the Secretary for his approval; to require that such plans be posted and available to the public; to require the Secretary to annually review a State's compliance with such plan and to publish performance ratings for the States and creating a cause of action allowing title 19 recipients individually or as a class to bring suit against a State for specific performance when a State fails to comply with the provisions of its plan; to the Committee on Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Mrs. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, Mr. Downey of New York, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, and Mr. Fascell):

H.R. 7297. A bill to require the Department of Health, Education, and Welfare to establish a rating system for nursing homes participating in Federal programs as a guide to consumers; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Florio, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Mrs. Lloyd of Tennessee, Mr. Maguire, Mr. Mazzoli, Mr. Murphy of New York, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, and Mr. Rees):

H.R. 7298. A bill to require the Department of Health, Education, and Welfare to establish a rating system for nursing homes participating in Federal programs as a guide to consumers; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H.R. 7299. A bill to require the Department of Health, Education, and Welfare to establish a rating system for nursing homes participating in Federal programs as a guide to consumers; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Mrs. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Dan-

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iels. Mr. Dellums, Mr. Diggs, Mr. Downey of New York, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, and Mr. Fascell):

H.R. 7300. A bill to amend title 19 of the Social Security Act to require States to establish ombudsman programs to investigate nursing home complaints and represent consumer interests; to the Committee on Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Florio, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harrington, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Mrs. Lloyd of Tennessee, Mr. Maguire, Mr. Mazzoli, Mr. Murphy of New York, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, and Mr. Rees):

H.R. 7301. A bill to amend title 19 of the Social Security Act to require States to establish ombudsman programs to investigate nursing home complaints and represent consumer interests; to the Committee on Interstate and Foreign Commerce.

By Mr PEPPER (for himself, Mr. Koch, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver and Zeferetti):

H.R. 7302. A bill to amend title 19 of the Social Security Act to require States to establish ombudsman programs to investigate nursing home complaints and represent consumer interests; to the Committee on Interstate and Foreign Commerce.

By Mr. PEPPER (for himself. Mr. Koch, Ms. Abuzg, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Mrs. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, Mr. Downey of New York, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, and Mr. Fascell):

H.R. 7303. A bill to amend the Social Security Act to provide for the establishment of an Inspector General for health administration; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER, (for himself Mr. Koch, Mr. Florio, Mr. Ford of Tennessee Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Mrs. Lloyd of Tennessee, Mr. Maguire, Mr. Mazzoli, Mr. Murphy of New York, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, and Mr. Rees):

H.R. 7304. A bill to amend the Social Security Act to provide for the establishment of an Inspector General for health administration; jointly to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H.R. 7305. A bill to amend the Social Security Act to provide for the establishment of an Inspector General for health administration; jointly to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Mrs. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, Mr. Downey of New York, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, and Mr. Fascell):

H.R. 7306. A bill to amend titles XVII and XIX of the Social Security Act making unlawful the offer or receipt of consideration for the referral of patients, clients, or customers; jointly to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Florio, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks. Mr. Howard, Mrs. Lloyd of Tennessee, Mr. Maguire, Mr. Mazzoli, Mr. Murphy of New York, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, and Mr. Rees):

H.R. 7307. A bill to amend titles XVII and XIX of the Social Security Act making unlawful the offer or receipt of consideration for the referral of patients, clients, or customers; jointly to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H.R. 7308. A bill to amend titles XVII and XIX of the Social Security Act making unlawful the offer or receipt of consideration for the referral of patients, clients, or customers; jointly to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Mrs. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, Mr. Downey of New York, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, and Mr. Fascell):

H.R. 7309. A bill to amend titles 18 and 19 of the Social Security Act to require strict controls for the handling of patients' accounts, personal expense moneys, and valuables; jointly to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Florio, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Mrs. Lloyd of Tennessee, Mr. Maguire, Mr. Mazzoli, Mr. Murphy of New York, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, and Mr. Rees):

H.R. 7310. A bill to amend titles 18 and 19 of the Social Security Act to require strict controls for the handling of patients' accounts, personal expense moneys, and valuables; jointly to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H.R. 7311. A bill to amend titles 18 and 19 of the Social Security Act to require strict controls for the handling of patients' accounts, personal expense moneys, and valuables; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Mrs. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, Mr. Downey of New York, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, and Mr. Fascell):

H.R. 7312. A bill to make unlawful the solicitation or acceptance of any gift, money, or consideration over and above the rates established by the States and to make unlawful the solicitation or acceptance of any gift, money, or donation as a precondition of admitting a patient to a long-term care facility; to the Committee on Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Florio, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Mrs. Lloyd of Tennessee, Mr. Maguire, Mr. Mazzoli, Mr. Murphy of New York, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, and Mr. Rees):

H.R. 7313. A bill to make unlawful the solicitation or acceptance of any gift, money, or consideration over and above the rates established by the States and to make unlawful the solicitation or acceptance of any gift, money, or donation as a precondition of admitting a patient to a long-term care facility; to the Committee on Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H.R. 7314. A bill to make unlawful the solicitation or acceptance of any gift, money, or consideration over and above the rates established by the States and to make unlawful the solicitation or acceptance of any gift, money, or donation as a precondition of admitting a patient to a long-term care facility; to the Committee on Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Mrs. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, Mr. Downey of New York, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, and Mr. Fascell):

H.R. 7315. A bill to amend title 19 of the Social Security Act to make certain requirements with respect to long-term care facility personnel compensated with Federal funds who are responsible for determining whether such institutions comply with health and safety standards required under such Act; to the Committee on Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Florio, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Mrs. Lloyd of Tennessee, Mr. Maguire, Mr. Mazzoli, Mr. Murphy of New York, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, and Mr. Rees):

H.R. 7316. A bill to amend title 19 of the Social Security Act to make certain requirements with respect to long-term care facility personnel compensated with Federal funds who are responsible for determining whether such institutions comply with health and safety standards required under such Act; to the Committee on Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H.R. 7317. A bill to amend title 19 of the Social Security Act to make certain requirements with respect to long-term care facility personnel compensated with Federal funds who are responsible for determining whether such institutions comply with health and safety standards required under such Act; to the Committee on Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Mrs. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, Mr. Downey of New York, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, and Mr. Fascell):

H.R. 7318. A bill to amend the Social Security Act to require that payment forms submitted from nursing homes contain warnings with regard to penalties imposed under sections 1877 and 1909; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Florio, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Mrs. Lloyd of Tennessee, Mr. Maguire, Mr. Mazzoli, Mr. Murphy of New York, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, and Mr. Rees):

H.R. 7319. A bill to amend the Social Security Act to require that payment forms submitted from nursing homes contain warnings with regard to penalties imposed under sections 1877 and 1909; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H.R. 7320. A bill to amend the Social Security Act to require that payment forms submitted from nursing homes contain warnings with regard to penalties imposed under sections 1877 and 1909; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Mrs. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, Mr. Downey of New York, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, and Mr. Fascell):

H.R. 7321. A bill to continue 100 per centum Federal financing of the State costs in inspecting nursing homes and to assist the States, new enforcement tools such as a citation system and protective custodianship and other alternatives to license revocation; to the Committee on Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Florio, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Mrs. Lloyd of Tennessee, Mr. Maguire, Mr. Mazzoli, Mr. Murphy of New York, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, and Mr. Rees):

H.R. 7322. A bill to continue 100 per centum Federal financing of the State costs in inspecting nursing homes and to assist the States new enforcement tools such as a citation system and protective custodianship and other alternatives to license revocation; to the Committee on Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H.R. 7323. A bill to continue 100 per centum Federal financing of the State costs in inspecting nursing homes and to assist the States new enforcement tools such as a citation system and protective custodianship and other alternatives to license revocation; to the Committee on Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Mrs. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, Mr. Downey of New York, Mr. Duncan of Tennessee, Mr. Gilman, Mr. Harring-California, and Mr. Fascell):

H.R. 7324. A bill to provide 100 per centum Federal funding of financial audits of facilities participating in medicare and medicaid conducted by State personnel; to the Committee on Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Florio, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Mrs. Lloyd of Tennessee, Mr. Maguire, Mr. Mazzoli, Mr. Murphy of New York, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, and Mr. Rees):

H.R. 7325. A bill to provide 100 per centum Federal funding of financial audits of facilities participating in medicare and medicaid conducted by State personnel; to the Committee on Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H.R. 7326. A bill to provide 100 per centum Federal funding of financial audits of facilities participating in medicare and medicaid conducted by State personnel; to the Committee on Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Biaggi, Mr. Bingham, Mr. Brademas. Mr. Brodhead, Mr. Carney, Mrs. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, Mr. Downey of New York, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, and Mr. Fascell):

H.R. 7327. A bill to amend the Social Security Act to provide for a system of inspections of State inspection and enforcement mechanisms with regard to facilities receiving payments under titles XVIII and XIX; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Florio, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Mrs. Lloyd of Tennessee, Mr. Maguire, Mr. Mazzoli, Mr. Murphy of New York, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, and Mr. Rees):

H.R. 7328. A bill to amend the Social Security Act to provide for a system of inspections of State inspection and enforcement mechanisms with regard to facilities receiving payments under titles XVIII and XIX; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H.R. 7329. A bill to amend the Social Security Act to provide for a system of inspections of State inspection and enforcement mechanisms with regard to facilities receiving payments under titles XVIII and XIX; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Ms. Abzug, Mr. Badillo. Mr. Beard of Rhode Island, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Mrs. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, Mr. Downey of New York, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, and Mr. Fascell):

H.R. 7330. A bill to authorize medicare or medicaid patients individually or as a class to bring suit for specific performance in Federal district court against a long-term care facility which is in violation of its provider agreement; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Florio, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Mrs. Lloyd of Tennessee, Mr. Maguire, Mr. Mazzoli, Mr. Murphy of New York, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, and Mr. Rees):

H.R. 7331. A bill to authorize medicare or medicaid patients individually or as a class to bring suit for specific performance in Federal district court against a long-term care facility which is in violation of its provider agreement; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H.R. 7332. A bill to authorize medicare or medicaid patients individually or as a class to bring suit for specific performance in Federal district court against a long-term care facility which is in violation of its provider

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agreement; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Mrs. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, Mr. Downey of New York, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, and Mr. Fascell):

H.R. 7333. A bill to authorize the States to incorporate financial incentives for good care within the context of their cost-related reimbursement formulas effective July 1, 1976: to the Committee on Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Florio, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Mrs. Lloyd of Tennessee, Mr. Maguire, Mr. Mazzoli, Mr. Murphy of New York, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, and Mr. Rees):

H.R. 7334. A bill to authorize the States to incorporate financial incentives for good care within the context of their cost-related reimbursement formulas effective July 1, 1976: to the Committee on Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H.R. 7335. A bill to authorize the States to incorporate financial incentives for good care within the context of their cost-related reimbursement formulas effective July 1, 1976; to the Committee on Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Mrs. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, Mr. Downey of New York, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, and Mr. Fascell):

H.R. 7336. A bill to amend title VI of the Public Health Service Act to provide for the making of direct loans for the construction and rehabilitation of nursing homes owned and operated by churches and other nonprofit organizations; to the Committee on Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Florio, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Mrs. Lloyd of Tennessee, Mr. Maguire, Mr. Mazzoli, Mr. Murphy of New York, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, and Mr. Rees):

H.R. 7337. A bill to amend title VI of the Public Health Service Act to provide for the making of direct loans for the construction and rehabilitation of nursing homes owned and operated by churches and other nonprofit organizations; to the Committee on Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H.R. 7338. A bill to amend title VI of the Public Health Service Act to provide for the making of direct loans for the construction and rehabilitation of nursing homes owned and operated by churches and other nonprofit organizations; to the Committee on Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Mrs. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, Mr. Downey of New York, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, and Mr. Fascell):

H.R. 7339. A bill to authorize the Secretary of Health, Education, and Welfare to provide grants, for the planning, development, construction, and rehabilitation of nursing homes in black and minority communities: to the Committee on Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Florio, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Mrs. Lloyd of Tennessee, Mr. Maguire, Mr. Mazzoli, Mr. Murphy of New York, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, and Mr. Rees):

H.R. 7340. A bill to authorize the Secretary of Health, Education, and Welfare to provide grants, for the planning, development, construction, and rehabilitation of nursing homes in black and minority communities; to the Committee on Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H.R. 7341. A bill to authorize the Secretary of Health, Education, and Welfare to provide grants, for the planning, development, construction, and rehabilitation of nursing homes in black and minority communities; to the Committee on Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Mrs. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, Mr. Downey of New York, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, and Mr. Fascell):

H.R. 7342. A bill to authorize interest subsidy payments to assist nursing homes in repair and renovation in order to comply with Federal standards; jointly to the Committees on Banking, Currency and Housing, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Florio, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Mrs. Lloyd of Tennessee, Mr. Maguire, Mr. Mazzoli, Mr. Murphy of New York, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, and Mr. Rees):

H.R. 7343. A bill to authorize interest subsidy payments to assist nursing homes in repair and renovation in order to comply with Federal standards; jointly to the Committees on Banking, Currency and Housing, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H.R. 7344. A bill to authorize interest subsidy payments to assist nursing homes in repair and renovation in order to comply with Federal standards; jointly to the Committees on Banking, Currency and Housing, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Mrs. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, Mr. Downey of New York, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, and Mr. Fascell):

H.R. 7345. A bill to amend title VII of the Public Health Service Act to provide for the making of grants to appropriate colleges and universities to assist them in establishing graduate programs for nurses in geriatrics and gerontology; to the Committee on Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Florio, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Mrs. Lloyd of Tennessee, Mr. Maguire, Mr. Mazzoli, Mr. Murphy of New York, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, and Mr. Rees):

H.R. 7346. A bill to amend title VII of the Public Health Service Act to provide for the making of grants to appropriate colleges and universities to assist them in establishing graduate programs for nurses in geriatrics and gerontology; to the Committee on Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H.R. 7347. A bill to amend title VII of the Public Health Service Act to provide for the making of grants to appropriate colleges and universities to assist them in establishing graduate programs for nurses in geriatrics and gerontology; to the Committee on Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Mrs. Chisholm, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, Mr. Downey of New York, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, and Mr. Fascell):

H.R. 7348. A bill to amend the National Labor Relations Act to make it an unfair labor practice to discharge an employee because he testifies before any committee of the Congress, and for other purposes; to the Committee on Education and Labor.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Florio, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Mrs. Lloyd of Tennessee, Mr. Maguire, Mr. Mazzoli, Mr. Murphy of New York, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, and Mr. Rees):

H.R. 7349. A bill to amend the National Labor Relations Act to make it an unfair labor practice to discharge an employee because he testifies before any committee of the Congress, and for other purposes; to the Committee on Education and Labor.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H.R. 7350. A bill to amend the National Labor Relations Act to make it an unfair labor practice to discharge an employee because he testifies before any committee of the Congress, and for other purposes; to the Committee on Education and Labor.

By Mr. RICHMOND (for himself, Mr. Stark, Mr. Beard of Rhode Island, Mr. Pattison of New York, Mr. Nix, Mr. Solarz, Mr. Diggs, Mr. Matsunaga, and Mr. Mitchell of Maryland):

H.R. 7351. A bill making a supplemental appropriation for the Department of Labor for the fiscal year ending June 30, 1975, to provide additional funds for youth summer employment programs pursuant to the Comprehensive Employment and Training Act of 1973; to the Committee on Appropriations.

By Mr. SIMON (for himself, Mr. Sikes, Mr. Emery, Mr. Quie, Mr. Lagomarsino, Mr. English, Mr. Nichols, Mr. AuCoin, Mr. Bedell, Mr. Burlison of Missouri, Mr. Stark, and Mr. Carr):

H.R. 7352. A bill to amend the Consolidated Farm and Rural Development Act for the purpose of increasing the amount of loans available under subtitle B of the act; to the Committee on Agriculture.

By Mr. SYMINGTON, (for himself, Mr. Mosher, Mr. Fuqua, Mr. Esch, Mr. Flowers, Mr. Emery, Mr. McCormack, Mr. Brown of California, Mr. Scheuer, Mr. Harkin, Mr. Lloyd of California, Mr. Dodd, Mr. Hall, Mr. Krueger, Mrs. Lloyd of Tennessee, Mr. Wirth, and Mr. McClory):

H.R. 7353. A bill to declare a national policy of converting to the metric systsm in the United States, and to establish a U.S. Metric Board to coordinate the voluntary conversion to the metric system; to the Committee on Science and Technology.

By Mr. WOLFF:

H.R. 7354. A bill to amend title 38 of the United States Code to provide for the payment of supplemental tuition allowances for certain veterans pursuing educational programs; to the Committee on Veterans' Affairs.

H.R. 7355. A bill to amend title 38, United States Code, to provide counseling for certain veterans; to permit acceleration of monthly educational assistance payments to veterans; to revise the criteria for approval of nonaccredited courses; and for other purposes; to the Committee on Veterans' Affairs.

By Mr. WOLFF (for himself and Mr. Koch):

H.R. 7356. A bill to amend chapters 34 and 35 of title 38 of the United States Code in order to entitle veterans and widows and surviving children of veterans to a maximum of 45 months of educational assistance; to the Committee on Veterans' Affairs.

By Mr. KOCH (for himself, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Ms. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, Mr. Downey of New York, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Fascell, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harrington, Mr. Hawkins, and Mr. Hechler of West Virginia):

H.R. 7357. A bill to amend part B of title XVIII of the Social Security Act to broaden the coverage of home health services under the supplementary medical insurance program and remove the 100-visit limitation presently applicable thereto, to amend part A of such title to liberalize the coverage of posthospital home health services thereunder, to amend title XIX of such act to require the inclusion of home health services in a State's medicaid program and to permit payments of housing costs under such a program for elderly persons who would otherwise require nursing home care, to require contributions by adult children toward their parents' nursing and home health care expenses under the medicaid program, to provide expanded Federal funding for congregate housing for the displaced and the elderly, and for other purposes; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. Helstoski, Mr. Hicks, Mr. Howard, Ms. Lloyd of Tennessee, Mr. Mazzoli, Mr. Murphy of New York, Mr. Neal, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, Mr. Rees, Mr. Richmond, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Ryan, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, and Mr. Zeferetti):

H.R. 7358. A bill to amend part B of title XVIII of the Social Security Act to broaden the coverage of home health services under the supplementary medical insurance program and remove the 100-visit limitation presently applicable thereto, to amend part A of such title to liberalize the coverage of posthospital home health services thereunder, to amend title XIX of such act to require the inclusion of home health services in a State's medicaid program and to permit payments of housing costs under such a program for elderly persons who would otherwise require nursing home care, to require contributions by adult children toward their parents' nursing and home health care expenses under the medicaid program, to provide expanded Federal funding for congregate housing for the displaced and the elderly, and for other purposes; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. Pepper, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Bell, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Carney, Mrs. Collins of Illinois, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, Mr. Duncan of Tennessee, Mr. Fascell, Mr. Florio, Mr. Gilman, Mr. Harrington, Mr. Howard, and Mr. Long of Maryland):

H.R. 7359. A bill to amend part B of title XVIII of the Social Security Act to broaden the coverage of home health services under the supplementary medical insurance program and remove the 100-visit limitation presently applicable thereto, to amend part A of such title to liberalize the coverage of posthospital home health services thereunder, to amend title XIX of such act to require the inclusion of home health services in a State's medicaid program and to permit payments of housing costs under such a program and to permit payments of housing costs under such a program for elderly persons who would otherwise require nursing home care, to provide expanded Federal funding for congregate housing for the displaced and the elderly, and for other purposes; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. Pepper, Mr. Maguire, Mr. Mazzoli, Mr. Meeds, Ms. Mink, Mr. Murphy of New York, Mr. Neal, Mr. Nix, Mr. Patterson of California, Mr. Randall, Mr. Rees, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Solarz, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H.R. 7360. A bill to amend Part B of title XVIII of the Social Security Act to broaden the coverage of home health services under the supplementary medical insurance program and remove the 100-visit limitation presently applicable thereto, to amend part A of such title to liberalize the coverage of posthospital home health services thereunder, to amend title XIX of such act to require the inclusion of home health services in a State's medicaid program and to permit payments of housing costs under such a program for elderly persons who would otherwise require nursing home care, to provide expanded Federal funding for congregate housing for the displaced and the elderly, and for other purposes; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. Pepper, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Bell, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Mr. Carr, Mrs. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, and Mr. Downey of New York):

H.R. 7361. A bill to amend the Public Health Service Act to provide for in-service training of nursing home personnel; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. Pepper, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, Mr. Fascell, Mr. Florio, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Mrs. Lloyd of Tennessee, Mr. Long of Maryland, Mr. Maguire, Mr. Mazzoli, Mr. Meeds, and Ms. Mink):

H.R. 7362. A bill to amend the Public Health Service Act to provide for in-service training of nursing home personnel; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. Pepper, Mr. Murphy of New York, Mr. Neal, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, Mr. Rees, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Ryan, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, Mr. Zeferetti):

H.R. 7363. A bill to amend the Public Health Service Act to provide for in-service training of nursing home personnel; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. Pepper, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Bell, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Mr. Carr, Ms. Chisholm, Mr. Cohen, Mrs. Collins, of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, and Mr. Downey):

H.R. 7364. A bill to amend title VII of the Public Health Service Act to provide for the making of grants to schools of medicine to assist them in the establishment and operation of departments of geriatrics; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. Pepper, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Pascell, Mr. Florio, Mr. Ford of Tennessee, Mr. Gilman, Mr. Har-

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rington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Mrs. Lloyd of Tennessee, Mr. Long of Maryland, Mr. Maguire, Mr. Mazzoli, Mr. Meeds, and Ms. Mink):

H.R. 7365. A bill to amend title VII of the Public Health Service Act to provide for the making of grants to schools of medicine to assist them in the establishment and operation of departments of geriatrics; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. Pepper, Mr. Murphy of New York, Mr. Neal, Mr. Maguire, Mr. Mazzoli, Mr. Nix, Mr. Ottinger Mr. Patterson of California, Mr Randall, Mr. Rees, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Ryan, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H.R. 7365.A bill to amend title VII of the Public Health Service Act to provide for the making of grants to schools of medicine to assist them in the establishment and operation of departments of geriatrics; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. Pepper, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Bell, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Mr. Carr, Ms. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, and Mr. Downey of New York):

H.R. 7367. A bill to amend title VII of the Public Health Service Act to provide for the making of grants to schools of medicine to assist them in the establishment and operation of continuing education programs in geriatrics for physicians; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. Pepper, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, Mr. Fascell, Mr. Florio, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Mrs. Lloyd of Tennessee, Mr. Long of Maryland, Mr. Maguire, Mr. Mazzoli, Mr. Meeds, and Ms. Mink):

H.R. 7368. A bill to amend title VII of the Public Health Service Act to provide for the making of grants to schools of medicine to assist them in the establishment and operation of continuing education programs in geriatrics for physicians; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. Pepper, Mr. Murphy of New York, Mr. Neal, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, Mr. Rees, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Ryan, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H.R. 7369. A bill to amend title VII of the Public Health Service Act to provide for the making of grants to schools of medicine to assist them in the establishment and operation of continuing education programs in geriatrics for physicians; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. Pepper, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, Mr. Fascell, Mr. Florio, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Ms. Lloyd of Tennessee, Mr. Long of Maryland, Mr. Maguire, Mr. Mazzoli, Mr. Weaver, and Mr. Zeferetti):

H.R. 7370. A bill to amend title VII of the Public Health Service Act to provide for the making of grants to appropriate colleges and universities to assist them in the establishment and operation of programs for the training of nurse practitioners to provide primary health care in nursing homes; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. Pepper, Mr. Murphy of New York, Mr. Neal, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, Mr. Rees, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Ryan, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H.R. 7371. A bill to amend title VII of the Public Health Service Act to provide for the making of grants to appropriate colleges and universities to assist them in the establishment and operation of programs for the training of nurse practitioners to provide primary health care in nursing homes; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. Pepper, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Bell, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Mr. Carr, Ms. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, and Mr. Downey of New York):

H.R. 7372. A bill to amend title VII of the Public Health Service Act to train certain veterans, with appropriate experience as paramedical personnel, to serve as medical assistants in long-term health care facilities; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. Pepper, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, Mr. Fascell, Mr. Florio, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Ms. Lloyd of Tennessee, Mr. Long of Maryland, Mr. Maguire, Mr. Mazzoli, Mr. Meeds, and Ms. Mink):

H.R. 7373. A bill to amend title VII of the Public Health Service Act to train certain veterans, with appropriate experience as paramedical personnel, to serve as medical assistants in long-term health care facilities; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. Pepper, Mr. Murphy of New York, Mr. Neal, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, Mr. Rees, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Ryan, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H.R. 7374. A bill to amend title VII of the Public Health Service Act to train certain veterans, with appropriate experience as paramedical personnel, to serve as medical assistants in long-term health care facilities; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. Pepper, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Bell, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Mr. Carr, Ms. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, and Mr. Downey of New York):

H.R. 7375. A bill to amend title VII of the Public Health Service Act to provide for the making of grants to appropriate colleges and universities to assist them in the establishment and operation of programs for the training of physicians' assistants; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. Pepper, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, Mr. Fascell, Mr. Florio, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Ms. Lloyd of Tennessee, Mr. Long of Maryland, Mr. Maguire, Mr. Mazzoli, Mr. Meeds, and Ms. Mink):

H.R. 7376. A bill to amend title VII of the Public Health Service Act to provide for the making of grants to appropriate colleges and universities to assist them in the establishment and operation of programs for the training of physicians' assistance; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. Pepper, Mr. Murphy of New York, Mr. Neal, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, Mr. Rees, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Ryan, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H.R. 7377. A bill to amend title VII of the Public Health Service Act to provide for the making of grants to appropriate colleges and universities to assist them in the establishment and operation of programs for the training of physicians' assistants; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. Pepper, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Bell, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Mr. Carr, Ms. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, and Mr. Downey of New York):

H.R 7378. A bill to authorize an experimental program to provide for care for elderly individuals in their own homes; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. Pepper, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, Mr. Fascell, Mr. Florio, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Ms. Lloyd of Tennessee, Mr. Long of Maryland, Mr. Maguire, Mr. Mazzoli, Mr. Meeds, and Ms. Mink):

H.R. 7379. A bill to authorize an experimental program to provide for care for elderly individuals in their own homes; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. Pepper, Mr. Murphy of New York, Mr. Neal, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, Mr. Rees, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Ryan, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H.R. 7380. A bill to authorize an experimental program to provide for care for elderly individuals in their own homes; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. Pepper, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Bell, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Mr. Carr, Ms. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, and Mr. Downey of New York:

H.R. 7381. A bill to amend title XVIII of the Social Security Act to expand the definition of "provider of service" to include "elderly day care center"; to the Committee on Ways and Means.

By Mr. KOCH (for himself, Mr. Pepper, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, Mr. Fascell, Mr. Florio, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Mrs. Lloyd of Tennessee, Mr. Long of Maryland, Mr. Maguire, Mr. Mazzoli, Mr. Meeds, and Ms. Mink):

H.R. 7382. A bill to amend title XVIII of the Social Security Act to expand the definition of "provider of service" to include "elderly day care center"; to the Committee on Ways and Means.

By Mr. KOCH (for himself, Mr. Pepper, Mr. Murphy of New York, Mr. Neal, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, Mr. Rees, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Ryan, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H.R. 7383. A bill to amend title XVIII of the Social Security Act to expand the definition of "provider of service" to include "elderly day care center"; to the Committee on Ways and Means.

By Mr. KOCH (for himself, Mr. Pepper, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Bell, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Mr. Carr, Ms. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, and Mr. Downey of New York):

H.R. 7384. A bill to amend title VII of the Public Health Service Act to provide for the making of grants to appropriate colleges and universities to assist them in the establishment and operation of programs for the training of nurse practitioners to provide primary health care in nursing homes; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. Pepper, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Bell, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Mr. Carr, Ms. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, and Mr. Downey of New York):

H.R. 7385. A bill to authorize the Secretary of Housing and Urban Development to encourage and assist in the development on a demonstration basis of several carefully planned projects to meet the special health care and related needs of elderly persons in a campus-type setting; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. Pepper, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, Mr. Fascell, Mr. Florio, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Mrs. Lloyd of Tennessee, Mr. Long of Maryland, Mr. Maguire, Mr. Mazzoli, Mr. Meeds, and Mrs. Mink):

H.R. 7386. A bill to authorize the Secretary of Housing and Urban Development to encourage and assist in the development on a demonstration basis of several carefully planned projects to meet the special health care and related needs of elderly persons in a campus-type setting; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. Pepper, Mr. Murphy of New York, Mr. Neal, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, Mr. Rees, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Ryan, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti).

H.R. 7387. A bill to authorize the Secretary of Housing and Urban Development to encourage and assist in the development on a demonstration basis of several carefully planned projects to meet the special health care and related needs of elderly persons in a campus-type setting; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. Pepper, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Bell, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Mr. Carr, Ms. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, and Mr. Downey of New York):

H.R. 7388. A bill to amend title XIX of the Social Security Act to require any nursing home, which provides services under State plans approved under such title, fully to disclose to the State licensing agency the identity of each person who has any ownership interest in such home or is the owner (in whole or in part) of any mortgage, deed of trust, note, or other obligation secured (in whole or in part) by such home; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. Pepper, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, Mr. Fascell, Mr. Florio, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Mrs. Lloyd of Tennessee, Mr. Long of Maryland, Mr. Maguire, Mr. Mazzoli, Mr. Meeds, and Ms. Mink):

H.R. 7389. A bill to amend title XIX of the Social Security Act to require any nursing home, which provides services under State plans approved under such title, fully to disclose to the State licensing agency the identity of each person who has any ownership interest in such home or is the owner (in whole or in part) of any mortgage, deed of trust, note, or other obligation secured (in whole or in part) by such home; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. Pepper, Mr. Murphy of New York, Mr. Neal, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, Mr. Rees, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Ryan, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H.R. 7390. A bill to amend title XIX of the Social Security Act to require any nursing home, which provides services under State plans approved under such title, fully to disclose to the State licensing agency the identity of each person who has any ownership interest in such home or is the owner (in whole or in part) of any mortgage, deed of trust, note, or other obligation secured (in whole or in part) by such home; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. Pepper, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Bell, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Mr. Carr, Ms. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, and Mr. Downey):

H.R. 7391. A bill to amend the Social Security Act to improve the survey and certification process, ratesetting and fiscal audit methods, and general regulation of nursing homes and intermediate care facilities under the medicaid program, and to provide for medical, pyschological, and social assessment of long-term care patients under both the medicare and medicaid programs; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. Pepper, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, Mr. Florio, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Mrs. Lloyd of Tennessee, Mr. Long of Maryland, Mr. Maguire, Mr. Mazzoli, Mr. Meeds, and Ms. Mink):

H.R. 7392. A bill to amend the Social Security Act to improve the survey and certification process, ratesetting and fiscal audit methods, and general regulation of nursing homes and intermediate care facilities under the medicaid program, and to provide for medical, psychological, and social assessment of long-term care patients under both the medicare and medicaid programs; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. Pepper, Mr. Murphy of New York, Mr. Neal, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, Mr. Rees, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Ryan, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H.R. 7393. A bill to amend the Social Security Act to improve the survey and certification process, rate setting and fiscal audit methods, and general regulation of nursing homes and intermediate care facilities under the medicaid program, and to provide for medical, psychological, and social assessment of long-term care patients under both the medicare and medicaid programs; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. RANGEL:

H.J. Res. 469. Joint resolution designating the second Sunday in June of each year as Children's Day; to the Committee on Post Office and Civil Service.

By Mr. ROE:

H.J. Res. 470. Joint resolution designating the month of June of each year as Combat Huntington's Disease Month; to the Committee on Post Office and Civil Service.

By Mrs. FENWICK:

H. Con. Res. 289. Concurrent resolution reaffirming the commitment of the United States to the North Atlantic Treaty Organization; to the Committee on International Relations.

By Mr. MOTTL (for himself, Mr. Hawkins, Mr. Ketchum, and Mr. Mezvinsky):

H. Con. Res. 290. Concurrent resolution expressing the sense of Congress with respect to the complexity of Federal income tax forms; to the Committee on Ways and Means.

By Mr. AuCOIN (for himself and Mr. Duncan of Oregon):

H. Res. 490. Resolution disapproving the deferral of budget authority relating to emergency school aid (deferral No. D75–160) which was proposed by the President in his special message of April 16, 1975, transmitted to the Congress under section 1013 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

By Mr. BADILLO (for himself, Mr. Evins of Tennessee, Mr. Bedell, Mr. Addabbo, Mr. Carney, Mr. Richmond, Mrs. Fenwick, Mr. St Germain, Mr. Hungate, and Mr. Conte):

H. Res. 491. Resolution expressing the sense of the House of Representatives that it does not favor certain proposed amendments to the rules and regulations of the Small Business Administration pertaining to the imposition of maturity fees and other fees and charges for application preparation; to the Committee on Small Business.

By Mr. BADILLO (for himself, Mr. Evins of Tennessee, Mr. Conte, Mr. Dingell, Mr. Addabbo, Mr. Carney, Mr. St Germain, Mrs. Fenwick, Mr. Bedell, and Mr. Richmond):

H. Res. 492. Resolution expressing the sense of the House of Representatives that it does not favor certain proposed amendments to the rules and regulations of the Small Business Administration pertaining to the imposition of maturity fees and other fees and charges for application preparation; to the Committee on Small Business.

By Mr. KOCH (for himself, Mr. Pepper, Mr. Bell, Mr. Biaggi, Mr. Bingham, Mr. Brodhead, Ms. Chisholm, Mr. Cohen, Mr. Corman, Mr. Dellums, Mr. Diggs, Mr. Downey of New York, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Fascell, Mr. Florio, Mr. Ford of Tennessee, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, and Mr. Howard):

H. Res. 493. Resolution expressing the sense of the House of Representatives that the President should submit an action plan to correct abuses in nursing homes; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. Pepper, Mrs. Lloyd of Tennessee, Mr. Maguire, Mr. Mazzoli, Mr. Neal, Mr. Ottinger, Mr. Patterson of California, Mr. Rees, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roncalio, Mr. Ryan, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H. Res. 404. Resolution expressing the sense of the House of Representatives that the President should submit an action plan to correct abuses in nursing homes; to the Committee on Interstate and Foreign Commerce.

By Mr. MIKVA (for himself, Mr. Frey, Mr. Frenzel, Mr. Baucus, Ms. Abzug, Mr. Hechler of West Virginia, Mr. Jeffords, Mr. Jones of Tennessee, Mr. LaFalce, Mr. Maguire, Mr. Moore, Mr. Mosher, Mr. Seiberling, and Mr. Wirth):

H. Res. 495. Resolution to amend rule XXVIII of the Rules of the House of Representatives to require that all House-Senate conferences shall be open to the public; to the Committee on Rules.

By Mr. MONTGOMERY (for himself, Mr. Morgan, Mr. English, Mr. Milford, Mr. Shriver, Mr. Green, Mr. Conable, Mr. Bell, Mr. Conlan, Mr. Fisher, Mr. Dent, Mr. Harris, Mr. Wright, Mr. Hefner, Mr. Patterson of California, Mr. Passman, Mr. Preyer, and Mr. Breckinridge):

H. Res. 496. Resolution establishing a select committee to study the problem of U.S. servicemen missing in action in Southeast Asia; to the Committee on Rules.

By Mr. STARK (for himself, Mr. Badillo, Mr. Eckhardt, Mr. Foley, Mr. Ottinger, Mr. Stokes, and Mr. Wirth):

H. Res. 497. Resolution providing for additional staff members for certain Members of the House of Representatives, whose duties shall relate to certain legislative responsibilities of such Members, and for other purposes; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HARRINGTON:

H.R. 7394. A bill for the relief of Chung Ho Chen; to the Committee on the Judiciary.

H.R. 7395. A bill for the relief of C. F. Cheung; to the Committee on the Judiciary.

H.R. 7396. A bill for the relief of Tung Cheung; to the Committee on the Judiciary.

H.R. 7397. A bill for the relief of Yip Chow; to the Committee on the Judiciary.

H.R. 7398. A bill for the relief of Chow Chang Lee; to the Committee on the Judiciary.

H.R. 7399. A bill for the relief of Yek Ren Piong; to the Committee on the Judiciary.

H.R. 7400. A bill for the relief of Cheng Fei Wah; to the Committee on the Judiciary.

By Mr. LAGOMARSINO:

H.R. 7401. A bill for the relief of Mrs. Bessie E. Baldwin; to the Committee on the Judiciary.

H.R. 7402. A bill for the relief of Chief M.Sgt. Bernard V. Krall, U.S. Air Force; to the Committee on the Judiciary.

By Mr. NIX:

H.R. 7403. A bill for the relief of Napoleon Sampson Kobia Sedziafa and wife, Margaret; to the Committee on the Judiciary.

By Mr. PIKE:

H.R. 7404. A bill for the relief of Christine Donnelly; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 6219

By Mr. BUTLER:

Page 2, immediately after line 6, insert the following:

Sec. 103. Section 5 of the Voting Rights Act of 1965 is amended by adding at the end thereof the following:

"Notwithstanding any other provisions of this section, a State or political subdivision with respect to which the prohibitions set forth in section 4(a) of this title are in effect may institute an action in the United States District Court for the District of Columbia for a declaratory judgment against the United States that such State or political subdivision is exempted from complying with the requirements of this section with respect to all existing and prospective voting qualifications, prerequisites to voting, and standards, practices, or procedures with respect to voting. Such declaratory judgment shall be entered by the court upon proof by the State or political subdivision of the following circumstances:

"(1) The Director of the Census has determined that no less than sixty per centum of the eligible citizens of voting age of minority race or color or national origin (which terms include language minorities) residing therein on the date of the most recent general election for President or Members of Congress were registered to vote and no less than sixty per centum of such citizens voted in said election;

"(2) (A) At all times during the 2 years preceding the filing of the action for a declaratory judgment, there were no objections interposed by the Attorney General (which were not overridden by the granting of a declaratory judgment) or the denial of a declaratory judgment by the United States District Court for the District of Columbia, pursuant to this section, against such State or political subdivision; and

(B) At all times during the 5 years preceding the filing of such action for declaratory judgment there has been

"(a) no final judgment of a Federal court that such State or political subdivision has denied or abridged the right to vote on account of race, color, or in contravention of the guarantees of section 4(f)(2) in violation of the 14th or 15th amendment, or any legislation implementing such amendments;

"(b) no change in any voting qualification or prerequisite to voting, or standard, practice, or procedure with respect to voting in such State or political subdivision put into force or effect without timely filing of a declaratory judgment action in the District Court for the District of Columbia or timely submission to the Attorney General pursuant to this Section;

"(c) repealed any test or device as defined by subsection (c) of section 4 of this title and section 4(f)(3) and that all changes in any voting qualification or prerequisite to voting, or standard, practice, or procedure with respect to voting to which the Attorney General interposed an objection, or the District Court for the District of Columbia denied an action for declaratory judgment pursuant to this section, in such State or political subdivision, have been repealed;

"(d) no Federal voting examiner sent to such political subdivision or to any political subdivision of such State pursuant to section 6 of this title; and

"(e) no incident of voting discrimination that has denied or abridged the right to vote on account of race or color or in contravention of the guarantees set forth in section 4(f)(2) in violation of the fourteenth or fifteenth amendments or any legislation implementing such amendments; or if there are any such incidents:

"(1) the incidents have been few in number and have been promptly and effectively corrected by State or local action;

"(2) the continuing effect of such incidents has been eliminated; and

"(3) there is no reasonable probability of their recurrence in the future.

"(3) The laws of the State or a political subdivision with respect to which a determination has been made pursuant to section 4(b) of this title as a separate unit provide and have been implemented to effecuate.

"(a) An opportunity for every eligible citizen of voting age residing therein to register to vote including the opportunity to register during evening hours on a reasonable number of days each month and on a reasonable number of Saturdays and Sundays of each month;

"(b) reasonable public notice of the opportunity to register;

"(c) places of registration and places for voting at locations with access to and not an unreasonable distance from the place of residence of all eligible citizens of voting age residing within said State or political subdivision;

"(d) reasonable provision for minority representation among election officials at polling places where minorities are registered to vote;

"(e) apportionment plans which assure equal voter representation;

"(f) apportionment plans which avoid submergence of cognizable racial or minority groups;

"(g) removal of all unreasonable financial or other barriers to minority candidates; and

"(h) adequate opportunity for minority representation in all local governing bodies where eligible citizens of voting age of a minority race or color or national origin (which term includes language minorities) exceed twenty-five per centum of the eligible citizens of voting age residing within such political subdivision.

"If the Attorney General determines that the State or political subdivision has complied with each of the above requirements, then he shall consent to the entry of such judgment and the Attorney General shall, upon request, advise in advance of litigation whether in his opinion the above circumstances exist. The court shall retain jurisdiction of any action pursuant to this paragraph for ten years after judgment and shall reopen the action upon motion of the Attorney General alleging that a voting qualification, prerequisite, standard, procedure or practice has been used with the purpose or effect of denying or abridging the right to vote on account of race or color or in contravention of the guarantees set forth in section 4(f)(2).

"The Director of the Census shall make determinations appropriate to this section upon request of such State or political subdivision and such determination shall not be reviewable in any court and shall be effective upon publication in the Federal Register."

Strike out "Asian American," where it appears on page 7, line 8, and on page 9, line 22.

Strike out "American Indian," where it appears on page 7, line 8, and on page 9, line 22.

By Mr. HYDE:

Page 2, immediately after line 6, insert the following:

"Sec. 103. Effective one day after the date of the enactment of this Act, section 5 of the Voting Rights Act of 1965 is repealed."

By Mr. KINDNESS:

Page 1, line 6, strike out "twenty" and insert in lieu thereof "five", and strike out the period at the end of line 6 and insert in lieu thereof the following: ", and by adding at the end of the first paragraph of such section 4(a) the following: 'Prior to August 6, 1980, no such State nor subdivision may petition the United States District Court for the District of Columbia for such declaratory judgment.' "

Page 10, strike out line 12 through 15 and redesignate succeeding sections of title IV accordingly.

Page 14, immediately after line 19, insert the following:

"Sec. 409. Section 11 of the Voting Rights Act of 1965 is amended by adding at the end the following new subsection:

" '(e) (1) Whoever votes more than once in an election referred to in paragraph (2) shall be fined not more than $10,000 or imprisoned not more than five years, or both.

" '(2) The prohibition of this subsection applies with respect to any general, special, or primary election held solely or in part for the purpose of selecting or electing any candidate for the office of President, Vice President, presidential elector, Member of the United States Senate, Member of the United States House of Representatives, Delegate from the District of Columbia, Guam, or the Virgin Islands, or Resident Commissioner of the Commonwealth of Puerto Rico.

" '(3) As used in this subsection, the term "votes more than once" does not include the casting of an additional ballot if all prior ballots of that voter were invalidated, nor does it include the voting in two jurisdictions under section 202 of this Act, to the extent two ballots are not cast for an election to the same candidacy or office.' "

Page 14, immediately after line 19, insert the following:

"Sec. 409. (a) Section 4(a) of the Voting Rights Act is amended by striking out 'the United States District Court for the District of Columbia' and inserting in lieu thereof the following: 'a United States district court'.

"(b) Section 5 of the Voting Rights Act is amended by striking out 'the United States District Court for the District of Columbia' and inserting in lieu thereof the following: 'an appropriate United States district court'.

"(c) Section 13 of the Voting Rights Act of 1965 is amended by striking out 'District Court for the District of Columbia' each time it appears and inserting in lieu thereof the following: 'appropriate United States district court'.

"(d) Section 14 of the Voting Rights Act of 1965 is amended—

"(1) in subsection (b), by striking out 'the District Court for the District of Columbia' and inserting in lieu thereof 'a United States district court';

"(2) in subsection (d), by striking out 'the District Court for the District of Columbia' the first time it appears and inserting in lieu thereof 'a United States district court';

"(3) in subsection (d), by striking out 'District of Columbia' the second time it appears and inserting in lieu thereof 'district of a district court'; and

"(4) in subsection (d), by striking out 'District Court for the District of Columbia' the second time it appears and inserting in lieu thereof 'district court'."

By Mr. McCLORY:

Page 1, line 6, strike out "twenty" and insert in lieu thereof "fifteen".

Page 2, strike out lines 1 and 2 and insert in lieu thereof the following:

"(1) striking out '1975' and inserting '1980' in lieu thereof; and".

Page 2, beginning with line 7, strike out all down through line 15 on page 7, and insert in lieu thereof the following:

"Sec. 103. Sections 3 and 6 of the Voting Rights Act of 1965 are each amended by striking out 'fifteenth amendment' each time it appears and inserting in lieu thereof 'fourteenth or fifteenth amendment'.

"Sec. 104. Section 3 of the Voting Rights Act of 1965 is amended by inserting immediately after 'on account of race or color' each time it appears the following: 'or national origin'."

And redesignate titles III and IV as II and III, respectively; redesignate sections 301 through 304 as 201 through 204, respectively, and redesignate sections 401 through 408 as 301 through 308, respectively.

Strike out "Alaskan Natives" where it appears on page 7, line 9, and on page 9, line 22, and strike out the comma following it on page 9, line 22.

Page 7, beginning with line 16, strike out all down through line 10 on page 10, and redesignate title IV as title III, and sections 401 through 408 as 301 through 308 respectively.

On page 11, strike out line 3 and all that follows down through the end of line 24 and insert in lieu thereof the following:

"Sec. 207. (a) Congress hereby directs the Director of the Census forthwith to conduct a survey to compile registration and voting statistics; (i) in every State or political subdivision with respect to which the prohibitions of section 4(a) of the Voting Rights Act of 1965 are in effect, for every statewide general election for Members of the United States House of Representatives after January 1, 1974; and (ii) in every State or political subdivision for any election designated by the United States Commission on Civil Rights. Such surveys shall elicit the race, color, and national origin of each person of voting age and the extent to which such persons are registered to vote and have voted in the elections surveyed.

"(b) In any survey under subsection (a) of this section no person shall be compelled to disclose his political party affiliation, or how he voted (or the reasons therefor), nor shall any penalty be imposed for his failure or refusal to make such disclosures. Every person interrogated orally, by written survey or questionnaire, or by any other means with respect to such information shall be fully advised of his right to fail or refuse to furnish such information except with regard to information required by subsection (a), with regard to which every such person shall be informed that such information is required solely to enforce nondiscrimination in voting.

On page 11, line 13, strike out "and national origin," and insert in lieu thereof "national origin, and citizenship,".

By Mr. YOUNG of Alaska:

Strike out "Alaskan Natives" where it appears on page 7, line 9, and on page 9, line 22, and strike out the comma following it on page 9, line 22.

H.R. 6860

By Mr. DODD:

Page 90, immediately after line 17, insert the following new section:

Sec. 333. Residential Heating-Unit Adjustments.

(a) General Rule.—Subpart A of chapter IV of subchapter A of chapter 1 (relating to credits allowable) is amended by inserting immediately before section 45 the following new section.

"Sec. 44E. Residential Heating-Unit Adjustments.

"(a) General Rule.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the qualified heating-unit adjustment expenditures paid by the taxpayer during the taxable year with respect to any residence occupied by the taxpayer during such year to the extent that such expenditures do not exceed $50.

"(b) Definitions.—For purposes of this section—

"(1) Qualified heating-unit adjustment expenditures.—The term 'qualified heating-unit adjustment expenditures' means the amounts paid or incurred by the taxpayer to adjust a residential heating unit to increase the fuel efficiency of such unit.

"(2) Residential heating-unit.—The term 'residential heating-unit' means any furnace or other heating unit which burns petroleum or a petroleum product (including natural gas) as a fuel for purposes of providing heating for a dwelling unit.

"(c) Application With Other Credits.—The credit allowed by subsection (a) shall not exceed the amount of the tax imposed by this chapter for the taxable year reduced by the sum of the credits allowable under—

"(1) section 33 (relating to foreign tax credit),

"(2) section 37 (relating to retirement income),

"(3) section 38 (relating to investment in certain depreciable property and purchases of certain recyclable waste),

"(4) section 40 (relating to expenses of work incentive programs),

"(5) section 41 (relating to contributions to candidates for public office),

"(6) section 42 (relating to credit for personal exemptions),

(7) section 14 (relating to purchase of new principal residence),

"(8) section 44C (relating to insulation of principal residence), and

"(9) section 44D (relating to residential solar energy equipment).

"(d) Trusts and Estates.—The provisions

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of this section shall not apply to a trust or estate."

(b) Technical and Conforming Amendments.—

(1) The table of sections for such subpart A is amended by inserting before the item relating to section 45 the following:

"Sec. 44E. Residential heating-unit adjustments."

(2) Section 56(a)(2) (relating to imposition of minimum tax) is amended by striking out "and" at the end of clause (viii), by striking out "; and" at the end of clause (ix) and inserting in lieu thereof ", and", and by inserting after clause (ix) the following new clause:

"(x) section 44E (relating to residential heating-unit adjustments); and ".

(3) Section 56(c)(1) (relating to tax carryovers) is amended by striking out "and" at the end of subparagraph (H), by striking out "exceed" at the end of subparagraph (I) and inserting in lieu thereof "and", and by inserting after subparagraph (I) the following new subparagraph:

"(J) section 44E (relating to residential heating-unit adjustments), exceed".

(4) Section 6096(b) (relating to designation of income tax payment to Presidential Election Campaign Fund) is amended by striking out "and 44D" and inserting in lieu thereof "44D, and 44E".

(c) Effective Date.—The amendments made by this section shall apply to amounts paid after March 17, 1975, in taxable years ending after such date.

By Mr. ALEXANDER:

Strike out title II (relating to energy conservation taxes), beginning on line 1 of page 29, and ending on line 24 of page 57.

(Technical and conforming amendments.)

Page 78, line 9, strike out "SEC. 44C." and insert in lieu therof "SEC. 44A.".

Page 83, immediately after line 4, strike out "Sec. 44C." and insert in lieu thereof "Sec. 44A.".

Page 83, line 10, strike out "section 44C" and insert in lieu thereof "section 44A".

Page 83, line 18, strike out "section 44C" and insert in lieu thereof "section 44A".

Page 84, line 1, strike out "section 44C(d)" and insert in lieu thereof "section 44A(d)".

Page 84, line 3, strike out "section 44C" and insert in lieu thereof "section 44A".

Page 84, line 7, strike out "and 44C" and insert in lieu thereof "and 44A".

Page 84, line 16, strike out "SEC. 44D." and insert in lieu thereof "SEC. 44B.".

Page 86, line 1, strike out "section 44C" and insert in lieu thereof "section 44A".

Page 89, immediately after line 10, strike out "Sec. 44D." and insert in lieu thereof "Sec. 44B."

Page 89, line 16, strike out "section 44D" and insert in lieu thereof "section 44B".

Page 90, line 1, strike out "section 44D" and insert in lieu thereof "section 44B".

Page 90, line 8, strike out "section 44D(d)" and insert in lieu thereof "section 44B(d)".

Page 90, line 10, strike out "section 44D" and insert in lieu thereof "section 44B".

Page 90, line 13, strike out "and 44C" and insert in lieu thereof "and 44A".

Page 90, line 14, strike out "44C, and 44D" and insert in lieu thereof "44A, and 44B".

Page 91, strike out line 12 and all that follows down through line 23 and insert in lieu thereof the following:

"(i) section 4064 of the Internal Revenue Code of 1954 (relating to automobile fuel efficiency tax), and

"(ii) section 4991 of such Code (relating to tax on certain business uses of petroleum and petroleum products),".

Page 124, beginning on line 21, strike out "section 44C(c)(2)" and insert in lieu thereof "section 44A(c)(2)".

Page 124, line 25, strike out "section 44D(c)(2)" and insert in lieu thereof "section 44B(c)(2)".

By Mr. FRENZEL:

Page 38, strike out lines 11 and 12 and insert "(1) has attained the age of 16, and "(2) resides in the United States, and "(3) is licensed under the laws of a State or the District of Columbia to operate a passenger automobile on the public highways of such State or District."

EXTENSIONS OF REMARKS

BUFFALO HONORS DOORKEEPER MOLLOY

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. NOWAK. Mr. Speaker, James T. Molloy is nearing completion of his first 5 months as Doorkeeper of the House of Representatives. As a native of the city of Buffalo, he constantly fortifies its claim on the title of "City of Good Neighbors." For, first and foremost, Jim Molloy is a good neighbor.

Following the pattern he set during his tenure as chief finance officer of the House, however, Mr. Molloy in his current post has continued to buttress his personal reputation for prompt, industrious and energetic service with a smile.

As a close personal friend, I can readily attest to his competence and cordiality. That opinion is widely shared in the Buffalo area, where Mr. Molloy was honored last weekend as the "Man of the Year" by the Southside Democratic Club.

I would like to share with my colleagues the description of that tribute as reported May 17 in the Buffalo Courier-Express:

House Doorkeeper Honored

James T. Molloy, a native of Buffalo who is doorkeeper of the U.S. House of Representatives, was named "Man of the Year" Friday night by the South Side Democratic Club.

Molloy was honored during the 19th annual installation dinner of the club, held at the Club Como, 1779 S. Park Ave.

"I miss Buffalo," said Molloy, who graduated from Bishop Timon High School, Canisius College and St. John's Law School. But, he added, "I enjoy my job, and its not just a job, it's a way of life. Unfortunately, though, I don't get to Buffalo often enough."

300 ON HIS STAFF

As doorkeeper, Molloy has a staff of 300 under his direction, including the House Pages and other personnel needed to run the legislative body. The yearly payroll of the doorkeeping staff exceeds $3 million. The salary of doorkeeper is $40,000 annually, $2,500 less than Senators and Representatives receive.

Molloy was presented a plaque by James Doherty, who was installed during the dinner to his second term as president of the South Side Democratic Men's Club, and Joseph Crangle, Erie County Democratic chairman.

"This award," said Crangle, "symbolizes a lot of work and dedicated effort by South Side Democrats to help people get into elected positions in politics."

DEMOCRATIC STALWART

Doherty said the plaque is presented annually to the "man who we feel has done the most to foster the beliefs of the Democratic Party."

Molloy was elected house doorkeeper last December, unseating William "Fish Bait" Miller, who had held the position for 27 years. Prior to his election, Molloy has been chief finance officer of the House for five years.

Molloy said recent night sessions at the House have been a "drain" in light of events which led to the Cambodian seizure—and subsequent recapture by U.S. Marines—of the freighter Mayaguez, as well as sessions dealing with the economy.

UNEASY TENSION

"There an uneasy tension hanging over the House," he told the 280 persons at the dinner. "Normally jovial congressmen with smiles don't have the smiles anymore," added Molloy in reference to the Mayaguez incident.

Aside from Doherty, the following club officers were installed by Buffalo Corp. Counsel Leslie G. Foschio:

Ed Schroer, John Shea and Ed Mahoney (Erie County Democratic Elections Commissioner), vice president; James Morgan, secretary, and Richard D. Keane (chairman of the Erie County Legislature), treasurer.

Also, Robert McAleese, sergeant-at-arms; George Minnes, steward, and John Murphy, chairman of the board.

AGE DISCRIMINATION AND MANDATORY RETIREMENT

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. ROSENTHAL. Mr. Speaker, the Civil Rights Act of 1965 made it illegal for an employer to discriminate against any individual because of race, color, religion, or national origin. The law also prohibits sex discrimination in hiring. In 1967, the Federal Government made it unlawful for an employer to discriminate against persons below the age of 65.

Conspicuously excluded from protection against discrimination are those 65 or older. Yet, according to a recent opinion poll, nearly 90 percent of the Nation's employers in business, Government, and organized labor discriminate against senior citizens in one way or another. More than 4½ million of today's seniors have been retired against their wishes. Ninety percent of these older Americans say they would return to work if given the chance.

I have introduced legislation to end mandatory retirement and all other forms of age discrimination. My legislation would leave to seniors themselves the decision as to whether or not they wish to work by making it unlawful for Government or private employers to terminate an employee solely on the basis of age.

America's retired senior citizens face crippling increases in the cost of basic necessities. Pensions and retirement

insurance benefits have failed to keep pace with rising prices. Unless we outlaw all employment discrimination on the basis of age, many of our elderly will remain defenseless in their fight to remain self-reliant and independent.

Many over-65 citizens are completely capable of continuing to work. Mandatory retirement tells all Americans that at 65 their country no longer needs them. It offends the basic American principle that each person should be judged on his individual merits. Mandatory retirement denies to American enterprise the services of our most experienced workers. Discrimination on the basis of age cannot be defended on any ground, whether economic, social, or political. It is time to end this tragic and deplorable practice.

SERIOUS QUESTIONS ABOUT NSF CURRICULUM ACTIVITIES

HON. JOHN B. CONLAN

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. CONLAN. Mr. Speaker, very serious questions concerning the National Science Foundation's curriculum activities have surfaced since I first raised the issue of Federal funding for the controversial social studies course for 10-year-olds called "Man: A Course of Study"—MACOS.

Those questions were succinctly outlined in an excellent article by Robert W. Merry in the current issue of the National Observer:

Why is NSF using taxpayers' money to promote and market value-oriented social studies courses for use in schools nationwide?

Why does NSF "prop up" certain curriculum materials that should be made to stand up on their own without Federal subsidies in competition with other commercially available school materials?

Have Federal agencies like NSF become financial pork barrels dominated by small cliques of like-minded academics with preferred access to choice grants?

Is the so-called peer review system used by NSF to disburse millions of dollars for academic projects suffering from "cronyism"? Are NSF bureaucrats selectively picking university reviewers to evaluate each others grant proposals, and are reviews themselves being misrepresented to push through funding of curriculum programs of questionable merit?

Mr. Speaker, the story written by Mr. Merry presents a broad and well-balanced picture of the issues involved in NSF's curriculum activities. I would like to include it at this point in the Record:

[From The National Observer, May 24, 1975]

Tempest in an Igloo: Fifth-Grade Study of Eskimo Culture Raises Ire of Parents, Congressmen

(By Robert W. Merry)

Up around Canada's Pelly Bay, where the landscape is forbidding and the climate sadistic, there's none stronger, none braver, none more skilled with the tools of survival than the legendary hunter called Kiviok, who lives perpetually in the songs and sagas of the simple but hearty Netsilik Eskimos. He's a powerful man with a robust zest for killing caribou and finding new wives, and up on the ice floes he's the subject of great awe.

But here in the United States he's the cause of growing anger. The reason is that Kiviok and his people are the subject of a controversial fifth-grade social-studies course now being taught in public schools throughout the country. Called "Man: A Course of Study" (MACOS), the course is designed to teach youngsters the fundamental differences between man and the rest of the animal kingdom—various animals are studied too—and introduce them to a "pre-Western culture." The idea, say course designers, is to "reduce ethnocentrism."

But critics allege that the "cultural relativism" inherent in the course breeds a philosophy of situation ethics and thus undermines traditional American values. Ten year olds, they insist, are too young to assimilate such Netsilik activities as adultery, wife-swapping, cannibalism, female infanticide, and senilicide in the kind of moral vacuum they say the course fosters. And some are repelled by vivid films of Netsilik at the hunt, killing caribou and seals, then drinking their blood and eating their eyeballs.

The questions surrounding MACOS aren't new to the world of public instruction, which has been increasingly buffeted in recent years by irate parents who don't like what their children are taught. In some ways, the current debate is a sequel to last fall's emotional confrontation in Charleston, W. Va., where parents accused the schools of using "filthy," "anti-American," and "anti-Christian" literature in teaching. But this time there's a difference.

The difference is that MACOS was designed and promoted under the sponsorship of the National Science Foundation (NSF), a Federal agency that has spent nearly $7 million to develop MACOS and help get it into 1,700 schools in 470 school districts nationwide. And some critics, among them Rep. Olin E. Teague of Texas, are asking why the Government should spend so much tax money on a school program destined to anger many taxpayers.

But the controversy goes deeper still. The issue has placed the NSF under the microscope of official scrutiny. And those doing the looking see enough curious microbes to warrant further inquiry—in fact, several inquiries.

The controversy first flared on a national scale in the House Science and Technology Committee, which Teague heads. He has initiated an independent citizens' review of NSF's policy of disseminating school curricular. Meanwhile, NSF director H. Guyford Stever, responding to questions raised in Teague's committee, has initiated his own internal review. Teague also has requested a separate investigation by the General Accounting Office, the Federal watchdog agency.

These investigations in turn have uncovered what Teague calls "possible tax and financial irregularities" involving recipients of NSF funds who developed and helped distribute the course. Those matters, sources say, have been sent to the Justice Department.

The controversy surrounding MACOS represents an apparent new awareness of a long-time trend: increasing Federal influence over what the nation's school children are taught. Among the questions raised:

What is the authority for NSF involvement in curriculum "implementation," that is, marketing and promoting course offerings? Its officials say NSF received that authority at its birth and has been encouraged by Congress to use it. Critics dispute that.

Does NSF promotion of school curricula constitute an unfair incursion into the marketplace of private textbook publishers? MACOS' critics contend that courses developed at Government expense should have to stand the test of the marketplace. NSF officials reply that Government assistance is necessary when the marketplace doesn't produce needed curriculum innovations.

Have Federal agencies such as NSF become financial pork barrels dominated by small cliques of like-minded academics with preferred access to choice grants? Critics of MACOS, pointing to the network of grants issued to disseminate the course, suspect the answer is yes. NSF officials insist clique dominance of grants is prevented by the agency's peer-review system, which solicits independent evaluations of grant proposals from outside academics.

But is the peer-review system ever abused? NSF officials say the system is working fine. But critics, including some inside NSF, say the system suffers from cronyism, that bureaucrats handling the grants know what kinds of reviews they will get from which reviewers and that they act accordingly.

TWO INTERRELATED ISSUES

In addition, there are allegations that if the bureaucrats don't like the reviews they simply edit out the objectionable portions in summaries prepared for further NSF scrutiny. According to Government sources, evidence of one such incident—involving development of a high-school science curriculum—was reported to NSF planning director Joel Snow. But that information allegedly was omitted from a draft report forwarded to NSF's Science Education Advisory Committee. Snow denies the allegation, saying the official who reported the matter to him had misread the file, but the matter was cleared up before the draft report went to the advisory committee.

While the questions hovering over NSF may seem far removed from the primitive folk of Pelly Bay, it was the MACOS controversy in local school districts dotting the land that first generated congressional interest in the issue. But it is NSF's involvement in MACOS that sustains that interest. So there are actually two interrelated issues.

First there's the issue of the course itself.

MACOS, says Frances Link, an associate of Curriculum Development Associates, Inc. (CDA), which distributes the course, is based on the "notion of cross-cultural understanding." Mrs. Link says she appreciates why some people get upset when schools concentrate on different cultures. But there's a difference, she says, between indoctrination and understanding.

APPRECIATION—OR PREOCCUPATION?

"Because you study a different culture, does that mean you are giving it credence?" she asks. "Are you necessarily trying to get children to take on the beliefs of the other group? That's not what this course tries to do."

Instead, she says, the course tries to highlight the characteristics that intersect all cultures and link all humankind. The idea is to foster an appreciation of alien customs and reduce the tendency to draw value judgments about them. "We believe that when children study a different culture they begin to understand their own culture better and that they love their own equally well."

But according to Dr. Rhoda Lorand of Long Island University, a child psychologist, the course does more than familiarize youngsters with a foreign culture. It causes a preoccupation with infanticide, senilicide, and the gory details of animal slaughter, she says, addings that it also aims to make such practices seem acceptable.

NO CULTURAL COUNTERWEIGHTS

"The children," she writes, "are forced to identify with the customs through role-playing. . . . In the enactment of one myth, a child was required to play the role of the elderly grandmother who clings to a boat [that] is about to leave her behind to die. Another child was assigned the role of her offspring, who chops off the grandmother's fingers. . . ."

Some critics are convinced MACOS reduces not only "ethnocentrism" but also a youngster's commitment to his own heritage of morals and beliefs. The course threatens Western values, these people contend, simply by refusing to recognize their sanctity.

The controversy narrows down to the concept, fundamental to MACOS, that beliefs, values, and social systems are the product of external circumstances such as climate and geography rather than natural law, religious truths, or characteristics inherent in a people. Thus, say the critics, when MACOS teaches 10 year olds that Netsilik Eskimos allow their female babies to die because they can't provide food when they grow up, or that Eskimo "song partners" are such close friends that they borrow each others' wives, the course offers no cultural counterweight in behalf of the students' own Western ideals.

Critics also complain that after learning about Netsilik culture, MACOS students are sent out to observe their friends and families with the same kind of detachment anthropologists applied to the Eskimos. This, they say, corrodes student respect for their social customs.

Says Susan Marshner of the Heritage Foundation, a conservative research organization in Washington, D.C.: "Just as they are taught that Netsilik customs such as adultery, infanticide, casual attitude toward murder, and senilicide are merely the product of the Eskimos' austere surroundings, the students are led to believe their own customs also are environmentally determined."

THE 'ATTITUDE CHART'

And that, she says, leads to an attitude of "situation ethics." An example, she says, is the MACOS "attitude chart," on which students write down their feelings toward certain topics. One topic is "stealing," Students are asked to relate their feelings toward stealing, then reveal what would change those feelings. Other topics on the attitude chart are Russia, guns, boys and girls, urges, and cigarettes.

Such things as the MACOS attitude chart and clinical discussions of values have ignited anger in hundreds of school districts, according to letters and news clippings received by Rep. John Conlan, the Arizona Republican who spearheaded the anti-MACOS drive in Congress. Conlan says the Federal Government shouldn't be promoting such controversial fare, whatever its merits. Conlan's efforts, therefore, are concentrated on the second issue, NSF's role in promoting the course.

Conlan objects to what he considers a cozy alliance between cash-dispensing bureaucrats and social engineers whose influence in education is wielded without regard to public attitudes and feelings. The history of MACOS, he says, reflects his characterization.

That history begins in 1963, when the original MACOS grant was awarded to Education Development Center (EDC), of Cambridge, Mass., a nonprofit organization dedicated to innovation in education. Four years later, after receiving $4.8 million in NSF grants, EDC had a curriculum ready to market. But the nation's textbook publishers weren't interested. It was too expensive, they said, and too controversial. Some concluded it wasn't a good program, More than 50 turned it down.

So EDC asked for more NSF funds to produce an inventory of curriculum sets and establish a "dissemination network" to publicize MACOS. NSF financed a five-week EDC workshop in Boston to familiarize academics, teachers, and school administrators with the curriculum.

Many of these persons then became part of a dissemination network, applying for their own NSF grants for local MACOS workshops. Explains Peter B. Dow, EDC senior associate: "We were trying to develop a prototype of what might become a professional dissemination system—no salesmen but professionals to supply information and training directly to schools."

Dow says EDC was interested only in the prototype; it was implicit that the Federal Government wouldn't finance dissemination of the course indefinitely. But he concedes that MACOS never would have made it without that prototype.

NSF AID CONTINUED

As it turned out, though, NSF didn't stop financing dissemination after CDA contracted to publish the materials in 1970, shortly after CDA was formed. In fact, NSF has funneled an average of $220,000 a year into MACOS workshops and seminars since 1971.

That support is equal to what CDA itself spends for dissemination. But the CDA figure includes all indirect overhead costs attributable to promotion; CDA's direct dissemination expenditures are much less than the Government's. And critics say CDA received another incentive at Government expense because the contract between CDA and EDC, subject to NSP approval, provided for only a 3 per cent royalty to the Federal Government. That's about half the normal rate for elementary school courses, according to textbook-industry officials, who don't look kindly on the NSF's relationship with EDC and CDA.

Willard Wirtz, CDA chairman and former Secretary of Labor, emphasizes that no NSF funds went directly to CDA. He also says the old dissemination network established by EDC at Government expense has been largely incorporated into CDA's own dissemination machinery.

EDC's Dow adds that although an EDC–CDA contract requires EDC to maintain the old network of "regional centers" established before the contract was signed, that hasn't been done, and those now applying for NSF grants for MACOS workshops are doing it on their own. (This year's grants total $210,000, but many of those workshops will disseminate information about other courses besides MACOS.)

ANOTHER COURSE PLANNED

But Representative Conlan remains skeptical, especially since EDC currently is involved in creating another disseminaton prototype, this one for a MACOS sequel called "Exploring Human Nature." The NSF grant for the prototype also authorizes further dissemination of MACOS; in fact, the announced two-year goal of the network is to implement EDC curricula—including MACOS—in a minimum of 1,900 additional classrooms nationwide.

"They have the thing set up," says a Conlan aide. "All they have to do now is crank whatever they want into it."

Dow retorts that those connected with MACOS never foisted the course on any school district. Local freedom of choice has prevailed, he says, but that freedom will be diminished if Conlan and his congressional allies succeed in curtailing Federal support for courses such as MACOS.

Meanwhile, as the debate continues, Teague's citizens' panel and the GAO continue their inquiries. And Kiviok, the Netsilik answer to Beowulf, continues to dance in the minds of Eskimo and Westerner alike, unmindful of all the trouble he has caused.

REPRESENTATIVE MARJORIE HOLT: "ARE WOMEN MORE HONEST THAN MEN?

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. BAUMAN. Mr. Speaker, achieving honesty in Government is a problem as old as the Republic. The subject has been treated with vigor in all of the media recently, and it is interesting to note that the focus almost invariably turns to women in politics.

One of the most thoughtful articles I have read on the subject appeared in the May issue of Today's Health magazine, entitled "Are Women More Honest Than Men?" It is based on the views of one of our most distinguished colleagues, Representative MARJORIE HOLT, and reflects very well the ability, drive, and forthright honesty with which she has impressed us here. I commend this article to your careful attention, and insert it in the RECORD at this point:

ARE WOMEN MORE HONEST THAN MEN?—NOT NECESSARILY, SAYS CONGRESSWOMAN MARJORIE HOLT, WHO HAS EARNED A REPUTATION ON CAPITOL HILL AS A CHAMPION OF INTEGRITY

(By Ellen Sullivan)

It has been many months since the tawdry business of Watergate shook the nation's soul with all its shocking revelations of dishonesty at the highest level of federal government. As the scandal unfolded, public indignation mounted to an unprecedented high. The nation was jolted into demanding that its elected officials be honest citizens. Today, Watergate has all but faded from the headlines—but not from people's memories. Perhaps more firmly than ever before, national scrutiny now fastens on our public officials and principally on those who guard the people's trust—our elected representatives in the new, 94th Congress.

More particularly, in this era of female liberation, the spotlight glares on the 18 women who sit today in the U.S. House of Representatives (there are no women in the Senate at this time), for in assessing Watergate, one fact leaps from the list of collaborators: No woman was involved in planning the Watergate break-in, or the perfidious cover-up. But as the number of women in Congress increases and their power grows, one might well speculate whether they, too, may succumb to the blandishments of corruption. Could they, in fact, come to resemble some male politicians—knee-deep in the mire of political scandal?

In the words of one female representative who has earned a reputation as a champion of integrity: "All of us—both men and women—are people. The fact that one is a woman cannot, in itself, guarantee her immunity from involvement in political corruption. Today, we have only a few women in Congress. And when there are greater numbers of women here, we'll see more varied kinds of women. But certainly the increased numbers won't turn an honest woman into a dishonest woman."

Veteran government-watchers are talking about this representative, Marjorie Sewell Holt [R-Md.], now in her second term from Maryland's fourth district. They say she is a powerful "comer" on Capitol Hill, where her gadfly stings are probing deeply into the Washington conscience.

Holt is a likely subject to ask about honesty: It was the foundation on which she built her burgeoning political career. A graduate *cum laude*, from the University of Florida Law School, in Gainesville, in 1950, she married electronics engineer Duncan Holt and spent the next 10 years rearing their three children. Then, in 1960, when her youngest entered grammar school, she began to practice law, and a childhood dream was revived.

"Ever since I had been in junior high school it was my ambition to be in the U.S. House of Representatives," explains Congresswoman Holt, whose Sewell ancestors have been prominent Maryland citizens since the 1670s. "But when I started practicing as an attorney, it was terribly difficult for a woman to win a legislative post."

Marjorie Holt saw her opening wedge in 1966 and announced that she would run for election as clerk of the county's state circuit court, an office then held by a former state senator and long-time political boss of the county. She campaigned four-square to clean up the court system and told every voter she met that honesty was her watchword. She won a stunning upset victory and repeated her performance four years later, winning over another tough opponent. Under her tenure—as a lawyer in the county courts sees it—"Holt pushed the courts here into the twentieth century," completely eliminating the backlog of cases.

In 1972, she decided to run for Congress against formidable odds: Maryland had never sent a woman to Congress in any general election, and the political party affiliation of her district was three-to-one against her. But Holt went in swinging, campaigned for honesty and efficiency in government, and promised her constituents an open-door policy. On election day, she swept close to two-thirds of the total votes. Again in last November's congressional race, almost 66 percent of the voters cast their ballots for the incumbent, Marporie Sewell Holt.

If the lady lawmaker from suburban Baltimore is the tiger her congressional reputation implies, appearances are certainly deceiving. After an arduous day in the House, voting on complicated legislation and questioning witnesses in tension-filled committee hearings, Marjorie Holt was as fresh as the proverbial daisy when we visited her one warm spring afternoon. Poised and serene in a bright blue silk dress, she listened attentively to our questions and replied in a soft, Maryland voice.

"I don't think that women are inherently more honest than men," she began after some reflection. "First of all, I know many honorable men in public life who refuse to involve themselves in any impropriety. And I know many women who do. But I wonder if there is something in our customs, our mores," she asks, "that has pushed some men off the straight and narrow?

"In other words, have the roles which men and women traditionally play caused some women to put too much pressure on men—pressure that has made some of them dishonest? For example, traditionally men have had to provide for their families," she points out. "Have some women, consciously or unconsciously, demanded too much success, too many trappings of prosperity? I'm not ignoring the fact that some men are overly ambitious and corruption prone on their own. But I'm posing this as a question, so that both men and women might meditate a bit about the root causes of such startling political malevolence as Watergate."

But hasn't the post-Watergate demand for greater integrity in elected officials placed an especially heavy burden on the female minority of Capitol Hill?

"Overall, what has emerged from the whole Watergate spectacle is that our system of government is working," the congresswoman notes with satisfaction. "The system has purged itself of wrongdoers, and this is forcing both men and women in public office to place prime value on honesty.

"Now, as far as women in Congress are concerned, we are keenly aware of the voters' demand that we, as lawmakers, conduct ourselves with integrity. I certainly believe that we are all striving to be more honest. In fact, we are doing everything to assure that we act as honorably as possible. Oh, yes," she concedes good-naturedly, "we know that we are being watched."

Marjorie Holt is one woman who has nothing to hide from her constituents. She promised them honesty. . . . It was not an empty promise. On the floor of the House, the petite, dark-haired representative has openly charged her colleagues with "perpetrating a fraud on the American people. Your reckless overspending programs are pouring billions of worthless paper dollars into our economy. It is this inflated money that is making prices spiral. It is dishonest, a practice fit for scoundrels . . . bamboozling the public with the same old deceit."

On roll-call votes, Congresswoman Holt casts a resounding no against "the irresponsible big spenders who call for more federal snoopers into the privacy of our income-tax returns, and more arrogant bureaucrats with a police-state mentality who want to dictate everyone's job, everyone's neighborhood, and the upbringing of all our children."

Such candor has regularly scorched the members of the House Administration Committee, which regulates all congressional expense accounts. Marjorie Holt is the committee's only female member. "Under the new 'reform' rules adopted by the House," she says scornfully, "the Administration Committee can increase the expense and travel allowances of Congress members without any roll call by the full House. The losers will surely be the taxpayers. The new rules have also restored proxy voting. . . . This is encouraging widespread absenteeism, and it is giving some chairmen almost total power in their important bailiwicks. This 'reform' talk is nothing but hypocrisy."

Congressional mores are not her only concern. Holt is waging a tough campaign against the rising tide of violent crime; she recently sponsored a bill that mandates a five-year prison sentence for anyone who commits a serious crime with a firearm. She hopes that it will help to 'stop the courts and parole systems from using prisons as revolving doors for criminals." Another of her bills is the "medicredit" program of the American Medical Association, designed to give all Americans under the age of 65 complete hospital and physican care through private insurance coverage. In addition, Marjorie Holt is the first and only woman member of the very complex, joint Senate-House Technology Assessment Board, which determines the nation's present and future technological needs.

She also finds time to be one of Capitol Hill's most effective lawmakers for women's rights. She cosponsored the Equal Credit Opportunity Act, recently voted into law, which prohibits discrimination on the basis of sex or marital status in granting financial credit. She has sponsored similar legislation, not yet passed, on obtaining insurance. Marjorie Holt's name is in a bill to examine, dispassionately, the Supreme Court decision on abortion, to ascertain if different legislation might be needed; the Rape Prevention and Control Act to examine the effectiveness of rape laws and methods of treating rape victims; and a bill to study the problems of women prisoners. Moreover, as a member of the House Armed Services Committee and two of its subcommittees. Holt has helped halt many military regulations that discriminate against women in recruiting and on duty.

Altogether a big job for anyone. But is honesty a stumbling block to more women being elected to such influential offices? "On the contrary," she says: "As I succeed in something, I find that honesty is the passkey to other women's winning election to office. For instance, many men have told me, 'I voted for you. You're doing a good job, and you are honest. Therefore, I would vote for another women.' As a result, since I was elected to Congress many other women have run for office, and they tell me that my success inspired them to run."

For women contemplating a career, Marjorie Holt sees an excellent chance for success, but offers a word of advice. "The big danger we women face today," she cautions, "is in getting paranoid about being women. If we just face up to the responsisibilities that we are assuming, I think we will be even more successful. If one just acts like a person, one will be treated like a person."

Finally, for women of integrity who aspire to public life, Congresswoman Holt predicts a bright future indeed: "As the childbearers of society, we women have developed an attitude of service. This is very satisfying and very good. It will stand us in good stead of be—not self-serving politicians—but honest public servants."

DEDICATION OF THE SITE OF THE GARDEN OF PEACE, THE ADMIRAL NIMITZ CENTER

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. BONKER. Mr. Speaker, I would like to commend to my colleagues' attention the remarks of Representative ROBERT KRUEGER at the dedication of the site of the Garden of Peace, the Admiral Nimitz Center in Fredericksburg, Tex. In attendance at the dedication was Dr. Manfred Abelein, a member of the German Bundestag, whom I recently had the privilege of hosting through the Franco-German-American parliamentary exchange program.

The article follows:

Admiral Fukuchi, distinguished guests, ladies and gentlemen: I'm pleased to be here today at the Admiral Nimitz Center, in the town which is the birthplace of Fleet Admiral Chester Nimitz, to join Admiral Fukuchi in dedicating the Garden of Peace on this site. I'd like to introduce to you Dr. Manfred Abelein, a friend of Fredericksburg, and a friend of the United States. In the German Bundestag he is the spokesman for foreign affairs for his Party, the Christian Democratic Party, which is the Party of Dr. Adenauer and Dr. Erhard, both of whom have been here before. I hope that on this auspicious occasion, Fredericksburg, a city which has enjoyed visits from two German Chancellors before, might be having a third with us.

It is fitting that three of the nations which fought in World War II should be represented here today in the common interest of peace. In walking through the museum garden this afternoon, one of the striking

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things was that we see this museum as a museum of what should be—with its instruments of war all broken. We all look forward to the day when we will be able to turn our swords into plowshares. This garden reminds us that we have the capacity to live in friendship and look together to the bonds which unite rather than those which divide. Our Creator may have created rivers and continents, but it was mankind that created differences between nations. If there is any task before us in the time ahead, it will be to see if the people of the three great nations represented here, the United States, Japan and Germany, marshal their forces together for the benefit of growing democracies and a free world.

NEEDLESS NEW BUREAUCRACY

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. McDONALD of Georgia. Mr. Speaker, we are already overrun and eaten alive by Government agencies, so I believe the last thing we need is another one—in this case, one which will fight other agencies for the privilege of regulating noise. The Environmental Protection Agency has been fighting that other oppressive bureaucracy, the Occupational Safety and Health Administration, for jurisdiction over noise. Both of these agencies are given to making unreasonable and expensive demands upon employers which cause high prices, business failures, and loss of jobs. Both operate in a high handed manner which used to be alien to the United States, but which, alas, is taking root and spreading.

The noted author Dan Smoot has done a careful job of documenting the EPA's origin, some of its irrational blunders, and the sky's-the-limit "empire" called the environment which is claimed as the EPA's domain. His article appeared in The Review of the News on April 30, 1975.

The article follows:

THE DAN SMOOT REPORT: WE MUST ABOLISH THE E.P.A.

Anyone who has ever heard the rolling of big newspaper presses knows that press rooms are noisy places. People who work in them can wear ear plugs or shields, but some would rather endure the consequence of too much noise than the nuisance of wearing protective devices. To the extent that technology and economics render it feasible, industry abates noise by proper engineering design and installation. Yet, whatever is done, ineluctable reality remains: Press rooms are noisy places.

But reality is not always acceptable to bureaucracy. The Occupational Safety and Health Adminitsration (O.S.H.A.) has promulgated noise-abatement regulations which would cost the American newspaper industry untold millions. (The estimate is $13.5 billion for American industry as a whole.) That is bad. But one can go from bad to worse, especially if caught in a crossfire between two federal regulatory agencies competing with each other for dominion over the lives and properties of the people. The Environmental Protection Agency claims jurisdiction over noise under the Noise Control Act of 1971. Condemning O.S.H.A.'s noise-abatement regulations as too lenient, E.P.A. has now issued its own—which would cost the newspaper industry many millions more. (The estimate is $31.5 billion for American industry as a whole.)

When federal regulatory agencies get involved in a struggle for power, they nearly always win. So, it is possible that both O.S.H.A. and E.P.A. will win this one—that each will be allowed to issue whatever regulations it pleases and that industry will be obliged to satisfy both.

Both O.S.H.A. and E.P.A. are illicit, in the sense that there is no constitutional authorization for either to exist. In contemplating what to do about them, we must necessarily be extremist. We must resolve either to kill them or to let them kill us. No middle ground is possible. An illicit federal regulatory agency can be abolished, but it cannot be tamed.

Legislation to abolish O.S.H.A. is pending. Congress should enact it immediately, and should also abolish E.P.A. before the harm it does becomes irreparable.

HOW THE E.P.A. GOT US

Getting rid of E.P.A. will be different from getting rid of O.S.H.A. The E.P.A. was not created forthrightly by a law of Congress enacted in compliance with constitutionality prescribed legislative process. President Nixon created E.P.A. by an Executive Order called a Reorganization Plan. It was deemed to have become law not because Congress legislated it (as required by the Constitution) but because Congress had done nothing about it.

This unlawful way of making federal law has been practiced since 1949, when President Truman proposed, and Congress enacted, the Reorganization Act of 1949. As enacted, later amended, and several times extended by Congress, this law authorized the President to reorganize the Executive branch of government, abolishing or combining old agencies, and creating new ones, pretty much as he pleases, except that he cannot abolish or create a Cabinet-level Department. The President then submits his reorganization plan to Congress. Either chamber can kill the plan, at any time within sixty days, by a majority vote of a quorum of its Members. If neither House takes such action within sixty days, the Presidential reorganization plan automatically becomes law.

That is how we got the Environmental Protection Agency. On July 9, 1970, President Nixon submitted a reorganization plan to create E.P.A. as the general regulatory agency in the field of environmental protection. Congress having taken no action, the plan became law in September. President Nixon created the E.P.A. on December 2, 1970, giving it certain responsibilities formerly exercised by the Atomic Energy Commission, the Federal Radiation Council, the Food and Drug Administration, the Department of Agriculture, the Department of Interior, the National Air Pollution Control Administration, and so on.

Such Presidential reorganization plans are usually justified with the argument that they will achieve efficiency and savings by eliminating overlapping activities of federal agencies. That claim was perfunctorily made for the Environmental Protection Agency in 1970, and little has been said since about savings and efficiency. In the first two and one-half years of its existence, Congress appropriated $5.8 billion for E.P.A.; but there were no corresponding reductions in the budgets of agencies which had given up regulatory activities to E.P.A. Not that there was much pretense in 1970 that E.P.A. was being created for economy in government operations. Creation of the agency was essentially (almost openly) a political appeal to the small but militant and well-financed environmentalist lobby. The appeal was made simultaneously, and for identical reasons, by a power-corrupted man in the White House already jockeying for political advantage in the 1972 Presidential elections, and by his power-hungry political rivals in Congress.

The environmental lobby was accusing the Atomic Energy Commission of being so interested in its responsibility for energy development that it was neglecting its duty to protect the environment. The Agriculture Department was accused of being so interested in allowing private business and agricultural interests to profit from pest control that it was neglecting its duty to protect the environment against harmful pesticides. And so on. The E.P.A., however, would have singleness of purpose, with no mission except to protect the environment. That is the promise made in 1970 to win political support from the environmentalist lobby: E.P.A. would ignore the reality of energy problems, of economies, of raging inflation, of stagnating productivity, of crippling taxation—and would demand instant environmenal purity.

In actual operations, the Environmental Protection Agency does not appear to have been that bad. The E.P.A. and the militant environmental groups have often appeared to be on opposite sides of the environmental controversies. But appearances can be deceiving.

THE GREAT DDT BAN

The E.P.A. had hardly come into existence before it was the target of a lawsuit filed by the Environmental Defense Fund and the Sierra Club, regarding the use of DDT. Under political and litigation pressures from these environmental groups, the government had been restricting the use of DDT, and Mr. Nixon had been promising to "phase out" its use entirely. But the environmentalists sued to make the new environmental agency prohibit immediately all remaining DDT usage. In January, 1971, a federal district court in Washington, D.C., held for the plaintiffs, ordering the Environmental Protection Agency to cancel all uses of DDT until a "fresh determination" about DDT was made. The Environmental Protection Agency appealed, and started Hearings which lasted several months. To its credit, E.P.A. took testimony from many qualified people whose evaluation of DDT agreed with that of Dr. J. L. Steinfeld, Surgean General of the U.S. Public Health Service. Pleading for continued, widespread use of DDT, Dr. Steinfeld characterized the pesticide as the greatest of man-made boons to human health, saying:

"Its use in the eradication and control of disease has meant the difference between hunger, despair, and poverty, and good health, hope and the promise of a better life to billions of people . . . DDT has been responsible for returning to man the use of agriculturally rich lands, thereby making possible improvements in nutrition, providing in turn the energy and strength for social and economic development . . . ."

On April 25, 1972, Edmund M. Sweeney, the E.P.A. official who had conducted the DDT Hearings, declared that the proceedings had not proved that DDT causes severe environmental damage. He said DDT's essential uses should be continued. Yet, on June 14, 1972, E.P.A. cancelled federal registration of DDT, thus banning it from interstate commerce. On June 10, 1973, E.P.A. required federal registration of all DDT products produced and used without ever crossing state lines, saying it would determine later whether to ban such *intrastate* commerce in DDT.

By the fall of 1973, the House Agricultural Subcommittee had received sworn testimony that more than a million acres of trees in Pennsylvania and about 650,000 acres of trees in the Northwest had been killed, and hundreds of thousands of acres of trees in New England had been damaged, by moths; that the corn ear worm had reduced the lettuce crop in New Jersey by more than two thirds; and so on—all because DDT was not available.

Surely, E.P.A. went beyond the intent of the January, 1971, court decision concerning DDT. At any rate, the agency could reasonably have been expected to seek, in the national interest, a modification of the court order. It did not.

THE CLEAN AIR FRAUD

The Clean Air Act of 1970 has also been the basis of several environmentalist law suits against E.P.A. The law set May 31, 1975, as the date for the nation to acquire specified "primary quality standards," but gave E.P.A. discretionary authority to extend that deadline to 1977. The law allowed states to prescribe procedures for achieving the specified clean-air standards, provided their procedures met with E.P.A. approval. Any state failing to present plans acceptable to E.P.A. would lose federal funds for air-pollution control activities; and E.P.A. would directly take command of all such activities in that state.

On May 31, 1972, E.P.A. notified all states that it was giving them until 1977 to clean up the air, but specified that their plans for doing so must be submitted by February of 1973. The tax-free Natural Resource Defense Council (N.R.D.C.) sued E.P.A., contending it had no authority to give such blanket extension, but must give extensions (if any) on a case by case basis after review. Federal courts held for N.R.D.C.

The fact is that more than 80 percent of the nation has cleaner air than the 1970 Clean Air Act requires. At the outset, E.P.A. indicated primary concern with those areas where air pollution exceeded federal allowables. But the Clean Air Act says the government must "protect and enhance" air quality everywhere. The Sierra Club and other environmentalist groups sued E.P.A., contending that the agency must aggressively "protect and enhance" air quality in areas already above federal standards. Lower federal courts upheld this contention. On June 11, 1973, the Supreme Court had a tie vote on the case (4 to 4), thus letting lower court decisions stand.

Traditionally and legally, no organization or person has standing in federal court to sue unless he alleges specific damage to himself by some action of the defendant. The Clean Air Act of 1970, however, gave revolutionary lawyers and litigation groups like N.R.D.C. special standing to bring suit in federal courts, without alleging direct damage to themselves, as if they were official overseers to review enforcement of the Act. This (one of the most damaging provisions of the Clean Air Act and of other major environmental laws) has enabled irresponsible revolutionary lawyers to use the federal courts for harassing business and government agencies.

Many government agencies seem to welcome the lawsuits, because they bring court decisions ordering actions which agency officials wanted, but avoided for fear of unfavorable public opinion. This certainly appears to be the case with regard to E.P.A. In fact, there are strong indications that the National Resource Defense Council does much of the major decision-making for E.P.A.—either because E.P.A. officials agree with the N.R.D.C. viewpoint, or are afraid of being sued.

BOWING TO THE COURTS

The E.P.A. officials used the "clean air" court decisions as an excuse to impose controls over major economic activities in the nation. The acting E.P.A. administrator at the time said the Supreme Court decision of June 11, 1973, together with related court decisions involving enforcement of the Clean Air Act, would compel the E.P.A. to exercise "specific and concrete control on where growth will be."

The E.P.A. explains that it cannot enforce the Clean Air Act of 1970, as interpreted by federal courts, unless it controls all sources of air pollution—direct and indirect. A direct source of pollution is an automobile or a factory which makes undesirable emissions into the air. An indirect source is a highway, street, airport, shopping center, sports arena, medical center, recreational facility, or any other building complex which does not directly pollute the atmosphere but attracts people and vehicles which do pollute.

In the 80 percent of the nation where air quality is above federal standards, how can E.P.A. prevent deterioration (as mandated in 1973 by federal court interpretations of the 1970 Clean Air Act), unless it controls all economic activity in those areas? The top E.P.A. official at the time suggested the necessity of nationwide land zoning. Each state (under tight E.P.A. control) could then zone itself into growth and no-growth areas. This would prohibit any building of any kind except when, where, how, and if permitted by zoning officials.

This E.P.A. land-zoning suggestion coincided neatly with a contemporaneous push for a national land-use planning law, a law which narrowly failed of enactment one year later (1974).

In the 20 percent of the nation where air pollution is said to exceed federal allowables, how can E.P.A. reduce pollution as required by the Clean Air Act, within time limits allowed by federal courts, unless it forces people to abandon, or drastically alter, the way of life which produced the pollution?

SEEKING TOTAL CONTROLS

Immediately after the June 11, 1973, Supreme Court clean-air decision, the E.P.A., assuming authority to do what it claimed it was being forced to do, announced new proposed regulations. An E.P.A.-proposed regulation is eventually enforced as law unless the courts or Congress intervene, or unless E.P.A. officials themselves delay or rescind the proposals (as they have done a few times). On June 15, 1973, E.P.A. issued orders to 22 of the nation's urban areas, proposing such measures as restricting motor vehicle travel, rationing gasoline, eliminating or restricting parking facilities, requiring pre-1968 cars either to be equipped with emission-control systems or to be outlawed.

The E.P.A. proposals created a furor. In Indianapolis, one of the areas directly affected, the *Star* commented: "EPA's claim that it is issuing the regulations under the gun of a court order cannot be accepted at face value. Whether the court (a Washington, D.C., appeals court) would require action where no pollution problem exists is questionable."

By way of showing that there was "no pollution problem" to justify the E.P.A. orders for Indianapolis, the *Star* said: "This move by EPA is . . . not taken on the basis of data indicating it will reduce air pollution by any specified amount. EPA has proposed these rules because it does not accept data gathered by the state in 1972 which showed Indianapolis to be within pollution limits established by law. The state insists that no violation exists, but EPA, having presented its side of the case to itself, has ruled in its own favor and appears determined to promulgate the rules over near-universal local opposition."

In Houston, one of the areas most painfully affected by the June 15, 1973, E.P.A. proposals, some citizens expressed their resentment to their man in Congress. Representative Bob Casey, who represents the Houston District in the House, got up on the floor of Congress and said: "EPA's power grab could easily spread to other activities: population control, complete regulation of all business activities, designation of public housing sites, and, yes, even movement of vast segments of our population from one end of our country to another." Likening the E.P.A. to "a wild animal that is about to destroy us," Congressman Casey suggested that. "If Congress, in its haste to clean up the environment, created a monster, it is up to Congress to trim its claws and to reduce it to the helpful watchdog which we intended."

There was such widespread opposition to the June, 1973, proposals that Congress seemed almost disposed to do something. For example, on November 26, 1973, the House Appropriations Committee recommended a special $10.5 million supplemental appropriation for E.P.A., but told E.P.A. it ought to start considering the cost of some of its proposals. The Committee Report said: "Had the public been informed in advance of the potential economic consequences of many of EPA's rules and regulations, many of these actions would have been considered unwise and too costly in relation to the benefits to be received."

That mild rebuke and a few speeches like Congressman Casey's represent all that Congress did about E.P.A.'s far-reaching proposals of June 1973. But E.P.A. (possibly to allay public anger and forestall congressional action) did suspend the proposals until 1975. Congressman Casey's fear that "EPA's power grab" would spread into other areas was justified, however.

On January 1, 1975, authorized by its own edicts, based on its own interpretation of federal court interpretations of the Clean Air Act of 1970, the Environmental Protection Agency moved to take control of practically all major construction in the United States. Briefly alarmed by congressional concern, it decided to delay institution of its control until June 30, 1975. But thereafter, unless Congress does something, no street or highway of major consequence may be built or improved without E.P.A. permission. No large facility of any kind (airport, sports arena, medical center, educational institution, industrial plant, shopping complex, apartment development) may be constructed or significantly expanded without E.P.A. approval.

And all of this represents only one part of E.P.A.'s jurisdiction under one law: the Clean Air Act. Under this clean air law, E.P.A. has harassed the oil and automobile industries with anti-pollution regulations that have cost the consuming public many billions of dollars and have caused the waste of many millions of barrels of fuel oil. It is possible that the environmental consequences of the regulations may be more harmful than the pollution against which E.P.A. was regulating. Under the Clean Air Act, E.P.A. has forced the utilities industries and other operators of big industrial plants into crash programs to eliminate undesirable emissions from smokestacks—programs which have been exceedingly expensive but which may produce as many pollution problems as they solve. Under the Clean Air Act, E.P.A. has also asserted authority to meddle in such critical controversies as strip mining for coal and leasing offshore acreage for oil exploration.

In addition to the power it claims under the Clean Air Act, E.P.A. has equally broad enforcement powers under the Clean Water Act of 1972, the Federal Environmental Pesticide Control Act of 1972, the Noise Control Act of 1972, the Marine Protection, Research, and Sanctuaries Act of 1972—to name *some* of the environmental laws enacted not really to clean up the environment, but to enhance the political prospects of Presidential hopefuls in 1972.

WHAT SHOULD BE DONE

Congress should abolish O.S.H.A. and most other federal regulatory agencies by repealing the specific laws that created them; but, as we have pointed out, E.P.A. was not created by a specific law of Congress. Representative Bob Casey has spoken of trimming the claws of this "wild animal that is about to destroy us," but all he has proposed is H.R. 15858, which would amend the Clean Air Act to prohibit E.P.A. from controlling "indirect sources" of air pollution. This Casey bill would give considerable relief to municipalities and state highway depart-

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ments, and to construction and related industries, *but that is not nearly enough.*

Since it cannot abolish E.P.A. by repealing a law, Congress should enact a law affirmatively legislating it out of existence, prohibiting any further appropriations for it. That would leave a welter of environmental laws in which E.P.A. is designated as the enforcement agency. That fact would create confusion in the bureaucracy as to who had jurisdiction over laws once in the domain of E.P.A. This confusion might slow down the environmental juggernaut long enough to save the consuming public billions of dollars, give industry a breathing spell to recover from some of the past harassment, and allow the people time to persuade Congress that it must repeal all the environmental laws which have done nothing for the environment, but have created another layer of oppressive bureaucracy.

GUN CONTROL: SEEKING PEACE ON THE DOMESTIC FRONT

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mrs. CHISHOLM. Mr. Speaker, the United States is presently in the midst of an ever-increasing domestic arms buildup. Our peace-loving, gun-toting society is one that can be described as cautious to the point of being paranoid. The population that deplores violence in Southeast Asia has at least one firearm placed in every other household from sea to shining sea. Our citizenry has formed its own unorganized militia which they consider justified by the "right to bear arms" clause of the second amendment. The domestic arms race is being run every year at a rate of 2.5 million new guns that have contributed to bringing murder, assault, and robbery rates to heights unprecedented in our history—heights that can only be lowered with the enactment and enforcement of strict, effective gun control legislation.

The cold, hard, often unmoving statistics have been recorded for posterity in the Federal Bureau of Investigation's Uniform Crime Reports. In 1973 there were 19,510 murders committed in the United States. Of that number, 67 percent were committed with firearms, 53 percent with handguns. The amount of gun-related murders for 1973 is a figure consistent with the rising murder rates that have plagued us for years. In 1971 the percentage of murders committed with a firearm was 65.1 percent. Two years later, that figure rose to 67 percent, so that firearms accounted for over two-thirds of all murders. There were also 416,270 aggravated assaults committed in 1973. More than one-fourth of these assaults, 25.7 percent, involved firearms, a 63-percent increase of the number of firearms used in aggravated assaults in 1968. This is in comparison to an increase of only 16 percent in the number of knife assaults—the second most commonly used weapon next to a firearm—and a 37-percent increase in the number of assaults committed with personal weapons—hands, feet, et cetera. Finally, more than 65 percent of the robberies enacted in 1973 were accompanied by the use of a gun. Now, have these statistics really been recorded merely for posterity or to prod the Congress into enacting legislation that would cause these tragic numbers and percentages to diminish in future years?

It would appear that the Congress is long overdue in passing a law aimed at preventing the misuse of firearms in view of both the exceedingly high crime rate associated with guns and the public opinion polls that, since 1938, have shown that a sizable majority of the American people desire adequate gun control. Presently, 71 percent of the American people favor some sort of gun control legislation. If the 94th Congress is truly representative of the people that elected it, there should be no reason why the House and Senate should fail to create laws that make it both difficult and unwise to misuse a firearm.

Gun control opponents have argued that a person who would kill with a gun would kill with some other weapon if he were prevented access to a firearm. The National Commission on the Causes and Prevention of Violence concluded that this argument is invalid because most persons who commit homicide are not determined, relentless killers. Often the person behind the trigger is one suffering from deep depression or anger and, in a moment of rage, impulsively uses his gun to vent his feelings. But even if another weapon were sought, found, and used, none is as lethal as the bullet shot from a firearm. When a gun is used, death is virtually inevitable. The chances of recovering from a wound inflicted from a weapon other than a firearm are far greater than the chances of recovering from a bullet wound.

More than two-thirds of the people possessing a firearm in this country list self-defense as a reason for ownership. Gun control opponents arguing the self-defense issue feel that controls would take guns out of the hands of honest, law-abiding citizens while criminals could virtually rape and pillage the countryside with their illegally possessed firearms. "If guns are outlawed, only outlaws will have guns," say the opponents.

Evidentally, those who keep a gun in the house for reasons of self-defense are obvious to the fact that they place the lives of both themselves and their families in greater danger than they would if they were to confront a burglar unarmed. There are several arguments that back up this contention. First, the number of killings that are committed in the home by burglars is minute compared to the total number of homicides that occur each year. This is because the burglar would prefer to avoid contact with the homeowner than shoot him with his gun. Second, it is not likely that a homeowner will be able to defend himself with his gun because he is seldomly forewarned of the burglar's presence. If he were to be confronted by the burglar, he would have little or no chance to arm himself with a gun. Third, at least four people are killed by handguns in accidents and quarrels that have absolutely nothing to do with protecting the home from an armed intruder for every burglar that is killed by a homeowner. Thus, a person who purchases a gun for reasons of self-defense seriously risks the lives of those who are closest to him, especially since three-fourths of the people wounded by handguns owned by private citizens are friends, relatives, or acquaintances of the owner. It would seem that if a gun is kept in the home, an accident or an argument resulting in tragedy is likely to occur. Still guns proliferate in the name of self-defense. More and more people buy guns out of fear. And the thing they fear most, death or injury from an unfriendly gun, results from their own possession. People who buy firearms for self-defense purposes must view increased violence as the cure for increased violence. If they did not, they would not own a gun.

The Gun Control Act of 1968 is so ridden with loopholes that its intended result of substantially reducing the number of firearms in circulation has not been realized. Yes; mail-order sale of most guns is prohibited by that law, but even though one cannot buy a mail-order gun, his local gun dealer can certainly sell him one. Yes; the law restricts the importation of cheap foreign weapons, but the importation of cheap foreign gun parts that are assembled into so-called Saturday-night specials in this country, has not been outlawed. And yes, purchasers of guns and ammunition are now required to supply identification when they make their purchase, but what felon would hesitate to show identification when the gun dealer takes only a cursory glance at it? Surely the time has come for the Congress to take a definitive step toward mending the flaws in existing gun control legislation.

In order to pass adequate gun control laws, Senators and Congressmen will have to put aside political ideologies. The lives of thousands of Americans are at stake each year while their Representatives cling to their political philosophies. Many gun control opponents feel that any strict gun control law enacted by the Congress would be unconstitutional, arguing that the private citizen's right to bear arms is guaranteed by the second amendment to the Constitution. The Supreme Court has consistently disagreed with this interpretation of the amendment in deciding that the right to bear arms refers to the right of the States to maintain a militia to protect the sovereignty of the States. The second amendment applies to the right of the collective body of a militia to bear arms, not to the right of individual private citizens to do so. At the time when the second amendment was added to the Constitution, the weapons of the militia were, for the most part, private arms. Today this is no longer true. Two hundred years ago private arms were used to protect the sovereignty of the States. Today it is

doubtful that many who feel the right to bear arms is guaranteed by the second amendment have any conception of what State sovereignty is. Of the more than 13,000 people who were killed by firearms in 1973, how many died as violators of the sovereignty of any State? Undoubtedly few, if any.

There are several aspects of gun control legislation that must be passed by the 94th Congress. If no action is taken by the House and Senate, thousands of people will be the victims of untimely deaths. First, a law requiring the registration of firearms would provide a record of all those who own firearms as well as a record of the firearms they own. Registered firearms would enable law enforcement officials to trace misused firearms. Knowing that his gun could be traced, a registered owner would have good reason for refraining from criminal use or illegal transfer of his gun. It has been argued that registration would cause a great inconvenience to those who do not misuse their firearms and that the cost of such an undertaking is not worth it. Every carowner must register his automobile whether he misuses it or not, but how many think of automobile registration as an inconvenience? And yes, the cost of registering firearms may be high, but it could never approach the cost in lives that the lack of gun control has charged us for in years past.

A restrictive licensing provision requiring all persons seeking a particular handgun to demonstrate a need for ownership would substantially reduce the number of handguns in circulation. Few people really need a gun, and those who feel they have a need do not realize that they would be safer without one. The major function of a handgun is to kill people. One is seldomly used for sporting purposes. It is now estimated that there are 40 million handguns in the United States, almost 1 for every 5 persons. Of the 19,510 people slain in 1973, 10,340, more than half, were done in by handguns. Every 48 minutes a handgun is used to kill someone. Reducing the number of handguns in circulation will certainly reduce murder, assault, and robbery rates that continue to oppress us.

Any licensing provision enacted by the Congress should provide minimum standards in order to provide both uniformity and adequate protection. These minimum standards would make it illegal for criminals, juveniles, alcoholics, addicts, and mentally deficient individuals to possess firearms so that it would be extremely difficult, if not impossible, for such poor risks to acquire firearms from legitimate sources.

To further reduce the number of handguns in circulation, the importation of foreign gun parts used to make "Saturday-night special" handguns must be prohibited to make it more difficult to obtain a cheap, dangerous handgun whose sole purpose is to kill.

Finally, increased penalties for those who use guns in criminal activities would serve as a deterrent for those who may use their gun as a means to a criminal end.

It is a fact that in the last 75 years more people have been killed by firearms in the United States than have been killed at the hands of all our enemies in all the wars that this country has been engaged in. For many years Americans have been crying out for peace in Southeast Asia. Slowly our involvement there is being brought to an end. Now is the time to seek peace within our own borders. Unless provisions like those outlined above are enacted, we may die at our own hands, for, without gun control, we are our own worst enemy.

EVERY 17 MINUTES

HON. JOEL PRITCHARD

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. PRITCHARD. Mr. Speaker, every 17 minutes, somewhere in the world, a whale is killed. To some this might not seem important, but to many others this little fact is the source of great consternation. With the International Whaling Commission scheduled to convene next month in London the plight of the whale has been receiving well-deserved attention. The Merchant Marine and Fisheries Subcommittee on Fisheries and Wildlife Conservation and the Environment of which I am a member has been holding timely, related hearings. My colleague, Representative ALPHONZO BELL of California, has presented us with a bill calling for an immediate embargo on the products of all foreign enterprises engaged in commercial whaling. While I do not feel that this novel approach is the complete answer, I applaud and support Mr. BELL's efforts.

The history of whaling is part of our country's tradition with many of our seaports having made their livelihood from the huge mammals. For the United States, however, this is indeed part of our past because we now recognize eight species of whales as endangered and protect them under the Marine Mammals Protection Act and the Endangered Species Act. The problem is that a few other countries have yet to follow suit.

The International Whaling Commission has succeeded in putting five species of whales on a prohibited list which has been accepted by its membership. The United Nations Conference on the Human Environment voted 53 to 0 for a 10-year moratorium on whale killing and conservation groups throughout the world have called for an end to the slaughter. The Soviet Union and Japan, however, still persist in hunting whales, between them accounting for 85 percent of the whales killed. Today, whales are used in such things as the manufacturing of cosmetics, margarine, transmission oil, and pet food—ingredients for which there are all substitutes. This continued Russian and Japanese action thus seems to me highly irresponsible and unresponsive.

In this country private citizens have imposed an economic embargo on Russian and Japanese products and it is reported that this self-embargo has made an impact overseas. The recent outrage in this country over a Japanese proposal to hunt the California gray whale certainly should have made the message clear. People do care.

Our knowledge of the whale is really in its infancy and there is so much that we could learn. What part the whale plays in the ocean's ecosystem is still not understood and what it might teach us about adapting to sea life is yet to be discovered. Whales, for instance, are able to dive to great depths and it could be important for us to know how they are able to achieve this feat. How tragic to eliminate a species which could aid our still inadequate understanding of the sea.

Last year I attended the Interparliamentary Union in Tokyo and, more recently, the Law of the Sea Conference in Geneva, giving me the opportunity personally to discuss the whaling problem with Japanese officials. I found that there was a general lack of concern. The interest, however, was immediate upon discussing the 200-mile fishing limit and this is where I feel we will be able to progress with effective negotiations. Once Congress passes the 200-mile fishing limit, we will have the necessary leverage, hopefully leading to the real protection of the whales before it is too late. Herman Melville was a great author but I would prefer that he not turn out to be a great prophet as well with his words:

> The moot point is, whether Leviathan can long endure so wide a chase and so remorseless a havoc; whether he must not at last be exterminated from the waters, and the last whale, like the last man, smoke his last pipe, and then himself evaporate in the final puff.

THE 73D ANNIVERSARY OF CUBAN INDEPENDENCE

HON. LOUIS FREY, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. FREY. Mr. Speaker, today marks the 73d anniversary of Cuban independence from Spain. It was more than seven decades ago that the Cuban people fought and won their independence, yet it was just one decade ago that many thousands of Cubans left their homeland in search of that same independence.

These men and women, descendents of the Cubans who fought in 1902, could not live under Fidel Castro's brutality and fled to our country. So, to them there is a kind of irony in celebrating Cuban Independence Day for they do not consider their homeland to be free and independent.

We in Florida are particularly aware of the Cubans' plight as many thousands have settled in the Miami area of our

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State and contributed much to our community. Yet, these Cuban Americans long for the day when Cuba will be truly independent.

So, while we pay respect on this Cuban Independence Day, we must and can not forget the situation which exists in Cuba today. We must join in supporting those Cubans who are committed to the ideas and beliefs of Jose Marti. Marti believes in human rights and freedom and the worth of each person. This philosophy does not exist in Cuba today, but one day freedom will triumph.

NATIONAL ISSUES QUESTIONNAIRE

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. RICHMOND. Mr. Speaker, a few weeks ago I sent out a questionnaire to the constituents of the 14th Congressional District of New York. This questionnaire dealt with a number of topical problems and situations which currently face this country.

Although the response to the questionnaire was strictly from my own district, it expresses, quite accurately, the feelings which American citizens wish to make known. This is most helpful to me as a Member of the United States Congress and also beneficial to all Representatives who share this historical Chamber.

Therefore, I insert this questionnaire and tabulated results into the RECORD. I also thank those citizens who have contributed to this most valuable source of information.

The article follows:

NATIONAL ISSUES QUESTIONNAIRE [1]

[In percent]

	Yes	No
Energy—Do you favor:		
1. Temporary Federal control of oil prices, production, allocation, exports and imports	68	32
2. Gasoline rationing?	39	61
3. A gasoline tax with rebates to low- and middle-income people and businesses?	47	55
4. Restriction of auto sales of low gas consumption cars?	64	26
5. A tax on high gas consumption cars?	65	55
6. Incentive for exchange of old gas-eaters for new gas-saver car models?	69	31
7. National insulation standards for home, offices and factories?	74	26
8. Deregulation of natural gas prices?	50	50
9. Mandatory solar heating for homes, offices, and factories?	28	62
10. Mandatory recycling of newspapers, bottles, etc?	80	20
11. Increased aid to mass transit?	85	15
Economy—Do you favor:		
1. Wage and price controls?	49	51
2. Profit controls?	69	31
3. Strengthening antitrust laws and enforcement?	90	10
4. Tax relief for low- and middle-income families?	91	9
5. Cost-of-living increases to senior citizens under SSI social security program?	92	8
6. Elimination of waste in the Defense budget?	95	5
7. Strict controls over oil companies?	85	15
8. Do you believe the state of the economy will improve this year?	40	60
Unemployment—Do you favor:		
1. Expanded Federal funding of municipal jobs?	62	38
2. Creation of a Reconstruction Finance Corporation to extend credit to jeopardized small businesses?	72	28
3. Increased funds for subsidized low- and moderate-income housing?	75	25
4. Tax credit for first $500 of interest on savings?	87	13
5. Requiring all banks to invest in mortgages a percent of their money available for loans?	81	19
Environment—Do you favor:		
1. Reducing Clean Air Act standards to get cheaper electricity bills?	38	62
2. Moratorium on nuclear energy construction until plants and waste disposal are proven safe?	74	26
3. Imposing strip mining controls to prohibit where land cannot be restored and otherwise require restoration?	86	14
4. Class actions to enforce environmental laws?	81	19
5. Reducing auto emission standards to meet energy goals?	43	57
Education—Do you favor:		
1. Aid to parochial school children?	46	54
2. Expanded aid for day care center construction and operations?	77	23
3. Community control of day care centers?	78	22
Miscellaneous—Do you favor:		
1. National health insurance?	85	15
(a) Operated by Social Security System?	65	35
(b) Operated by private insurance companies?	40	60
2. Creation of a Federal Consumer Protection Agency with powers to appear before Government agencies?	87	13
3. Amnesty for Vietnam draft and service-related crimes?	60	40
4. Encouraging farmers to grow more in the United States to help feed the hungry overseas?	72	28
5. Future military aid to Vietnam and Cambodia?	21	79
6. President Ford's actions in domestic policy?	26	74
7. Henry Kissinger's actions in foreign policy?	54	46

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[1] I have tried to cover the principal issues expected to come before Congress and to phrase the questions as impartially as possible. 2 answering spaces are provided for households with more than 1 person wishing to respond. Answers will be tabulated and the results published. I will send you another questionnaire about local issues.

SERVICE TO MANKIND AWARD

HON. TENNYSON GUYER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. GUYER. Mr. Speaker, the Noon Sertoma Club of Lima, Ohio, has recently honored Joe Bowers most highly with their Service to Mankind Award. Joe, a longtime outstanding citizen of the Lima area, is a health and physical education teacher at Lima Senior High School. Also, he has coached the high school baseball team from 1956 to the present. He has spent his summers working for the Lima Recreation Department—9 years as playground supervisor, and 28 years as baseball supervisor. He has also supervised the knothole baseball program for 20 years.

Recognition is being given to Joe Bowers for the outstanding service he has given in molding the character of youth through his teaching, coaching, and many other related activities.

Joe Bowers began his teaching career in the Lima schools in 1932. From 1933 to 1936, he taught a special class at Whittier Elementary School. He taught academic subjects, crafts, and sports, as well as taking his class on many field trips.

From 1936 to 1956, he taught science, history, math, health, and physical education at South High School. Also, during this time, he assisted with coaching football, basketball, and baseball. He was varsity baseball coach for 10 years of this time, during which his teams were the Greater Ohio League Regional Play winner several times.

Since 1955, he has taught at Lima Senior High School and coached the baseball team from 1956 to the present. This team played in the State tournament for 5 consecutive years and won the State tournament in 1964 with an 18 to 0 record.

During the span of his teaching career, Joe Bowers has been recognized by many organizations and has been the recipient of many awards. In June 1970, he was presented the National High School Coach of the Year Award for Region 2—seven States—in Chicago, Ill. In January 1971, he was presented a similar award from the National College Association in Houston, Tex. Also, his fellow coaches in District 2 elected him Top Coach of the Year in recognition of his outstanding ability and achievement.

In honor of being named National Regional Coach of the Year, the Lima City Council sent him a resolution congratulating him and extending appreciation for his long period of service to the community. The Lima City Board of Education has issued resolutions extending special recognition to him and he has been selected on two different occasions as Lima's nominee for the Ohio Teacher of the Year Award. The Lima Senior High students honored him by dedicating the Spartan Echo—the school yearbook—to him in 1971. All of these honors are evidence of the high esteem and affection those who know Joe Bowers have for him.

In addition to the time spent in teaching and coaching, Joe Bowers has served his community in many other ways. He has taught an adult citizenship class for 3 years. He has talked several times a year at church groups, service clubs, PTA meetings, and youth groups. He managed freshman basketball tournaments for Lima and surrounding areas for 27 years. He has officiated football and basketball for 40 years and always officiates the basketball game for the Heart Fund Drive.

Further, he has coached American Legion baseball and been recognized by the American Legion for outstanding service to the community. Also, he has been a member of the City Softball Commission. In addition to these, he is a member of the YMCA, the Mental Health Association, and the West Elm Street United Church of Christ.

Joe Bowers was born in Italy. When he was 6 months old, his mother brought

him with her to join his father in Pennsylvania. Two years later, the family moved to Lima, Ohio. Joe was the oldest of seven living children and was taught to work at an early age. Because he grew up during the depression, the family had few luxuries and the children were taught valuable lessons of good living—such as hard work, honesty, respect, pride, and a sense of right and wrong.

From the age of 14, he had summer jobs and saved his money toward an education. In September 1928, he enrolled at Defiance College where he met his future wife, Margaret McCague. While in college he turned down many opportunities to try out for major league baseball, because he did not want to lose his chance for an education. Joe and Margaret Bowers have four children—two of them are teachers, one is an attorney, and one lives at home.

To Joe Bowers teaching is his life. He feels a teacher is hired to help children learn and develop skills but this is really a byproduct of what it is all about. He feels compelled to pass on to others those principles and standards which others worked hard to give to him. When a young man is in his class, he is concerned about what he believes, what he stands for, and what his goals are. The lives of many young people have been directly touched and influenced by him during the course of his teaching and coaching career.

INSIDE THE MIDDLE EAST—I

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. MIKVA. Mr. Speaker, Mr. and Mrs. Lee K-Thorpe, community leaders and members of a prominent family in Evanston, Ill., recently returned from the Second Editorial Conference on the Middle East. The K-Thorpes are highly regarded observers and writers and their chronical of their trip is both incisive and illuminating. Because I believe that an understanding of the Middle East situation is crucial to the Congress in determining its policies on this situation, I would like to insert into the RECORD for my colleagues' attention, the series of articles written by the K-Thorpes about their findings:

INSIDE THE MIDDLE EAST

(By Jane K-Thorpe and Lee K-Thorpe)

The Middle East situation is the result of an extraordinary drama beginning with Abraham 4,000 years ago, in ancient Mesopotamia. Within this complex area—the crossroads of countless civilizations—the world again faces a major crisis that affects the lives of millions in that area and perhaps the survival of world civilization.

The Arabs and the Israelis, with or without major power help, should have the capacity to resolve the problem of mutual existence without more of the wars that have brought terrible suffering to Jew and Arab, child and adult. Peace is urgently needed for the internal growth of each nation. To better understand the complex problems of the area, Jane and I recently joined the Mid-East Editorial Conference and visited Lebanon, Egypt, Syria; Jordan and Israel, where we were able to visit with top officials of each country as well as average citizens.

History has shown that the Jews formed the main population of Palestine almost 3,000 years ago, but the last independent Jewish state in the area before 1948 was destroyed by the Romans in the year 70 of the Common Era.

While most Jews were dispersed throughout the world, a small Jewish population continued to survive and grow in Palestine, together with a large Arab population, through centuries of rule by different peoples. The Arabs were an ancient Middle Eastern people whose language was related to the Hebrew of the Jews, and these peoples were also related racially and ethnically.

In the early centuries after the Roman conquest, the Arabs lived on the Arabian peninsula. In the Seventh Century they were united politically and religiously by their prophet Muhammed, who was the founder of Islam. The Arabs conquered most of the Middle East including Palestine, which they ruled between 637 and 1099 C.E. Most of the people of the Middle East became Moslems under their rule, although the Arabs generally tolerated the Jewish and Christian minorities. In 1099 C.E. Jews and Arabs joined in the unsuccessful attempt to defend Jerusalem against the Crusaders. From 1099 to 1291 the Christian Crusaders dominated Palestine, persecuting and slaughtering the Jews.

The Mameluks (Muslims) ousted the Crusaders in 1291 and ruled until 1516. Many Jews came to Palestine in this period to escape from Christian persecution in Europe. Rabbis such as the great Ramban (Nachmanides) emigrated from Europe, and Jerusalem was re-established as a center of Jewish learning. Between 1517 and 1917 Palestine was ruled by the Ottoman Turks. Despite occasional ill-treatment by the Turks, Jews continued to emigrate from Europe as a result of expulsion and persecution. Between 1880 and 1914 over 60,000 Jews entered Palestine, mostly from Eastern Europe.

The rise of political anti-Semitism in Europe in the late Nineteenth Century was a major reason for the movement to create a Jewish State. Although other locations were considered, such as Uganda, the Jews preferred Palestine because of its deep significance as their ancient homeland and the fact that Jews were already there. The fact that Palestine was a province of the Ottoman Empire, occupied by Arabs as well as Jews, was not considered an important obstacle, largely because the European attitude about colonization in the early 1900s assumed that the benefits to the natives would be greater than the disadvantage of being subject to the colonizing power. In fact, European colonization efforts generally met with little opposition. The circumstances in Palestine were different, however, mainly because Arab nationalism was becoming a powerful movement at the same time that Jewish nationalism was taking hold. The Jewish settlement of Palestine was clearly intended as the beginning of a Jewish State, and the Arab majority therefore opposed it. Arab leaders requested that the Turkish rulers put an end to both Jewish immigration and land purchase. By 1914, Arabs had established anti-Zionist societies in Jerusalem, Jaffa, Haifa, Cairo, Beirut and Istanbul.

That same year the British government declared war on Turkey, and defeated it in 1918. In an effort to win Arab support, Britain encouraged the Arab nationalist movement and in 1915 informed Hussein, Sherif of Mecca, that Britain supported Arab independence. In the next few years Zionist groups, political considerations and world opinion led the British to support the founding of a national homeland for the Jews, in its Balfour Declaration of November, 1917. It was unclear whether these two pledges were contradictory or not, since no specific territory was promised to either the Arabs or the Jews. But Britain's promise to support Arab independence was directly contradicted by the secret Sykes-Picot Agreement made with France, which was revealed in 1917. This agreement called for the setting up of two new Arab states to replace the Turkish Empire, to be governed as British and French protectorates. Palestine was to remain under British, French and international control. It was not until the mid-1920s that treaties of independence were signed with Lebanon, Iraq and Transjordan, and the mid-1930s before Egypt, Syria and Saudi Arabia gained their independence. Meanwhile the British Mandate over Palestine permitted increased Jewish immigration and the setting up of limited Jewish self-government. The Arabs in Palestine, hoping for independence, strongly opposed the Zionist project, and attacked the Jewish settlements frequently. In 1920 the Jews decided to set up their own defense force, the Hagana, to defend themselves against Arab attack. In the same year the Jews established the General Federation of Labor, the Histadrut, in order to encourage immigration and economic development, and over 8,000 Jewish immigrants entered Palestine in 1921. The new economic growth in Palestine also brought about an influx of Arab immigrants.

The British understood the conflict to some extent, and tried to appease the Arabs by backing down from the Balfour Declaration. The Churchill Memorandum of 1922 explained that the British only hoped to develop a Jewish community, and that immigration would be limited to the land's economic capacity. The Arab population would not be subordinated, and neither would its language or culture.

ATTACKS INCREASE

In 1928 there were about 59,000 Arabs and 150,000 Jews in Palestine. Over half of the Jews had entered the country in the ten years since 1918. Arab unease at the growing number of Jews was intensified by the fear that the influx would change the balance of the two populations. The Arabs resumed their attacks against the Jews in 1929, and these attacks spread quickly throughout Palestine. The British authorities refused to allow the Jews to set up armed units to protect Jewish settlements. The Arabs concentrated their attacks on new, isolated settlements and exposed sections of the roads. As the Arab riots continued, the British began to take more active measures, resulting in the deaths of many Arabs, as in the Arab campaign of 1936. In July, 1936, the Arab Supreme Council again demanded a total halt to Jewish immigration. Arab attacks on Jews increased, and the British army was engaged in continuous battles with Arabs, killing many and being killed themselves.

Following strong debates among the Jews, the Jewish Defense Force, the Hagana, declared a policy of restraint and non-retaliation. This policy was strictly imposed by the Hagana throughout the early years, and both this and the lack of Jewish arms caused the Jews to offer little resistance.

In 1936, following repeated attacks against Jews, the British government appointed the Peel Commission to inquire into the working of the Mandate. The Commission felt that a unified state would be impossible at this point, and recommended the partition of Palestine into two separate states, one Jewish and one Arab, with a British controlled corridor from Jaffa to Jerusalem. The British later decided that this plan was unworkable.

As a protest against Britain for allowing Jewish immigration, the Arabs in 1938 and 1939 continued a campaign aimed against Jewish settlements. At this time groups of Jewish extremists, such as the Stern gang, began to commit terrorist acts in spite of the Jewish National Council condemning such reprisals.

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The British commissioned another study in 1938 in a new attempt to bring peace to the area. Separate Jewish and Arab states were again suggested, the Jewish one to include about 300,000 Jews and the Arab one containing about 188,000 Arabs. The Jerusalem area was to remain under British Mandate. In response to the British plan, the Jewish Agency suggested its own partition plan in 1938. It also proposed separate Jewish and Arab states, the Arab one to include both the West bank of the Jordan and the Gaza-Be'ersheba area. It suggested the division of Jerusalem between the Jewish state and the British Mandate. The British discussions of the partition plans broke down in deadlock in 1939.

In Europe, from 1937 to 1941, Jews were being sent to concentration camps after the independent countries of Europe fell under German control. Early in 1939 Germany was still allowing Jewish refugees to leave, but there were few places for them to go. Many countries refused to accept Jewish refugees at all, while others restricted Jewish immigration through quota systems. The United States allowed about 240,000 Jewish refugees to enter but tightened its quota system in 1941 and refused to accept 20,000 German Jewish children over the quota. Great Britain also enforced a quota system and allowed about 70,000 Jews to enter. The USSR accepted 250,000 refugees, and smaller numbers were taken in by other countries, such as China, Australia, Canada, South Africa and some South American countries.

The Arabs leaders protested the new influx of Jewish immigrants into Palestine, and following the Arab campaign of 1936 the British authorities imposed a strict limit on Jewish immigration to Palestine. As a result of Arab pressure the British published in 1939 their Palestine White Paper, further limiting Jewish immigration. Thus in 1940 only 10,500 Jews were allowed into Paletine; in 1941, 4,500; and in 1942, 4,200 Jewish refugees, at a time when the German persecution of Jews in Europe made the need for a place of refuge a desperate one.

In 1946 the Jewish Agency presented a new partition plan for establishing separate Jewish and Arab states, giving the Arab state more territory than before and asking that Jerusalem be put under international control.

In the meantime, an Anglo-American Committee of Inquiry studied the area (in 1945–46) in order to find a solution both to the conflict over Jewish immigration and the problem of the survivors of the Nazi genocide. The committee recommended that the area not be divided into separate states but instead be governed as a bi-national single state under British control. The committee also called for an immediate resumption of Jewish immigration to Paleatine and an end to restrictions on Jewish land purchase that the British had established in 1940.

The United Nations Partition Plan of 1947 did not incorporate this committee's suggestion, however, and instead fixed boundaries for separate, independent Arab and Jewish states. Each state was to be divided into three separate segments in such a way that their borders intersected in two places. The area around Jerusalem was to remain an international zone. The plan's intersecting borders required that an economic union be established between the new Arab and Jewish states, without which the plan would have been unworkable. The Jews accepted this offer of statehood but the Arabs rejected it, thus also rejecting an Arab-Jewish economic union.

In November, 1947, the UN approved the partition plan. It was supported by 33 nations, including the U.S. and the U.S.S.R. Thirteen nations, mostly those of the Arab League, opposed it. Eleven nations, including Great Britain, abstained.

The U.N. made no provision for enforcing its plan, however. In April, 1948, Arab military units from Syria, Iraq and Egypt increased their attacks, and the Jews fought to establish control as the British withdrew from the area. From mid-April of 1948 the Palestinian Arabs began to leave their villages in large numbers, encouraged to flee by their leaders. Twenty thousand Arabs crossed into Lebanon and Syria. In May, 1948, 65,000 Arabs left Haifa and over 50,000 left Jaffa. During the same period Jews in large numbers fled to Israel from Morocco, Iraq, Tunisia, Yemen, Egypt, Libya, Syria and other countries. In the same month six Arab armies, those of Egypt, Syria, Transjordan, Lebanon, Saudi Arabia and Iraq, invaded Israel. The Israelis resisted and ten days later counterattacked. After more fighting, a truce was signed on June 11, 1948, with the Israelis now in effective control of more territory than the UN partition plan had given them.

People and nations must learn to live in the present and future, rather than be embittered and blinded by the past. The history of the area might have been different had Britain and the United Nations taken a more responsible role by encouraging and working with both the Arabs and the Jews in achieving peaceful co-existence. In our next article we'll discuss the period between 1949 and the war of 1973, and then continue with our observations of the countries we visited.

Special thanks are due to my daughter, Lisa Zolot, for helping edit this article.

CURE WORSE THAN DISEASE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. McDONALD of Georgia. Mr. Speaker, too few people realize the difficulties which are caused for us by governmental efforts to cure supposed national ills. The sad fate of the American auto industry owes a great deal to Federal meddling. Rebellious citizens are refusing to buy cars which—following Federal regulations—nag them about seat belts and ignition keys, and which "guzzle" gas and perform poorly because of emission control devices, which turn out to pollute the air with sulfuric acid.

The tale of bureaucratic arrogance and blunder which has been so costly to the auto industry and the consumer is well told by Dan Smoot, in the Review of the News for May 7, 1975:

THE DAN SMOOT REPORT: REGULATION BREEDS REGULATION

Federal bureaucrats and politicians spend billions of dollars to solve a problem, but in doing so they often create even worse problems. They then assail the new problems as having been caused by someone else (usually by "selfish business interests"), and demand more power and money to provide solutions. Their solutions in turn produce more and worse problems, which they again elect to blame on selfish business interests. . . . Out of the thousands of true tales that could be told to illustrate this technique by which officialdom capitalizes on its own errors, I have selected one involving cars and clean air.

PASSING THE BUCKS

In the 1950s the federal government set out to build a national grid of superhighways. That rather soon stopped major state road building, some of which was being done on the toll-road premise that roads should be paid for by those who use them and not by a tax on the total population.

The interstates are fine roads; and many a motorist in a hurry is favorably impressed that he can drive from Dallas to New York City without stopping for a traffic light. But we might have an even better system if the people in each state had put their money into building their own roads in their own way. We cannot prove that, of course; but we can prove that the federal government's highway program created problems worse than the one it solved when it eliminated the necessity of stopping for traffic lights between Dallas and New York City.

The federal government's heavy investment of our tax money in the interstate highway system and in related city and regional freeways so committed the nation to automobile transport that new, alternate modes of transportation were never developed, and existing modes were hurt or eliminated. Before the interstates, there was hardly a village in the U.S. that was not served by a busline or railroad or both. Today, there are many small towns where the private automobile is the only available means of travel.

The federally financed road system also spurred the proliferation and sprawl of outlying shopping centers, industrial parks, apartment complexes, and recreational developments which people can reach only by automobile, and which environmentalists are now damning as primary "indirect sources" of pollution because they attract automobiles. Federal environmentalists, through land-use regulations and otherwise, are as a result now trying to control private building of homes and businesses which encourage automobile use and disturb the natural beauty of the land. But who most encourages car use and despoils natural beauty? The federal road builders! Stanley Hathaway, Governor of Wyoming, has said: "We can mine 50 million tons of coal a year in Wyoming and disturb less land than was disturbed in building interstate highway 80 across Wyoming."

PAYING THE PIPER

Federal highway and freeway building encouraged, if not ordained, almost universal use of the private automobile in large cities (to the discouragement, if not elimination, of mass transport systems). Now, federal officials are trying to restrict the use of private automobiles; and they are stealing the peoples' highway funds to build government mass-transport systems. *Stealing* is the correct word. Federal funds for the highway system were raised by a direct sales tax on gasoline, imposed with the legal proviso that the money must be put in a "trust fund" and used only for highway building.

Before they started stealing highway funds for environmental reasons, federal officials were misusing them for political reasons. Money in the highway "trust fund" was supposed to be distributed in the states impartially, in accordance with a formula specified in the law, with no other consideration involved. But highway funds have been withheld from states (at huge expense to those which already had matching funds raised and construction in progress) because the President asserted that a temporary reduction in highway building was a proper way to "cool off" the economy. The highway funds have also been used as a club to force the will of Washington officialdom upon state govments, forcing them, for example, to adopt Lady Bird Johnson's highway beautification and Richard Nixon's speed limit.

ACCELERATING AND CHOKING

But talk about stealing and misusing our highway funds is a digression. This tale is about cars and clean air. Cars were the main reason for enactment of the Clean Air Act which President Nixon signed on December 31, 1970. The law prescribed anti-pollution regulations for "new stationary sources of pollution" (factories, *etc.*); for aircraft and their fuels; and, for cars and their fuels.

The car regulations required that 1975-year models emit 90 percent less carbon monoxide and 90 percent less hydrocarbons than emitted by 1970-year models; and that 1976-year models emit 90 percent less of nitrogen oxides (NOX) than emitted by 1971-year models. The Environmental Protection Agency (E.P.A.) was given discretionary authority to grant one-year extensions of these prescribed deadlines.

Arguments for the Clean Air Act's provisos against cars were based on environmentalist allegations that pollution from car exhausts is depleting the oxygen in Earth's atmosphere, thus endangering all life; that the presence in the air of huge amounts of carbon monoxide, hydrocarbons, and nitrogen oxides (NOX) is an immediate hazard to health; and, that cars are responsible for putting 60 percent of these contaminants in the air.

Yet it is a known fact, verified by the National Academy of Sciences, that most of all these substances found in the air were put there by natural, and not man-made, processes. In fact, there is a considerable body of evidence that the crusade against automobile exhausts was based on false allegations. Note the following points made by Dr. John J. McKetta, chemical engineering professor at the University of Texas:

Oxygen in the atmosphere is not being depleted. Indeed, if all organic matter on earth were oxidized, atmospheric concentration of oxygen would not be reduced by one percent.

Carbon Monoxide concentration in the atmosphere is not increasing. Actually, carbon monoxide in the air is a useful aspect of natural arrangement. Ninety-three percent of the carbon monoxide is produced by green plants; and organisms in soil use carbon monoxide in their metabolism.

Oxides of Nitrogen in the atmosphere—more than 99 percent of them—are produced by nature. Hence, if all man-caused emissions of oxides of nitrogen were eliminated, the concentration in our atmosphere would not be reduced by one percent.

GETTING THE LEAD OUT

Environmentalists also required that lead be removed from car exhausts. Alleging that airborne lead is harmful to health, but citing not one shred of evidence to prove its assertion, the E.P.A. issued orders to get lead out of gasoline—orders which have already cost the nation billions of dollars and have wasted millions of barrels of crude oil, and will cost and waste more in the future. There was, for instance, the cost to oil companies (passed on to all consumers) of tooling and equipment refineries to produce unleaded gasoline, plus the higher cost of the refining process after the plants were made ready to do the job.

Lead was put into gasoline because that was the cheapest way to get high octane ratings. In ordering oil companies to get lead out, E.P.A. also ordered them to keep octane ratings up. This requires a more expensive refining process, and produces fewer gallons of gasoline per barrel of crude oil. Dr. McKetta of the University of Texas says that producing high-octane gasoline without lead increases crude-oil consumption by 20 percent. He also says that aromatic compounds used to replace tetraethyl lead (in order to keep octane ratings high, as the Environmental Protection Agency requires) are carcinogenic—that is, cancer causing.

Then there was the cost to car manufacturers (passed on to consumers) of redesigning motors to burn—and fuel tank inlets to accept—only unleaded gasoline, beginning with 1974-year models. And there was the cost (which has already been imposed on 121,000 filling stations, and within three years will be imposed on 100,000 more filling stations) of installing tanks and pumps equipped with special-sized delivery nozzles for dispensing unleaded gasoline.

While ordering half of the nation's major service stations to start selling unleaded gasoline by July 1, 1974, E.P.A. ordered oil companies, by the same date, to start diluting the lead content in all gasoline and to continue dilutions until January, 1978, when no leaded gasoline will be allowed on the market. Who can calculate the cost, then, to all owners of cars which were built (before 1975) to burn only leaded gasoline?

Yet, long before the critical E.P.A. anti-lead order went into effect on July 1, 1974, E.P.A. officials knew and (in a reluctant, oblique way) were acknowledging that airborne lead was not really a known health hazard. But the E.P.A. had decided to force catalytic converters upon the automobile industry; and E.P.A. said the converters had to have unleaded gasoline. Dr. Maxwell Teague, chief consultant for Chrysler Corporation, revealed that the converters would work just as well with leaded as with unleaded gasoline, but E.P.A. was already committed—not only to catalytic converters but to the dictum that leaded gasoline would ruin them.

Behold then the naked, if confusing, truth: The E.P.A.'s published rationale for getting lead out of gasoline (at a cost of billions of dollars and millions of barrels of crude oil) was to protect public health; but its real reason was to protect catalytic converters, although impressive authority asserted that the converters did not need the protection.

THE CONVERTER OUTRAGE

However much industry may have disliked complying with E.P.A.'s costly but needless anti-lead program, it did have the means to comply—it could produce unleaded gasoline and cars to use it. So, it complied. Industry did not, however, have the means (the technology) to meet E.P.A. timetables for getting carbon monoxide, hydrocarbons, and No_x out of car emissions.

With a year after the Clean Air Act was passed, the car industry (as costs running into hundreds of millions of dollars) had developed several expensive gas-guzzling gadgets. But a gadget to decrease one kind of emission would increase another kind, thus requiring another gadget which in turn required another. One complicated device developed in the process was the aforementioned catalytic converter. Some engineers thought that adding this device to all the others might enable car manufacturers to meet E.P.A. deadlines but others were uncertain about the converter and feared it might do more harm than good. Car manufacturers requested E.P.A. to extend the deadlines beyond 1975-year models, as the Clean Air Act authorized it to do.

On May 12, 1972, William D. Ruckelshaus (then E.P.A. director) announced that after thirteen days of E.P.A. public Hearings which had produced nearly 3,000 pages of testimony, he had concluded that catalytic converters "are both safe and highly effective in reducing emissions," and that they could clean up exhaust emissions enough to meet 1975 standards as specified in the law. He denied industry's request, acknowledging that his decision was tantamount to ordering installation of catalytic converters on 1975-year models.

Car manufacturers appealed. On April 11, 1973, E.P.A. gave industry a partial extension. The agency ruled that catalytic converters must be installed on all 1975-model cars sold in California, but not on all cars sold elsewhere.

Ford and Chrysler continued to oppose the converters and beg for more time, still contending that reliance upon them without further testing could be a bad mistake. General Motors, however, withdrew from the controversy, accepting the April ruling, and deciding to put the converters on all its 1975 models, thereby eliminating some of the other anti-pollution devices.

The E.P.A. committed the nation to catalytic converters because they were effective not only in reducing emissions of carbon monoxide and hydrocarbons, but also in reducing emissions of NO_x. Other devices were effective in reducing emissions of carbon monoxide and hydrocarbons; but, in doing so, increased emissions of NO_x. Hence, the upshot and essence of the April 11, 1973, E.P.A. announcement were that most 1975-model cars are equipped with catalytic converters, for the primary purpose of reducing emissions of NO_x. Yet, when making that announcement, E.P.A. officials said they had concluded that NO_x pollution is *not* a nationwide problem. They said they had discovered that Chicago and Los Angeles were the only two places where airborne NO_x is serious.

Six days later (April 17, 1973), when testifying before a Senate Subcommittee, William D. Ruckelshaus, E.P.A. Administrator, said the Clean Air Act's standards for NO_x control were unnecessary because E.P.A. had concluded that nitrogen oxides "may not be the problem we and this committee once thought they were." He suggested that Congress change the law to give the Environmental Protection Agency flexible authority to set such standards as the agency might consider proper after further research. Senator Edmund Muskie, Chairman of the Subcommittee, did not deny that the stringent standard was unnecessary, but replied that relaxing the standard might encourage the automobile industry to settle into a "technological rut."

THE INTERNATIONAL BOONDOGGLE

When making the April, 1973, announcement which had the effect of forcing industry to put catalytic converters on a majority of 1975-model cars, E.P.A. not only knew that they were unnecessary but also that they were potentially dangerous. Preliminary E.P.A. studies had indicated that catalytic converters might emit surface mists more hazardous to health than were eliminated emissions. In March, 1974, John B. Moran, director of the fuel and additives program at E.P.A.'s research center in North Carolina, affirmed that the converters might thus do more harm than good. He said reassuringly, however, that it will take at least two years before the converters produce dangerous pollution levels—and that will allow enough time to abolish the devices before they do much harm.

Not long after 1975-model cars went on sale, those equipped with catalytic converters were being banned from some petrochemical complexes; and the National Forest Service was planning tests to see whether cars with catalytic converters may cause brush fires. These actions followed a warning by a division of Gulf Oil Company that converters generate high heat which could cause fires.

In March, 1975, Russell E. Train, current E.P.A. Administrator, announced that catalytic converters were polluting the air with sulfuric acid mist. An E.P.A. study had revealed this to be "a very real health hazard that would come about over a period of time." Mr. Train then announced a one-year delay of standards scheduled to be set for 1977-model cars—because of the need for time "to find a solution to the problem of sulfuric acid emissions from catalysts." He said he would ask Congress to change the law and make 1982, instead of 1977, the deadline year for the maximum degree of emissions cleanup.

In that same announcement, Mr. Train said he would ask Congress to set strict controls on emissions of nitrogen oxides for 1977-model cars (although, two years before, E.P.A. had asked Congress to ease the NO_x

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standard); and he said he would ask Congress for sulfate-emission controls for 1979-model cars (although he had just granted a one-year extension because he did not know what to do about sulfate emissions).

The kindest thing we can say about all this is that environmentalist bureaucrats and politicians do not know what they are doing. Without looking any deeper into their motivation, we the people ought to conclude without further ado that the anti-pollution bureaucrats, anti-pollution laws, and anti-pollution politicians in Washington must go.

CECIL WHIG SUPPORTS AID TO VIETNAM REFUGEES

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. BAUMAN. Mr. Speaker, although we have heard some complaints about the admission of refugees from South Vietnam to the United States, I believe most Americans are willing to help these people who have no other source of assistance.

Typical of the comment that I have seen in a number of newspapers is an editorial in the Cecil Whig of May 14. This newspaper, which is published in Elkton, Md., deserves commendation for its sensible attitude toward this problem.

The editorial follows:

GIVE ME YOUR TIRED—YOUR HUDDLED MASSES

We hope one of the sorriest episodes in our national experience is passing as more Americans revise their attitudes toward the admission of South Vietnamese refugees to our country.

"Disappointed and very upset" by the opposition of some Americans in accepting refugees from Indochina, President Ford at his news conference last week said he was upset "because the United States has had a long tradition of opening its doors to immigrants from all countries . . . and we've always been a humanitarian nation."

In what can only be described as some kind of a traumatic reaction, many Americans oppose the absorption of refugees because they would take jobs away, they have a "different culture" (which is somehow suspect), and they are Orientals of the "yellow race," the last apparently having revived ancient fears of "The Yellow Peril."

In a day when equality of opportunity is afforded members of our society without regard to race, religion or national origin, fear of a comparative handful of Vietnamese settling among us approaches the ridiculous.

The majority of the Vietnamese refugees are people of intelligence who helped the United States authorities and military during the long war years. This activity surely marked them for death at the hands of the invading communist hordes.

Many of the refugees are sophisticated and well educated, some having graduated from their own universities or from those of France, a country with which they have had long association.

President Ford argues that the absorption of 120,000 refugees would not be a serious economic burden. Sixty percent of the refugees are children, and only 35,000 are heads of families needing jobs.

"Despite our economic problems," the President said, "I'm convinced that the vast majority of Americans today want these people to have another opportunity to escape the probability of death and therefore I applaud those who feel that way."

It seems almost un-American and out of keeping with our traditions that so many citizens of this country and members of Congress have voiced opposition to the Vietnamese refugees.

We heard no complaints when the U.S. admitted some half million Cubans who fled the Castro revolution on their island; nor were there objections to welcoming 40,000 Hungarians who escaped communist tyranny after the uprising in their country.

Where are those elements of our society who paraded, protested and professed such great love for humanity during the Vietnam war years? They cried out for an end to the fighting.

Now that the fighting is over and the refugees have arrived on our shores, the bleeding hearts are no longer visible. Are they awaiting some signal from their leaders? (Incidentally, whatever happened to Jane Fonda?)

Now that important and powerful groups such as the AFL–CIO and a number of state governors are going on record supporting an open-door policy for the refugees, perhaps their enlightened leadership will influence a more compassionate approach towards these uprooted, homeless and frightened Vietnamese people now in the United States.

"Send these, the homeless tempest-tossed to me. I lift my lamp beside the golden door!"—From the famous poem by Emma Lazarus which is graven on a tablet within the pedestal on which the Statue of Liberty stands in New York Harbor.

FINAL PROTEST TO A WAR

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. JOHN L. BURTON. Mr. Speaker, I voted "present" on H.R. 6755, the Vietnamese Resettlement Act, as a final protest to a war I have opposed since 1963.

My final protest was necessary because this bill forced Congress into the dilemma of either treating Vietnamese refugees better than we treat many of our own needy citizens or being accused of a lack of compassion.

It was an intolerable situation created by an intolerable war.

I object to the fact that under the bill Congress was forced to vote an authorization of over a half billion dollars and an appropriation of over $400 million for an open ended resettlement program, when at the same time we cannot finance needed domestic programs for our own people.

Had the Riegle amendment, which would have given Americans in similar straits equal treatment to that provided for the refugees, been adopted, I could have supported the refugee bill. Without the Riegle amendment, the refugees will receive higher levels of benefits than many of our needy citizens, and American taxpayers will continue to pay for the results of a discredited war policy which for years fed them misleading information and often outright falsehoods.

The defeat of the Riegle amendment made a "yes" vote on the refugee bill unacceptable to me, while a "no" vote, since it could be interpreted as indifference toward some decent people in need, also was unacceptable to one who has consistently fought for a more humane society.

I welcome opening our national doors to people who, through no fault of their own, would face political or religious persecution had they remained in their homeland. To do otherwise would be contrary to our national heritage. But the emergency waiving of all immigration laws for the Vietnamese makes it difficult to separate this type of refugee from the black marketeers and the war criminals.

Additionally, the refugee situation is blurred by Ambassador Graham Martin's ill advised policy of keeping Americans in Saigon until the last minute while promoting the panic evacuation of thousands of Vietnamese, most of whom would have suffered no reprisal had they stayed at home, and many of whom are now homesick and disheartened.

Because of Martin's policy, American taxpayers now are forced to foot the transportation bill not only for the legitimate refugees, but also for the likes of Lon Nol, President Thieu, and former Premier Ky, all of whom personally profitted from the war—also at the expense of the American taxpayer.

If John Foster Dulles had not sabotaged the Geneva Accords in 1954, which ended the French-Indochina War, and if the elections promised under those accords had been held, the results would have been the same as they are today—supporters of Ho Chi Minh would govern a united Vietnam and we would not have been faced with this problem in 1976.

More importantly, we would not have been involved in a long, costly, bloody, immoral and senseless war in Indochina, which left 55,000 young Americans dead, hundreds of thousands of young men wounded and disabled, tens of thousands of young men exiled in other countries, and a large Federal deficit that exists because we wasted $165 billion on the war.

After much consideration. I therefore concluded that a vote of "present" had to be my final protest. As sad and difficult a thing as it was to do, in good conscience I could not have done otherwise.

TESTIMONY OF SILVIO O. CONTE OF MASSACHUSETTS

HON. ROBERT N. GIAIMO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. GIAIMO. Mr. Speaker, as one who for years has been a leader in the fight against the Dickey-Lincoln School hydroelectric project, I commend to you the well thought out, persuasive statement of our colleague, SILVIO CONTE of Massachusetts.

Mr. CONTE and I have opposed this project for years because it is a classic example of Federal pork barrel legislation, and the present energy squeeze

makes the Dickey-Lincoln project no less objectionable.

All Members should read Congressman CONTE's statement before the Public Works Appropriations Subcommittee, and I am inserting it for their information:

TESTIMONY OF U.S. REPRESENTATIVE SILVIO O. CONTE (MASSACHUSETTS) BEFORE THE PUBLIC WORKS APPROPRIATIONS SUBCOMMITTEE

Mr. Chairman, I appreciate very much this opportunity to submit my views on funding for the Dickey-Lincoln School Project.

On both environmental and economic grounds, I am strongly opposed to this project. I urge the Subcommittee to eliminate all funds for it, and then to forget it.

For almost a decade, Dickey-Lincoln has provoked an annual controversy in Congress. In every one of these years, I have opposed funding it because it is an environmental catastrophe, an impediment of resolution of New England's urgent energy problem, and a waste of the taxpayers' money.

Now the Dickey-Lincoln debate has taken on new meaning and importance. The squabble over funds for Dickey-Lincoln is now raising even more grave questions. They deserve the close consideration of this Subcommittee.

Can we discipline ourselves to devise long-term solutions to the tangle of problems created by our over-consumption of energy, our over-dependence on foreign oil supplies, and an exceeding complex web of economic forces? Or will we continue to grab for the ready-made solution and the easy answer?

Can we turn to the future, mobilizing our intellectual and technological resources for developing new sources of energy, new modes of transportation, and new building technologies? Or will we continue to apply yesterday's solutions to tomorrow's problems?

Can we preserve and provide for those who need and seek the solace and solitude of the wilderness? Or must we continue to pave, wire, and amplify everywhere to create an extension of our hyperactive, urban lifestyle?

Can we satisfy today's needs and still leave options for tomorrow? Or must we destroy what can never be replaced and leave for the future few resources and few choices?

Dickey-Lincoln has been proclaimed by proponents to be a project for all purposes. It has been touted as the answer to New England's energy deficit, the urgent need for flood control at Fort Kent, expanding recreational areas in northern Maine, and Maine's unemployment problem.

Dickey-Lincoln was conceived for none of these purposes. It can accomplish none of them.

Look closely at Dickey-Lincoln—at what it is, at where it is, at what it promises, at what it will cost, and at what it will destroy.

As conceived, Dickey-Lincoln was designed to provide a supplemental source of power to the tidal power project at Passamaquoddy Bay. But when the tidal project was abandoned in 1965 as economically unfeasible, the Dickey-Lincoln plan curiously survived. It has already received $2 million in appropriations, and several millions more will be required before construction can begin.

The Dickey-Lincoln project would place two conventional hydroelectric dams on the Upper St. John, a free-flowing river, in the heart of the Great Maine Woods. This is the last major wilderness area in the Northeast and one of the last in the eastern part of the country.

I have fished and canoed along the St. John. I plan to go back there later this month. I know its beauty and what it offers: some of the nation's best brook trout fishing and canoeing, duck breeding habitats, winter feeding areas for white-tailed deer, and extensive timberlands that are being commercially managed, harvested and renewed. The area remains devoid of even public roads.

The proposed dam at Dickey would be the eleventh largest in the world, bigger than the Aswan Dam, and the sixth largest in the United States. Dikes, quarrying, construction roads, and transmission line slashes would foster a massive environmental intrusion. The unique character of the area would be forever lost.

Almost 89,000 acres would be flooded, and the construction project all totaled would require about 110,000 acres excluding transmission lines. The Dickey reservoir would extend almost 60 miles up the main stream of the St. John and its level would fluctuate almost 40 feet, leaving 30,000 acres of muddy "ring" at some times of the year. Miles of tributary streams would be inundated. Seventy million cubic yards of earth and rock for the dams and dikes would be dug or quarried, defacing some of the most beautiful country in the world. The amount of fuel consumed in building this project could heat over a quarter million New England homes for a year.

Canoeing and duck breeding habitats would be destroyed. Brook trout fishing and winter feeding yards for deer could only be partially "replaced" at great cost.

In addition to the timber lost on the flooded 89,000 acres, another 200,000 acres of commercial woodlands would become inaccessible from Maine without prohibitively expensive bridging. The former Attorney General of Maine, Jon Lund, estimates the total economic loss to the State as high as $30 million a year and the total investment loss in forest products as close to $150 million. For this reason alone, I note that the Governor of Maine has recently sent a letter to this Subcommittee stating his firm opposition to the Dickey-Lincoln project.

Replacing the permanent loss of jobs in timbering and the paper industry would be a brief surge in temporary employment. The best estimates I have seen show only about one-fourth of the man-hours needed for construction coming from the local labor pool, mostly for unskilled and semi-skilled jobs. But even this expansion of jobs would start slowly and would not peak until 1981. Dickey-Lincoln is no answer to Maine's present unemployment problem. It would only substitute a brief "boom" for what, with proper forestry practices, can be a stable, permanent base for local employment.

Flooding last spring on the St. John triggered enthusiasm for Dickey-Lincoln as a flood control solution. But drastic timber-cutting in anticipation of construction may pose the threat of more and worse flooding in the immediate future.

Moreover, preoccupation with Dickey-Lincoln has delayed more realistic flood control measures. The Corps of Engineers has plans for flood control dikes that could be built in about 20 months for between one and two million dollars. These dikes, along with better timbering practices and perhaps relocation of the fifty houses that would remain threatened at Fort Kent, would be far more effective, appropriate and cheaper than Dickey-Lincoln.

For present wilderness recreation, increasingly unavailable elsewhere and low energy-intensive, the project would substitute flat water lake recreation which is widely available in the Northeast, is not fully utilized at far more accessible locations in Maine, and is highy energy-intensive. We need neither more lakes nor motorboats in the Maine woods.

For all of this, Dickey-Lincoln would produce one percent or less of New England's power needs at completion and less with time. Because of the small water flow in the St. John, the major part of the project's generating capacity would be usable for peak periods only. So the big dam at Dickey would operate only two and half hours a day. Redesign might increase this to four hours, but summer peak power utilization runs six to eight hours a day.

Moreover, peak power facilities are grossly inefficient. Instead of building more of them, we should be reducing peak power by differential pricing and meeting any essential demand by developing new storage systems.

By law, Dickey-Lincoln power must go first to preference customers, rural electric cooperatives and public utilities, and cost considerations will enter into distribution. The Interior Department, which is legally responsible for marketing the power, refuses to develop final marketing plans until construction is underway. We really don't know where Dickey-Lincoln power, such as it is, will go.

Trying to find out what Dickey-Lincoln will cost the taxpayers is like playing "Catch me, catch me, if you can." Proponents have been citing power rates and savings based on long-outdated cost estimates. The Corps of Engineers' latest estimate was over $500 million, but that was based on a phony three and one-quarter percent borrowing rate and complete disregard for cost escalation during construction. Now even the Corps will admit that a more realistic cost figure is $840 million. But the Corps is renowned for its ability to under-price public works projects. A Congressional study of the Corps' hydroelectric projects between 1961 and 1967 showed costs exceeded estimates for ninety percent of the projects.

For Dickey-Lincoln, the Corps now says it will have to completely reprice the project. But by that the Corps means that it will first reprice the 1967 design—and then it will redesign the project, which will require another repricing. So when critical decisions have to be made about Dickey-Lincoln, neither the public nor the Congress will have the clear and reliable cost estimates they need.

What is clear is that the price tag for Dickey-Lincoln is going to be a billion dollars or more.

Another misleading figure tacked onto Dickey-Lincoln by the Corps is the cost-benefit ratio of 2.6. This is incredibly inflated. For instance, how can a body of water surrounded by a 25-foot "ring" of mudflats receive a high recreational value? Moreover, how can any cost-benefit ratio be considered reliable when there are so many contingencies remaining that could affect the fate of Dickey-Lincoln, such as the Environmental Impact Statement, treaty negotiations with Canada, and the Interior Department marketing studies to name just a few.

Dickey-Lincoln represents an outdated and inappropriate approach to New England's needs and problems. It is wasteful of rare natural resources and of public funds. It diverts us from the efforts we have to make to change our energy consumption patterns and develop incentives and technology for new power sources.

Dickey-Lincoln should have been stopped years ago. At the very least, it should be stopped now. I ask the Subcommittee to eliminate all funds for the Dickey-Lincoln project.

WASTING THE TAXPAYERS' MONEY

HON. KENNETH L. HOLLAND

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. HOLLAND. Mr. Speaker, yesterday, I voted to delete funds for the B–1 bomber from the defense authorization bill. I feel this was a vote for responsible Federal spending.

The subject of our national security is not only controversial, but complex. Our security in the United States is dependent not only on the amount of tax dollars we channel into the defense budget, but on how effectively these dollars are used. For years the Congress has passed defense bills with little investigation. The defense budget had, until recently, been untouchable, and those who questioned its size were considered unpatriotic. This year the defense budget has topped the $100 billion mark, and it is no longer enough for the Congress to appropriate a block of money to the Defense Department without question. We must carefully evaluate the defense programs to insure that they are worth the money.

Mr. Speaker, this Congress is called upon to cut back on Federal spending and hold down the 1975 budget deficit. Yesterday this House, without my support or the support of 163 other Members, authorized what will amount to more than $20 billion over the next 6 or 7 years, to build a fleet of strategic aircraft which is already antiquated. In my judgment, we do not have the money to spend on useless weapons.

Most experts now admit that the age of the strategic bomber is nearly past. Airborne missile systems like the B–52 and the B–1 are rapidly being replaced by land-based and submarine-based systems. The proposed B–1 would require 8 hours to travel the 5,000 miles from U.S. bases to Soviet targets. Land-based intercontinental missiles need only 30 minutes from launch point to target and sea-based missiles require only 15 minutes to hit the same Soviet targets, and are less vulnerable to enemy attack.

Supporters of the B–1 counter these admitted weaknesses by saying that the B–1 has the unique capability to fly over enemy territory at low range and under present radar fields. However, the United States has just developed the airborne warning and control system—AWACS—program which is a downward-looking radar carried by a plane designed to sight low-flying objects such as the B–1. Assuming that the U.S.S.R. is developing or has already developed a similar system, the B–1 loses its major reason for being.

Mr. Speaker, supporters of this plane and additional U.S. defense installations contend they are aimed at "guaranteeing America's victory" in the next world war. In my judgment, and in the judgment of the many constituents from which I have received communications regarding this program, additional nuclear warheads are not necessary and are, in fact, a tremendous waste of American tax dollars. Their use on a large scale in any war would not guarantee American military victory, but rather, the defeat of the world's population. Without the B–1 bomber, we have enough nuclear warheads in existence to kill the world's population 16 times. Mr. Speaker, a human being can only die once.

Additionally, the B–1 is a congressional boondoggle. Plants in more than 40 States will be enlisted to manufacture various parts of the bomber, a fact which encouraged many Congressmen to vote in favor of the plane. If this Congress is to enact public works programs and programs to increase employment, there are other much-needed, permanent projects on which we can invest our dollars locally.

In conclusion, I would note that the B–1 is a long way from being a part of this country's defense arsenal. While original estimates set the cost of the planes at $84 million apiece, cost overruns and inflation have increased the figure to a still-expanding $100 million each. Tremendous costs notwithstanding, by the time this system is completed, it will be more antiquated and already in need of replacement by a new and more costly system.

Mr. Speaker, we have all the weapons we need to destroy the world. It is not more useful today to spend these precious dollars on more sophisticated delivery systems which would deter attacks on the United States?

AMERICAN INVOLVEMENT IN SOUTHEAST ASIA

HON. WILLIAM H. HARSHA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. HARSHA. Mr. Speaker, American involvement in Southeast Asia has always produced an array of reactions from our so-called friends and enemies abroad. These reactions have been characterized generally by a lack of concern, sympathy, charity, or gratitude.

While the Communists were moving rapidly to conquer Cambodia and Vietnam, India's Foreign Minister made a public statement to the effect that our setbacks in those two Asian countries were a "gratifying vindication" of India's foreign policy.

He referred to Communist successes there as "the inevitable victor of the forces of nationalism" over outside intervention"—meaning the United States.

I addressed myself to this matter more fully in my weekly news column, released on May 16, and I would like to share Foreign Minister Chavan's remarks and my thoughts on them with my colleagues at this time:

CONGRESSMAN HARSHA'S WASHINGTON REPORT

The case for America's foreign aid program has never been made to my satisfaction, and the recent anti-American verbal blast from a top official in the Government of India merely demonstrates further the failure of this program.

As the Communists were overrunning Cambodia and South Vietnam, Indian Foreign Minister Y. B. Chavan stated that the American reverses in those countries were a "gratifying vindication" of India's foreign policy.

The Communist victories, according to Mrs. Ghandi's minister "represent the inevitable victory of the forces of nationalism over attempts to undermine such forces through outside intervention, and constitute a gratifying vindication of the consistent policy maintained by India on the question over the years."

He characterized the fall of Cambodia and Vietnam as the culmination of a "heroic struggle" waged by the people in Indochina to assert their independence and sovereignty.

Without this outside intervention—meaning the United States—the two Asian nations could shape their own destiny, according to Chavan.

It would be difficult to determine whether the Indian Foreign Minister spoke out of gullibility or stupidity—or a combination of both.

On their merits, his remarks were aimed in the wrong direction. Labeling as "outside intervention" our sacrifices in lives, arms, and money to help preserve freedom in Southeast Asia is bad enough. Ignoring the decisive role played by the Soviet Union and Red China in building and maintaining the war machines of the North Vietnamese, Viet Cong, and Khmer Rouge is absolutely unforgiveable.

It seems incredible that India, a beggar nation of the first order, would have so little sympathy for her chief benefactor, the United States. Since 1951, we have given India about $8 billion in aid.

Yet, after 28 years of independence India is still a nation of disease, poverty, and despair. That does not speak well for those who lead this nation—and who time and again criticize America.

A substantial part of the $12 billion spent on the "Food for Peace" program has gone to India, although her government has actually reduced the agricultural portion of its national budget.

Despite her staggering domestic problems, India last year spent $173 million to test-fire her first atomic explosion. The Ghandi Government expects to spend billions more on nuclear development in the next four years. Even now, she is preparing to detonate another nuclear device.

Since she broke from Britain after World War II, India has looked to the United States for substantial assistance. She has found us to be more than generous in providing her with billions of dollars and tons of grain.

However, our generosity has not won us India's respect. Our State Department still believes that the United States can buy friendship abroad—and I regret that a majority in Congress continue to support foreign give-away programs which net us little more than the ingratitude and frequent hostility of the recipients.

India is by no means the only nation to have taken American dollars and repaid us with criticism and accusations, not to mention refusal to help us in emergency situations.

We found ourselves virtually going it alone in Vietnam and Korea. Our partners in the Southeast Asia Treaty Organization provided little or no help.

However, it is one thing to default on one's obligations to an ally—even one as generous as the United States—and quite another thing to practically cheer that ally's setback.

The intemperate remarks of the Indian minister represent a new low in U.S.-India relations. With friends like India, who needs enemies!

ROLL OF HONOR—LAW ENFORCEMENT OFFICERS KILLED IN THE LINE OF DUTY FROM MAY 15, 1974 TO MAY 15, 1975

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. BIAGGI. Mr. Speaker, on May 15, this Nation marked the official observance of Peace Officers Memorial Day. It is a day of special significance for our Nation for we honor the brave men and women of law enforcement who have

given up their lives to protect their fellow Americans.

Rev. R. Joseph Dooley, the distinguished president of the Conference of Police Chaplains, maintains a current list of all law enforcement personnel killed in the line of duty. His most recent list covers the period from May 15, 1974, to May 15, 1975, during which a startling 117 law enforcement officers were killed; the most recent death occurring on May 11, 1975.

These deaths point up the urgent need for Congress to enact several important pieces of legislation to benefit law enforcement. These include the public safety officers death benefits bill, which provides widows and survivors of public safety officers killed in duty with a $50,000 death benefit payment. Also, a bill I introduced to restore the death penalty for the killing of law enforcement personnel. Finally another bill I introduced to construct a law enforcement officers memorial in Washington, D.C. I hope that Congress will take positive action on all these bills this year thus demonstrating our support for all law enforcement personnel in our Nation.

At this point in the RECORD, I would like to insert the honor roll of slain law enforcement officers:

ROLL OF HONOR: LAW ENFORCEMENT OFFICERS KILLED, MAY 15, 1974, TO MAY 15, 1975

Sergeant Harrison Crenshaw, Dade County Public Safety Dept., Miami, Florida, May 18, 1974.

Patrolman William R. Templin, Penn Central Railroad, Chicago, Illinois, May 19, 1974.

Patrolman Simmons Arrington, Dade County Public Safety Dept., Miami, Florida, May 21, 1974.

Patrolman George Rogers, Canton, North Carolina, May 21, 1974.

Patrolman Donald A. Brown, Boston, Massachusetts, May 24, 1974.

Officer Brent L. Stevens, Detroit, Michigan, May 25, 1974.

Patrolman Leonard J. Anderson, Wayne, Michigan, May 25, 1974.

Trooper Darryl M. Rantanen, Michigan State Police, May 27, 1974.

Patrolman Ben W. Strickland, South Carolina Highway Patrol, May 31, 1974.

Patrolman L. C. Williamson, Perry, South Carolina, June 2, 1974.

Officer Paul A. Nields, Omaha, Nebraska, June 6, 1974.

Patrolman Robert J. Strugala, Chicago, Illinois, June 16, 1974.

Patrolman Hector M. Berley, Police of Puerto Rico, June 16, 1974.

Patrolman Atilano G. Mendez, Police of Puerto Rico, June 19, 1974.

Lieutenant Henry O. Schmiemann, New York City, New York, June 20, 1974.

Sheriff Frank E. Lott, Polk County, Georgia, June 23, 1974.

Detective Bernard L. Christopher, Mount Vernon, New York, June 24, 1974.

Captain Danny L. Gray, Orange, Texas, June 28, 1974.

Patrolman Rory W. Key, Hernando, Mississippi, June 28, 1974.

Trooper Raymond C. Dodge, New York State Police, July 2, 1974.

Patrolman Patrick J. Wallace, Pittsburgh, Pennsylvania, July 3, 1974.

Deputy Sheriff A. H. Koerper, Warren County, Mississippi, July 6, 1974.

Patrolman Robert Riley, Milwaukee, Wisconsin, July 10, 1974.

Patrolman Thomas G. Matulis, Milwaukee, Wisconsin, July 10, 1974.

Deputy Sheriff Edward M. Shrader, Riverside County, California, July 11, 1974.

Detective W. C. Simmons, Texas City, Texas (shot October 28, 1967), July 13, 1974.

Patrolman Gregory R. White, Atlanta, Georgia, July 15, 1974.

Patrolman David L. Cole, Cincinnati, Ohio, July 17, 1974.

Patrolman Demitrie W. Ilyankoff, Fort Lauderdale, Florida, July 21, 1974.

Deputy Sheriff James M. Lewis, Mohave County, Arizona, July 22, 1974.

Agent Fidel A. Rijos Gomez, Police of Puerto Rico, July 22, 1974.

Lieutenant Philip G. Schlatterer, Columbia, South Carolina, July 25, 1974.

City Marshal Thomas Adkins, Dewar, Oklahoma, July 25, 1974.

Deputy Sheriff Burton L. Brewer, Okmulgee County, Oklahoma, July 25, 1974.

City Marshal Melvin D. Stiles, Oronogo, Missouri, July 26, 1974.

Sergeant Frank W. Grunder, Jr., Baltimore, Maryland, August 1, 1974.

Lieutenant Louis A. Hinkel, Dearborn, Michigan, August 2, 1974.

Detective Doyle Popovich, Sacramento, California, August 3, 1974.

Deputy Sheriff Elmer Willis, Madison County, Georgia, August 5, 1974.

Sergeant Otha M LeMons, Chicago, Illinois, August 5, 1974.

Patrolman Dennis A. Darden, Portland, Oregon, August 9, 1974.

Patrolman John D. Kennedy, Delray Beach, Florida, August 10, 1974.

Officer Milton Spell, Baltimore, Maryland, August 15, 1974.

Patrolman Thomas W. Pegeus, New York City, New York, August 19, 1974.

Lieutenant Russell M. Baldwin, Crawfordsville, Indiana, August 27, 1974.

Chief of Police William M. Cann, Union City, California, August 29, 1974.

Chief of Police Rudolph M. Daudurand, St. Anne, Illinois, August 30, 1974.

Deputy Sheriff Dennis R. Herring, Camden County, Georgia, August 30, 1974.

Patrolman David J. Selme, Buffalo, New York, September 5, 1974.

Patrolman Anibal L. Soto, Police of Puerto Rico, September 12, 1974.

Trooper Hollie L. Tull, Texas Department of Public Safety, September 14, 1974.

Policewoman Gail A. Cobb, Washington, D.C., September 20, 1974.

Patrolman Harold L. Woods, Yonkers, New York, September 22, 1974.

Patrolman Travis E. Williams, Mesquite, Texas, September 23, 1974.

Game Warden Charles L. McNeill, South Carolina Wildlife & Marine Resources Dept., October 3, 1974.

Patrolman James R. Boyce, Jr., Gary, Indiana, October 5, 1974.

Sergeant William D. Arledge, North Carolina Highway Patrol, October 5, 1974.

Trooper Lawrence Canipe, Jr., North Carolina Highway Patrol, October 5, 1974.

Special Agent Richard J. Saba, Illinois Central Gulf Railroad, East St. Louis Division, October 11, 1974.

Officer David A. Jack, California State Police, October 21, 1974.

Patrolman Robert E. Schachte, Indianapolis, Indiana, October 22, 1974.

Agent Patrik A. Randel, Texas Department of Public Safety, October 23, 1974.

Trooper Emerson J. Dillon, New York State Police, October 24, 1974.

Detective Barry W. Headricks, Tucson, Arizona, October 28, 1974.

Detective Roy V. Johnson, Sedgwick County, Kansas, October 31, 1974.

Detective Nicholas Guirado, Union City, New Jersey, November 4, 1974.

Patrolman Eugene W. Barge, College Park, Georgia, November 11, 1974.

Patrolman Michael N. Carter, Chester, Pennsylvania, November 8, 1974.

Patrolman Larry E. Walters, Riverside, California, November 13, 1974.

Corporal Thomas J. DeRue, Sound Bend, Indiana, November 14, 1974.

Patrolman William T. Cribb, Charleston County, South Carolina, November, 15, 1974.

Patrolman Otis L. Robison, Lincoln, Alabama, November 16, 1974.

Patrolman Allen L. Harmon, Lincoln, Alabama, November 16, 1974.

Trooper Charles E. Campbell, Florida Highway Patrol, November 16, 1974.

Trooper Thomas L. Hendrickson, Washington State Patrol, November 17, 1974.

Deputy Sheriff Donald L. Brown, Yuba County, California, November 21, 1974.

Patrolman Ray P. Gallimore, Chesapeake, Virginia, November 30, 1974.

Patrolman Matthew C. Murphy, Alice, Texas, December 1, 1974.

Trooper Larry L. Ferreider, Michigan State Police, December 5, 1974.

Officer John J. Jordan, Port of New Orleans Harbor, Louisiana, December 6, 1974.

Sheriff Jay V. Chastain, Towns County, Georgia, December 8, 1974.

Sergeant Charles F. Handorf, Cincinnati, Ohio, December 8, 1974.

Trooper William J. Antoniewicz, December 8, 1974.

Officer Martin J. Greiner, Baltimore, Maryland, December 10, 1974.

Patrolman Ronald H. Manley, Indianapolis, Indiana, December 12, 1974.

Patrolman Herman R. Gloe, Grand Rapids, Michigan, December 12, 1974.

Patrolman Robert J. Hogue, Detroit, Michigan, December 20, 1974.

Patrolman Joe L. Jushaway, Waveland, Mississippi, December 21, 1974.

Patrolman Harl G. Meister, Chicago, Illinois, December 23, 1974.

Patrolman Kenneth A. Mahon, New York City, New York, December 28, 1974.

1975

Deputy Sheriff Darden Hollis, Los Angeles County, California, January 1, 1975.

Officer Russell D. Mestdagh, Kansas City, Missouri, January 2, 1975.

Patrolman Michael McConnon, New York City, New York, January 3, 1975.

Detective Samuel M. Guy, Atlanta, Georgia, January 7, 1975.

Deputy Sheriff Ronald A. Parker, St. John's County, Florida, January 12, 1975.

Patrolman Joseph R. Garcia, New York City, New York, January 20, 1975.

Patrolman William E. Smith, Denver, Colorado, January 23, 1975.

Patrolman John P. Scala, New York City, New York, January 24, 1975.

Chief Deputy Sheriff Allen K. O'Neal, Crawford County, Georgia, January 25, 1975.

Patrolman Wayne W. Olson, Town of Summit, Wisconsin, January 26, 1975.

Patrolman Robert Atkins, Jr., Town of Summit, Wisconsin, January 26, 1975.

Patrolman John T. Bamsch, Houston, Texas, January 30, 1975.

Patrolman Billy W. Blackwell, Lewisburg, Tennessee, February 1, 1975.

Lieutenant Rufus R. Looper, III, Greenville County, South Carolina, February 1, 1975.

Patrolman Frank Bugdin, New York City, New York, February 2, 1975.

Patrolman William E. Sheehan, Westwood, Massachusetts, February 11, 1975.

Patrolman Clyde A. Walters, Elko, Nevada, February 20, 1975.

Deputy Sheriff Jessie J. Blevins, Jr., Monroe County, West Virginia, February 21, 1975.

Officer C. L. Starling, Attalla, Alabama, February 22, 1975.

Officer Richard P. Burns, Newark, New Jersey, February 23, 1975.

Trooper William R. Brooks, III, Arkansas State Police, February 27, 1975.

Detective Joseph R. Tardiff, Jr., New Orleans, Louisiana, February 28, 1975.

Special Agent James M. Bostick, Illinois

Central Gulf Railroad, Gulfport, Mississippi, February 2, 1975.

Patrolman James Lonchiadis, Shrewsbury, Massachusetts, March 5, 1975.

Deputy Sheriff William D. Simmons, Sangamon County, Illinois, March 8, 1975.

Officer James Watts, Detroit, Michigan, (shot April 16, 1974), March 15, 1975.

Patrolman George W. McGaughey, Montgomery, Alabama, March 15, 1975.

Patrolman Hugh E. Eubanks, Bolivar, Tennessee, March 17, 1975.

Chief of Police Robert G. Sparks, Glenolden, Pennsylvania, March 25, 1975.

Patrolman Donald Aleshire, Mount Holly, New Jersey, March 23, 1975.

Patrolman William C. Wurst, Hainesport, New Jersey, March 28, 1975.

Patrolman Philip N. Lopez, Bureau of Indian Affairs, Judicial Protection Service, Ute Mountain, Colorado, April 1, 1975.

Town Marshal Carter L. Curry, Doddsville, Mississippi, April 2, 1975.

Patrolman Warren D. Jones, Sarasota, Florida, April 5, 1975.

Deputy Sheriff Roy H. Dirks, Lane County, Oregon, April 12, 1975.

Officer James Armstrong, Bensalem Township, Pennsylvania, April 15, 1975.

Deputy Sheriff Albert E. Cooke, Waller County, Texas, April 17, 1975.

Agent Wilmer F. Villanueva, Police of Puerto Rico, April 25, 1975.

Patrolman Michael D. Stewart, Sheriff's Office, Jacksonville, Florida, April 27, 1975.

Trooper James D. Young, Georgia State Police, May 4, 1975.

Officer Willis R. Heralson, Cordele, Georgia, May 4, 1975.

Sergeant David L. Lilly, Beckley, West Virginia, May 12, 1975.

Deputy Harvey Middleton, Berkely County, South Carolina, May 11, 1975.

NATIONAL EMPLOYMENT RECOVERY ACT

HON. EDWARD P. BEARD

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. BEARD of Rhode Island. Mr. Speaker, I am introducing in the Congress today, a bill designed to make a concerted attack on the serious problem of unemployment in our country. Most of the efforts I have seen up to now have concentrated on the area of public service jobs but I have taken as a model the Works Progress Administration of the 1930's, an employment program that holds great lessons for us all.

It was found in the 1930's that the creation of construction jobs generated many other jobs in private industry to support the activity of the WPA employment. That is where my bill differs essentially from any other. The Economic Development Administration of the Department of Commerce finds that in the construction field today, from 1½ to 2½ jobs can be created through the employment of one person under a Federal employment program dealing with construction.

Such a program, funded under the National Employment Recovery Act could channel some $55 million into my State of Rhode Island, creating about 3,300 jobs. However, the impact on job generation could mean a total of nearly 10,000 gainfully employed persons in the State.

The unemployment rate in the United States has reached 8.9 percent. That means nearly 9 million people are out of work. Some $20 billion in unemployment compensation is going out with nothing coming back. Subsistence does not generate jobs. A day's honest work does. The public would derive the benefits of the National Employment Recovery Act just as it did in the 1930's under WPA.

The national unemployment rate hardly shows the true story. There are many areas where the rate is much higher, such as nearly 17 percent in my own State of Rhode Island. In some other States, such as California, Illinois, Michigan, and New Jersey, some cities have unemployment rates as high as 20 percent. This is the situation my bill is intended to alleviate and it can be done with dignity and meaningful purpose for the unemployed person who wants to work.

The bill follows:

H.R. —

A bill to provide useful work to unemployed individuals in activities which promote the public welfare

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Economic Development Administration under the Secretary of Commerce (hereafter in this Act referred to as the "Secretary") shall carry out, with funds appropriated under section 3 and in accordance with the provisions of this Act, a program of providing useful work to unemployed individuals in activities on projects which promote the public welfare, including—

(1) jobs providing needed public services in accordance with title II and title VI of the Comprehensive Employment and Training Act of 1973 on projects in which not more than 20 per centum of the funds expended may be used for necessary non-labor costs,

(2) the construction, alteration, maintenance, or repair of

(A) roads, highways, bridges, railroad tracks and roadbeds, airports, canals, wharves and other transportation facilities,

(B) schools, libraries, museums, and other educational and cultural institutions,

(C) hospitals, nursing homes and other facilities for the care of the sick or disabled,

(D) public housing,

(E) water and waste disposal facilities, and

(F) any other type of facility or structure which inures to the benefit of the public or a significant segment thereof,

(3) any work promoting the conservation of natural resources or recreational facilities,

(4) prevention of pollution or flooding and other improvements of rivers and harbors,

(5) projects to provide educational, health or other social services, including child care, home visits to the housebound and disabled, and service of meals and other nutritional assistance for those in need of them, and

(6) projects in the performing or other arts or which otherwise contribute to the recreational or cultural facilities and opportunities of the community.

(b)(1) In carrying out the program under this section, the Secretary shall utilize such regional offices as the Secretary determines to be necessary. Projects undertaken by the Secretary should be acceptable and compatible with the desires of the communities involved.

(2) For the purpose of carrying out the provisions of this Act, the Secretary or his designate is authorized to make such grants to, and enter into such contracts or agreements with, States and political subdivisions thereof including provisions for utilization of existing State administrative agencies.

(3) Not more than 25 per centum of the funds appropriated under Section 5 which are expended for any project under this Act may be expended for necessary non-labor costs relating to such project.

Sec. 2. (a) Projects under this Act may be developed and submitted for approval to the Secretary or his designate by any agency of a State or a political subdivision of a State.

(b) Projects approved by the Secretary or his designate under this section may be administered by a State or a political subdivision of a State.

(c) A project may not be approved under this section unless such project

(1) meets a genuine local need;

(2) provides for the employment of unemployed individuals.

(3) pays the prevailing wage for individuals employed in similar occupations by the same employer under the provisons of the Davis-Bacon Act.

(4) requires no employment for more than 30 hours per week.

(5) employs a work force that would be at least 50% union.

(d) The Secretary or his designate shall, in approving projects under this section, (1) give preferred consideration, within any category of projects described in subsection (a) of the first section of this Act, to those projects having the lowest per centum of non-labor costs, and (2) provide unemployed individuals from various industries and occupations with job opportunities reasonably proportional to the representation of such individuals among all unemployed individuals in the locality to be served by the project.

Sec. 3. (a) There are hereby authorized to be appropriated for purposes of this Act for the fiscal year ending June 30, 1976, $8,500,000,000 to remain available until expended.

Sec. 4. (a) Fifty per centum of the sums appropriated or made available under section 3 shall be allocated by the Secretary among the States in proportion to the relative number of unemployed individuals who reside within each State as compared to the number of such individuals who reside in all the States.

(b) Fifty per centum of the sums appropriated or made available under section 3 shall be allocated by the Secretary among the States in proportion to the relative excess number of unemployed individuals who reside within each State as compared to the total excess number of unemployed individuals who reside in all the States. For purposes of this subsection, the term "excess number" means the number which represents unemployed individuals in excess of 4½ per centum of the labor force of the State or political subdivision in which such individuals reside.

(c) No funds shall be obligated for new projects under this Act in any county in which the rate of unemployment falls below 6 per centum for three consecutive months, as determined by the Secretary.

Sec. 5. (a) Fifty per centum of the sums allocated to a State under section 4 shall be allocated by the Secretary among localities within that State in proportion to the relative number of unemployed individuals who reside in each such locality as compared to the total number of such individuals who reside in all such localities.

Sec. 6. For purposes of this Act the term "State" means any one of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

SENIOR CITIZENS AND THE ECONOMY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. DOWNEY of New York. Mr. Speaker, on March 3 I held a day-long hearing in my district on senior citizens and the economy. I heard testimony from more than two dozen witnesses, including agency directors, and some very outspoken individuals representing themselves. The hearing room was filled with interested older Americans anxious to be heard by their Congressman as well as by the various public officials who were also in attendance.

At the hearing was Mr. Simon Phillips, representing the National Council of Senior Citizens on Long Island. He discussed the difficulties which are created by the bureaucratic system within Washington, while also raising questions pertaining to specific national issues. Mr. Phillips also spoke of the need for expansion of the senior aid service, the senior aid program of the National Council, and the Foster Grandparents program. I include his testimony in the Record.

Mr. Phillips. My name is Cy Phillips, and I represent the National Council of Senior Citizens out here on Long Island.

First of all, I'll be as brief as possible. Maybe, I won't say a lot of things I was going to say, but I'll try to get to all of it in as small a way as I can.

Unfortunately, we of the elderly and poor community are faced with an administration, at least at the executive level, that is completely insensitive to the needs of the elderly and the poor and the disabled.

I get a little angry when I hear such things as "Bite the Bullet", and "WIN"—which we have lost—and things like that. Unfortunately, when you are asked to bite the bullet, it's all right to ask, but I think everybody should bite the bullet. That goes from the administration on down. Not just the poor. Not just the weak. Not just the inhibited or isolated. From the top on down.

So we are faced with a bureaucracy. We are faced with biting bullets, and, I think, biting the bullet should start at the top.

I went to see a congressman—not you—some time ago, and, when I walked in, there was a very nice young lady who took my hat and coat and sat me down in a chair. Another nice young lady—the truth; I'm not kidding you—came over and asked me if I wanted a cup of coffee, and I did. A gentleman came over to me and asked whom I was there to see having gotten word from the young lady. Then I was introduced to the Administrative Assistant to get to the Congressman. I went through four people. I have to question whether this is essential, Mr. Congressman.

I have wondered sometimes if the taxpayers' money is being properly spent in the Congress and the Congressional offices, and I'm wondering if you can have a look at some of these things to see if we can't save some money there to be applied to social programs which I think are much more important than guys like me being greeted by four different people in a congressman's office. I can do with one very easily.

I've heard some talk about energy, and some of these acts are pretty hard to follow like my friend Art Gregory.

I took an editorial out of Newsday, and it says, "Oil To Burn And Nowhere To Store It."

There was also a facsimile of a ad, "Arab Crude Oil For Sale. Principals Only Respond On Your Letterhead Stating Your Needs On A Daily Basis. Minimum One Year Contract Required. We Supply Directly From Our Own Fields. Reply To: Box K-503, Wall Street Journal."

Oil to burn, ships standing at anchor in the Persian Gulf and the bays in New York Harbor and the Hudson River. No place to store it, and we are ripped off

And I might even say shafted, if you please. I mean the elderly community, the poor and the general public. And now we are told that Congress is proposing or hopes to propose some sort of program regarding a five cent tax that would go to a research committee or something like that. I don't clearly understand these things. All that will, again, look into the development of fuel alternatives.

I was of the opinion, as I think many people were, that the fuel companies were supposed to be doing this with their depletion allowances and with their rebates on tax money all along. If they haven't been doing it and they have been getting these allowances, I think we ought to take the consumers' point of view. When you go to buy something and you pay for it, and, if the service isn't rendered, you are entitled to get your money back. I think the oil cartels owe us a hell of a lot of money for services they have not performed and services they have not delivered, and I certainly think we should get our money back.

I would suggest that, in the future, tax rebates, if any—and, of course, I have to compliment this new Congress of "Young Turks"; they are a beautiful bunch of guys and ladies, believe me—not be made until after they have performed the services they have promised because they are supposed to do the research. They are supposed to expand their refining facilities, and they are supposed to deliver more services to the people which they don't do. They should not get any tax allowances of any kind until these services are performed.

I might say that a lot of this—and I have to speak to the people in the audience—is up to Mr. Downey, Mr. Worth and the new Congressmen. They cannot do this job by themselves. They need the support of the people here in the street and the community.

You have to let them know what you want. They are subject to enormous pressures every single day of their legislative lives in Washington, and probably at home, because there are all sorts of lobbies there that have all kinds of money, and, unless you let them know what you want and what you need, they are not going to respond because they don't know and they can't guess at everything. So it's up to you to keep them informed of things you think should be happening down in the nation's capitol, and I certainly expect that you will do that.

So much for the energy "Crisis". A lot of people don't think there is one. A lot of people think we are being ripped off. A lot of people think this is an elaborate price fixing scheme. We are looking for alternatives and, if we do get a price raise, there is no way in the world that I can ever see that the prices of energy are going back down again unless we have an active Congress such as, hopefully, we have now to fight the battle for us. But you better let them know.

We also have to have an interest in things that are happening in Cambodia.

I think it was Aristotle, if I'm not mistaken, who said,—I'm not much of a philosopher—or whatever, but, I believe, he once stated, "The nations of the world should be led by the elders with the help of the young."

This may not be entirely true in today's society, but, yet, we have so much to contribute and we don't.

Now, we have a Cambodian situation, and I wonder how many of us have taken the trouble to address our views to the administration.

Is the administration now looking to stimulate industry by creating, again, a war economy which we are virtually in because of defense budgets and to deviously get us involved and, perhaps, reduce the work force by taking, maybe, two or three million of our young men out of the country and sending them to foreign shores and putting them under arms. Is that what they are thinking? Don't think it couldn't happen, my dear friends, because it did happen, and it may be happening again.

Congressman, where do we stand, or where do you stand on national health security? The National Council of Senior Citizens supports, as you know, S. 3–H.R. 21.

Austria, Britain, Canada, Denmark, France, Italy, Japan, the Netherlands, the Soviet Union, Sweden and West Germany, across the board, have said yes to such things as physicians' bills, hospital and surgical fees, convalescence and nursing home care, prescribed drugs and medicines, eyeglasses and other medical appliances, dental bills and dental plates and bridges.

The United States, the richest nation in the world, which spends more money for health care than any other country in the world:

First column, "Only poor and aged."
Second column, "Only poor and aged."
Third column, "Only poor and aged."
Fourth column, "Poor only."
Fifth column, "Poor only."
Sixth column, "Poor only."
Seventh column, flat "No."

My friends, there is going to be a bill before the Congress, and it's going to come up, I hope, fairly soon. Maybe, the Congressman can tell us more about S. 3–H.R. 21. The National Council of Senior Citizens and the labor movement of the nation have no less than George Meany and Leonard Woodcock of the United Automobile Workers say if we don't get the bill, we don't want any halfway measures because, if we do get the halfway measures, we will never get out of the swamp or the bog that will engulf us.

Now, one thing more, and I think I'll sit down or stand up or whatever the case may be.

Suddenly, a lot of countries of the world, particularly the Arab cartels, dictate to us whom we should do business with. You have heard about the boycott, and the President said something to the effect that if he finds these allegations to be true, he will take proper action. I don't know what the heck more proof he wants that these people are boycotting only whom they please.

I think we have lost a lot of our American pride. We no longer feel the inspiration we used to. I don't know why. We should feel it. We have every right to be proud of our country, and I'll tell you, my friends, if you were down to Washington with us in this weekend just past, and, if you saw these "Young Turks"—if I may use the term—and heard them and spoke to them for even a few minutes, you would be very proud. And, believe me, America may be in trouble, but, with people like them, we are going to come out. Make no mistake about it. We are still in business.

All the things that we have said and done in the past like "Love thy neighbor," "Our country, may she always be in the right," "Our country, right or wrong," "Give me liberty or give me death," "Proud we are." Maybe, they don't have a real place in today's society. I don't know about that, but when they have been replaced with "Me," it's very unfortunate.

We have become so materialistic that instead of love we have a great big dollar sign, and now we say how much can you get, how soon can you get some more and how can I get it. We are in a land of greed unfortunately.

Before I go, I'd like to say just two things.

First of all, with respect to these employment programs, the Senior Aid Service, the Senior Aid Program of the National Council and the Foster Grandparents, they should be expanded. However, certainly they must not be permitted to be reduced in any way. I had the honor, if you please, of having brought both of these programs into the Counties of Nassau and Suffolk. It was, believe me, a great privilege for me as an employee of the Economic Opportunity Commission to have been instrumental in bringing these programs to us. They are doing a marvelous job.

I would expect that you would do everything within your power to see that these programs are perpetuated, that they are fairly administered and, if anything, that they be increased and the stipend also be increased because they are deserving of being increased.

I know every time I go back there to visit—and I do on occasion—I get goose bumps from seeing the response of these children.

I'll never forget one little girl—and I must tell you this—who we were particularly attentive to because the therapist told us this little girl would not respond. She was assigned to a certain foster grandparent. We got there one day, and she was sitting in the far corner of the room and just kind of pivoting around on a sort of axis, not doing anything really constructive, not even trying to do anything for herself. Her eyes weren't able to focus very well.

And she seemed to be the kind of youngster that most people just say, "Oh, well, she's a vegetable. She's not going to be able to do anything. She won't respond at all."

Well, she was assigned to a foster grandparent, and I didn't get back until two weeks later.

Just two short weeks later Miss Wall said, "Come over here. I'd like to show you something."

I went over to the doorway of the room with the foster grandparent who was assigned to her, and this little girl was told that her foster grandmother was at the door. Literally—I don't mean figuratively—she dragged herself across the floor and held onto her foster grandparent's skirt and pulled herself upright to show that she responded to her. I still get goose bumps when I think of it.

This is the kind of program that the administration in Washington—that the executive branch in Washington—would have us believe can be phased down, cut down or phased out.

Then we have the 8.7% or the 9% increase in Social Security which we are entitled to, which was voted by the Congress and which we are not going to be cheated of. But the President is playing a little footsie, the old army game. Perhaps, he feels that by trying to cut us down to five percent and telling us that he will—he can't do it under the law, I don't believe—we will not ask for more. We are entitled to at least 12.7%. Maybe, the President feels if he says I will give you only five, we will take 8.7 and be happy with it. I'll tell you, my friends, we'll take it. We won't take less. That's for sure. We are not going to be too happy with it because the cost of living has gone up somewhat more.

Again, I tell you in closing, please help your Congressmen. Don't let them do the job alone. Support them. Let them know what you feel. Let them know what you think. Let them know what you think you need. You may be as wrong as a three-dollar bill, but ask anyway. Tell them what's in your hearts, and, believe me, they will respond because they are a great bunch.

AN APPEAL TO THE HOUSE OF REPRESENTATIVES FROM THE VETERANS OF SOUTHERN NEVADA

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1975

Mr. SANTINI. Mr. Speaker, the purpose of this message is to focus my colleagues' attention upon a critical need of 70,000 veterans in southern Nevada to receive hospital care and treatment when that crisis arises.

The veteran population of southern Nevada represents approximately two-thirds of the total veteran population in the State. They are presently being serviced by an outpatient clinic. Whenever it is necessary that one of these veterans receive hospital care, it is necessary for them to travel approximately 250 miles to southern California. My colleagues, you can well recognize the inherent hardship and inequity in such a travel burden. Within the State, the closest veteran hospital is 450 miles away in Reno, Nev. It is an excellent facility; but because of the size of our State, it is not readily accessible.

Recently, the Veterans' Administration, in recognition of this plea for help, sent investigators to the southern Nevada area. Houefully, this investigation represents a constructive first step in the implementation of some specific solutions to the existing crisis. Part of that solution, I believe, is contained in my bill, H.R. 2546, which will establish a veteran hospital in southern Nevada. In essence, what these men and women, who gave so much for their country, are asking is that their problem be recognized, that they be given an opportunity to be heard and that, hopefully, meaningful solutions will be adopted.

The plea of the southern Nevada Veterans is eloquently summarized in the following letter, which was directed to all Members of the House of Representatives and which graphically sets forth their plight. Please consider the merits of its message:

DEAR MR. SANTINI: For years the Veterans of Southern Nevada have petitioned for a Veterans Administration Hospital.

Again in this Congress we have introduced two bills through our Senators (S. 420) and, our Congressman (H.R. 2546) to establish a Veterans Administration Hospital in Las Vegas, Nevada.

We have seen the studies and reports of the Veterans Administration. We have also received the numerous form letters explaining why the Veterans Administration won't build a hospital here. We urge you to carefully study our problems with weather, location and isolation from existing Veterans Administration Hospitals, to ignore the cover up by the Veterans Administration, and to get the real facts concerning the approximate 70,000 Veterans in this area, plus our daily influx of transient Veterans (many from your own districts) who need the services of an on the spot Veterans Hospital.

I could mention the families of Veterans who must be separated for days, weeks and months from their loved one who is at a hospital too far away for even a visit; or the deaths incurred by the necessity of travel from here to California, Arizona and Reno.

Please look at Las Vegas on the map of Nevada, [(those of you who have had occasion to visit here or who might), I ask you to look out the plane window and see the territory which must be covered by the ill Veteran, put yourself in the Veteran's place and ask yourself, would I like to be here and become ill?] You members of the House and Senate Veterans Affairs Committees are more than welcome to come to Las Vegas and meet with the members of the Committee and receive a first hand view of the conditions here, which the Veterans Administration has chosen to ignore. If you cannot come, I will be happy to come to Washington and meet with the Committee to plead our case.

We, the Committee, urge you to bring these bills out of Committee, put them on the floor and give them a favorable vote, as this is the only way we can overcome the handicap of the Veterans Administration.

The Committee will answer any of your questions and would appreciate an answer from you on the way you intend to vote on these bills.

Thank you for your anticipated cooperation.

Sincerely,

EUGENE R. WELSH,
Chairman, Political Action Committee, Veterans' Hospital, Las Vegas, Nev.

SOCIAL SECURITY COVERAGE FOR FEDERAL CIVIL SERVICE EMPLOYEES

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. ANNUNZIO. Mr. Speaker, I have introduced an amendment to the Social Security Act in this Congress which I feel deserves proper and immediate attention. H.R. 2124 would grant all Federal civil service employees the elective right to participate in the social security system in addition to their entitlement to participation in the civil service retirement system.

Individuals who devote part of their working years to Federal public service and subsequently become employed in a position covered by the social security system often come out on the short end with respect to pension benefits.

This lack of protection falls most severely on younger workers who are more likely to be changing jobs than older, established workers. They—more particularly their young families—are completely unprotected should they become disabled or die during one of the crucial periods when they are switching jobs. It is estimated that 68 percent of all employees who become covered under the civil service retirement system withdraw from the system without accruing any benefits.

One of the outstanding features of the social security program—and one of the main reasons why Federal employees should be able to participate in it—is that it goes with the worker whenever he changes employment. The Federal worker finds himself in a different situation when he changes jobs. A Federal civil service employee must wait 5 years before he receives the protection of the Civil Service Retirement Act. When an employee leaves the Federal Government he often withdraws his civil service retirement contributions, thus leaving himself and his family unprotected before becoming eligible for even minimal social security protection. I feel the social security system would be far more equitable if those civil service employees who so desire could accrue credit under the system while they are working in Federal employment.

Civil service employees are the only major group currently denied coverage under social security. Social security coverage has been granted on a voluntary basis since 1954 to State, county, and city employees who in addition have their own pension system. Most employees in the private sector covered by social security also are covered by their companies' own private pension plans. With the enactment of the private pension reform law last year, even more individuals will rely on private pensions in addition to their social security benefits for family security and an adequate retirement income.

Congress designed retirement systems to help provide workers protection when death or illness disrupts their employment, and against undue economic hardships in retirement years. Over time, these systems have been modified to adapt to changing circumstances and to iron out all the inequities in the law. Now we must move to close one large gap still evident in the law. Federal civil service employees must be provided the opportunity to earn credit under the social security system.

BETTER HEARING AND SPEECH MONTH

HON. W. S. (BILL) STUCKEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. STUCKEY. Mr. Speaker, in recognition of the fact that May is "Better Hearing and Speech Month," I would like to share the following letter with my colleagues:

CENTRAL GEORGIA
SPEECH AND HEARING CENTER,
Macon, Ga., April 28, 1975.

Congressman W. S. STUCKEY,
Washington, D.C.

DEAR MR. STUCKEY: The month of May is Better Hearing and Speech Month and an appropriate time to emphasize the needs of speech, language and hearing handicapped of the area and the services available in this district.

More than twenty million Americans have speech, language or hearing problems that severely restrict their functioning in our verbal world. Although clinics and school systems provide services to these individuals, one of the problems with our present health delivery system is that many do not know how to avail themselves of the services or are not aware of them. Speech pathologists and audiologists work with the speech, language and hearing handicapped attempting to restore or improve their communication abilities. Awareness of the problems and services available are very important.

Your help in helping us help the communicatively handicapped is appreciated.

Repectfully yours,

FRANK RHODES,
Director.

MARY LOU REED—SUPER CITIZEN

HON. FRANK CHURCH

OF IDAHO

IN THE SENATE OF THE UNITED STATES

Wednesday, May 21, 1975

Mr. CHURCH. Mr. President, participation in the political process is commonplace in my home State of Idaho. The people of Idaho are persistently first or second in the Nation in voter turnout. They have a passion for public service. They serve their causes, their churches and their political parties in unusual numbers for an era in which community complacency is supposed to be the national rule.

Consequently, a community activist who stands out in Idaho is a very super citizen indeed. Such a person is Mary Lou Reed of Coeur d'Alene. Many State and local causes feel the intelligent touch of her concern.

Mr. President, the Coeur d'Alene Press of Idaho recently detailed the devotion of this good citizen. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

REED EXCITED, INVOLVED DOER

(By Jack Eddy)

Mary Lou Reed is a political animal, yet she holds no elected office.

She pops up at local meetings of various descriptions. She sits on statewide boards and chairs local interest groups.

More than just occasionally she is in the arena of controversy. To many she is a Liberal Democrat, a women's liberationist, a pro-environmentalist and a regional government backer.

"I'm already labeled if I open my mouth," she said when she attends some meetings. "I've been typed and because of that I lose some effectiveness, I lose some freedom."

A hassle?

"Only if you think about it," she said. "Stereotypes come when you support an issue. Since all issues are emotional, they generate hostility. But it is essential to listen to the other point of view and it's not easy."

Involvement in community affairs produces personal stands on issues, the chairman of the Kootenai Environmental Alliance said.

"In a small town, you live together and come to grips with the issue," she said. "At times you may join opposite camps."

Although she is on the boards of the Panhandle Health District, the Association for Humanities in Idaho, Idaho's Tomorrow and League of Women Voters, the environment is one of her chief concerns, she said.

"The environment is worth saving," she said. "The environment is more satisfying than other civic projects. If it wasn't there, perhaps I would use my time differently."

Mrs. Reed said she believes the environmental backlash which became a force in 1972 has died down.

"There was a lot of hard feelings," she said. "People saw us as being very threatening. Perhaps, everyone is now concerned of water quality.

"The long range view of environmentalists and economic business people are simultaneous. Each needs a timber base, clean air and water. The short range view is what is in conflict. There is less disagreement on environmental concerns than is seen."

To whose credit?

"Not the recognized environmentalists," she said. "Everyone is an environmentalist in his backyard."

To her, signs of cooperation are readable.

"The drive to save Tubbs Hill is fun," she said. "Everyone, almost everyone, is for it. It's an opportunity to give the community a chance to heal its wounds."

Although a member of the Idaho Democratic Committee, Mrs. Reed said her stands on Panhandle Health District issues are nonpartisan.

"My decisions are made objectively," she said. "When you deal with the health and the environment, you should not have partisan decisions."

At times she questions if she has overextended herself with her various interests, Mrs. Reed said.

"I can come up with so many do-goody explanations," she said of why she is involved on the boards and special interest groups. "It's interesting, exciting to think that that there is a possible influence on the future, on the way, the direction a thing is going to go. It's positive action. I do it for myself and my family. You get back what you invest.

"If everyone sits at home and thinks about an issue, the hostility just grows bigger and bigger. I feel kind of obligated."

MY VOTE AGAINST H.R. 5247

HON. PIERRE S. (PETE) du PONT

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. DU PONT. Mr. Speaker, on May 20, 1975, I voted against H.R. 5247, the Local Public Works Capital Development and Investment Act. I would like to take this opportunity to state my objections to this legislation.

On March 12, the House passed H.R. 4881, the Emergency Employment Appropriations for fiscal year 1975. This measure, which I supported, appropriated $5.9 billion for emergency employment measures. Of this amount, $2.3 billion is provided for direct employment programs. The remaining $3.67 billion is intended to accelerate Federal construction and purchasing programs.

Then, on April 10, I supported H.R. 3786, the Federal Share of Highway Projects legislation which increases the Federal matching share for Federal-aid highway projects—including approved mass transit construction—to as high as 100 percent.

This legislation was designed to stimulate employment and ease the burdens on the States of coping with our economic problems.

After casting these votes, however, two factors have caused me to view H.R. 5247 most critically. First, at the time of these

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two votes I had no indication that the House would be approving a minimum Federal deficit of $73.2 billion. This is an unacceptable target level for Federal indebtedness, as I state in voting against the budget bill. Secondly, it is clear that the effect of programs that increase public services depends on the extent to which Federal funds displace State and local funds. A review of the bill suggests that in the long run 60 to 90 percent of the funds would merely displace State and local funds—the net gain is minimal in comparison to the outlay.

Given these factors, I could not in good conscience support an additional $5 billion authorization in grants to State and local governments for public works projects. The taxpayers have the right to expect their representatives to translate into action their concerns over ever-increasing Federal spending. I have done so by opposing H.R. 5247, and I shall continue to urge fiscal responsibility in the 94th Congress.

A BATTLE WON FOR WOMEN

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. PEYSER. Mr. Speaker, yesterday the House approved the Stratton amendment, which would make women eligible for entrance into our service academies. I want to compliment Congressman Stratton for introducing this amendment.

It would be inconceivable to me that we who support the equal rights amendments to the Constitution would consider voting against the Stratton amendment. How can we expect the necessary number of States to ratify this amendment if a simple issue such as the Stratton amendment were to be turned down. It seems to me that we are either for equal rights for women 100 percent or we are not in favor of them at all.

Much progress has been made during the past several years to insure equal rights for women. However, as the debate on the Stratton amendment indicates, the battle for equal rights for women has yet to be won. For instance, in my own church, the Episcopal Church, there is a trial now underway attempting to condemn a priest who allowed an ordained woman priest to serve communion. I think that this is an absolutely ridiculous stand for the church to take.

Inequities exist in other areas. All too often, equal job opportunities with equal pay for women is more lip service than reality. And despite Federal legislation to the contrary, credit discrimination against women still exists. Moreover, in a majority of States today, women are still discriminated against in cases involving rape.

Where progress has been made, though, the beneficial effects have been felt by the community as a whole. In the field of higher education, I can personally attest, as a trustee of Colgate University, that the presence of women on an equal footing in our classrooms and on the campus has made a major contribution to the continued growth and strength of this institution.

In closing, Mr. Speaker, I again want to congratulate Congressman Stratton and the Members of the House who have endorsed and passed this most important amendment. It is my hope that the Senate will now follow the lead of the House and adopt this amendment.

NEW TECHNIQUE DEVELOPED FOR IMPLANTATION OF ARTIFICIAL TEETH

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. DOWNEY of New York. Mr. Speaker, there has recently been a major breakthrough in the field of medicine and dentistry with a new technique for the implantation of artificial teeth. I am proud that the research team responsible for this breakthrough is headed by my constituent Dr. David P. Malkin of Sayville along with Dr. Frederic M. Weiss of New York. They both deserve the recognition and thanks of all Americans.

The Suffolk County News recently carried a story about these two doctors which I would like to share with my colleagues:

Sayville Dentist Involved in New Dental Breakthrough

Area residents may be among the first in the country to benefit from a recent major breakthrough in medicine and dentistry. Results of studies conducted by a (research team headed by Sayville dentist Dr. David P. Malkin and New York dentist Dr. Frederic M. Weiss) have produced a new technique for the implantation of artificial teeth. Their experiments with artificial teeth implantation have led Drs. Malkin and Weiss to speculate that in the near future dentures and other removable dental devices will be obsolete.

In an interview, Dr. Malkin said that his research had been primarily aimed at perfecting the faults in earlier experiments with implantation by other doctors. Experiments with artificial tooth implantation, called "endosteal implants" began a decade ago but until now have been largely unsuccessful.

Medically, endosteal implants are the dental equivalent of a pacemaker operation for the heart. When performing an endosteal implant the dentist is introducing a non-organic, foreign substance into the human body. Like the famous pacemaker operation, tooth implants are beset with similar problems of body tolerance, infection and corrosion.

The design of the implant, according to Malkin, has been the chief source of failure in earlier dental research. Although endosteal implantation has met with moderate success in the past decade, long term results have been disappointing. The chief problem is the implant's tendency to work loose in the mouth over a period of months or years. Other problems are breakage, infection and pain.

Malkin's research team has addressed itself primarily to perfecting an implant design that will not be subject to the problems plaguing previous experiments. Experimental research conducted on steer jaws using standard dental surgical techniques has shown that the new Malkin-Weiss design encourages bone and fibrous tissue to adhere to the implant and hold securely in the mouth.

Besides correcting the implant's tendency to work loose, the new design has an impressive resistance to breakage. Malkin's implant will withstand pressure up to 1500 pounds per square inch. The biting pressure of the average human is 150-300 pounds per square inch and, Malkin points out, "the average patients with full dentures can only exert about 40 pounds of pressure. Implants will obviously improve chewing efficiency in these cases."

On April 27, a manuscript outlining the research done by Drs. Malkin and Weiss in conjunction with Dr. Charles Weiss and Dr. James Pugh was presented at a scientific conference at Clemson University sponsored by a joint committee of physicians, dentists and engineers studying biochemical materials. Within the year, Malkin's research team will be ready to introduce their implant design to patients with severe dental problems. So far, laboratory testing of the new implant technique has shown a great deal of promise and may soon prove a major step forward in dentistry.

AN OUTSTANDING CITY FATHER

HON. JIM LLOYD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. LLOYD of California. Mr. Speaker, I have just received the very good news that one of my special friends and an outstanding "city father" within our 35th Congressional District, Councilman Benjamin G. Ochoa of Pomona, was recently presented the 1974 General Telephone Co. Good Citizenship Award for his "significant voluntary contributions toward improving the quality of government and life in his community."

At special ceremonies in Santa Monica. President R. Parker Sullivan presented this coveted award to Ben, chosen from a field of 40 nominees.

Ben, traffic methods supervisor, has been actively involved in his city's functions since 1963 when he was appointed to the Pomona Human Relations Committee. Four years later he was appointed to the Pomona Parks and Recreation Committee, and in 1972 he was elected to the Pomona City Council for a 4-year term.

Currently serving on the board of directors of LeRoy Boys Home in La Verne, Ben is a past president of the Pomona American Little League, Connie Mack baseball, and Garey High School Boosters Club.

As if all the above is not enough, he is also chairman of the board of the Grove Street Bible Church, an advisory board member of the Tri-City—La Verne, Claremont, and Pomona—Mental Health Association, and a member of the board of directors of Council No. 1—Greater Los Angeles Community Action Agency.

In 1971 Ben was the recipient of the layman's award for contribution to the city of Pomona, especially in the field of recreation, presented by the California Park and Recreation Society District II and the Inland Valley Association of

Southern California Municipal Athletic Federation board of directors.

Mr. Speaker, it is with a great deal of pride that I join Councilman Ben Ochoa's many good friends and admirers in saying, "Congratulations on this very worthy honor, and a hearty 'Well Done' to one of our area's truly fine leaders."

TRIBUTE TO CARDINAL MINDSZENTY

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. McDONALD of Georgia. Mr. Speaker, the Hungarian people lost a great national hero with the recent death of Josef Cardinal Mindszenty. Here was a man who, all his life, served his God, his church, and his people, and who, in consequence, was imprisoned by both the Nazis and the Communists. Despite his amazing demonstrations of courage and faith, he found himself silenced and brushed aside by both the Vatican and the U.S. Government, in the name of peaceful coexistence with the cruel conqueror of Hungary.

As a tribute to a man who would not compromise with evil, I would like to insert into the Record excerpts from "Mindszenty: The True Story of His Courage," by Alan Stang, writing in American Opinion for February 1975.

The Red and the Black

For years, many have wondered about the true story of Mindszenty. Now, at last, we get it from the Cardinal himself (*Memoirs*, New York, Macmillan, 1974). In his preface he tells us this: ". . . In a dark period of my life I sat in wretchedness, like Job during his tribulations. Therefore I shall not be able to speak merely of edifying and joyful things. I must tell about life as it is, filled with suffering and grace. In short, I must speak of reality. * * *

"The reader is entitled to ask whether I am telling everything. My answer is: I mean to tell everything and shall preserve silence only when it is required by decency, by manly and priestly honor. But I am not speaking out now to harvest the fruit of my sufferings and wounds. I am publishing all this only so that the world may see what fate communism has in store for mankind. I want to show that communism does not respect the dignity of man; I shall describe my cross only in order to direct the world's eyes to Hungary's cross and that of her Church."

The future Cardinal was born in Mindszent, in Hungary, on March 29, 1892, where his family owned a small farm. On June 12, 1915, he was ordained a priest. And so great has been his influence since, that every gang in control of Hungary has found it necessary to imprison him. In 1919, in the wake of World I and the Socialist coup in Russia, a conspiracy of Communists headed by Bela Kun seized power in Hungary. Father Jozsef was imprisoned because he was a priest, and because he had worked effectively against Socialism. His description of the prelude to that Communist takeover is interesting:

"Meanwhile, we had entered the fifth year of the war. Everywhere signs of uncertainty and exhaustion could be be seen in the population and the machinery of government. A small liberal group consisting chiefly of intellectuals spread the slogan of "Peace and Revolution" in the capital.

In 1933, Socialist dictator Adolf Hitler seized power in Germany. Nazi influence in Hungary began to rise. The Nazis lanuched a campaign to persuade Hungarians of German descent to discard their Hungarian names and to take Germanic names instead. Father Jozsef was of German descent, and already had such a name: Pehm. His father was Janos Pehm. So Father Jozsef Pehm characteristically changed his name from German to Hungarian. Thus did he become Mindszenty. Indeed, in June, 1944, the Nazi puppet Government of Hungary ordered the Jews to be confined in ghettos, not the phony "ghettos" whimpered about by American "Liberals," but the real thing. Mindszenty and his fellow bishops protested vigorously in a pastoral letter. He ordered that Church buildings under his jurisdiction be used to hide as many Jews as possible, although the penalty for doing so was death. His Eminence writes as follows of the incident:

"The Jews of Budapest owe to this intervention the fact that the majority of them were saved from death in the gas chambers. After the bishops had unequivocally announced their opposition, church institutions and many courageous individual Christians did their utmost to save baptized and unbaptized Jews alike from persecution.

THE ORDEAL

In the spring of 1945, the Soviet Army occupied Hungary. There is no better way to describe that occupation than in the words of Father Jozsef himself. Here, for instance, is what happened to bishop Janos Mikes, who had ordained him a priest: " . . . After the Russian troops reached the village where he lived, drunken soldiers tried to rape the women and girls. The bishop heard their wails and screams and came out of his house to help the hardpressed women. At that moment his hand flew to his left side and he fell lifeless on the steps. His body was placed on a bier in the dining room. That evening the 'liberators' entered the house, fetched sacramental wine from the cellar dragged in girls, and drank and danced there all through the night.

This of course is standard Soviet procedure. Indeed, in some areas menaced by invading Soviet *women's* detachments, wives and mothers had to hide their *men*.

Mindszenty also tells us this: "During the following days I watched through a window the looting in the neighborhood. The soldiers stood the men up against the wall, dragged women out of hiding, and made off with wine, food, family mementos, and peoples' valuables. The army commanders seemed disinclined to intervene, apparently because they wanted to humiliate the Hungarian nation, which had been compelled to fight against the murder Nazi pressure. . . .

"The city was in an indescribable condition. The cathedral had been visited by a troop of women soldiers and totally stripped. They had cut up vestments and altar cloths for their own uses. Like the houses of the citizenry, the church buildings and the episcopal palace had been thoroughly ransacked and plundered. We even found hacked-off parts of human bodies lying about. . . .

". . . In Iszkaz the Russians had broken into the church, dressed up in ecclesiastical vestments, and mounted horses to hold a comic parade. The young priest from another village protested, and was shot. A notary's wife who had first been raped by seventeen soldiers was shot together with her son, who began to scream at the sight of these atrocious crimes. The husband, who had tried to protect his wife, was carried off as a 'war criminal' because he had offered resistance to the Red Army. . . ."

It is important to remember that the people responsible for all this are the same people with whom Henry Kissinger is now sipping champagne and making agreements.

The Primate became a symbol of Hungarian liberty. The Communists decided to destroy that symbol by humiliating the Cardinal in a Communist "show trial." On December 26, 1948, the day after Christmas, the Reds arrested Cardinal Mindszenty.

In Leningrad, the most feared address for years was Number Two Gorkhavaya, headquarters of the Soviet secret police. In Moscow, they used the former offices of the largest insurance company in Russia. In Budapest, the address was Number Sixty Andrassy Street, the headquarters of the A.V.O., the Hungarian secret police, where the Cardinal was taken. The Communists immediately began preparing him for trial.

In short, the man of God was incomprehensibly in Hell. His torturers revealed themselves not as human beings, but as beasts—beasts in human form who should be shot down on sight, with silver bullets.

The Communist goal was to force the Cardinal to sign a statement, not necessarily because they needed his signature—it and much else in the "documents" they later issued was forged—but because they hoped his signature would mentally unman him.

The Cardinal was being subjected to exactly the same techniques that would be inflicted on American P.O.W.s in Korea only a few years later, after which journalist Edward Hunter would coin the term "brainwashing" to descirbe them: "Seventy-two hours without sleep had passed when I was taken to the fourth nocturnal interrogation. The scene and the participants were the same. Once more I was charged with conspiracy and espionage. The idea was to pound the charges into the prisoner's mind, so that he gradually became convinced he actually had fomented a plot, that he really had had nothing in mind but the planning of an uprising, that he had lived and acted solely for the purpose of overthrowing the Republic. Unknown names were mentioned, dates and places cited that the prisoner scarcely knew, until he began to feel like a marionette with the police pulling now one string and now another. . . . Ultimately the prisoner became so confused that he himself helped to spin the yarn, to elaborate the scenes, to confess the wildest crimes, which he would never have dreamed of committing."

The trial began February 3, 1949, and lasted only three days. No defense witnesses were allowed. The "judge," a Communist, had been one of Hungary's foremost Nazis during the recent war. Mindszenty's attorney, appointed by the "court," was Kalman Kiczko, who had been a Communist for thirty years. His "defense" consisted of fulsome claims that the trial was fair. Foreign correspondent Gabriel Pressman, who was there, wrote as follows in the *New York World Telegram* on February 4, 1950:

"The defendants vied constantly to confess. Once it was even too much for the court. The Cardinal tried to read a repudiation of his prearrest warning against any future 'confession,' but Olti silenced him: 'You don't want to read that now.' So the Cardinal sat down and read it when directed. * * *

On February 8, 1949, Jozsef Cardinal Mindszenty, the Primate of Hungary, was sentenced to life imprisonment for "espionage, conspiracy and currency speculation."

THE AFTERMATH

His Eminence spent the next eight years in solitary: "The convict in solitary confinement never sees God's green fields, woods, flowery meadows, acres of ripening grain scattered with poppies; he never sees the bubbling spring, let alone the mighty Danube, or the retting of hemp, or the sea, silvery moonlight, the Milky Way, the stars, the graves of his loved ones, seminarians in their surplices, the host of the faithful before the countenance of the Lord, the glow of the Eternal Light, the altar, the pulpit and confessional, the baptismal font, the processions, a Christian family, or the innocent eyes of children, which our Lord Jesus so dearly loved. He never sees first communicants; he never sees his bride again, whether she is a girl, a church, or a cathedral. The sole portion of his beloved native land that he is able to see is the one accursed little spot within it. He cannot see any of those things that people think they could not possibly live without."

On October 23, 1956, the Hungarian people rose against the Communists. Teenaged girls led their little brothers in attacks on Russian tanks. The Soviets invited Hungarian military leaders to a meeting, to negotiate the complete withdrawal of Russian troops from Hungary. The Hungarians went to the meeting, were arrested and shot. Thousands of Russians soldiers fought against their own Army. On November 4, 1956, the Soviets invaded, with Mongolian troops who had been told they were at the Suez Canal. Cardinal Mindszenty, after only a few days of freedom, escaped to the American Embassy, where he spent the next fifteen years. So altogether he has spent almost a quarter century in captivity.

In the spring of 1974, Mindszenty visited the United States. The *San Jose Mercury* of June 7, 1974, reports that at a press conference in San Francisco he accused the late President Dwight Eisenhower of causing the defeat of the Hungarian Freedom Fighters in 1956: "Mindszenty said Eisenhower had sent a letter through Yugoslavia's Tito to Moscow after the uprising. He claimed the letter resulted in the Russian invasion of Hungary and the defeat of the Freedom Fighters."

The Cardinal is of course correct. The letter told the Soviet dictators that the United States Government looked with favor on their desire to be surrounded by obedient states. It thereby gave the green light to the Soviet invasion. Cardinal Mindszenty therefore corroborates what the patriotic John Birch Society has been saying for years. And the *Wanderer* of December 19, 1974, reports that Mindszenty recently warned in Australia that the West must stop compromising with Communism. In fact, his *Memoirs* are filled with invaluable advice for Americans. Including the following: ". . . Probably the leading Hungarian politicians had not studied the works of Lenin and Stalin sufficiently and had paid too little attention to the practices of bolshevism. I had always noted the lack of public education on this score—even under the Horthy regime. Once, when a campaign to remedy this situation was rather inadequately undertaken, it was quickly discontinued out of consideration for the trade agreements with the Soviet Union then being broached by Count Bethlen." Exactly the same suppression of the truth is now being attempted here

In a pastoral letter on April 12, 1947, Mindszenty said this: "We confront another threat to our freedom. The government has assumed complete control of the publication of textbooks to be used in our schools. Thus the ruling political party in this land will now have the power to indoctrinate our youth." The same thing is now being done in America. The Hungarian Communists also created a generation gap: ". . . Inexperienced boys and girls were taught in school that their parents were backward, were prisoners of old superstitions, and were altogether reactionary. A deep gulf was artificially produced between parents and children, and fatal wounds were inflicted upon parental authority. All the youth organizations worked in this same direction; so did the Communist party press and books for young people . . . In August there followed a countrywide campaign dealing with the great historical personages of our nation. Their achievements for the country were reevaluated from the communist standpoint. The campaign was launched by the minister for public welfare, who published in the communist youth newspaper an article denouncing St. Stephen. Teachers were required to make Marxism the basis for their educational work instead of 'the outmoded Christian ideology.' Catholic youth houses were turned over to the Marxist youth organizations. They were refurbished with government money, and their entire purpose was turned topsy-turvy. Henceforth they were to help divert boys and girls from Christian ideals . . ."

Today, government money in American schools is used to ridicule George Washington and *our* Founding Fathers, while our children are also denied the right to pray.

As in America, the Communists sought control of the clergy: "The Communists also broke the resistance of the pastors by recruiting through coercion and fraud a dissident group of priests whom they could use for their own purposes. These were the 'peace priests' I have mentioned; the people called them that because they chiefly appeared in public at peace meetings. Their role consisted largely in undermining the unity and strength of the Church from within by following the directives of the Communists. . . ." Eventually the peace priests took over completely, under the supervision of officials of the bureau for church affairs. Mindszenty writes that the people called these government supervisors "the bearded bishops."

Once again we see proof that what is happening now in our own country is not new, but simply the latest implementation of standard Communist tactics. And along these lines, His Eminence also says this: ". . . But among them were even party members and higher-ranking party functionaries who had been graduated from a party school or academy. Some were also AVO officers. Of course all such matters were kept stringently secret, but they came to light during the revolution. The training of these men for special tasks was also conducted in secret. . . ."

And F.B.I. counterspy Herbert Philbrick revealed long ago that, in the deepest underground of the Communist Party in New England, he found a cell composed entirely of so-called clergymen.

No doubt all this explains why, as I write, the *New York Times* "can't find anybody" to review Cardinal Mindszenty's book.

ABOUT THE EXILE

The Cardinal's *Memoirs* also explain the long awaited and incredible story of Mindszenty's departure from Hungary. In June, 1971, an envoy from Rome told him that the Pope wanted him to leave the U.S. Embassy and the country. In the Papal proposal, Cardinal Mindszenty would remain the Hungarian Primate; would make no statements that "might disturb the relations between the Holy See and the Hungarian government or might be offensive to the Hungarian government or the People's Republic"; and that he would keep his memoirs secret and unpublished.

His Eminence indignantly refused.

"After Zagon departed I wrote a letter to President Nixon informing him of my situation and asking whether it would not be possible for me to remain in the American Embassy. His reply arrived with unexpected speediness. He recommended that I bow to my fate. Despite the courtesy of the tone I realized from the president's reply that from now on I would actually be an unwanted guest in the embassy. . . ."

Mindszenty realized he would have to leave, and did so on September 29, 1971. Along with the papal nuncio and others, he was driven across the border to Vienna and flown to Rome. There he found the latest edition of the semi-official Vatican newspaper *Osservatore Romano*, which "actually portrayed my departure from Hungary as though this had removed an obstacle hampering good relationships between Church and state. For me that was my first bitter experience, for I realized that the Vatican was not paying any attention to the specific terms I had formulated in Budapest. I experienced my second disappointment when I learned that the Holy See had lifted the ban on the excommunicated peace priests two weeks after my departure . . . ."

Soon after he left Hungary, Mindszenty issued a pastoral letter for Advent, in which he referred to his prison experience and to the Iron Curtain surrounding his country. Predictably, the Hungarian dictatorship attacked him. ". . . But during this press campaign, which was obviously without the slightest basis, not a single official ecclesiastical organ came to my aid. On the contrary, I was informed from Rome that henceforth I must submit every one of my statements, even my sermons, to a Roman adviser, who would be assigned to me, for his approval. I could not accept such a reprimand. After negotiations and several letters I declared myself willing to submit my statements to the Holy Father in person, but only to him alone when he explicitly requested me to do so."

Remember that Mindszenty is of course not an aspiring student of theology in a seminary, but a Cardinal, a prince of the Church. So he continued to speak about the sufferings of his people. And the Communists sent agents to Rome to demand that he be reduced to total silence. "These protests were received in the Vatican, and on October 19, 1972—in the thirteenth month of my exile—I was informed by the papal nuncio in Vienna that the Holy See in the summer of 1971 had given the Hungarian Communist government a pledge that while I was abroad I would not do or say anything that could possibly displease that government. I replied that in the negotiations conducted from June 25 to June 28, 1971, between the Holy Father's personal emissary and myself there had been no mention of any such pledge. Had I known about any guarantee of this sort, I declared, I would have been so shocked that I would have asked the Holy Father to rescind all the arrangements that had been made in conjunction with my departure from Hungary . . ."

And, finally, you will remember that in the original negotiations, the papal envoy assured Mindszenty that with his departure from Hungary he would nevertheless remain Primate. But on February 5, 1974—the twenty-fifth anniversary of his phony trial—the Vatican publicly announced his removal, again giving the Communists exactly what they wanted.

Standing against all this is one small, old man. He is alone, in exile, a wanderer, betrayed by those supposed to be his friends. He controls no wealth. He commands no armies. But he nevertheless inspires fear in the enemies of God and man, enemies who are doing everything they can to silence him. They know that he, too, is a symbol of Hungarian liberty, and a living hope that his country will again be free.

Indeed, he is more. He is proof that one can take the worst the Communists can do and overcome it; that one can be beaten to his knees and still get up. He is proof for all men, Roman Catholic and otherwise, that the desire for freedom cannot be destroyed—and that the Conspiracy shall be.

The spirit of Jozsef Cardinal Mindszenty must not die!

THERE IS NO FREE LUNCH IN SOCIALIZED MEDICINE

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. CRANE. Mr. Speaker, those who call for a system of socialized medicine for the United States argue that such a system would be less expensive for Americans than our current system of private practice.

One advocate of a comprehensive national health insurance plan, Leonard Woodcock, president of the United Auto Workers, recently said that—

> If the bill is enacted no American ever again would have to pay a doctor's bill or a hospital bill.

Mr. Woodcock may be partially correct. Americans will not be billed by their doctors or hospitals for the care they receive. Instead, they will be billed by Government bureaucrats in the form of higher taxes. In the end, they will pay far more than they do today. In Sweden, one of the pioneers in socialized medicine, the Swedish citizen pays 20 percent of his taxes for health.

Not only does socialized medicine cost more, but the services it provides rapidly deteriorate. In his book, "The Case for American Medicine," New York Times correspondent Harry Schwartz writes the following:

> Don't get sick in Sweden. You have never seen such impersonal care and such long waits in your life. Every time you go to the clinic, you see a different doctor. And if you're hospitalized and are seen by a physician three times in one day, it will almost certainly be three different doctors.

Discussing the experience in Great Britain, Milton Friedman points out that patients have been far from happy:

> Two million British citizens are not only paying compulsory medical levies, but also subscribe to private medical insurance, and the number is growing rapidly. Government hospitals are old, overcrowded and understaffed—more than two thirds of the hospitals now in use were built in the nineteenth century. The delay for a tonsillectomy averages 22 weeks and much longer delays are common for serious but postponable operations.

Mr. Friedman declares that—

> This is the kind of system that well-meaning people like Mr. Woodcock are leading us to. Is there no way we can induce them to check their rhetoric against reality?

I wish to share with my colleagues the column, "Leonard Woodcock's Free Lunch," by Milton Friedman, as it appeared in Newsweek magazine of April 21, 1975, and insert it into the RECORD at this time:

LEONARD WOODCOCK'S FREE LUNCH

In a statement on national health insurance, Leonard Woodcock, president of the United Auto Workers, is reported to have said that "if the bill is enacted no American ever again would have to pay a doctor's bill or a hospital bill."

Who does Mr. Woodcock think would pay the bill? The Arab sheiks? He surely knows better. He knows that laundering the money we pay through Washington is simply a different—and more expensive—way to pay our hospital or doctors' bills than paying them directly.

A minor puzzle is how an intelligent man like Mr. Woodcock can talk such nonsense. It is truly a remarkable tribute to our ability to become prisoners of our own rhetoric.

The major puzzle is how an intelligent man like Mr. Woodcock can support a measure that is against the interest of U.S. citizens in general, of members of his own union, and even of the officials of that union.

WHY ALL WOULD LOSE

Consider union members first. The UAW is a strong union and its members are among the highest-paid industrial workers. If they wish to receive part of their pay in the form of medical care, they can afford, and hence can get, a larger amount than the average citizen. But in a government program, they are simply average citizens. In addition, a union or company plan would be far more responsive to their demands and needs than a universal national plan, so that they would get more per dollar spent.

As to union officials, if they established a union plan, or negotiated a company plan, they would get the credit. They might also get credit for the enactment of a national plan, but, once enacted, they would have nothing special to do with it, and they would have to look for other ways to justify their well-paid existence.

For the nation, national health insurance would be an expensive disaster that would reduce the quality of medical care and would hurt especially the poor. This proposition is supported by our own experience and by the experience of other countries.

In 1960, before medicare and Medicaid, total spending in the U.S. on health care amounted to 5 per cent of the gross national product. Today, it amounts to 8 per cent. Spending by government accounted for 25 per cent of the 5 per cent, but for 40 per cent of the 8 per cent, so we are already nearly halfway to totally socialized medicine. To judge from the continuing complaints, the quality of medical care has shown no comparable rise. Higher government spending has mostly gone to raise the incomes of physicians and other health-care personnel, pay for the duplication of expensive equipment and support other forms of waste. Indeed, much pressure for national health insurance reflects the perceived failure of medicare and Medicaid, and the mistaken belief that this failure can be remedied by buying these programs in a still larger program.

When medicine appears to the user to be a "free" good, there is no limit to the amount demanded. Yet there is a limit to the amount available. Inevitably, people who are well connected, hypochondriacs with time on their hands, and the simply persistent get an undue share. Inevitably, a physician, however conscientious, who is harried by patients with no incentive to restrain their demands, is forced to dilute the quality of medical care. Inevitably, governmental guidelines replace his judgment in deciding who gets medical care and who goes to the end of the queue.

A CAUTIONARY TALE

Britain's experience with its National Health Service is a premonition of what would happen here. British physicians have clearly been unhapy with the system: since 1966, the number emigrating each year has equaled a third of the annual output of Britain's medical schools. But patients too have been unhappy: 2 million British citizens are not only paying compulsory medical levies, but also subscribe to private medical insurance, and the number is growing rapidly. Government hospitals are old, overcrowded and understaffed—more than two-thirds of the hospitals, now in use were built in the nineteenth century! The delay for a tonsillectomy averages 22 weeks and much longer delays are common for serious but postponable operations. As a result, private hospitals or their equivalent have been burgeoning.

This is the kind of system that well-meaning people like Mr. Woodcock are leading us to. Is there no way we can induce them to check their rhetoric against reality?

REACTION TO EVENTS IN SOUTHEAST ASIA

HON. JOHN T. MYERS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. MYERS of Indiana. Mr. Speaker, Mr. Gilbert J. Leonard, a constituent and friend of mine who is director of the Vigo County Office of Civil Defense and Emergency Preparedness in Indiana and former president of the U.S. Civil Defense Council, has written an open letter in which he expresses his reaction to the Communist victories in Southeast Asia and attitudes at home with regard to the defense of our Nation. I share his thoughts with you because I believe they deserve the attention of those of us charged with providing for the common defense of our people.

The article follows:

AN OPEN LETTER FROM GILBERT J. LEONARD

Our longest war in history has ended. We lost the war and we stand before the world naked and unadorned. The sacrifices of the many and the tears and the anguish of the bereaved seem to have been wasted before the American dream of liberty and freedom for all.

I do not know much of what has been going on behind the scenes in Asia, but all of us are keenly aware of what has happened in Vietnam and Indo-China during the last several years. We do know that our venture there has culminated in the shameful figure we are now represented to be to the rest of the world.

We ran, literally ran, from a weaker foe. We are cursed and shunned by many of our former Asian associates. Some, who once were proud to welcome us as friends, now arrogantly tell us to leave. Those who once came for favors, with cap in hand, now scorn even an unproffered offer.

Our traditional European allies are strangely silent. The Arabs attempt to ruin our economy, with oil as the weapon, while Israel, which could not have been born nor continued to live without us, now begins to reassess our support.

South America is in disarray and Canada reduces our oil imports and repels our capital and labor force. The third world of tiny African countries outvote us in the United Nations, insult us to our face, and then laugh. What in heavens name has happened, and more to the point, what shall we do about it?

I believe the time has come now that we cannot continue to ignore what has happened to us during the last thirty years. In my opinion, it all began with Roosevelt's decision to stop at the Elbe river the most powerful military force ever assembled and it continued with Harry Truman listening to and agreeing to a political settlement of the Korean affair. We stood up well in the two Berlin crises but then we let the East Ber-

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lin communists build the infamous Berlin wall without interference.

Russian satellites were crushed and we uttered not one word of protest for the crime. We performed well in the Dominican Republic but the Bay of Pigs was a disgrace. Since Israel was attacked on Yom Kippur and half won and half lost a war, we have conducted our affairs with her in a most peculiar manner. Many other instances of kicking the shins of the amiable giant could be cited.

It seems to me, though, that one of our worst problems is that the leaders of this nation have for many years been in love with love. They seem to want the whole world to love America. I believe they confuse respect with love and think they are synonymous. Of course, they are not. I think you will agree with me that we shouldn't care nor be concerned if any other nation loves us but we should require respect.

Our leaders seem to be fearful of offending anyone and consequently everyone offends us. We are so naive that we believe international agreements, detentes and treaties are guarantees of behavior. They are not and it ought to be apparent to anyone that Russia behaves well when she must and misbehaves when she can. We do know that hardly anyone loves Russia but they surely respect her and that seems to be enough for them.

Let's you and I go back a hundred years in our history and think for a moment about what makes America tick. In the gentle and victorian days, late in the 19th century, we grew and prospered and became a first class nation. In the teens of the 20th century we turned boisterous and loud and we became strong. We roared into World War I, won the war and we became a world power. In the twenty's, the brashest, the brawlingest years of our history, we felt and we knew that we were the greatest.

Then the depression came with its unemployment, bread lines, families moving together, the youth riding the rails back and forth across the nation, hunger, union riots, martial law. And finally came Roosevelt, 3.2% beer, WPA and NRA. Hitler took over Germany, the Ruhr and Czechoslovakia. He attacked Poland, and World War II began.

War production began to pull this country back into prosperity and then came the day Franklin Roosevelt called, "the day that will live in infamy", the attack on Pearl Harbor. At the end of World War II and during the days when Harry Truman rescued Europe with the Marshall Plan and saved Greece and when Eisenhower stopped the communists cold in Lebanon, we were living, indeed, our finest hours.

And then, I ask again, what happened to us? How did we become so weak that a candidate for the Presidency of the United States could say publicly that he would go on his hands and knees to little North Vietnam and beg for peace and the return of our prisoners?

Some have said that we have lost our manhood. Some say we have overindulged and coddled our young too long. Some say that we have protected the weak and the timid for generations and now they have become a dominating force in our national character. Perhaps. I do know that somewhere along the line we seem to have lost the wisdom to know the way or perhaps we have lost the courage to follow it.

It is time now to stand before the entire world, friend and enemy alike, and to say to them that this is as far as we will retreat. We will not go backwards anymore. If we cannot go forward, we will at least stand here. We will not impose our will upon any other nation but we will no longer allow them to show disrespect to us.

We are a proud nation. We want everyone, inside and outside this country, to know it well and to respect it. We will continue to help the sick and the old and the helpless when we can because we have always cared. But never again shall any nation expect it from us as their right. And they must never again attack our flag, curse our people or abuse our friends.

The American people will have no more of this and from this day forward everyone must recognize us as we are, a compassionate people but brave, a merciful people but strong. From this time forward we will assume once more our rightful place in the world and let every nation take notice of it. If you agree with me, tell your friends, tell those who represent you in Congress, and tell the President. They need to know that most of our citizens are angry about what the world thinks we are and that we want it changed. It's a job that needs doing. It's a job worth doing. Together we can get it done.

THE MIDDLE CLASS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. HAMILTON. Mr. Speaker, middle-class Americans are having a tough time these days.

They are squeezed by inflation, recession, and high taxes. They feel that they are the forgotten persons of American politics. They point to the broad range of subsidies available to low-income families which are unavailable to them but are paid for in large measure by their taxes. They earn too much to benefit from Federal programs and too little to pay for what they need. They also know that the well-to-do often benefit from inflation and receive all kinds of tax breaks.

They watch apprehensively as their financial position slowly erodes, and they are wondering just how much longer they can continue to pay their bills. One symptom of the growing squeeze is that a number of middle-class citizens have been applying for food stamps, even though they may be uncomfortable in doing so. More than half of all food stamp recipients hold part-time or full-time jobs and receive no other public assistance. The financial security of middle-income Americans has dropped dramatically in recent years, with net assets at the end of 1974 only 64 percent of what they were at the end of 1972.

One characteristic of middle-class Americans has always been their expectation for a better standard of living, but they are losing their traditional optimism and are beginning to question whether things really will be getting better for them. Their hopes for a better future have been deflated, and they wonder what can happen to them next.

Middle-class people constitute the largest and most important group in our society. More than half of the Nation's 55 million families are in the middle-class, with much of the increase over the last two decades a result of significantly higher family incomes. Their income levels run from $10,000 to as high as $35,000 in high cost-of-living areas. Most people tend to consider themselves a part of the middle class, or act as if they were, and membership has been expanded to include blue-collar as well as white-collar workers. The economic impact of middle-class Americans is tremendous since they buy 80 percent of all cars and roughly three-fourths of most major appliances.

Home ownership is slipping beyond their grasp. Owning a home base traditionally been one of their most important goals, but rising home costs, high interest rates, and soaring utility bills have combined to price many middle-income families out of the single-family housing market. The median cost of new homes in 1974 was a staggering $41,300. A family must have an income of about $23,000 a year to make the necessary payments on a new home, but the U.S. median family income is only about $12,051.

The promise of a better education is fading for many middle-class people. Higher education costs, which cut deeply into family savings, are approaching $6,000 per year in some cases, and even the least expensive college education, at a 2-year public college for a student who lives at home, will cost more than $2,000 a year by next September. Only limited financial assistance is available to middle-class students and their parents, who are wondering if they can stand the expense. At today's rates, the cost of a college education can place a heavy burden on savings and retirement money.

To make the squeeze even worse, middle-class Americans bear a heavy tax load, and inflation has substantially increased the burden. Inflation reduces the real value of the personal exemption and standard deduction and pushes low-and middle-income taxpayers into higher tax brackets, which are narrower than those at higher income levels. So the middle class is seeing a greater proportion of its income go for taxes. Last year payroll and income taxes for families with average incomes rose from 17.8 percent to 19.5 percent of their family budgets, with the higher tax payments representing the single biggest family expenditure. From 1973 to 1974, for a family with an income of $14,466, personal income taxes rose by 26 percent, even though its standard of living stayed the same. That same family's social security taxes rose 21.6 percent.

The significance of the financial squeeze on middle-income Americans cannot be exaggerated. The squeeze is bound to influence their thoughts and actions and test their mettle, perhaps as much as they have ever been tested before. Already changes in their views are emerging. They are more cost-conscious and conservation-minded. As consumers, they are shopping hard for product quality. Their political sensitivities are sharpening, and their suspicions of government are growing. They question more intensely than they once did whether politicians are really doing anything for them. No longer do they unquestioningly accept the promise of constant progress, and their values, moral standards, and dedication to work are undergoing changes.

For those of us in government there is a clear lesson. We must remember that it was the stability of Americans, largely middle-class Americans, which enabled

the Nation to endure the shocks of Vietnam and Watergate, and it is vital to the health of the Nation that their good sense and tempered optimism about the future continue. We must never ignore the central importance of middle Americans to the welfare of the Nation. It is they who sustain it and give it strength, and our policies and our statements must be sensitive and responsive to their needs. Among other things this means we had better begin to give special light to the impact of our actions on middle-class Americans.

TRIBUTE TO MAYOR EDWIN W. WADE

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. ANDERSON of California. Mr. Speaker, on May 29, the people of the city of Long Beach, Calif., will honor the retirement of a man who is the embodiment of the true spirit of our Nation; the Honorable Edwin W. Wade.

Mayor Wade will leave public life after a career of long and distinguished service to his community. It is most appropriate to have a brief history of Mayor Wade's life in the RECORD, for a study of his life is also a study of our time. The ideals fused in our society today were traits exhibited by those of strong character and dedication to purpose in years past. Mayor Edwin Wade, as it was said of Andrew Jackson so many years ago, is truly a "symbol for an age."

Born in North Dakota in 1903, Edwin Wade and his family moved to National City, Calif., in 1908. Upon receiving his early education in the National City grammar and high schools, he continued special courses in electrical engineering in southern California.

Mayor Wade moved from San Diego to Long Beach in 1933 and accepted employment as the Navy representative for an engineering company located in Wilmington, Calif. This particular company was engaged in the sale and service of engineering equipment. While in San Diego, Mayor Wade was deeply concerned in the affairs of the U.S. Navy, which naturally became greatly multiplied in his new capacity. This new position afforded him the opportunity to become acquainted with the engineering and supply departments of all active naval ships in the Pacific Fleet, as well as all Navy shipyards on the Pacific coast.

In 1935, together with his late brother Thomas C. Wade, he organized the Marine Specialty Co., and opened a small office in Long Beach making carbon packing rings for steam turbine engines. In 1943, the company was reorganized and became a corporation, thus enabling him more time to pursue his own interests. It was at that time that Mayor Wade became interested in civic organizations and local government.

In 1950, with the closing of the Long Beach Naval Shipyard and the loss of the Long Beach Naval Hospital, it was deemed advisable to form a strong, civic-minded organization to impress upon the Federal Government the interest of the people of Long Beach in maintaining, in that city, a strong and permanent U.S. Navy installation. It was also in 1950 that Mayor Wade founded the Independent Businessmen's Association, serving as its president for four terms.

Mayor Wade's firm belief in a strong national defense served his city well as he was a member of the Long Beach City Armed Services Commission from 1954 to 1960.

Mayor Wade is completing his fifth term as councilman of Long Beach's fifth district. Each term his colleagues from the Long Beach City Council have elected him mayor.

Mr. Speaker, one could go on and on about the achievements of this man. The fact that his colleagues and friends saw a true spirit in him, naturally led them to bestow their honor and admiration upon him.

Just for the RECORD, Mr. Speaker, I would like to list a few more of Mayor Wade's accomplishments:

From 1961 through 1966 he was chairman of the Committee of Mayors of Los Angeles County. In 1966 he was the recipient of the U.S. Navy's highest civilian award—the Meritorious Public Service Award. In 1967 he was elected president of the Los Angeles County Division of the League of California Cities. Since 1963 Mayor Wade has been on the board of directors of the League of California Cities.

Mayor Wade's active participation in goodwill missions to Europe, the Far East, and South America are further testimony of his compassion and concern for his fellow human beings.

Mr. Speaker, Mayor Edwin Wade's rise from the small town of Jamestown, N. Dak., to mayor of Long Beach, Calif., gives substance to the idea that one is master of one's fate. Dedication and hard work paved his road to success.

I want to congratulate Mayor Wade on the conclusion of a brilliant career. I am sure his wife, Mary, and his daughter Betty Jo, are as proud of him as the many other people who admire him.

Writing of Napoleon in the 19th century, Ralph Waldo Emerson stated:

> The reason why this or that man is fortunate is not to be told. It lies in the man; that is all anybody can tell you about it. See him and you will know easily why he succeeds.

One only need look at Edwin Wade's life to see that he did succeed, and it can be said that the fortunate ones are those whose lives have been touched by this fine man.

TWO WORTHY SCHOOL PROJECTS

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. MOTTL. Mr. Speaker, I ask the full House to join with me in paying tribute to two school classes in Greater Cleveland which I feel deserve special mention because they portray our country's fine educational techniques and ideas.

The sixth-grade class of Richard Hole at Ellenwood Elementary School in Bedford has just completed a unique, informal student exchange program with pupils from Fort Yukon, Alaska, 3,900 miles away.

Students in the ninth-grade earth science class of R. Alan Falquet in North Olmstead 2 weeks ago spent a day excavating for the remains of an ancient mastodon in Willard Marsh, some 50 miles west of Cleveland.

I think Mr. Hole and Mr. Falquet and their classes should be commended for undertaking these novel endeavors. The projects are tributes to our ever-expanding educational system and our highly-competent educators.

The pupils of both classes will long remember and cherish their experiences from the projects which they were a part of in the spring of 1975.

BUSINESS AND "THE NEW CLASS"

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. BOLLING. Mr. Speaker, we politicians have been described as people who deal with the art of the possible. Each of us is committed already to a basic interest in assuring individual liberty for all Americans, but we have to work harder to discover what is possible to do about it.

The following article from the "Wall Street Journal" of May 19, 1975, is an interesting approach to something that might be possible—at this time and in this country:

BUSINESS AND "THE NEW CLASS"

(By Irving Kristol)

Everyone wants to be loved, and it always comes as a shock to discover that there are people who dislike you for what you really are rather than for what they mistakenly think you are. Indeed, most of us desperately resist such a conclusion. We keep insisting, to ourselves and others, that those people out there who are saying nasty things about us are merely ill-informed, or misguided, or have been seduced by mischievous propaganda on the part of a handful of irredeemably perverse spirits. And we remain confident, in our heart of hearts, that if they only understood us better, they would certainly dislike us less.

In this respect businessmen are as human—and are as capable of self-deception—as anyone else. On any single day, all over the country, there are gatherings of corporate executives in which bewilderment and vexation is expressed at the climate of hostility toward business to be found in Washington, or in the media, or in academia—or even, incredibly, among their own children. And, quickly enough, the idea is born that something ought to be done to create a better understanding (and, of course, appreciation) of "the free enterprise system." A television series on economics and business for the high schools? Space advertising in the print media? Face-to-face encounters between businessman and college students? Long and serious luncheons with the editors of major newspapers and newsmagazine? In the end, many of these ideas come to fruition, at substantial costs in money and time—but with depressingly small effect.

Now, I do not wish to seem to be underestimating the degree of ignorance about business and economics which does in fact exist in the United States today. It is indeed amazing that, in a society in which business plays so crucial a role, so many people come to understand so little about it—and, at the same time, to know so much about it which isn't so. We have, for instance, managed to produce a generation of young people which, for all the education lavished on it, knows less about the world of work—even the world of their fathers' work—than any previous generation in American history. They fantasize easily, disregard common observation, appear to be radically deficient in that faculty we call common sense.

A PREFERENCE FOR FANTASY

Nor, it must be said, are their teachers in a much better condition. The average college professor of history, sociology, literature, political science, sometimes even economics, is just as inclined to prefer fantasy over reality. On every college campus one can hear it said casually by faculty members that the drug companies are busy suppressing cures for cancer or arthritis or whatever; or that multinational corporations "really" make or unmake American foreign policy; or that "big business" actually welcomes a depression because it creates a "reserve army of the unemployed" from which it can recruit more docile workers.

So there is certainly room for all kinds of educational endeavors on the part of the business community, and I do not wish to be interpreted as in any way discouraging them. The fact that they seem so relatively ineffectual is not necessarily an argument against them. Education is at best a slow and tedious process, and that kind of education which tries to counteract a massive, original miseducation is even slower and more tedious. Too many businessmen confuse education with advertising, and almost unconsciously impose the short time-horizon of the latter on the former. The unit of time appropriate to the process of education is not a year but a generation.

Having said this, however, I should like to pursue the truly interesting question of *why* so many intelligent people manage to entertain so many absurd ideas about economics in general and business in particular. In truth, one can properly put that question in a much stronger form: Why do so many intelligent people seem *determined* to hold those ideas and to resist any correction of them? Such determination there must be, because mere error and ignorance are not of themselves so obdurate. When they are, it is usually because they also are an integral part of an ideology which services some deeper passion or interest.

And the more attentively one studies the problem, the clearer it becomes that what is commonly called a "bias" or an "animus" against business is really a by-product of a larger purposiveness. There are people "out there" who find it convenient to believe the worst about business because they have certain adverse intentions toward the business community to begin with. They dislike business for what it is, not for what they mistakenly think it is. These people constitute what one may simply call, for lack of a better name, "the new class."

This "new class" is not easily defined but may be vaguely described. It consists of a goodly proportion of those college-educated people who skills and vocations proliferate in a "post-industrial society" (to use Daniel Bell's convenient term). We are talking about scientists, teachers and educational administrators, journalists and others in the communications industries, psychologists, social workers, those lawyers and doctors who make their careers in the expanding public sector, city planners, the staffs of the larger foundations, the upper levels of the government bureaucracy, etc., etc. It is, by now, a quite numerous class; it is an indispensable class for our kind of society; it is a disproportionately powerful class; it is also an ambitious and frustrated class.

Kevin Phillips calls this class "the mediacracy," in his new book of that title. Though the book has many shrewd observations, the term he chooses seems to me to be unfortunate. It helps prolong what might be called the "Agnew illusion"—i.e., that much of our troubles derive from the fact that a small and self-selected group, whose opinions are unrepresentative of the American people, have usurped control of our media and use their strategic positions to launch an assault on our traditions and institutions. Such a populist perspective is misleading and ultimately self-defeating. Members of the new class do not "control" the media, they are the media—just as they are our educational system, our public health and welfare systems, and much else. Even if the president of CBS or the publisher of Time were to decide tomorrow that George Wallace would be the ideal President, it would have practically no effect on what is broadcast or published. These executives have as much control over "their" bureaucracies as the Secretary of HEW has over his, or as the average college president has over his faculty.

What does this "new class" want and why should it be so hostile to the business community? Well, one should understand that the members of this class are "idealistic," in the 1960s sense of that term—i.e., they are not much interested in money, but are keenly interested in power. Power for what? Well, the power to shape our civilization—a power which, in a capitalist system, is supposed to reside in the free market. The "new class" wants to see much of this power redistributed to government, where they will then have a major say in how it is exercised.

From the very beginnings of capitalism, there has always existed a small group of men and women who disapproved of the pervasive influence of the free market on the civilization in which we live. One used to call this group "the intellectuals," and they are the ancestors of our own "new class," very few of whom are intellectuals but all of whom inherit the attitudes toward capitalism that have flourished among intellectuals for more than a century-and-a-half. This attitude may accurately be called "elitist"—though people who are convinced they incarnate "the public interest," as distinct from all the private interests of a free society, are not likely to think of themselves in such a way. It is basically suspicious of, and hostile to, the market precisely because the market is so vulgarly democratic—one dollar, one vote. A civilization shaped by market transactions is a civilization responsive to the common appetities, preferences, and aspirations of common people. The "new class"—intelligent, educated, energetic—has little respect for such a commonplace civilization. It wishes to see its "ideals" more effectual than the market is likely to permit them to be. And so it tries always to supersede economics by politics—an activity in which it is most competent, since it has the talents and the implicit authority to shape public opinion on all larger issues.

ITS OWN GRAVEDIGGER?

So there is a sense in which capitalism may yet turn out to be its own gravedigger, since it is capitalism that creates this "new class"—through economic growth, affluence, mass higher education, the proliferation of new technologies of communication, and in a hundred other ways. Moreover, it must be said that the "idealism" of this "new class," though in all respects self-serving, is not for that reason insincere.

It really is true that a civilization shaped predominantly by a free market—by the preferences and appetites of ordinary men and women—has a "quality of life" that is likely to be regarded as less than wholly admirable by the better-educated classes. To be sure, these classes could try to improve things by elevating and refining the preferences of all those ordinary people: That, supposedly, is the liberal and democratic way. But it is so much easier to mobilize the active layers of public opinion behind such issues as environmentalism, ecology, consumer protection, and economic planning, to give the governmental bureaucracy the power to regulate and coerce, and eventually to "politicize" the economic decision-making process. And this is, of course, exactly what has been happening.

There can be little doubt that if these new imperialistic impulses on the part of "the public sector" (i.e., the political sector) are unrestrained, we shall move toward some version of state capitalism in which the citizen's individual liberty would be rendered ever more insecure. But it is important not to have any illusions about how much can be done to cope with this situation. The "new class" is here, it is firmly established in its own societal sector, and it is not going to go away. It is idle, therefore, to talk about returning to a "free enterprise" system in which government will play the modest role it used to. The idea of such a counter-reformation is utopian. Ronald Reagan was a two-term governor of California, and whatever his accomplishments, the restoration of "free enterprise" was not one of them. Were he to become a two-term President, he (and, we) would find that, after the ideological smoke had cleared, not all that much had changed.

NOT HOPELESS, BUT . . .

Not that the situation is hopeless—it's just that one has to recognize the limited range of the possible. It is possible, I think, at least to preserve a substantial and vigorous private sector—not only a business sector, but also a non-governmental not-for-profit sector—in the United States. This can happen, not because of the self-evident virtues of business, but because of the profound appeal of individual liberty to all Americans, and because of the equally profound distrust of big government by all Americans. In this appeal and this distrust even members of the "new class" share, to one degree or another. It is our good fortune that they are not doctrinaire socialists, as in Britain, even if they sometimes look and sound like it. They have long wanted their "place in the sun," they are in the process of seizing and consolidating it—and now they have to be assimilated into the system (even as the system will have to change to assimilate them). It will be a slow and painful business, but need not end in calamity.

A good part of this process of assimilation will be the education of this "new class" in the actualities of business and economics—*not* their conversion to "free enterprise"—so that they can exercise their power responsibly. It will be an immense educational task, in which the business community certainly can play an important role. But before it can play this role, business has first to understand the new sociological and political reality within which it is now operating. That, too, is an educational task of no small proportions.

LUCILE KINNE NAMED NEW YORK STATE SENIOR CITIZEN FOR THE YEAR 1975

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. KEMP. Mr. Speaker, it is my great pleasure and privilege to bring to the attention of my colleagues here today a very special person, and a very special event.

This person is Lucile Kinne, of Amherst, N.Y. This event is the adoption of a resolution in the New York State Legislature designating Lucile "The New York State Senior Citizen for the Year 1975."

I cannot think of any individual more deserving of this honor. In the years of our friendship, Lucile has consistently impressed me—as she has impressed western New Yorkers and indeed all New Yorkers with her capable grasp of the problems affecting our retired citizens and her dedication to resolving these problems on behalf of all.

Lucile has totally given of herself to make sure that senior citizens of New York State and senior citizens across the country are responsibly represented when their concerns are at stake. Such groups as the Amherst Senior Citizen Center, the National Council of Senior Citizens, and the White House Conference on Aging have benefited from Lucile's membership and expert leadership. I personally am indebted to Lucile for her counsel on the wide variety of legislative proposals before Congress which have bearing upon the interests of our Nation's elderly.

In her more than 20 years of work with senior citizens, Lucile has brought State and national recognition to the town of Amherst as a community truly attuned to the needs of its retired members.

In recognition of Lucile's work within the community, the Town Board of Amherst has recently followed the New York State Legislature in memoralizing Lucile Kinne.

Mr. Speaker, I would like to include for the RECORD a copy of the resolutions passed by both the New York State Assembly, and the Amherst Town Board.

The resolution follows:

[The Legislature, State of New York, Albany, Apr. 30, 1975]

JOINT RESOLUTION No. 79

(Joint resolution of the Senate and Assembly designating Lucile Kinne "The New York State Senior Citizen for the Year 1975")

Whereas, In anticipation of the celebration of the month of May as "Senior Citizen Month", the Select Committee on Problems of the Aging has solicited and received twenty-three nominations for Senior Citizen of the Year from the various areas of the State; and

Whereas, After careful consideration, the members of the Select Committee, from among the many nominees, chose the one senior citizen whom they felt had made the finest contribution toward improving the lives of our senior citizens; and

Whereas, the Select Committee determined that Lucile Kinne of Amherst, New York, best fit that qualification by her leadership and total involvement with such groups as the Amherst Senior Center, National Council of Senior Citizens, the White House Conference on Aging, as well as her membership and activities with many other senior citizen organizations; now, therefore, be it

Resolved, That Lucile Kinne in recognition of her outstanding contributions on behalf of all the senior citizens of the state be and is hereby designated "The New York State Senior Citizen for the Year 1975"; and be it further

Resolved, That a copy of this resolution be suitably engrossed and transmitted to Lucile Kinne as an appropriate memorial of this honor.

RESOLUTION ADOPTED BY TOWN BOARD OF AMHERST

Whereas, Lucile M. Kinne began working on May 19, 1950 for 9 years with the Salvation Army as a caseworker—a companion of the aged, on whose behalf she had perpetuated, instilled and awakened a job of life; and

Whereas, for two years in the City of Buffalo, Lucile M. Kinne had been involved in all phases of Senior Citizens Activities, and befriended minorities, migrant workers and the economically distressed, bringing honor upon herself and her community; and

Whereas, Lucile M. Kinne had been appointed by Governor Harriman in 1955 to help write the State Charter for the Aging, and was appointed by Governor Rockefeller to serve as a delegate to the White House Conference on Aging in 1961 and again in 1971, and has been serving on Governor Carey's Task Force on the Aging in 1975; and

Whereas, in 1963 146,000 retirees voted Lucile M. Kinne the Franklin Delano Roosevelt Award for Distinguished Service to the Senior Citizens of America, and for being on the committee which met to organize the National Institute of Senior Centers; and

Whereas, in 1971, Lucile M. Kinne was honored for organizing the New York State Conference on Aging, the first organization in New York State for professionals in the field of aging. She is a much sought advisor to local, state, national and service organizations; and

Whereas, Lucile M. Kinne has been named the New York State Senior Citizen for the Year 1975 by the Joint Select Committee on the Problems of the Aging, chaired by Senator John Flynn; and

Whereas, Lucile M. Kinne has brought State and National recognition to the Town of Amherst as a community concerned about its elder citizens.

Now, therefore, be it resolved, that the Supervisor and members of the Town Board of Amherst focus the spotlight on Lucile M. Kinne, for her commitment to her community; her superlative achievements, leadership and inspiration.

CLEVELAND SALUTES CHESTER J. KOCH

HON. JAMES V. STANTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. JAMES V. STANTON. Mr. Speaker, it is a pleasure for me to join in the tribute to one of the most dedicated and conscientious public servants who ever labored in behalf of the city of Cleveland, Chester J. Koch. Ever since the post was created by Cleveland City Council in 1941, Chester has served as the veteran counselor and patriotic coordinator of the city, and in fact, he is the only person ever to have held that post.

Through days of war, and days of rebuilding after war, Chester has offered a helping hand to servicemen and veterans, and thousands of greater Clevelanders remain in his debt for the job he has done. In addition, as a veteran of World War I himself, Chester has always strived to ensure that our community will never forget the sacrifices of those who served in the armed forces in time of war, and that these men and women will be accorded the high honor they deserve.

Because of these efforts, Chester has come to be recognized as an authority in planning and carrying out parades and other special events, and his expertise is often sought for events like the Christmas, Columbus Day, and St. Patrick's Day Parades. He is always glad to help, and this attitude is consistent with his participation in numerous civic organizations, such as the Early Settlers Association of the Western Reserve, the Mayor's Committee for the Handicapped, and the Bicentennial Committee.

The banquet to be held for him on June 1 is only the latest in a long series of honors. I join with the rest of Cleveland in saluting Chester Koch, and I wish him what I am certain is his greatest desire: many more years of service to our community.

ASK CONGRESS: AN OPEN LINE OF COMMUNICATION BETWEEN THE PEOPLE AND THEIR REPRESENTATIVES

HON. CARL ALBERT

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. ALBERT. Mr. Speaker, one of the most important ingredients of our democracy lies in an open line of communication between the people and their representatives in Government. The people have a right to know the views of their elected representatives, just as we have an obligation to ascertain the feelings of our constituents on the important issues of the day.

Several years ago, one of our colleagues created a vehicle designed to enhance a smooth flow of communications between the people and their representatives, and I would like to take this opportunity today to commend him and the successful program he has built up over the years. I refer to the nonprofit, public affairs television show called, Ask Congress, which was created by my distinguished colleague from New York (Mr. WOLFF). Ask Congress is a nonpartisan program which was developed solely for the purpose of fostering greater understanding throughout the country about the workings of Congress. I have had the pleasure of appearing on Ask Congress, as has our President, our distinguished minority leader, committee and subcommittee chairmen and their ranking minority members and members with special areas of expertise.

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Ask Congress is designed strictly as a nonprofit program—as videotapes are made available to interested stations on a cost basis. The show serves no special or individual interest, but rather the interest of the American people by contributing to their understanding of the Congress at work. It is a public affairs program which is truly a public service, and I hope that it will continue to have the success it has enjoyed over the years.

AUDIE L. MURPHY STATUE DEDICATION

HON. RAY ROBERTS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. **ROBERTS**. Mr. Speaker, ceremonies honoring a great citizen soldier, the late Audie L. Murphy, were conducted Saturday, May 17, in San Antonio, Tex. It was most fitting that the new Veterans' Administration hospital there was named after the young Texan who was the most decorated hero of World War II.

The Audie L. Murphy Memorial Foundation provided a most striking statue, sculpted by Miss Jimilu Mason, and a new memorial room, displaying the medals and memorabilia of the career of a young Texan who survived the fiercest of combat only to die in an airplane crash. He left a lovely wife and two sons who participated in the statue unveiling with us.

Evidence that Audie Murphy's great contribution lives on came when the chairman of the House Committee on Armed Services, MELVIN PRICE, of Illinois, was the principal speaker at a luncheon following the ceremony. He was introduced by our Texas colleague, Representative ABRAHAM (CHICK) KAZEN, JR., a new member of Chairman PRICE's committee.

I am pleased to share with my colleagues the remarks made by Congressman KAZEN and the statement of Chairman PRICE:

REMARKS OF MR. KAZEN

Mr. KAZEN. Mrs. Murphy, distinguished winners of the Congressional Medal of Honor, Mr. Administrator of the Veterans Administration, my colleagues in the Congress, ladies and gentlemen.

I am pleased to sit at the head table today with a distinguished group, facing an equally distinguished group in the audience. When I was asked to help arrange this program, I thought of San Antonio's interests—the concern for our military strength and the recognition that research and development must help us maintain that strength, the interest you have shown in the men and women you elect to public office, your continuing recognition of that message engraved in stone at the national archives building in Washington, that says "eternal vigilance is the price of liberty."

I speak seriously, rather than in jest, when I change those famous words slightly to say, "eternal vigilance is Mel Price of Illinois."

Our speaker today was a newspaperman before he came to Washington. In fact, he was a public official, too—he was elected to the county board in East St. Louis, Illinois, when he was 24, and two years later moved to Washington as secretary to his congressman. After 10 years, he joined the army and he was still in uniform when he was elected to Congress himself.

I'm not quite sure what the unniform of the day was, because Corporal Mel Price was on K-P duty at Camp Lee, Virginia, late one November night—in fact, he was helping unload a truckload of apples—when word came that he'd been elected to the House of Representatives. Being a dutiful soldier, he accepted a promotion to sergeant before he put his uniform aside and reported to his new duty station in the Capitol.

A wise and famous Texan, Sam Rayburn, was Speaker of the House, and he knew this new Member had more experience than the army had given him. Congressman Price, in his ten years on the Hill, had helped Congressman Edward Schaefer's service on the Military Affairs Committee, as our body was then known. It was natural for Mel Price to be named to the committee and he's been a vigilant member ever since.

Many of you know and respect his predecessor, Eddie Hébert of Louisiana, who joined the committee in 1941. This year, when some new Members launched a drive to—a term they use, though I don't accept—"clean house," Eddie Hébert was one of their targets. He didn't like it either, but if he had to go, he was pleased that Mel Price would carry on—and that's what our present chairman is doing.

I want to say a bit more about his contributions through the Armed Services Committee, but I should also cite two other important areas of effort. He's been outstanding on the Joint Congressional Committee on Atomic Energy. In fact, he was a pioneer in warning that the Soviet Sputnik challenge had to be met, but he pushed hard for peaceful as well as military use of the atom. His high personal standards were recognized when the House chose him as the first chairman when a committee on ethics and standards of official conduct was formed. Again, the recognition that "eternal vigilance is Price of Illinois."

In his work on the Armed Services Committee, as in his other efforts, he has constantly argued for Government policies and programs which combine a minimum of waste and a maximum of efficiency. He has persistently stressed the need for research in developing our defense capabilities, though I think it's a long way from unloading apples to pushing the C-5A aircraft, the nuclear submarines and carriers, the best battlefield weapons and all the rest.

A closing word: Mel Price has always remembered that our armed services represent the massed strength of individual American citizens, and he has never forgotten the human factor. He has contributed much to reform of the military code of justice, the health care and educational benefits for uniformed personnel and their dependents, and the development of our reserve forces.

Since some of you helped persuade me to ask for the assignment to the Committee on Armed Services and I was given that opportunity, I can offer personal testimony that he is a strong and determined leader. I am honored and pleased, therefore, to present to my friends here the distinguished symbol of eternal vigilance, my chairman and friend, Melvin Price of Illinois.

REMARKS OF CHAIRMAN PRICE

Chairman PRICE. It is an honor to join this distinguished audience in celebrating the dedication of a new memorial to one of America's great war heroes—Audie Murphy.

Real heroes like Audie Murphy seldom seek this recognition. Their acts of bravery usually have taken place under circumstances which permit no thoughts of medals or special awards—only survival. This certainly was the case of Audie Murphy, who throughout his life preferred to remain the shy, serious, self-effacing tenderfoot rather than a Titan among G.I. heroes. He was a man who rather than count his medals gave many of them away to children.

To me, Audie Murphy epitomizes the patriotic fiber that streams through our American ethic. It is this patriotism that American fighting men and women throughout our history have drawn on to help them persevere the perils of war.

Undoubtedly there have been thousands of acts of supreme bravery that have gone unrecognized and unrewarded in these wars. But it is equally certain that to most of these unsung heroes, courage, like virtue, it its own reward.

Be it in battle or peacetime, our armed forces are called upon constantly to make tremendous sacrifices. You and I who count on them for our defense should never forget this, and particularly today as we commemorate Armed Forces Day across the land.

There is a biblical quotation that says, "When a strong man armed keepeth his palace, his goods are in peace." Today, more than ever before, we should be heeding that advice. Despite detente and its opportunities the need for a strong military is no less today than it was a decade or more ago. We are living in a turbulent world. The Sino-Soviet border confrontation continues. The Middle East remains volatile. The conflict over Cyprus is still unresolved. Oil economics and politics have disorganized many of the large energy consuming nations. Any one of these situations could produce conflict that can quickly evaporate the mood of detente and we must be prepared for that strong possibility. In other words, challenges may arise even though the great powers like the United States and the Soviet Union do not wish to initiate them. So, lets not become delirious over detente.

Détente is meaningful only if we can maintain a credible deterrent, which means a strong defense in manpower and weaponry. Détente is no substitute for deterrence as the guarantor of peace in this nuclear age. Indeed, détente could even be dangerous to our national security, if it is used by the Soviets to cloak their maneuvering for advantage or if it induces us to weaken our defenses. Genuine détente spring from goodwill and an equilibrium of power, not from the strength of one and the weakness of another.

A relatively closed society like the Soviet Union has no difficulty in pursuing détente and at the same time strengthening its military forces. So long as the Soviets choose the road of competitive expansion, we have no alternative but to insure that we will not be left behind.

There can be no argument about the Soviet momentum in building its war machine. The Soviets now devote more resources than the United States to most of the significant categories of defense. The House Armed Services Committee was advised recently by the Secretary of Defense in his defense posture statement that, measured in our dollars, the Soviet Union outspends us in overall research and development by 20 percent; in general purpose forces by 20 percent and in strategic nuclear offensive forces by 60 percent.

Under such circumstances, the United States should be under no illusions about the effort and cost required to maintain a military balance.

This means we must have a broad range of weapon capabilities and not become dependent on a single type of nuclear or nonnuclear weaponry. A diversity of weapons enables us to be prepared for a wide range of contingencies, to respond appropriately to challenges and to insure that neither technological breakthroughs by potential enemies nor surprise attack will overwhelm our ability to respond.

To maintain this capability, we must be prepared to replace weapons systems which should be retired because of age or obsolescence. For this reason, we are obliged to replace the aging force of B-52 bombers with the B-1 bomber. Similarly, the Trident, as a newer, faster, quieter submarine, carrying larger payloads, will in time be replacing the Poseidon and Polaris submarines. New surface ships are also being built to modernize our aging Naval fleet which today has fewer ships than before World War II—this in the face of the Soviet Union which has steadily expanded its fleet to become a worldwide maritime power. None of our major systems are being retired solely because there is more advanced technology available. They are not replaced until they wear out.

Replacing old weapons with new ones is an expensive proposition. As weapons become more sophisticated, they inevitably cost more, due not only to inflation but to increasing complexity in technology. It has been estimated that major weapon systems grow in cost at an average of 5.5 percent a year compounded. So the cold, hard facts are that the weapons we need for an effective deterrence are going to be expensive today and even more costly tomorrow. I maintain that if we are to remain strong we should not go shopping bargain basements for our defense items.

Frequently you have heard echoed in Congress a popular assumption that the Defense establishment is so wasteful, inefficiently managed and layered with fat that its budget can be cut by billions of dollars without weakening our defenses. I assure you that the House Armed Services Committee does not condone waste, inefficiency or the development and procurement of weapons systems that are simply nice to have but not absolutely necessary. In fact, our committee has often been instrumental in weeding out these dollar-draining items in the Defense Department.

But our national security will be put in jeopardy if Members of Congress and the public continue to look upon the defense budget as a virtually endless source of funds for siphoning into social-economic porgrams. The thought of beating swords into plowshares sounds good but it just isn't realistic in today's troubled world.

The fact is that the share of the federal budget for defense is decreasing while spending in civilian agencies is mounting. In this year's proposed budget, 26.6 percent of it is earmarked for defense compared with 27.1 percent for fiscal year 1975. It should also be pointed out more than half—or $49 billion—of the proposed defense outlays for Fiscal Year 76 will go for the pay of active duty military personnel, civil service employees and retired military persons.

Drastic cuts of the size advocated by some of our colleagues in Congress would carve deeply into the muscle of our defense. Further they could worsen the fears of some allied nations around the world who worry that defeat for our side in Vietnam means that the United States may not live up to its defense pacts with foreign partners. We must allay those fears. Whatever lessons are to be drawn from the sad, bitter experiences of Vietnam, it would be a fatal mistake for the United States to withdraw from its responsibilities in the contemporary world.

For various reasons, our state of defense readiness already leaves much to be desired. Replacement of Israeli losses have drawn down some of our equipment reserves. Training exercises have been drastically curtailed to conserve precious fuel. Inflation plus increased military pay have eaten into funds for operating and maintaining our military bases at home and abroad. Officers from your own military installations in this area, I am sure, can attest to the importance of improving our readiness. Our forces must be ready to respond, with units fully manned, war reserves in place and equipment and facilities maintained in top operating condition.

If indeed we are to maintain a military posture second to none there is no substitute for the hard, costly and unremitting effort required to keep up our national defense. Our strength can preserve the peace. Weakness only invites war. We can deter war only if we have the perseverance exhibited by the man we honor today. This lesson in dedication is the great legacy he left to us.

DÉTENTE DRAINING U.S. TECHNOLOGY

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. McDONALD of Georgia. Mr. Speaker, it was interesting to me to note the other day that Mr. Jack Anderson, the columnist has joined growing chorus of those who suspect that the East-West trade policies of our government are working to our detriment.

The advantage is all on the Soviet side as Mr. Anderson pointed out in his column which appeared in the Washington Post on May 6, 1975. The article follows:

DÉTENTE DRAINING U.S. TECHNOLOGY

(By Jack Anderson and Les Whitten)

The diplomatic cables have brought reassurances from Moscow that detente is not dead.

The Politburo has dropped hard-liner Alexander Shelepin and has reaffirmed its support of party chairman Leonid Brezhnev's accommodation with the West in deferrence to detente, the Kremlin has even refrained from crowing over the U.S. setback in Southeast Asia.

But while detente has brought a welcome relaxation of tensions, the United States has paid a price that the American people haven't been told about. Detente also has produced a technology drain from the United States to the Soviet Union that has cost the United States millions of dollars, thousands of jobs and some valuable scientific secrets.

Sen. Henry M. Jackson (D-Wash.) has become so concerned about the economic consequences and potential danger to national security that he has ordered a Senate investigation.

Here are the details:

The Soviet-American scientific cooperation has been largely one-way. Soviet technology lags years behind our in most important fields, including agriculture, deep-sea exploration, computers, aircraft development, and space science.

The Russians have little to offer and much to gain, therefore, from the technological exchange. With the active encouragement of the State and Commerce departments, American firms have exported, or are planning to export, millions of dollars worth of technological information and products.

This has upset U.S. intelligence analysts who believe the Soviets are trying to exploit American technology primarily for military purposes.

Finished products are sold to the Soviets, who often put them to military use. Several American firms are bargaining to sell advanced computers and airplanes to the Soviet Union. These models are far more sophisticated than anything the Soviets have produced.

U.S. firms also sell licenses that permit the Soviets to build the products. In such instances, the Soviets buy everything, including blueprints.

Valuable information is released even before contracts are signed. The Soviets dangle lucrative contracts in front of U.S. companies, and while negotiations are in progress, the Soviets seek detailed technical information and send engineering teams to inspect U.S. plants. By the time they leave, one source said, "They have stolen the candy store."

U.S. companies also have offered to build and operate plants for the Soviets. Several proposals are under consideration to build huge, sophisticated airplane manufacturing complexes in the Soviet Union.

Scientists, students and technicians also are exchanged. Under one recent program, 38 Russian students came to the United States to study science, engineering, business, and computers. In exchange, 38 American students went to the Soviet Union and studied history, political science, sociology, and literature.

Experts estimate that at least half the Russians who come to the United States under the exchange programs report back to the KGB, the Soviet security police. The FBI has asked for additional agents to watch them while they are in the United States.

On the other hand, virtually every American male who goes to Moscow for more than two weeks finds himself with a Russian girl friend who wants to "practice her English," intelligence souces told us. Most of the girls are believed to be KGB agents who are fluent in English.

As an illustration of the technology drain, the Soviets are taking advantage of detente to catch up with the United States in computer science, the key to America's overall technological superiority.

The Soviets are at least 10 years behind in computer development. They have produced one computer of significant capacity, and it would take about 32 of them to equal one top-line U.S. computer.

The Soviets would be further behind if the West had not sold them some advanced computers. One U.S. firm, Control Data Corp., has signed preliminary agreements to help the Soviets build plants to manufacture computers and peripheral equipment.

The Soviets have made sure they will receive considerable technology in the bargain. One agreement, signed Oct. 19, 1973, calls for the "exchange of scientific and technical information; organization of lectures, symposium and demonstrations of the production samples; (and) joint research, development and testing, exchange of research results and experience."

The Soviets also are eager to catch the United States in production of wide-bodied jets. They have one on the drawing board that will come off the production line in 1980. Even then, it will be inferior to current U.S. models.

Holding out possible contracts, the Soviets have obtained detailed plans for wide-bodied jets from Boeing, Lockheed and McDonnell Douglas. A team of about 40 Soviet specialists has visited plants of each company.

Detente may well be Secretary of State Henry A. Kissinger's crowning achievement, but it has been a headache for the FBI and the Central Intelligence Agency.

PATRIOTISM

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. YATRON. Mr. Speaker, Adlai Stevenson, when speaking of patriotism, once said:

Patriotism is not a short, frenzied outburst of emotion, but rather the steady dedication of a lifetime.

Indeed, dedicated, active participation on community affairs symbolizes the very spirit by which this country was built.

On December 30, 1974, a man who exemplifies this spirit retired from the bench of the eastern Pennsylvania U.S. District Court, after 33 years of faithful service not only to his profession, but to his community as well.

Judge Hiller began his career as a U.S. attorney in Philadelphia, where he served from September 1942, to June 1943. At that time, he received a military leave and became a captain on the Judge Advocate's staff in Washington from June 1943, to June 1946.

He returned to his post in Philadelphia and continued in his work as an assistant U.S. attorney from June 1946, to December 1947. In December of 1947, he first became a referee in bankruptcy for the eastern Pennsylvania U.S. District Court, and later a judge in bankruptcy. He continued in this position until December of 1974, when he retired after so many years of distinguished service.

Mr. Speaker, I believe that Russell Hiller represents the best of American dedication to service, hard work, and perception of high goals and achievement. His energetic activities and leadership are reminiscent of those who molded our Nation; those who had a vigorous and vibrant attitude toward working for community betterment.

It is my privilege to join with many others who will be honoring Judge Russell Hiller on June 6, in congratulating him for this outstanding career and for the service he has given his fellow Americans.

SENIOR CITIZENS AND THE ECONOMY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. DOWNEY of New York. Mr. Speaker, on March 3, I held a day-long public hearing in my district on senior citizens and the economy. I heard testimony from more than 2 dozen witnesses, including heads of senior citizen organizations, agency directors, and some very outspoken individuals representing themselves. The hearing room was packed with interested older Americans anxious to be heard by the Congressman.

Mr. Curtis Lee, a district manager of the Social Security Administration, was a witness at the hearing. He presented an excellent summary of his office's operations. The material in his testimony was very helpful to me in making judgments about the scope and nature of problems facing senior citizens in my district. I include his testimony in the RECORD as an example of the value of this sort of information to Members of Congress.

The testimony follows:

The CHAIRMAN. Our next witness will be Mr. Curtis Lee, the District Manager of the Social Security Administration.

Mr. LEE. My name is Curtis Lee. I am District Manager of the Social Security Administration with headquarters at 75 Oak Street, Patchogue, New York. My assigned area or jurisdiction is all of Suffolk County except for the Towns of Babylon and Huntington and a small portion of the Town of Smithtown, which are a part of the Huntington district.

Mr. Martin R. Bowe is the Manager of the Huntington district and he has his headquarters in Huntington Station.

Since my service area contains some two-thirds of the beneficiary population in Suffolk County and this meeting is being held within my assigned area, I am representing both the Huntington and Patchogue districts by agreement with Mr. Bowe and with the approval of our higher headquarters.

There are presently four Social Security offices serving residents of Suffolk County. They are located in Babylon, Huntington, Riverhead and Patchogue.

The Babylon and Riverhead offices, while within the overall service areas and under the jurisdiction of the Huntington and Patchogue district managers respectively, are each assigned a specific service area within the district, are under the immediate direction and control of an on-site manager and are staffed and equipped to provide the same full-time, full service to residents of their assigned areas as exists at the parent offices.

In his letter of invitation, Congressman Downey indicated a particular interest in Social Security benefit levels for recipients in Suffolk County, our experience with the Medicare and Supplemental Security Income provisions of the law and of any recommendations we may have for changes in the Social Security Act.

To assure that we are all speaking the same language, I would like to point out that the term Social Security benefits refers to the old age survivors and disability payments made under the earnings related employee-employer contributions program generally referred to as Social Security. While the term Supplemental Security Income represents those payments paid out of general revenues to those of limited income and resources who are sixty-five and over or blind or disabled as defined in the law.

I. Social Security Benefits.

As of August, 1974, the date of the latest official estimates, there were 136,680 individuals in Suffolk County receiving Social Security benefits. These benefits totalled $23,430,520 per month. The average benefit was $171.50.

101,123, seventy-four per cent of all beneficiaries, were aged sixty and over. While those sixty-five and over comprised sixty-four per cent, 84,475 of the total.

I regret that due to limitations in the statistical framework and scope, it is not possible to establish an average benefit amount for the entire age sixty plus beneficiary population. However, some specifics can be cited for various parts of that group.

For example, in Suffolk County, the average payment to a retired worker at this time is approximately $200 a month. The average payment to a wife of a retired worker who receives benefits as a wife, she being aged sixty-two, is $100 a month. The average payment to a retired husband and wife benefit family is $300 a month at this time. The average payment to widows aged sixty and over is presently approximately $189 a month.

There are a number of individuals between ages sixty and sixty-five such as disabled workers and wives with minor children in their care, for whom it is impossible to establish any average, but the average benefit in this group would be somewhat higher than that in the case of the retired worker or wife we spoke about a moment ago.

At this point, I find myself a little bit embarrassed in that my notes were stolen by Bill Bartach, and I'm afraid he did a much more comprehensive job. I know. I was present today, but, if you will bear with me, I'll read what I have on Supplemental Security Income payments.

II. Under the Supplemental Security Income Program, an eligible individual is assured of a monthly income which is based on his living arrangement. For example, a single individual living alone is eligible for $206.85 a month. If he is living in a household with others, it's $154.18 a month. If he is in an adult home, it's $375 a month. In the case of an eligible couple, the total payable is somewhat less than double the amount payable to a single individual except when both are in an adult home.

Over and above these amounts, the eligible individuals may have an additional twenty dollars per month in unearned income such as Social Security benefits and pensions from employers. Those who are gainfully employed may have a still higher total income and still be eligible for some SSI payments. The Supplemental Security Income payments in Suffolk County are made up of federal, county and state funds as I think you have heard before.

In January, 1974, the SSI Program replaced the former Old Age Assistance, Aid to the Blind and Aid to the Disabled Programs that had been administered by the states. In our case, Suffolk County.

At that time, there were some 9,300 individuals in Suffolk who were receiving assistance under those programs. Of the total, thirty-eight per cent were age sixty-five and over. By December, 1974, total recipients under Supplemental Security Income had increased to 14,500, of which more than fifty per cent or 7,400 were age sixty-five and over.

At the present time, there are no benefit figures available on a county basis. However, statewide, the average assistance payment in these categories increased from $131 per month in December, 1973, to $156 in December, 1974, under the Supplemental Security Income Program. It should be noted that this increase includes ten dollars per month to replace the value of food stamps formerly received by many recipients but not included in the December, 1973 figure.

I believe it is a reasonable assumption that residents of Suffolk County received at least the average increase, and based on the higher average payment than made to residents in 1973, the average payment here would be somewhat higher than that which pertains throughout the state.

In terms of service in the Supplemental Security Income area, our operational capabilities and performance have improved tremendously over the past year.

Let me stop at this point. I was somewhat taken back by several statements. It's not my point to argue with them that it took us three and as many as six months to process a SSI claim. Naturally, that isn't so. It may be true from the disability area. I address myself, if I may, to the senior citizen.

We are now processing sixty-five per cent of the aged Supplemental Security Income claims in fewer than twenty days and constantly strive to improve that figure. Similarly, with the improvement in our data processing systems along with the greater technical knowledge and experience at the local level, we can now effect necessary post-eligibility transactions. For example, changes in address, changes in income and payee changes much more efficiently and expeditiously than in the early days of the program.

The Supplemental Security Income Program has also had an impact in the Medicaid area. Under an agreement with the State of New York, we are now making determinations of Medicaid eligibility as part of the Supplemental Security Income process. By this

means, duplication of effort by the county and applicant is avoided, less shuffling of claimants between our two agencies is accomplished and, with the increase in the beneficiary population, Medicaid assistance is made available to more of the aged.

III. MEDICARE

The Medicare Program, which is designed to provide hospital and medical insurance coverage for all individuals age sixty-five and over and to certain individuals receiving disability insurance benefits under SSA, has been in operation since January, 1966.

It is my impression that the hospital insurance coverage which pays all hospital costs for sixty days subject to a current deductible of ninety-three dollars has, for the most part, served those senior citizens admirably since the average hospital stay is far below sixty days.

On the other hand, I would have to assume that the Medical Insurance Benefit Program which primarily involves doctors' fees, prostheses, medicines et cetera as distinguished from hospital charges has been less effective in meeting the needs of senior citizens. This is because of the formula for reimbursement in the law, ever increasing fees for medical services and the restrictive nature of the coverage provisions and formula for reimbursement for medicines and other medical expenses.

By and large, at this time, I believe the overall administration of the Medicare Program to be efficient and effective in terms of the individual within the limitations previously described.

At this point, there remains the question of how well those several programs are responding to the needs of senior citizens in Suffolk County.

While I have tried to respond in terms of statistics and service, I have consciously refrained from commenting in terms of financial adequacy in the belief that there are others in attendance who are better qualified, either professionally or by virtue of firsthand experience and knowledge, to comment and report on this aspect of the question.

I would like to add parenthetically that this is borne out, and I wish Bill Bartsch had followed rather than preceded me.

Similarly, I cannot offer any recommendations for changes in the Social Security Act. This is entirely within the jurisdiction of the Secretary of the Department of Health, Education, and Welfare. This is not to say that we at the local level must remain mute and play no role in such recommendations. Our input in these matters takes the form of monthly reports which includes reaction, sentiment and expression as to the existing laws and recommendations for change which we encounter in our day-to-day contacts with the public and groups in our assigned areas.

For present purposes, I assure you that the proceedings of this meeting, including the sentiments expressed and conclusions reached, will be the subject of a special report for study and consideration at the highest levels of the Social Security Administration. To that end, Mr. Downey, I would appreciate that transcript you spoke about.

In closing, it is my hope that this presentation has been informative, responsive to the theme of the meeting and helpful to those in attendance.

I will be most happy to answer any questions in my field throughout the rest of the day.

Thank you.

The CHAIRMAN. Thank you for your excellent presentation.

I have some questions, but I'll trust them to you in written interrogatories some other time. There are many other witnesses whom I would like to get to, sir.

LEGISLATION DEALING WITH THE ENERGY PROBLEM

HON. DAVID F. EMERY

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. EMERY. Mr. Speaker, today I am introducing legislation to deal with the energy problem created, in part, by the large number of motor vehicles presently on our Nation's highways. We as a nation have not dealt effectively with the energy requirements of the transportation sector. There is a great need to develop a total effective and efficient ground transportation system, particularly with regard to the automobile. What is the background of our present transportation system, and why is there such a high priority need to take action in this area?

There is no doubt that the energy crisis continues. We who live in the Northeast are acutely aware of the problems associated with energy, both from our dependence on imported oil and the possible future oil production off the east coast. Energy production and use is not just a problem for the Eastern States, but a problem which is relevant to the entire Nation.

I sincerely believe that this country must reduce its energy consumption. One way of accomplishing this objective is by dealing with the transportation sector of our economy. Transportation accounts for 25 percent of the total U.S. energy consumed, and motor vehicles account for over 75 percent of the transportation energy. Automobiles account for 4.7 million barrels of fuel per day, an increase of 50 percent in fuel consumption since 1950.

The automobile is now found in 8 to every 10 households and 1 of every 3 has 2 or more. It should be realized that these automobiles which are on the road today have decreased 10 percent in fuel economy since 1950, while the use of such automobiles have increased 170 percent. We are increasing our use of the automobile, yet we are driving a model which is less efficient and consumes more energy than those that were on the road in 1950.

Legislation has been introduced in both the House and Senate to deal with the motor vehicle problem. The bill that I am introducing today deals with many of the same problems and solutions which have been addressed by others. However, my bill is organized to consolidate research and development efforts within a single division, under the Administrator of ERDA. This will pool the dollars and personnel required to do the most effective job in improving ground transportation. We should look at what is taking place today in ground transportation studies, and review these programs to determine if they should be consolidated within one governmental agency.

ERDA presently has the alternative automotive power systems—AAPS—program which was inherited from EPA with a budget of $6 million for 1975. NASA has performed supportive work for EPA in developing an automotive turbine program for $2.5 million in 1975. The NSF has performed work on advanced battery systems for $1.7 million during fiscal 1974. The Department of Transportation is working with $3 million to improve automobile efficiency. The Department of Defense will spend $4.2 million during fiscal year 1975 to conduct research and development on military engines.

This is a total of $17 million spread across five different agencies, and it should be noted that the Department of Defense $4.2 million is not for civilian use and requirements. The Atomic Energy Commission recommended $53 million in fiscal year 1975 and a total of $300 million for fiscal years 1975 through 1979 for research and development for advanced automobile propulsion systems. The $17 million which is available does not come close to the recommended $53 million, and the money which is available is scattered across five different agencies.

A consolidated system effectively programed should have the ability to perform with ERDA what was accomplished with NASA and our space program. Private industry and Government can work together effectively to develop the most efficient and economical transportation system possible. There is considerable research and development being conducted by private industry. The new division which I propose will have no regulatory powers, but will be adequately funded to review the various developments dealing with motor vehicles. This will make available a central body of technical expertise from which all sectors of our society can draw.

There have been many past proposals which may offer some improvement to future motor vehicle designs. The U.S. Patent Office has 19,902 patents which apply only to carburetors, and this is just an example of patents dealing with only one part of a motor vehicle. There are many other patents that should be reviewed in order to insure that we are utilizing the best available expertise. I do not expect a miracle to be brought forth as part of a patent review, but there are many small changes which may be gained. Under my proposal the new division in ERDA will review all patents dealing with motor vehicles, those which have been previously submitted, plus annually reviewing any new patents.

Mr. Speaker, I would hope that all sectors of our economy, both public and private would enter into support for this bill. Changes to the automobile are taking place today in terms of both the design of the engine and body, however, the changes which are being made are taking place in a very pragmatic sequence. One of the reasons for this is the need for the industry to meet the goals which have been established for emission control by the Federal Government.

The facts are that sufficient funds are not being spent in research and development for alternative propulsion systems. If money is to be spent the amount must be adequate to gain the desired results. The initial funding that I propose would be low to allow for stable growth of the program. I propose to authorize $20 million for fiscal year 1976, $40 million for fiscal year 1977, $100 million for fiscal year 1978, $100 million for fiscal year 1979, and $100 million for fiscal year 1980.

The bill which I propose is relatively simple, yet it can have a large positive impact on this Nation's energy program and the future of the motor vehicle industry as well as all forms of ground transportation in this country.

AFTER VIETNAM—APPEASEMENT IS OUR GREATEST ENEMY

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. CRANE. Mr. Speaker, after the loss of Vietnam to Communist aggression the world is much less safe. Those who seek world domination will only wonder whether or not the United States will, in fact, stand by its commitments. Our allies will not be certain whether or not the United States can be counted upon to come to their defense in the event of an attack. Recently, a former Belgian cabinet minister was quoted as stating that—

> After the first betrayal of a lover, the second is much easier. I've experienced that.

Our potential enemies will surely seek to test our own resolve and willingness to meet our responsibilities. That test may come in Thailand, in Korea, in the Middle East, or in Europe. If we fail that test, after failing the test of Vietnam, the world will be plunged ever closer to anarchy and war. Our lack of resolve in South Vietnam makes the entire world less secure and the future of freedom more tenuous.

Speaking after the Vietnam defeat, Anthony Eden, Earl of Avon, reflected upon the appeasement of Hitler which preceded World War II and our current acquiescence in the victory of Communist aggression. He warned against appeasement of today's Communist leaders and said, "Above all, no appeasement—which means no yielding to obtain a little present ease at the cost of the future."

Mr. Eden, who was Britain's Foreign Secretary before and during World War II and was Prime Minister from 1955 to 1957, noted that the United States and Western Europe have a special relationship. He stated in a recent interview that—

> Its basis is neither sentiment nor tradition, or even much common ancestry. It is stern political reality. If Western Europe were ever to be lost to the free world, the balance of resources and manufacturing capacity and therefore political power would be dangerously tilted against the American continent. . . . This must not be allowed to happen. NATO therefore has the strongest of all cement—mutual survival.

In an era when the American role in the world seems uncertain and hesitant, we should carefully consider the wise counsel of old friends such as Anthony Eden.

I wish to share with my colleagues an interview with Anthony Eden which appeared in the London Daily Telegraph and insert it into the Record at this time:

[From the London Daily Telegraph, Apr. 30, 1975]

Anthony Eden, Earl of Avon, Last of the War Leaders, Warns the West: Still Our Greatest Enemy: Appeasement

Thirty years after the end of the second world war, the Earl of Avon sees freedom again endangered and says the watchword must still be: "no appeasement."

Appeasement of Hitler's Germany was the issue on which, as Anthony Eden, he resigned as Britain's Foreign Secretary in 1938. He returned as Foreign Secretary with Winston Churchill and is the only survivor of the Western leaders who won victory in Europe.

Now, speaking amid a succession of Communist victories in South East Asia, he warned against appeasement of Stalin's successors.

"Above all," he said, "no appeasement, which means no yielding to obtain a little present ease at the cost of the future."

Lord Avon was interviewed at the 17th century manor house where in retirement he farms and until recently bred pedigree cattle.

He is 77 and has long had to be careful of his health and energy, but the voice and grasp were as vigorous as ever.

He conducted the two-hour interview in the style that Churchill conducted much of his wartime work, propped in bed and surrounded by newspapers, British and American.

The room looks out on the rolling greenery of the Wiltshire countryside. The Countess of Avon, who is Churchill's niece, was on hand throughout, dealing with a stream of telephone calls.

Lord Avon remarked on an Associated Press picture of casualties among South Vietnamese troops defending the road to Saigon.

"Tragedy," he said. "They look little more than children."

This led into his theme of the central importance of the North Atlantic Treaty in the defence of freedom.

He stressed his view that President Truman and Secretary of State Dean Acheson, Washington's leaders in the immediate post-war years, were the strongest team in foreign affairs that the United States has known since the war.

"They were a thousand times right," Lord Avon said, "to build Nato with Britain and France, just as we were right in 1954 to expand it by bringing in Germany and Italy. The Brussels Treaty, originally aimed against Germany and Italy, was transformed into a mutual assistance pact.

"These were landmarks in statesmanship. Today, Nato is more than ever important. It is indispensable for security or for any future negotiations across the iron curtain."

No appeasement does not mean an end to East-West negotiations, or even an end to concessions, he explained, so long as any concession by the West is matched with a full and fair counterpart.

He gave an example: "Suppose Russia were to offer to withdraw three divisions back into her territories. This would be no sufficient justification for a similar withdrawal of three United States divisions across the Atlantic to America.

"Geographically the two things are not comparable. Nor are they comparable when Soviet armed forces are so greatly superior in numerical strength and grow daily in the power of their equipment."

The United States and Western Europe indeed have a special relationship but must be clear just what it means.

"Its basis is neither sentiment nor tradition, or even much common ancestry. It is stern political reality.

"If Western Europe were ever lost to the free world, the balance of resources and manufacturing capacity and therefore political power would be dangerously tilted against the American continent and the remaining free countries of the Pacific.

"That must not be allowed to happen. Nato therefore has the strongest of all cement—mutual survival."

In this context Lord Avon urged Greece and Turkey, both Nato members, to settle their differences over Cyprus, either with or without the help of friendly powers.

"Fundamentally," he said, "the two countries' interests are the same and they both recognised this when they applied for membership of Nato.

"It should not be impossible for Ankara and Athens to negotiate their Cyprus differences into an acceptable settlement. The essential for both the Greek and Turkish peoples is that they should continue their work together in Nato, as they so wisely perceived many years ago.

"We have to work for international unity and pay for it if we mean to preserve the freedoms which really count—freedom of speech, of thought, of Press, of movements.

"We have to guard those freedoms by fair contributions to their defence. The free nations must get together and stay together. They must plan together and act together.

"It will not be easy, but there is no other way if government by free peoples is to survive any where on this threatened planet."

Turning to the Middle East, and the prospects for peace there, Lord Avon drew on his experience of the now largely forgotten Trieste crisis of the early 1950s, a cold war row that was defused by unspectacular diplomacy.

He first expressed "convinced support" for President Nixon's initiative during the Arab-Israeli war of October 1973, when a United States airlift of equipment helped restore the balance against sophisticated weaponry supplied by the Soviets for surprise attack on Israel.

ALLIES DOUBT US? WHAT ALLIES?

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. ASHBROOK. Mr. Speaker, there has been a rising clamor from foreign countries that the United States cannot be depended on to maintain its foreign commitments. Many of these same nations seem to forget what the United States has done for them and other nations throughout the world.

Since 1946 the American taxpayer has given more than $164 billion in foreign aid. Much of this was a sheer waste but the intention was to help these so-called allies. As this money had to be borrowed before it could be given away, the total including interest comes to more than $269 billion.

Perhaps then, we in this country should be asking now much we can depend on some of those countries which we consider our allies. Maybe they are not really allies in some cases but only friends for as long as we can do something for them.

To depend on Italy would be open to serious question. In the last 30 years Italy has had 37 governments. Last fall the Christian Democrats, Social Democrats, Socialists, and Republicans took 2 months to form a government on the

understanding that it would resign after 6 months.

In that country mail not only goes undelivered for weeks, but is also destroyed by the ton. Garbage piles up, kidnappings increase, works of art are stolen from museums and churches, terrorist bombings are on the increase, and the list goes on.

Economically the country is a disaster. The government apparatus takes almost half the national income. The country's deficit has doubled in the past year. Inflation is around 28 percent a year. Fifty thousand small businesses have folded. And these are only a few examples of the financial mess.

On top of all this, there is growing consideration of a so-called Grand Coalition between the Christian Democrats and the Communists. The Communist Party already has more than 1,600,000 dues-paying members and polled more than 27 percent of the last national vote. It has a large publishing complex and a huge organizational network.

The present condition of Italy does not make it either a great or trustworthy ally. Unfortunately, other countries are not much more dependable.

Since the days of World War II when the United States provided men and money to first defeat the Germans and then rebuild France, the attitude of France toward the United States has changed. In the 1960's France withdrew from most of NATO's activities. Both Presidents De Gaulle and Pompidou spent little effort in trying to maintain good relations with our country. Who can forget De Gaulle's efforts to accumulate our gold reserves despite our financial support of France?

When Jobert was French Foreign Minister, he seemed to take particular delight in driving wedges between the United States and Europe. He made such charges as the United States was "brutally brushing aside" Europe.

While President Giscard of France seems to be changing some of the more anti-American positions of De Gaulle and Pompidou, he still is not acting like an ally. He recently has announced that he will not take part in a NATO summit that President Ford and other NATO leaders are planning to attend.

But then I suppose it is too much to ask to expect good reaction. Especially since fiscal year 1946 we have given France an estimated $7,246 million in foreign assistance. Most of this was from the Marshall Plan which provided the money to rebuild France after World War II. They never have repaid their legitimate debts to us.

Looking at other NATO countries the picture is just as dismal. Greece, a recipient of more than $4 billion in U.S. assistance, and Turkey, a recipient of more than $6 billion in U.S. assistance, are at each other's throats. With the change in regimes in Greece anti-Americanism seems to have grown by a quantum leap.

Portugal, one of the only two of the NATO countries that would allow us to use our bases for supply of Israel during the last war, is going further and further left. It already has stated that no such usage of bases in the Azores or elsewhere would be allowed again.

While the Communists came in third in recent elections in that country, the leadership of Portugal seems determined to push the country in that direction. Nationalization of business and industries has taken place.

Businessmen have been put in jail for lending money to "social reactionaries" and for unknown forms of "economic sabotage." Businessmen are faced with both a freeze on prices and quickly escalating labor costs.

The Communists are gaining control of the labor unions and are also in charge of trade union committees to which newspapers and others must apply for credit.

For those who want to escape from Portugal that is not too easy either. It seems that only journalists, foreign tourists, and Portuguese migrant workers have the right to get in and out of the country. It is interesting to note the silence from those in this country who would be so quick to jump on any such transgression from democratic norms if it were a Chile or Korea doing it and not a leftist Portugal.

The Christian Democratic Party has been banned. The Social Democratic group has had its headquarters completely burned out.

It is difficult to describe Portugal as a serious NATO ally—a country with a controlled press, a more and more nationalized industry, arrests in the middle of the night, and growing Communist control. As an aside, we have given Portugal more than $486 million in foreign assistance since 1946.

Great Britain has been pulling back from its foreign commitments throughout the world. The British Empire has changed from on which the sun never set to one on which the sun is always set. Economically, Britain is quickly gaining a reputation as the "sick man" of Europe. The same Socialist labor leaders who seem bent on grinding that country's once great system to dust have the gall to doubt us. Who can forget that the British traded with North Korea and North Vietnam while our men were dying there.

Another perspective on NATO shows that the United States is also expected to bear the brunt of the cost of defending Europe. A listing of NATO countries with the percentage of their GNP used for defense expenditures in the year 1972 shows a range from 0.8 percent for Luxembourg to 5.6 percent for Portugal. If Portugal is excluded, which under present considerations is warranted, Britain is the highest with 4.6 percent. Most of the other countries fall into the 2 to 3.5 percent range. For the same period the United States was spending 7.2 percent of its GNP on defense.

There is little wonder that some in this country are questioning the reliability of our NATO allies and wondering how those countries can question us after we have put so much into their countries and continue to put so many resources into their defenses.

Australia has critized past American policy in Vietnam. It has talked of new directions. Its Prime Minister has said it is not a "satellite" of anyone. He has also stated:

> For twenty years I have been appalled at the damage we of the West have done to ourselves and to other peoples by our Western ideological preoccupations.

I myself am amazed that the Prime Minister blames the West for "ideological preoccupations" when it has been the Communists who through their "ideological preoccupations" have seen the necessity for making war in Indochina, and for giving support to numerous terrorist groups throughout the world.

All the while we were involved in Vietnam numerous allies of ours were trading with North Vietnam. But then I guess you cannot expect much different when this country was and still is engaged in competitive bidding with those same countries to sell advanced technology and goods to the Soviet Union and Communist China.

Under a policy of détente and a growing military inferiority the United States is gaining a position where ally and enemy alike can castigate and kick around Uncle Sam. In Vietnam our Government maintained it was fighting for liberty against the North Vietnamese Communists while rushing to give credits and technology to the two Communist giants.

We have given foreign aid to countless nations throughout the world—friend and foe alike. The aid has made our supposed allies ready to kick us when we are down and our foes to continue kicking us all the time.

Under a foreign policy with no clear goals, American military power has been eroded through onslaught by enemies at home and by administrations which can neither explain nor justify needed defense expenditures.

Enemies are assiduously cultivated while a friend of our country—the Republic of China on Taiwan—is made to wonder if the United States will continue to even diplomatically recognize it.

The American people are told that we must increase our defenses in order that we can give them up at a later stage of various arms negotiations. The truth of the matter is that we need more defense to face the new missiles being developed by the Soviets, the new naval ships being launched by the Soviets, and the step-up of pressure on the West throughout the world.

But one thing we must learn is that giving away millions and billions of dollars neither buys friends nor buys the will of countries to resist. I continually hear my liberal friends say that our allies are reviewing their policies and considering whether they can depend on us. Turn that around. Let us review our policies to see if we can depend on them or, further, whether they deserve our support on the basis of their policies.

Where have our so-called allies been while world Communism has been on the march? In too many cases doing business with them. Do they defend themselves or do they rely almost solely on our military might. The dollar held many of them up for two decades. Now that the dollar is in trouble—partly due to the

United States being too generous to our allies—where are they? The French deliberately withdrew gold from this country. With the exception of West Germany, few examples of reciprocity were evidenced by allies. Indeed it is a time for a review of policies—ours.

EXCHANGE OF TOASTS

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. BROWN of Ohio. Mr. Speaker, on the evening of May 8, 1975, I had the pleasure of attending the state dinner given by the President and Mrs. Ford honoring the Prime Minister of Singapore, Lee Kuan Yew. During the course of the evening there was an exchange of toast between President Ford and Prime Minister Yew, which I found to be most interesting in view of the developments in Southeast Asia in recent weeks. With the thought that these remarks might be of interest to my colleagues, I would like to insert them in the RECORD at this point:

EXCHANGE OF TOASTS BETWEEN THE PRESIDENT AND LEE KUAN YEW, PRIME MINISTER OF SINGAPORE, THE STATE DINING ROOM, THE WHITE HOUSE, MAY 8, 1975.

The PRESIDENT. We are here this evening to welcome to Washington the very distinguished Prime Minister and Mrs. Lee of Singapore, and we are delighted to have both of you here, Mr. Prime Minister, and Mrs. Lee.

Regrettably, I have not yet had the opportunity, Mr. Prime Minister, to visit Singapore and, unfortunately, until this morning, I had never had the opportunity to get acquainted with you and to exchange views with you. But obviously, because of your reputation and your country's reputation, I have known both of you.

I must say that the reputation of both the country and yourself is carried very far throughout the world. In its brief existence, Mr. Prime Minister, a decade of independence, Singapore has compiled a tremendous reputation and record of accomplishment.

Asian traditions have blended in this case very successfully with modern technology to produce a prosperous and a very progressive society without sacrificing a distinctive cultural heritage.

Singapore has built for itself a position of great respect and influence in Southeast Asia and throughout the rest of the world, and I have noticed that in my many contacts with other leaders in the Commonwealth, as well as elsewhere.

As the principal architect of this success, the Prime Minister has become widely known, not only for what Singapore has accomplished under his leadership, but also for his very broad grasp of international relationships.

Over the last decade, he has achieved a very special status among world leaders for his very thoughtful and his articulate interpretations of world events. He is a man of vision whose views are very relevant to world issues and whose advice is widely sought.

When the Prime Minister speaks, we all listen most carefully, for good and sufficient reasons, and we come away from those experiences far wiser.

I am especially pleased that we have an opportunity to exchange views with the Prime Minister at this time. We have had a tragedy in Indochina. It is affecting all of the countries in Southeast Asia, as well as all of us who are deeply concerned for the future of Southeast Asia and for the cause of freedom.

It has made the problems of Southeast Asia more difficult, but let me say without reservation, we are determined to deal affirmatively with those problems, and we will deal with them.

The Prime Minister's visit gives us the benefit of his experience and his wisdom in assessing the current situation in that part of the world. It also gives me the opportunity to assure him that our commitments in Southeast Asia and elsewhere, if I might add, are honored and will be honored, and that our concern for the security and for the welfare of free nations in Southeast Asia is undiminished.

Mr. Prime Minister, and Mrs. Lee, it is a great pleasure for Mrs. Ford and myself to have you here with us this evening and at last to have an opportunity to have an acquaintanceship and a fine evening with you.

Both Mrs. Ford and I have looked forward to this for some time.

Ladies and gentlemen, I ask you now to raise your glasses and join with me in offering a toast to the Prime Minister of Singapore and to Mrs. Lee.

PRIME MINISTER LEE. Mr. President, Mrs. Ford, ladies and gentlemen:

It is two years since I was here as a guest on a similar occasion—a guest of your predecessor. For America, our friends and allies, the world has been somewhat diminished since then.

In the first years after the end of World War II, the great events were the Cold War, the Marshall Plan, the Berlin blockade, the Korean War. In each one of these trials of will and strength, America and her allies in Western Europe, and later Japan, came out strong and united.

But the dramatic turn of events of the last two years—the war in the Middle East in October, 1973 followed by an oil embargo, a fourfold increase in oil prices, the partitioning of Cyprus in June, 1974, and more recently, the loss of Cambodia to the Khmer Rouge and the capture of South Vietnam by the North Vietnamese army—have weakened America and her allies.

Economic recession and increased unemployment, on top of the crisis of confidence of a Watergate and other related issues, bequeathed a host of problems on your great office. They have become the more difficult to resolve because of bitterness and animosities within America and between America and her allies over past policies and worse, over suspected future courses of action.

Then, as the United States was near distraction as a result of these problems, the North Vietnamese who had been well-supplied in the meantime by arms from her allies, struck with suddenness and boldness and brought off a great political coup routing the South Vietnamese army.

They had judged the mood of America correctly. They got away with it. These events have grave implications for the rest of Asia, and I make bold to suggest subsequently for the rest of the world.

I hope you would not think it inappropriate of me to express more than just sympathy or even sorrow that so many Americans were killed and maimed and so much resources expended by successive Democratic and Republican administrations to reach this result. It was an unmitigated disaster. It was not inevitable that this should have been so, especially in this catastrophic manner, nor that the problems would now end just with the Communist control of Cambodia, South Vietnam and Laos, and of their allegiance to competing Communist centers of power.

Now, much will depend upon your Administration getting problems back into perspective. An economically weakened America, with recession dampening the economies of Western Europe and Japan leading to falling commodity prices for the developing world—other than the oil producers—was threatening to further weaken other non-Communist governments the world over.

Now, it looks as if the worst may be over. It may take some time and no little effort to sort out the complex problems of the Middle East, to remove the threat of a sudden cut in supplies, in oil, at reasonable prices.

Next comes the restoration of confidence in the capacity of the United States to act in unison in a crisis. No better service can be done to non-Communist governments the world over than to restore confidence that the American Government can and will act swiftly and in tandem between the Administration and Congress in any case of open aggression, and where you have a treaty obligation, to do so.

If the President and Congress can speak in one voice on basic issues of foreign policy, and in clear and unmistakable terms, then friends and allies will know where they stand, and others will not be able to pretend to misunderstand when crossing the line from insurgency into open aggression. Then, the world will see less adventurism.

When confusion reigns, it is more often because men's minds are confused rather than that the situation is confused. I found considerable clarity of exposition on future policies, both here and in our discussions this morning, and in most of my discussions on Capitol Hill.

There was no congruence of attitudes and policies. But, I believe there is or should be enough common ground on major issues. If this common ground can form the foundation of a coherent, consistent policy between now and the next Presidential elections, there would be great relief around the world.

Like the rest of the world, we in Asia have to get our people reconciled to slower rates of growth now that the cost of energy has nearly quintupled. But growth, however slow, compared to what it used to be, would be immense help in keeping the world peaceful and stable.

Only then will great matters be accorded the priorities they deserve and mens' minds will be less confused. One such confusion is that since Vietnam and Cambodia were not America's to lose in the first place, then nothing has been lost.

It is this apologetic explaining away of a grave setback that worries many of America's friends. Since we do not belong to you, then you have lost nothing anyway, if we are lost.

I am happy to tell you, Mr. President, that my immediate neighbors and I have not been lost. (Laughter)

Indeed, we have every intention to coordinate our actions and policies to insure that we will never be lost. It is a euphemism for a takeover, often by force. It will help if Americans, particularly those in the mass media, do not find this strange.

Mr. President, I have expounded this last week in Jamaica, as a consequence of which my friend, the British Foreign Secretary, Jim Callaghan said it made him melancholy, and I went back and quoted a Chinese metaphor, saying in 4000 years of varigated living, sometimes in prosperous—often in less prosperous—circumstances, and the same language, polished and repolished over some 3000-plus years, one can usually find something apt.

It runs thus: Saiwung Chima—Saiwung is a name of a man who lived in the Sung Dynasty—he had many horses. One day he lost one. Who knows what tragedy he felt. The great chairman may not.

I don't know whether this is ideologically purist in its approach, but it has a philo-

sophical explanation for fortune and misfortune. The horse was a loss, a great loss. The horse came back and brought another horse—Profit. (Laughter)

His son rode the horse and was thrown off and broke his leg. Great pity. War came and the young men were conscripted, but his son, having broke his leg, missed the conscription. (Laughter) Unlike his many other contemporaries, he survived, but with a broken leg, mended. (Laughter)

It is as much to console my friend Jim Callaghan as it is to give me that degree of solace and sometimes objectivity. Who knows, two years ago it was a different world. Two years from hence could be better, could be worse, but I do not believe in Marxist, Leainist predetermination.

I have been able to spend a delightful evening beside your wife, Mr. President. I read of you, and it was as I found it, that you were open, direct, easy to get along with, but with decided views.

I did not know, however, that you had a gracious wife who made me feel completely at home, and I enjoyed my evening.

So, ladies and gentlemen, if you would join me in wishing the President and Mrs. Ford good health, good fortune, long life.

AMERICA'S HOPE

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. SYMMS. Mr. Speaker, there are few men in America who have spoken out for the principles of freedom, liberty, and a strong America as consistently as Ezra Taft Benson. A few months ago Mr. Benson addressed the Los Angeles Rotary Club. His speech was entitled "America's Hope." I am pleased, Mr. Speaker, to commend the text of Mr. Benson's speech to my colleagues in the Congress as it contains a message that many people would say has been forgotten in the Halls of Congress.

The article follows:

AMERICA'S HOPE

Today I feel impressed to say something about our government, our citizenship responsibility, the problems which face us as free men in this choice land. I'd like to say something about the threat to our God-given freedom; the threat to our Constitution, which was established by men whom the God of heaven raised up to that very purpose. I talk about America, the United States, a land choice above all other lands; a nation with a prophetic history, with a spiritual foundation.

I have traveled into every state in the Union and I have traveled abroad as a representative of agriculture and of this nation. I have attended international conferences. I have visited some sixty nations and have spoken scores of times to national audiences on radio and TV. I know pretty well the feeling shared today by people everywhere . . . their anxieties, their concerns, their hopes.

There seems to be a growing spirit of doubt and cynicism in our beloved country. No doubt there is reason for much of this. You hear people say, "Whom can we trust?" They refer to leaders in government in unfavorable terms.

We face an important election this November and, with this cynicism and criticism ruling America, I fear that the voting public will likely treat the campaign and the election with an indifferent spirit. This will not be good for our country. In fact, it would be dangerous.

I quote from the October 14, 1974, issue of U.S. News & World Report, "So-called middle Americans now find themselves disillusioned and enmeshed in anxieties of many kinds.

"An economic surge that brought unparalleled advances in means and status during the 1960s has turned sour on them as inflation erodes their savings, their plans for educating their children, and their own security in old age.

"Within the ranks of the middle class itself, uncertainties are growing.

"Staff members of 'U.S. News & World Report,' touring the nation to find how voters are leaning, report huge numbers of people angered and disillusioned by Government—the most cynical attitude in years, and spreading fast."

We have a serious citizenship responsibility. The Prophet Joseph Smith declared: "It is our duty to concentrate all our influence to make popular that which is sound and good, and unpopular that which is unsound." (HC, 5:286.)

America is a very special land . . . a land I love with all my heart.

God has told us that the United States Constitution was divinely inspired for the specific purpose of eliminating bondage and the violation of the rights and protection which belong to "all flesh." (D&C 101:77–80.)

If we believe in God and His works, it is up to each one of us to uphold and defend our Constitution, which guarantees our precious freedoms. For God states unequivocally: "Let not that which I have appointed be polluted by mine enemies, by the consent of those who call themselves after my name.

"For this is a very sore and grievous sin against me, and against my people in consequence of those things which I have decreed and which are soon to befall the nations." (D&C 101:07, 98.)

Hear again the words of the late President David O. McKay. He declared: "No greater immediate responsibility rests upon members of the Church, upon all citizens of this Republic and of neighboring Republics than to protect the freedom vouch-safed by the Constitution of the United States." (Quoted in *Prophets, Principles and National Survival*, p. 157.)

Americans have marched a long way down the soul-destroying road to atheism and totalitarianism.

It is the price we pay when we turn away from God and turn to government to do everything for us.

It is the formula by which nations become enslaved by their own leaders.

As England's Lord Acton so succinctly put it, "Power tends to corrupt—but absolute power corrupts absolutely." (*Essays on Freedom and Power*, p. 364.)

Increasing numbers of Americans today are subscribing to the myth that you can get something for nothing—as long as the government is footing the bill. In fact, they believe it is the duty of government to take care of them, from the cradle to the grave.

There is no such thing as a free lunch. Everything we get from the government—everything—we pay for in debilitating taxes. Everything the government gives to the people, it must first take from the people. This is something few Americans appear to understand.

We tend to forget how America became the greatest, most prosperous and powerful nation in the world, blessed with an abundance of everything needed for the good life.

It didn't just happen. It wasn't an accident. It was all an integral part of the divine plan for America. In the early frontier days of this country, a special breed of men and women came from all over the world, seeking not only opportunity, but Freedom. They were strong, proud, and fiercely independent. They believed that the surest helping hand was at the end of their own sleeves. They shared one thing in common—an unshakable faith in God, and in themselves. And that, without doubt, is the secret of success as viable today as it was yesterday.

With little but raw courage and indomitable purpose, those intrepid pioneers set forth into the unknown by covered wagon, on horseback, and sometimes on foot.

The land demanded iron men with steel in their backbones. Nature did the weeding out. But they didn't whine or bleat because things were tough. They asked no favors from any man. They knew what they were up against, and they accepted the challenge. All they wanted was to be left alone to do what had to be done. They were wrenching a civilization out of the wilderness.

America soon blossomed into a rich, fertile, productive nation. Individual initiative—free enterprise—paid off, and American ingenuity flourished in a climate of freedom. Very soon, our technology, our inventiveness, and our business know-how became the envy of the world. America had reached maturity . . . a giant among nations, a glowing example of free enterprise in action, and a perfect demonstration of what free men can do when they are left alone to do it.

But, as those affluent years slipped by, voices were heard in the land . . . singing the siren songs of socialism. And many Americans tapped their feet to the beat of the music. Politicians were already promising something for nothing . . . that elusive free lunch. Thus, gradually, the people let the government infringe upon their precious freedoms . . . and the preliminary signs of decay began to appear in our young Republic.

Today, as government becomes increasingly dominant in our affairs, we are becoming more and more like ancient Rome before it crumpled and collapsed. We are choosing bread and circuses instead of facing the challenges that always test a free people. We are no longer the proud leader of the world. We have lost the respect of almost every country . . . through our policies of equivocation, and our politics of expediency and appeasement. We think we are buying world peace. This is not diplomacy, it is national suicide. No wonder we have earned the contempt of our enemies, who are only too happy to take our money, our food, our industrial equipment, and our technical expertise.

We are in this position because we have lost our national pride, our sense of independence. When we want something done, we go crawling to the government instead of doing it ourselves. We have exchanged those God-inspired principles upon which this once mighty nation was built, for a mess of shoddy values. No wonder our structures of freedom are cracking.

Our economic situation, I believe, is extremely serious. The facts are harsh and cold. This is a grim topic. But how can one soften the truth? Inflation, like an insidious disease, is weakening us.

Many voices in government today are blaming businessmen—the unions—and even the buying public for not practicing thrift and economy in their shopping habits.

The blame for inflation must be laid directly at the door of the Federal Government itself. Inflation is an increase in the nation's money supply—an increase, to be more exact, in the supply of money and credit.

Inflation is not caused by rising prices and wages. To the contrary, rising prices and wages, as any solid economist knows, are the direct result of inflation. It stands to reason that when the money supply is increased all money, automatically, becomes less valuable. This includes, of course, our savings.

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So . . . when our dollars shrink in value, businessmen naturally raise their price tags, and then their employees demand higher wages. You can see how it all becomes a vicious circle.

In a free society, such as ours, only the Federal Government can cause inflation. And the reason it pu more money into circulation is to finance its disastrous policies of deficit spending.

As the Federal Government promotes more and more costly and unnecessary programs, it spends far more than it receives. So . . . to keep in business, the government has to borrow. To do this it offers bonds, which are purchased mainly by private banks. Many of these bonds are resold to the Federal Reserve. The Federal Reserve then issues newly printed paper money—or issues credit to pay for the bonds. Thus, new money is created . . . the money supply is increased . . . and the value of all money is reduced.

It is well to remember that continued government deficits cause inflation; inflation is used as an excuse for ineffective price controls; price controls lead to shortages; artificial shortages inevitably are used as an excuse to implement rationing. When will we learn these basic economic principles?

The Prophet Isaiah wrote:

"Therefore my people are gone into captivity, because they have no knowledge." (Isaiah 5:13.)

It is quite obvious that a lack of knowledge and understanding on the part of Americans regarding the causes of inflation, which threaten our economic survival, could well lead us into captivity.

Despite what many say and think, the cold war continues today and inflation is the main weapon in the cold war arsenal of our enemies.

John Maynard Keynes, the notorious homosexual Fabian Socialist, who sold President Franklin D. Roosevelt on the damnable deficit spending theory, had this to say about inflation:

"Lenin is said to have declared that the best way to destroy the Capitalist System was to debauch the currency. By a continuing process of inflation, governments can confiscate, secretly and unobserved, an important part of the wealth of their citizens . . . Lenin was certainly right. There is no subtler, no surer means of overturning the existing basis of society than to debauch the currency. The process engages all the hidden forces of economic law on the side of destruction, and does it in a manner which not one man in a million is able to diagnose." (*Economic Consequences of the Peace,* pp. 235, 236, [1920])

It is interesting to note that Vladimir Lenin praised Keynes before the Second Congress of the Communist International as being "more striking and more instructive" than any of his homegrown communist revolutionaries.

Last year, you'll remember, the government imposed controls on food prices. Housewives were buying food at the controlled prices. But costs to farmers and growers were still rising due to inflation. They just could not continue to provide food at the frozen prices. So what happened? There was a shortage of those products in the markets. We can see, then, that controls which purportedly set out to neutralize inflation only end up by discouraging production. Consequently, there is less of the product available in the markets.

Americans could halt inflation today by demanding that their government stop increasing the supply of money. It is not that the government does not know how to do it . . . it doesn't want to do it. Their excuse is that if they stop printing money, they will plunge the nation into a recession . . . or worse, . . . a depression, precipitating an unacceptable percentage of unemployment.

Unfortunately, the average American knows very little about the complexities of economics. He leaves that to the "expertise" of those in government. But the tragedy is that the political spendthrifts in government are the ones who are wrecking our economy. They are spending billions of dollars on useless domestic programs, and squandering billions more in support of communist governments that are getting "most favored nation" treatment.

The Congress has failed us abysmally in its historic role as watchdog over our national interests. They could and should put the clamps on irresponsible government spending. Unhappily, when a government embarks on a course of inflation, it must accelerate that inflation in order to perpetuate the false stimulating effect.

If the government were genuinely concerned about full employment and real prosperity, it could do much in bringing it about. It could support the proven and successful free market system . . . the law of supply and demand . . . where the buying public and not the government, is the deciding factor in what shall be produced and marketed. The bureaucrats ignore the lessons of American history that freedom works . . . and that the ability of individuals to come to mutually beneficial agreements is the very essence of a free society.

There is no problem at all about how to stop inflation. The problem is not economic, it's political.

Our original monetary system as established by the founding fathers, and the only one authorized by the Constitution is bimetallic—gold and silver—not merely gold. The Constitution makes this imperative by the following clause: "No state shall . . . make anything but gold and silver coin a tender in payment of debts." (Art. I, Sec. 10.)

The government is manipulating our monetary system. And unless we return to fiscal responsibility, we can look forward to a highly dangerous economic crisis. One step in the right direction, as I wrote last summer, would be a return to the gold and silver standard.

When gold is freely owned and traded . . . it acts as a brake on the inflation of other currency, the value of which is computed in terms of gold. One big advantage in using gold as a medium of exchange is that the people cannot be fooled as regards devaluation. But paper money can always be manipulated.

The very fact that we have not been permitted to own gold is one of the most arbitrary and indefensible restrictions on our liberty ever imposed on a free people. If we are to beat inflation effectively, there are four vital steps to be taken:

1. Abolish wage and price controls permanently.

2. Stop all spending in excess of tax receipts and make annual payments on the debt.

3. Abrogate all extravagant and unnecessary government programs.

4. Re-establish the gold and silver standard.

The Congress has the power and the responsibility to accomplish these measures. If our representatives and senators persist in shirking their duties in this regard, then we'll continue on the same course to economic disaster. And we'll end up with a controlled economy under a totalitarian form of government.

Our spiraling national debt is but one of the danger signs, and is indicative of the culpable negligence of those in the highest echelons of government.

Thomas Jefferson counseled: "To preserve our independence, we must not let our rules load us with perpetual debt. We must take our choice between economy and liberty, or profusion and servitude."

Indeed, paying our debts, or living within our means, was always one of the sterling characteristics of Americans. We looked upon it as a duty to ourselves as individuals, and as children of God.

Never was a nation so blessed with productivity. Whence comes this astounding capacity to produce? I am deeply convinced that it lies in the blessings of our Heavenly Father and in the untrammeled initiative, enterprise, and freedom of our people . . . in the fact that success or failure of our nation rests primarily with the people.

But, in the past half century, there has been a tremendous shift from individual to governmental responsibility in too many phases of economic and social life.

And there is a continuing and ominous transfer of responsibility from the states to the federal government. Today, we look to Washington as the provider of whatever is needful . . . at no cost to ourselves. If this trend continues, the states may be left hollow shells, operating primarily as field districts of impersonal federal departments.

In government, as in all organizations, it is a firm principle that the smallest or lowest level that can possibly undertake the task is the one that should do so. First the community or city. If the city cannot handle it, then the county. Next, the state; and only if no smaller unit can possibly do the job should the federal government be considered.

The smaller the unit and the closer it is to the people, the easier it is to guide it, to correct it, to keep it solvent and to keep our freedom.

It is well to remember that the states of this Republic created the Federal Government. The Federal Government did not create the states.

Today, we find government engaged in activities which are NOT within the authorized and proper role of government. These activities pose a grave danger to our continued freedom. No one has the authority to grant such powers as welfare programs, schemes for re-distributing the wealth, and activities which coerce people into acting in accordance with a prescribed code of social planning. We shouldn't forget the wise words of President Grover Cleveland that ". . . *thought the people support the Government, the Government should not support the people.*" (*PPNS,* p. 345.)

We should also remember, as Frederic Bastiat reminded us, that "Nothing can enter the public treasury for the benefit of one citizen or one class unless other citizens and other classes have been forced to send it in." (*The Law,* p. 30, PPNS, p. [illegible]50.)

Students of history know that no government in the history of mankind has ever created any wealth. People who work created wealth.

According to Marxist doctrine, a human being is primarily an economic creature. In other words, his material well-being is all important; his privacy and his freedom are strictly secondary. The Soviet constitution reflects this philosophy in its emphasis on security: food, clothing, housing, medical care—the same things that might be considered in a jail. The basic concept is that the government has full responsibility for the welfare of the people and, in order to discharge that responsibility, must assume control of all their activities. It is significant that in actuality the Russian people have few of the rights supposedly "guaranteed" to them in their constitution, while the American people have them in abundance even though they are not guaranteed. The reason, of course, is that material gain and economic security simply cannot be guaranteed by any government. They are the result and reward of hard work and industrious production. Unless the people bake one loaf of bread for each citizen, the government cannot guarantee that each will have

one loaf to eat. Constitutions can be written, laws can be passed and imperial decrees can be issued, but unless the bread is produced, it can never be distributed.

Why, then, do Americans bake more bread, manufacture more shoes, and assemble more TV sets than Russians do? They do so precisely because our government does NOT guarantee these things. If it did, there would be so many accompanying taxes, controls, regulations, and political manipulations that the productive genius that is America's would soon be reduced to the floundering level of waste and inefficiency now found behind the Iron Curtain.

The principle behind this American philosophy can be reduced to a rather simple formula:

1. Economic security for all is impossible without widespread abundance.

2. Abundance is impossible without industrious and efficient production.

3. Such production is impossible without energetic, willing, and eager labor.

4. This is not possible without incentive.

5. Of all forms of incentive—the freedom to attain a reward for one's labors is the most sustaining for most people. Sometimes called the profit motive, it is simply the right to plan and to earn and to enjoy the fruits of your labor.

6. This profit motive diminishes as government controls, regulations, and taxes increase to deny the fruits of success to those who produce.

7. Therefore, any attempt through Government intervention to redistribute the material rewards of labor can only result in the eventual destruction of the productive base of society, without which real abundance and security for more than the ruling elite is quite impossible.

Some say the free enterprise system is heartless and insensitive to the needs of those less fortunate individuals who are found in any society, no matter how affluent. What about the lame, the sick, and the destitute? Most other countries in the world have attempted to use the power of government to meet this need. Yet, in every case, forced charity through government bureaucracies has resulted in the long run in creating more misery, more poverty, and certainly less freedom than when government first stepped in. Charity can be charity only when it is voluntary—and it will be effective only when it is voluntary. As Henry Grady Weaver wrote, in his excellent book, *The Mainspring of Human Progress:* "Most of the major ills of the world have been caused by well-meaning people who ignored the principle of individual freedom, except as applied to themselves, and who were obsessed with fanatical zeal to improve the lot of mankind-in-the-mass through some pet formula of their own. . . *The harm done by ordinary criminals, murderers, gangsters, and thieves is negligible in comparison with the agony inflicted upon human beings by the professional 'do-gooders,'* who attempt to set themselves up as gods on earth and who would ruthlessly force their views on all others—with the abiding assurance that the end justifies the means." (p 40–1, PPNS, p. 313)

By comparison, America traditionally has relied on individual action and voluntary charity. The result is that the United States has fewer cases of genuine hardship per capita than any other country in the entire world or throughout all history. Even during the depression of the 1930s, Americans ate and lived better than most people in other countries do today.

As a fitting summary to this discussion, I present a declaration of principles to which I wholeheartedly subscribe.

As an Independent American for constitutional government, I declare that:

1. I believe that no people can maintain freedom unless their political institutions are founded upon faith in God and belief in the existence of moral law.

2. I believe that God has endowed men with certain unalienable rights as set forth in the Declaration of Independence and that no legislature and no majority, however, great, may morally limit or destroy these; that the sole function of government is to protect life, liberty, and property and anything more than this is usurpation and oppression.

3. I believe that the Constitution of the United States was prepared and adopted by men acting under inspiration from Almighty God; that it is a solemn compact between the peoples of the States of this nation which all officers of government are under duty to obey; that the eternal moral laws expressed therein must be adhered to or individual liberty will perish.

4. I believe it a violation of the Constitution for government to deprive the individual of either life, liberty, or property except for these purposes:

a. Punish crime and provide for the administration of justice.

b. Protect the right and control of private property.

c. Wage defensive war and provide for the nation's defense.

d. Compel each one who enjoys the protection of government to bear his fair share of the burden of performing the above functions.

5. I hold that the Constitution denies government the power to take from the individual either his life, liberty, or property except in accordance with moral law; that the same moral law which governs the actions of men when acting alone is also applicable when they act in concert with others; that no citizen or group of citizens has any right to direct their agent, the government, to perform any act which would be evil or offensive to the conscience if that citizen were performing the act himself outside the framework of government.

6. I am hereby resolved that under no circumstances shall the freedoms guaranteed by the Bill of Rights be infringed. In particular I am opposed to any attempt on the part of the Federal Government to deny the people their right to bear arms, to worship and pray when and where they choose, or to own and control private property.

7. I consider ourselves at war with international Communism which is committed to the destruction of our government, our right of property, and our freedom; that it is treason as defined by the Constitution to give aid and comfort to this implacable enemy.

8. I am unalterably opposed to Socialism, either in whole or in part, and regard it as an unconstitutional usurpation of power and a denial of the right of private property for government to own or operate the means of producing and distributing goods and services in competition with private enterprise, or to regiment owners in the legitimate use of private property.

9. I maintain that every person who enjoys the protection of his life, liberty, and property should bear his fair share of the cost of government in providing that protection; that the elementary principles of justice set forth in the Constitution demand that all taxes imposed be uniform and that each person's property or income be taxed at the same rate.

10. I believe in honest money, the gold and silver coinage of the Constitution, and a circulating medium convertible into such money without loss. I regard it as a flagrant violation of the explicit provisions of the Constitution for the Federal Government to make it a criminal offense to use gold or silver coin as legal tender or to issue irredeemable paper money.

11. I believe that each State is sovereign in performing those functions reserved to it by the Constitution and it is destructive of our federal system and the right of self-government guaranteed under the Constitution for the Federal Government to regulate or control the States in performing their functions or to engage in performing such functions itself.

12. I consider it a violation of the Constitution for the Federal Government to levy taxes for the support of state or local government; that no state or local government can accept funds from the Federal and remain independent in performing its functions, nor can the citizens exercise their rights of self-government under such conditions.

13. I deem it a violation of the right of private property guaranteed under the Constitution for the Federal Government to forcibly deprive the citizens of this nation of their property through taxation or otherwise, and make a gift thereof to foreign governments or their citizens.

14. I believe that no treaty or agreement with other countries should deprive our citizens of rights guaranteed them by the Constitution.

15. I consider it a direct violation of the obligation imposed upon it by the Constitution for the Federal Government to dismantle or weaken our military establishment below that point required for the protection of the States against invasion, or to surrender or commit our men, arms, or money to the control of foreign or world organizations of governments.

These things I believe to be the proper role of government. We have strayed far afield. We must return to basic concepts and principles—to eternal verities.

There is no other way. The storm signals are up. They are clear and ominous.

As Americans—citizens of the greatest nation under heaven—we face difficult days. Never since the days of the Civil War—100 years ago—has this choice nation faced such a crisis.

Throughout history, great civilizations have disappeared. In every case the pattern bears a grim similarity. First comes a decline in spiritual values, then a repudiation of economic and moral principles of integrity and responsibility, followed by the inevitable loss of freedom.

There's an inflexible law of economics. If you overspend, you go into debt. If you continue to be fiscally irresponsible, you become bankrupt. This not only applies to individuals, but to government as well. And as our government plunges the nation deeper and deeper into debt every year, we can look forward to a harsh day of reckoning. We are spending ourselves into oblivion.

You might ask yourselves why our government is going all out to build up the communist conspiracy by advancing billions of dollara, when the need is so great at home.

While we are supposedly facing a serious energy shortage, one would expect that U.S. technical equipment would be used to develop new oil and gas resources here at home. Instead, it will be used to develop the Soviet economy. The truth is that America is being syatematically looted of her most precious assets . . . food . . . strategic materials . . . industrial plants and equipment . . . and money. The purpose is to strengthen the communist world. And regardless of what the politicians tell us . . . the communists are still America's mortal enemies.

If we are to survive as an independent, sovereign nation, we must, as free Americans, follow sound economic and political policies, uphold and protect our hallowed Constitution, and live to the letter the virtues of integrity, loyalty, and morality. Today, more than ever before, we need God's influence and guidance in every area of our lives.

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America has a spiritual foundation. Her wellsprings are religious. Our crisis is a crisis of faith; our need is for greater spiritualty . . . a return to the basic concepts upon which this nation was established.

How much this country needs men with a mandate higher than the ballot box!

How much this country needs men in government who acknowledge their debt to the Almighty, men whose lives are a daily witness to the truth of the American motto, in God we trust!

The days ahead are sobering and challenging, and will require the faith, prayers, and loyalty of every American citizen.

Our challenge is to keep America strong and free . . . strong socially . . . strong economically . . . and above all, strong spiritually . . . if our way of life is to endure.

Indeed, it is America's only hope for life . . . liberty . . . and the pursuit of happiness!

God grant we may realize this hope, I pray in the name of Jesus Christ. Amen.

MINNESOTA POLL SHOWS STRONG CONCERN OVER BIG DEFICIT

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. FRENZEL. Mr. Speaker, a recent "Minnesota poll" taken by the Minneapolis Tribune reveals a positive trend in the public's awareness of the dangers in excessive Government spending.

Most people in the street who get asked about big deficits do not know many details about how Congress spends money. But they do understand huge numbers in red ink. And there are signs that many Americans are beginning to understand the risky situation that Congress is placing us in.

No poll is ever accurate, and this one need not be construed as proof of any dominant public viewpoint. But if the Congress keeps up its excessive spending, I will bet that if the Tribune conducts the same poll 6 months from now, the results will be even more in favor of restraint in spending. The poll results and analysis follows.

MOST CONCERNED ABOUT U.S. DEBT

Half a trillion dollars of debt make Minnesotans uneasy.

In a statewide survey by the Minneapolis Tribune's Minnesota Poll, more than seven out of 10 state residents surveyed (73 percent) said they are concerned that the U.S. national debt stands at $500 billion.

Twenty-five percent of those interviewed are not concerned about the federal debt and two percent are undecided.

The survey involved personal interviews in March with 600 men and women living throughout the state.

When the questionnaire was developed, the national debt was a little under $500 billion. As of March 31, it stood at $509.7 billion.

The current debt ceiling of $531 billion obviously must be raised as Congress and the administration look forward to a deficit in the $60-to-$70 billion dollar range for the next fiscal year, which begins July 1.

The question put to Minnesotans in the survey was:

"A nation incurs a national debt when its government spends more than its income. The U.S. national debt is now about $500 billion. Are you concerned about the size of the national debt or not? Concerned a great deal or only some?"

The replies:

	Percent
Concerned a great deal	39
Concerned only some or not sure how much	34
Not concerned	25
Not sure	2
Total	100

Concern about the national debt increases with age. Republicans are more concerned about the federal debt limit than Democratic-Farmer-Laborites, but the difference is not large. Liberals are more at ease with the size of the national debt than are other Minnesotans, but more than six out of 10 liberals are concerned.

There are experts who urge Americans to put the national debt in proper perspective. J. Paul Getty, often referred to as one of the richest men in the world, has written that "deficits do not mean disaster for a nation that possesses gargantuan tangible and intangible resources and assets . . ."

Minnesotans take little comfort in such advice, at least as contained in this survey question:

"Some leaders say that, since our national debt is only a fraction of the gross national product and it helps to keep the economy healthy, the $500 billion debt is not a serious concern. Do you agree or disagree with that line of thought?

The response:

	Percent
I agree, debt not a serious concern	29
I disagree	57
Not sure	14
Total	100

All types of Minnesotans checked in the survey disagree with the dynamic-debt approach.

Here is a summary of how different Minnesotans regard the national debt:

[In percent]

	Concerned a great deal	Concerned only some	Not concerned and not sure
All adults	39	34	27
18 to 25 yrs	24	40	36
65 yrs and over	56	20	24
DFLers	40	35	25
Republicans	45	31	24
Independents	35	34	31
Liberals	33	29	38
Moderates	42	33	25
Conservatives	43	36	21

IN HONOR OF UNITED NEGRO COLLEGE FUND MONTH

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. RANGEL. Mr. Speaker, Hugh L. Carey, Governor of the State of New York, has proclaimed the month of May 1975, as United Negro College Fund Month.

An educated society is a responsible society and eventually one that will be prosperous. Equal opportunity in education has been denied a large segment of our society because of socioeconomic factors, that is, race and poverty. The United Negro College Fund has for 30 years, enhanced the opportunity of these stigmatized persons and has proven that given the chance, these individuals are certainly productive in making advances in human knowledge. Without their impact, many of our children would have been denied their innate creativity and intellectual development which is certainly a disastrous phenomenon in a country which proclaims themselves as the land of equality.

In his remarks, Governor Carey observed that—

> The United Negro College Fund institutions have contributed a major share of the black leadership, talent and skills to all areas of national and local government. Beginning with an original membership of 27 historically black colleges and universities serving 16,000 students in 1944, the United College Fund receives contributions from corporations, foundations, and national organizations, so that the present 41 private member schools can train and educate 48,000 students for the responsibilities and challenges of a democratic society.

In this context, let us hail the great achievements of the United Negro College Fund and give them the duly recognition that they deserve.

REINTRODUCTION OF CONDOMINIUM LEGISLATION

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. LEHMAN. Mr. Speaker, the State of Florida stands in the forefront in condominium development throughout the country. Recently, the Department of Housing and Urban Development held hearings in south Florida on the abuses, potential abuses, and many other aspects surrounding condominium living. These hearings were most productive, and served to confirm my belief that the future trend of housing lies in condominiums. More than 300,000 residential units have been built in Florida. In my district, there are more than 100 condominium developments housing upwards of 80,000 people.

During the last Congress more than 20 condominium-related bills were introduced to protect the unsuspecting buyer from unscrupulous developers. Today, I am reintroducing with several cosponsors two bills that I first introduced in the 93d Congress relating to the problems confronting many condominium owners throughout this country.

One common factor in condominium housing developments is that the unit owners assess themselves through their associations or corporations for all of the expenses necessary to operate, administer, manage, and maintain the area or facilities which are common to all of the residential units. The assessments also include reserves for depreciation, obsolescence, and replacement of facilities which are used in common. Thus, the unit owners are really contributing to a common fund which is then dispensed by the owners themselves for the common good as they see fit. Since the moneys

contributed to the associations are distributed solely by the unit owners themselves and are not for any services rendered, these moneys should not be considered as taxable income. Also, the Internal Revenue Ruling 70-604—26 CFR 161-1—as amended by Revenue Ruling 71-11, implied that any excess assessment money must either be returned to the unit owners or applied to the following year's assessment. This means it would be virtually impossible for an association to build up its cash reserves for the maintenance expenses as well as for the replacement of obsolete equipment without having the funds taxed. The Senate version of the Tax Reduction Act of 1975 included an amendment which provided this tax-exempt status for owners' associations. Unfortunately, this amendment was deleted in conference. Thus, I am again introducing legislation which would accomplish my objective to provide a tax-exempt status for cooperative housing corporations and condominium housing associations.

The other bill addresses the practice of placing long-term leaseholds upon the land on which a condominium is built or the facilities which serve the condominium. This is an insidious technique which can ultimately nullify the potential benefits of purchasing this type of housing.

Since these leases are tied in with the sale of the condominium, they negate the idea of homeownership and instead make the owner subservient to a landlord, usually for a "sweetheart" period of 99 years. Consequently, this legislation which I am introducing would amend section 234 of the National Housing Act such that insurance of blanket mortgages will be withheld if these housing projects are subject to a leasehold. The bill also provides that the Federal National Mortgage Association be prohibited from purchasing conventional condominium mortgages if the developer retains a leasehold interest in the common areas or facilities of the housing involved.

Mr. Speaker, I believe these two bills are essential if condominiums are to remain as a viable means of reasonably priced housing for our young families and senior citizens both now and in the future. The text of the two bills follow:

H.R. 7244

A bill to amend the Internal Revenue Code of 1954 to provide an exemption from income taxation for cooperative housing corporations and condominium housing associations

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 501(c) of the Internal Revenue Code of 1954 (relating to list of exempt organizations) is amended by adding at the end thereof the following new paragraphs:

"(20)(A) Cooperative housing corporations (as defined in section 216(b)(1)).

"(B) Any organization formed for the purpose of managing, operating, and maintaining the property within a condominium housing project which is owned in common by the owners of units within such condominium housing projects, if—

"(i) membership in such organization is limited to the owners of units within such condominium housing project,

"(ii) no member of such organization is entitled (either conditionally or unconditionally) to receive any distribution from such organization except on a complete or partial liquidation of the organization; and

"(iii) 80 per centum or more of the gross income of such organization consists solely of amounts received from the owners of units within such condominium housing project.

"(C) For purposes of this paragraph, the term 'condominium housing project' means any condominium project substantially all the units to which are used by individuals as residences.".

SEC. 2. The amendment made by the first section of this Act shall apply to taxable years beginning after December 31, 1974.

H.R. 7243

A bill to amend the National Housing Act to prohibit Federal Housing Administration insurance of blanket mortgages on condominium projects, and Federal National Mortgage Association purchases of conventional condominium mortgages, where the developer retains or will retain a leasehold interest in the common areas and facilities of the project involved

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 234(d) of the National Housing Act is amended—

(1) by striking out "and" at the end of paragraph (1);

(2) by redesignating paragraph (2) as paragraph (3); and

CHINA'S CHIANG WILL BE MISSED

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. McDONALD of Georgia. Mr. Speaker, as the dominoes continue to fall and other dominoes tremble, the lack of leadership becomes more noticeable in the free world. Sorely missed is former President Chiang Kai-shek of China. Father R. J. de Jaegher, an expert of some note on Asia, wrote a particularly forceful article on his leadership qualities in the National Catholic Register of April 20, 1975, and I commend it to the attention of my colleagues:

CHINA'S CHIANG WILL BE MISSED: FAMED LEADER DIED IN TIME OF ASIAN CRISIS

(By Fr. R. J. de Jaegher)

The death of President Chiang came at a moment of great world crisis. In Asia the "policy of détente" of the U.S.A. divided the Asian countries once solidly united under the leadership of the United States.

We see troubles today in South Korea—indecisions, in Japan—South Vietnam fighting for survival—and Cambodia making a great and last effort for freedom.

For all the Asian countries President Chiang represented the flag of freedom, a foe of compromise with world Communism. Many times he had tried to understand the need of unity of all Chinese in the face of Japanese aggression and the necessity of a united front against the powerful army of Japan. He soon recognized the futility of his efforts because a compromise to Communism would be a gain for them and a great loss for the Free World.

He had a firm faith in the survival of a Free China and did not compromise with the enemy. The Japanese were ready to compromise with President Chiang. He always refused with a proverbial stubbornness. This was his greatest contribution to the U.S.A. and the Free World at a time when U.S. military and naval strength were very weak and the Japanese were at their peak. Pearl Harbor and the Japanese conquest of Southeast Asia could have been achieved if Generalissimo Chiang would have compromised and freed the huge Japanese forces of China to fight in other Asian theaters of war. Generalissimo Chiang remained always a faithful ally of the U.S.A. during the great crucial periods for America.

After the loss of Mainland China President Chiang concentrated all his strength and energy in building the Republic of China on Taiwan. He had made little Taiwan the second most prosperous country of the Far East, after Japan. His great dream, of course, was to bring back freedom in the mainland of China. He passed away before the realization of his dream.

Few people will remember the magnificent address given to the Chinese people at the Japanese surrender in 1945. The Chinese people lost at least 20 million people during these long years of war (1931–1945). They were ready to take revenge against the millions of Japanese soldiers and civilians based in China at the time of the Japanese surrender. Not only did President Chiang refuse to retaliate against the Japanese, but in a memorable address to the Chinese people, he forgave the Japanese people. The Generalissimo did put all the blame for the war on the Japanese militarists, not on the Japanese people themselves.

He was great in victory as he had been great during the long years of war. Not only did Generalissimo Chiang forgive the Japanese the harm done to China, he did not request reparations for all the damage done. Many of the Asian Countries who suffered from the Japanese during the war requested reparations, but China was the only country giving such a great example of forgiveness.

As a Christian, he meditated daily. In a little private oratory he kept a statue of the Sacred Heart given to him by the late Cardinal Thomas Pien, the first Chinese Cardinal. His great admiration and affection went to Cardinal Paul Yu Pin. For nearly 40 years a very deep friendship developed between the great political leader of China and the great Chinese Church leader. Cardinal Yu Pin was never a member of the Nationalist Party, but a great patriot who was always more than happy to help his country.

Father Vincent Lebbe, who was my great master, told me at the Chinese front lines in the Spring of 1940, a few months before he died: "I have seen many great men in my life, but I can say that Cardinal Mercier and Chiang Kai-shek were the two greatest men I've met in my lifetime—and I felt like a little child when I was with those two men."

On the Mainland, I met the President in Peking three times and also in Nanking and many times in Taiwan. I was always impressed by his quick assessment of the world situation and admired his determination in making decisions, showing great qualities of leadership.

When the Marshall Mission came to China after the Second World War, President Chiang told me in Peking: "During the war we had a foreign enemy. We could see clearly the action of the enemy. Now we have a new 'obstacle,' and this 'obstacle' will be much more difficult to master, because this 'obstacle' is from within." Without naming Communism he knew after that war that the victory was not yet achieved and the great obstacle was trying to take control of China.

In President Chiang, we lose a great hero of the Second World War—a great friend of America, a great symbol of freedom, and a great builder of the Republic of China on Taiwan.

His Christian example and his great patriotism made him understand better than any other person the danger Communism

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held for the world. He kept alive the hope of freedom for the enslaved people of the Mainland. The torch of freedom will be carried now by President C. K. Yen and Chiang's son Premier Chiang Ching Kuo.

SENIOR CITIZENS AND THE ECONOMY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. DOWNEY of New York. Mr. Speaker, on March 3, I held a day-long public hearing in my district on senior citizens and the economy. I heard testimony from more than 2 dozen witnesses, including heads of senior citizen organizations, agency directors, and some very outspoken individuals representing themselves. The hearing room was packed with interested older Americans anxious to be heard by their Congressman, as well as by the various public officials who were also in attendance.

Ms. Scalice, a retired member of the International Ladies' Garment Workers' Union, was at the hearings. She spoke of a needed increase of social security benefits and the dental, health, and transportation problems senior citizens are forced to live with.

Mrs. Catherine Leonetti, also a retired member of the ILGWU, was at the hearing. She spoke of specific problems which she encounters as a disabled senior citizen.

I insert their testimony in the RECORD for the benefit of my colleagues:

TESTIMONY OF MS. SCALICE AND MRS. LEONETTI

The I.L.G.W.U. senior citizen retirees, are they here today?

MS. SCALICE. Honorable Mr. Downey.

Well, I'll introduce myself to begin with. My name is Mary Scalice. I live at 201 Oakland Avenue, Deer Park, New York.

Me and a couple—and a handful of women here represent the International Ladies' Garment Workers' Union.

Of course, we were increased recently which we are very, very grateful for, but, again, I say my personal income isn't enough. I mean Social Security. After I get through with paying my bills, I'm left with one dollar till the next check comes in. So, therefore, I'm speaking for all of us here who really can't make ends meet.

There was one thing I would like to emphasize, also. A lot of us retired people from time to time, we suffer from one illness or another due to our poor teeth.

That was one thing I think that should be looked into. We can't afford a dentist which goes into really a lot of money. But that was one thing to be put into consideration.

Last, but not least, which is very important to me like to many, many of us here, is that we need transportation. We are not lucky enough to have a car. We never took up driving. So that makes us stay home all the more and look at the walls that never change and never answer us. If we have this transportation taken care of, I guess we could live a little happier to mingle with other people like ourselves.

That's about that.

The CHAIRMAN. In the context that you have dealt with either Social Security or with other governmental personnel, have you been treated fairly and with respect?

MS. SCALICE. Well, as much as possible.

The CHAIRMAN. You mentioned income. You are earning a pension from the International Ladies' Garment Workers' Union?

MS. SCALICE. Yes.

The CHAIRMAN. Are you all right?

(Whereupon, the witness was taken ill.)

The CHAIRMAN. Ms. Scalice was taken to the hospital, and we will advise you later in the day of her condition.

Mrs. LEONETTI. I am Catherine Leonetti. I live at 443 Outlook Avenue, North Babylon. I am a disabled person. I live alone. I represent the International Ladies' Garment Workers' Union.

I have been going through the process of talking to Senator Johnson about the tax increases on our property. From last year to this year, my taxes have gone up from $1,100 to $1,300.

I live alone. I get my disability check, and, my husband's, they will not give me eighty per cent of because there was a certain law in Washington that can be remedied and give these widows eighty per cent of what's coming to them. I have worked all my life, and I raised two children. Now, my first husband's was too low so they gave me the second. Do you know what they sent me for a check? $46.50. Can you live on that and $197 50 a month?

I'm not the only one in this predicament.

I have gone to the club, and here is the letter that Senator Johnson sent me which I would like you to see.

I have been going all around, and I'm getting a little tired.

The CHAIRMAN. Please relax.

Mrs. LEONETTI. I go all over. This is what sent me to the hospital.

I got a petition signed by many, many senior citizens, but I'm talking for the disability persons, now.

If you have a little bit more money than what they say, you can't get this thing. This is wrong because you saved this money. I could have squandered everything if I wanted to, but I'm the type that likes to save for a rainy day. Because of this, a lot of these people cannot get this. You can't get food stamps. We can't get anything. I don't want to bother my children. They have families of their own. I'm independent like a lot of people, and I think something should be done about it. Especially my husband's disability. Why shouldn't I get his Social Security? He died at fifty-nine years old. Why can't I have it like any other person because I worked? I worked. That's mine. I'm entitled to that. I think that everybody should be entitled to their husband's. If they are alive, they get half, right?

The CHAIRMAN. Yes.

Mrs. LEONETTI. If they are deceased, they get eighty per cent. I want that.

This is the letter from Johnson if you want to take a look at it. That was why I landed in the hospital going around trying to help everybody.

The CHAIRMAN. We will make copies of that.

Mrs. LEONETTI. I would like copies of that for myself.

The CHAIRMAN. There are a number of provisions within the Social Security law that have to be changed with regard to survivors' benefits.

Mrs. LEONETTI. I am a disabled person. I am not sixty-five. We need that help, too.

The CHAIRMAN. We will be happy to help you with your individual case. There is legislation proposed. As you mentioned before three are income cutoffs.

Mrs. LEONETTI. I can't work or they will take my check away. People that are retired can make $2,000. We can't do that. They take your check away. Why should we be subject to that after paying taxes all my life?

The senior people here, every one of them, have been paying taxes, and that was why Suffolk County has grown. When I moved out here, you couldn't get a car through the block. Why should I pay so much taxes?

The CHAIRMAN. You are raising a number of issues.

Mrs. LEONETTI. Yes.

The CHAIRMAN. The tax issue we discussed briefly before.

Mrs. LEONETTI. Yes.

The CHAIRMAN. The tax issue is where you pay property taxes unless you have lived at your address for five years—I believe the state will require—and make a certain level of income.

Mrs. LEONETTI. If you make a certain level of income, you can't possibly live, and, if you make more, you don't qualify for tax purposes. I'm talking about disability people. I'm not sixty-five.

The CHAIRMAN. You are on SSI?

Mrs. LEONETTI. What is SSI? I'm on disability.

The CHAIRMAN. That is what it is.

Mrs. LEONETTI. Yes.

The CHAIRMAN. There are provisions in the law which I mentioned before. Congresswoman Holtzman has introduced a law that will provide supplemental benefits to you in terms of rent money and help with your property taxes.

I think in terms of aiding you in particular, this law will be very helpful because it will provide additional benefits.

Mrs. LEONETTI. Excuse me.

The CHAIRMAN. Sure.

Mrs. LEONETTI. Now, I paid for my house in full, but still I have to put $105 away just for taxes. That is not including gas, electric and heating. It's out of this world. Then you have the water to pay. You have to eat. You have to go out once in a while. You can't die in your own home.

The CHAIRMAN. One of the problems with the disability payment you are receiving is that New York State is in the unique position where it doesn't have to pass on, as other states do, a cost-of-living increase that takes into consideration that very fact that you have substantial property taxes to pay. I'll come back to that again.

The SSI reforms amendment that has been offered that I have co-sponsored would address itself quite specifically to the payment of additional money to handle taxes.

In the long run, the state and federal governments are going to have to get together with senior citizens.

Mrs. LEONETTI. Even Senator Johnson—they have a S42 going upstate and I have been working with another person who was on disability. And that was how I landed in the hospital. He sent me that letter, and I want it back.

The CHAIRMAN. Thank you, Mrs. Leonetti.

CONGRESSMAN KARTH SPOTLIGHTS ENFORCEMENT OF AGE LAW

HON. BOB BERGLAND

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. BERGLAND. Mr. Speaker, recently Congress learned as the result of a year-and-a-half study by the General Accounting Office—a study that Congress itself requested—that the Federal Government's enforcement of its own anti-discrimination orders to government contractors has been "almost non-existent."

The GAO study, we are informed, reported a finding of compliance with anti-discrimination rules was made in only 30 percent of contracts of $1 million or more even though such a finding is required in all such contracts. In 10 years only one company has been barred from bidding on jobs for failure to comply with the order. Government agencies are approving contractors who do not comply with government guidelines for nondiscrimination.

It appears that in the areas covered by this GAO study—discrimination on grounds of race, color, sex, creed or national origin—that the will and purpose of Congress have been defeated.

The bankruptcy of enforcement in those areas adds considerable weight to the complaints that many Congressmen have heard in recent years about enforcement failure. I refer to the prohibition on grounds of age enacted by Congress 8 years ago and known as the Age Discrimination in Employment Act of 1967.

Recently my colleague, Congressman KARTH of Minnesota's Fourth District, performed an important service by reminding us not only of the existence of this extremely important law but also that there have been mounting doubts about the extent and vigor with which it has been enforced.

Congressman KARTH focused on these and other questions affecting elderly Americans in a recent speech to a citywide rally of the St. Paul senior Citizens coalition.

I wish to submit for inclusion in the RECORD those sections of Congressman KARTH's speech dealing with enforcement of the Age Discrimination in Employment Act of 1967:

NATIONAL ISSUES AFFECTING SENIORS

(By Representative JOSEPH E. KARTH)

Let me turn now to a subject that the public has heard very little about; one that the media has paid almost no attention to.

Some years back I and other Members of Congress became increasingly concerned about discrimination in employment on grounds of age. Complaints reached me and others in Washington that some employers were discriminating against Americans 40 to 65 years of age in hirings, firings and promotions.

As the evidence accumulated we came to the conclusion that age discrimination was becoming a question so large and so pressing that it deserved strong legislation of its own. In other words, we decided it was too important to be incorporated into any other legislation prohibiting discrimination on grounds of race, color, sex or national origin.

Therefore, eight years ago we enacted a law entitled Age Discrimination in Employment Act of 1967.

The law was badly needed, and it has worked. But maybe it has not worked well enough. Maybe it has not been enforced vigorously enough. Maybe the law needs strengthening.

Because, as I say, the law receives practically no public attention let me tell you a bit about it.

As originally enacted the law protected Americans 40 to 65 years of age who work for employers of more than 20 persons. The protections—with penalties for violators—apply to hiring, firing and promotions. The law also covers employment agencies, prohibiting them from discriminating against any person on grounds of age or referring anyone for employment on grounds of age.

Last year the law was extended to cover 14 million additional jobs in Federal, state and local governments, and also 3 million more jobs in private business and industry.

A total of 1 million businesses and industries employing about 60 million men and women now fall within the law's jurisdiction. And in the total American labor force of 91,400,000 persons today, there are 36,700,000 men and women between 40 and 65.

That gives you a glimpse of how huge a responsibility rests on the U.S. Labor Department to enforce the statute.

Let me repeat: today there are 36,700,000 working Americans who are between the ages of 40 and 65.

We have no way of knowing at the present time how many of those 36,700,000 face discrimination in hiring, firing or promotions. But I do know that only a tiny fraction of those 1 million businesses and industries have had occasion to be checked by the Labor Department.

Last year, for example, there were only 7,535 businesses and industries investigated for violations. In 277 of these establishments monetary violations were found affecting 1,648 employees. In 110 of these businesses, plants and shops, income amounting to $2,500,000 was restored to 637 employees.

That $2,500,000 won for employees who had been discriminated against on grounds of age was nearly four times the amount for the previous year. The number of complaints received in 1974 was 300 per cent higher than in 1969. There were 832 more age discrimination complaints last year than the year before.

From the reports I have received—from some of the largest and most respected senior citizen organizations in the country and from organized labor—I have become convinced that the age discrimination law has never been given a chance to fulfill its promise.

"The law has never really gotten off the ground," one expert on the statute told me, "because the Administration never asked for the staff or the funds to really enforce it. And then enforcement has also been limited by the impoundment battle."

The law was a social and economic necessity but it has never realized its full potentials. It has never been given the opportunity of serving and protecting, as it should, those 36,700,000 working Americans between the ages of 40 and 65.

I fully intend to find out why.

PLIGHT OF SOVIET JEWS

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Ms. HOLTZMAN. Mr. Speaker, for several months I have been concerned about the plight of Yuri Vudka, a Soviet Jew who has been imprisoned for the last 5½ years in a Soviet prison camp, because he wants to emigrate to Israel. I wrote to Mr. Brezhnev and Mr. Dobrynin last December to inquire about Mr. Vudka's situation, and I have yet to receive a response.

I am becoming increasingly concerned over the plight of Yuri Vudka because of his deteriorating health. I bring this case to the attention of my colleagues in the hope that we might eventually penetrate this wall of silence and obtain Mr. Vudka's release.

The text of my letter to Leonid Brezhnev follows:

DECEMBER 23, 1974.

HIS EXCELLENCY LEONID I. BREZHNEV,
General Secretary of the Communist Party of the Soviet Union, Moscow, U.S.S.R.

DEAR SECRETARY BREZHNEV: In view of the fact that legislation to facilitate increased trade between the Soviet Union and the United States was approved by the American Congress in the hope that it would be accompanied by an easing of emigration restrictions and by improved treatment of "prisoners of conscience" in the Soviet Union, I wish to express to you my particular concern about one such prisoner.

Yuri Vudka is a Soviet Jew who has been imprisoned for the last five and one half years in Vladimir Prison Camp. I have "adopted" Yuri Vudka as part of a program organized by prominent Americans concerned with the plight of Soviet Jews. I was, therefore, deeply disturbed to receive a report that he has been severely beaten by fellow prisoners, and that he has not been allowed to see his wife. I understand that his family and friends now fear for his life.

I would welcome any information you can provide showing improved treatment for Yuri Vudka, and I am hopeful that, in accordance with the understanding given to us in the Congress about your nation's intentions with regard to such prisoners, he will be granted his freedom at the earliest possible time.

Respectfully,

ELIZABETH HOLTZMAN,
Member of Congress.

SANTA MONICA CENTENNIAL

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. BELL. Mr. Speaker, today I wish to pay tribute to the fact that this year, 1975, marks the centennial of the founding of California's beautiful seaside city of Santa Monica.

When Santa Monica was founded in 1875, it had a population of 500 people with 100 buildings. The area was first observed and noted in 1542 by the Spanish explorer, Capt. Juan Rodriguez Cabrillo, when he was sailing along the California coast. He described it as "a good port, and the country is good with many valleys and plains and trees." His men gave the name, "Bay of Smokes," to their anchorage because of the many Indian fires on shore which they could see from their ship. The Indians remained in possession of the site of the future city until August 4, 1769, when a party of explorers headed by Gaspar de Portola traveling north stopped to rest beside a spring of clear water. Father Juan Crespi, a member of the exploring party recorded in his diary a name for the spring, El Berrendo. But according to legend, Father Crespi was said to have been reminded by the bubbling spring of tears which Santa Monica shed for her wayward son, and named the spring for her. The spring is today part of the University High School campus.

The name Santa Monica was first officially mentioned in 1827 when Xavier Alvarado and Antonio Machado were granted "the place called Santa Monica." Ysidro Reyes built the first house in

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Santa Monica. He was a ranchero who raised cattle and sheep. The life of the ranchero was quiet and uneventful until the late 1860's when Maj. Henry Hancock began to ship asphalt—brea—from his ranch by way of the small "Shoo Fly Landing" wharf which stood on the site of the present Santa Monica pier. The asphalt shipment was the first commercial enterprise of this community.

Around that same period, the people of Los Angeles were discovering the beaches and picnic sites in Santa Monica Canyon. In the summer of 1870, the first regular stage line from Los Angeles was established. Its route paralleled present-day Washington Boulevard, the first road between Los Angeles and Santa Monica.

In 1872, a Yankee, Col. Robert S. Baker, purchased the territory now Santa Monica, west Los Angeles, and Brentwood. He started a sheep ranch on it but soon began thinking of establishing a town. He was joined in this venture by another Yankee, Senator John P. Jones, a wealthy man from the silver mines of Nevada. In 1875 they laid out a modest subdivision, which they called Town of Santa Monica, on about 1½ square miles of what had been part of the great Rancho San Vicente y Santa Monica.

Today, as Santa Monica observes its centennial year just 1 year prior to our Nation's Bicentennial, that small subdivision has grown into a progressive city of nearly 95,000 people and more than 8 square miles of area.

Santa Monica has become a balanced community; one in which citizens may live, enjoy recreational facilities, and, most importantly, earn a living. An almost barren plain when the founders bought the land, Santa Monica now is a city of homes, apartment buildings, commercial and industrial developments; a city known far and wide for trees and for the same natural advantages which attracted the attention of Jones and Baker.

These natural advantages were extolled by the Honorable Tom Fitch, with the following words:

> On Wednesday afternoon at one o'clock we will sell at public outcry to the highest bidder, the Pacific Ocean, draped with a western sky of skarlet and gold; we will sell a bay filled with white winged ships. . . . We will sell a frostless, bracing, yet unlanguid air, braided in and out with sunshine and odored with the breath of flowers.

After all, there was not much more to sell, streets not having been paved, curbs not yet installed, sewer systems nonexistent. Even so, buyers recognized the potential of the community, and growth has been steady for a century, although Santa Monicans have seen their city in a variety of roles during that time.

For a short time at the turn of the century, for example, Santa Monica was the port of Los Angeles, and tall ships loaded and unloaded passengers and freight at the Long Wharf, located at what is now Will Rogers State Beach. While the wharf, almost a mile long, was not within the corporate limits of Santa Monica, there was no other city in the area, and the trains which ran out to the end of the wharf also served the city.

After a very few years and some heated political campaigning, San Pedro became the port, the Long Wharf fell into disrepair and was removed, and Santa Monica became a recreation center and bedroom community. During the days of a rate war between the Santa Fe and Southern Pacific Railroads, many people came to visit and stay because of the inexpensive travel costs. The influx of people launched a real estate boom.

Tennis became one of Santa Monica's chief attractions when the first tennis club was formed in April 1887. The first bank opened its doors on Third Street that same year. And Senator Jones built his beautiful summer home, the original Miramar, at the corner of Wilshire and Ocean Avenue. The character of the town was shaped by home-owners rather than by businessmen or industrialists. It became a quiet, conservative residential community, very non-commercial and culturally oriented. Shortly after the end of World War I, however, there occurred a development which led to far-reaching changes, social, political and economic, in Santa Monica.

A young aeronautical engineer, Donald W. Douglas, decided to strike out on his own. After obtaining financial backing from some leading southern California businessmen, he moved into an abandoned motion picture studio in Santa Monica. With a small but dedicated group of employees, he built the Cloudster, an airplane which made history by a nonstop transcontinental flight which attracted much attention and encouraged him to expand his operation from a loft in Los Angeles to the Santa Monica location.

His judgment proved correct, for the success of the Cloudster led the U.S. Army to contract with him for the construction of airplanes which made the first round the world flight in 1924. The airplanes returned to Clover Field, now the Santa Monica Municipal Airport, to which they had been transported by truck from the Wilshire Boulevard factory for take-off months earlier.

The flight put Santa Monica, and of course Douglas, on the map, and orders for airplanes came from Army, Navy and from foreign countries, and commercial airlines. The Douglas DC–3, in fact, became almost synonomous with commercial aviation for many years. So great was the demand for Douglas products that during World War II, a total of 36,000 persons were employed building aircraft for the war effort.

With the growth of the Douglas Co., and the town, a new civic spirit emerged which resulted in improved streets, new parks, charter membership in the Metropolitan Water District and the purchase of Clover Field and an adjoining golf course for the city airport.

Today, Santa Monica is the home of a variety of smoke-free industries, commercial developments, and research organizations such as the Rand Corp. The first hundred years have been marked by vast social and economic changes, but the natural advantages extolled by Tom Fitch in 1875 remain as Santa Monica's great and permanent attraction.

So it is with great pride and pleasure, Mr. Speaker, that I call attention to Santa Monica's successful story of a century of progress. Santa Monica is a city with beauty, values and traditions exemplifying the best of the American way of life.

NEW DRUG PROSECUTOR FOR NEW YORK CITY

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. RANGEL. Mr. Speaker, Sterling Johnson, Jr., has been appointed the new special narcotics prosecutor for New York City. A New Yorker with experience as an assistant U.S. attorney, New York City police detective, and official of the Drug Enforcement Administration, he will bring to the post a deep understanding of the national and international roots of the drug problem. He is aware of the fact that law enforcement alone cannot solve the narcotics crisis, and he knows that drug abuse will not magically disappear. I welcome Sterling Johnson to a challenging and frustrating position which affects the safety and well-being of every citizen of America's greatest city.

An item from the May 10, 1975, New York Post follows:

MAN IN THE NEWS: STERLING JOHNSON, JR.—CITY DRUG PROSECUTOR

(By Joseph Mancini)

The last time it happened, ghetto 12-year-olds were dying of overdoses and suburban parents were discovering hypodermics and syringes under the crew-necks in their teenagers' chests of drawers. Sterling Johnson, Jr., the city's new special narcotics prosecutor, thinks it will happen again: a heroin epidemic.

"I'm afraid we'll have a situation that will rival the epidemic of the late 1960s," he said the other day. "And, once more, it will not be confined to the inner cities—to the Harlems, the Bed-Stuys, the South Bronx. It's going to be in the more affluent neighborhoods in New York City."

Johnson, who will succeed Frank Rogers on May 19 as the drug DA, was sitting in the Washington office of his last job, that of liaison officer for the Federal Drug Enforcement Administration, taking time out from clearing up last-minute business to talk about his new assignment. And about the menace of a heroin epidemic:

"I'd like for somebody to say to me two or three years from now, 'You said the epidemic was coming back and it never did. You're an alarmist.' I'd like somebody to say that to me, but I don't think they'll get the chance."

He rattled off a couple of facts: "Heroin is coming in through the Caribbean from the poppy fields in Mexico. And, as you know, the Turks have resumed planting the poppy." The Turkish situation seemed to anger Johnson.

He continued: "The Turks have 50,000 acres—that they'll admit to—which'll give you something like 200, maybe 300 tons of opium. Most of this will be converted into heroin via the French laboratories—and you still have the chemists available and ready—and at least 50 per cent of that is going to be diverted into the illegal market, and 50 per cent of *that* is gonna hit the streets of New York."

He concluded: "That means a rise in crime, and it means a rise in violent crime."

Johnson—an ex-Marine who was unanimously appointed to his new job by the five district attorneys, thinks that—from the ganja fields near Kingston, where he fought the problems of marijuana smuggling, to the streets of Bed-Stuy, where he saw the ravages of heroin addiction—he has picked up just the right kind of experience.

"My qualifications are unique," he said.

It would certainly appear that Johnson has been long rehearsing for this role. After a boyhood in the '40s and '50s when "heroin was just coming into the ghetto," the years went like this: the Marine Corps after high school for a three-year stint, the New York City police force, a tour as a detective in ghetto precincts, a night-school college degree, law school, a job with the U.S. Attorney's office as assistant chief in the narcotics section, the executive directorship of the N.Y.P.D.'s Civilian Complaint Review Board, the federal drug liaison post and now this.

"It seems that everything I have done has been leading up to this particular job," he said.

He was quick to point out that, as far as he knows, he is the nation's only black chief prosecutor in a major metropolitan area and hastened to credit his ghetto background for providing many of the qualities which helped get him there.

"If you act like a sissy," he said, "they're gonna treat you like a sissy. They're gonna walk all over you—dope peddlers, defense counselors, everybody.

"I don't act like a sissy."

He'll get a chance to prove it when he assumes the $42,000-a-year prosecutor's post. He will be responsible for enforcing one of the strictest drug laws in the nation, resulting from legislation sponsored by Gov. Rockefeller. Johnson said he was unable to evaluate the Rockefeller law:

"There's not enough data yet to determine whether it's good or bad."

"Harsh penalties in and of themselves are not going to deter junkies or people who want to make a fast dollar," he said. "But my personal philosophy is for vigorous law enforcement, vigorous prosecution and adequate penalties.

"I'm sworn to uphold the law and I'm gonna do it."

Johnson's latest assignment with the federal task force involved Operation Buccaneer, the government's public-relations title for its joint-effort with Jamaican authorities to curtail the traffic in ganja (the Jamaican term marijuana), heroin and cocaine which has been coming to the U.S. through that West Indian island and other Caribbean ports.

Johnson called the area "the soft underbelly of this country" as far as the drug trade was concerned.

"If you can get things into the Caribbean," he explained, "you know, just take a boat out into the middle of the sea, have a shrimp trawler meet it, you sometimes can go right into Miami and nobody's the wiser."

Johnson said the Jamaican government requested U.S. assistance after the crime problem became acute on the island.

"Money and guns were being fed back into Jamaica by American organized crime elements based in Miami," he said, "in partial exchange for the drugs. And there was a corresponding rise in crime. Not only were the arms being used for robberies and other violent crimes but they were also used in warfare between competing factions."

Johnson said that the cooperative effort he helped launch has done a lot to help "eradicate the ganja fields" through increased manpower, more helicopters and other surveillance vehicles and craft and better awareness of the problem.

(An FDEA promotional booklet claims these results for Operation Buccaneer last year: Seized were 730,000 tons of ganja, 8083 tons of ganja seeds, 65 tons of hashish, 20 tons of cocaine, 11 weapons, 10 aircraft, 17 vessels and over $143,000 in cash. There were 98 arrests and more than 500 acres of ganja were destroyed. the booklet says.)

Sterling Johnson Jr. was born 41 years ago in the Brooklyn ghetto where his father, Sterling Sr., a retired Transit Authority motorman, and his mother, the former Ruth Howard, who used to work as a domestic, still live, He was the second of five children.

He now lives in Laurelton, Queens with his wife, the former Barbara Jackson ("my childhood sweatheart"), and three children—Sterling 3d, 18, a college student; Alicia, 14, and Jennifer, 6.

One of his main concerns these days is getting higher pay for assistant district attorneys to encourage the development of career prosecutors. "It's something that must be done," he said, "If you want to keep the good ones."

He said that his major ambition right now was to "follow in Frank Rogers' footsteps—he ran a very good shop" but added that he might have to go into private practice sometime in the future "to make some money for the family you know."

But Johnson, with similar candor, says he has fulfilled all his ambitions in life: "I'd always wanted to be three things—a Marine, a policeman and a lawyer—and I've been all three.

"It all depends on the individual," he remarked. "Some people buckle under the pressure of living in the ghetto. Others just know they've got to be tough to survive in this world."

Inevitably, the conversation returned to the subject of heroin. "Many of my friends became slaves to that drug."

He remembered one incident in particular, when he was working as a detective back in the old neghborhood about eight years after he left to join the Marines.

"We picked up this fella on a homicide charge," he said. "It was a case of two junkies arguing over a bag. We brought him in and I had to fill out the fingerprint card. I asked him his name.

"He looked at me and started crying.

" 'Sterling,' he said, 'you really don't know who I am?'

"He had been my best friend throughout public school and high school. I just didn't recognize him, he looked so bad."

Sterling Johnson said that he still visits the old neighborhood, to visit his parents, and sometimes he gets to play the asphalt brand of basketball he likes to say helped make him tough.

"I'm a husky 5-11," he said, "and I can still clear those boards."

But when he does go back, Johnson's eyes are not confined to the action around the hoop. As he talked about it, his face wore the same look it did when he discussed the poppy fields in Turkey.

"I'm afraid," he said, " of what the future holds, not only for the ghetto but all over our town."

THE HAYES AMENDMENT

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. STARK. Mr. Speaker, I regret that I did not get a chance yesterday to commend the gentleman from Indiana (Mr. PHILIP HAYES) for his amendment to exempt all industrially funded DOD activities from civilian manpower ceilings under the Department of Defense.

Passage of this amendment, as part of the military procurement authorization bill, is probably the best thing that has happened to the Department of Defense in a good while. I have questioned and been critical of a certain number of DOD activities—but this amendment, which I strongly supported and voted for, is a measure which will provide for efficient management within DOD and aid civilian employees.

In the district I represent, for instance, exists the Alameda Naval Rework Facility. This is an industrially funded DOD activity—there is no reason that it should be subject to civilian manpower ceilings and have to contract out work—or pay overtime rates—when the work is there and needs to be done.

I believe that the amount of work—not an arbitrary ceiling—should dictate the amount of people needed to do that work.

I commend the gentleman from Indiana for a job well done and for a much needed and most sensible proposal.

D.C. RESIDENT AND BUREAU OF OUTDOOR RECREATION ACCOUNTING OFFICER NAMED INTERIOR DEPARTMENT'S WOMAN OF THE MONTH

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. FAUNTROY. Mr. Speaker, one of my delightful duties as the Representative of the District of Columbia is the opportunity to be able to publicly recognize and acknowledge the achievements of my constituents on the floor of this House.

One of these persons is Opal A. Shelton, accounting officer for the Bureau of Outdoor Recreation, and Deputy Chief of the Division of Budget and Finance, who has been named the Interior Department's Woman of the Month for May as part of the International Women's Year celebration.

Ms. Shelton was chosen Woman of the Month because of her outstanding accomplishments in planning and coordinating the Bureau's fiscal management program. She accepted her award at a 10:30 a.m. ceremony on May 16, 1975, in the Interior Department auditorium.

An accountant by profession, Ms. Shelton was instrumental in converting the Bureau from a manual accounting system to automatic data processing operations. Her work enables smooth financial management in the Bureau's Washington headquarters and seven regional offices.

A native of Missouri, Shelton has been with the Interior Department 28 years, and has received a number of special commendations for her services. In 1974 she was awarded the Department's Meritorious Service Award by Interior Secretary Rogers C. B. Morton. "Perhaps the most satisfying accomplishment in what I feel has been a successful career," she says, "is climbing up the ladder the hard way, without a college education."

UMI

The Woman of the Month Award is one of several activities sponsored by the Interior Department's Federal women's program coordinators in celebration of International Women's Year—IWY—1975. The award is given to an outstanding female employee of each Interior agency monthly during 1975. IWY was proclaimed by the United Nations, and is being observed by many countries around the world, including the United States.

LAND GRANT UNIVERSITIES AGRICULTURAL RESEARCH, AND THE NEEDS OF AMERICA

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. FITHIAN. Mr. Speaker, I would like to take this opportunity to discuss the problems of agricultural research and the needs of America.

I recently received an excellent letter from Dr. H. H. Kramer, associate dean of the School of Agriculture, director of the Agricultural Experiment Station, at Purdue University.

Professor Kramer argues that the time has come to upgrade the experiment stations at land grant universities where many USDA scientists are located. Rather than create and fund isolated USDA laboratories across the Nation, it would make sense, both from an economical as well as a research basis, to utilize the existing facilities at the land grant universities and provide the necessary funding to allow them to update their facilities.

It is with great pleasure that I reprint Dean Kramer's excellent letter:

PURDUE UNIVERSITY,
West Lafayette, Ind., May 15, 1975.

DEAR FLOYD: We surely appreciate your phone call to Dean R. L. Kohls regarding an item in his recent letter to Congressman Fithian about our need to consider ways to improve our physical facilities, since this has become a limiting factor in our ability to tackle some of the urgent problems that need to be solved, if agricultural productivity is to be maintained.

A recent study by the Agricultural Research Policy Advisory Committee (ARPAC), a joint committee of the USDA and Land Grant Colleges revealed recently that:

(1) All State Agricultural Experiment Stations (SAES) reported inadequacies in laboratory facilities; many in need of modernization and renovation.

(2) There is space in many of the 181 Agricultural Research Service (ARS, USDA) locations that is underutilized or unused. Such space could accommodate about 690 scientists, but would involve some renovation costs.

(3) Correlation between ARS excesses and SAES deficiencies are poor when compared within states, and seems to be even poorer when specific facility requirements are compared.

The answer seems to lie, not in more isolated USDA laboratories, but in upgrading SAES space at Land Grant Colleges, where many USDA scientists are located.

The amendment to the "Facilities Bill" PL 88-74 introduced recently in the Senate by Senator Cannon of Missouri as SB 1656 would seem to provide a vehicle by which this can be accomplished. This bill provides for funds for facilities improvement to be allocated to states in direct proportion to funds allocated for research under the Hatch (Agriculture) and McIntire-Stennis (Forestry) research acts.

In Indiana, for example, we are sadly lacking in Food Science facilities, and in the kinds of facilities required to tackle the problems of environmental impact of production practices. In fact, we have reached the point where it appears counterproductive to even attempt to enlist staff without being able to provide facilities support in these areas.

If, indeed, agricultural research is to play a key role in ameliorating the food situation, both here and abroad, the limiting factor of research facilities will need to be dealt with. We are most gratified that you have recognized this vital point in Dean Kohls letter of 22 April.

Very truly yours,

H. H. KRAMER,
Director.

THE CONDITION OF HEALTH INSURANCE IN THE UNITED STATES

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the following summary of "The Condition of Health Insurance in the United States, 1974" prepared by my constituent, Mr. Peter Fisher.

Also, I am enclosing the proposed budget for the "National Voluntary Medical and Hospital Services Insurance Act: H.R. 3252" introduced by myself and my colleague, BILL KETCHUM:

A STATEMENT OF THE CONDITION OF HEALTH INSURANCE IN THE UNITED STATES, 1974

This is the system that the Administration, the American Medical Association and Health Insurance Association of America want to "preserve" and "build on" for any National Health Insurance program. (Data sources: HEW/SSA Bulletin 2/75; AMA census of physicians, 1973; HIAA testimony to Congress, 1974; IRS statistics extracts, 1972.)

1. Estimated population with some public or private health insurance coverage, 190,000,000.

2. Estimated total public & private personal health care expenditures (civilian), $90.3 billion.

3. Total govt. (Fed./state/local) health expenditures (Medicare, etc.), $34 billion.

4. Health benefits paid by Blue Cross-Blue Shield, $11 billion.

5. Health benefits paid by commercial insurance companies (HIAA), $10 billion.

6. Health benefits paid by non-profit union, fraternal & community plans, $2 billion.

7. Total health expenses paid by all public & private insurance, $57 billion.

8. Total health expenses paid "out of pocket" privately by patients, $33.3 billion.

9. Estimated total employees in HEW Medicare & Medicaid administration, 25,000.

10. Estimated total employees in State & local Medicaid program administration, 125,000.

11. Estimated total employees in Blue Cross-Blue Shield plans (BC-BS figures), 70,000.

12. Estimated total employees in commercial health companies (HIAA figures), 500,000.

13. Estimated total employees in non-profit union, fraternal & community plans, 5,000.

14. Estimated total employees in Medicare/Medicaid "fiscal intermediaries" 25,000.

15. Estimated total employees in all public & private insurance administration, 750,000.

16. Estimated total cost of all health insurance administration on basis of salary, expense & capitalization at $25,000/year/employee (750,000), $19 billion.

17. Total administrative cost as percentage of benefits ($57 billion) paid, 33.3 percent.

18. Total physicians in office-based practice (AMA census, 1973), 200,000.

19. Total hospital-based Resident and Staff physicians (AMA census, 1973), 62,000.

20. Total physician in direct patient care, 262,000.

21. Estimated total gross fees of office-based MDs at $60,000 average (200,000), $12 billion.

22. Estimated total salaries of hospital-based MDs at $35,000 average (62,000), $2 billion.

23. Ratio of insurance employees to physicians (750,000: 262,000) =3: 1.

24. Ratio of insurance employes to insured persons (750,000:100,000,000)=1:253.

Comment: The above figures show that THREE persons are employed in public and private health insurance administration for EACH physician who is partially paid by health insurance; and that the total cost of administering health insurance is $5 billion MORE than the gross income of all physicians in direct patient care in the United States.

COMPARATIVE STATEMENT OF CONDITION OF HEALTH INSURANCE IN BRITISH COLUMBIA, CANADA, 1974

1. Total population covered by Hospital & Medical insurance Plans, 2,500,000.

2. Total hospital service plan budget (including administration), $277,000,000.

3. Total medical services plan budget (including administration), $180,000,000.

4. Combined Hospital & Medical budget (95%+ of ALL hospital/medical costs), $457,000,000.

5. Combined Hospital and Medical Plan administrative costs (actual), $10,404,794.

6. Combined admin. costs as percent. of combined Hospital/Medical budget, 2.2 percent.

7. Total admin. employees in Hospital & Medical services Plans, 950.

8. Total office & hospital-based physicians in direct patient care, 4,100.

9. Ratio of Insurance employees to physicians (950 : 4,100) equals .1 : 4.3.

10. Ratio of insurance employees to insured population (950 : 2,500,000) equals 1 : 2,630.

Note.—The Ketchum-Lagomarsino National Voluntary Medical and Hospital Services Insurance Act of 1975 (H.R. 3252) is based on the principles of the British Columbia medical insurance plan, with voluntary enrollment and subscription, 50/50 cost sharing between Federal general funds and subscribers' premiums, supervision by the medical profession with minimum paperwork and a legal limit on administrative costs of 3%. Subscribers' premiums would range from $3 per month for adults and $1.50 for children to a maximum of $15 per month for adults and $7.50 for children, depending on family income. It would pay 100% of all necessary medical and hospital costs, with no limits or exclusions.

NATIONAL VOLUNTARY MEDICAL AND HOSPITAL SERVICES INSURANCE ACT: H.R. 3252

PROPOSED BUDGET

1. Budgeting based on ultimate voluntary enrollment in Plan of 200,000,000 residents of United States and territories, with voluntary participation by 200,000 office-based fee-for-service physicians and 65,000 salaried Resident and Staff physicians in approx. 5,000 hospitals. (Physicians to patients equal 1 : 825)

2. Initial enrollment would be primarily about 40,000,000 persons now covered by Medicare and Medicaid programs (which would be eliminated), and perhaps an equal number of other persons with inadequate or no private health insurance, during the first year. Full enrollment would not likely be reached in less than three to four years.

3. Elimination of Medicare and Medicaid programs would result in an immediate reduction in Federal, state and local government expenditures of $25 billion.

4. Expenditures for hospital services would be based on an average of 1.1 in-patient days plus .8 out-patient visits per capita per year, at an average combined cost of $150 per capita per year, or a total of $30 billion per year for 200,000,000 enrollees. (These costs and expenditurea would include the salaries of 65,000 Resident and Staff physicians in the hospitals.)

5. Expenditures for medical service fees would be based on an assumed average annual gross income of all office-based fee-for-service physicians of $60,000, or a total of $12 billion for 200,000 physicians. ($60/year or $5/month per capita)

6. Total hospital and medical expenses for 200,000,000 enrollees would be $42 billion ($30 billion plus 12 billion) or $210 per capita, per year.

7. Administrative expenses would be legally limited to 3% of expenditures, or $6.30 per capita per year, raising total cost per capita to $216.30 per year.

8. If total per capita costs of $216.30 per year were shared equally between subscribers' premiums and Federal treasury general funds, the cost would be $108.15 per year, or an average of $9.01 per month to each subscriber.

9. Low-income families could not afford $9.01 per month premiums for each member so premiums would be adjusted according to income from a minimum of $3 per month for adults and $1.50 per month for children under 16 to a maximum of $15 per month for adults and $7.50 per month for children, to produce an average premium income of $9.01 per month.

10. If 100,000,000 persons enrolled in the Plan during the first and second years, the cost to the Federal Treasury would be $10,815,000,000. When maximum enrollment of 200,000,000 persons was attained in subsequent years, the cost to the Federal Treasury would be $21,630,000,000 (several billion dollars less than present Medicare and Medicaid expenditures which would be eliminated and which presently pay only part of the health costs for about 40,000,000 people).

11. The foregoing hospital and medical service expenditure figures provide for 100% hospital and medical care for all enrollees, without copayments, deductibles, limits or exclusions of any kind.

ALAMANCE COUNTY, N.C.

HON. RICHARDSON PREYER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. PREYER. Mr. Speaker, Alamance County, N.C., has been in the news in our State recently because of its high unemployment rate. That is the bad news. However, there is good news as well. The county has rallied to help its citizens who have been suffering most from what is a truly national situation. It has done this without waiting around for State and Federal guidance and it has done so with results that prove just how resilient and how generous Americans are when difficult times come along. The Burlington-Alamance Chamber of Commerce recently reported on this effort and I am pleased to share that report with my colleagues as an example of the kind of spirit to be found in my district:

ALAMANCE COUNTY, N.C.

An elderly woman approached the civic club volunteer working in the countywide relief operation. She held out a wrinkled five dollar bill clutched in her aged hands.

The volunteer, knowing the woman's only income came from social security, accepted the donation, but asked, "Are you sure you can spare this money?"

"I can barely make ends meet each month," she replied, "but I know some of these people are worse off than I am, and I have to share what little I have."

This story of one unselfish person is typical of the individual incidents which molded together to form an incredibly successful community response to stifling economic problems and crushing unemployment in Alamance County, North Carolina.

Alamance County and Burlington, where the economic life and breath are dominated by textile and hosiery mills, could have almost perished in the economic tribulations of recent months. In addition to soaring inflation and the economic and energy problems which have plagued the entire nation, Alamance County was faced with a drastic slump in the textile industry which sent its unemployment figures to heights seven to ten times beyond figures in recent history. Weekly unemployment claims and monthly averages, normally well below the national average, surpassed the national reading and raced out ahead of the state's other 99 counties.

The economic storm is far from over, but at this point Alamance County is weathering it well. While some communities sat back and waited on relief to come from the President, the Congress, state politicians and bureaucrats, the industrialists and the social agencies, Alamance County residents joined forces to make a coordinated, countywide effort to overcome some of the economic turmoil around them, to make life a little easier for those who were suffering.

This community relief effort involved thousands of residents in major drives and individual sharing experiences over a period of months. Full records have not been kept of every portion of the relief operation, but safe estimates would indicate that more than half the families in the County made some contribution, large or small, to help those neighbors and co-workers in need.

In the first three months of the relief operation more than 620 families, representing more than 2,300 people, were provided with services ranging from food, clothing, fuel, furniture and utilities to budget counselling and referrals to social agencies. In limited incidents, ent assistance was also provided.

UNEMPLOYMENT RISES

Unemployment figures began to make a noticeable rise in the fall of 1974. Annual averages in the previous 10 years had ranged between 1.0 and 2.5 percent with one slump period in 1970–71 when yearly averages were 2.9 and 3.1 percent. Monthly figures in 1974–75 rose to 4 and 5 percent in September, October and November, zoomed to 10 percent in December and topped 14 percent in January. As fall turned into winter, it became apparent that Alamance County was in for a long cold spell.

In response to the economic problems which were obvious and multiplying, the Burlington-Alamance County Chamber of Commerce called a meeting with governmental representatives from the county and local municipalities. The group led by Chamber President J. Norman Young discussed the economic situation and the high unemployment and recognized the need for immediate attention. Special funding and governmental assistance were analyzed as possible relief, but time delays were an obvious problem. Also there was a definite feeling among the people at the meeting that county residents would be supportive of efforts to overcome the community's problems locally.

The Chamber and governmental representatives joined with representatives of the Employment Security Commission, the Salvation Army, the Alamanace County Community Action Program and the area civic clubs to give birth to a steering committee to get a coordinated county relief effort moving.

The steering committee began by pulling together relief efforts already being undertaken by local groups. The Salvation Army was selected to coordinate activities, and all local agencies placed their support (financial and human) into the joint effort. The first problem involved staffing problems at the Salvation Army, but service club and church volunteers and staff members from various agencies helped out until public service funds allowed the hiring of additional workers.

EARLY STEPS

Early steps in the relief operation included contacts with the County's financial institutions to request that these companies would work in every way possible to assure that no one lost his home or car because he was laid off from work. Response was unanimous, and each banking institution has refinanced loans or tolerated partial or late payments where necessary to ease the burdens on unemployed workers.

Another early step involved a redirection for the Chamber of Commerce in setting up as number one priority the securing of quality industry to diversify the county's economy. This long range objective has undergone months of planning, and the Chamber is currently trying to secure funding for a full-time director of economic development.

Initial efforts by several local agencies had made apparent the need for financial support of the relief operation. Local governmental bodies were asked and agreed to donate funds to carry the drive while community campaigns were being planned.

Meeting weekly, the steering committee planned and implemented two major campaigns for assistance to the unemployed and economically troubled.

The first countywide appeal for assistance was known as "Operation Relief." Twenty-six civil clubs in the County joined in an unprecedented cooperative drive to secure clothing, furniture, household goods and money for the relief operation. On Saturday, March 1, hundreds of civic club volunteers manned 24 collection stations throughout the County at shopping centers, volunteer fire departments and other community gathering spots. The stations were connected by telephone hook-ups, and radio contact was established with trucks which picked up large items donated to the cause.

Captain Ray Grider of the Salvation Army reported that "Operation Relief" collected more than $3,000 in cash, household items and furniture to fulfill relief requests for three weeks, and enough clothing to last indefinitely. So many clothes were donated, in fact, that storage became a problem. In some instances, the local Salvation Army was able to exchange excess clothing with other Salvation Army units for other needed items.

SHARING SATURDAY

The next major focus was on collection of food items. With sufficient food and clothing donations, it was reasoned, the financial resources could be used for fuel, utilities, medical bills and such.

In April the community participated in "Sharing Saturday," which actually encompassed Friday and Saturday. Both local school systems and private schools in the area provided an opportunity for school children to bring canned goods for the drive on Friday, April 18. School collections were picked up by employees of the City of Burlington and the Alamance County Recreation Department.

On the next day, food collection stations were set up in 22 major food outlets in the County. Local Boy Scouts and 4-H Club members manned these stations requesting grocery shoppers to purchase an extra item or two for the County's unemployed. These donations were then picked up by volunteers from local Explorer Posts.

Again community cooperation was excellent. Captain Grider estimates that the food supply will last throughout the summer if the demand drops somewhat. Summer demand is expected to fall off slightly for two reasons—some people are being called back to work, and many are planting gardens to meet some of the food needs.

SIGNIFICANT ACTIVITIES

Before, during and after these two major projects, a number of other significant activities were taking place.

The newspapers in the County cooperated in running a pledge card which allowed local residents to make a one-time or continuous pledge for financial support to the relief effort. Funds are still trickling in from this project.

The local restaurant association offered a guarantee that no family would go without food, but to date it has not been necessary to take the restaurant operators up on their offer to provide meals.

The Ministerial Association of Alamance County joined in the relief efforts with weekly food and money collections in the area churches, and the civil clubs followed up on "Operation Relief" with individual club drives and collections.

The overall relief effort represents a rare community response to widespread need, but the stories of individual sharing tell perhaps the most dramatic tale. In addition to the hundreds and thousands who generously took part in the relief operations, there were numerous individuals who made personal sacrifices, great and small, for the cause. More than a few people gave donations when they were facing severe economic problems themselves. School children in the local parochial school gave up some enjoyable expenditure during the Lent season and donated the saved funds to the relief drive. And one local grocer provided grocery items with a wholesale value in excess of $20,000.

THE FUTURE

What does the future hold for Alamance County? Has the community weathered the economic crisis? No one knows.

The unemployment problems continued at peak level through the winter and into the spring. In early May things began to look a little better. Everett McNeilly of the local Employment Security Office reports that employers are "cautiously optimistic." Unemployment claims have dropped off somewhat. A few mills have reopened, and a few others have gone from shorttime to a full work week.

Relief contributions are stockpiled to cover requests through the summer if things don't get any worse. And then—who knows. The steering committee has ceased its weekly meetings, but members stand ready to reconvene and to rally the community again and again if necessary. Alamance County residents refuse to be whipped by economic turmoil.

MEXICO OWES JUSTICE TO FOREIGN PRISONERS

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. UDALL. Mr. Speaker, Bill Waters of the Arizona Daily Star, Tucson, has traveled extensively in Mexico and other South American countries and won recognition from the Overseas Press Club recently for his reporting on Latin American affairs.

On May 4, he turned his talents to the sensitive issue of treatment of American prisoners held in Mexico. Some of us have become personally involved on behalf of constituents who have been or are now in Mexican prisons. One is Congressman PETE STARK who has taken a vigorous role in getting needed airing of this issue through the institution of congressional hearings.

The Subcommittee on International Political and Military Affairs of the House International Relations Committee has recently held hearings on the question of denied rights in Mexico. Chairman DANTE FASCELL has shown concern and initiative in this question. He and Congressman STARK are working together to investigate the allegations and improve the conditions of the 515 American prisoners in jail south of our border.

The article follows:

MEXICO OWES JUSTICE TO FOREIGN PRISONERS

"Prohibited are penalties of mutilation and of infamous character, marking, whipping, use of sticks and torture of any kind. . ."—From Chapter 1, Article 22, Mexican Constitution.

(By Bill Waters)

Sunny Mexico, where the climates of the tropics warm the clear water as it rushes toward palm-lined beaches . . .

Sunny Mexico, where you'll find charming, hospitable, friendly people . . .

Sunny Mexico, where the cultures of the Old and New Worlds have joined to make a modern, dynamic nation . . .

Sunny Mexico, where your civil liberties aren't worth a peso: Perhaps they might carry a black-market value of as much as five figures' worth of dollars, however . . .

Some 3 million Americans visit Mexico each year. For the vast majority of them, the trips are full of wonderful memories. For some, however, fear, horror and unspeakable atrocities turn their tours into nightmares that destroy their lives, their careers, or, at the very least, their good feelings toward their fellow man.

Incommunicado jailings, confiscation of property and torture—cattle-prodding, finger-breaking, injuries to the sex organs and severe beatings are the most common—have been suffered by many norteamericanos in recent years.

One lawmaker knows of more than 150 such cases. Many more than that sit in consular files. Others may not have been reported, save for a call to the first newspaper office encountered on the return to the U.S.

Still others have escaped such treatment, or at least have mitigated it, by paying outrageous fines or by being extorted by lawyers who find it profitable to prey upon the turistas.

Few of the victims are innocent. The terror tactics are applied mainly to dope-smugglers and to tourists who have failed to comply with Mexican law or who have been so foolish as to drive there without Mexican insurance coverage.

Mexico's constitution carries an equal-protection clause as well as some prohibition of abuse of defendants. It carries other clauses that may appear barbaric to U.S. citizens—72 hours of confinement without notification to family, one year without issuing formal sentence—but which are, nonetheless, the law of the land.

Is torture the treatment given all defendants, Mexican or otherwise? Yes and no. Mexicans know enough about their graft-ridden justice system to buy their way out of trouble. Also they know what's happening to them. U.S. defendants, who don't get interpreters and court-appointed attorneys provided to Mexican defendants this side of the border, wind up signing coerced confessions that keep them behind bars indeterminately.

There is more than Mexico's constitution at issue in the treatment of the gringos. As a signatory of the Vienna Convention and of bilateral U.S.-Mexico consular treaties and as a member of the United Nations General Assembly, which adopted the Universal Declaration of Human Rights, Mexico owes justice to foreigners accused of crimes.

The job of making sure that U.S. citizens' rights are respected falls to our consulates. Federal law puts that duty upon them. Even by the accounts of many vice-consuls, they're not doing the job.

"The majority of cases," said one diplomat at the vice-consular level, "are the kind that could be resolved within 24 hours. It rarely works out that way, however; the situation deteriorates into a quest for bribe money and, if that fails, the gringo winds up with an over-long stay in jail."

When that sort of thing happens, say many of our diplomats, they complain to the police officials who may have failed to tell the consulate that they have a *norteamericano* in custody. There is no chance to determine whether torture tactics have been used.

Said one young diplomat, "Most of the time we don't even get a reply—from customs or immigration officers or from the police.

"I don't think they take us that seriously," was his analysis of the situation.

After watching his fellow citizens run the gamut of abuse over the past few years, he has become very bitter. "If Mexican officials choose to violate their own constitution," he says, "there's nothing we can do about it."

Maybe so, at his level. The consulates, which U.S. taxpayers spend $2.4 million a year to maintain in Mexico, time and again have shown their impotence in the face of judicial abuse.

If they cannot protect the rights of visiting countrymen, then why are they even open?

"We're here mostly as a convenience to the Mexicans," was the way one young foreign service officer saw his post's visa-issuing role.

Consulates provide other services—industrial and commercial consultation, back-home bureaucratic care for U.S. residents overseas and help for out-of-cash countrymen, among others—but in Mexico, it seems, the U.S. has lost sight of a major function.

If the failure to perform that function springs from a lack of legal or financial support, the responsibility lies with Congress.

If the performance of that function is being hindered by Mexican officials, well, our nation has a history of heavy-handed treatment of our southern neighbors, any part of which may be put to present use.

The idea of leaning on Mexico prompts shudders among diplomats.

"Surely things aren't *that* drastic," was the response from John Dreyfus, the U.S. State Department's country director for Mexico, and Joseph Livornese, who is in charge of special consular services at State.

To that I could only ask, during a recent visit to Dreyfus' office in Washington, how many cases of the kind so common in the

Arizona-Sonora borderlands does it take to make things *that* drastic?

The gentlemen of the State Department had no answer.

California Democratic Congressman Fortney "Pete" Stark did.

Stark's staff has amassed more than a gross of complaints during nine months of looking into U.S. defendants' problems in Mexico.

"One-half to two-thirds of those cases," he said during an interview at his office, "raised sufficient questions of violation of rights under the Mexican constitution to warrant a full investigation."

Stark submitted a resolution of inquiry seeking what information the State Department has on the situation. First hearings, by the Political and Military Affairs Subcommittee of the House International Relations Committee, took place April 29.

David Julyan, a Stark aid, said he and other staffers have collected information from defendants' families in many parts of the U.S.

"It's been an incredible educational process," said Julyan. "There's been such incredible extortion involved." The families turn quickly to the embassy. Instead of guidance, they get dumped on."

A hint of the State Department's indifference to the plight of the gringo defendants came from a young veteran of the department, who has served overseas and is now in Washington.

"Most of those defendants," he said, "are involved in dope-trafficking charges. Guilty or innocent, they're mostly long-haired hippie types, and during recent administrations, that kind of person is strictly low-priority. State's not about to be bothered with their civil rights."

One of his colleagues noted the irony that Operation Intercept, and the U.S. aid that went into dope-busting during the subsequent Operation Cooperation, have given Mexican officials the idea that our Drug Enforcement Agency wants them to commit atrocities upon suspected *contrabandistas;* that the crazy gringos will pay them to beat confessions out of their *compadres.*

State, in Stark's view, had better be bothered about those rights. For support, he and his staff cite two sections of the U.S. Code.

One says that the U.S. will provide adequate attention to its citizens in foreign countries. The other says that if an American in a foreign country is being held unjustly, and the fact is called to the attention of our President—who happens to be the secretary of state's boss—he must investigate. If it is shown that the person is being held in violation of the constitution or laws of that country or in violation of his rights as a U.S. citizen, "the President shall use such means, not amounting to acts of war, as he may think necessary and proper to effectuate the release; and all the facts and proceedings relative thereto shall as soon as practicable be communicated by the President to Congress."

The law derives from an 1868 act, and is an odious leftover from gunboat-diplomacy days.

Nonetheless, Julyan notes, it has not remained dormant. In the 1964 case of *Zemel* v. *Rusk*, it was dusted off as an argument that a person should not be allowed to travel to a nation in which consular protection and negotiation could not be guaranteed.

The country in question was Cuba, but you have to wonder if any better protection is offered to our citizens who travel in Mexico.

Is the idea, then, to require passports for Mexican travel, and to prohibit American visits there until defendants' rights are guaranteed?

Not even Stark's proposals would go that far.

"What we must do," Julyan figures, "is give consular officers authority, support and stronger policy if they need it. It's incumbent on consular officers to represent the best interest of U.S. citizens."

Julyan noted that our armed forces provide "all kinds" of legal defense for personnel in trouble overseas—attorneys at Department of Defense expense and observers of the proceedings in which servicemen are involved.

There has to be a balance, he suggests, between what Defense does and what State does not do.

In the area of court observers, he may have hit upon the solution. An official operating under the watchful eye of a foreign diplomat is more likely to do his job than one doing the same with complete autonomy.

Meanwhile, said Julyan, the cases involving the more than 500 U.S. defendants now being held in Mexico has radicalized them, their families and most others who have heard of their plight.

It's not the kind of news calculated to boost Mexico's tourism industry.

In fact, said one member of our consular corps in Mexico, perhaps that should be the target—the Department of Tourism, which just this year was elevated to cabinet level.

"Tourism," said that young diplomat, "is bigger than they'll admit. If they were to get the idea that Americans are reluctant to visit, perhaps the people who stand to profit from it might lobby for some action."

That's one of the things Stark has in mind.

Asked if it might serve our interest to institute a boycott of Mexico, the Congressman said, "Not only is it a good idea, but if we get no action, I intend to organize it.

"In this case, where the State Department is so indifferent, so haughty, there is reason to use a secondary boycott. They (the Mexicans) understand power and authority, and they have no tolerance for weakness; that's how we've gotten in the position we're in."

Tourism Secretary Julio Hirschfeld Almaldo confirmed, to some extent, Stark's view of the State Department last night in Hemosio.

Hirschfeld said his department has received nothing concrete from the U.S. by way of complaints. He urged that such complaints be sent his way.

In Hermosillo more than 300 travel-industry executives gathered last week for a tourism-boosting convention.

Many of them said that they have felt a certain let-up in what until recently had been a booming business. They attributed it more to the economic strain being felt by would-be travelers, gringo and Mexican alike, but were mostly in agreement that one thing they don't need is a rash of roughing-up the tourists—hippie, fat-cat or otherwise.

None, however, showed much sympathy for the foreign residents of Mexican jails. Legal problems, went the running theme among those interviewed, fall into the province of police, prosecutors and prosecuted.

What Stark first wants to know is:

What can be done to help?

What can be done to change consular policy?

He is well aware that our diplomats in Mexico carry a heavy workload, and he insists that he just wants to lighten that burden.

"They're so paranoid, it seems," said Stark, "but we're not out to get the State Department; we want to work with them. Do they need more money? Could they use some statutory changes?"

State, says Stark, has insisted that the problem isn't all that great. He doesn't buy that.

"I was told that the consulates were too busy when there were only 200 U.S. citizen in custody there. Now they've got 500."

Julyan added, "What we're trying to say is, it's not you (State) against us, nor is it us against them (Mexico). But we have to ask, are gringos being deprived of their rights under Mexican law? If so, we've got to correct that."

Are gringos indeed being deprived of those rights?

"We observe," said Stark, "that there is sufficient documentation of the allegations to warrant a thorough investigation. If they have, our government should look into it.

"This should not be just a whitewash."

Stark's involvement in the problem sprung from just two constituent complaints. Nine months of investigation produced 150 similar cases.

"If one congressman's office, with all its other duties—and without lots of help from the State Department—can find out what we've found out," asks Julyan, "what could a team of professionals provide by way of evidence?"

He quickly pointed out that, "We're not going to open the prison doors and put 'em on planes," but declared that the situation demands a thorough study.

"Isn't it a principle of American law to see—even at great expense—that the innocent don't suffer?" Julyan concluded.

Most of the innocent certainly don't suffer. By the millions, U.S. tourists travel the length and breadth of Mexico with only pleasure in their path.

The occasional innocent—or guilty—who winds up in the Mexican criminal justice system, however, deserves better treatment from his fellow humans.

BETTER SPEECH AND HEARING MONTH

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. HAMMERSCHMIDT. Mr. Speaker, the month of May is being observed as Better Speech and Hearing Month, an appropriate occasion to pause and reflect on these aspects of the vast subject we term communication.

It is dismaying to note that some 20 million Americans have a speech language or hearing impairment, sufficiently severe to affect their ability to function in their daily activities.

The impact of this fact can be grasped when we consider that those 20 million of our citizens represent 10 percent of all children and adults in the United States. We can understand the magnitude of the situation in those terms. These are not mere statistics; these are human beings, held back and, in some cases, imprisoned by the restrictions of their impairment.

Such impairments often prevent them from achieving their full potential, because there are sociological barriers or obstacles placed in their way due to these impairments of hearing and speech. Their horizons could likely be greatly expanded if these barriers were eliminated.

In my congressional district alone, the Third District of Arkansas, national statistics indicate that there are some 40,000 communicatively impaired individuals. These citizens are served by community speech and hearing clinics, the speech and hearing center in the Northwest

Arkansas Counseling and Guidance Center, Fort Smith, and the University of Arkansas-Fayetteville Speech and Hearing Clinic. There is obviously a crying need to expand these services.

The incalculable contributions of professional speech pathologists and audiologists must be recognized. Their efforts serve as a bridge for those who suffer from communicative impairments, and they deserve our heartiest commendation and recognition.

The dedication and competency of speech pathologists and audiologists are, in most cases, the only hope for restoring or improving one's ability to assume a meaningful and productive place in society.

It is critically important to be aware of communicative problems and of the wide range of professional services available for individuals with these difficulties.

Think about it for a moment. Imagine how much more restrictive and limited our capabilities, goals, and aspirations would be if we experienced speech, language or hearing impairments. All too often, we take for granted the possession of these abilities, but if they were suddenly withdrawn from us, we can readily imagine what the impact would be on our lives.

Thus, we can better appreciate what it means in human terms when statistics tell us that some 10 percent of our people suffer from communicative impairments.

Mr. Speaker, I hasten to voice my own keen interest in Better Speech and Hearing Month, and I urge our colleagues to devote some thought to the subject.

Speech: the spoken word. Hearing: a bridge to the world. Two enormously vital forms of communication, without which our lives would not be nearly so enriched.

TRIBUTE TO FLUSHING HIGH SCHOOL—100 YEARS OF EDUCATIONAL EXCELLENCE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. BIAGGI. Mr. Speaker, on May 29, I will have the distinct honor and privilege to attend a banquet to honor the centennial celebration of Flushing High School in Queens, N.Y. I would like to take this opportunity to pay tribute to the school and its 100 years of providing quality education to students in Queens.

Perhaps the most important part in Flushing High School's history is the fact that they were the first public school in New York City to be chartered by the State of New York. The New York City school system is now one of the largest in the Nation and includes 96 high schools. In 1873 the site for the first Flushing High School was selected and within a period of just over 1 year a new school was constructed for the minuscule sum of $61,000. The school officially opened on May 15, 1875, with a total student enrollment of seven. Their first graduating class was in 1878 and included six graduates.

In the succeeding decades the community of Flushing grew rapidly and so did the population of Flushing High School. It became apparent that by the turn of the 20th century a new school was needed to meet the growing educational needs of the Flushing community. The new facility was completed in the mid-1910's and is bascially the same building which houses Flushing High School today.

In its 100-year history, Flushing High School has amassed an impressive academic and athletic record. The 1919 Flushing High School football team became the top high school football team in the entire Nation, winning the championship game in New York City. Since that time their various athletic teams have won numerous city and State championships and many of their athletes have moved on to achieve excellence in the amateur and professional sports world.

Flushing High School today is one of the finest high schools in the city of New York. It has a student body of 3,500, many of whom are destined to join their predecessors at Flushing High in successful careers. Flushing High School is proud of their many alumni who have distinguished themselves in the professions, entertainment, and politics. Some of these include the renowned actor and comedian Godfrey Cambridge, ex-Queens Borough President Sidney Leviss, and Judge Charles Co[illegible]dey, the founder of Queens College.

Mr. Speaker, I am pleased to join with my many friends in Queens in participating in this momentous centennial celebration of Flushing High School. This Nation has grown strong on the hands of its providing quality education for its youth. Flushing High School blends a rich history with a bright future and is now one of the preeminent high schools in the Nation. I wish to pay a special tribute to Flushing High School's distinguished principal, Martin B. Kaye, I extend to the students, faculty, and administration of Flushing High School my warmest congratulations and best wishes for another 100 years of educational success.

REALITY AT THE UNITED NATIONS

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. ZEFERETTI. Mr. Speaker, at the end of World War II, representatives of many nations met to map out what they fervently hoped would be a framework for a new world order. The League of Nations had been discredited long before the war. Yet, that which the League symbolized, the concept of an international forum which would reduce world tensions and take meaningful steps to prevent future errors in diplomacy, was to be recreated in the United Nations. Regrettably, however, these dreams and hopes of the founders of the United Nations have yet to be even partially realized.

The difficulties within the U.N. seem to lie in the disappearance of the great colonial powers and the emergence of third world nations whose alliance with the Communist bloc has resulted in increasing antagonism toward America and her policies. Other power blocs have emerged, such as the one led by the Arab States. In each situation, there has been open hatred and denigration of the United States despite the fact that it is the United States, specifically the American taxpayer who incurs a major portion of the sums necessary to successfully run the international peace forums of the United Nations.

In sum, the United Nations has made a mockery of its own ideals and rules by allowing terrorist groups to parade on its podium in the name of world peace. It has made a mockery of the ideals of freedom and peace by allowing anti-American power plays to become the norm. This is certainly not what the founders of the U.N. had in mind when the organization was created.

The United Nations can no longer consider itself an objective body which fosters world peace; it has become a political tool for short-term gain on the part of those nation-groupings seeking to manipulate blocs of power. For example, Israel has been eliminated from UNESCO membership and South Africa has been suspended from the membership of the General Assembly. In addition, the PLO has been granted observer status and whose influence can be felt in meetings of the U.N. These new policies are all being upheld and supported by the sheer fact that the United States is paying to run those forums.

I believe that the time has come for the United States to carefully reappraise its role as financial angel to this struggling world organization whose role is ostensibly to foster world peace.

Since 1945, the United States has given more than $5.1 billion to the United Nations. Our payments have always been made ahead of time. In 1973, for example the United States contributed $409.1 million to help support the U.N., or 31.4 percent of that organization's total budget. Yet, the United States represents only 5.6 percent of the total population of its member nations. We, therefore, pay almost twice as much as does the Soviet Union while that country continues to run up enormous debts to the organization; the Soviet Union has yet to pay the $108.7 million it owes the United Nations. Another $2 million is owed by Arab nations who can well afford to pay.

It is time that we ask each nation to pay for the U.N.'s support in proportion to their population. Three years ago, Congress took a small step in this direction by limiting the U.S. contribution to 25 percent of the regular U.N. budget as of 1974. To complete the job of limiting our total contribution, I have joined in sponsorship of a bill in Congress which would limit the contribution of the United States to a percentage of the

total U.N. budget, a contribution more proportionate to the percentage our population represented in comparison to the total U.N. population figures.

As long as we continue to pour money into the pockets of an organization which holds our Nation in open contempt and hostility, we invite more of the same. Cutting our contribution can only bring home our arguments for a more balanced view of world affairs to that body. We have been willing to turn our backs on the U.N.'s lack of performance for too long. And we have continued to foot the bills. It is time that we begin to cut the pursestrings in the name of international peace and world order.

PROUD SRI LANKA MARKS THIRD ANNIVERSARY AS A CONSTITUTIONAL REPUBLIC

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. McCLORY. Mr. Speaker, it is a privilege to participate in honoring the nation of Sri Lanka—Ceylon—which will celebrate the third anniversary of the adoption of its constitution and the inauguration of Sri Lanka as a new republic tomorrow, May 22, 1975.

But while the new constitution is of relatively recent origin, the traditions of Sri Lanka as a free and democratic society are well-grounded. Indeed, the parliamentary system of Sri Lanka antedates by many years the independence which the nation achieved in 1948.

Mr. Speaker, I had occasion recently to visit Sri Lanka as a U.S. delegate to the Interparliamentary Union Conference which took place in Colombo between March 31 and April 5, 1975. During this period, I was privileged to meet and visit with the nation's Prime Minister, Madame Sirimavo Bandaranaike, a very able public leader who is struggling with the problems of this fast-developing nation. While I would not agree with all of the policies which appear to be followed by Madame Bandaranaike and her administration, I am confident that she, as well as her parliamentary colleagues, including representatives of the opposition, are mindful of the difficult problems of their nation and the paths which lie ahead for development and progress. In this respect, Mr. Speaker, I am certain that the Sri Lanka Parliament will be mindful of the experiences of the past as they face the challenges of the future.

The nation is rich in natural resources. It has a climate which provides opportunities for maximum production of food and fiber. It also has the potential for great mineral wealth, including precious stones.

Mr. Speaker, I would also like to observe that the people of Sri Lanka appear to be very friendly and cooperative with the people of our Nation. I feel that we can be of mutual assistance, one to the other. The relatively quiet, philosophical approach of the people of Sri Lanka to great national and international problems, a strong tendency toward moderation and reconciliation are qualities from which we can benefit. In addition, I feel that important elements of our great private enterprise system can contribute to a better life for the people of Sri Lanka if opportunities of this type are provided. In short, there is a great opportunity for sharing, for cooperation and for the development of increased mutual respect in the days ahead. These thoughts are worth recalling and pondering on this important anniversary of the nation of Sri Lanka.

Mr. Speaker, let me add a word of praise and commendation for the Sri Lanka Ambassador, Mr. Neville Kanakaratne. This bright and highly motivated representative of the people of Sri Lanka is an example of the best which this nation has produced. He combines the strong and deep Oriental traditions of his native land with an eloquence and independence which are characteristic of the British parliamentary system. I am privileged to have spent a few brief moments in his company, and I take this occasion to salute the proud and vigorous nation of Sri Lanka on the third anniversary of the adoption of its constitution and to congratulate Ambassador Kanakaratne in the name of the people of his nation whom he represents in our capital.

DATA ON ENERGY CRISIS ARE INCOMPLETE

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. MOAKLEY. Mr. Speaker, at this time I would like to call to the attention of the Congress one of the fine points, one of the small problems that prevents us from getting a true and total picture of our energy problem. This one aspect of the total problem, if resolved, could help us to get accurate information on the pricing methods by the oil industry of this very valuable resource.

The problem that I speak of is the validity and accuracy of reported information. With accurate information our international economists and petroleum experts in Government agencies could more efficiently evaluate the problem.

In trying to answer different questions on the energy crisis, I have spoken with a variety of people. One of the most consistent difficulties facing energy and oil analysts is that they are forced to deal with many known inaccurate or incomplete data without recourse.

In doing so these specialists cannot serve Congress' need for information. I think it is important for these people to have access to accurate information.

As it stands now the information that everyone is working with are the statistics available through FEA.

In the realm of pricing information, specifically, the main problem rests with the fact that FEA's only source of price information comes from the oil companies. It is the opinion of many experts that this reported information could be more accurate.

Let me be specific and cite an example. FEA gets their price information from the oil companies. The oil companies in reporting the cost of their oil are not required to verify their figures to any great extent. They are required to report to U.S. Bureau of Customs the value of the crude at the foreign port of loading, its type and its quantity. From these figures FEA generally derives the assumed cost of the oil. But these figures are easily inflated.

When oil is produced, its actual cost of production is minimal all around the world. Before oil enters the international markets, the producing companies must pay royalties and taxes to the governments in the producing countries. The financial aspects of these transactions are generally known by now. What happens after the oil is cleared for export is another matter. An oil company may have its own tankers or it may hold tankers under long-term contract. Either way the transportation of petroleum in those vessels is currently an unknown factor in determining the actual cost of oil imported from foreign sources.

Oil companies reporting to the FEA usually ignore "their costs" and report the value of their oil as if it had been purchased at the price of a third party sale. These third party sales comprise mostly small quantities, purchased in the spot market which tends to be high priced and where the transportation is also obtained at the spot freight rates calculated according to the AFRA—average freight rate assessment. Here we have at least two clear examples of inflated prices which do not represent actual facts. When our FEA officials and economists of other agencies are trying to arrive at a true cost of oil from which to begin their base calculations, they have only the figures that are reported to them by the oil companies irrespective of how representative they may be of the actual world oil market prices.

I believe that it would be a simple matter to tighten up FEA regulations that require oil companies to report this information to our Government.

NATIONAL SMALL BUSINESS ORGANIZATIONS IN ANNUAL PRESENTATION—CALLS FOR INCREASED SURTAX EXEMPTION AND OTHER REFORM TO ASSIST AMERICAN SMALL BUSINESS

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. EVINS of Tennessee. Mr. Speaker, the Small Business Association of New England and other small business organizations today delivered their annual presentation to Members of the House Small Business Committee and other

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members of their legislative proposals for 1975.

The call for action by these organizations in 1975 is for further tax reform. Joining with SBANE in the presentation were the Independent Business Association of Wisconsin, the Smaller Manufacturers Council of Pittsburgh, Pa., and the Council of Smaller Enterprises of Cleveland, Ohio.

Commending the Congress for passage of tax legislation which increased the surtax exemption to $50,000, the organizations advocated a further increase to $100,000 on a continuing basis to provide small businesses with more retained earnings to provide incentive for growth.

Other recommendations included:

Establishing uniform jurisdictional standards for interstate taxation to eliminate double taxation.

A more flexible depreciation system to permit small businessmen to gear their depreciation allowance to business income.

A reduction of capital gains tax rates to encourage long-term investment in small enterprises.

Retention of Domestic International Sales Corps. to encourage greater participation by small business in the export market.

Changes in estate tax laws to encourage American small businesses to remain in business.

Certainly these are timely and worthwhile proposals which will be considered by our Small Business Committee, as well as by the other appropriate legislative committees of the House.

I commend and congratulate the leaders, officials and members of SBANE and its affiliated organizations in its Washington program for another outstanding presentation and for their fine work on behalf of small businessmen throughout the Nation.

SAFETY AND TREATMENT OF THE CHOGYAL OF SIKKIM

HON. JAMES W. SYMINGTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. SYMINGTON. Mr. Speaker, you will recall my expressions of concern for the safety and proper treatment of the Chogyal of Sikkim, whose reign was interrupted last month by the arrival of Indian troops. At that time I expressed on behalf of his American wife who is in this country with their two children the hope that the takeover would be accomplished with a minimum of hardship and danger to those in the royal family remaining in Sikkim. Yesterday a Nepalese report picked up by the New York Times indicates the Chogyal to be ill. Such a report is always distressing in and of itself to those concerned for him, and who have no way of verifying or learning the nature or extent of illness. In view of recent developments, however, such a report carries an ominous ring beyond the plain meaning of the words. I would hope that appropriate reassurances might be given in the premises. And I have asked the State Department to lodge appropriate inquiries.

MISLEADING TV ADVERTISING

HON. GUNN McKAY

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. McKAY. Mr. Speaker, I have been concerned for some time about the impact of youth-directed advertising on television, particularly the advertising of some food products. Dr. Elliott Landau, professor of child development at the University of Utah, has studied the effect of television on children, and recently wrote an article I wish to share with my colleagues. His article concerns the possible adverse effect of some televised food commercials on children. Dr. Landau feels that certain advertisements deceive the public by promoting products with little or no nutritional value, and I agree with his views. His article deserves careful consideration by all of my colleagues, and I encourage them to examine, "False Advertising Is a Threat to Children."

The article follows:

FALSE ADVERTISING IS A THREAT TO CHILDREN

(By Dr. Elliott Landau)

"If a child watches just three hours of television on Saturday morning, two hours of Sunday TV shows and one hour each weekday of Capt. Kangaroo, he will see more than 5,000 messages a year trying to sell him something to eat."

So wrote Norman Clark of the Chicago Daily News some while ago.

Television has become the nation's educator about edibles. The greatest number of advertisements on children's TV shows concern foods which are the least nutritive.

Indeed, most of the ads try to sell children, who are unable to distinguish truth from fancy, foods which are of either dubious or little food value.

They are, for the most part, sugar-coated, chocolate-flavored cereals which are more like candy than food.

The bald truth of the matter is that without advertising (to which I do not object) there could be no commercial TV. And it would indeed be foolhardy to throw the baby out with the water. There is too much on TV which is exemplary and educative.

It is sad that manufacturers of food products do not recognize a greater responsibility towards children.

Again, I think that children who cannot detect misleading or subtle innuendo need to be protected, not by big government, but by the intelligent and compassionate restraint of those in the private sector who recognize their responsibility towards youth.

Lest we forget, children are great persuaders. After all, one of the objects of parental guidance is to provide the greatest measure of happiness possible for their children.

It is almost impossible for the average parent to resist the persistent pleadings of their young for products which will make them "happy."

Thus the brilliant advertising techniques used to convince youngsters that they should eat a particular product literally force them to apply pressures upon their parents, which are difficult not to heed.

In the realm of toys and other products which are not ingested I have a less rabid antipathy. What a child eats, however, is what he becomes.

What he eats affects his posterity. What he eats affects his functioning as a human being.

What he eats makes him either a good or poor learner.

If the last statement startles you, recollect that there is a direct relationship between protein intake and the development of brain cells.

Malnourished children, either before birth or after, develop into humans with a lesser capacity to comprehend that which is taught them.

It is one of the sacred trusts of both parents and community not to deceive children about so vital a matter as their nutrition.

Nutritionists today acknowledge that the battle is nearly lost. No longer do mothers have control over what their youngsters eat

It appears doubtful that education either at home or in school can overcome the miseducation of TV advertising.

One school of thought suggests that the government force the foods advertised on TV to be beefed up nutritionally so that no matter what children buy they can't be led down any primrose path.

My vote goes for advertisers to pledge to the public that they will not advertise either falsely or by utilizing gimmicks that deceive children.

HANDICAPPED EDUCATION ACT

HON. ALBERT H. QUIE

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. QUIE. Mr. Speaker, today I joined my colleagues in introducing a bill that was reported unanimously by the Select Subcommittee on Education and will be considered by the full Committee on Education and Labor after we return from the Memorial Day recess. This bill will go a long way toward bringing equal educational rights to the handicapped and I strongly support it with one major exception.

This bill recognizes that there are millions of handicapped children throughout the United States who are in need of special educational and related services but are not receiving them. This bill amends the existing Education of the Handicapped Act by making it a permanent authority and continues the commitment that we, in the Federal Government, have made to helping the handicapped.

A feature of the bill which I feel is significant and will go a long way toward making sure that money appropriated under this legislation will go directly to serve handicapped children and will not be comingled in general education budgets, is the requirement that moneys derived from this act must be spent after a school district computes and determines the average expenditure for each student in that school district and spends that amount of money on each handicapped child before these Federal dollars are spent. Through this requirement it is our intent that because it is so much more expensive to serve handicapped children than those who are "normal," this money should be used to provide those services which are over and above those which any student in a particular school system would receive.

The bill also includes a requirement for the development of individualized education programs for each handicapped child. This would be an educational plan which is developed jointly by the local education agencies, a teacher involved with the specific education of the handicapped child, and his parents or guardian. The plan would include a statement of the child's present level of educational performance, a statement of the goals to be achieved, a statement of the specific services which will have to be provided, a projected date for initiation and duration of the services, and criteria and evaluation procedures for determining whether the objectives are being met. Because handicapped children are unique, setting up plans for each one makes good sense and by involving the parents in the development of such plans, the benefits begun in school hopefully would be continued at home. It is important to point out that it is an educational plan developed jointly, but it is not intended as a binding contract by the schools, children, and parents.

The subcommittee took a long overdue step by including children with "specific learning disabilities" in the Federal definition of those who are handicapped. States in recent years have begun to serve these children who are handicapped in every sense of the word but have always been classified as "other." This change of belief will go a long way toward guaranteeing that they will receive equal consideration with all others who are handicapped.

The bill also includes a provision which specifies that the first priority for services under this act will go to handicapped children who are not now receiving an education or necessary special services. The second priority will be to handicapped children who have the most severe handicaps and who are not receiving adequate special education or related services. The second priority to the most severely handicapped means the most severely handicapped within each particular disability category and not a judgment as to whether one type of handicap is more severe than another.

Finally, the bill includes a provision which covers all education legislation and not just legislation for the handicapped. As you know, the Education Amendments of 1974 grant Congress the authority to review regulations promulgated by HEW for a period of 45 days after their publication in the Federal Register. Congress during this time may choose to issue a resolution of disapproval pointing out those portions of the regulations which are inconsistent with the act or take no action. It is easily arguable that in the event Congress takes no action, it is implicitly consenting to and approving of the subject regulations. This provision will prevent HEW from arguing that Congress inaction constitutes implied approval or consent to such regulations. Thus, Congress will not be stopped from claiming at a later date that the regulations are, in fact, inconsistent.

Having pointed out all of the outstanding features of the bill, in all fairness to my colleagues I think it is important for me to point out one major flaw which I feel must be corrected in the bill; it is the formula for distributing funds. While the bill extends the so-called Mathias formula for 2 more years—which authorizes funding at $680 million per year by multiplying children 3 to 21 by $8.75, in the third year and all of the years thereafter, the bill contains a formula distributing appropriated funds on the basis of the number of handicapped children in LEA who are enrolled in programs, and 50 percent of the national average for student expenditures in elementary and secondary schools.

Presently 3.8 million children are being served and 50 percent of the national average per pupil expenditure is $625, totaling $2.38 billion. The net effect of this formula will be to give money to those States and school districts which are presently serving handicapped children. The more handicapped children are served, the more a State and LEA will be eligible to receive. If sufficient funds are not available to fully fund all of the eligible children, then funding for each State will be ratably reduced as in the existing law.

Although we have set up an incentive for the States to serve more children, we tried to reduce chances of the formula being used as an incentive for a State to mislabel a child as handicapped, as we have set a limit on no more than 12 percent of the handicapped children as compared with all children ages 5 to 17 within every State who may be claimed. At $625 per child, this would bring the total to $3.9 billion.

I think the idea of establishing this bill as permanent authority and having absolutely no specific authorization figures makes great sense, but I do have problems with the fact that the entitlement or the target established by the formula forces us to play the numbers game even though the bill contains a ratable reduction provision. I recognize that figures vary, but whatever estimate we use, we are going to have to project several billion dollars in authorizations. To me, even talking about those figures as a goal at this time is disastrous and could jeopardize the entire bill.

I believe that the concept of distributing money to encourage States to serve more handicapped children is a very positive one. Therefore, I suggest that we use the idea of no specific authorization levels and distribute the money on an "equal" basis of those handicapped children served.

The net effect of this language would be to meet all of the bill's objectives, guarantee that no State receives less money than it presently does because of the hold-harmless language, and at the same time allow the Congress to recognize that there is a need to serve more handicapped children, and recognize that it is more expensive to serve most handicapped children than normal children.

I think it is clear that the committee will be unable to agree on a firm figure as to how much should be spent, such as $200 million, $680 million, $2.4 billion, $3.9 billion and therefore, I believe that the judgment will and should be ultimately made each year by the Congress through its normal Appropriation and Budget Committee process.

I take this time to point out the merits of this bill as well as the problems because I am sure that the bill will be coming to the floor shortly after we return from the recess, and I think it is important that Members know what we are considering. I must stress that this bill is bipartisan and that all members of the subcommittee and particularly the chairman, Mr. BRADEMAS, have been thoroughly cooperative in developing the bill we are introducing today. I am sure that because of all of the positive features contained in the bill, we will be able to continue this same cooperation in developing dollar projection levels which are realistic.

STANLEY K. HATHAWAY

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. MINETA. Mr. Speaker, as you know, the Senate Interior Committee is voting today on the President's nomination of former Wyoming Governor, Stanley K. Hathaway as Secretary of the Interior.

Mr. Hathaway's record as Governor has caused me great concern since it appears to be in direct conflict with the primary interests of the Department of the Interior; namely, the conservation of our natural resources and preservation of wildlife. Therefore, I was recently joined by eight of my Democratic colleagues from the California delegation, GEORGE BROWN, GEORGE DANIELSON, RON DELLUMS, DON EDWARDS, JOHN KREBS, JOHN MOSS, JERRY PATTERSON, and PETE STARK, in sending a letter to Senator HENRY M. JACKSON, chairman of the Interior Committee, expressing our opposition to Mr. Hathaway's confirmation. I enclose for the RECORD, a copy of this letter and call it to the attention of my colleagues.

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 20, 1975.

Hon. HENRY M. JACKSON,
Chairman, Senate Committee on Interior and Insular Affairs, Washington, D.C.

DEAR MR. CHAIRMAN: We, the undersigned Democratic members of the California Delegation, wish to relay our concerns to you regarding the President's nomination of former Wyoming Governor Stanley K. Hathaway to be Secretary of Interior.

It is our feeling that Mr. Hathaway's record as Governor indicates that environmental interests, which are key to the existence of the Department of Interior, would not be best served by his appointment.

We would like to illustrate our reasoning on this matter. While Governor, Mr. Hathaway leased every available acre of state land likely to be underlain by coal, for strip min-

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ing. He supported the building of a jetport in Grand Teton National Park and advocated development of Yellowstone Park, while opposing the establishment of any additional wilderness areas in the state. Mr. Hathaway also encouraged the U.S. Forest Service to increase the allowable timber cut in Wyoming and endorsed the timber industry's practice of clearcutting entire forests. During his term as Governor, Mr. Hathaway even permitted the killing of golden eagles, an endangered species.

Mr. Chairman, we believe that it is extremely important that Cabinet officials be sympathetic and responsive to the concerns and needs of those they serve. Mr. Hathaway's record as a vigorous proponent of uncontrolled development does not lend itself to the interests which the Secretary of Interior should be dedicated to safeguard. Therefore, we urge you not to confirm Stanley K. Hathaway as Secretary of Interior.

CAPT. JOHN WILLIAM KENNEDY AND CAPT. GEORGE BARRY LOCKHART STILL MISSING IN VIETNAM

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. FISHER. Mr. Speaker, I am joining as a cosponsor of House Resolution 335, a resolution establishing a select committee to study the problem of U.S. servicemen still identified as missing in action in Southeast Asia and the need for additional international inspection teams to determine whether there are servicemen still held as prisoners of war.

In northern Virginia, as well as in communities throughout the country, there are families which still have not received a full accounting of their sons who are listed as missing in action. Capt. John William Kennedy and Capt. George Barry Lockhart are two servicemen from Virginia who are missing in action. The following are brief biographies of these two young men.

CAPTAIN JOHN WILLIAM "JACK" KENNEDY

United States Air Force, 225-66-2737.

Born: 1 May 1947, 3804 South 13th Street, Arlington, Virginia 22204.

Missing in Action—16 August 1971, South Vietnam/Laos.

Captain Kennedy was flying an O-2A aircraft, solo, on a visual reconnaissance mission over Quang Tin Province, South Vietnam, on 16 August 1971 when radio contact was lost. Captain Kennedy was a Forward Air Controller (FAC) Pilot, 20th Tactical Air Support Squadron (PACAF) based in Chu Lai (USAF/ALO JAKE, HHC 23 Inf Div). The area in which he was flying was rugged mountainous terrain covered by thick jungle and a known location of enemy ground forces. There was no crash scene, no known eye witnesses nor any radio contact with Captain Kennedy. Army Intelligence reported that the 31st North Vietnamese Regiment was in the area and had an American prisoner. Because Captain Kennedy was the only American reported missing in that area that day, there exists the possibility he was taken prisoner.

John William Kennedy, single.

Wakefield High School, Arlington, Virginia 1962–1965.

Virginia Military Institute, Lexington, Virginia 1965–1969, Civil Engineering, AF, Lt, Who's Who in American Colleges and Universities. 1969 Southern Conference Wrestling Champion 160 lb Co-Captain Varsity Wrestling, Co-Captain Varsity Soccer, Honor Court, Monogram Club President, Athletic Council, Northern Virginia Club. Accepted into Kappa Alpha (W-L Un) upon graduation.

U.S. Air Force—Active Duty, 6 October 1969, Undergraduate Pilot Training Program, Craig AF Base, Selma, Alabama, received wings—16 October 1970.* O-2A Pilot Tng (Hurlburt) Eglin AF Base, Florida (Class 71-5B). * Received UPT Officer Training Award.

Parents—Daniel Edward & Sally Chewning Kennedy, 3804 South 13th Street, Arlington, Virginia 22204. 703 979-5817.

Brother—Captain Daniel Edward Kennedy, Jr., U.S. Air Force Pilot, Eglin AF Base, Florida 35242 (VMI Class 1966). Wife—Kathleen Ann, 2 sons—Sean & Patrick.

CAPTAIN GEORGE BARRY LOCKHART

("BARRY")

Born: 17 February 1947, Davis-Monthan Air Force Base, Tucson, Arizona.

Missing in Action—21 December 1972, Hanoi, NVN.

Captain Lockhart's B-52 aircraft was lost over Hanoi on 21 December 1972 after being struck by a number of surface-to-air missiles. One member of the six-man crew was captured after bailing out and was repatriated to the U.S. in March 1973.

Captain Lockhart attended Hammond High School, Alexandria, Virginia, graduating in June 1965. At Hammond he served as a Forum Representative, Big Brother, and member of the Youth Leadership Council; was selected "Most Personable" student; lettered in Basketball, Football, and Tennis; and in successive years was elected Class Treasurer, Vice President, and President. Received Washington Gas Light Company Award as "Outstanding Junior Student."

Graduated United States Air Force Academy, June 1969. While a cadet, was named to the Commandant's List, the Dean's List, and the Superintendent's List. Selected as Co-Captain of Tennis Team and won Colorado State Inter-Collegiate Tennis Championship in 1968. Commissioned 2nd Lt. U.S. Air Force, June 1969.

Completed Pilot Training at Columbus AFB, Mississippi, in August 1970, and was married to Kathryn Hutchison the same month. After completing B-52 training at Castle AFB, California, was assigned to Blytheville, AFB, Arkansas. One combat tour in Southeast Asia was completed flying from a Thailand air base. He was near the end of a second tour and based at Guam when his aircraft was destroyed over Hanoi.

Wife: Kathryn Hutchison Lockhart.

Parents: George M. Lockhart, Colonel USAF, Retired and Margaret M. Lockhart, 3703 Cameron Mills Road, Alexandria, Virginia, 22305. Telephone: (703) 836-1408.

Brother: Robert M. Lockhart, Alexandria, Virginia.

REFORMING THE SOCIAL SECURITY RETIREMENT

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. HARRINGTON. Mr. Speaker I am today introducing legislation that would reform the social security retirement test. Earlier this year, I joined with 39 of my colleagues in cosponsoring H.R. 4165, introduced by Congressman HOLLAND, which would increase to $3,600 the amount of outside earnings permitted an individual without any reduction in social security benefits.

Today, I am introducing another measure to aid the 3 million people who suffer reduced benefits under the current retirement test.

The bill is composed of two parts: A liberalization of the present withholding rate, and a new provision which allows individuals to deduct social security taxes from their gross earnings before their benefit reduction is determined.

The first of these modifications would decrease the rate at which benefits are withheld by establishing three levels of earnings that would be subject to different reductions in benefits. Under present law, if a beneficiary under age 72 earns more than the annual exempt amount—$2.520 in 1975—there is a corresponding reduction in their benefits at the rate of $1 in benefits for each $2 in earnings above that amount.

The new, three-tier system would be implemented as follows:

The first tier would include all earnings up to the annual exempt amount. There would, as under the present law, be no reduction in benefits from these earnings.

The second tier would include earnings between the annual exempt amount and twice this amount. For example, this tier would include all earnings between $2,520 and $5,040 in 1975. The withholding rate for this level of earnings would be $1 in benefits for every $3 in earnings, as opposed to the 1-to-2 ratio currently employed.

The third tier would include all earnings above the second tier—twice the exempt amount. These earnings would be subject to the present withholding rate.

It should be mentioned here that the automatic adjustment of the exempt amount would also increase the limits of the three tiers, in order to keep the earnings levels consistent with general wage rates.

The second revision in the present test, as mentioned earlier, allows individuals to deduct their social security taxes from their gross earnings before their benefit reduction is determined.

Currently, social security recipients with earnings above the exempt amount are subject to Federal income, social security, State, and local taxation. The greatest inequity occurs in the payment of social security taxes, when an individual's payments into the social security trust fund are included in the "gross earnings" method of determination and actually result in a reduction of social security benefits. The second reform I have proposed will eliminate this injustice.

It is my belief, Mr. Speaker, that the present retirement test actually discourages work by industrious people who wish to supplement their social security benefits. When the effects of Federal income, social security, State and local taxes, as well as benefit withholding, are taken into account, it is clear that the honest work of these people yields little additional net income.

In addition, it seems to me that low-income individuals are the most adversely affected by the present law. In most cases, these people have no private in-

surance, pensions, or large savings accounts to supplement their social security benefits. I believe that the withholding rate liberalization, coupled with the social security tax deduction, will provide the 3 million people affected by the retirement test with some degree of financial relief.

The cost of these modifications is not high. Actuaries of the Social Security Administration estimate the cost of the three-tier system at $0.6 billion for the first calendar year. The implementation of the second reform would require substantially less. When weighed against the potential benefits these do not appear to be unreasonable sums.

In conclusion, Mr. Speaker, the financial security of millions of Americans is often dependent upon their ability to supplement their social security benefits. We must not discourage retired, disabled, or other recipients from seeking gainful employment in order to maintain a respectable standard of living.

It is my belief that we in the Congress have an overriding responsibility to protect these Americans from the specter of financial disaster. I believe that the legislation I have introduced today will significantly aid in the achievement of that goal.

EDITORIALS FAVOR STRIP MINE OVERRIDE

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. UDALL. Mr. Speaker, since the White House briefing on Monday in which the veto of H.R. 25 was announced, Members of Congress have been subjected to substantial pressure to sustain the veto. Much of the information put forth in the past few days in support of the veto is misleading and inaccurate. A number of fine newspapers across the country have not swallowed the administration arguments and I am, therefore, inserting these editorials which appeared today, in the RECORD:

[From the New York Times, May 21, 1975]

STRIP MINE VETO

In again vetoing a bill to regulate the strip mine industry, President Ford demonstrates a remarkable indifference to the harm that such mining inflicts upon the nation's land and water. Mountain streams choked with silt, underground water tables poisoned by acid runoff, trees and grass uprooted and bulldozed aside, whole hillsides of topsoil and vegetation turned into slag heaps and sent sliding into the adjoining valley—these are some of the deadly scars that uncontrolled strip mining has already made upon West Virginia, Kentucky, and southern Ohio.

The bill that Mr. Ford has now vetoed—like a similar measure he rejected in a pocket veto in December—would impose but minimal safeguards; but we strongly believe that it is far better than no law at all.

The alarmist projections in President Ford's veto message about increased oil imports, higher utility rates, and loss of jobs have no dependable factual base. The message almost reads as if it were written by a utilities lobbyist.

Much of the coal land in the West that is to be strip-mined is owned by energy conglomerates that already have oil and gas holdings. Since the Arab oil boycott of November, 1973, some of these companies believe that they can get their way on every issue involving the rapid exploitation of resources by raising the cry "energy crisis." In echoing their propaganda in behalf of strip mining, President Ford runs counter to the opinion of the public and of Congress. The House should respond today by moving to override the veto and to enact into law protection against strip mines that is essential and long overdue.

[From the Washington Post, May 21, 1975]

OVERRIDING THE STRIP MINE VETO

In vetoing the strip mine bill yesterday, the President did more than side with an industry that has shown a consistent disregard for the land. Mr. Ford also showed that he had little appreciation for the fairminded efforts that Congress made in putting White House-requested compromises into the bill. It isn't as though the legislation that was vetoed last December was unusually harsh. It wasn't. And it isn't as though Congress came back this time with a tougher bill. Instead, more than half the changes recommended by the White House since the last veto were made.

In vetoing the weakened legislation, Mr. Ford has chosen to gamble that he can sustain an override by Congress. A vote is scheduled today in the House. All indications suggest that the vote will be close; on the merits of the arguments in favor of the bill, we support an override. Mr. Ford did not come forward with a persuasive case in his veto message. He said, for example, that jobs will be lost by the bill, but this contradicts what the former Secretary of the Interior Rogers Morton testified last February—that the land reclamation provisions will lead to a net gain in employment. It also goes against the experience in many states that have strip mine laws. It is ironic that the President discusses job losses, when over the years large numbers of workers in the coalfields have lost their employement as the industry turned increasingly from deep mining to strip mining. Mr. Ford predicts that consumers will be paying higher electric bills, but as Rep. Morris Udall (D-Ariz.) points out, "increased utility bills are a product of the price of oil and coal which have been artificially inflated. If anything, coal companies are concerned that reclamation methods may cut into their excessive profits." The President believes that coal production will be unnecessarily reduced; again, experience in such places as Pennsylvania suggests a different outcome.

In sum, the President has made no arguments in his veto message that have not been thoroughly debated in the past five years in Congress. If any element in the debate has been missing, it has been an awareness among some of those who have been against strip mining that conservation legislation means more than merely stopping the excesses of a given industry. It also means getting the message to the consumers of such fuels as coal that the old ways of thoughtless energy consumption are over and no one will be exempt from paying the new costs. In the case of strip mining, the excesses of the industry have been large and it would be less than honest to pretend that the remedy will not be expensive. But these costs are a necessary investment in the repair and preservation of the American countryside. They need not impede coal production. On the contrary, the purpose of this legislation is to make expanded production compatible with the values of conservation.

[From the Baltimore Sun, May 21, 1975]

GOOD VETO TO OVERRIDE

The strip-mine reclamation bill already was in the words of environmentalists a "lowest common denominator," even before President Ford vetoed it yesterday. So the hope of presidential approval of a substitute measure that might provide even minimal protection against the ravages of strip mining are nil. The last hope to protect America's coal regions seems to be to override, the veto. The Senate seems all but certain to override, and the chances in the House seem reasonably good, the original House vote having been 293 to 115—21 more votes than needed to override. But opponents of the bill can be expected to mobilize in force, and it is certainly no time for sponsors to be complacent.

The vetoed bill is a modest measure which would prohibit strip mining only where land clearly is shown to be non-reclaimable. It would, as well impose a tax on coal production to produce revenue for reclamation of areas already stripped, and would establish minimum reclamation standards for new strip mines. It would place federal responsibility with the Interior Department instead of the Environmental Protection Agency, clearly a concession to the energy companies, which have always found Interior more manipulable than EPA. In his veto message, President Ford listed what he said was the bill's high cost to consumers, the need for new energy sources and the bill's potential for causing a loss of 36,000 coal-mining jobs as his reasons for disapproval. These same reasons were given last year when the President pocket-vetoed a similar measure, but they don't stand up. Before last year's bill passed Congress, the then Federal Energy Administrator, John T. Sawhill, made this clear in testimony which showed the coal industry data backing these allegations was shaky at best.

There is no doubt, of course, that some of the costs of reclamation would be passed along to consumers. Why shouldn't they be? The real costs of strip mining are now well documented; they include mountainsides sliding into valleys, agricultural land taken permanently out of production and large areas blighted by the "spoil banks" that are the left-overs of strip mining. There is no excuse for letting this destruction continue, and energy producers and users should be willing to pay what it costs to prevent it. The costs prescribed by the conference bill would be relatively modest, in line with the modest aims of the bill. Passage of the bill over the President's veto seems to offer the nation a small way to assert some balance betwen environmental protection and the quest for new energy sources.

[From the Los Angeles Times, May 21, 1975]

STRIP MINING: THE EVIDENCE IS THERE

President Ford's arguments, in vetoing the strip-mining bill, were clearly and simply put: The legislation would decrease coal production (anywhere from 40 million to 162 million tons a year); reduce the number of mining jobs (36,000 to 40,000); boost utility prices (up to 18%), and increase oil imports, making the nation more dependent on foreign oil. Ford said, "when we already are overly dependent and dangerously vulnerable."

Supporters of the bill discount each of these arguments. They argue: Coal production, which already exceeds the market demand by 10%, would not lag because the government already has leased rights to 15.5 billions tons of coal; jobs would actually increase because of reclamation provisions of the bill; production costs would increase no more than 10%, if that, and coal price increases have been following, not preceding, oil price increases. They concede that some coal in the vast coal reserve areas of the West would be locked up, but not enough to harm the nation's efforts to become energy self-sufficient.

Ford vetoed a similar strip-mining measure last December, and the House and Senate,

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which passed the present bill by wide margins, made a number of concessions to the Administration.

One key compromise was to permit mining in the croplands and alluvial valleys of the West with the provision that these fragile areas should be protected to the maximum extent possible. Principally, the bill would require coal operators to restore mined land to productive use. It also would levy a tax of up to 35 cents a ton on coal to pay for the restoration of abandoned strip-mining excavations, most of them in Appalachia.

The weight of the arguments over strip-mining regulation clearly favors supporters of the bill, and the evidence that is most convincing is the history of unregulated strip mining in Appalachia. The devastation wreaked on the land there is beyond argument, and is the main impetus behind the five-year congressional fight to safeguard the West from the same fate.

Our energy needs demand the use of our natural resources, but their destruction can no longer be tolerated. Congress should override Ford's veto.

IMPACT OF THE HOUSING TAX CREDIT

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. **FRENZEL**. Mr. Speaker, an article from Sunday's Minneapolis Tribune discussed the impact of the housing tax credit on the Minneapolis area. The general conclusion of the article is that while there are isolated situations were the credit is a spur to housing sales, in general the credit is not having a significant impact. The indication is that there is not a large unsold housing inventory in the area to be effected by the credit. Problem areas seem to be defining "under construction" and "lowest price." Builders want a change in the law requiring that the lowest price provision be limited to lowest price since January 1, 1975, or some comparable date.

One significant fact not discussed by the article is the construction given "lowest price" by the IRS. They are construing this provision very strictly. The criteria they are using is that is the house in question could have been purchased on the lot in question at any earlier time at a lower price, the credit does not obtain. This means that large subdivisions with several models where buyers select a lot and the model to be built on the lot will generally not be eligible for the credit.

The article follows:

Housing Tax Credit, While Confusing, Is a Boom to Some

(By Robert J. Hagen)

The $2,000 housing-tax credit signed into law about two months ago has been a boom to some builders in the Twin Cities, but it also has created a lot of confusion and some hard feelings. The credit, a part of the $23-billion tax-cut bill passed in March, was designed to spur purchases from a backlog of unsold, new housing units.

A spot survey of builders in the Twin Cities, where the new homes inventory is very small campared with other parts of the country, indicates that the credit is accomplishing that objective.

At Pemtom, Inc., for example, about 16 or 25 sales in the last three weeks are believed to be a result of the housing tax credit.

"It's given us a pretty good spurt," said Joe Johnson, Pemtom's marketing manager, "but it's not as good as we thought it would be. There seems to be an awful lot of misunderstanding in the consumer's mind about this."

Basically, the law says that a buyer of a home that has never before been occupied must buy it between March 13 and Jan. 1, 1976, in order to deduct 5 percent—up to $2,000—of the purchase price from his 1975 taxes.

The home must serve as the buyers' principal residence, rather than his vacation home or a rental property.

Prospective home buyers aren't the only ones perplexed by the housing credit provision. Builders find several obscurities in the law's language.

Gene Holderness compares the law to a contest in which the referee throws the ball onto the field and then goes home, leaving the players to wonder about the rules of the game.

"And when you call the ref—the Internal Revenue Service—at home to ask about some gray area in the rules," said Holderness, vice president and general manager of The Dreyfus Interstate Development Corp., a subsidiary of the Lennar Corp., Miami, "he says, 'I don't know what to tell you, but I'll ask Washington.' Well, who knows when you'll get an answer from Washington?"

Depending on the complexity of the question, it could take a good while.

A spokesman for the district IRS office in St. Paul, which didn't get any additional staff to handle the added responsibility of the housing credit, said, "If a person calls with a question on a real gray area, maybe we can clear it up, but sometimes about all we can do is tell him that's the law."

"If he writes us for an interpretation, it could take up to two months for him to get an answer.' If he decides to write Washington for a ruling, it could take six months to a year."

Two parts of the law that have caused builders the most exasperation are those that say construction on a home must have begun before March 26, 1975, for it to qualify for the credit, and that the builder must certify he sold it for the lowest price at which it ever was offered for sale.

The IRS appears to have cleared up many of the questions about what qualifies as "construction", by saying on April 9 that meeting that requirement demands more than drilling to determine soil conditions, preparation of architect's sketches, obtaining a building permit or grading the land.

Physical work of "a significant amount", like digging footings, excavation of the site or similar work, must have been done prior to March 26 for the home to qualify, the IRS said.

The IRS is still working on final regulations, and uncertainties will remain until they are complete. Meanwhile, the IRS has tried to shed some light on the law's dark areas by issuing a "technical information release" in April and by expressing a willingness to take questions by telephone.

Builders, however, are still bedeviled by the phrase, "lowest price ever offered." Oh, they know what it means; they just don't like it.

"This causes us trouble," said Ted Glasrud, president of Ted Glasrud & Associates, Inc., which is primarily a builder of condominiums and townhouses in St. Paul, "on a unit that we've had standing vacant for, say, a year.

"Over those months, we've had to carry the taxes, insurance and financing on it, so it's likely that we've had to raise the price on it once or twice to keep up with those costs.

"Now, in order to qualify it for the tax credit, we have to roll the price back. We're taking a loss on it if we want it to qualify."

Although the "lowest price" provision means that some builders may lose mony if they want certain homes to qualify, violating the provision could cost them even more dearly.

The law says that a false certification entitles the buyer to collect from the seller three times the difference between what he paid for a home and the excess price he was charged, plus attorney's fees.

In addition to the civil action for damages, the seller would be liable to criminal prosecution.

As a result of the penalty, builders say they are being extremely cautious.

"We don't want any legal difficulties or adverse publicity," said Glasrud. "We've got enough trouble now, with the housing market the way it is."

Instead of the "lowest price" provision, builders suggest that a more reasonable approach would be to require the home to be sold for the price it carried on a specific date, as January 1. They hope Congress will amend the law to that effect.

The housing credit has been a source of irritation to some buyers, too, particularly those who bought homes before March 13. Some who are closing deals now that were made earlier are dismayed at losing the credit. A few argue, usually unsuccessfully, for a price rollback.

A spokesman for the builder said, however, that he agreed to let three buyers switch their purchases from sites that didn't qualify for the credit to sites that do.

Some buyers may find that the tax credit they qualify for is smaller than the one they expected.

A spokesman for the IRS points out that the small print in the housing credit law requires that the capital gain an owner realizes on the sale of his present house must be subtracted from the purchase price of his new house before computing the tax credit.

Thus, a person who paid $20,000 for his home a few years ago and who sells it today for $40,000 has a $20,000 capital gain. If he buys a new home for $40,000, he must deduct his capital gain from the purchase price, leaving him with a tax basis of $20,000.

In such a case, the IRS says, the 5 percent-tax credit is only $1,000.

Home buyers who can afford to buy more expensive homes are likely to get the full tax credit.

Although the effect of the housing credit may be significant for selected builders in the Twin Cities, it appears to be of lesser importance to the area's new housing market as a whole.

"Builders in this area got burned a few years ago by building on spec," said a spokesman for the Department of Housing and Urban Development (HUD) in St. Paul. "Now, instead of putting up homes and speculating that there'll be someone willing and able to buy them, most builders here sell them first and then build them."

The available statistics, which are of the roughest kind, indicate that although few Twin Cities builders have single-family homes in inventory, some have condominiums and townhouses available, but apparently not a burdensome number.

"We've had a dozen sales out of about 25 that we can trace to the tax credit," said Glasrud, "and we have about 125 condominiums and about 50 townhouses in inventory. They're not hurting us, but moving them at least makes our bank happy."

TRIBUTE TO ALPHONSE D'ANDREA—LEADER AND FRIEND OF THE ITALIAN-AMERICAN COMMUNITY

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. **BIAGGI**. Mr. Speaker, on June 8, my dear friend and close associate Alphonse d'Andrea will be awarded the 1975 Man of the Year Award by the National Council of Columbia Associations. It will be my distinct honor and privilege as president of this organization which represents over 125,000 Italian-Americans in civil service, to present Al with this award.

Al D'Andrea and the National Council of Columbians have almost become one in the same. Al has served with high distinction as executive secretary of the association for more than a quarter century, and during these years has amassed an enormous number of friends and associates many of whom will join with me in honoring him on June 8.

Alphonse D'Andrea has dedicated most of his life to civil service. He entered municipal service in 1939 and was a career employee of the New York Department of Social Service for the next 31 years. Throughout his years in civil service Al worked tirelessly to improve the quality of life for all Italian American civil servants. In his tenure in the National Council of Columbia Associations Al has served as my primary administrative associate maintaining close liaison with our branches across the Nation. His success in the association is owed a great deal to his dependable, thorough, and efficient work which has resulted in his initiation of many projects of enormous benefit to all of us in the association. His educational training which includes both a law and business degree have served him well during his many years of service.

Al's exemplary work on behalf of the Italian American community have garnered him numerous awards. He has served as president of the Department of Welfare Columbia Association. He was honored with the prestigious Star of Solidarity Award presented by the Italian Government. He was also the recipient of the man of the year award from the Housing Police Columbia Association and the first merit award from the Flushing, N.Y. Post Office Columbia Association.

Yet this award Al will receive on June 8 is perhaps the one he will covet the most for it is the all Columbia Association which are presenting Al their highest award for 1975. There is no one more willing to receive this award than Al and as one who has worked closely with him over the past quarter century, it will give me an immense amount of pleasure to present Al with this award.

Al D'Andrea is a man of great warmth and affection totally dedicated to working on behalf of Italian Americans. He has close friends across the Nation and around the world. He is a man of enormous talent and endless energy. He is a man worthy the highest praise and respect from all of us who have benefitted from both his work and his person.

Mr. Speaker, it is a rare honor to be able to pay tribute to a man of the caliber of Al D'Andrea. I am proud to count him among my closest friends and I cherish long our friendship and close association in the national council. I extend to him my heartiest congratulations and best wishes for continued good health and I hope that we in the National Council of Columbia Association will have the benefit of Al's wisdom and dedications for years to come.

CLAUDE PEPPER'S TAPESTRY OF HISTORY

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. **FASCELL**. Mr. Speaker, for many years our colleague Claude Pepper has served the people of Florida as Senator, private citizen, and Representative. First elected to the Senate in 1936, Claude was a distinguished advocate of progressive legislation during the administrations of Presidents Roosevelt and Truman. His expertise in both international matters and domestic affairs was visible during his terms in the Senate as a member of the Foreign Relations, Labor, and Commerce Committees, among others.

In 1963, after 12 years as an author and attorney, Claude Pepper returned to the Congress as a representative from south Florida. Reelected to every Congress since then—he has proven himself worthy of the people's support through his work on the Committee on Banking and Currency and, more recently, the Rules Committee of the House. During the 91st, 92d, and 93d Congresses, Claude was chairman of the House Select Committee on Crime.

All this is said as introduction to a fine article written by Bob Wiedrich of the Chicago Tribune which appeared in the Miami Herald on May 17. It is, indeed, fortunate for Floridians that Claude Pepper continues to represent them in the House of Representatives. I am pleased to share Mr. Wiedrick's article with our colleagues:

Claude Pepper's Tapestry of History

(By Bob Wiedrich)

He sits in an office surrounded by the memorabilia of 27 years on Capitol Hill and brings to life historic moments with powerful men who left their indelible mark on mankind.

Claude Pepper, 73, was a member of the United States Senate for 14 years during some of its most tumultuous moments and has been a member of the House of Representatives for the last 13 years.

A Florida Democrat, ex-Alabama farm boy, Harvard Law School graduate, expert on foreign relations, innovator of lend-lease in World War II, and a man whose memory has been neither dimmed by time nor political defeat and whose recollections are as vivid as the tapestry of history against which they are displayed:

A God-defying Josef Stalin quoting the words of Jesus Christ in a perhaps unwitting prophecy of the Cold War in 1945.

An arrogant Adolf Hitler glaring his irritation at an imagined social snub in a Munich beer hall in 1938.

Orville Wright, the unassuming aviation-pioneer, humbly seeking congressional support to link National Aviation Day to his birthday in the hope of giving a boost to the industry.

And intimate moments with men like Roosevelt, Harry Truman, Dwight D. Eisenhower, John F. Kennedy, Lyndon B. Johnson, and Richard Nixon—other names that have heavily influenced the twists and turns of history in the lifetime of this man's public service.

We spent a quiet evening with Rep. Pepper among a roomful of equally prominent Washington diners not far from the legislative halls where this most eloquent of Roosevelt's New Deal defenders has spent his political life.

We had learned of his cameo tale involving Indochina's Ho Chi Minh futilely seeking American support against the French at a time when United States policy toward Southeast Asia was being casually assembled because of more pressing demands of international diplomacy immediately after World War II. We wanted to hear more.

The incident with Soviet Premier Josef Stalin occurred in the Kremlin in 1945. George F. Kennan, the American minister to Moscow, and Andrei Vishinsky, deputy commissar for foreign affairs, also were present.

Pepper inquired of the Soviet dictator why their countries could not work in harmony for peace as they had for victory during the war. Stalin, a cold-blooded political killer who had once studied for the Georgian Orthodox priesthood, grimly replied in what proved to be a prophecy of the Cold War:

"During the war, we were tied by a common enemy. Now, that tie no longer exists. Christ said, 'Seek and ye shall find.'"

What sacrilegious blasphemy from the tyrant who had been expelled from the monastery at Tiflis as a young man for his Communist leanings.

It was in 1038 that then Sen. Pepper, a member of the Senate Foreign Relations Committee, visited Nazi Germany while a delegate to an Interparliamentary Union meeting at the Hague. And it was then, after watching Hitler, Hermann Goering, and Rudolf Hess march at the head of 22,000 Brown Shirts, that he incurred the Fuehrer's ire.

Obviously, Hitler knew that was a United States senator and his wife seated at a nearby table in Munich. And also obviously the Nazi leader made no effort to disguise his anger when the Peppers departed before Hitler himself elected to leave, an unwitting violation of an unspoken rule.

But across the room, their eyes met and Pepper recalls giving the German dictator a courtly bow. That didn't soothe Hitler's ruffled feelings. But it made Pepper feel triumphant.

It was a rewarding evening with Rep. Claude Pepper of Miami, who works in an office whose high-ceilinged walls are covered with a spell-binding montage of events in his career.

History stalks those walls through the framed letters and personal messages of famous personages and the photographs of world leaders in their prime. But it really comes alive when Claude Pepper starts to speak. And we recommend it as a great way to spend an evening.

PROPOSAL

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. FISHER. Mr. Speaker, I am inserting into the CONGRESSIONAL RECORD a proposal for a candidate U.S. aid policy for Vietnam and Cambodia at the request of Marshal Jamison, Ph. D., consultant, educational technologies and systems.

This proposal does not necessarily reflect my point of view, but I did want to bring it to the attention of my colleagues. Dr. Jamison offers his analysis for discussion purposes to the Members of Congress and their staffs. Dr. Jamison has been associated with the RAND Corp. and the Mitre Corp., and spent 20 years with the U.S. Air Force.

The proposal follows:

NOTE ON A CANDIDATE U.S. AID POLICY FOR VIETNAM AND CAMBODIA

(By Marshall Jamison)

Historically the United States has aided defeated nations. There is, however, no precedent for reconstruction aid in a situation like the current one in Vietnam and Cambodia, despite the need. Our Secretary of State has properly pointed out the responsibilities of the Soviet Union and the People's Republic of China to furnish aid to Vietnam; however, there is likely to be a major disparity between the humanitarian need and the resources furnished by the Soviet Union and People's Republic of China.

The analysis that follows looks at the proposition that the United States, irrespective of the actions of other nations, provide substantial aid to the new Vietnamese and Cambodian governments. The analysis includes a rationale for making this reconstruction investment. Although such action would be unconventional and probably unexpected, there is some basis for believing that the investment would be as much an opportunity as an obligation.

The analysis makes no attempt to assess rightness or wrongness of the past policies and actions of the U.S., Soviet Union, People's Republic of China or the several key entities in Vietnam. It is clear that divergent views have been held strongly and sincerely. The matter of responsibilities assessment must surely be a complex one; fortunately, its resolution does not seem to be essential for determining whether or not the U.S. should participate in the humanitarian reconstruction of Vietnam.

Throughout this "analysis note" the word, "Vietnam," means the future government or governments of all of Vietnam, and the analysis and recommendations apply, generally, to Cambodia as well.

A. FEATURES OF A CANDIDATE U.S. POLICY TOWARD VIETNAM

1. The U.S. would recognize the governments of Vietnam and Cambodia in the near future and establish full diplomatic ties as quickly as this can be agreed upon. This would furnish one mechanism for monitoring the application of U.S. reconstruction aid (others are mentioned later).

2. The U.S. would provide a substantial sum (perhaps on the order of $0.5 billion to $1.0 billion per year for about a three year period; or perhaps an amount approximately equal to that which we allocate for the care and adjustment of the refugees from Vietnam) for Vietnamese reconstruction. Aid areas of emphasis would include health, with special attention to physical rehabilitation, agricultural development, reforestation and general economic development.

Although the provision of substantial aums would be consistent with the basic need and the probable shortfall of resources from other nations, an alternative, lower cost program could be instiuted with relatively lower sums. Such a program would also have many of the desirable effects noted in Section B. later on.

3. The reconstruction aid would be "no-strings-attached" except that resources would be stipulated for use only for the general human and economic development objectives noted above.

We would be willing to channel the resources through other nations and/or through international agencies, allowing Vietnam freedom to procure human and development aid wherever desired. We would, however, invite Vietnam to prepare a "shopping list" of materials and services desired from the United States.

4. A feature worth exploring would be a joint U.S.-Soviet Union-People's Republic of China "Reconstruction Aid for Vietnam" program. Such a joint program would concomitantly promote reconciliation and good will among the donor nations, nations that had supported Vietnamese sides during the period of conflict. While difficult to institute, the ends served might not be too different from those expected from the forthcoming U.S.-Soviet Union space link-up, past and present gift and cultural exchanges between the U.S. and the People's Republic of China, etc.

5. The reconstruction and development resources would be allocated in periodic (short period) installments. Thus, although Vietnam would have freedom to use the resources as desired within a broad area of non-military human and reconstruction areas, the U.S. would retain the option of withholding allocations in case (i) the resources are grossly misdirected, or (ii) it becomes apparent for whatever reason that it is not in the U.S. interest to continue the reconstruction aid.

B. RATIONALE AND PREDICTED EFFECTS OF A POLICY OF AID AND RECOGNITION

1. *Possible Negative Effects—*

(a) It is clear that providing human and economic resources will strengthen Vietnam generally, including militarily. It also seems probable that Vietnam will continue to support actions that aim toward governments in Laos and Thailand that would be strongly favorable toward Vietnam. However, relative to other resources available in any event to Vietnam (military hardware, personnel, non-U.S.-related economic resources, physical proximity to Laos and Thailand, etc.) the U.S. humanitarian, economic and reconstruction aid would not likely make the difference between success and non-success of possible Vietnam military and political ambitions in southeastern Asia. The risk that we would be taking in this area is likely to be more than offset by probable positive effects cited later.

As noted earlier, in the case of gross misdirection of U.S.-furnished resources we could exercise our continuing option of withholding further allocations. Related to this point we should note, realistically, that there will be numerous areas of disagreement between the U.S. and Vietnam in the years ahead and our policy in respect of aid should be to avoid using its withholding as an open or veiled threat in the resolution of those differences. The option to withhold would be reserved for gross misdirection of the aid or other extremely serious circumstance.

(b) It seems nearly certain that a number of Americans would not be pleased at aiding a recent enemy, and particularly one that we did not succeed in defeating. This number of displeased Americans can be reduced to a minimum, I believe, if the recognition and reconstruction policy decisions are jointly made and supported by Congress and the Administration; and if the policies are presented fully and candidly (and a number of times) to the U.S. public.

(c) At all times, but particularly during the present period of economic difficulty most Americans will not be enthusiastic toward additional foreign aid. However, in the case of reconstruction aid for Vietnam many persons may sense and welcome an opportunity for reconciliation. As noted at A.2, the American people might accept as reasonable aid to Vietnamese *in Vietnam* at a dollar level that would be approximately equal to the aid for Vietnamese who have left Vietnam. It seems likely that the aid would reach more of the disabled than were able to leave as refugees; it is possible that financial resources will go further, dollar for dollar, in the Vietnamese economic environment; and while there would be the one-time financial outlay, there would not be the continuing effect of employment and total population in the U.S.

2. *Probable Positive Effects—*

(a) The primary positive effect would be humanitarian relief for millions of the 40+ million Vietnamese population, physical reconstruction, reforestation and economic development. Some Americans probably believe that we have an obligation to assist in reconstruction; others, while sincerely believing that the U.S. has no obligation to Vietnam, would agree that there are serious human and development needs that the U.S. in its best tradition, might properly help with.

(b) Aid to Vietnam would promote wound-healing of several kinds: between Vietnamese and the U.S., among our allies, between the U.S. and the Soviet Union and the People's Republic of China, and domestically in the U.S. among Americans who hold divergent views about the Vietnam war.

(c) With the demonstrated U.S. good will and "no-strings-attached" resources will come at least some degree of influence. The probability would seem to be high that our influence and relations with Vietnam will be stronger if we are participating in reconstruction there, even if only through the furnishing of resources through third parties.

(d) One of the influences that we would like to have is to cause moderation in the treatment of several hundred thousand Vietnamese citizens that could not be evacuated, and whom the U.S. Government considered to be seriously threatened. If an important part of U.S. aid were to be channeled through other nation(s) mutually acceptable to the U.S. and Vietnam and selected from among those nations known by us to generally share our view with respect to moderation about reprisal against political opponents, then even with no strings attached to the aid we could expect some added influence through the intermediary nations.

(e) Related to selection of an "other nation" as an aid channel, our list of acceptable candidates could include only those that also would be opposed to future Vietnamese Government interference in the domestic affairs of other southeastern Asia nations (though perhaps, realistically, we must accept as fait accompli the Pathet Lao dominance of Laos).

(f) A policy of immediate recognition and financial support would be a policy of non-coyness, logic and courage. We have less area of potential conflict with the future Vietnam than we have with the Soviet Union and the People's Republic of China, and it would not seem logical to delay recognition as we did for two decades with the People's Republic of China. Such a policy would affirm our self-confidence, security-wise: that is, our actions of aid to a non-vanquished former enemy, and one with a differing ideology, would in effect be stating that our basic security is not impaired by an economically healthy Vietnam, that the U.S. is large and strong enough that it can rise above the pique and recrimination that normally and understandably would occur in the somewhat humiliating circumstances in which we now find ourselves. Although we might expect some criticism, both domestically and abroad, the audacity of immediate recognition and aid, under the circumstances, would likely be found refreshing and unexpected among most friendly and other nations around the world.

(g) A policy of immediate recognition would result in the earliest establishment of an embassy and staff, and with that the opportunity for direct communication and influence, especially if the U.S. staff are carefully chosen.

(h) A policy of immediate recognition and no-strings-attached aid would establish diplomatic initiative for the U.S. If the recognition and/or aid were refused there would likely be, nevertheless, widespread approval of the U.S. initiative. Although some developing nations might resent the aid to Vietnam, the actions would likely be a positive factor in gaining goodwill among most nations.

(i) If we consider the Vietnam experience objectively, the U.S. must concede at least a certain probability that the U.S. made mistakes in initiating and continuing its intervention in Vietnam. If we did make a mistake, with the concomitant injuries to Vietnam and Vietnamese, then acts of immediate recognition and substantial reconstruction aid would be doing what is possible at this point in time to compensate for that mistake. However, recogniton and aid can be based on and associated with the genuine human and economic problems, within the U.S. tradition of help, as in the Marshall Plan, and on the simple logic of recognizing the government that de facto controls Vietnam—whether or not we favor the actions and philosophies of that government.

(j) We would be participating—albeit only financially and in a relatively small way—in an "experiment" of government of over 40 million people. Although the kind of government and kind of experiment are not ones that we would choose, they are the genre that we tolerate in the People's Republic of China, in the Soviet Union and elsewhere. The Vietnam form of government, as it materializes, may be more (or less) desirable (in our value judgment) than those of the Soviet Union and People's Republic of China. It will, in any event, be instructive and useful to us to observe what takes place in terms of human freedoms and material wellbeing.

(k) Immediate recognition and reconstruction aid to Vietnam might help heal the wounds of divisiveness within the American populace. There are two bases for this prediction: First, U.S. government would be graphically foregoing recriminations against a former enemy and its allies and thus setting example for the foregoing recriminations domestically. Second, human and reconstruction aid should form a common ground of support for Americans who have held divergent policy views about the Vietnam war. This is not to say that it will be easy to get widespread support of the American people for additional foreign aid; however, once support is gained, I believe that most Americans would look with satisfaction on assisting in the resettling and rehabilitation of Vietnamese individuals and in general economic development.

(l) Finally, with the passage of time and sooner than it otherwise would have occurred, there is at least an outside possibility that our timely aid and recognition would help cause the emergence of genuinely friendly and mutually beneficial ties between the U.S. and Vietnam. We would have done our part to establish the base for that.

C. A "SUPPOSE WE ARE WRONG" ANALYSIS

1. *Suppose We Recognize and Aid Vietnam and this Proves "Wrong"—*

(a) If we allocate some hundreds of millions or a few billions of dollars of aid to be parcelled to Vietnam over the next three to five years and if after a substantial sum, say $0.5 billion, had been spent it were determined that the resources were misdirected or that there were other undesirable effects, what would be the damages? Principally there would have been the direct financial loss, even though this loss would have been contained by exercising the option to cut off the flow of funds. By catching misapplication of resources promptly, the amount of waste, or damage to U.S. interests, would not likely be critical in terms of military events in southeastern Asia and there would be an insignificant financial effect on the U.S. economy. We would have lost on this "risk" of an additional $0.5 billion; however, both the risk and the loss would have been low relative to our total risks and losses in U.S. investments in Vietnam and relative to the possible benefits.

(b) It might be that despite predictions to the contrary, the provision of aid to Vietnam might provoke sustained and deep resentment within the American populace and in other countries. While initial objections are to be expected, sustained and serious objections could be appraised continuously and, if warranted, action taken to decrease or stop the flow of aid. In this event there would have been limited and not seriously damaging financial losses; there would also be the incurred resentments.

(c) Other. I do not foresee other serious, non-correctable consequences of "erroneous" recognition and provision of humanitarian aid for a one-time period of three to five years. However, this deserves additional attention by others.

2. *Suppose We Decide Not To Recognize And Aid Vietnam and This Decision Proves "Wrong"—*

First, on the positive side, we have conserved financial resources equivalent to the aid that might have been provided.

However: (a) We may have foregone the opportunity to assist millions of distressed Vietnamese, many of these in the south of Vietnam and precisely the ones for which we have professed our concern in the expenditure of resources and sacrifice of lives for more than a decade. We cannot rule out the possibility that we have an obligation to all Vietnamese if the U.S. erred, basically, in its initial and continuing intervention.

But, regardless of obligation, there is a base on which the vast majority of Americans might be able to unite: the humanitarian opportunity that is unique in time and unique to the U.S., an opportunity that will be foregone if we do not provide aid to Vietnam.

(b) We may have foregone the opportunity to ameliorate the treatment of hundreds of thousands (Administration estimates) of persons who may be subject to harsh treatment. Through intermediary aid channels and through our option to discontinue aid we could have at least some influence even with "no-strings-attached" aid.

(c) In addition to the two areas of influence noted above, a decision not to provide aid would likely be to forego or postpone the opportunity to be a positive influence, generally, with the new Vietnamese government(s). We might even have foregone the opportunity to create warm relations with Vietnam and the greater opportunity, with them, for influence.

(d) We would have foregone an opportunity to demonstrate before the world an example of mature, realistic and generous foreign policy, with a touch of love in it. We would have lost the chance to show our capability to make a speedy decision in this complex matter. With the pace of events today (spread of nuclear capability, hunger, population and environmental problems, etc.), it may be inappropriate to wait for years before deciding to recognize a former enemy. Not to recognize and to help Vietnam would forego an unusual opportunity to set an example of speed in the resolution of complex international differences.

(e) We might have foregone actions that would help bridge divisiveness within the American populace, through all Americans watching the healing of human and physical wounds in Vietnam, partly through our help.

(f) Serendipity. The furnishing of aid, recognirion and the opening of broad contacts with Vietnam would present a variety of opportunities that are presently not foreseeable. Failure to recognize and help Vietnam would foreclose taking advantage of these opportunities.

D. TENTATIVE CONCLUSIONS

This analysis indicates that the U.S. should seriously consider and probably adopt policies of near-future recognition and substantial aid to Vietnam. The analysis indicates that there will be risk in doing this, but probably less risk than in not doing it.

It can be expected that a coordinated Congressional-Executive Branch effort would be required in order to gain the initial financial support from the American people. This might be accomplished by representatives of both branches laying out the alternatives before the American public and inviting debate on them.

FLAWS IN RFK-SIRHAN CASE CRY FOR FRESH LOOK

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. DODD. Mr. Speaker, an article by former Representative Allard K. Lowenstein recently appeared in the Washington Star which I would like to call to the attention of my colleagues.

Mr. Lowenstein has spent a great deal of time researching into the assassinations of President John F. Kennedy and Senator Robert F. Kennedy and on May 13 he addressed the freshmen delegation about his research. I feel his article points out a number of discrepancies in the investigation into the assassination of Robert Kennedy.

It is for this reason that I have joined with Congressman GONZALEZ and 32 of my colleagues in cosponsoring a resolution that would create in the House a select committee of seven members for the purpose of studying the circumstances surrounding the deaths of President John F. Kennedy, U.S. Senator Robert F. Kennedy, Dr. Martin Luther King, and the attempted assassination of Gov. George Wallace. This resolution which is currently pending before the Rules Committee calls for immediate action so that the truth about the assassinations and the near assassinaion of George Wallace can be discovered and so that we may know how to prevent future assassinations from taking place.

Mr. Speaker, at this time I would like to include the text of the article in the RECORD:

FLAWS IN RFK-SIRHAN CASE CRY FOR FRESH LOOK

(By Allard K. Lowenstein)

Almost nobody has noticed, but the official theory of the assassination of Sen. Robert F. Kennedy has fallen apart.

These are the most troublesome problems raised by the evidence now available:

1. The autopsy establishes that Kennedy was shot three times at point-blank range. The bullets entered back to front. The fatal bullet entered Kennedy's head behind his right ear from a distance of 1 to 1½ inches.

These facts are not in dispute, yet no credible witness places the gun of Sirhan Sirhan—the man convicted as Kenedy's killer—in a position to have fired these bullets. The consensus of eyewitness testimony places Sirhan's gun 2 to 3 feet in front of Kennedy. Pete Hamill (the writer), Frank Burns (a Los Angeles attorney) and others who saw the shooting at close range are unequivocal on this point: That Sirhan's gun was never close to the place from which the bullets were fired that inflicted the wounds described in the autopsy.

Karl Uecker and Richard Lubic were two of the people closest to the actual shooting. (Uecker was assistant maitre d' at the hotel where the shooting occurred; Lubic is an independent television producer.) This is what they saw:

Uecker. "There was a distance of at least 1½ feet between the muzzle of Sirhan's gun and Kennedy's head . . . There is no way the shots described in the autopsy could have come from Sirhan's gun."

Lubic. "The muzzle of Sirhan's gun was 2 to 3 feet away from Kennedy's head. It is nonsense to say that he fired bullets into Kennedy from a distance of 1 to 2 inches, since his gun was never anywhere that near to Kennedy."

These witnesses told these facts to the authorities at the time of the original investigation into the assassination.

2. Leading ballistics experts have examined the relatively undamaged bullets (or technically proficient photographs of these bullets) that were removed from Kennedy's neck and William Weisel's stomach. These experts report that it is very unlikely that these two bullets could have been fired from the same gun. William Harper, a leading California criminalist whose findings raised the first serious questions about the ballistics evidence in the case, concluded:

"Two guns were being fired concurrently in the kitchen pantry of the Ambassador Hotel at the time of the shooting. . . . It is extremely unlikely that any of the bullets fired by the Sirhan gun ever struck the body of Kennedy."

A panel of experts analyzed the ballistic evidence at the convention of the American Academy of Forensic Sciences in Chicago in February. The experts agreed that this evidence required a reopening of the investigation, and that reliable scientific measures could be taken that would help clear up at least some of the confusion.

One member of the panel, Prof. Herbert MacDonell, a world-renowned authority in forensic pathology, stated flatly, "The bullet removed from Kennedy's neck could not have come from Sirhan Sirhan's revolver."

MacDonell based this conclusion on a study of the cannelures on the bullets recovered from Kennedy's neck and Weisel's stomach. "Cannelures" are concentric rings formed in a bullet's surface and running around its circumference. MacDonell reports that the Kennedy bullet, a .22-caliber long-rifle minimag, has one cannelure, while the Weisel bullet has two. The eight empty cartridge cases taken from Sirhan's Iver-Johnson revolver were made by the Cascade Manufacturing Co. of Lewiston, Idaho, which has informed MacDonell that it has never manufactured any .22-caliber long-rifle bullets with one cannelure.

3. Bullets from a gun test fired by the Los Angeles Police Department criminalist, DeWayne Wolfer, were entered into evidence at Sirhan's trial as Exhibit 55. Wolfer testified that these bullets matched the bullet that was recovered from Kennedy's neck, and that therefore the bullets that hit Kennedy could only have been fired by the gun he had test fired. The serial number of that gun, inscribed in Wolfer's handwriting on Exhibit 55, is H18602. The serial number of Sirhan's gun is H53725.

Wolfer says this discrepancy is the result of a "clerical error." Requests to test fire (or refire) H18602 brought the information that that gun had been destroyed by the LAPD. Requests to test fire (or refire) H53725 have been refused.

Thus, at this time, it is impossible to discover whether Sirhan's gun, H53725, has ever been test fired. But the sworn testimony of Wolfer is that the bullets that killed Kennedy were fired by a different gun, H18602, and no other gun in the world.

4. Sirhan's gun could and did fire eight bullets. One bullet was recovered from each of the five bystanders who were shot in the pantry. Two bullets were recovered from Kennedy—one shattered, from his head (the fatal bullet), and the other, discussed above, from his neck. Thus, seven of the eight bullets that Sirhan could have fired have been recovered. An eighth bullet is officially described as "lost in the ceiling interspace."

Another bullet exited Kennedy's chest, and still another passed through the right shoulder pad of his jacket. The LAPD removed three panels from the sound-paneling below the ceiling and booked them as evidence because they contained bullet holes.

The official explanations of how eight bullets caused all this damage are varied and confusing. But no matter how many theories are advanced, one fact is inescapable: if only eight bullets were fired, one bullet had to enter one of the ceiling panels, bounce off the floor above exit through another ceiling panel and end finally in one of the bystanders.

The official position is that the bullet removed from the head of a bystander, Mrs. Elizabeth Evans, did this. Mrs. Evans had lost her shoe, and was stooped over to retrieve it when she was hit in the forehead by a bullet from the ceiling that then progressed into her scalp. This bullet weighed 39 grains when fired. Thirty-one grains were removed from Mrs. Evans' head, and an additional fragment is still in her scalp.

It should be added that at the time of the assassination at least one more bullet was reliably reported to have been found in the pantry. An AP wirephoto taken on June 5, 1968, shows two policemen examining what the AP caption describes as a "Bullet Found Near Kennedy Shooting Scene." It is located in a door frame that was booked into evidence by the authorities. The LAPD and the office of the district attorney now say this report was inaccurate.

5. The local authorities have tried to reinforce their version of events by continually repeating two statements they know are false:

A. "No one saw any other weapon," as Joseph Busch, now the Los Angeles district attorney, has put it to *Stern* magazine and others. In fact, Busch knows there was at least one other gun in the pantry, that it was drawn, and that it was located in the area from which the bullets that hit Kennedy were fired.

Richard Lubic is among those who saw that gun: ". . . I saw a man in a guard's uniform standing a couple of feet to my left behind Kennedy. He had a gun in his hand and was pointing it downward."

The man that Lubic saw "in a guard's uniform" was a part-time security guard who had been hired by the Ace Guard Service of Van Nuys, Calif. The guard has subsequently acknowledged that he was standing just behind Kennedy, that he was carrying a gun, and that he drew it "to protect Kennedy." He denies having fired this gun.

B. Busch has repeated on national TV and elsewhere the odd statement that every witness saw Sirhan kill Kennedy—a statement that should be compared with the testimony of eyewitnesses summarized in item 1 above.

Perhaps even more revealing than these general misstatements about the eyewitness testimony is Busch's reply when asked to name one such eyewitness. "Karl Uecker," he said on NBC's *Tomorrow* show. He told *Stern* magazine, "We have a witness who saw that Sirhan's weapon was right at Kennedy's head . . . Karl Uecker. He's our man."

I have included an excerpt from Uecker's statement with the general summary of eyewitness testimony. But in view of Busch's description of Uecker as "our man," it may be useful to quote Uecker's statement in full:

"I have told the police and testified during the trial that there was a distance of at least 1½ feet between the muzzle of Sirhan's gun and Kennedy's head. The revolver was directly in front of my nose. After Sirhan's second shot, I pushed his hand that held the revolver down, and pushed him onto the steam table. There is no way that the shots described in the autopsy could have come from Sirhan's gun. When I told this to the authorities, they told me that I was wrong. But I repeat now what I told them then: Sirhan never got close enough for a point-blank shot, never."

It is worth noting that Uecker has raised still another problem. At least four bullets hit Kennedy or his clothing. If Sirhan was "pushed onto the steam table" after firing two shots, it is difficult to see how he could have fired four shots that hit Kennedy. The six other bullets Sirhan fired would have had to hit other targets, since he could hardly have shot Kennedy from behind at point-blank range while he was struggling on the steam table.

II

If the Los Angeles authorities want their theory to regain any credibility with people who know the facts, they will have to deal with this eyewitness and ballistics evidence, which to date they have ignored, concealed or distorted. They seem to believe that repeating misstatements will make them come true, or that awkward questions can be made to go away by impugning the questioners.

Like many others, I tried for a long time afterward to avoid anything connected with the assassination of Kennedy. The loss was too staggering, and it was hard enough to move ahead without making matters even more difficult by picking at a scar too close to the heart. Furthermore, the facts seemed obvious, and in the context of those times there seemed no reason to question the obvious.

During my term in Congress, I continued to refuse to listen to questions about any of the assassinations. I believe we all are indebted to those people who researched these questions and kept them alive during that long period before revelations about other matters finally made some of us realize how closed-minded we had been about the assassinations.

Even when I finally began to look into the evidence, I found myself hoping that the local authorities would provide satisfactory explanations for the troublesome problems that arose.

And I was reluctant to get into a public discussion that I knew would cause more pain for the Kennedy family, which, God knows, had suffered enough.

For these reasons, I met privately with the authorities over the course of a year before I was willing to accept the fact that such private efforts were futile.

It was at that point that I joined with Paul Schrade to raise questions publicly. Schrade, a United Auto Workers official who was working in the Kennedy campaign, almost lost his life during the shooting in the

hotel pantry. He is a man of rare quality and spirit. We believed that the force of our questions would arouse enough public concern to encourage official cooperation in a quest for adequate answers.

It is now apparent, however, that no matter how grave the questions, and no matter who asks them, the officials most directly concerned are determined to stonewall as long as they can. Their misstatements grow more strident, and they are dug in to resist any effort to explore the problems posed by the evidence. They will continue to say that the case is closed because Sirhan was convicted and there is no "new" evidence, as if old evidence becomes irrelevant if one simply suppresses or ignores it until it has aged.

Of course, stonewalling involves the risk that failure compounds one's difficulties. But, by definition, stonewalling does not fail if it succeeds—that is, if aggressively trumpeted falsehoods dissuade further investigation, the falsehoods go generally undetected and no one realizes there has been any stonewalling. So the present policy of the Los Angeles authorities is a gamble, but it is a gamble at reasonable odds. For there will be no outcry for a new investigation if people do not know the facts that warrant an outcry—and they cannot know these facts if there isn't adequate media coverage. If there is no public outcry, few people in positions of influence will risk their reputations to press for reopening the case. (My wife says I am now in transit from "former congressman" to "current kook").

Which takes us full circle: How can we get a fresh, independent investigation if the facts that demand such an investigation are stonewalled into nonexistence?

The reason most frequently given for the absence of coverage is a variation on the official excuse for inaction: facts about this case, however significant, are not "new." Sometimes this seems to mean that if a newsboy's insomniac grandmother once heard something on a late-night talk show in Dubuque, the rest of the public cannot find out about it unless they happen to know her.

But even this reasoning cannot explain why developments that merit front-page treatment in Europe go virtually unreported in the United States. Few Americans have heard, for example, about the conclusions of the panel of ballistics experts cited above, or know about the plea of four of the bystanders who were shot, or have seen the statements of the witnesses closest to the scene of the murder.

Recently, several *Stern* magazine reporters conducted an extended investigation. Their findings were detailed in a cover story entitled, "The Real Murderer (of Robert Kennedy) Is Still Free." Those findings were not reported in the United States.

Given these experiences, it's hard to think of anything that will get much media attention, short of someone confessing on the Capitol steps. And meanwhile, the American public has no way to discover that a crime that changed the course of our history is unsolved, with all the potentially enormous significance that fact may hold for the future of the nation.

If the stonewalling succeeds, we will be compounding the tragedy of Robert Kennedy's murder. For what commands the reopening of this case is not curiosity, nor devotion to abstract concepts of justice, nor sentimentalism about Kennedy. What commands the reopening of this case is the grisly question of whether disasters may loom ahead that could be averted if we found out more about disasters already past.

THE MESS IN PORTUGAL

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. HARRINGTON. Mr. Speaker, like many of my colleagues, I was greatly encouraged by the outcome of the recent elections in Portugal, where more than 90 percent of the eligible voters took advantage of their first opportunity in half a century to cast their ballots in an open political contest. The results showed conclusively that the vast majority of Portuguese citizens favor neither rightwing nor leftwing dictatorship, but moderate-to-liberal policies of gradual social change through the democratic process.

Thus it is distressing indeed to see the recent actions of the reigning armed forces movement and of certain leftwing splinter groups in that country who are bent on rule through force and intimidation. As you know, I have been one of the most outspoken critics of our State Department's handling of the new situation in Portugal, but I hasten to add that the military rulers' policies and the acts of terror and vandalism committed by Maoist radicals in recent days in Lisbon are repugnant to decent people everywhere and particularly alarming to members of the Atlantic community.

I call upon my colleagues today to join me in a strong expression of protest to the Portuguese government for the mob attack on the U.S. Embassy in Lisbon last Sunday, and let us also express our concern for the clear failure of the armed forces movement to reflect the will of the people in its day-to-day practices and policies.

For those of my colleagues who have not kept up with the reports to which I refer, I am inserting in the RECORD the following two articles from Monday's New York Times and yesterday's Washington Post:

[From the New York Times, May 19, 1975]

PORTUGUESE PROTEST AT THE U.S. EMBASSY

LISBON, May 18.—Demonstrators waving red flags and shouting anti-American slogans gathered outside the United States Embassy here Sunday vandalized diplomatic vehicles and splashed the walls with red paint.

The outbreak occurred as Portugal's leftist military leaders prepared to meet and discuss creating a Cuban-style people's movement and a revolutionary tribunal to try soldiers and civilians accused of political crimes.

About 50 demonstrators gathered outside the American embassy building, vandalized the parked cars and pasted posters on the walls as the police watched.

One teen-ager was raised on the shoulders of another to paint a red swastika on the United States emblem above the main entrance.

"The police are just standing around watching them," a British bystander said. "They aren't doing anything."

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Military forces at first stood by, but later several jeeploads of soldiers protected an American, Wayne Combs of the embassy staff, who had been caught in the crowd.

Posters in the capital had called for the demonstration and for protests at two military bases commanded by moderate officers. The posters were signed by an outlawed Maoist group.

A military spokesman said that about 50 youths had tried to demonstrate outside the commando base at Amadora but had been dispersed.

The 240 members of the assembly of the ruling Armed Forces Movement were gathering in Lisbon for a meeting at a nearby naval base tomorrow.

If they approve the proposals for a people's movement and a special tribunal, military sources said, some moderate officers might be forced to resign.

SOCIALISTS MEET

The Socialist party held a closed-door meeting of its executive council today to discuss the political situation. The Socialists were the winners in nationwide elections last month for a constituent assembly while the communists came in a poor third.

The Communist-influenced military rulers have said that the elections would have little impact on their policies.

[From the Washington Post, May 20, 1975]

LISBON WEAKENED BY DISORDERS, FEUDS

(By Patrick Chapman)

LISBON, May 19.—Portugal's feuding political parties and the ruling armed forces appeared to be losing their grip on the country tonight. Communist leader Alvaro Cunhal, up to now a strong ally of the military, made statements highly critical of their role today and an extreme left-wing group claimed it has discovered a new plot against the government.

Portugal's main morning newspaper asked this morning on its front page who was running the country.

Cunhal, in a speech published today, attacked the armed forces' attitude toward the political parties. "We believe the general condemnation of the political parties by the military is a grave error," he said, adding that it could lead only to a split between the ruling armed forces and the people.

The Communists and the military have worked closely until now to exclude or diminish the role of groups to the Communist Party's left and the Communists have made life difficult for the Socialists, to the right. In his speech, Cunhal made a strong appeal to the Socialists for cooperation.

Tonight, the full 250 member assembly of the Armed Forces Movement was still in session after more than 10 hours.

Socialist Party leader Mario Soares and the minister of justice, also a Socialist, went to the assembly meeting this evening in hopes of seeing members of the Supreme Council.

The assembly reportedly was discussing its future role with heavy emphasis on what it sees as bickering between the political parties since elections last month.

Despite precautions taken by the military in getting the parties to sign an agreement limiting their power for the next three to five years, there is growing unrest in the country over the power of the Communists and the inability of the Socialists to become an effective counterweight.

Meanwhile, tension rose in the capital tonight as 2,000 Socialists demonstrated against the takeover by Communists of their evening newspaper, Republica, one of the few papers that had not been under Communist control.

The demonstrators chanted: "Cunhal wants to become the new Salazar," a reference to the former rightist dictator. They burned copies of today's edition of the paper, in which the name of its Socialist editor had been withdrawn.

The government today offered a verbal

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apology to U.S. Ambassador Frank Carlucci, following yesterday's violent demonstrations outside the U.S. embassy. The embassy was daubed with slogans against the CIA and the embassy security chief, Wayne Combs, had to be protected from the violent crowd by government security forces.

These developments followed the reported discovery of a new plot, which threatened to split the armed forces, and thrust into the limelight a group of left-wing militants who were banned from the recent elections.

The Movement for the Reorganization of the Proletariat said it had uncovered a plot on May 15, but instead of going to COPCON, the government's security force, it disclosed the alleged conspiracy to troops at an artillery barracks on the outskirts of Lisbon who have a reputation for extreme left-wing militancy.

The left-wing militant movement is the Communist Party's bitterest enemy, and it has been no friend of the Armed Forces Movement.

Along with units from the artillery barracks, the militants made some 50 arrests among what it called "a vast network of counterinsurgents", who they said were planning "bloody repression."

During the night, the militants tried to prevent security forces from transferring those held at the barracks to a regular prison. Soldiers used nightsticks and tear gas and there were seven arrests.

In radio broadcasts today, Brig. Otelo Saraiva de Carvalho, head of COPCON, said the extreme left-wing group had discovered the plot.

That a left-wing movement could be capable of uncovering a major conspiracy is an embarrassment for the Communists, and the role played by troops at the artillery barracks is a setback for COPCON, which has been regarded as a leading revolutionary force.

Military sources in Lisbon admitted that soldiers at the artillery barracks had protested the transfer of prisoners by COPCON forces, underlining the split between the militant soldiers—who were the main target in the coup attempt of March 11—and the regular units chosen to handle arrests and interrogation.

A FAMINE OF RESOURCES OF MATERIALS AND ENERGY

HON. MARILYN LLOYD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mrs. LLOYD of Tennessee. Mr. Speaker, for the first time in the 200-year history of our Nation, we are threatened with a famine of resources of materials and energy that are the very substance of our advanced society. Unless we find ways to provide adequate supplies of these resources to support our future economy, our Nation will suffer a social decline more devastating than a military defeat. We in Congress are painfully aware of this problem, and are wrestling daily to find some workable solution that will provide new quantities of these resources we so desperately need.

Over the years, there have been thousands of hours of testimony before dozens of committees in attempts to deal effectively with the depletion of our vital resources. Yet, today, we still do not have an effective, comprehensive plan that will rally both public and private interests to a common standard to deal with this threat. We should encourage the genius of our citizens to apply itself to our Nation's needs and to share their findings with the Congress so that their expertise can be effectively included in the consideration of comprehensive legislation to deal with problems concerning the depletion of our resources.

I am proud to say that in my district there is a group of people who for nearly 30 years have elected to spend their own money, and use their own time to study the problems of resources and resources management. I hope that my colleagues will give detailed consideration to their work which is titled, "National Resources Management Plan, Direction for Survival." The group I speak of is an incorporated association of dedicated engineers, scientists, educators, attorneys, and laymen who have grown in number as their research and knowledge has increased. They have generously shared the results of their research with a number of Members of Congress. Many of you have received a copy of their study in recent weeks. I suggest that you examine their legislative plan and invite the principals of the Wright Systems group to appear before the proper committees to answer any questions you may have.

I commend this work to you as an outstanding example of what Americans can do, and have done, to insure the continued greatness of this land we so dearly love. I believe the Congress should pursue the ideas included in the carefully researched national resources management plan.

May I quote from the last paragraph of the foreword in this document:

> No concept, however strong, can provide the final solution to such a massive problem. As time elapses, new knowledge will provide change, and modification will surely occur. But any new venture into the unknown must require the fullest possible knowledge of conditions that may be expected to occur, and provide the best possible equipment to deal with them. This has been our purpose in designing the concept of the *National Resources Management Plan*—to provide a strong place for embarkation into the future.

HOUSE OF REPRESENTATIVES—*Thursday, May 22, 1975*

The House met at 10 o'clock a.m.

Father Charles P. Sarelis, St. Nicholas Greek Orthodox Church, Wyckoff, N.J., offered the following prayer:

In the name of the Father and of the Son and of the Holy Spirit. Amen.

O Lord, our God, who in Thine ineffable mercy and love of all men bestows, upon all who seek it of Thee, Thy blessings in abundance; who didst guide the Founding Fathers and through them established and blessed these United States as a haven of the weary and oppressed peoples of the world; we bless Thy name and beseech Thee, look down upon and give guidance to these Thy servants. Be mindful of our President, the Members of this House and all civil authorities in our land.

Grant to us all Thy spiritual peace, so that through brotherly love, harmony, and justice we might continue to grow in wisdom and stature in Thy presence, and that we might continue to be instruments of Thy justice in our homes, our communities, our Nation, and the world, especially on the war-torn island of Cyprus.

Strengthen the moral fiber and resolve of our peoples so that we might regain the lofty national values and precepts of our Founding Fathers as we enter into our Bicentennial celebration to the fulfillment of the promise and the mission that is America, and to the greater glory of Thy holy name. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

A WELCOME TO REV. CHARLES P. SARELIS

(Mr. MAGUIRE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAGUIRE. Mr. Speaker, it is my pleasure to welcome the Reverend Charles P. Sarelis, Presbyter of St. Nicholas Greek Orthodox Church in Wyckoff, N.J., whose prayer opened this day's activity for the House—a most appropriate way to begin the Nation's business in these troubled times.

In addition to his responsibilities as pastor of St. Nicholas, Reverend Sarelis also serves as permanent representative of the Greek Orthodox Archdiocese of North and South America to the Council of Churches of the city of New York, and as chaplain of the Greek Orthodox Shrine at John F. Kennedy International Airport. He also engages in compassionate service as a part-time chaplain of Northport Veterans Hospital on Long Island.

His enthusiasm and love for people has also been expressed in service to his community. A strong advocate of Scouting, Father Sarelis is national coordinator for Scouting of the Greek Orthodox Archdiocese of North and South America, a member of his church's National Commission on Scouting, and has been selected as one of the chaplains to accompany the Boy Scouts of America contingent to the 14th World Scouting Jamboree to be held in Norway this coming July. Moreover, he is an active committee member of Scout Pack 309 in Wyckoff, as well as a participant in Wyckoff's Juvenile Conference Commission.

I consider it a privilege to have this good man with us today, and on behalf of my colleagues, extend our gratitude and a warm welcome.

Mr. McCOLLISTER. Mr. Speaker, will the gentleman yield?

Mr. MAGUIRE. I yield to the gentleman from Nebraska.

Mr. McCOLLISTER. Mr. Speaker, I want to attest to Father Sarelis' great dedication and service on behalf of the Boy Scouts of America.

It has been my good fortune to work closely with him over a period of several years, and he is indeed not only a great leader of his church, but of his church in the Boy Scouts of America.

Mr. Speaker, I thank the gentleman for yielding.

Mr. MAGUIRE. I thank the gentleman.

PERMISSION FOR SUBCOMMITTEE ON ENVIRONMENT AND ATMOSPHERE TO SIT THIS MORNING, MAY 22, 1975, WHILE HOUSE IS IN SESSION

Mr. BROWN of California. Mr. Speaker, I ask unanimous consent that the Subcommittee on the Environment and the Atmosphere of the Committee on Science and Technology may sit this morning, Thursday, May 22, 1975, while the House is in session.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

THE USELESS KILLING OF TWO AMERICAN AIR FORCE OFFICERS IN IRAN

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker, I am sure I speak for most Americans when I say we are concerned about the useless killing of two American Air Force officers in Tehran, Iran. Let these radical groups know, whether Americans are in Iran, Laos, Thailand, or other countries, that we do care, and justice must be done, and protection must be given Americans.

Mr. Speaker, I extend my condolences to the families and loved ones of the two Air Force officers killed in Iran, and also the families of those Americans killed in the Cambodian operation.

PERMISSION FOR MANAGERS TO FILE CONFERENCE REPORT ON H.R. 4485

Mr. REUSS. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 4485) to provide for greater homeownership opportunities for middle-income families, and to encourage more efficient use of land and energy resources.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, I would ask the gentleman from Wisconsin what the status of this conference report is.

Mr. REUSS. If the gentleman will yield, the status is that it has been agreed to by a majority of the conferees on both sides, following an extensive series of conferences, and they are asking that it be filed.

Mr. ROUSSELOT. As of what time was it agreed to? I do not recall much consultation on it.

The gentleman says there was agreement on this side of the aisle. With whom did the gentleman confer?

Mr. REUSS. The gentleman from California was shown the conference report, I am informed, by our staff, and, for reasons which are absolutely understandable, declined to sign it.

Mr. ROUSSELOT. Yes, because of several nongermane amendments the Senate tacked onto it.

Mr. REUSS. That is right.

Mr. ROUSSELOT. My question relates to the fact that the gentleman states there is some agreement. My understanding is that the gentleman from Ohio (Mr. ASHLEY) and several others in the conference have substantial concerns about the conference report. Is the gentleman planning to go to the Committee on Rules?

Mr. REUSS. No. We are going to use the regular procedure, and Members, for example, who oppose housing for the Indians, who oppose rehabilitation, who oppose public housing, will be given a full and fair opportunity to vote, and if the will of the House is that those items be excised, that of course will be done.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, does the gentleman intend to bring the conference report to the floor today?

Mr. REUSS. To bring it up for consideration today?

Mr. ROUSSELOT. Yes. That is my question, Will you bring it up today?

Mr. REUSS. No. We are simply asking unanimous consent to file it tonight, and then our intentions are, subject of course to the approval of the leadership, that it be brought up the week after we get back, specifically, on Wednesday, June 4.

Mr. ROUSSELOT. Mr. Speaker, I appreciate the gentleman's explanation, and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

CONFERENCE REPORT (H. REPT. NO. 94-246)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4485) to provide for greater homeownership opportunities for middle-income families and to encourage more efficient use of land and energy resources, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Emergency Housing Act of 1975".

TITLE I—EMERGENCY MIDDLE-INCOME HOUSING

SHORT TITLE

SEC. 101. This title may be cited as the "Emergency Middle-Income Housing Act of 1975".

FINDINGS AND PURPOSE

SEC. 102. (a) The Congress finds that—

(1) many families of middle income cannot afford to purchase homes at current prices and high interest rates;

(2) the decline in the home purchasing power of middle-income families has contributed to the severe economic recession of the building industry and those industries dependent upon the building industry;

(3) the sharp decline in housing starts jeopardizes the attainment of an adequate housing stock in the years ahead; and

(4) the accessibility of homeownership to middle-income persons is further aggravated by the high costs of land and fuel associated with low-density development.

(b) It is the purpose of this title to reduce high mortgage interest costs to middle-income families, to stimulate employment in the homebuilding industry during the current emergency period, and to encourage land and energy conservation, where appropriate, to reduce further the costs of homeownership.

TEMPORARY HOMEOWNERSHIP ASSISTANCE AUTHORITY

SEC. 103. The Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary") is authorized to provide financial assistance with regard to home mortgages for middle-income families—

(1) by making, and contracting to make, periodic interest reduction payments, as described in section 104;

(2) by purchasing, and commiting to purchase, below-market-interest-rate mortgages, through the facilities of the Government National Mortgage Association (hereinafter referred to as the "Association") as described in section 105; and

(3) by making, and contracting to make, home purchase incentive payments, as described in section 106.

INTEREST REDUCTION PAYMENTS

SEC. 104. (a) Interest reduction payments made on behalf of middle-income families shall equal the difference between the amount of principal, interest, and any morgage insurance premium due under a home mortgage, and the amount of principal and interest which would be due if the home mortgage were to bear interest at the rate of 6 per centum per annum. Interest reduction payments may be made only with respect to home mortgages bearing interest rates and yields approved by the Secretary as being reasonable.

(b) Interest reduction payments may be made with respect to any dwelling unit only for such period as the family on whose behalf the payments are made occupies the dwelling unit. Such payments shall be made in the full amount provided for in subsection (a) for the first 3 years during which a family occupies a dwelling unit, 75 per centum of such amount in the fourth year, 50 per centum of such amount in the fifth year, and 25 per centum of such amount in the sixth year. No interest reduction payments shall be made after such sixth year.

(c) Interest reduction payments on behalf of an occupant of a cooperative housing project shall be in amounts computed on the basis of the formula set forth in subsection (a) applying the cooperative member's proportionate share of the obligations under the project mortgage to the items specified in the formula.

(d) For purposes of chapter I of the Internal Revenue Code of 1954, the payments described in this section shall be deemed to be an obligation of, and paid by, the Secretary and to be applied in their entirety toward the payment of the interest due under a mortgage.

PURCHASE OF MORTGAGES

SEC. 105. (a) The Association shall purchase, or commit to purchase, a home mort-

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gage pursuant to this title at a price equal to par. The interest rate on such a mortgage shall not exceed 7 per centum per annum. The Association is authorized to service, sell, or otherwise deal in mortgages purchased pursuant to this title.

(b) A home mortgage which is not insured under the National Housing Act or insured or guaranteed under chapter 37 of title 38, United States Code, shall not be purchased by the Association unless either (1) the outstanding principal balance of the mortgage does not exceed 80 per centum of the value of the property securing the mortgage, or (2) the mortgage is insured by a qualified insurer as determined by the Association.

(c) The Association may issue to the Secretary of the Treasury its obligations in an amount outstanding at any one time sufficient to enable the Association to carry out its functions under this section. Each such obligation shall mature at such time and be redeemable at the option of the Association in such manner as may be determined by the Association, and shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the obligation of the Association. The Secretary of the Treasury is authorized and directed to purchase any obligations of the Association issued under this section, and for such purposes the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which securities may be issued under the Second Liberty Bond Act, as now or hereafter in force, are extended to include any purchase of the Association's obligations hereunder.

(d)(1) The Association is authorized to guarantee securities based on pools or trusts of the mortgages which the Association purchases or commits to purchase under this title as provided in section 306(g) of the National Housing Act with respect to federally insured or guaranteed mortgages and to act as issuer of such guaranteed securities. The Association shall possess with respect to securities under this section all the powers it possesses with respect to securities guaranteed under such section 306(g), and the provisions of such section shall apply to guarantees pursuant to this section.

(2) The Association may offer and sell any securities guaranteed pursuant to this section to the Federal Financing Bank, and such Bank is authorized to purchase any securities so offered. The Association may also offer and sell any such guaranteed securities to any Federal Reserve bank. The proceeds from the sale of such securities when issued by the Association shall be treated in the accounts in the same manner as if such proceeds were from the sale of the underlying mortgages.

HOME PURCHASE INCENTIVE PAYMENTS

SEC. 106. (a) The amount of a home purchase incentive payment shall be $1,000.

(b) The Secretary's obligation to make a home purchase incentive payment shall be evidenced by a certificate containing the name of the purchaser, a description of the property, and such other information as the Secretary by regulation may prescribe. The face amount of the certificate shall be applied to the downpayment made in connection with the purchase. Any person who acquires a certificate issued pursuant to this title may present such certificate to the Secretary who shall pay in full the face amount indicated on the certificate.

(c)(1) Notwithstanding any other provision of this title, a home purchase incentive payment may be made only in connection with the purchase of a single-family or two-family unit or a unit in a cooperative housing project, the construction of which began on or after March 26, 1975.

(2) A home purchase incentive payment may not be made with respect to (A) a mortgage purchased or otherwise assisted, or to be purchased or otherwise assisted, under section 313 of the National Housing Act, or (B) any mortgage which is assisted or purchased under section 104 or 105.

DEFINITIONS

SEC. 107. As used in this title—

(1) The term "middle-income families" means those families (including single individuals) whose incomes do not exceed 120 per centum of the median income for the area, as determined by the Secretary, with adjustments for smaller or larger families, except that the Secretary may establish income ceilings higher or lower than 120 per centum of the median for the area on the basis of his findings that such variations are necessary because of prevailing levels of construction costs, unusually high or low family incomes, or other factors.

(2) The term "home mortgage" means a mortgage (A) which is executed to finance the acquisition of a single family unit (including a unit in a condominium project) which will be the principal residence of the mortgagor, or a two-family unit where one of the units will be the principal residence of the mortgagor, or which covers a cooperative housing project where all of the units will be the principal residences of its members; and (B) which covers housing where the appraised value of the unit (or the average appraised value per unit in the case of a cooperative housing project) does not exceed $38,000, or $42,000 in high cost areas as determined by the Secretary, or $48,000 in Alaska, Hawaii, and Guam.

AUTHORIZATION

SEC. 108. (a) The aggregate amount of mortgages assisted under this title shall not exceed amounts approved in appropriation Acts, and in no event shall such amount exceed $12,000,000,000.

(b) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title, including such sums as may be necessary to make the interest reduction payments and the home purchase incentive payments under contracts entered into under this title.

(c) The aggregate amount of contracts to make interest reduction payments under section 104 shall not exceed amounts approved in appropriation Acts, and payments pursuant to such contracts shall not exceed $300,000,000 per annum

(d) The aggregate amount of mortgages purchased by the Association under section 105 shall not exceed amounts approved in appropriation Acts, and the aggregate amount of such mortgages shall not exceed $12,000,000,000.

(e) The aggregate amount of contracts to make home purchase incentive payments under section 106 shall not exceed amounts approved in appropriation Acts, and payments pursuant to such contracts shall not exceed $400,000,000.

(f) The Association shall not issue obligations pursuant to section 105(c) or securities pursuant to section 105(d) except as approved in appropriation Acts.

ALLOCATION OF ASSISTANCE

SEC. 109. (a) The Secretary shall allocate to applicant lenders aggregate amounts of mortgages to be assisted. The Secretary shall take appropriate steps to the maximum extent practicable to assure that assistance under this title is made available on an equitable basis geographically.

(b) In carrying out his functions under this title and in making the allocations under subsection (a), the Secretary shall afford families eligible for assistance under this title a choice, to the maximum extent practicable, among the programs described in sections 104, 105, and 106.

(c) Not more than 20 per centum of the aggregate mortgage amounts approved in appropriation Acts may be allocated for use with respect to existing units (other than substantially rehabilitated units) and with respect to new, unsold dwelling units the construction of which commenced prior to March 26, 1975.

(d) Not more than 15 per centum of the aggregate mortgage amounts approved in appropriation Acts may be allocated with respect to dwelling units with appraised values in excess of $38,000.

LIMITATIONS

SEC. 110. (a) If a family assisted under section 104 or 106 sells the property for which assistance was granted within 4 years from the date of execution of the mortgage on such property, there shall become due and payable to the Secretary, by the family assisted, at a time set by the Secretary, an amount equal to the lesser of (1) the full amount of the assistance received under section 104 or 106, as the case may be; or (2) the amount of the gain realized on the sale after adding the cost of any improvements provided by the mortgagor to the original sales price and deducting any selling expenses. If such property is sold more than 4 years but less than 5 years from the date of execution of the mortgage, 75 per centum of the amount payable in accordance with the first sentence of this subsection shall be repayable. If such property is sold more than 5 years but less than 6 years from the date of execution of the mortgage, 50 per centum of the amount payable in accordance with the first sentence of this subsection shall be repayable. If such property is sold more than 6 years but less than 7 years from the date of execution of the mortgage, 25 per centum of the amount payable in accordance with the first sentence of this subsection shall be repayable. There shall be no repayment if the property is sold by the family after 7 years, or if the family purchases or constructs a new principal residence within the applicable time period prescribed in section 1034 of the Internal Revenue Code of 1954.

(b) A mortgagor is not eligible both for a credit against income tax for the purchase of a home under section 44 of the Internal Revenue Code of 1954 and for assistance under this title.

(c) A commitment to purchase a mortgage issued by the Association pursuant to the provisions of any other law shall not be exchanged or credited in any way to the purchase of a commitment pursuant to this title.

(d) A mortgage purchased under section 105 may not be assumed except by a middle-income family.

ENERGY CONSERVATION

SEC. 111. In making financial assistance available under the title, the Secretary shall take appropriate steps to encourage the construction or sale of dwelling units which he determines will contribute to the conservation of land and energy resources because of their design or their location in clusters or projects or otherwise.

EXPIRATION DATE

SEC. 112. After June 30, 1976, no interest reduction payments, mortgage purchases, or home purchase incentive payments shall be made under this title except pursuant to contracts or commitments entered into on or before such date.

TITLE II—EMERGENCY MORTGAGE RELIEF PAYMENTS

HOMEOWNERS RELIEF

SEC. 201. (a) The Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary") is authorized to make repayable emergency mortgage relief payments on behalf of homeowners who are delinquent in their mortgage payments.

(b) Emergency mortgage relief payments shall not be approved with respect to any mortgage unless—

(1) the holder of the mortgage has indicated to the mortgagor its intention to foreclose;

(2) the mortgagor and holder of the mortgage have indicated in writing to the Secretary and to any agency or department of the Federal Government responsible for the regulation of the holder that circumstances (such as the volume of delinquent loans in its portfolio) make it probable that there will be a foreclosure and that the mortgagor is in need of emergency mortgage relief authorized by this title, except that such statement by the holder of the mortgage may be waived by the Secretary if in his judgment such waiver would further the purposes of this title;

(3) payments under the mortgage have been delinquent for at least 2 months;

(4) the mortgagor has incurred a substantial reduction in income as a result of involuntary unemployment or underemployment due to adverse economic conditions and is financially unable to make the full mortgage payments;

(5) there is a reasonable prospect that the mortgagor will be able to make the adjustments necessary for a full resumption of mortgage payments; and

(6) the mortgaged property is the principal residence of the mortgagor.

As used in this title, the term "mortgaged property" includes, but is not limited to, property owned in fee simple, condominium units, mobile homes, or multiunit dwellings.

(c) Mortgage relief payments on behalf of a homeowner may be in an amount up to the amount of the principal, interest, taxes, ground rents, hazard insurance, and mortgage insurance premiums due under the mortgage, but such payments shall not exceed the lesser of $250 per month or the amount determined to be reasonably necessary to supplement such amount as the homeowner is capable of contributing toward such mortgage payment.

(d) Mortgage relief payments may be made by the Secretary for up to 12 months, and may be extended once for up to 12 additional months. The Secretary shall require the mortgagor to report any increase in income which will permit a reduction or termination of mortgage relief payments during this period.

(e) Mortgage relief payments made under this title shall be repayable by the homeowner upon such terms and conditions as the Secretary shall prescribe, except that interest on such payments shall not exceed 8 per centum per annum. Interest shall not begin to accrue until after the last payment made by the Secretary in behalf of the homeowner. The Secretary may defer repayment of the mortgage relief payments until the disposition of the property or the completion of the period of amortization for the mortgage. The Secretary shall require such security for the repayment of mortgage relief payments as he deems appropriate and may secure such repayment by a lien on the mortgaged property. The Secretary may make such delegations and accept such certifications with respect to the processing of mortgage relief payments as he deems appropriate to facilitate the prompt and efficient implementation of the assistance program authorized by this title.

NOTIFICATION

SEC. 202. Until 2 years from the date of enactment of this Act, each Federal supervisory agency, with respect to financial institutions subject to its jurisdiction, and the Secretary, with respect to other approved mortgagees, shall (1) take appropriate action, not inconsistent with laws relating to the safety or soundness of such institutions or mortgagees, as the case may be, to waive or relax limitations pertaining to the operations of such institutions or mortgagees with respect to mortgage delinquencies in order to cause or encourage forbearance in residential mortgage loan foreclosures, and (2) request each such institution or mortgagee to notify that Federal supervisory agency, the Secretary, and the mortgagor, at least 30 days prior to instituting foreclosure proceedings in connection with any mortgage loan. As used in this section the term "Federal supervisory agency" means the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Coropration, the Comptroller of the Currency, the Federal Home Loan Bank Board, the Federal Savings and Loan Insurance Corporation, and the National Credit Union Administration.

AUTHORIZATION AND EXPIRATION DATE

SEC. 203. (a) There are authorized to be appropriated for purposes of this title not to exceed $500,000,000. Any amounts so appropriated shall remain available until expended.

(b) Mortgage relief payments shall not be made after July 1, 1976, except with respect to mortgagors receiving the benefits of payments on such date.

REPORTS

SEC. 204. Within 60 days after enactment of this title and within each 60-day period thereafter prior to July 1, 1976, the Secretary shall make a report to the Congress on (1) the current rate of delinquencies and foreclosures in the housing market areas of the country which should be of immediate concern if the purpose of this title is to be achieved; (2) the extent of, and prospect for continuance of, voluntary forbearance by mortgagees in such housing market areas; (3) actions being taken by governmental agencies to encourage forbearance by mortgagees in such housing market areas; (4) actions taken and actions likely to be taken with respect to making assistance under this title available to alleviate hardships resulting from any serious rates of delinquencies and foreclosures; and (5) the current default status and projected default trends with respect to mortgages covering multifamily properties with special attention to mortgages insured under the various provisions of the National Housing Act and with recommendations on how such defaults and prospective defaults may be cured or avoided in a manner which, while giving weight to the financial interests of the United States, takes into full consideration the urgent needs of the many low- and moderate-income families that currently occupy such multifamily properties.

TITLE III—MISCELLANEOUS

SEC. 301. (a) Section 312(h) of the Housing Act of 1964 is amended by striking out "one-year" and inserting in lieu thereof "three-year".

(b) Section 312(d) of such Act is amended by inserting "ending prior to July 1, 1975, and not to exceed $35,000,000 for each fiscal year beginning on or after July 1, 1975, and ending prior to October 1, 1977," after "each fiscal year".

SEC. 302. The second sentence of section 5(c) of the United States Housing Act of 1937 is amended by striking out "$150,000,000" and inserting in lieu thereof "$300,000,000".

SEC. 303. Section 235(m) of the National Housing Act is amended by striking "1976" and inserting in lieu thereof "1977".

SEC. 304. The fourth sentence of section 5(c) of the United States Housing Act of 1937 is amended—

(1) by inserting "(1)" after "expect that"; and

(2) by inserting before the period at the end thereof a comma and the following: "and (2) after the date of enactment of the Emergency Housing Act of 1975, none of the funds made available under this sentence shall be used to fulfill any outstanding commitments entered into prior to such date under any memoranda of understanding among the Departments of Housing and Urban Development, Interior, and Health, Education, and Welfare".

SEC. 305. Section 518(b)(1) of the Nattional Housing Act is amended by striking out "one year" the second time it appears and inserting in lieu thereof "nineteen months".

SEC. 306. Section 236 of the National Housing Act is hereby amended by adding at the end thereof a new subsection as follows:

"(q) With respect to mortgages financed under State or local programs which are not insured under this section but which are receiving the benefits of this section as provided in subsection (b) hereof, and whenever the Secretary determines that such action is necessary to assist in maintaining the financial viability of a State or local agency providing such financing, the rental charge and percentage of income payable by the tenant as specified in subsection (i)(2), shall not be applicable, and the maximum income limitations, percentage of income, and rental to be paid by the tenant shall be fixed by the State or local agency thereof providing the mortgage assistance, in such amounts and percentages as are found necessary by such State or local agency to achieve the purposes of this section: *Provided*, That assistance payments under this section may be applied only with respect to tenants whose incomes do not exceed the median family income for the area, as determined by the State or local agency with adjustments for smaller and larger families. The tenants shall pay no less than the basic rental charge or such greater amount as the State or local agency determines is necessary for the economic feasibility of the project, not exceeding the fair market rental charge, and no less than 20 per centum of the tenant's income. Any tenants occupying such units prior to any modification in the rental charge approved by the State or local agency as authorized herein, shall not be made liable for rental increases except pursuant to the same criteria as would have been applicable under the provisions of this Act prior to the effective date of this subsection. The State or local agency shall report to the Secretary of Housing and Urban Development the rental charges, income limitations and percentage of income payable by the tenant and shall certify that the charges and income limitations are the minimum amounts which can be fixed and still maintain the economic feasibility of the projects and shall supply the Secretary with documentations supporting such certification.".

SEC. 307. Section 202(b) of the Flood Disaster Protection Act of 1973 is amended by inserting before the period at the end thereof a comma and the following: "except that the prohibition contained in this sentence shall not apply to any loan made prior to January 1, 1976, to finance the acquisition of a previously occupied residential dwelling".

SEC. 308. Section 313 of the National Housing Act is amended by adding the following new subsection at the end thereof:

"(h) Notwithstanding the provisions of subsection (b), the Association may make commitments to purchase and purchase, and may service, sell (with or without recourse), or otherwise deal in, a mortgage which covers more than four-family residences (including cooperative or condominium projects), or a single-family unit in a condominium, and which is not insured under the National Housing Act or guaranteed under chapter 37 of title 38, United States Code, if—

"(1) in the case of a project mortgage, the principal obligation of the mortgage does not exceed, for that part of the property attributable to dwelling use, the lesser of (A) the per unit amount specified in subsection (b)(B), or (B) the per unit limitations specified in section 207 of this Act in the case of a rental project, or section 213

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of this Act in a case of a cooperative project, or section 234 in the case of a condominium project;

"(2) in the case of a mortgage covering a housing project, the outstanding principal balance of the mortgage does not exceed 75 per centum of the value of the property securing such mortgage or is insured by a qualified private insurer or public benefit corporation created by the State which acts as an insurer as determined by the Association;

"(3) in the case of a mortgage covering an individual condominium unit, the mortgage is insured by a qualified private insurer or public benefit corporation created by the State which acts as an insurer as determined by the Association or has an outstanding principal balance which does not exceed 80 per centum of the value of the property securing the mortgage;

"(4) the mortgage is not being used to finance the conversion of an existing rental housing project into a condominium project or to finance the purchase of an individual unit in a condominium project in connection with the conversion of such project from rental to condominium form of ownership; and

"(5) the mortgage meets the requirements of subsection (b) except as modified by this subsection and any additional requirements the Secretary may prescribe to protect the interest of the United States or to protect consumers.".

And the Senate agree to the same.

HENRY REUSS,
WILLIAM A. BARRETT,
WILLIAM S. MOORHEAD,
FERNAND J. ST GERMAIN,
PARREN MITCHELL,
LES AUCOIN,
Managers on the Part of the House.

WILLIAM PROXMIRE,
JOHN SPARKMAN,
HARRISON A. WILLIAMS,
THOMAS J. MCINTYRE,
ALAN CRANSTON,
EDWARD W. BROOKE,
BOB PACKWOOD,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4485) to provide for greater homeownership opportunities for middle-income families and to encourage more efficient use of land and energy resources, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

I—AMENDMENTS TO THE EMERGENCY HOME PURCHASE ASSISTANCE ACT OF 1974

Triggering Procedure for Activating and Deactivating Special Housing Assistance

The Senate amendment contained a provision not in the House bill providing for an automatic triggering procedure to activate and deactivate a housing assistance program designed to provide mortgage credit at reasonable interest rates through the use of Federal credit facilities during periods of low construction activity. The Senate amendment provided for the activation of this program whenever housing starts fell below an average annual rate of 1.6 million units over a period of 4 consecutive months and for deactivation of the program whenever housing starts exceeded 1.6 million units for 4 consecutive months. The conference report does not contain this Senate provision. The conferees agreed that a counter-cyclical housing program is worthy of further consideration by the Congress as a separate legislative measure.

Interest Rate on Assisted Mortgages

The Senate amendment contained a provision not in the House bill establishing the maximum interest rate on mortgages assisted at the lower of 8 percent or the maximum interest rate prescribed for FHA-insured mortgages. The conference report does not contain this Senate provision.

Limitation on Points

The Senate amendment contained a provision not in the House bill prohibiting mortgages from charging any points, discounts, or similar fees other than a loan origination fee not in excess of 1 percent of the mortgage amount in connection with mortgages assisted under the Emergency Home Purchase Assistance Act of 1974. The conference report does not contain this Senate provision.

Fees Charged by GNMA

The Senate amendment contained a provision not in the House bill limiting the fees which could be charged by GNMA in connection with the purchase of mortgages or the guarantee of mortgage-backed securities to 1 percent of the amount of mortgage or the amount of the securities. The conference report does not contain this Senate proviston.

GNMA Authority to Guarantee Mortgage-Backed Securities

The Senate amendment contained a provision not in the House bill authorizing GNMA to guarantee securities backed by mortgages eligible for purchase by GNMA under the provisions of the Emergency Home Purchase Assistance Act of 1974, but which were not purchased by GNMA. The conference report does not contain this Senate provision.

Sale of GNMA Guaranteed Securities to Federal Financing Bank

The Senate amendment contained a provision not in the House bill authorizing and directing the Federal Financing Bank to purchase mortgage-backed securities guaranteed by GNMA at a price equal to par. The conference report does not contain this Senate provision.

Multifamily Housing

The Senate amendment contained a provision not in the House bill extending coverage of the Emergency Home Purchase Assistance Act to conventionally financed multifamily housing (rental, condominium, and cooperative housing) where the mortgage amount did not exceed 75 percent of the value of the property or the mortgage was insured. The conference report contains this Senate provision.

Authorization

The Senate amendment contained a provision not in the House bill authorizing appropriations to reimburse the Federal Financing Bank for any losses incurred by reason of the Bank's purchase of guaranteed mortgage-backed securities. The conference report does not contain this Senate provision.

Expiration Date

The Senate amendment contains a provision not in the House bill repealing the expiration date (October 18, 1975) of the Emergency Home Purchase Assistance Act of 1974. The conference report does not contain this Senate provision.

II. EMERGENCY MIDDLE INCOME HOUSING

Findings and purpose

The House bill contained the findings that the high cost of land and fuel associated with low density developments aggravated the accessibility of homeownership to middle-income persons. The House bill also contained a finding that a large inventory of unsold new homes existed and was discouraging new construction. The Senate amendment contained neither finding. The conference report contains the House finding dealing with the high cost of land and fuel.

Types of subsidy

Interest Reduction Payments

The House bill provided that interest reduction payments equal the difference between the amount of principal, interest and any mortgage insurance premium due under the mortgage and the amount of principal and interest due on a 6 percent mortgage. The Senate amendment provided that the interest reduction payments were not to exceed the difference between the amount of principal and interest due under the mortgage and the amount of principal and interest due under a 6 percent mortgage. The conference report contains the House provision.

The Senate amendment contained a provision not in the House bill authorizing the Secretary of HUD to prescribe the maximum interest rate on a mortgage with respect to which interest reduction payments were made. The conference report contains the Senate provision with an amendment which requires the Secretary to approve the interest rate and yield on a mortgage eligible for interest reduction payments, but does not require the Secretary to prescribe maximum interest rates in advance. The conferees expect that the Secretary, in determining whether the approved mortgage interest rate or yield is reasonable, will look to the current range of interest rates and yields on comparable mortgages in the area.

Home Purchase Incentive Payments

The Senate amendment contained a provision not in the House bill authorizing the Secretary to make home purchase incentive payments in the amount of $1000 to eligible home buyers to assist them in meeting downpayment or closing cost requirements. The conference report contains the Senate provision with amendments limiting the use of such certificates to meeting downpayments, making such payments applicable only to newly constructed homes and prohibiting the making of incentive payments to home buyers receiving the benefits of below-market-interest-rate mortgages assisted under the Emergency Home Purchase Assistance Act of 1974.

Interest Rate Differential Payments

The House bill contained a provision not in the Senate amendment authorizing the Secretary to make single payments to lenders which originated 7 percent mortgage loans on behalf of middle-income families in order to bring the yields on these mortgages up to a market yield. The conference report does not contain this House provision.

Purchase of Mortgages

The House bill contained a provision not in the Senate amendment authorizing the Secretary to purchase 7 percent mortgage loans and to issue and guarantee mortgage-backed securities based on these mortgages. The conference report contains the House provision.

Eligible properties

Types of Units

The House bill limited subsidies to home buyers of one- to two-family homes, condominium units, and units in a cooperative the construction and rehabilitation of which was started after enactment, but provided that up to 30 percent of the amount of assisted mortgages could be made available by the

Secretary for use with respect to existing nonrehabilitated units and new, unsold units the construction of which started prior to enactment. The Senate amendment provided that assistance could be made available with respect to the same kind of dwelling units if their construction was completed 12 months or less prior to the sale under the program, with an exception that not less than 10 percent nor more than 30 percent of the units must be constructed more than 12 months prior to their purchase under the program (including substantially rehabilitated units).

The conference report contains the House provision with 2 amendments changing 30 percent to 20 percent and making units whose construction was started after March 26, rather than the date of enactment, eligible for assistance without restriction.

Limits on Appraised Value of Units

The House bill limited the appraised value of eligible units to $42,000 in high cost areas and $48,000 in Alaska, Hawaii, and Guam and further limited homes with values in excess of the basic $38,000 limit to 10 percent of assisted mortgage amounts. The Senate amendment limited the appraised value of eligible units to $48,000 in high cost areas and $56,000 in Alaska, Hawaii, and Guam. The conference report contains the House provision with an amendment raising 10 percent to 15 percent.

Selection of type of subsidy

The House bill gave to lending institutions the choice as to the type of subsidy that would be made available to home buyers. The House bill also provided that subsidies would be allocated to lending institutions who would apply to HUD for these subsidies. The Senate amendment gave to eligible home buyers the choice as to which of the subsidy approaches he would receive. The conference report provides that the Secretary take appropriate steps to give to the eligible home buyers the choice to the maximum extent practicable as to the type of subsidy the home buyer will receive.

Recapture of subsidy

The Senate amendment contained a provision not in the House bill exempting the obligation of the homeowner to repay the amount of the subsidy if the home were sold within 7 years or if the homeowner purchased another home within 18 months. The conference report contains this Senate provision.

Expiration date

The House bill contained a provision providing that no new commitments or contracts for assistance could be entered into after June 30, 1976. The Senate amendment also contained a June 30, 1976, expiration date but required the program to be terminated sooner if private housing starts averaged at least 1,400,000 units for 3 consecutive months. The conference report contains the House provision.

III—BUILDING ENERGY CONSERVATION STANDARDS

The Senate amendment contained a provision not in the House bill authorizing the Secretary of HUD to develop component performance standards and performance standards with respect to the thermal efficiency of newly-constructed residential and commercial buildings. These standards would be incorporated in State or local building codes and would be enforced by State or local agencies. In order to insure incorporation of these standards into State or local building codes, the Senate provided grants to States and also provided sanctions, including the withholding of Federal assistance and Federally-related mortgage credit. The conference report does not contain the Senate provision in order to permit the House to act on energy conservation measures now pending in Committee.

IV—MISCELLANEOUS

Rehabilitation Loan Program

The Senate amendment contained a provision not in the House bill authorizing the extension of the section 312 rehabilitation loan program from August 22, 1975, until September 30, 1978, and authorizing $150 million a year, with certain provisions relative to Treasury financing and interest rates. The conference report contains the Senate provision with amendments extending the program two years (until August 22, 1977). reducing the authorization from $150 million a year to $35 million for each of the two years, and deleting the provisions relating to Treasury financing and interest rates.

Public Housing Authorization

The Senate amendment contained a provision not in the House bill increasing the set-aside of contract authority for projects to be owned by public housing agencies from $150 million to $450 million. The conference report contains the Senate amendment with an amendment reducing the set-aside from $450 million to $300 million. The conferees expect that funds for the increased set-aside will not be transferred from allocations already made to State agencies.

Homeownership Assistance

The Senate amendment contained a provision not in the House bill extending the section 235 homeownership assistance program for one year, until July 1, 1977, and extending the period during which impounded funds (approximately $270 million) could be used from August 22, 1975, until July 1, 1977. The conference report contains the one-year extension of the program to July 1, 1977, the same date for other FHA programs, but does not include the provision extending the period during which the impounded funds could be used. The conferees did not include an extension of the period for utilizing the impounded funds because of uncertainties about the effect this extension would have on the Congressional budget process.

Public Housing and Elderly Housing Processing

The Senate amendment contained provisions not in the House bill requiring HUD to process all public housing and all section 202 housing for the elderly project applications during distinct periods not exceeding 75 days. The conference report does not contain these Senate provisions. The conferees believe that this rigid processing requirement could do more harm to the efficient implementation of the programs than good, but strongly urge the Secretary of HUD to take all steps to minimize the time for processing housing assistance applications.

Indian housing

The Senate amendment contained a provision not in the House bill providing that none of the public housing funds set aside for Indian housing in the 1974 Housing and Community Development Act could be used by the HUD Secretary for prior commitments to financing public housing for the Indians. The conference report contains this Senate provision.

Subsidized supplemental loans

The Senate amendment contained a provision not in the House bill authorizing HUD to make interest reduction payments with respect to certain supplemental project improvement loans made pursuant to section 241 of the National Housing Act. The conference report does not contain this Senate provision.

Defects in FHA-Insured Housing

The Senate amendment contained a provision not in the House bill extending by seven months the period during which owners of FHA-insured houses which have serious structural defects could request assistance from the HUD Secretary to repair such defects under authority of section 518(b) of the National Housing Act. The conference report contains this Senate provision.

State-Financed Housing Projects

The Senate amendment contained a provision not in the House bill authorizing HUD to permit certain State housing agencies to raise the income limits for eligibility for admission to non-FHA insured, State-assisted 236 projects and to vary rent-to-income ratios to not less than 20 percent of the tenant's income. The conference report contains the Senate provision with minor modifications in language. The conferees intend to limit the use of this provision to situations such as that which currently exists in the State of New York.

Flood Insurance

The Senate amendment contained a provision not in the House bill extending from July 1, 1975, until January 1, 1976, the date on which Federal financial assistance would be denied to flood-prone areas unless the community were participating in the National Flood Insurance Program. The conference report retains the prohibition in existing law but authorizes a 6-month extension until January 1, 1976, of the prohibition against the making of loans by Federally-supervised lending institutions to finance the acquisition of a previously occupied residential dwelling.

V-EMERGENCY MORTGAGE RELIEF PAYMENTS

The Senate amendment contained a provision not in the House bill authorizing the Secretary of HUD to make repayable mortgage relief payments to homeowners whose incomes have been substantially reduced because of involuntary unemployment or underemployment due to current adverse economic conditions, and who therefore cannot make full mortgage payments. The conference report contains these Senate provisions with the following amendments:

Amount of Payments

The Senate amendment limited the amount of the monthly mortgage relief payment on behalf of any homeowner to $300. The conference report limits this payment to $250 a month.

Length of Payments

The Senate amendment authorized the Secretary to make payments up to 18 months, with one extension for up to another 18 months. The conference report reduces the maximum period during which payments can be made to 12 months, with one extension for another 12 months.

Authorization of Appropriations

The Senate amendment authorized appropriation of $750 million to finance the program. The conference report contains an authorization of $500 million.

Eligible Property

The Senate amendment authorized relief payments to be made to owners of houseboats. The conference report does not contain this Senate provision.

Notification to Mortgagor

The Senate amendment required the Secretary of HUD to notify mortgagors threatened with foreclosure of the availability of assistance under this program. The conference report does not contain this Senate provision.

HENRY REUSS,
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APPOINTMENT AS MEMBER OF FEDERAL COUNCIL ON THE ARTS AND HUMANITIES

The SPEAKER. Pursuant to the provisions of section 2(a)(8), Public Law 93–133, the Chair appoints as a member of the Federal Council on the Arts and the Humanities the gentleman from California (Mr. STARK).

SECURITIES ACTS AMENDMENTS OF 1975

Mr. STAGGERS. Mr. Speaker, I call up the conference report on the Senate bill (S. 249) to amend the Securities Exchange Act of 1934, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of May 19, 1975.)

Mr. STAGGERS (during the reading). Mr. Speaker, I ask unanimous consent that the further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. STAGGERS. Mr. Speaker, this conference report represents the culmination of 4 years of effort. It is the product of a most searching and comprehensive analysis of our securities markets which began following the operational breakdown which occurred in the late 1960's.

As my colleagues will recall, in the years 1968 through 1970 a veritable explosion in trading volume overwhelmed the then-existing mechanisms for control and delivery of securities, brokerage firms lost control of their records and many were forced into liquidation or were saved only through heroic measures. The Congress was required to step in to provide a means for safeguarding investors from loss in the event of brokerage-house failures. When I brought that legislation to the floor in 1970 I pledged to my colleagues that our committee would take all steps necessary to insure that this crisis would not be repeated and pledged to you that the committee would conduct a close and continuing scrutiny of the securities industry.

Now after many years of effort I am indeed proud to bring before you comprehensive legislation in fulfillment of that prior pledge. It represents the labors of many but principally, I think, the work of former subcommittee Chairman JOHN MOSS and his colleagues on the committee's Subcomittee on Commerce and Finance who worked so diligently on this matter through the 92d and 93d Congress.

It is also a pleasure to bring legislation to the floor upon which so many are agreed. From the beginning the committee has worked closely with the administration and the SEC on this endeavor. The final product has their full support and has even garnered support from the regulated industry. That is not to suggest that this undertaking has been free of controversy. Most certainly it has not. But I am confident that all major difficulties have been resolved satisfactorily.

This bill is broad ranging; it addresses a number of issues which are of vital importance to this Nation's financial future. Briefly stated this bill represents a modernization of the regulatory pattern applicable to our securities markets. Its basic goal is to assure that in the ever-changing economic circumstances of today our markets will be able to prove themselves sufficiently resilient and flexible to meet investors' demands and provide that constant flow of debt and equity instruments available for public investment which is so fundamental to the economic health of this Nation.

Over the past 40 years, economic forces have placed considerable stress on securities market mechanisms. Yet, the organized markets continue to operate by and large as they did when the Securties Exchange Act was adopted in 1934. The evolutionary process has too frequently been stunted and distorted by various rules and practices which have erected barriers to competition and created gross economic inefficienies. A major underlying theme of the legislation is to restore the competitive principle in this industry. Too frequently competition has been unnecessarily subordinated by the regulatory process. Predictably the industry becomes inflexible when this occurs and insensitive to new techniques and opportunities for progress. The operational breakdown which this Nation witnessed in 1970 was visible evidence of an overly protected industry which had failed to grow to meet the challenge and the realities of today's market demands. While the committee would agree that there is no clear means of safeguarding against these dangers in the future, we believe that the commitment to competition which is ingrained in the regulatory fabric of this legislation—if conscientiously applied—will strengthen our securities markets and assure their continued primacy in the international financial community.

Mr. Speaker, our differences with the Senate were not many. We have incorporated in this legislation provisions from the Senate bill which would provide for a regulatory system applicable to transactions in municipal securities. With that exception the House and Senate bills differed primarily in the means by which the goals common to both bills would be accomplished. The differences are, of course, discussed in some detail in the joint statement of managers. I will not repeat that detail here. I would like to call my colleagues' attention to one matter, however.

Since I have been chairman of the Committee on Interstate and Foreign Commerce, we have followed a practice of writing into the substantive legislation reported from our committee, statutory limitations on the amounts which are authorized to be appropriated to a particular agency or for a specific program. We believe that this mechanism imposes a discipline on the committee to oversee the administration of the substantive law to assure that it comports with the views and will of the Congress. We have found that the agencies of Government are more responsive when tethered by this means and we have found that the committees of Congress themselves become more alert and receptive to the need to change substantive law to correct error or to respond to changing circumstances.

For this reason, this legislation for the first time imposed authorization limits on the amounts to be appropriated to the Securities and Exchange Commission in the administration of the Federal Securities Laws. These amounts were changed in the conference.

The Senate conferees endorsed the concept. However, because the Senate felt less sure of the amounts specified, they requested and your conferees agreed to reduce the figures in the House bill from $54 million to $51 million in the first fiscal year and to $55 million from $62.6 million in the second fiscal year. The third fiscal year authorization was eliminated.

Your conferees agreed to these lesser amounts and to the more limited authorization term on the basis that both the House and the Senate jurisdictional committees were committed to conducting deailed review of the Securities and Exchange Commission's administration of this new act within the next 2 years. Should the authorized ceilings prove inadequate to the SEC to discharge its responsibilities, we will, of course, promptly bring appropriate legislation to the floor to increase the authorized levels. It has been the consistent position of our committee that appropriations for the Securities and Exchange Commission have not kept pace with the tremendously increasing workload which that agency has absorbed over the years. By agreeing to reduce authorization levels in the conference report, our committee does not abandon its commitment to obtain increased and adequate funds for the important work of this agency. On the whole, this committee is much pleased with the work of the Commission. They have done a professional, competent and dedicated job throughout their history. Much has been achieved and much remains to be done. The committee looks forward with a sense of hopeful anticipation that this legislation will give the SEC the necessary tools to assist in—and give focus to—the modernization of our markets.

I respectfully urged adoption of the conference report.

Mr. McCOLLISTER. Mr. Speaker, I rise in support of the conference report on S. 249, the Securities Act's Amendments of 1975.

I believe that the overwhelming vote the House bill received when it was on the floor last month indicates a broad-based support for this legislation. The conference report, in my judgment, deserves similar support. Its provisions reflect careful compromises of the major

issues dealt with in the House and Senate bills.

When the House version was on the floor there were a few matters of particular interest to Members on this side of the aisle, and I would like to address myself to the conference report's resolution of those issues.

With respect to the matter of Commission rates, the conference report retains the flexibility found in the House bill allowing the Securities and Exchange Commission to reimpose fixed rates should that become necessary. The conference report follows the two-step approach of the House bill, which would allow the SEC to act quickly, by rule, to reimpose fixed rates on or before November 1, 1976, and which would allow the Commission to take this action after that date after a more formal procedure.

With respect to New York Stock Exchange Rule 394, a rule which requires members to take orders to the floor of the New York Stock Exchange, and then establishes a cumbersome procedure for members to go elsewhere should there be a better market, the conference report requires the SEC to review that rule and to institute appropriate administrative action to amend the rule if it appears to the Commission that the rule imposes burdens on competition not necessary or appropriate in furtherance of the purposes of the Securities Exchange Act.

I think that there is general agreement that rule 394, as currently drafted, is inappropriate. There are some who feel that the rule should be repealed. There are others who believe that the rule can be modified to maintain its beneficial aspects while eliminating those which are anticompetitive. The resolution of this matter proposed in the conference report will allow the SEC to consider that rule in connection with the continuing evolution of the national market system. This, to me, is the desirable approach.

Some concern was expressed with respect to the House version of the elimination of stock exchange memberships, or seats. The conference report allows exchanges to continue to limit the number of memberships, or seats, they maintain, but in no event may the number be less than existed on May 1, 1975. To insure that all qualified brokers and dealers may purchase such seats, however, the bill sets forth specific eligibility criteria for stock exchange membership, and states that any broker or dealer registered with the SEC who meets such specified criteria must be allowed to purchase a seat.

I have also been questioned about language that I added on the floor to the amendment offered by the gentleman from Texas (Mr. ECKHARDT) concerning the consolidation of SEC enforcement actions with private law suits arising out of the same factual situation. After the phrase "enforcement action" I added the words "for equitable relief." It was not my intention, however, to limit the Eckhardt amendment to those situations where the Commission was seeking an injunction only.

Rather, the amendment should apply where the Commission is seeking equitable relief in addition to an injunction, such as rescission, disgorgement of profits, the appointment of a receiver, or other similar relief that a court may grant under its general equity powers.

Mr. Speaker, in the days since the conference report was filed, the subcommittee has received communications from members of the brokerage community, the banking community, the insurance industry, the mutual fund industry and from interested federal agencies, all of whom have expressed satisfaction with the conference report.

Mr. Speaker, I recommend the prompt adoption of the conference report.

Mr. BROYHILL. Mr. Speaker, will the gentleman yield?

Mr. McCOLLISTER. I yield to the gentleman from North Carolina.

Mr. BROYHILL. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of the conference report to accompany S. 249, Securities Acts Amendments of 1975. The committee has worked on this legislation for over 4 years. The bill as amended by the conference report should be supported by the House.

In the main, the bill follows that which passed the House. In my judgment, in those areas where we made accommodation with the Senate, we strengthened the bill.

Mr. Speaker, the basic purposes of this bill are to:

First. Provide a greater measure of investor protection for funds and securities left in custody of brokers. This will be accomplished by expanded authority for the Security and Exchange Commission's surveillance of broker-dealer capital requirements, and procedures used to provide for the safekeeping of securities. It is my feeling that these changes are necessary in order to insure some measure of investor confidence. There is nothing that we can do to protect investors from price swings in the marketplace, but we can provide the regulatory mechanism to assure that those securities that are kept in custody are kept safely and make sure that broker-dealers have adequate capital to protect investors' funds as long as they are in the custody of broker-dealers.

Second. This bill also facilitates the development of a central market system. Over the years, the capital markets have developed in a fragmented way. It is my strong feeling that tying these markets together through modern communications methods will enable investors to have access to the total market. The National Securities Market System will be a system of electronic communications linking all markets together, governed by uniform rules to the extent necessary, and supplemented by a national system for clearing and settlement. The securities to be traded will be those listed on the major exchanges and other listed securities for which a national market is feasible.

Third. The bill makes certain changes that would mean that securities can be traded at the most economical cost to the investor. One of the key features of the bill, in fact one of the most controversial, was the mandating of competitive commission rates. Because of concern by many that the system of competitive commission rates would do undue harm to a fair and orderly market, I sponsored an amendment to the bill, when it was in the House, that would give authority to the Commission to reimpose a system of fixed commission rates after November 11, 1975. The Commission would have to make findings that the rates were reasonable and would be required to accomplish the purposes of the act. My concern with the language as it came from the House was that a formal rulemaking procedure was required. It was my concern that if the Commission, in its wisdom, felt that fixed commission rates were necessary, this burdensome procedure would hinder the Commission from taking action. The conference committee has amended this procedure to provide for a less formal rulemaking procedure similar to that found in the amendments to the Federal Trade Commission Act which was passed last year.

In addition, the conference committee adopted language that would protect money managers against a claim that they have breached their fiduciary responsibilities solely because they have caused a managed account to pay more than the lowest available price for execution and research services. The provision provides that a money manager may pay a broker or dealer an amount of commission, for that broker or dealer's executing a transaction, if the money manager determines that the services it receives from that broker or dealer justify the payment.

Mr. Speaker, I would urge the Members of the House to vote for passage of this conference report.

Mr. STAGGERS. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. MOSS).

Mr. MOSS. Mr. Speaker, I also urge the adoption of this conference report. I would like to observe that in the process—and it has been a lengthy process—of dealing with highly technical legislation, in this Member's experience I have never seen a higher degree of cooperation on both sides of the aisle to achieve a very constructive and worthwhile result.

Mr. Speaker, I rise in support of the conference report on S. 249, the Securities Acts Amendments of 1975.

I will not go into a long discussion of this conference report. I believe that the report represents a blending of the House and Senate bills, in which the best of both bills were melded into a statute which I believe will be good for the investing public, the securities industry and our Nation's capital markets. There are a number of matters referred to in the joint statement of managers, however, upon which I would like to comment briefly.

The House bill would have eliminated New York Stock Exchange rule 394 on September 1 of this year, unless the New York Stock Exchange submitted the rule, or a modification thereof, to the Securities and Exchange Commission and obtained affirmative SEC approval. The conference substitute directs the SEC to review this rule and to institute appropriate administrative procedures to abrogate, add to, or delete from the rule if it appears to the Commission that the rule imposes burdens upon competition neither necessary nor appropriate in furtherance of the purposes of the Securities Exchange Act of 1934. As the chairman of the Oversight Subcommittee, I intend to follow the Commission's progress in administering this provision with the greatest of interest.

The House bill also insured that all qualified brokers and dealers could join any registered stock exchange. Stock exchanges have traditionally limited their membership in two ways. First, they have limited membership eligibility to organizations who are engaged in a general securities business and, through various machinations and devices, these eligibility criteria have been used as a means of preventing competitors of stock exchange member firms from acquiring the advantages of exchange membership. Second, exchanges have limited the number of memberships, or "seats" on the exchange.

The House bill, and the conference substitute, take away an exchange's ability to manipulate membership eligibility criteria as a competitive device. Any broker or dealer registered with the SEC who meets applicable capital and competency requirements, as specified in the bill, may join any registered stock exchange. In order to do so, however, such broker or dealer must purchase an existing membership, or "seat." There has rarely been a time when there were not sufficient seats for sale to meet demand. To insure that this situation continues exchanges are prohibited from lowering the number of memberships below that which existed on May 1 of this year. In addition, the SEC is authorized, by rule, to increase this number or to remove all limitations on the number of memberships if the Commission finds that such limitation imposes a burden upon competition not necessary or appropriate in furtherance of the purposes of the Securities Exchange Act.

The conference substitute also clarifies the authority of the SEC to prescribe the form and content of financial statements filed pursuant to the Securities Exchange Act and the accounting principles and accounting standards used in their preparation. The SEC and the accounting profession have had a longstanding working relationship, and the conference substitute does not mandate a change in that relationship.

Question has been raised whether the provisions in the conference report dealing with the sale of an investment adviser prohibits an affiliate of the new adviser from engaging in any brokerage transactions for the investment company or companies in question.

This matter was discussed in the hearings, at which Commissioner Loomis of the SEC said:

> The bill might be interpreted to provide that no affiliate of the new adviser could receive any brokerage from the fund. I don't think that is a necessary construction, and I would . . . be willing to . . . make it clear, if it needs to be made clear, that there is no absolute prohibition against a new advisers affiliate getting brokerage except if a deal is made to give him that brokerage as part of the transaction by which the investment management relationship is transferred.

I believe that this interpretation by Mr. Loomis acurately reflects the provisions in the conference report. Thus, if there is an arrangement, either express or implied, that an affiliate of the new adviser will obtain brokerage from the investment company involved, the "unfair burden" provisions contained in the conference report are violated, and the protections afforded by the bill do not attach.

On the other hand, if the investment management relationship is transferred, and subsequently the board of directors of the investment company determines for legitimate business reasons that some brokerage should be given to an affiliate of the new adviser, the "unfair burden" provisions would not be triggered.

Of course, under the amendment to section 11(a) of the Securities Exchange Act of 1934 contained in the conference report, all brokerage for affiliated persons executed on an exchange is statutorily prohibited by no later than May 1, 1978.

Mr. Speaker, it will be 4 years next month that the Subcommittee on Commerce and Finance began the study of the securities industry that led to the bill that is now before the House. I would be remiss if I did not acknowledge the outstanding job done by the members of that subcommittee who, for the last 4 years, have strived to produce what I consider to be a major piece of consumer protection legislation, To Mr. Stuckey and to Mr. Eckhardt, and to my good friends on the other side of the aisle, Mr. Broyhill, Mr. McCollister, I pay my compliments.

Mr. Speaker, I commend this bill to the House and urge the prompt approval of the conference report.

Mr. STAGGERS. I yield such time as he may consume to the gentleman from California (Mr. Van Deerlin).

Mr. VAN DEERLIN. Mr. Speaker, the gentleman immediately preceding me may have been handicapped somewhat by modesty in fully describing the course of this legislation, and his own role in it, over the last 4 years.

During the entire period, Mr. Moss chaired the subcommittee with jurisdiction in the securities field. It was under his leadership that a massive study pointed up the need for reform. He presided over exhaustive hearings going into every facet of market operations. Painstakingly resolving strong independent viewpoints within the subcommittee, Mr. Moss fashioned a strong bill. That first bill never reached the House floor in the 93d Congress, but was made a first order of business in the 94th. On final passage, there were only 13 votes against it.

The gentleman's final contribution was as a member of the conference committee which resolved important differences with the Senate bill.

Throughout, Mr. Moss demonstrated the qualities so familiar to his longtime colleagues: a sharp mind, unusual patience and dogged determination.

As new chairman of the Subcommittee on Consumer Protection and Finance, I have no difficulties in supporting this conference report. It provides for the most substantial reform of the Federal securities laws since those laws were enacted some 40 years ago.

The underlying theme of the legislation is that competitive forces should be allowed to work in the marketplace, and that regulation should be utilized only in those situations where competition alone is not effective.

This theme, which I think underlies the economic philosophy of our country, should bring benefits to our Nation's capital markets, the members of the securities industry and those they serve.

I urge prompt adoption of the conference report.

Mr. RINALDO. Mr. Speaker, I rise in support of the conference report on S. 249. I commend the committee of conference on their inclusion of what I consider to be the best provisions of both the House and Senate versions.

I am particularly pleased to see that the conference bill allows exchanges to maintain a limit on membership. I was very concerned that the House version eliminated the concept of limited membership without providing any answers to the complex problems which would inevitably arise under the new concept of unlimited membership on an exchange. For instance, if memberships or "seats" as they now exist were suddenly eliminated, they would obviously no longer have any economic value other than the residual value of the exchange's physical plant. So the very substantial financial investment made by present members of the exchanges would be destroyed. The House version provided for no means of just and adequate compensation for this loss. Without including a provision for compensation, we would have, in effect, been enacting authority to expropriate property. Additionally, the tax problems, the various State incorporation laws, the problem of equity interest—all these questions were left in the air. The conference report fairly resolves the issue by allowing exchanges to maintain a limit on membership and, at the same time, giving the SEC the authority it needs to insure that there will be no burden on competition as a result.

I think that this bill will allow us to move toward a national market system for securities in a fashion that will not upset the vital capital markets. As we move toward economic recovery it will be essential that our financial institutions have the ability to finance industrial expansion through the capital market. I believe this bill will allow this to happen, while at the same time, it will encourage and assist meaningful reform of the securities markets.

The passage of this legislation should also clear up the questions that have been posed by the SEC action to eliminate the fixed commission rate.

Finally, I would like to commend our subcommittee chairman, the gentleman from California, for moving this bill so quickly through the Congress and, also, the ranking member of the committee, the gentleman from Nebraska, for their fine work on this bill.

Mr. STAGGERS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR EXPENSES OF INVESTIGATION AND STUDY OF WELFARE AND PENSION PLANS TO BE CONDUCTED BY COMMITTEE ON EDUCATION AND LABOR

Mr. THOMPSON. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 257 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 257

Resolved, That the expenses of a special investigation and study of welfare and pension plans to be conducted by the Committee on Education and Labor, acting as a whole or by subcommittee, not to exceed $298,000, including expenditures for the employment of investigators, attorneys, individual consultants or organizations thereof, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $40,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

Such $298,000 shall be available and allocated to the Subcommittee on Labor Standards in connection with its ongoing study and investigation of the impact and effect of the Employee Retirement Income Security Act of 1974 on private pension and welfare plans and public employee pension and welfare plans pursuant to sections 3021 and 3031 of that Act, and related bills. Particular need has been demonstrated to continue a professional study of vesting, funding, portability, benefit insurance, fiduciary responsibility, adequate disclosure, and other aspects related to the expansion and full effectuation of private and public pension and welfare plans as a meaningful supplement to the social security system.

The Subcommittee on Labor Standards, through the Committee on Education and Labor, shall report to the House as soon as practical during the present Congress the results of its investigation and study with such recommendations as it deems advisable.

Sec. 2. Except as provided by section 3031 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1231), no part of the funds authorized by this resolution shall be available for expenditure in connection with the study of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Education and Labor shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

Sec. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. THOMPSON (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the resolution be dispensed with and that it be printed in the Record at this point.

The **SPEAKER.** Is there objection to the request of the gentleman from New Jersey?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, I know my good colleague, the gentleman from New Jersey, is very conscientious about the taxpayers' money. What is the total amount previously authorized for the Committee on Education and Labor?

Mr. THOMPSON. For the last Congress this Pension Task Force was authorized $220,000.

Mr. ROUSSELOT. No; I mean the whole committee this year.

Mr. THOMPSON. Approximately $1,200,000.

Mr. ROUSSELOT. $1,200,000?

Mr. THOMPSON. Approximately.

Mr. ROUSSELOT. I realize that there are new staff members to fund as a result of the Hansen legislation, but why this additional $290,000 on top of $1,200,000?

Mr. THOMPSON. I might say to the gentleman that in the last Congress, the Pension Task Force was separately funded. It is being similarly treated in this Congress, and is not included in the overall budget of Committee on Education and Labor.

Mr. ROUSSELOT. Further reserving the right to object, could the gentleman defer to our colleague, the gentleman from Pennsylvania, to explain to us why we need an extra $220,000?

Mr. THOMPSON. I would prefer to do that after the gentleman agrees to the unanimous-consent request that the resolution be considered as read, and printed in the Record.

Mr. ROUSSELOT. The reason I am doing this is that our colleagues from this side of the aisle are not here and I thought we might use this opportunity to receive an explanation. It does not cost any more to do it this way; that is, to have the explanation.

Mr. THOMPSON. Mr. Speaker, if the gentleman from California will yield to the distinguished chairman of the subcommittee, I am sure he will be glad to respond.

Mr. ROUSSELOT. I would be more than happy to yield to the chairman of the subcommittee. Why do we need this extra $220,000?

Mr. DENT. If the gentleman will note, almost every appropriation coming through has been kicked up to enormous figures. The problem we have is very serious. When we worked on the pension reform we worked for about 8 years. We had done most of the work in my subcommittee. However, when we got to where we were dealing with facts and figures that were beyond the knowledge of anybody on our committee, we had to get some experts.

We are in a messy situation. Two amendments put in by the Senate have been interpreted by the Department of Labor in such a manner that the bill that passed here almost unanimously, with, I think, one or two votes against it, and passed the Senate unanimously, would be repealed by the same vote if we had to bring the bill up today.

Our situation is that we have an unknown quantity in the cost of putting through the second phase of the pension reform and that is the portability of pensions, which provides that a person may move from one employment to another and not lose his pension.

So we had to have a study made at Temple University. We were fortunate enough in the first instance that they made a study they did it for $12,000. I do not know what has happened to the price since then, but they are talking about $60,000 to $65,000. We have not given them the contract and we are looking for other places to have the study done. But that takes care of two-thirds of the increase we have asked for. The rest would go into salary increases and things like that.

Mr. ROUSSELOT. Further reserving the right to object, the gentleman is telling us that roughly two-thirds of the extra $220,000 add-on cost is primarily for a potentially contracted research study to be done by Temple University?

Mr. DENT. That is what we anticipate. However, we are also getting some help, or we may get some help in developing our own study if we can get the computers here and feed in some of the information we are getting. The purpose really is to study the portability more than any other feature of the new bill.

Mr. ROUSSELOT. And the necessity for this study was caused by the Senate tacking on two amendments to the pension bill?

Mr. DENT. The necessity was really the study that was ordered to be done, the Congress ordered it. But the Senate has put us in a position and if the gentleman from Illinois (Mr. Erlenborn) were here—I see he is here—I believe he would agree that while we are asking now for only $220,000 more, to be honest with the gentleman I do not know if it will be enough if we have to tinker with the whole bill on this. I think it will be enough, but I do not know, and I will be honest.

Mr. ROUSSELOT. So the increase is primarily to conduct an oversight study of the deficiencies of the law and they were not foreseeable?

Mr. DENT. The difficulty is in the interpretation of the law. We differ with the people downtown.

Mr. ERLENBORN. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I will be happy to yield to the gentleman from Illinois (Mr. Erlenborn), a member of the Labor and Education Committee.

Mr. ERLENBORN. Mr. Speaker, I do not know, because I came in after the colloquy began on the floor here this afternoon, whether the Members have discussed the purposes of the task force in beginning a study which is mandated by the law on public pension plans. This will also be a very important study by our Pension Task Force.

Let me say if we did not have the pension task force for the last several years I do not believe we could have successfully passed the pension reform bill as we did last year.

Particularly the House committee was well served by this task force and I think we stood head and shoulders above the personnel in the other body in this area.

The bill we passed last year mandated a study of the public debt and I wanted to have them covered by the same bill that covered private pensions; but there are unique—there are differences and we did not know all the differences; so the

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bill mandated a study of the public area, as well as oversight of the implementation of the private pension bill passed last year. These oversight hearings have already been started and I think they have been very fruitful.

The gentleman from Pennsylvania (Mr. Dent) and I, I think, have been successful in calling to the attention of the Department of Labor some shortcomings in the implementation of this law, some provisions of the private administrator that were unnecessary and could have been harmful.

I am convinced that the continuation of the task force with the expertise they have developed will help us see that the private pension law is properly implemented and also give us the background for the legislative activity that is very necessary in the private pension field.

I think the amount called for in this resolution is a barebone amount for the kind of effort we must put forth.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, I yield to the gentleman from Pennsylvania (Mr. Dent).

Mr. DENT. Mr. Speaker, I just want to state that we spent around $310,000 or $320,000 in the entire 3 years. The Senate spent $1,600,000 plus dollars.

Mr. ROUSSELOT. Did they learn anything?

Mr. DENT. They contributed less than 2 percent. We would have been a lot better off if they had not contributed anything.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, how much of the $1,600,000 did the gentleman's subcommittee get at the beginning of the year?

Mr. THOMPSON. Mr. Speaker, this subcommittee has been separately funded for several years.

Mr. ROUSSELOT. I understand that, but——

Mr. THOMPSON. If the gentleman would grant the unanimous-consent request, I would be glad to explain it.

I had asked unanimous consent that the resolution be considered as read and printed in the Record at this point.

Mr. ROUSSELOT. I understand the unanimous-consent request, but could the gentleman explain what the add-on is?

Mr. THOMPSON. There is no add-on. This is a separate funding resolution.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON. Mr. Speaker, in the enlightening colloquy, during the reservation of objection of the gentleman from California (Mr. Rousselot), the gentleman from Pennsylvania (Mr. Dent) and the gentleman from Illinois (Mr. Erlenborn) explained the need for the continuation of these investigations and studies of pension plans. There is an unbelievable number of such pension plans involving in excess, I understand, of $300 billion.

This is a very modest request. The activities of the Pension Task Force have justified its expenditures in the past. For example, the task force has produced a very constructive and complicated pension bill, which became law last year. And it is mandated to continue its work further.

Mr. THOMPSON. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR INVESTIGATION AND STUDY OF OUTER CONTINENTAL SHELF

Mr. THOMPSON. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 427 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 427

Resolved, That the expenses of a special investigation and study of the exploration and exploitation of the Outer Continental Shelf to be conducted by the ad hoc Select Committee on the Outer Continental Shelf, not to exceed $353,000, including expenditures for the employment of investigators, attorneys, individual consultants or organizations thereof, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $30,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

Sec. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the ad hoc Select Committee on the Outer Continental Shelf shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

Sec. 3. Funds authorized by this resolution are for the purposes of carrying out House Resolution Numbered 412, and shall be expended, pursuant to regulations established by the Committee on House Administration in accordance with existing law, and pursuant to House Resolution Numbered 412.

Mr. THOMPSON (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the resolution be dispensed with and that it be printed in the Record.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

COMMITTEE AMENDMENTS

The SPEAKER. The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendments: Page 1, strike the words "special investigation".

Page 1, line 2, strike the words "and study of the exploration and exploitation of the Outer".

Page 1, line 3, strike the words "Continental Shelf" and insert in lieu thereof "study of H.R. 6218, a bill to establish a policy for the management of oil and natural gas in the Outer Continental Shelf Lands Act, and marine and coastal environment, to amend the Outer Continental Shelf Lands Act, and for other purposes."

Page 1, line 9, strike "$353,000," and insert in lieu thereof "$150,000,".

The committee amendments were agreed to.

Mr. THOMPSON. Mr. Speaker, the genesis of this funding resolution was in the creation of the important ad hoc Select Committee on the Outer Continental Shelf under House Resolution 412, submitted by the distinguished majority leader, the gentleman from Massachusetts (Mr. O'Neill) on April 22, 1975. The subject matter of House Resolution 412 is not only of national interest, but of very special interest to the coastal States of the United States, and to the possessions of the United States. There is a desperate need to study and to legislate with respect to the Outer Continental Shelf and the oil, gas and other resources contained therein, as well as to protect our marine and coastal environment. There is currently an Outer Continental Shelf Lands Act.

The original amount requested by the select committee was approximately 60 percent more than this amended resolution represents. Two standing committees are assisting by furnishing staff, so the amount of the original request was reduced.

It was agreed in the Committee on House Administration, by a vote of 21 to 3, to favorably refer this resolution, which calls for an amount of $150,000. I think the amount is thoroughly and absolutely justifiable.

Mr. MURPHY of New York. Mr. Speaker, the mission of this Ad Hoc Select Committee on the Outer Continental Shelf will be to expedite legislation that would ordinarily have been sent to several committees. Our challenge is to improve offshore oil and gas operations and at the same time protect the marine environment. The legislation to be considered by the committee will amend the Outer Continental Shelf Lands Act of 1953, to provide more participation by the States in activities directly affecting their shores.

I plan that we will report out legislation to be considered by the full House this fall.

Without oversimplifying the issues, I would point out to the Members that the Coastal Zone Management Act of 1972 is just completing its first year of funding; that the coastal States have made strong efforts to develop a program for the management of their coasts; that for the most part these programs are still 1 to 2 years away; and that the States need to know what kind of resources are on the Outer Continental Shelf so that they can adequately plan for the onshore impacts, such as pipelines and refineries, brought about by the recovery of these resources.

From hearing before my Oceanography Subcommittee I can tell you that the coastal States want a greater participation in the decisionmaking about the manner in which these resources will be recovered, which in turn will affect the type of development that will take place in their coastal regions.

There is a clear need for new energy supplies in these United States. We are paying inflated prices for oil and over the long haul, this Nation cannot tolerate current balance of payments deficits. Furthermore, our national security is threatened should the Middle East again decide to impose an embargo.

You all know these facts, and are acquainted with these issues. And I know that we will move forward as rapidly as possible to analyze the issues, and report out to the House as soon as possible our findings and recommendations. And I am convinced, as I know you are, that we must do what is in the best interests of the Nation and its people. I look forward to drafting the legislation to be considered by the Congress to help this country move in producing domestic energy from the Outer Continental Shelf in an environmentally sound manner.

As you know I have introduced a bill, along with Mr. Rodino and Mrs. Sullivan, H.R. 6218 to be taken up by this special ad hoc committee. The purpose of this bill—which I consider a vehicle to be subjected to close scrutiny and intelligent alteration—is to put forward the major reforms that are needed in the management of our Outer Continental Shelf oil and gas resources. As we plan to expand this country's OCS operations, the time has come for a thorough look at how we manage this resource. That is what this measure is all about and that is what this ad hoc select committee is to provide the Congress.

We have to remember that the situation today is vastly different than when the basic Outer Continental Lands Act was passed in the Eisenhower administration in 1953. Since then we have become aware of the importance of the marine and coastal environments, as witness the passage of the ocean dumping and coastal zone management programs. Whereas the purpose of the OCS act was singular—get the oil and gas to shore—today's climate requires a more sophisticated approach. That too is what this legislation is all about.

We must avoid damage to the coastal regions while drilling offshore. These areas, after all, are major national assets themselves and serve as the principal recreation area for scores of our citizens. In the year 2000, 80 percent of the population will be living on our coasts including the great lakes.

This legislation will help bring about a balance between our need to proceed with offshore oil and gas exploration and the demands of coastal State citizens that their needs and problems be taken into account.

We want to provide safeguards against pollution accidents and we need to see that the States are involved in the Federal decisionmaking process that leads to an offshore lease sale.

We want to make sure that the coastal States working on their coastal zone management programs do not wake up one day to to find that a major operation such as offshore oil and gas has been planned in an unsuitable location.

Mr. Speaker, the legislation we finally decide on will hopefully bring about the kinds of needed reforms of our OCS policies and procedures.

Mr. HECHLER of West Virginia. Mr. Speaker, I am pleased that the House Committee on Administration has made it clear through changes in House Resolution 427 that the jurisdiction of the select committee is limited to considering and reporting on the single bill, H.R. 6218, and on any related matters concerning the Outer Continental Shelf which are within the jurisdiction of the House Committees on Interior and Insular Affairs, Judiciary, and Merchant Marine and Fisheries.

I note that H.R. 6218 does not contain any research and development provisions, and the three committees that I have mentioned do not, under the House rules, have energy research and development jurisdiction. All such jurisdiction, except nuclear R. & D. is vested in the Committee on Science and Technology under House rule X(r) (11). It is the intention of the Subcommittee on Energy, Research, Development, and Demonstration—fossil fuels—which I chair to hold hearings next month on energy research and development concerning the Outer Continental Shelf and related matters. Based on such hearings, I feel certain we will offer appropriate legislation on this subject for the consideration of the full House.

Chairman Teague of the Committee on Science and Technology has advised the chairman of the select committee of our plans, and expressed the hope that our two committees, together with the Committee on Government Operations, can work toward an effective OCS program.

Mr. THOMPSON. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the resolution just agreed to, especially including the gentleman from West Virginia (Mr. Hechler).

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

CONGRESSIONAL INACTION ON ENERGY DEPLORED

(Mr. ROUSSELOT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROUSSELOT. Mr. Speaker, I think it is significant that the President has made every effort to encourage this Congress to act on the subject of the energy situation which faces this country. I think it is unfortunate that the Congress has not responded with any alternative legislative proposal, even though, as a total body, we may disagree.

Second, I think it was most unfortunate that we refused yesterday to act on the veto message relating to the surface mining bill.

I think the least we could have done was to have acted on the issue, since the President was most responsive in sending a total critical analysis with his veto message to explain the substantive reasons why he vetoed the bill.

Mr. Speaker, I am sorry that our Congress has failed in these two instances to respond to critical issues that face our Nation. I regret very much that, although we as Republicans are in the minority, we were not able to encourage our colleagues in the Democratic Party to properly respond.

AMERICAN DEAD AND MISSING IN ACTION

(Mrs. FENWICK asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. FENWICK. Mr. Speaker, I would like to speak again this morning, just for a moment, on the question of our dead and missing in Indochina.

I understand that those who were declared missing are now said to be presumed dead. But I think we must have a continuing concern that the bodies of these men should be returned to this country and their families, and I think we must try to establish a method of reporting. We must somehow urge the United Nations to make it incumbent upon every nation to report those missing in action, regardless of the nature of their mission.

We cannot let families be without word for 6 or 7 years, trying to find out what happened to their husbands or their fathers or their sons. This is an intolerable situation and, in my opinion, it should be faced as an international question though the United Nations and through every effort of concerned people in the interest of an orderly and civilized society.

Mr. MONTGOMERY. Mr. Speaker, will the gentlewoman yield

Mrs. FENWICK. Yes, indeed, I will yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Speaker, I would like to be associated with the gentlewoman's remarks. This is a serious matter. We have been involved in a war in Southeast Asia. It seems no one will help us to bring our dead home and get an accounting of our missing in action. We know that probably 1,100 American bodies are still in Southeast Asia, and probably half of these bodies could be recovered.

Also, we have well over 900 Americans still classified as missing in action and 37 Americans classified as POW's.

Mr. Speaker, as the gentlewoman knows, we have introduced a resolution that would set up a select committee that would create more interest and so we could move ahead and try to find out what happened to these Americans.

Mr. Speaker, I commend the gentlewoman for going into the well and pointing out this vital subject to the American people.

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Mr. MYERS of Indiana. Mr. Speaker, will the gentlewoman yield?

Mrs. FENWICK. I will be happy to yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Speaker, could anyone tell us what the status is of that legislation that has been introduced? Has there been any action by the committee to get the bill to the floor?

Mrs. FENWICK. Mr. Speaker, I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Speaker, there has been no action by the Committee on Rules. The Committee on Rules did give me, as one of the authors of the bill, the opportunity to come up and testify. But, in answer to the question of the gentleman from Indiana, I am concerned that this legislation has been before the Committee on Rules for well over a month.

Give us some action, either up or down.

Mr. Speaker, I appreciate the gentleman's bringing this up. There are well over 200 Members who have signed this resolution. Some action should be taken.

Mr. MYERS of Indiana. If the gentlewoman will yield further, it seems to me that this Nation now is in compliance with the requirements that were evidently asked by the Viet Cong, that we withdraw from that part of the world. Our troops are entirely out now. We have complied with every request they have made. It seems to me that the time is right and the next logical move is to enact this legislation and appoint a committee, a select committee to make an investigation; and let us get on with the action to answer those questions about our MIA's.

Mrs. FENWICK. Mr. Speaker, I agree. I think we must move to get this out of the Committee on Rules, and I think we must move forthrightly and publicly to urge the nations of the world to take note of this situation. We must get international cooperation on this very humanitarian matter.

Mr. ZABLOCKI. Mr. Speaker, will the gentlewoman yield?

Mrs. FENWICK. I will be happy to yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Speaker, I want to commend the gentlewoman for bringing to the House this very important subject.

Although I support whatever ways and means are at our command to get a full accounting of our missing in action nevertheless, I do want to point out that the National Security Subcommittee of the Committee on International Relations of the House, has a continuing interest and, will pursue this matter.

As I advised the gentlewoman from New Jersey, the subcommittee which it is my privilege to chair—known up until this Congress as the Subcommittee on National Security Policy and Scientific Developments—has held virtually continuous hearings on the POW/MIA issue. In fact, I recently reviewed that record of activity and am pleased to share it now with my colleagues. I do so, however, only as a means of reflecting the ongoing concern and interest it demonstrates on the part of the Congress.

Beginning with the 1st session of the 91st Congress in November 1969, the subcommittee has been exhaustive in its efforts. For example, over that period the subcommittee has considered more than 131 different resolutions and bills aimed at bringing about a full and accurate accounting of our POW's and MIA's. Over a total of 22 days of hearings we heard the testimony of approximately 81 congressional, Government, and private witnesses—including numerous returned prisoners as well as the families and loved ones of POW's and MIA's.

In addition, the subcommittee met in hearing and markup sessions for a total of more than 46 hours and produced 10 different volumes of hearings and reports totaling more than 1,553 pages.

Finally, legislation reported by the subcommittee has been passed on the floor of the House in the 91st, 92d, and 93d Congresses.

As I said at the outset, I commend the gentlewoman for bringing this troublesome and complex issue to the attention of Congress once again. Against the background of the subcommittee's activity record which I have just outlined, however, I wish to assure her and all my colleagues that the matter has received constant and serious attention. In conclusion, I would simply wish to reassure her of our continuing interest and would welcome her support.

Mrs. FENWICK. Mr. Speaker, I thank the gentleman.

I think it would be wise if we were to ask the Department of State to instruct our Ambassador to the United Nations to bring this matter up at the earliest opportunity.

CALL OF THE HOUSE

Mr. MONTGOMERY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 241]

Adams
Addabbo
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Armstrong
AuCoin
Badillo
Barrett
Boggs
Brooks
Broomfield
Brown, Calif.
Buchanan
Burke, Calif.
Burton, John
Burton, Phillip
Casey
Chappell
Chisholm
Clausen, Don H.
Clawson, Del
Clay
Collins, Ill.
Conyers
Cotter
Crane
Diggs
Drinan
Duncan, Oreg.
Du Pont
Eckhardt
Esch
Fascell
Fithian
Florio
Flowers
Flynt
Foley
Fuqua
Hannaford
Harrington
Harris
Harsha
Hawkins
Hays, Ohio
Hébert
Heinz
Hillis
Hinshaw
Jarman
Johnson, Pa.
Jones, Okla.
Kastenmeier
Ketchum
Krueger
LaFalce
Lagomarsino
Landrum
Lent
Long, Md.
Lott
Lujan
McCloskey
Macdonald
Madigan
Melcher
Mezvinsky
Mollohan
Mosher
Murtha
Neal
Nedzi
Nolan
O'Neill
Patman, Tex.
Patten, N.J.
Pattison, N.Y.
Peyser
Pressler
Railsback
Rangel
Richmond
Riegle
Rogers
Rose
Scheuer
Schneebeli
Seiberling
Shriver
Slack
Stanton, J. William
Steiger, Ariz.
Stephens
Sullivan
Symington
Talcott
Teague
Udall
Ullman
Vander Jagt
Vanik
Wilson, Bob
Wolff
Young, Alaska
Young, Fla.

The SPEAKER. On this rollcall 327 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

RECESS

The SPEAKER. Pursuant to the authority granted the Speaker Monday, May 2, the Chair declares a recess subject to the call of the Chair, to receive the former Members of the House of Representatives.

The receiving will begin about 11 o'clock and the Chair admonishes all his colleagues to be present to greet our former colleagues.

The House stands in recess until 12 o'clock noon.

Accordingly (at 10 o'clock and 53 minutes a.m.) the House stood in recess subject to the call of the Chair.

RECEPTION OF FORMER MEMBERS OF CONGRESS

The SPEAKER of the House presided.

The SPEAKER. My colleagues from the Congress, it is again my distinct pleasure on behalf of the Chair and all sitting colleagues to welcome back to the Capitol former Members of the House of Representatives with whom many of us have served. We are glad so many were able to be present.

This, of course, is a completely nonpartisan affair. The Chair is going to recognize the leaders of both parties now active in the House of Representatives.

The Chair takes pleasure in presenting first the majority leader of the House of Representatives, the gentleman from Massachusetts (Mr. O'Neill).

Mr. O'NEILL. Mr. Speaker, it is a distinct pleasure and a high privilege for me to welcome former Members of the House of Representatives. As I look over the Chamber, I see many old friends, some who served here for many years and others who served here for only a term.

This is a very special day in which the House of Representatives, the Congress of the United States, pauses in its legislative business so that we may honor you and that you may come back to your old place of business where you accomplished so much good for the Nation itself.

I love the old remark, which I have read so many times, made by Winston Churchill, who said that he was a child of the House of Commons. Once a Member of Congress, always a Member of the Congress. The privileges are still yours. Those of you who come here today, you come out of concern; you come out of dedication; you come out of the love that you always have had and always will have for this great body of which you once were a Member, the love and devotion of this institution.

You have not come here because the constituents who once elected you require you to come. You do not come because the leadership asks you to be present. You do not come because the President of the United States is demanding your attention because he is going to make a state of the Union message. You come as private citizens, because in your hearts and in your minds you love this institution and you love the occasion to bring back the memories that once were yours. It is a bit of nostalgia, and you meet old friends.

Former Members, we applaud your presence, we welcome you, we salute you. We honor you and we are privileged that you have come from the various sections of this country to be with us today.

God bless all of you.

The SPEAKER. The Chair is now pleased to recognize the distinguished minority leader of the House of Representatives, the gentleman from Arizona (Mr. Rhodes).

Mr. RHODES. Mr. Speaker, it is a privilege, and certainly an honor, to join with the Speaker and the majority leader in welcoming to the Chamber so many dear friends. There is something about the institution of the House of Representatives and the Senate that is very unique in the qualities which they have in engendering great personal regard for fellow Members of either body; great personal regard which transcends the middle aisle, and always has; which causes us to remember our associations and to value those friendships, wherever we may be.

I must say, looking around this room, that many of you look a lot younger than you did when you left this place. That certainly seems to be some indication as to what being relieved of some of the burdens of active service in the House and Senate can do for you.

I am pleased about that because, certainly, we all of us wish you well in whatever you may be doing. We also hope that you will never forget us, that you will never forget this institution we all revere so much.

We also hope very fervently that in these days of trial of our country—and we are in days of trial—that the great talents which you have displayed so courageously and so well as Members of this body will continue to keep you involved in public affairs, that you will never forget your duty as citizens, and I know you will not.

That duty lasts from the first breath that a person takes on this planet to the last one. That is what a republic is all about. A republic cannot survive without the devotion and the active participation of all its citizens, and particularly of those who have shown the talent, who have the capability, that those of you who are here in this Chamber today have displayed through the years in such great measure.

So it is a real privilege and honor for me, Mr. Speaker, to once again say "How do you do" to many of our friends, and I hope it will not be another year before I see you again.

I wish you the best of everything in your life, and Godspeed.

Thank you.

The SPEAKER. The Clerk will now call the roll of former Members of the House of Representatives.

The Clerk called the roll, and the following former Members answered to their names:

Adair, E. Ross, Indiana.
Alexander, Hugh, North Carolina.
Alford, T. Dale, Arkansas.
Arends, Leslie C., Illinois.
Armstrong, O. K., Missouri.
Ashmore, Robert T., South Carolina.
Ayres, William H., Ohio.
Barry, Robert R., New York.
Bass, Ross, Tennessee.
Battle, Lauric, Alabama.
Boggs, J. Caleb, Delaware.
Bolton, Frances P., Ohio.
Bray, William, Indiana.
Bricker, John W., Ohio.
Brownson, Charles, Indiana.
Brumbaugh, D. Emmert, Pennsylvania.
Carrigg, Joseph L., Pennsylvania.
Chenoweth, Edgar, Colorado.
Christgau, Victor, Minnesota.
Citron, William, Connecticut..
Cohelan, Jeffery, California.
Cole, Albert M., Kansas.
Cole, W. Sterling, New York.
Cronin, Paul W., Massachusetts.
Curtin, Willard S., Pennsylvania.
Darden, Colgate, W., Jr., Virginia.
Davis, Glenn, Wisconsin.
Dellay, Vincent J., New Jersey.
Dorn, William Jennings, Bryan, South Carolina.
Dorn, Francis E., New York.
Ellis, Clyde T., Arkansas.
Fenton, Ivor D.; Pennsylvania.
Ferguson, Homer, Michigan.
Fino, Paul A., New York.
Foote, Ellsworth Bishop, Connecticut.
Foreman, Ed, Texas.
Frear, J. Allen, Jr., Delaware.
Galifianakis, Nick, North Carolina.
Grant, George McI., Alabama.
Grant, Robert A., Indiana.
Hale, Robert, Maine.
Hanrahan, Robert P., Illinois.
Harden, Cecil, Indiana.
Harding, Ralph R., Idaho.
Hardy, Porter, Jr., Virginia.
Harvey, Ralph, Indiana.
Haskell, Harry G., Jr., Delaware.
Hays, Brooks, Arkansas.
Hayworth, Don, Michigan.
Helborn, Semour, New York.
Hillings, Patrick J., California.
Hogan, Earl, Indianapolis.
Holifield, Chet, California.
Howell, Evan, Illinois.
Hunt, John E., New Jersey.
Jenison, Edward H., Illinois.
Jennings, W. Pat, Virginia.
Johansen, August E., Michigan.
Johnson, Jed, Jr., Oklahoma.
Johnson, Thomas F., Maryland.
Jonas, Charles R., North Carolina.
Judd, Walter H., Minnesota.
Karsten, Frank M., Missouri.
King, David, Utah.
Kleppe, Tom, North Dakota.
Kornegay, Horace H., North Carolina.
Kuykendal, Dan H., Tennessee.
Lennon, Alton A., North Carolina.
Lodge, John Davis, Connecticut.
McGuire, John A., Connecticut.
McVey, Walter L., Kansas.
Mailliard Wm. S., California.
Meader, George, Michigan.
Miller, George P., California.
Moeller, Walter H., Ohio.
Monagan, John, Connecticut.
Moulder, Morgan, Maryland.
Multer, Abraham J., New York.
Nimtz, F. Jay, Indiana.
O'Neal, Maston E., Jr., Georgia.
Osmers, Frank C., New Jersey.
Outland, George E., California.
Parris, Stanford E., Virginia.
Pirnie, Alexander, New York.
Pollock, Howard W., Alaska.
Potts, David M., New York.
Prokop, Stanley A., Pennsylvania.
Purcell, Graham B., Jr., Texas.
Quigley, James Michael, Pennsylvania.
Reifel, Ben, South Dakota.
Robsion, John M., Jr., Kentucky.
Rogers, Byron G., Colorado.
Ryan, Harold M., Michigan.
Schwengel, Fred D., Iowa.
Scoblick, James Paul, Pennsylvania.
Scott, Byron N., California.
Sheehan, Timothy P., Illinois.
Sickles, Carlton R., Maryland.
Sieminski, Alfred D., New Jersey.
Smith, Henry P. III, New York.
Springer, William L., Illinois.
Stalbaum, Lynn, Wisconsin.
Stalker, Gale Hamilton, New York.
St. George, Katharine, New York.
Thompson, Clark W., Texas.
Tuck, William N., Virginia.
Vanzandt, James E., Pennsylvania.
Wallhauser, George M., New Jersey.
Ward, Don H., III, Pennsylvania.
Whalley, J. Irving, Pennsylvania.
Widnall, William, New Jersey.
Whitener, Basil L., North Carolina.
Wilson, Earl, Indiana.
Yarborough, Ralph W., Texas.
Zion, Roger H., Indiana.

Mr. ED FOREMAN. Mr. Speaker, when the rollcall was called up yonder I responded to the name of Ed Foreman, of Texas. I am also Ed Foreman, of New Mexico, having had the great opportunity of representing both of these wonderful States. I would like to have the Record reflect this great and rewarding experience accordingly.

The SPEAKER. The Record will reflect the gentleman's statement.

ANNOUNCEMENT BY THE SPEAKER

The Chair announces that 116 former Members of the House of Representatives have responded to their names.

The Chair lays before the House the list of former Members who have passed away since the last meeting. The Clerk will read the list.

The Clerk read as follows:

Former Members of Congress who are Deceased since the May 21, 1974 Meeting:

Senator Ernest Gruening, Alaska, deceased June 1974.

Senator George L. Radcliffe, Maryland, deceased July 1974.

Senator Karl E. Mundt, South Dakota, deceased August 1974.

Clifford G. McIntire, Marine, deceased October 1974.

John R. Hansen, Iowa, deceased September 1974.

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Frank Kowalski, Connecticut, deceased October 1974.

Eugene Worley, Texas, deceased December 1974.

William J. Crow, Pennsylvania, deceased October 1974.

Elizabeth Kee, West Virginia, deceased February 1975.

John Burns, Hawaii, deceased April 1975.

Kenneth B. Keating, New York, deceased May 1975.

Albert L. Vreeland, New Jersey, deceased May 1975.

John H. Ray, New York, deceased May 1975.

The SPEAKER. The Chair now recognizes the distinguished gentleman from Michigan, Mr. Meader.

Mr. MEADER. Mr. Speaker, first let me express appreciation on behalf of the members of our organization for the courtesy and hospitality shown us by the Speaker of the House of Representatives and the majority and minority leaders, not only for our presence here today, but for the four previous occasions on which the House has received us.

Let me also express my appreciation to the Arrangements Committee consisting of the Honorable Carlton R. Sickles and the Honorable Fred D. Schwengel for the preparations made for our annual meeting and the ceremonies connected therewith.

My part in these proceedings will be brief. It is my function to submit the report of the activities of Former Members of Congress in the past year and to introduce our speaker.

At our annual meeting this morning, we received reports of committees, the financial statement, and elected officers and directors for the coming year.

The new officers are: Jeffrey Cohelan, president, and J. Caleb Boggs, vice president.

The new directors are: Charles B. Brownson, George Meader, Frank Karsten, and Carlton Sickles for the term expiring in 1978.

Former Members of Congress was incorporated as a not-for-profit corporation of the District of Columbia June 18, 1970.

Its membership is limited to those duly sworn in as Members of the U.S. Congress and who are no longer active Members.

Its purpose is to promote the cause of good government at the national level by strengthening and improving the U.S. Congress as an institution.

The initiation fee is $25; annual dues $25; and life membership $200.

A total of 506 former Senators and Representatives have joined. Of these 62 have died, 4 have been reelected to Congress, 8 dropped out, 7 resigned, 99 have not yet paid their 1975 dues. We have 362 paid up members, of whom 66 are life members.

As of today a total of 10,651 persons have served in the U.S. Congress, 8,954 in the House of Representatives only, 1,140 in the Senate only and 557 in both Houses.

Last year the Lilly Endowment made us a grant of $80,000 over a period of 2 years, to be matched by funds from other sources on the basis of $1 of our funds to $2 of the Lilly grant. Our treasurer's report by the Honorable Horace R. Kornegay, submitted at the annual meeting this morning shows a balance of funds at our disposal in the amount of $63,032.66 as of April 30, 1975.

Our fall meeting was held in Philadelphia, October 25–26, 1974, on the 200th anniversary of the adjournment of the First Continental Congress.

The candlelight reception in Independence Hall, our business meeting in Carpenter's Hall—where the First Continental Congress held its sessions September 5 to October 26, 1774—and the formal ceremony in Congress Hall—where the U.S. Congress met in 1790–1800—will be long remembered and cherished by members, spouses, and widows who attended.

The proceedings, in which five Senators and six Representatives and the Philadelphia All Boys' Choir and Men's Chorus participated were videotaped and we hope will become a documentary available in connection with our Bicentennial activities.

At Philadelphia our board approved four new projects in addition to the ongoing oral history project as follows:

First. Law course on Congress;

Second. History of the Congress;

Third. Preservation of records; and

Fourth. Speakers bureau.

At our board meeting April 22, 1975, a Committee on the Bicentennial was authorized.

Committees on the Law Course and History have been appointed. These and other committees as well as the officers and directors for the past year and the coming year are set forth in an appendix.

I might mention parenthetically that 20 of our members have sent in to our organization cassette taped interviews of their experiences and their careers in the U.S. House of Representatives and the U.S. Senate. We believe this is a very worthwhile project and we intend to improve and expand it in the future.

Questions have been raised about the reasons for an organization of congressional alumni. Some have wondered whether we seek to tell sitting Members how to run their business. Others have suggested that we have organized to obtain benefits for ourselves.

If the statement of purpose in our articles and the announcement of the programs we are undertaking have not set these doubts at rest, I call attention to the following provision of our bylaws, as amended July 23, 1974:

> SEC. 6. *Political Activities.*—The corporation shall not engage in partisan or political activities. It shall not contribute to, or otherwise support or assist any political party or candidate, nor shall it advocate, sponsor or promote legislation in the Congress of the United States or any State legislature, nor shall it engage in any activities rendering it ineligible for exemptions under tax laws and no officer, director, member, staff member of the corporation, nor any other person, shall have authority to represent otherwise.

We are simply a citizens' organization dedicated to the promotion of the institution, which, for so much of our careers claimed our devotion and affection. We believe our experience and our interest is a valuable resource to be enlisted in the cause of self-government.

In the words of Daniel Webster inscribed high on the wall of this House—

> Let us develop the resources of our land, call forth its powers, build up its institutions, promote all its great interests and see whether we also in our day and generation may not perform something worthy to be remembered.

It is now my privilege to present one of our members who earned an outstanding record of service and statesmanship in his State and in the Nation.

Colgate Whitehead Darden, lawyer, Marine lieutenant, Virginia legislator, represented the Norfolk district in the House of Representatives, 1933–37 and 1939–41; was Governor of Virginia 1942–46; president of the University of Virginia 1947–59; and a delegate to the Assembly of the United Nations, 1955.

I include the following:

APPENDIX: OFFICERS AND DIRECTORS (1974–75)

George Meader, President.

Jeffery Cohelan, Vice President.

J. Caleb Boggs, Secretary.

Horace R. Kornegay, Treasurer.

BOARD OF DIRECTORS

1975: Joseph W. Barr, John Sherman Cooper, J. Allen Frear, Jr., Jed Johnson, Jr., George Meader, Fred Schwengel.

1976: J. Caleb Boggs, John W. Byrnes, Jeffery Cohelan, Walter H. Moeller.

1977: William R. Anderson, Horace R. Kornegay, Melvin R. Laird, Charlotte T. Reid.

Honorary, without term—Brooks Hays, Walter H. Judd.

COMMITTEES

Oral History Committee

Basil L. Whitener, North Carolina, Chairman; Robert R. Barry, New York; William C. Cramer, Florida; Donald E. Lukens, Ohio; O. K. Armstrong, Missouri; John Sherman Cooper, Kentucky; G. Elliott Hagan, Georgia; Fred Schwengel, Iowa.

Committee on Bylaws

George Meader, Michigan, Chairman; Jeffery Cohelan, California; Walter H. Judd, Minnesota; Dean W. Determan, FMC Staff Counsel.

Plans and Projects Committee

George Meader, Michigan, Chairman; Porter Hardy, Jr., Virginia; J. Allen Frear, Jr., Delaware; Charles B. Brownson, Indiana; John W. Byrnes, Wisconsin.

Headquarters Committee

Walter H. Moeller, Ohio, Chairman; Evan Howell, Illinois; Clark W. Thompson, Texas.

Membership Committee

William R. Anderson, Tennessee, Co-chairman; William H. Ayres, Ohio, Co-chairman; Charlotte T. Reid, Illinois; Iris F. Blitch, Georgia; George Smathers, Florida.

Committee on Law Course on Congress

Thomas B. Curtis, Missouri, Chairman; Frank N. Ikard, Texas; Walter E. Rogers, Texas; John W. Byrnes, Wisconsin; Shepard J. Crumpacker, Indiana.

Nominating Committee

Walter H. Moeller, Ohio, Chairman; Melvin R. Laird, Wisconsin; William H. Ayres, Ohio; Ben Reifel, South Dakota; Laurie C. Battle, Alabama; David S. King, Utah; George Meader, Michigan.

Annual Reunion Committee

Carlton R. Sickles, Maryland; Fred D. Schwengel, Iowa.

Committee on History of the United States Congress

Charles R. Jonas, North Carolina, Chairman; Ed Gossett, Texas; Neil Staebler, Michigan; Walter L. McVey, Jr., Kansas; Katherine St. George, New York.

Mr. JOHANSON. Mr. Speaker, I make a point of order that the former Members are not in order.

The SPEAKER. The point of the gentleman is well taken. The House will be in order.

Mr. MEADER. Mr. Speaker, I now yield to the gentleman from Virginia (Mr. DARDEN).

Mr. DARDEN. Mr. Speaker and fellow Members, we are all indebted to you for your many kindnesses to our organization. It was around the first of the month that I received a call from our friend, Brooks Hays. After talking for a while about old friends he told me that I had been unanimously chosen by the program committee to make a short talk at this meeting. I was greatly pleased by the partiality of the committee and I was especially touched by Brooks' statement that the action had been unanimous. Knowing Brooks as I do, and as you do, I realized, of course, that he was acting as the committee and that without his vote not only would the action have fallen short of unanimity but I would not have been invited at all.

I accepted in part because I have been remiss as a Member, as Hays has reminded me from time to time. I did make it to our first meeting when we met under happier circumstances than those which obtain today, but for one reason or another I have not been able to get back to other gatherings. The truth is, like many of us, old age has overtaken me and I do not get around as much as I once did. Then too Washington has become such a formidable city, quite unlike the place I came to know following election to the House in 1932. In fact it overwhelms me.

I was not in the House for very long. I left just before the outbreak of the Second World War. My stay for this period was not without interruption. In 1936, for reasons which seemed to me quite insufficient, in fact quite arbitrary, my constituents dispensed with my services. Happily, for me at least, they changed their minds 2 years later, as constituents not infrequently do, and returned me to my old haunts and duties. With the help of friends I regained my place on the Naval Affairs Committee and settled down quite comfortably under the benign yet firm overlordship of Carl Vinson, who presided for so many years so effectively over that group. Long after my time naval affairs was absorbed by the Armed Forces Committee. Carl, after Joe Martin's speakership, succeeded "Ham" Andrews, a much loved Member of the House, and he held the chairmanship until voluntarily he gave up his place in the Congress.

This organization provides, in truth, a journey into nostalgia for all of us. Mercifully we are not burdened with the awesome responsibilities that press down upon the Congress. Yet by a kind of osmosis we feel ourselves a part of this powerful engine that occupies such a key place in American political life. And it affords us an opportunity to keep alive the warm friendships which we made here many years ago. Fortunately we are not cast in the role of advisors. I suppose well wishers would best describe us, and that I hope will be the limit of our ambition.

For my part, looking back over the 43 years since I was elected to the Congress, I would have but one suggestion, were I called upon for one. And here, to use the words of an old Marine Corps instructor to us many, many years ago, "I am talking as an older soldier not a better one." My suggestion would be not to the Congress, nor to our organization, but to our fellow citizens. It is that it is important for us to exercise greater restraint in the management of our affairs—both at home and abroad.

Representative Government, such as that being attempted by us depends almost entirely, as all of you know, upon the capacity of the electorate to exercise restraint in the demands which they make. The President and the Congress can exert a very beneficial influence to this end, but only the people themselves can set the limits which can be relied upon to contain the drives likely to prove beyond the capacity of the country.

There have been very competent students of our system of Government, not the least of whom was Lord Macaulay, who held the opinion that this restraint could not be achieved and that failure was likely if not inevitable. One of our most stalwart friends, Alexis de Tocqueville, who visited us in 1830s and who later recorded his views in that remarkable study, "Democracy in America" entertained grave doubts as to our capacity to make the plan work, although he was an enthusiastic supporter of our efforts.

The most significant development of my lifetime, aside from the devastating wars that have engulfed us, has been the assumption of responsibility for the individual citizen by the Government. This, springing in part at least from a desire to improve the lot of all of our people, has reached a point where unless restraint is shown the productive capacity of the country will not be able to sustain the burdens being placed upon it. Nor will we be able to administer the vast concerns of the Government with the cumbersome centralization which has accompanied this effort, while the States have declined.

I believe we are arriving at a real testing time. The debacle in Vietnam has been humiliating and costly both in money and prestige. Neither foreign policy nor world leadership is undergirded by what happened to us there. While history will record that we were prompted not by greed or desire for empire, but by a widely held wish to help a people establish themselves as an independent country, it will also record that failure came from a terrible miscalculation as to the means employed, and a dismaying incapacity to use the vast resources at our command. We shall in good time overcome this setback, however, if we are able to set things in order here at home. But unless this is done the years ahead will be bleak indeed.

The need to do this is becoming increasingly apparent to thoughtful people and I might add it is becoming increasingly difficult to accomplish although certainly it is by no means beyond our capacity. The traumatic events of the past 2 years, which have caused such disappointment and pain here at home, will march into oblivion along with the tragic venture in Asia if we will deal with an older disorder which is at once more subtle and more dangerous.

I have in mind our financial affairs. The subject was brought to the front again a few weeks back by the remarks of a Member of the House, whom we all respect and admire, GEORGE MAHON, chairman of Appropriations. In his remarks commenting upon the budget message which came up in February, the chairman points out that when he entered the Congress in 1935 the total Federal spending amounted to $6 billion for the year in contrast to the budget being submitted which provides for this purpose $349 billion. He went on to say that he expected the actual spending to be much above that. Later in his talk he makes this significant observation—

> In the early 1960s Federal budget deficits started becoming an accepted way of life. It is as if we firmly resolve not to balance the budget. From 1965 through 1974—ten years, we accumulated an additional public debt of 173 billion. This was over one half of what the entire public debt had been in 1965, a debt that had taken 189 years to build.

While the chairman did not say as much such a resolution means a commitment to printed money with the difficulties that have attended such maneuvers throughout history. I do not believe that the American people want to travel that road which is sure to end, if history is any guide, in a destruction of our currency and finally the destruction of our political institutions. But they will travel it unless we can stem the torrential tide of printed money now pouring from the presses.

While the problems as to the energy are formidable they are by no means beyond our capacity to deal with them. The vast agricultural resources of the United States are such as to give us secure footing in the matter of foreign exchange. And our technical capacity is sufficient to enable us to utilize efficiently our vast coal reserves. This will give us ample time to bring to bear the almost limitless possibilities of atomic power and ultimately the controlled fusion of hydrogen. In short we have the resources and if we marshall our assets with prudence we have at hand the means to create a standard of living for all which will be ample.

However, while this is being done we must be equipped and prepared to defend the vital interests of our country against any power that elects to challenge them. The case was admirably stated by the President of the United States in his address at the commissioning of our newest carrier, the *Nimitz*, at Norfolk a few days ago when he said:

> Fleet Admiral Nimitz and this fine ship both tell us that controlled strength is the sure guarantor of peace by controlled strength.

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I take it he meant that not only must we have the weapons needed to win, but also we must have the will to win. Among the bitter lessons learned in Asia, none is more important, it seems to me, that our troops must never again be committed to battle without a fierce determination on the part of our people to see them through to victory. But, if we are not willing, behind this protective barrier of armed strength, to move resolutely toward putting our internal affairs in order I believe the deep apprehension, expressed a few years ago by Mr. Arthur Krock, Washington correspondent of the New York Times, and one of the most knowledgeable men ever to labor in these precincts, will prove well mounded. Mr. Krock concludes his memoirs, published shortly after his retirement, with these words:

> I have contracted a visceral fear. It is that the tenure of the United States as the first power in the world may be one of the briefest in history.

Of course this need not happen, but if it is not to occur we must be prepared to counter much more effectively the efforts of highly organized pressure groups that have created the present imbalance in our economy. And the only way I know to do this is to instruct our people much more thoroughly, than is now the case, in the obligations as well as the benefits that attend self government. Members of the Congress endeavor to the best of their ability to reflect the wishes of their constituents, or at least those constituents that turn out to vote. This is the way our system works, and it is naive to believe that a Representative can do otherwise and survive. Therefore the solution of our difficulties lies finally with the voters themselves—a category that embraces us all. The time has come I believe for us to examine with greater care than we have been wont to do in the past the long-range effects of many of our present policies.

The next few years, I believe, will tell the story. If we do meet the test, as certainly we can and should, then our Members in after years gathering in this historic chamber will look back on these frightening days, grim though they be, as but a temporary halt—a pause for rest and renewal—in the long pilgrimage of our people. Let us hope that this will prove to be so.

The SPEAKER. The gentleman from Michigan, Mr. MEADER, is recognized.

Mr. MEADER. Mr. Speaker, I wish to thank you again for your hospitality in receiving us.

The SPEAKER. The Chair appreciates the statement of the gentleman.

The Chair wishes again to thank the former Members of the House of Representatives and of the Senate for their presence here today. The Chair again wishes to state that this kind of reception will continue to be an annual affair. It is something that will always give present Members a chance to visit with old friends and to make new friends.

As previously stated, the meeting is adjourned and the House will reconvene at 12 noon.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 12 o'clock noon.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1236) entitled "An act to extend and amend the Emergency Livestock Credit Act of 1974, and for other purposes."

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 3130. An act to amend the National Environmental Policy Act to 1969 in order to clarify the procedures therein with respect to the preparation of environmental impact statements; and

H.R. 3786.—An act to authorize the increase of the Federal share of certain projects under title 23, United States Code.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 217. An act to repeal the act of May 10, 1926 (44 Stat. 498), relating to the condemnation of certain lands of the Pueblo Indians in the State of New Mexico;

S. 288. An act to amend the Land and Water Conservation Fund Act of 1965 so as to authorize the development of indoor recreation facilities in certain areas;

S. 557. An act to declare that certain land of the United States is held by the United States in trust for the pueblo of Laguna;

S. 1123. An act to provide for a study of the Indian Nations Trail; and

S. 1767. An act to amend section 2004 of title 10, United States Code, to provide that in computing the six-year maximum active duty service of any member of the Armed Forces for purposes of qualifying for being detailed as a student to a law school, any period of time such member was a prisoner of war shall be disregarded.

PRINTING OF PROCEEDINGS HAD DURING RECESS

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the proceedings had during the recess be printed in the RECORD and that all Members and former Members who spoke during the recess have the privilege of revising their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CONFERENCE REPORT ON H.R. 5899, SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 1975

Mr. MAHON. Mr. Speaker, pursuant to the order of the House on Tuesday, May 20, 1975, I call up the conference report on the bill (H.R. 5899) making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

Mr. MAHON (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement of the managers be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

(For conference report and statement, see proceedings of the House of May 21, 1975.)

Mr. MAHON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it was refreshing to have an opportunity during the previous hour to mingle with some of our former colleagues and to listen to their remarks. I observed a former Member, the former Governor of Virginia, Colgate Whitehead Darden make reference to the fiscal situation confronting the American people. It seemed that his remarks were especially pertinent in view of the fact that we are now at this moment, just following our meeting with the former Members, taking up a very important piece of legislation impacting on the fiscal situation confronting the Nation.

I think it would be fair to say that if spending money will solve our problems, Utopia should be just around the corner. Today we send to the President a $15 billion supplemental appropriation bill. Yesterday we passed through the House a legislative appropriation bill totaling about $700 million. The day before yesterday we passed a $5 billion public works authorization bill. Last week we cleared through Congress and sent to the President a $5.3 billion emergency jobs bill.

Some might say that we are piling up Pelion on Ossa.

On April 16 we passed an education appropriation bill totalling $7.8 billion and we are scheduled to consider the present budget for Health, Education, and Welfare, before too many weeks. The budget estimate associated with this bill is $36.2 billion. It will be considered in the same time frame as other appropriation bills providing billions and billions of dollars.

Then dealing further with fiscal matters, on March 29 the President signed into law a $23 billion tax cut bill, and on and on the story goes.

So I say, it is certainly pertinent that at this moment we give some thought and consideration to the fiscal problems which are confronting our country.

Now, big programs are necessary for the operation of a big country, but we cannot ignore the fact that the citizen, whether he be an official or a private citizen, is getting more and more apprehensive over the state of the economy and the fiscal situation and is wondering just what the future holds. This apprehension, as I see it now, permeates the entire country. People are concerned

and that is one of the hopeful signs on the horizon. It is encouraging that there is concern about the situation that confronts us. I think we must face the fact that in the legislative branch and in the executive branch we do not have the precise answers to the problems, but unless we wrestle with these problems with some degree of success, fiscal collapse is inevitable.

Now, before I proceed to discuss what is in the conference report, let us look at the Treasury figures, as I did a few days ago. The national debt had gone to $521.7 billion. It will go up during the forthcoming fiscal year probably by $100 billion, going to over $600 billion.

The interest on the national debt for the next year—the interest, I say, on the national debt for next year is estimated to be $3 billion a month; so this all accentuates the seriousness of the situation in which we find ourselves.

It is in that atmosphere that we consider whether or not we should go out and borrow $15 billion for financing the bill that is before us today, that is, the conference report on the bill.

Mr. Speaker, we bring before the House today the conference report on the second general supplemental appropriation bill for fiscal 1975. This bill, which touches almost every Federal department and agency, will be the last major appropriation bill for fiscal 1975.

The conference agreement being presented today represents a compromise total of $15,066,595,998 in budget authority. This is $109,897,450 over the budget, $898,067,000 below the Senate, and $3,669,553,412 over the bill passed by the House on April 15. The Senate considered budget requests of $3,416,050,902 which were not considered by the House.

BILL HIGHLIGHTS

Major items include: $1,772,895,895 for increased pay costs for military and civilian personnel; $5,000,000,000 for advances to the unemployment trust fund. This is in addition to the $10.2 billion expected to be spent this fiscal year from the unemployment trust funds. The agreement also provides $1,729,748,000 for public assistance payments, and $1,750,000,000 for a one-time payment of $50 to recipients of certain retirement and survivor benefits. In addition, it will cost the Government $13,000,000 to prepare and mail the checks.

The sum of $583,970,000 for retired pay costs for Federal, Foreign Service, and military personnel; $473,000,000 for the Head Start preschool education program and the Native Americans program; $492,400,000 for the Community Services Administration, the successor agency to the Office of Economic Opportunity.

The sum of $379,250,000 for education programs, including $4,000,000 for drug abuse education; $215,000,000 for aid to schools with special needs related to school desegregation; $67,400,000 for interest payments on student loans; and $82,600,000 for payments in connection with defaults on guaranteed student loans; $2,500,000 for the Head Start Follow Through program; and $7,500,000 for veterans cost of instruction.

The amount of $717,639,000 is included for the Veterans' Administration for compensation and pensions and medical care in addition to the $7.2 billion now available; $124,950,000 for firefighting costs on Federal lands; $83,102,000 to pay increased supplemental security income benefits.

The sum of $80,844,000 for "black lung" benefit payments to disabled coal miners; $44,085,000 for payment to the Postal Service fund; $176,856,000 for the National School Lunch and Child Nutrition Act of 1966; $884,815,000 for the Food Stamp program in addition to the $3.9 billion already appropriated; $94,037,225 for claims and judgments rendered against the United States; and $136,559,000 for various transportation programs, including Amtrak and the Deepwater Port Act. Eighty-six percent of the total amount is more or less arithmetic in that it is mandated payments, which must be made under existing law.

The other body added $700 million for the rail transportation improvement and employment program. That is amendment No. 107. The program is not authorized, and the House conferees adamantly insisted that we not put $700 million in this conference report for a big major program which has not been authorized in the regular order. We were unable to convince the other body to yield, but we did promise to bring the matter back again in disagreement and ask for a vote. Accordingly I shall ask for a rollcall vote on the $700 million for an unauthorized railroad program.

As the Members may remember, when we voted on this issue a short time ago, the vote was 253 to sustain the committee in opposition to this unauthorized amount and 141 for.

So, Mr. Speaker, that generally covers the major points in the bill. I would say that most of the subcommittees of the Appropriations Committee drafted the original versions of this bill, and they were represented in the conference. The subcommittee chairmen and ranking minority Members and others on the committee are interested and concerned about the bill before us and are able to respond to questions which may be propounded.

At this point in the RECORD, I offer a summary table by title and chapters showing the conference agreement compared with the budget estimates and the action on the bill by the House and Senate:

SUMMARY OF CONFERENCE ACTION ON H.R. 5899—2D SUPPLEMENTAL APPROPRIATIONS BILL, 1975

	Budget estimate, 1975	Amounts recommended in—			Increase (+) or decrease (—) conference report compared with		
		House bill	Senate bill	Conference report	Budget estimate, 1975	House bill	Senate bill
TITLE I—GENERAL SUPPLEMENTALS							
I. Agriculture: New Budget (obligational) authority	1,014,671,000	24,623,000	1,066,671,000	1,066,671,000	+52,000,000	+1,042,048,000	
(Insured loans)	( )	( )	(100,000,000)	(100,000,000)	(+100,000,000)	(+100,000,000)	( )
II. Defense: New budget (obligational) authority	281,374,000	256,374,000	256,374,000	(256,374,000	—25,000,000		
III. District of Columbia: Federal fuods: New budget (obligational) authority	8,800,000		8,000,000	5,000,000	—3,800,000	+5,000,000	—3,000,000
(District of Columbia funds: New budget (obligational) authority)	(8,903,200)		(8,803,200)	(8,803,200)	(—100,000)	(+8,803,200)	( )
IV. Housing and Urban Development—Independent agencies: New budget (obligational) authority	754,547,000	274,172,000	816,672,000	813,172,000	+58,625,000	+539,000,000	—3,500,000
V. Interior and related agencies: New budget (obligational) authority	147,190,000	134,280,000	174,994,000	161,774,000	+14,584,000	+27,494,000	—13,220,000
VI. Labor, and Health, Education, and Welfare: New budget (obligational) authority	8,104,569,000	8,245,067,000	8,480,412,000	8,387,142,000	+282,573,000	+142,075,000	—93,270,000
(By transfer)	(6,058,000)		(6,058,000)	(6,058,000)	( )	(+6,058,000)	( )
(Trust fun transfer)	(8,500,000)	(8,500,000)	(8,500,000)	(8,500,000)	( )	( )	( )
(Increase id limitation)	(80,868,000)	(78,868,000)	(80,508,000)	(79,385,000)	(—1,483,000)	(+517,000)	(—1,123,000)
VII. Legislative brancn: New budgel (obligational) authority	11,850,878	9,584,329	9,850,878	9,850,878	—2,000,000	266,549	
VIII. Public Works: Nehw budget (obligational) authority	63,125,000	51,125,000	86,860,000	84,360,000	+21,235,000	+33,235,000	—2,500,000
IX. State, Justice, Commerce, and Judiciary:							
New budget (obligational) authority:							
1974	929,000	800,000	929,000	929,000		+129,000	
1975	73,477,000	34,372,000	97,025,000	86,905,000	+13,428,000	+52,533,000	—10,120,000
Total	74,406,000	35,172,000	97,954,000	87,834,000	+13,428,000	+52,662,000	—10,120,000
(By transfer)	(10,614,000)	(7,811,000)	(21,746,000)	(11,161,000)	(+547,000)	(+3,350,000)	(—10,585,000

SUMMARY OF CONFERENCE ACTION ON H.R. 5899—2D SUPPLEMENTAL APPROPRIATIONS BILL, 1975—Con.

	Budget estimate, 1975	Amounts recommended in—			Increase (+) or decrease (−) conference report compared with		
		House bill	Senate bill	Conference report	Budget estimate, 1975	House bill	Senate bill
X. Transportation:							
New budget (obligational) authority:							
1975	114, 384, 000	110, 914, 000	824, 914, 000	119, 414, 000	+5, 030, 000	+8, 500, 000	−705, 500, 000
1976	17, 145, 000	17, 145, 000	17, 145, 000	17, 145, 000			
Total	131, 529, 000	128, 059, 000	842, 059, 000	136, 559, 000	+5, 030, 000	+8, 500, 000	−705, 500, 000
(By transfer)	(14, 050, 000)	(700, 000)	(1, 550, 000)	(1, 550, 000)	(−12, 500, 000)	(+850, 000)	( )
(Liquidation of contract authorization)	(150, 000, 000)	(50, 000, 000)	(50, 000, 000)	(50, 000, 000)	(−100, 000, 000)	( )	( )
XI. Treasury, Postal Service, and general government:							
New budget (obligational) authority	2, 216, 090, 000	423, 434, 000	2, 255, 926, 000	2, 190, 926, 000	−25, 164, 000	+1, 767, 492, 000	−65, 000, 000
(Increase in limitation)	(124, 106, 000)	(28, 000, 000)	(124, 106, 000)	(124, 106, 000)	( )	(+96, 106, 000)	( )
XII. Claims and judgments: New budget (obligational) authority	94, 037, 225	59, 699, 187	94, 037, 225	94, 037, 225		+34, 338, 038	
Total, title I—General supplementals:							
New budget (obligational) authority:							
1974	929, 000	800, 000	929, 000	929, 000		+129, 000	
1975	12, 884, 115, 103	9, 623, 644, 516	14, 171, 736, 103	13, 275, 626, 103	+391, 511, 000	+3, 651, 981, 587	−896, 110, 000
1976	17, 145, 000	17, 145, 000	17, 145, 000	17, 145, 000			
Total	12, 902, 189, 103	9, 641, 589, 516	14, 189, 810, 103	13, 293, 700, 103	+391, 511, 000	+3, 652, 110, 587	−896, 110, 000
(By transfer)	(39, 222, 000)	(17, 011, 000)	(37, 854, 000)	(27, 269, 000)	(−11, 953, 000)	(+10, 258, 000)	(−10, 585, 000)
(Increase in limitation)	(204, 974, 000)	(106, 868, 000)	(204, 614, 000)	(203, 491, 000)	(−1, 483, 000)	(+96, 623, 000)	(−1, 123, 000)
(Liquidation of contract authorization)	(150, 000, 000)	(50, 000, 000)	(50, 000, 000)	(50, 000, 000)	(−100, 000, 000)	( )	( )
(District of Columbia funds)	(8, 903, 200)	( )	(8, 803, 200)	(8, 803, 200)	(−100, 000)	(+8, 803, 200)	( )
(Insured loans)	( )	( )	(100, 000, 000)	(100, 000, 000)	(+100, 000, 000)	(+100, 000, 000)	( )
TITLE II—INCREASED PAY COSTS							
New budget (obligational) authority	2, 054, 509, 445	1, 755, 453, 070	1, 774, 852, 895	1, 772, 895, 895	−281, 613, 550	+17, 442, 825	−1, 957, 000
(By transfer)	(8, 231, 375)	(173, 016, 375)	(179, 218, 375)	(179, 218, 375)	(+170, 987, 000)	(+6, 202, 000)	( )
(Increase in limitation)	(78, 556, 400)	(70, 815, 000)	(70, 815, 000)	(70, 815, 000)	(−7, 741, 400)	( )	( )
(Liquidation of contract authority)	(3, 714, 000)	(3, 714, 000)	(3, 714, 000)	(3, 714, 000	( )	( )	( )
(District of Columbia funds)	(43, 105, 300)	( )	(42, 405, 300)	(42, 405, 300)	(−700, 000)	(+42, 405, 300)	( )
GRAND TOTAL—TITLES I AND II							
New budget (obligational) authority:							
1974	929, 000	800, 000	929, 000	929, 000		+129, 000	
1975	14, 938, 624, 548	11, 379, 097, 586	15, 946, 588, 998	15, 048, 521, 998	+109, 897, 450	+3, 669, 424, 412	−898, 067, 000
1976	17, 145, 000	17, 145, 000	17, 145, 000	17, 145, 000			
Total	14, 956, 698, 548	11, 397, 042, 586	15, 964, 662, 998	15, 066, 595, 998	+109, 897, 450	+3, 669, 553, 412	−898, 067, 000
(By transfer)	(47, 453, 375)	(190, 027, 375)	(217, 072, 375)	(206, 487, 375)	(+159, 034, 000)	(+16, 460, 000)	(−10, 585, 000)
(Increase in limitation)	(283, 530, 400)	(177, 683, 000)	(275, 429, 000)	(274, 306, 000)	(−9, 224, 400)	(+96, 623, 000)	(−1, 123, 000)
(Liquidation of contract authority)	(153, 714, 000)	(53, 714, 000)	(53, 714, 000)	(53, 714, 000)	(−100, 000, 000)	( )	( )
(District of Columbia funds)	(52, 008, 500)	( )	(51, 208, 500)	(51, 208, 500)	(−800, 000)	(+51, 208, 500)	( )
(Insured loans)	( )	( )	(100, 000, 000)	(100, 000, 000)	(+100, 000, 000)	(+100, 000, 000)	( )

Mr. FLOOD. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the distinguished gentleman from Pennsylvania, who had a very important chapter in the bill, the gentleman from Pennsylvania (Mr. FLOOD).

Mr. FLOOD. Mr. Speaker, chapter VI of H.R. 5899, the second supplemental appropriation bill for fiscal year 1975, as agreed upon by the conferees, provides total supplemental appropriations of $8,387,142,000 for the Departments of Labor and Health, Education, and Welfare, and related agencies. This compares with $8,104,569,000 contained in the budget request, $8,245,067,000 provided in the bill as it passed the House on April 15, and $8,480,412,000 contained in the bill as it passed the Senate on May 20.

Chapter VI includes appropriations for many different programs in which there has been considerable interest on the part of Members. I shall insert in the RECORD at the conclusion of my remarks a detailed table showing the amounts in the budget request, the House and Senate bills, and the conference agreement for each of these programs.

At this point, I would like to comment briefly on the major differences between the House and Senate bills, and how these differences were resolved in the conference.

The largest single item in the chapter is $5 billion for "advances to the unemployment trust funds and other funds." Both the Senate and House bills appropriate $5 billion for this account as requested in the budget.

The House bill contained language prohibiting the use of funds in the act to pay unemployment compensation to school teachers during the summer months if they have a contract for the fall. The Senate added additional language, requested by the Labor Department, providing that no funds in this act or any other act may be used for that purpose.

The Senate language would apply the prohibition to funds appropriated last December for unemployment compensation and which will still be available for use this summer. The conferees agreed to the Senate language.

Under "health services," the Senate included bill language requested by the Department of Health, Education, and Welfare which: First, authorizes the reprograming of $5,000,000 appropriated for health maintenance organization to the National Health Service Corps for the purpose of assigning 146 health professionals to approximately 100 medically underserved communities; and second, extends the availability of the reprogramed funds through June 30, 1976. The conferees agreed to the Senate language.

For the National Institute of Arthritis, Metabolism, and Digestive Diseases, the Senate provided $300,000 to fund the activities of the National Commission on Arthritis and Related Musculoskeletal Diseases. This Commission was established under the National Arthritis Act of 1974. The Commission is charged with formulating a long-range arthritis plan, with recommendations for the use and organization of national resources to combat arthritis. The conferees agreed to the Senate amendment.

The Senate included language requested in Senate Document 94–57 and not considered in the House, authorizing the transfer of $1,058,080 from "health resources" to St. Elizabeths Hospital. The transfer of funds will cover the increased cost of fuel, utilities, and medical supplies due to inflation. In addition, the transferred funds will pay the increased cost of overtime due to a change in the Fair Labor Standards Act. The conferees agreed to the Senate amendment.

For "health resources," the Senate provided $10,000,000, a reduction of $8,700,000 from the budget request and the amount in the House bill for the initiation of the new health planning programs authorized by the National Health Planning and Resources Development Act of 1974—Public Law 93–641—and deleted House language which would have

made the funds available through December 31, 1975. The conferees agreed to the amount in the Senate bill, but restored the House language providing extended availability. These funds will be used to support new State agencies for health planning and local health systems agencies, and for other purposes associated with the implementation of the new act.

The Senate added $7,575,000 for completion of facilities currently under construction for the Georgetown University Hospital and Children's Hospital in the District of Columbia. The House bill provided $22,000,000 for these facilities, and the Senate bill provided $29,575,000. The conferees agreed to delete the additional funds provided by the Senate.

The Senate added $5,000,000 for the Follow Through program for which there was no budget request and nothing included in the House bill. The regular HEW appropriation bill for 1975 includes $54,000,000, the same amount as appropriated for 1974. The Senate report indicated that this amount is not sufficient to continue all projects at the previous year's program level. The conferees agreed upon $2,500,000, with the understanding that, with respect to the entering class, per-child costs, and enrollment levels in all ongoing Follow Through projects should be maintained at levels provided in previous years.

For "emergency school aid" the Senate provided $236,493,000, to restore the program to the 1974 funding level. The 1975 appropriation for this program had been deferred because the administration was proposing new legislation, for which $75 million was budgeted. Congress has taken no action on legislative amendments. The House bill provides $125 million based on the provisions of existing law. The conferees agreed to an appropriation of $215,000,000, with language making the funds available for obligation until September 30, 1975.

For "education for the handicapped," the conferees agreed to the Senate amendment which added $250,000 for recording for the blind, a nonprofit organization which provides free taped educational materials to blind students throughout the United States.

Under "higher education," the Senate added $15 million for the veterans cost-of-instruction program. There is no budget request and no funds are included in the House bill for this purposes. The regular HEW appropriation bill for 1975 includes $23,750,000, the same amount as appropriated for 1974. The conferees agreed to $7,500,000 of the Senate increase. The conferees also agreed to Senate bill language clarifying the availability of $250,000 appropriated in the second supplemental appropriation bill for 1974 relating to demonstration centers for extension and continuing education.

For "rehabilitation services" the House conferees agreed to Senate increases of $1,800,000 for renovation and modernization of a comprehensive rehabilitation facility in west Florida, and $25,000 for startup costs associated with a proposed White House Conference on Handicapped Individuals.

For "payments to Social Security Trust Funds," the Senate restored the $20.242.000 requested to pay GSA for standard level user charges. The House denied the request on the grounds that the social security program should not make payments to the Federal Buildings Fund in excess of the actual cost of the space occupied by the Social Security Administration. The House position prevailed in conference. The conferees agreed that this isue is too complicated to be resolved in connection with a supplemental appropriation bill. My own view is that the social security and railroad retirement programs should pay their fair share of legitimate costs for rental and maintenance of space and provision of new facilities to house these programs. They should not be charged for costs unrelated to the programs for which the trust funds were established. On the other hand, I do not believe that the general funds of the Treasury should be charged for expenses which are properly chargeable to the trust funds. I hope the administration can come up with a solution which meets these criteria.

The Senate added $22 million for the Head Start program. The House bill provided $430,000,000 for this program, an increase of $15,700,000 over the budget request. The conferees have agreed to $11,000,000 of the Senate increase, of which $7 million is to be used for services to handicapped children.

For the new Community Services Administration, which is the successor to the Office of Economic Opportunity, the budget requested $420,800,000, the House bill provided $455,000,000, and the Senate provided $515,000,000. This agency has been funded up to now in fiscal year 1975 by the continuing resolution, because the authorizing legislation was not enacted until very late in the second session of the 93d Congress.

The conferees dropped the $5 million added by the Senate for the expansion of the veterans' education and training service program. They agreed to $22,400,000 of the $30,000,000 added by the Senate for the emergency food and medical services program, for which no funds were included in the House bill or the budget. They also agreed to $7.5 million of the $10 million added by the Senate for the emergency energy conservation services program, to provide a total of $16.5 million for this program, for which there was no budget request. As indicated in the statement of the managers, it is the intent of the conferees that the Community Services Administration should coordinate with the Federal Energy Administration to the fullest extent possible in the administration of this program. We believe that the Federal Energy Administration has a great deal of expertise which should be drawn upon in carrying out this program.

The conferees also agreed to $7.5 million of the $15 million added by the Senate for community economic development under title VII of the Community Services Act.

For the Railroad Retirement Board, the conferees agreed with the $517,000 added by the Senate to support 90 additional positions. We did not agree with the Senate increase of $1,483,000 for payment of standard level user charges to the General Services Administration, $360,000 of which would have come from the general funds of the Treasury. We have provided bill language to permit the Railroad Retirement Board to make standard level user charge payments which are not in excess of the actual cost of space occupied by the Board. Our information indicates that funds presently available to the Board are sufficient to pay reasonable charges.

In title III of the bill, the Senate struck out general provisions sections 304, 305, and 306 relating to forced busing of students, abolishment of schools, transfer or assignment of students, and transportation of students or teachers. They substituted sections 304 and 305 (a) and (b) relating to the same subjects, which are identical with the so-called antibusing provisions in the 1975 Labor-HEW Appropriation Act. There was no prospect whatever that the Senate conferees would recede to the House on this issue, and we have therefore concurred in the Senate amendments.

Tho table follows:

2D SUPPLEMENTAL APPROPRIATIONS BILL, 1975

CHAPTER VI

	Budget	House bill	Senate bill	Conference agreement
DEPARTMENT OF LABOR				
Manpower Administration				
Advances to the unemployment trust fund and other funds	$5, 000, 000, 000	$5 000, 000, 000	$5, 000, 000, 000	$5, 000, 000, 000
Departmental Management				
Salaries and expenses	550, 000	150, 000	150, 000	150, 000
Total, Department of Labor	5, 000, 550, 000	5, 000, 150, 000	5, 000, 150, 000	5, 000, 150, 000
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE				
Health Services Administration				
Health services:				
a. National Health Service Corps (By transfer)	($5, 000, 000)	(1)	($5, 000, 000)	($5, 000, 000)

2D SUPPLEMENTAL APPROPRIATIONS BILL, 1975—Continued

CHAPTER VI

	Budget	House bill	Senate bill	Conference agreement
NATIONAL INSTITUTE OF HEALTH				
National Institute of Health				
National Institute of Arthritis, Metabolism, and Digestive Diseases:				
a. National Commission on Arthritis			$300,000	$300,000
Alcohol, Drug Abuse, and Mental Health Administration				
Saint Elizabeth's Hospital	$134,000	$134,000	134,000	134,000
(By transfer)	(1,058,000)	[1]	(1,058,000)	(1,058,000)
Health Resources Administration				
Health resources:				
a. Health resources planning	18,700,000	18,700,000	10,000,000	10,000,000
(Trust fund transfer)	(8,500,000)	(8,500,000)	(8,500,000)	(8,500,000)
b. Comprehensive health planning	29,400,000	29,400,000	29,400,000	29,400,000
c. Regional medical programs	12,000,000	50,000,000	50,000,000	50,000,000
d. Health research and evaluation	800,000	800,000	800,000	800,000
e. Nursing research		1,200,000	1,200,000	1,200,000
f. District of Columbia medical facilities		22,000,000	29,575,000	22,000,000
g. Program management	5,600,000	6,500,000	5,500,000	5,500,000
Subtotal, health resources	(66,500,000)	(127,600,000)	(126,475,000)	(118,900,000)
OFFICE OF EDUCATION				
Elementary and secondary education:				
a. Follow Through			5,000,000	2,500,000
b. Drug abuse education		4,000,000	4,000,000	4,000,000
Emergency school aid:				
a. Special projects	74,250,000	15,000,000	29,873,000	27,155'000
b. State grants		108,750,000	204,131,000	185,588,000
c. Evaluation	750,000	1,250,000	2,489,000	2,257,000
Subtotal, emergency school aid	(75,000,000)	(125,000,000)	(236,493,000)	(215,000,000)
Education for the handicapped			250,000	250,000
Higher education:				
a. Guaranteed loan interest subsidies	67,400,000	67,400,000	67,400,000	67,400,000
b. Veterans' cost of instruction			15,000,000	7,500,000
Student loan insurance fund	82,600,000	82,600,000	82,600,000	82,600,000
SOCIAL AND REHABILITATION SERVICE				
Public assistance	1,729,748,000	1,729,748,000	1,729,748,000	1,729,748,000
Rehabilitation services		500,000	2,325,000	2,325,000
SOCIAL SECURITY ADMINISTRATION				
Payments to social security trust and other funds	20,242,000		20,242,000	
Special benefits for disabled coal miners	80,844,000	80,844,000	80,844,000	80,844,000
Supplemental security income program	$83,102,000	$83,102,000	$83,102,000	$83,102,000
Limitation on salaries and expenses	(78,668,000)	(78,668,000)	(78,668,000)	(78,668,000)
SPECIAL INSTITUTIONS				
Gallaudet College	8,052,000	8,052,000	8,052,000	8,052,000
Howard University	2,050,000	2,050,000	2,050,000	2,050,000
ASSISTANT SECRETARY FOR HUMAN DEVELOPMENT				
Human development:				
a. Head Start	414,300,000	430,000,000	452,000,000	441,000,000
b. Native Americans	32,000,000	32,000,000	32,000,000	32,000,000
OFFICE OF THE SECRETARY				
Departmental management:				
a. Policy research	20,810,000	16,500,000	16,500,000	16,500,000
b. Employees' health benefits	87,000	87,000	87,000	87,000
Total, Department of HEW	2,682,869,000	2,789,617,000	2,964,602,000	2,894,292,000
RELATED AGENCIES				
Community Services Administration				
Community services program:				
a. Research and demonstration	6,300,000	8,800,000	13,800,000	8,800,000
b. Community action agencies	330,000,000	330,000,000	330,000,000	330,000,000
c. State economic opportunity offices	9,000,000	12,000,000	12,000,000	12,000,000
d. Senior opportunities and services	7,500,000	10,000,000	10,000,000	10,000,000
e. National summer youth sports program		3,000,000	3,000,000	3,000,000
f. Emergency food and medical services			30,000,000	22,400,000
g. Emergency energy conservation services		9,000,000	19,000,000	16,500,000
h. Community economic development	39,000,000	53,500,000	68,500,000	61,000,000
Subtotal, Community Services Administration	(420,800,000)	(455,000,000)	(515,000,000)	(492,400,000)
Federal Mediation and Conciliation Service				
Salaries and expenses	350,000	300,000	300,000	300,000
RAILROAD RETIREMENT BOARD				
Limitation on salaries and expenses	(2,200,000)	(200,000)	(1,840,000)	(717,000)
Space and facilities			300,000	
Total, Related Agencies	421,150,000	455,300,000	515,660,000	492,700,000
Grand total, Chapter VI	8,104,569,000	8,245,067,000	8,480,412,000	8,387,142,000
Trust fund transfer	(14,558,000)	(8,500,000)	(14,558,000)	(14,558,000)
Trust fund limitation	(80,868,000)	(78,868,000)	(80,508,000)	(79,385,000)

[1] Not considered.

Mr. CEDERBERG. Mr. Speaker, I yield myself such time as I may require, and I will require very little.

Mr. Speaker, the distinguished chairman of the Appropriations Committee has described the conference report in great detail. We hear a lot of lectures—we got a lecture from a former member this morning—and we hear a lot of admonitions about the fiscal situation in this country, but the Congress pays no attention. So, as far as I am concerned, this conference report, although it is around $15 billion, is about $109 million over the budget estimate, which is really not that bad when we consider that we are usually much in excess of that.

In addition, many of the programs that are increased here are those that are mandated by the basic law, and there is very little we can do about them. We just have to pay the bill.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Speaker, the bill we have before us is the result of many long hours of consideration by the Committees on Appropriations in both the House and Senate. The conferees worked diligently to present a bill that would be acceptable to both the House and Senate. With two exceptions, I am satisfied that the conferees have presented such a bill.

I am pleased to note that this bill will enable our schools to maintain their Follow Through and Head Start programs at their existing levels. In addition, the funding in this bill will enable handicapped children to take full advantage of these programs. We have provided funding to assure the continued success of the veterans cost of instruction program which has proven to be extremely successful.

We have also provided a degree of funding for the Recording for the Blind, Inc. I am pleased to note that this nonprofit entity provides recordings of any text to all the blind and handicapped across the Nation free of charge.

For health resources, we have provided funding for the implementation of the National Health Planning and Resources Development Act.

In order to be effective, health planning must be adequately financed. In this bill we have provided for a level of funding which will permit another transition from existing health planning agencies at the State and local levels to the new system of comprehensive health planning.

For the Community Services Administration, which used to be the old Office of Economic Opportunity, we are providing funds for the continuation of the valuable community action and service programs administered by this agency.

These include the senior opportunities and services program, the national summer youth sports program, and the funding for State economic opportunity offices.

This bill provides $1.2 million for new nursing research projects. These funds will support projects dealing with all aspects of patient care and expanded roles for nurse pratitioners, so vital as we prepare our health care delivery system for the eventual impact of national health insurance.

Without the funding in this bill, the program I have mentioned and the numerous others provided for would be forces to reduce various activities and services to all Americans which are so badly needed in these financially troublesome times.

Earlier I alluded to the fact that I disagree with two aspects of the bill: First, the language which was placed in the bill on lock and dam 26 facilities near St. Louis, Ill.; and second, failure of the joint conferees to accept Senate amendment No. 107 which provides for $700 million to create jobs on construction crews rehabilitating our rail right-of-ways.

I object to the language provided on lock and dam 26 because it is obviously intended to obviate a U.S. district court opinion. The facilities called lock and dam 26 in St. Louis, Ill., are in dire need of repair. The Corps of Engineers utilizes the provisions of the 1909 River and Harbor Act for their authorization mechanism. The act provides only for maintenance and rehabilitation of existing facilities.

The cost of such rehabilitation project is approximately $90 million. The Corps of Engineers intends to proceed with a new and more expansive facility in Alton, Mo., which will cost almost half a billion dollars. The court found that such a project required specific authorizing legislation and could not utilize the 1909 River and Harbor Act.

The environmental impact on the areas fish and wildlife would be devastating. Further, this new facility would, in turn, necessitate the revamping of all the preceding 25 lock and dam facilities at an estimate of between $6 to $10 billion. The Secretary of Transportation is presently conducting a study on the effects on the intermodal transportation system in the area. Passage of this language would render the Department of Transportation study virtually useless and more importantly give the antiquated 1909 River and Harbor Act a distorted interpretation. This precedent could virtually give the Corps of Engineers a green light on any such project contemplated under the 1909 act.

My second point of contention with the bill is the failure of the conferees to accept Senate amendment No. 107 which would provide $700 million to create jobs in railroad right-of-way rehabilitation projects. The funding would enable every unemployed railroad worker—31,045 as of May 1, 1975—to return to work on these projects for a minimum of 15 months. The dissent among my colleagues in the conference was not against the substantive matter of the amendment, but because of the fact that there was no existing authorization.

This objection was made even though the amendment provides that the funds "shall only be available only upon enactment of authorizing legislation." Recently in the Emergency Employment Appropriations Act of 1975—H.R. 4481—I attempted a $200 million compromise. The objection was the same. Now I find that the House will recede on amendments numbered 88 and 90. Notice that the appropriations are each qualified so that funds will be available only upon enactment of authorizing legislation. What is the purpose of this inconsistency? Why should we relax our conviction on requiring preceding authorization on two amendments which contain substantial funding and then take an about-face and pass up the opportunity to put every unemployed railroad worker back on the job and off the welfare rolls.

Fellow Members—this inconsistently and arbitrarily flys in the face of responsible legislation. Based upon latest information supplied by the Railroad Administration, this amendment could serve two vital purposes in these financially hard times—create jobs and improved badly needed rail rights of way. This amendment passed the Senate without one dissenting vote. Why do we drag our feet and hide behind the mask of inconsistent procedure arguments when we have the opportunity and means to enact timely, prudent, and responsible legislation? I strongly urge my colleagues to realize the obvious ramifications in Senate amendment Nos. 82 and 83 regarding Lock and Dam 26 and delete all the language. Further, I urge my colleagues to rise in support of Senate amendment No. 107 to create jobs through the rehabilitation of rail rights-of-way.

Thank you, Mr. Speaker.

Mr. MICHEL. Mr. Speaker, I think there is one other thing that ought to be called to the attention of the Members. That is that there is involved here $500 million in the unemployment trust fund. Many of the States will be running out of money, and they will be running out in the next week or 10 days and, therefore, I believe it is essential that this conference report be passed, which I am sure it will be, before we leave for the recess, because without that, it would probably place some States in very serious jeopardy so far as being able to pay the unemployment compensation checks.

Mr. HASTINGS. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from New York (Mr. HASTINGS).

Mr. HASTINGS. I appreciate the gentleman's yielding.

Mr. Speaker, I would like to ask a question of the chairman of the Subcommittee on Health (Mr. FLOOD) if I may.

Mr. FLOOD. Yes.

Mr. HASTINGS. I would like to refer to the question of the RMP money which we discussed previously, regional medical programs.

Mr. FLOOD. The RMP?

Mr. HASTINGS. Yes, sir. In our continuing resolution, as I recall, we had a figure of $75 million, and in the conference report here, as I understand it, there is a figure of $50 million. Is that correct?

Mr. FLOOD. That is correct.

Mr. HASTINGS. And am I to understand that the $50 million replaces the $75 million that we included in the resolution?

Mr. FLOOD. That is correct.

Mr. HASTINGS. Mr. Speaker, I am somewhat interested in the report, on page 10, amendment No. 40.

Mr. FLOOD. Is the gentleman talking about the conference report, the health planning section?

Mr. HASTINGS. The first paragraph. "The funds for carrying out section 3 shall remain available until December 31, 1975."

Mr. FLOOD. Yes.

Mr. HASTINGS. Will the gentleman tell me what section 3 refers to?

Mr. FLOOD. I believe that is the one which authorizes the new health planning activities. Is that what the gentleman has in mind?

Mr. HASTINGS. Section 3.

Mr. FLOOD. Yes. That is primarily for the new State planning agencies. Yes.

Mr. HASTINGS. And I am wondering whether that section 3 was meant to refer to the transitional funds.

Mr. FLOOD. No, it has nothing to do with that. No.

Mr. HASTINGS. The entire amendment relates to the entire amount?

Mr. FLOOD. The gentleman is right.

Mr. HASTINGS. Then on my question on RMP, this $50 million is in fact taking the place of the $75 million?

Mr. FLOOD. That is right.

Mr. HASTINGS. That was approved in the continuing resolution?

Mr. FLOOD. That is correct. We have said that time and time again in discussion.

Mr. HASTINGS. Mr. Speaker, I thank the gentleman.

Mr. MICHEL. Mr. Speaker, the conferees agreed to a total of $8,387,142,000 with regard to chapter VI, the Labor-HEW section, an increase of $142,075,000 over the House bill and a decrease of $93,270,000 from the Senate version. It is readily evident, then, that what we have here is another so-called compromise that is heavily weighted in favor of the Senate. To say that I am disappointed in the performance of our side in the conference on this chapter is, needless to say, an understatement.

Perhaps most significantly, chapter 6 is $282,573,000 over the budget. So we continue to show a lack of restraint in holding down spending and tack on another substantial sum to an already soaring deficit.

LABOR DEPARTMENT

Let me, at this point, run through the specifications of dispute in chapter VI settled in conference.

Unemployment compensation for teachers: This was the only item of contention in the Labor section, with the Senate having expanded our language prohibiting unemployment compensation for teachers over the summer to cover all the Federal unemployment compensation laws. We had limited the coverage to funds under the Special Unemployment Assistance Act because of joint of order problems. I am pleased that the conferees decided to accept the Senate language in this regard, because it will help to insure against any loopholes in the administration of the law.

This language is being reported back in technical disagreement, and I hope we will accept the Senate version in this regard.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Health services: The conferees went along with the Senate action in reprograming $5 million to the National Health Service Corps from the Health Maintenance organization, as requested by HEW.

National Institute of Arthritis, Metabolism, and Digestive Diseases: Our conferees accepted the Senate's allocation of $300,000 to fund the activities of the National Commission on Arthritis and related Musculoskeletal Diseases.

St. Elizabeths Hospital: We accepted the Senate's transfer of $1,058,000 from "health resources" to St. Elizabeths to cover increased costs.

Health resources: The House bill provided $127,600,000 and the Senate $126,475,000. The conference report provides for $118,900,000. This was accomplished by accepting the Senate reduction from the House version of $8.7 million for the new State health planning agencies, and by knocking out the Senate increase of $7,575,000 for the Georgetown and Children's Hospitals. The latter was undertaken because this is the third time that representatives from these hospitals have stated they will not be coming back for additional funds, only to do so anyway. We have decided that enough is enough, and limited the increase to the original $22 million.

Follow through program: The Senate added $5 million for the program, and the conferees agreed on $2.5 million. I am disappointed with the addition, because the program was originally established as an experimental program, and the administration feels that the experiment has run its course and can now be phased out. It is evident, however, that this is another one of those programs which has developed its own lobby, and whether or not it is any longer needed, it is apparently going to be impossible to discontinue.

Emergency school aid: The performance of our side on this item was perhaps most disappointing of all. We had provided $125 million in our bill, a substantial $50 million over the Budget. The Senate upped the figure to $236,493,000, and the conferees report provides $215 million. This is $90 million over the House figure, and only $21 million under the Senate amount. Instead of a 50–50 split, we went about 80 percent in the direction of the Senate.

I have previously presented before this body the statistics as to the declining number of court desegregation orders, et cetera, which indicates that the needs are no longer what they once were and that the program ought therefore to be phased down. It is evident, however, that the schools have begun to crank this money into their budgets, so that they are now demanding it as a matter of right rather than due to any emergency situation. Congress is apparently choosing to bow to the school administrators in this regard.

Education for the handicapped: The conferees accepted the Senate allocation of $250,000 for the "Recording for the Blind" organization, to enable it to continue its current level of service.

Veterans cost of instruction: The Senate added $15 million for this program, and the conferees settled on $7.5 million. This program is largely duplicative of the VA's veterans representative program and other office of Education programs which give priority assistance to veterans, and on this basis the administration has requested its discontinuation. Instead of that, however, we move in the other direction and add new money to the program. This is apparently another "temporary" program where the schools are cranking the money into the budget and are now expecting it as a matter of right. Proponents of the increase justify it on the basis of a projected 40 percent increase in the number of veterans attending school in the fall, but I am advised by the Veterans' Administration that they have made no such projection and consider talk of a 40 percent increase way out of line.

Rehabilitation services: The conferees accepted the Senate allocation of $2,325,000 rather than the House figure of $500,000. The Senate added $1.8 million for a rehabilitation facility in Florida, and $25,000 for a White House Conference on Handicapped Individuals.

Social Security Administration: The Senate added $20,242,000 to pay GSA for standard level user charges, an amount requested in the budget, but dropped by the House. The conferees accepted the House position.

Head start: The Senate added $22 million to the House figures, which in itself was $15,700,000 over the budget and $38 million over the current level of spending under the continuing resolution. The conferees split the difference and settled on a figure of $11 million over the House bill. Of this, $7 million is earmarked for handicapped children. It should be noted that the administration has requested an additional $20 million for the handicapped in the 1976 budget, and that the increase in this bill will be spent in fiscal year 1976, as sort of an advance on the 1976 funds in order to make them available at an earlier date. I hope this action will be kept in mind as we consider fiscal year 1976 funding.

COMMUNITY SERVICES ADMINISTRATION

The conference report provides $492.4 million, an increase of $37.4 over the House bill, $71.6 million over the budget, and a decrease of $22.6 million under the Senate bill. Here is another instance where the conferees substantially gave in to the Senate.

The Senate addition of $5 million for veterans education and training was dropped, but $22.4 million of the $30 million added by the Senate for the emergency food and medical services program was accepted. This program, CSA officials have admitted to us, is used largely for recruiting people for the food stamp program, for which we are allocating an additional $884 million elsewhere in this bill.

$7.5 million of the $10 million added by the Senate for the emergency energy conservation program was accepted, but we had assurances that this program would be moved to the Federal Energy Administration. $7.5 million was also added to the House figure for community economic development, one half of what the Senate added.

Mr. Chairman, I remain deeply concerned that we seem to give in too easily during our efforts in conferences on appropriation bills. We are consistently adding ever higher sums to the already bloated Federal budget.

I have on several occasions been critical of the record of the House on fiscal responsibility, but I must say that compared to our colleagues on the other side of the Hill, we are positively frugal. I believe that we should be striving to reject the inflationary increases.

Mr. MILLER of Ohio. Mr. Speaker, today the taxpayer is being asked to cough up millions of dollars as a result of a hastily considered, ill-conceived, self-imposed "emergency." While Members waited anxiously to escape Washington for the Easter recess, House conferees accepted a dubious Senate concept which ultimately became section 702 of the Tax Reduction Act of 1975. This section provides that every recipient of social security, railroad retirement, and supplemental security income benefits will receive a special $50 payment without regard to income, need, tax rebate or anything else; if you simply were on the rolls in March, you get a check. In fact, one man in Utah with 40 children will pull down a tidy $2,000.

While everyone recognizes the economic pressures on many of our senior citizens, in "one fell swoop" the conference not only managed to provide inadequate help to needy social security and railroad beneficiaries, but also presented large numbers of wealthy persons a $50 bonus, squandered precious Federal financial resources, and blurred the distinction between trust fund benefits and a one-time payment from general revenues. To the best of my knowledge, officials of affected agencies were not consulted nor were alternatives seriously explored whereby these major deficiencies of section 702 would have been eliminated.

I hear persistent legitimate complaints from middle-income tapayers who feel they are being asked to subsidize rich and poor. Section 702 is a blatant example of their concern. The provision forces

middle-income taxpayers to directly subsidize an unspecified number of wealthy senior citizens to whom the $50 payment means nothing. But to the middle-income taxpayer who must provide that money, it is a week's groceries. This is an intolerable situation and one that should never have been allowed to develop.

The Social Security Administration regrettably maintains no statistics on the aggregate income of its beneficiaries, so estimates of non-needy social security and railroad retirement beneficiaries must be extrapolated from other sourecs. Though the data is rough, a conservative estimate of the number of families and unrelated individuals who have an aggregate income of $10,000 or more is 10 percent of those who are directly benefited by section 702.

It is estimated then that $175 million will be paid in lump sums of $50 each to that 10 percent of social security and railroad retirement beneficiaries who are far from needy. Even if the number of non-needy is assumed to be only 5 percent of the total population receiving payment under section 702, the absolute waste of taxpayers' money will reach $87.5 million. These are significant sums, particularly considering the state of the Federal deficit this year.

Social security and railroad retirement are not handouts like the $50 payment. Rather they are programs where the individual contributes toward his retirement and disability insurance. The conference did recognize this important distinction and wanted to insure that the $50 payment beneficiaries did as well. But by failing to use any criterion other than the social security and railroad retirement rolls, the conference inadvertently destroyed the principle they wished to maintain.

I spent considerable time and conferred wtih numerous officials attempting to develop a technologically feasible method of separating the more wealthy from the more needy social security and railroad retirement beneficiaries. If a method could be found, my intent was to have an amendment offered to retrench expenditures and eliminate the worst deficiencies of the provision. Ultimately, the entire project proved unfeasible due to complex differences in the effective numbering systems of the Social Security Administration, the Railroad Retirement Board, and the Internal Revenue Service.

Despite this inability to develop any corrective measures, the fact must not be lost that millions of dollars are being thrown away for absolutely no purpose. Section 702 was not well thought out. The consequences were not carefully examined. And now the taxpayer is left holding the bag. Undoubtedly, this should serve as an example of what happens to "emergency" legislation, particularly "emergency" legislation passed in the wish to recess. The Congress has a responsibility to be more careful.

Mr. MOORE. Mr. Speaker, I rise in opposition to the conference report for two reasons. First of all, the $15.1 billion in the report is excessive Government spending. Second, the conferees accepted a completely watered-down version of my antibusing amendment.

When are we going to get a handle on Government spending? This conference report weighs in at $3.7 billion over the house bill—which was bad enough and which I opposed—and $110 million over budget. It represents nearly $75 of additional taxes which will have to be collected for every man, woman, and child in the United States. The place to stop this nonsense is here and now, and send this report back to conference so that it can come up with a more reasonable figure. This $15.1 billion of deficit spending can be better used by the private sector to invest in additional and more modern productive capacity. That would help pull us out of the recession and create more permanent job opportunities for Americans.

I also reject the conference report because it continues so-called antibusing language from prior years which leaves a hole big enough to drive a school bus through. My amendment, which the House in its wisdom accepted, would have made it clear beyond a shadow of a doubt that funds were not to be used to force busing and pupil assignment on the basis of race. There are other ways to achieve compliance with the law and the Constitution without making the children suffer and without destroying local participation in school affairs.

Mr. Speaker, I urge this House to soundly reject the conference report.

Mr. MAHON. Mr. Speaker, I yield 1 minute to the gentleman from Michigan (Mr. BROWN).

Mr. BROWN of Michigan. Mr. Speaker, I take this time to seek a clarification from my colleagues from Michigan and Texas.

At the bottom of page 23 of the report, the joint statement notes the proper deletion of the grossly inappropriate provision proposed by the Senate but adds a sentence regarding use of the section 235 housing program.

I understand, and wish to have it understood by my colleagues, that this sentence in the joint statement is not intended to suggest any change in the present status of that program.

Am I not correct in my understanding?

Am I not correct in that statement?

Mr. MAHON. The gentleman is correct in his conclusion.

Mr. CEDERBERG. If the gentleman will yield, I also concur that the gentleman from Michigan is correct.

Mr. MAHON. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 317, nays 34, not voting 82, as follows:

[Roll No. 242]

YEAS—317

Abdnor
Abzug
Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Armstrong
Ashley
Aspin
Badillo
Bafalis
Baldus
Baucus
Beard, R.I.
Bedell
Bell
Bergland
Bevill
Biaggi
Biester
Blanchard
Blouin
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Butler
Byron
Carney
Carr
Carter
Cederberg
Chappell
Chisholm
Cleveland
Cochran
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cornell
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Diggs
Dodd
Downey
Downing
Drinan
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Fulton
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Gradison
Grassley
Green
Gude
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Harkin
Harris
Hastings
Hawkins
Hayes, Ind.
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holtzman
Horton
Howe
Hubbard
Hughes
Hungate
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Keys
Koch
Krebs
LaFalce
Leggett
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
McClory
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Maguire
Mahon
Mathis
Matsunaga
Mazzoli
Meeds
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nichols
Nix
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Pickle
Pike
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Regula
Reuss
Rhodes
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Roncalio
Rooney
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Sikes
Simon
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, James V.
Stark
Steed
Steelman
Steiger, Wis.
Stokes
Stratton
Stuckey
Studds
Symington
Taylor, Mo.
Taylor, N.C.
Thone
Thornton
Traxler
Tsongas
Van Deerlin

Vander Jagt
Vander Veen
Vanik
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wright
Wydler
Wylie
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—34

Archer
Ashbrook
Bauman
Beard, Tenn.
Bennett
Burgener
Collins, Tex.
Conlan
Crane
Devine
Dickinson
Goldwater
Goodling
Guyer
Hansen
Holt
Hutchinson
Hyde
Kelly
Kindness
Latta
McCollister
McDonald
Martin
Miller, Ohio
Moore
Poage
Rousselot
Satterfield
Shuster
Skubitz
Steiger, Ariz.
Symms
Treen

NOT VOTING—82

Adams
Anderson, Ill.
Andrews, N. Dak.
AuCoin
Barrett
Bingham
Boggs
Brooks
Broomfield
Burke, Calif.
Burton, Phillip
Casey
Clancy
Clausen, Don H.
Clawson, Del
Clay
Conable
Cotter
Coughlin
Dingell
Duncan, Oreg.
du Pont
Eckhardt
Fascell
Florio
Flynt
Frey
Fuqua
Hannaford
Harrington
Harsha
Hays, Ohio
Heinz
Hinshaw
Howard
Johnson, Pa.
Kemp
Ketchum
Krueger
Lagomarsino
Landrum
Lent
Long, Md.
Lott
Lujan
McCloskey
Madigan
Mann
Melcher
Michel
Mollohan
Mosher
Murtha
Neal
Nolan
Patman, Tex.
Patten, N.J.
Peyser
Pressler
Rees
Richmond
Rogers
Rose
Ruppe
Schneebeli
Shriver
Sisk
Slack
Stanton, J. William
Stephens
Sullivan
Talcott
Teague
Thompson
Udall
Ullman
Vigorito
Wiggins
Wilson, Bob
Wolff
Young, Alaska
Young, Fla.

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Hays of Ohio with Mr. Anderson of Illinois.
Mr. Thompson with Mr. Duncan of Oregon.
Mr. Teague with Mr. Broomfield.
Mr. Barrett with Mr. du Pont.
Mr. AuCoin with Mr. Harsha.
Mrs. Boggs with Mr. Ketchum
Mr. Cotter with Mr. Clancy.
Mr. Florio with Mr. Lagomarsino.
Mr. Wolff with Mr. Kemp.
Mr. Vigorito with Mr. Conable.
Mrs. Sullivan with Mr. Heinz.
Mr. Howard with Mr. Lent.
Mr. Brooks with Mr. Andrews of North Dakota.
Mr. Phillip Burton with Mr. Hinshaw.
Mr. Casey with Mr. Krueger.
Mr. Murtha with Mr. Don H. Clausen.
Mr. Udall with Mr. Johnson of Pennsylvania.
Mr. Sisk with Mr. Lott.
Mr. Rose with Mr. Del Clawson.
Mr. Adams with Mr. Landrum.
Mr. Slack with Mr. Frey.
Mr. Bingham with Mr. McCloskey.
Mr. Rogers with Mr. Lujan.
Mrs. Burke of California with Mr. Michel.
Mr. Clay with Mr. Patman.
Mr. Dingell with Mr. Mosher.
Mr. Fascell with Mr. Coughlin.
Mr. Flynt with Mr. Mollohan.
Mr. Fuqua with Mr. Peyser.
Mr. Mann with Mr. Madigan.
Mr. Melcher with Mr. Ruppe.
Mr. Neal with Mr. Shriver.
Mr. Hannaford with Mr. Pressler.
Mr. Harrington with Mr. Schneebeli.
Mr. Rees with Mr. J. William Stanton.
Mr. Ullman with Mr. Stephens.
Mr. Long of Maryland with Mr. Talcott.
Mr. Richmond with Mr. Wiggins.
Mr. Nolan with Mr. Young of Florida.
Mr. Young of Alaska with Mr. Bob Wilson.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AMENDMENTS IN DISAGREEMENT

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 3: Page 2, line 17, insert: including $52,000,000 for the summer operations of the Special Food Program, from which sum the Secretary shall apportion to each State an amount of".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 3 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 19: Page 6, line 9, insert:

READJUSTMENT BENEFITS

For an additional amount for "Readjustment benefits", $425,000,000, to remain available until expended.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 19 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 20: Page 7, line 5, insert:

ENVIRONMENTAL PROTECTION AGENCY

To carry out the provisions of section 1444 of the Safe Drinking Water Act, $7,500,000 to remain available until expended.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 20 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"ENVIRONMENTAL PROTECTION AGENCY

ABATEMENT AND CONTROL

To carry out the provisions of section 1444 of the Safe Drinking Water Act, $4,000,000,000, to remain available until expended."

Mr. OBERSTAR. Mr. Speaker, the conference report we are now considering contains $4 million "to fund a demonstration plant to remove asbestos fibers from the drinking water at Duluth, Minn."

These funds were authorized in the Safe Drinking Water Act of 1974, Public Law 93–523, which in section 1444 sets "priority for grants—where there are known or potential public health hazards which require advanced technology for the removal of particles which are too small to be removed by ordinary treatment technology."

The committee report cites as an example of the type of situation intended for priority funding, "removal of submicroscopic asbestos particles from the drinking water supply of Lake Superior."

Mr. Speaker, the fact that amendment No. 20 appears in the conference report now before us is due to the combined efforts and contributions of many people.

I want to express my appreciation to the chairman of the House Appropriations Subcommittee on HUD-Independent Agencies, the gentleman from Massachusetts (Mr. BOLAND), for his patience in reviewing the very considerable amount of information I have literally beseiged the committee with; for his openmindedness in being understanding of the problem that is entirely new and recent in medical history: The potential health hazards of asbestos in drinking water supplies.

I am grateful to the gentleman from Florida (Mr. ROGERS), chairman of the House Interstate and Foreign Commerce Subcommittee on Health and the Environment, for his understanding of the problem when we first brought the need for asbestos filtration to his attention, and for his strong and determined followthrough on the appropriation.

I also want to thank the gentleman from Wisconsin (Mr. OBEY), a member of the full Appropriations Committee, for his concern and understanding of the problem which borders on his district; and for his generous support of my efforts in this matter.

In testimony before the Appropriations Subcommittee, I presented extensive documentation of the public health hazards of asbestos, and need not repeat that here. While the health effects of ingested asbestos are as yet unknown, inhaled asbestos is highly toxic and a proven human carcinogen.

And, as I pointed out in my testimony, EPA indicates that asbestos is a pervasive contaminant of drinking water, found in groundwater, in runoff from asbestos-bearing rock, asbestos-cement pipe, as well as in industrial wastes, in open water contaminated by air pollution.

Studies by EPA, other units of Government, and private laboratories show that measurable levels of asbestos fibers are found in drinking water supplies of virtually all the 75 communities tested to date, indicating that asbestos contamination is a problem national in scope.

Any one of those 75 cities whose drinking water supplies have been shown to contain asbestos, including Seattle, San Francisco, Boston, Atlanta, and Chicago, would understandably like to have a project of this kind.

However as the events unfolded following the June 1973 announcement of the discovery of asbestos particles in Lake Superior, the Corps of Engineers and EPA combined funds and skills and the expertise of a private engineering firm in a $300,000 pilot plant study conducted in Duluth. That study resulted in a three-volume design and engineering report recommending construction of a commercial-scale demonstration plant to determine whether success in the laboratory could be transferred to the community-sized facility.

This filtration demonstration plant thus is tailormade for Duluth and Duluth is tailormade for a national drinking water treatment laboratory, which logically could be located in only one city. Its drinking waters have the highest levels of asbestos found anywhere in the United States, and it is of sufficient size to provide data for great metropolises as well as for smaller towns.

The Duluth plant will, in effect, be a national laboratory. The techniques and equipment tested there will be applicable and immediately transferable to other areas of the United States, wherever asbestos is a problem. At this facility we can perfect equipment, technology, and human skills, and develop economies of scale for a community of any size.

With the information developed through this national drinking water treatment laboratory, we can significantly advance the state of the art of removing submicroscopic particles of all kinds—not only asbestos—and hopefully move toward a technology that will even remove viruses from drinking water as proposed by the Committee on Interstate and Foreign Commerce in Public Law 93–523.

Mr. Speaker, a great many people have contributed to the effort to provide funds for this project, and I particularly want to commend, again, Chairman BOLAND, who indicated that he and other subcommittee members were persuaded by the merits of this case and were prepared to include funding in the regular EPA appropriations for fiscal year 1976, and then, mindful of the urgency of the situation, generously agreed to accept in conference, with appropriate amendments, the amendment offered on the Senate floor by my distinguished and esteemed colleague, Senator HUBERT H. HUMPHREY of Minnesota.

I recognize that this is not the usual procedure for funding an appropriations bill; however, I am grateful that the subcommittee and House conferees led by the chairman of the full committee, the gentleman from Texas (Mr. MAHON) have recognized the extraordinary circumstances and have responded to a national need, personified by this local example.

I am confident that Duluth will now proceed speedily and with great care in construction of this facility, mindful of its importance to the entire Nation; and that by the fall of 1976, I will be able to report back to the appropriate committees the information developed by this demonstration program.

The motion was agreed to.

The SPEAKER. The Clerk will report on the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 23: Page 8, line 4, insert: "to remain available until expended."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 23 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report on the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 24: Page 8, line 6, insert:

NATIONAL PARK SERVICE

PLANNING AND CONSTRUCTION

For an additional amount for "Planning and construction", $2,300,000: *Provided*, That these funds shall be available to assist in constructing a sewage system and treatment plant in cooperation with the towns of Harpers Ferry and Bolivar, West Virginia, to serve such towns and the Harpers Ferry National Historical Park: *Provided further*, That this appropriation shall be rescinded if H.R. 4481 is enacted into law and contains funds for this purpose.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 24 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 27: Page 8, line 21, insert: ": *Provided*, That with the exception of $28,352,000 for public school assistance, none of the funds appropriated under this head in this or any other appropriations Act for fiscal year 1975 shall remain available beyond June 30, 1975, unless specifically provided otherwise in such Acts."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 27 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment is disagreement.

The Clerk read as follows:

Senate amendment No. 29: Page 9, line 8, insert: "to remain available until expended."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 29 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 30: Page 9, line 9, insert:

TRUST TERRITORY OF THE PACIFIC ISLANDS

For additional amount for "Trust Territory of the Pacific Islands", $8,050,000 to remain available until expended: *Provided*, That none of these funds shall be available until the enactment of authorizing legislation.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 30 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 32: Page 10, line 1, insert:

PAYMENTS TO THE U.S. VIRGIN ISLANDS AND PUERTO RICO

(Indefinite Appropriation of Receipts)

There shall be appropriated from the Treasury and transferred and paid into the treasuries of Puerto Rico and of the United States Virgin Islands the amount, as determined by the Administrator of the Federal Energy Administration, of all import license fees collected by the Administrator pursuant to Presidential Proclamation Numbered 3279, as amended, between May 1, 1973, and January 31, 1975, exclusive of refunds and reductions, for imports of crude oil, unfinished oils, and finished products, into Puerto Rico (other than imports from the United States Virgin Islands) and into the Customs Territory of the United States from the United States Virgin Islands. Such sums so transferred and paid over shall be used and expended by the Governments of Puerto Rico and the United States Virgin Islands for public purposes as authorized by law.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 32 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 35: Page 11, line 21, insert: "or any other Act."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON movea that the House recede from its disagreement to the amendment of the Senate numbered 35 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 36: Page 12, line 21, insert:

HEALTH SERVICES ADMINISTRATION

HEALTH SERVICES

Of the funds appropriated for Health Services by Public Law 93–517, $5,000,000 shall remain available through June 30, 1976 for the National Health Service Corps, in addition to funds provided to the National Health Service Corps by Public Law 93–324, as amended.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 36 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 40: Page 13, line 25, strike out $127,600,000, of which $18,700,000 shall remain available until December 31, 1975, for carrying out section 3 of the National Health Planning and Resources Development Act of 1974" and insert "$126,475,000, of which $10,000,000 shall be available for carrying out section 3 of the National Health Planning and Resources Development Act of 1974.".

UMI

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Mahon moves that the House recede from its disagreement to the amendment of the Senate numbered 40 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following: "$118,900,000, of which $10,000,000 shall be available until December 31, 1975 for carrying out section 3 of the National Health Planning and Resources Development Act of 1974".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 43: Page 14, line 20, insert: "section 705 ($204,131,000),".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Mahon moves that the House recede from its disagreement to the amendment of the Senate numbered 43 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert: "($185,588,000)".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 44: Page 14, line 21, insert: "section 708(a) ($12,447,000),".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Mahon moves that the House recede from its disagreement to the amendment of the Senate numbered 44 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert: "($11,309,000)".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 45: Page 14, line 21, insert: "section 708(c) ($9,958,000),".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Mahon moves that the House recede from its disagreement to the amendment of the Senate numbered 45 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert "($9,052,000)".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 46: Page 14, line 22, insert: "section 711 ($7,468,000),".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Mahon moves that the House recede from its disagreement to the amendment of the Senate numbered 46 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert: "($6,704,000)".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 47: Page 14, line 22, insert: "and section 713 ($2,489,000) of".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Mahon moves that the House recede from its disagreement to the amendment of the Senate numbered 47 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert: "($2,257,000)".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 49: Page 15, line 2, insert: "to remain available until August 15, 1975."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Mahon moves that the House recede from its disagreement to the amendment of the Senate numbered 49 and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: ", to remain available until September 30, 1975".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 53: Page 15, line 13, insert: *Provided*, That title I, chapter VII of Public Law 93-305 (Second Supplemental Appropriations Act, 1974) is amended by striking out the paragraph following "Higher Education" and substituting therefor: "For carrying out section 705(a) of the Higher Education Act, without regard to other provisions of said Act, $250,000 to be used in connection with construction projects for extension and continuing education programs: *Provided*, That such sums shall remain available for obligation through June 30, 1975".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Mahon moves that the House recede from its disagreement to the amendment of the Senate numbered 53 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 56: Page 16, line 14, insert: ", and for carrying out title III of H.R. 14225 (93d Congress), $25,000, to remain available until expended."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Mahon moves that the House recede from its disagreement to the amendment of the Senate numbered 56 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 59: Page 18, line 1, insert: ", of which $12,000,000 shall remain available through October 31, 1975."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Mahon moves that the House recede from its disagreement to the amendment of the Senate numbered 59 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, Insert: "$7,000,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 60: Page 18, line 13, strike out: "for the fiscal year 1975," and insert "to remain available until September 30, 1975.".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Mahon moves that the House recede from its disagreement to the amendment of the Senate numbered 60 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 63: Page 19, line 6, insert: "of which $1,123,000 shall be for the payment of standard level user charges, together with funds available in Public Law 93-517 for this purpose,".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Mahon moves that the House recede from its disagreement to the amendment of the Senate numbered 63 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert the following: ": *Provided*, That the amount herein, together with funds available in Public Law 93-517, shall be available for the payment of standard level user charges,".

The motion was agreed to.

Mr. MAHON. Mr. Speaker, inasmuch as amendments Nos. 66 through 78 relate solely to housekeeping operations of the other body in which, by practice, the House concurs without intervention, I ask unanimous consent that Senate amendments Nos. 66 through 78 be considered as read, printed in the Record, and that they be considered en bloc.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, is there anything unusual about these proposals by the Senate?

Mr. MAHON. Absolutely not.

Mr. ROUSSELOT. Further reserving the right to object, there is no special per diem, or anything like that?

Mr. MAHON. They are just amendments that relate solely to housekeeping operations of the other body.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the Senate amendments as follows:

Senate Amendments Nos. 66 through 78 inclusive, page 19, line 17, insert:

SENATE

(67) Salaries, Officers and Employees

(68) Committee Employees

For an additional amount for "Committee Employees", $75,050.

(69) ADMINISTRATIVE AND CLERICAL ASSISTANTS TO SENATORS

For an additional amount for "Administrative and Clerical Assistants to Senators", $26,274: Provided, That effective January 1, 1975, the clerk hire allowance of each Senator from the State of Texas shall be increased to that allowed Senators from States having a population of more than twelve million, the population of said State having exceeded twelve million inhabitants.

(70) Contingent Expenses of the Senate

(71) MISCELLANEOUS ITEMS

For an additional amount for "Miscellaneous Items", $165,000: Provided, That, notwithstanding any other provision of law, the Sergeant at Arms, subject to the approval of the Committee on Rules and Administration, is hereafter authorized to enter into multiyear leases for automatic data processing equipment.

(72) STATIONERY (REVOLVING FUND)

For an additional amount for "Stationery (Revolving Fund)", $225: Provided, That effective April 1, 1975, and each fiscal year thereafter, the annual allowance for stationery for the President of the Senate shall be $4,500.

(73) Administrative Provisions

(74) 1. The unexpended balances of any of the appropriations granted under the heading "Salaries, Officers and Employees" for the current fiscal year shall be available to the Secretary of the Senate to pay the increases in the compensation of officers and employees notwithstanding the limitations contained therein.

(75) 2. Subject to the provisions of section 201(f) of the Congressional Budget Act of 1974, during such period that the expenses of the Congressional Budget Office are paid from the contingent fund of the Senate, the provisions of the paragraph relating to advances for expenses of Senate committees under the heading "SENATE" in the Act of March 3, 1879 (2 U.S.C. 69), shall apply to the Congressional Budget Office in the same manner as it applies to committees of the Senate, and for such purpose the Director of such Office shall be treated as the chairman of a committee of the Senate.

(76) 3. Subject to the provisions of section 7 of the resolution entitled a "Joint Resolution to provide for the establishment of the American Indian Policy Review Commission", approved January 2, 1975 (88 Stat. 1910), during such period as the expenses of the American Indian Policy Review Commission are paid from the contingent fund of the Senate, the provisions of the paragraph relating to advances for expenses of Senate committees under the heading "SENATE" in the Act of March 3, 1879 (2 U.S.C. 69), shall apply to the American Indian Policy Review Commission in the same manner as it applies to committees of the Senate, and for such purpose the Chairman of such Commission shall be treated as the chairman of a committee of the Senate.

(77) 4. Section 3 under the heading "Administrative Provisions" in the appropriation for the Senate in the Legislative Branch Appropriation Act, 1975 (Public Law 93-371), is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f) (1) Subject to the provisions of paragraphs (2), (3), (4), and (5), a Senator may lease one mobile office for use only in the State he represents and shall be reimbursed from the contingent fund of the Senate for the rental payments made under such lease together with the actual nonpersonnel cost of operating such mobile office. The term of any such lease shall not exceed one year. A copy of each such lease shall be furnished to the Sergeant at Arms of the Senate.

"(2) The maximum aggregate annual rental payments and operating costs (except furniture, equipment, and furnishings) that may be reimbursed to a Senator under paragraph (1) shall not at any time exceed an amount determined by multiplying (A) the highest applicable rate per square foot charged Federal agencies by the Administrator of General Services in the State which that Senator represents, based upon a 100 percent building quality rating, by (B) the maximum aggregate square feet of office space to which that Senator is entitled under subsection (b) reduced by the number of square feet contained in offices secured for that Senator under subsection (a) and used by that Senator and his employees to perform their duties.

"(3) No reimbursement shall be made under paragraph (1) for rental payments and operating costs of a mobile office of a Senator unless the following provisions are included in its lease:

"(A) Liability insurance in the amount of $1,000,000 shall be provided with respect to the operation and use of such mobile office.

"(B) The following inscription shall be clearly visible on three sides of such mobile office in letters not less than four inches high:

" 'Mobile Office of Senator (name of Senator)

" 'FOR OFFICIAL OFFICE USE ONLY'.

"(4) No reimbursement shall be made under paragraph (1) for rental payments and operating costs of a mobile office of a Senator which are attributable to or incurred during the 60-day period ending with the date of any primary or general election (whether regular, special, or runoff) in which that Senator is a candidate for public office, unless his candidacy in such election is uncontested.

"(5) Reimbursements under paragraph (1) shall be made on a quarterly basis and shall be paid upon vouchers approved by the Sergeant at Arms of the Senate."

(78) 5. Notwithstanding paragraph (3) of section 105(e) of the Legislative Branch Appropriations Act, 1968, as amended, two employees of the Senate Select Committee to Study Governmental Operations with Respect to Intelligence Activities may be paid at the highest gross rate provided in subparagraph (A) of such paragraph, and 11 employees of such Committee may be paid at the next highest gross rate provided in such subparagraph.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Mahon moves that the House recede from its disagreement to the amendment of the Senate numbered 66 through 78 inclusive and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 83: Page 28, line 6, insert:

LOCKS AND DAM 26, MISSISSIPPI RIVER, ILLINOIS AND MISSOURI

Appropriations having been heretofore approved by Congress in Public Laws 91-144, 91-439, 92-134, 92-405, 93-97, and 93-393, to be expended under the direction of the Secretary of the Army and the supervision of the Chief of Engineers, for the replacement and modification of Locks and Dam 26, Mississippi River, Illinois and Missouri, substantially in accordance with the plans approved by the Secretary of the Army on July 14, 1969, the consent and approval of Congress for the construction of said Locks and Dam 26 by the Secretary of the Army having been granted thereby is hereby reaffirmed: *Provided*, That nothing contained herein shall be construed as authorizing a twelve-foot channel above Locks and Dam 26.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Mahon moves that the House recede from its disagreement to the amendment of the Senate numbered 83 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"LOCKS AND DAM 26, MISSISSIPPI RIVER, ILLINOIS AND MISSOURI

"Appropriations having been heretofore approved by Congress in Public Laws 91-144, 91-439, 92-134, 92-405, 93-97, and 93-393, to be expended under the direction of the Secretary of the Army and the supervision of the Chief of Engineers, for the replacement and modification of Locks and Dam 26, Mississippi River, Illinois and Missouri, substantially in accordance with the plans approved by the Secretary of the Army on July 14, 1969, the consent of Congress for the construction of said Locks and Dam 26 by the Secretary of the Army granted thereby is hereby reaffirmed: *Provided*, That nothing contained herein shall be construed as authorizing a twelve-foot channel above Locks and Dam 26."

The SPEAKER. Does the gentleman from Texas desire recognition?

Mr. MAHON. Yes, Mr. Speaker. I ask for recognition on this amendment.

The SPEAKER. The gentleman from Texas is recognized.

Mr. MAHON. Mr. Speaker, I yield to the gentleman from Illinois (Mr. Michel).

Mr. MICHEL. Mr. Speaker, I will ask the chairman if he will yield 5 minutes to me for the purpose of debate.

Mr. MAHON. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois.

Mr. MICHEL. Mr. Speaker, there are a number of compelling reasons why this body ought to reject Senate amendment 83 dealing with the construction of locks and dam 26 on the Mississippi River at Alton, Ill.

Perhaps the most important, however, is the substantial information that this project will result in severe environmental damage to the Upper Mississippi River.

At a time when energy and economic policies are forcing us to find appropriate trade-offs with our environmental goals, it strikes me as particularly important to give great weight to environmental concerns in those cases where no overriding energy or economic benefit is proved.

That is clearly the case with this project.

I must remind my colleagues, Mr. Speaker, that this House has never held hearings on the question of giving consent to locks and dam 26. We have heard no testimony regarding the economic wisdom, the environmental consequences, or the budgetary impact of this project.

If we permit this language to remain

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in the supplemental appropriation bill, we are making a snap judgment on the basis of highly incomplete information, and we may have to live with the consequences for many years to come.

Locks and dam 26 is not a discreet, isolated project. There are estimates that it will cost upward of $400 million, accommodating, conceivably, a 12-foot channel, although in the motion here the chairman has provided that nothing contained herein shall be construed as authorizing a 12-foot channel above locks and dam 26.

Mr. Speaker, this is a concession, but once in place, the pressure will be, as we very well know, to deepen the channel and then go on.

Also, there have been estimates that improving and expanding locks up the Mississippi can cost on the order of $3.2 billion.

As to the Illinois River, a tributary of the Mississippi, my predecessor, the late Everett Dirksen, authorized new locks along the Illinois. That might have been in vogue in those days, but not today.

Some say that maybe we can legislate user fees against the barge lines to pay for their normal free use of the inland waterways, but I think it is inconceivable that we can exact the kind of user fees that will ever pay off the kind of budget indebtedness that is involved in locks of this kind.

Therefore, Mr. Speaker, I would encourage my colleagues to reject amendment 83 and to defer action on this issue until the revised environmental impact statement and other pending steps are completed and we can act responsibly on the basis of adequate knowledge, full public hearings, and established procedures.

Mr. O'BRIEN. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Illinois.

Mr. O'BRIEN. Mr. Speaker, I thank the gentleman from Illinois for yielding. When the Corps of Engineers proposes a new navigation project it is making national transportation policy. Public money cannot be spent to provide barge facilities without having an effect on the railroads which must compete with the barges for bulk traffic. Without bulk traffic the railroads cannot survive. Yet this is the very traffic which the corps estimates will move by barge rather than by rail if lock and dam 26 is built.

No step should be taken by this House from which it could be argued that lock and dam 26 has been authorized without hearing. We cannot let the corps decide what form of transportation will best meet the needs of the Nation. We cannot let the Corps determine a policy which could endanger the survival of the railroads. Congress should review any proposal to expand barge navigation to make sure it is not creating a situation which will aggravate the problems of the railroads. Senate amendment 83 should not be included in the conference committee report. No action should be taken on locks and dam 26 without full hearing.

Mr. MICHEL. Mr. Speaker, may I have 5 additional minutes? Would the chairman yield me 5 additional minutes?

Mr. MAHON. Yes, I will yield 5 additional minutes to the gentleman from Illinois.

Mr. MIKVA. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Illinois.

Mr. MIKVA. Mr. Speaker, I rise in opposition to Senate amendment 83. This amendment, added to the administrative provisions of the bill, includes language purportedly authorizing the construction of a controversial locks and dam project at Alton, Ill. As such, it has no place in an appropriations bill and should be defeated.

Amendment 83 was added to this bill to satisfy the order of Federal District Court Judge Charles Richey who ruled on September 6, 1974 that specific authorization from Congress was needed before the Corps of Engineers could proceed with construction of Locks and Dam 26. By including in the amendment language which purports to be a recitation of facts and a disclaimer, Senate amendment 83 is a clever attempt to gain congressional reaffirmation of action that has not been taken—to create the impression that Congress has spoken when, in fact, Congress has not. Clearly, this is not the type of congressional authorization Judge Richey contemplated.

Locks and Dam 26 is a controversial project. The suit which lead to Judge Richey's decision was joined by the State of Wisconsin. The Minnesota Pollution Control Board has petitioned Congress to give the project full consideration and hearing. It is a project which will have an immediate cost of nearly one-half billion dollars and may ultimately cost the taxpayers several billion dollars.

A separate authorization bill has been introduced in the House and referred to the House Committee on Public Works and Transportation, where it will follow the traditional procedures, including a public hearing. I understand that several studies designed to aid the Public Works Committee in its deliberations are underway. The Corps of Engineers is preparing a new environmental impact statement on the effects of Locks and Dam 26. The corps is also completing an economic analysis which will provide information on the project's impact on other modes of regional transportation, including the financially troubled Rock Island Railroad. And at the request of the Senate Commerce Committee, the Department of Transportation is reviewing Locks and Dam 26 and the transportation questions associated with the project.

Mr. Speaker, the question is not whether the project is a worthy one or whether the locks and dam are needed. The question facing us is whether this controversial project will receive a full public hearing—a public airing of the issues involved so that a decision can be made with all the facts in front of us. I believe a project as large and as controversial as this deserves full congressional consideration, and I urge my colleagues to defeat Senate amendment 83.

Mr. EVINS of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. Yes; I yield to the gentleman from Tennessee.

Mr. EVINS of Tennessee. Mr. Speaker, the gentleman referred only to locks and dam 26. He did not read all of the language, which goes on to read: "*Provided*, That nothing contained herein shall be construed as authorizing a 12-foot channel above locks and dam 26."

Mr. MIKVA. I did read that. Let me say that this has to be the next step, because this project is not feasible until you go above lock 26. So it is the old story, give me one bite of the apple, and then another little bite, and then, piece by piece we will have the whole project.

Mr. EVINS of Tennessee. Mr. Speaker, let me say further, there are no funds contained in this bill for lock and dam No. 26. It merely represents a reaffirmation of what the Congress has previously done on six separate occasions. On six different occasions the Committee on Appropriations has provided funds for this project. They have provided over $32 million which has been expended on the project. This is the replacement of a 40-year-old lock that is outmoded. Congress on six separate occasions has previously provided the funds for replacing lock and dam No. 26. We are merely reaffirming our previous action.

The court asks for the consent of Congress on this matter. The distinguished Senator from Mississippi, Senator Stennis, a member of the conference, spoke strongly in favor of this amendment. I repeat, we are not providing funds in this bill for lock and dam No. 26. The action proposed by the conferees merely reaffirms what Congress has done on six separate occasions over the past years.

Mr. MIKVA. My colleague, the gentleman from Tennessee (Mr. Evins) has gone far above lock No. 26, and has used most of my time.

One of the reasons that was pointed out concerns the Illinois railroads that are in severe financial trouble, such as the Rock Island Railroad; Congress comes along and proposes construction in order to build a waterway so as to carry bulk goods normally carried by the railroads, and at the same time appropriates public funds to try to save the railroads. I do not think that we ought to be using public funds to then submerge the railroad through a new waterway freight system.

There are, additionally, environmental objections. The Sierra Club is opposed to this. The Izaak Walton League is opposed to this.

There are many reasons why people in other parts of the country want to see this built, but it seems to me that the very best reason that this motion should be defeated, Mr. Speaker, is because there is pending in the House, before the House Committee on Public Works and Transportation, a separate authorization bill on this lock and dam; the question will be resolved by the traditional procedures, and my colleagues from southern Illinois and Missouri can come before the committee and urge its authorization, and some of the rest of us can come before the committee and urge that it not be authorized. But I do not think that this should go through without that traditional authorization hearing. Therefore, it should be defeated.

Also the Corps of Engineers are preparing to file an environmental impact statement on the effect of lock and dam No. 26. Maybe they will be able to persuade all of the environmentalists that no harm will be done to the Mississippi River, and any of its adjoining waterways, if this is built. I would like nothing better than to be able to join my colleagues from southern Illinois and Missouri in supporting this, but until that environmental impact statement is filed, I cannot. Until public hearings are held I believe it would be the height of folly for this House to approve an appropriation of several hundred million dollars, and then later on down the pike to proceed with the project with several billion dollars.

Mr. CRANE. Mr. Speaker, will the gentleman yield?

Mr. MIKVA. I yield to my colleague, the gentleman from Illinois.

Mr. CRANE. Mr. Speaker, I thank my colleague for yielding.

The gentleman has touched upon one of the questions I wanted to ask. My understanding was that there was an environmental impact statement that was to be ready next month, and it is estimated that this project will take some 10 years. Therefore, it would seem feasible to me to delay this project for that length of time, if it is so important.

The SPEAKER. The time of the gentleman has expired.

Mr. MAHON. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Tennessee, the chairman of the Committee on Public Works and Transportation, Mr. Evins.

Mr. EVINS of Tennessee. Mr. Speaker, I thank the gentleman for yielding me this time. I want to point out that there is nothing contained in the language in the conference report which would delay or inhibit the environmental impact statement that is needed. We want it completed, and the Corps of Engineers is proceeding on this matter.

This, as I said earlier, Mr. Speaker, is merely a reaffirmation of what Congress has done on six separate occasions.

The gentleman from Illinois, I believe it was Mr. Michel, said there had been no hearings on this matter. We have had annual hearings for the past several years in the appropriation process on this matter. We have annual hearings on all Corps of Engineers projects.

Mr. MIKVA. Mr. Speaker, will the gentleman yield?

Mr. EVINS of Tennessee. I yield to the gentleman from Illinois.

Mr. MIKVA. I thank the gentleman for yielding.

Has there ever been an authorization before an authorizing committee for this lock and dam?

Mr. EVINS of Tennessee. Yes, there has been an authorization in the 1909 act which gave the Secretary of the Army authority to replace lock and dams. There have been 16 rehabilitations or replacements under this program. There is statutory authority; there is an authorization for it.

Mr. MIKVA. If the gentleman will yield further, would my colleague agree that maybe there have been some changes in what we know about the environment in the last 70 years?

Mr. EVINS of Tennessee. We are aware of the environment. We know there is great concern about the environment. We also are concerned about environmental considerations. The Corps of Engineers is also concerned about it.

Mr. MIKVA. I thank my colleague for yielding.

Mr. EVINS of Tennessee. Mr. Speaker, this is language added by the Senate. It has been well considered and it should be approved.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. EVINS of Tennessee. I yield to the gentleman from Massachusetts.

Mr. CONTE. I thank the gentleman for yielding.

Mr. Speaker, I object to the language provided in these amendments because they are obviously intended to obviate a decision of the U.S. District Court for the District of Columbia.

No one can deny that the specific facility at St. Louis, Ill., is in desperate need of repair. The Corps of Engineers intends to replace this facility with a $400 million plus facility in Alton, Mo. This is more than four times the amount needed to rehabilitate the existing facility. The new facility will be considerably more expansive and will, in turn, require a renovation and replacement project on all the 25 lock and dam facilities upstream. This could result in expenditures of between $6 and $10 billion.

The Corps of Engineers is utilizing the provisions of the 1909 River and Harbor Act as the authorizing mechanism. However, the act only provides for maintenance and rehabilitation. The contemplated project is obviously beyond the scope of the act. This is basically what the court's opinions held. The need for separate authorization of such a project is obvious. This language would give the Corps of Engineers a green light on this project and create a dangerous precedent for all future projects. The need for hearings on the matter is also clear. This project will have a devastating effect on the life cycle of many sport and commercial fish as well as obstructing the floodway of the river and destroying natural vegetation.

The Secretary of Transportation is presently in the midst of a study on the environmental impact of the proposed expanded project and further an indepth study of the effect the expanded facility will have on the intermodal transportation situation in the area. The information being compiled is essential in considering the feasibility of this project. Should this language remain, the project will render the Department of Transportation study.

Mr. EVINS of Tennessee. I trust that the language in the report will be accepted.

Mr. Speaker, I yield back the remainder of my time.

Mr. MAHON. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. Price).

Mr. PRICE. Mr. Speaker, I support the motion to recede and concur in the amendment of the Senate, amendment No. 83, to the conference report on H.R. 5899, the second supplemental appropriations act for fiscal year 1976.

This action, in effect, reaffirms previous congressional consent to the locks and dam 26 project on the Mississippi River. The amendment in question states:

> The consent of Congress for the construction of said Locks and Dam 26, by the Secretary of the Army granted thereby is hereby reaffirmed.

Simply stated, this amendment is necessary because of current litigation in the Federal district court in Washington, D.C., wherein the judge has held that the project is not duly authorized. This determination is based upon judicial interpretation of both the House rules and the 1909 Rivers and Harbors Act which vests in the Corps of Engineers the general authority to replace existing navigation structures.

Therefore, this amendment clarifies previous congressional action, which involves six separate appropriation acts totaling $28,700,000 for the project pursuant to the action taken by the Secretary of the Army on July 14, 1969, under the 1909 act. It is not a new authorization; rather, it represents, it you will, confirmation of the previous authorization thereby clarifying congressional intent in the matter.

One additional point needs to be made. This amendment does not affect the other issue in the litigation; namely, the adequacy of the environmental impact statement. The Corps of Engineers is still required to submit their revised environmental impact statement to the court for review. The action we take here today does not negate that requirement.

In conjunction with the environmental concerns, I want my colleagues to understand that the amendment does not authorize a 12-foot navigation channel on the Mississippi River as some individuals would contend. Quite the contrary, the amendment states:

> Nothing contained herein shall be construed as authorizing a 12-foot channel above Locks and Dam No. 26.

In closing, Mr. Speaker, it should be noted that there is no question of the need for the project, which is already 5 years behind schedule. Locks and dam 26 is a key navigation structure of our inland waterway transportation system. All traffic from the upper Mississippi River and Illinois River to the Missouri River, Ohio River, and lower Mississippi River must go through the structure. The present structure is 40 years old and is deteriorating. The replacement is essential to our navigation program.

Mr. MIKVA. Mr. Speaker, will my colleague yield?

Mr. PRICE. I yield to the gentleman from Illinois.

Mr. MIKVA. I thank the gentleman for yielding.

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I am reluctant, of course, to disagree with my friend and dean, but I just want to say that this is not a controversy that was just generated today. The Sierra Club, the Isaak Walton League, the American Rivers Conservation Council——

Mr. PRICE. This does not involve any action we are taking here today. The action we are taking here today does not interfere with that at all. That is still a requirement of the program, and the environmental impact statement has to be reviewed by the court, so that is not involved at all.

Mr. MIKVA. I will say to my colleague they are all opposed to this amendment as well.

Mr. PRICE. They may be opposed to this amendment, but they have no cause to be opposed to this amendment, because they are not being shut out. The court can still act on the environmental impact statement, and it is still in the hands of the court, regardless of what action we take here today.

The SPEAKER. The time of the gentleman has expired.

Mr. MAHON. Mr. Speaker, I yield 1 additional minute to the gentleman from Illinois.

Mr. EVINS of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from Tennessee.

Mr. EVINS of Tennessee. I thank the gentleman for yielding.

The gentleman talked about clarifying the intent of Congress. The court in its opinion called for the Congress to act and clarify the matter, and what we are doing here is clarifying the intent of Congress.

Mr. PRICE. The gentleman is correct. We are not doing anything at all to impair the necessity of a court action or the requirement for court action on the environmental report. That is not even involved in the case.

Mr. MAHON. I yield 1 minute to the gentleman from Missouri (Mr. SYMINGTON).

Mr. SYMINGTON. I thank the chairman for yielding and I thank the distinguished chairman of the subcommittee for giving us the proper historical perspective on the matter before us today. Just as the river links north and south, so it was Robert E. Lee who was one of the first engineers along the Mississippi, and Abe Lincoln who said:

> The father of waters rolls unvexed to the sea.

Both knew the importance of the great Mississippi to American trade and commerce.

Mr. Speaker, we want to get America moving again along all its great natural arteries. We want to get traffic moving on this river so we can transport our agricultural and other bulk commodities at competitive prices, food at the American table, and more competitive sales abroad. That is what this is all about. There is plenty of traffic for the railroads to handle. The trains and barges are a team in harness. They should pull together not separately. The country needs a healthy, cooperative team, not a bickering one. In the meantime, both must live within the environmental constraints imposed by law and commonsense.

So I hope the motion will be approved and the amendment preserved.

Mr. MAHON. I yield 2 minutes to the gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. Mr. Speaker, I have here a letter which I think gives some pretty good comments to the House. It is signed by the chairman of the Public Works Committee and I will read it for the Members:

> MAY 6, 1975.
>
> Hon. JOE L. EVINS,
> *U.S. House of Representatives,*
> *Washington, D.C.*
>
> DEAR JOE: I am writing you with regard to the Locks and Dam No. 26 project on the Mississippi River at Alton, Illinois.
>
> This project is one which concerns each of us and our Committees to a great extent. It has been the subject of much discussion since it has been stopped by court action and much effort has been made to find a suitable means of continuing the project. While a preliminary injunction against construction of the project has been issued by the court, the trial on the merits has been postponed while the Department of the Army seeks clarification from the Congress of its authority to construct the project. In this connection the Secretary of the Army has written our Committee that he intends to submit to us a report on the project this fall for the purpose of obtaining this clarification. Although legislation has been introduced and referred to us which would confirm the Army's authority to construct the project, it is our intention to wait until we receive the report of the Secretary and then to hold hearings on the project in connection with the Water Resources Development Act which we expect to have under consideration at that time.
>
> At the same time, there has been considerable discussion concerning the possibility of confirming the authorization of the project in the upcoming Public Works Appropriations bill. I have given this suggestion much careful thought, and I must say that I am concerned that such a procedure would not only be unproductive, it could well be counterproductive. It would be unproductive for the reason that the court has halted construction on the project essentially for two reasons: (1) That the 1909 River and Harbor Act (35 Stat. 818; 33 U.S.C. 5) authorizing replacement of deteriorated structures does not apply here because what is involved is much more than a simple replacement, and (2) the Environmental Impact Statement is inadequate.
>
> Even if the Congress were to act immediately to specifically authorize this project, the problem of the Environmental Impact Statement would still be before the court and could not be expected to be resolved until the new statement is completed later this fall. In this connection I might point out that if we wait until the Secretary of the Army's report is submitted to the Congress together with the Environmental Impact Statement and assuming the report justifies authorization of the project, any congressional action which then occurs will be done in the light of this final impact statement and will, therefore, be much less subject to a court challenge. I am not aware of any projects which have been halted by legal action where those projects had been authorized by the Congress after consideration of a final Environmental Impact Statement.
>
> I fear that authorization through the appropriations process could also be counterproductive in the sense that it would appear, and it would be alleged by critics of the water resources program, that in a difficult situation the Corps of Engineers and the Congress were taking the easy way out and using a "back-door" method of project authorization. This would adversely affect the entire water resources program.
>
> I would note also that while many speak in terms of the consent of Congress to this project being the central issue, this is not, strictly speaking, the case. More accurately, the basic legal question involved is whether the Secretary of the Army and the Corps of Engineers have complied with the provisions of the 1909 Act or whether the proposed Locks and Dam 26 project requires the specific authorization of the Congress. I feel that the court is correct in its conclusion that the 1909 Act does not provide sufficient authority to build this project, although I might well differ with some of the court's reasoning in arriving at that conclusion.
>
> In view of all of these matters I would request that you give serious consideration to the points I have made. I wish to express my deep appreciation for the consideration you have shown our Committee in the past in matters involving project authorizations. I feel that the relationship between our Committee and your Subcommittee has been and will continue to be a most beneficial one. I am hopeful that in this case the attempt to authorize this project through the appropriations procedure will not be made and that consideration of the project for authorization can proceed in the traditional manner.
>
> My kindest personal regards.
>
> Sincerely,
>
> ——— ———.

Mr. Speaker, we have before us several statements which show that the environmentalists are concerned and opposed and which show the railroad people are concerned and opposed.

The Public Works Committee have given serious warnings to the proponents of these projects.

But the Senate as is their usual custom, has calmly added a large amount of money to the proposals, which have not been dealt with by the House.

I think this should be rejected until there has been careful consideration by the House.

Mr. MAHON. Mr. Speaker, I yield such time as he may consume to the gentleman from Alabama (Mr. JONES).

Mr. JONES of Alabama. Mr. Speaker, subsequently to the letter which the gentleman from Michigan has referred to, the project has had careful consideration by the Public Works Committee legal staff. After review of the acts of 1905 and 1909 and subsequent acts, we have found the language contained in the original act would be contrary to the conclusions that were in the letter.

Not at the time of the preparation of that letter did we realize that it would be necessary for a statement or clearance for the Environmental Protection Agency to be obtained, thinking at the time that the only requirement would be the prohibitions that were placed in the bill as to the legal consequence of the initial authorization.

Now that the language contained in the appropriation bill goes to the original authorization and is not contrary to the decision that was reached by the legal staff of the Senate Appropriations Committee, we had the reconsideration.

That was reached by the staff of the Senate Appropriations Committee. We had to reconsider.

Now, the question has been raised as to whether or not it would be put off by the chairman. I see no necessity for any restrictions on the 12-foot channel from the Monongahela to the Mississippi. The authorized project is 9 feet.

To build a 12-foot channel would require a new authorization. It is not contemplated in the appropriations bill that there would be a 12-foot channel and to dissuade those who have the apprehension or the notion that there would be a 12-foot channel, the committee has written in the language to make it perfectly clear and understandable that there would not be a trespass upon the existing law.

Mr. MAHON. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri (Mr. HUNGATE).

Mr. HUNGATE. Mr. Speaker, if someone would like to see the gentleman who has the dam in this district, look here. I am disappointed. The gentleman from Illinois said some feel strongly about this. I do not feel strongly about this. Some feel strongly about this. I think it is a good idea, and necessary. I am disappointed that my colleague from Illinois would oppose a dam in my district. I would be willing to dam his district at any time.

The logic of his argument disappoints me that this is the first step. He asserts the 12-foot channel is next. It says nothing in here about having a 12-foot channel. If the gentleman from Cook County accepts that logic, he can go on to say that if you outlaw Saturday Night Specials, next you will outlaw all handguns, then outlaw all long guns and require that all guns be registered, next confiscate all guns. Register Communists—not guns.

Mr. MIKVA. Mr. Speaker, will the gentleman yield?

Mr. HUNGATE. I have two more jokes.

My friends, this is a wedding between the railroads and the environmentalists. I am not opposed to mixed marriages, but this is unusual and I want everybody to know that.

While talking about that 12-foot channel and the dam—you know that while you always find a dam by a millsite—you do not always find a mill by a damn sight. We must repair this lock—built in 1938. The traffic going north from St. Louis to St. Paul uses this dam annually for 50 million tons of cargo, including 40 percent energy producing fuels going up there. If the lock goes out the Illinois River traffic entering the Mississippi just north of the lock will be blocked. If this collapses and we do not build it, we will have trouble.

Mr. JONES of Alabama. Mr. Speaker, will the gentleman yield?

Mr. HUNGATE. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. Mr. Speaker, the gentleman from Illinois, from Chicago, is quite concerned. One of the chief beneficiaries of the settlement of this locks and dam 26 will be the shippers that go up the Illinois Waterway to Chicago to transport their heavy goods and ware.

Mr. MIKVA. Mr. Speaker, will the gentleman from Missouri yield for a question?

Mr. HUNGATE. I yield to the gentleman.

Mr. MIKVA. The gentleman from Tennessee does not know my district and sometimes I do not know my district; but since the gentleman from Missouri offered to dam my district, would the gentleman dam whatever district I have?

Mr. HUNGATE. Mr. Speaker, I yield back the balance of my time.

Mr. MAHON. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Speaker, this lock and dam involve not only the district of my witty colleague, the gentleman from Missouri (Mr. HUNGATE), but also my own district.

Mr. Speaker, I rise to support the compromise language in the conference report. The discussion here, I think, has left some confusion. Environmental considerations are not a part of this issue whatever. The court held on two points, one was the question of whether or not the Congress had given consent to construction; and secondly, whether environmental requirements had been met. The Congress has already spoken on environmental considerations. This lock and dam cannot be built until the environmental impact requirements are fully met.

There is also a question about hearings. Each of the last 6 years the Subcommittee of the Committee on Appropriations has taken up requests for money for this project. I am impressed with the diligence of the Committee on Appropriations. I am sure that each one of these six times hearings occurred where any witness could have been heard in regard to the lock and dam.

The need for this conference report language is set forth very clearly in a statement of Judge Ritchie of the Federal Court and I would like to read his words, so that all will understand why we have this before us.

The judge said:

> I now believe that my best course of action will be to seek from the Congress a reaffirmation—a reaffirmation—or clarification of the authority of the Secretary of the Army prior to proceeding with construction of locks and dam 26. Accordingly, the Corps of Engineers will not conduct or undertake any construction activity in connection with locks and dam 26 until the matter has been presented to Congress for reaffirmation or clarification of the authority of the Secretary of the Army to proceed with the project.

That is all that is involved here. The 12-foot channel is not involved. The question of user fees is not involved. The question of cost is, however. Even though no money is in this conference report, there is no question but what a further delay in the construction of the lock and dam will increase the cost 15 percent, 20 percent, 25 percent.

If the Members want a bargain, approve the language which is in the conference report.

Mr. Speaker, today, at long last, the controversy over Alton Lock and Dam 26 hopefully will be laid to rest. The conference report on the Supplemental Appropriations bill contains language similar to my bill, H.R. 3842, specifically authorizing construction of this important project. For months past, construction on the project has been at a standstill because a Federal judge in Washington feels that Congress has not acted properly to authorize the project. Regardless of the merits of the judge's argument, today's action erases any doubt of Congressional support and authorization for Alton Lock and Dam 26.

This new facility is tremendously important to transportation on the largest water transportation system in the world. Alton, Ill., lies just below the confluence of the Mississippi and Illinois River. It is a vital link in the transportation system which brings oil and coal up to the Northern States and takes grain and other farm products down to Gulf ports for shipment abroad. Today it is a bottleneck, due to the small, inadequate lock. The new Lock and Dam 26 will eliminate the bottleneck and insure the free flow of energy and food to America's Midwest and the world.

To the people of Alton, Ill., and the surrounding area, this project has special significance. Unemployment is high in this area. Families desperately need jobs if they are to meet expenses. The more than $20 million in construction funds which has been held up by the court order can now be made available to begin construction as soon as the environmental impact statement has been filed. This money will create jobs and hopefully be a boon to the people of Alton. In a recent meeting with local union members in Alton, support for the immediate construction of this project was virtually unanimous.

I commend the committee members for including this supportive language in the supplemental.

Mr. MAHON. Mr. Speaker, a vote of aye on this motion is a vote to sustain the Appropriations Committee and the subcommittee headed by the gentleman from Tennessee (Mr. EVINS).

Mr. Speaker, I move the previous question on the motion.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the motion.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. MIKVA. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic de-

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vice, and there were— yeas 168, nays 179, not voting 86, as follows:

[Roll No. 243]

YEAS—168

Abdnor
Addabbo
Alexander
Ambro
Andrews, N.C.
Ashbrook
Baldus
Beard, R.I.
Beard, Tenn.
Bennett
Bergland
Bevill
Boland
Bolling
Breaux
Breckinridge
Brinkley
Brown, Ohio
Broyhill
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Carney
Carter
Chappell
Cleveland
Cochran
Collins, Tex.
Corman
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Downing
Edwards, Ala.
Eilberg
English
Erlenborn
Eshleman
Evans, Colo.
Evins, Tenn.
Findley
Fithian
Flood
Flowers
Foley
Ford, Tenn.
Fountain
Frenzel
Gaydos
Giaimo
Gibbons
Ginn
Gonzalez
Grassley
Guyer
Hagedorn
Haley
Hammerschmidt
Hanley
Harris
Harsha
Hébert
Heinz
Henderson
Hicks
Hightower
Hillis
Holland
Howard
Hungate
Ichord
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jordan
Kazen
Kelly
Kindness
LaFalce
Latta
Leggett
Litton
Long, La.
McClory
McCormack
McDade
McEwen
McFall
McKay
Madden
Mahon
Mann
Martin
Mathis
Mazzoli
Milford
Miller, Ohio
Mills
Mink
Montgomery
Moore
Morgan
Murphy, N.Y.
Myers, Ind.
Natcher
Nichols
Nix
Nowak
Oberstar
O'Neill
Passman
Pepper
Perkins
Pickle
Poage
Preyer
Price
Quie
Randall
Rhodes
Risenhoover
Roberts
Robinson
Runnels
Russo
Ryan
Sarbanes
Satterfield
Sebelius
Shipley
Shuster
Sikes
Simon
Skubitz
Smith, Iowa
Snyder
Staggers
Stanton, James V.
Steed
Steiger, Ariz.
Stratton
Stuckey
Symington
Taylor, N.C.
Thornton
Traxler
Treen
Vigorito
Waggonner
Wampler
White
Whitehurst
Whitten
Winn
Wright
Yatron
Young, Ga.
Young, Tex.
Zeferetti
Mottl
Murphy, Ill.
Myers, Pa.
Nedzi
Obey
O'Brien
O'Hara
Ottinger
Patterson, Calif.
Pattison, N.Y.
Pettis
Pike
Quillen
Rees
Regula
Reuss
Riegle
Rinaldo
Roe
Roncallo
Rooney
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Santini
Sarasin
Scheuer
Schroeder
Schulze
Seiberling
Sharp
Smith, Nebr.
Solarz
Spellman
Spence
Stark
Steelman
Steiger, Wis.
Stokes
Studds
Symms
Taylor, Mo.
Thompson
Thone
Tsongas
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Walsh
Waxman
Weaver
Whalen
Wiggins
Wirth
Wydler
Wylie
Yates
Zablocki

NAYS—179

Abzug
Anderson, Calif.
Annunzio
Archer
Armstrong
Ashley
Aspin
AuCoin
Badillo
Bafalis
Bauman
Bedell
Bell
Biaggi
Biester
Bingham
Blanchard
Blouin
Bonker
Brademas
Brodhead
Brown, Calif.
Brown, Mich.
Buchanan
Burton, John
Butler
Byron
Carr
Cederberg
Chisholm
Cohen
Collins, Ill.
Conlan
Conte
Cornell
Coughlin
Crane
D'Amours
Dellums
Derrick
Derwinski
Devine
Dingell
Dodd
Downey
Drinan
Duncan, Tenn.
Early
Edgar
Edwards, Calif.
Emery
Esch
Evans, Ind.
Fenwick
Fish
Fisher
Ford, Mich.
Forsythe
Fraser
Gilman
Goldwater
Goodling
Gradison
Green
Gude
Hall
Hamilton
Hansen
Harkin
Hastings
Hawkins
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Holt
Holtzman
Horton
Howe
Hubbard
Hughes
Hutchinson
Hyde
Jacobs
Jarman
Jeffords
Jones, Tenn.
Karth
Kasten
Kastenmeier
Kemp
Keys
Koch
Krebs
Lehman
Levitas
Lloyd, Calif.
Lloyd, Tenn.
McCollister
McDonald
McHugh
Macdonald
Maguire
Meeds
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Moorhead, Calif.
Moorhead, Pa.
Moss

NOT VOTING—86

Adams
Anderson, Ill.
Andrews, N. Dak.
Barrett
Baucus
Boggs
Bowen
Brooks
Broomfield
Burke, Calif.
Burton, Phillip
Casey
Clancy
Clausen, Don H.
Clawson, Del
Clay
Conable
Conyers
Cotter
Dent
Dickinson
Diggs
Duncan, Oreg.
du Pont
Eckhardt
Fascell
Florio
Flynt
Frey
Fulton
Fuqua
Hannaford
Harrington
Hays, Ohio
Hinshaw
Johnson, Pa.
Ketchum
Krueger
Lagomarsino
Landrum
Lent
Long, Md.
Lott
Lujan
McCloskey
McKinney
Madigan
Matsunaga
Melcher
Michel
Mitchell, Md.
Mollohan
Mosher
Murtha
Neal
Nolan
Patman, Tex.
Patten, N.J.
Peyser
Pressler
Pritchard
Railsback
Rangel
Richmond
Rodino
Rogers
Rose
Ruppe
St Germain
Schneebeli
Shriver
Sisk
Slack
Stanton, J. William
Stephens
Sullivan
Talcott
Teague
Udall
Ullman
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wolff
Young, Alaska
Young, Fla.

So the motion was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Mollohan for, with Mr. Michel against.
Mrs. Boggs for, with Mr. Baucus against.
Mr. Brooks for, with Mr. Diggs against.
Mr. Casey for, with Mr. Mitchell of Maryland against.
Mr. Dent for, with Mr. Rangel against.
Mr. Fulton for, with Mr. Richmond against.
Mr. Patman for, with Mr. Clay against.
Mr. Teague for, with Mr. Conyers against.
Mr. Cotter for, with Mr. Phillip Burton against.
Mr. Bowen for, with Mrs. Burke of California against.

Until further notice:

Mr. Florio with Mr. Broomfield.
Mr. Landrum with Mr. Ruppe.
Mr. Adams with Mr. Anderson of Illinois.
Mr. Fascell with Mr. Dickinson.
Mr. Rodino with Mr. Frey.
Mrs. Sullivan with Mr. Clancy.
Mr. Udall with Mr. Hinshaw.
Mr. Flynt with Mr. Mosher.
Mr. Wolff with Mr. du Pont.
Mr. Barrett with Mr. Andrews of North Dakota.
Mr. Duncan of Oregon with Mr. Lent.
Mr. Fuqua with Mr. Don H. Clausen.
Mr. Hays of Ohio with Mr. Lott.
Mr. Rogers with Mr. Johnson of Pennsylvania.
Mr. Eckhardt with Mr. Krueger.
Mr. St Germain with Mr. Madigan.
Mr. Hannaford with Mr. Del Clawson.
Mr. Rose with Mr. Lagomarsino.
Mr. Stephens with Mr. McKinney.
Mr. Harrington with Mr. Conable.
Mr. Ullman with Mr. Peyser.
Mr. Charles H. Wilson of California with Mr. Ketchum.
Mr. Long of Maryland with Mr. Railsback.
Mr. Matsunaga with Mr. Lujan.
Mr. Neal with Mr. McCloskey.
Mr. Nolan with Mr. Pressler.
Mr. Melcher with Mr. Pritchard.
Mr. Patten with Mr. Schneebeli.
Mr. Sisk with Mr. Shriver.
Mr. Slack with Mr. Talcott.
Mr. Charles Wilson of Texas with Mr. Young of Alaska.
Mr. Young of Florida with Mr. Bob Wilson.

The result of the vote was announced as above recorded.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House insist on its disagreement to the amendment of the Senate No. 83.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 88: On page 29, line 19, insert:

ACQUISITION, OPERATION, AND MAINTENANCE OF BUILDINGS ABROAD

(SPECIAL FOREIGN CURRENCY PROGRAM)

For an additional amount for "Acquisition, operation, and maintenance of buildings abroad (special foreign currency program)", $7,000,000, to remain available until expended: *Provided*, That this appropriation shall be available only upon the enactment into law of H.R. 4510 or equivalent legislation.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion and, pending the reading of that motion, I ask for recognition.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreeemnt to the amendment of the Senate numbered 88 and concur therein.

Mr. MAHON. Mr. Speaker, I have a motion pending.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. MAHON).

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 90: Page 31, line 3, insert:

CONTRIBUTIONS FOR INTERNATIONAL PEACE-KEEPING ACTIVITIES

For payments, not otherwise provided for, by the United States to meet expenses of the United Nations Emergency Force and the United Nations Disengagement and Observer Force in the Middle East, $28,837,000, notwithstanding the limitation in Public Law 92–544 (86 Stat. 1110): *Provided*, That this appropriation shall be available only upon enactment into law of authorizing legislation.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 90 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 95: Page 33, line 19, insert: ", to remain available until August 31, 1975".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 95 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 96: Page 33, line 19, insert: ": *Provided*, That an additional $10,000,000 previously appropriated for "salaries and expenses, Law Enforcement Assistance Administration" shall remain available until December 31, 1975, to carry out title II of the Juvenile Justice and Delinquency Prevention Act and to be used only for administrative expenses, including personnel State planning costs and special emphasis and treatment programs."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 96 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 98: Page 35, line 1, insert:

FISHERMEN'S GUARANTY FUND

For an additional amount for the 'Fishermen's Guaranty Fund', $1,910,000 to remain available until expended.

OFFSHORE SHRIMP FISHERIES FUND

For expenses necessary to carry out the provisions of the Offshore Shrimp Fisheries Act of 1973, $230,000 to remain available until expended.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 98 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 100: Page 37, line 8, insert:

DEPARTMENT OF THE TREASURY
BUREAU OF ACCOUNTS

FISHERMEN'S PROTECTIVE FUND

For payment to the "Fishermen's Protective Fund", in accordance with section 5 of Public Law 92–569 approved October 26, 1972, $3,000,000, to remain available until expended.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 100 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 103: Page 38, line 4, insert:

FEDERAL AVIATION ADMINISTRATION

OPERATION AND MAINTENANCE, NATIONAL CAPITAL AIRPORTS

For an additional amount for "Operation and maintenance, national capital airports", $850,000 to be derived by transfer from the appropriation for "Civil supersonic aircraft development".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 103 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 104: Page 38, line 14, insert: ", to remain available until expended."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 104 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 106: Page 39, line 11, strike out: "$74,725,000" and insert "$77,725,000,".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 106 and concur therein with an amendment, as follows: In lieu of the sum inserted by said amendment insert: "$76,225,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 107: Page 39, line 15, insert:

RAIL TRANSPORTATION IMPROVEMENT AND EMPLOYMENT

For payment of financial assistance to assist railroads by providing funds for repairing, rehabilitating, and improving railroad roadbeds and facilities, $700,000,000 of which not to exceed $7,000,000 shall be available for administrative expenses of the Secretary to remain available until December 31, 1976: *Provided, however*, That these funds shall be available only upon enactment of authorizing legislation.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House insist on its disagreement to the amendment of the Senate No. 107.

PREFERENTIAL MOTION OFFERED BY MR. CONTE

Mr. CONTE. Mr. Speaker, I offer a preferential motion.

The Clerk read as follows:

Mr. CONTE moves that the House recede from disagreement to Senate amendment No. 107 and recede and concur therein.

The SPEAKER. Does the gentleman from Texas desire to be heard?

Mr. MAHON. Yes, Mr. Speaker.

Mr. Speaker, we come now to the following amendment which was added in the Senate, which was opposed by the House, and which was brought back in disagreement. The amendment in the Senate is as follows:

RAIL TRANSPORTATION IMPROVEMENT AND EMPLOYMENT

For payment of financial assistance to assist railroads by providing funds for repairing, rehabilitating, and improving railroad roadbeds and facilities, $700,000,000 of which not to exceed $70,000,000 shall be available for administrative expenses of the Secretary to remain available until December 31, 1976: *Provided, however*, That these funds shall be available only upon enactment of authorizing legislation.

This is the identical amendment that was added to the Emergency Employment Appropriation bill. The amendment was brought back in disagreement, I will say to my colleagues. We had extensive debate on the amendment of the Senate, and the House voted against including funds for rehabilitation of railroads where there had been no authorization for such program, no safeguards had been established, and no hearings had been held by the proper committee of the House. The matter was argued extensively, and I do not see any reason for great additional argument about this matter at this time because we voted upon the matter so recently. The motion which I made at that time to strike the money was carried by the House by a vote of 253 to 141. I would assume that Members will vote today as they voted before and vote down the motion to appropriate $700 million which has not been authorized for a program for which we do not know what the characteristics and conditions might be for rehabilitation of the railroads. It is admitted the railroads are in difficulty and action must be taken to do something about it.

Mr. Speaker, I yield to the chairman of the subcommittee, the gentleman from Pennsylvania, who is handling the authorization on this subject.

Mr. ROONEY. Mr. Speaker, I thank the chairman for yielding.

I certainly share the gentleman's concern about actually protecting the taxpayers as far as this House granting this appropriation. As I said last week on the floor of this House, I am going to hold hearings on this very specific subject beginning on June 23 and continuing on June 24 and 25.

Last week we were talking about $200 million, and now we are talking about $700 million.

Frankly, Mr. Speaker, this will not even begin to solve the problems of the railroads in the Northeast Corridor of this country. Certainly all of us are concerned about having a viable railroad

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system in this country. But at the same time we would like to make sure where our taxpayers' dollars are going. We want to put people back to work but we do not want to put $700 million into the railroads which are making a profit when it is needed in such places as the bankrupt railroads, in the Northeast and the Rock Island.

Mr. CONTE. Mr. Speaker, as I said earlier today, this was one of the most controversial issues in the conference. We fought it very hard. I have never seen the senior Senator from Arkansas (Senator McClellan) so upset, and he promised me that today he will make a speech over his concern about the obstinate way that the House acted on this legislation.

First of all let me tell the Members there were some misconceptions here when I tried to get this scaled down to $200 million last week. The misconception was that this was for the Northeast railroads.

Now, let me make it absolutely clear, this is for all railroads who are in trouble all over the United States.

Senator McClellan is worried about the Rock Island Railroad. Senator Birch Bayh fought very hard in the committee for this. He is from Indiana.

Now, this is going to help all the railroads that are in serious trouble.

This will take care of 31,045 laid-off railroad workers for 15 months. Do not let them tell us about raking leaves.

We have hard evidence—hard evidence by Mr. Asaph Hall, the Acting Director of the Federal Railroad Administration, that this will put back to work 31,045 laid-off railroad workers for 15 months.

Now, they talk about that we are going to give this to rich railroads to pay dividends. They are going to use every red herring they can. Nothing is going to be done—nothing, until the gentleman from Pennsylvania passes out authorizing legislation. Do not let anyone mislead you.

Finally, let me say that the dissent among my colleagues in the conference was not against the substantive matter of this amendment, but the fact that there was no existing authorization.

The objection was made even though the amendment provides that the funds "shall be available only upon enactment of authorizing legislation." Recently, in the Emergency Employment Appropriations Act of 1975 (H.R. 4481), I attempted a $200 million compromise. The objection was the same. Now I find that the House has receded on amendments numbered 88 and 90 in this bill. Notice that the appropriations in each amendment are qualified so that funds will be available only upon enactment of authorizing legislation. What is the purpose of this inconsistency? Why should we relax our conviction on requiring preceding authorization on two amendments, which contain substantial funding, and then take an about face in the same bill and pass up the opportunity to put every unemployed railroad worker back on the job and off the welfare rolls in another amendment?

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Pennsylvania.

Mr. ROONEY. Mr. Speaker, if the gentleman is concerned about authorization, we are going to get authorization. We are going to come out with a bill. Why is the gentleman putting the cart before the horse? Why is the gentleman appropriating? I do not like to say this to the gentleman from Massachusetts, but this gentleman from Pennsylvania has no desire to run for the Senate of the United States.

Mr. CONTE. Mr. Speaker, the gentleman knows what I am talking about. There are some jealousies in his committee among ambitious people. I am sorry that poor unemployed railroad workers are suffering because of that.

The gentleman asks why am I doing this? I will be glad to tell the gentleman. The gentleman is not going to hold hearings until June 23, 24 or 25, and lo and behold, we are off for another vacation over the 4th of July for 10 days and then we come back and we go into conference with the Senate. Then we get a month's vacation in August; so we may not get any real legislation until September. Then we are going to have appropriations hearings in the House. We are going to have appropriation hearings in the Senate and then have a conference; so what we are doing is delaying this by a whole year. That means one whole year that 31,045 workers are going to be out of work.

All I am trying to do is help the gentleman from Pennsylvania, not take anything away from him; no glory or anything else. He has the bill and the minute he passes the bill the money will be right there, the initial funding will be there to start hiring these people.

This is very logical. It is very simple. I do not know why it was not passed before. I just want to put these people back to work.

The gentleman from Pennsylvania wishes recognition.

Mr. HEINZ. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman.

Mr. HEINZ. Mr. Speaker, I want to compliment the gentleman from Massachusetts, as I did the other night on this legislation.

I think the point is that we need to put people to work. For those who say that this legislation enriches the shareholders and stockholders, I would trust that the Transportation Subcommittee would adopt legislation, such as H.R. 4622, which prevents that kind of profiteering by requiring that in the event of sale, lease or transfer of an asset, that the Federal Government recover its investment.

I would add only that this kind of legislation is endorsed by the AFL–CIO, not somebody who goes around bailing out shareholders; by the Association of American Railroads, perhaps they have an interest; the United Transportation Union, who cares about their employees first; the United Steel Workers of America, who as I think the gentleman knows are not going to benefit one dime from this, and of all people, the American Federation of State, County and Municipal Employees.

So to those who say that this is a giveaway, I say they have not thought through the legislation.

Mr. Speaker, I commend the gentleman from Massachusetts on his amendment and certainly urge its adoption.

Mr. SHUSTER. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to my friend, the gentleman from Pennsylvania (Mr. Shuster).

Mr. SHUSTER. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, I would point out that although there have not been hearings held on this specific issue, there have been extensive studies and hearings held on the overall railroad question. Indeed, we have in our possession the preliminary system plan from USRA and nobody—nobody in this Congress or nobody in the administration that I am aware of has disputed the fact, the hard fact, that there are 43,000 miles of railroad trackage in this country which need rehabilitating, and that the cost is going to be over $2.1 billion.

For us to take one small step in the right direction to begin this job with $700 million is not going to upset any overall, long term plan which has been developed and is being reviewed by the Interstate and Foreign Commerce Committee. Rather, this is a step in the right direction.

Just how important is it that we rehabilitate the railroad tracks? Let me share with the Members a few of the examples given by the U.S. Railroad Association as to what it means in this country for us to have the poor trackage which we have today. They have pointed out that the result of the poor trackage is increased cost resulting from derailments; increased day to day basic maintenance costs; increased train and engine construction costs; increased per diem payments and lost revenue to the railroads.

Until we begin to refurbish the railroad tracks, we are going to have continuing deterioration in America's railroad system. If there is any way we should spend our money—and it was this body that voted to spend $500 million on Vietnamese refugees just a few days ago—if there is any way we should spend our money, it is to refurbish America's railroads and create real American jobs.

Mr. Speaker, I urge support of this action.

Mr. KAZEN. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Texas.

Mr. KAZEN. Mr. Speaker, I just want to take the needle to the gentleman from Massachusetts. I understand he is interested in getting people work, yet the other day he voted against an amendment trying to preserve some jobs for people who are already working and knocking them out of work, when we offered our amendment for civilian personnel in the defense bill.

Mr. KINDNESS. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Ohio.

Mr. KINDNESS. Mr. Speaker, I have one question. Last week, when the amendment dealt with $200 million, the figure of 30,000 people being employed was represented to us. I believe today the figure represented is 31,000 people employed for the 15 month period and the $700 million figure. Could the gentleman reconcile those figures?

Mr. CONTE. This was the 31,045 jobs as of May 1, 1975, to return to work on these projects for a minimum of 15 months. Those were the figures Mr. Asaph Hall, Acting Administrator of the Federal Railroad Administration, gave.

What we are trying to do is two things: One, we are trying to create jobs, trying to get the unemployed back to work. Second, what we are trying to do is to repair our dilapidated, worn out railroad beds in this country.

Mr. Speaker, with regard to the gentleman who handled this bill, I voted against the amendment. If he had put in his amendment provision for 30,000 more employees for the railroads, I would have voted for it.

Mr. MYERS of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Pennsylvania.

Mr. MYERS of Pennsylvania. Mr. Speaker, if this is a program to do some improvement, is it not too narrowly targeted to one industry, or is it the thought behind it that people other than those who are already employed by railroads will be involved in this program?

Mr. CONTE. We have passed some other programs, as the gentleman knows. We have already passed billions of dollars for public service jobs. That was one of my arguments. That is like pouring corn down a rathole.

When this thing is all over with and we have spent billions and billions of dollars for public service jobs—and the gentleman should keep in mind that there have been all kinds of abuses about where mayors have hired their brothers, their sisters, their relatives and have committed all kinds of nepotism.

When this is all over with and the recession is all over, what have we got as a result of public service jobs? We have nothing. Here, at least, we have done something good. We have repaired the railroad beds which are needed by this country.

Mr. HEINZ. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Pennsylvania.

Mr. HEINZ. Mr. Speaker, I join in the colloquy conducted by my good friend from Pennsylvania (Mr. Shuster).

To further answer the gentleman's question, the legislation we are talking about provides money, I believe, only for employment.

The money we are talking about provides money, I believe, only for employment. Employment only. It does not provide money for the purchase of equipment, for the purchase of rolling stock, for the purchase of rails. Grants for employment only require that the railroads, in order to utilize money under any sensible legislation, must purchase steel rails, ties, rocks. They must purchase machinery because track-laying in many instances is automated. And, in fact, the estimates that I have seen indicate that railroads must necessarily spend of their own money for the purchase of materiel $2 for every $1 they would receive under employment money such as this.

The result is that that puts people to work in the gentleman's own district. Sharon Steel, and the like, will produce steel, and foundries throughout this Nation, producing the equipment, machinery, and materiel needed.

Mr. MYERS of Pennsylvania. Mr. Speaker, will the gentleman yield further?

Mr. CONTE. I will yield to the gentleman.

Mr. MYERS of Pennsylvania. Mr. Speaker, I would like to say that I do not disagree with what was said either by the gentleman from Pennsylvania or the gentleman from Massachusetts, and particularly the comparison between this type of project and public service.

If the Members look at the record of my votes, I did not vote for those public service jobs. My concern is this: Part of that attitude that has been communicated in the discussion about this bill is that it will relieve unemployment across the board. The only thing I am trying to get at is this: Are we not talking about reemploying persons who are already employees of the railroad companies? The gentleman is not proposing that this legislation will mandate the railroad companies picking up other persons; is that correct?

Mr. CONTE. If I were writing legislation—the gentleman from Pennsylvania (Mr. Rooney) will be writing legislation, and they will set down the guidelines—I would first of all reemploy all of the railroad workers. The railroads, as the Members know, have networks all over the United States and in every city and town. I would put them back to work.

Mr. OBERSTAR. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I will yield to the gentleman from Minnesota.

Mr. OBERSTAR. Mr. Speaker, are these funds restricted to any geographical area or will they be available anywhere in the United States?

Mr. CONTE. Definitely. There are hundreds of them here, all over the United States, yes.

Senator McClellan, in committee, was interested in the Rock Island. That is why he fought so hard for the amendment.

Mr. OBERSTAR. If the gentleman will yield further, virtually 50 percent of the passenger service in the Eighth District of Minnesota has been discontinued. If those funds are made available for that, then I will be glad to support it.

Mr. MAHON. Mr. Speaker, I hope to move the previous question in a few moments on the pending motion.

This is an effort to provide a handout of $700 million to the railroads. A handout properly supervised might be the thing to do. It is unthinkable that we would vote for a $700 million handout to railroads when we do not know under what conditions the money would be made available to the railroads, because the committee of jurisdiction has not had a hearing, and the House of Representatives has not considered or passed a bill authorizing a railroad program.

So to just blindfold the Congress and provide $700 million in this kind of a handout would, to me, just be unthinkable. It would appear to be irresponsible. We voted on this same issue about a week ago, and we expressed our interest in transportation, in a viable railroad system, but we voted 253 to 141 against the Conte amendment for $200 million.

If we were against the $200 million by a vote of 253 to 141, we are certainly against providing this $700 million pot of Federal money which we would have to borrow for programs when we do not know the nature of what we would have.

Therefore, Mr. Speaker, I urge that the Members vote against the motion of the gentleman from Massachusetts (Mr. Conte). I urge that we vote no at this time. Then, when we have an authorization bill, the Committee on Appropriations will recommend whatever funds seem to be required under the legislation approved by the Congress.

Mr. Speaker, I urge a "no" vote on the Conte motion and that we omit this $700 million from the spending program of the Government for the present time, especially in view of the fact that there is no authorization for it.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. MAHON. Yes, I yield to the gentleman from Pennsylvania.

Mr. ROONEY. Mr. Speaker, I want to assure the gentleman that on June 23, 24, and 25 we will hold hearings and will come back with an authorization that is going to protect the American taxpayer's dollars.

Mr. MAHON. Mr. Speaker, I thank the gentleman very much. That is the only way to do it.

Mr. Speaker, I move the previous question on the preferential motion.

Mr. PICKLE. Mr. Speaker, no one questions that additional moneys are needed to upgrade our railroads. Sometimes I think the Northeast feel that the railroad problem is uniquely their pain and pleasure.

The Southwest has been belatedly abused in the operation of the Amtrak system. The Inter-Mexican run that connects Mexico with the United States has been given poor equipment, poor service, poor scheduling, and poor speed. The route snakes through Texas, so much so, that we have usually not made connections with the Mexican train. People are becoming disgusted, and I do not blame them.

Last fall I asked the special subcommittee of the House Commerce Committee to look into the operation of the Inter-Mexican run. That staff report has been made available, and it is a scathing indictment of the inconsiderate manner that Amtrak has operated. I am asking that this staff report be printed in the Record.

Recently several Congressmen affected by the Inter-Mexican run met with the new Amtrak president, Mr. Paul Reistrup and informed him of these problems again and asked that he give undivided attention to this train. He has promised to do so, and to try within a few weeks to correct many of these defects.

This staff report is as follows:

Staff Report on Inter-American Run, Investigations

Following is a report on a review of the operations of the Amtrak train "The Inter-American." The purpose of this review was to evaluate numerous criticisms of the train's operations expressed by a number of Congressmen and several other interested parties and organizations.

The Inter-American was inaugurated in compliance with a Congressional mandate on January 27, 1973 between Fort Worth and Laredo. The route was extended from Fort Worth to St. Louis on March 13, 1974, when previously impounded funds became available.

The review disclosed that Amtrak violated the spirit, if not the letter, of the Congressional intent by diverting funds earmarked in the appropriation for this train to other purposes. Congress appropriated $4.5 million for this train but a total of only $2.5 was used for start-up and capital costs and will be needed to cover the expected first year's operational loss. The remaining $2 million should be expended by improve the service of this train rather than for other purposes.

The primary purposes of initiating the Inter-American are not being fulfilled. The service between intermediate points on the route is inadequate. Also, the southbound train fails to connect with the Mexican train and the northbound train fails to connect with the westbound Amtrak train at St. Louis.

The principle cause for these deficiencies is the train's failure to travel at reasonably high speeds. Unfortunately, unduly restrictive speed limits have been imposed for most of the route. These speed limits are less than those in effect immediately prior to when Amtrak commenced operations. They are also less than permitted by the Federal Railroad Administration for these tracks.

There are no legal, technical or practical reasons for the Inter-American to travel at reduced speeds. Although Amtrak is aware that the speeds presently permitted are lower than necessary under present track conditions and is aware of the need for accelerated speeds, it has taken no action to have the speed limits increased. The Act includes a provision whereby Amtrak may request the Secretary of Transportation to order accelerated speeds for trains in those instances where a railroad refuses to permit such accelerated speeds. To date, however, over one year since enactment, Amtrak has not attempted to implement this provision.

By increasing the speed of the train to that permitted by the Federal Railroad Administration and that previously permitted passenger trains immediately prior to Amtrak, the running time could be reduced by almost 5 hours—from 28 hours 55 minutes to 24 hours. This increased average speed is easily attainable under present track conditions. On the other hand, if, in addition to increasing the speed, certain track improvements are made in order to eliminate 40 unnecessary miles from the present route and reduce the station time at Fort Worth, the running time could be reduced so as to save 6 hours compared to the present schedule.

These increased speeds and track improvements would make the train more attractive to persons desiring to travel between intermediate points on the route and enable the southbound train to arrive in Laredo and the northbound train to arrive in St. Louis in time to connect with other trains.

Contrary to the Congressional intent in mandating this train that international rail passenger service be provided to Mexico, the present schedule provides a truncated domestic service which terminates at the Mexican border. Moreover, an overnight layover is required in order to transfer to the Mexican train.

In addition to the necessity for satisfying the Congressional mandate, a connection between the two trains is essential to the economic viability of the Inter-American. The inability to transfer between trains has seriously affected the ridership of this train as shown by the fact that the number of passengers detraining at Laredo is currently less than the number who transferred to the Mexican train when the connection could be made.

The increased speed and track improvements mentioned above aside, Amtrak could readily provide an international service and still satisfy the priorities of other objectives of the route, if it would adopt any of a number of available alternative measures for changing the present operation. Amtrak, however, has steadfastly refused to make any changes in its operations which would result in providing an international service.

A large segment of the Inter-American's route in Texas is very circuitous. The most direct route for this segment is 315 miles. One alternate route is 3[illegible]2 miles, another is 382 miles. Amtrak, however, chose the longest possible route—454 miles. Not using the most direct routing seems reasonable because it would bypass large metropolitan areas (Dallas and Fort Worth). It is not understandable, however, why other circuitous routing is used which ironically also bypasses areas with large populations (Hillsboro and Waco) which would generate a considerable amount of revenue.

Amtrak justifies the present routing on the basis that it required less capital expenditures than the alternate routes and avoided any delays in initiating the train. However, as stated, ample funds were appropriated for these capital expenditures and there is no evidence to indicate that the initiation of the train would have been delayed by using alternate routings. The review disclosed that the route selection was based on inadequate analyses which apparently were prepared to substantiate a predetermined decision.

Amtrak has a choice of two alternative routings between Texarkana and Dallas. Although the total population of the two route areas is approximately equal, Amtrak chose the route which is 29 miles longer than the alternative route. Amtrak did not adequately review the two alternatives for this route segment before it made its selection. Also, it underestimated the revenue potential of the route not selected.

Amtrak also has a choice of two alternative routes between Fort Worth and Temple. A routing via Hillsboro and Waco would serve a much larger population than served by the route chosen. The selected route will generate only one-fifth as much revenue as the alternate route whereas Amtrak erroneously indicated it would generate half as much revenue. In addition, the selected routing requires 45 minutes longer running time and is five miles longer than the alternate routing. Amtrak objects to the route via Hillsboro and Waco because it would require capital expenditures for track improvements and necessitate trackage fees. Amtrak's objectives are not valid, however, because if it had originally selected this route, the capital expenditures would not have been necessary (they would have been offset against future trackage fees) and the trackage fees would have been considerably less than presently indicated.

Amtrak has a further choice of two alternative routings between Temple and Taylor. There are no intermediate stations on either of the routings so revenue potential is not a factor. Amtrak, however, chose a route which is 40 miles (100 percent) longer than the alternative route. Amtrak estimates that the mileage savings of the alternative route would reduce the present running time by 50 minutes and, even considering the additional expense of trackage fees, would result in a small reduction in the net annual operating expense. In addition, the time savings should make the train more attractive in comparison with competitive means of transportation, and thereby tend to increase ridership. Also, as in the case above, if Amtrak had originally selected the alternate routing most of the capital expenditures would not have been necessary and the trackage fees would have been considerably less than presently indicated.

The Subcommittee believes Amtrak should reconsider the routing of this train.

The equipment assigned to the Inter-American was plagued with operational difficulties during the first six months of operations. The air conditioning and electrical systems failed on several occasions. Sometimes the failure affected one or two cars and on a few occasions all of the cars were affected. These failures severely inconvenienced passengers. Also, Amtrak was obliged to incur large expenditures to provide alternative transportation and/or meals and hotel accommodation for passengers. Amtrak assigned different equipment to the train and standardized the electrical systems. Also, however, although Amtrak has made reasonable efforts, albeit belated, to correct the temperature control problems which occurred frequently during the hot summer months, the problems still persist. There is certainly no assurance that the problems will be completely corrected by next summer, especially considering the age of the equipment and the difficulty in obtaining spare parts. Nevertheless, considering the degree of effort Amtrak is placing on the problems, it appears that there should be considerably less difficulty than in the past.

Although improvements were noted as compared to a previous review, train crews are still not reporting all defects observed en route and uncorrected defects as required by Amtrak procedures. Consequently, a number of cars are departing with defects. Also, maintenance personnel are either not performing all of the required periodic maintenance or are not recording the work performed on the cards as required by Amtrak procedures. Thus, there is no assurance that the proper periodic maintenance was performed, and conceivably, if it was not performed, could have been the cause for some of the breakdowns experienced.

Amtrak has authorized capital expenditures in excess of $1 million to improve stations and facilities associated with the Inter-American. Nevertheless, additional capital expenditures are needed to overcome a number of unsatisfactory conditions. Amtrak, however, has been extremely reluctant to spend the necessary funds to provide a proper service. Also, more expeditious progress should be made in contracting for the work already approved.

The train is unduly delayed at the Fort Worth station by a reversing action necessitated because Amtrak refuses to spend a relatively small amount to satisfy certain requirements imposed by the railroad. Amtrak did not even ascertain accurate cost estimates for a program which would eliminate much of the delay before deciding to embark on a costly program that will not alleviate the problem.

Despite ICC regulations specifying the operating conditions for stations, Amtrak has made no plans to correct the completely unsatisfactory conditions at San Antonio. Passengers are bused to and from the station used for Amtraks other train to a platform where the Inter-American stops. This platform has none of the required amenities. Although a number of proposals have been made whereby the Inter-American could be rerouted to the existing station, Amtrak has objected for various reasons to each of the proposals. Again, Amtraks principal objection is that each proposal involves capital expenditures. At the same time, Amtrak has made no plans to alleviate the problem.

Similarly, the station at San Marcos has not been reopened. As in the case of San Antonio, this condition severely inconveniences passengers and consequently reduces ridership, Also, despite ICC regulations, Amtrak has no intention of spending the necessary funds to open and operate the station.

It was also observed that the Austin station is too small for passenger needs on many occasions and the platform is too small for the normal train consist causing a hazard to passengers. Again, although similar improvements have been authorized for other stations and flag stops on this route, Amtrak has not made the necessary improvements to this station.

The on-time performance record for the Inter-American is poor. It has the fourth worst record of Amtraks 19 long distance trains. During the first eight months of operations 83 percent of the trains were late an average of 75 minutes per trip.

Also, the delays are significantly greater for the Fort Worth to Laredo segment of the route than during the previous year when this segment of the route was the only segment in operation. The poor on-time performance has not only tended to reduce revenues through a loss of ridership, but has also accounted for additional operating expenses. Amtrak has incurred expenses for transportation, meals and accommodations for passengers who missed connections or otherwise had their travel plans disrupted due to a train arriving late. Also, late arrivals resulted in additional operating costs for extra wages to train, station, maintenance and servicing personnel.

The primary causes of delays were (1) servicing trains at intermediate stations, (2) derailments and other uncontrollable acts, (3) track conditions requiring speeds slower than normal, and (4) freight train interference. The delays due to freight train interference should not have occurred. The Amtrak Improvement Act of 1973 includes a provision whereby, except in an emergency, Amtrak trains are to be accorded preference over freight trains. Amtrak, however, has made no attempt to implement this provision of the Act. When questioned as to why no action had been taken, Amtrak stated that it intended to take this matter up during contract negotiations. Contract negotiations, however, are not expected to be undertaken in the near future. Consequently, these delays can be expected to continue.

Amtrak was unable to explain why the on-time performance for this route was so poor in relation to the other routes or why the record is worse in comparison with last year. As most delays are the responsibility of the railroads, and freight train interferences are prohibited by the Act, Amtrak should investigate the reasons and initiate corrective action. The fact that Amtrak is unknowledgeable as to the reasons for these delays and has not attempted to take corrective action indicates that it is not aware and/or concerned about the serious effect poor on-time performance has on ridership and the economic viability of the train.

The ridership and the financial results of the Inter-American have been better than expected despite innumerable adversities such as the triweekly service limitation, slow running time, circuitous routing, failure to make connections with other trains, inadequate stations and facilities, frequent equipment failure, and poor on-time performance.

During the first eight months of operation there was an average of 213 passengers per train. Before the train was initiated, Amtrak projected that the first year's operations would result in a loss amounting to $1.6 million. Based on the actual results for the first six months of operations, it is estimated that the first year's loss will amount to only $1.3 million. Revenue is more and expenses are less than anticipated. The good operational results are indicative that there is sufficient traffic in the areas served to warrant the continuation of the train. The overall success of the train is also indicative that Congress was correct in directing that the service be inaugurated.

Amtrak believes the Inter-American should become profitable by fiscal year 1978. It also believes it is the only new train route under Section 403 of the Act that will make a profit in the next five years. It informed the Subcommittee that the Inter-American was exceeding marketing projections, and that daily service would be feasible in either 1978 or 1979. The major consideration for daily service will be the availability of equipment.

Mr. HAGEDORN. Mr. Speaker, I want to support the amendment which the Senate has adopted providing $700 million for the reconstruction of many of our Nation's railroad beds. This Congress in the past weeks authorized the spending of $11 billion for public works and jobs programs as well as extending unemployment benefits of another $6 billion. Few of these taxpayers dollars will be used for positive productive and long lasting value which this Nation's taxpayers will benefit from.

This program will certainly provide part of a solution to the serious plight of our Nation's railroads and total transportation in general.

Mr. MAHON. I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the preferential motion offered by the gentleman from Massachusetts (Mr. Conte).

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. CONTE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 136, nays 215, not voting 82, as follows:

[Roll No. 244]

YEAS—136

Abzug
Addabbo
Ambro
Annunzio
Aspin
Badillo
Beard, R.I.
Bedell
Biaggi
Biester
Bingham
Blanchard
Blouin
Boland
Brademas
Brodhead
Brown, Ohio
Buchanan
Burke, Fla.
Burke, Mass.
Burton, John
Carney
Carr
Carter
Chisholm
Cohen
Collins, Ill.
Conte
Conyers
Coughlin
D'Amours
Daniels, N.J.
Delaney
Dellums
Dodd
Downey
Drinan
Early
Edgar
Edwards, Calif.
Eilberg
Emery
English
Esch
Eshleman
Evans, Ind.
Fenwick
Fish
Flood
Ford, Tenn.
Forsythe
Fraser
Gaydos
Giaimo
Gilman
Goodling
Grassley
Green
Gude
Hagedorn
Hall
Hammerschmidt
Hanley
Harkin
Harsha
Hastings
Hawkins
Hayes, Ind.
Heckler, Mass.
Heinz
Helstoski
Hillis
Holtzman
Jeffords
Johnson, Calif.
Karth
Koch
Leggett
Lloyd, Calif.
McDade
McHugh
McKinney
Maguire
Metcalfe
Meyner
Mezvinsky
Mikva
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Nix
Oberstar
Ottinger
Perkins
Pike
Price
Rees
Riegle
Rinaldo
Rodino
Roe
Rosenthal
Rostenkowski
Roush
Russo
Sarasin
Sarbanes
Scheuer
Schulze
Sharp
Shuster
Simon
Smith, Iowa
Solarz
Spence
Stanton, James V.
Stark
Stokes
Stratton
Studds
Thompson
Thornton
Traxler
Tsongas
Vander Veen
Vigorito
Walsh
Whalen
Yatron
Zeferetti

NAYS—215

Abdnor
Alexander
Anderson, Calif.
Andrews, N.C.
Archer
Armstrong
Ashbrook
Ashley
AuCoin
Bafalis
Baldus
Bauman
Beard, Tenn.
Bell
Bennett
Bergland
Bevill
Bolling
Bonker
Bowen
Breaux
Breckinridge
Brinkley
Brown, Mich.
Broyhill
Burgener
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Cederberg
Chappell
Cochran
Collins, Tex.
Conable
Conlan
Corman
Cornell
Crane
Daniel, Dan
Daniel, R. W.
Danielson
Davis
de la Garza
Derrick
Derwinski
Devine
Dickinson
Dingell
Downing
Duncan, Tenn.
Edwards, Ala.
Erlenborn
Evans, Colo.
Evins, Tenn.
Findley
Fisher
Fithian
Foley
Ford, Mich.
Fountain
Frenzel
Gibbons
Ginn
Goldwater
Gonzalez
Gradison
Guyer
Haley
Hamilton
Hansen
Harris
Hébert
Hechler, W. Va.
Hefner
Henderson
Hicks
Hightower
Holland
Holt
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Jacobs
Jarman
Jenrette
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Keys
Kindness
Krebs
LaFalce
Latta
Lehman
Levitas
Litton
Lloyd, Tenn.
Long, La.
McClory
McCollister
McCormack
McDonald
McEwen
McFall
McKay
Macdonald
Madden
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Miller, Calif.
Miller, Ohio
Mills
Mink
Montgomery
Moore
Moorhead, Calif.
Morgan
Mosher
Moss
Mottl
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nichols
Nowak
Obey
O'Brien
O'Neill
Passman
Patterson, Calif.
Pepper
Pettis
Pickle
Poage
Preyer
Pritchard
Quie
Quillen
Randall
Regula
Reuss
Rhodes
Risenhoover
Roberts
Robinson
Roncalio
Rooney
Rousselot
Roybal
Runnels
Ruppe
Ryan
Santini
Satterfield
Schroeder
Sebelius
Seiberling
Shipley
Sikes
Sisk
Skubitz
Smith, Nebr.
Snyder
Spellman
Staggers
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stuckey
Symington
Symms
Taylor, Mo.
Taylor, N.C.
Thone
Treen
Ullman
Van Deerlin
Vander Jagt
Vanik
Waggonner
Wampler
Waxman
Weaver

UMI

White
Whitehurst
Whitten
Wiggins
Winn
Wirth
Wright
Wydler
Wylie
Yates
Zablocki

NOT VOTING—82

Adams
Anderson, Ill.
Andrews, N. Dak.
Barrett
Baucus
Boggs
Brooks
Broomfield
Brown, Calif
Burke, Calif.
Burton, Phillip
Casey
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cotter
Dent
Diggs
Duncan, Oreg.
du Pont
Eckhardt
Fascell
Florio
Flowers
Flynt
Frey
Fulton
Fuqua
Hannaford
Harrington
Hays, Ohio
Hinshaw
Ichord
Johnson, Pa.
Ketchum
Krueger
Lagomarsino
Landrum
Lent
Long, Md.
Lott
Lujan
McCloskey
Madigan
Melcher
Michel
Milford
Mollohan
Murtha
Neal
Nolan
O'Hara
Patman, Tex.
Patten, N.J.
Pattison, N.Y.
Peyser
Pressler
Railsback
Rangel
Richmond
Rogers
Rose
St Germain
Schneebeli
Shriver
Slack
Stanton, J. William
Stephens
Sullivan
Talcott
Teague
Udall
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wolff
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.

So the preferential motion was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Barrett for, with Mr. Baucus against.
Mr. Dent for, with Mrs. Boggs against.
Mr. Diggs for, with Mr. Brooks against.
Mr. Phillip Burton for, with Mr. Casey against.
Mr. Florio for, with Mr. Flowers against.
Mr. Harrington for, with Mr. Flynt against.
Mr. Murtha for, with Mr. Fulton against.
Mr. Mollohan for, with Mr. Fuqua against.
Mr. O'Hara for, with Mr. Hannaford against.
Mr. Patten for, with Mr. Rogers against.
Mr. Rangel for, with Mr. Rose against.
Mr. Richmond for, with Mr. Slack against.
Mr. St Germain for, with Mrs. Sullivan against.
Mr. Wolff for, with Mr. Charles H. Wilson of California against.
Mr. Young of Georgia for, with Mr. Charles Wilson of Texas against.
Mr. Adams for, with Mr. Landrum against.
Mr. Cotter for, with Mr. Melcher against.
Mr. Nolan for, with Mr. Long of Maryland against.

Until further notice:

Mr. Brown of California with Mr. Andrews of North Dakota.
Mr. Clay with Mr. Broomfield.
Mr. Duncan of Oregon with Mr. Hinshaw.
Mrs. Burke of California with Mr. Anderson of Illinois.
Mr. Fascell with Mr. Lagomarsino.
Mr. Hayes of Ohio with Mr. du Pont.
Mr. McCloskey with Mr. Ketchum.
Mr. Michel with Mr. Clancy.
Mr. Eckhardt with Mr. Frey.
Mr. Milford with Mr. Lent.
Mr. Pattison of New York with Mr. Johnson of Pennsylvania.
Mr. Railsback with Mr. Lott.
Mr. Peyser with Mr. Don H. Clausen.
Mr. Shriver with Mr. Krueger.
Mr. J. William Stanton with Mr. Lujan.
Mr. Pressler with Mr. Bob Wilson.
Mr. Talcott with Mr. Del Clawson.
Mr. Schneebeli with Mr. Madigan.
Mr. Teague with Mr. Young of Alaska.
Mr. Young of Florida with Mr. Neal.
Mr. Ichord with Mr. Patman.
Mr. Young of Texas with Mr. Cleveland.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 108: Page 40, line 17, insert:

RESEARCH, DEVELOPMENT AND DEMONSTRATIONS AND UNIVERSITY RESEARCH AND TRAINING

For an additional amount for "Research, Development and Demonstrations", $5,000,000, to remain available until expended, *Provided*: That the amount shall be available for the purpose of title II, Public Law 93–503 (National Mass Transportation Assistance Act of 1974).

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 108 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment insert "$1,500,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 117: Page 43, line 8, insert:

EXECUTIVE OFFICE OF THE PRESIDENT

SPECIAL ASSISTANCE TO THE PRESIDENT

Of the amount provided under this head in the "Treasury, Postal Service, and General Government Appropriation Act, 1975", $40,000 shall be available for expenses of travel, notwithstanding the provisions of section 501 of the Act.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 117 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 121: Page 44, line 20, insert:

GENERAL PROVISIONS

The limitation on the aggregate amount of purchase contracts pursuant to section 5 of the Public Buildings Amendments of 1972 (Public Law 92–313) contained in section 507 of title V, Public Law 93–381, is increased to $396,106,000.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 121 and concur therein.

The motion was agreed to.

Mr. MAHON. Mr. Speaker, inasmuch as amendments Nos. 128 through 134 relate solely to housekeeping operations of the other body in which, by practice, the House concurs without intervention, I ask unanimous consent that Senate amendments 128 through 134 be considered as read, printed in the RECORD, and that they be considered en bloc.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, a few moments ago I raised the question in the previous items whether there were any unusual or new expenditure items in the housekeeping provisions of the U.S. Senate. Would the gentleman from Texas comment on that?

Mr. MAHON. Well, as I understand, the other body will now have the same privilege to have mobile offices as is accorded in the House.

Mr. ROUSSELOT. Mobile offices such as the Members of the House now have an option to maintain?

Mr. MAHON. I am sorry to say that I do not have the complete answer, but that is my understanding.

Mr. ROUSSELOT. I have a question about that. I realize we have an agreement where we do not disagree with the housekeeping items of the Senate.

The difference is that in my judgment Members of the other body are allowed a lease cost of these vehicles and since their term is for 6 years it concerns me as to the provisions of the lease contract on the subject of potential equity ownership. Who owns the vehicles when the lease is paid for?

Mr. MAHON. I regret to say that I may not be able to answer the question completely, but I could read from page 22 of the bill.

It says:

"(f)'(1) Subject to the provisions of paragraphs (2), (3), (4), and (5), a Senator may lease one mobile office for use only in the State he represents and shall be reimbursed from the contingent fund of the Senate for the rental payments made under such lease together with the actual nonpersonnel cost of operating such mobile office. The term of any such lease shall not exceed one year. A copy of each such lease shall be furnished to the Sergeant at Arms of the Senate.

"(2) The maximum aggregate annual rental payments and operating costs (except furniture, equipment, and furnishings) that may be reimbursed to a Senator under paragraph (1) shall not at any time exceed an amount determined by multiplying (A) the highest applicable rate per square foot charged Federal agencies by the Administrator of General Services in the State which that Senator represents, based upon a 100 percent building quality rating, by (B) the maximum aggregate square feet of office space to which that Senator is entitled under subsection (b) reduced by the number of square feet contained in offices secured for that Senator under subsection (a) and used by that Senator and his employees to perform their duties.

"(3) No reimbursement shall be made under paragraph (1) for rental payments and operating costs of a mobile office of a Senator unless the following provisions are included in its lease:

"(A) Liability insurance in the amount of $1,000,000 shall be provided with respect to the operation and use of such mobile office.

"(B) The following inscription shall be clearly visible on three sides of such mobile office in letters not less than four inches high:

"'Mobile Office of Senator (name of Senator)

"'FOR OFFICIAL OFFICE USE ONLY'.

"(4) No reimbursement shall be made under paragraph (1) for rental payments and operating costs of a mobile office of a Senator which are attributable to or incurred during the 60-day period ending with the date of any primary or general election (whether regular, special, or runoff) in which that Senator is a candidate for public office, unless his candidacy in such election is uncontested.

"(5) Reimbursements under paragraph (1) shall be made on a quarterly basis and shall be paid upon vouchers approved by the Sergeant at Arms of the Senate."

But as I say, the House does not interfere in the decisions of the Senate with respect to this matter.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, I do understand we do not make a practice of intervening in the housekeeping matters of the Senate and Members of the House enjoy the same consideration. My concern is that under the tenure of a Senator, they have a 6-year term; it could conceivably be that the lease cost accrued over a 6-year period, less 60 days, a Member of the other body would have enough funding in the payments to actually have the benefit of full ownership or be able to purchase the mobile van at a very reduced cost. My question is, who ends up owning the vehicle if, in fact, that does occur?

Mr. MAHON. I am not familiar with the procedures on that.

Mr. ROUSSELOT. Mr. Speaker, I think it is unfortunate that we were not able to go into this item in greater detail. The Members of the House obviously could not accrue enough lease cost during 2 years, time to achieve ownership of the vehicle and our rules prohibit such an arrangement. I am sorry we were not able to go into this item in greater detail.

Mr. MAHON. Mr. Speaker, I would say if they lease a mobile unit, it will continue to remain the property of the vendor with whom the lease is made.

Mr. ROUSSELOT. It could eventually be an individual Senator; is that correct?

Mr. MAHON. I would think not.

Mr. ROUSSELOT. I think I have made my point. I still disagree with this potential abuse. Usually there is a provision in such lease arrangements that they can accrue ownership.

My judgment is that over a 6-year period the Senator, because of his longer term of office, might be able to manipulate the ownership of the vehicle. That is all.

Mr. Speaker, further reserving the right to object, I yield to the gentleman from Texas (Mr. STEELMAN).

Mr. STEELMAN. Mr. Speaker, with respect to Members of the House having mobile leases, I had talked to the chairman of the committee, the gentleman from Ohio (Mr. HAYS) 2 years ago and the agreement we worked out is that no equity can be acquired, at least, on the part of a House Member.

At least, it is correct on the part of a House Member that the title of the vehicle remains with the lessor, but in my case it is an automobile dealer in my district. I pay him on a monthly basis.

Mr. ROUSSELOT. I understand that and agree with that prohibition as far as House Members are concerned. Our term is only 2 years, but in the case of a Senator, it can potentially accrue for almost 6 years; 6 years less the 60 days, which is a provision where a Senator cannot lease it during a campaign. But, what does the conference provision say about that Senate contract as to the potential ability to purchase that vehicle by the individual?

Mr. STEELMAN. The agreement practiced on the House side and approved by the House Administration Committee says that—and I am in the 3d year of my contract—no equity can be acquired as long as I lease from this automobile dealer.

Mr. ROUSSELOT. How much will they sell it to a Member for at the end of, say, 4 years?

Mr. STEELMAN. It is prohibited by the agreement.

Mr. ROUSSELOT. To buy that vehicle?

Mr. STEELMAN. On the House side. That does not apply to the Senate side.

Mr. ROUSSELOT. That was my concern, because the term is longer and they are able to accumulate potential ownership over a longer time. My concern is, do they end up owning it at the end of the time? I appreciate the gentleman's comment.

I know on the House side we have a provision that we can not acquire ownership. I was merely asking if it was discussed in conference at all as to what the potential accumulation toward ownership might be in the Senate. The gentleman from Texas tells us it was not discussed. Perhaps the newspapers can help us discuss it further.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The Clerk will report the next amendments in disagreement.

The Clerk read as follows:

Senate amendments Nos. 128 to 134, inclusive, insert:

(128) SENATE

(129) "Office of the Legislative Counsel of the Senate", $23,550;

(130) CONTINGENT EXPENSES OF THE SENATE

(131) "Senate policy committees", $30,160;
(132) "Inquiries and investigations", $575,625;
(133) "Folding documents", $3,400;
(134) "Miscellaneous items", $3,100;

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 128 through 134 inclusive and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 141: Page 48, line 24, insert: ": *Provided*, That $200,000 of the amount allocated for rental of space under this head, fiscal year 1975, may be used for increased pay costs;"

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 141 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the final amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 171: Page 78, line 3, insert: "SEC. 306. Unobligated balances of appropriations available to the Department of Defense during fiscal years 1973 and 1974 for operation and maintenance shall be available to reimburse the United States Postal Service for services rendered to the Department of Defense during those fiscal years."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 171 and concur therein with an amendment, as follows: In lieu of the matter proposed, insert:

"SEC. 306. Unobligated balances of operation and maintenance appropriations available to the Department of Defense—Military, in an amount not to exceed $18,950,000 in fiscal year 1973 and $23,891,000 in fiscal year 1974, shall be available to reimburse the United States Postal Service for service rendered to the Department of Defense during those fiscal years."

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to and all amendments in disagreement, and that I may include extraneous material.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Marks, one of his secretaries.

TO AUTHORIZE INCREASE OF FEDERAL SHARE OF CERTAIN PROJECTS UNDER TITLE 23, UNITED STATES CODE

Mr. HOWARD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3786) to authorize the increase of the Federal share of certain projects under title 23, United States Code, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

That, notwithstanding any other provision of law, the Federal share of any project approved by the Secretary of Transportation under section 106(a), and of any project for which the United States becomes obligated to pay under section 117, of title 23, United States Code, during the period beginning February 12, 1975, and ending September 30, 1975 (both dates inclusive), shall be such percentage of the construction cost as the State highway department requests, up to and including 100 per centum.

Sec. 2. The total amount of such increases in the Federal share as are made pursuant to the first section of this Act for any State shall be repaid to the United States by such State before January 1, 1977. Such repayments shall be deposited in the Highway Trust Fund. No project shall be approved under section 106 or section 117 of title 23, United States Code, for any project in any State which has failed to make its repayment in accordance with this section until such repayment has been made.

Sec. 3. Notwithstanding any other provision of law, any money apportioned under section 104(b) of title 23, United States Code, for any one Federal-aid highway system in a State (other than the Interstate System) may be used during the period beginning February 12, 1975, and ending September 30, 1975 (both dates inclusive), for any project in that State on any Federal-aid highway system (other than the Interstate System). The Secretary shall deduct from moneys apportioned to a State under section 104(b) of title 23, United States Code, after the date of enactment of this section for a Federal-aid highway system on which money has been used under authority of the preceding sentence, an amount equal to the money so used, and the deducted amount shall be repaid and credited to the last apportionment made for the system for which the money so used was originally apportioned. Each deduction made under the preceding sentence shall be at least 50 per centum of the annual apportionment to which the deduction applies until full repayment has been made.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

Mr. SHUSTER. Mr. Speaker, reserving the right to object, will the gentleman from New Jersey explain this?

Mr. HOWARD. Mr. Speaker, on April 21, of this year, the House passed the bill H.R. 3786, which is a bill which had the intent of helping the President on February 12 to release the additional Federal highway funds which could be used for the balance of this fiscal year for any projects which could be approved by June 30 which would be able to put people to work or help fight the unemployment situation.

H.R. 3786 became necessary because we found there were several States which had difficulty in meeting matching requirements, having been unaware before February 12 that this money would be available.

H.R. 3786, Mr. Speaker, does basically two things: For the remainder of this year, the Federal Government, through the highway trust fund, would advance the 10 percent for interstate, with the 30 percent for other funds, money to the States. This money would be paid back into the trust fund so that we could have that balance back again before January 1, 1977. The other purpose of the bill, Mr. Speaker, had to do with flexibility. Other than the interstate system of categories, they receive funds, were permitted to interchange funds, if this would help to get projects going and get people to work sooner.

This money will also be paid back at not less than 50 percent of entitlement from the borrowing category each year. The only amendment the Senate included merely takes the date for the utilization of this money for the approval of contracts and applications from June 30, 1975, until September 30, 1975. Since the money was released February 12, and it is approximatey now 3 months later that we are appearing with this bill, it seems reasonable to advance that date 3 months, from June 30, 1975, until September 30, 1975, because we still do have the same provision for the payback that was in the original bill, and the trust fund will be back where it belongs before January 1, 1977.

Mr. SHUSTER. Further reserving the right to object, Mr. Speaker, I note that section 2 of H.R. 3786 requires that advances made under the act to any State shall be repaid by that State before January 1, 1977, with repayments deposited in the highway trust fund.

Mr. Speaker, I ask the gentleman what will be the eligible purposes for which these funds repaid to the trust fund may be used?

Mr. HOWARD. Mr. Speaker, will the gentleman yield?

Mr. SHUSTER. I will be glad to yield to the gentleman from New Jersey.

Mr. HOWARD. Mr. Speaker, I would respond to the gentleman and state that it is the intent of this section that the funds redeposited in the trust fund be credited to the last apportionment to the State of the same classification of funds from which the advance was made. Thus, the funds will be restored and such funds will be available to that State for immediate obligation for other projects qualifying for assistance from such apportionment.

Mr. SHUSTER. Then if I understand correctly, this legislation is exactly the same legislation which this House approved overwhelmingly.

Mr. HOWARD. By voice vote.

Mr. SHUSTER. With the simple exception of adding 90 days to the eligibility?

Mr. HOWARD. The gentleman is correct.

Mr. SHUSTER. I therefore support this legislation, Mr. Speaker, and I withdraw my reservation.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

PROVIDING FOR A CONDITIONAL ADJOURNMENT OF THE TWO HOUSES FROM MAY 22, 1975, UNTIL JUNE 2, 1975

The SPEAKER laid before the House the Senate concurrent resolution (S. Con. Res. 42) providing for a conditional adjournment of the two Houses from May 22, 1975, until June 2, 1975.

The Clerk read the Senate concurrent resolution, as follows:

S. Con. Res. 42

Resolved by the Senate (the House of Representatives concurring), That when the two Houses adjourn on Thursday, May 22, 1975, they stand adjourned until 12 o'clock noon on Monday, June 2, 1975, or until 12 o'clock noon on the second day after their respective Members are notified to reassemble in accordance with section 2 of this resolution, whichever event first occurs.

Sec. 2. The Speaker of the House of Representatives and the President pro tempore of the Senate shall notify the Members of the House and the Senate, respectively, to reassemble whenever in their opinion the public interest shall warrant it, or whenever the majority leader of the House and the majority leader of the Senate, acting jointly, or the minority leader of the House and the minority leader of the Senate, acting jointly, file a written request with the Clerk of the House and the Secretary of the Senate that the Congress reassemble for the consideration of legislation.

Sec. 3. During the adjournment of both Houses of Congress as provided in section 1, the Secretary of the Senate and the Clerk of the House, respectively, be, and they hereby are, authorized to receive messages, including veto messages, from the President of the United States.

The SPEAKER. Prior to putting the question on the concurrent resolution, the Chair wishes to advise all Members that the House will remain in session until the Senate completes action on the conference report with respect to H.R. 5899, making supplemental appropriations for fiscal year 1975.

Without objection, the previous question is ordered on the Senate concurrent resolution.

There was no objection.

The SPEAKER. The question is on the Senate concurrent resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. McKINNEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 233, nays 99, not voting 101, as follows:

[Roll No. 245]

YEAS—233

Abdnor
Abzug
Addabbo
Alexander
Anderson, Calif.
Annunzio
Archer
Armstrong
Ashbrook
Aspin
Badillo

Baldus
Bedell
Bell
Bergland
Bevill
Biaggi
Blouin
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brodhead
Brown, Calif.
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carney
Carter
Cederberg
Chisholm
Cochran
Collins, Ill.
Collins, Tex.
Conlan
Conyers
Corman
Cornell
Crane
Daniel, Dan
Daniels, N.J.
Danielson
Davis
Delaney
Dellums
Derrick
Derwinski
Dingell
Dodd
Downey
Downing
Early
Edgar
Edwards, Calif.
Eilberg
English
Evans, Colo.
Findley
Fish
Fisher
Flood
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Gaydos
Giaimo
Gibbons
Ginn
Gonzalez
Grassley
Hagedorn
Hall
Hanley
Harris
Harsha
Hawkins
Hayes, Ind.
Hefner
Henderson
Hicks
Hightower
Hillis
Holt
Holtzman
Horton
Howard
Howe
Hungate
Hutchinson
Jacobs
Jarman
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kemp
Keys
Kindness
Koch
Krebs
LaFalce
Leggett
Lehman
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
McClory
McCollister
McCormack
McDonald
McEwen
McFall
McHugh
McKay
Macdonald
Madden
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Mills
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Moore
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Myers, Pa.
Natcher
Nichols
Nix
Nowak
Oberstar
Obey
O'Neill
Ottinger
Passman
Pepper
Pickle
Pike
Poage
Preyer
Pritchard
Randall
Regula
Reuss
Rhodes
Riegle
Risenhoover
Roberts
Rodino
Roe
Roncalio
Rosenthal
Rostenkowski
Rousselot
Roybal
Ryan
Sarbanes
Satterfield
Scheuer
Seiberling
Simon
Sisk
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Stanton, James V.
Stark
Steelman
Stokes
Stratton
Stuckey
Symington
Symms
Taylor, Mo.
Taylor, N.C.
Thompson
Thornton
Traxler
Treen
Tsongas
Ullman
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wirth
Wright
Yates
Yatron

NAYS—99

Ambro
Andrews, N.C.
AuCoin
Bafalis
Bauman
Beard, R.I.
Bennett
Biester
Bingham
Blanchard
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Carr
Chappell
Cohen
Conable
Conte
Coughlin
D'Amours
Daniel, R. W.
de la Garza
Devine
Dickinson
Drinan
Duncan, Tenn.
Edwards, Ala.
Emery
Erlenborn
Esch
Evans, Ind.
Fenwick
Fithian
Gilman
Goldwater
Goodling
Gradison
Green
Gude
Guyer
Haley
Hamilton
Hammerschmidt
Hansen
Hastings
Hechler, W. Va.
Heckler, Mass.
Heinz
Hubbard
Hughes
Hyde
Jeffords
Kasten
Kazen
Kelly
Latta
Litton
McDade
McKinney
Maguire
Miller, Calif.
Miller, Ohio
Mitchell, N.Y.
Moorhead, Calif.
Myers, Ind.
Nedzi
O'Brien
Patterson, Calif.
Perkins
Pettis
Quie
Rees
Rinaldo
Robinson
Rooney
Roush
Ruppe
Santini
Sarasin
Schroeder
Schulze
Sebelius
Sharp
Shuster
Sikes
Spence
Staggers
Steiger, Ariz.
Steiger, Wis.
Studds
Thone
Van Deerlin
Vander Jagt
Wampler
Winn
Wylie
Zablocki
Zeferetti

NOT VOTING—101

Adams
Anderson, Ill.
Andrews, N. Dak.
Ashley
Barrett
Baucus
Beard, Tenn.
Boggs
Brinkley
Brooks
Broomfield
Burke, Calif.
Burton, John
Burton, Phillip
Casey
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cotter
Dent
Diggs
Duncan, Oreg.
du Pont
Eckhardt
Eshleman
Evins, Tenn.
Fascell
Florio
Flowers
Flynt
Frey
Fulton
Fuqua
Hannaford
Harkin
Harrington
Hays, Ohio
Hébert
Helstoski
Hinshaw
Holland
Ichord
Johnson, Pa.
Ketchum
Krueger
Lagomarsino
Landrum
Lent
Long, Md.
Lott
Lujan
McCloskey
Madigan
Melcher
Michel
Mineta
Mollohan
Montgomery
Mottl
Murtha
Neal
Nolan
O'Hara
Patman, Tex.
Patten, N.J.
Pattison, N.Y.
Peyser
Pressler
Price
Quillen
Railsback
Rangel
Richmond
Rogers
Rose
Runnels
Russo
St Germain
Schneebeli
Shipley
Shriver
Skubitz
Slack
Stanton, J. William
Steed
Stephens
Sullivan
Talcott
Teague
Udall
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wolff
Wydler
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.

So the Senate concurrent resolution was agreed to.

The Clerk announced the following pairs:

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

STATEMENT BY CONGRESSMAN BOB SIKES ON NEW YORK TIMES ARTICLE ON CBS DEVELOPMENT CORP.

Mr. SIKES. Mr. Speaker, I rise to a point of personal privilege to speak to allegations contained in the New York Times on today attacking my integrity.

The SPEAKER. The Chair has examined the newspaper article sent to the desk by the gentleman from Florida. The Chair is also of the opinion that the gentleman has stated his point of personal privilege and under rule IX the gentleman is recognized.

Mr. SIKES. Mr. Speaker, the New York Times has accused me of a conflict of interest because I was a stockholder in CBS Development Corp., which held a lease from the Okaloosa Island Authority on county-owned property in Florida. There is no conflict of interest. The charges are false, The story appearing on page 28 of this morning's New York Times is long, involved, and complex. It relates to events which commenced about 14 years ago, involves voluminous documents, committee reports, and testimony of many witnesses. Other publications have tried for years to find a conflict of interest in this situation and each decided there was none. No such charge has been made in all the years which have elapsed.

The company was not affected by and did not benefit by the legislation referred to. It was introduced in Congress at the request of the Okaloosa Island Authority. I did not expect and did not receive any benefit of any kind from the introduction or the passage of this bill.

The New York Times and those who follow in its footsteps are not concerned with truth, only in sensationalism. I repeat, the charges are false. The true facts in the case were provided to the Times by my attorneys in Washington.

My attorneys have long been in contact with Mr. James T. Wooten, the author of the Times' article, and it appears that Mr. Wooten has spent so much time attempting to make a story out of this long-forgotten land situation that he was determined that the story be published whether he was able to make a case against me or not. In fact, my attorneys requested Mr. Wooten to arrange a meeting with the attorneys for the Times for the purpose of discussing the legal issues involved. Mr. Wooten refused this request and there has been no opportunity to discuss the matter with the attorneys for the Times.

I will rely on the statement which my attorneys delivered in writing to the New York Times which I submit for the Record.

Law Offices,
Trammell, Rand, Nathan
& Lincoln,
Washington, D.C., May 16, 1975.

Delivered in Hand

Mr. James T. Wooten,
National Correspondent,
The New York Times,
Washington, D.C.

Dear Mr. Wooten: We feel it appropriate to summarize our conversation of yesterday with respect to your interest in certain legislation (P.L. 885, 80th Congress, 1948 and P.L. 860, 87th Congress, 1962), the activities of two companies referred to as "Gulf Tracts" and "CBS", and the participation, if any, in these matters by Congressman Robert L. F. Sikes, a member of the House of Representatives for the First District of Florida.

At your request, we furnished you xerox copies of documents which contained the following:

1. Public Law 885 of the 80th Congress (enacted on July 2, 1948), pursuant to which the Secretary of the Army was authorized to sell and convey to Okaloosa County, State of Florida, a portion of Santa Rosa Island, Florida, for recreational purposes. This Act provided for reversion of the property to the United States at such time as the property was no longer used for such purposes.

2. The official transcript of the House of Representatives' Committee on Armed Services' consideration of House Bill 7932, which became Public Law 87–60 (heard on August 22, 1961), including an expression of the views of Congressman Sikes. (pp. 2610, et seq.).

3. The Senate's Committee on Armed Services report on House Bill 7932, which became Public Law 87–60 (published August 9, 1962).

4. Public Law 87–860, of the 87th Congress (enacted on October 23, 1962), which repealed restrictions in Public Law 885 "in and to a portion of Santa Rosa Island, Florida", and authorized the Secretary of the Army to effect the release of this restriction upon payment to the U.S. of the fair market value

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thereof, as the Secretary of the Army would determine.[1]

We also informed you that in the course of an investigation into this matter in 1970, when representatives, both reporters and attorneys for the Associated Press had shown interest in the same matter, we had ascertained the following:

1. Congressman Sikes purchased an interest in "Gulf Tracts" in 1961. "Gulf Tracts" acquired a leasehold interest on Santa Rosa Island. This interest comprised part of the 875 acres referred to in H.R. 7932.

2. Congressman Sikes sold his interest in "Gulf Tracts" in July of 1962. This was prior to the enactment of Public Law 87–860 which provided for the lifting of the reversion clause applicable to the three mile—875 acre portion of Santa Rosa Island where "Gulf Tracts" had obtained a leasehold interest a year before.

3. Congressman Sikes made only a nominal profit in this transaction.

We also provided you with the following information concerning "CBS" company:

1. Congressman Sikes owned an interest in "CBS" which purchased a leasehold on Santa Rosa Island of approximately 60 acres in 1958 from the original lessee, who, in turn, had obtained the lease from the Okaloosa Island Authority in 1953.

2. The propery leased by "CBS" was leased subject to the provision that all improvements had to be made by "CBS", at its expense.

3. The 60 acres leased by "CBS" was not related to, or contiguous with the 875 acres leased by "Gulf Tracts". The "Gulf Tracts" land was on the other side of the channel dividing Santa Rosa Island, Florida and the "CBS" acreage was located on a small island on the other side of this channel or pass.

4. Except for Congressman Sikes, the parties involved in the two companies, "Gulf Tracts" and "CBS" were not identical or related.

5. "CBS" sold its interest in its lease to unrelated third parties in 1972. The stockholders of "CBS" made a reasonable profit on their investment of fourteen years earlier.

6. No improvements by any public authority nor any Federal financing were obtained for the "CBS" leasehold.

After providing you with the above information, we advised you that we thought that with a little time we could provide you with copies of documentary evidence supporting our statements. You requested only the copies of the printed Congressional material.

We further advised you that after what we considered to be a thorough investigation in 1970, the Associated Press "shelved" its story with regard to the foregoing.

Before you left our offices, you requested that we arrange a meeting with Congressman Sikes for you, and that we provide you with a figure as to the profit, if any, the Congressman made in the sale of his "CBS" interest. We called you today and offered to have Congressman Sikes meet with you on Tuesday morning, May 20, at 10:00 a.m. in company with former counsel for "CBS," who would have to come here from Pensacola, with his files. Tuesday was the earliest date which we could arrange for the attendance of "CBS" counsel, who is away from his office at this time because of the graduation of his daughter at the University of Notre Dame, in South Bend, Indiana. Since this attorney has the basic information and documentation on "CBS", we agree that an interview with Congressman Sikes would not be completely fair unless this attorney and the "CBS" files were available to assist the Congressman's recollection of matters, some of which occurred seventeen years ago.

We further stated to you that a decision would be made prior to the time of this interview as to the availability of financial information.

You have informed us that it will not be satisfactory for you to see Congressman Sikes later than today and we have so advised him, as well as of your request that he phone you. He has rejected both requests.

We therefore advise you that the Congressman in no way consents to your publication of any material with respect to these transactions, most of which occurred many years past, and reserves all his rights in the premises.

As we mentioned to you during our meeting, both Mr. Nathan and I are currently engaged in the preparation for a lengthy trial beginning almost immediately. Accordingly, we have, at the request of Congressman Sikes, turned over our file to John L. Ingoldsby, Esq., 918—16th Street, N.W., Washington, D.C. (Telephone: RE 7–4448), who will henceforth handle this matter.

Sincerely yours,
TRAMMELL, RAND, NATHAN & LINCOLN,
By BERT B. RAND.

LEGISLATION PROGRAM

(Mr. RHODES asked and was given permission to address the House for 1 minute.)

Mr. RHODES. Mr. Speaker, I take this time to inquire of the distinguished majority leader if he is in a position to tell the Members of the House what the program might be for the balance of the week and for the week after we return from the recess.

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the distinguished majority leader.

Mr. O'NEILL. Mr. Speaker, in response to the inquiry of the distinguished minority leader, the only business pending for the remainder of today is to await the result of the conference report from the Senate on the second supplemental appropriation that we just acted on here. We anticipate no further business, but we do have to await the result of that.

Mr. Speaker, the program for the House of Representatives for the week of June 2, 1975, will be as follows:

On Monday, we will call the Consent Calendar and there wil be no suspension bills on Monday.

We will have general debate only on H.R. 6219, Voting Rights Act amendments which has a 1-hour rule with 3 hours of debate.

For Tuesday and the balance of the week there will be the call of the Private Calendar. There will be three bills under suspensions and votes on the suspensions will be postponed until the end of all suspensions. We will consider the following bills under suspension:

H.R. 6516, Equal Credit Opportunity Act amendments;

S. 441, Forest Pest Control Act amendments; and,

H.R. 5774, Postal Reorganizational Act amendments.

Then we will go into amendments on H.R. 6219, Voting Rights Act amendments, and the final votes.

Next we will consider H.R. 4925, health revenue sharing under an open rule with 1 hour of debate.

Then we will take up S. 818, U.N. Peacekeeping Forces, subject to a rule being granted.

Finally, we will then take up H.R. 6799, Rules of Criminal Procedure amendments, subject to a rule being granted, with general debate only.

Conference reports may be brought up at any time.

Any further program will be announced later.

Mr. DEVINE. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Ohio.

Mr. DEVINE. Mr. Speaker, I would like to make the inquiry, there was some discussion earlier that we should keep in mind that during the month of June there was a likelihood of Friday sessions. In order that we may arrange our home district schedules, is that still the case as far as the month of June?

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. DEVINE. I yield to the distinguished majority leader.

Mr. O'NEILL. Mr. Speaker, if one would look at the program, I would suspect that he would have no sessions on Fridays; but in view of the fact that there are those that feel the Voting Rights Act is highly controversial, I cannot truly announce that there will not be a program on Friday, the week after the return from the recess. I regret to say that, but if we can conclude the program by Thursday night, then we will be through. As I understand, the Voting Rights Act is highly controversial.

Mr. HUNGATE. Mr. Speaker, will the gentleman from Arizona yield?

Mr. RHODES. I yield to the gentleman from Missouri.

Mr. HUNGATE. Mr. Speaker, it would be the hope of the Committee on the Judiciary that if we can get a rule on the criminal procedure amendments bill, that it may very well be possible the debate on that could be taken up on Friday, assuming the Voting Rights Act will take the early part of the week, because that would be general debate only.

That would be general debate only, so that we would anticipate that there would be no votes on that, but we would want to use that Friday, perhaps.

Mr. DEVINE. Mr. Speaker, if the gentleman will yield further, there is some suggestion that appropriation bills may be scheduled before late June. Is it anticipated that there will be Friday sessions the last two Fridays in June?

Mr. O'NEILL. We have been informed

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[1] According to the statement of the Secretary of the Army to the Chairman, Committee on Armed Services, House of Representatives on August 19, 1961, "The real property involved in these bills [H.R. 7932, which became P.L. 87–860] comprises 875 acres of land, more or less, on Santa Rosa Island in Okaloosa County, which were conveyed to Okaloosa County by deed executed by the Secretary of the Army on May 22, 1950, pursuant to the above-cited Act of July 2, 1948 as amended by the Act of October 26, 1949 (63 Stat. 921)." In his statements before the same Committee on August 22, 1961, Congressman Sikes reiterated that the bill involved "This is a three-mile strip involving 875 acres". (p. 2617).

by the gentleman from Texas (Mr. MAHON) that there will be five appropriations bills on the floor the week of June 23. We hope that we will be able to complete the five bills by the end of that week. How rapidly we will move during the week depends upon the length of the debate.

Mr. DEVINE. I thank the gentleman.

AUTHORIZING CLERK TO RECEIVE MESSAGES FROM THE SENATE AND THE SPEAKER TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS NOTWITHSTANDING ADJOURNMENT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that notwithstanding any adjournment of the House from today to June 2, 1975, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AUTHORIZING SPEAKER TO ACCEPT RESIGNATIONS, APPOINT COMMISSIONS, BOARDS, AND COMMITTEES AUTHORIZED BY LAW OR BY THE HOUSE NOTWITHSTANDING ADJOURNMENT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until June 2, 1975, the Speaker be authorized to accept resignations and to appoint Commissions, Boards, and Committees authorized by law or by the House.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERMISSION TO FILE CONFERENCE REPORT ON S. 1236, EMERGENCY LIVESTOCK CREDIT ACT OF 1974

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tonight to file a conference report on the Senate bill (S. 1236) to extend and amend the Emergency Livestock Credit Act of 1974, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CONFERENCE REPORT (H. REPT. NO. 94–244)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1236) to extend and amend the Emergency Livestock Credit Act of 1974, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

That the Emergency Livestock Credit Act of 1974 (88 Stat. 391) is amended as follows:

(a) Section 2 is amended—

(1) By striking "for the purpose of" in the first sentence of subsection (a) and inserting in lieu thereof the following: "and who have substantial operations in".

(2) By striking the period at the end of subsection (a) and inserting in lieu thereof the following: "including dairy cattle raised and maintained for the primary purpose of marketing dairy products.".

(3) By striking everything following the word "Provided," in subsection (b) and inserting in lieu thereof the following: "That the term 'legally organized lending agency' shall be deemed to include the Federal Financing Bank only to the extent that such Bank may hold the guaranteed portion of such loans.".

(4) By striking all of subsection (c) after the word "Secretary" and inserting the following in lieu thereof: "to guarantee more than 90 per centum of the principal and interest on such loan.".

(5) By changing subsection (f) to read as follows:

"(f) Loans guaranteed under this Act shall be for the period reasonably required by the needs of the borrower, taking into consideration the security the borrower has available, but not exceeding an original term of seven years. Loans may be renewed for not more than three additional years.".

(b) Section 3 is amended by striking all of paragraph (3) of subsection (a) after the words *"Provided,* That" and inserting in lieu thereof the following: "the total principal balance outstanding at any one time on loans guaranteed under this Act for any borrower shall not exceed $350,000;".

(c) Section 4 is amended to read as follows:

"SEC. 4. Loans guaranteed under this Act shall be secured by collateral adequate to protect the Government's interests, as determined by the Secretary: *Provided,* That the Secretary may accept collateral which has depreciated in value owing to temporary economic conditions and which, in the opinion of the lender, together with his confidence in the repayment ability of the borrower, is adequate security for the loan.".

(d) Section 5 is amended by striking "$2,000,000,000" and inserting in lieu thereof "$1,500,000,000", and by adding at the end thereof the following new sentences: "Such fund may also be utilized to pay administrative expenses of the Secretary necessary to carry out the provisions of this Act. The Secretary in his discretion is authorized to use the funds from the Agricultural Credit Insurance Fund to purchase, on such terms and conditions as he may deem appropriate, the guaranteed portion of any loan made pursuant to this Act and to pay such expenses and fees incident to such purchases.".

(e) Section 8 is amended to read as follows:

"SEC. 8. The provisions of this Act shall become effective upon enactment, and the authority to make new guarantees shall terminate on December 31, 1976.".

(f) Section 10 is amended by adding at the end thereof the following new sentence: "Insofar as practicable, the Secretary shall complete action on each loan application within thirty days after its receipt.".

(g) The Act is amended by adding at the end thereof the following new section 11:

"SEC. 11. The Secretary shall report to the Committee on Agriculture, United States House of Representatives, and the Committee on Agriculture and Forestry, United States Senate, on or within one year of the date of the enactment of this section, and annually thereafter, with respect to the effectiveness of this Act. The Secretary shall be required, but not limited, to include in such report the number of loan applications submitted, the number and amount of loans approved, the financial situation facing cattlemen at the time of the report, the effect of this Act on the retail marketing of beef and on the farm-retail price spread of beef, and any recommendations he may have as to actions which can be taken to further decrease the price spread and to increase the consumption of beef.".

SEC. 2. Section 344 of the Consolidated Farm and Rural Development Act (86 Stat. 667) is amended by changing the last sentence thereof to read as follows: "No contract guaranteeing any such loan by such other lender shall require the Secretary to guarantee more than 90 per centum of the principal and interest on such loan.".

And the House agree to the same.

That the House recede from its amendment to the title of the bill.

And the Senate agree to the same.

BOB BERGLAND,
W. R. POAGE,
E DE LA GARZA,
ALVIN J. BALDUS,
GLENN ENGLISH,
JACK E. HIGHTOWER,
BILL WAMPLER,
PAUL FINDLEY,
Managers on the Part of the House

HERMAN E. TALMADGE,
JAMES O. EASTLAND,
GEORGE MCGOVERN,
JAMES B. ALLEN,
H. H. HUMPHREY,
ROBERT DOLE,
CARL T. CURTIS,
HENRY BELLMON,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1236) to extend and amend the Emergency Livestock Credit of 1974, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report. The differences between the Senate bill and the House amendment and the substitute agreed to in conference are noted in the following outline, except for conforming, clarifying, and technical changes:

(1) Eligibility of dairy producers.

The House amendment provides that the term "livestock" shall include dairy cattle "raised and maintained for the primary purpose of marketing dairy products".

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

This amendment is clarifying in nature in that the Secretary under existing law has authority to guarantee loans with respect to producers of milk, eggs, and other livestock products such as wool and mohair. This is made clear by the following exchange of correspondence between the Chairman of the Senate Committee on Agriculture and Forestry and the Department of Agriculture:

U.S. SENATE,
COMMITTEE ON AGRICULTURE
AND FORESTRY,
Washington, D.C., August 2, 1974.

Hon. EARL L. BUTZ,
Secretary, U.S. Department of Agriculture,
Washington, D.C.

DEAR MR. SECRETARY: The regulations issued by the Department of Agriculture implementing the provisions of the Emergency Livestock Credit Act of 1974, specifically paragraph 1845.12(e), seemingly exclude the egg and milk producers of this Nation.

This ambiguity needs clarification immediately and must be resolved, without a doubt, so that the producers of these two very important commodities are explicitly included under the regulations, just as they are covered by the Act.

While the House of Representatives amended Sec. 2 of the Senate bill (S. 3679) to delete the phrase, "or the products thereof" from the definition of the term "livestock", this is of no consequence, for the Act specifically includes "dairy cattle and chickens" among the commodities covered, and surely the prime function of many chickens is to produce eggs, just as the function of dairy cattle is to produce milk.

Although I have no personal knowledge, I am informed that when the term "or the products thereof" was deleted during the course of House Committee consideration of the bill, the reason given for such action was to assure that packers and milk manufacturers were excluded.

Furthermore, when the House-passed bill was considered in the Senate the Senator from South Dakota, Mr. McGovern, the floor manager of the bill, on page 12761 of the Congressional Record of July 17, 1974, said:

"The House amendment deletes any reference to the products of livestock. However, both the Senate bill and the House amendment define livestock as including dairy cattle and chickens. Therefore, producers of eggs and milk are eligible for assistance under the bill."

Obviously, the complete history of this measure is such as to cover all elements of the livestock sector of our agricultural economy. I know that the members of the Senate Committee on Agriculture and Forestry felt this way.

There is no rational reason to exclude milk producers. Nor is there any substantive reason to exclude egg producers. Therefore, I would appreciate very much if the regulations were amended to assure needed credit to the producers of these two very important agricultural commodities.

With every good wish, I am

Sincerely,

Herman E. Talmadge,
Chairman.

Department of Agriculture,
Washington, D.C., August 27, 1974.

Hon. Herman E. Talmadge,
U.S. Senate,
Washington, D.C.

Dear Senator Talmadge: This is in reply to your letter of August 2, 1974, with respect to the regulations issued by this Department covering the Emergency Livestock Credit Act of 1974.

We appreciate your bringing to our attention the matter of clarification in regard to the financing of milk and egg producers under this new legislation. The Department has issued a revision of the rules and regulations to include producers of both milk and eggs, as well as other livestock products, such as wool and mohair and delete Paragraph 1845.12 (e) of the regulations. The Federal Register dated August 16, 1974, beginning on page 29581, sets forth these changes.

Your comments relative to the legislative history and intent of this new Act are very much appreciated.

Sincerely,

William Erwin,
Assistant Secretary.

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(2) Eligibility criteria of producers.

The Senate bill directs the extension of financial assistance to bona fide farmers and ranchers "who have substantial operations in" breeding, raising, fattening, or marketing livestock.

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision. The Conferees intend that a bona fide farmer or rancher shall be deemed as having "substantial operations" in the breeding, raising, fattening, or marketing of livestock if (1) he devotes not less than 25 percent of his time to his livestock operation; (2) not less than 25 percent of his farm income is derived from his livestock operation; or (3) not less than 25 percent of his capital investment is attributable to his livestock operation. Only persons actually engaged in livestock production would be eligibile for assistance under the Act.

(3) Eligibility of secondary financing by Federal Financing Bank.

Both the Senate bill and the House amendment permits secondary financing of the guaranteed portion of livestock loans through the Federal Financing Bank.

The House amendment provides specifically that the Federal Financing Bank may hold only the guaranteed portion of loans guaranteed under the Act.

The Conference substitute adopts the House provision.

(4) Term of loans and renewals.

The Senate bill permits loans for the period reasonably required by the needs of the borrower, taking into consideration the security he has available, but not exceeding an original term of seven years. Loans could be renewed for not more than three years.

The House amendment permits loans over such period of time as determined by the Secretary, but not to exceed seven years.

The Conference substitute adopts the Senate provision.

(5) Maximum loan level.

The Senate bill authorizes the guarantee of a line of credit up to $500,000.

The House amendment reduces the maximum line of credit to $250,000.

Under the Conference substitute, the line of credit could not exceed $350,000.

(6) Limitation of total outstanding loan guarantees.

The House amendment reduces the amount of loan guarantees under existing law which may be outstanding at any one time from $2 billion to $1 billion.

The Senate bill contains no comparable provision.

Under the Conference substitute, the amount of loan guarantees which may be outstanding at any one time is reduced to $1.5 billion.

(7) Utilization of the Agricultural Credit Insurance Fund.

The Senate bill authorizes the use of the Agricultural Credit Insurance Fund to pay administrative expenses.

The House amendment also authorizes the use of the fund to pay administrative expenses and further authorizes the Secretary of Agriculture to use this fund, on such terms and conditions as he may deem appropriate, to purchase the guaranteed portion of any loans "made pursuant to amendments to this Act".

The Conference substitute adopts the House provision with an amendment deleting the words "to amendments".

(8) Time limitation on loan application processing.

The Senate bill provides that, insofar as practicable, the Secretary shall complete action on each loan application within 30 days after receipt.

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(9) Security and collateral for guaranteed loans.

The House amendment provides that guaranteed loans must be secured by collateral adequate to protect the Government's interest but permits the Secretary to accept collateral which has depreciated in value owing to temporary economic conditions.

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

(10) Annual reports.

The House amendment requires annual reports from the Secretary on the effectiveness of the Act and the activity thereunder, including any recommendations the Secretary may have as to actions which can be taken to decrease the farm-retail price spread and increase the consumption of beef.

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

(11) Loan guarantees under the Consolidated Farm and Rural Development Act.

The Senate bill amends the Consolidated Farm and Rural Development Act to provide that contracts of guarantee under that Act shall not require the Secretary to guarantee more than 90 percent of the principal and interest on such loans. Under existing law, the Secretary may guarantee no more than 90 percent of the loss sustained on any loan.

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(12) Consolidation of farm operating loans.

The House amendment amends the Consolidated Farm and Rural Development Act to permit the Secretary to consolidate and amortize subsequent repayment of farm operating loans over a period of not to exceed 10 years from the date of consolidation.

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

Bob Bergland,
W. R. Poage,
E de la Garza,
Alvin J. Baldus,
Glenn English,
Jack Hightower,
Bill Wampler,
Managers on the Part of the House.

Herman E. Talmadge,
James O. Eastland,
George McGovern,
James B. Allen,
H. H. Humphrey,
Robert Dole,
Carl T. Curtis,
Henry Bellmon,
Managers on the Part of the Senate.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY, JUNE 4, 1975

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday, June 4, 1975.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERMISSION FOR COMMITTEE ON JUDICIARY TO HAVE UNTIL MIDNIGHT THURSDAY, MAY 29, TO FILE REPORT ON H.R. 6799

Mr. HUNGATE. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary have until midnight Thursday, May 29, 1975, to file a report on the bill H.R. 6799, the Federal Rules of Criminal Procedure Act.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

ANNUAL REPORT ON DEVELOPMENT COORDINATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on International Relations:

To the Congress of the United States:

I hereby transmit to the Congress the First Annual Report on Development Coordination, in accordance with Section 640B (d) of the Foreign Assistance Act of 1961, as amended.

This is an appropriate time for the first report on the policies and actions of the United States affecting the development of the low-income countries. Over the past decade, the economies of the developing countries have grown at an encouraging rate. This was partially because of American assistance. Consequently, many nations no longer need assistance on the concessional terms we once extended.

Unfortunately, there remain a number of very poor nations suffering from malnutrition and disease, poor educational opportunities, and very low incomes. Our policies must continue to reflect our belief that American well-being is intimately related to a secure and prosperous international environment and humanitarian and economic concerns that have for so long motivated our assistance programs. The increase in petroleum prices and the food crop shortfalls of the past several years—as well as world recession and inflation—have hit the poorest countries with particular severity.

In 1974, the United States worked with other industrialized nations and with various international agencies to adjust our assistance and trade policies toward the less-developed countries to meet the new situation and to ensure a coordinated and constructive response from the international community.

We have:

—adapted our bilateral development aid program to give more assistance to the poor majority in the developing countries.

—supported multilateral institutions as a means for worldwide cooperation to promote economic and social development.

—responded to the world food problem by increasing food aid to the needy countries by increasing our assistance to help them grow more of their own food and by working with other nations to get a fully multinational response to food issues in accordance with the recent World Food Conference.

—signed into law a new Trade Act which will help enable poor countries to increase their trade with us, both by preferential treatment for their exports and by general lessening of barriers to world trade.

Much remains to be done. We must:

—work with other high income countries to help meet the continuing needs of the poorest countries in the present world economic situation.

—continue our efforts to meet the long-run problems of food scarcities through a coordinated program of increased food production in the poor countries, improved nutrition, increased food stocks and food aid, and research and development to boost food output everywhere.

—continue to provide opportunities for the developing countries to expand their trade with the United States and other industrialized nations.

—build on the results of the World Population Conference, fostering the maximum international cooperation in dealing with world population problems.

—find new techniques for working with those rapidly advancing countries that no longer require our concessional assistance, but are anxious to benefit from American skills and resources in their development programs.

The Development Coordination Committee was created to assist in ensuring that our policies and actions with respect to the developing countries are coordinated to reflect our interest in their welfare and improved quality of life, and to advise me on how our actions are affecting these poor countries and our own economy.

In recent years, there has been disillusionment with our ability to help others in this world. Our efforts have slackened. We have looked too much at our failures and not enough at our successes. While our economic problems at home are serious, we remain one of the most productive countries in the world. We have much to contribute and we have much to gain from economic cooperation with developing countries and from their economic progress. Our own prosperity will be enhanced if we remain true to our long tradition of assisting those in need.

If we help them to help themselves, we can work towards a stronger and more just international economy for the future, lessen human suffering, and increase our own security in a rapidly changing world.

Gerald R. Ford.

The White House, *May 22, 1975.*

SECOND ANNUAL REPORT PREPARED BY SECRETARY OF COMMERCE DEALING WITH FIRST YEAR OF ACTUAL OPERATION UNDER COASTAL ZONE MANAGEMENT ACT OF 1972—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Merchant Marine and Fisheries:

To the Congress of the United States:

I am transmitting herewith the second annual report prepared by the Secretary of Commerce dealing with the first year of actual operation under the Coastal Zone Management Act of 1972. The report covers Fiscal Year 1974 during which time the initial funding for the program became available.

With the critical need to increase our domestic supplies of energy and other resources from the areas off our coasts, a high priority is attached to the necessity of carrying out these activities in a safe and orderly manner. For many States and localities, the existence of the coastal zone management program provides a means of assessing and preparing for the effects of new or increased developmental activity in their coastal areas.

This program also seeks to establish a partnership between the States and the Federal government in managing our coastal resources in a way that balances development and environmental concerns.

Gerald R. Ford.

The White House, *May 22, 1975.*

PERMISSION FOR SPEAKER TO DECLARE A RECESS

Mr. OTTINGER. Mr. Speaker, I ask unanimous consent that the Speaker be authorized at any time today to declare a recess subject to the call of the Chair.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair would like to state that contrary to the usual practice, the Chair is going to take the special orders at this time. Generally we do not consider legislative business after we have taken special orders, but we are waiting to see what the Senate is going to do on the conference report.

LEGISLATION PROVIDING INCOME TAX CREDIT FOR TUITION EXPENSES

(Mr. SCHULZE asked and was given permission to address the House for 1 minute to revise and extend his remarks and include extraneous matter.)

Mr. SCHULZE. Mr. Speaker, today I am introducing legislation which will allow an income tax credit for tuition expenses of a taxpayer or a taxpayer's spouse or dependent at an institution of higher education.

The issue of greatest concern to the American public today is our critical economic situation. According to the Consumer Price Index, the annual rate of inflation has increased from 1.2 to 12.2 percent in the last 10 years. Inflation is a hidden means of taxation and seriously reduces the purchasing power of the

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dollar. This brings me to the subject of my bill.

There are two very difficult periods in the financial lives of an average married couple. First, when they are just starting out and working to establish themselves and perhaps buy a home and, second, when their children grow up and enter college. With the ever-increasing rate of inflation, the costs of education are rising while the purchasing power of the dollar is diminishing.

It is estimated that the cost of going to college will rise about 7 percent on the average from this year to next. Even the least expensive college education, at a 2-year public college, for a student who lives at home, will cost more than $2,000 a year by next September. This is $260 more than this year. These figures come from the annual survey by the College Entrance Examination Board. My bill is designed to help our overburdened American taxpayer in the battle to secure an education for himself or his children. With an increasing emphasis on the need for a higher education, I believe it is appropriate that those who have provided the tax revenues through which literally thousands of programs are financed should themselves receive some relief from the increasing educational expenses with which they are confronted.

The bill I am introducing will allow a tax credit of up to $1,500 for tuition expenses incurred in obtaining a college education. The credit will apply to tuition expenses, and will not include the additional costs of housing and educational materials. Furthermore, the bill will apply to students attending a duly accredited institution of higher education on a full-time basis for 5 or more months of the taxable year.

My bill contains a rather unique feature, and that is the "carryback" and "carryforward" of unused credits. The carryover provision allows application for an unused credit to each of the 3 taxable years preceding the current year and to each of the 7 taxable years following it.

Surely, this legislation will reduce our tax revenues. I believe that it is high time, however, that those who have been carrying the burden of our overwhelming Federal expenditures be provided an opportunity to recapture at least a part of the cost involved in educating themselves and their families. My colleagues in the House of Representatives are urged to help me in this effort.

SOCIALIZED MEDICINE: A WELFARE STATE AND A POLICE STATE FOR DOCTORS AND PATIENTS

(Mr. McDONALD of Georgia asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. McDONALD of Georgia. Mr. Speaker, those promoting socialized medicine are often projected to the general public as humanitarians, people who really care about other people. Both history and logic, however, show that such socialist activities are against individual welfare. In the final analysis, socialized medical programs are not only antihumanitarian but are a giant step toward total government.

A person should certainly ask: "Well, yes, but is socialized medicine effective?"

The answer depends upon your point of reference. It is effective in growth of power in the hands of Washington politicians and bureaucrats. It is not effective in giving a better health system to the individual. In fact, it steadily removes any freedom of choice by the patient until you have total government medicine. Government medicine is bad medicine and is dangerous to your health.

Americans should remember that under a free enterprise system—or freedom of choice system—without vast Government controls, we have developed the best health care system in the world. It is the best care at the lowest possible price. Also the major advancements in medicine have American origin in most instances in recent decades.

Why should freedom-loving Americans scrap the world's best system and replace it with a system of proven failure? It is a logical question and the answer is a simple one. We have in this country a well-organized group of people who want a socialized America. Certain of their number promote television programs saying there is a "health crisis." Others in their ranks speak as politicians and demand that government do something. That something, of course, calls for more government, more taxes—direct or indirect—and more controls with the loss of individual freedom. The road of more and more government will finally take you to the land of total government.

Lenin, the father of the total government concept in Russia said, "Socialized medicine is the keystone to the Socialist arch." He was correct. Advocates of total government know that if they can control your health care, then they can control you. Any other area of human activity is easy to bring under government control once medicine is socialized.

What does history teach us about government or socialized medicine? When the government pays the bill, then the government has to decide who is qualified to receive its payment—how much a particular service is worth—under what conditions it is wasting government money—whether a controversial surgical technique, or controversial drug, or controversial method of treatment, is a failure which should not be supported or a success which deserves the taxpayer's money. Make no mistake about it: Government financing means government control.

If anyone has any doubt about, he need only look at the legislation passed in 1972 establishing professional standards review organizations. PSRO's are to be Government-subsidized, Government-regulated, Government-enforced groups with the authority to review the medical decision of, and the fees charged by, doctors. Such groups will have the power to impose penalties on doctors if the doctor's decisions and fees are deemed unsatisfactory according to a series of "flexible," vague, and sweeping criteria.

The PSRO legislation makes it abundantly clear that the police power of the state will be applied to doctors. For the medical profession, national health insurance means the transition from the welfare state to the police state.

It also means that the final decision on diagnosis and treatment of a medical patient lies with the Government, not the doctor and the patient. This is a violation of a doctor's right to the independent practice of his profession, and a patient's right to freely choose a doctor and follow his or her medical advice.

Personally, I am convinced that a person's local doctor knows more about what is best for him than does some Washington bureaucrat who has never even seen him.

Gradually Government medicine leads to a disastrous decline in the quality of medical care. Over a decade ago, author Leonard Peikoff detailed this decline as follows:

> What will happen to the caliber of medical practice in this country, if the socialists take over? Consider the reports coming out of England, Holland, Hungary, and all the rest of the countries which have embraced socialized or semi-socialized medicine. The degrees and details vary, the essence of the pattern remains the same: First, the government announces free medical care for everyone—then there is a sudden, insatiable, endless stampede, as malingerers, neurotics and the authentically sick all clamor, in one howling mass, for medical attention—then the doctors, crushed by impossible overloads, abandon, in despair, the attempt to treat each patient's problem thoroughly and conscientiously; increasingly, doctors turn into traffic directors, routing people out of their offices in three to five minute appointments per patient, making instantaneous diagnoses, dispensing routine prescriptions, and then calling for the next man; meawhile the bureaucrats, dismayed by the endless flow of money pouring into the bottomless pit of patients, begin to clamp down more and more severely—the doctors who use expensive new techniques, or exceed their quota of drugs, are fined for wasting the "people's resources"—the restrictions and the forms in triplicate multiply—the doctors become part-time clerks—the bureaucrats and their friends multiply—the doctors begin to check a patient's political contacts before they prescribe—and, in the end, the patients who have no contacts but really need medical attention start running to non-socialized countries, if they can find any.

What about the cost? Government programs always cost more than do private programs for the same services. Does anyone know of any Federal program that is cheaper than if the same service were performed by private sources. A stated price tag of $100 billion for a socialized medicine program will be closer to double that amount for the same promises.

A price tag of $100 to $200 billion on top of a near $100 billion deficit in the Federal budget is pure madness. This type of monetary policy will cause a runaway inflation that would destroy the purchasing power of savings, social security checks, insurance payments, and so forth.

Socialized medicine is presented as humanitarian, but in reality the effects will crush those on fixed incomes against the jaws of total poverty. This is another part of the true nature or antihumanitarian quality of such schemes.

Finally, if Government medicine were so good, then why not Government payment and control of legal services, house painters, bricklayers, and so forth. The 10th amendment to our Constitution prohibits such activity but since 1936 we have neglected the restraints of the Constitution in these areas.

In summary, it is not only that socialized medicine is so bad, but that a free enterprise approach is so much better and without the dangerous side effects.

TALCOTT CALLS FOR END TO ATTACKS ON SCIENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. TALCOTT) is recognized for 15 minutes.

Mr. TALCOTT. Mr. Speaker, we will soon be given the opportunity to debate the conference report on the National Science Foundation authorizing legislation. The bill is particularly important this year because it contained the Bauman amendment.

As a member of the Appropriations Subcommittee which considers the annual NSF budget I have tried to become as familiar with the programs and problems of the Foundation as anyone in the Congress. I am also as interested in reducing wasteful spending and foolish spending, as any of my colleagues. I, too, have received stacks of letters generated by news reports of the so-called "foolish" title grants, and I am well aware of the various pressures on Members of this Congress to control the problem.

However, I do not think that demagoging the issue will solve it. I do not think that Congress is ready, or able, to pass on the fitness of the thousands of grants made annually by the National Science Foundation.

Many of the members of our subcommittee expressed grave concern to Dr. Stever, the Director of the NSF, during his appearance before us this year. We attempted to let him know that the entire question of Federal grants for basic research was on the receiving end of much unfavorable publicity because of a few grants with "funny" titles. While he was sympathetic, I, and some other members of the subcommittee, did not believe that he realized exactly how deep the feelings ran on this issue. For that reason I voted in favor of the Bauman amendment when it was on the floor. I felt that some expression of the deep and urgent concern of the Congress was necessary to convince the scientific community that we are willing to continue support for necessary basic research, but under no circumstances can we support weak or frivolous prospects.

I believe that the lesson has been well taken. Dr. Stever and I have had several conversations on this topic since that vote, and I am convinced that he intends to take steps to see that titles will be more indicative of the true purpose of the many grants made daily, and that the peer review system will continue to filter out all but the best and most promising projects.

I have here a copy of a resolution adopted unanimously by the National Science Board on May 16. I would like to read it for my colleagues:

> RESOLUTION
>
> The National Science Board opposes H.R. 5796 and Section 7 of H.R. 4723, as passed, that would require proposed grants to be available for 30 days of Congressional review prior to final award.
>
> The proposed legislation has the potential for producing serious weakening of science which has been made strong over the last 25 years by National Science Foundation (NSF) sponsorship of the highest quality and priority research projects. Review of scientific proposals with a goal that the best be selected requires utilization of highly qualified and technical experts able to understand the proposed experiments, the achievability of goals, and the competence of researchers to undertake the proposed investigations. The evaluation and selection process involves an examination of more than 24,000 proposals involving some 1,000,000 pages of technical material each year. The identification of the proposals to be supported has been performed effectively by a competitive system which includes peer review and involves several thousand distinguished experts in the country combined with the studied judgment of the NSF professional staff. Of the hundreds of thousands of grants awarded by the NSF over the years, only a small fraction has been questioned by Members of the Congress and others.
>
> The National Science Board in its role as a policy-making body welcomes the continued oversight of Foundation programs by the Congress. On its part the National Science Board will continue to ensure that the management practices of the Foundation operate to identify and support the best and highest priority research in the country.
>
> The National Science Board strongly urges the Congress to reject H.R. 5796 and Section 7 of H.R. 4723, as passed, in its further consideration of the Foundation's fiscal year 1976 authorization. It is our opinion that the two bills propose to extend Congressional control in too great a detail to be either effective or efficient.

The resolution raises several important points. The first is that it takes a high degree of technical competence to judge, or even understand, the vast majority of the proposals. Very few of us in the Congress can claim that scientific excellence to hold ourselves out as qualified to pass or fail a scientific proposal. The second is that such review is not even really necessary. The resolution points out that only a small fraction of the literally hundreds of thousands of NSF grants over the years have ever been questioned by the Congress. The fact is that most of the grants which have been brought to my attention by outraged citizens have been made by other Federal agencies. The Smithsonian, HEW, the Department of Defense and a number of others have all contributed to the problem, while, in general, the National Science Foundation peer review system has done an exceptionally effective job of screening more than 24,000 scientific proposals made each year.

It is my belief that the extension of direct congressional control to the disbursement of individual grants is too much control, and would add a substantial need for additional congressional staff capacity which we really do not require. I believe that the peer review system is sufficient safeguard, particularly when we have fully alerted Dr. Stever and his staff to the concerns of both the Congress and the people.

For these reasons I am withdrawing my previous support of the Bauman amendment, and I urge my colleagues to do likewise. Let us not inject the Congress into areas where we have neither the expertise nor the need to be. Let us rather remind the leadership of the scientific community that they have a responsibility to the people of this country who support basic scientific research through their tax dollars. The people have let us know that they are tired of foolishness, no matter what the reason. The proper course for the Congress is to remind the scientific leadership that they too are stewards of public funds, and that there must be an annual accounting. The rewards for good stewardship should be continued support, and the punishment for bad stewardship will inevitably be a loss of support.

COMPREHENSIVE STUDY OF ASSATEAGUE NATIONAL SEASHORE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. BAUMAN) is recognized for 5 minutes.

Mr. BAUMAN. Mr. Speaker, I am today introducing legislation which will insure the preservation of Assateague Island National Seashore as an area of natural beauty and as a sanctuary for the many species of waterfowl and other wildlife which are protected by this great refuge. As those who have visited this beautiful area know, Assateague is also a place for many types of recreation for the thousands of visitors who come each year to camp, fish or hike along the shore.

This legislation reflects the changed conditions since the seashore was created by the Congress in 1965. The bill repeals provisions of existing Federal law which require the construction of a north-south road the length of Assateague and permits commercial development on the northern part of the island. I think there is general agreement that these provisions should be eliminated and similar legislation has been introduced in the other body by Senators BEALL and MATHIAS.

My proposal also requires the Secretary of the Interior to conduct a comprehensive study for the future use of Assateague. Such a study is long overdue and should reflect the information gathered during Assateague's 10-year history. The plan would also take into account the recent recommendation that approximately 1,740 acres on the island be designated as wilderness area.

While I am not opposed to the future designation of a wilderness area on Assateague, I strongly believe that this must be deferred until the completion of a comprehensive plan for the future use and management of the island. Until now

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such a study has been deferred by the Interior Department because of sections 7 and 9 of the original act which created uncertainties regarding the extent of further development on the island. The Department also was mandated by the Wilderness Act to complete a study of the area for possible inclusion in the wilderness system within a specified time period and this has now been accomplished.

My proposal requires the Secretary, notwithstanding any previous recommendation made pursuant to the Wilderness Act, to undertake, in cooperation with other interested Federal, State, local and private agencies and individuals, a comprehensive study of the present and proposed uses of the Assateague Island National Seashore and of the land and waters adjacent to the seashore. Pending the completion of this study, which should take about 2 years, no part of the seashore could be designated as wilderness.

I am informed that this approach does have the support of the administration since it does not permanently defer the consideration of wilderness status but merely postpones it. This approach, I believe, would also have the support of most of the residents of Maryland and Virginia who use the area for sport fishing and other recreational interests.

The planning process would also guarantee them a voice in deciding the future use of the Island. While there may be a difference of opinion regarding the designation of a specific wilderness site, all who want to preserve this beautiful Island are in agreement that there must be a comprehensive study and the development of a master plan for Assateague.

This legislation also requires the Secretary to include in his study the consideration of possible compensation for Worcester County, Md., for damages or other losses, including lost tax revenues, resulting from the repeal of sections 7 and 9 of the original act. The question of compensation for Worcester County is a matter which is directly related to any future Federal action regarding the seashore, and I believe that this subject should be properly addressed in the context of the comprehensive study. There was much local opposition to the original creation of the seashore 10 years ago, and much of it focused on the question of revenues which the county would have received from the commercial development of the area. Part of the compromise was based on the limited development permitted by sections 7 and 9 of the original law, repeal of which is now proposed. I am aware of the difficulties presented by the compensation issue. The legislative history of Assateague requires that this issue must be addressed, and I think it can be done as part of the Federal study my bill authorizes.

Mr. Speaker, in summary, this legislation establishes a proper framework for the orderly future use and management of Assateague by the Department of Interior in concert with State and local officials. I am confident that this bill will receive the support of the administration, my colleagues in the Maryland delegation, and State officials.

I insert at this point a copy of the legislation.

H.R. 7407

A bill to repeal certain provisions of the Act entitled "An Act to provide for the establishment of the Assateague Island National Seashore in the States of Maryland and Virginia, and to provide for a comprehensive study of the National Seashore and its environs prior to any recommendations for designation of parts of the seashore for wilderness, and for other purposes.

Be is enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 7 and 9 of the Act entitled "An Act to provide for the establishment of the Assateague Island National Seashore in the States of Maryland and Virginia, and for other purposes", approved September 21, 1965 (79 Stat. 824) are hereby repealed.

SEC. 2. (a) That notwithstanding any previous review or recommendations which the Secretary of the Interior has made under the provisions of subsections 3(c) and 3(d) of the Wilderness Act (78 Stat. 892), with respect to Assateague Island National Seashore, the Secretary shall undertake, in cooperation with other interested Federal, State, local, and private agencies and interests, a comprehensive study of all factors affecting the national seashore, including but not limited to (1) the present and proposed uses of the national seashore, including recreational use, and of the lands and waters adjacent or related to the seashore, the use of which could reasonably be expected to influence the administration, use, and environmental quality of the national seashore and (2) the consideration of compensation for Worcester County, Maryland for damages or other losses including lost tax revenues, resulting from the repeal of sections 7 and 9 of the Act of September 21, 1965, (79 Stat. 824).

"(b) Pending completion of the study, required under subsection (a) the Congress shall make no designation of parts of the seashore as wilderness.

SEC. 3. The Secretary shall submit a report to the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Interior and Insular Affairs of the Senate on the study required pursuant to section 2(a) of this Act together with such comments and recommendations as he may deem necessary, not later than two years following the date of enactment of this Act.

THE REFUGEES ON PHU QUOC ISLAND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. ASHBROOK) is recognized for 15 minutes.

Mr. ASHBROOK. Mr. Speaker, on May 6 I inserted extensive remarks in the CONGRESSIONAL RECORD concerning the history of Communist bloodbaths dating back to Lenin's time and extending to the present tragedies in South Vietnam and Cambodia. Included were the observations of Lowell Thomas, the world traveler, author and newsman describing the brutalities by the Red Chinese against the Tibetan people; the late Dr. Tom Dooley who publicized the inhuman treatment of the North Vietnamese Communists against their own people who wanted to go to South Vietnam in 1954. The findings of congressional committees, individual knowledgeable authors, newspaper and magazine articles contributed to the bloody and revolting chronicle of Communist brutalities down through the years.

Of immediate concern is the fate of approximately 40,000 refugees on the island of Phu Quoc which lies off the coast of both Vietnam and Cambodia. As I understand the situation, many of these refugees are the very people described by Dr. Tom Dooley in his book, "Deliver Us From Evil," who chose to flee to South Vietnam rather than live under the North Vietnamese Communists. In a dispatch appearing in the Washington Post of today, May 23, 1975, entitled "U.S. Won't Remove 40,000 From Island" one U.S. official is quoted as saying:

> All we know is that it is a composite group, a lot of ex-soldiers, civilians and some religious types.

In contrast to the position of the United States as stated in the Post article, the National Confederation of American Ethnic Groups, many of whose members also fled from Communist tyranny, has written to President Ford, Secretary of State Kissinger, and Immigration Commissioner Chapman asking for assistance for the refugees. I am writing to President Ford along with a number of my colleagues in the House to support the position of assisting these people however we can.

I insert at this point the letters from the National Confederation of American Ethnic Groups, signed by its executive vice president, Paul M. Deac, to President Ford, along with the chapter from Dr. Dooley's book mentioned above entitled "Communist Re-education." It is ironic that some of the very same people who Dr. Dooley helped escape from Communist terror in 1954 will, 20 years later, fall into Communist hands through the pathetic inaction of the present U.S. Government leaders.

The items follow:

NATIONAL CONFEDERATION OF
AMERICAN ETHNIC GROUPS,
Washington, D.C., May 15, 1975.

President GERALD FORD,
The White House,
Washington, D.C.

DEAR PRESIDENT FORD: Americans of ethnic extraction are, like you, concerned over the fate of refugees from Communism in Southeast Asia. The purpose of this letter is to alert you to the plight of nearly 50,000 refugees from Communism whose fate is in the hands of the American ally they trusted.

Specifically, on Phu Quoc Island, 42,091 Vietnamese are assembled with only seven days food supply as of the 12th of May. By the time you receive this letter they will have less than three days food supply. Two-thirds of these political refugees are said to be Catholic. They are mostly teachers and mostly of North Vietnamese origin. That is to say, they have been refugees for the second time in their lives.

I know from your public statements that you care about the plight of these refugees and so do all decent Americans, especially Americans of ethnic extraction who empathize deeply with victims of totalitarian oppression.

For this reason we are especially concerned by reports of NSC meetings in which Secretary of State Henry A. Kissinger, himself a refugee from a totalitarian despotism, is reputed to have said, "We are not going to do anything about the refugees on Phu Quoc Island."

Mr. President, this island is only 30 miles from Cambodia and 50 miles from South Vietnam itself. In view of the hostile nature of both regimes illustrated by the seizure of our shipping, it is clear that their very lives are in imminent danger. Several U.S. aircraft carriers are in the vicinity.

May I urge you to take every necessary action to insure that these refugees, like your forebearers and the forebearers of all of ours, have the right to flee their oppressors and preserve their liberty. I feel the United States owes these refugees from Communism at least that much,

I should further appreciate any information you can provide on the statement attributed to Mr. Kissinger along the lines that America had no intention of helping these helpless victims of his very own policy.

Sincerely yours,

PAUL M. DEAC,
Executive Vice President.

COMMUNIST RE-EDUCATION

The children of Viet Nam become old very young. They are mature and grave while still in early adolescence, and they are often very brave.

A number of them worked for us in the camps, staying on for months. They did adult work, accepted adult responsibilities; when they could bum cigarettes, they even smoked like adults. Yet they were only eight, or ten or twelve years old.

Each of my corpsmen had six or seven such young assistants. The badge of honor was a white sailor hat. A retinue of them followed me around day and night, sometimes to my embarrassment. They might come to me and lead me to a feeble old woman who could not leave her tent, or take me to see a man who was crippled. They would run errands for me, fetch things I wanted, boil water for the sick-call tent. Sometimes they did my laundry, but on such occasions they were apt to wash the clothes in a rice paddy, and the *wrong* paddy at that, so I discouraged this, and sometimes they would ride my truck just for the fun of it, as children should.

During the months when I was living in Haiphong hotels, they would sleep ouside my door. They were often the go-between when newly arrived escapees needed help immediately.

Whenever Mr. Ham or any other Vietnamese officials wanted to see me, he would spot one of these kids with the sailor hats, or one of the shoeshine boys, and tell him to "find the Bác Sy My."

When one of my assistants would leave for the south we would hold a little ceremony. Various ships' officers had given me their Ensigns' bars. So, on the official day, the Quan Hi, or Lieutenant, would commission his assistant a Quan Mot or Ensign in the U.S. Navy. A bar was pinned on him and his sense of self-importance increased so you could notice it. I hope the Personnel Department of the Navy will be understanding when it hears about my unusual recruiting service.

The Viet Minh directed much of their propaganda at the children and adolescents of the nation, and they went to unbelievable lengths to drive the propaganda home. The first time I ever saw the results of a Communist "re-education" class was during the month of December. What had been done to these children one December after was the most heinous thing I had ever heard of.

Having set up their controls in the village of Haiduong, Communists visited the village schoolhouse and took seven children out of class and into the courtyard. All were ordered to sit on the ground, and their hands and arms were tied behind their backs. Then they brought out one of the young teachers, with hands also tied. Now the new class began.

In a voice loud enough for the other children still in the classroom to hear, the Viet Minh accused these children of treason. A "patriot" had informed the police that this teacher was holding classes secretly, at night, and that the subject of these classes was *religion*. They had even been reading the catechism.

The Viet Minh accused the seven of "conspiring" because they had listened to the teachings of this instructor. As a punishment they were to be deprived of their hearing. Never again would they be able to listen to the teachings of evil men.

Now two Viet Minh guards went to each child and one of them firmly grasped the head between his hands. The other then rammed a wooden chopped chopstick into each ear. He jammed it in with all his force. The stick split the ear canal wide and tore the ear drum. The shrieking of the children was heard all over the village.

Both ears were stabbed in this fashion. The children screamed and wrestled and suffered horribly. Since their hands were tied behind them, they could not pull the wood out of their ears. They shook their heads and squirmed about, trying to make the sticks fall out. Finally they were able to dislodge them by scraping their heads against the ground.

As for the teacher, he must be prevented from teaching again. Having been forced to witness the atrocity performed on his pupils, he endured a more horrible one himself. One soldier held his head while another grasped the victim's tongue with a crude pair of pliers and pulled it far out. A third guard cut off the tip of the teacher's tongue with his bayonet. Blood spurted into the man's mouth and gushed from his nostrils onto the ground. He could not scream; blood ran into his throat. When the soldiers let him loose he fell to the ground vomiting blood; the scent of blood was all over the courtyard.

Yet neither the teacher nor any of the pupils died.

When news of this atrocity came across the Bamboo Curtain, arrangements were made for escape, and soon teacher and pupils were in Tent 130 at Camp de la Pagode.

We treated the victims as well as we could, though this was not very well. I was able to pull the superior and inferior surfaces of the tongue together and close over the raw portions. The victim had lost a great deal of blood and, as we had no transfusion setup, all I could do was to give him fluids by mouth. He could not eat anything solid, not even rice. For the children, prevention of infection was the important thing. Penicillin took care of this, but nothing could give them back their hearing.

The purpose of this book is not to sicken anyone or to dwell upon the horror of Oriental tortures, which we recall from World War II and from Korea. But I do want to show what has come upon these people of the Delta. And justice demands that some of the atrocities we learned of in Haiphong be put on record.

One midnight, shortly before Christmas, I was awakened by knocking on my hotel door. Two young boys asked if Bac Sy My would please go with them right away. I thought they were from the camp, and that there was something there that needed my attention. So I quickly dressed and went out to the truck. As we were heading out the road, the children motioned for me to turn off onto a path running between two rice paddies. I didn't understand, but they were so earnest that I followed their directions. We turned and drove several hundred yards to a straw paillote, or round hut-like building.

I bent, entered the low door, and then noticed first how dark it was and secondly how unexpectedly large it was inside. There was a kerosene lamp burning in one part of the hut and near it were several kneeling figures—an old man, an old woman, several boys—chanting prayers in a quiet monotone.

They greeted me with "Chao ong, Bac Sy My," clasping their hands before them and bowing their heads, in the Oriental fashion. Then I saw that there was a man lying on a straw mattress which in turn was atop eight or nine long pieces of bamboo, making a crude stretcher. His face was twisted in agony and his lips moved silently as though he were praying, as indeed he was.

When I pulled back the dirty blanket that was over him. I found that his body was a mass of blackened flesh from the shoulders to the knees. The belly was hard and distended and the scrotum swollen to the size of a football. The thighs were monstrously distorted. It was one of the most grisly sights I had ever seen. The idea of merely touching this man was repugnant.

I felt queasy, knew I was going to be sick and rushed outside. Inside that hut I had just seen a masterpiece of systematic torture. Under the sky, I retched and vomited my insides out. I was grateful that no one followed me; they understood and were patient.

I am not sure how long it took for me to get hold of myself, but I finally regained enough nerve and stability to go back and care for this human nightmare. But what could I do? For his pain I could give him morphine. For the belly I could do little, as the skin was not broken in more than four or five spots. All the bleeding was subcutaneous, in bruises which were turning a purple-yellow. I put a large needle into the scrotum in an attempt to drain out some of the fluid. Later I would insert a catheter into the bladder so that the patient could urinate. What else could I do?

I asked the old woman what on God's earth had happened to this poor human being. She told me.

He was her brother, a priest, from the parish of Vinh Bao, just on the other side of the Bamboo Curtain. Vinh Bao was not more than ten kilometers away from Haiphong.

The area had been in Viet Minh hands for only about seven months and the Viets had not yet completely changed the pattern of village life. The priest was permitted to continue celebrating Mass, but only between six and seven o'clock in the morning. This was the time when most of the peasants were just ready to start the morning's work and, under Communist rule, this was the hour when people had to gather in the village square for a daily lecture on the glories of the "new life."

This meant that they were unable to attend the parish priest's Mass either daily or on Sunday. So, for the few who dared to risk his services, the valiant 57-year-old priest held them in the evening. The Communists decided that he needed re-education.

Late the night before, Communist soldiers had called at the priest's chapel, accused him of holding secret meetings and ordered him to stop. Defiantly he replied that nothing could stop him from preaching the word of God. And so this is what they did: they hung him by his feet from one of the crude wooden beams under the ceiling. His head was so close to the ground that he later said, "Frequently I would place my hands on the ground to try to take the pressure off my feet."

With short, stout bamboo rods they proceeded to beat the "evil" out of him. They went on for hours; he did not know just how long. They concentrated on the most sensitive parts of the anatomy. "The pain was great," the priest said. It must have been very great indeed.

He was left hanging in the church and

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early the next morning his altar boys found him there and managed to cut him down. They were only eight to ten years old, and they ran to their parents, attending compulsory classes in the square, and sobbed out the news.

The parents told them what to do and then said good-bye to them, knowing that it might be good-bye forever. The children lashed together an arrangement of bamboo poles that could be carried as a litter and floated as a raft. They put the priest on this and carried him down the back lanes of the village. They hid him near the bank of the river, which formed one of the boundaries of the free zone. After dark, they lowered the raft gently to the water and, with three on each side, paddled to the middle of the river where they were swept into the down-river current. The coolness of the water probably did more for the priest than most of my medicines. They managed to get him across the river to the free zone without being seen. Arriving late at night, they carried the man to the hut of his sister. Then they came to find me.

I made daily visits to him thereafter and gave him antibiotics and more morphine. Miraculously, he survived; his own strong constitution and no doubt his faith brought about a cure.

Sooner than I would have considered likely he was sufficiently recovered to be taken to Camp de la Pagode. Although he was still crippled, he was soon saying daily Mass and teaching the children their Catechism; in fact, for a time he served as the camp's more or less regular chaplain.

Perhaps I should have let him do it when he insisted that he must return to the village. Perhaps the world needs martyrs, although Tonkin, I thought, had an oversupply already. Next time the Communists would have killed him for sure.

I know that it is not just to judge a whole system from the conduct of a few. However, this was Communism to me. This was the ghoulish thing which had conquered most of the Orient and with it nearly half of mankind. From December until the last day, there were two or three atrocities a week that came within my orbit. My night calls took me to one horror after another.

Early in my Haiphong stay I was puzzled not by the growing number but by the character of Communist atrocities. So many seemed to have religious significance. More and more, I was learning that these punishments were linked to man's belief in God.

Priests were by far the most common objects of Communist terror. It seemed that the priests never learned their "Hoc-Tap Dan-Chu," their "Democratic Studies and Exercises," as well as they were expected to. This meant that they had to be "re-educated" more severely than others. It is difficult to take men whose lives had been dedicated to belief in God and straighten them out so that they no longer believe in God. In fact, most of them proved unconquerable.

Catholics have many pious ejaculations which they utter frequently—"Jesus, Mary and Joseph," for example, and "Lord have mercy on us." The Communists ordered the priests to substitute new slogans for them, for example. "Tang gai san u xuat" (Increased Production), and "Chien tranh nhan (The People's War). Perhaps the expression most often heard in the conquered north was "Com Thu" (Hatred).

The Communists have perfected the techniques of torture, inflicting in one moment pain on the body and the next pain on the mind. When Tonkin spring came and the monsoon ended, I thought perhaps nature might bring a change in the tenor of things. I was wrong. On the first Sunday of March, I was asked by Father Lopez of the Philippine Catholic Mission to come and visit a "sick man," a priest who had just escaped from the Viet Minh.

We walked across the huge sprawling courtyard to the living quarters. In a back room there was an old man lying on straw on the floor. His head was matted with pus and there were eight large pus-filled swellings around his temples and forehead.

Even before I asked what had happened, I knew the answer. This particular priest had also been punished for teaching "treason." His sentence was a Communist version of the Crown of Thorns, once forced on the Saviour of Whom he preached.

Eight nails had been driven into his head, three across the forehead, two in the back of the skull and three across the dome. The nails were large enough to embed themselves in the skull bone. When the unbelievable act was completed, the priest was left alone. He walked from his church to a neighboring hut, where a family jerked the nails from his head. Then he was brought to Haiphong for medical help. By the time of his arrival, two days later, secondary infection had set in.

I washed the scalp, dislodged the clots, and opened the pockets to let the pus escape. I gave the priest massive doses of penicillin and tetanus oxide and went back to the mission every day. The old man pulled through. One day when I went to treat him, he had disappeared. Father Lopez told me that he had gone back to that world of silence behind the Bamboo Curtain. This meant that he had gone back to his torturers. I wonder what they have done to him by now.

Priests were not the only victims of brutality. One day an old woman came to sick-call in the camp. She was wearing a cloth bound tightly around her shoulders in a figure-of-eight. We removed the cloth and found that both the collar bones had been fractured. En route to the camp, she told us, she had been stopped by a Viet Minh guard who, for the crime of attempting to "leave her land," had struck her across the shoulders with the butt of his rifle, ordering her to go back home. This fractured the bones, making her shoulders slump forward and causing excruciating pain. Nevertheless, she managed to escape. In time, with medical care and a regimen of vitamins, she healed.

Always there was the painful thought: "My God! For every one of these who come here, there must be hundreds or even thousands who could not escape."

One day a young man came to sick-call with a marked discoloration of the thumbs. They were black from the first joint to the tips. He was suffering from gangrene, of the dry type, called mummification. There was no great pain, no blood, just raw necrosis of tissue.

He said he had been hung by his thumbs to "reeducate" him. This had happened about a week earlier, and since then his thumbs had been getting a little darker every day. Now they were beginning to smell.

During the course of the examination, while I was manipulating the left thumb, a piece of it actually broke off. There was no bleeding, no pain; there was just a chunk of his thumb that stayed in my hand. This dried piece of flesh, like that of a mummy, had crumbled away with the slightest pressure. The circulation had been cut off for so long—he said he had been left hanging for days—that permanent damage had been done, and all the cells and tissue had died distal to the point where his thumbs had been tied with cord.

"But remember, my friend," one of the elders said to me, "these people might never have left the north if the Communists had not done these cruel deeds against those who preached and practiced their religion."

I feel sure he was right. There were many Buddhists among the refugees, but when I thought of the attendance at daily Mass I had no doubt that 75 or 80 per cent of them were Catholics. Of the 2,000,000 Catholics in Viet Nam, about 1,750,000 lived in the north. Then came the Communists and inevitable disillusionment with the proposed reforms. Perhaps they could have borne up under the oppressive taxes, the crop quotas, the forced labor and the loss of freedom. But when the right to worship God was taken from them—often by the most brutal means—they knew it was time to go.

"What fools they are, these Viet Minh," the elder said. "They coax the people to stay, tell them lies, and even try to stop them at the perimeter. Then they do the very things that will drive the people into exile! Perhaps it is the will of God!"

To say that the Communists tried to stop the refugees at the perimeter was to put it mildly. Though under the Geneva agreement anyone had a right to leave the north who wanted to, the Communists began to violate the agreement on this point from the day it was signed.

As I have indicated earlier, they employed trickery, threats, violence and even murder to stop the southward rush of their subjects. "It is my duty," said Premier Diem in Saigon on January 22, 1955, "to denounce before the free world and before Christendom the inhuman acts of repression and coercion taken by the Viet Minh against the populations wanting to leave the Communist zone, acts which are flagrant violations of the Geneva agreement."

The Premier later estimated that a quarter of a million more would have left if there had been no harassments. My own belief is that this figure is not half large enough. The unbroken flow of the luckier, and of the wounded and mangled who made it to the American camps, was a clue to how many failed to make it. Besides, it is reasonable to assume that thousands who thirsted for freedom lacked the courage or the vitality to take the risks.

Many and various were the Communist devices to keep the people in the north. They made it illegal for more than one member of a family to travel on a bus or train in the affected area at the same time; or for more than two persons to go on foot together on the roads pointing to the evacuation zone. They made it difficult for would-be refugees, whose families were large and held by powerful bonds of unity, to break away.

Nevertheless, desperate parents often sent their children ahead, two today, two tomorrow, with instructions to get to the American camp. By the dozens and the hundreds I saw youngsters, alone, exhausted and sorrowful, arrive and settle down on the fringes of my camp to wait for their elders. Many a time they waited in vain.

In many parts of the Tonkin the Communists ruled that special passports would be required—not to leave the country; that would have flouted Geneva too crudely—but to cross from one canton into another. Obtaining the passports involved steep fees and fantastic red tape. But only with such documents were the refugees permitted to travel as family groups.

Having at long last received its passport, a family might set out on foot on the long road to Haiphong. Fifteen or sixteen days later, their food almost gone, sore and perhaps sick, they would reach a canton line. They would run into that old dodge of the expired passport.

The Communist guard would examine their hard-won document and laugh. "Comrades, this passport is good for only fourteen days. Didn't you know that? Oh, you can't read? Well, anyhow, go back and get a new one."

As a leftover of the war, many roads were sown with mines and booby traps. The victorious Communists dug them up. But often they did not detonate them. Instead they tossed them with designed casualness into rice paddies, swamps, and bushes close to

the perimeter of our evacuation area. If citizens trying to crawl to freedom at night were blown to bits, it only served them right.

Yet here are the terms of the agreement: "Any civilians residing in a district controlled by one party who wish to go and live in the zone assigned to the other party shall be permitted *and helped to do so* by the authorities in that district." Those italics, of course, are mine.

THE VIETNAM VET NEEDS A BREAK NOW

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from New York (Mr. **Wolff**) is recognized for 10 minutes.

Mr. **WOLFF**. Mr. Speaker, the Vietnam era has drawn to a close. The American people, understandably, wish to leave behind this tragic page from our history and move toward the future. This, I believe, we must do; but, in our eagerness to leave Vietnam behind, to build a better future, let us not forget the casualties of this long and costly conflict. I do not speak now of the Vietnamese people, for Congress has indicated that it will come to the aid of these refugees. The House has, in fact, already appropriated $405 million to take care of some 115,000 Vietnamese refugees. I speak rather of our own people, the young Americans who found and made endless sacrifices during the course of our long involvement in Vietnam, but who returned home to a, not ungrateful, but decidedly weary and less than enthusiastic people. In a special report on the problems of the Vietnam veteran, the National Advisory Council on Vocational Education expressed most clearly the country's mood toward the young veteran; the Council wrote:

> Once again the veterans return from war. The situation is not novel in our history, yet somehow these veterans seem different. They do not return to triumphant parades as in the past . . . They do not fit the image of returning heroes . . . The unpopularity of the war places an additional burden upon the returning veteran. The young veteran finds himself referred to in print and in conversation as a dope addict or trained killer. Often his own peer group tells him what a fool he was to go to Vietnam in the first place. In his absence they have moved ahead in their life pursuits . . . while the veteran . . . must start from the beginning as though his military service made no difference.

In addition to the normal readjustment problems that face every veteran after every war upon his return to civilian life, the Vietnam veteran has had to contend as well with the ambivalent attitude of society, which has contributed to unique and, in many cases, profound psychological and social readjustment problems for the veteran. In addition, he was thrown back into an economy that was on a sharp decline, with unemployment stretching toward double digit figures and a cost of living that was transforming necessities into luxuries.

Congress has taken some important steps on behalf of the Vietnam veteran, but there is still much to do if we are to remove him from the "casualty list" and restore to him his rightful and a productive place in American society. The debt we owe to the Vietnam veteran is distinct and separate from whatever feelings we have toward the Vietnam war. It was we the American people who thrust upon him the reponsibility for fighting in Vietnam, and it is we who must now repay him for his service to the country during a time of great trouble and need.

The George Washington University's Center for Manpower Policy Studies, in a special report on the Vietnam veteran, cited as the two most important problems facing today's young vet, that of "locating jobs and embarking on renewing a program of education." Their report went on to explain:

> Many (veterans) were too young to acquire a skill or profession before entering the service and were trained for combat duty in the service. Since 1969, they have had to compete for jobs in a recession or high-unemployment economy, and the high price of education did not always make the return to school an attractive choice.

I might add to this that the Vietnam era GI bill has done little to enhance the attractiveness of their returning to school.

The present GI bill provides veterans with a monthly subsistence allowance; for a single veteran with no dependents, the allowance is $270 a month. Although it is called a subsistence allowance, it is, in fact, his entire education benefit, and it must help to cover not only the cost of living but the cost of tuition, books, fees and supplies as well. As a means of comparison, the World War II GI bill paid for tuition costs up to $500 a school year and it provided a monthly subsistence allowance of $75. Seventy-five dollars might not sound like a lot if you are living in 1975; but in 1948, $75 a month was only $8 less than a veteran would have earned if he worked a 48-hour week at the minimum wage; $75 a month was equal to 35.4 percent of average U.S. monthly earnings as determined by the Department of Labor. In addition to the $75 a month, the veteran in 1948 received up to $500 to cover tuition costs. Five hundred dollars in 1948 was enough to cover tuition costs at all public schools in the country and at 89 percent of all private colleges. The World War II veteran also had additional advantages, like special low-cost housing, and an abundance of full- and part-time jobs.

The Veterans' Administration claims that the Vietnam veteran, on the average is better off than his World War II counterpart, that the Vietnam vet actually has more education dollars. This claim, however, is flatly contradicted by last year's Educational Testing Service report prepared for the VA. It is also contradicted by a report prepared by the National League of Cities/U.S. Conference of Mayors, which points out that the VA bases its computations on the Consumer Price Index, "which clearly understates the value of 1948 (GI Bill) dollars." This report goes on to illustrate that if we in the Congress had used the Consumer Price Index to determine today's minimum wage, we would have taken 1948's 40 cents an hour and raised it to 84 cents an hour. In reality, recognizing the actual cost of things today and the 200-percent rise in the cost of living since 1948, Congress raised the minimum wage to $2.30 an hour. Other reports contend that even using the VA's figures, it is clear that the Vietnam veteran has $1,500 less than his World War II counterpart received.

If the problems with the current GI bill were simply a matter of benefits that were too low, Congress could solve the problem by simply continuing to enact increases in the monthly subsistence allowance. But the problem is not merely one of inadequate benefits; the GI bill contains inherent, major inequities that discriminate against educationally disadvantaged veterans and veterans who live in high-cost tuition States.

The Educational Testing Service report, cited earlier, concluded that the single most important factor determining whether a vet uses his GI benefits is the State in which he resides. There are hundreds of thousands of veterans living in States where public education wears a high price tag who simply cannot afford to take advantage of the GI bill because their monthly subsistence allowance does not begin to cover initial tuition costs. The ETS report and studies conducted by the National League of Cities/U.S. Conference of Mayors and the American Association of Junior and Community Colleges agree that the present GI bill does not provide equal educational opportunities for all veterans. The National League of Cities' report commented:

> While the draft ignored state lines, for many veterans the GI Bill stops at theirs . . . Because of a factor over which the veteran lacks control—the tuition structure of his state—some will in practical effect have no GI Bill.

All of these reports pointed out the discrepancy in tuition charges at public institutions in such States as California and Texas, compared to States like New York and Pennsylvania which dictates whether a veteran will be able to use his GI benefits. The league's report illustrated:

> A veteran can attend San Francisco State and spend only 19.2% of his GI Bill for education. He's left with $1600 for subsistence or $178 per month. A veteran from the same company may have returned to Buffalo, New York, where he will have to spend $1116 for education leaving him with $96 per month for subsistence. As a result, 41.4% of California's veterans have used the GI Bill to attend college or junior college, and only 22.3% of New York's vets have done so.

All reports indicate that the GI bill is most accessible to veterans living in low cost tuition States who seek a college education. Those who seem to benefit least from the GI bill are, unfortunately, educationally disadvantaged veterans who stand most in need of educational assistance. The majority of Vietnam veterans had a high school or less than high school education. With the skills these veterans learned in service, many of them were ideal candidates to pursue a vocational or technical training upon their return to civilian life. In addition, America's job outlook was much brighter in the vocational and technical fields, with about 60 percent of this country's employment opportunities being in

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the "service" fields. Yet, GI bill participation rates indicate that these veterans are not taking advantage of their GI benefits, and reports seem to confirm that the problem lies with the GI bill itself. The George Washington University's report asserted:

> The lower participation rates of the deficiently educated . . . in the GI Bill may . . . reflect a bias inherent in the legislation.
>
> The law favors those attending college as compared with those participating in technical or vocational training.

This report and others pointed to the discrepancy in the fact that a veteran attending college can receive full-time benefits—$270 a month—with as little as a 12 to 14 hour course load, while a veteran pursuing vocational training generally must attend courses 25 to 30 hours a week to qualify for the same amount of benefits. Thus, the veteran in the vocational training program has considerably less time to augment his GI benefits with part-time work. This obstacle to having sufficient funds to go to school is compounded by the shortage of low cost, quality vocational and technical training programs. In fact, 50 percent of the veterans pursuing vocational training enrolled in correspondence courses which too often have become synonymous with a "ripoff" of the veteran. Over half of the vets who enroll in correspondence courses never finish the course largely because the course in reality does not live up to the expectations created by those promoting it.

There are many problems with the GI bill that cannot be corrected simply by increasing the level of benefits. For instance, the GI education program does not provide adequate vocational and educational counseling to veterans, a problem which is supported by the fact that half of all veterans in school feel they are in the wrong education program. Of all those veterans who failed to complete correspondence courses, over half said that they would have chosen a different program of education had they been aware of the difficulties involved in a correspondence program. Another problem, which was recently pointed out in a Jack Anderson column, is that there are some veterans who literally take advantage of the GI bill, by using it as supplemental income, not as readjustment assistance, while there are many more vets who stand in great need of education assistance, yet cannot afford to use the GI bill. This does not only apply to educationally disadvantaged veterans, but as well, to married vets who find it virtually impossible to finish their education and at the same time support a family.

Mr. Speaker, virtually all of the reports that have been done on the GI bill indicate that new legislative approaches are needed to make more effective use of the GI bill. Simply authorizing more money by increasing subsistence levels is not the answer because that does not respond to the biases and disparities inherent in the law. I am, therefore, introducing today three pieces of legislation that are designed to upgrade the GI bill, to make it possible for more veterans to make productive use of the GI bill in a fiscally responsible fashion. These measures do not represent new spending programs, but rather reforms of an existing program to make it more effective and to insure more efficient use of the taxpayers' money.

The first measure I am introducing will provide a tuition supplement to veterans for a part of tuition costs that exceed the national average. This bill is a revised, and I feel improved, version of legislation that I introduced last year with 70 House cosponsors and of a measure that was sponsored in the Senate by 40 Senators. This measure, like its predecessors, is designed to equalize educational opportunities for veterans, regardless of the State in which they reside by closing the gap in the "buying power" of GI dollars in States with high tuition costs. My bill allows the VA to determine the national public school tuition average, which is presently, according to the VA, $482. All veterans would pay up to this average. The first $700 above the average would be picked up by the VA; 40 percent of the next $1,000 would be paid by the VA, for a total VA contribution of no more than $1,100. A total VA contribution of $1,100 is, I feel, realistic when one considers that the $500 tuition supplement provided to the World War II vet is equivalent in today's dollars to $2,517—according to the VA—over twice the amount I am proposing. To guard against abuse by the veteran, my bill requires that the tuition supplement be made in the form of an education voucher, which the veteran must turn in to his school to be applied against his tuition charge. To guard against abuse by the school, the bill mandates that no veteran can be charged a different tuition than a nonveteran student for the same courses. The sliding scale I have instituted in the bill gives some incentive to the veteran who is willing and able to commit more of his own resources in order to attend a higher priced private institution; for the most part, however, this bill is geared toward the veteran attending public colleges and universities. In the recent days of testimony which the Veterans Affairs Committee heard from national veterans organizations, virtually every one brought up and supported the need for a tuition supplement.

The second measure I am introducing would provide educational and vocational counseling to veterans seeking assistance under the GI bill; it would allow for acceleration of monthly educational assistance payments to veterans who need this type of approach, and it upgrades and tightens the criteria for approval of nonaccredited courses, including particularly correspondence courses, so that neither the veteran nor the taxpayer will be taken advantage of by "ripoff" entrepreneurs.

Accelerated entitlement would enable a veteran in a full-time program of instruction to receive a greater monthly subsistence allowance while reducing his total entitlement at a proportional rate. This does not represent a new spending program, but rather a more effective utilization of an existing entitlement. In fact, veterans of WW II were entitled to a total of 48 months of educational assistance which could be accelerated to cover educational costs in excess of $500 a year. Acceleration of entitlement would enable many veterans who are now unable to afford a 2-year vocational or technical education to obtain this type of training; it would also enable vets whose educations were interrupted by military service to finish course requirements, and thus it would be particularly helpful to married vets, who in the majority of cases fall into this category.

Perhaps the most attractive and important aspect of accelerated entitlement is the contribution it could make toward improving the employment picture for Vietnam vets. The veterans who have been hardest hit by our economic crisis have been "blue collar" vets; unemployment among young, educationally disadvantaged veterans now hover at close to 23 percent, according to the most recent Department of Labor figures. This means that about one-fourth of all Vietnam veterans between the ages of 20 to 24 are now unemployed. By enabling these veterans to afford vocational or technical training, which accelerated entitlement would do, we are providing them with the skills needed to find employment; and I mention again that the majority of America's jobs lie in the vocational and technical fields.

I have included safeguards to accompany the accelerated entitlement provision to insure that it will benefit those veterans who are most in need of the additional assistance which this provision would provide. The bill stipulates as well that a veteran must be able to attain a recognized and predetermined educational, vocational or professional objective within the time period that benefits are accelerated, so that there will not be abuse of the provision. By toughening the criteria for approval of nonaccredited courses, the bill guards against abuse by those who in the past have taken advantage of the veteran and his GI dollars. Finally, the bill mandates counseling and career guidance for the veteran so that we can guard against situations, as in the past, where veterans found themselves in the wrong education program and thus spent their GI benefits unwisely and ineffectively, to both their own and the taxpayer's detriment.

Finally, I am reintroducing my bill to end the inequity in last year's GI bill whereby the 9-month extension of entitlement was restricted to undergraduate work only. Joining me in introducing this measure is my distinguished colleague from New York (Mr. Koch) with whom I introduced last year's bill as well. I would like to take this opportunity to thank him for his untiring support for ending this inequity. Our bill would extend the maximum entitlement to educational assistance to 45 months, removing the restriction on undergraduate work only; our bill would enable vets to pursue graduate work if they so desire. The undergraduate restriction imposed last year is recognized by all veterans' organization, educators and a bipartisan bloc of Congress as simply unrealistic in terms of the education needed in today's job market. It makes no sense to try to save money in the short run, as was the intent of last year's restriction, when an unrestricted extension of entitlement would significantly increase the earnings capabilities and productivity of the Vietnam vet, and thus meaningfully increase economic growth in the long term.

Mr. Speaker, I stress my belief that these measures will not only aid the Vietnam veteran, but as well, aid in this Nation's economic recovery. The unemployment rate for Vietnam vets consistently hovers well above the national unemployment figure. An effective GI bill is a very real means of providing millions of men and women with the skills, training and education needed to obtain employment and contribute to the growth of our economy. For example, the Internal Revenue Service estimates that the $14 billion that we invested in the World War II GI bill was returned six times over in increased tax revenues. That kind of input into the economy is what we need today, and with an effective GI bill, I think we can realize that goal.

In closing, Mr. Speaker, I would like to remind my colleagues that next week this Nation will observe Memorial Day, a day on which we pay tribute to the men and women who died serving the country. Some 56,000 men died in Vietnam; what greater tribute can be paid to their memory than by recognizing and repaying the debt we have to those who fought by their side?

PILGRIMAGE TO THE ALAMO

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. Gonzalez), is recognized for 5 minutes.

Mr. **GONZALEZ**. Mr. Speaker, each year in April we have a fiesta in San Antonio in celebration of Texas independence.

One of the traditional events which occurs during Fiesta Week in San Antonio is the annual pilgrimage to the Alamo.

This year Lt. Gen. Allen M. Burdett, Jr., commander, U.S. 5th Army, gave a speech at the Alamo which I would like to share with you and other Members of this body. The speech by General Burdett is, as follows:

ADDRESS BY LT. GEN. ALLEN M. BURDETT, JR., COMMANDER, 5TH U.S. ARMY, AT THE PILGRIMAGE TO THE ALAMO

> Thank you, Mr. Gorman, Mrs. Aniol—Distinguished Guests—Daughters of the Republic of Texas—Ladies and Gentlemen:
>
> One cannot stand here, at this most hallowed spot in Texas, wthout sensing and feeling the purpose of commitment and the meaning of sacrifice. Here 186 men stood, fought, and died—that others, as yet unborn, might live, free of tyranny.
>
> Those defenders of the Alamo began their heroic stand one hundred and thirty-nine years ago. They were not here because of bravado—nor did they stay because it was their *job* to fight and die. They were here because they believed that man should have the right to choose his own destiny—and they stayed because of their commitment to that ideal.
>
> Those heroes came from all over the globe to make history here—they represented at least nineteen states and six foreign countries—they vividly demonstrated that the love of freedom knows no bounds.
>
> Interestingly enough, history tells us that most of those who died here had been in Texas for less than a year. They were the epitome of that long line of militiamen and citizen-soldiers who have always come from far and wide to rise to America's defense in time of need.
>
> Some of them were professional soldiers, such as Colonel William B. Travis . . . Sergeant Major Hiram Williamson . . . Lieutenant James B. Bonham . . . Sergeant John MacGregor . . . and Private Purdy Reynolds. Others were already renowned even before they came here—such as Jim Bowie and Davy Crockett. But many of them were just plain, common men . . . men with wives and children . . . men with farms and ranches that needed tending . . . men weary of war, but not of the quest for liberty. . . .
>
> Men like Isaac Millsaps, with seven children and a blind wife . . . young men like sixteen-year-old Johnny Kellog . . . or the three Taylor brothers—George, Edward, and Jabes—who were just eighteen, twenty, and twenty-two.
>
> Yes, they were here by *choice*—and by choice they stayed and gave their lives. Legend has it that Colonel Travis drew a line on the ground with his sword, and they all stepped over it indicating their determination to remain and fight. We can't swear to the accuracy of that legend, but we do know that each of those Alamo defenders had "crossed a line" in his own heart.
>
> Throughout history men have had to cross such lines, and we pray that God will hasten the day when so painful a choice will never again be required. But at the same time, I know you join me in thanking God that, so long as we must, we have men like the men of the Alamo to answer the call.
>
> We honor those defenders not just for their heroic stand, but also for the fruits of their sacrifice. Because we remember the Alamo, we can also remember San Jacinto. So, because of their brave stand, because it led to Texas freedom, and because their saga represents one of the most glorious pages of American history, we deem it a privilege to salute those magnificent sons of liberty whose deeds will always be recalled as long as men love freedom. . . . Remember the Alamo!

THE FIRST AMENDMENT IMPLEMENTATION ACT OF 1975 AND THE FAIRNESS DOCTRINE

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. Drinan) is recognized for 10 minutes.

Mr. **DRINAN**. Mr. Speaker, I have reintroduced the First Amendment Implementation Act of 1975, H.R. 7227 a bill which would strengthen the objectives of the first amendment insofar as radio and television broadcasting. Under its provisions, the fairness doctrine would be repealed so that the Federal Communications Commission would no longer have control over the content of media broadcasting. In addition, the equal time regulations of the FCC would be eliminated.

I am pleased to announce, Mr. Speaker, that 10 cosponsors have joined me in filing the First Amendment Implementation Act. They include Mr. Eilberg of Pennsylvania, Mr. Fraser of Minnesota, Mr. Hicks of Washington, Mr. McDonald of Georgia, Mrs. Meyner of New Jersey, Mr. Mitchell of Maryland, Mr. Mosher of Ohio, Mr. Stark of California, Mr. Symms of Idaho, and Mr. Won Pat of Guam.

In recent years, this country's first amendment rights have been seriously abridged by what is known as the fairness doctrine, a Federal Communications Commission regulation calling for the balanced presentation of issues in television and radio broadcasting. Despite the doctrine's praiseworthy rationale, however, the fairness doctrine cannot be justified under the dictates of the first amendment. It is repealed in my bill because it represents an unconstitutional incursion into the rights of the press.

The fairness doctrine was not formally enunciated by the FCC until 1949. At that time it was adopted as part of an FCC report upholding the right of broadcast licensees to editorialize. The new policy was not designed to repress the expression of differing views, but to stimulate the multiplicity of opinions. In 1959. the doctrine was further expanded statutorily when Congress amended the 1934 Communications Act. The amendment required broadcast licensees "to afford reasonable opportunity for the discussion of conflicting views on issues of public importance." The reasoning behind the legislation was that the air is public, and the public should have access to broadcast facilities using its airways.

Mr. Speaker, I think it is significant to note that Senator Proxmire was one of the leading proponents of the amendment which statutorily enacted the fairness doctrine. He, like many others, sincerely believed that the public was in need of such protection. Yet Senator Proxmire is now one of the prime sponsors in the Senate of legislation to repeal the doctrine. The Senator understands the danger of tampering with the first amendment, as this sort of action can only serve to lead to a dimunition of an individual's personal liberties.

THE FAIRNESS DOCTRINE AND THE FIRST AMENDMENT

Over the years this country has witnessed the fragility of our first amendment traditions. In the Constitution there is no question as to the meaning and intent of the first amendment. It rings out clearly, directing that the Congress "make no law—abridging the freedom of speech, or of the press."

The enactment of the fairness doctrine is an excellent example of the subtle abridgement process which all too often takes place. Our governmental leaders often come to believe that the interests of Government and those of the first amendment are in conflict. From the standpoint of the fairness doctrine. there is a feeling that the broadcast media may be too powerful, too irresponsible, or too controlled by special interests to exercise first amendment rights.

The fairness and balance rationale of the doctrine has such great appeal on the surface that even the Supreme Court has upheld its existence. In its Red Lion decision, the Court proclaimed that—

> The licensee has no constitutional right . . . to monopolize a radio frequency of his fellow citizens.

Red Lion has become the enabling act

of the fairness doctrine, transforming an ethic of fairness into a rigid law supported by the Judiciary.

The Red Lion decision is in distinct contrast with a later decision by the Supreme Court in the Miami Herald case. There, the Supreme Court ruled in 1974 that a Florida statute enforcing a right of reply to newspaper articles critical of public persons or policies was unconstitutional. Chief Justice Burger held that Government regulation in this area was irreconcilable with the guarantees of a free press. Consequently, Mr. Speaker, what we have is a situation in which the newspapers need grant no right of reply to editorial policies, while the broadcast media must provide such a forum.

The fiction of distinguishing the newspaper press and the broadcast media is now recognized by the courts. But even the Supreme Court in Red Lion recognized that the distinction might be a false one. The Court stated in Red Lion:

> If experience with the administration of these doctrines indicates that they have the net effect of reducing rather than enhancing the volume and quality of coverage, there will be time enough to reconsider the constitutional implications.

I submit that that time has now come. In his concurring opinion in CBS against the Democratic National Committee, Justice William Douglas clearly indicated that no distinction is permissible between newspapers and the media. Justice Douglas wrote:

> My conclusion is that the TV and radio stand in the same protected position under the first amendment as do newspapers and magazines. The philosophy of the First Amendment requires that result, for the fear that Madison and Jefferson had of government intrusion is perhaps even more relevant to TV and radio than it is to newspapers and other like publications.

Justice Douglas went on to say that the fairness doctrine has no place in our first amendment law.

> What kind of First Amendment would best serve our needs as we approach the 21st century may be an open question. But the old fashion First Amendment that we have is the Court's only guideline; and one hard and fast principle which it announces is that government shall keep its hands off the press. That principle has served us through days of calm and eras of strife and I would abide by it until a new first amendment is adopted. That means, as I view it, that TV and radio, as well as the more conventional methods for disseminating news, are all included in the concept of "press" as used in the First Amendment and therefore are entitled to live under the laissez faire regime which the First Amendment sanctions.

As Justice Douglas has indicated, there is no justifiable basis for distinguishing the newspapers from the media insofar as the application of the first amendment is concerned. While technical arguments have been made over the years to justify the distinction, they can no longer justify this serious abridgement of first amendment rights.

THE PERVASIVE CHILLING EFFECT OF THE DOCTRINE

The application of the fairness doctrine to the broadcast media does not raise mere academic questions or discussion. The effect of the doctrine has a pervasive chilling effect which is felt throughout radio and television journalism, hindering the true exercise of first amendment rights. Because of their prior experience with the fairness doctrine, the media is often unwilling to take risks in airing a program or documentary which might bring the fairness doctrine into play.

Unfortunately, this means that not only are broadcasters hindered, but the American public is prevented from being exposed to a true diversity of viewpoints. Rather than guaranteeing fairness, the doctrine is most often responsible for guaranteeing blandness to the viewers or listeners in their exposure to radio and television.

Mr. Speaker, perhaps the most famous example of the fairness doctrine in action is found in the FCC's refusal to renew the license of radio station WXUR in Media, Pa. This station was under the control of the Rev. Carl McIntire, a fundamentalist preacher who insisted on devoting a substantial amount of time to the teaching of his religious beliefs. The FCC claimed that WXUR failed to adhere to the fairness doctrine in its fundamentalist orientation, and therefore revoked its license to operate. Although I may not be a follower of Reverend McIntire's, I strongly support his right to operate WXUR and the programing which he wants to offer. To hold otherwise represents a serious incursion into the area of thoughts and ideas where the Government may not inject itself.

The revocation of WXUR's license is an egregious case, but many other examples can be pointed to in indicating a need for the Doctrine's repeal. A television station in Spokane, Wash., KREM, was accused of violating the fairness doctrine by failing to provide sufficient air time to Spokane citizens who proposed a local bond issue. The complaint was eventually decided in KREM's favor, but in the meantime, the station had to spend some 480 work hours of executive and supervisory time satisfying the FCC that it had indeed been fair on the bond issue. The legal bill of $20,000 presented a heavy burden to the station.

The NBC television network was also involved in a protracted legal struggle with the FCC after the airing of its documentary "Pensions: The Broken Promise." The documentary won four awards, including the prestigious Peabody Award for Public Service in Television and a certificate of merit presented by the American Bar Association. The FCC, however, cited the program for its lack of a balanced presentation, and the ensuing legal struggle required two years of manpower and expense culminating in the U.S. Court of Appeals for the District of Columbia. There, NBC finally won its case, and the Commission's decision was overturned.

One final example which I would like to cite involved a CBS series entitled "The Loyal Opposition." The program was contemplated as a periodic series featuring leaders of the party out of power presenting views contrasting with those of the President. After the first broadcast, however, featuring Democratic National Committee Chairman Larry O'Brien, the Republican National Committee filed a fairness complaint. The FCC upheld the complaint and ordered CBS to provide free time to the Republicans. CBS appealed, and the result was 14 months and tens of thousands of dollars in legal expenses expended before the Court of Appeals finally reversed the FCC and vindicated the network. In view of the difficulties which resulted, however, CBS abandoned "The Loyal Opposition" program.

The chilling effect which these examples present, Mr. Speaker, represents a basic threat to network broadcasting. As one official at WCBS–TV in New York has said, "There are enough pressures in the business; who needs troubles from the FCC?" The profit motive still underlies the operations of media broadcasting, and network executives can be easily led to feel, "Let's skip this one, let's not make waves, let's stay out of trouble." An NBC reporter summed up the current situation quite well:

> Even if we win, you can be sure that the next time someone comes up with an idea for a tough expose, the brass is going to think quite a while before it gives us the go-ahead, and then they'll probably impose their own "Fairness Doctrine" on us.

Even if the broadcast executives decide to throw caution to the winds and to proceed with a controversial program, the chilling effect also extends down to the reporters who are involved in the particular piece. Richard Salant, president of CBS News, described—

> A constant fear that somebody down the line—reporters or producers or somebody—will think "Gee, we've caused such headaches to management, or to ourselves, in having to dig out all this stuff, when the lawyers come around, I'll play it easy."

Salant has even sent a memorandum to his news staff telling them that he considered self-censorship a "high crime." But even aside from the threat which the fairness doctrine imposes, Salant also indicated that it serves as a shield for some broadcasters who want to duck hard investigative reporting. "I am persuaded, but obviously cannot yet prove that the brooding on the presence of the fairness doctrine does indeed affect the state of mind of some reporters, some editors, some news executive," because they realize that their stories, no matter how truthful or valid, may bring on FCC complaints. For reporters as well as broadcasting executives, the chilling effect is omnipresent.

Serious disclosures within recent months with regard to White House involvement in the FCC's operations give pause for further worries and strengthen my feeling that the fairness doctrine must be abolished. In a taped statement of President Nixon speaking to H: R. Haldeman and John Dean, dated September 15, 1970, Nixon said:

> The main, main thing is the *Post* is going to have damnable, damnable problems out of this one. They have a television station . . . and they're going to have to get it renewed.

The use of White House pressure in the Federal Communication Commission's operations was not unique to the Nixon Presidency. It has just been revealed that both President Kennedy and President Johnson used the fairness

doctrine as well in attempting to bring about certain ends. President Kennedy used the fairness doctrine to require equal time for his side of the story on the ratification of the Nuclear Test Ban Treaty with the Soviet Union. It was felt by Kennedy that the treaty was being jeopardized by right-wing commentators who denounced it and argued against its ratification. Kennedy and the Democratic National Committee also used the fairness doctrine to counter right-wing critics who were backing the candidacy of Barry Goldwater for President. As one Kennedy lieutenant disclosed:

> Our massive strategy was to use the Fairness Doctrine to challenge and harass the right-wing broadcasters and hope that the challenges would be so costly to them that they would be inhibited, and decide it was too expensive to continue.

Political involvement in the fairness doctrine cannot be ignored when we consider the chilling effect and the possible dangers involved in the fairness doctrine. The Government influence should not present so as to encourage or discourage broadcasters from the probing, hard-hitting journalism which is in the public interest, but possibly conflicts with the doctrine. In view of the many hair-splitting decisions which must be made to implement the regulations, there is no alternative other than simply eliminating the doctrine.

THE FALLACY OF THE SCARCITY THEORY

The most widely accepted justification today for the fairness doctrine is the scarcity of telecommunications outlets, and therefore, the scarcity of frequency bands available to the citizenry. The key to the scarcity theory is that with the limited number of frequencies the Government must carefully regulate those broadcasters who are granted licenses. Today, however, there is serious doubt as to whether the scarcity of broadcast frequencies exists. The emergence of cable TV, the perfection of UHF technology, and the more efficient usage of the VHF broadcast spectrum promise an end to the scarcity of broadcast frequencies.

When one considers the actual facts insofar as the number of radio and TV stations as opposed to newspapers, the fallacy of the scarcity theory is clearly revealed. The FCC speaks in terms of scarcity, and yet there are far more broadcasting stations than newspapers, although newspapers are not regulated in the least. As of December 31, 1974, there were 7,785 radio stations on the air and 952 TV stations, serving nearly every part of the country. Yet as of January 1, 1971, daily newspapers totaled only 1,749. To this fact must be added our current technological capability which allows even more stations to be added to the broadcast spectrum.

In the future, we can look forward to fewer rather than more daily newspapers. On the other hand, just speaking in terms of the television market, it is predicted that in perhaps 10 years it will be possible to provide to the television viewer 400 channels. With the possibilities for cable television, the scarcity theory surely must fall.

Under the scarcity rationale, the Government argues that the broadcast media must be regulated to encourage a diversity of ideas to counteract the scarcity of frequencies. But from the above statistics and our own common knowledge, it can readily be seen that there is no evidence of a deficiency of diversity in the media—unless we consider the deficiencies which the fairness doctrine creates. Radio and television stations are much more competitive than newspapers in terms of numbers and accessibility insofar as ownership. It is markedly easier to start a radio or television station than a newspaper. In view of these quantitative and qualitative differences, the scarcity theory can no longer be upheld.

CONCLUSION: THE FAIRNESS DOCTRINE MUST BE ABOLISHED

The fairness doctrine is inappropriately named. Its regulations do not maximize fairness, but rather, the abridgment of the first amendment. As Judge David L. Bazelon has stated, the exercise of power over speech has led the Government knee-deep into the regulation of expression. And that, we have always assumed, is forbidden by the first amendment. The Supreme Court has so held, time and time again.

At present, the fairness doctrine is leading to a diminution of the press's role as an information provider. The free flow of information is absolutely essential to self government and to a democracy as a whole. A government which can dictate what is fair reporting can largely control information to the public in a manner which subverts this self-government. As we have learned, in order to keep our Government alive and vibrant, the press must be available to criticize the Government, to make its views freely known, and to publish its opinions in a forthright manner. The fairness doctrine is a hindrance to all of these pursuits. It is for this reason, Mr. Speaker, that I have filed the First Amendment Implementation Act of 1975. I feel that this legislation is needed to correct an artificial distinction which has been promulgated by the Federal Communications Commission and erroneously endorsed by the Congress.

It is true that the repeal of the Doctrine could result in some abuses. But then again, such abuses can be tolerated when we are defending the principles of an axiom as important as the first amendment. Chief Justice Warren Burger has conceded that both newspaper and broadcast editors can and do abuse the powers which are accorded to them through the Constitution, yet he argues that this is no reason to deny this discretion. As Burger says:

> Calculated risks of abuse are taken in order to preserve higher values.

Here we clearly do have a case of higher values, and it is for this reason that I so strongly urge the Congress to take action to repeal the fairness doctrine.

Mr. Speaker, for the benefit of my colleagues, I would now like to insert the actual text of the First Amendment Implementation Act of 1975:

H.R. 7227

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE AND STATEMENT OF PURPOSE

Section 1. (a) This Act may be cited as the "First Amendment Implementation Act of 1975".

(b) It is the purpose of this Act to recognize and confirm the applicability of and to strengthen and further the objectives of the first amendment of the Constitution of the United States by removing statutory and regulatory restrictions on broadcasters operating under the Communications Act of 1934.

DEFINITION OF PUBLIC INTEREST, CONVENIENCE, AND NECESSITY

Sec. 2. Section 309 of the Communications Act of 1934 is amended by inserting at the end thereof the following:

"(i) Notwithstanding any other provision of this part, effective on and after the date of the enactment of this subsection for the purposes of this part, the term 'public interest, convenience, and necessity' shall not be construed to give the commission jurisdiction to require the provision of broadcast time to any person or persons or for the expression of any viewpoint or viewpoints or otherwise to exercise any power, supervision, control, influence, comment, or review, either directly or indirectly, over the content or schedule of any program or any other material broadcast by licensees, except where the broadcast of such material is otherwise prohibited by law.".

REPEAL OF LICENSE OR CONSTRUCTION PERMIT REVOCATION POWER RELATING TO FACILITIES FOR CANDIDATES FOR FEDERAL PUBLIC OFFICE

Sec. 3. Section 312(a) of the Communications Act of 1934 is amended by inserting "or" at the end of clause (5), striking out the semicolon and "or" at the end of clause (6) and inserting in lieu thereof a period, and striking out clause (7).

REPEAL OF SECTION 315 RELATING TO FACILITIES FOR CANDIDATES FOR PUBLIC OFFICE

Sec. 4. Section 315 of the Communications Act of 1934 is repealed.

RECOGNITION OF APPLICATION OF RIGHT OF FREE PRESS

Sec. 5. Section 326 of the Communications Act of 1934 is amended by inserting after "speech" the following: "or the right of free press" and by striking the period after "communication" and inserting in lieu thereof a comma and "including the right of a radio station to determine the schedule of its programs and the content of its programs. Nothing in this Act shall be construed to require the provision of broadcasting time to any person or persons.".

REPEAL OF PROHIBITION OF POLITICAL EDITORIALS

Sec. 6. Section 399 of the Communications Act of 1934 is repealed.

THE CORPORATE CITIZENSHIP AND COMPETITION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. James V. Stanton) is recognized for 30 minutes.

Mr. JAMES V. STANTON. Mr. Speaker, in an attempt to alleviate the severe economic distress that plagues us in 1975, I propose for the consideration of Congress a new piece of legislation—the Corporate Citizenship and Competition Act. The bill I introduce goes to the heart of what is wrong with the great industries on which our Nation thrives, or should be thriving. The legislation is aimed at providing:

A new start for the American economy, giving it a push in the direction where free enterprise ought to be taking it.

A new start to end the stalemate in

our war against monopolies, through a law arming us with rapid-firing legal weapons.

A new start in the campaign against high prices and inflation, based on the simple law of supply and demand.

A new start for honest competition, ending the "sweetheart" rivalry of industrial giants who offer us products virtually identical in price and quality.

A new start for the corporate system, making the grant of "personhood" to mammoth companies contingent on accountability to the people.

A new start toward assuring full employment in a healthy economy—an economy made strong by a new generation of corporate entities who succeed not by swallowing the competition, growing fat and incredibly bureaucratic in the process, but rather because they are lean and enterprising and capable of adapting quickly to the challenges of 1975.

The Corporate Citizenship and Competition Act would achieve these goals by mandating change and reform in four major areas. First, it would require certain corporations—the 100 or so largest—to obtain Federal charters in addition to the State charters they now possess. Second, the bill would make a direct assault on monopoly power by restructuring industries—such as autos, oil, and steel—in which real competition has been lacking. The restructuring would occur as giant corporations spin-off subsidiaries and other appendages, giving birth to rival companies in an environment where the interests of labor, stockholders, dealers, consumers, and other interested parties are protected. Third, the bill would make it necessary for federally chartered corporations to be less secretive about their operations, in areas where the public has a legitimate interest, and to provide information necessary for the enforcement of this act. Fourth, the bill would strengthen existing laws against interlocking directorates.

We need this broad program because our antitrust laws are outmoded and inefficient. Nearly everyone in politics and the scholarly community agrees with this proposition. Fortunately, the White House and the Justice Department have started to emphasize strong antitrust enforcement as a weapon against inflation. This bill will strengthen the hand of the administration.

I am proposing, Mr. Speaker, that Congress take these actions in keeping with the mandate of the Constitution that vests in the legislative branch the responsibility to regulate interstate and foreign commerce. Adoption of this bill would serve notice that our elected Congress, representing the people, is taking yet another step in these troubled times to carry out its obligations, leading the way for the executive and judicial branches.

Small business has everything to gain—and nothing to fear—from this legislation, Mr. Speaker. Even medium-size corporations and a majority of the very large companies are not targets. Rather, attention is focused, primarily, on oligopolists in the three industries already named and, secondarily, on those supercorporations whose annual sales exceed $2 billion, if at least half of these sales are derived from manufacturing or mining. According to the May 1975 issue of Fortune magazine, about 100 industrial giants could be expected to meet this test. I ask that this list be placed in the RECORD at the conclusion of my remarks.

Because of the length and detail of this presentation, Mr. Speaker, I include an outline of what is to follow in the RECORD at this point, to provide a framework for the supporting material. The outline follows:

I. Federal Charters: A New Corporate Citizenship
  A. Corporations as a Rival of Free Government
  B. Foundations of Corporate Powers
    1. "Personhood"
    2. State Chartering
    3. Oligopoly
II. The Need to Restructure Basic Industries
  A. Dimensions of Economic Concentration
  B. Economic Concentration and Inflation
  C. Economic Concentration and Inefficiency
  D. Failure of Existing Antitrust Laws
    1. Lack of Consistent Enforcement
    2. Inadequacy of the Laws
    3. Need for New Legal Weaponry
III. Dissolving the Joint Monopolies
  A. Congress as the Jury
  B. The Federal Corporate Chartering Commission
  C. Deadlines for Action
IV. Target for Deconcentration
  A. The Automobile Industry
  B. The Oil Industry
  C. The Steel Industry
  D. Other Industries
    1. Tires
    2. Wholesale Bread
    3. Breakfast cereals
    4. Electric Lamps
    5. Telephones
    6. Sundry Other Industries
V. Obligations of Federally Chartered Corporations
  A. Disclosure
    1. Product Line Reporting
    2. Intercorporate Stock Ownership
    3. Corporate Income Tax returns
    4. Affirmative Action Program on Public Information
  B. Interlocking Directorates
VI. Penalties and Enforcement
VII. Continuing Studies

I. FEDERAL CHARTERS: A NEW CORPORATE CITIZENSHIP

A. CORPORATIONS AS A RIVAL OF FREE GOVERNMENT

Mr. Speaker, some two decades back this Congress was told that the General Motors Corp. was sort of an alter ego of the United States of America. Anything that is good for the company was said to be, ipso facto, good for the whole country. This wisdom was imparted to us by Mr. Charles E. Wilson, who headed GM at the time.[1] "Engine Charlie," as he has known, was accustomed to thinking big. He could see only two entities that counted for anything, one being the Government and the other his corporation. It appeared to him that customers of GM, its competitors, its workers, the dealers who sold the cars and other products—even the people of the United States—had no interests of their own that could possibly come into conflict with those of GM.

Now Mr. Wilson was by all accounts a sincere and honest man. But some people regarded his testimony as a bad joke; we keep hearing it tossed around. Yet he was not being entirely illogical. While it is true that our country spans a continent and is involved in operations around the world, the same may be said of GM. In fact, this heavyweight champion of American corporations is more than a match for most governments, if not our own. Its sales have exceeded the revenues of any foreign nation, except the Soviet Union and Great Britain.[2] And dollar for dollar in 1968, it took in more than any of the States in our Union. GM was No. 1, followed by Exxon, Ford, and General Electric. In fifth place, grossing only one-third as much as GM, was the great State of California. As for my own State of Ohio, it is no pygmy, of course. Yet it weighed in at No. 40, behind General Dynamics, on Ralph Nader's list of America's 110 leading public and private entities, ranked according to income.[3]

The incongruity of all this was apparent even in the time of the distinguished Justice Brandeis of our Supreme Court. Writing during the depression, he found he had to lay down his law books to search for an appropriate figure of speech. He described corporate giants as "the Frankenstein monster which States have created by their corporation laws."

I do not believe that this eminent jurist was stretching the point. A monster such as GM is not only capable of turning on its master, but in addition, has a grant of autonomy from the master that enables it to prey on other citizens, as well as small companies. Corporate behavior in areas such as pricing, manipulation of employment, emission of pollutants, and growth through cannibalistic feeding on competitors, in what is euphemistically called the merger process, are in accord with the Frankenstein anology. But, Mr. Speaker, if it is unfair or unrealistic to swallow the figure of speech whole, then it is rather naive as well to accept uncritically the romanticism of the Wilson doctrine, which merges the public interest with the corporate interest, transforming them into one entity, indivisible, with liberty and justice for all.

I say this although I know it is true that most corporations are perfectly good citizens. Most of us like them because they do manufacture products that we want to buy. They do create jobs for our people; they are sometimes charitable and public-spirited. And, of course, there definitely is a linkage, to a considerable extent, between their welfare as individuals and that of the Nation as a whole. It is a fact that our economy could not get along without them. But none of this, of course, supports the Wilson notion that a corporation, no matter how big and benevolent, can grow to be coterminous with the United States.

Actually, Mr. Speaker, instead of an identity of interests between our Federal Government and the supercorporations, we have rivalry between the two, the dynamics of which were described a few decades ago in the work, "The Modern Corporation and Private Property":

> The (modern corporation) involves a concentration of power in the economic field comparable to the concentration of religious power in the medieval church or of political power in the national state. . . . The rise of the modern corporation has brought a concentration of economic power which can compete on equal terms with the modern state—economic power versus political power, each strong in its own field.[5]

At first glance, the proposition that private corporations might be in the same league as the Federal Government appears untenable. The Government would seem to be stronger because its popular constituency is so broad—embracing, as it must in a democratic society, the entire population. By contrast, the supercorporations have a "popular" base that really is reducible to a relatively small community of stockholders, in which effective voting power is not widely shared. In fact, even this base narrows as stockholders yield control to management—a tight knot of individuals who often have incestuous ties with their business cousins on other corporate boards.

B. FOUNDATIONS OF CORPORATE POWER

Yet the crowding of big government, representing the many, by big business, accountable only to the few, does take place in the United States. It is remarkable that the Government grows because, essentially, it has become popular—and that the corporations keep pace even though they are not popular and not trusted. But they do not need approbation. They thrive without it for three basic reasons. First, they get nourishment from the legal theory that classifies them as "persons." Second, from the moment of birth supercorporations are richer and stronger than their parent because they are chartered not by the Federal Government, with whom they compare in size, but usually by a dwarf-like and impecunious State government. Third, the corporate giants enhance their individual strength by combining into cliques that take over entire industries, each one of which is vital to the economy of our Nation and the livelihood of our people.

1. "PERSONHOOD"

The theory of legal personhood has translated itself into a public policy. The policy has been to treat corporations, which in truth are bloodless robots, as though they really have an immortal soul of their own. Being "people" like us in a democratic society, they are vested with sovereignty vis-a-vis the government. They are entitled to privacy; they are entitled to life; they are entitled to property.

They cannot be deprived of any of these without due process of law. Confronted with a threat from the Government, which acts as an agent of the people, corporations insist on their "due process" rights. Teams of well-paid lawyers come to their rescue—more talent than the rest of us mere persons can afford when the Government turns against us.

In the meantime, these artificial persons have come into the world by outright buying of their birth certificates—the certificates being State charters in which the corporate years are not numbered—a grant of immortality. If their foothold in the market becomes secure, and if they escape being cannibalized in the merger process, they survive whole generations of real people—including the political regimes that sired and protected them. Yet, insofar as legal theory is concerned, these corporate demigods are "just folks."

I submit, Mr. Speaker, that now is a time to recall that there has always been another school of thought. Justice Brandeis was one of its exponents. In his famous dissent in the Liggett Co. against Lee case, he observed:

> The difference in power between corporations and natural persons is ample basis for placing them in different classes.

He continued:

> Whether the corporation privilege shall be granted or withheld is always a matter of state policy. If granted, the privilege is conferred in order to achieve an end which the State deems desirable. . . . The reason for granting it may be to promote more generally the public welfare by providing an instrumentality of business which will facilitate the establishment and conduct of new and large enterprises deemed of public benefit.[6]

In other words, Justice Brandeis saw corporations, like the Government itself, as being permitted to exist for an underlying purpose. This purpose must be not merely to serve their own interests. Corporate operations must also confer some advantage on the people. This was a principle of cardinal importance which, the Justice feared, was being forgotten in his time. He continued in his lengthy but pungent dissent:

> The prevalence of the corporation in America has led men of this generation to act, at times, as if the privilege of doing business in corporate form were inherent in the citizen. . . . Throughout the greater part of our history a different view prevailed.
>
> Although the value of this instrumentality in commerce and industry was fully recognized, incorporation for business was commonly denied long after it had been freely granted for religious, educational and charitable purposes. It was denied because of fear. Fear of encroachment upon the liberties and opportunities of the individual. Fear of the subjection of labor to capital. Fear of monopoly. Fear that the absorption of capital by corporations, and their perpetual life, might bring evils similar to those which attended mortmain. . . .
>
> Permission to incorporate for "any lawful purpose" was not common until 1875; and until that time the duration of corporate franchises was generally limited to a period of 20, 30, or 50 years. . . .
>
> The powers which the corporation might exercise in carrying out its purposes were sparingly conferred and strictly construed. . .
>
> Size alone gives to giant corporations a social significance not attached ordinarily to smaller units of private enterprise. Through size, corporations . . . have become an institution which has brought such concentration of economic power that so-called private corporations are sometimes able to dominate the State. . . .
>
> There is a widespread belief that the existing unemployment is the result, in large part, of the gross inequality in the distribution of wealth and income which giant corporations have fostered; that by the control which the few have exerted through giant corporations, individual initiative and effort are being paralyzed, creative power impaired and human happiness lessened; that the true prosperity of our past came not from big business, but through the courage, the energy and the resourcefulness of small men; that only by releasing from corporate control the faculties of the unknown many, only by reopening to them the opportunities for leadership, can confidence in our future be restored and the existing misery be overcome; and that only through participation by the many in the responsibilities and determinations of business, can Americans secure the moral and intellectual development which is essential to the maintenance of liberty.

And as the Supreme Court observed at another time—though the lesson of this utterance seems, like the admonition of Justice Brandeis, to have gone unheeded:

> The corporation, insofar as it is a legal entity, is a creation of the state. It is presumed to be incorporated for the benefit of the public. . . . Its rights to act as a corporation are fully preserved to it so long as it obeys the laws of its creation.[7]

2. STATE CHARTERING

The second major reason, Mr. Speaker, as I have said, that accounts for the awesome power of supercorporations is the manner of their birth. They cause themselves to be born with a silver spoon large enough to feed their parent—the parent in nearly every case being a State government hungry for revenue. This hunger is abated when the incorporators buy a charter from the State, that is to say a license to do business.

Now one would think that a company operating in all 50 States, possibly even involving our country in entangelments abroad, would be chartered by the United States itself. But not so. The odds are close to even that it owes its "personhood" to the State of Delaware. We know, of course, with all due respect to this tiny, distinguished member of our Union, that it specializes in corporate pregnancies. But if not Delaware, then the odds are fairly good that our business behemoth has been incorporated by the equally distinguished, somewhat larger State of New Jersey. And if not Delaware or New Jersey, then by one of their eminent sister States. But not—and this is for sure—by the United States.

What is in it for Delaware? The answer, again with all due respect, Mr. Speaker, is money. The State derives about one-fourth of its income from corporation fees and franchise taxes.[8] To attract this business—that is to say, to assure itself that an incipient corporation would not elect another State as its parent—Delaware has enacted an elaborate code of laws. Reflected in them is a permissive parent. In exchange for being supported by its progeny, Delaware will allow corporations, for example, to dispense with shareholders' meetings.[9] A liberal policy also has been adopted with respect to payment of corporate dividends, restrictions on sales of assets, and indemnification of officers and directors. The solicitude of the legislative branch in the State is matched by that of its courts:

> Judicial decisions in Delaware illustrate that the courts have undertaken to carry out the "public policy" of the state and create

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> a "favorable climate" for management. Consciously or unconsciously, fiduciary standards and the standards of fairness generally have been relaxed. In general, the judicial decision can best be reconciled on the basis of a desire to foster incorporation in Delaware.[10]

Now these corporations have virtually no physical assets in Delaware other than a set of legal papers, Mr. Speaker. The fact is that they would be reduced to pygmies, if not ashes, if they were to confine their operations to that single State. So we might well ask whether it is seemly or sensible to have one State set standards that, absurdly, become controlling for the United States as a whole. William L. Cary, professor of law at Columbia University has observed:

> Delaware decisions have a profound impact upon the development of corporation law. Furthermore, similar to its influence on statutory modernization Delaware's case law is cited constantly and relied upon in other jurisdictions. Every corporation law casebook for students is filled with Delaware decisions because it is the state where great companies are organized and where there is the most corporate experience to draw upon.[11]

Mr. Speaker, the proposition that the Federal Government, not the State governments, ought to charter the companies engaged in interstate commerce is not a novel idea. Scholars have traced this concept to the Founding Fathers.[12] James Madison, for example, was an early proponent. But most delegates at the Constitutional Convention backed away, fearing the Frankenstein effect of a nationally chartered business entity and concluding, evidently, that supervision by the States would keep corporations pared down to size.

Yet the Federal chartering concept kept surfacing at other times in American history. It had its heyday during the Progressive era. As reported in the volume, "Corporate Power in America":

> Between 1903 and 1914, Presidents Roosevelt, Taft and Wilson all voiced support for a federal incorporation or licensing scheme in their annual messages to Congress; President Taft had his attorney general, George Wichersham, draft a federal licensing bill and propose it to Congress in 1911. Mark Hanna, William Jennings Bryan, and the U.S. Industrial Commission favored it.
>
> Industrialists Judge Gary, James Dill and John D. Rockefeller all favored versions of the idea (to avoid conflicting state laws); the Wall Street Journal and National Association of Manufacturers both supported it in 1908. It was endorsed by the 1904 Democratic Platform, the 1908 Republican Platform, and the 1912 Democratic Platform. Twenty different bills were introduced in one or both Houses of Congress between 1903 and 1914. Scholars and politicians favored it as a logical way of promoting the public interest.[13]

But the chartering proposals were sidetracked when the Clayton Antitrust and Federal Trade Commission Acts were adopted as alternatives in 1914. The next and, unfortunately, the last time that the proposition received serious consideration was toward the end of the Depression, when Senator Joseph O'Mahoney and his Temporary National Economic Committee held extensive hearings on it. But then World War II intervened.

By introducing today the Corporate Citizenship and Competition Act, Mr. Speaker, I hope to furnish Congress with a new vehicle for reassessment of the need for Federal chartering, in the light of modern conditions. This bill differs markedly from some of the earlier versions.

It does not substitute Federal for State charters. Rather, the Federal incorporation papers would supplement those issued by the States. For the most part, we would not concern ourselves with what any given State requires or does not require of its corporate citizens. And there would be no attempt to reconcile or standardize the varying State criteria. We would have another purpose in mind. That purpose would be to restore competition in the marketplace.

This bill, then, Mr. Speaker, through the stratagem of Federal chartering, would zero in on those industries where there is a concentration of power in too few corporations, or where there is otherwise a lack of real business rivalry. The Federal charter would narrow the operational scope of certain supercorporations, causing them to shed some of their subsidiaries and sever connections that give them a stranglehold in their sector of the economy, or on the economy as a whole. The result would be to make room for the entry of new firms into the market.

We must remember we are dealing, after all, Mr. Speaker, not with real "persons" but with automatons—created not by God but by some State. Their "lives" are not as precious as ours. It is not murder to dismember them.

We would take apart the robots for an excellent reason— to rearrange the inorganic building blocks of our economy. After all, the corporations are inanimate and would feel no pain. In any event, we should not concern ourselves with artificial persons at a time of real human suffering. We cannot afford to pretend that corporate "persons" are as inviolable as we are. It is we, the people, who are injured when we keep alive this fiction.

3. OLIGOPOLY

I turn now, Mr. Speaker, to the third reason why supercorporations are able to rise to a position from which they sometimes tower over government. I refer to the power that results from their chumminess.

II. THE NEED TO RESTRUCTURE BASIC INDUSTRIES

A. DIMENSIONS OF ECONOMIC CONCENTRATION

Mr. Speaker, despite the antitrust laws, there has been a growing concentration of economic power in this country. I venture to say we are aware only vaguely of the dimensions of this problem. And over the years, we have been insensitive to the implications it has for a democratic society. A recent estimate is that—

> Between one-quarter and one-third of American manufacturing occurs in industries where four firms control 50% or more of domestic output." [14]

A few years ago Dr. Willard Mueller, former chief economist of the Federal Trade Commission, reported to a congressional committee:

> You may recall that I testified in 1965 that should postwar trends in aggregate concentration continue, by 1975 the 200 largest manufacturing corporations would control ⅔ of all the manufacturing assets. Unhappily, we have reached this level ahead of schedule. Today the top 200 already control about ⅔ of all assets held by corporations engaged primarily in manufacturing.[15]

Much of this growth has been unnatural—in fact cancerous, if one views the American economy as a living organism. Tumors are generated by a process called merger, which kills off healthy cells in the economy. Between 1962 and 1968, 110 of Fortune's top 500 corporations were strangled by mergers.[16] In 1969 alone, 4,500 companies met this fate. Malignancies still are sprouting inside the economy—as Caspar W. Weinberger observed in congressional testimony when he was FTC chairman. Mr. Weinberger warned us:

> A significant trend has developed in the quality of firms which are being acquired: the substantial proportion of the middle range of corporations are disappearing. . . . Overwhelmingly these acquired companies have been well established, healthy firms making good profits. These are precisely the kinds of companies—the viable middle tier—which we would expect to grow in the normal way and thereafter present a real competitive challenge to the top corporations. The disappearance of healthy, medium, middle-sized competition but for social and political institutions.[17]

The term that some economists use to describe the malignancies is "communities of interest." John M. Blair has written:

> Through such communities, revolving around powerful family and financial groups, clusters of great corporations are said to be related by interlocking directorates, intercorporate stock holdings, historical relationships, and other means. The effect of such communities, it is contended, is to bring about greater cohesiveness and unity of action than would otherwise be the case. Control is sufficient to prevent any member of a community from undertaking a course of action which, though beneficial to itself, would be harmful to other members of the community. The inevitable result is a lessening of the potential for independent, competitive behavior.[18]

The disease is probably worse than is presently discernible because the statistics that the public sees are deficient. They are gleaned from reports that the corporations make to the FTC, the Census Bureau and other Government agencies. Unimpressed with them, Blair says: "(While) there are no known sources of overstatement in these figures . . . there are several possible sources of understatement." [19] And he proceeds to a critique of the statistics, citing holes in them and pointing out other inadequacies.

B. ECONOMIC CONCENTRATION AND INFLATION

Because the true dimensions of monopoly power in the United States are not really known, our economic forecasters appear of late to have been reduced to the status of court astrologers, causing the White House to be led into grievous error. And the old law of supply and demand has been rendered inoperative, leaving us uncertain of what to steer by.

If the marketplace were truly competitive, Mr. Speaker, the policy that President Nixon instituted on taking office would have worked. His strategy was to tackle inflation by drying up the money supply. This in turn was supposed to have reduced demand, and the anticipated consequence was that prices would come down.

But the President did not reckon on the concentrated industries, which have enough power to resist supply-and-demand pressures. They are relatively free to set prices themselves—at levels they decide will be beneficial at least to them, whatever their effect on the rest of the economy. One of their classic responses to a recession is to reduce production to protect the price. This, of course, causes unemployment, so between 1969 and 1971 2 million American workers were laid off.[20]

Finally, in August 1971, Mr. Nixon gave up and imposed wage and price controls, substituting governmental decree for economic dictatorship by the super corporations. Either way, as the American people came to learn, they were no longer dealing in a free marketplace—if, in fact, they ever had been in their lifetimes. As Federal Reserve Chairman Arthur F. Burns remarked in 1971:

> Prices no longer behave as they used to.[21] Following is a summary of what happened to prices in some industries early in the Nixon administration:
>
> In the concentrated industries: Energy, up 11%; transportation equipment, up 9%; metals and metal products, up 8%; machinery and equipment, up 7%; nonmetallic minerals, up 6%; and rubber and plastic products, up 5%. . . . Meanwhile, in the less concentrated industries, such as processed foods, skins, leathers, and hides, and textile products and apparel, price changes were below average, at about 2%. . . . So the medicine that was supposed to cure inflation apparently went down smoothly for the concentrated industries. But the non-concentrated ones took their lumps without a significant payout in lowering of inflation.[22]

Although President Nixon and his advisers appear to have discounted the cease-and-effect relationship between inflation and the freeze in competition, there was ample evidence of the connection beforehand. After examining various data, a White House task force on antitrust policy reported in 1968:

> Efficiencies belonging to or achieved by a firm with some degree of monopoly power may be reflected only in higher profits rather than lower prices. . . .
>
> In the years since the Sherman Act was adopted there has been growing recognition that monopoly is a matter of degree. A firm with less than 100% of the output of an industry may nevertheless have significant control over supply, and thus be in a position to impose on the economy the losses associated with monopoly: lower output, higher prices, artificial restraints on the movement of resources in the economy and reduced pressure toward cost reduction and innovation. Likewise, a small number of firms dominating an industry may take a similar toll. . . .[23]

The history of the relationship between pricing and economic concentration in the United States has been reviewed by Blair:

> After World War II . . . a new and significant form of price behavior began to manifest itself; no longer were prices of concentrated industries merely remaining relatively rigid in the face of declining demand; they were actually tending to rise. Although attention was called to this "perverse flexibility" when it appeared in the 1957–58 recession and again in the 1970–71 recession, it received little attention by economists or policy makers. Yet it constitutes the root cause of the inability of fiscal and monetary restraints to arrest, or even retard, the inflation of prices.[24]

Blair noted that the "general tendency of prices to move downward during the 19th century was certainly in keeping with the increasingly competitive character of the times." [25] But by the turn of the century, when concentration was beginning to take hold, price behavior began to change. During the depression, as a study of the pricing of 122 items later showed, prices in the oligopolistic industries held up, while in others they plunged downward.[26] Another study during the period, by Means, concluded that price rigidity "is due principally to concentration in the market." [27] He found, too, that prices were sustained at high levels as oligopolists cut production—actions which in turn increased unemployment.[28]

Continuing his review into the postwar period, Blair reported on a study of the prices of certain pairs of products, one member of the pair being produced in a competitive industrial environment and the second against a background of industrial concentration. Prices of each pair were compared, first, during the 1953–54 recession and, second, during the 1957–58 downturn. The finding was a "general pattern—of price increases in the concentrated products and of decreases in their unconcentrated counterparts." [29]

If the mammoth corporations are able actually to dictate prices, independently of demand, how high do they aim? Blair reported on the experience of corporate giants in five different industries, which he found had set targets for themselves. In the 16 years between 1953 and 1968 "the success of the five leaders in meeting their profit objectives was little short of remarkable," he wrote. GM had set a target rate of return of 20 percent—and had realized 20.2 percent for the period. The corresponding figures for the four other behemoths were Alcoa, 10 percent and 9.5 percent; Standard Oil of New Jersey, 12 percent and 12.6 percent; Dupont, 20 percent and 22 percent; United States Steel, 8 percent and 8.4 percent.[30] Blair concluded:

> Whatever the reason, the evidence seems clear that profit rates tend to be higher—and substantially higher—in concentrated than in unconcentrated industries.[31]

After examining more recent data, the Joint Economic Committee of Congress concluded in its December, 1974, report:

> Typically, the dominant firms in concentrated industries have been able to use their market power to insulate their price levels from fluctuations in demand. When demand is high the tendency is to increase prices, sometimes at a lesser rate than in the more competitive industries. However, when demand declines prices tend to remain fixed at high levels or rise further in the concentrated industries. The long-term trend in the concentrated industries has been steadily rising prices.
>
> The months since controls were removed last spring have been marked by an explosion of prices in the concentrated industries. Many economists conclude that the huge price hikes in the past year in such industries as auto, chemicals, fuels, metals, machinery, paper and transportation equipment, have been brought about through abuses of market power and despite the fact that demand began to sag in the latter half of the year. For this reason, the current inflation has been referred to in part as an "administered" inflation, arising from the power of the concentrated industries to administer or impose price increases on the public regardless of market forces.[32]

C. ECONOMIC CONCENTRATION AND INEFFICIENCY

Apologists for the giant corporations, Mr. Speaker, have a way of consoling us. They might acknowledge that the mammoths are bloated with profits, but often they will add that we are fortunate to have an opportunity to overpay. Why? Because then the extra money is plowed back by the corporation into research and development, and we end up having on the market new items that we had always dreamed of but had never thought possible. Inventions in this day and age require organization and resources, and it takes the huge scientific arsenal of the big corporation to deliver them to us, the argument runs.

But the evidence cited by Blair is that large companies spend less than smaller enterprises on research and development.[33] And the supercorporations turn out to have a record for inventiveness than can best be described as embarassing. This record was compiled in 1958, and was later updated, by a team of analysts headed by John Jewkes. They compiled a box score that cited 61 important inventions of the 20th century, two-thirds of them appearing on the scene after 1930. Of the 61, only 16 were "attributed directly to organized research by large corporations—and—even some of these contributions were built upon the prior work of independent scientists and inventors." [34] Some of the inventions that we do not owe to the supercorporations are the jet engine, radio, air conditioning, helicopter, xerography, cellophane, the safety razor, the zip fastener and the self-winding wristwatch, to cite a few.[35] In fact, a member of the Jewkes team told a Senate committee a few years back:

> Clearly our economy would suffer if all industries were reduced to a few large firms. For missing would be those smaller firms willing to gamble on innovations such as xerography, magnetic recording and the helicopter which large firms in the past chose to ignore; those smaller firms with an eye to rapid growth whose ingenuity and flexibility equipped them to break into new fields such as transistor technology and insecticides. There may be less tendency for firms to rest on their laurels if the way remains open for aggressive small firms to innovate. The value of competition in stimulating innovation should not be underestimated.[36]

Another witness at a congressional hearing, T. K. Quinn, who formerly was an executive of General Electric, testified:

> I know of no original product invention, not even electric shavers or hearing aids,

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> made by any of the giant laboratories or corporations, with the possible exception of the household garbage grinder, developed not by the research laboratory but by the engineering department of General Electric. But the basic idea of this machine came from a smaller concern producing commercial grinders. . . . The record of the giants is one of moving in, buying out, and absorbing the smaller concerns.[37]

Quinn cited as an example the electric toaster, which had been developed by a relatively small firm, the McGraw Co. Quinn related:

> For many years none of the giant companies were able to come near matching McGraw's toaster. The result was in order to break into the market successfully General Electric used its economic power to buy up the McGraw company.[38]

Still more examples, Mr. Speaker, are found in the steel industry, where the mammoths have an interest in protecting a huge investment in an old technology. As a result, not a single one of 13 major inventions in that industry between 1940 and 1955 were made in the United States. The 13 included the oxygen steelmaking process, which was invented by a small Austrian company, later to be adopted in the United States first by McLouth Steel, a small American company. It took 10 years for United States Steel and Bethlehem Steel to follow the Austrian-McLouth lead, and the mammoths still have quite a way to go before they complete their conversion to oxygen.[39] Economist Walter Adams summed it up for the steel industry when he observed:

> The dominant firms are neither big because they are efficient, nor efficient because they are big." [40]

D. FAILURE OF EXISTING ANTITRUST LAWS

If what I have said so far, Mr. Speaker—that much of our economy has been captured by the supercorporations, that this imposes costs on the people in terms of high prices and unemployment—then why do we not turn to our trusty antitrust arsenal, deploy those big legal guns that we have, and just blast away at the supercorporations?

The fact is we have been cannonading since 1890, according to communiques issued by politicians of both parties, starting with the passage that year of the Sherman Antitrust Act. But it has been a no-win war. Some politicians have won glory in the fighting as "trustbusters"; lawyers have profiteered from it; some corporations claim to have been martyred. But there has been no real blood on the floor, no oozing of corporate financial substance except what was recoverable, to be reconstituted elsewhere. In fact, every time the smoke clears, we find the corporate robots largely intact, with the people contemplating the larger hole that has been blasted in their pockets. What accounts for this? Two facts, Mr. Speaker—poor performance by the trustbusters and obsolete legal weapons that are almost inoperable.

1. LACK OF CONSISTENT ENFORCEMENT

Enforcement of the Sherman law and subsequent statutes has, of course, been the responsibility of the executive branch. But the White House and Justice Department got off to a slow, lackadaisical start in 1890, initiating a few minor skirmishes. Then, in 1896, because of ineptitude, they lost a key battle in the Supreme Court against what was known as the sugar trust. This was too much for the trustbusters to take. They retreated and stood by, just watching, while a merger wave swept over the economy, creating and leaving in its wake some of the giants that survive to this day, including United States Steel and General Electric.[41] A few years later Teddy Roosevelt thundered onto the scene and, from that time on, we have at least been getting rhetoric, if not results.

In our own time, there was an initial flurry of activity by Richard McLaren, the Nixon administration's first trustbuster. But we also have, of course, the record of the Nixon Justice Department in the ITT case. Little has happened, then, since 1890 to make us confident about the dedication, willingness, or ability of the executive branch to enforce the antitrust laws. Moreover, changes of administration at election times, and in the Justice Department between elections, have produced shifts in strategy and policy. For 85 years, there has been no consistency.

Yet how can we be sure that the present administration does not mean business? Perhaps, at last, we do have in power at the White House and at Justice men and women who are determined to give us that "new start," Mr. Speaker, that I am urging in this presentation. After all, President Ford in his first message to us did make the connection between inflation and antitrust enforcement. This was followed up in stronger language by one of Ohio's distinguished citizens, the Honorable William B. Saxbe, who was Attorney General until recently. And in his budget proposal for fiscal year 1976, President Ford does ask for more money to strengthen enforcement by the Antitrust Division of the Justice Department, as well as by the Federal Trade Commission. I certainly have no reason to doubt the sincerity of our President, Mr. Speaker. Still, I must be candid. I am not impressed. I foresee no great victories ahead, at least not within a reasonable time, because the laws that the President must work with are, as I have pointed out, defective.

2. INADEQUACY OF THE STATUTES

First, they lack firepower when they are arrayed against the monopolistic structure of an entire industry, which is the goal of the proposed Corporate Citizenship and Competition Act. Too often, the existing laws are useful, to a degree, only when it can be proved that a corporation actually intended to monopolize the market, to illegally restrain trade, to engage in predatory practices or to commit other proscribed acts. Such proof is not easy to come by. If corporate officials are meeting in a hotel room to fix prices, we would have to stoop, in most cases, to Watergate methods to secure that intelligence. But chances are, anyway, that meetings of this sort no longer really occur frequently. "Today, businessmen bend over backwards when they go to trade association meetings to avoid even the appearance of talking prices or markets with their competitors," reported Dun's Review in its February, 1975, issue.[42] And, as the Senate Commerce Committee was told not long ago by Keith Clearwaters, second-in-command of the Justice Department's Antitrust Division:

> We are not justified in instituting antitrust cases upon mere suspicion. . . . While some of these investigations are still continuing, we have found it difficult to assemble specific evidence. . . . Many of those who would seem to have some basis for complaint about the operation of oil-company owned pipelines have been reluctant to come forward, perhaps because of the feeling of dependence upon the good will of the major oil companies in other phases of their operation.[43]

Second, the existing laws often turn out to be ineffectual even when they produce a clear-cut victory for the Government, or a partial victory in the form of a settlement. Since 1960 the Justice Department has brought at least 20 actions against the steel companies, alleging price fixing and other forms of collusion; in some the companies offered no defense, and in others there were settlements; but not much has been accomplished in terms of causing the industry to change its ways.[44] Donald Baker of the Justice Department complained in a 1972 speech that enforcing the Sherman Act is "hard, slow, expensive work," yielding only a company-by-company remedy with "a very low payoff beyond the four corners of each case." [45] Mark Green has cited a large number of cases where litigation has dragged on long after the courts had ordered certain remedies.[46] In addition, Green has observed that—

> The three great merger waves of the past 80 years have each followed the passage of antitrust legislation aimed at slowing them down.[47]

And, as the 1968 White House Task Force on Antitrust Policy observed:

> A gap in the law remains. While section 7 of the Clayton Act provides strong protection against the growth of new concentrations of market power in most instances, existing law is inadequate to cope with old ones. . . . The antitrust laws and economic forces have not brought about significant erosion of existing concentration.[48]

Third, the time it takes to adjudicate cases under existing law is exasperating and inexcusable. We ought to be able to give the people a better law, Mr. Speaker—one that will serve the public rather than the lawyers. They thrive on delay, and are paid for it.

Six years ago, the Justice Department filed an antitrust lawsuit against IBM. The trial which, of course, is only one phase of the process, and which itself is expected to last no less than a year, began only last May 19. In mid-1973 the Federal Trade Commission brought charges against Exxon and seven other giant oil companies.

The proceedings are not expected to reach the trial stage at least until 1978.[49] The 1945 Alcoa case took 20 years to move from start to finish; a 1953 oil cartel case was in the lawyers' laps for 13 years.[50]

The Hartford-Empire Glass Co. case

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began with a Justice Department investigation in 1939 and then reached these milestones:

> (a) March, 1941, trial begins; (b) January, 1942, concluded; (c) August, 1942, judge issues his opinion; (d) November, 1943, case argued in Supreme Court; (e) October, 1944, a rehearing; (f) January, 1945, case returned to lower court; (g) November, 1946, new proceedings begin before a special master; (h) May, 1947, opposing lawyers reach a settlement.[51]

As the Joint Economic Committee observed in its December 1974, report:

> It is not rare for an antitrust case to take 10 years to complete. It has been estimated that it might take that long for the depositions to be completed in a major case involving the oil industry, filed a year ago by the Federal Trade Commission. This approach does not appear to offer the prospect of restoring competition in areas of industrial concentration within a reasonable time.[52]

3. NEED FOR NEW LEGAL WEAPONRY

Is there a new approach, then, that we might take, Mr. Speaker? I submit that there is. In fact, the Justice Department appears to agree—because Mr. Clearwaters, after detailing the difficulties of obtaining evidence, told the Senate committee:

> These circumstances contribute to our present belief that a general legislative solution to the question of oil-company control of pipelines may be appropriate.[53]

You will note that he called for a "legislative solution." In other words, he was saying the Department was doing what it could in court with what it had, but the people must look to Congress to authorize new weaponry. It is no secret where the thrust of that armament must be directed. The White House Task Force spotted the target for us in 1968. It is not individual corporations as such but rather the market environment. The task force said:

> Market structure is an important concern of antitrust laws for two reasons. First, the more competitive a market structure. . . . the greater the difficulty of maintaining collusive behavior and the more easily such behavior can be detected. Second, in markets with a very few firms effects equivalent to those of collusion may occur even in the absence of collusion. . . .
>
> In an oligopolistic market—one in which there is a small number of dominant sellers, each with a large market share—each must consider the effect of his output on the total market and the probable reactions of the other sellers to his decisions; the results of their combined decisions may approximate the profit-maximizing decisions of a monopolist. Not only does the small number of sellers facilitate agreement; but agreement in the ordinary sense may be unnecessary. Thus, phrases such as "price leadership" and "administered pricing" often do no more than describe behavior which is the inevitable result of structure. Under such conditions, it does not suffice for antitrust law to attempt to reach anticompetitive behavior; it cannot order the several firms to ignore each other's existence. The alternatives, other than accepting the undesirable economic consequences, are either regulation of price (and other decisions) or improving the competitive structure of the market.[54]

This is the strategy, Mr. Speaker, that is adopted by the proposed Corporate Citizenship and Competition Act. It does not seek to repeal or to put on the shelf the existing statutes against anticompetitive behavior. Instead, it adds a new dimension to the antitrust laws. The bill says in effect that an anticompetitive market structure in certain industries is illegal per se, however it came to be. Thus the Government, proceeding under this bill, would zero in on the effect rather than the cause. The cause, after all, is incidental; it is the effect that the American people must cope with—effects such as inflation and unemployment. To have to adduce evidence as to causes pulls us into the legal quicksand. There, we are weighted with the burden of providing facts that might be historically interesting but which bring us no immediate relief. By contrast, the attack on structure is launched on firm ground, where we can maneuver, from a legal standpoint, adroitly and quickly.

While my voting record in the House, Mr. Speaker, is seen by most persons as moderate and by a few as liberal, I do not see myself as espousing a particular political ideology in the bill that I offer. Even strict conservatives do not believe that corporations have a right to attain monopoly power. In fact, quite the opposite. More than 30 years ago, Henry Simons wrote in his tract, "A Positive Program for Laissez-Faire":

> Even if the much-advertised economies of gigantic financial combinations were real, sound policy would wisely sacrifice these economies to preservation of more economic freedom and equality. . . . Few of our gigantic corporations can be defended on the ground that their present size is necessary. . . . Their existence is to be explained in terms of opportunities for promoter profits, personal ambitions of industrial and financial "Napoleons," and advantages of monopoly power. We should look toward a situation in which the size of ownership units in every industry is limited by the minimum size of operating plant requisite to efficient, but highly specialized, production—and even more limited, if ever necessary to the maintenance of freedom of enterprise.[55]

Federal Reserve Chairman Arthur Burns, whose conservative credentials are impeccable, told the Joint Economic Committee in February 1973, that, in addition to other inflation medicines, "structural reforms are also needed—because—not a few of our corporations and trade unions now have the power to exact rewards that exceed what could be achieved under conditions of active competition." And he added in March of that year:

> We urgently need to revitalize competition in our economy through structural reform.[56]

If this is where we must turn our attention, Mr. Speaker, as I believe it is, then we ought to do it with the urgency that Mr. Burns recommends, framing legislation that will accomplish the objective as soon as possible. The people of the United States should not have to wait. Of course the corporate giants will fight back. But it is we, not they, whom the Constitution empowers to write the fight rules. Once the action begins, we ought to restrict the time for each round, and also limit the number of rounds.

III. DISSOLVING THE JOINT MONOPOLIES

Mr. Speaker, the Corporate Citizenship and Competition Act launches an attack on monopoly power in three stages, each rapidly triggering the other. First, the legislation itself identifies targets, rather than leaving this adjudication to be made by another branch of the Government. Three targets are named initially—the automobile, oil and steel industries. Second, the bill sets up a special agency, operating essentially as an arm of Congress, to restore competition where corporations appear to be in bed with each other. The agency would be known as the Federal Corporate Chartering Commission. Third, the legislation outlines step-by-step procedures that must be followed to dissolved oligopolies—and it imposes a strict timetable.

Compared with other proposals of this sort, I think it is fair to say that this bill is conservative in that it pinpoints its targets, rather than attacking concentration in the economy along a broad front, firing everywhere at once. But the bill is hard-hitting in terms of its demands for a remedy. The deadlines are designed to set off legal chain reactions, precluding delay and stalemates. I will come presently, Mr. Speaker, to the evidence that demands this assault on industry structure in autos, oil, and steel—as well as, perhaps, certain other jointly-held monopolies. Before I detail the facts, however, I would like to outline the process through which deconcentration would be achieved, explaining the rationale for each step.

A. CONGRESS AS THE JURY

The first step in reconstituting the basic industries of this country, clearing the way for a restoration of real competition, would be taken by Congress while this bill is enroute to enactment. That is to say, by the time this legislation were to reach the President's desk for his signature, much of the work will already have been accomplished. We would be at the point where the antitrust verdict is in: the time for corrective action would be at hand. Sitting as a jury, as it were, Congress would have made the finding that there is an unhealthy concentration of corporate power in autos, oil, and steel, or that there is otherwise a substantial lack of competition in these industries. Supercorporations engaged in these lines of commerce will have been put on notice that they must be reorganized as they would have to be if the traditional—but ineffectual and time-consuming—antitrust procedures had been followed. In other words, the big corporations in effect will have had their day in court. The trial would be over.

Mind you, Mr. Speaker, the Corporate Citizenship and Competition Act does not contemplate star-chamber proceedings. It could not be considered a bill of attainder. And anyone who is familiar with political realities and with the legislative process knows that a hurry-up lynching of a corporation on Capitol Hill is virtually impossible. There would be ample opportunity for a full and fair trial—in fact two such trials, one in the House and the second in the Senate.

The corporations would have ample opportunity to defend themselves, to try to justify their continuing to exist as individual "persons" in the configuration

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we now find them in, their subsidiaries and appendages jutting out in all directions, their merged parts functioning more or less in unison as putative vital organs. And, of course, there would be witnesses—for the prosecution, if you will, and for the defense. All interested parties would be eligible to give testimony, and in fact, would be invited to do so in keeping with the traditions and rules of procedure of congressional committees. Such parties, obviously, would include organized labor, stockholders, consumers, dealers, wholesalers, retailers, scholars, public officials representing Federal, State, and local government agencies—and, it goes without saying, lobbyists appearing for all sorts of clients.

The hearings would be public, and they would be reported in the press. Since there could be no sequestering of Congressmen, political justice would be guaranteed. The lawmakers would be accessible to everyone, subject to all influences, open to all suggestions, hospitable to many amendments, by the time the vote is taken on the legislation. While there would be no pretense that this is a court proceeding, the analogies with that process are clear: Introduction of this bill constitutes the complaint; favorable consideration by the appropriate committees in both Chambers, sitting in effect as grand juries, would shape the indictment; floor debate would be tantamount to a trial jury's deliberations: rollcalls would register the verdict.

On what evidence would the verdict be rendered? The answer, Mr. Speaker, is on any evidence adduced at committee hearings and in the debates that Congress considers important and relevant, exculpatory, or incriminating, persuasive and conclusive. The twin juries totaling 535 Members would have full discretion to make findings of fact—on whatever basis each of the jurors decides is pertinent for him or for her, not excluding commonsense. While it would be difficult, but also unnecessary and immaterial, to trace the thought processes of each Congressman, except as he might reveal them in the Record of the debates, the legislative history of the Corporate Citizenship and Competition Act, as it develops and unfolds in the House and Senate, would be replete with indications of the kind of evidence that had had noticeable impact.

Such evidence would include, but would not be limited to:

First. The number of corporations predominating in a given industry;

Second. Whether they appear to be acting in concert in setting prices, or in bidding for Government business;

Third. Whether their structure or tie-ins with other corporations serve to throttle competition;

Fourth. How large a corporation must be in terms of capital investment to operate efficiently and be viable in the industry;

Fifth. Profitability of the corporations over a period of time;

Sixth. Whether their responses to market stimuli have been natural or unnatural, that is to say, whether they have increased production and lowered prices during times of high demand or whether their behavior was the opposite;

Seventh. Their record for antitrust violations;

Eighth. Their share of sales in the market, and how stable this has been;

Ninth. Their vitality in improving their products and trying out new ones;

Tenth. Their performance as going concerns prior to any mergers that may have taken place; and

Eleventh. Any conflicts of interest that may exist between their component parts or among their directors, stemming from mergers or other acquisitions.

Admittedly, Mr. Speaker, these questions and considerations are technical and complex. Is Congress competent to deal with them? Our answer, of course, must be yes. Hardly any major bill acted on here is simple; we are in the same posture as jurors everywhere, who must make judgments in areas where they have no professional expertise. In a democracy, the people and their representatives find themselves in continuous confrontation with the arcane; it must be mastered, reduced to the everyday frame of reference of the ordinary citizen, because the alternative is unacceptable. That alternative is Government by an elite that gets bigheaded, and begins to regard the rest of us as incapable of making the decisions that control our destiny.

I happen to believe that among us here are many persons with specialized knowledge in a number of fields, who can lend wisdom to the enterprise we would be engaged in while considering the Corporate Citizenship and Competition Act. But I would like to advance another opinion, that of Phil Caldwell Neal, dean and professor of law at the University of Chicago. At a conference of economists here last year on the problem of industrial concentration, Professor Neal asserted:

> In considering policy alternatives as to deconcentration we move inescapably from economic analysis to political judgment. Describing the problem as political does not mean abandoning reasoned analysis or abdicating to the prejudices of voters or Congressmen. I merely mean that, as in most problems of policy, a choice must be made in the face of uncertainty about outcomes and on the basis of highly subjective estimates of possible gains and costs.
>
> In this state of uncertainty a policy judgment may well turn importantly on factors other than the economic calculus. One such factor might be the possibility of increasing public confidence in the competitive character of the economy and willingness to rely on competition as an alternative to regulation. Widely held beliefs are realities with which public policy must be concerned, and there is a widespread view that much of American industry is dominated by a few giant concerns which are not held in close check by competitive forces.
>
> It is tempting to say . . . that we should not tamper until convinced beyond a reasonable doubt that the benefits will exceed possible costs. But there are costs in inaction too, and to demand too much certainty could paralyze policy on many fronts.[57]

Earlier, the 1968 White House task force, which Neal headed, reported:

> Public policy must often be made on the basis of imperfect knowledge, and the failure to adopt remedial measures is in itself the acceptance of a policy. The judgment of most of the members of the Task Force is that enough is known about the probable consequences of high concentration to warrant affirmative government action in the extreme instances of concentration.

Should Congress be timid about ordering dismemberment of the supercorporations, to create smaller, competing companies in their place? Is there a danger that the corporations might be destroyed in the process? Neal saw no ground for such fears. He said at the conference:

> As George Hale has pointed out, the experience with dissolutions carried out in earlier major cases—such as those against the Standard Oil, American Tobacco, harvester, powder, and photographic equipment trusts—suggests that "commercial triumphs among the successor units are almost universal." As Hale also notes, "whatever doubts may be entertained as to the efficacy of dissolutions of the past, it seems clear that the mechanics of separating monopolistic combinations . . . has not presented insuperable problems.' "[59]

It is not enough to say, Mr. Speaker, that Congress is fully capable of handling this problem. The question remains whether there is some advantage in giving the assignment to Congress rather than to another branch, or agency, of the Government. I would suggest, respectfully, that there are two principal advantages. First, Congress can do the job more quickly. Second, what it does would be less vulnerable to a court challenge, and, therefore, we could look forward to virtually certain implementation of the decision, to be accomplished expeditiously because most avenues of appeal would be foreclosed.

It seems contradictory to assume, on the one hand, two lengthy "trials" in the House and Senate and, on the other hand, a prompt verdict. But the fact is that, if Congress were persuaded of the need for acting in this area, it could do so with no less celerity than it has exhibited on other occasions when it swiftly disposed of complicated matters that it considered important, creating new laws in the process. I will not presume to anticipate the mood of Congress on this issue, Mr. Speaker. Still it seems to me that if Congress were ever going to be receptive to a proposal such as the Corporate Citizenship and Competition Act, we are living in that time today—a time of the worst inflation and highest unemployment of our generation, with no prospect for amelioration soon—unless, as I contend, new institutional arrangements are made. So, on the assumption that Congress will choose to act, I submit that it is the governmental organ best equipped to do so speedily, in view of the frustration and failure of our courts.

Other proposals to break up oligopolies speedily assign the task of identifying targets to special courts or commissions that would come into being. In other words, the "trial" would be held off Capitol Hill. But these agencies, being governed necessarily by strict court rules or the codified—and exasperating—administrative procedures, would have to proceed at foot-soldier pace, hacking their way through a forest of legalistic obstructions, fending off objections, motions for continuances and threats of an appeal, all of which combine to thwart or turn back each forward step.

I need not tell my colleagues here, Mr. Speaker, that Congress, in contrast to the agencies, has a limited patience for this sort of thing; we are in control of our own procedures. Moreover, the bill that I submit here has been drafted with an eye toward maximizing our flexibility and freedom of action. Other proposals in Congress would set up objective tests which, if met by a corporation, would brand it as possibly being in possession of monopoly power. But only possibly. The company could rebut this presumption—at great length—in a special court. The prima facie tests would be a certain level of profits or a specified share of the market. The Corporate Citizenship and Competition Act refrains from mandating these arbitrary standards. It merely calls on Congress, as I have pointed out, to use its own good judgment in singling out those oligopolies whose existence is in conflict with the public interest.

We could expect the determination by Congress to stand up in court because it is the legislative branch that is specifically charged in the Constitution with authority to regulate interstate and foreign commerce. This bill has Congress acting directly to exercise its prerogative and responsibility; there would be no delegation of authority to agencies such as the Interstate Commerce Commission or Federal Trade Commission, or to the executive branch, or to the courts, or to a new agency. Therefore, it is hardly likely that any court would attempt to second-guess Congress as to the correctness of its findings of fact. The court could not arrogate to itself, Mr. Speaker, that power of judgment which is explicitly reserved to Congress in the Constitution. And the judiciary branch is not likely to regard as capricious action which the legislative branch took, well within its authority, after careful deliberation.

B. THE FEDERAL CORPORATE CHARTERING COMMISSION

With the "trial" concluded, Mr. Speaker, we would then be at the threshold of what we might call, if you will, the correctional process. The details of this phase would be handled by the new Federal Corporate Chartering Commission, with Congress looking on. This is not incompatible, I submit, with what I have been saying about Congress performing the job itself. The agency would be analogous in this aspect of its operations to congressional staff, since what it does it would do for the legislative branch, reporting back to it and giving Congress an opportunity to approve, to change or to repudiate what had been done. In other words, we would continue to be involved with industrial deconcentration in areas where we had mandated it. Our participation in this second and final phase of the process, even though limited, would be substantive. And this in turn would cloak the agency with the mantle of congressional authority, shielding its determinations from shotgun-like legal attacks.

The Federal Corporate Chartering Commission would be headed by a bipartisan board of seven members, appointed by the President after consultation with the political leadership of both houses of Congress, and with Senate confirmation required. Two members would have to be selected from the industrial and financial community, two from the ranks of organized labor, one as a representative of consumer groups and one from the academic world. The President would select the seventh member at large, and the seven would elect their own chairman. They would serve 2-year terms, each term coextensive with that of each new Congress.

This brief, but renewable, tenure would accomplish several purposes:

First, it would encourage almost continuous review of the Agency's work by Congress, since confirmation hearings would be necessary at least biennially, as each incumbent is reappointed or a new member nominated.

Second, this process being tantamount to a vote of confidence in how the board member had performed, we may assume that the member, in turn, would tend to be sensitive to the will of Congress as he makes major decisions.

Third, this symbiotic relationship between Congress and the Board would keep much of the responsibility centered in Congress—that is to say, in an instrumentality of the government close to the people, and responsive to them. The board, thus lacking remoteness, would not be as subject as so many other agencies are to capture by special interests. Its decisions, like those of Congress, would be frankly political; there would be no pretense about it. It is the essence of the Corporate Citizenship and Competition Act that, in the determinations that are made under it, politics should be controlling—there being no infallible test of what would produce a better result.

Fourth, the involvement of Congress with the board would loom later in the courtroom as additional evidence that the agency, rather than acting arbitrarily, had carried out the will of the legislative branch.

To assure a measure of stability to the board, most of whose members could expect to be reappointed every 2 years in the ordinary course of events, each member would continue to serve until his successor is qualified. Stability in terms of competence and continuity, with respect to the workload, would also be achieved by arming the board with a professional civil service staff headed by an executive director and a general counsel.

C. DEADLINES FOR ACTION

In its industrial reorganization proceedings, the Federal Corporate Chartering Commission would be required by the legislation to embark on a program geared to the following sequence of events, with strict adherence to a timetable that would be built into the Corporate Citizenship and Competition Act. My bill suggests certain deadlines, Mr. Speaker, and I give a rationale for them here. However, I want it understood that I do not insist on the time periods shown; it may well be that expert testimony will indicate a need for revising some of them. My purpose is merely to construct a framework for action, and a proposed schedule for it, weighted in favor of quick relief. These deadlines are:

Within 60 days after Senate confirmation of its members, the Commission would promulgate such rules as may be necessary to initiate industrial deconcentration proceedings—and it would give notice to the corporations that are to become targets. These corporations would be asked forthwith to submit certain materials. One submission would be an updating of data presented at the congressional hearings, thus giving corporations an opportunity, if they were so minded, to argue that they should be exempted from the proceedings because of changed conditions.

A second submission could be a memorandum asserting how it might be in the public interest to postpone reorganization of a particular industry until it had been accomplished in one of the others. The third submission would be each corporation's own proposed plan for reorganizing itself, and the industry of which it is a part. Corporations would be forbidden to consult with one another in preparation of these plans. We could expect them to be forthcoming in the data they present to the agency; it would be in the interest of each company to make its own best case, as the Agency would be acting soon, in any event, on the basis of the best material available to it.

There would be no need for an exercise of subpena power at this stage; in fact, to do so could prove counterproductive, since the subpenas would be subject to challenge in the courts, where the proceedings might then be stayed. In addition to the corporations affected, all interested parties could submit plans and suggestions for reorganization at this stage. Such parties would include the labor unions, other Government agencies, consumer groups, retailers, and so forth. All the submissions, by everyone concerned, would have to be made within 90 days after notification by the agency. The time allowed is more than ample.

We should keep in mind, Mr. Speaker, that no one will have been taken by surprise. There will have been the hearings in the House and Senate, at which the same parties would already have presented evidence and arguments. And there will have been the floor debates; the final rollcalls naming the industries and putting them on notice; the action required of the President, including his signature on the legislation and his appointment of the Board members; the confirmation hearings; and the adoption of rules by the agency. By the time all this is completed, we could expect the interested parties to have developed some pretty definite ideas about what they would like to say in this first stage.

The Agency would allow itself no more

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than 120 days to review the plans and other materials submitted to it. As this period draws to a close, it will be necessary for the board to make two key decisions. First, exercising the discretion permitted it under the law, it might decide to start deconcentration proceedings simultaneously against all three industries named in the legislation—or it might exempt, for the time being, one or two of the industries from the process. Focusing its attention initially on a single industry, obviously, would be the least radical approach; this course of action would give the agency an opportunity to establish a pattern for actions that would be taken later against the other two; also, there would be less confusion; and what is occurring could be followed more closely by the public. On the other hand, economic conditions in the country might be such as to seem to require remedial action at the earliest date possible in all three industries.

Second, after the Agency selects its target or targets, it would synthesize the information that had been presented to it and draft its own proposal for reorganization of the industry or industries concerned. This plan would be published at the conclusion of the 120 days.

Within 45 days after publication of the proposal, a public hearing would be held by the Agency. All parties would have an opportunity to comment, in writing and orally, on the Agency's plan, urging its rejection or modification or the substitution of some other scheme. The hearing would be limited to no more than 30 working days—or a maximum of 6 work weeks. All papers would have to be submitted within an additional 30 days after the close of the hearings.

The Agency then would give itself a maximum of 120 days to consider the objections and suggested alternatives. This period would close with publication of the Agency's final plan. The plan would include a charter for each corporation, including each new one that might be created in the process, defining and limiting its scope of operations.

The next step would be forwarding of the plan to Congress. Unless the House and Senate rejected it or agreed on amendments to it within 60 more days, the charters would be issued and the plan would go into effect immediately.

Any appeal protesting the action of Congress or the Agency would go to a three-judge Federal court and then, if necessary, directly to the Supreme Court. The legislation requires that such appeals be handled "expeditiously." Corporations affected might be ordered to divest themselves of certain component units. A subsidiary or division, say, would have to be cast off, to be reconstituted as a separate company. After surgery, the supercorporation would likely remain much larger than the average company, but it would no longer be alone with just a few others at the summit of the industry. And its new competitors would not be friendly—that is to say, not in a business way. The new companies would not be able to look to "sweethearts" to help them survive in the industry. They would have to start relying instead on the confidence and loyalty of their customers. This the companies would have to earn—or else, having no inalienable right to exist forever, they would pass from the scene. On the other hand, corporations that make a go of it under these conditions would be entitled to whatever profits and natural growth they could attain in the market. So long as the industry remains truly competitive, there would be no further interference from the Government. Once reorganizations are completed as called for, the legal requirements would be satisfied. It would take, then, a subsequent act of Congress to renew proceedings against the industry.

IV. TARGETS FOR DECONCENTRATION

Mr. Speaker, the auto, oil and steel corporations are not the only ones who exercise monopoly power—power to disrupt free market forces and to distort the economy of the United States. However, in the context of antitrust violations, freely interpreted, these industries appear to be on everyone's list of America's leading public enemies—and I say this on the basis of extended research by me and my staff, including interviews with scholars outside the Government, with officials of the Justice Department and Federal Trade Commission, and with experts who have been retained by Congress, principally in the Senate Subcommittee on Antitrust and Monopoly. Because of this broad consensus, it is these three industries that are named as targets for priority action in the Corporate Citizenship and Competition Act. However, there is evidence to support a longer list, and the House committee that holds hearings on this bill might so find. Moreover, it is understood that, if this bill is enacted, Congress might later add targets to the list, or delete some, through subsequent amendments to the legislation as economic conditions at that time might require. Congress would receive recommendations for this purpose from the Federal Corporate Chartering Commission.

A. THE AUTOMOBILE INDUSTRY

Mr. Speaker, just a few statistical glimpses of the automobile industry will give us some insights into how pervasive it is, and how badly structural reform is needed. In 1972 America's consumers spent $93.3 billion—nearly 13 percent of all the money they spent—either to buy, repair, fuel, or insure automobiles, or to otherwise make use of them.[60] One-sixth of all jobs in the United States, in 1973, were related to automobiles.[61] In my own northern Ohio area, even during the 1974 slump—"calendar 1974 was still one of the best sales years in GM history," a General Motors official bragged in a letter to me last January 6—General Motors reported adding "more than $1.1 billion to the economy from payrolls and local purchases at its 14 production facilities in 9 cities."[62]

Nationally, this massive economic activity is generated by merely four companies—GM, Ford, Chrysler, and American Motors, who rank No. 2, No. 3, No. 11, and No. 93 among the 100 largest corporations in the Nation.[63] This is how they split up the domestic sales market in 1973—GM 52.4 percent, Ford 27.6 percent, Chrysler 15.8 percent, and AMC 4.1 percent.[64] These ratios generally stable over a period of years are perhaps the most striking indication of the oligopolistic structure of the industry—that is to say its lack of real competition. In 1921, there were 88 auto companies,[65] each trying to gain a solid foothold in the market. Since that time as we know, the number of firms has declined—but not only through absorption of one competing company by another. The fact is that the survival of smaller companies became impossible as the larger ones cast out tentacles in every direction, seizing control of parts manufacturers here and an entire ore field or a rubber plantation there.[66] Yet the four octupuses who dominate the industry today would find it difficult to justify their hegemony on claims of high efficiency, or assertions of giving their customers a superior product.

Prof. Lawrence J. White, of Princeton University, an expert on the industry, testifying before a Senate committee in 1974, recounted how the big four corporations, in pursuit of what they perceived to be their own interest, had adopted a policy of giving the public styling changes each year, rather than product improvements:

> The industry collectively has decided to avoid the risks of fundamental change, and there has been little competitive pressure for them to do otherwise. As a consequence, the basic product technology in the industry has not changed much since World War II. The major features of today's automobiles—V-8 engines, automatic transmissions, power steering and power brakes—are all pre-war innovations. . . . The suspension, ignition, carburetion, and exhaust systems are fundamentally the same. Only the pressure of federal legislation on air pollution has effected any change in these last three systems.[67]

On this same subject, I was advised in a memorandum prepared for my office:

> While Detroit has made some product improvement over the years (such as automatic transmissions and power steering) there has been nothing in recent years that one could describe as a radical innovation. The diversity one sees in foreign auto design has largely been lacking in the American product. One does not see cars such as the front-wheel drive two-cycled engine Saab, the diesel Mercedes, the Citroen with adjustable suspension. . . . Some of the foreign innovations such as disc brakes have been adapted by Detroit, but usually only after long periods of time, and as a response to rising imports. There has been relatively little innovation in the area of safety except to the extent that it has been forced by government regulation or the threat of such regulation.[68]

Not only are the corporate auto giants selling us an inferior product, Mr. Speaker. They insult us also by overpricing it, and by their record of having racked up abnormally high profits over many years. The average rate of return in the automobile industry between 1946 and 1969—that is to say, net profits after taxes, divided by net worth—was 16.4 percent. Carried through 1973, the figure is 16 percent. By contrast, the corresponding figure through 1969 for all corporations in the United States—later comparable

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figures were not available for citation—was a 7.7-percent rate of return.[69] FTC figures for the years 1950 through 1972 show General Motors with a 19.7-percent average rate of return, compared with 11 percent for all manufacturing corporations.[70]

As to overpricing, Mr. Speaker, we have an FTC staff study, reported in 1972, which computes a figure for the automobile industry exceeding 9 percent.[71] This was a conservative estimate of how much the price structure of the industry is inflated because of a lack of competition. Since that time, as we know, prices have skyrocketed. Between the end of the 1973 model year and the beginning, in 1975, of temporary rebates, the price of the average car went up $1,000 in a series of escalations.[72]

With the end of most of the rebates came modest price reductions, but generally only to the extent that certain pieces of standard equipment on automobiles were made optional. Neither during the price increase phase, not during the rebate period, nor at present, did the Big Four exhibit keen competitive behavior. The price changes were uniform, following each other so promptly that the companies appeared to be harmonizing like a barbershop quartet. If you will permit me another figure of speech, Mr. Speaker, the Big Four are not real competitors; they are Siamese quadruplets.

In the current recession, as we are all aware, sales and profits have declined sharply. But GM Chairman Thomas A. Murphy does not appear to be overly disturbed. He predicted last February 21 that industry sales will be back up to 9.5 million cars by the end of the year [73]—the level attained in 1973, when the all-time sales high was reached.[74] But whether Mr. Murphy is overly optimistic or omniscient, we can be virtually certain, I submit, that prices will remain rigid. In fact, if there is any real improvement in prices, it will be upward. As reported in the Washington Post on May 3, Chrysler Corp. Chairman Lynn Townsend is already sounding the alarm that price hikes on 1976 models are "inevitable."

In a competitive industry, we could not expect a situation such as this to prevail for as long as it has in the automobile industry. At the present time, a lot of its energy apparently is being expended on protecting the price level. The temporary rebates, which were granted to us in lieu of a straightforward, genuine price decrease, reflected this kind of thinking in the executive board rooms. Now that inventories in the dealer showrooms have been somewhat thinned by the rebates, we are again headed upward on the price escalator.

In the meantime, production is cut to prevent the prices from being bid downward, and additional thousands of workers are laid off. All this contributes to a deepening of the recession, which in turn delays recovery for the industry. Yet the corporations, if not their employees, can retreat behind their price defense and ride out the recession in pretty good shape, if it turns out that Mr. Murphy was wrong. Even though profits were down, GM did earn $950 million in 1974,[75] and Ford netted $361 million.[76] Chrysler is in trouble, as we know. But during the depths of the depression in the 1930's it was Ford who lagged behind, surviving in the end. GM breezed through the depression with average annual earnings of 35.5 percent between 1927 and 1937, and Chrysler made it through at a 27.3-percent pace.[77] Not bad. They did not suffer during the depression, as their unemployed workers did, or as the general public had to.

Is it necessary for a company to be as large as GM, Ford, and Chrysler to survive in the industry? Mr. George Romney, the distinguished public servant who formerly headed American Motors, was saying no during his heyday as an automaker. He told a Senate committee in 1958:

> A company that can build between 180,000 and 220,000 cars a year on a one-shift basis can make a very good profit and not take a back seat to anyone in the industry in production efficiency. On a two-shift basis, annual production of 360,000 to 440,000 cars will achieve additional small economies, but beyond that volume only theoretical and insignificant reductions in manufacturing costs are possible. It is possible to be one of the best without being the biggest . . . My point is that when you get to 180,000 to 200,000 cars a year, the cost reduction flattens out, from a manufacturing cost standpoint, and from 360,000 to 400,000 on up it is a negligible thing.[78]

More recently, proposals for restructuring the industry to induce competition have been submitted to the Senate Antitrust and Monopoly Subcommittee. Professor White suggested that a company would have to produce at least 800,000 units annually to remain viable. This would mean nine corporations instead of the present four, with the largest of the nine probably commanding no more than 16 percent of the market, compared with GM's approximate 50 percent dominance over the last several years.[79] On the other hand, Prof. Stanley E. Boyle, another expert on the industry, observed to the subcommittee that GM, Ford, and Chrysler operated a total of 44 assembly plants in 1972, each of them self-contained units. He concluded that—

> The basic component of any reorganization plan for the industry must contain a provision that all plants of the Big Three should be spun off as separate companies.[80]

It is not my purpose here, Mr. Speaker, to weigh the merits of these varying proposals—a task that would be undertaken, through the mechanism of the Corporate Citizenship and Competition Act, by the projected Federal Corporate Chartering Commission. But I do want to make the point that such proposals do emanate from responsible quarters. Everyone consulted by me and my staff, for example, agreed that a more open industry would produce better cars for the people at lower prices, and that this would stabilize employment in the industry.

Now I would not expect Mr. Murphy of General Motors to agree with this proposition. I do not suppose that he would enjoy presiding over the liquidation of his empire. But in the abstract he does believe in a free economy. He was quoted in a company news release last February 21 as saying:

> The need now is for leadership from government to free American industry of the handicaps of excessive regulation and control so that, by workings of the free market, we can restore people to their jobs and vigor to the economy.[81]

With due respect to Mr. Murphy, I submit that we cannot have an open market unless it is free from the domination of all big bureaucracies, whether they be corporate or Government. Personally, I see no difference between the Government setting prices for the industry or GM doing it.

Over the years, there have been a number of assaults on GM under existing antitrust laws. The Government has won some of these cases and lost others. But neither the Justice Department nor the Federal Trade Commission has yet brought a lawsuit attacking the industry as a whole on structural grounds. This is so despite the fact that many Government antitrust lawyers believe such an action could eventually prevail in the courts.

In the Johnson administration, a draft complaint was prepared in the Justice Department which demanded that GM "be required to divest itself of said acquired companies and to reconstitute itself into a sufficiently large number of companies to accomplish a restoration of competitive conditions." [82] But when the proposed lawsuit reached the higher echelons of the Department it was knocked down.

Still later, Richard McLaren, the Nixon administration's first antitrust chief, was advised in a memorandum:

> If our actions resulted in cutting their profit rates to the average for all manufacturing (about 11%), we would save GM's customers $1.3 billion and Ford and Chrysler's $150 million. . . . I doubt there is any other unregulated industry where increased competition would produce nearly so large a payoff.[83]

But this advice, too, went unheeded. The hangups that the executive branch has about tackling GM and its Siamese siblings make it all the more incumbent on Congress itself, Mr. Speaker, to take action.

Through the Corporate Citizenship and Competition Act, Congress would be able to proceed against the industry on a broad front, rather than at case-by-case tempo. This is necessary because the Big Four create distortions in the economy not only in their role as automobile manufacturers. Concurrently, they are in other businesses as well. They produce tractors, large home appliances, air-conditioning and heating equipment, marine engines and boats, as well as a host of other items. One of their ancillary operations is a cause for special concern in these times. The Honorable EDWARD KENNEDY, the distinguished Senator from Massachusetts, addressed himself to this problem last October 11 on the Senate floor. He asserted:

> GM dominates the production not only of cars and trucks, but also of buses and locomotives. Last year, GM manufactured roughly half of the nation's cars and trucks, most of its city buses, and 90% of all bus

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engines. In addition, it produced 8 out of every 10 rail locomotives.

GM's interlocking control of these competing methods of travel constitutes a serious conflict of interest. By virtue of its unique monopoly, GM is able to orchestrate our transport industries to promote the sale of cars and trucks. The economics are obvious: 1 bus can eliminate 35 automobiles; 1 streetcar, subway, or rail transit vehicle can supplant 50 passenger cars; 1 train can displace 1,000 cars or a fleet of 150 cargo-laden trucks. Due to the volume of the units displaced, GM's gross revenues are 10 times greater if it sells cars rather than buses, and 25 to 35 times greater if it sells cars and trucks rather than train locomotives. The result has been inevitable: A drive by GM to maximize motor vehicle profits at the expense of mass transit.[84]

Bradford C. Snell, another witness who appeared last year before the Senate Antitrust and Monopoly Subcommittee, headed by the distinguished Senator from Michigan, the Honorable PHILIP A. HART, put it this way:

> Now we are running out of gas. And there are no public alternatives. No high-speed trains. No rapid rail transit. No decent, fume-free buses. Nothing but 100 million gas-guzzling cars. As a result, we are confronted today with a petroleum shortage which is paralyzing travel, shutting down industries and throwing hundreds of thousands of people out of work. I contend that the time has come to dismantle the auto trust.[85]

In short, Mr. Speaker, the case against the Big Four is summed up in the aforementioned memorandum that was prepared for my office. It described the auto industry as "large, highly concentrated, with above-normal profits, a mediocre record of innovation and product variety, and virtually no hope for—improved competitive performance in the future."[86]

B. THE OIL INDUSTRY

Mr. Speaker, if the usual statistics are taken at face value, oil does not appear to be an oligopolistic industry. It lacks a GM or a Big Three or Four. Instead, we find a situation, as in 1970, where the 20 largest companies owned 84 percent of the Nation's oil reserves, and controlled 87 percent of domestic refining capacity and 79 percent of the gasoline sales market.[87] These corporations are massive in size but plentiful in number. In 1972 the eight largest were Exxon, with assets exceeding $21.5 billion; Texaco $12 billion; Gulf $9.3 billion; Mobil $9.2 billion; Standard of California $8 billion; Standard of Indiana $6.1 billion; Shell $5.1 billion; and Atlantic Richfield $3.3 billion. These assets made them, respectively, at that time, the 1st, 3d, 6th, 7th, 9th, 12th, 14th, and 16th largest of all the corporations in the United States.[88]

However, it is generally agreed that such figures understate the true degree of concentration in the industry. Oligopoly results, principally, from the long and diverse limbs of the major companies, which embrace one another. They have a relationship that is marked more by fraternization than competition. Each of the so-called majors derives competitive advantages from its presence in all four phases of oil entrepreneurship—production, transmission by pipeline and tanker, refining and sales. In fact, the majors are so intertwined with one another in joint ventures and joint enterprises that we find them entering frequently from stage right and stage left as composite figures. It becomes difficult to tell them apart or to identify one intact individual.

In addition, the majors have branched out into many other areas—fertilizers, plastics, chemicals, crushed stone, sand, paper, refrigeration machinery, brooms and brushes, to cite some examples. Closer to their home base, they have acquired tire and battery companies.[89] But what seems really ominous is their reaching out for control of competing sources of energy. The linkage with natural gas is a familiar one, since much of the gas and oil are produced from the same wells. More recently, however, the oil majors have been moving into coal, oil shale, tar sands, geothermal energy, solar energy, and uranium.

By 1970, they were already in control of 50 percent of the uranium reserves and 30 percent of the coal reserves.[90] The House Subcommittee on Special Small Business Problems warned in 1971:

> If such a trend toward concentration by the oil companies in acquiring competing fuel resources is not reversed, this subcommittee believes that a very dangerous monopoly fuel supply situation could eventuate.[91]

The extraordinary profits of the industry in 1974 still seem unpardonable to many Americans. For example, Exxon profits increased 29 percent to $3.14 billion.[92] The Joint Economic Committee of Congress, taking a sighting last December, reported that "higher energy prices, including their effect on the cost of nonfuel commodities, contributed about one-fourth to one-third of the 12 percent increase of consumer prices in 1974."[93]

But infamous as they are, the reasons for much of these profits and what exactly accounts for them remain obscure. For example, we don't know what portion was netted from refining operations because these figures are not made public by the corporations.[94] Moreover, the companies do not seem to be plowing back all of their enormous profits into increasing the oil supply. Domestic crude oil production is running 5 percent less than a year ago, and there has been no great expansion of refinery capacity. If fact, Mobil poured $800 million into acquiring the Marcor Co., a conglomerate which includes Montgomery Ward and which seems to have scant connection with the oil industry.[95]

Senator Hart was puzzled when he opened hearings last January 21 on vertical integration by the corporations—that is to say, their control of separate companies stretching from the oil well to the gasoline pump. He noted that, while crude oil prices have more than doubled in the last year, nationwide production has dropped 10 percent. He asked, too, for an explanation of the fact that gasoline prices in 1973 and 1974 went up as much in this country, if not more, than in some European countries—even though those foreign nations must import virtually all their oil whereas we are about 70 percent self-sufficient. He asked: "Just how competitive is this industry?" The answer, of course, is that it is not. One study has found:

As to the joint ventures, another study determined that they allow—

> Each stage of the industry, crude production, transportation, refining, and marketing involves tremendous investments. There does not seem, however, to be any great efficiency in vertical integration. . . . Since there do not appear to be great economies, it seems likely that the industry would be more competitive and perform better without the existing integration.[96]
>
> A common place in which the supposedly competitive firms may legally meet. It makes the development of common patterns of action a simple matter because they have "legitimate" reasons for consulting one another. It is inconceivable that firms engaged cooperatively in one industrial area would not act the same way in others. There obviously exists the possibility that the partners themselves would be less likely to compete with each other because of their joint undertaking. The marriage introduces the possibility of harmony rather than competition between the parents. As a practical matter, there is no way of divorcing the management of the joint subsidiary from friendliness between the parents.
>
> A joint venture has behind it the economic power of not just one but two or more companies. Therefore it allows firms to pool their financial resources and the resulting venture obtains an advantage over other firms in the industry. When the involved firms are giants in their respective areas, it undoubtedly leads to a greater concentration of economic power.
>
> Joint ventures have little justification if the financial resources of one or both of the companies are sufficient to undertake the enterprise singly. Recognizing the enormous size of the joint ventures in the oil industry, it is hard to appreciate the share-the-risk concept against the social losses that could accrue to society from anticompetitive behavior.[97]

This study, prepared for the Marine Engineers' Beneficial Association by Stanley H. Ruttenberg and Associates, Inc., continued on the subject of joint bidding:

> In terms of numbers alone, joining bidding on off-shore oil and gas exploitation rank as the most numerous type of joint venture by far. Between 1954 and 1972, there was a total of 6,285 bids for rights mainly in Texas, Louisiana and California. By actual count, 52% of the 1972 bids were joint participations. . . . The average number of bidders per joint bid, again on a sampling basis, averaged 3.3 companies.[98]

Mr. Speaker, on July 18, 1973, the Federal Trade Commission instituted antitrust proceedings against the eight largest oil corporations. On February 22, 1974, FTC attorneys filed a prediscovery statement which paints an oligopolistic portrait of the industry. I would like to quote at length from that statement because it divulges the kind of evidence we would hear in Congress if we were to move ahead with the bill I am introducing. The excerpts follow:

> One of the most significant aspects of the domestic petroleum industry is the intricate web of interrelationships which bind respondents. Respondents are interdependent to such an extent that, in virtually every facet of their operation, they have common rather than competitive interests. . . .
>
> Joint ventures in crude oil production are so widespread that respondents are, in effect, on a partnership basis in their exploration and development activities. . . . Rather than competing in the production of crude oil, respondents have chosen to become partners in order to share risks and insure monopoly profits. . . .
>
> Respondents have joined together to own and operate the major crude oil and product pipelines serving the relevant geographic market. . . .
>
> Even refinery operations have aspects of joint ventures by virtue of cooperation among respondents at other levels of the industry. . . .
>
> A second point is that these joint activities make each of the respondents the others' confidant. . . . Joint endeavors make it easy, in fact unavoidable, for each respondent to be constantly aware of each other's intentions and capabilities. . . .
>
> To some extent, respondents are commonly rather than independently owned. . . . Chase Manhattan Bank, through various nominees, is both the largest shareholder in Atlantic Richfield and the second largest shareholder of Mobil. Clearly it is not in Chase Manhattan's interest to promote vigorous competition between them. . . .
>
> At the marketing level respondents have limited one source of competition to their retail outlets by their concerted refusal to sell motor gasoline to independent marketers. Independent markets are the primary source of price competition in the retail market for gasoline and represent a threat both to respondents' style of marketing, which avoids price competition, and to the stability of respondents' market shares. It is, of course, primarily at the marketing level that the public feels the pinch of respondents' market power. Here that power is translated into additional profits for respondents and higher prices for consumers. . . .
>
> In order to maintain and reinforce their refining monopoly, respondents have acted to minimize the profits attainable by competing refiners through their control over the price of crude oil, the primary input into refining. . . .
>
> By keeping crude prices artificially high, respondents have shifted profitably away from the refining level of the industry. For respondents, who are integrated companies, the high crude prices are merely bookkeeping transfers between their internal divisions rather than out of pocket costs that respondents actually incur in obtaining crude, for their refineries. But non-integrated refiners, who must purchase oil at prices set by respondents, incur them as real expenses. . . .
>
> To integrated companies, such as the respondents, it is a matter of relative indifference where profits are taken. However, to non-integrated refiners and potential entrants, who must pay the price for crude oil established by respondents, this profit shift has a disastrous effect. . . .
>
> Respondents own outright approximately half of the crude oil production in the relevant market. Moreover they produce a substantial part of this oil in various combinations with each other. In particular, the prime leases on the Outer Continental Shelf have been developed by such joint ventures.
>
> But ownership of production does not give a true picture of respondents' control over the supply of oil. This control is substantially augmented by their ownership—largely joint ownership—of the system by which crude oil is transported from the producing field to the refining areas. Control of this system is tantamount to control over the crude production itself. Potential purchasers who do not possess pipeline systems simply cannot successfully compete for the purchase of crude oil even from leases operated by independent producers. . . .
>
> The ties between the banks and respondents are so strong that, in a real sense, the banks and the major oil companies enjoy an identity of interest. Mobil is typical in that the corporation's three largest shareholders are major New York City banks. Financing a competitor's refinery, for example, would then jeopardize the bank's own investments. Consequently, any party who seeks financing for the purpose of better competing with respondents may well threaten the interest of the very institution from which funds are sought. . . .
>
> Effects . . . prices for refined petroleum products are higher and the level of refinery capacity lower than that which would prevail in a competitive environment. . . .[99]

Relief sought by the FTC includes a court order that the corporations divest themselves of some of their refinery capacity, creating 10 to 13 new firms in the process. I submit, Mr. Speaker, that this relief would be achieved more quickly through the Corporate Citizenship and Competition Act than through the interminable litigation that has already resulted from the FTC lawsuit. And, of course, there is no guarantee that the FTC will prevail in the end. A more recent study by the Ruttenberg organization, commenting on this proceeding, made the same point about the fear of witnesses coming forward that had been made by Mr. Clearwaters of the Justice Department, whom I quoted earlier. The Ruttenberg finding was that—

> The record does not contain many complaints of smaller companies who have voiced public grievances against the joint venture pipelines. Moreover, it is unlikely that a significant number of complainants would ever come forward to testify against pipeline owners. In fact there is reason to believe that firms which have, for example, received invitations from the Government investigatory groups to air their complaints have informed the very companies who are discriminating against them as a means of currying their favor. The reason for such fear is to be found in the sheer economic power represented by a combination of multi-billion dollar companies. . . .
>
> Nearly all such potential complaints are either potential suppliers, customers or competitors of the pipeline owners. The independent tankers are reluctant to come forward because they look to pipeline owners for orders to build tankers. The barge companies look to pipeline owners for cargo. Nonowner shippers frequently purchase crude from one or more pipeline owners. The smaller oil companies are fearful for their access rights. Independent refiners and middle men are only too anxious to avoid being singled out for retaliation by so formidable a group. . . .[100]

Clearly, Mr. Speaker, Congress has a responsibility to assert itself in a situation such as this. Our purpose would, of course, not be punitive. It would be surgical—an attempt to sever the connective tissue that binds all sectors of the oil industry to major corporations, and the majors to each other, with the effect that free market forces are frustrated.

C. THE STEEL INDUSTRY

Mr. Speaker, the cast of characters in the steel oligopoly includes a giant—the United States Steel Corp.—that sets the pace for the industry, much in the same way that General Motors does in the automobile sector. Founded in 1901, it initially controlled two-thirds of the Nation's steel capacity, but it successfully evaded trustbusting action as it yielded market shares—though not influence—and embarked on a policy of courtship and romance with its rivals, in lieu of destroying them.[101] This forbearance has shaped a supporting cast for United States Steel in which Bethlehem, National, Republic, Armco, Inland, Jones & Laughlin and Youngstown Sheet & Tube play major roles. In 1973 the market share of the leader was 23.25 percent, followed by Bethlehem with 15.75 percent, National and Republic with about 7.5 percent each and with the rest trailing. Together, the eight corporations controlled more than three-fourths of the market.[102] As Prof. Leonard W. Weiss, a student of the industry, has pointed out in a memorandum to me, this pattern of concentration has changed very little "over the whole postwar period," except for modest declines in the market share of United States Steel, which were quickly gobbled up by the next three largest companies.[103]

But, as in the oil industry, these figures do not tell the whole story. Walter Adams, another widely quoted authority, has written:

> These percentages, however, understate the degree of concentration in particular product lines and particular market areas because not every steel company produces every steel product or sells in every section of the country. Thus, the four largest producers account for 54% of the raw-steel output, but in some product lines—like skelp, tube rounds, steel piling, electrical sheets and strip, axles, joint bars, and so on—they contribute close to 90% of the domestic production. Regional concentration in some cases is also higher. . . .[104]
>
> The concentrated ownership of iron ore reserves has also tended to fortify the oligopoly control of the integrated producers. . . . Of the nine major steel companies, only United States Steel has more than enough ore to support its steel making operations. Its competitors—including such companies as Bethlehem, Republic, Armco and Inland—lack adequate iron ore reserves and depend on the corporation for a portion of their supplies.
>
> The four major ore merchants offer the small ore users and semi-integrated steel companies little hope of an assured iron ore supply. Nor are they likely to provide an open market in competition with the integrated majors. The fact is that, by 1948, the ore merchants had virtually become satellites of the major steel companies to whom they were tied by partnership arrangements. . . .[105]

Vertical integration by the giants extends into steel fabrication, a fact which ties up "an increasing portion of the semifinished steel that formerly was available on the open market," Adams has observed. He added that—

> As a result, nonintegrated steel users, dependent on the open market for their supplies, may be deprived of essential raw materials and find it increasingly difficult to stay in business.

This pattern of integration by the majors causes a price squeeze on the small companies, threatening their existence—all of which was decried as far back as 1948 by one of the Nation's most eminent Senators, the late Hon. Robert A. Taft, my distinguished fellow Ohioan.[106] For example, one businessman complained to the U.S. Tariff Commis-

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sion in 1963 that United States Steel was selling a finished product for less than the price at which it was selling him wire rod to produce the same product.[107]

This economic concentration has conferred monopoly power on the steel giants. It expresses itself in a power to fix prices, pegging them at artificially high levels. The Federal Trade Commission study already referred to, which charges that oligopoly has inflated automobile prices by 9.11 percent, asserts also that steel prices are at least 6.4 percent higher than they would be if there were free competition in the industry.[108]

United States Steel generally sets a model price, and the other companies adopt it, or something close to it. Adams has observed that—

> Steel producers shipping from different locations will quote delivered prices identical to the thousandth of a cent per pound.[109]

The movement of prices has been inexorably upward, in good times and bad, and even during periods when demand and costs have declined.[110] Weiss points out that the steel giants have managed, too, to raise prices while mills were operating at less than capacity, as was the case in 1974.[111] Prices continued to go up, too, in the face of the threat from low-cost foreign steel, which bit deeply into the domestic market. And they went up despite vigorous and successful competition from domestically produced steel substitutes—aluminum, cement, plastics and glass, which industries, incidentally, spend five to six times as much on research and development to improve their products than do the muscle-bound steel giants.[112] So far as Adams is concerned:

> It is difficult to resist the conclusion that the American steel industry during the last 20 years has tended to price itself out of the market and that, as a consequence, it has suffered incursions into its domestic market from imports and substitutes and from a significant loss of exports.[113]

John M. Blair, the renowned economist who has served as a consultant for the Senate Antitrust and Monopoly Subcommittee, contends that this price behavior by the giants has hurt the steel industry itself as well as the Nation's economy as a whole, contributing significantly to inflation:

> Price increases in steel serve to delimit the ability of consuming industries . . . to lower *their* prices. To the producers of finished goods, the constantly rising prices for steel exert an upward pressure on costs that may make it difficult for them to reduce prices, even if they are so inclined. It is conceivable that were they able to reduce their prices, their sales might increase to such an extent as to generate a significant increase in the demand for steel. But whether this might in fact prove to be the reality is something that is not likely to be known as long as the price of the basic material rarely declines. . . .
>
> The long-range effect of a continuing upward trend in its price is to spur its users into finding ways of using cheaper, alternative materials. Each increase in the price of steel gives a further impetus to the demand for plastics, fiberglass, prestressed concrete, cement, and other substitute materials. . . . The prices of substitutes have been declining while the price of steel has been moving upward. . . .[114]

Another observer of the industry has remarked:

> If steel prices in the United States had uniformly been at the lower world market levels, many important American industries using steel (the automobile or the machinery industries, to name only a few) could have reduced their prices. This would have entailed a rise of exports in these industries and a fall of competing imports, further improving the U.S. trade balance.[115]

But the steel giants are too comfortable to see any need for changing their ways, even though their profits generally have been below those realized by other manufacturing enterprises in the United States. Their experience last year is likely to make them even more set in their habits. They boosted prices about 44 percent over the course of the year,[116] and this was reflected in higher-than-usual profits. United States Steel earnings shot up 92 percent for the year,[117] and Bethlehem's net income soared upward 65.5 percent.[118] Their 1974 earnings on net worth were conservatively estimated last January at 13.5 percent for United States Steel and 11.5 percent for Bethlehem.[119]

It's obvious, Mr. Speaker, that there will be no abatement of the problem unless Congress intervenes. Adams has summed up the need for this:

> Voluntary restraint and the corporate soul are not likely to solve the basic problem. . . . The problem goes deeper. It is inherent in the structure of the industry. It is the problem of "size," and any attack on oligopoly pricing without an attack on oligopoly structure will be no more effective than the treatment of a symptom instead of the disease itself. In other words, public policy toward this industry must concern itself with the basic problem of structure and how it can be changed. This, in turn, raises questions about the relation between the size of firms and technological efficiency—in short, the feasibility of increasing the number of competitors. If it is possible to increase the number of firms and thus create a more competitive industry structure, this would enhance the prospects for more competitive behavior and the likelihood of nonconformity in pricing and other aspects of business policy.[120]

D. OTHER INDUSTRIES

Mr. Speaker, in the opinion of a number of persons consulted as the Corporate Citizenship and Competition Act was being drafted, many other industries loom logically as candidates for deconcentration proceedings, and therefore could have been included in this bill—or should be added to it in amendments over the next few years. I cite some of these industries as examples, giving a synopsis in each instance of the case that could be made against them. The fact is, however, that additional examples, equally or more flagrant, could be found.

1. TIRES

Described by the Justice Department as "highly and unduly concentrated," this manufacturing industry is dominated by five major producers—Goodyear, Firestone, Goodrich, Uniroyal and General, who together control more than 95 percent of the new-car market for tires, and in excess of the 80 percent of the so-called replacement market.[121] These corporations are among the largest in the United States, with Goodyear and Firestone ranking among the top 35 in 1971. And the industry as a whole, of course, has high financial visibility. A 1973 estimate was that the market for new-car and replacement tires totaled more than $3 billion.[122] According to an antitrust suit brought by Justice on August 9, 1973, the tire oligopolists clawed their way to the top by disposing of rivals through a series of mergers. Price squeezes killed off other competitors. The big five have become so large that it is now virtually impossible for smaller companies to enter the industry and compete with them successfully, the Government charges. As a result, effective price competition has been eliminated. A memorandum prepared for my office indicates that the big five are larger than they have to be in terms of achieving operating economies—and they are too large, also, to be searching for new ways to win customers by offering a better product. The memo points out that "radial tires were initially developed in Europe and adopted rather late by United States manufacturers." It adds that—

> It is hard to conclude from this that our manufacturers have been very innovative.

A tire company that produces just 10,000 tires a day is conducting an efficient operation, the memo continues. The big five operate on a much larger scale. If the oligopoly were dissolved, new companies could be created. This would improvise the industry's performance and make prices more competitive.

2. WHOLESALE BREAD

Mr. Speaker, even the commodity that is commonly referred to as the staff of life is baked in a setting characterized by monopoly power. Wholesale bread is a $3 billion industry, in terms of 1972 dollars. Concentration in this line of commerce is on the upswing; in 1963 the top four wholesale bakers of bread and specialty breads accounted for 31 percent of total sales in the Nation, 7 years later this figure had increased to 37 percent. The number of bakery plants declined by 45 percent between 1958 and 1972—and in the 18 months following, an additional 43 wholesale baking firms and 80 wholesale bakery plants shut down.

But, as is so often the case with figures of this sort, they are not so yeasty as they should be, Mr. Speaker, if you will permit me the expression. They fail to rise to a level indicating the true extent of oligopoly; this is so because concentration is significantly higher in local and regional bread markets, in many of which the four-firm concentration ratios substantially exceed 50 percent. I cull this information, Mr. Speaker, from an antitrust complaint filed last December by the Federal Trade Commission against the ITT Continental Baking Co., Inc.[123] As the largest bread baker in the world, this corporate giant had sales totaling $475 million in 1973, nearly 50 percent more than those of the next largest wholesale baker, the Campbell-Taggart Baking Co. ITT Continental has 48 bakeries in 30 States, and its product is distributed in 46 States, reaching about 70 percent of the Nation's population. In four regional markets, the mammoth company sells more than 75 percent of the bread; it accounts for 60 percent of the sales in eight other regions; 50 percent in 17 others, and 40 percent in 37 other areas. It is only one of a few such firms in the business operating on so wide a scale. One factor accounting for its growth, the FTC says, is that it has absorbed three independent bakery firms since 1962—in violation of agency orders forbidding the acquisitions. Its dominant position in so many markets has not only proved fatal to independent operators; it has severely restricted competition and boosted prices. The agency is demanding that ITT Continental Baking spin off some of its plants, which would then commence operating as separate companies.

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3. BREAKFAST CEREALS

In the corporate world, Mr. Speaker, the breakfast of a few industrial champions is the profit they make from puffed-up prices on cereals. It is a hearty meal for the corporate giants who subsist on this diet, and it has caused them to become big and strong. In 1970 more than 1 billion pounds of ready-to-eat cereal were produced, with just a handful of companies grossing $650 million from sales of the commodity. These figures are cited in an antitrust complaint filed in 1972 by the Federal Trade Commission.[124] This industrial bowl of fortune consists of Kellogg, whose share of the ready-to-eat market that year was 45 percent; General Mills, 21 percent; General Foods, 16 percent; and Quaker Oats, 9 percent. Reliable profit figures are difficult to come by, since the cereal champions do not report them for separate products in their public statements. But an educated guess is possible. For example, Kellogg's 1973 rate of return on stockholders' equity was more than 20 percent after taxes—and 86 percent of that company's sales are of cold cereals.[125] With that kind of nourishment, the corporation obviously has acquired considerable weight that it can throw around. It uses it to maintain, with its confederates, "a highly concentrated, noncompetitive market," featuring "artificially inflated prices," according to the Government complaint. The fact is that these companies did not get fat merely by eating their own cereals; they gobbled up most of their close competitors on their way to forming the oligopoly that exists today. In terms of providing a worthwhile product, the performance of this industry, if I may be allowed to say so, Mr. Speaker, has been soggy. Also sugary, as any dentist would tell us. I conclude by saying the obvious—reorganizing the industry would assure us of, for want of a better phrase, crisp competition.

4. ELECTRIC LAMPS

The corporate scene in the United States includes an ironically dim area that lacks illumination from the electric lamp industry. In this line of commerce, the companies assign only a faint glow to their profits, and they prefer a blackout with respect to their respective shares of the market. But the semidarkness does contain a few shadows that are suggestive. For example, we do know that four supercorporations have cornered 92 percent of the electric lamp market.[126] But we do not know officially which four firms they are. We get our scanty information from the Census Bureau, which obtains material from the corporations to publish aggregate concentration figures, on the understanding that it will not identify companies contributing the data.

And even if we knew, formally, the names of the companies, it would not help much because these supercorporations boast a large number of product lines; present law places them under no obligation to disclose their profits or losses on each item. So, of course, there is no disclosure. The latest official data we have is a 1950 Government survey of another sort which showed General Electric to have 49.4 percent of the market and Westinghouse 24.1 percent.[127] Memorandum prepared for my office speculates that Sylvania probably accounts for the largest share of the remaining 26.5 percent. As late as 1966, the market structure evidently had not changed very much, if we are to place credence in an unofficial estimate, coming from outside the Government, which had the three companies accounting for 75 percent of the sales.[128] Another company guesses that GE has been generating a 27 percent profit wattage on its lamp business, before taxes.[129] Duro-test Corp., whose product line is mostly light bulbs, is known to have earned 13.5 percent after taxes in 1972.[130] But no one can say whether Duro-test is typical of the industry, or how accurate any of the foregoing estimates are. We do know, of course, obviously, that GE, Westinghouse and Sylvania continue to manufacture bulbs, so we can assume that there is considerable brightness, behind closed doors, for someone somewhere. And we know, too, from squinting in the dark at this oligopoly, that the time has come for the American public to have a law strong enough to relieve us of all this eyestrain.

5. TELEPHONES

Mr. Speaker, last November 20, the Justice Department filed the largest antitrust suit in history against the American Telephone and Telegraph Co.; the Western Electric Co., which manufactures most of the equipment used by A.T. & T.; and Bell Telephone Laboratories. The three defendants are linked financially, and together they dominate the telephone industry in the United States. Although there are some 1,700 independent telephone companies in the Nation, they operate necessarily as satellites of A.T. & T. As one expert on the industry has pointed out:

> While the provision of basic exchange telephone service is a "natural" monopoly, the control of several telephone companies by one holding company is not. There is no fundamental reason why each operating telephone company should not be an independent entity. . . . Nor is there any fundamental reasons why a telephone company need purchase the bulk of its equipment from one manufacturer. . . . The Bell System (has become) vulnerable to charges that it uses its great size and market dominance of monopoly services to stifle competing firms in the market areas where competition is allowed.[131]

Justice acted because of complaints and evidence brought to it by a number of relatively new companies who are trying to compete with AT&T by providing customers with modern alternatives to voice communications.[132] They have charged in a number of antitrust lawsuits filed by their own lawyers that AT&T is using its muscle to keep them from developing to their full potential. The Government action charges AT&T with anticompetitive practices in other areas as well. Its goal is to break up the triumvirate of defendants, creating some new companies in the process. Like other industrial combines, this one is not particular efficient. One critic has written that one of the reasons "foreign-made PBX's and key systems have captured such a large percentage of the interconnect market is that these systems are generally more modern and provide more features that business users want than the systems being manufactured in this country."[133] It's doubtful, Mr. Speaker, that the Government can prevail against the triumvirate. Under existing laws, Justice's record is hardly promising. It filed similar antitrust actions against A.T. & T. early in the century, and again in 1949. Both actions ended in settlements. The second settlement was so accommodating to the company that it accomplished nothing, as it turned out. What is being alleged today sounds like a playback of the earlier charges. There is no doubt that congressional action would prove much more expeditious and effective.

6. SUNDRY OTHER INDUSTRIES

Economist Walter Adams has said that "the unit of technological efficiency is the plant, not the firm."[134] In other words, a good assumption to start with is that a company need necessarily be no larger that a single plant, if the plant operates as a self-contained unit. If we accept this premise as a theoretical propositions, then we are prompted to ask: In those cases where an industrial enterprise can be viable if it is centered in just one plant, who besides the company benefits from there being additional plants, which might be superfluous from a fair profit point of view? I realize, Mr. Speaker, that in any given situation a number of other factors must be considered. But I do think that, in attempting to assess where oligopolies might exist, we might at least begin by examining the number of firms dominant in a given industry and the number of manufacturing plants existing in that same industry. I would suggest that, where the four-firm concentration ratio is high, and where the number of plants is also high, it is valid for us to at least suspect that we could reconstitute some plants as separate companies, to increase competition. Hence, I offer for the consideration of those interested, the following data prepared by a Government economist at my request. The first figure, to the right of the industry name, designates the combined share of

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the market controlled by the four largest firms in that industry, according to 1967 census data. The second column shows the number of plants that were being operated by those top four firms in 1963. Here is the data:

Flat glass	94	20
Aluminum	98	20
Electronic computers	90	19
Gypsum products	80	56
Industrial gases	67	285
Detergents and soaps	70	25

So far as I am concerned, Mr. Speaker, these figures betray a capacity for profit overkill on the part of too many supercorporations. I am not contending, though, that we ought to mount a trust-busting campaign on the basis of such skimpy information. Rather, we ought now to turn to the problem of how to go about securing more facts as a reliable guide for public policy.

V. OBLIGATION OF FEDERALLY CHARTERED CORPORATIONS

A. DISCLOSURE

Mr. Speaker, the Corporate Citizenship and Competition Act launches an immediate attack against aggregations of monopoly power that have high visibility. This is the first thrust. But, for the long term, it sets up machinery that would enable the Federal Corporate Chartering Commission to pinpoint future targets. Thus, the 100 or so largest corporations would not be mere spectators while reorganization proceedings are in motion against the auto, oil, and/or steel industries. They would be busy themselves, complying forthwith with provisions of the new law that apply also to them.

Their initial obligation would be to apply for a Federal charter, which would become a sine qua non for lawfully doing business in interstate commerce. Merely obtaining the charter would be no problem. For this purpose, the company need furnish only such basic information as the agency may direct—hardly anything more complicated than the applicant's name and address, the identities and addresses of its principal officers and a copy of the state charter it already holds. Thereupon, the charter would be issued, no questions asked.

But in the meantime, the agency would be drafting regulations under which the supercorporations would be required to submit more substantive data. Just as the time has come for Government to be more open; to be more forthcoming about disclosing its operations to the public, as well as more accomodating in making available personal financial data relating to high public officials—and we have come quite a distance in these areas, Mr. Speaker, in just the last few years—so the time is also at hand for corporations, the creatures of government, to be less squeamish about letting the public examine some of the cards in the deck they hold, which heretofore, they have been free to stack.

We must keep in mind what Theodore Roosevelt said in his first message to Congress in 1901, namely that:

> Great corporations exist only because they are created and safeguards by our institutions; and it is our right and our duty to see that they work in harmony with these institutions.[136]

At another time, the first of the Nation's trustbusters asserted:

> Publicity is the one sure and adequate remedy . . . The first requisite is knowledge, full and complete.[137]

1. PRODUCT LINE REPORTING

Mr. Speaker, as has been evident from material advanced earlier in this presentation, one of the widest gaps in our knowledge about corporate giants is how large a business they do in individual product lines—and how much profit they make on each of these products. The Federal Government ought not to inquire about these things if its object is simply to be nosy, or to spread business gossip. As it happens, though, this information is needed to keep the marketplace open to anyone who wants to buy or sell in it, including new companies who might want to bring in a product line of their own. Such companies would be encouraged to enter if they could learn, for example, that a particular product is genuinely profitable to make, and that demand for it is strong. Having entered the market, they would then be entitled to protection against unfair competiton.

If corporations had to report their experience with each product, it would become quickly apparent whether monopoly profits gained in one line were being used to underwrite below-cost selling in another line, merely to drive out the competition—perhaps a relatively small competitor producing a superior product at lower prices. Moreover, quantitative data about sales would indicate how much of the market had been cornered by individual corporations, thus exposing monopoly power where it might have been suspected but was otherwise difficult to prove. In such instances, the agency would recommend to Congress that the Corporate Citizenship and Competition Act be amended to authorize deconcentration proceedings against additional industries, as needed.

Currently, Mr. Speaker, the Federal Trade Commission is compiling such data under its new "Line of Business Reporting Program." It has sent questionnaires to some 345 of the Nation's largest corporations, requesting information on each product line that accounts for $10 million or more annually in sales. But at least a dozen corporations have balked. They are seeking court injunctions barring the FTC from pursuing the inquiry, on the ground that, as "persons," their right to privacy is being violated, and that they have been assailed by Government without due process of law.[138]

By providing a congressional mandate for a continuing survey of this kind, at least of "principal industrial corporations" as defined in my bill, the Corporate Citizenship and Competition Act would, if enacted, tend to dispose of legalistic challenges to the FTC program. The bill I introduce would direct the Federal Corporate Chartering Agency to coordinate its fact-gathering operations with those of existing agencies such as the FTC which have ongoing programs of this kind. The act also calls for disclosure not merely to the Government but to the public as well. The burden would be on the corporation to show that public dissemination of certain data concerning it would be unfair and injurious to the company, and therefore, should be held in confidence by the agencies—in the same way the Census Bureau and the Internal Revenue Service effectively assure confidentiality.

2. INTERCORPORATE STOCKOWNERSHIP

The legislation I propose would require also, for similar reasons and under similar ground rules, that intercorporate stock ownership be reported. Where competition is throttled because one entity has holdings in another, this should be made known. If such disclosures break up a business romance, I can only say, Mr. Speaker, that this is the kind of divorce that public policy should encourage. The full extent of these sweetheart relationships, unfortunately, is not part of the large body of knowledge that our economists have constructed. In this area, too, we have a current ongoing program that is just now getting under way, being set in motion by a Federal interagency entity known as the Steering Committee on Uniform Corporate Reporting.[139] Here, too, the Corporate Citizenship and Competition Act would strengthen the program by according it a congressional mandate. The need for this was pointed up by a 1968 report of the House Banking and Currency Committee which said in part:

> To take an important example the Morgan Guaranty Trust Company, the Nation's largest bank trust operation, with $16.8 billion in trust assets, holds 7.5 percent of the common stock of American Airlines and has a director interlock with the airline. At the same time, Morgan holds 8.2 percent of the common stock of United Airlines and 7.4 percent of the common stock of Trans World Airlines. . . . No one can question that these major domestic air carriers are in direct competition and yet each has as its largest stockholder a single banking institution.[140]

Reviewing this report, Blair observed and commented:

> Other examples cited were the ownership by Morgan Guaranty of common stock in 4 competing cosmetic manufacturers and of 11.9 percent and 16.5 percent, respectively, of the common stock of the Trane Company and the Carrier Corporation, 2 major competitors in central air conditioning. The Cleveland Trust Company was shown to have significant share holdings in leading manufacturers of machine tools, as well as in 3 large, competing iron ore corporations. Commercial banks may not actually have used their stock ownership in rival firms to suppress competition, but the opportunity and temptation to do so will certainly become greater as commercial banks increase their stock holdings in industrial corporations.[141]

3. CORPORATE INCOME TAX RETURNS

Still another of the terms of the Federal charter, Mr. Speaker, would be one that causes supercorporations to make public their Federal income tax returns. My distinguished colleague from Cleveland, Ohio, the Honorable CHARLES A. VANIK, has already introduced legislation on this subject. Painstaking studies by him revealed that in 1973 at least 10 companies with profits totaling nearly $1 billion avoided paying even a penny in corporate income taxes. In that same year, 20 additional corporations that netted more than $5 billion paid taxes at a rate between 1 and 10 percent.[142] As we know, the statutory corporate tax rate is 48 percent. I venture to say that public disclosure of inadequate tax payments and the mechanics by which taxes are avoided would tend to inhibit corporations from trying to squezee through each loophole they find. If they want to be treated as "persons," they ought to be good citizens like the rest of us, paying taxes at rates that command our respect.

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4. AFFIRMATIVE ACTION PROGRAM ON PUBLIC INFORMATION

In all these areas where Federal charters require the corporate "persons" to make information available to the rest of us, the Federal Corporate Chartering Commission would have an affirmative obligation to see to it that the facts are disseminated to the public. In other words, Mr. Speaker, our citizens across the Nation should not have to come to Washington to ask for a file folder or to peer into filing cabinets. What the agency learns about the supercorporations should regularly be given wide currency through press releases, or other appropriate formats.

B. INTERLOCKING DIRECTORATES

Entangling alliances between corporations in the form of interlocking directorates are still another impediment to free competition. Virtually all of us know, Mr. Speaker, that the Clayton Act of 1914 makes it illegal for any person to serve simultaneously on the boards of two competing companies. But we also know that, aside from the fact that this statute has not been rigorously enforced, it is rather narrow. It does not prohibit the directors of competing companies from coming together on the board of a third corporation, nor does it prevent the board of this supposedly neutral third corporation from causing one of its directors to take a seat in the board room of competing company A and a second of its directors from doing likewise with respect to competing company B.

The Federal Trade Commission warned us in 1969 that—

> Interlocks between our great corporations are especially inimical to competition because the economy has become increasingly concentrated among a few hundred corporations.[143]

In fact, according to a study by Peter C. Dooley, the larger the corporation, the more likely it is to be interlocked with another. He found that in 1965 "nearly one in every eight interlocks involves companies which are competitors," an arrangement that was especially prevalent where manufacturers, banks, and life insurance companies are involved. Dooley concluded that the institution of interlocks was "extensive and enduring," and that "most of the larger corporations have been interlocked with other large corporations for many decades."[144] In the 1950's according to Blair:

> The Federal Trade Commission found that directors of U.S. Steel met together with directors of two other major steel companies on the board of major financial institutions. U.S. Steel was interlocked with Armco through the Equitable Life Assurance Society and with Inland through the Northern Trust Company. In addition, U.S. Steel's directors came together with directors of other steel companies on the boards of two important customers, both, like U.S. Steel itself, creations of J. P. Morgan. Thus, it was interlocked with Jones & Laughlin and Crucible Steel through New York Central and with Youngstown Sheet and Tube and Superior Steel through General Electric.[145]

I submit, Mr. Speaker, that the buddy system has no place in a supposedly competitive industrial environment. The Corporate Citizenship and Competition Act would deal with this problem by making it illegal for anyone who is an officer or director of a federally chartered corporation to serve simultaneously as an officer or director of any other such corporation, or of any financial institution.

VI. PENALTIES AND ENFORCEMENT

The Federal Corporate Chartering Commission would itself enforce the provisions of this bill. For this purpose, it would be empowered to impose fine—up to $1,000 a day on corporate officials and $10,000 a day on the corporations themselves. As I have said, Mr. Speaker, the officials would be personally liable; the corporation would be prohibited from paying fines for them, or from reimbursing them in any way for fines they had paid. The extreme penalty, which I would expect to be invoked seldom, if ever, would be revocation of the corporation's charter. Short of this would be other forms of relief spelled out in the bill.

VII. CONTINUING STUDIES

The Federal Corporate Chartering Commission would report at least biennially to the President and to Congress, making recommendations as to possible amendments to the Corporate Citizenship and Competition Act, or advancing proposals for other legislation as needed. The agency would also develop information for the purpose of achieving more effective enforcement and implementation of the act. For example, it could initiate a study concerned with the feasibility of establishing uniform accounting standards for federally chartered corporations.

Mr. Speaker, this concludes my presentation at this time. I would hope to hear discussions of this proposal, whether formally or informally, in the months to come. As new material is brought to my attention, I intend to insert it in the RECORD. But I submit respectfully that, if the recession persists, our freedom to just talk will be curtailed by our need to act.

At this point, if there is no objection, Mr. Speaker, I would like to place in the RECORD three appendixes. Appendix A is the text of the proposed Corporate Citizenship and Competition Act, as introduced today. Appendix B is a list of the top 100 corporations, taken from the May 1975 issue of Fortune. Appendix C is a list of citations underpinning this presentation. The appendixes follow:

APPENDIX A

H.R. 7481

A bill to establish a Federal Corporate Chartering Commission for the granting of Federal charters to certain large corporations, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Corporate Citizenship and Competition Act of 1975".

TITLE I—ESTABLISHMENT OF THE FEDERAL CORPORATE CHARTERING COMMISSION

SEC. 101. There is established a commission to be known as the "Federal Corporate Chartering Commission" (hereinafter in this Act referred to as the "Commission"). The Commission shall be composed of seven members, each of whom shall be appointed by the President, within sixty days of the date of enactment of this Act, by and with the advice and consent of the Senate for a two-year term to correspond with the terms of the Members of the House of Representatives. Prior to making such appointment the President shall consult with the leadership of both Houses of Congress with regard to the persons under consideration for appointment. At no time shall more than four members of the Commission belong to the same political party.

SEC. 102. (a) The members of the Commission appointed first shall serve for the remainder of the then current term of the Members of the House of Representatives and for the following such term. The seven members shall be as follows:

(1) two members representing industry;
(2) two members representing labor;
(3) one member representing consumers;
(4) one member selected from the academic community; and
(5) one member selected at large, but not representing industry or labor.

(b) Commission members shall receive compensation at the rate provided for level III of the Executive Schedule in section 5314 of title 5, United States Code. Any vacancy in the Commission shall not affect its power, but shall be filled in the manner in which the original appointment was made; any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. Notwithstanding the preceding provisions of this section, a member whose term has expired may serve until his successor has qualified.

(c) The Chairman of the Commission shall be designated by the members of the Commission. The Commission shall meet at the call of the Chairman or of a majority of its members. Four members shall constitute a quorum and may exercise the powers of the Commission by approval of a majority of those present and voting.

SEC. 103. (a) The Commission shall have a Director who shall be appointed by, and serve at the pleasure of, the Commission, and who shall receive compensation at the rate provided for level IV of the Executive Schedule in section 5315 of title 5, United States Code. With the approval of the Commission, the director may select, appoint, employ, and fix the compensation of such specialists and other experts as may be necessary to the functions and duties of the Commission; may select, appoint, and employ, subject to the provisions of title 5 governing appointments in the competitive service, such other officers and employees as may be necessary for carrying out such functions and duties; and may obtain services as authorized by section 3109 of such title, but at rates not to exceed $100 per

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diem for individuals unless otherwise provided in an appropriation Act. The Director shall be responsible for the administrative operations of the Commission, and shall perform such other duties and functions as may be assigned or delegated to him by rule or order of the Commission.

(b) The Commission shall also appoint a General Counsel, who shall serve at the pleasure of the Commission and who shall act as chief legal officer of the Commission and receive compensation at the rate provided for level IV of the Executive Schedule in section 5315 of title 5, United States Code.

Sec. 104. The Commission may secure directly from any department, agency, or instrumentality of the United States such information as may be necessary to enable it to carry out the purposes of this Act. The Commission shall have the power to take evidence, administer oaths, and except with regard to proceedings under title III, to issue subpenas requiring the attendance and testimony of witnesses and the production of any evidence that relates to any matter under investigation by the Commission. If a person issued a subpena under this subsection refuses to obey such subpena or is guilty of contumacy, any court of the United States within the judicial district within which the hearing is conducted, or within the judicial district within which such person is found or resides or transacts business, may (upon application by the board), order such person to appear before the board to produce evidence or to give testimony touching the matter under investigation. Any failure to obey such order of the court may be punished by such court as a contempt thereof. The subpenas of the Commission shall be served in the manner provided for subpenas issued by the United States district court. All process of any court to which application may be made under this subsection may be served in the judicial district wherein the person required to be served resides or may be found.

Sec. 105. Not later than ten days after the Senate confirmation of the first seven members of the Commission, the Commission shall publish in the Federal Register a notice which shall contain—

(1) the names of the Commission members;

(2) the address to which corporate charter applications shall be sent; and

(3) the requirements of section 201 of this Act.

TITLE II—FEDERAL CHARTER AND REPORTING REQUIREMENTS FOR PRINCIPAL INDUSTRIAL CORPORATIONS ENGAGED IN INTERSTATE OR FOREIGN COMMERCE

Sec. 201. Not later than fifteen days after the publication of the notice required by section 105, each principal industrial corporation engaged in interstate or foreign commerce, shall file an application with the Commission for a Federal Corporate Charter. Such application shall contain—

(1) the name of the corporation;

(2) the location of the principal place of business of such corporation;

(3) the names and addresses of the members of such corporation's board of directors and of the principal executive officers of such corporation; and

(4) a copy of the State charter or charters or articles of incorporation of such corporation.

Sec. 202. Within sixty days of the receipt of a completed charter application submitted pursuant to subsection (a), the Commission shall either issue a charter to the applicant, or the Commission shall notify the applicant that a charter is not required. Such charter shall be supplementary to any charters required by State or local law, and obtaining such charter shall not immunize nor excuse any corporation from any other provision of State or local law. Such charters shall be revocable pursuant to the provisions of title III or of section 403 as contained herein or as hereafter amended, and shall not be deemed to create any entitlement or property interest, but shall be held to be a terminable license or privilege.

Sec. 203. (a) Each corporation required to obtain a charter under this title shall, within sixty days after the date of promulgation of regulations by the Commission pursuant to section 204(1), and at twelve-month intervals thereafter, transmit to the Commission the following:

(1) the names and duties of the principal executive officers and of the board of directors of the corporation;

(2) product line reports;

(3) voting stock ownership reports;

(4) debt structure reports;

(5) Federal income tax payment reports.

(b)(1) Except as provided in paragraph (2), all data and reports supplied in compliance with subsection (a) shall, pursuant to such regulations as the Commission shall promulgate, be made fully and completely available to the public, any other provision of law to the contrary notwithstanding. The Commission shall have the obligation to take affirmative action to establish a comprehensive system for the dissemination of the information so acquired, such system to include such press releases, bulletins, statistical analyses, summaries, or conclusions as may serve to enable the public to more fully understand such information.

(2) A corporation, by showing that disclosure (pursuant to subsection (b)(1) of information supplied to the Commission in compliance with subsection (a) would be extraordinarily injurious to that corporation's ongoing operations, may request that the Commission keep such information confidential, and the Commission shall do so, if it determines that such a showing has been sufficient, and shall promulgate such regulations as may be required to keep such information confidential. The Commission shall, in accordance with the procedures set forth in section 402(b), refer to the Attorney General for prosecution any case wherein it believes a violation of such regulations has occurred.

Sec. 204. The Commission is authorized—

(1) to promulgate, after consultation with other appropriate Federal agencies for the purpose of avoiding redundancy and needless variation or complexity, such regulations as may be necessary to define the nature and extent of the data required and the procedures to be followed in the submission of the reports specified in section 203(a), paragraphs (2) through (5);

(2) to promulgate such regulations as may be necessary to prevent the disclosure of information required to be kept confidential pursuant to subsection (b) of section 203; and

(3) to promulgate such regulations governing its internal procedures, including the dissemination of information to the public, as may be necessary.

Sec. 205. No person who serves on the board of directors or as an officer of any corporation required to be chartered pursuant to sections 201 and 202 of this Act shall serve at the same time on the board of directors or as an officer of any other corporation which is required to be chartered pursuant to sections 201 and 202 of this Act or of any financial institution.

TITLE III—REORGANIZATION OF CERTAIN INDUSTRIES

Sec. 301. (a) The Congress hereby finds and declares that there is a substantial and harmful lack of competition which has not been remedied by the antitrust laws in the following named industries:

(1) the motor vehicle industry;

(2) the petroleum industry; and

(3) the steel industry.

(b) In consequence, Congress hereby declares that the above-named industries shall be recognized according to the procedures set forth in this title.

Sec. 302. Within sixty days after the Senate confirmation of the first seven members of the Commission, the Commission shall—

(1) promulgate such rules as may be necessary to initiate the proceedings described in section 304(c); and

(2) publish in the Federal Register a list of the principal industrial corporations which comprise the industries specified in section 301.

Sec. 303. (a) On the date of publication of the list specified in section 302, the Commission shall transmit to each corporation named in such list notice thereof, and an invitation to such corporation to supply to the Commission within ninety days any of the following:

(1) such current data, statistical analysis, testimony, or argument as the corporation believes should be considered in the reorganization of the industry of which it is a part;

(2) a request by the corporation for, and a written argument in support of, a deferral of the recognition of either the corporation, or of the industry of which it is a part, until after completion of the reorganization of the other corporations in that industry, or of the other industries required to be recognized under this title; and

(3) a plan of reorganization (for the corporation and the industry of which the corporation is a part) in conformity with the purposes set forth in section 304(b).

(b) Within the ninety-day period specified in subsection (a), any interested party, including any department or agency of the United States Government, may submit to the Commission such party's views regarding the reorganization of any industry specified in section 301, or of any corporation specified in the list required by section 302 (2).

Sec. 304. (a) The Commission shall, at the conclusion of a period of one hundred and twenty days commencing at the end of the ninety-day period specified in section 303(a), and after due consideration of the materials submitted to it pursuant to such section—

(1) propose a plan of reorganization for the industry or industries which it has determined to reorganize first;

(2) publish in the Federal Register a copy of such plan, together with such supporting documents or materials as it deems useful to the justification and explanation of such plan.

(b) It shall be the purpose of each plan of reorganization published in accordance with subsection (a) to alter the structure of the industries specified in section 301 by specifying, in a corporate charter the limits or scope of operations within which the United States will permit such corporations to continue to engage in interstate or foreign commerce. In formulating its proposed plan for the reorganization of an industry, the Commission shall strive to the extent possible and feasible—

(1) to maximize the number of competitors at each level of activity or production, but without substantial impairment of significant economies of scale;

(2) to minimize the degree and extent of vertical integration to the extent compatible with such economies;

(3) to maximize the potential for the entry of new corporations into the industry at each level of production;

(4) to protect employee pension, health, and other benefit plans, and shareholder interests.

(c) Each organization plan proposed by the Commission shall contain, but need not be limited to, the following:

(1) the number of corporations into which the industry shall be organized;

(2) the lines along which currently existing corporations are to be divided to produce that number;

(3) the means by which the shareholders' and employees' interests are to be protected, including mechanisms for the exchange of stock, maintenance of pension funds, transfer of rights, privileges, and benefits;

(4) the schedule by which existing charters shall be revoked and new charters issued to reorganized corporations;

(5) provisions to assure the timely and uninterrupted payment of pension benefits to participants and beneficiaries pursuant to Title IV of the Employee Retirement Income Security Act (P.L. 93–406). In formulating these provisions, the Commission shall consult the Pension Benefit Guaranty Corporation.

(6) the terms of such new charters, including (A) permissible scope of operations by product line, (B) limits on contractual and distributional relationships, and on the holding and granting of licenses and patents and the payment of royalties, (C) limits on the holding of assets (including tangible assets, cash, stock, or securities), obligations, and accounts, whether or not used in furtherance of functions within an industry specified in section 301, and (D) such other terms or requirements as may be necessary to insure that reorganized corporations will perform in a competitive and productive manner, and

(7) such other provisions as may be necessary to insure the prompt and effective transition to the industrial structure sought by such reorganization, and to insure that any disruption incidental to such transition is not unreasonable.

Sec. 305. (a) Within forty-five days after publication of a proposed plan of reorganization pursuant to subsection (d) the Commission shall commence public hearings thereon, which hearings shall not, as to any plan for the reorganization of an industry specified in section 301, exceed thirty days in length. Any interested party may, within thirty days after completion of such a hearing, submit additional written materials for the consideration of the Commission. Not more than one hundred and twenty days after the completion of such a hearing, the Commission shall submit to each corporation in the industry to be reorganized, shall publish in the Federal Register, and shall submit to the Congress, the Commission's reorganization plan and the charters which the Commission proposes to issue thereunder.

(b) A reorganization plan submitted to Congress pursuant to subsection (a) shall take effect at the end of the first period of sixty calendar days of continuous session of Congress (such days of continuous session to be calculated in the manner provided in section 906 of title 5, United States Code) unless—

(1) within such period the Congress adopts a concurrent resolution stating in substance that it disapproves of any of the provisions of such plan;

(2) within such period the Congress adopts a concurrent resolution stating in substance that it approves of such plan as submitted; or

(3) within such period the Congress adopts a concurrent resolution stating in substance that it approves the plan with such amendments as may be contained in such concurrent resolution.

Any plan approved pursuant to paragraphs (2) or (3) shall take effect as of the date of passage of the concurrent resolution approving or amending such plan. If a plan is rejected pursuant to paragraph (1), the Commission shall, within ninety days of the date of passage of the concurrent resolution rejecting the plan, submit to the Congress an amended plan of reorganization, which plan shall be subject to the same procedures contained in this subsection as apply to the Commission's original submissions. If such an amended plan is also rejected pursuant to paragraph (1), the Commission shall submit no further plans with regard to the industry which is the subject of such plan unless the Congress shall by concurrent resolution direct the Commission to submit further plans under the provisions of this subsection.

Sec. 306. Upon taking effect pursuant to section 304(b), a reorganization plan shall be implemented according to its terms by the Commission. Any challenge to such implementation or to the plan itself shall be heard as expeditiously as is practicable in the United States District Court for the District of Columbia by a court of three judges in accordance with the provisions of section 2284 of title 28, and any appeal from the decision of such court shall be to the Supreme Court.

Sec. 307. Upon the completion of the reorganization of one or more of the industries specified in section 301, the Commission shall commence proceedings with regard to the industry specified in such section it determines to next reorganize.

Sec. 308. (a) If the Commission fails to commence proceedings for the reorganization of at least one of the industries specified in section 301 within the time periods specified in sections 302, 303, and 304, or fails to commence any other proceeding within the time periods as specified in this Act, any interested person may commence a civil action in the United States district court to compel the Commission to initiate such proceedings. If the Commission cannot demonstrate to the satisfaction of the court by a preponderance of the evidence that there are legitimate and unavoidable reasons for the delay in initiating such proceedings, the court shall order the Commission to do so immediately and without further delay.

(b) The remedies under this section shall be in addition to, and not in lieu of, other remedies provided by law. An action pursuant to subsection (a) shall be heard by the judge to whom it is assigned at the earliest practicable date.

TITLE IV—ENFORCEMENT

Sec. 401. The Commission shall undertake such investigations as may be necessary—

(1) to determine whether any of the conditions, restrictions, or requirements of a Federal corporate charter have been violated;

(2) to determine whether any corporation which is required by this Act to obtain a charter is engaging in interstate or foreign commerce without such a charter;

(3) to determine whether any person has violated section 206 of this Act;

(4) to determine whether any person or corporation has violated any regulation issued by the Commission pursuant to section 204(1);

(5) to determine whether any person or corporation has violated the provisions of any duly adopted reogranization plan; and

(6) to determine whether any person has violated regulations issued by the Commission pursuant to section 204(2).

Sec. 402. (a) If after investigation the Commission believes that a violation specified in paragraphs (1) through (5) of section 401 has occurred, the Commission shall conduct a hearing at which the alleged violator or violators shall be provided the opportunity to produce testimony and evidence to deny or rebut allegations of such violation or of their responsibility for such violation. If after hearing the Commission shall find that a person or corporation is in violation, the Commission shall assess penalties according to the following schedule:

(1) for violation of any of the provisions of section 201 or 205 of this Act, or of any regulation promulgated pursuant to section 204(1) of this Act, a civil penalty of not less than $10,000 for each day of violation commencing with the day after the day upon which the Commission finds that a violation has occurred;

(2) for violation of any provision, restriction, condition, or requirement of any charter, or of any of the terms of any duly adopted reorganization plan, a civil penalty of not less than $10,000 for each day of violation commencing with the day after the day upon which the Commission finds that a violation has occurred; and

(3) for any person found to have been principally responsible for the violation or violations of a corporation, or found to have individually violated section 206 or any other provision of this Act or of regulations issued hereunder, a civil penalty of not less than $1.000 for each day of violation commencing with the day after the day upon which the Commission that such a violation has occurred; and no person shall receive indemnification for any such penalty from the corporation with which he is associated.

(b) If after investigation the Commission believes that a violation of regulations promulgated pursuant to section 204(2) has occurred, the Commission shall refer the matter to the Attorney General for prosecution. Any person found to have knowingly committed a violation of any such regulation may be fined not more than $10,000, or imprisoned for not more than one year, or both.

Sec. 403. If after proceeding in accordance with sections 401 and 402(a) it appears to the Commission that a corporation is engaged in a continuing and unabated violation of any of the provisions of this Act, or of regulations issued hereunder, the Commission may, upon ninety days notice to such corporation to abate such violation, revoke the charter of such corporation, if it is chartered, and may seek an injunction in any district court of the United States wherein the corporation is engaged in business to enjoin such corporation from engaging in interstate or foreign commerce, and may seek such other relief as may be necessary to secure compliance with this Act or with regulations issued thereunder.

TITLE V—DEFINITIONS

Sec. 501. As used in this Act—

(1) The term "corporate charter application" or "charter application" means an application by a corporation for a Federal corporate charter in compliance with the provisions of section 201.

(2) The term "principal industrial corporation" means a corporation which as to any group of three successive corporate fiscal years, commencing with the three such years immediately preceding the year of enactment of this Act, has total average sales (including the sales of all industrial subsidiaries) of more than $2 billion in each year, half or more of which is derived from manufacturing and/or mining.

(3) The term "product line reports" means such data and calculations as the Commission may require by regulation setting forth the various goods, commodities, and other tangible items or merchandise which a corporation constructs, manufactures, or produces, the relative and absolute quantities of such goods, commodities, and items or merchandise, sales data relating to such goods, commodities and items or merchandise, and such other information as the Commission may deem necessary to enable it to effectively evaluate the relative proportions of a given market controlled or served by a given corporation.

(4) The term "voting stock ownership reports" means such data and calculations as the Commission may require by regulation to enable it to determine the identity of, and the relationship between, the persons or cor-

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porations having control over the direction and management of principal industrial corporations.

(5) The term "debt structure reports" means such data and calculations as the Commission may require by regulation to identify the holders of secured or unsecured debt obligations of principal industrial corportations **under paragraph (2) of this** extent of debt financing of such corporations holdings and operations, and to project the probable claims of such debt upon the future earnings of such corporations.

(6) The term "tax payment reports" means such data and calculations as the Commission may require by regulation to evaluate the relative tax burdens of principal industrial corporations, the impact of such burdens upon expansion and growth, and upon technological advancement, to assess the nature and extent of interstate and foreign commerce engaged in by such corporations, and to verify the calculations made to determine the value of all property held by such corporations under paragraph (2) of this section.

(7) The term "motor vehicle industry" means those principal industrial corporations that are engaged in the production and final assembly of automobiles.

(8) The term "petroleum industry" means those principal industrial corporations that are engaged in the exploration for, extraction, refinement, transportation and distribution of crude oil.

(9) The term "steel industry" means those principal industrial corporations that are engaged in the mining of iron ore, and the production, at multiple locations, of pig iron and steel.

TITLE VI—MISCELLANEOUS

SEC. 601. The Commission, at least once every other year, shall report to the Congress and to the President on the progress made in achieving the policies and purposes of this Act. Such reports may be used on such studies as the Commission may conduct or have conducted of its operations and of the impact of such operations on the activities of the Nation's principal industrial corporations, and may contain such recommendations for legislative or executive action as the Commission deems necessary or advisable (including the addition of other industries to those specified in section 301, or the modification or amendment of charters issued pursuant to this Act) to promote the policies and purposes of this Act.

SEC. 602. If any provision of this Act, or the application thereof to any person or circumstances, is held invalid or is temporarily or permanently enjoined, the remainder of this Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

APPENDIX B

THE 100 LARGEST INDUSTRIAL CORPORATIONS IN 1974 (RANKED BY SALES)

RANK, COMPANY AND SALES

(In thousands of dollars)

1. Exxon (New York), $42,061,336.
2. General Motors (Detroit), $31,549,546.
3. Ford Motor (Dearborn, Mich.), $23,620,600.
4. Texaco (New York), $23,255,497.
5. Mobil Oil (New York), $18,929,033.
6. Standard Oil of California (San Francisco), $17,191,186.
7. Gulf Oil (Pittsburgh), $16,458,000.
8. General Electric (Fairfield, Conn.), $13,413,100.
9. International Business Machines (Armonk, N.Y.), $12,675,292.
10. International Tel. & Tel. (New York), $11,154,401.
11. Chrysler (Highland Park, Mich.), $10,971,416.
12. U.S. Steel (New York), $9,186,403.
13. Standard Oil (Ind.) (Chicago), $9,085,415.
14. Shell Oil (Houston), $7,633,455.
15. Western Electric (New York), $7,381,728.
16. Continental Oil (Stamford, Conn.), $7,041,423.
17. E.I. du Pont de Nemours (Wilmington, Del.), $6,910,100.
18. Atlantic Richfield (Los Angeles), $6,739,682.
19. Westinghouse Electric (Pittsburgh), $6,466,112.
20. Occidental Petroleum (Los Angeles), $5,719,369.
21. Bethlehem Steel (Bethlehem, Pa.), $5,380,963.
22. Union Carbide (New York), $5,320,123.
23. Goodyear Tire & Rubber (Akron, Ohio), $5,256,247.
24. Tenneco (Houston), $5,001,474.
25. Phillips Petroleum (Bartlesville, Okla.), $4,980,704.
26. International Harvester (Chicago), $4,965,916.
27. Dow Chemical (Midland, Mich.), $4,938,483.
28. Procter & Gamble (Cincinnati), $4,912.279.
29. LTV (Dallas), $4,768,010.
30. Esmark (Chicago),[3] $4,615,715.
31. RCA (New York), $4,594,300.
32. Eastman Kodak (Rochester, N.Y.), $4,583,629.
33. Kraftco (Glenview, Ill.), $4,471,427.
34. Union Oil of California (Los Angeles), $4,419,049.
35. Rockwell International (Pittsburgh), $4,408,500.
36. Caterpillar Tractor (Peoria, Ill.), $4,082,127.
37. Sun Oil (St. Davids, Pa.), $3,799,581.
38. Amerada Hess (New York), $3,744,521.
39. Boeing (Seattle), $3,730,667.
40. Firestone Tire & Rubber (Akron, Ohio), $3,674,890.
41. Xerox (Stamford, Conn.), $3,576,442.
42. Beatrice Foods (Chicago), $3,541,216.
43. Monsanto (St. Louis), $3,497,900.
44. W. R. Grace (New York), $3,472,291.
45. Greyhound (Phoenix), $3,458,336.
46. United Aircraft (East Hartford, Conn.), $3,321,106.
47. Borden (New York), $3,264,502.
48. R.J. Reynolds Industries (Winston-Salem, N.C.), $3,229,668.
49. Lockheed Aircraft (Burbank, Calif.), $3,222,000.
50. Ashland Oil (Russell, Ky.), $3,215,667.
51. Armco Steel (Middletown, Ohio), $3,190,084.
52. Continental Can (New York), $3,087,448.
53. Litton Industries (Beverly Hills), $3,081,978.
54. McDonnell Douglas (St. Louis), $3,075,036.
55. Ralston Purina (St. Louis), $3,073,210.
56. International Paper (New York), $3,042,235.
57. Philip Morris (New York), $3,042,094.
58. General Foods (White Plains, N.Y.), $2,986,692.
59. Minnesota Mining & Manufacturing (St. Paul), $2,936,959.
60. Marathon Oil (Findlay, Ohio), $2,882,174.
61. Cities Service (Tulsa, Okla.), $2,806,300.
62. Getty Oil (Los Angeles), $2,742,269.
63. Republic Steel (Cleveland), $2,741,370.
64. National Steel (Pittsburgh), $2,727,774.
65. Aluminum Co. of America (Pittsburgh), $2,727,290.
66. Singer (New York), $2,661,700.
67. American Can (Greenwich, Conn.), $2,657,948.
68. Honeywell (Minneapolis), $2,625,683.
69. Colgate-Palmolive (New York), $2,615,448.
70. Sperry Rand (New York), $2,613,486.
71. CPC International (Englewood Cliffs, N.J.), $2,570,273.
72. Champion International (New York), $2,532,269.
73. Weyerhaeuser (Tacoma, Wash.), $2,529,013.
74. Coca-Cola (Atlanta), $2,522,150.
75. Deere (Moline, Ill.), $2,495,086.
76. TRW (Cleveland), $2,486,022.
77. Bendix (Southfield, Mich.), $2,480,900.
78. Inland Steel (Chicago), $2,450,289.
79. Georgia-Pacific (Portland, Ore.), $2,432,350.
80. Consolidated Foods (Chicago), $2,379,862.
81. Burlington Industries (Greensboro, N.C.), $2,329,971.
82. Uniroyal (New York), $2,300,533.
83. Gulf & Western Industries (New York), $2,295,519.
84. United Brands (New York), $2,230,106.
85. Allied Chemical (Morristown, N.J.), $2,215.946.
86. American Brands (New York), $2,210,352.
87. Standard Oil (Ohio) (Cleveland), $2,166,177.
88. Owens-Illinois (Toledo), $2,116,436.
89. Textron (Providence), $2,113,754.
90. PepsiCo (Purchase, N.Y.), $2,080,759.
91. FMC (Chicago), $2,074,070.
92. American Home Products (New York), $2.048,741.
93. American Motors (Detroit), $2,000,200.
94. General Mills (Minneapolis), $2,000,103.
95. Reynolds Metals (Richmond, Va.), $1,993,189.
96. B. F. Goodrich (Akron, Ohio), $1,979,754.
97. NCR (Dayton, Ohio), $1,979,003.
98. General Dynamics (St. Louis), $1,968,416.
99. Johnson & Johnson (New Brunswick, N.J.), $1,937,211.
100. Raytheon (Lexington, Mass.), $1,928,855.

APPENDIX C

FOOTNOTES

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1975—A YEAR OF CONCERN FOR THE ELDERLY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Hawaii (Mr. MATSUNAGA), is recognized for 5 minutes.

Mr. MATSUNAGA. Mr. Speaker, I am very pleased to join the gentleman from Missouri (Mr. RANDALL) in saluting older Americans during this, Older Americans Month 1975.

We live in a youth-oriented society, Mr. Speaker. When a soft drink manufacturer declares this to be the Pepsi generation, the television screen is filled with smiling faces on the smooth-cheeked side of 20. Increasingly the extended family structure in America has become more nuclear; it is not that young people want their parents and grandparents and aunts and uncles to disappear, but they do find it inconvenient at times to have their older relatives around.

Ironically, this is happening at a time when the number of elderly Americans is growing dramatically. Since the turn of the century our country's population has almost tripled; but the segment of our population aged 65 or older has increased sevenfold, from about 3 million in 1900 to some 21 million today—10 percent of the total.

This has caused us to be more acutely aware of the problems of our elderly citizens. Although comprising just one-tenth of our population, the elderly account for about 28 percent of the private health expenditures in the country. They number within their ranks about 28 percent of the Nation's poor.

Because of these and other similar facts, many people have tended to view older Americans themselves as a massive, rapidly growing problem.

I prefer, Mr. Speaker, to view older

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Americans as a rapidly growing, virtually untapped resource for our society. Yes, Congress should be addressing itself to improving the lot of the elderly. Yes, in many ways, thousands and thousands of Americans over 60 are in need of assistance. But many, many more elderly Americans—including many of those in need of some specific assistance—can contribute to our society, want to contribute, but find the path strewn with obstacles.

A recent extensive survey commissioned by the National Council on Aging pointed out this unrecognized potential very well. It showed that Americans of all ages, including older Americans, think of older people as being sickly, bored, lacking in mental quickness, and dissatisfied with life generally. But the older persons surveyed almost always saw themselves as the exception to that rule. As individuals they did not feel particularly put upon. What this reflects, Mr. Speaker, is that Americans of all ages have bought the stereotype of the older person which we have allowed to develop.

But there is a 104-year-old woman in California who works as a college volunteer each day, then comes home to fix the evening meal for her rather large family. Konrad Adenauer led West Germany well into his 80's. Former HEW Secretary Arthur Flemming, must at 70, take time off from his duties as Commissioner of the Administration on Aging every few days to chair a meeting across town of the U.S. Civil Rights Commission.

In short, Mr. Speaker, the 21 million Americans over 65 can, in the words of President Ford's Proclamation of Older Americans Month, through "[t]heir collective knowledge, experience and energy . . . contribute significantly to raising the quality of life for all American."

I know that is the goal of the gentleman from Missouri (Mr. RANDALL), who chairs the new House Select Committee on Aging on which I am privileged to serve. It will certainly be the goal of the Subcommittee on Government Services, which I chair, in its oversight of the programs within its area of responsibility. The Older Americans Act, which the House recently extended and improved, provides a unique and ideal device for focusing on this potential.

I hope also to look at how transportation for the elderly can be improved, so that we can end isolation of those unable to retain personal mobility. Only this afternoon the subcommittee heard from the ACTION agency, which provides opportunities for thousands of older Americans in programs like RSVP, Foster Grandparents and Senior Companions.

There is nothing magical about a person's 60th birthday. If a person is foolish the night before, he will be foolish after that day. By the same token, an accountant or lathe operator or a salesperson who performed capably for 30 years is not transformed at age 65 into a senile incompetent.

In considering legislation dealing with older Americans, Mr. Speaker, Congress should keep in mind the advice to the elderly given by the poet Dylan Thomas:

> Do not go gentle into that good night.

THE REPUBLIC OF SRI LANKA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. HAMILTON) is recognized for 5 minutes.

Mr. HAMILTON. Mr. Speaker, today marks the third anniversary of the day on which Sri Lanka was declared a Republic.

I had the honor of visiting Sri Lanka recently as a member of the U.S. delegation to Inter-Parliamentary Union meetings held in that small Asian democracy in early April.

During my enjoyable visit, I had a chance to meet and talk with several leaders of Sri Lanka. They welcomed us and expressed warmth for continued good relations between their country and the United States.

Sri Lanka is a vibrant democracy of nearly 14 million people situated to the south and east of India. The state continues to thrive on a well developed party system despite enormous economic and social challenges. Where other states in Asia are becoming more authoritarian, Sri Lanka has been able to maintain a greater degree of freedom. Where other states continue to be forced to use scarce and valuable resources on sophisticated arms, internal political upheavals and regional rivalries, Sri Lanka lives in peace with its neighbors and is able to put a constant high priority on dealing with its many pressing economic problems.

Today, Sri Lanka seeks to try to cope effectively with its development needs. This commitment and the friendship between the United States and Sri Lanka are the bases for the modest amounts of bilateral economic aid we give to Sri Lanka. This aid, mainly in the agricultural sector, is helping others help themselves. Because Sri Lanka wants our help and seeks our support for its development, we should try to help that state to the extent we can.

On the third anniversary of the adoption of a new constitution and the inauguration of the Republic of Sri Lanka, we in Congress should salute one of our Asian friends and wish it every success in its continuing efforts to bring economic development and social justice to all its people.

ACTION ON ENERGY CONSERVATION BY OIL-CONSUMING NATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. FRASER) is recognized for 5 minutes.

Mr. FRASER. Mr. Speaker, early next month the House will have an opportunity to act on legislation to implement a comprehensive energy conservation program. Our energy problems at the moment have been described as invisible, but they will not long remain so in the absence of effective action. The bill reported by the Ways and Means Committee, H.R. 6860, includes taxes on gasoline, on auto efficiency, and on industrial use of gas and oil, as well as capital incentives for conversion from oil and gas to coal. The bill before the Interstate and Foreign Commerce Committee, H.R. 7014, mandates energy conservation standards along with pricing decontrol.

The Energy Commissioner of the European Community, Henri Simonet, in an address to the National Press Club last week, expressed misgivings about common conservation efforts by the 18-member International Energy Agency (IEA), an organization of oil-consuming states which includes Western Europe, Canada, Japan, Turkey, New Zealand, and the United States. M. Simonet pointed out that unless the United States takes effective steps to curb its own energy use, other oil-consuming nations may be reluctant to pursue conservation policies.

It is clear from a chart supplied by the Department of State to subcommittees of the Committee on International Relations that there are grounds for these misgivings. This chart shows that since the October 1973 embargo, most of the member countries of the IEA have taken initial steps to cut consumption and to reduce dependence on foreign oil supplies. Mandatory conservation measures have been adopted, including new clean-furnace and insulation standards. More importantly, member countries have established tax and investment incentives, as well as programs to deregulate certain energy prices. All of these are effective means to promote efficient use of energy.

The United Kingdom, Sweden, Germany, and Switzerland, for example, have increased gasoline taxes. It is well to note that before the embargo, gasoline taxes in the European Community were high, ranging from 53.32 percent of the market price of gasoline in Denmark, to 78.42 percent in Belgium.

In the field of deregulation, the United Kingdom has eliminated subsidies in its nationalized coal and natural gas industries while Switzerland has removed energy price controls. Germany has increased taxes on fuel oil and has introduced a prior-licensing requirement for construction of new oil- and gas-fired powerplants.

In order for the United States to have an effective long-range conservation program, we need to institute a variety of measures, administrative as well as fiscal, including tax and capital incentives as well as new conservation standards.

As the following chart shows, a number of our partners are much farther along the road toward development of an integrated approach to energy conservation than is the United States. Since the United States is the largest energy consumer within the IEA, failure on our part to adopt effective long-term conservation measures could have a major negative impact on future international cooperation in this field. I include in the RECORD at this point a comparative

chart of recent actions taken by IEA member nations with respect to energy conservation:

DEPARTMENT OF STATE,
Washington, D.C., May 2, 1975.

Hon. DONALD M. FRASER,
Chairman, Subcommittee on International Resources, Food, and Energy, Committee on Foreign Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: During the subcommittee hearings on the IEA which you chaired on March 26, you requested a description of actions taken by various member nations of the IEA since the oil embargo with respect to conservation. The information set forth in the attached charts is the latest compilation prepared by the IEA. It summarizes the types of measures that are being applied in various consumer countries to promote energy conservation. Some IEA members did not respond in time to the survey taken under the system of "constructive confrontation" that has been developed to evaluate country programs. As a result there are some gaps in the data.

Sincerely,

THOMAS O. ENDERS,
Assistant Secretary for Economic and Business Affairs.

CONSERVATION MEASURES

(1) TAX CHANGES AND SURCHARGES

Austria: None.

Belgium: Increased HP tax for autos. Preferential tax rate which favors diesel engines established.

Canada: Progressive tax (up to $500.) on heavy autos and motorcycles. Elimination of sales tax on certain transport equipment. Sales tax reduction on insulating materials.

Denmark: Special electricity tax to be applied to households and small consumers.

Germany: Tax increases (U.S. $)/gallon from 10/73 to 9/74. Regular Gasoline 3¢ increase to $.75. Premium Gasoline 2¢ increase to $.76. Diesel Fuel 2¢ increase to $.71. DM 15/ton tax on fuel oil. 3.2% tax increase on electricity.

Ireland: Tax raised retail price of gasoline by 30%.

Italy: Gasoline and diesel fuel taxes increased by 50% Current gasoline taxes $1.16–120/g. Domestic heating oil tax remains at $.03/gallon. Progressive electricity tax applied to residential/commercial sector.

Japan: Gasoline taxes increased (10/73 to 9/74 by $.08 to $.46/gallon; Diesel fuel taxes held at $.20/gallon.).

Luxenbourg: None.

Netherlands: None.

New Zealand: None.

Norway: None.

Spain: Petroleum product prices increased by 50% after 3/74. Electric rates increased by 15%.

Switzerland: 10% increase in tax on gasoline to 60% of retail price. 7% increase in tax on fuel oil.

Sweden: Total taxes on fuel oil and gasoline increased by 50% over past 18 months. 10% electricity tax is proposed.

Turkey: Progressive taxation for heavy cars. Surcharge on gasoline.

United Kingdom: Value added tax increased by 25% on gasoline. Total tax increase is 40% for gasoline. Tax on gasoline and diesel fuel was $.53/gallon during 9/74.

United States: Import fees on oil entering the U.S.

(2) DEREGULATION OF CONTROLLED ENERGY PRICES AND ELIMINATION OF SUBSIDIES

Austria: None.

Belgium: None.

Canada: Gradual decontrol of oil and natural gas prices has been proposed. Move to flat rate structure for electricity.

Denmark: None.

Germany: None.

Ireland: None.

Italy: None.

Japan: None.

Luxembourg: None.

Netherlands: None.

New Zealand: None.

Norway: None.

Spain: None.

Switzerland: Price controls abolished and energy demand subject to market forces.

Sweden: None.

Turkey: None.

United Kingdom: Subsidies for the nationalized coal and natural gas industries have been removed. Peak load pricing has been introduced for electricity.

United States: None.

(3) MANDATORY GOVERNMENT STANDARDS AND FUEL CONVERSION REQUIREMENTS

Austria: Reduced speed limits. Mandatory building insulation standards.

Belgium: Reduced speed limits. Compulsory cleaning of urban furnaces. Furnace control standards adopted.

Canada: Insulation standards for new homes increased.

Denmark: Reduced speed limits.

Germany: Reduce speed limits. Insulation standards for new buildings increased. Special licenses required to build oil or natural gas fired power plants.

Ireland: Reduced speed limits. New thermal standards.

Italy: None.

Japan: None.

Luxembourg: None.

Netherlands: Reduced speed limit.

New Zealand: None.

Norway: None.

Spain: Reduced speed limits. Mandatory cuts in public lighting. Reduced TV broadcasting.

Switzerland: Reduced speed limit. Local governments strengthening thermal standards.

Sweden: Building standards strengthened.

Turkey. Better speed limit enforcement.

United Kingdom: Reduced speed limits. Standards for advertising lighting. New insulation standards.

United States: Reduced speed limits. Higher insulation standards for federally financed homes. Required conversion of certain generating plants from oil to coal.

(4) GOVERNMENT SUBSIDIES, CREDITS, LOANS AND INCENTIVES

Austria: None.

Belgium: 25% government assistance for cost of improving insulation in existing buildings.

Canada: Waste recycling heating promoted.

Denmark: Funds created to improve insulation and promote heat conserving systems in agriculture.

Germany: Low cost loans and tax credits for insulation improvement in existing buildings. 7.5–15% investment grant for non-oil burning power plants and related conservation equipment. 15% investment tax credit for district heating and solid waste plants.

Ireland: Grants to industry for energy planning to improve efficiency.

Italy: Program to control, monitor and improve combustion in industry.

Japan: Faster depreciation for energy saving investments with a related loan program at below commercial rates.

Luxembourg: None.

Netherlands: Funds to improve insulation.

New Zealand: None.

Norway: None.

Spain: Government loans for energy savings in industry.

Switzerland: None.

Sweden: Fund to improve insulation established.

Turkey: None.

United Kingdom: 100% tax allowance on insulation. Fuel saving loan program established for industry.

United States: None.

SUBCOMMITTEE ON FINANCIAL INSTITUTIONS SUPERVISION, REGULATION AND INSURANCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. ST GERMAIN) is recognized for 5 minutes.

Mr. ST GERMAIN. Mr. Speaker, on April 16, I introduced the Credit Union Financial Institutions Act Amendments or 1975—H.R. 6074—at the request of the Credit Union National Association, a major spokesman for this Nation's more than 23,000 nonprofit cooperatives. By so doing, I am restating my determination that in the consideration of any legislation affecting financial institutions both the present needs and predictable future requirements of the credit union movement be given the fullest possible consideration by the Congress.

It was indeed a pleasure and a privilege for me to sponsor this legislation believing, as I do, so strongly that credit unions represent a unique portion of the Nation's economic strength. My interest in credit unions predates my election to Congress 15 years ago when as a young man I realized that for many years it was the credit union alone which recognized the need and provided the opportunity for the average working man to obtain consumer credit on reasonable terms.

Since my first election to Congress in 1960, I have been privileged to work closely with our Dean, WRIGHT PATMAN, who so richly deserves the title of the "Father of American Credit Unionism." The foresight and faith he has steadfastly displayed is indeed truly remarkable and I am delighted to inform my colleagues that Chairman PATMAN is still manning the barricades for the credit union movement by his introduction, on May 15, of H.R. 7020, identical to H.R. 6074. By our introduction of identical bills, we have once again stated our faith in the credit union movement and expressed our determintion to continue to work together closely, as we have through the years, both in the consideration of legislation and during the course of the recently announced study of our financial institutions and the national economy now underway within the Subcommittee on Financial Institutions Supervision, Regulation and Insurance, which I have the honor of chairing.

To enable my colleagues on the committee to join with us in expressing their continued support for credit unionism, I am today reintroducing H.R. 6074 with 34 cosponsors. The bill is a good bill and virtually all are in agreement with its central thrust and that is to enable credit unionism to survive, to flourish and to grow in an increasingly competitive economic environment. It should be strongly emphasized, however, that many of us do have reservations concerning certain aspects of the bill in relationship to the

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powers and responsibilties of other types of financial institutions, both thrift and commercial. Final decisions must of necessity await the results of hearings now underway in the Senate on the Financial Institutions Acts of 1975 and S. 1475, a companion bill to H.R. 6074, our own comprehensive legislative hearings, and of utmost importance, the deliberations flowing from the study of our financial institutions and the national economy. Component one of that study which is now receiving priority attention, deals with the crucial question of "Relationship Between Banks and Thrift Institutions." We seek parity for credit unions and not unfair advantage, given the unique relationship of share depositors utilizing a nonprofit cooperative structure.

I would be remiss, indeed, if I did not compliment those who were so instrumental in developing the bill which I introduced today. It is the product of long hours of discussion between CUNA and the National Association of Federal Credit Unions, in concert with the National Credit Union Administration. The unity and cooperative spirit reflected in this action speaks precisely to the reason why last year I sought to have equal representation by the credit unions in the consumer home mortgage legislation, which ultimately became Title VII of the Housing and Community Development Act of 1974. Virtually every local credit union, both State and federally chartered participated in the deliberations involving a significant percentage of the actual membership. This process merely underscores the great strength of the volunteer credit union movement, that of the common bond and full participation by the membership in managerial decisions. This is increasingly significant today as we not only review relationships between institutions, but as we seek to transform all financial institutions in a manner designed to serve today's unmet public needs. The whole concept of "mutuality," the primary basis for the savings and loan industry and the mutual savings banks industry, is showing increasing signs of erosion to be dealt with by the Fine study.

The administration is also to be commended for seeking the counsel of credit unions in the drafting of FIA 1975. This, unfortunately, was not done in the preparation of FIA 1973 and as such, represents growing recognition by all of the increased importance of credit unions in fulfilling the consumer credit needs of the average American.

To enable credit unions to undertake greater responsibilities, and in the process become the coequals of other financial institutions, they simply must be provided both from a short-range and long-range point of view, the tools of growth as provided by this legislation. The key features of the bill provide broadened powers, a restructured regulatory agency patterned after our other financial regulatory agencies, and the establishment of a central liquidity facility. Early consideration of this bill, both in legislative hearings and as a major component of the Fine study will be a significant first step in insuring the continued vitality of our Nation's more than 23,000 credit unions.

U.S. MILITARY POWER PROJECTION 1990: COMMENTARY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, one of the most highly respected periodicals of our Armed Forces is the Military Review, the monthly professional journal of the U.S. Army, published by the Command and General Staff College, Fort Leavenworth.

The leading article in its May 1975 issue by Lt. Col. William M. Stokes III, U.S. Army, et al. is based on a research project by members of the class of 1974 at the Army War College, Carlisle, Pa., and presents a U.S. military power projection in 1990. In view of the currently unfolding of the world geopolitical situation the article is timely and should be helpful.

Among thoughtful readers, including students of seapower and the U.S.S.R. strategy for securing control over strategic waterways such as the Panama Canal, the article has raised a number of questions. It was, therefore, with more than casual interest that I have read in the form of a letter to the editor a perceptive commentary on the article by Jon P. Speller, editor of East Europe and author of the important book, "Panama Canal: Heart of America's Security." The short terms, STRATPAC and TACPAC, used in the letter stand for strategic package and tactical package, respectively, that are defined in the article.

In considering the question of hemispheric security in respect to the Panama Canal, I have often stressed that it is the jugular vein of the Americas and as such a vital element of seapower as well as interoceanic commerce. The issue involved in the current negotiations over its status are not sovereign control of the Canal Zone but continued undiluted U.S. sovereignty versus U.S.S.R. domination.

Because the indicated commentary raises important points, I quote it is part of my remarks:

MAY 5, 1975.

Col. JOHN H. CHITTY, Jr.,
Editor in Chief, Military Review, U.S. Army Command and General Staff College, Ft. Leavenworth, Kans.

DEAR COLONEL CHITTY: It is not too difficult to fault the projected US STRATPAC and TACPAC requirements for 1990 outlined by Lt. Col. Stokes et al in "Power Projection 1990" (*Military Review*, May 1975). One of the grounds for criticism is inadequate consideration of the role of seapower. On this point the recent relatively efficient global exercise of the Soviet Navy speaks for itself.

The premise of polar powers is also worthy of close examination. Such power polarity would seem to demand internal stability and cohesion in the centers of polarity from which power is extended. At the least, it should be taken into consideration that the USSR's domain is multinational in an era of surging nationalism. This factor, along with a diminution of Soviet revolutionary elan, does not augur well for the Soviets by the year 1990. As far as the US is concerned, the events of the last five years speak for themselves. As an example, the statement in the article the "US interests in Asia will increase" invites the riposte, "But will Asian interest in US interests in Asia increase?"

Another statement seems to be eminently debatable, "Forces will be required to support US and Soviet condominion efforts to create and maintain reasonable stability in the world." The concept of enlisting the fox to help guard the chickens has never been historically workable in the long run. One may only cite the barbarians co-opted as guardians by the Roman Empire in its declining period.

As the author of the Panama Canal: Heart of America's Security, I have been in position to closely monitor the debate on the future of a vital US strategic waterway. One can reflect on the futility of adequate defense planning when an important geo-political constant such as the Panama Canal could become a variable.

In a recent lecture on Capitol Hill, Dr. Fritz Kraemer, Plans Officer, US Army Chief of Staff, commented on the lack of enthusiasm in the West. He remarked that "in plus *theos* is the root of the word *enthusiasm*," that intangible but often decisive, factor. Fortunately, on the Panama Canal issue informed enthusiasm has not been lacking. On other issues and erosion of will is quite evident within our national body politic. The weakened state of our national elan, unless reversed, will inevitably affect US STRATPAC and TACPAC requirements long before the year 1990 is reached.

Yours very truly,

JON P. SPELLER,
Editor, East Europe magazine.

INTRODUCTION OF FARMER-TO-CONSUMER DIRECT MARKETING ACT OF 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. VIGORITO) is recognized for 5 minutes.

Mr. VIGORITO. Mr. Speaker, I am introducing today, with cosponsors, a bill to encourage the direct marketing of agricultural commodities from farmers to consumers.

The basic idea behind the legislation is that both farmers and consumers stand to gain from direct marketing of fresh produce and other food commodities wherever possible without the intervention of middlemen in the marketing process. Direct marketing can lower the cost or increase the quality of food to consumers while providing increased financial returns to farmers.

For various reasons, there has been an enhanced interest in recent years in roadside stands, city markets, pick-your-own arrangements, house-to-house marketing, and other such direct marketing methods. This bill will build upon that experience and interest, and encourage the further use of direct food marketing wherever it is feasible.

Specifically, the bill does essentially four things:

First, it provides for the Economic Research Service of the U.S. Department of Agriculture to conduct a survey of direct marketing arrangements across the United States.

Second, it provides for the Extension Service of the Department of Agriculture, in cooperation with State Departments of Agriculture and certain other institutions of Government, to provide technical and other assistance for establishment and operation of direct marketing arrangements within the respective States. At least one State extension marketing specialist in each State would be designated as reponsible for activities designed to promote direct marketing.

Third, it provides for the Farmer Cooperative Service of the Department of Agriculture, in cooperation with consumer organizations and agencies, to foster "innovative" arrangements whereby farmers and consumers might jointly develop and operate direct food marketing facilities. The Farmer Cooperative Service is specifically directed either itself or through public or nonprofit private contractors to develop at least five distinct direct marketing arrangements over a period of 3 years.

Fourth, it provides for the Secretary of Agriculture to report annually to the Congress on progress made in facilitating farmer-to-consumer marketing arrangements.

The authorization for appropriations in this bill is very modest: Essentially $2.5 million per year for 3 years.

Mr. Speaker, I am convinced that this legislation is realistic and is soundly conceived and drafted. I am pleased to introduce it, along with cosponsors, today:

COSPONSORS

Mr. Vigorito (for himself, Mr. Bergland, Mr. Brown of California, Mr. D'Amours, Mr. English, Mr. Fithian, Mr. Jeffords, Mr. Jenrette, Mr. Peyser Mr. Richmond, Mr. Rose, and Mr. Weaver).

H.R. 7488

A bill to encourage the direct marketing of agricultural commodities from farmers to consumers

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Farmer-to-Consumer Direct Marketing Act of 1975".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) direct sales from farmers to consumers of fresh or processed farm produce and commodities can improve the markets of and financial returns to farmers, assist small-scale farmers in becoming economically viable, and improve the quality and reduce the cost of foods to consumers;

(2) because of increased transportation and fuel costs, consumer preferences for fresh or natural foods, increased prices of food marketed through conventional retailing channels, and other reasons, there is an enhanced interest among farmers and consumers for direct farmer-to-consumer marketing channels;

(3) there is a need to provide information, technical assistance, and other assistance to individuals and groups undertaking the establishment and operation of traditional methods of direct marketing from farmers to consumers; and

(4) there is a need for planning, incentives, and other assistance to develop innovative commercial arrangements that can facilitate, on a continuing basis, the interface of farmers as sellers and consumers as buyers for their mutual benefit.

(b) It is the purpose of this Act to foster and promote, through appropriate means and on an economically-sustainable basis, the development and expansion of both traditional and innovative approaches to direct marketing of agricultural commodities from farmers to consumers. To accomplish this objective, the Secretary of Agriculture (hereinafter referred to as the "Secretary") shall initiate and coordinate a program, which includes the activities described in sections 4 through 7, designed to facilitate direct marketing from farmers to consumers for the mutual benefit of consumers and farmers.

DEFINITION

SEC. 3. For purposes of this Act, the term "direct marketing from farmers to consumers" shall mean the marketing of agricultural commodities at any marketplace (including, but not limited to, roadside stands, city markets, and vehicles used for house-to-house marketing of agricultural commodities) established and maintained for the purpose of enabling farmers to sell (either individually or through a farmers' organization directly representing the farmers who produced the commodities being sold) their agricultural commodities directly to individual consumers, or organizations representing consumers, in a manner calculated to lower the cost or increase the quality of food to such consumers while providing increased financial returns to the farmers.

SURVEY

SEC. 4. The Secretary shall provide, through the Economic Research Service of the United States Department of Agriculture, or whatever agency or agencies the Secretary considers appropriate, a continuing survey of existing methods of direct marketing from farmers to consumers in each State. The initial survey, which shall be completed no later than 2 years following the date of enactment of this Act, shall include the number and types of such marketing methods in existence, the volume of business conducted through each such marketing method, and the impact of such marketing methods upon financial returns to farmers (including their impact upon improving the economic viability of smaller farmers) and food costs to consumers. This survey shall be updated every 5 years.

TRADITIONAL METHODS OF DIRECT MARKETING FROM FARMERS TO CONSUMERS

SEC. 5. In order to foster and promote the establishment and operation of traditional methods of direct marketing from farmers to consumers, the Secretary shall provide that the Extension Service of the United States Department of Agriculture conduct and facilitate activities designed to foster direct marketing from farmers to consumers, including—

(1) the designation of a State Extension Marketing Specialist in each State as responsible, on a continuing basis, for the purpose of initiating, encouraging, or coordinating activities related to methods of direct marketing from farmers to consumers or to the development of such methods within the State;

(2) the sponsorship of regional and statewide conferences within each State which are designed to facilitate the sharing of information (among farm producers, consumers, and other interested persons or groups) concerning the establishment and operation of direct marketing from farmers to consumers;

(3) cooperation and coordination with the State department of agriculture, the land grant college or university, and the County Agricultural Agents of each State for the purposes of conducting studies of direct marketing from farmers to consumers within the State, compiling the relevant laws and regulations relevant to the conduct of the various methods of such direct marketing within the State, formulating drafts of enabling legislation needed to facilitate such direct marketing, determining feasible locations for additional facilities for such direct marketing, and preparing and disseminating through appropriate means (including mass communication media and conferences as described in paragraph (2) of this section) practical information on the establishment and operation of such direct marketing; and

(4) the providing of technical assistance (by State Extension Specialists, County Agricultural Agents, or others) for the purpose of assisting interested individuals or groups in the establishment of arrangements for direct marketing from farmers to consumers.

INNOVATIVE METHODS OF DIRECT MARKETING FROM FARMERS TO CONSUMERS

SEC. 6. (a) The purpose of this section is to foster the development of innovative farmer-to-consumer marketing arrangements and networks designed to encourage the interface of farmers and consumers, including organized farmers and consumers, on a sustainable basis, for the purpose of facilitating direct marketing from farmers to consumers.

(b) To achieve the purpose of this section, the Secretary shall foster activities including, but not limited to, the establishment of—

(1) bona fide cooperative enterprises, for the benefit of farmers and consumers, which are designed to enhance a sense of identification, participation, and an economic stake in the enterprise on the part of individual farmers and consumers;

(2) arrangements for organizations of farmers and consumers, acting jointly or otherwise, to contract with processors for the preparation of farm commodities which require processing prior to their sale directly from farmers to consumers;

(3) methods and procedures to facilitate the interface of organized farmers and consumers (including food buying organizations), on an economically stable and routine basis, for the purpose of providing for the direct sale of farm commodities to consumers: such methods and procedures may include the following: joint planning between farmers, labor unions, and other consumer groups; contractual arrangements between farmer and consumer groups; point ownership of physical facilities used in the direct marketing from farmers to consumers; and single corporate organizations with joint representation of farmers and consumers on the policymaking bodies of such organizations; and

(4) methods of cooperation among farmers involved in direct marketing of agricultural commodities to consumers within a State or across State boundaries, including the development of—

(A) facilities at which farmers may pool their agricultural commodities for the purpose of having them sold directly to consumers;

(B) methods for moving agricultural commodities from one marketing area to another for the purpose of affording greater balance of supply and demand; and

(C) methods whereby marketplaces engaged in direct marketing from farmers to consumers may legally associate with one another for the purpose of developing a common label by which they can market their produce, and for other purposes.

(c) Within 3 years of the date of enactment of this Act, the Secretary shall establish and maintain, under the auspices of the Farmer Cooperative Service of the United States Department of Agriculture, at least 5 distinctively different projects involving the formation of innovative methods of direct marketing from farmers to consumers. These projects shall be established in different regions of the United States and shall

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be concerned with different economic and social situations. In carrying out such projects, the Administrator of the Farmer Cooperative Service—

(1) shall consult and cooperate with the Bank for Cooperatives, the Extension Service of the United States Department of Agriculture, State departments of agriculture, the United States Department of Health, Education, and Welfare, and any Federal agency hereafter established which is charged with the promotion for consumer interests within the Government; and

(2) is authorized, for the purpose of administering projects developed under this section, to enter into contracts with, and make grants to, public or private nonprofit agencies or organizations, agencies of a State government or a political subdivision of a State, or a combination of such political subdivisions; the Administrator is authorized to prescribe and amend regulations which are necessary to administer effectively such contracts and grants.

ANNUAL REPORT

SEC. 7. The Secretary shall periodically review the activities carried out under sections 4, 5, and 6 of this Act and shall report to the Committee on Agriculture, United States House of Representatives, and the Committee on Agriculture and Forestry, United States Senate, within 1 year of the date of enactment of this Act, and annually thereafter, with respect to the effectiveness of this Act. The Secretary shall include in such report at least a State-by-State summary of the results of the survey conducted under section 4 of this Act, a summary of the activities and accomplishments of the Extension Service in the development of direct marketing from farmers to consumers during the previous year, and a description of activities carried out by the Secretary during the previous year to develop innovative farmer-to-consumer cooperative marketing arrangements (including the status of projects under contract with the Farmer Cooperative Service).

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. (a) For purposes of carrying out the provisions of sections 4 and 7, there are authorized to be appropriated such sums as are necessary.

(b) For purposes of carrying out the provisions of section 5, there is authorized to be appropriated $1,500,000 for each of the fiscal years ending June 30, 1976, September 30, 1977, and September 30, 1978.

(c) For purposes of carrying out the provisions of section 6, there is authorized to be appropriated $1,000,000 for each of the fiscal years ending June 30, 1976, September 30, 1977, and September 30, 1978.

NEW SCHOOL FOR SOCIAL RESEARCH TEAM ANALYZES THE NEED FOR HOME HEALTH CARE SERVICES IN NEW YORK CITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KOCH) is recognized for 15 minutes.

Mr. KOCH. Mr. Speaker, since the introduction of my home health care legislation—H.R. 4772 and H.R. 4774—over 200 organizations representing home care professionals, patients, home health care agencies et cetera, have written to me to comment on my proposal. While the responses generally have been very favorable, what has interested me most about the comments is the near universal recognition of the need for a national program of home health care as an alternative to institutional care in either nursing homes or hospitals.

Many writers point to numerous studies by government agencies, private researchers and health professionals indicating that a significant portion of the patient population in nursing homes does not require institutional care, as well as to studies which indicate that a sizable segment of our elderly and disabled, especially in urban settings, are not receiving the medical care or supportive services they need.

Recently, my interest in trying to obtain a better understanding of the aggregate need for specific home health care services led me to request graduate students in the Department of Urban Affairs and Policy Analysis at the New School for Social Research to analyze the need for home health care in the five boroughs of New York City. The graduate student team, composed of Bob Davis, Beth Berman, Joyce Manson, Laura Oberbeck, Ken Weiner, Shirley Wilcher and Alfretta Wilkey, worked under the direction of Prof. Serre Murphy and the chairman of the Department, Dr. Jacob Ukeles. Their analysis, which follows, offers important new insights into the nature of the specialized home health care services required by elderly and disabled New Yorkers. I am most appreciative of their contribution to a better understanding of the need for home health care.

While the New School team's analysis targets New York City specifically, the findings clearly point to a national need for home health care legislation.

The analysis follows:

AN ANALYSIS OF THE NEED FOR HOME HEALTH CARE SERVICES IN NEW YORK CITY

(Prepared for: Representative EDWARD I. KOCH, by graduate students in the Department of Urban Affairs and Policy Analysis, the New School for Social Research, New York City)

INTRODUCTION

The goal of this study is to disaggregate those non-institutionalized people in New York City who are in need of home health care. We have broken this population into target groups and identified group's range of home health care needs. The study includes an extensive survey of existing home health care services presently being provided by the private and the public sectors in New York City. The services have been defined and the approximate number of recipients estimated. The study is presented in four sections: Conclusions; Definition of the Target Population; Rent Subsidy Need Group; and Current Home Health Care Services in New York City.

CONCLUSIONS

1. New York City has a large population with home health care needs. Table A shows a minimum need population of approximately 245,718 people (or 3% of the total New York City population). Table A:

Target group	Number of people	Percent of total NYC population
1. Under 65:		
With limitations	77,454	0.9
(Living alone)	(34,303)	(.4)
2. Over 65:		
With limitations	168,260	2.0
(Living alone)	(48,973)	(.6)
3. All ages: With limitations, total 1 and 2	245,718	2.9
4. Over 65: with no limitations living alone	218,910	2.0
5. Maximum need group, total 3 and 4	464,628	4.9

Members of this group have limitations of mobility due to one or more chronic conditions. (A chronic condition is defined as a long-term disease or condition.) Add to this figure another 218,910 elderly who are living alone but who are not hampered by a mobility limitation and you have a maximum potential need group of 464,628. These 218,910 elderly have potential needs associated with the aging process that will demand non-medical home care services. Of the total maximum need population only approximately 80,000 (1% of the total New York City population) are presently receiving some kind of home health care service. This leaves a potential 380,000 unserved.

2. The only category we have discovered as being indicated by identified client need but which is apparently not being met by any formal health related program is that of home repairs.

3. The total population needing home care and housing assistance is 100,235 to 329,791 households of elderly and non-elderly. These figures represent 4–14% of the entire number of households (2,410,353) in New York City.

4. The Koch bill will basically expand the current home health care clients, delivery systems, agencies, and programs by creating a considerable potential demand for services.

5. Of all home care services currently offered, the Koch bill covers all but companionship, social transportation and recreation.

6. The Koch bill will provide coverage that will allow the number eligible to receive home health care to increase from approximately 80,000 or 1% of the population to about 245,000 or 3% of the population.

7. The legislation will provide home health service that will allow 30 to 50% of those 25,000 New Yorkers estimated to be living in nursing homes to return to their own homes. Yet there is a potential target group of approximately 12,000 persons over 65 years of age who are confined to their homes who could be more appropriately cared for in a nursing home environment.

DEFINITION OF THE TARGET POPULATION

The target population was defined on the basis of age, sex, living arrangement, and living arrangement, and limitations to activity and mobility due to chronic conditions. Percentages from the 1972 National Health Survey were applied to the 1970 New York City Census figures. The result was the following breakdown in Table B.

TABLE B

	Total	With no limitation of mobility	Has trouble getting around alone	Needs help in getting around alone	Confined to the house	With no limitation of activity	With limitation but not in major activity	With limitation in amount or kind	Unable to carry on major activity
All ages	7,894,862	7,644,954	98,930	79,437	67,351	6,894,655	244,252	526,919	22,903
Percent		96.8	1.3	1.0	.09	87.3	3.1	6.6	3.0
All ages living alone	793,107	709,038	31,724	30,931	20,621	562,313	49,173	130,069	52,345
Percent		89.4	4.0	3.9	2.6	70.9	6.2	16.4	6.6
Under 65	6,946,984	6,863,999	43,847	15,881	17,730	6,356,079	193,752	321,638	75,514
Percent		98.0	0.6	0.2	0.2	91.4	2.7	4.6	1.0
Under 65 living alone	525,491	490,123	15,935	10,325	8,043	406,293	29,637	64,503	25,851
Percent		93.2	3.0	1.0	1.0	77.3	5.6	12.2	4.9
Over 65	947,878	780,955	55,083	63,556	49,621	538,576	50,500	205,281	153,521
Percent		82.4	5.8	6.6	5.2	56.8	5.3	21.6	16.3
Over 65 living alone	267,616	218,910	15,789	20,606	12,578	156,020	19,536	65,566	29,499
Percent		81.8	5.9	7.7	4.7	53.3	7.3	24.5	9.[illegible]

Source: National Health Survey (percent). New York City census (census totals).

The population was then disaggregated into 12 particular target groups. The critical variable in defining client groups was living status, i.e., alone. As seen in Table C, we then determined the maximum number of home health services each of these 12 groups would need.

LIST OF RELATED HOME HEALTH CARE SERVICES

First:
1. Professional medical.
2. Medical equipment.
3. Medical attendant.
4. Medical transportation.
5. Housekeeper.
6. Personal services.
7. Meal preparation.

Second:
8. Comprehensive home management.
9. Professional social work.
10. Social transportation.
11. Companionship.

Third:
12. Recreation.

TABLE C.—CLIENT GROUPS RANKED BY NUMBER OF SERVICES NEEDED

Rank	Description of category	Number in category	Percent of population	Number of services needed	Rank	Description of category	Number in category	Percent of population	Number of services needed
1.5	Living with someone, under 65 has trouble getting around	27,912	11.4	7	7	Living alone, under 65, has trouble getting around.	15,935	6.5	11
1.5	Living with someone, over 65 has trouble getting around	39,294	15.9	7	10	Living alone, over 65, has trouble getting around.	15,789	6.4	12
3	Living with someone, under 65, needs help getting around	5,556	2.3	9	10	Living alone, under 65, needs help getting around.	10,325	4.2	12
5	Living with someone, over 65, needs help getting around	42,950	17.5	10	10	Living alone, over 65, needs help getting around.	20,606	8.4	12
5	Living with someone, under 65, is confined to the house	9,687	3.9	10	10	Living alone, under 65, is confined to the house.	8,043	3.3	12
5	Living with someone, over 65, is confined to the house.	37,043	15.1	10	10	Living alone, over 65, is confined to the house.	12,578	5.7	12

RENT SUBSIDY NEED GROUP

A. Explanation of Methodology

Rep. Koch's Home Health Care bill (H.R. 4772 and 4774) also provides for rent payments for the elderly and handicapped under the medicaid program where without such assistance, a person might otherwise require institutionalization. We have been asked to estimate the aggregate need for such assistance. On the basis of our needs analysis, we estimate that from 100,200 to 330,000 households in New York City who would be eligible for home health care services might also require housing assistance. This range constitutes from between 4 to 14% of the total number of households in the City.

Our analysis of the demand for housing assistance among the potential home care population of 245,000 to 465,000 individuals was determined by considering the following.

1. The demand for housing assistance among the entire New York City population, as calculated by the City Planning Commission. (The City Record—Draft Proposed Community Development Program Block Grant Funds, March 14, 1975.)

The criteria established by the City Planning Commission, for estimating the need for assistance were based on H.U.D.'s requirements that: (a) needs for housing assistance be measured according to number of heads of households with incomes below 80% of the median income for the S.M.S.A. In New York City, this level was approximately $7400 (1970); (b) the number of persons (heads of households) paying more than 25% of their income for rent would also be included in the calculation. 744,000 New York City households are included in this category. This number includes the welfare population and the 285,000 elderly households, 82% of which receive less than $5,000 per year.

2. The statistics provided by the National Health Survey, which estimates the percentage distribution of the national population which evidences limitations of mobility and activity, were also used. By applying the health percentages to the households that require housing assistance we obtained an estimate of the number of households which require home health care as well as housing assistance.

B. Explanation of Range—100,200 to 330,000 households

The minimum estimate of 100,200 households requiring home health care and housing assistance includes only the percentage distribution of households with a member or members who exhibit:

1. have trouble getting around alone
2. need help in getting around alone
3. are confined to the house

This number comprises the entire non-elderly and elderly low income renter households needing assistance. Household compositions (number of members) range from one to six persons.

The minimum figure does not take into account elderly households (229,800) who have no limitation of mobility. The exclusion of this population was based on the premise that persons in this category would not require home health care. The maximum figure includes the elderly population cited above. The assumption made here is that an incalculable number of this population would require home health care and housing assistance because of social and psychological difficulties related to the aging process.

C. Additional Considerations

1. The elderly severe hardships with respect to housing because of their fixed income status. The rent/income ratio of the elderly is clearly a function of relatively static incomes and rapidly rising rental costs—subject to rent control and vacancy decontrol laws. According to the McKinsey study entitled, "A Housing Agenda for New York City", the median rent for a family earning is reported to be the following:

Annual income	Rent controlled	Decontrolled
Less than $3,000	$75	$107
$3,000 to $4,000	82	113
$4,000 to $5,000	85	123

Obviously, rent/income ratios are higher for those living in decontrolled apartments. Presently 50% (312,000) of all elderly households in New York City are living in rent controlled apartments, 15% reside in decontrolled apartments. Yet the percentage of low-rent apartments is declining rapidly.

Projections of the future demand of low-rent households in New York City which elderly and non-elderly will require home health care and housing assistance must consider the rate of rapidly rising rental increases.

2. We were able to determine from the City Planning Commission's application for ACD funds that 76% of the elderly are renters, and 24% are home owners. If we accept that 32% of the elderly are known to spend over 25% of their income for housing (the average is 31% of monthly income) then it may be assumed that a substantial portion of the elderly home owners are experiencing hardships and may require housing assistance in order to maintain their home. Sharply rising housing maintenance and operating costs support this conclusion. It is our conclusion that the percentage of the New York City household population which requires housing assistance and home health care constitutes a substantial portion of the entire New York City household population.

CURRENT HOME HEALTH CARE SERVICES IN NEW YORK CITY

There are presently 45 government licensed home health care agencies operating in the five boroughs of the City of New York. Thirteen (13) of these are operated by the New York City Health and Hospitals Corp. and the remainder are run by private sector institutions or voluntary non-profit organizations such as the Visiting Nurse Association (VNA) and the Visiting Nurse Service (VNS).

There are four proprietary agencies which are not certified as home health agencies but provide supportive services such as homemakers and housekeepers. These agencies, Staff Builders Inc., Quality Care Inc., Upjohn Inc., and Medical Personnel Pool Inc., act as registries for the hiring of home health support personnel.

We have estimated the number of persons now being serviced by any type of home health agency to be almost 80,000. We suspect that this is a conservative estimate. Exact data is difficult to obtain for two reasons: 1) the reluctance of private sector providers to supply information, 2) the high probability of overlapping of services or intermixing clients among agencies; for instance, the home health care census at a municipal institution may be 150, but ⅓ of the patients could also be seen by V.N.A. making duplication likely.

The Home care programs of the Health and Hospitals Corp. operate on a fairly uniform basis in that the services are provided for five days a week, eight hours a day. Patients are instructed to call or have someone call "911" in an emergency during the hours the department is closed.

A doctor is assigned (usually fulltime) to the home care department and makes initial home visits with the home care nurse and medical social worker. The doctor may then prescribe treatment to be administered by one or more of the other team disciplines such as physical therapy, occupational therapy, nursing and/or dietary service. The doctor may also consult other physicians for evaluations or recommendations.

Home health care aides who are trained by skilled, professional nursing personnel, are necessary to meet those personal needs of the patient that does not require expert professional judgement.

Ambulance technicians are trained to properly handle and transport patients to and from clinics.

The home health care programs in the private sector are similar to those just described except that the doctor is not a home health care staff member. In this case, the patient is seen and treated by his or her private physician.

In both these types of programs, the V.N.A. or V.N.S. personnel are often called in to assist in coordinating nursing efforts.

Obviously, there are many gaps in the above programs, not only in terms of a lack of continuity in care, but also in terms of specific patient need which are unmet. In recognition of the need for supplemental services, the Human Resources Administration has made provisions for meal preparation, complete home management and personal services to be rendered. However, the total number of clients reached by these services is only slightly more than 13,000.

FOSTER GRANDPARENTS PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. Ford) is recognized for 10 minutes.

Mr. FORD of Tennessee. Mr. Speaker, I would like to take this opportunity during our celebration of Older Americans Month to comment on a program which I feel is deserving of praise. The program is the foster grandparents program, a volunteer program under the auspices of ACTION.

The foster grandparents program offers assistance to low income men and women, age 60 and over, in good health, to provide love and attention to physically, emotionally, and mentally handicapped children in institutions and private settings. Foster grandparents work 4 hours a day during the 5-day week, devoting 2 hours each day to each of two children in their care. Tasks may vary from feeding and dressing the child, playing games and reading stories, to helping with speech and physical therapy. Volunteers receive 40 hours of orientation training, are supervised by childcare teams in their assigned agencies, and attend inservice training sessions. They receive a stipend of $32 per week, a transportation allowance, hot meals while in service, accident insurance and annual physical examinations.

As of September 30, 1974, there were 12,543 foster grandparents serving in 156 projects in the 50 States, Puerto Rico, the Virgin Islands, and the District of Columbia.

Under the Domestic Volunteer Services Act of 1973, the foster grandparents program's existence has been guaranteed through fiscal year 1976. However, many of my constituents, who have been personally involved in this invaluable project, have expressed their concern over the President's proposed cut of nearly $3 million from this worthy program. I urge my colleagues on the Appropriations Committee to restore the foster grandparents program to its full funding, and reject the President's proposed budget cut.

JEAN MONNET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Rosenthal) is recognized for 5 minutes.

Mr. ROSENTHAL. Mr. Speaker, I am joined today by Congressman Paul Findley of Illinois and Congressman Donald M. Fraser, of Minnesota in introducing House concurrent resolution—honoring Jean Monnet, one of the founders of European integration.

Jean Monnet retires this month at the age of 86 as chairman of the Action Committee for a United States of Europe. It is characteristic of Mr. Monnet that, after a distinguished career as a senior French civil servant he undertook a second carreer as promoter of European unity, first as President of the European Coal and Steel Community and later as founder and chairman of the Action Committee. Now, upon retirement, when Jean Monnet wants time "to think and to write," we can look forward to a third phase in a remarkable life.

It is appropriate for Americans, as well as Europeans, to recall why Jean Monnet, and those he inspired, have worked so long for European unity. Monnet saw Europe threatened at the end of World War II not primarily by economic hazards but by political antagonisms which had already caused two European civil wars in a half a century. Europe must unite, he believed, to save itself but the form of salvation—a united Europe—would make Europe a new face in the world.

He made this clear again recently in these words he wrote for the magazine, European Community:

> The experiences of two world wars and my 50 years of public life have convinced me that peace can only be safeguarded and the solutions to our present problems can only be found if states are prepared to submit to the same set of rules and to institutions which administer them.
>
> It is on this process that civilization is based. The rules do not change nature herself. But when men submit to the same rules, their attitude and behavior toward each other change. If states are prepared to apply this method, then great progress can be achieved in the sectors of energy, currency, and politics.

In the views of the sponsors of this resolution, the American interest in a united Europe is as strong today as it was 30 years ago. A strong Europe will always be a close friend of the United States for ours is a European country by origin, culture and history. But a weak and divided Europe can cause immense problems for our common interests and goals. This twofold reason for American support of European unity—one negative and one positive reason—should be on our minds as our country reassesses our international interests today.

The sponsors of this resolution look forward to its early adoption by the Committee on International Relations, to which we belong, and by the House and Senate also. This resolution honors Jean Monnet but, as he would readily agree, it honors even more the idea of European unity which deserves reexamination and reaffirmation today on both sides of the Atlantic.

ANNOUNCEMENT OF MEDICARE OVERSIGHT HEARINGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. Vanik) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, Chairman Dan Rostenkowski of the Health Subcommittee of Ways and Means and I have been deeply concerned about problems in the administration of the medicare program. After consultations, it has been decided that the Oversight Subcommittee of Ways and Means will begin a series of hearings designed to provide information to the Health Subcommittee and the full committee on problems in medicare and lessons to be learned from the medicare experience.

While the medicare program is plagued by a number of day-to-day problems, we are interested in some of the more fundamental questions. For example, we are concerned about such questions as:

First. The issuing of regulations to implement Public Law 92-603, the Social Security Amendments Act of 1972;

Second. Questions of the means of reimbursement and to the success or failure of cost control mechanisms such as assignment;

Third. The lessons to be learned from the medicare coverage of renal disease as a potential precedent for the coverage of catastrophic illness expenses in any national health insurance program; and

Fourth. Medicare paperwork burdens on providers and beneficiaries.

In addition, the subcommittee will want to hear from beneficiaries about the problems they encounter in the day-to-day operation of the program—problems such as delays in reimbursement, gaps in coverage of service, outpatient services at central city hospitals, and so forth.

During the coming months, we will provide detailed announcements of the schedule of these broad-based examinations of the medicare program. I would like to take this opportunity to notify interested individuals and groups of the subcommittee's intention to proceed with a major review of the medicare program.

Interested parties are advised that the first inquiries will deal with the renal disease program and hearings on the implementation of the renal disease program will be scheduled for late June.

Among the specific questions of concern to the subcommittees are:

First. What is the status of its regulations, and the relation of the regulations to congressional intent? How is the program being administered?

Second. What are estimated costs versus actual realized costs?

Third. What is the range of charges and costs for similar renal services and the basis for "reasonable charges" to be paid to physicians for dialysis and treatment?

Fourth. What are the findings of an ongoing GAO study of various forms of renal disease treatment?

Fifth. What is the adequacy of the program from the viewpoint of beneficiaries?

Comments or suggestions of specific problem areas which might be considered by the subcommittee should be addressed to John M. Martin, Jr., Chief Counsel, Committee on Ways and Means, room 1102, Longworth House Office Building, Washington, D.C. 20515, and marked attention: Oversight Subcommittee.

REFORMING GRAIN INSPECTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. Mezvinsky) is recognized for 15 minutes.

Mr. MEZVINSKY. Mr. Speaker, in recent days I have called the attention of the House to shocking reports of corruption in our Nation's grain grading and ship inspection system and of angry complaints from overseas purchasers about the quality and cleanliness of American grain exports.

Quite obviously, our grain exports are seriously jeopardized by falsified certification of grain quality, contaminated shipments, and export of unclean grain. Our farmers have worked hard and sacrificed much to produce quality corn and wheat for the world market. We cannot allow our grain exports to be imperiled by corruption, and I am convinced that we must act promptly in order to reestablish the integrity of our grain inspection system in order to maintain foreign grain customers.

Obviously, there is no way we can wave a legislative wand and magically eliminate bribery and corruption. The best of laws cannot insure that weak or vulnerable men will not succumb to greed or pressure of unscrupulous forces with the will and the means to circumvent the law. But we can enact legislation that removes obvious conflicts of interest and provide more stringent penalties for those who violate the law. I am hopeful that the amendments to the Grain Standards Act that I am introducing today can give us that kind of legislation.

The law as it now stands perpetuates an inherent conflict of interest. Under the Grain Standards Act, State and private inspection agencies bear the responsibility for grading and inspecting grain exports to conform with Federal standards. In New Orleans and Houston—where indictments for bribery against inspectors have been handed down by Federal grand juries—the inspectors are hired by the New Orleans Board of Trade and the Houston Merchants Exchange, the members of which include officials of grain and shipping companies. Needless to say, it is such businesses that stand to gain thousands of dollars if an inspector falsely upgrades a shipment of grain or allows grain to be loaded under unsanitary conditions.

To remove this potential conflict of interest, I am proposing that all grain inspectors be Federal employees licensed by, trained by, and responsible to the U.S. Department of Agriculture.

The advantages of having a Federal inspection system are many and obvious. On the most practical level, it would mean that inspectors would be paid a good salary and would be less subject to financial pressures. Inspectors could be rotated frequently as a guard against cozy arrangements that can develop when an inspector spends his career in the same city and develops close relationships with those whose business is effected by his inspection. Under the legislation I am introducing, ship and grain inspectors would be trained and supervised by USDA and as public employees their allegiance would be to serving the public interest.

Beyond these practical reasons, I think the overwhelming argument for having a Federal grain inspection system is that it will reflect our Government's commitment to the quality of grain exports. In 1916 when the Grain Standards Act was written, perhaps Congress could see no justification for upsetting the status quo of private and state inspection agencies. In 1975, however, the United States is not only the primary world exporter of grain, but heavily dependent on grain exports for obtaining a favorable balance of payments. Grain sales make up more than half of the $22 billion a year earned by this country's agricultural exports. Our farmers depend on our export trade. These exports are increasingly becoming an important tool of our foreign policy.

Despite world demand for grain, we know that maintaining markets takes work and care. When a London grain firm has to complain angrily that recent corn shipments have been "nothing short of rubbish," I think this Congress has to take action and demand that the USDA be totally responsible for grain inspection. The London firm, I might add, issued only one of many complaints from our best customers and valuable foreign allies.

There are two other provisions of the legislation I am introducing today that I would like to call to your attention.

Section 14(a) of the Grain Standards Act would be amended to provide stiffer penalties for taking or offering bribes, altering or falsifying grain samples, intimidating grain inspectors or other violations of the Grain Standards Act. Instead of implying that these are minor offenses—misdemeanors that can carry no more than 6 months imprisonment or a fine of $3,000—the amendment would change these offenses to felonies and carry a sentence of up to 2 years in jail and a fine of up to $6,000. For a second conviction, imprisonment could be for up to 4 years and the fine would rise to as much as $10,000.

The system of Federal grain inspectors that I am proposing would be self-supporting, with the company or country requesting the service paying a USDA fee.

To assist the House in considering this important legislation, I have asked the General Accounting Office to conduct an investigation of our present grain grading and ship investigation system.

House of Representatives,
Washington, D.C., May 22, 1975.

Hon. Elmer Staats,
Comptroller General of the United States, U.S. General Accounting Office, Washington, D.C.

Dear Mr. Staats: Recent news articles in the Des Moines Register, the New York Times and the Washington Post have disclosed widespread corruption in the grading of and ship inspection for U.S. export grain. Federally licensed inspectors have been convicted or pleaded guilty to charges of accepting bribes to fraudulently certify ship cleanliness. Justice Department agents are also investigating allegations of bribery in connection with perjured grain grading reports. The news articles also discuss the increasing number of complaints from foreign countries about misgraded, contaminated and insect-infested grain received from the United States.

I am gravely concerned that this disgraceful situation could severely damage our agricultural economy, our balance of payments position, and our reputation as a reliable grain supplier. I am especially troubled because it seems that the corruption uncovered in Gulf ports is invited by the conflict of interest climate created because grain inspectors are often employed by private agencies largely controlled by grain and shipping interests.

Under the Grain Standards Act of 1916 as amended, the U.S. Department of Agriculture has the statutory responsibility to license grain inspectors and designate private or state agencies to employ inspectors and administer the inspection process. The USDA is also charged with supervising the inspection and the work of the individual inspectors, and processing complaints and appeals.

There is strong evidence that the USDA has exercised inadequate and incomplete surveillance and has not responded adequately to evidence of corruption.

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In view of the seriousness of these problems, I request that you immediately initiate an examination of the ship and grain inspection processes involved in the export of grain in order to determine if the statutory standards and USDA's administrative regulations and performance are adequate to insure the integrity of U.S. grain exports. I ask that your agency investigate reports of unclean and misgraded American export grain to ascertain if such reports are valid and if so if this condition results from improperly applied standards, improper or inadequate licensing or supervisory procedures, and or inferior administration of the ship and grain inspection program.

Specifically, I request information regarding the following:

1) licensing, including: a) criteria, examinations, or screening procedures involved in the inspector licensing process, and b) methods and criteria for license review and revocation;

2) designation of private and state agencies to administer the inspection program, including: a) criteria and procedures utilized for designating specific agencies, and b) methods for review of the agencies' performance;

3) supervision, including the thoroughness and adequacy of the supervisory procedures; and

4) complaints and appeals, including methods, criteria and procedures for adjudicating complaints by domestic shippers and producers and by recipients of the grain.

Sincerely,

Edward Mezvinsky,
Member of Congress.

NARROW THE JURISDICTION FOR THE DUMPING OF DREDGED OR FILL MATERIAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Louisiana (Mr. Long) is recognized for 5 minutes.

Mr. LONG of Louisiana. Mr. Speaker, I am today introducing legislation that would narrow the jurisdiction and responsibility of the Corps of Engineers to issue permits for the disposal of dredged or fill material into waters of the United States.

Since 1899 the Corps of Engineers has had responsibility for issuing permits for the disposal of dredged and fill material into "navigable waters" of the United States. Traditionally, the corps has interpreted this to mean those waterways generally used for transporting goods and services in interstate commerce, and their jurisdiction was so limited.

A recent court decision, pursuant to section 404 of the Federal Water Pollution Control Act of 1972, held that for the purpose of issuing these permits "navigable waters" is defined as "all waters of the United States, including the territorial seas." What this means is that the corps will have to issue permits to anyone that wants to put dirt in water, whether it is a farmer who wants to deepen or fill up an irrigation ditch or someone who wants to build a small private pier on a recreational lake.

The corps anticipates that the cost of administering this expanded program will be staggering. The Department of Agriculture has advised the Office of Management and Budget that this expanded jurisdiction will require USDA to obtain an additional 543,000 permits a year at a cost of $63 million and with undue delays in USDA-administered programs. One unofficial estimate that I have heard is that private citizens will be required to obtain an additional 1.2 million permits a year because of this court ruling.

The enormity of policing such broad jurisdiction could well result in a collapse of both the programs of the Corps of Engineers and the environmental protection programs of the EPA: This step backward in environmental protection, commerce, and navigation needs to be corrected.

My bill would correct this by limiting the jurisdiction of the corps only to those parts of the waters of the United States that are now used, or will be used in the future, for the purpose of interstate and foreign commerce.

Mr. Speaker, I think that this bill should be given prompt attention by Congress since the present court-mandated situation will cause undue costs, delays in time, and hardships for private citizens and our State and Federal agencies. A copy of my bill follows:

H.R. 7441

A bill to amend the Federal Water Pollution Control Act relating to permits for the discharge of dredged and fill material, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (a) of section 404 of the Federal Water Pollution Control Act (33 U.S.C. 1344) is amended by inserting "channels of" immediately after "into".

(b) Section 404 of such Act is further amended by adding at the end thereof the following new subsection:

"(d) For purposes of this section, the term 'channel' means any natural or man-made part of any body of navigable water, including any body of water which is subject to the ebb and flow of the tide shoreward to its mean high water mark (mean higher high water mark on the Pacific Coast), which is used or may in the future be used to transport interstate or foreign commerce.".

Sec. 2. Notwithstanding sections 9 and 10 of the Act of March 3, 1899 (30 Stat. 1151) and the first section of the Act of June 13, 1902 (32 Stat. 371), the Secretary of the Army and the Chief of Engineers shall have no authority over the discharge of dredged or fill material into the navigable waters of the United States other than the authority of the Secretary, acting through the Chief of Engineers, under section 404 of the Federal Water Pollution Control Act.

HEARINGS NEXT MONTH ON RENEGOTIATION ACT AND RENEGOTIATION BOARD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. Minish) is recognized for 10 minutes.

Mr. MINISH. Mr. Speaker, I rise to announce 4 days of hearings next month on the Renegotiation Act and the Renegotiation Board.

Renegotiation is the process under which the Federal Government recaptures excessive profits from defense and other Government contractors.

The hearing will be conducted on June 5, 10, 11, and 12 before the General Oversight and Renegotiation Subcommittee of the House Banking, Currency and Housing Committee. They will take place in room 2128 Rayburn Building, beginning at 9:30 a.m. each day.

These hearings are intended to give the subcommittee a thorough background in and overview of, the entire renegotiation process. We also will examine the operation of the Renegotiation Board which is charged with administering the law. Many questions raised in recent years regarding the efficiency of the Board and deficiencies in the act itself. The subcommittee will explore all these issues.

HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. Stokes) is recognized for 15 minutes.

Mr. STOKES. Mr. Speaker, I want to take this opportunity to bring to the attention of my colleagues a situation which has developed concerning the proper implementation of one of the major laws passed by the 93d Congress. This situation threatens to thwart the intent of Congress when we passed the Housing and Community Development Act of 1974, by the improper, politically-motivated manipulation of Federal funds.

The events that have precipitated the current situation begin with the growing inability of the administration of the city of Cleveland to provide either an adequate level of public services or a fiscally sound budget. In light of this the mayor attempted to apply for law enforcement assistance administration funds, which are designed to provide Federal assistance to local police departments. However, having been prepared with characteristic incompetence, the Mayor's application was completely rejected by LEAA.

Since the mayor had now worked himself into a serious budget crisis and was proclaiming that he would be forced to lay off between 190 and 445 policemen, he decided to see if there was not some other Federal source of funds available to bail him out.

Although such a purpose was never intended by us in passing this law, the mayor seemed little concerned with the requirements of the law. He thus proposed a preposterous use of funds which had been authorized and appropriated by this Congress so that they could be used to meet one of this Nation's greatest needs: The need for decent housing and for community development. This disrespect for the law is only equaled by the mayor's unconscionable diversion of these vital funds from the poor and disadvantaged to help ease his budget problems.

Both in the abuse of the law with regard to citizen participation, and with regard to the ineligible nature of the proposal, the mayor has pursued a course of action which, if tolerated, threatens the basic effectiveness of this law. The mayor's letter to Mr. Lydens, of April 24, 1975, describes in detail the nature of the police plan, which was later officially submitted in abbreviated form. This

document reveals the true intent of the mayor, and is extremely significant in determining the eligibility of the reworded program. It also shows that the proposal was fully developed even prior to any announcement of public hearings. The city decided, mechanically and in a perfunctory manner, to hold two public hearings on the same day with less than 36 hours public notice. Rather than really listening to the opinions of the citizens, the comments of the public were merely tolerated. If the mayor had listened, he would have heard the thunderous opposition to his proposal which was expressed at the hearings. But the mayor and his administration did not even stop to reconsider their plan. They just continued ramroding through the change they had developed earlier.

From all the evidence it would appear that these public hearings did not meet the law's requirement for "an adequate opportunity to participate in the development of the application." It was not the intent of Congress that cities be allowed to substitute pro forma citizen protest for meaningful citizen participation in the development of such proposals.

The eligibility claim of the city is likewise spurious. The law we passed intends that Federal assistance will be used to increase social services, not to allow the city to decrease its level of support for such services. Any use of community development funds must be concentrated and targeted so as to support true community development activities. In a letter which I sent to HUD Secretary Hills protesting the illegal use of community development funds to pay for police salaries, a copy of which I will insert for the Record, I detailed the total illegality of the mayor's police proposal. An examination of the entire record of this matter clearly shows that the police proposal fails to conform with more than one provision of the law. In fact, it is not even in the ballpark. It is as if the mayor either was unable to fully comprehend the English language, or else he just blatently disregarded the law.

Much to their credit, appropriate officials at HUD recognized the absurdity and illegality of what the city was proposing with regard to the police subsidy and so informed the mayor.

Amazingly, instead of owning up to the fact that he had again been caught with his hand in the cookie jar of the poor and black citizens of Cleveland, the mayor arrogantly, or ignorantly, maintained that HUD had made the mistake. As one who helped pass this law, I can unequivocally state that the Congress passed LEAA and general revenue sharing legislation in order to provide assistance for a city such as Cleveland in such circumstances, but we never intended for community development funds to be so used.

The law is not that hard to understand for a reasonably intelligent, perceptive and honest official who is trying to correctly understand it. And yet, the mayor does not get the message. The HUD Columbus Area Director, Mr. Paul Lydens, and other HUD officials, have had to repeatedly inform the city that it is in violation of the law, and that the city must amend its plan or risk losing such funds.

I would like to submit for the Record at this point several letters, articles, and statements which trace and describe these recent relevant developments:

April 24, 1975.

Mr. Paul G. Lydens,
Area Director, Columbus Area Office, Department of Housing and Urban Development, Columbus, Ohio

Dear Mr. Lydens: The enclosed program description is for a concentrated crime patrol program essential to the City's Community Development Program.

Throughout the recent planning period for Block Grants, the neighborhoods indicated the need for visible crime prevention and protection; however, it was anticipated that this program would continue to be funded from other sources and therefore it was not included in our original application.

The funds for this project will be made available by transferring $2,250,000 to this crime prevention program by making the following reductions in the Community Development application received by your office on March 26:

1. Construction of two (2) new fire stations	$1,050,000
2. Public works	1,000,000
3. Relocation	100,000
4. Environmental review	100,000
Total	2,250,000

Thank you in advance for what I hope will be a swift review of this amendment.

Sincerely,

Ralph J. Perk,
Mayor, City of Cleveland.

One of the most significant causative factors contributing to the decay and deterioration of neighborhoods and communities is crime. This has been well documented across the nation in major urban cities and more locally in Cleveland, Ohio. The Cleveland IMPACT Master Plan discusses crime as a major factor in businesses migrating out of the neighborhoods; citizens leaving areas which they have taken pride in and preserved for many years. This has resulted in neglected, blighted and underdeveloped neighborhoods which continue to breed more crime.

The City of Cleveland has identified the fifty highest crime census tracts in the City. Unsurprisingly, the census tracts, for the most part, coincide with the "target areas" of the Community Development Act. That is, areas which are blighted, deteriorated, underdeveloped and inconsistant with community development and growth.

To reverse this trend and enable rehabilitation, restoration and preservation of communities, the crime problem needs to be addressed.

The regular, uniformed police manpower has been unable to effectively deal with the crime problem in the target areas. Therefore, the City of Cleveland in conjunction with the intent and purposes of the Housing and Community Development Act of 1974, plans to deploy specially trained police units in and around the target areas of the City of Cleveland. The deployment of 188 experienced uniform police into the target areas will enhance police visibility, improve the deterrence, detection and apprehension of criminal activity and improve community relations. The impact and benefits of this type of approach will allow for the restoration and preservation of neighborhoods which are vital to the general welfare and growth of a major urban city. The specific objectives of the Concentrated Crime Patrol (CCU) will be to:

Decrease major crimes against persons and property by increased attention and response to these crimes:

Increase apprehension;
Increase clearances;
Decrease response time;
Increase investigative efficiency;
Improve community relations.

To achieve the objectives of this project and yield the greatest impact, the Concentrated Crime Patrol's number one priority will be intensified patrol and response to serious crimes committed within the target areas. The CCU will also be comprised of specialized investigative units operating within the target areas, again focusing on serious crimes. Serious crimes are those which are perpetrated upon persons or property and include homicide, rape, robbery, assault and burglary. By prioritizing functions, these squads will be free to respond immediately, yielding greater risk to the criminal, increasing greater chance of apprehension, and ensuring the preservation of evidence. The squads will work with the centralized investigative units by collecting and preserving evidence and by giving assistance in the follow-up investigation which is vitally necessary for prosecution and the clearing of crimes.

In the area of community relations, the Concentrated Crime Patrol will work with the Police Outreach Centers operating within the target areas. The Outreach Centers are an effective vehicle in bringing the Police Department to the neighborhoods. It enables the police to better understand the communities' problems and provides an opportunity for the police to work directly with the communities in solving them.

The CCU will operate within the Cleveland Police Department's organized structure in order to preserve the coordination and exchange of information but will be specifically deployed and assigned to the community development target areas as designated on Map A. The specialized squads, by concentrating their patrol activities in these target areas, will re-establish within the areas a sense of security while eradicating the serious crime problem.

[From the Plain Dealer, Apr. 26, 1975]

COMMUNITY DEVELOPMENT BLOCK GRANT, ANNOUNCEMENT OF PUBLIC HEARING, CITY OF CLEVELAND COMMUNITY DEVELOPMENT DEPARTMENT, SATURDAY, APRIL 26, 1975, 2 P.M. AND 7 P.M., CITY COUNCIL CHAMBERS, CITY HALL, CITY OF CLEVELAND

To the Citizens of Cleveland:

The City of Cleveland's Community Development Application has been sent to the Department of Housing and Urban Development (HUD) for review, and we expect it to be approved within the next few weeks. It has already passed through eleven public hearings and been approved by City Council and the required A-95 Areawide Planning Agencies.

We now have a problem which was not evident a few weeks ago. Due to lack of funds the Law Enforcement Assistance Act (LEAA) has had to turn down our request for funds to retain 190 Impact Cities policemen on our payroll.

It is clear that crime prevention is an eligible activity under the Community Development Act. After conferring with HUD and LEAA and learning that there are not other funding sources possible, the City is now recommending an amendment to its Community Development Application.

If we do not do this, 190 policemen—(and possibly up to more than 445 policemen)—will have to be laid off.

The main thrust of the Community Development Program is the redevelopment and improvement of neighborhoods. It would be absurd to pursue demolition and redevelopment programs without being able to provide basic police protection to the very neighborhoods we are trying to redevelop and preserve.

Therefore, I am asking for a re-programming of a portion of the Block Grant under the Community Development Act to retain the 190 policemen who would otherwise have to be laid off.

RALPH J. PERK,
Mayor, City of Cleveland.

COMMUNITY DEVELOPMENT BLOCK GRANT PROPOSED RE-PROGRAMMING

In order to avoid the immediate layoff of up to 445 policemen, the City of Cleveland is proposing to re-program its Community Development Block Grant by adding a Crime Prevention element in the amount of $2,250,000, to be made available by eliminating from the Block Grant the following:

Construction of two (2) fire stations	$1,050,000
Public Works	1,000,000
Relocation	100,000
Environmental Review	100,000
Total	2,250,000

Pursuant to the terms of the Housing and Community Development Act of 1974, the services to be carried out under the Crime Prevention Program will be targeted for areas of concentrated community development activity. This locational strategy not only ensures conformance with federal legislation, it also provides the security services so critical to the support of the physical programs that will be undertaken to preserve Cleveland's neighborhoods.

All interested citizens are invited to attend the public hearings to be held this Saturday, at 2:00 p.m. and 7:00 p.m., in Council Chambers at City Hall.

PATRICK J. HENRY,
Director, Department of Community Development.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., May 8, 1975.

Hon. CARLA A. HILLS,
Secretary, Department of Housing and Urban Development, HUD Building, Room 20410, Washington, D.C.

DEAR SECRETARY HILLS: The City of Cleveland has proposed to change its Community Block Grant application. Notice of its intention to do so and a description of the plan was submitted to the HUD Columbus Area Office on May 1.

I have reviewed the requirements of the law in connection with this proposed change and I have a number of serious reservations which I wish to bring to your attention. The preliminary objection is with regard to the way in which the City has failed to fulfill the clear intent of the law with regard to citizen participation. My second concern relates to the substance of the proposal itself and its attempt to divert new community development block grants funds to pay what are essentially a portion of the regular operational costs of the Cleveland Police Department.

With regard to the citizen participation requirements, I would particularly like to point out that in a letter addressed to Mr. Lydens of the Columbus Area Office dated April 24th, signed by Mayor Perk of Cleveland, there is a description of the proposed plan similar to that which has most recently been submitted. I have enclosed a copy of this significant document which both reveals the clear intent of the City's proposal as conceived by the Mayor, which I believe is extremely important in determining eligibility of the reworded program, and also reveals the fact that this proposal was fully ready to be submitted on the date of the letter April 24th, which is several days prior to any announcement of public hearings.

After having fully developed its plan, without any citizen participation involvement whatsoever the City took out an advertisement in Cleveland newspapers announcing that there would be two public hearings on the Community Development Block Grant, both of which were held on the same day. It is clear to me that the convening of public hearings on this matter was intended to be perfunctary and was an attempt to mechanically meet what was perceived to be the minimum requirement in the law.

However, it is clear from both the intent and the language of the Housing Community Development Act of 1974 that perfunctary pro forma citizen participation was not the intended goal and was not to be tolerated in lieu of meaningful involvement. In particular, I refer to P.L. 93-383, Section 104, (a)(6). The brief announcement in the newspaper, a copy of which is also enclosed, does not, I believe, provide the citizens with adequate information concerning the way in which these funds were to be used. Under the circumstances, it is hard to imagine that the views of the citizens were ever intended to be taken seriously. The law requires that citizens have "an adequate opportunity to participate in the development of the application." I see no reasonable grounds for assuming such an opportunity in light of what transpired in this particular instance, and certainly no evidence of such participation. There are, I believe, serious questions in a similar vein which can be raised concerning the entire Community Development Block Grant application, about which I have communicated with you before; however, this particular change demonstrates the extreme type of situation which the Congress was clearly attempting to prevent by including citizen participation provisions.

I am also deeply concerned as to whether this proposed funding of police activities is an eligible activity pursuant to Section 105 (a)(8).

While the law recognizes the need for the improvement of public services as part of what is necessary in the community development process, the Congress, in passing the Housing and Community Development Act of 1974 was particularly concerned that community development plans not over rely on the public service component. It is clear that the use of community development funds for public services were intended to be for the limited purpose of augmenting a closely knit community development package, and not for reasons primarily extraneous to the direct needs of community development, such as to prevent layoffs caused by budget difficulties. An examination of the record of the development of this proposed change and its content fully convinces me that it is an ineligible request.

Section 101(c) of P.L. 93-383 states "it is the intent of Congress that the Federal assistance made available under this title not be utilized to reduce substantially the amount of local financial support for community development activities below the level of such support prior to the availability of such assistance." The City is not planning to continue its provision of police services at a current level; in fact, it is attempting to prevent a major cutback in such police service by asking HUD to, in effect, underwrite a percentage of the police operational budget.

I have reviewed pertinent sections of this application and Section 105(a)(8) of the law, and find that the only interpretation of that Section under which Cleveland is eligible would make almost everything an eligible activity. This section actually requires that to be eligible public services must be "not otherwise available". The police proposed to be paid are already hired and are doing substantially that which it is proposed they do under the proposed Community Development Plan change.

Section 105(a)(8) also requires that such services can only be provided to areas where community development activities are being carried out in a "concentrated manner". In the LEAA application for federal funds for police support, the denial of which is relied on by the City as the basis for this request, there is repeated emphasis placed on the way in which the plan has increased police capability "city wide". The overboard rationale used by the City apparently must be that there is perfect symmetry between all high crime areas and the location of the City's community development efforts.

Further, eligible public services must be necessary or appropriate to support other community development services. To understand this requirement the legislative history of this law is helpful and a review of it clearly indicates that the potential unlimited drain of public service dollars away from other community development areas was a major concern of the Congress, and that the underwriting of major portions of the budgets of public service departments of a City was never intended.

Another requirement in Section 105(a) (8) indicates that public service requests for support had to have been preceded by a rejected or late application for federal support for the same service. In this case the City relies on its application to LEAA which, while technically a new application, in fact was a request to continue previous federal funding for a large number of police.

An eligible activity must be directed toward "improving the community's public services concerned with . . . crime prevention" and as indicated above, this proposal is a substitution of funds for existing services. I also suggest that "crime prevention" is significantly different from general police efforts and particularly those efforts aimed primarily at apprehension, preservation of evidence, etc., I consider efforts aimed at the root causes of crime, and perhaps facility changes such as improved street lighting to better describe the concept of crime prevention as envisaged by this law.

A final requirement is that the provision of the requested public services are directed toward "coordinating public and private development programs." I do not understand how the City attempts to meet this requirement in any meaningful way.

As evidenced both by Section 101(c), by the language of Section 105 (a)(8), and by the legislative history I am convinced that paying a portion of the Cleveland Police Department's budget, in order to prevent existing police from being laid off, for the activities contemplated by the City, is not a proper or intended use of community development funds and that this plan change should be declared ineligible.

While there are some unique facts in the Cleveland situation I believe that a bad precedent and a potentially huge loophole will be created if any such requests as this are considered eligible. General Revenue Sharing properly highlight law enforcement as a priority area for funding, but P.L. 93-383 does not and community development funds should not be used as a replacement for the type of general support envisioned under General Revenue Sharing.

My office has been in repeated contact with Assistant Secretary Meeker and the Columbus Area Office on this matter. For all of the reasons set forth herein I urge you to personally intervene in this matter and to reject this application until the City of Cleveland has complied with federal law.

Sincerely,

LOUIS STOKES,
Member of Congress.

I would like to urge all my colleagues to appraise themselves of this situation, as it represents a clear example of how the laws we pass can be subverted and misused unless they are carefully administered and monitored.

HOW DO YOU TURN OFF THE SPIGOT?

The SPEAKER. Under a previous order of the House, the gentleman from West Virginia (Mr. HECHLER) is recognized for 15 minutes.

Mr. HECHLER of West Virginia. Mr. Speaker, I would like to report to the House today on my long and tortuous efforts undertaken to abolish a Federal board which has done absolutely nothing in the 4 years of its existence. The Federal Metal and Nonmetallic Mine Safety Board of Review, which has been, theoretically, operating since 1971, has heard absolutely no cases, and has spent over a quarter of a million dollars of the taxpayers' money for no use whatsoever.

It has been very difficult to get the attention of either the President or the Congress concerning the inactivity of this Board, its continued expenditure of tax money, and the need to abolish the Board.

On February 3, 1975, President Ford submitted his budget for fiscal 1976 to the Congress, and on page 887 of the budget appendix there is included the following request for necessary expenses of the Board of Review, $60,000, and $15,000 for the transition period.

The Board of Review has been described in the President's budget as:

> An established appeals board to which mine operators may make application for annulment or revision of orders issued under the provisions of the Federal Metal and Nonmetallic Mine Safety Act (Public Law 89-577).

Mr. Speaker, these mine operators have another route of appeal, which they have utilized, through the Secretary of the Interior, and this Board of Review has heard absolutely no appeals during its 4-year existence.

It includes an executive secretary with a salary of $19,693 a year, and the secretary to the executive secretary is paid $14,125 a year.

They hold an annual meeting at which five members of the Board get together to discuss what they have not done during the past year. Their last meeting was appropriately held in Las Vegas, Nev., at a cost to the taxpayers of $1,885.

The cost of the plush offices alone run to $4,087 a year.

A week ago Friday I went to visit these offices, on the seventh floor of the Universal Building, right next to the Washington Hilton Hotel, at 1875 Connecticut Avenue NW., room 707. The door was open, the telephone was off the hook, to indicate a busy signal if anyone called. There was a stack of Beethoven records and a stereo on the desk, and a very elaborate coffee machine was there. Yet after waiting 20 minutes no one appeared.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Speaker, I am most interested in the statement the gentleman has just made, and in the arrangements the gentleman has just described, and I wonder how we may proceed to lay this bare and to bring to an end this waste of the taxpayers' money?

Mr. HECHLER of West Virginia. I appreciate the question of the gentlewoman from New Jersey. I have testified before the House Committee on Appropriations, urging that zero funds be appropriated for this Board. I have introduced a bill to abolish the Board. I would welcome the support of the gentlewoman from New Jersey, and that of all Members of the House, on legislation to abolish this Board, because I think it is outrageous that we waste one more day——

Mrs. FENWICK. I do, too.

Mr. HECHLER of West Virginia (continuing). Spending the taxpayers' money on this useless Board. The Congress can act quickly. We have passed legislation quickly. I will give the Members an example.

In 1973 when we amended the Communications Act of 1934 to allow the televising of professional football games for the fans living in the vicinity of the home team, the bill was reported on September 11; the House passed it on September 13; and the President signed it on September 14 in plenty of time to allow the fans to see that Sunday's football games.

Yet it seems to me that when the spigot is turned on here, nobody seems to have the know-how to get the proper wrench to turn this particular spigot off.

On January 16, 1975, the President submitted to the Senate the name of Mr. Charles E. Schwab, president of the Golden Cycle Gold Corp. in Colorado, for reappointment as a member on this Board. In each of its annual reports the executive secretary of the board has submitted a report to the Congress in less than one page, which summarizes total activities amounting to "none whatsoever."

Yet the President has asked the Congress to fund this Board for $60,000 a year.

I have introduced H.R. 3471 to abolish this Board. I introduced this legislation once again this year on the 20th of February, but nothing has been done on this bill despite letters to the appropriate committee, discussions with the committee, and discussions with the Committee on Appropriations.

It seems to me, Mr. Speaker, that we should not wait another day before abolishing this Board. The new fiscal year is fast approaching. Very soon we will be considering a continuing resolution to authorize funding for all agencies. It seems to me when this continuing resolution comes to the floor that we ought to add the necessary amendment to stop the funding of this Board and not even wait for the Interior Appropriations bill for fiscal year 1976.

I certainly welcome the support of the gentlewoman from New Jersey (Mrs. FENWICK) and all other Members, and I hope that positive action will be taken to abolish this Board and to cut off further funding of this Board.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to my good friend, the gentleman from California.

Mr. ROUSSELOT. I appreciate the gentleman's yielding.

I agree wholeheartedly with my colleague, the gentleman from West Virginia, and the comments that the gentlewoman from New Jersey has made. Too many times we establish boards and commissions and give them really little oversight, and when they have long outlived their usefulness, we just kind of let them go into a status of going on without really checking as to what their value might be. I have no idea what the value of this Board might be. I am sure my colleague, the gentleman from West Virginia, having much more of a concern in his district than I, would have had a chance to look at it very carefully.

I want to compliment the gentleman for bringing it to our attention, and I hope that more of us will now go to the Committee on Appropriations and if we find that this Board is not performing any useful function or service that we join him in his effort to give it zero funding.

There is no doubt about the fact that we create all kinds of boards and commissions and then let them go and give them no supervision or oversight. I will certainly join the gentleman, if I find that his suggestions are correct that it has outlived its usefulness.

Mr. HECHLER of West Virginia. I point out to my good friend, the gentleman from California, that this Board of Review does not deal with coal cases; it deals with noncoal, metal, and nonmetallic mine safety appeals. The Executive Director of the Board, Jubal Hale, when confronted with the evidence of my visit and finding no activity in the office at all, told a reporter, and I quote:

> We have been extremely candid with Congress. Our annual reports are clear and concise. We have had no cases.

Mr. Hale is an attorney who says he spends his days doing whatever administrative jobs are necessary, but he added this quotation:

> There is nothing whatever to inhibit me from listening to Beethoven records.

He also added that Congressman HECHLER "should stop making diatribes against us" and in effect put up or shut up. That is exactly what I am suggesting that Congress do, put up or shut up.

It seems to me even though the Washington Post in an editorial says:

> We hope he finds a slot elsewhere in the Government. For his candor alone, he deserves consideration.

I personally would not like to hire an individual who delights in spending 4 years doing nothing. With all due respect to Mr. Hale and his candor, which I admire, I do not believe I personally would like to hire him for any additional activities, or inactivity, as the case may be, in the Government.

Mr. ROUSSELOT. Based on what the gentleman has said, I think he is to be complimented on his search and his efforts to make sure that this agency is actually performing nothing. Maybe it will catch the attention of the Congress if

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the gentleman will put in a bill to abolish the agency.

Mr. **HECHLER** of West Virginia. I have done that. The bill is No. H.R. 3431. I welcome the gentleman's cosponsorship of H.R. 3431, and also his efforts before the Appropriations Committee.

Mr. Speaker, under permission granted me, I include with my remarks the various articles and editorials that underline the fact that this board or agency indeed has done nothing, that its Executive Secretary admits it has done nothing, indicating some of the difficulties in abolishing an agency which does nothing:

[From the Washington Star, May 13, 1975]

This Bureaucrat Would Abolish His Do-Nothing Job

Jubal Hale admits he's a bureaucrat with little to do. So he spends his working hours reading and listening to Beethoven records at his office.

Hale says it's not that he doesn't try to earn his $19,693-a-year salary as executive secretary of the Federal Metal and Non-Metallic Safety Board of Review. It's just that the board has never had anything to review in its four years, Hale said in an interview.

"We have been expecting to be abolished for over two years," Hale said. "Bills have been introduced in Congress to abolish us. But nothing happened."

And nothing is what occupies most of his days on the job, once the routine paperwork of maintaining the office is taken care of, Hale concedes.

Apparently, neither Congress nor the Ford administration has taken the hint. In fact, the administration is asking for $60,000 in annual upkeep for the office in the President's budget for fiscal year 1976.

Hale was contacted after Rep. Ken Hechler, D-W. Va., charged in a House Appropriations subcommittee meeting yesterday that the board was "a totally useless, toothless and do-less government agency which has never earned its pay."

Hechler called for the board to be abolished. And Hale said that he doubted any objections would come from his office if Congress did just that.

"We have been extremely candid with Congress," Hale said. "Our annual reports are clear and concise. We have had no cases.

The five-member board was set up to hear appeals from non-coal mine operators ordered to shut down by the Mining Enforcement and Safety Administration as unsafe. A MESA spokesman expressed surprise that the board was still in operation. "I thought it had been abolished some time ago," he said.

There were 1,998 closure orders last year but not one was appealed to Hale's board. Hechler said that mine operators have another avenue of appeal through the Interior Department.

He described a trip to the board's offices last week.

"The door was open, the telephone was off the hook, and nobody was around," said the congressman. "The coffee-making equipment was elaborate. A large stereo set was in the office of the executive secretary with Beethoven records stacked high."

Hale said he was visiting the Interior Department and his secretary was home sick when Hechler visited, so no one was manning the office. But he did not dispute Hechler's description.

Hale, 46, is an attorney who says he spends his days "doing whatever administrative jobs are necessary."

And, he added, "there's nothing whatever to inhibit me from listening to Beethoven records."

Hale said his board can only be abolished by congressional action and that he thinks Hechler and other congressmen "should stop making diatribes against us" and, in effect, put up or shut up.

[From the Washington Post, May 16, 1975]

In Defense of a Bureaucrat

The sport of putting down bureaucrats is an old one, whether played with bow and arrow—shooting the apple of idleness off an assistant deputy assistant's head—or playing basketball by crumpling useless memos and banking them into in-baskets. A sure Washington laugh-getter is any story detailing either a bureaucrat's laziness or thick headedness; the higher the grade, the louder the laughs. Occasionally, though, someone actually goes and talks with a live human being who works among the bureaus, and returns to tell a tale far beyond the limits of the stereotype.

We are thinking of Associated Press reporter Tom Raum who dropped in the other day on Jubal Hale, executive director of the Federal Metal and Non-Metallic Safety Board of Review. Mr. Hale had recently been lifted out of bureaucratic quietude when Rep. Ken. Hechler (D-W. Va.) called the board "a totally useless, toothless and do-less government agency which has never earned its pay." A classic confrontation appeared to be in the making: Mr. Hale would set up barricades of upper drawer files around his review board, seal off the water cooler and swear on a dozen commission reports that he was as necessary to the Western world as the sunrise.

But it didn't happen. Instead, Mr. Hale told the AP that he agreed with Mr. Hechler's job description. The review board did indeed review nothing in four years. Mr. Hale conceded that most of his days were idle. An annual report had to be put out, but little time is needed for that because "we have had no cases." What is perhaps unique in Mr. Hale's non-defense is his comment that even though he has been doing nothing these past years, Congress has gone one better: "Bills have been introduced in Congress to abolish us. But nothing happened."

In striking back in this manner, Mr. Hale (his salary is $19,693 and the board is down for $60,000 in the '76 budget) supplies the least predictable response of all: making little ado about nothing. Should Mr. Hale's job be abolished, we hope he finds a slot elsewhere in the government. For his candor alone, he deserves consideration. Whatever other talents he may have will be a bonus.

[From the Tennessean]

Have a Good Day, Mr. Hale

When Rep. Ken Hechler, (D-W. Va.) charged that he had discovered a government board that was "a totally useless, toothless and do-less agency which has never earned its pay," it was no surprise to Mr. Jubal Hale, who admits it.

Mr. Hale is a $19,693-a-year bureaucrat who is executive secretary of the Federal Metal and Non-Metallic Safety Board of Review. Since he has never had anything to review, he spends the working day listening to Beethoven, reading and, since she has nothing much to do either, chatting with his secretary.

He admitted that bills have been introduced in Congress to abolish his office, but that nothing happened. And if fact, the Ford administration is asking for $60,000 in annual upkeep for the office for fiscal 1976.

Mr. Hale told a reporter that he has been candid with the Congress. "Our annual reports are clear and concise. We have had no cases."

The incident of the bureaucrat-at-leisure being publicized might be humorous if the taxpayers weren't footing the bill, and if the suspicion didn't hang heavily over the report that Mr. Hale may not be the only government official in an agency that does nothing.

Washington is a vast hive of government offices, and one does not need to look far in order to find some impressive but strange-sounding agencies or boards which don't seem to be very busy.

And there are probably those which don't do very much except to stay out of public notice and hope that nobody discovers a budget item that will lead to them.

The Congress ought to set up an investigatory team to look into all its creations down through the years and see what they are doing. The results might be shocking enough to bring about changes—and some savings for the taxpayers.

It probably won't do that, for as Mr. Hale noted, bills to abolish his office have not passed. He can probably go on listening to Beethoven and reading the Sage of Baltimore—who once said that nothing is more permanent than a temporary tax or an interim government board.

[From the Huntington (W. Va.) Herald Dispatch, May 13, 1975]

"Do-Nothing" Appeal Board May Be Done Away With

(By Carol R. Richards)

WASHINGTON.—When Rep. Ken Hechler, D-W. Va., decided to see for himself what goes on in the offices of a federal mine safety appeals board, he found the answer: Nothing.

Testifying before the House Interior Appropriations subcommittee yesterday the West Virginia Democrat told this tale about his visit to the office of the Federal Metal and Non-Metallic Mine Safety Board of Review:

"I went up to room 707 in the plush Universal Building about midmorning on Friday," Hechler said. The door was open, the telephone was off the hook and nobody was around, but anybody phoning in would get a busy signal.

"A large stereo set was in the office of the executive secretary," he said, "with Beethoven records stacked high. A comfortable couch in the boss' office greets the visitor, and the morning paper was strewn on the floor."

Hechler said neither the $19,693-a-year executive secretary of the board nor his $14,125 secretary was anywhere to be found, "even though I waited fruitlessly for 20 minutes for either of them to show up."

Hechler asked the committee to abolish the board by refusing to appropriate the $60,000 sought in the President's budget to keep it going. He said it was set up to hear appeals from non-coal mine operators but has never heard an appeal.

Jubel Hale, the executive secretary, answered his own phone yesterday after Hechler's testimony. "It's true we haven't had any appeals," Hale said.

Since the board was created in 1971, Hale said, there have been thousands of mines closed for violating the mine safety act, but none of the operators ever appealed to the five-member board.

"Of course I get bored," he said. He wrote a memo to Congress two years ago pointing out that the board had nothing to do, Hale said. "But all we get is the same old tired bills and the same old tired rhetoric from Hechler."

There are several bills in the legislative hopper to revise the mine safety act and do away with the safety board of review. "I feel bad that we haven't had any cases," Hale said. "I wish we would, but I don't know if we'll have any before we're abolished."

Hale, a Utah attorney, said the board spent most of its time at its last annual meeting in Las Vegas trying to decide whether to ask Congress to do away with it. Opinion was

divided, so no recommendation was made, he said.

As for Hechler's visit, Hale said his secretary was home with a foot ailment that day and he was at the Interior Department reviewing some regulations. He left the phone off the hook because "it was the only thing I could do."

Hechler said the Las Vegas annual meeting cost the taxpayers $1,855.99 and office rental costs $4,087 a year. He termed the board a "totally useless, toothless and do-less government agency which has never earned its pay."

No appeals go to the board, Hechler said, because mine operators use an alternative avenue of appeal through the secretary of the Interior.

DEFENSE OFFICER PERSONNEL MANAGEMENT ACT

(Mr. **STRATTON** asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. **STRATTON**. Mr. Speaker, I am today introducing, in cooperation with the gentleman from Illinois (Mr. O'BRIEN), the ranking minority member of the Military Compensation Subcommittee of the Armed Services Committee, a bill known as the Defense Officer Personnel Management Act, DOPMA. DOPMA is complex legislation, over 150 pages long, that revises the method of appointment, selection, promotion and separation of officers in the Armed Forces. The legislation incorporates proposals developed by the Department of Defense.

The bill, with some technical corrections, is essentially the same as H.R. 12405 of the 93d Congress which received preliminary hearings by the subcommittee last year. We are tentatively planning to commence new hearings on this legislation June 10. It should be understood, therefore, that we are introducing the legislation simply as a vehicle for consideration of this very important question of grade distribution of the officer corps. We are not wedded to the text of the bill we have introduced.

AMERICA TO OBSERVE MEMORIAL DAY

(Mr. **BROYHILL** asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. **BROYHILL**. Mr. Speaker, as we prepare to recess, I hope all Members of Congress will take time to reflect on the full significance of Memorial Day. Ever since 1868 when Gen. John A. Logan first declared May 30 as Memorial Day, this Nation has annually honored those American soldiers who have fallen in combat. As Abraham Lincoln said to the crowd assembled to honor those slain at Gettysburg:

> It is altogether fitting and proper that we should do this.

In observing Memorial Day, we honor those approximately 1,200,000 Americans who paid the ultimate price in the quest for freedom. As a result of their sacrifice, this Nation can celebrate this Memorial Day in a spirit of thankfulness that the United States is at peace and free. I believe Americans are a peace-loving people, that war or the use of force is repugnant to our people, that as a people, our goal is to live peacefully with other nations. However, history has proven that from time to time there will be those individuals or nations who will threaten our peace and freedom.

Just 10 days ago, with the seizure of the *Mayaguez* and its crew, we saw renewed evidence of the fact that peace and freedom are fragile and can be threatened at any time. However, just as the peace and freedom which we strive for so earnestly were threatened, so once again there were those who were willing to risk and indeed give their lives to insure that their fellow Americans could enjoy the peace and security that for nearly 200 years has been our national purpose.

On Monday when our Nation's people are enjoying a holiday from work, when they are enjoying the special pleasure of leisure activity with family, friends, and relatives, I devoutly hope that they will take a moment to remember America's fighting men and women who have borne the battle for all of us. I hope they will realize the very special debt we owe not only to those who died, but to the mothers, fathers, wives, husbands, and children who lost a loved one in battle. In all honesty, we know that as a people, we cannot repay the debt, but we can pay those who died and their families the honor of not forgetting. That is what Memorial Day is all about.

SALES REPRESENTATIVE AGENCY LAW

(Mr. **OTTINGER** asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. **OTTINGER**. Mr. Speaker, the legislation that I am introducing today will establish the mutual responsibilities, obligations, and rights of salesmen and their principals.

This legislation was developed under the auspices of the National Council of Salesmen's Organizations, Inc. This organization represents 60,000 salesmen in over 100 industries.

The intent of the legislation is to create a more equitable relationship between sales representatives and their employers.

I am introducing this legislation as an accommodation to the council recognizing that protection of the rights of salesmen is badly needed, but that the legislation drafted needs further examination and consideration. As written it goes rather far in establishing the details of what ordinarily is a contractual relationship.

The text of the legislation is set forth below for the benefit of the Members:

H.R. 7455

A Bill to establish between certain business Organizations and their sales Representatives mutual responsibilities, obligations, and rights in connection with contract termination, commissions, and territorial assignments, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Sales Representatives Agency Law".

FINDINGS

SEC. 2. The Congress hereby finds that—

(1) the activities of sales representatives and the business organizations which they serve involves the transportation of goods in commerce among the States;

(2) reasonable stability in the relationship between such sales representatives and business organizations is in the public interest and is vital to the economy and general welfare of the United States; and

(3) it is necessary and proper to regulate certain aspects of such relationship in order to avoid the abuse of practices which result in unfair treatment of sales representatives.

DEFINITIONS

SEC. 3. For purposes of this Act—

(1) the term "sales representative" means any person—

(A) who is engaged in the business of selling goods, wares, merchandise, or other products as a representative of a business organization;

(B) who conducts such sales activities in one or more assigned geogrsphical territories away from the principal place of business of the business organization;

(C) whose earnings are based, in whole or in part, on commissions paid by a business organization; and

(D) who is a member of the National Council of Salesmen's Organizations, Incorporated, or any similar organization;

(2) the term "principal" means any business organization which—

(A) employs sales representatives to sell the products of such business organization in an assigned geographical territory; and

(B) compensates such sales representatives, in whole or in part, by payment of a stipulated rate of commission;

(3) the term "contract" means a written agreement between a principal and a sales representative which specifies the territory assigned to such sales representative, the rate of commission, and the mutual obligations of the parties;

(4) the term "just cause" means—

(A) the failure of either party to the contract to perform any of the essential obligations of such contract; or

(B) any acts or omissions of either party pursuant to the contract amounting to dishonesty, fraud, or criminal conduct;

(5) the term "commission" means compensation which is paid to a sales representative by a principal, based upon a gross percentage of the sales price of the product sold;

(6) the term "new customer" means any customer—

(A) who purchases the products of the principal for the first time;

(B) with whom a sales representative substantially increases the sales connection; or

(C) to whom a sales representative sells during a period of more than two years.

REQUIREMENT OF WRITTEN CONTRACT

SEC. 4. Either the sales representative or the principal may require that the parties enter into a written contract setting forth the mutual obligations of the parties and other aspects of their relationship.

OBLIGATIONS OF SALES REPRESENTATIVE

SEC. 5. Any sales representative who has entered into a contract with a principal shall—

(1) put forth a good faith effort to sell the products of the principal;

(2) return all literature, samples, or other materials entrusted to such sales representative if the contract is terminated; and

(3) respond promptly to all inquiries from the principal and the customers and report to such principal any general information requested with respect to potential sales transactions.

OBLIGATIONS OF PRINCIPAL

SEC. 6. Any principal which has entered into a contract with a sales representative shall—

(1) provide the sales representative with the necessary samples, literature, and other materials required to sell the products involved;

(2) inform the sales representative within four weeks after receipt of an order whether such order is accepted or rejected;

(3) furnish the sales representative, within two weeks after billing has been completed, with copies of any invoices or credit memoranda issued with respect to sales transactions which occur in the assigned territory of such sales representative; and

(4) furnish monthly statements of any commissions due the sales representative.

RIGHTS OF SALES REPRESENTATIVES

SEC. 7. Any sales representative who has entered into a contract with a principal may—

(1) require an accounting from the principal showing all sales transactions which occur in the assigned territory of such sales representative;

(2) require information from the principal with respect to all matters which are essential to any claim of such sales representative for a commission, including information concerning the calculation and maturity of such commission; and

(3) have access to the records of the principal for purposes of verification of any information supplied.

COMMISSIONS

SEC. 8. (a) A sales representative is entitled to be paid a commission by the principal on all sales made by such sales representative in the assigned territory of such sales representative. Such commission shall be payable in full whether or not the sales transaction is completed by the principal, except that the principal may reject any order from such sales representative without incurring any obligation to pay any commission if such rejection is in accordance with the provisions of paragraph (2) of section 6.

(b) Any claim of a sales representative for a commission shall be due and payable by the principal on the last day of the calendar month following the month of shipment of the product which is the basis of such commission, unless a different date is established by the mutual agreement of the parties.

TERMINATION OF CONTRACT

SEC. 9. (a) The sales representative or the principal may, during the first three years of the contract, terminate such contract by giving notice of not less than six weeks. After three years, either party may terminate the contract by giving notice of not less than three months. Any contract terminated pursuant to this subsection shall be terminated so as to end at a quarter of the year.

(b) The parties may vary the period of notice required under subsection (a) by mutual agreement, except that—

(1) the period of notice agreed upon must be equal with respect to each party;

(2) such period of notice may not be less than one month; and

(3) notice may only be given at the end of a month.

(c) Prior notice is not required if the contract is terminated by either party for just cause.

POST-TERMINATION COMPENSATION

SEC. 10. (a) Upon the termination of a contract, a sales representative shall be entitled to post-termination compensation from the principal, in an amount determined pursuant to subsection (b), if—

(1) such sales representative was employed by the principal for not less than two years;

(2) the contract is terminated—

(A) by the principal for other than just cause; or

(B) by the resignation of the sales representative for just cause;

(3) the principal is benefited by a sales connection with new customers attributable to the efforts of such sales representative;

(4) such sales representative experiences commission losses with respect to sales transactions settled or substantially completed at the time of the termination of the contract; and

(5) the payment of post-termination compensation with regard to all circumstances is reasonable and appropriate.

(b) Post-termination compensation to which a sales representative is entitled under subsection (a) shall be in an amount equal to one-twelfth of the average yearly income of such sales representative from sales of the products of the principal multiplied by the number of years (including fractions of years) such sales representative was employed by the principal. The average yearly income of the sales representative shall be based upon the five-year period immediately preceding the termination of the contract, or the period of the contract, whichever is less.

(c) Post-termination compensation to which a sales representative is entitled under subsection (a) shall be paid by the principal not later than three months after the date of the termination of the contract.

PROHIBITION OF WAIVER

SEC. 11. Except as provided in sections 8(b) and 9(b), the obligations imposed and rights granted by this Act may not be waived by any agreement of the parties.

PREEMPTION OF STATE LAW

SEC. 12. (a) Nothing in this Act shall be construed to indicate an intent on the part of the Congress to occupy the field in which the provisions of this Act operate to the exclusion of the law of any State on the same subject matter.

(b) Nothing in this Act shall affect any rights or remedies available to any sales representative under any State law.

EFFECTIVE DATE

SEC. 13. The provisions of this Act shall take effect on the date of the enactment of this Act, and shall apply with respect to any contract which, after such date, is entered into, renewed, or left standing after its termination date through lack of notice of termination.

EMERGENCY COAL ADMINISTRATION ACT OF 1975

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, I include for the information of the Members a copy of a bill that I have introduced:

H.R. 7456

A bill to increase the production, transportation, and utilization of coal as a source of energy

Whereas the production of energy is vital to the economic strength of the United States; and

Whereas the United States is facing an acute shortage of fuel necessary to the production of energy; and

Whereas bituminous, anthracite, and lignite coal is a proven source of energy, either in its natural state or in a converted form of petroleum or oil and gas or gasoline; and

Whereas it is estimated that the United States has more than 60 percent of the coal reserves of the free world; and

Whereas it is essential to the health, welfare, and interest of the people of the United States that we increase the availability of additional sources of energy as rapidly as possible; and

Whereas it is essential to the health, welfare and interest of the people of the United States and to the security of the United States that we increase the availability of energy from domestic sources; and

Whereas to produce a continuing increase in the availability of coal as an energy resource for the Nation, it is necessary that there be a single agency with adequate authority to coordinate all elements necessary for the desired increase in the production and utilization of coal in the Nation:

Now, therefore,

Be it enacted by the Senate and House of Representatives of the United States in Congress assembled, That this Act may be cited as the "Emergency Coal Administration Act of 1975".

SEC. 2. There is hereby established within the Federal Energy Administration an Emergency Coal Administration. The Administrator of the Federal Energy Administration shall be the Administrator of the Emergency Coal Administration, hereafter in this Act referred to as the "Administrator". The Administrator is authorized to appoint all personnel necessary to carry out this Act and to fix the compensation thereof.

SEC. 3. The Administrator is authorized to take such action as provided in Section 4 as may be necessary to insure the maximum utilization of coal so long as an energy crisis exists; and the Administrator shall exercise such emergency powers as provided herein.

SEC. 4. To carry out the purposes of this Act, the Administrator is hereby authorized—

(1) To establish goals for the production and conversion of coal into the several forms of usable energy.

(2) To encourage, assist, and take such steps as shall provide for increased production, transportation, and utilization of coal as energy.

(3)(A) To enter into contracts with coal producers for the production of coal for such terms of years and at such price as will afford reasonable and fair incentives for increasing the production of coal in the United States. The Administrator is authorized to provide for such contracts on behalf of purchasers of coal or on behalf of the United States.

for the purposes of stockpiling coal and its derivatives. The Administrator is authorized to sell such coal and derivatives as may be acquired on behalf of the United States upon such terms and at such price as shall be in the public interest and contribute to the production and use of coal and the derivatives thereof as both a source of energy and a source of derivative product.

(B) Pursuant to subsection (3)(A) of this section the Administrator shall publish in the Federal Register monthly reports concerning the status of coal and derivatives containing:

(i) market price information,

(ii) supply and demand relationships,

(iii) inventory and stockpile status, and

(iv) such transactions made pursuant to subsection (3)(A) of this section.

(C) Pursuant to section 4(3) above, the Administrator shall publish for public review and comment such rules and regulations as he deems necessary, including but not limited to:

(i) limits of contracting authority,

(ii) disposition of moneys derived therein, and

(iii) for whom and to whom such coal may be dispositioned.

(4) To issue orders which shall constitute a prior claim upon producers of materials and supplies essential to the increased production, transportation, and utilization of coal.

(5) To direct the Federal Energy Administration to provide for the allocation or otherwise assure the availability of such fuels as are determined necessary to carry out the purposes of this Act.

(6)(A) To establish a program for underwriting such financial aid as he deems necessary to assure the continuance of a viable production, transportation, conversion and utilization segment of the coal industry. The Administrator is authorized to provide financial assistance, to the limit of authorized budget, to such persons, firms, or corporations as he deems advisable after consulting with the Secretary of the Treasury and the Secretary of Commerce and Administrator of the Small Business Administration.

(B) The Administrator shall promulgate such rules and regulations, with concurrence of the Secretary of the Treasury, to further the purposes of this paragraph.

(7)(A) To provide financial aid to the railroad, barge line, and pipeline industries for the purposes of installing or improving (i) the railbeds, waterways, or rights of way to provide improved sustained load-carrying capacity; and (ii) the bulk density, such as cars, barges, and motive power, capacity of coal transport.

(B) The Administrator shall promulgate such rules and regulations which, after consultation with the Secretary of Transportation, will further the purposes of this Act.

(C) The Administrator shall submit a report to the President and the Congress no later than six months from the date of enactment of this Act. Such report shall include but not be limited to:

(i) A survey of the state of the railbeds, waterways, and pipelines in the United States including: identification of all lines used for transporting coal; the economic strength of enterprises engaged in the transportation of coal; the tonnage capability of lines; the availability of coal-carrying cars, barges and motive power; the projected needs for new or rebuilt railbeds; and other related material.

(ii) Legislative recommendations to further the purposes of this paragraph.

(iii) Budgetary estimates to enable compliance with this subpart.

(8) To afford necessary, reasonable and proper financial assistance to persons, firms or corporation converting to the use of coal as a source of energy.

(9)(A) To minimize, consistent with the provisions of this subsection, the pollution of the air incident to the burning of coal and to minimize other environmental damage by rendering all necessary, reasonable, and proper financial assistance to those producing, transporting, or using coal to enable them to obtain and use the best available methods and equipment approved by the Environmental Protection Agency for minimizing pollution and environmental damage.

(B) The Administrator of the Emergency Coal Administration, on behalf of any person, firm, or corporation engaged in or proposing to engage in the production, transportation, or conversion of coal as a source of energy, may make application to the Administrator of the Environmental Protection Agency with regard to any undertaking to increase the production, transportation, or conversion of coal as a source of energy for a certificate of compliance with the requirements of the Clean Air Act, the Federal Water Pollution Control Act, and any other applicable laws and regulations administered by the Environmental Protection Agency. Upon receipt of such application, the Administrator of the Environmental Protection Agency shall approve or disapprove such application as expeditiously as possible but in no case later than 60 days after the date of its receipt.

(C) The Administrator of the Environmental Protection Agency may approve such application under such terms and conditions as he determines appropriate to insure continued compliance with the Clean Air Act, the Federal Water Pollution Control Act, and any other applicable laws and regulations administered by the Environmental Protection Agency.

(D) If the Administrator of the Environmental Protection Agency disapproves such application he shall advise the Administrator of the Emergency Coal Administration within 10 days after such disapproval and shall specifically indicate how the proposed undertaking fails to meet the requirements of the Clean Air Act, the Federal Water Pollution Control Act, or any other applicable laws or regulations administered by the Environmental Protection Agency.

(E) The Administrator of the Emergency Coal Administration shall make any certificate of compliance approved by the Administrator of the Environmental Protection Agency, including all terms and conditions of its issuance, a condition of any financial assistance, loan, contract, aid, order, program, or any other authority he exercises under this Act in the accomplishment of its purposes.

(F) Any such certificate of compliance issued by the Administrator of the Environmental Protection Agency may be modified or cancelled by him at any time if there is a failure to continue to maintain compliance with the Clean Air Act, the Federal Water Pollution Control Act, or other applicable laws and regulations administered by the Environmental Protection Agency, or if there is a failure to maintain compliance with the terms and conditions of the issuance of the certificate.

(10) To apply for a waiver of any order, certificate, license, rule or regulation of Federal, State, or local authorities which, in the Administrator's judgment, would prevent the accomplishment of the purposes of this Act, except that this paragraph shall not impair any laws, rules, or regulations for the protection of the safety of employees engaged in the production, transportation, or conversion of coal and particularly the provisions of the Federal Coal Mine Health and Safety Act of 1969, or any provision, rule, regulation, order, or other authority exercised under the Clean Air Act, the Federal Water Pollution Control Act, or any other applicable laws or regulations administered by the Environmental Protection Agency.

(11) To acquire by purchase, donation, or condemnation proceedings, according to law, any property essential to increased production, transportation, conversion, and utilization of coal.

SEC. 5. In carrying out the purposes of this Act, the Administrator is authorized to enter into agreements or contracts pursuant to section 7 of the Federal Energy Administration Act of 1974.

SEC. 6. Pursuant to section 7 of the Federal Energy Administration Act of 1974, the Administrator is authorized, after consultation with the Secretary of Labor, to provide assistance, including financial aid, upon such terms as he deems reasonable and proper, to labor organizations engaged in the production, transportation, or conversion of coal to recruit, train, or retrain all necessary personnel to carry out the purposes of this Act.

SEC. 7. The Administrator is authorized to engage in research and development, including but not limited to pilot plants and projects, relating to the production, transportation, conversion, and utilization of coal as a source of energy.

SEC. 8. The Administrator is authorized to prohibit or limit, as he deems it necessary, the export of coal, or the derivatives thereof, essential to the production of energy.

SEC. 9. The Administrator is authorized to require all persons, firms, or corporations engaged in the production, transportation, conversion, or utilization of coal to reveal to him such information as he deems necessary to carry out the purposes of this Act in accordance with section 1905 of title 18, United States Code, and other applicable laws.

SEC. 10. There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

SEC. 11. For the purposes of this Act, the term "energy crisis" means that period during which the President determines the assured energy supply of the United States is insufficient to meet the energy needs of this country.

EMBARGO OF CUBA

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, one of the critical questions facing our country today is whether we shall lift the embargo which we previously imposed upon Cuba as long as it is dominated by the communistic regime of Fidel Castro. I have long opposed our lifting this embargo and entering into normal relations with Castro's communistic regime unless and until the Government of Cuba shows a decent respect for the rights of person and property of those who live in Cuba and those who have been forced to leave Cuba on account of Communist threats of persecution.

If and when the Government of Cuba exhibits a decent respect for the rights of people, assures that the courts will be open to the redress of wrongs perpetrated upon the people by their Government or others, protects the right of freedom and petititon against grievances, and allows freedom of religious expression and accords decent respect for the rights of person and property, then would be time for our country to consider normal relations with Cuba. But Castro's record of murder, robbery, plunder, imprisonment, and persecution of the people of Cuba for no offense except that they differed politically from Castro and communism and wanted to enjoy freedom and human dignity is not such as to make his regime one with which we should enter into normal relations.

Before the distinguished Committee of International Relations and the Subcommittee on International Trade, an eminent member of the Cuban-American community, Dr. Jorge Mas Canosa, made a very excellent statement opposing the lifting of the embargo against Cuba and our entering into normal relations with Castro's communistic regime. I ask that a condensation of this excellent and eloquent statement of Dr. Mas appear in the RECORD following my remarks and I commend it to my colleagues and fellow countrymen:

EXCERPTS FROM STATEMENT MADE BY JORGE MAS CANOSA

It is a privilege and an honor for me to testify before this Committee in behalf of my fellow citizens and the cause of free Cuba.

I was notified only last Thursday of this appearance before this Committee. In spite of this short notice, I would try to bring to your attention proving facts, principles and specific examples that will support the position taken by the Cuban people in exile, contrary to the resumption of trade and diplomatic relations with the communist tyranny of Cuba. In this testimony I have tried, and I think I have succeeded, to set aside all emotional involvement or traumatic experiences that, as a Cuban refugee, I have suffered during the last sixteen years.

Therefore, my objections to such trade and diplomatic relations are based on cold facts that I would try to prove in this testimony.

TRADE BETWEEN THE UNITED STATES AND CUBA

Early and throughout 1960, the Fidel Castro regime illegally confiscated, according to the Foreign Claims Settlement Commission, more than 1.8 billion dollars from United States citizens without any compensation.

Furthermore, over 2.5 billion dollars were illegally confiscated from Cuban nationals who up to 1960 owned business enterprises. As a result of this policy, Cuba, which was one of the most prosperous and richest nations of the Western Hemisphere, became one of the poorest nations. For more than fourteen years, and up to now, every Cuban citizen is forced to live under a very strict rationing that, in the opinion of many experts, is even worse than the one that was in effect last century when Cuba was still a colony of Spain.

To resume any commercial trade with the Castro regime will, in effect, legitimate the illegal confiscation of U.S. properties that has put such heavy burden on the United States tax payers. It will also encourage other nations throughout the world to take American properties without paying due compensation. It will also show to those nations that a waiting period of sixteen years or more—after confiscating illegally such property—is enough to claim and obtain free and clear title to those properties.

* * * * *

The dependency of Cuban economy to the USSR is so deep that it would be senseless to assume that because of the resumption of U.S. commercial trade with Castro, the Cuban regime will be able to obtain any grade of independence from the Soviet Union in the future.

Any economic aid that the United States government might give to the Cuban regime is a waste of time and money. The failure of the economy in Cuba is due to the nature of the system itself. Under very strict rationing of goods and without any incentive to produce, the Cuban people refuse, by all means, to cooperate in working diligently in behalf of such a system. The following facts will prove such a statement: Sugar is the basic industry of Cuba. All sugar production before Castro was restricted, due to international agreements. The last ten sugar crops before Castro, with a duration of approximately 120 days grinding season, produced an average of 5.8 million tons of sugar. After Castro, without the above restriction, and despite the fact that lately all efforts of the Cuban government have been aimed to increase the capacity of the sugar mills, the fact is that the average crop of sugar has decreased to 5.3 million tons. This is even worse if you take into consideration that the lower production required an average of more than six months of grinding season. What is the reason behind that fact? One and only one. The lack of cooperation of the Cuban people.

* * * * *

UNITED STATES DIPLOMATIC RELATIONS WITH COMMUNIST CUBA

After Castro came to power in Cuba, the United States started to encourage Cuban nationals to leave their country and seek refuge in American soil.

A chain of events concluded in the interruption of diplomatic relations between the United States and communist Cuba. A year later, freedom loving Cubans, with the support of the United States, invaded the Island, in an effort to liberate their country. That tragic episode in the United States military history is better known as the "Bay of Pigs fiasco".

EXPULSION OF CUBA FROM THE ORGANIZATION OF AMERICAN STATES—OAS

In January, 1962, in a meeting of the Foreign Relations Ministers, held at Punta del Este, Uruguay, the Castro regime was expelled from the Organization of American States, because of the "incompatibility of its regime with the principles of the Charter of the OAS".

We would like to emphasize that the U.S. is bound by that resolution and we also want to call your attention that the nature of the Castro regime has not changed and still maintains those same principles that were the reason for its expulsion.

BREAKING OF DIPLOMATIC AND COMMERCIAL RELATIONS WITH CUBA

On July, 1964, at the Ninth Conference of Foreign Relations Ministers held at Washington, D.C., convened under the Inter-American Treaty of Reciprocal Assistance, a resolution was passed calling on all Member nations to break diplomatic and commercial relations with the Castro regime because of its interference with the internal affairs of other nations of the Hemisphere.

The circumstances which prevailed at that time are still in effect today. Even after the above resolution was passed by the O.A.S., the Castro regime persisted in carrying out its subversive activities. "Che" Guevara, one of the most important leaders of the Cuban revolution, together with a number of Majors and Captains of Castro's Army, was killed by the Bolivian Army while trying to take over that country and establish a communist regime similar to Cuba's.

Furthermore, other Members of the Cuban Armed Forces were imprisoned or killed while trying to subvert or overthrow the government of such countries as: Panama, Dominican Republic, Guatemala, Nicaragua, Venezuela, Colombia, Ecuador, Peru, Chile, Paraguay, Uruguay, Argentina and Brazil.

As recently as November of 1974, "Background Notes" on Cuba, distributed by the U.S. State Department to the Latin American Embassies stated that: "Castro and other top Cuban leaders have continued publicly to reaffirm their commitment to support revolution abroad."

* * * * *

A LAW OF THE LAND: U.S. PUBLIC LAW 87–733

There is presently in force in the United States a law concerning the Marxist-Lenninist regime in Cuba.

It is Public Law 87–733 of October 3, 1962, which is well known to all Members of this Committee, and whose repeal has been requested.

This Law must be maintained by all means, if the United States is to preserve its leadership among the democratic nations of the world and also because of the following reasons:

First. In order to have legal basis to prevent the aggressive and subversive activities of Castro in the Western Hemisphere, Asia and Africa.

Second. In order to prevent a potential danger to the security of the United States in view of the Soviet Union encroachment throughout the world, as demonstrated by its Naval Maneuvers mentioned in an information from The Miami Herald in its Thursday, May. 1, 1975, edition dealing with a mock nuclear attack against the United States and which reveals the largest world wide Naval exercises in the history of the Soviet Union and how significantly Cuba was utilized as a very important base of operations. (See Addendum B.)

There always remain, Mr. Chairman, the question of the Port of Cienfuegos being used as a Soviet Nuclear Submarine base.

Thus, Public Law 87–733 of 1962 is a ready legal instrument to cope with the situations quoted above, and therefore should be maintained as a safeguard for the security of this country.

We shall never forget that on several occasions the U.S. Department of Defense has declared that Cuba is—after the United States—the strongest military power in the Western Hemisphere.

Third. The repeal of Public Law 87-733 of 1962, will be the final crushing blow to the already cool relations between the Cubans in Exile and the United States government.

The Cubans were abandoned at the Bay of Pigs invasion—all promises of support and aid broken—and finally our people have seen, that what was a patriotic deed in the early 60's is today a felony deserving persecution and imprisonment by the same institutions which used to give us aid and support in our struggle for freedom and independence.

* * * * *

This situation and these facts have been repeatedly denounced by international organizations as the Inter-American Human Rights Commission of the Organization of American States.

Other International organizations as the International Commission of Jurists, the Inter-American Press Association, the International Rescue Committee, the International League for the Rights of Men and Amnesty International have demonstrated their concern over the human rights situation in Cuba, but neither one of them have been able to succeed in stopping the Fidel Castro regime from the inhuman and cruel treatment to their political prisoners.

I wonder, Mr. Chairman, that in light of recent trips to Cuba of distinguished members of the Senate, including a sympathizer of Fidel Castro, the honorable Senator George McGovern, if any of those visitors have requested from Fidel Castro to visit any of the 150 jails or concentration camps spread throughout the Island.

* * * * *

CONCLUSION

As you can see, Mr. Chairman and distinguished Members of this Committee, we do object to the resumption of diplomatic and commercial relations with the Castro regime based on three fundamental reasons:

(1) It will be a violation of treaties and resolutions approved by the Organization of American States as well as of Public Law 87–733 of 1962.

(2) It will be a decisive blow to the cause of Democracy in the Western Hemisphere, as United States surrenders to the Castro Regime the traditional principles on which this nation was founded.

(3) It will be a violation of all moral principles by resuming relations with a regime labeled properly by the International Commission of Jurists as the most "cruel, inhumane and degrading known to America".

* * * * *

TOXIC SUBSTANCES CONTROL ACT

(Mr. ECKHARDT asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ECKHARDT. Mr. Speaker, yesterday I introduced legislation designed to supplement existing Federal laws by authorizing the Environmental Protection Agency to develop a comprehensive and systematic approach to the task of protecting health and environment from hazardous chemical substances. The Toxic Substances Control Act would give

the Environmental Protection Agency authority over the broad range of activity by which chemical substances enter our environment—from production to consumer use to disposal. Presently, regulation against hazardous chemical substances is done in only a piecemeal manner, with protective action occurring only after serious injury has been done to human health and the environment. The Toxic Substances Control Act is designed to provide a means of testing, and in certain cases, screening of chemical substances to determine their adverse capabilities prior to their introduction into commerce so we can prevent the adverse effects rather than merely react to them.

We are already having to grapple with the problems caused by the release of hazardous chemical substances into the human environment, and these problems promise to increase rather than decrease. I think this is one of the most important pieces of legislation to be considered by the 94th Congress. The Consumer Protection and Finance Subcommittee, chaired by Congressman LIONEL VAN DEERLIN, has scheduled hearings on the Toxic Substances Control Act for the week of June 9. Because of the strong interest in this legislation and the pending hearings, I want to call my colleagues attention to the provisions of the bill. The text of H.R. 7229, the Toxic Substances Control Act, follows:

H.R. 7229

A bill to regulate commerce and protect human health and the environment by requiring testing and necessary use restrictions on certain chemical substances, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Toxic Substances Control Act".

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FINDINGS AND POLICY

SEC. 2. (a) FINDINGS.—The Congress finds that—

(1) man and the environment are being exposed to a large number of chemical substances each year;

(2) among the many chemical substances constantly being developed and produced are some whose manufacture, distribution, use, or disposal may pose an unreasonable risk to health or the environment; and

(3) the effective regulation of interstate commerce in such chemical substances necessitates the regulation of such chemical substances in intrastate commerce as well.

(b) POLICY.—It is the policy of the United States that—

(1) hazardous and potentially hazardous chemical substances should be adequately tested with respect to their effect on health and the environment and that such testing should be the responsibility of those who manufacture, import, or process such chemical substances;

(2) adequate authority should exist to regulate the distribution and use of chemical substances found to pose an unreasonable risk to health or the environment, and to take action with respect to chemical substances which are imminent hazards; and

(3) authority over chemical substances should be exercised in such a manner as not to unduly impede technological innovation while fulfilling the primary purpose of this Act to assure that such innovation and commerce in such chemical substances do not pose an unreasonable risk to health or the environment.

(c) CONGRESSIONAL INTENT.—It is the intent of Congress that the Administrator should carry out this Act in a reasonable and prudent manner, and that he should consider the environmental, health, economic and social impact of any action he proposes to take under this Act.

DEFINITIONS

SEC. 3. As used in this Act—

(1) The term "Administrator" means the Administrator of the Environmental Protection Agency.

(2) The term "category of chemical substances" means a group of chemical substances the members of which are similar in molecular structure, in physical or chemical properties, in use, or in mode of entrance into the human body or into the environment, or the members of which are in some other way suitable for classification as such for purposes of this Act, except that the term does not mean all new chemical substances.

(3) The term "chemical substance" means (A) any organic or inorganic substance of a particular molecular identity including a combination of such substances occurring as a result of a chemical reaction, (B) any uncombined radical or element, or (C) any mixture.

(4) The term "commerce" means trade, traffic, transportation, or exchange (A) between a place in a State and any place outside of such State, or (B) which affects such trade, traffic, transportation, or exchange.

(5) The term "criteria for data development" means a prescription of (A) the manner in which data are to be developed with respect to the human health or environmental effects of a chemical substance, (B) any analysis that is to be performed on such data, and (C) any requirements to be met in the design of any test or study to insure the reliability of the data.

(6) The term "distribute in commerce" or "distribution in commerce" means to sell in commerce, to introduce or deliver for introduction into commerce, or to hold for sale or distribution after introduction into commerce, including use and disposal thereafter, importation, and reimportation.

(7) The term "environment" includes man and the human environment, water, air, land, all living things therein, and the interrelationships which exist among and between these.

(8) The term "health and safety data" means any data that relates to the effect of a chemical substance on human health or the environment, including data developed pursuant to health and safety studies; such data shall include consumer or other individual correspondence regarding alleged adverse effects of a chemical substance on human health or the environment, reports of worker illness or injury allegedly related to exposure to a chemical substance, and complaints or other notices with respect to judicial or administrative proceedings initiated by local, State, or Federal authorities or other persons or account of any injury to human health or the environment that is alleged to have been caused by a chemical substance.

(9) The term "health and safety studies" means any study of any effects of a chemical substance on human health or the environment; such studies shall include epidemiological studies, studies of occupational exposure to a chemical substance, toxicological studies, clinical studies, ecological studies, and all tests performed pursuant to this Act.

(10) The term "import" means to cause a chemical substance to be transported from a place outside the United States to a place within the United States.

(11) The term "importer" means any person who imports a chemical substance for distribution in commerce for commercial purpose.

(12) The term "manufacture" means to produce or manufacture.

(13) The term "manufacturer" means any person who manufactures a chemical substance.

(14) The term "mixture" means any combination of two or more chemical substances that (A) occurs naturally, or (B) is produced by deliberate mixing, according to plan but without intent to cause a chemical reaction.

(15) The term "new chemical substance" means any chemical substance not included in the inventory compiled and published under section 8(b).

(16) The term "process" means the preparation of a chemical substance for distribution in commerce (A) in the same or in a different form, (B) in the same or in a different physical state, or (C) as part of another product.

(17) The term "processor" means any person who processes a chemical substance.

(18) The term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the Canal Zone, or American Samoa.

(19) The term "test protocol" means a specific method or procedure to be followed in a test or tests to determine the effects on human health or the environment of the manufacture, processing, or distribution in commerce of a chemical substance.

(20) The term "United States", when used in the geographic sense, means all the States.

CRITERIA FOR DATA DEVELOPMENT

SEC. 4. (a) GENERAL.—(1) If the Administrator determines that a chemical substance presents an unreasonable risk to health or the environment, he shall, by rule, prescribe criteria for data development of such substance. If the Administrator determines that there is insufficient data upon which to conclude that an unreasonable risk to health or the environment does not exist, he may, by rule, prescribe criteria for data development for such substance. In making such a determination respecting a chemical substance the amount of such substance manufactured or processed or the extent of its distribution in commerce may be determinative as to whether criteria for data development should be prescribed. The criteria for data develop-

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ment for any such substance shall include (i) the prescription of the human health or environmental effects for which data are required to be developed; (ii) such other requirements as are necessary to assure that the data so developed are reliable and adequate, including requiring the specification of any test protocol or methodology to be employed in such data development; and (iii) a requirement that data be developed and submitted by each person who is or will be a manufacturer, a processor, or an importer of such substance.

(2) The Administrator shall require, pursuant to each rule issued under paragraph (1) that data be developed with respect to those human health and environmental effects which the Administrator specifies to be relevant with respect to the substance affected by such rule. In prescribing the human health or environmental effects for which data development are required, the Administrator shall consider—

(A) the actual, or estimated, magnitude and duration of human exposure to such substance, and the possible consequences thereof with respect to human health; and

(B) the actual, or estimated, magnitude and duration of environmental exposure to such substance and the possible consequences thereof with respect to the environment.

Human health or environmental effects for which criteria for data development may be prescribed include carcinogenesis, mutagenesis, teratogenesis, behavioral disorders, acute toxicity, subacute toxicity, chronic toxicity, cumulative or synergistic effects, ecological effects, and any other effects that may cause unreasonable risk to human health or the environment. The methodologies that may be prescribed in criteria for data development include epidemiology, serial, or hierarchical tests; in vitro tests; and whole animal tests.

(3) From time to time, but not less than once each 12 months, the Administrator shall review the adequacy of the criteria for data development established under this subsection and shall promulgate appropriate revisions thereof.

(b) CHEMICAL SUBSTANCES LIST.—(1) Within one year after the date of enactment of this Act, the Administrator shall establish, and shall thereafter continually maintain, a list of not less than 300 chemical substances which are, in the Administrator's discretion, the highest priority candidates for the establishment of criteria for data development pursuant to subsection (a). From time to time thereafter, but not less than once every two years, the Administrator shall review and revise such list. Whenever the Administrator promulgates or determines not to promulgate a final rule pursuant to subsection (a), with respect to any chemical substance so listed, the Administrator shall delete such substance from such list and shall make any necessary additions to maintain the size of such list. Such list, and any revisions thereof, shall be published in the Federal Register together with the following information with respect to each chemical substance listed, to the extent that such information can be reasonably ascertained:

(A) The volume of production and use thereof.

(B) Categories of use thereof.

(C) The magnitude, means, and duration of exposure to human beings and the environment that are associated with such substance.

(D) The extent to which such substance is physically or chemically similar to chemical substances with known adverse effects on human health or the environment.

(E) Any other property, or possible property, of such substance that may form a reasonable basis for placing such substance on such list.

(2) Within one year after the initial publication of the list under paragraph (1), the Administrator shall promulgate initial criteria for data development, pursuant to subsection (a), with respect to chemical substances which appear on such list. The Administrator may promulgate criteria for data development for any other chemical substance in accordance with subsection (a) of this section.

(c) DEVELOPMENT OF DATA.—(1) The Administrator may permit two or more persons who are required to develop data in accordance with subsection (a) to designate one such person, or a qualified and independent third party, to develop such data pursuant to a cost-sharing arrangement. If such an arrangement is made the Administrator shall be notified and the remaining such persons shall be exempted from requirements to develop such data.

(2) Whenever a person is exempted from the obligation to develop data, if such exemption takes effect during the reimbursement period for such data, the Administrator shall order such exempt person to provide reimbursement in the same manner as if an exemption had been granted under section 5(k) (unless the parties agree on the amount and method or reimbursement).

(3) In any case in which a person provides contribution or reimbursement in accordance with paragraph (1) or (2) or with section 5(k), section 14 shall not be construed to prevent such person from having access to any data submitted as a result of the data development with respect to which such contribution or reimbursement was provided.

(d) NOTICE.—Upon the receipt of any data under this section, and subject to section 14, the Administrator shall promptly publish a notice of such receipt in the Federal Register. Each such notice shall (1) identify the chemical substance for which data have been received; (2) list the use or intended uses of such substance, and other information required by the applicable criteria; and (3) describe the nature of that data developed. Such data shall be made available by the Administrator for examination by any person, except as otherwise provided in section 14.

(e) PROCEDURE.—Rules issued under this section (and any amendments thereto or repeals thereof) shall be promulgated pursuant to section 553 of title 5, United States Code, except that in promulgating, amending, or repealing any rule prescribing criteria for data development or any other rule under this section (1) the Administrator shall give interested persons an opportunity for the oral presentation of data, views, or arguments, in addition to an opportunity to make written submissions; and (2) a transcript shall be made of any oral presentation.

NOTIFICATION AND PREMARKET SCREENING OF CHEMICAL SUBSTANCES

SEC. 5. (a) CHEMICAL SUBSTANCES LIST.—(1) Within 12 months after the date of enactment of this Act, and from time to time thereafter, the Administrator shall, by rule, compile a list of chemical substances the manufacture, processing, distribution in commerce, use, or disposal of which the Administrator has reason to believe poses or may pose an unreasonable risk to health or the environment.

(2) The Administrator shall, in prescribing a rule under this subsection which lists any chemical substance, identify those uses, if any, which the Administrator determines would constitute a significant new use of such substances. The last sentence of section 20(c) shall not apply to any provision of a rule under this section which provision is prescribed pursuant to the paragraph.

(b) CONSIDERATIONS.—(1) In making the finding required under subsection (a)(1), the Administrator shall consider all relevant factors including—

(A) the effects of the chemical substance on health and the magnitude of human exposure; and

(B) the effects of the chemical substance on the environment and the magnitude of environmental exposure,

(2) In determining whether (A) one or more mixtures, or (B) chemical substances which are components of such mixtures, should be listed under subsection (a), the Administrator shall consider whether the risk to health or the environment is associated with such mixtures or components or both, and whether such risk can be more reasonably evaluated by testing the mixtures or by testing one or more components of such mixtures.

(c) PROHIBITION ON MANUFACTURING AND IMPORTATION.—(1)(A) A chemical substance which is listed under subsection (a) of this section may not be manufactured or imported for a use identified by the Administrator in the rule as constituting a significant new use of such listed chemical substance, unless at least 90 days prior to such manufacture or importation, the person intending to manufacture or import such substance for such significant new use submits notice to the Administrator of his intention to manufacture or import such substance for such use.

(B) Any manufacturer or importer who proposes to distribute in commerce a listed chemical substance for which notice may be required under subparagraph (A) shall attempt to ascertain from the person to whom he distributes such substance (hereafter in this subparagraph referred to as "distributee") whether such distributee proposes to distribute such substance for a use which would be a significant new use. If the distributee refuses or is unable to inform the manufacturer or importer whether the proposed use would be a significant new use, the manufacturer or importer shall so inform the Administrator, and shall inform the distributee that such substance is listed under subsection (a). Such distributee shall thereafter be treated for purposes of this section (including this subparagraph) as the manufacturer of such substance.

(2) A chemical substance—

(A) which is listed under subsection (a) of this section, and

(B) which was not included in the chemical substances inventory compiled under section 8(b) at the time of publication of the earliest proposed rule under subsection (a) of this section under which such substance was proposed to be listed,

may not be manufactured or imported, unless, at least 90 days prior to such manufacture or importation, the person intending to manufacture or import such substance submits notice to the Administrator of his intention to manufacture or import such substance.

(d) 90-DAY DELAY.—(1) A person may not manufacture or import a chemical substance—

(A) for a significant new use with respect to which notice is required to be given by such person to the Administrator under subsection (c)(1) of this section, and

(B) for which criteria for data development applicable to such use have been prescribed under section 4 of this Act prior to the giving of such notice,

prior to the expiration of the 90-day period which begins on the date on which test data developed in accordance with such criteria are submitted to the Administrator by such person.

(2) A person may not manufacture or import a chemical substance—

(A) for which notice is required to be given by such person to the Administrator under subsection (c)(2) of this section, and

(B) for which criteria for data development have been prescribed under section 4 of this Act prior to the giving of such notice,

prior to the expiration of the 90-day period which begins on the date on which test data developed in accordance with such criteria are submitted to the Administrator by such person.

(e) REQUIRED DATA.—Notice under paragraph (1) and (2) of subsection (c) of this section respecting a chemical substance shall include—

(1) the name of such chemical substance;

(2) the chemical identity and molecular structure of such substance, insofar as such are reasonably ascertainable;

(3) the categories of use of such substance, insofar as such are reasonably ascertainable;

(4) a reasonable estimate of the amount of such substance to be manufactured or imported for each category of use;

(5) a description of the byproducts, if any, resulting from the manufacture, processing, use, or disposal of such substance, insofar as such are reasonably ascertainable; and

(6) any test data in the possession or control of the person giving such notice which are related to the effect on health or the environment of any manufacture, distribution in commerce, use, or disposal of the substance or any article containing such substance.

(f) REQUEST FOR STANDARDS.—A person intending to manufacture or import a chemical substance which is listed under subsection (a) and for which no criteria for data development have been prescribed under section 4 may petition the Administrator to develop and prescribe such criteria for such substance or for the significant new use of such substance. The Administrator shall either grant or deny any such petition within 60 days of its receipt. If the petition is granted, the Administrator shall diligently proceed to develop and prescribe such criteria for such substance. If the petition is denied, the Administrator shall publish in the Federal Register the reasons for such denial.

(g) EXTENSION.—The Administrator may for good cause shown extend the 90-day period under paragraph (1) or (2) of subsection (c) of this section for an additional period not to exceed 90 days. Subject to section 14 of this Act (relating to the confidentiality of certain information), notice of such extension and the reasons therefor shall be published in the Federal Register and shall constitute a final agency action subject to judicial review.

(h) PUBLICATION IN FEDERAL REGISTER.—Subject to section 14 of this Act, upon receipt of notice under paragraph (1) or (2) of subsection (c) or data under subsection (d) the Administrator shall promptly publish in the Federal Register notice which identifies the chemical substance for which notice or data has been received; lists the uses or intended uses of such substances; and describes the nature of the tests performed and the data which were developed, if any. The information described in such notice shall be made available, subject to section 14, for examination by interested persons. Notice under this subsection shall identify the chemical substance by generic class unless the Administrator determines that more specific identification is required in the public interest.

(i) RULE UNDER SECTION 6. If—

(1) the Administrator determines, with respect to a chemical substance listed under subsection (a) for which notice is required under paragraph (1) or (2) of subsection (c) of this section, (A) that information available to him is insufficient to permit a reasoned evaluation of the effects on health or the environment of the proposed manufacture or importation, or the resulting distribution in commerce, use, or disposal of the chemical substance, and (B) that, in the absence of such information, the manufacture or distribution in commerce of such substance may pose an unreasonable risk to health or the environment, or

(2) the Administrator determines on the basis of information available to him that the immediate exercise of authority under section 6 with respect to a listed chemical substance is necessary to protect against an unreasonable risk to health or the environment, the Administrator may propose and make immediately effective a rule under section 6 of this Act with respect to such substance or any article containing such substance.

(j) PROCEDURE.—Any rule under subsection (a) of this section, and any amendment or repeal of such a rule, shall be promulgated pursuant to the procedures specified in section 553 of title 5, United States Code, except that the Administrator shall give interested persons an opportunity for the oral presentation of data, views, or arguments, in addition to an opportunity to make written submissions and a transcript shall be kept of any oral presentation.

(k) EXEMPTIONS.—The Administrator may, upon application of any person, exempt such person from the requirements of subsections (c) and (d) of this section, for the purpose of permitting such person to manufacture or import a listed chemical substance for test marketing purposes (1) upon a showing by such person that the manufacture, distribution in commerce, use, or disposal of such substance for those purposes would not pose an unreasonable risk to health or the environment, and (2) under such restrictions as the Administrator considers appropriate.

(2) The Administrator may exempt any person from the obligation to submit—

(A) test data under paragraph (1) or (2) of subsection (c) of this section if he determines that the submission of test data by such person would be duplicative of data previously submitted by such person in accordance with such paragraph, or

(B) test data under subsection (d) if he determines that the submission of test data by such person would be duplicative of data previously submitted by any person in accordance with such subsection, but no exemption under this subparagraph may take effect before the data of termination of the premarket screening for which the test data on which the exemption is based were submitted.

(3) If the Administrator, under paragraph (2)(B), exempts any person from submitting data under subsection (d) of this section because of the existence of previously submitted test data and if such exemption takes effect during the reimbursement period for such data (as defined in paragraph (4)), then (unless the parties agree on the amount and method of reimbursement) the Administrator shall order the person granted the exemption to provide fair and equitable reimbursement (in an amount determined under rules of the Administrator)—

(A) to the person who previously submitted test data on which the exemption was based, for a portion of the costs incurred by him in complying with the requirement under this section to submit such data, and

(B) to any other person who has been required under this paragraph to contribute with respect to such data.

An order under this paragraph shall be considered final agency action, for purposes of judicial review.

(4) For purposes of this subsection:

(A) The reimbursement period for any previously submitted test data is a period—

(i) beginning on the date of termination of the premarket screening for which such data were submitted, and

(ii) ending 5 years after such date of termination (or, if later, at the expiration of a period after such date equal in length to the period which the Administrator determines was necessary to develop the previously submitted data).

(B) The termination of the premarket screening for which data were submitted is the earliest date (after submission of such data) on which the person who submitted such data is no longer prohibited (by reason of (i) this section, (ii) a proposed rule made immediately effective under subsection (i) or (iii) any court order under section (7) from proceeding with the manufacture or distribution in commerce with respect to which the data were submitted.

(l) For purposes of this section, the terms "manufacture" and "import" mean manufacture or import for commercial purposes.

REGULATIONS APPLICABLE TO A HAZARDOUS CHEMICAL SUBSTANCE

SEC. 6. (a) REQUIREMENT.—If the Administrator finds that the manufacture, distribution in commerce, or disposal of a chemical substance poses or is likely to pose an unreasonable risk to health or the environment, he may prescribe a rule consisting of one or more of any of the following types of requirements:

(1) Requirements (A) prohibiting the manufacture or distribution in commerce of such chemical substance or (B) limiting the amount of such chemical substance which may be manufactured or distributed in commerce.

(2) Requirements (A) prohibiting the manufacture or distribution in commerce of such chemical substance for a particular use, (B) limiting the amount of such chemical substance which may be manufactured or distributed in commerce for such use, or (C) regulating the manner or method of disposal of such substance.

(3) Requirements that such chemical substance or article containing such substance be marked with or accompanied by clear and adequate warnings and instructions with respect to its use or disposal, in such form and bearing such content as the Administrator determines to be appropriate.

(4) Requirements (A) that persons to whom requirements under paragraph (1), (2), or (3) of this subsection apply keep records necessary to ascertain their compliance with such requirements, (B) that manufacturers and processors of a chemical substance make and retain records of the processes used to manufacture or process such substance, and (C) that manufacturers and processors conduct tests necessary to determine whether chemical substances manufactured or processed by them are adulterated (within the meaning of subsection (e)(2)), and retain records of such tests. Any records or data required under this paragraph shall not be considered research data or process technology for purposes of section 11(a)(3).

(b) RULES.—(1) Rules under this section may be limited in application to specified geographic areas.

(2)(A) The authority of the Administrator to prescribe a rule under subsection (a)(2) prohibiting the manufacture and distribution in commerce of a chemical substance for a particular use shall include authority to prescribe a rule prohibiting the distribution in commerce of a chemical substance for a particular use in a concentration in excess of a level specified in such rule.

(B) No rule may be prescribed under subsection (a)(1)(B) of this section which limits the amount of a chemical substance which may be manufactured or distributed in commerce unless the Administrator finds that the risk to health or environment associated with such chemical substance cannot be prevented or reduced to a sufficient extent by means of a rule prescribed under subsection (a)(2) prohibiting the manu-

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facture or distribution in commerce of such substance for particular use or by means of a rule prescribed under subsection (a)(3).

(C) No rule may be prescribed under subsection (a)(2)(B) which limits the quantity of a chemical substance which may be manufactured or distributed for a particular use unless the Administrator finds that the risk to health or environment associated with such substance cannot be prevented or reduced to a sufficient extent by means of a rule prescribed under subsection (a)(3), or by means of a rule under subsection (a)(2)(A) prohibiting the distribution in commerce of a chemical substance for a particular use in a concentration in excess of a level specified in such rule.

(3)(A) Rules described in subsection (a)(1) of this section which limit the amount of a chemical substance which may be manufactured or distributed in commerce, and rules described in subsection (a)(2) which limit the quantity which may be manufactured or distributed for a particular use, shall include provision for assigning production or distribution quotas to persons who apply to manufacture the chemical substance or to engage in the distribution in commerce of the substance. The permissible quota for each such person shall be determined in accordance with criteria prescribed under subparagraph (B).

(B) The Administrator shall, by rule, prescribe criteria which shall take into account all relevant factors, including

(i) effects on competition,

(ii) the market shares, productive capacity, and product and raw material inventories of persons applying for quotas,

(iii) emergency conditions, such as fires or strikes, and

(iv) effects on technological innovation.

The last sentence of section 20(c) shall not apply to rules under this subparagraph.

(c) Considerations.—In issuing such rules under subsection (a) the Administrator shall consider all relevant factors including—

(1) the effects of the substance on health and the magnitude of human exposure;

(2) the effects of the substance on the environment and the magnitude of environmental exposure; and

(3) the benefits of the substance for various uses and the availability of less hazardous substances.

(d) Effective Date.—The Administrator shall specify in any rule under subsection (a) the date on which it shall take effect, which shall be as soon as feasible. Where the Administrator determines that the manufacture, processing, distribution in commerce, use, or disposal of a chemical substance is likely to result in harm to health or the environment prior to the completion of a rulemaking proceeding under subsection (a) respecting such substance and where the Administrator determines that such action is necessary in the public interest, he may declare a proposed rule under subsection (a) immediately effective pending completion of the rulemaking proceeding.

(e) Adulterated Substances.—(1) If the Administrator has good cause to believe that a particular manufacturer or processor is manufacturing or processing a chemical substance in a manner which permits or causes the adulteration of such chemical substance—

(A) he may require such manufacturer or processor to submit a description of the relevant quality control procedures followed in the manufacturing or processing of such chemical substance; and

(B) if he thereafter determines on the record, after opportunity for hearing pursuant to section 554 of title 5, United States Code, that such quality control procedures are inadequate to prevent the adulteration of the chemical substance, the Administrator may order the manufacturer to revise such quality control procedures to the extent necessary to remedy such inadequacy.

(2) For the purposes of this subsection, a chemical substance shall be deemed to be adulterated if it bears or contains any added substance or contaminant which itself, or in combination with the chemical substance, poses or is likely to pose an unreasonable risk to health or the environment.

(f) Procedure.—(1) Rules under subsection (a) shall be promulgated pursuant to section 553 of title 5 of the United States Code; except that in promulgating any such rule, (A) the Administrator shall give interested persons an opportunity for the oral presentation of data, views, or arguments, in addition to an opportunity to make written submissions; (B) a transcript shall be kept of any oral presentation; and (C) during any such oral presentation, the Administrator shall include an opportunity for cross-examination as provided in paragraph (2).

(2)(A) Except as provided in paragraph (B), during any such oral presentation, the Administrator shall include an opportunity for cross-examination to such extent and in such manner as the Administrator considers necessary and appropriate in view of the need for expediency, the nature of the issue involved and the number of the participants and the nature of their interests.

(B) If only a single interested person seeks to avail himself of an opportunity for cross-examination in a proceeding to promulgate a rule under subsection (a), or if the Administrator determines that all persons who seek to avail themselves of such an opportunity are members of a single class sharing an identity of interest, the Administrator shall afford such single interested person or representative of such class (as designated by the participants of such class) an opportunity to conduct cross-examination to the same extent that cross-examination is permitted under section 556 of title 5, United States Code.

IMMINENT HAZARD

Sec. 7. An imminent hazard shall be considered to exist when the evidence is sufficient to show that the manufacture, processing, or distribution in commerce of a chemical substance or product containing such substance will result in any unreasonable threat to human health or the environment, prior to the completion of an administrative hearing or other formal proceeding held pursuant to this Act. If the Administrator has reason to believe that an imminent hazard exists, he shall petition an appropriate district court of the United States, or he shall request the United States attorney for such district to do so, to restrict the manufacture, processing, or distribution in commerce of the chemical substance or product responsible for the hazard, or to take such other action as is appropriate. The Administrator shall simultaneously, if he has not done so, propose any regulation which may be warranted under section 6 of this Act.

REPORTS

Sec. 8. (a) General.—(1) The Administrator may, by rule, require any manufacturer, importer, or processor of any chemical substance to maintain such records, and to submit such reports to him annually, and at such more frequent time as he may reasonably require. Reports which the Administrator by rule requires may include the following information:

(A) The common or trade name, the chemical identity, and the molecular structure of each chemical substance for which such report is required, insofar as known to the person making the report or insofar as reasonably ascertainable.

(B) The categories or proposed categories of use of each such substance, insofar as known to the person making the report, or insofar as such are reasonably ascertainable.

(C) Reasonable estimates of the amounts of each substance manufactured, imported, or processed for each such use.

(D) A description of any byproducts resulting from the manufacture, processing, distribution in commerce of each such substance, insofar as known to the person making the report or insofar as reasonably ascertainable.

(E) All existing data concerning the adverse environmental and health effects of such substance, insofar as known to the person making the report.

(2) For purposes of this subsection, the term "byproduct" means a chemical substance which is produced or results as a consequence of the manufacture, importation, processing, or distribution in commerce of some other chemical substance.

(b) Inventory.—The Administrator shall compile and publish a listing of each chemical substance which any manufacturer, processor or imported reports (under this section) is manufactured, processed or imported into the United States. A chemical substance shall be included in such listing as of the earliest date (as determined by the Administrator) on which such substance was manufactured in or imported into the United States.

(c) Submissions.—Any test data or other information required to be developed pursuant to this Act shall be submitted to the Administrator promptly. The Administrator may require the submission of preliminary and other reports during the course of any monitoring or testing.

(d) Records.—Any person who manufactures, processes, or distributes in commerce any chemical substance shall maintain records of adverse reactions to human health or the environment alleged to have been caused by the chemical substance. Such records may consist of, but not be limited to, consumer allegations of personal injury or harm to health, reports of occupational disease or injury, and reports or complaints of injury to the environment submitted to the manufacturer, processor, or distributor in commerce by individuals or governmental agencies.

(e) Health and Safety Studies.—Any person who manufactures, processes, or distributes in commerce any chemical substance shall report to the Administrator—

(1) all health and safety studies in progress on or initiated after the date of enactment of this Act, conducted by or for the person; and

(2) a list of all health and safety studies conducted by or for such person 40 years prior to the date of enactment of this Act.

The list required by paragraph (2) shall be submitted to the Administrator within 180 days after the date of enactment of this Act. The Administrator, on the basia of the lists submitted, may request submission of any study appearing on such list.

(f) Comments.—Whenever the Administrator determines that such action would be necessary to assist him to carry out his responsibilities and authorities under this Act, he may, by publishing a notice in the Federal Register, invite and afford all interested persons an opportunity to provide information and comment in writing respecting the health or environmental effects of a chemical substance. Such an invitation and opportunity shall not be deemed a proceeding for purposes of section 14(a) ([illegible]) of this Act.

(g) Definitions.—For purposes of this section:

(1) The terms "manufacture" and "import" mean manufacture or import for commercial purpose.

(2) The terms "manufacturer" and "importer" include a person who proposes to manufacture or import a chemical substance.

FEDERAL LAWS

EXEMPTIONS AND RELATIONSHIP TO OTHER

Sec. 9. (a) Exemptions.—This Act shall not apply to—

(1) any pesticide (as defined in the Federal Insecticide, Fungicide, and Rodenticide Act) when manufactured or distributed in commerce for use as a pesticide; or

(2) drugs (as such term is defined in section 201(g) of the Federal Food, Drug, and Cosmetic Act) and food (as defined in section 201(f) of the Federal Food, Drug, and Cosmetic Act, including poultry and poultry products (as defined in section 4 (e) and (f) of the Poultry Products Inspection Act), meat and meat food products (as defined in section 1(j) of the Federal Meat Inspection Act) and egg and egg products (as defined in section 4 of the Egg Products Inspection Act)).

(b) Absence of Authority.—(1) The Administrator shall have no authority under section 6 and 7 of this Act to take action to prevent or reduce an unreasonable risk to health or the environment associated with the manufacture, processing, or distribution in commerce of a chemical substance or an article containing such substance—

(A) if the entirety of risk to human health and the environment associated with such substance or article is designed to be protected against under other Federal law not administered in whole or in part, by the Administrator; and

(B) if the entirety of such risk could be prevented or reduced to a sufficient extent by action taken under such other Federal law as determined by the Administrator.

(2) The Administrator shall coordinate actions taken under this Act with actions taken under other Federal law administered in whole or in part by the Administrator. He shall use the authorities contained in such Federal law to regulate chemical substances, unless he determines that a risk associated with a chemical substance would be more appropriately regulated under this Act.

(c) Notice.—If it appears to the Administrator that any chemical substance may pose an unreasonable risk to human health or the environment which could be prevented or reduced to a sufficient extent by actions taken under other Federal laws, he shall transmit, and give public notice thereof, any data received from manufacturers, importers, or processors, or data otherwise in his possession which is relevant to such risk to the Federal executive department or agency, independent regulatory agency or other authority of the Federal Government with authority to take legal action.

(d) Coordination.—In administering this Act, the Administrator shall consult and coordinate with the Secretary of Health, Education, and Welfare and the heads of any appropriate instrumentality of the Federal Government for the purpose of achieving the maximum enforcement of this Act while imposing the least burdens of duplication on those subject to the Act and for other purposes. The Administrator shall report annually to the Congress on actions taken to coordinate with such other Federal agencies, and on actions taken to coordinate the authority under this Act with the authority granted under other Acts referred to in subsection (b) of this section.

RESEARCH, COLLECTION, DISSEMINATION, AND UTILIZATION OF DATA

Sec. 10. (a) Authority.—The Administrator shall, in consultation and cooperation with the Secretary of Health, Education, and Welfare, and other agency or agencies, conduct such research and monitoring as is necessary to carry out the purposes of this Act. Responsibility for conduct of research shall be assigned to the Environmental Protection Agency, agencies of the Department of Health, Education, and Welfare, or such other agencies as would be appropriate, as determined by the Administrator and the Secretary of Health, Education, and Welfare. The Administrator, in consultation with the Secretary of Health, Education, and Welfare, is authorized to make contracts and grants for research and monitoring as necessary to carry out the purposes of this Act.

(b) Interagency Committee.—(1) The Administrator shall establish and be responsible for the continuing activities of an interagency committee which will design and coordinate an efficient and effective system, within the Environmental Protection Agency, for the collection, dissemination to other Federal agencies, and utilization of data submitted to the Environmental Protection Agency under the terms of this Act.

(2) The Administrator shall, in consultation with the Secretary of Health, Education, and Welfare and other appropriate agencies, design and coordinate an efficient and effective system for the retrieval of toxicological and other scientific data which could be useful to the Administrator in carrying out the purpose of this Act. Systematized retrieval shall be developed for use by all Federal and other agencies with responsibilities in the area of regulation or study of toxic substances, including chemicals, on the health of human beings or the environment.

(3) The Administrator, in consultation with the Secretary of Health, Education, and Welfare, is authorized to make grants and enter into contracts for the development of a data retrieval system described in paragraph (2).

ADMINISTRATIVE INSPECTIONS AND WARRANTS

Sec. 11. (a) General.—(1) For the purpose of inspecting, copying, and verifying the correctness of records, reports, or other documents required to be kept or made under this Act or for the purpose of otherwise facilitating the carrying out of his functions under this Act, the Administrator is authorized, in accordance with this section, to enter any factory, warehouse, or other premises in which chemical substances are manufactured, processed, stored, held, or maintained, including retail establishments, and to conduct administrative inspections thereof.

(2) Such entries and inspections shall be carried out through officers or employees (hereafter in this section referred to as "inspectors") designated by the Administrator. Any such inspector, upon stating his purpose and presenting to the owner, operator, or agent in charge of such premises (A) appropriate credentials and (B) his administrative inspection warrant or a written notice of his other inspection authority, shall have the right to enter such premises and conduct such inspection at reasonable times.

(3) Except when the owner, operator, or agent in charge of such premises so consents in writing, no inspection authorized by this section shall extend to—

(A) financial data;

(B) sales data other than shipments data;

(C) pricing data;

(D) personnel data;

(E) research data (other than data required by this Act); or

(F) process technology other than that related to chemical composition or the industrial use of a chemical substance.

(b) Warrant.—A warrant under this section shall not be required for entries and administrative inspections (including seizures of chemical substances or products containing chemical substances manufactured in violation of rules issued under this Act)—

(1) conducted with the consent of the owner, operator, or agent in charge of such premises; or

(2) in any situation where a warrant is not constitutionally required.

(c) Procedures for Issuance and Execution of Warrants.—Issuance and execution of administrative inspection warrants shall be as follows:

(1) Any judge of the United States or of a State court of record, or any United States magistrate, may, within his territorial jurisdiction, and upon proper oath or affirmation showing probable cause, issue warrants for the purpose of conducting administrative inspections authorized by this section, and seizures of property appropriate to such inspections. For the purposes of this subsection the term "probable cause" means a valid public interest in the effective enforcement of this Act or rules thereunder sufficient to justify administrative inspections of the area, premises, building, or contends thereof, in the circumstances specified in the application for the warrant.

(2) A warrant shall issue only upon an affidavit of an officer or employee having knowledge of the facts alleged, sworn to before the judge or magistrate, and establishing the grounds for issuing the warrant. If the judge or magistrate is satisfied that grounds for the application exist or that there is probable cause to believe they exist, he shall issue a warrant identifying the area, premises, or building to be inspected, the purpose of such inspection, and, where appropriate, the type of property to be inspected, if any. The warrant shall identify the items or types of property to be seized if any. The warrant shall be directed to a person authorized under subsection (a)(2) of this section to execute it. The warrant shall state the grounds for its issuance and the name of the person or persons whose affidavit has been taken in support thereof. It shall command the person to whom it is directed to inspect the area, premises, or building, identified for the purpose specified, and, where appropriate, shall direct the seizure of the property specified. The warrant shall direct that it be served during normal business hours. It shall designate the judge or magistrate to whom it shall be returned.

(3) A warrant issued pursuant to this section must be executed and returned within ten days of its date, unless, upon a showing by the United States of a need therefor, the judge or magistrate allows additional time in the warrant. If property is seized pursuant to a warrant, the person executing the warrant shall give to the person from whom or from whose premises the property was taken a copy of the warrant and a receipt for the property taken or shall leave the copy and receipt at the place from which the property was taken. The return of the warrant shall be made promptly and shall be accompanied by a written inventory of any property taken. The inventory shall be made in the presence of the person executing the warrant and of the person from whose possession or premises the property was taken, if they are present, or in the presence of at least one credible person other than the person making such inventory, and shall be verified by the person executing the warrant. The judge or magistrate, upon request, shall deliver a copy of the inventory to the person from whom or from whose premises the property was taken and to the applicant for the warrant.

(4) The judge or magistrate who has issued a warrant under this section shall attach to the warrant a copy of the return and all papers filed in connection therewith and shall file them with the clerk of the district court of the United States for the judicial district in which the inspection was made.

EXPORTS

Sec. 12. (a) General.—(1) This Act shall not apply to any chemical substance or article containing such substance if—

(A) it can be shown that such substance or article is manufactured, processed, sold, or held for sale for export from the United

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States (or that such chemical substance was imported for export), unless such chemical substance or article is, in fact, manufactured, processed, or distributed in commerce for use in the United States, and

(B) such chemical substance or article containing such substance when distributed in commerce, or any container in which it is enclosed when so distributed, bears a stamp or label stating that such chemical substance or article is intended for export.

(2) Any manufacturer, processor, or exporter of such chemical substance who but for paragraph (1) would be subject to section 8 shall be subject to the reporting requirements of section 8 of this Act. Paragraph (1) shall not apply to any chemical substance or article containing such substance if the Administrator finds that the chemical substance or article will, directly or indirectly, pose an unreasonable risk to health within the United States or to the environment of the United States. The Administrator may require testing under section 4 of a substance or article exempted from this Act by paragraph (1) to determine the risk to health within the United States or to the environment of the United States.

(b) Notice.—If submission of test data is required for a chemical substance under section 4 or 5 of this Act, or rules applicable to such substance or article containing such substance have been prescribed or proposed under section 5 or 6 of this Act, the Administrator, subject to section 14 of this Act, may furnish to the governments of the foreign nations to which such chemical substance is exported, or is intended to be exported, notice of the availability of the data submitted to the Administrator under section 4 or 5 concerning such chemical substance; and may make available to such government notice of any rule applicable to such substance or article containing such substance which has been prescribed or proposed by the Administrator under section 5 or 6 of this Act.

ENTRY INTO CUSTOMS TERRITORY OF THE UNITED STATES

Sec. 13. (a) General.—The Secretary of the Treasury shall refuse entry into the customs territory of the United States (as defined in general headnote 2 to the Tariff Schedules of the United States) of any chemical substance or article containing such substance offered for entry if it fails to conform with rules in effect under this Act, or if it is otherwise prohibited pursuant to this Act from being distributed in commerce. If a chemical substance or article is refused entry, the Secretary of the Treasury shall refuse delivery to the consignee and shall cause the disposal or storage of any substance or article refused delivery which has not been exported by the consignee within 3 months from the date of receipt of notice of such refusal under such regulations as the Secretary of the Treasury may prescribe, except that the Secretary of the Treasury may deliver to the consignee such substance or article pending examination and decision in the matter on execution of bond for the amount of the full invoice value of such substance or article, together with the duty thereon, and on refusal to return such substance or article for any cause to the custody of the Secretary of the Treasury, when demanded, for the purpose of excluding them from the country, or for any other purpose, such consignee shall forfeit the full amount of such bond. All charges for storage, cartage, and labor on substances or articles which are refused admission or delivery under this section shall be paid by the owner or consignee, and in default of such payment shall constitute a lien against any future entry made by such owner or consignee.

(b) Regulations.—The Secretary of the Treasury, after consultation with the Administrator, shall issue regulations for the enforcement of subsection (a) of this section.

CONFIDENTIALITY

Sec. 14. (a) General.—All information reported to or otherwise obtained by the Administrator or his representative under this Act, which information contains or relates to a trade secret or other matter referred to in section 1905 of title 18, United States Code, shall be considered confidential and shall not be disclosed, except that such information may be disclosed—

(1) to officers or employees of the United States, where necessary in the performance of their official duties, or

(2) when relevant in any proceeding under this Act, except that disclosure in such a proceeding shall preserve the confidentiality to the extent practicable without impairing the proceeding.

(b) Information for Congress.—Notwithstanding any limitation contained in subsection (a) or any other provision of law, all information reported to or otherwise obtained by the Administrator or his representative shall be made available upon request of any duly authorized committee of the Congress.

PROHIBITED ACTS

Sec. 15. It shall be unlawful for any person to—

(1) fail or refuse to comply with section 4, 5, or 6 of this Act or any rule or order prescribed under those sections.

(2) fail or refuse to comply with section 8 or any rule or order thereunder;

(3) fail or refuse to permit access to or copying of records, or fail or refuse to permit entry or inspection or take any other action as required under section 11 of this Act;

(4) fail or refuse to comply with instructions with respect to the use or disposal of a chemical substance where such instructions are required by rule prescribed under section 6(a)(3); or

(5) distribute in commerce or use for commercial purpose a chemical substance which such person knew or had reason to know was manufactured or distributed in commerce in violation of section 5 or 6.

PENALTIES

Sec. 16. (a) Civil.—Any person who violates a provision of section 15 of this Act shall be liable to the United States for a civil penalty. Each day of a continuing violation is a separate violation for purposes of this subsection. The amount of such civil penalty shall be assessed by the Administrator by written notice. In determining the amount of such penalty, the Administrator shall take into account the nature, circumstances, extent, and gravity of the violation or violations and, with respect to the violator, ability to pay, effect on ability to continue to do business, any history of prior such violations, the degree of culpability, and such other matters as justice may require. The amount of each penalty shall not exceed $25,000 for each such violation.

(2) Any person who is aggrieved by the assessment of a civil penalty under this subsection may appeal such decision of the Administrator by bringing a civil action against the Administrator, for rescission or modification of such penalty, in the district court of the United States for the District of Columbia or for any judicial district in which he resides or transacts business, within 30 days from the date on which he is notified of such decision by certified mail. In any such judicial proceeding, the factual findings of the Administrator shall be sustained if supported by substantial evidence on the record considered as a whole.

(3) The Administrator may, in his discretion, compromise, modify, or remit, with or without conditions, any civil penalty imposed or subject to imposition under this subsection. The amount of such penalty, when finally determined, or the amount agreed upon in compromise, may be deducted from any sums owing by the United States to the person charged.

(4) If any person fails to pay an assessment of a civil penalty after it has become a final and unappealable order, or after the appropriate court has entered final judgment in favor of the Administrator, the Attorney General shall recover the amount assessed (plus interest at currently prevailing rates from such date) in any appropriate district court of the United States. In such action, the validity, amount, and appropriateness of such penalty shall not be subject to review.

(b) Criminal.—Any person who knowingly or willfully violates any provision of section 15 shall, in addition to or in lieu of a civil penalty imposed under subsection (a) of this section, be liable, upon conviction, to a fine of not more than $25,000 for each day of violation, or to imprisonment for not more than one year, or both.

(c) Definition.—The term "knowingly" means (1) having actual knowledge, or (2) the presumed knowledge based upon knowledge a reasonable man would have in the circumstances, including knowledge obtainable upon the exercise of due care to ascertain the truth of representations.

SPECIFIC ENFORCEMENT

Sec. 17. (a) Injunctions.—Upon application by the Administrator or the Attorney General, the district courts of the United States shall have jurisdiction to restrain any act prohibited under section 15 of this Act or to compel the taking of any action required by this Act or any rule issued thereunder. In any action under this subsection, process may be served on a defendant in any other judicial district in which the defendant resides or may be found, and subpenas for witnesses may run into any other district.

(b) Relief Authorized.—The district court in which an action under subsection (a) of this section, or under section 7 of this Act, is filed may grant such temporary or permanent relief as may be necessary to protect health or the environment from an unreasonable risk associated with the substance or article involved in such action. Such relief may require (in the case of an action involving a substance which was distributed in commerce in violation of this Act) a mandatory order requiring (A) notification of such risk to those purchasers of such substance or article who are known to the defendant; (B) public notice; (C) recall; and (D) the replacement or refund of such substance or article. An order issued under this subsection may require any person who is a manufacturer, processor, or distributor in commerce of such substance or article to reimburse any other person for such other person's expenses in connection with carrying out the order, if the court determines such reimbursement to be in the public interest.

(2) An action under subsection (a) of this section, or under section 7 of this Act may be brought in the United States District Court for the District of Columbia or in the district court of the United States for any judicial district in which any of the defendants is found, resides, or transacts business. In any such action, process may be served on a defendant in any other district in which such defendant resides or may be found. Subpenas requiring attendance of witnesses in such an action may run into any other judicial district.

(c) Seizure.—Any chemical substance or article containing such substance which was manufactured or distributed in commerce in violation of this Act, or which is the subject of an action under section 7 of this Act, shall be liable to be proceeded against, by process of libel for the seizure and condemnation of such substance or such article

in any United States district court within the jurisdiction of which such substance or article is found. Such proceedings shall conform as nearly as possible to proceedings in rem in admiralty.

COOPERATION OF FEDERAL AGENCIES

Sec. 18. Upon request by the Administrator, each Federal agency is authorized—

(1) to make its services, personnel, and facilities available (with or without reimbursement) to the Administrator to assist him in the performance of his function; and

(2) to furnish to the Administrator such information, data, estimates, and statistics, and to allow the Administrator access to all information in its possession as the Administrator may reasonably determine to be necessary for the performance of his functions as provided by this Act.

STATE REGULATION

Sec. 19. (a) Effect on State Law.—Nothing in this Act shall affect the authority of any State or local government to regulate any chemical substance, or to establish and enforce standards for test protocols for chemical substances to protect health or the environment, except that—

(1) if the Administrator prescribes a rule under section 6 of this Act applicable to a chemical substance, a State or local government may not, after the effective date of such rule, establish or continue to enforce any different restriction of its own on the manufacture, processing, or distribution in commerce of such substance for purposes similar to those set forth in such rule, other than a total prohibition on the use or distribution of such substance within the territorial jurisdiction of such government; and

(2) if the Administrator prescribes a rule under section 4 of this Act applicable to a chemical substance, a State or local government may not, after the effective date of such rule impose requirements of its own applicable to such substance for purposes similar to those set forth in a rule under section 4 of this Act.

(b) Exemption.—The Administrator may, by rule, upon the petition of any State or local government or upon his own initiative, exempt any State or local government from a prohibition in subsection (a) of this section with respect to a chemical substance, if such exemption will not, through difficulties in marketing, distribution, or other factors, result in placing an unreasonable burden upon commerce or lessen the protection accorded human health and the environment.

JUDICIAL REVIEW

Sec. 20. (a) General.—Not later than 60 days following the promulgation of a rule under section 4, 5, or 6 of this Act, any person adversely affected by such rule, may file a petition for judicial review of such rule with the United States Court of Appeals for the District of Columbia, or for the circuit in which such person resides or has his principal place of business. Copies of the petition shall be forthwith transmitted by the clerk of such court to the Administrator and to the Attorney General. The Administrator shall transmit to the Attorney General, who shall file in the court, the record of the proceedings on which the Administrator based his rule as provided in section 2112 of title 28, United States Code, and shall include the transcript of any oral presentation of data, views, or arguments required under the applicable provision of this Act. For purposes of this section, the term "record" means such rule; any transcript required of any oral presentation; any written submission of interested parties; and any other information which the Administrator considers relevant to such rule.

(b) Additional Data.—If the petitioner applies to the court for leave to adduce additional data, views, or arguments, and shows to the satisfaction of the court that such additional data, views, or arguments are material and that there are reasonable grounds for the petitioner's failure to adduce such data, views, or arguments in the proceeding before the Administrator, the court may order the Administrator to provide additional opportunity for oral presentation of data, views, or arguments and for written submissions. The Administrator may modify his findings, or make new findings by reason of the additional data, views, or arguments so taken and shall file such modied or new findings, and his recommendation, if any, for the modification or setting aside of his original rule, with the return of such additional data, views, or arguments.

(c) Authority and Review Standard.—(1) Upon the filing of a petition under subsection (a), the court shall have jurisdiction (i) to review the rule involved, in accordance with chapter 7 of title 5, United States Code, and (ii) to grant appropriate relief, including interim relief, as provided in such chapter. Any rule promulgated by the Administrator under section 4, 5, or 6 of this Act and reviewed under this section shall be affirmed, unless the findings required to be made under the applicable section are not supported by substantial evidence on the record as required to be developed in this Act.

(2) The judgment of the court affirming or setting aside, in whole or in part, any rule reviewed in accordance with this section shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification, as provided in section 1254 of title 28, the United States Code.

(d) Other Remedies.—The remedies provided in this section shall be in addition to and not in lieu of any other remedies provided by law.

CITIZEN'S CIVIL ACTION

Sec. 21. (a) General.—Except as provided in subsection (b), any interested person may commence a civil action for injunctive relief on his own behalf—

(1) against any person (including (A) the United States, and (B) any other governmental instrumentality or agency to the extent permitted by the eleventh amendment to the Constitution) who is alleged to be in violation of any rule, order, or restriction prescribed under section 4, 5, or 6 of this Act, or

(2) against the Administrator where there is alleged a failure of the Administrator to perform any act or duty under this Act which is not discretionary and a likelihood as determined by the court that such allegation can be supported by a preponderance of the evidence in the judicial proceeding.

Any action under paragraph (1) shall be brought in the district court of the United States for the district in which the alleged violation occurred. Any action brought under paragraph (2) shall be brought in such district court for the District of Columbia, or in such district court for the judicial district in which the plaintiff is domiciled. The district courts shall have jursdiction over suits brought under this section, without regard to the amount in controversy or the citizenship of the parties.

(b) Limitation.—No civil action may be commenced—

(1) under subsection (a)(1)—

(A) prior to 60 days after the plaintiff has given notice of the violation (i) to the Administrator, and (ii) to any alleged violator of the rule, or

(B) if the Administrator (or Attorney General on his behalf) has commenced and is diligently prosecuting a civil action in a court of the United States to require compliance with the rule, but if such action is commenced after the giving of notice any such person giving such notice may intervene as a matter of right in such action; or

(2) under subsection (a)(2) prior to 60 days after the plaintiff has given notice of such action to the Administrator, except that such action may be brought 10 days after such notification in the case of an action under this section for the failure of the Administrator to act under section 7 of this Act.

Notice under this subsection shall be given in such manner as the Administrator shall prescribe by rule.

(c) General.—(1) In any action under this section, the Administrator, if not a party, may intervene as a matter of right.

(2) The court, in issuing any final order in any action brought pursuant to subsection (a), may award reasonable fees for attorneys and expert witneses, whenever the court determines that such an award is appropriate.

(3) Nothing in this section shall restrict any right which any person (or class of persons) may have under any statute or common law to seek enforcement of any rule or order or to seek any other relief.

(4) For purposes of this section, the term "person" means an individual, corporation, partnership, association, State, municipality, or political subdivision of a State.

(d) Consolidation.—When actions brought under subsection (a)(1) involving the same defendant and the same issues or violations are pending in two or more jurisdictions, such pending proceedings, upon application of the defendant reasonably made to the court of one such jurisdiction, may, if the court in its discretion so decides, be consolidated for trial by order of such court, and tried in (1) any district selected by the defendant where one of such proceedings is pending; or (2) a district agreed upon by stipulation between the parties. If no order for consolidation is so made within a reasonable time, the defendant may apply to the court of one such jurisdiction, and such court (after giving all parties reasonable notice and opportunity to be heard) may by order, unless good cause to the contrary is shown, specify a district of reasonable proximity to the applicant's principal place of business, in which all such pending proceedings shall be consolidated for trial and tried. Such order of consolidation shall not apply so as to require the removal of any case the date for trial of which has been fixed. The court granting such order shall give prompt notification thereof to the other courts having jurisdiction of the cases covered thereby.

CITIZENS' PETITIONS

Sec. 22. (a) General.—Any interested person may petition the Administrator to issue a rule under section 4 prescribing criteria for data development or under section 5 requiring premarket notification for a chemical substance.

(b) Procedures.—(1) Such petition shall be filed in the principal office of the Administrator and shall set forth facts which it is claimed establish that a rule under section 4 or 5 is necessary.

(2) The Administrator may hold a public hearing or may conduct such investigation or proceeding as he deems appropriate in order to determine whether or not such petition should be granted.

(3) Within 120 days after filing of a petition described in paragraph (1) the Administrator shall either grant or deny the petition. If the Administrator grants such petition, he shall promptly commence an appropriate proceeding under section 4 or 5. If the Administrator denies such petition, he shall publish in the Federal Register his reasons for such denial.

(4)(A) If the Administrator denies a petition filed under this section (of if he fails to grant or deny such petition within the 120-day period), the petitioner may commence a civil action in a United States district court to compel the Administrator to initiate a rulemaking proceeding to take the action requested. Any such action shall be filed within 60 days after the Administrator's denial of the petition or (if the Administrator fails to grant or deny the petition within 120-days after filing the petition) within 60 days after the expiration of the 120-day period.

(B) If the petitioner can demonstrate to the satisfaction of the court, by a preponderance of the evidence in a de novo proceeding before such court, that the chemical substance presents an unreasonable risk to health or the environment, the court shall order the Commission to initiate the action requested by the petitioner.

(5) The remedies under this section shall be in addition to, and not in lieu of, other remedies provided by law.

NATIONAL DEFENSE WAIVER

Sec. 23. The Administrator shall waive compliance with any provision of this Act upon request of the Secretary of Defense, and upon a determination by the President that the requested waiver is necessary in the interest of national defense. The Administrator shall maintain a written record of the basis upon which such waiver was granted and make such record available for in camera examination when relevant in a judicial proceeding under this Act. Upon the issuance of such a waiver, the Administrator shall publish in the Federal Register a notice that the waiver was granted for national defense purposes, unless, upon the request of the Secretary of Defense, the Administrator determines to omit such publication because the publication itself would be contrary to the interests of national defense, in which event the Administrator shall submit notice thereof to the Armed Services Committees of the Senate and the House of Representatives.

EMPLOYEE PROTECTION

Sec. 24. (a) General.—No employer may discharge any employee or otherwise discriminate against any employee with respect to his compensation, terms, conditions, or privileges of employment because the employee (or any person acting pursuant to a request of the employee) has—

(1) commenced, caused to be commenced, or is about to commence or cause to be commenced a proceeding under this Act;

(2) testified or is about to testify in any such proceeding; or

(3) assisted or participated or is about to assist or participate in any manner in such a proceeding or in any other action to carry out the purposes of this Act.

(b) Remedy.—(1) Any employee who believes that he has been discharged or otherwise discriminated against by any person in violation of subsection (a) of this section may, within 30 days after such alleged violation occurs, file (or have any person file on his behalf) a complaint with the Secretary of Labor (hereinafter in this section referred to as the "Secretary") alleging such discharge or discrimination. Upon receipt of such a complaint, the Secretary shall notify the person named in the complaint of the filing of the complaint.

(2)(A) Upon receipt of a complaint filed under paragraph (1), the Secretary shall conduct an investigation of the violation alleged in the complaint. Within 30 days of the receipt of such complaint, the Secretary shall complete such investigation and shall notify in writing the complainant (and any person acting in his behalf) and the person alleged to have committed such violation of the results of the investigation conducted pursuant to this paragraph. Within 90 days of the receipt of such complaint the Secretary shall, unless the proceeding on the complaint is terminated by the Secretary on the basis of a settlement entered into by the Secretary and the person alleged to have committed such violation, issue an order either providing the relief prescribed by subparagraph (B) or denying the complaint. An order of the Secretary shall be made on the record after notice and opportunity for agency hearing. The Secretary may not enter into a settlement terminating a proceeding on a complaint without the participation and consent of the complainant.

(B) If in response to a complaint filed under paragraph (1) the Secretary determines that a violation of subsection (a) of this section has occurred, the Secretary shall order (i) the person who committed such violation to take affirmative action to abate the violation, (ii) such person to reinstate the complainant to his former position together with the compensation (including back pay), terms, conditions, and privileges of his employment, (iii) compensatory damages, and (iv) where appropriate, exemplary damages. If such an order is issued, the Secretary, at the request of the complainant, shall assess against the person against whom the order is issued a sum equal to the aggregate amount of all costs and expenses (including attorney's fees) reasonably incurred, as determined by the Secretary, by the complainant for, or in connection with, the bringing of the complaint upon which the order was issued.

(c) Review.—(1) Any person adversely affected or aggrieved by an order issued under subsection (b) may obtain review of the order in the United States Court of Appeals for the circuit in which the violation, with respect to which the order was issued, allegedly occurred. The petition for review must be filed within 60 days from the issuance of the Secretary's order. Review shall conform to chapter 7 of title 5 of the United States Code.

(2) An order of the Secretary, with respect to which review could have been obtained under paragraph (1), shall not be subject to judicial review in any criminal or other civil proceeding.

(d) Enforcement.—(1) Whenever a person has failed to comply with an order issued under subsection (b)(2), the Secretary shall file a civil action in the United States district court for the district in which the violation was found to occur to enforce such order. In actions brought under this subsection, the district courts shall have jurisdiction to grant all appropriate relief including, but not limited to, injunctive relief, compensatory, and exemplary damages. Civil actions filed under this subsection shall be heard and decided expeditiously.

(2) Any nondiscretionary duty imposed by this section is enforceable in mandamus proceeding brought under section 1361 of title 28, United States Code.

(e) Exclusion.—Subsection (a) of this section shall not apply with respect to any employee who, acting without direction from his employer (or the employer's agent), deliberately causes a violation of any requirement of this Act.

STUDY

Sec. 25. The General Accounting Office shall conduct a study of all Federal laws administered by the Environmental Protection Agency for the purpose of determining whether and under what conditions, if any, indemnification should be accorded any person as a result of any action taken by the Administrator under any law administered by such agency. The study shall—

(1) include an estimate of the probable cost of any indemnification programs which may be recommended;

(2) include an examination of all viable means of financing the cost of any recommended indemnification; and

(3) be completed no less than two years from the date of enactment of this Act.

AUTHORIZATION FOR APPROPRIATIONS

Sec. 26. (a) General.—There is authorized to be appropriated to the Administrator, for purposes of carrying out this Act, not to exceed $11,100,000 for the fiscal year ending June 30, 1976, not to exceed $2,600,000 for the transitional quarter ending September 30, 1976, and not to exceed $10,100,000 for the fiscal year ending September 30, 1977. No part of the funds so authorized to be appropriated shall be used to construct any research laboratories.

(b) Fees.—The Administrator may, by rule, require the payment of a reasonable fee from any person required to submit test data under sections 4 and 5 of this Act to defray the cost of administering this Act. Such rules shall not provide for any fee in excess of $2,500. In setting such a fee, the Administrator shall take into account the ability to pay of the person required to submit the data and the cost of the Administrator of reviewing such data. Such rules may provide for sharing such a fee, in any case in which the expenses of testing are shared under section 4(c) of this Act.

(c) Budget Requests.—Whenever the Administrator submits, in connection with this Act, any budget requests, supplemental budget estimates, legislative recommendations, prepared testimony for congressional hearings, or comments on legislation to the President or to the Office of Management and Budget, he shall concurrently transmit a copy thereof to the Congress. No officer or agency of the United States shall have any authority to require the Administrator to submit budget requests or estimates, legislative recommendations, prepared testimony for congressional hearings, or comments on legislation relating to this Act to any officer or agency of the United States for approval, comments, or review, prior to the submission of such recommendations, testimony, or comments to the Congress.

BOWING TO THE SHAH

(Mr. MOSS asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. MOSS. Mr. Speaker, Joseph Kraft in an article entitled, "Bowing to the Shah," which appeared in the Washington Post on May 20, 1975, pointed out the apparent lack of meaningful effort on the part of our leaders to discourage the accelerated gouging of the American consumers of petroleum by OPEC member nations.

I commend it to my colleagues for their consideration. The article follows:

BOWING TO THE SHAH

(By Joseph Kraft)

"Strong, cautious, tolerant but firm" is the way President Ford characterized American policy in the Mayaguez affair. But even as the rescue was unfolding, the administration was showing in a far more important test of foreign policy, that it can also be weak, imprudent, prejudiced and jittery.

The test was the visit of the Shah of Iran. At stake was the price of oil—an issue central to the whole range of economic questions that increasingly dominate international affairs.

To understand what happened, it is necessary to think back to last fall and winter when the oil-producing countries grouped in the OPEC cartel announced their latest price rises. At that time the administration seethed with righteous indignation.

President Ford suggested that food exports would be manipulated in retaliation. Secretary Kissinger deliberately left open the possibility the U.S. would resort to force. Secretary of the Treasury William Simon said that when it came to the price of oil, the Shah was a "nut."

Last week, when the Shah came to Washington, it was payoff time for all the rhetoric. Since he dominates all policy

decisions in his own country, the Shah is one of the very few individuals who can do something about the price of oil.

He is a strategic figure in OPEC, for Iran is the second-largest oil exporter in the world. Officials in Saudi Arabia, which is the biggest exporter, have repeatedly indicated they would go along with any price break the Shah accepted.

Most important of all, the Shah is now extremely sensitive to American pressures. He has embarked Iran on a vast program of economic and military expansion that is heavily dependent on American products, American expertise and American money, which he will soon have to be borrowing again.

But you never would have known it judging by what happened here last week. The Shah was feted in a well-nigh shameless way by the President, the Vice President and the Secretary of State.

I asked the Shah during a brief chat whether the price of oil had been mentioned in his official discussions. "Only casually," he said. I then asked whether he believed that the United States was prepared to live with the present price. "Not only live with the price," he said, "but accept further increases."

The message that the Shah received from the bowing-down of American officials is the message the whole world will get. Japanese and European suspicions that Washington is not serious in its talk of breaking the price of oil are now confirmed. These allies will be much less ready to cooperate with Washington on joint schemes for aligning the oil consumers against the oil producers.

The producers, having gotten away with the last set of price hikes, can hardly resist another increase when the present freeze ends in September. Presumably there will be an early reconvening of the Paris meeting of oil consuming and producing nations which broke up in confusion last month. But the dramatic show of American weakness last week is going to tempt all the other producers—of copper, coffee, tin, sugar, bauxite, etc.—to follow the OPEC lead. The oil producers are apt to back them.

The lesson of all this is not that the United States is all wrong now. There was never a strong chance to break the oil price by public pressure, so negotiations within the context of a producer-consumer meeting always seemed the right way to proceed. It is good that the United States has finally accepted these facts and come off the harsh rhetoric.

But the United States and its allies need to stick together in a relatively strong position at the consumer-producer conference. They need to split the more moderate producers, notably Saudi Arabia, off from those who want to tilt the whole economic system toward the so-called third world. That possibility has been gravely compromised by the climb-down of last week from the exaggerated rhetoric of last fall.

What the up and downs suggest is that the United States has no foreign economic policy. Positions are taken as a result of haggling among the White House, the State Department and the Treasury. The result is an appearance of jitteriness which will continue as long as the President depends so heavily on a Secretary of State whose basic feeling about economic problems is that they should go away.

THE TOASTING AND THE BOASTING

(Mr. MOSS asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. MOSS. Mr. Speaker, I want to bring to the attention of my colleagues a column appearing in the Washington Star on May 20, 1975, by the Pulitzer Prize winning columnist, Mary McGrory. The article, in my opinion, deserves the closest attention of my colleagues in the House. It is a carefully thought out discussion of the recent *Mayaguez* incident, and in my judgment, goes to the heart of the problems it represented and the problems continuing to exist in the attitude of this Nation's top leadership in the executive departments of Government.

The article, "The Toasting and the Boasting," follows:

THE TOASTING AND THE BOASTING

(By Mary McGrory)

Before any more champagne is uncorked, it might be well to stop and consider that we are celebrating in the rescue of the Mayaguez, a notion as false as the first casualty reports to come out of the affair.

The toasting and the boasting is over the ludicrous assumption that the United States is for the first time, finally and at last, resorting to force in its dealings with Cambodia.

Actually, from 1969, we have communicated with that wretched country solely through high explosives dropped from the sky. We have shown them nothing but muscle. The seizure of the Mayaguez presented what appears to have been a welcome opportunity to show it again.

Richard Nixon, whose spirit still dominates the foreign-policy thinking at the White House, began his vigorous search for "a generation of peace" by instituting a secret bombing campaign against Cambodia. When the falsified reports were finally translated in Congress, it turned out that B52s had carried out 3,650 bombing raids over Cambodia while Richard Nixon was protesting his respect for Cambodia's neutrality.

In 1971, of course, still bent on peaceful solutions, we invaded Cambodia. Between 1969 and 1973, when Congress passed a resolution stopping all such activity, we had dropped 250,000 tons of bombs on Cambodia.

With that history, when the Mayaguez was captured, no one in this government had reason to believe that the Cambodians would treat the ship's crew kindly. As a matter of fact, they did, but we did not learn this until we had sent in the Marines—to the wrong island, as it happened—and until after, for good measure, we had dropped a superbomb on the mainland—to prevent a counter attack that seemed likely only in the lurid imaginations of the crisis-managers.

The Cambodians have been dealing harshly with their own people. They have taken victory badly. But giddy and furious as they were, they were hardly ready to go to war with the United States over a ship sailing in contested waters.

Still, little effort was made to find out what they had in mind. Diplomacy was given a perfunctory run-through before the usual action for that part of the world—hasty, stealthy and violent—was decided on.

They may have been goaded by their own recent rhetoric in which they had compared the defeat in Vietnam almost to the fall of Rome. They may have seen a chance to smash the Cambodians and dazzle the right-wing in one "surgical" stroke. They accomplished both, at a cost still not known. The casualty list has fluctuated from one killed to five dead; from 22 wounded to 70 to 49.

The affair was supposed to restore American "credibility" in the world. It may return it to its old tarnished state in the country. Secretary of Defense James Schlesinger, when confronted with the discrepancies, spoke of the "reassessment" of the casualties. Usually, they are simply counted. Inevitably the question arises whether an accurate count was withheld lest it cloud the victory celebration.

Were the tense councils—carefully snapped by the White House photographers at all great moments—moved by memories of the Cuban Missile Crisis, those 13 days in October 1962, which added many cubits to John Kennedy's stature with the public?

If so, there is one striking difference. On the 11th day, the White House received a conciliatory message from Krushchev; on the 12th, a bellicose one. Robert Kennedy decided to answer the first, ignore the second.

But Henry Kissinger, it is reliably reported, had a message handed to him through a shower curtain at the White House on Wednesday night announcing the Cambodians would give up the ship.

Instead of seizing on this good news, he was quick to note that the Cambodians had not mentioned the crew. The marine assault had in any case begun and could not be called off. Apparently, the idea of cancelling the punitive, post-rescue bombing raid on the mainland never crossed anybody's mind.

For suggesting that "we did not even bother to give the negotiation process a fair trial." Sen. Gaylord Nelson, D-Wis., one of the few who declined to raise a glass to the affair, was berated by his constituency. "Yellow-bellied" and "idiotic" were among the gentler epithets hurled at him for suggesting we might have learned something from a brutal decade of futile force.

The one novel aspect of the whole situation is that unnumbered Americans were killed or wounded over an episode that is common in international life—the seizure of an American ship in foreign waters.

Ecuador, for instance, last March, seized a U.S. fishing vessel, looted it and beat up the crew members. Yet we did not bomb Quito. The Ecuadorians had never resisted our efforts to "help" them. We never invaded them, and they never drove us out and gave us the indelible picture of an American capital with the Stars and Stripes wrapped in plastic under his arm.

The most depressing aspect to the noncelebrants is the realization that what the Ford administration learned from Vietnam can be summed up in three words: Do it again.

RECESS

The SPEAKER. Under an order previously given the Chair, the Chair declares a recess subject to the call of the Chair.

Accordingly (at 3 o'clock and 37 minutes p.m.), the House stood in recess subject to the call of the Chair.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 5 o'clock and 25 minutes p.m.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Don H. Clausen (at the request of Mr. Rhodes), for today, on account of official business.

Mr. Derwinski (at the request of Mr. Rhodes), for June 2, on account of official business.

Mr. Corman, for today, after 5 p.m., on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

UMI

Mr. Hechler of West Virginia, for 15 minutes, today.

(The following Members (at the request of Mr. Schulze), to revise and extend their remarks, and to include extraneous matter:)

Mr. Cleveland, for 5 minutes, today.
Mr. Bauman, for 5 minutes, today.
Mr. Whalen, for 5 minutes, today.
Mr. Ashbrook, for 15 minutes, today.

(The following Members (at the request of Mr. Ottinger) to revise and extend their remarks and include extraneous material:)

Mr. Wolff, for 10 minutes, today.
Mr. Gonzalez, for 5 minutes, today.
Mr. Drinan, for 10 minutes, today.
Mr. James V. Stanton, for 60 minutes, today.
Mr. Matsunaga, for 5 minutes, today.
Mr. Hamilton, for 5 minutes, today.
Mr. Fraser, for 5 minutes, today.
Mr. St Germain, for 5 minutes, today.
Mr. Flood, for 5 minutes, today.
Mr. Vigorito, for 5 minutes, today.
Mr. Koch, for 15 minutes, today.
Mr. Ford of Tennessee, for 10 minutes, today.
Mr. Rosenthal, for 5 minutes, today.
Mr. Vanik, for 5 minutes, today.
Mr. Mezvinsky, for 15 minutes, today.
Mr. Long of Louisiana, for 5 minutes, today.
Mr. Minish, for 10 minutes, today.
Mr. Stokes, for 15 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Eckhardt to include copy of substitute introduced yesterday, notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $2,016.

Mr. Brown of Michigan to revise and extend his remarks immediately preceding the vote on the conference report.

Mr. Oberstar, to revise and extend his remarks immediately following amendment No. 20.

Mr. Hagedorn, his remarks prior to vote on amendment No. 107.

Mr. Miller of Ohio, his remarks prior to vote on conference report on 5899.

Mr. Zablocki in three instances.

Mr. James V. Stanton and to include extraneous matter notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $834.

(The following Members (at the request of Mr. Schulze), and to include extraneous matter:)

Mr. Archer.
Mr. Sarasin in two instances.
Mr. Whitehurst.
Mr. Conte.
Mr. Symms in two instances.
Mr. Ashbrook in four instances.
Mr. Derwinski in two instances.
Mr. Gilman.
Mr. Steiger of Arizona.
Mrs. Holt.
Mr. Hansen.
Mr. Michel.
Mr. McClory.
Mr. Cohen in two instances.
Mr. Crane in two instances.
Mr. Frenzel in three instances.
Mr. Wampler in two instances.
Mr. Broyhill.
Mr. Conable.
Mr. Johnson of Colorado.
Mr. McDade.
Mr. Kasten in two instances.
Mr. Hammerschmidt.

(The following Members (at the request of Mr. Ottinger) and to include extraneous matter:)

Mr. Gonzalez in three instances.
Mr. Anderson of California in three instances.
Mr. Rodino in two instances.
Mr. Dellums in seven instances.
Mr. Wirth in three instances.
Mr. Helstoski.
Mr. McDonald of Georgia in five instances.
Mr. Corman in two instances.
Mr. Minish in five instances.
Mr. Waxman in three instances.
Mr. Fithian in two instances.
Mr. Brinkley.
Mr. Carney.
Mr. Rees in two instances.
Mr. Bingham.
Mr. Fraser in two instances.
Mr. Wolff.
Mr. Harris in two instances.
Mr. Evins of Tennessee in two instances.
Mr. Studds.
Mr. Dent in two instances.
Mr. Biaggi.
Mr. Dodd in two instances.
Mr. John L. Burton.
Mr. James V. Stanton.
Mr. Nix in two instances.
Mr. Mikva.
Mr. Dingell in three instances.
Mr. Diggs in four instances.
Mr. Hannaford.
Mr. Drinan.
Mr. Early.
Mr. Rosenthal in 10 instances.
Mr. Gaydos in five instances.
Mr. Vanik.
Mrs. Chisholm.
Mr. Brademas in six instances.
Mr. Koch.
Mr. Breckinridge.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 217. An act to repeal the Act of May 10, 1926 (44 Stat. 498) relating to the condemnation of certain lands of the Pueblo Indians in the State of New Mexico; to the Committee on Interior and Insular Affairs.

S. 288. An act to amend the Land and Water Conservation Fund Act of 1965 so as to authorize the development of indoor recreation facilities in certain areas; to the Committee on Interior and Insular Affairs.

S. 522. An act to implement the Federal responsibility for the care and education of the Indian people by improving the services and facilities of Federal Indian health programs and encouraging maximum participation of Indians in such programs, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 557. An act to declare that certain land of the United States is held by the United States in trust for the pueblo of Laguna; to the Committee on Interior and Insular Affairs.

S. 1123. An act to provide for a study of the Indian Nations Trail; to the Committee on Interior and Insular Affairs.

S. 1767. An act to amend section 2004 of title 10, United States Code, to provide that in computing the six-year maximum active duty service of any member of the armed forces for purposes of qualifying for being detailed as a student to a law school, any period of time such member was a prisoner of war shall be disregarded; to the Committee on Armed Services.

BILL PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 6755. An act to enable the United States to render assistance to, or in behalf of, certain migrants and refugees.

CALL OF THE HOUSE

Mr. GONZALEZ. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 246]

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Ashbrook
Bafalis
Baldus
Barrett
Baucus
Beard, R.I.
Beard, Tenn.
Bell
Bevill
Biaggi
Biester
Bingham
Blanchard
Boggs
Boland
Bolling
Bonker
Bowen
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Broyhill
Burgener
Burke, Calif.
Burlison, Mo.
Burton, Phillip
Byron
Carney
Casey
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Conlan
Conyers
Corman
Cotter
D'Amours
Daniel, R. W.
Daniels, N.J.
Delaney
Dent
Devine
Diggs
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
du Pont
Eckhardt
Edgar
Edwards, Calif.
Erlenborn
Eshleman
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Fish
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Tenn.
Frey
Fulton
Fuqua
Gaydos
Goldwater
Gradison
Hagedorn
Hanley
Hannaford
Harkin
Harrington
Harsha
Hawkins
Hays, Ohio
Hébert
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Hinshaw
Holt
Holtzman
Horton
Howard
Hubbard
Hughes
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Colo.
Johnson, Pa.
Jones, Okla.
Karth
Ketchum
Keys
Koch
Krebs
Krueger
Lagomarsino
Landrum
Latta
Lehman
Lent
Levitas
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McDade
Madigan
Maguire
Mathis
Melcher
Metcalfe

Mezvinsky
Michel
Milford
Miller, Calif.
Mills
Mink
Mollohan
Moore
Mottl
Murtha
Neal
Nichols
Nix
Nolan
O'Hara
Patman, Tex.
Patten, N.J.
Pattison, N.Y.
Perkins
Pettis
Peyser
Pickle
Poage
Pressler
Price
Pritchard
Quillen
Railsback
Rangel
Reuss
Richmond
Riegle
Risenhoover
Roberts
Roe
Rogers
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Runnels
Russo
Ryan
St Germain
Santini
Sarasin
Scheuer
Schneebeli
Schroeder
Shipley
Shriver
Sikes
Sisk
Slack
Smith, Nebr.
Solarz
Staggers
Stanton, J. William
Stanton, James V.
Steed
Stephens
Sullivan
Symms
Talcott
Teague
Traxler
Tsongas
Udall
Van Deerlin
Waggonner
Walsh
Waxman
Weaver
Whitehurst
Wilson, Bob
Wilson, C. H.
Wirth
Wolff
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Zeferetti

The SPEAKER. On this rollcall 202 Members have answered to their names, not a quorum.

ADJOURNMENT

Mr. O'NEILL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 5 minutes p.m.), pursuant to the provisions of the Senate concurrent resolution (S. Con. Res. 42), 94th Congress, 1st session, the House adjourned until Monday, June 2, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1098. A letter from the Deputy Under Secretary of Agriculture, transmitting a draft of proposed legislation to amend section 602 of the Agricultural Act of 1954; to the Committee on Agriculture.

1099. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken for the Air National Guard, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

1100. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting an interim report on the activities of the Corporation during 1974; to the Committee on Banking, Currency and Housing.

1101. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed regulations relating to the eligibility of part-time students and other administrative matters under the basic educational opportunity grant program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

1102. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to designate the Alpine Lakes Wilderness, Mt. Baker-Snoqualmie and Wenatchee National Forests, in the State of Washington; to the Committee on Interior and Insular Affairs.

1103. A letter from the Director, U.S. Water Resources Council, transmitting a report on the comprehensive basin study of the water and related land resources of the Big Black River; to the Committee on Interior and Insular Affairs.

1104. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on the programing and obligation of international narcotics control funds during the quarter ended March 31, 1975, pursuant to section 481 of the Foreign Assistance Act of 1961 [22 U.S.C. 2291(b)(1)]; to the Committe on International Relations.

1105. A letter from the President, National Safety Council, transmitting a report on the audit of the financial transactions of the Council for 1974, pursuant to section 3 of Public Law 88-504; to the Committee on the Judiciary.

1106. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report on NASA's plans to dispose of certain land at the Ames Research Center, Moffett Field, Calif., pursuant to section 207 of the National Aeronautics and Space Act of 1958, as amended [42 U.S.C. 2476a]; to the Committee on Science and Technology.

1107. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to authorize the Treasury to invest for cash management purposes; to the Committee on Ways and Means.

Received From the Comptroller General

1108. A letter from the Comptroller General of the United States, transmitting his review of the proposed rescission and deferral of budget authority and the supplementary report revising a previously reported deferral contained in the message from the President dated May 8, 1975. H. Doc. No. 94-139), pursuant to subsections 1014(b) and (c) of Public Law 93-344 (H. Doc. No. 94-165); to the Committee on Appropriations and ordered to be printed.

1109. A letter from the Comptroller General of the United States, transmitting a report on the justification and role of the military commissary store in today's military environment; jointly to the Committees on Government Operations, and Armed Services.

1110. A letter from the Comptroller General of the United States, transmitting a report on efforts by the Energy Research and Development Administration and the Nuclear Regulatory Commission to control the radiation hazard from uranium mill tailings; jointly, to the Committee on Government Operations, and the Joint Committee on Atomic Energy.

1111. A letter from the Comptroller General of the United States, transmitting a report on the cost and schedule estimates for the Nation's first liquid metal fast breeder reactor demonstration powerplant; jointly, to the Committee on Government Operations, and the Joint Committee on Atomic Energy.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 5358. A bill to amend the Federal Railroad Safety Act of 1970 and the Hazardous Materials Transportation Act to authorize additional appropriations, and for other purposes; with amendment (Rept. No. 94-240). Referred to the Committee of the Whole House on the State of the Union.

Mr. HENDERSON: Committee on Post Office and Civil Service. H.R. 508. A bill to amend title 5, United States Code, to authorize civilians employed by the Department of Defense to administer oaths while conducting official investigations (Rept. No. 94-241). Referred to the Committee of the Whole House on the State of the Union.

Mr. CLAY: Committee on Post Office and Civil Service. H.R. 4415. A bill to amend the Intergovernmental Personnel Act of 1970 to provide for effective means to improve personnel administration in State and local governments; to correct certain inequities in the law; and to extend coverage under the law to the Trust Territory of the Pacific Islands; with amendment (Rept. No. 94-242). Referred to the Committee of the Whole House on the State of the Union.

Mr. HANLEY: Committee on Post Office and Civil Service. H.R. 5774. A bill to amend section 1006 of title 39, United States Code, relating to the eligibility of U.S. Postal Service employees for transfer to other positions in the executive branch, and for other purposes; with amendment (Rept. No. 94-243). Referred to the Committee of the Whole House on the State of the Union.

Mr. BERGLAND: Committee of conference. Conference report on S. 1236 (Rept. No. 94-244). Ordered to be printed.

Mr. REUSS: Committee of conference. Conference report on H.R. 4485 (Rept. No. 94-246). Ordered to be printed.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. STAGGERS: Committee on Interstate and Foreign Committee. H.R. 6461. A bill to amend certain provisions of the Communications Act of 1934 to provide long-term financing for the Corporation for Public Broadcasting and for other purposes; with amendment; referred to the Committee on Appropriations for a period ending not later than July 22, 1975 for consideration of such provisions of the bill as fall within the jurisdiction of that committee under rule X, clause 1(b), and ordered to be printed (Rept. No. 94-245, Pt. I).

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANNUNZIO (for himself, and Mr. Hays of Ohio):

H.R. 7405. A bill to amend section 3620 of the Revised Statutes with respect to certain disbursements to be made by banks, savings banks, savings and loan associations, and credit unions; to the Committee on Banking, Currency and Housing.

By Mr. ARCHER (for himself, Mr. Bauman, Mr. Beard of Tennessee, Mr. Burleson of Texas, Mr. Cochran, Mr. Conlan, Mr. Kindness, Mr. Lujan, Mr. Martin of North Carolina, Mr. Moorhead of California, Mr. Rousselot, Mr. Treen, Mr. Whitehurst, and Mr. Winn):

H.R. 7406. A bill to amend the Food Stamp Act of 1964 for the purpose of transferring the food stamp program to the Department of Health, Education, and Welfare, for the purpose of excluding certain households from eligibility for food stamps if a member of such a household is on strike, and for the purpose of excluding certain individuals from eligibility for food stamps if such individual receives at least one-half of his income from a member of another household which is ineligible for food stamps; to the Committee on Agriculture.

By Mr. BAUMAN:

H.R. 7407. A bill to repeal certain provisions of the act entitled "An Act to provide

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for the establishment of the Assateague Island National Seashore in the States of Maryland and Virginia, and to provide for a comprehensive study of the National Seashore and its environs prior to any recommendations for designation of parts of the seashore for wilderness, and for other purposes;" to the Committee on Interior and Insular Affairs.

By Mr. BIAGGI (for himself, Mr. Ottinger, Mr. Pattison of New York, Mr. Wolff, Mr. Devine, Mr. Zeferetti, Mr. Charles Wilson of Texas, Mr. Addabbo, Mr. Yatron, Mr. LaFalce, Mrs. Burke of California, Mr. Hicks, Mr. Lent, Mr. Won Pat, Mr. St Germain, Mr. Ichord, Mr. Milford, Mr. Hannaford, Mr. Dominick V. Daniels, Mr. Dent, Mr. Jeffords, Mr. Peyser, Mr. Charles H. Wilson of California, and Mr. Davis):

H.R. 7408. A bill to amend the Immigration and Nationality Act to provide penalties for certain persons who employ, or who refer for employment, aliens who are in the United States illegally, and for other purposes; to the Committee on the Judiciary.

By Mr. BIAGGI (for himself, Mr. Murphy of New York, Mr. Broomfield, Mrs. Holt, Mr. McKinney, Mr. Dingell, Mr. Ashley, Mr. Sarasin, Mr. Long of Maryland, Mrs. Lloyd of Tennessee, Mr. Delaney, Mrs. Spellman, Mr. Hamilton, Mrs. Collins of Illinois, Mr. Ford of Michigan, Mr. Jenrette, Mr. Gilman, and Mr. Vander Jagt):

H.R. 7409. A bill to amend the Immigration and Nationality Act to provide penalties for certain persons who employ, or who refer for employment, aliens who are in the United States illegally, and for other purposes; to the Committee on the Judiciary.

By Mr. BOWEN (for himself and Mr. Whitten):

H.R. 7410. A bill to amend the Internal Revenue Code to encourage the continuation of family farms, and for other purposes; to the Committee on Ways and Means.

By Mr. BRECKINRIDGE (for himself and Mr. Rose):

H.R. 7411. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to provide for an improved method of selection of the State planning agency, and for other purposes; to the Committee on the Judiciary.

By Mr. BURKE of Massachusetts:

H.R. 7412. A bill to suspend for a 3-year period the duty on oil skimming devices; to the Committee on Ways and Means.

By Mr. CARNEY:

H.R. 7413. A bill to establish a utility services stamp program to assist low-income and fixed income households to meet the rising cost of utilities; to the Committee on Interstate and Foreign Commerce.

By Mr. CHAPPELL (for himself, Mrs. Burke of California, Mr. Hughes, and Mr. Kelly):

H.R. 7414. A bill to amend title 13 of the United States Code to require the compilation of current data on total population between censuses and to require the use of such current data in the administration of Federal laws in which population is a factor; to the Committee on Post Office and Civil Service.

By Mr. CHAPPELL (for himself, Mr. Bafalis, Mr. Beard of Rhode Island, Mrs. Burke of California, Mr. Davis of South Carolina, Mr. Fascell, and Mr. Murphy of New York:

H.R. 7415. A bill to provide for continual application of current basic pay scales to Federal civil service annuities; to the Committee on Post Office and Civil Service.

By Mr. CHAPPELL (for himself and Mr. Brown of Michigan):

H.R. 7416. A bill to amend title II of the Social Security Act to provide that an individual may qualify for disability insurance benefits and the disability freeze if he has 40 quarters of coverage, regardless of when such quarters were earned; to the Committee on Ways and Means.

By Mr. CLEVELAND:

H.R. 7417. A bill to amend the Trade Act of 1974 in order to provide for Federal reimbursement to States for unemployment insurance benefits paid to workers who are eligible for adjustment assistance benefits under such act, and to repeal the provisions of law which reduce certain tax credits for employers in any State which does not enter into, or fulfill its commitments under, a Federal-State agreement regarding the administration of worker adjustment assistance benefits; to the Committee on Ways and Means.

By Mr. CLEVELAND (for himself, Mr. Wright, Mr. Anderson of Illinois, Mr. Boland, Mr. Broyhill, Mr. Butler, Mr. Cohen, Mr. Collins of Texas, Mr. Davis, Mr. Forsythe, Mr. Frey, Mr. Giaimo, Mr. Gradison, Mr. Heinz, Mr. Hicks, Mr. Hungate, Mr. Ichord, Mr. McCormack, Mr. Martin, Mr. Myers of Indiana, Mr. O'Hara, Mr. Rinaldo, Mr. Robinson, and Mr. Sebelius):

H.R. 7418. A bill to amend title II of the Federal Water Pollution Control Act to provide for State certification; to the Committee on Public Works and Transportation.

By Mr. COCHRAN (for himself, Mr. Bevill, Mr. Breaux, Mr. Brooks, Mr. Butler, Mr. Cederberg, Mr. Collins of Texas, Mr. Robert W. Daniel, Jr., Mr. Evans of Indiana, Mr. Fithian, Mr. Ginn, Mr. Grassley, Mr. Hansen, Mr. Hungate, Mr. Hastings, Mr. Lagomarsino, Mr. Lott, Mr. McCollister, Mr. McDonald of Georgia, Mr. Milford, Mr. Montgomery, Mr. Moore, Mrs. Pettis, Mr. Preyer, and Mr. Quie):

H.R. 7419. A bill to amend the Federal Water Pollution Control Act, as amended, to define the term "navigable waters" as it applies to Corps of Engineers responsibility and authority to regulate the discharge of dredged or fill material; to the Committee on Public Works and Transportation.

By Mr. COCHRAN (for himself, Mrs. Smith of Nebraska, Mr. Shriver, Mr. Treen, Mr. Walsh, and Mr. Whitehurst):

H.R. 7420. A bill to amend the Federal Water Pollution Control Act, as amended, to define the term "navigable waters" as it applies to Corps of Engineers responsibility and authority to regulate the discharge of dredged or fill material; to the Committee on Public Works and Transportation.

By Mr. CORMAN (for himself and Mr. Barrett):

H.R. 7421. A bill to create a national system of health security; to the Committee on Ways and Means.

By Mr. DELANEY (for himself, Ms. Abzug, Mr. Addabbo, Mr. Badillo, Mr. Biaggi, Mr. Bingham, Ms. Chisholm, Mr. Gilman, Mr. Hanley, Ms. Holtzman, Mr. Koch, Mr. LaFalce, Mr. Mitchell of New York, Mr. Murphy of New York, Mr. Nowak, Mr. Ottinger, Mr. Peyser, Mr. Rangel, Mr. Richmond, Mr. Rosenthal, Mr. Scheuer, Mr. Solarz, and Mr. Zeferetti):

H.R. 7422. A bill to authorize emergency loan guarantees to units of Government; to the Committee on Banking, Currency and Housing.

By Mr. DIGGS (for himself and Mr. Cederberg):

H.R. 7423. A bill to amend the Internal Revenue Code of 1954 to designate the home of a State legislator for income tax purposes; to the Committee on Ways and Means.

By Mr. DRINAN (for himself, Mr. Melcher, Mr. Richmond, and Mr. Scheuer):

H.R. 7424. A bill to repeal the Military Selective Service Act, and for other purposes; to the Committee on Armed Services.

By Mr. FLOOD:

H.R. 7425. A bill to provide that the U.S. Canal Zone shall be represented by a Delegate to the House of Representatives; to the Committee on Merchant Marine and Fisheries.

By Mr. GONZALEZ:

H.R. 7426. A bill to provide that compensation be allowed under chapter 81 of title 5, United States Code, for certain work injuries which occurred before September 7, 1974; to the Committee on Education and Labor.

By Mr. GUDE (for himself, Mr. Thompson, Mr. Anderson of California, Mr. Cleveland, Mr. Gilman and Mr. Emery):

H.R. 7427. A bill to amend title 39, United States Code, to require the Postal Service to consult with agencies of State and local governments with respect to the construction of certain Postal Service facilities, to establish hearing procedures with respect to proposals for such construction, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. GUDE (for himself, Mr. Harrington, Mr. Ottinger, and Mr. Richmond):

H.R. 7428. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer to amortize over a 60-month period, solar heating and cooling equipment which is placed in service for nonresidential structures, or in lieu of such amortization, to take an investment tax credit for such equipment; to the Committee on Ways and Means.

By Mr. GREEN:

H.R. 7429. A bill to amend title XX of the Social Security Act to provide that no State shall be required to apply a means test, or limits benefits on the basis of federally prescribed income levels, in determining the individuals for whom education, transportation, recreation, socialization, or associated services may be provided thereunder, if such services are provided in a manner consistent with certain specified State programs; to the Committee on Ways and Means.

By Mr. HANNAFORD (for himself, Mr. Abdnor, Mr. Brown of California, Mr. Carter, Mr. Duncan of Tennessee, Mr. English, Mr. Gaydos, Mr. Hubbard, Mr. Jenrette, Mr. Macdonald of Massachusetts, Mrs. Mink, Mr. Mitchell of Maryland, Mr. Mollohan, Mr. Murphy of New York, Mr. Nowak, Mr. Patman, Mr. Pepper, Mr. Rangel, Mr. Richmond, Mr. Riegle, Mr. Sarbanes, Mr. Thompson, Mr. Traxler, Mr. Charles H. Wilson of California, and Mr. Won Pat):

H.R. 7430. A bill to amend title XVIII of the Social Security Act to require the continued application of the nursing salary cost differential which is presently allowed in determining the reasonable cost of inpatient nursing care for purposes of reimbursement to providers under the medicare program; to the Committee on Ways and Means.

By Mr. HANNAFORD (for himself, Mr. Burgener, Mr. Chappell, Mr. Koch, Mr. Oberstar, Mr. Ottinger, Mr. Scheuer, Mr. Sebelius, Mr. Stark, Mr. Tsongas, Mr. McCormack, Ms. Abzug, Mrs. Burke of California, Mr. Andrews of North Dakota, Mr. John L. Burton, Mr. Early, Mr. Runnels, Mr. Sisk, and Mr. Yates):

H.R. 7431. A bill to amend title XVIII of the Social Security Act to require the continued application of the nursing salary cost differential which is presently allowed in determining the reasonable cost of inpatient nursing care for purposes of reimbursement to providers under the medicare program; to the Committee on Ways and Means.

By Mr. HARKIN:

H.R. 7432. A bill to authorize the Secretary of the Army to carry out certain dredging and related activities on the Missouri River Oxbow Lakes; to the Committee on Public Works and Transportation.

By Mr. HARRINGTON (for himself, Ms. Abzug, Mrs. Chisholm, Mr. Edgar, Mr. Ford of Tennessee, Mr. Hawkins, Mr. Pattison of New York, and Mr. Waxman):

H.R. 7433. A bill to provide for accelerated research and development in the care and treatment of autistic children, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HARRINGTON (for himself, Mr. Gude, and Mr. Patterson of California):

H.R. 7434. A bill to insure that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced, or entitlement thereto discontinued, because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

By Mr. HARSHA:

H.R. 7435. A bill to amend the Internal Revenue Code of 1954 to provide a basic $5,000 exemption from income tax for amounts received as annuities, pensions, or other retirement benefits; to the Committee on Ways and Means.

By Mr. HOWE:

H.R. 7436. A bill to authorize the Energy Research and Development Administration to enter into a cooperative agreement with the State of Utah to remove and dispose of uranium mill tailings, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. JONES of Alabama (for himself, Mr. Roe, and Mr. Broomfield):

H.R. 7437. A bill to authorize a local public works capital development and investment program; to the Committee on Public Works and Transportation.

By Mr. KINDNESS (for himself, Mr. Devine, Mr. Bafalis, Mr. Ketchum, and Mr. McDonald of Georgia):

H.R. 7438. A bill to replace the program established under the Food Stamp Act of 1964 with a 5-year federally financed program established by the States; to the Committee on Agriculture.

By Mr. KOCH (for himself, Mr. Pepper, and Mr. Fascell):

H.R. 7439. A bill to amend the Social Security Act to improve the survey and certification process, ratesetting and fiscal audit methods, and general regulation of nursing homes and intermediate care facilities under the medicaid program, and to provide for medical, psychological, and social assessment of long-term care patients under both the medicare and medicaid programs; jointly to the Committee on Ways and Means, and Interstate and Foreign Commerce.

By Mr. LITTON (for himself, Mr. Carr, Mr. Derwinski, Mr. Downey of New York, Mr. English, Mr. Fithian, Mr. Hefner, Mr. Kastenmeier, Mr. Neal, and Mr. Steelman):

H.R. 7440. A bill to amend the Internal Revenue Code to encourage the continuation of family farms, and to provide that farmland, woodland, or open land which comprises part of an estate may be valued, for estate tax purposes, as such rather than at its fair market value, and to provide that real property which is listed on the National Register of Historic Places may be valued, for estate tax purposes, at its value for its existing use, and to provide for the revocation of such lower evaluation and recapture of unpaid taxes with interest in appropriate circumstances; to the Committee on Ways and Means.

By Mr. LONG of Louisiana (for himself, Mr. Breckinridge, Mr. Bowen, Mr. Jones of Tennessee, Mr. Pickle, Mr. Ginn, Mr. Hubbard, Mr. Howe, Mr. Johnson of California, Mr. Traxler, Mr. Rose, Mr. Lott, Mr. Sisk, Mr. Bergland, Mr. Young of Texas, Mr. McKay, Mr. Jones of North Carolina, Mr. Brinkley, Mr. McFall, Mr. Thornton, Mrs. Lloyd of Tennessee, Mr. Montgomery, Mr. Hefner, Mr. English, and Mr. Alexander):

H.R. 7441. A bill to amend the Federal Water Pollution Control Act relating to permits for the discharge of dredged and fill material, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. MEZVINSKY:

H.R. 7442. A bill to amend the U.S. Grain Standards Act for the purpose of requiring the inspections made under such act be made by Federal employees, and for the purpose of strengthening the criminal penalties imposed by such act; to the Committee on Agriculture.

By Mr. MILFORD:

H.R. 7443. A bill to direct the Administrator of the National Oceanic and Atmospheric Administration to implement and operate on a test basis an imminent disaster warning system, and for other purposes; to the Committee on Science and Technology.

By Mrs. MINK:

H.R. 7444. A bill to carry out the recommendations of the Presidential Task Force on Women's Rights and Responsibilities, and for other purposes; to the Committee on the Judiciary.

By Mrs. MINK (for herself, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Hicks, Mr. McCloskey, Mr. Ottinger, Mr. Richmond, and Mr. Stark):

H.R. 7445. A bill to provide Federal programs of educational, employment, and other assistance to areas with heavy concentrations of foreign-born persons; to the Committee on Education and Labor.

By Mr. MOAKLEY (for himself, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mrs. Burke of California, Mr. Carney, Mrs. Chisholm, Mrs. Collins of Illinois, Mr. Downey of New York, Mr. Ford of Tennessee, Mr. Harrington, Mr. Hawkins, Mr. Mineta, Mr. Moss, Mr. Murphy of Illinois, Mr. Ottinger, Mr. Pattison of New York, Mr. Richmond, Mr. Ryan, Mr. Solarz, Mr. Stark, Mr. Stokes, Mr. Studds, and Mr. Young of Georgia):

H.R. 7446. A bill to improve public understanding of the role of financial institutions in home and commercial real property financing; to the Committee on Banking, Currency and Housing.

By Mr. MOORE (for himself, Mr. Hagedorn, Mr. Abdnor, Mr. Collins of Texas, Mr. Hicks, Mr. Lagomarsino, Mr. Lott, Mr. Risenhoover, Mr. Treen, and Mr. Whitehurst):

H.R. 7447. A bill to amend titles XVIII, XIX, and V of the Social Security Act to eliminate altogether any requirement that an institution have in effect a utilization review plan in order to qualify for participation in the medicare, medicaid, or maternal and child health and crippled children's services program; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. MOORHEAD of Pennsylvania (for himself, Mr. Ford of Tennessee, Mr. Matsunaga, Mr. Mikva, Mr. Mineta, Mr. Mitchell of Maryland, Mr. Moffett, Mr. Murphy of New York, Mr. Murphy of Illinois, Mr. Nowak, Mr. Ottinger, Mr. Pattison of New York, Mr. Preyer, Mr. Price, Mr. Richmond, Mr. Rodino, Mr. Rooney, Mr. Rosenthal, Mr. Scheuer, Mr. Solarz, Mr. Stark, Mr. Thompson, Mr. Tsongas, and Mr. Zeferetti):

H.R. 7448. A bill to coordinate State and local government budget-related actions with Federal Government efforts to stimulate economic recovery by establishing a system of emergency support grants to State and local governments; to the Committee on Government Operations.

By Mr. MOORHEAD of Pennsylvania (for himself, Mr. Ford of Tennessee, Ms. Abzug, Mr. Addabbo, Mr. Baldus, Mr. Beard of Rhode Island, Mr. Bingham, Mr. Blanchard, Mr. Brown of California, Mrs. Burke of California, Mrs. Collins of Illinois, Mr. Conyers, Mr. Cornell, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Downey of New York, Mr. Edwards of California, Mr. Fascell, Mr. Harrington, Mr. Hawkins, Mr. Horton, Mr. Hughes, Mr. Koch, and Mr. McHugh):

H.R. 7449. A bill to coordinate State and local government budget-related actions with Federal Government efforts to stimulate economic recovery by establishing a system of emergency support grants to State and local governments; to the Committee on Government Operations.

By Mr. MOSS:

H.R. 7450. A bill to amend section 22 of the Investment Company Act of 1940; to the Committee on Interstate and Foreign Commerce.

By Mr. MYERS of Pennsylvania (for himself, Mr. Sarasin, Mr. Riegle, Mr. Ford of Tennessee, Mr. Johnson of Pennsylvania, Mrs. Pettis, Mr. Jeffords, Ms. Abzug, and Mr. Tsongas):

H.R. 7451. A bill to amend title 39, United States Code, to prohibit certain franked mailings by Members of the Congress and certain officers of the United States, other than mailings related to the closing of their official business, after such Members or officers have left office; to the Committee on Post Office and Civil Service.

By Mr. NIX (for himself, Mr. Bafalis, Mr. Beard of Rhode Island, Mr. Fithian, Mr. Forsythe, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Mazzoli, Mr. Metcalfe, Mr. Ottinger, Mr. Patman, Mr. Price, Mr. Rangel, Mr. Robinson, Mr. Roe, Mr. Scheuer, Mr. Whitehurst, Mr. Charles H. Wilson of California, Mr. Wolff, and Mr. Won Pat):

H.R. 7452. A bill to provide a penalty for the robbery of any controlled substance from any pharmacy; to the Committee on the Judiciary.

By Mr. O'HARA:

H.R. 7453. A bill to create a national system of health security; to the Committee on Ways and Means.

By Mr. O'NEILL (for himself and Mr. Mineta):

H.R. 7454. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, to provide for the disposal of surplus real property to States and their political subdivisions, agencies, and instrumentalities for economic development purposes; to the Committee on Government Operations.

By Mr. OTTINGER:

H.R. 7455. A bill to establish between certain business organizations and their sales representatives mutual responsibilities, obligations, and rights in connection with contract termination, commissions, and territorial assignments, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PEPPER:

H.R. 7456. A bill to increase the production, transportation, conversion, and utiliza-

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tion of coal as a source of energy; to the Committee on Interstate and Foreign Commerce.

By Mr. PRICE (for himself and Mr. Bob Wilson) (by request):

H.R. 7457. A bill to eliminate or modify certain atatutory reports to Congress; to the Committee on Armed Services.

H.R. 7458. A bill to amend section 2107 of title 10, United States Code, to remove the limitation on the number of cadets or midshipmen who may be appointed from the 2-year Senior Reserve Officers' Training Corps course; to the Committee on Armed Services.

H.R. 7459. A bill to amend title 10, United States Code, to eliminate the requirement for quadrennial physical examinations for members of the Fleet Reserve and Fleet Marine Corps Reserve; to the Committee on Armed Services.

H.R. 7460. A bill to amend chapter 39 of title 10, United States Code, to enable the President to authorize the involuntary order to active duty of Selected Reservists, for a limited period, whether or not a declaration of war or national emergency has been declared; to the Committee on Armed Services.

H.R. 7461. A bill to amend section 269(e) of title 10, United States Code, to provide that a member of the Ready Reserve may not be transferred to the Standby Reserve under that subsection unless he has served on active duty (other than for training) for at least 91 days and has requested that transfer 180 days in advance; to the Committee on Armed Services.

By Mr. PRICE (for himself, Mr. Addabbo, Mr. Anderson of California, Mr. Beard of Rhode Island, Mr. Bell, Mr. Bevill, Mr. Casey, Mr. Cleveland, Mr. Dominick V. Daniels, Mr. Derwinski, Mr. Dickinson, Mr. Downey of New York, Mr. Eilberg, Mr. Frenzel, Mr. Hinshaw, Mrs. Holt, Mr. Horton, Mr. Hyde, Mr. Ichord, Mr. Johnson of California, and Mr. Jones of Oklahoma):

H.R. 7462. A bill to incorporate United States Service Organizations, Inc.; to the Committee on the Judiciary.

By Mr. PRICE (for himself, Mr. LaFalce, Mr. Leggett, Mr. Lent, Mrs. Lloyd of Tennessee, Mr. Metcalfe, Mr. Mikva, Mr. Milford, Mr. Mitchell of New York, Mr. Mollohan, Mr. Montgomery, Mr. Moss, Mr. Murphy of New York, Mr. Nichols, Mr. Ottinger, Mr. Pattison of New York, Mrs. Pettis, Mr. Randall, Mr. Robinson, Mr. Runnels, and Mr. Ruppe):

H.R. 7463. A bill to incorporate United States Service Organizations, Inc.; to the Committee on the Judiciary.

By Mr. PRICE (for himself, Mr. Sikes, Mrs. Sullivan, Mr. Talcott, Mr. Treen, Mr. White, Mr. Whitehurst, Mr. Bob Wilson, Mr. Charles H. Wilson of California, Mr. Winn, Mr. Wirth, Mr. Won Pat, Mr. Wolff, and Mr. Zeferetti):

H.R. 7464. A bill to incorporate United Service Organizations, Inc.; to the Committee on the Judiciary.

By Mr. RAILSBACK (for himself, Mr. Anderson of Illinois, Mr. Bell, Mr. Ford of Tennessee, Mr. Mikva, Mr. Mitchell of Maryland, Mr. Riegle, and Mr. Talcott):

H.R. 7465. A bill relating to the employment and training of criminal offenders and for other purposes; to the Committee on the Judiciary.

By Mr. RAILSBACK (for himself, Mr. Kastenmeier, Mr. Waxman, and Mr. Jenrette):

H.R. 7466. A bill to regulate lobbying and related activities; jointly to the Committees on the Judiciary and Standards of Official Conduct.

By Mr. RISENHOOVER:

H.R. 7467. A bill to amend the Federal Water Pollution Control Act, as amended, to define the term "navigable waters" as it applies to Corps of Engineers responsibility and authority to regulate the discharge of dredged or fill material; to the Committee on Public Works and Transportation.

By Mr. RUSSO:

H.R. 7468. A bill to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans and to increase the rates of dependency and indemnity compensation; to the Committee on Veterans' Affairs.

H.R. 7469. A bill to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans, and the rates of dependency and indemnity compensation for their survivors, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 7470. A bill to amend section 1661 of title 38 of the United States Code in order to entitle veterans to 2½ months of educational assistance for each month of service on active duty and to extend the maximum entitlement to such assistance to 45 months; to the Committee on Veterans' Affairs.

H.R. 7471. A bill to amend title 38, United States Code, to establish the per annum full-pay scale for certain personnel of the Department of Medicine and Surgery of the Veterans' Administration; to make a career in the Department of Medicine and Surgery more attractive, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 7472. A bill to amend titles II and XVIII of the Social Security Act to include qualified drugs, requiring a physician's prescription or certification and approved by a Formulary Committee, among the items and services covered under the hospital insurance program; to the Committee on Ways and Means.

H.R. 7473. A bill to amend title II of the Social Security Act to increase to $4,000 the amount of outside earnings permitted each year without deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. ST GERMAIN (for himself, Mr. Annunzio, Mr. Ashley, Mr. AuCoin, Mr. Barrett, Mr. Beard of Rhode Island, Mr. Blanchard, Mrs. Boggs, Mr. Brown of Michigan, Mr. Conlan, Mr. Derrick, Mr Evans of Indiana, Mr. Fauntroy, Mr. Ford of Tennessee, Mr. Gonzalez, Mr. Gradison, Mr. Grassley, Mr. Hanley, Mr. Hannaford, Mr. Hayes of Indiana, Mr. Hubbard, Mr. Hyde, Mr. Kelly, Mr. LaFalce, and Mr. Michel) (by request):

H.R. 7474. A bill to amend the Federal Credit Union Act in order to improve the efficiency and flexibility of the financial system of the United States by permitting Federal credit unions to operate more efficiently and to better serve the family financial needs of their members; by reorganizing the National Credit Union Administration; by establishing a Central Liquidity Facility for Federal and State credit unions; and for other purposes; to the Committee on Banking, Currency and Housing.

By Mr. ST GERMAIN (for himself, Mr. Minish, Mr. Mitchell of Maryland, Mr. Moorhead of Pennsylvania, Mr. Neal, Mr. Patterson of California, Mr. Rees, Mr. Schulze, Mrs. Spellman, Mr. Stephens, and Mr. Tsongas) (by request):

H.R. 7475. A bill to amend the Federal Credit Union Act in order to improve the efficiency and flexibility of the financial system of the United States by permitting Federal credit unions to operate more efficiently and to better serve the family financial needs of their members; by reorganizing the National Credit Union Administration; by establishing a central liquidity facility for Federal and State credit unions; and for other purposes; to the Committee on Banking, Currency and Housing.

By Mrs. SCHROEDER (for herself, Mr. Brown of California, Mr. Conyers, Mr. Mitchell of Maryland, Mr. Studds, Ms. Holtzman, Ms. Abzug, Mr. Stark, Mr. Pressler, Mr. Seiberling, Mr. Young of Georgia, Mr. Fraser, Mr. Moakley, Mr. Badillo, Mr. Weaver, and Mr. Harrington):

H.R. 7476. A bill to authorize appropriations during the fiscal year 1976, and the period beginning July 1, 1976, and ending September 30, 1976, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes; to the Committee on Armed Services.

By Mrs. SCHROEDER (for herself and Mr. Seiberling):

H.R. 7477. A bill to establish an Office of Food Administration for a temporary period in order to develop coordinated national policies on domestic and foreign food assistance programs; jointly to the Committees on Agriculture, and International Relations.

By Mr. SCHULZE:

H.R. 7478. A bill to amend the Internal Revenue Code of 1954 to allow an income tax credit for tuition expenses of the taxpayer or the taxpayer's spouse or dependent at an institution of higher education; to the Committee on Ways and Means.

By Mr. SMITH of Iowa:

H.R. 7479. A bill to eliminate annual active duty training requirements for persons inducted in an armed force prior to July 1, 1973; to the Committee on Armed Services.

By Mr. STAGGERS (for himself and Mr. Devine):

H.R. 7480. A bill to extend appropriations authorizations for emergency medical services systems, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. JAMES V. STANTON:

H.R. 7481. A bill to establish a Federal Corporate Chartering Commission for the granting of Federal charters to certain large corporations, and for other purposes; to the Committee on the Judiciary.

By Mr. STARK (for himself, Mr. AuCoin, Mr. Armstrong, Mr. Addabbo, Mr. Bedell, Mr. McKinney, Mr. Kemp, Mrs. Burke of California, Mr. Carney, Mr. Conlan, Mr. Conyers, Mr. Danielson, Mr. Drinan, Mr. Gaydos, Mr. Giaimo, Mr. Fuqua, Mr. Fascell, Mr. Hyde, Mr. Harris, Mr. Jenrette, Mrs. Keys, Mr. Melcher, Mr. Mikva, and Mr. Miller of California):

H.R. 7482. A bill to govern the disclosure of certain financial information by financial institutions to governmental agencies, to protect the constitutional rights of citizens of the United States, and to prevent unwarranted invasions of privacy by prescribing procedures and standards governing disclosure of such information, and for other purposes; to the Committee on Banking, Currency and Housing.

By Mr. STARK (for himself, Mr. Jones of Oklahoma, Mr. Obey, Mr. Preyer, Mr. Richmond, Mr. Santini, Mr. Steelman, Mr. Seiberling, Mr. Scheuer, Mr. Studds, Mr. Charles

Wilson of Texas, Mr. Weaver, and Mr. Ford of Michigan):

H.R. 7483. A bill to govern the disclosure of certain financial information by financial institutions to governmental agencies, to protect the constitutional rights of citizens of the United States, and to prevent unwarranted invasions of privacy by prescribing procedures and standards governing disclosure of such information, and for other purposes; to the Committee on Banking, Currency and Housing.

By Mr. STEIGER of Wisconsin (for himself, Mr. Abdnor, Mr. Oberstar, Mr. Jeffords, Mr. Pressler, Mr. Sebelius, Mrs. Keys, Mr. Wirth, Mr. McEwen and Mr. Pattison of New York):

H.R. 7484. A bill to provide for the duty-free entry of binder twine and baler twine made of manmade fibers; to the Committee on Ways and Means.

By Mr. STOKES (for himself, Ms. Abzug, Mr. Beard of Rhode Island, Mrs. Burke of California, Mrs. Chisholm, Mr. Clay, Mr. Conyers, Mr. Drinan, Mr. Fauntroy, Mr. Ford of Tennessee, Mr. Hawkins, Mrs. Mink, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Rangel, Mr. Richmond, Mrs. Schroeder, Mr. Solarz, Mr. Charles H. Wilson of California, and Mr. Young of Georgia):

H.R. 7485. A bill to establish a program providing financial assistance to low- and moderate-income households with regard to utility costs incurred by such households; to the Committee on Interstate and Foreign Commerce.

By Mr. STRATTON (for himself and Mr. O'Brien):

H.R. 7486. A bill to amend titles 10 and 37, United States Code, relating to the appointment, promotion, separation, and retirement of members of the armed forces, and for other purposes; to the Committee on Armed Services.

By Mr. STUDDS:

H.R. 7487. A bill to improve the reliability, safety, and energy efficiency of transportation and to reduce unemployment by providing funds for work in repairing, rehabilitating, and improving essential railroad roadbeds and facilities; to the Committee on Interstate and Foreign Commerce.

By Mr. VIGORITO (for himself, Mr. Bergland, Mr. Brown of California, Mr. D'Amours, Mr. English, Mr. Fithian, Mr. Jeffords, Mr. Jenrette, Mr. Peyser, Mr. Richmond, Mr. Rose, and Mr. Weaver):

H.R. 7488. A bill to encourage the direct marketing of agricultural commodities from farmers to consumers; to the Committee on Agriculture.

By Mr. WALSH (for himself, Mr. Addabbo, Mr. Stratton, Mr. Downey of New York, Mr. Zeferetti, and Mr. Hastings);

H.R. 7489. A bill to permit signs and notices for motorists to get information about travel-oriented services and facilities; to the Committee on Public Works and Transportation.

By Mr. BELL:

H.R. 7490. A bill to amend the National Foundation on the Arts and the Humanities Act of 1965, as amended; to the Committee on Education and Labor.

By Mr. MICHEL (for himself, Mr. Anderson of Illinois, Mr. Badillo, Mr. Bafalis, Mr. Boland, Mr. Breaux, Mr. Brown of Ohio, Mr. Carter, Mr. Cederberg, Mr. Cleveland, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Fithian, Mr. Grassley, Mr. Guyer, Mr. Hagedorn, Mr. Hughes, Mr. Hungate, Mr. Kelly, and Mr. Kindness):

H.R. 7491. A bill to amend title I of the Housing and Community Development Act of 1974 for the purpose of assuring that a certain percentage of the funds allocated under section 106 of such act is distributed to units of general local government, other than metropolitan cities and urban counties, and to States for use in metropolitan areas; to the Committee on Banking, Currency and Housing.

By Mr. MICHEL (for himself, Mr. LaFalce, Mr. Latta, Mr. Levitas, Mr. Lott, Mr. McEwen, Mr. Mitchell of New York, Mr. Mollohan, Mr. Patman, Mr. Quie, Mr. Robinson, Mr. Roe, Mr. Talcott, Mr. Waggonner, and Mr. Moore):

H.R. 7492. A bill to amend title I of the Housing and Community Development Act of 1974 for the purpose of assuring that a certain percentage of the funds allocated under section 106 of such act is distributed to units of general local government, other than metropolitan cities and urban counties, and to States for use in metropolitan areas; to the Committee on Banking, Currency and Housing.

By Mr. BAFALIS (for himself, Mr. Devine, Mr. Grassley, Mr. Hagedorn, Mr. Harsha, Mr. Johnson of Pennsylvania, Mr. Kindness, Mr. McDonald of Georgia, Mr. Montgomery, Mr. Runnels, Mr. Snyder, and Mr. Winn):

H.J. Res. 471. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. HARRINGTON (for himself, Ms. Abzug, Mrs. Chisholm, Mr. Edgar, Mr. Ford of Tennessee, Mr. Hawkins, Mr. Pattison of New York, and Mr. Waxman):

H.J. Res. 472. Joint resolution to authorize the President to proclaim the last week in June of each year as National Autistic Children's Week; to the Committee on Post Office and Civil Service.

Mr. MILLER of Ohio:

H.J. Res. 473. Joint resolution proposing an amendment to the Constitution of the United States with respect to the offering of prayer in public buildings; to the Committee on the Judiciary.

By Mr. PEPPER (for himself, Mr. Koch, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Biaggi, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Carney, Mrs. Chisholm, Mr. Cohen, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Diggs, Mr. Downey of New York, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, and Mr. Fascell):

H.J. Res. 474. Joint resolution to provide that it be the sense of Congress that a White House Conference on Long-Term Care be called by the President of the United States in 1976, to be planned and conducted by the Secretary of Health, Education, and Welfare; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Florio, Mr. Ford of Tennesee, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Howard, Mrs. Lloyd of Tennessee, Mr. Long of Maryland, Mr. Maguire, Mr. Mazzoli, Mr. Murphy of New York, Mr. Nix, Mr. Ottinger, Mr. Patterson of California, Mr. Randall, and Mr. Rees):

H.J. Res. 475. Joint resolution to provide that it be the sense of Congress that a White House Conference on Long-Term Care be called by the President of the United States in 1976, to be planned and conducted by the Secretary of Health, Education, and Welfare; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Koch, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rosenthal, Mr. Solarz, Mr. Stark, Mr. Udall, Mr. Waxman, Mr. Weaver, and Mr. Zeferetti):

H.J. Res. 476. Joint resolution to provide that it be the sense of Congress that a White House Conference on Long-Term Care be called by the President of the United States in 1976, to be planned and conducted by the Secretary of Health, Education, and Welfare; jointly to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself, Mr Findley, and Mr. Fraser):

H. Con. Res. 291. Concurrent resolution to congratulate Jean Monnet for his efforts during the past quarter century in furtherance of European unity; to the Committee on International Relations.

By Mr. DOWNING of Virginia (for himself, Mr. Whitehurst, Mr. Harris, Mr. Edgar, Mr. Winn, Mr. Waxman, Mr. Downey of New York, Mr. McCloskey, Mr. Randall, Mr. Bowen, Mr. Blanchard, Mr. Buchanan, and Mr. Flowers):

H. Res. 498. Resolution creating a select committee to conduct an investigation and study of the circumstances surrounding the death of John F. Kennedy; to the Committee on Rules.

By Mr. KOCH:

H. Res. 499. Resolution concerning the safety and freedom of Valentyn Moroz, Ukrainian historian; to the Committee on International Relations.

By Mr. MILLER of Ohio:

H. Res. 500. Resolution to amend the rules of the House of Representatives to establish the Committee on Internal Security, and for other purposes; to the Committee on Rules.

By Mr. ROYBAL:

H. Res. 501. Resolution establishing a select committee to study the problem of U.S. servicemen missing in action in Southeast Asia; to the Committee on Rules.

By Mr. SYMMS:

H. Res. 502. Resolution to review, evaluate and further amend the Wagner-Peyser Act; to the Committee on Education and Labor.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

147. By the SPEAKER: Memorial of the Legislature of the State of Connecticut, relative to South Vietnamese refugees; to the Committee on the Judiciary.

148. Also, memorial of the Legislature of the State of California, relative to the use of ad valorem taxes as a source of revenue for waste water treatment facilities; to the Committee on Public Works and Transportation.

149. Also, memorial of the House of Representatives of the State of Texas, relative to the importation of beef and beef products; to the Committee on Ways and Means.

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PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURKE of Massachusetts:

H.R. 7493. A bill for the relief of Miss Amelia Bonsukan; to the Committee on the Judiciary.

By Mr. CONTE:

H.R. 7494. A bill for the relief of Luigi Santaniello; to the Committee on the Judiciary.

By Mr. McDADE:

H.R. 7495. A bill for the relief of Arthur Wilkinson; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

132. By the SPEAKER: Petition of Michael E. Kubista, Owatonna, Minn., relative to unclaimed Federal grants; to the Committee on Banking, Currency and Housing.

133. Also, petition of the chamber of commerce, Saipan, Mariana Islands, Trust Territory of the Pacific Islands, relative to a decision in the Saipan/Tokyo air route case; to the Committee on Public Works and Transportation.

134. Also, petition of the county legislature, Suffolk County, N.Y., relative to the disposal of dredge material in Long Island Sound; to the Committee on Public Works and Transportation.

135. Also, petition of the board of supervisors, Los Angeles County, Calif., relative to exemption from taxes of the first $7,500 of income received by a retired person over age 65; to the Committee on Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 49

By Mr. DINGELL:

On page 7, after line 15, add the following new section:

"NATIONAL STRATEGIC PETROLEUM RESERVE SPECIAL FUND

"SEC. 4(a) There is established on the books of the Treasury a new account to be designated as the National Strategic Petroleum Reserve Special Fund (hereinafter in this section referred to as the 'Special Fund').

"(b) Except during any period in which there is an excess balance in the Special Fund, there shall be credited to such Special Fund—

"(1) proceeds realized under this Act from the disposition of the United States share of crude oil and natural gas produced from the national petroleum reserves in the contiguous forty-eight States established pursuant to this Act; and

"(2) the net proceeds, if any, realized from sales or exchanges within the Department of the Interior of crude oil or refined petroleum products accruing to the benefit of any component of the Department of the Interior as a result of any such sales or exchanges.

"(c) The Special Fund shall be available in such amounts as may be specified in appropriations Acts for the purchase of crude oil, refined petroleum products and residual fuel oil for storage in such national strategic petroleum reserve as may be authorized by law.

"(d) For purposes of subsection (b), there is an excess balance in the Special Fund if the balance in the Special Fund exceeds the sum of the products of

"(1) the prevailing world market prices for crude oil, refined petroleum products, and residual fuel oil multiplied by

"(2) the respective volumes of such crude oil, refined petroleum products, and residual fuel oil as may authorized by law to be stored in a national strategic petroleum reserve less the respective volumes of such crude oil, refined petroleum products, and residual fuel oil actually stored in a national strategic petroleum reserve."

By Mr. FRASER:

On page 7, after line 15, add the following new section:

"NATIONAL STRATEGIC PETROLEUM RESERVE SPECIAL FUND

"SEC. 4(a) There is established on the books of the Treasury a new account to be designated as the National Strategic Petroleum Reserve Special Fund (hereinafter in this section referred to as the 'Special Fund').

"(b) Except during any period in which there is an excess balance in the Special Fund, there shall be credited to such Special Fund—

"(1) proceeds realized under this Act from the disposition of the United States share of crude oil and natural gas produced from the national petroleum reserves in the contiguous forty-eight states established pursuant to this Act; and

"(2) the net proceeds, if any, realized from sales or exchanges within the Department of the Interior of crude oil or refined petroleum products accruing to the benefit of any component of the Department of the Interior as a result of any such sales or exchanges.

"(c) The Special Fund shall be available in such amounts as may be specified in appropriations Acts for the purchase of crude oil, refined petroleum products and residual fuel oil for storage in such national strategic petroleum reserve as may be authorized by law.

"(d) For purposes of subsection (b), there is an excess balance in the Special Fund if the balance in the Special Fund exceeds the sum of the products of

"(1) the prevailing world market prices for crude oil, refined petroleum products, and residual fuel oil multiplied by

"(2) the respective volumes of such crude oil, refined petroleum products, and residual fuel oil as may be authorized by law to be stored in a national strategic petroleum reserve less the respective volumes of such crude oil, refined petroleum products, and residual fuel oil actually stored in a national strategic petroleum reserve."

H.R. 5919

By Mr. DINGELL:

On page 7, line 1, strike "all".

On page 7, line 1, after "proceeds" insert: ", in excess of the amount credited to the National Strategic Petroleum Reserve Special Fund,".

On page 7, line 5, after "any," insert: "in excess of the amount credited to the National Strategic Petroleum Reserve Special Fund,".

On page 10, after line 4, add the following new section:

"NATIONAL STRATEGIC PETROLEUM RESERVE SPECIAL FUND

"SEC. 3(a) There is established on the books of the Treasury a new account to be designated as the National Strategic Petroleum Reserve Special Fund (hereinafter in this section referred to as the 'Special Fund').

"(b) Except during any period in which there is an excess balance in the Special Fund, there shall be credited to such Special Fund—

"(1) proceeds realized under this Act from the disposition of the United States share of petroleum or refined products, oil and gas products, including royalty products; and

"(2) the net proceeds, if any, realized from sales or exchanges within the Department of Defense of petroleum or refined petroleum products accruing to the benefit of any component of that Department as a result of any such sales or exchanges.

"(c) The Special Fund shall be available in such amounts as may be specified in annual congressional appropriations acts for the purchase of crude oil, refined petroleum products and residual fuel oil for storage in such national strategic petroleum reserve as may be authorized by law.

"(d) For purposes of subsection (b), there is an excess balance in the Special Fund if the balance in the Special Fund exceeds the sum of the products of

"(1) the prevailing world market prices for crude oil, refined petroleum products and residual fuel oil multiplied by

"(2) the respective volumes of such crude oil, refined petroleum products and residual fuel oil as may be authorized by law to be stored in a national strategic petroleum reserve less the respective volumes of such crude oil, refined petroleum products and residual fuel oil actually stored in a national strategic petroleum reserve."

By Mr. FRASER:

On page 7, line 1, strike "all".

On page 7, line 1, after "proceeds" insert: ", in excess of the amount credited to the National Strategic Petroleum Reserve Special Fund,".

On page 7, line 5, after "any," insert: "in excess of the amount credited to the National Strategic Petroleum Reserve Special Fund,".

On page 10, after line 4, add the following new section:

"NATIONAL STRATEGIC PETROLEUM RESERVE SPECIAL FUND

"SEC. 3(a) There is established on the books of the Treasury a new account to be designated as the National Strategic Petroleum Reserve Special Fund (hereinafter in this section referred to as the 'Special Fund').

"(b) Except during any period in which there is an excess balance in the Special Fund, there shall be credited to such Special Fund—

"(1) proceeds realized under this Act from the disposition of the United States share of petroleum or refined products, oil and gas products, including royalty products; and

"(2) the net proceeds, if any, realized from sales or exchanges within the Department of Defense of petroleum or refined petroleum products accruing to the benefit of any component of that Department as a result of any such sales or exchanges.

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"(d) For purposes of subsection (b), there is an excess balance in the Special Fund if the balance in the Special Fund exceeds the sum of the products of

"(1) the prevailing world market prices for crude oil, refined petroleum products and residual fuel oil multiplied by

"(2) the respective volumes of such crude oil, refined petroleum products and residual fuel oil as may be authorized by law to be stored in a national strategic petroleum reserve less the respective volumes of such crude oil, refined petroleum products and residual fuel oil actually stored in a national strategic petroleum reserve."

SENATE—*Thursday, May 22, 1975*

The Senate met at 10 a.m. and was called to order by Hon. GARY W. HART, a Senator from the State of Colorado.

PRAYER

The Reverend Seth R. Brooks, D.D., Universalist National Memorial Church, Washngton, D.C., offered the following prayer:

O Thou in whom we live, move and have our being and of whom we have been told that Thou art not far from any one of us. We pause to turn our hearts toward Thee.

Unto Thee we give thanks for the gift of life. As we face its wonder, mystery, and surprises we would face with high resolve our responsibilities and duties.

We thank Thee for this great country of which we call ourselves a part. We remember Founding Fathers. We are aware of ideals from the very beginning. We remember those who have laid down their lives for our country and would ever hold their sacrifice as a sacred offering upon the altar of our Nation.

We ask Thy blessing to be upon the President of the United States and all others who are in places of authority that they may so rule in Thy fear and love that we Thy people may lead quiet and peaceable lives.

We ask that Thou wilt bless the Members of this historic body which meets within these hallowed Halls. Wilt Thou be unto them a light in darkness, courage in times of dread, guidance in moments of uncertainty, and the Eternal Spirit of life and power. Bless the work of this body and make its Members know that the people of this Nation look to them for leadership and tender care of the commonweal.

Be Thou our refuge and strength, our help in times of trouble. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The **PRESIDING OFFICER**. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 22, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. GARY W. HART, a Senator from the State of Colorado, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. GARY W. HART thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President. I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, May 21, 1975, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AUTHORITY FOR COMMITTEES TO FILE REPORTS UNTIL 5 P.M. TODAY AND ON THURSDAY, MAY 29, 1975

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees be authorized to file reports until 5 p.m. today and between 10 a.m. and 3 p.m. on Thursday, May 29, 1975.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN ITEMS ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendars Nos. 146 and 147.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

FEDERAL HIGHWAY ADMINISTRATION APPORTIONMENTS

The Senate proceeded to consider the bill (S. 952) to provide States unable to meet the matching requirements for Federal-aid highway funds with moneys to cover Federal Highway Administration apportionments, which had been reported from the Committee on Public Works with an amendment to strike out all after the enacting clause and insert the following:

That, notwithstanding any other provision of law, the Federal share of any project approved by the Secretary of Transportation under section 106(a), and of any project for which the United States becomes obligated to pay under section 117, of title 23, United States Code, during the period beginning February 12, 1975, and ending September 30, 1975 (both dates inclusive), shall be such percentage of the construction cost as the State highway department requests, up to and including 100 per centum.

SEC. 2. The total amount of such increases in the Federal share as are made pursuant to the first section of this Act for any State shall be repaid to the United States by such State before January 1, 1977. Such repayments shall be deposited in the Highway Trust Fund. No project shall be approved under section 106 or section 117 of title 23, United States Code, for any project in any State which has failed to make its repayment in accordance with this section until such repayment has been made.

SEC. 3. Notwithstanding any other provision of law, any money apportioned under section 104(b) of title 23, United States Code, for any one Federal-aid highway system in a State (other than the Interstate System) may be used during the period beginning February 12, 1975 and ending September 30, 1975 (both dates inclusive), for any project in that State on any Federal-aid highway system (other than the Interstate System). The Secretary shall deduct from moneys apportioned to a State under section 104(b) of title 23, United States Code, after the date of enactment of this section for a Federal-aid highway system on which money has been used under authority of the preceding sentence, an amount equal to the money so used, and the deducted amount shall be repaid and credited to the last apportionment made for the system for which the money so used was originally apportioned. Each deduction made under the preceding sentence shall be at least 50 per centum of the annual apportionment to which the deduction applies until full repayment has been made.

Mr. RANDOLPH. Mr. President, the need for the legislation under consideration, S. 952, was stimulated by the President's release of $2 billion of impounded highway funds. This action took place on February 12. The President said at that time he intended these additional funds be utilized for quick-start highway projects that would provide employment and thus ease the effects of the recession.

Prior to the release the Federal-aid highway program had been established at a level of $4.6 billion for fiscal year 1975. Shortly after the release several States indicated that they may be unable to take advantage of the additional funds. The release had not been expected and States, therefore, had not provided State matching funds for an expanded Federal-aid program.

Since that time, however, a number of States apparently have made internal fiscal arrangements that permit them to utilize additional Federal-aid funds. As of last week, more than half of the $2 billion released had been obligated by the States.

A few States, however, apparently still do not have the resources to match additional Federal highway funds. This bill is intended to ease the problems of those States.

Mr. President, I emphasize that this measure does not constitute a gift to the States nor is it a waiver of the matching requirement. While it provides that Federal-aid funds can pay 100 percent of a project cost the amount of this cost normally provided by the States must be repaid, in cash, to the Federal Government. This provision applies only to projects started between February 12 and September 30 of this year.

The second major provision of S. 952 gives the States additional flexibility in the obligation of non-Interstate highway funds. It provides that apportionments can be shifted on a temporary basis among the primary, secondary, urban and urban extension categories. This will permit States to move ahead in those cases where they may have exhausted their apportionments in one category but have unused apportionments in other categories.

Mr. President, this is a temporary measure intended only to facilitate the

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utilization of released highway funds. In examining this situation the Committee on Public Works became aware of a more serious problem. This is the long-range ability of States to finance highway programs in a period of inflation and declining revenues. Later this year the committee will develop a new general authorization bill for the Federal-aid program. It is our intention at that time to thoroughly examine all fiscal questions relating to the program, including the ability of the States to participate.

I further hope that a situation similar to that which resulted in S. 952 will not recur. Passage of Senate Resolution 69 on April 24 freed the remaining impounded funds. If we can establish realistic program levels at the beginning of each fiscal year we can perhaps avoid the impoundment issues and the uncertainty they bring. If States know from the outset the amount of Federal-aid money that will be available to them they can plan properly for the allocation of State matching funds.

Mr. President, I commend the able Senator from New Mexico (Mr. MONTOYA) for his leadership in introducing S. 952. His concern with this problem has been valuable in helping us develop this response to the matching problem.

Mr. TOWER. Mr. President, I would like to say that I am supporting this bill, S. 952, because I think its objectives—to accelerate employment in the construction industry and to take advantage of recently released funds for highway construction—are sound.

But I would also like to point out the potential for danger by the loan provisions of this bill. On occasion in the past, Congress has enacted similar legislation. The experience under that legislation was that the Congress later forgave loans made to States which could not repay them. I hope the emphasis provided in the committee report on this measure will eliminate the danger that similar forgiveness will occur in January 1977, when repayment must be made for loans granted now to States which are unable to provide matching funds for highway construction. But I am not certain that the report's language alone is adequate. Therefore, I take this opportunity to emphasize that it is the intention of this body that those States which avail themselves of this bill's loan provision should not be forgiven the obligation to repay their debts.

The reason for my emphasis is twofold: First, the States incurring obligations under the provisions of this bill should not delude themselves through unfounded hopes. To do so would be to place themselves in an even more precarious financial situation when the loans become due. To accept funds which cannot be repaid, but which must be repaid, would be irresponsible, reflective of a handout mentality which depends on ever-increasing Federal interference in State affairs and an ever-increasing Federal budget.

The second reason for emphasizing the need for responsible planning, by those States which plan to avail themselves of this bill's loan provisions, is that most States, including the State of Texas, do not need the loan provision. These States have been fortunate to have adequate resources of matching funds, and, more importantly, adequate foresight to plan their highway construction programs in such a way that they can stand on their own feet. If a future Congress were to forgive the obligations incurred by a small minority of States under this bill, it would be doing a grave disservice to those States which do not need loans now but which are nevertheless prepared to support this proposal for the good of the Nation. It would be the responsible States which would suffer; it would be the incentive to adequately plan for the future which would be destroyed.

Mr. BENTSEN. Mr. President, in April, the Nation's unemployment rate stood at 8.9 percent, with more than 8 million Americans out of work. This represents the highest level of unemployment in 34 years.

Unemployment in the construction trades, which stood at 11.3 percent last August, now hovers at 19.3 percent. Few industries have been so severely affected by the current recession.

On February 12, in an effort to accelerate employment in construction, the President ordered the release of $2 billion in impounded Federal-aid highway funds, bringing the funding level for the highway program to $6.6 billion in fiscal 1975. As of May 15, the Federal Highway Administration reported that $1.085 billion of these additional funds had been obligated with nearly a billion dollars remaining to be obligated before the June 30 deadline.

For the time being, States are being allowed to obligate funds on a first-come first-served basis, subject only to their overall apportionment limitations and to the limitations on apportionments in the individual categories of Federal funds.

Shortly after the President released the additional funds, a panel of Governors from the National Governors Conference met with the Public Works Committee and informed its members that some States might have difficulty raising matching funds to take advantage of the recently released Federal funds. Gasoline consumption has either decreased in these States or increased very little, causing reduced revenues. This, along with the financial burdens placed on States by the recession, and the high rate of inflation in highway construction, has created severe financial strains at the State level.

The national conference of State legislatures meeting in Washington on February 28, adopted a policy position calling for a suspension of matching requirements for matching funds "to quickly implement highway projects as a means to put people to work as well as provide better transportation, to save energy, and protect the safety of our people."

In the Senate, Senator MONTOYA on March 5, introduced S. 952, which attempted to resolve the States' matching problems. It would have permitted the States to receive up to 90 percent Federal funding for any Federal-aid highway project for which money has been apportioned to the States by the Federal Highway Administration but not obligated by the State prior to June 30, 1975. States would pay back the increased Federal share by deducting the amounts expended in two equal payments from their 1977 and 1978 fiscal year apportionments.

On April 12, the House of Representatives passed H.R. 3786, which would permit the States to receive 100 percent Federal funding for all Federal-aid highway projects—other than interstate—started between February 12 and June 30, 1975. In addition, the measure permitted the States to transfer funds for the same period among four major categories of Federal-aid highways in that State.

Again, the interstate was excepted from this provision. The States would have to repay, in State funds, the amounts borrowed by the temporary increase in Federal funds, before January 1, 1977. Furthermore, the House bill provides that amounts transferred from one category to another must be repaid to the categories from which they were originally transferred by deducting at least 50 percent of each future annual apportionment from the recipient categories and transferring these amounts annually until full repayment has been made to the categories from which the funds were originally transferred.

On April 30, the Subcommittee on Transportation received testimony from six witnesses on the House bill, the Montoya bill, and S. 681 introduced by Senator Moss.

Governors Rampton of Utah, Blanton of Tennessee, Evans of Washington, and Mandel of Maryland all indicated that their States would have some difficulty in raising funds to match the Federal share of highway construction. The Governors noted that shortfalls in gas tax revenue, coupled with the inflationary spiral of construction costs have created the need for a waiver of matching funds.

The American Association of State Highway and Transportation officials indicated that at least 31 States believe that a temporary waiver of the Federal match is in order.

The final bill reported by the full committee is identical to the House bill except that it extends the date from June 30, 1975, to September 30, 1975, for the waiver of match and the transferability of funds.

TRANSFER OF FUNDS AMONG MAJOR HIGHWAY CATEGORIES

Section 3 of the reported bill allows the States to transfer funds among the four major categories of highway funds, other than the interstate, as long as they do not exceed the total State apportionment. This means that the primary, secondary, urban, and urban extension funds are subject to the transfer provision.

To be of maximum effectiveness in fighting unemployment, highway funds

must be channeled into projects which are ready to proceed, regardless of the limitations on apportionments in individual categories. Since each State's problems in obligating additional funds are unique, nearly every State will benefit from some short-term flexibility to pull billions of dollars of previously impounded Federal aid highway revenues to work. For many States, this means emphasis on widening, resurfacing, and bridge replacement. For other States, it may mean new construction. Either way, the States should have the ability to accelerate work in areas where unemployment is greatest and where projects are ready to be put under contract.

Yet the apportionment limitations currently in effect often result in a State having more apportionment in a given category than it can spend and less in another category than it could put to work immediately. The flexibility afforded by this measure will give the States the authority until September 30, 1975, to move their funds freely to their areas of greatest need.

It is our intention that funds transferred from one category to another during this period shall be repaid to the category from which the money was borrowed. This will be accomplished by deducting at least 50 percent from each future annual apportionment from the recipient categories and transferring these funds until full repayment has been made to the original category.

WAIVER OF THE FEDERAL MATCHING REQUIREMENT

S. 952, as amended, offers a prudent and temporary solution to the problem some States have in matching Federal aid highway funds. The purpose of the President's release of the $2 billion in highway funds and the Senate's later action in passing Senate Resolution 69 was to allow the States to proceed with needed construction projects and to put people back to work. Each $1 billion of highway funds is said to create approximately 126,000 jobs, in and out of the construction industry.

If some States cannot take advantage of the released funds as quickly as they would like, the purpose for releasing the funds would be vitiated. Some States have made the effort to economize and to streamline their activities in response to financial difficulties. State highway and transportation departments have reduced their personnel by an estimated 6,700 people. However, at the same time, gasoline consumption decreased 3.2 percent in 1974 compared to 1973, and the costs of road construction have gone up 35.1 percent. These twin burdens on the States should be repaired by stopgap legislation; that is what this measure purports to do.

The measure reported requires a repayment, in State funds, prior to January 1, 1977. States availing themselves of the temporary 100 percent Federal share should be on notice that we have no intention of adjusting the repayment date or of altering this measure prior to that time.

Mr. President, I believe this is a prudent and realistic measure to meet an immediate need. I urge its adoption.

Mr. MONTOYA. Mr. President, the Senate passed H.R. 3786 today, legislation which I introduced in the Senate to provide States with loans to meet matching fund requirements under the Federal Aid Highway Act and to permit transfer of funds between Federal-aid highway systems.

I appreciate the cooperation of Senator JENNINGS RANDOLPH, chairman of the Public Works Committee and Senator LLOYD BENTSEN, chairman of the Subcommittee on Transportation, and my colleagues in handling this legislation in a timely manner to meet the present emergency.

I am pleased that the loan provision of this legislation is not needed in my home State, New Mexico. Thanks to the thrift and sacrifices of the people of New Mexico, there is still enough money in the Treasury to meet the rising State costs. However, not all States can now meet their matching fund requirements, and this legislation will permit those States to maintain road construction as an immediate antirecession measure to provide badly needed jobs.

The flexibility provision of this legislation has two important benefits. First, it continues to protect the integrity of the Interstate System. The vital national network of transcontinental arteries must be completed for defense mobility and to simplify our domestic travel. Its completion has often been delayed and must be protected against further delay. The act will also permit each State to transfer funds between Federal-aid highway programs. This will benefit metropolitan areas, including Western cities such as Albuquerque, N. Mex., to place more emphasis on urban transportation planning.

Mr. President, it is important that we continue to emphasize the emerging critical need for improved mass transit. Oil imports aggravate our international balance of payments, extend our dependence on uncertain Middle East oil, and continue the drain on each consumer. Mass transit is an excellent approach to reducing the need for oil imports in the near future. Those who live in urban areas will benefit for the immediate reason that less costly fuel is used in a bus than in the many automobiles that it replaces on the road. In addition, people who live outside cities will find more gasoline available to them because less will be used in the cities.

The long-term problems which are becoming evident in the Federal-aid highway program cannot be treated fully in this emergency legislation. An increasing imbalance is developing between the reduced State road use tax revenues and the increased road program costs. We must adjust the State revenues upward or adjust the State obligations downward. States are increasingly obligated to sacrifice important programs in favor of road construction to avoid the loss of Federal apportionments. I expect that the Congress will explore this issue in depth and develop a long-term policy to meet public needs.

THE ULTIMATE INSANITY: NO MATCHING FUNDS

Mr. PROXMIRE. Mr. President, I want to go on record opposing S. 952 dealing with highway fund matching requirements.

Touted as a "recession fighter," this legislation allows States to borrow from their Federal aid apportionment funds required as the State matching share for Federal aid highway projects. Yet highway construction is the least efficient, most expensive way of creating jobs. It costs far too much per job. And with the energy problem looming so large, it is bad public policy for this Nation to continue on the automobile binge.

The purpose of S. 952 is to allow those States with immediate cash flow problems to take advantage of the nearly $1 billion unobligated funds remaining from highway construction money released by President Ford in February. I share the thoughts of those Senators on the Public Works Committee who filed additional views to the report on this bill, arguing that it is neither useful nor necessary. Their arguments merit review at this time.

There are two reasons why the bill is not needed now. The overwhelming majority of the States are capable of meeting Federal matching fund requirements in the short run. Only five States have any immediate problems in this area.

Second, the Public Works Committee will be taking up comprehensive highway legislation later this year and the problems of those States having immediate difficulties can be considered in view of the overall structure of Federal financing of highways. This would be far better than the piecemeal approach of S. 952.

This measure also fails to make a useful contribution to the financial problems of the affected States. Representatives from the National Governors Conference who met with the Public Works Committee all stated that matching problems will probably get worse in the next 2 years. Due to decreasing gasoline and automobile sales, State revenues for highway programs will be going down while highway construction and maintenance costs continue to rise. The States will then be faced with paying back the loan authorized by this bill at a time when they may well be less able to do so than now without further cutting back on their highway projects.

Mr. President, Senators STAFFORD, MCCLURE, BUCKLEY, BAKER, and DOMENICI have made a good case against this measure in the committee report. I share their concerns and oppose the bill.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Public Works be discharged from the further consideration of H.R. 3786, and

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that the Senate proceed immediately to the consideration of the bill.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 3786) to authorize the increase of the Federal share of certain projects under title XXIII, United States Code.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Montana? Without objection. it is so ordered.

The Senate will proceed to the consideration of the bill.

Mr. MANSFIELD. Mr. President, I move to strike all after the enacting clause of H.R. 3786 and to susbtitute therefor the text of S. 952, as reported and as amended.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

The ACTING PRESIDENT pro tempore. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The ACTING PRESIDENT pro tempore. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 3786) was passed.

Mr. MANSFIELD. Mr. President, I move to postpone S. 952 indefinitely.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PREPARATION OF ENVIRONMENTAL IMPACT STATEMENTS

The Senate proceeded to consider the bill (H.R. 3130) to amend the National Environmental Policy Act of 1969 in order to clarify the procedures therein with respect to the preparation of environmental impact statements, which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause and insert the following:

That section 102(2)(C) of the National Environmental Policy Act of 1969 (83 Stat. 852) is amended by striking the semicolon at the end thereof and inserting a period and the following new paragraph:

"Any detailed statement prepared after January 1, 1970, on a major Federal action funded under a program of grants to States shall not be deemed to be legally insufficient solely by reason of having been prepared by a State agency or official which or who has statewide jurisdiction and has the principal planning and decisionmaking responsibility for such action if the responsible Federal official furnishes guidance and participates in such preparation and independently evaluates such statement prior to its approval and adoption: *Provided*, That, in any statement on any such action prepared after June 1, 1975, the responsible Federal official shall prepare independently the analysis of any impacts of and alternatives to the action which are of major interstate significance: *Provided further*, That the procedures set forth in this paragraph shall not relieve the Federal official of his responsibilities for the scope, objectivity, and content of the entire statement or of any other responsibilities under this Act;".

Mr. BENTSEN. Mr. President, I support the bill, H.R. 3130 as reported by the Committee on Interior and Insular Affairs, although I hope my colleagues will work carefully with the House Members in conference to eliminate any ambiguity that may exist in the language.

I called hearings on H.R. 3130 last May 5. The Transportation Subcommittee, which I chair, conducted hearings jointly with the Interior Committee.

We listened to opinions from all ends of the spectrum—from construction workers, environmental groups, the administration, and the Council on Environmental Quality. I came away from the hearings convinced that this measure was not a question of creating jobs on the one hand and protecting the environment on the other. Unfortunately, that has too often seemed the case in news accounts and in the statements of interested parties.

The Second Circuit Court's decision which ran counter to the decisions in several other Federal courts, ruled that the Federal Government, not the States, had to prepare environmental impact statements. This overturned a long-term process utilized by Federal agencies and endorsed by the Council on Environmental Quality, in which State officials prepared the statements with the final supervision and approval of the Federal Government.

The impact of the court's decision was to stall temporarily highway projects in New York, Connecticut, and Vermont. Although construction has been resumed, it is only on a very limited basis, and it is necessary for Congress to act to clear up the ambiguity. Administrative remedies were tried, but the language in the Second Circuit's decision appeared to require legislation.

With thousands of jobs at stake and with the Council on Environmental Quality agreeing that "neither H.R. 3130 nor H.R. 3787 would reduce the responsibility for completeness, objectivity, and accuracy of environmental impact statements placed by NEPA on the appropriate Federal official," I believe it is necessary that we resolve the controversy.

The construction industry has been very hard hit during the recession; current figures places its unemployment rate at 19.3 percent. If we can clarify the implementation of our environmental laws—without weakening them—and protect employment at the same time, this measure will have served a dual purpose.

I urge support for H.R. 3130.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar beginning with new report.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The nominations will be stated.

DEPARTMENT OF JUSTICE

The legislative clerk read the nomination of W. Laird Stabler, Jr., of Delaware, to be U.S. attorney for the district of Delaware.

The ACTING PRESIDENT Pro tempore. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF DEFENSE

The legislative clerk read the nomination of Norman R. Augustine, of Virginia, to be Under Secretary of the Army.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

U.S. AIR FORCE

The legislative clerk proceeded to read sundry nominations in the U.S. Air Force.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that those nominations be considered en bloc. I am quite certain that Maj. Gen. James R. Allen is not the distinguished JAMES B. ALLEN who is a Member of the Senate.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

U.S. ARMY

The legislative clerk read the nomination of Maj. Gen. Sidney Bryan Berry, Army of the United States, to be lieutenant general.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

NOMINATIONS PLACED ON THE SECRETARY'S DESK

The legislative clerk proceeded to read sundry nominations in the Air Force, in the Army, in the Navy, and in the Marine Corps, placed on the Secretary's desk.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. MANSFIELD. I ask unanimous consent that the President be notified of the confirmation of these nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so oredered.

(All nominations confirmed today are printed at the end of the Senate proceedings.)

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate return to consideration of legislative business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EMERGENCY LIVESTOCK CREDIT ACT AMENDMENTS—CONFERENCE REPORT

Mr. McGOVERN. Mr. President, I submit a report of the committee of conference on S. 1236, and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1236) to amend and extend the Emergency Livestock Credit Act of 1974, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The ACTING PRESIDENT pro tempore. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

The conference report is as follows:

CONFERENCE REPORT (S. REPT. 94–151)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1236) to extend and amend the Emergency Livestock Credit Act of 1974, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following: That the Emergency Livestock Credit Act of 1974 (88 Stat. 391) is amended as follows:

(a) Section 2 is amended—

(1) By striking "for the purpose of" in the first sentence of subsection (a) and inserting in lieu thereof the following: "and who have substantial operations in".

(2) By striking the period at the end of subsection (a) and inserting in lieu thereof the following: "including dairy cattle raised and maintained for the primary purpose of marketing dairy products.".

(3) By striking everything following the word *"Provided,"* in subsection (b) and inserting in lieu thereof the following: "That the term 'legally organized lending agency' shall be deemed to include the Federal Financing Bank only to the extent that such Bank may hold the guaranteed portion of such loans.".

(4) By striking all of subsection (c) after the word "Secretary" and inserting the following in lieu thereof: "to guarantee more than 90 per centum of the principal and interest on such loan.".

(5) By changing subsection (f) to read as follows:

"(f) Loans guaranteed under this Act shall be for the period reasonably required by the needs of the borrower, taking into consideration the security the borrower has available, but not exceeding an original term of seven years. Loans may be renewed for not more than three additional years.".

(b) Section 3 is amended by striking all of paragraph (3) of subsection (a) after the words *"Provided,* That" and inserting in lieu thereof the following: "the total principal balance outstanding at any one time on loans guaranteed under this Act for any borrower shall not exceed $350,000;".

(c) Section 4 is amended to read as follows:

"SEC. 4. Loans guaranteed under this Act shall be secured by collateral adequate to protect the Government's interests, as determined by the Secretary: *Provided*, That the Secretary may accept collateral which has depreciated in value owing to temporary economic conditions and which, in the opinion of the lender, together with his confidence in the repayment ability of the borrower, is adequate security for the loan.".

(d) Section 5 is amended by striking "$2,000,000,000" and inserting in lieu thereof "$1,500,000,000", and by adding at the end thereof the folowing new sentences: "Such fund may also be utilized to pay administrative expenses of the Secretary necessary to carry out the provisions of this Act. The Secretary in his discretion is authorized to use the funds from the Agricultural Credit Insurance Fund to purchase, on such terms and conditions as he may deem appropriate, the guaranteed portion of any loan made pursuant to this Act and to pay such expenses and fees incident to such purchases.".

(e) Section 8 is amended to read as follows:

"SEC. 8. The provisions of this Act shall become effective upon enactment, and the authority to make new guarantees shall terminate on December 31, 1976.".

(f) Section 10 is amended by adding at the end thereof the following new sentence: "Insofar as practicable, the Secretary shall complete action on each loan application within thirty days after its receipt.".

(g) The Act is amended by adding at the end thereof the following new section 11:

"SEC. 11. The Secretary shall report to the Committee on Agriculture, United States House of Representatives, and the Committee on Agriculture and Forestry, United States Senate, on or within one year of the date of the enactment of this section, and annually thereafter, with respect to the effectiveness of this Act. The Secretary shall be required, but not limited, to include in such report the number of loan applications submitted, the number and amount of loans approved, the financial situation facing cattlemen at the time of the report, the effect of this Act on the retail marketing of beef and on the farm-retail price spread of beef, and any recommendations he may have as to actions which can be taken to further decrease the price spread and to increase the consumption of beef.".

SEC. 2. Section 344 of the Consolidated Farm and Rural Development Act (86 Stat. 667) is amended by changing the last sentence thereof to read as follows: "No contract guaranteeing any such loan by such other lender shall require the Secretary to guarantee more than 90 per centum of the principal and interest on such loan.".

And the House agree to the same.

That the House recede from its amendment to the title of the bill.

And the Senate agree to the same.

HERMAN E. TALMADGE,
JAMES O. EASTLAND,
GEORGE MCGOVERN,
JAMES B. ALLEN,
HUBERT H. HUMPHREY,
ROBERT DOLE,
CARL T. CURTIS,
HENRY BELLMON,
Managers on the Part of the Senate.

BOB BERGLAND,
W. R. POAGE,
E DE LA GARZA,
ALVIN J. BALDUS,
GLENN ENGLISH,
JACK HIGHTOWER,
WILLIAM WAMPLER,
PAUL FINDLEY,
Managers on the Part of the House.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1236) to extend and amend the Emergency Livestock Credit Act of 1974, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report. The differences between the Senate bill and the House amendment and the substitute agreed to in conference are noted in the following outline, except for conforming, clarifying, and technical changes:

(1) *Eligibility of dairy producers.*

The *House* amendment provides that the term "livestock" shall include dairy cattle "raised and maintained for the primary purpose of marketing dairy products".

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the House provision.

This amendment is clarifying in nature in that the Secretary under existing law has authority to guarantee loans with respect to producers of milk, eggs, and other livestock products such as wool and mohair. This is made clear by the following exchange of correspondence between the Chairman of the Senate Committee on Agriculture and Forestry and the Department of Agriculture:

U.S. SENATE
COMMITTEE ON
AGRICULTURE AND FORESTRY.
Washington, D.C., August 2, 1974.

HON. EARL L. BUTZ,
Secretary, U.S. Department of Agriculture,
Washington, D.C.

DEAR MR. SECRETARY: The regulations issued by the Department of Agriculture implementing the provisions of the Emergency Livestock Credit Act of 1974, specifically paragraph 1845.12(e), seemingly exclude the egg and milk producers of this Nation.

This ambiguity needs clarification immediately and must be resolved, without a doubt, so that the producers of these two very important commodities are explicitly included under the regulations, just as they are covered by the Act.

While the House of Representatives amended Sec. 2 of the Senate bill (S. 3679) to delete the phrase, "or the products thereof" from the definition of the term "livestock", this is of no consequence, for the Act specifically includes "dairy cattle and chickens" among the commodities covered, and surely the prime function of many chickens is to produce eggs, just as the function of dairy cattle is to produce milk.

Although I have no personal knowledge, I am informed that when the term "or the products thereof" was deleted during the course of House Committee consideration of the bill, the reason given for such action was to assure that packers and milk manufacturers were excluded.

Furthermore, when the House-passed bill was considered in the Senate the Senator from South Dakota, Mr. McGovern, the floor manager of the bill, on page 12761 of the Congressional Record of July 17, 1974, said:

"The House amendment deletes any reference to the products of livestock. However, both the Senate bill and the House amendment define livestock as including dairy cattle and chickens. Therefore, producers of eggs and milk are eligible for assistance under the bill."

Obviously, the complete history of this measure is such as to cover all elements of the livestock sector of our agricultural economy. I know that the members of the Senate

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Committee on Agriculture and Forestry felt this way.

There is no rational reason to exclude milk producers. Nor is there any substantive reason to exclude egg producers. Therefore, I would appreciate very much if the regulations were amended to assure needed credit to the producers of these two very important agricultural commodities.

With every good wish, I am

Sincerely,

Herman E. Talmadge,
Chairman.

Department of Agriculture,
Washington, D.C., August 27, 1974.

Hon. Herman E. Talmadge,
U.S. Senate,
Washington, D.C.

Dear Senator Talmadge: This is in reply to your letter of August 2, 1974, with respect to the regulations issued by this Department covering the Emergency Livestock Credit Act of 1974.

We appreciate your bringing to our attention the matter of clarification in regard to the financing of milk and egg producers under this new legislation. The Department has issued a revision of the rules and regulations to include producers of both milk and eggs, as well as other livestock products, such as wool and mohair and delete Paragraph 1845.12 (e) of the regulations. The Federal Register dated August 16, 1974, beginning on page 29581, sets forth these changes.

Your comments relative to the legislative history and intent of this new Act are very much appreciated.

Sincerely,

William Erwin,
Assistant Secretary.

(2) *Eligibility criteria of producers.*

The *Senate* bill directs the extension of financial assistance to bona fide farmers and ranchers "who have substantial operations in" breeding, raising, fattening, or marketing livestock.

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the Senate provision. The *Conferees* intend that a bona fide farmer or rancher shall be deemed as having "substantial operations" in the breeding, raising, fattening, or marketing of livestock if (1) he devotes not less than 25 percent of his time to his livestock operation; (2) not less than 25 percent of his farm income is derived from his livestock operation; or (3) not less than 25 percent of his capital investment is attributable to his livestock operation. Only persons actually engaged in livestock production would be eligible for assistance under the Act.

(3) *Eligibility of secondary financing by Federal Financing Bank.*

Both the *Senate* bill and the *House* amendment permit secondary financing of the guaranteed portion of livestock loans through the Federal Financing Bank.

The *House* amendment provides specifically that the Federal Financing Bank may hold only the guaranteed portion of loans guaranteed under the Act.

The *Conference* substitute adopts the *House* provision.

(4) *Term of loans and renewals.*

The *Senate* bill permits loans for the period reasonably required by the needs of the borrower, taking into consideration the security he has available, but not exceeding an original term of seven years. Loans could be renewed for not more than three years.

The *House* amendment permits loans over such period of time as determined by the Secretary, but not to exceed seven years.

The *Conference* substitute adopts the *Senate* provision.

(5) *Maximum loan level.*

The *Senate* bill authorizes the guarantee of a line of credit up to $500,000.

The *House* amendment reduces the maximum line of credit to $250,000.

Under the *Conference* substitute, the line of credit could not exceed $350,000.

(6) *Limitation of total outstanding loan guarantees.*

The *House* amendment reduces the amount of loan guarantees under existing law which may be outstanding at any one time from $2 billion to $1 billion.

The *Senate* bill contains no comparable provision.

Under the *Conference* substitute, the amount of loan guarantees which may be outstanding at any one time is reduced to $1.5 billion.

(7) *Utilization of the Agricultural Credit Insurance Fund.*

The *Senate* bill authorizes the use of the Agricultural Credit Insurance Fund to pay administrative expenses.

The *House* amendment also authorizes the use of the fund to pay administrative expenses and further authorizes the Secretary of Agriculture to use this fund, on such terms and conditions as he may deem appropriate, to purchase the guaranteed portion of any loans "made pursuant to amendments to this Act".

The *Conference* substitute adopts the *House* provision with an amendment deleting the words "to amendments".

(8) *Time limitation on loan application processing.*

The *Senate* bill provides that, insofar as practicable, the Secretary shall complete action on each loan application within 30 days after receipt.

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(9) *Security and collateral for guaranteed loans.*

The *House* amendment provides that guaranteed loans must be secured by collateral adequate to protect the Government's interest but permits the Secretary to accept collateral which has depreciated in value owing to temporary economic conditions.

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* provision.

(10) *Annual reports.*

The *House* amendment requires annual reports from the Secretary on the effectiveness of the Act and the activity thereunder, including any recommendations the Secretary may have as to actions which can be taken to decrease the farm-retail price spread and increase the consumption of beef.

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* provision.

(11) *Loan guarantees under the Consolidated Farm and Rural Development Act.*

The *Senate* bill amends the Consolidated Farm and Rural Development Act to provide that contracts of guarantee under that Act shall not require the Secretary to guarantee more than 90 percent of the principal and interest on such loans. Under existing law, the Secretary may guarantee no more than 90 percent of the loss sustained on any loan.

The *House* amendment contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(12) *Consolidation of farm operating loans.*

The *House* amendment amends the Consolidated Farm and Rural Development Act to permit the Secretary to consolidate and amortize subsequent repayment of farm operating loans over a period of not to exceed 10 years from the date of consolidation.

The *Senate* bill contains no comparable provision.

The *Conference* substitute deletes the *House* provision.

Herman E. Talmadge,
James O. Eastland,
George McGovern,
James B. Allen,
H. H. Humphrey,
Robert Dole,
Carl T. Curtis,
Henry Bellmon,
Managers on the Part of the Senate.

Bob Bergland,
W. R. Poage,
E de la Garza,
Alvin J. Baldus,
Glenn English,
Jack Hightower,
Bill Wampler,
Paul Findley,
Managers on the Part of the House.

Mr. MANSFIELD. Mr. President, I ask that the present proposal be laid aside temporarily, pending the arrival of the distinguished Senator from Kansas (Mr. Dole).

Mr. McGOVERN. Mr. President, I was not aware that the Senator from Kansas wished to be on the floor and I have been so advised, so we shall bring this up after his arrival.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Does the acting minority leader seek recognition?

Mr. HELMS. I thank the Chair, no.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from North Carolina is recognized for not to exceed 15 minutes.

SENATOR MORGAN DEFENDS HIS RECORD

Mr. MORGAN. Mr. President, this week I received a letter from Mr. Paul Jennings, president of the International Union of Electrical, Radio & Machine Workers, concerning action taken by the Senate on April 30, 1975. On that day, by a vote of 64 nays to 29 ayes, an amendment introduced by my distinguished colleague, Senator Mondale, and which would have increased the Federal deficit by $6.5 billion was defeated. I voted with the majority in rejecting that amendment.

Apparently my vote did not find favor with Mr. Jennings. I received the following letter, which I should like to read to the Senate and for the Record to indicate the tone of the letter and the feeling of Mr. Jennings. It is dated May 9, 1975, and reads as follows:

Dear Senator Morgan: On April 30, 1975, you were one of the 64 Senators (63 Democrats and 28 Republicans) who voted against putting America back to work. I am appalled that you aligned yourself with those who focused on the dollar deficit and ignored the real cause of this deficit.

In voting as you did, you chose to ignore the human needs of millions of Americans desperately seeking help. In a very real sense the action demonstrates most clearly that priorities were replaced by politics and that you are indifferent to the plea of people who are out of work, but who are able to work and who want to work.

As George Bernard Shaw said in the Devil's Disciple, "The worst sin towards our fellow creatures is not to hate them, but to be indifferent to them: that's the essence of inhumanity."

Mr. Jennings' letter continues:

This indifference was not apparent when they went to the polls and you asked for their votes and their support. At that time they were VIPs who were courted and cajoled.

Perhaps the pangs of hunger and the demoralizing and demeaning conditions wrought by unemployment will sharpen their memories and when they next go to the polls and recognize the name of a candidate who voted against them they will say: "This is the guy who reached the point of no concern when I needed him the most."

In demonstrating that you had indeed reached the point of no concern, you chose to ignore two fundamental economic facts of life:

During periods of severe economic recession and depression federal revenue drops drastically. A deficit can be avoided either by providing the stimulus necessary to revitalize the economy or by slashing vital human programs.

For every one percent drop in unemployment, the Treasury gains $16 billion in tax revenues and reduced social costs. When Mr. Nixon became president, unemployment was below 4 percent. If joblessness was at the same rate today, America would be enjoying a budget surplus.

By failing to recognize these facts, you helped impair the life of the basic unit of the human community: the family. While the Congress continues to pander to the wealthy with tax-breaks, unemployed and under-employed American families receive yet another set-back and look forward to a future which is about as stable as an ice cube in Death Valley.

It is my hope that the Congress will quickly reorder its priorities before the main qualifications to live in America will be a small appetite.

Sincerely,

Paul Jennings,
President.

The letter is written on the letterhead of the International Union of Electrical, Radio, and Machine Workers.

Apparently, Mr. President, Mr. Jennings favored the amendment and believed that its passage would have helped stimulate the economy and relieve unemployment. Certainly I respect his opinion and his right to correspond with me and the other 63 Senators who voted nay in order to express his disappointment with the vote. However, I take strong exception to the tone of his communication.

Obviously, there are no clear-cut answers to the economic problems which face us today. If there were, we would all race to make them law and then move on to other business. There are honest differences of opinion among us and in this case some 64 members of this body felt that the amendment proposed should not be adopted.

For this reason I am astonished that Mr. Jennings, purporting to represent the thinking of the International Union of Electrical, Radio, and Machine Workers, would write to 64 members of the U.S. Senate a letter which I can interpret only as rude and abusive and could only accomplish the purpose of alienating those to whom he addressed his remarks.

Mr. Jennings stated that we "reached the point of no concern," that "priorities were replaced by politics," and that those of us who voted in the majority—"are indifferent to the plea of those who are out of work."

He states, "I am appalled."

Well, I am appalled also.

I am appalled that Mr. Jennings would write me and my colleagues and accuse us of a callous disregard for the plight of unemployed and struggling working people when we have devoted more time to conscientious efforts to solve our economic problems than to any other single matter during this session.

Mr. Jennings states that we were motivated by politics. Well, in my opinion there would be no better "politics" at this time than stopping spiralling inflation and putting people back to work. And that is exactly what we have been trying to do since coming to Washington in January.

If we are able to find solutions to the problems which face us, as I am sure we will be, it will be because all of us—elected officials, labor unions, business executives, economists, and the voters of this Nation—worked together with reason and respect for each other.

It is certain we will never find those solutions by resorting to threats and demagoguery.

Like many of my colleagues, I was elected to the U.S. Senate with the support of much of organized labor in my State. I received their support, for which I am grateful, I would like to believe, because of the concern I showed for the problems of the working people of North Carolina during my tenure as a State senator and as attorney general. Over the years I have worked closely with labor leaders in my State to provide greater opportunities for all our people and on occasion have even been labeled a "populist" by those who insist on labels.

As attorney general of North Carolina I created my State's first consumer protection agency. We fought for fair consumer credit laws and helped secure their passage. I have supported minimum wage legislation, and I have staked my whole political career on improving the quality of education in my State, making educational opportunities and vocational training available to all our people, and trying to make it possible for every man, woman, and child to receive adequate health care.

Fifteen years ago I fought to establish more nurse training facilities, and for a period of 12 years I have been engaged in fighting to bring about more training opportunities for those wishing to enter the medical field.

Time after time I have had the privilege of working with the very capable leaders of organized labor in North Carolina, who have helped me bring into being many of these programs—people like Millard Barbee, former state president of the AFL–CIO; Wilbur Hobby, now president of the AFL–CIO; Bill Holder, eastern North Carolina director of the Communications Workers of America; Roger Bauguss, secretary-treasurer of the North Carolina AFL–CIO and my friend and neighbor with whom I was reared, Lloyd Byrd, of the Textile Union Workers of America. And I could name many, many more in North Carolina.

We have not always agreed with each other, but we have always respected one another and certainly never dealt in harsh and groundless accusations. The laboring people of North Carolina are my friends and I value that friendship.

My point is this: I resent very deeply correspondence such as that I have received from Mr. Jennings. It makes no friends. It opens no doors. It does not serve the best interests of members of the International Union of Electrical, Radio and Machine Workers and, frankly, I believe that if the individual members knew of the letter they would object to it also.

Working together, I am confident that we can repair the damage already done to our economy and once again have adequate jobs for our people. In the meantime, I think it behooves us all to be respectful of varying viewpoints and certainly temperate in our comments.

Mr. President, I ask unanimous consent to have printed in the Record the letter to which I have just referred, dated May 9, 1975, and signed by Mr. Paul Jennings, president, International Union of Electrical, Radio and Machine Workers.

There being no objection, the letter was ordered to be printed in the Record, as follows:

International Union of Electrical, Radio and Machine Workers,
Washington, D.C., May 9, 1975.

Dear Senator Morgan: On April 30, 1975, you were one of the 64 Senators (36 Democrats and 28 Republicans) who voted against putting America back to work. I am appalled that you aligned yourself with those who focused on the dollar deficit and ignored the real cause of this deficit.

In voting as you did, you chose to ignore the human needs of millions of Americans desperately seeking help. In a very real sense the action demonstrates most clearly that priorities were replaced by politics and that you are indifferent to the plea of people who are out of work, but who are able to work and who want to work.

As George Bernard Shaw said in the Devil's Disciple, "The worst sin towards our fellow creatures is not to hate them, but to be indifferent to them; that's the essence of inhumanity."

This indifference was not apparent when they went to the polls and you asked for their votes and their support. At that time they were VIPs who were courted and cajoled.

Perhaps the pangs of hunger and the demoralizing and demeaning conditions wrought by unemployment will sharpen their memories and when they next go to the polls and recognize the name of a candidate who voted against them they will say: "This is the guy who reached the point of no concern when I needed him the most."

In demonstrating that you had indeed reached the point of no concern, you chose to ignore two fundamental economic facts of life:

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drastically. A deficit can be avoided either by providing the stimulus necessary to revitalize the economy or by slashing vital human programs.

For every one percent drop in unemployment, the Treasury gains $16 billion in tax revenues and reduced social costs. When Mr. Nixon became president, unemployment was below 4 percent. If joblessness was at the same rate today, America would be enjoying a budget surplus.

By failing to recognize these facts, you helped impair the life of the basic unit of the human community: the family. While the Congress continues to pander to the wealthy with tax-breaks, unemployed and under-employed American families receive yet another set-back and look forward to a future which is about as stable as an ice cube in Death Valley.

It is my hope that the Congress will quickly reorder its priorities before the main qualifications to live in America will be a small appetite.

Sincerely,

Paul Jennings,
President.

Mr. MANSFIELD. Mr. President, I wish to commend the distinguished Senator from North Carolina for his temperate reply. As we all know, all our actions back here are subject to the will and the whims of the people of the States we have the honor and the privilege to represent.

I want to state that as far as the distinguished Senator is concerned, he has been one of the foremost advocates in behalf of the consumer. I think he has applied himself diligently and well and with integrity to the position to which he was duly elected by a majority of the people of his State.

Again I want to commend him on the temperateness of his reply.

Mr. MORGAN. I thank the distinguished majority leader.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent at this time, pending the arrival of the Senator from Florida, that the distinguished Senator from South Dakota be recognized in connection with a conference report.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EMERGENCY LIVESTOCK CREDIT ACT AMENDMENTS—CONFERENCE REPORT

The Senate continued with the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1236) to amend and extend the Emergency Livestock Credit Act of 1974, and for other purposes.

Mr. McGOVERN. Mr. President, we checked with the Senator from Kansas (Mr. Dole), and he has advised that we move ahead on the matter that I brought up a while ago, so I now repeat the unanimous consent that the Senate proceed to the consideration of the conference report on S. 1236.

Mr. President, this conference report, which amends the Emergency Livestock Credit Act of 1974 represents a reasonable compromise between the House and the Senate in an effort to iron out some of the problems which developed in the administration of the Emergency Livestock Credit Act of last year.

It is my belief that the amended law will be far more helpful to those livestock producers who are threatened with bankruptcy, to the American economy, and to the entire agricultural and food chain which provides a stable supply of meat to the American consumer at reasonable prices.

I would like to take a moment to describe the changes which S. 1236 would make in the present law.

First, it modifies the criteria for eligibility to make it clear that diversified farmers—those who produce wheat or cotton or feed grains, in addition to a modest livestock operation—are eligible for loan guarantees. Under the more restrictive definition of the present law, many of these equally hard-hit producers of small and medium size were not eligible.

Second, it provides that the Federal Financing Bank may purchase from local lenders the guaranteed portion of loans made under this act. One of the critical problems in rural America today is the shortage of adequate credit. To permit resale of loans to the Federal Financing Bank will make more capital available to local agricultural lenders.

Third, the bill increases from the present 80 to 90 percent the amount of the producer's loan which can be guaranteed by the Government. This increase in the percentage which would be guaranteed is necessary to interest more lenders in making loans to producers.

Fourth, present law calls for repayment of loans in 3 years, with a possible extension of 2 additional years. For many of the hardest-hit cattle producers, there is no way that a loan can be repaid in this short a time. The bill would increase the maximum repayment term to 7 years, with a possible 3-year extension. I should point out that, if the Secretary of Agriculture determines that a borrower is in a position to repay a loan in less time, he may prescribe a shorter term.

Fifth, we propose to increase the maximum amount of credit available to a producer from $250,000 to $350,000. This increase represents a compromise between the Senate bill, which proposed an increase to $500,000, and the House amendment, which left the maximum at the present $250,000. The conferees selected $350,000 because that is the maximum amount permitted under loans guaranteed by the Small Business Administration.

Sixth, the conference version places a limit of $1.5 billion on the amount of loan guarantees which may be outstanding at any one time. This is a reduction from the present $2 billion ceiling, and represents a compromise between the Senate, which made no change in the present ceiling, and the House, which had provided a $1 billion ceiling.

Seventh, the bill extends availability of loans through December 31, 1976, whereas the present act would expire on July 25 of this year.

Eighth, we would require under this bill that the Farmers Home Administration process all loan applications within 30 days after receipt. It is our intention that the process be speeded up so that a producer has a yes or no answer quickly, and can make his plans accordingly.

Ninth, the bill also amends Section 344 of the Consolidated Farm and Rural Development Act to make the same provision for a 90 percent guarantee of principal and interest that is available under the livestock credit program, available to FmHA farm operating and farm real estate programs as well. This will facilitate secondary financing for such programs.

Tenth, the conferees adopted a House provision which permits the Government to accept as security for emergency livestock loans any collateral which may have depreciated in value owing to temporary economic conditions.

Mr. President, the inventory value of the U.S. cattle herd has depreciated from $41 billion to $21 billion in the space of a year. Such a collapse has left many producers—particularly young farmers and ranchers with heavy debt load on land and property—unable to produce collateral. It is our intention that this amendment will do much to alleviate that problem.

Eleventh, and finally, the amendments would require that the Secretary of Agriculture report annually to the Senate and House agriculture committees on the effectiveness of this program.

In summary, the purpose of S. 1236 is to streamline and improve a program which has been of limited but significant help to one of the first sectors of our economy to feel the real weight of a depression.

It is a program which will be extremely helpful to maintain an important link in our food production chain at little if any significant cost to the taxpayer.

The act will continue to provide that the borrower demonstrate a real ability to repay his loans. Indeed, the livestock producers of this Nation have always wanted to repay their debts, and they have done so. I anticipate that condition will remain.

Mr. President, I call for the adoption of the conference report on S. 1236.

Mr. DOLE. Mr. President, I am pleased to recommend to my colleagues the adoption of the conference committee report on S. 1236, the Emergency Livestock Credit Act Amendments.

As is usual with conference committee reports, this report does not contain all of the provisions I would like but is a reasonable compromise between the Senate and House versions.

I noted when this bill originally passed the Senate on March 20 that after nearly 9 months of operation only $17 million in loans have been guaranteed in my State of Kansas, one of the leading beef producing States in the Nation. A major obstacle has been the $250,000 lending limit per borrower. The Senate version provided for an increase to $500,000 The conferees agreed upon a $350,000 line of credit which will hopefully allow more livestock producers to remain in business.

I was particularly disturbed by the provision in the House bill reducing total guarantee commitments authorized under the act from $2 billion to $1 billion. The conferees compromised at $1.5 billion, but I believe there was general agreement that this figure would be increased later if there proved to be a need. I will not hesitate to offer legislation to restore the original $2 billion amount if a substantial number of new loans are made as a result of these amendments to the Emergency Livestock Credit Act.

Another significant provision of this bill is language which will allow private lenders who make either emergency livestock loans or loans under other Farmers Home Administration authorities to more easily sell the guaranteed portion of those loans to secondary lenders.

Mr. President, livestock prices have improved somewhat in recent weeks. However, recovery from the tremendous financial losses suffered by many farmers, ranchers, and feeders during the past 2 years will be a long, slow process for many and impossible for others. It is my hope that the Emergency Livestock Credit Act, with these amendments contained in S. 1326, will aid those who do have some resources left to continue to provide American consumers with adequate supplies of meat, poultry, eggs, and milk.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the conference report.

The conference report was agreed to.

ORDER OF BUSINESS

Mr. McGOVERN. Mr. President, would it be in order for me to ask unanimous consent to proceed for an additional 5 minutes on another matter?

Mr. MANSFIELD. Mr. President, I would have to object, most respectfully and regretfully, but if the distinguished Senator from Florida desires to yield 5 minutes of his time to the the Senator from South Dakota at this time, I would see to it that the time was made up later.

Mr. STONE. With pleasure. I yield.

THE REASSESSMENT OF MIDDLE EAST POLICY

Mr. McGOVERN. I thank the distinguished majority leader and the Senator from Florida.

Mr. President, I have signed a letter, along with three-fourths of my Senate colleagues, urging continued U.S. support for Israel. As chairman of the Senate Foreign Relations Subcommittee on the Near East and South Asia, I want to make clear what my signature means and what it does not mean.

It means that I believe continued U.S. support for Israel is in both our interest and Israel's.

But it does not mean that I accept as either defensible or justifiable the present occupation of Arab territories held by Israel since 1967.

Israel's right to exist as a permanent independent state must be recognized by both the Arabian governments and by the PLO or whichever group ultimately speaks for the Palestinians.

But in return for that agreement of recognition, Israel must agree to return the occupied territories and must accept Palestinian self-determination, including the right to a political entity of their own.

It would be folly for Israel to assume that American support means approval of the existing boundaries in the Middle East. The present boundaries are not defensible; they are a virtual assurance of continued conflict. And the nonrecognition of Palestinian rights by Israel would be as dangerous to peace as Palestinian nonrecognition of Israel.

So let us support Israel's right to security and independence. But let us recognize that present arrangements in the Middle East mean more war and that only a reasonable compromise on both sides can produce the peace settlement that is in the vital interest of Israel, Arabian, and American interests.

The true friends of Israel will offer her the continuing hand of friendship and support. But they will also make clear that Israel cannot survive and flourish in a world of 100 million Arabs, including 3 million Palestinians unless the issues of recognition, boundaries, and Palestinian rights are quickly resolved. The step-by-step approach to Middle East peace failed because the various parties had not agreed on the basic outline of a final settlement toward which they could proceed step by step.

Geneva may be the last opportunity for peace before the dogs of war go mad. If either side should launch a new war in the name of "prevention," the United States should repudiate that action with appropriate force.

It is in our interest to back Israel's independence and continued freedom; it is not in our interest nor in Israel's to back an occupation which if continued will spell doom for Israel and possibly for millions of others.

I have recently returned from a 3-week study tour of the Middle East. In a few days, a carefully prepared report of my findings and recommendations on the Middle East will be issued by the Senate Committee on Foreign Relations.

I am very hopeful that that report, which involves a considerable amount of study, thought, and investigation, will be carefully read both by Members of Congress and by our policymakers in the executive branch.

Mr. President, I thank the majority leader and the Senator from Florida for making this time available.

Mr. MANSFIELD. Mr. President, does the Senator have a copy of that letter? I think it ought to go into the Record because all I see are references to it in the press.

Mr. McGOVERN. Mr. President, that is a good idea. I would ask unanimous consent that the text of the letter to which I referred be printed in the Record, along with the statement I have just made.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Dear Mr. President: You will recall that last December a substantial majority of the Senate wrote you urging a reiteration of our nation's long-standing commitment to Israel's security "by a policy of continued military supplies and diplomatic and economic support".

Since 1967, it has been American policy that the Arab-Israel conflict should be settled on the basis of secure and recognized boundaries that are defensible, and direct negotiations between the nations involved. We believe that this approach continues to offer the best hope for a just and lasting peace.

While the suspension of the second-stage negotiations is regrettable, the history of the Arab-Israel conflict demonstrates that any Israeli withdrawal must be accompanied by meaningful steps toward peace by its Arab neighbors.

Recent events underscore America's need for reliable allies and the desirability of greater participation by the Congress in the formulation of American foreign policy. Cooperation between the Congress and the President is essential for America's effectiveness in the world. During this time of uncertainty over the future direction of our policy, we support you in strengthening our ties with nations which share our democratic traditions and help to safeguard our national interests. We believe that the special relationship between our country and Israel does not prejudice improved relations with other nations in the region.

We believe that a strong Israel constitutes a most reliable barrier to domination of the area by outside parties. Given the recent heavy flow of Soviet weaponry to Arab states, it is imperative that we not permit the military balance to shift against Israel.

We believe that preserving the peace requires that Israel obtain a level of military and economic support adequate to deter a renewal of war by Israel's neighbors. Withholding military equipment from Israel would be dangerous, discouraging accommodation by Israel's neighbors and encouraging a resort to force.

Within the next several weeks, the Congress expects to receive your foreign aid requests for fiscal year 1976. We trust that your recommendations will be responsive to Israel's urgent military and economic needs. We urge you to make it clear, as we do, that the United States acting in its own national interests stands firmly with Israel in the search for peace in future negotiations, and that this premise is the basis of the current reassessment of U.S. policy in the Middle East.

Respectfully yours,

—— ——.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

Mr. MANSFIELD. With no time to be taken out.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Chair recognizes the Senator from Florida.

Mr. MANSFIELD. Mr. President, if the Senator will yield, I would like to seek recognition after the time of the Senator from Florida has expired, and at that time give my 5 minutes to the distinguished Senator from Florida so that he can talk further.

Mr. STONE. I thank the distinguished leader.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Florida may proceed.

OPEC PRICE INCREASE

Mr. STONE. Mr. President, on the front page of yesterday's Washington Post Mr. Thomas O'Toole reported the likely OPEC price increase by the oil producing-exporting countries—OPEC—of $2 per barrel or up to $2 per barrel toward the end of the summer. Stating that it was a move "which could deepen the worldwide recession and would add up to 8 cents to the gallon price of gasoline in the United States," Mr. O'Toole further reported, and I quote:

> Some economists have long felt that the recession was triggered by the huge increase in the world oil prices last year at the end of the Arab oil embargo so that any new price rise can only mean more trouble for the world's economy.

Mr. President, Mr. O'Toole is correct, in the opinion of the junior Senator from Florida. Mr. President, our economy is still declining and the recession deepening. After a temporary lull, inflation is rekindling. Poliyannas who predict recovery, or at least a substantial upturn this summer, are wrong. Neither our economy nor that of the rest of the free world or even the third world will recover at these oil prices, much less the OPEC price increase forecast by the Washington Post and the Associated Press in yesterday's reports.

On the same front page of yesterday's Post, there are two other articles. The lead line of one states, and I quote:

"Economy dips at 11.3 percent rate; worse than estimated."

The other is headed, "Ford Cites Problems on Energy," and it commences:

"President Ford, declaring that America's energy situation is continuing to deteriorate, said yesterday that we are today more vulnerable to a Mideast oil embargo than ever before."

It does not require schooling in logic to perceive the connection nor does it take a logical genius to see the stupidity of any action on our part which further raises taxes on imported oil, as the President now proposes to do, in fighting as opposed to deterring OPEC's further price increases, without confronting the central causation of this total problem, and the central causation of the inflation, of the recession, which is the secretly set, artificially high prohibitively draining, recession-causing and deepening, foreign policy balance-shrinking, job-reducing OPEC price of oil.

Mr. President, this Congress, the President, and just about every economist: take the position that with one level or another of deficit spending and the current reductions in the level of use of oil in this country and current reductions in product inventories overhanging ability to sell in this country, with those things our economy will turn the corner this summer and start upward. Some few will argue that the recovery will be later and slower, but Mr. President, I take the position that at these prices of oil and at the now-anticipated further increase by OPEC in its price of oil, we will not recover. Mr. President, the Senator from Florida hopes he is wrong, but thinks he is right.

If he is right, all the imposed conservation of the use of oil will not do the job, and it will, by reducing the use of energy, worsen unemployment. If the Senator is right, neither the present import tax, nor the proposed added import tax, nor the proposed phased-in tax on gasoline at the pump proposed by House Ways and Means, nor a 55-mile-an-hour speed limit imposed, or enforced, will do more than paw the ground. In fact, how much ground does a race horse cover pawing the ground while still locked into the starting gate?

While our heavy dependency on OPEC oil, and it is at least 40 percent at this time, and with our absolute short run physical inability to substitute sufficient oil and energy from other sources, conservation-to-the-hilt will not reduce the cost-drain of OPEC oil sufficiently for our economy to recover.

Mr. President, our President, Congress and economists cry recovery, but there is none. It will take a confrontation with OPEC by the United States, as the largest single consumer of oil in the world, and nothing less. If we have not got the guts to face OPEC and its leaders, we will die economically without a boycott, merely by paying a tribute that our economy cannot afford to pay.

In the Washington Post, and nationally, on Tuesday, May 20, 1975, Joseph Kraft wrote a column headed, "Bowing to the Shah," in which he reported that on the Shah's visit, no official request for a price reduction was made. When I inquired why, of some who I think call themselves "senior official sources," that was the case, in the midst of all the careful and skilled arrangements for hospitality, we did not in the midst of these expressions of friendship ask for some price relief to get our economy going again, the response was that "we always ask and he never accedes, so why keep asking."

In the article, Mr. Kraft reports that:

> The Shah is a strategic figure in OPEC, for Iran is the second-largest oil exporter in the world. Officials in Saudi Arabia, which is the biggest exporter, have repeatedly indicated they would go along with any price break the Shah accepted. Most important of all, the Shah is now extremely sensitive to American pressures. He has embarked Iran on a vast program of economic and military expansion that is heavily dependent on American products, American expertise and American money, which he will soon have to be borrowing again.

Mr. Kraft asked the Shah whether the price of oil had been mentioned in his official discussion. "Only casually," he said. Mr. Kraft then asked whether the Shah believed the United States was prepared to live with the present price. "Not only live with the price," the Shah replied, "but accept further increases."

Columnist Charles Bartlett, writing in yesterday's Washington Star, said:

> The Shah wants to keep up with inflation, but the present price of oil is nearly seven times higher than the $1.50 he was paid in 1973. Nothing has matched that rise, particularly his two chief agricultural purchases from the United States, wheat and rice. Wheat is up 51 per cent and rice 22 per cent since 1973. And if the shah is serious about indexing, wheat has dropped 22 per cent and rice 31 per cent from their 1974 highs. This country has reacted to agricultural scarcities by pressing its productive potential to the fullest. The cartel has the opposite strategy of pinching back production to keep its price firm.
>
> And if inflation is the key concern, OPEC has no cause to feed the fire. Experts like Timothy Stanley credit the OPEC price rises with responsibility for at least 25 per cent of this country's 1974 price inflation, considerably more than in Japan and Europe. The only comforting feature was their one-time impact upon the economy. The shah wants to make the damage recurrent.

Mr. President, if we accept further increases, we are undone. On February 17, 1975, the Senator from Florida introduced Senate bill 680, which provides that Congress would initially set a $9.50 a barrel ceiling on both imported and domestic oil, deregulating the balance of domestic oil to maximize domestic supply thereafter. It is my firm belief that we cannot afford to pay the exorbitant prices now imposed on us by the OPEC nations.

The response to this bill and my efforts to convince colleagues to support it has been uniform. The first and only question asked by my colleagues and staff members is: "But what if they boycott us?" My answer is that we are now being boycotted. If the only price at which we can obtain imported oil is a price which maintains and deepens our recession and induces a forthcoming bankruptcy, we are being boycotted. This slow boycott is forcing us deeper into recession and, strangely enough, is causing great financial damage to OPEC.

The Shah talks of the reduction in their oil sale receipts, and he refers not only to the continuing inflation in the developed countries, slowed as it now is somewhat by the recession, but he also refers to the fact that their demand and the total dollars they receive is greatly reduced. Why? It is because we cannot afford to pay.

Why is it that inflation has continued though at a smaller rate in the midst of a deep recession? Because the energy cost holds up the price and cost of everything that uses energy, and that is everything. That is the difference between this recession and past recessions.

By now, if there were no oil OPEC cartel price, prices would have been reduced with the reduction of demand. The cost of using energy would have been reduced, generalized product prices would have come down, and the items bought by OPEC would have come down. They would have been cheaper. But, since supply and demand effectively has been blocked by the cartel price of energy, generalized world inflation continues in the midst of deepening recession.

Pollyannas, pollyannas, I say to the Senators, take the view that inflation is increasing at a decreasing rate, that unemployment is increasing at a decreasing rate, and that various indexes of prosperity are worsening at a lessening rate.

Normally, conventionally, this would

allow economists and Government leaders properly to forecast the end of inflation and the end of the recession, and that is what they are doing. But it is not possible with an artificially high and prohibitively high cartel price.

What is the answer? The answer is not to bow to the Shah. The answer is to stand up to the Shah. The answer is not to bow to OPEC. The answer is to stand up to OPEC and demand a lower price of oil, so that the world economy can increase production, thereby increasing supply of products, and thereby effectively combating price inflation, as well as eliminating this debilitating recession. My bill would do that.

Were S. 680 to pass and become law, it would say to all oil producers throughout the world—here in the United States, as well as foreign, OPEC, as well as non-OPEC—that the selling price set by law and thereafter set by executive action from time to time is the price above which we would go broke if we had to pay it.

In such a price, there is a built-in premium for all oil producers. This bill does not try to set the selling price at the true market price or at the equilibrium price, which many witnesses before the Committee on Interior and Insular Affairs this year indicated might be in the range, were it to float free, of about $7 to $8.

Instead, we say to those, many of whom confiscated the foreign oil investments in their country, which were mainly American, but, in all fairness, in whose sovereign ground the oil exists, that what we are willing to pay is what we are able to pay. It is greater than what a market subject to no artificial controls would yield for them. It is a price substantially greater than before the embargo, but not so much greater that we go broke.

If the Senator from Florida is wrong, then the present $12 a barrel price of oil is affordable, and we will recover. If the Senator from Florida is wrong, then the soon-to-be $14 or $15 a barrel of oil, secretly and artificially set, is affordable and can be purchased, and we would recover.

If so, the Senator from Florida will be happy to return to the Chamber and admit he was wrong. But if one person's voice can timely be heard to encourage our Nation to the risk that would avoid certain depression and even the possible military conflicts that that would provoke, then this position is worth taking.

The Senator from Florida believes we are not recovering. The Senator from Florida believes that if we do not confront OPEC and take this risk to lower the price of oil, we will not recover, not this summer, not this fall, not this Christmas, not next year.

In conclusion, from time to time, the Senator from Florida expects to return to the Chamber, or before the Committee on Interior and Insular Affairs, or appropriate committees, to remind his colleagues that yet and still our American economic recovery is still prevented by an OPEC price, which can only be reduced by confrontation of the even-handed type proposed by Senate bill 680, and that in the absence of it, we will still in vain deficit spend.

The Senator from Florida said to his colleagues when this bill was introduced that he did not expect the bill to advance if the economy grew legs, but our economy is still receding. This economy cannot afford to finance substitute boiler fuels or even substantial conservation of the use of oil unless we recover. We cannot recover if we do not get the OPEC price of oil down. We can get that OPEC price down in either of two ways: a planned confrontation or a major, deepening, economic world depression. Let us stand up and live on our feet.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business, for not to exceed 30 minutes, with statements therein limited to 5 minutes.

OUTSTANDING PUBLIC SERVICE BY SECRETARY OF THE ARMY HOWARD H. CALLAWAY

Mr. ALLEN. Mr. President, in recent years some segments of the national press seemingly have declared open season on public officials and, in the process, have helped contribute to the sad decline in public confidence in Government. Too often has the press failed to delineate between those few officials whose actions may, indeed, be substandard and the many other men and women who devote themselves to public service with distinction and honor and, in many cases, with personal sacrifices.

Mr. President, on May 10, 1973—just 2 years ago—the U.S. Senate approved the nomination of Howard H. "Bo" Callaway of LaGrange, Ga., as Secretary of the Army. He took the oath of office on May 15, 1973. He has exemplified and he continues to exemplify the best in American public service.

Looking back now, it is difficult to recall that when Secretary Callaway took office, Army esteem and credibility were at a low point. Only 4 of the Army's 13 divisions were rated combat ready, and discipline and morale in the Service were being questioned. In addition, the Army was being asked to bear the brunt of a sweeping new social experiment in our modern defense establishment, the Volunteer Army Concept. Under circumstances as they were at that time, the public, the press, Congress, and even the Army itself were doubtful whether an Army could be recruited and maintained without the draft.

But from the beginning, Secretary Callaway put aside these reservations, making up his mind that the Volunteer Army concept would work and work well. He approached the challenge with a contagious enthusiasm soon felt throughout the Army. Winning overwhelming support of the Army's military leaders, he instituted a series of actions that gave a sharp lift to personnel management, recruiting and retention, equity toward minority groups, and the morale and welfare of the individual soldier. These measures were not attained by coddling the troops or by relaxing standards. On the contrary, they were created by tightening standards and establishing greater individual challenges.

The results have been truly impressive. In 1974 the Army recruited over 219,000 young men and women—a number exceeding the population of Greater Montgomery, Alabama, or of Greater Columbus, Georgia—and a 33-percent increase over recruiting in 1973. The Army met its congressionally mandated strength of 785,000 soldiers at the end of the fiscal year on June 30, 1974, before the surge of unemployment which has accompanied the economic recession. The Army is confident that it will meet its recruiting objectives for fiscal year 1976 without difficult.

Secretary Callaway took advantage of this recruiting success to uprade the quality of volunteers entering the service. Higher preenlistment standards and education goals were established, and I am told that by June 1976, the Army anticipates that 10 percent of its enlisted men and women will have college experience and that about 80 percent will be high school graduates. By way of comparison, only about 37 percent of our enlisted forces were high school graduates during World War II.

These factors are having a dynamic, positive effect within the Army. Morale is up. Disciplinary infractions are down. Confidence and pride in units are up. Training and readiness are much improved, with all 13 of the Army's divisions now rated as combat ready by the stringent standards of the Joint Chiefs of Staff.

Secretary Callaway also has had a major hand in restructuring the Army's internal workings to attain better combat posture. Marginally needed support and headquarters elements have been reduced at nearly every Army installation—both at home and abroad—and the resulting manpower and dollar savings have been converted into new combat units. Forty eight new combat battalions and 3 new active divisions are being created without adding a single man or woman to the Army's authorization. This streamlining of Army resources has helped strengthen our defense posture and has provided a clear signal that the United States does not intend to have its vital national interests jeopardized by any potential enemy.

Mr. President, Secretary of the Army Callaway has brought a new spirit of cooperation into the relationship between the Army and Congress. He has gone out of his way to stress that we are all partners in national security. He is a shining example of candor, openness, and integrity. Secretary Callaway runs an open organization, and this has made the Army's relationship with Congress a model for some of the other agencies in the executive branch.

Mr. President, our country is fortunate that dedicated public servants like Howard Callaway are willing to come forward and accept the exacting demands of Government service. While he is no stranger to responsibility, Secretary Callaway 2 years ago took on a great new challenge as Secretary of the Army. He mastered it and has infused those who have observed his actions and his dedication with a new faith in the integrity and competence of American leadership.

QUORUM CALL

Mr. **MANSFIELD**. Mr. President, I suggest the absence of a quorum.

The **ACTING PRESIDENT** pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. **CANNON**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. (Mr. STONE). Without objection, it is so ordered.

SENATE RESOLUTION 166—ORIGINAL RESOLUTION REPORTED RELATING TO THE LEGAL ISSUES OF THE NEW HAMPSHIRE ELECTION CONTEST

Mr. CANNON. Mr. President, I report the following resolution setting forth the legal issues to be resolved by the Senate relative to the New Hampshire Senate election contest:

S. RES. 166

Resolved, That the Senate shall vote separately on each of the following issues with respect to which tie votes were cast by the members of the Committee on Rules and Administration in its consideration of the contested election for a seat in the United States Senate from the State of New Hampshire:

(1) Is it the sense of the Senate that the committee should conduct a recount as requested by Mr. Wyman of the following precincts to determine the accuracy of the recount of the Secretary of State of New Hampshire: Gorham, Bedford, Somersworth Ward 1, Claremont Ward 2, Concord Ward 1, Hanover, New Market, Pelham, Salem and Gilford?

(2) Is it the sense of the Senate that the Committee should conduct a recount of the following precincts because of alleged inaccuracies in the tally sheets of the Secretary of State of New Hampshire: Merrimack, Meredith, and Lancaster?

(3) Is it the sense of the Senate that the committee should conduct an investigation into the allegations of missing ballots in Dover Ward 3 and Troy; and, if any ballots are found to be missing in either precinct, that a retally of that precinct be conducted?

(4) Is it the sense of the Senate that the Committee should investigate circumstances surrounding the casting of the ballot by Mrs. Ella Doyle for her sister, Mrs. Elizabeth McCarren?

(5) Is it the sense of the Senate that, with respect to all ballots on which the Committee vote is tied, the ruling of the highest authority of the State of New Hampshire shall remain in effect?

(6) Is it the sense of the Senate that the Committee should retrieve, separate, and review all of the ballots in its custody of a "skip-candidate" type?

(7) (a) The committee having voted to retrieve from the ballots of a skip-candidate type a number of "skip Durkin" votes equal to the number of "skip Wyman" votes before the Committee and a motion to reconsider such vote having resulted in a 4 to 4 vote, is it the sense of the Senate that such original vote of the Committee to retrieve such "skip Durkin" votes shall stand as the vote of the Committee?

(b) If the Senate shall have voted in the negative on part (a) is it the sense of the Senate that the Committee should retrieve from the ballots of a skip-candidate type a number of "skip Durkin" votes equal to the number of "skip Wyman" votes before the Committee?

(8) Is it the sense of the Senate that the Committee shall accept the vote as reported to it on the 12 Manchester voting machines which have been tested for the accuracy of the candidate counters?

SEC. 2. The Senate shall vote separately with respect to the following ballots, as designed by the vote numbers given to them by the Committee on Rules and Administration in its consideration of the contested election for a seat in the United States Senate from the State of New Hampshire, to determine the candidate, if any, for which each such ballot should be counted with the result of each vote to be inserted in the respective blank space:

Eleven—Miscellaneous ballots

(1) Vote No. 22, to be counted for ______.
(2) Vote No. 88, to be counted for ______.
(3) Vote No. 120, to be counted for ______.
(4) Vote No. 127, to be counted for ______.
(5) Vote No. 128, to be counted for ______.
(6) Vote No. 205, to be counted for ______.
(7) Vote No. 244, to be counted for ______.
(8) Vote No. 245, to be counted for ______.
(9) Vote No. 288, to be counted for ______.
(10) Vote No. 308, to be counted for ______.
(11) Vote No. 342, to be counted for ______.

Eight—Single Square Skip-Wyman ballots

(12) Vote No. 251, to be counted for ______.
(13) Vote No. 267, to be counted for ______.
(14) Vote No. 280, to be counted for ______.
(15) Vote No. 281, to be counted for ______.
(16) Vote No. 285, to be counted for ______.
(17) Vote No. 310, to be counted for ______.
(18) Vote No. 311, to be counted for ______.
(19) Vote No. 324, to be counted for ______.

Four—More than Single Square Skip-Wyman ballots

(20) Vote No. 256, to be counted for ______.
(21) Vote No. 279, to be counted for ______.
(22) Vote No. 305, to be counted for ______.
(23) Vote No. 314, to be counted for ______.

One—Skip-Durkin ballot

(21) Vote No. 322, to be counted for ______.

Three—Masked ballots

(25) Vote No. 58 (masked), to be counted for ______.
(26) Vote No. 302 (masked), to be counted for ______.
(27) Vote No. 406 (masked), to be counted for ______.

AUTHORITY FOR COMMITTEE ON RULES AND ADMINISTRATION TO FILE REPORT ON SENATE RESOLUTION 166

Mr. CANNON. Mr. President, I ask unanimous consent to file during the Memorial Day recess the report of the Committee on Rules and Administration on Senate Resolution 166, referring to the legal issues and ballots relative to the New Hampshire senatorial election on which the committee votes resulted in ties which the Senate is being asked to resolve, and that the printing of the report be delayed until the committee hearings are available.

I ask unanimous consent that the time for filing to be midnight Tuesday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. GARY W. HART) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON DEVELOPMENT COORDINATION—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. GARY W. HART) laid before the Senate a message from the President of the United States transmitting the first annual report on development coordination, in accordance with section 640B(d) of the Foreign Assistance Act of 1961, as amended, which, with the accompanying report, was referred to the Committee on Foreign Relations. The message is as follows:

To the Congress of the United States:

I hereby transmit to the Congress the First Annual Report on Development Coordination, in accordance with Section 640B(d) of the Foreign Assistance Act of 1961, as amended.

This is an appropriate time for the first report on the policies and actions of the United States affecting the development of the low-income countries. Over the past decade, the economies of the developing countries have grown at an encouraging rate. This was partially because of American assistance. Consequently, many nations no longer need assistance on the concessional terms we once extended.

Unfortunately, there remain a number of very poor nations suffering from malnutrition and disease, poor educational opportunities, and very low incomes. Our policies must continue to reflect our belief that American well-being is intimately related to a secure and prosperous international environment and humanitarian and economic concerns that have for so long motivated our assistance programs. The increase in petroleum prices and the food crop shortfalls of the past several years—as well as world recession and inflation—have hit the poorest countries with particular severity.

In 1974, the United States worked with other industrialized nations and with various international agencies to adjust our assistance and trade policies toward the less-developed countries to meet the new situation and to ensure a coordinated and constructive response from the international community.

We have:

—adapted our bilateral development aid program to give more assistance to the poor majority in the developing countries.

—supported multilateral institutions as a means for worldwide cooperation to promote economic and social development.

—responded to the world food problem by increasing food aid to the needy countries by increasing our assistance to help them grow more of their own food and by working with other nations to get a fully multinational response to food issues in accordance with the recent World Food Conference.

—signed into law a new Trade Act which will help enable poor countries to increase their trade with us, both by preferential treatment for their exports and by general lessening of barriers to world trade.

Much remains to be done. We must:

—work with other high income countries to help meet the continuing needs of the poorest countries in the present world economic situation.

—continue our efforts to meet the long-run problems of food scarcities through a coordinated program of increased food production in the poor countries, improved nutrition, increased food stocks and food aid, and research and development to boost food output everywhere.

—continue to provide opportunities for the developing countries to expand their trade with the United States and other industrialized nations.

—build on the results of the World Population Conference, fostering the maximum international cooperation in dealing with world population problems.

—find new techniques for working with those rapidly advancing countries that no longer require our concessional assistance, but are anxious to benefit from American skills and resources in their development programs.

The Development Coordination Committee was created to assist in ensuring that our policies and actions with respect to the developing countries are coordinated to reflect our interest in their welfare and improved quality of life, and to advise me on how our actions are affecting these poor countries and our own economy.

In recent years, there has been disillusionment with our ability to help others in this world. Our efforts have slackened. We have looked too much at our failures and not enough at our successes. While our economic problems at home are serious, we remain one of the most productive countries in the world. We have much to contribute and we have much to gain from economic cooperation with developing countries and from their economic progress. Our own prosperity will be enhanced if we remain true to our long tradition of assisting those in need.

If we help them to help themselves, we can work toward a stronger and more just international economy for the future, lessen human suffering, and increase our own security in a rapidly changing world.

GERALD R. FORD.

THE WHITE HOUSE, *May 22, 1975.*

REPORT ON THE COASTAL ZONE MANAGEMENT ACT OF 1972—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. GARY W. HART) laid before the Senate a message from the President of the United States transmitting the second annual report prepared by the Secretary of Commerce dealing with the first year of actual operation under the Coastal Zone Management Act of 1972, which, with the accompanying report, was referred to the Committee on Commerce. The message is as follows:

To the Congress of the United States:

I am transmitting herewith the second annual report prepared by the Secretary of Commerce dealing with the first year of actual operation under the Coastal Zone Management Act of 1972. The report covers Fiscal Year 1974 during which time the initial funding for the program became available.

With the critical need to increase our domestic supplies of energy and other resources from the areas off our coasts, a high priority is attached to the necessity of carrying out these activities in a safe and orderly manner. For many States and localities, the existence of the coastal zone management program provides a means for assessing and preparing for the effects of new or increased developmental activity in their coastal areas.

This program also seeks to establish a partnership between the States and the Federal government in managing our coastal resources in a way that balances development and environmental concerns.

GERALD R. FORD.

THE WHITE HOUSE, *May 22, 1975.*

MESSAGES FROM THE HOUSE

At 10:40 a.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6755) to enable the United States to render assistance to, or in behalf of, certain migrants and refugees.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 249) to amend the Securities Exchange Act of 1934, and for other purposes.

The message further announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 5727. An act to establish an independent and regionalized U.S. Parole Commission, to provide fair and equitable parole procedures, and for other purposes;

H.R. 6674. An act to authorize appropriations during the fiscal year 1976, and the period of July 1, 1976, through September 30, 1976, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loans, and for other purposes.

H.R. 6900. An act to provide an additional thirteen weeks of benefits under the emergency unemployment compensation program and the special unemployment assistance program, to extend the special unemployment assistance program for one year, and for other purposes;

H.R. 6950. An act making appropriations for the Legislative Branch for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes;

The message also announced that the House has agreed to the concurrent resolution (H. Con. Res. 269) providing for the printing of a House document, "Federal Election Campaign Laws Relating to the United States House of Representatives," in which it requests the concurrence of the Senate.

The message further announced that, pursuant to the provisions of section 2 (a) (8) of Public Law 93-133, the Speaker has appointed as a member of the Federal Council on the Arts and the Humanities the gentleman from California (Mr. STARK).

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the enrolled bill (H.R. 6755) to enable the United States to render assistance to, or in behalf of, certain migrants and refugees.

The enrolled bill was subsequently signed by the Acting President pro tempore (Mr. GARY W. HART).

At 11:50 a.m., a message from the House of Representatives delivered by Mr. Hackney announced that the House has passed the bill (H.R. 7136) to continue the special supplemental food program for women, infants, and children through September 30, 1975, in which it requests the concurrence of the Senate.

At 3:26 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has agreed to, without amendment, the concurrent resolution (S. Con. Res. 42) providing for a conditional adjournment of the Congress from May 22, 1975, until June 2, 1975.

The message also announced that the House agrees to the amendment of the Senate to the bill (H.R. 3786) to authorize the increase of the Federal share of certain projects under title 23, United States Code.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5899) making supplemental appropriations for the fiscal year ending

June 30, 1975, and for other purposes; that the House recedes from its disagreement to the amendments of the Senate numbered 3, 19, 23, 24, 27, 29, 30, 32, 35, 36, 53, 56, 60, 66–78, inclusive, and concurs therein; that the House recedes from its disagreement to the amendments of the Senate numbered 20, 40, 43, 44, 45, 46, 47, 49, 59, 63, 106, 108, and 171, and concurs therein, each with an amendment in which the concurrence of the Senate is requested; and that the House insists on its disagreement to the amendments of the Senate numbered 33 and 107 to the bill.

ENROLLED BILL SIGNED

The message also announced that the Speaker signed the enrolled bill (S. 249) to amend the Securities Exchange Act of 1934 to remove barriers to competition, to foster the development of a national securities market system and a national clearance and settlement system to make uniform the Securities and Exchange Commission's authority over self-regulatory organizations, to provide for the regulation of brokers, dealers, and banks trading in municipal securities, to facilitate the collection and public dissemination of information concerning the holdings of and transactions in securities by institutional investment managers, and for other purposes.

The enrolled bill was subsequently signed by the Acting President pro tempore (Mr. GARY W. HART).

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. GARY W. HART) laid before the Senate the following letters, which were referred as indicated:

Proposed Legislation to Authorize Foreign Assistance Programs

A communication from the President of the United States transmitting a draft of proposed legislation to authorize Foreign Assistance programs for fiscal years 1976 and 1977 and for the transition period July 1, 1976 through September 30, 1976 (with accompanying papers); to the Committee on Foreign Relations.

Budget Authority and Outlay Reductions

A letter from the Comptroller General of the United States, relative to deferrals and proposed rescissions which the President submitted to the Congress on May 8 in his eleventh special message pursuant to the Impoundment Control Act of 1974 (with accompanying papers); to the Committee on Appropriations, the Committee on the Budget, the Committee on Labor and Public Welfare, the Committee on Foreign Relations, and the Committee on Commerce, jointly, pursuant to order of January 30, 1975, and was ordered to be printed.

Release of Impounded Budget Authority

A letter from the Assistant Comptroller General of the United States, reporting, pursuant to law, the release of $46.1 million in impounded budget authority required to be made available for obligation by section 1013 (b) of the Impoundment Control Act of 1974; to the Committee on Appropriations, the Committee on the Budget, the Joint Committee on Atomic Energy, and the Committee on Interior and Insular Affairs, jointly, pursuant to the order of January 30, 1975, and ordered to be printed.

Preliminary Executive Summary—the Economic Impact of NASA R&D Spending

A letter from the Administrator, National Aeronautics and Space Administration, transmitting an executive summary of a study of the "Economic Impact of NASA R&D Spending" carried out for NASA by Chase Econometric Associates, Inc. (with an accompanying document); to the Committee on Aeronautical and Space Sciences.

Reports of Violation of the Anti-Deficiency Act

A letter from the Deputy Secretary of Defense, transmitting, pursuant to law, reports of violation of the Anti-Deficiency Act (with accompanying reports); to the Committee on Appropriations.

Interim Report of the Defense Manpower Commission

A letter from the Chairman, Defense Manpower Commission, transmitting, pursuant to law, an interim report of the Defense Manpower Commission (with an accompanying report); to the Committee on Armed Services.

Proposed Legislation To Extend the Expiration Date of Certain Authorities Under the Federal Civil Defense Act of 1950, as Amended

A letter from the Office of General Counsel, Department of Defense, transmitting a draft of proposed legislation to further amend the Federal Civil Defense Act of 1950, as amended, to extend the expiration date of certain authorities thereunder (with accompanying papers); to the Committee on Armed Services.

Proposed Financial Assistance to the Bank of Tokyo, Ltd.

A letter from the President and Chairman, Export-Import Bank of the United States, reporting on proposed financial assistance to The Bank of Tokyo, Ltd. in purchasing from the United States $75,000,000 worth of raw cotton; to the Committee on Banking, Housing and Urban Affairs.

Report of the Federal Deposit Insurance Corporation

A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting, pursuant to law, the annual report of the Federal Deposit Insurance Corporation (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

Proposed Legislation To Extend the Export Administration Act of 1969, as Amended

A letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to extend the Export Administration Act of 1969, as amended (with accompanying papers); to the Committee on Banking, Housing and Urban Affairs.

Proposed Legislation To Amend and Extend the Defense Production Act of 1950

A letter from the Administrator, General Service Administration, transmitting a draft of proposed legislation to amend and extend the Defense Production Act of 1950 (with accompanying papers); to the Committee on Banking, Housing and Urban Affairs.

Proposed Amendments of the Communications Act of 1934

A letter from the Chairman, Federal Communications Commission, transmitting a draft of proposed legislation to amend sections 203 and 204 of the Communications Act of 1934 (with accompanying papers); to the Committee on Commerce.

Proposed Legislation To Amend the Marine Protection, Research and Sanctuaries Act of 1972

A letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to amend section 304 of the Marine Protection, Research and Sanctuaries Act of 1972 to extend the appropriation authorization for fiscal years 1976 and 1977 in order to carry out the provisions of title III relating to marine sanctuaries (with accompanying papers); to the Committee on Commerce.

Report of the National Railroad Passenger Corporation

A letter from the Vice President, Government and Public Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, a report on the average number of passengers per day on board each train operated, and the on-time performance at the final destination of each train operated, by route and by railroad (with an accompanying report); to the Committee on Commerce.

Proposed Atlantic Tunas Convention Act of 1975

A letter from the Assistant Secretary for Congressional Relations, Department of State, transmitting a draft of proposed legislation to give effect to the International Convention for the Conservation of Atlantic Tunas, signed at Rio de Janeiro May 14, 1966, by the United States of America and other countries, and for other purposes (with accompanying papers); to the Committee on Commerce.

Proposed Hazardous Materials Transportation Act Amendments of 1975

A letter from the Secretary of Transportation, transmitting a draft of proposed legislation entitled "The Hazardous Materials Transportation Act Amendments of 1975" (with accompanying papers); to the Committee on Commerce.

Vending Regulations Relating to Ice Cream Vendors in the District of Columbia

A letter from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, an act adopted by the Council on April 22, 1975, and signed by the Mayor May 6, 1975, amending the Vending Regulations relating to ice cream vendors in the District of Columbia (with accompanying papers); to the Committee on the District of Columbia.

Report of the American Legion

A letter from the Director, National Legislative Commission, the American Legion, transmitting, pursuant to law, a report of the American Legion (with an accompanying report); to the Committee on Finance.

Proposed Appropriations for the International Trade Commission

A letter from the Chairman, U.S. International Trade Commission, transmitting a draft of proposed legislation to provide authorization of appropriations for the U.S. International Trade Commission (with accompanying papers); to the Committee on Finance.

Changes in Allocations for the International Narcotics Program

A letter from the Assistant Secretary for Congressional Relations, Department of State, transmitting, pursuant to law, planned changes in allocations of fiscal year 1975 funds authorized and appropriated for the International Narcotics Control Program (with accompanying papers); to the Committee on Foreign Relations.

Proposed Legislation To Amend the Federal Energy Administration Act

A letter from the Administrator, Federal Energy Administration, transmitting a draft of proposed legislation to amend the Federal Energy Administration Act of 1974 to provide new budget authority for fiscal years 1977 and 1978 (with accompanying papers); to the Committee on Government Operations.

Report of Contracts of the Department of Transportation

A letter from the Secretary of Transportation, transmitting, pursuant to law, a report on contracts negotiated under 10 U.S.C. 2304 (a)(11) during the period October 1, 1974, through March 31, 1975 (with accompanying papers); to the Committee on Government Operations.

Report on Women in Government

A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report entitled "Women in Government" (with an accompanying report); to the Committee on Government Operations.

Report of the Board of Visitors, United States Military Academy

A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report of the Board of Visitors, U.S. Military Academy (with an accompanying report); to the Committee on Government Operations.

List of GAO Reports

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a monthly list of GAO reports released in April 1975 (with an accompanying document); to the Committee on Government Operations.

Reports of the Comptroller General

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on Project Head Start: Achievements and Problems, Office of Human Development, Department of Health, Education, and Welfare (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on need for regulating the food salvage industry to prevent sales of unwholesome and misbranded foods to the public, Department of Health, Education, and Welfare, Department of Agriculture (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the Military Commissary Store: Its Justification and Role in Today's Military Environment, Department of Defense (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on controlling the radiation hazard from uranium mill tailings, Energy Research and Development Administration, Nuclear Regulatory Commission (with an accompanying report); to the Committee on Government Operations.

Report on the Old Cattle Trails of the Southwest

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, a report on the Old Cattle Trails of the Southwest (with an accompanying report); to the Committee on Interior and Insular Affairs.

Proposed Legislation To Authorize Appropriations for the Indian Claims Commission

A letter from the Chairman, Indian Claims Commission, transmitting a draft of proposed legislation to authorize appropriations for the Indian Claims Commission for fiscal year 1977 (with accompanying papers); to the Committee on Interior and Insular Affairs.

Applications for Loans Under the Small Reclamation Projects Act of 1956

A letter from the Assistant Secretary of the Interior, reporting, pursuant to law, applications received for loans under the Small Reclamation Projects Act of 1956; to the Committee on Interior and Insular Affairs.

Report on Nonbranded Independent Marketers of Motor Gasoline

A letter from the Administrator, Federal Energy Administration, transmitting, pursuant to law, a report on nonbranded independent marketers of motor gasoline, 1972 through 1974 (with an accompanying report); to the Committee on Interior and Insular Affairs.

Report on Retail Gasoline Market Shares

A letter from the Administrator, Federal Energy Administration, transmitting, pursuant to law, a report on retail gasoline market shares, December 1974-January 1975 (with an accompanying report); to the Committee on Interior and Insular Affairs.

Proposed Alpine Lakes Wilderness, Mt. Baker-Snoqualmie and Wenatchee National Forests, Washington

A letter from the Secretary of Agriculture, transmitting, proposed legislation to designate the Alpine Lakes Wilderness, Mt. Baker-Snoqualmie and Wenatchee National Forests, in the State of Washington (with accompanying papers), to the Committee on Interior and Insular Affairs.

Proposed Legislation To Provide for the Definition and Punishment of Certain Major Crimes Committed by Indians

A letter from the Attorney General of the United States, transmitting a draft of proposed legislation to provide for the definition and punishment of certain crimes in accordance with the Federal laws in force within the special maritime and territorial jurisdiction of the United States when said crimes are committed by an Indian in order to insure equal treatment for Indian and non-Indian offenders (with accompaning papers); to the Committee on the Judiciary.

Report of the Summer Youth Jobs Programs

A letter from the Secretary of Labor, transmitting, pursuant to law, a report on the 1975 Summer Youth Jobs Programs (with an accompanying report); to the Committee on Labor and Public Welfare.

Report of Federal Support to Universities, Colleges, and Selected Nonprofit Institutions

A letter from the Director, National Science Foundation, transmitting, pursuant to law, a report on Federal support to universities, colleges, and selected nonprofit institutions, fiscal year 1975 (with an accompanying report); to the Committee on Labor and Public Welfare.

Regulations Relating to the Eligibility of Parttime Students and Other Administrative Matters Under the Basic Educational Opportunity Grant Program

A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting, pursuant to law, regulations relating to the eligibility of parttime students and other administrative matters under the basic educational opportunity grant program (with accompanying papers); to the Committee on Labor and Public Welfare.

Reports of the Emergency Medical Services Systems Act

A letter from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report of the Emergency Services Systems Act of 1973, Public Law 93–154, November 16, 1973 through June 30, 1974 (with an accompanying report); to the Committee on Labor and Public Welfare.

Proposed Legislation To Extend Appropriations Authorizations for Emergency Medical Services Systems

A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to extend appropriations authorizations for emergency medical services systems, and for other purposes (with accompanying papers); to the Committee on Labor and Public Welfare.

Proposed Appropriations for the National Foundation on the Arts and the Humanities

A letter from the Chairman, National Endowment for the Arts, and the Chairman, National Endowment for the Humanities, transmitting a draft of proposed legislation to amend the National Foundation on the Arts and the Humanities Act of 1965, as amended (with accompanying papers); to the Committee on Labor and Public Welfare.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. GARY W. HART):

A resolution from the Virginia Synod of the Lutheran Church in America, regarding the tragedy in Southeast Asia; to the Committee on Appropriations.

Resolution No. 77 adopted by the Legislature of the Territory of Guam; to the Committee on Armed Services:

"RESOLUTION NO. 77

"Relative to approving the report and recommendations of the Executive-Legislative Ammunition Wharf Study Commission and extending the responsibilities of the Commission

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, the Executive-Legislative Ammunition Wharf Study Commission, consisting of Senators Frank Blas, Edward Charfauros and G. Ricardo Salas and Executive Office members, Steve Hopson, Paul Souder and Joaquin Perez, have unanimously selected a site for the relocation of the ammunition wharf; and

"Whereas, the Executive-Legislative Commission has submitted its report and recommendations to the Governor and Legislature for their approval as required by Resolution No. 32; and

"Whereas, the report thoroughly reviewed all possible sites for the relocation of the ammunition wharf and determined that Orote Point is the most acceptable location; and

"Whereas, the Orote Point Plan, as outlined in the Commission's report, utilizes available military property and maximizes safety to the public; and

"Whereas, the Commission believes the Orote Point Plan provides Guam with the best chance to obtain blast zone waivers or other arrangements to permit economic development of Cabras Island, and that the incremental financing arrangements available under the Orote Point proposal will be acceptable to the Department of Defense and the U.S. Congress; now, therefore, be it

"*Resolved*, that the report and recommendations of the Executive-Legislative Ammunition Wharf Study Commission are hereby approved by the members of the Thirteenth Guam Legislature; and be it further

"*Resolved*, that with the concurrence of the Governor, the authority of the Executive-Legislative Ammunition Wharf Study Commission is extended for the purpose of pursuing Department of Defense and U.S. Con-

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gressional approval of the Orote Point proposal; and be it further

"*Resolved*, that the Commission shall report its progress to the Legislature and the Governor on June 30, 1975 and every two (2) months thereafter until Department of Defense and U.S. Congressional approval has been received or until waivers or other arrangements have been granted to permit economic development of Cabras Island; and be it further

"*Resolved*, that the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the President of the United States, the Secretary of Defense, the Secretary of the Interior, the Secretary of the Navy, the Secretary of the Air Force, the President of the Senate, to the Speaker of the House of Representatives, to the Chairman of the Senate and House Committees on Defense, Appropriations and Interior and Insular Affairs, to Guam's Delegate to Congress and to the Governor of Guam."

Joint Resolution No. 78 adopted by the Legislature of the State of New York; to the Committee on Banking, Housing and Urban Affairs:

"JOINT RESOLUTION No. 78

"Joint resolution of the Legislature of the State of New York memorializing the Congress of the United States to enact legislation to make loans available for small businesses suffering economic injuries as a result of disruption of operations and services of public utilities

"Whereas, the House of Representatives has before it a bill numbered H.R. 4888 to amend the small business act to make loans available for small businesses suffering economic injuries as the result of the disruption of operations and services of public utilities; and

"Whereas, As a result of a severe fire which ravaged the main telephone switching station for the lower east side in Manhattan causing a disruption of telephone service for a long period of time of upwards of ten thousand small business concerns whose business was severely and adversely affected thereby so as to cause many to go out of business; and

"Whereas, To help these beleaguered businesses it is essential that loans be authorized to be made to them through the small business administration in the immediate future to prevent further economic disaster; now, therefore, be it

"*Resolved*, That the Legislature of the State of New York does hereby memorialize the Congress of the United States to take immediate action to pass H.R. 4888 to assist small business which may suffer economic loss and face disaster through the disruption of operations and services of public utilities and to do all in its power to assist in its enactment into law immediately; and it is further

"*Resolved*, That a copy of this resolution be forwarded to the President of the Senate of the United States, the Speaker of the House of Representatives, and to each member of Congress of the United States from the State of New York."

Senate Joint Memorial No. 110 adopted by the Legislature of the State of Washington; to the Committee on Commerce:

"SENATE JOINT MEMORIAL No. 110, AS AMENDED BY THE HOUSE

"To the Honorable Gerald R. Ford, President of the United States, and to the President of the Senate and the Speaker of the House of Representatives, and to the Senate and House of Representatives of the United States, in Congress assembled:

"We, your Memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, respectfully represent and petition as follows:

"Whereas, Eleven million dollars have been provided annually by American sportsmen's purchase of duck stamps to acquire wetlands in the United States; and

"Whereas, Two and one half million dollars have been provided annually by American sportsmen to Ducks Unlimited to lease migratory water fowl nesting grounds in Canada; and

"Whereas, These programs furnished more than thirteen and one-half million dollars a year to conserve migratory water fowl, as well as more than one hundred and sixty species of animals that depend upon the wetlands acquired and protected by the Department of Interior; and

"Whereas, These programs have proven to be eminently successful in increasing the migratory water fowl populations from the all-time low to which they had fallen in the 1930's; and

"Whereas, The present effort to demand an environmental impact study threatens to jeopardize both the funding programs named above by taking advantage of the National Environmental Policy Act to stop the legitimate sportsmen's activities that generate the funding for the conservation and replenishment of migratory water fowl;

"Now, therefore, Your memorialists respectfully pray that the administration and Congress recognize the importance of the necessity to encourage the continuation of these programs and enact legislation to exempt migratory waterfowl hunting from the federal requirements of the National Environmental Policy Act.

"Be it resolved, That copies of this Memorial be immediately transmitted by the Secretary of State to the Honorable Gerald R. Ford, President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress from the State of Washington."

Resolution from the Rhode Island League of Cities and Towns, Providence, R.I., supporting reenactment of general revenue sharing; to the Committee on Finance.

Resolution No. 438-75, adopted by the council of the city of Cleveland, memorializing the President of the United States and the Congress to take protective measures against the seizure by Ecuador, of American fishing vessels on the high seas; to the Committee on Foreign Relations.

Resolution No. 15-75, from the city of Hubbard, Ohio, supporting the adoption of the deconcentration of energy bill (H.R. 4013) by the Congress of the United States; to the Committee on the Judiciary.

Joint Resolution No. 73, adopted by the Legislature of the State of Tennessee; to the Committee on the Judiciary:

"SENATE JOINT RESOLTION No. 73

"A resolution to memorialize the Congress of the United States to redesignate November 11 as Veterans Day

"Whereas, after a titanic convulsion which embroiled the major powers of the Western World for four years, the German Empire agreed on November 11, 1918, to an Armistice preparatory to surrender; and

"Whereas, that date was set aside as a national holiday in the United States as Armistice Day, and later, as Veterans Day, in honor of the heroic military men, of that great struggle and of subsequent conflict, who gave their lives in defense of individual freedom for citizens of this country and in the democratic nations which were our allies; and

"Whereas, the date of November 11 is one which is hallowed in the memory of every American as holding special and emotional significance evoked at the gravesides of husbands, fathers, brothers and comrades who fell in the defense of liberty; and

"Whereas, the Congress of the United States saw fit to decree that the fourth Monday in October be observed as Veterans Day to permit a long weekend for federal employees and residents of the District of Columbia, and was followed in that change by most of the fifty states, including Tennessee; and

"Whereas, upon reflection upon the purpose of remembering the honored dead of this nation's wars for which Veterans Day is set aside, Tennessee reestablished November 11, as the date for remembering our fallen heroes, with the concurrence of its citizenry who felt that the leisure hours of a long weekend should be secondary to the remembrance surrounding a hallowed date; now, therefore,

"Be it resolved by the Senate of the Eighty-ninth General Assembly of the State of Tennessee, the House of Representatives concurring, That this Assembly urge the Congress of the United States to restore November 11 as the official national observance of Veterans Day, to be observed by the closing of federal offices and the conducting of appropriate memorial services on that date.

"Be it further resolved, That copies of this resolution be sent to each member of Tennessee's Congressional delegation; to the Honorable Nelson A. Rockefeller, Vice President of the United States, Washington, D.C.; and to the Honorable Carl Albert, Speaker of the House of Representatives, Washington, D.C."

House Joint Resolution 419, adopted by the Legislature of the State of North Carolina; to the Committee on Labor and Public Welfare:

"HOUSE JOINT RESOLUTION 419

"A joint resolution endorsing the national policy statement for a barrier-free environment

"Whereas, North Carolina is at the forefront among those states that have inaugurated effective programs to assist the physically handicapped in their efforts to live a normal life within a man-made environment geared to the physically fit; and

"Whereas, among those steps taken by the State of North Carolina to improve the physical environment of the handicapped, have been the implementation of building codes and construction standards that assist the physically disabled in their daily lives to provide an equality of opportunity for this large segment of our population; and

"Whereas, it has come to the attention of the General Assembly that the Congress of the United States has introduced a formal resolution calling upon the public and private sectors of this country to initiate programs that will mobilize resources to remove the natural barriers of our man-made environment to the physically handicapped to allow their participation as equal partners in the mainstream of our day-to-day lives; Now, therefore, be it resolved by the House of Representatives, the Senate concurring:

"Section 1. That the General Assembly of North Carolina does hereby formally go on record as supporting the National Resolution of Intent passed by the Congress of the United States which favors the removal of man-made barriers to the progress of the physically handicapped.

"Sec. 2. That a copy of this resolution be transmitted to the Speaker of the United States House of Representatives, the President of the United States Senate, and each member of the North Carolina delegation to the United States Congress.

"Sec. 3. This resolution shall become effective upon ratification."

Resolution from the South Suburban Mayors' and Managers' Association, relative

to recently adopted rules of the Postal Department relative to lot width and set back lines; to the Committee on Post Office and Civil Service.

Resolution from the village of Hazel Crest, Ill., relative to curb mail delivery; to the Committee on Post Office and Civil Service.

Resolution from the village of Homewood, Ill., relative to curb mail delivery; to the Committee on Post Office and Civil Service.

Resolution from the village of Glenwood, Ill., relative to curb mail delivery; to the Committee on Post Office and Civil Service.

Resolution No. 115-75, adopted by the Legislature of Chautauqua County, Mayville, N.Y., to reaffirm support of completion of Southern Tier Expressway and Bridge Across Chautauqua Lake and H.R. 3968; to the Committee on Public Works.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CHURCH, from the Committee on Interior and Insular Affairs, with amendments:

S. 322. A bill—the Hells Canyon National Recreation Area Act (Rept. No. 94-153).

By Mr. CHURCH, from the Committee on Interior and Insular Affairs, without amendment:

H.R. 3109. An act to authorize appropriations for the saline water conversion program for fiscal year 1976 (Rept. No. 94-154).

By Mr. MOSS, from the Committee on Commerce, with amendments:

S. 1518. A bill to amend the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1901 et seq.) to authorize additional appropriations, to establish fuel efficiency demonstration projects, to provide additional enforcement authority for the odometer antitampering provisions, and for other purposes (Rept. No. 94-155).

By Mr. JACKSON, from the Committee on Interior and Insular Affairs:

S. Res. 169. An original resolution authorizing additional expenditures by the Committee on Interior and Insular Affairs for routine purposes. Referred to the Committee on Rules and Administration.

By Mr. CANNON, from the Committee on Rules and Administration:

S. Res. 166. An original resolution relating to the determination of the contested election for a seat in the U.S. Senate from the State of New Hampshire (Rept. No. 94-156).

By Mr. SYMINGTON, from the Committee on Armed Services, with an amendment:

S. 1247. A bill to authorize certain construction at military installations, and for other purposes (Rept. No. 94-157).

By Mr. HUMPHREY, from the Committee on Agriculture and Forestry, without amendment:

S. 1780. A bill to continue the special supplemental food program for women, infants, and children through September 30, 1975 (Rept. No. 94-158).

By Mr. MAGNUSON, from the Committee on Commerce, with an amendment:

H.R. 37. A bill to authorize appropriations to carry out the Standard Reference Data Act (Rept. No. 94-159).

By Mr. RANDOLPH, from the Committee on Labor and Public Welfare, with amendments:

S. 462. A bill to amend the Developmental Disabilities Services and Facilities Construction Act to revise and extend the programs authorized by that Act (Rept. No. 94-160).

EMERGENCY HOUSING ACT OF 1975—CONFERENCE REPORT (REPT. No. 94-161)

By Mr. PROXMIRE, from the committee of conference, submitted a report on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4485) to provide for greater homeownership opportunities for middle-income families and to encourage more efficient use of land and energy resources, which was ordered to be printed.

EXTENSION OF TIME FOR FILING REPORT OF SPECIAL COMMITTEE ON AGING

Mr. CHURCH. Mr. President, I ask unanimous consent that the time for filing the report of the Special Committee on Aging, "Developments in Aging: 1974 and January-March 1975," be extended from April 30 to June 13, 1975. This additional time is requested to complete approval of minority views.

The PRESIDING OFFICER. Without objection, it is so ordered.

CHANGE OF REFERENCE—H.R. 5541

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the Committee on Banking, Housing and Urban Affairs be discharged from further consideration of H.R. 5541, and that the bill be referred to the Committee on Government Operations.

The PRESIDING OFFICER. Without objection, it is so ordered.

HOUSE BILLS REFERRED

The following bills were read twice by their titles and referred as indicated:

H.R. 5727. An act to establish an independent and regionalized U.S. Parole Commission, to provide fair and equitable parole procedures, and for other purposes; to the committee on the Judiciary.

H.R. 6674. An act to authorize appropriations during the fiscal year 1976, and the period of July 1, 1976, through September 30, 1976, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loans, and for other purposes; placed on the Calendar.

H.R. 6900. An act to provide an additional 13 weeks of benefits under the emergency unemployment compensation program and the special unemployment assistance program, to extend the special unemployment assistance program for 1 year, and for other purposes; to the Committee on Finance and the Committee on Labor and Public Welfare, jointly, by unanimous consent.

H.R. 6950. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes; to the Committee on Appropriations.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that H.R. 6900, the so-called Emergency Compensation and Special Unemployment Assistance Extension Act of 1975, be referred jointly to the Committee on Finance and the Committee on Labor and Public Welfare.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. LONG. Mr. President, last year the Congress passed two separate measures to pay benefits to unemployed workers. The first established an emergency unemployment compensation program for unemployed persons whose former employment was covered under the regular State unemployment program. This bill was handled by the Committee on Finance.

The second bill provided a special unemployment assistance program for persons not covered under the regular State unemployment program. This bill was handled by the Committee on Labor and Public Welfare.

H.R. 6900, which was passed by the House yesterday, provides additional benefits under both programs. In jointly referring the bill, the Committee on Labor and Public Welfare will be handling that part of the bill dealing with the special unemployment assistance program, while the Finance Committee will be handling the rest of the bill, including that part dealing with emergency unemployment compensation benefits.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 269) providing for the printing of a House document, "Federal Election Campaign Laws Relating to the U.S. House of Representatives," was referred to the Committee on Rules and Administration.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. HANSEN:

S. 1804. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the amount of certain cancellations of indebtedness under student loan programs. Referred to the Committee on Finance.

By Mr. HANSEN (for himself, Mr. WILLIAM L. SCOTT, Mr. MCCLURE, and Mr. GOLDWATER):

S. 1805. A bill to amend title 38, United States Code, to set a termination date for veterans educational benefits under chapters 34 and 36 of such title, and for other purposes. Referred to the Committee on Veterans' Affairs.

By Mr. JACKSON (for himself and Mr. JOHNSTON):

S. 1806. A bill to provide for the appointment of a Governor for American Samoa. Referred to the Committee on Interior and Insular Affairs.

By Mr. CLARK:

S. 1807. A bill to amend the Rural Development Act of 1972. Referred to the Committee on Agriculture and Forestry.

By Mr. DOLE:

S. 1808. A bill to amend title 5, United States Code, to provide for the payment of overtime to certain personnel employed in the Department of Agriculture, Animal and Plant Health Inspection Service. Referred to the Committee on Post Office and Civil Service.

By Mr. JAVITS (for himself and Mr. PELL):

S. 1809. A bill—the National Foundation on the Arts and the Humanities Amendments of 1975. Referred to the Committee on Labor and Public Welfare.

By Mr. JAVITS (by request):

S. 1810. A bill to amend the temporary unemployment benefits programs, and for

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other purposes. Referred to the Committee on Labor and Public Welfare and the Committee on Finance, jointly, by unanimous consent.

By Mr. BENTSEN:

S. 1811. A bill for the relief of Ul Ok Hwang. Referred to the Committee on the Judiciary.

S. 1812. A bill for the relief of Raul Alvarez Rodriquez. Referred to the Committee on the Judiciary.

S. 1813. A bill for the relief of Guadalupe Villegas-Cantu. Referred to the Committee on the Judiciary.

By Mr. BARTLETT (for himself and Mr. BELLMON):

S. 1814. A bill to direct the Secretary of the Army to issue permanent easements for certain docks constructed on property under his jurisdiction in the State of Oklahoma. Referred to the Committee on Public Works.

By Mr. ABOUREZK:

S. 1815. A bill to provide procedures for calling constitutional conventions for proposing amendments to the Constitution of the United States, on application of the legislatures of two-thirds of the States, pursuant to article V of the Constitution. Referred to the Committee on the Judiciary.

By Mr. SPARKMAN (by request):

S. 1816. A bill to amend the Foreign Assistance Act of 1961, and for other purposes. Referred to the Committee on Foreign Relations.

By Mr. SCHWEIKER:

S. 1817. A bill to prohibit the appropriation and expenditure of unvouchered funds unless specifically authorized by law, and to provide for reports on and audits of authorized expenditures of unvouchered funds. Referred to the Committee on Government Operations.

By Mr. MATHIAS:

S. 1818. A bill for the relief of Ester Noemi Cuellar. Referred to the Committee on the Judiciary.

By Mr. LONG (for himself, Mr. JOHNSTON, Mr. BENTSEN, and Mr. TOWER):

S. 1819. A bill to recognize benefits to the United States from the construction of the Toledo Bend Dam and Reservoir project and exempt Sabine River Authority, State of Louisiana, and Sabine River Authority of Texas, from charges for the use, occupancy, and enjoyment of certain lands of the United States within the Sabine National Forest, Texas. Referred to the Committee on Agriculture and Forestry.

By Mr. DOLE:

S. 1820. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Glen Elder unit of the Pick-Sloan Missouri Basin program, Kansas, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

S. 1821. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Kanopolis unit of the Pick-Sloan Missouri Basin program, Kansas, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. MATHIAS.

S. 1822. A bill to repeal that portion of section 1 of the act of September 1, 1916, authorizing the enforcement of traffic regulations for MacArthur Boulevard. Referred to the Committee on Public Works.

By Mr. BARTLETT (for himself and Mr. BELLMON):

S. 1823. A bill to provide for the disposition of funds appropriated to pay judgments in favor of the Sac and Fox Indians in Indian Claims Commission Dockets 219, 153, and 135, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. STEVENS:

S. 1824. A bill to authorize the Secretary of the Interior to enroll certain Alaskan Natives for benefits under the Alaska Native Claims Settlement Act, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. STEVENSON (for himself and Mr. PERCY):

S. 1825. A bill to authorize the construction of a lock and dam project on the Mississippi River near Alton, Ill. and Mo. Referred to the Committee on Public Works.

By Mr. GRAVEL (for himself and Mr. ABOUREZK):

S. 1826. A bill to provide that no new licenses be granted for the construction of nuclear fission power reactor facilities, pending a comprehensive study by the Office of Technology Assessment and subsequent action by the Congress. Referred to the Joint Committee on Atomic Energy.

By Mr. GRAVEL:

S. 1827. A bill to amend the Comprehensive Employment and Training Act of 1973 to further define sponsors of public employment programs under that act. Referred to the Committee on Labor and Public Welfare.

By Mr. WEICKER (for himself, Mr. JAVITS, and Mr. RIBICOFF):

S. 1828. A bill relating to collective bargaining representation of postal employees. Referred to the Committee on Post Office and Civil Service.

By Mr. HUGH SCOTT:

S. 1829. A bill to incorporate the National Federation of Music Clubs. Referred to the Committee on the Judiciary.

By Mr. WILLIAMS:

S. 1830. A bill to prohibit the use of leghold and steel-jaw traps on animals in the United States, and for other purposes. Referred to the Committee on Commerce.

By Mr. PACKWOOD (for himself, Mr. HATFIELD, and Mr. STEVENS):

S. 1831. A bill—the Presidential Regional Primaries Act. Referred to the Committee on Rules and Administration.

By Mr. BROCK:

S. 1832. A bill to amend the State and Local Fiscal Assistance Act of 1972 with respect to amounts appropriated which are not paid to State and local governments before the end of the appropriation period. Referred to the Committee on Finance.

By Mr. JAVITS (for himself, Mr. BUCKLEY, Mr. WILLIAMS, and Mr. PHILIP A. HART):

S. 1833. A bill to authorize emergency loan guarantees to units of government. Referred to the Committee on Government Operations.

By Mr. WILLIAMS:

S.J. Res. 87. A joint resolution authorizing and requesting the President to issue a proclamation designating June 23, 1975, as "International Ladies' Garment Workers' Union Day." Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HANSEN:

S. 1804. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the amount of certain cancellations of indebtedness under student loan programs. Referred to the Committee on Finance.

Mr. HANSEN. Mr. President, I rise to introduce a bill that will negate the effect of an Internal Revenue Service revenue ruling which I feel is unfair to thousands of college and advance-degree students, inconsistent with defined community and social goals, and not in conformity with congressional intent. The bill I introduce today was introduced during the second session of the last Congress by the distinguished Senator from California, Senator TUNNEY. The Tunney bill had 15 cosponsors.

On June 11, 1973, the IRS issued a revenue ruling that the canceled portion of an educational loan would henceforth and retroactively be considered taxable income. Subsequently, the IRS amended this ruling, deleting the retroactive provision, making the ruling applicable only to loans made after June 11, 1973.

Mr. President, many State and Federal student loan programs provide for cancellation of indebtedness. The purpose of these programs is to accomplish some community or social purpose. Among them are national defense student loans, national direct student loans, State teaching and medical educational loans, and law enforcement educational loans. Under these loan programs if a student agrees to perform certain services or perform services in a certain geographical area all or a portion of the educational loan indebtedness may be waived. It is the intent of these loan waiver programs to encourage a recipient student, upon graduation to perform services which have been determined to be in the interest of our society.

Specifically, Mr. President, we in Wyoming, like a number of other States, have experienced difficulty in attracting medical doctors to our smaller communities. To address this problem many States, including Wyoming, have established programs under which the State loans a student the cost of tuition to attend medical school and provides that the loan payment will be waived if the young doctor practices medicine in the State or a certain geographic area.

Under the IRS ruling if the young doctor agrees to practice medicine in the specified area the IRS sends him a tax bill based on the amount of the loan that was waived. Certainly this IRS ruling is at direct odds with the purpose of these tuition waiver programs. The IRS ruling is a clear and direct disincentive for the young doctor to comply with the defined community or social need to practice in the prescribed geographic area, for to do so would require him to pay an income tax bill based on the thousands of dollars that were expended on his education.

Moreover this revenue ruling is inconsistent with the intent of Congress. Section 117(a) of the Internal Revenue Code of 1954, on which this revenue ruling is based, provides that as a general rule amounts received as scholarships or fellowships are not included in an individual's gross income for income tax purposes. However, section 1.117-4(c) of the income tax regulations provides, in part, that any amount paid to an individual to enable him to pursue studies shall not be considered a tax exempt scholarship or fellowship grant if such studies are "primarily for the benefit of the grantor."

Based on this regulation the IRS has concluded that Government educational loan waiver programs are not tax exempt even where the purpose of the waiver was to accomplish some social or community purpose. It is the position of the IRS that those conditional loan waivers are not tax exempt scholarships or fellowships under section 117(a) because under the language of regulation 1.117-4(c) the waiver is "primarily for the benefit of the grantor."

Mr. President, assuming that regulation 1.117-(4)(c) generally conforms with the congressional intent of section 117(a), clearly, the revenue ruling promulgated under this regulation is not in conformity with the intent of section 117(a).

When the grantor is a governmental entity attempting to accomplish a social or community goal by waiving an educational loan repayment it is not reasonable to conclude that the waiver was "primarily for the benefit of the grantor." In these situations the benefit is for the larger society. Certainly, the IRS revenue ruling may be in conformity with the regulation when applied to a grantor who attempts to accomplish some self interest. However, when the regulation vis-a-vis the revenue ruling is applied to a governmental entity attempting to accomplish some community or social purpose it is not reasonable to conclude that the waiver was "primarily for the benefit of the grantor."

Clearly, whenever a governmental entity initiates a scholarship or fellowship program, the program has overriding social or community service goals. A governmental educational loan waiver program is no different than tax exempt scholarships or fellowships in this respect, and should not receive discriminatory income tax treatment. The legislation I am offering, eliminates this discriminatory treatment.

My bill makes it clear that an individual who as part of a Government educational loan program agrees to work "for a certain period of time in certain professions or certain geographical areas or for certain classes of employers" as a condition for the waiver of all or part of the loan is not to be taxed on the dollar value of the waiver.

The problem this bill addresses was brought to my attention by the Honorable Ed Herschler, Governor of Wyoming.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1804

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 117 of the Internal Revenue Code of 1954 (relating to scholarship and fellowship grants) is amended by adding at the end thereof the following new subsection:

"(c) CANCELLATIONS OF STUDENT LOANS.—

"(1) IN GENERAL.—In the case of an individual, no amount shall be included in gross income by reason of the discharge of all or part of the indebtedness of the individual under a student loan if such discharge was pursuant to a provision of such loan under which all or part of the indebtedness of the individual would be discharged if the individual worked for a certain period of time in certain professions or certain geographical areas or for certain classes of employers.

"(2) STUDENT LOAN.—For purposes of this subsection the term 'student loan' means any loan to an individual to assist the individual in attending an educational institution (as defined in Section 151(e)(4))—

"(A) by the United States, or an instrumentality or agency thereof, or a State, a territory, or a possession of the United States, or any political subdivision thereof, or the District of Columbia, or

"(B) by an educational institution (as defined in Section 151(e)(4)) pursuant to an agreement with the United States, or an instrumentality or agency thereof, or a State, a territory, or a possession of the United States, or any political subdivision thereof, or the District of Columbia under which the funds from which the loan was made were provided to such educational institution.".

SEC. 2. The amendment made by the first section shall apply with respect to all taxable years.

By Mr. HANSEN (for himself, Mr. WILLIAM L. SCOTT, Mr. MCCLURE, and Mr. GOLDWATER):

S. 1805. A bill to amend title 38, United States Code, to set a termination date for veterans educational benefits under chapters 34 and 36 of such title, and for other purposes. Referred to the Committee on Veterans' Affairs.

Mr. HANSEN. Mr. President, today I am introducing legislation to terminate eligibility for the GI bill education program. Included as cosponsors are Mr. WILLIAM L. SCOTT, Mr. MCCLURE, and Mr. GOLDWATER.

The Vietnam war is over. President Ford has issued a proclamation which has ended traditional wartime benefits for veterans. The benefits which were terminated by proclamation include: First, prisoner of war disease presumption; second, special consideration for service-connection; third, nonservice-connected disability pension; fourth, nonservice-connected death pension; fifth, psychosis presumption; sixth, prescription medicines; seventh, invalid lifts and other devices; eighth, Philippine non-service-connected hospital care; ninth, funeral and burial expenses; tenth, advisory committee; eleventh, employment and training; and twelfth, health manpower training grants.

The GI educational program is not affected by the Presidential proclamation. Therefore, legislation must be enacted to provide a cutoff date for this program.

Entrance into military service on or after July 1, 1975, would not under the proposed legislation be qualifying service for educational benefits. July 1, 1975, will be the cutoff date.

The education program was not affected by Presidential proclamation. The education law is open ended and it requires legislation to establish a cut off date for this program.

Mr. President, it should be noted that anyone who is presently serving on active duty will not be affected by legislation to terminate the GI bill education benefits.

Mr. President, I ask unanimous consent that the May 7, 1975, statement by the President which included the issuance of the Presidential proclamation and the request for legislation, be included at this point in the RECORD. I also ask unanimous consent that the letter of transmittal together with a section-by-section analysis of the draft bill, and the text of the bill be included at the end of my remarks.

In addition, Mr. President, because it addresses itself to the situation at hand as it relates to the legislation being introduced, I ask unanimous consent that the editorial from the Washington Star of May 20, 1975, "Budgetary Discipline," be included at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TEXT OF LETTERS FROM THE PRESIDENT TO THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE PRESIDENT OF THE SENATE

DEAR MR. SPEAKER: (DEAR MR. PRESIDENT:) I am transmitting today a proposed bill "To amend title 38, United States Code, to set a termination date for veterans educational benefits under Chapter 34 and 36 of such title, and for other purposes."

The bill would terminate the eligibility period for GI Bill education and training benefits for persons who will be entering peacetime voluntary military service on or after July 1, 1975.

I have today also issued a Proclamation which fixes the period of Vietnam service as beginning on August 5, 1964, and ending on May 7, 1975, for certain wartime benefits.

The effect of these actions is similar to those terminating wartime veterans benefits following the cessation of World War I, World War II, and the Korean War hostilities.

The Proclamation and this legislation would make an equitable distinction between those who have been required to perform military service and those who in the future choose to serve in the All-Volunteer Armed Forces. The termination actions will not affect the eligibility of the millions of Vietnam veterans already discharged, or those presently serving in the Armed Forces.

I urge the Congress to give prompt and favorable consideration to the draft bill.

Sincerely,

GERALD R. FORD.

STATEMENT BY THE PRESIDENT

Two years have passed since the last American troops left Vietnam. Shortly after our withdrawal, draft inductions were terminated. We established an All-Volunteer Armed Force with the highest pay in history. For the first time, the Nation's youth could look to the military for jobs fully competitive with civilian job alternatives.

America is no longer at war. But peacetime military volunteers have remained fully eligible for all the wartime veteran benefits designed to reward those who entered service during the period of actual hostilities in Vietnam.

The time has now come to terminate wartime benefits which apply to the new peacetime volunteers. This is consistent with action taken by earlier Presidents in ending wartime veterans benefits after World War II and the Korean Conflict.

Today, therefore, I have issued a Proclamation terminating on May 7, 1975, the eligibility period for those Vietnam war benefits that the President is empowered by law to end. At the same time, I am submitting appropriate legislation to the Congress requesting the termination of the eligibility period for G.I. Bill education and training benefits—an action that is solely the prerogative of the Congress.

These actions primarily concern future peacetime volunteers who are neither disabled nor die in service. I want to emphasize that the termination actions will in no manner impair the eligibility for full wartime benefits of the more than 7 million Vietnam-era veterans already discharged, or those presently serving in our Armed Forces.

Future veterans disabled in service will continue to receive Veterans Administration compensation and other service-connected benefits on an absolute par with present wartime benefits. Families of those who die in service will receive the same service-connected benefits available to families of veterans of wartime service

The period between the cessation of hostilities and the termination of eligibility for wartime veterans' benefits has already extended longer in the case of Vietnam than for any prior war. For virtually all of our World War I military personnel, the benefit eligibility period ended with the November 11, 1918, Armistice. For World War II veterans, eligibility was terminated on most benefits December 31, 1946, some 16 months after the surrender of Japan. A Proclamation by President Eisenhower established a January 31, 1955, termination date for most of the Korean Conflict benefits. The Proclamation followed the signing of the Korean Armistice by 18 months

I believe the actions I have taken today make an equitable distinction between those who serve in time of war and those who serve in time of peace. These actions also guard the Nation against unwarranted future expenditures and will result in cumulative savings of $1.5 billion over the next five years after termination

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SECTION-BY-SECTION ANALYSIS

SECTION 1

This section would amend section 1652(a)(1) of title 38, United States Code, to provide that, for the purposes of eligibility for educational benefits, a veteran is defined as an individual who served on active duty for a period of 181 days or more, any part of which occurred after January 31, 1955, and before July 1, 1975, and who was discharged or released under conditions other than dishonorable, or who served during such period and was discharged or released because of a service-connected disability. The effect of the amendment to this section is to set a period of service on which eligibility for educational benefits may be based. Entrance into military service on or after July 1, 1975, would not be qualifying service for this benefit.

SECTION 2

Subsection (1) would amend section 1661(a) to establish June 30, 1975, as the ending date for that period of time in which an individual may commence service in the military and earn potential entitlement towards 36 months of educational assistance.

Subsection (2) represents a savings provision which would permit those persons entering military service prior to July 1, 1975, to accrue educational entitlement with the amount of such entitlement earned based upon the date of the individual's first discharge or release after June 30, 1975.

SECTION 3

This section would amend section 1662(a) to set June 30, 1985, as the final termination date for utilization of entitlement earned under the current GI Bill education program. The date set is 10 years following the cut-off date (July 1, 1975) and is in line with the 10-year period provided veterans of the Korean conflict. Under that program, individuals were required by law to utilize entitlement by January 31, 1965—ten years from the ending date of the Korean conflict (January 31, 1955).

SECTION 4

This section would amend section 1695(b) to set June 30, 1975, as the date beyond which individuals entering military service may not accrue entitlement to Predischarge Education (PPEP) benefits. This is consistent with the cut-off date for all other educational programs for veterans.

SECTION 5

This section would amend section 1818(a) to permit all veterans serving on active duty after January 31, 1955, to continue to be eligible for loan guaranty benefits. Under the provisions of section 1818(a), eligibility for loan guaranty benefits is based upon the definition of a veteran as set forth in section 1652—the same as educational benefits. With the termination of the educational benefit eligibility under the amended provisions of section 1 of this bill, it is necessary to amend section 1818(a) to preserve continued loan guaranty eligibility.

FIXING TERMINAL DATE RESPECTING SERVICE IN THE ARMED FORCES ENTITLING PERSONS TO CERTAIN VETERANS BENEFITS

(By the President of the United States of America)

A PROCLAMATION

The Congress has provided that entitlement to certain veterans benefits be limited to persons serving in the Armed Forces during the period, beginning August 5, 1964, referred to as the Vietnam era. The President is authorized to determine the last day on which a person must have entered the active military, naval, or air service of the United States in order for such service to qualify as service during that period.

The signing of the cease-fire agreements and implementing protocols on January 27, 1973, between the United States of America and the Republic of Vietnam, on the one hand, and the Democratic Republic of Vietnam and the Provisional Revolutionary Government of the Republic of South Vietnam on the other hand, has terminated active participation by the Armed Forces of the United States in the Vietnam conflict.

Now, therefore, I, Gerald R. Ford, President of the United States of America, by virtue of the authority vested in me by section 101(29) of Title 38 of the United States Code, do hereby proclaim for the purposes of said Section 101(29), that May 7, 1975, is designated as the last day of the "Vietnam era."

In witness whereof, I have hereunto set my hand this seventh day of May in the year of our Lord nineteen hundred seventy-five, and of the Independence of the United States of America the one hundred ninety-ninth.

GERALD R. FORD.

S. 1805

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1652(a)(1) of title 38, United States Code, is amended to read as follows:

"(a)(1) The term 'eligible veteran' means any veteran who (A) served on active duty for a period of more than 180 days, any part of which occurred after January 31, 1955, and before July 1, 1975, and who was discharged or released therefrom under conditions other than dishonorable, or (B) was discharged or released from active duty, any part of which was performed during such period, because of a service-connected disability."

SEC. 2. Section 1661(a) of title 38, United States Code, is amended by—

(1) inserting ", and before July 1, 1975" immediately after "January 31, 1955" each time it appears; and

(2) adding at the end thereof the following: "In the case of any person in the active military service in the Armed Forces on June 30, 1975, the ending date for computing such person's entitlement shall be the date of such person's first discharge or release after June 30, 1975."

SEC. 3. Section 1662(a) of title 38, United States Code, is amended by adding at the end thereof the following: "In no event shall education or training be afforded a veteran under this chapter or chapter 36 of this title after June 30, 1985."

SEC. 4. Section 1695(b) of title 38, United States Code, is amended by inserting after "service" the following: ", any part of which occurred after January 31, 1955, and before July 1, 1975,".

SEC. 5. Section 1818(a) of title 38, United States Code, is amended by deleting "eligible veteran, as defined in paragraphs (1) and (2) of subsection (a) of section 1652 of this title," and inserting in lieu thereof: "person who served on active duty, any part of which occurred after January 31, 1955, and who:

(1) served for a period of more than 180 days and was discharged or released therefrom under conditions other than dishonorable; or

(2) has served more than 180 days in an active duty status and continues on active duty without a break therein; or

(3) was discharged or released from active duty after each date for a service-connected disability".

[From the Washington Star, May 20, 1975]

BUDGETARY DISCIPLINE

Commendable as efforts are on Capitol Hill to establish budgetary discipline, it still is painfully apparent that members of Congress have a hard time getting through their heads that the money supply doesn't come from a bottomless pit.

A couple of recent examples: The criticism of President Ford's recommendation to end educational benefits under the GI Bill; and the refusal to put a "cap" on federal pay, retirement and Social Security cost-of-living increases.

With the United States having withdrawn its forces from Vietnam two years ago and the war itself now ended, President Ford decided the time had come to cut off wartime benefits for servicemen. He was able to discontinue some special benefits simply by proclaiming an end to "the Vietnam era." The enormously expensive educational benefits cannot be ended, however, without congressional action, and Ford asked Congress to do this effective at the end of the current fiscal year, June 30.

It is eminently sensible to take the position that wartime benefits should end when a war is over. It was done after World War II and the Korean War. Yet the President is getting flak from Capitol Hill, particularly from Senator Vance Hartke, chairman of the Senate Veterans Affairs Committee, for suggesting that educational benefits under the GI Bill be terminated.

Perhaps it would have some adverse effect on recruitment for the military services. And after those currently eligible use up their educational entitlement, some financial distress may be experienced by colleges and trade schools that depend heavily on GI tuition payments. But the military should not expect this expensive program to be forever a prop for their all volunteer forces; and colleges and trade schools should not expect taxpayers to keep their institutions in business through special benefits to veterans.

Even the Pentagon manpower chief, William Brehm, acknowledged that the present GI Bill is "a very, very expensive way" to provide a recruiting incentive. The savings in terminating the program would be substantial: the cost of the student veteran program during fiscal 1974 was $3.2 billion.

Likewise, putting a cap on cost of living increases in federal civilian and military salaries, retirement pay and Social Security would result in a large saving. Without a lid, the increases are expected to exceed 8 percent President Ford has recommended limiting the increases to 5 percent, which would mean a saving next year of $2.1 billion. But Congress apparently is in no mood to set an example for the nation by restraint: it has rejected the President's request for a ceiling.

With staggering budget deficits in prospect, members of the House and Senate have been making brave sounds about keeping federal spending within bounds through the adoption of budget guidelines. But when they get down to the nitty-gritty of cutting down on specific programs their resolve collapses like a mound of warm jello.

By Mr. CLARK:

S. 1807. A bill to amend the Rural Development Act of 1972. Referred to the Committee on Agriculture and Forestry.

CONCERTED SERVICES IN TRAINING AND EDUCATION

Mr. CLARK. Mr. President, today I am introducing legislation that will amend the Rural Development Act of 1972 to establish formally and maintain the concerted services in training and education task force in the law.

Concerted services in training and education—CSTE—began in 1964 with Executive Order 10847 to deal with the unique employment problems of rural America, but its scope has been broadened considerably since then. The program now serves 49 counties in 14 States around the country.

CSTE has helped improve the quality of life in rural communities by allocating Federal resources to help local community officials—who often are unfamiliar with resources available to them through State and Federal programs—meet their development needs. For example, one of CSTE's most important and successful activities has provided educational and occupational training to rural residents, which in turn, has increased employment opportunities for them. Other activities have focused on providing health services to rural people, and together the programs have brought the collective resources of the various participating Federal agencies to bear on the problems of rural America

Right now, CSTE is in trouble. On June 30, 1975, the Department of Labor plans to terminate CSTE along with the other job programs of the Rural Manpower Service. That is particularly unfortunate, especially with CSTE's excellent record. The services provided under CSTE have been very effective, and the success has come at a modest cost: less than a million dollars a year. The success has been due, in large part, to the way in which the program has been established and administered.

As the program works now, an interdepartmental task force composed of Federal agencies that have programs serving rural residents governs all the activities of the CSTE program. First, it provides local CSTE coordinators with a complete agenda of Federal services that are available for their areas. Second, the task force encourages Federal agencies to work together—to combine their programs—to meet rural needs. All of this helps foster effective and coordinated programs, and it also helps avoid program duplicity and waste. Section 603B of the Rural Development Act of 1972 was written with this very goal in mind: to bring coordinated services to rural America.

This legislation will establish a three-member task force within the Department of Agriculture: the Assistant Secretary of Agriculture for Rural Development, one member from the Department of Labor, and one member from the Department of Health, Education, and Welfare. The task force will have a rotating chairmanship and an advisory committee composed of representatives from the Department of Commerce, the Department of the Interior, the Department of Housing and Urban Development, the Department of Transportation, and a member from the Community Services Administration. The purpose of both the task force and the advisory committee is to help bring services to rural America by using State, Federal, and local resources.

This legislation ties the CSTE budget to the Department of Agriculture, but the focal point for program delivery will continue to be the Federal interagency task force. The task force will be especially concerned with training and education for rural residents, getting them involved in Federal education and manpower programs.

Right now, there are 3 million rural residents who have had less than 5 years of schooling, and there are approximately 19 million more who have not completed high school. While there are a number of Federal programs that could increase their basic skills, help is needed to get programs established in rural areas. That is why I am introducing this legislation today. It will help bring occupational education programs to rural areas which, in conjunction with other economic development activities, can lead to increased employment opportunities for rural residents.

CSTE is one Federal program that has received a great deal of support from local and State officials. During the life of this program, no funds have been specifically requested by any one Federal agency. Rather, support has been obtained through funds made available by various agencies to specified CSTE areas.

This multiagency approach has been the source of the program's success. But, it also has been one of its weaknesses. Because as long as the CSTE does not belong to any specific agency, the various projects will perish. This legislation will prevent that.

CSTE local coordinators are the heart of the program. These coordinators are innovators, finding ways to make State and Federal programs work to serve the needs of rural people. Because of the unique character of rural areas—the long distances and the shortage of resources available in many other areas of the country—many programs that work in urban America simply cannot be used in the countryside. CSTE coordinators help apply Federal programs to rural areas.

To identify local needs and establish priorities in training and education, the CSTE coordinator uses existing overall economic development plans or other local plans. In areas where multipurpose regional planning and development commissions exist, the coordinator complements their work. And, if there is no local planning, then it is the coordinator's job to help the local community develop it.

In the CSTE projects that have been developed over the years, there are twice as many participants from rural areas in new training and education programs as there were before the CSTE pilot effort. In the three original pilot areas, for example, enrollments in special education and training programs are three times greater than the number in adjacent counties.

In 1969, the Center for Occupational Education at North Carolina State University was commissioned to do a thorough evaluation of the CSTE program, and I ask unanimous consent that a portion of the conclusions of that study be printed in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCERPTS FROM A STUDY

The costs of the projects have been low, averaging $31,667.00 in each state per year (based upon current budgets). Total coordination costs at the Washington level are estimated at an additional $14,000 per year. The local coordinator is provided a salary, travel expense, office space, secretarial assistance, and in two states, an assistant coordinator.

In view of this evidence, the evaluators conclude that the continued existence of Concerted Services is justified. Further, these data support a program that includes: (1) a deliberate phase-in of additional units, (2) an enlargement of the Washington liaison office, (3) and a program of internal and external evaluation.

The question can legitimately be asked whether a cooperative approach such as Concerted Services is a feasible way to help needy rural people, or if it represents a "sell-out" to the power structure. These alternatives are posed in the Report of the President's National Advisory Commission on Rural Poverty:

"Some groups make every effort to work through existing organizations, public and private. Others avoid working with local authorities entirely. The Cooperative Extension Service and the Community Action Program have largely taken opposite routes in this respect. While the Extension Service endeavors to work through the 'establishment' whenever possible, CAP tends to avoid joining forces with the established power structure, especially in rural areas. A more flexible approach would seem to be in order. Local and State authorities can and should be used more effectively than they have been to date. On the other hand, indifference to the plight of those in poverty by the same authorities should not be allowed to serve as a deterrent."

It would appear that the CSTE pilot projects provide a somewhat fortuitous test of the "more flexible approach" recommended by the Commission. Evidence the evaluation team has collected indicates that it is also a feasible one. Several facts lead to this conclusion.

First, the coordinators have job security. They thus are protected against pressures from interest groups motivated by the parochial views. By contrast, a local government agency employee who has limited access to top level administrators could be forced to transfer to another geographical region or might otherwise be pressured if his views and programs ran counter to those favored by local leaders. The coordinators, cannot be subjected to the same kind of pressures.

Second, a complete explanation does not lie in terms of job security and power arrangements alone. The difference is a broader perspective and a new reference group. The coordinators in their contacts with state, region and national representatives are enabled to acquire activities are designed to gain the approval not only of local people but of a national task force. Findings from the social sciences indicate that a new reference group is a powerful force in changing the direction of action.

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Third, a coordinator who is already known in the area served by the program does not need to sell himself before he sells an idea. The fact that he is generally accepted by local people means that new ideas and information stand a good chance of being heard and accepted.

One further observation seems appropriate. Area development typically benefits those who are already well off. It is probably unrealistic to think that it could be otherwise. If prosperity comes to a given town, those who already own large parcels of property stand to benefit from the improvement. If a town with an exemplary vocational training program attracts a new industry, the local banker stands to gain as well as the new employee. In short, those who are already rich or powerful have experience in taking advantage of situations and have resources such as contacts and capital that enable them to maximize the situation.

So, it may be that there is no such thing as a program which assists only the disadvantaged. The solution, then, would appear to lie in developing programs which are designed to help the disadvantaged as well as the advantaged rather than those that benefit only the advantaged. At this stage of development, it is clear that both groups are now being assisted by Concerted Services.

Mr. CLARK. Mr. President, the conclusion of this detailed evaluation is clear: CSTE is a commonsense program. It works, it is inexpensive, and it does not establish a huge bureaucracy to accomplish its goals.

There is little sense in phasing out this program. CSTE creates jobs, and that is what we need during these difficult times. For the past few weeks, this Congress has reviewed a number of proposals to put unemployed people back to work. The cost of these programs has run into the billions. The cost of the CSTE program is a bargain in comparison, and it is serving a portion of our population that has been neglected for too long.

Mr. President, I will work for the passage of this legislation, but it cannot be enacted before June 30, when the CSTE program is scheduled to be phased out. So, I would respectfully ask that the Secretaries of Agriculture, Health, Education, and Welfare, and Labor use their discretionary funds to maintain the existing CSTE projects until this legislation can be fully discussed and resolved legislatively. The Secretary of Labor, in particular, has discretionary money in the Concerted Employment and Training Act which could easily be used for this purpose.

Mr. President, at this point in the RECORD, I ask unanimous consent that the bill and two sheets which detail the accomplishments of just two CSTE projects—one in Iowa and one in Minnesota—be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1807

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Rural Development Act of 1972 (86 Stat. 674) is amended by adding at the end thereof a new title as follows:

"TITLE VII—CONCERTED SERVICES IN TRAINING AND EDUCATION TASK FORCE

"FINDINGS

"SEC. 701. The Congress finds—

"(1) that various Federal programs and activities have a significant impact on the growth and economic development of many rural areas;

"(2) that sound public policy requires an assessment of present and anticipated resources and requirements of the Nation, including direct and indirect impact of Federal policies, programs, and activities and their inter-relationship with other sectors of the economy;

"(3) that the economic development efforts of many rural areas are greatly handicapped because local community officials are often not familiar with resources available to them through various Federal and State programs, and that such communities urgently need persons with the ability to gather resources appropriate to local perceived rural development needs to 'tailor make' program to serve the residents of such communities, consistent with the provisions of section 603 (b) of this Act;

"(4) that an effective approach for meeting the need described in paragraph (4) has been provided by demonstration projects known as 'Concerted Services in Training and Education' which is in operation in 49 counties in 14 States in collaboration with the Federal Interdepartmental Task Force (established administratively within the Executive Branch in 1964) and under which a local resident coordinator, provided with appropriate training, assists local governmental leaders in identifying needs, and then develops proposals for obtaining the resources required to meet those needs; and

"(5) that a higher level of coordination between all Federal departments and agencies is necessary to achieve the maximum beneficial impact on rural area development, and that such coordination can be more easily achieved by the special Federal task force hereinafter established.

"ESTABLISHMENT OF TASK FORCE

"SEC. 702. (a) There is established a task force within the Department of Agriculture to be known as the 'Concerted Services in Training and Education Task Force (hereinafter in this title referred to as the 'Task Force').

"(b) The Task Force shall be composed of three members as follows: the Assistant Secretary of Agriculture for Rural Development or his designee, one member from the Department of Health, Education and Welfare, designated by the Secretary of Health, Education and Welfare, and one member from the Department of Labor, designated by the Secretary of Labor.

"(c) The chairmanship of the Task Force shall be filled on an annual rotating basis, in the order in which the members are named in subsection (c).

"ADVISORY COMMITTEE

"SEC. 703. There is established a special advisory committee to consult with and advise the Task Force with respect to all functions of the Task Force under this title. Such committee shall be composed of the following members:

"(1) one member from the Department of Commerce designated by the Secretary of Commerce;

"(2) one member from the Department of the Interior designated by the Secretary of the Interior,

"(3) one member from the Department of Housing and Urban Development designated by the Secretary of Housing and Urban Development,

"(4) one member from the Department of Transportation designated by the Secretary of Transportation, and

"(5) one member from the Community Services Administration designated by the Administrator of the Community Services Administration.

"FUNCTIONS OF THE TASK FORCE

"SEC. 704. (a) To assist the Federal departments and agencies concerned with rural development, the Task Force shall (1) assess the problems of rural America relative to economic development of natural and human resources, and (2) conduct an assessment of present and anticipated resources and requirements of the Nation including the direct and indirect impact of Federal policies, programs, and activities and their interrelationship with other sectors of the economy, and (3) participate in the establishment of rural development goals consistent with the provisions of section 603(b) of this Act.

"(b) In carrying out such functions, the Task Force shall develop new, and continue existing, demonstration projects in cooperation with State and local government to:

"(1) Develop general operational patterns for noncertainty the efforts of all of the available departments and agencies and all available resources on the alleviation and ultimate solution of occupational education problems; and, as necessary, on the health, welfare, socio-economic, and related problems of persons residing in rural America.

"(2) Identify existing and potential employment opportunities and occupational education programs available to youth and to adults who are unemployed or whose income is insufficient to maintain a respectable standard of living.

"(3) Develop ways through which rural communities can provide education, vocational guidance, training, and other services needed to help the residents of such communities become employable, including development of plans for:

"(A) increasing basic educational skills,

"(B) improving general conditions of health,

"(C) providing vocational counseling, and

"(D) developing occupational competency.

"(4) Demonstrate that occupational education programs, in conjunction with other economic development activities, can significantly increase employment opportunities.

"(5) Demonstrate that a cooperative occupational education effort based on local involvement will develop indigenous leadership, individual dignity, initiative, and community awareness resulting in continuing community development.

"(6) Determine and improve the relationship of the traditional educational and occupational patterns of people in the communities to their present and emerging needs, and as warranted, make recommendations for necessary adjustments.

"(c) It shall also be a function of the Task Force to (1) receive, evaluate, and approve applications for demonstration projects for local and State agencies, (2) monitor and evaluate the effectiveness of such projects and submit a report to the heads of participating departments and agencies for transmittal to the Congress, (3) serve as a clearing house for local problems and, in coordination with the appropriate Federal department or agency, recommend solutions to such problems.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 705. There are authorized to be appropriated for carrying out the provisions of this title $4,500,000 for the fiscal year ending June 30, 1976.

"ADMINISTAATIVE ARRANGEMENTS

"SEC. 706. In carrying out the provisions of this title, the Secretary of Agriculture shall provide (1) salary and administrative expenses for the three permanent Task Force members and for clerical and administrative staff as needed; (2) funds for travel and other expenses of the Task Force; (3) office space and equipment as required; (4) funds for project coordinators, salaries, and necessary expenses."

IOWA C.S.T.E. PROJECTS AND ACCOMPLISHMENTS, APRIL 1, 1974 TO APRIL 1, 1975

C.E.T.A.: Contact with O.P.P. in implementation and information. Assisted team in interviewing and employer contacting. Applied for one-half C.S.T.E. funding under balance of state.

Employment Service, P.S.E.: Intake work, employer contacting, public relations. Assisted new interviewer in getting set-up in area. Increased usage of office about 300% during the year.

Ancillary Manpower Planning Board: Assisted in preparing state C.E.T.A. plan for area.

Sanitary Landfill: Site has been selected. Bid let for preparation. Plans call for July 1, 1975, opening. C.S.T.E. director has been very active in all parts of project.

Sanitarian: Person hired April 3, 1975. To be Sanitarian, County Zoning Officer and Supervisor of landfill.

Land Use. Engineering firm has been hired to prepare plan and make recommendations. County Commission now being formed. Coordinator assisting in collecting data, setting up Commission and promoting its possibilities.

East Central Intergovernmental Association: Operational September 1, 1974. Very exciting things are now happening and four groups are now organized within its boundaries. Coordinator spent considerable time on this project and has helped in all phases. Now official representative to State and National Associations.

Ambulance Service: New unit acquired and in operation in Bellevue. Maquoketa service now restructured and operating out of hospital. Fire department has emergency unit and operations subsidized by Supervisors. County should now have best service ever Coordinator assisted getting funds.

Home Health Care: Offered input at initial planning meetings. New service for county. Now certified under Medicare. Second service offered is physical therapy.

Jackson County Agency on Aging: Coordinator is Vice-Chairman of County committee. Now a part of area agency being formed. Programs are now being planned for proposal.

Developmental Disabilities: Chairman of board formed in Area VIII. State grant has been received for County Activity Center. Area Residential Care of Dubuque serves this area and they also have a grant to find the handicapped in rural areas. The outreach worker works out of our office part-time.

Area VIII Drug Coordinator: Member of screening committee to interview and hire Coordinator. Worked closely with new Coordinator in preparing drug plan.

Family Life Development: Advisory Board idea. Wrote proposal, solicited funding, associated with all phases such as planning, training, counseling, coordinating, and evaluating.

"Sunshine" School: Enrollment increased to 125. Assisted in getting legislation for funding. Now planning for summer day care and extending services to satellites in rural areas. Coordinator is liaison officer on board.

Bellevue Preschool: Assisted group in organizing, making suggestions, and doing some paper work.

Veterans Farm Cooperative Program: Still growing. About 140 young men being served by instructors operating from our office.

Trades and Industry: New program being started at Maquoketa Community High School. Will be career education opportunity for students. Coordinator has been asked to serve on Advisory Board.

Industry: Wady, Pack River, Anamosa Farm Systems: Assisted new local industries in interviewing, screening and hiring employees.

Inter-Agency Meetings: Active in attendance. Assisted in acquiring speakers.

Iowa 2000: Delegate to state meeting. Working with local committee to encourage awareness of future and planning for it.

Directory of Community Services: Gathered information, typed, printed and put 200 books together as public service.

To: Dr. Marvin E. Konyha, Executive Secretary, C.S.T.E. Task Force; Mr. Claude H. Butler, Iowa Employment Security Comm.

From: Donald R. Casteel, C.S.T.E. Coordinator.

Subject: Quarterly Report For January, February, and March, 1975.

I. PROGRAMS

A. Area one agency on aging

The Coordinator was elected Vice-Chairman of the newly formed Jackson County Committee on Aging. The role of the county committee is to supply input to the Area Advisory Council (through its two representatives on the Area Council) in the development and administration of the Area Plan; to act as a local clearinghouse and discussion center for programs and proposed programs within the counties.

The State Committee has indicated that $260,000 Title III and VII funds have been earmarked for the eight county area which will form the Area One Agency on Aging.

Some of the programs that have been supported under the Title III and VII funds are nutrition programs like the congregate meal sites, transportation and information and referral services. C.S.T.E. has been working to get aging funds into this area for the past two years, so we really appreciate this development. The Coordinator has been invited to participate in the Governor's Conference on Aging in Des Moines May 14.

B. "Sunshine" school

"Sunshine" Preschool Day Care has started taking applications for fall enrollment. Classes are already filling quickly. The staff is exploring possibilities of having a summer program. The school system did not receive funding for a summer recreation program this year.

C. Family life development

The project has had its planned six month evaluation and all groups supporting it seem well pleased and have recommended continuation. Several area daily newspapers have had special articles featuring this project and now C.S.T.E. has been asked to put together pictures, facts and specifics for a brochure to be used statewide. The church is also featuring it at its state conference by displaying a pattern board. We hope this pilot project can withstand the trials of performance and be a stepping stone for other areas needing stimulation.

D. Developmental disabilities

The Area VIII Developmental Disabilities Council recently approved two grant applications from the area for state funding. The Jackson County Developmental Activity Center will receive $7,500.00 while Skyline, Inc. from Clinton will receive $10,035.00. Each area was limited to two grants and allocated a percentage of the state funds. The Coordinator attended a state meeting March 11 to critique a new movie release, "The Others." We also viewed a set of slides prepared to tell the Developmental Disabilities story.

II. PLANNING TO MEET PEOPLE'S NEEDS

A. Sanitary landfill

The Jackson County Sanitary Disposal Agency (J.C.S.D.A.) has contracted for site preparation to be completed by July 1, 1975. Bids are now being taken for the maintenance building and will be opened April 17. Bids will also soon be taken for the operation. If they are too high the agency could purchase equipment and operate it themselves. The C.S.T.E. Director is a member of the agency serving as Vice-President. Important decisions are now being made involving large sums of money as well as future service.

B. Sanitarian

Dan Kremer from Hopkinton, Iowa has been hired as County Sanitarian. Dan is a graduate of Kirkwood Community College as an environment health assistant. He will be working under a P.S.E. (Public Service Employment) Contract and will work with the health board, land use commission and J.C.S.L.D.A.

The C.S.T.E. Director did much coordinating in getting the health board, employment service and applicants together. This seems to be a very good arrangement for meeting the people's needs with a P.S.E. Contract. We hope it works out well.

C. Land use

The Jackson County Board of Supervisors have hired an engineering firm to make a survey and recommend a land use plan for the county. The Coordinator has a keen interest in this action and has assisted in collecting data for background, setting up commission and promoting its possibilities.

E.C.I.A. staff has been developing a series of maps in establishing an area VIII land use plan. They have maps of transportation systems, natural resources, parks, topography, present use and location of all buildings and population maps showing percentage changes in number, age, sex, density and commuting patterns. They also have scales and graphs on future projections. They are very interesting.

The E.C.I.A. of which the Coordinator is a member, unanimously adopted a land use policy statement to be forwarded to the state legislature.

D. E.C.I.A.

The East Central Intergovernmental Association has formulated goals and objectives for our region using ideas that were expressed at the regional input meetings. This goal setting process was a very meaningful one in that various concerns were structured into regional goals and objectives from which may be developed a policy statement or series of statements. These policies will become the basis for plan development, Council work program development, and areawide program evaluation. Much time has been spent on regionalization but it looks like the dividends are going to be very large. The area aging council, is the fourth to be set up since formation last September. The C.S.T.E. Director has been chosen Area VIII representative to the state and nation associations.

E. Community development block grants

Much time was spent working with small city councils urging them to apply. The response was excellent with many, many applications prepared. The sad, sad, sad news came when all the money went to the only two large cities in the area. This appears to be the biggest rip off in our present legislation. I had alerted Senator Clark that the best we could expect was crumbs but I didn't plan on a completely barren decision.

F. Ambulance service

The ambulance service for the Maquoketa area will now be headquartered at the Jackson County Public Hospital. The Fire Department will continue to offer emergency service with their rescue unit. The Board of Supervisors will assist with finances so it is a cooperative effort and should offer excellent service.

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III. TRAINING AND EDUCATION

A. Hillcrest's program for unwed mothers

The Jackson County Board of Supervisors recently approved funding for a six-month trial plan to offer counseling to expectant single teenage girls. At the end of the six-month period, the program will be reevaluated to determine whether or not it should continue. Hillcrest Family Planning will be responsible for the program.

B. Abnormal psychology in modern life

Coordinator has been attending psychology classes conducted by Father Jim Barta from Loras College in Dubuque. He finds these classes to be most stimulating and even helpful in C.S.T.E. work! The Coordinator helped set up the class that is geared especially for hospital personnel.

C. Veterans farm cooperative program

Because of the increased enrollment in the veterans farm cooperative program a fourth class for the Miles area has been approved and an instructor is being sought. Enrollment now stands at about 140. The classes are preparing for spring break to begin planting crops.

D. Kishwaukee student visits area

Gary Ellis, former vet coop instructor in Jackson county and now with Kishwaukee College in Malta, Illinois, recently visited our area with one of his students trying to place him in one of our local beef cow operations. The Coordinator helped arrange interviews with some of our good operators.

Note: Porter Martin.

E. Extension seminars

The Jackson County Extension Council sponsored several excellent seminars. One of these, "Critical Economic Issues—1975" was designed for area business leaders and featured extension economists Gene A. Futrell and Marvin G. Julius, a member of C.S.T.E.'s state board. Another up-to-date informative session, "Parenting A Challenge" featured discussion groups including: working parents; single parents as a family unit; traditional family with changes, alternate marriage forms, impact of genetics and medical technology on families changing sexual patterns, impact of extreme changes to families and parenting for special children.

IV. LABOR

A. Employment service

Coordinator has been working closely with the Employment Service in filling job openings under P.S.E. (Public Service Employment) and C.E.T.A. contracts. We now have a full time Employment Service employee in our county. A member of the area C.E.T.A. team also is in our office two days a week. The large amount of traffic was causing much confusion in our office. They have now moved to our third room, that was formerly occupied by the vet coop instructors. The vet coop instructors have moved across the hall so we are still one big family but operating with much more efficiency.

V. CONCERTED SERVICES IN TRAINING AND EDUCATION

A. Funding

After many weeks of uncertainty we finally have some good news. We now have a contract with the Office For Planning and Programming, the balance of state prime sponsor, for one-half of our funding from C.E.T.A. We think C.S.T.E. fits in perfectly with the pilot and special projects of their state plan and hope we can prove to be worthy. This should be a natural as we have been working with many projects under O.P.P. jurisdiction.

B. Dr. McCauley

We had mixed feelings about finding out that Dr. McCauley was retiring. C.S.T.E. will really miss his efforts in Washington for us, but we cannot expect to stand in his way for future plans. We understand he will still be active with us so "thanks so much" for your past assistance and good luck in your new directions.

C. Seminar

I am looking forward to the 1975 spring Concerted Services Workshop. As always, I find it a real thrill to visit our nation's capitol and take part in a seminar that gives me an opportunity to learn about the latest developments at the Federal level. It is also a rewarding experience to meet with my fellow Coordinators to share problems and ideas.

This session we will also be participating in the National Conference on Rural America and should be very busy and interesting.

Just a Thought

There are three types of people: Those who live *off* the Community, those who live *in* it and those who live *for* it. The first class are parasites, reaping where they do not sow. The second class lives in the community but has little to do with its growth. Those who live for it recognize their responsibilities and meet on a common ground for the general improvement of their community.

MANPOWER PLANNING AND ECONOMIC DEVELOPMENT: AS EXPERIENCED IN CONCERTED SERVICES AREA, MINNESOTA

(By Sherman Mandt, Coordinator, Concerted Services, Wadena, Minn.)

Based on experiences the past six years with the Concerted Services in Training and Education project at Minnesota, it is my observation that effective manpower planning must play an important function as we attempt to develop more jobs to stimulate the economic growth of rural America.

I have worked very closely with the planning process as a member of a 11-county CAMPS group, a participant in State CAMPS discussions, and more recently as a member of Governor Wendell Anderson's ancillary planning board for Region 4 in Minnesota.

These manpower planning activities are directly related to my work with local leaders in the Concerted Services area of Minnesota, as we assist in a variety of approaches to economic development of our four rural counties of Todd, Wadena, Otter Tail and Hubbard.

Concerted Services is a cooperative Federal, State and Local venture. As an inter-agency projct, it provides much flexibility for the coordinator in pursuing rural development through training and education. CSTE helps focus on the problems of the rural area and assists in bringing the resources of all levels of government to bear on solving these problems. It has helped improve communication between agencies themselves, and between agencies and local groups.

The Coordinator often serves as a catalyst in the development process. As local people tend to become discouraged easily when dealing with the complexity of meeting their needs, he assists in defining problems and studying the alternatives necessary to reach their goals. He offers positive encouragement and enthusiasm in stimulating local people to make the extra effort required to develop a better rural America.

Concerted services helps local people in determining the extent of their needs by various types of surveys, personal interviews and informational meetings. As a result of this approach, many local manpower training and community development efforts have been implemented in recent years in our area.

In working with program planning, we try to emphasize that rural communities must be opportunists in using manpower programs and other government and private aids in a total development program. Flexibility is important in this process.

Local people ask us how do you keep from being frustrated in dealing with government units. Our answer is that you must be involved in a variety of development projects in various stages of completion so that you can shift emphasis without becoming bogged down. At a more opportune time, you can return to the other project and pick up the tempo again.

We realize that many projects take years to complete, and may never have a final stage of development. However, local groups cannot function effectively without the incentives provided through short and intermediate plan accomplishments in addition to long range plans and goals.

For example, if you are working with law enforcement training in a rural area, you begin with a small advisory committee which does some brainstorming on what is the present need for upgrading knowledge and expertise in this field.

Often the committee will wish to gather opinions of village officials, police chiefs and sheriffs in the area to further define problem areas. A mail survey in this case would be a short term accomplishment with results providing more insight into training needs.

In the event that a group of 15 or 20 law enforcement officers in the area show need for more training on traffic control, search and seizure, drug information, etc., there are a variety of workshops or short courses that can be developed in the area vocational schools, junior colleges, universities or state and regional agencies to focus on local needs. These would be examples of intermediate stages or goals.

On the long run, the goal would be to upgrade the caliber of law enforcement in the rural area by planning for continuous training programs. It is important in this stage to build in both action and evaluation processes to keep local officials informed and motivated to build better law enforcement programs in the rural area.

Regional crime commissions are assisting greatly in focusing on law enforcement needs in our area.

Looking at jobs for rural America. I would like to comment on how Concerted Services has used a variety of government programs as tools for area development.

Labor supply is always a big question when industry is interested in expanding or locating a new plant and in the rural area. County manpower surveys conducted by local leaders using the resources of the Smaller Communities Program of the Minnesota Department of Manpower Services have documented adequate labor. Published reports from the surveys in three of the four Concerted Services counties have been used extensively in helping sell industrial development of the area.

In case where more specific labor information has been requested, we have found the Smaller Communities mobile team flexible enough to organize and complete a mail survey within a two week period. This survey in mention identified 750 workers that would commute up to 40 miles one way to work at a turkey processing plant—if it was constructed. The results helped Swift and Company of Chicago decide to invest over $1.5 million in our area and create some 150 new jobs.

This example involved local Swift and Company manager at Detroit Lakes, the Otter Tail Power Company, Smaller Communities personnel and Concerted Services. Representatives of the private sector were pleased with the speed and efficiency used in obtaining the needed survey results. This team approach has been used on other projects also.

In doing rural development work, we find you must be prepared to roll up your sleeves and pitch in with the local people. We do not encourage anyone to go after a program

unless we intend to provide assistance or find technical assistance to do the parts of the effort that local people are not equipped to handle.

We do not believe in chasing people down blind alleys. Local people have only so much time and energy they can afford to spend on community development, so it is important that this time be used fruitfully.

Concerted Services has made numerous contacts to obtain information for communities to work with. It has assisted with some application inputs including statistical and supporting statements, and traveled with local groups to work out agreements with agencies on various programs.

For example, a privately owned sawmill at Menahga closed in 1965. It was reopened by a local cooperative in 1967 and operated on a part-time basis until 1970 producing only lath and snowfence material. Local leaders felt there was more job potential for the operation if financial assistance could be found. Concerted Services assisted with contacts on an E.D.A. proposal, including two trips with local committee members to the area E.D.A. office in justifying the need for money to build a new plant. Eventually $213,000 in loans from E.D.A. and the State of Minnesota coupled with funds of the local Menahga Development Corporation, resulted in construction of a sawmill that employs from 25 to 30 persons with a payroll of $125,000 and returns $200,000 annually to area timber growers. Current timber usage at the mill is 5 million board feet each year, and production could double in the future.

In the sawmill project, contacts were made to secure on-the-job training assistance, and the State Highway Department was contacted to make a review of road restrictions to assist in fuller utilization of the plant.

In looking at economic development, you must also look at the services available to people in a rural area.

As employment service offices were over 50 miles from the center of the Concerted Services area, we worked with local people and the State Department of Manpower Services in starting a one-day a week service in our office using a staff member from the Little Falls office of Manpower Services. This has been beneficial to people of the area.

For short periods of time we have helped other community services get started with temporary office space until they were fully accepted in the area, and moved into quarters of their own. This included several youth programs, an alcoholism counseling service, and a branch of the Department of Vocational Rehabilitation.

Health services was a high priority several years ago in our area. Concerted Services assisted local hospital and nursing home administrators in informational stages of forming a cooperative group that eventually raised money to hire a full time director for Project RAISE (Regional Approach to Improved Service through Education). We also were involved in special projects on drug education, heart disease and co-sponsored a diabetics clinic.

More recently, we are involved with both the Region 4 and Region 5 planning commissions for providing health services to the area.

Local people were concerned that 30 percent of the farmers in the area were low income. Action was taken to assist these farmers with farmer general manpower programs and special irrigation training classes using MDTA funds. The benefits from this approach have been very evident and highly successful in helping this group of farmers achieve a higher standard of living.

For example, the irrigation class is in its fourth year at the Staples Area Vocational School using funds from the Rural Minnesota CEP. To date, 59 farmers have completed the program with 45 actively irrigating some 2,110 acres in the area. Twenty-six members of the first three classes have gone on to intensive farm management programs.

Encouraged by the results of farm training and economic impact on these farms in the area, a working group called the Small Farm Advisory Committee was formed in 1970. Farmers, agri-businessmen and local agencies meet once a month to spearhead activity. Sessions have been held with 40 area bankers, University of Minnesota specialists, the state ASCS committee, and implement dealers to increase awareness of small farm problems and request that certain types of action be taken. Members of the committee even raised money to send their chairman to Washington, D.C., to testify at the REAP hearings in April, 1972. This committee is long range in nature and dedicated to future strengthening of our area.

We are fortunate to have one of the best Rural CEP programs in the United States. It has been very instrumental in providing training and finding jobs for area people at a relatively low cost of $2,872 per placement. Last year they placed 613 persons in jobs. Quality of job retention has been high with 82 percent remaining employed after 60 days of work. A representative of the CEP unit does counseling at the Concerned Services office once a week.

One of the strong features of Concerted Services has been that we maintain an extensive file on current government programs, and help local people realize the potential and limitations of these programs. We do not step into anything that someone else is responsible for doing. The longer we work in the field on manpower training and job development, the more we appreciate the capabilities that each agency has for making a better rural area.

In concluding, I would like to emphasize that there are still many voids in training and economic development to be filled in the rural area, but firmly believe that the basis being formed for effective manpower planning in rural Minnesota will lead to greater opportunities in the years ahead.

HIGHLIGHTS FROM CONCERTED SERVICES IN TRAINING AND EDUCATION AREA IN MINNESOTA

Education on drug abuse and dependence

Concerted Services assisted with the first symposium on drug abuse and dependence in December 1970 for the Wadena area. The 1½ day session for professionals drew 181. and 164 persons who would be coming in direct contact with drug problems now and in the future. A similar meeting for the general public will be held at Wadena in May, 1971.

Law enforcement training

Coordinators worked with area community representatives to survey and set up special training for law enforcement officers in the area to upgrade their skills. Two short courses (December and March–April) have been held at the Wadena Area Technical Institute and a 12-week course in criminology was provided through the junior college system at Wadena and Fergus Falls.

Community and youth environment committees

Emphasis has been put on working with community groups to analyze and take action on various community problems. Youth employment centers are now in operation at Wadena and Perham under support of the Community Action Agency.

Adult basic education expands

A new adult basic education program began in the Pelican Rapids school in January, 1971, with 20 persons enrolled. Long Prairie is surveying for a class. Wadena and Staples classes are doing well. Coordinates have assisted area Community Action Agencies in preparing a proposal for using television teaching strips to reach others.

Industrial development seminar

Coordinators made arrangements for a four-county industrial development seminar attended by 45 community leaders on January 14, 1971, to discuss trends, the Small Business Administration programs and the new state municipal bond law.

Agricultural related programs

Concerted Services has promoted the use of veterans agricultural programs by area school districts. The area now has three of the 13 on-going classes in the state. Coordinators have also assisted Rural Minnesota CEP in drafting a proposal for agri-business training, and are currently meeting with agencies to develop coordinated assistance to low income farmers.

Housing workshop held at Wadena

Coordinators assisted the Todd-Otter Tail-Wadena Rural Development Committee with a four-county housing workshop April 13, 1971. Representatives of Federal Housing Administration, Farmers Home Administration, State Planning Agency, and private enterprise were present to meet with area contractors, housing authorities and bankers. Some 35 persons attended the six hour session dealing with both general and specific housing needs and proposals.

Pollution control activity

Concerted Services sponsored a public meeting on solid waste disposal systems for the rural area on April 20, 1971, at Wadena. Speakers outlined new regulations, soils problems, methods, training and costs. Coordinators have been working with committees interested in studying lake pollution.

Work in Hubbard County begins

Concerted Services work in Hubbard County has started. The needs for EDA assistance are being studied. Plans for a veterans agricultural class are underway. Early discussion of the manpower survey and the new Emergency Employment Act are in progress.

Regional commission discussed

CSTE has been involved with the Title I project at Moorhead State College in helping provide information to the area on the importance for forming a regional commission. A public meeting was held in October at Fergus Falls with 100 persons attending.

Firemanship training studied

Requests for regional type firemanship training have resulted in a survey that indicates a high demand for stationing an expert in the Concerted Services area to work with about 40 fire departments. Contacts are being made to get approval for such training through the area vocational schools. A special meeting at Perham on June 6 was attended by 35 firemen from 15 area departments.

Small farmer advisory committee formed

Concerted Services has assisted in the formation of a Small Farmer Advisory Committee of agency people and concerned citizens. Several meetings were held during the summer to identify the various groups of small farmers that need assistance, and to outline steps that should be taken to help each group. A specific plan of action is now being worked on, including the publication of a brochure.

Road improvement funds discussed

Preliminary discussion involving improvement of the road to the new facilities of the Minnesota Forest Products Cooperative at Menahga were held in quest of EDA funds for the project. Concerted Services has helped make contacts and coordinate information.

UMI

Pollution control

Concerted Services is helping survey the area to identify employment opportunities related to environmental control occupations. Plans call for establishing a resource library in the area, and helping organize groups to take action. Concerted Services has assisted area groups and schools in setting up meetings with agencies to discuss curriculum development and outdoor laboratories.

Community improvement committee

Concerted Services is continuing to meet with several villages in the area to organize local committees for community improvement. Topics for discussion and action include: drug education for professionals, adults, parents, and youths; youth employment; coordination with post secondary institutions; and alternative approaches for teen recreation.

Special article prepared

An article discussing the Concerted Services concept, and the CSTE activity in Minnesota was prepared for the Federal Extension Service. It appeared in a series on rural programs in action.

By Mr. DOLE:

S. 1808. A bill to amend title 5, United States Code, to provide for the payment of overtime to certain personnel employed in the Department of Agriculture, Animal and Plant Health Inspection Service. Referred to the Committee on Post Office and Civil Service.

OVERTIME PAY FOR APHIS EMPLOYEES

Mr. DOLE. Mr. President, the bill I am introducing today will correct an inequitable condition that exists with regard to overtime payments for certain professional personnel employed in the Animal and Plant Health Inspection Service of the Department of Agriculture.

As conditions now exist, nonmanagerial personnel in grades GS–14 and lower who perform inspectional or supervisory functions in the APHIS Divisions of Meat and Poultry, Plant Protection and Quarantine, and Veterinary Services, do not receive true time-and-one-half salary for their overtime work. As "professionals" in their field, they were necessarily exempted from those provisions of the Fair Labor Standards Act Amendments of 1974. Instead, when performing overtime work under the provisions of title 5, United States Code, section 5542, these employees are limited to only one-and-one-half times the minimum rate of basic pay for GS–10. This means that employees paid at GS–12 step 6 and higher actually receive less than their regular hourly rate.

UNIQUE SITUATION OF APHIS EMPLOYEES

It is my understanding that normally a Federal employee who earns less than his regular hourly rate when performing overtime work is granted compensatory time off in lieu of monetary payment. But in this case, the Inspection Service informs me, these particular programs are not staffed sufficiently to replace employees on extended leave, and compensatory time off is thereby impractical and seldom granted.

Professional employees in this situation have little control over their own overtime schedules, unlike those in some other fields. Federal veterinarians who must be present to supervise commercial slaughtering processes are subject to the often lengthy schedules of the packing plants to which they are assigned. During emergency disease epidemics, animal disease and plant protection and quarantine personnel must participate in all-out efforts with long hours of duty to prevent the spread of a disease and to bring it under control. What this all means, in effect, is that the employees who are designated here have little control over their overtime requirements, yet are expected to work at salary rates incomparable to, and often less than, that of the subordinates whom they supervise. The Inspection Service has advised me that "there are occasions when professionals and nonprofessionals are engaged in similar work in close proximity to each other and the professional is paid at a lower rate due to his professional status." The inequity of this situation is obvious.

PRECEDENT EXISTS

The remedial legislation which I set forth here has a precedent. In 1968, Public Law 90–556 established true time-and-one-half pay for overtime ordered and worked by air traffic controllers through GS–14. Like APHIS personnel, the air controllers were responsible for substantial overtime duties at reduced rates, yet were seldom given compensatory benefits. At that time, the legislation was supported by the Department of Transportation and met no objections from the Bureau of the Budget.

The action we take to correct this inequity will cost the Federal Government very little, if anything. In current practice, most of the overtime services required of APHIS professionals are reimbursable from the meat or poultry packers, importers, or exporters requesting the service. Fees are established by the Secretary of Agriculture for each program and are uniform throughout the program. That fee covers the actual cost of reimbursement to the employee plus overhead charges necessary for providing the service. None of this would be changed under the provisions of my bill.

It is my understanding that the U.S. Civil Service Commission is currently engaged in an examination of the whole area of premium pay for professional and administrative Federal personnel and may eventually make comprehensive legislative recommendations in this regard. This seems to indicate that the Commission at least recognizes the existence of inequities, and I am glad to know of their attention. But the particular injustice now experienced by APHIS employees, and which compounds with every passing day, needs correction as soon as possible, in my opinion.

Let me emphasize that only nonmanagerial professionals are to be included in this measure—those whose duties are critical to insure the wholesomeness of our food products, the humane treatment of animals, or the proper control of animal and plant diseases. Furthermore, these time-and-one-half provisions apply in most instances to overtime work which is performed without cost to the Government, and which is performed at a time not subject to control by the Department of Agriculture or by the employee himself.

Mr. President, I hope that prompt consideration will be given to this measure which will establish equitable and just salary conditions for APHIS employees across the country.

By Mr. JAVITS (for himself and Mr. Pell):

S. 1809. A bill—the National Foundation on the Arts and the Humanities Amendments of 1975. Referred to the Committee on Labor and Public Welfare.

EXTENSION OF NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

Mr. JAVITS. Mr. President, I introduce today, on behalf of myself and Senator Pell, a bill to amend the National Foundation on the Arts and the Humanities Act of 1965. This bill, which is proposed by the administration would authorize appropriations for the arts endowment and the humanities endowment for fiscal years 1977, 1978 and 1979 at the level currently authorized for 1976. Yesterday, I joined with Senator Pell, the chairman of the Special Subcommittee on Arts and Humanities of the Committee on Labor and Public Welfare, of which I am ranking minority member, in sponsoring a bill, S. 1800 entitled "The Arts, Humanities and Cultural Affairs Act of 1975."

AUTHORIZATIONS FOR APPROPRIATIONS

Both bills are similar in that they extend appropriation authority for the endowments. Neither bill requests authority to fund beyond the currently authorized level of $113.5 million plus $12.5 million available for matching of private gifts. The administration bill is a 3-year, level funding extension, while S. 1800 is a 4-year extension with 2 years at the current level and "such sums" language for the latter 2 years, fiscal year 1979 and fiscal year 1980. I prefer this second approach because it gives the Congress an opportunity to reassess the funding level of the endowments based on the needs and resources at that time. It would also allow continuation of the decade-long policy of gradually increased Federal support of the arts and humanities, based on the proven capability of the endowments to wisely distribute these funds. Like Senator Pell, I support continuation of this gradual growth, and believe that we should carefully assess each increase.

AMERICAN FILM INSTITUTE

I would like to further comment on several other provisions of S. 1800, the Arts, Humanities and Cultural Affairs Act of 1975. The American Film Institute provision would automatically set aside a percentage of the arts endowment appropriation for their exclusive use. As Senator Pell points out in his introductory remarks, legislation has been discussed to create by statute an independent Film Institute. In my introductory remarks yesterday as I cosponsored S. 1800, I indicated my serious reservations about this provision. I should repeat these concerns so that the record is complete. Hearings were held on this matter last fall, and several alternatives have emerged. The percentage set aside is one alternative, and does represent a middle ground between the current situation and an independent, free standing Film Institute; but I am concerned about this latter approach, because I believe it could tend to begin a process of fragmentation of the endowment and could lead to lessening the endowment's overall impact of advocacy for the arts. The Federal Government needs a strong and unified voice speaking for and supporting the arts. This is the hallmark of every great civilization, and should be strengthened in America. I ask my colleagues to examine this situation carefully, so that the contemporary and vital media of films is assured its appropriate level of Federal support and encouragement and the endowment is not weakened in performing its mission.

STATE HUMANITIES COUNCILS.

Current law mandates similar councils for the arts, and the good work of the humanities endowment has now raised the State participation in the humanities to a level where State councils for humanities should be again considered for statutory establishment.

OTHER PROVISIONS

Under title II, S. 1800 would create a Museums Institute and authorize grants on a matched basis to support museums and their services. Currently, American museums are simultaneously striving to expand their outreach to the public and survive stable or shrinking budgets in an inflationary economy. This combination of factors merits reexamination of the current Federal role in assisting museums, which are at the heart of the informal learning and cultural preservation activities in our Nation.

This same title also creates an Indemnity authority which will expand the opportunities for foreign art and artifacts to be available to the general public. This modest proposal would avoid the costly insurance currently necessary for foreign exhibits. The only cost aside from minimal administrative processing would be when and if foreign materials are actually damaged in connection with an American exhibition. Thus, all of the scarce resources available for such international cultural exchanges will be available for noninsurance purposes. This is an excellent provision which will doubtless serve to increase American understanding of other cultures at very little Federal cost.

In conclusion, these two bills would extend funding authority for the National Endowment for the Arts and the National Endowment for the Humanities, and add several other provisions to expand the availability of cultural activities to the American public. Several issues are raised for discussion, so that alternatives can be weighed and selected. The Arts and Humanities Subcommittee will be holding hearings beginning with the subject of indemnities for foreign exhibitions in early June.

I know my colleagues on the subcommittee look for advice of expert witnesses and affected parties to assist them in creating the strongest Federal support for cultural activities in America as we enter its third century.

I ask unanimous consent that the bill I am introducing today be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1809

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Foundation on the Arts and the Humanities Amendments of 1975".

Subsection (a) of section 11 of the National Foundation on the Arts and the Humanities Act of 1965, as amended, is further amended by:

(a) in the first sentence of paragraph (A) of clause (1) by striking out everything after "National Endowment for the Arts," and by inserting in lieu thereof the following: "$33,750,000 for the transition quarter ending September 30, 1976, and $113,500,000 for each of the fiscal years ending September 30, 1979."

(b) striking the second sentence of paragraph (A) of clause (1).

(c) in the third sentence of paragraph (A) of clause (1) by striking out everything after "first sentence of this paragraph" and by inserting in lieu thereof the words "for the transition quarter ending September 30, 1976, and for each of the fiscal years ending September 30, 1977, September 30, 1978, and September 30, 1979, may be used only for the purpose of carrying out section 5(g)."

(d) in paragraph (B) of clause (1) by striking out everything following "National Endowment for the Humanities" and by inserting in lieu thereof the following: ", $21,375,000 for the transition quarter ending September 30, 1976, and $113,500,000 for each of the fiscal years ending September 30, 1977, September 30, 1978, and September 30, 1979."

(e) amending clause (2) to read as follows: "There are authorized to be appropriated for each fiscal period ending prior to September 30, 1970, to the National Endowment for the Arts and the National Endowment for the Humanities, an amount equal to the total amounts received by each Endowment under section 10(a)(2), except that the amount so appropriated for any fiscal period shall not exceed the following limitations:

"(A) For the transition quarter ending September 30, 1976, $1,000,000.

"(B) For the fiscal year ending September 30, 1977, $25,000,000.

"(C) For the fiscal year ending September 30, 1978, $25,000,000.

"(D) For the fiscal year ending September 30, 1979, $25,000,000."

By Mr. JAVITS (by request):

S. 1810. A bill to amend the temporary unemployment benefits programs, and for other purposes. Referred to the Committee on Labor and Public Welfare and the Committee on Finance, jointly, by unanimous consent.

Mr. JAVITS. Mr. President, I am introducing today, at the request of the administration, a bill to extend emergency unemployment benefits currently being provided under the Emergency Jobs and Unemployment Assistance Act and the Emergency Unemployment Compensation Act. Although this bill, in some respects, is inconsistent with similar legislation I introduced earlier this year, I believe that the issue of extended unemployment benefits during this current unemployment crisis is so important that all reasonable proposals should receive full consideration by the appropriate committees.

Under the Emergency Unemployment Compensation Act of 1974, enacted last December with my sponsorship and that of many other Senators, unemployed workers became entitled to 13 weeks of emergency benefits following exhaustion of regular and extended benefits, for a total of up to 52 weeks of compensation. The special unemployment assistance program, created by the Emergency Jobs and Unemployment Assistance act of 1974, provided those millions of workers previously excluded from the Federal-State unemployment insurance system with a basic period of federally funded benefits of up to 26 weeks.

The bills I introduced on February 20, 1975, would provide an additional 13 weeks of benefits under both programs (S. 766 and S. 767). These bills are addressed to the critical income needs of approximately 2 million American workers who are expected to exhaust completely their unemployment compensation benefits under existing law. Through a temporary amendment I introduced as part of the tax reduction bill passed by the Senate in March 1975, the provisions to S. 767 extending Emergency Unemployment Compensation Act benefits for up to 65 weeks were enacted into law, but limited to the period ending June 30, 1975. Thus, under both programs, workers will once again begin to face exhaustion of all benefits on July 1, 1975.

Unemployment has increased to 8.9 percent of the work force, the highest level since the Great Depression, and is apparently still rising. This amounts to 8,176,000 workers unable to find jobs in April, and does not count the millions more who have become so discouraged that they have given up their job search efforts, or who are working in part-time jobs, but desparately want and need full-time work, or who are working full-time, but cannot bring their income above poverty levels. These grim statistics mean that the Congress must give prompt consideration to the extension of unemployment assistance programs, and I pledge my best efforts so that the Committee on Labor and Public Welfare on which I serve will give high priority to extending the special unemployment assistance program which comes within its jurisdiction. I am pleased that the House yesterday passed H.R. 6900, a bill incorporating an extension of benefits under both programs, and I am hopeful that the Senate Finance Committee, which has jurisdiction over the Emergency Unemployment Compensation Act, along with the Labor and Public Welfare Committee, will act to report legislation to the Senate as quickly as possible.

Mr. President, I ask unanimous consent that a summary of the administration's bill, prepared by the Department of Labor, be printed in the Record.

There being no objection, the summary was ordered to be printed in the Record, as follows:

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SUMMARY: PROPOSED AMENDMENTS TO THE TEMPORARY UNEMPLOYMENT BENEFIT PROGRAMS

TITLE I—AMENDMENTS TO THE TEMPORARY UNEMPLOYMENT COMPENSATION ACT OF 1974

Increased duration for Federal Supplemental Benefits (emergency unemployment compensation) (FSB), making an individual's FSB duration 100 percent of the individual's entitlement to regular compensation, up to a maximum of 26 weeks, is made available for weeks of unemployment ending before December 31, 1975.

Establishes new "on" and "off" triggers for basic and increased duration of Federal Supplemental Benefits, applicable to weeks of unemployment ending after December 31, 1975.

All trigger measurements are based on seasonally adjusted insured unemployment rates (IUR's), computed in the same manner as for Federal-State Extended Benefits. The triggers used are a combination of the national IUR for each of the last three calendar months and the area IUR for each of the last three calendar months.

The triggers are in the conjunctive. Both the national and the area IUR's must equal the required level for each of three consecutive months to trigger "on." Triggering "off" is attained when either the national or area IUR is not as high as the required level for each of three consecutive months.

For weeks ending after December 31, 1975:

Basic FSB duration (50 percent of the individual's entitlement to regular compensation, up to a maximum of 13 weeks) is available if the emergency benefit period is based upon a 5 percent "on" trigger (national and area).

Increased FSB duration (100 percent of the individual's entitlement to regular compensation, up to a maximum of 26 weeks) is available if the emergency benefit period is based upon a 6 percent "on" trigger (national and area).

Areas are defined to include (1) Standard Metropolitan Statistical Areas of 250,000 population or more, if any part of them are contained within the State and (2) the balance of the State that is not included in such areas.

Mr. JAVITS. Mr. President, this measure should, like the one which came over from the House this morning, be referred to both the Committees on Finance and Labor, and I ask unanimous consent that that be done. I am introducing the bill by request.

The PRESIDING OFFICER. Without objection, the bill will be so referred.

By Mr. BARTLETT (for himself and Mr. BELLMON):

S. 1814. A bill to direct the Secretary of the Army to issue permanent easements for certain docks constructed on property under his jurisdiction in the State of Oklahoma. Referred to the Committee on Public Works.

LAKESHORE MANAGEMENT PLAN OF THE CORPS OF ENGINEERS

Mr. BARTLETT. Mr. President, today I am introducing legislation to require the Secretary of the Army to grant a permanent easement to persons who have constructed boat docks or other similar facilities at Corps of Engineers lakes in Oklahoma.

This issue arose over a year ago when the Corps of Engineers issued their proposed "Lakeshore Management Plan." Included in this plan was a proposal which would require boat dock owners as designated by the Corps to move this facility to various enclaves around the lakes.

Upon being advised of this proposal, we immediately interceded with the Corps in behalf of the boat dock owners. We did this for several reasons.

A study of the history of the growth around Corps lakes is most interesting and revealing. Contrary to the present burgeoning population around lakes, in the fifties and early sixties the development was quite slow. The Corps in an effort to spur development actively sought persons to build homes around the lakes and to build adjacent docks for swimming, boating, and fishing. The people responded with homes and docks ranging from the most meager facilities to huge investments. One of the attractions was that a boat dock could be built closely accessible to the homes. Each boat dock owner was granted a 5-year license, but this was considered a mere formality and they were automatically renewed.

Now, after 15 or 20 years, the Corps has decided that they should never have allowed the construction of many of these docks and by edict announced their intention to require their removal.

After numerous discussions the Corps agreed that it might be unfair to make a licensee move his dock, so they prepared a grandfather clause to freeze in present licensees.

Although this proposal was an improvement, it still denied continuity of ownership to the spouse of a licensee and did not allow for sale or transfer of the license, and therefore was unacceptable.

The corps again reconsidered their position and again improved it by allowing a spouse to qualify under the grandfather clause.

However, there still exists an inequity in the lakeshore management plan, which evidently will only be corrected by legislation.

In numerous meetings around the State, hundreds of Oklahomans have told the corps of the financial hardship which the present plan will impose if licensees are unable to transfer ownership in their own boat docks. Obviously one of the key assets in the ownership of a lake home is easy access to a nearby boat dock. Thus if a homeowner must sell his property, which in many cases represents a life savings, without also being able to sell the attendant boat dock, the value of the property will naturally decline.

And the only justification which the corps voices for this proposal is that boat docks are not esthetic.

I ask the corps why boat docks were esthetic 10 and 15 years ago when they were pleading with persons to construct them but all of a sudden they are not pleasing to the eye.

Also, why is it fair to allow a corporate owner a virtual perpetual license to a boat dock yet deny such to the owner who perhaps did not have the resources to form a corporation. Obviously that is unfair.

The bill I have introduced applies only to corps facilities in Oklahoma. As previously indicated, the reason for singling out Oklahoma is the unique history of how the corps in Oklahoma went about promoting development of boat docks and other facilities on Oklahoma corps lakes. I am not aware that this occurred in other jurisdictions.

The effect of the bill will be to insure present license holders the right to sell, devise, transfer, or retain existing boat dock facilities. This right would be subject to rules and regulations promulgated by the corps to insure proper maintenance, safety, and upkeep.

Additionally, I would hope the corps in the future will realize that "beauty is in the eye of the beholder." While they may not like boat docks, there are many, many people who do; and it is the people who own our lakes, not the Corps of Engineers.

By Mr. ABOUREZK:

S. 1815. A bill to provide procedures for calling constitutional conventions for proposing amendments to the Constitution of the United States, on application of the legislatures of two-thirds of the States, pursuant to article V of the Constitution. Referred to the Committee on the Judiciary.

FEDERAL CONSTITUTIONAL CONVENTION PROCEDURES ACT

Mr. ABOUREZK. Mr. President, today, I am introducing the Federal constitutional convention procedures bill. This measure is identical to bills introduced in past sessions of Congress by Senator Sam J. Ervin, Jr., my predecessor as chairman of the Subcommittee on Separation of Powers of the Senate Judiciary Committee.

Identical bills have unanimously passed the Senate in past years, 84 to 0 in the 92d Congress and by a voice vote with no opposition in the 93d Congress. Both measures, unfortunately, failed to be reported by the House Judiciary Committee.

This bill, in essence, establishes procedures for congressional handling of State petitions calling for a constitutional convention, and sets forth the ground rules for the conduct of such a convention should the requisite 34 States petition for it. Although no such convention has ever been called to amend the Constitution, recently we have come dangerously close with as many as 33 of the necessary 34 petitions submitted to the Congress on the reapportionment issues.

Neither the Constitution nor any statute now delineates procedures for conducting a convention. Therefore, the measure I am introducing today attempts to clarify the issue so that at some unknown time in the future we are not faced with a crisis situation. Amending the Constitution of the United States is not a matter to be undertaken lightly nor should it be approached in a reckless manner. Many hundreds of applications have been submitted by the States calling for a convention to propose amendments to the Constitution for one purpose or another.

Although several hundred petitions have been filed, no one issue has commanded the requisite two-thirds to convene a convention. However, if the two-thirds requirement is ever met, no procedures presently exist to determine how a convention would be conducted or what rules it will follow. How would the convention be conducted? Where would it be held? Could it be delayed, and, if so, how long? How would the delegates be selected? How long would the application be valid? Who would decide which applications are valid? Could a State rescind its application? Who decides questions in controversy? By what method would the States ratify a proposed amendment? And most importantly, would there be any restrictions on the subject of amendments or would the convention have a free hand to rewrite the Constitution?

These questions are left unanswered by the Constitution and present law, and the list is by no means exhaustive. Many more questions remain. However, I pose these questions to demonstrate the potential procedural nightmare which could result in the absence of legislation such as I propose.

S. 1815 attempts to provide reasoned answers. Let me emphasize that this bill is not inspired by any particular issue. Since 1967, the Subcommittee on Separation of Powers has explored this murky legal area with the hope of filling a potential dangerous gap in our Constitution. Article V of the Constitution provides that amendments may be proposed either by two-thirds of both Houses or upon application of the legislatures of two-thirds of the several States.

Few constitutional problems have arisen with regard to the congressional mode of proposing amendments. Thus far, all amendments to the Constitution have been initiated by Congress. Yet, if the latter method initiating a constitutional amendment is utilized, the possibility exists that, absent any rules and procedures to govern a convention, grave damage to the fabric of our Constitution and the delicate system of checks and balances provided by the Framers might result.

To the extent that Congress can do so, every effort should be made to guard against a runaway convention. This legislation would provide the ground rules necessary for the conduct of any convention held under article V. It establishes procedures for congressional handling of State petitions, for the calling of a convention and provides that a convention can consider only the subject or subjects mentioned in the State petitions.

I urge the Members of the Senate to again support this measure, and I anticipate early passage.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1815

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Constitutional Convention Procedures Act".

APPLICATIONS FOR CONSTITUTIONAL CONVENTION

SEC. 2. The legislature of a State, in making application to the Congress for a constitutional convention under article V of the Constitution of the United States on and after the enactment of this Act, shall adopt a resolution pursuant to this Act stating, in substance, that the legislature requests the calling of a convention for the purpose of proposing one or more amendments to the Constitution of the United States and stating the nature of the amendment or amendments to be proposed.

APPLICATION PROCEDURE

SEC. 3. (a) For the purpose of adopting or rescinding a resolution pursuant to section 2 and section 5, the State legislature shall follow the rules of procedure that govern the enactment of a statute by that legislature, but without the need for approval of the legislature's action by the Governor of the State.

(b) Questions concerning the adoption of a State resolution cognizable under this Act shall be determinable by the Congress of the United States and its decisions thereon shall be binding on all others, including State and Federal courts.

TRANSMITTAL OF APPLICATIONS

SEC. 4. (a) Within thirty days after the adoption by the legislature of a State of a resolution to apply for the calling of a constitutional convention, the secretary of state of the State, or if there be no such officer, the person who is charged by the State law with such function, shall transmit to the Congress of the United States two copies of the application, one addressed to the President of the Senate, and one to the Speaker of the House of Representatives.

(b) Each copy of the application so made by any State shall contain—

(1) the title of the resolution;

(2) the exact text of the resolution signed by the presiding officer of each house of the State legislature; and

(3) the date on which the legislature adopted the resolution; and shall be accompanied by a certificate of the secretary of state of the State, or such other person as is charged by the State law with such function, certifying that the application accurately sets forth the text of the resolution.

(c) Within ten days after receipt of a copy of any such application, the President of the Senate and Speaker of the House of Representatives shall report to the House of which he is presiding officer, identifying the State making application, the subject of the application, and the number of States then having made application on such subject. The President of the Senate and Speaker of the House of Representatives shall jointly cause copies of such application to be sent to the presiding officer of each house of the legislature of every other State and to each Member of the Senate and House of Representatives of the Congress of the United States.

EFFECTIVE PERIOD OF APPLICATION

SEC. 5. (a) An application submitted to the Congress by a State, unless sooner rescinded by the State legislature, shall remain effective for seven calendar years after the date it is received by the Congress, except that whenever within a period of seven calendar years two-thirds or more of the several States have submitted application calling for a constitutional convention on the same subject all such applications shall remain in effect until the Congress has taken action on a concurrent resolution, pursuant to section 6, calling for a constitutional convention.

(b) A State may rescind its application calling for a constitutional convention by adopting and transmitting to the Congress a resolution of rescission in conformity with the procedure specified in sections 3 and 4, except that no such rescission shall be effective as to any valid application made for a constitutional convention upon any subject after the date on which two-thirds or more of the State legislatures have valid applications pending before the Congress seeking amendments on the same subject.

(c) Questions concerning the rescission of a State's application shall be determined solely by the Congress of the United States and its decisions shall be binding on all others, including State and Federal courts.

CALLING OF A CONSTITUTIONAL CONVENTION

SEC. 6. (a) It shall be the duty of the Secretary of the Senate and the Clerk of the House of Representatives to maintain a record of all applications received by the President of the Senate and Speaker of the House of Representatives from States for the calling of a constitutional convention upon each subject. Whenever applications made by two-thirds or more of the States with respect to the same subject have been received, the Secretary and the Clerk shall so report in writing to the officer to whom those applications were transmitted, and such officer thereupon shall announce on the floor of the House of which he is an officer the substance of such report. It shall be the duty of such House to determine that there are in effect valid applications made by two-thirds of the States with respect to the same subject. If either House of the Congress determines, upon a consideration of any such report or of a concurrent resolution agreed to by the other House of the Congress, that there are in effect valid applications made by two-thirds or more of the States for the calling of a constitutional convention upon the same subject, it shall be the duty of that House to agree to a concurrent resolution calling for the convening of a Federal constitutional convention upon that subject. Each such concurrent resolution shall (1) designate the place and time of meeting of the convention, and (2) set forth the nature of the amendment or amendments for the consideration of which the convention is called. A copy of each such concurrent resolution agreed to by both Houses of the Congress shall be transmitted forthwith to the Governor and to the presiding officer of each house of the legislature of each State.

(b) The convention shall be convened not later than one year after adoption of the resolution.

DELEGATES

SEC. 7. (a) A convention called under this Act shall be composed of as many delegates from each State as it is entitled to Senators and Representatives in Congress. In each State two delegates shall be elected at large and one delegate shall be elected from each congressional district in the manner provided by State law. Any vacancy occurring in a State delegation shall be filled by appointment of the Governor of that State.

(b) The secretary of state of each State, or, if there be no such officer, the person charged by State law to perform such function shall certify to the Vice President of the United States the name of each delegate elected or appointed by the Governor pursuant to this section.

(c) Delegates shall in all cases, except treason, felony, and breach of the peace, be privileged from arrest during their attendance at a session of the convention, and in going to and returning from the same; and for any speech or debate in the convention they shall not be questioned in any other place.

(d) Each delegate shall receive compensation for each day of service and shall be compensated for traveling and related expenses. Provision shall be made therefor in the concurrent resolution calling the con-

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vention. The convention shall fix the compensation of employees of the convention.

CONVENING THE CONVENTION

SEC. 8. (a) The Vice President of the United States shall convene the constitutional convention. He shall administer the oath of office of the delegates to the convention and shall preside until the delegates elect a presiding officer who shall preside therefore. Before taking his seat each delegate shall subscribe to an oath by which he shall be committed during the conduct of the convention to refrain from proposing or casting his vote in favor of any proposed amendment to the Constitution of the United States relating to any subject which is not named or described in the concurrent resolution of the Congress by which the convention was called. Upon the election of permanent officers of the convention, the names of such officers shall be transmitted to the President of the Senate and the Speaker of the House of Representatives by the elected presiding officer of the convention. Further proceedings of the convention shall be conducted in accordance with such rules, not inconsistent with this Act, as the convention may adopt.

(b) There is hereby authorized to be appropriated such sums as may be necessary for the payment of the expenses of the convention.

(c) The Administrator of General Services shall provide such facilities, and the Congress and each executive department and agency shall provide such information and assistance, as the convention may require, upon written request made by the elected presiding officer of the convention.

PROCEDURES OF THE CONVENTION

SEC. 9. (a) In voting on any question before the convention, including the proposal of amendments, each delegate shall have one vote.

(b) The convention shall keep a daily verbatim record of its proceedings and publish the same. The vote of the delegates on any question shall be entered on the record.

(c) The convention shall terminate its proceedings within one year after the date of its first meeting unless the period is extended by the Congress by concurrent resolution.

(d) Within thirty days after the termination of the proceedings of the convention, the presiding officer shall transmit to the Archivist of the United States all records of official proceedings of the convention.

PROPOSAL OF AMENDMENTS

SEC. 10. (a) Except as provided in subsection (b) of this section, a convention called under this Act may propose amendments to the Constitution by a vote of two-thirds of the total number of delegates to the convention.

(b) No convention called under this Act may propose any amendment or amendments of a nature different from that stated in the concurrent resolution calling the convention. Questions arising under this subsection shall be determined solely by the Congress of the United States and its decisions shall be binding on all others, including State and Federal courts.

APPROVAL BY THE CONGRESS AND TRANSMITTAL TO THE STATES FOR RATIFICATION

SEC. 11. (a) The presiding officer of the convention shall, within thirty days after the termination of its proceedings, submit to the Congress the exact text of any amendment or amendments agreed upon by the convention.

(b)(1) Whenever a constitutional convention called under this Act has transmitted to the Congress a proposed amendment to the Constitution, the President of the Senate and the Speaker of the House of Representatives, acting jointly, shall transmit such amendment to the Administrator of General Services upon the expiration of the first period of ninety days of continuous session of the Congress following the date of receipt of such amendment unless within that period both Houses of the Congress have agreed to (A) a concurrent resolution directing the earlier transmission of such amendment to the Administrator of General Services and specifying in accordance with article V of the Constitution the manner in which such amendment shall be ratified, or (B) a concurrent resolution stating that the Congress disapproves the submission of such proposed amendment to the States because such proposed amendment relates to or includes a subject which differs from or was not included among the subjects named or described in the concurrent resolution of the Congress by which the convention was called, or because the procedures followed by the convention in proposing the amendment were not in substantial conformity with provisions of this Act. No measure agreed to by the Congress which expresses disapproval of any such proposed amendment for any other reason, or without a statement of any reason, shall relieve the President of the Senate and the Speaker of the House of Representatives of the obligation imposed upon them by the first sentence of this paragraph.

(2) For the purposes of paragraph (1) of this subsection, (A) the continuity of a session of the Congress shall be broken only by an adjournment of the Congress sine die, and (B) the days on which either House is not in session because of an adjournment of more than three days to a day certain shall be excluded in the computation of the period of ninety days.

(c) Upon receipt of any such proposed amendment to the Commission, the Administrator shall transmit forthwith to each of the several States a duly certified copy thereof, a copy of any concurrent resolution agreed to by both House of the Congress which prescribes the time within which and the manner in which such amendment shall be ratified, and a copy of this Act.

RATIFICATION OF PROPOSED AMENDMENTS

SEC. 12. (a) Any amendment proposed by the convention and submitted to the States in accordance with the provisions of this Act shall be valid for all intents and purposes as part of the Constitution of the United States when duly ratified by three-fourths of the States in the manner and within the time specified.

(b) Acts of ratification shall be by convention or by State legislative action as the Congress may direct or as specified in subsection (c) of this section. For the purpose of ratifying proposed amendments transmitted to the States pursuant to this Act the State legislatures shall adopt their own rules of procedure. Any State action ratifying a proposed amendment to the Constitution shall be valid without the assent of the Governor of the State.

(c) Except as otherwise prescribed by concurrent resolution of the Congress, any proposed amendment to the Constitution shall become valid when ratified by the legislatures of three-fourths of the several States within seven years from the date of the submission thereof to the States, or within such other period of time as may be prescribed by such proposed amendment.

(d) The secretary of state of the State, or if there be no such officer; the person who is charged by State law with such function, shall transmit a certified copy of the State action ratifying any proposed amendment to the Administrator of General Services.

RESCISSION OF RATIFICATIONS

SEC. 13. (a) Any State may rescind its ratification of a proposed amendment by the same process by which it ratified the proposed amendment, except that no State may rescind when there are existing valid ratifications of such amendment by three-fourths of the States.

(b) Any State may ratify a proposed amendment even though it previously may have rejected the same proposal.

(c) Questions concerning State ratification or rejection of amendments proposed to the Constitution of the United States shall be determined solely by the Congress of the United States, and its decisions shall be binding on all others, including State and Federal courts.

PROCLAMATION OF CONSTITUTIONAL AMENDMENTS

SEC. 14. The Administrator of General Services, when three-fourths of the several States have ratified a proposed amendment to the Constitution of the United States, shall issue a proclamation that the amendment is a part of the Constitution of the United States.

EFFECTIVE DATE OF AMENDMENTS

SEC. 15. An amendment proposed by the Constitution of the Untied States shall be effective from the date specified therein or, if no date is specified, then on the date on which the last State necessary to constitute three-fourths of the States of the United States, as provided for in article V, has ratified the same.

By Mr. **SPARKMAN** (by request):

S. 1816. A bill to amend the Foreign Assistance Act of 1961, and for other purposes. Referred to the Committee on Foreign Relations.

FOREIGN ASSISTANCE ACT OF 1975

Mr. **SPARKMAN**. Mr. President, by request I introduce for appropriate reference a bill to amend the Foreign Assistance Act of 1961, and for other purposes.

The bill has been requested by the President and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when it is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill and a section-by-section analysis be printed in the RECORD at this point, together with the letter from the President to the President of the Senate dated May 15, 1975.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1816

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Foreign Assistance Act of 1975".

DEVELOPMENT ASSISTANCE

SEC. 2. (a) Chapter 1 of part 1 of the Foreign Assistance Act of 1961 is amended as follows:

(1) In section 103(a), relating to food and nutrition, immediately after "1975," insert "$534,500,000 for the fiscal year 1976, and $635,000,000 for the fiscal year 1977,".

(2) In section 104, relating to population planning and health, immediately after "1975," insert "$180,500,000 for the fiscal year 1976, and $210,000,000 for the fiscal year 1977,".

(3) In section 105, relating to education and human resources development, immediately after "1975," insert "$71,000,000 for the fiscal year 1976, and $85,000,000 for the fiscal year 1977,".

(4) In section 106, relating to selected development accounts, immediately after "1975," insert "and $45,300,000 for the fiscal year 1976, and $40,000,000 for the fiscal year 1977".

(5) In section 107, relating to selected countries and organizations, immediately after "1975," insert "and $32,000,000 for the fiscal year 1976, and $40,000,000 for the fiscal year 1977".

(b) Section 209(c) of the Foreign Assistance Act of 1961 is repealed.

AMERICAN SCHOOLS AND HOSPITALS ABROAD

SEC. 3. Section 214 of the Foreign Assistance Act of 1961, relating to American schools and hospitals abroad, is amended as follows:

(1) In subsection (c), immediately after "$19,000,000," insert "and for the fiscal year 1976, $9,800,000 and for the fiscal year 1977, $9,800,000".

(2) In subsection (d), immediately after "$6,500,000," insert "and for the fiscal year 1976, $7,000,000 and for the fiscal year 1977, $7,000,000".

HOUSING GUARANTIES

SEC. 4. Title III of chapter 2 of part I of the Foreign Assistance Act of 1961 is amended as follows:

(1) In section 221, relating to worldwide housing guaranties, strike out "$355,000,000" and insert in lieu thereof "$505,000,000".

(2) In section 222(c), relating to housing projects in Latin American countries, strike out "$550,000,000" and insert in lieu thereof "$650,000,000".

(3) In section 223(i), relating to general provisions, strike out "June 30, 1976" and insert in lieu thereof "September 30, 1976".

INTERNATIONAL AGRICULTURAL RESEARCH

SEC. 5. Chapter 2 of part I of the Foreign Assistance Act of 1961 is further amended by adding at the end thereof of the following new titles:

"TITLE XII—INTERNATIONAL AGRICULTURAL RESEARCH

SEC. 296. GENERAL AUTHORITY.—(a) The Congress recognizes that in a world of growing population with growing expectations, increased food production and improved distribution, storage and marketing in the developing countries is necessary not only to prevent hunger but to lay the economic base for growth. Current levels of nutrition and food supply are not now adequate; just to maintain them will require that current production be doubled by the end of the century. Moreover, in an interdependent world economy, the increased availability of food, of higher nutritional quality, in any sector of the world, can benefit all. The greatest potential for increasing world supplies is in the developing countries in which the gap between food demand and food supply is greatest, and current average yields are low.

"(b) The Congress further recognizes that sustained agricultural research is necessary if the quantity, quality, and availability of food are to be increased, in both developed and developing countries. Key roles in this effort are played by international agricultural centers, universities and research institutions, in the United States and elsewhere, through their agricultural research work and in the dissemination of increased agricultural knowledge to the farmer.

"(c) It is the sense of the Congress that research bearing on agricultural production, distribution, storage, and marketing in the developing countries conducted in a growing network of internationally oriented agricultural research institutions must be expended substantially and rapidly if the steadily growing demand for food is to be met. Such research should receive continued, increased, and where possible, longer-range support from national, international, and private sources. In adopting this title, Congress expresses the commitment of the United States to the expansion of such research in order to hasten and encourage the long-term planning and institutional growth needed to secure the most beneficial research results.

AUTHORIZATION

"SEC. 297. To carry out the intent of Congress as expressed in section 296, the President is authorized to use any of the funds made available under section 103 of the Act to provide assistance on such terms and conditions as he may determine in support of programs of food research for the benefit of developing countries and areas. Such funds may be made available without regard to the provisions of section 110(b) and 211(d) of this Act."

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

SEC. 6. (a) Section 302 of the Foreign Assistance Act of 1961 is amended as follows:

(1) In subsection (a), immediately after "$165,000,000" insert "and for the fiscal year 1976, $189,500,000 and for the fiscal year 1977, $214,900,000."

(2) In subsection (b)(2), immediately after "$14,500,000" insert "and for use beginning in the fiscal year 1976, $27,000,000."

"(b) in section 54 of the Foreign Assistance Act of 1974, strike out 'part III' and insert in lieu thereof 'part I'."

CONTINGENCY FUND

SEC. 7. Chapter 5 of part I of the Foreign Assistance Act of 1961 is amended as follows:

(1) In the chapter heading, strike out "Disaster Relief" and insert in lieu thereof "Contingency Fund."

(2) Section 451(a) is amended to read as follows:

"(a) In addition to amounts otherwise available for such purposes, there are authorized to be appropriated to the President from time to time such amounts as may be necessary to provide availabilities for obligations to provide assistance authorized by this part for any emergency purpose, in accordance with the provisions applicable to the furnishing of such assistance: *Provided, however*, That availabilities of funds which have not been previously obligated shall at no time exceed $10,000,000. Amounts appropriated hereunder shall remain available until expended."

INTERNATIONAL NARCOTICS CONTROL

SEC. 8. Section 482 of the Foreign Assistance Act of 1961 is amended by inserting "and $42,500,000 for the fiscal year 1976 and $42,500,000 for the fiscal year 1977" immediately after "1975."

INTERNATIONAL DISASTER ASSISTANCE

SEC. 9. Part I of the Foreign Assistance Act of 1961 is further amended as follows:

(1) Chapter 9 of Part I is retitled "Chapter 9—International Disaster Assistance."

(2) Section 491 is renumbered "Section 495."

(3) Immediately after the heading "Chapter 9—International Disaster Assistance" insert the following new sections:

INTERNATIONAL DISASTER ASSISTANCE

"SEC. 491. (a) The Congress, recognizing that prompt United States assistance to alleviate human suffering caused by natural and man-made disasters abroad is an important expression of the humanitarian concern and tradition of the American people, affirms the willingness of the United States to provide assistance for the humanitarian relief and rehabilitation of peoples and countries affected by such disasters. Such humanitarian assistance both symbolizes the concern of the United States for the welfare of people in need throughout the world, and also constitutes an important element in the foreign relations of the United States in its efforts to contribute to a stable international peace.

"(b) Notwithstanding any other provision of this or any other Act, the President is authorized to furnish assistance to any foreign country or international organization on such terms and conditions as he may determine, for disaster relief and rehabilitation, including assistance relating to disaster preparedness, and to the prediction of a contingency planning for natural disasters abroad.

AUTHORIZATION

"SEC. 492. (a) In addition to amounts otherwise available for such purposes, there is authorized to be appropriated to the President from time to time such amounts as may be necessary to provide availabilities for obligations for disaster relief and rehabilitation assistance authorized by this section: *Provided, however*, That availabilities of funds which have not been previously obligated shall at no time exceed $20,000,000. Amounts appropriated hereunder shall remain available until expended.

"(b) The President shall submit quarterly reports to the Committee on Foreign Relations and the Committee on Appropriations of the Senate and to the Speaker of the House of Representatives on the programming and obligation of funds authorized by this section."

(4) Section 639 is repealed.

(5) Sections 639A and 639B are renumbered sections 493 and 494, respectively, and inserted after section 492.

(6) Section 452 is renumbered section 495A and inserted after section 495.

MILITARY ASSISTANCE

SEC. 10. Chapter 2 of part II of the Foreign Assistance Act of 1961 is amended as follows:

(1) Section 504(a), relating to authorization, is amended by striking out $600,000,000 for the fiscal year 1975" and inserting in lieu thereof "such amounts as may be necessary for the fiscal year 1976 and for the fiscal year 1977;"

(2) Section 506(a), relating to special authority, is amended by striking out "the fiscal year 1975" in each place it appears and inserting in lieu thereof "the fiscal year 1976" in each such place.

(3) Section 514, relating to the stockpiling of defense articles for foreign countries, is amended to read as follows:

STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

"SEC. 514. No defense article in the inventory of the Department of Defense which is set aside, reserved, or in any way earmarked or intended for future use by any foreign country may be made available to or for use by any foreign country unless such transfer is authorized under this Act or the Foreign Military Sales Act, or any subsequent corresponding legislation, and such transfer is charged against funds authorized under such legislation or against the limitations specified in such legislation, as appropriate, for the fiscal period in which such defense article is transferred."

SECURITY SUPPORTING ASSISTANCE

SEC. 11. Section 532 of the Foreign Assistance Act of 1961 is amended by inserting immediately after "$660,000,000" a comma and "for the fiscal year 1976 and for the fiscal year 1977, such amounts as may be necessary."

INTERNATIONAL MILITARY EDUCATION AND TRAINING

SEC. 12. (a) Part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new chapter:

"CHAPTER 5—INTERNATIONAL MILITARY EDUCATION AND TRAINING

GENERAL AUTHORITY

"SEC. 542. The President is authorized to provide education and training for military and related civilian personnel of foreign countries on such terms and conditions as he shall determine, including—

(1) attendance at military educational and training facilities in the United States (other than the Service Academies) and abroad;

(2) attendance in special courses of instruction at schools and institutions of learning or research in the United States or abroad; and

(3) observation and orientation visits to military facilities and related activities in the United States and abroad.

AUTHORIZATION

"SEC. 543. There are authorized to be appropriated to the President to carry out the purposes of this chapter such amounts as may be necessary for the fiscal year 1976 and for the fiscal year 1977.

PURPOSES

"SEC. 544. Education and training activities conducted under this chapter shall be designed:

(1) to encourage effective and mutually beneficial relationships and increased understanding between the United States and foreign countries in furtherance of the goals of international peace and security; and

(2) to improve the ability of participating foreign countries to utilize their resources, including defense articles and defense services obtained by them from the United States, with maximum effectiveness, thereby contributing to greater self-reliance by such countries."

(b) The Foreign Assistance Act of 1961 is amended as follows:

(1) Section 502B(d), relating to human rights, is amended by inserting "or chapter 5 (international military education and training)" immediately after "(supporting assistance)".

(2) Section 504(a)(1), relating to authorization, is amended by striking out "(other than (1) training in the United States, or (2) for Western Hemishpere countries, training in the United States or in the Canal Zone)".

(3) Section 510, relating to restrictions on training foreign military students, is repealed.

(4) Section 622, relating to coordination with foreign policy, is amended as follows:

(A) In subsection (b) immediately after the phrase "(including civic action)" insert the words "and military education and training".

(B) Subsection (c) is amended to read as follows:

"(c) Under the direction of the President, the Secretary of State shall be responsible for the continuous supervision and general direction of economic assistance, military assistance and military education and training programs, including but not limited to determining whether there shall be a military assistance (including civic action) or a military education and training program for a country and the value thereof, to the end that such programs are effectively integrated both at home and abroad and the foreign policy of the United States is best served thereby."

(5) Section 623, relating to the Secretary of Defense, is amended as follows:

(B) In subsection (a)(6), immediately after the word "assistance", insert a comma and the words "education and training".

(6) Section 632, relating to allocation and reimbursement among agencies, is amended as follows:

(A) by inserting in subsections (a) and (e) immediately after the word "articles", wherever it appears, a comma and the words "military education and training"; and

(B) by striking out in subsection (b) the words "and defense articles" and inserting in lieu thereof a comma and the words "defense articles, or military education and training".

(7) Section 636, relating to provisions on uses of funds, is amended as follows:

(A) In subsection (g)(1), immediately after the word "articles", insert a comma and the words "military education and training".

(B) In subsection (g)(2) and in subsection (g)(3), strike out the word "personnel" and insert in lieu thereof the words "and related civilian personnel".

(8) Section 644, relating to definitions, is amended as follows:

(A) Subsection (f) is amended to read as follows:

"(f) 'Defense service' includes any service, test, inspection, repair, publication, or technical or other assistance or defense information used for the purposes of furnishing military assistance, but shall not include military educational and training activities under chapter 5 of Part II."

(B) There is added at the end thereof the following new subsection:

"(n) 'Military education and training' includes formal or informal instruction of foreign students in the United States or overseas by officers or employees of the United States, contract technicians, contractors (including instruction at civilian institutions), or by correspondence courses, technical, educational, or information publications and media of all kinds, training aids, orientation, and military advice to foreign military units and forces."

(c) Except as may be expressly provided to the contrary in this Act, all determinations, authorizations, regulations, orders, contracts, agreements, and other actions issued, undertaken or entered into under authority of any provision of law amended or repealed by this section shall continue in full force and effect until modified by appropriate authority.

(d) Funds made available pursuant to other provisions of law for foreign military educational and training activities shall remain available for obligation and expenditure for their original purposes in accordance with the provisions of law originally applicable thereto, or in accordance with the provisions of law currently applicable to those purposes.

OPERATING EXPENSES

SEC. 13. Part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"OPERATING EXPENSES

"SEC. 665. There is hereby authorized to be appropriated to the President for the fiscal year 1976 $205,200,000, for the fiscal year 1977 such amounts as may be necessary for operating expenses of the agency primarily responsible for administering part I. These amounts may be increased by transfer of other funds made available under this Act, but the total amount available to carry out this section shall not be increased by more than 10 per centum of the amount initially made available."

REIMBURSABLE DEVELOPMENT PROGRAMS

SEC. 14. Section 661 of the Foreign Assistance Act of 1961 is amended by striking out "in each of the fiscal years 1975 and 1976" and inserting in lieu thereof "in the fiscal year 1975, $2,000,000 in the fiscal year 1976, and $2,000,000 in the fiscal year 1977,".

INDOCHINA ASSISTANCE

SEC. 15. Part V of the Foreign Assistance Act of 1961 and sections 34, 35, 36, 37, 38, 39 and 40 of the Foreign Assistance Act of 1974 are repealed. All determinations, authorizations, regulations, orders, contracts, agreements and other actions issued, undertaken or entered into under authority of any provision of law repealed by this section shall continue in full force and effect until modified, revoked or superseded by appropriate authority.

MIDDLE EAST SPECIAL REQUIREMENTS FUND

SEC. 16. Section 903(a) of the Foreign Assistance Act of 1961 is amended by inserting a comma and "for the fiscal year 1976 and for the fiscal year 1977, such amounts as may be necessary" immediately following "$100,000,000".

FOREIGN MILITARY SALES

SEC. 17. The Foreign Military Sales Act is amended as follows:

(1) In section 31(a), relating to authorization, strike out "$405,000,000 for the fiscal year 1975" and insert in lieu thereof "such amounts as may be necessary for the fiscal year 1976 and for the fiscal year 1977".

(2) Section 33, relating to regional ceilings, is repealed.

TRANSITION PROVISIONS

SEC. 18. (a) There are authorized to be appropriated for the period July 1, 1976, through September 30, 1976, such sums as may be necessary to conduct programs and activities for which funding was authorized for fiscal year 1976 by this Act in accordance with the authorities applicable to such programs and activities for such fiscal year.

(b) Effective October 1, 1976—

(1) Subsection 506(a) of the Foreign Assistance Act of 1961 relating to special authority, is amended to read as follows:

"The President may, if he determines it to be in the security interests of the United States, order defense articles from the stocks of the Department of Defense and defense services for the purposes of part II, in addition to military assistance otherwise authorized to be furnished under this chapter, only in such amounts as are provided in appropriations acts for military assistance. The value of such orders under this section in any fiscal year shall not exceed $150,000,000.";

(2) Subsection 506(b) of the Foreign Assistance Act of 1961, is repealed, and appropriations to the President of such sums as may be necessary to reimburse the applicable appropriation, fund, or account for orders issued prior to October 1, 1976, under subsection 506(a) of that Act are hereby authorized; and

(3) Subsection 632(d) of the Foreign Assistance Act of 1961, is amended by striking out the words "Except as otherwise provided in section 506,".

SECTION-BY-SECTION ANALYSIS OF THE PROPOSED FOREIGN ASSISTANCE ACT OF 1975

I. INTRODUCTION

The proposed Foreign Assistance Act of 1975 (hereinafter referred to as "the Bill") is an amendment to the Foreign Assistance Act of 1961, as amended (hereinafter referred to as "the Act"). The Bill also amends the Foreign Military Sales Act, as amended (hereinafter referred to as "the FMSA"). The major purpose of the Bill is to provide authorization for appropriations for activities under the Act and the FMSA for fiscal year 1976. In accordance with section 607 of the Congressional Budget Act of 1974, authorizations for fiscal year 1977 are also included.

The fiscal year 1976 authorization levels requested for programs under part I of the Act are those set forth in the President's budget. Specific levels are not included for programs under part II of the Act or the FMSA because of ongoing reassessments within the Executive Branch with respect to the Middle East and Indochina. Information regarding the requested levels for these programs will be submitted as soon as possible. The principal substantive amendments in part I of the Act are the creation of a new International Disaster Assistance chapter, and a new International Agricultural Research program; and in part II of the Act a new International Military Education and Training Chapter is established.

II. PROVISIONS OF THE BILL

Section 2(a). Development Assistance Authorizations.

This subsection, consisting of five paragraphs, provides development assistance authorizations which will permit the Executive Branch to conduct the overall bilateral development assistance programs at budget request levels. The specific authorizations provided are as follows:

(1) This paragraph amends section 103(a) of the Act, which authorizes funds to alleviate starvation, hunger and malnutrition and to provide basic services to poor people by increasing their capacity for self-help, by extending the existing authorization through fiscal year 1976 at a level of $534,500,000 and through fiscal year 1977 at a level of $635,000,000. The overall development assistance program reflects a continuation of the policy to increase emphasis on the food and nutrition sector which was initiated during fiscal year 1974 and has gained further impetus in the aftermath of the World Food Conference.

(2) This paragraph amends section 104 of the Act, which authorizes funds to reduce population growth, to increase family planning, and to prevent and combat disease by extending the existing authorization through fiscal year 1976 at a level of $189,500,000 and through fiscal year 1977 at a level of $210,000,000.

(3) This paragraph amends section 105 of the Act which authorizes funds to reduce illiteracy, to extend basic education and to increase manpower training in skills related to development by extending the existing authorization through fiscal year 1976 at a level of $71,000,000 and through fiscal year 1977 at a level of $85,000,000.

(4) This paragraph amends section 106 of the Act which authorizes funds to help solve economic and social development problems in fields such as transportation, power, industry, urban development and export development by extending the existing authorization through fiscal year 1976 at a level of $45,300,000 and through fiscal year 1977 at a level of $40,000,000.

(5) This paragraph amends section 107 of the Act which authorizes funds to support the general economies of recipient countries or for development programs conducted by private or international organizations by extending the existing authorization through fiscal year 1976 at a level of $32,000,000 and through fiscal year 1977 at a level of $40,000,000.

Section 2(b). Repeal of Section 209(c).

This subsection repeals section 209(c), which was added by the Foreign Assistance Act of 1971. Section 209(c) states that the President should reduce bilateral loans under the Act, with the objective that the total amount of such loans not exceed $100,000,000 not later than June 30, 1975. Amendments to the Act since 1971 and those proposed to the development assistance chapter establish authorization levels that project a loan program in excess of $100,000,000, as of June 30, 1975.

Section 3. American Schools and Hospitals Abroad.

This section, consisting of two paragraphs, amends section 214 of the Act, which authorizes assistance to institutions located outside the United States that are sponsored or founded by U.S. citizens. The eligible institutions are schools and libraries, and hospital centers that conduct medical education and research programs. The amounts authorized will permit the Executive Branch to conduct this program at budget request levels.

(1) This paragraph amends section 214(c) by extending the dollar authorizations through fiscal years 1976 and 1977 at annual levels of $9,800,000.

(2) This paragraph amends section 214(d) by extending the foreign currency authorizations through fiscal years 1976 and 1977 at annual levels of $7,000,000.

Section 4. Housing Guarantees.

This section, consisting of three paragraphs, amends title III of chapter 2 of part I of the Act as follows:

(1) This paragraph amends section 221 to increase worldwide housing investment guaranty ceiling from $355,000,000 to $505,000,000 through fiscal year 1978.

(2) This paragraph amends section 222(c) to increase the Latin America housing investment guaranty ceiling from $550,000,000 to $650,000,000 through fiscal year 1978.

(3) This paragraph amends section 223(i) to extend the duration of the housing investment guaranty program through the end of fiscal year 1978.

Section 5. International Agricultural Research.

This section creates a new title XII in chapter 2 of part I of the Act, the purpose of which is to authorize and fund an expanded and sustained international agricultural research program to meet the food needs of the world and to lay an economic base for growth.

New section 296 recognizes the need for increased food production, distribution, storage and marketing in the developing countries, both to prevent hunger and for growth, and the interdependence of the world food economy. It recognizes the great potential for increased production in developing countries.

Particularly, it emphasizes the need for sustained agricultural research and its dissemination by international agricultural centers, universities and research institutions in the United States and elsewhere.

It states the sense of Congress that agricultural research bearing on developing country food production, distribution, storage and marketing, in the network of internationally-oriented research institutions, must be substantially and rapidly expanded, on a continued and longer-range basis. It expresses the commitment of the U.S. to the expansion of such research, in order to promote the necessary long-term planning and institutional growth.

Section 297 authorizes the use of any funds authorized to be available for food and nutrition assistance under section 103 of the Act to support programs of agricultural research benefitting developing countries. Funds used under this authority would not be subject to the limitation on research activities in section 211(d) of the Act.

The agricultural research program would not be subject to the three-year restriction on project funding contained in section 110 (b) of the Act, since in many cases a long-term commitment will be essential to the achievement of research goals. The section indicates that funds should be made available on a long-term basis where to do so would help sustain and build such efforts, or encourage support by others. It is contemplated that in administering the program, AID will use fully its existing authorities, such as section 635(h), permitting commitments of assistance for not more than five years, subject to any future action of the Congress. Where there may be a present need to obligate funds on a long-term basis, e.g., for up to five years, for research costs, it is contemplated that this may be done.

Section 6. International Organization and Programs.

This section, consisting of two paragraphs, amends section 302 of the Act as follows:

(1) This paragraph extends the authorization for International Organizations and Programs under section 302(a) through fiscal year 1976 at a level of $189,500,000 and through fiscal year 1977 at a level of $214,900,000. This authorization will enable the Executive Branch to make its voluntary contributions to international organizations whose programs are focused on the developing world at budget request levels.

(2) This paragraph extends the authorization for the Indus Basin Development grants under section 302(b) at a level of $27,000,000 to enable the Executive Branch to make voluntary contributions to the Indus Basin Development Fund at the budget request level for fiscal year 1976 and to make an additional contribution of $4,500,000 in the interim quarter or in fiscal year 1977.

Section 7. Contingency Fund.

This section, consisting of two paragraphs, amends chapter 5 of part 1 of the Act as follows:

(1) This paragraph changes the chapter heading from "Disaster Relief" to "Contingency Fund." This change will avoid confusion with chapter 9 of the Act as added by section 9 of the Bill.

(2) This paragraph amends section 451 (a) of the Act, which authorizes the President to provide assistance authorized by part I for any emergency purpose. This amendment would create a permanent authorization for this purpose. Appropriations, however, would be———

Appropriations, however, would be limited by proviso that at no time could availabilities of funds which had not previously been obligated exceed $10,000,000. It is the intent of this section to make available sufficient funds to meet emergency requirements other than those arising from disasters. By making the authorization a permanent one, the Executive Branch will have to seek appropriations (but not new authorizing legislation) to replenish the Contingency Fund as it is drawn down.

Quarterly reporting requirements and the prohibition on gifts of existing law would be retained. This authorization is less than the President's budget request of $30,000,000 but is consistent with it. The President's budget request was finalized prior to the division of the Contingency Fund into the existing Contingency Fund and a separate Famine and Disaster Assistance Fund.

Section 8. International Narcotics Control.

This section amends section 482 of the Act, which authorizes appropriations for assistance to control the illicit production and trafficking in dangerous drugs. The amendment extends the authorization thorugh fiscal year 1976 at a level of $42,500,000 and through fiscal year 1977 at the same level. This authorization will enable the Executive Branch to conduct its international narcotics control program at budget request levels.

Section 9. International Disaster Assistance.

This section consists of six paragraphs which consolidate existing disaster assistance authorities into a single chapter in the Act and authorize funds for disaster assistance purposes.

(1) This paragraph retitles chapter 9 of part I to read "International Disaster Assistance."

(2) This paragraph relocates within the chapter the existing authority for assistance to refugees in Bangladesh.

(3) This paragraph adds sections 491 and 492 to the Act, containing new authority for International Disaster Assistance.

Section 491(a) is a statement of policy that reiterates the humanitarian and political importance which the United States attaches to efforts aimed at alleviating human suffering caused by natural and manmade disasters abroad.

Section 491(b) authorizes the President to furnish assistance to any foreign country or international organization for disaster relief and rehabilitation, which assistance is defined to include assistance relating to disaster preparedness and to the prediction of and contingency planning for natural

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disasters. The subsection also provides that such assistance may be furnished without regard to the restrictions and prohibitions contained in other provisions of law.

Section 492(a) is a permanent authorization for appropriations to provide assistance authorized by section 491. The appropriations are limited by a proviso that imposes a ceiling of $20,000,000 on availabilities of funds which have not been obligated previously. It is the intent of this section to permit AID to have sufficient funds available at all times to meet the relief and rehabilitation needs that may arise from disasters which cannot be foreseen. By making the authorization a permanent one, the Executive Branch will have to seek appropriations (but not new authorizing legislation) to replenish the fund as it is drawn down. This new funding mechanism should assure that the U.S. Government will always have funds available to respond to disasters abroad.

Section 492(b) retains the quarterly reports on uses of funds required by present law in the context of section 639. This request is consistent with the President's budget request of $30 million for the Contingency Fund. As indicated previously, the budget request was prepared prior to the enactment of the famine and disaster authority of section 639.

(4) This paragraph repeals section 639, which is replaced by sections 491 and 492.

(5) This paragraph renumbers sections 639A and 639B, which deal with assistance to the drought-stricken nations of Africa, and places them in the new International Disaster Assistance chapter.

(6) This paragraph renumbers section 452, which deals with assistance to Pakistan and Nicaragua and places it within the new International Disaster Assistance chapter.

Section 10. Military Assistance.

This section, consisting of three paragraphs, amends chapter 2 of part II of the Act, which contains authority for military assistance.

(1) This paragraph amends section 504(a) to authorize appropriations for fiscal years 1976 and 1977 of such amounts as may be necessary for military assistance.

(2) This paragraph extends for fiscal year 1976 the President's special authority under section 506(a) of the Act to draw down Department of Defense stocks and services to meet unforeseen emergency needs for military assistance.

(3) This paragraph amends section 514 of the Act by prohibiting the transfer to or for the use of any foreign country, whether by grant or sale or otherwise, of defense articles in the stocks of the Department of Defense which are set aside, reserved, or in any way earmarked or intended for future use by any foreign country, unless: (1) the transfer is authorized by and subject to all the restrictions of the Act or the FMSA, *and* (2) the transfer is charged against MAP funds, section 506 drawdown limitations, FMS credit funds, FMS credit and guaranty program ceiling, or other appropriate statutory limitations in effect at the time transferred.

Under the funding restrictions of section 514, as it now reads, the war reserve and the contingency requirements of our own armed forces and of our allies would have to be separately computed, financed by different appropriations, and would seemingly have to be earmarked for separate uses. Under an amended section 514, our armed forces would have full title and control of all such stocks and could utilize any part of such stocks for our own requirements, should circumstances so require, even though acquired in whole or in part based on possible use by allies. Unless so amended, further MAP materiel grants might have to be limited to new procurement, with the delays this often entails, or by removing the equipment from the very hands of our own active armed forces.

Section 11. Security Supporting Assistance.

This section amends section 532 of the Act which authorizes assistance to friendly countries and organizations to support or promote economic or political stability. The amendment authorizes the appropriation of such amounts as may be necessary for these purposes for fiscal years 1976 and 1977.

Section 12(a). International Military Education and Training.

This subsection adds to part II of the Act a new chapter 5, establishing a program of international military education and training. Under this new chapter, the education and training of foreign military and related personnel will be conducted in a program separate and distinct from the military assistance. Military assistance, as authorized by chapter 2 of part II of the Act will henceforth be concentrated on materiel assistance. The new chapter consists of three sections, as described below:

General Authority. Section 542 authorizes the President to provide military education on such terms and conditions as he shall determine and describes the kind of activities that can be engaged in under this chapter. These activities include attendance by foreign military personnel and related civilians at U.S. and foreign military facilities for education or training purposes.

This includes international military educational facilities such as those under NATO auspices. Also permitted is attendance by such foreign personnel at pertinent courses of instruction at non-military public and private educational and research institutions. In addition, observation and orientation visits by foreign military and related civilian personnel would be provided under this chapter.

Authorization. Section 543 authorizes the appropriation of funds to the President to carry out the purposes of the chapter.

Purposes. Section 544 describes the purposes of the new chapter as encouraging mutually beneficial relationships and increased understanding, while improving the ability of participating foreign countries to manage their resources and thereby to increase their self-reliance. These specific purposes distinguish the new education and training chapter from the more general military assistance program.

Section 12(b). Conforming Amendments to the Foreign Assistance Act.

This subsection amends the Act to eliminate all references to traning from chapter 2 of part II, which deals with military assistance, because military education and training programs will no longer be conducted as military assistance. Thus, statutory provisions applicable to "military assistance" woud not be applicable to military education and training program under chapter 5. The subsection also amends part III of the Act, containing general, administrative, and miscellaneous provisions, to clarify the application of those provisions to the new chapter on international military education and training. The specific amendments made by this subsection are:

(1) This provision adds international military education to the definition of security assistance contained in section 503B(d) of the Act, concerning human rights.

(2) This provision deletes the exclusion of "training only" countries from the thirty-one country limitation on the number of countries that can receive military assistance contained in section 504(a) of the Act.

(3) This provision repeals the restriction on the number of foreign military students to be trained in the United States. According to section 510 of the Act, this number cannot exceed in any fiscal year the number of civilians brought to the United States in the previous fiscal year under the Mutural Educational and Cultural Exchange Act of 1961.

(4) This provision makes clear that the roles of the Chief of the United States Diplomatic Mission and of the Secretary of State with respect to international military education and training will be the same as they are for military materiel assistance programs. This is achieved by inserting a reference to military assistance in subsections (b) and (c) of section 622 of the Act.

(5) This provision extends the supervisory responsibilities of the Secretary of Defense under section 623(a)(4) of the Act to military-related civilian personnel, consistent with the scope of the new chapter on international military education and training. It also makes the supervisory responsibility of the Secretary of Defense over Department of Defense functions relating to military assistance expressly applicable to military education and training as well.

(6) This provision makes the provisions of section 632 of the Act, concerning reimbursement among agencies, expressly applicable to military education and training in the same manner as that section applies to military materiel assistance.

(7) This provision amends section 636(g) of the Act to ensure that part II funds are available for administrative, extraordinary and operating expenses incurred in furnishing military education and training. It also makes part II funds available for reimbursement of certain expenses incurred in connection with training and orientation visits of military-related civilian personnel, consistent with the scope of the new chapter on international military education and training.

(8) This provision modifies the definition of defense service in section 644(f) of the Act so as to exclude references to training. By this change, the authority to furnish training as military assistance under chapter 2 of part II of the Act will be terminated. In addition, the definition of training is made a separate subsection, subsection 644(n), which will apply to the new chapter on international military education and training. The changes made by this provision are not intended to affect the sale of training as a defense service under the FMSA.

Section 12(c). Preservation of Existing Actions.

This technical subsection makes clear that the amendments to the Act affected by this section will not call into question the continuing validity of actions taken under authority of any provision amended or repealed by this section, such as regulations and contracts.

Section 12(d). Interim Funding.

This technical subsection authorizes funds heretofore made available for activities which will be funded in the future under the new international military education and training chapter to be obligated and expended either in accordance with the originally applicable authority or under the new authority.

Section 13. Operating Expenses.

This section creates a new category of funding designed to cover all AID operating, administrative and personnel expenses. An authorization is provided for fiscal year 1976 at a level of $205,200,000 and for fiscal year 1977 at whatever level may be necessary. Because the Agency cannot project with absolute precision the travel requirements and operating costs connected with new programs, some funding flexibility is required. This is provided by the authority to augment the new account by no more than 10% with other funds made available under the Foreign Assistance Act.

Section 14. Reimbursable Development Programs.

This section amends section 661 of the Act,

to authorize the use of up to $2,000,000 rather than $1,000,000 in funds made available under part I to facilitate access to raw materials and stimulate reimbursable aid programs, and to extend the authority through fiscal year 1977.

Section 15. Indochina Assistance.

This section repeals part V of the Act, which authorized funds for the relief and reconstruction of South Vietnam, Cambodia and Laos, and also repeals sections 34 through 40 of the Foreign Assistance Act of 1974, which set forth certain policies and principles regarding aid to Indochina and authorized funds for Indochina during fiscal year 1975 subject to certain allocations and restrictions. These separate and detailed provisions are no longer necessary. The validity of actions taken under the authorities repealed by this section are preserved by a standard saving clause.

Section 16. Middle East Special Requirements Fund.

This section authorizes the appropriation of such amounts as may be necessary for the Middle East Special Requirements Fund for fiscal years 1976 and 1977.

Section 17. Foreign Military Sales Act Amendments.

This section, consisting of two paragraphs, amends the FMSA as follows:

(1) This paragraph amends section 31 of the FMSA to authorize such amounts as may be necessary to carry out a program in fiscal years 1976 and 1977. An aggregate ceiling on credits and the principal amount of guaranteed loans for these fiscal years is not included, pending the completion of the pending reassessment within the Executive Branch.

(2) This paragraph repeals section 33 of the FMSA, which imposes an aggregate annual ceiling of $40,000,000 on military assistance, credits and guarantees to African countries. Section 33 has not limited arms purchases by African countries, but has inhibited the United States' ability to be responsive to reasonable requests for credit in connection with such purchases. In the absence of this limitation, arms sales to African countries would continue to be governed by the criteria which are generally applicable under the FMSA, including considerations of foreign policy, arms proliferation, degree of weapons sophistication, and human rights implications.

Section 18. Transition Amendments.

This section responds to requirements created by the enactment of the Congressional Budget Act of 1974 (P.L. 93–344). Title V of that Act changes the commencement of the fiscal year from July 1 to October 1 beginning with FY 1977. The transition period, July 1, 1976, through September 30, 1976, is legally neither a fiscal year nor any fraction of a fiscal year. The section authorizes the appropriation of such sums as may be necessary to carry out the programs and activities, for which other provisions of this Act authorize funding for fiscal year 1976, during this transition period. The section also makes clear that the authorities that will be available to conduct these programs and activities during fiscal year 1976 will also be available during the interim months, including a limited grant program of overseas excess defense articles.

Section 401 of the Congressional Budget Act of 1974 provides that proposed legislation to authorize new spending authority shall not be in order after the adjournment of the first session of the 94th Congress for consideration by either House of Congress, unless such proposed legislation also provides that such new spending authority is to be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts. Consequently, subsection (b) of this section modifies the President's special drawdown authority under section 506 of the Act, effective with fiscal year 1977, to authorize military assistance appropriations to be made from time to time for purposes of reimbursing the military departments for assistance they provide, in addition to that otherwise authorized, when and if the President determines it to be in the security interests of the United States. This auhority is not to be used routinely to supplement MAP funds, but is necessary to meet unforeseen, emergency requirements for military assistance which might arise in the course of any fiscal year.

THE WHITE HOUSE,
Washington, D.C., May 15, 1975.

Hon. NELSON A. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: I am transmitting today a bill to authorize Foreign Assistance programs for fiscal years 1976 and 1977 and for the transition period July 1. 1976 through September 30, 1976.

This proposal reflects both current realities and continuing uncertainties.

One reality is that we live in an interdependent world—a world in which the actions or inactions of any one great nation can affect the interests of all. By its actions, this nation will play its proper role in influencing the course of world events to make a better world for all. Foreign assistance is an essential element in the U.S. commitment to this objective.

A second reality, however, is that the recent events in Indochina have had a profound impact on the assumptions underlying the assistance requirements in my 1976 Budget, transmitted in February. There has not been sufficient time to fully assess the implications of these changes on foreign assistance requirements. What is abundantly clear, however, is the urgent need to assist those people who have been forced to flee from Indochina. I have already requested legislation to permit us to meet this need and I urge speedy congressional action.

A third reality is the continuing tension in the Middle East—an area which has been wracked by war and even now knows only an uneasy peace. The United States has made every effort to assist in finding a solution to the problems in this part of the world and is now undertaking a thorough reassessment of every aspect of our relations with the countries of the Middle East.

These current realities are also the source of continuing uncertainties about the 1976 foreign assistance program.

In order to permit the fullest possible consideration of foreign aid requirements by the Congress, the legislation I am transmitting today contains specific funding proposals for development assistance and related programs. However, because of the uncertainties caused by changing events, this request does not include specific amounts for grant military assistance, foreign military credit sales and some economic supporting assistance programs at this time. For these accounts, I am requesting an authorization for such sums as may be necessary and will return to the Congress with specific funding proposals as soon as possible.

The review of our policies in the Middle East, which I initiated last month, will not be completed until later this summer. I have, therefore, also omitted specific requests for assistance to the four major Middle Eastern aid recipients until this review is completed.

With this bill, the Congress is now in a position to begin consideration of those elements of our foreign aid programs on which I have made firm recommendations. The other specifics will be transmitted as soon as our reviews permit. I urge that the Congress consider and enact this legislation.

Sincerely,

GERALD R. FORD.

By Mr. SCHWEIKER:

S. 1817. A bill to prohibit the appropriation and expenditure of unvouchered funds unless specifically authorized by law, and to provide for reports on and audits of authorized expenditures of unvouchered funds. Referred to the Committee on Government Operations.

CONTROL OF SECRET FUNDS

Mr. SCHWEIKER. Mr. President, every year officials in our Government spend millions of dollars in secret funds—expenditures not accounted for by voucher, subject to audit, or otherwise open to either congressional or public scrutiny. These secret expenditures are justified solely by the signature of the official who spends them—without explanation.

The Chairman of the District of Columbia Council gets $2.500 a year; the Presidents of Federal City College and Washington Technical Institute gets $1.000 apiece—to spend as they see fit. The Superintendent of the U.S. Merchant Marine Academy receives $2,500 annually in "discretionary funds," and $2.100.000 goes to the State Department for "emergencies in diplomatic and consular service." For years, the Atomic Energy Commission received $100.000 a year for "objects of a confidential nature"; these funds were rarely spent, but AEC annual appropriations continued to include secret funds, even after AEC stopped requesting them, and now secret fund authority is available both to ERDA and the NRC.

Even excluding intelligence community spending, fiscal year 1975 appropriations included at least $20 million—and possibly as much as $70 million—in secret, unvouchered funds. No national security interest requires this secrecy, Mr. President, and there is no justification for Congress abdicating its fiscal responsibility in this fashion.

The plain fact is we have taken millions of dollars in taxpayers money, handed it to random Government officials and in effect said: "Here it is, spend it, sign your name so we know you spent it, but do not tell us what you spent it for." No other documentation is required, no explanation of who receives the money, or why, and no audit is possible.

Today, I send to the desk legislation to control the use of unvouchered Federal funds, and to extend General Accounting Office auditing authority over these expenditures. My bill will provide, for the first time, a comprehensive approach to the problem of unvouchered funds, and I predict it will ultimately save millions of dollars for the American taxpayer. I also send to the desk a table, prepared by Louis Fisher, specialist in American National Government at the Library of Congress, detailing the secret funds in the fiscal year 1975 budget, which I ask unanimous consent to have printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

CONFIDENTIAL FUNDS, FISCAL 1975

Appropriation act	Account	Authority	Amount
Defense (Public Law 93-437):			
	Contingencies, defense		$2,500,000
	Operation and maintenance, Army		2,689,000
	Operation and maintenance, Navy	10 USC 7202	3,707,000
	Operation and maintenance, Air Force		2,293,000
	Operation and maintenance, defense agencies		6,518,000
	Operation and maintenance, Navy	31 USC 108	
District of Columbia (Public Law 93-405):			
	General operating expenses (Commissioner)	Public Law 93-140	2,500
	General operating expenses (chairman, District of Columbia Council)	Public Law 93-140	2,500
	Public safety (Chief of Police)	Public Law 93-140	200,000
	Education (Superintendent of Schools)	Public Law 93-140	1,000
	Education (President, Federal City College)	Public Law 93-140	1,000
	Education (president, Washington Technical Institute)	Public Law 93-140	1,000
	Education (president, District of Columbia Teachers College).	Public Law 93-140	
Foreign assistance:[1]			
	President's special authority	22 U.S.C. 2364(c)	50,000,000
	Confidential expenses	22 U.S.C. 2396(a)(8)	50,000
	Inspector General, foreign assistance	22 U.S.C. 2384(d)(7)	2,000
	Peace Corps	22 U.S.C. 2514(d)(7)	5,000
HUD, Space, Science (Public Law 93-414):	National Aeronautics and Space Administration, research and program management.	Public Law 93-[illegible]16	$35,000
Public Works (Public Law 93-393):	Atomic Energy Commission, operating expenses.	42 U.S.C. 2107([illegible])[2]	
State, Justice (Public Law 93-433):			
	Emergencies in the diplomatic and consular services.	31 U.S.C. 107	2,100,000
	Salaries and expenses, general legal activities (Justice).		30,000
	Federal Bureau of Investigation, salaries and expenses.	28 U.S.C. 537	70,000
	Immigration and Naturalization Service, salaries and expenses.	8 U.S.C. 1555	50,000
	Drug Enforcement Administration, salaries and expenses.		70,000
	Maritime Administration, Operations and Training (Superintendent, U.S. Merchant Marine Academy).		2,500
Treasury (Public Law 93-381):			
	Treasury Department, Office of the Secretary, salaries and expenses.		100,000
	Compensation of the President	3 U.S.C. 102	50,000
	White House Office, salaries and expenses	3 U.S.C. 103	40,000

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[1] The 4 items for foreign assistance derive from the Foreign Assistance Act of 1961, as amended. They do not require specific appropriations each year.

[2] As a result of reorganization (Public Law 93-438), AEC is now parcelled out to the Energy Research and Development Administration (ERDA) and the Nuclear Regulatory Commission (NRC). The authority for a confidential fund remains intact, available to ERDA and probably also to NRC.

Mr. SCHWEIKER. Let me add, Mr. President, that my legislation today is in large measure a result of Mr. Fisher's tireless and creative work in this field over a period of years. Congress has been vaguely aware of unvouchered funds, and in recent years has even challenged several of the most blatant examples, on an ad hoc basis. But the study Mr. Fisher has now completed, at my request, addresses this problem comprehensively, for the first time, based on a systematic analysis of the entire Federal budget. This study clearly establishes Mr. Fisher as an expert in the intricate and complex area of Federal spending procedures, and it is an excellent example of the capability, within the Library of Congress, to evaluate with precision the most difficult area of governmental policy.

Mr. Fisher's study discloses at least four variations on the unvouchered funds technique: First, some expenditures are actually authorized and appropriated as secret funds; second, others are never authorized at all, but simply appropriated for confidential purposes; third, sometimes secret spending is authorized on a lump sum, long-term basis, without specific earmarked appropriations thereafter, so it is impossible to discover how much is actually secretly spent; finally, some latent unvouchered fund authority exists that has never been included in appropriations. These variations greatly complicate the task of trying to determine exactly how many taxpayer dollars are poured into unvouchered funds; the bewildering variety of these secret funds also dictates that reform be accomplished on a comprehensive, across-the-board basis, as my legislation contemplates.

Let me emphasize, Mr. President, there may well be areas in which confidential spending is necessary or desirable, particularly in national security related areas. But funds can be justified by voucher, and subject to GAO audit under appropriate security procedures, without jeopardizing security needs. And if there are isolated cases where security requirements demand unvouchered funds, specific statutory authority should be required. After all, the overwhelming majority of our top secret military spending is accomplished without resort to unvouchered funds—expenditures are justified, vouchers submitted, and audits permitted, with full secrecy.

My legislation simply adds the force of law to the fundamental proposition that every Government expenditure should be subject to oversight—and audit—by someone other than the official spending the money. Every successful business operates on this principle, and my bill will simply require the Federal Government to start justifying expenditures on a businesslike basis.

I also send to the desk, for inclusion in the RECORD, a letter which I have sent to the General Counsel of the Agency for International Development, asking the current status of the $50,000,000 confidential fund created by section 614(c) of the Foreign Assistance Act of 1961 (22 U.S.C. 2364(c)). AID officials have indicated that some money remains unspent under this authority, and have agreed to supply my office with a precise, currrent accounting.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., May 20, 1975.

CHARLES L. GLADSON, Esq.,
General Counsel, Agency for International Development, Washington, D.C.

DEAR MR. GLADSON: As my Legislative Counsel, Dave Marston, indicated to you on the telephone, I am preparing legislation to regulate the use of unvouchered, or confidential, funds.

In this connection, I would appreciate your providing me with current background information regarding the $50,000,000 unvouchered fund created by § 614(c) of the Foreign Assistance Act of 1961 (22 U.S.C. 2364(c)). Specifically, I would like to know the current balance of this fund, and the dates and amounts of all prior expenditures from this fund. I would also like to obtain copies of any disclosure material which has been submitted to the Congressional officials specified in the 1966 amendment to this section.

I appreciate your willingnesa to assist. Thank you for your attention to this request.

Best regards.

Sincerely,

RICHARD S. SCHWEIKER,
U.S. Senator.

Mr. SCHWEIKER. Mr. President, my legislation has the following basic provisions: First, all Federal funds expended must be accompanied by a voucher, describing the expenditure, unless the expenditure without voucher is specifically authorized by law.

Second, a quarterly report to Congress of all unvouchered expenditures by every agency is required, disclosing lump sums spent, statutory authority and a description of the expenditures, unless specifically provided otherwise by statute.

Third, all unvouchered expenditures by the government are made subject to GAO audit, and GAO is required to prescribe rules and regulations which will protect the security status of any classified information during audit.

Finally, any future appropriations permitting unvouchered expenditures, without specific statutory authority, will be made subject to a point of order in both the House and Senate.

I ask unanimous consent that my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1817

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That on and after the effective date of this section, no moneys may be paid from the Treasury of the United States pursuant to a certification of an officer or employee of the United States unless—

(1) such certification is accompanied by, or is part of, a voucher or abstract which describes the payee or payees and the items or services for which such payment is being made, or

(2) the payment of funds pursuant to such certification, and without such a voucher or abstract, is specifically authorized by law.

SEC. 2. (a) At the end of each calendar quarter ending after the effective date of this section, the head of each department, agency, or instrumentality of the Government which, or any officer or employee of which, is specifically authorized by law to expend funds pursuant to a certification, and without a voucher or abstract described in paragraph (1) of the first section, shall submit a report to the Senate and the House of Representatives setting forth the amounts expended during such quarter pursuant to each such certification, the statutory authority for

such expenditures, and a description of the items or services for which such amounts were expended.

(b) Subsection (a) shall not apply with respect to any amount expended, if a report to Congress is required with respect thereto under any other provision of law.

SEC. 3. (a) On and after the effective date of this section, all payments pursuant to certifications, and without vouchers or abstracts described in paragraph (1) of the first section, shall be subject to audit by the General Accounting Office. Except as provided in subsection (b), any such audit shall be conducted in the same manner as, and subject to the same rules and regulations prescribed by the Comptroller General of the United States as apply to, audits generally conducted pursuant to law by the General Accounting Office.

(b) With the approval of the head of the department, agency, or instrumentality conconcerned, the Comptroller General shall prescribe rules and regulations for audits conducted under subsection (a) to preserve the status of all classified information and data. The Comptroller General shall arrange for security clearances of such officers and employees of the General Accounting Office as may be necessary for the expeditious conduct of audits under subsection (a).

(c) The head of each department, agency, and instrumentality shall cooperate with the Comptroller General and the officers and employees of the General Accounting Office assigned to conduct audits under subsection (a), and shall make and preserve such records as may be necessary for the conduct of such audits.

SEC. 4. (a) The following subsection is enacted by the Congress—

(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

(b) On and after the effective date of this section, it shall not be in order in either the Senate or the House of Representatives to consider any appropriation if such appropriation, or any part thereof, may be expended pursuant to a certification, and without a voucher or abstract described in paragraph (1) of the first section, unless the expenditure of funds pursuant to such a certification is specially authorized by law.

SEC. 5. The preceding sections of this Act shall take effect on the first day of the first month which begins more than 60 days after the date of the enactment of this Act, except that the first section shall apply only with respect to funds obligated on or after such first day.

By Mr. LONG (for himself, Mr. JOHNSTON, Mr. BENTSEN, and Mr. TOWER):

S. 1819. A bill to recognize benefits to the United States from the construction of the Toledo Bend Dam and Reservoir project and exempt Sabine River Authority, State of Louisiana, and Sabine River Authority of Texas, from charges for the use, occupancy, and enjoyment of certain lands of the United States within the Sabine National Forest, Tex. Referred to the Committee on Agriculture and Forestry.

Mr. LONG. Mr. President. I introduce for myself and for Senator JOHNSTON, Senator BENTSEN, and Senator TOWER legislation that exempts both the Texas and Louisiana Sabine River Authorities from the payment of user charges on U.S. lands inundated by the Toledo Bend Dam and Reservoir project.

Without any recognition whatsoever of related benefits that accrue to the United States from this dam and reservoir project, fees that the Federal Government proposes to levy would financially penalize both the Texas and Louisiana Sabine River Authorities.

Although this is the kind of project in which the Federal Government often participates financially—water conservation, recreation, and hydroelectric power—not one dollar of Federal money was involved in either construction or operation of the project. Moreover, the benefits accruing to the United States are substantial in terms of decreased maintenance costs as a result of siltation control, improved navigation, fish and wildlife conservation and recreational benefits.

All revenues presently derived by the two nonprofit operating authorities, Texas and Louisiana, are used for debt servicing, operations, and upkeep. For the Federal Government to assess user charges between $350,000 and $500,000 per year will do nothing but frustrate national policies aimed at conservation, recreation, and alternate sources of energy.

By Mr. DOLE:

S. 1820. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Glen Elder Unit of the Pick-Sloan Missouri Basin program, Kansas, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

S. 1821. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Kanopolis Unit of the Pick-Sloan Missouri Basin program, Kansas, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

KANSAS IRRIGATION UNITS

Mr. DOLE. Mr. President, I am introducing today two bills to reauthorize specific irrigation projects in Kansas as part of the Pick-Sloan Missouri Basin program. Feasibility studies on both the Glen Elder and Kanopolis irrigation units have been completed by the Bureau of Reclamation, and it is time that authorization be given to enable further planning and development of the projects. Under the provisions of Public Law 88-442, congressional reauthorization is required for all such projects initially authorized as integral parts of the Pick-Sloan program in 1944.

The Kanopolis irrigation proposal is expected to provide an important water supply for some 20,000 acres of land immediately below the existing Kanopolis Reservoir, which was constructed in 1948. Currently, this valuable grain and cattle land is watered by undependable groundwater and river-flow sources. Indications are that the unit would also prove to be a significant source of municipal and industrial water supply for surrounding communities, and that it would have a favorable impact on wildlife habitation in the area.

I am aware of a good deal of concern among area residents that such development of irrigation facilities would affect the level of Kanopolis Reservior to such an extent that flood control and recreational functions might be impaired. The Department of the Interior discounts such fears. however, pointing out that a portion of the flood control responsibility could be easily transferred to the existing Cedar Bluff Reservior upstream on the Smoky Hill River. The Bureau also indicates that Kanopolis Reservoir should not be subject to drawdown conditions sufficient to harm recreational opportunities. Both of these factors should be watched carefully. I believe, as development of the unit proceeds.

Similarly, the Glen Elder irrigation unit awaits reauthorization. Situated on the Solomon River, the existing reservior and the proposed irrigation project would provide needed water resources for approximately 30,000 acres in Mitchell, Cloud, and Ottawa Counties. I am also aware of controversy surrounding this proposal and anticipate that the Bureau of Reclamation will give attentive consideration to these concerns as plans for the unit proceed.

I would emphasize to my colleagues the important job-producing and food-producing impact of these reclamation projects. Situated in the heart of our Nation's cattle and wheat country, farms in the area promise to provide important food supplies for the Nation in the years ahead. Preliminary studies indicate that these units have valuable potential as sources of water for these supplies, and I believe appropriate funding authorizations should now be made to enable planning and development of the projects to continue.

By Mr. MATHIAS:

S. 1822. A bill to repeal that portion of section 1 of the act of September 1, 1916, authorizing for the enforcement of traffic regulations for MacArthur Boulevard. Referred to the Committee on Public Works.

Mr. MATHIAS. Mr. President, today I am introducing a bill to repeal that portion of section 1 of the act of September 1, 1916 authorizing the enforcement of traffic regulations for MacArthur Boulevard.

Pursuant to the acts of March 3, 1853, (10 Stat. 189, 206) and March 3, 1859 (11 Stat. 435), as amended, 40 U.S.C. 45, the Chief of Engineers of the U.S. Army was charged with the duty and responsibility of providing and maintaining a water supply for the citizens of the District of Columbia. As a result of those acts, the U.S. Government constructed and now operates the extensive water treatment plant which we all know as the Washington Aqueduct. The U.S. Government also owns certain land within Montgomery County upon which it now operates and maintains a subsurface, gravity-flow, raw water conduit with ancillary facilities serving and forming a part of the Washington Aqueduct, together with a service road which overlies the conduit, for the purpose of providing access to the facilities.

On March 3, 1853, the Congress enacted 10 Stat. 189, 206 which authorized and made appropriations for the purchase of the necessary land, providing that the Maryland Legislature give its assent prior to the acquisition of the land. On the same day, the Maryland Legislature by the act of May 3, 1853, chapter 179, laws of Maryland consented to the purchase of this land by the United States and to the exercise of concurrent jurisdiction over the same with the State of Maryland, as provided in article 1, section 8, clause 17 of the U.S. Constitution.

In the years that have followed, this service road, commonly known as conduit road was adopted as a thoroughfare, as a matter of public convenience, and it became an indespensible highway for the accommodation of traffic between the surrounding portions of Montgomery County and the District of Columbia.

On March 4, 1942, c. 129, 56 Stat. 123, the service road was officially redesignated "MacArthur Boulevard," and by act of September 1, 1916, c. 433, 1, 39 Stat. 693, as amended, the U.S. Government assumed exclusive jurisdiction over the regulation of traffic on MacArthur Boulevard.

Today, the U.S. Government is burdened with the expense of maintaining the roadway surface and with the responsibility of maintaining a police force for the purpose of regulating the conduct of motorists on MacArthur Boulevard.

Both Montgomery County and the Corps of Engineers believe that all of these expenses constitute an unwarranted charge on the funds available for the operation and maintenance of the Washington Aqueduct. Moreover, MacArthur Boulevard in its present state is inadequate for the needs of the citizens of Montgomery County who reside in the vicinity of the boulevard, as well as all others who must use it.

The Corps of Engineers is eager to divest itself of the responsibility and expense of maintaining and policing MacArthur Boulevard and Montgomery County is willing to accept such responsibility and expense, under certain conditions.

On May 16, 1974, the Corps of Engineers and Montgomery County executed an agreement for the reconstruction, maintenance, and control of MacArthur Boulevard, and now all that remains to complete the action is for the Congress to enact legislation that will divest the Government of exclusive jurisdiction over the regulation of traffic on MacArthur Boulevard.

Mr. President, I urge the Senate to act quickly on this bill.

By Mr. BARTLETT (for himself and Mr. BELLMON):

S. 1823. A bill to provide for the disposition of funds appropriated to pay judgments in favor of the Sac and Fox Indians in Indian Claims Commission dockets Nos. 219, 153, and 135, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. BARTLETT. Mr. President, I introduce for appropriate reference legislation to provide for the disposition of funds appopriated to pay judgments in favor of the Sac and Fox Indians in Indian Claims Commission dockets Nos. 219, 153, and 135, and for other purposes.

Under normal circumstances a plan for the distribution of the funds in question would have been prepared by the Secretary of the Interior pursuant to Public Law 93–134. Such plan would have been transmitted to Congress and unless neither House passed a resolution of disapproval within 60 days, the plan would have become operative at the end of that period of time. However, Public Law 93–134 provides that where circumstances do not permit the preparation and submission of a distribution plan to Congress the Secretary is required to transmit appropriate legislation, which is the legislation I am introducing, to provide for the distribution of the funds.

The proposed legislation authorizes a method of allocating the approximately $12.4 million award to the Sac and Fox Tribes of Iowa, Oklahoma, Kansas, and Nebraska. Because of the prolonged controversy over the division between and among the Sac and Fox Tribes of the judgment funds, I am convinced that the only equitable manner in which the dispute can be resolved is through the legislative process. As a member of the Subcommittee on Indian Affairs I shall encourage prompt and thorough hearings on the proposed legislation to obtain the views of the affected tribal groups and the Department of the Interior. In this manner Congress can then make an informed judgment on the final disposition of these funds that are vital to the social and economic betterment of the several Sac and Fox tribal groups.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1823

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the funds appropriated by the Act of October 21, 1968 (82 Stat. 1190, 1198), to pay a judgment to the Sac and Fox Tribe of Oklahoma and the Sac and Fox Tribe of the Mississippi in Iowa in Indian Claims Commission Docket 219, and the funds appropriated by the Acts of July 6, 1970 (84 Stat. 376), and March 21, 1972 (86 Stat. 86), to pay judgments to the Sac and Fox Nation in Dockets 153 and 135, respectively, together with interest thereon, after payment of attorney fees and other litigation expenses, shall be distributed as provided herein.

SEC. 2. (a). The funds in Docket 219 shall be divided between the Sac and Fox Tribe of Oklahoma and the Sac and Fox Tribe of the Mississippi in Iowa, and the funds in Dockets 153 and 135 shall be divided among the Sac and Fox Tribe of Oklahoma, the Sac and Fox Tribe of the Mississippi in Iowa, and the Sac and Fox Tribe of the Missouri in Kansas and Nebraska, on the basis of the relative numbers of members of each tribe who were enrolled on, or who were inadvertently omitted from census rolls as of January 1, 1937, and who are presently enrolled as members of their respective tribes, unless they are deceased.

(b) For the purpose of carrying out the provisions of section 2(a) of this Act, each Sac and Fox Tribe shall have not to exceed 90 days from the date of this Act in which to identify those persons, living or deceased, who were inadvertently omitted from the January 1, 1937, census roll of the tribe.

(c) The provisions of section 2(a) of this Act shall apply only to the division of the judgment funds in Dockets 219, 153, and 135, between or among the respective Sac and Fox Tribes, as appropriate, and nothing in this section shall be construed as applicable to the payment per capita of any portion of the share of any Sac and Fox Tribe that may be so distributed.

SEC. 3. After the judgment funds are divided as provided in section 2(a) of this Act, the sum of $5,000.00, together with appropriate interest thereon for not less than one day, shall be deducted from the share of the judgment funds that is due the Sac and Fox Tribe of Kansas and Nebraska from the judgment in Docket 153, and shall be divided between the Sac and Fox Tribes of Iowa and of Oklahoma according to the formula for division of the judgment funds as provided in section 2(a).

SEC. 4 (a). The funds as divided under the provisions of this Act may be utilized for any purposes that are authorized by the respective tribal governing bodies and approved by the Secretary of the Interior; *Provided,* That not less than twenty percent, together with accrued interest thereon, of the share of each Sac and Fox Tribe shall be used for programing purposes.

(b) Any portion of the share of the judgment funds accruing to any Sac and Fox Tribe that may be distributed in individual shares shall be paid to persons whose names appear on the membership roll of said tribe compiled in accordance with the membership criteria of the tribe's constitution, made current as of the date of this Act.

SEC. 5. Sums payable to enrollees or their heirs or legatees who are less than 18 years of age or who are under a legal disability shall be paid in accordance with such procedures, including the establishment of trusts, as the Secretary of the Interior determines appropriate to protect the best interests of such persons.

SEC. 6. None of the funds distributed per capita or held in trust under the provisions of this Act shall be subject to Federal or State income taxes, and per capita payments shall not be considered as income or resources when determining the extent of eligibility for assistance under the Social Security Act.

SEC. 7. The Secretary of the Interior is authorized to prescribe rules and regulations to carry out the provisions of this Act.

By Mr. STEVENS:

S. 1824. A bill to authorize the Secretary of the Interior to enroll certain Alaskan Natives for benefits under the Alaska Native Claims Settlement Act, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. STEVENS. Mr. President, I am today introducing a bill which encompasses three previous bills dealing with the Alaska Native Claims Settlement Act as well as several other issues regarding the act that came out of hearings held on these bills in the Senate and House last week. I feel that in order to once and for all settle the problems which were created by the passage of the ANCSA and clarify the intent of Congress in passing this act, it is necessary to have an omnibus bill rather than attempting to solve these problems on an individual basis with several pieces of separate legislation.

The three bills that this measure takes in are:

S. 131, a bill to extend the deadline for enrollment under the ANCSA. This move was necessary because approximately 1,000 Native people who could be enrolled for benefits under the Alaska Native Claims Settlement Act were not included in the final roll, because they missed the March 30, 1973, deadline. The Department of the Interior's position was that it would be inequitable to those who met the enrollment deadline to allow late filers to claim benefits. The total amount of land and money is not affected by the number of people claiming benefits, so the only impact on the Federal budget would be the costs of processing some additional applications. As to any inequity to those who filed on time. I cannot believe that there is one Alaskan Native who would deny benefits to another because a deadline was missed.

I believe that the intent of the Congress in specifying a 2-year period for enrollment was to provide for expeditious conveyance of the benefits of the act. This is important, but it is equally important that every Alaskan Native be entered in the Alaska Native roll. I also believe this was Congress intent.

Besides extending the time frame in which otherwise qualified Natives could enroll under the ANCSA, this bill would also direct the Secretary of the Interior to establish an escrow fund for revenues received by the Department for activities on Federal lands subsequently patented to Natives; insure that payments under the Claims Act are disregarded when determining the eligibility of any household to participate in the food stamp program; and exempt Native corporations from the Investment Company Act of 1940 through December 31, 1991.

In addition, I have added a provision which provides that no land entitlements are to be affected one way or the other by any residency determination and that no new "village" or "group" eligibility shall result therefrom. Provision is also made, as with the case of present section 1, that no previous revenue distribution by any Native corporation are to be disturbed.

Finally, provision is also made that distribution by the Secretary of funds from the Alaska Native Fund among the regional corporations shall not be affected.

This addition was necessary because in seven village eligibility proceedings in the Koniag region, the Secretary of the Interior, through his approval of decisions of the Alaska Native Claims Appeal Board, determined that the place in question lacked the 25 Native residents as of April 1, 1970, required for "village" status, notwithstanding that in preparing the official roll pursuant to section 5 of ANCSA, the Department of the Interior had, in each instance, enrolled at least 25 Alaska Natives as residents of that place as of April 1, 1970.

Membership in Alaska Native corporations is determined by the place of residence of a Native as shown on the official roll. As a result, unless their places of residence are changed on the roll, some Alaska Natives will be carried as residents of places of which they are not residents, and thus, they will be denied the right to membership in the Native corporation to which their residence entitles them.

What is required in such cases is that the Secretary redetermine the places of residency, as of April 1, 1970, for enrollment purposes. In some cases, such recommendations may well result in no change in the April 1, 1970, place of residence as now shown on the roll. But it is obvious that there will be some changes, because if the Department enrolls 25 or more Natives to a given place as residents thereof on April 1, 1970, and then concludes, in determining whether or not that place is a "village," that less than 25 Natives were residents of the place on April 1, 1970, one or the other of these conclusions as to residency must be in error.

If residency for enrollment purposes is not redetermined, genuine injustice will be done in those cases where the Natives in question are thereby denied their rights to membership in Native corporations which themselves qualify for benefits under ANCSA.

I have also included a provision under this section which would allow the Federal Government to pay interest on the Alaska Native Fund while moneys are being held each quarter. At times the amount of money is fairly substantial and I do not feel that it was the intent of Congress that this money should sit idle in the U.S. Treasury and draw no interest.

The second bill included within this measure is S. 1469, a bill to amend the Alaska Native Claims Settlement Act to continue the authority of the Joint Federal-State Land Use Planning Commission for Alaska until June 30, 1979.

Established by the ANCSA of 1971, the Commission has provided invaluable assistance to State and Federal officials, Members of Congress, Native corporations, and private landowners in the State of Alaska. It has broad responsibilities in the area of the ownership, management, and use of Alaskan lands.

The Commission's accomplishments are too extensive to mention.

Congress has until December 18, 1978, to act upon recommendations on the classification and use of lands covered by ANCSA. Subsequently, it will become necessary to detail regulations specific to these lands and many questions will remain to be studied. It is clear that the expertise of the Commission has become an invaluable resource in dealing with the problems involved in implementing ANCSA. It would be deplorable to let the Commission expire before a final decision is made on the D–2 lands and the other unresolved issues regarding ANCSA.

The final bill which has been merged into this measure is S. 685, a bill which will authorize the merger or consolidation of village corporations formed within the same region of Alaska under the ANCSA.

Since the enactment of the Settlement Act, many of the village corporations established under the act have found that they are too small and inexperienced to effectively manage their own resources, and that they have little chance of ever becoming established business enterprises.

Sufficient funds are not available to allow the corporations to operate without incurring losses. Management talent, of course, is also scarce; few Natives in these villages have ever managed corporations. In some regions, the problem is further compounded by the fact that many of the villages are in extremely remote locations, with little if any communications facilities to the outside world, and only the airplane as transportation. For these reasons, some regions, until now, have been carrying their village corporations, assisting them with virtually all administrative actions that are required. The corporations, therefore, have come to realize that the only permanent solution is to merge with each other, or with their regional corporation. The resulting larger corporation or corporations would then stand a much better chance of long-term survival.

This merger can only be accomplished by legislation due to the provisions of the Settlement Act which prohibits, for a period of 20 years from the date of enactment of the act, any sale, assignment, or other alienation of stock of any regional corporation by its shareholders. These restrictions also apply against alienation of the village corporation stock.

Many of the stockholders of the village corporations have indicated that they would favor a merger and have asked that the proposal be pursued. This support results in part from the fact that the Natives in the various villages in the region historically share a strong common heritage and bond. Regardless of what village in the region they may be from and which village corporation they may be stockholders in, they view themselves as all being united as part of the region, and their main interest is in the survival of the region as a whole and of the regional corporations.

Alaskan Natives desire to succeed in the endeavor begun under the Settlement Act. They want to become self-sufficient, but they realize that this cannot occur if they continue to operate as separate entities. Thus, the key to them realizing this goal lies within the merger of the village corporations into a strong and vital body capable of handling the many needs of the village corporations and their shareholders.

I have also included an additional provision in the merger section of this bill which would allow the issuance of stock in any merger or consolidation be exempt from the registration requirement of the Securities Act of 1933 until December 31, 1991.

This bill will also make a grant to $1 million to four Native corporations—$250,000 each—to carry out responsibilities under ANCSA. This is necessary due to the fact that the Native corporations established in Kodiak, Kenai, Juneau, and Sitka receive no funds under the act. They are entitled only to the surface estate in up to 23,040 acres of land.

I have also provided an avenue for those villages which elected not to receive the benefits of the ANCSA to conduct another election within a year of the enactment of this bill to determine if they now wish to benefit from the provisions of this act. This was done in order to help some villagers who believe that at the time of the first election, that all the facts were not presented to them in order that they could make the best possible decision.

I would also like to bring to your attention the section of this bill which deals with the situation which exists in regard Sealaska. Very little good land is available for selection in the Sealaska area, except for that in the Tongass National Forest or lands soon to be included in the Tongass National Forest. Thus, Sealaska would like to obtain 200,000 acres of land in the Tongass National Forest as part of their selection.

I feel this is only right as these are the only lands available to Sealaska for selection.

Mr. President, my omnibus bill also includes a provision which would reaffirm congressional intent relative to the passage of the Alaska Native Claims Settlement Act in 1971.

I am referring to the ruling of District Judge Oliver Gasch in the case of Edwardsen against Morton, still pending in the U.S. District Court for the District of Columbia. The Edwardsen suit was brought shortly before the Settlement Act was passed, and was an effort by a group of North Slope Native residents to obtain title to the Slope and to recover money damages for non-Native activities on the Slope. Among the damages sought are the bonus payments of more than $900 mililon received by the State of Alaska on North Slope lease sales.

After passage of the Settlement Act in December 1971, the defendants in Edwardsen—the Secretary of the Interior and other Federal officials—sought summary judgment in their favor on the grounds that the Settlement Act had resolved the Native land claims—both direct title questions and claims. The court in April 1973 ruled that the Settlement Act effectively removed the cloud on existing land rights that had been created by the Native claims. But the court went on to make a second ruling which poses a great danger to the State of Alaska and which is simply not sustainable under the Settlement Act. The court held that Congress did not intend the 1971 legislation to extinguish damage actions by the Natives for alleged trespasses occurring on lands claimed by them prior to the effective date of the act—December 18, 1971—and suggested that Congress lacked the power to extinguish such actions. In other words, the court concluded that the act resolved existing disputes about land title, but left to future litigation all pre-act trespass and related claims that are based on the extinguished title.

As a result of the decision in the Edwardsen suit, the Department of the Interior has agreed to prepare suits on behalf of the North Slope Natives against persons who had entered the Slope prior to December 1971. The Interior Department, through their attorneys in the Justice Department, have agreed to a stipulation, approved by the court in Edwardsen, to prepare and recommend to the Attorney General the institution of litigation for damages for any third-party entries to Native claimed lands in that area prior to the Settlement Act.

Those of us who were active in passage of the Settlement Act know that the court decision in Edwardsen completely misinterprets the intent of the 92d Congress. I believe that the statutory language itself is clear enough; we provided in section 4 of the Settlement Act that it should extinguish not only Native land claims, but also any claims based on such claims. In the act's policy statement, we stated that there was "an immediate need for a fair and just settlement of all claims by Natives and Native groups of Alaska, based on aboriginal land claims," and that this settlement "should be accomplished rapidly, with certainty—and—without litigation * * * ." A claim that someone trespassed on lands held under the doctrine of aboriginal title is a claim "based" on aboriginal title, and thus falls squarely within the language of the act. The awarded compensation to the Natives certainly covered and extinguished such claims.

The legislative history of the act also makes clear that we intended to effect a comprehensive and final settlement, leaving no aboriginal claims to future litigation. Some of the early legislative proposals would have given jurisdiction to the Court of Claims to hear damage suits. This approach was rejected after the Federal Field Committee and others pointed out that—

> [T]he years required for litigation would impose an intolerable public burden. *Hearings on S. 2906 and Related Bills before the Senate Committee on Interior and Insular affairs*, 90th Congress, 2d Session 511 (1968) (report of the Federal Field Committee).

Congress was, of course, aware of the possibility of trespass suits based on the Natives' title claims to virtually all of Alaska. Indeed, during the hearings in the 91st Congress, numerous Natives testified about incursions on their lands over the years. I raised this point with Justice Goldberg, attorney for the AFN, asking him whether the Natives were willing to accept a total and comprehensive settlement. His response was affirmative:

> The position that the Natives have taken is that they are prepared for an extinguishment of anything that is based upon aboriginal title. *Hearings on S. 1830 before the Senate Committee on Interior and Insular Affairs*, 91st Congress, 1st Session 301 (1969).

The same question was put to Mr. Goldberg on the House side by Congressman Pollock. After consultation with Native leaders and all regional counsel, Mr. Goldberg reported that the Natives recognized and accepted the fact that they would not be able to assert damage claims against private parties under the anticipated legislation. They would have the right to assert only claims "that have nothing to do with the aboriginal title." Hearings on H.R. 13142 and H.R. 10193 before the Subcommittee on Indian Affairs of the House Committee on Interior and Insular Affairs, 91st Congress, first session 267–68 (1969).

Proceeding on this record, in 1970 the Senate passed S. 1830, which contained an extinguishment clause covering "any and all claims against the United States, the State, and all other persons which are based upon aboriginal right * * *." S. 1830, 91st Congress, second session, section 4(a) (1970). That language was clear enough to cover any trespass claims based on aboriginal title. The provision also extinguished various "land claims" but contained a proviso preserving such claims that were "based on grounds other than loss of original Indian title land." That was meant to preserve claims for taking of reservation or fee lands, where title had been recognized. The committee report on the bill stated that all claims based on aboriginal title were extinguished, but not suits for tort or for violations of the fair and honorable dealings clause. Senate report No. 91–925, 91st Congress, second session 114 (1970). Thus trespass claims based on aboriginal title would be extinguished, but we preserved personal tort and other claims which, in Justice Goldberg's words, had "nothing to do with the aboriginal title."

Since the House did not pass any settlement legislation in the 91st Congress, Senator Jackson reintroduced the Senate bill in 1971 with the extinguishment provision unchanged. In September 1971, however, the House Interior Committee reported to the House a version of the settlement legislation which contained a somewhat broader extinguishment clause than ours; it was essentially the clause that was finally enacted. H.R. 10367, 92d Congress, first session, section 4—as reported, September 28, 1971. Then the Edwardsen suit was filed 2 weeks later, in early October.

These two developments caused us in the Senate to reconsider the language of our extinguishment provision, and we concluded that it should be broadened so as to leave no doubt that the settlement would be total. The bill as reported to the Senate on October 21 was modified to make clear that we were extinguishing all claims based on aboriginal title, and we struck the proviso for claims based on other than loss of Indian title.

The extinguishment provision as reported read as follows. The italic words were added by the committee, and the bracketed words were omitted:

> The provisions of this Act shall constitute a full land final settlement and extinguishment of any and all claims against the United States, the State and all other persons which are based upon aboriginal right, title, use, or occupancy of land in Alaska (including submerged land underneath all water areas, both inland and offshore, and including any aboriginal hunting or fishing rights that may exist) by the Native, Native village, or Native group of claims arising under the Act of May 17, 1884 (23 Stat. 24), or the Act of June 6, 1900 (31 Stat. 321), or any other statute or treaty of the United States relating to Native use or occupancy of land, including all [land] claims [(but not claims based on grounds other than loss of original Indian title land)] *based upon aboriginal right, title, use, or occupancy* pending before any court or the Indian Claims Commission on the effective date of this Act.

The reported version also added the following new sentence to the provision:

> All prior conveyances of public land and water areas in Alaska, or any interests therein, pursuant to Federal law, including tentative approvals pursuant to section 6(g) of the Alaska Statehood Act, shall be regarded as an extinguishment of any and all Native claims thereto.

This change in the Senate bill and the reference to Edwardsen in our committee report would seemingly be conclusive on our intent in the Senate to join with the House in achieving a comprehensive settlement. But at this point, a minor error occurred. As some of the members of the Interior Committee will recall, we were all under great time pressures, and the massive committee reports had to be prepared on a hurried basis. The Senate report, unfortunately, failed to reflect the change in the extinguishment provision. The 1970 language of the report on this point was carried forward unchanged, and thus it still referred to an exception to the provision which no longer existed. Of course, even that exception dealt with recognized title claims, if any, and personal torts, but not with trespass claims based on aboriginal title.

The other committee report, like the act itself, contained not the slightest ambiguity. The report of the House Committee in 1971 described the extinguishment provision that was ultimately adopted as extinguishing "aboriginal title and claims based on aboriginal title" and—

> Is intended to be *applied broadly*, and to bar *any* further litigation based on such claims of title. The land and money grants contained in the bill are intended to be the total compensation for such extinguishment.

House Report. No. 92-523, 92d Congress, 1st session, 8 (1971)—emphasis added. That conference report was equally clear:

> It is the clear and direct intent of the conference committee to extinguish *all* aboriginal claims and *all* aboriginal land titles, if any, of the Native people in Alaska and the language of settlement is to be broadly construed to eliminate such claims and titles as any basis for any form of direct or indirect challenge to land in Alaska.

House Report No. 92–746, 92d Congress, 1st session, 40 (1971). I would like to point out that the two "all"s in this last passage were underscored in the conference report itself, to emphasize the scope of the settlement.

Finally, there were numerous statements on the floor of the House and Senate indicating the desire of Congress to have a comprehensive and fully effective settlement. Congressman Aspinall correctly described the bill as an—

> Endeavor to take care of the claims of the Natives for the lands from which they have been dispossessed, either outright *or in part*, and we endeavor to lay to rest for all time *any* further claims that the Natives may have. 117 Congressional Record 46,781 (1971) (emphasis added).

Senator Jackson also described the bill as providing for "a just and final legislative settlement" of the Native claims in the Congressional Record, volume 117, page 38,433 (1971). These are just examples.

The court's decision in Edwardsen seriously misreads—or, more properly, fails to read—this legislative history. The court did not note the change in the Senate bill, misconstrued the Senate report, relied on a passage in that report that was a year outdated, and ignored the vast body of history directly on point. And the decision is, of course, also directly contrary to the statute's clear language. We had anticipated the trespass problem, and had dealt with it in the act. It is significant that the court of claims and the Indian Claims Commission, two tribunals with more experience in Indian claims and legislation, have correctly construed the Settlement Act as extinguishing all claims, including trespass, based on aboriginal title.

I would like to comment on the Edwardsen court's expression of concern about the constitutionality of Congress extinguishing trespass claims without compensation. The court did not make a holding on that point, because it was concerned mainly with the statute's intent. But I think the court's concern is entirely unfounded. Under the Tee-Hit-Ton case and others, Congress has plenary power over aboriginal land claims, and other decisions make clear the power of Congress both to ratify retroactively actions which it could properly have authorized in the first instance, and to extinguish causes of action founded upon interests that are themselves extinguishable. The cases cited in Edwardsen have nothing to do with the issues here, because they involved interference with contractual-type obligations.

But we must remember a further point. We carefully considered this constitutional issue in 1971, and concluded that we could properly extinguish trespass claims. Part of the awarded compensation was for those claims, not because it was constitutionally required but because Congress chose to award compensation. There is nothing in the Edwardsen decision which requires us to rethink a decision we made 4 years ago.

Mr. President, it is essential that we examine carefully what type of actions we attempted to extinguish with the Claims Act and the exact type of third-party claims that could be disturbed if the Edwardsen decision was allowed to stand.

Entries were made pursuant to Federal laws regarding homesteading, Native allotments, lands under the Statehood Act, grants of university land, townsite grants, grants under the mining laws, and others who took title from the Federal Government. It is my contention that in these instances no property rights were cut off and consequently no fifth amendment issues would be raised by including language in this bill to do what we originally sought to do in the Claims Act. There would be no extinguishment of rights in those cases where there was a disturbance of physical possession by one acting without color of law.

If Edwardsen is allowed to stand I foresee a myriad litigation over these claims. Exactly what we tried to prevent with the passage of the Claims Act.

Again, let me reiterate: All those who entered lands in Alaska pursuant to Federal law prior to the Land Claims Act are, if I interpret Edwardsen correctly, now subject to civil action based upon trespass. Third parties who have paid the Federal Government or through their toil have earned the right to title derived from the Federal Government would be subject to suit for damages. This decision places every inch of land in non-Federal ownership or occupied under Federal leave or permit in jeopardy despite the fact that these actions would be based upon claims of title derived from aboriginal use and occupancy—the very claims we thought were extinguished by the Land Claims Act.

What, then, should be done about the Edwardsen decision? One option, of course, is to await a ruling of a higher court which would presumably make a more adequate reading of the act and its legislative history. But that course could take years, and thus, I believe, the more responsible course is for Congress to resolve the matter. The Edwardsen decision is already causing serious problems for the State and its citizens, and is spawning divisive litigation of the sort we had intended to settle in 1971.

Mr. President, I have included language in this omnibus bill which, I believe, would result in a congressional solution to the very complex problem described above. As I have indicated, this problem is very perplexing and my language should serve as a vehicle for discussion of this problem. I am looking forward to receiving departmental comments and suggestions on this matter.

I urge the Senate move on this matter promptly; the problem should not be deferred or delayed. Already massive lawsuits are in progress, and the resources of the State and its citizens are being diverted from more constructive activities. We have a responsibility to correct this erroneous decision.

I wish to make absolutely clear that neither the Settlement Act itself nor any amendment which I would support would affect in any way the rights of an Alaskan Native or any other citizen to recover for actual damages where he suffered a personal tort or his physical possession of a parcel of land was improperly disturbed. Our focus in 1971 was, very properly, on claims that were based on alleged aboriginal title; any claims based on that title or the like were extinguished. But one need not have a claim of title to recover damages for personal injuries or for interference with any actual, substantial, and continuous occupancy of land. If anyone destroyed a Native's dwelling or farmland, or was guilty of a personal tort, the claim of that Native is totally unaffected by the Settlement Act. No one would deny his right to recover his actual damages, regardless of whether he was Native or not.

But the Settlement Act was intended to resolve the massive group claims for damages based on aboriginal title, use, and occupancy, and the other interests described in section 4 of the act. In 1971, we thought we had effectively resolved that problem, and had spared the State, its citizens, and the Federal court system from decades of frustrating, costly, and divisive litigation. I had thought our original act had succeeded in that goal, and I continue to believe so. But in light of the Edwardsen decision, I urge that we clarify our prior intent and bring to a final resolution the Native land claims in Alaska.

Mr. President, the Alaska Native Claims Settlement Act made history as the first legislated aboriginal claims settlement in the Nation. As such, I feel that the Congress has a clear responsibility to follow through with the implementation of the act and take action to remedy potentially discriminatory or detrimental situations which cannot be resolved administratively. I urge that Congress take prompt action on this measure to insure fair and equitable implementation of the Alaska Native Claims Settlement Act.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1824

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) The Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized to review those applications submitted within one year from the date of enactment of this Act by applicants who failed to meet the March 30, 1973, deadline for enrollment established by subsection (a) of section 5 of the Alaska Native Claims Settlement Act, 85 Stat. 688 (hereinafter referred to as the "Settlement Act"), and to enroll those Natives under the provisions of that Act who would have been qualified if the March 30, 1973, deadline had been met: *Provided*, That Natives enrolled under this Act shall be issued stock under the Settlement Act together with distributions from corporations adjusted so as to make distributions to such Natives equal to distributions to Natives originally enrolled under the Settlement Act: *Provided further*, That land entitlement of any Native village, Native group, Village Corporation, Regional Corporation, or Corporation organized by Natives residing in Sitka, Kenai, Juneau, or Kodiak, all as defined in said Act, shall not be affected by any enrollment pursuant to this Act, and that no tribe, band, clan, group, village, community, or association not otherwise eligible for land or other benefits as a "Native village" as defined in said Act, shall become eligible for land or other benefits as a Native village because of any enrollment pursuant to this Act: *Provided further*, That no tribe, band, clan, village, community, or village association not otherwise eligible for land or other benefits as a "Native group" as defined in said Act, shall become eligible for land or other benefits as a Native group because of any enrollment pursuant to this Act: *And, provided further*, That any "Native group" as defined in said Act, shall not lose its status as a Native group because of any enrollment pursuant to this Act.

(b) In those instances where, on the roll prepared under section 5 of the Settlement Act, there were enrolled as residents of a place on April 1, 1970, the minimum number of Natives required for a "Native village" or a "Native group", as the case may be, and it is subsequently and finally determined that such place is not eligible for land benefits under the Act on grounds which include a lack of sufficient number of residents, the Secretary shall, in accordance with the criteria for residence applied in the final determination of eligibility, redetermine the place of residence on April 1, 1970 of each Native enrolled to such place, and the place of residence as so redetermined shall be such Native's place of residence on April 1, 1970 for all purposes under the Settlement Act: *Provided*, That each Native whose place of residence on April 1, 1970 is changed by reason of this subsection shall be issued stock in the Native corporation or corporations in which such redetermination entitles him to membership and all stock issued to such Native by any Native corporation in which he is no longer eligible for membership shall be deemed canceled: *Provided further*, That no distribution of funds made by any Native corporation on the basis of prior places of residence shall be affected: *Provided further*, That land entitlements of any Native village, Native group, Village Corporation, Regional Corporation or Corporations organized by Natives residing in Sitka, Kenai, Juneau, or Kodiak, all as defined in said Act, shall not be affected by any redetermination of residence made pursuant to this subsection, and no tribe, band, clan, group, village, community, or association not otherwise eligible for land or other benefits as a "Native village" as defined in said Act, shall become eligible for land or other benefits as a Native village because of any redetermination of residence pursuant to this subsection: *Provided further*, That no tribe, band, clan, village, community, or village association not otherwise eligible for land or other benefits as a "Native group" as defined in said Act, shall become eligible for land or other benefits as a Native group because of any redetermination of residence pursuant to this subsection: *And, provided further*, That any distribution of funds from the Alaska Native Fund pursuant to subsection (c) of Section 6 of the Settlement Act made by the Secretary or his delegate prior to any redetermination of residency shall not be affected by the provisions of this subsection. Each Native whose place of residence is subject to redetermination as provided in this subsection shall be given notice and an opportunity for hearing in connection with such reexamination as shall any Native corporation which it appears may gain or lose stockholders by reason of such redetermination of residence.

SEC. 2. (a) Any and all proceeds received by an agency or instrumentality of the Federal Government derived from contracts, leases, permits, rights-of-way, or easements pertaining to lands or resources of lands withdrawn for Native selection pursuant to the Settlement Act on and after the date of its enactment shall be deposited in an escrow account which shall be held by the Secretary until land selected pursuant to that Act have been conveyed to the selecting corporation or individual entitled to receive benefits under said Act. As such withdrawn or formerly reserved lands are conveyed, the Secretary shall pay from such account the proceeds which derive from contracts, leases, permits, rights-of-way, or easements, pertaining to the lands or resources of such lands, to the appropriate corporation or individual entitled to receive benefits under the Settlement Act together with interest. The proceeds derived from contracts, leases, permits, rights-of-way, or easements, pertaining to lands withdrawn or reserved, but not selected or elected pursuant to said Act shall, upon the expiration of the selection or election rights of the corporations and individuals for whose benefits such lands were withdrawn or reserved, be deposited in the Treasury of the United States or paid as required by law were it not for the provisions of this Act.

(b) The Secretary is authorized to deposit in the Treasury of the United States such escrow account proceeds referred to in subsection (a) of this section and the United States shall pay interest thereon semiannually, from the date of deposit to bear simple interest at the rate as may be determined by the Secretary of the Treasury: *Provided, however*, That the Secretary in his discretion may withdraw from the United States Treasury such proceeds received by him under this Act and reinvest such proceeds in the same manner provided for by section 1 of the Act of June 24, 1938 (25 U.S.C. 162a): *Provided further*, That this section shall not be construed to create any trust relationship between the United States and any corporation or individual entitled to receive benefits under the Settlement Act.

(c) The United States shall pay interest, on a quarterly basis, on all moneys in the Alaska Native Fund from and after the date of the enactment of this Act. Such moneys shall bear simple interest at such rate as may be determined by the Secretary of the Treasury.

SEC. 3. Any and all proceeds from public easements reserved pursuant to paragraph (3) or subsection 17(b) of the Settlement Act shall be paid to the holder of the land with respect to which such conveyance is made in accordance with such holder's proportionate share.

SEC. 4. Any and all income on all earnings from contracts, leases, permits, rights-of-way, or easements issued for the surface or minerals covered under a conveyance prior to the issuance of such conveyance under the Settlement Act, shall be paid to the grantee of such conveyance on that portion of the lands conveyed pro-rated from the date of enactment of the Settlement Act, or from the date of conveyance under the Settlement Act, whichever occurs first.

SEC. 5. Any distribution of funds from the Alaska Native Fund pursuant to subsection (c) of section 6 of the Settlement Act made by the Secretary or his delegate prior to enactment of this Act on the basis of the final roll certified on December 18, 1973, shall not be affected by the provisions of this Act. Immediately upon certification of the amended final roll pursuant to this Act, the Secretary shall make any necessary adjustments in future distributions of funds pursuant to subsection (c) of section 6 of the Settlement Act to accommodate the changes in the final roll made by the amended final roll: *Provided*, That such adjustments shall not take effect until the next regularly scheduled distribution period following certification of the amended final roll.

SEC. 6. The Settlement Act is amended by adding a new section 28, to read as follows:

"SEC. 28. Any corporation organized pursuant to this Act shall through December 31, 1991; be exempt from the provisions of the Investment Company Act of 1940 (54 Stat. 789), as amended. Nothing in this section shall, however, be construed to mean that any such corporation shall or shall not after such date be subject to the provisions of the Investment Company Act of 1940."

SEC. 7. The Settlement Act is further amended by adding a new section 29 to read as follows:

"SEC. 29. (a) The payments and grants authorized under this Act constitute compensation for the extinguishment of claims and interest described in Sec. 4 hereof, and shall not be deemed to substitute for any governmental programs otherwise available to the Native people of Alaska as citizens of the United States and the State of Alaska.

"(b) Notwithstanding subsection 5(a) and any other provision of the Food Stamp Act of 1964 (78 Stat. 703), as amended, in determining the eligibility of any household to participate in the food stamp program, any compensation, remuneration, revenue, or other benefit received by any member of such household under the Settlement Act, in connection with an aboriginal land claim of such person, shall be disregarded."

SEC. 8. Except as specifically provided in this Act, (i) the provisions of the Settlement Act are fully applicable to this Act, and (ii) nothing in this Act shall be construed to alter or amend any of such provisions.

SEC. 9. (a) Notwithstanding any provision of the Alaska Native Claims Settlement Act (85 Stat. 688), any corporation created pursuant to section 7(d) or 8(a) of such Act within any of the twelve regions of Alaska, as established by section 7(a) of such Act, may, at any time, merge or consolidate, pursuant to the applicable provisions of the laws of the State of Alaska, with any other of such corporation or corporations created for the same region.

(b) Any corporations resulting from said mergers or consolidations further may merge or consolidate with other such merged or consolidated corporations within the same region or with other of the corporations created in said region pursuant to section 7(d) or 8(a) of the Alaska Native Claims Settlement Act. Such mergers or consolidations shall be on such terms and conditions as are approved by vote of the shareholders of the corporations participating therein, and may take place pursuant to votes of shareholders held either before or after the enactment of this Act. Upon the effectiveness of any such mergers or consolidations the corporations resulting therefrom and the shareholders thereof shall succeed and be entitled to all the rights, privileges, and benefits of the Alaska Native Claims Settlement Act, including but not limited to the receipt of lands and moneys and exemptions from various forms of Federal, State, and local taxation, and shall be subject to all the restrictions and obligations of such Act, as are applicable to the corporations and shareholders which participated in said mergers or consolidations or as would have been applicable if the mergers or consolidations and transfers of rights and titles thereto had not taken place.

(c) Notwithstanding the provisions of section 7(m) of the Alaska Native Claims Settlement Act, in any merger or consolidation in which the class of stockholders of a regional corporation who are not residents of any of the villages in the region are entitled under Alaska law to vote as a class, the terms of the merger or consolidation may provide for the elimination of the right of said class to receive dividends pursuant to said section 7(m).

(d) Notwithstanding any other provision of this section or of any other law, no such corporation referred to in this section may so merge or consolidate unless that corporation's shareholders have approved such merger or consolidation of that corporation with any other such corporation or corporations.

(e) The issuance of stock in any merger or consolidation pursuant to this section shall be exempt from the registration requirement of the Securities Act of 1933 until December 31, 1991.

SEC. 10. Section 17(a)(10) of the Alaska Native Claims Settlement Act (85 Stat. 688, 708) is amended to read as follows:

"(10) The Planning Commission shall submit, in accordance with this paragraph, comprehensive reports to the President of the United States, the Congress, and the Governor and legislature of the State with respect to its planning and other activities under this Act, together with its recommendations for programs or other actions which it determines should be taken or carried out by the United States and the State. A comprehensive report covering the above matter shall be so submitted on or before May 30, 1976. A final and comprehensive report covering the above matter shall be so submitted on or before May 30, 1976. The Commission shall cease to exist effective June 30, 1979.".

SEC. 11. The Secretary of the Interior is authorized and directed to pay, by grant, to each of the following village corporations $250,000 to enable such corporations to carry out their duties under the Settlement Act:

(1) Kodiak;
(2) Kenai;
(3) Juneau; and
(4) Sitka.

SEC. 12. Section 16 (b) of the Settlement Act is amended by adding at the end thereof the following: "Such allocation as the Regional Corporation for the southeastern Alaska region shall receive under section 14 (h) (8) shall be selected and conveyed from lands not selected by such village corporations that were withdrawn by subsection (a) of this section: *Provided*, That, if such lands are not sufficient to satisfy the entitlement of such corporation under section 14 (h)(8), it may select the deficiency from any other public lands.".

SEC. 13. Notwithstanding any provision of the Settlement Act, any village which elected not to receive the benefits of such Act may conduct another election. Any such election shall be held within one year from the date of the enactment of this Act, shall be held in the same manner and subject to the same conditions as an original election under the Settlement Act, and a vote to receive the benefits of such Act shall have the same force and effect as an original election under such Act.

SEC. 14. The Secretary shall convey to Koniag, Inc. Regional Native Corporation, under sections 12 (a) (1) and 14 (f) of the Settlement Act such of the subsurface estate as is selected by said corporation from lands withdrawn by Public Land Order 5397 for identification for selection by it located in T35S, R52W; T37S Rs51–54W; T38S R54W; T39S R51–54W and T40S Rs 51–54W, Seward Meridian, Alaska, notwithstanding the withdrawal of such lands by Public Land Order 5179 as amended, pursuant to section 17 (d) (2) of the Settlement Act: *Provided*, That notwithstanding the future inclusion in any national monument or other national land system referred to in section 17 (d) (2) (A) of the Settlement Act of the surface estate overlying any subsurface estate conveyed as provided in this section, Koniag, Inc. may use the surface estate, and shall have such right of access thereto, as is reasonably necessary to prospect for and to mine and remove minerals from said subsurface estate, subject to such reasonable regulations by the Secretary for the protection of surface values as is compatible with economically feasible utilization of such subsurface estate.

SEC. 15. (a) Congress finds and declares that—

(1) the intent and purpose of the Settlement Act were to resolve and to avoid all disputes and litigation related to claims of aboriginal rights and to provide a comprehensive, complete, and broad legislative settlement of Alaska Native claims;

(2) the amendment of the Settlement Act effected by subsection (b) of this section represents the intent and meaning of section 4(c) of the Settlement Act as originally enacted; and

(3) if and to the extent that any of the extinguishments of claims effected by section 4 of the Settlement Act (including the extinguishments which are reaffirmed and clarified by this section) constituted takings of property for a public purpose within the meaning of the Fifth Amendment of the Constitution, then the grants, privileges, and benefits awarded to Alaskan Natives by that Act and by this Act (whether from the United States or from the State of Alaska) and by this Act were and are to be deemed compensation for any such extinguishments.

(b)(1) Section 4(c) of the Act of December 18, 1971, 85 Stat. 688, is amended by adding after the words "Indian Claims Commission," the words "including claims accruing before the enactment of this Act,".

(2) Section 4 of the Settlement Act is further amended by adding at the end thereof the following new subsection:

"(d) The claims extinguished by subsection (c) of this section include, but are not limited to, those arising from any trespassory conduct, but only to the extent that such claims are based on claims of aboriginal right, title, use, or occupancy of land or water areas in Alaska, or are based on any statute or treaty of the United States relating to Native use and occupancy, or are based on the laws of any other nation, including any such claims that are pending before any Federal or State court or the Indian Claims Commission."

(c) Notwithstanding any other provision of law, any action now pending or hereafter brought in any district court other than the District Court for the District of Alaska shall be transferred to that Court immediately upon a determination that the action involves the construction, application, or constitutionality of the amendment made by subsection (b) of this section. The District Court for the District of Alaska, and any reviewing court, shall have the duty to expedite to the greatest extent possible the disposition of the issue of such construction, application, or constitutionality, and a decision of the District Court on that issue shall be deemed to be a final order for purposes of review.

(d) If this section or any portion thereof or any particular application thereof is held invalid, the remainder of the Settlement Act and of this Act, and any application of this section not held invalid, shall not be affected thereby.

By Mr. STEVENSON (for himself and Mr. PERCY):

S. 1825. A bill to authorize the construction of a lock and dam project on the Mississippi River near Alton, Illinois, and Missouri. Referred to the Committee on Public Works.

Mr. STEVENSON. Mr. President, Alton lock and dam No. 26 is one in a series of 29 locks and dams on the upper Mississippi River extending from Alton, Ill., to St. Paul, Minn. All of these locks and dams are used to facilitate commercial traffic on the river. The location of Alton lock and dam No. 26 is one in a key facility on the entire Mississippi-Illinois River complex. All traffic from the upper Mississippi River and the Illinois Waterway must pass through Alton on its way west on the Missouri River, east on the Ohio River, and south on the lower Mississippi River.

The existing lock and dam No. 26 was authorized in the 1930's and was operational by 1938. At the present time it is in a state of disrepair and it has reached its capacity. Accordingly, the Corps of Engineers proposes to replace lock and dam No. 26. The existing structure has one commercial lock 600 feet long and 110 feet wide, and one 360-foot auxiliary lock. The new facility, as proposed by the Corps of Engineers, would have two locks, each 1,200 feet long and 110 feet wide. Planned capacity for the new facility is 172 million tons per year—quadruple the present capacity. Corrective measures must be taken to insure that Alton lock and dam 26 is a safe and structurally sound facility.

Mr. President, the Corps of Engineers cites a 1909 statute as its authority to proceed with this project. That law, 33 U.S.C. 5, states that the corps can pay the expenses for operating, maintaining, and keeping existing works in repair. Further, the law provides that these works can be reconstructed, when in the opinion of the Secretary of the Army the condition of any facility is such that its entire reconstruction is essential to its efficient and economical maintenance and operation—provided that the reconstruction includes such modifications in plan and location as are necessary to provide adequate facilities for existing navigation.

Mr. President, there is no doubt that the Congress intended to authorize the Corps of Engineers to perform operation and maintenance work on existing facilities. Moreover, the Congress made clear its intent that operation and maintenance can include the entire reconstruction of a facility.

There is, however, a dispute as to the limits of the corps' authority to replace projects under the 1909 statute. A suit was filed in the Federal District Court for the District of Columbia by a coalition of 21 railroads and a number of environmental groups alleging that the Corps of Engineers, in proceeding with the construction of locks and dam No. 26, had acted without first obtaining the necessary congressional authorization.

In an opinion granting a temporary injunction against construction, Judge Richey drew a distinction between a replacement and reconstruction project. He stated that specific congressional authorization would not be necessary in those cases where the proposed replacement did not represent a material change in the character and capacity of the existing structure. In those instances, the corps could rely on the 1909 statute. The judge held that locks and dam No. 26, as proposed, does not fall into this category because the change in its capacity—from the present 46.2 million tons per year to 190 million tons, and the change in the size of the lock—constitute a material change in the character and capacity of the existing facility. Therefore, the judge ruled that locks and dam No. 26, as currently proposed by the corps, is a reconstruction of the facility not a replacement. He held that this project does not fall within the purview of 33 U.S.C. 5 and consequently that a specific congressional authorization would be necessary.

Mr. President, earlier this week the Senate approved language in H.R. 5899, the second supplemental appropriations bill, which is intended to reaffirm congressional approval for the project at lock and dam No. 26. That language states that:

> Appropriations having been heretofore approved by the Congress in Public Laws 91–144, 91–439, 92–134, 92–405, 93–97 and 93–393, to be expended under the direction of the Secretary of the Army and the supervision of the Chief of Engineers, for the replacement and modification of Lock and Dam 26, Mississippi River, Illinois and Missouri, substantially in accordance with the plans approved by the Secretary of the Army on July 14, 1969, the consent and approval of Congress for the construction of said Lock and Dam 26 having been granted thereby is hereby reaffirmed: *Provided*, That nothing contained herein shall be construed as authorizing a twelve foot channel above Lock and Dam 26.

The purpose of the language is clear from its reading. It is intended to reaffirm congressional approval for the lock and dam No. 26 project. When the language was discussed on the Senate floor earlier this week, I joined with several of my colleagues in objecting to its inclusion in an appropriations bill—H.R. 5899. My objection was procedural, and should not be construed as indicating opposition to the project.

The Chair ruled that the language in H.R. 5899 is not legislation, but rather a recitation of facts and a disclaimer. The effect, then, of including this language would not be far reaching. And although the conference report on H.R. 5899 retained the Senate language, the House voted earlier today by a vote of 168 to 179 not to accept the Senate provision.

Because of the House vote we now have no clarification of congressional intent with respect to this project. Therefore, I am today introducing legislation that specifically authorizes a project at Alton locks and dam No. 26. I am joined by my distinguished colleague, the senior Senator from Illinois.

I am introducing this bill for two reasons. Specific legislation is necessary to assure that this is an authorized project. The present lock and dam structure is endangered by a large scour hole a short distance downstream of the dam. In addition, the lock walls have shifted and the floors of the locks have deteriorated. Periodically, the ice conditions are such that a gorge is formed upstream of the lock, thus endangering traffic and causing local flooding. Given these conditions, there is a possibility that the dam could wash out. That would be disastrous. Legislation is needed—and quickly.

My second reason for introducing this legislation is to insure that all concerned parties will be provided with a forum to express their views. The project, as proposed by the corps, has critics. It is the largest construction project in the history of the Midwest. Much expense is involved—also environmental considerations and the welfare of competing modes of transportation.

Replacement of locks and dam 26 and the quadrupling of its capacity could have an adverse effect on the railroad industry because traffic on the railroads would be diverted to water transportation. Certain railroads already in a precarious position could be driven into bankruptcy, if they lose any more traffic. The cost of shipping goods could be increased for those who do not have access to the waterway. Environmental groups contend that quadrupling barge traffic on the Mississippi will have serious adverse effects on the entire upper Mississippi River system.

Corrective measures must be taken at locks and dam 26. However, the questions raised about the project—its cost, environmental impact and the effect on competing modes of transportation are serious. These questions should be examined before the corps proceeds with the project. All concerned parties are entitled to make their views known to the Congress. Therefore, I have requested that the Senate Committee on Public Works hold hearings on this bill and report out an authorization for a project. I believe that hearings before the committee will provide an opportunity for all sides to be heard, and will provide the Congress with sufficient information to make a determination on the scope of work that is needed at locks and dam 26.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1825

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the lock and dam project on the Mississippi River near Alton, Illinois and Missouri, is authorized to be constructed by the Secretary of the Army, acting through the Chief of Engineers, in accordance with the plans for such project approved by the Secretary of the Army on July 14, 1969, and such modifications as he deems appropriate: *Provided*, That nothing in this Act shall be construed as authorizing a twelve-foot channel above Alton, Illinois.

SEC. 2. There is authorized to be appropriated to the Secretary of the Army such sums as are necessary to carry out this Act, and funds which have been allocated to the project authorized in the first section prior to the date of enactment of this Act shall be available for such project and shall remain available until expended.

By Mr. GRAVEL (for himself and Mr. ABOUREZK):

S. 1826. A bill to provide that no new licenses be granted for the construction of nuclear fission power reactor facilities, pending a comprehensive study by the Office of Technology Assessment and subsequent action by the Congress. Referred to the Joint Committee on Atomic Energy.

NUCLEAR POWER REAPPRAISAL ACT OF 1975

Mr. GRAVEL. Mr. President, today I am introducing the Nuclear Power Reappraisal Act of 1975. The purpose of this bill is to insure that the Congress and the people fully understand the hazards of our nuclear power program, and that they have the opportunity to express clearly their acceptance or rejection of the nuclear fission option.

This bill provides a mechanism by which the Congress can carry out a comprehensive assessment of our growing commitment to nuclear power. It is meant to assure a well-informed judgment on this important subject before our reliance on fission power grows irreversibly large.

Under the Reappraisal Act, no new licenses for nuclear plant construction would be issued for a period of 5 years. During that time, the Office of Technology Assessment would conduct a thorough study of the entire nuclear fuel cycle, emphasizing safety and environmental issues, economics, energy demand, and alternatives. The OTA would report annually to the Congress and its hearings would be open to the public.

After 5 years, the OTA would deliver a final report, including its recommendations on the future of nuclear power. The Congress would then have 6 months to act, either to restore licensing, to restore it on a limited basis, or to terminate our nuclear power program.

During the period of the study, nuclear plants already in operation or under construction would not be affected. But 6 months after the issuance of the final OTA report, unless Congress ordered that licensing be resumed, a phase-out of nuclear plants would begin. Under this plan, the plants would be required to run at no more than 60 percent of licensed core power for 1 year. Then the power level would drop another 10 percent each year.

Mr. President, the hazard that nuclear energy presents to life on our Earth can be stated concisely. My friend, Dr. Hannes Alfven, Nobel laureate in physics, has put it most succinctly. He wrote:

> The fission reactor produces both energy and radioactive waste: we want to use the energy now and leave the radioactive waste for our children and grandchildren to take care of.

It is not yet widely appreciated, Mr. President, just how dangerous this radioactive legacy will be and how carefully it will have to be guarded. In a single year, today's power reactor produces the radioactive fission poisons of more than 1,000 Hiroshima bombs. In a lifetime of 30 to 40 years, the same reactor will generate more fallout-type poisons than were released in all the atmospheric weapons testing of the United States, the United Kingdom, and the U.S.S.R. If we operate 250 large reactors, as President Ford has proposed, we will be producing every year as much radioactive poison as could be released in a full-scale nuclear war. That much, I repeat, every year. These poisons will remain dangerous for centuries, and that means we will have to keep them isolated from the environment that long.

Do our citizens know of this danger? Do they know that radioactive poisons, if released to the environment, can enter the food chain to be distributed and concentrated uncontrollably? Do they believe we can achieve near-perfect containment of the wastes for centuries? Do they know that hundreds of thousands of gallons of waste have already leaked at our weapons waste site? Do they know our Government has no program for the ultimate disposal of the wastes? Do they want to leave this radioactive legacy?

Mr. President, the study I propose in the Reappraisal Act is essential to measure the dimension of our risk in turning to nuclear power:

The risk of release of radioactivity, whether through reactor accident, in transportation, at fuel reprocessing plants, or during the centuries of waste storage;

The risk of speeding the proliferation of nuclear weapons by spreading nuclear technology and power reactors around the world; these reactors produce the very element that atomic bombs are made of, plutonium;

The risk of an unbalanced energy development program, in which, by putting all our eggs in the nuclear fission basket, we become too vulnerable to the economic, safety, or environmental failure of this option; and in which we pass by the safe and renewable energy sources that are available to us.

For too long, Mr. President, under the aegis of the now defunct Atomic Energy Commission, nuclear power was promoted in an atmosphere of privacy—indeed, an atmosphere of secrecy. Today we are seeing the fruit of those long years of AEC custodianship. We are on the brink of a major commitment to a technology whose great dangers are not adequately understood by our citizens.

Let us examine the whole question now—let us know the full risks—before our dependency on nuclear fission energy becomes irreversible.

Mr. President, I ask that the Nuclear Power Reappraisal Act of 1975 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1826

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Nuclear Power Reappraisal Act of 1975."

STATEMENT OF FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds that—

(1) Radioactive fission waste products threaten human health and the earth's environment;

(2) No program exists in the United States for the permanent disposal of the fission waste products;

(3) Important nuclear reactor safety tests remain incomplete, and the reliability of reactor safety equipment is disputed within the scientific community;

(4) Problems involving security in the transportation and storage of special nuclear materials remain unresolved;

(5) National security may be compromised by the existence of surface nuclear facilities;

(6) Plutonium, a product of the fission reaction process, can be used to construct atomic weapons;

(7) National security and world peace are threatened by the proliferation of weapons-grade nuclear materials, especially plutonium;

(8) The civil liberties of United States citizens might be jeopardized in the attempt to guard plutonium from diversion;

(9) The economic viability and reliability of nuclear fission power remain in doubt; and

(10) Citizen opinion regarding nuclear power is divided.

(b) The Congress therefore declares that—

(1) It is questionable whether further deployment of commercial nuclear fission power plants is consistent with national security and public safety, as required by section 3(d) of the Atomic Energy Act of 1954;

(2) Problems of nuclear plant safety, waste management, environmental impact and security must be resolved prior to further deployment of commercial nuclear fission power plants; and

(3) The Office of Technology Assessment should undertake an independent and comprehensive analysis of the potential consequences of proliferation of nuclear fission power plants in the United States and elsewhere.

CESSATION OF LICENSING

Sec. 3 (a) The Nuclear Regulatory Commission is hereby directed to cease, beginning on the first day after the date of enactment of this Act, the granting of licenses or limited work authorization for the construction of nuclear fission power plants and the granting of licenses for the export of nuclear fission power plants.

(b) The granting of nuclear power plant construction licenses shall be resumed only after the Congress shall have determined that—

(1) Hazardous fission waste products can be stored or disposed of with no reasonable chance of release to the natural environment and of subsequent injury to human beings; and a storage or disposal plan acceptable to the Congress has been prepared;

(2) The effectiveness of reactor and other nuclear facility safety equipment has been demonstrated in actual operation;

(3) The security of special nuclear materials from diversion is reasonably assured;

(4) The discharge of radioactivity from nuclear facilities in normal operation presents no unacceptable threat to public health;

(5) Nuclear power facilities pose no extraordinary and unacceptable threat to public health and safety in the event of war, sabotage or natural disaster; and

(6) Nuclear fission power is economically viable; and sufficient research and development of other energy sources have been or are being conducted.

(c) The Nuclear Regulatory Commission shall resume the granting of nuclear power plant construction licenses and export licenses only after the Congress shall have provided by law for such resumption, in accordance with section 3(b), and only in accordance with such conditions and restrictions as the Congress may require.

(d) Beginning five years and 180 days from the date of enactment of this Act, unless the Congress has provided, under section 3(b), for the resumption of nuclear power plant licensing, each existing nuclear fission power plant and each such plant under construction shall be operated, at any time, at no more than sixty per cent of the licensed core power level of such plant, and shall thereafter be derated at a rate of ten per cent per year of the licensed core power level of such plant, and shall not be operated at any time in excess of such reduced core power level.

(e) The restrictions described in section 3(d) shall continue until the Congress has provided, under section 3(b), for the resumption of nuclear power plant licensing.

(f) The provisions of sections 3(a) through (e) shall not apply to nuclear fission reactors used exclusively for medical or research purposes.

OFFICE OF TECHNOLOGY ASSESSMENT STUDY

SEC. 4. (a) The Office of Technology Assessment is directed to undertake a comprehensive study of the nuclear fission fuel cycle, from mining through waste management, and of fission-generated power; and, as described in section 5, to report to the Congress the findings and recommendations of the study.

(b) The Office of Technology Assessment shall conduct the study independently. The Office, in conducting the study, shall request, receive and consider the comments and opinions of independent scientists, engineers, consumers, and environmental representatives. The Office shall hold public hearings on each major area of inquiry to permit interested persons to present information orally, to conduct or have conducted cross examination of such persons as the Office determines appropriate for a full airing of the issues, and to present rebuttal arguments. A verbatim transcript of such oral

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presentation and cross-examination shall be published by the Office. The Office shall have the power to enter into contracts with individuals or corporations for the purposes of conducting the study, but shall not rely primarily on the expertise of any industry or company which provides materials, management capabilities, research, or consultant services for nuclear fission power plants or which otherwise, in the judgment of the Office, might have an interest in perpetuating the nuclear industry.

(c) All Government agencies shall cooperate to the fullest extent with the Office and shall provide access to their personnel and data. At the request of the Office, any Government agency shall furnish any information which the Office deems appropriate for the purpose of conducting the study. The Office is further empowered to compel the delivery of any information in the possession of the Nuclear Regulatory Commission, National Laboratories, or any person, corporation, or association which the Office deems necessary for conducting the study.

OFFICE OF TECHNOLOGY ASSESSMENT REPORTS

SEC. 5. (a) The Office of Technology Assessment, in conducting the study described in section 4, shall report annually to the Congress on the progress of the study, and the Office shall conduct annual public hearing concerning such progress. In each annual report, the Office shall inform the Congress of the actons it has taken to fulfill the requirements of the Act; whether it has found evidence that any persons have violated the laws and regulations relating to safety in the development or use of nuclear power or of special nuclear materials; whether it has any evidence that the agencies of the Federal Government, present or past, which have the responsibility for insuring the safety of the nuclear fission power, have not faithfully or effectively exercised their responsibilities; the extent to which other Federal agencies have cooperated with the Office; whether all information requests by the Office under section 4(c) have been complied with; and whether, and to what extent, the Office has made provision to insure that all viewpoints have been adequately considered. The Office, in its annual report, shall also make available to the Congress any information relating to the safety of the nuclear fuel cycle which has heretofore not been public information either because it was not publicly available, or it was not completed in an analytical form, or for other reasons.

(b) Five years after the date of enactment of this Act, the Office of Technology shall submit to the Congress a final report stating the findings of the study with regard to the safety and environmental impact of the nuclear fuel cycle; the potential cost and reliability of fission-generated power; and other aspects of fission-generated power and the nuclear fuel cycle, as deemed appropriate by the Office. The final report shall include the recommendations of the Office with regard to further development of nuclear fission power plants, considering especially their potential impact on the health and safety of humans and the cost and energy potential of nuclear fission power; and comparing nuclear fission power in these regards with other energy sources.

PUBLIC INFORMATION

SEC. 6. (a) The Office of Technology Assessment shall be subject to section 552 of title 5, United States Code. The provisions of paragraphs (4) and (5) of section 552 of title 5, United States Code, shall not be construed to apply to any records of the Office which relate to the development, operation, or efficacy of the safety systems throughout the entire nuclear fuel cycle, except that provisions of paragraph (4) of such section may be construed to apply to such records in any case where the Office, after notice and opportunity for an agency hearing on the record, determines that such disclosure would result in irreparable injury to the competitive position of the person from whom the information was obtained. Such determination shall be subject to judicial review pursuant to section 552 of title 5, United States Code.

(b) As used in subsection (a)—

(1) the term "records of the Office" includes any application, document, study, report, correspondence, or other material or information or any part thereof received by or originated by the Office in connection with its duties under this Act; and

(2) the term "Office" means the Office of Technology Assessment, or any entity therein.

COMPENSATION FOR PUBLIC

SEC. 7. The Office of Technology Assessment shall, pursuant to rules promulgated by it, provide compensation for travel costs, per diem expenses, and experts' fees, and other costs in consulting with the Office, pursuant to the Office's responsibility under section 3(b), to any person who—

(1) has or represents an interest (A) which would not otherwise be adequately represented in such consultation, and (B) whose views are deemed by the Office to be necessary for a full assessment of the nuclear fuel cycle or nuclear fission generated power or other energy sources, pursuant to this Act; and

(2) who is unable to participate effectively in such assessment because such person cannot afford to pay the cost of travel, per diem expenses and expert witnesses.

AUTHORIZATION

SEC. 8. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

By Mr. GRAVEL:

S. 1827. A bill to amend the Comprehensive Employment and Training Act of 1973 to further define sponsors of public employment programs under that act. Referred to the Committee on Labor and Public Welfare.

Mr. GRAVEL. Mr. President, I am today introducing legislation which would amend the Comprehensive Employment and Training Act of 1973 to further define sponsors of public employment programs under that act.

The Comprehensive Employment and Training Act of 1973—CETA—granted to native American groups the authority to operate Federal manpower programs and provide manpower services directly to their people. Without question, passage of CETA with this provision was significant in the recognition it gave to the concept of "Indian Self-determination" as a matter of Federal law and policy. I wholeheartedly support this policy, along with the Senate as a whole.

Last December we extended the scope of the original CETA legislation with the passage of the Emergency Jobs and Unemployment Assistance Act of 1974. Again, we recognized the concept of "Indian Self-determination" by authorizing native American groups to operate manpower programs under title VI of that legislation to the extent "eligible applicants" are defined in section 602 of title VI. Section 602 refers to "prime sponsors under title I and Indian tribes on Federal or State reservations." It has since been called to my attention that we did not go far enough in defining "eligible applicants" for title VI funds, and in the process excluded many native American groups who are successfully providing manpower services under title III. Without question, a significant number of native Americans eligible for title VI services do not reside on reservations.

For example, in Alaska only 1 of the 14 organizations providing manpower services represents individuals who live on a reservation. On a broader scale, I am advised that of the 133 prime sponsors of Indian manpower programs nationally under title III of CETA, only 71 are eligible prime sponsors under title VI. Judging from the success of title III prime sponsors, I would suggest "high unemployment" does not know the boundaries of American Indian reservations.

I feel we can make an important contribution to the success of title VI programs by amending section 602 of title VI to further refine the term "eligible applicants" of CETA.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1827

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 602(e) of the Comprehensive Employment and Training Act of 1973 is amended by striking out "Indian Tribes on Federal or State reservations" and inserting in lieu thereof "all Indian Tribes, bands or groups qualified under section 302 of this Act".

SEC. 2. (a) Section 603(a) of the Comprehensive Employment and Training Act of 1973 is amended by redesignating paragraphs (1) and (2) of such section as paragraphs (2) and (3), respectively and by inserting immediately after "(a)" the following: "(1) The Secretary shall reserve an amount equal to not less than four per centum of the amounts appropriated under section 601 for any fiscal year for Indian Tribes, bands or groups qualified under section 302 of this Act to provide public service employment."

(b) Section 603(a)(2) of such Act, as redesignated by this Act, is amended by inserting after "per centum" the following: "of the remainder".

SEC. 3. The amendments made by this Act shall be effective with respect to appropriations made after May 15, 1975.

By Mr. HUGH SCOTT:

S. 1829. A bill to incorporate the National Federation of Music Clubs. Referred to the Committee on the Judiciary.

Mr. HUGH SCOTT. Mr. President, at the suggestion of my friend and erstwhile colleague, Sam J. Ervin, I am introducing a bill which would provide a national charter for the National Federation of Music Clubs. This is a measure which Senator Ervin submitted in the 91st, 92d, and 93d Congress, and I am pleased to have this opportunity to continue the efforts to strengthen the place of music in our national life. I urge my colleagues to join in support of this tribute to the art that has soothed so many savage beasts.

I ask unanimous consent that the bill, as well as Senator Ervin's floor statement of March 13, 1973, be printed in the RECORD.

There being no objection, the bill and statement were ordered to be printed in the RECORD, as follows:

S. 1829

Be it enacted by the Senate and House of Represntatives of the United States of America in Congress assembled, That the Congress finds and declares that—

(1) the influence of the National Federation of Music Clubs is felt throughout the United States and throughout the world;

(2) the National Federation of Music Clubs has provided leadership in making the fine arts an important part of our national and international life; and

(3) the National Federation of Music Clubs is devoted to encouraging excellence in all fields of music.

SEC. 2. Mrs. Maurice Honigman, Mrs. Frank A. Vought, Mrs. Jack C. Ward, Mrs. Hal H. McHaney, Mrs. Raymond H. Reece, Mrs. Vernon L. Manuel, Mrs. Charles L. Wilson, Mrs. Robert E. L. Freeman, and Mr. J. Phillip Plank; and their successors, are hereby created and declared to be a body corporate by the name of the National Federation of Music Clubs (hereinafter referred to as the "corporation"), and by such name shall be known and have perpetual succession, and the powers, limitations, and restrictions herein contained.

SEC. 3. The persons named in section 2 of this Act shall be the incorporators of the corporation and a majority of such persons are authorized to complete the organization of the corporation by the selection of officers and employees, the adoption of a constitution and bylaws, not inconsistent with this Act, and the doing of such other acts as may be necessary for such purpose.

SEC. 4. This corporation is formed for fraternal, patriotic, historical, and educational purposes; to bring into working relations with one another, music club and other musical organizations and individuals directly or indirectly associated with musical activity for the purpose of developing and maintaining high musical standards; to aid and encourage musical education; and to promote American music and American artists throughout the United States of America and other nations.

SEC. 5. The corporation shall have power—

(1) to sue and be sued, complain, and defend in any court of competent jurisdiction;

(2) to adopt, alter, and use a corporate seal;

(3) to appoint and fix the compensation of such officers, employees, managers, and agents, as its business may require, and define their authority and duties;

(4) to adopt, amend, and alter bylaws and regulations not inconsistent with the laws of the United States or any State, or the District of Columbia, in which such corporation is to operate, for the management of its property and the regulation of its affairs;

(5) to make and carry out contracts;

(6) to charge and collect membership dues, subscription fees, and receive contributions or grants of money to be devoted to the carrying out of its purposes;

(7) to take and hold by lease, gift, purchase, grant, devise, or bequest any property, real, personal, or mixed, necessary for attaining the objects and carrying into effect the purposes of the corporation, subject, however, to applicable provisions of law of any State or the District of Columbia (A) governing the amount or kind of real and personal property which may be held by or (B) otherwise limiting or controlling the ownership of real and personal property by, a corporation opeating in such State, or the District of Columbia;

(8) to transfer, convey, lease, sublease, mortgage, encumber, and otherwise alienate real, personal, or mixed property;

(9) to borrow money for the puposes of the corporation, issue bonds or other evidences of indebtedness therefor, and secure the same by mortgage, deed of trust, pledge, or otherwise, subject in every case to all applicable provisions of the Federal and State laws or of the laws of the District of Columbia; and

(10) to do any and all lawful acts and things necessary and proper to carry out the objects and purposes of the corporation.

SEC. 6. Eligibility for membership in the corporation and the rights and privileges of members shall, except as provided in this Act, be determined as the constitution and bylaws of the corporation may provide.

SEC. 7. (a) Upon the enactment of this Act and for not more than one year thereafter, the membership of the initial board of directors of the corporation shall consist of those persons named in section 2 of this Act.

(b) Thereafter, the board of directors of the corporation shall consist of such number, shall be selected in such manner, and shall serve for such term as may be prescribed in the constitution and bylaws of the corporation.

(c) The board of directors shall be the governing board of the corporation, and shall be responsible for the general policies and program of the corporation and for the control of all funds of the corporation.

(d) The board of directors may establish an executive committee and other committees to exercise such power as may be prescribed in the bylaws.

SEC. 8. The officers of the corporation shall be those provided in its bylaws. Such officers shall be elected in such manner, for such term, and with such duties, as may be prescribed in such bylaws.

SEC. 9. (a) The principal office of the corporation shall be located at 600 South Michigan Avenue, Chicago, Illinois 60605, or in such other place as may later be determined by the board of directors, but the activities of the corporation shall not be confined to that place but may be conducted throughout the United States and each territory, possession, and dependency of the United States.

(b) The corporation shall maintain at all times in the District of Columbia a designated agent authorized to accept service of process for the corporation, and notice to or service upon such agent, or mailed to the business address of such agent, shall be deemed notice to, or service upon, the corporation.

SEC. 10. (a) No part of the income or assets of the corporation shall inure to any member, officer, employee or member of the board of directors, executive board, or committees, or be distributable to any such person during the life of the corporation or upon its dissolution or final liquidation. Nothing in this subsection, however, shall be construed to prevent the payment of reasonable compensation to officers of the corporation or reimbursement for actual expenses in amounts approved by the corporation's board of directors.

(b) The corporation shall not make loans to its members, officers, employees, or members of the board of directors, executive board, or committees. Any member of the board of directors who votes for or assents to the making of such loan, and any officer who participates in the making of a loan, shall be jointly and severally liable to the corporation for the amount of such a loan until the repayment thereof.

SEC. 11. The corporation shall be liable for the acts of its officers, agents, managers, and employees when acting within the scope of their authority or employment.

SEC. 12. The corporation and its officers and members of the board of directors as such, shall not contribute to or otherwise support or assist any political party or candidate for office.

SEC. 13. The corporation shall have no power to issue any shares of stock nor to declare or pay any dividends.

SEC. 14. The corporation shall keep correct and complete books and records of account. It shall also keep minutes of the proceedings of its members and board of directors, and executive board and committees authorized by the board of directors. The corporation shall keep at its principal office a record of the names and addresses of its members entitled to vote. All books and records of the corporation may be inspected by any member, or his agent or attorney, for any proper purpose, at any reasonable time.

SEC. 15. Upon dissolution or final liquidation of the corporation, after discharge or satisfaction of all outstanding obligations and liabilities, the remaining assets of the corporation may be distributed in accordance with the determination of the board of directors of the corporation and in compliance with this Act, the bylaws of the corporation, and all other Federal and State laws and laws of the District of Columbia applicable thereto.

SEC. 16. The corporation shall have the sole and exclusive right to use and allow or refuse to others the use of the name "National Federation of Music Clubs", and to have and to use such distinctive insignia, emblems, seals, and badges, descriptive or designating marks, and words or phrases, as may be required to carry out the purposes of the corporation. No powers or privileges hereby granted shall, however, interfere or conflict with established or vested rights.

SEC. 17. The first section of the Act entitled "An Act to provide for audit of accounts of private corporations established under Federal law", approved August 30, 1964 (78 Stat. 635; 36 U.S.C. 1101), is amended by adding at the end thereof the following:

"(49) National Federation of Music Clubs".

SEC. 18. The right to alter, amend, or repeal this Act is hereby expressly reserved to the Congress.

FEDERAL CHARTER BILL FOR NATIONAL FEDERATION OF MUSIC CLUBS

Mr. ERVIN. Mr. President, I introduce today a bill to provide a national charter for the National Federation of Music Clubs. In both the 91st and 92d Congresses, I introduced similar legislation for the chartering of this meritorious organization. On November 12, 1971, a public hearing was held for the consideration of this and other charter bills. Unfortunately, no action was taken on the bill by the Subcommittee on Federal Charters, Holidays, and Celebrations of the Committee on the Judiciary. Since that time the National Federation of Music Clubs has continued its educational and altruistic promotion of music in our country and plans to celebrate its 75th anniversary at its national convention in April of this year.

It has provided leadership in making the fine arts an important part of our national life. Actually, the influence of the national federation is international in scope because it is the world's largest philanthropic music organization.

I believe that the passage of a bill to give a Federal charter to the National Federation of Music Clubs would be a most helpful contribution to the advancement of music in our country. It would mean governmental recognition for the work of the national federation, and thereby add to its prestige and strengthen the place of music in our national life. A Federal charter for this fine organization will not mean any Federal control over its activities. It will not result in any Government subsidy for the organization's work. Passage of this bill will simply give recognition to this outstanding music group, just as the National Music Council, the American Symphony Orchestra League, and the American National Theater and Academy have been honored by Congress.

It is my earnest hope that this Congress will have the opportunity to act favorably on this bill in the very near future.

By Mr. WILLIAMS:

S. 1830. A bill to prohibit the use of leg-hold and steel-jaw traps on animals in the United States, and for other purposes. Referred to the Committee on Commerce.

WILDLIFE PROTECTION ACT

Mr. WILLIAMS. Mr. President, more animals are trapped in the United States than in any other country in the world. Every year in this country, some 10 million animals are trapped for their fur. And this figure represents only about one-third of the animals killed or mutilated in traps. The other two-thirds, which have no commercial value, often die in the traps, or are killed and discarded. This is hardly a record of which we can be proud.

Most of these animals are captured in a deceptively simple instrument of torture—the common steel-law, leg-hold trap.

The world famous trapper, Frank Conibear, has written extensively about his experiences along the traplines in Canada. On a typical day, he would find mink, fox, lynx, and marten, all highly prized for their fur. Some of the animals in the traps would be dead from exhaustion or frozen in the bitter Canadian winter. Often, they would leave traces of their long and futile struggle for freedom. Surrounding shrubbery would be marred by teeth and claw marks. Some animals would still be alive in the traps, waiting in terror for the approach of their captors. Sometimes, Mr. Conibear would find only the claws, a foot or a leg of an animal chewed off in desperation and left as a grisly reminder of the animals plight.

The spring pole set used to prevent the victim from escaping or being attacked by predators, is probably the most painful of all leg-hold traps. As Mr. Conibear describes it:

> This is a supple tree, bent over, and the top, to which a trap has been fastened, hooked down so that when an animal is caught, its struggles release the tree which draws the trap and the animal up into the air. The animal dangles, struggling, in the air, the whole of its weight hanging from one foot. There is probably no greater agony than this. Its sufferings are quite beyond power to describe.

After 32 years of trapping, Conibear stopped and wrote his "Testimony of a Trapper," in which he declared:

> It is probable that no instrument was ever invented that caused as much suffering as the common steel trap. Its continued use is the greatest blot on civilization today . . . I think the annual sufferings of trapped animals in North America alone are greater than those caused by any war to mankind in Europe over an equal period of time.

This was written in 1946. In 1975, these cruel traps continue to be used without restriction in all but three States. My own State of New Jersey prohibited their use in urban counties in 1971. Twelve foreign nations including most Western European nations prohibit leg-hold traps, and several others restrict their use. I believe it is time the United States acted to eliminate these devices, not only because they are inhumane but because we need to preserve our rapidly diminishing wildlife populations.

I was pleased to sponsor the Endangered Species Conservation Act which became public law in the 93d Congress. This legislation represented a giant step in the protection of wildlife threatened with extinction. Unfortunately, however, as the market for furs of endangered animals has been forceably curtailed, the demand for other furs has soared. And inhumane traps are the primary instruments for supplying the new market for "fun furs."

An equally serious danger posed by these cruel devices is that they do not distinguish between the wild animals for which they were intended and any other unsuspecting victim. A steel trap could snare someone's pet dog or cat, or even a child, as easily as it could a fox or a mink.

For all of these reasons, Mr. President, I am introducing a bill which would virtually prohibit the use of leg-hold and steel-jaw traps. In the last Congress, I introduced a bill to prohibit the movement in commerce of any fur or by-products of animals trapped in a State or country where such traps are not prohibited. The bill I am introducing today would strengthen that measure. It would also forbid the movement in interstate or foreign commerce of the traps themselves. A maximum fine of $2,000 would be levied against first offenders. Subsequent offenses would be punished by a fine of up to $5,000 and imprisonment of up to 3 years.

Banning the use of cruel trapping devices is one way in which we can alleviate the suffering of animals. Beyond that, I am convinced that society as a whole will benefit if these devices are eliminated. Someone once said:

> If modern civilized man had to kill the animals he eats, the number of vegetarians would rise astronomically.

In the same way, if we were to witness the death of an animal in a steel trap, I would guess we would quickly lose our taste for fur coats. From his extensive studies of trapping, Cleveland Amory concluded that:

> Until the leg-hold trap is outlawed, any woman who wears a wild fur has on her back at least 150 hours of torture.

There is no room in our civilization for the torture of living things. The humane instincts in all of us must prevail over the motives of fashion and profit which allow inhumane trapping to continue. It is my hope that the 94th Congress will act decisively in bringing an end to the use of steel jaw and leg-hold traps in this Nation.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1830

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DECLARATION OF POLICY

SECTION 1. (a) It is hereby declared to be the public policy of the United States to discourage the needless maiming and suffering inflicted upon wild animals by the use of leg-hold and steel jaw traps; and

(b) In furtherance of this general policy, it shall also be the public policy of the United States to prohibit, among other things, the manufacture, sale, interstate shipment, and use of leg-hold and steel jaw traps in the United States.

SEC. 2. (a) No fur, leather, or other by-products, whether raw or in finished form, shall be shipped into interstate or foreign commerce if such fur, leather, or other by-products come from animals trapped in any State or foreign country which has not banned the manufacture, sale, and use of leg-hold and steel jaw traps.

(b) The Secretary of State shall ban all imports of fur, leather, or other by-products from animals from any and all foreign countries which have not banned the manufacture, sale, and use of such leg-hold and steel jaw traps.

CURRENT LIST

SEC. 3. The Secretary of State shall compile, publish, and keep current a list of foreign countries which have not banned the manufacture, sale, and use of leg-hold and steel jaw traps.

PENALTIES

SEC. 4. Anyone shipping or receiving fur, leather, or other by-products in contravention of Section 2 of this Act shall, for the first offense, be fined not more than $2,000; for the second or subsequent offenses, he shall be fined not more than $5,000 and imprisoned for not more than three years.

SHIPMENT OF TRAPS

SEC. 5. Whoever delivers, carries, transports, or ships, by any means whatever, in interstate or foreign commerce, any leg-hold, or steel jaw trap or whoever receives, acquires, or purchases, knowingly, any such trap so delivered, carried, transported or shipped, shall, for the first offense, be fined not more than $2,000; for the second or subsequent offenses, he shall be fined not more than $5,000 and imprisoned for not more than three years.

DEFINITIONS

SEC. 6. As used in this Act, the term—

(1) "State" includes each of the several States of the United States, the District of Columbia, and the territories and possessions of the United States; and

(2) "interstate or foreign commerce" shall have the same meaning as that provided by Section 10 of Title 18, United States Code.

EFFECTIVE DATE

SEC. 7. The provisions of this Act shall become effective one year after the date of its enactment.

By Mr. PACKWOOD (for himself, Mr. HATFIELD, and Mr. STEVENS):

S. 1831. A bill—the Presidential Regional Primaries Act. Referred to the Committee on Rules and Administration.

THE PRESIDENTIAL REGIONAL PRIMARIES ACT

Mr. PACKWOOD. Mr. President, I am today reintroducing legislation to reform our Presidential primary system. My proposal would establish five regional Presidential preference primaries. It would replace the present mishmash of primaries which force candidates to hopscotch across the country from March until midsummer.

The problems with our present system are glaringly obvious.

Presidential primaries have become brutal, free-for-all endurance contests. Rather than testing qualities of statesmanship, they only determine which candidates have the stamina to go the distance.

The way we select our Presidential candidates now can be likened to a Barnum & Bailey traveling sideshow that is in New Hampshire one week, Florida the next, and does not end until the curtain has come down a total of 30 times. These Presidential extravaganzas leave the candidates tired and broke, and the public bored or bewildered, and far too often—disgusted.

We have reached the point in the evolution of Presidential primaries where the present system is worse than chaotic. State election laws are dizzying in their disparity. There is a lack of logic, coherence, and uniformity in our current practice.

Mr. President, while the need for reform is clear, there is a good deal of dispute as to where we should go from here. Two excellent articles, one by Jules Whitcover and the other by Arlen J. Large outline the alternatives. I ask unanimous consent that they be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Jan. 22, 1975]

REVISING OUR POLITICAL PRIMARY SYSTEM

(By Jules Witcover)

One of the most disturbing statements by a politician in 1974 came not from anyone involved in the Watergate affair, but rather from Sen. Walter F. Mondale on the occasion of his withdrawal from 1976 Democratic presidential contention.

"I don't think anyone should be President who is not willing to go through fire," said the senior senator from Minnesota as he declared his unwillingness to face the ordeal imposed upon those who seek the presidency through major-party nomination. That ordeal will begin again in earnest a year from now with the New Hampshire presidential primary, the first of at least 27 trial heats in which candidates will compete for convention delegates and public credibility.

Mondale's decision raised an obvious question: If the primary system is so brutal that it discourages men of Mondale's stature from seeking the presidency, isn't it time the system were changed? The question still demands an answer and some action.

That action can come from the new 94th Congress, which brings to Washington a large number of reform-minded members. It is probably too late to do much about the 1976 primary schedule. But it is not too late for Congress to begin to give serious consideration to alternate ways of selecting presidential nominees.

There is ample evidence that the primary system needs reform. The only guaranteed result of next year's ordeal is that by mid-1976 the survivors of the primaries will go into their parties' conventions approaching a state of physical and mental exhaustion. For those who win their party's nominations, the arduous presidential campaign of the jet age will still lie ahead.

Oddly, while deploring the ordeal, Americans have generally agreed with Mondale that the individual who wins ought to be willing "to go through fire." Richard Nixon was such a candidate, and his extravagant desire to be President—only later seen as a fatal flaw—was regarded by many as a major recommendation for his election.

The political experience of recent years, however, demonstrates the need for bringing at least a modicum of sense and manageability to the presidential primary system. Although they are far from the final answer, there have been two bills and a joint resolution languishing in Congress that offer a worthy starting point for discussion of reform.

Sen. Henry Bellmon (R-Okla.) has proposed a national primary, with a runoff between the first two vote-getters in the event no candidate receives a majority. Sen. Bob Packwood (R-Ore.) has suggested a series of five regional primaries, one a month from March through July, with delegates chosen in each state apportioned to candidates according to their share of the state vote.

Rep. Morris K. Udall (D-Ariz.), himself a presidential aspirant, has proposed the establishment of three primary dates on which state primaries would be clustered, not regionally but to provide a cross-section test of the national sentiment. A party would have to have received 10 per cent of the national vote in the previous presidential election to place a candidate on the ballot. A candidate who won a majority of the vote in any state would get all of the state's delegates on the first convention ballot. If no candidate won a majority, the delegates would be apportioned for the first ballot among those with 10 per cent or more of the vote.

Both the Packwood and Udall plans call for creation of a special committee or commission to determine who shall be placed on the ballot, and both have provisons for unwillling candidates to withdraw and for additional starters to be named if they can demonstrate sufficient support by petition.

The Bellmon plan for a national primary has the virtue of being simple and straightforward, but it has some obvious drawbacks. It amounts, Udall notes, to "one roll of the dice," and would require candidates to conduct a national campaign. Those with little public recognition nationally or little money to develop it would be severely handicapped.

The series of regional primaries proposed by Packwood would enable the candidates to concentrate their compaigning in one geographic area at a time, thus saving time and energy. But this approach could convey to the public false impressions of strength and weakness. Candidates might fare well in their home regions and poorly elsewhere.

The clustered cross-section of state primaries proposed by Udall would give the public a more meaningful picture on each of the three election nights concerning the candidates' real strength. Thus, by example, on the first primary date in April voters might go to the polls in New Hampshire, New Mexico, Washington State, Tennessee and Michigan. A candidate who fared well in that mix could claim real national strength. New Hampshire would no longer be the incubator of one man's hopes and the graveyard of another's, as so often in the past.

The drawback in the Udall plan is that candidates probably would have to campaign just as frenetically to reach the electorate in each of the states where the primary was being held, paying the same high price in time, money and effort they have to expend under the current system.

None of these proposals, obviously, is a cure for what ails the presidential selection process. But they do offer the bases from which a solutioin to the existing madness can be sought in Congress. In the meantime, the tiny state of New Hampshire remains the first battleground of 1976. In 1972, this was the state where a mere 89,000 Democratic voters started Sen. Edmund S. Muskie (D-Me.) on his slide by giving their New England neighbor only 46.4 per cent of their vote.

Barring any change, New Hampshire will again have influence far beyond its importance as a test of national preferences. So the trek to Concord and Manchester and Nashua and Keene that already has begun will go on throughout this new year, whether we the people and they the candidates like it or not.

[From the Wall Street Journal, Apr. 1, 1975]

SETTING UP THE HURDLES FOR 1976

(By Arlen J. Large)

WASHINGTON.—When Dwight Eisenhower ran for President in 1952 there were party nominating primaries in 17 states. Twenty years later contestants for the Democratic nomination had to thread their way through 24 state primaries. Next year the number will grow to 28 and perhaps more.

For the first time, presidential primaries of one sort or another will be held in more than half the states. Moreover, there's a good chance the nomination may be contested in both parties.

So, even though the presidential primary season is a year away, the grumbling can be predicted: The whole primary obstacle course is too confusing, it lasts too long, it makes the candidates do silly things, it sours the voters on politics generally and thereby causes low turnouts.

Pending in Congress are various plans to make the system more rational. Though discontent isn't at its peak yet, maybe the time to act is now.

It is, however, already too late. Candidates and voters are doomed to endure in 1976 the worst primary hazing yet, and nothing much can be done about it—at least on a national basis. The best that would-be reformers are hoping for is a more sensible set of primary rules for the presidential election of 1980.

"You have to give the states about three years' lead time to change their laws," says Rep. Morris Udall of Arizona, who has his own plan for rationalizing the primary system by 1980. Yet Mr. Udall, who himself faces the rigors of the Democratic presidential primary trail next year, complains that the ups and downs of interest in the problem always seem out of phase with a readiness to act.

"A year from now everybody will say we've got to change this later," he observes. "But when the primary season is over, the interest wanes. Later never comes."

The presidential nominating primary was first set up by Oregon in 1911 as the progressive era's answer to rule by party bosses. The democratic idea of a party nominating its candidate by a vote of the rank-and-file membership spread slowly, however; most state parties continued to use conventions or the whims of bosses to pick delegates to the national nominating conventions every presidential year.

The 1968 Democratic National Convention in Chicago set new rules for delegate selection which several state parties decided could best be met by a primary, and by 1972 the number of state presidential primaries had risen to 24. Since then primaries have been set up for next year by the legislatures of Kentucky, Nevada, Idaho, Montana and Georgia, and new primaries are being considered in Texas, Mississippi, Washington, Louisiana and Minnesota.

NEW MEXICO'S STORY

New Mexico, meanwhile, must be subtracted from the list. Both parties were unhappy with the 1972 primary outcome. It was, for one thing, held on the same day as the climatic, McGovern-vs.-Humphrey primary in California, and nobody paid any attention to what happened in the precincts of Albuquerque. Now, New Mexico's establishment Democrats are worried about another strong showing by Alabama Gov. George Wallace next year. Thus the legislature has voted to revert to the old system of giving party conventions the main say in the nominating process.

Pending in the North Carolina legislature is a similar proposal to do away with the presidential primary, again due in part to Wallace worries among Democratic regulars. Gov. Wallace's impact on 1976 presidential politics is a separate subject; the point here is that politicians create or abolish primaries in an attempt to manipulate the presidential race itself. A citizen may or may not be presented with a ballot-box choice according to the intrigues of the players.

Specific political needs can also influence the kind of primary that voters are offered. The California legislature is expected to help the Democrats comply with the new national party rule against the old system of awarding all the delegates to the primary candidate who places first statewide. But the legislature also may accommodate former Gov. Ronald Reagan's wish to go to the GOP National Convention at the head of a full slate of loyal delegates. This would mean keeping the old statewide winner-take-all system for the Republicans only; both parties would vote the same day, but under different rules.

Thus, for crass political reasons the primary states have evolved their own individualistic rules that amount to a national hodgepodge. And there are crass commercial motivations as well, such as New Hampshire's fixation on having the earliest primary to attract free-spending outsiders and inordinate publicity for all that snow.

In recent years there's been a more or less spontaneous trend toward reducing the state-by-state vagaries in one respect. You may be a true-blue booster of Senator Z for President, but you're out of luck if you must vote in a state primary he chooses to forego for strategy reasons. So more legislatures have been adopting the Oregon approach of putting on the ballot everyone mentioned by the press as a presidential contender. Senator Z's fans thus will be able to vote for him in more states.

But this free-for-all approach has its drawbacks, and Florida's freshman Democratic Sen. Richard Stone thinks the fad may recede. He was Florida's secretary of state when the Oregon system was tried down there in 1972, with a full field of 11 Democrats ranging from Gov. Wallace, who won, to former Los Angeles Mayor Sam Yorty, who finished last. "It was a period when there were a lot of unannounced but active candidates, and there was a widespread feeling that we should smoke them out," recalls Sen. Stone. But the big field so confused and bored the voters that "now we think we ought to cover them all back up," he says. The Florida legislature, he believes, also will move back the primary date from March to May, "to let the race shape up more clearly before our people vote."

Next year's primary hurdles looked so awful to Minnesota Sen. Walter Mondale that he decided not to be a Democratic contender. He, too, thinks a candidate should be able to pick which primaries to enter instead of being thrown on an Oregon-type ballot involuntarily. "That's just Mickey Mouse," he says. "It's more designed to help the state's tourist industry than to nominate a President."

Both Sens. Stone and Mondale favor the idea of a series of regional primaries that would cluster more conveniently the efforts of candidates and voters alike. (On their own, Idaho and Nevada have decided to hold primaries next year on the same day as Oregon and under Oregon's procedures; Washington state may join. The result will be a national primary of sorts.) A much broader plan has been pushed by Oregon's Republican Sen. Robert Packwood, who would carve the nation into five contiguous primary regions of roughly equal population. Democrats and Republicans in the first region, say the Northeast, would vote separately for their respective candidates on the second Tuesday in March. The Midwest would vote a month afterward, followed at monthly intervals by the other three regions.

ADVANTAGES AND DRAWBACKS

This would have the advantage of cutting down the number of primaries while retaining the present system's virtue of forcing candidates through a test of political skill in both time and geography. Disgust with the current chaos often brings calls for a clean-cut national primary in which voters in both parties would pick their presidential nominees on the same day. But this would merely mean victory for the front-runners on the day the votes were cast, offering a single snapshot of the electorate's mood that could change later on. A sequence of primaries, with no assurance that any one will be decisive, gives voters more time to judge the candidate's performance in different settings. Sen. Packwood's plan would package that sequence more rationally.

But it, too, has drawbacks. The regional primary contestants would win pledged national convention delegates exactly proportional to their popular vote. After the fifth regional primary, plain arithmetic would show whom the convention would nominate. The delegates would have little to do except write a platform and ratify the nominee's vice presidential choice. State political parties would be precluded from sending uncommitted delegates to the national conventions for some unstructured political bargaining. The convention would no longer be a forum for party compromise.

Rep. Udall's plan seeks middle ground. The Arizonan would require no state to have a primary, and delegates picked at state conventions could still wheel and deal in Miami Beach. But those states holding primaries would have to schedule them for one of three optional dates in April, May and June. The primary season would be shortened, but would still offer a sequence of tests that could be exploited by a late-blooming candidate. A contender would have to run in all the states holding a primary on one of the three specified days, but he could skip the first cluster and get back on the ballots of the second.

"Some will view this proposal as merely a partial reform," said Rep. Udall when introducing his bill last month, "but I believe it would be a reasonable, valuable step toward some order in our chaotic system of choosing presidential candidates."

No one expects Congress can act on any of these proposals in time to impose more order on next year's primary profusion. (Indeed, some election experts think Congress may not have constitutional authority to act at all in regulating delegate selection by state political parties.) Meanwhile, some degree of rationalization may come from the new law governing primary campaign financing by the candidates. Each will be limited to $10 million nationwide, with state sublimits as low as $200,000 in New Hampshire. The rules will require contestants to budget more carefully and to be more selective in picking states for heavy campaigning.

However, this is rationality as seen from the viewpoint of the politicians, the producers of the coming onslaught of primary incoherence. To the consumers, the voters, the 1976 primary season promises to make less sense than ever.

Mr. PACKWOOD. Mr. President, on the surface, a single national primary might appear to be the most attractive alternative. However, a national primary presents pitfalls which are overriding in their significance. The cost of campaigning in a national primary would be enormous. An unknown candidate would be placed at a tremendous disadvantage. He could not contemplate participating unless he could raise enough money in advance to guarantee that his name would become a household word. Such a candidate would be rare indeed.

A candidate could be in Los Angeles today, New York tomorrow, and Florida a day later. The Pendleton, Oregons, and the Keokuk, Iowas, would never see the candidate.

In short, Mr. President, I believe a single national primary is inadequate. It would only build a bigger circus, with higher entrance fees.

If you assume that our current primary system needs reform, and that a national primary does not provide the answer, I believe the conclusion is inescapable that a reform occupying some middle ground is necessary. My proposal for regional primaries succeeds in meeting that objective.

A regional primary system would be an orderly way to cut down on the number of primaries but would still force candidates through a test of political leadership in every section of the country. As it is now, candidates are losing their credibility and the office is losing its dignity in the race across the country. We must restore credibility to the candidates and order to the selection process before the "1976 American Presidential Primary Steeplechase" begins.

Mr. President, I ask unanimous consent that a summary of my bill be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

My proposal establishes a system of five regional primaries throughout the Nation. Every State is included in one of the following five regions:

(A) Connecticut, Delaware, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island and Vermont.

(B) Illinois, Indiana, Kentucky, Michigan, Ohio, and West Virginia.

(C) Alabama, the Canal Zone, District of Columbia, Florida, Georgia, Maryland, Mississippi, North Carolina, the Commonwealth of Puerto Rico, South Carolina, Tennessee, Virginia, and the Virgin Islands.

(D) Arkansas, Iowa, Kansas, Louisiana, Minnesota, Missouri, Nebraska, North Dakota, Oklahoma, South Dakota, Texas, and Wisconsin.

(E) Alaska, Arizona, California, Colorado, Guam, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

The first regional primary would be held on the second Tuesday in March, with another primary to be held on the second Tuesday in each of the succeeding four months.

The Federal Elections Commission would be directed to meet 70 days prior to the March primary and determine by lot the region in which the first primary would be held. This process would be repeated for each of the remaining regions. In this way, the order of the primaries would not be known in advance.

Under the current system, some candidates begin their campaigns for nomination almost two years prior to the presidential election. They are able to do this because certain States have set primary dates and all of the candidate's money, energy, and tal-

ent are focused on those particular States. A national primary would not change this. The date would still be known and candidates could still begin their campaigns far in advance.

Under my proposal, however, candidates would not know where the first regional primary would be held until 70 days prior to it. All candidates would be forced to shepherd their limited financial resources until they knew which regional primary would be first.

Practical politics would dictate that a candidate spend most of his available time in the region holding the next primary. In a national primary, by contrast, a candidate would be in Los Angeles today, New York tomorrow, and Florida a day later. The Boise, Idahos and the Keokuk, Iowas would never see the candidate. This whirl-wind approach would fatigue the candidates, sour the voters, and badly erode confidence in government.

In order to qualify for the ballot under my plan, a presidential aspirant must be "generally recognized in national media throughout the United States" as a candidate. Whether a candidate were so "recognized" would be determined by a majority of the commission. If he were not so "recognized," his name could still be added if he either (1) filed a petition signed by one per cent of the registered voters of the region or (2) paid a filing fee of $10,000 which would be refunded if he received five per cent of the vote in the region. A candidate could have his name removed from the ballot if he stated unequivocally in writing that he was not and did not intend to become a candidate for president.

A further weakness of the present primary system is the hit and miss method of selecting delegates to national conventions. About one-third of the States select delegates by direct election sometime between March and July.

In the remainder of the States, delegates are selected through internal party processes. There is no guarantee that delegates will represent the proportional strength of the various candidates in each State. An unjustifiable amount of time, talent, money and energy is spent by presidential aspirants in electing delegates, rather than discussing the issues. Organizers are sent to primary States months in advance. Delegates are interviewed and selected. Slates are formed. A principal campaign organizer for one of this year's major democratic aspirants has said, "the name of the game is delegates." The name of the game should be issues and philosophy. And all of this hocus-pocus delegate selection process is usually removed from and misunderstood by the people.

My proposal would change that Delegates would not be elected to the national convention. Instead, any presidential candidate who received five per cent of the votes cast in a regional primary would be able to appoint delegates to the national convention according to the percentage of the vote which he received in each State. If a candidate received 40 per cent of the vote in a particular State, he would appoint 40 per cent of the State's delegates to the national convention. This would enable the candidate to concentrate on issues during the campaign and would insure that the delegates represented the candidate's proportional strength in that State, and were dedicated to the candidate's ideals and philosophies. The delegates would be required by law to support their candidate at the national convention until:

1. The candidate releases them; or
2. The candidate receives less than 20 per cent of the vote; or
3. Two ballots have been taken.

Mr. PACKWOOD. Mr. President, three Northwestern States—Oregon, Idaho, and Nevada—have agreed to conduct a joint regional primary on May 25, 1976. Oregon, which has led the Nation in environmental legislation, bottle bills, and gasoline conservation plans, is once again in the forefront. This Nation can benefit greatly from Oregon's wisdom, and I urge the Senate to act affirmatively by enacting a system of regional primaries nationwide.

Mr. President, I know the argument that will be made. "We are too close to the primaries. We cannot fool with the system now." Reform of our Presidential primary system is a perfect example of the age-old adage that you cannot fix a hole in the roof when it is raining, but no one seems to care when the Sun is shining.

Mr. President, I urge my colleagues to act quickly and favorably on my proposal. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1831

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Presidential Regional Primaries Act".

FINDINGS

SEC. 2. The Congress finds that—

(1) the proliferation of elections held by States for the expression of a preference for the nomination of individuals for election to the office of President subjects candidates for nomination for election to such office to physical exhaustion, danger, and inordinate expense;

(2) there is no uniformity among State laws with respect to the effect of such elections on delegate to the nominating conventions held by political parties;

(3) the confusion caused by this lack of uniformity in State laws gives rise to cynicism, frustration, and distrust of the nomination process;

(4) the national nominating conventions held by political parties constitute an integral part of the process by which the President is chosen by the people of the United States; and

(5) in order to protect the integrity of the presidential election process and provide for the general welfare of the Nation, it is necessary to regulate the part of the process relating to the nomination of candidates for election to the office of President.

ESTABLISHMENT OF REGIONAL PRIMARIES

SEC. 3. (a) No State shall conduct an election for expression of a preference for the nomination of individuals for election to the office of President except in accordance with the provisions of this Act.

(b) Five regional primaries shall be held during each presidential election year. The first regional primary shall be held on the second Tuesday of March, and an additional regional primary shall be held on the second Tuesday of each of the 4 succeeding months. Seventy days before the date of the first regional primary, the Commission shall determine by lot the region in which that primary is to be held. The Commission then shall determine by separate lot, conducted 70 days before the date of each subsequent regional primary except the last, the region in which each subsequent regional primary is to be held.

(c)(1) At each such regional primary, there shall appear on the ballot, together with the name of the political party with which he is affiliated, the name of each individual who is generally recognized in national news media throughout the United States as a candidate for nomination by a national political party for election to such office, as determined by a majority of the members of the Commission.

(2) An individual whose name is not placed on a regional primary ballot by the Commission under paragraph (1) may have his name and the name of the political party with which he is affiliated appear on the ballot, if he is eligible for election to the office of President, by notifying the Commission in writing that he is a candidate for nomination by a political party (specifying which political party) for election to the office of President, and—

(A) presenting the Commission with a petition supporting his candidacy for such nomination, signed by 1 percent of the registered voters in the region in which he wishes to appear on the primary ballot (not more than 25 percent of the signatures necessary shall come from any State within that region); or

(B) paying a filing fee of $10,000 which shall be refunded if he receives 5 percent or more of the total number of votes cast by members of his political party in the regional primary. The notification and presentation or payment shall be made to the Commission by such date before the primary as the Commission may prescribe, but not earlier than 45 days or later than 35 days prior to the date on which the primary is to be held in that region.

(3) The Commission shall announce—

(A) a tentative list of individuals for whom votes may be cast at a regional primary 70 days before the date of that primary; and

(B) a final list of individuals for whom votes may be cast at a regional primary 30 days before the date of that primary.

(d) The Commission shall not include on the ballot of any regional primary the name of any individual who executes and files with the Commission the following affidavit, executed under oath:

I, ------, being duly first sworn, do depose and say that I am not, and do not intend to become, a candidate for nomination for election, or for election, to the office of President of the United States.

State of ------
County or city of ------

Subscribed and sworn to before me this ------ day of ------, 19--.

[Seal]

Name

Title

My commission expires ------, 19--.

(e) Subject to such guidelines as the Commission may promulgate, the regional primary shall be conducted in each State by officials of that State charged with conducting elections. Voters in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature. Each voter shall be eligible to vote only for a candidate for nomination by the party of that voter's registered affiliation. If the law of any State makes no provision for the registration of voters by party affiliation, voters in that State shall register their party affiliation in accordance with procedures promulgated by the Commission.

(f) The chief executive officer of each State shall certify the results of the regional primary held in his State to the Commission within a period of time after such date, not exceeding 15 days, prescribed by the Commission.

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APPOINTMENT OF CONVENTION DELEGATES

SEC. 4. (a) A candidate who receives 5 percent or more of the votes cast by members of his political party in a regional primary shall appoint delegates from States within the region within which the primary was held to the national nominating convention held by the political party whose nomination he seeks.

(b) The number of delegates which a candidate shall appoint in any State within that region is a number which is a percentage of the total number of delegates from that State to his party's national nominating convention equal to the percentage of the votes cast by members of his party in that State received by him in the primary.

(c) If a candidate receives less than 5 percent of the votes cast by members of his political party in a regional primary, he may not appoint a delegate from any State within that region. The percentage of the votes cast for such a candidate by members of his political party in any State within that region shall be (1) apportioned among the other candidates of the same political party who received votes in that State on the basis of the number of votes received by each of such other candidates and (2) added to the percentage of the votes received by each of such other candidates in that State for the purpose of determining the number of delegates they may each appoint under subsection (b).

(d) If a candidate fails or refuses to appoint delegates to which he is entitled in any State within a reasonable time, as prescribed by the Commission, the Commission shall appoint delegates pledged to support such candidate at the national nominating convention held by his party. Such delegates shall be bound to support such candidate at the convention to the same extent as if they had been appointed by that candidate.

CONVENTION BALLOTING

SEC. 5. (a) A delegate to a convention held by a political party for the nomination of a candidate for election to the office of President shall vote for the nomination of the candidate who appointed him or for whom he was appointed until—

(1) 2 ballots have been taken; or

(2) such candidate receives less than 20 percent of the vote on a ballot; or

(3) such candidate releases him.

(b) If an individual receives a majority of the votes cast on a ballot, he shall be the nominee of that party for election to the office of President. A subsequent ballot may be taken to reflect the support of the entire convention for such candidate, but the result of the subsequent ballot shall not, in such case, result in the nomination of a different individual for election to such office.

(c) The individual who will be the candidate for a political party for election to the office of Vice President shall be selected by the convention held by that party in accordance with such procedures as it may adopt.

REIMBURSEMENT OF STATES FOR COSTS OF PRIMARY

SEC. 6. Upon application therefor, the Commission shall reimburse each State for the costs it incurs in conducting a regional primary held in accordance with the provisions of this Act. Such applications shall be submitted at such times and in such form, and shall contain such information, as the Commission shall require.

DUTIES OF THE FEDERAL ELECTIONS COMMISSION

SEC. 7. (a) The Commission shall meet prior to each regional primary and at such other times as it deems necessary, and shall—

(1) publish tentative and final lists of the individuals for whom votes may be cast in each regional primary ballot and furnish a certified final list of such individuals to the appropriate officials of each State 30 days before a regional primary is to be held in that State;

(2) determine the sufficiency of any petition presented to the Commission under section 3(c);

(3) prescribe the date, after the date of a regional primary, on which the chief executive officer of each State shall certify the results of the regional primary held in his State to the Commission;

(4) promulgate guidelines and procedures to be followed by the States in conducting regional primaries;

(5) review applications for reimbursement submitted under section 6, prescribe the time of submission, form, and information content of such applications, and determine and pay the amount to be reimbursed to each State under such section;

(6) consult and cooperate with State officials in order to assist them in conducting regional primaries;

(7) determine by lot in accordance with section 3(b) the order in which the regional primaries are to be held;

(8) receive and hold any filing fee paid under section 3(c)(2)(b) and—

(A) refund that fee to the candidate who paid it if he receives a number of votes in the regional primary with respect to which he paid it equal to 5 percent or more of the total number of votes cast by members of his political party in that primary; or

(B) pay the fee into the general fund of the Treasury if it is not refundable under clause (A) of this paragraph;

(9) appoint delegates when necessary under Section 5(d); and

(10) take such other actions as may be necessary to carry out the provisions of this Act.

(b) The Commission shall report to the Congress and the President not later than 180 days prior to the date of the first regional primary to be held under this Act on the steps it has taken to implement the provisions of this Act, together with recommendations for additional legislation, if any, which may be necessary in order to carry out the regional primary system established under this Act.

DEFINITIONS

SEC. 8. As used in this Act, the term—

(1) "Commission" means the Federal Elections Commission.

(2) "region" means any of the following five regions:

(A) Region 1 comprises Maine, Massachusetts, New Hampshire, Rhode Island, Vermont, Connecticut, New York, Pennsylvania, New Jersey, and Delaware.

(B) Region 2 comprises Michigan, Illinois, Indiana, Ohio, West Virginia, and Kentucky.

(C) Region 3 comprises the District of Columbia, Maryland, Virginia, North Carolina, South Carolina, Tennessee, Mississippi, Alabama, Georgia, Florida, the Commonwealth of Puerto Rico, the Virgin Islands, and the Canal Zone.

(D) Region 4 comprises North Dakota, South Dakota, Minnesota, Wisconsin, Iowa, Nebraska, Kansas, Missouri, Oklahoma, Arkansas, Texas, and Louisiana.

(E) Region 5 comprises Washington, Oregon, Montana, Idaho, Wyoming, California, Nevada, Utah, Colorado, Arizona, New Mexico, Alaska, Hawaii, and Guam.

(3) "regional primary" means an election held in accordance with the provisions of this Act for the expression of a preference for the nomination of individuals for election to the office of President;

(4) "national political party" means a political party whose presidential electors received in excess of 35 percent of the total number of votes cast for all presidential electors in the most recently held presidential election;

(5) "candidate" means an individual who is a candidate for nomination by a political party as its candidate for election to the office of President;

(6) "national nominating convention" means a convention held by a political party for the nomination of candidates for election as President and Vice President; and

(7) "State" means the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the Canal Zone, and each of the United States.

AUTHORIZATION OF APPROPRIATIONS

SEC. 9. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

By Mr. BROCK:

S. 1832. A bill to amend the State and Local Fiscal Assistance Act of 1972 with respect to amounts appropriated which are not paid to State and local governments before the end of the appropriation period. Referred to the Committee on Finance.

CATEGORICAL GRANTS VERSUS REVENUE SHARING

Mr. BROCK. Mr. President, a recent Washington Post article claimed that there were billions of dollars of unclaimed grant money for State and local governments. Further investigation proved that although there were some millions unclaimed, the real problem was that the grant money was tied up in administrative procedures.

At a time when State and local governments need funds so desperately, I find this amazing. It is just one more example of why revenue sharing is a better procedure for many programs than categorical grants. And, because of this, I am today introducing a bill that would take this unclaimed money and give it to the Office of Revenue Sharing for distribution under their formula.

It is most appropriate that I introduce this today since the Revenue Sharing Subcommittee is starting another round of hearings on revenue sharing. To better explain my position, I ask unanimous consent that my opening statement before the subcommittee be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

OPENING STATEMENT OF SENATOR BILL BROCK ON OPERATING EXPERIENCES UNDER THE STATE AND LOCAL FISCAL ASSISTANCE ACT OF 1972 BEFORE THE SUBCOMMITTEE ON REVENUE SHARING

Mr. Chairman, I would like to commend you for holding this second set of hearings on General Revenue Sharing in 1975. I hope that scheduling all these hearings portents well for the passage of Revenue Sharing during the first session of Congress.

Let me also commend you on the focus of this hearing and the specific questions that you have presented to each witness. Let me particularly commend the Finance Committee staff on drafting question number three, "How would you compare your experience with general revenue sharing to other major Federal aid programs in which you participate?"

Unless I am wrong, I believe that the witnesses will testify that G.R.S. funds are better because they quickly and regularly get funds to the State and Local Governments as compared to categorical type grants. And they allow for local decisions on local priorities, not the priority of some Washington bureaucrat. To better illustrate the problems of categorical grants, I would like

to draw attention to a recent Washington Post article that stated there are "Several billion dollars in federal grants—for programs ranging from drug control to flood prevention—have yet to be claimed by local governments."

Further investigation revealed that there were not billions of dollars *unclaimed*, rather millions of dollars *tied up* in administrative procedures. At a time when our State and Local governments are in desperate straits, I find this bureaucratic procedure alarming. And, although there are not "billions" of dollars unclaimed, there are still "millions" unclaimed.

Because of this, and because our State and Local Governments do so desperately need funds, I am today submitting a bill that would take all those unclaimed funds and switch them to the Office of Revenue Sharing and then let ORS swiftly distribute them under this formula.

Also, to address the administrative problems and depending upon how our witnesses answer question number three, I intend to reintroduce some of the old special revenue sharing bills that would allow the State and Local governments more freedom. They should especially have more freedom and less paperwork on old categorical type programs that should have been moved in the special revenue sharing type programs.

Mr. Chairman, let me again commend you on calling these hearings and I await the answers to question number three—although I believe I can safely predict their answers.

Mr. BROCK. Mr. President, I also ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1832

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 105(c) of the State and Local Fiscal Assistance Act of 1972 is amended to read as follows:

"(c) CARRYOVER OF UNUSED FUNDS.—

"(1) ENTITLEMENT PERIODS.—Any amount appropriated under subsection (b) for any period which is an entitlement period, and which is not paid to a State or a unit of local government for that entitlement period, shall remain in the Trust Fund and shall be added to the amount appropriated for the entitlement period which immediately succeeds the period for which such amount was appropriated. For purposes of this paragraph, amounts repaid under section 104(b) shall be considered as not paid to the State or unit of local government making the repayment.

"(2) Amounts appropriated under other Federal programs.—Any amount appropriated for a fiscal year under any law of the United States for the purpose of making payments to State or local governments which at the end of such fiscal year has not been transferred or obligated to such governments by the Federal agency conducting the program under which such payments are made shall be transferred to the Trust Fund and added to the amount appropriated for the entitlement period which immediately succeeds the fiscal year for which such amount was appropriated. This paragraph does not apply to any amounts appropriated to remain available until expended.

"(3) LAST ENTITLEMENT PERIOD.—Any amounts appropriated to the Trust Fund under subsection (b), or transferred to it under paragraph (2), remaining in the Trust Fund on the day after the close of the last entitlement period for which appropriations are made under subsection (b) shall be transferred to the general fund of the Treasury and covered into such fund as miscellaneous receipts.".

(b) (1) Section 104 of such Act is amended by striking out subsection (d) and by redesignating subsection (e) as (d).

(2) Section 107(b) of such Act is amended by striking out paragraph (7).

SEC. 2. The amendments made by this Act apply to fiscal years and entitlement periods (as defined in section 141(b) of the State and Local Fiscal Assistance Act of 1972) ending after the date of enactment of this Act.

By Mr. JAVITS (for himself, Mr. BUCKLEY, Mr. WILLIAMS, and Mr. PHILIP A. HART):

S. 1833. A bill to authorize emergency loan guarantees to units of government. Referred to the Committee on Government Operations.

EMERGENCY LOAN GUARANTEES TO UNITS OF GOVERNMENT

Mr. JAVITS. Mr. President, in conformity with similar action by a large part of the New York delegation in the House of Representatives, my colleague from New York (Mr. BUCKLEY), the Senator from New Jersey (Mr. WILLIAMS), the Senator from Michigan (Mr. PHILIP A. HART), and I are now introducing a bill to provide loan guarantees to cities which are in a cash-flow crisis because of the present recession.

Under the bill, cities of 100,000 or more which find themselves unable to obtain any credit on reasonable terms can issue notes with the guarantee under regulations prescribed by the Secretary of the Treasury. The Secretary, for example, must be satisfied that money is not available elsewhere on reasonable terms. He must also obtain from the city being benefited a financial plan, outlining the course the city will take to reduce its dependence upon the guarantee.

The bill sets up a Loan Guarantee Policy Board, with the Secretary of the Treasury and the Federal Reserve Chairman as members, and with a chairman appointed by the President. The Board would set general policies for loan guarantee applications, and the Treasury Secretary would act on individual requests for guarantees.

Mr. President, the problems of New York City are all too well known. New York must find $1.5 billion before the end of June or else face the catastrophe of payless paydays and a shutdown of essential services, or both. Obviously, my hope is that this bill will also help New York out of its monumental problem. But while New York's problems are said to stem in part from its unique position, the fact is that New York is only slightly worse off than a number of other cities. A recent speech by the President of Standard and Poors, for example, indicated that at least eight other cities than New York are approaching a cash flow crisis of such proportions that their credit ratings are being called into question.

Let us face it, our cities are the social battleground of our age. Name a current issue—be it law and order, mass transit, air and water pollution, energy, welfare—and you will find that our major cities are up to their necks in it. Solving these issues costs money—lots of it—and in this recessionary period, these costs are beginning to catch up on our cities.

In introducing this bill, we are asking for no more than has been asked—and received—by other victims of the current inflation and recession. When our country's cattle farmers made the case that they had suffered from collapsed beef prices, we came through with Government loans. When the homebuilding industry argued that an inventory overhang of new homes was putting the industry to rout, Washington responded with a tax credit for purchasing a new home. And, when it became clear that many Americans were running out of unemployment benefits because of the length and severity of the recession, we passed extended Federal unemployment compensation.

These are all legitimate functions of Government. But, it is equally legitimate to take another hard-hit sector and ask whether equity demands it be helped also, because of the severity of the economic downturn. They can not escape it. The sheer numbers of inhabitants magnify the issue and make it qualitatively different. A small town's delinquent is New York's or Detroit's crime wave. Whereas many counties in the United States run one hospital, New York City alone runs 19. A rural schools' problem student is Chicago or Philadelphia's special school for problem children.

In the past decade our cities have reflected the social problem of our age. Businesses and many taxpayer-residents have fled many cities, causing a drop in available jobs and tax revenues. Even the U.S. Postal Service has joined this suburban movement, and started to build general main facilities outside cities to replace the functions—and the jobs—of the main post offices downtown.

An adjunct of the suburban movement is the increase in the number of poorer residents in the inner cities. Taking care of this population means money—and money is what many cities do not have. New York, for example, will spend $1 billion of its own money, exclusive of Federal and State aid, on welfare payments.

The present inflation-unemployment recession only makes these dismal conditions worse. In a recent statement, for example, the city of New York estimated that the additional expenses for higher priced energy and for higher welfare and medical assistance, coupled with the decreased revenues due to a deteriorating tax base and less activity in the stock market, ran to the hundreds of millions. As stated, these are direct costs. Indirect costs would include the wage increases resulting from inflation, real estate tax delinquencies which typically rise during recessionary periods, and the increased crime which could result from the social stress of high unemployment.

Obviously, these trends are not confined to New York City alone. In recent testimony before the Senate Subcommittee on Intergovernmental Relations, Mayor Arthur J. Holland, of Trenton, N.J., noted that during the 1970 to 1974 period Trenton lost approximately 500 firms and 6,384 private sector jobs. This loss was matched by a substantial hike in the tax rate imposed on remaining businesses and residences. At the same hearings, the mayor of Milwaukee pointed out that a property tax levy of $115,500,000 could well be necessary simply to maintain the present level of city services which have soared because of inflationary pressures.

In other words, America's cities need disaster relief. This bill is designed to give this relief, at a modest level considering the fact that this is a national problem, and under safeguards which will insure that the cities themselves must do their full part in pulling out of their difficulties.

Mr. President, the problems of the smaller cities, when they get into the big cities, are magnified into crises; and that is the real basis for the situation which causes this bill to be introduced. It is important to note the criterion of the bill that it applies to cities of 100,000 and over.

I ask unanimous consent that the bill be printed in the RECORD, together with an article entitled "Detroit Pays Steep Rate on a Debt Issue, Reflecting New York City's Cash Crisis," published in the Wall Street Journal, describing the crisis, and a list of the cities of 100,000 or more in population, according to the 1970 census, of which there are more than 150, be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1833

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled,

FINDINGS AND PURPOSE

SECTION 1. (a) The Congress finds that—

(1) State and local governments suffer during recessionary periods from an extraordinary combination of rising costs, deteriorating tax bases, and tight money;

(2) in their duty to continue to provide needed services to the public, such units of government are forced to borrow increased amounts of funds in the capital markets;

(3) in extreme cases this situation impairs the ability of some units of government to enter the Nation's capital markets and to finance needed services;

(4) the deterioration of the financial condition of State and local government reflects directly upon the economic condition of the country as a whole and the ability of this country to provide maximum production, employment and purchasing power; and

(5) the existence of a loan guarantee authority in the Federal Government is necessary in the national interest to enable such units of government to maintain a sound fiscal structure during temporary, recessionary periods.

(b) It is the purpose of this Act to provide authority for emergency financial assistance in the form of loan guarantees to aid units of government to meet temporary and urgent financial requirements which, if not met, might seriously impair the ability of such governments to provide needed services to the public, and might seriously affect the economy of the nation or a region thereof.

DEFINITIONS

SEC. 2. As used in this Act—

(1) The term "unit of government" means the government of a municipality, township, or other unit of government below the State or county level which is a unit of general government which has a population in excess of 100,000 (determined on the basis of the same principles as are used by the Bureau of the Census for general statistical purposes); and

(2) The term "Secretary" means the Secretary of the Treasury.

EMERGENCY LOAN GUARANTEE AUTHORITY

SEC. 3. (a) In furtherance of the purpose of this Act, the Secretary is authorized upon terms and conditions prescribed by him, and after consulting with the chairmen and ranking minority members of the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Currency and Housing of the House of Representatives to make commitments to guarantee and to guarantee any financing institution against loss of principal or interest on any loan to a unit of government for the purpose of assisting that unit of government to meet temporary and urgent financial needs which if not met (1) could seriously impair the ability of the unit of government to provide services for the public, and (2) could adversely and seriously affect the economy of the region surrounding the unit of government.

(b) No guarantee of a loan shall be made under this section unless the Secretary finds and appropriately certifies that—

(1) the loan is necessary to carry out the purpose of this Act;

(2) the loan is not otherwise available on reasonable terms and conditions from any source, public or private;

(3) there is reasonable assurance of repayment of the loan;

(4) a failure to provide a guarantee of the loan under the authority of this section would seriously impair the ability to produce the goods and services of the enterprise in behalf of which the guarantee is to be made; and

(5) the loan to be guaranteed will be applied to productive purposes which are necessary to the economic health and welfare of the nation or a region thereof.

(c) The Secretary shall require such security for guarantees and such agreements regarding management of the components of the unit of government to be assisted as he may deem appropriate. At a minimum, the Secretary shall require any unit of government receiving a guarantee under this Act to develop a program for achieving a balanced budget financed by recurring revenues, and a program of long-range planning sufficient to ensure the expectation of balanced budgets in the future.

(d) The Secretary shall consult, as necessary, with any unit of government which has received a loan guaranteed under this section concerning any matter which may bear upon the ability of the unit of government to repay the loan within the time fixed therefor and reasonable protection to the United States.

(e)(1) The maximum obligation of the Secretary under any loan or loans made by any one borrower within any one year which is guaranteed under this section shall not exceed $500,000,000 unless—

(A) prior to making such guarantee the Secretary submits to the Congress a full and detailed report of the circumstances requiring the guarantee and the justification therefor in furtherance of the purposes of this Act; and

(B) a period of thirty calendar days of continuous session of the Congress following the date on which such report is submitted to the Congress elapses, and during such period there is not passed by either the Senate or the House of Representatives a resolution stating in substance that the Senate or the House of Representaitves, as the case may be, does not approve the proposed guarantee.

For the purposes of paragraph (B), in the computation of the thirty-day period there shall be excluded the days on which either the Senate or the House of Representatives is not in session because of adjournment of more than three days to a day certain or an adjournment of the Congress sine die.

(2) The maximum obligation of the Secretary under all outstanding loans guaranteed under this section shall not exceed at any time $5,000,000,000.

(f)(1) Payments required to be made as a consequence of any guarantee under this section shall be made by the Secretary from the loan guarantee fund established pursuant to subsection (g).

(2) In the event of any default on any loan guaranteed under this section and payment in accordance with the guarantee is made by the Secretary, the Attorney General shall take such action as may be appropriate to recover the amount paid by the Secretary, with interest, from the defaulting borrower.

(3) The Secretary shall prescribe and collect a guarantee fee in connection with each loan guaranteed under this Act. Sums realized from such fees shall be deposited in the loan guarantee fund established pursuant to subsection (g).

(g)(1) There is established in the Treasury a loan guarantee fund to be administered by the Secretary. The fund shall be used only for the purpose of the guarantee program authorized by this section, including the payment of administrative expenses. All fees paid in connection with such program shall be credited to the fund. Moneys in the fund not needed for current operations may be invested in bonds or other obligations of, or guaranteed by, the United States.

(2) There are authorized to be appropriated to the loan guarantee fund such amounts as may be necessary to provide requisite capital. In the event there are insufficient moneys in the fund to meet obligations of the fund, the Secretary shall transfer to the fund such sums as may be necessary to fulfill such obligations. The Secretary may use, for the purpose of making any such transfer, the proceeds from the sale of any securities issued under the Second Liberty Bond Act as extended to include such transfers to the fund. There are authorized to be appropriated to the Secretary of the Treasury such sums as may be necessary to repay such transfers. Interest on sums so transferred shall be paid from time to time, at a rate determined by the Secretary, from fees credited to the fund.

(h) There is created a Loan Guarantee Policy Board which shall consist of a chairman appointed by the President, with the advice and consent of the Senate, and the Chairman of the Federal Reserve Board and the Secretary of the Treasury as members. The Board shall establish general policies (particularly with respect to the national or regional economic interest involved in the granting or denial of applications for guarantees under this section and with respect to the coordination of the functions of the Secretary under this section with other activities and policies of the Government) which shall govern the granting or denial of applications for guarantees under this section.

(i) Any Federal Reserve Bank is authorized to act as fiscal agent of the Secretary in the making of contracts of guarantee under this section and in otherwise carrying out the purposes of this section. All funds necessary to enable any such fiscal agent to carry out any guarantee made by it on behalf of the Secretary shall be supplied and disbursed by or under authority from the Secretary. No such fiscal agent shall have any responsibility or accountability except as agent in taking any action pursuant to or under authority of the provisions of this section. Each such fiscal agent shall be reimbursed by the Secretary for all expenses and losses incurred by it in acting as agent on behalf of the Secretary, including (without being limited to) the expenses of litigation.

(j)(1) Except as provided in paragraphs (2) and (3) of this subsection, this section and all authority conferred thereunder shall

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terminate upon the expiration of one year after the date of enactment of this Act, or upon the establishment of an Emergency Loan Guarantee Corporation pursuant to section 4, whichever is the earlier.

(2) If, upon the expiration of one year after the date of enactment of this Act action on the Emergency Loan Guarantee Corporation is pending before the Congress, the authority conferred under this section shall continue until such action is completed or upon the establishment of the Corporation, whichever is the earlier.

(3) The termination of this section and the authority conferred thereunder shall not affect the disbursement of funds under, or the carrying out of, any contract, guarantee, commitment, or other obligation entered into pursuant to this section prior to such termination, or the taking of any action necessary to preserve or protect the interests of the United States in any amounts advanced or paid out pursuant to this section.

REPORT: ESTABLISHMENT OF EMERGENCY LOAN GUARANTEE CORPORATION

SEC. 4. Not later than one year after the date of enactment of this Act, the Secretary shall submit to the Congress a full and complete report of his operations under section 3, together with his recommendations with respect to the need for the establishment of an Emergency Loan Guarantee Corporation to provide for the continuation of a loan guarantee assistance program comparable to that authorized under section 3. If the Secretary recommends the establishment of such Corporation, he shall, at the time of submitting such report or at any time thereafter but prior to the expiration of one year after the date of enactment of this Act, submit to the Congress a charter for the organization of such Corporation. Such charter shall take effect, and the Emergency Loan Guarantee Corporation shall become a body corporate with the powers stated in such charter, upon the expiration of the first period of sixty calendar days of continuous session of the Congress following the date on which the charter is transmitted to the Congress, if between the date of transmittal and the expiration of such sixty-day period there has not been passed by either the Senate or the House of Representatives a resolution stating in substance that it does not approve the proposed charter or the establishment of the proposed Corporation. For the purpose of the foregoing, there shall be excluded, in the computation of such sixty-day period, the days on which either the Senate or the House of Representatives is not in session because of adjournment of more than three days to a day certain or an adjournment of the Congress sine die.

PROCEDURE WITH RESPECT TO DISAPPROVAL RESOLUTIONS

SEC. 5. The provisions of sections 910 through 913 of title 5, United States Code, shall be applicable with respect to the procedure to be followed in the Senate and House of Representatives in the exercise of their respective responsibilities under sections 3(e) and 4 of this Act, except that references in such provisions to a "resolution with respect to a reorganization plan" shall be deemed for the purposes of this section to refer to a resolution of disapproval under sections 3(e) and 4.

[From the Wall Street Journal, May 22, 1975]

DETROIT PAYS STEEP RATE ON A DEBT ISSUE, REFLECTING NEW YORK CITY'S CASH CRISIS

(By Phil Hawkins)

NEW YORK.—An investment stigma arising from New York City's deepening cash crisis permeated the entire tax-exempt bond market, dealers said.

That was reflected in an unusually steep interest cost of 8.86% incurred on $11 million of new bonds auctioned by Detroit, an issuer similar to New York. Only one underwriting group was even willing to bid for the obligations, which were included in the top four rating categories by both Moody's and Standard & Poor's.

Detroit's bonds were reoffered to the public at prices yielding between 6% in 1976 and 8.75% in 1990. An exempted 8.75% is the same as a taxable gain of about 12.15% to persons filing on income of about $16,000. Such obviously generous returns enabled all except about $1 million of the bonds to be retailed by late evening, the sponsoring Halsey, Stuart & Co. said.

Adverse market effects from New York's predicament also were evident when most investors continued to ignore two major state offerings begun Tuesday. About $72 million of bonds remained unsold from a $125 million Oregon issue and about $52 million from a $70 million Mississippi issue.

Late yesterday, that stubborn buyer resistance prompted sponsoring underwriters to reduce prices on the remaining Oregon bonds that raised yields 0.05 percentage point. The price cut quickly produced retail orders totaling about $32 million, thereby trimming the unsold balance to about $37.5 million.

"Nobody is inclined to trade until the crucial question concerning New York City's solvency gets resolved one way or the other," one tax-exempts specialist remarked. "Activity is almost at a stand-still, which in a sense is worse than any price decline," he added.

Several dealers were sharply critical of Treasury Secretary William Simon's recent assertion that a default by New York on its debt would have "negligible" impact on the nation's economy. "The mere threat of bankruptcy by the city already has seriously jeopardized a market that each year raises $22 billion in new capital for local governments across the nation—does he consider that a negligible function?" one market official commented.

CITIES OF 100,000 AND MORE (1970 CENSUS)

39 STATES PLUS THE DISTRICT OF COLUMBIA

New York, New York	7,894,862
Chicago, Illinois	3,366,957
Los Angeles, California	2,816,061
Philadelphia, Pennsylvania	1,948,609
Detroit, Michigan	1,511,482
Houston, Texas	1,232,802
Baltimore, Maryland	905,759
Dallas, Texas	844,401
Washington, D.C	756,510
Cleveland, Ohio	750,903
Indianapolis, Indiana	744,624
Milwaukee, Wisconsin	717,099
San Francisco, California	715,674
San Diego, California	696,769
San Antonio, Texas	654,153
Boston, Massachusetts	641,071
Memphis, Tennessee	623,530
St. Louis, Missouri	622,236
New Orleans, Louisiana	593,471
Phoenix, Arizona	581,562
Columbus, Ohio	439,677
Seattle, Washington	530,831
Jacksonville, Florida	528,865
Pittsburgh, Pennsylvania	520,117
Denver, Colorado	514,678
Kansas City, Missouri	507,087
Atlanta, Georgia	496,973
Buffalo, New York	462,768
Cincinnati, Ohio	452,524
Nashville-Davidson, Tennessee (1970 metropolitan government of Nashville and Davidson Co.) (figures for previous years are for Nashville City)	448,003
San Jose, California	445,779
Minneapolis, Minnesota	434,400
Ft. Worth, Texas	393,476
Toledo, Ohio	383,818
Portland, Oregon	382,619
Newark, New Jersey	382,417
Oklahoma City, Oklahoma	366,481
Oakland, California	361,561
Louisville, Kentucky	361,472
Long Beach, California	358,633
Omaha, Nebraska	347,328
Miami, Florida	334,859
Tulsa, Oklahoma	331,638
Honolulu, Hawaii	324,871
El Paso, Texas	322,261
St. Paul, Minnesota	309,980
Norfolk, Virginia	307,951
Birmingham, Alabama	300,910
Rochester, New York	296,233
Tampa, Florida	277,767
Wichita, Kansas	276,554
Akron, Ohio	275,425
Tucson, Arizona	262,933
Jersey City, New Jersey	260,545
Sacramento, California	254,413
Austin, Texas	251,808
Richmond, Virginia	249,621
Albuquerque, New Mexico	243,751
Dayton, Ohio	243,601
Charlotte, North Carolina	241,178
St. Petersburg, Florida	216,232
Corpus Christi, Texas	204,525
Yonkers, New York	204,297
Des Moines, Iowa	200,587
Grand Rapids, Michigan	197,649
Syracuse, New York	197,208
Flint, Michigan	193,317
Mobile, Alabama	190,026
Shreveport, Louisiana	182,064
Warren, Michigan	179,260
Providence, Rhode Island	179,213
Ft. Wayne, Indiana	177,671
Worcester, Massachusetts	176,572
Salt Lake City, Utah	175,885
Gary, Indiana	175,415
Knoxville, Tennessee	174,587
Madison, Wisconsin	173,258
Virginia Beach, Virginia	172,106
Spokane, Washington	170,516
Kansas City, Kansas	168,213
Anaheim, California	166,701
Fresno, Calif	165,972
Baton Rouge, Louisiana	165,963
Springfield, Massachusetts	163,905
Hartford, Connecticut	158,017
Santa Ana, California	156,601
Bridgeport, Connecticut	156,542
Tacoma, Washington	154,581
Columbus, Georgia	154,168
Jackson, Mississippi	153,968
Lincoln, Nebraska	149,518
Lubbock, Texas	149,101
Rockford, Illinois	147,370
Paterson, New Jersey	144,824
Greensboro, North Carolina	144,076
Riverside, Calif	140,089
Youngstown Ohio	139,788
Ft. Lauderdale, Florida	139,590
Evansville, Indiana	138,764
Newport News, Virginia	138,177
Huntsville, Alabama	137,802
New Haven, Connecticut	137,707
Colorado Springs, Colorado	135,060
Torrance, Calif	134,584
Montgomery, Alabama	133,386
Winston-Salem, North Carolina	132,913
Glendale, Calif	132,752
Little Rock, Arkansas	132,483
Lansing, Michigan	131,546
Erie, Pennsylvania	129,231
Amarillo Texas	127,010
Peoria, Illinois	126,963
Las Vegas, Nevada	125,787
South Bend, Indiana	125,580
Topeka, Kansas	125,011
Garden Grove, Calif	122,524
Macon, Georgia	122,423
Raleigh, North Carolina	121,577
Hampton, Virginia	120,779
Springfield, Missouri	120,096
Chattanooga, Tennessee	119,082
Savannah, Georgia	118,349
Berkeley, Calif	116,716
Huntington Beach, Calif	115,960
Beaumont, Texas	115,919
Albany, New York	115,781
Columbia, South Carolina	113,542

CITIES OF 100,000 AND MORE (1970 CENSUS)
39 STATES PLUS DISTRICT OF COLUMBIA—Con.

Pasadena, Calif	113,327
Elizabeth, New Jersey	112,654
Independence, Missouri	111,662
Portsmouth, Virginia	110,963
Alexandria, Virginia	110,938
Cedar Rapids, Iowa	110,642
Livonia, Michigan	110,109
Canton, Ohio	110,053
Allentown, Pennsylvania	109,527
Stamford, Connecticut	108,798
Lexington, Kentucky	108,137
Waterbury, Connecticut	108,033
Hammond, Indiana	107,790
Stockton, Calif	107,644
Hollywood, Florida	106,873
Trenton, New Jersey	104,638
San Bernardino, Calif	104,251
Dearborn, Michigan	104,199
Scranton, Pennsylvania	103,564
Camden, New Jersey	102,551
Hialeah, Florida	102,297
New Bedford, Massachusetts	101,777
Fremont, Calif	100,869
Duluth, Minnesota	100,578
Cambridge, Massachusetts	100,361
Parma, Ohio	100,216

Mr. JAVITS. Mr. President, I shall seek, because of the dire emergency situation which we face, the earliest possible consideration of this matter in the committee, or, if relief cannot come in time, on the floor of the Senate itself.

Mr. President, 152 cities in 39 States, plus the District of Columbia, have populations in excess of 100,000. Those cities are generally surrounded with metropolitan areas which, in most cases, double the actual city population involved.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. JAVITS. I yield to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. Will the Senator indicate what the cost of the bill will be?

Mr. JAVITS. We hope that the cost will be nothing, except that the guarantee authority of the United States poses a contingent liability. We have found in other guarantees, if the proper care is taken—and I contemplate that in the bill—the guarantees have proved to be profitable to the United States.

Now, the point I am making is that there is no question about the credit, the short-term credit, of these various municipalities. Even the reporting agencies say that. They just simply cannot get buyers for their securities, and when their own States are in trouble comparable to the cities they are up against a blank wall.

I am the first to say that discipline in respect to firings or contraction of service, and so forth, is absolutely in order, and the bill contemplates that—and quite properly. But I do say that it is inconceivable that a municipality should go bankrupt in terms of the rendering of absolutely essential services which it must provide to citizens of the United States, and that is what this bill is all about. I thank my colleague.

By the way, I thank the Senator from Virginia (Mr. Byrd) very much for enabling me to elucidate this point. I think, as usual, he has put his finger on a very critical point. The burden of proof is on us to show that the bill is exactly tailored to deal with a unique crisis, and only that, and that is all we intend.

Mr. HARRY F. BYRD, JR. The trouble with the crisis, I might say to the Senator from New York, is that the crisis continues. Once the Federal Government gets involved in these matters, once the Federal Government gets to bail localities out or companies out, the crisis then not only continues but it seems to accentuate.

Mr. JAVITS. May I say to my colleague the experience of the RFC—and this, for practical purposes, is an RFC to this particular crunch—was to the contrary. The RFC did bail out and did pay out, and even showed a profit.

Whether the Senator's feeling is justified or not will depend on how tightly we write a bill and how tightly it is administered, and there I am all with the Senator.

Mr. HARRY F. BYRD, JR. As I recollect, the city of New York has been paying as much as 9.5 percent on tax-exempt bonds.

Mr. JAVITS. It has because it simply cannot get the money on any other terms, and those terms are obviously suicidal.

Mr. HARRY F. BYRD, JR. Now it has not been able to get the money even on more favorable terms.

Mr. JAVITS. I say that. That is the reason for this bill.

Mr. HARRY F. BYRD, JR. And it is because of a lack of, it seems to me, political discipline on the part of the people who have been running the city of New York over a long period of years that New York finds itself in that condition.

Mr. JAVITS. We will have the authority, if our bill should get anywhere, to enforce a discipline which is commensurate with our exposure, as they say in the financial business.

Mr. HARRY F. BYRD, JR. I hope it is better than the discipline we enforce on ourselves here. [Laughter.]

Mr. JAVITS. It probably will be, I might say to my colleague.

I thank my colleague.

The PRESIDING OFFICER. Without objection, the bill will be received and appropriately referred.

By Mr. WILLIAMS:

S.J. Res. 87. A joint resolution authorizing and requesting the President to issue a proclamation designating June 23, 1975, as International Ladies' Garment Workers' Union Day. Referred to the Committee on the Judiciary.

INTERNATIONAL LADIES' GARMENT WORKERS' UNION DAY

Mr. WILLIAMS. Mr. President, I introduce for appropriate reference a joint resolution authorizing the President to designate June 23, 1975, as International Ladies' Garment Workers Union Day.

On that day, the ILGWU, one of the best known and most outstanding of labor unions, will be celebrating the 75th anniversary of its founding. While the ILGWU was founded on June 3, 1900, it received its charter from the American Federation of Labor on June 23 of that year, and the members of this great union have chosen that date for its celebration.

Mr. President, I believe it would be fitting and proper for the Nation to pay tribute to the ILGWU on that day.

In its 75-year history, the ILGWU has won worldwide recognition as a pioneer and champion of wholesome working conditions for its members. Its successful crusade to bring safety, sanitation, and healthy conditions to an industry long plagued by the sweatshop is one of the brightest periods of labor history. Its industrial statesmanship and visionary approach to employer-employee relations helped stabilize an industry once torn by constant conflict.

But the contributions of the ILGWU have not been confined to its members and its industry. In 1909, the union began its own campaign for women's rights in both the economic and political worlds. It has come to the aid of the unfortunate everywhere, working for better medical care, housing, education, care of the aged, scholarships for the young, and recreational activities to enrich the lives of people of all ages. Their beneficiaries have been all of the victims of poverty, discrimination, tyranny, disease, warfare, and natural disasters.

The ILGWU has won plaudits for its policy of open membership, welcoming into full participation peoples of all religions, races, and nationalities.

For these reasons and many others, Mr. President, I introduce this resolution with the hope that it can be expeditiously enacted so that the Nation knows of its opportunity to share in the 75th anniversary celebration of the International Ladies' Garment Workers' Union on June 23, 1975.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 6

At the request of Mr. Williams, the Senator from Delaware (Mr. Biden) was added as a cosponsor of S. 6, a bill to provide assistance to States for improved education services for handicapped children.

S. 80

At the request of Mr. Mathias, the Senator from Wisconsin (Mr. Nelson) and the Senator from Wyoming (Mr. Hansen) were added as consponsors of S. 80, a bill to prevent the estate tax law from operating to encourage or to require the destruction of open lands and historic places, by amending the Internal Revenue Code of 1954 to provide that real property which is farmland, woodland, or open land and forms part of an estate may be valued, for estate tax purposes, at its value as farmland, woodland, or open land—rather than at its fair market value—and to provide that real property which is listed on the National Register of Historic Places may be valued, for estate tax purposes, at its value for its existing use, and to provide for the revocation of such lower valuation and recapture of unpaid taxes with interest in appropriate circumstances.

S. 93

At the request of Mr. Mathias, the Senator from Washington (Mr. Magnuson) was added as a cosponsor of S. 93, a bill to amend the Internal Revenue Code of 1954 to provide that a married individual who files a separate return shall be taxed on his or her earned income at the same rate as an unmarried individual.

S. 454

At the request of Mr. Chiles, the Senator from North Carolina (Mr. Helms) was added as a cosponsor of S. 454, a bill to amend the Occupational Safety and Health Act of 1970.

S. 462

At the request of Mr. Randolph, the Senator from Iowa (Mr. Clark) was added as a cosponsor of S. 462, the Developmentally Disabled Assistance and Bill of Rights Act.

S. 744

At the request of Mr. Mansfield, the Senator from Massachusetts (Mr. Brooke) and the Senator from Tennessee (Mr. Brock) were added as cosponsors of S. 744, the MHD Research, Development, and Demonstration Act of 1975.

S. 1145

At the request of Mr. Philip A. Hart, the Senator from Oregon (Mr. Hatfield) was added as a cosponsor of S. 1145, a bill to provide amnesty to persons who, because of their principled objection to service in the Armed Forces of the United States, failed or refused to register for the draft or who refused induction or failed to be inducted into the Armed Forces or who were absent without official leave from the Armed Forces during the period from August 4, 1964, to March 28, 1973, and for other purposes.

S. 1268

At the request of Mr. Metcalf, the Senator from Texas (Mr. Bentsen) and the Senator from Idaho (Mr. Church) were added as cosponsors of S. 1268, a bill to establish congressional policy direction for the administration and management of the National Wildlife Refuge System; to establish the "National Wildlife Refuge Service"; to provide authority for study, review, and establishment of additional units of the National Wildlife Refuge System.

S. 1285

At the request of Mr. Humphrey, the Senator from South Dakota (Mr. McGovern) was added as a cosponsor of S. 1285, to provide for payments to compensate county governments for the tax immunity of Federal lands within their boundaries.

S. 1293

At the request of Mr. Metcalf, the Senator from Texas (Mr. Bentsen) and the Senator from Idaho (Mr. Church) were added as cosponsors of S. 1293, a bill to establish the Charles M. Russell National Wildlife Range; the Charles Sheldon National Wildlife Range; and the Kofa National Wildlife Refuge as part of the National Wildlife Refuge System; and for other purposes.

S. 1385

At the request of Mr. Humphrey, the Senator from Iowa (Mr. Clark) was added as a cosponsor of S. 1385, a bill to designate a national network of essential rail lines, and to acquire, rehabilitate, and maintain rail lines.

S. 1492

At the request of Mr. Long, the Senators from Washington (Mr. Magnuson and Mr. Jackson) were added as cosponsors of S. 1492, a bill to provide incentives to encourage the utilization of home dialysis, and for other purposes.

S. 1702

At the request of Mr. Stone, the Senator from Utah (Mr. Moss) was added as a cosponsor of the bill (S. 1702) to authorize equalization of retired pay of certain members and former members of the uniformed services.

S. 1719

At the request of Mr. Curtis, the Senator from Georgia (Mr. Nunn) was added as a cosponsor of S. 1719, a bill to amend title IV of the Social Security Act to improve and make more realistic various provisions relating to eligibility for aid to families with dependent children and the administration of the aid to families with dependent children program, and for other purposes.

S. 1746

At the request of Mr. Bellmon, the Senator from South Carolina (Mr. Thurmond) was added as a cosponsor of S. 1746, a bill to provide additional credit facilities for farmers and other rural residents.

S. 1761

At the request of Mr. Mathias, the Senator from New York (Mr. Buckley) was added as a cosponsor of S. 1761, a bill to provide foreign assistance to Cyprus.

S. 1795

At the request of Mr. Humphrey, the Senator from Montana (Mr. Metcalf) was added as a cosponsor of S. 1795, to amend the Employment Act of 1946 by providing for the development and adoption of a balanced economic growth plan.

SENATE JOINT RESOLUTION 20

At the request of Mr. Cranston, the Senator from Texas (Mr. Bentsen) was added as a cosponsor of Senate Joint Resolution 20, a joint resolution to create the Tule Elk National Wildlife Refuge, in California.

SENATE JOINT RESOLUTION 71

At the request of Mr. Javits, the Senator from New Mexico (Mr. Domenici) was added as a cosponsor of Senate Joint Resolution 71, to proclaim American Youth Day.

SENATE RESOLUTION 152

At the request of Mr. Dole, the Senator from North Dakota (Mr. Burdick) was added as a cosponsor of Senate Resolution 152, relating to present Federal spending programs.

SENATE RESOLUTION 168—SUBMISSION OF A RESOLUTION AUTHORIZING THE PRINTING OF THE FIRST REPORT OF THE AMERICAN REVOLUTION BICENTENNIAL BOARD

(Referred to the Committee on Rules and Administration.)

Mr. BROOKE submitted the following resolution:

S. Res. 168

Resolved, That the First Report to the Congress of the American Revolution Bicentennial Board (pursuant to section 10(1) of Public Law 93–179, approved December 11, 1973), together with resolutions adopted by the Board, be printed as a Senate document, and that there be printed one thousand five hundred additional copies of such document, of which one thousand copies shall be for the use of the Senate Committee on the Judiciary and five hundred copies shall be for the use of the House Committee on the Judiciary.

SENATE RESOLUTION 169—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

(Referred to the Committee on Rules and Administration.)

Mr. JACKSON, from the Committee on Interior and Insular Affairs, reported the following resolution:

S. Res. 169

Resolved, That the Committee on Interior and Insular Affairs is authorized to expend from the contingent fund of the Senate, during the Ninety-fourth Congress, $50,000 in addition to the amount, and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act approved August 2, 1946.

SENATE CONCURRENT RESOLUTION 43—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO A WHITE HOUSE CONFERENCE ON FOREIGN POLICY

(Referred to the Committee on Foreign Relations.)

Mr. BENTSEN. Mr. President, few people question the fact that we are moving into a new era in international affairs.

For the past decade, our foreign relations as well as our domestic tranquillity have been disrupted by our preoccupation—our obsession—with Vietnam.

I wish I could agree with the sanguine commentators who declare, "the Vietnam chapter is over." But I cannot agree.

The Vietnam chapter is not over. Nothing is ever finished in the continuum of human events.

Our obsession with Vietnam has come to an end. But now, in the cool light of retrospect, and in preparation for a new era in international affairs, we need to reassess our foreign policy. We need to take a thoroughgoing, objective look at our involvement in Indochina, with rational, constructive debate so that this Nation can make a solid determination of just what lessons we have learned from Vietnam.

President Ford has said we ought to look ahead, and I agree.

President Ford has warned against divisive debate and recriminations. And I agree.

But I cannot agree with the President when he says that the lessons of Vietnam have already been learned.

What lessons have been learned? And by whom?

The American people have by no means reached a consensus on the meaning of Vietnam.

Some people say we lost a war in Vietnam because we did not use enough force, others say we used too much.

Some Americans feel deeply that U.S. involvement in Vietnam was a tragedy from the beginning, others are convinced that the only tragedy came at the end.

Did Vietnam have no bearing on our national security, as many people have suggested?

And if it did not, how will we, in the future, determine what is in the interest of our national security and what is not?

Which countries are vital to our national interests and which are not? How far would we be willing to go to honor the mutual defense agreements now in effect? Where do we draw the line, if indeed, we are to draw one at all?

These questions, and more, are waiting for answers.

And I submit, Mr. President, that this country cannot expect to formulate a workable foreign policy without clearing the air of these lingering questions and doubts through a free and open debate.

Now is the time, Mr. President, to reevaluate a foreign policy that has become more and more obsolete and is receiving less and less support from the average American.

There is a burning need for a review of our foreign policy—the concepts on which it is premised, the goals it attempts to achieve, the tactics necessary to achieve those goals.

And it is the responsibility of Congress, as a coequal branch of Government, to help bring our foreign policy in line with the realities of world politics and the intricacies of the global economy.

With that in mind, I can think of nothing more vital in launching the post-Vietnam era than to hold a White House Conference on Foreign Policy, as early as possible.

I am, therefore, submitting a resolution to this body, calling for the convening of such a conference on foreign policy, to be held at the White House with the full participation of the Congress, representatives of business and labor, leaders in the academic comunity, and other concerned segments of American society.

Such a conference, I believe, would focus attention on changing international alinements; on the commitments we have made to our allies and what those commitments demand of us; on our relations with our hemisphere neighbors and with the lesser developed countries; and on the impact of our foreign policy on the world economy.

Mr. President, it is time to face the fact that we are living with an outmoded foreign policy based on a concept of big powerism that is no longer valid or workable. It is time to forge a new foreign policy that has the respect and support of a broad majority of the American people—a policy that reflects their beliefs and ideals.

Such a policy cannot be developed in secret councils or summit meetings. Mr. President, I call for an open discussion of our foreign policy, free from rancor and recrimination, in which all viewpoints can be heard and aired.

I believe an open White House Conference on Foreign Policy with wide participation would be a healthy move toward developing a policy the American people will understand, accept, and support.

Mr. President, I ask unanimous consent that the resolution be printed in the Record, and I urge my colleagues to give it favorable consideration.

There being no objection, the concurrent resolution was ordered to be printed in the Record, as follows:

S. Con. Res. 43

Resolved by the Senate (the House of Representatives concurring),

Whereas the understanding and support of the American people are essential to the effective conduct of our foreign policy; and

Whereas recent events have demonstrated confusion and dissension among Americans concerning the basic premises on which our foreign policy is based, the goals we are pursuing, and the tactics that are necessary to achieve these goals; and

Whereas drastic changes in world politics and global economics have created a need for a new approach to foreign policy; and

Whereas a foreign policy based on a balance of power among the United States, China, and the U.S.S.R. is no longer sufficient to meet the challenges of a complex, changing world; and

Whereas serious strains in our international relations have been created by neglect of our Atlantic and Pacific allies, our hemisphere neighbors, and the less developed countries of the world; and

Whereas there is urgent need for a reassessment of our foreign policy in light of current National and international realities, now therefore,

Be it resolved that the President should convene a White House Conference on Foreign Policy at an early date, eliciting the full participation of the Congress, labor and business, the academic community, and other concerned segments of our society, for the purpose of developing a truly bipartisan foreign policy based on a broad consensus and reflecting the ideals and concerns of the American people, whose support is essential to a successful foreign policy.

SENATE CONCURRENT RESOLUTION 44—SUBMISSION OF A CONCURRENT RESOLUTION PROVIDING FOR THE APPOINTMENT OF A JOINT COMMITTEE ON ARRANGEMENTS FOR COMMEMORATION OF THE BICENTENNIAL

(Referred jointly, by unanimous consent, to the Committee on the Judiciary and the Committee on Rules and Administration.)

Mr. BROOKE (for himself, Mr. Montoya, Mr. Hugh Scott, and Mr. Mansfield) submitted the following concurrent resolution:

S. Con. Res. 44

Whereas the Congress has represented the people of the United States since the First Continental Congress met in Carpenter's Hall in Philadelphia from September 5 to October 26, 1774;

Whereas the actions of the First Continental Congress united the Thirteen Colonies in seeking redress of the grievances against the Parliament and the King of England which led to the Declaration of Independence and guided the new nation through the American War for Independence;

Whereas the Congress has continually since the First Continental Congress represented the sovereign rights of the people in exercising their responsibility of self government; and

Whereas the proper and appropriate commemoration of the Nation's Bicentennial should include recognition of the historic role of the Congress and its participation in the commemoration: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress should play a significant and substantive role in honoring the nation's 200th anniversary and in assisting the American Revolution Bicentennial Administration.

Sec. 2. (a) There is hereby established a joint congressional committee to be known as the Joint Committee on Arrangements for the Commemoration of the Bicentennial of the United States of America (hereinafter referred to as the "joint committee").

(b) The joint committee shall be composed of the Majority and Minority Leaders of the House of Representatives and of the Senate and the Members of Congress who are members of the American Revolution Bicentennial Board.

(c) The joint committee shall select a chairman from among its members. Five members of the joint committee shall constitute a quorum. Any vacancy in the membership of the joint committee shall not affect its authority and shall be filled in the same manner in which the original appointment was made.

(d) For purposes of paragraph 6 of Rule XXV of the Standing Rules of the Senate, service of a Senator as a member of the joint committee, or as chairman of the joint committee, shall not be taken into account.

Sec. 3. The joint committee shall—

(1) coordinate the planning and implementation of Bicentennial activities and events of the Congress with the activities and events of other Governmental and nongovernmental groups;

(2) consult with the Speaker of the House of Representatives and the President of the Senate to provide for representation of the Congress at appropriate Bicentennial ceremonies and events; and

(3) develop and implement programs to inform and emphasize to the Nation the role of the Congress, as the representative of the people, from its historic beginnings in pre-revolution days through 200 years of growth, challenge and change.

Sec. 4. The joint committee may—

(1) appoint such staff as may be necessary:

(2) adopt rules respecting its organization and procedures;

(3) sit and act at such times or places as it shall deem appropriate;

(4) procure the temporary or intermittent services of individual consultants, or organizations thereof, in the same manner and under the same conditions as a standing committee of the Senate may procure such services under subsection (i) of section 202 of the Legislative Reorganization Act of 1946;

(5) hold hearings;

(6) procure printing and binding; and

(7) with the prior consent of the agency concerned, use on a reimbursable basis the services of personnel, information, and facilities of any such agency.

Sec. 5. The expenses of the joint committee shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the joint committee.

Mr. BROOKE. Mr. President, today I am submitting, together with Senators Montoya, Mansfield, and Hugh Scott,

a concurrent resolution authorizing the Senate and House to appoint a Joint Committee on Arrangements for the Nation's Bicentennial Celebration.

As chairman of the American Revolution Bicentennial Board, I believe that the Congress should play a significant and substantive role in honoring the Nation's 200th birthday and assisting the American Revolution Bicentennial Administration by involving all of our citizens in this Bicentennial celebration.

The recent Bicentennial events in Lexington and Concord, Mass., are harbingers of the major commemorative activities which will be held throughout the country in the coming months. Because of the rapidity with which these events will be arriving, I believe it is essential that a Committee on Arrangements be appointed as soon as possible so that we may be able to begin coordinating events by the Fourth of July 1975 and continue through the historic period of the Fourth of July 1976.

It is certainly important that Congress be represented at many of the ceremonial events. But it is also important that the Congress establish definite plans that will determine its contribution as an institution to America's 200th birthday and which will also mark appropriately the role of the Congress as the representatives of the people.

The proposed joint committee would include the majority and minority leaders of the House of Representatives and of the Senate. In addition, the four members of the American Revolution Bicentennial Board would serve on the proposed joint committee because of their experience in dealing with all aspects of the Bicentennial. Current members of the ARBA Board, in addition to myself, include Senator Joseph Montoya, Representative Lindy Boggs, and Representative M. Caldwell Butler.

The Joint Committee on Arrangements would have three specific functions.

First. To develop and implement programs to inform and emphasize to the Nation the important role of the Congress as the representative of the people from its historic beginnings, antedating the Revolution, through 200 years of growth, challenge, and change.

Second. To coordinate such congressional programs with the activities and events planned and implemented by other governmental and nongovernmental groups.

Third. To consult with the Speaker of the House of Representatives and the President of the Senate to provide for representation of the Congress at appropriate Bicentennial ceremonies and events.

In my judgment the Congress has a vital obligation to play an important part in the Nation's Bicentennial. Its historic beginnings with the first meetings of the Continental Congress formed the foundation for the principles and practices of the current Congress of the United States. That foundation has supported the Congress in trying national crises: the War Between the States, the Depression of the 1930's, World War II, and the recent traumatic experience of a change in executive leadership. It is only fitting and proper, therefore, that Congress role in these historic events be memorialized in the course of the Nation's 200th anniversary.

In this day of growing public distrust of the Government and our other national institutions, I think it essential that the story of the Congress of the United States as the representative of the people, be made known, especially to our young people. This story can be a fitting contribution to the Nation's 200th anniversary.

Mr. President, because section 5 of the Concurrent Resolution provides that "the expenses of the joint committee shall be paid from the contingent fund of the Senate," I believe that the resolution should also be referred to the Senate Committee on Rules and Administration.

Mr. MONTOYA. Mr. President, I am pleased to join Senator Brooke in sponsoring the concurrent resolution to appoint a Joint Committee on Arrangements for the Commemoration of the Bicentennial of the United States.

Ours is a representative democracy. Those of us who are elected members of the government are here as representatives of the people of our States and of the people of this Nation.

That is as it should be, and as we want it to be.

As we enter the Bicentennial period we have a further opportunity to represent our constituency in honoring and celebrating our history and our form of government. No group of Americans should be more willing than we are to take part in the work of the American Revolution Bicentennial Administration. No group in the Nation should be more supportive of the efforts of constituents to make the Bicentennial a deep and meaningful experience.

It is very popular to say that there is a crisis of confidence in government today. It is true that for many months now we have heard serious criticisms of government, and doubts about the role of the various segments of government. However, I think it is important for all of us to remember that an ongoing analysis of the system is really the American way. We Americans have always been jealous of our ability to control government, and proud of our success in making representative government work. That is true today, and it was true in 1776. Congress—from the time of the First Continental Congress right up to the time of this 94th Congress—has been the link between the citizen and his government.

I firmly believe the celebration of our Bicentennial is an opportunity for the Congress to once again renew and strengthen that link. The role we play in Bicentennial activities will be important to the future of this Nation. Our participation should include a report to the people on the history of the Congress itself, and on the future of representative government as we understand it.

The joint resolution we are submitting today will make it possible for the Congress to participate in Bicentennial activities to the fullest extent. It will facilitate coordination of our participation so that no part of the Nation is neglected and no segment of the population is ignored. It will give Members of Congress assistance in scheduling and coordinating programs. I believe it will be an invaluable part of our congressional work during this Bicentennial year.

I urge the support of my colleagues for the establishment of this joint committee.

Mr. MANSFIELD subsequently said: Mr. President, I ask unanimous consent that the concurrent resolution submitted earlier today by the Senator from Massachusetts (Mr. Brooke), for himself and other Senators, be referred jointly to the Committee on the Judiciary and the Committee on Rules and Administration.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENTS SUBMITTED FOR PRINTING

DEPARTMENT OF DEFENSE APPROPRIATION AUTHORIZATION ACT, 1976—S. 920

AMENDMENTS NOS. 491 AND 492

(Ordered to be printed and to lie on the table.)

Mr. JACKSON submitted two amendments intended to be proposed by him to the bill (S. 920) to authorize appropriations during the fiscal year 1976, and the period of July 1, 1976, through September 30, 1976, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loans, and for other purposes.

AMENDMENT NO. 494

(Ordered to be printed and to lie on the table.)

Mr. McINTYRE (for himself and Mr. Brooke) submitted an amendment to be proposed by them, jointly, to the bill (S. 920) supra.

COUNTERFORCE AMENDMENT

Mr. McINTYRE. Mr. President, I send to the desk an amendment to S. 920, the military procurement bill.

This amendment is submitted on behalf of the distinguished junior Senator from Massachusetts, Mr. Brooke, and myself.

Its purpose is to deny funding for a group of five programs currently in the research and development stage that would drastically and dangerously alter our traditional nuclear strategy. These so-called counterforce programs will put a "hair-trigger" on nuclear war, and may hinder our efforts to meet national security requirements.

Mr. President, there will be considerable debate on this issue in the coming days, so I will say nothing further at this time. However, I did want my colleagues to have an opportunity to study this

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amendment and, ask unanimous consent that the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 494

On page 71, line 24, strike out "$3,368,802-000" and insert in lieu thereof "$3,361,102,-000".

On page 17, line 25, strike out "$3,707,840,-000" and insert in lieu thereof "$3,605,840,-000".

On page 18, between lines 3 and 4, insert a new section as follows:

"SEC. 202. None of the funds authorized to be appropriated by this Act, including funds authorized to be appropriated under title VII, may be used to conduct any research, development, testing, or evaluation in connection with—

"(1) improved guidance technology for the Minuteman III missile system;

"(2) the Mark 12A Reentry Vehicle;

"(3) Maneuverable Reentry Vehicle (MARV) precision guidance technology in the Advanced Ballistic Reentry System (ABRES);

"(4) the Large Advanced Ballistic Reentry Vehicle (LABRV) in the Advanced Ballistic Reentry System (ABRES); or

"(5) improved accuracy for the Fleet Ballistic Missile System."

On page 24, line 7 through 8, strike out "$851,363,000" and insert in lieu thereof "$849,463,000".

On page 24, line 9, strike out "$946.621.000" and insert in lieu thereof "$914,821,000".

AMENDMENT NO. 496

(Ordered to be printed and to lie on the table.)

Mr. KENNEDY (for himself and Mr. CRANSTON) submitted an amendment intended to be proposed by them jointly to the bill (S. 920), supra.

FAIR MARKETING OF PETROLEUM PRODUCTS ACT—S. 323

AMENDMENT NO. 493

(Ordered to be printed and to lie on the table.)

Mr. BUMPERS. Mr. President, today I am submiting an amendment to S. 323, the proposed Fair Marketing of Petroleum Products Act.

Section 4(b) now reads as follows:

> A refiner or distributor shall not cancel, fail to renew, or otherwise terminate a petroleum products franchise unless the person whose franchise is terminated failed to comply substantially with any *essential and* reasonable requirement of such petroleum products franchise or failed to act in good faith in carrying out the terms of such petroleum products franchise, or unless such refiner or distributor withdraws entirely from the sale of refined petroleum products in commerce for sale other than reseal in the United States. (Emphasis supplied.)

Under my amendment the words "essential and" would be deleted from this section, permitting the cancellation or termination of a franchise when there has not been substantial compliance by the franchisee with any reasonable requirement of the franchise. Cancellation would not require that an "essential" requirement of the franchise had not been met.

In my view, this wording strikes a fairer balance between the interests of the franchisee and the distributor. If cancellations are limited to those circumstances in which "essential" requirements of the franchise agreement have been violated, then large parts of any franchise agreement will be rendered meaningless. By limiting cancellation to those situations in which "reasonable" requirements have not been met, we will protect the retail dealer from termination for trivial reasons, but without imposing an undue burden on the distributor. Our goal should be fairness in dealings between retailers and distributors; we should not seek to give one the advantage over the other in their contractual arrangements.

WATERGATE REORGANIZATION AND REFORM ACT—S. 495

AMENDMENT NO. 495

(Ordered to be printed and referred to the Committee on Government Operations.)

Mr. PERCY. Mr. President, with the cosponsorship of Senator BAKER and after a year's staff research and study, I am today submitting an amendment to S. 495, the Watergate Reorganization and Reform Act.

Many of the crimes and abuses which fell beneath the umbrella label of "Watergate" were associated with the practice of electronic eavesdropping and wiretapping. The tapping of newsmen and executive employees by the "White House Plumbers," the clandestine tape recording of White House conversations both in the Oval Office and over White House telephones, as well as the actual attempted bugging of the Democratic National Headquarters at the Watergate Hotel complex, are all prime examples of the sorts of invasions of privacy now rendered frighteningly simple by modern technology. In this sense, the Watergate scandals and so-called "White House horrors" were symptomatic of something more than the simple abuse of power. Rather, they must be viewed as part of a larger question facing American society today, that of technology run rampant.

It is the intent of the Watergate reform bill to establish effective preventive measures to help insure that this Nation is not subjected to more than one Watergate. This amendment would further effectuate that goal by dealing with the problem of electronic eavesdropping and wiretapping which was at the very heart of the Watergate scandals.

The amendment that I am submitting today attempts to deal with the problem of clandestine electronic snooping. The approach is essentially threefold: First, regulation of the manufacture, distribution, and possession of the devices themselves; second, tightening of the applicable law so as to require notice to or consent of all parties to a conversation before it may legally be electronically or mechanically overheard or recorded, except in those cases where a judicial warrant has been obtained; and third, facilitation of the civil remedy in cases of illegal eavesdropping by insuring access by the potential plaintiff to the investigatory resources of law enforcement and the telephone companies. By thus limiting the availability of electronic eavesdropping devices and further defining the rights of the victims of their abuse, it is my hope that this amendment will significantly lessen the now prevalent fear that no conversation is ever truly private.

Titles V through VII of the amendment create a regulatory system requiring the obtaining of a license in order to manufacture, import, sell, transfer, or possess an electrical or mechanical eavesdropping device. An eavesdropping "device," for the purpose of this section, is one of a narrowly defined type of device which can by its nature be used to intercept a wire or oral communication without the knowledge of all parties, and, in addition, is not primarily or ordinarily used for anything else. Section 201(3). Only those products which are created for the sole and primary purpose of surreptitious eavesdropping would fall under the purview of regulation. Thus while a simple everyday tape recorder would not fall under the definition, a disguised tiny microphone specially designed to be able to pick up a conversation while in hiding would most certainly be subject to regulation.

The purpose of the regulation system is then a two-fold one of limiting the distribution of eavesdropping devices only to those who have a justifiable legal purpose for having them, and at the same time of creating a systematic means for keeping track of the device discovered in the course of an investigation, as well as that of its rightful owner.

The information gathering system will operate on a simple "chain of title" basis. Every device produced, manufactured, or imported must be in effect baptised for life with a nonerasible identification number. This number will then be placed on the head of a file. Any further sales, transfers, or other dispositions of the device will then be recorded in this same file.

At present, one of the single greatest roadblocks to effective enforcement of the wiretap laws is the inability of investigators to trace back a device which they have found to its actual owner. Under my legislation, if an investigator does in fact come up with such a device, it will be but a simple matter to check the number on the device, look up the file under that number, and discover the name of the manufacturer, the record of all sales and transfers of the device, and the name of its most recent owner.

For the purpose of limiting the actual distribution of the devices, of keeping them in the hands of responsible individuals with valid purposes for their use, two types of licenses will be issued by the Secretary of Commerce under the regulatory scheme; "business licenses" for those who wish to engage in the manufacture, assembly, importation, transfer, or sale of the devices, and "possessor licenses" for those who wish to own, possess, or actually use such devices. Both licenses will be limited to those who, upon application, can state a valid and lawful purpose for their particular dealings in eavesdropping devices. For the business license, the applicant must state fully his present and forseeable activities in the area. For the possessor license, the applicant must state just what he intends to do with the device once it is in his hands. In addition, if after a hearing it is found that either applicant has been convicted of, or is likely to be engaged in, an eavesdropping-related offense, the Secretary will deny the license application.

Through this regulatory mechanism we will hopefully be able to separate responsible use from irresponsible, legitimate use from illegitimate, and based upon this knowledge, be able to limit the right to own or use such devices.

One example where such a system has been successfully put into practice is that of the State of Maryland. Maryland law requires manufacturers and possessors of eavesdropping equipment to register their devices. It further requires reports on all sales and transfers of such devices. Thus far, 71 devices have been registered to 10 persons and corporations. Though on a smaller scale, certainly the success of the Maryland experiment in this field demonstrates the feasibility and advantageousness of the system I propose today. In discussing his experience with the operation of the Maryland system, Superintendent Smith of the Maryland State Police concluded:

> I would definitely favor the establishment of laws providing for the licensing of such (eavesdropping) equipment. * * * I would also favor the licensing of manufacturers of such devices.

Mr. President, title IX of my amendment tightens the Federal wiretap law by eliminating some of its more crippling weaknesses. The present state of the law with regard to eavesdropping and electronic bugging is just about as solid as a doughnut. The big gaping hole in the center to which I draw your specific attention is the "one party consent" exception. That is, the law specifically forbids the practice of warrantless interception of wire and oral communications unless one of the parties to the conversation has given his consent. This single party consenter, so the law goes, can indeed be the eavesdropper himself. Such being the case, the rights of the other parties to a conversation against such eavesdropping are rendered a nullity.

The potentiality for abuse under this law is immense. Take, for example, the case of a Mr. Smith, who, after confiding to a friend one night over the telephone, woke up the next morning to find a verbatim transcript of the juicier parts of his conversation in the morning newspaper. His supposed friend, it seems, had taken the trouble of recording the entire conversation, without providing our Mr. Smith with any forewarning as to his actions or intentions. When Mr. Smith then sued his former friend and the newspaper, he lost. Because the conversation had been recorded by one of its participants, the tap was deemed perfectly legal under the one-party consent exception. Unfortunately, this was an actual case. *Smith* v. *Cincinnati Post and Times Star*, 353 F. Supp. 1126.

A more recent example of abuse under this exception to the law is seen in the famous White House tapes. While outrageous on its face, it was in fact perfectly legal for the former President to secretly tape record conversations in his Oval Office as well as over his telephones without warning or notice to other unaware parties to such conversations. The former President himself, in this case, was the single-party consenter. The fact that he knew about the presence of the taping system was in itself enough to guarantee legality as long as he was present, despite the fact that those whose words he recorded had no knowledge of the recording, nor had consented to it.

Title IX of my amendment puts a plug in the doughnut hole by amending the present 18 United States Code, section 2511 to require "the consent of all parties" to an interception committed without a judicial warrant of any wire or oral communication. This provision would provide assurance that no private conversation can be electronically or mechanically overheard or taped without either the consent of all parties to the conversation, or a judicial warrant authorizing such overhearing or taping.

It is not the intent of this provision to interfere with the ability of the police to conduct their investigations into alleged wrongdoing by means of electronic surveillance. Title 18 lays out in much detail a fair and effective mechanism for law enforcement officials to obtain warrants for such surveillance when the requisite probable cause and other criteria exist. It is the intention of this provision to prevent law enforcement from bypassing or circumventing the statutory safeguards through the use of the one-party consent exception, that is, to make the tapped telephone calls themselves, or via a collaborator, record the conversation, and then use the recording as court admissible evidence, all without the use of a warrant, without probable cause—all technically legal now. At present, a law enforcement official recording such a conversation would be a party to the conversation and, therefore, could consent to its interception. See *Commonwealth* v. *Murray*, 423 Pa. 37.

As a further attempt to tighten the reins against abuse of the wiretap and eavesdrop laws, my amendment sets forth specific sanctions against those who knowingly break the rules. The recent case of *United States* v. *Giordano*, 416 U.S. 505 (1974), which involved forged signatures of the Attorney General's name upon previously prepared surveillance authorizations, flying directly in the face of a statutory requirement, is a case in point. The exclusionary rule, no matter how diligently applied by the courts, is simply ill-equipped to deal with such high level chicanery. Only a direct sanction against the offending officer himself can fulfill this function. This is what my amendment attempts to do.

As an attempt to facilitate the ability of private individuals to bring their own civil actions in the event that they themselves are subject to an illegal eavesdrop, two specific steps are taken. First, as a means of lightening the burden of proof, a standard is set by which any conviction of a defendant in a criminal proceeding brought against him on a charge concerning a violation of the wiretap laws will be regarded as conclusive in a civil proceeding brought against him regarding the same violation. Through this manner, the civil litigant will be able to benefit from the investigative and organizational resources of law enforcement, to ride on the prosecutor's coattails, so to speak. Second, an affirmative duty is placed on the telephone companies to aid their customers in investigating such offenses. Many of these companies do at the present follow a policy similar to that set down in my amendment. Some others, however, do not. The intention of this provision of my amendment is to make the practice uniform and mandatory.

This legislation would affect the phone company in a number of other ways as well. At present, there is no duty for a phone company to report a tap to the police which it has discovered on a customer's line. Although almost all phone companies do report such taps at present, an exception is Illinois Bell Telephone. This legislation would require phone companies to report the discovery of a tap to a law enforcement official.

In addition, phone companies are now allowed to secretly tape conversation when they believe that a fraud is being committed against the phone company. They do not have to prove probable cause; they do not have to get anyone's permission; they have a free hand in deciding whether a crime is being committed and whether a conversation should be recorded. This unbridled discretion is unparalleled. No other industry or private citizen has such discretion, and even the police have to obtain a court order before secretly recording conversations. This legislation would remove this discretion from the phone companies and make them seek the help of the police and the approval of a court if they suspect a crime is being committed. The police may seek a court order to intercept a conversation if the conditions for such a court order can be met. This will not hinder the phone companies since their technology is such that they can pretty well determine when a fraud is being committed, and thereby prove probable cause to a court. But, no longer would they be free to tape conversations whenever in their discretion they felt it was warranted.

The issues with which the amendment deals are important to us both as legislators and as individuals. As legislators, we must attempt to deal with a social problem which has of its own momentum played a large role in one of the greatest national catastrophes of our day. As individuals, we have at stake the quality of the environment in which we work, act, think, and communicate every day of our lives. Both of these responsibilities are weighty.

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Mr. President, I ask unanimous consent that a statement by Senator **Baker** be printed in the **Record** and that the amendment be printed in the **Record**.

There being no objection, the statement and amendment were ordered to be printed in the **Record**, as follows:

STATEMENT BY SENATOR BAKER

I welcome the opportunity to join my distinguished colleague from Illinois (Mr. PERCY) in introducing this amendment to S. 495, the "Watergate Reorganization and Reform Act."

As I noted in my individual views for the Final Report of the Select Committee on Presidential Campaign Activities, "I believe that Congress should carefully consider a prohibition of the electronic recording of conversations . . ., except with the prior consent of all the participants to the conversation, or unless carefully supervised by a court of competent jurisdiction for specified statutory purposes." I believe that S. 459, the Watergate Reorganization and Reform Act, provides a timely and appropriate vehicle for the Congress to consider such a prohibition of non-consensual electronic eavesdropping and wiretapping occurring without prior judicial approval; and I commend Senator Percy for his leadership in this area.

Certainly the single most notable evidentiary achievement of the Senate Watergate Committee was the revelation by Alexander Butterfield of the tape recording system utilized in both the Oval Office and the Presidential Suite in the Executive Office Building. I am not sure that I understand why the tape-recording facilities were installed; but I find the practice of recording conversations without the consent of all parties thereto, in the absence of a warrant, objectionable and not in keeping with the grandeur of the Fourth Amendment.

I further believe that this amendment is reflective of the sentiment of what I consider to be one of the most important recommendations of the Senate Watergate Committee. That is, the Select Committee on Presidential Campaign Activities in its Final Report recommended "that the appropriate committees of Congress study and reconsider Title III of the Omnibus Crime and Safe Streets Act of 1968 for the purpose of determining whether the electronic surveillance provisions contained in that Act require revision or amendment." In *United States v. U.S. District Court, 407 U.S. 297 (1972)*, the Supreme Court pointedly invited Congress to decide whether prior judicial approval is required for all law-enforcement and intelligence surveillance; and the Watergate Committee so recommended. I recognize that legitimate law-enforcement and intelligence rquirements often mandate such surveillance; but, in my opinion, when it is done within the United States, it is preferable that a warrant be obtained prior to implementation.

This amendment, of course, also would require regulation of electronic eavesdropping devices and makes clear civil remedies in cases of illegal eavesdropping. If we allow the manufacture and distribution of eavesdropping devices and wiretaps to continue unchecked, we may find that there may come a time at which no conversation, however private or personal, will be secure from the curious or the rampant opportunist.

I believe that the amendment which Senator Percy and I are introducing today reflects a serious attempt to eliminate what I consider to be perhaps the most objectionable abuse uncovered by the Select Committee on Presidential Campaign Activities, and I think that it reflects the concern underlying one of the major recommendations of the Senate Watergate Committee. It certainly is pertinent to the Watergate-prompted reform effort, and I commend it to my colleagues.

AMENDMENT No. 495

On page 37, line 15, add the following:

TITLE V—LICENSING OF ELECTRONIC, MECHANICAL, OR OTHER DEVICE

Sec. 501. As used in this title, the term—

(1) "business license" means a certificate, paper, or other item issued by the Secretary to any applicant in the business of manufacturing, importing, assemblying, transferring, or selling of electronic, mechanical, or other devices;

(2) "possessor license" means a certificate, paper, or other item issued by the Secretary to any applicant owning, possessing, or otherwise having in his custody any electronic, mechanical, or other device;

(3) "electronic, mechanical, or other device" shall have the same meaning as that provided for under section 2510(5) of title 18, United States Code, except that, for purposes of this Act, the Secretary shall issue regulations excluding from such term any electronic, mechanical, or other device which the Secretary determines, on the basis of the design, size, and nature thereof, is primarily and ordinarily used for a purpose other than the overhearing of oral communications of others without their knowledge;

(4) "Secretary" means the Secretary of Commerce; and

(5) "person" means any individual, association, partnership, institution, corporation, or other entity, any officer, employee, or agent of the United States or any territory or possession thereof, or of any State or political subdivision thereof.

Sec. 502. (a) On and after the expiration of the one hundred and twentieth day following the date of the enactment of this Act, no person shall engage in the business of manufacturing, assemblying, importing, transferring, or selling of any electronic, mechanical, or other device, if such device or component thereof has been or will be sent through the mail or transported in interstate or foreign commerce, unless such person has a valid business license issued to him in accordance with this title.

(b) The Secretary is authorized, upon application to him by an applicant in accordance with this title, to issue to such applicant a business license, unless the Secretary determines, after a hearing, that such applicant has been convicted of a violation of chapter 119 of title 18, United States Code, that there is a substantial probability that such applicant is engaged, or is likely to engage, in conduct in violation of chapter 119 of title 18, United States Code, or that such applicant has knowingly submitted false or misleading information in connection with his application for such license, or in connection with any other application, document, notice, or paper submitted pursuant to this Act.

(c) Any business license issued pursuant to this title may, after a hearing, be revoked or otherwise suspended by the Secretary if he determines that the holder of such license has been convicted of a violation of chapter 119 of title 18, United States Code, or has knowingly submitted false or misleading information in connection with his application for such license, or in connection with any other application document, notice, or paper submitted pursuant to this Act.

(d) Applications under this section shall be submitted to the Secretary on such form as the Secretary shall provide. Any such application shall contain, among other matters, the following:

(1) name and address of the applicant;

(2) business or trade name of the applicant;

(3) a complete description of the applicant's business or dealings insofar as such business or dealings involve electronic, mechanical, or other devices;

(4) the address of each location where the applicant conducts or will conduct business or other dealings involving electronic, mechanical, or other devices; and

(5) any other information or data which the Secretary may, by regulation, prescribe.

(e) Any business license issued pursuant to this section shall, unless revoked or suspended in accordance with this title, be valid for a period of twelve months. Each such license issued under this section shall be identified by a reference number issued by the Secretary. Any person holding a valid business license issued under this section shall notify the Secretary, in writing, of any changes in the information provided on the application for such license. Such notice shall be submitted prior to the expiration of the fourteen day period following such change.

(f) Any person violating the provisions of subsection (a) of this section shall be fined not more than $10,000 or imprisoned not more than five years, or both.

Sec. 503. (a) On and after the expiration of the one hundred and fiftieth day following the date of the enactment of this Act, no person, other than a person having a valid business license issued to him under this title, shall own, possess, or otherwise have in his custody, any electronic, mechanical, or other device, if such device or component thereof has been or will be sent through the mail or transported in interstate or foreign commerce, unless such person has a valid possessor license issued to him in accordance with this section.

(b) The Secretary is authorized, upon application to him by an applicant in accordance with this section, to issue to such applicant a possessor license, unless the Secretary determines, after a hearing, that such applicant has been convicted of a violation of chapter 119 of title 18, United States Code, that there is a substantial probability that the ownership, possession, or custody by such applicant of any electronic, mechanical, or other device would be unlawful under the provisions of section 2512 of title 18, United States Code, that there is a substantial probability that such applicant is engaged, or is likely to engage, in conduct in violation of chapter 119 of title 18; United States Code, or that such applicant has knowingly submitted false or misleading information in connection with his application for such license, or in connection with any other application, document, notice, or paper submitted pursuant to this Act.

(c) Any possessor license issued pursuant to this section may, after a hearing, be revoked or otherwise suspended by the Secretary if he determines that the holder of such license has been convicted of a violation of chapter 119 of title 18, United States Code, or has knowingly submitted false or misleading information in connection with his application for such license, or in connection with any other application, document, notice, or paper submitted pursuant to this Act.

(d) Applications under this section shall be submitted to the Secretary on such form as the Secretary shall provide. Any such application shall contain, among other matters, the following:

(1) name and address of the applicant;

(2) business or trade name, if any, of the applicant;

(3) a complete description of the applicant's business or dealings, if any, insofar as such business or dealings involve electronic, mechanical, or other devices;

(4) the address of each location, if any, where the applicant conducts or will conduct business or other dealings involving electronic, mechanical, or other devices;

(5) a statement of the purpose to which the applicant intends to put the electronic, mechanical, or other device for which application is made;

(6) a statement as to whether the applicant has been denied a business license or

possessor license under this title, or had any such license suspended or revoked;

(7) the number, description, and identification number of all electronic, mechanical, or other devices owned or possessed by the applicant, or in his custody at the time of such application and during the twelve month period preceding the date of such application, except that the requirement as to identification number shall not be applicable, with respect to any such device so owned, possessed or in the custody of any such applicant for any period prior to the date of expiration of the one hundred and twenty day period following the date of the enactment of this Act; and

(8) any other information or data which the Secretary may, by regulation, prescribe.

(e) Any possessor license issued pursuant to this section shall, unless revoked or suspended in accordance with this ttile, be valid for a period of twelve months. Each such license issued under this section shall be identified by a reference number issued by the Secretary. Any person holding a valid possessor license issued under this section shall notify the Secretary, in writing, of any material change in the information provided on the application for such license. Such notice shall be submitted prior to the expiration of the fourteen day period following such change.

(f) In addition to information required under subsection (d) of this section, any law enforcement officer applying for a possessor license under this section shall submit to the Secretary the following:

(1) law enforcement agency by which the applicant is employed;

(2) the name and address of his commanding officer;

(3) if the applicant is a Federal law enforcement officer, such application shall contain assurances by the Attorney General or his designee to the effect that the applicant is of good standing and good character and whose assigned duties may involve the use of electronic, mechanical, or other devices;

(4) if the applicant is a State or local law enforcement officer, such application shall contain assurances by the chief law enforcement officer of the State or his designee to the effect that the applicant is of good standing and good character and whose assigned duties may involve the use of electronic, mechanical, or other devices.

(g) In the event that a law enforcement officer holding a valid possessor license ceases to be a law enforcement officer, such license shall be deemed revoked and of no force and effect, and the commanding officer of such law enforcement officer shall so notify the Secretary to that effect.

(h) Any person violating the provisions of subsection (a) of this section shall be fined not more than $10,000 or imprisoned not more than five years, or both.

TITLE VI—IDENTIFICATION: REGISTRATION

Sec. 601. (a) On and after the expiration of the one hundred and twentieth day following the date of the enactment of this Act, no person engaged in the business of manufacturing, importing, or assembling electronic, mechanical, or other devices for which a license is required under this Act shall sell, transfer, distribute, or otherwise dispose of any such device so manufactured, imported, or assembled unless such device shall have affixed to it in such a manner that it cannot be readily removed, altered or obliterated, an identification number issued by the Secretary in accordance with this title.

(b) On and after the expiration of the one hundred and fiftieth day following the date of the enactment of this Act, no person shall own, possess, or otherwise have in his custody, transfer, or sell, any electronic, mechanical or other device unless such electronic, mechanical, or other device has affixed to it in such a manner that it cannot be readily removed, altered, or obliterated an identification number issued by the Secretary in accordance with this title.

(c) Upon approval by him of any application received from any person engaged in the business of manufacturing, assembling, importing, selling, or otherwise distributing electronic, mechanical, or other devices, or from any person owning, possessing, or otherwise having custody of any electronic, mechanical, or other device, for an identification number for purposes of this title, the Secretary is authorized to issue such number if he determines that such application contains such information as is required by, and is in compliance with, regulations issued by him for purposes of this title.

(d) Any person who sells, transfers, distributes, or disposes of any electronic, mechanical, or other device in violation of subsection (a) of this section or any person who owns, possesses, or otherwise has in his custody any electronic, mechanical, or other device in violation of subsection (b) of this section, shall be fined not more than $10,000 or imprisoned not more than five years, or both.

Sec. 602. (a) The Secretary is authorized and directed to establish and carry out, and keep current, a program of registration of all electronic, mechanical, or other devices in the United States. Such program shall be established and carried out with a view to requiring each person (other than a person covered by subsection (b)), within sixty days following the date he acquires ownership, possession, or other custody of any electronic, mechanical, or other device, or within the one hundred and fifty day period following the date of the enactment of this Act, whichever last occurs, to register such electronic, mechanical, or other device with the Secretary.

(b) On and after the expiration of the one hundred and fiftieth day following the date of the enactment of this Act, no person engaged in the business of manufacturing, importing, or assembling of any electronic, mechanical, or other device for which a license is required under this Act shall sell, transfer, distribute, or otherwise dispose of any such device unless such device has been registered in accordance with subsection (a) of this section.

(c) Such registration shall be carried out on forms made available by the Secretary and containing, among other matters, the following:

(1) the identification number of the device;

(2) the name (including business or trade name, if any), address (including business address, if any) and number of the business license or the possessor license of the person so registering such device; and

(3) a complete description of the electronic, mechanical, or other device to be so registered.

(d) Any person who violates the provisions of subsection (a) or (b) of this section shall be fined not more than $10,000 or imprisoned not more than five years, or both.

TITLE VII—SALE OR TRANSFER OF ELECTRONIC, MECHANICAL, OR OTHER DEVICE

Sec. 701. (a) On and after the expiration of the one hundred and fiftieth day following the date of the enactment of this Act, no person engaged in the business of manufacturing, importing, or assembling of any electronic, mechanical, or other device for which a license is required by this Act, and no person owning, possessing, or otherwise having in his custody, any electronic, mechanical, or other device for which a license is required under this Act, shall sell, transfer, distribute, or otherwise dispose of any electronic, mechanical, or other device, unless any such person has, not less than fourteen days prior thereto, notified the Secretary, in writing, concerning such intended sale, transfer, distribution, or other disposition. Such notice shall include, among other matters, the following:

(1) the name, address, and number of the business or possessor license issued under this Act of the person so selling, transferring, distributing, or otherwise disposing of such device;

(2) the name, address, and number of the business or possessor license issued under this Act of the person to whom such device is to be so sold, transferred, distributed or disposed of;

(3) the identification number of such device, obtained pursuant to this Act;

(4) a statement of the purposes for which such device is to be so used; and

(5) any other information which the Secretary may, by regulation, require.

(b) The Secretary may, within the fourteen day period following the receipt by him of any such notice of intention to sell, transfer, distribute, or otherwise dispose of any electronic, mechanical, or other device, issue an order prohibiting the carrying out of such intended sale, transfer, distribution, or disposition covered by such notice, if the Secretary determines that—

(1) the person to whom such electronic, mechanical, or other device is to be sold, transferred, distributed, or disposed of does not have a valid business license or possessor license issued pursuant to this Act;

(2) new information concerning such person referred to in paragraph (1) would be grounds for suspending, revoking, or not renewing any valid business license or possessor license held by such person;

(3) information in any such notice under subsection (a) of this section is false or incomplete;

(4) there is a substantial probability that such device to be so sold, transferred, distributed, or disposed of will be used for an unlawful purpose.

(c) In any case in which no order is issued pursuant to subsection (b) of this section with respect to any notice, the person submitting such notice shall, following the expiration of the fourteen day period following the submission of such notice, be authorized to carry out such sale, transfer, distribution or disposition covered by such notice.

(d) Any person who sells, transfers, distributes, or disposes of any electronic, mechanical, or other device in violation of the provisions of subsection (a) of this section, or in violation of any order pursuant to subsection (b) of this section, shall be fined not more than $10,000 or imprisoned not more than five years, or both.

TITLE VIII—DUTIES OF THE SECRETARY; AUTHORIZATIONS

Sec. 801. The Secretary shall take such action as may be necessary to assure that all information or other data obtained by him in connection with the issuance of business licenses, possessor licenses, the sale, transfer, distribution, or other disposition of electronic, mechanical, or other devices, including the identification numbers thereof and the registration with respect thereto, is kept in a central place and in such a manner as to facilitate the retrieval or abstraction of the aforementioned information and data, except that all information and data concerning the issuance of a possessor license to a law enforcement officer may be kept confidential if requested by the commanding officer of the applicant. In any case involving such a request, such information or data may be made available to any appropriate court or law enforcement agency upon receipt of a proper request or order, but shall be so made

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available under such condition or conditions as the Secretary may impose to assure the confidentiality of such information and data.

Sec. 802. As soon as practicable following the date of the enactment of this Act, but in no event later than sixty days following such date, the Secretary shall issue such regulations as may be necessary to carry out the provisions of this Act.

Sec. 803. The Secretary shall, on not less than an annual basis, report to the Congress concerning the administration and operation of this Act. Such report shall include, among other matters—

(1) the number of applications for business and possessor licenses received by the Secretary during the calendar year preceding the calendar year in which such report is submitted;

(2) the number of such licenses issued during such period covered by such report;

(3) the number of possessor licenses issued to law enforcement officers during such period covered by such report;

(4) the number of electronic, mechanical, or other devices manufactured, assembled, or imported to the United States, and the number of sales, transfers, distributions, or other dispositions thereof during such period;

(5) the estimated number of electronic, mechanical, or other devices in the United States during such period; and

(6) such other information or data as the Secretary may, by regulation, require.

Sec. 804. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

TITLE IX—ALL PARTY CONSENT

Sec. 901. (a) Paragraph (a) of section 2511(1) of Title 18, United States Code, is amended by inserting immediately before the semicolon at the end thereof a comma and the following: "without the consent of all the parties to such communication."

(b) Paragraph (b) of section 2511(1) of Title 18, United States Code, is amended by inserting immediately after the word "communication" a comma and the following: "without the consent of all the parties to such communication,".

(c) Section 2511(1) of chapter 119 of Title 18, United States Code, is amended by inserting immediately after paragraph (d) the following new paragraph:

"(e) willfully fails to report to a law enforcement official within a reasonable time any violation of this chapter;".

(d) Section 2510(4) of chapter 119 of Title 18, United States Code, is amended by deleting the period and inserting after the word "device" the following: "in any manner which allows someone not a party to such communication to hear or record the contents of such communication."

Sec. 902. Section 2511(2) of chapter 119 of Title 18, United States Code, is amended by striking out paragraphs (c) and (d) and inserting in lieu thereof the following:

"(c) It shall not be unlawful under this chapter for any person to intercept and record conversation over his own telephone or upon his own premises and to which he is a party, if—

"(i) notice is given to all other parties to such conversation that the conversation is being intercepted or recorded, or both; and

"(ii) the contents of any such interception or recording is not divulged to any person not a party to such conversation without the consent of all other parties to the conversation.

"(d) It shall not be unlawful under this chapter to record or otherwise tape any conversation in a public place which is otherwise readily audible without the use of any electronic, mechanical, or other device, and which takes place under circumstances such as not to afford a reasonable expectation of privacy, if such conversation is not recorded or taped for purposes either tortious or criminal."

Sec. 903. Section 2520 of Title 18, United States Code, is amended by adding at the end thereof the following new sentence: "Any criminal conviction obtained under this chapter shall be conclusive in any such civil action."

Sec. 904. (a) Chapter 119 of Title 18, United States Code, is amended by adding at the end thereof the following new section:

"Sec. 2521. Sanctions

"(a)(1) Any person who willfully violates the procedural provisions of this chapter;

"(2) Any existing officer who willfully exceeds the authority of his warrant;

"(3) Any person who willfully divulges any information obtained by lawful intercept under this chapter to any unauthorized person or agency; or

"(4) Any person who willfully violates any person's constitutional or statutory rights under this chapter shall be deemed in contempt of court and subject to a fine of $10,000 or imprisoned for not more than five years, or both.

"(b) Any law enforcement officer who—

"(1) willfully violates any of the procedural provisions of this chapter;

"(2) willfully exceeds the authority of any warrant issued under this chapter in the course of executing such warrant; or

"(3) willfully violates the constitutional or statutory rights of any person under this chapter shall be fined not more than $10,000 or imprisoned for not more than five years, or both.".

(b) The section analysis of chapter 119 of title 18 of the United States Code is amended by adding at the end thereof the following new item:

"2521. Sanctions.".

Sec. 905. The Communications Act of 1934, as amended, is amended by adding at the end of title II the following new section:

"Sec. 223. (a) Telephone and telegraph companies shall, upon the written request of a subscriber, furnish whatever service possible for the purpose of detecting any unlawful interception of communication carried on through the facilities of such common carrier. All such requests by subscribers shall be subject to the provisions of chapter 119 of title 18, United States Code.

"(b) It shall be the affirmative duty of every telephone and telegraph company or officer or employee thereof to report to a law enforcement agency immediately upon discovery of any violation of the provisions of such chapter 119 discovered in the course of normal operations in response to a request of a subscribe. as provided in subsection (a) of this section, or in any other manner. It shall further be the duty of any such telephone or telegraph company or officer or employee thereof to make available to law enforcement personnel any information relevant to such reports or discoveries as are needed for prosecutions under chapter 119 of title 18, United States Code.

"(c) Every telephone and telegraph company shall keep records and make annual reports to the Secretary. Such reports shall include—

"(1) the number of requests pursuant to subsection (a) of this section that it receives from subscribers;

"(2) the number of times pursuant to such requests or by other independent action on the part of such telephone or telegraph company—

"(A) an electronic, mechanical, or other device (as defined in section 2510 (5) of Title 18, United States Code), or evidence thereof, was discovered,

"(B) any person was arrested for violation of chapter 119 of Title 18, United States Code, and the disposition of such cases,

"(C) a cataloguing of the types of devices discovered;

"(D) the number of such electronic, mechanical, or other devices discovered, and

"(E) the cost incurred by the reporting company in carrying out the requirements of this section."

Sec. 906. (a) Section 2511 (2) (a) of Title 18, United States Code, is amended by striking the period at the end thereof and inserting the following:

"; *Provided further*, That no operator of a switchboard, or an officer, employee, or agent of any communication common carrier, whose facilities are used in the transmission of wire communications, may intercept or mechanically or otherwise record any oral communication over such facilities for the purpose of protecting the rights or property of the carrier of such communication."

(b) Section 2516 (1) of Title 18, United States Code, is amended by redesignating subsection "(g)" as subsection "(h)", and adding a new subsection "(g)" as follows:

"(g) any offense involving fraud by wire under section 1343 of this Title."

NATIONAL STANDARDS NO-FAULT MOTOR VEHICLE INSURANCE ACT—S. 354

AMENDMENT NO. 497

(Ordered to be printed and referred to the Committee on Commerce.)

Mr. STEVENS. Mr. President, today I am submitting an amendment to the National Standards No-Fault Motor Vehicle Insurance Act (S. 354) which will help eliminate the fears that this legislation creates a Federal insurance regulatory bureaucracy, and which also responds to the views of those Senators on the Committee on the Judiciary who concluded last year that the bill's enforcement mechanism—title III—is of doubtful constitutional validity.

Mr. President, I have never been persuaded that this legislation would be, or could be, used to establish Federal regulation of the business of insurance. But responsible and articulate spokesmen for distinguished organizations, including the National Association of Insurance Commissioners, have concluded otherwise. I do agree that whenever a Federal Government agency is granted the power to reject a State plan, that agency may exert influence beyond the letter of the law.

Therefore, Mr. President, my amendment provides for State certification that respective State no-fault plans are in accordance with the national standards established by S. 354, and I am also proposing that the duties of the Secretary of Transportation under S. 354 be discharged instead by an independent Review Board, a majority of whose members would be responsive to the interests and concerns of State governments, rather than to any aggrandizing instinct on the part of the Federal Government.

The No-Fault Insurance Plan Review Board would consist of five members; it would be authorized to hire its own staff to examine State no-fault plans to be sure they are in accordance with the national standards established by S. 354; and it would be independent, even though for housekeeping purposes it would be located within the Department of Transportation. Four of the five members would be recommendees of either the National Governors Conference or the National Association of Insurance Commissioners. They would be appointed by the President, by and with the advise and consent of the Senate, from lists of qualified individuals submitted by these organizations.

Since the purpose of this amendment is not to eliminate participation of the Department of Transportation, which has played a tremendous role under four Secretaries in the sponsorship, development, and evolution of no-fault auto insurance, but rather to assure that it would not have any authority to regulate State insurance, the fifth member and the Chairman of this Review Board will be the Secretary of Transportation.

Mr. President, I have similarly never been persuaded by the views expressed in the 1974 minority report on no-fault of the Senate Judiciary Committee. The former Solicitor General of the United States, Erwin N. Griswold, and other distinguished constitutional law authorities, have convinced me that the title III mechanism in the bill is constitutional. Nevertheless, to eliminate any remaining arguments that this legislation is unconstitutional, I am proposing that an "option" be give to any State to which title III becomes applicable.

If that State does not wish to and cannot administer the alternative title III no-fault plan, it may call upon the Federal Government to administer these unacceptable responsibilities, and the Secretary of Transportation is directed to perform such functions until the State withdraws or repeals this decision and request, or until the State enacts its own no-fault plan in accordance with national standards. With this amendment, no State could be compelled "to create agencies and to staff and fund them to administer a Federal law," and any Federal involvement would only be at the request of a State.

Mr. President, I ask unanimous consent that the amendment be printed in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 497

On page 45, beginning on line 7, strike out all through page 52, line 20, and insert in lieu thereof the following:

"CRITERIA AND REVIEW

"Sec. 201. (a) General.—The provisions of title I, except sections 101, 102, 103, 112, 113, and 114, and the provisions of this title, except this section and section 202, are provisions of this Act solely for the purpose of establishing national standards for a State no-fault plan for motor vehicle insurance and shall have force and effect only as part of such a plan, except to the extent that any such provision may apply to section 113 or be incorporated in title III. The provisions of title III are provisions of this Act solely for the purpose of setting forth the provisions of the alternative Federal no-fault plan for motor vehicle insurance and shall have force and effect only as part of such a plan and in accordance with this Act.

"(b) Criteria.—(1) A State no-fault plan for motor vehicle insurance is in accordance with national standards only if such a plan includes provisions which meet or exceed each of the national standards, pursuant to paragraph (2), and if such plan does not include any provisions that are inconsistent, in whole or in part, with the national standards.

"(2) As used in this Act, the term 'national standards' means all of the provisions of title I, except sections 101, 102, 112, and 113, and all of the provisions of this title, except this section and section 202. A provision in a State no-fault plan for motor vehicle insurance 'meets' a national standard if its substance is the same as, or the equivalent of, the national standard which corresponds to it. A provision in such a State plan 'exceeds' a national standard if its substance is more favorable or beneficial, with respect to insureds, victims, or survivors of deceased victims, than the national standard which corresponds to it, or if it is more restrictive of tort liability than the national standard established by section 206 (a).

"(c) Review Board.—(1) There is established, in accordance with the provisions of this subsection, an independent instrumentality within the Department of Transportation, to be known as the No-Fault Insurance Plan Review Board (hereinafter referred to in this title as the 'Review Board').

"(2) The Review Board shall consist of five members, as follows:

"(A) the Secretary of Transportation, or his designee, who shall serve as Chairman of the Review Board; and

"(B) four individuals, none of whom shall be employees or consultants of the Federal Government in any other capacity, who shall be appointed by the President, by and with the advice and consent of the Senate, on the following basis—

"(i) two to be selected from a list of not less than six qualified individuals recommended by the National Governors Conference:

"(ii) two to be selected from a list of not less than six qualified individuals recommended by the National Association of Insurance Commissioners.

A member, other than the Chairman, may receive $300 per diem when engaged in the actual performance of his duties plus reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of such duties. The terms of office of such members first taking office shall expire as designated by the President at the time of nomination—two at the end of the second year and two at the end of the fourth year. Successors to members of the Review Board shall be appointed in the same manner as the original members and shall have terms of office expiring four years from the date of expiration of the terms for which their predecessors were appointed. Any individual appointed to fill a vacancy occurring prior to the expiration of any term of office shall be appointed for the remainder of that term.

"(3) The Review Board may adopt, amend, and repeal such rules and regulations as are necessary to carry out the authority granted under this Act, and it may, for the purpose of carrying out such authority, hold such hearings as it deems advisable. The Chairman, subject to the approval of the Review Board and without regard to the civil service and classification laws, may select, appoint, assign the duties, and fix the compensation of such employees and consultants as are necessary to carry out its powers and duties under this Act. Three members of the Review Board shall constitute a quorum, and decisions of such Board shall be by majority vote of the members present and voting.

"(4) There are authorized to be appropriated to the Review Board for purposes of carrying out its functions under this Act such sums as are necessary, not to exceed $500.000, to remain available until expended, and moneys appropriated for the Review Board shall not be withheld or used by the Secretary for any purpose other than the use of the Review Board.

"STATE NO-FAULT PLAN IN ACCORDANCE WITH NATIONAL STANDARDS

"Sec. 202. (a) Preemption.—Any provision of any State law that would prevent the establishment in such a State of a no-fault plan for motor vehicle insurance in accordance with national standards is preempted.

"(b) State No-Fault Plan.—A State may, at any time, enact into law a no-fault plan for motor vehicle insurance in accordance with national standards.

"(c) Certification by Chief Executive Officer.—(1) If the chief executive officer of a State determines that such State has enacted a no-fault plan for motor vehicle insurance in accordance with national standards, such chief executive officer may, at any time following such enactment, submit to the Review Board a certification that such State has established a no-fault plan for motor vehicle insurance in accordance with national standards, together with a certified copy of such plan.

"(2) Such a certification, and any recertification pursuant to subsection (d), shall be in the following form: 'The State of ——— has enacted into law a no-fault plan for motor vehicle insurance. I hereby certify, pursuant to section 202(c) (recertify, pursuant to section 202(d)) of the National Standards No-Fault Motor Vehicle Insurance Act that this plan, a certified copy of which is attached, is (remains) in accordance with national standards.'.

"(d) Periodic Report and Recertification.—The Review Board shall request, not more frequently than every two years nor less frequently than every four years, from the chief executive officer of a State for which certification under subsection (c) is on file with the Secretary—

"(1) a report evaluating the success of such plan in terms of such State's contribution of the Congress, as set forth and declared in section 102(b), and in terms of—

"(A) the cost to the purchasers of insurance resulting from the institution and continuing operation of such plan;

"(B) the impact of such plan on various sectors of society;

"(C) the effect of such plan on congestion and delay resulting from backlogs in the courts; and

"(D) the impact of such plan on competition within the motor vehicle insurance industry, particularly with respect to the competitive position of small insurance companies in such State; and

"(2) a recertification, in the form prescribed under subsection (c), that such State's plan remains in accordance with national standards..

The Review Board shall report to the President and to the Congress simultaneously on March 1 of each year on the results of all such reports that it received during the preceding calendar year, including any recommendations for legislation.

"(e) Review Board Review.—(1) The Review Board shall meet to review all certifications and recertifications within 90 days of their receipt by the Review Board. The Review Board shall treat a State's certification and recertification of its no-fault plan as prima facie evidence that such plan is in accordance with national standards, and having received such a certification or recertification the Review Board shall make a determination that such a State's no-fault plan is not in accordance with national standards only on the basis of substantial evidence. If the Review Board, under such circumstances, determines on the basis of substantial evidence that a State does not have a no-fault plan for motor vehicle insurance that is in accordance with national standards, it shall issue a declaration of such finding, including the reasons therefor. Except as otherwise provided in this subsection, such a declaration may only be made

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by the Review Board within 90 days following the receipt by the Review Board of a State's certification, pursuant to subsection (c), or recertification, pursuant to subsection (d). Such a declaration shall be made if a recertification has not been received by the Review Board within 180 days after a request therefor has been made under subsection (d).

"(2) If the chief executive officer of a State has not certified, pursuant to subsection (c), that such State has enacted a no-fault plan for motor vehicle insurance in accordance with national standards, as of the second anniversary of the date of enactment of this Act, the Review Board shall meet within 90 days of such second anniversary and issue a declaration that such State does not have a no-fault plan for motor vehicle insurance that is in accordance with national standards. If a State does not have in effect a no-fault plan for motor vehicle insurance, which was certified pursuant to subsection (c), as of the third anniversary of the date of enactment of this Act, the Review Board shall meet within 90 days of such third anniversary and issue a declaration that such State does not have a no-fault plan for motor vehicle insurance that is in accordance with national standards.

"(f) ALTERNATIVE FEDERAL NO-FAULT PLAN.—The alternative Federal no-fault plan for motor vehicle insurance in accordance with title III shall become applicable in a State 90 days following the issuance of a declaration by the Review Board that such State does not have a no-fault plan for motor vehicle insurance that is in accordance with national standards: *Provided,* That in no event shall such alternative Federal no-fault plan become applicable in any State prior to the second anniversary of the date of enactment of this Act. The alternative Federal no-fault plan for motor vehicle insurance in accordance with title III shall go into effect in a State in which it is applicable on the first day of the ninth month after it becomes applicable. If the chief executive officer of such a State, subsequent to a Review Board declaration that such State's no-fault plan is not in accordance with national standards, submits to the Review Board a certification pursuant to subsection (c), and if the Review Board does not determine, within 90 days after its receipt of such certification, that the plan involved is not in accordance with national standards, the alternative Federal no-fault plan for motor vehicle insurance shall cease to be applicable or in effect in such State and such State's no-fault plan in accordance with national standards shall go into effect on the same date, as designated by the chief executive officer of such State except that such date shall not be earlier than 90 days following the Review Board's receipt of the applicable certification.

"(g) STATE OPTION.—A State, with respect to which the alternative Federal no-fault plan for motor vehicle insurance is applicable or in effect, shall have exclusive responsibility to implement, administer, operate, and maintain such alternative no-fault plan within such State, and the provisions of such plan shall constitute the rules of decision for any court located in such State. In the event of a judicial determination that bars a State from implementing, administering, operating, or maintaining such alternative Federal no-fault plan or that allows such State the option of declining to implement, administer, operate, or maintain such alternative Federal no-fault plan, such State may decline to perform any specific administrative function or responsibility that it is barred by judicial determination from performing or that it is by judicial determination given the option of declining to perform, upon notice in writing to the Secretary. The Secretary shall assume the performance of any such function or responsibility as soon after the receipt of such notice as is practicable and necessary and shall continue such performance until such State withdraws or repeals its notice. There are authorized to be appropriated to the Secretary such sums as are necessary to carry out any duties imposed on him under this subsection.

"(h) JUDICIAL REVIEW.—(1) At the option of a State only, a declaration made by the Review Board that such State's no-fault plan for motor vehicle insurance is not in accordance with national standards shall be subject to judicial review in the United States court of appeals for the circuit in which is located such State or in the United States Court of Appeals for the District of Columbia Circuit: *Provided,* That (A) any such review shall be instituted within 60 days from the date on which such declaration by the Review Board is issued; and (B) pending final determination by the court, the alternative Federal no-fault plan shall become applicable and go into effect in such State, in accordance with the provisions of subsection (f).

"(2) A determination of the Review Board that a State's no-fault plan for motor vehicle insurance is in accordance with national standards is subject to judicial review to the extent authorized by, and in accordance with, chapter 7 of title 5, United States Code, except that (A) section 705 thereof is not applicable; (B) the appropriate court shall only hold unlawful and set aside such a determination on a ground specified in subparagraphs (A), (B), (C), or (D) of section 706(2) thereof; and (C) any such review shall be instituted within 30 days from the date on which such a determination is made public.".

On page 17, line 14, strike out "State", the second time such term is used.

On page 22, beginning on line 1, strike out all through line 7.

On page 22, line 8, strike out "(6)" and insert in lieu thereof "(5)".

On page 36, line 15, strike out "The" and insert in lieu thereof "Notwithstanding any provision of this Act, the".

On page 37, beginning on line 3, strike out all through page 38, line 22, and insert in lieu thereof the following:

"(c) ACCOUNTABILITY AND AVAILABILITY.—A no-fault plan for motor vehicle insurance in accordance with national standards or in accordance with title III shall include a program for—

"(1) evaluating and supervising (A) emergency medical services; and (B) medical and vocational rehabilitation services; that are supplied to or provided for victims in the State in which such plan is in effect and with respect to which reimbursement or payment is sought from or made by a restoration obligator;

"(2) assuring the accountability of suppliers and providers of such services for the quality thereof, and for the costs thereof, in accordance with applicable standards; and

"(3) assuring that such services are available.".

On page 40, line 3, on page 40, line 7, on page 40, line 11, and on page 69, line 20, strike out "State".

On page 70, line 6, strike out "STATE" and insert in lieu thereof "FEDERAL".

On page 70, line 9, on page 70, line 18, and on page 71, line 14, strike out "State" and insert in lieu thereof "Federal".

On page 70, line 10, strike out "State".

On page 70, line 12, strike out "subsection (e) of section 201" and insert in lieu thereof "section 202(f)".

On page 70, line 14, strike out "201(d)" and insert in lieu thereof "202(d)".

VOTING RIGHTS ACT AMENDMENTS OF 1975—S. 1279

AMENDMENT NO. 498

(Ordered to be printed and referred to the Committee on the Judiciary.)

Mr. GRAVEL submitted an amendment intended to be proposed by him to amendment No. 345, intended to be proposed by Mr. TUNNEY to the bill (S. 1279) to amend the Voting Rights Act of 1965 to extend certain provisions for an additional 10 years and to make permanent the ban against certain prerequisites to voting.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 25

At the request of Mr. MANSFIELD, the Senator from Tennessee (Mr. BROCK) and the Senator from Massachusetts (Mr. BROOKE) were added as cosponsors of amendment No. 25, intended to be proposed to the bill (S. 598), the ERDA authorization bill.

AMENDMENT NO. 429

At the request of Mr. DOLE, the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Maine (Mr. HATHAWAY), the Senator from Vermont (Mr. LEAHY), the Senator from Minnesota (Mr. MONDALE), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Massachusetts (Mr. KENNEDY), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Massachusetts (Mr. BROOKE), and the Senator from New York (Mr. JAVITS) were added as cosponsors of amendment No. 429 to the bill (S. 1662) to amend the Food Stamp Act of 1964.

AMENDMENTS NO. 466 THROUGH NO. 474

At the request of Mr. CLARK, the Senator from Florida (Mr. CHILES), the Senator from Colorado (Mr. HASKELL), the Senator from Minnesota (Mr. MONDALE), the Senator from South Carolina (Mr. THURMOND), and the Senator from Delaware (Mr. BIDEN) were added as cosponsors to amendments Nos. 466, 467, 468, 469, 470, 471, 472, 473, and 474, to the bill (S. 1426) to amend the Older Americans Act of 1965, to establish certain social services programs for older Americans and to extend the authorizations of appropriations contained in such act, to prohibit discrimination on the basis of age, and for other purposes.

AMENDMENT NO. 486

At the request of Mr. HUMPHREY, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor to amendment No. 486 to S. 1517 (Appropriations for Administration of Foreign Affairs), to authorize reopening of the U.S. consulate in Gothenburg, Sweden.

AMENDMENT NO. 488

At the request of Mr. HATHAWAY, the Senator from South Carolina (Mr. THURMOND), the Senator from Wisconsin (Mr. PROXMIRE), and the Senator from New Jersey (Mr. CASE) were added as cosponsors of amendment No. 488, relating to the eligibility, appointment, and admission to service academies of women, intended to be proposed to the bill (S. 920), the Defense Department authorization act.

AMENDMENT NO. 492

At the request of Mr. JACKSON, the Senator from Minnesota (Mr. HUMPHREY), the Senator from New Jersey (Mr. CASE), the Senator from New Jersey (Mr. WILLIAMS), and the Senator from New York (Mr. BUCKLEY) were added as cosponsors of amendment No. 492, intended to be proposed to the bill (S. 920), the Defense Department authorization act.

NOTICE OF HEARINGS ON PROPOSALS TO ESTABLISH A UNIFORM LAW ON THE SUBJECT OF BANKRUPTCIES

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Senator from North Dakota (Mr. BURDICK), I wish to announce that open public hearings will continue for the Subcommittee on Improvements in Judicial Machinery on S. 235 and S. 236, two proposals to revise the bankruptcy laws of the United States. Hearings will be held on June 4, 5, 10, and 11, 1975, in room 6202, Dirksen Senate Office Building, commencing at 10 a.m. each day.

Those who wish to testify or submit a statement for inclusion in the record should communicate as soon as possible with the Subcommittee on Improvements in Judicial Machinery, 6306 Dirksen Senate Office Building, telephone 224-3618.

SALINE WATER CONVERSION PROGRAM—NOTICE OF HEARINGS

Mr. CHURCH. Mr. President, the Interior and Insular Affairs Committee has unanimously reported H.R. 3109, a measure to authorize appropriations for the Federal Government's saline water conversion program for fiscal year 1976. However, I believe that I should point out to my colleagues that in my estimation, this measure is an interim endorsement by the committee of saline water conversion research and development.

Obviously, in light of the administration's continuously diminishing requests for funding of water research activities—something is wrong with the program. It is my intent to examine the entire Federal water resources research and technology effort. I, therefore, have scheduled hearings before the Subcommittee on Energy Research and Water Resources for July 10 and 11 here in Washington, D.C., to begin a full evaluation of the Federal role in water research, related technology, and planning.

NOTICE OF HEARINGS OF THE AFRICAN AFFAIRS SUBCOMMITTEE

Mr. CLARK. Mr. President, the Subcommittee on African Affairs of the Foreign Relations Committee will be holding a series of hearings over the summer to explore the current situation in several southern African countries and examine the policy options open to the United States. There will be 10 days of hearings in all; two for each of four southern African countries and two for a final overview. On the first day of each set the subcommittee will hear private witnesses, primarily from the academic community, and on the second day, representatives of the administration and others who might request to testify.

This is a tentative schedule for these hearings:

June 11 and 13: Mozambique;
June 25 and 26: Angola;
July 9 and 10: Rhodesia;
July 23 and 24: South Africa and Namibia; and
July 28 and 29: Overview.

Anyone interested in testifying should get in touch with the subcommittee.

NOTICE OF HEARING

Mr. PHILIP A. HART. Mr. President, the Subcommittee on Antitrust and Monopoly will hold additional open hearings on S. 1284, the Antitrust Improvements Act of 1975, introduced earlier this year by Senator HUGH SCOTT and myself.

The hearings will be held June 3-6, 1975, beginning at 9:30 a.m., in room 2228, Dirksen Senate Office Building.

All persons who wish to testify or submit a statement for inclusion in the record should contact Pat Springer, room A517, Senate Office Building; telephone 224-7489.

NOTICE OF HEARING

Mr. CRANSTON. Mr. President, on behalf of the distinguished Senator from New Jersey (Mr. WILLIAMS), the chairman of the Committee on Labor and Public Welfare, I announce for information of Senators and the public that the committee will continue its open hearings on nominations for membership on the Board of Directors of the Legal Services Corporation at 9 a.m., Monday, June 2, 1975, in room 4232, Dirksen Senate Office Building.

ADDITIONAL STATEMENTS

THE UNITED STATES AND THE U.N.

Mr. CLARK. Mr. President, the Senate Committee on Foreign Relations has just completed a series of hearings on the United States and the U.N. Their timing could not have been better. Never has the United Nations come under more sustained or more significant attack in the Congress than in recent months. But, at the same time, never has there been a greater need for a vital and active United Nations than there is today.

Earlier this month, members of the bicameral, bipartisan group, Members of Congress for Peace through Law (MCPL), went to New York for a series of briefings by U.N. officials and U.S. diplomats, including our distinguished Ambassador, John Scali, who, by even the standards of his harshest critics, has done an outstanding job. I came away from those at the U.N., as I come away from the committee hearings, with a very deep concern that, in its 30th year, the United Nations will be confronted with issues so potentially divisive that they could put the U.N. in danger of extinction. And if that happens—if the U.N. is allowed to disintegrate—it may well be due in part to American indecision and indifference.

Everyone has heard the political adage "when you've got the votes, call the roll." For more than 20 years since the creation of the U.N., this country had the votes. The United States emerged from World War II in a class by itself—a nuclear power. While industrial Europe lay in ruin, the United States alone accounted for more than half of the world's gross production. The U.N. quite naturally reflected that U.S. dominance; most of the original 51 members were U.S. allies and dependents. The United States had the votes, and we called the roll.

Since then, the world has changed dramatically and the U.N. has changed with it. New economic powers, indeed, new economic systems, have risen to challenge American preeminence. Instead of one nuclear power, there are six—with the immediate potential for many more. Scores of new nations have entered the world community. Membership in the General Assembly has nearly tripled in just 30 years.

As a result, when the U.N. role is called today, the United States may find itself on the short end—sometimes it may even find itself alone. As Senator MCGEE said last year:

> We have found that the world is not going to dance to a tune just because we snap our fingers.

It is no longer the United States and its allies, but the world's "nonalined" countries, that have the majority in the General Assembly. And this new minority position for the United States in the U.N. has led an increasing number of Congressmen and Senators to begin turning away from the United Nations. It is becoming fashionable to be against the U.N.

But it is not wise.

In some respects, this country and its policies have been taking a beating at the U.N. lately—at times with justification, at times because of the pique or parochialism of other nations. The question now is: What will our reaction be?

Are we to respond to these setbacks with a policy of increased confrontation with the nonalined bloc, as some have advocated? Will we continue to turn to the U.N. only in times of crisis, and only then as a matter of form after we already have taken unilateral action as was the case with the *Mayaguez* incident last week? Should U.S. reverses in the General Assembly lead us to curtail further our financial and diplomatic support for the U.N. and its many worthwhile programs?

In my judgment, to follow such a course would amount to nothing less than the wholesale abandonment of everything this Nation can and should stand for in world affairs. If this country has suffered a decline in international prestige from the withdrawal from Indochina—and I doubt that we have—the blow to our world standing from a substantial withdrawal of support from the United Nations would be immeasurably greater and more harmful to the prospects for world peace.

That is why it is time for those who believe in the U.N. to talk about its accomplishments, about its promise—and yes, its problems. Numerous witnesses of vast experience came before the committee over the past several weeks to outline the U.N.'s many achievements.

Right now, United Nations forces are helping keep the peace on the Golan Heights and in the Sinai. In Cyprus, despite Secretary Kissinger's efforts and those of the British, the only significant progress that has been made in the difficult negotiations there has come through the good offices of U.N. Secretary-General Kurt Waldheim.

These are but the most dramatic examples. It would take hours to touch on the many contributions of the U.N. in the areas of disaster relief, world health, economic development, international monetary cooperation, communications, aviation, international law, the peaceful uses of atomic energy, the exchange of educational, scientific, and cultural ideas. The list is long. It is not by accident that the U.N. has become the focal point for action to combat hunger and malnutrition, overpopulation, environmental pollution, and income maldistribution. These are global problems, requiring global solutions. In seeking such solutions, as in the search for world peace, the United Nations remains, in the words of President Kennedy, "Our last, best hope."

But the longer the United States remains isolated and ineffective at the United Nations, the greater the danger of allowing this "last, best hope" to slip away. At the U.N., this country should be firm, decisive, and innovative—playing a role that emphasizes leadership and cooperation. This country's standing at the U.N. will not be enhanced by a U.S. Ambassador with a policy of storming into the General Assembly to "give 'em hell." There are a number of steps Congress and the administration can take that would have far more positive impact.

As a beginning, everyone must realize that the United States cannot speak with any real authority or persuasiveness about violations of the U.N. Charter until we ourselves comply with the Charter. That requires repeal of the Byrd amendment. The U.N. economic sanctions against Rhodesia were adopted with U.S. support. It is time that we joined in their implementation. The House International Relations Committee will soon be taking up repeal legislation. The Senate passed it overwhelmingly last year, and we must do so again.

Further, Congress should appropriate, at the very least, the full $169 million requested by the administration for U.S. voluntary contributions to the U.N. for the next fiscal year. This year, Congress cut more than $25 million from the administration's request—our contribution was actually less than it had been the year before. U.S. support for the U.N. development program alone slipped more than $12 million in 1 year.

Our contributions to the multilateral activities of the development program, the Children's Fund, the Food and Agricultural Organization, and the Relief and Works Agency are of far more value to the recipient nations—and to U.S. foregin policy—than bilateral aid. Increased financial support for these vital U.N. programs would be a modest price to pay for increased U.S. stature and effectiveness in the world community.

In addition to financial support, the administration needs the active backing of the Congress in dealing with three major issues coming before the United Nations this fall, each of which threatens to further damage the already weakened position of the United States at the U.N.

One is the threatened expulsion of Israel from the United Nations General Assembly, a proposal which clearly is gaining momentum within the third world bloc. The U.N. must be open to every nation under the terms of its charter. If one country is excluded, the U.N. loses both its character as an international forum and its integrity.

We are late converts to the concept of universality in the U.N., but we must assert that concept now before it is too late—for the benefit of every nation.

In confronting the problems of southern Africa, the United States can play a more positive role. U.S. efforts must continue to be directed at convincing South Africa to grant independence and self-determination to the people of Namibia. Failing that, the United States must not hesitate to support and participate in vigorous sanctions against South Africa's continued violations of the U.N. Charter. If the United States fails to be active in the effort to change South Africa's policies, we will certainly lose what little influence we have left in black Africa. Our position at the United Nations will have suffered still another irreparable blow.

Finally, it is time to ask the administration to develop constructive, imaginative economic proposals to contribute at the upcoming seventh special session.

In this regard, Senator McGEE, and I, and a number of other Senators have written Secretary Kissinger expressing our concern over the status of U.S. preparations for this session. We ought to be capable of presenting reasonable alternatives on such key issues as commodity price indexing and compensation for nationalized foreign investments, alternatives that would prevent us from having to play the essentially negative role that characterized the U.S. position during the drafting of the Charter of Economic Rights and Duties.

Right now, the prospects for that kind of positive role are not very encouraging. One thing is certain: If we demonstrate to the Third World nations at the U.N. a disinterest in their most serious difficulties—falling world prices for their products while the goods and services of the industrialized nations and the oil of OPEC continue to rise, crushing burdens of debt repayment and servicing, shortfalls in food and fertilizer production—then we can expect little cooperation from those same Third World nations on the pressing international economic, political, and legal issues we confront. I think we can do a far better job of building relations with the Third World than we have done in the past.

Mr. Chairman, the answers to the questions about the U.N. raised at the Foreign Relations' hearings and in publice debate strike at the very heart of our future role in world affairs. Are we so far from our own beginnings, are we such a "have" country, that we can no longer identify with the hopes and aspirations of the "have nots"?

I believe this Nation can still lead the effort for such causes in the world.

And I believe the best forum for such action is the United Nations. There always has been criticism of the U.N.—perhaps that is an indication of its strength and potential—and I remember that Adlai Stevenson, the Governor and Ambassador, used to reply to U.N. critics with a story. He would cite Adam's proposal of marriage to Eve in the Garden of Eden. Stevenson would say:

> She hesitated for a moment, whereupon Adam asked, "Is there somebody else?"

There was no one else then. There is no one else now.

BACK TO NEW HAMPSHIRE

Mr. HUGH SCOTT. Mr. President, the Washington Star recently carried an editorial about the protracted debate on the New Hampshire senatorial election. I ask unanimous consent that the editorial be printed in its entirety in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Back to New Hampshire

Probably the least lustrous achievement of the 94th Congress is the muddling around which has left New Hampshire with only one senator. Almost half of the first year of somebody's term in office now has expired, and the Senate Rules Committee still is plodding along, trying to settle the closest Senate race in history. But the last official judgment at the state level, Republican Louis C. Wyman held a two-vote lead over Democrat John A. Durkin, and the latter, quite understandably, entertained no thought of conceding a defeat that slender.

Durkin is battling to overcome the margin before the Senate itself, which is broadly empowered to determine the eligibility of its members. Needless to say, he has not lacked for friendly encouragement in a Senate so overwhelmingly Democratic, wherein some losses and gains for sitting senators are involved if another Republican comes in to alter the committee ratios. And the Rules Committee, mindful of its weighty prerogatives, has been loath to give up and say that this one simply is too close to call, which it should have done long ago.

Still, one can understand that the panel wants to try, at least. It has been engaged in a mind-numbing recount of 935 ballots in recent weeks while dealing with a number of issues raised by the contestants, and there is no end in sight. There is, however, a great deal more difficulty in sight. The committee has tied 4–4 on the validity of 27 of the recounted ballots and eight other issues, including appeals by Wyman for a much broader recount. As things stand now, all these unresolved specifics will go to the full Senate for disposition, one by one, on June 9. Then the committee will resume its wearisome labors, opening the sealed box of ballots it has recounted, and dealing with other aspects that may consume a great deal of time.

In fact, the full Senate could be occupied quite a while, just trying to resolve those 35 tie votes of the committee. And the absurdity of getting itself immersed in such a can of worms should be apparent, with all the national business that's crying for attention. More important, though, is the appearance of equity which the Senate needs to maintain in this sticky affair. These are close questions, obviously, upon which differing constructions can be placed. The partisan makeup of the Senate will lend itself to the charge that, all things being about equal, party considerations tilted the balance. Already the Rules Committee is criticized by the Wyman forces for partisanship—for leaning toward Durkin more often than Wyman on matters of procedure and investigation. What the country does not need right now is a reinforcement of public cynicism about government through the handling of this matter.

Anyway, the Senate has been provided with a perfect escape from this dilemma, which it should hasten to use when the questions arise on June 9. It simply can declare the seat vacant, and send the issue back to New Hampshire for a new election. The state legislature already has made the necessary arrangements for this, through new legislation. Voters there, and not the Democratic Senate, should settle this hairline dispute, even if the Senate committee's limited recount should reveal a slightly wider margin. Otherwise, an odor is likely to linger over the whole business, and the declared winner may be smudged with lasting uncertainty.

ALTERNATIVES IN ABSENCE OF LAW OF THE SEA TREATY

Mr. METCALF. Mr. President, a recent issue of the newsletter, "Ocean Science News," published in Washington, D.C., quoted Prof. H. Gary Knight as saying:

> The failure of the Law of the Sea Conference is upon us now.

Professor Knight, of the Louisiana State University Law Center, was speaking at the Offshore Technology Conference in Houston, Tex. An expert adviser to the U.S. delegation at the United Nations Law of the Sea Conference in Caracas last year, Professor Knight offered a set of alternatives the United States can now consider to achieve our national objectives in the absence of a Law of the Sea Treaty.

According to Ocean Science News, Professor Knight said we can:

> Simply acquiesce to other countries' claims—actually a non-alternative.
>
> Use force; that is, exercise its right of self defense and the already existing rights of all nations on the high seas. Thus it may become necessary for the U.S. to "show the flag" to protect a U.S. seabed mining enterprise against some developing country's charge that the U.S. firm is stealing a piece of "the common heritage." Or a "showing of the flag" might be deemed the proper response to interference with fishing activity on the high seas. Certainly, says Knight, there will be some tense moments ahead, but at least there will be no eyeball confrontation with the Soviet Union, that country agreeing with the U.S. LOS policy almost 100%.
>
> Make bilateral agreements. Examples which come easiest to mind would involve the passage of U.S. vessels through certain straits, or the access of U.S. fishermen to grounds within a claimed territorial sea or economic zone. (An example of the latter is the U.S.-Brazil shrimp agreement.)
>
> Make "limited" international agreements. For example, the nations engaged in deep sea-bed mining operations, or those with the technological capability to do so, might sign a treaty calling for mutual respect of each others' mining claims.
>
> And last, but by no means least, pass domestic legislation designed to protect U.S. fisheries and fishermen, regulate U.S. ocean mining companies, and establish a regime for deepwater ports beyond the 12-mile limit. (The U.S. Congress produced a deepwater ports act last year.)

The Ocean Science News article of May 9 continued:

> Knight would have the U.S. "stop apologizing for its own abilities," and adopt a "mix of strategies" to protect its economic interests and its national security. His basic point is that treaties are not the only way to deal with law of the sea matters. He concludes: The U.S. will "do just fine" without an UNCLOS III treaty.
>
> "Third World" politics are at the root of the failure of the Geneva session to produce a treaty, believes Richard Greenwald of Deepsea Ventures Inc. The ocean mining company executive marveled at how some developing nations continue to "slavishly" follow the lead of Chile and Zambia and others, whose policies are obviously dictated by their own selfish interests—in contrast to some "common heritage" principle. Greenwald made no final judgment of UNCLOS III, but he warned that the U.S. must be prepared "to go it alone" if it must. He stopped short of opting out of UNCLOS III but advised "a certain diffidence" about its future activities.
>
> Deepsea Ventures, the first and only company in the world to file a claim to the deep ocean (OSN, 15 Nov 74), advised Secretary of State Henry Kissinger last month (in a semi-annual supplement to the 'Notice of Discovery and Claim of Exclusive Mining Rights and Request for Diplomatic Protection and Protection of Investment') that its ship R/V Prospector is "working at the site of the claimed deposit." On 10 Mar, Deepsea advised the Defense Mapping Agency that it had emplaced a buoy at 14° 49.5'N, 124° 35.4'W.
>
> The Prospector, for the next six months, will carry out "continuous wire line dredging, and survey with ship-mounted cable-connected seabed television systems . . . the manganese nodules lying generally within a 20-mile radius" of the buoy. Since 10 Mar the buoy has been moved several times, but no more than two degrees from the original site. Greenwald told Kissinger: "We will keep you advised on a regular basis of the progress of the work undertaken . . . any outside interference with that work, and any instances where that work interferes with the lawful exercise of rights of others."
>
> The intention of the Gloucester Point VA firm is to "create a mechanism whereby the domestic mining industry could, in the absence of security of tenure safeguarded by treaty or statute, reveal the location of a commercially interesting manganese nodule deposit to serve as the situs for scientific research, including scientific research by government agencies having environmental responsibilities." (NOAA's ship Oceanographer is indeed on the site now, OSN, 2 May.) Deepsea Ventures will not, Greenwald stated, "exclude or inhibit true scientific research activities by any person or nation at the site . . . On the contrary . . . Deepsea will provide, at no cost, reasonable space for government representatives on its vessels working the deposit to facilitate domestic scientific research. . ."
>
> A bill to extend and increase appropriation authorization for NACOA was reported favorably to the House by the Merchant Marine & Fisheries Committee 7 May. H.R. 5447 raises the maximum authorization for the Natl. Advisory Committee on Oceans & Atmosphere from $400,000 to $445,000 for each of fiscal years 1976, 1977 and 1978. The increase was requested by John W. Townsend Jr., associate administrator of the Natl. Oceanic & Atmospheric Administration, and by NACOA Chairman William J. Hargis Jr., to meet the committee's staff needs. (Of the $441,200 in the NACOA budget for FY76, $325,000 falls into the personal compensation category.)
>
> NACOA's responsibility in areas considered at the U.N. Law of the Sea Conference in Geneva was the subject of much of the questioning by Oceanography Subcommittee Chairman John Murphy (D-NY). "In view of the lack of progress at the recent Law of the Sea Conference—to put it charitably—NACOA now has some of its greatest challenges lying before it," Murphy said. Because of the "dismal failure that appears inevitable in Geneva," he added, the federal government must begin work on programs to protect U.S. interests. A 200-mile resource zone and deep seabed mining laws are top priorities for Congress, according to both Townsend and Hargis. NACOA has had notable impact on the Administration's LOS positions, Hargis said, expressing the hope that the Merchant Marine Committee would recommend that Congress now undertake unilateral action on some of the LOS issues.

Mr. President, I asked Professor Knight for a copy of his speech, entitled "Alternatives to a Law of the Sea Treaty." Because it is of interest to those seriously concerned with the question of who owns, or is responsible for, two-thirds of Earth, I ask unanimous consent that his speech be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Alternatives to a Law of the Sea Treaty

(By H. Gary Knight)[*]

I. INTRODUCTION

Since Ambassador Arvid Pardo first introduced the seabed question to the agenda of the United Nations General Assembly in 1967 the community of nations has devoted a substantial amount of time and effort in an attempt to reach a comprehensive and widely accepted agreement on a broad range of issues involving the use of the sea and the exploitation of ocean resources.[1] In 1970 the General Assembly called for convocation of the Third United Nations Conference on the Law of the Sea,[2] and the first substantive session of that Conference was held in Caracas, Venezuela, from June 20–August 29, 1974. Although a substantial amount of preparatory work was accomplished at the Caracas session, there were no breakthroughs in the negotiations and, in fact, no significant progress was made toward the drafting of agreed treaty articles on any of the 25 items, 61 sub-items, and 19 sub-sub-items on the agenda of the Conference. This result has led many observers, both within and without government, to view pessimistically the prospects for achieving a comprehensive and widely accepted law of the sea treaty at the scheduled Geneva session of the Conference to be held March 17–May 10, 1975, or, indeed, at any subsequent session or sessions which might be held.[3]

Because there are many important issues relating to the physical and economic security of the United States involved in the law of the sea negotiations, it is important to assess the implications of a failure of the Conference to reach the desired accord.[4] Some persons have suggested that if the Conference fails, the world ocean will be thrown into anarchy and chaos, greatly limiting the possibilities for beneficial use of the marine environment and its vast quantity of needed resources. Others forsee a more moderate approach on the part of the nations of the world, with a new law of the sea emerging over time through the unilateral practice of states and interactions among them.

It is my purpose in this paper to identify alternatives to a widely accepted and comprehensive law of the sea treaty and, in view of United States policy objectives which will be identified, to assess the value of each of these alternatives.

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[*] Footnotes at end of article.

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II. PRELIMINARY OBSERVATIONS

Before identifying alternatives to a law of the sea treaty, three preliminary observations are in order.

A. *The Effect of the Negotiations.* The law of the sea negotiations and the Conference, even though they fail to produce the desired agreement, will have a profound effect on post-Conference thinking and state actions. Throughout the discussions in the United Nations Seabed Committee and the Conference, nations have determined their national interests and have expressed those interests by taking positions—either generally or in terms of specific draft treaty articles—on a wide variety of issues. The proposals made and the reactions to them have generated a dialogue which has greatly enlightened decision makers throughout the world about the nature of ocean space and its resources. Some nations have taken intransigent positions on issues which have significant domestic political implications and from which regression is not to be expected in the post-Conference world. Still other nations have made clear their expectations about how others should behave in their use of ocean space and the exploitation of ocean resources, and the consequences of deviation from those expectations have in some cases been made explicit. Thus a Conference failure will not mean totally wasted time and effort, but rather will provide the background from which future actions will emanate and, more importantly for the present, will give us some significant insights into what sorts of alternatives to a law of the sea treaty will be viable in the future.

B. *Forms of Nonagreement.* As mentioned above, the desiderata of the diplomats negotiating law of the sea issues at present is an agreement which is both (1) comprehensive (i.e., encompassing all of the major agenda items), and (2) widely accepted (i.e., not unacceptable to any significant or key nation of group of nations). There are, of course, a variety of outcomes of the Conference which falls short of these objectives. These will be briefly identified since they have a bearing on the topic of alternatives to a law of the sea treaty. Among the possible "failure" scenarios are the following:

1. *Total Absence of Agreement.* It is conceivable that the Conference could terminate without having produced any agreement on any agenda item. It is also conceivable that the Conference could continue as a discussion forum, without reaching agreement, gradually taking second place in importance to unilateral actions by states with respect to law of the sea issues.

2. *Agreement on Some But Not All Issues.* It is possible that the Conference might reach agreement on some but not all agenda items. Obviously, those issues not reduced to written agreement would remain to be dealt with in some alternative to a law of the sea treaty.

3. *An Unacceptable Agreement.* The Conference could produce agreement on some or all issues but in such a form as to be unacceptable to one or more key nations or groups of nations. In that case, the minority would probably abstain from ratifying the agreement at all or would do so subject to reservations which would gut the agreement of its essential meaning.

4. *An Inadequate Agreement.* The Conference might also produce agreement on some or all issues in the form of an inarticulately written, lowest common denominator, or vague form such as some of the present provisions of the Convention on the Territorial Sea and the Contiguous Zone and the Convention on the Continental Shelf.[5]

5. *Resolution or Declaration of Principles.* Finally, the Conference might, having failed to produce a treaty, decide to adopt a resolution or declaration of principles embodying a general consensus about the basic outlines of agreement on some or all of the agenda items.

Regardless of which one or more of these options actually occurs—and some may occur with respect to some issues but not others—there will be need for some alternative method of developing law of the sea besides the treaty approach.

C. *Ocean Policy Goals.* In order to properly assess alternatives to a widely accepted and comprehensive law of the sea treaty it is necessary to understand what objectives are sought by the United States through the negotiations or alternatives thereto. There appear to be two basic objectives, viz., (1) enhancement of world order, and (2) protection of United States economic and security interests.

The objective in world order is to secure a *stable* and *predictable* regime for the use of the ocean and the exploitation of ocean resources. Such a stable and predictable regime involves less cost and less potential for conflict than an unstable and unpredictable regime. It also allows for rational future planning since under stable conditions expectations about future contact are generally fulfilled.

Of equal if not paramount importance is the protection of United States security and economic interests. Security interests relate not only to physical security from external attack but also protection of coastal and marine interests from impairment by, for example, pollution. Economic interests are primarily concerned with the acquisition of living and non-living resources and other forms of energy from adjacent waters. However, both security and economic interests also extend beyond the coastal waters of the United States (and any economic zone which it may have jurisdiction) to the protection of United States flag vessels (and other undertakings) wherever they may be on the world ocean and to the preservation of naval mobility necessary to implementation of foreign policy, particularly with respect to nuclear deterrence. Thus it must be understood that protection of National economic and security interests has a global as well as a parochial component.

III. ALTERNATIVES TO A LAW OF THE SEA TREATY

It should be noted at the outset that the method of achieving the policy goals stated above through alternatives to a law of the sea treaty will probably vary from subject to subject. An alternative which is deemed optimal with respect to securing supplies of seabed mineral resources for example, may well be infeasible or too costly if applied to protection of distant water fishing interests.

The basic alternatives to a law of the sea treaty for the United States would appear to be practically limited to the following.

A. *Acquiesence in Other Nations Acts or Agreements.* The United States could acquiesce in all unilateral, bilateral, and multilateral regimes established by other nations or groups of nations. It seems relatively certain that nations will proceed, following a Conference failure, to protect their own perceived economic and security interests by taking whatever unilateral, bilateral, or multilateral actions they deem necessary. This may take the form of acts or it may take the form of written agreements. Although some of these types of unilateral actions are easily predictable, others are not so obvious. Among the types of jurisdictional claims which can be expected from certain nations in certain instances are the following: (1) extension of territorial waters to 12 nautical miles or, in extreme instances, to 200 nautical miles; (2) extension of contiguous zone competence for health, fiscal, sanitary, and immigration matters beyond 12 miles from the coast (probably not beyond 50 miles, however); (3) extension of national jurisdiction over all living and non-living resources to a distance of 200 nautical miles or more from the coast, including assertion of jurisdiction over the physical continental margin where it extends beyond the fixed distance claimed; (4) assertion of historic water claims to areas where other legal bases for jurisdiction appear inappropriate; (5) assertions by littoral states of authority to regulate passage through straits used for international navigation; (6) arbitrary establishment of straight baselines in order to generate various types of competence over adjacent ocean areas, including the delimitation of baselines by archipelagic nations utilizing the outermost points of their outermost islands; (7) establishment of zones of peace and security in which naval presence or manuevering would be prohibited; (8) establishment of mandatory sealanes in areas of navigational congestion in order to reduce ship collisions and conflicts with other uses of the area; and (9) the initiation of mining of deep seabed minerals by nations possessing the requisite technology and economic commitment.

B. *Use of Force.* The United States could, in order to avoid the adverse effects of acquiescence, use military force to assert United States interests where the regimes established by another nation or group of nations conflicted with United States ocean policy objectives.

C. *Negotiation/Purchase. The United States* could negotiate for or purchase from other nations or groups of nations authority to conduct certain activities where the regime established by others conflicted with United States policy objectives. This negotiation/purchase could occur at either the governmental or private level. At the governmental level, the United States would itself be engaged in the acquisition of such rights while at the private level the affected industries would deal directly with foreign governments or their counterparts in those nations.

D. *Limited International Agreement.* The United States could undertake to create bilateral and multilateral arrangements with affected or like minded nations to protect its security and economic interests. The objectives of entering into such arrangements would be to (1) solve immediate problems such as boundary or fishery conservation matters, and (2) to serve as models or catalysts for the development of new international law.

E. *Domestic Legislation.* A final alternative would be for the United States to enact domestic legislation designed to protect United States security and economic interests and to proceed to enforce those rights against other nations which might challenge their validity. Domestic legislation of this type could take two forms. First, it could be essentially portectionist in nature, such as would be the case by establishing a 200 mile exclusive fishing zone without provision for continuation of foreign fishing. Second, it could, though containing adequate protection for domestic interests, also be structured to serve as a model for development of international law through the customary process.

IV. UNITED STATES INTERESTS INVOLVED IN THE LAW OF THE SEA

If a proper assessment of the alternatives to a law of the sea treaty identified in the previous section is to be made, it is necessary to know specifically what interests the United States has in the ocean.[6] It can, of course, be fairly said that the United States has an interest in every one of the items and sub-items on the agenda for the Third Conference. However, only a few of these are of sufficient economic or security importance to warrant their consideration in an evaluation of alternatives.

These major interests are: (1) fisheries, recognizing the disparate interests of coastal, **distant** water, and anadromous species fishermen; (2) hydrocarbons, including both the development of petroleum and natural gas from the United States continental **shelf** and the activities of American companies engaged in similar operations off the coasts of other nations; (3) the mining of deep seabed minerals; (4) navigation, taking into account the different problems posed by navigation on the high seas, in economic resource zones, through territorial waters, and through and over straits used for international navigation; (5) military uses of the sea, including navigation and the deployment of anti-submarine warfare tracking and detection devices; (6) scientific research off the coasts of other nations; and (7) pollution of the marine environment, including such issues as the establishment of minimum international standards for activities in economic resource zones and the regulation of vessel source pollution.

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V. ASSESSMENT OF ALTERNATIVES TO A LAW OF THE SEA TREATY

This section contains an alternative-by-alternative discussion of the principal advantages and disadvantages of each option with respect to selected major United States interests in the law of the sea.

A. *Acquiescence in Other Nations' Acts or Agreements.* With respect to fisheries interests, acquiscence in unilaterally established 200-mile (or broader) economic resource zones would, first, tend to validate a similar assertion by the United States and would thus afford a more substantial legal basis for protecting and managing our own coastal fisheries through a broad exclusive fisheries zone. It would not, however, afford protection for anadromous species since there would presumably exist an area of high seas beyond an economic zone in which the rule of freedom of fishing would still obtain. Acquiescence would thus presume acceptance of, for example, a Japanese assertion of a high seas fishing right with respect to Pacific salmon beyond a United States fishing zone. Distant water fishing efforts, on the other hand, could be seriously impaired by acquiescence in 200-mile economic resource zones. Access to fishing grounds off the coasts of other nations could be denied in the discretion of the coastal state since there would be no agreement on a system obligating such states to admit foreign fisherman where allowable catch of a given species was not taken. Although such a possibility bodes ill for one of the Nation's most economically viable industries—tuna—it seems more likely that access would be permitted upon compliance with rules and regulations imposed by the coastal state and upon payment of license or other fees appropriate to the activity. Thus, though distant water fishing may become more expensive, it probably would not be prohibited all together.

There is little contention about coastal states' exclusive jurisdiction over the hydrocarbon resources of their continental shelves, so that acquiescence on this issue would simply constitute a continued validation of the continental shelf doctrine. The only negative impact would appear to be the absence of a "security of investment" treaty provision which might afford some measure of protection to American companies from illegal or uncompensated expropriation with respect to their operations on other nations' continental shelves.

Should the United States acquiesce in an international agreement adopted by the "Group of 77"[7] seabed mining activities would probably be greatly restricted, with resulting loss of access to the area and loss of the resources and revenues derived therefrom.[8] If, however, there were no such "unacceptable" agreement, and if the regime were simply left in its present *res nullius* status—pursuant to which any nation or individual is free to mine seabed minerals—then acquiescence would maximize United States interests in securing access to the resources since it is foremost among those possessing the requisite technology.

The most serious impacts of acquiescence would probably occur in the realm of navigation. It seems likely that developing coastal states will (1) establish some regulatory system which would affect navigation in their 200-mile economic zones, (2) apply the "innocent passage" standard,[9] or an even more restrictive test, to navigation in their narrower territorial waters, and (3) strictly regulate passage through straits used for international navigation. If this is in fact the case, and if the United States should acquiesce in these regimes, a substantial loss of naval mobility would occur, with the possibility of additional costs being imposed upon merchant shipping and fishing vessels. Of course, the degree of cost depends upon the degree of restriction imposed by the coastal state.

Military interests would obviously be affected by restrictions on navigation in the economic zone, territorial sea, or straits. There would probably also be a cost associated with non-access to the continental shelves of other nations for the implanation of ASW devices since United States acquiescence in those continental shelf regimes would dictate acceptance of their demilitarized status for even passive listening devices.

The impact on scientific research would be similar to that for navigation. Restrictions placed by coastal nations on oceanographic research activities could greatly limit the access of scientists to economic zone areas, even with respect to the atmosphere and water column at great distances from the coast. Thus, acquiescence would substantially limit the acquisition of knowledge about the marine environment.

Finally, acquiescence in extended, unilaterally proclaimed coastal state jurisdictional areas would almost ensure the absence of any international minimum standards for the economic zone. Since developing countries will probably be quite lax in establishing environmental regulations a threat could be posed to preservation of the quality of the ocean. In addition, regulations concerning pollution standards could be applied to vessels navigating in the economic zone, with attendant imposition of costs or limitations on mobility.

Overall, given the likely unilateral and multilateral actions described in Section III.A, and given United States acquiescence in those regimes, the impacts would be quite adverse for United States interests in almost all cases, coastal fisheries and outer continental shelf oil and gas development being the exceptions. It seems fairly clear, then, that acquiescence in unfavorable unilateral and multilateral regimes would not be an acceptable alternative to law of the seat treaty.

B. *Use of Force.* With respect to virtually all of the issues involved, the use of force would be a method for securing United States security and economic objectives where those objectives conflicted with the unilaterally or multilaterally established regimes of coastal developing nations. Force could, for instance, be used to secure access for distant water fishermen on the basis that waters beyond 12 miles were subject to high seas freedom of fishing; force could be used to protect deep seabed mining operations being conducted contrary to a Group of 77 seabed treaty; or force could be used to protect merchant shipping in economic zones, territorial waters, or straits. Even if effective in securing these objectives, the costs involved would be high.

In the first place, the United States would be put in a position of violating the United Nations Charter proscription against the threat or use of force in the conduct of international relations. The resulting effects on bilateral and multilateral relations could be extremely severe. Second, to use military force to protect all interests of the United States in the ocean would require a tremendous increase in military appropriations in order to produce the necessary hardware for enforcement.

Thus, without going into detail on an issue by issue basis, it is clear that the use of force is an alternative to a law of the sea treaty which could achieve United States security and economic objectives but at a cost which would probably be prohibitive if applied across the board. However, on a limited, ad hoc basis, and used in conjunction with other alternatives, it should be considered as a useful and probably effective method of securing certain objectives. It should be noted that the use of force would probably have the least attendant costs and adverse reactions if used to preserve *existing* rights rather than to assert new ones. Thus, to protect deep seabed mining operations against threats of physical violence, and to ensure free navigation beyond a 3 mile limit and innocent passage within a 3 mile limit, would seem to be the most appropriate areas for the threat or application of force.

C. *Negotiation/Purchase.* The purpose of this alternative is to secure United States policy objectives by ad hoc negotiations or "purchase" arrangements. If any United States interests can be accommodated by negotiation without imposition of additional costs, this would seem to be an optimum method, short of a comprehensive and widely accepted international agreement, for achieving desired National goals in the law of the sea. However, it must be borne in mind that ad hoc agreements depend upon the good will of the respective governments and that when governments or their attitudes change the relationships between the nations involved can change. Although the agreement might not be breached as such, understandings and treaty commitments have a way of dissolving into a status quo ante situation when new governments come to power. Obviously, where the rights are purchased (either with hard cash or for trade-offs external to law of the sea matters) the price will be stated in the bargain. As in the case of negotiation, changing governments or changing attitudes within governments can cause fluctuations in the price being paid for the particular access or right, and the situation can deteriorate to an unstable or status quo ante situation following unsatisfied increased payment demands.

Turning to specific interests, if the United States were to negotiate access rights for distant water fishing interests in other nations there would be concomitant pressure on the United States to permit other nations to fish within its economic zone on the same or similar conditions. Depending upon the particular fisheries stock in question this could be more less desirable. Perhaps the best use of the negotiation/purchase alternative would be with respect to anadromous species where, for an appropriate trade off, the Japanese might be persuaded to abstain from high seas salmon fishery. Again, the cost would have to be examined to determine whether it was in the overall interest of the Nation to pursue such course of action.

With respect to seabed mining, a revenue sharing provision might constitute a payoff or purchase fee which could ameliorate the concern of the Group of 77 over continued seabed mining by nationals of technologically developed countries. So long as the United States was specifying the amount to be contributed and thus itself controlled any escalation, this would appear to be a viable method of purchasing a non-conflict environment for deep seabed mining.

Perhaps the most troublesome area would be with respect to navigation and military use of the sea. Here, even though rights were purchased, there would still exist a situation of constraint as compared to high seas freedom of navigation. The purchase rights could turn out to be contingent on a friendly

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government remaining in power or on maintenance of particular attitudes within a friendly government. This uncertainty could impose costs in the nature of contingency preparations which would obviously be more burdensome than utilization of a pre-existing high seas freedom of navigation. Similar comments would apply with respect to scientific research.

In general, the negotiation and payment for achievement of United States security and economic objectives in the oceans appears to afford some opportunities for success, though it would seem desirable wherever possible to control the costs to be paid in order to prevent their escalation in a situation which would be unfavorable for the United States or which would force a withdrawal of the agreement.

D. *Limited International Agreement.* This alternative as noted above, envisions the United States entering into bilateral or limited multilateral agreements, not so much with a view toward settling a specific problem but more in terms of establishing a precedent for the development of international law. For example, limited bilateral agreements could be useful in coastal fisheries management on the same basis that the two year, ad hoc agreements with the Soviet Union, Poland, and other nations have been useful in the past. However, such agreements do not really establish viable international precedents except insofar as they are devices to permit management of high seas fisheries or access to exclusive fishing zones. More appropriate would be an agreement between, for example, all the nations fishing in the North Atlantic Ocean, to the effect that they would mutually agree to grant access to other contracting parties in instances where the particular stock in question was not being fully utilized even though located entirely within one nation's economic zone. This sort of generalized agreement could then be expanded by accession to include other potentially interested nations and could be emulated in other regions of the world. Ultimately, of course, the United States policy objective of preferential (as opposed to exclusive) rights for fishing in an economic zone could evolve as a rule of customary international law based on state practice and the proliferation of these types of limited agreements.

This alternative has its greatest potential in the area of seabed mining. If all countries presently possessing the requisite technology for mining manganese nodules were able to agree on a single text treaty—perhaps as a counter to a treaty adopted by the Group of 77—the treaty would provide a basis from which mining practice could develop. If the treaty facilitated rational development of the resource, other nations might be persuaded to denounce the restrictive treaty and become a party to the more functional treaty in order to participate in the revenue sharing and other benefits accruing to parties. Thus a multilateral treaty originally negotiated by a handful of countries could grow over a period of time into a widely accepted system for seabed mining.

As far as navigation, military issues, scientific research, and pollution are concerned, there would seem to be less potential for the limited multilateral agreement, though in particular situations it might be a useful method for developing an accommodation among several nations with common interests in a particular use of the sea.

In general, it seems extremely likely that many nations will fall back on regional or limited multilateral agreements to solve specific problems as they arise. It does not seem likely that this type of arrangement would be viewed as international law creating effort, though to the extent it was it would appear to afford a very useful alternative to a comprehensive and widely accepted law of the sea treaty.

E. *Domestic Legislation.* As a final alternative to a law of the sea treaty, the United States could seek to protect its interests in certain areas by enacting domestic legislation and taking appropriate unilateral action pursuant thereto where required. Such legislation might be cast in strictly protectionist terms. On the other hand, the legislation could be viewed as a catalyst for the initiation of new rules of customary international law much in the same way that the Truman Proclamation of 1945 was the catalyst for the doctrine of the continental shelf.

I have in another paper spelled out in some detail suggestions about how United States domestic legislation might be developed in the areas of fisheries, seabed mining, deep water ports, and pollution, so as to have this law creating effect while still protecting basic United States economic and security interests.[10] Only a brief summary will be given here.

Insofar as coastal fisheries are concerned, I would suggest that domestic legislation be preceeded by findings of the type specified by the International Court of Justice in its decision in the cases of the *United Kingdom vs. Iceland* and *Federal Republic of Germany vs. Iceland* for establishment of a coastal state's preferential right to adjacent fisheries. The bill should also expressly provide for the maintenance of established fishing rights of other nations and should contain criteria similar to those set forth by the Court providing a method by which those established rights could be determined. The bill could also contain an obligation on the Department of State or other responsible agency to negotiate mutually acceptable catch levels where the unregulated exercise of preferential and established rights would exceed the allowable catch. Finally, the bill could implement a management program designed to elicit the optimum amount of biologic, economic, and other relevant data concerning fisheries off the United States coast with a view toward developing a rational management system through the negotiating process where established rights are involved and through domestic implementation where there is no foreign fishing.

The idea in all of this would be to develop a bill which, if emulated by other coastal nations for their 200-mile economic zones, would adequately protect United States distant water fishing interests. It is, of course, problematic whether such a farsighted fishing bill would be copied in the same manner as the Truman Proclamation. Nonetheless, there appears to be little to lose in taking such an approach and a great deal to gain as an alternative to a law of the sea treaty.

Insofar as deep seabed mining is concerned, provision might be made in domestic legislation for recognition of seabed mining licenses issued by other nations pursuant to identical or similar domestic legislation. This would avoid conflicts over access to mineral resources which might be claimed by two or more competing companies licensed by different states and it would encourage establishment of a concordant practice on the part of the nations involved which could lead to the development of new customary international law rules on the subject. The legislation might also contain a provision for a registry or depository of claims made pursuant to domestic legislation in order to facilitate dispute settlement and avoid claim jumping and other conflict productive actions. The legislation could contain a voluntary revenue sharing provision in order that a specific percentage of revenues obtained from deep seabed mining be made available for international community purposes. This might avoid a potential conflict with General Assembly Resolution 2749 which provides that "the exploration of the area and the exploitation of its resources shall be carried out for the benefit of mankind as a whole, irrespective of the geographical location of states, whether landlocked or coastal, and taking into particular consideration the interests and needs of developing countries." Finally, provision could be made in the legislation for United States participation in a registry office or more sophisticated form of seabed authority which could arise out of the consultations of those nations actually involved in deep seabed mining.

In general, it would appear that domestic legislation designed to not only protect United States interests but also to serve as a catalyst for the development of new customary international law provides a very desirable alternative to a law of the sea treaty, at least with respect to coastal fisheries and seabed mining, and perhaps with respect to other issues as well.

VI. CONCLUSION

There appear to be a number of alternatives to a law of the sea treaty which, used in concert and where most appropriate on a subject matter basis, could provide the framework for a reasonably stable regime in the ocean in the absence of a widely accepted and comprehensive law of the sea treaty. In fact, it would appear that United States interests could be most adequately protected through a combination of domestic legislation, limited treaties, purchase of rights, and the occasional application of force. This being the case, a strong argument can be made for the United States to not sign or ratify any law of the sea treaty which falls short of optimizing all of its major policy interests.

FOOTNOTES

*Campanile Charities Professor of Marine Resources Law, Louisiana State University Law Center.

[1] For background on the Conference and the issues with which it is concerned, see H. G. Knight, "Issues Before the Third United Nations Conference on the Law of the Sea," *Louisiana Law Review*, vol. 34 (Winter, 1974), pp. 155–196, and J. R. Stevenson and B. H. Oxman, "The Preparations for the Law of the Sea Conference," *American Journal of International Law*, vol. 68 (January, 1974), pp. 1–32.

[2] See United Nations General Assembly Resolutions 2750–C (XXV) (1970), 3029–A (XXVII) (1973), and 3067 (XXVIII) (1973).

[3] See, e.g., H. G. Knight, "The Third United Nations Law of the Sea Conference: Caracas," *American Universities Field Staff Reports*, vol. XVIII (No. 1, October, 1974); and T. Alexander, "Dead Ahead Toward a Bounded Main," *Fortune Magazine*, vol. 90 (October, 1974), p. 129 *et seq*.

[4] For an examination of United States policy toward the ocean, see A. L. Hollick, "Bureaucrats at Sea," in A. L. Hollick and R. E. Osgood, *New Era of Ocean Politics* (Baltimore, Md., The Johns Hopkins University Press, 1974), at pp. 75–131, and H. G. Knight, "United States Oceans Policy: Perspective 1974," *Notre Dame Lawyer*, vol. 49 (December, 1973), pp. 241–275.

[5] Examples would include the "innocent passage" provisions of the Territorial Sea Convention [Art. 14(4)], and the seaward extent and boundary delimitation provisions of the Continental Shelf Convention [Arts. 1 and 6].

[6] For a discussion of United States interests in the ocean, see Knight, "United States Oceans Policy," pp. 246–273; L. S. Ratiner, "United States Oceans Policy: An Analysis," Journal of Maritime Law and Commerce, vol. 2 (January, 1971), pp. 225–246; H. G. Knight, "Special Domestic Interests and United States Oceans Policy," in R. C. Wirsing, *International Relations and the Future of Ocean Space* (Columbia, South Carolina: University of South Carolina Press, 1974), at

pp. 10–43; and J. A. Knauss, "Factors Influencing a U.S. Position in a Future Law of the Sea Conference," Occasional Paper No. 10, Law of the Sea Institute, University of Rhode Island, April, 1971.

[7] The "Group of 77," which in fact now numbers over 100 members, is constituted of the *developing* member states of the United Nations.

[8] This is so because proposals at the Conference by the Group of 77 and its members make clear their preference that an international authority possess a monopoly right to exploit seabed resources, that access for companies from technologically advanced nations be on an ad hoc negotiated basis, and that price and production controls be imposed on seabed mining activities (which would probably pose economic risks of a sufficiently high order to discourage investment capital from the United States).

[9] The current definition of innocent passage, contained in the Territorial Sea Convention, is that which is "not prejudicial to the peace, good order or security of the coastal state." In addition to being subjective, the absence of any compulsory dispute settlement mechanism applicable to the Convention's provisions means that the coastal state is the sole interpreter of the language quoted above.

[10] H. G. Knight, "Treaty and Non-Treaty Approaches to Order in the World Ocean," to be published (originally prepared for the "Conference on Conflict and Order in Ocean Relations" sponsored by the Johns Hopkins University School of Advanced International Studies, October 21–24, 1974).

NURSING HOME WEEK IN KANSAS

Mr. DOLE. Mr. President, since this is the last day we will be in session until June 2, I would like to take personal notice of the fact that May has been recognized as Senior Citizens Month. Moreover, the 11th through the 18th was also designated by the President as "National Nursing Home Week."

Corresponding with both these activities, the Nursing Home Association in my State of Kansas just completed its celebration of "Kansas Nursing Home Week." I was especially privileged to serve as honorary chairman of that observance.

In these times when facilities for the elderly in America are the target of so much criticism for many of their problems and conditions, it is very refreshing that such is not typical of the institutions in Kansas. It has been my experience, that is, that the vast majority of homes throughout our State are exceptional in the services they provide to the aged and infirm.

I find it extremely significant, too, that the 385 licensed Kansas nursing home facilities are equipped to accommodate a total of 22,900 beds. For when those figures are compared to the 150 hospitals maintaining only between 13,000 to 14,000 beds, the strong emphasis placed on long-term care in our State is quite apparent.

This, of course, is a key factor in the nationwide effort to reduce overall health-care costs while improving the standards and atmosphere under which the needs of our elderly are addressed—needs, I might add, which demand and deserve the compassion and concern of every American. I am both pleased and reassured that Kansas has been a true leader in meeting these laudable objectives.

So on this occasion in the Senate, I want to reaffirm my commitment to all senior citizens in my State, and particularly to those who require the special attention afforded by nursing home care. It is my sincere hope and intention in the near future to visit many of these fine facilities where they reside, and to assist in resolving some of the unique difficulties which they face.

As May comes to a close and we pay tribute to this important segment of our society, I commend the Kansas nursing home industry for its efforts at bringing renewed spirit into the lives of our elderly. Certainly, Senior Citizens Month and Nursing Home Week have been occasions for all of us to extend our respect and encouragement to those older Americans whom they serve.

CAPE VERDE ISLANDS

Mr. PELL. Mr. President, understandable concern continues among Americans of Cape Verdean origin in southern New England as to the fate of the Cape Verde Islands once they are cut loose from Portugal on July 5, 1975. On June 30, there will be elections for choosing a constituent assembly, which in turn will decide upon a form of government for the islands and what its association should be, if any, with any other foreign country.

On paper, this schedule looks fine—a grant of full independence for the islands with no strings attached. But there is a possible catch. The islands are now under an interim regime appointed by the Portuguese Government and composed of Portuguese and PAIGC—Party for the Independence of Guinea-Bissau and the Cape Verde Islands—representatives who, among other things, are charged with setting up the elections.

There is deep concern, on the part of many Cape Verdeans in the United States, that the arrangements for the elections may effectively limit the choice to candidates representing the PAIGC. According to reports received by American Cape Verdans, other, smaller political parties have been effectively suppressed. With such a restricted choice of candidates, the elections would not necessarily reflect the wishes of all the Cape Verdean people.

The official, Portuguese view of the election arrangements is somewhat different. The newspaper O Secula in Lisbon on April 22 quoted the Portuguese Minister of Inter-Territorial Affairs, Almeidas Santos, as stating that "there will be equal opportunity for all candidates" in the elections. The Minister predicted, however, a victory at the polls for the PAIGC as the predominant economic, social, and political organization on the islands.

A majority of the Cape Verdeans in the United States are convinced that a victory for the PAIGC will mean the annexation of the islands with Guinea-Bissau, with the result that these United States-oriented islands will become instead part of the pro-Soviet bloc of nations.

Recent visitors to the islands—including a State Department representative—report a greater concern among the population regarding their difficult economic situation than political developments.

Whatever these developments may be, the question of elections or referenda in any country is one in which a foreign country cannot appropriately interfere. We have already reaped the bitter fruit of our efforts in this direction in other parts of the world; an example of which was the destabilization activities of the CIA in connection with elections in Chile.

On the other hand, as a defender of human and civil rights, I consider it appropriate to appeal earnestly to all those authorities and political leaders, on the islands, in Portugal, in Guinea-Bissau, or wherever, that have any legitimate involvement in the elections to take every appropriate measure to assure that the Cape Verdeans are given a full and free choice in determining their destiny. If they have suffered from past Portuguese neglect, it would not be fair that they be presented in effect with no alternative but union with Guinea-Bissau.

It has been suggested, and I endorse the idea, that neutral observers, perhaps from the United Nations Commission on Human Rights, be present to determine whether the elections do permit the Cape Verdeans to exercise their right to genuine self-determination. I would hope, too, that the free world press would cover this election in force and would give it the same coverage as it does to other nations which seem on the precipice of slipping over the edge into an authoritarian regime.

The economic culture of the islands I believe is a cause of special concern. The continuing drought has put an additional burden on the islands' meager resources. The drought, I am told, will necessitate continuing outside assistance of up to $20 million for the rest of 1975 after independence in July. The Portuguese are providing aid up to independence but with no commitment to extend it after that time. I hope that the Portuguese will recognize a responsibility at least to join with others in providing the islands with emergency funds until such time as normal rainfall resumes and the Cape Verdeans have had time to adjust to independence.

The United States should participate in this effort along with the United Nations and other interested countries. I strongly supported, therefore, the appropriation of at least $5 million for the Cape Verde Islands in the foreign assistance appropriations bill of 1975 recently passed by the Senate. In addition, the United States has already contributed $210,000 in foodstuffs to a world food program for emergency use in Cape Verde. A United States voluntary agency, Catholic Relief Services, is also looking into sponsorship of a food-for-work project there under title II of Public Law 480. I hope they will do so and commend their initiative as a fine example for other voluntary agencies to follow.

If Guinea-Bissau has ambitions for a union with the islands, it should carefully consider its ability to assist the

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Cape Verdeans in alleviating their economic plight before taking on the responsibilities that any union would entail.

Mr. President, it behooves the United States to follow carefully the unfolding events on the Cape Verde Islands and to be alert to assist where possible this original homeland of so many Americans, in New England and throughout the United States, who are contributing to the strength and well-being of our country far out of proportion to their numbers.

OPPOSITION TO INCREASE IN GENERAL AVIATION FEES

Mr. DOMENICI. Mr. President, today I rise to strongly oppose the "Airport and Airway Revenue Act Amendments of 1975." The Department of Transportation and the Federal Aviation Administration have claimed that a new user allocation plan is needed to more equitably redistribute the user taxes among the aviation public. Specifically, their proposal would require the general aviation public to pay a departure fee.

These claims are both unwarranted and inaccurate because if general aviation were to be charged based on their actual use of FAA facilities and personnel, the fees would be proportionately decreased, not increased.

I would hope that the sponsors of this legislation reexamine the economic impact that this proposal would have on the rural States and the business community which relies on general aviation.

I have talked with many of my constituents in New Mexico whose business relies on general aviation and I am convinced that to increase the user charges would be ill advised and counterproductive to the economy of our rural States.

Mr. President, I would hope that my Senate colleagues closely reexamine this legislation and oppose any increase in general aviation fees.

GRAIN SHIPMENT INVESTIGATION

Mr. HUMPHREY. Mr. President, at our Senate Committee on Agriculture and Forestry meeting yesterday, it was agreed that the Subcommittee on Foreign Agriculture Policy would begin an examination of the grain shipping industry.

Staff members have begun to look into the problem, and we expect to hold hearings in the near future.

I wish to point out three articles on this subject in the New York Times and the Washington Post.

This is a very critical issue for our farmers and our economy. We need to take whatever steps are required to deal with this problem.

Mr. President, I ask unanimous consent that these articles be printed in the RECORD. I also ask unanimous consent that my press release pertaining to the investigation of the grain shipping industry be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. AGENTS PUSH A BROAD INQUIRY INTO GRAIN TRADE

(By William Robbins)

NEW ORLEANS, May 19.—Federal agents, conducting a sweeping investigation here and in other ports, are piecing together a picture of corruption in the handling, grading and weighing of grain that raises questions about the integrity of United States standards and the quality of grain shipments to foreign buyers.

Seven privately employed grain inspectors who are licensed by the Department of Agriculture here have been indicted thus far in an investigation that began with charges of bribery for certification of ships for fitness to receive grain.

Five of the inspectors pleaded guilty to accepting bribes.

ALLEGATIONS CITED

Agents conducting a continuing investigation have been taking secret testimony alleging misconduct on another matter—the grading and weighing of grain. Local officials of some of the largest international grain companies have been questioned, some before a grand jury.

The reports to the investigators composed an account of allegedly deliberate loading of misgraded and sometimes wet and sour corn, inspectors who shirked grading responsibilities, fraudulent switching of grain samples and a subtle system of pressures, rewards and favor for inspectors.

The reports include also allegations of intimidation of Federal supervisors who spot-check the work of private inspectors and who are said to work at times in fear of their personal safety. On and near the premises of one grain elevator near here, some have had their automobile tires slashed and some have reported being "jostled" while riding "a man lift," a cage that rides on cables to the high reaches of the grain elevators.

OTHER INQUIRIES UNDER WAY

Investigators are known to feel that potentially far more explosive are possible findings in their inquiry into weighing of grain, although little information has been obtainable thus far on findings in that new phase of the investigation.

Similar investigations, but said to be less advanced, are under way in Houston, another major grain shipping port, and at other shipping points.

The inquiry has serious international implications. Grain makes up most of the $22-billion-a-year earned by this country's agricultural exports—a total of $11.87-billion is projected for this fiscal year—which represents an important tool of foreign policy. About one-third of all grain exports, including much of the corn from the Middle West moves through the port of New Orleans.

Complaints from foreign buyers about the quality of some United States grain exports go back many years, Washington agricultural officials say, but they were heard most recently when a United States delegation went to Moscow earlier this year in response to Russian protests about foreign matter found in the corn they received and about its quality.

Washington officials say they have received similar complaints from European buyers, who are asking for an American delegation to handle their problems. Some officials expressed fears of contract cancellations, which would have trade and economic reverberations reaching back to the farm.

COULD HURT EVERYBODY

"This could hurt everybody, but especially the farmers," one Agriculture Department official said. "If there are cancellations, those farmers are going to be mad as hell, and they have a right to be."

The investigation is headed by the United States Attorney here, Gerald J. Gallinghouse, and Assistant United States Attorney Cornelius R. Heusel, aided by the Federal Bureau of Investigation, the Agriculture Department's Office of Investigations and the Internal Revenue Service, with the cooperation of local officials of the Agriculture Department's Grain Division.

Those leading the investigation have refused to discuss their findings but an account can be pieced together from a variety of sources, including witnesses, their attorneys and others close to the case.

At the core of the cases being developed in the investigation are allegations of a system of inspection with built-in conflicts of interest and close relationships between the inspectors, the agencies they work for and the companies whose handling of grain comes under their jurisdiction.

The private but Federally licensed inspectors work for private organizations whose income, based on tonnages moved, is governed by how expeditiously the grain companies can load ships. Each inspector is continuously assigned to one grain elevator.

SEVEN MAJOR ELEVATORS

There are five private agencies here assigned to inspect for seven major elevators, including those owned or operated by such international grain operations as the Bunge Corporation, Continental Grain, Cook Industries, Inc., and Mississippi River Grain Elevator, Inc., which is owned by Serafino Ferruzzi, an Italian who is a major factor in world trading and processing of soybeans.

The wide-ranging investigation here reportedly resulted from a complaint by a former ship captain, who telephoned the F.B.I. expressing shock after overhearing an offer of a $2,500 bribe to an inspector by the master of a vessel seeking certification for cleanliness and fitness to receive grain and a demand by the inspector for a higher payment.

In the investigation that followed indictments were brought against seven inspectors for accepting bribes to certify ships, a ship-clearing concern and its president for bribery and a grain sampler for perjury.

FIVE PLACED ON PROBATION

Only one of the inspectors has gone to trial. The five who pleaded guilty were placed on probation with light fines. The inspector who went to trial, William E. Fleetwood 3d, was convicted but has appealed. Another, James Timonet, who was accused of perjury as well as bribery, is awaiting trial.

Testimony at the Fleetwood trial pictured a pattern of bribery going back at least several years to a time when $250 to $300 was the "going rate," according to a shipping agency official, for buying certification of a ship. But inflation set in until Mr. Fleetwood was reportedly offered $2,500 and demanded $5,000 for his signature on a certificate of fitness for the ship.

There appeared to be competition for the bribes. Once the ship had been rejected by Mr. Fleetwood, after her operators refused to meet his price, according to the testimony, another inspector offered to accept $2,500 and signed a certificate even before boarding the ship.

The second inspector, Clarence P. Baker, who pleaded guilty and appeared as a Government witness at the Fleetwood trial, testified that he had to go through with the inspection because he was accompanied by an apprentice. He said he found the ship clean.

GO-BETWEENS USED

There was also testimony indicating the practice was encouraged by go-betweens for personal gain.

A boarding agent who said he regularly carried bribes from one shipping agency testified that he always expected to get "something for myself." He succeeded. He confessed to keeping up to $2,500 of the bribes offered.

One of the men indicted said in an interview he accepted bribe money "just because it was there." In the case to which he pleaded guilty he said of the ship "she was clean.

"I was going to approve her anyway," he said.

But there was also testimony indicating that it was often more economical for shipping operators to pay bribes than to spend the time and money to have the ship properly cleaned. The boarding agent testified that "the woman who represented the company that ran the ship authorized us to pay off every time."

He said that the cleaning job was particularly difficult because of the large size of the ship.

Two large checks used in payoffs were shown at the trial, one for $1,000 and one for $5,000. One carried a notation indicating the name of the ship for which a payoff was made, M.V. Virginia, and the stub of the other check carried both the name of the—ship, the Lotus Flower, and the notation, "Gratuities for grain surveyor."

SHIPPING OFFICIALS NAMED

Some high ranking officials of shipping companies were named at the trial as having authorized payments but they have not been indicted.

Two principal clues apparently led investigators from the ship certification cases to the grain-grading and weighing phases of the investigation.

One was the fact that some of the ship inspectors were also licensed to inspect grain.

But more important, apparently, was the discovery by a Federal supervisor of a ship being loaded with sour corn.

"The odor was so high you could smell it all the way to the elevator," one Federal supervisory official said.

A witness in the Fleetwood trial gave this account of the episode to a reporter: While the ship was being loaded, the inspector in charge quit work early but the loading continued unwatched. A federally licensed grain sampler, with no one to check his samples, stopped his own operations.

Sometime later, with the loading continuing at full speed, two Federal supervisors arrived, an alert was sounded and the sampler ordered operations to a halt.

IT WAS TOO LATE

It was too late. Detecting the odor of sour grain one of the Federal supervisors telephoned the director of the local field office of the Agriculture Department's Grain Division. The director, Harlan L. Ryan, dispatched an agent to make deep probes into the holds of the ship.

During the current investigation, the sampler was indicted for perjury for falsely attesting that he had been properly performing his duties. He pleaded guilty and was given a fine and a suspended sentence.

For the sampler, Laurence Berthelot, who was found by a reporter working as a laborer, his hands deep in debris that he was cleaning up behind a gasoline station, his life has been drastically changed. Many of those involved in the case have had difficulty finding any kind of employment.

Paraphrasing a blues song, Mr. Berthelot said: "If I didn't have bad luck, I'd have no luck at all."

The supervisor who discovered the sour grain on the ship, Robert Johnson, left the Grain Division after hearing rumors that a "contract" was out to break both his knee caps, though there is no evidence of a link between the discovery and the rumors. Mr. Johnson has avoided talking to reporters.

EMPLOYES OF PRIVATE UNITS

The inspectors indicted were employes of several private agencies, one of which is the New Orleans Board of Trade, Ltd., an organization whose main function is to promote trade and commerce. Its members and directors include officials of grain and shipping companies. Its inspectors grade grain at elevators of Continental Grain and at Public Grain Elevator of New Orleans, Inc.

Other agencies with indicted inspectors, include Delta Weighing and Inspection Bureau, Inc., whose inspectors operate at Mississippi River Grain Elevator, Inc., and the Destrehan Board of Trade, Inc., whose inspectors work at Bayside Elevator, which is operated by Kirk Industries, and at the local elevator of the Bunge Corporation.

Delta Weighing and Inspection is headed by Sidney W. Provensal Jr. an attorney who is said to be a powerful political figure in Plaquemines Parish (County) and is an associate of Leander H. Perez Jr., president of the parish. Destrehan Board of Trade is headed by Bryan J. Lehmann Jr., a former state representative of St. Charles Parish.

Much of the work of the investigators has reportedly focused on operations of at least some of the inspectors or former inspectors working for Delta and Dastrehan.

HEAVY PRESSURE REPORTED

At both agencies, investigators have been told by witnesses, heavy pressures were applied on inspectors to give favorable grading decisions, to expedite the loading of ships and not to hold up costly operations for cleaning foreign matter from grain or because of batches in which weevils were found.

The inspectors work long hours for the modest pay of $900 a month or less but approximately double their earnings with weekend and other overtime. Their rewards also reportedly include large bonuses.

At Destrehan, one witness reported receiving pay for five hours a week of unearned overtime, quarterly bonuses of $400 and a Christmas bonus of $1,000.

"And of course we all got turkeys at Christmas," one former inspector said. He also told of inspectors entertained by elevator personnel with expense account lunches.

But more important, he said, were strong friendships developed as inspectors worked continuously at the same elevators.

IT'S A FAMILY DEAL

"We were all friends—it's a family deal," he said.

"It's incestuous," a Federal grain official commented.

Investigators have been told of wet grain loaded directly from barges to ships without drying to prevent spoilage. In some cases, according to one former inspector, "the corn would be so wet and hot it smoked when you lifted the cover."

The principal victims of the most serious misgrading and any weighing discrepancies, agriculture officials believe, have been less developed countries receiving food aid shipments. Such countries generally lack adequate weighing or inspection systems.

Discrepancies found by other countries are often settled by negotiation and price adjustments, officials say, with only the most serious cases reported in complaints to agricultural attaches at United States Embassies.

According to former inspectors, some elevators have a system to alert personnel when Federal supervisors approach the premises. The system misfired at one elevator in a case that amuses officials here. One supervisor had somehow reached his grain inspection laboratory unnoticed when another approached the elevator.

A guard, dialing a wrong number, reached the Federal laboratory and hissed a warning—to the Federal supervisor—that a federal supervisor was coming.

Federal officials have noticed that in some instances ship loading proceeds much faster when no supervisors are on the scene. In one case cited, at Mississippi River Grain Elevator, 40,000 bushels of corn were loaded in each of two eight-hour shifts with supervisors present, but 350,000 bushels were loaded in the third shift with no Federal supervisor on duty.

CONSTANT SUPERVISION

Mr. Ryan, head of the supervisory office, has ordered round-the-clock supervision at the elevator.

The constant surveillance resulted in a suit, subsequently dropped, seeking an injunction against "unreasonable and non-justifiable surveillance, regulation and control."

Asked about the suit in an interview, Benjamin C. Toledano, the company's attorney, said he had been merely seeking a declaration as to whether discrimination against Mississippi River Grain was involved and whether similar surveillance was being conducted at other elevators.

He asserted that the slower pace of loading during surveillance was "an example of the way they impede our work."

"We're dealing with tremendous amounts of money," he said. He said he could prove that surveillance, including unloading and reloading of ships, had cost the company more than $1-million. Sometimes low-quality grain, because of fast-moving conveyors, gets aboard before inspectors or supervisors can alert the loaders.

"How could that be?" Mr. Ryan responded when asked for a comment. "We don't load the grain, we don't tell them to unload. We just give them the best grade the grain qualifies for.".

In some cases, he said, grading necessitates cleaning of impurities from grain, a process that slows ship loading.

Mr. Toledano asserted that the elevator had "set a world record," loading 201 ships in 1973 "with not one complaint from a buyer."

Asked about reports of intimidation of supervisors on the Mississippi River Grain premises, the lawyer responded: "The waterfront is not the Bolshoi Ballet, you know. These are tough guys, and they don't like those creeps from the Department of Agriculture always looking over their shoulders."

Asserting that some countries adjust grading practices in poor crop years, such as 1974, he said: "These bureaucrats act as if every crop year is a good crop year."

Federal regulation are written with precise requirements as to the amount of foreign matter, kernel damage and moisture that can be permitted for each grade of grain.

Mr. Toledano acknowledged that the executive vice president of Mississippi River Grain had been among witnesses called before a grand jury. The executive, Giovanni Rametta, was asked whether he had advised an officer of another company to pay off grain inspectors and had denied giving such advice, the lawyer said.

"We've never made a gift of anything," he said. "Maybe a couple of Christmas turkeys, but we don't feel we've done anything wrong."

Mr. Lehmann, who heads Destrehan, acknowledged that he had been questioned before a grand jury and said he had been asked about inspectors' bonuses and unearned overtime payments. He said the payment of bonuses was a general practice among the inspection organizations and that extra overtime had been paid to bring Destrehan inspectors' wages into line' with others but that the sysem has since been changed.

NEWS TO ME

Mr. Lehmann said he knew of no pressures on the inspectors to misgrade grain.

"We stand as an impartial judge between the buyer and the sellers and always have," Mr. Lehmann asserted.

Mr. Provensal, who heads the Delta agency, said "that's all news to me" when asked about possible pressures on his employes to misgrade grain. He said he knew of one witness who had testified to giving payments of $1.500 and $5,000 to a Delta executive but asserted:

"That's a damn lie and I know it—I'm confident none of my people have been involved. I give them a bonus. They don't get money from anybody else."

Mr. Provensal asserted that he had never heard a complaint about grading or weighting of grain by his employes from any customer.

A vice president of Cook Industries, Willard Sparks, said that the ship found loaded with sour grain at Bayside Elevators had been completely unloaded to avoid any possible problem. He said the Cook employe doing the loading had been operating automatic equipment from a control room.

"The guy doing the loading doesn't go out and smell the grain," Mr. Sparks said.

The executive said all Cook employes "know it's company policy" not to try to put pressures on inspectors.

The director of Continental Grains' New Orleans division, David Borchert, said he knew of no problems for his company in connection with the investigation and that none of its officers or employes had been before a grand jury.

"None of our people are in any way involved," Mr. Borchert said.

The director of the Bunge Corporation's New Orleans division could not be reached for comment on the port situation here.

Federal officials and others here say they believe that only by conversion to Government grading can the problems found in the Port of New Orleans be resolved. One company, Cargill, has requested constant Federal supervision and is paying a fee to obtain the service.

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100 Others Linked to Grain Scandal

(By William Robbins)

New Orleans, May 21.—As many as 100 more persons—employes of grain elevators and others—are under investigation and face the threat of indictment in a continuing Federal inquiry into the handling, inspection and weighing of grain in the Port of New Orleans and elsewhere for shipment overseas, according to sources close to the case.

Investigators are reportedly focusing now on allegations of short-weighting of grain shipments and profiteering in the grain withheld, after having largely completed their inquiry into two other phases—bribery of inspectors to certify ships as clean and fit to receive grain and charges of misgrading of grain. Nine persons have been indicted thus far.

In the third phase of the inquiry, the hardest evidence is said to concern the theft of some of the grain by employe rings at several grain elevators. The investigators are also said by the sources to be looking for evidence higher in corporate structures. Some of the largest international grain corporations operate elevators here.

Federal agents are said to have recovered large sums to amount to more than $1-million, banked in the Bahamas by persons described as middle-management employes of the New Orleans division of one international grain dealer.

"Because of the sheer volume, they can't indict all of the people involved in everything," one source at the port with knowledge of the case said. "The court just couldn't handle all of them."

"They wouldn't want to indict all of them," another informer said. "Some deals are going to be made. They need witnesses."

Many indictments are expected to involve the theft rings, but one source said that "they're going after bigger game than that—that's peanuts beside what they are looking at now."

In the investigation thus far, seven inspectors have been indicted for accepting bribes to certify ship holds as clean and fit for grain cargoes, a ship-cleaning company and its president were indicted for giving bribes, and a grain sampler was indicted for perjury in falsely attesting that he was properly performing his responsibilities when a ship was loaded with sour corn.

GUILTY PLEAS ENTERED

One of the inspectors was tried and found guilty but has appealed, and another faces trial. Guilty pleas were entered in the other cases; they were disposed of with fines and suspended sentences.

The grain inspectors and samplers are licensed by the Department of Agriculture, but work for private agencies in a system in which many officials see built-in conflicts of interest.

The private inspection agencies receive fees based on tonnages of grain loaded. The individual inspectors work continuously at single elevators; former inspectors say they often form close relationships with elevator personnel whose loading comes under their jurisdiction.

At times of heavy volume, vessels are often lined up at the elevators. Delays in loading the ships cost the grain companies $4,000 a day and up in penalties known as demurrage. Any delays caused by inspections—such as those required for cleaning grain when it is found to contain excessive amounts of foreign matter—is costly to the companies.

Expeditious loading also speeds up receipts by the private inspection agencies and lowers their unit labor cost.

The system has resulted in heavy pressure on grain . . . inspectors, who work long hours, and usually throughout the weekends, earning a high percentage of their pay in overtime as well as substantial bonuses.

One grain company official has told a grand jury that he made two payments of $1,500 and $5,000 to an inspection agency executive, ostensibly for distribution among the inspectors, according to the president of the agency. He added that the statement was not true.

According to one lawyer, his client, the local executive vice president of a large international company that operates Mississippi River Grain Elevator Inc., was questioned before a grand jury on allegations that he had recommended such a payment. The official was said to have denied it.

The ship inspection bribery scandal led Federal agents to the other phase of their investigation. Some of the same men who inspect ships also inspect the grain. And some of the same agencies that employ the inspectors also have grain-weighing divisions, with weighers licensed by the Federal Government.

UNDERMANNED STAFF

The inspectors are subject to supervision by agents of the Agriculture Department's Grain Division on a spot basis, but its staff is said to be undermanned and "stretched thin," partly because of budget cuts.

The weighing of grain is under the jurisdiction of the Agriculture Department's Transportation and Warehouse Division, but the division is said by one source to give licenses to "anybody that applies if they work for an elevator or inspection and weighing agency." No effort is made to supervise or spot-check the work of the licensed weighing agents, it was said.

Disputes over weights taken here go back many years, according to persons close to the current case.

"The complaints are really starting to roll in now," one of them said. "There are going to be suits based on this investigation that will have some of these people in court for years."

The investigation is headed by Gerald J. Gallinghouse, the United States Attorney here, and Cornelius R. Heusel, the Assistant United States Attorney. They are being aided by the Federal Bureau of Investigation, the Agriculture Department's Office of Investigations and the Internal Revenue Service, with the cooperation of local officials of the Agriculture Department's Grain Division.

Leaders of the investigation refuse to discuss their findings and declined to comment today on reports of theft rings and short-weighting of cargoes.

But the reports began to circulate after leaders of the investigation took the grand jury into a more intensive phase of secret hearings, with a series of witnesses who reportedly have been involved in the case.

"They're coming out of the woodwork now," one informer said. "They're stumbling all over themselves, they're in such a rush to cover" themselves.

It is not known how soon the indictments may come, but one source close to the case said the Federal agents were under intense time pressures because some of the matters covered go back many years.

"The statute of limitations is involved and time is running out on them," the source said.

GRAIN IS RESOLD

It is not clear exactly how the theft rings operate, but sources close to the case said that one clue was that more grain was sighted in some elevators than could be accounted for, and Federal audits reportedly are now under way.

According to accounts pieced together from several sources, at least some of the grain withheld from the ships is sold to a small local elevator company, which then resells it. Sometimes, according to reports, the small company sells back to the large corporations some of their own grain.

In some instances, the grain reportedly never moved out of the elevator when it was sold and sold back.

"Sometimes it's just a paper transaction," one source said.

Some of the investigators' best evidence reportedly is coming from high former officials of grain companies.

But an executive of Cook Industries, a large grain company, told a reporter he considered his own company's operations "virtually foolproof—if anything is foolproof."

"I just don't see how anything like that could happen," he said.

The executive added that the weighing of grain was part of the automated process of loading vessels and that weights were automatically stamped on tickets. He also said that there was no way any grain could go out of the company's Bayside Elevator here without being loaded on a ship or a barge.

"If they put it on a barge, I think you'd catch that pretty fast," he said.

"There are ways," another source asserted. "Nothing is foolproof."

[From the Washington Post,
May 21, 1975]

Foreign Buyers Complain of Poor Quality U.S. Grain

(By Dan Morgan)

Numerous foreign buyers of American grain have filed complaints with the government that they have received substandard, misgraded or disease-ridden corn and wheat since 1973, it was learned yesterday.

The countries include many of the United States' best agricultural customers, such as the Soviet Union, Britain, Italy, West Germany and India.

The dissatisfaction expressed in the complaints has included warnings that the customers will switch to non-American suppliers unless the situation improves.

In confirming an increase in complaints, officials of the Department of Agriculture also expressed fear that the poor quality of corn shipped abroad from the 1974 crop has already cost the United States some markets.

Leading Italian grain traders met in Milan last week to establish a strategy for dealing with what they said was a pattern of deliveries of substandard American corn unfit for use in average animal feeds. A spokesman for the group said the aim was to "beat unsatisfactory American behavior."

At the same time, a senior Soviet trade official, Evgeny Bannikov, arrived in this country to study American inspection and grading methods, following Soviet allegations that recent corn shipments contained an unacceptable number of broken kernels.

It was also learned that the State Department is looking into charges by grain handlers in the African Sahelian region and in Ethiopia that food sent as drought and famine relief in 1974 contained misgraded or even diseased material. Sources at the State Department said this investigation was not yet complete.

The widening international concern over the quality of American grain shipped abroad comes as federal investigators are conducting a far-reaching inquiry into dockside corruption in Houston and New Orleans involving federally licensed grain inspectors.

Several of the foreign complaints on file at the Foreign Agricultural Service of the Department of Agriculture question the "correctness" of the grain-grading system.

However, federal officials said yesterday it is still unclear if the problems occurring abroad relate to irregularities in the inspection process or to a poor quality corn crop in 1974.

The investigation in the major Gulf ports was triggered by a report to the FBI of bribes of up to $2,500 to federally licensed inspectors who clear ships as grain carriers.

Nine persons and a private company were indicted last August by a federal grand jury in New Orleans for bribery in connection with certifying ships as ready to receive cargo. The company and seven inspectors pleaded guilty, one inspector was tried and convicted, and another is awaiting trial.

Rep. Edward Mezvinsky (D-Iowa) last week demanded an investigation of the inspection system. Sen. Dick Clark (D-Iowa) has warned that "corrupt practices" in the inspection of agricultural commodities could undermine the country's trade in farm goods.

The present inspection system is riven with built-in conflicts of interest, congressional critics say.

Responsibility for grading the commodities at the ports and certifying the ships that carry the grain is delegated to private agencies by the Agriculture Department. Some of these agencies are boards of trade or business organizations whose members include grain companies and others involved in export operations.

Inspectors' fees are pegged to the total tonnage inspected. Critics say this practice gives inspectors an incentive to clear ships with dirty holds and to move cargo with as few holdups as possible for poor quality grain.

The Des Moinea Register revealed earlier this month that U.S. grain inspectors at New Orleans misgraded a 427,000-bushel corn shipment to Nicaragua in 1972 so that the Nicaraguans got damaged kernels and excess dirt.

Complaints on file in the Agriculture Department indicate that in late 1973, the United States sent India 72,000 tons of worm-eaten corn and the Food Corp. of India had to fumigate much of it.

A Parma, Italy, firm told the U.S. government in April that one lot in a durum wheat shipment from Philadelphia contained up to 80 per cent of other wheat varieties. A British firm claimed that samples from an American wheat shipment contained "a large amount of soy beans."

A British flour mill, complaining of a protein deficiency in wheat shipments, said: "One feels on occasion one is buying a commodity with a false description."

One of the principal Irish feed-grain importers complained to the Agriculture Department that it appeared that "an official grain inspection certificate was issued [for 800 tons of grain sorghum shipped from Galveston] which bears no relation to the cargo."

In many of the cases, the department's Inspection Division noted that breakage, overheating and many other factors can change grain following shipment.

A complaint filed last October by a Hamburg, Germany, import firm at the U.S. embassy in Bonn typifies foreign reaction.

Citing alleged deficiencies in the protein content of wheat shipped to Hamburg, the firm said:

"We suspect the substantial wheat sales to the Soviet Union are the reason the good quality standard of U.S. wheat could no longer be maintained for the quantities required by the world."

The firm said that mills in Germany pay 30 to 50 percent more for U.S. wheat. Many now feel it is inferior to their domestic varieties. As a result, it "cannot be excluded" that the mills will shift to other grain-producing nations when other supplies are available, the reporter wrote.

Humphrey Announces Investigation by Foreign Agriculture Subcommittee of Grain Shipments Abroad

Washington, D.C., May 21.—Senator Hubert H. Humphrey, chairman of the Foreign Agricultural Policy Subcommittee of the Committee on Agriculture and Forestry, today announced that the Subcommittee will conduct an investigation of the handling, grading, weighing and shipping practices with regard to U.S. grain shipments abroad.

Senator Humphrey and Robert Dole (R-Kans.) received approval today from the full committee to proceed with the investigation.

The Minnesota Senator indicated, in a statement issued from his office, that the Foreign Agricultural Subcommittee will begin its preliminary examination immediately and that hearings will likely be scheduled early in June.

The investigation is prompted by recent claims of contaminated shipments of grain exported from U.S. ports.

"There have been repeated reports of such problems in the last few years," Humphrey said, "but a recent shipment of corn to the Soviet Union brought the problem into the open."

"Allegations have been made concerning possible bribery of shipment inspectors, and one inspector has already gone to trial."

Humphrey stated that the Foreign Agricultural Subcommittee will be looking first of all at the basic problem regarding inspections, as they are now carried out and the role which the U.S. Department of Agriculture plays in this operation, as well as private inspectors operating under licenses issued by USDA.

Beyond the immediate question as to how these operations are now carried out, he also stated that the Subcommittee would be looking at whether any new safeguards are needed for the future.

Humphrey pointed out that agricultural exports this year are expected to reach $22 billion, and of this amount over $11 billion consists of grain.

"Farmers have been urged to produce for an expanding export market," he said, "and we must make every effort to insure that this market is not ruined by shoddy inspection practices which will cause foreign buyers to turn elsewhere."

"If the U.S. is to remain a major commercial exporter of grains, it must take all steps necessary to establish and maintain the integrity of such shipments in the world market."

THE UNITED STATES AND THE UNITED NATIONS

Mr. PERCY. Mr. President, because of the continuing widespread interest in the hearings by the Committee on Foreign Relations on the United Nations, I again ask unanimous consent to have printed in the Record the remainder of the prepared statements of the witnesses heard on May 21 and 22, and some that were inadvertently omitted from the Record of May 15.

These witnesses are as follows:

May 15: Buckminster Fuller, Architect. Bruno Bitker, chairman, Wisconsin Governor's Commission on the United Nations.

May 21: Seyom Brown, Brookings Institution. Norman Cousins, editor, Saturday Review.

May 22: Ambassador John A. Scali, U.S. Representative to the United Nations. I highly commend their statements to my colleagues.

There being no objecion, the material was ordered to be printed in the Record, as follows:

Preparing for a Small One-Town World

(By R. Buckminster Fuller)

Note.—Figures are not printed in Record.

In my lifetime of 80 years I have seen a great deal of change. I grew up in an era when 99% of humanity travelled only very locally on foot, horse, and bicycle and averaged 1100 miles per year of local linear motion plus 300 miles per year of riding on horses or in vehicles.

The pre-airplane and radio world with 88% of humanity consisting of Asia's 52%, Europe's 26%, Africa's 10%, all very remote from the Americas' 12%. Seventy years ago, it took three months to get to India. My last trip to India, 1974, was quicker than either my first trip from Boston to New York as a child, or my first trip after World War I from New York City to Chicago on the then blue ribbon New York Central Railway's "Twentieth Century Limited". Now I reach India by telephone in a couple of minutes. I find present world affairs inherently integrated despite the hindering persistence of the 150 national sovereignties as our conditioned reflex heritage from all of the previous milleniums of inherent separation of interests. In 1961, three jet planes out-performed the Queen Mary in one third the time for one half the price. The oceans became obsolete as a means of getting humans from here to there. The era of water surface travel stopped without people realizing what had happened. We have been hurled by evolution into a one small world town within which average humans are travelling 11,000 miles annually . . . ten times their coverage of pre-World War I and many millions of worldians such as I cover 150,000 miles per year, and astronauts travel 3,000,000 miles per year.

The standard Mercator projection was developed for the world oriented to the ocean communication. All the transoceanic nations were connected only by ship. The "Roaring South Forties" latitudes Antarctic winds and waters' west-to-east whirl-around, swiftly interconnecting the Pacific, Atlantic, and Indian oceans south of Good Hope, the Horn, and New Zealand's South Island, and the ocean's trade winds altogether formed a pattern of most advantageous voyaging of which the world-around trading ships took advantage. The masters of the seas were those who controlled the Antarctic interocean whirl-around by maintaining naval bases at the Southern tips of Africa,

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Australia, New Zealand, and South America, near to which bases all ships had to pass to get from ocean to ocean unseen and unnoticed to the 90% of humanity living in the Northern Hemisphere. The masters of those Antarctic Ocean integrated shipping lines controlled the wealth making of our Earth. The Mercator projection was appropriate enough when people sailed around Earth's middle latitudes which it distorts the least, but it is obsolete in air-borne world traffic considerations. The Mercator ignores the poles and distorts the polar regions, showing Greenland three times bigger than Australia.

My Dymaxion map with the South Pole as its center presents an unfamiliar but most realistic picture of the British Empire's strategic mastery of World One—the pre-airplane and radio Earth. It shows Australia as the continent it is, four times as big as Greenland. With the Dymaxion projection you can see the whole world at once, with no visible distortion of the relative shape or size of any of the parts. If you show 100% of any data against this background, it will read properly, for my map's area and shape proportionality is uniform.

If you rearrange the pieces of the Dymaxion map with the North Pole at the center, you will see World Two, a one world island. That is the map of our present era. 85% of all the land in the world is north of the equator. Less than 10% of humanity lives south of the equator. 90% of humanity can reach each other via the shortest great circle air routes over the Pole without going near the Atlantic, Pacific, or Indian Oceans. The old east/west, north south separations, with each nation looking out for itself, are no longer valid. The fragmentation of the world into nations that was logical yesterday, when men were inherently divided by the time and space, is no longer valid nor socio-economically tenable.

We have utter intimacy of communication, and willy-nilly, we have complete integration of the interests of all humanity.

I no longer think of underdeveloped and small nations that need help, and big rich ones that must help them. I see all mankind being integrated into one world pattern despite the still operative sovereign nationalities which in fact are functionally extinct, and their continued presence is the world's number one pollutant. Both the world's political powers and monetary powers have had to go supra-national. They leave only the individual humans passport control trapped in 150 national border controlled pens, subject to conscription, taxation, and the social cancer of non-thinking bureaucracy. The mobile young are beginning to live all around the world. As a half century's visiting professor at 420 universities around the world, I find that the natural tendency of students is to regard themselves as world citizens, which is what they are and want to be recognized as. Students from New Guinea and from Africa who go to Europe and America for training, want naturally to go back to their villages to help their people, but they are beginning to find that the village and the family at home want to become part of the greater world too. No doubt there will be a very long period of transition, but there has to be complete accommodation of this new way in which humanity is beginning to think and to live.

ECONOMIC REVOLUTIONS

I was born in a society where 90% of the people had to live on farms to grow their own food. I was a grown man when we learned ways of getting the food into cans, and refrigerated transport to reach people anywhere. After World War I we learned to handle great farms mechanically, almost without human labor. But we have not changed our economic accounting systems which are all based on a seasonal agrarian economy, even though the year no longer has anything to do with the industrial cycle. An industrial generation is 22 years brought about the rate at which the average bulk of all metals are melted out of old uses to be formed into the new. Every time they are recycled the interim 22 year gain in technological know-how has increased so greatly that on an average the same tons of metal serve four times as many humans with vastly improved performance. This brought about an incredible transition, all unexpected by humanity between 1900 and 1975 where 52% of humanity is now enjoying a standard of living superior to that of any monarch of 1900 as their life expectancy also doubled within that time. The tasks to be done in our industrial economies may run into thirty, forty, or fifty year cycles. Both business leaders and politicians have to make either monetary or popularity "profits" within three years or they lose their jobs. People don't comprehend or tolerate undertaking of something that is going to take forty or fifty years to develop. The kind of permanent buildings we have were logical if humans stayed put on the land, but they are not doing so. Most of the 90% of humanity which before World War I was on the farm has come temporarily into the cities, hoping for employment and the good life. The cities were not designed to take care of them. Populations are continuing to shift only expediently from country to city, and city to mega-city with landlords reaping harvests of dollars at ever-escalating prices out of the entrapped population.

CITIES IN THE TWENTIETH CENTURY

Men came to cities in the past because there were harbors and warehouses, and that was the place to find jobs but the jobs have deployed out from the cities, as far as physical production and retail commerce goes. Big cities, instead of being warehouses and centers for the exchange of physical goods, are developing into metaphysical exchanges. For example, New York City's ocean docks are empty as are the surrounding railroad freight yards. Obsolete except as a convention and amusement city, New York is being taken over by the great universities, the United Nations, and the like, for the interchange of ideas, or by wealth value exchanges like the banks and stock exchanges that deal in paper abstractions, bonds, stocks, money, and credit. The big cities are processing the metaphysical, and the physical is increasingly processed outside the cities.

THE GREATEST REVOLUTION

We are entered upon the greatest revolution in the history of humanity: either it is going to be a bloody revolution of trying vindictively to pull the top down in which everybody loses or a technological design science—revolution in which all humanity is elevated to higher standards of living than any have ever heretofore experienced.

It is not a matter of who is going to make the most money or political kudos, but how to make humanity a success. That is the challenge. There can be no compromise. We now know enough about how to make our world work to provide all humanity with the option of total sustainable physical success.

If we are going to be able to take care of humanity, we must find out how most economically and satisfactorily to control our environment.

The land building arts are 5000 years behind the ship building and aerospace ship design and production technology. What equipment do we need to do it? Humanity must achieve the success it was designed to be. But we are at the point where there could be a stillbirth. Nothing is so critical as birth, and whether the world survives birth into an entirely new world and universe relationship depends on our individual integrity, not on that of political representatives. We have enough technological know-how at our disposal to give everyone a decent life, and release humanity to do what it is supposed to be doing—that is, using our minds, accomplishing extraordinary things, not just coping with survival. You and I are given hunger so that we will be sure to take on fuel and regenerate our bodies; we are given a drive to procreate so that mankind will be regenerated; we are given brains with which to apprehend and recallably store information. We are also given minds with which to discover metaphysical principles. The function of mankind is to think, to discover and use principles. We are here to serve as local universe information harvesters and as local universe problem solvers employing human mind's unique access through science to some of the generalized principles governing eternally regenerative universe. We are going to have to exercise this responsibility within decades or perish.

STATEMENT OF BRUNO V. BITKER

I am delighted to be able to appear before this distinguished body during its consideration of the relationship between the United States and the United Nations. By way of identification, I am a practicing lawyer in Milwaukee, Wisconsin. Although I appear in my individual capacity, I have long been active in organizations, both governmental and private, relating to the general subject matter. I have also had the honor of testifying before this Committee on previous occasions, particularly concerning ratification of human rights treaties.

Witnesses preceding me at these hearings and at other times have suggested specific steps in the form of amendments to the United Nations Charter as well as procedural changes by which the present structure could be made more effective in attaining the noble objectives of the world organization. I do not intend to discuss at length these suggestions by which the United Nations could be strengthened or the means by which the United States could make its influence felt more positively within the United Nations.

On one front this Committee has already taken a significant step toward improving the image of the United States in the world community. I refer to its action in urging the Senate to ratify the Genocide Convention which, after many years in the deep freeze, is now on the Senate calendar awaiting vote. I believe ratification of that treaty and others, especially the Convention Against Racial Discrimination and the two International Covenants on Human Rights, would go far to convince the rest of the world that not only do we proclaim our belief in the rights covered by these treaties but that we are willing to say so by signing on the dotted line.

The matter of strengthening the United Nations through Charter review, through Charter revision, through changed procedures, has been before this Committee for many years. As long ago as 1950, a Subcommittee under Senator Elbert D. Thomas on Revision of the United Nations Charter held extensive hearings, subsequently published, which are still of great value

One of the series of resolutions relating to strengthening the United Nations then being considered by the Subcommittee was Senate Resolution 133, 81st Congress, 1st Session. Its sponsor was Senator John Sparkman, now the Chairman of this Committee. Much of what was said then could be repeated now with equal force. That resolution contemplated the removal of the veto power under the Charter in defined matters of aggression, the avoidance of the threat of atomic catastrophe, the reduction of the armament race, and establishing "an effective but tyranny proof international police force under a 'workable' Security Council and World Court." (P. 171 of the Hearings)

Despite excellent statements that have been made by our several Presidents since the formation of the United Nations in 1945.

as well as by Secretaries of State and by United States Ambassadors to the United Nations, the official position of the State Department has changed very little since it voiced its opposition to Senator Sparkman's resolution of 1950. The Department then opposed his proposal as "a transformation of the United Nations into some form of world government." (Testimony of John D. Hickerson, Assistant Secretary of State, Hearings, p. 458).

As recently as December, 1974, a very mild General Assembly Resolution (3349 [XXIX]) on the creation of an ad hoc committee of 42 to consider suggestions regarding the review of the United Nations Charter, was adopted by an overwhelming vote, the United States (and the Soviet Union) voted in opposition. This is regrettable. That vote evidently prompted Congressman William L. Hungate (with the endorsement of numerous other congressmen) to introduce House Concurrent Resolution, 206 (April 8, 1975). This resolution asks the President "to direct the Department of State to formulate constructive and forward-looking United States proposals for the more effective functioning of the United Nations, through (a) changes in the Charter of the United Nations, and/or (b) procedural changes that may not require Charter amendment, in order to promote a just and lasting Peace through the development of the rule of law, including protection of individual rights and liberties as well as the field of war prevention." A report to this Committee and the House Committee is requested before June 30, 1975. It is hoped that this Committee will give its support to House Concurrent Resolution 206.

This brings me to what I deem most important for the consideration of this Committee. There is almost unanimity of opinion that the United Nations must be strenghened. The opposition to any material change, expressed by some of the nations, including our own, can be summarized by such phrases as "it would be a world government", or "it threatens our sovereignty", or "the giant states will devour the small states", or "the haves will have more and the have nots will have less." These are the same objections that were strenuously and sincerely advanced during the Era of the American Revolution by some of the 13 independent, sovereign states (the colonies). Yet out of that conflict evolved a great federation of states which we now know as the United States of America. What is here proposed is that the experience of the 13 colonies during the period from 1776 to 1789 be studied to determine whether the manner whereby the sharp conflicts that then existed between the sovereign states were resolved can serve as a possible pattern for resolving the problem now facing the international community.

It may be fortuitous that these Senate hearings should be conducted on the eve of the Bicentennial Observance. The report which could come out of these hearings and the study which might be prepared by scholars for this Committee could not only serve as a meaningful celebration of what happened 200 years ago, but also be a contribution to the whole world in seeking peace under justice for all mankind during the next 200 years.

Two hundred years ago this country consisted of 13 independent, sovereign states. At the time the notion that they could be unified into one nation, under one law, appeared to many to be pure fantasy. But it was done. The late Catherine Drinker Bowen entitled her dramatic documentary work about the Constitutional Convention of 1787, "Miracle at Philadelphia." And miracle it was! The distinguished American historian, Carl Van Doren, called it "The Great Rehearsal." Can the miracle of that time be repeated? Can the "rehearsal" become a world production?

The 13 colonies were faced with dangers from both within and from without. But no one at that time could have imagined the dangers which face mankind today. The sense of danger which impelled the 13 colonies to join together for common action is not yet deeply felt throughout the world. Yet it was this recognition of danger that enabled the Allies to win World War I and World War II. This sense of danger has produced among the Western Europeans the Common Market, which places unprecedented restrictions on national sovereignty. For the moment we may not be so fearful of World War III being started by the super powers. But we cannot be unaware of what might come out of widespread hostilities between other smaller powers, some of which may already have developed an atomic bomb. Nor can we close our eyes to the danger from famine, industrial collapse, the breakdown of international trade, pollution and other disasters resulting from world imbalances of food, of population, of energy, of money. These dangers are obviously greater than the dangers of the Era of the Revolution. They demand international solutions, as the problems of 1776 required national solutions.

It is easy to view the Revolutionary Era with the hindsight of 200 years and assert that what was accomplished then was merely the adjustment of differences between members of one family. But that simply was not true. The 13 states were not one big happy family, unified by language, by religion, by a community of interests. On the contrary, disunity prevailed throughout the war and for years afterward: harmony rarely existed.

James Madison of Virginia, a chief architect of the Constitution (and later to become the President of the United States), noted that: "Of the affairs of Georgia, I know as little as of Kamchatka". And Pierce Butler, of South Carolina, another delegate to the Constitutional Convention, concluded that "the manner and mood of thinking" of the several states, differed "nearly as much as in the different nations of Europe".

While there was no love lost between the colonies and the colonists, there were, of course, similarities between them. But it is interesting to recall that Dutch was the preferred language in parts of New York, especially in the commercial world. It is intriguing to note that many influential persons thought German should be Pennsylvania's official language. In certain of the colonies, French and Spanish were commonly used.

On the economic front, the rivalry between atates was no different than what exists between some nations today. Customs laws were freely used by one state against another. New York took steps that produced a serious drain on Connecticut and New Jersey. Despite the provisions of the Articles of Confederation, New York entered into a separate treaty with the Indians. New Jersey viewed New York as a foreign state against which barriers must be erected to prevent its encroaching upon the Sovereign State of New Jersey.

It is said that because the colonies were physically adjacent to one another, eventual unity was easy to attain. This was a factor, of course. But it is necessary, when comparing now with then, to measure distances not only in miles but in time. The fact is that it took many more hours, in some instances even more days, to travel from one city to another, than the hours required today to move from one side of the world to the other. Indeed it takes far less time today to circle the globe than it took most delegates to reach Philadelphia from various points of departure.

It is a matter of wonder that the colonies won the War of Revolution. Certainly it was not due to any unity between the colonies. Although designated Commander-in-Chief, George Washington was in fact the commander of thirteen allied armies and not of a unified Continental Army. Throughout the war his correspondence consisted of constant pleas for food, for clothing, for arms. During the first part of the war, there was in fact no central government. The Continental Congress conducted the national affairs—if they could so be designated—not by virtue of any charter but under a kind of gentlemen's agreement.

Examples of the insistence upon the separate sovereignty and independence of the colonies appear not only during the post Revolutionary period, but even during the war itself. For instance when Washington urged New Jersey troops to swear allegiance to the United States, they refused, proclaiming that "New Jersey is one country." One New Jersey delegate to the Continental Congress found the idea of swearing allegiance to a central government so unacceptable that he publicly criticized Washington for requesting the oath. Even John Adams later referred to Massachusetts as "our country" and to the Massachusetts representatives as "our embassy".

As time went on it became clear that achieving independence was difficult enough, but establishing a strong, central national government was even more difficult. Before the Constitutional Convention convened in 1787, Washington concluded that: "We are either a united people under one head, and for federal purposes; or we are thirteen independent sovereignties, eternally counteracting each other." Washington was deeply disturbed by the constant bickering and confrontations between the states. Various states violated the peace treaty, particularly in respect to the honoring of prewar debts to British merchants, which the British used to justify their own refusal to evacuate frontier forts that had been surrendered to the United States. Washington was, therefore, especially fearful of the military insecurity of the United States against the British on the north, the Indians on the west and the Spanish on the south and west.

Between 1783, the end of the war, and 1789, when the Constitution came into force, citizens of all political beliefa and of no political beliefs, recognized the inadequacy of the Articles of Confederation. The lack of a central national authority caused Washinton to comment: "I do not conceive we can exist long as a nation without having lodged somewhere a power which will pervade the whole Union in an energetic manner as the authority of the state governments extends over the several states."

Problems confronting the 13 sovereign states of the Era of the Revolution loomed as large then as those which in 1976 confront sovereign nations of the world. The eminent Henry Steele Commager in his recent historical study, "Jefferson, Nationalism and the Enlightenment", thus summarizes the comparable situations: "The problems which confronted the Revolutionary Generation were quite as complex, as importunate, and as frightening as those which confront us now." There then existed a nation of some three millions, "divided into thirteen independent states, scattered over an immense territory without any system of roads or of communications, with no common organs of government, no common centers of economy, no common church, no common ruling class, and as yet no common loyalties . . ."

After the end of the Revolutionary War, it did not take long for the ardor for independence, which had held the colonies together even though so loosely, to diminish. But the need to bring the states together into a single nation became increasingly obvious. Accordingly, in February, 1787, the Continental Congress, called a convention of the States "for the sole and express purpose of revising the Articles of Confederation . . . to render the federal constitution ade-

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quate to the exigencies of government and the preservation of the Union."

That convention, meeting in Philadelphia in the summer of 1787, came to be known as the Constitutional Convention. The result of that convention was not the revision of the Articles of Confederation but the adoption of the United States Constitution. This was not the stated purpose of that convention and the objections to so drastic a step were vigorously advanced. A principle objective to any change then was expressed in the same phrase now used against considering United Nations Charter review: "Let well enough alone."

A key and decisive issue before the Convention was on voting. The same problem existed then as now: should the vote of every state be equal? The one state-one vote rule had been followed during the Revolutionary War and continued under the Articles of Confederation. The large states favored representation on the basis of population (and possibly other factors). If voting was proportional, the small states feared being engulfed by the large states. The small states demanded equal voting power regardless of size, of wealth, or of population.

The Great Compromise, one state-one vote in the Senate, proportional representation in the House, now appears so simple a way out, that it is not easy to realize that the Constitutional Convention might have fallen apart over this one state-one vote problem. In a sense, it is the same problem that faces the world organization today. Without attempting to resolve that question here, it is suggested, however, that a system of voting, certainly in the General Assembly, might retain the one nation-one vote formula in certain types of decisions, while following a form of weighted or proportional voting, based on population, wealth or other relevant factors, in other types of decisions.

On September 17, 1787, the 12 states represented at the Constitutional Convention unanimously approved the final draft of the Constitution (Rhode Island, the 13th state, had boycotted the Convention). It was thereafter submitted to separate constitutional conventions in each state for ratification by a minimum of nine states to bring it into force. It is significant that the Constitution begins, "We, the people of the United States," instead of, "We, the States." That phrase, "We, the people" is also the opening phrase of the United Nations Charter.

While the state conventions were debating ratification, there appeared a flood of pamphlets, pro and con. The opponents identified a central government with tyranny, feared that the voting compromise was not sufficient to protect the small states against the large states, urged that the country be divided into geographical regions (the usual proposal was for separate political entities for the Southern Colonies, the Middle Colonies and the New England Colonies).

The final ratification of the Constitution was not speedily nor easily attained. It was not until June 21, 1788, that the ninth state, New Hampshire, ratified. But as of that date, two key states, New York and Virginia, had not acted. Although the Constitution could have been considered in being without these two states, obviously the new nation would only limp into existence without them. It would be like having a world organization without the United States and the Soviet Union.

Fortunately, New York and Virginia ratified shortly after New Hampshire acted. It is interesting to note that ratification carried by only 3 votes in New York, by mere 10 vote margins in Virginia and New Hampshire. Rhode Island, which did not ratify until one year after the new government was established, did so by a slim 2 vote majority. The significance of these votes lies in the fact that opposition to a meaningful, central government was as strong then, as opposition to strengthening the United Nations might be today. But our own history has demonstrated the worth of a central government joining together separate and even antagonistic states. From that experience should we not be convinced of the value of considering the pattern for the world? Is it possible that by using this model, the international community can reorganize itself so as to be better able to solve global problems?

In conclusion, I want again to express the hope that this Committee may produce a study in depth that would serve as a meaningful observance of the Bicentenntial of the American Revolution and also as a contribution toward world peace with justice. If attempts to halt the killing conflicts in the world today through a strengthened United Nations appear visionary, it must be remembered that to many thoughtful and knowledgeable citizens of the 13 sovereign colonies, the idea of a strong, central government under a Constitution appeared wholly unrealistic. Can the United States make any greater contribution in its observance of its own Bicentennial than to help the world to abolish war, mankind's most fearful illness? It is true that America was blessed with an extraordinary galaxy of statesmen in the Era of the American Revolution. But the dangers of war, of famine, of general disaster are greater today and statesmen of equal capability and courage are here today. May America lead the way now as it did 200 years ago.

STATEMENT BY SEYOM BROWN ON THE UNITED STATES AND THE UNITED NATIONS

Just when the need for international cooperation is higher than ever and universally recognized, the United Nations system, the main hope for instituting international cooperation, is in its deepest trouble yet. Ironically, with its prestige at a low mark, the UN system is more centrally implicated in world politics and economics than at any time since its founding. If the UN were simply dying a slow death from irrelevance and negelct, it might not warrant our intense concern. But it is precisely the contradiction between greater reliance on the UN simultaneously with a severe loss of faith in its ability to perform its enlarged tasks that is alarming and, I gather, is the reason why the Foreign Relations Committee is devoting special attention to the problem today. It is also, I assume, the reason why someone with the perspicacity of Ambassador Moynihan seems to have an itch to participate in the UN debates.

If involvement is a measure of health, the UN system is alive and well:

UN forces at this moment are patrolling the cease-fire lines in the Sinai and the Golan Heights, with trepidation in all capitals that their mandate may not be renewed this summer.

Under UN auspices the largest international negotiation in history is underway, with fits and starts and prophecies of collapse, in an effort to allocate the biggest hunk of the world's resources ever attempted—two thirds of the earth's surface in and under the ocean.

A parallel negotiation started in April to establish an elaborate UN-affiliated organization to run a space satellite system to handle much of the world's maritime communications.

The international conference of signatories of the Nonproliferation Treaty now meeting is considering expansion of the international inspection functions of the International Atomic Energy Agency to keep pace with the frightening spread of weapons-convertible nuclear technology.

In the wake of the breakdown of the Bretton Woods system, the International Monetary Fund has had to assume major responsibility for steering the relationships between the world's major currencies, lest pure unilateralism in altering exchange rates becomes a form of destructive protectionism and international economic coercion.

The UN special session on the "new economic order" scheduled to meet in September, will be tackling the most highly charged international political economy issues of the mid-1970s, including the international regulation of commodity pricing. The special session, an idea of the developing countries, is now, albeit belatedly, being taken very seriously by the United States and other industrialized countries; meanwhile, serious consideration is being given in the U.S. policy community to setting up some kind of umbrella international trade organization within the UN system that would absorb the functions of the GATT.

A Martian looking down at all this unprecedented activity in the UN system might conclude that humankind was on the brink of a new era of international creativity at least as great as that which resulted in the establishment of the League of Nations and then the United Nations itself. So why all the pessimism? Why the despair over the future of the UN?

The source of the despair of many in the United States policy community, even among some who are usually the staunchest supporters of the UN, can be summed up in a phrase, *the new international populism:* militant demands by the majority of countries upon the privileged minority, mainly the non-communist industrialized countries, for an international redistribution of wealth and political power. Redistributive demands with no chance of being accepted by the still powerful minority are put forward in an uncompromising tone and injected assertively into all types of forums and negotiations as top priority agenda items, often with the threat of disruption of normal international processes if they are not granted top priority.

Finding themselves in a potential voting majority in many international institutions whenever gross redistributive issues are being discussed, the would-be leaders of the populist coalition, such as Algeria or China, somewhat demagogically will attempt to turn even more mundane deliberations into debates on the central populist themes; they also enjoy bringing such matters to a head in the form of votes on shrill resolutions which, while they may have no means of practical implementation, can reinforce the emotional bonds of the populist coalition, and spotlight the isolated position of the non-Communist industrialized countries, especially the United States. The fact that most Arab countries have identified themselves with the populist coalition has allowed them to swing the coalition in back of their vendetta against Israel.

China has tried to effect a similar mobilization of the populists to its side in its conflicts with the Soviet Union, but with less success, for the Soviet Union itself takes every opportunity it can to vote with the populist coalition.

I am most concerned not with the fact of international populism, which is an historically inevitable reaction to the dismantling of the colonial empires, but rather with the despairing and wholly inadequate responses to it thus far by this country.

Ambassador Moynihan thinks he has found an appropriate response, which he derives from locating the cause of today's Third and Fourth World militancy in the Fabian socialist ideology of the former British subjects who are now leaders of some of the new states. He would do just as well to blame the militancy of the former French colonies on the French Jacobins, and of the radical Latin nationalists on Simon Bolivar. Woodrow Wilson also should be given some credit.

Moynihan's prescription (as presented in his *Commentary* article of March 1975): Stop

appeasing the Third and Fourth World ideologues. Go into open opposition. With what? Apparently with a pudding of Burkean political conservatism to counter the new Jacobins combined with economic liberalism, a la Adam Smith, to combat the egalitarian state socialism of the new Fabians. Additionally, we should expose the hypocrisies of developing country leaders who keep political prisoners in their own countries while preaching to the West about the rights of man. "It is time," he says, "that the American spokesman came to be feared in international forums for the truths he might tell."

If only we could overcome the UN crisis by elegant and witty debate in the General Assembly. But the crisis has its sources in the structural upheavals of world society. Edmund Burke, for all his skill as essayist and orator, could not turn back the French Revolution. Nor could Winston Churchill arrest the independence movement in India by his insistence, "I have not become the King's First Minister to preside over the liquidation of the British Empire."

This is not to underestimate the practical consequences of political rhetoric. It is at its best the carrier of the noble visions of a people. And there have been times when the visions of American statesmen inspired the world; but this has usually been when the visions and the rhetoric were forward looking and reflected the basically optimistic and innovative spirit of our society.

Our domestic experience perhaps provides a guide for responding to the new international populism in a more constructive spirit than that recommended by Mr. Moynihan. The radicalization of the French Revolution was not imitated here. Instead of Jacobinism or monarchical restoration we produced Jeffersonianism. The bitter indigenous populism of the late 19th Century that threatened to break the bonds of civil society was supplanted by the progressivism of Theodore Roosevelt and Woodrow Wilson. Again, the New Deal was a progressive response to the great world depression of the 1930s, which otherwise might have left the society polarized between the Marxist-Leninists and the Fascists.

This society's most progressive responses to militant domestic populism have been in the form of institutional adjustments directed toward (1) increased accountability of the privileged and powerful to wider public interests; and (2) greater participation by the otherwise alienated in the processes of politics and government. An equally progressive response to the new international populism could build on this domestic experience. The hallmarks of such a U.S. response would be support for strengthened norms and processes of international accountability and for greater participation by the developing countries in important international negotiations and institutions.

Such a posture of international progressivism would mean that the United States had committed itself internationally to the principle that *those whose actions substantially affect others should accord the affected parties a role in the decision processes related to such actions.* At a minimum this principle would obligate governments, international institutions, and nongovernmental entities to consult with those whom they affect. A fuller implementation would accord the affected parties decisionmaking weight corresponding to the degree toward which they are affected.

The first and yet most basic step toward implementing the concept is provided by the Kantian categorical imperative: act in such a way in world affairs as you would have all countries act. Obviously this country has been violating that norm left and right. (Indeed we have heard the present Administration on more than a few occasions justify its coercion international policies on the grounds that other countries are doing it).

To demand that the OPEC countries act in accord with principles of international accountability now that their oil pricing policies substantially affect the U.S. economy is only to invite the outraged retort of the Venezuelan President: Where were *you* when we were screaming about the price of your industrial exports?

To insist on free and unimpeded passage for all ships through the Strait of Malacca, considering the care with which the United States has maintained its prerogatives in and around the Panama Canal, is to appear to be taking the stance: "What's mine is mine, what's yours is international." Our present ambassador to the United Nations flails out against the "tyranny of the majority." But have we in the past in the General Assembly (and do we now in other international institutions where we are part of the majority) refrained from imposing our will on strongly offended minorities?

Our top foreign policy officials lament the loss of U.S. credibility in honoring our "security" commitments, and apparently feel driven to shore it up by refurbishing our reputation for decisive, unsqueamish military action in response to provocations from tiny and confused countries.

Surely another worry should be the credibility of U.S. commitments to international processes for dispute resolution and peaceful change. The threats to U.S. security posed by a general deterioration of international order, given the exponential growth in the ability of countries to do each other great damage, are more real and loom larger in the years ahead than any fantasies of falling dominoes. The threat to the UN system is a part of this general crisis. It is being exploited by the international populists because of a vacuum in progressive leadership by countries like the United States.

The proposed reorientation of U.S. policies in the direction of greater international accountability obviously has implications beyond the way we conduct ourselves in UN debates. There are numerous practical applications in a variety of fields.

A few examples:

1. Despite the sluggishness of the international negotiations to revise the Law of the Sea, the United States should refrain from unilateral extensions of its coastal zones and from unilateral authorizations of its corporations to exploit seabed resources before the establishment of an international regime. The Congress must play a crucial role here in resisting the pressures of special interests urging such unilateralism.

2. The United States should enter into serious negotiations to develop a comprehensive international system for protecting commodity producers and consumers from damaging fluctuations in prices.

3. The United States should take the lead in supporting obligatory international consultations by any country or corporations contemplating projects that might alter natural environments used in common with other countries.

4. The United States should revise its standing policy of opposing all international limitations on the capabilities of the advanced space powers to broadcast via satellite into other countries.

5. To balance its insistence on due process and just compensation by countries who take over U.S. multinational corporation subsidiaries, the United States should champion international regulation of the behavior of multinationals to assure they do not take unfair advantage of weak national governments and weak national labor movements.

6. The United States should broaden the opportunity for developing countries to participate responsibly in the international financial system, through revising voting procedures in the International Bank for Reconstruction and Development and opening up the informal committee structure of the International Monetary Fund.

The basic security and welfare of the United States, its international influence, and ultimately the self-respect of its people, require its full participation in the difficult task of constructing such networks of international political accountability, and assuring that the resulting institutional structures are congruent with the emerging realities of material interdependence. Other countries have no less an interest in the full participation of the United States. If the United States withdraws from this effort out of pique at not being able to dominate the process to the extent that it dominated the founding of the UN system, the necessary evolution of world society will suffer a severe setback.

An emotional polarization of world society along North-South lines is inconsistent with the sense of basic community that is the precondition for the elaboration of the needed scope of international accountability. Thus, for the United States to fall into the trap of polarization set by demagogic populists, would be against the United States interest and against the world interest. This is my main argument against the current sulking tone of the U.S. official response to the populists as well as the suggestions that the United States should come out swinging against them.

The effectiveness of the performance of the United States in the new international politics does partly depend on our style, the concepts we employ to explain our actions, and the words we use to symbolize our empathy and connection with others, or our opposition and alienation. But the words will ring hollow unless they are accompanied by concrete policies that are consistent with them. Whom we consult with; whom we invite into the forums of decision in international institutions with important operational responsibilities; our willingness to invest wide-membership international institutions with significant allocative and dispute resolution capabilities—more than the amount of foreign aid we give, more than our charity, these issues will test the credibility of our professed commitments to world community.

What about the support of the American people for such a progressive international sharing of decision-making power? Even the best public opinion polls give us little guidance; for the most part, they are still asking the old questions—which allies should we support with military force if attacked by the communists? Would you accept a rise in taxes to finance development assistance to the Third World? etc.—to determine the degree of internationalism or isolationism in the country.

However, some possible indications of latent popular suport for the kind of internstionalism I am urging can be gleaned from the recently published analysis of *American Public Opinion and Foreign Policy 1975* by the Chicago Council on Foreign Relations and Louis Harris and Associates. Despite the journalistic reports of a wholesale turning inward by the public, the foreign policy goal of "fostering international cooperation to solve common problems, such as food, inflation, and energy" was rated "Very Important" by 67 percent of the respondents, "Somewhat Important" by 24 percent, and "Not Important At All" by only 3 percent. The goal of "strengthening the United Nations" did not rate as high, but still commands general support: "Very Important" 46 percent, "Somewhat Important" 32 percent, and "Not Important At All" 14 percent. The survey also asked respondents to say which among a list of 18 goals they thought were "Most Important." The largest number of respondents selected "keeping peace in the world," and the next largest numbre selected "fostering international cooperation to solve common problems" as most important.

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Such polls of course are an insufficient guide to policy. They inadequately probe for the tough trade-offs which are the essence of policymaking. Ask Americans whether they are in favor of interdependence and international cooperation; they will answer yes. Ask them whether they are for preserving U.S. independence; they will answer yes. The tough questions involve how much indepence to give up in specific fields in order to respond to the needs of an interdependent world, for surely by agreeing to respect and enlarge international decision processes we are in some fields likely to limit our freedom of action, just as an insistence on complete freedom of action will tend to limit our effectiveness in international forums. But to make such tradeoff is precisely the role of statesmanship. Is it not? Legislative statesmanship as well as executive. Public opinion is inert when it comes to generating the real policy options. it can only respond to the options generated by those who have thoroughly studied the issues. The public's responses will also reflect, however, the concepts and visions suggested by the statesman for evaluating the options. This interplay is crucially important when it comes to the questions at issue here: the role of the United States in international organizations. and the reform of international organizations in the present context of growing international populism. To attempt to follow public opinion on these questions today is to attempt to take guidance from a public that has received little conceptual clarification from the Congressional debate so far and heavy Spenglerian visions of the decline of the West from the Seventh Floor of the State Department.

The main need today in U.S. foreign policy generally, not just in our UN policies, is for fresh concepts and analysis to illuminate the optimal tradeoffs between independence and interdependence, and for a new vision of progessive internationalism, that resounds with the best in our domestic and international experience, to counter the cynicism of both the new populists and their conservative critics.

STATEMENT BY NORMAN COUSINS

The United States has gone through a long series of unworkable assumptions in its foreign policy since the end of the Second World War.

The first assumption was that the United States would be a policeman for the world. We need look no further than Vietnam for a dramatic illustration of the fallacy of that theory. The attempt of the U.S. to be the world's policeman has been carried out at an unacceptable cost to the American people.

The second assumption was that the United States could achieve security by maintaining a world balance of power. The theory has had mixed success. It worked in Western Europe but has been a costly failure in Asia. The role of the United States, especially through the Marshall Plan, was critically important in giving Europe a springboard for economic recovery after the Second World War. The historical and economic conditions in Europe were propitious for the attempt of most of the nations to seek not just a common security but the basis for a European community.

One of the most hopeful items, in fact, in an inventory of the factors that make for peace in the world is to be found in the growing economic inter-relationship of Europe. Two world wars in this century found France and Germany as the prime antagonists. Whatever the other threats to world peace, we can at least take some measure of comfort from the fact that the old recurrent danger of a major eruption from within Europe itself has finally been laid to rest. The clear reason is that both countries have worked out an economic partnership that gives them a far higher stske in continuing peaceful relations than in pressing for conquest.

The lesson, of course, is that sound economic relations tend to create sound political relations as well.

This is not to say that our policy in Europe has been a thorough-going success in every respect. But it has at least worked well enough in Europe to serve as a contrast with our policies in Asia. The attempt to fill the power vacuum of Indo China after the departure of the French in the mid-fifties has led in a straight line to the most serious disasters in the history of United States foreign policy.

By and large, the theory of security through a balance of power, whatever its prominence in history going all the way back to the ancient Greeks, has become obsolete in the modern world. The theory had its natural setting in constricted areas, but it tends to lose workability in direct ratio to the distance from the center. No nation has the capacity—and this applies as much to the Soviet Union as it does to the United States—to undertake and maintain economic, political, and military commitments on a world scale.

The third assumption, closely related to the second, was that the United States could advance its security by building twin regional anchors of military security through NATO and SEATO. Neither arrangement gave us what we were looking for. Whatever NATO may have done for the European nations themselves, it has had little to offer the United States at times of its own critical need. NATO did not spring into action on the side of the United States during the two major Berlin crises, nor did the U.S. receive physical or moral support from our NATO allies during the Cuban missile crisis. SEATO was not an operational fact of any benefit to the United States during the Vietnam War. The historical record with respect to NATO and SEATO would have to be that our expectations were far higher than the prospects warranted or that the course of events endorsed.

The fourth assumption was that we could find security by staying ahead in the arms race. The United States and the Soviet Union ten years ago passed the point at which they could annihilate one another. The explosive power of our bombs and the versatility of the delivery system have reached their apex, but there has been no corresponding increase in security for either party. Indeed, there is less security for both parties in view of all the possibilities of accident or miscalculation that could come into play in time of crisis. Retaliatory power as a deterrent to surprise attack works only when one is dealing with enemies who can be trusted not to panic in crisis situations. The very existence of saturation supplies of atomic weapons sets a stage for irrational action at times of extreme tension.

In any event, security is no longer proportionate to power in the modern world. Stockpiling additional power is not likely to be more meaningful than filling the kitchen, the living room and all the bedrooms with cordwood after the woodshed and barn are overflowing in order to guard against running out of firewood.

The attempt to justify the nuclear arms race in terms of safety through reciprocal terror has to contend with the rapid spread of fissionable materials throughout the world. Scientific and technological means for processing these fissionable materials for explosive purposes are no longer matters of great mystery. There is now a real danger of nuclear blackmail by governments that fall into the hands of men who may confuse reckless use of power with the need to be decisive.

From the beginning of the nuclear age, it was clear that true security for the United States, or for anyone else, depends on the control of force rather than on the pursuit of force or the accumulation of force. But adequate controls have yet to be established. Most dangerous of all to the American people is the myth that atomic supremscy is somehow an assurance of security.

Meanwhile, the connection between a widening arms race and the worsening of the American economy is becoming more pronounced. It is impossible to spend almost $300 billion in a decade for military expenditures—a substantial part of it outside the United States—without creating a powerful momentum for inflation. The shortages created by spending of this size, to say nothing of the outflow of dollars for maintaining military establishments in many parts of the world, contribute mightily to the erosion of the currency. Whatever other measures may be taken to combat inflation, it is doubtful that any fundamental change in the cheapening of the dollar will come about unless a genuine basis for national security is achieved that makes it unnecessary to spend in the order of $100 billion a year for military purposes.

The fifth assumption that figured in our foreign policy strategy since the end of the Second World War was that we needed an undercover organization to compete with Soviet secret police on the level of plot-and-counterplot. The general theory was that covert activities were a cheap way of fighting a war. This theory, like so many of the others, has been demolished in Indo China. The American people have had to pay a very high price for the abortive coup against Souvanna Phouma in Laos in the winter of 1959–60. They have had to pay an even higher price for the overthrow of the Sihanouk government in Cambodia in 1970. And the highest price of all we paid was in Vietnam. The original decision to call off the nationwide elections for the purpose of unifying the country, as called for in the Geneva Treaty of 1954, gave way to other costly decisions. The assassination of President Diem and the attempt to steer successive governments without adequate respect for the need of a popular consensus are not unrelated to the eventual loss of 56,000 American lives, to say nothing of our final humiliation in the ultimate disaster.

In any event, the activities of an American agency in subversive activities against other governments is probably unconstitutional. The traditional position of the United States has been to advance the principle of self-determination in the world. We subvert our own traditions and institutions when we act against that principle in the world, even when the form of government is not to our liking.

Having gone through a great many unworkable assumptions on the quest for security—trying to be a policeman and a peacemaker to the world, maintaining a balance of power, building anchors of security through NATO and SEATO, staying ahead in the arms race, fighting undercover wars—perhaps the time has come for the United States to pursue the possibilities of peace through world order.

The United Nations has never been a serious factor in the foreign policy of any of the major nations, the United States and Soviet Union included. There is a tendency to regard it as a necessary evil or to use it only when everything else has failed, as in the case of the Middle East crisis of 1973. But the notion of world order as the basic requirement of world peace has yet to be defined as the central objective in the foreign policy of the great nations.

Why world order? What other approach is likely to be effective at a time when the principal problems of the world are beyond the reach of any nation to solve by or for itself? The arms race, world environmental deterioration, overcrowding, famine, depletion of resources, the struggle for control

of the wealth of the seabed—all these are problems that call for a world response. Since the problems are interconnected, the world agencies that will have to deal with them will have to be part of an organic whole. This is the direction that world order will have to take.

The obligations of individual nations will have to be carefully defined, with strict provision for due process. In general, world order requires codification of standards, monitoring facilities, an enforcement mechanism, and balance of powers. This sequence applies equally to the common security function, the environmental function, the fertilizer-and-food function, the resources function, the seabed function.

The ability of the United Nations to carry out the principal function assigned to it in the Preamble to the Charter of the United Nations—namely, preventing the scourge of war—is severely limited. At some point soon it is going to be necessary to reconsider the nature of the U.N. as well as the obligations of the individual nations to it.

When that reconsideration takes place, and it appears likely that such reconsideration may not be far off, two main theories about the U.N. will be debated.

One theory is that the U.N. must be a reflection of the world as it is: that is, it can only represent a mirror to the existing realities. This theory is the one that has governed the affairs of the U.N. since it was founded.

The second theory is that the U.N. has to transcend the limitations of its members; which is to say, it must have the effective means of responsible governance in those matters concerned with common dangers and common needs.

It is this second theory that needs to be explored and developed—through the United Nations if possible, apart from the United Nations if necessary.

In short, a new effort must be made in the direction of workable world order. The aim must be effective governance in the world arena.

The essential parts are peace-making, peace-keeping, economic and social development, protection of the natural environment and of the earth's resources.

The full integration of the World Court into the development of a law capability would appear to be an essential feature of a fully functioning world order.

I have the honor to represent an organization that sees relevance and advantage in the application of federalism to world order. Such federalism recognizes the right of a nation to minister to its own institutions and to maintain its sovereignty in domestic matters. It also recognizes the need for effective authority in those respects in which nations engage in traffic with one another, especially on the level of competitive security.

In the absence of an institutionalized peace, the prospect is world anarchy. We live at a time when national governments, in their dealings with one another, have to be governed themselves in certain respects. The closer the United States, in its own foreign policy, can come to advancing this concept, the closer we ourselves will come to defining a genuine basis for our own security.

STATEMENT BY AMBASSADOR JOHN SCALI

The Chinese word for crisis combines the characters for danger and opportunity. This is a good description of the current state of the United Nations, an organization in crisis, poised between imminent opportunity and eventual disaster.

Over the past two years the United Nations has in assorted forums approved a series of thoroughly one-sided economic declarations. It has taken discriminatory action against Israel in UNESCO, invited Yasir Arafat to speak in New York and illegally suspended South Africa.

Yet, during this same period the United Nations played an indispensable role in limiting and eventually halting dangerous wars in the Middle East and on Cyprus. It convened successful world conferences on two of the most critical issues of our time, those of food and population. In just the past few weeks it has moved swiftly to seek to bring relief to the war victims in Indochina

Unpalatable and arbitrary as some recent United Nations decisions are, we must face the possibility that there may be worse in store. Unless we move with care and understanding, our confrontation with the Third World will worsen. If we, as a government, stand immovable in a rapidly changing world, we may wind up standing alone. If, on the other hand, we choose to lead the way, we can still lead the United Nations into an era of historic achievement.

No one can predict with any certainty which of these paths the United Nations will take. I do believe, however, that the decisive turning point will be reached sooner rather than later. I also believe that the United States can have a critical, perhaps a decisive, influence over this organization's future.

It is not hard to pinpoint the present sources of tension at the United Nations. There are three—the Arab-Israeli dispute, the battle for racial justice in Southern Africa and the growing gap in living standards between developed and developing nations. These three issues dominate all United Nations deliberations for a good reason: these are the problems that most of the world's people feel most keenly. For most member nations a United Nations which cannot promote progress on these issues is not worth having.

On December 6, I spoke to the General Assembly about the unfair, unrealistic, one-sided and even illegal actions which the Third World majority was forcing on the United Nations in pursuing these goals. I warned of the damage these decisions were doing to the United Nations and to the real interests of all its members.

These remarks set off one of the most comprehensive and, in my opinion, most constructive debates in the Assembly's recent history. Representative after representative frankly laid out his country's policies, fears and hopes about the fundamental problems now faced by us all. This debate was helpful, but it did not resolve our differences. It did, however, create a more hopeful atmosphere and gave us a better idea of the deep-seated emotions that exist on both sides.

We and the nations of the Third World are divided on issues of major importance. We differ on how to achieve peace in the Middle East, how to bring social justice to Southern Africa and how to ensure a more equitable sharing of the world's wealth. We are not divided on goals, however, and we are not fundamentally divided on the role which the United Nations can play.

There is no single surefire formula which can reform the United Nations and reverse the trend toward confrontation there. The tone in which we conduct our dialogue can soothe, or it can inflame our current differences. Our language, our posture, can enhance or set back the prospects of compromise. But only sincere negotiation on the problems of critical importance to the Third World can halt the continued deterioration in our relations with these nations.

If, because of choice or neglect, the world community fails to make the United Nations work, the alternative is not cooperation elsewhere in some other more promising forum, but inevitably a fundamental breakdown of the main path to international cooperation. The dream of an open and cooperative world order to which mankind committed itself thirty years ago will wither and die. In its place there certainly will arise a world divided into exclusive, selfish and rival camps, where each nation's gain is another's loss.

The record of our country as a champion of freedom, social justice and economic opportunity is one in which every American can take pride. No nation, however, can expect to be judged on its past. To the peoples of the Third World we can show that we are still the same nation which issued the Declaration of Independence, promulgated the Emancipation Proclamation, advanced the principle of self-determination of peoples, created the concept of international development and pressured its closest allies to free their vast colonial empires. In Southern Africa we can do more than decry racism—we can disassociate ourselves from it entirely. In the Middle East we can commit ourselves unequivocably to the pursuit of a just settlement which recognizes the rights and national aspiration of all the people of that area. In our relations with the developing nations, we can move once more into the forefront of those seeking to close the gap between rich and poor.

If the United States follows this course steadfastly, I believe we can realistically require that others meet their responsibilities to move with us on the course of cooperation.

If we listen as well as lead, I am convinced that the current trend toward confrontation will be reversed and that this will open a new era of achievement at the United Nations.

I see a different future, however. I see a United Nations capable at last of fulfilling the mandate of its founders. I see a United Nations serving as the international community's principal forum for peacemaking and peacekeeping. I see the United Nations being used by its members as the court of first resort to settle differences, rather than as the court of last resort for their conflicts. I see a world in which 150 nations live at harmony and in peace—their security preserved collectively and their prosperity pursued cooperatively. I see a world in which nations frankly recognize that there may be deep differences on fundamental issues but continue to work at narrowing these differences and at the same time move ahead in areas where they are able to agree. And there are such areas where patient diplomacy can make the difference.

This is no dream. It is a realistic alternative. It requires only that we and other nations begin to use the United Nations to its capacity to help it fulfill its potential. In the Middle East and in Cyprus, the United Nations is showing that it can keep the peace. In crisis after crisis the United Nations is demonstrating that when called upon in time, it can respond effectively to the task at hand. At conference after conference, the United Nations is proving that 100 and more countries can be brought to meaningful agreement even on the most complex and controversial issues when they have the will to do so. The United Nations need not be the sole institution for negotiating and managing the complex problems of interdependence. But it should have a central role in that process as the single universal organization that expresses in broadest terms the collective hopes and needs of all who inhabit this planet.

The fate of the United Nations rests with all of its members, but it rests most heavily with those in a position to help resolve the issues confronting it. The United States cannot singlehandedly bring peace to the Middle East, majority rule to Southern Africa, or economic justice to the world. We can, however, continue to support these goals and we can seek to lead—not as the sole headquarters of justice and wisdom, but as one who recognizes that new and exciting doors can be opened by many countries in an increasingly interdependent world.

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THE ALDO LEOPOLD WILDERNESS SYSTEM

Mr. DOMENICI. Mr. President, the Senate Interior Committee has completed hearings on one of the first bills I introduced upon arriving in the Senate. My measure would create a new wilderness area in my home State named after the famed pioneer conservationist of this Nation, Aldo Leopold. The new wilderness area would be located in the southwest region of New Mexico and comprised of some 231,737 acres of primitive land.

I am very pleased that Senator JACKSON and my other Senate colleagues of the Interior Committee have given me the opportunity to offer testimony on behalf of the introduced legislation. I also want to thank the committee for taking swift action allowing early hearings on the measure.

Mr. President, I ask unanimous consent that my testimony of May 20, 1975, to the Interior Committee on the Aldo Leopold Wilderness system be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Statement of Senator Pete V. Domenici
Aldo Leopold Wilderness

Thank you Mr. Chairman, and members of the Committee for holding hearings on S. 226, a bill to establish the Aldo Leopold Wilderness area. I introduced this measure in response to requests by the New Mexico Wilderness Study Committee and other concerned environmental and conservation groups.

The proposed Aldo Leopold Wilderness lies in southwestern New Mexico between Silver City and Truth or Consequences.

The area included in S. 226 comprises 231,737 acres of some of the most rugged and wild portion of the Black Range mountains. Much of the 231,737 acres are included in the proposal submitted to the Congress by the Administration. As you know, the Administration's proposal calls for 188,095 acres of the Black Range primitive area to be made a part of the wilderness system.

I realize that there are those who oppose this measure and I am sure that the Committee will hear from individuals who do not feel there is a need for additional wilderness in New Mexico. The Committee will also hear from those who feel that the 188,095 acre Forest Service proposal should be adopted. And, still others will want to increase the amount of acreage from the areas included in S. 226. I shall look forward to reviewing the testimony presented today.

I know the Committee will give all of the testimony careful consideration and in its wisdom send to the Senate a bill which includes land which is suitable for designation as Wilderness.

I would like to offer the Committee a little background of the proposed Wilderness area. The crest of the Black Range Mountains runs north and south through the approximate center of the proposed wilderness. The highest point is McKnight Mountain with an elevation of 10,165 feet.

The proposed Aldo Leopold Wilderness is within a day's drive of over three million people. Major population centers such as Phoenix and Tucson, Arizona; Albuquerque, New Mexico; and Amarillo, Lubbock and El Paso, Texas, are within this distance and contain over half of the population of the circular area.

As nearby population centers continue to grow, social pressures increase, and people seek to escape these pressures, visits to the proposed Wilderness will undoubtedly increase. Each year the number of visitors has increased as more people seek to make contact with wilderness. With the renewed and expanding desire of Americans to experience once again the rich heritage of the West as it was, this type of use will soon surpass all others.

The proposed area has no developed recreation sites or improvements and none are forseen as necessary to meet future demands. In fact, the area proposed as Wilderness is not considered suitable now or in the future for large scale recreation development. The country is rugged and largely inaccessible and will always better lend itself to the individual primitive-type use characteristic of wilderness.

The area provides habitat for mule deer, white-tailed deer, elk, turkey, mountain lion, bear, bobcat and coyote. A great variety of smaller game, mammals and birds live within the area. Gila trout, and endangered species of fish, live in the headwaters of Diamond Creek at the northern end of the area.

Mr. Chairman, I have a letter which was given to me by Mr. Corry McDonald, Chairman, New Mexico Wilderness Study Committee and I would ask that it be included in the hearing record.

Again, thank you for considering this wilderness proposal.

SUBVERTING SOUTH KOREA WITH DOLLARS

Mr. CHURCH. Mr. President, the Subcommittee on Multinational Corporations of the Senate Foreign Relations Committee has been investigating the question of corporate bribery and political contributions outside the United States.

These payments and contributions, in my judgment, raise fundamental questions for U.S. foreign policy, and careful consideration must now be given to what controls should be placed on this kind of corporate activity.

Last Friday, Mr. Dorsey, chairman of Gulf Oil Corp., told the subcommittee that his company had contributed $4 million to Korean political campaigns. Since he testified, other firms have indicated that they too have made contributions in Korea aimed at pleasing the country's President.

Korea is a major aid-client of the United States and an important portion of its military and economic well being. We have supported the Government of Korea in an effort to build a representative democracy and appropriate political institutions. The disclosure of contributions must lead one to wonder whether the effort had been worthwhile. Mr. President, Mr. Norman Pearlstine, the Wall Street Journal's Far Eastern correspondent, has written an excellent, perceptive article on the subject which appeared in the paper's Wednesday, May 21 edition. I ask unanimous consent that it be printed in the RECORD:

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Subverting South Korea With Dollars
(By Norman Pearlstine)

SEOUL, SOUTH KOREA—Don't expect any great waves, at least here in South Korea, from the admission last Friday by Gulf Oil Corp. Chairman Bob P. Dorsey that his company had given $4 million to South Korean President Park Chung Hee's ruling Democratic Republican Party in violation of national laws.

"The payments will soon be forgotten by everyone in Seoul," comments an observer here. It's not likely that Gulf will ever be prosecuted here for its illegal payments and even more unlikely that anyone in the government or the DRP will be subjected to court action. S. K. Kim, who was chairman of the DRP's finance at the time Mr. Dorsey says Gulf made its payments, died earlier this year. According to a party spokesman, knowledge of the payments died with him.

The South Korean government and the DRP have good reason to act so cavalierly. There are only two forces in South Korea that can threaten President Park's control—the army and the university students. But the army, whose leaders have been well treated by President Park, remains loyal to him. And the students, who have traditionally led demonstrations against any government in power, have been hobbled by President Park's authoritarian measures. Last week, only two days before Mr. Dorsey's disclosures, he banned almost all forms of public criticism of his regime.

Moreover, corruption, graft and political payoffs are so firmly ingrained in South Korea that businessmen here tend to take such activity for granted. "Everyone pays off in Korea," comments an American businessman here.

Many U.S. and Japanese businessmen in Seoul say they add 5% to 10% to their estimates of operating costs to cover graft. Much of that graft represents payoffs to low-paid, low-level government officials to speed issuance of licenses and to obtain other government approvals. But in some cases larger payments go directly to high government officials. One large American firm, for example, had a South Korean cabinet official on its payroll and paid him several hundred dollars a month for two years. The payments stopped when the official was removed from the cabinet after falling from favor with President Park.

Other firms, while not making direct political contributions, gave gifts calculated to please President Park. General Motors Corp. and other firms contributed to the South Korean National Defense Fund following appeals from the South Korean government. And sources in Seoul say that Gulf and several Japanese firms contributed heavily to help construct a technical high school in President Park's home town.

Most foreign firms operate in joint ventures with Korean firms, and in many cases the Korean firms were begun with extensive government support and continue to get much of their business from the government. In addition, many of the more important enterprises are headed by men who are close friends of President Park and who owe their positions to him. For example, Park Won-Suk, who headed Gulf's Korea Oil Co. 50% subsidiary while Mr. Dorsey was making political payoffs, was a former deputy director of the Korean central intelligence agency and a former South Korean Air Force chief of staff.

Many Korean businessmen say that S. K. Kim, who allegedly received Gulf's political payments, also owed his fortune to President Park. Mr. Kim headed the Ssangyong group of companies, which included South Korea's largest cement manufacturer, a profitable trading company, and an influential news service, the Orient Press. In addition, he was head of the Korea Chamber of Commerce and Industry.

A few years ago Mr. Kim himself balked when asked to make an especially heavy contribution to one of Mr. Park's projects. One of the president's closest aides, it is said, took Mr. Kim to the top of Namsan Mountain, the peak which overlooks Seoul, and there, one by one, pulled every hair from the industrialist's prized moustache.

"That was Park's way of telling Kim and the rest of us that we owe our position to him and that he can break us anytime he wants," one of Mr. Kim's Korean business friends says.

While such actions might explain why Korean businessmen are unwilling to turn down reqeusts for payoffs, they don't necessarily explain Gulf's decision to make such large payments to the DRP. Some Koreans and Americans in Seoul who are familiar with Gulf's South Korean operations question whether the payoffs were necessary or whether they did much good for the company.

They admit that Gulf had received concessions from the Korean government in the 1960s which no other company could get. There was some control on the prices Gulf could charge for petroleum products sold in South Korea, but they say it was able to make huge profits on the shipment of its own crude oil in its own ships.

An official in one of South Korea's economic ministries says, "Gulf agreed to build its Korean refinery in 1963. But at that time we were desperate for a refinery and we were willing to give Gulf anything it demanded. Our need for Gulf's continued investment remained great throughout the 1960s." He adds, "If Gulf paid $3 million in 1970, I think it paid 10 times too much."

Mr. Dorsey insists that the political contributions were necessary to protect Gulf's investments in South Korea. Yet since the payoffs were made, Gulf's position there seems to have deteriorated. Korea Oil Co., which represents the largest part of Gulf's $300 million investment in South Korea, lost more than $6 million on its integrated petroleum operations in 1974, and Gulf is now trying to dispose of its interest in a new and expensive naphtha cracking unit.

So the company's stockholders have some grounds for questioning whether their management got value received for its money. More important is the fact that the U.S. has given South Korea more than $1.7 billion in aid during the past 26 years and more than 30,000 Americans were killed during the Korean war to help create an atmosphere where South Korea might develop representative and democratic political institutions. And now it turns out that all along American corporations such as Gulf have been willing to subvert the democratic process in South Korea by making illegal political contributions.

WELCOMING HOME OUR OWN REFUGEES

Mr. HATFIELD. Mr. President, one of the last cruel ironies of our involvement in the Vietnam war is that we are welcoming to our shores refugees from South Vietnam, but we still adamantly refuse to welcome home with equal magnanimity those Americans who were made refugees by the war. These Americans, who evaded the draft or deserted the Armed Forces because of their opposition to the war, remain in exile.

Some have chosen to come home through the President's clemency program, "earning" their way back through an arduous process of loyalty oaths, prosecutorial discretion, and alternate service. But many others are still barred from living openly in their own country.

It is strange indeed that we would require more of our own citizens in allowing them to return home than we do of the South Vietnamese refugees we are bringing into our country. While we are busily appropriating hundreds of millions of dollars to assist the South Vietnamese immigrants, we have not spent 1 cent to bring home our own sons and brothers.

I support the Vietnamese refugee assistance program. I believe it is a gesture expressive of America's generous spirit, and is the least we can do for those who have endured so much pain. But I also believe we should be equally as generous with our own citizens who fled the terror of a war they could not believe in.

Therefore, I am joining Senator PHILIP HART of Michigan as a cosponsor of his legislation to grant a sweeping amnesty to those Americans who evaded the draft or deserted the Armed Forces because of their principled opposition to the war. And I urge my colleagues to join in support of this legislation. It is needed to accomplish the reconciliation among ourselves that will really end our war.

I recognize that the prospects for early passage of this legislation are not bright. President Ford, however, can proclaim this amnesty without delay. I strongly urge him to do so. His administration has been characterized so far by a quiet compassion which understands that the American spirit is not mean or vindictive, but generous. I believe he is quite right in that understanding, and I sincerely hope he will turn it into action, and grant the amnesty we seek in this legislation.

I ask that an editorial from the Washington Star endorsing unconditional amnesty be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

Unconditional Amnesty

With the war in Vietnam ended and the United States opening its arms and offering opportunity for a new life to some 100,000 refugees from that unhappy land, the time seems appropriate to take the final step in reclaiming the lives of a nearly equal number of young Americans who, as an act of conscience, chose to evade the draft or desert the armed forces rather than serve in a war they felt strongly against.

We have in the past opposed unconditional amnesty and we still have some problems with it; but we believe the arguments against it are overbalanced by the good that would flow from offering it now. Leaders can talk about putting the war behind us and binding up the nation's wounds, but this never will be truly accomplished until this issue is resolved.

The granting of unconditional amnesty would not mean an admission that those who refused to serve were right or that they acted honorably. Rather it would be a compassionate act by a nation that recognizes human susceptibility to error and the need for forgiveness when the circumstances warrant.

Who has been without mistake in this tragic and divisive episode in American history? Nearly everyone now realizes that it was a cause we either should not have become concerned with or one we should have handled differently once we became involved. Is it right now, when there is so much blame to be shared, that retribution should fall heaviest on a single segment of society? We think not.

Some argue that granting unconditional amnesty would be unfair to those who fought and died and to those who refused to serve but stayed in this country and accepted the legal consequences of their actions. Perhaps it is unfair. But nearly everything about the war was unfair, and one of the unfairest of all was the draft system itself, which allowed so many to escape military service legally in one way or another while others were required to serve.

Certainly there will be uneven applications or miscarriages of justice in proclaiming an unconditional amnesty. There will be some evaders and deserters who will claim their actions flowed from moral opposition to the war when in truth they acted out of cowardice, or because they wanted to buck the system, or for other reasons unrelated to the rightness or wrongness of the war. But better to blanket in a few liars than to commit to exile forever the thousands of others who believed, erroneously or not, that what they were doing was morally right.

One of the ironies is that Americans who refused to fight in Vietnam are forced to remain in exile while some Vietnamese who evaded service in their own military forces are reported among the refugees being brought to this country by the United States government.

It is time, as President Ford has stated frequently, to end recrimination over Vietnam and look to the future. What better time than now for the President or the Congress, or both, to extend to those huddled masses of American exiles living in Canada and elsewhere the right to breathe free in their native land?

CONGRESS HISTORIC INACTION ON ENERGY POLICY

Mr. BARTLETT. Mr. President, in a recent editorial from U.S. News & World Report, Mr. Howard Flieger comments on Congress' historic inaction on energy policy. It seems a very creditable study was made in 1952 which predicted a high dependence on foreign oil by 1975 unless a program was initiated to increase oil exploration and production. Times have not changed much—Congress still does nothing.

I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the U.S. News & World Report, May 5, 1975]

Slipping on Oil
(By Howard Flieger)

You can't see it or feel it, but you'd better believe it: The energy crisis is still with us, explosive as ever.

And nobody is really doing much of anything to make it go away.

A multination conference in Paris, called to consider petroleum needs, production and prices, ended where it started—nowhere.

In Congress there are almost as many ideas about energy legislation as there are members. A half dozen or so plans have been worked up by one committee or another, but agreement on an over-all, realistic policy is no closer now than it was in January, when this session was called to order.

President Ford knows what he wants, but he is not getting it, and isn't likely to. The public attitude seems to be "So what?"

The odd thing about the present "fill'er up" euphoria is that the fuel situation is no nearer solution now than it was that winter when so many filling stations ran out of gas. As a matter of fact, it is worse, if you look ahead.

Even with slightly reduced consumption, the U.S. remains dependent on Middle East oil—and the Arabs can cut it off at the well or price it sky high any time they choose.

So—what's next?

If Washington's time-honored tradition were followed, the scenario would go this way:

1. A special commission is created to study the problem and its portents. That gets the thing out of everybody's in-box.

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2. The commission makes a long and genuinely valuable examination of the outlook.

3. Everybody praises the study as a significant blueprint for action—which most of them really are. The report prompts a few days of scare headlines and thoughtful editorials about a clear and present danger.

4. The document—usually several volumes—is sent to Congress.

5. That's the last of it.

There are no indications President Ford has any thought of going the route outlined here. But it has been suggested, and there are precedents galore. Through the years, Washington has had a penchant for compiling scholarly studies—and forgetting them.

Does anybody remember the Paley Report? That was the popular name of the time—the summer of 1952—that was given to a five-volume report made by a Materials Policy Commission appointed by President Truman. It was named for its chairman, William S. Paley of the Columbia Broadcasting System.

Using 1950 as a starting point, the Commission undertook a thorough analysis of the world's resources and material needs for the next 25 years.

It was instructed to examine existing and potential supplies and requirements. It was to make recommendations for ways to see that we got all the fuel and vital materials we would need in the foreseeable future.

The Commission did just that. Almost a quarter of a century ago it warned: "Domestic crude production is still far from the end of the road, but even under fairly optimistic assumptions it cannot keep pace with rising domestic needs up to 1975."

The study recommended that the U.S. start immediately on a program, encouraged by Government, to increase oil exploration and production, and get moving on developing petroleum substitutes and synthetics, coal and other energy sources.

Otherwise, it said, we would be dangerously dependent on foreign oil by 1975.

So here it is—1975—and we are now importing two of every five barrels of oil used in this country.

If you're curious why we're in this situation, and what thoughtful men said should have been done to prevent it, you'll find it all in the Paley Report of 1952—if you can locate a copy under all the dust

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SENATE CONCURRENT RESOLUTION 11—ELIMINATE BARRIERS TO HANDICAPPED

Mr. CHURCH. Mr. President, I am especially pleased that the Senate passed yesterday Senate Concurrent Resolution 11 to express as national policy that all citizens have the right to live and work in a barrier-free environment.

As the chairman of the Senate Committee on Aging, I have had a longstanding interest in removing architectural, transportation, and other barriers for aged and handicapped Americans.

In 1971 the committee conducted hearings on a "Barrier-Free Environment for the Elderly and the Handicapped."

Throughout these hearings a fundamental question arose time and time again: Are we building a society which is becoming increasingly "off limits" to the growing number of aged and handicapped Americans?"

This question takes on added importance now and in the future because we shall build another America within the next 25 years. It is quite likely that more buildings will be constructed in the latter quarter of this century than during the past 2 centuries.

In responding to this growing demand, we must also assure that these facilities will be accessible to all Americans. With modest increases in costs and no loss in functional utility, these new structures can be made usable for the aged and handicapped.

Transportation barriers are also widespread. At least 10 percent of our total population now has a permanent or temporary physical handicap which restricts mobility. These individuals encounter numerous barriers in their daily lives. And, many now are obstructed in traveling, working, and conducting their personal affairs.

A very substantial proportion of our transportation facilities and buildings are constructed with funds belonging to all the people. It is only fitting and proper that these facilities and structures should be designed and constructed to be usable, by all the people.

This is essential—especially for the severely handicapped—because a system which is off limits can deny them an opportunity to participate in society. In fact, structural or other barriers may force these individuals to withdraw from the mainstream of life. And the economic impact can be devastating.

Today it is estimated that about 50 percent of the homebound handicapped are unemployed because of inadequate transportation. Yet, if we continue to build public transportation facilities with barriers, their problems are likely to intensify.

Mr. President, I am pleased that this resolution makes in national policy to mobilize the resources of both the public and private sectors to integrate handicapped persons into their communities.

For those reasons, I urge the House to act promptly and favorably on this measure.

THE NATURAL GAS SHORTAGE AND AGRICULTURE

Mr. DOLE. Mr. President, earlier this week, the Governor of Kansas, the Honorable Robert F. Bennett, submitted testimony to the Federal Power Commission on the priority use of natural gas for irrigation. As Governor Bennett pointed out in his statement, the importance of uninterruptible supplies of natural gas to pump irrigation water for agricultural production cannot be overemphasized. Without continuous irrigation at various critical stages of growth, yield reductions of as high as 50 percent in some crops may result. Such a diminution of agricultural output leads to inevitable reductions in economic growth in agriculture-oriented areas of the Nation, which, in turn, decreases the volume of farm products available for export leading to more dismal balance of trade deficits.

Agriculture accounts for a very small percentage of total energy consumption in the United States. Yet its importance to the overall economy is substantial. It is therefore evident that the relatively modest energy needs of American agriculture merit high priority consideration.

Mr. President, in his FPC testimony Governor Bennett also addressed a second, more fundamental issue—the need to encourage exploration and development of new sources of natural gas. In this connection, the Kansas Legislature, by passage of Senate Concurrent Resolution No. 23, has memorialized the Congress to support deregulating wellhead prices of new natural gas. The legislature has obviously recognized that the shortage of natural gas is attributable to the disincentives to new development and exploration because of artificial price regulation under the Natural Gas Act. In addition, the legislature has recognized the inequity in attempts to allocate natural gas supplies among various areas of the Nation.

The Kansas Legislature and Governor Bennett have demonstrated their interest in and understanding of the natural gas shortage issue. The Governor's Conference of Natural Gas held in Topeka on April 26, 1975, Governor Bennett's testimony before the FPC, and the senate concurrent resolution are evidence of this understanding. I am hopeful that the Federal Government—particularly the Congress—shows as much wisdom in formulating future natural gas policy.

Mr. President. I ask unanimous consent that the full text of Governor Bennett's remarks before the FPC and Kansas Senate Concurrent Resolution No. 23 be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Statement by Honorable Robert F. Bennett, Governor of Kansas

Judge Wagner, thank you for affording me the opportunity to present my views on the Federal Power Commission's Opinion Number 697–A, Docket Number RP72–6 of 19 December 1974, which downgraded the priority of natural gas used to pump water for irrigation, from Priority 2, to Priority 3. As the Governor of the State of Kansas, I wish to express my concern relative to the decision, and to respectfully request that you reverse that decision. I feel strongly that use of natural gas to pump irrigation water for agricultural production should be given high priority, the highest priority practicable in these trying times of dwindling natural gas supplies.

Mr. Chairman, I speak as Governor of an energy producing state, and a state in which agriculture is of great importance. In 1974, we in Kansas produced close to 900 billion cubic feet of natural gas, and consumed only 600 billion cubic feet within our boundaries. Therefore, we provided approximately 300 billion cubic feet of natural gas to other parts of this country. In addition, of the 600 billion cubic feet of natural gas consumed in Kansas, over 100 billion cubic feet was used to extract oil and gas from our oil and gas fields, and to move those fuels through pipelines leading to consumers throughout this great nation. Like you, I am greatly concerned to see the natural gas reserves of our great Hugoton field being depleted. We have observed the pressures in the Hugoton pool gradually decline over the past decade, from 303.4 psig in 1963, to 212.2 psig in 1974. We now estimate that the Hugoton pool has a life expectancy of less than 12 to 15 years. This Office is well aware of the seriousness of the natural gas situation, and fully appreciates the urgency to use our remaining natural gas supplies for only the most essential needs.

In addition to being an energy producing state, Kansas is also an important agricultural state. We export foodstuffs, some of which are grown on irrigated land. I trust

there is no need to amplify the importance of Kansas as an agricultural state; we rank No. 1 in wheat production, No. 2 in total cropland under cultivation, and No. 3 in total farm acreage in the United States. Last year, Kansas ranked fourth in the United States in total agricultural exports, with a total dollar value of over $1.6 billion. We in Kansas, exported over 67 percent of our wheat production, 50 percent of our soybean crop, and 25 percent of our grain sorghum and corn production. These exports are an important ingredient in this nation's balance of payments.

Approximately 4 percent of our wheat is produced on irrigated land, 10 percent of our grain sorghum is raised on irrigated land, and 80 percent of our corn is grown under irrigation. Thus, crops produced on irrigated land in Kansas play a significant role in the total food production in this country, the cod exports of this country, and the balance of payments for this nation. If it had not been for the extra exports of agricultural products in 1974, the dramatic decline in exports of non-agricultural products would have resulted in a negative balance of payments for this country. Instead, exports of agricultural products, many of which were grown on irrigated lands, more than offset the reduction in exports of non-agricultural products, giving the United States an overall trade surplus of $2.8 billion. I believe the above facts must be given careful consideration as we decide priority uses of natural gas.

In Kansas, approximately 10 percent of our cropland is irrigated. That irrigated land produces more than 25 percent of our annual crop yield. Of the 2.5 million acres of irrigated land, 77 percent is irrigated by surface methods and 23 percent by sprinklers. There are an estimated 28,000 irrigation pumping units in Kansas, 60 percent fueled by natural gas, 15 percent by propane, 10 percent by diesel, 2 percent by gasoline, while 15 percent are electric-powered. The 22.8 billion cubic feet of natural gas used annual to operate our irrigation pumps in Kansas, represents only 2.5 percent of the annual production of natural gas in Kansas.

Interruptions of irrigation due to non-availability of fuels could result in dramatic reductions in agricultural production on irrigated lands in Kansas. The magnitude of the effect of interruptions of irrigation water depends on many factors: water storage capacity of the soil, amount of water stored in the soil at time of interruption, atage of crop development, duration of interruption, and water requirements of the crop. The water-storage capacity of most irrigated lands in Kansas averages 1.0 inch per foot of soil. Most of the important agricultural crops grown in Kansas use approximately 0.3 inch of water per day for normal growth, and the need for this amount is especially critical at tasseling and silking stages in corn, and the boot to heading time in grain sorghum. Yield reductions of 25 to 50 percent can be expected by lack of water for periods of as little as one to two days during the tasseling stage of corn. Under optimal conditions, one can exect significant reductions in corn and sorghum yields if the soil is not completely recharged every 5 to 6 days. Obviously, the amount of yield reduction will increase as the period of water denial is increased, leading to total crop failure in as little as 13 days. The importance of proper water management can be illustrated by comparing the following 1972–74 production figures from irrigated and non-irrigated lands in western Kansas.

Wheat, non-irrigated, 23.6 bu./a.; irrigated, 48.3 bu./a.

Sorghum, non-irrigated, 58.2 bu./a.; irrigated, 84.3 bu./a.

Corn, non-irrigated, 37.0 bu./a.; irrigated, 101.7 bu./a.

It is apparent, therefore, that proper, uninterrupted irrigation is necessary to sustain the food production which is so important to this nation. As exemplified in the preceding material, use of natural gas for irrigation might be considered in the same light as Priority 2 use of natural gas for industrial plant protection.

Basically, it might be argued that natural gas use for agricultural irrigation could be considered "process gas", and therefore, qualify for inclusion in Priority 2 as defined on page 18 of Opinion No. 697–H. The critical part of that definition involves the non-availability of alternate fuels for the irrigation pumps. To be sure, alternate fuels are technically available for the 16,800 natural gas fueled irrigation pumps in Kansas, however, since natural gas fueled pumps cannot be converted to diesel or electricity by merely installing a simple attachment, 16,800 pumps would need to be replaced.

Replacing 16,800 natural gas fueled irrigation pumps with heavy duty industrial diesel engines in the 100 to 225 horsepower range is not possible in less than 8 to 10 years. The total United States annual production of industrial diesel engines suitable for use to power irrigation pumps is approximately 12,000. Even if Kansas irrigators would be fortunate enough to secure 20 percent of the total annual United States production of heavy duty diesel engines, they would need seven years to replace the 16,800 natural gas fueled pumps. Such a strategy of course would not provide a supply of diesel engines to replace worn out diesel engines already in service in the irrigation fields of Kansas and other irrigated areas in the United States. Therefore, although it is theoretically possible to replace our 16,800 natural gas fueled irrigation pumps with diesel engines, it is not realistically feasible option at this time. The same type of reasoning applies to gasoline powered pumps, with even greater supply constraints.

A second alternative would be to replace the present natural gas fueled irrigation pumps with electric powered units. In this case, both the supply of industrial electric motors and availability of electricity would be severe constraints, with electrical supplies being the most critical. In 1974, the state of Kansas had 3,971 MW of firm electrical generating capacity; the peak demand during the irrigation season was 3,870 MW. The 100 MW excess would not be sufficient to absorb even a small portion of the 600 to 800 MW requirement of irrigation now served by natural gas fueled pumps. At the present time, irrigators in western Kansas are being refused hookups for irrigation needs. Significant additions to the electrical generating capacity in Kansas are not expected until 1978. Therefore, conversion of our natural gas fueled irrigation pumps to electricity will not be a technically feasible alternative until at least 1978 when we expect some additions to our electric generating capacity.

Judge Wagner, as you are aware, a significant part of our state must cope with the problems of insufficient rainfall. The southwestern portion of our state, in particular, is often subjected to drought conditions, and the ability to produce agricultural commodities is dependent upon irrigation. Therefore, based on the critical need for an uninterrupted supply of water for agricultural irrigation, and the unavailability of alternate fuel sources for irrigation pumps, I respectfully petition you to reverse the Federal Power Commission's decision to downgrade natural gas used for agricultural irrigation pumps from Priority 2 to Priority 3.

Aa I stated in my opening remarks, I am well aware that this nation currently faces a serious natural gas shortage, a shortage which will become even more momentous within the next two or three years.

In view of an increasing shortage of all forms of energy, Kansans have unselfishly responded to the urgency of the situation through successful conservation efforts. The significant reduction in gasoline consumption from 1 billion 518 million gallons in 1973 to 1 billion 431 million gallons in 1974 (5.7 percent reduction) exemplifies the effectiveness of measures being undertaken. However, this approach in itself is not adequate. We must proceed to increase our exploratory efforts in a favorable economic atmosphere. We cannot expect exploration to increase our supplies of natural gas unless we create economic incentives for exploration. I am of course referring to the need to deregulate the wellhead price of new natural gas, and to provide some types of incentives so that high risk capital can become available for exploration, and for enhanced recovery of our known reserves. I am also advocating exploration and production on the outer continental shelf areas. We must accelerate our efforts to increase our energy reserves.

While we are attempting to increase the amount of energy available for this nation, increased efforts must likewise be made to reduce energy waste. As you realize, agriculture accounts for less than 3 percent of the total energy consumed annually in the United States, however, we in Kansas are conducting an aggressive program to reduce energy waste in agriculture. Three major agricultural activities are relatively large consumers of energy in Kansas: irrigation, fertilizer production, and grain drying. Realizing the need for more efficient use of energy and water for irrigation purposes, the Kansas Legislature and the Kansas Agricultural Experiment Station established the Evapotranspiration Laboratory at Kansas State University in the late 1960's. Basic and applied research of the Evaportranspiration Laboratory has resulted in the development of techniques which make possible higher crop yields, while at the same time using less fuel and water. As early as 1969, the Kansas Water Resources Board established procedures and policies which would result in a 25 percent decrease in the quantity of fuel and water needed per acre of irrigated land in Kansas. Active programs by our Cooperative Extension Service and the Kansas Agricultural Experiment Station are making progress toward the realization of that goal.

The relationship between nitrogen fertilizer and crop production is well known. For several years now, agronomists in Kansas universities have been actively engaged in research to maximize crop production, yet minimize fertilizer usage. As you know, natural gas is the feedstock in the manufacture of nitrogen fertilizer, thus any reduction in fertilizer usage is a reduction in natural gas consumption. In 1974–75, the Cooperative Extension Service at Kansas State University conducted training sessions for farmers and fertilizer dealers in each of our 105 counties, stressing the efficient usage of fertilizers. Soil testing is an excellent method to reduce fertilizer waste; Kansas is one of only a handful of states which offer this service to its producers. During the last year alone, the number of soil samples analyzed by our state laboratories increased by 30 percent, a direct result of our education program.

Much grain produced on irrigated land must be dried before it can be stored in elevators. Most grain drying is done with natural gas or propane. Beginning in the 1960's, the Department of Agricultural Engineering at Kansas State University began studies on the use of solar energy for grain drying. That research effort was accelerated in 1973. It appears that within the next five years, grain drying utilizing solar energy, dryeration, and low heat will significantly reduce the amount of natural gas currently being used to dry grain in Kansas.

This should give you a good idea of some of our efforts to reduce consumption of

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natural gas. But these efforts should not be negated by the imposition of a low priority for the utilization of natural gas for irrigation purposes.

Gentlemen, I wish to again emphasize that uninterruptable supplies of natural gas and essential to irrigation agriculture, and that we in Kansas are making every effort to reduce waste of natural gas in agriculture. Thank you for your concern and attention. I trust you will give serious consideration to reversing your Opinion of 19 December 1974, and will reinstate use of natural gas for irrigation pumping into the Priority 2 category.

SENATE CONCURRENT RESOLUTION No. 23

A Concurrent Resolution memorializing the Congress of the United States to enact legislation deregulating the wellhead price of new natural gas and to defeat legislation proposed to allocate natural gas

Whereas, The severe and increasing curtailment of natural gas deliveries resulting from the nationwide shortage and continuing decline of natural gas reservea has resulted in increased dependence on less efficient and much more expensive alternate fuels by Kansas industrial users of natural gas; and

Whereas, The State of Kansas has heretofore experienced the closing of schools, a shortage in agricultural fertilizers, insufficient gas supplies for drying grain, and severely increased costs of electric production and generation resulting directly from the shortage of natural gas; and

Whereas, The shortage of natural gas promises to become increasingly severe unless substantial new sources of natural gas are discovered and developed; and

Whereas, The artificially low wellhead prices of natural gas resulting from regulation of such prices under the Natural Gas Act substantially removes the incentive for exploration and production and reduces the availability of risk capital needed for exploration and production. Such circumstances have been major contributing causes of the natural gas shortage; and

Whereas, Congressional legislative proposals now under consideration to extend such regulation to intrastate gas suppliers and to authorize the allocation of natural gas supplies between interstate pipeline companies serving the several geographic sections of the United States reduces the incentive for producers to explore and develop additional suppliers of natural gas; and

Whereas, Natural gas suppliers who have exercised initiative and sound judgment in the past in acquiring better than average reserves would be forced to share their reserves with less prudent companies: Now, therefore,

Be it resolved by the Senate of the State of Kansas, the House of Representatives concurring therein: That the legislature of Kansas respectfully petitions the Congress of the United States to enact legislation deregulating the well head price of new natural gas and strongly urges the defeat of legislative proposals designed to appropriate intrastate gas reserves and permit an inequitable allocation of natural gas supplies; and

Be it further resolved: That the Secretary of State be directed to transmit enrolled copies of this resolution to the President of the United States Senate, the Speaker of the United States House of Representatives, each member of the Senate of the United States and each member of the congressional delegation of this state.

NATIONAL SHIFTS IN U.S. POPULATION: RURAL GAINS OVER URBAN

Mr. HUMPHREY. Mr. President, last Sunday's New York Times contained an article by Roy Reed, entitled "Rural Areas' Population Gains Now Outpacing Urban Regions."

As Mr. Reed's article points out, new survey information published by the Census Bureau reflects new population migration trends now in the making here in the United States. Between the 1930's and 1960's, the United States experienced what might be called a "demographic revolution." During that period almost 30 million people migrated from our Nation's farms and open countryside to Nation's urban areas. This was the largest movement of people ever to take place within a single nation in the history of mankind. During the 1960's, this rural-to-urban migration continued, but at a much lower rate.

Now, according to these latest census survey figures, it appears that a reversal of this trend is in the making. Without going into all of the possible explanations as to the "why" behind this reversal of past migration trends, it is a development which all U.S. citizens should welcome. Also, I think this new trend is one which should be further encouraged and strongly supported as a matter of national policy.

Most Americans today live in our Nation's metropolitan regions. And most of the future expansion of our Nation's total population will occur in these already overpopulated regions, even assuming no further net in-migration into them.

Future population settlement patterns in the United States should be a matter of great national concern. It obviously has not been so in the past. And our failure in the past to make it of national concern created many major problems—both in the rural regions of our Nation and in urban regions.

In fact, I believe many of the reasons for this new reversal of past population movements can, in large part, be explained by some of the problems created within our urban regions due to these earlier rural-to-urban migrations: Overcrowding, pollution, traffic congestion, dislocation of essential social services, unplanned expansion of suburbs at the expense of central city regions, rising crime rates, sharp per capita tax rate increases, and lower quality of community services.

Now, it seems to me, we need to ask ourselves as a Nation, are we again going to sit back and let new shifts in our Nation's population take place without understanding the implications of such shifts—both for those regions losing population and those gaining them?

For those regions, or communities, now experiencing rapid population expansion—whether due to natural birth increases or due to increased in-migration—or both—we must do all we can to encourage and assist such communities in preparing for such expansions. We should, as a matter of national policy, do all we can to help such communities avoid repeating the mistakes of the Washingtons, the New Yorks, and the Los Angeles in developing on an "unplanned" basis. The costs of repeating such experiences are very high—not only in terms of Federal and State expenditures, but also in terms of providing and maintaining a decent human environment for those citizens who will be living in the communities.

For those communities or urban regions that are losing population, we need to first understand the nature of such losses; that is, are such out-migrations resulting in net losses or merely losses of people that would have otherwise been added to their total populations? Are such losses, made up mostly of unmarried young adults or families involved in rearing young children? The answers to these questions carry with them important, yet possibly different implications, both for those regions losing population and for those receiving them. They also carry with them implications for our Federal, State, and local governments and how funds are allocated for various programs designed to serve these particular population groups. They further carry with them implications for industry and the private sector regarding the locations of jobs, and the marketing of goods and services.

These and many other related questions must be addressed at all levels of Government, if we, as a Nation, are going to avoid the mistakes of the past. And it is for these reasons, among others, that I believe we must create the necessary policy planning processes and mechanisms here at the national level—and continue to support the Establishment and expansion of similar processes at State and local levels—to deal with such ever changing national and regional forces of change. Should we fail in this task, our future and the future of our children, do not appear very promising. The decision to move in this direction is ours to make. If we choose to act positively—and soon—we can create a new era of promise for future generations. On the other hand, if we choose to procrastinate, or turn our back on the forces of change all about us, we are destined, in my judgment, to decline and collapse both as a nation and as a society.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RURAL AREAS' POPULATION GAINS NOW OUTPACING URBAN REGIONS

(By Roy Reed)

Census Bureau surveys since the 1970 Census show a surprising shift in population movement in the United States. Nonmetropolitan areas are growing faster than metropolitan areas.

This is the first time that has happened in the 20th century and perhaps the first time in the history of the Republic.

The new nonmetropolitan growth goes far beyond the mass exodus from the inner cities to the suburbs that has been going on for some time.

Although much of it appears to be merely an extension of the suburbs farther into the countryside, a portion of it that demographers consider significant is occurring in small towns and rural areas far away from any cities.

This new rural growth seems to be due to several reasons, including the spread of manufacturing to remote areas and the migration of retired people to places once inhabited only by woodsmen and hardscrabble farmers.

Census Bureau demographers are cautions in interpreting the new evidence, which turned up in surveys covering the first third of this decade. Although they say the evidence is unmistakable they hesitate to say that a new long-term trend has begun.

"Our minds are open as to whether this is the beginning of a new trend," Richard L. Forstall, chief of Demographic Statistics for the Census Bureau's Population Division, said in an interview last week.

SIGNIFICANTLY DIFFERENT

Calvin L. Beale, a demographer in the Economic Research Service of the Department of Agriculture who is regarded as an authority on rural population, goes further. He says the new trend has "created a pattern of population movement significantly different from what went before."

Mr. Beale said in a recent report:

"The vast rural-to-urban migration of people that was the common pattern of United States population movement in the decades after World War II has been halted and, on balance, even reversed. In the eyes of many Americans, the appeal of major urban areas has diminished and the attractiveness of rural and smalltown communities has increased."

The survey data show that the nation's nonmetropolitan counties—those with no population center of at least 50,000 persons—gained 4.2 per cent population between April, 1970, and July, 1973. Metropolitan counties gained 2.9 per cent during the same period.

A report by the Census Bureau made public last December said that from March, 1970 to March, 1974, an estimated 5.9 million persons moved out of metropolitan areas while 4.1 million moved in, a net loss of 1.8 million.

Mr. Forstall said that all the new metropolitan populations since 1970 could be accounted for by immigrants from other countries. New Americans almost always settle in urban areas, he said.

MAJOR SLOWDOWNS

Mr. Beale noted in his report that all the largest metropolitan areas except Boston had seen "major slowdowns in growth."

The new rural growth has not been spectacular enough to suggest that "we are dismantling our system of cities," Mr. Beale said. But it has been pronounced in Ozarks Plateau between St. Louis and Dallas, the Upper Great Lakes region, the Rocky Mountains and the southern Appalachian coal fields. Most of those areas lost vast numbers of people during and after World War II.

Mr. Beale attributes the national turnaround to several changes in American life, including a decentralization of manufacturing, the growth of recreation and retirement areas beyond the traditional "sun belt," earlier retirement with better pay for many people, growth stimulated by colleges and universities in nonmetropolitan places, a leveling off of the loss of farm population, an improved rural economy, the environmental movement, the youth revolution with its "somewhat antimaterialistic and antisuburban component" and a narrowing of the traditional gap in rural-urban lifestyles.

Parts of rural America are still losing people, particularly in the Great Plains from North Dakota to Texes and in many of the predominantly black counties of the Deep South.

Mr. Beale said that although nearly 600 counties were still losing population during the 1970–73 period, that was less than half as many is the 1,300 counties that lost population during the nineteen-sixties.

GAINS CONTRASTED

The nonmetropolitan counties of the nation gained an evarage of 353,000 persons a year from 1970 to 1973, compared with an annual loss of 300,000 during the sixties. Metropolitan areas gained 750,000 a year during the first three years of the seventiea, compared with an annual gain of 600,000 during the sixties.

Mr. Forstall said some of the cities' population loss might be due to a "greener pastures syndrome." People who have never toiled on a farm and have tired of the vicissitudes of urban life might be saying, "It would be great to get back out there and breathe fresh air," he said.

However, Mr. Forstall doubts that all that many people are leaving the cities to move to the country. Much of the new nonmetropolitan growth might be rural people staying where they are instead of leaving for the city as in the past, he said.

He noted that many rural people now had jobs in towns long distances from their homes, a style of living that was not possible until recent improvements in transportation.

Both Mr. Beale and the Census Bureau say that much of the rural growth since 1970 has been a spillover from metropolitan areas into expanding, more remote suburbs. Mr. Beale calculates that five-eighths of the new nonmetropolitan population growth has been in counties adjacent to metropolitan counties.

CERTAIN COUNTIES SHOW RISE

However, he said, it is more significant that even the counties that are not adjacent to metropolitan areas have gained population faster than have the metropolitan areas, 3.7 per cent compared with 2.9 per cent during the early seventies.

All-rural counties (classified as having no town with a population as large as 2,500) gained 3 per cent from 1970 to 1973, compared with a loss of 4.5 per cent during the sixties.

Mr. Beale said the great upsurge in rural-to-urban movement began about 1940, when the United States started building its defense industry and preparing for World War II. The migration continued until the mid-sixties as farms consolidated and worker-short cities welcomed rural manpower.

"From 1940 to 1960," he said, "a net average of more than one million people left the farms annually (although not all moved to metro cities) and a majority of nonmetro counties declined in population despite high birth rates."

Signs of a reversal began during the sixties. It could be seen, for example, in the southern highlands.

"One area stretched in an oval shape from St. Louis to Dallas, encompassing the Ozarks, the lower Arkansas Valley, the Ouachita Mountains and northeast Texas," he said. "The other, of somewhat less dramatic size and reversal.' was bounded by Memphis, Louisville, Atlanta and Birmingham.

RURAL TURNAROUND

"Both areas were comprised heavily of districts with low previous income, low educational attainment and low external prestige. Their reversal illustrated clearly the potential for rural turnaround in almost any part of the Eastern half of the country once reliance on agriculture had been minimized."

Light manufacturing had begun to move into those areas, attracted by low wages, as in the Ozarks, and cheap electric power, as in the Tennessee Valley Authority area.

In addition, the Southern mountains had become attractive for recreation and retirement, especially around federally built reservoirs such as Bullshoals Lake in northern Arkansas and southern Missouri.

Mr. Beale believes that recreation and retirement have been more important than manufacturing in the rural population surge of the seventies. The rate of decentralization of manufacturing slowed down before 1970, he said, but retirement settlements have continued to grow and now can be found in many areas of lakes and hills well beyond the traditional sun belts of Florida, California and the Southwest.

"Clusters of nonmetro retirement counties are found in the old cutover region of the Upper Great Lakes, (especially in Michigan), the Ozarks, the hill country of central Texas, the Sierra Nevada foothills in California and the East Texas coastal plain," he said. "In general, coasts, lakes, reservoirs and hills are favorite locations."

EARLIER RETIREMENT

He noted that more people were retiring earlier and with more money than ever before. Most Federal workers now can retire at 55 years of age, he said.

As increase in state-supported colleges and universities in nonmetro areas has not only made education more available to larger numbers, but also has prompted economic developments in those towns, Mr. Beale said.

Although Mr. Beale and the Census Bureau did not elaborate on it, another phenomenon may account for at least a small part of the migration turnaround. A back-to-the-land movement has seen some young city people move to remote rural areas to try to subsist on gardens, small farms, handicrafts and part-time jobs. Those migrants apparently number in the thousands.

Among the rapidly growing rural regions, the Ozarks-Ouachita area of Missouri, Arkansas and Oklahoma increased in population by 9.4 per cent from 1970 to 1973; the Upper Great Lakes area that includes Michigan's upper peninsula and the northern parts of Wisconsin and Minnesota increased 8 per cent; the Rocky Mountain rural counties of Montana, Idaho, Wyoming, Colorado and New Mexico increased 7.1 per cent, and the southern Appalachian coal field counties of West Virginia, Virginia and Kentucky increased 6.3 per cent.

Mr. Beale noted that the coal field counties had lost 15 per cent during the sixties. The Great Lakes area had remained steady and the two other areas had begun to gain during the sixties.

TRANSPORT COSTS A FACTOR

He also noted that each of those four areas is fairly remote from metropolitan centers. Higher transportation costs brought on by the oil shortage of the seventies could slow the migration to rural areas, he said.

Rural America has other problems that could be aggravated by a population increase. For example, the 1970 census showed that 57 per cent of the nation's substandard housing was in nonmetropolitan areas. The Rural Housing Alliance in Washington says that rural housing gets less than a fourth of the Federal Government's outlays and credit for housing.

Senator James Abourezk, Democrat of South Dakota, recently told the founding meeting of a new lobbying organization, Rural America, Inc., that 44 per cent of the nation's poor live in rural and smalltown areas but that those areas get only 27 per cent of the Federal money for income security, welfare and antipoverty work.

Even the great open spaces are shrinking. Some sources say that rural America is losing 1½ million acres of land a year to subdivisions, recreational land development, strip mining and soil erosion.

WORLD TRADE WEEK

Mr. BUCKLEY. Mr. President, on April 5, President Ford proclaimed the week of May 18–24, World Trade Week. He asked the American business community and the general public to carefully examine the importance of world trade to the health of our national economy.

In 1974, American industry recorded export sales of almost $98 billion. The income derived from these sales resulted in a more favorable balance of trade and helped to pay for the over $100 billion worth of goods, including oil, which our country imported. In addition, the Department of Commerce has reported each

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billion dollars in export sales created or sustained approximately 60,000 jobs for American workers.

I am particularly proud of the record which New York State has demonstrated. According to the 1972 census figures issued last November, New York was responsible for export sales of $2.864 million; 62,900 jobs were directly created or sustained as a result.

I commend the chambers of commerce and the industries in New York State and throughout the Nation, which have worked so diligently to provide the United States with the highest rate of export sales in our history. Furthermore, I would encourage other industries to focus their energies on exportation as a viable and highly successful tool in providing jobs for the many who desperately need them and a more sound economy for the benefit of all. "Exports make the difference."

CORPORATE OWNERSHIP AND CONTROL—COMMENTS DUE BY JUNE 20

Mr. METCALF. Mr. President, on January 27, I inserted in the RECORD pages S927–S930, the model reporting requirements that had been developed by the Steering Committee on Uniform Corporate Reporting. This steering committee, consisting of staff members from seven independent regulatory commissions, the Federal Energy Administration, the Federal Reserve System, the General Accounting Office, and the Subcommittee on Reports, Accounting and Management, had recommended uniform agency reporting requirements in four areas. They are: Stock ownership, debt holdings, corporate structure, and affiliations of officers and directors.

The various regulatory agencies and their staffs have been actively considering adoption of the model regulations. If they do promulgate and enforce the model regulations, the Congress, commissions, and public will at long last have accurate and timely data in this important area. And the burden will be decreased on companies which now have to file different ownership forms with several agencies or bureaus.

The Interstate Commerce Commission on April 3 became the first commission to act on the recommendations of the steering committee. Its formal rulemaking proposal follows the steering committee's suggestions.

I have submitted comments in this ICC docket. I urge others who are interested in corporate disclosure to avail themselves of the opportunity to do likewise, inasmuch as the time for comment has been extended to June 20.

Mr. President, I ask unanimous consent to have printed in the RECORD my comments to the ICC, its notice of proposed rulemaking and accompanying press release, and the Federal Register notice of extension of time for comment.

There being no objections, the material was ordered to be printed in the RECORD, as follows:

MAY 2, 1975.

Re No. 36141: Corporate Disclosure Regulations.

Mr. ROBERT L. OSWALD,
Secretary, Interstate Commerce Commission, Washington, D.C.

DEAR SECRETARY OSWALD: I fully support the regulations which the commission here proposes regarding disclosure of information about corporate structure, stock ownership, interlocking corporate relationships and debtholdings.

These regulations, if adopted and enforced, will constitute substantive regulatory reform. They will enable the commission to regulate—and the Congress to legislate—upon the basis of needed data which has not been readily available. I commend the Members of the Commission and its staff for the initiative and leadership which they have displayed in this matter.

Inasmuch as this Subcommittee published a study and conducted hearings, jointly with the Subcommittee on Intergovernmental Relations, regarding corporate disclosure, it may be useful to place the Commission's regulations in the perspective of the Subcommittees' findings.

The study, "Disclosure of Corporate Ownership" (Senate Document 93–62) and subsequent hearings showed that concentration of economic power within relatively few large institutions is increasing. However, as the General Accounting Office report included in Senate Document 93–62 showed, reporting requirements by regulatory commissions regarding corporate ownership and control vary widely. Certain basic data is not collected; some commission questions are vague.

The GAO report also showed that responses of regulated firms sometimes provide misleading information regarding stockholdings. Holdings of a single institutional investor in a company have been listed in a half dozen or more nominee accounts. The investor itself has not been identified.

Our study showed that the Congressional Research Services was not able to obtain, from reports to commissions, standard references, or even from some large institutional investors, full information regarding interlocking directorships.

During our hearings, Members of the Subcommittee and witnesses emphasized the importance of obtaining information regarding debtholdings of major firms, because of various indenture restrictions. Yet the various reporting requirements regarding debtholdings have been inadequate to provide commissions and the Congress with information they have sought with increasing frequency becaues of the concern over foreign control of American corporations.

The importance of current and conveniently available data regarding corporate structure was emphasized by ICC Chairman Stafford in his submission—included in our study—regarding the employment by carriers of the device of establishing a parent company, thus escaping key ICC reporting requirements.

Our hearings established the fact that Congress has provided the ICC and other independent regulatory commissions sufficient authority to obtain on a regular basis the information which the Commission now seeks. Several commission chairmen and agency heads testified that they were in the process of improving their reporting requirements regarding ownership and control.

The General Accounting Office, pursuant to Subsection 409(b) of P.L. 93–153, is required to review the collection of information by independent Federal regulatory agencies. The GAO ascertains that information is tabulated so as to maximize its usefulness to other Federal agencies and the public, that duplication is eliminated and that burden on reporting firms, especially small businesses, is minimized. At the initiative of Assistant Comptroller General Phillip S. Hughes, who testified on 24 April, 1974, and with the full support of the Subcommittees, the Steering Committee on Uniform Corporate Reporting was established last June. Comprised of senior staff from 10 commissions and agencies and this Committee, it developed modern corporate disclosure regulations which were formally transmitted to the Committee and thence to the commissions in January of this year.

These model regulations in many instances are patterned on regulations already promulgated, after comment by interested parties, by one or more commissions. For example, the definition of "financing lease" is the one used by the Securities and Exchange Commission. The $600 minimum regarding payments by respondents to officers and directors for professional services and other business arrangements was implemented by the Federal Power Commission in 1969 (Order No. 378). The $600 cut-off conforms to existing Internal Revenue Service requirements. Procedures for deleting nominees from ownership reports and aggregating holdings of a single investor now held in several accounts reflect methods already used or proposed by various commissions. Recommended procedures for obtaining information on voting rights to stock in which the holder has no voting rights follow the system initiated last year by the ICC with, as the Commission stated, highly successful results.

I am especially pleased to note that the ICC has proposed adoption in toto of the carefully-considered minimum reporting recommendations of the Steering Committee on Uniform Corporate Reporting. The two slight changes in the model suggested by the ICC go beyond the recommendations of the Steering Committee. In one instance (III–C) the dollar limit on disclosure of affiliated officers' contracts was dropped from $1 million in the model to $50,000 in the ICC proposal, to conform with Section 10 of the Clayton Act. In the other instance (IV–A) the $1 million minimum on reports dealing with long-term debt was deleted to conform with present ICC reporting requirements. And I note that although the Steering Committee proposed definition of "annual reporting" as 31 December of each calendar year the ICC provides for either end of year reporting or an alternative accounting period of 13 four-week periods. In view of the fact that the ICC is the first commission to act on the recommendations of the Steering Committee, the other commissions may wish to consider adoption of these additional items.

Promulgation of uniform reporting requirements by all Federal agencies which require ownership and control reports will reduce the burden on business. Some firms now have to respond to as many as three Federal bureaus, each with different requirements, regarding these matters. If uniform reporting requirements and forms are promulgated, the same response can be provided by a company to all agencies requiring the report.

Uniform reports and forms will reduce costs and save time not only for agencies but also for the Congress and the public. Testimony before our subcommittees and our own staff research show that days of research at several locations are now required to obtain fragmentary data on the ownership and control of a single firm.

In conclusion, I would like to emphasize the point that your proposed regulations do not suggest any restrictions on ownership and control of regulated firms. The regulations will, however, if promulgated and enforced provide an information base which in my opinion will vastly improve the ability of Commissions, the Congress and the executive

branch to ascertain needed factual data and carry out their responsibilities.

Companies which would be subject to these regulations, and trade associations representing them, have asked for extension of time in this docket, rather than filing comments. If an extension is granted I shall appreciate the opportunity to file further comments.

Very truly yours,

LEE METCALF.

COMMISSION PROPOSES IMPROVED CORPORATE DISCLOSURE REGULATIONS

The Interstate Commerce Commission has announced proposed new regulations to require increased public disclosure of who owns and controls corporations under its jurisdiction. The Commission proposes to revise annual reports for certain carriers to obtain information in four areas considered necessary to determine corporate control: corporate structure, stock ownership, interlocking corporate relationships and debt holdings. The proposed reporting requirements are expected to greatly improve the information reported to the Commission and help rectify reporting inadequacies in the area of corporate ownership and control.

There has been considerable activity recently in the Congress to identify individuals and institutions who have the ability to control U.S. Corporations. In a recent study, chaired by Senator Metcalf ("Study on Disclosure Corporate Ownership," prepared by the Subcommittee on Intergovernmental Relations, and Budgeting, Management, and Expenditures of the Committee on Government Operations, United States Senate) it was determined that information contained in the public files about the ownership of many regulated companies was inaccurate and misleading. In many instances the real owners—those who have the power to buy, vote, and sell stock, and influence public policy—are simply not known. This is mainly because in many cases the names are listed in "street names" or are not reported at all.

Also, under present requirements, carriers do not report restrictive covenants in loan indentures. Major creditors are not only able to influence the policies and operations of corporations through representation on boards of directors like equity holders, but are also able to limit normal corporate activities through contractual restrictions in loan indentures.

Because many large corporations influence public policy and since relatively little is known about the real owners of these companies the Interstate Commerce Commission is proposing to revise its disclosure regulations on corporate ownership. The ICC regulates essentially all of the surface transportation companies in the United States engaged in interstate commerce. This includes railroad companies, motor carriers of general freight, pipeline companies, motor passenger carriers, and others.

During 1974, the Commission contacted over 300 carriers of the various modes of transportation subject to its regulation to obtain additional corporate disclosure of stock ownership. The efforts of the Commission were directed toward a determination of the individuals or organizations holding a majority of the voting rights of the respective carriers' capital stock. Initial results were highly successful, since more than 92% of the carriera contacted responded; and more than 85% of the responses furnished sufficient additional information.

A majority of the favorable replies involved those items where the needed information was readily available to the carriers, such as, identity of estate beneficiaries or trustees. The responses that did not furnish sufficient information related principally to stock listed in street names and over half of those responses involved publicly held companies.

The proposed reporting requirements will provide the Commission and the public with more complete and fuller disclosure in the following areas:

(1) Information as to who really owns or "controls" the carrier and whom the carrier owns or "controls."

(2) The holders of significant blocks of stocks of outstanding voting stocks of carriers identifying the holders of voting power behind the names.

(3) The business activities of directors and also restrictive covenants in loan indentures. These items of information will point out areas of possible control over the investors' corporation.

Increased disclosure of interlocking corporate relationships will also benefit stockholders by identifying another area of possible control in their corporations. A study done by the Securities and Exchange Commission, "Institutional Investor Study," concluded that some institutions have personnel and business relationships which may tend to reinforce any power already conferred through stock holdings. The study found these interlocks provide institutions, such as major banks, with levers of control throughout the industries in which they hold major blocks of stocks. The increased disclosure will help stockholders assess the total effect of all areas of control.

NOTICE OF PROPOSED RULEMAKING AND ORDER

(49 CFR 1241), (49 CFR 1249), (49 CFR 1250), and (49 CFR 1251).

At a general session of the Interstate Commerce Commission, held at its office in Washington, D.C., on the 21st day of March 1975.

[No. 36141]

CORPORATE DISCLOSURE REGULATIONS

This proceeding is being instituted on our own motion to consider adding or expanding certain disclosure requirements in the annual reports for certain carriers in all transportation modes under our jurisdiction. (Appendix A). These revisions shall also apply to holding companies considered to be carriers pursuant to provisions of Section 5(3) of the Interstate Commerce Act.

The proposed revisions will affect disclosure in four areas, all of which pertain to the ownership of and control over corporations: corporate structure, stock ownership, interlocking corporate relationships and debt-holdings.

Corporate structure

Basic to the ability to regulate a company is a clear understanding of its corporate structure: who really owns or "controls" the carrier and whom the carrier owns or "controls." The proposed revisions set forth requirements which will give us the required information of the corporate structure. In this area we also propose to adopt the four-digit industry Standard Industrial Classification (SIC) codes and short titles to identify principal business activities. The use of these codes should provide uniformity in determining the category in which the company's principal business activity falls.

Stock ownership

As a regulatory agency, we must also know who holds significant blocks of outstanding voting stock of carriers under our jurisdiction. It was demonstrated in a recent study[1] on corporate disclosure that the use of multiple nominees obscures the true identity of stockholders. The study showed that of the top 30 security holders of a large class I railroad, as reported to this Commission, 11 were nominees representing four banks not even mentioned in the ownership report. The holdings of these four banks totaled almost 25 percent of all shares voted at that company's annual meeting. The proposed revisions will clarify the requirements of this Commission and yield the needed information.

Interlocking corporate relationships

Another level of control which can be exercised is through interlocking corporate relationships. A study done by the Securities and Exchange Commission, "Institutional Investor Study," concluded that some institutions have personnel and business relationships which may tend to reinforce any power already conferred through stock holdings. It was found these interlocks provide institutions, such as major banks, with levers of control throughout the industries in which they hold major blocks of stocks. We believe information concerning interlocking corporate relationships is necessary to help assess the total effect of all areas of control.

Also in the area of interlocking corporate relationships, we propose to require disclosure of contracts (exceeding $50,000) between the respondent and any business or financial organization affiliated with its (the respondent's) officers and directors. This information will help the Commission enforce Section 10 of the Clayton Antitrust Act which requires such contracts to be made with "the bidder whose bid is the most favorable to such common carrier, to be ascertained by competitive bidding under regulations to be prescribed by rule or otherwise by the Interstate Commerce Commission."

Debtholdings

The last area of possible control has been identified recently as debtholdings. Senator Lee Metcalf, whose staff has been actively studying corporate control, testified on September 18, 1974, before the Subcommittee on Foreign Commerce and Tourism of the Senate Commerce Committee regarding a proposed Foreign Investment Review Act, that his staff's hearings and studies have brought to light the importance of debtholdings as levers of control. Major corporate creditors and operations of a corporation through representation on the board of directors like equity holders, but are also able to limit normal corporate activities through contractual restrictions in loan indentures. The proposed revisions will give us needed information concerning major creditors.

The attached proposed disclosures (Appendix B) contain the data we believe is needed in the four areas of corporate control. Some of the information in this rulemaking is already received by this Commission. However, in order to consolidate all data relevant to corporate control, we have listed the requirements in this rulemaking. No duplicate information will be reported elsewhere in the annual reports.

Upon consideration of the above described matters and good cause appearing therefor:

It is ordered, That a proceeding be, and it is hereby, instituted under the authority of Sections 20, 204, 313 and 412 of the Interstate Commerce Act and pursuant to Sections 553 and 559 of the Administrative Procedure Act with a view to adopting the proposed regulations set forth in Appendix B of this Notice, and for the purpose of taking such other and further action as the facts and circumstances may justify and require.

It is further ordered, That all carriers listed in Appendix A be, and they are hereby, made respondents in this proceeding.

It is further ordered, That no oral hearing be scheduled for the receiving of testimony in this proceeding unless a need therefor should later appear, but that respondents or any other interested parties may participate in this proceeding by submitting for consideration written statements of fact, views, and arguments on the subjects mentioned above, or any other subjects pertaining to this proceeding.

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[1] Study on Disclosure of Corporate Ownership," prepared by the Subcommittees on Intergovernmental Relations, and Budgeting, Management, and Expenditures, of the Committee on Government Operations, United States Senate, December 27, 1973. p. 5.

It is further ordered, That any interested persons wishing to submit written statements of fact, views, or arguments shall file an original (and, if possible, 15 copies) of such representations with the Secretary, Interstate Commerce Commission, Washington, D.C. 20423, by May 5, 1975, and that all such statements will be considered as evidence and part of the record in this proceeding.

It is further ordered, That written material or suggestions submitted shall be made available for public inspection at the offices of the Interstate Commerce Commission, 12th and Constitution Avenue, N.W., Washington, D.C., during regular business hours.

And it is further ordered, That service of this Notice shall be made on all affected carriers; and to the Governor of every state and to the Public Utilities Commissions or Boards of each State having jurisdiction over transportation; and that Notice of this proceeding shall be given to the general public by depositing a copy in the Office of the Secretary, Interstate Commerce Commission, Washington, D.C., and by delivering a copy thereof to the Director, Division of the Federal Register, for publication in the Federal Register as Notice to all interested persons.

By the Commission.

[Seal] ROBERT L. OSWALD,
Secretary.

(NOTE.—This decision is not a major Federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act of 1969.)

APPENDIX A

No. 36141—AFFECTED CARRIERS

I. Annual, Special, or Periodic Reports—Carriers Subject to Part I of the Interstate Commerce Act (49 CFR 1241).

A. Class I Railroads.
B. Electric Railways.
C. Express Companies.
D. Pipeline Companies.
E. Refrigerator Car Lines.

II. Reports of Motor Carriers (49 CFR 1249).

A. Class I Carriers of Property.
B. Motor Carrier Holding Companies.
C. Class I Carriers of Passengers.

III. Reports of Water Carriers (49 CFR 1250).

A. Class A Inland and Coastal Waterways.
B. Maritime Carriers.

IV. Reports of Class A Freight Forwarders (49 CFR 1251).

APPENDIX B

No. 36141—CORPORATE DISCLOSURE REGULATIONS

DEFINITIONS

Annual Reporting. The term "annual reporting" means as of December 31 of each calendar year, or accounting year of thirteen four-week periods (as defined in Sections 1240.4, 1240.5, and 1249.3 of Title 49 CFR).

Control. The term "control" (including the terms "controlling," "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management or policies of a person, natural or artificial. Sources of power may include, but are not limited to: equity security ownership; debtholdings; sole or partial voting arrangements; common directors, officers, or stockholders; or lease, purchase, lines of credit, supply, distribution, or operating agreements.

Financing Lease. The term "financing lease" shall refer to any lease which during the noncancelable lease period, either (1) covers 75 percent or more of the economic life of the property or (2) has terms which assure the lessor of a full recovery of the fair market value (which would normally be represented by his investment) of the property at the inception of the lease plus a reasonable return on the use of the assets invested subject only to limited risk in the realization of the residual interest in the property and the credit risks generally associated with secured loans.

Parent of Respondent. "Parent of respondent" shall refer to every firm, holding company or other person or combination of persons who ultimately control the respondent, as well as any intermediary controlling entity.

ANNUAL REPORTING REQUIREMENTS

I. Corporate structure

A. For each respondent, parent of respondent, subsidiaries (and/or organizations controlled) of the respondent, joint ventures involved in by the respondent, and subsidiaries (and/or organizations controlled) of joint ventures involved in by the respondent, the following information shall be submitted:

1. Name and address.
2. Basis of control.
3. Principal business activities.

(a) List and describe by four-digit SIC code and short title each industry in which the respondent's activities generated 10 percent of gross revenues or $5 million dollars (during the reporting year). Four-digit industry SIC codes and short titles are listed in the most recent "Standard Industrial Classification Manual" as published by the Executive Office of the President, Office of Management and Budget.

(b) Four-digit SIC codes and short titles should be listed in order of significance relative to the total activities of respondent, based upon the percentage of gross revenues generated within each four-digit industry.

4. Copy of the latest balance sheet and income statement and consolidated balance sheet and income statement, if available.

5. A copy of any chart or other graphic material showing the relationship of the respondent to such parents, subsidiaries, and other organizations listed.

B. In addition to subparagraph (A) above, list every corporation, partnership, or other business organization in which the respondent owns more than five percent of the outstanding voting securities or other ownership interests and indicate the percentage so owned.

II. Voting stock ownership

A. In descending order, the 30 largest holders of voting shares (not to include any holder with less than one-tenth of one percent of the outstanding shares) in the respondent, identified as to—

1. Name.
2. Address.
3. Type (bank, broker, holding company, individual or other specified category).
4. The number of voting shares held (as of the end of the reporting period) and its percentage relationship to total outstanding shares. (If some shares—such as preferred issues—carry limited voting rights describe the limitation and the number of shares affected.)

(In determining the number of shares held, all nominee and other accounts of each shareholder, including accounts held by depository trust companies, such as (CEDE & CO., SICOVAM, Pacific Coast Stock Exchange Clearing Corp., Midwest Stock Exchange Clearing Corp.) shall be aggregated and reported as one account in the name of the bank, broker, holding company, individual or other identified shareholder.)

B. With respect to each of the 30 largest holders, the number of shares (and percentage relationship to total outstanding voting shares) over which the holder has—

1. Sole voting power.
2. Shared voting power (if voting power is shared with any of the thirty largest shareholders, identify the shareholder and the number of shares held).
3. No voting power under any circumstances.

C. With respect to shares over which the stockholder has no voting power, the name and address of the person(s) empowered to vote the ten largest blocks of stock, the number of shares and the percentage of stock in relation to the total outstanding voting shares.

D. With respect to the 30 largest holders of voting shares in any parent, holding company or other organization or person controlling the respondent, provide the information required in subparagraphs (A), (B), and (C) above.

III. Affiliations of officers and directors

A. The name, address and social security number of each of the principal officers and each director, trustee, partner or person exercising similar functions, of the respondent and parent together with his title and position with the respondent and with any parent, holding company, person, or combination of persons, controlling the respondent, and with any subsidiary of the respondent and any other company, firm or organization which the respondent controls.

B. For each of the officials named under subparagraph (A) above, list the principal occupation or business affiliation if other than listed in subparagraph (A), and all affiliations with any other business or financial organizations, firm or partnership.

C. A list of each contract, agreement or other business arrangement exceeding an aggregate value of fifty thousand dollars entered into between the respondent and any business or financial organizations, firm or partnership named in subparagraph (B) above, identifying the parties, amounts, dates and product or service involved.

D. A list of each contract, agreement or other business arrangement in excess of $600 entered into during the reporting period (other than compensation related to position with respondent) between the respondent and each officer and director listed in subparagraph (A), identifying the parties, amounts, dates and product or service involved. In addition, provide the same information with respect to professional services for each firm, partnership or organization with which the officer or director is affiliated.

IV. Debtholdings

A. A description of each long-term debt (debt due after one year) of the respondent, including the name and address of the creditor, the character of the debt, nature of the security, if any, the date of origin, the date of maturity, the total amount of the debt, the rate of interest, the total amount of interest to be paid, and a copy of any and all restrictive covenants attached to the indebtedness (where such indebtedness is widely held, such as bonds and debentures, provide the name of the trustee in place of the creditor).

1. With respect to each holder of more than five percent of each issue reported provide the name, address and type of holder—bank, broker, holding company, individual or other specified category and amount of debt held.

B. A description of each short-term debt (under one year) excluding accounts payable of the respondent, including the name and address of the creditor, nature and character of the liability, period of the debt, rate of interest, total amount of such short-term debt, nature of the security, and date when debt was paid, or date when such debt must be paid, and a copy of any and all restrictive covenants attached to the indebtedness.

C. A description of each financing lease arrangement, equipment trust, conditional sales contract, or major liability with respect to the capital assets of the respondent and involving aggregate payments in excess of one million dollars and a copy of any and all restrictive covenants attached to the indebtedness.

[From the Federal Register, May 13, 1975]

INTERSTATE COMMERCE COMMISSION

[No. 36141]

CORPORATE DISCLOSURE REGULATIONS

IN THE MATTER OF EXTENSION OF TIME TO FILE STATEMENTS

MAY 5, 1975.

Present: George M. Stafford, Chairman, to whom this matter has been assigned for action thereon.

Upon consideration of the record in the above-entitled proceeding, and the numerous requests for extension of time in which to file statements;

It is ordered, That the due date for the filing of initial comments or statements in this proceeding be, and it is hereby, extended to and including June 20, 1975.

Dated at Washington, D.C., this 2nd day of May 1975.

By the Commission, Chairman Stafford.

[SEAL] JOSEPH M. HARRINGTON,
Acting Secretary.

[FR Doc.75-12450 Filed 5-12-75;8:45 am]

HARD CHOICES ON ENERGY

Mr. BARTLETT. Mr. President, today's edition of the Washington Post contains an editorial which I believe offers a valuable observation of what is termed "a dangerous mood of indecision" regarding the issues of energy and transportation. The title of the article is "Hard Choices on Energy," and I ask unanimous consent the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 22, 1975]

HARD CHOICES ON ENERGY

A mood of dangerous indecision seems to have seized the country in everything that touches energy and transportation. The choices are too hard, and the common reaction is to try to push them away. They are too costly, too disruptive, too unfamiliar, too heavily freighted with ideological overtones. The country, in general, and Congress, in particular, are now merely procrastinating. There is a terrible temptation just to sit tight and hope that somehow those hard choices will evaporate and let us return to the happy days of two years ago when everybody thought that there was an unlimited supply of cheap gasoline.

But the hard choices aren't going to go away. First on the list is the issue of oil imports, and our rising dependence on Mideastern sources. The House Ways and Means Committee has written a bill that would attempt to meet this threat by raising gasoline taxes—but mainly in 1977, after the next presidential election. The bill is a good one in principle, and the committee has shown a considerable degree of courage in reporting it. But the chairman, Rep. Al Ullman (D-Ore.), was able to get it through his committee only by heavily diluting his original intentions. The bill has only a modest chance of getting through the House and even less of passing the Senate, where a large majority of the membership clearly wants to do nothing at all. Cutting gasoline consumption is too hard. Cutting oil imports is too hard, and the voters don't like it. But the consequences of not cutting them are frightening, and no one is prepared to defend a rapid rise in Middle Eastern imports as an energy policy for the United States. The national posture is, for the present, procrastination.

Next on the list of hard choices comes the deregulation of natural gas prices. By keeping the price low, Congress has created an artificial shortage that is getting worse each winter. One solution is to go into an increasingly intricate and inefficient program of allocation, pushing the shortage around the country. Nobody much likes the idea. The other is to decontrol the price, and let it rise. Nobody seems to like that idea either. We have now had two successive warm winters. The Federal Energy Administration is currently setting up a task force to organize emergency measures in the event of a cold winter this year. One expedient under consideration is to force utilities in the gas-producing states to convert to oil, to divert their gas supplies to the North and Northeast. But is it fair to divert this cheap and clean fuel from states such as Texas and Oklahoma, which have paid the uncontrolled intrastate price all along, in order to rescue other states from an emergency created by the unrealistically low interstate price?

Another of the too-hard questions is the environmental standard for automobile emissions. The hearings are moving along at a leisurely pace in the Senate; any final decision is months away. The scientific aspects of this legislation are extremely complex, but the industry is right on one basic point: It takes 18 months of lead time to get any major change into production. The manufacturers need to know right now under what standards they must design, test and build the cars that will go on sale in the fall of 1976. But Congress is caught fast among competing warnings of public health hazards.

Consider the hard choices presented by the vast network of bankrupt eastern railroads. After years of congressional consideration and preparation, the Conrail plan for public ownership of the roadbeds was published two months ago. Then the Justice Department, in an extreme example of tunnel vision, attacked the idea as a threat to competition. The department's idea of competition is, apparently, a plurality of poverty-stricken lines all sliding toward final collapse together. Conrail is already under heavy attack in Congress, on grounds that it closes too many branch lines that people are used to, and needs too many billions of federal dollars for purposes traditionally met by private investors. This week the administration brought forward a plan of its own, calling for billions of dollars in subsidized loans accompanied by reduced regulation. That means higher rates, and the predictable outcry is already audible. The outlook is continued paralysis, with the bankrupt roads leaking public money heavily and, of course, deteriorating in service.

Each of these dilemmas, you will note, affects all the others. Reduced oil prices make the gas shortage more onerous. Price controls on the gas increase our need for imported oil. The emissions standards set for new cars affects their gasoline mileage. The degradation of rail service throws more freight onto the highways. It also interferes with shipment of coal to the plants being converted from imported oil.

It has now been 18 month since the Arab oil embargo began, and this country has taken no significant steps to protect itself from a repetition. There is widespread talk of another increase in Mideast oil prices next fall, but the House has just postponed action on the Ways and Means Committee's very limited conservation bill until next month. The democratic leadership evidently fears that it does not control enough Democratic votes to pass it. President Ford and his administration are entitled to a substantial measure of credit for their repeated attempts to force these decisions. But they are not, at present, making much progress. Most congressmen, like most other Americans, agree in principle on the need for conservation and cutting back fuel consumption. But there is no agreement yet as to who must pay more and who must learn to do without.

FEDERAL CHARTER TO THE NATIONAL SKI PATROL ASSOCIATION—S. 1736

Mr. McINTYRE. Mr. President, last week I introduced S. 1736, a bill to grant a Federal charter to the National Ski Patrol Association. At that time the full text of this legislation was not printed in the RECORD.

At this time, I ask unanimous consent that the bill, in its entirety, be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1736

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following persons: Harry G. Pollard, Junior, Rye Beach, New Hampshire; Charles C. Haskins, Sacramento, California; Ron Ricketts, Fairbanks, Alaska; Jimmie R. Nunn, Phoenix, Arizona; Howard C. Bronsdon, Casper, Wyoming; Joseph E. Darby, Chicago, Illinois; James R. Williams, Bountiful, Utah; Marlen Guell, Spokane, Washington; Robert D. Hall, Old Forge, New York; Richard P. Starke, Middlesex, England; Ken Bradford, Littleton, Colorado; Keith Argow, Blacksburg, Virginia; William Bozack, Moretown, Vermont; Donald C. Williams, Birmingham, Michigan; Robert S. Morley, Saginaw, Michigan; Tod Elston, Lombard, Illinois; Robert H. Beetle, Mountain Lakes, New Jersey; Harry Stern, New York, New York; Tyler Davis, Uniontown, Pennsylvania; Dave Patterson, Danville, California; Orbell Apperson, Mount Shasta, California; John Crim, Boise, Idaho; Lou Livingston, Boulder, Colorado; and their successors, are created and declared to be a body corporate by the name of the "National Ski Patrol System, Incorporated" (hereafter in this Act referred to as the "corporation"), and by such name shall be known and have perpetual succession, and the powers, limitations, and restrictions herein contained.

COMPLETION OF ORGANIZATION

SEC. 2. A majority of the persons named in the first section of this Act are authorized to complete the organization of the corporation by the selection of officers and employees, the adoption of bylaws, not inconsistent with this Act, and the doing of such other acts as may be necessary to carry out the provisions of this Act.

OBJECTS AND PURPOSE OF CORPORATION

SEC. 3. The purposes of the corporation shall be to promote, in any and all ways, public safety in skiing, including, without limiting the generality of the foregoing, the dissemination of information with respect thereto and the formation of volunteer local patrols, consisting of competent skiers trained in the administration of first aid, for the purpose of preventing accidents and rendering speedy assistance to persons sustaining accidents; to solicit contributions of money, services, and other property for, and generally to encourage and assist in carrying out, the foregoing purposes in every way.

CORPORATE POWERS

SEC. 4. (a) In furtherance of the corporate objects and purposes, the corporation shall have power—

(1) to sue and be sued, complain and defend in any court of competent jurisdiction;

(2) to adopt, alter, and use a corporate seal;

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(3) to appoint and fix the compensation of such officers and employees as its business may require and define their authority and duties;

(4) to adopt and amend bylaws, not inconsistent with this Act or any other law of the United States or any State in which it is to operate, for the management of its property and the regulation of its affairs;

(5) to make and carry out contracts;

(6) to charge and collect membership dues, subscription fees, and receive contributions or grants of money or property to be devoted to the carrying out of its purposes;

(7) to acquire by purchase, lease, or otherwise, such real or personal property, or any interest therein, wherever situated, necessary or appropriate for carrying out its objects and purposes and subject to the provisions of law of the State in which such property is situated (A) governing the amount or kind of real or personal property which similar corporations chartered and operated in such State may hold, or (B) otherwise limiting or controlling the ownership of real or personal property by such corporations;

(8) to transfer, lease, and convey real or personal property;

(9) to borrow money for its corporate purposes, issue bonds therefor, and secure the same by mortgage, deed of trust, pledge, or otherwise, subject to all applicable provisions of Federal or State law; and

(10) to do any other acts necessary and proper to carry out its objects and purposes.

(b) For the purpose of this section, the term "State" includes the District of Columbia.

PRINCIPAL OFFICE; SCOPE OF ACTIVITIES; DISTRICT OF COLUMBIA AGENT

SEC. 5. (a) The principal office of the corporation shall be located in Denver, Colorado, or in such other place as may later be determined by the board of directors, but the activities of the corporation shall not be confined to that place, but may be conducted throughout the United States.

(b) The corporation shall maintain at all times in the District of Columbia a designated agent authorized to accept service of process for the corporation. Service upon, or notice mailed to the business address of, such agent, shall be deemed notice to or service upon the corporation.

MEMBERSHIP

SEC. 6. Eligibility for membership in the corporation and the rights and privileges of members shall, except as provided in this Act, be set forth in the bylaws of the corporation.

BOARD OF DIRECTORS; COMPOSITION; RESPONSIBILITIES

SEC. 7. (a) Upon the date of enactment of this Act the membership of the initial board of directors of the corporation shall consist of the following named persons: Harry G. Pollard, Junior, Rye Beach, New Hampshire; Charles C. Haskins, Sacramento, California; Ron Ricketts, Fairbanks, Alaska; Jimmie R. Nunn, Phoenix, Arizona; Howard C. Brondson, Casper, Wyoming; Joseph E. Darby, Chicago, Illinois; James R. Williams, Bountiful, Utah; Marlen Guell, Spokane, Washington; Robert D. Hall, Old Forge, New York; Richard P. Starke, Middlesex, England; Ken Bradford, Littleton, Colorado; Keith Argow, Blacksburg, Virginia; William Bozack, Moretown, Vermont.

(b) The initial board of directors shall hold office until the first election of a board of directors. The number, manner of selection (including filling of vacancies), term of office, and powers and duties of the directors shall be set forth in the bylaws of the corporation. The bylaws shall also provide for the selection of a chairman and his term of office.

(c) The board of directors shall be the governing board of the corporation, and a quorum hereof shall be responsible for the general policies and programs of the corporation and for the control of all funds of the corporation. The board of directors may appoint committees to exercise such powers as may be prescribed in the bylaws or by resolution of the board of directors.

OFFICERS; ELECTION OF OFFICERS

SEC. 8. The officers of the corporation shall be those provided in the bylaws. Such officers shall be elected in such manner, for such terms, and with such duties, as may be prescribed in the bylaws of the corporation.

USE OF INCOME; LOANS TO OFFICERS, DIRECTORS, OR EMPLOYEES

SEC. 9. (a) No part of the income or assets of the corporation shall inure to any member, officer, or director or be distributable to any such person during the life of the corporation or upon its dissolution or final liquidation. Nothing in this subsection, however, shall be construed to prevent the payment of reasonable compensation to officers of the corporation or reimbursement for actual necessary expenses in amounts approved by the corporation's board of directors.

(b) The corporation shall not make loans to its members, officers, directors, or employees. Any director who votes for or assents to the making of such a loan, and any officer who participates in the making of such a loan, shall be jointly and severally liable to the corporation for the amount of such a loan until the repayment thereof.

NONPOLITICAL NATURE OF CORPORATION

SEC. 10. The corporation and its officers and directors as such shall not contribute to, support, or otherwise participate in any political activity or in any manner attempt to influence legislation.

LIABILITY FOR ACTS OF OFFICERS AND AGENTS

SEC. 11. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

PROHIBITION AGAINST ISSUANCE OF STOCK OR PAYMENT OF DIVIDENDS

SEC. 12. The corporation shall have no power to issue any shares of stock nor to declare or pay any dividends.

BOOKS AND RECORDS; INSPECTION

SEC. 13. The corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its members, board of directors, and committees having authority under the board of directors, and it shall also keep at its principal office a record of the names and addresses of its members entitled to vote. All books and records of the corporation may be inspected by any member entitled to vote, or his agent or attorney, for any proper purpose, at any reasonable time.

AUDIT OF FINANCIAL TRANSACTIONS

SEC. 14. The first section of the Act entitled "An Act to provide for audit of accounts of private corporations established under Federal law", approved August 30, 1964 (36 U.S.C. 1101) is amended by adding at the end thereof the following:

"(49) National Ski Patrol System, Incorporated".

USE OF ASSETS ON DISSOLUTION OR LIQUIDATION

SEC. 15. Upon dissolution or final liquidation of the corporation, after discharge or satisfaction of all outstanding obligations and liabilities, the remaining assets of the corporation may be distributed in accordance with the determination of the board of directors of the corporation and in compliance with this Act, the bylaws of the corporation, and all other Federal and State laws applicable thereto.

EXCLUSIVE RIGHT TO NAME

SEC. 16. The corporation shall have the sole and exclusive right to use the name "National Ski Patrol System, Incorporated". Nothing in this section shall be construed to interfere or conflict with established or vested rights.

ANNUAL REPORT

SEC. 17. The corporation shall report annually to the Congress concerning its proceedings and activities for the preceding calendar year. The report shall not be printed as a public document.

RESERVATION OF RIGHT TO AMEND OR REPEAL CHARTER

SEC. 18. The right to alter, amend, or repeal this Act is expressly reserved to the Congress.

DEATH OF CLARENCE E. KILBURN

Mr. BUCKLEY. Mr. President, Clarence E. Kilburn, of Franklin County, N.Y., former dean of the New York State Republican delegation in the House of Representatives, and for 25 years a Congressman representing Jefferson, Lewis, St. Lawrence, Franklin, and Oswego Counties, has died. I knew and respected Clarence Kilburn not only as a man who befriended me at the outset of my campaign for election to this body, but far more importantly, as a man dedicated to the principles upon which our Nation was founded. His retirement from the House of Representatives in 1965, after serving 12 consecutive terms, deprived the Congress of his leadership; his death deprives the Nation of his wisdom, his dedication to freedom, and his unyielding devotion to our Nation.

Even a brief examination of Clarence Kilburn's career demonstrates the fact that he was one of those rare individuals who achieve excellence in many fields. In World War I he commanded a mortar platoon in France as a member of the 26th Infantry, 1st Division, the first American troops to serve in the front lines in that war. He returned to New York where he met success, first as a businessman, then as a banker and, finally, as a superbly gifted and uniquely qualified U.S. Representative.

As a Congressman, he cosponsored successful legislation that led to U.S. participation in the St. Lawrence Seaway and power projects. He was also active in many other areas of local concern, but his legislative interests were not confined to local issues alone. He served on the House Banking and Currency Committee and on the Joint Congressional Economic Committee—among others—and, in the field of foreign affairs, was also a strong supporter of a strong national defense.

Mr. President, I had the honor to know Clarence Kilburn and to benefit from his wisdom. I want to take this opportunity to pay tribute to this extraordinary man, and to offer my condolences to his family.

Mr. President, I ask unanimous consent that material provided by the Watertown Daily Times outlining Clarence Kilburn's outstanding career be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CLARENCE E. KILBURN

Clarence E. Kilburn was the dean of the New York State Republican delegation in the House of Representatives when he retired from public life Jan. 1, 1965 upon the completion of 25 years of service as the Congressman representing the five counties in the 31st Congressional district—Jefferson, Lewis, St. Lawrence, Franklin and Oswego.

He had announced on Feb. 5, 1964 that he would not run for re-election, after serving 12 consecutive terms, because he felt that a younger man should take on the job. Robert C. McEwen of Ogdensburg succeeded him.

The Malone Republican—a staunch Conservative in politics—had been the New York member of the powerful G.O.P. policy committee of the House for years until January, 1963, when he gave up that post and became chairman of the state's group of House Republicans in succession to Rep. John Taber of Auburn, who had just retired from politics.

The Franklin County Congressman had also been the ranking member of his party on the important House banking and currency committee; was the only New Yorker to vote against the historic civil rights law of 1964; and was a member of the Joint Congressional Economic committee, a special committee responsible for reviewing the president's economic policies.

Upon being elected head of New York's Republican members of the House in 1963, he declined to be on the bi-partisan Congressional steering committee—the group that presses statewide issues on a nonpolitical basis, both with executive agencies and on Capitol Hill. Mr. Taber had held that post too.

One of his notable achievements while in Congress was winning House approval of his co-sponsored legislation authorizing, finally, United States participation in the St. Lawrence Seaway and power projects. He later said it was the "greatest thrill" of his Congressional career.

BRIDGE BILL

In addition to the Seaway measure, his legislative efforts included approval of a bill authorizing construction of the Ogdensburg-Prescott International Bridge, and his persistent support for the expanded use of Northern New York's largest military installation—Camp Drum.

During his first term in Congress, he supported Lend-Lease, relief for the United Nations, in the critical months before Pearl Harbor and World War II, and thereafter took an international viewpoint concerning American foreign policy.

In the early 1940's he served on three Congressional committees: Civil service, territories, and public buildings and grounds.

While the lineup of the counties in the Congressional district constituted for the most part the counties of Jefferson, Lewis, St. Lawrence, Franklin and Oswego, at one time during Mr. Kilburn's quarter of a century tenure in Washington Herkimer County was included instead of Oswego. At another time Clinton and Essex Counties were part of his district.

As the ranking Republican on the House banking and currency committee, Mr. Kilburn served as Congressional advisor to the secretary of the treasury at international monetary conferences, including sessions in South America and Austria.

President at the time of the People's Trust Co. of Malone (now part of the Marine Midland group of banks) and earlier an ice cream manufacturer of that village, Mr. Kilburn was a newcomer to politics when on Jan. 20, 1940 he was nominated by the Republicans of the 31st Congressional district to succeed the late Wallace E. Pierce of Plattsburgh in Congress.

Mr. Pierce, who had died in Washington Jan. 3, 1940, represented a district which then comprised Clinton, Essex, Franklin and St. Lawrence Counties. At the special election held Feb. 13, 1940, Mr. Kilburn easily won the seat, defeating M. Henry McGillic, Democrat of Massena, and became Franklin County's first Congressman since William H. Flack of Malone died in office in 1906.

Twelve times thereafter the Malone banker was re-elected to Congress. His only serious challenge after 1940 came in 1948 when Grant F. Daniels of Massena, former St. Lawrence County Assemblyman, entered the primary race, but the incumbent won comfortably, losing only Mr. Daniels' home county. By that time his district had been changed to include Jefferson, Lewis and Herkimer Counties, but not Essex and Clinton, and still later Oswego was substituted for Herkimer. The district had been changed from the original 31st to the 34th, later to the 33rd and then back to the 31st.

BORN IN MALONE

Clarence Evans Kilburn was born at Malone April 13, 1893, a son of Frederick D. and Clara Barry Kilburn. His father was a former state senator and also a one-time state superintendent of banks.

He was graduated from Franklin Academy of Malone in 1912 and in 1916 was graduated from Cornell University with his bachelor of arts degree, winning recognition for oratory in college. He was a member of Psi Upsilon fraternity in college. For a year afterward he was employed by the Pennsylvania Railroad Advertising Co., leaving that position in 1917 to join the Army for World War I duty.

In August, 1917, after three months of R.O.T.C. training at Madison Barracks, Sackets Harbor, he was commissioned a lieutenant, and the same month he married Miss Anne Crooks, daughter of Mr. and Mrs. William Crooks of Malone. The wedding ceremony was performed at the Crooks family home on Aug. 16, 1917. Of the marriage three children were born: James C., Katherine (Mrs. John C. Bullard) and William Barry.

Soon after his marriage, Mr. Kilburn was sent overseas and in France he commanded a mortar platoon of the 26th Infantry, First Division, the first American troops to serve in the front lines in France. He was a captain when he left the army at the close of the war as an instructor of Infantry troops at Camp Gordon, Ga.

Returning to Malone after his military service, Mr. Kilburn became associated with the Kirk-Maher Ice Cream Co. and soon acquired a substantial interest in the firm. He started as sales manager and in 1919, at the age of 26, he became vice president and general manager, having charge of eight plants in Northern New York.

Following the death Oct. 15, 1921 of the head of the company, F. Roy Kirk, Mr. Kilburn was elected president. When the company merged with the General Ice Cream Corp. in January, 1926, Mr. Kilburn, still president and a director of Kirk-Maher, became managing director of the Kirk-Maher division of the General Ice Cream Corp. and served in that capacity until 1930 when he left the ice cream business to enter the banking field.

BANK PRESIDENT

It was in 1930 that he was elected president of the People's Trust Co. of Malone, the same position his father once held. He succeeded the late Monroe Marshall, a former senator. At 36, he was one of the youngest bank presidents in the state.

Mr. Kilburn headed the Malone bank for ten years, retiring in 1940 upon being elected to Congress for the first time, but later again became president of the bank and still held the office when the Malone institution became an affiliate of the Northern New York Trust Co. of Watertown—now the Marine Midland Trust Co. of Northern New York—in March, 1953.

With the acquisition of the Malone bank by the Watertown bank in 1953, Mr. Kilburn became a vice president and a director of the Trust company and a member of the advisory board of the Malone branch. He was vice president until 1958, but continued on the board of the Marine Midland Trust Co., thereafter.

In 1961 he was elected chairman of the advisory board of the Malone office. At his death he was still on that board as well as the board of the parent institution in Watertown.

Among the honors which had been conferred upon Mr. Kilburn was an honorary doctor of laws degree awarded him by St. Lawrence University Aug. 15, 1958. The university had honored him in October, 1953, by awarding him a citation for distinguished public service.

In addition to his responsibilities as a banker and legislator, Mr. Kilburn found time to devote himself to community service and other activities in his home town.

At one time or another he served as president of the Chamber of Commerce, the Golf Club and the Alice Hyde Memorial Hospital Assn., all of Malone, and also was a member for years of the academic board of Franklin Academy of Malone.

CIVIC ACTIVITIES

He had organized and directed activities in civic movements and campaigns. Among them was the drive which he headed as chairman and which raised by public subscription more than $200,000 to erect the American Legion Memorial addition to the Alice Hyde hospital.

He was a member of the Malone Methodist Church; the Masons, Elks, American Legion, Veterans of Foreign Wars, the Sons of American Revolution and the Rotary Club. In 1932 he was named a director of the New York State Economic Council.

For years he had been an ardent trout fisherman and fished and hunted deer and moose in the preserve of the Pontiac Club of Quebec, of which he was a member. At one time he was an enthusiastic horseman until his favorite mount fell, throwing him and fracturing his leg. He was active in the Malone Bit and Boot Club during the years it existed.

NATIONAL PLANNING ASSOCIATION: AGRICULTURE

Mr. CLARK. Mr. President, the National Planning Association's Agriculture Committee, headed by Lauren Soth, editorial page editor of the Des Moines Register and Tribune, last month issued an excellent statement on U.S. food and agriculture policy.

This concise and perceptive statement argues persuasively that the current world food crisis is not simply the result of two bad crop years. On the contrary, the coming decade is likely to find a continuing upward trend in food prices, accompanied by dramatic and unpredictable short term price fluctuations.

Mr. Soth and his colleagues point out that the United States should furnish leadership in developing a cooperative international agreement for holding grain reserves in the major exporting and importing countries. Regrettably, they note that the United States is not doing so. They also urge that this country move ahead to establish its own grain reserve, even if an international agreement cannot be achieved promptly.

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The authors of this statement urge this country to take the lead in continuing internationally-financed food aid programs for the less developed countries and in devising long-term agricultural development programs for these countries. They also conclude that the United States should allocate more resources for agricultural research. It is sound advice.

Mr. President, I ask unanimous consent that the National Planning Association statement be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U.S. POLICY FOR THE WORLD FOOD CRISIS

(A Statement on Food and Agricultural Policy by the NPA Agriculture Committee)

How should the United States adjust its food and agricultural policies in the light of the world food crisis of 1974 and 1975 and the likelihood of continuing food problems in years to come?

We believe that if the United States is to maintain and strengthen its moral and political leadership in the world, it cannot allow millions of people to starve in 1975. At the UN World Food Conference in Rome, November 1974, estimates were made that up to seven or eight million tons of grain in addition to the present flow of food aid from rich countries to poor would be required to combat famine in 1975.

We recommend that the U.S. government in consultation with governments of other countries continue and expand the famine relief program on a scale consistent with the gravity of the situation. The U.S. government should acquire the supplies in the open market and do what is necessary to deliver the food aid to the point of need.[1]

U.S. commitments and plans to ship grain to South Asia and other areas to relieve starvation this spring and summer have been delayed by bureaucratic procedure and foot-dragging.[2] We urge maximum effort at once. Humanitarian purpose should take priority over the use of food aid for political or other purposes, especially at this time.

This emergency program of course would draw U.S. grain away from commercial markets, both domestic and export, and would limit accumulation of reserves during the emergency.

Although this program is short-term, in view of the government responsibility to U.S. citizens who pay the cost, we urge that certain long-term understandings be made clear with respect to continued food aid. (See the section "International Food Policy.")

A PROGRAM FOR THE FUTURE

The world supply of food varies unpredictably in total and region by region, as this committee has emphasized in policy statements in 1973 and 1974. We reaffirm our recommendations for domestic food and agriculture polices that take account of the world situation, including appropriate supply stabilization and reserve polices. We urge that food-agriculture planning and policy actions be taken in a context of flexibility and adaptability. We cannot foresee all developments even in the remaining years of this decade.

From optimism to pessimism

In looking to the future, it is advisable to look first at the recent past and the present situation. The prevailing view of the world food situation in the late 1960s was uncommonly optimistic. This was the period of the Green Revolution, aided by low energy prices and a run of good crop years around the world. Between 1966 and 1971, agricultural production increased more rapidly than population growth in both the developed and the less-developed parts of the world. The quantity of food per capita increased significantly. The future looked bright in 1971.

The picture changed quickly, however.

In 1972, growing conditions were unfavorable around the world, causing total agricultural production to fall 1 to 2 percent. World grain production dropped 3 percent and, on a per capita basis, grain production was 6 percent below that of 1971.

These decreases would not appear to be so large as to create serious food supply problems. But, given the severe inelasticity of the world demand for grain, they played havoc with international grain markets. In an effort to maintain per capita consumption of grains in the poor countries and to maintain livestock production in the rich countries, countries engaged in a wild scramble for scarce supplies of food and feed grains.

Net trade in all grains more than doubled between the marketing years of 1971–72 and 1972–73, stocks of grain held by the major exporting countries declined by almost one-half, and world grain prices doubled or tripled in one year.

For producers of grain in the surplus-producing countries, 1972–73 was an exciting and profitable marketing year. For consumers in the developed world, it was an anxious, frustrating year. For most people in the less-developed countries, it was a year of belt tightening, hunger and despair.

Growing conditions in most areas were good in 1973–74, and agricultural production rebounded. Production per capita increased about 3 percent. But one year of good crops is not sufficient to permit significant rebuilding of grain stocks, and the world grain markets remained tense.

Weather conditions for crops in major producing countries deteriorated again in 1974–75, and agricultural production failed to increase above the 1973–74 level. Consequently, output per capita declined. Grain production worldwide declined between 4 and 5 percent. The grain production shortfalls were concentrated in the United States, Canada, the Soviet Union, and South Asia. Prices, which had declined moderately in the winter and spring of 1974, moved up strongly once again in the summer.

Then, in late 1974 and early 1975, grain prices turned downward again. Demand fell off in importing countries hit by recession and high oil prices, and livestock feeding was curtailed in the United States, the results showing once again the unpredictability of grain prices.

Complicating factors

Two bad crop years in the last three created a world food crisis. But we believe that more is involved in the current difficult world food situation than two bad crop years.

First, rising incomes over a period of years resulted in growing demand for meat in Japan, Europe and the Soviet Union. To meet the demand, these countries increased their imports of feed concentrates and tightened the international market for grain. Now, this long-term trend may be subsiding because of the worldwide recession.

Second, the sudden rise in the cost of energy has raised prices of non-farm-produced inputs for agricultural producers everywhere, handicapping further expansion of output. The burden falls most heavily on less-developed countries, for example, India.

The Green Revolution calls for heavy applications of nitrogen fertilizer for the new varieties of wheat and rice under irrigation. Not only does the fertilizer now cost more but, owing to the higher prices such countries as India must pay for imported petroleum, these countries are short of foreign exchange with which to buy fertilizer from outside sources. They likewise are handicapped in importing other nonfarm-produced inputs. And in some countries, output expansion is limited by an absolute shortage of agricultural resources.

Third, water for irrigation has become scarcer in certain areas.

Fourth, "new" lands for agricultural development are becoming scarcer—especially areas that lend themselves readily to exploitation by modern technologies.

Fifth, many of the undeveloped countries have failed to give high priority to investment in agriculture and related infrastructure for marketing, transportation, processing, research, technical assistance, equipment, and farm inputs.

Sixth, some of the poorer countries are held back in development by trade restrictions on their exports imposed by the industrialized nations, their potential customers.

The next 10 years

One view of the current critical food situation is that it came about almost entirely because of bad crop conditions in 1972 and 1974. The implication in this view is that once better weather returns, we can expect to return to the optimistic trends of the late 1960s. According to this appraisal, there are sufficient unused productive sources and sufficient flows of new technology and investment capital into agriculture to produce enough food to maintain lower and reasonably stable prices.

At the other extreme, some observers believe that millions will starve in the less-developed countries in the next 10 years as population continues to race forward at 2 to 3 percent per year while rates of increase in food production slow down or stagnate. Such trends would drive the price of food upward as both rich and poor countries struggled to secure food supplies required by their populations.

We find ourselves somewhere between these polarized views.

Grain supplies would be ample during the next 10 years—and prices of food would remain stable or decline in relation to prices of other goods and services—if various combinations of the following conditions should exist:

(1) a series of good crop years like those of the late 1960s, or better;

(2) technological breakthroughs in crop production, resulting in higher yields and a faster rise in total output;

(3) technological breakthroughs in energy production, increasing availability and lowering costs of fertilizer and power for farming;

(4) a substantial increase in investment in the agricultural sector an related infrastructure in less-developed countries, including adaptation of improved technology for small farms; or

(5) a worldwide economic downturn in the developed nations, reducing demand for imports of grain and other feed concentrates.

We find it doubtful, for reasons given in the previous section, that a sufficiently strong combination of the first four factors or a major economic downturn will occur to bring about a reduction in the relative prices of raw food products in the next 10 years. We believe a more likely prospect is that food prices, after an initial adjustment, will trend upward over the next decade.[3] This judgment is based on the probability of some combination of the following factors.

(1) Energy prices will continue at their present high level, prices of nonfarm-produced inputs will remain high, and many less-developed countries will experience increased difficulty in importing needed amounts of such inputs.

(2) The demand of developed countries for grain and feed concentrates will continue to be substantial, although it will be affected by exchange and financing problems and probably will not grow as fast as in the past.

(3) Food production in the less-developed countries will continue to lag behind population, growth, and pressure will intensify for more food aid.

(4) Weather conditions for crops, which were unusually favorable in the 1960s, will not be any better in the next 10 years and may be worse.

However tenuous our foresight may be about these future trends, we can be certain about one kind of development: the world in general and the United States in particular will be confronted with dramatic and unpredictable *year-to-year* gyrations in grain prices about any long-run trend that may emerge. This will result in sharp and also unpredictable fluctuations in meat and other food prices. This is certain for the following reasons:

(1) weather, hence crop growing conditions, will vary from year to year in an unpredictable manner;

(2) the world demand for grain is not very responsive to changes in prices;

(3) countries which suffer shortfalls in food production will turn to the United States, the largest exported of grains. The United States is now fully integrated into the international market.

This short-run price instability in the grains (and, after a lag, in animal products) will be exacerbated in the immediate future by the low level of reserve grain stocks in the world.

The intensified food shortage which would result from a poor harvest in 1975 could not be eased or moderated by drawing on stocks since the stocks do not exist. This is the reason why delegates to the UN World Food Conference in Rome failed to take significant action for dealing with the current crisis—the prospect of hunger and starvation in 1975. The food conference recommended that a coherent international reserve stock program be established for the grains.

The NPA Agriculture Committee published in 1974 a pamphlet, "Feast or Famine: The Uncertain World of Food and Agriculture and Its Policy Implications for the United States," by Professor Willard W. Cochrane of the University of Minnesota, a member of the committee. In an accompanying policy statement, the committee recommended the establishment of a grain reserve program in the United States for stabilizing markets. It said: "We recommend that the United States take the lead in working for international cooperation toward maintaining grain reserves. But the United States should not delay action to build and manage adequate reserves of grain of its own while waiting for other countries to act."—Willard W. Cochrane, Feast or Famine: The Uncertain World of Food and Agriculture and Its Policy Implications for the United States (Washington, D.C.: National Planning Association, 1974), p. viii.

We reaffirm this recommendation.

The United States, because of its preeminent positon in the world grain trade, should furnish leadership toward establishing international cooperation in grain reserve stock programs. It is not doing so.

U.S. FOOD AND AGRICULTURAL POLICY FOR 1975

In the immediate situation, as we have said, we believe the United States should take the lead in establishing a famine relief program. It must also take into account foreign commercial trade in foodstuffs in setting production and price policies.

For 1975, in view of the possibility of continuing shortages of foodstuffs in another year, and knowing that the nation does not now have a food reserve, we favor increased production by U.S. farmers this year.

Because of the inherent riskiness in farming and the inflationary rise in prices of items farmers buy, we believe that commodity loan and target price-support levels should be raised appreciably above the levels in force at the beginning of 1975.

Prompt and decisive actions of this kind would provide assurances to farmers for stepping up grain production this year. Policies for later years would depend on the world food situation as it unfolds. Any extra land brought into grain production in 1975 could be returned to grass and other extensive uses in later years, and should be held in grain production only to the extent that this can be done without permanent injury to soil resources. It would be shortsighted to plow up hillsides and leave land unprotected that is better suited for and more food-productive in grass as a long-term use.

LONGER RUN FOOD AND AGRICULTURAL POLICY

Because of the uncertainities we have described, even a long-run food and agricultural policy of the United States must be highly flexible. We must have the capacity to cope with either food surpluses or shortages in the short run and either rises or falls in the real price of food over the long run. An effective food and agricultural policy for the future cannot be written in stone.

We agree with the basic concepts of the present agricultural commodity legislation, with loan rates for commodities, target prices and deficiency payments. These rates and prices should be tailored to fit the uncertainties of the world food and agriculture situation.[4]

The loan rates and target prices should be announced at the beginning of each crop year.[5] Loan rates should be based upon a recent three-year period of market prices, with annual adjustment according to changes in prices of inputs. Target prices should be based on the same factors plus any special policy requirements for output goals and income support.

It is especially important, under the agreed policy that the U.S. agricultural plant be for the international trade situation to be taken into account in setting loan rates.

Target prices should be set each year to yield a parity income for efficient-sized family farm operators. This might mean that target prices for most crop producers in the United States would be only moderately higher than loan rates in 1975.

We recommend that deficiency payments be limited in total amount for all crops to each producer and a continuation of the present level of payment under which a producer cannot receive more than $20,000 in one year in deficiency payments from all crops.[6] This means, in effect, that income protection above that afforded all producers through commodity loans and price stabilization would be provided for small to medium farmers but not for the largest producers.

In order to bring about greater stability of farm commodity prices, hence greater income stability for producers and consumers of food, we urge the U.S. government to join with leading food exporting and importing countries in a cooperative agreement for holding reserve stocks, country by country. This agreement should cover the grains most importantly and possibly certain other storable commodities. (We repeat, however, that the United States should not delay action on its own if international cooperation is not promptly achieved.)

This recommendation is consistent with that made by the World Food Conference to which the United States was a party.

The purpose of the international reserve stock program would be to even out the year-to-year flow of supplies onto the market and thereby stabilize prices within some target range. We suggest that the lower side of the range be related to recent past prices in international trading.

The international agreement should be constructed now, and the rules or conventions negotiated now, so that the stock accumulation process may begin whenever the grain supply situation begins to loosen and agricultural prices begin to slide.

INTERNATIONAL FOOD POLICY

In parallel with international action on a food reserve program, the United States should lead the way on a continuation of internationally financed food aid programs for the less-developed countries. These programs should be carefully **designed and managed** to avoid limiting incentives of recipient countries to develop their own food production capacities, as has been the case too often in the past.[7]

We recommend that food aid be extended to those countries which are willing to (1) give higher priority to agriculture (including related marketing and transportation services) in future economic development planning—in investment, research and education—especially efforts to increase productivity of small family farms; and (2) commit themselves to realistic long-run programs of population limitation.

We believe it is essential that food programs be backed up by long-term agricultural development programs in the less-developed countries and by national and international food reserve policies to meet and ward off future world food crises.

Solving the food problem in the long run will require large investments in land and other resource development in the less-developed countries—especially water for irrigation. It will require investment in fertilizer plants and other factories for other farm inputs. Most importantly, it will require expanded research in agricultural production, processing and marketing to create new technologies.

We believe the United States should allocate more resources for scientific research by government—but not necessarily in the same institutional and traditional distribution as at present. There could be a larger payoff in terms of world food supply, for example, by greater allocation to overseas research, for areas that are obviously now falling far below their possibilities in production.

More research on methods of utilizing less grain in livestock production is another impelling need.

A better division of labor between government and private industry research on farm production technology might be possible. We suggest a national study commission to consider the possibilities for more effective use of our agricultural research resources.

U.S. FOOD POLICY

A food and agriculture policy for the United States must always concern itself with the interests of the American food consumer. The American consumer has benefited handsomely from the productivity of U.S. agriculture—and from government programs to improve technology and stabilize prices. These programs should continue to take account of the interests of consumers.

Consumer food goals parallel the goals of farmers in many respects: abundant and reliable production; price stability; efficient, low-cost distribution and marketing; accurate nutritional information; and quality reliability in the sale of processed foods.

In addition, the nation's food and agriculture policy must consider, through education and other means, the nutritional welfare of all people, especially those who are unable to buy a good diet in the market.

If, as we expect, the fundamental trend of real raw farm commodity prices is upward in the next decade, *it is imperative that the United States continue and refine its programs for domestic food distribution and nutritional improvement*. These include the Food Stamp Program and direct distribution programs such as the School Lunch Pro-

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gram—See *Food for the Hungry: Direct Distribution and Food Stamp Programs for Low-Income Families*, by Dale M. Hoover and James G. Maddox (Washington, D.C.: National Planning Association, 1969), with an accompanying statement by the NPA Agriculture Committee. We recommend that these programs be expanded, especially if the present industrial recession and unemployment should be prolonged.

We endorse the current studies of retail food price spreads and recommend continued surveillance of the food marketing system to assure that antitrust laws are vigorously enforced in order that costs are kept to a minimum.

MEMBERS OF THE NPA AGRICULTURE COMMITTEE SIGNING THE STATEMENT

Lauren K. Soth, Chairman; Editor of the Editorial Pages, Des Moines Register and Tribune.

Robert K. Buck, Vice Chairman; Waukee, Iowa.

Ferris S. Owen, Vice Chairman; Director, International Programs, Cooperative League of the USA.

George E. Brandow, Department of Agricultural Economics, Pennsylvania State University.

Harold F. Breimyer, Perry Foundation Professor of Agricultural Economics, University of Missouri-Columbia, College of Agriculture.

Willard W. Cochrane, Professor, Department of Agricultural and Applied Economics, Institute of Agriculture, University of Minnesota.

August Dahme, Aberdeen, South Dakota.

Arval L. Erikson, Vice President, Oscar Mayer & Company.

Joseph W. Fichter, Farm Consultant, Oxford, Ohio.

James W. Goss, General Manager, Richland Development Corp.

Harry L. Graham, Oxon Hill, Maryland.

Earl O. Heady, Executive Director, The Center for Agricultural and Rural Development, Iowa State University of Science and Technology.

Oscar Heline, Greenwood Farm, Marcus, Iowa.

A. C. Hoffman, Northbrook, Illinois.

Dale M. Hoover, Professor, Department of Economics, North Carolina State University.

Reuben Johnson, Director, Legislative Services, National Farmers' Union.

Elmer W. Learn, Executive Vice Chancellor, University of California at Davis.

Edward F. Mauldin, Chairman of the Board, First Colbert National Bank.

Kenneth D. Naden, Executive Vice President, National Council of Farmer Cooperatives.

William H. Nicholls, Director, Center for Latin American Studies, Vanderbilt University.

Emiel W. Owens, Center for Human Resources, College of Business Administration, University of Houston.

Ralph Raikes, Ashland, Nebraska.

F. Robert Starr, Redwood Falls, Minnesota.

Lloyd B. Wescott, Holsteins, Inc., Rosemont, New Jersey.

William H. Yaw, Agricultural Consultant, The Farm Clinic.

Ralph S. Yohe, Editor, Wisconsin Agriculturist.

FOOTNOTES

[1] For a variety of reasons—to get rid of farm surpluses, cold war politics, and at least a modicum of compassion—the United States has given away large quantities of food since World War II. But with increased problems of their own and a growing disenchantment with bilateral foreign aid of all kinds, there is a good chance that American tax payers might leave our agriculture holding the bag with the increased production for world feeding called for in this statement.—A. C. Hoffman.

[2] This is out of date. The U.S. government recently announced a 2 million ton increase in food aid for the 1974–75 season. Mr. Boerma, Director General of FAO, recently said that the U.S. commitment brings food aid "within striking distance of the 10 million tons a year called for by the World Food Conference."—Robert K. Buck

[3] Our guess is that the ratio of prices received by U.S. farmers to prices paid by them will not exceed the 1973 peak in the next 10 years.—George E. Brandow and Robert K. Buck

[4] I abstained from debate on this section of the paper since my organization does not participate in policy determination on agricultural commodity legislation.—Kenneth D. Naden.

[5] Target prices should give farmers income assurance and for this purpose should be set at moderate levels and projected three years ahead by tying them to change-in-production-cost escalators. The USDA could readily construct better escalators for individual commodities than the very unsatisfactory formula provided for 1978 and later in present law. Loan rates should be adjusted annually as export markets, stock positions, etc., require and probably should not be set by rigid formulas. Producers' acreage allotments should be modernized by shifting base periods to, say, 1974–75.—George E. Brandow and Robert K. Buck.

[6] I believe that all farm support programs should be designed and operated in the total national interest, so as to provide this country and its citizens with the most absolute assurance that we will at all times have an abundant supply of food and fiber. To accomplish this, price support guarantees should assure that all efficient and prudent farmers, both large and small, can expect the opportunity to earn a fair return on their labor, management, capital resources, and off-farm inputs. Deficiency payments that are arbitrarily limited to $20,000, or to any specific figure, will ultimately defeat the purpose of assuring adequate productive capacity at all times, and will in the public's eye, eventually relegate and denigrate farm programs to social programs of a welfare status that are designed to perpetuate the inefficient farmer (rather than benefit the consumer). Agriculture does not want this, and the country cannot afford it. Therefore, I oppose all proposals that would tend to place the stigma of social welfare for producers on public policies whose real purpose is to provide assurance to all the citizens of our country that they will at all times have an abundant supply of food and fiber at reasonable prices.—Edward F. Mauldin.

[7] Barbara Ward's suggestion a few years ago that all nations give 1 percent (or more) of their GNP to International Food Aid should be revived and refined.—William H. Yaw.

ALASKA'S CHALLENGING TRANSITION

Mr. STEVENS. Mr. President, Alaska is a State blessed with a great bounty of natural resources—resources which in the years to come may make the 49th State a focal point in the achievement of our national goal of energy and mineral self-sufficiency.

Sensible development of these resources in an efficient, expeditious, and environmentally sound fashion has become one of the goals of Alaska's citizens. Indeed, the future economic viability of our State and the Nation is dependent upon our sensible, but aggressive use of these resources.

Recently, an editorial in the Fairbanks Daily News-Miner highlighted Alaska's contributions to the Nation in the past and addressed itself to the problems to be faced by the State in the future. The great natural resources wealth of Alaska has become increasingly important to the Nation and should be shared to the benefit of the entire country; however, Alaska must insist on the right to utilize a portion of these vast resources for the benefit of Alaskans.

Mr. President, I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ALASKA'S CHALLENGING TRANSITION

"When God created the world, He left Alaska to the last. With the main job done, He was in an exhuberant mood and lavishly bestowed an abundance of all natural wonders to 'Our Great Land' at the top of the world." [*]

We are sure that those with a thorough knowledge of Alaska will agree with this eloquent descriptive comment by R. A. "Dutch" Derr two decades ago. Our Creator was more than generous to Alaska. Throughout our vast 586,412 square miles, from the tip of the continent's highest mountain, McKinley, to shores lapped by two seas and the Pacific Ocean, God's munificence is evident: Countless beautiful lakes, streams varying from mightly rivers to trickling crystal-clear creeks, vast stetches of Arctic tundra, lush valleys surrounded by majestic snow-capped mountains, salt water sounds and bays dotted with tree-covered islands with shores bounded by the fisheries-rich continental shelf. Our multitude of scenic and natural wonders, resources above and below ground and in our inland waters and offshore seas, far exceed nature's endowment to any other state, or group of states, in our United States.

Lying dormant for millions of years, Alaska's riches and resources are only with this decade beginning to be recognized and developed to enrichen the life-style and economy of our country.

True, Alaska has made some substantial contributions during past centuries to America and the World. There has been comparatively minor resource development, coupled with some regrettable exploitation, particularly since our United States acquired Alaska from Russia in 1867. Furs, hard minerals, petroleum, timber and fisheries have all been harvested. Tourist visitors have trekked through some areas enjoying primeval scenic vistas, fishing and filming wildlife. But by and large Alaska has been little disturbed, with only a handful of fortunate residents sprinkled over our sprawling state.

Now in the mid 1970s a dramatic change is under way. Much of Alaska is in turmoil with influx of people and materials involved in a crash project to bring a portion of our oil and natural gas to markets in the smaller states. An energy-short America has suddenly awakened to the fact that Alaska's huge petroleum resources will substantially alleviate shortages in the more populous parts of our country. America's northern resource storehouse is starting to be tapped, and our 49th state has entered an era of transition. While the foreseeable future will not bring population densities comparable to those enjoyed in the smaller states down

south, nonetheless Alaskans now will have less "elbow room" than in the past.

Presently our United States has awakened to the fact that an energy shortage exists, highlighted by an inadequate supply of natural gas and petroleum. Next will come another awareness of rapidly diminishing reserves of hard minerals. It is inevitable Americans will again look north and become aware that of the 33 different metals and minerals on our country's strategic list, 31 are known to exist within Alaska in commercial quantities.

When that time comes, and come it will and soon, what will be the situation? Will we be subjected to another "crash" development program to construct facilities to extract and transport our mineral resources south to other states? Or will our state leaders have the foresight, and exercise it by way of sound interim planning and necessary action, to ensure orderly resource development with emphasis on multiple use? (To us, "multiple use" means acknowledging that resource development is in the best interest of Alaskans and Americans, providing adequate safeguards are planned and constructed to protect our unspoiled land and accompanying unique "Alaskan lifestyle.")

We sincerely hope the latter proves to be the case: That Alaskans will face up to problems arising in the near future, and state leaders will implement wise, sensible planning now. A notable example facing Alaska presently is the question of whether or not to designate future surface transport corridors through vast areas of federal, state and native lands now in the selection process. Are we going to do it now, or procrastinate and compound one present problem into a multitude of complex problems later?

America's and the world's needs will surely force continuing, accelerating development of Alaska's resources. Other than petroleum and minerals, a protein-hungry world will soon acutely need increased development and harvesting of our fisheries; timber which we can supply upon a sustained yield basis; hydro-power 'piped' south to the smaller states (our presently undeveloped hydro-power potential is approximately equivalent to 80 per cent of all presently produced in all the smaller states combined); even our generous endowment of fresh water will one day be sent south to parched smaller states.

Alaska's resources will be increasingly in national demand as increasing population continues simultaneously with diminishing depletable resources in the smaller states. Pressures upon Alaska and Alaskans will be great. Particularly so because of the obvious American proclivity to overlook problems until they develop into crises (i.e., present petroleum problem in U.S.). It is going to be difficult, very difficult, for Alaskan leaders to stand up to political and private industry pressures to alleviate critical shortages in the smaller states by exploiting Alaskan resources.

Alaskans are patriotic Americans and do not hesitate to make individually and collectively, full contribution to the best interests of our country. At the same time we realize, too well at times in past experience, that our fellow Americans down south tend to confuse our development with Alaska exploitation for interests wholly outside our state.

We are willing to share, to share more than generously, our resource riches endowment with Americans residing in the smaller states. However, we must reserve the right, and fight for our right when necessary, to utilize a portion of our own resources here in Alaska before exporting. Utilization of natural gas within our state, for example, can reduce living costs substantially in our high price economy, and simultaneously improve life styles which in many aspects are substantially harsher than exist in balmy southern states.

Yes, we are willing to share, but we expect a 'fair shake' while doing so from fellow Americans not privileged to live in Alaska.

Alaska is in a transition period. Never again will our uncrowded, relatively uncomplicated way of life return as a part of the unique environment to which we had become accustomed. Alaskans are facing the challenge of retaining the most important worthwhile elements of 'old Alaska' while entering a new era of a rapidly developing state. Can we retain the best of the old, recognize and accept the best of the new, while profiting from mistakes made in the smaller states?

With God's help and guidance we can, and we will.

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[*] R. A. "Dutch" Derr is a prominent Alaska civic leader presently executive vice president of the Juneau Chamber of Commerce. His comments quoted here were made in a Fairbanks speech when he was manager of the Fairbanks Chamber of Commerce.)

STATEMENT ON ANNIVERSARY OF SRI LANKA

Mr. PELL. Mr. President, May 22 is the national day of Sri Lanka, marking the country's third anniversary as a republic and the inauguration of its unique constitution under which parliamentary democracy and the rule of law are steadfastly maintained.

I am sure my Senate colleagues will wish to join me in extending to Sri Lanka and the world's first woman Prime Minister, Mrs. Bandaranaike, our warm felicitations on this special occasion in the national life of a people with whom we share a loyalty to the democratic process and individual freedoms.

On the other side of the world from us, Sri Lanka is erecting its own symbolic Statue of Liberty. Long may it shine.

Already Sri Lanka is also proving itself a beacon to light the way for regional peace and social and economic progress in South Asia.

It was Sri Lanka's initiative that led to the U.N. resolutions to create a zone of peace in the Indian Ocean. For this reason, Sri Lanka has been concerned about the possible expansion of our base facilities on Diego Garcia. It is feared that such a development will lead to superpower rivalries and the militarization of what is now a largely pacific ocean.

In the social and economic field, Sri Lanka is also a bellwether. Its system of free education from the elementary level through the university has resulted in a literacy rate of 85 percent, one of the highest in the world. The operation of its people's committees are proving a successful experiment in grassroot democracy by facilitating the participation of the public in the administrative system throughout the country and acting as an ombudsman agency for remedying the grievances of the individual citizen.

Last year Sri Lanka's economy grew at a rate of 3.4 percent but in such a way as to support a more equitable distribution of income. The lowest 40 percent of the population experienced the highest income growth rate of 8.3 percent, the next 40 percent experienced a growth rate of 6.2 percent, and highest 20 percent, a growth rate of 3.3 percent. The first phase of a land reform program has resulted in the distribution of 560,000 acres in the interest of solving the problem of landlessness, rural unemployment, and higher agricultural production. New agricultural productivity committees have been formed to boost crop yields and additional lands are being brought under cultivation through an extensive irrigation program.

In Sri Lanka there is confidence that a developing country can pursue innovative, economic development while maintaining a vigorous democracy. On this happy anniversary, we wish Sri Lanka continuing success in her nation-building endeavors and prosperity and happiness for her people.

HEW VIEW ON S. 522, THE INDIAN HEALTH CARE IMPROVEMENT ACT

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent that a letter to me from Secretary of Health, Education and Welfare Caspar Weinberger regarding S. 522, the Indian Health Care Improvement Act, be printed in the RECORD. Although Secretary Weinberger had prepared this letter prior to passage of S. 522 by the Senate on May 16, it did not reach me in time to be considered with the bill.

There being no objection, the ordered to be printed in the RECORD, as follows:

THE SECRETARY OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C., May 16, 1975.

HON. HUGH SCOTT,
Minority Leader, U.S. Senate,
Washington, D.C.

DEAR SENATOR SCOTT: This letter reports our views on S. 522, a bill "To implement the Federal Responsibility for the care and education of the Indian people by improving the services and facilities of Federal Indian health programs and encouraging maximum participation of Indians in such programs, and for other purposes." The bill may also be cited as the "Indian Health Care Improvement Act."

Title I of the bill would authorize the Secretary of Health, Education, and Welfare, acting through the Indian Health Service: to make grants to public or non-profit or tribal organizations for the recruitment of Indian persons having a potential for health professional careers; to make scholarship grants to Indian individuals enrolled in health professional schools; to entitle those receiving professional scholarship grants to employment in the Indian Health Service during the non-academic period of the year without regard to employment ceilings; to make scholarship grants to train individuals in environmental health, health education and nutrition; and to authorize appropriations for continuing educational allowances for health professional employees of the Indian Health Service.

Title II of the bill would authorize additional appropriations totalling over $490 million for health services over a seven-year period beginning in FY 1977. Title III would authorize additional appropriation authority of $528.6 million over the seven years for construction and renovation of Indian Health Service facilities and $378 million for sanitation facilities for Indian homes and communities.

Title IV of the bill would authorize Medicare and Medicaid eligible Indian persons served by Indian Health Service facilities to participate in those programs by having those programs reimburse the Indian Health Service for services it provides.

Title V would establish a program of con-

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tracts with Indian organizations in urban areas for the purpose of making health services more accessible to the Urban Indian Population. Title VI would require the Secretary to make an annual report to the President and the Congress on progress made in effecting the purposes of the Act; would require submission to the Congress of recommendations for additional assistance at the end of fiscal year 1979; would authorize a study by the National Indian Health Board of mental health, including alcoholism and related problems; would authorize regulations to implement the Act, and it would authorize the Secretary to enter into leases with Indian tribes for periods not to exceed twenty years.

In signing Public Law 93-638, the Indian Self-Determination and Education Assistance Act, President Ford stated that its provisions would enable the Administration to work for the betterment of all Indian people by assisting them in meeting the goals they themselves have set. Accordingly, the Administration already has under way a comprehensive program of Indian self-determination, expanded efforts to train Indians for health careers, and a strengthened Federal effort to advance the health of these Americans.

The Indian Health Service (IHS) within this Department has primary responsibility for providing health care services to Federally recognized Indians and Alaska Natives. The IHS budget has grown from $113 million in FY 1969 to $311 million proposed for FY 1976, an increase of 175% in six years. This growth is enabling the program to make substantial improvements in the health care available to the Indian people. Based upon an estimated 500,000 beneficiaries, in 1976, IHS will spend over $640 per Indian and Alaska Native, or over $2,500 yearly per family of four for health care and health related activities. A staff of over 8,000 full-time dedicated Federal employees assures that the Indians' health needs are met. These figures represent firm evidence that the Administration has placed high priority on investing in health services for Indian people.

S. 522 attempts to add $1.25 billion in spending over a seven-year period which we believe is unwarranted and highly inflationary. Moreover, S. 522 would specify over 20 narrow categorical appropriation authorization activities—including full-time employment position authorizations in seven of those categories—where none exists in current law. This would severely limit the management flexibility that IHS now has to allocate its resources according to priorities. S. 522 would also create new Federal health services and outreach programs for urban Indians who, like any other American citizen in need, have available access to a variety of health services through Medicare, Medicaid and other financing and service delivery mechanisms. The President has stated, with respect to new spending programs "I have . . . concluded that no new spending programs can be initiated this year, except those for energy."

The Department has made advances in improving the health status of American Indians and Alaska Natives over the years. Indians and Alaska Natives participate in health programs administered by the Department on the same basis as any other citizen; other health activities are contributing more than 311 million in 1975 for a broad range of services.

The true measure of our Indian health efforts is found in the continuing improvement of the health status of the Indian people. The improvement has been both profound and enduring. It can be illustrated by the dramatic reduction of Indian death rates between 1955 and 1973. The infant death rate has declined 69 percent; the tuberculosis death rate is down 89 percent; the gastritis and related diseases death rate has dropped 86 percent; and the death rate for influenza and pneumonia is down 54 percent. Moreover, in recent years, the overall health status of Indians and Alaska Natives has come closer to that of the general United States population.

These figures represent firm evidence that the Administration's decision to place high priority on investing in health services for Indian people has been a wise one, and that the methods it has employed to deliver services have been effective. We believe, on the other hand, that almost all of the program provisions of S. 522 are programmatically unsound. Title I, for example, authorizes several different programs for subsidizing the training of Indians as health professionals. Sufficient authority and many programs already exist to train Indians for health careers through the Department of Interior's scholarship program, DHEW's National Health Service Scholarship program—for which $22.5 million have been requested for 1976, training programs within the Indian Health Service, and various other health manpower programs administered by this Department. Efforts continue to increase the number of Indian participants in all of these programs. There is no sound programmatic basis for the establishment of a multiplicity of duplicative categorical programs, particularly when these programs overlap existing authority of the Department.

The unnecessary and unrealistic authorizations which are specified in Titles II and III would create undue expectations and inflationary pressures during a time when the Federal government simply cannot afford expenditures which are above the increases already budgeted for these purposes. The authorizations in Title II are particularly objectionable in that they specifically exempt existing program levels and commitments from being credited toward the authorizations.

Title IV of S. 522 contains a provision of the bill which we endorse, i.e., authorizing Medicare and Medicaid reimbursements for services provided to eligible beneficiaries in IHS facilities. The Department is firmly committed to the idea that third party reimbursements remain available for use in Indian Health Service program activities. We oppose the provision contained in Title IV that would prohibit consideration of reimbursements in determining appropriation levels because it would introduce an artificial and infeasible administrative step into IHS budget formulation. We also oppose the provision for 100% reimbursement for services provided to Indians under Medicaid because no exceptions are made in the financing of public assistance programs by Federal-State matching contributions, and by parity of reasoning none should be for Medicaid. Our position is that Indians residing in a State should receive the same support as any other residents having similar resources.

With respect to Title V, authority already exists for the Department to assist urban Indians in meeting their health needs. This authority is provided by the so-called "Snyder Act" (25 U.S.C. 13) and in the broader authorities of the Department to assist State and local units of government in meeting the health needs of their citizens. The Department already spends $500 million to assist Indians and other citizens in gaining access to available health services and resources. Indians and Alaska Natives are also eligible for Medicare and Medicaid on which the Federal government will spend $22 billion in FY 1976. These programs, we believe, recognize responsibilities of the Federal government to Indians and those of State and local governments to Indians as citizens. We, therefore, strongly oppose the concept of a statutory categorical program solely for Indians residing in urban centers.

We believe that the reporting requirements contained in Title VI of this bill are unnecessary. The oversight and appropriation hearings of the Congress during its deliberations on substantive legislation and appropriations are much more effective and informative than lengthy written reports.

As to the study of mental health and related problems, authority for such an activity already exists. Accordingly, we would oppose section 601 of the bill as unnecessary.

Section 603 authorizes the Secretary to enter into long-term leases with Indian tribes. General authority already exists for the Federal government to enter into long-term leases and, therefore, special statutory authority for the Indian Health Service is not needed at this time.

In summary, we believe that the Department can accomplish the major objectives stated in this bill without the additional provisions proposed in S. 522. Moreover, we do not believe we can urge Presidential approval of any bill presented for his consideration containing the objectionable features and inflationary authorization levels contained in S. 522.

We are advised by the Office of Management and Budget that there is no objection to the submission of this letter and that enactment of S. 522 would not be consistent with the objectives of the Administration.

Sincerely,

CASPAR W. WEINBERGER,
Secretary.

PERSONNEL CEILINGS AND INDUSTRIAL FUND ACTIVITIES

Mr. BAYH. Mr. President, it was my pleasure to join yesterday with my colleague from Indiana, Senator HARTKE, in introducing an amendment to the Military Procurement Authorization bill, which would except employees of industrial fund installations from civilian personnel ceilings.

Industrial funds provide working capital for many industrial and commercial type activities performed for the armed services. Installations performing these tasks are reimbursed from unrelated appropriations at the time costs are incurred. The difficulty in projecting appropriations for a multitude of programs makes personnel forecasting in industrial funds extremely difficult. Industrial fund programs are, Mr. President, quite different from the normal activities carried out by the Department of Defense.

Our experience with personnel ceilings in industrial fund programs has not been good. Rather than promoting efficiency, ceilings have caused dislocations and inefficiency. Military personnel are often used to perform duties which would normally be performed at a lower cost by civilians. Frequently, ceilings result in large expenditures for overtime or the reduction in employment in one location to free spaces for priority work in a different location. Crane Naval Depot in Indiana is but one installation which has suffered from the uncertainty in manpower levels caused by existing personnel ceilings.

I believe, Mr. President, that this peculiar area which we call industrial funds can be managed much more efficiently without personnel ceilings. It is important that the Department of Defense utilize the least costly form of manpower in fulfilling these commercial or industrial-type services. This can best be done by allowing flexibility in use of personnel.

Our amendment will not lead to increased costs, Mr. President. It will result in superior operations in industrial fund activities and, in all likelihood, considerable savings. I hope my colleagues will look upon it favorably.

THE PROMISES MEN LIVE BY

Mr. GOLDWATER. Mr. President, one of the finest men it has ever been my privilege to know, Maj. Gen. Herbert G. Sparrow, retired, recently sent a letter to the Armed Forces Journal which I believe every Member of the Senate should read before he starts thinking about cutting the Defense Department budget.

In effect General Sparrow addressed his letter to the men he had commanded over a 40-year span of service in the U.S. Army. And it was in the nature of an apology for promises he had made to them in the best of faith, concerning what they could expect in the way of pay and fringe benefits for the future. One paragraph of his letter more or less sums up what he was attempting to get across. It said:

> As in the commercial world, so in the national defense business must there be such reliance, and not least upon assurances given by higher authority in matters affecting the personal lives of subordinates. This essential trust must not be undermined, nor should the leaders now holding responsible positions in Congress and in the Administration permit that to happen.

Because of its great importance to so many of our fighting personnel, I ask unanimous consent that General Sparrow's letter be printed in full in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE PROMISES MEN LIVE BY

(By Herbert G. Sparrow, Major General, U.S.A., retired)

An Open Letter to the younger officers and soldiers whom I urged, and may have influenced, to follow a military career.

My commissioned service covered more than 40 years, spanning the transition from horse-drawn Field Artillery in the small, neglected Army of the 1930's to the great nuclear weapons and the forces ultimately deployed in defense of the Free World. It was an exciting career; I have few personal regrets.

But I am troubled by recent events, and especially by the indications of disenchantment which today are evident not only among my retired colleagues but in the active ranks as well. Some of this unease concerns a very sensitive area: our pay, including the eroding and threatened "fringe benefits" about which we hear so much. Accordingly this letter is written because, as a commander at many levels I've been a party to your expectations regarding the "benefits" part of a soldier's pay. The time has come, I think, to record what was my own understanding of those benefits, what promises I received, what promises I made to you.

First, the nature of the promises. Various authorities today are expressing doubt whether promises officially made, say, in recruiting, are to be regarded as legally binding. Yet we know that such equivocation is the very root of the problem of maintaining "credibility." For myself, I can say only that I accepted in good faith, relied on throughout my service, and repeated to thousands of you—recruits and soldiers, noncommissioned officers, cadets, young officers and others considering the military service as a career—the general and accepted understanding of the unwritten contract between the Soldier and the Government.

The words (so familiar!) went like this:

"You'll never get rich in the service: you won't live in luxury. If making money is your object, then a military career is not for you. The successful businessman, the doctor, the lawyer, the architect, the engineer—all these may have financial expectations well beyond what the Service has to offer, even though in terms of personal responsibility more may often be asked of you, than of them. . .

"But the service in fact offers certain material compensations, which together provide an important measure of security for you and yours. Thus, though active duty pay and allowances seem low, you have the prospect (if you live) of very good retired pay. . . . And whether active or retired, you and your family may count on medical and dental service, as well as commissary and exchange privileges. . . . And finally if, on separation, you're found to have service-connected disability, then you'll receive compensation for it, tax free, as long as the disability may last.

Taken together, these benefits provide a guarantee of security for you and your dependents both now and later, when you retire."

How often I heard those words, and repeated them, in 40 years! Evidence of their authenticity, if evidence were needed, may be found in the records of Congress and of DoD itself. In every pay study, such as the Cordiner Committee, the Bolte Group, the Hubbell Committee, painstaking efforts were made to identify and where possible to "cost" each benefit as a component part of military pay. Indeed, to insure that the Serviceman would be fully cognizant of all such benefits—such as the pay "imputed" for retirement—service-wide instruction was conducted.

The benefits were also spelled out in Regulations and in information provided to persons retiring, thousands of whom based their retirement plans on the accessibility of this support at military bases.

SUSTAINED BY FAITH IN SENIORS

The nature and validity of these commitments being thus established and widely recognized, it seems inconceivable that they should now be abrogated out-of-hand, or without full compensation to the men and women, including surviving dependents, who trusted their government, served it, and serve it still.

If what is just written sounds idealistic, perhaps it is. Throughout my service I have been sustained by a deep faith, not only in the integrity of my superiors, but by the conviction that "Management," from the Secretary on down, was on my side.

All my commissions, from Second Lieutenant on begin with the words, "Know ye, that reposing special trust and confidence . . ." like you, I'm proud of those words and have done my best to live up to them. Conversely, you and I placed our trust and confidence in our seniors. Whether in garrison or in combat, we felt no anxiety about our personal welfare or our families' because we knew that "Management" would fight those battles for us. Paternalistic? Possibly. But remember: the Service people are the sons and daughters of America.

As in the commercial world, so in the national defense business must there be such reliance, and not least upon assurances given by higher authority in matters affecting the personal lives of subordinates. This essential trust must not be undermined, nor should the leaders now holding responsible positions in Congress and in the Administration permit that to happen.

MUTUAL TRUST IS ESSENTIAL

We know that confidence, like loyalty, is a two-way street.

Mutual trust, extending from and to the Commander-in-Chief through his Secretary, and throughout the military structure, not excluding the retired members—this mutual trust is a pearl of great price for lack of which history has shown that mere numbers of men, even with advanced technology, are no sure defense.

Not long ago a Service Secretary, speaking to a group of senior retirees, made the point that "We need your support!" He did not get an enthusiastic response. What has happened?

Perhaps part of the answer lies in this "benefits" business. We know that some of the vaunted attractions have been lost without recompense, such as dental support for dependents and retirees.

Item: The retired element will point to the change of ground rules affecting retired pay in 1958, as a "betrayal."

Item: Younger men and women in uniform, whose children are still with them, are shocked by the decision to downgrade the Commissary benefits.

Item: Disabled veterans are outraged by proposals to tax service-connected disability compensation and military retirement disability pay.

Item: In context of the Commissaries and of comparability, the "discovery" is announced (now discredited, I believe) that our military are overpaid, anyway . . .

Well may we ask, "Who is fighting our battles now? Who is on our side?"

The title of this letter, "The Promises Men Live By," is from a book on economics by Harry Scherman. Mr. Scherman makes the point that, despite occasional lapses, business operations in any society depend upon good faith and mutual confidence, including reliance on the spoken word.

My purposes in writing this letter are three-fold:

First, freely to acknowledge that officially, in the uniform of the United States Army, I made promises concerning benefits to you as they were made to me, with complete assurance the promises would be kept;

Second, to emphasize the reliance which the men and women of our profession place upon those promises, and how widespread is that reliance;

Third, to point to a peril far more serious than any loss of benefits: The undermining of that basic trust and confidence in authority which is fundamental to the effectiveness of our nation's armed forces.

To conclude on a more positive note: There are today in our government, as there have always been, men of intelligence, perception, human understanding and judgment,—men who believe in the integrity of the spoken word and who are concerned for the well being of those who serve and have served in uniform. By placing our trust in them, and by actively giving them our support, we may be sure that our country will not let us down, and we may insure that these "threatened" benefits will either be kept substantially as they are now or else be replaced by fair and timely compensation to the men and women who earned them.

ABOUT THE AUTHOR

Major General Sparrow was commissioned in Field Artillery upon graduation from the Military Academy in 1933. He commanded

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troops at every level, from horse-drawn batteries in the Thirties to a guided missile brigade in the Sixties. He served in the Pacific during WWII, and with military assistance groups in Indochina and France in the postwar years. His total overseas service includes five years in Europe and six in the Far East. General Sparrow is an Army War College graduate, and has taken civilian graduate work at Columbia and George Washington Universities, as well as the Advanced Management Program at the Harvard Graduate School of Business. He retired in 1970, and was concurrently recalled to active duty to head the Army Council of Review Boards. In 1972 and 1973 he led the Army's Personnel Support Systems Study, retiring for a second time on 31 July 1973.

NOTICE OF PARTICIPATION IN EDUCATIONAL EXCHANGE PROGRAM

Mr. CULVER. Mr. President, in accordance with the joint statement by the distinguished majority and minority leaders on July 16, 1974, I wish to provide for the Record information about the participation of a member of my staff in an educational exchange program overseas.

Dr. Charles Stevenson of my staff has been invited by the Swedish Government to visit Sweden during May 26–30 for discussions with Swedish officials on defense and foreign policy, with special emphasis on Sweden's national security policy and its role on Europe's northern flank.

I have approved Dr. Stevenson's acceptance of this invitation, for I believe that his participation in such an educational exchange program will enhance his capacity to perform his duties in the Senate.

THE BUSINESSMAN AS A REVOLUTIONARY FROM JAMESTOWN TO TRANQUILITY BASE.

Mr. GARN. Mr. President, I have had recommended to me a fine speech concerning the Nation's Bicentennial. It would be a shame for me not to pass it on to my colleagues for their information.

We will hear many speeches between now and July 4, 1976, on the birth of our Nation, but this speech is unique. It was delivered to the Harrisonburg-Rockingham Chamber of Commerce in observance of "American Business Day," by Mr. Jeffrey St. John, Bicentennial editor and correspondent for TVN Newservice and syndicated columnist for the Copley Newservice.

The speech is entitled "The Businessman as a Revolutionary from Jamestown to Tranquility Base," and in it he reminds us, in this time of constant attack upon the corporate structure and free enterprise system, that the American genius for innovation and daring, along with its desire for peace and prosperity, was forged from the ashes of a revolution. That revolution, which caused the birth of history's greatest experiment in freedom, was fueled by businessmen. Since that time, businessmen have continued to work for the best interest of the American people.

Mr. St. John ably reminds us that the Bicentennial is a time for setting new goals and future projections as well as remembering who has had an influence on our success as a nation. Certainly the businessman heads the list of those who have led to our success.

I recommend this outstanding speech to my colleagues as it was recommended to me and ask unanimous consent that it be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

The Businessman as a Revolutionary From Jamestown to Tranquility Base

(By Jeffrey St. John)

"Houston: This is Tranquility Base—the Eagle has landed."

Apollo 11 astronaut Neil Armstrong spoke those words seconds after the first manned landing on the moon. The date: July 20, 1969. It took only a few seconds for Armstrong's words to inform and electrify the world with the news that a centuries-old dream had become an epic reality.

It took, of course, much longer for the news to reach England that Captain John Smith had landed at Jamestown on May 13, 1607, with 105 of his brave followers. When the Jamestown residents saw the first full moon from the first permanent English settlement on this continent, it's doubtful that they could have conceived that a man would some 362 years later walk on its surface. It's also doubtful that they realized fully what place in history they themselves would ultimately occupy.

The historian, Richard B. Morris, in his work "The American Revolution Reconsidered," contends that "One might well argue that the Revolution began when the first Englishman came to Jamestown and Plymouth."

What the landing at Jamestown in 1607 and the landing on the moon in 1969 have in common is that they are anchor points in time: opposite ends of a historical yardstick by which to measure how far we have come as a nation. And, most important, why: It seems to me that we could use such a set of comparisons at this moment in our history. Only by knowing what happened between Jamestown and the landing on the Sea of Tranquility can we appreciate fully the great progress we have made as a nation.

But we also need to know what principles played a critical part in making that progress possible. And it is important to know who were the principal players in this unprecedented drama spanning three and a half centuries.

I need not tell this audience that Jamestown was essentially a private enterprise undertaking. With historical hindsight we can now see that this undertaking was a kind of forecast of the future that awaited America for the new two centuries. Let me use our yardstick of history to illustrate.

It was fundamentally the private enterprise function that produced a prosperous 13 colonies in the period from 1607 to the outbreak of the American War for Independence in 1775. In fact, what sparked our rebellion from England two centuries ago was not just a denial of political liberties, but a denial of economic freedom as well. American merchants and planters writhed under the economic handcuffs the British Crown sought to impose.

Many of the active advocates of independence, some of them "Reluctant Rebels," were businessmen! A fact that is generally ignored or held up to scorn.

The financing of the War for Independence came from businessmen, although the major credit for financial help to Washington's army is often accorded France, and then reluctantly. It was true that France played a critical role, but so did American businessmen.

When independence was won, it was businessmen who played a critical part in shaping the new nation, many serving in the first administrations of the infant Republic.

After the adoption of the American Constitution in 1789, it was primarily businessmen who built the great industries of the 19th century and made America an industrial giant: all within the short span of a single century!

But what were the principles that made that remarkable achievement possible?

To answer that question we need to move our historical yardstick back to 1775 and pinpoint two seminal developments that were the underpinnings of the American Revolution: one political and one economic.

We all realize that next year we will celebrate the Bicentennial of the Declaration of Independence. What is not generally known, however, is that we should also be celebrating the 200th birthday of the publication of Adam Smith's "The Wealth of Nations." It was no accident that Smith's book and Jefferson's document were both published in 1776. Each document spoke persuasively as a manifesto for freedom: one political, the other economic. The principles contained in each of these works were put into practical form by the Founding Fathers. The consequences were unprecedented and spectacular.

First, the new government's guarantee of individual liberty and private initiative unleashed a profusion of inventions never before, or since, seen in the history of mankind. Businessmen risked great amounts of capital, translating the more practical inventions into tools for progress. In turn, labor, comprised of many individuals of the greatest human migration in history, manned the industries that the partnership of the inventor and the businessman created. It was, and remains to this day, a non-coercive partnership of industrial freedom.

A second consequence of the fusion of the principles of economic and political freedoms was the rapid industrial progress in the 19th century which laid the foundation for further progress in our own century. For the foundation of our current technological age was laid in the 19th century. The practical application of the steam engine, for example, paved the way in fundamental principle for the practical application of the gasoline combustion engine of the 20th century. On this base was built powered flight, and from powered flight we began to think of flights beyond the earth's gravity to the moon and beyond.

When Neil Armstrong landed on the lunar surface, 362 years after Jamestown, that spectacular trip and safe landing were also the fundamental triumph of American business!

Remarkably this record of achievement I have just recited, a journey from Jamestown to Tranquility Base, is dismissed or ignored. Something is seriously wrong with a nation that cannot recognize such a record. And something is downright deficient with businessmen when they cannot offer these three and a half centuries of progress and plenty under freedom as the basis for justifying their existence! For this record is not only remarkable, it is revolutionary in the positive and constructive sense of the word.

This is why I titled my talk, "The Businessman as a Revolutionary: From Jamestown to Tranquility Base." For despite the negative images the word "revolution" invokes, the American businessman has been the agent of revolution. In fact, he has been the agent for three revolutions since Jamestown: the American political revolution of the 18th century; the Industrial of the 19th, and the Technological of the 20th.

For these reasons and others, I find the idea of "American Business Day" long overdue.

I confess to you a certain sense of the ironic that this idea, simple but strong, should have its origins with one man and in one town the size of 16,000. One might ask: why was this idea not the product of the high-powered and high-priced public relations and advertising cadres of the multi-billion-dollar corporations? But then again, that the idea should originate here, at Grassroots America, is consistent with what has happened throughout our nation's history. We tend to forget this fact, to our sorrow and loss. Bigness is supposed to generate large ideas. Well, that's just so much balderdash—to use an appropriate 19th century term.

One cannot help but observe that the leadership the Harrisonburg-Rockingham Chamber of Commerce has provided in a "National Business Day" is the continuation of a vigorous leadership in this State.

I need not remind this audience of Virginia's history at any length. Virginia was not only the first of the 13 original colonies with the Founding of Jamestown in 1607. It was the cradle from which came the major intellectual and military leaders of the American revolution. It was the crucible from which two of the great state papers of freedom was forged: the Declaration and the U.S. Constitution. It has been the birthplace of a procession of Presidents.

So tonight, I salute you for keeping faith with the past by exercising leadership for the future.

The idea of a "National Business Day" comes on the eve of our Bicentennial. It seems to me that you here in Harrisonburg and Rockingham started something that could be of inspiration to the entire American business community. It could conceivably be the basis for a nationwide business Bicentennial program—with the goal of making "American Business Day" next May 13 a national day of re-dedication to the private enterprise system. And this is made even more relevant by the fact that you have the good historical sense to the "National Business Day" to the building of Jamestown.

Your efforts on behalf of a "National Business Day" come at a time when business has become the most maligned group in our society. Linked to a Bicentennial program for the next year, the goal of a "National Business Day" in 1976 could prove a constructive and affirmative response to the progressively eroding posture on the part of all American business in the arena of public opinion. All past efforts to improve the image of business have proven less than effective. Perhaps it's time to try a new approach.

American businessmen, from the beginning of the nation until 1933, played a leading and prominent role in the affairs of the nation. In the last four decades they have been progressively hampered, while correspondingly there has arisen an elite dedicated to running business. But this elite is comprised mainly of academics, intellectuals, journalists and professional bureaucrats who have no real hard-won experience in business. In recent times this elite has grown bolder and more totalitarian. Fundamentally, it has formulated what we might call "The Scapegoat Gambit." Business, in the last fifteen years, has been assailed as the cause of almost every social problem in our society. This scapegoat gambit by many political leaders and their supporters in the academic world and the mass media has now reached a new phase. We see the stern imposition of laws against businessmen for alleged illegal political campaign contributions. Yet these same laws are massively violated by labor unions, all of which goes unreported and the violators unpunished.

This double standard suggests something more than hypocrisy. It suggests that we are at a stage now when a concerted effort is underway to drive American business out of all political life. To make it impossible for businessmen to exercise their constitutional rights to political expression. I might point out, in this connection, that a curious corollary to this campaign took place in the wake of the Arab oil embargo. Oil companies, seeking to tell their side of the crisis, purchased advertising space. Immediately there arose in Congress a chorus of protest and moves to prevent businessmen by law from purchasing advertising space or broadcast time!

The past fifteen years of the Scapegoat Gambit against business by political leaders, had it been carried on against any other minority, would have produced a chorus of protest. But remarkably, the Scapegoat Gambit has continued unabated and unchallenged by businessmen themselves.

One might venture the view that businessmen are in precisely the same position the Colonists were prior to the outbreak of the War for Independence: beset by a tyranny with tentacles that reach deep into the private enterprise system. But unlike the Americans of two centuries ago, there is neither rebellion nor protest—only silence.

Your idea of a "National Business Day" is, hopefully, the beginning of something bigger and better for U.S. business. But may I point out to you that enactment of this great idea is even now stalled in Congress by an obstructionist Congresswoman from Colorado. Has the hatred for business reached such black depths in Congress that business cannot even gain adoption of one day out of 365 to honor the private enterprise system? But look at the composition of Congress. What do we find? Not men who have had experience in business, but mostly lawyers. This should tell us something about the nature of the problem facing business.

We are on the eve of celebrating the Bicentennial of a Revolution for freedom and revolt against institutionalized tyranny. It was a revolution—unlike all other revolutions that followed it—that made good on its promise: the promise of freedom in all spheres of life . . . political, economic, and social. We don't need to re-dedicate our lives, our fortunes and honor to that revolution; we need to finish what the Founders of the Republic began two centuries ago. And since businessmen played so prominent a role in that heroic undertaking, it is a standard and a cause that business should be able to rally to with dedication.

The journey from Jamestown to Tranquility Base has been one of the great accomplishments that built a great nation. Surely this should give us confidence that the cause which we mutually embrace is one which has demonstrated its capacity for constructive accomplishments.

I am confident that your presence here tonight with the idea of a "National Business Day" is a first shot, if not heard around the world, will be heard around the nation.

WILL THEY CALL IT "McNAMARA'S WAR"?

Mr. GOLDWATER. Mr. President, I recently received a clipping from an Atlantic City newspaper which reminded me that we seem to have done a grave injustice to one man who had a great deal to do with the war in Vietnam.

My reference is to former Defense Secretary Robert S. McNamara, now president of the World Bank. It was on McNamara's recommendation that the whole Vietnam problem could be solved with a few "military advisers" that President Kennedy made the decision to take the first step in Indochina. When President Johnson made the decision to escalate the war in 1965, it also was on McNamara's advice.

When several Senators began calling the conflict "McNamara's War," the then-Defense Secretary said he was "proud" to have the struggle against communism in Southeast Asia named after him.

Because, Mr. President, I would not want former-Secretary McNamara to feel slighted, I ask permission that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Atlantic City Press, May 15, 1975]

Will They Call It "McNamara's War"?

(By Clark Mollenhoff)

Washington.—As the curtain came down on the tragic Vietnam war experience there was an amazing lack of comment on the man who had the greatest responsibility for getting the United States involved.

Robert S. McNamara, now president of the World Bank, was secretary of Defense for nearly seven years and dominated military and related foreign policy decisions of the Kennedy and Johnson administrations.

It was on McNamara's recommendation that the whole Vietnam problem could be solved with a few "military advisers" that President Kennedy made the decision to take the first of several steps. When President Johnson made the major escalation decisions in early 1965, it was on the advice of McNamara and with McNamara making the public justifications and rationalizations.

The late Senators Wayne Morse (D-Ore.) and Ernest Gruening (D-Alaska) called the conflict "McNamara's war."

The then Defense secretary said he was "proud" to have the struggle against communism in Southeast Asia called "McNamara's war," and he forecast a great victory for democracy at a "cost effective" price that would ring through history.

The Johnson-McNamara policies eventually sent more than 535,000 U.S. military men into South Vietnam at a cost of more than $20 billion a year. Until Congress pried it out of him the heavy military expenditures in Vietnam were buried in Defense budget complexity with McNamara producing false and misleading statistics to demonstrate the low cost to the American taxpayers.

McNamara disregarded the opinions of the Joint Chiefs of Staff that if we became embroiled in a land war in Asia it would take several hundred thousand American military men. He and a little band of men that included General Maxwell Taylor preached that a "limited engagement" was possible. McNamara sold the view to President Kennedy and Johnson in the face of substantial military opinion to the contrary.

This was done by Secretary McNamara delivering his sales talks to the Presidents in person, with no more than one member of the Joint Chiefs present on most occasions. The Defense secretary vigorously stated his position, giving the impression that it was the unified position of the Joint Chiefs.

If there was fault within the military it was for remaining silent while the aggressive Defense secretary sold his viewpoint. The Joint Chiefs only complained in private to the late Senator Richard Russell (D-Ga.), the late Rep. Mendel Rivers (D-S.C.) (chairmen of the Senate and House Armed Services Committees), and other senior military specialists in Congress.

In the summer of 1965 McNamara set off

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on a five-day fact-finding mission that set the stage of escalation from 75,000 to 125,000. Before the year was out he announced the number of Americans would be boosted to between 350,000 and 400,000.

The full duplicity of McNamara in regard to his reports to Congress did not emerge until the publication of the Pentagon Papers in 1971, but Senator J. William Fulbright (D-Ark.), then head of the Senate Foreign Relations Committee, complained bitterly that the Defense Department had assumed a larger role in foreign policy than the State Department because of McNamara's "great persuasive powers."

Fulbright also noted that the Defense Department controlled more than 50 per cent of the enormous government contracts with private U.S. industry, and had used this lever to help put its view across.

No doubt, McNamara believed that what he was doing was in the best interests of the United States, even as he overruled the Joint Chiefs and underestimated the U.S. costs in the Vietnam war. But his reports were an important part of U.S. foreign policy—Presidents Kennedy or Johnson would have been most reluctant to commit several hundred thousand U.S. servicemen to that war.

McNamara was reported "out of the city" and "unavailable for comment" at the recent conclusion of the war in Vietnam.

The most vocal critics are centering their fire on questionable actions by former President Nixon and Secretary of State Henry Kissinger. Many of these critics do not want to look back to when they bought McNamara's misjudgments, which are a vital part of the lesson on Vietnam.

REFUGEES FROM INDOCHINA

Mr. BAYH. Mr. President, I have been very pleased by the prompt action the Senate has taken during the last week in passing an authorization and an appropriation bill to provide assistance for refugees from Vietnam and Cambodia. Funds which were previously available for this purpose were being rapidly exhausted and it was essential that Congress move quickly so these people could be processed and relocated without undue delay.

Mr. President, we are a nation of immigrants. The diversity of our peoples has given us strength. It has been one of our finest traditions to extend a welcoming hand to millions of people who were oppressed and homeless, and it is very appropriate that as we begin the observation of our Bicentennial, we are once again following that tradition in aiding these most recent arrivals who have fled their native countries because of fear for their lives or an unwillingness to live under Communist rule.

There has been a great deal of talk, Mr. President, that the fears of many of these refugees were unfounded and that they should be encouraged to return to their homes. This is a highly speculative argument which will be resolved only with time and then subjectively. While we should certainly help those who wish to return to Vietnam, we should do all we can to assist those who have made a firm decision to come to the United States. We cannot substitute our judgment, if indeed we could reach a consensus on such an issue, for theirs.

There have also been expressions of concern regarding the ability of the United States to accept more people in a time of severe economic recessions. I appreciate the misgivings of Americans who have taken this point of view, but I believe that their fears should not be profound. Since the Second World War, over 1.3 million immigrants have come to America, among them 675,000 Cuban and 31,000 Hungarian refugees. Each year we admit about 400,000 immigrants. There has been no serious economic impact from this immigration, and it is unlikely that the influx of 120,000 refugees from Vietnam, of whom about 35,000 will be seeking jobs, will have a significant impact now. When over 8 million people are unemployed, this Nation needs to adopt a sound economic policy, not severe restrictions on immigration.

Mr. President, the legislation passed by Congress has considerable merit. It stresses the role of voluntary agencies and provides adequately but not lavishly for the care, relocation, and training of refugees. I was pleased that reimbursement will be provided to State and local governments for services performed in behalf of refugees as well by provisions that aid will be extended only to those "who are in urgent need of assistance for the essentials of life." The few refugees who have considerable resources should certainly provide for themselves.

Mr. President, I wish to compliment the members of the Foreign Relations and Appropriations Committee who took such prompt action on the refugee bills. Congress and the President have acted admirably in their bipartisan effort to fulfill our obligations to thousands who became closely associated with our Nation and our people during the tragic war in Indochina.

WELCOME TO THE VIETNAMESE

Mr. HUGH SCOTT. Mr. President, an editorial which appeared in yesterday's Philadelphia Inquirer sums up what should be the proper American response to the many Vietnamese refugees who are arriving in this country. One word says it all: Welcome.

Mr. President, I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WELCOME TO THE VIETNAMESE

"To be honest is to realize that the ultimate measure of a man is not where he stands in moments of convenience and moments of comfort, but where he stands in moments of challenge, in moments of controversy."

It is now eight years since the Rev. Martin Luther King Jr. spoke those words in behalf of putting an end to the Vietnamese war and to the suffering of the Vietnamese people. Now such a moment has arisen. The war has ended, at long last, and more than 125,000 of those people have fled to the U.S.

Fortunately, the better instincts of the American people seem to have triumphed over the initial hostility, with its ugly undertones of racial prejudice, to the Vietnamese. That could be seen in the 79–2 vote by the U.S. Senate for $405 million to aid resettlement of the refugees, the two dissenters being conservative Republicans Jesse A. Helms of North Carolina and William L. Scott of Virginia. Earlier, the House by a similarly overwhelming vote of 381–31 approved an authorization measure.

Now, with the announcement that as many as 15,000 refugees will be processed at the Indiantown Gap Military Reservation near Harrisburg, Pennsylvanians will have a challenge of their own.

The processing will be handled by federal personnel, but the Shapp Administration is gearing up to help coordinate private aid in uniting refugees with American sponsors. Most of the refugees will be dispersed around the northeastern states, but it may not be amiss to note, as did Lt. Gov. Ernest P. Kline in making the announcement, that quite a few jobs will be created in renovating the federal military post and in taking care of the refugees. "I can only see from an economic standpoint positive things happening," he said.

We trust we all will see positive things happening also from a moral standpoint. This commonwealth was founded by refugees, and immigrants—English, Irish, Germans, Italians, Poles, Swedes, people of all races and religions—have contributed to it. These refugees, however, are a special charge on us, for most of them would not have fled their country had it not been for our intervention there. We owe them a welcome, as we owe it to our conscience.

FINANCIAL STATEMENT OF SENATOR BAYH

Mr. BAYH. Mr. President, as the Members of this body know, I have long supported the imposition of higher ethical standards on all of us who do the public's business whether in the executive, legislative, or judicial branches. As one step I am today, as I have every year since 1969, making public a detailed description of my current assets and liabilities as well as my income for the calendar year 1974 and the State and local taxes paid last year.

I ask unanimous consent that my financial statement be printed in the RECORD.

There being no objection, the financial statement was ordered to be printed in the RECORD, as follows:

PERSONAL FINANCIAL DISCLOSURE OF SENATOR AND MRS. BIRCH E. BAYH, JR.*

ASSETS OF MAY 20, 1975

Cash in hand in savings and checking accounts	$3,000
340-acre farm located in Vigo County, Ind. (basis at acquisition)	68,000
Residence, 2919 Garfield Street, N.W., Washington, D.C.:	
Acquisition Cost	
Lot	25,000
House	75,000
Less mortgage	51,140
Net	48,860
Securities place in blind trust in May, 1970 with Terre Haute First National Bank (based on May 14, 1970, market value: present value unknown)	45,655
394 shares Vigo County, Indiana Farm Bureau Cooperative Association	2,122
Farm Producers Marketing Association	250
Tangible personal property (estimated)	8,000

Footnotes at end of article.

Cash value of life insurance (approximate)	11,200
Automobiles (2):	
Book value	5,800
Less encumbrance	4,112
Net	1,688
Total value of all assets	188,775

INCOME 1974, MARRIED COUPLE FILING JOINTLY

Salary	44,012
Dividends (less $200 exclusion)	2,913
Interest income	1,642
Honoraria and writing income (net)	7,527
Net loss in capital assets	1,000
Royalties	275
Farm income	18,500
State income tax refund	739
Total income	74,608
Federal taxes paid	20,212
Indiana State taxes paid	1,540

* Does not include property which was purchased by Mrs. Bayh in her own name with the proceeds of her father's estate.

CROWDING OUT—III

Mr. GOLDWATER. Mr. President, recently the Legislative Affairs Secretary for the Treasury, Mr. Frederick L. Webber, sent me an editorial from the May 12 issue of the Wall Street Journal which he said is an accurate portrayal of Treasury Secretary Simon's attitude on the capital investment situation.

The editorial, entitled "Crowding Out—III" seemed to make the point that financiers had done too much cheering when the April tax returns to the Treasury Department were found to be $5 billion more than had been expected.

In effect the Journal's editorial said the Government will be crowding out investments for sometime to come. It pointed out that the Treasury Department will be required to borrow some $70 billion of new money in the credit markets this year. By comparison the largest previous deficit for any calendar year since World War II was $21.9 billion.

In addition, the Journal pointed to Secretary Simon's announcement that during 1976 the Treasury will need to borrow another $86 billion on top of the $70 billion for this year. Mr. President, as much as I hate to be a source of bad news I do believe it is important that the Members of Congress know how the Treasury Department regards these matters. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, May 12, 1975]

CROWDING OUT—III

When it finished opening all the envelopes from the April tax returns, the Treasury found itself with $5 billion more than it had expected. Announcement of this pleasant discovery sparked a rally in the bond markets, and by nightfall bond traders who had been cheering our "crowding out" editorials had switched their tune.

One expects bond traders to have that kind of time horizon, but one hopes those thinking seriously about the economy will look further ahead. "Crowding Out" does not primarily concern chaos in the bond markets; that can happen, but it is merely a bizarre symptom. The disease itself centers on two far more fundamental things, the rate of inflation, and the rate of capital investment. Bond markets aside, these two fundamentals will shape the progress of the economy over the next several years.

The crowding-out argument consists of a series of very simple statements: Government borrowing competes with private borrowing. Government borrowing finances government deficits. Private borrowing finances capital investment. Capital investment is a central determinant of future economic growth.

Borrowing is possible only to the extent savings are available to finance it. When borrowing demands exceed savings supply, interest rates rise. At this point the Federal Reserve System has two choices:

The Fed can allow the rates to rise. This means that someone who would have borrowed at the lower rates must drop out of the market. The government will not drop out by reducing its deficit. So private borrowers must drop out by reducing capital investment. Thus the government crowds out investment.

Or the Fed can create enough money to accommodate both government and private borrowers. If the Fed creates money too rapidly, it causes inflation.

We are a bit startled, frankly, that this series of truisms should engender such controversy. There are of course differences over magnitudes, and these differences are important in assessing the likelihood of bond-market chaos and other crises. But the magnitudes are not so important in assessing the impact of government borrowing on capital formation. For whatever the interest rates are, and whether they are at a given moment headed up or down, they would be lower if the government demands were less. These lower rates would mean more private borrowing, and more capital formation. In this sense, the cancelation of planned bond issues over the last six weeks is simple proof that crowding out is now taking place.

Now, to say that government deficits are never without costs is not to say the costs should never be borne. We have previously expressed our skepticism about the standard Keynesian view that deficits are in themselves stimulative. We have trouble seeing how it helps for the government to give money to B that it took from A, whether it took from A by taxing or borrowing. The real reasons the truisms evoke such controversy is that while they are truisms, lining them up seriatim points to the Achilles heel of Keynesian doctrine. But the world works in mysterious ways, and just possibly there is some truth to the Keynesian prescription.

In any event, up to some limits a deficit is not very damaging during a recession. Since private loan demand naturally falls, there is room for additional government borrowing before interest rates are dramatically affected. In any event, existing income-support programs will drive up spending as more people collect unemployment payments and the like. Surely we want to support incomes, both for social purposes and economic ones. And the process reverses itself as recovery starts; the deficit shrinks to make room for rising private loan demand.

There are limits to this natural adjustment process, however, and the current deficits are very large. To cover the deficit, the Treasury will borrow some $70 billion of new money in the credit markets this year. By comparison, the largest previous deficit for any calendar year since World War II was $21.9 billion. The strains of Treasury demands are already apparent. Bond issues are in fact being postponed, though since the beginning of the year the Federal Reserve has created money at an annual rate of 7% to 7.5%, already at the top of the range the Fed considers non-inflationary over the next year.

Now comes Secretary Simon's announcement last week that during 1976 the Treasury will need to borrow another $86 billion on top of the $70 billion this year. We still hope, of course, that 1976 will be a recovery year, when private borrowing needs start to climb. And Secretary Simon's estimate is predicated on the assumption that Congress will stick to the spending ceilings set by the House Budget Committee. With this kind of borrowing, it's hard for us to see how the Fed can avoid the choice of allowing a credit crunch to crowd out investment, or boosting the money supply in ways that will unleash a new round of inflation. In fact it will choose the second, and we will be on a new roller-coaster of boom and bust.

Which brings us to the most annoying of all the various criticism of the crowding-out thesis, that it is fundamentally correct but "premature." This warning comes from both the First National City Bank and Ronald A. Krieger of Goucher College, writing in The New York Times. The crowding-out crisis will not occur until 1976 or 1977, they argue, and to warn of it during 1975 is to cry wolf too early.

Whether or not crowding out goes beyond an erosion of the potential capital stock and becomes a full-blown crisis depends on Congress' spending and taxing decisions, in particular on whether it tries to fight recession by putting into place spending programs that will persist into the recovery phase. In case Professor Krieger and Citibank haven't noticed, Congress is making those decisions right now, every day.

SEX DISCRIMINATION IN FEDERALLY ASSISTED PROGRAMS

Mr. BAYH. Mr. President, in June of 1972, the Congress enacted title IX of the Education Amendments of 1972 prohibiting sex discrimination in all federally assisted programs. Final regulations to implement this landmark legislation are still awaiting Presidential approval. Once the regulations received the White House stamp of approval, they must come before the Congress for a 45-day period during which either House may pass a resolution of disapproval.

An element of controversy has arisen concerning the authority of the Department of Health, Education, and Welfare to enforce these regulations. Questions have apparently been raised as to the power of HEW to cut off Federal funds on an institutional as opposed to a program by program basis. For those who have this concern, I would like to point out that the proposed title IX regulations go no further in extending the legitimate authority of HEW to cut off Federal aid that has been the case in the Department's enforcement of title VI of the Civil Rights Act of 1964 involving discrimination based on race. HEW's authority in enforcing title VI has been consistently backed by the Supreme Court.

In order to fully document the legitimacy of this approach to ending discrimination be it based on race or sex, I ask unanimous consent that a memorandum prepared by the Library of Congress, a Texas Law Review article, as well as a document prepared by the Association of American Colleges be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

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WHAT CONSTITUTES AN "EDUCATION PROGRAM OR ACTIVITY" UNDER TITLE IX?

Are programs that do not directly receive Federal funds, such as athletics, covered?

Title IX of the Education Amendments of 1972[1] mandates that:

> No person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination *under any education program or activity receiving Federal financial assistance.*[2] (italics added)

The statute itself does not define "program or activity." Indeed, from a straightforward examination of the statute, it is not clear whether "program or activity" encompasses:

(1) *only* those programs or activities directly receiving federal monies;

(2) *all* programs or activities (whether or not they directly receive any federal money) if *any* program or activity within the institution receives federal money; or

(3) something between these two extremes—that is, all programs or activities directly receiving federal money, as well as some programs or activities not directly receiving federal money.

HEW's interpretation of the coverage of Title IX (as outlined in the proposed regulations issued in June 1974) falls between the first two extremes, although it leans towards the broader interpretation.[3] This paper discusses some of the issues which could appropriately be considered in determining the proper coverage of Title IX.

If "program or activity" is interpreted narrowly to include *only* those programs or activities directly funded by the federal government, an institution would be legally free to discriminate in all programs or activities which did not directly receive federal aid. Such an interpretation would severely limit the impact of Title IX, and would be contrary to the purpose of the statute as outlined in Title IX's legislative history. For example, under a narrow interpretation a department of economics (which did not directly receive federal funds) would be able to limit the admission of women, while the biology department in the same institution (which directly received federal monies) could not discriminate on the basis of sex.

On the other hand, the broadest interpretation of Title IX (that is, covering *all* programs or activities if *any* programs or activities receive federal money) would allow HEW to terminate all federal financial assistance to an institution if there were any sex discrimination in any activity. Thus, an institution which discriminated in one program could *automatically* be subject to the loss of all of its federal grants, contracts and loans. Such an interpretation would in effect treat the whole institution as one "program." HEW is not proposing such a broad interpretation.

There are no cases as yet under Title IX to aid in defining "program or activity." However, the *identical* language in Title VI of the Civil Rights Act of 1964[4] has been interpreted in Board of *Public Instruction of Taylor County* v. *Finch.*[5] The court held that Title VI does not intend wholesale cutoffs of federal aid: rather, it requires a case-by-case determination of those activities which might be discriminatory.

Some people who disagree with HEW's interpretation of the coverage of Title IX (and Title VI) cite *Taylor* v. *Finch* as justification for limiting coverage only to those activities that receive direct federal assistance. However, *Taylor* v. *Finch* dealt with the question of whether discrimination in *one* federally assisted program could automatically result in termination of *all* federal funds, even when there was no finding of discrimination in other programs. The court clearly ruled that illegal discrimination in one part of the school system does not *automatically* "infect the whole," and that "each program receives its own 'day in court.'" At the same time, however, the court clearly supported the concept that discrimination in one part of the school system *could* indeed "infect the whole":

> The administrative agency seeking to cut off funds must make findings of fact indicating *either* that a particular program is itself administered in a discriminatory manner, or *is affected by discriminatory practices elsewhere in the school system that it thereby becomes discriminatory.* (italic added)

Thus, *Taylor* v. *Finch* specifically allows for the possibility that sanctions could be used to prevent discrimination in activities that do not directly receive federal aid: federally assisted programs can be "infected by a discriminatory environment." By requiring "separate consideration of the use or intended use of federal funds" and disallowing wholesale cutoffs of federal funds to *all* programs, the court made clear that its aim was to protect the "innocent beneficiaries of programs *not* tainted by discriminatory practices." There is no language in the decision that in any way condones discriminatory practices in non-federally assisted activities that affect students in programs aided by the federal government.

Also, many institutions receive federal financial aid in non-programmatic ways (such as loans or other student assistance programs). Such general funds, as well as direct programmatic assistance, often enable institutions to support numerous other school activities, such as athletics and other extracurricular activities.

A narrow interpretation limiting application of Title IX (and Title VI) to programs directly funded by the government would undoubtedly lead to funneling general funds (such as student assistance) to specific non-discriminatory programs while allowing blatant discriminatory practices to exist elsewhere in the institution—practices that the law was enacted to prohibit. Under such an interpretation, a school could conceivably maintain an extensive athletic program for males (but not for females), or deny or limit the admission of women to departments or divisions which receive no federal funds (such as a school of music or art), or give preference to males when math or science classes are overcrowded, or limit access to a dining room on the basis of sex. Such an interpretation would not only be contrary to the letter and spirit of the law: it would also run counter to principles established in numerous constitutional cases involving race discrimination, in which courts have held that the education functions of a school district or college include any service, facility, activity or program it sponsors, including athletics and other extra-curricular activities.[6]

Since sex discrimination in these areas, when occurring in publicly supported institutions, may well be prohibited under the constitution, it would be both awkward and unusual for Title IX to allow what may be constitutionally prohibited.[7]

FOOTNOTES

[1] Education Amendments of 1972 § 901–907, 20 U.S.C. §§ 1681–86 (1972).

[2] Education Amendments of 1972, § 901(a), 20 U.S.C. § 1681 (1972). Certain schools are exempt from all or part of the statute. For a discussion of these exemptions, as well as a summary analysis of Title IX, see Margaret C. Dunkle and Bernice Sandler, "Sex Discrimination Against Students: Implications of Title IX of the Education Amendments of 1972." 18 *Inequality in Education* 12 (1974).

[3] Subpart B, Section 86.1 of the proposed regulations provides that, with certain exceptions dictated by the statute, the nondiscriminatory requirements of Title IX apply "to every recipient and to each education program or activity operated by such recipient which receives *or benefits from* Federal financial assistance." (italic added)

[4] Civil Rights Act of 1964, 42 U.S.C. § 2000d (1). Title VI prohibits discrimination on the basis of race, color or national origin in all federally assisted programs. Title IX was patterned after Title VI; the legal sanctions for noncompliance are identical under both statutes.

[5] 414 F.2d 1068 (5th Cir. 1969).

[6] American Civil Liberties Union Women's Rights Project, "Sex Discrimination in Athletics and Physical Education," January 1975, p. 9 of attachment 3.

[7] Private institutions also come under these constitutional prohibitions when there is "substantial" state involvement.

CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C., December 20, 1974.

Hon. BIRCH BAYH,
Attention. Barbara Dixon.
From: American Law Division.
Subject: Proposed Regulations of the Department of Health, Education, and Welfare to Enforce the Sex Discrimination Provisions of the Education Amendments of 1972 (Sections 901 et seq., P.L. 92–318).

Reference is made to your inquiry of November 25, 1974, relative to the above. Specifically, you ask whether the proposed H.E.W. regulations under Title IX of the 1972 Amendments—barring sex discrimination by recipients of federal educational assistance—might be read as applying across the board to educational institutions covered by the Amendment thereby authorizing the agency to terminate all assistance to such institutions where discrimination is found to exist. See, 39 F.R. 22228–22240 (June 20, 1974). Additionally, you ask our views concerning the legal validity of such an interpretation in light of programmatic limitation found is sections 901 and 902 of the Amendments.

Section 901 of Title IX provides that "[n]o person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance." That section then goes on to carve out specific exceptions from the general prohibition with respect to "admission to educational institutions." Basically, admissions policies to all institutions are exempted except "institutions" of vocational education, professional education and graduate higher education, and "public institutions" of undergraduate higher education.

Section 902 contains two basic limitations on agency authority to terminate assistance for violation of the Act. The first of these is essentially geographical in nature, limiting the effect of any cut-off to "the particular political entity, or part thereof" where discrimination occurs. The section further provides, however, that any termination is to be restricted to "the particular program, or part thereof, in which . . . noncompliance . . . has been so found."

As suggested by the foregoing, the statute appears to adopt, for the most part, a program oriented approach to sex discrimination essentially the same as that embodied in the parallel provisions of Title VI of the 1964 Civil Rights Act (42 U.S.C. 2000d *et seq.*). That is, the basic prohibition of section 901 speaks in terms of discrimination under a "program or activity" receiving federal financial assistance. Similarly, the termination sanction prescribed by section 902 is limited in its effect to the "particular program, or part thereof" where discrimination is found to exist. Read together, these restrictions seem clearly to indicate that Congress intended that administrative authority to discontinue assistance be circumscribed within some limits, but the precise scope of this limitation is undefined on the face of the statute and thus remains somewhat uncertain. This basic ambiguity is further compounded in the case of institutional recipients by the express prohibition in section 901 of discrimination in admissions to certain institutions of higher education.

The proposed H.E.W. regulations under Title IX seem to employ a corollary distinction between discrimination in admissions to covered institutions and other less pervasive forms of discrimination limited in their effect to specific programs and activities conducted by a recipient. Subpart C of the regulations bars discrimination "by any recipient" in admissions and recruitment generally and section 86.34(b), which applies to local educational agencies, likewise prohibits discriminatory admissions policies with respect to "any institution of vocational education" or "any other school or educational unit" operated by such agency. This institutional approach where admissions policies are involved is subject to the single express exception contained in section 86.2(o). That section, which tracks a similar provision in section 901(c) of tho Act, provides in effect that where an educational institution is composed of more than one school, department or college, admission to which is independent of admission to any other component, each such school, department or college, is considered as a separate unit for the purpose of determining whether its admissions are covered by the regulation. Thus, according to the explanatory matter accompanying the proposed regulations "if a private institution is composed of an undergraduate and graduate college, admissions to the graduate college are exempt . . . but admissions to the graduate school are not." See, 29 F.R. 22228.

Subpart D, on the other hand, is apparently concerned primarily with discrimination in particular programs and activities operated by a recipient—whether a public or private agency, institution, or otherwise—other than overall admissions policies. Thus, section 86.31 *et seq.* would reach discrimination under "any academic, extracurricular, research, occupational training, or other program or activity . . . which receives or benefits from federal financial assistance." In short, the proposed regulations arguably reflect a position on the part of the agency that, for purposes of determining compliance, the educational activities of institutional recipients may, where general admissions policies are concerned, be viewed as an indivisible entity. Where less pervasive forms of discrimination are involved, however, the regulations seem to contemplate a program by program approach to coverage.

The basic provisions relating to procedures for effecting compliance with the Act are set forth in Subpart F of the regulations. Section 86.48(c), which deals with the termination of funding, expressly incorporates the "pinpoint" provision of section 902 of the Act and provides that "[a]ny action to suspend or terminate . . . Federal financial assistance shall be limited . . . to the particular . . . recipient . . . and shall be limited in its effect to the particular education program or activity or part thereof in which such noncompliance has been so found" Additional evidence of the agency's view with respect to its authority to terminate assistance might be inferred, however, from its position that "an education program or activity or part thereof operated by a recipient of Federal financial assistance administered by the Department will be subject to the requirements of this regulation if it receives or *benefits* from such assistance." (emphasis added) 29 F.R. 22228. In support of this interpretation, H.E.W. asserts reliance on the Appeals Court ruling in *Board of Public Instruction* v. *Finch*, 414 F. 2d 1068 (C.A. 5 1969) where it was held that, under the parallel provisions of Title VI of the 1964 Civil Rights Act, federal funds may be terminated on the basis that they "are administered in a discriminatory manner, or if they support a program which is infected by a discriminatory environment."

The *Finch* case involved a determination by H.E.W. that a county school board was out of compliance with applicable school desegregation guidelines under Title VI of the 1964 Act. Specifically, the hearing examiner found that the school district's "progress toward student desegregation was inadequate," that it "had not made adequate progress toward teacher desegregation" and that the district was "seeking to perpetuate the dual school system through its construction program." Based on these findings, an order was entered terminating "any classes of Federal financial assistance" to the district "arising under any act of Congress" administered by H.E.W., the National Science Foundation, and the Department of Interior until compliance was achieved.

On appeal, the school board argued that H.E.W.'s order terminating Taylor County's aid to education violated section 602 of the 1964 Act which, like section 902, provides that the termination sanction "shall be limited in its effect to the particular program, or part thereof, in which such noncompliance has been so found. . . ." The Board contended that section 602, in effect, requires the federal government to make a finding of discrimination in the operation of each program funded by a particular grant statute. In other words, it was argued that if H.E.W. desired to terminate all assistance to the district, it must demonstrate not simply the basic dual nature of the school system, but that a particular program was being operated in a discriminatory fashion. H.E.W. argued, on the other hand, that the Board's interpretation of section 602 was incorrect and that a general finding of discrimination in the operation of the school system justified termination of all federal aid in the absence of a showing by the recipient that a particular program was free of discrimination.

The Fifth Circuit rejected H.E.W.'s position and adopted the Board's interpretation of section 602. Reading the term "program" as used in that section to mean "particular grant statute," the court held that a general departmental finding of discrimination in the operation of an elementary and secondary school system is insufficient for termination of all federal education aid to that system. In concluding that section 602 requires program oriented findings of fact, however, the court specifically stated that such a requirement does not mean that each program must be considered in isolation.

To say that a program in a school is free from discrimination because everyone in the school is at liberty to partake of its benefits may or may not be a tenable position. Clearly the racial composition of a school's student body, or the racial composition of its faculty may have an effect upon the particular program in question. But this may not always be the case. In deference to that possibility, the administrative agency seeking to cut off federal funds must make findings of fact indicating either that a particular program is itself administered in a discriminatory manner, or is so affected by discriminatory practices elsewhere in the school system that it thereby becomes discriminatory. 414 F.2d 1077–78.

The court did not, however, provide any guidance concerning the kind of factfinding necessary to satisfy its interpretation of section 602. H.E.W. was provided with no express standards for determining what constitutes a sufficient showing of discrimination in the expenditure of federal funds under a particular grant statute or for deciding when one program is "so affected by discriminatory practices elsewhere in the school system" as to justify termination of funds.

The proposed Title IX regulations do not on their face appear inconsistent with the standards set out in *Finch* under Title VI. For while that decision requires the agency to make program by program findings to support a wholesale termination of assistance, the principle announced by that ruling is more in the nature of an evidentiary standard that a substantive limitation and, as such, would not preclude termination of all assistance to a covered institution provided that the agency specifically finds that each funded program or activity is "so affected by discrimination elsewhere . . . that it thereby becomes discriminatory." As noted, the proposed regulations adopt the programmatic limitation of section 902 and do not purport to dispense with the fact finding burden imposed by the *Finch* ruling under the analogous provisions of Title VI. Indeed the agency's express reliance on that decision might be read as indicating its intent to adhere to the principle established therein. Thus, while H.E.W. might arguably be authorized under its Title IX regulations to terminate assistance across the board to institutions which discriminate against women in admissions—at least where the policy is not limited to an "administratively separate unit"—or in other appropriate circumstances, this result would seem sustainable under the *Finch* doctrine so long as it is supported by the required administrative findings, i.e. that the offending practice is of a sufficiently pervasive nature as to create a "discriminatory environment" which "infects" each assisted program or activity conducted by the recipient.

Although the Congressional debates surrounding Title IX are somewhat sparse and inconclusive on the issue, certain portions of the legislative history lend arguable support to H.E.W.'s interpretation of its authority to terminate assistance under Title IX. In the Senate, a somewhat different version of the sex discrimination provisions were originally proposed as an amendment to S. 659 by Senator Bayh of August 6, 1971; 117 Cong. Rec. 30399. The debate at that time centered primarily on the types of educational institutions proposed to be covered and certain other unrelated matters, but some discussion was directed to the effect of the fund termination sanction. During the course of that debate, Senator Bayh made the following observations in response to questions from Senator Dominick.

Mr. DOMINICK. What type of aid the recipient might be getting would be cut off? Let us suppose, for example, that they have guaranteed loans for construction. Let us suppose that they have research grants under the NIH. Let us suppose that they are doing graduate work in some programs authorized by the Defense Department. Just what type of aid are we cutting off here?

Mr. BAYH. We are cutting off all aid that comes through the Department of Health, Education, and Welfare, and as to the specific ones, the Senator has mentioned, I think they would all be included with the exception of research grants made through other departments such as the Department of Defense.

Mr. DOMINICK. The Senator is talking about every program under HEW?

Mr. BAYH. Let me suggest that I would

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imagine that any person who was sitting at the head of the Department of Health, Education, and Welfare, administering this program, would be reasonable and would use only such leverage as was necessary against the institution.

It is unquestionable, in my judgment, that this would not be directed at specific assistance that was being received by individual students, but would be directed at the institution, and the Secretary would be expected to use good judgment as to how much leverage to apply, and where it could best be applied.

The civil rights experience, as the Senator from Colorado knows, indicates that the very possibility of such a sanction has worked wonders. 117 Cong. Rec. 30408 (Aug. 6, 1971).

As amended and passed by the House, S. 659—for which the House had substituted the modified language of H. 7248—prohibited discrimination on the basis of sex in any educational program receiving education financial assistance. During floor debate on the measure, Mr. Steiger engaged Mrs. Green, floor manager of the bill, in colloquy relating to agency authority to terminate assistance.

Mr. STEIGER of Wisconsin. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, let me proceed along the line of the gentleman from Louisiana, and let me ask the gentlewoman from Oregon (Mrs. GREEN) for clarification on what I thought I heard.

In title X the gentleman from Louisiana asked relating to a program on activities receiving Federal financial assistance, and under the "program on activity" one could not discriminate. That is not to be read, am I correct, that it is limited in terms of its application, that is, title X, to only programs that are federally financed? For example, are we saying that if in the English department they receive no funds from the Federal Government that therefore that program is exempt?

Mrs. GREEN of Oregon. If the gentleman will yield, the answer is in the affirmative. Enforcement is limited to each entity or institution and to each program and activity. Discrimination would cut off all program funds within an institution.

Mr. STEIGER of Wisconsin. So that the effect of title X is to, in effect, go across the board in terms of the cutting off of funds to an institution that would discriminate, is that correct?

Mrs. GREEN of Oregon. The purpose of title X is to end discrimination in all institutions of higher education, yes, across the board, but we do have the three exemptions to which I referred.

Mr. STEIGER of Wisconsin. Mr. Chairman, I must admit that I cannot have anything but mixed feelings about a debate on discrimination. The hearings before the committee are full of testimony clearly indicating discrimination by institutions of higher education in graduate enrollment, living practices and promotions.

I have three comments on the whole question of the amendment now before us. One is that I find myself somewhat surprised that there is so much power granted to HEW under title X when in fact the gentlewoman from Oregon has been a most strong opponent of granting additional powers to HEW. Perhaps in this field she feels that there is some greater justification for granting this much power.

Secondly, under the bill, under the titles which we have gone over before, we have in effect allowed the local financial assistance officers to have a rather broad sweep of powers in their right to pick and choose those who should receive aid which could work against low-income students, but in this one we now are going to say that it is the Federal policy that you cannot discriminate because of sex. This dichotomy confuses me on one hand we grant latitude and autonomy while on the other limiting autonomy.

And thirdly, Mr. Chairman, may I say in all honesty that I fail to be moved by the argument that because it is public policy under the Constitution that you may not discriminate because of race, creed or national origin that now suddenly we find ourselves saying we will make this public policy that you may receive no Federal funds if you do not follow the open admissions policy advocated here by some, not as a right but under the law. 117 Cong. Rec. 39256-7 (Nov. 4, 1974)

In evaluating the validity of the proposed regulations, a final consideration should be kept in mind. It is a well established principle of administrative law that in construing the application of a statute the courts will give deference to official interpretations of the agency charged with its enforcement. See, e.g. *Norwegian Nitrogen Co.* v. *United States*, 288 U.S. 294 (1933); *Skidmore* v. *Swift and Co.*, 323 U.S. 134 (1944); *KMLA Broadcasting Corp.* v. *Twentieth Century Cigarette Vending Corp.*, 264 F. Supp. 35 (C.D. Cal. 1967). As stated by one court, "We are without authority to overturn an administrative interpretation of an act or regulation unless it can be said that the construction is 'plainly erroneous or inconsistent with the regulation.' (Citations omitted.) Even though our views with regard to the interpretation differ from those of the administrative agency we would not be authorized to substitute our views if it can be said that the administrative interpretation was a reasonable one." *McCall Coal Co.* v. *United States*, 374 F. 2d. 689, 691 (1967). While this principle of judicial deference may apply with different force according to whether findings of fact or questions of law are involved, it seems clear that the courts will customarily accord some weight to the contemporaneous construction by the appropriate federal agency where not in conflict with the legislative history or the clear meaning of the statute.

In sum, therefore, the proposed Title IX regulations seem to authorize the termination of all assistance administered by H.E.W. to a covered educational institution in certain circumstances. Wholesale fund cutoffs of this nature are apparently limited by the regulations, however, to cases involving admissions policies or other pervasive practices affecting all assisted programs or activities conducted by the institution. This approach seems to accord with the result reached in *Finch*, provided that it is supported by the required evidentiary findings. Moreover, since the meaning of the term "program," as used in section 902 is not altogether ascertainable from the face of the statute and the legislative history is less than conclusive, it seems that the courts would, in all likelihood defer to H.E.W.'s interpretation and uphold the regulations.

It is hoped that this will suffice to provide the information you require.

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TITLE IX OF THE 1972 EDUCATION AMENDMENTS: PREVENTING SEX DISCRIMINATION IN PUBLIC SCHOOLS

(By James C. Todd)

I. INTRODUCTION

When a movement seeks to alter not only laws and policies but also deeply ingrained patterns of interpersonal relationships, the schools are inevitably a crucial battleground. In the educational process, social values and norms are internalized, roles are learned, patterns of behavior in all facets of life are formed, and the skills necessary for successful economic competition—indeed, survival—are acquired. The school acts as a training ground; it is a microcosm of the society at large. Aware of the critical importance of the schools, groups, leaders, and individuals concerned with women's rights have recognized that failure to effect change in the educational system can frustrate efforts to bring about change elsewhere. If discrimination is accomplished and reinforced at an early stage of development, it will not easily be exorcised later. Thus, it does little good to open new opportunities for fulfillment if social conditioning in the schools confines women's abilities and aspirations to a limited sphere.

This process manifests itself in many areas, of which scholastic achievement is only one. Throughout the early grades, girls generally perform better than boys. But somewhere in the secondary level, the tide turns. One study estimates that seventy-five to ninety percent of all well-qualified high school graduates who do not go to college are women.[1] The fields of endeavor that are alternatives to higher education are similarly blocked or restricted for women. From the earliest stages, the educational process conspires to perpetuate this situation, discouraging women from most pursuits and channeling them into a limited range of careers.

Information is relayed, impressions are formed, and patterns are set in many and diverse manners. Not all of these are known, and few are fully understood. Yet undoubtedly textbooks, library books, and other curriculum materials constitute a major source of the schoolchild's worldview. This power to mold perceptions has made textual material a focal point in the effort to eliminate sexism in education. The picture painted in the textbooks gains added dimension by the reality of division of labor by sex in the school itself. Although principals are almost always chosen from among the teachers, a majority of whom are women,[2] most principals are men.[3] On the other hand, men tend to be under-represented in supportive positions. The structure of most curricula further reinforces the overall impression. Particularly with regard to career-oriented subjects, courses tend to be sex-segregated along stereotyped lines.[4] Counseling stands as yet another obstacle to the girl's full development. Part of the problem lies in the attitudes and practices of the counselors themselves, and part in the system of which they are agents. Counselors can contribute to sex-segregation in courses through subtle discouragement and through failure to present alternatives. To the extent that vocational, aptitude, and qualification tests are sex-biased, they compound the problem. Finally, sports and physical education are guilty of glaring stereotyping and discrimination.[5] These few examples should indicate the wide range of activities in which sex discrimination surfaces. The problems it creates are as complex as they are pervasive: the solutions must reflect a sensitive balancing of a wide variety of factors.

II. COVERAGE OF TITLE IX

A. Generally

1. Statutory Provisions.—As a step toward arresting and reversing sex discrimination in education, women's rights advocates sought a federal legislative remedy. Title IX of the 1972 Education Amendments[6] represents the culmination of that search.[7] The key provision is a broad prohibition against discrimination on the basis of sex in any education program or activity receiving federal financial assistance.[8] Congress consciously modeled the Act on Title VI of the 1964 Civil

Rights Act, which prohibits discrimination on the basis of race, color, or national origin in any federally assisted program.[9] Early versions of Title IX would have added the word "sex" to Title VI; [10] the final product chose instead to place the prohibition in a separate law dealing particularly with education.[11] Nevertheless, Title VI precedent provides important guidelines for the application of Title IX, although the analogy is not perfect, since Title IX contains four important exceptions absent in the Civil Rights Act. These are the exemptions for military schools,[12] traditionally one-sex schools,[13] one-sex religious schools,[14] and undergraduate admissions.[15] Because the laws diverge at this point, the policies behind Title VI precedents must be weighed carefully so that only those principles that are truly analogous will be carried over from one area to the other.

Those who drafted and passed Title IX were principally concerned with higher education.[16] Nevertheless, the Act in its own words clearly aplies to primary and secondary schools [17] despite the paucity of direct references in the legislative history to lower education.[18] Because of the devastating impact of discriminatory policies in elementary and secondary schools, the maximum extension of Title IX in this area is crucial.

2. Implementing regulations.—On June 20, 1974, nearly two years after Title IX authorized him to do so, the Secretary of Health, Education, and Welfare issued his proposed rules and regulations for the enforcement of the Act.[19] These rules fall into six subparts. Subpart A defines terms and includes geneal matters such as the "assurances" that schools must give HEW, remedial action for past discrimination, and dissemination of information.[20] Coverage of institutions and programs is the topic of subpart B.[21] Subpart C outlines the prohibitions with regard to admissions and recruiting,[22] while subpart D formulates the general rules concerning prohibited discrimination in educational programs and activities.[23] Subpart E concerns employment in the education field.[24] Finally, subpart F sets forth the administrative enforcement procedures.[25] These regulations are reasonably comprehensive, but they include some disappointing omissions, such as a refusal to cover texts and materials,[26] that Title IX plaintiffs will be forced to confront.

3. Judicial interpretation.—Title IX has not yet been thoroughly subjected to judicial scrutiny, but some spoors of the Act are detectable in occasional opinions. Of greatest importance is the court of appeals decision in *Brenden v. Independent School District 742.*[27] In that case Peggy Brenden and Antoinett St. Pierre brought a section 1983 [28] civil rights action to enjoin the enforcement of a Minnesota State High School League rule, charging that it violated the fourteenth amendment's equal protection clause. Brenden wanted to compete in interscholastic tennis, St. Pierre in cross-country skiing and running, but neither girl's school provided girls' teams in those events. Although boys' teams for those sports existed, the rule barred Peggy and Toni from participating. The district court ordered that plaintiffs be declared eligible to participate on their schools' teams and that the Minnesota State High School League be enjoined from sanctioning the high schools for compliance,[29] the court of appeals affirmed.[30]

Both opinions condemned the school districts for foreclosing the girls' right to participate "solely on the basis of the fact of sex and sex alone," language strongly reminiscent of Title IX.[31] Even though neither court decided the case under Title IX, the court of appeals cited the statute as an illustration of the congressional policy against "discrimination based on 'stereotyped characterizations of the sexes.'" [32] The court noted Congress's recognition of the importance of all aspects of education for women; [33] it equated discrimination in high school athletics with discrimination in education and again referred to the first section of Title IX.[34] *Brenden* therefore reflected the new national policy against sex discrimination in education. The court hinted that in the future all local boards would be expected to comply with the request of the Minnesota Department of Education to purge all sex-based requirements from its rules and regulations and to ensure equal access for all pupils to school facilities, programs, equipment, services, and financial resources.[35] Thus, *Brenden* may provide the foundation on which the first cases decided under Title IX will build.

B. Limitations on Coverage

1. Particular Program.—Like its Title VI counterpart,[36] an important provision of Title IX requires that termination or refusal of funds be limited to the particular entity that violated the Act.[37] Additionally, the effect of the administrative action must be limited to the offending program.[38] This raises special questions in the context of elementary and secondary school systems. If interpreted narrowly, the provision could become a stumbling block on the path to full implementation of the policy underlying Title IX.

The analogous section in Title VI has caused few difficulties since racial segregation tends to operate systemwide. In contrast, sex discrimination in primary and secondary schools often occurs within a particular program. The difficulty arises when federal funds flow into the school system's general fisc but no federal money goes directly to the challenged program. For example, no education statute provides federal aid for high school football; thus the particular program section might prevent Title IX from reaching a discriminatory athletic or vocational program that does not receive direct federal funding.

Some cases interpreting Title VI's equivalent provision would impose just this limitation on Title IX's grasp if they were extended to the new act. In *McLeod* v. *College of Artesia* [39] the court denied an injunction order under Title VI to black students claiming discrimination in their disciplinary suspension. It found that no relationship existed between the use of federal money and the alleged discriminatory practices; thus it lacked jurisdiction to award damages under section 1983. Plaintiffs were similarly unsuccessful in *Gautreaux* v. *Romney*,[40] a suit to enjoin the funding of Chicago's Model Cities program on the ground that the Chicago Housing Authority (CHA) had deliberately perpetuated segregated housing patterns. The Secretary of Housing and Urban Development had distributed funds to the CHA and to the Model Cities program. In denying the injunction, the court pointed out that no administrative connection existed between Model Cities and CHA, that only six of Model Cities' fifty programs were involved with housing, and that the evidence failed to show discrimination in Model Cities. Plaintiffs had merely sought the cutoff of Model Cities funds as indirect leverage on the CHA.[41]

The Fifth Circuit discussed the character and reach of the limitations on Title VI and the congressional policy behind those limitations in *Board of Education* v. *Finch*,[42] a challenge to HEW's withholding of funds under Title VI. The opinion was cited in the proposed Title IX regulations as a guide for the application of the "particular program" provision.[43] The court noted that three federal aid programs were involved: [44] aid for the education of children of low income families,[45] grants for supplementary education centers,[46] and special grants for education of adults with no college degree.[47] The court held that each grant statute set up a particular program within the meaning of Title VI. Discrimination in a program would, under the statute, mandate termination of its funding. If another program remained insulated from the unlawful activities, however, its funding would not be affected by the offending program, for Title VI was not intended to be a vindictive or punitive measure. Yet the court did take pains to emphasize that the program could not be considered in isolation from all the surrounding circumstances. To support its conclusion the court relied heavily on a statement in the legislative history indicating that the particular program provision was meant to "pinpoint . . . the situation where discriminatory practices prevail." [48] It also cited comments from the debate on the Senate floor suggesting that a strict case-by-case application of the principles was contemplated.[49] Thus, according to the court, the program provision could not refer to the general category, "school program."

Superficially, these cases might appear to support the proposition that if a program is neither directly receiving federal money nor directly discriminating, it can escape the grasp of Title IX. But a closer examination reveals a broader potential range of coverage for the Act. The keys to understanding the application of the "particular program" provision are the inter-relationship between programs and the interaction between federal funds and the challenged programs. In *Grautreaux* the Chicago Housing Authority and the Model Cities program were not part of the same system. The former was entirely a city agency, and the latter a joint federal-local effort. Their funding sources were different; a decrease in Model Cities money would not affect the level of CHA funding, and their clientele with regard to housing was different.[50] By the same token, in *Finch* the adult education and supplementary education programs were separate from aid to low-income school children. The former two operated independent of the day-to-day education of most school children, serving different people and relying on a different statutory source of federal funds.

Since Title IX applies to elementary and secondary education, it is distinguishable from the *Gautreaux* and *Finch* situations. Unlike Model Cities and CHA, the same body, the school administration, budgets both for directly federally aided programs and programs not directly aided.[51] Furthermore, unlike adult education and aid to low-income school children, all programs serve the same people. In the case of public school programs subject to challenge under Title IX, the degree of interrelationship among the activities affects the interaction of federal funds with the programs. For example, although federal money does not go directly to the football program, federal aid to any of the school system's programs frees other money for use in athletics. Without federal aid a school would have to reduce program offerings or use it resources more efficiently. The Act speaks of federal financing assistance. If federal aid benefits a discriminatory program by freeing funds for the program, the aid assists it. The court in *Finch* equated "program" with grant statute, but it did not foreclose including within a program all the activities "benefited" by the grant statute through the freeing of funds.[52]

Some Title VI cases support this interpretation by analogy. *McGlotten v. Connally* [53] held that granting tax exempt status to private fraternal orders and allowing tax deductions for contributions to them was sufficient to bring those groups within the embrace of Title VI. In *Green v. Kennedy* [54] the court noted that a tax exemption for seg-

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Footnotes at end of article.

regated private schools might be considered financial support to the extent that it was instrumental in releasing money for discriminatory programs. Those two cases therefore suggest that discrimination should not be tolerated in programs benefiting indirectly—by favorable tax treatment—from federal financial assistance. Other cases have also spoken of tainted programs.[53] In *Finch* the court warned that even if a program is not itself discriminating, it can still be "so affected by discriminatory practices elsewhere in the school system that it thereby becomes discriminatory."[56] If otherwise interested girls are discouraged from seizing an opportunity open to them, they have been denied the benefits of a program that is not discriminatory on its face.[57] Similarly, a sex-segregated course structure might taint an ostensibly nondiscriminatory program by failing to prepare an interested girl for the activity, so that in effect she is excluded from participation in the program.[58]

"Tainting" is really just the obverse of "benefiting." In either case a program not directly receiving federal aid can be brought within the ambit of Title IX by a crucial link to a directly aided program. The aided program could bring in a discriminatory independent program that it benefits, or the discriminatory independent program might taint an otherwise unobjectionable aided program. In both cases Title IX is allowed to reach a program facially beyond its scope. The use of "tainting" and "benefiting" concepts would fulfill an important element of the purpose behind Title IX and would be consistent with legislative history indicating Congress's desire that the federal government withhold support, even indirect support, from discriminatory programs.[59] Keeping in mind the interrelationship of programs and funds, HEW and the courts may achieve this objective by applying the following rule: if two programs, one receiving federal aid directly and one not, are both administered by the same local agency for the education of essentially the same group of students, and if the funding of the former facilitates the latter by freeing funds for its use, or if discrimination in the latter affects the former by inhibiting or prohibiting a student's participation in that program, then both will be considered part of the same program for purposes of bringing the latter within the reach of Title IX. While case law has not firmly established this proposition, neither has it precluded it. The formula is not unreasonable, it is consistent with the tax exemption cases and not inconsistent with other Title VI precedents, and it would further congressional intent.[60]

The proposed regulations take some hesitant steps toward applying the particular program provision in this way. The relevant section of the proposed rules [61] merely repeats the language of the Act. But the introductory remarks record the Secretary's interpretation, which would subject a program or activity to the regulation's requirements if it receives or benefits from federal assistance.[62] The passage then quotes part of the *Finch* decision holding that federal funds may be terminated under Title VI only upon a finding that they are administered in a discriminatory manner or that they support a program infected by a discriminatory environment.[63] Although this indicates that tainted programs fall within the Secretary's ban, his statement fails to clarify whether the freeing of funds constitutes sufficient benefit or support to invoke the Act. Significantly, the regulations do cover athletics,[64] which are not directly federally funded, and programs assisted by the recipient institution.[65] Final resolution of this matter must await the case in which a school system challenges a loss of federal funds because of discrimination in a particular program not directly aided.[66] Finally, whatever the difficulties the particular program provision may pose for the withholding of funds, it does not affect an equitable suit for an injunction; it applies only to administrative action.

2. Athletics: Separate and Unequal.—While the regulations leave unclear the full extent of Title IX's application they do purport to extend coverage to the indirectly federally funded area of athletics.[67] The proposed rules for this important field, however, fall far short of the recommendations of interested groups. Although many feminists have called for sexually integrated athletics,[68] the proposed regulations allow school systems to "operate or sponsor separate teams for members of each sex where selection for such teams is based upon competitive skill."[69] Thus, the regulations bring into focus the difficult question whether the principle of "separate but equal" has continuing validity in a significant part of primary and secondary education.

Brown v. Board of Education [70] held that separate is inherently unequal with respect to race. But thus far, only two state courts have come to the same decision with regard to sex.[71] Both courts explicitly ducked the issue in *Brenden,*[72] since the fact that no girls' teams were available permitted them to do so.[73]

In *Kirstein v. Rector and Visitors* [74] the court held that a refusal to admit women to the University of Virginia was a denial of equal protection since that school offered courses not found elsewhere in the state and a more prestigious degree. In a footnote the court, like others facing the issue, squirmed out of confronting sex segregation, on the ground that the facilities elsewhere were not equal with respect to those plaintiff's.[75] Interestingly enough, the *Kirstein* decision reads very much like *Sweatt v. Painter* [76] and other cases [77] immediately preceding the landmark decision in *Brown*.

Separate may also be inherently unequal in certain areas of sex segregation. When girls as a class are put on separate teams, the implication is that girls are inherently inferior to boys. Tolerating forced segregation in any area of education defeats the intent of Title IX when the lack of confidence induced interferes with the development of skills. One of the purposes of the Act was to give women "an equal chance . . . to develop the skills they want, and to apply those skills . . ."[78] To the extent that opportunity is obstructed, girls can be said to be "denied the benefits of" sex-integrated athletics.

The legislative history of Title IX is not as clear as it might be on this issue. Some statements by Senator Bayh seem to indicate an intent to allow "separate but equal" athletic programs,[79] but the Senator was speaking of college football, where the ability gap is greater for a wide variety of reasons. The Act was designed to allow discrimination only in instances where personal privacy must be preserved.[80] For example, the privacy exception lies behind the exemption from the Act of campus living facilities.[81] The proposed regulations preserve this exception,[82] as well as permit "separate toilet, locker room, and shower facilities on the basis of sex."[83] But privacy is not the basis upon which the regulations allow sex-segregated athletics. Rather, the proposed rules make "competitive skill" the ground for sex segregation.

Present federal law recognizes two justifications for permitting segregation or discrimination on the basis of sex: "rational basis" under the equal protection clause of the fourteenth amendment,[84] and "bona fide occupational qualification" (BFOQ) under Title VII of the 1964 Civil Rights Act.[85] The HEW "competitive skill" criterion fits neither category. Title IX itself contains no "bona fide grounds" (BFG) clause: it sponsors agreed, however, that HEW could include in its general rules and regulations a rule making sex a bona fide ground for differential treatment in any case.[86] The actual proposed regulations contain no BFG provision of general applicability, but perhaps the Security intended the "competitive skill" clause to perform the same function in the area of athletics. According to this reading, the rule would allow schools to consider sex a "bona fide ground" for excluding girls from boys' competitive skill teams. But if it is to serve as a BFG exception, it as least should correspond to some degree to the application of the BFOQ concept in the Title VII context.[87]

Title VII's BFOQ contains an important qualifier: if sex is to justify discrimination, it must be a BFOQ "reasonably necessary to the normal operation of that particular business or enterprise."[88] A similar qualification must be implicit in any exception to the far-reaching anti-discrimination policy promulgated in Title IX. Otherwise, school systems could easily circumvent the Act by labeling sex a BFG in any situation in which boys and girls have been treated differently in the past.[89] The recipient school district ought to bear the burden of showing that sex-integration would seriously threaten the operation of the program itself.[90]

The Equal Employment Opportunity Commission and the federal courts have agreed that BFOQ "should be interpreted narrowly."[91] EECC regulations refuse to acknowledge as BFOQ exceptions for sex discrimination "assumptions [about] the comparative . . . characteristics of women in general,"[92] "stereotyped characterizations of the sexes,"[93] or "preferences of co-workers, the employer, clients or customers."[94] In *Diaz v. Pan American World Airways, Inc.,*[95] which found a Title VII violation in Pan Am's policy of hiring only women stewardesses, the court ruled that evidence of better average performance by women was not sufficient to invoke the BFOQ exception.[96] It held that "before sex discrimination can be practiced, it must not only be shown that it is impracticable to find the men that possess the abilities that most women possess, but that the abilities are necessary to the business, not merely tangential."[97] Again, in *Weeks v. Southern Bell Telephone and Telegraph Co.*[98] the court held that the company's refusal to hire a woman as a switchman solely because of her sex could not meet the BFOQ test The employer has the burden of showing "reasonable cause to believe, that is, a factual basis for believing, that all or substantially all women would be unable to perform safely and efficiently the duties of the job involved."[99] That burden is not met simply by labeling a job "strenuous."[100] *Brenden* applied Title VII BFOQ standards to high school athletics. It would not allow arguments about the physical characteristics of women in general to prevail over the clear qualifications of the particular female applicants.[101] In this connection, the opinion referred to Title VII and quoted a Title VII case, *Seidenberg v. McSorleys' Old Ale House, Inc.,*[102] for the proposition that sex discrimination cannot be justified by reliance on the stereotype "of women as peculiarly delicate and impressionable creatures in need of protection from the rough and tumble of unvarnished humanity."[103] Thus, experience under Title VII indicates that Secretary Weinberger's exemption of sex-segregation in athletics would have trouble meeting a BFG test even approaching the stringency of the BFOQ requirement. A school system need not show that sex-integration will undermine the essence of the athletic program itself. In fact, because of stereotypes and assumptions about women and athletics, the proposed regulations require no showing or proof of the girls skill.[104]

Thus, neither the congressional intent to allow sex-segregation in matters of personal privacy nor an implied BFG exception will

support the Secretary's exemption for athletics. The only ground remaining that might legitimize it is the "rational basis" test of the equal protection clause. If the test applies, it would allow discrimination if the school district could show a reasonable relationship between the discriminatory policy and a valid objective. Passage of Title IX, however, may have rendered the rational basis test inapplicable in cases to which the Act applies.[105] If so, the school district must show compelling reasons to justify its classification, a burden that it would find onerous. Even assuming that the rational basis criterion still controls, it is difficult to imagine a legitimate policy goal justifying sex-segregated athletics. The school might argue that its interest in maximizing opportunity for participation in sports warrants having a boys' team and a girls' team since two school teams would then be available instead of one. Furthermore, although individual girls might be good enough for a coed school team, the statistical reality is that a larger percentage of boys will qualify. Thus, girls' chances would be diminished, not increased, by integration of the team by sex.[106] This argument falters only because a less restrictive alternative [107] exists that can achieve the goal of maximum participation without paying the price of segregation. Teams could be available to all students equally, at ability levels determined in tryouts. This policy would benefit average males as well as females.

The justification for treating contact sports as a special category is weak, although at least one court has done so.[108] Logically, contact sports, like noncontact sports, should be subject to the principle of evaluating individuals as individuals, not as members of a class. If a particular girl can survive contact sports competition with no more injury than is likely to befall a boy in that pursuit, what policy dictates that she be forbidden to compete? The decisions that have allowed exclusion of girls because of females' overall statistical traits relied on the equal protection clause.[109] They provide strong support for the HEW authorization of sex segregation in athletics. Title IX, however, which played no part in the decisions, casts grave doubt on their continuing validity. Furthermore, the regulations do not require equality between programs for males and females,[110] a posture that defies even the old "separate but equal" doctrines.

The major shortcoming of the proposed regulations, from which other errors flow, is their failure to distinguish between college athletics and sports in the lower grades. By the time men and women reach the university level, the physical gap between them is wider, possibly in part because of past restriction of women's athletic activity. But they start in the early years from a position of relative parity. If the regulations accepted the fundamental notion of opportunity according to individual ability, the necessary sensitivity to age differences would be built in, and most other serious weaknesses would be corrected.

3. Textbooks and the First Amendment.—Discriminatory textual materials can have a strong and important adverse impact on school children. Yet the Secretary of HEW deliberately exempted them from the coverage of the proposed regulations, fearing that specific provisions "would raise grave constitutional problems concerning the right of free speech under the First Amendment to the Constitution."[111] Assuming that recipients would deal with the problem through their control over curricula and course content, HEW promised only to "provide research, assistance and guidance to local education agencies in eliminating sex bias from curricula and educational materials."[112]

The Secretary's point has some merit. Regulations prohibiting "sexist" material might infringe on teachers' first amendment speech right to discuss and present topics freely in the classroom. Authors and publishers could be as sexist as they pleased, but they would have no market, practically speaking, if the school districts were forbidden to buy the sexist books. The first amendment does not, however, guarantee them a market. At the very least, HEW could have imposed on the school administrations as affirmative duty to balance sexist with nonsexist literature. Even this practice, however, opens the door of governmental intrusion and supervision of the intellectual content of academia, a Pandora's Box better left untouched. Local political pressure and negotiations with the school systems may be a vehicle for change that in the long run is less threatening to fundamental rights. In addition, sexist school literature is still available as evidence of a school system's bad faith in bringing its policies into compliance with the Act; in this way Title IX may yet supply a degree of motivation to eschew objectionable texts and materials.

III. REMEDIES

A. Approaches available

Title IX contains an administrative remedy identical to that found in Title VI,[113] while the proposed regulations incorporate the same procedural steps.[114] The purpose of these procedures is to induce voluntary compliance through a lengthy series of negotiations, in the hope of avoiding the stiff remedy of funding suspension.[115] Throughout these proceedings, the private party acts as merely a complainant,[116] with HEW prosecuting the action and conducting the settlement conferences. The Department's only weapon, although one that none of the parties wants to see employed, is the threat of a termination of federal funds. Since virtually no one benefits from the schools' loss of aid money, the prospect of wholehearted HEW prosecution may be remote from the beginning. Moreover, in the informal negotiations, HEW, for the sake of harmony or of saving the expense of the hearing process, might settle for a plan that falls far short of what the complainants envisage. In the hearings, the Department might opt not to oppose all the policies and practices that the complainants find objectionable. It might not pursue the attack with all the vigor that the complainants might wish. This exhaustive procedure is thus likely to result only in an indirect blow to the discrimination. In these circumstances, the complainant may well prefer to take more direct action.

The individual could sue based on Title IX to enjoin the offending school district's discriminatory conduct.[117] Similar actions, such as suits enforcing the rights of minorities to be free from discrimination regardless of the availability of a funding suspension,[118] have been successful under Title VI. Recently, in *Lau v. Nichols* [119] the Supreme Court reaffirmed that the Title VI administrative remedy is not exclusive. The virtual identity of Titles VI and IX indicates the likelihood that a similar approach will be available to Title IX complainants dissatisfied with HEW's efforts to guarantee the schoolchild's right to be free from sex discrimination.

The administrative procedures and private suits available under Title IX are the most obvious remedies for persons aggrieved by sex discrimination in education. Nevertheless, other avenues of redress could supplement the statutory suit. For example, if the complaint centered on an HEW action, a suit under the Administrative Procedure Act [120] would be appropriate, assuming all other prerequisites for suit were established. A civil rights action based on section 1983 [121] would be available to assert rights under Title IX and the federal Constitution. Finally, situations might arise in which declaratory relief [122] or mandamus [123] would be useful. However, Title IX provides the best basis for a suit; other alternatives are important only where an exception to Title IX's coverage threatens to make it inapplicable.

B. Standards applied

1. Traditional Equal Protection.—The success of any Title IX suit will, to a large extent, depend on the criteria a court uses to evaluate the challenged program. When dealing with discrimination, one criterion for evaluation that immediately presents itself is that of the fourteenth amendment's equal protection clause. Since it is axiomatic, however, that no unconstitutional practice can be sanctioned statutorily, it follows that the equal protection clause establishes only the minimum scope of Title IX's protection.[124] Thus, it is important to determine the extent to which the Act raises that minimum.

Standard equal protection law offers the judge the now-familiar choice between "minimum scrutiny" of a challenged policy and "strict scrutiny." Under "minimum" or "permissive" scrutiny, the policy will be upheld so long as it is relevant to the achievement of a valid state object.[125] This test allows all but the most egregious inequalities to stand.[126] "Strict" scrutiny, on the other hand, acts to invalidate a policy unless the defendants can show a "compelling state interest" for maintaining the discrimination.[127] Before a court will invoke the strict scrutiny test, the case must concern either a "suspect classification" [128] or a "fundamental right." [129]

Traditionally, courts have declined to view sex as a suspect classification.[130] As a result, they have been lenient in approving sex-based discrimination.[131] In the recent case of *Reed v. Reed,*[132] however, the Supreme Court paradoxically invalidated an Idaho statute that discriminated against women in the selection of administrators for intestate persons' estates, admitted that the statutory objective found by the Idaho court had some legitimacy, but never declared sex a suspect classification. Lower courts have divided almost evenly on the question whether barring girls from all-male athletic teams constitutes a denial of equal protection.[133]

Nevertheless, the Supreme Court may have at last adopted the position that discrimination on the basis of sex merits strict scrutiny. In *Frontiero v. Richardson* [134] the Court ruled that a woman Army officer is entitled under the equal protection clause to the same payments for support of a dependent spouse as a male officer of comparable rank and seniority. Four members of the five-four majority held that sex is a suspect classification [135] since "sex, like race and national origin, is an immutable characteristic determined solely by the accident of birth" that "frequently bears no relation to ability to perform or contribute to society." [136]

2. Title IX: What Does It Contribute?—The plurality in *Frontiero* was impressed by congressional intent, as evidenced by passage of measures like Title VII, to put sex on a par with race.[137] On the other hand, the district court in the earlier case of *Bucha v. Illinois High School Association* [138] had not reached that conclusion, holding that Title VII was simply a special legislative exception to the otherwise controlling rational relationship test. According to the *Bucha* court, until Congress determines that a similar exception should be made in the area of interscholastic athletic competition, the rational basis standard must continue to govern.[139] Nowhere mentioned in the case, the recently passed Title IX was probably overlooked by both litigants. *Magill v. Avonworth Baseball Conference,*[140] decided after *Frontiero*, attempted to distinguish it on the ground that it involved only economic benefits.[141] But this distinction seems untenable, especially in light of Title IX's legislative history, which manifests congressional intent to give sex

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the same protection as race.[142] Thus, a strong case can be made that the standards for eradicating sex discrimination in education under Title IX must be as far reaching as those applicable to racial discrimination under other civil rights statutes.[143]

3. *Action Taken: Personnel, Quotas, and Affirmative Action.*—Teachers now have an individual remedy against employment discrimination.[144] Yet this alone does not compel the school actively to recruit more women system-wide for all-male positions, nor does it require goals and timetables. One obstacle standing in the way of such a requirement is section 901(b),[145] a no-quota provision, patterned after section 703(j) of Title VII.[146] Moreover, the proposed regulations make no mention of goals or timetables.[147] This is not because the no-quota provision of Title IX would absolutely prohibit the device. In fact, in the Title VII context the Department of Labor chose to require goals and timetables, distinguishing them from impermissible quotas on the ground that the latter were rigid, inflexible mandates while the former were "targets reasonably attainable by means of applying every good faith effort. . . ."[148] In *Contractors Association v. Secretary of Labor*[149] the court held that a similar provision in the "Philadelphia Plan" did not violate the no-quota clause of Title VII. A Title IX goal or timetable could not compel a school district to have a certain percentage of women principals, but it could require the district to commit itself to attaining a relatively high percentage by some year in the near future and to show good faith in trying to reach that goal. The district would be excused if it did not quite reach the mark, so long as it could show good cause for the failure and diligent efforts toward compliance.

"Applying every good faith effort" means that the school administration must assume more than a merely passive role. The concept of affirmative action requires not only refraining from discrimination, but taking steps to redress past imbalances. The Supreme Court has firmly established that principle with regard to racial discrimination in public schools.[150] Furthermore, the federal courts have specifically applied this requirement to employment of school personnel.[151] The proposed regulations demand that a school system "make such affirmative attempts to recruit members of a sex which previously had limited employment participation as are necessary to overcome the effects of such limited participation."[152] This should produce an increase in the proportion of females in previously all-male positions. But progress in this type of situation must always contend with the inertia of the status quo—women in education conditioned to their status and not inclined to venture upward. Publicized goals have the advantage of discouraging foot-dragging by demanding results, not excuses.

Additionally, Title IX contains an important proviso not found in section 703(j) of Title VII. It allows "the consideration in any hearing under this title of statistical evidence tending to show that . . . an imbalance exists" with regard to a sex's percentage participation in a program compared to its proportion in the community.[153] Consequently, although school districts may not be obliged to fill quotas, their "good faith" can be tested against a statistical standard.

IV. CONCLUSION

Title IX provides a valuable weapon for confronting and combating sex discrimination in education. Its importance will continue even in the wake of expanding equal protection law or the passage of the ERA because it is the type of specifically worded statute to which courts seem more willing to give full extension than they accord far-reaching constitutional provisions. For the immediate future, "Title IX is more apt to achieve its purposes if the HEW regulations reflect the intent behind the Act and give it maximum extension." Accordingly, these rules should do the following: (1) clarify coverage by expressly including all programs in a school system that benefit from freeing of funds due to federal aid or that taint directly funded programs; (2) distinguish between higher and lower education with regard to athletics by requiring sex-integrated sports at ability levels in primary and secondary schools; (3) require equal funding, equipment and supervision for men's and women's athletics, if and when the two remain separate; (4) make clear to all potential parties that a reviewing authority may take sexist school literature into account when evaluating a school system's good faith efforts to comply with the Act; and (5) require goals and timetables for any affirmative action plan. Whatever the uncertainties, Title IX has arrived at an opportune moment, when public awareness and women's consciousness are high. Thus, the stage may be set for the establishment of strong precedents for pressing the Act to its outer limits.

FOOTNOTES

[1] 117 Cong. Rec. 39,258 (1971) (remarks of Representative Abzug); U.S. Dep't. of H.E.W., Pub. No. (DE) 73–01003, Education and Women's Rights: What the Law Now Says (1972) (hereinafter cited as HEW).

[2] HEW, *supra* note 1, at 6.

[3] *See generally New Jersey WEAL Surveys Public Schools,* 4 The Spokeswoman, Nov. 15, 1973, at 5; 1 Research Action Notes 4, 5 (1973).

[4] 4 Spokeswoman, Nov. 15, 1973, at 5. For example, it is common to have a required home economics course for girls and a required industrial arts course for boys.

[5] Most attacks on school athletic programs cluster around three major concerns: participation, money and facilities, and coaching. *See id.* at 6.

[6] 20 U.S.C. §§ 1681 *et seq* (Supp. II 1972).

[7] For a general outline of Title IX see Buck & Orleans, *Sex Discrimination—A Bar to a Democratic Education: Overview of Title IX of the Education Amendments of 1972,* 6 Conn. L. Rev. 1 (1973), which provides summaries of the measure's provisions and useful interpretive perspectives, but in its own words, does "not [attempt] to analyze specific problems arising under Title IX or to recommend particular constructions." *Id* at 3.

[8] The Act provides that "[n]o person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance. . . ." 20 U.S.C. § 1681(a) (Supp. II 1972).

[9] 42 U.S.C. § 2000d (1970); *see* 117 Cong. Rec. 30,403–04 30,407–08 (1971) (remarks of Senator Cook); *Id.* at 39,251–52 (remarks of Representative Mink).

[10] *See* H.R. 16098, 91st Cong., 2d Sess. § 805 (1970); H.R. 910, 92d Cong., 1st Sess. (1971). *See generally Hearings on Section 805 of H.R. 16098 Before the Special Subcomm. on Education of the House Comm. on Education and Labor,* 91st Cong., 2d Sess. (1970).

[11] 20 U.S.C. § 1681(a) (Supp. II 1972).

[12] *Id.* § 1681(a)(4).

[13] *Id.* § 1681(a)(5). This excludes "any public institution of undergraduate higher education which . . . traditionally and continually from its establishment has had a policy of admitting only students of one sex." *See* 118 Cong. Rec. 5814 (1972) (remarks of Senator Bentsen).

[14] 20 U.S.C. § 1681(a)(3) (Supp. II 1972).

[15] *Id.* § 1681(a)(1). Introduced by Representative Ehrlenborn of California, an amendment to exempt all undergraduate admissions was included in the subcommittee version, but it was deleted by the full committee. H.R. Rep. No. 554, 92d Cong., 1st Sess. 251–53 (1971). The House-Senate Conference Committee confined the exemption to private undergraduate institutions. H.R. Rep. No. 1085, 92d Cong., 2d Sess. 221–23 (1972).

[16] *See* H.R. Rep. No. 554, 92d Cong., 1st Sess. 51–52 (1971).

[17] The definition of educational institution reads:

> [A]ny public or private preschool, elementary, or secondary school, or any institution of vocational, professional, or higher education, except that in the case of an educational institution composed of more than one school, college, or department which are administratively separate units, such term means each such school, college, or department.

20 U.S.C. § 1681(c) (Supp. II 1972).

[18] The first version introduced in the Senate was explicitly limited to higher education. 117 Cong. Rec. 30,399–400 (1971). Even later, most of the debate and all of the amendments centered on colleges and universities. *E.g.,* 118 Cong. Rec. 5804 *et seq.* (1972).

[19] Proposed HEW Regulations, 39 Fed. Reg. 22,228 *et seq.* (1974).

[20] *Id.* §§ 86.1–.9, 39 Fed. Reg. at 22,232.

[21] *Id.* §§ 86.11–.16, 39 Fed. Reg. at 22,234.

[22] *Id.* §§ 86.21–.23.

[23] *Id.* §§ 86.31–.38, 39 Fed. Reg. at 22,235.

[24] *Id.* §§ 86.41–.51, 39 Fed. Reg. at 22,236.

[25] *Id.* §§ 86.61–.66, 39 Fed. Reg. at 22,238.

[26] Proposed HEW Regulations, 39 Fed. Reg. at 22,230.

[27] 342 F. Supp. 1224 (D. Minn. 1972), *aff'd,* 477 F.2d 1292 (8th Cir. 1973).

[28] 42 U.S.C. § 1983 (1970). This statute creates a right of action for deprivation of any rights, privileges, or immunities secured by the Constitution and laws of the United States.

[29] 342 F. Supp. at 1234.

[30] 477 F.2d at 1294–95.

[31] 342 F. Supp. at 1234; 477 F.2d at 1294; *cf.* 20 U.S.C. § 1681(a) (Supp. II 1972).

[32] 447 F.2d at 1296.

[33] *Id.* 1298, *citing* 20 U.S.C. § 1681(a) (Supp. II 1972).

[34] *Id.*

[35] *Id.* at 1303. Girl students have successfully prevailed on fourteenth amendment grounds against rules barring them from noncontact sports. *See* Morris v. Michigan State Bd. of Educ., 472 F.2d 1207 (6th Cir. 1973) (tennis); Reed v. Nebraska School Activities Ass'n, 341 F. Supp. 258 (D. Neb. 1972) (golf).

[36] 42 U.S.C. § 2000d–1 (1970).

[37] 20 U.S.C. § 1682 (Supp. II 1972).

[38] *Id.*

[39] 312 F. Supp. 498 (D.N.M. 1970).

[40] 457 F.2d 124 (7th Cir. 1972).

[41] *Id.* at 126–28.

[42] 414 F.2d 1068, 1070 (5th Cir. 1969).

[43] Proposed HEW Regulations, 39 Fed. Reg. 22,228 (1974).

[44] Since the hearing examiner had failed to correlate his findings to the particular statutory program, the court felt obliged to remand the case to HEW for further proceedings. 414 F.2d at 1079.

[45] 20 U.S.C. § 241(a) (1970).

[46] *Id.* § 841.

[47] *Id.* § 1201.

[48] H.R. Rep. No. 914, 88th Cong., 2d Sess. (1963).

[49] 414 F.2d at 1075, quoting 110 Cong. Rec. 7103 (1964) (remarks of Senator Long). This is weak authority, given Senator Long's known opposition to the 1964 Civil Rights Act. One might also quarrel with the court's interpretation of § 602, 42 U.S.C. § 2000d–1 (1970). The Dirksen-Mansfield amendment creating the provision was attached to allay fears that all federal funds (highway, welfare, everything) would be withdrawn from an entire state because of one segregated school. *See* Comment, *Title VI of the Civil Rights Act of 1964—Implementation and Impact,* 36 Geo. Wash. L. Rev. 824, 836 (1968).

[50] 457 F.2d at 126.

[51] *McLeod* is distinguishable on other grounds. Even though the same school administration budgeted for both federally aided and nonfederally aided programs, an increase or decrese in the small federal portion of the college budget could not be expected to produce any corresponding change in the amount spent for disciplinary suspensions. Indeed, the latter figure probably could not be calculated. Further, *McLeod* may be an aberration, arising as it did in the late 1960's at the height of the campus upheavals, when numerous disciplinary suspensions were upheld against student civil rights suits for the purpose of preserving order. *E.g.,* Esteban v. Central Missouri State College, 290 F. Supp. 622 (W.D. Mo. 1968), *aff'd,* 415 F.2d 1077 (8th Cir. 1969), *cert. denied,* 398 U.S. 965 (1970); Barker v. Hardway, 283 F. Supp. 228 (S.D.W. Va.), *aff'd,* 399 F.2d 638 (4th Cir. 1968).

[52] This interpretation would be consistent with the court's view that "[i]f the funds provided by the grant . . . support a program which is infected by a discriminatory environment, then termination of such funds is proper." 414 F.2d at 1078.

[53] 388 F. Supp. 448 (D.D.C. 1972).

[54] 309 F. Supp. 1127, 1135 (D.D.C.), *appeal dismissed sub nom.* Cannon v. Green, 398 U.S. 956 (1970) (court's holding rests on due process clause of fourteenth amendment, ignoring plaintiffs' additional allegations of Title VI violations).

[55] *E.g.,* Board of Educ. 1. Finch, 414 F.2d 1068, 1079 (5th Cir. 1969); Gautreaux v. Romney, 457 F.2d 124, 126–28 (7th Cir. 1972). The concept of tainting appears early in Title VI case law. *See* Brown v. County School Bd., 245 F. Supp. 549 (W.D. Va. 1965). *See also* United States v. Jefferson Bd. of Educ., 372 F.2d 836 (5th Cir. 1966), *cert. denied,* 389 U.S. 840 (1967); Clark v. Board of Educ., 374 F.2d 569 (8th Cir. 1967).

[56] 414 F.2d at 1079.

[57] *Cf.* 20 U.S.C. § 1681(a) (Supp. II 1972).

[58] *Cf. id.*

[59] *See* 117 Cong. Rec. 39,258 (1971) (remarks of Representative Abzug). *See also* Buek & Orleans, *supra* note 7, at 13. The court in United States v. Jefferson County Bd. of Educ., 372 F.2d 836 (5th Cir. 1966), *cert. denied,* 389 U.S. 840 (1967), recognized that the same purpose lay behind Title VI.

[60] The barrier posed by the particular program provision might be avoided if the school system receives "impacted area" aid under 20 U.S.C. §§ 238–41 (1970). Funds under that program go to school districts in which the presence of federal installations puts a burden on the system by adding children to the schools while removing taxable property. This is the one type of federal aid that goes directly to the local school district's general funds, where it loses its identity and is distributed to all the district's programs. Thus, all programs receive "federal financial assistance," on which basis they may be attacked. Not all school districts receive impacted area money, however, and those that do might argue that the connection is too slight and remote. *Cf.* McLeod v. College of Artesia, 312 F. Supp. 498 (D.N.M. 1970).

[61] Proposed HEW Regulations § 86.63(c), 39 Fed. Reg. at 22,239.

[62] Proposed HEW Regulations, 39 Fed. Reg. at 22,228.

[63] 414 F.2d at 1078–79, *quoted in* Proposed HEW Regulations, 39 Fed. Reg. 22,228 (1974).

[64] Proposed HEW Regulations § 86.38, 39 Fed. Reg. 22,236 (1974).

[65] *Id.* § 86.31(b)(7), 39 Fed. Reg. at 22,235.

[66] In that case Title IX advocates may need to distinguish a recent line of Supreme Court cases in which the Court expressly rejected the argument that state aid for any program of a religiously supported school violates the first amendment's establishment clause by freeing funds for religious purposes. Committee for Pub. Educ. & Religious Liberty v. Nyquist, 413 U.S. 756 (1973); Hunt v. McNair, 413 U.S. 734 (1973). But as the Court stated in *Nyquist,* the "primary evil" against which the establishment clause is aimed is the "sponsorship, financial support, and active involvement of the sovereign in religious activity." 413 U.S. at 772, *quoting* Walz v. Tax Comm'r, 397 U.S. 664, 668 (1970). Title IX, on the other hand, seeks to prevent any federal support, direct or indirect, for sex discrimination in education. Also, these cases concerned the constitutionality of state statutes, while in the Title IX context the federal courts are interpreting a federal statute and traditionally have far more leeway.

[67] Proposed HEW Regulations § 86.38, 39 Fed. Reg. at 22,236.

[68] *E.g., Wisconsin Feminists Working on Athletic Guidelines,* 1 Research Action Notes, Sept. 4, 1973, at 5–6.

[69] Proposed HEW Regulations § 86.38(a), 39 Fed. Reg. at 22,238.

[70] 347 U.S. 483 (1954).

[71] Pittsburgh Press Co. v. Pittsburgh Comm'n on Human Relations, 4 Pa. Comm'n 448, 287 A. 2d 165 (1972) (dictum), *aff'd,* 413 U.S. 376 (1973); J.S.K. Enterprises, Inc. v. City of Lacey, 6 Wash. App. 43, 492 P. 2d 600 (1971), *dismissal of claim for damages aff'd,* 6 Wash. App. 433, 493 P. 2d 1015 (1972); *see* Note, *Sex Discrimination in High School Athletics,* 57 Minn. L. Rev. 339, 367 (1972).

[72] 342 F. Supp. at 1231; 477 F. 2d at 1295.

[73] In fact, in all high school athletic discrimination cases that plaintiffs have won, the courts have used this avenue of escape. *See* Note, *supra* note 71, at 366–67.

[74] 309 F. Supp. 184 (E.D. Va. 1970).

[75] *Id.* at 187 n. 1.

[76] 339 U.S. 629 (1950).

[77] *E.g.,* McLaurin v. Oklahoma State Regents, 339 U.S. 637 (1950).

[78] 118 Cong. Rec. 5808 (1972) (remarks of Senator Bayh, Senate sponsor).

[79] For example, he said: "We are not requiring that intercollegiate football be desegregated, nor that the men's locker room be desegregated." 117 Cong. Rec. 30,407 (1971).

[80] 118 Cong. Rec. 5807 (1972) (remarks of Senator Bayh); *see* Eisenstadt v. Baird, 405 U.S. 438 (1972) (delineating a constitutional zone of privacy); Griswold v. Connecticut, 381 U.S. 479 (1965); the issue of privacy versus integration has attracted extensive attention from the commentators. *See* Eastwood, *The Double Standard of Justice: Women's Rights Under the Constitution,* 5 Valparaiso U.L. Rev. 281, 315–17 (1971); Note, *supra* note 71, at 368. Some writers have concluded that "separate but equal" treatment should be applied only where bodily privacy is concerned. *Developments in the Law—Sex Discrimination and Equal Protection: Do We Need a Constitutional Amendment?* 84 Harv. L. Rev. 1499, 1514 (1971). Even the Equal Rights Amendment would not interfere with the right of privacy. Brown, Emerson, Falk & Freedman, *The Equal Rights Amendment: A Constitutional Basis for Equal Rights for Women,* 80 Yale L.J. 871, 900 (1971).

[81] 20 U.S.C. § 1686 (Supp. II 1972).

[82] Proposed HEW Regulations § 86.32(b)(1), 39 Fed. Reg. at 22,235.

[83] *Id.* § 86.33.

[84] San Antonio Indep. School Dist. v. Rodriquez, 411 U.S. 1, 40 (1973).

[85] 42 U.S.C. § 2000c–2(e) (1970).

[86] 117 Cong. Rec. 30,407 (1971) (remarks of Senator Javits).

[87] The language of the proposed BFG clause so closely parallels that of Title VII's BFOQ provision that an intent to model the former on the latter is evident. At one point in the debates, Title IX was directly compared to Title VII. 117 Cong. Rec. 39,256 (1971) (remarks of Representative Waggoner).

[88] 42 U.S.C. § 2000e–2(e) (1970).

[89] In BFOQ cases the Fifth Circuit has refused to "permit the exception to swallow the rule." Diaz v. Pan Am. World Airways, Inc., 442 F.2d 385, 387 (5th Cir.), *cert. denied,* 404 U.S. 950 (1971); Weeks v. Southern Bell Tel. & Tel. Co., 408 F.2d 228, 235 (5th Cir. 1969).

[90] *Cf.* Diaz v. Pan Am. World Airways, Inc., 442 F.2d 385, 388 (5th Cir.), *cert. denied,* 404 U.S. 950 (1971).

[91] 29 C.F.R. § 1604.2(a) (1973): Diaz v. Pan Am. World Airways, Inc., 442 F.2d 385 (5th Cir.), *cert denied,* 404 U.S. 950 (1970): Weeks v. Southern Bell Tel. & Tel. Co., 408 F.2d 228 (5th Cir. 1969).

[92] 29 C.F.R. § 1604.2(a)(i) (1973).

[93] *Id.* § 1604.2(a)(ii).

[94] *Id.* § 1604.2(a)(iii).

[95] 442 F.2d 385 (5th Cir.), *cert. denied,* 404 U.S. 950 (1971).

[96] *Id.* at 388.

[97] *Id.* at 388–89.

[98] 408 F.2d 228 (5th Cir. 1969).

[99] *Id.* at 235.

[100] *Id.* at 234.

[101] 477 F.2d at 1299–1302.

[102] 317 F. Supp. 593 (S.D.N.Y. 1970).

[103] 477 F.2d at 1296, *quoting* Seidenberg v. McSorley's Old Ale House, 317 F. Supp. 593, 606 (S.D.N.Y. 1970).

[104] In a recent case a Washington superior court upheld a ruling by the Washington Interscholastic Association forbidding a member high school to allow three girls to play on the school's football team, even though the school's football coach had testified that the girls were qualified to be on the team. 301 Civil Liberties 8 (1974).

[105] *See* Buek & Orleans, *supra* note 7, at 25.

[106] In Ritacco v. Norwin School Dist., 361 F. Supp. 930, 932 (W.D. Pa. 1973), the court accepted the argument that separate but equal athletics led to more opportunity for participation by girls and thus had a rational basis under the fourteenth amendment.

[107] "Less restrictive alternative," or "least drastic means," is a due process concept. Even though a governmental purpose is legitimate and substantial, it must be achieved in a manner that results in the least loss of liberty. Shelton v. Tucker, 364 U.S. 479 (1960).

[108] Magill v. Avonworth Baseball Conference, 364 F. Supp. 1212, 1217 (W.D. Pa. 1973) (segregation in Little League baseball upheld in § 1983 challenge on ground of no state action and on alternative ground of rational basis for sex segregation).

[109] *Id.* Bucha v. Illinois High School Ass'n, 351 F. Supp. 69 (N.D. Ill. 1972).

[110] The regulation states that "nothing in this section shall be interpreted to require equal aggregate expenditures for athletics for members of each sex." Proposed HEW Regulations § 86.38(f), 39 Fed. Reg. at 22,236.

[111] Proposed HEW Regulations, 39 Fed. Reg. at 22,230.

[112] *Id.*

[113] *Compare* 42 U.S.C. §§ 2000d–1, –2 (1970), *with* 20 U.S.C. §§ 1682–83 (Supp. II 1972).

[114] *See* Proposed HEW Regulations §§ 86.61–.66, 38 Fed. Reg. at 22,238–40.

[115] *Id.* §§ 86.61(a), 86.62(b), 39 Fed. Reg. at 22,238.

[116] *Id.* §86.64(c), 39 Fed. Reg. at 22,239.

[117] *See* Note, *Implying Civil Remedies from Federal Regulatory Statutes,* 77 Harv. L. Rev. 285 (1963). The Supreme Court first implied a cause of action from a federal regulatory statute in Texas & Pac. R.R. v. Rigsby, 241 U.S. 33 (1916). This implied right was extended to include equitable relief in Steele v. Louisville & N. R.R., 323 U.S. 192 (1944).

[118] *See, e.g.,* Alvarado v. El Paso Indep. School Dist., 445 F.2d 1011 (5th Cir. 1971) (class action by parents of Mexican-American

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school children for relief against ethnic discrimination states a cause of action under Title VI); United States v. Jefferson County Bd. of Educ., 374 F.2d 836, 880 (5th Cir. 1966), *cert. denied*, 389 U.S. 840 (1967) (equitable powers of the court to remedy discrimination exist independent of the Act); Bossier Parish School Bd. v. Lemon, 370 F.2d 847, 852 (5th Cir.), *cert. denied*, 388 U.S. 911 (1967) (school children as beneficiaries of the Civil Rights Act may assert Title VI rights).

[119] 414 U.S. 563 (1974).

5 U.S.C. § 702 (1970); *cf.* Adams v. Richardson, 480 F.2d 1159, 1161–62 (D.C. Cir. 1973) (plaintiffs allowed declaratory and injunctive relief against Secretary of HEW in Title VI suit; enforcement of Title VI is not within agency discretion, so review available under the APA).

[121] 42 U.S.C. § 1983 (1970); *see* note 28 *supra*.

[122] 28 U.S.C. 2201 (1970).

[123] *Id.* § 1361.

[124] Buek & Orleans, *supra* note 7, at 19.

[125] Reed v. Reed, 404 U.S. 71 (1971); Dandridge v. Williams, 397 U.S. 471 (1970).

[126] McGowan v. Maryland, 366 U.S. 420, 425 26 (1961).

[127] The governmental purpose for the policy must be compelling, and the discriminatory classification must be necessary to that purpose. Shapiro v. Thompson, 394 U.S. 618 (1969). Applied to the Title VI/Title IX context, strict acrutiny would require the school system to show that it could not function unless it enforced its discriminatory rules.

[128] Loving v. Virginia, 388 U.S. 1 (1967) (race).

[129] *Id.* (right to marry); Harper v. Virginia Bd. of Elections, 383 U.S. 663 (1966) (right to vote).

[130] Eastwood, *supra* note 80, at 295–96.

[131] *Id.* at 281–82; Ginsburg, *Sex and Unequal Protection: Men and Women as Victims*, 11 J. Family Law 347 (1971); Johnson & Knapp, *Sex v. Perspective*, 46 N.Y.U.L. Rev. 675 (1971); Comment, *The Constitutionality of Sex Separation in School Desegregation Plans*, 37 U. Chi. L. Rev. 296, 313–14 (1970).

[132] 404 U.S. 71 (1971).

[133] Note, *supra* note 71, at 339.

[134] 411 U.S. 677 (1973).

[135] *Id.* at 682.

[136] *Id.* at 686.

[137] *Id.* at 687–88.

[138] 351 F. Supp. 69 (N.D. Ill. 1972).

[139] *Id.* at 75.

[140] 364 F. Supp. 1212, 1217 (W.D. Pa. 1973).

[141] The law is far from settled on this point. A recent Supreme Court opinion may have weakened the impact of *Frontiero*. In Kahn v. Shevin, 94 S. Ct. 1734 (1974), Justice Douglas, writing for the majority, said nothing about suspect classification or strict scrutiny in upholding a statute that favored widows over widowers.

[142] *See* 117 Cong. Rec. 30,403, 30,412 (1971) (remarks of Senator Bayh); *id.* at 39,252 (remarks of Represenative Mink); *id* at 39,259 (remarks of Representative Green).

[143] Title IX rests on Congress's spending power. The Supreme Court has held that Congress is free to be as strict as it wishes in the conditions it attaches to federal aid, so long as it does not dictate unconstitutional practices. *See, e.g.*, King v. Smith, 392 U.S. 309 (1968); United States v. San Francisco, 310 U.S. 16 (1940). In Bossier Parish School Bd. v. Lemon, 370 F.2d 847, 852 (5th Cir.), *cert. denied*, 388 U.S. 911 (1967), the court stated that 42 U.S.C. § 2000d (1970), a provision in Title VI, is "a reasonable condition that the United States may attach to any grant of financial assistance and may enforce by refusal or withdrawal of federal assistance." *Id.* at 852. Thus, it is clear that Congress can insist that states go further in effecting nondiscrimination than the minimum required by the equal protection clause.

[144] 20 U.S.C. § 1685 (Supp. II 1972).

[145] *Id.* § 1681(b).

[146] 42 U.S.C. § 2000e–2([illegible]) (1970).

[147] Proposed HEW Regulations §§ 86.41–.51, 39 Fed. Reg. at 22,236–38 (employment).

[148] 41 C.F.R. § 60–2.12(c) (1973).

[149] 442 F.2d 159 (3d Cir.), *cert. denied*, 404 U.S. 854 (1971).

[150] McDaniel v. Barresi, 402 U.S. 39 (1971); Swann v. Charlotte-Mecklenburg Bd. of Educ., 402 U.S. 1 (1971); Alexander v. Holmes County Bd. of Educ., 396 U.S. 19 (1969).

[151] United States v. Jefferson County Bd. of Educ., 372 F.2d 836, 862, 883 (5th Cir. 1966), *cert. denied*, 389 U.S. 840 (1967); Clark v. Board of Educ., 369 F.2d 661, 670 (8th Cir. 1966); Lee v. Macon County Bd. of Educ., 267 F. Supp. 468, 473 (M.D. Ala.), *aff'd sub nom.* Wallace v. United States, 389 U.S. 215 (1967).

[152] Proposed HEW Regulations § 86.43(a), 39 Fed. Reg. at 22,237.

[153] 20 U.S.C. § 1681(b) (Supp. II 1972).

DÉTENTE AND THE DEFENSE OF AMERICA

Mr. CURTIS. Mr. President, the Senate will soon be in a debate concerning the defense of our country. Mr. Karl R. Bendetsen, one of our Nation's stalwart citizens, made a statement on April 3, 1975, which I believe merits our consideration. It was on the occasion of an award to him for distinguished service.

Mr. President, I ask unanimous consent to have Mr. Bendetsen's remarks printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY KARL R. BENDETSEN

President Markle, General Sibley, distinguished members and guests, ladies and gentlemen. It is with humble gratitude that I accept the Distinguished Service Award of the New York Chapter of the Association of the United States Army. Those who have preceded me on this dais and upon whom this outstanding award has been bestowed and for whom my admiration is unbounded, are men of such towering stature and achievement that it is impossible for me to comprehend the reality of what has just occurred. This event shall ever be a treasured, moving memory. My enduring and heartfelt thanks are yours.

Before I proceed with my remarks, may I share a story with you. There once was a husband out for the evening alone who overindulged. As he found his way home with difficulties along the darkened streets, he faced what awaited him with foreboding. As he mounted the steps and entered the door, his worst fears were confirmed. There stood his unhappy wife, arms akimbo. He had thought some of what he might say and so he began. "My darling, this evening for some reason beyond me, I have overindulged," whereupon he fell backward flat on his posterior and banged his head. As he opened his eyes and looked at his glaring wife, he said "My darling, this will conclude my prepared remarks. I will now take questions from the floor."

The New York Chapter of the Association of the United States Army is a body of great importance in our national life. The contributions of its members to the nation are unique, significant and vast in their array, their depth and scope. Together these contributions constitute a moving chapter in our nation's history, a chapter which covers chiefly the momentous years and events since 1938 to the present.

In composing my responsive remarks, I yearned to find contemporary words of gracious optimism and high confidence. Regrettably in the national environment in which we find ourselves, my quest has been fruitless.

In preparation, I have reviewed anew the streams of history whose confluence has formed the mighty river of time now swiftly carrying us and the nation we revere into an uncertain future whose coming events may now be casting their shadows before us. Can we discern them? Specifically, my subject is *Detente*. To set the background, may we briefly together glance at the somewhat remote past.

While it is unnecessary to detail the tangle of episodes along the corridor of time, the train of events which led to the onset of World War II began their inexorable march long before. It would be difficult to fix their initial point in time. One could speak appropriately of the years between 1900 and 1914 when the statesmen of old Europe knew full well what was afoot but chose, even as some statesmen of today, to ignore the facts and do nothing. But it would not do violence to history to cite the guns of August in 1914 and the entry of the United States on April 6, 1917 into World War I.

But no sooner said, one is forced to recall the fateful decision of the German Imperial General Staff in 1918 to relieve the pressure on the eastern front. It was they who launched the so-called Russian Revolution. No popular uprising at all—it was created and financed by the Germans with a million gold rubles and a secret train carrying a load of exiled and violent Russian revolutionaries, Lenin included, to St. Petersburg. The Germans to their later great regret had carefully gathered them together for the purpose. But for this, there would not have been a U.S.S.R. today.

There was the total disability of Woodrow Wilson not long after the peace conference in Paris. He exhausted himself on the League of Nations issue in a confrontation with the Senate of the United States. It struck him down for nearly the last 18 months of his second term. Had he retained all his faculties, some of the tragic mistakes of that period might have been avoided, but they were not. They accelerated and compounded. As they did, World War II became inevitable. As the fateful years of the 1920's and 1930's slipped into history, the momentum toward the abyss gained steadily. The formidable prospects we now face were even then being shaped.

What of World War II itself? Did we learn from the past? Were the ostrich-like nonjudgments of yesteryear avoided by our chosen leaders? And what we may say to ourselves about the present? More pertinently, what do both the past and the present portend for the future?

I first touch upon Yalta. In February, 1945, when Roosevelt, Churchill and Stalin met there, they created the temporal cauldron of the postwar world. After the third plenary session, a communique was issued to the world announcing progress to date. It said there had been "complete agreement for joint military operations in the final phase of the war against Nazi Germany and that discussions of problems involving a secure peace have also begun." All the liberated nations of old Europe were to have representative governments freely elected.

The communique sounded reassuring but a number of Americans among those present at Yalta who had dealt closely with the Russians were gravely concerned by what was actually taking place. One among these, our former Ambassador to Russia, William C. Bullitt, feared that President Roosevelt was being taken by Stalin. In his memoirs, Bullitt said Roosevelt once told him in private that he would convert Stalin from Soviet imperialism to democratic collaboration by giving him everything he needed to fight the Nazis. Stalin needed peace so badly, the President had said to Bullitt, that he, Stalin, would willingly pay for it by collaborating with the West. Bullitt predicted that Stalin would never keep his agreements. The President repied, and I quote "Bill, I do not dispute your facts. They are accurate. I do not even dispute the logic of your reasoning. I just have a hunch that Stalin is not that kind of a man. Harry Hopkins says he is not and that he does not want anything but security for his country, and I think that if I give him everything I possibly can and ask nothing from him in return, noblesse oblige, he won't try to annex anything and he will work with me for a world of peace and democracy." When Bullitt persisted, the President replied, "Bill, this is my responsibility and not yours; I'm going to play my hunch."

The next month, in March of 1945, when the outlines of that which had been both settled and defaulted at Yalta began to be known, a rather remarkable statement was made and I quote: "If the German people surrender, the Soviets will occupy * * * the Baltic states, the whole east and southeast of Europe in addition to the larger part of Germany. In front of this enormous territory, including the Soviet Union itself, an iron curtain will go down * * *" Now who do you suppose was the author of this statement—Churchill? Certainly not. It was Joseph Goebbels, Hitler's propaganda minister, and it appeared in an article he then wrote entitled "The Year 2000" warning the West of the duplicity of the Soviets. But who could believe Goebbels, an enemy, particularly when he so freely mixed fact and fiction?

The world soon learned following VE day in Europe that the Soviets could not be trusted; and would not honor their agreements.

Save for Finland, an iron curtain did indeed descend across the states bordering the Baltic seas and their hapless people were enslaved as they remain today. Within months, the same fate befell all eastern Europe, although following Yalta, Stalin and Churchill had privately agreed in a bilateral conference in Moscow in March of 1945 that the British would have the main say over Greece in the postwar era. It was not long before the Soviet-backed Guerrilla forces were attempting to subvert Greece, and it was only because of the intervention of the United States with military advisors and armaments under General Van Fleet that Greece was then saved from the fate which befell the other nations.

On June 25, 1950, the armed forces of the People's Democratic Republic of North Korea, armed, trained and directed by the then allied Communist powers of the U.S.S.R. and mainland China, launched an unprovoked, well planned aggression against South Korea. The United States decided to act with determination that the aggression be repulsed and procured the adoption by the Security Council of the United Nations, after the Soviet representatives stormed out of the meeting, of a resolution denominating the forces employed as the United Nations forces, although the United States carried the main burden of arms, men and casualties.

The aggression *was* repulsed to the point of its initiation following the brilliant maneuvers of General MacArthur culminating with the classic landing at Inchon. At great cost, the aggressors had been forced reeling back across the line of departure they had first violated. Then a fateful decision was made. The aggressors would be pursued. It was a decision of enormous significance—its validity destroyed by a stark, immutable fact in the face of which it could not have been justified on any grounds, even though in some respects *arguendo* it had some validity in that the Soviets had agreed with her World War II allies and the United Nations had solemnly declared there would be free elections in all Korea. As a personal note, having been then on the scene, I opposed the decision to pursue the aggressors in every way I could. I still regard it as having been a cataclysmic mistake. What pervasive omission made this decision unsound? It was that the government of the United States was not prepared to succeed. We had *not* made a determination before embarking upon a new adventure, having repulsed the aggressor, that we would bring to bear under all circumstances the full force of our military capabilities. Certainly our intelligence knew of the massed Chinese forces north of the Yalu River.

Having gained face in Asia, in repulsing the aggression, our gain was eroded by the chilling consequences of that fateful decision. We failed. Each of you knows and vividly remembers the adverse impact on our national life of that failure and its aftermath. Would it not be reasonable to suppose that in the light of the profound difficulties we encountered in extricating ourselves from a blunder of such calamitous magnitude that we would have learned an indelible lesson? Never launch a major undertaking of milestone significance without a well deliberated commitment to succeed!

But this is not the end of the story. It had a tragic sequel of catastrophic proportions. We were not to learn from the bitter lessons of Korea. More importantly perhaps, we may find to our ultimate tragedy that we have not learned from Roosevelt's fateful delusion at Yalta. What did the long planned resolute duplicity of the Soviets in Korea and in their descending an iron curtain across eastern Europe and the Baltic states, first described by Goebbels and later claimed as his own classic description by Churchill at Fulton, Missouri, teach us, if anything? Let us inquire further. I shift to another chapter.

On August 26, 1960, John F. Kennedy during his campaign for the presidency said at Detroit and I quote: "I think the American people are willing to undergo whatever is necessary for the world's best defense." At Harrisburg, Pennsylvania on September 15 of that year, he said "Freedom and communism are locked in a deadly embrace. The goals of communism and its methods do not change one iota when Khrushchev talks of peace and of peaceful coexistence." He added a few days later on the 20th of September in Washington, "This is no ordinary enemy and this is no ordinary struggle." On the following day, he elaborated, "Mr. Khrushchev is not impressed by words, nor is Mr. Castro, nor are the satellite leaders. They're not impressed by speeches, they're not impressed by debates, they are impressed by power, they are impressed by strength. The communists are determined to destroy us."

In the October, 1960 issue of *The Keystone Catholic Veteran*, he said, "Let us make certain that as long as the unbridled power of communism exists, we will have in fact, as well as word, a military establishment not only second to none but first." And later at Miami, he said "Communism is struggling to subvert and to destroy the process of democratic development, to extend its rule over nations of this hemisphere. The leaders of Cuba have made the people of Cuba victims of foreign imperialism."

Early in 1962, Robert Kennedy who was then Attorney General in his brother's administration, said in Hong Kong, "The solution lies in winning the war in South Vietnam. This is what the President intends to do." And a few days later in Saigon, he declared "We are going to win it and we are going to stay here until we do."

I wish to make crystal clear to all that I did not then and do not now defend the decision to intervene in Vietnam.

To the contrary, I opposed it from the very beginning. The point is, however, that we did intervene and it is the consequences of this with which we are dealing.

A little more than four years after he said "We are going to win it and we are going to stay here until we do," the then *Senator* Robert Kennedy, seeking the Democratic nomination for President, reversed himself completely. He said at Kansas State University on March 18, 1968, "If the South Vietnamese government feels that Khe Sanh is so important, then let them put South Vietnamese troops there and elsewhere and let's take all the Americans out of South Vietnam now."

What had happened to the people of the United States? Our people were for intervention in the beginning just as they were for Truman's intervention in Korea. What may we say were the basic causes of the violent and traumatic experiences through which we went in the sixties? Had some vast geological fault destroyed the foundations on which rational behavior and thought must rest? Countless others besides Robert Kennedy were disparaging the costly effort and burden in South Vietnam. Many were doing so with outrageous, intolerable violence—orchestrated violence.

It is true that ugly, well planned, highly organized subversive efforts were being launched in the streets and on the campuses and against our very institutions. I do not believe these were the *causes* of what happened to our nation. They were in my view the opportunistic consequences. I believe that these dark and sinister forces of subversion, violence and terrorism had been presented with an opportunity. That opportunity was provided because the government of the United States once again was not prepared to succeed. The inevitable result was that vast numbers of the youth of the United States and countless numbers of their parents were shocked, horrified and aghast that these young men would be asked to expose themselves to the supreme sacrifice in a cause which they knew was not being pursued with all of the military capabilities at our command.

The lesson of Korea went unheeded. A distorted picture grossly unfair to the vast majority of our young people had been depicted and vast numbers of our adults were dismayed and discouraged and confused that our government would launch a major undertaking which put the lives of the flower of our youth at risk without being determined to succeed.

And now? South Vietnam has virtually fallen. Not only will the terrible sacrifices over the past years have been lost, so will American credibility have been lost. After a so-called peace with honor, in the face of their determination to defend their own freedoms with their own men, it has been increasingly clear that we were in the process of abandoning them while the U.S.S.R. continued fully to support the enemy in its gross violations of its agreements. What more effective relatively low-cost way for the Soviets to discredit the United States? We will have demonstrated to the watching world that the United States "does not have the willpower to resist." As Ho Chi Minh put it, "and the inevitable revolution will succeed because the people of the United States do not have the determination to persevere in the struggle in southeast Asia." A certain leading U.S. Senator recently said, and I quote "I am sick and tired of the killing caused by U.S. supplied munitions." Soviet weapons and ammunition, I gather, fire doves of détente.

The Thais are inviting us to leave. Now that our declared determination to help the

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peoples of their neighboring nations defend themselves is evaporating and has become meaningless in Asia, they know they will need to accommodate another power. The news accounts announce that the collapse of the armies of South Vietnam is because of President Thieu and his corrupt leadership. Apparently the flagrant violations by the enemy of the Paris agreement in the face of our own silence has nothing to do with it. Of course, they have collapsed. The men in the armies of old nations have ways of knowing what was happening to them. In such matters, the little people of ancient lands always sense the smell of defeat. A new and perhaps tragic era has well begun. Send not to know for whom the bell tolls in Vietnam. It tolls for thee and me.

What about Castro and Cuba? The press, television and radio media eagerly assisted by certain members of Congress and others in our government are conducting a campaign to legitimize Fidel and in the O.A.S. to lift the embargo and bring about the resumption of diplomatic relations between Cuba and the United States. The Washington Star News on September 1, 1974 said, "One of the reasons for the imposition of sanctions in 1974 was Cuba's support of subversion in Latin America. Since the death of Ernesto Che Guevara in Bolivia in 1967, such activity has virtually ceased."

On October 22, 1973, Dan Rather presented a CBS documentary entitled "Castro, Cuba and the U.S.A." To prepare this documentary he acquired from Frank Mankiewicz and Kirby Jones a tape made of an interview with Fidel Castro. On that tape there were these passages and responses by Castro: "Do we sympathize with the revolutionaries? Yes, we do. Have we aided the revolutionaries as much as we have been able to? Yes, we have. It is of course essential that they be fighting. If they are not, then we do not. When they do fight, we back them, we train them, we help finance them and supply them." During the hour-long documentary, Dan Rather chose to ignore all of this portion of the tape and attempted to show that Fidel now thought mostly about "conciliation and trade."

Surely, all of us know of the KGB and perhaps of its subsidiary, the GRU. KGB means in English the Committee for State Security. In Russian, it stands for the first letters of three words "Komitet Gosudarstvennoy Bezopasnosti." It fulfills a fundamental and extraordinary role. It has no counterpart anywhere in the western world. Parallel and subordinate agencies of the KGB and its subsidiary, the GRU, exist within all of the Soviet satellites, including Cuba. The KGB is the sole means by which Soviet thought, speech, behavior are regulated, the arts, science, religion, education, the press, the police and the military are controlled. It is used to suppress ethnic minorities, to prevent the flight of Soviet citizens, to keep watch on all individuals, with unlimited powers of arrest. It is there to compel the whole population to subserve the interests and the whims and the orders of the Soviet rulers. Every visa application for entry into the Soviet Union is screened, rejected or approved by a department of the KGB. There is a dossier on every visitor who is admitted and each such visitor is programed, followed, watched, escorted and propagandized in a special way by agents of the KGB or the GRU.

Every Soviet embassy throughout the world is heavily staffed by KGB and GRU officers. If the KGB and its subsidiary were to disappear, the staffs of Soviet embassies all over the world would shrink drastically and in some cases there would be no Soviet representatives left at all. If these agencies were to cease to exist, the Soviet Union would lose its capacity to rule at home, to commit espionage abroad, to subvert public officials abroad, to conduct disinformation and character assassinations in various countries of the world, as well as to plot and carry out both sabotage and assassinations, to foment demonstrations and riots, to nurture terrorism and guerrilla warfare, clandestinely to pollute public discourse with disinformation and calumny. It would be unable to seek surreptitiously what it has been totally unable to attain overtly. There is no evidence that the activities of the KGB around the world have diminished in detente, only increased. The evidence is substantial that its efforts have been intensified. Two years ago, the chairman of the KGB was accorded full membership in the politboro, the first such case since Beria in the days of Stalin.

While since our withdrawal from Vietnam we have been reducing the size of our armed forces, the Soviet Union has steadily increased and strengthened theirs. In 1973, the Soviets spent $96 billion on their armed forces and we spent $82 billion on ours; 56% of what we spent were personnel costs but for the Soviets it was only 27%, so the Soviets spent $70 billion for new weapons and increased strength in 1973 and we spent less than $30 billion, most of it to replace our huge losses incurred in Vietnam. The Wall Street Journal stated that in constant dollars, our investment in strategic programs in 1961 was $2[illegible] billion, but in 1974 it was only $6.8 billion and concluded "It is impossible to look at their deployment without concluding that our effort has fallen as theirs has soared."

How else do we stand in strategic and defense posture? The Congress of the United States has alienated Turkey, for 1200 years the enemy of Russia. Soviet men-of-war now traverse the Dardanelles and the Bosporous without advance permission—only a signal while passing through that they are.

Our relations with Greece are precarious, and the KGB has fomented an anti-U.S. sentiment there. Our bases there are in jeopardy and may be lost. Italy hangs in the balance with communist power gaining daily. Portugal has fallen and with it the Cape Verde Islands off the west coast of Africa which control the sealanes of the South Atlantic. Portugal is to become a Soviet puppet. Will the Azores go? They are key to the North Atlantic. If Portugal stays in NATO, it will relieve the KGB and the GRU of some of its espionage responsibilities in Europe because the secrets of NATO will be freely delivered through the Portuguese government. What of the Seychelle Islands in the Indian Ocean off the Horn of Africa, south of the Red Sea? They are coming under the domination of a KBG-developed and financed front which will take over the government shortly.

The tip of South Africa is a highly strategic piece of real estate. Somehow the United States cannot seem to understand its own national interests. Because we object to the fact that the government of South Africa has racist problems, we deny ourselves the protection that the cape route around Africa would afford us, even though we have race problems too. We could have the Simonstown Naval Base if we chose. The fact that it is important ought to be underscored by the fact that the Soviets are issuing through the KGB around the world a calumny and a chorus of hate because the British who are giving it up have asked the South African government to give us access.

Spain is perched on the edge of the abyss. When Franco dies, the KGB-developed underground will take over and there are thousands upon thousands of violent Spanish revolutionaries in the mountains on the northern border of Spain who are harbored in France near the town of Peperrone.

On April 2, James Reston wrote "—Portugal, Italy, Cyprus and Turkey are not going to determine the fate of the *Atlantic alliance*, or relations between Washington and Moscow." He omitted Greece—he must have forgotten. But if all this happens, the Mediterranean Sea will be a *Soviet lake*. With the Seychelle Islands commanding the Indian Ocean and the exit from the Red Sea and the Gulfs of Aden and Oman, she will have encircled the Middle East and western Europe will be forced to her knees for oil on Soviet terms. The mission of the Soviet Navy is to *deny* the sea routes to her adversaries—ours is to keep them open. How can we without the Mediterranean and the Indian Ocean!

It is reported that the United States government is in the culminating stages of negotiations with Panama to cede sovereignty over the Zone to Panama and jointly operate the Panama Canal. The government of Panama is an illegal government. Above all else, it is a communist government. The members in power are puppets of the U.S.S.R., the citizens of Panama are gagged, the press is censored. There have been assassinations, terror in the night. It is argued somehow that if the United States does not make a change in Panama and agree to such a treaty, perhaps there would be guerrilla warfare in the Zone. Certainly there are guerrillas for this purpose of being trained by the Soviet government in Cuba and North Vietnam. They are also at Soviet expense being trained in North Korea for violence elsewhere in the western hemisphere—close to us. Sadat announced on April 1 that it is Egypt's right to deny access to the Suez of any shipping access inimical to Egypt's interest. Would not Panama do the same to us at her own or at Soviet instigation?

What else has Detente given us? Well, there is the Apollo-Soyuz project. Soyuz is a Model T Ford and the Apollo is the apex of new technology. The Soviets have never developed inertial guidance. This joint project agreed to during the euphoria of detente hands the Soviets on a silver platter as a gift, technologies they have never developed. Their space program is a military program; ours is not. But inertial guidance, structural techniques, propulsion systems, advanced aerodynamics theory will make their ICBM's and their submarine launch ballistic missiles substantially more accurate than they are or could be now. The U.S. has incurred another deficit. We will lose much and gain nothing. And the lives of our astronauts are in danger. With the Soviets' tremendous advantage in throw weight over our situation, the application of advanced technologies could probably make ours a noncompetitive strategic system.

Finally, what do the Soviets say about Detente? For publication and consumption in the West, the Soviet survey for the year 1974 published in Moscow stated "1974 was the year of Detente, the year of mutual understanding, the year during which the Brezhnev doctrine of relaxation and international understanding made considerable progress. As 1975 approaches, everyone can breathe more easily and the danger of serious conflict has receded."

I now quote from the official survey of 1974, published within the U.S.S.R. for consumption there and for consumption in the Soviet satellites. Here are some highlights: "The world is shifting to the left and this shift will continue * * *. 1974 has undoubtedly proved to be a bad year for NATO. There has been no success in stopping the progression of left-wing forces. The coming to power of left-wing governments in at least two weatern European countries remains a real possibility * * *. This is why events in Portugal and Greece are indeed of great significance. The alliance of communists, socialists and other leftists with the armed forces movement in Portugal is a sign indicating profound change on our continent. This has not happened before." The survey goes on, "There is the strengthening of the union of left-wing forces in France, Italy and Spain and the strengthening of the left wing of the British Labor Party." With regard to the Middle East, the survey states "There is no need to emphasize that the forces of reaction gained nothing from the latest Arab-Israeli War * * *. In one way or another, imperialist reaction's chances have not improved." As to the western hemisphere which the survey called "the western continent," the survey goes on to say, "The southern part of the continent continues to seethe and it is there that considerable left-wing forces are already operating * * *. It is impossible to halt the revolutionary process in Latin America. Opportunities exist for a broad counteroffensive of the Democratic Socialist forces. This will have consequences not only for North America, Australia and Oceania but for the rest of the world."

In conclusion, the survey asks and answers an ominous question—"Is the world shifting toward the left spontaneously by itself? *Of course not*. It is being moved forward by quite definite class and political forces. The shift we see is primarily the result of a conscious policy of the community of socialist countries, of the consistent struggle of the Communist Party of the Soviet Union, of its Leninist Central Committee of the Communist Workers' parties. This is why progress is not fortuitous and temporary." And the word "Detente"? It is not even mentioned.

The world knows that despite his devout belief in his own infallibility, President Roosevelt's hunch was disastrously wrong. Are the rulers of the Soviet Empire in the Kremlin fooling us again? I would have to answer that question this time in the negative. I do not believe they are. To the contrary, we are fooling ourselves. Has active Marxist-Leninist imperialism abated? Is it not clear that the expansionistic, ambitionistic, insidious effort to subvert the major parts of the world continuea intensively as before? Does anyone seriously consider that prior to Detente the Soviets were in fact plotting a surprise nuclear attack upon the United States? I would have to say that anyone who believes this takes his cues directly from Grimm's fairy tales. Of course, they are eager for Detente. It is a weapon, a one-way street used before. In 1921, Hoover brought famine relief to Lenin and thousands of U.S. engineers and executives helped Lenin to bring some semblance of order out of his chaos. In return, we have had ceaseless infiltration and subversion—intensified since diplomatic relations were established by President Roosevelt.

If Salt II stands, she has a clear path toward an overwhelming advantage if she chooses to exploit it. There are many well-meaning, well-intentioned, good and not-so-good people in the United States and in the Congress who believe in Detente, who have concluded that we are receiving a distinct advantage. There are also some people with thoroughly bad purpose—perhaps some few of those are also in the Congress of the United States who wish for Detente so as to erode our determination to defend the national interest.

The worldwide KGB has been described by an authority on communism, Mr. Robert Conquest, as "the storm troops of a system whose long-term aim is to extirpate our own." There are those who exploit Detente on Capitol Hill for the purpose of further reducing our defense appropriations. There are those on Capitol Hill who wish to go all the way in exposing our national security protective agencies such as the FBI and the CIA. If the CIA has exceeded its charter, then it should be reprimanded. But the FBI and the CIA are our only defensive shield against the ceaseless offensives of the KGB. As long as the Soviets gather offensive military might and increase it beyond our own, while we relax in the euphoria of Detente, it becomes virtually certain that they will never use their nuclear power nor would they intend to; will not need to; would not accept the retaliation. They can gain all they seek without it.

On the faculties of our universities, in the Congress, in the media, there are those who daily condone the atrocities of the left and condemn only the abuses of the right. They are consumed with invective against Chile and Brazil but have no breath of criticism for Cuba, Peru, Panama or the U.S.S.R.

Can there be leadership of a people who seem to wish neither to be led nor any longer to sacrifice anything for their own defense and survival—let alone to prevent the disaster of hyper-inflation which the actions of Congress thus far make all but certain?

Vatican intelligence which has always been of the highest quality is reliably reported to have concluded that the Post-WW II era has ended and the Pre-WW III era has begun.

In detente, are we replaying the lofty but hapless hunch that led to the enslavement of the Baltic states and eastern Europe, and could now lead to our own? The hour is late but it is a certainty that there is still time. The task is arduous but if we will, we can remain free even unto our tricentennial. This is no time for recriminations—instead it is a time to ask—Are we now at long last prepared to succeed?

APPLICATIONS TECHNOLOGY SATELLITE NO. 6

Mr. MOSS. Mr. President, on May 30, 1974, the National Aeronautics and Space Administration launched an experimental communications satellite called applications technology satellite No. 6. It is more commonly referred to as ATS–6.

Mr. President, few technologies have developed as rapidly as the use of communications satellites, but the ATS–6 plowed new ground. This satellite carries about 20 experiments, most of them very technical but a few devoted to providing health and educational services on an experimental basis. Among these socially directed experiments were graduate courses given throughout the Appalachia area from the University of Kentucky, selected course materials broadcast to low cost ground stations at remotely located junior high schools in the Rocky Mountain area, medical services provided to remote areas in Alaska, and a communications network for medical conferences in the Veterans' Administration. These and similar social service experiments proved very successful. Unfortunately, the ATS–6 is scheduled to be moved from the Western Hemisphere to a position over East Africa this month for other experiments and as a communications relay satellite for the upcoming United States-U.S.S.R. Apollo-Soyuz mission.

However, the socially directed experiments using the ATS–6 proved so successful that the users and potential users have created a not-for-profit corporation to aggregate the large number of relatively small users into a large market. This nonprofit corporation—called the "Public Service Satellite Consortium"—has been incorporated in the State of Delaware. Its creation has been encouraged by officials of the Department of Health, Education, and Welfare, the Office of Telecommunications Policy, and even the Office of Management and Budget. I believe that it can be an important organization in this country for bringing telecommunications services, particularly satellite services, to many users who are too small to otherwise participate in this new technology.

Mr. President, in the May issue of the magazine, Astronautics and Aeronautics, a journal of the American Institute of Aeronautics and Astronautics, Mr. Howard H. Hupe has an article which provides some background and other information on this new corporation, on the problems it is trying to solve, and on the problems it faces. The use of satellite communications to provide educational, health and other social services to all aspects of our society is an important consideration for the Congress of the United States. I am sure Mr. Hupe's article will be of interest to other Members of the Congress. Therefore, Mr. President, I ask unanimous consent that Mr. Hupe's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

STEPPING UP TO A PUBLIC SERVICE SATELLITE CONSORTIUM

(By Howard H. Hupe)

The creation of a widely-based, user-controlled consortium of educators, medical and health practitioners, and other public-service providers who have potential satellite needs has been a HEW objective for the past year. Such a consortium is seen as an answer to the problem of aggregating a potentially large market for satellite delivery of audio-visual materials, services, digital data and programming, and similar information-based components of social services (see my article in the February 1975 A/A).

At a February meeting, representatives from universities, state telecommunications offices, medical associations and schools, community college consortia, public-service groups, and a wide variety of other enthusiastic potential users voted to incorporate the Public Service Satellite Consortium in the immediate future. Some 37 institutions and sub-consortia to date have contributed or pledged their $500 membership fees, and a period of rapid growth in membership is expected now that the consortium is a reality and its laws and articles of incorporation have been firmed up.

Of particular interest to the telecommunications industry is the preliminary estimate of a near-term need for several video-quality satellite channels for already identified users. The estimates were based on a questionnaire and study done by a traffic-model committee headed by Ken Lokey of the Federation of Rocky Mountain States (FRMS, headquartered in Denver, Colo.—a major participant in the ATS-6 Health and Education Telecommunciations Experiment; several members of the Federation assisted the consortium steering committee in preparing substantive material for this conference). Presumably, users yet unidentified could expand the traffic and channel requirements still further. Ralph Christenson, director of the Mountain States Regional Medical Program, reporting the

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results of a medical/health users subcommittee session, predicted that medical applications alone would exceed the capacity of presently contemplated satellites within a very few years.

TECHNICAL FORM ANALYZED

The optimum technical system for the consortium's near-term needs is expected to be based on 20-w satellite transponders and ground stations costing under $10,000 using inexpensive, uncooled paramps. Predicted costs for satellite video channels are on the order of $300-$500 per channel hour—a rate very attractive to potential users. These tentative conclusions reflect a major extensive study of presently available technology, costs, and economic tradeoffs (by Janky, Potter, *et al.* of FRMS; the authors have publishing plans for later this year but have expressed a willingness to respond to questions before then). Further analysis and critique of this study should lead to firm technical conclusions in the near future.

It is the express purpose of the consortium not only to determine the optimum technical system based on the needs of its members, but also to arrange for financing, leasing and or acquisition, and use sharing of all components of such a system. It is anticipated that satellite capacity, possibly in the form of one or more dedicated satellites, would be leased from a carrier, although independent purchase and operation options are being considered. Ground terminals costing $10,000 or less should be well within the range of routine capital expenditure of most institutions and will probably be so financed, although group purchasing in interests of standardization and economies of mass production and purchasing is expected. (It is a harbinger of a new era in satellite communications to talk soberly and realistically of the "mass production" of satellite terminals.)

Frequency preferences lean toward 2.5-GHz downlink, as used in the ATS-6 program, and 14-GHz uplink. An initial system of hundreds to thousands of receive-only terminals and a smaller number of uplinks, including one or several mobile uplinks, is foreseen. It should be remembered, however, that other alternatives are under active consideration and that no *decisions* on system configuration, operating frequencies or satellite ground-segment cost tradeoffs have been made to date.

The Corporation for Public Broadcasting (CPB), the Public Broadcasting System (PBS), and National Public Radio (NPR) are charter members of the consortium. They are analyzing the potential benefits of using the consortium satellite system (whatever that turns out to be) in cooperation with fellow members, but are also doing extensive studies on the feasibility and costs of using standard commercially available 4/6-GHz satellite transponders with 5 watts of transmitter power per video channel. The chief attractions of the commercial satellite systems for public broadcasting are immediate availability and high system reliability due to the proliferation of 4/6-GHz satellites and channel capacity. (Anik and Westar are in orbit serving the U.S.; additional Westar and RCA launches are scheduled for the near future.) Public broadcasting could end up using commercial capacity, consortium capacity, and/or some combination of the two to provide both basic station interconnect and remote area outreach.

Serious planning studies funded by CPB, PBS, and the Ford Foundation are continuing, and implementation of a multi-channel satellite system is expected in the near future if the studies show cost-effectiveness advantages of a satellite network vs. a land-based interconnect system. Arnold and Porter have completed a preliminary study and are now working on a Phase II continuation. Additional study leading up to actual implementation planning is contemplated.

The formation of this consortium may be an historical event of far-reaching consequence. Extensive use of telecommunications and resource sharing in the multibillion-dollar education, health, and social services markets can result in micro-economic benefits of improved services and lowered costs. Macro-economic gains in service productivity would simultaneously fight inflation and lead to improved living standards. It also represents a philosophical commitment by the Federal Government—at first as HEW strategy, but soon as administrative policy—to *user control* over this sensitive major application of telecommunications. This is an unambiguous step away from possible "big brother" implications of a federal or any other central control over the "social satellite service" or any other nationwide telecommunications system.

Unfortunately, the great philosophical strength of this free-market approach to social service satellite development is marred by the practical problem of financing. Since control over a system inevitably tends to follow control over its funding, it is important that the system ultimately be user financed. Thus, the end users of social services will determine, via the market mechanism, exactly what services, in what form, they want.

FRONT-END MONEY THE PROBLEM

While there is fairly general agreement that such a financing scheme in the long run should be feasible and that the system should be cost-effective, it is also recognized that considerable front-end money will be required for satellite leasing, ground segments, start-up costs, and the inevitable but temporary inefficiencies of early operations. The familiar problems of squeezing short-term funds out of already strained budgets, no matter how attractive the long-term benefits, may be the chief stumbling block to consortium success. It would seem proper for the Federal Government to aid the difficult start-up period of such an innovative nationwide cooperative effort to achieve more and better social services at less cost; and yet, as we well know, even the "feds" have their money problems these days with budget cutbacks the rule and innovative programs facing nearly insurmountable struggles.

Financing problems notwithstanding, enthusiasm runs high among members and an impressive cast of leaders is evolving, including among many others chairman of the Interim Board H. Rex Lee (former governor of Samoa and ex-FCC Commissioner), Donald Quayle, senior VP and director of broadcasting at CPB, and William Harley, president of the National Association of Educational Broadcasters. Support for the consortium has been expressed by Caspar Weinberger, Secretary of HEW, in a letter to H. Rex Lee and in his address to the AIAA on February 26 (see the April A/A, page 56), and by John Eger, acting director of the Office of Telecommunications Policy, Executive Office of the President, who addressed the consortium meeting. The consortium and market building concept was endorsed by Roy Ash, former director of the Office of Management and Budget, in a letter for the President in answer to an inquiry from thirteen Senators concerned over follow-on plans to the ATS-6 experiments. And there is evidence of even more bipartisan congressional support for such follow-on plans.

BILL TO CONGRESS

Legislation to provide for demonstration funding for telecommunications innovation in public service, as well as to extend the Educational Broadcast Facilities Program, was originated by HEW's Office of Telecommunications Policy and has been introduced to the current Congress as an Administration bill (HR 4564).

One of the top priorities of the consortium is, quite realistically, the search for financing means by which any *federal* assistance can be augmented. Once the satellite service is operating, it should be self-financing and, in fact, generate adequate revenues to finance general consortium activities.

Additional problems faced by the consortium are the organizational/sociological/psychological complexities of technological innovation in fields not technology-oriented, for example, curriculum and materials sharing, cross-credentialling, open-learning administration, teacher resistance, materials development, educational methodology, etc. Fortunately, the existence of extensive audio-visual and computer-aided instruction experience, regional cooperative consortia, state-wide educational telecommunications systems, telemedicine experiments, etc. have developed insights, methodologies, and practical prototypes for dealing with these problems. Only the scale—in most cases, nationwide—is relatively new.

TRIBUTE TO AEROSPACE ENGINEERING

Consortium members generally recognize that the financial and organizational problems are more severe than the technical ones. That this is such a familiar situation reflects on the continuing excellence of scientific and engineering innovation and problem-solving ability. As the difficult financing and complex organizational questions are resolved, the public-service satellite consortium could prove one of the world's major users of telecommunications, requiring two or more satellites and perhaps as many as 100,000 ground terminals.

WISTAR INSTITUTE

Mr. SCHWEIKER. Mr. President, various facilities in Pennsylvania and around the Nation are conducting research to ultimately improve the health of our citizens by discovering the cause and treatment of disease. These centers, some affiliated with medical schools and others operating independently, are conducting their research under the auspices and guidance of the National Institutes of Health. As a Pennsylvanian and a sponsor of the National Cancer Act of 1971 and the Cancer Act Amendments of 1974, I am pleased to note the work of the Wistar Institute of Anatomy and Biology, a basic unit of the NIH conquest of cancer plan, and the oldest independent biomedical research institute in the United States.

Just in the past few years, basic research conducted at the Wistar Institute has produced vaccines against the dread diseases of poliomyelitis, rabies, rubella—German measles—and cytomegalo virus. Today, intensive studies are being conducted to unravel the mysteries surrounding many diseases of the central nervous system such as multiple sclerosis. Another unit at Wistar is deeply involved in the study of infectious diseases and has recently developed some interesting facts which could lead to a vaccine against hepatitis.

Under the U.S. Government's conquest of cancer plan, $10 million was appropriated several years ago for the construction of new laboratories throughout the Nation which would be devoted solely to cancer research. The Wistar Institute was awarded just over $3 million of this appropriation. The new laboratories at Wistar are now nearing completion and the Wistar Institute is struggling to raise the matching funds needed to cover the cost of this construction.

Mr. President, training of young scientific workers, American, European, and Asian, has long been a Wistar tradition. Japanese scientists have been coming to the Wistar Institute since 1911 to learn modern techniques applicable to basic research before returning to their native land to put these studies into practice. Today, scientists from Brazil, Poland, Japan, and Italy are working in Wistar laboratories.

Wistar's past accomplishments are impressive and have fulfilled a basic need for improved health, not only of Americans, but of people throughout the world.

CORRUPTION IN THE GRAIN TRADE—III

Mr. CLARK. Mr. President, on May 12 and again on May 21, I brought to the Senate's attention the reports of corruption in the inspection and grading of U.S. export grain.

Since then the Subcommittee on Multinational Corporations has begun a comprehensive investigation of the grain trade. This investigation will not only cover the matter of inspection, but the impact that the multinational exporters—who number one less than the seven sisters of world oil, but who otherwise appear to exhibit some remarkable similarities to them—have on U.S. trade and foreign policies.

I am also encouraged by the announcement of the Senate Agriculture Committee's Foreign Agriculture Policy Subcommittee's hearings on the inspection system. I am a member of both subcommittees and intend to do all I can to see that the tide of corrupt practices is washed away. Moreover, I look forward to congressional action which restores a system of competition and a standard of honesty in this country that we and other countries have every right to expect.

Meanwhile the horror stories keep coming. Let me take just a moment to note the latest headlines:

New York Times—"One hundred Others Linked to Grain Scandal."

Des Moines Register—"Study Cites U.S. Greed in Programs"; "Threaten, Harass U.S. Grain Men at New Orleans"; "Investigators Eye Short-Weighting."

These stories amplify earlier reports about bribes in shipping inspection and grading. Now we learn of short-weighting which involves the actual theft of grain. The $200 to $5,000 bribes now appear to have grown to a total of at least $1 million found by Federal agents in banks in Bahamas traced to middle management employees of the New Orleans division of one international grain dealer. The reports are grim and disillusioning and they force us to ask about the failings of a system some people have found so satisfactory and successful in the past years.

Mr. President, these articles need no further introduction. They speak for themselves and I ask unanimous consent that they be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Des Moines Register, May 22, 1975]

CONGRESS WIDENS GRAIN PROBE

(By James Risser)

WASHINGTON, D.C.—The Senate Agriculture Committee, reacting to disclosures of corruption in the inspecting and grading of U.S. export grain, Wednesday ordered an "in-depth investigation" of the entire inspection system.

Chairman Herman Talmadge (Dem. Ga.) said the foreign agricultural policy subcommittee will be authorized to issue subpoenas and to hold hearings to determine whether reform legislation is needed.

The subcommittee's eight members include Senator Dick Clark (Dem. Ia.), who previously had announced that a foreign relations subcommittee on multinational corporations, on which he serves, also will look into the grain inspection scandal.

ELEVATOR PROBE

Meanwhile, the New York Times, in a copyrighted story, reported that as many as 100 more persons—employes of grain elevators and others—are under investigation and face the threat of indictment in a continuing federal grain inquiry.

Quoting sources close to the case, the Times said investigators are focusing now on allegations of short-weighting of grain shipments and profiteering in the grain withheld.

The Agriculture Committee hearings, to begin June 12, were requested by Senators Hubert H. Humphrey (Dem., Minn.) and Robert Dole (Rep., Kan.), said Talmadge.

BRIBERY CHARGES

Noting that a dozen federally licensed grain inspectors have been indicted on bribery charges in New Orleans, La., and Houston, Tex., Talmadge said:

"We intend to talk with federal law enforcement officers, Department of Agriculture officials and others who can indicate whether such a system may exist at other major ports. We need to determine whether the system itself invites this sort of activity, and whether we need to strengthen existing laws to prevent a recurrence."

THIRD PHASE

In its story, the New York Times said federal investigators have largely completed their inquiry into bribery of inspectors to certify ships as clean and fit to receive grain, and into charges of misgrading of grain.

In the third phase of the inquiry, the hardest evidence is said to concern the theft of some of the grain by employe rings at several grain elevators, the Times said.

The investigators are also said by the sources to be looking for evidence higher in corporate structures. Some of the largest international grain corporations operate elevators in New Orleans.

The newspaper said federal agents are said to have recovered large sums, reported to amount to more than $1 million, banked in the Bahamas by persons described as middle-management employes of the New Orleans division of one international grain dealer.

SLICER VOLUME

"Because of the sheer volume, they can't indict all of the people involved in everything." One source at the port with knowledge of the case told the Times. "The court just couldn't handle all of them."

"They wouldn't want to indict all of them," another informer was quoted. "Some deals are going to be made. They need witnesses."

Many indictments are expected to involve the theft rings, but one source told the Times that "they're going after bigger game than that—that's peanuts beside what they are looking at now."

Meanwhile, there were indications that the U.S. Department of Agriculture (USDA) may be willing to support legislation that would make all grain inspectors federal employees.

FEDERALLY LICENSED

At present the inspectors, who examine both the grain and the ships that carry the grain for cleanliness and for grading purposes, are federally licensed but are employees of boards of trade and other private organizations, some of which are controlled by grain and shipping interests.

An investigation by The Register earlier this month revealed serious potential conflict-of-interest problems under the current inspection system, and disclosed numerous complaints by foreign purchasers that they are receiving substandard and contaminated U.S. grains.

PUBLIC SYSTEM

Ervin L. Peterson, administrator of the USDA's Agricultural Marketing Service, told United Press International Wednesday: "The more I look at this, the more I am inclined to the view that a public system ought to be publicly operated."

He later told The Register: "It is a terrible state of affairs when the federal government has to be dependent on other than federal employees for this kind of activity."

Peterson said his views do not necessarily represent Agriculture Department policy at this point. At the least, Peterson indicated, he wants legislation giving the department "emergency" powers to conduct the grain inspections at ports where the licensed inspection agencies have been performing improperly.

SEES OPPOSITION

He predicted strong opposition to any change in the laws by the inspection agencies and by some segments of the grain trade.

Agriculture Committee Chairman Talmadge said, "It is essential to the maintenance of America's predominant position as a major grain exporter that we take every precaution to establish and insure the absolute integrity of our export transportation system, from U.S. farm to foreign port of entry."

It is important to U.S. farmers and to the over-all economy "that we can assure each and every foreign buyer that the grain he purchases in the United States will be delivered to him in precisely the weight, quantity, grade and degree of cleanliness which he paid for," Talmadge added. "Nothing less is acceptable."

The investigation will be directed by Senator Humphrey, who chairs the foreign agricultural policy subcommittee.

Humphrey said more than half of the $22 billion in U.S. agricultural exports consists of grain.

"Farmers have been urged to produce for an expanding export market, and we must make every effort to insure that this market is not ruined by shoddy inspection practices that will cause foreign buyers to turn elsewhere," he said.

SERIOUS IMPLICATIONS

Iowa's Senator Clark said on the Senate floor Wednesday that "the corruption has serious implications for U.S. trade and foreign policy.

He said Iowa corn farmers have "worked

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hard" to make the state No. 1 in corn production.

"Now, the quality of U.S. grain exports and the integrity of the government process that is supposed to guarantee that quality have been placed in jeopardy," he said.

He cited stories by The Register revealing that the Agriculture Department had warnings at least six years ago of corrupt practices in the inspection system, but cut back on its surveillance of the private inspectors.

[From the Des Moines Register, May 19, 1975]

STUDY CITES U.S. "GREED" IN PROGRAMS

(By James Risser)

WASHINGTON, D.C.—The U.S. Food for Peace program has been used to advance American political and agribusiness interests, at the expense of developing countries receiving the food aid, according to a study being issued here today.

The report by the Agribusiness Accountability Project contends that "simple greed," more than "generosity," has motivated the administration of the food programs.

Describing what amounts to a form of economic imperialism on the part of the U.S. Agriculture and State departments, in league with large grain and other agribusiness corporations, the study says food for peace has been used:.

"To dispose profitably of farm surpluses, which otherwise might create serious domestic economic problems.

"To create new, or to expand or protect existing markets for U.S.-owner interests.

"To provide cheap capital for overseas investment by U.S. enterprises.

"To 'launder,' so to speak, military assistance, which might have been challenged if so identified."

One result has been to force changes in the eating habits of people in less developed countries and to stifle their own agricultural production by making them dependent on U.S. foodstuffs, the report argues.

The agribusiness accountability project, a foundation-funded public interest organization frequently critical of large corporate agribusiness, questions the motives and results of Food for Peace in a new study entitled, "The Fields have Turned Brown: Four Essays on World Hunger."

THE AUTHORS

The primary authors of the study, Susan de Maroo and Susan Sacher, concluded that international efforts to end hunger cannot succeed without strong U.S. co-operation and a revision of U.S. aid programs.

The "gift aspect" of food aid has been considerably less than is generally believed, the authors found.

In Food for Peace (also known as "P.L. 480," after the number of the public law creating the program), 70 percent of all commodities shipped abroad have been government-financed sales to other countries in the form of loans that must be repaid.

Under these so-called "Title I" sales, there is "no requirement that the commodities so sold be distributed to those most in need in the recipient countries," says the report.

Proceeds from the loans and sales have been used, the study says, to finance, at subsidized rates, investment in the * * * recipient countries by large food corporations.

AN EXAMPLE

Thus, for example, Korea-Cargill, Ltd., a subsidiary of Cargill, Inc., was permitted to use proceeds from the sale of livestock feed in South Korea to finance expansion of its feed milling operation and for poultry and livestock production and marketing facilities, the study notes.

Also Purina Colombianis, a subsidiary of Ralston Purina Co., built a feed grain factory in Colombia and got an $83,000 loan from the U.S. government.

Citing a recent book by Consumer Union the report says Purina fostered development of a poultry industry, contracting with farmers to raise chickens owned and hatched by Purina and fed with Purina feed.

But because of poverty in Colombia, only a few people there can afford to purchase chickens and eggs, the study says. "The result of the Purina enterprises has been to actually shift agricultural land and production away from traditional sources of protein such as dry beans which the poor can afford, to the needs of the poultry industry.

"Because of this reduction in acreage planted in crops useable by the poor, the protein deficiency in Colombia has actually increased," the report says.

The study also points out that until passage of recent legislation limiting use of P.L. 480 for political purposes, more than half the food aid was going to South Vietnam and other political and military allies, rather than to nations where food needs are acute.

Some nations aided by the U.S. have been, in part, converted from rice-eating to wheat-eating countries, says the report, with the result that local agricultural production suffers, and the nations use "precious foreign exchange" to obtain U.S. wheat.

The U.S. use of food aid as 'one of the chips in the poker game of international power politics" partly explains "our undignified posture" at the World Food Conference in Rome, Italy, "where the official U.S. representatives proclaimed the urgent need for a workable food aid program, yet we found ourselves unable or unwilling to commit our share," the authors say.

"So long as the major portion of U.S. food aid is captive to overriding political and commercial concerns, it will do little to advance a goal of long-term food security for the hungry, and, more frequently, will even tend to disrupt that goal," they argue.

In addition to questioning the Food for Peace program, the study says that American companies are becoming ever more prominent in lesser-developed countries in Latin America and elsewhere, making use of cheap labor and favorable taxes to exploit those countries and make large profits in sugar, bananas, tomatoes, pineapple and other crops.

"BIGNESS" AIDED

Agriculture Department policies designed to reduce the government's aid to U.S. farmers and to expand U.S. exports—particularly in grains—have had the effect of weakening family farmers and strengthening "bigness and integration in agriculture," the study finds.

A few large grain firms are the primary beneficiaries of the U.S. policies and of the wildly fluctuating grain prices of the past few years, it says.

The new emphasis on making the U.S. the grain producer for much of the world also is questionable because it makes a large portion of the world's grain crop subject to loss in the case of bad weather or crop disease, says the study.

[From the Des Moines Register, May 21, 1975]

THREATEN, HARASS U.S. GRAIN MEN AT NEW ORLEANS

(By James Risser)

WASHINGTON, D.C.—U.S. Department of Agriculture (USDA) employes, who oversee the inspection and grading of American export grain, have been harassed and physically threatened at the New Orleans, La., port, department officials said Tuesday.

"There is a measure of fear among our folks down there," said Ervin L. Peterson, administrator of USDA's Agricultural Marketing Service.

The USDA personnel reportedly are working in pairs much of the time in New Orleans, rather than singly as they did before, for purposes of added protection.

U.S. export grain is inspected and graded by employes of boards of trade and other private organizations. The role of the USDA employes is to supervise the work and to conduct "appeal inspections."

SOME INDICTED

A number of the private inspectors and samplers have been indicted in New Orleans and Houston for accepting bribes, and grand juries in both cities are continuing to investigate.

The New York Times reported Tuesday that the USDA supervisors have had their automobile tires slashed and have been jostled while riding man-lifts in grain elevators. One USDA supervisor, who protested when one of the private samplers permitted fermented corn to be loaded on a ship, later was told a "contract" was out to break both his kneecaps.

The Times story also confirmed stories earlier this month by The Des Moines Register, which first disclosed the extent of the federal probe into grain inspection and uncovered conflicts-of-interest in the entire inspection process.

"We're under a lot of duress," said one USDA official who asked not to be quoted. "We keep getting the word that more things are going to happen to our people, and so we're taking precautions."

Lucius L. Free, assistant director of USDA's Office of Investigation, declined to discuss any specific actions being taken by his office, but confirmed that "threats to USDA personnel, attempts to intimidate them and prevent them from doing their jobs, are within our area of concern." The Office of Investigation has been co-operating with the Justice Department on the bribery investigations since last year.

Some of the threats are said to have occurred after USDA placed a 24-hour surveillance on one of the large export elevators in New Orleans, the Mississippi River Grain Elevator.

ELEVATOR SUIT

The elevator filed suit against the Agriculture Department in February, claiming "unreasonable and non-justifiable surveillance, regulation, and control" by the USDA supervisors.

The petition said the round-the-clock surveillance had not been used against other elevators in the area and was causing "a complete disruption of the orderly conduct" of the elevator's business.

However, department officials said the extra surveillance was ordered after it was noticed that an unusual number of large grain shipments were being loaded at night at the elevator, when no federal supervisors were on hand to oversee the ship inspections and grain grading by the private inspectors from Delta Weighing and Inspection Bureau, Inc.

The elevator since has dismissed the suit.

Inspectors employed by the Delta agency were among those indicted in New Orleans for taking bribe payments to certify that ships were clean and acceptable for loading with grain.

[From the New York Times, May 22, 1975]

ONE HUNDRED OTHERS LINKED TO GRAIN SCANDAL

(By William Robbins)

NEW ORLEANS, May 21.—As many as 100 more persons—employes of grain elevators and others—are under investigation and face the threat of indictment in a continuing Federal inquiry into the handling, inspection and weighing of grain in the Port of New Orleans and elsewhere for shipment overseas, according to sources close to the case.

Investigators are reportedly focusing now on allegations of short-weighting of grain shipments and profiteering in the grain withheld, after having largely completed their inquiry into two other phases—bribery of inspectors to certify ships as clean and fit to receive grain and charges of misgrading of grain. Nine persons have been indicted thus far.

In the third phase of the inquiry, the hardest evidence is said to concern the theft of some of the grain by employe rings at several grain elevators. The investigators are also said by the sources to be looking for evidence higher in corporate structures. Some of the largest international grain corporations operate elevators here.

Federal agents are reported to have recovered large sums, said to amount to more than $1-billion, banked in the Bahamas by persons described as middle-management employes of the New Orleans division of one international grain dealer.

"Because of the sheer volume, they can't indict all of the people involved in everything," one source at the port with knowledge of the case said. "The court just couldn't handle all of them."

"They wouldn't want to indict all of them," another informer said. "Some deals are going to be made. They need witnesses."

Many indictments are expected to involve the theft rings, but one source said that "they're going after bigger game than that—that's peanuts beside what they are looking at now."

In the investigation thus far, seven inspectors have been indicted for accepting bribes to certify ship holds as clean and fit for grain cargoes, a ship-cleaning company and its president were indicted for giving bribes, and a grain sampler was indicted for perjury in falsely attesting that he was properly performing his responsibilities when a ship was loaded with sour corn.

GUILTY PLEAS ENTERED

One of the inspectors was tried and found guilty but has appealed, and another faces trial. Guilty pleas were entered in the other cases; they were disposed of with fines and suspended sentences.

The grain inspectors and samplers are licensed by the Department of Agriculture, but work for private agencies in a system in which many officials see built-in conflicts of interest.

The private inspection agencies receive fees based on tonnages of grain loaded. The individual inspectors work continuously at single elevators; former inspectors say they often form close relationships with elevator personnel whose loading comes under their jurisdiction.

At times of heavy volume, vessels are often lined up at the elevators. Delays in loading the ships cost the grain companies $4,000 a day and up in penalties known as demurrage. Any delays caused by inspections—such as those required for cleaning grain when it is found to contain excessive amounts of foreign matter—is costly to the companies.

Expeditious loading also speeds up receipts by the private inspection agencies and lowers their unit labor cost.

The system has resulted in heavy pressure on grain inspectors, who work long hours, and usually throughout the weekends, earning a high percentage of their pay in overtime as well as substantial bonuses.

One grain company official has told a grand jury that he made two payments of $1,500 and $5,000 to an inspection agency executive, ostensibly for distribution among the inspectors, according to the president of the agency. He added that the statement was not true.

According to one lawyer, his client, the local executive vice president of a large international company that operates Mississippi River Grain Elevator Inc., was questioned before a grand jury on allegations that he had recommended such a payment. The official was said to have denied it.

The ship inspection bribery scandal led Federal agents to the other phase of their investigation. Some of the same men who inspect ships also inspect the grain. And some of the same agencies that employ the inspectors also have grain-weighing divisions, with weighers licensed by the Federal Government.

UNDERMANNED STAFF

The inspectors are subject to supervision by agents of the Agriculture Department's Grain Division on a spot basis, but its staff is said to be undermanned and "stretched thin," partly because of budget cuts.

The weighing of grain is under the jurisdiction of the Agriculture Department's Transportation and Warehouse Division, but the division is said by one source to give licenses to "anybody that applies if they work for an elevator or inspection and weighing agency." No effort is made to supervise or spot-check the work of the licensed weighing agents, it was said.

Disputes over weights taken here go back many years, according to persons close to the current case.

"The complaints are really starting to roll in now," one of them said. "There are going to be suits based on this investigation that will have some of these people in court for years."

The investigation is headed by Gerald J. Gallinghouse, the United States Attorney here, and Cornelius R. Heusel, the Assistant United States Attorney. They are being aided by the Federal Bureau of Investigation, the Agriculture Department's Office of Investigations and the Internal Revenue Service, with the cooperation of local officials of the Agriculture Department's Grain Division.

Leaders of the investigation refuse to discuss their findings and declined to comment today on reports of theft rings and short-weighting of cargoes.

But the reports began to circulate after leaders of the investigation took the grand jury into a more intensive phase of secret hearings, with a series of witnesses who reportedly have been involved in the case.

"They're coming out of the woodwork now," one informer said. "They're stumbling all over themselves, they're in such a rush to cover" themselves.

It is not known how soon the indictments may come, but one source close to the case said the Federal agents were under intense time pressures because some of the matters covered go back many years.

"The statute of limitations is involved and time is running out on them," the source said.

AUDITS UNDER WAY

It is not clear exactly how the theft rings operated, but sources close to the case said that one clue was that more grain was sighted in some elevators than could be accounted for, and Federal audits reportedly are now under way.

According to accounts pieced together from several sources, at least some of the grain withheld from the ships is sold to a small local elevator company, which then resells it. Sometimes, according to reports, the small company sells back to the large corporations some of their own grain.

In some instances, the grain reportedly never moved out of the elevator when it was sold and sold back.

"Sometimes it's just a paper transaction," one source said.

Some of the investigators' best evidence reportedly is coming from high former officials of grain companies.

But an executive of Cook Industries, a large grain company, told a reporter he considered his own company's operations "virtually foolproof—if anything is foolproof."

"I just don't see how anything like that could happen," he said.

The executive added that the weighing of grain was part of the automated process of loading vessels and that weights were automatically stamped on tickets. He also said that there was no way any grain could go out of the company's Bayside Elevator here without being loaded on a ship or a barge.

"If they put it on a barge, I think you'd catch that pretty fast," he said.

"There are ways," another source asserted. "Nothing is foolproof."

SENATE INQUIRY ORDERED

WASHINGTON, May 21.—The Senate Agriculture Committee ordered an immediate investigation today into charges of laxity and corruption involving Government-licensed export grain inspectors.

Committee staff members were told to prepare for hearings next month before the committee's Foreign Agricultural Policy Subcommittee, headed by Senator Hubert H Humphrey, Democrat of Minnesota.

Michael McLeod, the committee's staff director, said hearings would start after the Senate returns from its Memorial Day recess on June 2.

The order follows reports of complaints by foreign buyers that they had received misgraded and diseased grain from the United States.

FEDERAL CONTROL URGED

WASHINGTON, May 21.—A Federal marketing official said today that the Government should take control of the nation's private grain inspection system.

"The more I look at this," said Ervin L. Peterson, administrator of the Department of Agriculture's Agricultural Marketing Service, "the more I am inclined to the view that a public system ought to be publicly operated."

Mr. Peterson said in an interview that he was voicing a personal view and not an official position of the Agriculture Department.

AFL–CIO PRESIDENT MEANY AND LABOR SECRETARY DUNLOP TESTIFY ON FULL EMPLOYMENT GROWTH POLICIES

Mr. BENTSEN. Mr. President, the American economy is currently experiencing its worst recession in more than 30 years. Over 8.2 million Americans are unemployed—almost 9 percent of the labor force—while additional millions have either had to accept part-time work as the best to be had in a bad situation, or have become so discouraged that they have given up looking for work altogether.

This is a national tragedy. For most of the 25 million Americans who will be unemployed at some time this year, and their families, it will be an intense personal tragedy. It cannot be allowed to continue any longer. And it cannot be allowed to happen again.

Congress has made a good start on bringing the economy out of the recession with a wide range of programs, often over the opposition of the President and many members of his administration—the $22.8 billion tax cut, emergency employment appropriations, increased spending on job-creating public works, and the much-needed stimulus contained in the fiscal 1976 budget approved by Congress earlier this month. We must continue to push forward with other programs needed to speed the recovery and reduce unemployment to a level consistent with the goals of the Employment Act of 1946.

Not only must the economy be given sufficient overall fiscal and monetary support, we must at the same time provide the manpower, educational, and investment policies needed to help us reach and sustain long-run full employment without inflation.

The Subcommittee on Economic Growth of the Joint Economic Committee has recently begun to hold hearings on the problem of achieving noninflationary full employment growth.

Our opening witness, on May 12, 1975, was AFL–CIO President George Meany. In his statement, President Meany made an eloquent plea to Congress for job-creating measures to bolster the economy and get us quickly back to full employment. As President Meany said:

> There are few tragedies in a person's life that surpass the sudden involuntary loss of one's job. "You are laid off" are words that burn themselves not only into a man's pocketbook but also into his very soul.

Losing a job means the loss of a steady income, it means that indebtedness becomes an unmanageable burden, it means time spent unproductively in lines for food stamps, job applications, and unemployment compensation. Beyond this, for the unemployed worker, it means loss of his or her self-esteem, with tensions created between husband and wife, between parents and children and often result in alcoholism, drug abuse, and crime.

As President Meany continued:

> The tragedy of unemployment causes not only personal and family upheavals but social and community upheavals as well.
>
> America certainly can't stand a prolonged period of such conditions, breeding troubles that can tear the fabric of this society.
>
> The time for job-creating measures to turn the economy around and move rapidly to full employment is now.

I heartily agree.

Our second witness was Labor Secretary John Dunlop, who appeared before the Subcommittee on Tuesday, May 13. In his statement, Secretary Dunlop warned that upcoming changes in the age, sex, and skill composition of the American labor force will have a major effect on future rates of unemployment, productivity, and inflation, and that we must begin to develop manpower policies now to prevent these labor market changes from stalling our return to full employment growth.

Most important, Secretary Dunlop emphasized that economic growth, particularly at this time, depends heavily on adequate capital formation. Significant levels of new investment can increase the number of good jobs available, allow for more upward mobility, improve working conditions, and improve the environment. Secretary Dunlop warned, however, that capital formation can be severely hampered without attention to labor market policies to enhance training and skills, to reduce frictional unemployment and the burden of job starch, and to eliminate discriminate against blacks, women, and youths.

The statements by President Meany and Secretary Dunlop provide important directions for our thinking about how to get back and to sustain full employment, and I ask unanimous consent to have them printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF GEORGE MEANY, PRESIDENT, AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

The subject of this hearing is full employment. We are delighted that this committee is looking for programs to achieve and maintain full employment—not just talk about it. In our opinion, it is high time that the Congress did this and abandoned the ivory tower approach. For action, not words, are what is needed now.

The issue, Mr. Chairman, is jobs. It is the health of the American economy, the strength of American society. The issue is crucial today—and it is crucial for the future of this country.

This economy, this society, is in deep trouble. The government's recent report of 8.2 million unemployed—8.9 percent of the labor force—constitutes human tragedy. And that official report is a vast understatement of the reality of unemployment and underemployment in 1975.

Over 1.1 million workers, who are willing and able to work, are so discouraged by the employment outlook that they have given up seeking jobs.

A more accurate unemployment rate, therefore, would be 10 percent, or 9.3 million jobless. In addition, 3.9 million workers were on part-time schedules because full-time work is not available. This adds up to 13.2 million unemployed and underemployed workers in April.

Such conditions must not be permitted to continue in a free society. That is particularly true of American society, where a job is much more than just the major source of family income. It is also a key measure of a person's place in society—whether he or she is a full-fledged member or on the outside looking in.

The Administration forecasts at least five more years of high unemployment and the Budget Committees of the Congress are nearly as pessimistic.

The Administration's Budget Report of February 3 forecasts an 8.1% unemployment rate for 1975, which would move down only slightly to 7.9% in 1976. The report also projected unemployment rates of 7.5% in 1977 and 6.7% in 1978. That would mean the highest unemployment rates since 1941, when the economy was coming out of the Great Depression.

Unemployment thus far, in 1975, has become worse than that early forecast for this year predicted. However, even if we hold to they would mean 7½ million unemployed in 1975 and 1976, declining only to about 7.1 million in 1977 and 6.6 million in 1978.

On the basis of present trends, the Administration's insistence on a $60 billion budget deficit in the coming year will mean an unemployment rate in the neighborhood of 8% by the end of 1976—7.6 million jobless. The Senate and House have approved reports of their new budget committees, with ceilings on job-creating measures that are not much different from the Administration's. The ceiling voted by the Senate would mean 7.1 million jobless by the end of next year and the House vote would mean 6.7 million jobless at that time.

Four successive years of such levels of unemployment are what the Administration has predicted. That is the meaning of the lid it is trying to impose on further measures to create jobs. And both Houses of the Congress have fallen in line by their votes in support of their budget committee recommendations.

This is dangerous, foolish thinking. It is to say there is nothing that can be done.

We resent and reject this defeatism. We know America cannot tolerate—and, most important—will not tolerate such high rates of unemployment that would tear at the fabric of this free society. In fact, we are convinced that this country and its free institutions are endangered by this situation, which is pushing millions of people out of the economy's mainstream.

We need programs to put America back to work, now. We need far more than the tax cut. We need substantial job-creating measures—to quickly turn the economy around from the worst decline since the 1930s.

However, the Administration does not seem to understand this, neither do many members of both houses of the Congress. That to me is appalling.

Thirty years ago, as World War II was ending, the Congress began hearings on the issue of full employment. A bipartisan majority adopted the Employment Act of 1946 and on February 20, 1946, President Truman signed that statute. It committed the U.S. government to a continuing policy of creating and maintaining "conditions under which there will be afforded useful employment opportunities, including self-employment, for those able, willing and seeking work, and to promote maximum employment, production and purchasing power."

In 1946, those were brave words. Let's look at what has happened since. There was a general consensus that full employment in the American economy was an unemployment rate no higher than 3 percent.

During the past 30 years, the goal of full employment has been neglected more often than met by the Congress, as well as the Executive branch. In addition, there has been a slow, but rather steady erosion of the goal itself, especially in the past few years.

Government officials and their academic supporters have been busy redefining the goal. It went from a 3 percent unemployment rate to 4 percent, then to 4½ percent and now to 5 percent or 5½ percent. It's an old game, if you can get away with it—if you don't make the grade, change the rules. To me that's fakery, regardless of whether the trickster is a college professor or a government official.

Unfortunately, Mr. Chairman, we are a long, long way from full employment. We are a long, long way from a goal of 5 percent or 5½ percent. Moreover, even Administration apokesmen admit that the 8.9 percent jobless rate of April is not the peak, that they expect it to go over 9 percent. And if they say that out loud, Mr. Chairman you can bet it is going to be worse.

So this country is further away from the maximum employment goal of the Employment Act of 1946 than ever. Even worse, both the Administration and the majority in the Congress are much further away from the government's commitment to full employment than ever before.

Unemployment rates represent people. They represent families. At present, every percentage increase in the unemployment rate is more than 920,000 additional jobless workers. Every one-tenth of a percent rise is over 92,000 more unemployed.

Yet, the Administration seems determined to achieve its intolerably high unemployment projections. There's no other way to interpret the Administration's all-out campaign to maintain a tight lid on job-creating programs.

The Administration has clearly opted for high unemployment—in the sacred name of holding down the budget deficit.

Majorities of both houses of the Congress have also decided on a tight ceiling—not too much different from the Administration's—that will curb needed government measures to create jobs and stimulate economic expansion. If such a ceiling is maintained, the number of unemployed will be between 6.7 and 7.1 million at the end of 1976 and the budget deficit will still remain large. Many members of the Congress, unfortunately, seem to have become hypnotized or sacred by the Administration's concentrated drive on the budget issue.

The focus on budget costs omits the benefits—increased jobs and increased earnings, reduced unemployment benefits and welfare costs, increased sales for business, increased savings and investment, increased tax receipts—all the bench marks of an economy rapidly moving to full employment and prosperity.

The basic deficit is not in the federal government's budget, but in jobs and earnings. High unemployment in the coming years will mean continuing large budget deficits, continued hardship for workers and their families, continued recession.

The accumulated budget deficit of the past six years from fiscal year 1970 through 1975—$101.6 billion, according to the Budget Report of February 3—is almost twice as great as the accumulated net deficit of the previous 23 years, from 1947 through 1969.

The primary reason is the two back-to-back Nixon-Burns recessions of 1969-1970 and 1973 to the present. The cost of these recessions has been huge losses of potential federal revenue and increased unemployment and welfare benefits. The budget deficit for fiscal year 1976 will be due to the worst and most serious economic mess since the Great Depression.

Back on February 3, the Budget Report candidly admitted:

"Aside from the effects of the proposed tax reduction, the deficits anticipated for 1975 and 1976 are largely the inevitable result of those aspects of the budget and the tax system that respond automatically to changes in the economy, such as budget receipts and unemployement benefit payments. . . If the economy were to be as fully employed in 1976 as it was in 1974, we would have $40 billion in additional tax receipts, assuming no change in tax rates, and $12.7 billion less in aid to the unemployed. These two factors alone exceed the budget deficit for 1976."

Of course, since then, the economic situation has gotten worse and the need for measures to create jobs and stimulate economic expansion has grown. And the anticipated budget deficit has grown, too, as a result.

The way to cut the deficit, quickly and substantially, is to put America back to work. The road the Administration and the Congress have taken means continuing deficits, continuing high unemployment, continuing hardship, continuing recession.

The single-minded focus on the deficit spells disaster. We should face up to the fact that this country is big enough to take a $100 billion deficit if necessary.

Business goes out and borrows money to expand. Corporations like AT&T borrow $500 million at a crack. They don't sell their assets; they borrow the funds they need.

Why shouldn't the U.S. government do the same thing? Why not borrow to invest in America. After all, the U.S. government is a viable entity—even more viable than the great corporations that borrow huge sums.

If the leadership of this country had considered only the budget deficit in the early 1940s, Hitler would have won the war. This country would not have been able to supply the allies with urgently-needed arms and America could not have rearmed itself. President Roosevelt and the Congress had faith in America. So the U.S. performed a production miracle, and paid no attention to the huge budget deficit. They viewed it as an investment in freedom.

In fiscal year 1947, after the war was won, the federal publicly held debt was over $225 billion. That was 103% of the gross national product of less than $220 billion.

In 1969, the gross national product was $495 billion and federal debt was $237 billion or 47 percent. In the fiscal year that ended June 30, 1974, the debt of $346 billion was only 25.7 percent of the gross national product.

The production miracle of World War II did not bankrupt the country. And a massive investment in America today of public funds would not bankrupt this nation, it would restore it to economic health.

This country has vast resources. The idea that the federal government should impose a tight budget straight jacket on itself in the face of most serious unemployment is ridiculous.

Those who say otherwise—the President and the majority in the Congress—have no faith in America. They ignore the basic health and potential vitality of the economy. They run scared—at a moment when America needs bold, courageous leadership.

We say: America's economic house is on fire. Let's do what all firefighters do—put out the flames and then mop up any excess water. Firefighters don't do what the Administration preaches—ration the water, put out only a bit of the fire, because otherwise we might be using too much water.

So the only sound way to quickly cut the budget deficit is to put America back to work, so that American workers and businesses can increase their earnings and pay their taxes. Let us get the job-creating measures, now, to put America back to work and raise the needed funds.

The present state of affairs of the American economy is one of vast amounts of idle plants, machinery and productive equipment, as well as idle manpower. Never, in the years since the end of World War II, has there been such a huge amount of unemployed and underemployed manpower and unusued and underused productive capacity.

The homebuilding industry has been in a deep depression for many months. A housing shortage is developing, while much of the manpower, machinery and business firms in this industry are without work.

This situation in homebuilding, combined with the sharp drop in consumer buying power and retail sales, have resulted in the steepest recessionary decline of industrial production since the 1930's. And this, in turn, has resulted in a sharp drop in industry's operating rate.

According to the Federal Reserve Board, only 68.3 percent of the productive capacity of manufacturing industries was utilized in the first quarter of 1975, a decline of 18 percent since the recession started. The Federal Reserve Board has also reported a drop of 24 percent in the operating rate of the major materials industries in the same period—from 94.5 to 70.7 percent.

Because of great amounts of idle plants and machines and high interest rates, business is cutting back investment in new productive capacity—hitting the machinery industries and heavy construction. An 8½ percent drop this year in the real volume of business investment is expected by the Commerce Department, and the actual decline may be much greater.

In the face of such business conditions, talk of a large federal deficit "crowding out" business investment, at any time in the near future, is simply scare-talk. Business investment is weak, because the economy is weak and there is so much idle productive capacity. Business investment will improve only when sales and production rise enough to cut idle productive capacity. Then and only then will management be convinced that new plants and machines can be operated profitably.

Such rising sales, production and employment would generate increased savings, as well as increased tax revenue and would reduce the need for unemployment and welfare benefits. So the deficit would be low or nonexistent and there would be plenty of available funds for increased business investment.

The number one need, therefore, is to get America back to work, now. The key issue is the need for jobs.

Depression-level, double-digit unemployment continued to hit major groups of workers last month. Unemployment rates were 20 percent among teenagers, 19.3 percent among construction workers, 17.2 percent among the unskilled, 14.9 percent among the semiskilled, 14.6 percent among blacks, 14.6 percent among the 20-to-24 year olds, and 12.2 percent among factory workers. The unemployment rate among black teenagers was 40.2 percent.

However, statistical reports on unemployment in a specific month—or the monthly average during a year—do not deal with unemployment in human and social terms. The clearest picture of the human and social aspects of unemployment is indicated by the Bureau of Labor Statistic's reports on the annual work-experience of the population. The most recent of these reports is for the year 1973.

In 1973, when the Labor Department reported an average 4.3 million unemployed in each month of the year, the impact on people was revealed by the following facts about the population's work-experience:

14.5 million people were unemployed at some time during the year;

Over 8 million workera were jobless for five weeks or more during the course of 1973:

4.5 million workers were unemployed for 15 weeks or more during the year.

These figures on the work-experience of the population in 1973 present a grim picture of the probable unemployment realities for workers this year.

On the basis of present trends, the average number of unemployed in each month of 1975 will be about 8 million or more. In terms of the impact on people, that would mean:

Approximately 25 million or more workers will be unemployed at some time during the course of this year;

About 15 million workers or more workers will be jobless for five weeks or more during the year;

8 million or more workers will be jobless for 15 weeks or more in 1975.

So, Mr. Chairman, the problem of unemployment is far greater than the official statistics, grim as they are. Nearly a quarter of the work force is going to be unemployed sometime this year—and many, many more are going to live in fear of losing their jobs.

There are very few tragedies in a person's life that surpass the sudden involuntary loss of one's job.

"You are laid off" are words that burn themselves not only into a man's pocketbook but also into his very soul.

Several results are obvious to everyone. The first, of course, is the loss of steady

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income. The fact that unemployment in the 1970s is temporarily alleviated by unemployment compensation, public assistance and food stamps is no consolation to those who want steady work. The second is the burden of indebtedness. Most workers are in debt for their homes, cars, refrigerators, television sets and other appliances—and the fear of harassment, guilt of bills unpaid and the shame of possible bankruptcy haunt the unemployed. The third is unwanted idle time—not for creative use but just to stand in line for food stamps, for job applications, full of worry, bitterness and frustration.

But prolonged involuntary unemployment causes a number of changes which are not always evident. The first of these is the loss of self-esteem. This is often accompanied by stresses and strains in family relationships. Tensions between husband and wife, caused by unemployment, are often resolved only by divorce courts, and tensions between parents and children often result in alcoholism, drug abuse and crime.

The tragedy of unemployment causes not only personal and family upheavals but social and community upheavals as well.

America certainly can't stand a prolonged period of such conditions, breeding troubles that can tear the fabric of this society.

The time for job-creating measures to turn the economy around and move rapidly to full employment is now.

It is time for the Congress and the Administration to live up to the government's commitment under the terms of the Employment Act—to promote maximum employment, production and purchasing power.

Specifically, Mr. Chairman, we recommend:

(1) Accelerated Public Works—to create jobs by providing $5 billion of federal grants to local governments for short-term public works construction and repairs that can start within two months.

(2) An expanded public service employment program—to create jobs for the unemployed in the states and local governments in meeting public needs for improved and expanded services.

(3) Adoption by the Congress and government implementation of pending programs to lift home-building out of its depression.

(4) Extended unemployment benefits for the long-term unemployed who have exhausted their unemployment benefit periods under existing law.

(5) Aid to the many cities that are hard-pressed by high unemployment.

(6) Federal funds for the restoration of railroad track and railbed.

(7) Adoption by the Congress of a federal program to continue health insurance for the unemployed whose coverage by such insurance will otherwise terminate.

(8) Congressional enactment of legislation to place a ceiling on interest rates and to require the banks and other financial institutions to allocate available credit for high-priority purposes as housing.

(9) Enactment of legislation to close the major loopholes in the tax structure—to raise as much as $20 billion or more of additional revenue and achieve tax justice.

(10) Adoption of effective government measures to stop the export of American jobs and to regulate the export of American technology and capital.

Let me conclude, Mr. Chairman, by expressing our appreciation to this committee for holding these hearings and giving us an opportunity to state our views.

But I would be less than frank if I didn't add these words: The time for talk is past. The time for action is now.

For the Congress to delay, to demonstrate timidity, to sell America short would be sheer tragedy. We urge the Congress to move swiftly, courageously and with compassion and, above all else, to demonstrate confidence in America and her future.

RELATIONSHIP OF FEDERAL DEBT HELD BY THE PUBLIC TO GROSS NATIONAL PRODUCT

[Dollar amounts in billions]

Fiscal year	Gross national product	Debt held by public	Debt held by public percent of GNP
1947	219.7	225.6	102.7
1948	243.5	216.6	89.0
1949	260.0	214.5	82.5
1950	263.3	219.6	83.4
1951	310.5	214.3	69.0
1952	337.2	214.9	63.7
1953	358.8	218.5	60.9
1954	362.1	224.5	62.0
1955	378.6	226.6	59.9
1956	409.4	222.2	54.3
1957	431.3	219.4	50.9
1958	440.3	226.4	51.4
1959	469.1	235.0	50.1
1960	495.2	237.2	47.9
1961	506.5	238.6	47.1
1962	542.1	248.4	45.8
1963	573.4	254.5	44.4
1964	612.2	257.6	42.1
1965	654.2	261.6	40.0
1966	721.2	264.7	36.7
1967	769.8	267.5	34.8
1968	826.0	290.6	35.2
1969	898.3	279.5	31.1
1970	954.6	284.9	29.8
1971	1,012.1	304.3	30.1
1972	1,101.6	323.8	29.4
1973	1,224.1	343.0	28.0
1974	1,348.9	346.1	25.7

Source: U.S. Department of Commerce, Office of Business Economics. U.S. Department of Treasury, Office of Debt Analysis Office of Management and Budget.

STATEMENT OF THE HONORABLE JOHN T. DUNLOP, SECRETARY OF LABOR

LABOR MARKET POLICIES TO RESTORE FULL EMPLOYMENT

Mr. Chairman and Members of the Committee: I have some considerable professional difficulties—at the outset—with the title of these hearings on which brief preliminary comments are essential.

In professional discourse "labor market policies" are ordinarily to be distinguished from general fiscal and monetary policies and refer to measures designed to enhance training and skills, to reduce frictional unemployment and enhance job search, and to offset discrimination. They also include measures to deal with structural and area unemployment associated with long-term changes in employment patterns and characteristics of the labor force, indigenous or immigrant. This usage of "labor market policies" is often associated with developments that received greatest attention first in Sweden under the leadership tof Gösta Rehn and Rudolf Meidner. In this country the phrase "active" manpower or labor market policies has sometimes been used to distinguish governmental manpower measures originating on a broad scale in the 1960's from such policies as apprenticeship, vocational education, employment exchanges, and other long established activities which influence the labor market.

To the best of my knowledge no advocate of an active manpower policy has regarded manpower measures as a distinctive or sufficient means to full employment apart from general fiscal and monetary measures. Labor market policies are ordinarily regarded as incremental tools to secure a somewhat higher level of employment, a better match of people and jobs, a less inflationary and more sustained expansion, with perhaps higher productivity and real income and product. Labor market policies alone are not powerful enough to achieve or to sustain high employment.

Then, I have some problems with the phrase "restore full employment." I am not certain when we last had "full employment," if ever, in the sense of providing ". . . useful employment opportunities including self-employment for those able, willing and seeking to work . . ." at prevailing compensation.

The level and structure of unemployment historically provide an indication of the extent to which we have fallen short of the objective set forth in the Employment Act of 1946 or have found other needs, obligations or considerations to preclude this objective.

A final comment on a matter generally associated with discussions of "full employment:" Full employment without "unreasonable" inflation is a worthy goal, but we have ample experience to know how difficult is this high aspiration. The most essential requisite for making headway is the adoption of longer term public policies, less responsive to immediate consideration, with a lesser imperative to meet the dates of November or July or January on the political calendar.

The objective now should be for a sustainable expansion that leads to stable high employment and not a peak that explodes in more inflation and collapse.

First, I would like to comment briefly on expected characteristics of the labor market over the next decade. Changes in the demographic and skill composition of the labor force have been important factors affecting the rates of unemployment, productivity, and the rate of inflation. In the past, we have failed adequately to anticipate or respond to those trends, perhaps, because we did not have the tools at our disposal to capitalize on those trends that we were able to estimate.

Second, I would like to discuss the programs under CETA and the role of this approach in achieving high levels of employment, higher real incomes and economic growth generally.

Third, I will discuss an area of economic policy that has significant labor market implications—capital formation. This third subject is, in my view, a prerequisite for providing the economic conditions in which specific labor market policy tools can be most effective in helping Americans find good jobs. Capital formation has received much attention lately. Under the topic of "capital shortage." Secretary Simon testified before the Senate Finance Committee on the subject on May 7. It is my view that economic growth, particularly at this time, depends heavily upon capital formation, but capital formation can be severely hampered without attention to labor markets, and capital severely underutilized if long term labor policy considerations are not included in efforts to achieve sustainable economic growth.

I. Labor market characteristics

Over the coming decade the economy may be expected to undergo numerous changes in its structure. Many of these cannot be foreseen even approximately, but some will result from forces currently at work and, accordingly, are identifiable now. Three such forces affect labor market developments: (1) the age distribution of the population, (2) shifts in occupational and industrial distribution of employment and population.

Table 1 shows changes in the age distribution of the labor force since 1950 and projects these changes through 1990. These estimates are based on Census Bureau projections of birth rates, current life expectancies, and the age structure of the population today. The relative increase in the youth population was a factor in such social phenomena as teenage unemployment, increased juvenile delinquency and the burgeoning of college education during the last decade. The growth in the population age 65 and over has led to a migration to warmer parts of the country and to growing interest in improvements in Social Security benefits and in other post-employment benefits. Continued growth in this age group will likely sustain interest in these areas. Also, more attention may be necessary to enable older citizens to make the transition from work to retirement.

The projected decline in the proportion of the population age 16–24 has important implications for education and training needs in the remainder of the 1970's and in the 1980's, just as the relative growth of this group during the 1960's had a major impact. While we found ourselves short of teachers and educational plant in the 1960's, we now find ourselves with a surfeit of teachers and school buildings. This resulted as many of the youth who crowded our schools during the 60's were trained to teach a population wave that was cresting with their graduation.

TABLE 1

DISTRIBUTION OF THE POPULATION BY AGE (PERCENT)

Age group	1950	1960	1970	1980 (projected)	1990 (projected)
Below 16	28.3	32.6	31.1	25.4	25.8
16 to 24	13.3	12.1	15.0	16.7	12.8
25 to 44	30.0	26.1	23.6	27.8	31.9
45 to 64	20.3	20.0	20.5	19.4	18.2
65 plus	8.1	9.2	9.8	10.7	11.3

DISTRIBUTION OF THE POPULATION BY AGE (MILLIONS)

Age group	1950	1960	1970	1980 (projected)	1990 (projected)
Below 16	43.1	58.8	61.9	56.8	63.6
16 to 24	20.2	21.8	32.5	37.5	31.6
25 to 44	45.7	47.1	48.4	62.3	78.7
45 to 64	30.8	36.2	41.9	43.5	45.0
65 plus	12.4	16.7	20.2	24.1	27.8

Source: "Manpower Report of the President," 1975.

With respect to economic growth during the next decade, the most important demographic change will be the relative rise in the group aged 25–44, which is expected to rise from 24 percent of the total in 1970 to 27 percent in 1980, This increase reflects the bulge in the birth rate that occurred after 1945, which caused the growth in youth population that we have just discussed. In the late 1970's and the 1980's the experience, maturity and energy of this group will provide the labor force with the potential to be unusually productive. This contrasts sharply with the late 1960's when this group was at an historical low, proportionately, and jobs requiring their energy, experience and greater skills went begging or were filled with relatively less productive labor.

Beyond these changes due to underlying trends in the relative sizes of the various population groups, additional changes will be caused by variations in labor force participation rates. Predicting these changes is somewhat more difficult than predicting population changes. Two phenomena do, though, seem very likely to occur: (1) Participation rates of women will continue to rise, especially as opportunities for employment of women expand with the easing of sex discrimination, and (2) participation rates of those age 60 and over will continue to drop. Table 2 provides additional detail on these trends in participation rates.

As in the 1960's and early 1970,'s, professional and technical employment is expected to increase slightly as a fraction of the total (see Table 3). Reciprocally, during this period, employment of semi-skilled and unskilled workers is expected to fall. This reflects the historical trend toward greater white-collar and skilled employment, which is related to increasingly complex technology, higher educational attainment and diminishing interest in low-level jobs, or those jobs considered menial.

Substantial changes in the structure of employment by industry are also likely. Employment in the public sector may be expected to continue to expand, though much less rapidly than in the 1960's. Retail trade, finance and services will continue their relative expansion though, here too, the rates of change will not be so great as they were during the 1960's. Employment in the goods-producing sectors—manufacturing, transportation and public utilities, mining and construction—may be expected to continue their relative decline. (See Table 4.)

Education is also an important factor in determining the structure of the labor force. The more highly educated are interested in otbaining jobs with higher status, higher pay and more interesting content. Educational attainment is not expected to be changing as fast as in the last decade, but the average level of attainment and accompanying level of skills and expectations will remain at high levels. This makes the search for policies that will create better jobs an important national priority.

	1960	1970	1980	1990
Male:				
16 yr and over	82.4	79.2	78.0	78.4
16 to 19 yr	58.6	57.5	56.0	55.4
20 to 24 yr	88.9	85.1	83.0	82.1
25 to 34 yr	96.4	95.0	94.6	94.4
35 to 44 yr	96.4	95.7	95.1	94.7
45 to 54 yr	94.3	92.9	91.9	91.5
55 to 64 yr	85.2	81.5	79.1	77.5
65 and over	32.2	25.8	21.2	19.3
Female:				
16 yr and over	37.1	42.8	45.0	45.9
16 to 19 yr	39.1	43.7	45.5	47.0
20 to 24 yr	46.1	57.5	63.4	66.2
25 to 34 yr	35.8	44.8	50.2	51.5
35 to 44 yr	43.1	50.9	53.2	55.2
45 to 54 yr	49.3	54.0	56.2	58.0
55 to 64 yr	36.7	42.5	44.7	45.8
65 and over	31.0	35.6	37.5	38.8
Both sexes 16 and over	59.2	60.3	60.8	61.5

Source: "Manpower Report of the President," 1975

TABLE 3. EMPLOYMENT BY OCCUPATIONAL GROUP, 1972 AND PROJECTED 1980 AND 1985 REQUIREMENTS

[Numbers in thousands]

Occupation group	Actual 1972		Projected 1980		Projected 1985	
	Number	Percent distribution	Number	Percent distribution	Number	Percent distribution
Total employment	81,703	100.0	95,800	100.0	101,500	100.0
Professional and technical workers	11,450	14.0	15,000	15.7	17,000	16.8
Managers and administrators, except farm	8,032	9.8	10,100	10.5	10,500	10.3
Sales workers	5,354	6.6	6,300	6.6	6,500	6.4
Clerical workers	14,247	17.4	17,900	18.7	19.700	19.4
Craft and kindred workers	10,810	13.2	12,300	1.28	13,000	12.8
Operatives	13,549	16.6	15,000	15.6	13,300	15.1
Nonfarm laborers	4,217	5.2	4,300	4.7	4,500	4.4
Service workers	10,966	13.4	12,700	13.3	13,400	13.2
Farmers and farm laborers	3,069	3.8	2,000	2.1	1,600	1.6

Source: Manpower Report of the President, 1975.

TOTAL EMPLOYMENT BY MAJOR INDUSTRY SECTOR, 1960, 1972, AND PROJECTED 1980 AND 1985

[Numbers in thousands]

Industry sector	Actual		Projected		Percent distribution			
	1960	1972	1980	1985	1960	1972	1980	1985
Total	68,869	85,597	101,576	107,609	100.0	100.0	100.0	100.0
Government	8,353	13,290	16,610	18,800	12.1	15.5	16.4	17.5
Total private	60,516	72,307	84.966	88,809	87.9	84.5	83.6	82.5
Agriculture	5,389	3,450	2,300	1,900	7.8	4.0	2.3	1.8
Nonagriculture	55,124	68,857	82.666	86,909	80.0	80.0	81.4	80.8
Mining	748	645	655	632	1.1	.8	.6	.6
Contract construction	3,654	4,352	4,908	5,184	5.3	5.1	4.8	4.8
Manufacturing	17,197	19,281	22,923	23,499	25.0	22.5	22.6	21.8
Durable goods	9,681	11,091	13,629	14,154	14.1	13.0	13.4	13.2
Nondurable goods	7,516	8,190	9,294	9,345	10.9	9.6	9.2	8.7
Transportation and public utilities	4,214	4,726	5,321	5,358	6.1	5.5	5.2	5.0
Transportation	2,743	2,842	3,250	3,266	4.0	3.3	3.2	3.0
Communication	844	1,150	1,300	1,312	1.2	1.3	1.3	1.2
Public utilities	624	734	771	790	.8	.9	.8	.7
Wholesale and retail trade	14,177	18,432	21,695	22,381	20.6	21.5	21.4	20.8
Wholesale	3,295	4,235	4,946	5,123	4.8	4.9	4.9	4.8
Retail	10,882	14,197	16,749	17,258	15.8	16.6	16.5	16.0
Finance, insurance and real estate	2,985	4,303	5,349	5,932	4.3	5.0	5.3	5.2
Other services	12,152	17,119	21,815	23,913	17.6	20.0	21.5	22.5

Source: "Manpower Report of the President", 1975.

While changes in geographic dispersion are difficult to predict, we should note the impact on economic growth and investment of recent population shifts such as those to warmer climates in the southwest, west and southeast; to suburbs and beyond and: to new cities and planned communities. No doubt existing population patterns and new migration and settlement trends will have an important effect on the pattern of future economic growth and labor market adjustments.

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II. CTA's role as a labor market policy tool

With this background on the changing nature of our labor markets, I should like to discuss with you, for a few moments, CETA's important role as a labor market tool. Fifteen months have now elapsed since the passage of the Comprehensive Employment and Training Act (CETA), which represents a desirable initiative toward the type of local cooperation and flexibility necessary for labor market policy. There have been operational problems because of recent economic conditions and, therefore, a diversion away from long term policies toward emergency measures. The establishment of local governments in a lead role appears to be the proper long term approach in making manpower programs responsive to local conditions, and there has been progress towards this during the year.

There are three principles which have guided the Department's implementation of CETA.

1. Training programs should produce participant skill levels which match available and anticipated jobs. This is particularly true for persons who have significant disadvantages in competing in the labor market.

2. Skill training must be more responsive to the longer term needs of the labor market where shifting economic demands require increased or different levels of skill.

3. Better labor market and occupational information is required for local decision makers developing program strategies and curricula.

The key role in this conception is played by local elected officials and manpower directors. The Federal government, therefore, must move more towards assistance to local sponsors to allow them to more effectively plan and manage their programs. Good local and area labor market information is critical to this role, and the Federal government must take the lead in improving our existing information, collection and dissemination systems.

At the national level, much more can be done toward effectively coordinating and rationalizing Federal social and labor-related programs which influence the labor market, including CETA, Vocational Rehabilitation, Vocational Education and Welfare and Social Services. The Department of Labor and Health, Education and Welfare have taken the initial steps toward coordinated planning, and enhancement of the progress gained over the first year of CETA operations will be a priority in the future. Rural labor market areas require special attention.

One of the most critical elements of an effective labor market policy that can be influenced somewhat at the Federal level is improved interaction of the key participants in a local labor market such as local officials, employers, representatives of organized labor and the client community. Formal and informal relationships between the Federal government and client groups can help form the base for an effective manpower system, but these relations with governments, schools, labor and industry must be nurtured at a local level if the program is to firmly establish itself as a long-term policy instrument.

There are some important issues that can be resolved by this more cooperative local approach and by efficient delivery of data and technical assistance, employment and other services. For one example, as the President pointed out in his speech last summer at Ohio State University, the incidence of youth unemployment can be reduced by local cooperation. Most particularly, the link between the educational establishment, training and work must be strengthened at the local level in order to attack this problem. To digress slightly, the efforts of the military as a link between school and work—especially in more recent recruitment activities—provide an example of the kinds of things that can be done to improve training opportunities for young people.

The efforts of the past year in CETA represent beginning steps in the establishment of a locally oriented manpower program as a component in a comprehensive labor market policy and as a component in a more comprehensive economic policy. As we perfect our tools, we will be better able to adjust to changing conditions without having to react to instant emergencies, whose solutions may only have short term benefits. In part, because of its flexibility and its potential to act in a catalyst role, the CETA program becomes a critical part of long term market policy. It can adjust to changing conditions, including shifts in population or technology.

III. Labor market policics for economic growth

The American economy, we should remind ourselves, has shown great capacity to adjust to a changing labor force and to dynamic social and economic developments. In the 25 year period 1949–1974 total civilian employment increased from 57.6 to 85.9 million average jobs, an increase of 28.3 million jobs. In the last decade the increase was 16.6 million jobs.

Although government employment in this quarter century increased from 5.9 to 14.3 million—an increase of 8.4 million—private, nonagricultural employment increased from 37.9 to 64.0 million, an increase of 26.1 million jobs. In this quarter century the employment of women doubled from 16.7 to 33.4 million while the employment of men increased 28.3 percent from 40.9 to 52.5 million. During this period, the participation rate of women in the labor force rose from 33.2 percent to 45.7 percent. The employment of youth, 16–19 years, also doubled, from 3.7 to 7.4 million, but the number of youth, especially those seeking work, grew even faster, as we discussed earlier.

This overview of growth in employment should serve to demonstrate the dynamism of the American economy and the context in which we must view future growth. We have made good progress over the last 25 years, though not without problems and mistakes, and it is our task now to try and identify the requisites for our continued growth. It seems to me that this requires us to construe the term "labor market policy" in a rather broad sense. In so doing, one comes to the conclusion that policies to promote stable, long term growth should be the cornerstone of labor market policy as well as economic policy generally.

Provision of "good" jobs

More specifically, with respect to future labor market policy, the country has raised its sights and is interested not merely in the total number of jobs, but rather in the quality and character of these jobs. Some people are concerned that we have too many low-level jobs and not enough "good" jobs. The social and economic difficulties involved in the elimination or diminution of low-end jobs, or using them as a step to better jobs, is most complicated.

I should like to briefly outline the characteristics of a "good" job:

Good pay and benefits;

Challenging and rewarding job content;

Opportunities for advancement;

Pleasant working conditions; and

Safe working conditions.

Although good jobs exist to one degree or another in all sectors, there are certain common characteristics of industries with such jobs that are worth noting as we seek policies to expand job opportunity.

Although the data are somewhat ambiguous on such matters I think it is fair to say that capital intensive industries tend to have higher earnings, partly due to their generally higher productivity and partly due to the skill-salary correlations that typically exist.

As an illustration, I have attached, in Table 5, some approximations that tend to demonstrate the relationship between the amount of capital employed and the average hourly earnings per worker in some broad manufacturing categories. You will notice that higher hourly wages tend to correspond to industries in which greater amounts of capital per worker prevail. While there are various ways to measure compensation and capital stock, I think the attached table illustrates an important relationship in our economy.

Furthermore, creation of jobs through investment in capital broadens opportunities, thus allowing more upward mobility in salary and skills as people are promoted and new jobs created.

In industries where new technology and capital exist, working conditions generally tend to be better than average. Even in older technologies, investment in occupational safety can help to improve working conditions.

Even in the service industries, some of the same parallels hold. Highly skilled service jobs that require training—and which use educational capital—also pay well or have other characteristics of good jobs. Oftentimes, these services, such as medicine and law, utilize significant amounts of public capital in the form of schools, hospitals and court systems to perform their tasks. In other, lower paying service occupations we might note that the "white collar" orientation of such jobs often raises their status and that capital, albeit in lower proportions, often plays a role in improving the quality of working conditions, often in the form of buildings or offices.

TABLE 5.—CAPITAL INTENSITY, EARNINGS, EMPLOYMENT 2-DIGIT SIC MANUFACTURING, 1971

SIC	Industry	Capital employee: Per employee	Capital employee: Rank	Production worker average earnings: Per hour	Production worker average earnings: Rank	Industry employment (thousands)
29	Petroleum and coal	$87,190	1	$4.57	1	190.6
28	Chemicals	36,450	2	3.94	6	1,008.2
33	Primary metals	35,060	3	4.23	3	1,227.4
26	Paper	29,440	4	3.67	9	683.6
32	Stone, clay, and glass	20,550	5	3.66	10	633.7
20	Food	14,160	6	3.38	14	1,758.3
30	Rubber plastics	14,140	7	3.40	13	580.9
21	Tobacco	12,690	8	3.15	15.5	76.3
37	Transportation equipment	12,080	9	4.41	2	1,723.9
35	Nonelectric machinery	11,640	10	3.99	5	1,805.3
34	Fabricated metals	11,540	11	3.74	8	1,328.2
22	Textiles	$10,840	12	$2.57	20	957.0
19	Ordnance	10,560	13	3.84	7	192.1
24	Lumber	10,270	14	3.15	15.5	580.8
38	Instruments	9,410	15	3.52	11	437.0
36	Electrical equipment	8,830	16	3.48	12	1,768.5
27	Printing	8,580	17	4.20	4	1,071.2
39	Miscellaneous	6,490	18	2.97	17	409.6
25	Furniture	5,210	19	2.90	18	458.5
31	Leather	2,530	20	2.60	19	302.4
23	Apparel	2,110	21	2.49	21	1,335.7

While there are a variety of ways to approach the problem of improving job quality, including job enrichment and improvement in mobility and opportunity, the most basic and far reaching objective for national policy in this context should be to encourage development of new technologies and the formation of new capital. The benefits of such policy extend to the economic life of all Americans in the broadest possible fashion, not the least of which is the direct creation of good jobs. Also, the increase in output and income implied by new capital formation means a higher level of living and income for all Americans, whether or not they are employed by industries involved with new capital formation and productivity gain.

Given the central role of capital formation in economic growth, it is sensible today, then, to draw directly the link between policies that have traditionally been considered peculiar to the labor market and policies that relate to the broader issues of growth and capital formation.

Research, technology and productivity

One important component of capital formation is research into and development of new technologies of production. Many studies have shown that research and development expenditures are correlated with growth in capital stock, productivity and profitability.

One of the important relationships defining productivity per worker is the amount of capital employed per worker. Traditionally, the U.S. has had the highest capital-to-labor ratio in the world. However, other nations have narrowed the gap significantly in the past two decades, as the rate of investment per worker added to the labor force has fallen off in the U.S. (See Table 6.)

The development of better technology often spurs new investment, and public and private research and development has been lagging of late. Encouragement of research can have important dividends in increasing the opportunities for capital investment and can add to productivity, jobs and real economic growth.

TABLE 6.—*Gross nonresidential fixed investment per person added to civilian labor force*

[In 1958 dollars]

Period:	Amount
1956–1960	$49,500
1961–6915	55,300
1966–1970	46,400
1971–1974	*41,000

*Estimate based on incomplete data for 1974.

SOURCE.—Statement of Paul W. McCracken before the Committee on Ways and Means, January 29, 1975. Basic data from the Department of Commerce and Labor.

While there is little dispute that research and technological development have a positive impact on productivity and growth, the importance of simultaneous skill identification and training is often overlooked. In this area, cooperative effort between industry, labor and government, especially at the local level, can help to ameliorate potential problems. Without adequate development of skilled manpower to operate infusions of technology, the potential benefits of capital improvement will go unrealized.

THE DANGERS OF A CAPITAL SHORTAGE

Many private economists, government officials, businessmen and others are becoming increasingly concerned over the ability of the domestic economy to provide adequate capital for necessary growth during the next decade. In addition to the direct impact on employment opportunities, job quality and production, there are serious short and long term consequences to a capital-short economy.

The U.S. economic experience of 1973 and 1974, wherein high rates of inflation followed shortages in basic industries, is indicative of the kind of short-term disruptions that a capital shortage can cause. These shortages came as a direct result of inadequate capacity to meet demand in these important areas. Industries such as paper, fertilizer and certain metal products simply could not produce enough to meet demand, given the amount of capacity available to them.

While we should not be guided strictly by the various published measures of capacity that are available—for they often misstate the real utilization rates—it is clear, nevertheless, that relatively little need for capacity addition was perceived in 1970, yet in 1973 and 1974 we found ourselves severely capacity-short and this factor contributed to rapidly rising prices for these materials that were in short supply. There are indications today similar to those of 1970–71 as measured by ratios of capacity to output and by the prevailing high rate of unemployment along with low levels of industrial activity. We do not need statistics to tell us that the underutilization of the labor force and production base is pronounced at this point in 1975. But, one of my points today is that, because of the complexity and time involved in adding to capacity, it is not too soon to begin looking beyond the valley towards the next peak.

The capacity shortage of 1973 and 1974 also illustrated a number of other important dangers that inadequate capital can produce such as an adverse trade balance. While a number of factors, such as the ongoing worldwide economic boom of 1973-74, were important determinants of our poor trade balance, our less modern capital stock in some industries no doubt continue to play an important role in weakening our competitive position. As domestic industries find themselves at a competitive disadvantage, the prospect of fewer jobs over the longer term is raised.

Domestic shortages in one product can have serious price, production and employment effects on other sectors. Carried through to their logical conclusion, the implications for jobs during capital-short circumstances is that production interruptions may mean employment interruptions. It is important to point out that adequate capacity, even in peripherally related industries has important employment implications for each and every sector.

AREAS WARRANTING PARTICULAR CONCERN

Electric utilities are central to any analysis of capital formation, domestically and throughout the world, and thus are important to long-term labor market conditions. The reason for the importance of utilities comes from the simple fact that power is necessary for running industries. The lack of adequate power means less industrial expansion and fewer jobs in the long run. In the short run, interruption of power generation can result in job loss. We can recall that the 1973–74 energy shortage created anticipations of massive power interruptions and related severe employment effects.

A secondary reason for the importance of utilities to today's topic is that utilities are highly capital intensive. Not only does the placement of utilities create jobs in the industries that provide the machinery, equipment and services for utilities, but new utilities mean both construction jobs and new permanent jobs. Also, new utilities mean higher quality jobs and, in this context, we should note that the utility industry ranks among the top 10 industries in both average hourly earnings and in capital employed per worker.

Basic industries are another area where capital formation is critical to long-term growth in the most fundamental sense: Basic industries provide the building blocks for capital formation of any kind and, in this respect, represent a particularly critical link in the process of forming adequate productive capacity. Machines cannot be built without basic metals, nor can plants be built without cement.

With respect to the number and quality of jobs, we might point out that most basic industries, especially in the metals, are among the top ranking industries both in capital per worker and in average hourly earnings, as Table 5 points out. This is an indication of the impact on employment and job quality that investment in basic industries can have.

Financial considerations

While the actual construction and operation of new industrial capacity is the immediate link between jobs and the capital formation process, the availability of financial capital is also important. Without adequate financing, the capacity necessary and desirable for economic growth cannot be put in place. Secretary Simon, in his May 7 testimony before the Senate Finance Committee has suggested that substantially larger funds will have to be committed during the next decade, compared to the last, in order to provide adequate financing for expected capital needs.

Inflation and growth

Because of widespread concern for growth without "unreasonable inflation," as some have put it, I thought I should mention briefly my views on this. As you know, I have testified on numerous occasions before various subcommittees of the House and Senate on the matter, so I shall not burden you with an extensive discourse today. However, in connection with labor markets, the most far reaching policies with respect to dampening inflation are those that augment productivity, improve the collective bargaining structure and dispute settling machinery in each sector, and those that work to prevent product and skill shortages. Hence, policies to encourage capital formation and concommitant labor force development at this time are the most appropriate vehicles both for providing jobs and for promoting price stability.

Thank you for the opportunity to present my views on these important matters. I shall be pleased to answer any questions you may have.

FRANK THOMAS RETIRES

Mr. **PACKWOOD**. Mr. President, I wish to offer my congratulations to Mr. Frank Thomas, retiring principal of Grants Pass High School in Grants Pass, Oreg. His 31 years of dedicated service to the students and community of Grants Pass is an outstanding accomplishment and one which deserves much recognition. Mr. Thomas has unselfishly given of his time and talent to better the educational opportunities of thousands of students, and I know it will be difficult to replace him. Certainly he will always hold a special place in the halls and hearts of Grants Pass High School and its students and faculty. As Mr. Thomas begins his retirement and accepts the thanks and farewells from his friends this evening at the high school, we should all remember and commend his accomplishments.

SIKKIM

Mr. **PELL**. Mr. President, Sikkim is no more. It was finally put to death with the Indian Government's appointment

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last week of a provincial governor, reducing that once sovereign Himalayan kingdom to the 22d and smallest province of India. A territorial morsel has thus cynically been swallowed up by its enormous neighbor.

In noting this obituary in the annals of international real politique, I would also like to express my concern over the welfare of Sikkim's legitimate ruler, the Choygal. He has stayed on with his people under palace arrest which makes it difficult to receive direct news concerning him. He is reported, however, to be suffering from a health problem, perhaps induced by the traumatic events to which he has been subjected.

The least that India can do is to assure the safety of the Choygal and his family. I have no reason to believe that such is not the case, but it would be the crowning tragedy of the sad saga of Sikkim were ill to befall the Choygal as the result of outside machinations and intrigue.

In the face of a fait accompli, there is now little to do but commiserate with people of Sikkim and hope that at some future date, the lamps of liberty will again illuminate their national life.

MILITARY AND ECONOMIC SUPPORT FOR ISRAEL

Mr. GARN. Mr. President, today, along with 74 of my colleagues, I signed a letter to the President calling for the continuation of a reasonable level of military and economic support to Israel. I did so because I sincerely feel that in Israel we have a solid ally, one which is willing to abide by its commitments to us as we keep our word to it. I further believe that strong support for Israel is consistent with a desire for peace and stability in the Mideast. I am aware of the depth of antagonism which exists between the Arab nations and the Israelis, but I believe that in this case, as in so many others, adequate military preparations and firmness of will are the best guarantors of peace.

Having said that much in explanation of my signing the letter, Mr. President, let me go on to say that I had some misgivings about signing it. Not because of doubts about Israel, or because of possible offense to our Arab friends. The cause of my hesitation, quite frankly, was the company I was keeping. Many of the other signers of the letter, Mr. President, are not those who are usually heard in the debates on military and defense policy calling for increased military support for our allies, or, indeed, for our own forces. They are what we used to call "doves," during the Vietnam war.

Now, I realize that these "doves" have long considered Israel a special case. Indeed, it was the hawkish tones of these individuals during the 1967 Arab-Israeli war which led National Review to suggest the formation of a movement to be known as "Doves for War." To be blunt about it, most of these individuals have long been known as the most drastic of defense budget cutters except where aid to Israel is concerned.

I am not suggesting anything devious in this connection; quite the contrary. I submit, Mr. President, that these individuals are right to call for strong defense measures in the Mideast. Where I would differ with them is in their conclusion that we can be strong in the Mideast, and weak everywhere else. We are about to embark on an extended debate of the defense procurement authorization, and I hope that these Senators, and their supporters outside the Congress, will consider the contradiction inherent in their position, and will rally to the support of Israel with more than letters; their votes on the bill will be needed as well.

I am not the first to note this contradiction, of course, but perhaps the best analysis of it was contained in the February issue of Commentary magazine, a publication of the American Jewish Committee. Prof. Edward N. Luttwak, the author of the article, has neatly outlined the two schools of thought among those still pressing for reductions in defense expenditures: First, those who would have us frankly renounce any pretentions to the defense of Europe or Israel; and second, those who argue that substantial cuts can be made in military expenditures without impairing our defense capability. The first group is calling for cuts of up to 90 percent in our defense budget, and will not be further considered here. The second group calls for cuts of 25 to 30 percent, to be accomplished by squeezing the fat out of the present defense budget. And this in the face of the very real decline in real and relative military expenditures in recent years as shown by Barry Blechman, in a recent Brookings Institute study. Any way you measure defense expenditures, they have been declining: as a share of the total budget, relative to social programs, as a percentage of GNP, in terms of per capita expenditure.

The inability of American liberals to make the connection between adequate defense expenditures and the defense of Israel is seen on the general question of defense budgets, and on individual items. Thus, Professor Luttwak notes:

> It is entirely illegitimate to press for drastic cuts in the scale of the American military effort on the one hand, and then to try and squeeze what Israel needs out of what remains. And, "one of the primary instruments of re-supply, the ultra-heavy C–5 Galaxy transport, had long featured as exhibit 'A' of 'Pentagon waste and inefficiency' in countless speeches on the floor of the Senate, including a good many by those prominent in asking for the airlift."

Mr. President, one of the weapons systems now under the heaviest attack is the B–1 bomber. While I support this system strongly, and urgently hope that efforts to cut it are defeated, if it is eliminated, I hope that in the future Israel's survival does not depend on our manned bomber capability. The breast-beating that would be heard under those circumstances would be unbearable.

As we begin the defense debate, Mr. President, I hope that the total defense picture will be considered by every Senator. To that end, the Luttwak article could be very useful, and I ask unanimous consent that it be printed in the RECORD, in its entirety.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE DEFENSE BUDGET AND ISRAEL

(By Edward N. Luttwak)

Edward N. Luttwak is the author of "A Dictionary of Modern War," "The U.S.-USSR Strategic Nuclear Balance," and "The Political Uses of Sea Power." His new book, "A Study of the Israeli Army" (written in collaboration with Dan Horowitz), will be published later this year by Harper & Row. Among Mr. Luttwak's previous contributions to Commentary are "Nuclear Strategy: The New Debate" (April 1974), "Farewell to Oil?" (May 1974), and (with Walter Laqueur) "Oil" (October 1973) and "Kissinger and the Yom Kippur War" (September 1974).

There is a huge and increasingly notorious contradiction at the very core of mainstream American Jewish political attitudes. The vast majority of American Jews passionately support Israel's struggle for survival and are permanently concerned for its security. At the same time, most American Jews are liberals, and *qua* liberals, they are prominent in calling for the "reordering of national priorities"—a slogan which in practice translates into the attempt to make further cuts in the defense budget and further to reduce America's general activism overseas. The great artillery battles of 1915 sufficed to persuade even the most dashing and bird-brained of cavalry officers that modern war was not just a matter of guts and good breeding for man and horse: seeing a goodly share of the national product flying overhead in the shells of each artillery barrage, scarcely anyone could miss the essential connection between industrial capacity and military capability. By contrast, even in the aftermath of the Yom Kippur War—the display of American deterrence in action and the airlift—many liberals—Jews and non-Jews alike—who are loud in their verbal support for Israel still act in the political arena as if there were no connection between Israel's security and the level of American military preparedness. Quite recently, in New York State, a good many liberals, among them many Jews, did their level best to send a man to the Senate whose platform placed equal stress on strong support for Israel *and* a 25 per cent cut in the defense budget. Oddly enough, Ramsey Clark found himself in considerable difficulties with Jews of all stripes because of some insufficiently ambiguous language on the Palestinians and their claims. But while a wide variety of views on the Palestinians—including *all* the different positions imputed to Ramsey Clark—are perfectly compatible with firm support for Israel's security, such support is not at all consistent with any drastic cut in the defense budget, let alone Mr. Clark's 25 per cent.

It is obvious that not every valet in navy service, and not every air-force band, is essential to insure an adequate American contribution to Israel's security. But it should be equally obvious that it is entirely illegitimate to press for drastic cuts in the scale of the American military effort on the one hand, and then to try and squeeze what Israel needs out of what remains. For one thing, the spectrum of Israeli logistic needs does not exactly correspond with that of the United States. Hence the supply of arms and ammunition to Israel does not merely diminish *pro rata* the level of U.S. stocks but also threatens to distort the structure of defense acquisition, with American priorities displaced by "Israeli" ones: hardware rather than men, tactical weapons and not strategic, and equipment for today, rather than research for tomorrow.

Confronted by the demands of liberal Senators and Jewish leaders for prompt and generous aid to Israel in the crisis of October 1973, defense professionals in and out of uniform could take some quiet satisfaction in witnessing this abrupt reversal of attitudes toward all things military. There was particular satisfaction in air-force circles, since one of the primary instruments of resupply, the ultra-heavy C-5 Galaxy transport, had long featured as exhibit "A" of "Pentagon waste and inefficiency" in countless speeches on the floor of the Senate, including a good many by those prominent in asking for the airlift. But the military were bitterly disappointed by the final outcome. It seems that by appropriations time the war and the airlift had been thoroughly forgotten. As the military men see it, while the Pentagon delivered, the liberal supporters of Israel, and the Jewish liberals in particular, have not: instead of showing greater understanding of the importance of adequate defenses, they are still pressing for cuts in the military budget. Yet the truth is that such cuts could seriously damage America's capacity to deter Russian activism in the world at large, including the Middle East; they could even undermine America's ability to supply Israel with the weapons, ammunition, and high technology it needs for its survival.

At the height of the Indochina war, in fiscal year 1968, the total outlays of the Defense Department amounted to $78 billion. In 1974, the last full fiscal year, outlays amounted to $79.5 billion. In other words, as the Pentagon's critics never tire of pointing out, the end of the Indochina war with all its very heavy additional costs has seemingly failed to bring about a reduction in U.S. defense outlays. But in this comparison no account is taken of inflation. When account is taken of inflation a very different picture emerges.

Thus in an assessment by Barry M. Blechman *et al.* of the Brookings Institution*—not by any stretch of the imagination allies of the Pentagon—the planned outlays for fiscal year 1975 are estimated at $86.2 billion, while those of 1968 are estimated to have been $127.6 billion in 1975 dollars. Defense outlays for fiscal year 1964, the last "pre-Vietnam year," are estimated at $95.7 billion, also in 1975 dollars. In short, 1975 defense outlays as planned would show a *decrease* of $41.4 billion between 1968 and 1975 in current dollars, and a decrease of $9.5 billion even as compared to 1964.

Still more revealing are comparisons of defense expenditure with other current money flows. For example, defense outlays for fiscal year 1974 amounted to 5.9 per cent of the Gross National Product, 27.9 per cent of all federal outlays, and 17.8 per cent of net public outlays, federal, state, and local. In fiscal year 1968, these percentages were very much higher: defense outlays amounted to 9.4 per cent of the GNP, 42.5 per cent of federal outlays, and 29.2 per cent of all net public outlays. Nor is the above comparison distorted by the fact that fiscal 1968 was the peak year of the Indochina war expenditures; in fiscal year 1964, the last truly pre-war year, defense outlays amounted to 8.3 per cent of the GNP (vs. 5.9 per cent in 1974); 41.8 per cent of all federal outlays (vs. 27.9 per cent), and 28.1 per cent of total public outlays (vs. 17.8 per cent).

As may be seen, American military expenditures have in fact declined quite drastically over the last decade except in terms of paper money. It is a curious reflection on the supposedly pervasive and skillful propaganda of the Pentagon that the vast majority of the public continue to believe that military expenditures have been steadily increasing, relative to everything. In particular, the myth that the defense budget accounts for three-quarters of the total federal budget and thus preempts all sorts of welfare programs shows an astonishing persistence.

Unlike liberals of all kinds, fiscal conservatives may object that the sharp decline in the proportion of defense expenditure to public outlays in general between 1964 and 1974 proves absolutely nothing, since, in their view, the last decade has seen an uncontrolled and ruinous growth in federal, state, and local expenditures which have cut deeply into the personal income left to the citizen. But if inflationary effects are eliminated, by measuring everything in constant 1958 prices, the per-capita figures show that defense expenditure has declined quite sharply from $245 in fiscal year 1961 to $202 planned for fiscal 1975; by contrast, during this period total private outlays per capita increased from $1,896 to $3,005. And fiscal year 1961 was of course both a pre-war year and the last year of the Eisenhower administration—i.e., before the supposedly ruinous increase in taxation and redistribution of the 1960's.

As a matter of fact, even these figures understate the real decline in the scale of the American military effort. The abolition of the draft has also imposed a sharp cut in the real resources devoted to defense. The compulsory service of hundreds of thousands of young men in the military represented a hidden tax of major proportions, and one which was strongly regressive, since the (able-bodied) poor were much more likely to be drafted than middle-class youth. The poor and their families were in effect forced to subsidize the defense budget by surrendering the prospect of higher earnings in the civilian economy for the nominal pay of compulsory military service. In the absence of the draft, the armed services have been forced to attract men who would previously have been compelled to serve, and the financial incentives to voluntary service have become a heavy burden on the defense budget: pay, allowances, and related costs have increased from 43.3 per cent of the total defense budget in fiscal year 1964 to 55.2 per cent in 1974. And of course this means that the real resources available to the defense establishment have declined proportionately by 11.9 per cent.

Many thoughtful observers are opposed to the very idea of an all-volunteer force. Some fear that it will make the military even more of a closed society, a body apart, increasingly remote from the values and ideas current in civil society, and perhaps even vulnerable to political exploitation. Others see the danger of a military coup in the United States as totally fanciful, but remain disturbed by the wider social implications of the all-volunteer force, for its enactment by Congress reflects the belief of the legislators that young Americans, unlike young Russians, or for that matter young Israelis, are no longer willing to serve their country, and if need be, fight for its ideals—or interests.

But whether or not one favors an all-volunteer military establishment, one must recognize that its adoption has not entailed any increase in the cost of military manpower to society as a whole. The only difference is that the cost is fully borne by the taxpayer instead of being divided—most unfairly—between the taxpayer and those young men who happened to be drafted, and their families. For all practical purposes, the increase in manpower costs represents another net reduction in the defense budget.

Among those who are still pressing for further reductions in defense expenditure—a group which includes the heirs of McGovern in the Democratic party—there are two schools of thought. The first, more extreme but also more honest, advocates drastic reductions in the scale of American military power, eliminating the navy except for a force of small patrol boats to serve as an adjunct to the coast guard, reducing the army to two divisions with a corresponding tactical air force, and eliminating all strategic-nuclear forces except for a "minimum deterrent" of ten or so Polaris submarines. As a result, the defense budget would be reduced to a tenth or so of the present level, or even less. Those who support this policy are frank in recognizing its implications: they acknowledge that the United States would no longer be capable of guaranteeing or even contributing to the security of Europe or Japan, let alone Israel. If pressed, its advocates also admit that such a policy would in effect abandon the world to a Russian hegemony, if not actual conquest.

The second school of thought is altogether less honest. Its members call for drastic reductions in defense expenditure, typically of the order of 25–30 per cent, but they deny that this would entail any real reduction in military capability. Instead, the money is to be saved by eliminating "waste and inefficiency" in the Pentagon as well as "unnecessary" weapons and "useless" forces, especially strategic weapons and strategic forces.

No myth is seemingly more ineradicable than that of the strategic arms race. Hearing Henry Kissinger talk of his exploits in "capping the arms race" and "saving billions of dollars" on strategic-nuclear weapons, one would imagine that there *has* been such a "race," and that it has caused "spiraling expenditures." In fact, on the American side at any rate, the reverse has been true. According to the Pentagon's computations, the planned budget for all strategic forces (long-range B-52 bombers, Polaris/Poseidon submarines, land-based ICBM's, and six squadrons of air-defense fighters) would amount to $7.6 billion in fiscal year 1975; the figure for fiscal year 1964 was $8.5 billion, in much more valuable 1964 dollars. In other words, the strategic budget has declined very sharply in terms of real resources.

Much more revealing is the authoritative comparison by Blechman and his Brookings colleagues, which includes a variety of support and research costs in estimating the strategic slice of the budget: the figure for 1975 will reach $18.3 billion, as opposed to $29.7 billion for fiscal year 1964 computed at 1975 prices. For all the talk of spiraling defense costs, it can be seen that even in current dollars the reduction in expenditure has been substantial, while discounted for inflation it has been downright phenomenal—no less than $11.4 billion in 1975 dollars.

Indeed, there are some who argue that the decline in the strategic budget has been too great, and that it has allowed the Soviet Union to overtake the United States in the number of land-based strategic missiles (ICBM's), and lately in the number of submarine-borne missiles (SLBM's) also. In 1964, the United States had net numerical superiorities in both classes of weapons, with 834 ICBM's vs. 200 Russian, and 416 SLBM's vs. 120 Russian. As against this, while American ICBM and SLBM forces have remained static at their planned levels of 1,054 and 656 units (already reached in 1967) the Soviet Union now has more than 1,590 ICBM's and 750 SLBM's. Moreover, the Russian missiles are much larger, so that while the overall payload of U.S. strategic missiles amounts to roughly three million pounds, that of the Russian missile forces is 300 per cent greater at nine million pounds—this being the "throw-weight im-

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*"Setting National Priorities. The 1975 Budget," by Barry M. Blechman, Edward M. Gramlich, and Robert W. Hartman, The Brookings Institution, 269 pp., $2.95 (paper). The defense budget can be looked at in three different ways, with the total obligational authority divided either by the type of input—i.e., military personnel, retired personnel, operation and maintenance procurement, and so on; by the type of activity—i.e., strategic, general-purpose, intelligence and communications, and so on; or by department, i.e., army, navy, air force, defense agencies, defensewide, civil defense, and military assistance. The Brookings Institution study allocates the entire budget to the ultimate deployed forces, with a three-way split of all outlays among general purpose, strategic-nuclear, and strategic mobility (i.e., airlift) forces.

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balance" of which so much has been said of late in conjunction with the SALT negotiations. (Senator Jackson, for example, has called for substantial reduction in the strategic forces of both sides, but a reduction which would equalize overall missile payloads.)

Many analysts, including the present writer, are disturbed by the medium-term implications of the growth in Russian strategic capabilities, which neither the SALT–1 accords nor the Vladivostok agreements have done anything to arrest. Detailed projections* which avoid any sort of "worst-case estimate" show that within five years or so the Soviet Union is not only likely to widen the throw-weight gap still further, to reach four times the level of the American, but will also undoubtedly utilize its missile payloads much more effectively, through the introduction of multiple warheads. Together with a modest increase in accuracies, this would create a real gap in strategic capabilities. Even the Brookings estimates show the Russian missile forces as three times more powerful than the American in actual destructive capacity, while other estimates are a good deal more pessimistic.

Nevertheless, no serious analyst argues that the Russians have already achieved any kind of meaningful strategic superiority. For one thing, the Soviet Union has no real counterpart to the American strategic bomber force which, though much reduced (from 696 heavy B–52 bombers in 1964 to 396 planned for 1975), is still far superior to the Russian (140 much inferior aircraft). While U.S. heavy bombers are of a very old design—the first B–52's were operational in 1955—they have been repeatedly modernized, and are thought to be several times as effective as their Russian counterparts. Moreover, the American strategic missile force, though it has only one-third the overall payload of the Russian, remains much more effective at present, since almost two-thirds of U.S. missiles are equipped with very efficient multiple warheads, and they are also substantially more accurate.

What all this means is that the United States has remained ahead while actually decreasing its expenditure on strategic forces. This hardly suggests that there has been all that much "waste and inefficiency" in the strategic budget: in fact, since 1964 there has been a sharp increase in effective capabilities together with a decline in cost.

None of this will impress those who argue that all strategic forces other than the few weapons needed for simple deterrence are ipso facto useless and wasteful. If driven into a corner, they may concede that the Pentagon has managed to increase strategic capabilities while continuing to cut costs, but they will argue that strategic superiority is a meaningless concept, and that once the ability to strike back at an enemy with some nuclear warheads is assured, all additional forces are quite useless. Recently these voices found a powerful ally in no less a person than the Secretary of State, who was quoted as asking, "What in the name of god is strategic superiority? What do you do with it?"

According to this school of thought, the outcome of confrontations such as the Cuban missile crisis was solely due to the balance of naval power in the waters around Cuba, and had nothing to do with the strategic balance, which favored the United States by a very wide margin in those days. It was the military balance in place which made the difference, and not the fact that while the United States could have destroyed most of the Russian strategic force, the Soviet Union could not have destroyed the American. The argument seems plausible, but those who explain the outcome of the Cuban missile crisis and all other confrontations in terms of local military power alone have so far failed to explain why the Russians did not then prevail in the repeated crises over Berlin, where Russian superiority on the ground was at least as great as American naval superiority around Cuba.

In support of the contrary view, there is moreover the impressive testimony of Russian actions: following the Cuban missile crisis, an accelerating increase in Russian strategic deployments could be observed, an increase that did not level off until the "meaningless" superiority of American missile forces had been cancelled out. The Russian investment in strategic forces since 1964 has been enormous, certainly several times as great as that of the United States, and in the Soviet Union there is presumably no capitalist arms industry to foist "useless" weapons upon the military.

To be sure, one can construct all sorts of theories to explain why bureaucratic pressures in the Soviet Union should have led to exactly the same results as "military-industrial" pressures in the United States. But the wholesale denial of the utility of strategic power beyond that needed for simple deterrence is not convincing. The advocates of "minimum deterrence" claim that ten invulnerable missiles would suffice to deter a nuclear attack upon the United States, and this may even be so. But then no sane Russian (or, for that matter, Chinese) leader is likely to launch such an irrational attack anyway. The real utility of strategic power must be found in its *political value*, in guaranteeing the ultimate security of NATO Europe and other allies, formal or informal, against nuclear coercion, and in deterring a much wider range of hostile acts than a purposeless nuclear attack on American cities. And the latter is the *only* threat—and a remote and fanciful one to boot—that a minimum deterrent could possibly deter. To do more, one needs greater and more flexible forces so as to have a much wider range of options than a single fire button. One also needs men on the ground, ships at sea, and tactical aircraft, all known as "general-purpose" forces in Pentagonese.

In the official breakdown of the defense budget planned for fiscal year 1975 (since reduced by Congressional action), general-purpose forces accounted for $29.2 billion of the $92.6 billion total obligational authority, as opposed to only $7.6 billion for the strategic forces. This is to pay for all full-time ("active") fighting forces that are not both nuclear and long-range—specifically air force, navy, and marine fighter, light-bomber, and reconnaissance "wings," army and marine divisions, and navy carrier task-forces, escort ships, attack submarines, and amphibious assault ships—together with all their direct logistic support, headquarters, and so on.

Once again, a straight comparison which takes no account of inflation shows a startling trend: in spite of the end of direct American participation in the fighting in Indochina, general-purpose expenditures have hardly decreased at all since the peak year 1968. In the past year, the general-purpose budget amounted to $30.4 billion, as opposed to the planned level of $29.2 billion in 1975. But once again, the deflated figures reveal a quite different picture. In the Bookings estimate, the 1975 budget for the general-purpose forces is $53.4 billion, while that for fiscal year 1968 was $92.3 billion in 1975 dollars, *including*, the cost of the war in Indochina. This time, however, a net increase in expenditure *has* taken place, for without the incremental costs of the Indochina war, the general-purpose budget in 1975 dollars is estimated at $61.1 billion for 1968, with $58.1 billion for 1964 as compared to $63.4 billion in 1975.

The explanation is simple. Strategic weapons, for all their faults, are either unmanned or controlled by small crews; even maintenance is largely computer-controlled and heavily automated. But it still takes a complete human body to fire a rifle or even to clean one, four men to operate a tank, and three or four thousand to man an aircraft carrier. It is thus the general-purpose slice of the budget that has borne the major part of the increase in manpower costs.

In 1968, at the height of the Vietnam war, the army had 1,570,000 men on active duty; before the war, in 1964, it had 972,000; but the planned level for 1975 is only 785,000. As a standard of comparison, the Soviet Union has 1,800,000 men in its ground forces (excluding air-defense troops). Even more striking at first sight is the apparent difference in actual combat capability: while the Soviet Union has no fewer than 167 divisions, the United States has only 13⅓ army divisions, and three separate brigades.

Over the years, critics have talked of bloated headquarters staffs, luxurious logistic echelons, and a swollen army bureaucracy, in contrast to the supposedly spartan Russian army, which can seemingly field almost twelve times as many divisions as the U.S. army with not much more than twice its manpower. A less superficial comparison reveals a rather different picture. First, it turns out that of the 167 divisions in the Russian army, only 50–60 are manned in full strength, the rest being either half-strength or "paper" units, with one-third or less of their theoretical manpower on board. Second, even on paper, Russian divisions are much smaller, with an establishment of 12,000 for the mechanized divisions, 9,500 men for the tank divisions, and 7,000 men for the airborne divisions, as opposed to 16,300, 16,500, and 13,000 men respectively in their American counterparts. Moreover, while only 213,000 of the men of the U.S. army serve in divisions, this does not mean that the remaining 572,000 are all cooks, valets, typists, PX speculators, or officers relaxing in air-conditioned headquarters. Above the level of the division, there are "corps" and "army" echelons, with fighting and logistic troops assigned to each. In fact, the division slice amounts to roughly 40,000 men.

For practical purposes, the army share of the budget, planned at $23.6 billion out of a defense-wide total of $29.6 billion for fiscal year 1975, pays for 158 "maneuver" battalions of mechanized, airborne, tank, armored cavalry, and finally helicopter-mounted air-cavalry troops, supported by artillery forces, missile troops equipped with tactical nuclear weapons, anti-aircraft units, 10,000 helicopters, and 1,000 fixed-wing aircraft, as well as a variety of logistic units.

There is no doubt that many more men are used for supply and maintenance in the U.S. army than in the Russian. But this is not entirely due to the well-known proclivity of the U.S. army for hot food and iced beer in the field, as well as sauna baths and air-conditioned barracks. Part of the difference is due to the fact that while the Russian army is entirely deployed within the Soviet Union or in lands directly adjacent, the U.S. army must supply 190,000 men in Germany, another 4,400 men in a separate Berlin brigade, a small force in Italy, and 26,000 men half a world away, in South Korea, as well as two brigades in Hawaii. In spite of this, twelve additional battalions have recently been formed by thinning out logistic and support units.

Moreover, American equipment is more complex than the Russian, and therefore requires more men for its maintenance. Some of the added complexity is due to the national passion for advanced technology (a passion which, however, now shows distinct signs of waning even in the military), but the larger part is simply due to the fact that American equipment, being more advanced and more effective, is thus more difficult to maintain. The Russian army does not, for example, have anywhere near the 10,000 helicopters of the American, and except for the very latest stuff, much of its equipment remains rather crude. During the October war, the Russian supplied the Arabs with some of their best weaponry, and the Israelis captured a great deal of it, including more than 500 modern battle tanks (more than they lost and twice as many as the U.S. supplied during and just after the war). As always before, the Israelis found that Russian equipment was of "simple and rugged" design, cheap to build and easy to maintain. But they also found that it was often far too "rugged" for real effectiveness. Israeli tank crews who fought for days at a stretch in American M–60 tanks or British Centurions, discovered that the clumsy controls and cramped crew spaces of even the best Russian armor were utterly exhausting after a few hours, and that much essential equipment was simply absent. In fact, Russian vehicles seemed to have been designed for very muscular dwarfs who could somehow shoot accurately without proper range-finders.

None of this is to say that there is no waste and inefficiency in the army budget. Far from it. The army, more than the other services perhaps, has historically been subject to political pressures which among other things have forced it to maintain facilities at too many scattered locations, especially in the South and Southwest. A glance at a map of army posts would suggest, indeed, that it is still deployed to fight the Indians, rather than Russians *et al.* But every time attempts are made to close down obsolete arsenals or unnecesary bases dating from the Indian or Mexican wars, a coalition of local interests is instantly formed, and instantly represented in Congress; these coalitions have defeated the army reformers with great regularity, for their political clout always counts for much more, than the feeble Congressional instinct for managerial efficiency.

An altogether greater cause of structural inefficiency is the existence of a separate marine corps, which has 196,000 men in three divisions as compared to the 785,000 men of the army. Marine-corps divisions have their own headquarters, uniforms, doctrine, training camps, equipment , and so on, and they come under the ultimate supervision of the navy, at least in theory. But though they do have special training, and some special equipment, for amphibious landings in the grand manner, the three marine divisions are essentially ground forces. In fact, the marine corps is a not-so-miniature independent military force with its own artillery, logistics, and even its own air force (comprising 550 combat aircraft). The men and the money going to the marines could certainly be used more efficiently, if they were distributed between the army and the air force respectively, adding substantially to both, and eliminating massive duplication built into the system. There is an excellent argument for preserving the special *esprit dc corps* of the marines, and also their special skills in amphibious warfare, but both of these things could be done with a much smaller all-amphibious force: at present the marine corps alone has more men than the entire British army, and more aircraft than the entire British air force.

Bored defense analysts may amuse themselves in drawing up plans to "rationalize" the ground forces by abolishing the marines, but for the time being any such reform remains a political impossibility. It would also be illegal. Acts of Congress now force the Secretary of Defense to preserve an independent marine corps, and moreover specify that it is to have three active divisions. Always fearful of being absorbed into the army, the marines, strongly supported by their retired veterans, have built over the years a formidable political base in Congress, and also a legal wall around the corps, which guarantees its independent survival—and which restricts very severely the freedom of action of its nominal civilian masters, the Secretary of Defense and the Secretary of the Navy.

How much real military power is there in the 16⅓ ground-force divisions? Of this total, 1⅓ infantry, two marine, one armored cavalry, one air-borne, and one air-mobile divisions are held in the U.S. as a central reserve for worldwide use at short notice.[10] The third marine division, in the Pacific, would also be available for ready intervention, but most of the remaining ground forces are either deployed in Europe or Korea, places where they are likely to be needed anyway in the event of major trouble, or else are kept in the U.S. but committed for reinforcement to Europe.

The ground forces of the strategic reserve would be amply sufficient to carry out an operation such as the Persian Gulf intervention of which there has been so much talk recently: two marine and the two air-deliverable divisions would suffice to seize and hold securely every asset of value in the western side of the Persian Gulf. But in order to guarantee the area against an Iraqi (or a Russo-Iraqi) counterattack, armor would be needed, at least one armored division, and possibly more. This would exhaust the strategic reserve for all practical purposes, and any additional troops would then have to be taken away from the forces earmarked to reinforce Germany: the thin margin thus creates a built-in incentive to the Soviet Union to start applying pressure in Europe in the event of any American deployment in the Middle East, whether in defense of Israel, or in the Persian Gulf. *A fortiori*, this same argument applies to any more serious commitment of forces.

Chronic reports of drunkenness, drug addiction, insubordination, and racial violence among U.S. army and marine troops have raised serious doubts as to their morale and battle-readiness. There is no doubt that all these problems exist, as they do in civil society, but experience, even in Vietnam, suggests that once the bullets start flying, American troops are invariably willing to fight. With their superior equipment in virtually all classes of weapons, with their highly developed mechanical aptitudes, and essentially sound training, the GI's need only good leadership and some knowledge that their efforts are not entirely futile to fight hard and well. The problem is not quality but quantity. The U.S. army is small and ought to be larger. It should not under any circumstances be reduced further, for otherwise even its qualitative edge will not suffice to equalize the balance.

Since 1968 the share of the navy in the total defense budget has increased steadily: in fiscal year 1974 it amounted to $27.6 billion, as opposed to $22.1 billion for the army, and $25.5 billion for the air force. Of late there has been a great deal of contradictory talk about the strength of the navy or the lack of it. Upon his retirement, the last Chief of Naval Operations, Admiral Zumwalt, proclaimed that the U.S. navy had become inferior to the Russian; his successor, Admiral Holloway, promptly went on record with an opposite view. Actually it all depends on the time period one has in mind.

The U.S. navy emerged from World War II with a huge fleet and one that was very modern: in 1946 the average age of navy vessels was only five years. Aircraft have life-spans of ten years or so (though the B–52 bombers are approaching twenty), but ships are a good deal more durable and less vulnerable to obsolescence, for naval technology develops slowly. Thus, throughout the 50's and 60's, the navy remained with its wartime fleet, supplemented by some new aircraft carriers, nuclear submarines, and a few other modern ships.

By the late 1960's, the average age of U.S. warships had increased to eighteen years, and the navy was facing block obsolescence, as the vessels built in between Pearl Harbor and VE-day became too old to be usefully modernized yet again. At the same time, the Russian navy, built around anti-ship missiles instead of the American combination of aircraft carriers and guns, was presenting an increasingly serious threat. And while old warships were decreasingly effective, their maintenance costs were rising steadily.

In an uncharacteristically bold move, the decision was therefore made to scrap a great many ships, accept a drastic decline in the size of the fleet, and use the money thus saved to build as many new ships as possible so as to modernize the fleet in one forward leap. The result of this policy was that between 1968 and the end of fiscal year 1975, the number of navy ships will have decreased abruptly, from 976 to 508. The latter, however, will mostly be modern ships. In the meantime, the Russian navy has been growing in size as well as quality and now includes 221 "major" warships as opposed to 177 for the United States, though the tonnage and overall quality of American vessels are much higher.

The Russian navy is now in the process of deploying two new classes of missile warships, the Kara cruiser and the Krivak destroyer. Modern analytical methods have not made much progress in the naval field, and these warships, very fast, of sleek design, and "bristling with weapons," have received extravagant praise, not least from Admiral Zumwalt who described the Krivak as "ton per ton the most effective warship afloat." But in reality it seems that Russian navy planners have made an error of catastrophic proportions, and given the ten-year lag between design and construction, this is an error that will continue to perpetuate itself for another decade at least. Not that the Russians have been incompetent or backward. It is merely that the unpredictable evolution of military technology has played a cruel trick on the Russians, the pioneers in the design of missile warships.

What happened is that the Russian warships reflect in their design the advanced technology of the anti-ship missile, but not the still more advanced and indeed revolutionary electronic warfare technology for missile defense. In essence, this technology, together with good training, allows ships which are attacked by surface missiles to dodge or intercept quite a few of them; a well-equipped ship with a well-trained crew can still be destroyed, but its electronic defenses and anti-missile weapons must first be saturated by multiple missile firings. During the October war, the Israelis sank thirteen Russian-built missile boats in Syrian and Egyptian hands without suffering a single loss of their own. The small Arab boats fired at least 50 Styx missiles at Israeli missile boats; in November 1967 a pair of Styx missiles had sufficed to sink the *Elath*, one of the two largest warships in the Israeli navy. But in the 1973 sea battles, owing to good training, skillful maneuver, and various jamming devices, the Israelis did not suffer

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*See, for example, the present writer's "The U.S.-USSR Nuclear Weapons Balance," Sage, 1974.

[10] Given time, 8 divisions and 24 separate brigades or regiments could be manned by 620,000 combat echelon reservists.

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a single hit. And when the Arab boats had fired all their missiles, the Israelis went over to the attack, sinking them with impunity with both guns and missiles. Now the missiles on board modern Russian warships are far superior to the old Styx missiles given to the Arabs, but the Kara, Krivak, and Kresta missile ships all have one thing in common with the small missile boats of the Arabs: they carry only a small number of missiles, five or ten per warship, and have absolutely no room for reloads.

By contrast, the new Spruance-class destroyers of the U.S. Navy, of which thirty are to be built, can carry more than eighty missiles of all types, including any proportion of the new U.S.-made Harpoon anti-ship missile. What this means is that in the event of combat with the American navy, the Russians are apt to repeat the unhappy experience of the Arabs at the hands of the Israelis: for once the Russian warships fire off their five or ten missiles apiece, not enough to saturate the electronic, missile, and gun defenses of a comparable number of modern U.S. warships, they would still be confronted with Spruance destroyers each capable of firing dozens of missiles at the rate of four every three or four seconds. No prudent Russian navy planner can envisage the future naval balance with any optimism, at least as far as surface warfare is concerned.

Aside from the surface fleet, whose size is now reaching its low point, but whose quality will improve sharply in the near future—*if there is reasonable funding* (and the cuts made to the 1975 shipbuilding budget were quite drastic)—the navy maintains two types of forces which are so different in outlook and doctrine that they virtually constitute separate services.

First, there is the large and still growing force of nuclear-powered attack submarines, 61 of them at present and building toward 90. The Soviet Union has 70 such submarines and it is likely to maintain or increase its numerical edge in the future also. Moreover, the Russians, unlike the Americans, have not lost faith in diesel submarines and continue to build them: some 175 are in service, including 25 armed with anti-ship missiles.

Quite aside from the dictatorship of Admiral Hyman Rickover and his total opposition to anything afloat that is not nuclear-powered, there is logic in the different composition of the two submarine fleets. The Russian submarine fleet is designed to be used against both warships *and* merchant ships, since in the (unlikely) event of a prolonged struggle in Europe, the North Atlantic shipping lanes would be as essential in the future as they were in two world wars. As against this, the Soviet Union would remain unaffected by attacks on its merchant shipping, and so the only targets that matter for the U.S. submarine fleet are enemy *warships*, and especially Russian submarines. And while diesel boats could still be very usefully employed in sinking merchant ships and especially oil tankers, their margin of survival in attacks against warships would be far too narrow.

At present, it is planned to build five new attack submarines, all nuclear, every two years; soon the oldest types built in the 1950's will begin to approach retirement age, and this is just about the minimum level of construction that can be tolerated if the strength of the submarine fleet is to be maintained. It is possible, however, that a rather smaller and cheaper type of submarine could be built than the present Los Angeles class, which are very large (6,900 tons) and very fast, but which also cost more than $150 million each.

The centerpiece of the U.S. navy remains the carrier force; reduced from 24 ships in 1964 to 15 at present, the force will decline further, to 12 units by 1980, even if Congress funds *all* present programs. The carriers are all very large, and very expensive: the nuclear powered *Nimitz*, which is to join the fleet in 1975, will have cost $1 billion. With 80-90 aircraft on board each, the pair of aircraft carriers on station in the Mediterranean provide the powerful and long-reaching arm of the Sixth Fleet. In the event of a major emergency, it is the aircraft of the Sixth Fleet, roughly equivalent to one-third of the Israeli air force, which would provide the most capable force of ready intervention.

Three more carriers of the Seventh Fleet are available in the western Pacific at any one time, with the remaining ten carriers in maintenance, modernization, or training. Of these, however, at least five would normally be available at very short notice to reinforce the Sixth or Seventh Fleets.

Once the carrier force declines to 12 units, however, normal deployments are liable to go down to two carriers in each forward fleet, with another four normally available at short notice. (Homeporting in Greece and Japan was intended to increase the ratio of forward-deployed carriers by cutting out the cruise periods.)

The great problem of the aircraft carrier is vulnerability. Powerful though a live carrier may be—a single carrier could destroy every enemy warship within a range of hundreds of miles in a matter of hours—there is no doubt that in the event of a *nuclear* war, where carriers could be attacked by nuclear missiles and torpedoes, they would have slim chances of survival. It is true that the whole purpose of the carrier task forces is to deter—and, if need be, fight—limited wars such as those that might be entailed by an intervention in the Middle East to break the oil cartel, or to bail out Israel. But serious analysts are beginning to question whether carriers could survive even non-nuclear attack by the Russian navy.

In essence, the danger derives from the very effectiveness of the carriers. Knowing that none of their warships could survive for more than an hour or two within range of the carriers, Russian fleet commanders are likely to commit every available submarine, bomber, and missile ship to attacking them. Moreover, they are likely to do everything in their power to obtain permission to launch a surprise attack, for given any warning at all, the strike aircraft of the carriers are liable to destroy the opposition first.

It is primarily to meet the threat of missile attack that the very advanced and very expensive F–14 fighters are being procured by the navy. On present plans, 16 squadrons are to be equipped with the F–14 for a total cost of $8 billion; even this will not be enough to replace all the F–4 Phantom navy fighters now in service: 24 squadrons of F–14's for fleet defense (two per carrier in 1980) would cost roughly $12 billion at 1975 prices, including stocks of the extraordinarily effective and expensive Phoenix missile.

The total air-force budget, which, like that of the navy, includes strategic weapons (heavy bombers and ICBM's) as well as tactical ones, has declined sharply in real terms since fiscal year 1968, the peak Indochina war year. In 1974, the budget stood at $25.5 billion as opposed to $22.1 billion for the army and $27.6 billion for the navy. For this money, the air force bought the services of 645,000 men, to operate roughly 5,000 combat aircraft (excluding some 1,100 strategic bombers and tankers as well as the home air-defense fighters).

These men and these aircraft are more widely distributed than any other U.S. military force, with fighter and fighter-bomber squadrons in Britain, Spain, West Germany, Japan, Korea, Okinawa, Philippines, and Taiwan, as well as Alaska and Iceland, all backed up by the Tactical Air Command in the continental United States which serves as the training base and general reserve.

Owing to the undoubted futility of much bombing and strafing in Indochina, the value of tactical air power has been questioned by many. Apart from those whose position is simply uninformed or purely emotional, there are a good many cold-blooded analysts who point to the limitations of tactical air power in World War II, Korea, and lately in the Middle East, where the densest antiaircraft networks in the world undoubtedly undermined the combat value of the Israeli air force.

In particular, it is frequently argued that deep-penetration "interdiction" missions (for which the larger and more expensive fighter-bombers are built) have proved rather ineffectual in the past, unlike "close-support" missions, where fighter-bombers are called down by troops on the ground to attack the enemy directly in front of them. In fact, by 1969 this view had become the common wisdom. It was obviously a waste of time to try to "choke off" supply routes, into South Vietnam by bombing jungle trails, and by extension it has been argued that it would be equally futile to try to interdict a Russian attack on Europe by attacking the supply system, the railway network in Eastern Europe and the Western USSR. Railway lines are surprisingly hard to detroy and destroyed tracks can be quickly repaired, or evaded by rerouting.

But then a series of unrelated technological breakthroughs upset the theories of these analysts. The introduction of laser-homing and television-guided bombs and missiles suddenly increased the accuracy of delivery by a spectacular 1000 per cent or more. As the last bout of post-election and pre-Christmas Vietnam bombing showed in 1972, "interdiction" strikes against bridges, power-stations, storage dumps, and indeed any target that was at all worth hitting had radically changed in nature. Instead of scattering bombs all over the place, missing the target much more often than not, and having to return many times to hit it again, exposing the aircraft to ground fire each time, fighter-bombers were suddenly performing as they had always done in the movies; one mission flown, one or two bombs dropped, and the target destroyed with pinpoint accuracy.

In October 1973 the Israelis did not initially have "smart bombs." In essence, the first stages of the war featured a pre-Vietnam Israeli air force fighting it out against post-Vietnam Russian air defenses. Israeli losses to ground fire were not heavy (99 aircraft for 7,272 sorties), but the results were poor: pilots dodging a hail of shells and missiles could not fly slow and easy as they did in 1967 to make precision attacks. The situation changed dramatically when the smart bombs were finally released to the Israelis. Pilots with virtually no prior training and with improvised support gear scored phenomenal 95 per-cent kills with the Walleye TV bomb, 85 per-cent with the Maverick missile, and 75 per-cent with laser-guided bombs. In fact, the Maverick emerged as an absolutely lethal tank killer; some Israelis complained that it was too effective: Arab tanks hit by these missiles could no longer be repaired for Israeli use.

Not even the professionals, let alone the public or Congressional would-be experts, have yet come to terms with the revolutionary change that these precision-guided weapons have introduced. It is already quite clear, however, that there has been a neat reversal in the value of the two kinds of tactical strike missions: "interdiction," where aircraft are sent to bomb targets of value and can therefore use smart bombs (which are not cheap) has suddenly become a much more promising mission than close support, where scattered troops on the ground do not offer scope for pinpoint attacks.

Incidentally, it is quite certain that the introduction of smart bombs has shifted the entire military balance in favor of Israel, for while Arab air defenses may improve further, it will take many years for Russian weapon designers and Arab anti-aircraft troops to catch up to the sudden leap in the effectiveness of strike aircraft. In Europe, where the USAF deploys some 400 F–4's and 72 swing-wing F–111's, it is not yet clear what the effect of this technological change on the military balance might be. For unlike the Middle East—where Arab aircraft cannot survive in air combat long enough to use any type of bomb, whether smart or not—in Europe both sides will have precision weapons sooner or later, and the new technology need not favor the defense.

The air force is also responsible for the so-called mobility forces, with 79 C–5 and 275 C–141 long-range aircraft (which featured in the 1973 airlift to Israel) and 325 C–130E shorter-range transports. Once the political hesitations were overcome, the U.S. airlift, masterminded by air-force commander-in-chief General Brown, now Chairman of the Joint Chiefs of Staff, and repentant amateur sociologist, was outstandingly efficient: 22,395 short tons of equipment were flown to Israel in 566 missions; as against this, the Russians flew 930 missions in their airlift but carried only 15,000 tons, even though the average distance they had to fly was not much more than one-fourth of that flown by U.S. aircraft.

The C-5's made much of the difference: they flew more than 10,000 short tons in only 145 sorties; the 70 aircraft in the force could have flown many more flights, had they been needed.

During the October airlift, U.S. transports landed at the Azores airfield, leased from the Portuguese. But that was in the bad old days of the dictatorship, and now there is a much more progressive regime in Lisbon but one which is also more easily purchaseable by Arab oil money. In order to reduce the dependence on the goodwill of the Portuguese, and indeed of anybody else—for it seems that all can be bought or intimidated nowadays—the Defense Department plans to spend $450 million (if Congress will allow it) to provide the C-141's with in-flight refueling gear, which the C-5's already have.

In the "functional breakdown" of the defense budget (as opposed to the service-by-service breakdown), research and development accounted for just over $7 billion in fiscal year 1974 out of the total obligational authority figure of $87.1 billion for the defense budget as a whole. As we have seen, it is the technological edge, the product of the research and development of past years, that in so many different areas compensates for U.S. numerical inferiorities, and also for those of the Israelis (and other U.S.-supplied allies). And yet it is precisely against these $7 billion ($8.4 billion was requested for 1975) that much of the permanent offensive of the liberal budget-cutters is directed.

Their particular targets are the large, expensive, and highly visible weapons programs such as the ABM and C-5 in the past, and now the B–1 bomber, Trident missile submarine, F–14 navy fighter, and F–15 USAF fighter. In fact, these are the programs that everyone seems to want to cut in the various "alternative budgets" that feature in the "position papers" of the anti-defense lobby. A great deal can be said for and against these large-weapon programs, and this writer for one has seen very persuasive cases being made by thoughtful analysts against the B–1 bomber and Trident submarine, both to be leading strategic weapons in the 1980's and beyond. Yet the alternatives, though cheaper, are not that much cheaper (perhaps 20 per cent).

As for the F–14 and F–15, described as usual as "useless multi-billion-dollar programs," these are supposed to take over the missions now being carried out by the Phantom, an excellent aircraft but one which was designed in the 1950's and is beginning to show it. During the October war Israeli pilots shot down at least 50 Arab aircraft for every loss of their own in air combat. Pilot quality had much to do with this result, but it also reflected the mechanical superiority of U.S. Phantoms (and Israeli-converted Mirages).

Now that the Arabs are acquiring a new generation of Russian aircraft, including the MiG–23 which is faster than the Phantom, and no less maneuverable, the Israelis, like the USAF, need new and better aircraft to retain a qualitative edge. Both the F–14 and F–15 aircraft are very expensive indeed—partly because of small production runs—but one has yet to see realistic alternatives being presented. Instead the critics glibly assert that the Phantom can be made to serve into the 1980's. Lighter and cheaper fighters, as well as older Phantoms, may usefully supplement a core of modern and sophisticated aircraft, but they cannot do the job alone.

Observers of the guerilla warfare that goes on in and around Congress at appropriations time are familiar with the contradictory stances that the process imposes on both sides, a contradiction particularly acute when debate centers on the research-and-development slice of the budget. The armchair strategists who press for budget cuts insist before one committee that the U.S. need not worry about Russian (and Chinese and . . .) numerical superiorities since American forces retain a sharp qualitative edge. At the same time, the Pentagon's spokesmen stress the numerical differences and discount the qualitative edge in asking for money to maintain the strength of the baseline army, navy, and air force. Both then turn around and appear before the subcommittees on research and development, the budget-cutters to deny the need for more expenditure to retain the very qualitative edge that they cited to even the balance, and the Pentagon's spokesmen to argue the opposite case.

The blatant dishonesty of both sides has long since made cynics of all participants, but there is no doubt who is ahead in the "balance of dishonesty" and there is no doubt who has been winning: in spite of the vast increase in Russian strategic-nuclear forces and military budgets, and in spite of the 1973 Middle East war, U.S. defense outlays are now roughly 20 per cent below the figure of 1964, taking into account the hidden manpower deduction. And U.S. military manpower has declined by a fifth—from 2,685,000 men in 1964 to 2,152,000 planned for in 1975. It may be argued that all this simply reflects the détente and so on, but it should be noted that over the same period, according to *the most conservative calculations*,* Russian defense expenditure has increased by almost 40 per cent, while Russian military manpower has not been reduced, but rather increased by 125,000 men.

If these trends continue much further, the ability of the United States to deter Russian activism overseas, to preserve the global political balance, and thus incidentally give Israel a fighting chance, will undoubtedly come into question. The many worthy liberal intellectuals whose names decorate the personality and staff lists of the Council for a Livable World, the Committee for a Sane Nuclear Policy, the Coalition for New Priorities, the Arms Control Association, the Center of Defense Information, the Federation of American Scientists, and other anti-defense lobbies are all entitled to their views. It is perfectly legitimate for Jews and non-Jews alike to advocate further reductions in American military power, and the general activism of the United States overseas, or indeed to call for an elimination of both. Others are perfectly entitled to hold the opposite view. But all must accept that any drastic reduction in the American defense budget will weaken deterrence and will also make it increasingly difficult for the United States to supply Israel with the tools it needs for its own defense.

SRI LANKA CELEBRATES NATIONAL DAY

Mr. HARTKE. Mr. President, today the people of Sri Lanka are celebrating their national day. On May 22, 1972, the people of Sri Lanka adopted a new constitution and inaugurated the Republic of Sri Lanka. This year, Sri Lanka observes the third anniversary of its sovereign and independent republic.

I had the high honor of traveling to Sri Lanka last year, and observed the serenity and beauty of this wonderful island country off the tip of India. It has maintained an enviable record among developing countries by retaining her democratic institutions intact.

The success of the parliamentary democratic system arises largely from the political maturity of the people who have enjoyed adult universal franchise since 1931, and who, as a result of a unique system of free education from primary through university level, have a literacy rate of approximately 85 percent—one of the highest in the world.

I might point out, that the Prime Minister of Sri Lanka, Mrs. Sirimave Bandaranaike, was the first woman prime minister of a country in modern times.

Sri Lanka, until a few years ago, was called Ceylon, and produced some of the world's most enviable tea. As a developing country, the economic problems now facing Sri Lanka arise from the adverse trends in the terms of her trade and the acute foreign exchange situation. With heavy dependence on tea, rubber, and coconut exports to finance consumption imports and development needs, Sri Lanka has been classified by the United Nations as being one of the most seriously affected countries by the current commodity price inflation squeeze.

In 1974, however, Sri Lanka's economy grew at a rate of 3.4 percent in real terms. By the end of 1975, Sri Lanka looks forward to the completion of the first phase of a project diverting her longest river to perennial irrigation and bringing under production thousands of uncultivated acres. Sri Lanka is also involved in extensive oil exploration.

Relations between Sri Lanka and the United States have been cordial and friendly. Under the leadership of Prime Minister Bandaranaike, the friendship between the two countries has been strengthened. Assistant Secretary of State, Alfred Atherton, testified before

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**Military Balance 1973–74*, International Institute for Strategic Studies, p. 80. Other estimates are as much as 80 per cent higher.

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the Subcommittee on the Near East and South Asia that:

> We feel a special affinity to Sri Lanka in its efforts to achieve economic development while maintaining a vigorous democracy. We are heartened by our continuing friendly relations.

Prime Minister Bandaranaike said in a statement in 1973 during the celebration between the United States and Sri Lanka of 25 years of diplomatic relations:

> We have valued greatly the contributions made over the past years not only by the Government of the United States, but also the people of the United States through various agencies, towards our general economic development and the raising of our standards of living.

Mr. President, on this most auspicious of occasions for this beautiful island country, I wanted to bring their social, political, and economic accomplishments to the attention of my colleagues and the American people.

INDEPENDENT REGULATORY COMMISSION BUDGET REDUCTION BY OMB

Mr. METCALF. Mr. President, late last year the Senate Government Operations Committee approved S. 704, the Regulatory Commissions' Independence Act. I have reintroduced the bill, which is cosponsored by the distinguished senior Senator from Illinois (Mr. PERCY). Our bill, S. 363, provides for concurrent submission of the budget estimates and requests, and also legislative recommendations, testimony and legislation, to both Congress and the Office of Management and Budget. The bill also authorizes the commissions to supervise and at their discretion conduct any civil litigation in their own name, and through their own attorneys.

A basic and urgent aspect of regulatory reform is to provide the Congress with full information on what the commissions themselves say they need in the way of funds and personnel, rather than what the executive branch says they need. Under S. 363 the budget document would include the requests of the commissions. However, OMB comments, if it wishes to make them, would also appear in the budget document.

The budget submitted by the President this year reduces the requests of the seven commissions covered by our legislation by more than $27 million. In the case of the Federal Power Commission, OMB reduced the budget by $11,330,000, or almost 24 percent.

Mr. President, I ask unanimous consent to have printed in the RECORD a summary table regarding these OMB cutbacks of independent commission requests, together with the letters I have received on this matter from each of the commissions.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REGULATORY COMMISSION'S BUDGETS—FISCAL YEAR 1976

[In thousands of dollars]

	Agency request to OMB	OMB request to Congress	Amount cut	Percent reduced
CAB	$20,438	$19,400	$1,038	5.08
FCC	51,885	49,820	2,065	3.98
FMC	8,276	7,428	848	10.25
FPC	47,240	35,910	11,330	23.98
FTC	50,966	45,649	5,317	10.43
ICC	52,135	49,970	2,165	4.15
SEC	51,577	47,187	4,390	8.51
Total	282,517	255,364	27,153	9.61

CIVIL AERONAUTICS BOARD,
Washington, D.C., February 10, 1975.
Hon. LEE METCALF,
Chairman, Subcommittee on Budgeting, Management, and Expenditures, Committee on Government Operations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your letter of January 27, 1975, relating to differences between the Civil Aeronautics Board's budget estimates and requests and those included in the President's budget.

With regard to our appropriation for Salaries and Expenses, the Board's request submitted to the Office of Management and Budget was for 828 positions and $20,438,000 for fiscal year 1976. The President's budget shows 758 positions and $19,400,000. The enclosed table shows a breakdown of these totals by our major budget activities.

The Board's other appropriation is for "Payments to Air Carriers." The President's budget includes $60,695,000, the same amount as requested by the Civil Aeronautics Board for fiscal 1976.

Sincerely,

RICHARD J. O'MELIA,
Acting Chairman.

CIVIL AERONAUTICS BOARD

FISCAL 1976 SALARIES AND EXPENSES BUDGET ESTIMATES COMPARED WITH PRESIDENT'S BUDGET

[Dollar amounts in thousands]

Program	CAB estimate		President's budget		Disallowed	
	Positions	Amount	Positions	Amount	Positions	Amount
Awards of operating authority	242	$6,254	238	$6,238	4	$16
Regulation of rates and fares	204	5,161	196	5,088	8	73
Regulation of agreements and interlocking relationships	62	1,601	62	1,598		3
Regulation of air carrier accounting and reporting	129	$3,026	91	$2,482	38	$544
Enforcement and consumer advocacy	124	2,997	110	2,649	14	348
Management support	67	1,399	61	1,345	6	54
Total	828	20,438	758	19,400	70	1,038

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D.C., February 7, 1975.
Senator LEE METCALF,
Chairman, Subcommittee on Budgeting, Management, and Expenditures, U.S. Senate, Washington, D.C.

DEAR SENATOR METCALF: This is in response to your letter of January 27, 1975, requesting information on the differences between the Federal Communications Commission's budget request to the Office of Management and Budget and our budget request to the Congress.

We have provided the information in tabular form in Attachment 1. However, a general explanation of the events surrounding our budget requests should also be made.

Our request to OMB anticipated that a supplemental of $1,280,000 would be approved in FY–1975 to meet the costs associated with the pay increase of October 1974. Subsequent to the submission of our budget request to OMB, we received notification that, as part of President Ford's Government-wide position reduction program, we were to eliminate forty-six (46) positions. This action had two effects: one, it reduced our FY–1975 position total from 2066 to 2020; and two, the funds which were available to pay for these positions were then applied to meet the costs of the October 1974 pay raise. As a result of this and subsequent administrative actions on our part, we no longer had a need to request a supplemental appropriation in FY–1975.

The net effect of these changes was to change the total positions and dollars in our "base year", FY–1975, between the time of our request to OMB and our subsequent request to the Congress.

If I can be of further assistance, please do not hesitate to call.

Sincerely yours,

RICHARD E. WILEY,
Chairman.

Attachment.

ATTACHMENT 1

COMPARISON OF FISCAL YEAR 1976 BUDGET REQUESTS TO OMB AND CONGRESS

[Dollar amounts in thousands]

	Fiscal year—		Difference
	1975	1976	
OMB			
Appropriations	$46,900	$51,885	$4,985
Supplemental [1]	($1,280)		
Positions	2,066	2,251	185
CONGRESS			
Appropriations	$46,900	$49,820	$2,920
Positions	[2] 2,020	2,111	91

[1] Originally estimated to meet cost of October 1974 pay raise. Subsequently withdrawn (See attached explanation).

[2] Reflects Presidential reduction of 46 positions.

FEDERAL MARITIME COMMISSION,
Washington, D.C., February 11, 1975.
Hon. LEE METCALF,
Chairman, Subcommittee on Budgeting, Management, and Expenditures, U.S. Senate, Washington, D.C.

DEAR SENATOR METCALF: I am pleased to furnish you with the information you requested for consideration of S. 363 introduced by Senator Percy and yourself with respect to that portion of the bill which provides for the simultaneous transmittal of budget requests and estimates to the Congress and the Office of Management and Budget.

The budget estimates for the Federal Maritime Commission for 1976 submitted to the Office of Management and Budget included a request for 37 additional permanent positions which were disallowed. These positions would have increased our authorized staffing from 319 to 356.

In light of current economic conditions and the President's desire to reduce Federal spending, it was determined not to appeal for restoration of these positions. Otherwise the Commission request was approved as submitted.

The attached table depicts the appropriations approved for fiscal years 1974 and 1975, and includes a supplemental request for civilian pay increases in 1975. The fiscal year 1976 budget estimates included in the budget document submitted by the President are also reflected in the table.

Sincerely,

HELEN DELICH BENTLEY,
Chairman.

Attachment:

FEDERAL MARITIME COMMISSION
APPROPRIATION SUMMARY (FISCAL YEARS 1974 76)
[In thousands of dollars]

	Fiscal year 1974		Fiscal year 1975		Fiscal year 1976	
	Positions	Amount	Positions	Amount	Positions	Amount
FMC request to OMB	375	$6,871	356	$7,560	356	$7,983
Reductions by OMB	−66	−831	−37	−178	−37	−345
Increase for civilian pay raise (Executive Order 11811)						[1] 277
Recommended to the Congress by the President	309	6,040	319	7,382	319	7,915
Action by the Congress		−$40		−$82		
Appropriation	309	6,000	319	7,300		
Supplemental appropriations for civilian pay increases		385		[2] 128		
Appropriation (adjusted)	309	6,385	319	7,428		

[1] An increase of $293,000 would be required for civilian pay increases to support the 356 authorized permanent positions requested from OMB for fiscal year 1976 (total OMB request would be $8,276,000 in lieu of $7,983,000).

[2] Request for supplemental appropriation of $128,000 to cover civilian pay increases pursuant to Executive Order 11811 pending action by the Congress.

FEDERAL POWER COMMISSION,
Washington, D.C.
Hon. LEE METCALF,
Chairman, Subcommittee on Budgeting, Management, and Expenditures, Committee on Government Operations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This responds to your request of January 27, 1975, for information concerning any differences between the Federal Power Commission's own estimates and requests and those included in the budget document submitted to the Congress by the President.

The Commission submitted to the Office of Budget and Management a FY 1976 budget request for $47,240,000 and 1,693 positions. For the transition period of July through September of 1976 our request was for $10,858,000. The President's Budget provides for $35,910,000 and 1,398 positions for FY 1976, and $8,558,000 for the transition period.

Enclosed are the distribution of the funds by program activity and the distribution of positions by grades. These tables are updates of tables forwarded to you previously by my letter of April 8, 1974.

Sincerely,

JOHN N. NASSIKAS,
Chairman.

Enclosure.

FEDERAL POWER COMMISSION
APPROPRIATION HISTORY BY PROGRAM ACTIVITY, FISCAL YEAR 1974 1976 (AND TRANSITION BUDGET)
[In thousands of dollars]

Program	Request to OMB	President's budget	Distribution of appropriations	Amount obligated [1]
FISCAL YEAR 1974				
Hydroelectric power regulation	3,934	4,506	4,756	4,149
Electric power industry systems evaluation	3,548	3,038	3,072	2,690
Electric power utilities regulation	3,540	3,348	3,509	3,501
Natural gas pipeline regulation	8,510	8,247	8,687	7,757
Natural gas producers regulation	4,139	3,940	4,136	4,016
Natural gas industry systems evaluation	329	325	381	529
Services to other agencies and to the public	1,823	1,704	1,843	1,855
Energy utilization				192
Administration	1,989	1,995	2,116	1,934
Total, fiscal year 1974	27,812	27,163	28,500	26,623
Change in selected resources				1,632
Reimbursable funds unobligated				72
Unobligated balance				173
Total request or appropriations	27,812	27,163	28,500	28,500
Original request	27,812	27,163	27,000	
Program amendment	1,288			
Pay increase supplemental	1,696	1,696	1,500	
Program supplemental	1,366			
Total	32,162	28,859	28,500	28,500
FISCAL YEAR 1975				
Hydroelectric power regulation	5,567	5,367	5,098	
Electric power industry systems evaluation	3,655	3,438	3,276	
Electric power utilities regulation	4,295	3,991	4,131	
Natural gas pipeline regulation	10,613	9,839	9,923	
Natural gas producers regulation	4,903	4,732	5,060	
Natural gas industry systems evaluation	414	420	378	
Services to other agencies and to the public	2,072	2,031	2,260	
Energy utilization	2,164	100	461	
Administration	2,627	2,475	2,510	
Total, fiscal year 1975	36,310	32,393	[2] 33,097	
Original request	36,310			
Pay increase amendment	1,217	32,393		
Pay increase supplemental	1,193	997		
Total requested	38,720	33,390	[2] 33,097	
FISCAL YEAR 1976				
Hydroelectric power regulation	7,382	5,553		
Electric power industry systems evaluation	4,624	3,665		
Electric power utilities regulation	4,842	4,563		
Natural gas pipeline regulation	12,359	10,694		
Natural gas producers regulation	5,827	5,311		
Natural gas industry systems evaluation	502	456		
Services to other agencies and to the public	2,513	2,375		
Energy utilization	6,289	658		
Administration	2,902	2,643		
Total request	47,240	35,910		
TRANSITION BUDGET, JULY SEPTEMBER 1976				
Hydroelectric power regulation	1,923	1,350		
Electric power industry systems evaluation	1,076	819		
Electric power utilities regulation	1,268	1,109		
Natural gas pipeline regulation	3,179	2,586		
Natural gas producers' regulation	1,505	1,292		
Natural gas industry systems evaluation	98	96		
Services to other agencies and to the public	636	567		
Energy utilization	426	94		
Administration	746	645		
Total request	10,858	8,558		

[1] Amounts obligated are approximately equal to expenditures, which continue beyond the close of a fiscal year because of delayed billing and pay period sequence.

[2] Includes $997,000 pay increase supplemental pending.

FEDERAL POWER COMMISSION—SUMMARY OF POSITIONS REQUESTED, FISCAL YEAR 1974 TO FISCAL YEAR 1976

Type of position	Fiscal year 1974				Fiscal year 1975			
	Request to OMB	President's budget	Distribution following appropriation	Position distribution June 30, 1974	Request to OMB	President's budget	Distribution following appropriation	Position distribution June 30, 1975
Executive level III	1	1	1	1	1	1	1	
Executive level IV	4	4	4	4	4	4	4	
GS-18	6	6	6	4	6	6	4	
GS-17	6	6	7	4	7	7	6	
GS-16	42	37	37	41	37	37	41	
GS-15	95	85	87	86	92	89	92	
GS-14	131	128	111	124	120	117	128	
GS-13	151	141	136	148	151	143	149	
GS-12	184	162	159	132	176	167	141	
GS-11	132	119	116	113	126	121	116	
GS-10	4	4	4	5	4	4	6	
GS-9	110	94	112	99	134	114	105	
GS-8	17	17	24	30	26	24	31	
GS-7	145	130	130	132	162	134	131	
GS-6	86	85	92	82	96	93	84	
GS-5	140	120	102	135	115	105	127	
GS-4	70	69	83	63	90	83	60	
GS-3	27	26	27	40	31	29	39	
GS-2	25	24	24	28	26	24	26	
GS-1	14	14	6	1	6	6	1	
Ungraded	25	25	29	28	29	29	28	
Total	*1,415	*1,297	*1,297	1,300	1,439	1,337	¹1,320	
Original*	(1,324)	(1,225)	(1,225)	(1,225)				
Supplemental plus	(72)	(72)	(72)	(72)				
Supplemental plus								
Additional OMB allowance	(19)							
				(3)				
	1,415	1,297	1,297	1,300				

[1] 17 positions withdrawn by OMB.

FEDERAL TRADE COMMISSION ANALYSIS BY OBJECT CLASSIFICATION

Object classification	1975 appropriation	1976 commission request	1976 OMB allocation
Personnel services	$27,518,600	$31,904,300	$29,590,000
Personnel benefits	2,352,500	2,839,700	2,633,400
Travel and transportation of persons	1,038,300	2,099,900	1,593,000
Transportation of things	20,000	300,700	300,700
Rents and communications	4,024,200	6,748,900	5,470,100
ADP rentals	134,900	613,900	159,900
Office equipment rentals	604,300	940,200	922,600
GSA space rental	2,441,000	3,743,500	2,936,300
Telecommunications	444,000	982,400	982,400
Postage	400,000	468,900	468,900
Printing and reproduction	289,000	834,500	834,500
Other services	2,910,300	4,620,700	3,946,000
Building alterations	136,700	306,000	306,000
Repairs to equipment	$50,000	$67,500	$67,500
Stenographic reporting services	413,000	811,200	811,200
Tuition, fees and training	100,000	274,700	100,000
Program contracts, exhibits and testing, and other contractual services	2,210,600	2,661,300	2,661,300
Commission congressional reserve		500,000	
Supplies and materials	453,300	674,300	574,300
Supplies	216,300	368,800	298,800
Library	237,000	305,500	275,500
Equipment	391,800	943,000	707,000
Total	¹38,998,000	²50,966,000	²45,648,000

[1] Includes $1,100,000 for the October 1974 pay raise.

[2] Includes $1,542,000 for the October 1974 pay raise.

FEDERAL TRADE COMMISSION ANALYSIS OF RESOURCES BY MISSION

Mission	1975 appropriation		1976 Commission request		1976 OMB allowance	
	Permanent position ¹	Amount	Permanent position ¹	Amount	Permanent positions ¹	Amount
Maintaining competition	502	$12,382	617	$18,090	567	$15,511
Consumer protection	711	17,702	727	20,634	711	19,878
Economic activities	141	3,402	160	4,673	141	4,135
Executive direction and policy planning	71	2,189	72	3,232	71	2,449
Administration and management	144	3,323	151	4,337	144	2,676
Total	1,569	²38,998	1,727	³50,966	1,634	³45,649

[1] Excludes 44 part-time positions.

[2] Includes $1,100,000 for the October 1974 pay raise.

[3] Includes $1,542,000 for the October 1974 pay raise.

FEDERAL POWER COMMISSION, SUMMARY OF POSITIONS REQUESTED FISCAL YEAR 1974 TO FISCAL YEAR 1976

	Fiscal year 1976			
	Request to OMB	President's bubget	Distribution following appropriation	Position distribution June 30, 1965
Executive level III	1	1		
Executive level IV	4	4		
GS-18	4	4		
GS-17	6	6		
GS-16	41	41		
GS-15	108	95		
GS-14	149	132		
GS-13	201	165		
GS 12	193	149		
GS-11	167	129		
GS-10	6	6		
GS-9	152	119		
GS-8	32	31		
GS-7	183	140		
GS-6	97	89		
GS-5	167	131		
GS-4	75	62		
GS-3	50	39		
GS-2	26	26		
GS-1	1	1		
Ungraded	30	28		
Total	1,693	1,398		

FEDERAL TRADE COMMISSION,
Washington, D.C., February 27, 1975.
Hon. LEE METCALF,
Chairman, Subcommittee on Budgeting, Management and Expenditures, Committee on Government Operations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This letter is in response to your January 27, 1975, inquiry concerning S. 363 and S. 704 as reported by the Committee on Government Operations in the 93d Congress. Specifically, you requested the Commission to inform you of any difference between the Commission's fiscal 1976 budget request to the Office of Management and Budget and the President's final budget.

To that end, I am enclosing two tables that show the Commission's fiscal 1975 appropriation and request to the Office of Management and Budget for fiscal 1976. In addition, they show the Office of Management and Budget allowance for new positions and an analysis of the changes by object classification.

Sincerely,

LEWIS A. ENGMAN,
Chairman

INTERSTATE COMMERCE COMMISSION,
Washington, D.C., February 7, 1975.
Hon. LEE METCALF,
Chairman, Subcommittee on Budgeting, Management, and Expenditures, U.S. Senate, Washington, D.C.

DEAR SENATOR METCALF: The Commission requested 2,300 positions in the budget sent to OMB for Fiscal Year 1976. This request included $3,106,000 to fund 221 new positions for the regular Commission budget.

The OMB granted the Commission 40 new positions allowing $618,000 to fund them, and allowed the Commission its full request of $1.1 million to fund the Rail Services Planning Office.

Specific guidance was also provided by the OMB staff on the distribution of the new Fiscal Year 1976 positions. They suggested that the Commission should maximize the benefits of these additional resources by concentrating them in the Formal Proceedings and Financial Oversight Programs. They also suggested that the Compliance Program be reduced by three positions and these positions be assigned to the Financial Oversight Program. While we concurred with the assessment that these programs are high priority areas, particularly in view of economic conditions, we did not agree to a reduction in our Compliance Program. After discussion with the OMB staff we made adjustments in the recommendations to continue our compliance efforts at the 1975 level.

Enclosed is a copy of the Summary and Highlight Statement that was in our OMB request for Fiscal Year 1976. I will be happy to provide any further information that you may require.

Sincerely yours.

KENNETH H. TUGGLE,
Acting Chairman.

Enclosure.

SUMMARY AND HIGHLIGHT STATEMENT

The Commission's Fiscal Year 1976 budget request totals $49,635,000 and provides for 2,300 positions. This is an increase of $6,258,000 and 221 positions over the 1975 appropriation adjusted to include pending and proposed supplemental budget requests.

In formulating the 1976 request, the Commission was mindful of the President's goal to reduce Federal expenditures. At the same time, it also recognized its obligation to seek the resources it believes are necessary to carry out its responsibilities under existing statutes, rules and regulations. In its attempt to balance the two, the Commission carefully weighed all proposed increases to be sure their benefits justified the additional costs, and that every effort had been made to improve productivity and adjust between programs whenever possible.

For the most part, the increases are to extend actions begun by the Commission in the past two fiscal years. These efforts in areas such as consumer assistance in our compliance and tariff examination programs; the development of an Early Warning System to identify financially troubled railroads; and the use of rulemaking proceedings to consider broader transportation issues, have enabled the Commission to once again assume a leadership position in fostering improvements in the surface transportation industry.

Although the Commission is justifiably proud of the progress made, it cannot afford to halt or defer its efforts—for much more remains to be done. This is especially true today because of the tremendous impact that surface transportation has on our economy.

The Fiscal Year 1976 request includes proposed increases that will enable the Commission to:

Maintain a manageable backlog of regular formal proceedings cases although increased filings are anticipated.

Process the growing list of rulemaking proceedings that include the most noteworthy issues affecting the national transportation system both today and in the future.

Continue efforts in the reorganization of the railroads in the Northeast under the provisions of the Regional Rail Reorganization Act of 1973.

Develop the multi-disciplinary staff to draft and issue the environmental impact statements and threshold analyses required by recent court decisions, especially as it affects rail abandonment cases.

Strengthen the program for compliance with the adequacy of rail passenger service regulations as a first step in developing a viable intercity rail passenger system.

Alleviate the freight car shortage by increasing the utilization of the existing car fleet.

Continue our excellent progress in the area of consumer assistance by expanding our capability to provide prompt and effective responses to the increasing volume of consumer complaints and inquiries, and to expand our compliance efforts in the area of carrier operations as well.

Extend our highly successful Early Warning System to approximately 100 of the largest motor carriers.

Increase the frequency of audit of the financial records of large carriers.

Maintain an appropriate level of operation for our on-going program that provides an in-depth review of tariffs to protect the shipper from so-called "hidden charges."

INTERSTATE COMMERCE COMMISSION,
Washington, D.C., March 3, 1975.
Mr. VIC REINEMER,
Staff Director, Subcommittee on Budgeting, Management, and Expenditure, Old Senate Office Building, Washington, D.C.

DEAR MR. REINEMER: This is in reference to our conversation on February 28, 1975, regarding the Commission's 1976 budget request to the Office of Management and Budget (OMB) and subsequent changes relating thereto.

Our original submission to OMB requested $49,635,000 and 2,300 positions. However, on October 31, 1974, a revised request for $52,135,000 was submitted reflecting the following projected increased costs: $2,170,000 for the pay raise effective October 13, 1974; $217,000 for travel (S. 3341); and $113,000 for G.P.O. printing.

The following depicts actions taken subsequent to our OMB budget submission:

	Positions	Amount
1976 request to OMB	2,300	$52,135,000
Rail services planning office	75	1,100,000
Revised 1976 request to OMB	2,375	53,235,000
Congressional action taken on 1975 Amtrak supplemental request	−12	−175,000
Subtotal	2,363	53,060,000
OMB mark	−181	−3,090,000
1976 request to the Congress	2,182	49,970,000

Our position request to OMB represented an increase of 221 positions for the four Commission programs over the 1975 level: Formal Proceedings—77; Compliance—114; Financial Oversight—20; and Tariff Examinations—10. However, subsequent to the OMB mark, the number of positions represented an increase of 40 positions: Formal Proceedings—29, and Financial Oversight—11. This distribution was recommended by OMB.

Should you desire any additional information regarding our 1976 budget request, please do not hesitate to call.

Sincerely yours,

BERNITA A. JOYCE.
Budget and Fiscal Officer.

SECURITIES AND EXCHANGE COMMISSION,
Washington, D.C., February 12, 1975.
Hon. LEE METCALF,
Chairman, Subcommittee on Budgeting, Management, and Expenditures, Committee on Government Operations, U.S. Senate, Washington, D.C.

DEAR SENATOR METCALF: This is in response to your letter of January 27, 1973, relating to S. 363, in which you inquired whether there are any differences between the Commission's budget request for fiscal 1976 which was submitted to the Office of Management and Budget ("OMB") on October 16, 1974, and the budget request to be submitted to the Congress as contained in the budget document submitted by the President.

As the enclosed tabulation indicates, the Commission's budget request submitted to OMB was for 2,294 positions for fiscal 1976, an increase of 150 positions, reflecting a total budget of $51,577,000, an increase of $7,144,000 over the amount available for this fiscal year. Under the Presidential Allowance, we will be requesting a total of 2,018 positions and an appropriation of $47,187,000—a decrease of $4,390,000 and a decrease of 276 positions from the number of positions requested by the Committee of the OMB.

Let us know if we can be of any further assistance to you in this regard.

Sincerely,

RAY GARRETT, Jr.,
Chairman.

Enclosure.

STATEMENT OF BUDGET REQUEST MADE OF THE OMB AND AMOUNT ALLOWED, FISCAL 1976

Item	Requested of OMB	Amount allowed	Difference
Number of permanent positions	2,294	2,018	(276)
Salaries	$38,143,900	$35,510,000	$(2,633,900)
Personnel benefits	3,192,500	3,000,000	(192,400)
Benefits to former employees	44,143	44,200	57
Travel	1,525,000	1,040,000	(485,000)
Transportation of things	22,700	22,700	
Communications and rental	5,276,976	4,895,600	(382,376)
Printing	279,400	242,400	(37,000)
Other services	2,388,741	2,004,100	(384,641)
Office supplies	422,900	407,900	(15,000)
Office equipment	280,740	20,000	(260,740)
Total	51,577,000	47,197,000	(4,390,000)

SENATOR HUDDLESTON—ANNUAL FINANCIAL DISCLOSURE

Mr. HUDDLESTON. Mr. President, it has been my policy since deciding to run for the Senate in 1972 to make an annual financial disclosure. Along with an audited statement of net worth, I have also established a policy of releasing the form 1040 of my Federal tax returns.

I ask unanimous consent that both be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WALTER D. AND JEAN P. HUDDLESTON

STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED), DEC. 31, 1974

	Cost	Estimated current value	Source of estimated current value
ASSETS			
Cash on deposit	$2,988	$2,988	
Savings accounts	18,900	18,900	
Note receivable (note A)	3,000	3,000	
Accrued interest receivable	104	104	
Marketable securities:			
First Hardin National Bank	900	2,550	NASD quotations or recent trades according to local brokerage firms.
Citizens Bank of Elizabethtown	1,000	3,024	
Citizens Security Life Insurance Co	5,500	1,375	
Citizens Security National Corp	5,000	300	
Fast Foods, Inc	600	500	
Kentucky Insurance Co	500	23	
Other corporate investments (note B)	28,800	55,100	Estimates of Mr. W. D. Huddleston.
Partnership interests (note C)	49,286	164,600	Do.
Cash value of life insurance	7,423	7,423	Per policies.
Automobiles	4,000	4,000	Estimate of Mr. W. D. Huddleston.

	Cost	Estimated current value	Source of estimated current value
Residence (note D)	$103,000	$109,000	Purchased February 1973.
Personal property	3,500	3,500	Estimate of Mr. W. D. Huddleston.
Total	234,501	376,387	
LIABILITIES			
Notes payable (note E)	51,025	51,025	
Accrued interest on notes payable	635	635	
Note payable, residence (note D)	38,341	38,341	
Balance of income taxes payable on 1974 income	2,693	2,693	
Estimated income taxes payable on unrealized asset appreciation (note F)		31,538	
Total	92,694	124,232	
Net assets	141,807	252,155	

See accompanying notes to statement of assets and liabilities.

WALTER D. AND JEAN P. HUDDLESTON, NOTES TO STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED) DEC. 31, 1974

A. Note receivable: 10 percent note receivable from I 65 Rentals, Inc. Payable upon demand $3,000.

B. Other corporate investments:

Name	Business	Shareholders' equity [1]	Percent owned	Estimated current value
Mid-Ky Outdoor Advertising	Real estate investment	$17,377	16.67	$14,600
HNUB, Inc	Motel operation	22,029	10.00	2,500
I-65 Rentals, Inc	Real estate investment	187,145	12.50	37,500
JVH, Inc	Manufacturing	33,554	1.24	1,100
Total				55,100

[1] Represents total shareholders' equity, per latest available unaudited financial statements.

C. Partnership interests:

Name	Business	Total partners' capital [1]	Partnership interest	Estimated current value
Lebanon-Springfield Broadcasting Co	Radio station	$74,022	16⅔	$31,600
Village Shopping Center	Real estate rentals	43,085	33⅓	33,000
Dee and Bob	do	45,044	50	100,000
Total				164,600

[1] Represents all partners' capital accounts, per latest available unaudited financial statements.

D. Note payable—Residence: The note payable is collateralized by a mortgage on a residence in Arlington, Va. The note is payable in monthly installments of $260, including interest at 5¾ percent.

E. Notes payable:

9 percent note payable to First Hardin National Bank, due September 1975	$20,750
8½ percent demand note payable to Liberty National Bank of Louisville	25,000
8½ percent notes on automobile purchases, due May 11, 1975 ($4,700), and February 11, 1975 ($575)	5,275
Total	51,025

F. Estimated income taxes payable on unrealized asset appreciation: Unrealized appreciation in value of assets would, if realized, normally require payment of taxes with such income being reportable as capital gains. A liability has been reported in the statement of assets and liabilities for estimated income taxes applicable to unrealized appreciation at tax rates currently in effect.

G. Contingent liability: Mr. and Mrs. Huddleston are guarantors on a real estate mortgage of I 65 Rentals, Inc. The unpaid portion at Dec. 31, 1974 was $25,700.

ADDITIONAL INFORMATION

(Unaudited)

WALTER D. AND JEAN P. HUDDLESTON—SUMMARY OF INCOME FOR 1974 (Unaudited)

Salaries	$46,054
Director fees	2,700
Interest and dividends	2,476
Income from partnerships	16,092
Honorariums (less related expenses of $1,690)	2,260
Gross income for 1974	69,582
Less:	
Congressional living allowance	(3,000)
Dividend exclusion	(100)
Adjusted gross income per 1974 Federal tax return	66,482
Federal and Kentucky income taxes on above income	18,782

US INDIVIDUAL INCOME TAX RETURN

Walter D. and Jean P. Huddleston,
4139 North 27th,
Arlington, Va. 22207.

Social security number: 405-24-160.

Married filing joint return (even if only one had income).

First names of your dependent children who lived with you: See statement 1.

Total exemptions claimed: 4.

Do you wish to designate $1 of your taxes for this fund? Yes.

If joint return, does your spouse wish to designate $1? Yes.

9. Wages, salaries, tips, and other employee compensation: See statement 3: $46,054.

10a. Dividends: $1,350. Less exclusion $100. Balance: $1,250.

11. Interest income: $1,128.

12. Income other than wages, dividends, and interest (from line 38): $18,052.

13. Total (add lines 9, 10c, 11, and 12): $66,482.

15. Subtract line 14 from line 13 (adjusted gross income): $66,482.

16. Tax, check if from: Schedule G: $16,830.

17. Total credits (from line 54): $72.

18. Income tax (subtract line 17 from line 16): $16,758.

19. Other taxes (from line 61): $1,033.

20. Total (add lines 18 and 19): $17,791.

21a. Total Federal income tax withheld (attach Forms W-2 or W-2P to front): $11,498.

b. 1974 estimated tax payments (include amount allowed as credit from 1973 return): $4,800.

22. Total (add lines 21a, b, c, and d): $16,298.

23. If line 20 is larger than line 22, enter balance due IRS: $1,493.

INCOME OTHER THAN WAGES, DIVIDENDS, AND INTEREST

28. Business income or (loss) (attach Schedule C): —$740.

29. Net gain or (loss) from sale or exchange of capital assets (attach Schedule D): $2,489.

31. Pensions, annuities, rents, royalties, partnerships, estates or trusts, etc. (attach Schedule E): $13,603.

37. Other (state nature and source—see instructions on page 8): See statement 6: $2,700.

38. Total (add lines 28, 29, 30, 31, 32, 33, 34, 35, 36, and 37). Enter here and on line 12: $18,052.

TAX COMPUTATION

44. Adjusted gross income (from line 15): $66,482.

45. (a) If you itemize deductions, check here and enter total from Schedule A, line 41 and attach Schedule A: $13,077.

46. Subtract line 45 from line 44: $53,405.

47. Multiply total number of exemptions claimed on line 7, by $750: $3,000.

48. Taxable income. Subtract line 47 from line 46: $50,405.

CREDITS

50. Investment credit (attach Form 3468): $72.

54. Total credits (add lines 49, 50, 51, 52, and 53). Enter here and on line 17: $72.

OTHER TAXES

55. Self-employment tax (attach Schedule SE): $1,033.

61. Total (add lines 55, 56, 57, 58, 59, and 60). Enter here and on line 19: $1,033.

BETTER HEARING AND SPEECH MONTH

Mr. HASKELL. Mr. President, as many of my colleagues may be aware, May has been designated Better Hearing and Speech Month. It is important that attention be focused to this designation, as the number of persons afflicted by disorders of speech, language, and hearing in our country is great. It is surprising to realize that 10 percent of our population—approximately 20 million people—have communication disabilities which affect their social, educational, vocational, and personal achievements. Communication disorders include disfunctions of articulation, voice, stuttering, reception or expression of language, and problems of decreased hearing acuity.

Persons with speech, language, and hearing impairments can receive diagnostic and therapeutic treatment in community clinics, schools, hospitals, extended care facilities, and from certified or licensed private practitioners. Speech pathologists, audiologists, and others who aid in the care of the speech and hearing handicapped are continually seeking to improve the treatment that they can extend through continuing education and training, leading to advanced degrees, licensure and/or certification. However, despite attempts by the profession for early detection and quality care, it has been estimated that less than half of those persons suffering from disorders of speech and hearing receive necessary and appropriate services.

Public awareness of the need for early identification of these impairments and of the fact that help is necessary and is available is vital. It should be agreed that the designation of May as Better Hearing and Speech Month will help to serve this purpose.

Mr. President, I ask unanimous consent that the proclamation issued by Governor Lamm proclaiming May as Better Hearing and Speech Month in Colorado be printed in the RECORD.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

BETTER HEARING AND SPEECH MONTH

Whereas, one of the hallmarks of a truly civilized nation is the efforts it makes on behalf of its handicapped citizens; and

Whereas, communication is the cohesive force in every human culture and a dominant influence in the personal life of every one of us; and more than ten percent of all children and adults in the United States have speech, language or hearing impairments so severe that their educational, vocational, personal, and social functioning are adversely affected; and

Whereas, members of the speech pathology and auditology profession strive to restore or improve communicative competence so that those with speech, language, or hearing disorders can regain and maintain a meaningful and productive place in our society; and

Whereas, the State of Colorado is aware of and grateful for the high level of speech pathology and audiology services available to communicatively handicapped persons in schools, rehabilitation centers, hospitals, speech and hearing clinics, and private practice offices;

Now, therefore, I, Richard B. Lamm, Governor of the State of Colorado, do hereby proclaim May, 1975, as

BETTER HEARING AND SPEECH MONTH

in Colorado, and I commend and endorse the humanitarian and rehabilitative services rendered by speech pathologists and audiologists throughout the State to our communicatively impaired citizens.

OMAHA DISASTER

Mr. HRUSKA. Mr. President, I recently visited my home city of Omaha to inspect the area damaged by the tornado that hit there on May 6. The tornado was devastating. It hit residential and business areas, killed three persons, injured many more, and did approximately $200 million in damage.

I was very much impressed by the spirit of cooperation that the citizens of Omaha have shown in their efforts to recover from this disaster. Federal, State, and local officials as well as many voluntary organizations have provided outstanding leadership in coordinating the efforts to restore normalcy to the affected area. In addition, the timeliness of the warning of the oncoming tornado allowed most citizens ample opportunity to seek shelter. When one surveys the incredible damage caused by the tornado, it is miraculous that only three lives were lost.

As a result of my visit to Omaha, I have prepared a report which has been sent to the chairman of the Committee on Appropriations, of which I am a member. The purpose of the report is to point out how appropriations recommended by that body helped pay for programs that meant so much to Omahans in their time of need—both before and after the tornado struck.

Mr. President, so that the rest of my colleagues may have an opportunity to see this report, I ask unanimous consent that my report to the Committee on Appropriations be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REPORT TO THE SENATE COMMITTEE ON APPROPRIATIONS

(By Senator ROMAN L. HRUSKA)

My home city of Omaha recently suffered a major disaster that took lives, destroyed homes and businesses and disrupted the activities of many, many people. On May 6, a tornado struck residential and business sections of Omaha just before the afternoon rush hour. The statistics reflect the devastation that followed:

Three persons dead.

More than 200 persons injured.

$200 million in property damage.

More than 100 businesses destroyed or heavily damaged.

More than 500 single-family homes destroyed or suffering heavy damage.

Nearly 500 apartment or townhouse units destroyed or suffering major damage.

Several public buildings including churches, schools and hospitals either damaged or destroyed.

Approximately 2,500 families requesting assistance from the federal government, including more than 550 requests for housing; 550 requests for Small Business Administration home loans and 40 for business loans; more than 300 applications for unemployment assistance; 2,000 persons receiving approval for food stamps and more than 800 people given tax assistance advice by the Internal Revenue Service.

As evidenced by those figures, the tornado's effects were seriously felt by the city of Omaha, the state of Nebraska and the federal government.

Shortly after the tornado hit Omaha, I was able to visit the devastated area and visit with local disaster relief officials.

I have nothing but praise for the work that has been done on all levels to ease the suffering of the tornado victims and to help restore normalcy to the affected area. Everyone has cooperated to help make the recovery a fast and complete one.

The appropriate federal agencies were on the scene immediately. "One-stop" disaster relief centers were established, massive clean up preparations were begun and all types of aid was extended to those in need. I am very proud of the way Omahans, other Nebraskans and the federal government have responded to this emergency situation.

A newspaper article in the May 14 edition of the *Omaha World-Herald*—which, by the way, has done an outstanding job in covering the tornado and its aftermath—best describes the activities that have occurred since the tornado hit Omaha. The article, entitled, "Disaster Official: Omahans Really Can Do," says in part:

"The director of the Federal Disaster Assistance effort in Omaha said Wednesday he has never seen anything like the Omaha response to the May 6 tornado.

" 'The people here in Omaha have done a tremendous job,' said Francis X. Tobin, regional director of the Federal Disaster Assistance Administration.

" 'The work by volunteers is the best I've ever seen and I've been in the disaster business 20 years,' he said. 'You usually get volunteers after a disaster, but not in these numbers.'

"Tobin said the victims who have come to the federal one-stop assistance centers also have displayed courage.

" 'I've worked disasters all over the United States and I've been in this (Midwest) region for four years. The thing that impresses me is the self-reliance of the people in this part of the country.' "

I would commend all of the federal, state and local officials who have provided excellent leadership in helping Omaha recover from the tornado's effects. In particular, I would like to mention the work of Francis X. Tobin, who has coordinated the entire disaster relief effort, Representative John Y. McCollister, who hurried from Washington, D.C. soon after learning of the tornado to help ensure the relief efforts ran smoothly, and the thousands of persons in Omaha and throughout the state who have given of their time and money to assist their fellow man in his time of need.

Because of the volunteers who worked long hours under excellent supervision and coordination, the rubble and debris resulting from the tornado has been nearly cleared away. Efforts are now underway to rebuild the destroyed areas and persons who lost homes and businesses are being re-settled and re-established with the aid of programs whose funding was approved by the Appropriations Committee of the Senate.

Another news article that appeared in the May 11 edition of the *World-Herald* graphically illustrates the assistance rendered by federally-funded programs to victims of the Omaha tornado. This article, entitled, "Abundance of Aid Stuns Omahan," is attached to this report.

It describes the fine efforts of agencies like the Federal Disaster Assistance Administration, Internal Revenue Service, Small Business Administration, Housing and Urban Development and the Veterans Administration to help facilitate assistance to the citizens in Omaha who needed it.

I believe it is remarkable that in all of the devastation that occurred, only three fatalities were recorded.

I sincerely believe that the efforts of the National Weather Service, the Civil Defense organization and the Omaha news media helped keep the casualty figure to a minimum.

An editorial in the May 8 edition of the *Omaha World-Herald* entitled "In the Funnels' Tracks," succinctly states the situation:

"With the compassion all of us feel for our storm-ravaged neighbors and for the families of the injured and killed, we all can give thanks—in some wonderment—that death was not commensurate with destruction.

"That it was not is attributable in large measure to the efficient working of the warning system and to the prudence with which those in the funnel's path reacted.

"The Weather Service was on its toes as severe conditions developed. The civil defense sirens were sounded loudly and insistently. Broadcasters traced the storm as it formed and as its fury advanced on the city. Residents took shelter. Businesses kept employes safely inside until danger had passed."

The complete text of the editorial is attached to this report.

The warning system employed by the Weather Service which may have saved hundreds of lives was a result of appropriations approved by this committee. The federal relief efforts after the tornado resulted from programs whose appropriations were approved by this committee. Mr. Chairman, the main purpose of this report to the Committee on Appropriations is to graphically point out to you and the members of this committee that too often when we consider the budget requests for governmental agencies and programs we sometimes think only in terms of statistics and numbers and dollars.

I believe the experience in Omaha shows that these programs also must be evaluated in terms of people. Cold statistics do not tell the whole story.

When this committee goes about its work this year and in the years to come, I hope that the Omaha experience will not be forgotten. Here were people in need. First, they were in need of a warning of an approaching natural disaster—the tornado. This warning came, and lives were saved because of it. Second, they were in need of help to recover from the devastation of the tornado. Through the efforts of the federal government—and plain, old American self-reliance—this assistance is being provided.

I believe we can all learn from this experience and I hope this report will help the members of this committee understand a little bit better the importance of their positions and how the people of America—in Omaha and Nebraska and all over the country—depend upon their good judgment. Sometimes, as can be seen by the Omaha experience, it is a matter of life or death.

Abundance of Aid Stuns Omahan

(By Edward Trandahl)

Young Daniel Surdell was stunned Saturday by assistance offered him through government agencies, volunteer organizations and individuals.

As he sought ways to replace his tornado-destroyed home, find food, shelter, clothing—an endless list—the 26-year-old lithographer struggled for ways to express his appreciation.

"If I could afford it," he said, "I'd like to take out a full-page newspaper ad and thank everyone. I just don't have words to explain it."

He remembers the sirens which warned his wife to get their two small children safely to the basement. "Civil Defense people got my wife out. The clocks went off at 4:38 and I was home in two minutes and they were already there."

After getting assurance from his insurance company that the $35,400 home policy would be paid, Surdell arranged for food stamps, clothing and temporary housing.

FEDERAL HELP

Then he went to the Federal Disaster Assistance Administration center in Ralston High School Saturday, arriving even before the center opened for its first day of business at 9 a.m.

Surdell wanted to know if he could get an income tax deduction on any of his loss.

Internal Revenue Service agents, he said, told him to bring in lists of lost items, giving their fair market value.

If the list exceeds insurance coverage and he does not agree to a lower settlement with the insurance company, Surdell said he was told a deduction could be claimed from either 1974 or 1975 gross income.

COPIES

Copies of income tax statements will be furnished to victims indicating they want to file a claim, said IRS agent Ron Meyer. Victims will be notified when the statements arrive in the next few days, he added:

If a person did not make out an itemized statement, but used the short form, he will have to fill out the long form to claim a deduction, Meyer said.

Surdell was among those with insurance, but Meyer said some renters, particularly, did not have insurance on personal belongings. In this case, they can deduct the entire amount.

Some things, Surdell said, can't be replaced. "Pictures of kids, memories," he mused.

In case he needs more money to buy a comparable home because of higher building costs, Surdell next asked the Small Business Administration about getting the extra money.

"They said they would grant a loan for replacement between the insurance settlement and cost to rebuild," Surdell said. The interest rate would be 5 per cent.

HUD HELP

At the table staffed by Department of Housing and Urban Development Officials, Surdell said HUD offered temporary housing for up to a year. HUD, he said would make up any difference between the housing allowance paid by his insurance company and the actual cost of housing in comparable facilities.

HUD also offered assistance in providing furnishings for the new residence, if needed, he said.

James F. Gehring, whose home at 9252 Berry Street was destroyed while his wife and three children huddled in the basement, also sought help at the disaster center.

Center staffers were "very nice" in giving help and information, Gehring said.

Gehring said he learned an important thing after talking to the IRS about listing values of property so he could claim a deduction. "From now on, we will have a list complete with pictures. Especially on personal property, I don't think we will ever recoup all the losses."

In most cases, Meyer said, it would be an advantage for victims to deduct losses from their 1974 income tax obligation because tax rates were higher that year than they will be in 1975.

VA ADVICE

Veterans Administration representatives assured Gehring that he would not have to pay higher interest on his VA loan for financing another home.

Gehring, commercial staff supervisor at Northwestern Bell Telephone Co., said HUD told him they would send a representative to survey damage and establish need for housing and furnishings. If approved, he said, they indicated help might be available within two weeks. "I just think it's great," he said.

The Red Cross told Gehring they would have a crew by Saturday to clean up his yard. He signed a waiver allowing the city to come on his property and remove debris free of charge.

"You hear about all these agencies—this bureaucratic system—but you don't really know what they do until something like this happens."

SBA LOAN

Ronald Revers of 2820 South Second Street, who operated the Adam & Eve Hair Styling Studios at 7365 Pacific Street before the business was destroyed, began sorting out requirements to get an SBA loan.

"They have a lot of questions that aren't answered yet," Revers said. "Everybody has been real helpful, but we ran into a lot of snags."

Revers is trying to establish what equipment is left, estimating he suffered at least a $35,000 loss. His beauty operators are working at one location temporarily and he at another, hoping to earn enough to pay overhead and keep the employes working.

He has applied for unemployment compensation in hopes of getting at least a partial payment to supplement what now is a limited income.

VENDING LOSS

SBA Attorney Gary Burton told of another businessman who lost about 120 vending machines along Seventy-second Street.

In one respect, this man was fortunate because he had loans on some of the equipment, which makes it easy to establish the value lost, Burton said.

However, the man had no insurance on the machines, he said. "Apparently, the insurance rates on this type of equipment are almost prohibitive," Burton said.

The man can get an SBA loan at 5 per cent interest for either repair or replacement of the machines. When machines are purchased, a receipt must be given to SBA.

"What we are attempting to do is put this guy back in business as soon as possible," Burton said. Loans, depending on the situation, can be for as much as 30 years.

Many applicants could have the cash within a month or six weeks, he added.

ESTIMATES

One of the difficulties the SBA is experiencing now is getting contractors to make estimates on home repairs, he said, adding that homeowners should deal with reputable

contractors because the SBA does not get involved in warranties on work.

Mr. and Mrs. Jack Dillon, who lost their home at 7831 Nina Street, said one of many things which pleased them is help from the state in finding a job for their son this summer so he can go to college in the fall.

"They were very kind and helpful," the Dillons said of everyone who assisted. "We had a million teenagers out," said Dillon. "They cleaned up the yard, got glass out of it. There were neighbors there and people you didn't know."

Federal officials estimated that about 500 persons sought help at the disaster centers Saturday. The centers will remain open as long as there is a critical need for them, an official said.

In the Funnels' Tracks

We believe Ed Fischer's cartoon today expresses succinctly the feeling that must predominate in the minds and hearts of most of our citizens.

With the compassion all of us feel for our storm-ravaged neighbors and for the families of the injured and killed, we all can give thanks—in some wonderment—that death was not commensurate with destruction.

That it was not is attributable in large measure to the efficient working of the warning system and to the prudence with which those in the funnels' path reacted.

The Weather Service was on its toes as severe conditions developed. The civil defense sirens were sounded loudly and insistently. Broadcasters traced the storm as it formed and as its fury advanced on the city. Residents took shelter. Businesses kept employees safely inside until danger had passed.

There is not room here to recognize all who responded splendidly to the emergency. The list would have to include hundreds who performed individual acts of courage and cool-headedness, as well as all those in official capacities who worked and are still working to treat the injured, to shelter the homeless, to maintain order, to begin cleaning up.

In the funnels' tracks is much more than wreckage and heartbreak. There is, for the thousands victimized in ways large and small, the sure knowledge that their community stands with them, ready to provide whatever help is needed in picking up the pieces and going on.

It would be about the same in most communities, probably. But here, we believe, there has always been an extra measure of neighborliness, an extra degree of pride in the way the community can stand together in time of difficulty.

Omahans already are responding, are helping, in more ways than can be counted. There amidst the ruin is something tall and strong.

BERNARD H. RIDDER, SR.

Mr. HUMPHREY. Mr. President, it was with deep regret that I learned of the passing of Bernard H. Ridder, Sr., one of our Nation's great newspaper publishers.

His life spanned almost a century. Much of that lifetime was involved with the newspaper business—from his early days as a messenger boy to recent times when the Ridder and Knight publications became one of the largest newspaper mergers in American history.

His deep involvement in the publishing world significantly interwined with Minnesota's development. His influence was extensive and his contributions to the betterment of our State of Minnesota impressive.

Mr. President, I ask unanimous consent that an article from the New York Times and an editorial from the St. Paul Pioneer Press, regarding Bernard Ridder's many achievements, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Bernard H. Ridder Sr.

Bernard H. Ridder lived a little less than half his long life in St. Paul, but few men have been so intimately identified with a city's life and spirit as he was with St. Paul's. In this city the creed he lived by and the cultural and intellectual interests he pursued found ready acceptance. If he was a St. Paulite by transplant, he discovered the soil and climate here rich and receptive and he added to it his own gifts which for more than a generation have enriched the community.

He was the inheritor of a family and ethnic tradition of ambition, hard work and responsibility and in this his personal life fit the pattern of the city he came to in 1933. His grandfather was an immigrant from Westphalia, in Germany; his father, who founded the Ridder newspaper enterprise, began his career in journalism as a messenger boy on Horace Greeley's New York Tribune. A good deal later, his father took over a floundering German-language daily, the New York Staats-Zeitung. It was on this soon flourishing newspaper that Bernard Ridder and his brothers, Joseph and Victor, learned their profession.

The ties with the European heritage remained close. Bernard Ridder for many years made annual trips to that continent as correspondent and as a skilled photographer. The files of these newspapers bulge with dispatches which reflect the insights and invaluable personal contacts he had developed all over western Europe; his first-hand accounts of the travail and resurgence of Germany after World War II are particularly valuable. He and his wife, Agnes Kennedy Ridder, also took thousands of pictures of Europe's art and historical treasures, and these they generously and enthusiastically shared with Minnesotans who saw them at their clubs and churches and social groups.

He shared, too, other enthusiasms: a talent for horticulture reflected in the colorful abundance of his home garden on Lincoln Avenue; a love of and an aptitude for creating poetry; an appreciation of the deep religious commitment of the community, which found expression in, among other things, sponsorship of an annual Christmas pageant which became a well-attended civic event. The St. Paul Women's Institute, which for years brought speakers and musical artists of wide reputation to St. Paul, was a valued Ridder contribution to a richer cultural ambience.

Bernard H. Ridder Sr. long presided over a publishing enterprise which grew to be one of the nation's largest and most influential. His home and his heart, however, were in St. Paul. Here he found values which complemented his own, and which his life and work here have enhanced.

Bernard Ridder, Publisher, Dead

WEST PALM BEACH, Fla., May 5.—Bernard H. Ridder, chairman emeritus of Ridder Publications, Inc., died today at St. Mary's Hospital here. He was 92 years old.

Mr. Ridder's organization owned or had a substantial interest early last year in 19 daily newspapers in 10 states. Late last year, Ridder Publications merged with Knight Newspapers, Inc., to form Knight-Ridder Newspapers, Inc., a 35-newspaper group with publications in 17 states.

Mr. Ridder was the last of three surviving sons of Herman Ridder, founder of the New York German-language newspaper Staats-Zeitung and Herold. He joined that paper in 1905, after studies at Columbia University and in Germany.

Mr. Ridder became president of the Staats-Herold Corporation in 1915 when he and his brothers, Joseph and Victor, inherited the paper. In 1927, the three purchased The New York Journal of Commerce and The St. Paul Dispatch and The Pioneer Press. In 1938, he became publisher of The Dispatch and The Pioneer Press, serving until 1952, when he was named president.

Mr. Ridder had also been chairman of Northwest Publications, Inc., a division of Ridder Publications. In 1973, he was named chairman emeritus of Ridder.

Survivors include his widow, Agnes Kennedy Ridder; 3 sons, Bernard H. Jr., Joseph B. and Daniel; 11 grandchildren and 12 great-grandchildren.

Daniel Ridder is a vice-president of Knight-Ridder and publisher of The Long Beach (Calif.) Independent and The Press Telegram. Joseph Ridder is publisher of The San Jose (Calif.) Mercury and The News. Bernard Ridder, Jr. is president of Ridder Publications and vice chairman of the board of Knight-Ridder.

CONFRONTED NAZI SPOKESMAN

In 1933, a few months after the Nazi regime came to power in Germany, one Heinz Spanknoebel appeared in The Staats-Herold office here and showed Victor Ridder letters from the German Labor Front and the chief of the foreign division of the Nazi party, which, he told Mr. Ridder, gave the newcomer "authority to assume power over the German-language press in the United States." His first order, Mr. Ridder testified in a 1943 proceeding to void the citizenship of Nazis in this country, was to stop publishing "your pro-Jewish articles."

As Mr. Ridder was explaining he would do no such thing, his brother Bernard walked in, was shown the letters and immediately said, "All I can tell you, Spanknoebel, is to get the hell out and stay out."

The Nazi representative caused turmoil among Americans of German descent and continued to attack the Ridders until he left the country a few months later.

IN DEFENSE OF SECRETARY SIMON

Mr. McCLURE. Mr. President, the following letter is an example of a maneuver which often works. This time it did not. It concerns an attempt to discredit Secretary of the Treasury William Simon by columnist Hobart Rowen. Mr. Rowen went out on a limb in his column of April 13, when he said that—

> The only major banker who believes Simon is right is Walter Wriston of the First National City Bank of New York.

Perhaps we should be grateful to Mr. Rowen for his use of the categorical affirmative. Logically it takes only one exception to disprove it. Mr. Willard C. Butcher, president of Chase Manhattan Bank, provided that exception and cut Mr. Rowen off his limb.

Conversations I have had with other bankers convince me that there is a great deal of respect for Mr. Simon and his policies as indeed there is here in Congress. I would like to add that I prefer to hear these matters debated factually than to read oversimplified statements which only perpetuate ignorance. It is an all too common practice these days for reporters and even Members of Congress to pick a statistic from midair and then use it to prove virtually every assumption under the sun. I am happy to

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have the chance to show that it does not always work—particularly since it involves in this case an outstanding public servant.

Mr. President, I ask unanimous consent that Mr. Butcher's letter to the editor be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AGREES WITH SECRETARY SIMON

I wish to set the record straight with re-Hobart Rowen's columns on April 13th: "An Exit Soon for Simon."

Mr. Rowen stated that "the only major banker who believes Simon is right is Walter Wriston of the First National City Bank of New York," I would not presume to speak for Mr. Wriston but I do want to say, unequivocally, that I personally support the basic economic positions now being so effectively communicated by the Secretary of the Treasury. Further, I am strongly of the opinion that there are many others in the banking community who generally endorse Mr. Simon's viewpoints.

Moreover, I cannot agree that the business community is "appalled" at his critiques of government and its bureaucracy. To the contrary, there are many of us who share Mr. Simon's conviction that a larger federal budget deficit will almost certainly bring on renewed inflation, which would be severely damaging to all Americans.

We therefore applaud the Secretary's conviction, as well as the constructive manuer in which he continues to present his case to the American public. We would urge him to continue to do so, in the real hope that sound economic judgment will prevail.

WILLARD C BUTCHER,
President.

NEW YORK.

THE PANAMA CANAL TREATY—A REALISTIC VIEW

Mr. **HUMPHREY**. Mr. President, as one who has long followed our relations with Latin America with great interest and sympathy, I would like to say a few words regarding a most timely subject, the future status of the Panama Canal. As you know, we are negotiating a new treaty with the Government of Panama. The purpose of these negotiations is to update the original treaty of 1903.

I am convinced that the outcome of these negotiations will have an important effect, not only on our relations with Panama but with all of Latin America. It is imperative that we arrive at an agreement which will satisfy both the United States and Panama and protect the legitimate interests of both. I am confident that such is the administration's intention. A new treaty will, of course, require ratification by the Senate.

Because I have been following this issue closely, however, I have been disturbed in recent weeks by statements of fellow Americans opposing an alleged "giveaway" of the Canal. Some of these statements reflect a highly emotional approach to the problem, with at least the implication that the United States would reveal itself to be weak and softheaded if it agreed to a new treaty. I am certain this approach is contrary to the best interests of both the United States and the friendly people of Panama. I have also been disturbed by the amount of misinformation and misunderstanding included in some of these cries of alarm.

For these reasons I was greatly pleased and encouraged to read a speech delivered at Howard Air Force Base on April 25 by the First Secretary of our Embassy in Panama, John Blacken. The speech set forth clearly the issues and problems involved in the current treaty negotiations. The speech is most timely and enlightening and I hope it will be studied with care by all who are concerned with this subject.

Mr. President, I ask unanimous consent that Mr. Blacken's speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

OLD MYTHS, NEW REALITIES

INTRODUCTION

I am pleased to have the opportunity to speak to you concerning the Canal treaty negotiations. It gives me a chance to express my thoughts on why the United States Government is negotiating a new Canal treaty with Panama—it also allows me to try to clear up some common misconceptions about the negotiations.

I have read a circular letter now being distributed by members of a local civic council, and I have read a model of a letter Canal Zone residents are sending to congressmen and to friends and relatives in the United States. These letters express strong opposition to the negotiations and are based in part on inaccurate information and misconceptions. Before I proceed any further, I want to deal with some of them.

First, the letter repeats the view that the Canal Zone is a United States territorial possession. While this is a commonly held belief, it is not accurate. Since 1904, the United States Government has consistently recognized that the Canal Zone is Panamanian, not United States, territory. The truth is that the United States was granted use of this zone of Panamanian territory and rights to exercise authority "which the United States would possess and exercise if it were the sovereign." The clear meaning of these words is that the United States is not the sovereign. Rather it has jurisdiction over a portion of territory which remains Panamanian. Indeed, this was recognized by both governments in Article 3 of the 1936 Treaty where the Zone is described as "territory of the Republic of Panama under the jurisdiction of the United States of America." In sum, Panama has sovereignty while the United States has treaty rights to exercise almost complete jurisdiction over the Zone. To refuse to acknowledge that legally the Zone is Panamanian territory is to avoid reality.

Secondly: Concern has been expressed that the treaty negotiators may sacrifice the legitimate interests of Canal employees. I assure you that the United States negotiators have the needs and concerns of Canal employees very much in mind. Their career interests—and their past service and loyal dedication—will be respected and protected. Later on I will say more concerning this important matter.

Thirdly: Many of the fears expressed by U.S. opponents of the negotiations appear to be founded upon the conviction that Panama and the Panamanian people are enemies of the United States. The contrary is true. Panama is and has been a valued partner of the United States. She has provided essential elements of the Canal enterprise—her territory, geographic position and many employees. However, Panama is unhappy because she feels she has not been treated fairly or with respect.

Finally: I hear and read that the State Department is determined, and even eager, to sacrifice U.S. national interests by "giving away" the Canal Zone and the Canal without reference to Constitutional processes, Congress or the will of the American people. I cannot resist saying a few words about that. The State Department is trying to safeguard, not subvert, U.S. interests. The facts are:

The U.S. position in the Canal treaty negotiations is a coordinated United States government position which all interested agencies, and especially the Departments of Army and of Defense, have participated in shaping. The U.S. negotiators are carrying out the instructions of the President of the United States.

The goal of the United States in the negotiations is to protect and promote U.S. national interests in the Canal in Panama and in Latin America. It is abundantly clear that the 1903 treaty relationship creates problems in protecting those interests.

Part of what I say today will not be liked by some people. They will say: "Why talk about negative things? You are ignoring the great achievements of the U.S. in constructing and operating the Canal." Let me say I am proud of our accomplishments concerning the Canal. I could use the whole hour and more talking about them, but you are Americans and you already know these accomplishments by heart. My purpose today is to help clarify a serious problem that exists concerning the Canal and the Canal Zone. By looking at only the bright side of a problem and completely ignoring its unpleasant aspects, we cannot understand or solve it. I want to explain why Panamanians feel as they do about the Canal Zone and our presence as it now exists. I also hope to make clear that a failure by both sides to solve this problem will result in serious damage to U.S. interests in the Canal, in Panama and in Latin America.

THE 1903 TREATY

Two reasons for Panama's dissatisfaction with the 1903 Treaty go back to the conditions under which the treaty was negotiated and by whom it was negotiated. Panamanians point out that:

The man who negotiated and signed the treaty was a Frenchman who stood to benefit considerably if the U.S. purchased the private French concession to build a Canal across Panama. The fact that he hurriedly signed the treaty on the day a Panamanian commission arrived in the U.S.—but before the commission arrived in Washington to take over responsibility for the negotiation—gives rise to questions about his motives.

Secondly, Panamanians needed the U.S. to protect their new-found independence. Their choice was to ratify the treaty or be reabsorbed by Colombia.

The result was that we got a treaty which Panama believed was too one-sided in favor of the U.S. That the treaty favored the United States was also recognized by U.S. officials at the time. John Hay, then Secretary of State, wrote to a Senator that: "We shall have a treaty very satisfactory, vastly advantageous to the United States, and I must confess . . . not so advantageous to Panama." Hay also recognized that the treaty contained many things to which a Panamanian patriot would object.

In the treaty Panama granted to the U.S., in perpetuity, the use of a ten-mile wide zone of Panamanian territory for the purposes of the "construction, maintenance, sanitation, operation and protection of a Canal, as well as all the rights, power and authority within that Zone which the U.S. would possess if it were the sovereign."

But what bothered Panamanians as much or more than the treaty itself has been the interpretation of the treaty by the U.S. over the years. They argued that both parties to a treaty—not just the more powerful one—must participate in the treaty's interpretation. Panamanian officials argue that the U.S. authority to act as if it were the sovereign pertained only to those functions out-

lined in the treaty and related to the Canal, whereas the U.S. has asserted that it had broad authority covering activities of all kinds. This disagreement has been a source of continuing friction. However, despite the differences as to the proper interpretation to be given the treaty, Panama has never officially challenged the legal validity of the treaty and has carried out its obligation to comply with it.

POINTS OF FRICTION

Putting legal questions and treaty interpretations aside, let us examine some of the points of friction.

Panamanians cite the following reasons for their dissatisfaction with the present treaty relationship.

The United States occupies a ten-mile wide strip, which is called the Canal Zone, across the heartland of Panama's territory, cutting the nation in two, curbing the natural growth of its urban areas.

The United States, by holding jurisdictional rights over the Canal Zone, has monopolized the management and exploitation of Panama's principal natural resource—its geographic location and configuration.

The United States rules as if sovereign over this piece of Panama's territory. It maintains a full-fledged government, police force, courts and jails to enforce United States laws, not only upon American but also upon Panamanian citizens.

The United States Government operates virtually all commercial enterprises within the Zone, denying to Panama the jurisdictional rights which would enable its private enterprise to compete or its government to tax economic activities there.

The United States carries on extensive military activities in the Canal Zone, some of which are not related to Canal defense and are, therefore, in violation of the 1903 Treaty.

The United States controls virtually all of the deep water port facilities serving Panama.

The United States holds, unused, large areas of land within the Zone.

The United States pays Panama but $2.3 million annually for the immensely valuable rights it enjoys on Panamanian territory, and

The United States can do all these things, according to its interpretation of the treaty, in perpetuity.

These are things to which Panamanians object. They say that they deprive their country of dignity—of the ability to develop naturally—and, of full independence.

Panamanians regard U.S. jurisdiction in perpetuity over the Canal Zone much as we might look upon continuing French jurisdiction over a ten mile wide strip along the Mississippi from New Orleans to Canada.

In addition to the national dignity aspects, there are economic reasons for Panama's desire to extend her jurisdiction over the Canal Zone. Panama's geographic position and configuration are her principal natural resource. Panama's role as a commercial and trading center began long before the Canal was built. But for 71 years the United States, by having control over the Canal and jurisdiction over the Canal Zone, in Panama's view, has held a near monopoly over the management and exploitation of Panama's geographic position. Panama argues that U.S. policy in managing and operating the waterway has failed to take advantage of the potential for developing a service center for shipping and commerce. Panama asserts that U.S. jurisdictional control over the Canal Zone has precluded Panama from fully developing these activities. The economic benefits from the Canal, according to Panama, have been far too one-sided in favor of the United States. Panamanian economists have asserted that the United States has been repaid many times over for its investment in the Canal through savings to its private firms and shipping companies whereas Panama has been inadequately compensated for her contribution of her territory and the extensive rights the U.S. has enjoyed over that territory.

Until 1936 the annuity paid by the U.S. was $250,000. This was the precise amount the Colombians had been receiving annually from the owners of the old Panama railway during the last century, but we received vastly greater privileges than simple use rights for a railway. We increased the annuity in 1936 to $430,000 to cover a devaluation of the dollar and, in 1955, it was increased by $1,500,000 to $1,930,000. Since then, through devaluation of the dollar, it has reached $2,300,000.

To be sure, the Panamanian economy has received indirect benefits from the sale of goods and services to the Canal Company and from the salaries paid to Panamanian workers. However, Panama would like to exploit more fully its geographic position and the presence of the canal by developing a wide range of commercial and service activities in the canal area and by deriving tax revenues from these activities—something Panama would do only if it exercised jurisdiction over the area. She would develop certain unused land areas, improve the Atlantic and Pacific ports by installing larger more efficient cranes for handling cargo, developing greater container port facilities through expansion of the Colon Free Zone. Current plans call for construction of an oil pipeline which would reduce the cost of transporting petroleum across the Isthmus. I could go on, but I think this has been sufficient to illustrate why Panama feels she has not had compensation in keeping with the importance of her contribution to the Canal enterprise.

She anticipates that the return of jurisdictional control to Panama over the Canal Zone, even though the U.S. still continues to operate the Canal, will mean greatly increased business activity and revenues for Panama.

INTERNATIONAL ATTENTION

Successive Panamanian governments pushed for revision of certain aspects of the 1903 Treaty relationship. Although revisions were made in 1936 and 1955 providing for increases in economic benefits for Panama and removing certain outdated treaty provisions, those features of the treaty most objectionable to Panama still remained. The riots of 1964 brought the world spotlight to the Canal issue, and that attention has since increased. Since 1964 Panama has been willing to settle for nothing less than the total abrogation of the 1903 treaty and its replacement by an entirely new treaty of limited duration. The present Panamanian government, in power since 1968, has energetically organized broad international support for her position and has brought the weight of international opinion to bear on the U.S. The most dramatic example of Panama's success in this was the United Nations Security Council meeting in Panama in March 1973. Thirteen out of the 15 member nations voted for the Panamanian-supported resolution. Great Britain abstained and the U.S. vetoed the resolution.

That Latin American nations are united in their support of Panama has been demonstrated repeatedly at Inter-American conferences and most recently by the Presidents of Colombia, Venezuela, and Costa Rica during their visit here. Latin Americans look upon the U.S. presence, as now constituted, as having the character of a colonial outpost. For them it is symbolic of the gunboat diplomacy which was common 70 years ago but is no longer acceptable in the modern world. For the Latin American nations—and indeed for many nations elsewhere—the way the United States handles the canal problem is an important test of its intentions with respect to all of Latin America. If we fail to reach a mutually satisfactory settlement in Panama we can expect United States relations and interests elsewhere in the hemisphere to suffer.

PROTECTION OF U.S. INTERESTS

Beginning with President Eisenhower, all successive United States Presidents have recognized that the U.S.-Panamanian relationship needed to be modernized in order to protect the United States long-term interests in the canal.

Successive Secretaries of State have measured the Canal's values—security, economic, political and psychological—and have tallied the costs of trying to maintain the status quo as compared to the price for reaching a satisfactory agreement with Panama. Invariably the answer has been that U.S. national interests can best be protected in a new treaty relationship. This is because the viability of the present treaty depends to a great extent on mutual consent and Panama's level of consent has declined.

To minimize threats to the Canal we need a new treaty that will change the nature of our presence and thus promote a peaceful and friendly environment. This would include Panama's participation in the Canal's operation and defense, greater economic benefits for Panama. With Panama having a larger stake in the Canal enterprise the maintenance of a friendly local environment would be facilitated. We would have a situation in which an attack on the Canal would be considered as treason in Panama.

THE CURRENT TREATY NEGOTIATIONS

In the new phase of negotiations which began last year following the appointment of Ambassador Ellsworth Bunker as chief negotiator, United States and Panamanian negotiators have been using a new style of negotiation and have been proceeding in a spirit of accommodation. The U.S. position reflects the fact that the United States, having constructed and operated the Canal, has continuing economic and strategic interest in it. We also recognize the paramount importance of the Canal to Panama and its desire to exercise effective sovereignty over all its territory.

United States objectives in the current treaty negotiations include:

Continued U.S. control over operation and defense of the existing Canal for the lifetime of the treaty.

A viable treaty arrangement which provides for an enduring, mutually acceptable relationship with Panama.

Greater security for the Canal.

The eight points signed by Secretary Kissinger and Foreign Minister Tack on February 7, 1974 are serving as guidelines for the negotiators in working out a new treaty. According to these principles the U.S. will return jurisdiction over the Canal Zone to Panama. In return Panama will grant to the U.S. the necessary "treaty rights" to maintain effective U.S. control and defense of the Canal. The principles provide for Panamanian participation in the Canal's operation and defense. Panama shall assume total responsibility for the operation of the canal upon termination of the treaty. It will receive significantly greater economic benefits, will participate in commercial activities in what is now the Canal Zone, and will get unneeded lands for development purposes. The principles also state that the two countries will provide for any expansion of Canal capacity that eventually may be needed. And the new treaty will not contain a perpetuity clause but shall have a fixed term. We believe that such a treaty will provide the best guarantee for keeping the Canal open, efficient and secure.

Since the signing of the Agreement on 8 Principles last year, the negotiators have made steady progress. They have been negotiating conceptual agreements around each of the major issues and are now about half-

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way through this process. When the process is nearly completed, the negotiators will undoubtedly have to review some of the earlier agreements and readjust them. Some tough issues remain ahead. Both countries have legitimate interests which still must be reconciled. Because of this, it is difficult to estimate when the negotiations will be completed.

There is strong opposition to the negotiations in both countries. In Panama there are some who argue it is folly to make a single concession to the U.S. and that its presence should be eliminated forthwith. On the United States side, there are those who assert that U.S. power must reside in the Zone undiluted forever. We can acknowledge the patriotism of those views, but we must also realize that both are impractical and unrealistic.

Some people say if we give up "sovereignty", i.e. jurisdiction, we would jeopardize our control over the Canal and our ability to defend it. They also say that only a continuation of U.S. "sovereignty" protects employee freedoms and liberties. I disagree with these statements. All we have now are jurisdictional rights based on a treaty with which Panama is extremely dissatisfied. These rights would offer little comfort or protection in a hostile environment. What the United States needs and will obtain in a new treaty are the essential rights to operate and defend the Canal and its employees. I might note that our military forces, for example, operate effectively by the agreement in many other parts of the world without "sovereign" rights. The U.S. will get rid of those rights not necessary for the accomplishment of its mission in Panama and keep those rights which are essential. And, it will obtain something that it does not now have—Panamanian acceptance of the U.S. presence. I repeat: The Canal will have greater security under a new treaty than it has now.

Some of the wild rumors circulating here and at home concerning U.S. plans are so incredible I hesitate to even discuss them. They do not reflect credit on those who start them. However, they have become so widespread lately that it has become clear that they are being believed. Because they stimulate fear among Canal employees, I will comment on a couple of them.

One rumor is that the State Department is planning to rent the entire Canal Zone area to the Republic of Panama at the annual rate of $1 with the proviso that Panama would exercise all rights, power and authority within the Canal Zone "as if she were the sovereign." This rumor feeds fears and is totally false.

Another rumor is that following the signing of a new treaty in June, the Canal Zone police and fire departments, postal system and other public services will be discontinued without reference to the treaty or congressional approval. This too is not true. Our government is negotiating a treaty that will protect and promote U.S. national interests and that will be submitted to the Senate for approval. Without ratification of such a treaty or legislation by Congress, no jurisdictional transfers could be made. The truth is that many of the details in the negotiations remain to be worked out. Many other matters which could affect employees are a matter of U.S. government decision or legislation. The circulation of such rumors is irresponsible, unfair to Canal employees and the U.S. negotiators, and prejudicial to the best interests of our country.

I have already said that protection of U.S. employee interests is one thing that the U.S. negotiators keep constantly in mind. It can be stated that the legitimate rights and interests of employees will be protected.

Their future is a matter of important concern to Panama, as well as the U.S. government. Both governments wish to minimize the hardships which may be encountered by persons affected. We recognize a moral obligation toward employees who will be adversely affected. Both governments working together and individually will seek solutions for these problems. We anticipate that legislation may be necessary in certain situations. I am aware, however, as are the U.S. and Panamanian negotiators, that fear, even if unfounded, is very real to the persons who feel it. Therefore, all efforts will be made to provide special assurances and protection for Canal employees.

I sense that some of the fears and uncertainties expressed by residents of the Canal Zone about living under Panamanian jurisdiction are based on a lack of information or a distorted image of Panama.

About six thousand Americans live in Panama under Panamanian jurisdiction. They run their businesses, live and play in Panama. Many are retired there. They live normal, untroubled lives. As far as violence on the streets is concerned, Panama City is safer than many cities in the United States. And as for that classic—and often repeated—story about garbage collection being poor in Panama, let me say that in residential areas the garbage is picked up seven days a week. What I am saying is that I believe Canal employees will find that they can live very comfortably and safely in a Panamanian society. They will enjoy essentially the same rights and liberties that U.S. government employees have in countries around the world. Moreover, Panamanians are a friendly people. Even under the present unsatisfactory situation they do not dislike individual Americans. What they dislike is what they perceive to be a U.S. desire to perpetuate an unjust situation.

CONCLUSION

We must face the reality that much of the world looks upon our presence as now constituted in the Canal Zone as being out of date. The world has changed much since 1903 when most major powers had extensive colonial holdings and the establishment of jurisdiction over a portion of territory in another country was not in conflict with international practice. Today, the colonial empires are gone and exercising sovereign prerogatives over someone else's territory is no longer generally acceptable. The nature of our presence in the Canal Zone is contrary to our own political heritage and the anticolonial trends which have characterized world relationships since World War II. Moreover, continued efficient operation of the Canal does not require perpetual U.S. control, but a relationship based on mutual respect and dignity. Insistence on perpetual control is likely to create the kind of hostile environment that will jeopardize our ability to operate the Canal efficiently and securely. We recognize that no agreement can endure unless the parties to it have a stake in maintaining it. Why not, therefore, agree upon a treaty in which the true interests of both countries are recognized and protected?

I have heard it said that with the reverses the U.S. has suffered in Southeast Asia, the Middle East and elsewhere, the American people will be in no mood to "retreat" in Panama. My answer to that is that a mutually satisfactory Canal treaty will be a foreign policy victory for the U.S., not only in protecting our interests in the Canal and Panama, but also in opening the way to improved relations with all of Latin America. Moreover, it would be completely in accord with our national heritage as it would rid us of a situation that smacks of colonialism and is a carryover from the days of "gunboat diplomacy". Throughout history when great nations have failed to adjust old policies to new realities, they began their decline. We are confronted in Panama with a new reality. Let us recognize it.

IMPORTANCE OF GENOCIDE CONVENTION IN GLOBAL AFFAIRS

Mr. PROXMIRE. Mr. President, we are all familiar with the complex interrelationship of public policies in today's ever-shrinking world. Daily our work in committees and on the floor brings forth new questions and problems with which we must deal. As President Kennedy once said, we must be able and willing to sense the effects of our actions and reactions. World peace, at best, is a fragile, commodity whose preservation requires an awesome degree of perception and sensitivity.

We have shown a lack of sensitivity in our failure to ratify the Genocide Convention. Mr. President, Senate ratification of the convention is a needed step forward, by a nation whose actions as a world power must match its all too frequent rhetoric. We must demonstrate to the world our emphatic endorsement of this document and the policies it embodies; to fail to do so compounds the uncertainties among nations. Ratification of the Convention on Genocide would take us one step further in the quest for world peace through confidence in the integrity and sense of humanity of the United States.

SOME LESSONS FROM OUR EXPERIENCE IN VIETNAM

Mr. GOLDWATER. Mr. President, on May 18 of this year I delivered a short speech to the graduating class at Butler University in which I outlined a few of the lessons we certainly should have learned from our experience in Vietnam.

My remarks centered on the premise that the United States must never again become engaged in a war that it is not prepared to win.

Because these remarks seem to have caused some interest I ask unanimous consent that they be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Before embarking on a relatively short presentation this afternoon with you graduates, I think I should warn you that it is not a typical graduation speech. The only advice I ever had on such speeches came from my older daughter when she graduated and I made the address. I asked her what she wanted, and she said just keep it short and funny, Dad. I'm going to keep this one rather short but it's not going to be funny and some of you may even resent it—it may run opposite to the directions your thoughts are already taking relative to the United States' position in the world.

Being a conservative, I am constantly observing that man makes advances only by studying the lessons that he has learned from history. With that in mind and knowing that many of you young people will be embarking on careers in politics or professions related to politics, I'm going to talk about politics and its relation to the future of our country. It is a future that you will be participating in. I want therefore, to guide you briefly through the experiences that I have lived though since my early days and let you draw from them what you want to—even though at this time your minds may be turned in different directions.

Back in the annals of history those two famous orators, Pericles and Cicero spoke out repeatedly against the evils which were leading to the downfall of Athens and Rome. Needless to say they failed to change any government policies. But history has more than verified their warnings. These were brilliant men with unusual powers of observation and expression. They also had the courage to tell the Greeks and the Romans what they did not want to hear. I believe that right now is a proper time to sound similar warnings with the prayerful hope that the American people might listen and heed the warnings about just where our country is headed.

Carl Sandburg, America's famous poet, once called the past a bucket of ashes and advised us to forget it so that we would have more time to attend to the future. But unless we sift through those ashes for mistakes we will condemn ourselves, in my opinion, to a future full of those costly, agonizing and heartbreaking errors. Our only guides to the future are the lessons we have learned from the past. There is simply no other way to learn except through studying the experiences we have been through and other men in like circumstances have been through before.

Beginning with the firing of General MacArthur and ending with the fall of Saigon, America has made one gross and shattering mistake after another. It is time for us to ask ourselves, why are we so frequently wrong? There must be some major underlying reason—some basic philosophy that is warping our thinking—some "X" factor that causes our conclusions on foreign affairs to turn out wrong for us and right for our enemies.

One thing is certain. If we continue in this folly, America herself will end up on the ash heap of history. If we fail to analyze our mistakes and profit from them, then we will most certainly be miserably overcome by a society with more foresight—more resolution—more self confidence and conviction than our own.

From then on we will slip downhill into the murky swamp of indecision, self doubt and guilt. We will continue to frighten ourselves with the specter of nuclear war—just as we did following World War II—and we will be haunted by the thought of megadeaths and a scorched earth that would glow with nuclear radiation for countless years thus ending civilization as well as mankind.

I am sure there are people here today who remember those days when the expression "better red than dead" became a part of our national philosophy whether expressed or not. And this was because we came to believe that should we use just one nuclear weapon, a war would escalate automatically into a world holocaust of nuclear exchange.

And of course with this reason we could never risk the danger of winning the war against communism. The big communist powers who are rapidly filling their own nuclear arsenals might become provoked with us for winning a small war and escalate the conflict to an all-out nuclear level.

Ironically, the only people that we can call on in this country as far as trained personnel go, are military people and yet, they are the very ones on whom some people are now heaping the blame for the recent failure in Southeast Asia. What the critics seem to forget is that the man in uniform does not declare war, he only does what the Commander-in-Chief tells him to do.

So when, we started worrying about escalation, we dreamed up the naive and entirely unrealistic strategy of limited war. We decided we could fight on in a limited way indefinitely until the other side got tired of it and threw in the towel. This was, we thought, a kind of immaculate war which would not get so dirty that it would risk the use of nuclear weapons. We failed to anticipate, however, that such unequivocal war would drag on and on, taking a tragic toll of American blood and treasure and that an enemy dedicated to victory would fight harder and longer than we could in maintaining our half-hearted goal.

And that is what happened in Vietnam. So they won.

And now, we are looking for someone to blame. This is no time for the placing of blame nor is it time for personal reprisals or vendettas.

But it is time for some reappraisals of our military strategy. I think our ideals and goals are as true as they have ever been. But they have been warped out of shape by the specter of the bomb.

If we are to find our way out of this dismal swamp, we must make some hard decisions.

First, we must never again engage in a war we are not prepared to win. If we ever again take up arms we must accept victory as the only alternative.

Second, when our national survival is at stake, we must be prepared to use any weapon and use it first. Only when our antagonists know that we are prepared to do this will a genuine detente be achieved.

Third, if we are to pursue these two objectives we must recover our nuclear and conventional superiority. If we become satisfied with second best we are doomed to a steady erosion of our character and our country.

Actually, we are a young people dealing with some old nations—nations with experience and who have learned what we have not—to deal a hard hand—play a hard hand or stay out of the pot.

Their diplomats are people of background while ours generally have none. Their foreign policies are determined by hundreds of years of experience—ours are, in the main, determined by people with no experience in the field—who have been elected or appointed to the position from which they operate. And too often partisan politics enters into the decisions. The academic approach in this country is as varied as our universities and colleges whose best approach is theoretical—taking no view of the hard practical fact that we are dealing with power.

To bring all of this blueprint-for-chaos into a far worse condition, the diplomats, the elected and the academics maintain a quarantined atmosphere amongst themselves. For example, would it not be proper for the Armed Services Committees of both Houses to meet occasionally with the committees on Foreign Relations and have them joined by representatives of the State Department, the Secretary of State and the military. This way we could know what the basic goals of our foreign policy are and what the committees would have to do to help achieve them. Frankly, I think today we are sort of crawling around in the dark, each trying to do the best job we can, relying mostly on what we learned through the written word instead of having it come right from the mouths of those who make the basic decisions.

I believe that in the future all Americans must be more vitally interested in what is taking place in their government—particularly as to the way our government's relations influence others, and in the way the world's relations bear upon us. The future is yours, and if you apply the wisdom that you have been taught by your family, your church and your school, and if you inject into this wisdom some common, ordinary horse sense, you are going to be a lot better citizens than those older people who have preceded you. Good luck.

TOWARD A RESTRUCTURED VIEW OF MAN

Mr. HUMPHREY. Mr. President, John Cowles, Jr., chairman of the Minneapolis Star and Tribune Co., is a man who has long been noted for his clarity and depth of insight into the forces at work in our society. These attributes were clearly demonstrated in a thoughtful address in April 1975, by Mr. Cowles to the graduating class of Fort Lewis College in Colorado.

I think all of us will find Mr. Cowles' comments on Western man's restructuring of his view of himself and of his role in the universe of special interest and value. Mr. Cowles' judgments on man's changing perceptions of his place in the universe and on the role of education, science and art in the world of the future merit the attention of all who are concerned about how man will confront and deal with the future.

Mr. President, I ask unanimous consent that Mr. Cowles' remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY JOHN COWLES, JR.

I'm glad I'm here today, because I like celebrations involving family and friends. I have a pretty good idea of how long and hard my sister Morley has worked to earn her degree today—no harder, surely, than most of today's 424 graduates, but, on and off, longer than most of today's seniors have been alive. The thought is relevant to the propositions I shall offer in the next few minutes.

A decade from now I think there will be many middleaged and even elderly students at most vocational and technical schools as well as colleges and universities. Here in the United States we have just begun, I think, our transformation into a learning society; or, more precisely, we are just beginning to perceive ourselves as a society primarily of learners rather than makers or doers. Schools and colleges are only one form of environment we organize to facilitate learning. Many people learn as much and as rapidly at their jobs or at play. More on this subject later.

I also appreciate President Berndt's invitation to speak today because it put me through the hard but rewarding exercise of ordering, however momentarily, my thoughts. All of us have lots of ideas bouncing around in our heads. Only when we have to communicate clearly and succinctly with others, I suspect, do most of us truly study what we think, assign priorities, build more-or-less logical connections, and perceive the many contradictions or discontinuities messing up our belief systems. I hope my remarks today seem brief, interesting and possibly useful. If not, please tune me out and reflect instead on what *you* would have said in my place.

I think the world has entered a brief period of perhaps thirty or forty years during which man's view—especially western man's view—of himself and his role in this universe is being fundamentally restructured. This restructuring of self-perception is without precedent in human history, I think, in both magnitude and speed. Lacking good examples, I can only indicate what I mean by referring to earlier developments such as the notions of individual liberty and equality which flowered 200 years ago, or the Copernican reversal 500 years ago of the Ptolemaic belief that the Sun and stars circled the Earth.

In short, I think we have only begun to be shocked by the future; and, as with all change, there will be much discomfort and sadness. I personally lean toward optimism, however, if only because, as a good friend put it, pessimism makes his stomach hurt.

This restructuring is not happening smoothly or simultaneously throughout the

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world, but in saltatory steps. It is happening quite quickly because we now have virtually instantaneous world-wide communications—the global village—and easily understood biological imperatives.

The first element in this restructured view is the realization that all men and all life on this planet in a single system, a single biosphere of very great complexity but with definite tolerance limits for social as well as environmental disequilibriums. Until this century the human race was to trivial in its numbers and densities, so local in its impact on the natural environment, and so slightly in communication within itself that pockets of very disparate cultures could evolve with seemingly little effect upon each other. In this century alone, however, the enormous world-wide growth of human population hand-in-hand with technology has changed all that. Henceforth, we all shall have to attend to the rain forests of Brazil, the famines of India or the air pollutions of the Ruhr as closely as to SALT talks in Geneva or unemployment in Detroit. We have in fact become "one world," like it or not.

A second element in this restructured view is an understanding and acceptance of Tanstaafl: There Ain't No Such Thing As A Free,Lunch. Everything in the system has a cost, a trade-off, and those costs must be paid, sooner or later, whether you know it or not at the time. The illusion of getting something for nothing will be especially difficult for Americans to give up, because several generations of us by now have cherished the fantasy of an endlessly rising per capita level of tangible consumption without any clear and immediate payment therefor. But the indirect and deferred costs of our industrial economies are now becoming clear. Economically we have been borrowing from the future recycling and renewal of this Earth's natural contents. Socially our exaltation of the machine and its seeming efficiencies of centrally-managed large scale organization have led us to create institutions, governmental as well as business, which tend to treat both their employes and their customers pretty much as parts themselves of a machine.

A third element in this restructured view, therefore, is an emphasis upon labor-intensive and small-scale methods of production and distribution rather than large-scale and machine-intensive. In a world short of capital, the non-industrial two-thirds will adapt to this change more easily than the industrial one-third; though even in industrial societies our romance with technology as an end in itself is already on the wane.

A fourth element in this restructured view is a new notion of what we mean by progress. Earlier in this century the words "progress" and "growth" became almost inter-changeable. No longer. The new notion of progress attaches reduced or even negative value to many kinds of tangible growth. Zero-growth population policies, for example, will become widespread, although not without cultural trauma in some of the non-industrial societies. Some of these societies will also for a while longer seek to raise their per-capita consumption of tangibles in the past manner of the industrial nations, while most industrial nations, through a combination of voluntarily altered life styles and involuntary sharing with the non-industrial two-thirds of the world, will begin actually to reduce their per-capita consumption of tangibles.

I stress "tangibles" because such a turnaround for industrial societies will be made tolerable by redefining progress in terms of largely intangible human development. Instead of growth in material things, this new notion of progress will assign its higher values to growth in knowledge, understanding, and care for oneself and others. Most schools, laboratories, clinics and playing fields need relatively little energy per capita and, except for energy, relatively little in the way of natural resource consumption and recycling.

A fifth—and for today, final—element in this restructured view is an appreciation of harmony within each individual person, the human race and our biosphere. This notion of harmony will supersede the illusion that man can dominate his fellow man or any other aspect of nature. Collaboration and community will tend to replace competition and the loneliness of industrial individualism. Fostering the internal serenity of each unique individual, however, will require greater tolerance of individual differences, even though such differences make for less efficiency in any system.

We shall have to learn to live with uncertainty in this new age. Both the human mind and this Earth's biosphere are enormously complex, and we shall have to accept a high level of ambiguity and paradox while we seek to understand. We shall have to accustom ourselves to relying on tentative, working hypotheses instead of permanent truths or seemingly immutable laws of nature. To help us comprehend the interactions and trade-offs of our sub-systems, our schooling will put more emphasis on the life sciences and the earth sciences as well as mathematical modeling, statistics and probability theory. For perspective, especially in time and space, our study of history will begin not with Columbus or 1066 or the Persians but with the creation of the universe, the geology of this planet and man's oceanic and zoologic origins. In these perspectives, man's religious or ideological quarrels of the last three thousand years seem less important.

Especially, I think, will we study the arts and watch our artists. Much of the gloominess so prevalent these days comes, I think, from a widespread public consciousness of impending change accompanied by an equally widespread reluctance if not inability to imagine what some different futures might look like. Most of us simply fail to cultivate our imaginations. Artists, on the other hand, tend to live by their wits on the edges of change; and in a sense have become our unacknowledged futurists.

I find this restructured view of man and his role in this universe neither dismaying nor joyous. It is, I think, simply the next chapter in a very long, though probably not endless, book of life. If we modern humans have developed a taste for growth, a new equilibrium of tangibles will nevertheless allow plenty of growth along the frontiers of the mind. This is in part what writers like George Leonard mean by such phrases as "human potential" and "higher consciousness." Leonard tells us that "a single ordinary-sized [human] gene can be arranged in some 10^{600} different ways. (To get an idea of the magnitude of this number, . . . bear in mind that the entire universe contains only an estimated 10^{80} atoms.)" As Leonard says, "the best way of expressing the total creative capacity of the human central nervous system in layman's language is that for all practical purposes it is infinite."

In such a setting, the question of free will becomes almost irrelevant. If we can't get outside our own frame of reference, we can simply accept the likelihood of the unknowable while relishing the process of trying to know and understand. And if this universe is slowly burning out, there still seems to me to be plenty of time and opportunity for man to explore all possible forms and variations of life before final entropy. To paraphrase Werner Erhard, we are here and now—let us celebrate each moment.

LTA?

Mr. GOLDWATER. Mr. President, during the past 2 years, there has been a revival of interest in lighter-than-air aircraft. NASA has let feasibility studies to Goodyear Aerospace and to Boeing Vertol.

In the military, both the Navy and the Army have shown some interest in lighter-than-air vehicles for a variety of missions.

LTA is attractive to those who have no way to move heavy, out-sized payloads. Moreover, LTA holds the promise of reducing pollution and increasing fuel efficiency.

On Monday and Tuesday of this week, the Washington Star ran a two-part series on the subject of blimps, dirigibles, and hybrids. The Star article gives a good insight into possible applications for LTA. Included are moving such things as lettuce, nuclear plants, and fire fighting equipment. I commend this series to my colleagues and ask unanimous consent to have it printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Star, May 19, 1975]

FATHER-SON TEAM HOPES TO SEE THE AIRSHIP RISE ONCE MORE

(By John Fialka)

The bones of what might be a new era of transportation are being put together in an open field in arid farmland about 40 miles southeast of Phoenix, Ariz.

To the laymen, it is a strange, cigar-shaped construction of welded, high-strength aluminum tubing as high as a four-story building. The precise, erector-set symmetry runs for 225 feet. Drivers on the nearby road often stop and gawk, for it looks very strange—like the skeleton of some huge mechanical whale that somehow chose that spot to die.

C. W. Conrad and his son, Darwin, have learned not to be disturbed by onlookers as they work on the giant structure which has, for them, an almost mystical quality.

They are determined to build and fly the first dirigible the world has seen in more than 40 years. The Conrads have put over $40,000 of their own money into airship hardware.

For the last few years, popular magazines, newspapers and even trade journals have been awash with articles about bringing back the technology of the airship—the dirigibles, balloons and blimps that were commonly used for a variety of transport and defense tasks during the first half of this century.

There are probably more balloon enthusiasts, or "helium heads," as they sometimes call themselves, walking around today than there were during the heyday of the airship.

But, despite all this paper interest and enthusiasm, the Conrads, father and son, are something else again. They are actually trying to put one, a big one, back into the air.

As Darwin puts it, all the magazine articles finally annoyed them enough to start construction. "Everybody's talking about bringing the airship back, and all these companies have been talking about feasibility studies and so on, but nobody does anything. So we decided to do it."

Perhaps the catalyst that has the Conrads, who manage an electrical contracting firm, spending their spare time welding tubing, and the spark that has brought the nation's other "helium heads" to such a pitch of fervor, is the energy crisis.

Whatever the problems were—and there were many—the old airships had one thing in common: They used very little energy when compared to more conventional modes of transportation.

The most famous Zeppelin, the Hindenburg, weighed 240 tons and was 800 feet long. It could carry 70 passengers, served by a crew of 50, and 13 tons of cargo across the Atlantic. Yet it was essentially weightless, literally a great ship riding on the buoyancy of the air. One man could push it. Passage across the Atlantic, reportedly, consumed only $500 worth of diesel fuel.

Darwin Conrad says the ship he and his father are building has been extrapolated from the Zeppelin design, but it will make use of modern technology which, he says, will make it still more efficient and more airworthy.

The Conrad airship is designed to carry up to 40 passengers at a top speed of 80 miles an hour, slightly less than the top speed of the old German Zeppelins. It will use laminated nylon to contain its lifting gas—helium—and will get its propulsion from propellers powered by three large V8 automobile engines, about 900 horsepower in all.

Travel by Zeppelin was once a thing of luxury. Passengers on one of the Hindenburg's 37 ocean crossings could stroll on a promenade, listening to the waves because the windows were often kept open as the great craft, the largest airship in history, cruised the Atlantic at 1,000 feet.

There was a lounge, a writing room and a bar, and dining rooms where tables spread with white linen had freshly cut flowers in vases. There was almost no noise, very little vibration, and pollution was minimal. The Conrads would like to bring that all back.

There was a major U.S. company—the Conrads won't name it—which took one look at the plans and pronounced that the thing could be built, but that it would cost $50 million.

Darwin Conrad says that not counting the thousands of hours that he, his father and occasional volunteers have put into the project, the costs have been $40,000 worth of materials so far. Another $200,000 would be enough to put it into the air, he says.

After that, according to the Conrads' theory, they will begin building and selling full-scale production models, ships slightly shorter than the Hindenburg that will carry as many as 1,000 passengers at 125 m.p.h. The ships can be made and sold, they believe, for $6 million.

A thousand years from now, anthropologists who study the bones and debris of Americans might conclude that if we had a common religion, it was probably belief that most problems could be solved by technology. Our saints are men like the Wright brothers who put their dreams into tinkering and were not afraid to break new ground or to be thought of as crazy men.

Once an idea was demonstrated, the government and the free market would quickly snap it up and use it to enhance the nation's quality of life and enrich its economic power, according to this mythology.

The Conrads and many other technological pioneers can tell you, however, how mythic this story is. The field of airships, especially, is strewn with the bones of dreamers, and it has a peculiar aura of black despair. At the moment there is a kind of technological Mexican standoff in operation: There are lots of money-making ideas involving airships, but nearly all the potential risk-takers are intent on letting someone else make the first move.

For the Conrads this has been a frustrating problem. They have been trying to peddle their idea to men who might have a logical economic interest in such a craft. Consider their meeting, for instance, with John Norton III, a Phoenix lettuce grower who would dearly love to have something like the Conrad airship to haul his company's yearly output of 3 million heads of lettuce to markets in the Midwest and East Coast.

Several years ago, Norton could send a carton of lettuce containing 24 heads to the East Coast by rail for $1.25. The trip took six days. Today, the same trip costs $2 a carton and the trip takes at least nine days. Because of the decrepitude of Northeastern railroads, Norton says, there are no guarantees of any certain schedule beyond Chicago.

Norton says he has a choice between the nine-day trip, which results in a considerable quantity of rotten lettuce, or a six-hour trip by jet freight which costs a "prohibitive" $5.50 a head. Since neither choice is a happy one, he has consulted major corporations across the country to find one that will tell him how much freight by dirigible might cost.

Norton says he has found interest among other companies that sell perishable produce such as strawberries (which are currently jet freighted), artichokes, melons and celery.

Products delivered to markets within 24 hours could command a higher price, they believe, because they would taste much better.

Despite his investigations, Norton has never been able to find anyone who was interested enough to put capital in the airship business.

"Big companies make noises about this, but they haven't shown much interest in taking the risks of development. Everybody seems to be waiting for the government to underwrite them. That seems to be a trend nowadays, doesn't it?"

But Norton, for the same reasons, had to turn down the Conrads, recently, when they asked him for backing. "I can't fiddle around with an experimental ship. I don't earn anything from that."

So Norton and the Conrads coexist in the Phoenix area; the market and the dream pass, like two ships in the night.

All of this, the sudden rush of interest in airships, the effort of men like the Conrads and the plight of people like Norton is being carefully watched by the Goodyear Aerospace Corp.

Goodyear has built hundreds of airships, many of them for the Navy. It keeps the world's only scheduled fleet of blimps in the air as a public relations gesture. Sometimes they help television networks cover major sports events. Often they show public interest advertising.

But Goodyear's four blimps are also up there to tell people that if there is anyone with a big wad of money who wants to go ahead with lighter-than-air technology, Goodyear is the company that can do it.

"Yes sir," says Fred R. Nebiker, "we've been watching the market. It's a little early for us to tell you whether it's a boy or a girl yet."

Another gauge of the despair in the balloon business is the amount of money the federal government has put into it. Recently one of Washington's most powerful "helium heads," Sen. Barry Goldwater, R-Ariz., a pilot and aviation expert, gave a speech in which he said, in part:

"With modern materials, avionics and propulsion—unknown in the Zeppelin days—I believe a dirigible could be built that would be at least as safe as existing fixed-wing aircraft."

Airships, Goldwater suggested, "deserve a second look for the promise they hold in meeting real transportation needs."

So, inspired at least in part by Goldwater, the National Aeronautics and Space Administration (NASA) has sponsored two $125,000 studies/study the feasibility of lighter-than-air aircraft.

In Washington's high-flown world of research and development, that kind of money is peanuts. Some military programs have probably spent that much on paper clips and multibillion dollar civilian research projects like the space program and the breeder reactor program devour considerably more money each month just sending out press releases.

But in the lighter-than-air world, any kind of money is a lift. "Everyone is waiting by the phone with sandwiches to hear what the output of the NASA studies shows," says Nebiker.

Goodyear, he says, has offered to end the "hot air" in the balloon field by resurrecting the Navy's largest blimp, the ZPG-3W, an airship that is something like 7½ times bigger than the current Goodyear blimps. The skeleton of the craft is still at Navy's former blimp base at Lakehurst, N.J.

"At least it would put something up in the air that people could see," says Nebiker, who believes the ZPG-3W would also make a good test vehicle. Goodyear, however, would like the government to pick up the bill for the project and, so far, has detected little enthusiasm.

And the desperation in the balloon field is not just limited to money woes, it could have resource problems some day, as well, as the result of a perverse government program that was once designed to conserve helium.

For example, if you go to Bushton, Kansas, you will see a plant operated by the Northern Natural Gas Co., which was built under the terms of the federal government's helium conservation program, as promulgated by Congress in 1960.

The plant is designed to separate helium from natural gas. Under the terms of the federal program, the company had a long-term contract to sell the government helium. The government, in turn, would store it in order to conserve the nation's supply for future needs, which are believed to be considerable, for helium will have a wide range of future industrial uses, apart from the airship field.

On Nov. 12, 1973, the program fell apart, partly because the government and the companies could not agree on a proper price for helium. The Interior Department announced that the program's goals "had been accomplished" and refused to buy any more helium. The upshot is a noise like a jet plane taking off that can be heard miles away from Bushton.

It is the sound of 1.5 million cubic feet of helium being vented into the air every day. That is enough to fill up 10 Goodyear blimps.

The plant, explained, a company spokesman, was designed to separate helium as well as other valuable ingredients of natural gas, such as butane and propane.

There is currently little market for helium, without the government program, but propane and butane sell well. The plant was designed as an integrated process and parts of it cannot be shut off. So the helium must be vented because the company had never planned to store it itself.

Another Kansas helium plant, owned by the Cities Service Co. at Ulysses, Kan., does the same thing. "To many people it (helium) is such a little-known resource you can't get any interest in it," explained a Cities Service spokesman. About the time it runs out there's going to be a very real need for it."

It was a very real need for U.S. helium that caused another facet of the despair that hangs over the balloon business. The Germans wanted helium to lift the Hindenburg for its 38th ocean crossing, but the U.S. government refused to deliver it because it was considered a war material.

The result was the stupendous explosion and fire at Lakehurst, N.J., on May 6, 1937. The Germans used hydrogen as a lifting gas. The explosion is regarded as the one event that ended any further exploration in dirigible technology.

The Navy continued to use blimps, or nonrigid airships, until 1960. The advent of the fast-moving nuclear submarine brought on the blimp's demise. Up to that point blimps had been effective in antisubmarine warfare because they could follow the subs, moving at a speed of about 50 m.p.h. By heading into the wind, however, nuclear submarines could quickly elude the blimps.

Despite the lack of money, the non-interest of industry and the sometimes counterproductive activities of the government, visions of useful airships continue to creep into peoples' heads.

Arther F. Fairbanks, chief of the Tempe, Ariz., police department, was watching a football game on television one Sunday when it hit him. "I saw them zoom in from that blimp with a telephoto lens and I said to myself, my God, that would be a perfect way to home in on criminal activities.

"You could just sit up there, a half mile off and just watch them."

Fairbanks had an idea of a kind of "mini-blimp" that would be able to stay in the air longer, with less energy use, than helicopters, which have given many police departments problems. The blimps would be quieter, safer and, because they would require less powerful, less complicated engines, Fairbanks reasoned, they would need less maintenance.

Private dreamers may have problems with money, but police dreamers have something called the federal Law Enforcement Assistance Administration (LEAA). Fairbanks obtained a $35,000 federal grant and gave it to Goodyear for a feasibility study.

Goodyear came back with what Fairbanks regards as a fine plan for a prototype, a small airship that could do all of the things he thought it could. The problem was the price: $1.5 million for the first one. If Fairbanks wanted to buy 12, Goodyear added, he could have them for a half million apiece. (A Canadian company has since told Fairbanks it could build it for a third of that.)

The Goodyear price shocked Fairbanks and sent tremors up through the hierarchy of LEAA, which quickly abandoned all interest in the idea.

Now Fairbanks gets a lot of calls from helium heads, who think he's one of them. He also gets calls from fellow chiefs, some of whom think he's crazy.

"I've had a lot of people poke fun at that. I don't mind that. I've flown blimps and I know they're all right. But it's the fact that it's a prototype situation that bothers me. I don't care who builds it, I'd just like to have one."

Fairbanks, the Conrads, Goodyear and Norton are all actors, looking for roles in a new American technological play without any visible success.

But the Great Father of much American transportation technology, the military, is showing some signs of coming to their rescue. Until then, Barry Goldwater has a word for those who may be inclined to poke fun at people like the Conrads: "Meanwhile, let's not kick the romantics around. The tremendous strides made in aviation is partly attributable to their dreams—without their dreams it might never have happened."

[From the Washington Star, May 20, 1975]

THE "AEROCRANE": A BALLOON TO GIVE CONSTRUCTION A BIG LIFT

(By John Fialka)

About a year ago, Donald B. Doolittle, 56, constructed a large helium-filled balloon with four wings. On each wing, Doolittle mounted little electrically driven propellers.

There are two kinds of people who fool around with lighter-than-air ships. Some of them are "helium heads," dreamers, or as Doolittle puts it, "balloonatics," and he is quick to tell you he is not one of those.

No, Doolittle is an aeronautical engineer, the hard-nosed, dollars-and-cents variety of planner who designs things for money. Doolittle's company, All American Engineering Co., is just one of a number of firms that are looking into the possibility of "hybrids"—balloons mated with helicopter rotors and other current technology to create devices that can lift tonnages that nothing flying today can lift.

For there is considerable industrial and military interest in something that can attach a cable to something weighing 50 tons or more and drop it, gently, somewhere else. "Aerocrane," is now flying in the form of Doolittle's model. The device, with a cheery red and white gas bag, 15 feet in diameter, can be seen most days bouncing against the ceiling of an old shipyard assembly building on the Christina River just outside of Wilmington, Del., which Doolittle's company uses as a laboratory.

The propellers, driven by the electric motors on its wings, make the device's gas bag and attached wings spin around slowly, about 10 revolutions per minute. This gives the aerocrane an additional lift or allows its operater to land it without the need for a ground crew to pull it down, according to Doolittle.

Doolittle tells executives of interested companies that the device can probably be scaled up to lift something weighing a thousand tons. It will, he says, use between a fifth and a tenth of the fuel needed to operate a helicopter (The largest U.S. production helicopters can lift 20 tons. The Russians are believed to have a helicopter that can lift 44 tons.)

During the first part of his presentation, Doolittle is resigned to watching people smirk and suppress laughter. It is a phenomenon that plagues nearly everybody who attempts to sell people on the value of airships. Doolittle calls it the "giggle factor."

"Then after about a half hour of this, they begin to think maybe this thing can do it," he adds.

One entity that has stopped giggling is the U.S. Navy. Robert H. Krida, director of advance concepts for the Naval Air System Command, says the Navy is in the second year of studies exploring the possible uses of the aerocrane, studies that are expected to consume over $400,000.

Krida says an aerocrane designed to lift 100 tons could be used to unload container ships in areas where there are no major port facilities. It could also be used to refuel Navy ships where there are no deep-draft fueling facilities. Balloons might even be used to put battle tanks, heavy artillery and other items right on the beach during an amphibious landing.

Wouldn't a balloon crane make an easy target for enemy gunners? Krida and other engineers who study the problem think not. Several experts who have studied Goodyear's fleet of blimps told a reporter that the ships sometimes return to base with a variety of bullet holes put there by hunters and other people in this gun-ridden nation who could not resist the temptation to see whether they could bring down a blimp.

(Goodyear refuses to talk about the problem except to say that if there were any bullet holes in the blimp's skin, very little helium would escape because it is contained at a pressure of less than one-tenth of a pound per square inch.)

"It's amazing how difficult it would be to shoot this thing down with anything less than a major missile," Krida says of the aerocrane.

The Coast Guard is also looking at the aerocrane and other airship technology for something to use to police the nation's widening interest in offshore areas.

As one Coast Guard expert pointed out, the United States may soon follow other nations in claiming sovereignty to the 12-mile limit. The offshore area will also be crowded with oil rigs, floating nuclear power plants, Russian trawlers and other activities—all of which would have to be monitored.

An airship could be a vast improvement over other surveillance techniques, he added, because it could "give you tremendous ability to stay on the scene" and to give pursuit to smugglers and other undesirables who may have the capability of fleeing in fast boats.

The "giggle factor" and rivalry with already vested transportation interests have forced airship fans within the military to go cautiously, however. "Frankly," said one expert, "it would help if we could make these things look like boats. It would help even more if they were boats."

Among the nonmilitary federal agencies, it is the Forest Service that has shown the most enthusiasm for lighter-than-air craft. It has contributed $25,000 to the Navy's study of the aerocrane.

"The thing we're shooting for should lift something in the neighborhood of a hundred tons. It could lift truckloads of logs out of remote areas and bring in large amounts of water to forest fires. It could cover large areas on a single pass on forest fertilization projects and could also ferry bridge-making materials and other large items to remote locations," says Ed Kostak, a Forest Service researcher who has been working on the problem."

Kostak says there has been an interest in the use of balloons within the logging industry for about a dozen years. Several companies, he said, already use tethered balloons—balloons that are anchored to the ground by cables—to lift logs out of difficult areas.

Lawrence Greene, who monitors research and development projects for the Department of Transportation, says interest has been expressed by other government agencies, including the former Atomic Energy Commission (which is looking for a way to lift heavy nuclear reactor components) and the Justice Department's Law Enforcement Assistance Administration (which was looking at the possibility of using "mini-blimps" in place of police helicopters.)

Greene says interest has been expressed also by the mining industry in the use of heavy-lift airships to exploit mineral deposits in remote areas. "One problem they all seem to see with helicopters is that the heavier the load gets, the less efficient helicopters become. The heavier the helicopter, the less it can lift. This seems to work the other way with airships, though. The bigger the better."

M. T. Krasnican has been working on the problem for the National Aeronautics and Space Administration, which has been looking into the possibility of using airships to retrieve heavy rocket engines from the ocean for re-use.

NASA is also conducting feasibility studies to see if one airship could be developed to meet the variety of needs that have been expressed.

Many of the new ideas that have been advanced, Krasnican says, are hybrids like the aerocrane, strange-looking devices that bear little or no resemblance to the dirigibles and blimps that once served a variety of uses both here and overseas. Some of them are, like the aerocrane, complex designs that look like they came from the pen of Rube Goldberg. Others are massive, delta-wing aircraft that look like science-fiction drawings of "mother ships" from other planets.

In view of increasingly tight government budgetary restraints, whatever evolves will have to make its own way in the marketplace. "The future is open for progress or no progress here, depending upon how much development money it will take to underwrite it. No one's really going to put out a lot of dough when there are still a group of uncertainties," Krasnican notes.

Among the private companies that have looked at lighter-than-air possibilities, the Shell Oil Co. and Combustion Engineering Inc. are two that have shown signs that they

might be interested in pumping a lot of "dough" into the balloon business.

Both companies, however, seem to be concerned about what the "giggle factor" might do to their corporate image.

A Shell affiliate, Shell International Gas, has retained a British engineering firm, Aerospace Developments, to assess the possibility of using huge airships to transport natural gas.

John E. R. Wood, director of Aerospace, explained Shell's interest to experts assembled at a conference on airship possibilities that was held last summer in Monterey, Calif.

Wood described a huge, 1,800-foot-long airship that would be over twice as big as the ill-fated German Zeppelin, the Hindenburg, which burned at its mooring in 1937 after 37 ocean crossings.

Shell's ship, according to Wood, would be inflated with natural gas, which, like helium and hydrogen, is lighter than air. He pointed out that international oil companies currently must pay for enormously expensive facilities in gas-producing countries such as liquefaction plants that freeze the gas into a liquid so it can be shipped on new, heavily refrigerated tankers.

A large liquefaction plant and related tankers would cost a company over $2 billion, Wood said, nothing that any company which put that much money into such gas-rich countries as Algeria or Libya would then live under the constant fear that their facilities might be nationalized.

Not so with a huge airborne whale that would simply hover over the exporting country, suck up a bagful of gas (unloading at the same the helium that it used for the trip over) and then simply cruise away, Wood said.

How much money is Shell talking about? Wood, whose company has been working on the idea for three years, told the conference:

"All being well, it is hoped to complete the constructon of a prototype craft by the beginning of 1979, and for a full-sized craft to be operational by 1984. This exercise is by no means a low-key area of financial activity. Precise costs are classified by Shell, and indeed are as yet not finalized in many areas. But a unit cost of $60 million per ship may confidently be expected."

Asked about Wood's statement, a spokesman for Shell's parent company said that although the airship-tanker was deemed to be "technically feasible," the company's evaluation has not been completed and "no decisions regarding construction have been made."

Combustion Engineering has made a number of inquiries to aerospace firms and to the federal government about a problem which is facing the nuclear power industry.

The industry's drawing boards are filled with plans for new power plants. Most of the plant sites that are located on navigable streams have already been taken, thus new plants will have to be sited where the barges that are currently used to bring in heavy plant machinery cannot reach.

"Heavy" in the nuclear power industry usually means pressure vessels and other items that can weigh between 600 and 900 tons—items too big to be shipped by rail without permanently destroying the roadbed. At the same time, the machinery is often too complex to be constructed on site.

Such a weight, according to experts, would require a monumental airship, one 10 times the size of the Hindenburg, nearly a quarter of a mile in length.

Although sources outside Combustion Engineering said that the firm has expressed considerable interest in such a ship, a company spokesman downplayed the company's efforts. "We're just kicking the tires on the dirigible idea. I think we'll probably come up with something else to solve our dilemma," he said.

A spokesman for the Grumman Aerospace Corp., which has been retained by Combustion Engineering for a feasibility study, said he could not reveal any details of the agreement. "Plans and details are in a preliminary state right now."

One question that often settles the future of new technology, at least as far as the military is concerned, is, "Do the Russians have it?"

According to NASA's Krasnican, there was a debate in Russian technical literature several months abo about the pros and cons of airships, much like the debate that is going on here today. Very little appears to be known about Russian intentions in this area.

One small indication of their interest is a paper by two Russians, one of them being V. B. Moorychev, representing something called the "Tsiolkovsky Public Dirigible Design Office," in Leningrad. The paper was mailed to the Monterey conference.

It explains how a "transport-mounting dirigible," designed by the Russians, would be capable of lifting prefabricated, modular components of an apartment building, and could erect a five-story building in 10 days with a team of a "half-dozen workers."

The airship described in the paper would be about the size of the Hindenburg, 789 feet long, and have the capability of lifting 110 tons.

There are hundreds of ideas involving airships which have been kicked around in technical and not-so-technical literature. Some of them involve passenger and cargo carrying blimps that would be used to colonize and service areas in developing nations that do not have the resources to build roads.

The Army has toyed with the idea of using an airship as an electronic surveillance ship, sort of a flying Pueblo that would cruise near the coast of other nations, close enough to sample their radar and communications systems. The Air Force is believed to have considered an airship for a platform in the sky that would support a laser gun that would, in turn fry incoming missiles in a beam of intense light.

More benevolent souls have seriously considered using an airship as a flying hospital that could be landed in developing nations as the flying equivalent of the good ship Hope.

Preposterous? The world has some pretty preposterous problems and airship people are presenting some fairly direct answers. Consider the "Towering Inferno" problem for example. What do you do when a new "high rise" building is blazing, far beyond the reach of the hook and the ladder?

Donald B. Doolittle has the answer: You just hook the hook and ladder truck into his aerocrane and it is lifted, firemen and all, to a convenient (and, hopefully reinforced) rooftop adjoining the blaze.

EMERGENCY FARM BILL

Mr. HASKELL. Mr. President, I would like to register my concern and disappointment over the President's veto of the emergency farm bill, H.R. 4296, and the failure of the House of Representatives to override that veto. Had the Senate had the opportunity to consider the issue, I intended to vote to overturn the veto because I so firmly believe that the farm price stability offered by the legislation, even though temporary, is sorely needed by America's farmers and consumers.

Not long ago I received what I consider to be an unusually impressive account of the cost-price squeeze afflicting agricultural producers in Colorado and throughout the Nation today. It was a speech written by Lanette Wenger of Brush, Colo., for delivery to her high school accounting class. Lanette is very familiar with the subject because her father is a dairy farmer and she has seen firsthand at home and in her community, the cost of soaring farm production prices coupled with falling farm income.

Mr. President, I would like to share this very excellent statement with my colleagues and I ask unanimous consent that it be printed in the RECORD. I regret that the President failed to heed such facts as it contains, and chose instead to follow what I consider to be the very unwise and mistaken advice of the Secretary of Agriculture.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY LANETTE WENGER

What would you leave out of your life in 1975 if your salary was cut in half from 1974, and your expenses were doubled?

Mr. Mitchell has asked me to give a report on the cost price squeeze for producing food for our nation. It is getting hard to provide enough food for our nation—let alone the other nations of the world. As the daughter of a dairy farmer and an employee of the Brush Livestock Commission Company, I have seen first hand the drastic changes in the prices paid to livestock producers. And how it has effected my family and other livestock producers throughout Morgan County.

One of the largest hog operations in Morgan County is the Pork-O-Rama Research Knoll. This is a hog operation that can handle 2,500 hogs. These hogs are raised in total confinement and under strict sanitary conditions to keep them disease free. Eldon Griffith, president of this operation and owner of the Royal-Lean Pork Association, gave me some interesting facts. There were 120 members in this organization throughout Colorado and Nebraska and now many members have been forced out because they are receiving no profit. Reasons being, the high cost of production and the low market prices they receive from the packers. The members buy weaning age pigs and feed them for approximately four and a half months or until they reach the weight of 210 pounds, before selling them to a packer, such as Sigmans. The pigs are fed two times a day and under normal marketing the feeders would hope to realize a $10.00 profit per pig when sold. Do you realize these farmers would have to raise twenty pigs for four and a half months, feed them twice a day seven days a week just to receive a $200.00 profit? Now he is only breaking even!! If your father makes $100.00 a week at his job would he want to work for two weeks and receive nothing for his work? Can you now see why these members are getting discouraged and are dropping their membership in a hog raising operation?

I have been employed for one year at the Brush Livestock Commission Company and have seen the number of hogs that go through the ring each week, approximately 500 to 600 a week and of these more than 98% are going to packing plants. That leaves 2% going back to the country to produce more pigs. Since only 2% are back in the country in two or three years pork will be a scarce item on our meat counters and what there is will be very expensive to the consumer. I'm sure your mother thinks pork prices are high now but what will the price be when the farmer refuses to raise pigs and we must depend on all imports? Last week in a local grocery store, pigs feet were selling at .79c a pound and the farmer received .35c a pound. Consider what a CHOICE piece of

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pork will cost when the farmer can't afford to raise pigs?

Mr. Louis Schmidt, a brand inspector for the State of Colorado told me that prior to this year he would check cattle three to four times a fall or as often as they were sold. This fall he would only check these cattle once before they were sold to packing plants. I then asked Mr. Schmidt if there would be a shortage of meat this year. He replied, "No, not this year. But in four or five years, yes, if the present trend continues where the farmer, rancher is not realizing a fair return. These men will then be forced out of business." At this time livestock producers are receiving .14c a pound for beef and yet your mother pays .69c a pound for hamburger!

My father owns a dairy operation. We are also being caught in the price squeeze. We milk approximately 75 cows. These cows are milked twice a day, 7 days a week, 52 weeks of the year. They do not recognize any holidays! In the past five years our family has been away from home two times for thirty hours each time—and one of those times was for a death in the family. At the present time it takes 7–8 hours a day to milk these cows. It is a very time consuming operation because of the strict sanitation rules set for us by the State and Federal Government. Every cow must be washed, dried and sanitized before the milkers are even put on them. Everything that the milk touches must be glass or stainless steel. The milk then has to go into a Bulk tank, where it must be cooled to 36 degrees within an hour of milking.

The milk is picked up every other day in an insulated stainless steel truck. Before the milk is loaded a sample of milk is taken by the truck driver and taken to the Denver laboratories to be checked for bacteria, sediment, medicines, and if water has been added. These are only a few of the standards set for us. Periodically a health inspector comes unexpectedly to see if you are meeting the standards set. If he feels you are not he gives you 3 days to correct the items he has checked and then if he refuses to allow your milk to be bought, your milk will then have to be dumped. Compare our strict sanitation rules against the lenient rules of foreign milk producers. Our government is allowing millions of pounds of milk products to be imported at a lower price than America can produce it due to the sanitation standards we are forced to follow. Cleanliness should be very important to your family as consumers. Our bills for sanitation supplies alone runs from $75.00 to $90.00 a month. My Dad receives .65¢ a gallon for milk he sells. Yet your family pays $1.60 for a gallon of milk at the supermarket. Does that sound fair to the farmer or the consumer?

Part of the dairyman's income comes from the sale of 3 day old bull calves. Last year 3 day old calves were bringing $65.00—today $3.00! Is it any wonder that men in the east and south are killing baby calves? My Dad recently sold some calves we had fed and cared for, for over 5 months and sold them for $70.00. He would have been money ahead if he would have killed the calves at birth. In January of 1974 there were 900 dairymen in Colorado and in October of 1974 there were less than 700 members. There will be many more go out of business unless there is an increase in milk prices and beef prices so dairyman can afford to pay all the expenses of the dairy and still have something left to support his family.

Secretary of Agriculture Butz seems to feel his first duty is to protect the consumers of the United States rather than aid the farmers and ranchers to obtain a fair return on their money and labor. Congress passed a bill supporting a price increase for dairymen and to stop beef imports until our American farmers could realize a profit. But Secy. Butz recommended to President Ford that he veto the bill, because it would cost the consumer .06¢ a gallon more for their milk and that would be inflationary.

Does Secy. Butz not realize that farmers are also consumers? One year ago my Dad paid $9.00 for a twelve foot steel fence panel—last week the same make of panel sold for $23.00. Compare gas prices now and two years ago. Think of the number of gallons of gas or diesel it takes to run the tractors to prepare the ground, plant the seed and harvest the crops. Also fertilizer prices are nearly doubled from one year ago—and like gasoline it is a necessary item if farmers are to produce food for our country and the world.

A small appliance repairman for a local utilities company takes home a check for $240.00 for each 5 day week. His total investment is a $4.98 lunch pail! Now consider the 15–18 hour day a farmer or dairyman works for 7 days a week. He has a minimum investment of $51,000.00 for machinery to produce corn and alfalfa. Also consider the taxes he pays our government on this equipment plus the interest he pays on the money borrowed to buy the machinery and put his crops in. Does President Ford and Secy. Butz not realize that farmers and livestock producers are also hard hit by inflation and they are also consumers?

One of the owners of the Brush Livestock Commission said that due to the low cattle prices and high labor costs the Commission that the barn receives does not cover the monthly payroll. This is not only hurting the farmers but it will hurt local business firms and as time goes on it will effect the entire economy of Morgan county. Office manager at Brush Livestock, Mrs. Ann Rehkopp, said that her husband began farming 18 years ago. they had one more year to pay their farm loan off. Last fall they bought cattle and had hoped to realize a profit this spring, but because of the low cattle market they lost more than their farm cost 18 years ago! She also made the remark that imitations are fine to a degree but if the American people try to go to all imitation food, their health will suffer.

The wife of a local rancher made this statement the day her husband was being forced to sell his cattle herd. "My husband has worked forty years to build the herd and in one year we have been wiped out."

Have you driven by any of the feedlots in Morgan County recently? Have you noticed they are empty? Our first thought might be a pleasant one. No odor, no dust, but let's face facts. A great deal of the economy of Morgan county and the state of Colorado was derived from these feedlots. The reason they are closing is because of the high feed prices and the high production costs and the low, low cattle prices. This will effect the economy of nearly every resident of Morgan County in an indirect way.

Let's face it. Farmers make food America's best buy!!!

KENNETH B. KEATING

Mr. PACKWOOD. Mr. President, I am deeply saddened by the death of Kenneth B. Keating. I wish to address myself for just a few moments to the career of this truly dedicated public servant.

His achievements are indeed remarkable. From his tenure in the House during the Truman administration to the U.S. Senate, Kenneth Keating distinguished himself as a champion of civil rights, immigration, and congressional reform. He went on to gain even greater acclaim however, with his farsighted warning of the Soviet missile buildup in Cuba.

As Ambassador to India, Mr. Keating's open-hearted, open-minded manner quickly won the Indians' affection. A high government official once remarked,

> We consider him a friend beyond question . . . the Americans couldn't have made a better choice.

It was this same unique style that Ken Keating brought with him to the troubled Middle East. As an envoy to Israel, he adroitly maintained American diplomacy with the compassion and grace for which he became renowned.

I want to express my sense of loss at the passing of an American who served so well in his diversified public duties, and convey my most heartfelt condolences to his wife and daughter.

JOZSEF CARDINAL MINDSZENTY

Mr. MATHIAS. Mr. President, the death May 6 of Jozsef Cardinal Mindszenty took from the world a man of unusual spirit and courage. His lifetime was one of dedication and inspiration. He knew the value of faith, and he was called upon to pay the full price. It was no accident that Cardinal Mindszenty should have chosen constancy as a quality to be cultivated in the human character. He, himself, was nothing if not constant. His loyalty to principle and his dedication to faith and to individual liberty are the strong twin columns on which his fame will endure. Jozsef Cardinal Mindszenty was the constant cardinal, unshaken and unshakable, an example for his own time and a monument for the ages.

Mr. President, a ceremony in honor of the memory of Cardinal Mindszenty was held May 18 at the Mindszenty Memorial in the Shrine of the Immaculate Conception in Washington. At that ceremony, Mr. Istvan B. Gereben, of Rockville, Md., spoke on behalf of the Hungarian Freedom Fighters Federation. I ask unanimous consent that Mr. Gereben's statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

REMARKS BY ISTVAN B. GEREBEN

"I came not to be praised. Someone who spent long years in a prison cell and others in painful but self-imposed solitude, looks at praise with somewhat different attitude than those who enjoyed freedom throughout their whole life. But the honor that your presence means to me is highly valued and I am thankful for each human heart touched by my being here."

Those are the words of Cardinal Mindszenty, spoken almost a year ago at a prayer breakfast honoring him here in Washington. Today we brought our hearts, touched by his life and grieved by his death, that with our presence we express our respect of the Cardinal, the Prinze Primate, the Freedom Fighter, the Hungarian.

We came not to praise. That has been done eloquently, sincerely and justly by heads of state, churchmen, congressmen and columnists. We came to claim his rich legacy: the example of his soul, of his life, of his will, of his sacrifice, his steadfast constancy, of his martyrdom. He was the ultimate Hungarian. He was the ultimate Freedom Fighter. Cardinal Mindszenty fought not with arms. His most effective weapons were not his words. He conquered his enemies and gained his friends with the strength of truth and by setting an example unmatched in his time.

We came to claim this inheritance: the example of a fighting priest, a gutsy peasant patriot, a simple straightforward man, a pious soul, the example of a Hungarian who

rebelled against tyranny standing for God, Church and Country. He reached for the promise of tomorrow instead of today's expediency of compromise. We came here today to claim our legacy: the life of Jozsef Mindszenty, the life of "the constant Cardinal, unshaken and unshakable", the life "which is an example for his own time and a monument for the ages". We came to swear that we will be faithful to this legacy. We came to declare that enriched by this inheritance it is our duty to ensure that his efforts were not in vain. We came to say farewell! Rest in peace! Isten veled lelki fejedelmünk. Lelked maradjon velünk'.

HARD CHOICES ON ENERGY

Mr. PACKWOOD. Mr. President, I commend to my colleagues' attention the editorial which appeared in the Washington Post this morning. "Hard Choices on Energy" is exactly what Congress is facing, and exactly what Congress wants to avoid. But we can no longer play the ostrich, with our heads in the sand. The time is long overdue for Congress to tackle the energy problem head on, and make those hard choices.

I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HARD CHOICES ON ENERGY

A mood of dangerous indecision seems to have seized the country in everything that touches energy and transportation. The choices are too hard, and the common reaction is to try to push them away. They are too costly, too disruptive, too unfamiliar, too heavily freighted with ideological overtones. The country, in general, and Congress, in particular, are now merely procrastinating. There is a terrible temptation just to sit tight and hope that somehow those hard choices will evaporate and let us return to the happy days of two years ago when everybody thought that there was an unlimited supply of cheap gasoline.

But the hard choices aren't going to go away. First on the list is the issue of oil imports, and our rising dependence on Mideastern sources. The House Ways and Means Committee has written a bill that would attempt to meet this threat by raising gasoline taxes—but mainly in 1977, after the next presidential election. The bill is a good one in principle. and the committee has shown a considerable degree of courage in reporting it. But the chairman, Rep. Al Ullman (D-Ore.), was able to get it through his committee only by heavily diluting his original intentions. The bill has only a modest chance of getting through the House and even less of passing the Senate, where a large majority of the membership clearly wants to do nothing at all. Cutting gasoline consumption is too hard. Cutting oil imports is too hard, and the voters don't like it. But the consequences of not cutting them are frightening, and no one is prepared to defend a rapid rise in Middle Eastern imports as an energy policy for the United States. The national posture is, for the present, procrastination.

Next on the list of hard choices comes the deregulation of natural gas prices. By keeping the price low, Congress has created an artificial shortage that is getting worse each winter. One solution is to go into an increasingly intricate and inefficient program of allocation, pushing the shortage around the country. Nobody much likes the idea. The other is to decontrol the price, and let it rise. Nobody seems to like that idea either. We have now had two successive warm winters. The Federal Energy Administration is currently setting up a task force to organize emergency measures in the event of a cold winter this year. One expedient under consideration is to force utilities in the gas-producing states to convert to oil, to divert their gas supplies to the North and Northeast. But is it fair to divert this cheap and clean fuel from states such as Texas and Oklahoma, which have paid the uncontrolled intrastate price all along, in order to rescue other states from an emergency created by the unrealistically low interstate price?

Another of the too-hard questions is the environmental standard for automobile emissions. The hearings are moving along at a leisurely pace in the Senate; any final decision is months away. The scientific aspects of this legislation are extremely complex, but the industry is right on one basic point: It takes 18 months of lead time to get any major change into production. The manufacturers need to know right now under what standards they must design, test and build the cars that will go on sale in the fall of 1976. But Congress is caught fast among competing warnings of public health hazards.

Consider the hard choices presented by the vast network of bankrupt eastern railroads. After years of congressional consideration and preparation, the Conrail plan for public ownership of the roadbeds was published two months ago. Then the Justice Department, in an extreme example of tunnel vision, attacked the idea as a threat to competition. The department's idea of competition is, apparently, a plurality of poverty-stricken lines all sliding toward final collapse together. Conrail is already under heavy attack in Congress, on grounds that it closes too many branch lines that people are used to, and needs too many billions of federal dollars for purposes traditionally met by private investors. This week the administration brought forward a plan of its own, calling for billions of dollars in subsidized loans accompanied by reduced regulation. That means higher rates, and the predictable outcry is already audible. The outlook is continued paralysis, with the bankrupt roads leaking public money heavily and, of course, deteriorating in service.

Each of these dilemmas, you will note, affects all the others. Reduced oil prices make the gas shortage more onerous. Price controls on the gas increase our need for imported oil. The emissions standards set for new cars affects their gasoline mileage. The degradation of rail service throws more freight onto the highways. It also interferes with shipment of coal to the plants being converted from imported oil.

It has now been 18 months since the Arab oil embargo began, and this country has taken no significant steps to protect itself from a repetition. There is widespread talk of another increase in Mideast oil prices next fall, but the House has just postponed action on the Ways and Means Committee's very limited conservation bill until next month. The Democrat leadership evidently fears that it does not control enough Democratic votes to pass it: President Ford and his administration are entitled to a substantial measure of credit for their repeated attempts to force these decisions. But they are not, at present, making much progress. Most congressmen, like most other Americans, agree in principle on the need for conservation and cutting back fuel consumption. But there is no agreement yet as to who must pay more and who must learn to do without.

THE FALL OF CAMBODIA

Mr. McCLURE. Mr. President, in the first few days and weeks following the fall of Cambodia to Communist forces, the public was told over and over that the new government was not so bad—that the Cambodian people were in good hands—that the grave concern that there would be a bloodbath was just a myth—that indeed there would be "reforms." We have since learned that the worst fears of those Americans who said there would be terrible recriminations and wide-scale repression were borne out. In Cambodia, there have been what the Khmer Rouge—or any other superzealot Communists—would call "reform," but in the sense of repressing and reforming the hearts and minds of millions of Cambodian nationals. What about those who will not be reformed under the brutal blow of the Communists' hammer. They break and are discarded.

In Cambodia, the cold, calculated, and altogether grisly business of hammering out a "classless society" has involved the uprooting of 3 million residents of Phnom Penh by the Communists to create a "decreed rural society." As William Safire pointed out in his New York Times column:

> In all human history nothing has taken place quite like the emptying of Phnom Penh.

Safire calls it "social engineering of a scale that would make a Stalin blush: creating a society of equals by making everybody a refugee." What the Cambodians are doing is nothing less than insane. No less insane than what Hitler and his legions did.

Yet there is a difference. We knew from long experience what would happen. And worse, there is a segment among us who are celebrating the grisly "victories" of the Khmer Rouge.

George F. Will compared the Sheep Meadow gathering in Central Park where 50,000 activists gathered to party over what they call "peace" in Indochina. And in his Washington Post piece, Will bitterly admonishes them to sing a little louder:

> Your message has not been received by the victors in Cambodia who are administering the peace you craved. In Cambodia today life is less than an all-day hugging carnival.

It is, as Will goes on to say, an atrocity almost without parallel.

Mr. President, the American people have been told the conflict in Southeast Asia has ended. It has not. For the past several months, we have been witnessing the fall of the dominoes—something not particularly surprising—something certainly not to be proud of. The domino theory is no longer theory. The simple fact is that the Communists in any part of the globe will not allow us the luxury of a new isolationism—they will continue an active assault on us and our allies.

For most Americans, the reports of the fall to communism of free nations that we have defended or helped defend is nothing to celebrate. Yet the celebrations in this country like Sheep Meadow are something that makes most of us truly heartsick.

For years, the public has been told over and over in the media about political repression in South Vietnam and in other nations involved in defending themselves against constant conflict and terror. But now, we are hearing little of the same kind of invective leveled at

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the immense scale of repression and atrocities committed against millions of citizens of those now conquered nations—repression and atrocities committed by Communists in the name of creating a "new class" or a "new society." Somehow little is said with the same indignation about the outlawing of free speech, free press, free thought, free movement in those countries. It is a monstrous outrage. Yet somehow we are expected to accept it as merely an internal "purification" or merely the "uprooting of corruption." What utter nonsense.

Mr. President, I would ask unanimous consent that the two articles by Messrs. Safire and Will be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

Lesson of Phnom Penh

(By William Safire)

What if every man, woman and child who lived on Manhattan Island were told: "Get out of town. Today, on pain of death. No excuses. Start walking and don't stop until you get to farmland upstate or in Pennsylvania. When you get there, if you do, you're on your own."

Manhattan mothers would give their babies to strangers who had some chance of escape or survival; Manhattan doctors, at gunpoint, would put down scalpels in mid-operation and begin the long march to nowhere; occupants of nursing homes would push wheelchairs in the direction of Lincoln Tunnel; proud and law-abiding Manhattanites would learn to steal and beg to get the towers of the city far behind them.

That is roughly what is happening to the 3 million people of Phnom Penh, capital of the newly Communist Cambodia. In all human history nothing has taken place quite like the emptying of Phnom Penh.

Sennacherib destroyed Babylon, the Romans sacked Carthage and Hitler's bombers leveled Guernica, but in every case the attacker was destroying a particular city, not the idea of a city itself.

The new rulers of Cambodia are doing something original. They have taken the "classless society" of Marx and put it together with the "natural selection" of Darwin. Cities breed civilization, they are saying; civilization differentiates between people, creating classes; therefore, we will drive the populace out of the corrupting cities, back to the purifying land, where only the fittest will survive.

This is social engineering on a scale that would make a Stalin blush: creating a society of equals by making everybody a refugee.

Since you can't make an omelette without breaking some eggs, the Cambodian leaders wish to conduct their experiment in private, which is why foreign newsmen have been deported. In the United States, that leaves us to the fruitless debate about how many thousand executions make a bloodbath.

There is a reality to the emptying of Phnom Penh that should cause us to agree on a fundamental: that the difference between "freedom" and "slavery" is not a relic of cold-war rhetoric.

To the Khmer Rouge, the elimination of classes requires that tens of thousands, perhaps many more, die by the wayside; this is no Cambodian aberration, but the path always taken by new Communist parties as they take power. As they become sophisticated, later generations act more subtly, in civilized trappings from great cities, but the mental set of the ideology sees the individual soul as a building block and not a citadel.

People try to fight Communism, or to run away from it, because they do not want to be absolutely controlled by the most modern tyrants. They fight or run not because democracy has won their "hearts and minds," but because they sense that only Communism is capable of driving a population of millions out of their homes and into the countryside so as to indoctrinate those hearts and minds.

A city is civilization; civilization is diversity and creativity, which needs personal freedom; Communism is by its nature anti-city, anti-civilization, anti-freedom.

The Khmer Rouge understand this; too many Americans do not. If we are unwilling to help people fight for their freedom, if we pretend that the victories of Communism are local options of little concern to us, then the order to "get out of town" may be repeated. And someday it could cause quite a traffic jam in the Lincoln Tunnel.

Victory in the Sheep Meadow

(By George F. Will)

("The peace activists' message has not been received by the victors in Cambodia. In Cambodia today life is less than an all-day hugging carnival.")

Last Sunday about 50,000 peace activists gathered for a last hurrah and hootenanny at the Sheep Meadow in Manhattan's Central Park. There, at the scene of so many peace rallies, they celebrated the peace that has come to Indochina.

It was like the goold old days, with the folk singers and congressmen, and "the kids" who have kids now—kids clamoring for ice cream bars. Alas, one kid, that pest, little Peterkin, was not there to ask his question:

"But what good came of it at last?"
Quoth little Peterkin.
"Why that I cannot tell," said he
"But 'twas a famous victory."

'Twas a humdinger of a victory party but, according to the New York Times, it was tinged with melancholy:

"It was a joyous all-day carnival of songs and speeches in the perfect sunshine, hugging reunions of people who had last met at one demonstration or another. For some, there was an undercurrent of sadness, as if something more than the war—youth, perhaps—had ended too."

Ah, sweet bird of youth, flying away from the Sheep Meadow. But it was youth well spent, according to singer Peter Yarrow, who remembers singing during the moratorium in Washington in November 1969:

"I remember the feeling then—that somehow by coming together we could make a life in which people would not kill or hurt each other any more."

Sing a little louder, Yarrow. Your message has not been received by the victors in Cambodia who are administering the peace you craved. In Cambodia today life is less than an all-day hugging carnival:

With fire and sword the country 'round
Was wasted far and wide
And many a childing mother there
And newborn baby died.
But things like that, you know, must be
At every famous victory.

In Cambodia, the Communists, running true to form, are concentrating their fury on the ultimate enemy of any Communist regime, the people. The Communists have emptied the cities, driving upwards of 4 million people—young and old, childing mothers and newborn babies, the healthy, halt and lame—on a forced march to nowhere, deep into the countryside where food is scarce and shelter is scarcer still.

Even hospitals have been emptied, operations interrupted at gunpoint, doctors and patients sent packing. The Communists call this the "purification" of Cambodia.

This forced march will leave a trail of corpses, and many more at its destination, wherever that is. But this is, according to the Communists, not an atrocity, it is a stern "necessity."

The Detroit Free Press contained a droll (I hope it was meant to be droll) sub-headline on events in Cambodia: "Reds Decree Rural Society." If one kind of society offends you, decree another.

Communism, like its totalitarian sibling, fascism, is the culmination of a modern heresy: People are plastic, infinitely malleable under determined pounding. And society is a tinker toy, its shape being whatever the ruling class decrees.

To create a New (Soviet, Chinese, German, Cambodian) Man—and what totalitarian would aim lower?—you must shatter the old man, ripping him, from the community that nourishes him. Send him on a forced march into a forbidding future.

He may die. If he survives, he will be deracinated, demoralized, pliant.

There is no atrocity so gross that American voices will not pipe up in defense of it. Today they say: It is "cultural arrogance" for Americans to call this forced march an atrocity, when it is just different people pursuing their "vision."

This is the mock cosmopolitanism of the morally obtuse. Such people say: "Only ideologically blinkered" Americans mistake stern idealism for an atrocity just because it involves the slaughter of innocents. Such people will never face the fact that most atrocities, and all the large ones, from the Thirty Years War through Biafra, have been acts of idealism.

Of course, one must not discount sheer blood lust, and the joy of bullying. Totalitarian governments rest on dumb philosophy and are sustained by secret police. But they are a bully's delight.

Totalitarians have never been without apologists here, people who derive vicarious pleasure from watching—from a safe distance, of course; from the Sheep Meadow, with ice cream bars, if possible—other people ground up by stern "necessities."

Apologists say that totalitarians only want totalitarianism for the sake of the revolution. The apologists, being backward, have got things backward.

SMALL BUSINESS WEEK AWARDS

Mr. JAVITS. Mr. President, as Small Business Week draws to a close I would like to take this opportunity again to recognize the importance of the small business sector of our economy.

President Ford's Small Business Week proclamation is historic. I ask unanimous consent that the Small Business Week proclamation and awards for 1975 be printed at this point in the RECORD.

There being no objection, the proclamation and awards were ordered to be printed in the RECORD, as follows:

Small Business Week, 1975

(By the President of the United States of America)

A PROCLAMATION

Small business has been a vital part of American life from the very beginning. The colonial traders, craftsmen and merchants of two centuries ago have been replaced by an enormous range of dealers in goods and services of all kinds, but the original opportunity, and the determination to excel, remain. Small business in America is still the free enterprise system's gateway to opportunity—the means by which millions of Americans continue to build a better life for themselves and their families.

Out of the estimated 9.7 million businesses in America today, more than 9 million are small. They account for nearly half of the gross business product and more than half of the business labor force. Our American success story could never have been achieved, and would not continue, without this impressive contribution by small business.

Now, therefore, I Gerald R. Ford, President of the United States of America, do hereby designate the week beginning May 25, 1975, as Small Business Week. I ask all Americans to share with me during this week a solemn pride in the great achievements of our Nation's small business men and women, and in the contributions they have made to our free way of life.

In witness whereof, I have hereunto set my hand this fourteenth day of April, in the year of our Lord nineteen hundred seventy-five, and in the Independence of the United States of America the one hundred ninety-ninth.

GERALD R. FORD.

Small Business of the Year 1975 Awarded by the United States of America and the Small Business Administration to the S. & M. Toy Co., Alma and Steven Mitchell, Virginia and Don Stone

As exemplifying the expression of the entrepreneurial, free enterprise spirit, through which the initiative, independence, integrity, and innovative capacities of American small business people are activated and become vital elements in achieving community and national goals.

GERALD R. FORD,
President.
THOMAS S. KLEPPE,
SBA Administrator.

The U.S. Small Business Administration National Advocacy Award for 1975 Is Awarded to Pratt & Whitney Aircraft Division of United Technologies

For extraordinary services to the American small business community through its efforts to provide continuing encouragement and assistance to this valued segment of our economy which is the foundation of our free enterprise system and the basis for the economic well-being of the United States.

GERALD R. FORD,
President.
THOMAS S. KLEPPE,
Administrator.

The U.S. Small Business Administration National Small Business Prime Contractor of the Year Is Awarded to Henry Kuras, Kuras-Alterman Corporation

For outstanding performance in small business prime contracting.

This award recognizes integrity, reliability, initiative, and capability in meeting significant Government requirements and compliance with exact standards of Government prime contracting.

THOMAS S. KLEPPE,
SBA Administrator.

The U.S. Small Business Administration National Small Business Subcontractor of the Year for 1975 Is Awarded to Harvey Stump, Jr., Semtech Corp.

For outstanding performance in small business subcontracting.

This award recognizes integrity, reliability, initiative, capability in meeting important Government requirements and complying with exact standards of Government subcontracting.

THOMAS S. KLEPPE,
Administrator, SBA.

The U.S. Small Business Administration National Small Business Subcontractor of the Year for 1975 Is Awarded to R. V. Jack, OECO Corp.

For outstanding performance in small business subcontracting.

This award recognizes integrity, reliability, initiative, capability in meeting important Government requirements and complying with exact standards of Government subcontracting.

THOMAS S. KLEPPE,
Administrator, SBA.

Mr. JAVITS. Mr. President, at noon yesterday, the President of the United States further recognized the importance of small business by honoring members of the small business community whose recent performance exemplified the spirit and ability of millions of small business persons throughout the United States.

Leading the list of award recipients were two Provo, Utah, couples who received the 1975 Small Businessman of the Year Award.

They were honored for exemplifying the vital contributions small businessmen and women make to the Nation's economy and free enterprise system. Steven and Alma Mitchell and Don and Virginia Stone, husband-wife partners of S. & M. Toy Co. of Provo, Utah. The two men and their wives have built their firm in 5 years into one of the largest manufacturers of "bean bag" and miniature animal specialty toys in the Nation.

Actually, the wives were the founders of the business which grew so rapidly that a year after their wives started it, the husbands left their jobs in manufacturing electronics for the space program to devote fulltime to the new business.

The toy company has grown from its original start in the homes of its founders to a 10,000 square foot building in the Provo Industrial Park. This move to better quarters was made possible when a $104,000 business loan was guaranteed by the Small Business Administration through the Central Bank and Trust Co. in Provo. The new building has permitted the company to consolidate operations, improve shipping and production services, and expand the sales operation.

The SBA National Advocacy Award was presented to Pratt & Whitney Aircraft, a division of United Technologies. It is the first year SBA has conferred the Advocacy Award to a person or organization that goes above and beyond normal duties on behalf of small business.

Pratt & Whitney Aircraft, a developer and builder of aircraft engines for half a century, was cited for its special subcontracting and other procurement programs to small and minority businesses. Last year the company awarded more than $393 million in procurement to small business. Pratt & Whitney was one of the 25 original defense prime contractors to join the voluntary small business subcontracting program in 1963. The company has received numerous awards and recognition of its small/minority business procurement efforts, and for its work in social and charitable activities at the community level.

The National Prime Contractor of the Year Award went to Mr. Henry Kuras, president of the Kuras-Alterman Corp. of Fairfield, N.J. Kuras-Alterman was selected for the award from a group of the 10 winning regional prime contractors of the year.

When congratulating the winning corporation, Small Business Administration Administrator Thomas S. Kleppe said:

> Your firm's performance in the development and production of electronic collection and processing systems has been truly outstanding. We are especially impressed with your record of on-time deliveries and exceptional quality of products completed under contract to the federal government. You have demonstrated that small firms can compete effectively in providing high quality, complex systems.

Since it was founded in 1970, the Kuras-Alterman Corp. has demonstrated an exceptional ability to win contract awards in competition with very large, firmly established leaders in the electronics industry. The firm has an unblemished record of on-time deliveries, which is extremely rare.

Two west coast companies, the Semtech Corp. of Newbury Park, Calif., and the OECO Corp. of Portland, Oreg., were named the National Small Business Subcontractors of the year. Awards for the honor were presented to Harvey Stump, Jr., president and director of Semtech, and R. V. Jack, OECO's president.

Semtech and OECO share the national honor this year because of their equally outstanding qualifications. Subcontractors are nominated for the award by Federal procurement prime contractors and are judged on the basis of product quality and on-time delivery records.

The Semtech Corp. was founded in 1960 with private venture capital to manufacture silicon rectifiers and related devices in the power electronics field. The founders, Joseph S. O'Flaherty, Harvey Stump, Jr., Gustav H. D. Franzen and William B. Krause, are still the corporation's top management people.

Semtech's first major breakthrough was Metoxilite, a proprietory encapsulating material developed in 1960. In 1970, the company became a producer of precision metal stampings for the electronic and electromechanical markets, added a ceramic capability, and succeeded in a new area of high-voltage devices. The company's customers' final products range from small appliances to satellites. Semtech's trademark is found on components used in every moon landing, and its products have been used in every interplanetary spacecraft launched to date.

Gerald L. Osborne is founder of the Osborne Electric Co., a sole proprietorship, which in 1947 began to manufacture transformers for the commercial market.

During the 1960's, the corporation solidified its place in the electronics components business and became one of the leading specialty transformer manufacturers in the country. Marketing was expanded to all regions of the United States. OECO was a major supplier of magnetics to the Apollo program.

OECO then broadened its product line to include circuit designs incorporating its state-of-the-art magnetics. A considerable engineering investment was made in the custom design of power supplies and related solid-state components. As a consequence of this risk investment, OECO has since become a major supplier of sophisticated airborne power supplies.

I am also quite pleased that one of the eight Regional Subcontractors of the Year awards went to Dorne & Margolin, Inc., of Bohemia, N.Y., Robert Malech, president.

I ask unanimous consent that copies of the awards as presented be included in the RECORD following my remarks.

Mr. President, though we are fast approaching the end of the official Small Business Week we should continue, as we have done in the past, to be always interested in helping the small business community as they have been and continue to be the backbone of our economy and the free enterprise system.

In this connection I am pleased to note that the SBA has recently announced a new program, "austerity management for small business in a downside economy," which will consist of a series of seminars, group discussions, workshop and individual counseling to be held by each of the 90 SBA district offices to relate the specific economic situation and possible business opportunities in each district office community to the small businesses of that community.

In announcing the new program, SBA Administrator Thomas S. Kleppe explained:

> One of our basic objectives is to show the small business community that although economic conditions may be bad, they could be a whole lot worse. Identification of the real economic situation will lead to the identification of positive business possibilities. Often, opportunities are adversities turned around. We hope to explore some ways to help small businesses survive in these difficult times and perhaps even chalk up some impressive gains.

The SBA seminars will feature panel discussions about austerity management techniques and each community's economic situation by local SBA personnel, professors from nearby colleges and universities, bankers, businessmen, Service Corps of Retired Executives—SCORE—volunteers, and members of the Young Presidents Association.

Among the topics to be discussed are: "Creating Consumer Confidence"; "Effective Selling During a Recession"; "Taking Advantage of a Buyer's Market—in Dealing with Your Suppliers, Landlords, Insurance Companies and the Opportunity to Hire New and Better Employees"; "Cutting Miscellaneous Operating Expenses"; "Eliminating Employee Pilferage and Shoplifting"; "Downside Inventory Management"; Aging and Aggresive Collection of Accounts Receivable"; "Managing Accounts Payable in Today's Economy"; "Keeping Good Records—Knowing Where You Are Every Minute of 1975."

ADMINISTRATOR RUSSELL TRAIN URGES SALEM COLLEGE GRADUATES TO PREPARE THEMSELVES TO COPE WITH ENVIRONMENTAL PROBLEMS

Mr. WILLIAMS. Mr. President, this month the voices of commencement speakers are heard throughout the land. Young graduates are often informed and inspired by many able speakers. This was certainly the case at Salem College at Salem, W. Va., which held its 87th annual graduation ceremony. The speaker was the Honorable Russell E. Train, Administrator of the Environmental Protection Agency. More than 2,000 graduates and their friends were present on Sunday, May 11. They heard this distinguished American discuss the concerns and crises that either threaten our survival or enhance our human condition, depending on how we conduct our affairs over the next quarter century.

In urging the graduates to think ahead on the course of civilization into the next century, Mr. Train remarked:

> We cannot hope to come to grips with the issues before us unless we strengthen our ability to assess problems and programs, not imply in violation, but in relation to each other; not simply over the short term, but over the longer span of 10, 20, or 30 years. And let me add—with as much emphasis as I can—that the complex interrelationships with which we must deal are not just national but global in nature.

There is value in the message that Mr. Train delivered at Salem College. He received, in gratitude, an honorary doctorate of science in environmental health. Dr. Dallas B. Bailey, the president, conferred the degree on this outstanding leader of environmental matters with these words: "because of your dedication and commitment to the preservation of the environment and your service to the U.S. Government in many other capacities."

Just a few years ago, top Government officials were reluctant to appear on college campuses. Today, serious young people are earnestly and often enthusiastically heeding the advice of those experienced leaders whose careers are founded on humane considerations. At the Salem College commencement banquet where students received awards for leadership which preceded the graduation exercises, more than 700 persons participated, the largest such gathering in the school's history.

Mr. President, Mr. Train's perceptive analysis of the needs of the future are of universal interest. I share his thoughts with my colleagues. I ask unanimous consent that his commencement address, in which he highly commended our colleague from West Virginia (Mr. RANDOLPH), for his constructive contributions to conservation and environmental needs, together with the presentation for degree honors made by O. G. Kennedy, a Chicago businessman and member of the Salem College board of trustees, be placed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REMARKS IN PRESENTING RUSSELL E. TRAIN FOR THE DEGREE OF DOCTOR OF SCIENCE IN ENVIRONMENTAL HEALTH BY O. G. KENNEDY, MAY 11, 1975

Mr. President and all friends of Salem College who are assembled here. It is always a pleasure to return to Salem—our beloved Alma Mater—and it is particularly pleasurable to stand before you this afternoon to present The Honorable Russell E. Train.

The work which this man does extends far beyond the reaches of this campus. Yes, even beyond the boundaries of this Nation. What he does benefits every man, woman and child and will benefit generations as yet unborn.

For Mr. Train is Administrator of the Environmental Protection Agency and, as such, is the man who will improve the air we breathe, the water we drink, and battle constantly for the welfare of us all within the economic means of our Nation.

We are here to confer a degree of Doctor of Science in Environmental Health on Mr. Train who earned a B.A. degree from Princeton University in 1941 and an LL.B. degree from Columbia University in 1948. Salem is not the first to recognize his worth. Other institutions of higher learning have honored him with honorary degrees—among them Bates College, St. Marys College, Worcester Polytechnic Institute, Drexel University, Clarkson College of Technology, and the University of the South. In addition, this very outstanding man has honorary doctorates from both Princeton and Columbia Universities.

With a dazzling record like this, I am sure that Salem will not be the last to recognize Mr. Train's imminent abilities.

He has served the United States (and citizens like you and me) under Presidents Roosevelt, Truman, Eisenhower, Nixon and Ford.

Going back into his history of accomplishments, I find it is not enough to describe Russell Train as an outstanding U.S. citizen—for he has traveled far and wide around the globe to be the American representative at International Conferences in Japan, Sweden, Canada, Russia and England. He is a World Citizen as well!

Mr. Train knows his way around Washington, for he grew up there. One of the few whom I have met who matured at the seat of political power. He has been a chief counsel, an Assistant Secretary to a Cabinet Department, an Undersecretary to another, a judge, and chairman of too many government committees for me to enumerate here.

His guiding principle seems to be to conserve the good—to fight the evil, the thoughtless and the inconsiderate in our modern society. Would that there were more like him. Mr. Train, I salute you—and Salem College salutes you as the Nation has done—and as men of good will will continue to do in America and throughout the world!

It is indeed a privilege and honor, Mr. President, to present Russell E. Train for the degree of Doctor of Science and Environmental Health.

THINKING AHEAD: PLANNING FOR THE 21ST CENTURY

(Address by the Honorable Russell E. Train, Administrator, Environmental Protection Agency)

I am very proud to be at Salem College on this occasion, and I am deeply honored by the degree you confer on me today.

I am equally proud to share this rostrum with the distinguished guests of the college.

Just over a year ago, I was pleased to be among those at Harpers Ferry who honored one of Salem College's most distinguished graduates, Senator Jennings Randolph. The naming of a restored 19th century bridge in his honor recognized Senator Randolph's deep interest in environmental protection and commemorated the legislation he had authored 30 years earlier which created the Harpers Ferry National Historical Park.

Just as Senator Randolph has distinguished himself by his devotion to protecting the environment, so has he earned wide respect for his contributions to higher education. As you know, his service to Salem College—and that of his father and grandfather before him—represents one family's continuous, unbroken service to the College since its founding in 1888. That is a remarkable record of allegiance to educational excellence. In grateful recognition for his service to Salem College, he has justly been called "a prophet with honor in his own country."

Those of you who are graduating today can be proud of the educational heritage which now belongs to you. You follow in the footsteps of four United States Senators, two state governors, two state senators, five college presidents and two presidents of the National Education Association who graduated from Salem before you.

It has, of course, become standard fare for commencement speakers to remind graduating classes that their education is really now just beginnnig. I can't resist the temptation to do the same. But Justice Oliver Wendell Holmes said it most succinctly: "Your education begins," he said, "when what is called your education ends."

In the next few minutes, I would like to launch you on this new educational venture with a few thoughts from my experience.

If there is just one admonition I would leave with you, it is this: learn to be futurists.

I don't mean by this to go out and buy crystal balls.

But what I do mean is learn, in the years ahead, to do the thinking for the twenty-first century.

Some of you from this class will go on, as has Senator Randolph, to distinguish yourselves in public service.

Others will be in business or the professions.

But whatever you do, you can begin now to do the thinking and planning for the year 2000.

In its beginnings, this college was founded on faith and was built upon dedication and idealism.

I know there have been moments in the history of Salem College when its growth and continuity appeared jeopardized.

Yet, I can imagine that the inspiration of its early founders was sustained quite literally by reflecting on the unspoiled beauty of the West Virginia hills which surround the college. It is not difficult to envision the early workers at Salem drawing upon their faith, as the Psalmist did, "I will lift up mine eyes unto the hills, from whence cometh my help." The fruits of their inspiration and the success of their efforts are apparent here today.

In a very practical sense, of course, I have a professional interest in those hills, and others like them all across America—as well as the mountains and lakes and rivers and the air we breathe.

Already, however, unrestrained, haphazard, wasteful, thoughtless growth in America is resulting in the permanent loss of natural beauty on a broad scale, depriving future generations of the inspiration and spiritual sustenance which nature often confers.

Experts tell us that by 1990, urban sprawl will consume an area of land approximately equal to the total area of West Virginia, Delaware and Rhode Island, and during each of the decades up to the year 2000 new urban growth will take in an area greater than the entire state of New Jersey.

We must begin to ask ourselves now where the next 100 million Americans will live and work and spend their leisure hours; how they will be transported; what their energy needs will be; indeed, how their wastes will be managed.

During the first decades of our Republic, most of the land within its borders—especially as those borders expanded with the acquisition of new territory—was owned by the federal government and constituted a national domain to be disposed of for the common benefit of the people of the United States. At one time, the federal government held title to an estate of some 1.3 billion acres—nearly twice as much as it owns today. At its largest, the public domain—excluding Alaska—covered nearly three-fourths of the entire country. From the very beginning there were those who argued that the government should carefully control the settlement and disposition of its land. The most distinguished spokesman for this point of view was John Quincy Adams, who sought to secure orderly and compact settlement and to make the public land a source of public benefit as well as private profit.

In the face of enormous pressures for rapid settlement and unrestrained exploitation of the Nation's vast and virgin lands, Adams was never able to generate much support for his views. And the growth of the Nation has, for the most part, proceeded at a pace and along patterns which were based upon the assumption that in a land so rich and wide, we would never run out of room or resources.

Two familiar episodes in our history serve to illustrate the characteristic American approach toward settlement of our land and development of its resources.

In 1846, two years before the discovery of gold at Sutter's Mill, there were only about 500 American settlers on the California coast. By 1850, the gold rush had swelled the number of settlers to nearly 100,000.

And later, just a year after the founding of Salem College, nearly 100,000 men and women were sent racing across the border of the Oklahoma Territory by a cavalryman's gunshot to stake claims to some two million acres of land. A few hours later, not a single inch of that land remained open for settlement.

It is unfortunate, if understandable, that John Quincy Adams was not able to muster at least enough of a constituency to exert a restraining influence upon our pace and patterns of settlement as well as upon our exploitation of natural resources. He would, I suspect, have far greater success today when, after two centuries of relatively unrestrained growth, the nation is confronted with increasing physical constraints and relative scarcities and shortages of basic commodities and resources.

In January of last year, I expressed my view that the nation had better start facing up to the almost overwhelming reality of the longer-range and interrelated problems of energy, of food and resource supply of human numbers and uncontrolled growth. To begin to deal with these problems—indeed, even to begin to ask the right questions—I urged that we develop effective institutions within the Federal Government for long-range analysis. We were, I pointed out, almost totally lacking in such a capability—an appalling lack in a nation with as big a stake in the future as the United States.

We must come to understand and accept the fact that the really critical issues before it are not the immediate and isolated ones, but the interrelated and long-range ones—indeed, the day-to-day "crises" that seem to capture all our attention and consume all our energies are, for the most part, simply manifestations of far deeper problems that we never seem to get around to acknowledging, much less addressing. The old cliches that everything relates to everything else and that we live in an interdependent world have become the fundamental fact of our economic, social and political life.

Our economic health and growth, our patterns of settlement and physical development, our social stability and strength—these both determine and depend upon a vast and intricate system of material (including food), energy and environmental resources. Under these conditions, we cannot hope to come to grips with the issues before us unless we strengthen our ability to assess problems and programs, not simply in isolation, but in relation to each other; not simply over the short term, but over the longer span of 10, 20 or 30 years. And let me add—with as much emphasis as I can—that the complex interrelationships with which we must deal are not just national but are global in nature.

Without this capacity at the national level, we will never be able to make the kinds of accommodations between demands for and supplies of resources that will enable us to achieve stable and sustainable levels and kinds of growth. We often forget that *time* itself has become one of our most critical resources. It is not so much coal, or oil, or natural gas that we must worry about running out of. It is *time*—time to accomplish the necessary adjustments in our way of life that will allow us to make the most of these resources—and time to make the necessary investments in the cleaner sources of energy that will enable us to live a decent life without denying it to those who follow us.

We live in a time when, in the fine phrase of Leonard Silk, the long run has become the short run. And we cannot forever get away with acting on the basis of ignorance and expediency. The day-to-day crisis decisions that we make more and more limit our options for the future; yet we make them with almost no understanding of their impacts upon each other, much less of their implications over the long-term.

I do not believe the end of the world is at hand; but I do know that the year 2000 is just around the corner. If we expect to solve the problems of the 1980s and 1990s, we need to start now—as we should have started some years ago to foresee and forestall the energy crisis.

If it hadn't been ignored we might have learned more from the 1952 report of the Paley Commission, which, looking ahead to 1975, predicted the energy crisis 23 years before the public discovered it.

Nowhere in the Executive Branch is there any real capability for conducting the kind of continuing and comprehensive census of the future that we must have if we are to ensure that the day-to-day decisions we make are, indeed, taking us in the directions we want to go.

I have no illusions that such an institution, in and of itself, is going to solve our problems. But I do think that, over time, if we use it well, it can get us into the habit of sizing up and sorting out the longer range implications and interdependence of our actions; it can help us see problems coming and take steps to deal with them before they get out of hand; it can help us learn to live very well within our means and, above all, it can, over time, help us regain our confidence in our ability to manage our affairs, to deal with our problems, and to take charge of our future.

You may wonder what all of this has to do with you.

Those of you do who have read Alvin Toffler's *Future Shock* know how dramatically telescoped our technological and social achievements have become, and how rapidly we are moving into the future.

Remember that the year 2000 will be arriving for you who are graduating at about the time when most people reach the peak or most productive years in their careers.

UMI

It was James Bryant Conant who said that "the primary concern of American education today is . . . to cultivate in the largest number of our future citizens an appreciation both of the responsibilities and the benefits which come to them because they are American and free."

It is my conviction that as we enter the final quarter of the 20th century, part of that appreciation must focus on the responsibility to think ahead, to become futurists, to engage ourselves in planning a world for our children and theirs.

The distinguished public career of Sen. Jennings Randolph is an example of the way in which the best of our traditional values can be applied to the problems of the present and the future. Whether it was in his sponsorship of legislation that gave 18-year-olds the right to vote, or his outstanding efforts to help the blind, the handicapped, the crippled, and the aged, or his invaluable achievements in behalf of environmental and pollution control legislation—whether it was for mine safety or highway safety, river development, or the balanced development of the coal industry—his accomplishments in these and many other areas make him a model public servant, an inspiring demonstration of the substantial mark *one* individual can make on the way we will live in the twenty-first century.

My hope and wish for you here today is that, as you move up on your chosen career patterns, you will have opportunities to play a part in shaping the future of America. Whether your role is major, as Sen. Randolph's has been, or more modest, your courage to speak up and persevere *can* make a difference.

If we don't begin now, we may forever lose those grand, inspiring West Virginia vistas—as they give way to urban sprawl, or worse.

Unless we accept the immediate challenge, we can blame only ourselves for the eventual, inevitable deterioration of the quality of human life in this great land of ours.

And it won't be just a question of urban sprawl eroding the landscape, or even strip mines eating into those rolling hills. A failure now could mean the crumbling away of our fundamental human values—in the way people relate to each other, in our basic priorities, in our ethical system.

As you leave Salem College, let your recollections of the natural beauty of its setting be a constant reminder that the founders of this College had a vision—and the courage to make that vision a reality.

That is your heritage.

And your efforts *can* make a difference.

A TRIBUTE TO CLARENCE E. KILBURN

Mr. JAVITS. Mr. President, I am deeply saddened by the death of my friend and former colleague, Clarence Kilburn.

Mr. Kilburn, a veteran at his retirement in 1964 of 25 years service as a Congressman, served his party and his State on numerous committees, including the GOP Policy Committee, the House Banking and Currency Committee, and the Joint Congressional Economic Committee. His economic expertise led him to serve as adviser to several international monetary conferences, taking him as far afield as South America and Austria.

His many contributions to the residents of northern New York included a long sustained effort to authorize U.S. participation in the St. Lawrence Seaway and power projects; he was responsible for cosponsoring the legislation which finally made this possible, an achievement he labeled the "greatest thrill" of his congressional career.

I join the citizens of Malone, N.Y., in extending my sympathies to his surviving family.

NO-FAULT INSURANCE

Mr. McCLURE. Mr. President, the Senate will soon take up consideration of a bill that would require all states to adopt the no-fault system of automobile insurance. In his testimony before the Committee on Commerce, Donald Schaffer of the Allstate Insurance Co. provided a projection of what adoption of this bill would cost the citizens of each of the 50 States. The Allstate cost figures raise a very important question. Should the citizens of Idaho or Georgia or Vermont be forced to pay higher prices for their automobile insurance just to be in conformity with an insurance program which may save money in States with large urban populations such as New York and Massachusetts? The Idaho State Legislature considered no-fault insurance in great detail this year and will continue its evaluation of the program. Insurance needs vary dramatically from State to State, and there appears to be no compelling reason to force all 50 States into the straitjacket of one possible form of insurance. The people of Idaho and other States should be allowed to benefit from an auto insurance system designed for their benefit, just as the people in the urban areas should have an insurance program appropriate to their needs. This study indicates that the drivers of Idaho would pay from 50 percent to 80 percent more for their insurance under S. 354.

Mr. President, I ask unanimous consent that Allstate's table of the projected costs of no-fault insurance be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Allstate's 50-State costing of S. 354

	Group A[1]	*Group B*[2]
Alabama	+55.0	+31.6
Alaska	+51.3	+31.9
Arizona	+53.0	+30.7
Arkansas	+42.7	+23.2
California	+37.3	+15.6
Colorado	+53.8	+53.8
Connecticut	+13.2	+13.2
Delaware	+20.3	+15.1
District of Columbia	+7.9	−0.7
Florida	+28.3	+21.4
Georgia	+69.3	+69.3
Hawaii	+14.5	+14.5
Idaho	+83.7	+50.1
Illinois	+23.7	+3.6
Indiana	+55.1	+40.0
Iowa	+69.0	+39.2
Kansas	+97.1	+97.1
Kentucky[3]	+15.6	+2.2
Louisiana	+26.7	+9.7
Maine	+31.4	+14.4
Maryland	−0.9	−0.9
Massachusetts	+5.1	−0.2
Michigan	−4.4	−4.4
Minnesota	+61.9	+61.9
Mississippi	+31.7	+8.5
Missouri	+25.9	+9.8
Montana	+82.2	+48.2
Nebraska	+84.7	+53.0
Nevada	+28.8	+28.8
New Hampshire	+18.2	+1.1
New Jersey	+16.4	+16.4
New Mexico	+67.0	+34.7
New York	−0.5	−0.5
North Carolina	+43.2	+20.0
North Dakota	+92.9	+56.5
Ohio	+37.7	+20.6
Oklahoma	+34.4	+11.2
Oregon	+36.4	+36.4
Pennsylvania[4]	+39.5	+39.5
Rhode Island	+11.0	−1.7
South Carolina	+31.6	+31.6
South Dakota	+92.9	+52.6
Tennessee	+22.6	+4.1
Texas	+24.4	+24.4
Utah	+82.2	+82.2
Vermont	+71.8	+43.9
Virginia	+64.3	+45.9
Washington	+68.2	+32.0
West Virginia	+36.0	+12.4
Wisconsin	+30.6	+16.2
Wyoming	+95.9	+46.7

[1] Includes coverages carried by approximately 30 percent of Allstate policyholders, i.e., bodily injury liability and uninsured motorist coverage only.

[2] Includes coverages carried by approximately 70 percent of Allstate policyholders, i.e., bodily injury liability and uninsured motorist coverage plus the optional medical payments or voluntary no-fault.

[3] Kentucky: Present premiums for no-fault, effective July 1, 1975, are not available.

[4] Pennsylvania: Present premiums are based on projected no-fault costs as of July 19, 1974.

THE COMMISSARY

Mr. GOLDWATER. Mr. President, the Association of the U.S. Army recently went on record for a continuation of the present appropriated fund for the support of this Nation's military commissaries.

Its case was made in testimony before House Armed Services Subcommittee by Lt. Gen. Charles G. Dodge, executive vice president of the association. He said the administration's program to make the PX's "self-sustaining" would in effect amount to a pay cut for American soldiers since it would lower their buying power. He added:

> The action hits hardest at the families of enlisted personnel and junior officers whose food costs are the largest single item in the family budget. Too many of the very junior people are already in the food stamp program. These are many of the same people we must retain if the volunteer Army Services are to remain a viable reality.

Mr. President, the commissary privilege has been assumed and taken into account on every occasion we can identify within the past 26 years when responsible committees of Congress have considered adjustments in compensation for the armed services.

The "self-supporting" program outlined by the administration would diminish fringe benefits for military personnel by causing a loss of dental care for dependents, rising PX prices and limitations on merchandise, and reduced medical care for retirees and dependents.

Mr. President, the association makes a good case for its point of view which I believe should be studied by all Members of Congress. I therefore ask unanimous consent that Mr. Dodge's full statement before the House Armed Services Subcommittee be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

CONTINUED APPROPRIATED FUND SUPPORT FOR MILITARY COMMISSARIES

(Statement of the Association of the U.S. Army)

I am LTG Charles G. Dodge, Executive Vice President of the Association of the U.S. Army. I am privileged to appear before this Committee to express the Association's views and recommend the continuation of the present appropriated fund support to the military commissary system.

At the outset, I would like to express our gratitude for the actions which the Congress, led by this Committee, has taken over the last 12 years to keep military pay in line with civilian pay. This includes the major benefits which have been enacted—Survivor Benefit Plan, CHAMPUS and the upgrading of Servicemen's Government Life Insurance.

While military pay has increased, there has been a diminution in fringe benefits that have long been considered a part of career compensation. Active duty personnel and retirees feel this in actions which cause a loss of dental care for dependents, rising PX prices and limitations on merchandise, reduced medical care for retirees and dependents, and continuing stricter policy interpretations of the CHAMPUS program. The Administration's current proposal to make commissaries "self-supporting" would further diminish these benefits. The term "self-supporting" translates realistically into higher costs for the commissary patrons.

The commissary privilege for both active duty and retired personnel has had long history of recognition and sanction. This Committee, in considering the Career Compensation Act of 1949 reported that the pay scales proposed by the legislation then under study included consideration of the so-called hidden benefits. The commissary privilege is one of those benefits.

In 1957, the importance of commissaries was recognized by a Defense Advisory Committee on Professional and Technical Compensation. In its report, the Committee recommended that continuing action be taken to re-establish and maintain appropriate "fringe benefits" for service personnel and their dependents; this included adequate commissary facilities.

In 1972, a special subcommittee of the House Armed Services Committee acknowledged the relationship between commissary operations and retention and urged a reorganization of the commissary system and that the resulting ". . . savings [be] . . . passed on to the military consumer."

In summary, the commissary privilege has been assumed and taken into account on every occasion we can identify in the past 26 years when the responsible committees of the Congress have considered an adjustment in compensation for the Armed Forces. The 1953 Report of the Commission on Incentive, Hazardous Duty and Special Pay made a further cogent observation when it pointed out that military personnel are not organized to bargain with their employer, the U.S. Government. Therefore, it stated, and I quote, "it is necessary that the Congress exercise great forethought in changing unfavorably the terms of employment for service personnel."

By law the President is required to direct a review of pay and allowance of the uniformed services annually. When appropriate, the law states, a complete review of the principles and concepts of the entire compensation system for the uniformed services may be directed. The results of these reviews are then forwarded to the Congress together with any recommendations for changes in the salary system or other elements of the compensation structure. Such is the purpose of the 1975 Quadrennial Review of Military Compensation which is now in progress. Further, the Defense Manpower Commission, established by the Congress, is studying these matters.

We are concerned that the Administration's action to make the commissaries "self-sustaining" starting next year prejudges the results of the Quadrennial Review and findings of the Defense Manpower Commission. This action will have the effect of a pay cut since it lowers the buying power of the soldier at the commissary.

Based on a 23 October 1974 *Soldiers'* magazine survey of five Army commissaries and local supermarkets in the same area, (survey attached), a mythical family of four spending $200/month in the commissary is saving $600/year over like purchases in commercial supermarkets. The action hits hardest at the families of enlisted personnel and junior officers whose food costs are the largest single item in the family budget. Too many of the very junior people are already in the food stamp program. These are many of the same people we must retain if the volunteer Armed Services are to remain a viable reality. Nor should the effect on retirees be minimized, particularly the effect on our older officer and enlisted retirees.

The Association recognizes the intense competition for the Budget dollar, the need for equipment acquisition and modernization of our Armed Forces, and the Administration's desire to reduce that portion of the Defense Budget attributable to personnel costs. We strongly support an adequate national defense at a cost the Nation can afford. Such a defense means attracting and retaining highly capable and motivated people.

The answer to what is just and adequate compensation for our servicemen and women should await the results of the ongoing Quadrennial Review and possibly the comments and suggests of the Defense Manpower Commission. I respectfully submit that the proposed legislation you are considering would continue the mistakes of the past, a piecemeal approach to military compensation which has resulted in a complicated and dimly understood compensation system for the dedicated men and women in our Armed Forces. We are all seeking a reasonable and equitable solution to an important and complex problem. Until the facts are available we recommend strongly that the same full appropriated funding support for commissaries be continued. America must be assured of an adequate security program. The men and women who serve this goal must also be assured of a dependable compensation program while in service and after retirement.

Thank you, Mr. Chairman, for providing us the opportunity to express our views.

SOLDIERS SHOPPING LIST

On October 23, 1974, the information office personnel at Forts Benning, Lewis, Campbell, Sill and Cameron Station, Va. used the following shopping list to compare commissary prices (COM) to supermarket prices (SM) in their areas. Specific brand names, quality and size (or weight) were given to compare the same items at all locations. The average prices found on that day:

	Com	*SM*
PRODUCE		
Oranges, 1 dozen	$0.92	$1.25
Lettuce, head	.33	.49
Potatoes, 10 lbs	.78	1.04
Tomatoes, 3 lbs	.79	1.31
Onions, 3 lbs	.34	.64
DAIRY PRODUCTS		
Milk, 1 gal	1.14	1.66
Butter, 1 lb	.85	.97
Cheese, 3 lbs	2.79	4.10
Eggs, 1 dozen	.64	.77
MEAT		
Ground round, 3 lbs	3.51	3.43
Chuck roast, 4 lbs	3.24	4.02
Pork loin, 3 lbs	2.64	3.83
Sirloin steak, 2 lbs	3.16	3.60
Chicken, 2 lbs	1.18	1.37
Bacon, 1 lb	1.07	1.37
Hot dogs, 1 lb	.73	.96
Bologna, 1 lb	1.00	1.17
CAN GOODS		
Green beans, 2 cans	.55	.65
Corn, 2 cans	.52	.69
Cranberries, 1 can	.28	.42
Asparagus, 1 can	.65	.92
Pork and beans, 2 cans	.87	1.14
Peas, 2 cans	.60	.76
MISCELLANEOUS ITEMS		
Salad dressing, 16 oz	.67	.79
Worcestershire sauce	.24	.48
Peanut butter, 18 oz	.72	.94
Jelly, grape	.75	1.00
Pickles, dill	.54	.84
Ketchup, 20 oz	.47	.64
Vegetable oil	1.42	1.68
Mustard, 24 oz	.40	.57
Bread, 1½ lb	.39	.58
Sugar, 5 lbs	2.05	2.07
Cereal, raisin bran	.70	.89
Flour, 5 lbs	.84	.94
Disposable diapers, overnight	.92	1.19
Disposable diapers, reg. 2 boxes	3.25	3.82
Paper towels, 2 rolls	.68	.66
Bathroom tissue, 4	.60	.87
Facial tissues, 2 boxes	.70	.76
Bleach, 1 gallon	.61	.72
Soap, liquid—dishes	.91	1.09
Soap, powder—clothes	1.75	2.02
Soap, cleansing	.96	1.19
Soap, 4 bars	1.04	1.28
Toothpaste, 1 tube	.79	1.02
Deodorant, 1 can	.78	1.40
Soft drinks, 6 cans	1.04	1.40
Ice cream, ½-gal	.85	1.20
Total	52.65	66.60

Source: Soldier's magazine, May 1975.

CONCLUSION OF MORNING BUSINESS

The **PRESIDING OFFICER.** Is there further morning business? If not, morning business is concluded.

MILITARY PROCUREMENT AUTHORIZATION ACT, 1976

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to consideration of S. 920.

The **PRESIDING OFFICER.** Without objection, it is so ordered. The bill will be stated by title.

The assistant legislative clerk read as follows:

> S. 920, a bill to authorize appropriations during the fiscal year 1976, and the period of July 1, 1976, through September 30, 1976, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loans, and for other purposes.

The **PRESIDING OFFICER.** Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Armed Services with an amendment to strike out all after the enacting clause and insert the following:

TITLE I—PROCUREMENT

Sec. 101. Funds are hereby authorized to be appropriated during the fiscal year 1976 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, as authorized by law, in amounts as follows:

AIRCRAFT

For aircraft: for the Army, $337,500,000; for the Navy and the Marine Corps, $2,959,800,000; for the Air Force, $3,960,700,000.

MISSILES

For missiles: for the Army $393,500,000; for the Navy, $990,400,000; for the Marine Corps, $52,900,000; for the Air Force, $1,718,100,000, of which $265,800,000 shall be used only for the procurement of Minuteman III missiles.

NAVAL VESSELS

For Naval vessels: for the Navy, $3,666,400,000.

TRACKED COMBAT VEHICLES

For tracked combat vehicles: for the Army, $862,700,000, of which $379,400,000 shall be used only for the procurement of M–60 series tanks; for the Marine Corps, $101,500,000.

TORPEDOES

For torpedoes and related support equipment: for the Navy, $189,500,000.

OTHER WEAPONS

For other weapons: for the Army, $74,300,000; for the Navy, $17,700,000; for the Marine Corps, $100,000;

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Sec. 201. Funds are hereby authorized to be appropriated during the fiscal year 1976 for the use of the Armed Forces of the United States for research, development, test, and evaluation, as authorized by law, in amounts as follows:

For the Army, $2,016,593,000;

For the Navy (including the Marine Corps), $3,368,802,000;

For the Air Force, $3,707,840,000; and

For the Defense Agencies, $594,200,000, of which $28,500,000 is authorized for the activities of the Director of Test and Evaluation, Defense.

TITLE III—ACTIVE FORCES

Sec. 301. For the fiscal year beginning July 1, 1976, and ending June 30, 1978, each component of the Armed Forces is authorized an end strength for active duty personnel as follows:

(1) The Army, 779,300;
(2) The Navy, 524,100;
(3) The Marine Corps, 195,900;
(4) The Air Force, 582,400.

TITLE IV—RESERVE FORCES

Sec. 401. (a) For the fiscal year beginning July 1, 1975, and ending June 30, 1976, the Selected Reserve of each Reserve component of the Armed Forces is authorized an end strength for reserve personnel as follows;

(1) The Army National Guard of the United States, 400,000;
(2) The Army Reserve, 212,400;
(3) The Naval Reserve, 92,000;
(4) The Marine Corps Reserve, 32,900;
(5) The Air National Guard of the United States, 94,600;
(6) The Air Force Reserve, 53,200;
(7) The Coast Guard Reserve, 11,700.

(b) It is the intent of Congress that each Selected Reserve component of the Armed Forces will be programed to attain an average strength not less than 50 per centum of the sum of the actual strength on June 30, 1975, and the strength authorized in subsection (a) of this section.

(c) The end strength and average strength prescribed by subsections (a) and (b), respectively, of this section for the Selected Reserve of any Reserve component shall be proportionately reduced by (1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at any time during the fiscal year; and (2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at any time during the fiscal year. Whenever such units or such individual members are released from active duty during any fiscal year, the end strength and average strength prescribed for such fiscal year for the Selected Reserve of such Reserve component shall be proportionately increased by the total authorized strength of such units and by the total number of such individual members.

TITLE V—CIVILIAN PERSONNEL

Sec. 501. (a) For the fiscal year beginning July 1, 1975, and ending June 30, 1976, the Department of Defense is authorized an end strength for civilian personnel as follows:

(1) The Department of the Army, 329,000;
(2) The Department of the Navy, including the Marine Corps, 310,300;
(3) The Department of the Air Force, 251,300;
(4) Activities and agencies of the Department of Defense (other than the military departments), 71,400.

(b) In computing the authorized end strength for civilian personnel there shall be included all direct-hire civilian personnel employed to perform military functions administered by the Department of Defense (other than those performed by the National Security Agency) whether employed on a full-time, part-time, or intermittent basis, but excluding special employment categories for students and disadvantaged youth such as the stay-in-school campaign, the temporary summer aid program and the Federal junior fellowship program and personnel participating in the worker-trainee opportunity program. Whenever a function, power, or duty, or activity is transferred or assigned to a department or agency of the Department of Defense from a department or agency outside of the Department of Defense or from a department or agency within the Department of Defense, the civilian personnel end strength authorized for such departments or agencies of the Department of Defense affected shall be adjusted to reflect any increases or decreases in civilian personnel required as a result of such transfer or assignment.

(c) When the Secretary of Defense determines that such action is necessary in the national interest, he may authorize the employment of civilian personnel in excess of the number authorized by subsection (a) of this section, but such additional number may not exceed one-half of one per centum of the total number of civilian personnel authorized for the Department of Defense by subsection (a) of this section. The Secretary of Defense shall promptly notify the Congress of any authorization to increase civilian personnel strength under the authority of this subsection.

TITLE VI—MILITARY TRAINING STUDENT LOADS

Sec. 601. (a) For the fiscal year beginning July 1, 1975, and ending June 30, 1976, each component of the Armed Forces is authorized an average military training student load as follows:

(1) The Army, 83,101;
(2) The Navy, 69,518;
(3) The Marine Corps, 26,489;
(4) The Air Force, 5[illegible],225;
(5) The Army National Guard of the United States, 9,788;
(6) The Army Reserve, 7,359;
(7) The Naval Reserve, 1,661;
(8) The Marine Corps Reserve, 2,769;
(9) The Air National Guard of the United States, 1,952; and
(10) The Air Force Reserve, 810.

(b) The average military training student loads for the Army, the Navy, the Marine Corps, and the Air Force and the Reserve components prescribed in subsection (a) of this section for the fiscal year ending June 30, 1976, shall be adjusted consistent with the manpower strengths provided in titles III, IV, and V of this Act. Such adjustment shall be apportioned among the Army, the Navy, the Marine Corps, and the Air Force and the Reserve Components in such manner as the Secretary of Defense shall prescribe.

TITLE VII—AUTHORIZATION FOR THE PERIOD BEGINNING JULY 1, 1976, AND ENDING SEPTEMBER 30, 1976

Sec. 701. Procurement.—Funds are hereby authorized to be appropriated for the period July 1, 1976, to September 30, 1978, for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, as authorized by law, in amounts as follows:

AIRCRAFT

For aircraft: for the Army, $59,400,000; for the Navy and the Marine Corps, $578,200,000; for the Air Force, $831,300,000.

MISSILES

For missiles: For the Army, $41,600,000; for the Navy, $308,600,000; for the Marine Corps, $10,700,000; for the Air Force, $252,200,000.

NAVAL VESSELS

For naval vessels: for the Navy, $474,200,000.

TRACKED COMBAT VEHICLES

For tracked combat vehicles: for the Army, $245,300,000, of which $133,000,000 shall be used only for the procurement of M–60 series tanks; for the Marine Corps, $400,000.

TORPEDOES

For torpedoes and related support equipment: for the Navy, $19,200,000.

OTHER WEAPONS

For other weapons: for the Army, $9,700,000; for the Navy, $1,400,000.

Sec. 702. Research, Development, Test, and Evaluation.—Funds are hereby authorized to be appropriated for the period July 1, 1976, to September 30, 1976, for the use of the Armed Forces of the United States for research, development, test, and evaluation, as authorized by law, in amounts as follows:

For the Army, $491,214,000;

For the Navy (including the Marine Corps), $851,363,000;

For the Air Force, $946,621,000; and

For the defense agencies, $160,400,000, of which $6,800,000 is authorized for the activities of the Director of Test and Evaluation Defense.

Sec. 703. Active Forces.—For the period beginning July 1, 1976, and ending September 30, 1976, each component of the Armed Forces is authorized an end strength for active duty personnel as follows:

(1) The Army, 787,300;
(2) The Navy, 531,300;
(3) The Marine Corps, 196,100;
(4) The Air Force, 582,400.

Sec. 704. (a) Reserve Foaces.—For the period beginning July 1, 1976, and ending September 30, 1976, the Selected Reserve of each Reserve component of the Armed Forces is authorized an end strength for reserve personnel as follows:

(1) The Army National Guard of the United States, 400,000;
(2) The Army Reserve, 212,400;
(3) The Naval Reserve, 92,000;
(4) The Marine Corps Reserve, 33,300;
(5) The Air National Guard of the United States, 94,500;
(6) The Air Force Reserve, 53,700;
(7) The Coast Guard Reserve, 11,700.

(b) It is the intent of Congress that each Selected Reserve component of the Armed Forces will be programed to attain an average strength not less than 50 per centum of the sum of the actual strength on June 30, 1976, and the strength authorized in subsection (a) of this section.

(c) The end strength and average strength prescribed by subsections (a) and (b), respectively, of this section for the Selected Reserve of any Reserve component shall be proportionately reduced by (1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at any time during the period; and (2) the total number of individual members not in units organized to serve as units of the selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at any time during the period. Whenever such units or such individual members are released from active duty during the period, the end strength and average strength for such period for the Selected Reserve of such Reserve component shall be proportionately increased by the total authorized strength of such units and by the total number of such individual members.

Sec. 705. (a) Civilian Personnel.—For the period beginning July 1, 1976, and ending September 30, 1978, the Department of Defense is authorized an end strength for civilian personnel as follows:

(1) The Department of the Army, 332,700;
(2) The Department of the Navy, including the Marine Corps, 311,100;
(3) The Department of the Air Force, 253,200;
(4) Activities and agencies of the Department of Defense (other than the military departments), 71,400.

(b) In computing the authorized end strength for civilian personnel there shall be included all direct-hire civilian personnel employed to perform military functions administered by the Department of Defense (other than those performed by the National Security Agency) whether employed on a full-time, part-time, or intermittent basis, but excluding special employment categories for students and disadvantaged youth such as the stay-in-school campaign, the temporary summer aid program and the Federal junior fellowship program and personnel participating in the worker-trainee opportunity program. Whenever a function, power, or duty or activity is transferred or assigned to a department or agency of the Department of Defense from a department or agency outside of the Department of Defense or from a department or agency within the Department of Defense, the civilian personnel end strength authorized for such departments or agencies of the Department of Defense affected shall be adjusted to reflect any increases or decreases in civilian personnel required as a result of such transfer or assignment.

(c) When the Secretary of Defense determines that such action is necessary in the national interest, he may authorize the employment of civilian personnel in excess of the number authorized by subsection (a) of this section, but such additional number may not exceed one-half of 1 per centum of the total number of civilian personnel authorized for the Department of Defense by subsection (a) of this section. The Secretary of Defense shall promptly notify the Congress of any authorization to increase civilian personnel strength under the authority of this subsection.

Sec. 706. (a) Military Training Student Loads.—For the period beginning July 1, 1976, and ending September 30, 1976, each component of the Armed Forces is authorized an average military training student load as follows:

(1) The Army, 75,185;
(2) The Navy, 70,571;
(3) The Marine Corps, 26,788;
(4) The Air Force, 62,280;
(5) The Army National Guard of the United States, 9,481;
(6) The Army Reserve, 5,518;
(7) The Naval Reserve, 2,106;
(8) The Marine Corps Reserve, 4,088;
(9) The Air National Guard of the United States, 2,180; and
(10) The Air Force Reserve, 836.

(b) The average military training student loads for the Army, the Navy, the Marine Corps, and the Air Force and the Reserve components prescribed in subsection (a) of this section for the period beginning July 1, 1976, and ending September 30, 1976, shall be adjusted consistent with the manpower strengths provided in sections 703, 704, and 705 of this Act. Such adjustment shall be apportioned among the Army, the Navy, the Marine Corps, and the Air Force and the Reserve components in such manner as the Secretary of Defense shall prescribe.

TITLE VIII—GENERAL PROVISIONS

Sec. 801. The Secretary of Defense shall submit to the Congress, at the time the President submits the budget to the Congress for fiscal year 1977, a detailed report on the readiness of the Armed Forces of the United States to perform their assigned missions. Such report shall include—

(1) a description of the criteria used as a basis to determine readiness;

(2) a full elaboration of the assigned missions for such armed forces and the relationship of these missions to the foreign policy of the United States;

(3) a report on the improvements in readiness provided by the budget authority approved for fiscal year 1976 and the transitional quarter and the further improvements expected with the fiscal year 1977 budget requests; and

(4) a discussion of any progress made in improving reliability and maintainability of weapon systems, and the funds requested in fiscal year 1977 for this purpose.

Sec. 802. In the case of any letter of offer to sell any defense articles from the United States' active inventories or any proposal to transfer defense articles from the United States' active inventories for $25,000,000 or more, the Secretary of Defense shall submit a report to the Congress setting forth—

(1) the impact of such sales or transfers on the current readiness of United States forces;

(2) the adequacy of reimbursements to cover, at the time of replenishment to United States' inventories, the full replacement costs of those items sold or transferred;

(3) the effect, if any, of such sales or transfers in providing technological information to foreign governments which might prove injurious to the national security interests of the United States.

Sec. 803. None of the funds authorized to be appropriated by this or any other Act shall be expended for research, development, testing, or evaluation of binary lethal chemical munitions or for other lethal chemical munitions. Notwithstanding the foregoing sentence, the Department of Defense shall be permitted to acquire or develop such quantities of lethal chemical warfare agents as may be necessary to conduct research, development, testing, and evaluation of devices, equipment, or processes that are or may be required to provide protection against lethal chemical warfare agents.

(b) For purposes of this section the term "lethal chemical munitions" means (1) any toxic chemical (solid, liquid, or gas) which, through its chemical properties, is intended to be used to produce injury or death to human beings, and (2) any device, instrument, apparatus, or contrivance, including any components or accessories thereof, intended to be used to disperse or otherwise disseminate any such toxic chemical.

(c) None of the funds authorized to be appropriated by this or any other Act shall be used for the production or preproduction of lethal binary chemical munitions unless the President certifies to Congress that the production or preproduction of such munitions is essential to the national interest and submits a full report thereon to the President of the Senate and the Speaker of the House of Representatives as far in advance of the production or preproduction of such munitions as is practicable.

Sec. 804. (a) It is the policy of the United States that equipment procured for the use of personnel of the Armed Forces of the United States stationed in Europe under the terms of the North Atlantic Treaty should be standardized or at least interoperable with equipment of other members of the North Atlantic Treaty Organization. In carrying out such policy the Secretary of Defense shall, to the maximum feasible extent, initiate and carry out procurement procedures that provide for the acquisition of equipment which is standardized or interoperable with equipment of other members of the North Atlantic Treaty Organization whenever such equipment is to be used by personnel of the Armed Forces of the United States stationed in Europe under the terms of the North Atlantic Treaty.

(b) Whenever the Secretary of Defense determines that it is necessary, in order to carry out the policy expressed in subsection (a) of this section, to procure equipment manufactured outside the United States, he is authorized to determine, for the purposes of section 2 of title III of the Act of March 3, 1933 (47 Stat. 1520; 41 U.S.C. 10a), that the acquisition of such equipment manufactured in the United States is inconsistent with the public interest.

(c) In any case in which the Secretary of Defense proposes not to carry out the policy expressed in subsection (a) of this section regarding the procurement of standardized or interoperable equipment, he shall report that fact to the Congress coincident with submission of the annual budget and include in his report a description of the equipment to be procured and the reasons for noncompliance with such policy.

Sec. 805. The Secretary of Defense shall submit to the Congress, at the time the President submits the budget for fiscal year 1977 to the Congress, a report on the development of life cycle cost estimates for major weapon systems. Such report shall include—

(1) the current estimates of the life cycle costs of the major weapons systems for which initial procurement funding has been authorized since fiscal year 1973 or for which such funding will be requested in fiscal years 1977 or 1978;

(2) a comparison of the annual manpower requirements and costs, and other operations and support costs, of the weapons systems referred to in clause (1) with the current weapons systems which perform similar missions;

(3) an explanation of the progress, if any, made in developing more precise means for estimating and accounting for operations and support costs;

(4) an evaluation of the feasibility of accumulating ownership costs by weapon system;

(5) a discussion of efforts being made to assure compatibility between design-to-cost procedures and the goal of minimizing life-cycle costs;

(6) mission area summaries used to facilitate selection of the most cost-effective tech-

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nological solutions to threats in mission areas; and

(7) any legislative changes which may be necessary to facilitate procurement on a life-cycle cost basis.

SEC. 806. The Secretary of Defense is authorized and directed to request from retiring military officers personnel and civilian personnel, of a grade GS–13 or above, who are employed in military procurement, suggestions of methods to improve procurement policies, including ideas for improving competitive bidding and eliminating any inequities that may exist. The request shall be made of personnel during their last month of employment and they shall be allowed reasonable time during working hours during the last month to complete their voluntary report to be submitted upon retirement. The Secretary or his designate shall quarterly furnish the Armed Services Committees of the House of Representatives and Senate a copy of all such recommendations and the response of the Department of Defense.

SEC. 807. (a) Chapter 4 of title 10, United States Code, is amended by adding the following new section after section 139 and inserting a corresponding item in the chapter analysis:

"§ 140. Emergencies and extraordinary expenses

"(a) Within the limitation of appropriations made for the purpose, the Secretary of Defense and the Secretary of a military department within his department, may provide for any emergency or extraordinary expense which cannot be anticipated or classified. When it is so provided in such an appropriation, the funds may be spent on approval or authority of the Secretary concerned for any purpose he determines to be proper, and such a determination is final and conclusive upon the accounting officers of the United States. The Secretary concerned may certify the amount of any such expenditure authorized by him that he considers advisable not to specify, and his certificate is sufficient voucher for the expenditure of that amount.

"(b) The authority conferred by this section may be delegated by the Secretary of Defense to any person in the Department of Defense or by the Secretary of a military department to any person within his department, with or without the authority to make successive redelegations.".

(b) Section 7202 of chapter 631 of title 10, United States Code, and the corresponding item in the analysis of such chapter are repealed.

SEC. 808. Section 139(b) of title 10, United States Code, is amended by deleting the word "sixty" and inserting in lieu thereof the word "ninety".

SEC. 809. This Act may be cited as the "Department of Defense Appropriation Authorization Act, 1976".

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is S. 920, the military procurement authorization bill.

Mr. CRANSTON. I appreciate the courtesy of the leadership and of the distinguished Senator from Mississippi, the chairman of the Armed Services Committee (Mr. STENNIS), in agreeing to coordinate our activities so that I could come to the floor at the time this measure became the pending business to make a few remarks which are more or less prefatory to the debate and action that will occur in the Senate in the week after we return from the recess we are about to commence. I deeply appreciate the cooperation we have received.

A group of us, primarily Senator KENNEDY, Senator MCCLURE, and myself, together with Senator GOLDWATER, Senator HARRY F. BYRD, JR., Senator JAVITS, and others, have worked together to arrange a debate that will occur on Monday and Tuesday after we return in regard to the military procurement bill in particular, in regard to our defense posture generally, and in regard to the foreign policy that our military expenditures and establishment are designed to protect and project.

We hope that that can be a productive discussion, with varying viewpoints leading to wise action on the prospective amendments that will be offered, possibly on Tuesday, Wednesday, and Thursday, but more likely beginning Wednesday, on the military procurement bill.

DEFENSE: A MODERATE STANCE FOR AMERICA

Mr. President, as the Senate proceeds to debate the military procurement bill, I hope every Senator will participate in the discussion. For when we debate defense we are really debating the national priorities of the United States. "How much is enough?" Is a short way of asking how much defense do we need and can we afford consistent with our social obligations at home and security needs abroad.

There is no easy answer to this question, of course. The Department of Defense provides one answer in its fiscal year 1976 budget request. But, unlike the Senate of the United States, the Pentagon does not have the responsibility for weighing competing national goals and needs. It falls upon this body, along with the House of Representatives and the President, to determine where the balance is struck. The Budget Reform Act, passed last year, made more explicit Congress' responsibility to weigh national priorities and to set its individual authorization and appropriation acts into the context of a whole budget.

What guidelines are there for Congress in reaching a judgment? First of all, there are the views of the American people, which should have a special place in a representative legislative body. Second, there is the weight of expert opinion, including DOD and others in the executive departments and elsewhere in and out of Government, as to what is in the public interest. Finally, of course, as Members of the Senate we must bring our individual judgment to bear in making the hard choices.

Mr. President, the Secretary of Defense and Secretary of State, concerned as they are with such things as the "balance of power," and meeting alleged threats to "vital interests," seem to imply sometimes that all the important factors affecting this Nation's foreign policy emanate only from abroad. They sometimes fail to take adequate account of the necessary constraints imposed by the views of citizens in a democracy and the pressing needs at home.

As elected representatives of the people, many of us in Congress are aware of a major shift in the foreign policy views of the American public. It is not a shift toward isolationism in the sense of the 1930's. The American people understand and accept the economic interdependence of the nations of the world. But Americans are calling for new priorities in a way that cannot be dismissed as a short-term phenomenon in reaction to Vietnam.

Mr. President, the United States should be a peaceful world neighbor instead of a militant world meddler. Excessive military spending, brought about by this militant meddling, is heading us toward financial bankruptcy or a nuclear war—whichever comes first.

We need a positive foreign policy—doing what is best for the United States—instead of the anachronistic cold war policy of doing what we think is worst for the Soviet Union or China. And we have got to stop financing a worldwide cold war with U.S. cold cash and showering money on just about any government that claims to be anti-Communist.

We need a foreign and defense policy based on international partnerships for peace and freedom. America's true national interests are linked to world peace and individual freedom, not to the status quo and the defense of foreign dictatorships.

We must stop using military force as a foreign policy substitute for diplomacy and negotiation. One of these days our tendency to resort to military force to resolve our national frustrations will lead to total disaster, for us and all mankind.

We do not have the wisdom, the right or the means to impose our will on other people—even when we are sincerely convinced that we are acting in their own best interest. And it is immoral for us to use other people to further what we mistakenly believe is our best interest—as we did with the people of South Vietnam and Cambodia.

The United States cannot afford, financially or morally, to continue being the world's policeman. The world is our "home," not our "beat." Besides, we do not even know how to do it. A policeman at least tries to break up a fight; we jump in and join the fray.

The alternative is not to retreat into an isolationist Fortress America, but to be more mature, more responsible and, above all, less frenetic in our dealings with other nations. As we may eventually conclude regarding the *Mayaguez* case, we must not be too quick to abandon diplomacy.

Lone wolf international adventures are the worst and most dangerous form of isolationism.

Just as we must reorder our national priorities at home, so we must reevaluate our commitments abroad. We need to conserve our limited economic and military resources to be better able to defend our true interests and support our real friends. No nation can be strong that weakens its economy by excessive spending on war and preparation for war.

The United States still has—and no doubt always will have—its political and economic adversaries and its potential military enemies. So we must remain strong—economically, militarily, and morally.

But the cold war concept that we are about to be ganged up on by a monolithic, global Communist conspiracy no longer fits world reality, if it ever did.

Besides draining us of resources that could be put to far better use improving the quality of life for all Americans, wars, hot and cold, accelerate the tendency of political power to flow to Washington and to concentrate in the hands of the President, our Commander in Chief. Huge military budgets and the nuclear arms race do the same.

One way to avoid all-embracing, all-encompassing Government and one-man rule is to cut down on unnecessary military expenditures. And stay out of wars.

Our long-range security lies in the reduction of world tensions, the deescalation and reversal of the arms race and, ultimately, the establishment throughout the world of order and justice under law.

A debate on the military procurement bill—and other segments of the defense budget—is really a debate about national priorities. The defense budget request of the administration constitutes 27 percent of projected Federal expenditures in fiscal year 1976.

For fiscal year 1976 the administration has chosen to place its top priority on increased military spending while restraining or reducing spending on domestic programs. Defense spending requests for which Congress must appropriate money will increase by approximately 17 percent or about $15.7 billion in fiscal year 1976. Secretary Schlesinger says $8 billion of this increase represents new growth for the Defense Department. This request for $8 billion in new growth stands in stark contrast to the 18-month 5 percent ceiling the administration has asked Congress to impose on future income security increases—despite predictions of continued inflation. This restriction applies to social security, supplemental security incomes, civil service retirement, food stamps and child nutrition programs. And the new Pentagon growth money is further provided by direct cuts in funding for job training, public service employment, neighborhood health centers and community mental health centers.

Of course, DOD is attempting to cast its "turnaround" budget in the most favorable terms possible. It is requesting $92.8 billion in outlays for fiscal year 1976—and this is the amount they are publicizing as the total fiscal year 1976 budget. But DOD is requesting a total of $104.7 billion in overall obligational authority. It is this request that is more accurately representative of total military spending.

Once again the Defense budget is presented to Congress on the basis of "constant dollars." They argue that even though each year military spending in inflation-hidden "current dollars" is increasing that when the effects of inflation are subtracted from the increases, DOD spending in "constant dollars" is actually lower than 1964.

But, Mr. President, the American people must pay their taxes and try to live on inflated current dollars. Why should not DOD be required to do the same? And why should DOD be the only agency of Government whose budget is insulated against the ravages of inflation? Why not also figure the HEW and HUD budgets in "constant dollars"?

Economic arguments aside, the budget sent down by the Pentagon reflects a certain view of the world as expressed in Secretary Schlesinger's posture statement. As members of the Senate, we may have alternative views which warrant different conclusions about the overall size of the defense budget and the weapons innovations contained in the procurement bill. We can believe that "military power remains relevant" in a world in which the United States has responsibilities—without buying the argument that such a belief "implies acceptance not only of the administration's budgetary request, but of the strategic concepts on which it is based." See page 1–2 of Secretary of Defense Schlesinger's annual posture statement.

The congressional budget adopted by Congress last week recommends an upper guidepost for defense, as for other functional categories. Modest cuts were made in DOD's request bringing the percentage to be spent on national defense down from 26.9 percent to 24.7 percent of the overall Federal budget. But this is only a guidepost.

Many Senators, including myself, believe that further savings can be achieved by adopting an approach to the defense budget that Secretary Schlesinger himself suggested in his posture statement: That is, recognizing the connection "between the safety, interests, commitments, and foreign policy of the United States on the one hand, and the size, composition, and deployment of the defense establishment on the other."

It is apparent to me and many other members that the fiscal year 1976 Defense budget is built on a number of questionable assumptions and judgements which Congress ought specifically to examine. I encourage Senators, in making decisions on the military procurement bill, to examine closely these military assumptions and political judgements on which DOD's funding requests are based. Using this approach—and by disagreeing with some, but by no means necessarily all, of course, of the Secretary of Defense's rationales—I believe it is possible to achieve substantial further savings from the DOD budget.

In the spirit of a free society—and in recognition of the Senate's special role in shaping the national security policies of this country—Mr. President, several colleagues, Senators GOLDWATER, KENNEDY, MCCLURE, HARRY F. BYRD, Jr. and JAVITS—and I have sent a letter to all Senators inviting them to participate in the debate on the military procurement bill. This debate will begin in earnest on Monday, June 2, and continue throughout that week.

It is the belief of the six Senators who signed that letter that—in the aftermath of Vietnam—there is an imperative need for a reexamination of the role of the United States in the world. We are proposing nothing less than a great debate on the assumptions that underlie American foreign and defense policies.

The report of the Armed Forces Committee accompanying the procurement bill is one judgment about what our defense posture should be. There are, of course, other views.

It is of paramount importance that the Senate take the lead in a national discussion of these issues. Is our existing defense structure sufficient to enable the United States to fulfill its responsibilities in the world? What are those responsibilities? Does the military procurement bill provide too little or too much in military expenditures? What are the arguments for and against the fiscal year 1976 DOD budget?.

These are the fundamental questions to be discussed and argued on June 2 and 3. We hope that Senators on all sides of these issues will plan to give their serious attention to participation in the opening debate and in discussion thereafter of amendments. We hope for a real give-and-take exchange, with probing of each other's views, rather than the reading of long, prepared speeches.

For the information of Senators, the way the organization of the debate is presently envisaged and, hopefully, will occur is set forth in the following rough timetable:

Monday, June 2, 12:30 to 6:30 p.m.

12:30–1:45 p.m.: Presentation by Armed Service Committee.

1:45–5:00 p.m.: American foreign policy after Vietnam-worldwide, and in Asia, Europe, Middle East, Western Hemisphere.

5–6:30 p.m.: Conventional force planning and requirements.

Tuesday, June 3, 10 a.m. to 6 p.m.

10 a.m.–12:30 p.m.: Strategic policies.

12:30–3:00 p.m.: Strategic force needs.

3–6 p.m.: National security and national priorities.

A considerable number of Senators with divergent viewpoints have already expressed interest in debating these issues.

Then on Wednesday, June 4, one or two ceiling amendments will be debated and voted upon by the middle of the day.

Following the votes on the ceiling amendments, the Senate will proceed to take up the counterforce amendment to be offered by Senator MCINTYRE and Senator BROOKE. There will be a secret session in connection with this amendment.

I would point out to Senators that all amendments must be filed by 6 p.m., Wednesday, June 4.

On the following 2 days, June 5 and 6, various weapon, manpower, and other amendments will be offered. Some of these have been listed in the May 15 RECORD at the close of Senate proceedings and in a recent whip notice.

In closing, Mr. President, let me emphasize that this Senator is interested in arriving at a realistic defense posture for this country that is adequate for our security needs. This means that I, probably along with many other Senators, will vote for some of the amendments—but against others.

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Thus I will support a moderate ceiling amendment—but oppose an excessive one. I intend to offer, along with Senator KENNEDY, an amendment to remove the money for 50 additional Minuteman III ICBMs in the fiscal year 1976 budget. I fail to see why we need more than the 1,000 already in our arsenal. However, I am committed to maintaining a viable triad in our strategic capabilities.

Further, Mr. President, although I have strongly advocated sizeable cutbacks in overseas troop deployment and in overall manpower levels in the past, I will vote against any amendments calling for large-scale cutbacks at present. The presence of our troops in several countries is still open to question, but this does not seem to me to be the time to cut them back—least we appear to give the wrong signal and thereby encourage aggression.

Mr. STENNIS. Mr. President, will the Senator yield to me?

Mr. CRANSTON. Yes. I am delighted to yield.

Mr. STENNIS. I want to thank the Senator from California for his attitude, with reference to arranging the unanimous consent, with regard to the taking up of amendments and the reasonable limitation of time thereon, as well as an agreement about a final date to vote.

The Senator from California was very reasonable and very helpful really. It did not come out the way I had in mind originally, but it came out with an agreement that was fair and proper and, I think, helpful to the entire Senate.

It is a pleasure to deal with the Senator on that basis, although we are adversaries here on some of these major matters.

Mr. CRANSTON. I would like to say, if I may, we are adversaries on some and we will be together on others.

I appreciate very much the Senator's comments about my cooperation on aspects of the unanimous-consent agreement, the debate on the consideration of the amendments.

As the Senator knows, certain things were accomplished and I think are very helpful to him in his handling of this measure: The germaneness requirement on amendments——

Mr. STENNIS. Yes.

Mr. CRANSTON. The fact that amendments will have to be printed and cannot be submitted at the last possible moment.

I also remember a time when the Senator was required to hold forth for 33 days in handling this measure. Now it is going to be wrapped up in 5 days.

Mr. STENNIS. I thank the Senator again for his fine attitude. Those agreements will work for the benefit of the entire Senate, I think.

Mr. President, I wanted to be recognized for a short time on this matter.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. STENNIS. But if any Senator wishes to proceed or has an emergency or something like that, I would be glad to yield to him.

I saw the Senator from Idaho here. Did he want to get the floor or what?

Mr. President, as I made inquiry here, I understood some Senators had engagements, other engagements, they wanted to make. I would be glad to yield time for any reasonable matter they might have.

My remarks will be fairly brief, and I do not expect to go into the bill as a whole at this time.

Mr. President, I want to call the attention of the membership now, and I want it to be in the RECORD, too, and refer here, to this 190-page printed report.

Our committee started work on this bill literally 11 months ago. We have held hearings of all kinds. Some members have made trips within the United States, and some beyond, checking up on facts. We had the most indepth and comprehensive hearings by competent people that, perhaps, we have ever had, within modern times anyway, with reference to every major aspect, and many, many of the minor aspects of this very comprehensive and important bill, which includes over $9 billion in research and development alone.

I believe within that category, there are something like 1,600 items, 1,600 separate items, in the research and development part of the bill.

This research and development has been handled by a subcommittee headed by the Senator from New Hampshire (Mr. MCINTYRE) who has a great capacity for work and has a very fine knowledge of the subject matter.

This is something that is very difficult to get into and handle. It takes highly competent staff members to do it. That is also true with reference to many other features of this bill and this report, but the matters have been gone into in depth.

This is a document that I am not claiming credit for myself, but it is a document that is worthy of attention of the membership, their staffs, the public, and the President. The military, perhaps, could learn something from this report.

Mr. President, the bill itself is here, not as a product of any one member of the committee, but it is here as a product of all the members of the committee. We spent 5 full days around the table, writing up the bill, so to speak, passing on many, many, many major matters and many minor matters, too.

Frequently, we had votes. Sometimes there would be some division of thought and it would be reflected in the vote, but there were many other instances where the differences were worked out and represented the full membership's view.

I wrote a letter to all the members of the committee some 10 days before the markup—at least a week before it was completed—asking for them to bring forth any amendments that they might propose to the bill to give the Senate committee a chance to pass on those amendments, for whatever value that might be to the membership.

I just mention those things as a part of the background, a part of the putting together of this bill.

I know the RECORD is full of declarations I have made on other bills and I welcome debate. I welcome debate on the foreign policy questions that are involved. I have said many times that any real review, though, of the foreign policy ought to be on a resolution of some kind which came out of our valued Foreign Relations Committee.

I still feel that any comprehensive review of our foreign policy—and I welcome a review—cannot be adequate, cannot be complete, cannot be in depth, until it reflects the work of our Foreign Relations Committee, plus the work of their splendid staff.

It is certainly not their fault that we do not have it here now. I judge in time there will be such a resolution from that valued committee.

The chairman of the committee (Mr. SPARKMAN) is a gentleman I have had the privilege of serving with here for a long time. We fully understand each other with reference to the jurisdiction of the two committees and we respect each other, and each other's committee, with reference to the jurisdiction and responsibilities.

I do not want any inferences, imaginary conclusions, or anything else, to be drawn here when this matter comes up for so-called foreign policy debate. Foreign policy is relevant to a number of these matters, but my point is that we will not have a complete review, the most valuable review that is possible except through the medium of that fine committee.

Mr. President, returning to the report, this report also goes into the matter of personnel, military personnel, and civilian personnel, with the most exhaustive, thorough examination, in depth, that has ever been done in any report heretofore.

Our committee had not gone into the personnel matters fully until 2 years ago. I believe it was at that time that there was added the ceiling on civilian personnel, and 4 years ago the matter of military personnel. These ceilings had always been set by the Appropriations Committee, determined by the amount of money allowed for personnel; that was the only real regulation of it.

But now this matter is gone into in depth, in great depth, and frankly, our committee is pioneering that field.

We have recommended substantial consecutive reductions in military personnel and recently in civilian personnel and a part of it has been sustained by the conference committee in the bill that we brought back.

That being true, we have about reached the point here where, for the time being, we do not think further reductions of drastic nature are in order.

We will be prepared, I think, with convincing facts to sustain these conclusions, documented facts as well as logic, to sustain the committee's position with reference to this entire bill.

In round numbers, there was $29.9 billion in all requested here and we reduced that in round numbers to $25 billion, rounding out again, an approximately $4.8 billion reduction which is fully explained in the report.

Part of that reduction was due to the $1.3 billion request for military aid in South Vietnam, which was overrun by time. Part of the reduction was due to certain accrued old escalated shipbuilding costs that had developed. That reduction, frankly, was in part a postponement—I want to be fully frank about these matters—because we thought there was a good chance some better management during the incoming fiscal year might reduce the amount there that was actually needed.

Now, other reductions resulted because of in-depth investigations we made with reference to certain weaponry. A significant reduction here is with reference to the B–1, which we held out of production for this year. The B–1 is the bomber, the big bomber, the big, new bomber. We allowed research and development money and one more prototype to proceed—most of the research and development—but withheld the request for $77 million in fiscal 1976, which would have been charged to procurement. This gives us the benefit of at least another year to survey the program and measure the need. In that way, the committee avoided a committal to production.

Mr. President, I think many strong arguments in favor of programs that are in the bill—weapons programs—were made prior to the vote that the House took this week approving their bill, which is based upon the same budget request.

We have an item in here, AWACS, which is very expensive, but very valuable—not so much a weapon as an intelligence and a radar station.

In the House there was an amendment to deny $260 million of that. That was defeated 136 for the amendment with 260 against the amendment.

The B–1, to which I have already referred, was target of an amendment to delete $108 million. That was defeated 164 for and 227 against the deletion.

There was an attempt to strike out $559 million from the Trident. That is a new submarine, which is part of the strategic Triad. That Trident amendment was rejected on a voice vote.

On the MaRV, which is a part of the program to improve the accuracy of the strategic weaponry, for which we have money in the bill, an amendment to strike out at least a part of the authorization was defeated 124 votes for and 276 against. That one was defeated by a vote of more than 2 to 1.

Also with reference to a resolution that would have taken out 70,000 men in an overseas troop reduction, including the Pacific as well as the European forces, there was a very significant vote—95 votes to cut back that many troops and 311 against it.

As I say, I mention these to show that in the other body many of these matters which will come up in our debate have already run the gauntlet and were defeated by very decisive vote and one of them far beyond 2 to 1. A troop reduction at one time had a very close vote here in the Senate. In think we had a vote on one occasion with just one vote difference. In the House the reduction idea was defeated more than 3 to 1.

I am referring to this as evidence of the understanding of the membership of the Congress who have gone into this bill and who had to vote on it.

There was a money ceiling amendment offered in the House which was about $400 million less than our Senate Armed Services Committee recommendation. That had 183 votes for and 216 against.

The bill passed by a final passage vote of 332 to 64.

Mr. President, I welcome the debate on this matter. It is purely a question of what is necessary or thought to be necessary and sound for our own protection. It is not for the protection of others, but for a policy of defense and deterrence that we at one time thought, and I believe we still think, is necessary.

The PRESIDING OFFICER. The Senate will be in order.

Mr. STENNIS. Mr. President, I have one announcement to make, and then one brief observation, after which I shall yield the floor.

That announcement is—and I say this with emphasis—that we have a splendid staff on the Armed Services Committee which is well versed in every feature of this bill. They are all available to any Member of this body for any assistance, on either side of these questions, so far as that is concerned, for assistance of a technical nature about the bill and its meaning, and about the items that are in the bill.

Their knowledge is property that belongs to the committee and to the Senate. We do not have any monopoly on it. I invite all Members of the Senate to take part in debate and to get the benefit of the counsel and facts coming from the staff.

Mr. President, I want to say this: Let America beware of a military letdown immediately after all that has happened in South Vietnam. I never was one to play up, in debate or anywhere else, the idea that "Well, the Communists are about to get you." But no one doubts any longer the aggressive intent of their taking over in the Pacific, to start there. It started in China, as an outstanding success, more than 30 years ago. It showed up next in Korea, and no one can tell what the history of the world would have been had we not intervened. But we did not defeat them there; we stopped them. We have had to keep sizable numbers of men in Korea ever since until this very moment.

We know what happened in South Vietnam, Cambodia, and Laos. Where is the next spot? No one knows.

I do not think I am a man who is given to fright, particularly, and I do not want to try to frighten anyone else.

But everybody knows that all that country lying out there is more or less defenseless.

Take Japan. We forced them to put it in their constitution that they would not have a military force, except the home guard, one might say; that they would not have this weaponry and not build up their military.

Of course, there was a promise there that we would furnish the power and we would furnish the muscle to give them protection. What are we going to do about that?

There is Australia, there is New Zealand, and all the rest of those countries.

I am telling the Senate it is too soon to start drastic drawdowns. We have been drawing down, Mr. President, somewhat, in personnel and weaponry. We have gone into all that for 3 or 4 years.

But what I warn now is that this thing is not going to be over. They are not going to rest on their laurels, and there will be pressure of some kind somewhere. I do not say we can go in and defend every group. I say we cannot.

But we certainly ought to have the strength and the power to do what we decide is for our best interests. Certainly we ought to have that necessary minimum, and we cannot have it if we reduce these programs here overnight.

I mention in passing the Middle East. Who thinks that is settled? No one. Who thinks there is a possibility of conflict there? I am not predicting it, but I think everyone knows that there is that possibility. In the Middle East we have the most vital concern, not just as to our traditional friends there, the Israelis. We have friends among the Arab nations, too, among those nations from which we get a lot of our oil. We are going to continue, I hope to be able to get some oil there.

I am not bringing up trouble, but conditions are already troubled.

As to Western Europe, what happened there in the last 30 years? I came to the Senate, and I have been here since, before the Berlin airlift. Anyone could speculate as to what might have happened had we not taken a strong position then. It took a lot of nerve to do what the late President Truman did. Suppose we had not. Suppose we had not had the wherewithal and the power to have done it. Then what would have happened?

There are those things. Then there is the recent ship incident.

It proves what I have said and what many have said before me, that is, to have enough in this military field we have to have more than enough, more than just a bare margin of sufficiency.

So, I do not believe there is going to be any substantial change in this bill by the Senate when the facts are known. I stand strongly, though, for anyone to make an amendment that he might wish to make.

We will obtain those facts, and we will reach this bill, have it passed, and send the bill to conference. It will come back as near to the Senate bill as passed as is possible.

I thank the Chair, and I thank the Senators.

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Mr. HUMPHREY. Mr. President, will the Senator yield to me briefly?

Mr. STENNIS. I yield.

CONTINUATION OF THE SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN THROUGH SEPTEMBER 30, 1975

Mr. HUMPHREY. Mr. President, I shall ask unanimous consent that the Senate proceed to the immediate consideration of the bill, S. 1780.

May I ask, does the Presiding Officer have the House bill at the desk?

The PRESIDING OFFICER. What is the number?

Mr. HUMPHREY. H.R. 7136.

The PRESIDING OFFICER. Yes.

Mr. HUMPHREY. Then, Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 7136.

The PRESIDING OFFICER. The bill will be stated by title.

The second assistant legislative clerk read as follows:

> A bill (H.R. 7136) to continue the special supplemental food program for women, infants, and children through September 30, 1975.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. HUMPHREY. Mr. President, this matter has been cleared with the minority side and, obviously, with the majority side. Similar legislation was reported directly by the Committee on Agriculture and Forestry.

The Senate Committee on Agriculture and Forestry proceeded on S. 1780 yesterday. The House took up H.R. 7136, which is identical. Therefore, our action now is upon the House measure.

Mr. President, the bill before us today involves the special supplemental food program, known as WIC—women, infants, and children—which presently is scheduled to end on June 30, 1975.

It will make no changes in current Government expenditure patterns, but will merely remedy an extremely serious problem.

The same bill was introduced in the House of Representatives yesterday by the Chairman of the House Labor and Education Committee and others and passage, without opposition, has just been completed by that body. This bill will merely provide a 3-month authorization, through September 30, 1975, to continue the program, utilizing funds already available.

Our Committee on Agriculture and Forestry will be considering new legislation regarding WIC. However, it does not appear that this new legislation will be completed until late June 1975. This is what necessitates this bill. The States need some more immediate guarantee that funds will be available to continue WIC.

States must receive their letters of credit containing WIC funds by or near June 1, 1975, or they will have to close down their programs, disrupting the nutrition support and medical supervision of hundreds of thousands of low-income, pregnant women, infants, and children. Some States have already sent out the word to shut down programs.

This disruption is totally unnecessary. But it also would be bad public policy to stop the WIC program, dismantle the food delivery mechanism and stop the flow of medical data, only to have the entire program authorized and funded soon thereafter. This is the scenario which the bill seeks to prevent.

I fully expect WIC to be extended by Congress. There is tremendous professional and community support for WIC.

I am informed by the Department of Agriculture that there will be around $40 million unspent from this year's WIC authorization. This money can be carried over for the 3-month period authorized in this bill, thereby eliminating the need for any new funds. Of course, it is my hope that a permanent extension of authorization will soon become law.

However, until that happens, this provision is necessary to avoid a needless disruption of this valuable program.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter from the chief of maternal and child health of the California Department of Health. This letter indicates that closedown notices have already been sent out to some WIC projects. Mr. President, I also ask unanimous consent to have printed in the RECORD an explanation of the legislation.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF HEALTH,
Sacramento, Calif., May 15, 1975.

Mr. ALAN STONE,
U.S. Senate, Committee on Nutrition and Human Needs, Washington, D.C.

DEAR MR. STONE: The State of California Department of Health operates the WIC Program on a letter of credit from the U.S. Department of Agriculture. The State in turn contracts with thirty-four (34) local agencies. Presently these contracts are in effect only until June 30, 1975. After that date, there are no other moneys to continue the WIC Program. It is scheduled to be terminated as of that date. All moneys not actually spent or encumbered, i.e., debts incurred by June 30, 1975, will be returned to USDA since there is no authority to claim expenditures after this fiscal year.

The local projects are asking the State about procedures to close the program. The Department of Health has sent notices to the State WIC staff that their positions are being terminated effective June 30, 1975. All State WIC staff have been reassigned to other sections in the Department of Health effective June 30, 1975. If a final decision is not reached by Congress by May 30, 1975, it is only logical to conclude that local projects will also begin giving local WIC staff 30-day termination notices and start phase-out operations to close down local WIC projects.

WIC participants need to be notified as of June 1, 1975, whether or not they are to return the following month to pick up their WIC vouchers.

It is imperative that the States, local projects, and participants be informed before June 1, as to whether or not the program will be continued. If this is not done, there will be a "shutdown period" until some decision is made.

A continuing resolution to extend WIC services should be immediately enacted.

Sincerely,

GEORGE C. CUNNINGHAM, M.D.,
Chief, Maternal and Child Health Unit, Family Health Services Section.

SHORT EXPLANATION

The bill being reported by the Committee would amend section 17 of the Child Nutrition Act of 1966 to continue the special supplemental food program for women, infants, and children (WIC) for the period July 1, 1975, through September 30, 1975. In the absence of new legislation, the program is to terminate June 30, 1975.

BACKGROUND AND NEED FOR LEGISLATION

I.

The special supplemental food program for women, infants and children—usually called "WIC"—is designed to meet the nutritional needs of young children from low-income families at their most critical stage of development, and to provide extra protein-rich food to their high risk mothers during pregnancy and while they are nursing.

The statute defines the population eligible to receive benefits as "pregnant or lactating women and . . . infants determined by competent professionals to be nutritional risks because of inadequate nutrition and inadequate income." Participants must live in areas which have significant numbers of such women and children. Children may participate up to age four.

The legislative definition "at nutritional risk" includes infants from low-income populations characterized by inadequate nutritional patterns, as well as low-income mothers who have a history of high-risk pregnancy.

The focus of the WIC program is on food value as well as food purchasing power. The purpose of the program is to provide food supplements "containing nutrients known to be lacking in the diets of populations at nutritional risk and, in particular, those foods and food products containing high-quality protein, iron, calcium, vitamin A, and vitamin C".

The program is administered by the Department of Agriculture, which makes cash grants to the health department of each state, which in turn provide operating funds to "local health or welfare agencies or private non-profit agencies . . . serving local health or welfare needs". The distribution process serves to also encourage mothers and children to make use of the health facilities available to them.

From medical records kept by State or local agencies or groups carrying out the programs, the Secretary of Agriculture is to

determine the medical benefits achieved by WIC in overcoming malnutrition and its resulting disabilities.

II.

The Department of Agriculture decides which applicants will get grants to run programs, based on a state's submission of approved applications. The Department also determines the monthly food package; for infants up to twelve months old there is iron-fortified formula, iron-fortified infant cereal, and canned fruit juice. Nursing mothers and children from one to four years received a daily quart of milk plus eggs, cereal and juice.

State health departments must approve and monitor local sponsors and their operations, and forward records and evaluations to regional Food and Nutrition Service offices. State agencies must also decide how to divide the administrative money (ten percent of incurred food costs) between its own administrative needs and those of local sponsors. The way in which the food is distributed is approved or designed by the State. Methods of food delivery include vouchers or food checks which are redeemed at local grocery stores, or direct distribution of purchased foods from warehouses or delivery trucks.

A local WIC sponsor is responsible for publicizing the program, certifying the eligibility of participants, providing the food or the vouchers, conducting medical tests, keeping records, and reporting to the Department of Agriculture through State agencies. It must also see that local grocers give the correct foods in return for vouchers.

III.

The House of Representatives has passed legislation extending the WIC program through September 30, 1978. There are also pending Senate bills which would extend the program. However, it does not appear that this new legislation will receive final Congressional consideration until late June 1975. Therefore, the bill being reported by the Committee would extend the program for the period July 1, 1975, through September 30, 1975. The House of Representatives has taken similar action.

States must receive their letters of credit containing WIC funds by or near June 1, 1975, or they will have to close down their programs, disrupting the nutrition support and medical supervision of hundreds of thousands of low-income pregnant women, infants, and children. Some States have already sent out the word to terminate programs.

It would not be sound public policy to terminate the program, dismantle the food delivery mechanism, and stop the flow of medical data, only to have the entire program authorized and funded soon thereafter.

In reporting this 90-day extension of the WIC program, the Committee does not intend to prejudice the consideration of changes in the program, such as may be reflected in various legislative proposals pending before the Congress, including the Administration's proposed child assistance block grant program.

COST ESTIMATE

In accordance with Section 252 of the Legislative Reorganization Act of 1970, the Committee estimates about $30 million would be expended by the Federal Government in carrying out the provisions of the bill. However, based upon an informal and unofficial estimate received from the U.S. Department of Agriculture, about $40 million would be available from Fiscal Year 1975 funds for this program which can be carried forward to finance the WIC program during the period covered by this bill. Therefore, no additional funds would be required to be appropriated by the Congress to cover the funding needs of this program during the period of July 1, 1975, through September 30, 1975.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule **XXIX of the Standing Rules of the Senate,** changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed as shown in roman):

CHILD NUTRITION ACT OF 1966

* * * * *

SPECIAL SUPPLEMENTAL FOOD PROGRAM

SEC. 17. (a) During each of the fiscal years ending June 30, 1973, June 30, 1974, and June 30, 1975, and for the period July 1, 1975, through September 30, 1975, the Secretary shall make cash grants to the health department or comparable agency of each State: Indian tribe, band, or group recognized by the Department of the Interior; or the Indian Health Service of the Department of Health, Education, and Welfare for the purpose of providing funds to local health or welfare agencies or private nonprofit agencies of such State; Indian tribe, band, or group recognized by the Department of the Interior; or the Indian Health Service of the Department of Health, Education, and Welfare serving local health or welfare needs to enable such agencies to carry out a program under which supplemental foods will be made available to pregnant or lactating women and to infants determined by competent professionals to be nutritional risks because of inadequate nutrition and inadequate income. Such program shall be operated for a three-year period and may be carried out in any area of the United States without regard to whether a food stamp program or a direct food distribution program is in effect in such area.

(b) In order to carry out the program provided for under subsection (a) of this section during the fiscal year ending June 30, 1973, the Secretary shall use $20,000,000 out of funds appropriated by section 32 of the Act of August 24, 1935 (7 U.S.C. 612(c)). In order to carry out such program during the fiscal year ending June 30, 1974, there is authorized to be appropriated the sum of $20,000,000, but in the event that such sum has not been appropriated for such purpose by August 1, 1973, the Secretary shall use $20,000,000, or, if any amount has been appropriated for such programs, the difference, if any, between the amount directly appropriated for such purpose and $20,000,000, out of funds appropriated by section 32 of the Act of August 24, 1935 (7 U.S.C. 612(c)). In order to carry out such program during the fiscal year ending June 30, 1975, *and for the period July 1, 1975, through September 30, 1975,* there is authorized to be appropriated the sum of $100,000,000, but in the event that such sum has not been appropriated for such purpose by August 1, 1974, the Secretary shall use $100,000,000 or if any amount has been appropriated for such program, the difference, if any, between the amount directly appropriated for such purpose and $100,000,000, out of funds appropriated by section 32 of the Act of August 24, 1935 (7 U.S.C. 612(c)). Any funds expended from such section 32 to carry out the provisions of subsection (a) of this section shall be reimbursed out of any supplemental appropriation hereafter enacted for the purpose of carrying out the provisions of such subsection, and such reimbursements shall be deposited into the fund established pursuant to such section 32, to be available for the purpose of such section.

EXTENSION OF THE WIC PROGRAM

Mr. DOLE. Mr. President, I am pleased to support H.R. 7136, the bill to continue for 3 months the special supplemental feeding program for women, infants, and children. Unless we act soon to extend the WIC program, its authorization will expire on June 30. It is therefore essential that those who administer this worthy nutrition program be assured, within the next couple of weeks, of continued authorization.

I have previously introduced legislation, S. 1522, which would continue the WIC program, the special food service program for children, and the school breakfast program until September 10, 1976. Since it is apparent that there is not enough time for consideration of comprehensive child nutrition legislation, this interim bill is necessary in order to assure continued operation of this meritorious program.

Mr. President, every Member of the Congress is interested in assuring that American mothers and children have nutritious diets during the critical formative years. And it has long since been established that the Federal Government shares with the States a major responsibility for achieving this worthy objective. Enactment of H.R. 7136 will demonstrate our unwavering dedication to this goal.

The PRESIDING OFFICER. Without objection, the bill will be considered as having been read twice by title, and the Senate will proceed to its immediate consideration.

The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Committee on Agriculture and Forestry be discharged from further consideration of the companion bill, S. 1780, and that that bill be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. I thank the Senator from Mississippi, and I thank my esteemed friend from New Mexico.

Mr. HUMPRHEY subsequently said: Mr. President, I ask unanimous consent that the action taken this morning discharging the Committee on Agriculture and Forestry from the further consideration of S. 1780 be vitiated, and that the bill be shown as having been reported from the committee and the report printed before the bill was indefinetly postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

FURTHER MORNING BUSINESS

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the Senate return to morning business with statements therein limited to 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE INDOCHINA MIGRATION AND REFUGEE ASSISTANCE ACT OF 1975—CONFERENCE REPORT

Mr. HUDDLESTON. Mr. President, I would like to take a few minutes to commend the distinguished chairman of the Committee on Foreign Relations, the Senator from Alabama (Mr. Sparkman), and all of the conferees who met with their House counterparts to resolve the differences in the refugee aid bill that the Senate completed action on yesterday.

As the Senate knows, there were amendments to that bill accepted by the Senate, one of which I presented to require a report to the appropriate congressional committees within 30 days and each 90 days thereafter. To be included in the report were an inventory of the refugees and a resettlement plan, developed according to specified guidelines.

I felt that this was extremely important, because of the nature of the evacuation itself, and because of the number of refugees, who were here.

I felt, too, that a definite plan of resettlement would be in the best interest of the refugees and certainly the best interest of this country, as we undertook to spend a considerable amount of money, in order to make the best possible arrangements for those who had fled South Vietnam and Cambodia.

I know that the conferees worked very diligently with the House conferees. I know the difficulties that we have many times in resolving differences, when we have amendments here in the Senate.

Therefore, I wish to express my appreciation to the distinguished chairman, and all of the conferees, for the manner in which they conducted the conference, and for their efforts which enabled us to keep in the bill language to substantially achieve the objectives that we had set forth in our amendment.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. HUDDLESTON. I yield.

PRIVILEGE OF THE FLOOR—S. RES. 167

Mr. TOWER. Mr. President, I ask unanimous consent that during the consideration of the resolution authorizing the select committee to study governmental operations with respect to intelligence activities, to inspect tax returns, and to obtain names from the Internal Revenue Service, the minority counsel for the select committee, Mr. Curtis Smothers, and Elizabeth Smith, a member of the staff, be permitted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE RESOLUTION 167—AUTHORIZING THE SELECT COMMITTEE TO STUDY GOVERNMENTAL OPERATIONS WITH RESPECT TO INTELLIGENCE ACTIVITIES TO INSPECT TAX RETURNS AND OBTAIN INFORMATION FROM THE INTERNAL REVENUE SERVICE

Mr. CHURCH. Mr. President, on behalf of the Senator from Texas (Mr. Tower) and myself, I intend in a moment to send to the desk a resolution for immediate consideration. The resolution has been modified in such a way that, to avoid any possible mistake in transcription, I think it may be wise for me to read it into the Record in its modified form.

The resolution which I propose to send to the desk, as modified, would read as follows:

> *Whereas*, in order to conduct effectively the study and investigation authorized by Senate Resolution 21 (94th Congress, 1st session), it may become necessary for the Select Committee of the Senate to Study Governmental Operations With Respect to Intelligence Activities to obtain data contained in tax returns; and
>
> *Whereas*, under section 6103(d) of the Internal Revenue Code of 1954, a select committee of either House of Congress has the right to obtain data contained in tax returns if such select committee is specially authorized to investigate tax returns by resolution of its House, and the Secretary of the Treasury and other officers and employees of the Treasury Department are required to furnish data contained in or shown by tax returns to such a select committee: Now, therefore, be it
>
> *Resolved*, That in conducting the study and investigation authorized by Senate Resolution 21 (94th Congress, 1st session), the Select Committee to Study Governmental Operations With Respect to Intelligence Activities is specially authorized, consistent with such resolution, to obtain data contained in tax returns.
>
> Names, addresses, and personal identifications shall be presented in such form as not to identify the individual tax returns from which such data may be derived.

Mr. President, I send the resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

> A resolution (S. 167) authorizing the Select Committee To Study Governmental Operations With Respect to Intelligence Activities inspect tax returns and obtain information from the Internal Revenue Service.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution? Without objection, the Senate will proceed to its consideration.

Mr. CHURCH. Mr. President, a word of explanation is in order. Our purpose in asking the Senate to approve the resolution is not connected in any way with any desire on the part of the committee to inquire into individual tax returns. Our purpose rather is to review the surveillance methods that have been adopted by the Internal Revenue Service in order to ascertain whether they have been lawful, and in order to determine whether, in the judgment of the committee, they have been ethical.

This means that we must secure, in all likelihood, the names of taxpayers who have been the target of this surveillance. It may be that such information will have to be derived from a review of tax returns, and it is for the purpose of enabling the committee to thoroughly do its investigation and review of surveillance practices adopted by the Internal Revenue Service that we ask the Senate for this resolution.

The intent of the language added at the end of the Senate resolution:

> Names, addresses, and personal identifications shall be presented in such form as not to identify the individual tax returns from which such data may be derived.

Is that the committee shall not have access to actual tax returns in such form as to permit the identification of the taxpayer. It is not intended to restrict the committee's access to data including names, not actually contained in a tax return, even if the data was derived from a tax return or is of the sort which could be derived from a tax return.

There is a provision in the present internal revenue law which inhibits the Internal Revenue Service from supplying information connected with income tax collection, and the resolution would make it plain that those inhibitions which ordinarily obtain in the law would not operate to restrict this committee in connection with its necessary and legitimate duties relating to surveillance methods employed by the Internal Revenue Service.

Mr. TOWER. Mr. President, will the Senator from Idaho yield?

Mr. CHURCH. I am happy to yield.

Mr. TOWER. Mr. President, my understanding of the resolution is totally consonant with that of the Senator from Idaho. As a matter of fact, it is my understanding that the Commissioner of Internal Revenue has advised us that if this resolution should pass, it would obviate any proscription that might lie in any existing law.

I, therefore, join with the Senator from Idaho in urging the adoption of the resolution.

Mr. CHURCH. Mr. President, I thank the Senator very much. I would only add that I share fully with the distinguished Senator from Connecticut (Mr. Weicker) the feeling that individual tax returns should be closely kept. As a matter of fact, I am a cosponsor of a bill which the Senator from Connecticut has introduced, which would make the privacy of individual tax returns secure as a matter of law.

So he understands, I believe, that the purposes of this resolution are quite different from attempting to obtain disclosure of individual tax returns, but rather are directed toward enabling the committee to obtain all the information it may need pertaining to surveillance methods employed against taxpayers by the Internal Revenue Service.

I am happy to yield to the distinguished Senator from Connecticut.

Mr. WEICKER. I thank the distinguished Senator from Idaho.

Mr. President, I commend both the distinguished Senator from Idaho (Mr. Church) and the distinguished Senator from Texas (Mr. Tower) for achieving today on the floor of the Senate a first in the area of tax privacy.

Unlike a similar resolution in behalf of the Watergate committee, which was sweeping and broad and enabled the committee to go after individual returns, this resolution incorporates the lessons that we learned through access, both of the legislative and the executive branches, to IRS tax returns.

I cannot begin to measure the honor I wish to bestow on my colleagues for using this occasion as an exercise in self-discipline. There has been no action anywhere else in the Government to insure the confidentiality of tax reforms. The whole issue of tax privacy still hangs in the air.

We can make all the speeches we want to about the privacy of our constituents and the importance of privacy, but the Senator from Idaho and the Senator from Texas have done something, in connection with this resolution, whereby the committee, the Senate, and the American people are assured that in the course of this investigation their privacy will be absolutely preserved.

So I cannot begin to say how excited I am over what Senator Tower, Senator Church, and the others on their committee have done today. When I first went to the chairman about this resolution, and said I was most anxious to see to it that the data provided would be provided without names. Then a very interesting point was raised—"What we are trying to do is protect those people who may have been targets of illegal and unethical activity." So we agreed that the resolution should have the added dimension of being able to provide names without data. That, in essence, is the sense of what has been achieved in this resolution, and it has been well done. I think it is a tremendous first step forward on reform relative to restricting governmental access to individual tax returns. I am proud that it was a Senate select committee which did it.

Mr. CHURCH. I thank the Senator from Connecticut for his remarks

Of course, it is the purpose of the committee investigating intelligence activities to safeguard the American people against actions on the part of the Government which we believe either exceed the law or unduly trespass upon the rights of free citizens.

I hope that as a result of the investigation of the committee we can better protect against Big Brother government in this country that is constantly intruding in one way or another upon the legitimate rights of individual citizens. And, therefore, it was natural that both Senator Tower and I should want to comply with the request made by the Senator from Connecticut to write this resolution in such form as to make it plain that the committee's purpose is not to pry into individual events but rather to determine how the Internal Revenue Service has been conducting surveillance against citizens in connection with its tax-collecting activities.

I thank the Senator, therefore, for his remarks. I think the legislative record is now clear with respect to the purpose of the resolution. I ask that the Senate proceed to vote on it.

Mr. JAVITS. Mr. President, will the Senator yield to me for a unanimous consent request?

Mr. CHURCH. I was about to request a vote.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 167) was agreed to.

The preamble was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. CHURCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHURCH. Mr. President, I yield the floor.

QUORUM CALL

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CHURCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 2:30 P.M.

Mr. CHURCH. Mr. President, I move that the Senate stand in recess until the hour of 2:30 p.m. this afternoon.

The motion was agreed to; and at 12:34 p.m., the Senate recessed until 2:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. Helms).

THE UNITED STATES AND ISRAEL

Mr. HARRY F. BYRD, JR. Mr. President, the recent debacle in Southeast Asia focuses worldwide attention on American foreign policy—and the current attitude of the American people.

In my judgment, we must not let disillusionment with our role in Southeast Asia cause a withdrawal from the world.

As a great power, America has major responsibilities.

For example, a free Europe is vital to the United States, and we have a genuine stake in the peaceful settlement in the Middle East.

In this latter area, a strong Israel is an asset to the United States.

In addition, Israel is a democracy that shares the basic principles, morality and way of life of the United States.

For many years the United States has been firmly committed to the political independence and territorial integrity of Israel. The United States strongly opposes aggression by anyone in the area.

Secretary Kissinger has made some progress in bringing about a better understanding between the nations of the Middle East, but a lasting peace is not yet in sight.

If peace is to become a reality in the Middle East, direct negotiations between Israel and her Arab neighbors are a necessity.

In preserving the peace and in encouraging direct negotiations—Israel must be in a position to develop adequate strength to deter a renewal of war by Israel's neighbors. Withholding military equipment from Israel would be dangerous, since the Soviet Union continues to supply vast amounts of arms to the Arab states.

As the President reevaluates our country's foreign policy position, and as the Congress assesses related legislative requests, our traditional commitment to a free Israel must remain a primary consideration.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CANNON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE RESOLUTION 170—SENATE CONSENT TO COMPTROLLER GENERAL TO COMPLY WITH SUBPENA DUCES TECUM

Mr. CANNON. Mr. President, I sent to the desk a resolution and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. Dole). The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 170) of Senate consent to Comptroller General to comply with subpena duces tecum.

Mr. CANNON. Mr. President, this resolution has been cleared with the majority and minority leaders. It is reported from the Select Committee on Standards and Conduct. Senator CURTIS is the ranking member of the committee.

The resolution, to assert the privileges of the Senate against the production of any documents of the Senate without its consent, is in the usual form. It responds to a subpena issued by the prosecuting attorney in the case of the United States versus former Senator Edward J. Gurney demanding the production of a confidential personal financial disclosure on file with the Comptroller General in accordance with Senate rule 44.

The resolution differs from similar ones in the past, however, in that it extends the privileges of the Senate not to one of its employees but to the Comptroller General of the United States. We believe that the Senate is well within its powers in so spreading its cloak, as the Comptroller General has custody of the disclosures as a pure ministerial duty under the express terms of rule 44. He is, in effect, the agent of the Senate for filing purposes under our internal system of disclosure.

I believe, Mr. President, that the surrender of a disclosure statement made in reliance on a Senate rule which protects its confidentiality will jeopardize the whole system of senatorial disclosure. It may be that before long, Senators will want to change that system, but until that time we have a responsibility to safeguard the disclosures already on file. Rule 42 is directly based on the constitutional provision that permits each House to "punish its Members for disorderly behavior." To permit an impairment of rule 42 by authorities other than the Senate would be to give up our constitutional responsibilities and prerogatives.

Mr. President, we have established a procedure in the Senate for adopting the resolution to protect employees of the Senate from producing documents that are solely within the jurisdiction of the Senate and that was the intent in rule 44, to provide for confidentiality.

We have made the Comptroller General the custodian of those records. There is a subpena pending and while the Comptroller General is opposing this subpena, under the provisions of rule 44, it is our feelin gthat we should specifically, by resolution, give him the same protection that is extended to employees of the Senate.

It simply provides that if the matters that are attempted to be subpenaed are a matter of the public record or have been made public by the Senate, then they may have full access to them, but until that time, they are subject to the rule of confidentiality and are within the jurisdiction of the Senate itself.

Mr. CURTIS. Will the Senator yield?

Mr. CANNON. I yield to the distinguished Senator from Nebraska.

Mr. CURTIS. I thank my distinguished friend.

I have gone into this and it seems to me this is the ordinary procedure we have always followed. I am also convinced that it is in accord with the intent of rule 44. I have talked to the minority leader about this and I urge the adoption of the resolution.

Mr. CANNON. Mr. President, rule 42 is directly based on the constitutional provisions that permit each House to punish its Members for disorderly behavior. Under that rule, we did provide for certain information to be furnished to the Comptroller General under the rule of confidentiality. If we were to depart from that at this time, it would destroy the confidentiality provision.

Mr. CURTIS. Mr. President, will the Senator yield further?

Mr. CANNON. I am delighted.

Mr. CURTIS. As the chairman has stated, the Comptroller General is the custodian for the committee and for the Senate, and not the one who possesses these records.

The resolution is in accord with the intention of the Senate in reference to the handling of these papers.

The PRESIDING OFFICER (Mr. HELMS). The question is on agreeing to the resolution.

The resolution (S. Res. 170) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 170

Whereas in the case United States of America v. Edward J. Gurney, et al., Criminal Action No. 74–122–CR–JK, United States District Court for the Middle District of Florida, a subpoena duces tecum was issued on May 1, 1975, upon the application of United States Attorney Harvey E. Schlesinger, attorney for the United States, and addressed to the Comptroller General of the United States or his designated representative, directing him to appear as a witness before the said court on the 7th of May 1975 and to bring with him certain papers in his possession and under the control of the Senate of the United States.

And whereas said Comptroller General of the United States has possession of the papers called for in the subpoena duces tecum solely by virtue of his responsibilities as custodian under Rule 44 of the Standing Rules of the Senate. Therefore, be it

Resolved, That by the Privileges of the Senate no evidence of a documentary character under the control of the Senate can, by the mandate of process of the ordinary courts of justice, be taken from such control or possession but by its permission: be it further

Resolved, That the Comptroller General of the United States or his designated representative be authorized to appear at the place and before the court named in the subpoena duces tecum before mentioned, but shall not take with him any papers or documents on file in his office or in his possession as Comptroller General of the United States; be it further

Resolved, That when said court determines that any of the papers called for in the subpoena duces tecum have become part of the official transcripts of public proceedings of the Senate by virtue of their inclusion in the official minutes and official transcripts of such proceedings for dissemination to the public upon order of the Senate or pursuant to the Rules of the Senate, and, further, that such papers are material and relevant to the issues pending before said court, then the said court, through any of its officers or agents, have full permission to attend with all proper parties to the proceedings, and then always at any place under the orders and control of the Senate, and take copies of such papers in possession of said Comptroller General which the court has found to be part of the official transcripts of public proceedings of the Senate by virtue of their inclusion in the official minutes and official transcripts of such proceedings for dissemination to the public upon order of the Senate or pursuant to the Rules of the Senate, and, further, that such papers are material and relevant to the issues pending before said court, excepting any other papers, including, but not limited to, minutes and transcripts of executive sessions and any evidence of witnesses in respect thereto which the court or other proper office thereof shall desire as such matters are within the privileges of the Senate; and be it further

Resolved, That a copy of these resolutions be transmitted to the said court as a respectful answer to the subpoena aforementioned.

Mr. CANNON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks made by Mr. JAVITS at this point, and the colloquy pertinent thereto, appear in today's RECORD under Statements on Introduced Bills and Joint Resolutions.)

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CURTIS). Without objection, it is so ordered.

SECOND SUPPLEMENTAL APPROPRIATIONS ACT, 1975—CONFERENCE REPORT

Mr. McCLELLAN. Mr. President, I submit a report of the committee of conference on H.R. 5899, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. CURTIS). The report will be stated by title.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5899) making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of May 21, 1975, at p. 15761.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. McCLELLAN. Mr. President, the conference report and the joint explanatory statement of the committee of conference has been printed in the RECORD and I shall not go into any detail on the individual items unless some Member expresses a particular interest therein.

Generally speaking, however, the total bill as agreed to by the conference provides new budget authority of slightly more than $15 billion. This is about $110 million over the budget estimates. It is almost $3.7 billion above the House bill and about $900 million below the Senate-approved bill.

As I indicated when we considered the bill a few days ago, the increase in the final version of the bill over the House passed bill is a result of several budget estimates that were submitted to the Senate after the House had considered the bill. The Senate considered more than $3.4 billion in budget estimates that were not submitted to the House but were submitted to the Congress too late for House consideration. As is shown in the comparative table, this explains the major difference between the original House and Senate amounts.

Of the total in the bill, $13,293,700,103 is in title I, general supplementals and $1,772,895,395 is in title II, increased pay costs.

There has been some inquiry regarding the effective date of the administrative provision we inserted in the bill allowing each Senator to lease a mobile office.

It is the intention of the committee that the effective date will be, of course, the day the President approves this act.

Mr. President, I would like to say that I submit this report of the conference committee reluctantly. I signed it reluctantly. I have some reservations about the final outcome of the conference. Therefore, I feel constrained to make mention of them so that the record might be kept straight here in the Senate.

As the Senators will recall, when H.R. 4481, the Emergency Employment Appropriation Act, was before the Senate, we inserted into that bill a provision making appropriations for $700 million, in spending authority to provide for the rehabilitation of railroads and to provide jobs reemploying persons on the maintenance forces of railroads who had been laid off and are now unemployed.

When that bill went to conference, the conferees of the other body declined to accept that provision in the bill. They took it back to the House in disagreement.

The House, by a vote of 141 to 253 rejected an amendment to that amendment which resulted in the rejection of the whole provision which made appropriations to put people back to work in the maintenance of railroad tracks.

At that time, Mr. President, the Members of the other body contended that notwithstanding their recognition of the great need for the rehabilitation of railroads in this country: and notwithstanding the fact that there are now several thousand unemployed railroad maintenance-of-way workers who have been laid off, who are now drawing unemployment compensation, with some of them receiving food stamps and other benefits by reason of unemployment; and notwithstanding the fact that the bill increased funding for so-called public service jobs by over $1,625,000,000 which provided an overall total of $2.5 billion since December of 1974 for these jobs, they would not go along with the appropriation which the Senate placed in the bill to provide primarily for the reemployment of maintenance employees on railroads who had been laid off, and who are now unemployed. Notwithstanding the fact that our railroad beds are further deteriorating, that the condition of the railroad beds further increase the cost of transportation, and continue to remain in a condition that is not safe in many places for the transportation of goods or passengers, the Members of the other body declined to agree on the basis that there was no authorization for such an appropriation

Mr. President, I read in the RECORD at this point what was said by the distinguished chairman of the House Committee on Appropriations in his remarks urging the House to reject that appropriation. This will be found on page 14386 of the RECORD on May 14, 1975:

> It is true that the amendment says that unless the authorization is passed, the funds cannot be made available, but that is no way for responsible people, in my judgment, to legislate.

He said:

> But, let me tell the Members this: This $200 million is just a miniscule amount of money as far as upgrading the tracks in this country.

He goes on to say that this is the reason for not approving it because it had not been authorized.

Mr. President, subsequent to that time we passed in the Senate S. 1730, a bill authorizing these expenditures. We passed that bill in the Senate on a rollcall vote by 67 to 10, nearly 7 to 1, authorizing these expenditures.

On the basis of that authorization, we placed again in H.R. 5899, this supplemental bill, an appropriation for $700 million to reemploy people on railroads and to rehabilitate railroad tracks.

Again, Mr. President, conferees on the part of the House of Representatives declined to accept the amendment on the basis, primarily, that it was not authorized.

I just want to show, Mr. President, and point out in the bill that the Members of the House of Representatives are wholly inconsistent in the position they take on this issue because in the paragraph of the bill immediately preceding the amendment of the Senate making this appropriation, the House of Representatives itself made appropriations for another purpose subject to authorization.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point two paragraphs on page 39 of H.R. 5899, the last paragraph continuing over on page 40.

There being no objection, the paragraphs were ordered to be printed in the RECORD, as follows:

GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

For an additional amount for "Grants to the National Railroad Passenger Corporation", (106) $77,725,000, to remain available until expended: *Provided*, That $59,800,000 of this appropriation shall be available only upon enactment of authorizing legislation.

(107) RAIL TRANSPORTATION IMPROVEMENT AND EMPLOYMENT

For payment of financial assistance to assist railroads by providing funds for repairing, rehabilitating, and improving railroad roadbeds and facilities, $700,000,000 of which not to exceed $7,000,000 shall be available for administrative expenses of the Secretary to remain available until December 31, 1976: *Provided, however*, That these funds shall be available only upon enactment of authorizing legislation.

Mr. McCLELLAN. On page 39, under the title Grants to the National Railroad Passenger Corporation, the House made appropriations, Mr. President, in their bill of $74,725,000, and then said.

> To remain available until expended: *Provided*, That $59,800,000 of this appropriation shall be available only upon enactment of authorizing legislation.

The Senate amendment concerning railroad rehabilitation, Mr. President, followed right under the House's action of making an appropriation of $59 million plus, and then provided it will only be spent upon authorization.

We did the same thing in the next paragraph of the bill, appropriating money to rehabilitate the railroads of this country, and they object to it because it was not authorized.

That is not the only place in the bill, Mr. President. In another place in the bill, page 31 of the bill, Mr. President, the Senate put in an amendment for $28,837,000 for the U.S. expenses of the the United Nations Disengagement and Observer Force in the Middle East, and in the same language, Mr. President, provided that this appropriation shall be available only upon enactment into law of authorizing legislation.

Mr. President, there is also another place in the bill, another appropriation made on the same conditions.

My purpose in stating this for the record is simply this: We are appropriating billions of dollars to give people work. We have already appropriated some $2.5 billion for public service jobs, whatever they are, where you have to go out and create a job, or find something, not necessarily providing productive work for those who are now unemployed, but it is creating some kind of a job. It may be a productive job. It may be constructive, or it may not be. It may be just anything to put someone on a payroll.

Everybody knows that the fellow who goes out on the railroad track and works to repair it, restore it and keep it in safe condition for use really performs hard labor, many of those are the people who today are out of work, who we are supporting by unemployment compensation and other Government benefits, while our railroad tracks continue to deteriorate every day, making transportation on them more dangerous, placing the safety of human life as passengers on the Amtrak train, in greater jeopardy. At the same time, we are procrastinating and delaying repairs and rehabilitation that must be made.

The rehabilitation is going to be made—we know it will ultimately be made largely at the cost of the Federal Government. That cost is increasing every day.

The House of Representatives must take the responsibility for not doing it now because it contends it is not authorized.

Mr. President, I said to the House conferees, and I say here for the Record, that the principle and practice of not making an appropriation until there is authorization for it is now being made—and practice of convenience because in one instance the House uses it if it suits its convenience and in another instance in the same bill they waive it.

I just want the Record to clearly show the effort of the Senate to get work started on these roadbeds, to keep railroads in operation, and to make transportation safer and less costly. The slower they have to run the trains, the more costly is the transportation services to the public in this country.

We are all paying for this delay. It will be a whole lot better to get work started now to repair these roads and get them in condition, which we are going to ultimately have to do, if we keep rail transportation in this country. It is better to start now and do it when jobs are needed and put these people back to work on those roads, people who have been laid off and who are drawing unemployment compensation today.

I submit, Mr. President, that the action taken rejecting this appropriation is imprudent. It has resulted in preventing this work from getting started and getting these unemployed people returned to their jobs.

Let me point out to you, Mr. President that I would have opposed this, I would not have signed this conference report, and I would be here today or next week, or from there on, offering this conference report so far as I was concerned, except for the fact that there is an urgency about a number of appropriations in this bill.

Mr. President, some of the essential provisions of H.R. 5899 includes funds for the October 1974 pay raises for all executive agencies for the fiscal year ending next month; next is an emergency fund for the food stamp program for which current funds will run out during the middle of May.

So, it is imperative that we make those funds available. There is appropriation for readjusting of the GI bill benefits for veterans for which funding will run out. It is imperative to get appropriations for that. There is the provision to assure sufficient funds are available to make unemployment payments where they are due. There are other provisions in the bill, Mr. President, that would not wait. I felt we had to pass this bill.

I want the record to show clearly that the Senate of the United States is not to blame for this situation. It has accepted and met its responsibility in making efforts to restore the jobs to these railroad men who are out of a job today. Those men who would rather be working than drawing unemployment compensation. The onus is not on the U.S. Senate for delays that are going to cause further deterioration of the railroad transportation system of this country, and which is daily increasing the cost of transportation of goods and services. I want the record to absolve the Senate from any blame.

Mr. President, until we become consistent on this proposition of not making appropriations until there is authorization, until we become consistent on both sides of this legislative institution, I do not propose any longer to be bound by that rule or practice.

If it becomes convenient for me and what I want done, I shall find it very difficult to accept the argument that the appropriation I seek is not authorized. That is a sound principle, and only in an extreme emergency would I want to depart from it. But I do not think this matter should be a one-way street. So far as I am concerned, if my colleagues go along with me, we will soon correct this situation. That will be my hope and I hope I will have the cooperation of my colleagues.

Mr. President, I ask unanimous consent that the provision of law requiring that the conference report be printed as a Senate report be waived since the report is identical to the report of the House of Representatives, which has already been printed as required by the rules of the House.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLELLAN. Mr. President, I yield to the distinguished Senator from Indiana, whose amendment this was on the appropriation bill.

Mr. BAYH. Mr. President, I say to my distinguished chairman that I cannot recall being prouder of a colleague than I am of the chairman and the tenacious position he has assumed and to have been a member of the conference, to have taken part in this effort, as one of the junior members of the Committee on Appropriations, to initiate this legislation and to fight for it with the chairman and our colleagues.

I sense the Senator's pique and concern; which is at about the same level as that of the Senator from Indiana.

Is it the Senator's judgment that there is no way at this time, by sending the matter back or by using some other parliamentary procedure, that we can pursue the suggestion in the old story of the fellow who has to hit the donkey on the head to get his attention before he could lead him off the road? Is there any way, other than just concurring, by which we can pursue this?

Mr. McCLELLAN. We possibly can, and I stated the reason. I signed the report, however, and I am recommending its approval today because of funds in this bill that are urgent for other purposes. I have already recited what those purposes are. I do not think we would be warranted in further delay in enacting the bill, notwithstanding this situation, in view of the urgency of funds needed for other very worthwhile purposes in the bill, some of them for the alleviation of unemployment.

Mr. BAYH. Mr. President, will the Senator yield further so that I may say a word or two in support of his position?

Mr. McCLELLAN. I yield.

Mr. BAYH. I know that the Senator from New York, the Senator from North Dakota, the Senator from Mississippi, and others of us feel strongly about this bill. Having had a seat at the long table opposite our colleagues in the House, I fear that for us to utilize some of the parliamentary procedure that is now available to us, prior to recess, might indeed cause jeopardy to citizens who are going to benefit from other provisions of the bill.

Mr. McCLELLAN. That is why I said that.

Mr. BAYH. But I say this for the Senate and for anyone else who might be concerned: If we do not pursue diligently all avenues that are available to us and get on top of this ailing economy, such as this rail amendment, it will be the ultimate in irresponsibility.

Congress has initiated matters and has worked with the President in a number of areas. In some areas we have taken the initiative, when the President was not willing to do so. In the tax program, we did not agree fully, but a compromise was reached to stimulate the economy. We have managed to free highway moneys and water pollution moneys, to send back and to make available funds for the private sector to start hiring people. We have a good housing bill, but we will have to do still more about the fact that the unemployment rate in the construction industry is absolutely irresponsible and unacceptable.

This rail amendment is another part of a comprehensive effort that Congress is making—Democrats and Republicans alike—to try to do something about the fact that we have almost 8.5 million Americans unemployed.

What I want to emphasize—the chairman has enumerated the reasons for this—is that this rail amendment not only provides jobs but also provides service in a critical national area; so that once those jobs have been performed, once those paychecks have gone to the needy families, there is going to be something left, there is going to be something to show for it.

If there is any single area to which we should be addressing ourselves, it is the tragic condition of this Nation's railroads.

So I am hopeful that we can find a way to get this message across to the House. I believe that the people in Arkansas and Indiana feel the same way about this as do those in the other States. One reason why the people of this country are so disenchanted with the political system is that they are tired of hearing their political leaders talk one way and act another way.

We hear every Member in the other body talk about the economy and about jobs, and when they have a chance to send some of this money into the economy to do what needs to be done, they say they cannot do it because of a technicality. For those of us who do have jobs, who are earning $42,500 a year, it is difficult to understand what it is like to be a railroad maintenance worker and not have a job.

Mr. McCLELLAN. They knocked the railroad provision out on a technicality. I indicated for the Record a few moments ago that in the section of the bill above this one they resorted to or used the same technicality to get something they wanted.

Mr. BAYH. The Senator from Mississippi is in the Chamber. He worked with us on another one of those technicalities regarding a Corps of Engineers project in Alaska.

Certainly the authorization and appropriation dual approach in many instances has merit. But we have a critical situation confronting us in the economy today.

For example, the Senator from Alaska called to our attention a critical situation in Alaska where a shoal had developed right outside of the Cook Inlet harbor, just 2 miles beyond where the Army Corps of Engineers had been authorized to do work. Because of the development of that shoal, about 100,000 tons of material was not going to get in there for use in building the Alaska pipeline. As the Senator from Arkansas knows, I have not been a strong supporter of the Alaska pipeline, because I wanted it built a different way. But we have determined that we are going to build the pipeline. For the House of Representatives to say now that we cannot permit a barge to be shipped from San Francisco to Alaska to take care of that shoal because we have not authorized it, even though there is adequate authority to get the job done, is the ultimate in hypocrisy.

We had better get that job done and the conference report will enable us to do so. Similarly, on this rail amendment, a lot of people out there are not making $42,500 a year, and they cannot understand the technicalities of why an authorization prohibits them from going back to work and putting these railroads together.

Mr. McCLELLAN. I say to the Senator that I do not want this technicality to be a one-way street. If that is the principle that is going to guide us, if that is the rule we should observe, except in very extreme emergencies, then I do not want it to be just a principle or rule of convenience for the other body only.

Mr. BAYH. I am willing to join the Senator in any medicine he thinks will get the job done over there.

Mr. McCLELLAN. I think the Senator was present yesterday when I made the same statement to my friends in the other body, in the conference. To have a principle and abide by it and waive it only in extreme emergency is one thing. But to have a principle just to use it for your own convenience, when it is convenient to you, and to stand on it when it is inconvenient to somebody else or in some matter that you do not approve of, is a double standard, in my book, which I hope we will not permit to develop in conferences between the two Houses.

I hope we can have something that we can stand by and all agree on and be dedicated to it. But the idea of submitting in a bill, with some money for one purpose, without authority, and then standing on that principle in something they do not want, in my judgment, is not the proper way to legislate. I do not want to be bound by any such rules or practice.

Mr. BAYH. I ask the Senator to permit me one other observation, and will be brief because there are others who want to join in this colloquy. The Senator has emphasized very well, and I want to reemphasize, the fact that we are talking about a jobs amendment that will deal directly with those people who have been discharged and are unemployed on railroads. But the deplorable condition of the railroads has had such a significant ripple effect and detrimental fallout across the whole economy that it seems to me this measure not only finds workers that can be put back to work immediately and will do a lasting job of improving our railbeds. The product of their labors will make a significant contribution in the future. It is not one of those things, like eating a meal, that once we do it, is gone. It will have an impact far beyond the immediate impact on the railroad workers or the railroad itself.

I appreciate working with my colleague, my chairman.

Mr. McCLELLAN. I yield the floor to the Senator from North Dakota.

Mr. JAVITS. Mr. President, will the Senator yield to me momentarily?

Mr. STENNIS. Mr. President, who has the floor?

The PRESIDING OFFICER (Mr. Stevens). The Senator from North Dakota has the floor.

Mr. YOUNG. Mr. President, this conference report on the second supplemental appropriations bill for fiscal year 1975, is undoubtedly one of the largest supplemental appropriations bills in the history of Congress. The $15,066,595,998 agreed to by the conferees is $898,067,000 below the Senate bill. The largest item contained in the reduction by the conferees is the $700 million for railroad improvement. The remainder of the decrease was for various items across the spectrum of the bill.

The House conferees disagreed with the Senate amendment providing $700 million for railroad improvement as I mentioned earlier. This item was taken back by the House conferees in disagreement and their position of disagreement confirmed by a vote on the House floor. The House also rejected a conference compromise concerning locks and dam 26 on the Mississippi River. I am sorry that the House took that action. We need badly to improve both our navigation and railroad transportation system. We are doing neither in this bill.

Mr. President, I do urge approval of the conference report.

Mr. STENNIS. Will the Senator yield briefly to me?

Mr. YOUNG. I yield to the Senator from Mississippi.

Mr. STENNIS. Mr. President, I am going to make a comment and ask the Senator from North Dakota if he thinks it is correct.

We had a matter in here which was just declaratory.

May we have order at the front, Mr. President?

The PRESIDING OFFICER. The Senate will be in order.

Mr. STENNIS. It was just a declaratory statement, but there is a lot of interest in it in reference to locks and dam No. 26, wherein a point has been made in court that it was not authorized. We had language there, as the Senator recalls, that does refer to it as having been authorized. The House conferees agreed to that language, with a modification. But by a vote in the House today, that agreement of the conferees was rejected by a vote of 168 for and 179 against. I know that the Senator is concerned about this subject matter and has fine knowledge of it. But it seems to me that in view of the fact that we had this supplemental bill worked on for many, many weeks, affecting all of the departments, at the very end of this session, we just have to move that the Senate recede from that amendment, whereas I should like to pursue the matter further and make a further test out of it, because I believe error has been made.

The Senator is familiar with the situation and this is an area of his country. Does he have any comment to make? I am going to have to leave the Chamber in just a few minutes.

Mr. YOUNG. I was very sorry that the House took that action. In fact, I thought they had agreed to that amendment and I was surprised that they look it back and disagreed. We need to do more for transportation.

I recall the late Senator Allen Ellender, chairman of the Committee on Appropriations, year after year sponsoring improvements and new locks and dams on all the navigable rivers of this country. If it had not been for the efforts of this man, our transportation system would be in much worse shape today.

I cannot understand the courts getting into all this legislation. Are they going to get in the legislative business? They have been on many issues.

Mr. STENNIS. Yes.

Mr. YOUNG. I do not think that in this case, where Congress has spoken and reaffirmed its position, the court should interfere with congressional proceedings. In fact, I believe that, in accordance with our own rules, if we had no authorization at all and if both Houses passed appropriations, and the President signed the bill, it would be legal.

Mr. STENNIS. I think that is correct under the circumstances. In this case, the conferees agreed to the Senate langauge, with modifications, but the House turned down the conferees of the House by this vote of 168 to 179. I think under all the circumstances, this bill having all the other departments' funds in it, much of which is absolute emergency, there is no chance properly to pursue this any further.

Since I am going to leave the floor, I hope that the Senator from North Dakota or the chairman of the committee will move, under the circumstances, to recede from that position.

Mr. YOUNG. I commend the Senator from Mississippi for putting up a good argument in behalf of the language put in the Senate bill.

Mr. STENNIS. I thank the Senator. I appreciate his statement.

Mr. JAVITS. Mr. President, we are faced with a situation we have encountered very often in a quarter of a century. I think this is a good moment to stand up to it.

The situation, briefly, is this: The House has chosen something it liked and used the fact that a lot of important appropriations will be hung up to bludgeon us into it. It happens just fortuitously to be the item immediately before this one and relates to grants to the National Railroad Passenger Corporation, but it has chosen to torpedo the very constructive activity which Senator McClellan so eloquently described, which we want. Now it is eyeball to eyeball, Mr. President. The House sits there waiting for us to yield so that we can all go home, but the House has not yielded anything.

It seems to me, Mr. President, that the time has come to call the issue. The Members of the House are just as responsible to the people as we are and, therefore, a motion will have to be made in due course, if my colleague from Arkansas feels that he needs to do that, as he does, according to the conference agreement, to recede from item 107. I understand that, under the procedure, that motion must be turned down in order for us again to instruct the conferees to go back to conference and insist on the Senate amendment.

It seems to me that this thing is just as broad as it is long and they have yielded nothing to us in a matter which we feel very deeply about. We have yielded completely to them in a matter which they feel very deeply about. I do not understand why we simply do not stand fast, just as they are, and insist that at least something—if it is not $700 million, it may be less—make some move toward what we feel strongly about, have voted twice and had torpedoed twice in the appropriations process. If the Senate does not feel that way, then it will support the motion to recede and that will be the end of that. But it seems to me that we have at some time to face up to the issue.

Therefore, I ask my colleague from Arkansas, for whom I have the greatest respect, when, if we do not do it now, can we feasibly face up to this issue of getting some appropriation for an item in which we all feel a very deeply important interest?

Mr. McCLELLAN. I cannot give the Senator any definite assurance, anything he can rely on. All I can say is we can put it on every appropriation bill that comes up here in an effort to get it passed by the House. I can assure the Senator that I intend to keep trying to get some relief for our railroad industry.

The only reason, I am moving to recede from amendment 107 as I have already stated—I do not think the Senator was in the Chamber when I said it—was because of a number of items in this conference report that I think need urgent attention, matters for which it should provide appropriations, and for that reason I expressed my reluctance and my disappointment in the outcome of the conference, and my reluctance even to present the report and to vote for it.

But these other items, in my judgment, at the moment outweigh and overwhelm the reasons that might be against the conference report, because I think those things are urgently needed, and I have to yield.

I did not do it altogether as gracefully as the Senator from New York might suggest. I made some statements to that effect here on the floor.

I take this position: If this matter of authorization before an appropriation is a high principle, and only to be waived in case of great urgency or an emergency, that is one thing. But if it is going to be used as a principle of convenience, to serve those who want to waive it at a given time and to serve those who want to invoke it at a given time to suit their convenience, then I think we had better make it, as far as I am concerned, a two-way street. But I hope we will not do that.

Mr. JAVITS. I heard the Senator from Arkansas, and I do not for a minute imply remotely that he took this graciously or gently. On the contrary, I have rarely heard him as full of indignation as he has been, and properly.

The only question I would like to ask the Senator is, since the House of Representatives voted this position just here within the last hour or so, would it not be only manly and just that we should vote also here in this body whether or not we wish to recede or whether we really wish to insist, and let the Senate express its will just as the House has expressed its will?

I am told by attachés on both sides that we have no commitments about no rollcalls, and that there is a quorum present. At least let the Senate stand up to its decision. If we wish to join in receding from that position because of the coercion put upon us, let us at least do it when the roll is called, rather than just kind of letting it go.

Mr. McCLELLAN. The Senator has his rights as a Senator. He has the privilege of insisting on a rollcall. The only reason I did not, and the only reason I even bring up this report before the recess, is because of the matters I have already mentioned about money in the bill that is urgently needed, which goes to certain agencies and services where they are already out of funds.

I would very much like to see it go over until after the recess, personally. But I cannot vote that way because of these other situations. We are in a bind. I understand it, and I know we are caught in this situation, but the Senator knows that this recess was set sometime ago, and many Senators and Representatives have anticipated it; some of them have already gone home. Quite a large number of House Members, I am sure, are gone. Maybe we would have a quorum, but not a whole lot more than a quorum, here in the Senate, if the roll is called at this time.

We are caught in a net of circumstances which make it very difficult for us to force this bill over. Of course, the

Senator is at liberty, and I shall have no criticism if he chooses to try to force a rollcall. But I do say again that although I am disappointed in the outcome of the conference with respect to this particular item, as the Senator is, and as is Senator Stennis, whose support I was glad to have for the amendment; but, nevertheless, I have said I would reluctantly support the approval of the conference report because of the conditions that prevail.

Mr. JAVITS. I yield to the Senator from North Dakota.

Mr. YOUNG. Mr. President, the distinguished Senator from Arkansas put up one of the hardest battles I have ever seen in the conference with the House of Representatives on this item. The House had previously taken this position on this particular amendment in disagreement. They had the votes again, and, as the Senator from Arkansas said, he very reluctantly signed this report, and he would not have done so except for these items that we just have to have, unemployment compensation, interest payments, and things like that.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. McCLELLAN. As I said to them on the House side before we recessed the conference yesterday, I was disappointed in the outcome and I was going to state on the floor of the Senate the circumstances that brought this situation about. I have not said anything here, I think, that they will be very much surprised at.

Mr. JAVITS. Mr. President, if I may say so to the Senator from Arkansas, I hope if I decide to seek a rollcall he will not consider that unfriendly. I do not mean it to be. But it seems to me that, having reached this pass where the House has voted on the record not to recede from its position, at least the Senate should express itself comparably.

Mr. MONDALE. Mr. President, I rise to express my appreciation for the outstanding leadership that the chairman of the HEW Labor Appropriations Subcommittee, Mr. Magnuson, and the other members of that subcommittee provided on the supplemental appropriations bill before us.

Faced with opposition from the administration, and the troublesome economic conditions of this country, I believe they did a masterful job of representing the Senate position in conference and producing a sound and reasonable bill under these circumstances.

I especially want to commend the chairman and the other members of the subcommittee for their work with respect to two programs of special interest to me, the Emergency School Aid Act and Follow Through.

The House passed bill, if unchanged by the Senate, would have required unbearable cutbacks in each of these programs. For example, the House passed bill provided only $125 million for the Emergency School Air Act—a cut of almost 50 percent from its current level of $236 million. In response to a letter which I sent, cosigned by 42 other Senators, the HEW Labor Subcommittee appropriated the full $236 million we requested.

I want to thank the chairman and the other Members for their responsiveness, and for working very hard in the Senate-House conference to obtain an appropriation of $215 million in the conference report. While $215 million, regretably, will require some cutbacks, it is a far, far more equitable appropriation than either the $125 million contained in the House bill or the $75 million the administration proposed.

With respect to Follow Through, I am delighted that once again, due to leadership by the Senate subcommittee, additional funds were provided which along with instructions in the conference report, will, insure that each Follow Through program in the country will continue to have a full entering class this fall. We have been fighting for almost 3 years now the administration's efforts to phase out this highly successful program and we have been successful on each occasion.

I want to commend the chairman and the members of the subcommittee once again for providing the leadership necessary to prevent the elimination of this important and worthy program.

Mr. President, I ask unanimous consent that a letter we sent to Senator Magnuson concerning the Emergency School Aid Act and related materials be printed in the Record, so that they may be available to my colleagues and members of the public who share an interest in this important program.

There being no objection, the material was ordered to be printed in the Record, as follows:

COMMITTEE ON
LABOR AND PUBLIC WELFARE,
Washington, D.C., April 18, 1975.

Hon. Warren G. Magnuson,
Chairman, Labor, Health, Education and Welfare Subcommittee, Senate Appropriations Committee, Washington, D.C.

Dear Mr. Chairman: We are writing to urge that the HEW-Labor Subcommittee include an appropriation of $236 million for the Emergency School Aid Act in the Supplemental Appropriations bill now before you for consideration.

We believe this program has provided valuable assistance to school districts undergoing the difficulties which often accompany school desegregation, and believe that at a minimum this program should be continued at last year's funding level. The amount we are proposing is consistent with the budget targets established in the Budget Resolution and Report recently adopted in the Senate Budget Committee.

We are particularly concerned that the Senate appropriate $236 million for this program, since the House passed bill provides only $125 million for this program. Attached, for your information, is a table estimating the impact of a $125 million appropriation for each state.

With warmest personal regards,
Sincerely,

Walter F. Mondale, Lawton Chiles, Clifford P. Case, James B. Allen, John O. Pastore, Hubert H. Humphrey, Harrison A. Williams, Jr., Walter D. Huddleston, Strom Thurmond, Floyd K. Haskell.

Edward M. Kennedy, Claiborne Pell, Herman E. Talmadge, Robert Morgan, Lloyd Bentsen, John Sparkman, Philip A. Hart, Ernest F. Hollings, Jacob K. Javits, John Tunney, Richard S. Schweiker.

Hugh Scott, Charles McC Mathias, Jr., Alan Cranston, J. Bennett Johnston, Charles Percy, Dale Bumpers, Adlai E. Stevenson, George McGovern, Robert T. Stafford, Lee Metcalf.

Frank E. Moss, Abraham Ribicoff, Mark O. Hatfield, Wendell Ford, James O. Eastland, Henry M. Jackson, Jennings Randolph, Mike Gravel, Dick Clark, William D. Hathaway, Dewey F. Bartlett, Gary Hart.

EMERGENCY SCHOOL AID GRANTS FUNDED FOR THE 1974 75 SCHOOL YEAR—ESAA (PUBLIC LAW 92-318)

		1975-76 (projected)[1] (at $125,000,000)	Projected loss
1. Alabama	10,792,634	5,720,096	5,072,538
2. Alaska	178,479	94,593	83,886
3. Arizona	2,378,212	1,260,452	1,117,760
4. Arkansas	4,446,146	2,356,457	2,089,689
5. California	28,049,297	14,866,127	13,183,170
6. Colorado	2,743,999	1,454,319	1,239,680
7. Connecticut	2,926,710	1,551,156	1,375,554
8. Delaware	811,643	430 170	381,473
9. District of Columbia	3,284,189	1,740,620	1,543,569
10. Florida	12,980,781	6,879,813	6,100,968
11. Georgia	11,388,084	6,035,684	5,352,400
12. Hawaii	255,201	135,256	119,945
13. Idaho	188,704	100,013	88,691
14. Illinois	7,290,981	3,864,219	3,426,762
15. Indiana	2,305,190	1,221,750	1,083,440
16. Iowa	307,257	162,846	144,411
17. Kansas	1,105,486	585,907	519,579
18. Kentucky	2,042,518	1,082,534	959,984
19. Louisiana	9,039,642	4,791,010	4,248,632
20. Maine	249,402	132,183	117,219
21. Maryland	3,263,927	1,729,881	1,534,046
22. Massachusetts	3,436,707	1,821,454	1,615,253
23. Michigan	6,223,612	3,298,514	2,925,098
24. Minnesota	1,514,805	802,846	711,959
25. Mississippi	5,319,245	2,819,199	2,500,046
26. Missouri	2,877,807	1,525,237	1,352,570
27. Montana	419,676	222,248	197,248
28. Nebraska	58,174	30,832	27,342
29. Nevada	333,924	176,979	156,945
30 New Hampshire			
31. New Jersey	5,327,085	2,823,355	2,503,730
32. New Mexico	3,283,037	1,740,009	1,543,028
33. New York	21,272,400	11,274,372	9,998,028
34. North Carolina	10,902,766	5,778,465	5,124,301
35. North Dakota	199,794	105,890	93,904
36. Ohio	3,998,500	2,119,205	1,879,295
37. Oklahoma	3,645,318	1,932,018	1,713,300
38. Oregon	497,133	263,480	233,653
39 Pennsylvania	5,255,513	2,785,421	2,470,092
40. Rhode Island	983,344	521,172	462,172
41. South Carolina	7,449,436	3,948,201	3,501,235
42. South Dakota	485,859	257,505	228,354
43. Tennessee	6,354,382	3,367,822	2,986,560
44. Texas	25,053,110	13,278,148	11,774,962
45. Utah	565,625	299,781	265,844
46. Vermont			
47. Virginia	7,987,690	4,233,475	3,754,215
48. Washington	2,107,878	1,117,175	990,703
49. West Virginia	379,503	201,136	178,367
50. Wisconsin	922,623	488,990	433,633
51. Wyoming	155,289	82,303	72,986
52. American Samoa			
53. Guam	663,572	351,666	311,856
54. Puerto Rico	1.500,000	795,000	705,000
55. Trust Territory	270,612	143,424	127,188
56. Virgin Islands	776,065	411,314	364,751
Total	236,248,928		

[1] These figures represent an approximate 47 percent cut across current levels. Should the administration's grant-priority criteria be applied, many of these figures would be lower, especially in the Southern States.

Mr. MAGNUSON. Mr. President, I wish to say a few words about adoption of the conference report on chapter VI of the supplemental bill—the Labor-HEW-related agencies portion.

The conference total for Labor-HEW and related agencies is $8,387,142,000, an increase of $282,573,000 over the budget requests. Most of this amount—$6.7 bil-

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lion—is for increased welfare and unemployment compensation costs, due to the continued deterioration of our economy.

Overall, the Senate amendments did very well in conference. We were able to sustain $142 million of the Senate increases. In other words, the Senate was successful in holding 60 percent of our increases.

Here are the major items settled in conference on this bill:

The sum of $473 million for Headstart and Native American programs, an increase of $11 million over the House bill. Headstart serves about 334,000 youngsters, of which about 35,000 are handicapped. Of the increase recommended, $4 million will help cover the rising cost of living, and $7 million will help meet the additional cost of enrolling handicapped children.

The sum of $492.4 million for the new Community Services Administration, an increase of $37.4 million over the House. This is the unit that runs about 880 urban and rural community action agencies around the country, for which we provided $330 million, serving about 21 million poor people. It also operates senior citizens' centers to help out 800,000 older Americans. The conferces agreed to put back in $22.4 million for the emergency food program. This program has been working well in serving the needy; yet the budget tries to wipe it out every year. The conferees also agreed to provide $16,500,000 for the emergency energy conservation services program administered by the Community Service Administration and $61,000,000 for community development; both these amounts represent increases of $7,500,000 over the original House recommendations.

The sum of $215 million was included to continue the emergency school aid program. The House was adamant, but so was the Senate. The amount agreed to is $90 million more than the House bill.

The sum of $118.9 million is provided for health resources, the bulk of which is to implement the new Health Planning and Resources Act. This will provide the seed money for the new health systems agencies that are supposed to coordinate health care in the United States. In addition, the bill includes $50 million to allow the regional medical programs to make an orderly transition. Also included is $22 million for D.C. medical facilities.

The House accepted Senate perfecting language to prohibit payment of unemployment benefits during the summer to teachers who have a contract from all Federal appropriations, not just this bill.

The House accepted the $717,000 recommended by the Senate for 90 new positions for the Railroad Retirement Board. However, the Senate agreed to drop amounts included for rent payments to the General Services Administration in both this account and the Social Security Administration appropriation for payments to social security trust funds.

Other programs provided for in this bill include: $1.7 billion required to meet increasing welfare and medicaid needs in the States; $164 million for social security; $83 million to pay student loan default claims; and $7.5 million to maintain the veterans' cost-of-education program.

Mr. President, despite the fact that this is the sixth supplemental we have worked on this year, it was still one of the most massive we have ever considered. Something is wrong when our subcommittee alone is asked to consider supplemental budget requests totaling almost $20 billion during a single fiscal year. I certainly hope this new budget reform system will correct this situation instead of encouraging a constant flow of supplementals up Pennsylvania Avenue. We hardly have time anymore to work on the regular Labor-HEW appropriations bill. Hopefully, we can now get on with the important work of getting out the Education and regular Labor-HEW bill for fiscal year 1976.

Mr. President, I ask unanimous consent to have printed in the RECORD summary tables highlighting the conference agreement on the Labor-HEW chapter of the second supplemental.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Current status of Labor-HEW Chapter of the Second Supplemental (H.R. 5899)

Budget estimates	$8,104,569,000
House bill	8,245,067,000
Senate bill	8,480,412,000
Conference agreement	8,387,142,000
Compared with:	
Budget estimates	+282,573,000
House bill	+142,075,000
Senate bill	−93,270,000
Major changes over the budget:	
Emergency school aid	+140,000,000
Regional medical programs	+38,000,000
Head Start	+26,700,000
Emergency food and medical services	+22,400,000
Energy conservation services	+16,500,000
Veterans' cost of education	+7,500,000
D.C. medical facilities	+22,000,000
Community services programs	+32,700,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY CONTAINED IN THE BILL (H.R. 5899) LABOR HEW-PROGRAMS

CHAPTER VI

Agency and item	Budget estimates	House bill	Senate bill	Conference agreement	Conference agreement compared with— Budget estimates	House bill	Senate bill
DEPARTMENT OF LABOR							
Manpower Administration							
Advances to the unemployment trust fund and other funds	$5,000,000,000	$5,000,000,000	$5,000,000,000	$5,000,000,000			
Departmental management							
Salaries and expenses	550,000	150,000	150,000	150,000	−$400,000		
Total, Department of Labor	5,000,550,000	5,000,150,000	5,000,150,000	5,000,150,000	−400,000		
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE							
Health Services Administration							
Health services (by transfer)	(5,000,000)		(5,000,000)	(5,000,000)		(+$5,000,000)	
National Institutes of Health							
National Institute of Arthritis, Metabolism, and Digestive Diseases			300,000	300,000	+300,000	+300,000	
Alcohol, Drug Abuse, and Mental Health Administration							
Saint Elizabeths Hospital	134,000	134,000	134,000	134,000			
(By transfer)	(1,058,000)		(1,058,000)	(1,058,000)		(+1,058,000)	
Health Resources Administration							
Health resources:							
1. Health planning and resources development	18,700,000	18,700,000	10,000,000	10,000,000	−8,700,000	−8,700,000	
2. Comprehensive health planning	29,400,000	29,400,000	29,400,000	29,400,000			
3. Regional medical programs	12,000,000	50,000,000	50,000,000	50,000,000	+38,000,000		
4. Nursing research projects		1,200,000	1,200,000	1,200,000	+1,200,000		
5. District of Columbia medical facilities		22,000,000	29,575,000	22,000,000	+22,000,000		−$7,575,000
6. Experimental health delivery systems	800,000	800,000	800,000	800,000			
7. Program management	5,600,000	5,500,000	5,500,000	5,500,000	−100,000		
Total	66,500,000	127,600,000	126,475,000	118,900,000	+52,400,000	−8,700,000	−7,575,000
Trust fund transfer	(8,500,000)	(8,500,000)	(8,500,000)	(8,500,000)			
Office of Education							
Elementary and secondary education:							
1. Drug and alcohol abuse education		$4,000,000	$4,000,000	$4,000,000	+$4,000,000		
2. Follow through			5,000,000	2,500,000	+2,500,000	+$2,500,000	−$2,500,000
Total		4,000,000	9,000,000	6,500,000	+6,500,000	+2,500,000	−2,500,000
Emergency school aid:							
1. Special projects:							
(a) Bilingual education		5,000,000	9,958,000	9,052,000	+9,052,000	+4,052,000	−906,000
(b) Educational television		3,750,000	7,468,000	6,794,000	+6,794,000	+3,044,000	−674,000
(c) Special programs and projects	$74,250,000	6,250,000	12,447,000	11,309,000	−62,941,000	+5,059,000	−1,138,000
Subtotal	74,250,000	15,000,000	29,873,000	27,155,000	−47,095,000	+12,155,000	−2,718,000
2. State apportionment:							
(a) Pilot projects		18,750,000	37,341,000	33,948,000	+33,948,000	+15,198,000	−3,393,000
(b) Special programs and projects		10,000,000	19,915,000	18,103,000	+18,103,000	+8,103,000	−1,812,000
(c) General grants to school districts		80,000,000	146,875,000	133,537,000	+133,537,000	+53,537,000	−13,338,000
Subtotal		108,750,000	204,131,000	185,588,000	+185,588,000	+76,838,000	−18,543,000
3. Evaluation	750,000	1,250,000	2,489,000	2,257,000	+1,507,000	+1,007,000	−232,000
Total	75,000,000	125,000,000	236,493,000	215,000,000	+140,000,000	+90,000,000	−21,493,000
Education for the Handicapped (recordings for the blind)			250,000	250,000	+250,000	+250,000	
Higher education:							
Subsidized insured loans	67,400,000	67,400,000	67,400,000	67,400,000			
Veterans' cost-of-instruction			15,000,000	7,500,000	+7,500,000	+7,500,000	−7,500,000
Total	67,400,000	67,400,000	82,400,000	74,900,000	+7,500,000	+7,500,000	−7,500,000
Student Loan Insurance fund	82,600,000	82,600,000	82,600,000	82,600,000			
Social and Rehabilitation Service							
Public assistance	1,729,748,000	1,729,748,000	1,729,748,000	1,729,748,000			
Rehabilitation services		500,000	2,325,000	2,325,000	+2,325,000	+1,825,000	
Social Security Administration							
Payments to social security trust funds	20,242,000		20,242,000		−20,242,000		−20,242,000
Special benefits for disabled coal miners	80,844,000	80,844,000	80,844,000	80,844,000			
Supplemental security income program	83,102,000	83,102,000	83,102,000	83,102,000			
Limitation on salaries and expenses	(78,668,000)	(78,668,000)	(78,668,000)	(78,668,000)			
Special Institutions							
Gallaudet College	8,052,000	80,52,000	8,052,000	8,052,000			
Howard University	2,050,000	2,050,000	2,050,000	2,050,000			
Assistant Secretary for Human Development							
Human development:							
1. Head Start	414,300,000	430,000,000	452,000,000	441,000,000	+26,700,000	+11,000,000	−11,000,000
2. Native Americans program	32,000,000	32,000,000	32,000,000	32,000,000			
Total	446,300,000	426,000,000	484,000,000	473,000,000	+26,700,000	+11,000,000	−11,000,000
Office of the Secretary							
Departmental management	20,897,000	16,587,000	16,587,000	16,587,000	−4,310,000		
Total, HEW	2,682,869,000	2,789,617,000	2,964,062,000	2,894,292,000	+211,423,000	+104,675,000	−70,310,000
RELATED AGENCIES							
Community services program:							
1. Community action agencies	330,000,000	330,000,000	330,000,000	330,000,000			
2. Community economic development	39,000,000	53,500,000	68,500,000	61,000,000	+22,000,000	+7,500,000	−7,500,000
3. Emergency energy conservation services		9,000,000	19,000,000	16,500,000	+16,500,000	+7,500,000	−2,500,000
4. Emergency food and medical services			30,000,000	22,400,000	+22,400,000	+22,400,000	−7,600,000
5. Other	51,800,000	62,500,000	67,500,000	62,500,000	+10,700,000		−5,000,000
Total	420,800,000	455,000,000	515,0000,00	402,400,000	+71,600,000	+37,400,000	−22,600,000
Federal Mediation and Conciliation Service							
Salaries and expenses	350,000	300,000	300,000	300,000	−50,000		
Railroad Retirement Board							
Limitation on salaries and expenses	(2,200,000)	(200,000)	(1,840,000)	(717,000)	(−1,483,000	(+517,000)	(−1,122,000)
Space and facilities			350,000				−350,000
Total, related agencies	421,150,000	455,300,000	515,[illegible]60,000	492,700,000	+71,550,000	+37,400,000	−22,600,000
Total, Chapter VI	8,104,569,000	8,245,067,000	8,480,412,000	8,387,142,000	+282,573,000	+142,075,000	−93,270,000
By transfer	(6,058,000)		(6,058,000)	(6,058,000)		(+6,058,000)	
Trust fund transfer	(8,500,000)	(8,500,000)	(8,500,000)	(8,500,000)			
Trust fund limitation	(80,868,000)	(78,868,000)	(80,508,000)	(79,385,000)	(−1,483,000)	(+517,000)	(−1,123,000)

Mr. McCLELLAN. Mr. President, unless some other Senator wishes to speak on the matter, or unless there are further questions, I move the adoption of the conference report.

Mr. NELSON. Mr. President, may I make an inquiry of the Senator from Arkansas?

Mr. McCLELLAN. I yield.

Mr. NELSON. I do not know all the details of the conference report, but is it the intent of the Senator to move to recede on amendment No. 83, locks and dam 26?

Mr. McCLELLAN. Yes, I would have to move that, because that was the agreement in the conference.

Mr. NELSON. I simply wish to have it clear, if the Senator from New York is moving to send the matter back to conference, will the Senator from Arkansas have moved to recede on amendment No. 83 prior to its going back to conference?

Mr. McCLELLAN. Well, if we receded on it and then it went back to conference I assume that would be settled. If the Senator wishes to move to send it

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back to conference without any vote, I assume that should be done now.

Mr. President, a parliamentary inquiry.

The **PRESIDING OFFICER.** The Senator from Arkansas will state it.

Mr. McCLELLAN. Am I correct that the conference report will have to be accepted before we can make motions to recede or to agree on amendments?

The PRESIDING OFFICER (Mr. JAVITS). The amendments in disagreement will not be laid before the Senate until the conference report is agreed to.

Mr. McCLELLAN. Then, Mr. President, I move the adoption of the conference report.

The **PRESIDING OFFICER.** The question is on agreeing to the conference report.

Mr. STEVENS. Mr. President, I just want to make a statement concerning the language of the report which refers to an amendment concerning Cook Inlet. As the chairman knows, we put the matter in the report rather than in the bill itself, but I think an explanation is necessary for the record.

I yield to the Senator from Arkansas as to what he wishes to do. He has a motion; I do not object to action on the motion, I just wish to make a statement at an appropriate time.

Mr. McCLELLAN. Very well. I yield to the Senator from Alaska.

Mr. STEVENS. Mr. President, in the Corps of Engineers, Department of the Army, section of the bill that was passed by the Senate—

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. STEVENS. I yield.

Mr. McCLELLAN. I have moved the adoption of the conference report. If there is no objection, I would like it to be adopted.

Mr. STEVENS. I do not object.

The **PRESIDING OFFICER.** Does the Senator from Alaska wish to speak before the conference report is acted upon?

Mr. STEVENS. No.

The **PRESIDING OFFICER.** Does the Senator yield the floor?

Mr. STEVENS. I yield the floor.

The **PRESIDING OFFICER.** The question is on agreeing to the conference report.

The report was agreed to.

The **PRESIDING OFFICER.** The Senator from Alaska is recognized.

Mr. STEVENS. In the bill as it was passed by the Senate there was a provision for $1 million to proceed with the emergency action necessary to remove a shoal which was discovered in August of 1974, which, as the Senator from Indiana has pointed out here previously this afternoon, constitutes a danger to navigation in the shipping channel to the harbor of Anchorage, and the removal of that is urgently necessary to complete the construction of the Trans-Alaska pipeline.

The House of Representatives also objected to that provision on the basis there had not been an authorization of an addition to the Cook Inlet navigation improvement project.

Following a colloquy in the conference committee, the gentleman from Tennessee, Congressman EVINS, the Senator from Mississippi, Senator STENNIS, and I, called the Corps of Engineers and specifically asked if Congress made a finding that the removal of that shoal was necessary for the construction of the Trans-Alaska pipeline and the conference report authorized and directed the Corps of Engineers to use available funds to remove that shoal, would they do it.

Having been assured that that would be the case, we did agree to yield to the House position that there would be no language in the bill that authorized a new project or an extension of the Cook Inlet navigation improvement project. But there is language in the conference report which specifically makes a finding by Congress that the removal of this shoal is necessary to complete the construction of the Trans-Alaska pipeline, and the Corps of Engineers is instructed to proceed with available funds pursuant to section 203 of Public Law 93–153 with the immediate removal of that shoal. No extension of the Cook Inlet project is contemplated. This action is necessary to meet the requirements of the Trans-Alaska Pipeline Act. As the Members of the Senate will recall, Congress directed every Federal official to take whatever action was necessary in order to complete the construction of the Trans-Alaska pipeline and to assure its completion on time, without further public hearings or environmental impact statements.

The Trans-Alaska pipeline is scheduled to be completed in September of 1977. If that shoal is not removed, there are some 17 shipments involving 100,000 tons, 2 billion pounds, of cargo that are destined, for the most part, to go to the Trans-Alaska pipeline which could not be delivered this year and could, in fact, delay the Alaska pipeline by approximately a year.

I am grateful to my colleagues on the conference committee, in particular to the Senator from Mississippi and the Congressman from Tennessee, for their consideration. I think the record should show that the Conference Committee took this action only after being assured by the Corps of Engineers that they would, in fact, proceed with the removal of that shoal pursuant to this finding and instruction contained in the conference report.

Had we not had that assurance I, too, would be seeking further consideration by the conference committee because I do not think in an emergency situation, as the Senator from Indiana has said, we should yield to the temptation to follow a procedure as usual. This is an emergency, and I am grateful to the chairman of the committee for his action and for the others who assisted us, but I have accepted this report language on the assurance that the shoal will be removed I am certain that the chairman of the committee knows if the action pursuant to this direction to the Corps of Engineers does not start pretty quickly, why, I will be back in touch with the committee.

I thank the chairman very much.

The **PRESIDING OFFICER.** What is the pleasure of the Senate?

Mr. McCLELLAN. Mr. President, I ask that the Chair lay before the Senate the amendments in disagreement, and I ask unanimous consent that the amendments be printed in the RECORD at this point.

The PRESIDING OFFICER (Mr. STEVENS). Without objection, it is so ordered.

The amendments in disagreement are as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 20 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

ENVIRONMENTAL PROTECTION AGENCY

ABATEMENT AND CONTROL

To carry out the provisions of section 1444 of the Safe Drinking Water Act, $4,000,000, to remain available until expended.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 40 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: "$118,900,000, of which $10,000,000 shall be available until December 31, 1975 for carrying out section 3 of the National Health Planning and Resources Development Act of 1974".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 43 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum named in said amendment, insert: "$185,588,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 44 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum named in said amendment, insert: "$11,309,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 45 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum named in said amendment, insert: "$9,052,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 46 to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the sum named in said amendment, insert: "$6,794,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 47 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum named in said amendment, insert: "$2,257,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 49 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: ", to remain available until September 30, 1975".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 59 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum named in said amendment, insert: "$7,000,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 63 to the aforesaid bill, and

concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert: ", *Provided*, That the amount herein, together with funds available in Public Law 93–517, shall be available for the payment of standard level user charges.".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 106 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum inserted by said amendment, insert: "$76,225,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 108 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum named in said amendment, insert: "$1,500,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 171 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

"SEC. 308. Unobligated balances of operation and maintenance appropriations available to the Department of Defense—Military, in an amount not to exceed $18,950,000 in fiscal year 1973 and $23,891,000 in fiscal year 1974, shall be available to reimburse the United States Postal Service for service rendered to the Department of Defense during those fiscal years."

The **PRESIDING OFFICER.** The Chair lays before the Senate the first amendment in disagreement, No. 20.

Mr. McCLELLAN. Mr. President, unless some Member desires that separate action be taken on any of the amendments of the House to the amendments of the Senate which were reported in disagreement, I move that the Senate concur in the amendments of the House to the amendments of the Senate on bloc. This motion would cover all amendments except amendment 83 and amendment 107.

The **PRESIDING OFFICER.** The Chair has laid before the Senate only amendment No. 20.

The Chair now lays before the Senate all amendments. Is there objection?

Mr. JAVITS. Mr. President, there is objection therein to all——

The PRESIDING OFFICER. All amendments of the House in disagreement except the House amendments in disagreement to Senate amendment No. 83 and amendment No. 107 are laid before the Senate at this time. Is there objection to any of the amendments in disagreement other than Nos. 83 and 107 to be considered en bloc?

Mr. McCLELLAN. Is there objection?

The PRESIDING OFFICER. The question is on agreeing to the motion.

Mr. McCLELLAN. This would mean that all amendments now would be agreed to except amendments 83 and 107.

The PRESIDING OFFICER. All amendments in disagreement except the amendments of the House in disagreement to Senate amendments Nos. 83 and 107 are considered and agreed to en bloc.

Mr. JAVITS. Now, Mr. President, if it is convenient to the Senator, I would like to suggest the absence of a quorum.

Mr. NELSON addressed the Chair.

Mr. JAVITS. I withhold that request.

The PRESIDING OFFICER. The Chair lays before the Senate the first excepted amendment in disagreement which the clerk will state.

The legislative clerk read as follows:

The House insists on its disagreement to Senate Amendment No. 83.

Mr. McCLELLAN. Does the Senator want a quorum now?

Mr. JAVITS. No; I will wait for the Senator from Wisconsin (Mr. NELSON).

Mr. McCLELLAN. Mr. President, I move that the Senate recede from its amendment No. 83.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

Mr. McCLELLAN. Mr. President, I move that the Senate recede from its amendment No. 107.

The **PRESIDING OFFICER.** First, the Chair will lay before the Senate the House amendment in disagreement to Senate amendment No. 107, which the clerk will report.

The legislative clerk read as follows:

The House insists on its disagreement to Amendment No. 107.

The **PRESIDING OFFICER.** The question is on agreeing to the motion of the Senator from Arkansas.

Mr. JAVITS. I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I ask for the yeas and nays on the motion.

The **PRESIDING OFFICER.** Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. JAVITS. Now, Mr. President, if I may be heard, at this stage of the proceedings it is never very pleasant to ask for a rollcall, but I understand there are no commitments out that there will be none, also that there are enough Members to respond to the roll.

Mr. President, having for years been put in this position where at the very end, just before a recess or just before an adjournment sine die, we are faced with an accomplished fact, whatever may be the equities or the justice in the case and a certain "take it or else," we have hardly ever that I know of faced up to it.

As happens in life sometimes, we come to a breaking point where we say, "At least, let us not yield this time unless we have to, unless that is the considered judgment of the Senate."

That is all I am asking for, Mr. President, just as I asked my colleagues, the leadership on both sides and Senator McCLELLAN, that it would not be considered unfriendly to call the roll on this matter.

So it seems to me that before we step away from it, in all honesty and candor, we ought to face up to the responsibility that it is we who are stepping away from it.

Again, I would like to pay tribute to Senator McCLELLAN's deeply held feeling in this matter. I hope that whatever may be the outcome of this vote, which is nothing but requiring us to face an issue we ought to face and not step away, instead of the usual, "Let it go by voice vote," I would hope very much that whatever may be the outcome of the vote his expression of determination may still prevail and that the Senator knows he will have overwhelming support of this Chamber. The last time this question was raised, the vote was 66 to 10.

I hope very much, therefore, that in that spirit it will be considered appropriate to call the roll on his issue, again paying tribute to the strong position of the Senator and his feeling which is so frankly expressed that the weight of the equity at this moment, he feels, is to carry the bill, and not fuss about this further.

But I feel that the House is there waiting in recess. They voted on the record with respect to this position. It just seems to me if we are going to let it go at this stage now, we ought to do the same thing in all fairness to ourselves.

Mr. McCLELLAN. Mr. President, I have already stated my position. I am under obligation, therefore, to support the adoption of the amendment because in conference I signed the conference report, and I have stated here I signed it reluctantly.

I stated here that if it were not for the urgency of the situation and emergency funds in this bill, I would not even present this report. I would be back there fighting for it.

I cannot blame anyone who votes his true sentiments on this. I am not going to make any strong appeal. I am going to vote to sustain the conference, under the circumstances.

But I can understand the feeling of others. If we are sent back, we will certainly continue to make every effort to maintain the Senate's position and get some consideration for it. If we are not sent back, my conscience is clear. I would have done everything I think proper and everything consistent with my responsibilities in this matter.

Again, I would refer to the critical circumstances with respect to other items in this bill which need to be approved and funds appropriated for them.

For that reason I shall support the action of the conference.

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The **PRESIDING OFFICER.** The Senator will state it.

Mr. JAVITS. If the motion is rejected, will a motion to refuse to recede and to request the conferees to return to conference be in order?

The **PRESIDING OFFICER.** A motion to insist and ask for a further conference would then be in order.

Mr. JAVITS. I thank my colleague.

Have the conferees been discharged by the Senate?

The **PRESIDING OFFICER.** The conferees have been discharged in the House and a new conference would have to be appointed. The conference would be on one issue.

Mr. JAVITS. I thank the Chair.

Mr. ALLEN. As I heard the distinguished Senator from New York make his plea to turn down the motion to agree to recede from the Senate position, I thought that a vote not to recede, a vote no, would be an endorsement of the distinguished chairman of the committee (Mr. McClellan). It seemed that the vote was being based on approval or disapproval of the position of the distinguished Senator from Arkansas.

I found when the distinguished Senator from Arkansas took the floor he stated that he was supporting the motion that the Senate recede. As I understand what is involved here it is that the House takes the position that not having authorized this appropriation in the House, it cannot make an appropriation.

Well, that is the rule we follow over here, I assume. I do not like to see the House adopt an arbitrary position, but it seems to me that they are not adopting an arbitrary position in saying that they cannot pass the appropriation because they have not passed an authorization.

Far from a no vote backing up the distinguished Senator from Arkansas, it would seem that a yea vote would back the distinguished Senator from Arkansas.

Mr. McCLELLAN. Will the Senator yield?

Mr. ALLEN. I am delighted to yield.

Mr. McCLELLAN. I tried to make my position clear. I am obligated to support this motion, personally, and I am going to support it. I am very unhappy about it. This motion is not my sentiment. I fought the other way. I fought to have the Senate amendment approved and agreed to in conference. We were faced with the situation where they agreed to take it back in disagreement. I anticipated and announced that I knew what the result would be. I stated in my opening remarks today why, under the circumstances, notwithstanding my disappointment, notwithstanding my displeasure at the outcome of the conference, the only reason I am making this motion and supporting it is because of the fact there are items in this bill of great urgency that ought to be funded. If we do not fund them, there will probably be some distress which will result therefrom. My sentiments would be to vote with the distinguished Senator from New York, but I am committed otherwise.

If the Senator will yield a little further, this technicality that the House is invoking is one which they are using for their convenience. If the Senator will look at the bill, H.R. 5899, at page 39, he will note that in the paragraph of the bill immediately preceding the railroad amendment that the Senate placed in the bill, the House appropriated $74,725,000 for the additional amount for grants to the National Railroad Passenger Corporation. Then it provided that $59,800,000 of this appropriation shall be available only upon enactment of authorization legislation.

The House is inconsistent. It is using this technicality as a convenience to serve its purpose whenever it wants to and waiving it whenever it does not want to. I contend it is just as great an emergency to try to repair the railroad beds and put people back to work as there is in the $59,800,000 that the House appropriated subject to authorization.

There are three instances in this bill. They accept two of them and act on a technicality against the amendment for railroad repairs.

Mr. ALLEN. I thank the distinguished Senator for that information.

Mr. McCLELLAN. My sentiments would be to send this thing back, but I am committed. I have done everything I could up to now to try to have the Senate's position prevail.

Mr. ALLEN. Did all of the conferees sign the conference report on the part of the Senate?

Mr. McCLELLAN. All of them did.

Mr. ALLEN. It was unanimous?

Mr. McCLELLAN. All signed it, yes.

Mr. ALLEN. As I understand the situation, at this stage of the proceeding something more than $14 billion in supplemental appropriations have been approved by both Houses. If the motion the Senator from Arkansas has made to recede from the Senate position does not carry, those appropriations, at least for the time being, will fall. Is that correct?

Mr. McCLELLAN. I would address that as a parliamentary inquiry. I think it is correct.

The PRESIDING OFFICER. Does the Chair understand the inquiry is whether or not the bill will be delayed until the one item that is in conference is determined? Is that the inquiry?

Mr. McCLELLAN. State the parliamentary inquiry.

Mr. ALLEN. I asked the question, though I think it is pretty well known, since at this stage of the proceeding both Houses have agreed to more than $14 billion in appropriations, if the motion made by the Senator from Arkansas that the Senate recede from its amendment does not carry, then these $14 billion in appropriations will, at least for the time, fall. Is that correct?

The PRESIDING OFFICER. The action on the bill would not be complete. The Chair does not recognize the reference to the appropriations falling. They would not be complete. The bill would not be prepared to be sent to the President.

Mr. ALLEN. A new conference would have to be appointed and delay would take place?

The PRESIDING OFFICER. The whole bill would be delayed until that one item was resolved. That is correct.

Mr. ALLEN. I thank the Chair for the explanation.

The PRESIDING OFFICER. The question is on agreeing to the motion. The yeas and nays have been ordered. The Chair will state that a yea vote supports the position of the Senator from Arkansas and a nay vote will support the position of the Senator from New York.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. Abourezk), the Senator from Texas (Mr. Bentsen), the Senator from Delaware (Mr. Biden), the Senator from North Dakota (Mr. Burdick), the Senator from Nevada (Mr. Cannon), the Senator from Missouri (Mr. Eagleton), the Senator from Mississippi (Mr. Eastland), the Senator from Ohio (Mr. Glenn), the Senator from Hawaii (Mr. Inouye), the Senator from Louisiana (Mr. Johnston), the Senator from Louisiana (Mr. Long), the Senator from Wyoming (Mr. McGee), the Senator from South Dakota (Mr. McGovern), the Senator from Montana (Mr. Metcalf), the Senator from Minnesota (Mr. Mondale), the Senator from New Mexico (Mr. Montoya), the Senator from North Carolina (Mr. Morgan), the Senator from Rhode Island (Mr. Pastore), the Senator from West Virginia (Mr. Randolph), the Senator from Connecticut (Mr. Ribicoff), the Senator from Florida (Mr. Stone), and the Senator from California (Mr. Tunney) are necessarily absent.

I also announce that the Senator from Georgia (Mr. Talmadge), the Senator from Massachusetts (Mr. Kennedy), the Senator from South Dakota (Mr. Abourezk) and the Senator from Georgia (Mr. Nunn) are absent on official business.

I further announce that, if present and voting, the Senator from North Dakota (Mr. Burdick), the Senator from West Virginia (Mr. Randolph), the Senator from Connecticut (Mr. Ribicoff), and the Senator from Rhode Island (Mr. Pastore) would each vote "nay."

Mr. HUGH SCOTT. I announce that the Senator from Massachusetts (Mr. Brooke), the Senator from Arizona (Mr. Fannin), the Senator from Hawaii (Mr. Fong), the Senator from Michigan (Mr. Griffin), the Senator from Wyoming (Mr. Hansen), the Senator from Oregon (Mr. Hatfield), the Senator from Kansas (Mr. Pearson), the Senator from Illinois (Mr. Percy), the Senator from Delaware (Mr. Roth), the Senator from Ohio (Mr. Taft), and the Senator from Texas (Mr. Tower) are necessarily absent.

I also announce that the Senator from Tennessee (Mr. Baker) is absent on official business.

I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield) and the Senator from Illinois (Mr. Percy) would each vote "nay."

The result was announced—yeas 16, nays 46, as follows:

[Rollcall Vote No. 194 Leg.]

YEAS—16

Allen
Byrd,
  Harry F., Jr.
Curtis
Goldwater
Helms
Hruska
Huddleston
McClellan
McClure
Packwood
Proxmire
Scott,
  William L.
Sparkman
Stennis
Thurmond
Young

NAYS—46

Bartlett
Bayh
Beall
Bellmon
Brock
Buckley
Bumpers
Byrd, Robert C.
Case
Chiles
Church
Clark
Cranston
Culver
Dole
Domenici
Ford
Garn
Gravel
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hathaway
Hollings
Humphrey
Jackson
Javits
Laxalt
Leahy
Magnuson
Mansfield
Mathias
McIntyre
Moss
Muskie
Nelson
Pell
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Symington
Weicker
Williams

NOT VOTING—37

Abourezk
Baker
Bentsen
Biden
Brooke
Burdick
Cannon
Eagleton
Eastland

Fannin
Fong
Glenn
Griffin
Hansen
Hatfield
Inouye
Johnston
Kennedy
Long
McGee
McGovern
Metcalf
Mondale
Montoya
Morgan
Nunn
Pastore
Pearson
Percy
Randolph
Ribicoff
Roth
Stone
Taft
Talmadge
Tower
Tunney

So the motion was rejected.

Mr. JAVITS. Mr. President, I move that the Senate further insist on its amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

The PRESIDING OFFICER. What is the will of the Senate?

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I shall shortly move to stand in recess awaiting the call of the Chair, pending whatever action the House may wish to take in view of the action that has just been taken by the Senate. The House may further insist upon its disagreement and ask for a conference, or it may concur. Therefore, until we hear further from the House, I move that the Senate stand in recess awaiting the call of the Chair.

The motion was agreed to, and at 4:50 p.m., the Senate took a recess subject to the call of the Chair.

The Senate reassembled at 6:08 p.m. when called to order by the Presiding Officer (Mr. Allen).

AUTHORIZATION FOR THE SECRETARY OF THE SENATE TO RECEIVE MESSAGES FROM THE PRESIDENT AND HOUSE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to receive messages from the other body and from the President of the United States during the adjournment of the Senate over to 12 o'clock noon on Monday, June 2, 1975.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR CERTAIN ACTIONS DURING THE RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Vice President of the United States, the President pro tempore, and the Acting President pro tempore be authorized to sign duly enrolled bills and joint resolutions during the adjournment of the Senate over until Monday, June 2, 1975, at 12 o'clock noon.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SECOND SUPPLEMENTAL APPROPRIATIONS ACT, 1975—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses to the amendments of the Senate to the bill (H.R. 5899) making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes.

Mr. STEVENS. Mr. President, I ask unanimous consent that it be in order to reconsider the vote by which the conference report and all amendments thereto which were disposed of, excepting only the House amendment in disagreement to Senate amendment 107, were agreed to.

Mr. JAVITS. Mr. President, I did not hear the request.

Mr. STEVENS. I want to reconsider all of the votes by which the conference report was agreed to and all of the amendments in agreement were agreed to. My request was not as to the one amendment remaining in disagreement. I just would not want there to be any chance that there could be a motion to reconsider the matters which were in agreement.

Mr. JAVITS. Will the Senator clarify that by saying "the amendments"—and I hope the Parliamentarian will correct me if I am mistaken—"the amendments which were agreed to, and the amendments in disagreement to the extent agreed to by the Senate, excluding only amendment No. 107, which was in disagreement?"

Mr. STEVENS. And the conference report itself. I accept the amendment.

The PRESIDING OFFICER. Does the Chair correctly understand that the motion to reconsider includes the conference report adoption, and also all amendments that were agreed to, but does not include reconsideration of the one amendment in disagreement?

Mr. STEVENS. That is correct. I am not making a motion to reconsider that amendment at this time.

The PRESIDING OFFICER. It would take unanimous consent to make such a motion. Without objection, the motion will be in order.

Mr. STEVENS. I so move.

The motion to reconsider the vote was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE "MAYAGUEZ" MISSION

Mr. ALLEN. Mr. President, I supported the President's firm stand throughout on the rescue of the merchant vessel *Mayaguez*, for it was an action that had to be taken to preserve our national honor. Of course, I am deeply saddened at the tragic loss of American lives and the wounding of scores of our men, and I grieve with the families and friends of the men who made the sacrifices.

Mr. President, two of the servicemen who lost their lives were from my home State of Alabama, S. Sgt. Elwood Rumbaugh, of Dothan, Ala., and Hosp. Corpsman Bernard Gause, Jr., of Birmingham, Ala.

We grieve with the families and friends of these brave servicemen, and we pay tribute to all of the American servicemen who acted so bravely and so patriotically in the rescue of this American vessel. We applaud their actions and we admire them, and we certainly regret the casualties and the deaths that occurred.

Certainly it must be said that these sacrifices were not made in vain because these heroes were acting in the finest patriotic tradition fighting for our country's honor. Some second guessing is taking place now by those critical of the President's action. Was force necessary? Was too much force used? Hindsight is always better than foresight. The point had to be made that we will fight to protect the rule of law where our national interests are at stake. It was a stand for law and for principle and America stands taller today as a result.

SENATE RESOLUTION 171—SUBMISSION OF A RESOLUTION TO PAY TRIBUTE TO AMERICAN SERVICEMEN WHO FOUGHT IN SOUTHEAST ASIA AND TO THEIR FAMILIES

Mr. ALLEN. Mr. President, as we hopefully close out the chapter of American involvement in Southeast Asia, and as our servicemen have been withdrawn from that area, I think it is entirely appropriate, and from conversations I have had with Members of the Senate, it is felt to be entirely appropriate, that the U.S. Senate take notice of the closing of this chapter in our national history and the fact that participation of American troops in the hostilities in Southeast Asia has now been brought to a close.

Without going into any of the issues for or against our presence in Southeast Asia but only for the purpose of commending the bravery, the patriotism, and the sacrifice of the American servicemen and their families, a resolution has been drafted, and I ask unanimous consent that this resolution may be considered at this time.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. ALLEN. I would be glad to yield.

Mr. JAVITS. I have joined in the resolution with Senator Allen, and so have many other Senators. I have no objection.

The PRESIDING OFFICER. If the

Senator will send the resolution to the desk the clerk will state the resolution.

The assistant legislative clerk proceeded to read the resolution.

Mr. ALLEN. Would the clerk read the sponsors.

The assistant legislative clerk read as follows:

Allen, Dole, Harry F. Byrd, Jr., Curtis, Griffin, Thurmond, Stennis, Nelson, Stevenson, Humphrey, Chiles, Javits, Huddleston, Robert C. Byrd.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. ALLEN. I am delighted indeed to yield.

Mr. JAVITS. Mr. President, I have joined in the resolution, although I proudly took another view from that of our colleague and other colleagues who have endorsed the resolution on the Vietnam war. I think it is shocking that there should be any question in the minds of any American family who lost or had a serviceman wounded about the fact that in our estimation these men stand equally with the veterans of every other war, the war against Hitler and every other war, in which we have fought.

There is a paramount responsibility over, above, and beyond agreement with this particular war, and that is the integrity of our country as a nation, and the willingness of its young men and women to obey the will of the Nation as part of their responsibility to the Nation.

It is in that spirit that I feel the resolution has been drafted, as the Senator from Alabama (Mr. ALLEN) has said, and I have joined in.

Mr. ALLEN. I thank the distinguished Senator from New York.

The assistant legislative clerk read as follows:

Whereas, the participation of American troops in hostilities in Southeast Asia has been brought to an end; and

Whereas, American servicemen fought in Southeast Asia with great patriotism and courage in a conflict far from our shores, in which more than 50,000 made the supreme sacrifice and more than 300,000 were wounded; and

Whereas, theirs was not to reason why, theirs was to do and die; and

Whereas, the American people are proud of the American servicemen living and dead, who participated in the Southeast Asian conflict and owe a great debt of gratitude to them and their families.

Now therefore, be it resolved by the Senate:

1. That the Nation is eternally grateful to all those American servicemen who participated in the Southeast Asian conflict and to their families for the patriotism, the courage and the sacrifice of such servicemen and their families out of sheer patriotism.

2. That the Senate pay tribute to the American servicemen of the Vietnam Era and to the veterans of all wars.

3. That the Senate resolves that their sacrifice shall not be forgotten but that it will live on in the minds and hearts of the American people.

Mr. ROBERT C. BYRD. Mr. President, will the Senator add my name as a cosponsor?

Mr. ALLEN. Mr. President, I ask unanimous consent that the name of the distinguished Senator from West Virginia, the assistant majority leader, be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 171) was agreed to.

The preamble was agreed to.

Mr. ALLEN. I yield the floor.

LEGISLATIVE MEDICINE FOR AN AILING ECONOMY

Mr. MANSFIELD. Mr. President, since convening in January, the 94th Congress has been primarily concerned with legislative medicine for an ailing economy. The congressional majority recommended a program for economic recovery and energy sufficiency. Under the leadership of Senator JOHN PASTORE's ad hoc majority conference committee, the Senate has expedited the consideration of measures necessary to deal with America's economic and energy supply problems as outlined in the congressional proposal. The following steps advocated by the Democratic majority have been taken:

First. A tax rebate to provide a one-shot stimulus to the sagging economy has been enacted.

Second. A temporary personal tax reduction for continuing support to consumer purchasing power has been enacted.

Third. A business tax reduction to stimulate investment has been enacted.

Fourth. Congress has repealed the oil depletion allowance to offset revenue losses and to provide more equity within the tax structure.

Fifth. Both Houses have passed an emergency housing program to create jobs, to provide homeownership assistance to low- and middle-income families, and to stimulate the depressed construction industry. Included in this measure is temporary mortgage assistance to homeowners who have become unexpectedly unemployed. In addition, the Congress has rejected the President's rescissions and deferrals of funds for existing housing programs.

Sixth. Congress has refused to put a 5 percent ceiling on Social Security benefits increases as proposed by President Ford and the Senate has passed the wage and price measure calling for an 8 percent increase. Congress proposed and enacted a one-time $50 bonus payment to help stimulate economic recovery.

Seventh. Congress has called on the Federal Reserve Board to lower long-term interest rates and maintain a long-run growth in the money supply.

Eighth. Congress has cleared for the President increased appropriations for public service employment and job opportunities. The Senate has also passed a measure designed to open up new jobs to persons to repair train roadbeds and rehabilitate railroad facilities.

Ninth. Congress has rejected the President's proposed rescissions and deferrals of funds for job-intense public works and transportation programs.

Tenth. Congress has extended emergency unemployment compensation benefits for 4 more months and the Senate has on its calendar a bill to establish an emergency health benefit program for the unemployed.

Eleventh. The Senate has passed a host of measures to meet the situations which may arise in regard to energy, including allocation and rationing authorization to the President to act expeditiously during a sudden shortage.

Twelfth. Both Houses have passed legislation to prevent the President from imposing energy price increases on consumers, including higher tariffs on oil imports and price decontrols. A veto of this legislation remains pending and an override attempt was postponed in light of the President's deferral of further oil tariff increases.

Thirteenth. An auto fuel efficiency standards bill and a natural gas production and conservation bill have both been ordered reported and will be ready for Senate action in June. Committee work continues on several other important bills dealing with powerplant siting, energy efficiency labeling of products, the Outer Continental Shelf lands, the national strategic reserve, and others.

Aside from economic and energy related legislation, the Senate has dealt with several other matters of considerable importance in the first 5 months of this Congress. It has changed its rule regarding cloture so that three-fifths of the membership may now vote to end debate on a bill rather than two-thirds present and voting. Congress has agreed to its first budget resolution in an effort to control Federal expenditures and set budget priorities. The Senate has established a Select Committee on Intelligence to look into questionable activities throughout the various intelligence agencies and to investigate the need for legislation. The Senate has passed a measure creating a Consumer Advocacy Agency to protect consumer interests in Federal agency actions and the courts. The Senate has passed the nurse training-revenue sharing bill which as two separate bills last year was pocket vetoed.

Senate achievements this year have been substantial and we can be proud of our record thus far. For a more detailed summary of Senate legislative activity in 1975, I refer the Members to the report prepared by Senate Democratic Policy Committee staff which I ask unanimous consent to have printed at this point in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

SENATE LEGISLATIVE ACTIVITY INDEX

AGRICULTURE

Food Stamp Increase (H.R. 1589).
Disaster Loan Program (S. 555).
Food Stamp Program Study (S. Res. 58).
Forest Pest Control (S. 441).
Forestry Research (S. 1307), (S. 1529).
Livestock Credit (S. 1236).
Peanut Distribution (S. Res. 101).
Potato Stocks (S. Res. 122).
*Price Supports (H.R. 4296).
Wheat Referendum (S. 435).
White Corn (S. Res. 155).

APPROPRIATIONS

1975

Continuing (H.J. Res. 219).
Emergency Employment (H.R. 4481).
Foreign Assistance (H.R. 4592).
Supplemental (H.J. Res. 210), (H.R. 5899).
Veterans' Supplemental (H.J. Res 375).
Vietnamese Refugee Aid (H.R. 6894).

ATOMIC ENERGY

International Agreements:

Atomic Energy Cooperation Agreement With Israel (S. Con. Res. 15).

Enriched Uranium Distribution to EURATOM (S. Con. Res. 14).

Enriched Uranium Distribution to IAEA (S. Con. Res. 13).

Nuclear Regulatory Commission Supplemental Authorization (S. 994).

BUDGET

Deferrals

Energy Research and Development Administration (S. Res. 32), (S. Res. 75), (S. Res. 76), (S. Res. 77), (S. Res. 78), (S. Res. 79), (S. Res. 80).

HUD—Comprehensive Planning Grants (S. Res. 23).

Transportation—Highway Funds (S. Res. 69).

Rescissions

HUD—homeownership assistance (S. Res. 61).

Agriculture, Commerce DOD, Executive Office, General Services, Justice, HEW, State, Treasury (H.R. 3260).

Agriculture, Commerce, Consumer Product Safety, DOD, HEW, Labor (H.R. 4075).

Resolutions

First Budget Resolution (H. Con. Res. 218).

CONGRESS

Cloture Rule (S. Res. 4).

Guam and Virgin Islands Delegate Allowance (H.R. 4269).

Select Committee on Intelligence (S. Res. 21).

Senate Committee Expenses (S. Res. 111).
Supreme Court Chamber (S. Res. 164).

CONSUMER AFFAIRS

Consumer Protection (S. 200).

CRIME-JUDICIARY

Pyramid Sales (S. 1509).
Robert E. Lee (S.J. Res. 23).

DEFENSE

Naval Museum (S. Con. Res. 9).

Officer Graduate School Appointees (S. 1767).

ECONOMY-FINANCE

Commodity Futures (H.J. Res. 335).

Council on Wage and Price Stability (S. 409).

Lower Interest Rates (H. Con. Res. 133).

National Commission on Supplies and Shortages (S.J. Res. 27), (S.J. Res. 48).

National Insurance Corporation Program (H.R. 4075).

Public Debt Limit (H.R. 2364).
Securities Acts Amendments (S. 249).
Tax Reduction (H.R. 2166).

EDUCATION

College Work-Study Program Funds (H.R. 4221).

ENERGY

International Petroleum Exposition (S.J. Res. 59).

*Oil Import Fees (H.R. 1767).
Oil Pricing (S. 621).
Oil Shale Revenues (S. 834).
Standby Energy Authority (S. 622).

ENVIRONMENT

Environmental Impact Statements (H.R. 3130).

Scrimshaw Art Preservation (S. 229)
*Strip Mining (H.R. 25).

GENERAL GOVERNMENT

American Legion Badges—Patent Renewals:

American Legion (S. 720).
American Legion Auxiliary (S. 721).
Sons of American Legion (S. 719).
Attorney General's Salary (S. 58).

Barrier-Free Environment (S. Con. Res. 11).

F.B.I. Director, Ten-Year Term for (S. 1172).

General Federation of Women's Clubs (S. 240).

NASA Authorization (H.R. 4700).

National Science Foundation Authorization (H.R. 4723).

Overseas Citizens Voting Rights (S. 95).
Tourism Promotion (H.R. 5357).
Trust Territory of the Pacific (S. 326).

GOVERNMENT EMPLOYEES

Travel Expenses (S. 172).

HEALTH

Medical Device Safety (S. 510).

Nurses Training-Health Revenue Sharing and Services (S. 66).

School Lunch and Child Nutrition Program (S. 1310).

Supplemental Food Programs (H.R. 7136)

HOUSING

Emergency Housing (H.R. 4485).

INDIANS

Indian Health Care (S. 522).
Pueblo of Laguna (S. 557).
Pueblo Tribe, New Mexico (S. 217).

INTERNATIONAL

Cambodia—Food Aid (S. Res. 84).
Middle East Dispute (S. Res. 119).

Nuclear Non-Proliferation Treaty (S. Res. 146).

Treaties:

International Office of Epizootics (Ex. M., 93d-2d).

United Nations Peacekeeping Forces in Middle East (S. 818).

Turkey—Military Assistance (S. 846).

Vietnam and Cambodia—Humanitarian Assistance (S. 1696).

Vietnam Assistance and Evacuation (H.R. 1484).

Vietnam Peace Negotiations (S. Res. 133).
Vietnam Veterans (S. Res. 171).

Vietnamese Refugee Aid Authorization (H.R. 6755).

Vietnamese Refugees Welcome (S. Res. 148).

World Food Conference (S. Con. Res. 19).

LABOR

Railroad Improvement and Employment (S. 1730).

MEMORIALS, TRIBUTES, AND MEDALS

Aleksandr I. Solzhenitsyn (S.J. Res. 36).
Bess Truman's Birthday (S. Res. 65).
Boy Scouts of America (S. Con. Res. 6).
Girl Scouts of America (S. Con. Res. 22).
King Faisal, Death of (S. Res. 120).
Martin Luther King (S. Res. 14).
Rabbai Menachem Schneerson (S. Res. 22)
Roy Wilkins (S. Res. 35).
Veterans' Day (S. 331).

NATURAL RESOURCES—NATIONAL HISTORIC SITES

Franklin D. Roosevelt National Historic Site (H.R. 2808).

Indian Trails (S. 1123).
Indoor Recreation Facilities (S. 288).
Volunteers in the Parks (S. 896).

NOMINATIONS (ACTION BY ROLL CALL VOTE)

Alexander P. Butterfield (S. 182).

Carla Anderson Hills to be Secretary of HUD.

Thomas J. Meskill to be U.S. Circuit Judge.

PROCLAMATIONS

American Business Day (S.J. Res. 15).

American Institute of Banking Week (S.J Res. 58).

Buchenwald Concentration Camp (S.J. Res. 56), (S. Res. 123).

Car Care Month (S.J. Res. 57).
Child Abuse Awareness Week (S. Res. 43).
Earth Day (H.J. Res. 258).
Energy Conservation Month (S. Res. 59).
Historic Preservation Week (H.J. Res. 242).
Hunting and Fishing Day (S.J. Res. 34).
Indian Day (S.J. Res. 44).
Music in Our Schools Day (S.J. Res. 18).
Newspaper Week (S.J. Res. 43).
Newspaper Carrier Day (S.J. Res. 46).
Shut-In Day (S.J. Res. 79).
Youth Art Month (S.J. Res. 8).

TRANSPORTATION-COMMUNICATIONS

Amtrak—(Penn Central) (S. 281).

Amtrak Supplemental Authorization (H.R. 5975).

Federal-Aid Highway Projects (H.R. 3786).

Maritime Authorizations (S. 332), (S. 1542).

Railroad Safety—Hazardous Materials Transportation Authorizations (S. 1462).

Railroad Temporary Operating Authority (Rock Island) (S. 917).

SENATE LEGISLATIVE ACTIVITY

Days in Session	73
Hours in Session	391:55
Total Measures Passed	193
Private Laws	9
Public Laws	22
Treaties	1
Confirmations	21,531
Record Votes	194
Vetoes	3

Symbols: P H—Passed House; P S—Passed Senate; *—Vetoed in 1975; (VV)—Passed by Voice Vote; numbers in parenthesis indicate number of record vote on passage, conference report, or reconsideration.

AGRICULTURE

Disaster loan program

Amends the Consolidated Farm and Rural Development Act to simplify the procedures under which loans are made to victims of natural and major disasters and make additional credit assistance available to them; eliminates the requirement that there be a general need for agricultural credit; clarifies the authority of the Secretary to delegate authority to State directors of the Farmers Home Administration to make emergency loans to an area if the director finds that a natural disaster has substantially affected twenty-five or less farming, ranching, or oyster producing operations in the area; provides that loans would be made only to victims of a disaster who are unable to obtain credit from other sources; makes emergency loans available for livestock (as well as crop) changes deemed desirable as a result of shifts in market demand occurring after a disaster; authorizes loans in excess of the actual loss caused by the disaster provided that a rate of interest is charged for the amount in excess which is equal to the commercial rate charged for similar loans; requires that an applicant seeking an emergency loan based on production losses show that his operation sustained at least a 20 percent loss as a result of the disaster; provides annual subsequent loans for a period of up to 5 years when the borrowers need the credit to continue their operations and connot obtain financing from other sources; and authorizes the Secretary—for any disaster occurring between January 1, 1975, and July 1, 1976—to make an emergency loan for an operating-type purpose for 20 years if it is determined that the applicant's financial need justified a longer payment term than that normally extended for operating loans in order to afford needed relief to victims of such severe disasters as the January 1975 blizzard in the Midwest S. 555. P S Mar. 26, 1975. (VV)

Food stamp increase

Suspends until December 30, 1975, the proposed administrative increase in the costs of coupons to food stamp recipients published in the Federal Register on January 22, 1975, (which would have the effect of increasing food stamp purchase requirements to 30 percent of net income for nearly all food stamp recipients by March 1, 1975), in order

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to give Congress an opportunity to pass on the merit of such an increase. H.R. 1589. Public Law 94–4, without approval Feb. 20, 1975. (3)

Food stamp program study

States the sense of the Senate that the Secretary of Agriculture should conduct a study of the food stamp program and report to Congress by June 30, 1975, recommendations for legislative changes which will (1) disqualify families who have adequate incomes; (2) reduce administrative complexities; (3) tighten accountability for procurement, shipping, and handling of food stamps; and (4) increase penalties for those who abuse the program, as well as any other recommendations he deems desirable. S. Res. 58. Senate adopted Feb. 5, 1975. (6)

Forest pest control

Provides that funds appropriated to carry out the program of eradication and control of forest insect pests and diseases shall remain available until expended. S. 441. P/S Feb. 21, 1975 (VV)

Forestry research

Amends the McIntire-Stennis Act of 1962 to make privately endowed colleges eligible for the cooperative program of forest research under this act. S. 1307. P/S Mar. 24, 1975. (VV)

Amends the McIntire-Stennis Act of 1962 to authorize the Secretary of Agriculture, to make matching grants to private colleges and universities (that are ineligible under present law) which carried out a forestry and research program prior to enactment; authorizes such additional funds as necessary; and authorizes the Secretary to appoint officials of participating colleges and universities to the advisory committee. S. 1529. P/S Apr. 29, 1975.

NOTE.—(This bill is intended to clarify the purpose of S. 1307 which passed the Senate on Mar. 25, 1975.) (VV)

Livestock credit

Amends the Emergency Livestock Credit Act of 1974 to (1) extend financial assistance to a farmer or rancher primarily involved in the breeding, raising, fattening, or marketing of livestock including dairy cattle; (2) permit secondary financing of the guaranteed portion of livestock loans through the Federal Financing Bank; (3) provide that contracts of guarantee shall not require the Secretary of Agriculture to guarantee more than 90 percent of principal and interest on such loan; (4) provide that guaranteed loans shall be for the period reasonably required by the needs of the borrower but not to exceed 7 years and may be renewed for not more than 3 years; (5) increase the guarantee of a line credit from $250,000 to $350,000 and limits the total outstanding loan guarantees to $1.5 billion; (6) authorize the payment of administrative expenses from any funds available including the Agriculture Credit Insurance Fund; (7) extend the act from July 25, 1975, until December 31, 1976; (8) require that action by the Department of Agriculture on each loan application be completed within 30 days; (9) require collateral adequate to protect the government's interest but allows collateral which has depreciated in value owing to temporary economic conditions; and (10) require an annual report on the effectiveness of the Act; and also amends the Consolidated Farm and Rural Development Act to provide that contracts of guarantee under that Act shall not require the Secretary to guarantee more than 90 percent of the principal and interest on such loans. S. 1236. P/S Mar. 20, 1975; P/H amended May 6, 1975; Senate agreed to conference report May 22, 1975. (VV)

Peanut distribution

Expresses the sense of the Senate that the Secretary of Agriculture immediately take steps to distribute excess peanut stocks in useful edible forms to needy persons at home and abroad under the domestic food assistance programs and the Public Law 480 program. S. Res. 101. Senate adopted Mar. 24, 1975. (VV)

Potato stocks

States the sense of the Senate that the Secretary of Agriculture immediately take steps to distribute potato stocks, which are now in abundant supply, in useful edible forms to needy persons at home and abroad under the domestic food assistance programs and the Public Law 480 program to supplement protein deficiencies, the basic cause of malnutrition. S. Res. 122. Senate adopted May 16, 1975. (VV)

*Price supports

Establishes an emergency price support program for the 1975 crop or commodity year for upland cotton, wheat, feed grains, soybeans and milk; increases the target price on cotton from 38 cents to 45 cents a pound, on corn from $1.38 a bushel to $2.25 and on other feed grains at comparable levels, on wheat from $2.05 a bushel to $3.41; increases the production loan levels on cotton from 34 to 38 cents per pound, on corn and feed grains from $1.10 a bushel to $1.87, and on wheat from $1.37 a bushel to $2.50; sets the support price of milk at no less than 85 percent of the parity price on the date of enactment and provides that the milk support price shall be adjusted quarterly thereafter, with this provision to remain in effect until April 1, 1976; and contains other provisions. H.R. 4296. Vetoed May 1, 1975. House sustained veto May 13, 1975. (116)

Wheat referendum

Amends the Agricultural Adjustment Act to change the marketing year for wheat from July 1–June 30, to June 1–May 31. S. 435. PS Apr. 24, 1975. (VV)

White corn

Expresses the sense of the Senate that the Department of Agriculture should continue the white corn survey, which provides the white corn industry with critical data for orderly production, marketing and processing, and make the survey reliable by obtaining data from all the significant white corn producing States. S. Res. 155. Senate adopted May 21, 1975. (VV)

APPROPRIATIONS

1975

Continuing

Extends the continuing resolution, which expires on February 28, 1975, to provide obligational authority for foreign assistance programs through March 25, 1975, and funding of activities under title IX of the Public Health Service Act through June 30, 1975, for the following programs within HEW and the Community Services Administration which did not achieve final enactment during the 93d Congress: Health Revenue Sharing and Services; Nurse Training; Health Manpower; Developmental Disabilities Services and Construction; and the Regional Medical program. H.J. Res. 219. Public Law 94–7, approved Mar. 14, 1975. (VV)

Emergency employment

Appropriates a total of $5,306,508,000 in new budget authority, $485 million in loan authority and $92,362,000 in liquidation of contract authority for the acceleration of existing Federal programs and projects in order to increase immediately employment throughout the nation; provides two approaches to the unemployment problem: (1) $2,318,150,000 in direct creation of jobs as follows: $1.625 billion in public service jobs, $458,050,000 for summer youth employment and transportation, $30 million in jobs for older Americans, $119.8 million in work-study grants for college students, $70 million in the work incentive program to provide jobs, training and related child care for welfare recipients, and $15.3 million for the summer youth recreation program to be administered by the Community Services Administration which together with funds previously appropriated or available to total about $3.5 billion; and (2) $2,988,358,000 for funding of projects which would stimulate jobs through acceleration of on-going public works projects, increase of rural water and sewer grants, improvement and modernization of existing veterans' hospitals, increased maintenance of the national cemeteries, reforestation and timber stand improvement, expansion and upgrading of facilities in national parks, forests and other Federal lands, increased assistance to small businesses, major repairs and renovations of existing buildings, and purchase of automobiles used by Federal agencies. H.R. 4481. Public Law 94—, approved ——, 1975. (151)

Foreign assistance

Appropriates a total of $3,674,346,982 in new obligational authority, which is $175,926,982 more than the amount allowed by the House and $271,750,000 less than that allowed by the Senate, $272,113,927 less than the fiscal year 1975 amended budget estimate, and $193,637,982 more than the 1974 appropriations; and includes:

Appropriations for Foreign Assistance Act activities of $854,800,000 in new obligational authority for economic assistance, which includes $300 million for food and nutrition development assistance, $125 million for population planning and health development assistance; $125 million for international organizations and programs, $5 million for the United Nations Environment Fund, $500,000 earmarked for the National Association of the Partners of the Alliance skill exchange program among peoples of the Americas, $17.5 million for international narcotics control, $35 million for famine or disaster relief assistance, $25 million for assistance to Portugal and Portuguese colonies in Africa gaining independence; $400 million for Indochina Postwar Reconstruction Assistance; $100 million for the Middle East Special Requirements Funds; and $660 million for Security Supporting Assistance and Middle East peace programs; and,

Appropriations for military assistance of $450 million in new obligational authority, which equals the 1974 appropriation, and is $757 million below the budget estimate of $1,207,000,000 in new obligational authority, which, when added to other available funds, would support a proposed fiscal year 1975 program of $1,246,000,000;

Appropriations for foreign military credit sales of $300 million, which is $255 million less than the budget estimate of $555 million and, combined with outside credits, will support a total military credit sales program of up to $872.5 million, the ceiling established in the authorization bill;

Appropriations for other foreign assistance of $844,546,982, which is $355,813,927 less than the budget estimate of $1,200,360,909, and includes $77 million for the Peace Corps, $90 million for the Cuban Refugee Program, $8,420,000 for migration and refugee assistance, $40 million for Soviet Jewish immigrants to Israel, $10 million for assistance to Palestinian refugees, funds to the President for international financial institutions (Asian Development Bank, Inter-American Development Bank, and the International Development Association) of $619,126,982; and

Sets a limitation on use of corporate funds for the Export-Import Bank of $6,413,328,000 which is the same as the House amount and the budget estimate. H.R. 4592. Public Law 94–11, approved Mar. 26, 1975. (77)

SUPPLEMENTAL

Appropriates a total of $143,175,000 in new budget authority for fiscal year 1975 which $17,175,000 is for alteration, maintenance,

furnishing, and protection of House office space, $1 million is for temporary parking facilities for the Senate and additional costs in acquiring the site for a Senate garage, and the remaining $125 million is for operating assistance for the Penn Central and other railroads in reorganization under the Regional Rail Reorganization Act of 1973, and contains an increase of $150 million in loan guarantees for these railroads upon which no appropriations action is required; and repeals the provisions of Public Law 93–554 which, in effect, amounted to a blanket 5 percent reduction in Government travel. H.J. Res. 210. Public Law 94–6, approved February 28, 1975. (31)

Appropriates in title I, a total of $15,066,595,998 in new obligational authority for general program supplemental appropriations for fiscal year 1975, advance funding for fiscal 1976, and one small item for fiscal 1974; in addition, also provides $206,407,375 in transfer authority, $274,306,000 in increased limitations and $53,714,000 for liquidation of contract authority; in title II, provides for increased pay costs; and in title III, prohibits use of funds under this Act to force the busing of students in schools or school districts which are desegregated as defined in title IV of the Civil Rights Act of 1964, to abolish a desegregated school, or to force the transfer of students in desegregated schools, and prohibits the use of funds under this Act for busing of students or teachers in order to overcome racial imbalance in any school or school system or carry out a plan of racial desegregation of any school or school system; and contains other provisions. H.R. 5899. P/H Apr. 15, 1975; P/S amended May 20, 1975; House and Senate agreed to conference report May 21, 1975, with amendment 107 remaining in disagreement. (192, 194)

Veterans' Supplemental

Appropriates an additional $638,038,000 for Veterans Administration readjustment benefits to fund the authorized increases contained in Public Law 93–337 which increased to 10 years the 8 year delimiting period for post-Korean veterans; in Public Law 93–358 which increased from $2,800 to $3,300 the maximum grant for specially equipped automobiles for disabled veterans and extended eligibility for training and adaptive equipment; in Public Law 93–356 which increased from $17,500 to $25,000 the housing grant for certain disabled veterans; and in Public Law 93–602 which increased from 18.2 percent to 22.7 percent the monthly allowance for vocational rehabilitation trainee programs makes a total VA appropriation of $4,125,738,000 for fiscal year 1975; and appropriates $500,000 for salaries and expenses of the Federal Election Commission. H.J. Res. 375. Public Law 94–17, approved Apr. 25, 1975. (140)

Vietnamese Refugee Aid

Appropriates $405 million to aid refugees from Cambodia and Vietnam—$305 million to the Department of State for relocation and resettlement costs and $100 million to the Department of Health, Education, and Welfare for income, medical and education assistance to refugees in the United States—and prohibits aid to the government of Vietnam. H.R. 6894. Public Law 94– , approved 1975. (187)

ATOMIC ENERGY

International Agreements

Atomic Energy Cooperation Agreement With Israel

Approves the proposed two year extension of the Agreement for Cooperation Between the United States and Israel which concerns peaceful research applications in the field of atomic energy. S. Con. Res. 15. Senate adopted Feb. 19, 1975; House adopted Mar. 11, 1975. (VV)

Enriched Uranium Distribution to Euratom

Approves the proposed increase (from the present 35,000 megawatt ceiling to 55,000 megawatts) in the amount of enriched uranium which may be distributed by the United States to Euratom under Section 54 of the Atomic Energy Act of 1954, as amended, to support the fuel cycle of power reactors in the Community, such transfers to be subject to the additional Agreement for Cooperation with Euratom which, among other things, contains provisions for safeguards against the diversion of special nuclear material to military applications and in accordance with our Non-Proliferation Treaty obligations. S. Con. Res. 14. Senate adopted Feb. 19, 1975; House tabled Mar. 17, 1975. (VV)

Enriched uranium distribution to the International Atomic Energy Agency

Approves the proposed increase in the amount of enriched uranium which may be distributed by the United States to the IAEA under Section 54 of the Atomic Energy Act of 1954, as amended, to allow for the support of fuel cycle of power reactors, to be purchased from U.S. manufacturers, located in member states of IAEA (2 in Mexico, 1 in Yugoslavia) having a total installed capacity of 2,015 megawatts of electrical energy. S. Con. Res. 13. Senate adopted Feb. 19, 1974; House tabled Mar. 17, 1975. (VV)

Nuclear regulatory commission supplemental authorization

Authorizes supplemental appropriations of $50.2 million to the Nuclear Regulatory Commission for fiscal year 1975 which is in addition to the $90,765,000 fiscal year 1975 authorization for the Atomic Energy Commission (Public Law 93–276) and transferred to the Commission on January 19, 1975, when the Atomic Energy Commission was abolished pursuant to the Energy Reorganization Act of 1974 (Public Law 93–438) and its functions transferred to the Nuclear Regulatory Commission and Energy Research and Development Administration. S. 994. Public Law 94–18, approved Apr. 25, 1975. (VV)

BUDGET

Deferrals:

Energy research and development administration

Rescinds $66.5 million and disapproves $46.1 million of the $112.6 million deferral recommended by the President in his message of November 26, 1974, provided under the 1975 Public Works-AEC Appropriations Act (P.L. 93–393) for various programs within the Energy Research and Development Administration. By this action, deferral of budget authority was disapproved for the following programs: Biomedical and Environmental Research—Artificial Heart Research, $4 million (S. Res. 32); Nuclear Materials, $12 million (S. Res. 75); Laser Fusion Program, $4.7 million (S. Res. 76); Controlled Thermonuclear Research—Fusion Program, $8 million (S. Res. 77); Physical Research, $2.7 million (S. Res. 78); Gas Cooled Fast Reactor Program, $6.7 million (S. Res. 79); and LMFBR Technology, $8 million (S. Res. 80). S. Res. 32, S. Res. 75, S. Res. 76, S. Res. 77, S. Res. 78, S. Res. 79, S. Res. 80. Senate adopted May 7, 1975 (VV)

HUD—Comprehensive planning grants

Disapproves the $50 million deferral for the HUD Comprehensive Planning Grant Program recommended by the President in his message of November 26, 1974. S. Res. 23. Senate adopted Mar. 13, 1975. (VV)

Transportation—Highway funds

Disapproves the $9,136,590,427 deferral for Federal highway funds to the States recommended by the President in his message of September 20, 1974. S. Res. 69. Senate adopted Apr. 24, 1975. (149)

Rescissions

HUD—Homeownership assistance

Disapproves the $264,117,000 rescission for the HUD Homeownership Assistance Program recommended by the President in his message of October 4, 1974. S. Res. 61. Senate adopted Mar. 13, 1975. (VV)

Agriculture, Commerce, DOD, Executive Office, General Services, Justice, HEW, State, Treasury

Approve rescission of budget authority in the amount of $243,359,370, and disapproves $706,083,802 of the amounts proposed for rescission by the President, for the following departments:

Department of Agriculture: Approves a partial rescission of $7,856,470 for the Agriculture Stabilization and Conservation Service Water Programs, leaving available $13,356,470 for the wetlands and marshlands conservation program: disapproves rescissions of $14,921,000 for the Forest Service;

Department of Defense: Approves rescission of $60,300,000 for operations and real property maintenance; disapproves rescission of $5,700,000 for Army UH–IH utility helicopters procurement because rescission would result in no procurement of needed helicopters in fiscal year 1975; approves rescission of $122,900,000 for Air Force F–111F fighter aircraft; disapproves rescission of $29,600,000 for Air Force A–7D attack aircraft as being necessary for modernization of the Air National Guard;

Department of Health, Education, and Welfare: Disapproves rescission of $284,719,000 for Hill-Burton hospital bed construction;

Department of State: Approves rescissions of $2.1 million in savings;

Department of Justice: Disapproves rescission of $5,350,000, $1.3 million, and $2.4 million respectively for salaries and expenses of the FBI, Immigration and Naturalization Service, and the Drug Enforcement Administration on the basis that the rescission would adversely affect accomplishment of the purposes of these agencies; approves rescission of $7 million for the Bureau of Prisons in view of a lower than expected prison population and the possibility of acquiring a new facility at no cost;

Department of Commerce: Approves rescissions totaling $2.25 million for Social and Economic Statistics Administration, Trade Adjustment Assistance, U.S. Travel Service, the Patent Office and the marine data buoy project of the National Oceanic and Atmospheric Administration; disapproves rescission of $2 million for Economic Development Administration assistance programs which affect planning for areas of chronic, high unemployment; disapproves rescissions of $1.3 million, $500,000, and $500,000 respectively for National Oceanic and Atmospheric Administration, salmon and steelhead rearing ponds, three regional fisheries commissions under the National Fisheries Policy, and the marine ecosystems project in Puget Sound;

Department of the Treasury: Approves rescissions of $1.53 million affecting the Office of the Secretary, the Federal Law Enforcement Training Center, the Bureau of Accounts, and the Internal Revenue Service; disapproves rescission of $9,230,000 and $10,240,000 respectively, for accounts, collection, and taxpayer service and compliance in the Internal Revenue Service; disapproves rescission of $3 million for the Customs Service on the basis of adverse impact on its functions;

Executive Office of the President: Approves rescission of $2,240,000 for the Special Action Office for Drug Abuse Prevention as legislative authority for this office expires June 30, 1975 and other funding available is considered sufficient;

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General Services Administration: Approves rescission of $20,022,900 for the Federal Buildings Fund which will be withdrawn from programmed low-priority work which has not been started. H.R. 3260. Public Law 94-14, approved Apr. 8, 1975. (68)

Agriculture, Commerce, Consumer Product Safety, DOD, HEW, Labor

Rescinds $16,454,704 ($10 million for Forestry Incentive Programs, $955,000 for Defense special foreign currency programs, $500,000 for the Consumer Product Safety Commission, and $4,999,704 for the Latin-American Cultural and Trade Center within the Department of Commerce) and disapproves $1,243,939,250 of the rescission of $1,260,393,954 recommended by the President in his message of January 30, 1975, and the communications of the Comptroller General of February 7 and 14, 1975, as follows: Department of Agriculture—$191,690,000; Consumer Product Safety Commission—$1,209,000; Community Service Employment for Older Americans in the Department of Labor—$12 million; Department of HEW—$936,030,250; and Department of Commerce—$125 million which is for the Job Opportunities Program which had been submitted as a deferral and reclassified by the Comptroller General as a rescission. H.R. 4075. Public Law 94-15, approved Apr. 8, 1975. (VV)

Resolutions

First Budget Resolution

Recommends budget outlays of $367 billion, estimated revenues of $298.18 billion and an estimated deficit of $68.82 billion as compared to the President's budget estimates of $355.6 billion in outlays adjusted as of April 4, estimated revenues of $297.5 billion, and a proposed deficit level of $60 billion; recommends, in order to achieve the revenue level suggested that revenues should be decreased by $3.4 billion; and, in making the revenue recommendations (1) assumes that major provisions of the Tax Reduction Act scheduled to expire December 31, 1975 will be extended by the Congress and thus lower revenues by $4.4 billion, (2) takes the position that additional revenues should be raised through enactment of tax reform legislation in the amount of $1 billion in fiscal year 1976, and (3) assumes that, as a result of recent tax collection experience, an additional $2 billion in revenues will be received during fiscal year 1976; does not contain the function-by-function allocations which will be reported in later years but is based on recommended outlays for budget programs by function for fiscal year 1976 as compared with the President's proposed budget outlays as follows:

National Defense: $91.2 billion in budget outlays as compared to $93.9;

International Affairs (conduct of foreign affairs, foreign information and exchange activities, the Peace Corps, Food for Peace, and foreign assistance except for military assistance): $4.9 billion as compared to an estimated $5.1 to $6.4 billion;

General Science, Space, and Technology: $4.6 billion, which is the same as that proposed in the President's budget;

Natural Resources, Environment, and Energy: $11.6 billion as compared to $10.2 billion;

Agriculture: $1.8 billion, which is the same as that in the President's budget;

Commerce and Transportation: $17.5 billion as compared to $14.7 billion;

Community and Regional Development: $8.65 billion as compared to $6 billion;

Education, Manpower, and Social Services: $19.85 billion as compared to $16.6 billion;

Health: $30.7 billion as compared to $28.4 billion;

Income Security (social security and unemployment insurance, retirement systems for Federal and railroad employees and assistance programs for the needy): $125.3 billion as compared to $120.9 billion;

Veterans' Benefits and Services: $17.5 billion as compared to $16.2 billion;

Law Enforcement and Justice: $3.4 billion as compared to $3.3 billion;

General Government: $3.[illegible] billion as compared to $3.2 billion; President's budget;

Revenue Sharing and General Purpose Fiscal Assistance: $7.2 billion, which is the same as that in the President's budget;

Interest: $35.3 billion as compared to $34.4 billion;

Allowances (includes energy tax equalization payments, civilian agency pay raises and contingencies): $1.2 billion as compared to $8.1 billion, caused mainly by the deduction of $7 billion included in the President's budget to equalize the impact of his original energy tax proposals based on the assumption that the President's program will not be approved by the Congress; and

Undistributed Offsetting Receipts (includes Federal Government contributions to the employee retirement funds, interest earned on trust funds and revenue from oil leases on the Outer Continental Shelf): Deduction of $16.2 billion in undistributed offsetting receipts from the budget total in 1976 as compared to $20.2 billion in the President's budget, in the Congressional budget difference being due to an estimate of $4 billion in receipts by the Committee from the sale of leases for offshore oil drilling and an estimate of $8 billion in such receipts in the President's budget. S. Con. Res. 32. Senate adopted May 1, 1975; Vacated and indefinitely postponed May 5, 1975. (157) H. Con. Res. 218. House adopted May 1, 1975; Senate adopted amended May 5, 1975; House agreed to conference report May 14, 1975; Senate agreed to conference report May 14, 1975. (VV)

CONGRESS

Cloture rule

Amends rule XXII (Cloture) of the Standing Rules of the Senate to change from two-thirds present and voting to a constitutional three-fifths of the membership (or 60 Senators) the number of Senators required to vote for ending debate except on a measure or motion to amend the Senate rules, which shall require an affirmative vote by two-thirds of the Senators present and voting. S. Res. 4. Senate adopted Mar. 7, 1975. (55)

Guam and Virgin Islands delegate allowance

Provides that the clerk hire allowance and the transportation expenses subject to reimbursement under Federal law of the Delegates from Guam and the Virgin Islands shall be the same as allowed for Members of the House of Representatives. H.R. 4269. Public Law 94- , approved 1975. (VV)

Select committee on intelligence

Authorizes $750,000 for the establishment of an 11-member select committee composed of six Democrats and five Republicans to investigate and study governmental operations with respect to intelligence activities and the extent, if any, to which illegal, improper, or unethical activities were engaged in by any agency of the Federal Government or by any persons, acting individually or in combination with others, on behalf of the Federal Government;

Empowers the committee to require by subpena the attendance of witnesses and the production of evidence;

Directs an investigation of the following matters among others: (1) whether the Central Intelligence Agency has conducted an illegal domestic intelligence operation; (2) the conduct of domestic intelligence or counterintelligence operations against citizens by the FBI or any other Federal agency; (3) the origin and disposition of the so-called Huston Plan to apply intelligence agency capabilities against individuals or organizations within the U.S.; (4) the extent to which the FBI, the CIA and others coordinate their respective activities; (5) the extent to which domestic intelligence or counterintelligence activities within the United States by the CIA conforms to its legislative charter; (6) past and present interpretation by the Director of Intelligence of the responsibility to protect intelligence sources; (7) the extent and nature of executive branch oversight as well as congressional oversight of all intelligence activities; (8) the need for specific legislative authority to govern the operation of any intelligence agencies of the Federal Government without explicit statutory authority, such as the Defense Intelligence Agency and the National Security Agency; (9) the extent to which intelligence agencies are governed by Executive orders, rules or regulations either published or secret and the extent to which these Executive orders, rules or regulations interpret, expand, or conflict with specific legislative authority; (10) violation or suspected violation of any State or Federal statute by any intelligence agency or person on its behalf, including surreptitious entries, surveillance, and illegal opening or monitoring of U.S. mail; (11) whether any of the existing laws are inadequate to safeguard the rights of American citizens, to improve control of intelligence activities and to resolve uncertainties as to the authority of U.S. intelligence and related agencies; (12) whether there is unnecessary duplication of expenditure and effort in the collection and processing of intelligence information by agencies; and (13) the extent and necessity of overt and covert intelligence activities in the United States and abroad;

Authorizes the committee to recommend new legislation with regard to its findings and to make a final report of the results of the investigation; provides that the committee shall prevent disclosure of information relating to CIA or other intelligence activities which would adversley affect intelligence activities in foreign countries; prohibits committee personnel from accepting any honorarium, royalty or other payment for a speaking engagement, article, or book in connection with the investigation; and requires security clearance for employees who have access to classified information. S. Res. 21. Senate adopted Jan. 27, 1975.

Senate Committee expenses

Continues through May 31, 1975, the authority of Senate Committees to pay employees and make expenditures for inquiries and investigations. S. Res. 111. Senate adopted Mar. 17, 1975. (VV)

Supreme Court Chamber

Declares officially open the Chamber of the Supreme Court which is located in the Capitol and extends congratulations and appreciation to the various people who contributed to the restoration of this Chamber. S. Res. 164. Senate adopted May 21, 1975. (VV)

CONSUMER AFFAIRS

Consumer protection

Protects the interests of consumers and promotes consumer protection in the United States; creates an independent Agency for Consumer Advocacy (ACA) to represent and advocate the interests of consumers before other Federal agencies and Federal courts; authorizes the ACA to receive and transmit complaints from consumers and develop and disseminate information concerning interests of consumers;

Exempts from the jurisdiction of the ACA the following: the Central Intelligence Agency, the Federal Bureau of Investigation, or the National Security Agency, or the national security and intelligence functions of the Departments of State and Defense and the military weapons program of the Energy Research and Development Administration, as well as any Federal Communications Commission proceeding relating to renewals of radio or television broadcasting licenses, or any labor-management case before the National Labor Relations Board; prohibits intervention or participation by the ACA in any proceeding or activity directly affecting producers of livestock, poultry, agricultural crops or raw fish products; prohibits such intervention with respect to the granting or enforcement of any right-of-way or other authorization relating to the Alaska pipeline system of oil or natural gas; prohibits such intervention in proceedings relating to limiting the manufacture or sale of firearms or ammunition;

Requires the General Accounting Office to review all of ACA's activities and report to Congress thereon within 3 years; makes the provisions of the Freedom of Information Act applicable to the ACA; provides for the preparation of cost and benefit assessment statements by Federal agencies issuing rules or proposing legislation which have a substantial economic impact; and contains other provisions. S. 200. P/S May 15, 1975. (1[illegible]4)

CRIME—JUDICIARY

Pyramid sales

Prohibits the use of any means or instrumentality of transportation or communication in interstate commerce or of the mails for sales, offers, or attempts to sell a participation or rights to participate in a "pyramid sales scheme" which is defined as an investment program based on inducing people to buy the right to sell similar rights to other people. S. 1509. P/S May 14, 1975. (VV)

Robert E. Lee

Restores posthumously full rights of citizenship to General Robert E. Lee, effective June 13, 1865, which were forfeited by him as General of the Army of Northern Virginia in the war between the States. S.J. Res. 23. P/S April 10, 1975. (VV)

DEFENSE

Naval museum

Expresses the approval of Congress with respect to the establishment by the State of South Carolina of the Naval and Maritime Museum in the city of Charleston. S. Con. Res. 9. Senate adopted Feb. 28, 1975. (VV)

Officer graduate school appointees

Eliminates any period during which an officer was listed in a missing status for the purpose of computing the 6-year period in considering eligibility of appointees to officer graduate school. S. 1767. P/S May 21, 1975. (VV)

ECONOMY—FINANCE

Commodity futures

Extends for 90 days the following provisions of the Commodity Futures Trading Act of 1974 (Public Law 93-463) which becomes effective April 21, 1975: provisional designation as a contract market to any board of trade for commodities traded thereon; required Commission approval of contract market bylaws and rules; provisions and eventual permanent registration of any futures commission merchant, floor broker, associated person, commodity trading advisor, or commodity pool operator; and amends the Act to provide that the Commission will have 9 months instead of 6 months to determine whether trading by floor brokers and futures commission merchants for their own accounts and for their customers at the same time is permitted; provides the Commission 180 days instead of 90 days to define bona-fide hedging transactions or positions; and delays the effective date to 15 months instead of 1 year of the provisions for handling customers' complaints. H.J. Res. 335. Public Law 94-16, approved Apr. 16, 1975. (VV)

Council on Wage and Price Stability

Extends from August 15, 1975 to June 30, 1976 the expiration date of the Council on Wage and Price Stability, which was established on August 24, 1974 to monitor wage and price developments in the private economy, to review the inflationary impact of governmental programs and policies, and to recommend measures for containing inflation;

Provides for Senate confirmation of persons appointed as director of the Council in the future; authorizes an increase from five to eight in the number of supergrade staff members;

Gives the Council authority to require periodic information reports and subpena power regarding witnesses and the production of relevant books and other documents relating to wages, prices, costs, profits, and productivity by product line or by such other categories as the Council may prescribe;

States the sense of Congress that no ceiling, presently proposed at 5 percent, shall be placed on the July 1975 automatic social security cost-of-living increase currently scheduled at 8 percent under the existing cost-of-living formula;

Amends the Congressional Budget Act of 1974 to require the Congressional Budget Office to prepare inflationary impact statements containing an estimate of the probable impact of any legislation reported for consideration by a House or Senate committee on the aggregate rate of inflation and the cost of goods and services to be affected by its enactment for the year of enactment and the following 4 fiscal years; and.

Requires the Federal Energy Administration to include in its quarterly energy information reports under the Energy Supply and Environmental Coordination Act information on pricing and related developments in the coal industry and other major energy industries also not subject to Federal price regulation, and requires an assessment and report on the relationship between these pricing and related developments and national energy policies, including any recommendations the Administrator of FEA may wish to make. S. 409. P/S May 6, 1975. (167)

Lower interest rates

States the sense of the Congress that the Federal Reserve Board and the Federal Open Market Committee (1) pursue policies in the first half of 1975 so as to encourage lower long term interest rates and expansion in the monetary and credit aggregates appropriate to facilitating prompt economic recovery and (2) maintain long-run growth of the monetary and credit aggregates commensurate with the economy's long-run potential to increase production so as to promote effectively the goals of maximum employment, stable prices and moderate long-term interest rates; and provides for semi-annual oversight hearings by the House and Senate Banking committees wherein the Board of Governors of the Federal Reserve System and the Open Market Committee will consult with Congress with respect to the ranges of growth or dimunition of monetary and credit aggregates in the upcoming 12 months. H. Con. Res. 133. House adopted Mar. 4, 1975; Senate adopted Mar. 17, 1975; Senate agreed to conference report Mar. 20, 1975; House agreed to conference report Mar. 24, 1975. (65)

National Commission on Supplies and Shortages

Provides that section 720 of the Defense Production Act creating a National Commission on Supplies and Shortages is amended to assure that certain conflict of interest provisions shall not apply to members appointed to the Commission from the private sector; extends from March 1, 1975, to June 30, 1975, the time in which the Commission must submit its report to the President and Congress with respect to institutional adjustments and from June 30, 1975, to December 31, 1975, the time for the Commission to prepare, publish and transmit such other reports it deems appropriate; provides that the $75,000 authorization for the advisory committee shall remain available until December 31, 1975; and extends the $500,000 authorization for the Commission from June 30, 1975, until December 31, 1975. S.J. Res. 27. P/S Feb. 5, 1975. (VV)

Amends section 720 of the Defense Production Act which created a National Commission on Supplies and Shortages to extend from March 1, 1975, to June 30, 1975, the time in which the Commission must submit its report to the President and Congress with respect to institutional adjustments and from June 30, 1975, to December 31, 1975, the time for the Commission to prepare, publish and transmit such other reports it deems appropriate: provides that the $75,000 authorization for the advisory committee shall remain available until December 31, 1975; and extends the $500,000 authorization for the Commission from June 30, 1975, until December 31, 1975. S.J. Res. 48. Public Law 94-9, approved Mar. 21, 1975. (VV)

National insurance development program

Extends the National Insurance Development Program, which would expire on April 30, for an additional 2 years so as to maintain the Federal Riot Reinsurance Program which reinsures the general property insurance business against the peril of riot and the Federal Crime Insurance Program which provides basic crime insurance coverages in States where it is needed. H.R. 2783. Public Law 94-13, approved Apr. 8, 1975. (VV)

Public debt limit

Increases the debt limit by $131 billion for a total temporary and permanent debt limit of $531 billion until June 30, 1975. H.R. 2634. Public Law 94-3, approved Feb. 19, 1975. (10)

Securities acts amendments

Amends the Exchange Act, Securities Investor Protection Act, Investment Advisers Act, and Investment Company Act to make changes in the structure and regulation of the securities industry as follows:

National Securities Market System

Grants the Securities and Exchange Commission (SEC) broad, discretionary powers to oversee the development of a national market system encompassing all segments of the corporate securities markets including common and preferred stocks, bonds, debentures, warrants and option in order to provide greater investor protection and maintain a strong capital raising and allocating system; encourages maximum reliance on communication and data processing equipment consistent with justifiable costs and grants the SEC broad authority over the processing and distribution of market information, sets as a goal the establishment of trading rules and procedures for auction trading, trading in unlisted securities, and third market trading;

Self-Regulation and SEC Oversight

Consolidates and expands SEC oversight powers with respect to the self-regulatory exchange organizations, their members, and officers; confers upon the District courts the jurisdiction to command compliance with the act; clarifies the rule-making powers of SEC; and provides for judicial review of SEC actions in an appropriate court of appeals;

Municipal Securities

Extends Federal regulation to brokers and dealers trading exclusively in tax-exempt State and local bonds thus removing their exemption from the provisions of the Exchange Act; vests the ultimate authority and

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responsibility for the regulation of the municipal securities industry in SEC with the rulemaking responsibilities vested in a new self-regulatory agency, the Municipal Securities Rulemaking Board:

Clearing Agencies and Transfer Agents

Establishes a system for the development of an integrated national system for clearance and settlement of stock transactions in interstate commerce; centralizes in the SEC the authority and responsibility to regulate, coordinate and direct the operations of all persons involved in the securities handling process, and requires registration and reporting by clearing agencies and transfer agents: and empowers the SEC to review and amend the rules of such entities;

Securities Trading by Members of a National Securities Exchange

Prohibits stock exchange members from effecting any transaction on the exchange for its own account, the account of an associated person, or an account with respect to which the member or an associated person exercised investment discretion; provides exemptions from this prohibition for certain types of transactions which contribute to the fairness and orderliness of exchange markets or which have not given rise to serious problems, such as transactions by market makers, including specialists and block positions, bona fide arbitrage transactions, transactions for a member's own account and transactions for the account or estate of a natural person or a trust created by a natural person for himself or another person; authorizes the SEC to exempt any other transaction which is consistent with the purposes of these provisions and also to require or prohibit the exchange transactions which are specifically exempted; authorizes the SEC to extend the broad prohibition against the combination of money management and brokerage to the over-the-counter market to maintain fair and orderly markets, assure equal regulation or to protect investors; and provides for a 3-year phase in of these provisions following the date of enactment for exchange members who were members on May 1, 1975:

Commission Rates

Prohibits fixed commission rates after the date of enactment except that rates charged by members acting as brokers on the floor of an exchange for other members or as an odd-lot dealer may be fixed until May 1, 1976; permits the SEC to reimpose fixed rates, by rule, prior to November 1, 1976, and provides a procedure for continuing or reimposing fixed rates after that date;

Institutional Disclosure

Authorizes the Commission to require the disclosure of certain institutional portfolio holdings and transactions;

And contains other provisions. S. 249. P/S Apr. 17, 1975; P/H amended Apr. 24, 1975; Senate agreed to conference report May 20, 1975. (VV)

Tax reduction

Amends the Internal Revenue Code of 1954 for a $22.8 billion net tax reduction as follows:

INDIVIDUAL TAXES

1974 Tax Rebate

Provides a refund on 1974 tax liability to be paid in one installment within 45 to 60 days equal to 10 percent, ranging from $100 (or the amount of taxes paid if less than $100) to a maximum of $200 on an adjusted gross income of $20,000 which is scaled down to $100 when income reaches $30,000 and over;

1975 Standard Deduction

Increases the low income allowance on minimum standard deductions from $1,300 for single and joint returns to $1,600 for single and $1,900 for joint returns; increases the regular standard deduction to 16 percent of adjusted gross income up to a maximum of $2,300 for single and $2,600 for joint returns;

1975 Personal Exemption Credit

Provides a $30 tax credit for each member of the family in addition to the $750 personal exemptions;

1975 Earned Income Credit or Work Bonus

Provides a refundable credit of 10 percent of earned income up to a maximum of $400 to families with dependent children with a phase-out to zero when income rises from $4,000 to $8,000;

1975 Home Purchase Tax Credit

Provides a 5 percent credit against tax liability up to a maximum of $2,000 for individuals purchasing a newly constructed home including a mobile home, provided it was built or under construction by March 25, 1975;

Cash Payment to Social Security Recipients

Provides a one-time $50 cash payment from the Treasury at the earliest practicable date to each recipient of Social Security, railroad retirement, or Supplemental Security Income benefits;

BUSINESS TAXES

1975–76 Investment Tax Credit

Increases the investment tax credit rate to 10 percent for taxpayers, including public utilities; provides an additional 1 percent and requires companies with investments of $10 million or more to use the 1 percent savings for an employee stock ownership plan; increases from $50,000 to $100,000 the cost of used property qualifying for the credit; for public utilities increases the amount of tax liability that may be offset in a year to 100 percent for a two year period which is reduced back to 50 percent over the next 5 years;

Depletion Allowance

Repeals the 22 percent depletion allowance for major oil and natural gas producers; retains the 22 percent depletion allowance for independent companies, who do not have retail outlets, on a daily maximum of 2,000 barrels of oil or 12 million cubic feet of natural gas which is phased down to 1,000 barrels or 6 million cubic feet of gas by 1980 and to a 15 percent depletion allowance on the first 1,000 barrels or 6 million cubic feet by 1984;

Foreign Source Income

Provides that the foreign tax credit for foreign oil and gas extraction income is limited to 10 percent above the normal U.S. tax rate for 1975, 5 percent for 1976 and 2 percent for 1977; provides that excess credits cannot be claimed as a credit only against foreign oil related income including interest and dividends; eliminates tax deferral for certain specified types of "tax-haven" income of multinational corporations provided it exceeds 10 percent of gross income; limits tax deferral for shipping income received by a foreign subsidiary to reinvestment in shipping operations only; ends the deferral for certain income earned abroad but reinvested in a less-developed country; repeals the "per-country" limitation for oil and gas related income; eliminates foreign tax credit for payments made to a sovereign government for the purchase of oil where the taxpayer has no economic interest in oil in place and buys or sells such oil at other than the market price; denies DISC (Domestic International Sales Corporation) benefits for the export of natural resources for scarce commodities; denies investment tax credit for drilling rigs used in international and territorial waters of the Southern Hemisphere;

1975 Corporate Surtax Exemption

Increases the present $25,000 surtax exemption to $50,000; provides a tax rate of 20 percent on the first $25,000, 22 percent on the next $25,000 and 48 percent on income over $50,000; increases the accumulated earnings tax from $100,000 to $150,000;

Federal Welfare Recipients Employment Incentive (W.I.N.) Tax Credit

Allows employers to hire a Federal welfare recipient for more than 30 days and obtain a tax credit equal to 20 percent of wages not to exceed $1,000 per individual, until July 1, 1976;

MISCELLANEOUS

Extends unemployment compensation for these eligible under the 1974 Emergency Unemployment Act for an additional 3 months to June 30, 1975; allows a maximum of $4,800 in child care expenses to be deducted by families with an income up to $35,000 and phases out to zero such a deduction when income reaches $44,000; extends to the tax deferment period for reinvestment in residences from the current 12 months to 18 months; and contains other provisions. H.R. 2166. Public Law 94–12, approved Mar. 29, 1975. (112,117)

EDUCATION

College work-study program funds

Permits the Commissioner of Education to deobligate funds granted to institutions for College Work-Study programs and to reallocate such funds to other institutions within the same State and provides that such funds remain available for obligation during the succeeding fiscal year; clarifies section 414 of the General Education Provisions Act which provides that, if the Congress fails to act on a program's extension in its penultimate year, the program shall be contingently extended for an additional year to assure the continuance of all programs contained in the Higher Education Act of 1965, as amended: extends the termination date of the National Advisory Council on Equality of Educational Opportunity from June 30, 1975, through the end of fiscal year 1976 to make it coterminous with its related program, the Emergency School Aid program; and authorizes the Commissioner to carry over into fiscal year 1978, Basic Educational Opportunity Grant funds for fiscal year 1975 which have not been paid to students entitled to such grants. H.R. 4221. P/H Mar. 19, 1975; P/S amended May 20, 1975. (VV)

ENERGY

International petroleum exposition

Authorizes the President to invite the several States and foreign nations to participate in the International Petroleum Exposition at Tulsa, Oklahoma, from May 16 through May 22, 1976, for the purpose of exhibiting machinery, equipment, supplies, and other products used in the production and marketing of oil and gas, and bringing together buyers and sellers for the promotion of foreign and domestic trade and commerce in such products. S.J. Res. 59. P/S May 13, 1975. (VV)

**Oil import fees*

Suspends for the 90-day period beginning on the date of enactment any authority the President might have to adjust imports of petroleum and petroleum products; negates any Presidential action to adjust petroleum imports taken after January 15, 1975, and before the date of enactment, and also provides for the rebate of any duties or import fees or taxes levied and collected pursuant to any such action; provides that the suspension of this authority will cease if at any time during the 90-day period war is declared, a national emergency occurs, or certain situations involving the commitment of U.S. Armed Forces arise; and provides that the import license fees system on petroleum and petroleum products which the provisions of this bill provide shall not affect the import license fee system on petroleum and petroleum products which was in effect on January 15, 1975. H.R. 1767. Vetoed Mar. 4, 1975. House referred to Ways and Means Committee Mar. 11, 1975. (13)

Oil pricing

Gives Congress an opportunity to review and disapprove the decontrol of the price of domestic oil planned for May 1, 1975 and any other future Presidential action under existing authority intended to increase domestic energy prices by: (1) releasing any category of crude oil from price control or raising the prices on presently controlled crude oil; or (2) using tariffs or quotas on imported oil to create or maintain a "floor" under domestic energy prices; requires the President to establish a maximum price ceiling for all crude oil not classified as "old" oil, to a price not to exceed the prevailing price for such oil on January 31, 1975; and exempts from price regulation that oil produced from secondary and tertiary recovery. S. 621. P/S May 1, 1975. (161)

Oil shale revenues

Amends the Mineral Leasing Act of 1920 to permit each State, after January 1, 1974, to use its share of oil shale revenues for planning, construction and maintenance of public facilities, and provision of public services. S. 834. P/S Apr. 22, 1975. (VV)

Standby energy authority

Grants the President authority to ration fuels in the event of an acute energy shortage subject to congressional review and right of disapproval; authorizes the President to allocate materials and equipment for energy production if a critical shortage occurs: authorizes the President to (1) require production of designated domestic oil and gas fields at the maximum efficient rate and over that rate for a period of 90 days if he determines that the condition of a reservoir permits such production without excessive risk of losses in the later recovery of the remaining oil or gas, (2) utilize production on properties on Federal land, (3) require adjustment of processing operations of domestic refiners to produce refined products in amounts commensurate with national needs;

Authorizes priority fuel allocations to those engaged in the exploration, production and transportation of fuels and other minerals; authorizes the President to restrict exports of coal, natural gas, petroleum products, and petrochemical feedstocks, drill pipe, drilling rigs. and such supplies which he determines are necessary to further production or conservation of energy supplies;

Contains provisions for administrative procedure and judicial review; authorizes the collection of such energy information as is necessary to achieve the purposes of the above provisions; contains procedures for carrying out international voluntary energy agreements;

Extends the Emergency Petroleum Allocation Act from August 31, 1975, to March 1, 1976; makes any increases in the price of "old" oil (oil from wells existing in 1973 produced at a rate equal to 1972 production) and any proposed exemptions of crude oil, residual fuel oil, or a refined petroleum product from price controls subject to congressional review and approval: permits the pricing of oil recovered by secondary or tertiary methods up to $7.50 a barrel; sets a maximum price for "new" domestic crude oil at a level not to exceed that prevailing on January 31, 1975; exempts small refiners (100,000 barrels a day) for the first 50,000 barrels from the entitlements program under the oil allocation regulations;

Authorizes the President to institute interim energy conservation plans pending the promulgation of regulations to establish national energy conservation standards which include but are not limited to standards for: Federal buildings and for homes and buildings financed under any Federal loan guarantee or mortgage program; decorative and nonessential lighting; the increase of industrial efficiency in the use of energy; the better enforcement of the 55 mile per hour speed limit; the maximizing of use of carpools and public transportation; reasonable controls and restrictions on discretionary transportation activities; energy efficiency standards for Federal procurement; and low interest loans and loan guarantee programs to improve the thermal efficiency of individual residences;

Directs the Federal Energy Administration to issue the regulations containing the national standards, and makes such plans and standards subject to congressional review and the right of disapproval; provides for the development and implementation of approved State energy conservation programs with Federal technical and financial assistance, failing which, Federal standards shall apply;

Extends the Energy Supply and Environmental Coordination Act, which contains the Coal Conversion Act of 1974, from June 30, 1975, to December 31, 1975;

And contains other provisions. S. 622. P S Apr. 10, 1975. (138).

ENVIRONMENT

Environmental impact statements

Amends the Environmental Policy Act of 1969 to establish a single uniform procedure for environmental impact statement (EIS) preparation in a very limited number of Federal programs most analogous to, and including, the Federal-aid highway program; permits State preparation of an EIS so long as the responsible Federal official guides and participates in the EIS preparation and independently evaluates the product before approving and adopting it; and requires the Federal official to prepare independently for the EIS the analysis of the impacts and alternatives of major interstate significance associated with the project or action which is the subject of the EIS. H.R. 3130. P/H Apr. 21, 1975; P/S amended May 22, 1975. (VV)

Scrimshaw art preservation

Permits the Secretary of Commerce, who administers the Endangered Species Act with respect to whales, to grant exemptions for a limited period of time for the sale of finished scrimshaw (etched designs and carvings from whale bone) products in interstate commerce. S. 229. P/S Apr. 10, 1975. (VV)

**Strip mining*

Establishes a program for the regulation of coal surface mining activities and the reclamation of coal mined lands in order to assure that surface coal mining operations—including exploration activities and the surface effects of underground mining—are conducted so as to prevent or minimize degradation to the environment, and that surface mining operations are not conducted where reclamation is not feasible according to the terms and conditions of the act;

Establishes the Office of Surface Mining Reclamation and Enforcement in the Department of the Interior to administer the programs for controlling surface coal mining operations, including the State programs which must be submitted for approval;

Requires the Corps of Engineers to approve the basic standards regulating mine waste disposal and review plans but with no responsibility for on-the-ground supervision and enforcement;

Establishes a fund and a program for the reclamation of abandoned mined lands and for relief of impacted areas; provides funding for such activities from reclamation fees collected at 35 cents per ton for surface mined coal, 15 cents per ton for all coal mined by underground methods or 10 percent of the value of the coal at the mine, whichever is less except that the fee will not exceed 5% of the value of lignite; provides that 50% of fees collected in any one State are to be expended in that State for reclamation or alleviating the impact of coal development in the area; provides that, in areas where there is relatively little damage from past coal mining, the States' share of the fees may be used for other purposes;

Sets a series of minimum uniform requirements for all coal surface mining operations on both Federal and State lands which deal with four basic issues—pre-planning, mining practices, post-mining reclamation and the protection of water resources; specifies that lands which cannot be reclaimed under the standards of the act and lands within the National Park, Wildlife Refuge, Wilderness and Wild and Scenic Rivers systems, National Recreation Areas, National Forests, and certain other areas may not be strip-mined; makes special provision for mining which affect alluvial valley farming land: provides for certain limited variances to the prescribed standards where such variances provide equal or better protection to the environment and result in a higher post-mining use;

Provides, in regard to rights of private surface owners, for obtaining consent as a condition of issuing a new Federal coal lease, and requires payment of all damages, including lost income, and payment of limited additional compensation to the surface owner;

Establishes a grant program to fund mining and mineral resources and research institutes in public colleges and universities to train qualified personnel in mine-related fields and to conduct research related to mining technology;

Provides for a study, to be completed by 1976, to determine the appropriate program for regulating surface coal mines on Indian lands and requires, in the interim, that all leases on Indian lands include certain performance standards at least as stringent as those in the Act; and contains enforcement and other provisions. H.R. 25 (S. 7). Vetoed May 20, 1975. House to consider June 10, 1975 (62).

GENERAL GOVERNMENT

American Legion badges—patent renewals

American Legion

Renews and extends for 14 years design patent No. 54,296 for the protection of the emblem and insignia of the American Legion. S. 720. P/S May 13, 1975. (VV)

American Legion Auxiliary

Renews and extends for 14 years design patent No. 55,398 for the protection of the emblem and insignia of the American Legion Auxiliary. S. 721. P/S May 13, 1975. (VV)

Sons of the American Legion

Renews and extends for 14 years design patent No. 92,187 for the protection of the emblem and insignia of the Sons of the American Legion. S. 719. P/S May 13, 1975. (VV)

Attorney General's Salary

Repeals Section 1 of Public Law 93–178 (enacted to remove the question concerning the impact of Article I, Section 6, Clause 2 of the Constitution on the President's nomination of Senator William B. Saxbe to be Attorney General of the United States) to restore to the Office of the Attorney General the annual rate of basic pay of $60,000 (Level I of the Executive Schedule) and provides that the act shall take effect February 4, 1975, following the February 3, 1975, resignation date of Attorney General William Saxbe. S. 58. Public Law 94–2, approved Feb. 18, 1975. (VV)

Barrier-Free Environment

Declares the sense of the Congress that there shall be a national policy to recognize the inherent right of all citizens, regardless of their physical disability, to the full development of their economic, social, and personal potential through the free use of the manmade environment, and that the adoption and implementation of this policy requires the mobilization of the resources of the private and public sectors to integrate handicapped people into their communities. S. Con. Res. 11. Senate adopted May 20, 1975. (VV)

FBI Director, 10-year term

Amends the Omnibus Crime Control and Safe Streets Act of 1968 to provide for a 10-year term of service for the Director of the Federal Bureau of Investigation; limits the appointment of a Director to one 10-year term; and provides that the law regarding Federal mandatory retirement at age 70 shall apply to this appointment. S. 1172. P/S Mar. 17, 1975. (64)

General Federation of Women's Clubs

Amends the Act granting a charter to the General Federation of Women's Clubs to delete the $1.5 million figure on real estate the Federation may hold under the charter, thus allowing the value of its real or personal property to be determined by current market value which has increased due to inflation. S. 240. P/S May 8, 1975. (VV)

NASA authorization

Authorizes to the National Aeronautics and Space Administration $3,544,710,000 for fiscal year 1976 and $929,900,000 for the transition period July 1, 1976–September 30, 1976 (a decrease of $23,290,000 below the budget estimate), for research and development, construction of facilities and research and program management including continued development of the space station and shuttle program. H.R. 4700. P/H Apr. 9, 1975; P/S amended May 12, 1975; in conference. (VV)

National Science Foundation Authorization

Authorizes $822,600,000 to the National Science Foundation for fiscal year 1976 and an additional $4 million in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States. H.R. 4723. P/H Apr. 9, 1975; P/S amended May 13, 1975 (VV)

Overseas citizens voting rights

Guarantees the right of otherwise qualified private U.S. citizens residing outside the United States to vote in Federal elections in the State of their last voting domicile; requires a citizen, voting under the bill, to state his intent to retain his prior State as his voting residence and domicile if he has not registered to vote and is not voting in any other State, territory or possession of the United States; adopts a uniform absentee registration and voting procedure including the requirement that election officials mail out balloting material as promptly as possible after receipt of a properly completed application; assures that Federal and State governments could not seek to impose taxes on a citizen which would cause him to lose any tax exemption solely on the basis of having exercised his right to register and vote absentee; and imposes a $10,000 fine and 5 years imprisonment for wilfully giving false information when registering or voting absentee. S. 95. P.S May 15, 1975. (VV)

Tourism promotion

Provides a 3-year authorization to the Secretary of Commerce for the purpose of promoting tourist travel within the United States as follows: for international tourism promotion—$5 million for the transition period 1976, $25 million for fiscal 1977, and $30 million in each fiscal 1978 and 1979; for domestic tourism promotion—$625,000 for the transition period 1976, and $2.5 million for each fiscal 1977 through 1979. H.R. 5357. Public Law 94– , approved
1975. (VV)

Trust Territory of the Pacific

Increases the fiscal year 1975 authorization for the activities of the civil government of the Trust Territory of the Pacific Islands from $60 to $75 million and authorizes an additional $1.5 million to fund the transition of the Mariana Islands District from the Trust Territory Government to a new commonwealth status as a territory of the United States, pursuant to an agreement signed on February 15, 1975, by the U.S. and the Marianas, if approved by Congress. S. 326. Public Law 94– , approved
1975. (VV)

GOVERNMENT EMPLOYEES

Travel expenses

Increases the per diem allowance (from $25 to a maximum of $35) and the actual daily expense reimbursement (from $40 to a maximum of $50) which may be paid to regular employees of the Federal Government, and to consultants and experts employed intermittently, who are traveling on official business within the continental United States; authorizes the President to establish the per diem allowance for travel outside the continental United States and authorizes the Administrator of General Services to prescribe the conditions under which an employee may be reimbursed for actual and necessary expenses (not to exceed $21 per day) in addition to the maximum per diem established for that locality; provides commensurate increases, under regulations established by the Senate Committee on Rules and Administration, in the per diem allowances and actual expense reimbursement for Senators and Senate employees and members of a Senator's personnel staff traveling to and from the Senator's home State on official business; prohibits reimbursement for travel to or from a home State 120 days prior to a primary or general election in which the Senator is a candidate; increases the mileage rates for the use of privately owned vehicles used while traveling on official business (automobiles—from 12 cents to 15 cents; airplanes—from 12 cents to 18 cents; and motorcycles from 8 cents to 11 cents); requires the Administrator of General Services to make a determination with respect to the cost of travel and the operation of privately-owned vehicles and adjust the rates at least once a year; and provides that the agency or branch of Government concerned must absorb expenses incurred during fiscal year 1975 as a result of increases in per diem and mileage allowances out of its existing funds. S. 172. Public Law 94–22, approved May 19, 1975. (VV)

HEALTH

Medical device safety

Authorizes the Food and Drug Administration to regulate the development and marketing of medical devices; requires that medical devices used in life-supporting situations, including all implanted medical devices such as a heart valve, pacemaker or interuterine device (IUD), shall be subject to premarket scientific testing; authorizes the Secretary of Health, Education, and Welfare to establish protocols for testing medical devices and requires that test data be submitted to HEW when a manufacturer seeks approval of a lifesupporting medical device for marketing; provides that medical devices for which experts agree standard-setting is sufficient to protect the public health and safety need only meet performance standards; provides that the third classification of devices which are generally safe when used in accordance with their instructions, such as a tongue depressor, is exempted from either procedure; and contains other provisions. S. 510. P/S Apr. 17, 1975. (139)

Nurses training—health revenue sharing and services

Amends title VIII of the Public Health Service Act as follows:

Title I, Nurse Training Act—Extends through 1977 the nurse training authorities of title VIII including authorization for: construction grants with priority funding to schools expanding their capacity to enroll nurses in advanced training programs; "capitation" grants to schools based on the number of nursing students enrolled but designating different amounts for different types of nursing schools to reflect more accurately the differential in costs between baccalaureate degree, associate degree, and diploma schools of nursing; special assistance to nursing schools that are in serious financial straits to meet operational costs for maintaining quality programs or their accreditation requirements; special project grants to assist schools in trying out better methods of teaching, better utilization of faculty, expanded enrollments and recruiting and retaining students from disadvantaged backgrounds; graduate and other advanced training programs for professional nurses to teach, serve as administrators or practice in nursing specialties; and the nursing loan, acholarship and traineeship program to meet current demands and needs;

Title II. Health Revenue Sharing and Health Services—Contains substantive revisions of four expired programs and several new initiatives for the provision of health services; extends the Community Health Centers program for 2 years authorizing grants for the planning, development and operation of community health centers, including existing neighborhood health centers; extends the Migrants Health Centers Program and authorizes planning, development and operation grants to such centers which offer a broad range of health services in an area in which not less than 6,000 migrants reside; includes a separate authorization to cover the reasonable costs of inpatient and outpatient hospital services for migrants; extends the Community Mental Health Centers programs to continue progress toward the goal of establishing a center in each of the approximately 1,500 catchment areas across the Nation and to assure continued support of the 500 centers already begun; extends Health Revenue Sharing provisions of the Public Health Service Act for 2 years with a total authorization of $160 million per year, of which 22 percent each year must be used for screening, detection, diagnosis and treatment of hypertension (high blood pressure); extends the authorizations in title X regarding Family Planning Programs and specifies that population research shall be conducted under the authorities of that title and requires an annual report on family planning programs; provides authorization to expand the types of disease control programs to include programs for diseases borne by rodents; establishes a demonstration program of start up grants to home health agencies and grants for training personnel to provide home health services; establishes a Committee on Mental Health and Illness of the Elderly for a one year period to review the mental health needs of the elderly and recommend policy for the care and treatment of mentally ill aged persons; establishes a Rape Prevention and Control Center within the National Institute for Mental Health to study the causes, control and treatment of rape and to establish a clearinghouse of information and provides support for demonstration projects in the prevention and control of rape; establishes a temporary Commission on Epilepsy to devise a national plan for the control of epilepsy and its consequences, the State and Federal role in research on epilepsy and on the identification, treatment and rehabilitation of persons with epilepsy; establishes a temporary Commission on Huntington's Disease to devise a comprehensive national plan similar to the one outlined for epilepsy; establishes a new Hemophilia Diagnosis and Treatment program and provides grants to establish treatment centers; provides for grants for programs for training nurse practitioners with specific emphasis on geriatrics and the care of nursing home patients and short-term in-service training programs for

nursing home personnel; extends until June 30, 1975, the physician shortage scholarship program; and contains other provisions. S. 66. P/S Apr. 10, 1975. (132)

School lunch and child nutrition program

Amends section 13 of the National School Lunch Act to continue the Special Food Service Program for children, which expires June 30, 1975, through September 30, 1975; authorizes 1975 summer meal reimbursement rates to be adjusted to account for increase in food costs this past year; and requires USDA, within 10 days following enactment, to issue its regulations pertaining to the option of this year's summer feeding program. S. 1310. Public Law 94–20, approved May 2, 1975. (VV)

Supplemental food programs

Extends through September 30, 1975, the special supplemental food program for women, infants, and children. H.R. 7136. Public Law 94– , approved
1975. (VV)

HOUSING

Emergency housing

Authorizes emergency Federal assistance to stimulate housing construction and to promote energy-saving techniques in connection with the construction of residential buildings;

In Title I, amends and extends the Emergency Home Purchase Assistance Act of 1974 to provide for a permanent program for stabilizing the boom and bust pattern of the housing industry; makes mortgage credit available at a maximum rate of 8 percent through the Government National Mortgage Association and the Federal Financing Bank whenever the annual rate of housing starts falls below 1.6 million for 4 consecutive months, which would be discontinued whenever housing starts rise above 1.6 million for 4 consecutive months;

In Title II, establishes a temporary emergency program in order to increase the present low level of housing starts and create jobs; gives eligible homebuyers an option of choosing between a 6 percent mortgage loan which would gradually increase to the market rate after 3 years, or a $1,000 cash grant to be used to defray the downpayment expenses; limits assistance to 400,000 families, with the program to expire when housing starts exceed an annual rate of 1.4 million or on June 30, 1976, whichever is sooner;

In Title III, directs the Secretary of Housing and Urban Development to establish energy conservation standards for new residential and commercial buildings, which are to be implemented and enforced by States and by local governments through their building codes or other legal requirements governing construction;

In Title IV, contains miscellaneous provisions including provisions regarding public housing, homeownership assisted housing, and rehabilitation housing for low and moderate income families; directs the Secretary of HUD to accept applications for assistance under the Housing for the Elderly Program under the 1974 Housing Act; extends the Flood Disaster Protection Act of 1973 by 6 months to January 1, 1976;

In Title V, authorizes the Secretary of Housing and Urban Development to make repayable, emergency relief payments on behalf of homeowners who are delinquent in their mortgage payments as a result of a substantial reduction in income as a result of involuntary unemployment or underemployment due to adverse economic conditions; and contains other provisions. H.R. 4485. P/H Mar. 21, 1975; P/S amended Apr. 24, 1975: In conference. (148)

INDIANS

Pueblo of Laguna

Declares that 480 acres of land used for cattle grazing by the Pueblo of Laguna Indians be held in trust for the tribe by the United States, and provides for the trust transfer of 39.9 acres of land which was omitted from other lands transferred to the Pueblo pursuant to the Act of August 13, 1949. S. 557. P/S May 21, 1975. (VV)

Pueblo Tribe, New Mexico

Repeals a 1926 statute which subjects Pueblo tribal lands to condemnation pursuant to State law. S. 217. P/S May 21, 1975. (VV)

Indian Health Care

Provides the direction and financial resources to overcome the inadequacies in the existing Federal Indian health care program and invite the greatest possible participation of Indians and Alaska Natives in directing and managing that program;

Establishes, in title I, the Indian Health Manpower Program and authorizes: a grant program to recruit and aid Indians in pursuing health careers; a preparatory scholarship program for the final two academic years of any pre-professional health education curriculum; a health professions scholarship program; a program to facilitate employment by the Indian Health Service of medical students to further expand their opportunities for training; education and training programs in environmental health, health education, and nutrition; and a continuing education allowances program, for the purpose of assuring an adequate health manpower base for proper Indian health services and a sufficient cadre of Indian professional and health workers to permit Indian communities to have a maximum voice in shaping those services;

Provides in title II, for a planned growth of the Indian Health Service's delivery system and facilities and authorizes funds to remove the backlogs in direct patient care and dental care, improve field health services, mental health care and services, treatment centers for the children, and other unmet health needs;

Authorizes, in title III, funds for construction of modern, efficient hospitala and other health care facilities serving Indians where none exist and to renovate existing facilities, most of which are in a state of general deterioration and to remedy the lack of safe water and sanitary waste disposal facilities in the Indian environment;

Meets, in title IV, the problem of limited access by Indians to services supported by Medicare or Medicaid due to most Indians living on remote reservation lands, by authorizing payments under the two programs to be made to qualified Indian Health Service hospitals and long-term care facilities for services rendered to Medicare and Medicaid patients, and provides 100 percent Federal Medicaid matching funds for services provided to any eligible Indian in an IHS facility;

Establishes, in title V, programs in urban areas to make health services more accessible to the urban Indian population and assist them in making the difficult transition from traditional reservation life to the urban world;

Authorizes a total of $1.6 billion for fiscal years 1977 through 1983; and changes the various Secretarial reporting requirements to assist Congress in undertaking a thorough review of all expenditures at the end of the third fiscal year in order to revise authorization levels if appropriate. S. 522. P S May 16, 1975. (VV)

INTERNATIONAL

Cambodia—food aid

States as the sense of the Senate that 50 percent of the food commodities which the President has budgeted for Cambodia under title I of the Agricultural Trade Development and Assistance Act of 1954 which is delivered after the date this resolution is agreed to and prior to July 1, 1975, be made available for humanitarian purposes under Public Law 480 title II humanitarian grant assistance and be administered by voluntary agencies already established in Cambodia. S. Res. 94. Senate adopted Mar. 10, 1975. (VV)

Middle East dispute

Endorses the efforts of and commends the Secretary of State and the President in trying to achieve a peaceful resolution of the Middle East disputes and urges the Secretary to continue to use his good auspices to help the parties in dispute abandon intrasigence and see the wisdom of these objectives. S. Res. 119. Senate adopted Mar. 24, 1975. (VV)

Nuclear non-proliferation treaty

Endorses the purpose of the conference of parties in Geneva reviewing the operation of the Nuclear Non-Proliferation Treaty to assure that its purposes and provisions are being realized and commends the President for his commitment to furthering the objectives of this Treaty. S. Res. 146. Senate adopted May 6, 1975. (VV)

Treaties

International Office of Epizootics

Established an International Information Office of Epizootics to report on the outbreak of animal diseases, provide and exchange of technical information on the control of animal diseases and provide uniform sanitary codes for the movement of livestock and other animals in international trade. Ex. M. 93d-2d. Resolution of ratification agreed to May 5, 1975. (162)

Turkey—Military assistance

Amends the Foreign Assistance Act of 1961—and related continuing resolutions (the terms of which have expired)—to make possible on a contingent basis the resumption of United States Military assistance to Turkey, and to provide that the President shall make monthly reports to the Congress on progress toward the conclusion of a negotiated solution of the Cyprus conflict. S. 846. P S May 19, 1975. (190)

United Nations peacekeeping forces in Middle East

Authorizes such appropriations as may be necessary for the payment of the United Nations peacekeeping forces in the Middle East for the period beginning October 25, 1974, and $5.7 million in supplemental payments for the period prior to October 25, 1974, to meet the U.S. share of peacekeeping expenses in excess of those originally anticipated. S. 818. P/S Apr. 28, 1975. (VV)

Vietnam and Cambodia—humanitarian assistance

Authorizes the President to use any noncommitted funds available for military assistance for South Vietnam and Cambodia for humanitarian assistance for South Vietnamese and Cambodian refugees. S. 1969. P S May 8, 1975. (VV)

Vietnam—assistance and evacuation

Authorizes (1) the use of the armed forces, if the President determines such use is necessary, in the expeditious withdrawal of the remaining American citizens and dependents from South Vietnam and the withdrawal of such foreign nationals as may be brought out along with U.S. citizens and their dependents; (2) $177 million in unappropriated balances of previous authorizations for economic aid to Indochina which will be available for humanitarian assistance to and evacuation programs from South Vietnam; and (3) additional humanitarian assistance in South Vietnam in the amount of $150 million to be dispersed through international organizations and voluntary relief agencies to the extent feasible; requires a quarterly report from the President to the Congress regarding the amount and nature of assistance, the expected recipients, the organizations involved in the distribution and the means of distribution; and contains other provisions. H.R. 6096 (S. 1484). P/H Apr. 24, 1975; P/S amended Apr. 24, 1975; Senate agreed to conference report Apr. 25, 1975; House rejected conference report May 1, 1975. NOTE: (The conference report was rejected by the House because American evacuation of South Vietnam had been completed.) (145,152)

Vietnam—peace negotiations

Calls upon the President to request all Vietnamese parties to reopen discussion toward the implementation of the Agreement on Ending the War and Restoring Peace in Vietnam; to encourage those elements seeking a political settlement; and to make known that American assistance to all Vietnamese will depend on the degree of good faith efforts made by them to obtain a ceasefire and political solution to the conflict; and directs the President to report to the Senate, within 30 days, on the steps he has taken. S. Res. 133. Senate adopted Apr. 21, 1975. (VV)

Vietnam veterans

Commends those Americans, living and dead, who participated in the Southeast Asian conflict and extends gratitude to them and their families. S. Res. 171. Senate adopted May 22, 1975. (VV)

Vietnamese refugee aid authorization

Authorizes $455 million, without fiscal year limitation for assistance to and in behalf of Cambodian and Vietnamese refugees utilizing procedures and administrative machinery established under the Migration and Refugee Assistance Act of 1962; requires the President to keep the appropriate committees of Congress fully and currently informed regarding the use of funds and the exercise of activities carried out pursuant to this act and requires submission of a plan for their resettlement or return, and further requires the President to submit periodic reports on the status of his efforts to retrieve all amounts previously authorized for assistance to South Vietnam and Cambodia excluding the $98 million allocated to the State Department for the movement of refugees. H.R. 6755. Public Law 94–__, approved ____ ___ 1975. (186)

Vietnamese refugees welcome

Welcomes on behalf of the Senate the latest exiles to American shores—the refugees from South Vietnam and Cambodia. S. Res. 148. Senate adopted May 8, 1975. (168)

World Food Conference

Endorses the World Food Conference of 1976 to be held in Ames, Iowa from June 27 through July 1, 1976, and commends the Iowa State University of Science and Technology for a humanitarian undertaking of international significance. S. Con. Res. 19. Senate adopted Apr. 25, 1975. (VV)

LABOR

Railroad improvement and employment

Creates a supplemental public service employment program to accelerate the repair and rehabilitation of railroad roadbed and facilities which are essential to national transportation needs; authorizes $600 million to the Secretary of Transportation to make grants to States, local transportation authorities, railroads, regional commissions and similar bodies to enable them to hire persons for approved railroad roadbed and facility repair on rehabilitation projects; authorizes an additional $100 million to enable the Secretary to assist grant recipients to purchase materials or equipment for the approved projects if the recipient is financially unable to acquire materials without assistance; provides $100 million for loan guarantees for assistance in purchasing materials and equipment; and contains other provisions. S. 1730. P/S May 16, 1975. (189)

MEMORIALS, TRIBUTES, AND MEDALS

Aleksandr I. Solzhenitsyn

Authorizes the President to declare by proclamation that Aleksandr I. Solzhenitsyn shall be an honorary citizen of the United States. S.J. Res. 36. P/S Mar. 20, 1975. (VV)

Bess Truman's Birthday

Extends best wishes to Elizabeth Wallace Truman on the occasion of her ninetieth birthday. S. Res. 65. Senate adopted Feb. 7, 1975. (VV)

Boy Scouts of America

Pays tribute to the Boy Scouts of America on the occasion of its 65th anniversary. S. Con. Res. 6. Senate adopted Jan. 28, 1975. (VV)

Girl Scouts of America

Pays tribute to the Girl Scouts of America on the occasion of the 63d anniversary of its founding. S. Con. Res. 22. Senate adopted Mar. 6, 1975. (VV)

King Faisal, death of

Expresses the sorrow of the Senate upon the death of King Faisal of Saudi Arabia. S. Res. 120. Senate adopted Mar. 26, 1975. (VV)

Martin Luther King

Commemorates the forty-sixth anniversary of the birth of the Reverend Doctor Martin Luther King, Jr., on January 15, 1929, and honors his contributions to the cause of social progress and economic justice for all Americans. S. Res. 14. Senate adopted Jan. 16, 1975. (VV)

Rabbi Menachem Schneerson

Congratulates Rabbi Menachem Schneerson on the observance of his twenty-fifth anniversary, January 22, 1975, as leader of the Movement of Lubavitch. S. Res. 22. Senate adopted Jan. 21, 1975. (VV)

Roy Wilkins

Honors Roy Wilkins, Executive Director of the NAACP, on the occasion of his being named "American of the Year" by the American Religious Town Hall Meeting, Inc., in Dallas, Texas. S. Res. 35. Senate adopted Jan. 27, 1975. (VV)

Veterans' Day

Redesignates effective January 1, 1978, November 11 of each year as Veterans' Day and makes such day a legal public holiday. S. 331. P/S Mar. 13, 1975. (VV)

NATURAL RESOURCES—NATIONAL HISTORIC SITES

Franklin D. Roosevelt National Historic Site

Authorizes the acceptance of additional lands for the home of the Franklin D. Roosevelt National Historic Site in Hyde Park, New York and authorizes an additional amount, not to exceed $104,000, for development purposes. H.R. 2808. Public Law 94–19, approved Apr. 30, 1975. (VV)

Indian trails

Provides for the study of the Indian Nations Trail in Oklahoma for possible designation as a National Trail under the National Trails System Act. S. 123. P/S May 21, 1975. (VV)

Indoor recreation facilities

Amends the Land and Water Conservation Fund Act by adding new authority which permits a State to use not more than 25 percent of its total annual allocation from the Fund for the planning and development of sheltered recreational facilities within specified areas thus permitting the enclosure of swimming pools, ice skating rinks, tennis courts, and similar outdoor facilities for year-round use where climate now controls the season or where there is a shortage of available land. S. 288. P/S May 21, 1975. (VV)

Volunteers in the parks

Increases the annual authorization for the Volunteers in the Parks Program from $100,000 to $250,000. S. 896. P/S May 1, 1975. (VV)

NOMINATIONS—ACTION BY ROLLCALL VOTE

Alexander P. Butterfield

Authorizes the President to appoint Alexander P. Butterfield (formerly a retired colonel, United States Air Force, until he resigned his commission in order to meet the eligibility requirements that the Administrator of the Federal Aviation Administration be a civilian at the time of his nomination) to the grade of colonel on the retired list of the Regular Air Force with pay and other benefits based on a retirement date of February 1, 1969. S. 182. Senate failed of passage May 20, 1975. (193)

Carla Anderson Hills, of California, to be Secretary of Housing and Urban Development

Nomination confirmed Mar. 5, 1975. (44)

Thomas J. Meskill, of Connecticut, to be U.S. circuit judge for the second district

Nomination confirmed Apr. 22, 1975. (141)

PROCLAMATIONS

American Business Day

Designates May 13 of each year as "American Business Day". S.J. Res. 15, P/S Mar. 20, 1975. (VV)

American Institute of Banking Week

Proclaims the week of May 25 to 31, 1975, as "National American Institute of Banking Week". S.J. Res. 58. P/S Apr. 18, 1975. (VV)

Buchenwald Concentration Camp

Proclaims April 6, 1975, as a day of observance of the liberation of the survivors of the Buchenwald concentration camp. S.J. Res. 56. P/S Mar. 20, 1975. (VV).

Proclaims April 6, 1975, as a day of observance of the liberation of the survivors of the Buchenwald concentration camp. S. Res. 123. Senate adopted Mar. 26, 1975. (VV)

Car Care Month

Designates May 1975 as "National Car Care Month". S.J. Res. 57. P/S Mar. 20, 1975. (VV)

Child Abuse Awareness Week

Designates the period of January 9 through January 15, 1975, as "National Child Abuse Awareness Week". S. Res. 43. Senate adopted Feb. 3, 1975. (VV)

Earth Day

Designates March 21, 1975, as "Earth Day". H.J. Res. 258. Public Law 94–8, approved Mar. 21, 1975. (VV)

Energy Conservation Month

Declares the period from February 16 to March 15, 1975, as "Energy Conservation Month"; requests the President to report to Congress by March 31, 1975, on the steps taken to promote energy conservation and their results and on any recommendations for legislation necessary to implement a continuing program of energy conservation; and requests the President to report monthly to the American people and Congress on the status of energy conservation initiatives and their effectiveness, domestic energy supplies and shortages, energy imports and the impact of available supplies or shortages on the economy of and employment in the United States. S. Res. 59. Senate adopted Feb. 5, 1975. (VV)

Historic Preservation Week

Designates the week beginning May 12, 1975, as "National Historic Preservation Week". H.J. Res. 242. Public Law 94–21, approved May 9, 1975. (VV)

Hunting and Fishing Day

Designates the fourth Saturday of September 1975, as "National Hunting and Fishing Day". S.J. Res. 34. P/S May 6, 1975. (VV)

Indian Day

Designates September 28, 1975, as "National Indian Day". S.J. Res. 44. P/S May 8, 1975. (VV)

Music in our Schools Day

Designates March 13, 1975, as "Music in Our Schools Day". S.J. Res. 18. P/S Feb. 19, 1975. (VV)

Newspaper Week

Designates October 5 through 11, 1975, as "Newspaper Week". S.J. Res. 46. P/S May 3, 1975, (VV)

Newspaper Carrier Day

Designates October 11, 1975, as "Newspaper Carrier Day". S.J. Res. 46. P/S May 8, 1975. (VV)

Shut-in day

Designates the first Sunday in June 1975, as "National Shut-In Day". S.J. Res. 79. P/S May 8, 1975. (VV)

Youth art month

Designates March 1975 as "Youth Art Month." S.J. Res. 8. P/S Feb. 19, 1975. (VV)

TRANSPORTATION—COMMUNICATIONS

Amtrak—Penn Central

Authorizes an additional $347 million to insure the continuation of essential rail services in the Northeast and Midwest under the Regional Rail Reorganization Act (Public Law 93–236); increases from $85 million to $282 million Federal grants to bankrupt railroads in the Northeast and Midwest to keep them in operation until a plan being developed by the U.S. Rail Association becomes effective after its submission to Congress by March 28, 1975; increases from $150 million to $300 million loan guarantees to bankrupt railroads to maintain and improve rail facilities until the new system is in operation and gives the Secretary of Transportation more flexibility in deciding how and when the guarantees will be used; provides a mechanism for allowing a Federal district court overseeing a reorganization to reconsider the decision that a bankrupt railroad was capable of reorganization on an income basis and thus outside of many parts of the Regional Rail Reorganization Act as in the case of the Erie-Lackawanna; clarifies the position of the Interstate Commerce Commission's Rail Services Planning Office during the reorganization period by making it explicit that they are to continue representing the interests of the small communities and users during the whole reorganizing process and authorizes the Office to hold public hearings on any supplement to the preliminary system plan; provides that no railroad in reorganization shall withhold from a State or subdivision any tax collected from a tenant of its property and imposes a maximum fine of $10,000 for violations; and contains other provisions. S. 281. Public Law 94–5, approved Feb. 2, 1975. (5,28).

Amtrak Supplemental Authorization

Provides a $63 million supplemental authorization for fiscal year 1975 to meet increased costs identified as (a) railroad performance incentive contract payments of an additional $21.5 million; (b) settlement of the Amtrak/Penn Central contractual dispute, which has resulted in an additional expense of $22.9 million; (c) additional expenses in Amtrak's car overhaul program of $5 million; and (d) increased operating costs primarily due to inflation of $49.7 million; and provides that the salary of the president of Amtrak may be as high as $85,000 instead of $60,000—the present salary ceiling. H.R. 4975. P/H Apr. 24, 1975; P/S amended May 13, 1975. (173)

Federal-Aid Highway Projects

Increases the Federal matching share for Federal-aid highways and certain mass transportation projects to provide States unable to meet the matching requirements for Federal-aid highway funds with moneys to cover Federal Highway Administration apportionments up to 100 percent. H.R. 3786. P/H Apr. 10, 1975; P/S amended May 22, 1975. (VV)

Maritime Authorizations

Authorizes $562,933,000 for the following six categories of programs of the Maritime Administration for fiscal year 1975: (1) acquisition, construction, or reconstruction of vessels and construction-differential subsidies; (2) ship operating-differential subsidies; (3) research and development; (4) reserve fleet; (5) maritime training at the Merchant Marine Academy at Kings Point, N.Y.; and (6) financial assistance to State marine schools; authorizes additional supplemental appropriations for increases in salaries, pay, retirement, or other employee benefits authorized by law; and requires that at least one regional office of the Maritime Administration be maintained for each of the four major seacoasts (Atlantic, Gulf, Great Lakes, Pacific). S. 332. Public Law 94–10, approved March 23, 1975. (VV)

Authorizes $543,618,000 for the following six categories of programs of the Maritime Administration for fiscal year 1976: (1) acquisition, construction, or reconstruction of vessels and construction-differential subsidies; (2) ship operating-differential subsidies; (3) research and development; (4) reserve fleet; (5) maritime training at the Merchant Marine Academy at Kings Point, N.Y.; and (6) financial assistance to State marine schools; authorizes additional supplemental amounts for increases in pay, retirement, or other employee benefits authorized by law and in operating expenses of the Merchant Marine Academy; clarifies Congressional intent with respect to the capital construction funds authorized by section 607 and the relationship of such funds to the investment tax credit provided by section 38 of the Internal Revenue Code to eliminate an independent to the national policy to rebuild the merchant marine fleet; requires, subject to certain limitations, that not less than 10 percent of appropriated funds be allocated to serve the foreign trade requirements of the ports of each of the four seacoasts of the United States (Atlantic, Pacific, Gulf, and Great Lakes); and increases from $5 billion to $8 billion the limitation on the aggregate unpaid principal on obligations guaranteed by Title XI Federal ship mortgage guarantee program S. 1542. P/S Apr. 29, 1975; P/H amended May 12, 1975; Senate requested conference May 15, 1975. (VV)

Railroad safety—hazardous materials transportation authorizations

Authorizes $35 million for fiscal year 1976 and $9 million for the transition period July 1, 1976 through September 30, 1976, to carry out the purposes of the Federal Railroad Safety Act of 1970 which prescribes regulations to ensure the safety of the Nation's railroads; and authorizes $7 million for fiscal year 1976 and $2 million for the transition period July 1, 1976, through September 30, 1976, to carry out the purposes of the Hazardous Materials Transportation Act which regulates the transport of hazardous materials by rail. S. 1462. P/S May 16. 1975. (VV)

Railroad temporary operating authority (Rock Island)

Amends the Interstate Commerce Act to authorize the Interstate Commerce Commission to grant temporary operating authority to a carrier by railroad pending a final determination by the Commission as in the case of the Chicago Rock Island and Pacific Railroad Company which has entered reorganization under section 77 of the Bankruptcy Act; authorizes the Commission to grant temporary approval of the operation of a railroad by another railroad applying to conduct such operations if failure to do so would result in the destruction of railroad properties or limit future usefulness with no direct cost to the Federal government; directs the Commission to report bi-monthly to Congress on the effects of any such orders issued; permits the Commission to extend service orders for not to exceed an aggregate of 240 days instead of the present 180 day period; and provides for repayment, within 30 days, to carriers ordered to so operate. S. 917. P/S Apr. 28, 1975. (VV)

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, on Monday, June 2, upon reconvening following the Memorial Day holiday, the Senate will continue with debate on the military procurement authorization bill, with no rollcall votes to occur that day.

Mr. President, has the order been previously entered that there will be no rollcall votes on Monday, June 2, whether in relation to the military procurement authorization bill or otherwise?

The PRESIDING OFFICER (Mr. GARY W. HART). That is the understanding of the Chair.

Mr. ROBERT C. BYRD. I thank the Chair.

The PRESIDING OFFICER. If the Senator from West Virginia will suspend, the Chair was not well advised. There was no such agreement as to other bills.

Mr. ROBERT C. BYRD. Very well.

ORDER FOR NO ROLLCALL VOTES ON MONDAY, JUNE 2

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be no rollcall votes on Monday, June 2. I think this was the understanding of most Senators, and it was the intent of the Junior Senator from West Virginia when he made the request some days ago.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. On Tuesday, June 3, debate on the bill will continue, with the possibility of rollcalls beginning on amendments if the general debate has been concluded by that time.

Rollcall votes on amendments to the bill will definitely begin, if not on Tuesday, then on Wednesday at no later than the hour of 12 o'clock noon.

Rollcall votes may also occur on Tuesday, June 3, on motions or on appeals or on points of order related to the military procurement authorization bill.

Rollcall votes may also occur on Tuesday on any other matter. A rollcall vote could conceivably occur, for example, in relation to the conference report on the supplemental appropriations bill on Tuesday.

Final vote on the military procurement authorization bill will occur no later than 6 p.m. on Friday, June 6—which means final passage can occur earlier, even on Thursday, circumstances permitting.

I repeat, as stated in the RECORD some days ago, that no nongermane amendments to the military procurement authorization bill will be in order, and no amendments will be in order that are not filed at the desk by or before the hour of 6 p.m. on Wednesday, June 4.

The following amendments, and the

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time allotted on each, are scheduled to be taken up in the order stated:

Ceiling amendment, 2 hours.
Possible second ceiling amendment, 1 hour.
Counterforce amendment, 4 hours, with consent already granted for a live quorum without time for the quorum call being charged.
Site defense amendment, 1½ hours.
B–1 bomber, 2 hours.
AWACS, 2 hours.
SLCM, 1 hour.
AABNCP, 1 hour.
SAM–D, 2 hours.
C–141 stretchout, 1 hour.
F–15, 2 hours.
Patrol frigates, 1 hour.
Sanguine/Seafarer, 1 hour.
Shipbuilding overruns, 1 hour.
War reserves for allies, 1 hour.
Overall military and civilian manpower levels, 1 hour.
Increase from 13 to 16 divisions, 1 hour.
Increase from 22 to 26 tactical air wings, 1 hour.
Feed and Forage Act, 1 hour.
Any other amendment in the first degree, 1 hour.
Second degree amendments, 30 minutes.

ADJOURNMENT TO MONDAY, JUNE 2, 1975

Mr. ROBERT C. BYRD. Mr. President, in view of the fact that the other body has now adjourned for the holiday, having taken no action on the conference report on the supplemental appropriation bill in response to the action taken by the Senate earlier today, I move now, if there be no further business to come before the Senate, that the Senate stand in adjournment in accordance with the provisions of Senate Concurrent Resolution 42 until 12 noon on June 2, 1975.

The motion was agreed to; and at 6:34 p.m., the Senate adjourned until Monday, June 2, 1975, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate May 22, 1975:

United Nations

Daniel P. Moynihan, of New York, to be the Representative of the United States of America to the United Nations with the rank and status of Ambassador Extraordinary and Plenipotentiary, and the Representative of the United States of America in the Security Council of the United Nations.

Department of Housing and Urban Development

James H. Blair, of Michigan, to be an Assistant Secretary of Housing and Urban Development, vice Gloria E. A. Toote, resigned.

Federal Reserve System

Philip C. Jackson, Jr., of Alabama, to be a member of the Board of Governors of the Federal Reserve System for the unexpired term of 14 years from February 1, 1968, vice John Eugene Sheehan, resigned.

Department of Justice

Richard L. Thornburgh, of Pennsylvania, to be an Assistant Attorney General, vice Henry E. Petersen, resigned.

Michael M. Uhlmann, of Virginia, to be an Assistant Attorney General, vice W. Vincent Rakestraw, resigned.

In the Army

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be general

Gen. William Bradford Rosson, 541-10-4801, Army of the United States (major general, U.S. Army).

In the Navy

Vice Adm. Douglas C. Plate, U.S. Navy, for appointment to the grade of vice admiral on the retired list, pursuant to the provisions of title 10, United States Code, section 5233.

In the Air Force

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Bryan M. Shotts, 428-18-2757FR (Major general, Regular Air Force), U.S. Air Force.

The following officer to be placed on the retired list in the grade indicated under the provisions of section 8962, title 10 of the United States Code:

To be lieutenant general

Lt. Gen. Royal N. Baker, 460-20-1746FR (major general, Regular Air Force), U.S. Air Force.

The following officer to be placed on the retired list in the grade indicated under the provisions of section 8962, title 10 of the United States Code:

To be lieutenant general

Lt. Gen. Charles W. Carson, Jr., 444-40-7754FR (major general, Regular Air Force), U.S. Air Force.

The following officer to be placed on the retired list in the grade indicated under the provisions of section 8962, title 10 of the United States Code:

To be lieutenant general

Lt. Gen. John R. Murphy, 501-42-8549FR (major general, Regular Air Force), U.S. Air Force.

The following officer to be placed on the retired list in the grade indicated under the provisions of section 8962, title 10 of the United States Code:

To be lieutenant general

Lt. Gen. Robert A. Patterson, 224-52-8320FR (major general, Regular Air Force), U.S. Air Force.

The following officer to be placed on the retired list in the grade indicated under the provisions of section 8962, title 10 of the United States Code:

To be lieutenant general

Lt. Gen. William F. Pitts, 561-54-7688FR (major general, Regular Air Force), U.S. Air Force.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 22, 1975:

Department of Justice

W. Laird Stabler, Jr., of Delaware, to be U.S. attorney for the district of Delaware for the term of 4 years.

Department of Defense

Norman R. Augustine, of Virginia, to be Under Secretary of the Army.

(The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.)

In the Air Force

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. James R. Allen, 4[illegible]3-28-2495FR (brigadier general, Regular Air Force), U.S. Air Force.

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Martin G. Colladay, 513-14-5329FR (major general, Regular Air Force), U.S. Air Force.

In the Army

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. Sidney Bryan Berry, 428-22-5274, Army of the United States (colonel, U.S. Army).

In the Air Force

Air Force nominations beginning Maj. James M. Archer, to be lieutenant colonel, and ending Maj. Ivyl W. Wells to be lieutenant colonel, which nominations were received by the Senate and appeared in the Congressional Record on May 8, 1975.

In the Army

Army nominations beginning David H. Cameron to be permanent professor of mathematics, U.S. Military Academy, and ending Thomas J. Feeney, to be second lieutenant, which nominations were received by the Senate and appeared in the Congressional Record on May 12, 1975.

In the Navy

Navy nominations beginning Paul R. Abretski, to be lieutenant (jg.), and ending Karen L. Wilkins, to be lieutenant (jg.), which nominations were received by the Senate and appeared in the Congressional Record on May 8, 1975.

Navy nominations beginning Rudolph Abel, Jr., to be commander, and ending Robert H. Zinn, to be commander, which nominations were received by the Senate and appeared in the Congressional Record on May 12, 1975.

In the Marine Corps

Marine Corps nominations beginning George N. Bell, to be colonel, and ending Paul F. Maginnis, to be colonel, which nominations were received by the Senate and appeared in the Congressional Record on May 8, 1975.

EXTENSIONS OF REMARKS

JEROME A. AMBRO REPORTS FROM WASHINGTON

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. AMBRO. Mr. Speaker, under the leave to extend my remarks in the Record, I include the following:

Congressman Jerome A. Ambro Reports from Washington

Dear Friend: As most of you know, I spent seven years as Huntington Town Supervisor before coming to Washington as your Congressman. During those seven years, one of the great advantages I had was that every constituent was only twenty minutes from my office. Because of this, most problems which arose in the morning were on their way to being solved by the afternoon. And, of course, it was also easy to gather a few community leaders together on short notice for an exchange of ideas.

So first of all, let me assure you that although we cannot always sit around a conference table and iron out problems, I welcome your ideas and advice more than ever.

I believe I have put together an excellent staff that is a good blend of experienced Capitol Hill personnel and several able Long Islanders who reside in the District. They are at your disposal for any problem whether it be passports, social security or anything else involving the Federal Government. They were picked for quality, not political affiliation, and represent all parties.

Second, in this, my first newsletter to you from Washington, I will try to touch on many items (perhaps superficially, due to space limitations) both to let you know what I am doing and to elicit your comments and suggestions.

I am happy to say that because of the committee reorganization in December, a Freshman Congressman no longer has to be silent and "go along to get along."

BETTER COMMUNITIES ACT

In fact, I have already introduced a number of bills among which is one to amend the Better Communities Act to provide that townships like Oyster Bay, Babylon and Huntington will be included in the benefits derived from that legislation. Since I had testified on the same bill while Town Supervisor, proposing the changes that would provide direct assistance to our towns gave me a great deal of satisfaction as your Congressman.

As you know, two critical problems facing Long Island are solid waste disposal and the threat of pollution to our beaches. I have succeeded in my Science and Technology Subcommittee in restoring an authorization of $10,000,000 to the EPA budget for solid waste disposal research. Bearing in mind the ever-present threat of the huge sludge area gradually approaching our shores from the Bight, I was also able to have $2.000.000 added to the EPA budget to solve that problem

OTHER BILLS

I have sponsored other bills calling for financial disclosure by public officials, controls on strip mining, assistance to unemployed homeowners under threat of foreclosure and a "sense of Congress" resolution disapproving the President's effort to reduce the scheduled 9% increase in Social Security benefits, I voted against the farm bill because I felt it was bad for Long Island consumers. I voted against an Easter recess by the Congress because of the many problems which must be resolved without delay.

GAS TAX

Needless to say, the major portion of my time (and that of almost every other Congressman) has been spent on the massive economic problems facing the Nation. I oppose the gasoline tax as an unwarranted burden, and I supported a tax rebate as an economic stimulant.

Some say that a 40 cent gas tax increase will reduce consumption but I feel this would be ruinous to just about every driver and would be extremely inflationary.

Instead, I recommend legislation which I feel will curb excessive gasoline usage but will not punish the person who has to use a car to get to work and for other necessities. It would also not increase the cost of home heating oil. Simply stated, four other Freshman Congressmen and I were able to obtain 103 signatures from other Congressmen asking the Ways & Means Committee to drop plans for an additional gas tax and substitute a Federal allocation system so that all areas of the Nation would be equally treated in the distribution of petroleum. Wise use of such a system will immediately reduce consumption. Such allocations would be directly related to the availability of mass transit systems. Drivers would be able to buy their allotments at regular prices. If they wanted to exceed their allotments, they could buy gasoline at prices which would then include a substantial tax. Thus, the driver who must use the automobile for necessities is not penalized but the luxury driver would pay for the privilege.

THE TAX REBATE

I also successfully urged that the tax rebate apply to all income levels, not just those with incomes under $20,000. I think that there is more likelihood that those with incomes over $20,000 will spend the money for purposes which will immediately spur production.

OFF SHORE DRILLING

Regardless of polls and pressures, I remain adamantly opposed to drilling for oil off the shores of Long Island because I am convinced that the environmental and onshore degradation will be too high a price to pay and because I am equally convinced that we can develop alternative energy sources. I am a cosponsor of the Bell measure to bring all offshore oil and gas leases before Congress for approval.

ENERGY RESEARCH ON LONG ISLAND

I believe that Long Island can be the energy capital of America. Among our almost three million people, there are great numbers of scientists and engineers, along with a diversity of skills and talents unparalleled in the Nation for this program. Beyond this, Long Island has an interdisciplinary aerospace industry supported by sophisticated enterprises which reflect the new technology of the age. We have, as well, a broad based building and construction industry with an attendant labor force of craftsmen of great skill; we have in our public utility (LILCO) experience in the field of fossil fuel and atomic energy production and at the heart of this community we have the Brookhaven National Laboratory, Stony Brook and N.Y. Polytechnic, which certainly represents a nucleus of the best scientific and technological minds anywhere in the Nation. Most of all, we have the need for making Long Island the energy research and development center of the world.

As to government contracts, I am pleased that since the beginning of the year, Grumman Aerospace has received more than 110 million dollars in contracts from the Air Force and Navy with additional commitments for 78 million. Dynell Electronic Corporation and Hydrosystems have received Navy contracts for over five million dollars.

I have also had the opportunity to join Hazeltine and Fairchild Camera in exploring solutions to some of their problems.

COMMITTEE ASSIGNMENTS

I was very fortunate in being placed on two committees which have great and far-reaching responsibilities, the Committee on Science and Technology and the Committee on Public Works and Transportation. I am on three subcommittees of each, and my activities are particularly relevant to Long Island. We are involved, among other things, in mass transit, water resources, research in energy of all kinds and in the entire area of environmental safeguards.

FOREIGN AFFAIRS

Of serious concern is what appears to be our failing foreign policy and all of its attendant problems: in Indochina, in the Middle East, in Portugal. The loss of Cambodia, along with the shock of South Vietnam, has shifted our attention momentarily from domestic matters. Congress will, and should, provide as much money as the President sees fit for humanitarian aid, but will not, I believe, provide one penny that will again commit American armed forces to a land war in Asia. This does not mean, I should emphasize, that this is an isolationist Congress.

Lastly, I want to say again that I am here to serve you. I know there are many important programs I should have mentioned, and of those I mentioned, I probably should have said more.

So, if you think my positions are either right or wrong or if I have not covered the problem that concerns you, let me know. Again, if you have any difficulty of a federal nature, write or call.

DISTRICT OFFICES

My district offices are at 20 Crossways Park North, Woodbury 11797 (telephone 516 364-2177) and 755 New York Avenue, Huntington 11743 (516/673-9050.) Here, my office is 1313 Longworth House Office Building, Washington, D.C. 20515 (202/225-3865).

Very truly yours,

Jerome A. Ambro

SENIOR CITIZENS AND THE ECONOMY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. DOWNEY of New York. Mr. Speaker, on March 3 I held a day-long public

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hearing on senior citizens and the economy. I heard testimony from more than two dozen witnesses, including heads of senior citizen organizations, agency directors, and some very outspoken individuals representing themselves. The hearing was packed with interested older Americans anxious to be heard by their Congressman as well as by the various public officials who were also in attendance.

At the hearing a letter from Mary Voyse, chairman of the Federal Legislative Committee of the New York State Retired Teachers Association, was read into the testimony. Also, Peg Haliday, the chairman of Volunteers of Babylon, was present that day. She spoke of the specific problems facing senior citizens. I ask that their thoughts be printed in the RECORD.

The testimony is attached:

SENIOR CITIZENS AND THE ECONOMY

The Chairman:

I would like to read into the testimony a letter from Mary Voyse, Chairman of the Federal Legislative Committee L.I.Z., New York State Retired Teachers Association.

"My dear Mr. Downey,

My name is Miss Mary Voyse. I am Chairman of the Federal Legislative Committee of the Long Island Zone of the New York State Retired Teachers Association. This association is part of the National Retired Teachers Association which, with the American Association for Retired Persons, has over 2,000,000 members. The NRTA-AARP has a joint committee on federal legislation. Mr. C. B. Murray represents New York State on this committee and Mr. Cyril Brickfield represents it in working on legislation for Congress. But now I am speaking for the Long Island Zone.

We favor the following legislation now.

1. A comprehensive health plan. Last year we favored the Comprehensive Medicare Reform Act of 1974, sponsored by Senator Ribicoff.

2. Exemption of the first $5,000 of pension or annuity from federal income tax.

3. Correction of the Social Security Supplemental Law of 1974 so that increases in income due to it do not cut off the elderly indigent from other help.

4. Allow those over sixty-five to earn any amount and not have to return part of their Social Security to the government as they do now if they earn more than $2,400. Senator Goldwater favors this.

5. A built-in cost-of-living adjustment on the income tax forms to increase the retirement allowance.

6. Housing legislation to help retirees get good housing at fair prices, introduced last year by Representative Hugh Carey.

7. Every effort to stop the cost of living spiral and to meet the energy crisis, but care must be taken not to overburden the aged.

8. Legislation to see to it that the elderly get a fair share of Federal Revenue Sharing funds given to states and committees to be used for such services as transportation, legal aid, nutrition, recreation.

9. Larger retirement income credit on income tax forms.

10. Legislation with states to control abuses in nursing homes.

11. Continuing the Older Americans Comprehensive Act and Nutrition for the Elderly Act.

We hope to keep in touch with you as these matters are brought before Congress."

I would also like to read into the record a letter from John C. Cochrane, the Assemblyman from Sixth District.

"Honorable Thomas J. Downey, M.C.:

Thank you for your invitation to participate in this open hearing on the subject of Senior Citizens and the Economy.

However, the State Legislature is in session, and it is my responsibility to be in Albany to represent my constituents.

I would appreciate a transcript of the minutes of the hearing so that the Federal and State elected officials may be able to work in concert to assist those of our elderly citizens who may benefit from appropriate legislation."

We have another speaker. She is Peg Haliday, the Chairman of the F.I.S.H. Volunteers of Babylon.

Ms. Haliday: I am here as a representative of F.I.S.H. of Babylon which is a nonprofit helping-hand organization and which, over the past five years, has had considerable contact with our senior citizens.

The overwhelming problem that they face is lack of adequate income to assure the most basic of living needs. It is totally unrealistic in the light of today's economy.

We would like to see more consideration given to low-cost senior citizen housing and also the establishment of some form of transportation—either a mini-bus service or the use of school buses—to aid these people in getting to shopping, nutrition and recreational centers. Towns erect recreational facilities for their senior citizens but neglect to provide an adequate plan for getting them there.

Getting back to the question of finances, the stories that come to our attention are heartbreaking and a disgrace. Repeatedly we are told of senior citizens who try to save on their electric bills by not using electric lights and instead use only the light from their T.V. sets in the evening. There are those who have a glass of milk at night and call it dinner and even those who have, on occasion, resorted to eating dog food.

The Chairman: Thank you all for being so patient and waiting so long.

I have one other announcement to make. Mary Scalice, who was sick earlier this morning, is in Southside Hospital and is doing fine. I'm sure you will be happy to hear this.

Let me thank you all again for your participation. Your remarks and your testimony are what will make this session. In fact, they will be an inclusion in the record and a committee report.

You've helped make the case for me with the facts that I have heard from you. You have a real message to tell me, and I will tell this to my representatives. Hopefully, we will be able to do some of the things that have been suggested here today.

WHERE WAS THE NATIONAL AND WORLD COUNCIL OF CHURCHES WHEN SOUTH VIETNAM FELL?

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. McDONALD of Georgia. Mr. Speaker, if anyone is still waiting for either the National or World Council of Churches to denounce the North Vietnamese invasion of South Vietnam, they can stop holding their breath. If anyone is still waiting for either organization to denounce the killings of innocent refugees or executions of opponents for political reasons by the Communists, they need not worry—no denunciations will be forthcoming. If anyone is still waiting for representatives of either organization to descend upon the Congress pleading for aid and succor for the unfortunate of Southeast Asia—do not. A particularly penetrating analysis of the selective morality of our so-called churchmen was written by Col. R. D. Heinl, Jr., of the Detroit News on April 21, which I feel should be read by all my colleagues. The article follows:

ONCE CRITICAL OF U.S. ROLE—CHURCHMEN SILENT ON SOUTH VIET'S AGONY

(By Col. R. D. Heinl, Jr.)

WASHINGTON.—Not for the first, and surely not the last time, holocaust and apocalypse are being visited on the wretched people of South Vietnam whose only crime is not to want to live under the heel of communism.

Neither do they want to come under the tyranny of their Tonkinese cousins from the north, who, for a millenium, have struggled to possess all of Indochina.

Millions of refugees, forsaking homes, villages, land, possessions, giving away children to foreigners, risking Communist slaughter at highway roadblocks, being shelled on evacuation beaches or in open boats, as they strive to get away—these are sights all the world can see in South Vietnam.

As the world can also see, the sole cause of this misery is the invasion of South Vietnam by 15 or more divisions of the North Vietnamese army (NVA). South Vietnam has undergone no uprising or rebellion, no civil war. South Vietnam, a sovereign entity, has been overrun from outside, just like South Korea in 1950, France in 1940.

To say Hanoi's invasion represents gross and blatant violations of the Paris Accords of 1973 is to understate the case. The Communists' brutalization of the countryside and fleeing populace, coupled with deliberate slaughter of civilian refugees trying to escape, violates every provision of international law, tramples on human compassion and morality and should, therefore, offend the conscience of mankind.

Please note above the word "should," for the anointed keepers of conscience have been mighty silent these past weeks during the travail of South Vietnam.

Five years ago and earlier, when the United States was still in the war—and right up to the final days of 1972 when we had mined and bombed Hanoi back to the peace table—harsh condemnations and lamentations filled the air against the U.S. government, its leaders, its soldiers and airmen, protesting the asserted "immoralities" of American deed, word and policies. These outcries arose from such moralistic organizations as the National Council of Churches, claiming to speak for 40 million U.S. Protestants; the Netherlands-based World Council of Churches, headed by the American Rev. Eugene Carson Blake; the American Friends Volunteer Services; and such ecclesiastical special-interest groups as the notorious Clergy and Laymen Concerned about Vietnam.

In their time, these and other such church groups, covering a wide spread of denominations, but in almost all cases steered by socially conscious, liberal-elitist clergy, denounced U.S. involvement in Vietnam, called for cessation of air operations against the north and an end to weather warfare against the Ho Chi Minh Trail.

Based on doctored Swedish television and articles in French newspapers, Dr. Blake of the World Council of Churches convicted the United States of, in his words, "intentional dike-bombing," and condemned his own country in the name of 360 million Protestants for whose conscience he claims to hold proxies. When it turned out that dike-bombing was a fraud concocted for the benefit of those great patriots, Jane Fonda and Ramsey Clark, and for such gullible divines as Dr. Blake, not a sound was heard from the World Churchmen. Nor today has any sound been heard from these seats of righteousness over Communist savagery in South Vietnam.

The National Council of Churches, which in 1972 described American military operations as "an offense against humanity," has lost its voice over Communist military operations.

Lost its voice, did I say?

Well, not quite. Only four months ago, the council formally condemned the governments of South (but not North) Korea, Chile, Brazil and the Philippines, for asserted offenses or policies disliked by those who run the organization.

The World Council of Churches, with never a word for North Vietnamese terror, similarly branded the United States as an aggressor in Indochina with a deliberate policy of "killing and maiming of people and destruction of the countryside." Not a syllable has been raised from these quarters as today's Communist-made tragedy unfolds. We have yet to hear from the various church groups, from their radical-chic leadership, from the likes of Blake, let alone of Fonda or Ramsey Clark, about the laughter of civilian refugees and spoiling of a country that wants only to be let alone.

THE URGENCY OF A NATIONAL OIL RECYCLING POLICY

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. SEIBERLING. Mr. Speaker, when Congress passed the Federal Water Pollution Control Act Amendments in 1972, it directed the Environmental Protection Agency to study the problem of waste oil disposal, including the possibilities for the use of recycled oil. At the time, Congress was concerned mainly with the serious environmental and health threat caused by the uncontrolled dumping of used oil. Since then, the increased need for oil conservation has added an additional urgency to the solution of this problem. The significance of the problem can be seen from the fact that automobiles and industry are currently generating used oil at a rate of over a billion gallons a year, of which over 300 million gallons are being disposed of without any controls or protection for our waters and our air. Unfortunately, EPA has failed to carry out the intent of Congress and is merely continuing to urge reevaluation of the problem.

For over 25 years, there has been a used oil recycling industry. In 1960, there were 150 oil recycling firms with a capacity to recycle about 300 million gallons a year. In 1965, Congress passed the Excise Tax Reduction Act which unintentionally permitted IRS to impose a tax on recycled lubricating oil. In the same year, the FTC imposed labeling requirements on recycled oil. The effect of these actions was to eliminate many oil recycling firms, until today there are only about 40 such concerns in the business, with a capacity of about 100 million gallons.

Obviously, it is way past time for the Federal Government to act to remedy this situation. We are indebted to our colleagues Representative CHARLES VANIK and Senator PETER DOMENICI for introducing the National Oil Recycling Act (H.R. 6011) which proposes to meet this problem by providing for the establishment of Federal standards for lubricating oil, the coordination of Government procurement of recycled oil, and assistance to the States in adopting waste oil management programs. I commend them for the initiative they have shown in developing legislation to meet this problem. With 55 cosponsors, the bill is pending before the Interstate and Foreign Commerce Committee. The portion of the bill relating to the excise tax treatment of lubricating oil has been incorporated in the energy legislation reported out by the Ways and Means Committee.

I urge all Members to give serious consideration to the Vanik bill. For those Members desiring further information on this subject, I offer for the RECORD following these remarks an article "Waste Oil Down the Drain" by Ed Morrison appearing in the May 10 issue of Environmental Action magazine:

[From Environmental Action, May 10, 1975]

WASTE OIL DOWN THE DRAIN

(By Ed Morrison)

(What do you do when you change your oil? Throw the old sludge in the bushes? Pour it down the nearest storm drain? The garbage disposal, perhaps? Since the advent of the automobile we've been treating waste oil in an out-of-sight, out-of-mind fashion. Well, it's time to start changing our ways.)

In May 1950 Popular Science magazine carried a story about a small but flourishing industry in the business of recovering and recycling used lubricating oil. Although at the time the industry included only about 150 small firms, the article was optimistic about the prospects for future growth. The writer concluded with this sanguine bit of hyperbole:

Today less than one-tenth of the great river of lube oil is being recaptured and sent back to work . . . (T)he harvest of this wasted asset would eventually rank in importance to the discovery of a new oil field.

Twenty-five years after that article appeared, despite fuel shortages and inflation, we are doing little or nothing about recovering the vast quantities of used lube oil our economy produces. The two principle sources, automobiles and industry, are currently generating used oil at a rate of over a billion gallons a year. Yet, still less than one-tenth of this quantity is currently being rerefined. We simply burn about half of our waste oil. Another 200 million gallons is used on roads to control dust or in the manufacture of asphalt. Nobody knows how the remaining waste oil—over 300 million gallons—is being disposed.

Indiscriminate disposal of waste oil can cause significant environmental problems. The defense Supply Agency, in a study on waste oil published in 1972, concluded:

Once waste oil reaches our water system, there is no end to the problems it causes. In the water, oil takes years to break down, and there are some additives which never break down. Waste oil interferes with the natural reoxidation of the water, and is also toxic to many types of fish and wildlife. If washed onto shorelines, oil can destroy plant life, which in turn can lead to erosion.

In addition, as Albert Fritsch, Director of the Center for Science in the Public Interest, wrote in these pages over two years ago (EA, Jan. 20, 1973), waste oil contains numerous toxic substances which contaminate the oil during use. These contaminants, including heavy metals such as lead, barium, and zinc, are most hazardous as airborne pollutants, which they become when waste oil is burned. The high concentrations of lead is particularly worrisome. Airborne lead can be inhaled directly into the lungs or it can settle on the ground and be ingested, for example, by children playing outside.

In recent years a new potential threat to the public health has been discovered. Waste oil also contains high concentrations of a carcinogenic pollutant. Researchers for the Energy Research and Development Administration who have been investigating waste oil recycling warn, "the presence of carcinogenic compounds in waste lubricating oil reinforces arguments against use of waste oil as burner fuels or for dust control on rural roads without further investigation of the health hazards involved."

It is clear that recycling waste lubricating oil is the most sensible way to dispose of the problem. Aside from removing most of the environmental threat from other disposal practices, recycling makes sense from a conservation standpoint. Manufacturing virgin lubricating oil is expensive. Only between three and six percent of a barrel of crude oil will end up as lube oil. In recent years there has been a continuous growth in lube oil demand but an actual decline in the capacity for manufacturing it. In short, recycling waste lubricating oil makes not only good environmental sense but also good economic sense.

Consumers, however, have been led to believe that rerefined oil is inferior in quality to new lubricating oil. In fact, the quality of a lube oil is largely irrelevant to the question of whether it is new or used. In the First World War the Army Air Corps used rerefined oil in its airplanes. In 1932, American Airlines established a "closed-cycle" rerefining system for its commercial fleet. This system served as a model for the Air Force during World War II. During the war, over 29 million hours of flight time were logged by military aircraft using rerefined lubricating oil. By 1949, just about one quarter of all the lubricating oil used by the Air Force was rerefined.

Despite all of the apparent advantages of rerefined oil, the rerefining industry has fallen on hard times. At its peak in 1960, the industry was composed of about 150 firms with a capacity to recycle about 300 million gallons of oil annually. In the past 15 years, more than 100 firms have gone out of business. Today there are only about 40 rerefiners with an annual capacity of just 100 million gallons. Most of these rerefiners operate in antiquated facilities and are unable to attract new investment for modernization and expansion.

The factors underlying the industry's decline are easy to identify but difficult to quantify. Of particular importance has been the increasing cost of collecting waste oil. More and more people are going to retail stores, buying their own lubricating oil for their automobiles and changing their own oil. These "self-changers" are not inclined to return their waste oil to service stations where it can be easily picked up. Instead, they dump oil drainings down the sewer,

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throw it into garbage cans, or even flush it down the toilet.

The rerefiners' collection problems have been further complicated by the steep escalation recently in the price of heating oil. Most rerefiners do not collect their own waste oil but instead purchase it from small, independent waste oil collectors. These "scavangers" usually purchase waste oil from service stations for a few pennies a gallon. Last winter, at the height of the Arab oil embargo, the scavengers found they could sell their waste oil to heating oil distributors for a higher price than the rerefiners were able to pay. The heating oil distributors, in turn, mixed this waste oil with heating oil and sold it to unsuspecting homeowners. In the meantime, rerefiners found themselves forced to operate their plants at less than capacity simply because they could not find enough waste oil to rerefine.

On top of these market factors the federal government has unwittingly taken several steps to undercut the viability of the rerefining industry. In processing his product for sale, the rerefiner basically filters used oil to remove impurities such as dust, water and heavy metals. Then this stock is blended with new oil to come up with the final product. Although statistics are difficult to come by, industry sources estimate that approximately 50 percent of all rerefined oil sales are for non-highway uses—particularly the railroads and low performance engines such as lawnmowers, snowmobiles, and the like.

In 1965, Congress passed the Excise Tax Reduction Act (ETRA) which unintentionally made some significant changes in the rerefiners' competitive position with producers of new lubricating oil. The passage of the ETRA exempted new oil sales from any tax in the off-highway market while permitting a partial tax on rerefined oil sold for the same purpose. The Internal Revenue Service later magnified Congress' mistake by disallowing the rerefiners' appeal for relief under the act.

Tax law is not the only area where the federal government has blundered. Since 1940 the Federal Trade Commission (FTC) has been attempting to protect consumers from unfair trade practices by certain members of the rerefining industry. In 1965, the FTC issued a trade regulation designed to prevent the misrepresentation of recycled oil as equal in quality and performance to new oil. The commission decided to force the rerefiners to label prominantly their products as "previously used."

It is virtually impossible to document the influence of the FTC ruling on the deterioration of the rerefining industry. But the key issue is that the FTC, in an attempt to protect consumers, has unjustly equated rerefined oil with inferior quality. Researchers at the Energy Research and Development Administration have recently confirmed the fact that performance characteristics of properly rerefined oil are, in fact, comparable with virgin lube oils. The researchers uncovered one other important fact: several random samples of *new* lube oils failed to meet minimum performance standards.

These findings carry significant implications for finally resolving the labeling controversy. If the FTC were truly interested in protecting the interests of the consumer to insure highest quality lube oil at the lowest possible price, it would take steps to establish a national testing program for lubricating oils. Such a program would require the labeling of all lube oil—both new and recycled—to be based on a standardized performance test. Only then would consumers really know what they are getting when they buy lubricating oil.

Nothing much has been done to correct these misdirected policies on waste oil. Of the five or six federal agencies which have been involved with research on this matter, the Environmental Protection Agency (EPA) must shoulder most of the blame for the lack of a coherent national waste oil policy. In 1972, the Congress passed the Federal Water Pollution Control Act Amendments. As one provision of that act, EPA was directed to study basically three aspects of the waste oil problem: present disposal methods, biological impacts of waste oil disposal, and future possibilities for the use of recycled oil.

Although this waste oil study could have been the catalyst for the formulation of a national policy on waste oil, the results were far less dramatic. The story of how the study evolved and its failure as an instrument of policy-making provides a unique insight into the inability of the federal government to confront a complex but manageable environmental problem.

From the start, EPAs waste oil study suffered from confusion, mismanagement, and just plain apathy within the agency. Throughout the course of the study, friction continually arose between those researchers within EPA who felt that recycling of waste oil should be actively encouraged and those who felt waste oil was not a significant environmental problem. For this latter group, current disposal methods, particularly burning, were deemed satisfactory.

The job of resolving the controversy fell to a basically inept administrator, Kurt Jakobsen, Chief of the Agriculture and Spills Branch. Ultimately, it was Jakobsen's failure to guide a satisfactory resolution of the burning versus recycling debate which undercut the significance of the report as a policy-making tool.

But there were other problems. Waste oil disposal was simply not a high priority within the agency. According to one researcher connected with the study, Jakobsen was given virtually no support in the upper levels of the agency. "He has to hit the assistant administrators on the side of the head with a two-by-four to get their attention." It was undoubtedly for his reason that the final report contained no recommendations for legislative action. Although there were some modest legislative proposals when the report left Jakobsen's hands, even these small beginnings of a waste oil policy did not survive the agency's internal review process. In the end the waste oil study merely suggested that certain key facets of the waste oil problem should be "re-evaluated."

Why has the EPA ducked the waste oil problem? In large part the answer lies within the agency. As a recent report by the National Research Council of the National Academy of Sciences indicates, EPA is not effectively organized to manage a successful research and development program. Certainly, tbe waste oil report was a victim of mismanagement within the agency, but at the same time, it would be a mistake to place too much of the blame on the doorstep of bureaucratic incompetence.

The problem of waste oil disposal is more acute in the industrialized and urbanized sections of the country, for example. For this reason awareness of the potential dangers of waste oil varies widely among various geographic regions, and as a result, political pressure for a national waste oil recovery policy has been unevenly felt in Washington.

Environmentalists, for their part, are not blameless in the waste oil controversy. Because the disposal of waste oil is decentralized, its environmental effects are not as visible as, say, an open hearth furnace spewing huge clouds of smoke. Perhaps for this reason, the environmental movement has largely ignored the waste oil problem. This is unfortunate because recycling waste oil is a real problem which has a practical solution.

What steps can be taken toward that solution? On the local level citizens can bring pressure on community leaders to initiate local waste oil recovery programs. For several years, Schenectady, New York has been actively involved in waste oil recovery efforts. The Council on the Environmental, a government body in New York City, has just completed an extensive two-year study of the waste oil problem in that metropolitan area. On the West Coast a new citizens group called Return Oil and Refine (ROAR) is currently attempting to get the city of San Jose, California to implement a waste oil recovery program. In addition to local governments, several states, including Maryland, Illinois, New York, and Massachusetts are in various stages of implementing statewide recovery programs.

On the federal level citizens can help by pressing for the passage of the National Oil Recycling Act introduced by Rep. Charles Vanik (D-Ohio) and Sen. Peter Domenici (R-N.M.). This legislation proposes that the federal government work toward the establishment of quality standards for lubricating oil, coordinate government procurement of recycled oil, and assist the states in adopting their own waste oil management programs.

Waste oil management is an unusual environmental problem in that it has a straightforward and economic solution. All that is really needed is an awareness of the dangers of waste oil and a desire to establish programs to recycle it.

WHAT TO DO

Rep. Charles Vanik and 55 co-sponsors have introduced the National Oil Recycling Act (H.R. 6011), which is currently before the Interstate and Foreign Commerce Committee. The portion of the bill relating to the excise tax treatment of lubricating oil has been incorporated in the comprehensive energy legislation currently before the Ways and Means Committee (H.R. 5005). Similar legislation has been introduced in the Senate by Sen. Peter Domenici (R-N.M.) and it is pending before the Public Works Committee. Write to your senators and representative urging support of legislation to reform federal waste oil policies.

CONGRESSMAN ROBERT McCLORY REPORTS RESULTS OF ILLINOIS 13TH CONGRESSIONAL DISTRICT SURVEY

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1975

Mr. McCLORY. Mr. Speaker, the biennial questionnaire mailed to almost 165,000 households in the 13th Congressional District of Illinois received an enthusiastic response throughout the district.

Consisting of 11 carefully formulated questions, this survey covered the major subjects of importance to my constituents and to the Congress of the United States. The three principal areas covered were, first, the domestic energy situation; second, our ailing economy; and three, several foreign policy issues.

While the questionnaire provided opportunities for both husbands and wives to respond, it was my primary intention to insure that each would have an opportunity to express his or her individual views on the crucial issues. It was very interesting to note that husband and wife opinions were almost identical, except on several of the issues.

For instance, on the subject of the postponement of environmental standards to meet increased energy requirements—Question 3—65 percent of the men support such a postponement in contrast to only 58 percent of the women who take a similar position. On the issue of tax incentives for businesses—Question 5—men expressed 57 percent support in contrast to their female counterparts who gave a 53-percent endorsement. Again, on the subject of necessary expenditures to keep up with the Soviet Union in defense capabilities—Question 7—76 percent of the men gave their support in contrast to 72 percent of the women. Male constituents were likewise far more favorable to expanded trade with Communist Russia and China—Question 10—indicating a 72-percent approval in contrast to 65 percent of the women who endorse such a policy.

Accompanying the more than 24,000 completed survey cards returned, were some 300 individual communications expressing detailed opinions on various of the enumerated issues—as well as others not covered in the survey. The letters required—and received—individual responses.

With respect to the computerized survey cards, a computer program was developed for tallying the final results. The information was then stored on a single magnetic disc, and the complete computations, including totals and percentages according to a breakdown by county and sex, were "printed out" in the space of less than 3 minutes. This contrasts with the laborious month-long tabulation which was involved in some earlier surveys before the computerized technique was adopted.

Mr. Speaker, the questionnaire survey indicates a high degree of awareness—and forthright attitudes regarding our most serious and most sensitive national and international problems. It is gratifying to have such a generous response from my constituents and to receive the views expressed in the hundreds of thoughtful letters which accompanied the completed survey cards. With a number of critical decisions yet to be made, the questionnaire results and the hundreds of communications will assist me in my decisionmaking role.

The completed survey results follow:

	Voting		Percent yes
	Yes	No	
1. Would you favor raising the price of gasolioe to reduce demand in order to conserve fuel?	8,006	18,697	30
2. Would you favor gasoline rationing as a means of conserving fuel?	8,388	18,333	31
3. Should more stringent environmental standards be postponed in order to meet increased energy requirements?	16,138	10,477	61
4. Do you think Federal funds should be given to the States to help them develop land use plans?	12,118	13,640	47
5. Would you favor tax incentives to businesses to help stimulate the economy?	14,360	11,990	54
6. Would you favor reimposing across-the-board wage and price controls?	9,067	17,405	34
7. Should the United States make the necessary expenditures to keep up with the Soviet Union in defense capabilities?	19,484	7,131	73
8. Should the United States maintain the number of American troops stationed in Europe at its present level?	12,466	13,509	48
9. Should the United States seek more cordial relations with Cuba?	15,965	10,475	60
10. Should the United States continue to expand trade with Communist countries such as Russia and China	17,812	8,646	67
11. Do you favor agreement by Israel to withdraw to secure pre-1967 borders (as established by the United Nations) as a condition for continued U.S. military aid?	15,250	10,336	60

LORTON AGAIN

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, May 22, 1975

Mr. HARRY F. BYRD, JR. Mr. President, the District of Columbia has proposed a major improvement and expansion of the penal facility at Lorton, in Fairfax County, Va.

This prison has been the scene of numerous escapes and disorders, and officials of Fairfax County are seeking its removal.

I support the position of Fairfax County and oppose the plan to expand—and thus make more permanent—the prison at Lorton. To me, it is outrageous for one local jurisdiction to house its hardened criminals within the borders of another State.

In the May 16 edition of the Northern Virginia Sun, there is an editorial which calls in forceful terms for the removal of the Lorton prison. I believe it accurately reflects the feelings of the people of northern Virginia on this question.

I ask unanimous consent that the text of the editorial "Lorton Again," be printed in the Extensions of Remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LORTON AGAIN

Want to know why the District of Columbia is constantly opposing any and all efforts to move Lorton Prison from Southern Fairfax to the northern side of the Potomac River? Read the story on page one today.

To some a murder, escape, and prison strike may seem like unusual happenings. At Lorton, its barely enough to make the news. Granted, the warehouse fire is an unusual event.

Lorton escapes are so common that it would probably be easier to keep the convicts out than in. Murders are relatively uncommon at Lorton, but far from unknown. The only things unusual about the current hunger strike is that it is peaceful; normally Lorton inmates riot and destroy to get attention.

The latest escape involved a convicted armed robber. How would you like to be living in Southern Fairfax as this man, who has shown no hesitation for the threat of violence, is running through your back yard looking for some way to get to a safe hiding place?

Of course if you lived in the District, you wouldn't worry?

With the vast number of escapes in the last year, its a wonder several people haven't been killed. Before long, Southern Fairfax residents are going to start shooting at anything that moves after sundown and innocent people are going to die. Or the escapees are going to become more violent and innocent people are going to die.

The Lorton murder isn't really unusual as the many riots have shown that the prisoners run the prison. Corrections officials are merely figure heads for the system. Most guards have good intentions, but the system is working against them, so rather than run a correctional facility, they are rapidly running a country club.

The problem is that apparently the District of Columbia Department of Corrections is unable or doesn't want to make the needed changes in Lorton. Perhaps a complete change in the Department of Corrections would result in a safer Lorton Prison but realistically as long as Lorton is 25–30 miles away from the Washington City Council offices, Lorton will always be a problem.

For a better Fairfax County, it is time to move it or close it.

IN THE INTEREST OF OUR NATION'S DEFENSE

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. KEMP. Mr. Speaker, freedom is not free, and although the price for preserving that freedom is always high, it is never so costly as the loss of it.

This House has concluded 3 days of thorough debate on the defense bill and amendments offered to it. Having now reviewed the points made by Members during that debate, I think an overview is very much in order not only as to the bill itself but as to the manner in which our Government goes about defense-related research and development, procurement, and oversight of the military departments and their activities.

The Defense Authorization Act was one of the most important bills to come before us, as it is each session. What we did through that legislation affected directly the capability of the United States to avert war through its maintenance of an adequate deterrence and to engage successfully in a war—to win it—should one nonetheless occur.

But beyond the provisions of that bill, there are major questions to which the Nation and the Congress ought to be addressing in coming months—go about the processes of determining the amount of funds needed to sustain an adequate defense program and of determining for what activities we should authorize funds and subsequently appropriate money. The central questions about the nature of the perceived military threat, the alinement of present and future systems to such threats, how much we are getting in the way of defense for the amount of money we are spending, and others must be more fully addressed if we are to have a coherent, consistent, and publicly supported defense program.

WHY WE NEED A STRONG DEFENSE POLICY

The United States will be free only so long as our defense is secure, and it is the adequacy of that security which comprises the basis for the debate presented to us by this legislation.

We have seen no renunciation of the pronounced intent of our principal potential adversary, the Soviet Union, to achieve what it regards as the inevitable course of history: World domination by the forces of Marxism-Leninism. Specific strategies to achieve that objective may have been modified, and the use of surrogate nations for any direct confrontation and the use of diplomatic means to achieve portions of that objective are but two examples of changes in strategy.

What is at stake in the world community today is not just which nation—the Soviet Union or the United States—has dominance

What is really at stake is the way of life which will have dominance in the years to come. The Soviet Union is not a free land, and it is not a free society because the principles of Marxism-Leninism are antithetical to individual freedom—economic, political, cultural, religious, or intellectual. Its people are a people who now live under a forceful centralized government, one which controls through its bureaucracy and its one political party every aspect of life—where one works, where one lives, how much one earns, whether one's children go to advanced school or not, where one travels, et cetera. This is the ideological force which stands behind Soviet military strength—and it is very strong.

When I recently read the results of a major nationwide poll, indicating a majority of the American people would come to the direct aid of only one nation—Canada—if it were attacked by the Soviet Union or its surrogates, I was not really surprised. I am terribly disappointed, however, because it brings to my mind the almost total failure of advocates of a sufficient defense posture to portray accurately and adequately the central question which that pollster's question ought to have raised in each person's mind: Are you willing to defend the American way of life with a sufficient comprehension of what life would be like in other countries and in America if you are not willing to defend it?

This question is not just one concerning the desirability of peace, for there would be peace—defined as an absence of war or its potential—if America surrendered tomorrow. It is, rather, a matter of human values—the conditions under which people are to live: Freedom or oppression. It is these human values about which the United States and its allies—as supporters of freedom—and the Soviet Union and its surrogates—as demonstrably proven oppressors of the people—contest within the world community.

It is not just about possible military action either, for it is also about the changes in political alinements among nations which occur when nations perceive changes in relative military power. If the nonalined nations of the world perceive the United States to be weakening—both in terms of weaponry and in terms of its willingness to use its military strength to defend itself and its allies—then their foreign and defense postures will shift more toward the stronger power—the Soviet Union. If we write off Western Europe, then there is little doubt but that all its nations will have to cut their own deal with the Soviets who already dominate Eastern Europe—and it will be on the Soviet's terms, not their's and not our's. That is but one example, and there are many, many more.

Is there any wonder, therefore, when a question is put to the American people by a pollster on whether we should defend other nations or not—especially when it is wrapped in nearly 40 years or bemuddled thinking about the nature of the Soviet threat—that they will opt for the easiest way out. A hybrid form of isolationism?

The United States did not choose to become a watchman for the free world: That responsibility was thrust upon us by our victories in both world wars and by the absence of any other nation of sufficient strength and resources to sustain such a role.

Even though we did not choose this role, the consequences are the same: If we remove ourselves from that responsibility, we abandon the rest of the free world to those who have not fled the arena. Soviet political hegemony would be a nearly immediate consequence; total Soviet dominance would be an ultimate consequence.

All of this adds up to an important point: If we are to have an adequate defense, it will come only when the American people are better informed of the reasons why we need to have such a commitment. Those who support such an adequate defense posture ought to make note of our failures in this regard to date and set about to do a more effective job in the future.

THE COST OF OUR DEFENSE COMMITMENT

The maintenance of such a defense commitment is not without cost. Because our Nation remains confronted with large defense budget requests, we should scrutinize every expenditure, asking hard questions about the need for each.

The defense budget ought, therefore, to be examined in light of its relation to the overall Federal budget, the continuing threat of enemy aggression, our present and future capabilities to deter such threats, and the value of the dollar in defense spending—how much we get for each dollar spent in assuring the adequacy of that defense.

There are, I believe, several major points to consider about the proposed defense budget for fiscal year 1975 and the transition period. The bill before us constitutes slightly over one-fourth of projected total defense outlays during that period.

The military budget, like all Federal spending, reflects the impact of inflation. Over the past 3 fiscal years, a constant, fiscal year 1973-valued defense dollar has been eroded by inflation by 37.7 percent. The fiscal year 1973 defense dollar is now worth only 62.3 cents in real purchasing power. While in terms of inflated dollars, total obligational authority for defense has increased from $80.2 billion in fiscal year 1973 to a projected $95 billion in fiscal year 1976, it has actually decreased in terms of real purchasing power during that time period.

One can also look at defense spending in relation to the total Federal budget, especially as it relates to social program areas. In fiscal year 1966, benefit payments to individuals represented 25 percent of the Federal budget, while the Nation's defense spending constituted 42 percent. Only 10 years later, this has changed so dramatically that benefit payments for individuals are about 45 percent while defense has declined to about 25 percent.

One can further examine defense spending in relation to the national economy. In fiscal year 1969 defense outlays were 8.9 percent of our gross national product—GNP. In fiscal year 1976 defense spending will be down to only 5.9 percent of GNP, despite a slowdown in the growth of GNP. This will be the lowest percentage since the pre-Korean war demobilization—and we know the consequences of that demobilization. It invited the North Koreans to invade the South.

Finally, defense spending should be examined in relation to the total spending by all levels of government—Federal, State, and local. While all levels of government support such functions as education, health maintenance, social welfare, et cetera, only the Federal Government supports the national defense. The fiscal year 1976 defense budget will constitute only 15 to 16 percent of total Government spending in the United States. That, too is a steadily declining percentage of total expenditures by Government.

MAINTAINING AN ADEQUATE DETERRENCE

President John F. Kennedy, in calling for the preservation of America's military strength, said:

> There is no first or second in an arm's race. There is only first and last.

Others have stated that sentiment in similar terms: There is only one thing worse than an arms race and that is losing one.

The highest cost to the Nation would be not spending enough to deter aggression: That cost would be the loss of our sovereignty and freedom.

In the past the United States could afford not to be fully prepared for war, on the basis that the months of initial fighting would leave us with sufficient time to train, rearm and resupply our forces and then to win the war. The advances of technology have taken away that advantage: Our total preparation time against a surprise, nuclear missile attack from the Soviet Union would be 20 minutes. We must be prepared at all times and against all conceivable contingencies of aggression.

Because Communist-Socialist economies do not have a pricing mechanism—functioning as a product of supply and demand—the most effective means to compare Soviet military spending to ours is to compute how much it would cost us to maintain their commitment.

The Soviet Union is spending 25 percent more for its military commitment than is the United States. To the degree the Soviet Union remains our principal potential adversary, that fact should never be overlooked. As a percentage of GNP, the Soviet Union is believed to be committing slightly more than an additional 2 percent over the U.S. level. We do not know enough about the economy of Communist China to know what their military spending levels are, but we do know that they have greatly intensified development of strategic, offensive nuclear missile systems and have been steadily resupplying the Communist forces in Southeast Asia which brought about the conquest of South Vietnam and Cambodia to date, Laos probably in the near future.

AREAS OF POTENTIAL DEFENSE SPENDING REDUCTIONS

It is not unreasonable to assume the defense budget can be reduced. The question is, "Where?" What the Congress and the people for whose security the defense budget is intended must guard against is cutting the budget either in the wrong areas or from the wrong premises. I think the committee cuts of several billion dollars are prudent.

There is no reason to believe that the Department of Defense bureaucracy—civilian and military—is free from the same type of internal growth-inducing, and high-administrative-cost characteristics of other bureaucracies. To the degree that there is too much money being used in tangential support and too little in combat readiness—too much tail and too much teeth—we owe it to the taxpayers—and to the combat readiness of the Armed Forces themselves—to cut out the fat.

The implications of not cutting out the fat are astounding.

I was recently rereading C. Northcote's "The Law and the Profits," published in 1960 and from which come Parkinson's second law—expenditures rise to meet income. He has a fascinating chapter in the work, contrasting the expenditures of Great Britain and Germay prior to both the First and the Second World Wars. His thesis? Bureaucracy gobbled up the British budget in both instances, to the detriment of its military readiness and to the detriment of averting war and loss of millions of lives. I think it is worth mentioning his evidence for those conclusions.

In 1911, on the eve of the First World War, Britain was spending $27,760,300 on its army, while Germany was spending the equivalent of $39,930,100. For its nearly $28 million, Britain was able to muster 27 divisions—1 cavalry, 6 regular infantry, 14 territorial, and 6 garrison divisions overseas. For its nearly $40 million Germany was able to muster 98 divisions. By comparison of men, the British had 417,000, while the Germans had 4,400,000. What all that adds up to is that for an expenditure of about 44 percent more, the Germans got a 262-percent superiority of divisions deployed. In addition, the Germans had machine guns, the British did not. The British admittedly knew more about warfare than either their opponents or their allies—having been at war most recently—but in every other respect they were outclassed. They had voted the money but that was nearly all they had done. Funds had been, as Parkinson points out, frittered away on correspondence and printing, upon clerks and ink.

World War I having taught the British nothing, they entered World War II, with the same sort of comparison in expense. The odds had only slightly improved. For an expenditure of 240 percent greater than the British in 1938, the Germans mustered out 377 percent greater divisions, this time included motorized and armored divisions, too.

We have no reason to believe that things have changed very much—except now, instead of Britain and Germany, we can talk about the United States and the Soviet Union.

We have a present Army division strength of 13½ divisions, struggling with Congress to reach a force level of 16 divisions. With the Soviets spending roughly 15 to 20 percent more of its GNP than are we, they are able to muster 166 divisions—937 percent greater than we. There are some variances in our division strengths, but when all is including—including supporting firepower, artillery, rocket launchers, antitank guns, et cetera—they almost match.

It could be said that the Soviets concentrate more on land forces than we do, which is true, but it is not accurate at all to conclude from this that they have an inadequate air, naval, or strategic nuclear missile capability. They are quite capable in all those categories.

Several points are to be drawn from these figures:

The costs of bureaucracy can be as destructive to program objectives within the military as within any other activity of Government.

Reorientation of expenditures within the military budget ought to be done from the perspective of reducing the tail, and sharpening the teeth—getting more firepower for each dollar spent.

We need to have a much more accurate grasp, as a legislative body, of the premises for our actions, including the nature of the enemy's threat and the intended nature of our response.

HOW TO GO ABOUT REDUCING THE DEFENSE BUDGET—AND HOW NOT TO DO IT

Reductions in expenditures should be made in reference to specific undertakings of DOD and the military departments, but not in the way in which Congress has been authorizing and appropriating for these items—directing its major attention almost solely at specific aspects of research, development, and testing, and at specific procurement lines.

We know that an across-the-board percentage reduction in the total defense budget—just made as an arbitrary percentage of the budget—would not produce the savings desired in most areas. This is true because military and civilian personnel are "locked in," in the sense that the personnel ceiling levels within merit and promotion systems, reinforced through contractural obligations, are the most difficult to reduce within a short time frame. Typically speaking, an across-the-board cut usually eats into essential research and development and procurement—the two areas most vital to maintaining an adequate future defense capability.

A systematic program and budget approach ought to be taken with respect to these defense expenditures. We insist on this with respect to civilian agencies; we should insist on no less from the defense agencies.

But, there is a precondition to Congress acting prudently and wisely on such an analysis: It must know better from which premises it acts. At present, the criteria used by the defense analysts in projecting our defense needs over the short term—the mandatory 5-year analysis—and over the long term—about 20 to 25 years—are not even known to most of the Members of Congress. At best, members of the Committees on Armed Services and Appropriations, as well as those interested Members within leadership positions, know what the projected threat potentials of assumed aggressors are, but even they seldom know the full range of criteria used in making those judgments.

How are we expected to assure an adequate defense posture if we do not know fully the presumed threat potential of possible enemies?

How are we expected to make cogent and credible arguments to the American people on why particular new systems are needed and in what quantities unless we know all these facts?

How are the American people themselves to be expected to support an adequate national defense unless they know with what it has to be compared?

I fully understand that the bulk of what is used in these estimates is classified at the present time. I realize the importance of some of that classification. Yet, I cannot help but believe that some system can be devised for declassification of much of this information, especially if the tradeoff is in assuring an adequate national defense—and it is questionable as to the sufficiency of that under the present system. I think the Secretary of Defense ought to weigh carefully the merits of making a full-scale review of the way in which the Department now addresses the administration, the Congress, and the American people on these questions. I think it

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would well serve the interests of this country.

I think the impact of Government-sponsored research in the defense arena has to be restudied, too; again as to its cost-inducing characteristics. Government-sponsored research tends to stymie creative thought. In addition, the overwhelming regulatory burdens borne by those involved in contracted for research and development engenders additional costs and lessens genuine productivity. There is great internal resistance within the military departments to freeing up these R.D. & E. and deployment processes for both military and civilian personnel with them have a bureaucratic stake in keeping such activities under their own thumbs. The results? The United States was one of the last major Armies in the world—if not the last—to have fully automatic rifles. Today, the Latin American Armies have night scopes as regular issue on their infantry rifles; we do not.

Again, we turn to history. In the early 1800's, the British Navy had been unable, despite years of Government-sponsored research and the expenditure of tens of thousands of pounds, to develop an on-board device for more accurately measuring the location of ships than the devices then used—a matter of profound importance in knowing where one's ship is at any given moment. For years, the Crown had tried to have developed such a device through Crown-sponsored research. It had come to naught. In desperation, the Crown abandoned that approach and simply posted a tax-free cash prize for anyone who came up with the answer. Less than 2 years later a clerk in the Government bureaucracy which had overseen the Crown-sponsored research came in with the answer. It was a major breakthrough for the British Navy. It is interesting to note that several decades later—beginning with the reign of Queen Victoria—this technique of posting a prize—rather than sponsoring research—was abandoned principally because of internal Government pressure against the system.

Parkinson recounts a number of examples from British history of where private initiative came up with a better idea than what Government was at that time pursuing or implementing and then had to go through the laborious process of convincing Government that those private initiatives constituted improvements in defense capabilities. The culverins used against the Spanish Armada were the handiwork of Sussex gunfounders—private initiative. Marlborough's infantry carried small arms made by Brooke's of Birmingham—private initiative. Wellington's riflemen were equipped with Ezekiel Baker's rifles, and his artillery supplied with case shot invested by Lieutenant Shrapnel—a major breakthrough in warfare—both from private initiative.

We hear much about the so-called military-industrial complex, as if it were some type of symbiotic or parasitic phenomenon. Undoubtedly there are major defense contractors who would prefer to remain with the present system of Government-sponsored research and development, but with an Armed Forces procurement regulation manual which measures more on the book shelf each year and with persistent delays at the hands of Government personnel, I cannot help but feel that changing the way in which we go about research and development for the Armed Forces ought to be thoroughly considered.

A superior defense posture can be maintained at less cost to the taxpayer—only if we do it the right way. I think that process ought to have the support of all who believe in a strong national defense consistent with the economic vitality of our country.

THE U.S. FUTURE IN WORLD AFFAIRS

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, May 22, 1975

Mr. HARRY F. BYRD, JR. Mr. President, the May 6 edition of the Staunton, Va., Leader included an excellent editorial concerning the future of American foreign policy.

The editorial declares that despite the failure of U.S. policy in Indochina, the immense sacrifices of man and materials warrant praise, not blame, from other nations.

Looking ahead, the editorial points out that if our foreign policy is to be successful in the future, there must be reasonable unity within the United States. In the absence of domestic support, foreign policy cannot succeed.

The editor and publisher of the Staunton Leader is E. Walton Opie.

I ask unanimous consent that the text of the editorial, "The U.S. Future in World Affairs," be included in the Extensions of Remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE U.S. FUTURE IN WORLD AFFAIRS

What has been the effect of the U.S. involvement in Indochina under the SEATO Treaty, the failure of South Vietnam to withstand, with our military and economic aid, Communist North Vietnam's aggression; our disengagement, and the ultimate conquest by the Communists?

Has this country lost the confidence of free nations by disengagement in Indochina, and more especially by not bolstering the South's defense after the victory drive of the Communists began a threat to its survival as a nation?

The question of free world reaction to the fall of the South and of Cambodia has obviously worried President Ford, Secretary of State Kissinger, and many others responsible for foreign policy and for fostering and maintaining friendships so necessary to U.S. influence and leadership in the world.

Without confidence in this nation's adherence to its agreements, and without aggressors' fears of its strength and its willingness to use it for the maintenance of freedom, our own security would be in jeopardy.

President Ford took occasion, incident to the fall of South Vietnam, to voice assurances that the United States will live up to its commitments everywhere, and to refute charges that it had not done so in Indochina. I made such sacrifices of men and resources to help small nations there to resist Communist aggression that in Southeast Asia praise, not blame, is due, whatever mistakes were made.

President Thieu, in South Vietnam's dying days, declared President Nixon had given positive assurances that if the Communists violated the Paris pact, the U.S. would respond with sufficient military force to stop their actions. Perhaps Nixon did give such assurances. Under our system, they were not the word of the government.

That may be said now of President Ford's expressions in regard to U.S. fidelity to its commitments. Free world statesmen and people should weigh the unselfish performance of our country in its effort to preserve South Vietnam's liberty, and in its long record of free world resistance to the Communist push for world supremacy. The record is so clear and strong, regardless of what has happened in Indochina, that our good name in the free world chancellories and hustings should stand unblemished.

Before us lie the tasks of buttressing the responsibility of the Executive Branch with its Department of State to determine foreign policy; of formulating new policy toward Asia incident to the fall of Indochina to the Communists; of fostering new confidence in us around the world; in maintaining military strength on a par with Communist powers and restoring prosperity in our economy; in strengthening our alliances and giving counsel and aid to nations which are targets of communism.

These achievements will require avoidance of political partisanship, adherence to decisions after prompt resolution of differences, and avoidance of destructive attacks by political partisans and radicals among the media.

If domestic comity on foreign policy cannot be achieved, it cannot be achieved in our relations with other nations. Its absence cannot fairly be attributed to what has happened to Indochina. It will be due to the failure of too many of our public men and others to attain maturity in world affairs and in understanding of the unending conflict with communism.

A SALUTE TO SALLY CARROLL

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. RODINO. Mr. Speaker, I would like to call the attention of my colleagues to a testimonial dinner which I attended on Saturday, May 16. The event, which was commemorated by this function, was the end of an 8-year term as president of the Newark branch of the NAACP by my friend, Miss Sally Carroll.

Mr. Speaker, this was not just another testimonial dinner; the person honored on this occasion was one of the most active and dedicated workers in the area of civil rights that I have had the pleasure of knowing. Over 600 people, including many State officials, joined me in saluting the long carrier of Miss Carroll and wishing her well in all her future endeavors.

As I noted in my remarks that night:

> Sally Carroll has always spoken in behalf of the people who have been deprived and denied and has given richly.

She has long been active in Newark civic affairs serving as a member of the

NAACP and in a leadership role in various civic organizations around the city of Newark.

Her career serves as an outstanding example of how individual citizens who are committed to a cause can make an enormous difference in the quality of life in our great country.

I ask my colleagues to join me in praising Miss Sally Carroll for outstanding service to her fellow man.

TRIBUTE TO DR. MILTON S. ROWEN

HON. THOMAS M. REES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. REES. Mr. Speaker, it is my privilege today to invite the attention of the House of Representatives to one of the unsung heroes of our Nation. Generally the headlines are made by those who are prominent in world and national affairs or by celebrities who have captured the public fancy in the realm of entertainment or sports.

Today, I would relate briefly the work of a man who has spent his lifetime, first preparing himself and then serving, as a teacher, educational leader, and administrator in service to the children of our Nation, and indirectly, to the children of the world. I submit that there is no work more vital than this. I refer to Dr. Milton S. Rowen, now completing his 10th year as principal of the Hawthorne School in Beverly Hills, Calif.

Milton Rowen is not a person to take a vital assignment lightly. In order to prepare himself for the assignment of educating our children, he was not satisfied with the minimal education for himself but proceeded to obtain the very best preparation. He attended the University of Minnesota, Los Angeles State College, and the University of California at Los Angeles, obtaining the degrees of B.A., M.A., and Ed. D. in journalism, education administration, curriculum, and educational technology.

Prior to his present post, Dr. Rowen filled posts in the Manhattan Beach and East Whittier City Schools. His broad interests have encompassed recreation, soil conservation, atomic energy, school finance, social studies, microfilm, reading improvement, outdoor education, educational publications, teacher recruitment, aerospace curriculum, American history.

Knowing well that only part of a child's education takes place in the schools, Dr. Rowen has been supporting of the Boy Scouts, the YMCA, the PTA, and similar activities. He is an author of many articles on educational and related subjects.

His ability to contribute reached such a level that he has been invited as consultant and lecturer to educational ministries, and conferences in other countries, including England, Scotland, Austria, and Singapore. I believe it would be accurate to say that Milt Rowen will never turn down a child, a school, or a nation which needs his help

Since 1965, Dr. Rowen has expended most of his efforts at the Hawthorne School. He has concentrated on the students' mastery of basic skills, vital to the understanding and use of more advanced skills and subjects. He has led in the creation of a climate where love of the child and love of learning reign supreme. On the occasion of his 10th anniversary at the Hawthorne School, I ask the House of Representatives to join me in saluting an outstanding American, Milton S. Rowen.

EAST VALLEY AREA COUNCIL, BSA, HONORS EAGLE SCOUTS

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. GAYDOS. Mr. Speaker, once again it is my pleasure to call to the attention of my colleagues the name of 40 young men from my 20th Congressional District of Pennsylvania who have achieved the highest rank in scouting—Eagle Scout.

These young Americans are members of the Charles D. Kelly Class of the East Valley Area Boy Scout Council and were honored recently at a dinner in the Edgewood Country Club.

Attending the dinner with their sponsors were the following Eagle Scouts:

Alan Anton with Dr. Raymond E. Masters, Robert Barton with Robert Barton Sr., Larry Cerra with Attorney Jerome M. Adams, Timothy Clark with Dr. John K. Shrader, Jeffrey J. Faix with Clarence H. Lacey, David C. Foley with W. A. Hacker, Daniel A. Gomrick with Dr. John F. Walter, David W. Grisnik with Joseph Margolis, David L. Hanna with Mr. Arnold Hayes, James H. Hughes with Attorney William Garvin, Keith Kennedy with Dr. Katherine Fussell, James P. Lee with Dr. John Zavodoni and Louis T. Loggi with Mr. John W. Griffiths.

Gara Mardirossian with Dr. Richard Leeson, Mark W. Marscher with Mr. Jess L. Uber, Robert Massenburg with Dr. Perry Martineau, James D. McMahon with Sgt. John Michaels, Mark B. Null with Mr. Thomas Madden, John M, Pierce with Mr. Dale Kinnan, Daniel J. Renwick with Mr. Donald Hupp, John Sutyak with Dr. T. D. Skelley.

Anthony F. Tomei with Mr. Michael A. Morgan, Thomas W. Walters with Mr. Roy J. Easler, Gregory F. Welch with Lt. Cmdr. Albert Burton, Gregory D. Wessling with Sister Carleen Richards.

Eagle Scouts unable to attend the dinner but, nevertheless, recognized included Eric Eichenmiller, Thomas Fetsick, Gary Fleck, Gerald Homce, Donald Leone, Ronald Lyons, William Monroe, Eric Majetich, John Recklistis, Walter Rechlistis, John Reuther, Dean Sarti, Robert Wasik and Joseph Zegarelli.

Mr. Speaker, I congratulate these fine young men upon their achievement and wish them the greatest of success in the future. I also would like to extend my congratulations to the gentleman for whom this class of Eagle Scouts was named, Mr. Charles D. Kelly. Mr. Kelly, general superintendent of U.S. Steel Corporation's Edgar Thomson-Irvin Works, is a proven friend of the scouting movement and an individual of the highest caliber.

DEPARTMENT OF JUSTICE REGULATIONS ON CRIMINAL JUSTICE INFORMATION SYSTEMS

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. DRINAN, Mr. Speaker, on Tuesday, May 20, the Department of Justice published in the Federal Register—40 F.R. 22113—its final rules governing the collection, storage, and dissemination of information acquired by Federal and federally assisted criminal justice agencies. These regulations are in part the result of hearings before the House Subcommittee on Civil and Constitutional Rights of the Judiciary Committee. These hearings were held in connection with a bill authored by Chairman DON EDWARDS and supported by myself.

The gestation period for these rules in the Department of Justice was extraordinarily lengthy. That time period might well be understandable if the product were more acceptable. If these new regulations truly protected the right of privacy as well as the presumption of innocence which attaches to every arrested person, I could readily abide the inordinate delay in their issuance. Unfortunately one cannot be very sanguine about their ability to secure those interests.

The purpose of the regulations is to control the collection, storage, and dissemination of data obtained by criminal justice systems, such as police departments, courts, correctional institutions, and other agencies engaged in criminal justice work. This is what they purport to do; but in fact they do not. The important questions surrounding the collection process are not touched at all by these rules. They say nothing about what an affected agency should or should not collect. They allow State and local units to gather any and all information concerning an individual whether or not it has any relationship to a criminal investigation.

Furthermore, the regulations do not, with one exception, restrict the types of offenses for which information about an individual is gathered. The Department is permitting State and local agencies to collect, store and disseminate data concerning the most petty criminal conduct. I do not see any purpose in allowing such data to be kept, stored, and ultimately disseminated to any number of institutions and individuals. The broad scope which these regulations give to State and local criminal justice agencies is in contrast to the more limited scope given to Federal systems are permitted to collect, store, and disseminate only information relating to "serious and/or sig-

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nificant offenses." While that standard itself presents many difficult problems, at least it appears to place some limits on the collection process. The Department does not explain why State and Federal systems receive differing treatment in regulations promulgated under the same statutory authority.

Apart from the collection problems which these rules raise, the new regulations also present numerous difficulties relating to the dissemination of the data collected. The aim of restricting access to criminal justice information is to protect the individual from unnecessary intrusion into the zone of privacy, particularly when the information is unverified or relates only to an arrest. While the Justice regulations do place some restrictions on the dissemination process, they allow "leakage" at critical points in the criminal justice system.

First, the regulations do not deal satisfactorily with the "police blotter" question. The regulations totally exclude such data from coverage. Such information is gathered at the earliest point in the criminal justice process, and as a consequence is the most unreliable material in the system. Ordinarily only raw arrest information is recorded at this initial stage of the intake process and dispositions never catch up with the "blotter" recordations. To allow such unverified information to be distributed at that point negates other protections in the regulations.

The Department tells us that these problems are not severe because the regulations limit access to the blotter data "solely on a chronological basis." This is, if a person inquires into the criminal history of any individual, she can only get it by date. Access cannot be had by name or other identifying characteristic. While that may be the intent of the regulations, they did not expressly forbid it. The rules only require that such initial records be "organized on a chronological basis," not accessed in that way. Furthermore such temporal restrictions are hardly a deterrent to the person who really wishes to obtain the entire criminal history of an individual.

Second, the new regulations allow distribution of criminal justice information to noncriminal justice agencies. Such data may be given to licensing bureaus and in certain instances to employers or potential employers. No restriction is imposed requiring a relationship between the information sought and the purpose for which it will be used. Convictions for some offenses have absolutely no bearing on employability for certain jobs. And when we consider that mere arrests—even for petty offenses—as well as convictions will be disseminated, the evil is compounded.

And, of course, with respect to the Federal Government, such data is authorized for use in connection with security clearances. In all the days of our hearings before the Subcommittee on Civil and Constitutional Rights, I have never heard articulated any rationale for the indiscriminate creation of criminal justice information for security purposes. It would be one thing if the regulations required a nexus between the security risk of a particular position and specific kinds of criminal conduct. But no such limitation is imposed. Any and all offenses, whether or not a conviction was secured, are grist for the security clearance mill. To be sure, Federal criminal justice agencies, such as the FBI, are forbidden to maintain records of petty offenses, but Federal agencies are not obligated to go only to the FBI for information. They may seek access directly to State and local criminal justice systems which do not have that particular limitation.

Third, the regulations allow dissemination of data to certain agencies when authorized by Executive order, not merely by act of Congress. This issue has been a major controversy whether access should be authorized solely by Congress or by the Chief Executive—President or Governor. In my judgment it is totally unacceptable to allow such a large "leak" in the system. If dissemination can be permitted merely by Executive order, it removes the controls which are an inherent part of the legislative process. Executive orders are not the product of public hearings, vigorous debate, and citizen participation. They are documents drawn up in the narrow confines of one office in the executive branch of either the State or Federal Government. Rights of privacy should not be dependent on such a secretive process.

In addition to the serious collection and dissemination questions which these regulations raise, they also embrace other difficulties. For example, while the new rules give the individual a right of access to his file, the scope of such right is very limited. It extends only to materials which are normally a matter of public record, for example, arrest notations, rap sheet, indictment, information, et cetera. Other information which may be gathered by the criminal justice agency remains undisclosed. The incredible thing is that there are no time or other limits on that principle of nondisclosure. A person might well be acquitted of a charge based on false and scandalous information provided by a baleful informer. Nonetheless that data is kept secret by the agency when the innocent victim seeks to examine it.

In the same vein the regulations do not require a recipient of criminal justice data to obey the privacy statutes of the jurisdiction from whence the information comes. For example, a State might well impose sealing and purging requirements on criminal justice records. However, once data from its systems are distributed, the receiving State need not comply with those sealing and purging requirements if they are later invoked by the subject of the criminal justice record. The regulations merely allow the receiving jurisdiction to recognize such protections; they do not require it to do so.

There are, to be sure, other provisions in these regulations which merit critical comment. For example, while the rules require each State receiving Federal funds to submit a plan embodying the restrictions within 180 days, they postpone implementation of such plans until January 1, 1978, fully 2½ years from today. That is an intolerable delay. In addition the regulations establish a National Crime Information Center Advisory Policy Board to give advice to the Director of the FBI on the collection, storage, and dissemination of criminal justice data. Of the 26 members, 20 are elected by the users of the Federal computerized system and six are appointed by the FBI Director. I doubt if a board so composed will provide any objective, dispassionate advice with due regard for the rights of privacy.

The one clear point that does emerge from these regulations is this: They emphasize and reinforce the importance of Federal legislation in this vital area. The Subcommittee on Civil and Constitutional Rights of the House Judiciary Committee held many hearings over the past months on this precise subject. In light of the new Justice Department regulations, the need to report out appropriate legislation is underscored.

LET FOREIGN AID PAY FOR IT

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. GAYDOS. Mr. Speaker, I was one of those who voted against the administration's request for millions of dollars to take care of the South Vietnamese and Cambodian refugees on an extended basis here. I did so because a poll of my constituents revealed them to be 4-to-1 against this expenditure at a time when so many Americans are out of work and in need.

But now that Congress has provided $405 million for refugee resettlement and opened the way for supplemental appropriation requests if such are deemed necessary, I have this suggestion to make. Why not deduct these funds from the money we already have authorized for helping others through the foreign aid program?

The refugees should be looked upon as a universal responsibility. They are coming here supposedly to escape a bloodbath at the hands of the Communists who have taken over their homelands. As such, they have a claim on the mercy and generosity, so we are told, of all humane peoples. This, in mind, has to do with nations also.

And yet, when we asked a helping hand in this matter, we received little diplomatic response. Canada said it might be willing to take 3,000. Australia spoke in terms of hundreds. Other nations generally held silent, preferring perhaps by habit to leave us Americans stuck with the entire problem.

Thus it is up to us to put the refugee expense on an international basis and we can readily do so. We can subtract the cost of them from the moneys voted this year, and from those already in the pipelines, for those foreign giveaways which have been justified as a fulfillment of our obligation help others.

Who, I ask, needs help more acutely right now than the fleeing Southeast Asians who are pouring as a rising tide upon our shores? We cannot afford in our present economic circumstances to help everybody. Therefore, I propose that we give the refugees the priority by using, to meet their expenses, some of the millions already ticketed for foreign aid. In other words, let us bring the "great giveaway" back home, at least, until this new emergency is ended.

FOREIGN ASSISTANCE ACT OF 1974

HON. THOMAS E. MORGAN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. MORGAN. Mr. Speaker, because of congressional and public interest in Public Law 480 allocations in relation to section 55(a)(5) of the Foreign Assistance Act of 1974, I placed in the RECORD of last March 13, page 6584, a letter and accompanying table which I received from the State Department. Since then a number of country allocations have been changed, due to events in Indochina and other circumstances. To update this information for those interested, following is a letter from the State Department dated May 15 and accompanying table:

DEPARTMENT OF STATE,
Washington, D.C., May 15, 1975.

Hon. THOMAS E. MORGAN,
Chairman, Committee on Foreign Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I wrote to you in March regarding the Fiscal Year 1975 PL 480 program and how the Administration expected to meet the stipulation in section 55(a)(5) of the Foreign Assistance Act of 1974 that not more than 30 percent of concessional food aid should go to countries other than those most seriously affected by current food shortages. I attached a table showing our allocations at that time.

Events in Indochina have prevented shipping or delivering the full amounts of Public Law 480 food aid allocated to Cambodia and Vietnam. A number of other country allocations have been changed, either to make use of commodities that were unallocated as of the March listing or to reflect changed supply/demand conditions of recipients at the time of signing agreements.

The revised fiscal year 1975 allocations table (attached) shows only the amounts actually shipped to Indochina, and their disposition or current location, and updates other country allocations. In almost all cases agreements have now been signed for the full commodity amounts and purchase authorizations issued. Of the approximately four million tons of wheat and rice in new fiscal year 1975 allocations under Title I, 3.2 million tons had been purchased by the end of April and almost two million tons had been shipped. We expect purchasing to be completed by the end of the fiscal year but there will be some carryover of shipments into July or August.

The revised table also takes into account the recent addition of Egypt to the United Nations' list of most seriously affected countries (MSAs). Because of Egypt, despite reduced amounts of programing to Cambodia, fiscal year 1975 food aid programing is now divided 70 percent to MSA countries, 21 percent to non-MSA.

The dollar values in the table are based on the estimated average prices used by the Administration in setting the Public Law 480 budget level for this year. Actual average prices will prove lower and this of course will mean that the dollar values of country programs will be somewhat less than shown here.

Please let me know if the Committee desires any further information on the fiscal year 1975, Public Law 480 program.

Sincerely,
ROBERT J. MCCLOSKEY,
Assistant Secretary for Congressional Relations.

FISCAL YEAR 1975 PUBLIC LAW 480 ALLOCATIONS (AT JANUARY 1975 AVERAGE PRICES)

	In millions of dollars			Thousand MT		
	Food	Other commodities	Total value	Total grain	Wheat	Rice
TITLE I						
MSA countries:						
Bangladesh	230		230	850	550	300
Cambodia	45		45	105		105
Egypt	114		114	650	650	
Guinea	10		10	25	10	15
Haiti	3		3	15	15	
Honduras	6		6	20	10	10
India	140		140	800	800	
Jamaica	2		2			
Madagascar	11		11	25		25
Pakistan	85		85	465	465	
Sri Lanka	24		24	138	138	
Tanzania	9		9	20		20
Subtotal	679		679	3,113	2,638	475
Other countries:						
Chile	61		61	350	350	
Indonesia		41	41			
Israel	9		9	50	50	
Jordan	7		7	40	40	
Korea	74		74	195		195
Syria	28		28	110	75	35
Vietnam	3	11	14	18	18	
Subtotal	182	52	234	763	533	230
Total fiscal year 1975 allocations	861	52	913	3,876	3,171	705
Fiscal year 1974 carry-in	30	27	57	[1] 100	85	
Shipped but not delivered:[2]						
Vietnam	6	3	9	32	32	
Cambodia	42		42	99		99
Total title I	939	82	1,021	4,107	3,288	804
Title II	355		355	[1] 1,146	712	5
Grand total	1,294	82	1,376	5,253	4,000	809

[1] Includes feedgrains.

[2] To be sold commercially or reprogramed to other Public Law 480 recipients.

BICENTENNIAL SWORD—MADE IN ENGLAND

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. GAYDOS. Mr. Speaker, what would George Washington say?

I ask this in view of the offer being made by the U.S. Bicentennial Society, headquartered in Richmond, Va., to sell a limited-issue sword like the one worn by the First President at his inaugural for the handsome price of $925—and on a payment plan if requested.

The sword, I need not point out, is a good one and can serve the purchaser as an official souvenir of the Bicentennial celebration and be passed down, generation to generation, as a family heirloom. I admire the enterprise of the Bicentennial Society for thinking up this project which, I note, has the endorsement of the National Park Service.

But what prompts me to think of what George Washington might say is the fact that the Bicentennial swords—1,000 of them in limited edition—are being made in, of all places, England, land of the 1776 enemy, and by the renowned London cutlery firm of Wilkinson Limited.

Surely there is an irony in this which is not relieved fully by the Bicentennial Society's explanation that Washington's sword was made in London, too, and that this should make everything appropriate. If I remember my history correctly, English interference with the development of American manufacturing was one of the major causes of the Revolution and an issue firm in the minds of Washington and the other Founding Fathers through it all. Now—200 years later—we have Englishmen making our official Bicentennial blades. It does not seem just right.

I would regret very much if what I say lessens in any degree the demand for the new Washington swords or embarrasses the fine and patriotic people who serve as trustees of the Bicentennial Society. There is little danger of this, I am sure. The swords ought to be grabbed up quickly by American collectors while the society take satisfaction in having made possible the best of workmanship.

And yet I cannot keep from asking in

hindsight if the American workmen—we surely have able cutlers here—could have been recruited to turn out the swords in a demonstration of the fulfillment of one aim of the Revolution. I do not mean to nit pick. I only bring this to attention to show that our independence of England still apparently has a way to go.

SENIOR CITIZENS AND THE ECONOMY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. DOWNEY of New York. Mr. Speaker, on March 3, I held a daylong hearing in my district on senior citizens and the economy. I heard testimony from more than two dozen witnesses, including agency directors, and some very outspoken individuals representing themselves. The hearing room was filled with interested older Americans anxious to be heard by their Congressman as well as by various public officials who were also in attendance.

At the hearing was Ms. Dolores Cooper of the National Association of Social Workers, who presented testimony for Cecile W. Fallon, representing the Education Legislative Action Network, ELAN, of the Suffolk County Chapter of the National Association of Social Workers. She spoke of the inadequacies of the supplemental security income program, social security, medicare, and the food stamps program. Ms. Cooper, on the behalf of Ms. Fallan, also made recommendations pertaining to the supplemental security income program. I ask that this testimony be printed in the RECORD.

The testimony is attached:

SENIOR CITIZENS AND THE ECONOMY

The CHAIRMAN. Our next speaker will be Dolores Cooper of the National Association of Social Workers.

Ms. COOPER. I thank you

The CHAIRMAN. Thank you, Dolores for coming today, and I think your National Association of Social Workers is a fine organization.

Ms. COOPER. My name is Dolores Cooper. I am presenting testimony today for Cecile W. Fallon, representing the Education Legislative Action Network, ELAN, of the Suffolk County Chapter of the National Association of Social Workers.

The American society equates status with the employment role. As long as we have an economic market in this country as well as a cultural attitude which says that when one reaches a certain magic number, one is no longer useful to society, we will have disregarded and alienated a valuable resource. I am not speaking to you today to say that legislating the end of a mandatory retirement system would cure all the ills of those defined as aged in our society, but it would help a very large segment so defined. When one feels useless, one tends to give up and become dependent. We expect oldsters, seniors and any other euphemisms one may think of to have more inner resources and capacity for self-motivation and structure than any other age group in society.

At this time of emphasis on nursing home scandals, it is important to remember that nationwide only ten percent of those defined as aged live in some form of institutionalized setting such as a nursing home, health related facility or adult home. This is too often the aged population of which we are most aware. There are problems in these institutions in terms of adequate staffing, health and safety codes, price for quality and type of service rendered, lack of social services available to those residents and their families and totally inadequate recreation programs.

However, what about the other ninety percent of the approximately 85,000 over sixty-five who live in Suffolk County according to the 1970 Census? Approximately one-fourth of these people live alone. The biggest problem here as well as everywhere else, is money.

As professional social workers, we are particularly concerned with the effects that Supplementary Security Income Program has had on the most helpless of our clients, the aged, blind and disabled.

The SSI Program seems to represent part of a larger governmental trend toward the elimination of the traditional welfare system in favor of a flat grant plan on the model of the Social Security Program. Such a plan has some real advantages in that it can serve to enhance the dignity of the individual client and provide for administrative simplicity. However, the Social Security system was designed only as a federal retirement program using forced savings by individuals as a funding source. It was assumed that this retirement income would be supplemented by other personal resources, and there was never any intention to substitute Social Security for a program that would concern itself with the total needs of an individual.

It should also be noted at this point that the earning limits on Social Security are totally unrealistic in today's world. In fact, such a pension plan was successful precisely because there were back-up programs to meet the specific individual needs such as the categorical programs of Aid to the Aged, Blind and Disabled. These categorical programs had the advantage of a large degree of flexibility which enabled them to meet the emergency needs and incremental changes in cost of living for individuals on limited fixed incomes based upon minimal subsistence level. Due to inflation, the actual cost of this level has gone up 54.7%. The grants have not.

With the elimination of the categorical forms of assistance, the aged, blind and disabled who have no outside income are left helpless in the face of routine rent increases, utility shut-offs and similar needs that were previously met under the AABD system. While we are aware of the move toward flat grants in all aid programs, we urge those responsible at the various levels of government to bear in mind the clear need for a back-up system that can meet the routine financial emergencies that can devastate individuals with no other resources. It must be noted that the existing New York State EAA Program does not fully address this problem since it provided for assistance only in instances of unusual and catastrophic circumstances. It is still possible, for example, for an elderly person to be evicted from his home because he was unable to meet a ten dollar rent increase. In such circumstances, he would have no recourse since neither the Social Security Administration nor the Department of Social Services legally has a program which could help him.

But the individual recipient is not the only victim of the SSI Program. New York State and other states who have been exceptionally responsive to their needy residents have gained the least from this new legislation. In effect, we have been penalized while other states have been rewarded for their past neglect. New York State has opted for a supplementary plan for new applicants to correct the inequities inherent in the grandfather provision of the federal law. The legislation guarantees that the state's cost will not exceed its total AABD cost for 1972. But 1972 was the year that welfare costs peaked in New York State. This provision fixes New York State's share of the cost at an intolerably high level. Moreover, the inflexibility of the SSI Program has necessitated the passage of an emergency assistance bill, limited though it is. The total cost of this program is not calculated into the guaranteed ceiling and will impose an additional burden on our state's taxpayers. Finally, because both the Social Security Administration and the Department of Social Services are unable to respond to individual needs, they have referred many to the already overloaded nongovernmental agencies in our state such as Red Cross, Catholic Charities and Jewish Community Services.

Another crippling problem area for the aged is food stamps. By legislative mandate, all recipients of SSI are ineligible for food stamps, despite the fact that their current SSI income is below the USDA standard for food stamp eligibility: It is common knowledge that food costs have been rising nationwide at almost unprecedented rates. Recent studies have pointed up the fact that such rising food costs affect the indigent most seriously. Particularly shocking was the recent revelation that over half the pet food sold in the United States is actually consumed by people, especially the elderly, who cannot afford other sources of protein. In view of the current inflationary pressures, the elimination of food stamps has been a serious hardship as well as a threat to the nutritional well-being of the aged and disabled. The ten dollar cash-out value of food stamps given only to those originally blanketed in the SSI system is grossly insufficient.

We are recommending that the federal legislation be amended to restore food stamp benefits.

The provision of interim assistance to new applicants and ongoing assistance to those eliminated by the differences in disability criteria has been a particular problem in Suffolk County where home relief was, until January, a township administered program. We urge the immediate change of the extremely rigid criteria of permanent and total disability used by the Social Security Administration for both Social Security and SSI. They are two different programs with different purposes, and, thus, the criteria for disability ought to be different. Those in the process of recovering from mental and physical problems which temporarily preclude employment ought to be covered under SSI as disabled, not under home relief which is not federally reimbursable.

We are recommending the following about SSI.

1. Changes in federal legislation to allow for greater flexibility in meeting potential needs. The flat grant should be divided into a general grant and a separate rent grant which would be based on local housing costs.

2. In the interim, EAA should be expanded to include grants for routine rent increases, utility and fuel emergencies and other special needs not currently covered. In addition, the twelve-month provision must be eliminated so that we can meet some of the recurring needs of all SSI recipients.

3. To meet the nutritional needs of our disabled and elderly residents, food stamp benefits should be restored. If this is not immediately possible, New York State should temporarily increase its supplement to compensate for the loss in bonus coupons.

Our whole discussion today has been based on the premise that the individual is the problem rather than the economic system with which he interacts. Perhaps, the real solution to the financial problem of all of our citizens lies in the direction of noncategorical programs which aid total communities through grants to improve vital services such as transportation and housing. This is one of the original purposes of the Federal Revenue Sharing Program which has been used for capital improvements and police instead.

Income level allowable for Medicaid and reimbursement under Medicare are unrealistic and inadequate. Federal and state legislative action is needed in a positive sense to raise the amounts people are allowed to have, not cut them back. The proposed changes of President Ford for Medicare will simply force a great number of people either to do without medical care or force them onto Medicaid. Disbursement rates are totally out of line now with medical care costs in New York. To cut them back to the proposed level will insure that more elderly die due to lack of proper medical care.

Thank you.

The CHAIRMAN. Thank you, Dolores.

NATIONAL PRIORITIES AND THE AGING

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. COHEN. Mr. Speaker, the problems of 21.7 million aged are really an intensification of many of the problems all Americans face with respect to income, housing, employment, and health.

My colleague, Mr. HEINZ, of Pennsylvania, addressed the Northeast Regional Conference of the American Association of Retired Persons in Boston on Friday, April 25. His message was a cogent one, calling for immediate action on several legislative fronts which would improve life among the aged.

Mr. Speaker, I include this portion of Congressman HEINZ' address because I believe it is important to share with our colleagues:

NATIONAL PRIORITIES AND THE AGING

The opportunity to address an AARP audience is like a home visit with old friends.

Since coming to Congress, I have developed a working relationship with chapter members in Western Pennsylvania, and I have received, from AARP Washington people, vital information on legislation before Congress and tremendous support for some of my own legislative battles. AARP played a distinctive role in our drive to restore broad based social services to the aged, and in the fight to create a Select Committee on Aging. For this reason, I am especially honored and priviliged to be here. Most especially, let me say that the new House Select Committee on Aging, which came into existence last month, could not have been without you. For this, on behalf of the many members of Congress who had been struggling for the elderly for so long, we in the Congress are deeply grateful and I thank you.

I am proud to have worked with you, and particularly want to thank Cy Brickfield, Peter Hughes, John Martin and Larry Lane—with whom I have worked closely. Help like theirs is indispensable in the legislative process.

It's also a specific pleasure to be in Boston. I had many good years here as a graduate student. But coming back to this historic spot 200 years after "the shot heard 'round the world" was fired, helps me put things in perspective.

Our Bicentennial should be more than an exercise in reliving and rethinking our past. It should be the tool to help us plan the future.

I believe a civilization is judged by the way it treats its very young and its very old. Where the elderly are concerned, the demands and the needs of age show all too clearly the failings and weaknesses of the system.

If we focus on the past briefly, we can see we made progress just from the standpoint of sheer political force.

In colonial days, very few Americans survived to age 71, the present expected life span. A great many died in infancy, and for those who didn't—according to a survey taken right here in Massachusetts in 1789—life expectancy was only 35.

Today, more than 11 percent of the people are over 65. That's a potent political force. We have more awareness of the process of aging—and we have the tools to make life better. For the moment, however, our tools for progress are blunted.

Inflation and the economic downturn are putting all of us to the test to be innovative, efficient and flexible. We are being forced to defend what we have right now in aging budgets, because there is a mood, particularly in Washington, to cut. Against this negative attitude, we will have to fight extremely hard for new and better programs. In this atmosphere, it's important for us to be honest and realistic about policy and programs we develop to help give the aged a higher federal and state government priority. Necessities first.

For all our wealth and power as a nation, we use tax dollars to subsidize squalor and inefficiency—and in effect, less flexibility and a more limited range of services than any of the industrially developed nations.

Let's look at the hard human facts.

Over half of our 21.7 million aged depend on social security as their sole source of income. Yet, the average annual payment for couples on social security is $200 less than the $3,750 the U.S. Bureau of Labor Statistics considers adequate.

You here know the havoc that 12% inflation plays with budgets like these, and you know why we cannot settle, as proposed by the Administration, for a 5.5% increase in social security cost of living allowances. It is true I am a member of the Republican Party and proud of its progressive traditions. It is also true that President Ford is a Republican. But I must be candid and unequivocal—the Ford Administration's proposed social security limit is totally unacceptable to this Congressman. It would force our elderly to bear the brunt of our battle against inflation, and that is why I most strongly oppose it, and why I urge you to do so too.

Let's look at nursing home care.

Two out of every three dollars spent in the United States for nursing homes is provided by American taxpayers through medicaid and medicare. And we all read daily about the abuses and windfall profits which are prevalent in hopefully a small minority of homes. What we don't read about is that we are funding a system that doesn't really fit peoples' needs—particularly people who need just a little help to get around, not a whole institution to house them. But they are in an institution because here is no place else for them to go.

So many of the aged have problems with adequate income, transportation, housing and social services. Yet, despite our sizable problems, we have made some progress in the last few years. I worked with a handful of Congressmen in 1973 to try to get an immediate boost in social security benefits. Without those efforts, I doubt that the two social security increases totalling 11% would have been possible in 1974. We tried to remove the stigma of welfare for the aged by enacting the SSI program. We prevented HEW from adopting punitive and discriminatory social service regulations which would keep older people out of senior citizen centers and would deny them homemaker services.

My own three-year battle to create a House Select Committee on Aging—a battle started 3 years ago by former Congressman David Pryor of Arkansas with your help—was won when we amended committee reorganization legislation on the House floor later last year. Two months ago, the Speaker announced membership on the committee and I was pleased to be named by my Republican colleagues as the ranking minority member on the Health and Long-Term Care Subcommittee. This subcommittee and the Full committee will provide Congress with serious and solid insights into problems confronting the aged and, hopefully, we can help find, and effectively advocate and enact, some answers.

Some other progress has been made this year, too. I said earlier that the specter of unemployment and inflation which haunts Washington and the Nation has created a strong demand to cut budgets. However, we in Congress have determined that our economic recovery requires that we bolster both employment and social programs. Both are vital to maintain consumer purchasing power. That is why we said "No" to a cutback in food stamps early in this session, and why we in the House have passed a two-and-half billion dollar, four-year extension of the Older Americans Act. In my own committee, Interstate and Foreign Commerce, we have reported the Health Revenue Sharing and Services legislation to the floor for action. This bill encourages for the first time, pilot programs in home health care.

In our drive to stimulate the economy, the House added a tax reduction legislation, a $50 rebate to aged citizens.

I don't believe that any of this new legislation satisfies the full magnitude or the scope required to deal with all the complex problems of aging. It's a start, but much more needs to be done. We should not stop short of anything less than a major overhaul and total reform, and that involves you and me and AARP and the rest of Congress. Therefore, it is appropriate at this conference this morning, to identify some of the immediate problems that you can join me and other members of Congress in solving.

Property tax relief is absolutely required. 72% of the aged are homeowners. This means they pay real estate taxes. But with a high percentage of low income people among the aged, it also means they pay a disproportionately high share of their income to support local and state government. Although 44 states have some form of property tax assistance, it is most often too little too late. They need immediate relief. That's why I am working for passage of property tax relief legislation to benefit both homeowners and renters by significantly supplementing existing state programs. In fact last Wednesday (the day before yesterday), I testified on this subject before the Senate Subcommittee on Aging. As then, let me stress to you today, the necessity of including property tax relief in S. 599 and H.R. 3922, the four-year extension of the Older Americans Act now pending before Congress. Because this is a four year bill, it may mean we will have to wait four years to write this kind of property tax relief into the law. I think it would be tragic for our senior citizens to postpone any prospect of achieving property tax relief until 1980.

If raising income and providing tax relief are indispensable to achieving independent, self-sustaining older people, housing is probably the next most significant contributor to well-being. Last year, Congress amended a

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comprehensive bill to include the 202 program, subsidized housing for the aged. Despite the fact that 202 programs were scandal free, and that they represent the most successful demonstration of public housing, two administrations have attempted to throttle these community-run projects.

And again, for this coming year, yet another White House budget ignored the 202 housing program—I don't think we can.

Last year, in a drive to prevent HEW from adopting punitive social service regulations, we in Congress—unknowingly, I think—promoted a new form of segregation. We added a means test to be eligible to participate in programs like homemaker services and the operation of senior citizens' lounges. In this way, we've discouraged low-income people to take advantage of what's rightfully theirs, and we've driven others away. In my own state of Pennsylvania, I understand that as many as 70% of the people involved in programs are turned away or turned off by the means test. This form of segregation is a repudiation of the spirit with which programs for the aged should be offered—and it must be abolished.

How to give people the access to health services they need—like home health services—will be the subject of study by the Select Committee on Aging and its Health and Long-Term Care Subcommittee, on which I serve as ranking Republican member. Unfortunately, progress will not come as fast as it should. Our subcommittee is only now being organized, and the Public Health and Environment Subcommittee, on which I also serve, is burdened with many competing environmental and health priorities.

However, there are some immediate steps we can take. There's a package of nursing home reform bills, introduced by Charles Percy in the Senate and myself and others in the House, which would provide construction and rehabilitation loans, and increased community involvement in the operation of nursing homes. What's more, they establish closer monitoring of care and facilities.

Also, with respect to nursing homes—we must also remove the despair and personal financial loss that both medicare and medicaid create for some post-operative patients. There are too many examples of older people who spend their full income and exhaust their savings during convalescence, only to lose their homes or their apartments. They end their days in long-term care institutions paid by medicaid, when all they needed was financial help to keep their homes going while they were recovering. I don't have a final answer on this problem, but I have a firm conviction as to our responsibility for a specific solution and decisive action. It's ironic that both medicare and medicaid, designed to rescue those in need, end up punishing them.

It's equally unconscionable that we pay to keep some people in hospitals—but not to keep them out. Take prescription drugs. Under medicare, we will pay your hospitalization when you are sick. But we won't pay one cent for drugs to keep you from getting that sick or for medication to keep you out of a hospital afterwards. Besides being penny-wise and pound foolish and a waste of taxpayer dollars, besides being backward in health care, it is a cruel and insensitive policy. We must cover the cost of prescription drugs.

Another way to keep people out of hospitals is to encourage them to be active. What about employment for people over 65 who want to work? Though the job market is limited, we must still allow those who want to continue working the chance to do so. Undoubtedly, as the retirement package continues to improve, I believe many people would opt for retirement, particularly if we can bring inflation under control. However, we must protect the rights and interest of those who want to work by removing the age ceiling from job discrimination laws. We can begin by strengthening the pending Older Americans Act Amendments to include the Protection of the Age Discrimination in Employment Act of 1967 to cover those over 65.

One further note. Last year we passed legislation changing the Hill-Burton Hospital Construction/Health Planning and Resource Development Program. Some funds that were previously reserved for the creation of medical Taj Mahals now can be channeled into establishing practical and accessible neighborhood clinics. This change in the law was made to assure that people get basic remedial and preventive health care close to home. I am identifying this particular opportunity for better health services, because it's important for you and it's up to you to lobby your state health officials and soon to be established area health systems agencies, to help you take advantage of this important change in the law.

What I have suggested are a series of steps and goals with far reaching effect, but achievable short-term, in this session of the 94th Congress. But their enactment requires your participation.

You—the people in this room—have power. You have access to better than one out of five of the Congressmen and Senators in Washington.

Let me review—as precisely as I can—how you can use your considerable influence on vital particulars.

We can achieve the reality of property tax relief for older people, and end job discrimination for those over 65. If you will today contact your Senator, ask him to include these changes in the Older Americans Act during the Senate Aging Committees markup session which begins next week.

We can assure the resuscitation of 202 Housing, if you contact your Congressional Representatives and ask them to fight for funding of this authority by including money in the HUD Appropriations Bill now before the Appropriations Committee of both House and Senate.

We can eliminate the Means test from social services, if you concentrate particularly on members of the Ways and Means Committee of the House, as well as House members from your own Districts. At the very latest, this can be a part of the tax reform legislation predicted or promised by Chairman Ullman, for September floor action.

We can improve nursing homes and develop home health care if you zero in on members of my own Health Subcommittee and the Ways and Means Committee, as we hold NHI hearings this Summer and Fall.

We can establish community run neighborhood clinics, if you make your local and state officials aware of the opportunity, and involve yourselves in the activities of the area health systems agencies which must be established by May 15 in most states.

What I said before about the specter of inflation and economic hard times haunting our budget deliberations holds—and has set the stage for a series of fights on fundamental priorities between Congress and the White House. I think it is fair to say that we in Congress are determined to skirt priorities in the direction of benefits to people and into job-stimulating activities.

And in my Health and Long-Term Care Subcommittee of the Select Committee on Aging, we will begin to fully examine the gaps in health care coverage, as well as the shortcomings of our health and long-term care system so that we can influence the standing committees to make corrections. I see this assignment as vital to developing the full information and to establishing the direction we need to make intelligent legislative judgements—I hope these will be humane and sensitive judgements that take into account peoples' needs.

The achievable legislative agenda I have detailed presages two vitally important and major undertakings which the Congress will not, in my judgement, be acting upon this year. These are the enactment of National Health Insurance, and the restructuring of social security financing.

As the cosponsor of a sweeping health insurance measure, in the 93rd Congress, I do not see congressional action on the horizon. Congress is not yet ready to fashion a major plan—particularly when most of the discussion centers around holding down government spending.

With respect to social security, many people are raising questions about the actuarial soundness of the system. I see no problem in the near future. But with the downturn in our birthrate, and the drop in the ratio between those who are working and those who are retired, we will have to give very serious attention to reorganizing social security's financing . . . or we will have a fiscal crisis on our hands in 25 years.

Much of what we do for the aged in the long run depends on what we do for our society at large—and that is to work on our economic problems and control inflation. We must bring down unemployment so that everyone who is capable of—and willing to work—can have a job, regardless of age.

The job ahead for all of us will be to develop and organize the resources of this great country to provide the aged with the life of dignity and independence they require and deserve. I hope to continue to call on you for advice and support. I look forward to our working together, and let me take this opportunity to thank you all once again for the invaluable contributions you have made to fulfilling America as a land of promise and opportunity—regardless of race, creed, color, sex—or age for all our citizens.

TRIBUTE TO BOB AND VIRGINIA UNRUHE

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. WAXMAN. Mr. Speaker, on Sunday evening, June 1, 1975, at the Citizens Center in Culver City, Bob and Virginia Unruhe will be honored for 20 years of outstanding service to the community, by the Culver City Democratic Club.

This couple, parents of three sons and two daughters have dedicated themselves to service to others both in Culver City and the Greater Los Angeles community.

Virginia Unruhe has been a teacher for many years, in Santa Barbara, Los Angeles and Culver City. She has been a Sunday-school teacher in her church, a Girl Scout leader, a Cub Scout den mother, and served on several PTA boards. She was appointed to the Culver City Human Relations Commission in 1969 and has been its chairman for 2 years.

Bob Unruhe started his teaching career at Palms Junior High in Los Angeles in 1950. In 1958 he transferred to Hamilton High School where he teaches government classes.

He was elected to the Culver City Council for two terms. He has been active in his church, Cub Scouts, Boy Scouts, Little League and PTA.

For over 10 years he has been chairman of the negotiating council for Los

Angeles teachers. In 1973, he was elected president of the United Teachers of Los Angeles with a membership of over 16,000 teachers.

This couple is well deserving of the testimonial dinner given in their honor. It is my privilege and pleasure to join in the tribute.

SOCIAL RESPONSIBILITY IN THE RECESSION

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. RODINO. Mr. Speaker, we all realize that the Nation has long suffered from serious social and economic problems. It is, therefore, especially heartening to take note of the continuing commitment of some of our country's corporations to positive programs in the public interest, particularly during this difficult period of recession. These companies have recognized that they are socioeconomic institutions rather than simply economic institutions whose only purpose is to make profits.

I have long been aware of the very dedicated and constructive efforts of one such company—the Prudential Insurance Co. of America. The corporate headquarters of Prudential are located in the city of Newark. Some years ago this enlightened firm decided to construct its new headquarters building in Newark, and thus strongly reaffirm its intent to help Newark prosper and thrive. The company is now focusing its public interest activities in the following areas: First, consumer issues affecting its business; second, investment policy and how to make it more socially responsive; third, urban problems, because of the big city locations of its regional home offices and particularly its headquarters in Newark; fourth, national health care; and fifth, equal employment opportunity and minority assistance.

Mr. Speaker, I know that the civic accomplishments and community involvement of Prudential are in great measure due to the outstanding leadership and vision of Prudential's chairman, Mr. Donald S. MacNaughton. In an article in the New York Times of May 4, 1975, Mr. MacNaughton presented a lucid and encouraging description of the evolution of social responsiveness in companies and some examples of the benefits already achieved. I include it in the RECORD at this point:

SOCIAL RESPONSIBILITY IN THE RECESSION

(By Donald S. MacNaughton)

There has been talk lately that business, in reacting to the economic crunch, may abandon or at least sidetrack programs dealing with important social issues. If this is true it could be the worst mistake American business has ever made.

Fortunately there are indications that rather than jumping off the social responsibility bandwagon many businessmen are simply getting smarter in their approach to these issues.

This is especially evident in corporations that recognized at an early time that their franchise to do business has been granted by society and that this charter involves obligations extending beyond stockholders, employees, suppliers and customers to encompass the public interest.

As a long-time corporation watcher I have noted a three-phase evolution in companies which move beyond Milton Friedman's dictum that the sole responsibility of business is to make profits to understand that their interests must coincide with those of the public if they wish to maintain their franchises.

The first phase can be termed "the gleam in the chief executive's eye" in which the chairman sees the light and begins to talk about social needs. But down in the guts of the organization, where people work and middle-management runs the business, nothing much happens.

A few trial balloons may be lofted in the form of increased contributions or quick-fix programs that are likely to fail or be ineffective. But in the main it's business as usual.

In phase two the social responsiveness function is assigned to a staff department and a senior executive sets out to define problems, determine what can be done and establish priorities. Intelligent planning begins but there is still little action at the working level.

Phase three is where the action starts. Here objectives are set, budgets allocated, people trained and retrained as needed, procedures implemented and performance evaluated.

At this point the challenge to the chief executive is to bring about a change in thinking, attitudes and behavior throughout the organization. The sales force, for instance, needs to understand that response to consumer issues is just important as meeting this week's sales quota.

Bringing about a real change in attitudes mut involve both a deep commitment and strong leadership on the part of the chief executive. What the chief executive does—the decisions he makes, the questions he asks, the praise and criticism he gives the people he appoints—is much more important in shaping a new direction for the organization than the stance he may present to the outside world.

At the same time, the executive must be careful not to move the organization too far, too fast in a new direction. If nobody follows, the leader isn't leading. In the words of Edmund Burke, the trick is "to give a direction, a form, a technical dress and a specific sanction, to the general sense of the community."

In the evolution of a program from talk to action what really happens is that social responsiveness is defined as a major corporate activity subject to the same techniques employed in marketing, production, finance and other elements of business.

Some of the time lag in getting sound programs underway can be ascribed to the fact that corporations must face up to the hard reality that they have another major activity requiring the same dedication of time, energy and resources devoted to other major facets of corporate business.

Many corporations are now well into phase three and results are becoming apparent.

For example, the Bank of America has had since 1968 a special loan program for students, low-income home buyers and minority businessmen. Although the student-loan program operates at a loss, the bank reports small profits on the home-buyer program and the minority business programs.

Standard Oil of Indiana has pursued a successful program of assisting minority economic development since 1961. In buying from minority companies, the use of minorities on construction jobs and leasing of service stations, this company has provided real leadership in a program that keeps expanding and changing emphasis at new needs and opportunities emerge.

Analysis of these and many other excellent corporate programs prompts me to suggest three guiding principles governing social responsiveness.

First, it is essential to concentrate on realistic priorities based on corporate interests, needs and capabilities. The laundry list of ills and problems plaguing the nation is so long that even a corporate giant must be extremely selective in concentrating on issues within its competence. The problems of crime and overpopulation, for example, are so complex that I doubt any one corporation can do much about them.

The second principle is recognition that a long-term commitment must be made to a program. Prof. Robert W. Ackerman of the Harvard Business School has pointed out that the results from corporate social programs may not show up until six to eight years have passed. Consistency of purpose and more patience than most businessmen are accustomed to are necessary elements. There are no quick, easy answers.

Finally, projects must be constantly monitored, reviewed and adjusted. Many compelling problems are going to be with us for a long time—minority rights, the environment, health care, urban deterioration—but with ever changing dimensions. If a corporation is to make constructive contributions, its policymakers must have the flexibility, and the wisdom, to adjust as the focus of the problem shifts.

Above all, business leaders must keep their thinking in line with that of economist Paul Samuelson who said: "Yes, Virginia, a corporation these days not only may engage in social responsibility, it had very well better do so."

GUN CONTROL OR GUN CONFISCATION?

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. ASHBROOK. Mr. Speaker, the Subcommittee on Crime is continuing to hold hearings on the subject of gun control. In this regard I would like to bring to the attention of my colleagues a thought-provoking editorial from the May 1975 issue of Virginia Wildlife.

According to the editorial much more is at stake than restricting the use of guns to legitimate activities. There are thousands of laws already on the books that do this. The heart of the issue is confiscation. Gun control is merely a code name for taking away the guns of our citizens.

Following is the text of the editorial.

GUN CONTROL

These are powerful and popular words but they don't mean what they say. Control would imply restricting the use of guns to legitimate and acceptable activities; hence, prohibiting their possession and use for unauthorized purposes. We already have thousands of laws prohibiting their use for criminal purposes so we certainly don't need another. What are we talking about then?

District of Columbia Councilman John A. Wilson put it rather plainly recently when he proposed an amendment to the District's police regulations that would confiscate without recompense an estimated 52,000 privately owned handguns and shotguns in the district. Asked if he didn't think he was breaking faith with citizens who registered

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their weapons in the belief they would be allowed to keep them he replied, "That doesn't bother me. I didn't promise them anything. People think I want to take everybody's gun away—and they're perfectly right."

Congratulations, Mr. Wilson. Although I don't agree with your plan, you at least had the guts to say what you meant. Actually your plan has a better chance of accomplishing its goal of a disarmed citizenry than some of the subterfuges your contemporaries have proposed to accomplish the same thing.

So we are talking about confiscation. Presumably only of handguns in the minds of most proponents of "Gun Control." This would eventually get most of the guns owned by those who use them frequently including hunters, target shooters and criminals. Criminals, of course, could easily replenish their supply from underworld markets. These that would not be affected are the millions lying in bureau drawers, desk drawers, under car seats and other places where they would be readily available to do violence to some person when fear or a fit of passion dictated. These would never be registered and only rarely confiscated. And there is no reason to naively presume that there would not be a lively black market traffic in such weapons among the otherwise respectable citizenry. So there is little to be said for the practicality of "control" except perhaps to put a loose fitting lid on the volume of handguns now in existence.

I have never used my guns for any criminal activity nor do I intend to. Why certain editorial writers and TV personalities consider them'a threat to their well being I will never understand. TV is especially critical yet depends on guns for its livelihood. It is a rare TV show that can make it through 30 minutes without using a gun. Yet, if registration for "control" were instituted, legitimate gun users like myself would presumably become criminals if we didn't register our weapons and suckers if we did.

Criminals, dope addicts, persons with mental disorders, juveniles, fugitives and a long list of similar non-trustworthy persons are already prohibited from purchasing or owning weapons. How many more times must we make it illegal?

AN ACT OF HEROISM

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. HANSEN. Mr. Speaker, the National Association of Mutual Insurance Agents sponsor awards recognizing heroic acts performed by boys or girls under 18 years of age. This is commendable and the program deserves the same recognition given to the young hero.

The program is the Leo J. Buttner Alert Youth Award, and named in honor of the man who for many years served as chairman of the national Alert Youth Award Committee, and his local committee in Johnstown, Pa.

In my State of Idaho, the committee has recognized 13-year-old Maurice Dean Brown, son of LaVon and Jay Brown of Sugar City, Idaho. For the CONGRESSIONAL RECORD, I submit the citation of Maurice's act of heroism:

> On August 9, 1974, Troop 109 of the Second Ward of the Church of Jesus Christ of Latter-Day Saints, Sugar City, Idaho, was on its third day of camp. Four scouts from the troop were canoeing on Horseshoe Lake. The four boys, Maurice Brown, Ronnie Harding, Paul Pincock, and Russell Weaver, had had training on the canoeing merit badge. Their advisor, Merrill Pincock, had repeatedly warned them that if a canoe ever swamped, they should stay with the canoe no matter what.
>
> As the four boys were passing the shore of the lake, they decided to get some experience they had learned by swamping the boat. They brought the canoe in close to shore and capsized it. They all started to swim for shore, but Russell Weaver was not a good swimmer, did not get very far, got into trouble and shouted for help. Maurice Brown, already on shore, responded to Russell's call, dove back in the water and swam out to Russell, approached him from the back as he should have, but Russell panicked and started to push Maurice under the water in his desire to be saved. However, Maurice got the upper hand and swam, pulling Russell to shore and safety.

OMNIBUS COPYRIGHT REVISION BILL

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. BRINKLEY. Mr. Speaker, the House Subcommittee on Courts, Civil Liberties and the Administration of Justice has begun hearings on an omnibus copyright revision bill, a piece of legislation which this country desperately needs. The confusion stemming from the current law—which is 66 years old—requires that the Congress act now to clear up the situation.

In this regard, my colleagues will be interested in the testimony of Irwin Goldbloom, Deputy Assistant Attorney General, Civil Division, Department of Justice, who appeared before the subcommittee earlier this month to endorse specific revisions in this legislation. Among the points he stressed in his statement was the need to clarify the copyright law as it pertains to cable television—CATV.

TESTIMONY OF IAWIN GOLDBLOOM

> The subject of the application of copyright to community antenna television has presented considerable difficulty in previous drafts of proposed revisions of the Copyright Code. H.R. 2223 attempts a compromise between the extreme positions of complete liability for infringement of copyright by secondary transmission by CATV on one hand and almost complete freedom from liability on the other hand. While we support the imposition of a degree of liability upon CATV, we believe that H.R. 2223 should provide an area of free use for such systems within the local service area.
>
> The first part of subsection (c) of Section 111 provides for compulsory licensing of secondary transmissions of a primary transmission by an FCC licensed broadcast station upon compliance with the notice of ownership and the payment provisions of subsection (d), and (A) the signals of the primary transmission are exclusively aural and the secondary transmission is permissible under the rules, regulations or authorizations of the FCC; (B) where the CATV system is, in whole or in part, within the local service area of the primary transmitter; or (C) where carriage of the signals comprising the secondary transmission is permissible under the FCC rules, regulations or authorizations. We strongly urge, with respect to (B), that the secondary transmittal should be completely free of liability; hence, royalty-free or no licensing would be in order. The secondary transmission in such a situation, where the CATV system is, in whole or in part, within the local service area of the primary transmitter, finds the cable system only filling gaps or improving reception in the service area of the primary transmitter, supplementing the primary transmission. Such transmission does not impair the primary transmitter's market; in fact, it enhances it. The copyright holder is helped and not hurt by such activity.

EULOGY FOR CARDINAL MINDSZENTY

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. DERWINSKI. Mr. Speaker, I would like to insert into the RECORD at this point a eulogy delivered by Istvan B. Gereben, copresident of the Hungarian Freedom Fighters Federation at a ceremony held at the Cardinal Mindszenty Memorial Hall of the Shrine of the Immaculate Conception in Washington, D.C., on May 18.

Mr. Speaker, Cardinal Mindszenty, a symbol of lifelong resistance to Nazi and Communist tyranny, passed away on May 6, and will always be remembered as a heroic, stalwart champion of the people of Hungary who fought against the Communist takeover of his country

The eulogy follows at this point:

REMARKS DELIVERED BY ISTVAN B. GEREBEN

> "I came not to be praised. Someone who spent long years in prison cell and others in painful but selfimposed solitude, looks at praise with somewhat different attitude than those who enjoyed freedom throughout their whole life. But the honor that your presence means to me is highly valued and I am thankful for each human heart touched by my being here."
>
> Those are the words of Cardinal Mindszenty, spoken almost a year ago at a prayer breakfast honoring him here in Washington. Today we brought our hearts, touched by his life and grieved by his death, that with our presence we express our respect of the Cardinal, the Prinze Primate, the Freedom Fighter, the Hungarian.
>
> We came not to praise. That has been done eloquently, sincerely and justly by heads of state, churchmen, and columnists. We came to claim his rich legacy: the example of his soul, of his life, of his will, of his sacrifice, his steadfast constancy, of his martyrdom. He was the ultimate Hungarian. He was the ultimate Freedom Fighter. Cardinal Mindszenty fought not with arms. His most effective weapons were not his words. He conquered his enemies and gained his friends with the strength of truth and by setting an example unmatched in his time.
>
> We came to claim this inheritance: the example of a fighting priest, a gutsy peasant patriot, a simple straightforward man, a pious soul, the example of a Hungarian who rebelled against tyranny standing for God, Church and County. He reached for the promise of tomorrow instead of today's expediency of compromise. We came here today to claim our legacy: the life of Jozsef Mindszenty, the life of "the constant Cardinal, unshaken and unshakable", the life which is an example for his own time and a monument for the ages. We came to swear that we will be faithful to this legacy. We came to declare that enriched by this inheritance it is our duty to ensure that his efforts were not in vain. We came to say farewell! Rest in peace! Isten veled lelki fejedelmünk. Lelked maradjon velunk!

OREGON STATESMAN PRAISES CHAIRMAN ULLMAN

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. AuCOIN. Mr. Speaker, my senior colleague from Oregon, the chairman of the Ways and Means Committee, is to be commended for the tremendous effort he has devoted to bringing an energy conservation bill out of his committee. In view of the deep differences of opinion about the proper means for accomplishing needed energy conservation as well as a disconcerting lack of awareness of this serious problem on behalf of many of the general public, Mr. ULLMAN has shown a persistence and a dedication that few can match.

Last Sunday the Oregon Statesman, one of the two daily newspapers in our State's capital, published an editorial calling attention to the work that he has done and the need that exists for better public understanding of the critical issues that we face. I would like to take this opportunity to call the attention of all my colleagues to the material contained in that editorial:

ULLMAN FACES UPHILL ENERGY POLICY BATTLE

> Oregon's Rep. Al Ullman has accomplished a major political feat in bringing his House Ways and Means Committee to accept a meaningful energy policy bill. He now faces a far more onerous task of getting the House as a whole to accept it without diluting it beyond recognition.
>
> And then, beyond that, lies the Senate, with indications that it will be weakened further there.
>
> And waiting in the wings is President Ford, ready to invoke his own plans when and if Congress fails to produce an energy policy program.
>
> If that weren't enough, Ullman is confronted with the almost insuperable task of getting his energy policy explained to the general public in such a way as to get public support for his ideas.
>
> Unfortunately, all this adds up, not to a realistic energy policy, but to an explanation of why the United States seems incapable of attacking its most pressing problems with clear and decisive leadership.
>
> Boiled down to very simple terms, Ullman's energy policy proposal would impose voluntary limitations on the use of petroleum products through a many-pronged program. Included would be an import tax, a 3 or 4-cent tax on gasoline (with perhaps one cent going back to the states) and another gasoline tax system which would be triggered by consumption. In other words, the more gasoline that is used, the higher the tax.
>
> Ullman looks at Europe as his model, where the gas tax is as high as 75 cents per gallon, and as a result cars have been engineered for fuel economy. Alternate modes of transportation, such as buses and trains, flourish there.
>
> Exemptions are built into his gas tax system for farming.
>
> It is a complicated program, by necessity. It is difficult to explain. It will be hard to marshal public support behind it because the immediate crisis has faded away.
>
> But Ullman is right in insisting that just because the energy problem has become invisible for the moment, it has not vanished. This country must not predicate its policy on dependence upon overseas oil. We must reduce non-essential use of oil in the interests of bringing the economy back within manageable bounds.
>
> And we must expect Congress, our elected representatives, to produce a program which will accomplish these ends. Ullman has measured up to his responsibility in producing such a program.
>
> It is not just Ullman or his program which will be be tested in the days ahead, but the capacity of the system itself to understand and accept a program embodying the sacrifices which will go with a responsible solution to the energy problem.

THE SOUTH VIETNAM AND CAMBODIA TRADE EMBARGO

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. HARRINGTON. Mr. Speaker, last Friday the Commerce Department announced that a U.S. trade embargo has been imposed on South Vietnam and Cambodia under the national security and foreign policy provisions of the Export Administration Act. The decision gives those countries the same "Group Z" trading status now held by North Vietnam, North Korea, and Cuba.

Although it went almost unnoticed, this move clearly indicated the Ford administration's refusal to face the fact of its policy failure in Southeast Asia and the general bankruptcy of cold war doctrine. No rational explanation was given for the move. Inquiries by my office have yielded only the unsurprising news that the order came from higher up—specifically from the Secretary of State.

I find it highly ironic that such a step should be taken at the very time that both the Congress and the administration are laboring to extricate the United States from the trade embargo imposed on Cuba in the early 1960's. Our decisionmakers are finally realizing that the U.S. action in that instance did little more than heighten Fidel Castro's anti-Americanism and drive him more firmly into the embrace of the Soviet Union. While its purpose was to isolate Cuba from the rest of the world, the embargo's effect was to isolate the United States from Cuba.

In spite of that experience, we still appear to be conducting foreign policy by knee-jerk when it comes to Communist nations that have hurt our feelings. This is particularly regrettable in this case, since the new South Vietnamese Government has already expressed its willingness to establish normal relations.

I hope my colleagues will join me, therefore, in voicing strong objections to the administration and in calling for congressional hearings on this matter that might lead to a policy revision.

A $400 BILLION OVERRUN IN MEDICARE HOSPITAL PROGRAM

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. VANIK. Mr. Speaker, for some time I have been deeply concerned about the continuing and incredible increases in health care costs and costs to the medicare program.

In the first fiscal year of its operation, fiscal year 1967, the Federal hospital insurance trust fund, part A of medicare, paid out $2.5 billion in benefits. For fiscal year 1976, it is estimated that benefit payments will total $11.4 billion. In April 1968, 19.4 million Americans were eligible for part A benefits. By January 1973, there were some 21.3 million potential beneficiaries. Obviously, the 400 percent increase in part A benefit expenses was not due to a massive expansion of the program. Instead, most of the cost increases over the past 10 fiscal years has been caused by an unconscionable and nearly uncontrolled inflation in health service costs.

On March 26, I asked the Social Security Administration for its present estimates of the 25-year cost of the hospital insurance program. I asked that these estimates be compared with those which were projected in 1967 and 1972. In response to that letter, the Social Security Administration has just provided me with data which shows that the cost of hospital insurance for insured aged persons as a percent of taxable payroll has climbed from 1.23 percent in 1967 to 2.48 percent in 1975. This is an increase in the "tax" burden of the part A medicare program of over 100 percent. As the Commissioner reported:

> The dollar value of program outlays for the aged for the period 1966 to 1990 is about $400 billion higher in the 1975 projection than in the 1967 projection. About $25 billion of this increase has occurred so far. The remaining $375 billion depends on whether actual future costs develop as projected.

It is interesting to note that in the 2-year period between 1965, when medicare cost estimates were first made, and 1967, when the first reevaluation was made, the Social Security Administration increased its 25-year cost estimates by $67 billion. Thus the total cost overrun in the medicare program since it was enacted in 1965 may be over $450 billion.

Four hundred billion dollars is a nearly incomprehensible figure. The fact that the tax to support the program has doubled over the past 9 years is a clear sign of what this inflation will mean to the American people. This increased tax burden will insure that the hospital trust fund remains sound and is actuarily sufficient—but it also means a heavier

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blow to the American worker. Not only are higher taxes necessary from all workers, but social security beneficiaries have to pay more for the medical services they are receiving. For example, when the medicare program first began, the cost to the beneficiaries of the hospital deductible—the amount the patient had to pay before medicare started paying, was $40. Beginning this year, the hospital deductible is $92—another staggering example of the inflation which has plagued medicare.

Of course, much of this inflation is due to the general inflation which has hurt the entire economy. But there can be no doubt that the inflation in the health sector has been worse than the cost increases in the general economy. For example, between April 1965 and April 1975, the consumer price index increased by 68.7 percent. In the medical care services sector, which includes physician and hospital charges, the consumer price index has increased a staggering 102.9 percent between April 1965 and April 1975. The rate of "health care" inflation is increasing even faster after the economic stabilization program than it did before. The following data, Mr. Speaker, demonstrate that urgent need to find a way to hold down health costs:

ANNUALIZED RATE OF INCREASE IN MEDICAL CARE PRICES (PRE ESP, TOTAL ESP, AND POST-ESP PERIODS)

Index	Pre-ESP (Fiscal year 1966–71)	Total ESP (August 1971 April 1974)	Post-ESP (April 1974-March 1975)
PCI (less medical care)	4.3	6.5	10.4
Medical care	6.5	4.3	14.3
Hospital charges (semiprivate room)	11.6	5.7	20.5
Physician fees	6.9	4.0	14.4
Dentist fees	5.7	4.2	12.1

Cost increases of the magnitude indicated by the Commissioner and by these statistics raise the most serious policy questions. For example, I have long been a supporter of national health insurance. My support for the philosophy and concept of national health insurance remains firm—but it is clear that the Congress must provide better cost controls before we expand any type of medicare part A program to the entire population.

During the coming months, the Oversight Subcommittee of Ways and Means will be making inquiries to determine how these cost increases have occurred and what can be done to hold down costs in the future. If we cannot obtain a better system of cost controls, the future of improved health care in this country is in serious doubt.

Following is the full text of the Commissioner's letter:

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
SOCIAL SECURITY ADMINISTRATION,
Baltimore, Md., May 8, 1975.

HON. CHARLES A. VANIK,
House of Representatives,
Washington, D.C.

DEAR MR. VANIK: This is in response to your letter of March 26, 1975, in which you ask for a comparison of present estimates of the 25-year cost of the hospital insurance program with those prepared in 1967 and 1972.

Long-range cost estimates of the hospital insurance program are usually presented as a percent of taxable payroll, averaged over a 25-year period, rather than in dollar amounts. The expression of cost as a percentage of payroll tends to be more stable than dollar costs because it largely eliminates the effect of changes in assumptions regarding the level of wages to be expected in the future. It also helps to put the cost in perspective by factoring out changes in the value of the dollar. Finally, this approach highlights the financial status of the program by showing the average tax rate that would be required to support the outlays over a 25-year projection period. The costs of the hospital insurance program for insured aged persons based on projections prepared for the 1967, 1972 and 1975 Reports of the Board of Trustees are shown below:

Cost of hospital insurance for insured aged persons as a percent of taxable payroll

Report:	Percent
1967	1.23
1972	2.21
1975	2.48

These figures, are for the 25-year period beginning with the year of the Report.

The increases in costs as a percent of payroll result from the assumption that hospital costs will continue to rise faster than wages for longer than previously projected.

This change in assumptions concerning the difference between hospital cost increases and wage increases also has a significant effect on the projected amounts of dollar expenditures by the hospital insurance program. Increased dollar costs also result from changes in assumptions regarding the absolute level of wage increases. The 1967 projection was based on the assumption that wages would increase an average of 3 percent per year; the 1975 projection assumes 6 percent increases. With 3 percent annual increases, wages would approximately double in 25 years; at 6 percent they would increase more than four-fold.

As a result of these changes in assumptions, the dollar value of program outlays for the aged for the period 1966 to 1990 is about $400 billion higher in the 1975 projection than in the 1967 projection. About $25 billion of this increase has occurred so far. The remaining $375 billion depends on whether actual future costs develop as projected.

I hopa that this satisfactorily answers your inquiry. We will be glad to answer any further questions you may have.

Sincerely yours,

JAMES B. CARDWELL,
Commissioner of Social Security.

INCOME STATEMENT FOR 1974 FOR CHRISTOPHER J. DODD AND SUSAN M. DODD

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. DODD. Mr. Speaker, at this time I would like to insert a copy of my 1974 income into the RECORD:

INCOME STATEMENT

PART I—INCOME

Wages, salaries, tips, and other employee compensation, $17,966.42.

Dividends (part 2 for explanation), $787.11 minus $100.00 equal, $681.11.

Interest (part 3 for explanation), $14.01.

Income other than wages, dividends and interest (part 4 for explanation), minus $565.93, total income, $18,095.81.

PART II—DIVIDEND INCOME

Gross dividends on stock, all owned by Susan M. Dodd:

Anchor Coupling, $20.
Martin Marietta, $365.50.
Occidental Petrolum, $45.
Textron Inc., $53.75.
Fundamental Investors, $520.96.
Textron Inc., $12.90.

PART III—INTEREST INCOME

Hartford National Bank, $14.01.

PART IV—INCOME OTHER THAN WAGES, DIVIDENDS OR INTEREST

Loss from sale of Occidental Petroleum capital assets, minus $850.50.

Estate of Grace M. Dodd, $165.07.

50 percent of capital gains distribution, $119.50.

Total Income other than Wages, Dividends or Interest, minus $565.93.

Total Federal Income Tax Paid, $2,425.56.

TRIBUTE TO ALFRED HART

HON. THOMAS M. REES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. REES. Mr. Speaker, it is with much pleasure that I take this opportunity to commend a man from my district, Alfred Hart, an individual who has dedicated his lifetime to the betterment of his fellow human beings. By his devoted energy and financial aid to the New Cedars-Sinai Medical Center and to other Los Angeles organizations, Mr. Hart has contributed much to improving the health of the people of Los Angeles.

Mr. Hart, a member of the board of directors of Cedars-Sinai, will be honored by his great number of friends at a dinner on Sunday, June 15, 1975, at the Beverly Hilton. Because of Mr. Hart's tremendous leadership and the strong support of community leaders on his behalf, $3.5 million will be raised toward a patient wing, to be named the Viola and Alfred Hart Tower, in the new medical center now under construction in Los Angeles.

Moreover, Alfred Hart, at one time, funded the erection of a premature-infant wing of Cedars of Lebanon Hospital, a division of Cedars-Sinai. With the establishment of the Alfred and Viola Hart Foundation in the early 1940's, Mr. Hart also contributed substantial amounts to charity and continually supported young medical students with fellowships as well as purchasing medical equipment for deserving outpatients.

Cedars-Sinai medical center, one of the primary charities of Alfred Hart, will be the largest nonprofit, voluntary hospital west of the Mississippi when it is opened in the fall of 1975. The medical center will provide the Los Angeles community with exceptionally fine health care and will be an outstanding teaching and training facility.

The medical center's two divisions, Cedars of Lebanon and Mount Sinai Hospital, have already been the recipients of millions in Federal funds for special research grants. Studies from these grants have made a major impact upon the health of the Nation.

In his concern for people, Mr. Hart has also contributed much to two organizations devoted to the needs of families. Through his considerable financial support, the Beverly Hills YMCA was able to build a swimming pool for the young people in west Los Angeles. Furthermore, Mr. Hart has substantially supported the Vista Del Mar child care service for emotionally disturbed children and is a member of the center's Uncles Club, whose members contribute $1,000 or more annually toward the facility. Mr. Hart has been honored as "Man of the Year" by both the Vista Del Mar Alumni Club and by the California Home for the Aged at Reseda.

Mr. Speaker, Alfred Hart is truly committed to improving the emotional and physical health of the Nation and I am honored to take this opportunity to join his many friends in thanking him for a job well done.

BICENTENNIAL CLUB OF NEW YORK'S 17TH CONGRESSIONAL VISITS WASHINGTON

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. MURPHY of New York. Mr. Speaker, I was pleased to welcome the Bicentennial Club of New York to the Nation's Capital today. These junior high school pupils were selected from the entire membership of the Bicentennial Club to visit Washington in appreciation of their outstanding participation in Bicentennial activities in the New York metropolitan area. The group is a fine example of young people across the country who has assumed an active role in the preparation of our Nation's 200th anniversary celebration. The following members were chosen from the group to come to Washington:

STUDENTS

Isolina Alballay, George Arroyo, Valerie Ashford, Redonna Bowlas, Orlando Burgos, Victoria Cabellear, Evelyn Cabrera, Kymberly Cameron, Jose Costillo, Wai Leung Chang, Kum Tee Chang, Tin Ti Chang.

Helen Chin, Dennis Choi, Sai Chan Chong, Kevin Cintron, Rosita Claudio, Milagritos Costas, Thomas Dews, Eneida Feleciano, Thelma Foster, Carlton Gamble, Gail Hammonds, George Hampton.

Wayne Harrigan, Gladys Hernandez, Ming Hui, Kimberly Jones, Roberto Justiniano, Lee Koa, Lena Lam, Jose Legrand, Juan Lopez, Millie Lopez, David Lotharp, Ramon Lugo.

Alba Mejias, Loues Melendez, Evelyn Miranda, Sandra Morales, Yaney Nieves, Sylvia Nixon, Brenda O'Neal, Hevtor Pacheco, Edna Padilla, Miquel Perantez, Lorraine Phillips, Kan Poh.

Brenda Reid, Wilfredo Revera, Zaida Rivera, Veanessa Robinson, Caleb Rodrequez, Javier Rodriquez, Ramon Rodriquez, Sidonie Rodrequez, William Rosa, Mildred Rosado, Abner Rosario, Patricia Royal.

Adalia Serrano, Fred Shands, Roy Sham, Mon Saeto, DeAnna Thomas, Domingo Torres, Martha Torres, Nancy Torres, Adrenne Usher, Jesus Vasquez, Mae Wong, Nya Wong, Wah Leung Wong, Melinda Wright, Tai Yee Wai, Kwan Leung Yu, Lung Yu, John Yuen.

CHAPERONS

Charles Fields, Alma Fields, Angel Valentin, Mrs. Bowles, Jay McEvett, Nalda Latham, Mrs. Mejias, Sal Sanfratello, Mrs. Cabrera, Mr. C. Pesantez, Mrs. Castas, M. Danenberg, M. Saunders, S. Kuperstein, B. Blanck.

REPRESENTATIVE McCLORY REPORTS ON HANDGUN CONTROL HEARINGS OF THE SUBCOMMITTEE ON CRIME

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. McCLORY. Mr. Speaker, as the Members of the House may know, the Subcommittee on Crime on which I serve as ranking minority member has been conducting extensive hearings on the subject of handgun control. Over the past 3 months the subcommittee, chaired by our colleague, Congressman JOHN CONYERS of Michigan, has held 12 hearings on the subject. We have heard from more than 40 witnesses including Members of Congress, chiefs of police from major cities, gun owners and concerned citizens. In a series of hearings held here in Washington, we began the first indepth oversight of the Bureau of Alcohol, Tobacco and Firearms of the Treasury Department, the agency of the Federal Government charged with the administration of the Federal firearms laws, the most important of which is the Gun Control Act of 1968.

These hearings have proven enormously instructive in an area which had previously been thought to have been thoroughly explored. In our oversight of the Bureau of Alcohol, Tobacco and Firearms we have found that the Federal effort against the criminal misuse of firearms is far from effective. Indeed, we have found that the Bureau, manned as it is with intelligent and imaginative civil servants, is hopelessly understaffed and grossly underfunded. Thus the Bureau is virtually unable to cope with the enormous problem of firearms misuse. I think it is fair to conclude that our Washington hearings have proven that a more concentrated national effort is necessary if we are to combat successfully the rising tide of crime committed with firearms.

However, the hearings in Washington also indicated that the problem of handgun control and crime prevention is one that primarily affects the State and the local communities of the Nation. Thus, to gain a perspective on the problems of the States in the fight against handgun violence, Chairman CONYERS last month began a series of hearings to be held in several cities throughout the country. The first such hearing was held on April 14 and 15 in Chicago, Ill., near the 13th Congressional District which I am honored to represent.

The subcommittee held 2 full days of hearings and heard from a total of 35 witnesses from the Chicagoland area. The 2 days of hearings were held in the studios of the local public television station, WTTW—channel 11—and broadcast in their entirety. This gavel-to-gavel coverage enabled the people in this great Midwest area of our Nation to view a congressional committee considering, through the testimony and examination of witnesses, the necessity and propriety of additional Federal handgun control. The hearings were organized to insure that all points of view on the subject of handgun control were represented, so that the subcommittee members, and the viewing public, would not hear biased or one-sided testimony. Accordingly, we heard from public officials from the city of Chicago and the surrounding suburbs, and from such diverse citizens' groups as the Civic Disarmament Committee for Handgun Control and the Illinois State Rifle Association.

The first important witness to appear was the mayor of the city of Chicago, the Honorable Richard J. Daley. Mayor Daley, recently elected to his sixth successive term, has long sought effective handgun control. In the last 10 years the rate of firearms violence has escalated to such a terrifying degree that citizens in some parts of the city are afraid to walk the streets. As the public officer charged with maintaining the safety and security of the citizens of Chicago, the mayor made several concrete suggestions for effective handgun legislation.

First, Mayor Daley called for Federal legislation which would "absolutely prohibit" the manufacture, sale and possession of the so-called Saturday night special. Second, he called for the elimination of the loopholes in the Gun Control Act of 1968. As the mayor well knows, that act, advertised in 1968 as a step forward in the fight against firearms crime, was in fact so poorly drafted that it merely altered the channels of the illicit firearms traffic rather than closing them, and had little or no impact on violent firearms crimes. Third, and perhaps most important, Mayor Daley called for the enactment of a national law to require the registration of handguns. As the mayor eloquently testified, owners of handguns, like owners of automobiles, must accept the responsibilities their ownership places upon them. A national registration law would establish such a system of accountability for handgun owners which would be uniformly applicable in all the States. As the mayor noted, this provision alone could keep handguns from being sold to criminals, mental incompetents and even children 13 and 14 years old who want the guns for use in a crime or for a cheap thrill. The mayor's testimony provided an excellent introduction to the 2 days of testimony and a number of succeeding witnesses only amplified, developed and reaffirmed the validity of many of his views.

The subcommittee also heard testimony from sociologist, Dr. Richard Block of Loyola University, who explained that the nature of firearms homicide in Chicago, and presumably in other large cities, has drastically changed in the last 10 years. Dr. Block's research has shown that from 1965 to 1973, the number of homicides, including robbery related homicides, has drastically increased. As Dr. Block explained, the excess increase of such homicides, or that portion of the increase not predictable by population changes, was almost entirely attributable to the increase in homicides in which guns were the weapon. To state it simply: Instead of knives, clubs, or "strong arms", murderers and armed robbers are resorting to firearms in general, and handguns in particular. In the words of Dr. Block:

> This indicates, at a minimum, the current failure of gun control legislation and the possibility that more effective legislation may aid in the control of homicides.

The Cook County State's Attorney, Bernard Carey, and later a panel of State court judges testified as to the problems of the local courts in the enforcement of the local gun laws. Their testimony revealed that neither State prosecutors nor the States' judges have been able to handle the enormous increase of firearms offenders.

To determine whether this local deficiency was being remedied by strict and efficient Federal enforcement, the subcommittee heard from representatives of the Midwest Regional Official of the Federal Bureau of Alcohol, Tobacco and Firearms. They described the enforcement in Chicago of the 1968 Gun Control Act and made two very telling points: First, that the number of federally licensed firearms dealers is so large and includes so many citizens who operate part time out of their living rooms instead of being involved in the gun business as a livelihood, that enforcement of the Federal gun laws is at best a hit or miss proposition. Their testimony made clear that the resources of the Bureau are so limited that they can inspect each firearms dealer about once in every 10 years. Indeed, Federal firearms licensees in Chicago receive virtually no supervision at all.

Second, the testimony of the ATF officials indicated that they have absolutely no ability to deal with the number of firearms illegally imported and distributed throughout the city. Bravely, the regional director said that although he did not think the problem is hopeless, the Bureau was "overwhelmed" by the problem. It is fair to say that the Members of the subcommittee found this testimony deeply disturbing.

On the second day the subcommittee first heard from a panel of physicians from various Chicago hospitals. Two were surgeons, two were directors of emergency rooms, and one was the director of a rehabilitation center. All have treated gunshot victims in the course of their practices, and each gave a very moving description of the horrible damage which they see and which they must treat. Words cannot convey the terrible human cost of violent death by handguns. Quite often in the course of a legislative debate, one forgets this human cost and the physicians who testified brought it starkly to the subcommittee's attention.

The remaining witnesses whose testimony I will not describe in any great detail were representatives of various citizens groups for and against gun control. The President of the Illinois State Rifle Association, James Valentino, testified quite eloquently on behalf of law-abiding citizens who purchase and own handguns. He exhorted the subcommittee not to overlook the rights of these citizens and, Mr. Speaker, it is not my intention to do so. I strongly believe that any legislative program of gun control must accommodate the rights of the some 20 million good citizens in this country who never misuse firearms. The views of Mr. Valentino were joined in by Mr. Michael Shrank, a member of the Little Fort Gun Collectors Association, and the owner of a gunshop located in my district. Mr. Shrank forcefully recognized that some Federal handgun legislation is needed, but stressed that such legislation should not ignore or infringe the rights of citizens such as himself. Mr. Shrank reviewed his own business practices and demonstrated to the subcommittee that most gun store owners do not traffic in Saturday night specials or any other handguns that are used in the commission of violent crimes on the streets of our cities, and that it is the unscrupulous few who would give all honorable gunshop owners a bad name.

Opposing the views of Mr. Valentino and Mr. Shrank were representatives of organizations which support total prohibition of handguns. We received testimony from a variety of such witnesses including representatives of national and State groups such as the NAACP and the Chicago Urban League.

Two of the more articulate witnesses were Mrs. Laura Fermi and Mrs. Susan Sullivan. Both of these ladies, but especially Mrs. Fermi, the widow of the late preeminent nuclear physicist Enrico Fermi, were impressive. Although they called for the total prohibition of all handguns, a position with which I cannot agree, they expressed their position emphatically but gracefully.

Mr. Speaker, as a result of the hearings, both in Chicago and here in Washington, I have come to some preliminary conclusions about the need for additional gun control legislation. First, there is no question that the deficiencies in the Gun Control Act of 1968 must be remedied. This will require the strengthening of the qualifications for Federal firearms dealers' licenses: it will require the prevention of the importation of handgun parts into the United States; it will require closer supervision by the Bureau of Alcohol, Tobacco, and Firearms of the national commerce in handguns; and it will require an increase in the manpower and resources of that Bureau which up to now has been ineffective in preventing firearms crime.

Second, as most of the witnesses in Chicago, including the gun-store owner from my district, testified, we must have a national ban on the manufacture and sale of Saturday night specials. There are some who say that a Saturday night special cannot be precisely defined. However, Mr. Speaker, it is my feeling that such a definition can be drawn which will serve the valuable purpose of eliminating inexpensive and poorly constructed handguns from the streets of our cities.

Perhaps, most important of all, there is a need for a system of identification of handgun owners, and a system of recording the existence, ownership and possession of the handguns themselves. Without such systems, it will be impossible to prevent the illegal acquisition and criminal misuse of handguns. By such interrelated systems, we can prevent the acquisition of handguns by criminals and we can make all handgun owners accountable for their weapons. At the same time, such systems would not interfere with those citizens who lawfully use handguns in sporting and other activities. Mr. Speaker, I believe that a moderate handgun control proposal can be drafted to accommodate these competing interests.

Of course, there is also a need for stiffer penalties for the criminal misuse of all firearms. I agree with those who say that persons who commit violent crimes with firearms should be punished severely. Although I feel that such punitive measures do not provide the total answer to firearms misuse, I agree that it is a necessary component of any effective gun control program.

In addition, there is a need for Federal financial assistance to the States and localities for the development and implementation of firearms misuse prevention programs. As the testimony before the subcommittee in Chicago demonstrated, the States do not have the wherewithal to deal with the escalating problem of firearms violence. Thus, the Federal Government must take the initiative and assist and direct the States in the fight against crime. We must do this without destroying our Federal system which vests great autonomy in the State governments. Such a program could be appropriately funded through the Law Enforcement Assistance Administration.

Finally, Mr. Speaker, the testimony which the subcommittee has received has demonstrated the lack of any coherent, consistent or firm Federal policy to prevent firearms misuse. Within the last few months several spokesmen of the administration has described their proposals for gun control. These proposals have been half-hearted or impractical, but even worse, they have been to some extent inconsistent. The greatest need is for the administration to recognize the terrible threat that handgun violence poses to the American society. Each of the Federal agencies charged with the administration of Federal gun control laws must immediately develop a deep commitment to the concept of strong and effective gun control. This Nation needs a coordinated attack on those criminals who traffic illicitly in firearms and who use firearms to assault, rob and murder, much as we attacked organized crime in the early 1960's. Such an attack does not depend on any congressional action. There is sufficient authority under current law for strong programs—for "strike forces" if you will—directed at illicit firearms traffic and criminal use of handguns. Mr. Speaker, I call on the President to join in the ongoing debate of gun control but more importantly to bring the will of his administration to bear against the escalating problem of handgun violence. Indeed, it is my understanding

from various sources within the administration that we can expect the President to deal in some detail with the problem of gun control in his upcoming crime message. His leadership and guidance is urgently needed.

In closing I would only inform the Members that the subcommittee will soon be dealing with specific legislative proposals to implement the program which I have outlined. Under the firm and energetic leadership of JOHN CONYERS we will present such a proposal to the full Committee on the Judiciary and to the House. I look forward to the debate on the proposal and to the ultimate enactment of a firm and effective Handgun Control Act of 1975.

HOME HEALTH CARE

HON. JOSEPH D. EARLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. EARLY. Mr. Speaker, at a recent meeting of the board of directors of the National Council of Jewish Federations and Welfare Funds, several resolutions on health and welfare services were adopted. The Older Adult Services Council, a planning body of the Worcester Jewish Federation, endorsed these resolutions and sent copies to me for my attention.

The Worcester Jewish Federation is the central organ of the Jewish community in our area, and represents all of the major Jewish organizations and agencies. I felt that many of my colleagues in the House would find these resolutions, dealing with home health care, of interest and benefit. I am therefore inserting them at this point in the RECORD for the Members' attention.

The resolutions follow:

HOME HEALTH CARE

The compelling need for providing viable alternatives to institutionalization has long been recognized. Significant numbers of the elderly who need not be in institutions are placed there because of lack of supportive services in the community, and inadequate provisions for home health care. As institutionalization is the most costly type of care, and the need for such care will continue to increase, it is essential that an adequate system of community based health care be developed.

We, therefore, urge that Medicaid and Medicare legislation be revised to include more adequate provision for home health care and other supportive services designed to maintain older persons in their own homes as long as possible, and that the necessary funds be appropriated.

SAFEGUARDING HEALTH AND WELFARE SERVICES

While we recognize the need for economies in our federal budget, we are also deeply concerned about the plight of the poor and the aging, including large numbers of Jewish poor and Jewish aged. The current recession and increasing unemployment have resulted in increased service demands on public and voluntary agencies.

In the face of such increasing needs, the Administration's attempt to effect economies in the national budget through cutbacks that would seriously curtail health and welfare services, would impose a hardship on many of the most vulnerable in our society.

We, therefore, urge that the levels of funding currently appropriated *not* be reduced, and that future appropriations take into account the increased human service needs.

HEALTH INSURANCE FOR UNEMPLOYED

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. CRANE. Mr. Speaker, with the rapid rise in the unemployment rate in the past year, pressure has built, both in and out of Congress, to do something. Many ideas have been put forward, the most prominent being public service jobs, extension of unemployment benefits and extension of health insurance benefits for the unemployed. All, of course, will involve the expenditure of more Federal dollars at a time when the Federal budget deficit is too large already but, as a member of the House Ways and Means Committee that has been looking into the business of health insurance to the unemployed, I can assure my colleagues that there is a lot more to that issue than meets the eye.

During the course of hearings on this matter before the Health Subcommittee of the Ways and Means Committee one of our colleagues, Congressman LARRY McDONALD, who is himself a physician, gave some very thought provoking testimony on the long-range implications of health insurance for the unemployed. With the thought that his ideas might be of interest to other Members of Congress, I wish to insert his testimony of March 6 into the RECORD at this time:

STATEMENT OF REPRESENTATIVE LARRY P. McDONALD ON FEDERAL HEALTH INSURANCE FOR THE UNEMPLOYED; PRESENTED TO SUBCOMMITTEE ON HEALTH, COMMITTEE ON WAYS AND MEANS, U.S. HOUSE OF REPRESENTATIVES, MARCH 6, 1975

Mr. Chairman and Members of the committee. I sincerely appreciate the opportunity to present this statement regarding H.R. 3208, which would provide hospital insurance coverage under medicare for the unemployed for a one-year period.

One of our foremost problems is the proclivity of the Federal government to enact emergency legislation in an atmosphere of crisis. If prices are rising, the public becomes discontent and cries are heard for the governments to do something. The government, proclaiming a "crisis", responds by doing something: it orders the prices to stop rising; that is, it passes wage and price controls.

The problem with such action is that it treats the immediately perceivable symptom, the rising prices, but not the causes of the inflation (currency debasement), the government deficit spending and credit expansion policies. Thus, a few years later, after gross dislocations in our economy, the government is forced to allow the authority for the wage and price controls to lapse.

The government did not, however, turn its attention to and attempt to treat the cause of the inflation; thus it is now faced with a new "crisis" of its own making: recession and unemployment. And again the cause is ignored but the effects are singled out for special treatment, such as public employment projects and Federal health insurance for the unemployed.

The unemployed *are* some of the foremost victims of the current recession. But to help them, and to prevent further such victims, would require identifying and treating the causes, not the effects. The recession is the result of the economy attempting to readjust to the severe dislocations caused by government intervention. The principle form of intervention doing the most damage is inflation (currency debasement) which is the result of government deficit spending and credit expansion policies. These policies in turn, have been necessitated by the massive increase in Federal expenditures over the past decade or so for social-welfare programs.

Clearly, therefore, the treatment requires a cutback in Federal spending, a balancing of the Federal budget, and a reinstitution of objective monetary standards to prevent arbitrary credit expansion. This would stabilize the economy and provide a sound basis for renewed production and growth.

Further subsidies are just as clearly not the answer. It would be grossly irresponsible for Congress to further increase an already disastrously bloated Federal budget deficit estimated at from $50 to $70 billion. The inevitable result would be a new round of inflation followed by an even worse recession with greater unemployment.

Nevertheless, it might be argued, what about the currently unemployed? Those who are relatively poor are covered under Medicaid for their health expenses. But what about those who have lost health insurance coverage due to loss of employment but are receiving unemployment compensation and thus are too rich to qualify for Medicaid?

Now we could get into statistics, quibbling over how many people are actually unemployed. But this is unnecessary since concern over health care for the unemployed is not the real issue in this legislation. If it were, the proponents could easily propose extending and/or increasing unemployment compensation benefits in an amount sufficient to cover the purchase of private health insurance.

The real goal is nationalization of our health care industry. This fact is clearly stated by the sponsor of H.R. 3208 in his remarks made upon introduction of the bill (CONGRESSIONAL RECORD, February 19, 1975, page 3640):

"Because we do not have national health insurance, and because it will take 2 to 4 years to begin operating a comprehensive health system once it becomes law, some emergency, interim health measures are necessary. These measures are not a substitute for national health insurance. In fact, the conditions that necessitate these stopgap measures require us to accelerate the process that will lead to enactment of comprehensive, national health insurance legislation."

Although socialized medicine has been advocated for a long time, there was a new and intense campaign during the late 1960's and early 1970's to discredit the private practice of medicine in the United States. The essence of the attacks was that private systems of health care had failed and we were in the midst of a "health care crisis." These allegations were totally false, as has been demonstrated by Marvin H. Edwards in his book Hazardous To Your Health. There was and is no health care crisis; only a huge onslaught of false propaganda.

The simplest demonstration of the absence of a crisis but the existence of massive propaganda was a public opinion poll conducted a year or two ago: approximately 90% of the people polled indicated satisfaction with their own health care; yet at the same time approximately 90% believed that other Americans were dissatisfied with theirs.

The reason for the "health care crisis" campaign is obvious. The American people, who have lived and prospered under a system of freedom and individualism, simply would not accept the basic premises underlying socialized medicine: egalitarianism (all goods and services should be distributed by the state to each person according to his needs) and statism (man exists solely to serve the needs of the state). Thus the issue could not be placed before the American people in a clear-cut form. Instead a crisis atmosphere had to be created.

Well, it almost worked. The proponents of freedom and the private practice of medicine either remained silent or put up a weak defense. And thus the American people bought much of the propaganda.

Nevertheless, the advocates of socialized medicine were unsuccessful in the 92nd and 93rd Congresses and with present economic conditions may even have difficulty in the 94th Congress. Thus the necessity of interim measures such as H.R. 3208 to keep the issue alive and the legislative mechanism well-oiled and ready.

It follows, then, that the real issue at stake is the nationalization of our health care industry. It is to this that I will address myself.

Government financing of medical care means government control. This is necessarily so, both morally and in practice. If the government pays for a service, it is morally obligated to see that it receives full value in return. Therefore, the government must set the conditions and terms governing its expenditures.

To exemplify this point, consider the following quotation:

"If it is the government that does the paying, then the government has to decide who is qualified to receive its money—how much a particular service is worth—under what conditions it is merely a squandering of State funds—whether a controversial new surgical technique, or a controversial drug, or a controversial method of psychotherapy, is a failure which should not be supported or a success which deserves the taxpayers' money." (Leonard Pelkoff, "Doctors and the Police State", The Objectivist Newsletter, June, 1962).

Mr. Chairman, Dr. Pelkoff wrote that in 1962, several years before we had any government financing of medical care. The government proved him correct in 1972 when it enacted legislation establishing Professional Standards Review Organizations, just seven years after the creation of Medicare.

PSROs will be government-subsidized, government-regulated, government-enforced groups with the authority to review the medical decisions of, and the fees charged by, doctors; such groups will have the power to impose penalties on doctors if the doctor's decisions and fees are deemed unsatisfactory according to a series of "flexible," vague, and sweeping criteria.

Since H.R. 3208 provides insurance coverage under the authority of Medicare, I assume the provisions establishing the PSROs would apply to the unemployed workers covered under it.

The PSRO legislation makes it abundantly clear that the police power of the state will be applied to doctors. For the medical profession, national health insurance means the transition from the welfare state to the police state.

It means that the final decision on diagnosis and treatment of a medical patient lies with the government, not the doctor. This is a violation of a doctor's right to the independent practice of his profession. And, because it subordinates a doctor's professional decision to that of government authority, it presents every doctor with an impossible moral dilemma: if he abides by his own judgment he may be breaking the law, but if he abides by the decision of the government, he may be violating the Hippocratic Oath.

Government control also leads to a violation of the confidentiality of the doctor-patient relationship. The PSRO legislation, for example, grants government, especially the Department of Health, Education and Welfare (HEW) complete access to a doctor's confidential records of patient care.

And what about the rights of a patient to freely choose a doctor and follow his or her medical advice? I really wonder what the reaction of the American people will be when they learn the true nature of socialized medicine. When a local PSRO denies a patient admittance to a hospital and denies treatment of his particular illness, despite the fact that his doctor regarded such treatment as essential, I doubt his reaction will be to write a polite letter to his Congressman (even if he is well enough to do so).

As for the costs of medical care under socialized medicine, they will skyrocket. This is the inevitable consequence of removing health care from the marketplace: since medicine is "free," demand soars, supply lags, and costs are forced higher and higher. This is precisely what has happened under Medicare and Medicaid. In 1970, Robert Finch, then Secretary of HEW, stated that "The Federal government is spending over $10 billion this year to buy health care for the aged and the poor under the Medicare and Medicaid programs. This is double what was estimated when these programs were enacted in 1965. just five years ago. In another five years, given the present trend, the cost will be at least $20 billion."

Mr. Finch wasn't too far off. The expenditure for Medicare and Medicaid for 1975 is estimated to be $20.946 billion, and is estimated to reach $26.4 billion in 1976. I should add, however, that those estimates Mr. Finch referred to as falling far short of actual costs were by the proponents of socialized medicine. Opponents were far more accurate in their estimates of course.

It is these rising costs which forces the government to attempt to control them by establishing agencies like the PSROs.

Socialized medicine also inevitably results in a disastrous decline in the quality of medical care. The process is most eloquently stated by Dr. Pelkoff.

"What will happen to the caliber of medical practice in this country, if socialists take over? Consider the reports coming out of England, Holland, Hungary, and all the rest of the countries which have embraced socialized or semisocialized medicine. The degrees and details vary: the essence of the pattern remains the same: First, the government announces free medical care for everyone—then there is a sudden, insatiable, endless stampede, as malingerers, neurotics, and the authentically sick all clamor, in one howling mass, for medical attention—then the doctors, crushed by impossible overloads, abandon, in despair, the attempt to treat each patient's problem thoroughly and conscientiously: increasingly, doctors turn into traffic directors, routing people out of their offices in three to five minute appointments per patient, making instantaneous diagnoses, dispensing routine prescriptions, and then calling for the next man; meanwhile the bureaucrats, dismayed by the endless flow of money pouring into the bottomless pit of patients, begin to clamp down more and more severely—the doctors who use expensive new techniques, or exceed their quota of drugs, are fined for wasting the "people's resources"—the restrictions and the forms in triplicate multiply—the doctors become part-time clerks—the bureaucrats and their friends multiply—the doctors begin to check a patient's political contacts before they prescribe—and, in the end, the patients who have no contacts but really need medical attention start running to nonsocialized countries, if they can find any."

Thus the nationalization of our health care industry will not provide "free," quality medical care to all. Far from being free, the cost will be greater. Instead of being of high quality, medical care will be reduced to minimum, government-imposed standards. As for who gets what treatment, this will be up to the government to decide.

In closing, I would like to ask the committee to consider the effects of socialized medicine on those who provide health services. As a physician I know that the overwhelming majority of doctors in our country are opposed to government control of their profession. Although some medical associations have endorsed compromise national health insurance proposals, these groups do not represent majority opinion. I firmly believe that when doctors become fully aware of the actual consequences of socialized medicine, many will react as did Dr. Hendricks, a surgeon in Ayn Rand's novel *Atlas Shrugged,* who went on strike. Dr. Hendricks spoke for many doctors when he said:

"That a man who's willing to work under compulsion is too dangerous a brute to entrust with a job in the stockyards—never occurred to those who proposed to help the sick by making life impossible for the healthy. I have often wondered at the smugness with which people assert their right to enslave me, to control my work, to force my will, to violate my conscience, to stifle my mind—yet what is it that they expect to depend on, when they lie on an operating table under my hands? . . . Let them discover the kind of doctors that their system will now produce. Let them discover, in their operating rooms and hospital wards, that it is not safe to place their lives in the hands of a man whose life they have throttled. It is not safe, if he is the sort of man who resents it—and still less safe, if he is the sort who doesn't."

HOUSE-SENATE HEARINGS CONTINUE ON CHILD AND FAMILY SERVICES ACT

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. BRADEMAS. Mr. Speaker, I would like to announce that on Thursday, June 5, the Subcommittee on Select Education, which I have the honor to chair, and Senator MONDALE's Subcommittee on Children and Youth will continue their joint hearings on H.R. 2966 and S. 626, the Child and Family Services Act of 1975, as well as on other related child care legislation.

I should note, Mr. Speaker, that we have already completed 5 days of hearings during this session of the 94th Congress on this important legislation. During these hearings we have heard from numerous experts, parents, practitioners, and representatives of interest groups concerned about children and the services they need.

Mr. Speaker, these hearings have provided the members of both subcommittees with many valuable insights into the problems and issues surrounding legislation designed to assist children and their families.

Mr. Speaker, among the witnesses to be heard on June 5 will be Albert Shanker, president of the American Federation of Teachers, and James Harris, president of the National Education Association. We also plan to hear from representatives of the National School Board Association and of the Chief State School Officers.

Mr. Speaker, the hearing will be held on Thursday, June 5, at 10 a.m. in room 4232 of the Dirksen Senate Office Building.

REV. KENNETH L. BROWN: FOUR FEET OF GOSPEL POWER

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. DELLUMS. Mr. Speaker, I have previously brought to the attention of my colleagues the efforts of Mr. Kenneth L. Brown to organize little black people into a viable organization. Mr. Brown continues his good works, and I think the following information should be seen as an inspiration for all of us:

REV. KENNETH L. BROWN: FOUR FEET OF GOSPEL POWER

For a man who stands only 4 feet tall, Kenneth Brown is a man with some very big ideas. That's because, as he puts it, "the Lord got to me." It also is because he is a born optimist.

Ken is a midget—a man of 34 who works for the Civil Service Commission—who enjoys being a midget. But he is a man who some day soon would like to be in the ministry full-time. Among other things, he'd like to add a little dimension to a group he's very proud to be a member of, namely, the Little People of America.

The man who is well known in Washington and churches for the type message he brings and the enthusiasm with which it is given, should have come by preaching quite naturally, it would seem. But it didn't happen that way.

His father is a long time preacher among the Baptists in Charleston, S.C., but it wasn't until late in 1970 in Baltimore that Ken really started getting squared away with God, he said. For guidance during that period of life he is grateful to Bishop Winfield A. Showall of the First Apostolic Faith Church in Baltimore.

Soon after that he came to the District, starting to work with the CSC. He had been on welfare, he said, "and I wasn't going anywhere." Right after high school he had gotten a job as a copy boy on the "Philadelphia Inquirer."

"I didn't come here," Ken said, "I was brought here by God."

Increasingly, he found himself engrossed in the life of the churches. He was licensed to preach in July 1973 and there has been no keeping him quiet since.

"I met with success," he said, "and everyone seemed to like me."

Ken's first speaking assignment was 5 p.m. Feb. 23, 1973, at the Women's Worker's group at Park Road Community Church in the District. He has that date down to the precise details because it has come to mean so much in his new-found career as an evangelist.

He ran into difficulties as a youngster getting into school because of his size—or lack of it—and it was not until he was 21 that he was graduated from high school.

He is one of 10 children, ranging in height from his 4 feet to the tallest one's 6 feet. His mother and father are only 5 feet 4 inches tall each, but that seems very big alongside him.

Despite some difficulties, he said, he has had certain advantages. "You can't hold a good man down," he said.

He was the first Black to break the color barrier in the 1,000-member Little People of America organization, becoming a member in Camden, N.J., in 1965. Now he has plans to help bring a spiritual dimension to the group. He is moving ahead with plans for this, he said.

He listens closely to his spiritual mentors regarding what steps he should take.

"I've done about everything there is to do in the ministry," he said—"even a funeral."

"There ain't but one thing that I ain't had yet, and that's a wedding."

On that one, however, the diminutive bachelor wouldn't mind if someone else had the ceremony. "I'm still hoping for the right one to come along."

A LESSON BY REV. KENNETH L. BROWN

(Hebrews 10th chapter, 23–25 verses)

Subject: "Let Us Hold Fast the Profession of Our Faith With Love."

MEANING OF FAITH

Now faith is the substance of things hoped for, the evidence of things not seen—Hebrews 11:1.

1. Believe—Heart—Mind
2. Confidence will occur

THE SPIRIT

The Lord Jesus Christ as a Personal Saviour.

BELIEVE THAT HE IS

But without faith it is impossible to please him: for he that cometh to God must believe that he is and that he is a rewarder of them that diligently seek him.—Hebrews 11:6.

Pray—Doubt Not in Your Heart.—Mark 11:22–25.

Strength—Look Up.—Psalm 18:32–42.

Joy—Smile.—Psalm 5:11–12.

Clothes and Others.—Matthew 6:30–33.

Gifts and Works.—Ephesians 4:7–13.

Last, my conclusion is: have faith in the Lord; believe that he will make a way for you. So hold fast to your faith. Don't give up, but look up. Let nothing turn you around. Have faith, hold on, hold on, hold on to your faith. Please don't worry. The Lord will make a way for you. So have faith.

Thank you very much.

EDWIN W. WADE RETIRES AS MAYOR OF LONG BEACH

HON. MARK W. HANNAFORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. HANNAFORD. Mr. Speaker, Edwin W. Wade will retire July 6 after 15 years of distinguished and unselfish service as mayor of Long Beach.

Mayor Wade began his service as an elected official of the city in 1960, after nearly three decades as cofounder and owner of a successful local engineering-manufacturing firm.

During his 15-year tenure as mayor, Ed's round-the-clock and round-the-world efforts on behalf of his constituents and the city garnered him high State and national praise:

In 1966 he was the recipient of the Department of Navy's highest civilian honor, the Meritorious Public Service Award.

In 1969–70 he was the president of the California League of Cities.

In 1971 he received California's prestigious Earl Warren Award as Outstanding Public Official of the Year.

A renewed enthusiasm and vitality in downtown Long Beach is testimony to Mayor Ed's years of diligent support for redevelopment plans and programs.

It is a privilege to know and to have worked with Mayor Ed Wade. I salute Mayor Ed's years of dedication to Long Beach and wish him a long and productive retirement.

JOHN P. BARRY—AN EXEMPLARY CITIZEN

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. SARASIN. Mr. Speaker, I wish to take this opportunity to bring to the attention of my colleagues an outstanding example of the kind of selfless dedication to helping others which continues to make this country great.

John P. Barry of 43 Murray Street, Waterbury, Conn., has recently stepped down as service officer of Waterbury Chapter No. 9 of the Disabled American Veterans, a post he has held continuously since 1931 without monetary compensation.

He devoted about 500 hours each year in direct service work for disabled veterans, their families and dependents and also visited the VA hospitals at Newington, West Haven, and Northampton, Mass.

His services were available evenings and weekends without cost neither to his chapter nor to those who came to him for assistance in resolving problems with the Veterans' Administration concerning hospitalization, outpatient treatment, examinations, medical evidence, insurance, and death claims for widows. He was and is still considered to be the best informed disabled veteran in this area on the laws and regulations administered by the VA.

In addition to his many and varied duties in our service office he also visited the homes of those of our disabled comrades who were not physically able to come to the office.

Jack served continuously in his position under 29 chapter commanders and is a member of the President's Committee on Employment of the Handicapped. In 1957 he was also appointed by then Governor Ribicoff as a member of the Connecticut Governor's Committee on Employment of the Handicapped. Jack resigned from this committee in 1974.

In 1952 the National Department of the Disabled American Veterans awarded Jack a citation for meritorious and distinguished service to disabled veterans, their families, and dependents.

In February of 1960 he was given a citation by the Italian-American War Veterans for devoted and outstanding service to disabled veterans and all veterans.

Jack was employed by the State of Connecticut as Veterans Employment Representative in the Waterbury office

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of the Connecticut State Employment Service and retired in 1964. Since the end of World War II he has developed thousands of job and training opportunities for disabled and nondisabled veterans in the area serviced by the Waterbury office.

He has written many articles on the veterans for the Connecticut Labor Department Bulletin and the Employment Security Review which is a national publication. He also was the first person from Connecticut to have an article published in "Performance," the official publication of the President's Committee on Employment of the Handicapped.

This is truly the record of any exemplary citizen and I am deeply honored to have John P. Barry as a constituent. I will have the privilege of participating in a testimonial in his honor Saturday evening and I believe his life of service to his fellow man is deserving of the attention and appreciation of all his fellow citizens.

ZIMBABWE

HON. CHARLES C. DIGGS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. DIGGS. Mr. Speaker, on May 5, several of my colleagues and myself were privileged to meet with some of the future leadership of Southern Rhodesia, or Zimbabwe. Bishop Abel Muzorewa, president of the African National Council, and Rev. Ndabaningi Sithole, leader of the former Zimbabwe African National Union, were visiting the United States following the recent Commonwealth meeting in Jamaica—where Joshua Nkomo, head of the former Zimbabwe African People's Union, was also present. These three leaders have come together under the banner of the African National Council following an agreement signed at Lusaka, Zambia, on December 7, 1974. As a result of their informal sessions with Commonwealth heads of governments at Jamaica, independence for Zimbabwe is now closer at hand.

For the benefit of my colleagues, I am submitting for the RECORD two recent articles from the Christian Science Monitor with important insights into the current situation in Southern Rhodesia, soon to be Zimbabwe:

SITHOLE TO PUSH RHODESIAN DRIVE

(By Geoffrey Godsell)

BOSTON.—One of Rhodesia's two key African nationalist leaders, the Rev. Ndabaningi Sithole, believes that guerrilla operations against his country's ruling white minority are still necessary to achieve black-majority rule there.

He does not think that the stepping up of sanctions against the white-minority government, agreed to at the Commonwealth conference just ended in Jamaica, will be enough to bring by negotiation a transfer of political power in Rhodesia from blacks to whites.

Mr. Sithole, held for 10 years in detention in Rhodesia until the turn of last year and then briefly arrested again this year, has been outside the country since last month. Now in the United States for a short visit to four of his children in American colleges—a fifth is in college in Britain—Mr. Sithole says he intends to return to Africa—but not to Rhodesia. Rhodesia's white-minority Prime Minister Ian Smith, has said he will re-arrest Mr. Sithole if he comes back.

Mr. Sithole said to this writer rather cryptically: "I will not return to Rhodesia, but I hope to go back to Zimbabwe very soon." Zimbabwe is the African name for Rhodesia under which it will be known internationally once it is under a black government.

IMMEDIATE PLANS?

Although Mr. Sithole does not spell out in detail just what his immediate plans are, one gets the impression in conversation with him that he thinks in terms of remaining outside Rhodesia to be free to organize and control those moves—including stepped-up guerilla warfare within the country—needed to bring about the replacement of Mr. Smith's white-minority government by black-majority rule.

Since the end of last year, moves have been under way by the governments bordering on or close to Rhodesia to try to bring agreed constitutional changes in Rhodesia whereby political power there would be transferred to the black majority. (Blacks outnumber the quarter-of-a-million Rhodesian whites about 24 to 1.) Central to these moves is pressure on Mr. Smith from Africa's white Prime Minister John Vorster and on Rhodesia's black nationalists from Zambia's President Kaunda.

Mr. Sithole says he much prefers nonviolence to violence but he believes that in Rhodesia the arithmetic is against a voluntary surrender of power by the white minority to the country's black majority. Such a small minority that has clung so tenaciously to power for so long (he says) is too fearful to negotiate away that power.

Mr. Sithole's followers have spearheaded the guerrilla operations against the Smith government in recent years. He says that one of the main differences of approach between himself and the other key nationalist leader, Joshua Nkomo, is that Mr. Nkomo is more sanguine than he about getting what black Rhodesians want through negotiation without the accompanying lever of guerrilla warfare. (Mr. Nkomo, of course, is a rival of Mr. Sithole for the leadership of an independent black-run Rhodesia.) But Mr. Sithole says the mood of black Rhodesians is such that Mr. Smith is mistaken if he thinks he can delay a trensfer of political power by trying to set Mr. Nkomo and himself at each other's throats.

All black Rhodesians are agreed, Mr. Sithole says, that they want majority rule now. There may be differing interpretations of "now" against a common recognition that there may have to be a transition period. "Some say three months," he says, "some six, some 12, some 15—but it can't be more than 15."

SOON-TO-BE FREED MOZAMBIQUE MAY STIFFEN EMBARGO PRESSURE: NET CLOSES ON RHODESIA WHITES

(By Henry S. Hayward)

NAIROBI, KENYA.—The net is drawing tighter around white-ruled Rhodesia.

The final communique of the Commonwealth summit conference in Jamaica last week—which "recognized the inevitability of intensified armed struggle should peaceful avenues be blocked by the racist and illegal (Rhodesian) regime"—and the impending independence of Mozambique have lent new impetus and confidence to those who want black majority rule for the breakaway British colony in southern Africa.

But some experts concede there are major holes still to be plugged before Prime Minister Ian Smith's regime in Salisbury can be brought to bay.

The status of Mozambique is one big new factor in the black-white equation. When the big Portuguese territory becomes self-governed on June 25, presumably under Frelimo leader Machel Samora, black Africa hopes and expects that nation to join the embargo against Rhodesia.

Since an estimated 80 to 85 percent of Rhodesia's exports and imports travel by rail to or from the Mozambique ports of Beira and Lourenco Marques, the potential impact of a cutoff could be enormons.

It is conceded, however, that Mozambique will need substantial financial aid to compensate for the loss of revenue if it joins the economic blockade against Rhodesia. Zambia's Foreign Minister Vernon Mwaanga sets the figure at about $65 million. Black African leaders are appealing to the United Nations for monetary help to ensure that Mozambique can enforce a strict embargo.

Difficult although this prospect is for Mr. Smith, he still will possess alternative routes to the sea from his land-locked country. But they will be longer, more expensive, and perhaps politically difficult as well.

His new rail link connects with the South African railway network at Beitbridge. So Rhodesian goods can now reach Prime Minister John Vorster's white minority-ruled nation by rail without going through President Seretse Khama's black-ruled Botswana.

Thus Rhodesian traffic still could—at least theoretically—use such South African ports as Durban. But Durban's facilities already are hard-pressed.

Besides that, Mr. Vorster wants a settlement of the Rhodesian problem. So he is likely to exert even greater pressure on Mr. Smith than hitherto to negotiate seriously with the designated black Rhodesian organization, the African National Council (ANC), headed by Protestant Bishop Abel Muzorewa.

With a fresh Commonwealth mandate behind him, Bishop Muzorewa may feel the time for delays and excuse-making on both sides is past.

No action is expected from Mozambique until after the independence date. But already observers have noted that Mozambique ports are operating far below their usual capacity. This is due as much to the Portuguese exodus and African labor unrest as to calculated political moves against Rhodesia at this stage.

But Mr. Machel, as a seasoned guerrilla fighter himself, and one indebted to his African neighbors for their support during the liberation struggle, conceivably could allow Zimbabwe (Rhodesian) guerrillas to use his country as a base for operations against Rhodesian security forces.

Adding to the strong military and economic pressures apparently building up to force Rhodesia to grant immediate black majority rule, as the ANC demands, President Kaunda of Zambia says a secret African revolutionary army is being trained to invade Rhodesia, if negotiations fail.

The Associated Press cables from Salisbury, Rhodesia: A government spokesman claimed Saturday the guerrillas are ignoring a cease-fire called last Dec. 11 by black liberation groups and Rhodesia's white minority administration.

"The terrorist campaign of murder, rape, arson, assault, and intimidation has become so much a fact of life for the inhabitants of the operational area that talk of an end to hostilities is less than meaningless to them," the spokesman said.

In Kenya, meanwhile, the Nairobi Sunday Nation newspaper said the Organization of African Unity should investigate clashes among Rhodesian nationalists in Zambia. There are reports that at least 100 Rhodesian black guerrillas have been killed in the fighting.

"When African nationalists kill each other, the only person who stands to gain is Rhodesian Prime Minister Ian Smith. Political feuding will only mean the delay of African majority rule in Rhodesia," the paper said in an editorial.

The Rhodesian government spokesman said there have been 290 guerrilla incidents since the December cease-fire, including 41 murders of civilians, 9 attempted murders, 15 assaults, and 12 cases of intimidation and threatened murder.

He said 60 guerrillas, 6 white Rhodesians, and 5 white South Africans have been killed.

The spokesman said bands of guerrillas are raiding remote African villages, assembling the inhabitants and arbitrarily killing one or more accused of being informers. He listed eight such incidents.

Describing one, he said that on Dec. 30 three guerrillas arrived at a village in the Pfungwe area 100 miles northwest of Salisbury and accused an African man of being a "sell out."

He was repeatedly bayoneted and finally killed the spokesman said.

STOCKHOLDERS SHOULD PUT THEIR MOUTHS WHERE THEIR MONEY IS

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. MICHEL. Mr. Speaker, on Tuesday of this week, Mr. William S. Mitchell, president of Safeway Stores, Inc., made a remarkable address at the annual meeting of that company's stockholders.

In his remarks, Mitchell calls for a new activist movement in the country, comprised of the 31 million Americans who participate in our free enterprise system through the ownership of stock.

I believe his call is well-founded, and ought to be heeded. Our economic system is under constant attack from those who would move the Nation in the direction of increased government involvement in business Far too often, the only persons defending free enterprise are those whose credibility is suspect because they hold high positions in industry.

But those 31 million stockholders are not, by and large, rich and powerful people; instead, they are the ordinary people who are making the system work, and whose involvement is so desperately needed in today's climate.

I hope they will follow up on Mr. Mitchell's suggestion. I hope, in short, that they will put their mouths where their money is, and speak up for America and its free enterprise system. If they do, it could turn things around.

In the hope that it will make a small contribution to that effort, and for the edification of my colleagues, I include the text of Mr. Mitchell's remarks to be printed in the RECORD:

REMARKS OF MR. WILLIAM S. MITCHELL

The February 17 issue of U.S. News and World Report carried this comment: "Consumer organizations intend to challenge food-industry profits, push for use of federal anti-trust laws to break up the largest retail chains." Some publicly-seeking politicians and government agencies are using inflation as the rationale, even though illogical, for advocating drastic changes in the world's finest food distribution system. This tactic is probably not surprising as the food retailer is in constant contact with all consumers and thus is the most visible target for such propaganda.

However, I am deeply concerned about the distorted allegations being made by some of these politicians and government agencies who seem to be trying to turn our customers against us. They seem to want us to end up as either a highly-regulated industry or be broken up, or both. We cannot afford to ignore or underestimate these forces—their proponents may not know the marketplace; they may not know what provides products and services in our economy; but they are very adroit and articulate in appealing to the desire for an easy solution to every problem by change—solely for the sake of change. The remedies may not fit the "ills," and the "cure" may be more costly and debilitating than the presumed disease.

I submit that we and the rest of the business community have been too uncommunicative, too docile and too defensive for too long. We need to develop a business activist movement, and there is nothing I would like more than for Safeway's more than 60,000 shareholders to be the nucleus for such a movement, or at least active participants.

Private enterprise has its faults and we must correct them, but it is the only known system under which our personal freedoms can exist.

I'm not going to repeat all the evidence demonstrating that the business community (i.e., private enterprise) has been a good and constructive force for this country in the 200 years of its history soon to be celebrated.

Among the truths that are self-evident is that almost any citizen who has lived anywhere else prefers to live here. This includes even the activists who seem intent upon attacking the entire system. I sincerely believe that much misinformation—or at least a lack of valid information is at the root of this problem. Justice Brandeis once said: "The greatest dangers to liberty lurk in insidious encroachment by men of zeal, well-meaning but without understanding."

In another field, I would suppose that everyone is against noise. But does the taxpayer know that the noise-control standards proposed by OSHAR and EPA would cost between 13 and 30 billion dollars?

We can't expect responsibility in government (fiscal or otherwise) unless we as individuals insist on it. When the President recently asked Congress to rescind about $1.2 billion of appropriated funds, the House of Representatives overwhelmingly defeated the request by a vote of 317 to 17.

David Packard, a businessman who had firsthand exposure as Deputy Secretary of Defense, said recently: "The Nation's current economic problems are being compounded by unsound and inconsistent regulations placed on business and industry by the Federal government."

Industry representations to government have had relatively little effect because they have tended to be summarily dismissed as the "biased corporate view." Letters from a few business firms won't carry much weight, but 31 million communications from 31 million stockholders would cause a groundswell that could not be ignored.

In encouraging active input to the legislative process, I by no means intend to suggest that this would always be a negative input. In consumer legislation, for example, the interests of both consumers and business are more often than not strikingly parallel. Let's be positive—supporting good bills and opposing bad ones. Stockholders are directly affected by the many regulations that increase the cost of doing business (or prevent savings) in the firms they own, or that obstruct possible improvements in business methods. Just a couple of examples:

1. Someone has said that "corporations don't pay taxes; they collect them." These taxes have to be passed along to you the consumer in the price of goods you buy. On top of this, do you think it's right that your dividends are taxed twice—once as corporate income and then again as income to you? If the 31 million stockholders of American companies all decided at the same time to complain about this to their representatives in Congress, they would be heard, and something would be done about this long-standing inequity.

2. Another example affecting shareholders is the legislation being introduced to restrict a new development which, in fact, promises to bring a great improvement to food shopping.

The food industry has adopted a computer-readable Universal Product Code and symbol to be imprinted on consumer units. You may have noticed these codes and symbols appearing on more and more cans and packages in the supermarkets.

When customers bring their selections to an electronic checkstand, the checker passes each item across a "scanner window" in the checkout counter. The scanner "reads" the UPC symbol on the package and sends the information to the in-store computer. The computer instantly displays the price on a screen—clearly visible for the customer to see—and then prints a customer receipt showing each item by name and price, and keeps a record of sales and inventory.

Advantages of this system are considerable—particularly in the areas of improved checkstand accuracy, inventory control and improved productivity. The highly competitive nature of food retailing assures that this improvement in efficiency will ultimately be reflected in consumer price levels.

The new system is definitely workable, but we do not anticipate any quick or widespread changeover. Installations are expensive and complex, and retailers will move cautiously in evaluating the performance.

But even before all facets can be fully explored, the food industry is faced with legislation which could restrict these potentials benefits.

We are concerned that premature legislation based on inadequate and incomplete information might as well slam the door on the necessary further testing, to the detriment of consumers and shareholders. A more detailed discussion of the problem appeared in our first quarter statement.

I am not appealing for help on just these few issues, although they are important. I am suggesting that every stockholder look critically at all governmental actions or proposals which might adversely affect his or her rights as a stockholder, as a citizen and as a consumer. We need to be sure that these rights and interests do not get submerged in the morass of ever-increasing governmental meddling and muddling. We must guard against "over-protectionism" from whatever source. The time has come when we should give some attention to "protecting" ourselves from self-appointed or overly zealous protectors.

TRIBUTE TO DORIS TUBBESING SCHMIT

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. WAXMAN, Mr. Speaker, today I am honored to pay tribute to Doris Tubbesing Schmit who has been active in civic and community life as a volunteer since 1934.

Mrs. Schmit is a wife, a mother and a grandmother. She has found time to volunteer her services to the Missouri State Mental Hospital, to be a Girl Scout leader for 2 years, a Job's Daughter's Guardian for 3 years, a regular Red Cross blood donor, a volunteer at Olive View Hospital, Cancer Crusade and multiple sclerosis and a variety of other activities too numerous to mention.

She has been very active in the North Hollywood Business and Professional Womens Club, and held offices in the North Hollywood Chamber of Commerce Women's Division. She is a Merit Mother of the State of California and a North Hollywood Mother of the Year.

On May 29, 1975, Doris Schmit will be honored as retiring president of the Women's Division of the North Hollywood Chamber of Commerce.

Indeed, she deserves to be honored for a lifetime of devotion to others. I am pleased to bring her accomplishments to the attention of my colleagues.

OUR NEW FAIR-WEATHER FRIEND

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. GAYDOS. Mr. Speaker, we are learning in the wake of our Indochina setbacks that fair weather friends reveal themselves when the going gets tough to nations as well as individuals. We are learning this bitter lesson especially in the current actions of the Philippines Government under President Ferdinand Marcos.

I want to make it clear that what I have to say here is not in condemnation of the people of that far Pacific nation who in the great majority, I feel, are still true friends. My remarks have to do only with President Marcos and his regime and how this regime has sought to exploit the collapse of our policies in that part of the world.

I grabbing the opportunity presented, President Marcos has managed to disregard certain historic facts about his country—how it was liberated and then set free on its own again by the friendly Americans—how U.S. dollars enabled its progress—how giveaway funds poured in from Washington with no strings attached—how American military strength and American business sponsorship in the world community made the Philippines both safe and viable.

President Marcos apparently believes we now are embarrassed and confused by our Indochina reverses and thus are setups for new concessions to his government which might not be possible otherwise. He is demanding first of all that we make a firm declaration of support for his martial-law regime as the price of keeping the Philippines as an ally. He has let it be known that our bases there may be in danger and that he is reassessing our relationships generally. He set stern conditions on the use of these bases in our evacuation of the South Vietnamese.

President Marcos has talked in recent days of the possibility of his government not renewing the 1954 Laurel-Langley Agreement under which heavy U.S. investments have been made in the Philippines with the guarantee of "equal standing" with businesses there. The pact expired a year ago and now is under a 1-year extension. If terminated, the way could be opened for a takeover of American properties. Marcos is letting the treat sink in.

I quote this about him from the Philippines News, an anti-Marcos newspaper published in San Francisco as "The Voice of Filipino-Americans":

> Aware of American difficulties in Asia, Marcos has seized this occasion to point a gun at America's head.

Allowing for the paper's hostility to the Philippines' president, facts nevertheless are facts and they are arranging themselves in such a way in Manila as to add credence to this assessment.

Another aspect of the new Marcos maneuvering has special significance to this Congress. While he dusts us up openly, his regime is quietly negotiating here for inclusion of more Philippines products on our duty-free list. The country already has free entrance for exports in 25 products categories, including some such as tobacco and furniture which are in direct competition with hard-pressed domestic producers. Regardless, Marcos wants more with the implication that unless we give in the Philippines will defect to the other side.

With Marcos in mind, I take this occasion to state my full support of those who insist that, in this serious hour, we must let the whole world know this country has no intention of reacting as the wounded lion to our Indochina defeats—letting itself become the target for any tormenter, big or little, who might seek advantage. President Marcos should be among the first to get this message.

BETTER SPEECH AND HEARING

HON. JAMES P. (JIM) JOHNSON

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. JOHNSON of Colorado. Mr. Speaker, over 20 million Americans have speech, language, or hearing impairments. That means that approximately 10 percent of all children and adults in the United States present communication problems which severely affect their ability to function in our verbal society. Many of these individuals do not know how to get help for their communicative disorders and this is one of the major problems of modern health care.

As the general public, and local, State, and Federal decisionmakers become more aware of communicative disorders, the high incidence of such problems, and the variety of professional services available to these persons, it is hoped that more of the Nation's communicatively handicapped will receive the diagnostic and therapeutic services they need.

Speech pathologists and audiologists are the professionals who work with persons who have speech, language, and hearing disorders. Through appropriate programs, oriented toward evaluation and treatment, these persons can be helped to assume a more meaningful and productive place in society.

I commend my colleagues' attention to the month of May as "Better Speech and Hearing Month." Let each of us strive to become more aware of the speech and hearing needs in our own districts and the programs currently underway, both public and private, to respond to the needs with treatment and preventive services.

THE AUTOMOBILE AND ITS IMPACT ON AMERICAN SOCIETY

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. FITHIAN. Mr. Speaker, I would like to take this opportunity to share with my colleagues in the House, an excellent letter from Prof. Blaine A. Brownell, concerning the impact of the automobile on American society.

Dr. Brownell is chairman of the Department of Urban Studies at the University of Alabama in Birmingham. As a former colleague on the history staff at Purdue University, I had an opportunity to observe firsthand the research of Dr. Brownell. He has published several articles and lectured widely on this issue. He has written one book and is currently preparing another book on the impact of the automobile on American society.

I want to share Dr. Brownell's insightful thoughts and excellent analysis with my colleagues in the House. The letter is as follows:

UNIVERSITY OF ALABAMA IN BIRMINGHAM,
Birmingham, Ala., April 11, 1975.

Hon. FLOYD J. FITHIAN,
House of Representatives, Longworth Office Building, Washington, D.C.

DEAR FLOYD: The principal difficulty in dealing with the impact of the motor vehicle on American society is that that impact has been so massive. During the past fifty years, our society and economy have become dependent on the motor vehicle to the extent that any regulation of automobile production or use will have immediate and profound consequences for all of us. The "love affair" between the average American and his car has become a marriage of necessity with little prospect of divorce.

The need for greater regulation of the motor vehicle is, however, obvious and demonstrated. The automobile is highly effective in promoting individualized mobility, but it is grossly inefficient in terms of energy consumption and for use in high density areas. The highways it requires have altered the face of the urban landscape (accounting for from 25 to 50% of the total land area of most central cities), and funnel huge numbers of vehicles into the most congested urban areas.

Regulations of the motor vehicle must attempt to contend with its major overall impact on our society—the decentralization of cities over a massive metropolitan territory, with scattered economic activities and low-density population. Such a configuration is ill served by any form of rapid rail transit system, and is in fact built according to the specifications demanded by motor vehicle transportation. This suggests that we cannot

lessen the dependence of Americans on the automobile without significant changes in the nature of American society itself.

To insure that regulation of the automobile will not severely disadvantage certain groups—such as marginal laborers who especially depend on their automobiles to find and take work throughout large metropolitan areas—our policies must not be arbitrary and piecemeal, but planned, phased, and sustained. And such policies must be directly related to efforts to conserve and reallocate energy resources. Much of our high rate of energy consumption today is due not simply to increased residential and industrial needs, but to a decentralized, low-density living pattern that demands huge energy supplies to function.

Regulations of the motor vehicle, especially at the federal level, should perhaps proceed in three general areas, roughly ranging in order from short-range to long-range in impact: (1) rendering the motor vehicle itself less wasteful of scarce fuel resources, and more adapted to a time of energy scarcity; (2) developing transportation alternatives to the motor vehicle, especially in high population density areas; (3) taking steps to see that future development and construction in metropolitan areas will not be so dependent on the automobile, and not so generative of additional motor vehicle trips as is now the case.

(1) Federal policies should go directly to the problem of auto fuel consumption rates. A reasonable goal would be 25 miles to the gallon by 1980—achieved either through an absolute mandate or by significantly taxing all vehicles which do not achieve such levels of fuel efficiency. Socially, the most inequitable means of conserving gasoline is the reduction of auto use through higher fuel prices. The marginal laborer, for example, is highly dependent on his vehicle for seeking and maintaining employment, and least able to absorb higher fuel costs. The goal of fuel efficiency should be achieved as soon as possible.

(2) Given the nature of our society, modeled as it has been on the requirements of the motor vehicle, alternatives to the automobile must be considerably more flexible than traditional rapid rail transit systems. Such systems are cost effective—even taking necessary government subsidy and certain externalities into account—only in high population density areas where identifiable high density corridors already exist. New York and Chicago would be good examples of cities where rapid rail transit must be improved and maintained. Even so, ridership of the New York City subway has been declining relative to total city population fairly consistently—to the extent that it is now roughly at the level of 1918. In all likelihoods, The mass transit systems currently under construction in Washington, D.C., San Francisco, and Atlanta will not serve all the purposes for which they were intended. Scattered peripheral businesses and industries will still be largely inaccessible to inner-city residents, and even regular commuters into the downtown districts will require automobiles to make connections with the transit lines. Such systems will have to be supported, to be successful in any sense, both by public subsidy and by regulations to decrease the existing dependence on the motor vehicle. Large expenditures for both highways and rapid transit systems are counterproductive in great degree—especially in cities like Washington and Atlanta.

Alternatives to the automobile should probably focus on forms of bus transportation, powered either by electric sources or by fuel-efficient gasoline engines.

(3) Efforts to limit additional decentralization should proceed along a variety of fronts, and be based on two major premises: (a) wider and better roads tend to generate additional motor vehicle trips and detract from the advantages of alternative means of transportation; (b) the greatest number of auto trips are "short," i.e., for shopping, recreation, etc. rather than for commuting.

Federal highway funds should be increasingly limited to the maintenance of the existing road and highway system rather than for the construction of new highways. We must maintain our huge public investment in roads and highways, but we are reaching the point where additional—and equally huge—expenditures are a luxury our society cannot afford. And much more significant expenditures from the Highway Trust Fund must be directed to *practical* alternative systems of transportation.

Funds should be allocated through the Department of Housing and Urban Development to encourage projects and developments which incorporate—to a significant degree—residential, commercial, and recreational components. Such a pattern of mixed land use would tend to lessen the need for people to use the automobile for basic necessities of shopping and play, and would also tend to create population densities sufficient for efficient mass transportation. Whether such developments take the form of "New Towns" or not, they are direly needed, especially close in to the central city. In addition, planned residential developments in the inner-city area should be encouraged through funded federal programs.

New construction of outlying shopping complexes should be discouraged, either through taxation or new federal land use legislation. The number of new commercial and residential developments which are built to depend on the motor vehicle will—over the long term—only severely compound our existing problems relating to transportation and energy.

This problem is so complex that my brief analysis here, and the suggestions made, are oversimplified and in no way definitive. But I hope I have emphasized the dimensions of the problem and its myriad elements, as well as the difficulties of "solving" it. We can do a number of things in the short-term, especially with respect to energy conservation, but long-term solutions may require as much as a generation.

Cordially,

BLAINE A. BROWNELL.

FOOT HILLS SWEET ADELINES WIN FIRST PLACE AWARD

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. DENT. Mr. Speaker, many of us have enjoyed, for a number of years, the music of the very popular form of choral singing which typifies the Sweet Adelines. Most of us can remember, as young men and women, the original barbershop groups that gave us much entertainment when there were very few forms of entertainment to be had.

My district has a few choral groups which I have heard on various occasions and have always thought were outstanding. I am happy to say that the Foot Hills Chapter of the Sweet Adelines, Inc., has been honored by the first-place award in the small-chorus category of the recent region 14 chorus and quartet competition held May 9 through May 11 here in Washington.

The annual competition was held under the auspices of the Vienna-Falls Chapter of Virginia.

I wish to congratulate the Foot Hills Sweet Adelines, not only for winning but for the way in which they won, as they sing for the sheer joy of singing and the pleasure they bring to their listeners.

I understand that some Members of this House were fortunate enough to be present and had the pleasure of hearing the Sweet Adelines. Although I missed this year's competition, if the past performances of these groups is any indication, I assure you it was a rare treat, and suggest to my colleagues that when they have an opportunity to hear these groups, they should take advantage of it and will be as enthusiastic as I.

CUTTING COMMISSARIES: A MISPLACED EMPHASIS

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. HARRIS. Mr. Speaker, today I testified against President Ford's proposal to cut the defense budget by reducing funds for commissaries. I believe this proposal is ill advised and would severely hurt retired and active duty military families. I would like to share my statement with my colleagues in the Congress at this point:

STATEMENT OF CONGRESSMAN HERBERT E. HARRIS II, BEFORE THE SUBCOMMITTEE ON INVESTIGATIONS, HOUSE ARMED SERVICES COMMITTEE, MAY 22, 1975

I oppose President Ford's proposal to cut $250 million from the Defense Department's budget for military commissaries by October, 1977 and have cosponsored H.R. 3363 and H. Con. Res. 249 because President Ford's so-called economy program would increase food costs for active and retired military families during one of the nation's worst economic crises.

The Department of Defense has tried to peddle this proposal as "an effort to reduce Defense expenditures and to increase the share of the Defense budget allocated to combat forces." I cannot accept the argument that the way to reduce defense spending is to reduce benefits to military personnel. The $250 million in potential savings to the government should come from other places—not the pockets of the active and retired military.

With inflation eating away at family budgets, the President's plan would have a drastic effect on our nation's military retirees. Many of those affected retired when pay scales were quite low; a high percent have incomes under $4,000. Among the nation's one million military retirees, the average person retired as a staff sergeant or third-class petty officer. Of our retirees, officers are less than one third. As one VFW official has said, "Those commissary savings are a matter of economic life or death to a lot of retired people." Inflation hurts the elderly worst; we cannot add to it.

I am also particularly concerned about the devastating effect of this proposal on our enlisted military personnel. Sixty-seven percent of those currently in uniform are in the lower enlisted grades and earn less than $7,000 a year. Commissary privileges are part of the overall benefits program, along with

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health, retirement and veterans benefits. That commissaries are part of this benefits package is an important factor in both attracting and retaining individuals in the military. And it seems to me that now that we no longer have a draft, we must make military service as attractive as possible. Making our enlisted men and women pay more for food is not the way.

The message I have gotten most often from my military constituents, currently serving and retired, is the President's proposal is "breaking faith." They entered service expecting to devote time to their country, to possibly risk their lives, to frequently move themselves and their families. They work overtime without compensation, they are often separated from their families. And now, symbolically, the government is saying, "You bear the brunt." I maintain this is unfair and unjust. They hold up their half of the bargain, and the government must do its part in return. This proposal, if it goes into effect, will greatly undermine the morale of our armed forces, a factor as important as any sophisticated, technological weapons system in maintaining a strong national defense.

The savings of $250 million in the federal budget is three-tenths of one percent of our total military budget. That we can "reduce Defense expenditures" by this action is a most specious argument, in my view. That we can cut the Defense budget by exacting a further toll on our military retirees, veterans, widows, and disabled is 'not only bad economics, it is a badly misplaced emphasis.

I want to commend this Subcommittee on Investigations for looking into this issue. There are probably areas in the operation of commissaries that can be improved and I would urge this Subcommittee to pursue them. Since the actual change required to oppose or effectuate the President's proposal must be made in the 1976 Department of Defense appropriations bill, I will take my case to the Appropriations Committee as well. I urge the Subcommittee on Investigations to continue its efforts and I am grateful for the opportunity to testify today.

SUSTAINS PRESIDENT'S VETO OF SURFACE MINING CONTROL

HON. SAM STEIGER

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. STEIGER of Arizona. Mr. Speaker, the proponents of the surface mining Control bill keep telling us how much the American public is clamoring for very restrictive controls on surface mining. But, once again, the majority of the Members of Congress are misreading the sentiments of the consumers.

While the Congress is still trying to take coal out of product by passing unworkable surface mining legislation, the public is going in the opposite direction and believes that surface mining legislation should be liberalized.

A recent Harris poll on energy questions shows clearly that this is indeed the trend. I call to my colleagues attention the May 19, 1975, "Dear Colleague" from Jim Wright that points out the recent Harris poll results on energy-related questions. The poll shows that on the questions of liberalizing surface mining, 51 percent favored liberalization while only 29 percent answered "No." This is a change from a poll 2 years ago in which the public had disapproved liberalization by 42 percent to 37 percent.

I ask my colleagues to consider this shift in public attitude, to consider the high unemployment that is facing this country, to consider the already high financial burdens being placed on consumers, and to consider our still growing and fragile dependence on foreign oil to meet our energy needs.

The public is way ahead of us, but we still have one chance to catch up with them—by sustaining President Ford's veto of the surface mining control bill on June 10, 1975.

I also ask my colleagues to talk to your constituents over the Memorial Day recess and ask them if they are willing to add an additional 8 to 15 percent to their utility bills to pay for this legislation.

THE 176TH ANNUAL COMMENCEMENT OF GEORGETOWN UNIVERSITY

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. MURPHY of New York. Mr. Speaker, on Sunday, May 18, Georgetown University conducted its 176th annual commencement. The Reverend R. J. Henle, S.J., president of the university, presiding. The John Carroll Medal of Merit was presented to Msgr. Joseph Joshua Mundell. Honorary degrees were conferred upon John Carter Brown, doctor of humane letters; Hon. LEONOR K. SULLIVAN, doctor of laws, and the Reverend Brian A. McGrath, S.J., doctor of laws.

Our colleague, the honorable LEONOR SULLIVAN, chairman of the House Merchant Marine and Fisheries Committee was the speaker to the combined schools of the college of arts and sciences, the graduate school, the school of nursing, the school of foreign service, the school of languages and linguistics, and the school of business administration. Her address was a particularly outstanding and timely message to be deliberated upon not only by the graduates but all Americans. I include her remarks:

ADDRESS BY CONGRESSWOMAN LEONOR K. SULLIVAN

For more than 40 years—since the parents of most of the members of this graduating class were learning to read and write in elementary school—we have been obsessed with two overriding national policy concerns which are becoming more urgent today than during most of those preceding years. Those concerns are:

How to assure full emloyment for the American people without inflation; and, at the same time, how to achieve a world in which our freedom and the freedom of others can survive side-by-side with the forces of militant totalitarianism.

This is not a good month in which to talk about our achievements in either field, The Labor Department has just told us that we have higher unemployment now than at any time in the past 34 years—since 1941. Whether or not you have been following the statistics, I know that all of you who are now looking for jobs don't need statistics to know that the employment outlook, temporarily, at least, is dismal. It's bad enough for those of you completing your undergraduate education heavily in debt at a time when jobs are virtually non-existent; it's even worse if some of you have parents—heavily in debt, too, to get you through these past four years—who must stand in unemployment compensation lines, probably for the first time in their lives.

This, in a nation which 29 years ago, committed itself as a solemn obligation to see that there are adequate jobs for all Americans willing and able to work.

The Employment Act of 1946 is still the law of the land, but unemployment is nevertheless worse today than it was five years before that Act was passed, or any time since.

And our foreign policy—designed to encourage and strengthen the forces of political freedom everywhere, to deter aggression by joining in collective security measures, to use some of our vast economic resources to raise living standards and health standards among less-fortunate peoples throughout the world—this policy, too, is frayed and tattered following the collapse and surrender of a nation in which we have invested and lost more than 55,000 American lives, more than 150 billions of our taxpayers dollars, and, in the process, our political unity and our confidence in ourselves and our democracy.

Vietnam has been an excruciatingly painful abscess on the body politic of America. There is a yearning desire to get rid of everything reminiscent of it.

But it won't go away. For we are being forced by the outcome of this war to reevaluate *all* of the policies of the past 30 years, since the end of World War II, which led to our involvement in the disaster of Vietnam. We didn't stumble into it—it appeared to be a logical extension of our commitment, most nobly expressed in the Inaugural Address of President John F. Kennedy, to support those willing to fight to defend themselves against aggression. President Franklin D. Roosevelt forged the principle in the Atlantic Charter and in the plans for the United States; President Harry S Truman carried it forward with the establishment of the UN, the Greek-Turkish aid program, the Marshall Plan, NATO, and our intercession in Korea.

President Dwight D. Eisenhower expanded on it with the South East Asia Treaty Organization, and intervention in the Middle East.

We chose to get out of Vietnam long before the end. The American people demanded such a course, and Congress rightly acted to enforce the demand.

And now, despite the protestations of our leaders in recent weeks, following the fall of South Vietnam, that our refusal to reenter Vietnam did not represent any lessening of our commitments to help defend the freedom of allies on every continent— commitments which, unlike the one to South Vietnam, were incorporated in treaties ratified by the Senate—we all know that these commitments have lost or are losing public support. And so, they are going to have to be looked at all over again—searchingly, critically. Has the policy been wrong from the beginning or did it go wrong only in Vietnam?

Thirty years ago we undertook, virtually singlehandedly, to rescue Western Europe from devastation of war. First through the Interim Aid Program and then through the Marshall Plan and NATO, we were instrumental in making Western Europe into a flourishing economic entity of democratic strength. Is it now time to pull out our troops, and bring them home?

In 1936, we promised the Philippines their independence in 10 years, and after liberating those islands in World War II, made good

on the promise. Is it time now to say: You're on your own? How about South Korea? Is its survival still our problem after 25 years? Should it be Do we give up the Panama Canal and bless the dictatorship of Panama with our commercial lifeline between eastern and western United States

In other words, is the new policy of detente a sure and safe one on which to rest the future peace of the world? Or is it merely a temporary breathing period with the vast empires President Ford refers to as our "potential adversaries", and which President Truman's Secretary of State once characterized as "aggressive and expansionist"?

I am asking questions for which there are no clear-cut, definitive answers. But they are questions which all of us, and the peoples of all free nations, are going to have to address ourselves to.

I have lived through the era when our worldwide foreign commitments were being developed out of what was regarded as an agonizing sense of world need; and for the past 23 years, as a Member of the Congress of the United States, I have had to vote yea or nay on scores and hundreds of rollcalls involving these issues. All of us over the age of 40 who remember the war which ended 30 years ago, and who knew or learned about the events leading up to that war, were absolutely convinced that our own freedom and our own security depended upon a world order united to prevent aggression. The United Nations was the key to that objective. But in all these 30 years the UN has not yet been formally structured to accomplish the primary purpose for which it was established: the prevention of aggression—by persuasion, if possible, and otherwise by force.

In the coming months and years ahead—starting now—we are going to have to, as I said, take a critical look at every policy we thought was right in the international field, because either those policies were wrong to begin with, or we have allowed them to become ineffectual by neglect, or they are obsolete in terms of a world 30 years older and incomparably different from that of 1945.

When those of us who helped to shape the policies now in question are long gone from the scene, you who are graduating today will be living out in your lives the results and consequences, and the promises and dangers, of any new policies to be decided upon to replace or to buttress those which are not working out as we had hoped.

No one coming before a college graduating class this year has to urge your generation to question the decisions of those who represent you in government. You have been conditioned throughout your college careers to distrust all politicians. You have seen a Vice President of the United States drummed out of office as a petty, political grafter. You have seen a President of the United States resign in order to escape certain impeachment and conviction for high crimes in office. You have seen a parade of men who had been among the highest officials of government, including some closest to a President and three of his former cabinet officers, go before the bar of justice to plead guilty or be convicted of subverting the laws of this country.

And you have watched as political decisions caused an economy which was the wonder of the world to deteriorate, after eight years of unprecedented growth and prosperity and stability, into a morass of inflation and recession which we are told is going to creep and drag into at least another year.

Perhaps the best thing for me to do right now is to welcome you to an "establishment" which is just as confused about the future as you are, and to say: "Let us pray."

But it is not that hopeless. It is not hopeless at all.

We learned in this country 40-some years ago that the vicissitudes of economic cycles do not have to be left alone to batter us between boom and bust. We thought we had learned how to handle inflation on the one hand and recession on the other. In fact, we have done so with remarkable success on numerous occasions since the 1930's. We haven't forgotten how.

If this new Congress can get itself together and stop fighting itself over rules and procedures and personal preferment, and particularly if the large new freshman class can devote as much enthusiasm and effort to the terribly hard tasks of legislating as it has to organizing against seniority; and if the Executive Department, which represents a philosophy which fought all of the economic reforms of the New Deal, the Fair Deal, the New Frontier and the Great Society—terms which may sound hollow today but meant a lot at the time—if the Executive Department will suddenly recognize that in the programs of those previous years are tools which can be refurbished and used again with great effectiveness if there is a will to use them. . . .

If we can do these things, and do them soon, we can overcome current economic conditions which your parents undoubtedly grew up believing could never occur again in this country. And if we do them, there will—and must—be jobs for all of you completing your education and places for those who go on to graduate school, and for any of your parents hit by this recession, and for your brothers and your sisters and your cousins and your aunts, and uncles, too—for all who want to work in an expanding, productive, stable economy.

But that won't help us decide what to do in the world at large. Well, yes—to a certain extent, it would.

One of the reasons the traditionally good-hearted, generally unselfish, open-handed American people were willing to help feed the hungry throughout the world, and finance vast development projects in almost every poor nation on the face of the earth, was that our economy was so strong and vibrant we felt we could afford these large international investments in human decency.

But that is not the case today. There is so much fear of tomorrow's possible economic deprivations among Americans of all ages that the milk of our human kindness is beginning to curdle perceptibly. The young resent paying social security taxes they mistakenly believe help only the elderly; the hard-squeezed middle income groups, which can not afford to buy homes because of the unconscionable level of interest rates, and for whom the expenses of a son's or daughter's education are crushing burdens, write me constantly in opposition not only to the aid we dispense to the needy abroad but even to that we spend on our own poor. We have had an outpouring of anger over the influx of a comparative handful of Vietnamese refugees fleeing for their lives. This was not entirely unexpected. The resentment, and even fury, I find in some of my correspondence from constituents about the cost of a program of government I was responsible for writing into law, the food stamp plan, indicate that the people of the United States, whether affluent, comfortable, or hard-pressed, feel poor, or, at least feel economically threatened.

So if we are to continue to use any substantial portion of our resources to combat the kind of misery abroad which breeds wars, we have got to revitalize our own economy—and quickly.

We know how. But a lot of powerful economic interests must be curbed or regulated in that process, and it takes real political courage and visible public support to accomplish these ends. The college generations of the past 10 years have been articulate in opposing national policies they disagreed with. Now you must shown equal dedication in fighting for the public policies we need to adopt to help solve the serious problems I have been describing.

Good luck and God bless you and keep you. You will find your way into the professional and civic life of this nation. As you do, use your good education not only to make a good life for yourself and your family but please—please—use it, too, to help eradicate the misery and poverty which afflict too many of our fellow citizens, and most of the people of the world. If the college-educated citizens among us shrink from these burdens, they will of a certainty be rejected by everyone else. And if that happens, you won't like the world you live in.

TERROR IN IRAN AND ITS U.S. SUPPORTERS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. McDONALD of Georgia. Mr. Speaker, at 6:30 a.m. on Wednesday, May 21, Lt. Cols, Paul R. Shaffer, Jr., and John H. Turner were shot to death by Marxist Iranian terrorists in Teheran.

In an action typical of urban guerrillas, the two officers were attacked in the early morning while on their way to work. Two cars were used by the terrorists to blockade the officers' car. The two American Air Force officers were shot to death at close range with submachine guns. The terrorists scattered leaflets in English and Persian, and escaped in a third car.

An anonymous female telephoned Associated Press offices in Teheran, proclaiming:

> The execution of American officers today was a reply to the execution of nine Iranian revolutionaries in prison last month.

The woman said she represented the hitherto obscure Iranian Peoples' Fighters Organization, possibly a splinter from the Maoist Revolutionary Organization of Tudeh.

With the warped logic typical of Marxist revolutionaries, the woman charged that the Shah of Iran was a "stooge of the Americans, therefore we murder Americans."

As tragic as these murders are, and indicative of the need for increased protection of American officials and their families overseas, the potential for similar events occurring here in America exists.

Several violence-prone groups of Iranian nationals operate in this country in close cooperation with domestic Marxist-Leninist organizations. The largest and most active of these is the Iranian Student Association in the United States—ISA or ISAUS.

The Iranian Student Assocation has been active in this country for at least 10 years. It is a member of the World Confederation of Iranian Students—National Union—which has its headquarters in West Germany.

Iran Report, self-characterized as the "quarterly analytical journal of the International Relations Secretariat of the World Confederation of Iranian Stu-

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dents, National Union," which is published in the United States by the Iranian Student Association International Relations Secretariat from P.O. Box 4000F, Berkeley, Calif. 94704, sets the tone for ISA rhetoric. As an example:

> The march of history in Iran has witnessed many courageous, brave liberation fighters who have taken the banner of revolution into their own hands, and who have stepped forward to give their lives so that the toiling masses and all the revolutionary people of our country may enjoy a free, democratic, open and progressive Iran. * * *
>
> Today is no different. As a matter of fact, in this period of Iranian history, when the anti-imperialist progressive movement of the Iranian people has placed as its number one priority the task of anihilating the puppet regime of the Shah of Iran and the privilege of expelling all imperialist forces, we are witnessing an ever increasing emergence of revolutionary fighters who place their lives on the line in order to defend the interests of the Iranian people.

Early in its career, the Iranian Student Association received support and publicity from two U.S. Trotskyist Communist parties, the Socialist Workers Party—SWP—and the Workers World party—WWP—and from their respective youth groups—the Young Socialist Alliance—YSA—and Youth Against War and Fascism—YAWF.

However, during the 1970's, the Maoist Communists of the Revolutionary Union—RU—became the major U.S. "anti-imperialist" influence in the ISA. The Maoists forced a split in the ISA early in 1974 and expelled Babak Zahraie, the leading Trotskyist, and his followers who now comprise the Committee for Artistic and Intellectual Freedom in Iran—CAIFI.

Active ISA chapters exist in Boston; New York City; Washington-Baltimore; Austin and Houston, Texas; Los Angeles; San Francisco and Seattle. In most of these areas, the ISA works closely with the Revolutionary Union and its controlled front groups which include the Vietnam Veterans Against the War/Winter Soldier Organization—VVAW/WSO—and the Revolutionary Student Brigade—RSB. ISA also supports the activities of other revolutionary groups of foreign nationals, such as the Eritrean Student Association, Eritreans for Liberation, the Arab Student Association, and the Palestine Liberation Organization.

Iranian Student Association demonstrations have often resulted in violent confrontations and attacks on police officers. For example 41 ISA activities were arrested on June 26, 1970, in a wild melee in San Francisco at the Iranian consulate. Several police officers were seriously injured, and one with a broken bone in his spine from a karate kick.

More recently, on March 17, 1975, six ISA demonstrators involved in a scuffle with a professor were arrested at the Columbia School of International Affairs for harassment and criminal trespass. The Revolutionary Student Brigade staged a sympathy sit-in in support of the ISA. Seventeen RSB members were arrested then for criminal trespass.

It is noted that demonstrations conducted by the Iranian Student Association are accompanied by extremely violent rhetoric and are frequently disruptive of public order. To avoid being identified during these demonstrations, ISA members frequently wear masks or bandanas.

Reflecting the same fanatical revolutionary hatred for the Shah of Iran and the United States exhibited by the killers of Colonels Shaffer and Turner, the Iranian Student Association Washington-Baltimore chapter, 1424 16th Street, N.W., suite 404, Washington, D.C. 20036 (202/293-9645) called a demonstration on May 17 to protest the Shah's state visit to Washington.

Local ISA leaflets, as also in Berkeley and Houston, supported the guerrillas waging a "people's war of national liberation" in the Dhofar province of Oman. The guerrillas, styling themselves the Popular Front for the Liberation of Oman, are supported by the People's Democratic Republic of Yemen and other Arab socialist countries.

One ISA leaflet distributed locally read in part:

> The Middle-east has become a hot bed of anti-imperalist national liberation struggles. Having been totally defeated in Indo-china by the heroic struggle of Indo-chinese peoples, U.S. wants to avoid direct all out military invasion of countries in which it will inevitably be defeated. Instead, it plans to have smaller puppet governments to do its dirty work for it.
>
> This plan aims to defeat national liberation struggles in a early stage before they develop into a people's war.
>
> The struggle of the Iranian people has intensified at all levels and will continue until total expulsion of imperialist forces and overthrow of the reactionary ruling classes in Iran.
>
> The most recent atrocity committed by the Shah's regime was the killing under torture of nine Iranian patriots—Bizhan Jazani and eight others who were arrested 8 years ago * * * and were finally murdered two weeks ago.
>
> True to their consistent patriotic struggle, the masses of intellectual's, religious leaders, and specially the workers and peasants continue to answer this heightened oppression with renewed strength and resolute reprisal.

And we see that leading the list of "resolute reprisals" is the gunning down of the two U.S. Air Force officers.

As yet another indication of the close ties between the ISA and our own so-called revolutionary anti-imperialists, the ISA joined the RU-dominated VVAW/WSO at Fort Mead on May 17, to protest various military regulations and discipline.

Approximately 40 ISA members and 50 VVAW/WSO and RU activists demonstrated at Fort Mead's front gate. The mixed group was led by 2 RU cheerleaders—Robert Richard Baracca, a former Venceremos Brigade member who was wearing his VVAW/WSO t-shirt, and Alan Barysh, active with the RU and RSB. A special guest was Brian Adams from VVAW/WSO's national office in Chicago.

The principal chant was "GI's and Vets, United to Fight." But it was clearly understood that the fighting would be against, rather than for our Government.

An Iranian Student Association speaker harangued the demonstrators, but his frenetic anti-imperialist fervor rendered him incomprehensible.

The public record of the activities of the Iranian Student Association is such that it clearly shows that the organization and its members are threats to the internal security of this country, and are potentially a serious threat to the security of Iranian Government leaders.

There is no legitimate excuse for allowing these revolutionaries to remain in this country which they profess to hate. Additionally the visas of many ISA members must be renewed each year. I suggest that concerned fellow Members of Congress and citizens join in demanding that the State Department enforce the laws of the United States, which specifically exclude this category of individual.

STATEMENT OF DR. EDWARD J. ANDERSON

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mrs. HOLT. Mr. Speaker, in all too many instances, the Congress finds that administrative agencies, zealous to justify their existence and growth, claim extraordinary powers never intended by Congress.

In recent times, Anne Arundel County, Md., has experienced this problem in its fullness. The offending agency has been the Office for Civil Rights of the Department of Health, Education, and Welfare.

The Anne Arundel County school system and HEW have engaged in a wrestling match for a year and a half, because HEW was unwilling to recognize any reasonable limits on its authority to intervene in local school affairs.

The Office for Civil Rights entered Anne Arundel County to undertake a "pilot" investigation of alleged racial discrimination in the application of discipline.

Although the agency had received two individual complaints of discrimination and a list of vague and general complaints, it never really investigated them.

Instead, it concerned itself with collecting volumes of statistics, reports, documents, and whatnot from the school administration. It also claimed unlimited authority to examine masses of confidential student records and to interview students and teachers.

On several occasions, Dr. Edward J. Anderson, the superintendent of schools, attempted to reach agreement with HEW on reasonable guidelines for the investigation. He discovered that the agency was unwilling to be bound by any reasonable standards that would protect the integrity of the school system and the rights of students, teachers, and parents.

Meanwhile, the State Department of Education sent a task force into Anne Arundel County to investigate the complaints that had been filed with HEW. The State task force diligently investigated the specific complaints and found no evidence of racial discrimination.

But HEW was not abandoning its goal

of picking through extensive, confidential files and interrogating students and teachers for a broad survey far beyond the scope of the original complaints.

Last November 22, the Justice Department filed suit against the Anne Arundel County Board of Education at the request of HEW. The purpose of the civil action was to open Anne Arundel County schools to the unlimited witch hunt envisioned by HEW..

Fortunately, Judge Edward S. Northrop of the Federal District Court recognized that some reasonable guidelines were needed to restrain HEW and protect the individuals involved.

I believe the May 19 opinion by Judge Northrop will become an extremely important precedent in proceedings between HEW and local school systems throughout this country.

While the decision protects the authority of HEW to investigate complaints of discrimination, it also established controls and restraints to protect the rights of individuals affected by the investigation. It also requires HEW to investigate the original complaints and complete its report within 60 days.

I commend Dr. Anderson for his courage and determination in insisting upon due process of law. Immediately after the court handed down its decision, Dr. Anderson issued a statement. I offer this statement for the RECORD:

> STATEMENT OF DR. EDWARD J. ANDERSON
>
> The Court Order signed today by Chief Judge Edward S. Northrop is a most satisfactory and fair response to the concerns and objections we have raised with regard to HEW's activities in Anne Arundel County since 1973.
>
> On the important question of releasing personally identifiable student records, the Judge has ruled HEW must request these records from the school system and, in the event the school system refuses to release this information, HEW must seek a Court Order for these records. In seeking such a Court Order, HEW must show "a proper and reasonable basis" for the requesting the information. It has been our position from the outset that HEW, contrary to its statements and threats to cutoff funds, does not have the unilateral authority to require release of confidential student records in the absence of parental permission, but must proceed through the Courts to obtain this information. We have, in fact, repeatedly told HEW through the entire course of this investigation that we would not turn over confidential student records without parental permission, unless ordered by the Court to do so. Such a Court Order would, we have said, be the only means by which the legal barrier contained in Maryland Confidentiality Laws could be removed. We intend to deny any request by HEW for confidential student records not released by parents. Judge Northrop's order requiring HEW to then proceed through the Court in pursuance of this information sustains our initial view of the channels through which such requests must pass, and the only conditions under which such information may be released.
>
> We have complete confidence in the Court's ability to determine which of HEW's requests for confidential information are "proper and reasonable" and which are not. We believe the Court will be prudent and fair in these determinations, thus eliminating the danger of wholesale entry by HEW, without parental permission, into masses of confidential student records. As we see it, with this restriction placed upon HEW by the Court, the Federal Government's unbridled fishing expedition in Anne Arundel County is over.
>
> With regard to parents' rights, HEW continues to refuse to ask parental permission before examining confidential records of children, or even to notify parents of their intention to do so. This school system, however, will take it upon itself to immediately inform any parent whose child's records have been requested by HEW. We intend to protect the basic right of parents to know who is examining their children's private files, and to object to such examination if they so desire. If a parent objects to release of his child's confidential record, the school system will refuse HEW's request, requiring HEW to seek a court order. Parents will then have an opportunity to take whatever legal actions they themselves may wish to take, if any, under the circumstances.
>
> As to the interviewing of students under the age of majority by HEW investigators, we note, again with satisfaction, Judge Northrop's stipulation that no such student may be interviewed by HEW if parents object. We intend to notify parents of student interviews requested by HEW, so they may have an opportunity to react to this request.
>
> Similarly, Judge Northrop has sustained our long-held position that a third party and a recorder must be allowed to be present during HEW interviews with school system staff members if requested. This condition was summarily rejected by HEW at one point during its investigation. It should be noted that school system staff members are not required to submit to interviews with HEW investigators, but may request a third party and a recorder be present if they elect to do so.
>
> It should be made clear once again that we never contested HEW's right to conduct an investigation in Anne Arundel County. Our objections from the very beginning have centered around the methods and procedures to be used, and the prerogatives to which HEW persistently laid claim. Previous to Judge Northrop's Order, HEW claimed the right to seek, on its own authority, any confidential student record—without parental permission—and to cut off Federal funding if this school system did not turn over these records. It also claimed the right to interview students, whether or not parents objected, and to interview staff members without witnesses, recorders, or any other guarantee of objectivity and accuracy. We have always felt our position on these issues has been fundamentally fair, and Judge Northrop's decision sustains that view. We are now willing to proceed with the investigation, under the controls and restraints imposed upon HEW by the Court, including the requirement that it be conducted "in an objective and reasonable manner."

THE ARTS, HUMANITIES AND CULTURAL AFFAIRS ACT OF 1975

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. BRADEMAS. Mr. Speaker, as chairman of the Subcommittee on Select Education, which has jurisdiction over matters affecting the National Foundation on the Arts and Humanities and Museums, I yesterday together with the gentleman from California (Mr. BELL) the ranking minority member of the subcommittee, introduced the Arts, Humanities and Cultural Affairs Act of 1975 (H.R. 7216).

A companion measure has been introduced in the Senate by the junior Senator from Rhode Island, Mr. PELL, chairman of the Special Subcommittee on Arts and Humanities and the senior Senator from New York, Mr. JAVITS, the ranking minority member of the subcommittee.

Mr. Speaker, I should point out to my colleagues that it is my intention to introduce companion legislation after the Memorial Day recess and to invite members of the Education and Labor Committee to join in sponsoring this measure.

I further extend this invitation to my other colleagues in the House to join Mr. BELL and in sponsoring this measure. Members desiring to cosponsor the bill should contact the Subcommittee on Select Education on extension 5-5954.

Mr. Speaker, the Arts, Humanities and Cultural Affairs Act of 1975 (H.R. 7216) is a bill to amend and extend the National Foundation on the Arts and Humanities Act of 1965, to provide for the improvement of museum services, and to provide indemnities for exhibitions of artistic and humanistic endeavors.

More specifically, Mr. Speaker, the bill, H.R. 7216 makes the following provisions:

TITLE I—ARTS AND HUMANITIES

Title I of the act would extend for 4 more years the life of the National Endowments for the Arts and the Humanities, which were created by the National Foundation on the Arts and Humanities Act of 1965.

FUNDING LEVELS

Present levels of funding would be maintained for the next 2 years with the final 2 years of the extension with no authorization levels spelled out. At the present time, the National Endowments for the Arts and Humanities have an authorization level of approximately $230 million but the appropriation is only $160 million.

Mr. Speaker, we are all familiar with the work of the National Endowments; in the 9 years of their existence, their programs of grants and fellowships have enriched the lives of millions of Americans. I shall not here take the time to list the many achievements of the Endowments.

Title I of H.R. 7216 contains two additional amendments to legislation authorizing the National Foundation.

AMERICAN FILM INSTITUTE

H.R. 7216 proposes to set aside 4 percent of the funds authorized for the programs of the National Endowment for the Arts for the support of the American Film Institute—AFI. The American Film Institute was established under a grant from the National Endowment for the Arts and continues to be partially supported by the Endowment.

STATE HUMANITIES COUNCILS

H.R. 7216 also mandates the creation of State Humanities Councils. Although Dr. Ronald Berman, Chairman of the National Endowment for the Humanities, has done a commendable job in creating voluntary State Humanities Councils for each State, this amendment would give each State Humanities Council a degree of autonomy and a promise of continued existence.

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TITLE II—MUSEUM SERVICES AND EXHIBITIONS

Title II of the bill would give Federal support to museums to help them improve the services that they offer to the public.

Evidence is mounting that America's museums have become victims of their own extraordinary success; 30 years ago attendance at the nearly 5,000 museums in the United States totaled some 50 million visits annually, and today that figure has reached nearly 700 million and is climbing rapidly. The pressures, both of an increasing population and the rising interests of Americans of all kinds in seeing the works of art, historic objects, and scientific collections in American museums have pushed museums to their limits in meeting the rising cost of their services.

Increased attendance and increased requests for services, especially educational services, mean increased costs for training staff, guards, guides, acquisitions, exhibits, buildings, and insurance. These are among the reasons for the serious financial problems that American museums are now facing. Title II of the bill would address itself to some of these problems.

PART A—SERVICES

Mr. Speaker, part A of title II of the bill, the Museums Services Act, would create a National Museum Services Board and an Institute for the Improvement of Museum Services through both of which the Federal Government would assist museums in areas of improving displays, hiring professional staff, and meeting some of their administrative costs.

The estimated cost of this part of the bill is $113 million, over a 4-year period.

PART B—INDEMNIFICATION

Mr. Speaker, part B of title II of the bill, the Arts and Artifacts Indemnity Act, would create a Federal program of indemnification covering exhibitions from other countries which are brought to the United States. This section does not insure museums. Rather it aids those museums which bring in exhibitions of educational, cultural, historical, or creative value.

One of the major costs of international exhibitions—estimates vary from one-half to two-thirds of the total cost—arises from the necessity of providing insurance for the exhibition. Insurance payments are high because of the irreplaceable nature of the work that is exhibited.

Under this bill, a very limited program would be created which would, in effect, pledge the full faith and credit of the United States to indemnify other countries if any of the art and artifacts brought here under an exchange program were damaged or destroyed.

This is not a new idea; the Federal Government has already pledged its full faith and credit to indemnify the exhibition of art from the Peoples' Republic of China and the current exhibition of Scythian gold artifacts from the Soviet Union at the Metropolitan Museum of Art in New York. When one thinks that 701,554 people—over two-thirds of a million—attended the Chinese exhibition at the National Gallery in the 3½-month period it was on exhibition here, one realizes the enormous interest that these exhibitions arouse among the American people. This section of the bill would simply insure our ability to continue these international exhibitions.

The Subcommittee on Select Education has scheduled a joint hearing on title II, part B, the Arts and Artifacts Indemnity Act, with the Senate Special Subcommittee on Arts and Humanities for Wednesday, June 4, 1975 in room 4232 of the Dirksen Senate Office Building beginning at 9:30 a.m.

Witnesses who have been invited to testify include Douglas Dillon, president of the Metropolitan Museum of Art; George Seybolt, president emeritus, board of trustees, Museum of Fine Arts, Boston; Nancy Hanks, Chairman of the National Endowment for the Arts; and Dr. Ronald Berman, Chairman of the National Endowment for the Humanities.

ASK CONGRESS

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. WOLFF. Mr. Speaker, I would like to take this moment to thank you, and the distinguished majority leader for your kind words on "Ask Congress," the discussion program I have moderated for the past years. As you know, my purpose in establishing this program was to help provide the American people with further insight into the issues confronting the Nation and the way in which the Congress grapples with the issues. I would also like to thank the various Members of both parties who have taken the time to appear on the show to explain their views and how they hope to see them implemented. An additional note of thanks is due Mr. Jim McCarthy of the CBS radio group who has volunteered his time in moderating the program when I was unable to appear.

At this point, I would like to insert into the RECORD a list of past and present Members of Congress who have appeared on "Ask Congress."

Past and Present Members of Congress Who Appeared On "Ask" Congress

Hon. Bella Abzug of New York
Hon. Joseph Addabbo of New York
Hon. Carl Albert of Oklahoma
Hon. Jerome Ambro of New York
Hon. Glenn Anderson of California
Hon. John Anderson of Illinois
Hon. William Anderson
Hon. Herman Badillo of New York
Hon. Robin Beard of Rhode Island
Hon. Jaime Benitez of Puerto Rico
Hon. Bob Bergland of Minnesota
Hon. Mario Biaggi of New York
Hon. Jonathan Bingham of New York
Hon. John Blatnik of Minnesota
Hon. Hale Boggs of Louisiana
Hon. Lindy Boggs of Louisiana
Hon. John Brademas of Indiana
Hon. John Breaux of Louisiana
Hon. Clarence Brown of Ohio
Hon. John Buchanan of Alabama
Hon. John Burke of Massachusetts
Hon. Howard Cannon of Nevada
Hon. Hugh Carey of New York
Hon. Tim Lee Carter of Kentucky
Hon. Emanuel Celler of New York
Hon. Shirley Chisholm of New York
Hon. William Cohen of Maine
Hon. Cardiss Collins of Illinois
Hon. Barber Conable of New York
Hon. Silvio Conte of Massachusetts
Hon. Philip Crane of Illinois
Hon. Dominick Daniels of New Jersey
Hon. George Danielson of California
Hon. Mendel Davis of South Carolina
Hon. John Dellenback of Oregon
Hon. Ronald Dellums of California
Hon. Frank Denholm of South Dakota
Hon. John Dent of Pennsylvania
Hon. Ron de Lugo of Virgin Islands
Hon. David Dennis of Indiana
Hon. Edward Derwinski of Illinois
Hon. John Dingell of Michigan
Hon. Christopher Dodd of Connecticut
Hon. Robert Drinan of Massachusetts
Hon. Pierre du Pont of Delaware
Hon. Bob Eckhardt of Texas
Hon. Don Edwards of California
Hon. John Erlenborn of Illinois
Hon. Walter Fauntroy of the District of Columbia
Hon. Millicent Fenwick of New Jersey
Hon. Hamilton Fish, Jr. of New York
Hon. Paul Findley of Illinois
Hon. Daniel Flood of Pennsylvania
Hon. Walter Flowers of Alabama
Hon. Gerald Ford of Michigan
Hon. Edwin Forsythe of New Jersey
Hon. Donald Fraser of Minnesota
Hon. Bill Frenzel of Minnesota
Hon. James Fulton of Pennsylvania
Hon. Don Fuqua of Florida
Hon. Nick Galifianakis of North Carolina
Hon. Joe Gaydos of Pennsylvania
Hon. Robert Giaimo of Connecticut
Hon. Benjamin Gilman of New York
Hon. Edith Green of Oregon
Hon. Tennyson Guyer of Ohio
Hon. Lee Hamilton of Indiana
Hon. John Hammerschmidt of Arkansas
Hon. Ken Harding Sergeant at Arms
Hon. Herbert Harris of Virginia
Hon. James Hastings of New York
Hon. Mark Hatfield of Oregon
Hon. Wayne Hayes of Ohio
Hon. F. Edward Hébert of Louisiana
Hon. Ken Hechler of West Virginia
Hon. Henry Helstoski of New Jersey
Hon. Chet Holifield of California
Hon. Marjorie Holt of Maryland
Hon. Elizabeth Holtzman of New York
Hon. Frank Horton of New York
Hon. William Hungate of Missouri
Hon. Richard Ichord of Missouri
Hon. James Jeffords of Vermont
Hon. Pat Jennings, Clerk of the House
Hon. John Jenrette of South Carolina
Hon. Albert Johnson of Pennsylvania
Hon. Walter Jones of North Carolina
Hon. Barbara Jordan of Texas
Hon. Joseph Karth of Minnesota
Hon. Robert Kasten of Wisconsin
Hon. Robert Kastenmeier of Wisconsin
Hon. Martha Keys of Kansas
Hon. Edward Koch of New York
Hon. John Krebs of California
Hon. John LaFalce of New York
Hon. Robert Lagomarsino of California
Hon. Phil Landrum of Georgia
Hon. Earl Landgrebe of Indiana
Hon. Robert Leggett of California
Hon. Norman Lent of New York
Hon. Jerry Litton of Missouri
Hon. Clarence Long of Maryland
Hon. Trent Lott of Mississippi
Hon. Andrew Maguire of New Jersey
Hon. James Martin of North Carolina
Hon. Romano Mazzoli of Kentucky
Hon. Robert McClory of Illinois
Hon. Paul McCloskey of California
Hon. Jack McDonald of Michigan
Hon. Robert McEwen of New York
Hon. Stewart McKinney of Connecticut
Hon. Lloyd Meeds of Washington
Hon. Edward Mezvinsky of Iowa
Hon. William "Fishbait" Miller, The Doorkeeper of the House

Hon. Wilbur Mills of Arkansas
Hon. Patsy Mink of Hawaii
Hon. G. V. Montgomery of Mississippi
Hon. William Moorhead of Pennsylvania
Hon. F. Bradford Morse of Massachusetts
Hon. Charles Mosher of Ohio
Hon. John Moss of California
Hon. John Murphy of New York
Hon. Morgan Murphy of Illinois
Hon. Lucien Nedzi of Michigan
Hon. David Obey of Wisconsin
Hon. George O'Brien of Illinois
Hon. Thomas R. O'Neill, Jr. of Massachusetts
Hon. Claude Pepper of Florida
Hon. Jerry Pettis of California
Hon. Peter Peyser of New York
Hon. J. J. Pickle of Texas
Hon. Otis Pike of New York
Hon. Melvin Price of Illinois
Hon. Roman Pucinski of Illinois
Hon. Albert Quie of Minnesota
Hon. Thomas Railsback of Illinois
Hon. Charles Rangel of New York
Hon. Ralph Regula of Ohio
Hon. Ogden Reid of New York
Hon. Henry Reuss of Wisconsin
Hon. John Rhodes of Arizona
Hon. Donald Riegle, Jr. of Michigan
Hon. Matthew Rinaldo of New Jersey
Hon. Peter Rodino of New Jersey
Hon. Angelo Roncallo of New York
Hon. Benjamin Rosenthal of New York
Hon. Dan Rostenkowski of Illinois
Hon. J. Edward Roush of Indiana
Hon. John Rousselot of California
Hon. William Roy of Kansas
Hon. Leo Ryan of California
Hon. Fernand St Germain of Rhode Island
Hon. Ronald Sarasin of Connecticut
Hon. James Scheuer of New York
Hon. John G. Schmitz of California
Hon. Patricia Schroeder of Colorado
Hon. Keith Sebelius of Kansas
Hon. John Seiberling of Ohio
Hon. B. F. Sisk of California
Hon. Henry Smith of New York
Hon. Neal Smith of Iowa
Hon. Gene Snyder of Kentucky
Hon. Stephen Solarz of New York
Hon. Floyd Spence of South Carolina
Hon. Harley O. Staggers of West Virginia
Hon. J. William Stanton of Ohio
Hon. Fortney Stark of California
Hon. Robert Steele of Connecticut
Hon. Alan Steelman of Texas
Hon. William Steiger of Wisconsin
Hon. Louis Stokes of Ohio
Hon. Olin Teague of Texas
Hon. Fletcher Thompson of Georgia
Hon. David Treen of Louisiana
Hon. Morris Udall of Arizona
Hon. Guy Vander Jagt of Michigan
Hon. Charles Vanik of Ohio
Hon. Joseph Vigorito of Pennsylvania
Hon. Joe Waggonner, Jr. of Louisiana
Hon. Jerome Waldie of California
Hon. Charles Whalen of Ohio
Hon. William Widnall of New Jersey
Hon. Charles Wiggins of California
Hon. Bob Wilson of California
Hon. Charles Wilson of Texas
Hon. Larry Winn, Jr. of Kansas
Hon. Antonio Won Pat of Guam
Hon. John Wydler of New York
Hon. Don Young of Alaska
Hon. Edward Young of Georgia
Hon. Clement Zablocki of Wisconsin
Hon. John Zwach of Minnesota

INCREASED ENERGY COSTS

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. WAMPLER. Mr. Speaker, with headlines in yesterday's papers like the following, is this any time to further reduce our energy supplies and increase fuel costs by voting to override the President's veto of the strip mine bill?

The headlines follow:

[From the Christian Science Monitor, May 21, 1975]

PRESSURE GROWS FOR NATURAL GAS PRICE INCREASES

[From the Washington Post, May 21, 1975]

FORD CITES PROBLEMS ON ENERGY

[From the Washington Post, May 21, 1975]

FOREIGN OIL SEEN RISING $2 A BARREL

[From the New York Times, May 21, 1975]

ENERGY ACTION POSTPONED BY DEMOCRATS IN HOUSE

DELAY LINKED TO PARTY SPLIT AND GOP OPPOSITION—SCOTT INDICATES FORD MAY RAISE OIL FEE AS A RESULT

RHODESIAN CHROME EMBARGO

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. CRANE. Mr. Speaker, advocates of reimposing the United Nations embargo against the importation of Rhodesian chrome are renewing their efforts now in the 94th Congress. H.R. 1287, which would bring the United States into compliance with the United Nations sanctions against Rhodesia, is presently under consideration in the House International Relations Committee. I fear that far too many of my colleagues do not understand what the ultimate effects would be of such legislation.

Because of its unique corrosion-resistant and alloying qualities, chromium is an industrially vital metal. It is essential to the production of stainless steel, which by definition contains a minimum of 10.5 percent chromium. Unlike nickel or molybdenum, there is no substitute for chromium in the production of stainless steel. Chromium is used in almost any equipment demanding corrosion resistance; this includes equipment for power generation, transportation, environmental controls, food processing, chemical and petroleum production, home appliances, and, of course, military and defense purposes.

In order to understand the issue of Rhodesian chrome, it is important to make the distinction between chrome and ferrochrome. Before chrome may be used in the production of specialty steel, it must be refined into high-carbon or low-carbon ferrochrome. Our principal import from Rhodesia is ferrochrome, not chrome. In 1973, over 45 percent of our total imports of high-carbon ferrochrome came from Rhodesia. In that same year, 11 percent of our chrome imports came from Rhodesia. Because Rhodesia has developed a significant ferrochrome industry, she is naturally more intent on exporting the refined product.

Since chrome has not been mined in the United States since 1961, the United States is totally dependent on imports of chrome. Rhodesia possesses 67.3 percent of the world's resources of metallurgical grade chrome, while the Republic of South Africa possesses 22.4 percent, the U.S.S.R. and other Communist countries possess 5.9 percent, Turkey possesses 2 percent, and the rest of the world posseses 1.9 percent.

Ignoring the facts, proponents of H.R. 1287 seem to believe that chrome is readily available from many sources. But, most of the production of Turkish chrome, for example, is already under contract to Japanese industry, which would inevitably leave us primarily dependent upon Soviet chrome. Proponents of H.R. 1287 would not be bothered by this dependency, despite the fact that Rhodesian metallurgical ore is also significantly higher in quality than the Soviet export.

If the advocates of H.R. 1287 succeed in making the United States dependent upon Soviet chrome, we can expect the vastly inflated prices of Soviet chrome which were experienced during the last period in which they were handed a virtual monopoly. From 1967 to 1971, the United States was one of the few nations that scrupulously observed the Rhodesian embargo, The Soviet Union, relieved of Rhodesian competition, became our principal supplier. As a result, Soviet prices for chromite ore dramatically increased from $39.87 per short ton in 1968 to $68.49 per short ton in 1971—despite a 10-year low in demand during 1971. When the embargo was lifted, the Soviet price declined to $51.73 in 1973.

If our foreign competitors have access to low-cost, high-quality chrome, while we are forced to pay premium prices to Soviet suppliers, the American steel industry simply will not be able to compete against imported stainless steel. Thus, if Congress prohibits the entry of Rhodesian chrome, severe unemployment will result in the specialty steel industry.

Many proponents of H.R. 1287 simply ignore the valid economic arguments against their foolhardy legislation, preferring to claim that Congress must support their bill because of the United Nations resolution imposing sanctions against Rhodesia. Under closer scrutiny, however, even this argument will not hold up.

Security Council Resolution 217, which enacted the sanctions, is legally dubious since the U.N. Charter itself forbids U.N. intervention into matters within the domestic jurisdiction of any state. In considering the Rhodesian sanctions resolutions, the Security Council not surprisingly violated the U.N. Charter and customary international law by failing to accord Rhodesia fundamental due process—the Security Council twice denied requests by the Rhodesian Government to be heard in 1966.

Under chapter VII of the U.N. Charter, the U.N. may enforce measures against a state if the Security Council finds that the state imposes a threat to international peace and security. In testifying before the Senate Committee on Foreign Relations, former Secretary of State Dean Acheson stated that Resolution 232—U.N. mandatory sanctions—was deficient because the finding that Rhodesia was a threat to peace was purely "formalistic—without evidence or investigation."

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Secretary of State Kissinger admitted this deficiency in the U.N. resolution during hearings before the Senate Finance Committee. In reply to Senator HARRY BYRD's question, "In your judgment, is Rhodesia a threat to world peace?" Secretary Kissinger replied, "No."

Aside from the doubtful legality of the United Nations sanction, one must question why the United Nations has not seen fit to impose sanctions on other nations which practice the overt racial discrimination of which Rhodesia is accused. The International Commission of Jurists in Geneva estimates between 25,000 and 250,000 deaths in Uganda since 1971, all for political and racial purposes. In addition the President of Uganda has expelled from Uganda most Caucasians and Asians, including all Jews, as well as Africans of a tribe different than his own.

One must also question the hypocrisy of a Congress which can simultaneously consider the repeal of the embargo on Cuba, a nation which has allowed our enemies to base themselves on her lands and has exported subversion against neighbors, and the imposition of an embargo on Rhodesia. This is the same Congress which urges the continuation and expansion of U.S. trade with Communist China and the Soviet Union, our avowed enemies, and advocates the imposition of a trade embargo on the nation of Rhodesia.

It is my belief that these facts will clear up some of the misunderstandings of the Rhodesian chrome question and demonstrate that H.R. 1287 would not only be economically detrimental to our speciality steel industry, resulting in further unemployment, and would make our defense industry dependent upon the Soviet Union, but also that America's best interests would be disregarded for the nebulous purpose of complying with legally dubious United Nations sanctions.

NEW YORK CITY'S CRISIS: A NATIONAL PROBLEM

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. BINGHAM. Mr. Speaker, the New York City financial crisis is not a local crisis. It is a national crisis, as this article from the Wall Street Journal shows.

Secretary Simon's casual and joking analysis of New York City's problems deserves a firm rebuke from the Congress. If, due to administration callousness, the worst occurs, we, along with the citizens of all affected municipalities, will know exactly who to blame.

DETROIT PAYS STEEP RATE ON A DEBT ISSUE, REFLECTING NEW YORK CITY'S CASH CRISIS

(By Phil Hawkins)

An investment stigma arising from New York City's deepening cash crisis permeated the entire tax-exempt bond market, dealers said.

That was reflected in an unusually steep interest cost of 8.86% incurred on $11 million of new bonds auctioned by Detroit, an issuer similar to New York. Only one underwriting group was even willing to bid for the obligations, which were included in the top four rating categories by both Moody's and Standard & Poor's.

Detroit's bonds were reoffered to the public at prices yielding between 6% in 1976 and 8.75% in 1990. An exempted 8.75% is the same as a taxable gain of about 12.15% to persons filing on income of about $16,000. Such obviously generous returns enabled all except about $1 million of the bonds to be retailed by late evening, the sponsoring Halsey, Stuart & Co. team said.

Adverse market effects from New York's predicament also were evident when most investors continued to ignore two major state offerings begun Tuesday. About $72 million of bonds remained unsold from a $125 million Oregon issue and about $52 million from a $70 million Mississippi issue.

Late yesterday, that stubborn buyer resistance prompted sponsoring underwriters to reduce prices on the remaining Oregon bonds that raised yields 0.05 percentage point. The price cut quickly produced retail orders totaling about $32 million, thereby trimming the unsold balance to about $37.5 million.

"Nobody is inclined to trade until the crucial question concerning New York City's solvency gets resolved one way or the other," one tax-exempts specialist remarked. "Activity is almost at a stand-still, which in a sense is worse than any price decline," he added.

Several dealers were sharply critical of Treasury Secretary William Simon's recent assertion that a default by New York on its debt would have "negligible" impact on the nation's economy. "The mere threat of bankruptcy by the city already has seriously jeopardized a market that each year raises $22 billion in new capital for local governments across the nation—does he consider that a negligible function?" one market official commented.

THE NATIONAL GUARD IS A VITAL PART OF THE TOTAL FORCE CONCEPT

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. KASTEN. Mr. Speaker, we have all heard in recent months the cry for a cut in defense spending. It is noted that the war in Vietnam is finally over and that we are in an era of détente. I favor reductions in programs where increased spending offers no significant contribution to our national defense. However, it would be less than prudent if cuts in the defense budget extended to truly cost-effective programs such as the National Guard.

For almost 20 years, the congressionally mandated strength of the Army National Guard has been 400,000 men. Given the reduced strength of our active forces, the Army Guard now provides 46 percent of the combat power of the U.S. Army. Of perhaps equal importance, that combat power is provided at a fraction of the cost of maintaining active-duty personnel.

Beyond its responsibility for the national defense, the National Guard provides a number of valuable services to the States. During times of natural disasters, guardsmen provide relief—protecting physical property, administering medical care, and evacuating people whose lives are endangered. During periods of civil disturbance, the National Guard restores tranquility. Although this particular mission has occasionally been the object of public criticism, it is a constitutional requirement that must be performed. If the Guard did not have the responsibility, it might fall to some other, less professional and less efficient, organization.

To an increasing degree, the continental air defense of the United States is becoming the province of the Air National Guard. With increasingly modern equipment, it should be possible to provide a major portion of our bomber defense with Air National Guard units rather than active Air Force personnel who are significantly more expensive.

We are living in the age of the All-Volunteer Force. Without the pressure of the draft, the procurement of initial active duty personnel has become more difficult. The major initiative to overcome this problem has been a radical increase in military pay for junior enlistments with few or no years of service. With this tremendous increase in cost for military manpower, there has been a reduction in the total number of active duty personnel. While I realize that the economical difficulties we are presently experiencing have spurred enlistments, we must assume that as the economy improves, enlistments will decline. In view of these factors, we must place a greater reliance on Reserve and National Guard forces to provide for our total force concept.

Our Reserve and National Guard units have enabled us to respond promptly to challenges to our national security. For example, the Wisconsin National Guard was called up during the Berlin crisis of 1961. While we all fervently hope that it is not necessary to activate units, it would be the height of folly to reduce their strength or impair their ability to carry out their vital role in protecting our national security.

NEED FOR INTERNATIONAL MONETARY REFORM

HON. CHARLES C. DIGGS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. DIGGS. Mr. Speaker, the need for international monetary reform has long been obvious to us all, and our Government has been involved in discussions toward this end for many years. However, these talks have not succeeded up to now. The failure may in part be due to our inability to adequately address the concerns of the developing world. The gap between rich and poor nations is increasing, not decreasing.

At the same time, in my capacity as chairman of the newly established Subcommittee on International Resources,

Food, and Energy, I have become increasingly aware of the urgency attaching to some forward movement in this effort. A sincere and positive response by the United States is an essential ingredient to such progress.

Mr. Speaker, already the British Commonwealth of Nations, meeting in Jamaica, April 29 to May 6, has made a commitment to "begin to examine immediately practical measures for closing the gap between rich and poor nations." The European Economic Community concluded on February 28 an agreement with nearly 50 former colonial nations—an agreement which is significant because it responds to the concerns of developing nations which provide much of the developed world with needed raw materials. Aggressive, positive action is required on the part of all nations sincerely committed to seeing a closer alliance among all, in this increasingly interdependent world.

As a step in this direction, we must pay close attention to statements from the developing world which alert us to their concerns. The solemn declaration of the sovereigns and heads of state of the OPEC member countries, meeting at Algiers, March 4–6, 1975, is such a statement.

The first 5 points of this 14-point declaration articulate OPEC's position on the need for a new international economic order based upon equity. In effect, they provide the rationale for Algeria's insistence that negotiations between oil producer and consumer nations include consideration for other raw materials, not just oil. This excerpt is thus fundamental to the OPEC vision of the new economic system which it thinks should emerge out of the current global interdependence among developed and developing countries.

We must listen well to the suggestion made at the conclusion of the document that, "It behooves the developed countries, which hold most of the instruments of progress, well-being and peace, just as they hold most of the instruments of destruction, to respond to the initiatives of the developing countries with initiatives of the same kind, by choosing to grasp the crisis situation as an historic opportunity in opening a new chapter in relations between peoples."

I am submitting for the RECORD a partial text of the declaration covering the first five points:

PARTIAL TEXT OF THE DECLARATION

The Sovereigns and Heads of State of the Member Countries of the Organization of the Petroleum Exporting Countries met in Algiers from March 4–6, 1975, at the invitation of the President of the Revolutionary Council and of the Council of Ministers of the Democratic People's Republic of Algeria.

1. They reviewed the present world economic crisis, exchanged views on the causes of the crisis which has persisted for several years, and considered the measures they would take to safeguard the legitimate rights and interests of their peoples, in the context of international solidarity and cooperation. . . .

The Sovereigns and Heads of State reaffirm the solidarity which unites their countries in safeguarding the legitimate rights and the interests of their peoples, reasserting the sovereign and inalienable right of their countires to the ownership exploitation and pricing of their natural resources and rejecting any idea or attempt that challenges those fundamental rights and, thereby, the sovereignty of their countries.

They also reaffirm that OPEC Member Countries, through the collective, steadfast and cohesive defense of the legitimate rights of their peoples, have served the larger and ultimate interest and progress of the world community and, in doing so, have acted in the direction hoped for by all developing countries, producers of raw materials, in defense of the legitimate rights of their peoples.

They conclude that the interdependence of nations, manifested in the world economic situation, requires a new emphasis on international cooperation and declare themselves prepared to contribute with their efforts to the objectives of world economic development and stability, as stated in the Declaration and Programme of Action for the establishment of a new international economic order adopted by the General Assembly of the United Nations during its VIth Special Session.

2. The Sovereigns and Heads of State note that the cause of the present world economic crisis stems largely from the profound inequalities in the economic and social progress among peoples; such inequalities, which characterize the under-development of the developing countries, have been mainly generated and activated by foreign exploitation and have become more acute over the years due to the absence of adequate international cooperation for development. This situation has fostered the drainage of natural resources of the developing countries impeding the effective transfer of capital resources and technology, and thus resulting in a basic disequilibrium in economic relations.

They note that the disequilibrium which besets the present international economic situation has been aggravated by widespread inflation, a general slowdown of economic growth and instability of the world monetary system in the absence of monetary discipline and restraint.

They reaffirm that the decisive causes of such anomalies lie in the long-standing and persistent ills which have been allowed to accumulate over the years, such as the general tendency of the developed countries to consume excessively and to waste scarce resources, as well as inappropriate and short-sighted economic policies in the industrialized world.

They, therefore, reject any allegation attributing to the price of petroleum the responsibility for the present instability of the world economy. Indeed, the oil which has contributed so significantly to the progress and prosperity of the industrialized nations for the past quarter of a century, not only is the cheapest source of energy available but the cost of imported oil constitutes an almost negligible part of the Gross National Product of the developed countries. The recent adjustment in the price of oil did not contribute but insignificantly to the high rates of inflation which have been generated within the economies of the developed countries basically by other causes. This inflation exported continuously to the developing countries has disrupted their development efforts.

3. Moreover, the Sovereigns and Heads of State condemn the threats, propaganda campaigns and other measures which have gone so far as to attribute to OPEC Member Countries the intention of undermining the economies of the developed countries; such campaigns and measures that may lead to confrontation have obstructed a clear understanding of the problems involved and have tended to create an atmosphere of tension that is not conducive to international consultation and cooperation. They also denounce any grouping of consumer nations with the aim of confrontation, and condemn any plan or strategy designed for aggression, economic or military, by such grouping or otherwise against any OPEC Member Country.

In view of such threats the Sovereigns and Heads of State reaffirm the solidarity that unites their countries in the defense of the legitimate rights of their peoples and hereby declare their readiness, within the framework of that solidarity, to take immediate and effective measures in order to counteract such threats with a united response whenever the need arises, notably in the case of aggression.

4. While anxious to satisfy the legitimate aspirations of their peoples for development and progress, the Sovereigns and Heads of State are also keenly aware of the close link which exists between the achievement of their national development and the prosperity of the world economy. Increased interdependence between nations makes them even more mindful of the difficulties experienced by other peoples which may affect world stability. In view of this, they reaffirm their support for dialogue, cooperation and concerted action for the solution of the major problems facing the world economy.

In this spirit, the OPEC Member Countries, with increased financial resources in a relatively short period of time, have contributed through multilateral and bilateral channels, to the development efforts and balance of payments adjustments of other developing countries as well as industrialized nations. As a proportion of Gross National Product, during 1974, their financial support to other developing countries was several times greater than the average annual aid given by industrialized nations to developing countries during the last development decade. In addition, OPEC Member Countries have extended financial facilities to developed countries to help them meet their balance of payments deficits. Furthermore, the acceleration of their economic development and the trade promotion measures adopted by OPEC Member Countries have contributed to the expansion of international trade as well as balance of payments adjustments of developed countries.

5. The Sovereigns and Heads of State agree in principle to holding an international conference bringing together the developed and developing countries.

They consider that the objective of such a conference should be to make a significant advance in action designed to alleviate the major difficulties existing in the world economy, and that consequently the conference should pay equal attention to the problems facing both the developed and developing countries.

Therefore, the agenda of the aforementioned conference can in no case be confined to an examination of the question of energy; it evidently includes the questions of raw materials of the developing countries, the reform of the international monetary system and international cooperation in favour of development in order to achieve world stability.

Furthermore, this conference may, for reasons of efficiency, be held in a limited framework provided that all the nations concerned by the problems dealt with are adequately and genuinely represented.

WHY AMERICA IS BECOMING AN ARMED CAMP

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. McDONALD of Georgia. Mr. Speaker, the gun control lobby is pushing hard to disarm American citizens. "Crime, violence, and the use of guns is increasing," they scream.

And in case anyone misses the point, they accompany this with a barrage of emotional propaganda—such as graphic, bloody scenes of a crime involving use of a handgun—as was the case with NBC's recent documentary "A Shooting Gallery Called America?"

And yet, there are two curious and revealing facts regarding the gun control lobby. One, they ignore the obvious question of why are Americans arming themselves at an alarming rate? The answer is obvious: The Government has failed to control the rapid increase in crime. People are frightened. The Government law enforcement agencies are not protecting them, and thus they are acquiring the means to protect themselves.

The other fact is that the gun lobby suddenly vanishes when any other proposal to control crime is advanced, such as increased penalties for use of a firearm in the commission of a felony.

For those who may still believe that the concern of the gun control lobby is crime control, and not disarmament of the victim, I call their attention to the following article by Patrick Buchanan. Titled "Why America Is Becoming an Armed Camp," it appeared in the May 10, 1975, issue of TV Guide.

The article follows:

WHY AMERICA IS BECOMING AN ARMED CAMP

(By Patrick Buchanan)

The recent hour-long NBC documentary "A Shooting Gallery Called America?" is a *cri de coeur* against the handgun in American society. As one critic put it, it uses "every cinematic trick in the book." As gun-control propaganda, it was powerful stuff. As a substantive explanation of a complex phenomenon, it was a failure.

We saw and heard more pistols fired in that one hour than in a lifetime of Clint Eastwood police films. We saw gripping scenes of parents whose adopted child was killed in a gun accident. We saw a police officer break down in tears over the loss of relatives and comrades to handguns. We saw graphic footage of police shootouts, and bank robberies in progress. We saw bodies in the morgue still oozing blood from bullet wounds. We saw one old codger talking in animated and cheerful anticipation of filling the belly of some future assailant full of lead.

We saw and heard two of the most callous thugs ever interviewed on national television testifying clinically to their utter indifference to killing during the daily routine of their criminal careers. But the thugs were stronger arguments for rewiring the electric chair than for new controls on guns. Indeed, the satanic brutality they exhibited was itself a powerful advertisement for Smith & Wesson.

NBC's statistics were impressive: 40 million handguns out there in Middle America: two and a half million added to the armory yearly; a handgun death every hour.

But what NBC failed to explore with sympathy or understanding is why.

Those millions of handgun purchases each year represent millions of votes of no confidence by the American people in the criminal justice system of the United States. They are more an effect than a cause of crime. The massive inventory of private weapons is a mountain of testimony to government's utter failure to protect the life, home and property of the average citizen.

And there are more reasons than simply affection for firearms why Americans oppose gun controls. One of them is the source of the proposals. Invariably, they are advanced as the solution to the crime crisis by people who seem to oppose every other proposed solution. It is the armed criminal, not the armed citizen, whom this country fears. Yet, whenever it is proposed that automatic added sentences be applied to any criminal using a weapon during his felony, or an automatic death sentence be imposed upon any individual who kills during the course of a felony, the vanguard of the gun-control lobby suddenly asks to be excused. To millions of Americans, gun control is the respectable, but ineffectual, "law and order" position of the liberal elite.

Would gun controls reduce crime? Certainly, limited controls, like banning the so-called "Saturday Night Special," would do little but raise the price of quality firearms available by the millions. A price rise is not going to deter a criminal, to whom the price of his weapon is a cost of doing business. And a few extra dollars is not going to deter a citizen who thinks he is buying protection for himself and his family.

What about confiscation of handguns, with a criminal penalty attached to ownership? Would that reduce crime, or would it, like Prohibition, make lawbreakers out of millions who would prefer to keep their weapons illegally in today's climate than to give up the protection they believe they have? In this observer's judgment, there is a measure of truth in the bumper stickers that read "If guns are outlawed, only outlaws will have guns."

Certainly, confiscation of handguns would have little effect upon the 10,000 suicides each year with guns, who could buy a rifle or a bottle of pills. What of the 1600 gun accidents? Many of these are hunting accidents, with rifles. And is it right for government to confiscate the weapons of tens of millions because a few hundred are so careless with them each year as to take their own lives?

What of the statistic that shows the likelihood at six-to-one that the individual shot with your handgun will be an acquaintance or family member? Well, most Americans are already instinctively aware of that statistic. Which is why they do not have guns in their homes. But what is happening in society is that the fear of the rapist, the armed robber and the juvenile terrorist is rapidly overcoming the apprehension of Americans about having a gun in their homes or offices. And one is hard put to blame them.

NBC is guilty of a common political sin. It has dealt with the symptoms of a national problem, rather than the cause. The cause of the "gun problem" is fear, that same fear of crime that has produced a boom market in the sale of watchdogs, burglar alarms, triple locks and long guns. Until this society begins to deal with the crime crisis in earnest, America will remain an armed camp, no matter the disarmament decrees handed down by Congress. It is said that in New York City, where the gun laws are the most stringent, there are something like a million weapons in private hands.

Since gun-control legislation is a burning issue in this Congress, and NBC has taken—even if it refused to declare—a point of view, the right of rebuttal would seem to have been created, under the Fairness Doctrine, by this documentary.

Here in this Nation's capital, which was, until not too long ago, known as the "crime capital of the world," one is hard put to say to some store owner, who may have been beaten and robbed half a dozen times, that he has no right to a weapon to give himself the protection the police and government are no longer able to provide.

One may walk away from this documentary, produced by Lucy Jarvis and narrated by Carl Stern, with the impression that all these gun purchases represent a sort of gun lunacy in America. But that is not the case.

The explosion in gun sales represents the very rational decisions of very rational but frightened Americans who have concluded, with justification, that their government cannot protect them, and, therefore, they had best provide for their own protection.

The sentiment is widespread. Indeed, one recalls that not too long ago, here in the capital of the West, the Chief Justice of the United States was awakened late one night by reporters banging at his door, and he greeted them in pajamas, with pistol in hand. They claim today the revolver was a toy. Perhaps—but pistol in hand is exactly the way Judge Roy Bean would have greeted a similar late-night caller in the more secure days of the Wild West years ago.

Mr. Speaker, I agree with Mr. BUCHANAN's view that accelerated gun sales in the United States represent a perfectly sensible reaction to the fact that police, courts, and corrections are unable to cope with our criminals. According to Mr. BUCHANAN, "Two of the most callous thugs ever interviewed on national television" appeared and, to the unbrainwashed, provided excellent reason for prospective victims to arm themselves.

SHORTCOMINGS OF THE PAROLE REORGANIZATION ACT

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. ZEFERETTI. Mr. Speaker, recently this House acted to pass the measure known as the Parole Reorganization Act of 1975, H.R. 5727. In voting against this measure, I felt that certain pertinent points should have been made; although this bill was well-intentioned, it will not reduce crime or protect society, despite the hopes of its sponsors.

I have no quarrel with the terms of H.R. 5727 which afford inmates of penal institutions procedural guarantees, rights and protections. No one would knowingly seek to repeat past errors in these areas. Nor do I differ with the actual concept of reorganization of the U.S. Parole Board. Such a move, long sought and generally recognized as necessary, has been in the opinion of many penologists a long overdue effort. Rather, it is with the essence and substance of the bill that I take issue, for it contemplates changes which will neither benefit society nor reform criminals.

Essentially, the bill realigns parole considerations, making it generally easier for prisoners to qualify for and obtain parole. Under its terms, a prisoner in a Federal institution serving a definite term of over 180 days, is eligible for parole consideration after serving only one-third of the sentence. In the case of a person sentenced to life or 30 years or more, that person may be eligible for parole after serving 10 years. And, a prisoner not given a minimum sentence but receiving a fixed maximum sentence would qualify for parole no later than 150 days after being placed in prison.

There are other elements in this measure which can be challenged and criticized in the most substantive manner.

But what it all basically means is that criminals committing the most heinous felonies will, under this new bill, be able to obtain their release from prison in a relatively short time. For example, a murderer could be eligible for parole in 10 years.

Recidivism is rising spectacularly; repeat offenders, often released on parole, are pouring into our institutions after relatively short periods of time on the outside. Crime rates are skyrocketing, and in many areas of our Nation are virtually out of control. Furthermore, the media are replete with reports that city after city is cutting its municipal services and personnel, including members of the police forces. Therefore, at a time when police protection is actually diminishing for the average American, this measure will only serve to increase the ease with which hardened criminals may reach our streets and repeat their offenses.

Proponents of this bill, however sincere they may be, argue that it will both reform and change our parole system. I do not know and strongly doubt whether this will occur. However, I am reasonably certain that the bill will alter the system in such a manner as to reduce the overall deterrent effect our penal system already has on crime. Admittedly, there is much room for reform. But one does not deliberately make the patient more sickly in order to cure his ills.

One provision of the measure would allow courts to designate a minimum term of imprisonment. A court can rule that only one-third of the time of a sentence must be served prior to parole eligibility. Previously, this figure was two-thirds. Once again, it will enable prisoners to more easily reach the streets.

Another provision allows a prisoner not given a maximum sentence to be eligible for parole within 150 days of imprisonment. Therefore, regardless of the crime committed, a prisoner who has escaped imposition of a defined sentence will also be more easily eligible for parole.

At this time, the entire law enforcement establishment is being weakened; just as municipalities are cutting their police forces, correctional services are being reduced. Personnel are being let go and facilities are allowed to lapse into second-rate status. Add these occurrences to the effects of this bill, and the result is the serious undermining of our entire penal system. We can not afford any further consequences of diminishing security and police protection for the American people. The bill, although well-intentioned, is not a step in the direction of positive reform.

Our law enforcement-correctional services establishment is the backbone of society's structure of defense against lawlessness. The parole system is vital to its success and continuity. That system exists to protect society before anything else. By weakening the parole system, and making it easier for hardened criminals to reenter society, the law enforcement establishment is prevented from fulfilling its primary purpose.

DROPKIN ELECTED HEAD OF PITTSBURGH'S ACWU

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. McDADE. Mr. Speaker, a distinguished citizen of northeastern Pennsylvania, was recently honored by his working associates. This is probably the highest form of tribute that any man can receive. Henry Dropkin, manager of the Amalgamated Clothing Workers Union, Scranton-Wilkes-Barre joint board, was elected manager of the Pittsburgh district joint board. A man of Henry's skill and dedication certainly deserves this honor. However, Mr. Speaker, I would like to additionally congratulate Mr. Dropkin for his nonprofessional service to his community and to his Nation. Whenever a worthwhile cause develops in northeastern Pennsylvania, not only does Mr. Dropkin freely give of his time and skill, but also he has always been in the forefront of those who financially support their community.

Mr. Speaker, I take this opportunity to publicly congratulate Henry Dropkin and to thank him for his dedicated concern, not only for his profession, but also for his community. I enclose for the RECORD, a copy of an article appearing in the Scranton Tribune, dated May 20, 1975, which reports Mr. Dropkin's achievements:

Henry Dropkin, manager of the Amalgamated Clothing Workers Unions Scranton-Wilkes-Barre Joint Board, was recently elected manager of the Pittsburgh District Joint Board.

Dropkin, head of the local board since 1965, will retain that post while assuming the duties of the Pittsburgh office. He succeeded Michael Delligatti, who died earlier this year.

In his "inaugural" talk as manager to the Pittsburgh Board delegates, Dropkin urged greater communication between the local leaders and business agents, especially on grievance matters. At Dropkin's initiative, plans were made at the meeting for a scholarship program for children of joint board members; and arrangements were made for free anti-flu inoculation shots for members.

The other Pittsburgh Joint Board officers are Pres. Marie Georgiana, Vice Pres. Genevieve Michaelangelo, Sec. Treas. Pete Canestrale, Recording Sec. Anne McLemore and Sgt. at Arms Tony Tedesco.

Dropkin, who has been an ACWA staff member for 28 years, began his career in the union as an organizer for the General Office in 1946. He became a business agent of the Pennsylvania Joint Board in 1947, serving in that capacity for the next 18 years.

He was named manager of the Scranton & Wilkes-Barre Joint Board in September 1965, to fill the office left vacant by the death of James V. Cannizzaro.

Born in Brooklyn, New York City, in 1921, Dropkin attended the University of Wisconsin. He was a seaman for a time on the Great Lakes and became a member of the National Maritime Union. He joined the Amalgamated in 1938 when he went to work at the Fruit of the Loom Co. in New York.

In addition to his leadership of the ACWA affiliate in Scranton, Dropkin has been active in civic and community affairs in that city. He is a member of the National Association of Colored People and of the board of directors of the United Nations Association of Scranton.

Especially active in the peace movement, Dropkin has been a leader of the Labor Leadership Assembly for Peace in Pennsylvania.

Dropkin is married to the former Jean Bishop. They have four children: Daniel, David, Celia and Michael.

FARMER'S RIGHT TO RUN OWN FARM IS THREATENED

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. ASHBROOK. Mr. Speaker, a major push will be made in the 94th Congress to bring agriculture under the provisions of the National Labor Relations Act or a similar Federal labor law. I am convinced that the passage of such compulsory collective bargaining legislation would be very detrimental to the farmer.

Most importantly, the farmer's basic right to run his own farm would be severely restricted. Once a union signed up a majority of his employees, a farmer would be forced to bargain with a union agent over wages, hours, and all other conditions of employment.

Almost every aspect of the farming operation would be open to negotiation. This could include the number of fields planted, the type of equipment used, and the establishment of quotas in planting and harvesting.

The farmer would be at the mercy of labor union officials. He would have lost the right to run his own farm.

Following is a statement on this legislation by the Farm Labor Research Committee, an organization designed to research and analyze farm labor-management relations:

COMPULSORY COLLECTIVE BARGAINING WOULD RESTRICT FARMER'S RIGHT TO RUN HIS OWN FARM

Union officials—not farmers—would run America's farms if legislation were enacted bringing agriculture under the National Labor Relations Act or similar federal labor law.

All the proposed farm labor bills would compel a farmer to bargain with a union agent over wages, hours, and "all other conditions" of employmnet, once a union signed up a bare majority of his employees. "All other conditions" could cover virtually every farming operation from the number of fields planted to the distance between water fountains in the fields. The farmer's right to run his own farm would be drastically curtailed.

Federal labor law promotes this transfer of decision-making from management to union agents, as demonstrated by industry's experience during the last 40 years under the National Labor Relations Act.

The NLRA as it has been amended and interpreted requires an employer to bargain with the union "representing" his employees over wages, hours, pensions, sick leave, vacations, and other fringe benefits. He must not go directly to his employees with an offer of economic improvements without first submitting the offer to the union.

The National Labor Relations Board held the General Electric Company's innovative communications program to be inconsistent with good faith bargaining because it "cre-

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ated the impression that the employer rather than the union is the true protector of the employees' interest." The individual employee thus loses his right to engage in face-to-face negotiations with his employer over his wages, status, or any other conditions of his working life.

The NLRB, backed up in many cases by the courts, also has held that employers must bargain with unions over rents charged for company housing, the granting of Christmas bonuses, and even the hours of operation of company cafeterias. Valuable time and expense have been lost in negotiations over such "conditions of employment."

Even basic operational decisions are subjects for mandatory collective bargaining under federal labor law. Although the NLRB and the courts have held that management has the right to decide on its own to shut down an unprofitable plant, they have ruled that the "effects" of that decision must be bargained. In one recent case, an NLRB Administrative Law Judge ruled that a company must re-open a plant which had been closed for economic reasons, and must award back pay to all employees idled by the closing. The full NLRB modified that decision, but still required the employer to offer the employees jobs at other plants, and to pay their relocation expenses if they accepted these jobs.

Other industrial employers have been charged with unfair labor practices for failing to bargain over such matters as subcontracting work and changing outmoded work rules. Such rulings seriously restrict a manager's right to operate his business efficiently, and jeopardize the jobs of his employees.

Mandatory collective bargaining has served to tie industrial management to its current methods of operations, putting stumbling blocks in the path of new technology and more efficient production. It shares a large part of the blame for the declining growth in productivity of American industry.

American agriculture, on the other hand, has used its freedom from government interference in farm labor-management relations to build a record of efficiency and productivity which is the envy of the world. Taking away the farmer's basic right to run his own farm by imposing compulsory collective bargaining through federal law would put the food-producing sector of the nation's economy in the hands of labor union officials intent on increasing their own monopoly power at the expense of productivity. Farmers, their employees, and consumers all would suffer.

REPLY TO NSF CRITICS

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. WIRTH. Mr. Speaker, in recent weeks radio and newspaper commentators, and some few lawmakers on both sides of this Hill, have been having a lot of fun at the expense of the National Science Foundation. Reflecting little understanding of the scientific process, they have ridiculed various research grants made by NSF. But while we will all probably agree that the substance and product of the research grant process is not perfect, another point must be made, related to administration of research grants.

Many of the critics of NSF seem to think that we in Congress should take charge of the research granting procedure, at least to the extent of interpreting committee oversight as including specific grant approval or disapproval.

Mr. Speaker, as a member of the Committee on Science and Technology, I cannot agree with any such suggestion. And I would like to insert in the RECORD a letter that a constituent of mine wrote to the Boulder Camera. He is Frank S. Barnes, the chairman of the electrical engineering department of the School of Engineering and Applied Science at the University of Colorado, and he knows whereof he speaks.

The letter follows:

[From the Boulder (Colo.) Camera, May 9, 1975]

CONGRESSIONAL REVIEW IMPRACTICAL

Your editorial on Friday, May 2nd, calling for congressional review of National Science Foundation grants, is politically appealing and administrative nonsense. The time of our congressional delegation is too valuable to be spent in reviewing thousands of proposals for which they have no technical background. Performing a review of a proposal takes anywhere from a few hours to a few days of conscientious work even when one is an expert in the field, and these documents range anywhere from ten to several hundred pages. The effect of the Camera's call for review will in all probability lead to one of two results: Either the congressmen will appoint somebody to scan these titles and rubber stamp them or we will set up an additional bureaucracy in Congress to spend the thousands of hours needed to do the job right.

Additionally, it is implied that any of the 500+ members of Congress should be able to stop research in any field simply because the title of the proposal does not appeal to them. As a proposal writer, this means that I would simply have to learn how to write titles for my proposals which are politically acceptable to 500 people.

The additional penalty for imposing this system of review on all National Science Foundation grants is the probable doubling of the length of time that it takes to initiate any research. Previous studies of bureaucratic structures show that every additional signature doubles the length of time it takes to start a project. Currently, it takes from nine months to a year in order to process a grant application. Thus, we can expect to delay research starts on the average of one additional year if this proposed legislation is passed.

If the National Science Foundation is making too many grants which are a waste of taxpayers' money on subjects that are of no value to the taxpayer, then I would recommend that we either fire the director or staff members at the Science Foundation who are responsible, or another alternative is to devise a new administrative structure which makes a smaller number of mistakes. However, to recommend that Congress become the administrative agency which decides on such things as whether or not a certain investigator has the competence to invent a new class of lasers, new drugs, a cure for cancer, or whether or not a new set of magnets can be devised which will suspend high-speed rapid transit is administratively inefficient and a waste of the taxpayers' money. Additionally, the delays it will necessitate in the vast majority of the research work which is being carried out under the National Science Foundation's sponsorship will cost the country far more in the handicapping of good work than it will save by eliminating abuses.

FRANK S. BARNES.

OPPOSITION TO THE C-SELM PROJECT IN NORTHWESTERN INDIANA

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. FITHIAN. Mr. Speaker, I have on numerous occasions, both publicly and privately, stated my absolute opposition to the development of a land filtration system for Chicago sludge and sewage in northwestern Indiana. This project, known as Chicago-South End Lake Michigan project, should not be developed or funded at any level.

I remain totally opposed to the use of good Indiana farm land as part of a disposal system for Chicago sludge and sewage. To prevent this alternative from being implemented by the Army Corps of Engineers, I have testified before the Appropriation's Subcommittee on Public Works, chaired by our distinguished colleague JOE EVINS of Tennessee.

The people of northwestern Indiana have spoken out in unmistakable terms about their total opposition to this ridiculous project. An example of this public sentiment was recently contained in an excellent, outspoken editorial which appeared in the Pulaski County Journal. This weekly newspaper, located in the heart of C-SELM country, should be proud of its continued vigilance and opposition to C-SELM. It was this newspaper that originally broke the news about the project on July 14, 1971. The Pulaski County Journal has followed this project and has kept the citizens of northwestern Indiana informed of fast-breaking events. Their historical record of reporting is a heritage that any newspaper would be proud of.

Lest anyone doubt the concrete opposition of public sentiment to this project, I am inserting this editorial from the Pulaski County Journal on May 14, 1975. The editorial is as follows:

FITHIAN'S ACTIONS ARE ENCOURAGING

Something happened last week that went nearly unnoticed. But it was something very important to this area in two ways.

Second District Congressman Floyd Fithian testified before the House Appropriations Committee's subcommittee on public works expressing strongly his opposition to the C-SELM project.

Fithian testified in an effort to kill any spending on wastewater management programs in Indiana included in the C-SELM project. The congressman stated:

"I strongly urge that not one cent of the taxpayers' dollars be expended by the Army Corps of Engineers for either the continued study or the construction of a land filtration system as an option of the C-SELM project's wastewater management program. The residents of northwestern Indiana are totally opposed to the land treatment aspect of the C-SELM project."

Fithian also asked the committee to insert several statements into its appropriation bill. These statements are: The committee directs that none of the $192,000 for the C-SELM project be utilized for further study or construction of any land treatment system of wastewater management in the state of Indiana. The committee directs that any appropriated but unspent funds for the wastewater management study for C-SELM not be utilized for further study or construction of any land treatment system in Indiana. The committee further directs that no federal funds be utilized for the creation of an interstate agency to regulate a wastewater management system in Illinois and Indiana.

Fithian concluded by stating "Now it is time for Congress to go on record disposing of the land treatment alternative. I urge Congress to cut off the funds necessary to engage in any further study or construction of the land filtration in this project and deny any further funding for an inter-state agency or commission to implement such a program."

This action by the freshman legislator is heartening for two reasons.

First, Fithian has stood up and spoken the thoughts of the people of this area who do not want the sewage and industrial waste of Chicago pumped into rich farm lands in Indiana. He has taken a step forward by letting his fellow congressmen know that he is against this project in no uncertain terms.

It is long overdue but people of this district are finally seeing some solid examples of a man taking concrete action to kill C-SELM in Indiana and bury it for good.

The second point about Fithian's actions which is encouraging is that he is fulfilling a campaign promise. Back in September and October of last year Fithian traveled the district charging then Congressman Earl Landgrebe with inaction on stopping C-SELM. Fithian said if elected he would do something.

This he has done and we are confident he will continue to do.

SENIOR CITIZENS AND THE ECONOMY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. DOWNEY of New York. Mr. Speaker, on March 3 I held a daylong public hearing in my district on Senior Citizens and the Economy. I heard testimony from more than two dozen witnesses, including heads of senior citizen organizations, agency directors, and some very outspoken individuals representing themselves. The hearing room was packed with interested older Americans anxious to be heard by their congressman as well as by the various public officials who were also in attendance.

At the hearing was Mr. Arthur Gregory, a senior citizen, who believes that social security should be reformed. He spoke of the increasing problems senior citizens have as prices continue to escalate and the need for tax reform. Mr. Gregory cited specific examples that are associated with these issues.

I include his thoughts to be printed in the RECORD:

Mr. GREGORY. With your permission, Congressman, I would like to introduce two men who I haven't seen in nine or ten years that retired from the newspaper business with me. With your permission, I'd like to introduce both of them. Tommy Hogan and Jimmy Lynn. Thank you very much.

My name is Arthur Gregory. I live at 17 Marc Street, Lake Ronkonkoma.

I will be seventy-four years old this coming July 7th. My wife will be seventy-one on July 24th. We will be married fifty-two years on the 29th of April.

We raised our family and gave them everything. Now, we are retired. We have our own home, the Mrs. and I, though we are being choked with taxes. Not only sales taxes and property taxes but also with the food prices.

I'd like to say to you, Congressman Downey, this morning that the prices of articles have been going out the window. They jump from day to day, and I brought a sample along of what is taking place. Two months ago I bought Wesson Oil for my wife. A sixteen-ounce bottle was fifty-nine cents. That was the price on the label. I went out Friday and bought the same bottle. Do you know what the price on it is? $1.25. Here it is (indicating).

Now, I say this to you and to you, Congressman Downey. It's not the farmers. It's not the people that work or the union women that look for raises in their salaries. It's the man in the middle. The man in the middle is your supermarket. The big corporations that put our little country stores out of business.

I bawl my wife out time and time again, "Stay out of the A & P. Go to the corner store. Give that little fellow a break."

I've seen it in my entire family where our women, they went to the supermarket. They run to Cheap Johns with a lot of junk, buy these things that are made on the other side. And we, with our people here, are looking to work for a living.

Now, Social Security Income. I have been fighting for four years to have Senator Guiffreda, Assemblyman Costigan and Governors Wilson and Rockefeller—four years prior to this last election, I went after all of them. They were down in our Lake Ronkonkoma church, and I laid the law down to them.

I said, "You are nothing but a lot of phoney baloneys. You are sitting on your big fat fannies and doing nothing."

This is no reflection on you, Congressman Downey. I have to apologize. I believe in giving everybody a break. He has just got the position as Congressman, and I hope he does a good job because, if he does, we can all depend on him.

Now, talking about Social Security. I went after them about property taxes for senior citizens sixty-five and over. That Social Security should be taken off as income. Now, let's not forget one point. It isn't only for the property owner like myself. I'm fighting for the guy that is paying rent. They are being ripped off by landlords.

If you don't believe it, I was talking to a young lady before. She had to run home to get her Social Security check because she is afraid somebody would steal it. She told me she gets $208 and pays rent of two hundred some-odd dollars. Now, you tell me how in the devil can a woman or anybody—she can't even feed herself. It costs me more to feed my dog.

WOMAN FROM THE AUDIENCE. They don't want us to have dogs now.

Mr. GREGORY. I've got one.

The CHAIRMAN. We are running almost an hour and a half behind schedule, and we have a number of other witnesses.

Mr. GREGORY. I'll try to keep it short.

The only point I really wanted to get off is that Social Security be taken off as income, and people that are paying rent are being ripped off.

I'd like to add to that. We started a lottery in New York State, and, while Governor Rockefeller was in office, they had been using the lottery money for every Tom, Dick and Harry to go out and have a cup of coffee. The purpose of it when this was put into effect was to be used for educational purposes, and, that way, it would reduce everybody's taxes.

Now, Mr. Ford comes out trying to cut the income taxes from twenty some-odd billion dollars. By the same token, he wants to raise the gasoline taxes and you and me and a whole lot more of us that are living on fixed incomes, we will never see a dime out of this reduction in taxes. But will have to pay the fifteen cents a gallon that they want to put in there on top of it.

Now that we've got a few bucks, what is he going to do? Drain us; send us to the poorhouse or to a nursing home like these fellows they got in there now that are killing off our people.

Now, your Social Security. We are supposed to get a five per cent increase in July, is that right? Well, it seems to me that every time the senior citizen got an increase, we had to wait a year or a year and a half or better because in the last six or seven years, the two previous raises that we got took over two years. But, by the same token, in 1967, Johnson had a law passed to raise everybody in the Senate and Congress including President Nixon's salary up $100,000. The legislators up here in Albany increased every one of themselves up to $15,000, and they did this within forty-eight hours. They put it in effect in less than a month. But, still in all, we have to sit back and twiddle our thumbs for a couple of bucks. Now, Mr. Ford——

The CHAIRMAN. Mr. Gregory, please, in deference to the other witnesses that have been waiting, could you cut it short?

Mr. GREGORY. This is the last thing.

The only thing I want to say now is Mr. Ford wants to give Cambodia and the other side $300,000,000.

My belief is charity begins at home. A lot of people in this country live in one-room shacks down in Tennessee and Virginia. This guy didn't want to hear it. We have a lot of people living right through Tennessee and Virginia and down there living in one-room shacks with four, five and six kids, and they can't get nothing. And they are starving to death. This man wants to go to work and give them $300,000,000 in Cambodia. Let us all go after these people and tell them that charity begins at home.

In addition to that, Mr. Ford tells you to go out and buy a little car so you don't waste too much gas, but, by the same token, Mr. Ford and all the representatives in the federal government are riding around with big limousines that suck up a gallon of gas when you turn the corner and that goes for the state and the county. I think it's time we let them know about it.

Thank you.

ADDRESS TO NEW YORK STATE CONSUMER ASSEMBLY

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. RICHMOND. Mr. Speaker, on May 17, I had the privilege of addressing the ninth annual meeting of the New State Consumer Assembly. This consumer group is one that consumers everywhere can be proud of. They have worked tirelessly this past year to represent consumers in their struggle against the influence of large, multinational corporations and Government policies and regulations that discriminate against them.

I would like to insert into the RECORD a copy of the remarks that I made to the assembly. I hope that these throughts will help to stir some of my colleagues to further action in the House of Representatives on behalf of the consumer. The consumers of this country need the

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representation of their elected officials if we are to end the discrimination that currently exists. The address follows:

Ladies and Gentlemen, today marks the 9th Consumer Assembly and I would like to take this opportunity to commend Executive Director Eileen Hoats and President Seymour Klanfer for their leadership and commitment to the cause of consumer awareness and corporate responsibility. Consumers need all the help they can get. Consumers, especially the elderly, women and the poor have been discriminated against and ignored while Congress and the President have consistently allocated billions of our tax dollars to assist the very giant corporations that have brought us to this sorry condition. The plain fact is that consumers have little or nothing to say in setting the policies that determine what products will be available.

The Federal Government has been reluctant and in many cases downright irresponsible in protecting rigid prices, and misleading advertising. And the reason is simple. During the past thirty years great multinational corporations have cornered the market in America. Every aspect of our lives, the type of cars we drive, the quality of the food we eat, the rent and light in our homes, the clothes we wear and the toys we give to our children are controlled and produced by a relatively small group of large corporations. We are told over and over again that products are produced in response to consumer demand; that the free market place is the final arbitrator of what gets on the shelves of our stores.

It is time to put this myth to rest and recognize it for what it is, a lie. Is it the consumer that is demanding the rapid expansion of the nuclear power industry or is it the Banks and giant Utilities? Is it the consumer that has driven the small farmer from Long Island, New Jersey and Upstate New York or is it the Giant Agribusiness Corporations that set the prices for our food from Arizona, California and Georgia? Is it the consumer that has demanded toys that can cripple and blind our children or is it irresponsible and anti-social companies that produce toys with pointed darts and poisonous coverings?

The truth is indeed a wonderful thing. Like the grass, it struggles through the cracks in the pavement to reach the air. The truth is that demand is artificially created through advertising which is tax deductable and so comes out of the consumers pocket.

The time has come for America to explore the real truths about our economy and our system of government. Why aren't Federal Agencies protecting the consumer from the profiteering large multi-national corporations which have gained control of our everyday lives? Where does all the money spent by consumers on food go if the farmer gets only 7¢ for a 45¢ loaf of bread? How do sugar coated cereals, dangerous toys, gas guzzling, unsafe automobiles and tasteless tomatoes prevade the market place?

What choices are available to the consumer and the nation when our energy policy and our food policy have already been made not in Congress but in the oak paneled board rooms of General Motors, General Mills and Standard Oil? Who profited from the Russian wheat deal? Who profited from the sugar shortage and who is continuing to reap the profits from the so called energy crisis? When will consumers and the Congress stand up and say we've had enough slick advertising, exclusive territorial arrangements, price fixing and bid rigging?

My friends, let me emphasize that bottled up frustration of millions of consumers are finally being felt on Capitol Hill. This week the House of Representatives, by an overwhelming margin, will approve the Consumer Protection Agency which has been so ably championed by my colleague, Ben Rosenthal. This agency will act as our advocate for those who purchase or acquire goods and services just as legions of attorneys and lobbyists now represent the interests of those who produce these same goods and services.

While this is a victory for consumers, we must not forget that it took five long years for consumers to win this simple justice. Every large corporation and special interest in America fought this bill and will continue their attempts to subvert its intent. The truth is that the battle has not been won, it has only just begun. It has just begun because the corporate control of our market place not only has survived intervention by the Justice Department, the Federal Trade Commission and the Congress but continues to be the way of life. Indeed it has been estimated that if all the antitrust laws currently on the books were fully enforced by the Justice Department against the Food Industry, consumers would save between 2 and 20 billion dollars.

The fact remains that President Ford has continued the policies of Richard Nixon, in permitting the agribusiness interests to maintain their strangleholds on our food policy. For the past five months I have been sitting as the only urban Democratic member of the House Agriculture Committee and have observed first hand the influence and power which large corporations brazenly and boastfully weild over our nation's food policy. We've all seen prices rise over the last couple of years—somebody's got to be making a large profit somewhere, right? But who? Farmers receive only about 40 cents of the food dollar. A pound of bread contains only 7 cents worth of wheat. That's seven cents to the farmer and the rest goes to the guys in the middle—the grain merchants, the packers, the railroads, and the national food conglomerates.

There are some 32,000 food processing companies in the United States. Fifty of them get over 75% of all the profits. The companies that control food processing are large conglomerates—huge corporations that not only force farmers to deal with them by controlling and dividing up markets, but stack price increases one on top of another, and force the consumer to accept them.

It's not the family farmer who is the villain in the current food price rise. Family farms can be 5 acres or 5,000 acres, but they are farms that are run by independent families or small groups, not by large multi-national corporations. The U.S. Department of Agriculture reported in 1968 that the family farm turns out to be the most efficient farm. Where you have a small operation, you don't have executive salaries, expense accounts, and you can't write off farming losses to subsidiaries.

Large corporations are involved in all phases of agriculture—from making fertilizer to growing food, processing it, delivering it, and selling it. Their names include Standard Oil, RCA, Greyhound, Ralston-Purina, Illinois Central Railroad, and more. By virtue of their size, these firms control markets, set prices, decide what's in the stores, where it comes from, what it should look like, and, most of all, how much it will cost. Therefore, the answer to the question of who makes America's food policy is not the farmer, not the consumer, but the large agribusiness corporations.

A study by the National Commission on Food Marketing has shown the size, power and concentration of some of these corporations. Four firms, National Dairy Products, Borden, Carnation and Foremost control 70% of all dairy products in this country. Four firms control 90% of the breakfast cereal industry; four firms control 65% of sugar; four firms control 80% of canned goods; and just one company, Campbell's makes 90% of the nation's soup. No wonder food prices are so high.

And while retail prices continue to rise, the farmer has been getting less and less. The American farmer is squeezed so badly that one million small, family farms have shut down over the last ten years. The corporations set policy for farmers, too.

But why is all this happening? Why isn't the government promoting the most efficient production systems? Why aren't these large corporations being audited to see whether they are violating anti-trust laws? Who's checking to see how much profit is being made, and whether food prices are justified at their present high levels?

One thing is certain, the Department of Agriculture, and Secretary Butz, who is a former executive of Ralston-Purina, one of the large "agribusiness" corporate giants, aren't looking out for you, the consumer, or for the family farmer. Secretary Butz contends that corporate farming and corporate control of the food economy is good for you—and he has consistently worked to favor their interests—at your expense.

The Butz philosophy is one of encouraging the takeover of agriculture by the large corporations. Accomplishing this is apparently more important than worrying about how much the consumer must pay or worrying about driving farm families out of business. Farmers are squeezed by higher fertilizer and energy costs on the one hand, and dominated by corporate control of wholesale farm markets on the other. And consumers, controlled by A&P, Bohack and the Safeway grocery chain are expected to buy turkey from Greyhound, lettuce from Dow Chemical, strawberries from Purex and they don't have much to say in what they eat, how good it is, where it comes from or what it costs.

We're forced to buy what we're offered at the price its offered.

As the only urban Democrat on the House Agriculture Committee, I'm concerned about this exploitation of the consumer. I fought to get on the Agriculture Committee because of the lack of consumer input in our food policy and the absence of concern for the national needs of the poor and elderly.

Consumers have not had a voice in setting our food policy, and it is high time the people who eat had as much to say as the people who control what we eat. Consumers and farmers have been deliberately pitted against one another by the large corporations and by Secretary Butz, and it's time we stood up for ourselves and said: Stop! Consumers need farmers to supply them with quality products; farmers need consumers to keep them in business. Farmers must be encouraged to provide sufficient quantities of food to consumers, thus paving the way for lower prices and assuring a farmer a minimum wage. When the farm economy gets out of control, as it is now, with secret finances and pervasive influence and the peddling of profiteering middlemen, consumers find themselves suffering from high prices and shortages that may well be deliberately contrived to drive prices even higher, while farmers find themselves getting less and less.

That's why it's clear that neither farmers nor consumers are controlling our food policy—the large agri-corporations and Secretary Butz—are not working for consumers or farmers.

What we need is a national food policy, that provides adequate production, fair consumer prices, a decent return to the farmer, stability in the marketplace, a thorough investigation of the corporate role in agriculture, and a successful humanitarian food assistance program both here and abroad. We must develop a national food policy that protects consumers and farmers without letting large corporate middlemen and multinational conglomerates take advantage of us. When we're responsible for the food policy, then we can be held accountable for our actions. Right now, we must tell the corporate power-brokers that we will hold them accountable for their actions.

Consumers and farmers must band together to stop this exploitation. We need to recognize that a mutual relationship exists between the city worker and his country cousin on the farm. We the consumers need ample, fresh food supplies in the cities, and farmers need to know that urban people will support them when there's a drought or blight or when they produce such large supplies that they can't get a fair return on their time and effort.

The House Agriculture Committee has the responsibility of overseeing the largest industry in the United States—food. This Committee sets policy for the Congress in this area and as consumers we've got to fight to change the unfair and unjust policies of the past.

Next month the Federal Trade Commission, the Department of Justice and the Agriculture Department will hopefully appear before the House Agriculture panel in what will be the opening session of hearings on the corporate role in our food economy. At these hearings we will seriously question why the 10 largest corporations engaging in production, processing and marketing of food have such familiar names as Standard Oil of California, Aetna, Ling-Tenco-Vought, Tennaco, ITT, Greyhound, Occidental Petroleum and Sears and Roebuck. The conglomerate has been found to be an inept farmer but its capacity to merge, to vertically integrate and to absorb a loss in one market while reaping huge profits in the next is enough to overwhelm small farmers and drive food prices through the roof.

We already know that consumers are paying more than 4 billion dollars a year for wasteful, wanton, and unnecessary food advertising. Each day consumers pay through the nose for unsolicited T.V. and radio ads which advise and inform us that Wednesday is Prince Spaghetti Day, that Campbell's soup is mmm good, that Chock-full-of-Nuts is heavenly and that its not nice to fool Mother Nature. Well we've been fooled and we've been fooled bad. A truly competitive food industry would bring the consumers both lower food prices and healthier food. America's food industry has failed to follow such guidelines and the regulations of this industry has been an even greater failure. At a time when middle income families are paying 28% of their income for their food and low income families are forced to shell out nearly 40%, the agribusiness interests continue to bombard our airwaves with wasteful advertising.

Indeed, six of the big food processing giant, General Mills, General Foods, Kelloggs, Quaker Ooats and Pillsbury last year spent more than 300 million dollars for advertising, which is twice the amount of money the U.S. gives to the U.N. That 300 million dollars comes out of our pockets through tax deductions, forcing the consumer to pay higher taxes at the same time he is forced to eat junk foods. Consumers must stand up and be counted. We must force the Congress, the Federal Trade Commission and the Justice Department to break up the large agribusiness corporations which are exploiting our food economy.

In New York, and across the nation, consumers are beginning to band together forming cooperative markets, because they don't want to pay the high Grand Union, A&P, Safeway or Gristede prices. In my own Brooklyn District, residents of the Fort Greene community have formed one of the city's most viable cooperatives. Their food is now fresher, cheaper, is higher in quality and the store which once was an A&P is now a symbol of pride for the entire community.

I am currently working on legislature which would provide Federally guaranteed start-up assistance for establishing food cooperatives in cities. This way, millions of consumers can follow the lead of the cooperative pioneers and benefit by receiving food direct from farmers, therefore, avoiding the middleman.

There are several things we as consumers can do right now, to move down the road toward a sound national food and nutrition policy. In Congress, we can create a reserve program for grains and other basic crops, to prevent foreign wheat sales that drive our prices up; we can take the politics out of food aid; we can improve and expand the food stamp program; we can expand and coordinate Federal nutrition research; we can investigate the concentration and lack of competition by large corporations in our farm economy; we can change farm estate laws to help protect family farmers; we can limit Federal farm programs to family farmers, to prevent corporate conglomerates from getting government help; and we can begin to look at each aspect of our food industry in terms of what would be a good food policy for America.

This fight will not be easy. We will have to build a new Congressional coalition between rural areas that produce our food and our urban areas that consume it. We will have to build a coalition that is sympathetic and supportive of the small farmer and that will respond to the needs of our inner cities.

We will have to fight to reform all of our Regulatory Agencies which now act as official Chambers of Commerce for specific industries. We will have to develop new, far reaching regional land use plans to encourage the redevelopment of local farming on Long Island in Upstate New York and New Jersey, and yes, right here in the City so that consumers will not have to pay to have their food shipped from Arizona. We will have to circulate petitions, engage in boycotts, educate our neighbors, organize cooperative.

In short, we will have to fight for a food policy we can stomach. The people who eat must have a say in opposing the inefficient, self-serving, unhealthy practices of giant food producers, distributors and sellers.

We don't need a food policy that represents just corporate interests. We don't need a food policy that represents just farmers; and we don't need a food policy that represents just consumers. What we need is a food policy that represents all Americans.

UNITED STATES AND OAS ASSEMBLY BACK REPORT ON CHILE

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. FRASER. Mr. Speaker, I would like to commend the Department of State for its recent statement on Chile delivered by the Assistant Secretary for Inter-American Affairs, William D. Rogers, before the General Assembly of the Organization of American States. The statement was made in connection with a report by the Inter-American Commission on Human Rights concerning the situation in Chile. The Commission, on the basis of an onsite investigation, concluded that extremely serious violations of human rights had been committed in Chile and recommended that the Government of Chile undertake a series of measures to prevent further violations. Secretary Rogers complimented the Commission for its independence and professionalism. Secretary Rogers also complimented the Government of Chile for cooperating with the Commission.

The United States delegation also played a constructive role in the Assembly's adoption of a resolution which affirms the Commission's mandate to continue its study of the situation in Chile.

The documents follow:

COMMENTS ON HUMAN RIGHTS COMMISSION REPORT ON CHILE

(Statement by Assistant Secretary William D. Rogers)

I wish to take this opportunity, Mr. Chairman, to make a few comments on the agenda item, concerning the Inter-American Human Rights Commission Report on Chile.

In Article 3 of the Charter of the OAS, the member states affirm, and I quote, "The American States proclaim the fundamental rights of the individual without distinction as to race, nationality, creed or sex." The U.S. heartily endorses and reaffirms, for its part, these words from our Charter. We deplore human rights violations wherever they occur.

In 1959, the member states established the Inter-American Human Rights Commission. The Council of the OAS prepared and approved its statute in 1960. The Second Special Inter-American Conference in 1965 increased its functions and powers.

The Commission, in carrying out its duties has issued a number of significant reports over the years, including the report on the human rights situation in Chile.

The Chilean Government is to be commended for having permitted the Commission to come to Chile. It has taken issue with certain aspects of the Commission's report. The report and the observations of the Government of Chile have merited the careful attention of us all.

The primary issue here, now, is not whether there may have been some defects or inadequacies in the IAHRC Report. It is now somewhat dated. The more important issue is the future—the deep concern which we all have for the promotion of respect for human rights and the elimination of human rights violations wherever they occur, and our ability to build and strengthen an international system to consider matters so vital to the common human values of this Hemisphere. In this connection the suggestions and recommendations of the Commission for the future deserve the attention of all, including the Government of Chile.

The U.S. position on such questions is clear. On June 27, 1974, Deputy Secretary of State Ingersoll wrote Chairman Morgan of the House Committee on Foreign Affairs with reference to our obligation under the United Nations Charter to promote respect for and observance of human rights and fundamental freedoms for all. Mr. Ingersoll said "no matter where in the world violations of human rights occur, they trouble and concern us and we make our best efforts to ascertain the facts and promote respect for human rights and fundamental freedoms."

We do not regard human rights as an exclusively domestic concern. The states who are members of our Organization adopted and have subscribed to an international series of standards. These standards are set down in the Universal Declaration of Human Rights and in the American Declaration of the Rights and Duties of Man. We are fortunate that the OAS has given the responsibility of inquiry, reporting and recommendation, when violations of these standards are alleged, to its autonomous, independent and expert Inter-American Human Rights Commission.

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The Commission, except in certain respects as noted, received extensive cooperation from the Government of Chile. It has filed the report that is now before us. The Government of Chile has made observations about that Report. I will not take the time of the Assembly to review the findings of the Commission, and the comments of the Government of Chile. But I think it appropriate that we note our appreciation of the efforts of those who have now been able to place this matter before us so fully, and to commend what I sense to be a spirit, on all sides, of seeking an outcome fully consistent with our shared commitments and aspirations concerning human rights and fundamental freedoms.

We hope to continue to unite our efforts with those of the other members of this Organization, including especially the Government of Chile, in placing the great weight of this Assembly behind constructive steps toward the promotion of human rights, here and elsewhere in the hemisphere. We are especially encouraged in this hope by the reaffirmation by the Government of Chile of its constructive attitude toward impartial international visits, observation and study. Its decision to welcome and cooperate with a United Nations study group acting under a U.N. Human Rights Commission Resolution recently approved by the U.N. Economic and Social Council was not lightly taken. It deserves the attention and respect of all member states in this regard.

We believe that this Assembly should take note of the forthcoming visit of the U.N. Working Group, applaud the Chilean Government's decision to cooperate with it and state that we will keep the issue before us pending receipt of the forthcoming U.N. Working Group reports.

My delegation further believes that the IA Human Rights Commission should remain seized of the issue. A process of interaction between the Government of Chile and the Human Rights Commission is desirable, including opportunity for the Commission to keep its information up-to-date by all means appropriate.

In conclusion, I would stress that this agenda item represents a test of the system and of the capacity of the members of the Organization of American States rationally, objectively and effectively to weigh human rights issues collectively. In a sense, all of us are on trial here—all of us, in our capacity to articulate a continuing standard and to develop fair and effective procedures for the application of that standard to individual cases.

It would be idle to pretend that this is an easy or simple task. Temptations exist in such circumstances, either to maintain silence, or, in speaking out, to exceed somewhat the rhetorical needs of the matter before us.

But this, it seems to me, is a high challenge. No issue is more fundamental to the business of the Hemisphere, than the humane tradition which is common to us all—the sustenance of human freedom and individual dignity. It was this which drove us all to independence, and it is this which, above all else, tests the adequacy of our efforts to govern and lead our peoples.

As we have said, in the American Declaration of the Rights and Duties of Man, "All men are born free and equal, in dignity and in rights, and being endowed by nature with reason and conscience, they should conduct themselves as brothers one to another."

RESOLUTION

(May 16, 1975)

General Assembly of the Organization of American States considering:

That it has received the report of the Inter-American Commission on human rights on the "human rights situation in Chile," based upon materials presented to the Commission from various sources, including the Government of Chile, and its own insitu investigation of the facts during its visit to Chile from July 22 to August 2, 1974;

That said report, together with the observations of the Government of Chile, was sent to the United Nations and was considered at the 31st Session of the United Nation's Commission on Human Rights;

Upon the basis of such consideration, in which seven members of the OAS participated, the United Nation's Commission on Human Rights unanimously decided to send to Chile a Working Group for the purpose of studying the present situation of human rights in that country;

That as a consequence both the IAHRC and the next General Assembly should have the additional benefit of a report based on a further investigation to assist in their work in the coming year.

Resolves:

1. To take note with appreciation of the report of the Inter-American Human Rights Commission on "the human rights situation in Chile" as well as of the observations of the Government of Chile on that report.

2. To take note with approval of the acceptance by the GOC of the visit of the United Nation's Working Group.

3. To respectfully appeal to all Governments, including the Government of Chile, to continue to give careful attention to the suggestions and recommendations of the Inter-American Commission concerning Human rights.

4. To request that the Inter-American Commission, availing itself of all appropriate means, secure and consider additional information and submit a report on the human rights situation in Chile to the next session of the General Assembly, insuring that the Government of Chile has a reasonable time to submit its own observations.

INTERSTATE COMMERCE COMMISSION COUNSEL ISSUES CRITICAL PERSONAL VIEWS OF NEW RAIL BILL PROPOSED BY PRESIDENT

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. DINGELL. Mr. Speaker, Mr. Fritz R. Kahn, the General Counsel of the Interstate Commerce Commission, a highly respected expert on transportation regulation matters, has issued his personal critical evaluation of President Ford's proposed railroad aid program, the Railroad Revitalization Act.

Mr. Kahn's comments, which are his personal views and not those of the ICC, occurred in a speech he delivered on Tuesday, May 20, and I believe the following important excerpt of that address deserves careful attention.

The excerpt follows:

EXCERPTS OF THE ADDRESS OF MR. FRITZ R. KAHN

Indeed, the Secretary of Transportation recently has thought aloud that perhaps the total number of railroads should be reduced to five or so—three transcontinental railroads and a couple north-and-south railroads.

The legislative proposal of the DOT for revising the ICC's regulation of the railroads would implement the Secretary's views.

And this brings me to the first of the deregulation proposals I should like to discuss.

The so-called Railroad revitalization Act of 1975 would take from the Commission much of the authority it now has to pass on proposed consolidations of railroads.

In that portion of the bill dealing with financial assistance to the railroads is a provision giving the Secretary the authority to authorize a railroad's joint use of tracks, terminals and other facilities or its purchase of such property of another railroad, as a condition to the Secretary's guarantees or payment of funds under the DOT's draft bill.

To be sure, the grant of jurisdiction to the Secretary carries with it some conditions, as Federal Register publication and consultation with the Attorney General.

However, the last word is the Secretary's and his authorization of a transaction expressly immunizes it from the requirements of the Interstate Commerce Act, the antitrust laws or other regulatory requirements.

While it is unlikely that the Secretary will be able to use his new powers, if conferred by the Congress, to get the number of railroads down to as small a number as he seems to believe is desirable, it cannot be gainsaid that through mergers and acquisitions the number of railroads will be sure to decline.

Thus, CONRAIL will play an even greater role in the affairs of the railroad industry, and the influence of the Government's control and financing will be pervasive.

Accepting these premises, it would seem that some of the other proposals for deregulation of transportation are untimely and unacceptable.

If enacted, they would leave shippers and competing carriers in large measure at the mercy of the dominant rail carrier.

Take the matter of the ICC's power to suspend railroad rate increases.

As you know, under the Interstate Commerce Act the Commission may order the effective date of a tariff filing postponed for seven months, pending a determination of the increase is just and reasonable.

It is a power sparingly exercised by the Commission; during fiscal year 1974, the last year for which figures are available, of the 73,000 railroad tariffs received, the Commission suspended only 232.

That comes to about three tenths of one percent.

But, nevertheless, it is a vital regulatory tool, for the railroads—as well as the shippers and competing carriers—know it is available to stem abuses of the rail carriers' rate-setting discretion.

The DOT would strip the Commission of the power to suspend railroad rate increases, at least insofar as the proponent railroad would raise its rates no more than seven percent the first year, 12 percent the second year and 15 percent every year thereafter.

Undoubtedly, in defense of its recommendation the DOT will say that the Commission nevertheless would have the power to investigate the increase and invalidate it if ultimately found to be unjust and unreasonable and to order the repayment of such amounts as were collected by the proponent railroad in the interim.

However, the efficacy of repay provisions is a matter of some disagreement, and I have never known shippers to consider them an acceptable alternative to the Commission's suspension power.

Undoubtedly, too, the DOT will insist that its recommendation was meant merely to be an experiment in giving the railroads greater rate-setting authority, and that the Congress will have a report at the end of 30 months on the effects of the rate flexibility introduced by this legislation upon the efficiency of the national transportation system.

The only trouble with that is that the amendment carries no expiration date; it is a permanent one, and the report that the

Congress will receive is one that the Secretary of Transportation will render.

Although he is obliged to consult with the Commission in the drafting of it, I think one can safely speculate as to what he will have to say about how the revision has worked.

Let me turn, next, to another area of regulatory reform being pushed by the DOT that might have been meritorious at another time but is altogether inappropriate and ill-advised at a time when we stand at the threshold of perhaps nationalizing the railroad system or at least establishing a large Government corporation to operate the dominant component of it.

That is the matter of abandonments.

As you know, under the Interstate Commerce Act, the Commission may authorize the abandonment by a railroad of its operations over a line or the line itself only upon a demonstration that the public convenience and necessity permit such termination of service.

That standard comprehends the patronage and profitability of the operations, and I know of no instance where a railroad has made a record demonstrating the decline of both that it has not been authorized the proposed abandonment.

Indeed, responding to railroad criticism that its disposition of abandonment applications were not fast enough, the Commission a few years ago adopted the so-called 34-car rule, that established as a rebuttable presumption the unprofitability of a line that did not carry at least that number of cars per mile per year.

However, even under the 34-car rule the shippers or other community interests could obtain a hearing to show the development of business in the area or other anticipated growth in traffic over the rail line sought to be abandoned.

Such opportunity would be denied them under the DOT draft bill.

The Department's Railroad Revitalization Act of 1975 would provide for altogether new railroad abandonment procedures.

Simply stated, under the DOT proposal, the Secretary of the Department would establish standards for line usage and viability, and the railroads would be free to abandon any services that did not meet the Secretary's standards.

Needless to say, the DOT draft bill doesn't put that matter that clearly or succinctly, and it does include provisions for consultation with the ICC, notice to the shippers and community interests and opportunities for the states and local authorities to come up with subsidies to continue the operations that otherwise could be given up by the railroad.

But, essentially, that's it: no hearing; no anything.

The operations either conform to the Secretary's personal concepts of patronage and profitability or the railroad is free to abandon operations over the affected line or the line itself.

These then are the three areas in which the DOT regulatory reform proposals most glaringly would expose the shippers by rail to the mercies of a monopolistic or oligopolistic railroad system—the areas of mergers, rates and abandonments.

At the same time the DOT proposes to revise the regulatory structure affecting the motor carriers in such a way that they will be weakened in their ability to compete with the railroads.

Practically all of its proposals—enlarging the commercial zones of unregulated carriers, providing the right to solicit regulated freight for the backhauls of exempt agricultural truckers, affording conglomerates the opportunities to perform intercorporate propriety trucking—these unmistakenly and unavoidably will undermine the motor carriers, at the very time that they will be encountering the strengthened railroads.

The irony of the situation, as I perceive it, is that the warning that should have been sounded a year ago of the pervasive influence that Government control and financing will have upon railroad transportation should not be heard in the very quarter where it was sounded.

Let's face it, the DOT could not have come as far as it has in advancing its proposals for regulatory reform but for the encouragement it received from a group of shippers—the group known as COMET.

More so than any other body COMET—the Committee on Modern Efficient Transportation—has given respectability and creditability to what otherwise might have been dismissed as the theorizing of academicians or the engrandizement of bureaucrats.

But the representations on behalf of shippers such as those that make up COMET—Sears Roebuck & Co. and Montgomery Ward, General Mills and Cargill, Union Carbide and duPont and others—cannot be lightly dismissed.

The group has been skillful and clever in advancing its views.

It has been open in making its representations, in testifying before the Congress, in circulating a newsletter and in sponsoring conferences.

But it also has been no less active behind the scenes, and its handy work can be found in the speeches of Government officials, in the commentary of television broadcasters, and in the articles of magazine writers.

Undoubtedly, if I were counsel for one of the corporate giants included in COMET, I would be pushing for exactly the kind of regulatory reform that COMET seeks.

I would have no doubt that my company could take care itself in dealing with the railroads, even with one as large as CONRAIL is certain to be, controlled by the Government and financed by it.

I would have no doubt that in the process of rail mergers or consolidation my company's plants would not lose out in obtaining an adequate car supply, reciprocal switching, open routing and other conditions upon which they had come to depend.

I would be certain that my company could take care of itself in getting favorable rates from the railroads serving its facilities and that there would be little risk that the railroads would exercise their rate freedom to raise their rates to extortionate levels regardless who else served such facilities.

And finally, I would be certain that my company's factories and warehouses would not be threatened by abandonments of operations or lines and that I could safely plan on continued service by the railroads.

But I am not the counsel for one of these companies; I am the counsel for the Interstate Commerce Commission.

The agency has an obligation to regulate domestic transportation in the public interest.

It has had the mission for some 85 years of protecting the small shipper no less than the large; of seeing to it that the shipper at the out-of-the way point served by only one railroad and effectively by no other mode of transportation is not unduly disadvantaged in meeting a rival in a common market place; of making certain that the shipper tendering only an occasional carload will be able to obtain rail service upon terms that bear some reasonable relationship to those enjoyed by the shipper of an entire trainload.

The Commission has been successful in the discharge of that obligation, by and large.

Of course, it might have done its job better, and the opportunities for improving its performance are numerous and deserving of attention.

But the emasculation of regulation by the ICC does not seem to be the way to go about it and certainly not at this time.

The call of the DOT, as supported by COMET, that there be greater reliance upon the forces of competition has a hollow ring at a time when competition in the railroad industry is diminishing and what remains will be largely dominated by the Government's control and financing of ConRail.

The situation calls for more effective regulation, not less.

The shippers of the Nation—above all—should understand this and respond accordingly.

A HISTORY LESSON

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. BRINKLEY. Mr. Speaker, I submit for the RECORD the text of my May 1975 newsletter which soon will be mailed to the constituents of Georgia's Third Congressional District, which I am privileged to represent.

The newsletter reads as follows,

LEGISLATIVE REPORT FROM YOUR CONGRESSMAN, JACK BRINKLEY—A HISTORY LESSON

The peace conditions at the end of the Second Punic War in 202 B.C., exacted from Carthage by Rome, were as follows:

All deserters, prisoners and slaves were to be handed over; all elephants to be surrendered and no more to be trained; all warships to be surrendered except 10 triremes; no wars to be made on anyone, either in or outside Africa without Rome's permission; 10,000 talents of silver to be paid to Rome in 50 yearly installments; and 100 hostages to be chosen by Scipio and handed over to Rome. Carthage accepted the terms, handing over the prisoners and burning its ships.

The Carthaginians were presented with the problem of finding the first installment of the reparation payments, and faces in the Carthaginian Senate were long when Hannibal scandalized them all by bursting into laughter. Rebuked for laughing when everyone else was weeping, Hannibal replied that the time for weeping was when their arms and ships were taken from them. Public misfortune had begun to be felt only when it impinged on private interest. While Carthage was being disarmed, nobody raised a groan; now that contributions had to be wrung from private purses, they were behaving like mourners.

FEVERISH ATTEMPT

By 149 B.C. Rome had declared war again. The Carthaginians offered any satisfaction that Rome might want. They were told they could have peace after they sent 300 youths, chosen from among the most noble families, as hostages. When at last the Romans indicated that this was not enough, that they had to hand over all their arms, both public and private, both weapons and war machines, the Carthaginians agreed. Shortly thereafter, the Carthaginians were advised that if they wanted peace they would have to surrender their city for destruction. When the citizens of Carthage received this message, they tore their pro-Roman Senators to pieces. In a feverish attempt to make good the arms they had surrendered, they produced 100 shields, 300 swords, 500 spears and javelins, and 1,000 missiles for catapults daily. The women cut off their hair to be made into strings for bows, but it was all for naught. The Carthaginians could not resist the siege, and the city was taken, destroyed and the soil on

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which it was built was consecrated to the infernal gods and strewn with salt.

Comment: The time for weeping over the demise of South Vietnam also belongs to the last chapter. The degree and layers of civilian control prevented a United States military victory during the 60s. It wasn't possible, it isn't possible and never will be possible to conduct a military operation by long distance—with instruction from both Washington and Saigon every step of the way.

The rules were not predictable; the off- and on-limits of military targets were never constant. The United States of America has nothing to apologize for. The judgment to enter the conflict was faulty under the guidelines of less than complete commitment to victory. Yet, we fought in behalf of what we conceived to be the liberty and freedom of an oppressed people. And notwithstanding some assertions to the contrary, we stuck with South Vietnam to the very bitter end.

No other nation ever made such a sacrifice in defense of others. May it be said of the struggle that in spite of divisions, nothing so much became them as the manner of their leaving. We stayed until the last day, in the face of increasing hostility and blame-placing.

To have voted yes on further aid to South Vietnam at the 11th hour, when the case had become hopeless and with the enemy encamped on the city limits of Saigon, would have been a matter of form rather than substance. My voting record was steadfast (toward protecting with the fullest possible our soldiers who fought there) until the case became terminal.

To have provided more would have been to further arm the conqueror who has fallen heir to an estimated $5 billion worth of military equipment. The $150 million in humanitarian assistance sought was couched in language providing: ". . . such assistance shall be provided, to the extent feasible, under the direction and control of international organizations or under the auspices of voluntary relief agencies . . ." My vote on that arrangement was no. Let Russia provide humanitarian relief to the people in Vietnam who have been victimized by its covert supply and re-supply operations. Let us not put ice cream on the pie that North Vietnam now holds.

Finally, former President Thieu and others have blamed the United States for the final debacle in South Vietnam. Thieu thought of himself as "the country" and as entitled to our support as a matter of right. Our support was never to Thieu but to the people of South Vietnam. The Thieu denunciations should drive home the maximum that George Washington gave us . . . A nation can give to a foreign power until it hurts and yet be reproached with ingratitude for not giving more.

HOPING—AND TRUSTING

Recently it was our honor to play host to a fine group of 3rd District senior citizens on an outing in Washington, just as the flowers were starting to bloom, and spring once again had arrived in the Nation's Capital. As I was escorting them on a tour of the Capitol, they were especially impressed with the solemn dignity of the Hall of the House of Representatives, and with an inscription which holds a prominent place overlooking the Speaker's chair, for all in the House to see.

It says: "In God We Trust." In thinking recently over the trying times in which we live, and seeking the right answers to the troublesome legislative questions in Congress, I was reminded of a story which a teacher had recounted in a letter:

"Dear Sir: It was just a dead bird that the little boy brought home. 'What shall I do with it?' the child asked anxiously.

"I started to say, 'Throw it away,' but something about the boy's face stopped me. I realized it was probably the first experience with death, so I said maybe we'd better bury it. The little boy and I wrapped the bird in fresh white paper and dug a little grave. Something more seemed needed, so I remarked to the child that I had read in the Bible that not even a sparrow falls to earth without our Heavenly Father knowing it. Thus ended the bird's funeral, or so I thought.

"A few hours later, while walking on the deserted playground, I happened to look down at the little mound of fresh dirt and there found a tiny cross made of two sticks and tied together with black thread. The hope of eternity, which the child had for himself, he would not deny even to a little bird.

ANNE E. LEIGH,
First Grade Teacher."

So ended the letter. But let us think beyond this. Children such as this, with hopes such as this, reflect the greatness and the hope of our country.

In developing our national priorities, we should keep this in mind. Train a child in the way he should go, and when he is old, he will not depart from it.

[From the CONGRESSIONAL RECORD, Mar. 17, 1975]

FOOD DOES NOT GROW ON THE GROCER'S SHELVES, NOR FIBRE UPON THE HABERDASHER'S RACK

Mr. BRINKLEY. Mr. Speaker, food does not grow on the grocer's shelves, nor fiber upon the haberdasher's rack. I recently read a newspaper reprint of an address given at a meeting of one of Georgia's outstanding soil and water conservation districts, and I insert the article at this point in the RECORD:

A FARMER TODAY IS MANY THINGS: MOST OF ALL, A FRIEND

Farmers are found in fields—plowing up, seeding down, rotating from, planting to, fertilizing with, spraying for and harvesting it. Wives help them, little boys follow them, salesmen detain them, meals wait for them, weather can delay them but it takes Heaven to stop them.

When your car stalls along the way, a farmer is a considerate, courteous, inexpensive road service. When a farmer's wife suggests he buy a new suit, he can quote from memory every expense involved in operating the farm last year plus the added expense he is certain will crop up this year. Or else, he assumes the role of the indignant shopper impressing upon everyone within earshot the pounds of pork he must produce in order to pay for a suit at today's prices.

A farmer is a paradox—he is an overalled executive with his home his office; a scientist using fertilizer attachments; a purchasing agent in an old straw hat, a personnel director with grease under his fingernails; a dietician with a passion for alfalfa, aminos and antibiotics; a production expert faced with a surplus, and a manager battling a price-cost squeeze.

He manages more capital than most of the businessmen in town.

He likes sunshine, good food, state fairs, dinner at noon, auctions, his neighbors, Saturday nights in town, his shirt collar unbuttoned and, above all, a good soaking rain in August.

He is not much for droughts, ditches, throughways, experts, weeds, the eight-hour day, helping with housework or grasshoppers.

Nobody else is so far from the telephone or so close to God. Nobody gets so much satisfaction out of modern plumbing, good weather and homemade ice cream. Nobody else has in his pocket at one time a three-bladed knife, check book, a billfold, a pair of pliers and a combination memo book and general farm guide.

Nobody else can remove these things from his pockets, and on washday have overlooked five staples, one cotter key, a rusty spike, three grains of corn, the stub end of a lead pencil, a square tap, a $.98 pocket watch and a capful of chaff in each trouser cuff.

A farmer is both Faith and Fatalist—he must have faith to continually meet the challenges of his capacities amid an ever-present possibility that an Act of God (a late spring, an early frost, tornado, flood, drought) can bring his business to a standstill. You can reduce his acreage but you can't restrain his ambition.

Might as well put up with him—he is your friend, your competitor, your customer, your source of food, fiber and self-reliant young citizens to help replenish your cities. He is your countryman—a denim dressed, business-wise, fast-growing statesman of stature. And when he comes in at noon having spent the energy of his hopes and dreams, he can be recharged anew with the magic words: "The Market's Up!"

BRINKLEY INTRODUCES HOUSING BILL

My staff and I have had the privilege of working with representatives of the housing and home mortgage industries, as well as the very capable legislative counsel of the House of Representatives, in drafting a bill which we feel is vital to the future of housing in the United States. We are confident of receiving support from key members of Congress as well as from throughout the housing industry as H.R. 5285 progresses through the legislative process.

Here is the bill's purpose: By taking the Federal Housing Administration (FHA) out of the massive Department of Housing and Urban Development (HUD), it would revive the FHA-insured home loan as a major source of financing for middle-income home-buyers.

Also, it is an honor for me to announce my election as chairman of the housing subcommittee of the House Committee on Veterans' Affairs. We look forward in the coming months of the 94th Congress to working with others in Congress, in the Veterans' Administration and in the housing industry in general toward continuing, and perhaps improving, this outstanding program which has enabled so many thousands of this country's veterans to purchase homes.

Comments, questions and recommendations from our constituents, both in and outside of the housing industry, will always be welcome and appreciated as we meet this new challenge in our service in the Congress.

SIMON SCHWOB MEMORIAL LIBRARY

We are pleased to announce that the Superintendent of Documents has designated the Simon Schwob Memorial Library at Columbus College as an official depository for Government publications.

Through this designation, the library will be eligible to select from a wide range of federal publications to add to its resources. We were happy to have secured this valued designation, and trust it will benefit students and all others who use the Schwob Library.

ON THE ECONOMY

Dear Friend and Constituent:

Many thanks for your communications on spending and the economy, as your views are important to me. Neither can I concur with the President's $52 billion budget deficit proposal. Next year it will be a $100 billion deficit and within our lifetime, some are speculating that a loaf of bread will cost a million dollars—similar to the cost of bread in Germany in the 1920s. You may recall having read that in November 1923 it took 4 trillion, 200 billion marks to equal a dollar, and interest soared during this period to an astounding 90 per cent.

Additionally, I did not support the Congressional Budget Committee's recommended deficit outlays for fiscal 1976, which are greater than the Administration proposals. There is no way a nation can spend its way out of debt, spend itself rich—or even prosperous, over the long haul.

My vote was for the $6 billion emergency jobs bill, passed prior to the tax rebate bill costing some $25 billion. Similar to the WPA, it at least has a productive return and beats unemployment compensation equivalence by far. On the tax rebate, I voted no for that priming of the pump is an illusion; the government is giving with one hand and will take back with the other.

"Cost effectiveness" should become the watch-word throughout government and fiscal responsibility should be the legacy of the 94th Congress.

Kindest regards,

JACK BRINKLEY.

FOOTNOTE.—Do we really stop and think what "billion" means, when we hear about $150 billion spent in Vietnam, or a $100 billion budget deficit? We did some research and came up with these startling facts about "billions":

If you had one billion dollars on the day Christ was born, and had spent $1,000 every day since you would still have $271 million left!

Think of a second as a dollar and imagine this: There are 1 million seconds in 12 days. One billion seconds equal 32 years! And we talk about a federal budget exceeding $350 billion with $73 billion in red ink.

FOUR OPEN WOUNDS

There are four open wounds from which our country is suffering. Some of them must be healed if our country is to survive. All of them must be healed if our nation is to prosper. They are:

1. Foreign Aid. One does not purchase friendship and foreign aid as we know it must be ended.

2. Welfare Abuse. It is rampant and the help-fare principle must be brought into focus. We wish to help the poor and needy, not the lazy and indolent. Federally, let the laws be designed to encourage work and productivity through a sizeable differential between workfare and welfare. Locally, and at the state level, let the laws be strictly policed.

3. Energy Policy. We must have a renewed goal of self-sufficiency without the enormous drain of resources from this country to the oil moguls.

4. NATO Policy. "Lean and mean" is far better than $20,000,000,000 per year in outlays from the United States. Let France and other European countries do more in their own defense.

PIRACY

Blatant piracy in international waters and trade lanes must be dealt with swiftly in the first instance—as an example, as a clear signal, as a warning to those who would interfere with the commerce of the United States. Should we have failed to meet this challenge, others of like persuasion and animosity would have followed the Cambodian pattern, taking the law into their own hands under the rule that the unprincipled strong may do as they please. This is precisely why we have a large military budget, in order that we may be strong, with principle, and deal with those who would deny ourselves and others the right to come and go in peace.

Thus, the military action taken against the Cambodian gun boats which had incarcerated the Mayaguez was correct and I support it. Statement by Rep. Brinkley May 14, 1975, On Cambodia.

REPORT ON FACTFINDING MISSION TO DUBLIN—PART I

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. BIAGGI. Mr. Speaker, on April 30, 1975, I took a factfinding mission to Dublin to get a current assessment of the situation in Northern Ireland today. Of particular interest to me was the role which the U.S. Government was playing in the Irish question as well as an investigation of certain practices of the British Government which are in basic violations of the rights of the citizens of Ireland.

I was accompanied on this trip by Dr. Fred Burns O'Brien, information director of the Irish National Caucus, an organization representing over 1 million Irish Americans and backed by organized labor. Dr. O'Brien compiled a report discussing some of the rampant injustices which exist today in the Irish Free State. Many of the current practices of the Irish Government not only fly in the face of what we consider to be justice, but are in direct conflict with provisions of the Universal Declaration of Human Rights of the United Nations.

One of the more heinous practices I sought firsthand information about was the practice of internment. In the North, we find the British Government indiscriminately rounding up individuals, throwing them in prisons with no regard for their legal rights. Many of them are not even charged with crimes. Now in the free state there are nonjury trials resembling administrative rather than judicial practice that infringe on due process as we know it in America. I requested permission from the Irish Government to visit one of the main internment centers, the Portlaoise Prison outside Dublin. I sought information on what charges people were being imprisoned for as well as conditions in the prison.

I was denied permission outright, thus increasing my suspicions about the problems of this and other prisons in Northern Ireland. Article 11 of the Declaration of Human Rights states:

> Everyone charged with a penal offense has the right to be presumed innocent until proven guilty according to law in a public trial at which he has had all the guarantees necessary for his defense.

Obviously this is not the case in Northern Ireland today.

Mr. Speaker, at this point in the RECORD, I wish to insert Dr. O'Brien's article "Injustice in the Irish Free State." I urge my colleagues to give it their close attention and join with me in urging the House Committee on International Relations to hold immediate hearings on the entire Irish question.

The article follows:

FREE STATE: SYSTEM IN DECAY

The Irish Free State is falling into the trap engulfing Northern Ireland, that is, the imposition of methods of maintaining power to preserve the government, that are below the accepted standards of a democracy. The police, judiciary and prisons of the Free State are becoming tools of politics making quite tragically the deterioration of the State.

I. INJUSTICE IN THE IRISH FREE STATE

The due process that is lacking in the Irish Free State is the bulwark of the American system of justice which, like the Irish, devolves from the English Common Law. One must be afforded the right to defend oneself under legitimate charges, not those trumped up from an administrative source, the bastard child of politics and an insult to the integrity of a court of law. One must be apprised of charges based on a criminal code and the code of a political party or power that defines criminality in light of politics found offensive to the ruling party. Evidence becomes irrelevant and an expedient inquisition of accusation assimilates guilt by definition of political persuasion.

An alleged defendant must be allotted a fair hearing in an unprejudiced atmosphere with an unbiased jury, not the absence of a jury that is present in the Free State political trials. Pre-trial publicity is used in the controlled press of Ireland and declares a man or woman guilty by inference and innuendo implanted by government dictation, for it is the government that defies justice and denies due process of law. If there is to be the semblance of a criminal trial, one should expect that the potential defendant might have benefit of counsel and adequate time to prepare a defense. Even in the case of a Republican who will not recognize the Free State court, it is still a right to prepare a defense in the form of a statement of refutation. The Special Court in Dublin thrives on speed and lack of concern for legal process. The non-jury trial and dilution of the due process are prima facie evidence of the corruption of the judiciary.

The most basic premise of law, that one is presumed innocent until proved guilty beyond a shadow of a doubt, has been reversed in Ireland and the government has the authority to contravene basic justice and declare an individual guilty by mere declaration. Any restraint imposed upon a defendant is detrimental to his obtaining a fair and impartial trial. Restraints could be in the form of pre-trial publicity, prejudicing the public through innuendo, the use of perjured testimony with knowledge that it is such, or knowingly withholding evidence that would benefit the prisoner. In the cases brought to the Special Criminal Courts in Dublin, it is only required that the testimony of a police official be given in order to convict without any allusion to due process or a fair trial. The trial of a political prisoner is an administrative procedure with the defendant being relegated to a passive role. It is no wonder Republicans do not recognize the court, for it is a travesty of justice not befitting a legal case but only an embarrassing pre-judged conclusion.

The political defendant in Ireland is not afforded a public trial. The political trials of Eamann MacThomais and Ruairi O'Bradaigh evinced a fear of words that is rampant throughout the Dublin government. When a government is weak and fears that to allow free speech and an open political system, it is destitute of integrity and resorts to practices such as pre-judged administrative trials as provided for in the Amendment to the Offenses Against the State Act of 1972. Both of these gentlemen are men of words, one the President and spokesman of Sinn Fein; the other the Editor of *An Phoblacht*, the press organ of the same organization. Their words are indeed powerful and consequently the truth is publicized. The consolation of truth is a victory for Messrs. O'Bradaigh and MacThomais, while the government resorts to encarceration in order to silence them.

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FREE STATE MOVES TO INTERNMENT

The passage of the Amendment to the Offences Against the State Act (1972) in the Irish Free State now appears to be the precursor of further abridgement of basic human rights in the 26 county area of Ireland not under immediate British control, though there is the latest aspect suggested by the domination of the Irish economy by overbearing British interests. This Act allowed Special Irish Courts to encarcerate any citizen for an alleged membership in an illegal organization. The burden of proof was on the accused to disprove his or her membership, which under court procedure was virtually impossible. Due process of law was effectively suspended.

This law infamously complimented the reintroduction of internment without trial in Northern Ireland under the Special Powers Act, later the Emergency Provisions Bill, on August 9, 1971. For those interned without trial under this legislation, the British authorities opened concentration camps in the North. The hint now is that Dublin is prepared to initiate widespread internment and expand its present facilities to accommodate the victims.

The Portlaoise Prison facility has been the equivalent of Long Kesh in the North and, as the Cosgrave Administration moves further to the right, it has become necessary to increase prison facilities to house the intended roundup of victims. The Curragh Prison will expand its present facilities to accept the additional internees. The entire island is now a prison complex where political opposition can be abruptly curtailed under laws of state.

FACTS AND FIGURES ON VIETNAMESE AND CAMBODIAN IMMIGRANTS

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. SYMMS. Mr. Speaker, I am glad to see that a good many of our colleagues, both in this House and in the other body, have spoken out in recent days in defense of the thousands of people who trusted us and now have no where to turn but to the generosity of the American people. I for one am proud of the fact that throughout our history all the world has known that when no one else will help they can still turn to the United States of America.

At the same time I can well understand the concern of many of our constituents at a time when jobs in this country are not easy to find. I believe, however, if we can just review a few facts, most people will have their fears allayed.

Approximately 150,000 Vietnamese and Cambodian refugees are expected to be coming to the United States. Of this number, some at least can be settled in other countries. Canada, Britain, and France have recently agreed to accept 1,000 each and other allied nations are expected to help; 60 percent of the refugees are children and many of the others are elderly. There are about 30,000 heads of household. Many of these have American relatives who are in a position to take care of them. It is estimated that somewhere between 10,000 and 30,000 adults will need jobs. Taking the highest figure this means there will be one Vietnamese job-holder for every 7,000 Americans. Put it another way, in a typical American city of about 50,000 there will be about seven Vietnamese workers.

The 150,000 figure represents about one-third of the number of legal immigrants who will be admitted this year under our regular system. Most of the adult Vietnamese are educated and many are highly skilled; 70 percent of the adults have some knowledge of English. Most are from the middle and upper class.

In view of their proven industriousness and great capacity for survival under very difficult circumstances, it seems highly unlikely that more than a few will need public assistance after a few months. Our present Oriental citizens are well-known for their strong family ties and patriotism. The most-decorated American regiment in WW II was a Japanese-American regiment; the crime rate and the welfare rate for Oriental-Americans is lower than for any other ethnic group and the educational-level on average is higher than for any other group.

After WW II, the United States absorbed almost half a million displaced persons. After the ill-fated Hungarian revolution we took in about 40,000 refugees from the Communist regime; in the early 1950's we also admitted almost 200,000 other people fleeing Eastern Europe; in the 1960's we admitted about 700,000 Cubans—almost all of whom are now firmly settled, and doing well economically—many in fact have founded new businesses, thus providing thousands of new jobs for our economy.

The most telling argument, of course, is that no other group of refugees in our long history of serving as an asylum for the oppressed has a greater moral claim upon our generosity than does the present group. For 15 years we encouraged these people to fight in a common cause. Most of these people worked for us and now would have faced at best a highly uncertain future in their own countries mainly because of their loyalty to us.

I should also like, Mr. Speaker, to take this opportunity of inserting in the RECORD two editorials on this subject. One is from the Daily News of New York, the newspaper with the largest circulation in America and a paper which is generally conservative in its viewpoint. The other is from the New York Times, which most people consider to be a liberal newspaper. On this issue, they both agree.

The articles follow:

[From the Daily News, May 5, 1975]

WELCOME THE REFUGEES

There is grumbling—with racial overtones—that the 100,000 Vietnamese refugees will put an added burden on the taxpayer and steal jobs from Americans.

We don't agree in any way, shape or form.

These selfish, shortsighted complaints are unworthy of our shining tradition of compassion, and are inaccurate to boot.

Many of the refugees have relatives already in the U.S. who will help look after them. They will be dispersed so that no section of the country will bear a disproportionate burden.

Probably only 20,000 of them will be looking for jobs. A surprisingly high percentage of these are middle and upper-class professionals we can well use—lawyers, doctors, college teachers.

In welcoming them, we are carrying out our splendid tradition of offering refuge to the homeless and the tempest-tossed.

We succored victims of famine and revolution in the 18th and 19th Centuries—they were our ancestors. We gave haven to those who suffered the Nazi pogroms, those who fled Red tyranny in Hungary and Cuba.

America can easily absorb this wave of immigration and thus reinvigorate herself as each wave in the past invigorated her.

Most of all, we will be fulfilling our destiny, the destiny that Emma Lazarus so hauntingly described in her inscription for the Statue of Liberty:

> A mighty woman with a torch, whose flame
> Is the imprisoned lightning, and her name
> Mother of exiles.

[From the New York Times, May 7, 1975]

DENYING THE HERITAGE

President Ford is right to be angry at the querulous and uncharitable responses of too many Americans toward the plight of the Vietnamese refugees. His request for $507 million to assist the resettlement of approximately 150,000 Vietnamese over the next two years is a reasonable and honorable response to a tragic human situation. The United States can do nothing less.

Those citizens who are unemployed or who are financially pinched by inflation and high taxes have understandable fears that the nation is taking on yet another burden while their problems remain unsolved. But those fears are based on a misconception of the facts.

About 60 percent of the refugees are children, while many others are elderly persons too old to enter the job market. Thus, only 30,000 of the Vietnamese refugees are heads of households and likely to seek work. Of these, many are doctors, lawyers and businessmen who can readily find places for themselves in American life and contribute needed skills.

What is harder than the fears of the unemployed to explain and justify is the antagonism of many members of Congress, including well-known liberals, and other leaders of opinion throughout the country. Several liberal members of the House of Representatives seem not to be aware that the war in Vietnam is over.

No nation is eager to welcome criminals, prostitutes, war profiteers, or practitioners of political torture. But it grossly distorts the whole nature of the refugee problem to focus on the tiny minority of persons who might deserve one or another of those terms of opprobrium, or to exaggerate their number. There is no possible way to make a just determination about the political or moral character of individual refugees.

If some Vietnamese engaged in dirty work, they usually had American advisers or were financed by American money. In some respects it was a dirty war. But now that it has all ended badly, it would be the ultimate disgrace for Americans to turn their backs and adopt a holier-than-thou attitude toward those Vietnamese who aligned themselves with the American war effort in their country.

It is likewise blatantly contradictory to play upon fears that the Vietnamese may take away jobs or end up on welfare rolls and at the same time argue that many of them are too rich to deserve help.

Most of these refugees have lost all of their worldly possessions. Many are separated from loved ones. All have lost their country, a lasting sorrow that perhaps only other migrants and exiles can fully comprehend. They deserve to be cherished as fellow human beings and given a welcoming hand as new Americans.

George Meany, president of the A.F.L.-C.I.O., has pledged the labor movement's help—even in this time of economic adversity—to assist the Vietnamese refugees to find jobs. "The United States has an inescapable moral responsibility," Mr. Meany observed. "We are a nation of immigrants. Rejecting them would be denying our heritage and the history of this country as a haven for the oppressed."

No matter what one may have thought about the rights and wrongs of the Vietnam War, those words express the true American tradition.

THE FUTURE OF FREE ENTERPRISE—CAPITAL INFORMATION

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. KASTEN. Mr. Speaker, we are approaching the 200th birthday of the founding of the United States. I believe it is an appropriate time to examine "The Future of Free Enterprise." Free enterprise has made significant contributions to our Nation, giving us, among other things, the highest standard of living in the world. Yet, Government action, inaction, and in some cases, the sheer size of Government, is inhibiting the proper operation of the free enterprise system. During the next few months, I will be addressing various issues confronting the free enterprise system. Today, I would like to take a few minutes to discuss a vital concern—capital formation.

We have reached a turning point in the future of the free enterprise system. We cannot continue to consume the fruits of our economy without reinvesting the capital necessary to increase our productivity. If we fail to change our ways, we will cripple, and eventually kill, the economic system which has provided us with such a high standard of living.

In order to prosper—to create new jobs and obtain higher wages—we must invest in new plants, new equipment, and the research necessary for the development of new products. Yet, all economic indicators are telling us that we are opting for the short run, politically expedient placebos designed to alleviate the symptoms of our economic woes.

Capital investment in private industry and business is required to create new jobs and support a higher standard of living. From 1960 through the early 1970's, private investment in the United States averaged about 18 percent a year of our GNP. By comparison, investments averaged 33 percent a year of the GNP in Japan and 26 percent in Germany and France. These figures have a close correlation with a nation's growth rate of productivity, the basic index that tells us that we are producing more for less. During the same period of time, the average growth in productivity was almost 11 percent a year in Japan, 6 percent a year in France and Germany, and in the United States—the leader of the free world—only 3 percent.

In order to maintain our economy and support our standard of living, it is estimated that it will require at least $4 trillion in new capital investment funds during the next 10 years. Although this amount is staggering, it is even more sobering when we realize that it is more than three times the total amount we have invested in plant modernization and expansion during the last 10 years. New capital is needed both to supply a growing work force with the tools of production and to modernize existing plants. In nearly every field our factories are antiquated. Almost 40 percent of the American industrial complex is more than 10 years old and 17 percent is 20 years old or older.

Where will the capital come from? It will have to come from the savings and investments of individual citizens and from the profits earned by business. During the first quarter of this year, personal savings ran at an adjusted annual rate of $75.9 billion. However, this was down sharply from the fourth quarter of 1973 when the average was $86.5 billion, a drop of over $10 billion. During the first quarter of 1975, corporate profits plunged a record 22.3 percent. This was the sharpest drop since 1946 when the Government began keeping quarterly records. After adjusting for inflation, corporate after-tax profits have dropped by 50 percent since 1965.

We must take aggressive action to reverse these trends—to encourage savings and investment at the expense of immediate consumption. We can start with the biggest consumer—government, particularly the Federal Government. If the Federal Government were listed on the New York Stock Exchange, it would be a growth stock. It took 186 years for the Federal budget to reach $100 billion, a line it crossed in 1962. Only 9 years later, in 1972, we reached the $200 billion figure. And it was a short 4 years before we reached the $300 billion record.

Before the Great Depression, Government took about 12 percent of our total national production. Today it soaks up about one-third of the GNP, and if recent trends prevail, it will consume some 60 percent of our total national output by the year 2000.

Government is a tax user, not a taxpayer. Money which should be invested in our future prosperity is being collected as tax dollars and is often spent for programs of questionable worth.

To finance the difference between tax revenues and Government expenditures, the Federal Government this year will borrow over $65 billion. We cannot manufacture the money to cover this outrageous deficit out of thin air—the Federal Government will go to the capital market, competing with private industry and business for the scarce dollars available. It is estimated that all governments combined—Federal, State, and local—will consume 80 percent of the capital market to finance their deficits this year. This competition with the private sector for vital investment funds has a devastating effect on our economy. Needed improvements such as new powerplants have been postponed.

Interest rates are being forced up. The small businessman and home buyer suffer the most. They often cannot find money to borrow. If they can find it, they cannot afford the interest rates being charged.

Government spending must be curtailed. We must have the fortitude to forego the easy—and all too often costly—answers to our economic problems. A balanced budget is essential to our economic health and well-being.

A balanced budget will restore the present capital market to the private sector. But in order to meet the goal of $4 trillion of capital investment by 1985, we must promote capital formation. One of the most productive methods of achieving this objective is to remove the anticapital bias from our Federal tax laws.

I have cosponsored H.R. 7421, the Jobs Creation Act of 1975, which would amend the Federal tax laws to: First, encourage individuals to have and invest; and second, permit industry and business to reinvest a greater share of earnings.

The title of the legislation is important. It will create jobs. Far too few people realize that it requires $200,000 to create one new job in a modern steel plant. The total cost of such a plant, employing 11,500 workers would be $2.3 billion. Similarly, one new job in the industry requires an investment of $100,000; in the chemical industry, $45,000; and in the mining industry, $75,000.

These jobs will remain on the drawing boards unless we take immediate action to revitalize our capital markets. If we can meet our goal of $400 billion in capital formation a year, a total of 20 million new jobs for Americans would be created by 1985. The work force would grow from 86 million to 106 million people, up a full 25 percent.

If we could sustain a 5-percent real growth rate, up from our present 3 percent, by 1985 there would be 12 million fewer poor people and the median family income would rise 75 percent.

These are admirable and desirable goals, but they will only become a reality if the Federal Government begins to actively promote capital formation. We must place our trust and confidence in the free enterprise system which has provided for us so well in the past.

Specifically, the Jobs Creation Act of 1975 would promote individual savings and investments by implementing the following changes in the tax laws.

First, it would permit an individual to exclude $1,000—$2,000 in the case of a joint return—from his gross income each year for qualified savings and investments. This provision would not only provide relief from taxes which reduce the incentive to save, but it would also encourage a greater savings by effectively increasing the rate of return on savings.

Second, the legislation would substantially reduce the impact of the capital gains tax by permitting an exclusion of $1,000 for each qualifying transaction. This change would reduce the lock-in effect which has been a substantial barrier to the flow of capital. An individual will often sell a capital asset simply because he wants to change investments. The capital gains tax acts to reduce the amount the individual has available for reinvestment and tends to discourage the flow of capital between investments. The proposed exclusion would reduce the impact of the capital gains tax, reducing the lock-in effect, and contribute to the mobility of capital which is so vital to our free market system.

In addition, the bill would provide for price level adjustments in determining capital gains. Much of the gain subject to current capital gains taxation is a reflection of inflation rather than a real increase in value. Taxing such illusory gains actually reduces the original investment in real terms and constitutes a tax on capital—not on income. The price level adjustment provision in this bill would remove this tax on illusory gains.

Third, the Jobs Creation Act would also deal with a serious inequity in our tax law which has created a bias against corporate equity investment—the double taxation of dividends. Under present law, dividends are taxed twice—once at the corporate level as a part of corporate earnings and again at the individual level as part of the individual stockholder's income. The bill would eliminate this double taxation of dividends.

In order to encourage investment in capital by businesses—both corporate and noncorporate—the bill liberalizes capital cost recovery provisions in the tax law.

The Tax Reduction Act of 1975 provided a temporary increase in the investment tax credit to 10 percent. Previously set at 7 percent, this provision allows a credit against tax liability for a portion of investment in machinery and equipment. The Jobs Creation Act would increase this credit to 15 percent and make it permanent. The investment tax credit has been an effective device for encouraging capital investment and increasing the funds available for new investment. A higher investment tax credit—and a permanent one which would facilitate business planning—would go a long way toward increasing and modernizing our capital stock.

Second, the bill would liberalize depreciation by increasing the asset depreciation range. Under present law, the Internal Revenue Service sets guideline lives which determine the period over which assets must be depreciated. The asset depreciation range allows the taxpayer to vary this life in either direction by 20 percent. The bill would increase this range to 40 percent. By allowing faster recovery of business assets, this provision would make more funds available for investment in plants and equipment. Our present depreciation system, based on original cost and allowing recovery over a relatively long period of time, acts to restrict replacement of assets. This provision would provide quicker recovery of investment and give business more funds with which to replace their capital stock.

Third, the bill would provide an immediate write off of pollution control equipment which is required but not productive. This provision will provide relief for businesses which are finding it difficult to finance such required investment.

The bill would also reduce the corporate income tax, particularly for small business. Under present law, corporations are subject to a normal tax of 22 percent and a surtax of 26 percent, for a total rate of 48 percent. However, an exemption of $50,000 applies to the corporate surtax, making the rate 22 percent on the first $50,000 of taxable income and 48 percent on any amount over that. Prior to the Tax Reduction Act of 1975 the corporate surtax exemption was $25,000. While this change was a step in the right direction, it did not go far enough. The $25,000 figure was first used in 1938. If this figure is adjusted for inflation, it would be almost $100,000 today. The Jobs Creation Act would increase this exemption in stages to $100,000. This change would retain, in real terms, the traditional relief we have provided small business.

The bill would also reduce the average corporate tax rate approximately 6 percent, to an effective rate of 42 percent.

Not only would the bill remove the present bias which has hampered the growth of individual stock ownership, but it would take steps to spread the ownership of corporate equity in the United States. The Jobs Creation Act contains a provision to encourage employee stock ownership plan financing. This plan would not only provide an alternative financing method for a corporation, but would embody in that financing a stock ownership by its employees. Such plans will provide current second incomes and retirement security for employees. By giving labor a share in the profits of the firm, it will encourage workers to become more productive.

Finally, the bill contains measures to relieve the heavy burden of the estate tax on small closely held businesses, particularly family farms. Estate taxes have created severe hardships, resulting in many cases in the selling of small businesses. Two provisions in the bill seek to alleviate these hardships. One would allow an extension of time for paying estate taxes when the estate consists largely of small business interests.

Second, the bill would increase the estate tax exemption—presently $60,000—to $200,000 for family farming operations. These provisions should help family businesses and farms to remain intact when the ownership passes from one generation of a family to the next.

The question has been raised about the projected loss of tax revenue. We have but one recent experience to draw from, but I think it is both a rewarding one and one which ought to induce us to make similar changes in our tax laws.

Several years ago the Canadian Government cut its corporate taxes drastically. The effective rate of taxation was reduced from 49 to 40 percent, amid cries that it would bring about a substantial decline in revenue to the treasury. Because of the substantial increases in business activity, productivity and jobs generated by the tax cut, through the removal of disincentives to investment, there were no losses in revenue. Instead of the $450 million net loss projected at the time of its enactment, a $250 million surplus was generated.

The provisions in the Jobs Creation Act are steps which can be taken to deal with the problem of capital formation. By reducing tax bias against capital formation at many levels, and by providing incentives to capital investment, this bill would help to provide the necessary capital formation to insure economic growth with its resulting benefits for everyone. Although there will be some direct revenue loss, the increased output and income should generate enough additional revenue to recoup these losses. It is time that we reform our tax system, not to create a barrier against capital investment, but to facilitate and encourage it.

EQUAL RIGHTS FOR WOMEN ACT OF 1975

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mrs. MINK. Mr. Speaker, today I introduced the "Equal Rights for Women Act of 1975," a bill to eliminate sex discrimination in a wide variety of areas. This bill would amend the Civil Rights Act of 1964 to broaden its coverage. It would also change the Social Security Act and the law governing aid to families with dependent children so as to eliminate all provisions which discriminate on the basis of sex. Furthermore the bill is aimed at preventing further sex discrimination in military and veterans' affairs. The bill also contains a provision requiring a study and review of sex discrimination. A section-by-section analysis of the bill follows:

SECTION-BY-SECTION ANALYSIS OF PROPOSED "EQUAL RIGHTS FOR WOMEN ACT OF 1975"

TITLE I—AMENDMENTS OF THE CIVIL RIGHTS ACT OF 1964

Section 101. Public accommodations

Section 201(a) of the Civil Rights Act of 1964 is amended to forbid discrimination or segregation on the basis of sex. As the law presently exists it only prohibits discrimination or segregation on the basis of race, color, religion or national origin. Section 202 of the same Act is changed to forbid sex discrimination or segregation in public accommodations in situations where such discrimination or segregation is or purports to be required by any law, statute, ordinance, regulation, rule or order of a State or agency or political subdivision.

Section 102. Public facilities

This section of the bill is based generally on Title III of the Civil Rights Act of 1964, which enables the Attorney General to bring action against a public facility "Whenever the Attorney General receives a complaint in writing signed by an individual to the effect that he is being deprived of or threatened with the loss of his right to the equal protection of the laws on account of his race, color, religion, or national origin, by being

denied equal utilization of any public facility which is owned, operated or managed by or on behalf of any State or subdivision thereof, other than a public school or public college . . . The bill would amend this section to include sex as well as race, color, religion, or national origin. The Attorney General would be able to undertake action if he or she believes "the complaint is meritorious and certifies that the signer or signers of such complaint are unable, in his judgment, to initiate and maintain appropriate legal proceedings for relief and that the institution of action will materially further the orderly progress of desegregation in public facilities . . ." In addition, the Attorney General would be permitted to implead as defendants any party or parties as are needed to grant effective relief.

Section 103. Federally assisted programs

This portion of the bill is patterned after Title VI of the Civil Rights Act of 1964, which provides that "No person in the United States shall, on the ground of race, color or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance." This bill would amend the section to include sex. Title VI has not been amended to date to protect persons from sex discrimination, although bills have been introduced in the past several Congresses to do so. The Education Amendments of 1972 (86 Stat. 235) do forbid discrimination in the programs of educational institutions receiving Federal funds.

Section 104. Limitation on education institution exemption from equal employment requirements

This section of the bill amends Section 702 of the 1964 Civil Rights Act so as to bring sex discrimination in educational institutions under the equal employment requirements.

Section 105. Equal Employment Opportunity Commission cease-and-desist orders

From the time the law was adopted in 1964, bills were introduced in Congress to give the E.E.O.C. enforcement powers. The most common proposal was to permit the E.E.O.C. to operate in much the same way as the N.L.R.B.—to hold hearings before trial examiners (now administrative law judges), to have the report and recommendations reviewed by the Board, and to have the Board issue a cease-and-desist order which could be enforced or reviewed by a federal court of appeals. These bills regularly failed of passage.

In 1972, hearings were held regarding amendments to the Act. Generally, administration witnesses and business groups opposed cease-and-desist enforcement power, favoring instead the Court enforcement approach. Civil Rights representatives opposed the administration position at that time. Granting E.E.O.C. cease-and-desist power in 1972 was rejected in order to obtain the required votes for cloture to cut off debate on the bill.

This bill would amend Section 706 of the 1964 Civil Rights Act so as to give E.E.O.C. cease-and-desist enforcement power.

Section 106. Federal employees

Under the 1964 Act, federal employees were not within jurisdiction of the E.E.O.C. But the 1972 amendments added a new section that makes clear the obligation of the Federal Government to make all personnel actions without discrimination based on race, color, sex, religion or national origin. The authority to enforce equal employment opportunity in federal agencies is presently assigned to the Civil Service Commission.

This section of the bill clarifies the fact that Federal Employees are now covered by Title VII of the Civil Rights Act of 1964, as amended in 1972. The significant change portended by Section 716 is that portion covered in paragraph (c) giving the E.E.O.C. jurisdiction over complaints of any employee who has been discriminated against on the basis of sex.

TITLE II—DISCRIMINATION IN MILITARY AND VETERANS AFFAIRS

On May 14, 1973, in Frontiero v. Richardson, the U.S. Supreme Court declared unconstitutional a fringe benefit scheme that awarded male members of the military housing allowance and medical care for their wives, regardless of dependency, but authorized benefits for female members of the military only if they in fact supported their husbands. (411 U.S. 677). The Court basically held that married male and female members of the uniformed services are entitled to the same fringe benefits. It was rejecting as unconstitutional a legislative view based on the assumption that a serviceman's wife, but not a servicewoman's husband is appropriately typed "dependent".

This bill would amend Title 10 of the U.S.C. § 101(32) so that there would no longer be any distinction between male and female members of the military and their respective spouses with regard to the receipt of fringe benefits. It would insure that the concept of "dependency" would no longer have any relevance in determining entitlement to rights, privileges or benefits for the spouses of servicewomen. This amendment prohibits the establishment of any requirement with respect to dependency of a spouse of a female member of an armed force, or a veteran of an armed force, for the purpose of receiving benefits, which is not provided for by law with respect to the spouse of a male member or a veteran of an armed force.

This bill would also repeal § 101(36) of Title 10 U.S.C. In doing so, the mandate of Frontiero v. Richardson would be carried out. As a result the presumption of a woman's dependency upon a man would thereby be eliminated. It would become unnecessary for a female to have to prove that her male spouse was dependent upon her in fact in order for him to receive benefits.

This bill would require the Secretary of Defense to submit to Congress each year a report analyzing the status of women in the armed services during the preceding calendar year. The report will contain information concerning the progress made as well as the problems still present with regard to sex discrimination. The Secretary of Defense will be required to make specific recommendations respecting the elimination of discrimination on the basis of sex.

TITLE III—AMENDMENTS OF THE SOCIAL SECURITY ACT

Section 301

This bill would amend the Husband's Insurance Benefits of the Social Security Act. Under 42 U.S.C. § 402(C)(1) husbands are now required to prove they were receiving at least half their support from their wives in order to qualify under the Social Security Act for dependency benefits. The law provides benefits for the spouse of a male wage-earner without regard to dependency. This bill would eliminate such requirements concerning proof of dependency. A husband or divorced husband would be able to receive benefits under the same eligibility requirements as a wife or divorced wife.

Section 302

This bill would also amend the portion of the Social Security Act dealing with widower's insurance benefits. It would extend the eligibility and also eliminate the special dependency requirement. A widower would be able to receive benefits under the same eligibility requirements as a widow. The same would be true for every surviving divorced husband.

Section 303

This bill would provide for "father's" benefits to be payable to a widower having a child in his care entitled to a child's social security benefit based on the earnings of the mother. In doing so, the mandate of the U.S. Supreme Court holding in Weinberger v. Wiesenfeld (43 U.S.L.W. 4393) (March 19, 1975) would be written into law—i.e. the Social Security Act would require "father's" benefits to be paid on the same basis as "mother's" benefits. Section 402(g) of 42 U.S.C. would be amended to include the widower and every surviving divorced father as well. As the law presently exists, it only covers the widow and every surviving divorced mother.

Section 304

This bill would provide for the computation of a social security benefit based on combined earnings of a married couple. It amends 42 U.S.C. § 202(a) of the Social Security Act.

Section 305

This bill would amend the Aid To Families With Dependent Children Act (A.F.D.C.) (Title 42 U.S.C. § 602) so that the requirements for State Plans for aid and services would not be discriminatory on the basis of sex. References made to the "mother" or "female caretaker" are removed and replaced with sex neutral terms such as "caretaking relative of a child" and "adult relative".

Section 606 of Title 42 U.S.C. would be changed by adding an entirely new subparagraph to the definitional portion of the statute. The new terms "caretaking parent" and "caretaking relative" are defined. These are neutral designations.

Section 607 of the A.F.D.C. law would also be amended by this bill so as to remove all sex-based words.

By making these amendments in the A.F.D.C. scheme, this bill would remove the widely-believed notion that mothers, i.e., females, are the persons exclusively charged with caring for children.

TITLE IV—STUDY AND REVIEW OF SEX DISCRIMINATION

Section 401

"Grants for Financing State Commissions on the Status of Women" have not been enacted to date. This bill would provide for this to be done by authorizing the Secretary of H.E.W. to pay up to 50% of the cost of such commissions which would in turn be formally established by state legislatures or Governors of the respective states.

Section 402

"Studies and Reports to Congress" refers to the Family Assistance Act of 1970, which was never enacted. This provision in the bill would require the Secretary of H.E.W. to submit to Congress recommendations for legislation in certain specific areas.

One provision would require legislative suggestions with regard to promoting and facilitating the granting of equitable retirement benefits to families with working wives under the Social Security Act and the Civil Service Retirement System. A review of the Civil Service Retirement Act reveals that the word "spouse" is used throughout. Until recently, there was a difference in treatment of male and female employees under the Federal Workmen's Compensation Act, but the 93rd Congress enacted the Federal Employees Compensation Amendments (88 Stat. 1143) to provide equality of treatment for male and female federal employees in terms of benefits to spouses in cases of death or work injury.

A second provision in this bill relates to improving and expanding Federal Assistance for child care services to families not covered under the public assistance programs in the Social Security Act. This recommendation has not been enacted into law to date.

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The third portion of this list of legislative recommendations relates to amending the Internal Revenue Code with respect to allowing a business deduction for child care. Such a provision has not yet been enacted into law.

This portion of the bill further requires the Commissioner of Education to conduct a survey of educational institutions throughout the country to determine the extent to which equality of educational opportunity is being denied to citizens of the U.S. because of sex. This provision is patterned after Section 402 of the Civil Rights Act of 1964; however, a similar survey is required by the Women's Educational Equity Act, Section 408 of the Education Amendments of 1974.

HIDDEN HISTORY—THE POLES IN JAMESTOWN, 1608

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. HELSTOSKI. Mr. Speaker, today I would like to share with my colleagues an article written in conjunction with our forthcoming bicentennial celebration. Entitled "Hidden History—The Poles in Jamestown," this material provides additional insight into our heritage and history.

The article was written by Anthony K. Podbielski, lieutenant colonel, United States Army retired, of Bayonne, N.J. Colonel Podbielski has been an avid student of history throughout his life, and his most recent accomplishment was the coauthorship of the parish history of the Polish Roman Catholic Church of Our Lady of Mount Carmel in Bayonne. This work is a fascinating blend of church history and the history of the Polish ethnic community in Bayonne.

Furthermore, over the past decade, Colonel Podbielski has presented many historical library displays dealing with Polish American contributions to the United States and world civilization. Currently, he has available a portable compact traveling exhibit. "The Poles in Jamestown, 1608."

This exhibit consists of a series of 100 slides, and a modest display of currently produced glass artifacts from the Jamestown Park in Virginia. Historical literature dealing with those early days of the Polish artisans in the English colony in Jamestown also is included in this exhibit. This exhibit is shown gratis to the various chapters of the Polish American Congress in New Jersey.

Mr. Speaker, Colonel Podbielski deserves to be commended for his dedication to fostering among all Americans a greater sense of pride and understanding of our heritage, and it is a privilege for me to share his article with my colleagues today. The article follows:

HIDDEN HISTORY—POLES IN JAMESTOWN, 1608

(By Anthony K. Podbielski, lieutenant colonel AUS, retired)

One of the most fascinating results of the current USA Bicentennial celebrations is the ethnic awareness and pride it has developed in America's pluralistic society.

I have become more cognizant of this in the past year. As historian for the Bayonne, N.J. chapter of the Polish American Congress in the past decade, I too have seen the growing pride and interest of ethnic groups in what they have given of themselves to the United States. Being a dual retiree from the U.S. military service and civilian employment I have continued to deepen my interest in the history of the United States.

It has been a constant source of wonder to me, throughout my lifetime why past American historians have ostensibly neglected or failed to delve deeper into the beginnings of our country by others than Anglo Saxons. There are seeming oversights or sins of omission in acknowledging and crediting Polish contributions to the growth and development of the United States.

During my military service, I travelled over most of the United States and Canada. Everywhere, I found living monuments of the tremendous past and current Polish contributions to my native land.

Every American student is aware of what Thaddeus Kosciuszko and Kazimierz Pulaski accomplished for the struggling American colonies in the Revolutionary War. Yet current Bicentennial commercial and various official State publications tend to bypass or completely ignore the skills and sacrifices of these two gallant Poles. Their contributions like those of many other ethnic groups in the United States are a part and parcel of "hidden American history."

But the record of our rich Polish heritage goes further back than the Revolutionary War, all the way back to Jamestown, Virginia in 1608. These first Polish artisans who landed in the English colony on October 1, 1608, came not as refugees from the European continents religious persecutions, but by invitation, to lend their skills in establishing the first commercial industry on the American continent.

We Americans of Polish extraction, after 367 years have amassed an American heritage of great distinction. The characteristic modesty of our ancestral and of our efforts, has erupted into a pride of historical accomplishment. It is not boastfulness, rather it is a mental maturity which elevates all those it touches.

We have therefore become better Americans, as a result of our knowledge of how remarkable these Polish contributions have been and continue to be.

Let us look at a condensed, chronological record of these fascinating early artisans who arrived in the Western hemisphere in answer to the pleas of Captain John Smith, first commander of the Jamestown colony.

Captain John Smith was an English soldier of fortune in the service of Prince Sigismund Batory of Transylvania, a nephew of King Stefan Batory of Poland. In the wars against the infidels, Smith was captured by the Turks, managed to escape and returned to England via Hungary and Poland. It was in Poland that he was impressed by the Poles hospitality, their religious tolerance, stability, hard work, skills and progress in all professions.

When Smith became Commander of the Jamestown colony in 1607, he realized the callousness and incompetence and ignorance of the English aristocrats who accompanied him to the new world. In his own words, "these people never did a real days work in their lives." He recalled his favorable impressions of the industrious Poles and the other Europeans he had met a few years back in Poland.

If the English commercial venture in Virginia was to succeed, Smith desperately needed skilled, hardy workers. The England of James I demanded new, cheaper sources of supply for lumber products, potash, ash, pitch and tar and glass. Her overseas colonies were expected to fill those requirements.

Thus in answer to his pleas, there arrived in Jamestown, on October 1, 1608, aboard the good ship, "Mary and Margaret" many newcomers. Amongst them "were eight Dutchmen and Poles." History has recorded the names of these Poles, Michal Lowicki, Zbigniew Stefanski, Jan Mata, Stanislaw Sadowski and Jan Bogdan. Captain John Smith . . . had personally met Bogdan in Poland during his sojourn there in 1603.

Stefanski was the first Pole to set foot on the Virginia soil. After a long and perilous journey, he fell to his knees and uttered these Polish words, "Thank You God, Thank You God!" (Dzieki Ci Panie, Dzieki Ci Panie).

According to Captain Smith's diary, "The True Travels, Adventures and Observations of Captain John Smith," the Poles came ashore with the tools and equipment of their professions. Within two months a "tryal of glasse and lumber" was dispatched to England proving the efficacy of the English commercial venture. Despite famine, pestilence and attacks by the Indians, trees were felled for masts; planks, clapboards; tar and pitch and soap ashes were readied for shipment to England.

In loyalty the Poles had no peers. Smith again writes of their having saved his life when attacked by the Chief of the Paspaheg Indians. Two Poles, Zbigniew Stefanski and Jan Bogdan ran from the nearby glass house and overpowered the Indian.

The trials and tribulations of 1608–1609 have no parallel in American history. Jamestown was becoming a successful business venture twelve years before the Pilgrims landed at Plymouth. It was also seventy-four years before King John Sobieski of Poland defeated the Turks at Vienna in 1683. Pope Paul the Fifth was in Rome and Zygmunt the Third governed in the United Kingdom of Poland.

It is in the act of commercial glass making from 1608 to 1625 that the Polish artisans excelled. In spite of the physical difficulties attending the colony—glass was made on at least two occasions. Glass products were the first, "made in America" articles to be exported from the English colony to the Mother country.

The Poles talents, skills and bravery were appreciated but also taken for granted by the English. The London Company records also attest to the Poles contributions, but still these same Poles were in a category of "second class citizens."

English law did not grant them the "civil rights" of voting, possession of property, or equal treatment on the same footing as the native Englishmen. Despite the Poles many pleas and entreaties to correct their status, their demands for equal rights continued to be ignored.

It is here that American historians have overlooked an event of great magnitude, a man's continuous desire for respect and equality. A dramatic event occurred on July 21, 1619, as stated in the records of the Virginia Company of London. The Virginia House of Burgesses met in Jamestown for the first time, according to the rules established in the mother country.

What next happened is referred to as the first peaceful strike in the New World. The Poles simple demands for basic rights were denied. The Poles then called a work stoppage. They ceased their production. The English lawmakers were shocked into reality. Suddenly they became aware that they were at the mercy of the Polish artisans. They knew of the London stockholders reaction when no imports would be forthcoming from the "new, cheaper sources of supply in the western hemisphere."

How eloquent is the entry in the Court Book of the first meeting of the Virginia House of Burgesses on July 21, 1619.

"Upon some dispute of the Polonians resident in Virginia, it was now agreed (notwithstanding any former order to the contrary) that they shall be enfranchised, and made as free as any inhabitant there whatsoever: And because their skill in making pitch and tar and sope ashees shall not dye with them, it is agreed that some young men, shall be put unto them to learn their skill and knowledge therein for the benefit of the Country hereafter."

At the time of the Poles' strike for enfranchisement—"Provision was made for a General Assembly to be held once yearly with power to make laws. The Assembly would be composed of the Governor and Council and two burgesses from each plantation freely elected by the inhabitants thereof." Thus began in America a government of the people, by the people and for the people.

As the Poles were being granted "equal rights" in 1619 there arrived in Jamestown aboard a Dutch warship twenty blacks, the first slaves in Virginia. Tragic irony indeed.

Historical researchers claim that the above historical entry did not miss the scrutinous eye of Thomas Jefferson, (a great personal friend of Thaddeus Kosciuszko), when he created the Declaration of Independence. It is also asserted that the phrasing, "as free as any inhibitant thereof," also inspired Abraham Lincoln in his subsequent abolitionist writings and speeches.

The lot of the Poles in Jamestown was certainly not better than that of the other settlers. Their instincts of Liberty were the animating force, that they had no recourse but to revolt at the social conditions of virtual slavery. Enlivened by a spirit of freedom these sons of the then most free republic in the world tacitly suffered hunger and hardships and quietly endured oppression. Even when their contemporaries idled or were treacherous to the established rule the Poles worked diligently and honestly for the English colony.

Thus our Polish American pride is based on historical accomplishment, on mental maturity which elevates all those it touches.

We therefore become better Americans, when we know how remarkable our Polish contribution has been to America and continues to be.

COMPENSATION LAWS COVERING FEDERAL EMPLOYEES

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

MR. GONZALEZ. Mr. Speaker, I am introducing a bill that would make retroactive a recently passed change in the compensation laws covering Federal employees.

My bill is specifically concerned with those people who suffered internal injuries or back injuries. In September of 1974, the Federal compensation law was changed to make eligible for benefits those who suffered back or internal injuries, but did not provide eligibility to those who suffered these injuries before the law was amended.

In not making this amendment retroactive we are discriminating against those very Federal employees whose injuries brought about this change. To ignore them and their misfortune would be unconscionable.

The bill I am proposing would cover those who have filed compensation claims for a period of 15 years prior to the date the amendment was signed into law.

I strongly believe that we must make this change in order to make the law equitable and I hope that other Members will support my efforts.

STUDENT NATIONAL MEDICAL ASSOCIATION COMMENTS ON HEALTH MANPOWER LEGISLATION

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. DELLUMS. Mr. Speaker, soon the House will consider legislation dealing with health manpower. I have just received the following communication from the Student National Medical Association which contains some serious criticism about the legislation as it is now written.

Since I see these objections as very important. I would like to have them placed in the RECORD for the use of my colleagues:

THE STUDENT NATIONAL MEDICAL
ASSOCIATION, INC.,
Washington, D.C., May 20. 1975.

HON. RONALD DELLUMS,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN DELLUMS: The Student National Medical Association (SNMA) is a national corporate organization of 3,000 minority medical students, representing approximately 98% of all minority students enrolled in medical school today. One of our functions is to inform and represent our membership on issues of a political nature which affect us as students and which are related to health care and medical education in general. We, as medical students, are particularly concerned about the issue of health manpower, not only as it relates to minority medical students but to all students in the health professions schools.

Despite the limited staff in our national office located in Washington, D.C., we have closely monitored the progression of various health manpower bills through the House of Representatives and Senate. And since the measures being discussed will have a direct and marked effect on us as medical students, we have paid very close attention to the recent discussions.

The proposed legislation introduced by Congressman Rogers and sent to the full Committee on Interstate and Foreign Commerce, H.R. 5546, contains various measures which deserve comment from the SNMA. We feel that if this measure is enacted, a devastating blow will be dealt to the current efforts to increase the numbers of minority medical students, and will have serious effects on medical education in general. We feel that if H.R. 5546 successfully passes the full House, and is enacted into law, the numbers of minorities in medical school will dwindle and the minority physician to population ratio will continue virtually unchanged from the present ratio of 1 to 7,000. This is in comparison to the overall United States physician to population ratio of 1 to 700, which is reason enough for the continued and more intense recruitment and graduation of minority medical students.

On the following pages we have detailed some of our criticisms of various aspects of H.R. 5546, and we hope that our observations and suggestions will be considered seriously. Also, as the only organization representing minority medical students, we would welcome the opportunity to address the House Committee or any other legislative body to express our views on matters of health manpower and medical education. Thank you for your consideration, and hopefully we all can work toward better health care for all Americans.

Respectfully,
VIRGINIA C. DAVIS,
SNMA President.
THOMAS I. BRANTLEY, Jr.,
Chairman, SNMA Board of Directors.

OPINIONS OF THE SNMA ON H.R. 5546

(1) We feel the need for a health manpower bill which will authorize appropriations for at least four years, beginning with Fiscal Year 1976. This would avoid the need for new legislative authority in just a few short years after enactment of the presently discussed measures. This might also prevent the need for emergency authorization as could be the case this year, since the present authority expires June 30, 1975. We also urge the swift enactment of comprehensive health manpower legislation, in whatever form, to ensure the continued stability in health professions education.

(2) We strongly disagree with the proposed Waxman Amendment to Section 704, and we feel greatly relieved that this Section has been voted down in recent Committee meeting. We would be the last organization to object to the concept of equal opportunity and the prohibiting of discrimination in admissions to medical school. But despite the Subsection (ii) supporting affirmative action programs for disadvantaged individuals, we fear the interpretation of the majority of medical schools of the Waxman Amendment. We feel that this Amendment would have hastened the demise of affirmative action admissions programs for minority medical students, which are aimed at correcting the long-standing inequity in the numbers of students from disadvantaged backgrounds.

(3) In reference to Section 747, we object to the formula for recovering funds granted in the form of scholarship to individuals failing to fulfill service obligation in the National Health Service Corps (NHSC). We feel that the required recovery of twice the amount of scholarship is unfair, placing unnecessary burden and stress on medical school graduates. This requirement would bind, almost unequivocally, medical school graduates who received NHSC Scholarships to serve in the NHSC, without a realistic buy-out provision. And minority students would be hardest hit by this provision. We recommend, at most, a pay-back provision of equal recovery to those funds granted as NHSC Scholarships.

(4) In reviewing the criteria for determination of a medically underserved area by the Secretary of HEW, we feel that this list should be expanded to include greater numbers of urban areas where minorities reside. This designation is supposedly for urban and rural areas where there exists a shortage of health professionals, yet no urban areas are so designated. While the shortage of primary care physicians in urban areas is not as acute as in rural areas, the problem of maldistribution is even more glaring, and both a shortage and maldistribution of physicians exists in the vast number of minority communities. We feel that the lack of urban areas designated as medically underserved will not serve to attract minority health professionals into the NHSC, and efforts should be made to correct this discrepancy. As of recent, we know of less than five black physicians who are members of the NHSC, an example of the problem.

(5) The proposed decrease in Federal capitation support for medical schools, under Section 501, will force increased tuition.

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Therefore, all minority students will be forced to apply for overwhelming amounts of loan or apply for NHSC Scholarships, neither of which the student is guaranteed of receiving. If the student receives neither adequate loans or NHSC Scholarship funds, the student cannot afford to attend medical school. We strongly disagree with his proposed alteration in capitation support, and further feel that capitation should be continued at present levels.

(6) As outlined in Section 771, we vehemently object to the required repayment of Federal capitation funds granted to a medical school, if a student does not fulfill a service obligation in the NHSC. We feel that students should not be forced to sign such a contract for obligated service, in return for capitation support for the medical school. Students should be able to elect to serve in the NHSC, the primary avenue being through the NHSC Scholarship Program. We support the required increase in medical school class size for continued capitation support.

(7) In reviewing Section 783, "Assistance to Individuals From Disadvantaged Backgrounds", we feel particularly distressed by the weak provisions aimed at increasing the numbers of minority medical students. In light of the alarming shortage of minority physicians, the only group of physicians to consistently and permanently practice in the minority community, we feel that the numbers of Blacks, Chicanos, Puerto Ricans, American Indians, and other minorities (not including women), should be increased to at least 15% of each class in all medical schools. To attain this goal, we strongly urge that capitations support be tied to a required gradual increase in the number of minorities in each medical school, until the desired percentage is maintained by at least 1978. We also feel that appropriations should be authorized for scholarships to individuals from disadvantaged backgrounds, over and above NHSC Scholarships.

(8) Section 801, which delineates the mechanisms for the accreditation and designation of the numbers of graduate medical training positions, is objectionable as we view it. This section would perpetuate the domination of the private sector in medicine and medical education, in the area of graduate medical training programs. We object to the unrepresentative special designation of the Liaison Committee on Graduate Medical Education (LCGME) and the Coordinating Council for Medical Education (CCME), as the authorizing and accrediting agencies in graduate medical education. While these two groups are supposedly representative of concerned and relevant organizations, they are in fact composed of the same individuals and groups who have devised and perpetuated the present inadequate and elitist system of medical education. The inadequacies of the present system have been sighted as part of the reason for the need for new and more comprehensive health manpower legislation. The SNMA favors a more representative system for authorizing programs of graduate medical training, which would include not only representative student organizations such as SNAM, but also including the minority physicians national organization, the National Medical Association.

(9) And finally, we are disappointed with the lack of reference to or requirement for equal licensure standards for medical practice for graduates of foreign medical schools. We feel that foreign medical graduates should be subject to the same licensure exams and standards as United States medical school graduates, especially in the light of their critical role in the delivery of health care in urban communities and medical center clinics which serve largely poor and welfare patients. We strongly support the proposed reduction in the number of graduate medical training positions.

BETTER HEARING AND SPEECH MONTH

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. SARASIN. Mr. Speaker, throughout the history of mankind, one element has been more important than any other in the emergence of the human race into modern society—the ability to communicate with one another. As miles have become a matter of minutes, as people have become more crowded together, as ideological disagreements have widened, communication has become even more important, often being the difference between peace and disorder.

Yet there are many who cannot call upon their sense of hearing or their ability to speak because of natural or psychological causes. These people were once not understood, not accepted in the mainstream of society. They were instead often the objects of ridicule or were simply left at the fringes of a dark loneliness.

Fortunately, as society progressed so did our understanding of the human mind and body. A new group of professionals emerged, offering hope to those who are communicatively handicapped. These are the hearing and speech pathologists, and no better way could have been found to thank these dedicated individuals for their contributions or to inform the American people of the services they provide, than to proclaim the month of May as "Better Hearing and Speech Month."

This is particularly fitting when we consider that 20 million Americans, 10 percent of all children and adults in this country, suffer from a speech, language, or hearing impediment which adversely affects their ability to interrelate in society. Many of these difficulties can be eliminated through proper treatment; many others can be modified through training or with the use of modern devices.

Help is definitely available through the services of speech pathologists and audiologists, and through their special capabilities affected individuals can be aided in restoring or improving their ability to assume a meaningful and productive place in society. When such great strides can be made, it is astonishing to know, and inexcusable, that one of the major problems of modern health is the fact that so many of these afflicted individuals do not know where to get help for their communicative disorders.

The "gift of gab" is often treated very lightly, but it cannot be when there are still so many who cannot comfortably and fluidly converse with their families, friends, classmates of professional colleagues. Speech crosses oceans in minutes, is essential to solving short- and long-range problems, and is an important part of what we call self-expression. Better Hearing and Speech Month must not only call attention to the problems faced by the communicatively handicapped—it must also provide the impetus for a national effort to inform the people as to where these services can be obtained. Help and hope can be found, and the future will be brighter for all.

CONGRESSMAN NIX REINTRODUCES DRUGSTORE ROBBERY BILL

HON. ROBERT N. C. NIX

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. NIX. Mr. Speaker, I am today reintroducing my bill to make the robbery or attempted robbery of any controlled substance from any pharmacy a Federal crime. Nineteen Members of the House have joined me in cosponsoring this bill.

Neighborhood pharmacists across America are faced with an epidemic of robberies and burglaries. Along with the other hazards of small businessmen, pharmacists have a special vulnerability. They have supplies of narcotics and other controlled substances which are highly prized by criminals.

As Federal and local law enforcement agencies attempt to crack down on illegal trafficking in drugs, they leave the neighborhood pharmacist as a frontline target for those who seek drugs for illegal purposes. In fiscal 1974, there were 6,000 drug thefts from pharmacies, accounting for more than 80 percent of all drugs stolen in the United States. Sixteen percent of these thefts were armed robberies.

Pharmacists are concerned with more than just the material losses they are suffering. From all across the country there are continuing reports of escalating violence used in the commission of these crimes. In many areas, pharmacies that once provided late night service to those in need of medication now close their doors early for fear of armed assault.

Mr. Speaker, I believe that the Federal Government has an obligation to act decisively to reverse this trend. The Federal Government already provides rigid controls on drugs under the Controlled Substance Act. The Federal Government has assumed the primary responsibility for curbing trafficking in drugs. And I believe the Federal Government must provide protection for pharmacists, who are now left exposed as the easiest target for those in pursuit of narcotics and other controlled substances.

I am pleased to note that the Drug Enforcement Administration, the responsible Federal agency, has now recognized the seriousness of the drugstore theft problem. The DEA has established a pilot pharmacy theft prevention program in St. Louis. The program has brought pharmacists and Federal and local law enforcement officials together to find ways to reduce the incidence or robberies and burglaries. The DEA has also begun a full-scale statistical study of the problem as a part of the St. Louis project.

I believe that the pharmacy theft prevention program should be expanded. The program by itself will not provide a solution to the problem. But, preliminary indications are that the St. Louis program has been helpful in getting the pharmacy robbery situation under control. I understand that the DEA is now considering ways of using the knowledge they are gaining in St. Louis and their expertise in drug crime to improve and expand on the St. Louis pilot program. I hope they will do so, and I hope they will begin to work more closely with local police and pharmacists to try to solve this crime problem.

SENIOR CITIZENS

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. WALSH. Mr. Speaker, every older American has one thing in common which should not be forgotten, particularly as we approach our Bicentennial celebration—they were once young.

The young make revolutions and the young were primarily responsible for the energy that created the United States of America. This is true of most revolutions. But what is also true of most revolutions is that the older individuals provide the wisdom, statesmanship, and steadfastness to hold the new nation together and to begin moving it toward its place in the world.

The United States is no exception to this general rule. Our older Americans have made tremendous contributions to the beginning and development of this great Nation. This contribution continues today in every field. Their experience, hindsight, knowledge, and wisdom are what have made us survive 200 years of war and peace, amid strife and togetherness, economic misery, and boom. All are the growing pains of any country and the older Americans have provided both the encouragement to go on when the young know not where to turn, and the warnings against becoming too complacent when times are calm.

When I see the plight of our senior citizens today, I see wasted talent, poverty, and sometimes even scorn by the young. I also see many who waste away because they just give up. I am reminded of a speech I heard more than 40 years ago on the radio, delivered by the great jurist Oliver Wendell Holmes on the occasion of his 90th birthday. He said in part:

> The riders in a race do not stop short when they reach the goal. There is a little finishing canter before coming to a standstill. There is time to hear the kind voice of friends and to say to one's self: 'The race is over, but the work never is done while the power to work remains.' The canter that brings you to a standstill need not be only coming to rest. It cannot be, while you still live. For to live is to function. That is all there is in living.

Mr. Holmes had great insight and I shall never forget his remarks. May has been proclaimed as Older Americans Month by the President and I think we should all remember the phrase "The race is over, but the work never is done while the power to work remains." The young may have started the revolution which created this nation, but without the wisdom and guidance of the old, we would not be celebrating our 200th anniversary next year.

THE STUDDS-MAGNUSON 200-MILE FISH BILL

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. STUDDS. Mr. Speaker, foreign overfishing in our offshore waters continues to be a major problem for our domestic fishermen. Not only are these foreign fishing fleets far superior in number and equipment to our domestic fishing boats but, despite international agreement, they continue to use illegal fishing methods. The combination of superior capability, complete disregard for conservation measures, and the use of illegal fishing equipment is robbing our domestic fishermen of a valuable source of income.

Mr. Speaker, this problem will continue to exist until we have an extended fisheries jurisdiction off our shores so we can regulate both the catch and equipment used by foreign nations. At this time, I would like to enter in the Record a well written article by William Coughlin of the Boston Globe which dramatically points out this very problem:

[From the Boston Globe, May 11, 1975]

ILLEGAL NET, SMALLER CATCHES DISCOURAGE PROVINCETOWN FISHERMEN

(By William P. Coughlin)

PROVINCETOWN.—For the leather-skinned fishermen of this outermost Bay State town, the net lying on the wharf told their story eloquently enough. It was, they felt, evidence of how the American fisherman is slowly being pushed off the high seas by fleets of large, long-distance foreign trawlers.

The synthetic net was of a foreign weave. It stretched nearly 100 feet along the dock, and at first glance appeared to be of normal size, with 4¾ mesh. But, according to Capt. Serphine Codinha, 56, of Provincetown, the appearance was deceptive. For built inside the net was a hidden 70-foot sleeve with what Codinha called an illegal mesh of only 1 to 1½ inches.

Regulations of the International Commission for Northwest Atlantic fisheries (ICNAF) stipulate that a synthetic bottom trawl net shall have a mesh size of no less than 4¾ inches in the codend (the bag at the end of the net) and 5⅛ inches for a net made of manila twine. This is to permit the escape of smaller fish and plankton.) Also, ICNAF regulations stipulate that "no means or device may be used in any net under these regulations . . . which would obstruct the meshes of the nets or which would otherwise, in effect, diminish the size of the meshes."

"This net is from a foreign boat, probably a Polish or German, said Codinha. "When they use nets like these, they catch plankton, small herring, spawn . . . and without plankton there's nothing for the small fish to feed on. It won't be long and we'll be finished. No more fishing unless the government acts fast," he insisted, "because the foreign boats—hundreds of them—are cleaning us out faster than they're talking down in Washington."

A House sub-committee on fisheries has heard testimony this spring on 19 bills to unilaterally extend the US fisheries jurisdiction from the present 12 to 200 miles offshore. Most of the measures would require foreign fleets to be licensed to fish American waters and would require catches to be controlled by species and quota. Included is a bill sponsored by Rep. Gerry Studds of New Bedford and Sen. Warren Magnuson of Washington. It calls for an interim fishing extension to 200 miles to protect the dwindling American shelf stocks, pending agreement by the United Nations Law of the Sea conference on global 200-mile fishing regulations.

(Opposition to such a coastal limit still is voiced by American world-girdling tuna clipper owners (though not among smaller inshore tuna fishermen of both the Atlantic and Pacific coasts) and among some US shrimp fishermen who ply the fisheries off Mexico, Cuba and South America.

(However, because of recent record $1 million fines levied on individual tuna and shrimp vessels as well as lengthy detainment and the confiscation of their catches by Ecuador and other Latin American nations, the opposition to a US 200-mile limit among tuna and shrimp fishermen is reported to be lessening.)

The net on the wharf, already being cannibalized by some Provincetown fishermen to be woven as repairs into their own torn gear, was picked up Feb. 12 by Capt. Henry Olsen of New Bedford in the scalloper Poseidon. Olsen was fishing 120 miles east of Cape Code on Cultivator Shoal, a traditional New England fishing site on Georges Bank.

"When the Poseidon pulled its drag back," Capt. Codinha said, "this net was caught in his own, and it got hung in his propeller. The Coast Guard towed him in. It cost him two days to get the net out of his wheel, and he lost six or seven days fishing.

"We called the US Fisheries Department to report the illegal net, and you know what they did? They came down and checked all our boats to make sure we had no small nets. Then they gave us the excuse that the net was from a foreign boat fishing for herring. But that's not true. You don't lose a net fishing for herring because herring fishing is a mid-water trawl. This net was lost on the bottom," Codinha charged. The mesh size of the net indicated its purpose: bottom trawling for cod, haddock or flounder.

Codinha, who has been a fishing skipper for 28 years, is owner and captain of the 60-foot Peter and Linda, one of Provincetown's fleet of 35 three-and four-man boats. Currently hospitalized, his vessel is being fished by Capt. Victor Barcellini.

"I have fished all over the world," said Codinha, "even spent some years in tuna clippers off California." Codinha was not bragging. He was merely relating in a fisherman's unschooled, plain language his background. He looks at you earnestly with unblinking brown eyes—as if hoping that at last someone will understand the Provincetown fisherman's plight. The broad-shouldered skipper in green plaid shirt then related one of his own encounters with a Russian fleet.

"Two years ago, a bunch of us were fishing off the Middle Bank, about six miles off Race Point here. I was in the Peter and Linda. Then, from out of the east a fleet of big Russian boats appeared, and started fishing about two miles from us, just to the northeast'ard.

"We called the Coast Guard up and reported them being inside the 12-mile limit. This was about 5:30 or 6 o'clock in the morning. Late that afternoon they were still out there. Finally two big Coast Guard cutters steamed up from offshore. We thought they were going to do something. But you know what?

They steamed right by us and the Russians and headed up for Boston. They didn't do a thing.

"But let us get caught inside the three-mile limit. Boy, they've got helicopters, planes, everything for us," Codinha charged.

Capt. Codinha pointed across the dock. "See that boat named the Capt. Bill? There was a skipper in her, George Adams, one of the best. George was a tough skipper. The wind could come; the sea could come, and he'd go fishing. He was a good man. One day he came ashore here raving. They'd literally chased him off the grounds."

Codinha drew a long line of some 30 dashes, staggered diagonally across a sheet of paper. In front of the line he placed a small "X."

"They fish this way," he said, pointing to the line of dashes. "The 'X' is the Capt. Bill there. They move down on you all in a line. What fish escapes the lead boat's net swims into the second, and so on. Nothing escapes. That's how they drove the Capt. Bill off that day. They just bore down on him and would have run him over. What would you do if you saw an armada of 600 or 700-ton ships bearing down on you? That's right. You'd haul up. Well, that's what Adams did. He hauled up. He finally quit and has moved to Florida."

Codinha cited the case of another P'town skipper, Capt. Joe Bronco of the dragger Porpoise. "He come back one day really discouraged. He'd been fishing the Northern Edge (of Georges Bank) and only had 13,000 pounds. He said the Russians drove him off." "Everywhere I went, they were there," Bronco told Codinha.

"If it weren't for the fact that these are good fishermen," Capt. Codinha said of his Provincetown mates, "we might have been forced out long ago. Ninety percent of us are of Portuguese descent, and that's the only thing that's kept us in business so far. It is the determination and ability of the Portuguese captains . . . men like Capt Arthur Duart out there in the Sea Fox. He's 72, the oldest skipper active here. He retired for six years, but now he's back. He's a good fisherman. There's a lot like him . . . good men, but they're really getting discouraged."

Codinha seemed to have in mind the heritage of old Provincetown's sailormen—a heritage that dates 100 years to the storied whaling ships, 54 of them, including the renowned Charles W. Morgan, that made Provincetown their home port . . . ships that were mostly manned by Portuguese from the Cape de Verde Islands.

—The heritage that inspired one yellowed newspaper account: "There were 50 wharves when Provincetown was in her prime as a fishing port, and business, social life and industry hummed on them."

—The heritage of the more recently remembered fleet of two-masted Grand Bankers: 86 of them at one time, all manned by the forebears of these same rugged fishermen from Cape de Verde. These were men who lived daily by the motto: "Our Saviour led the multitude two thousand years ago. We are fishermen."

—It is the heritage of many long-forgotten fishermen of Provincetown whose names now lie chiseled in slanting hillside tombstones or are lost forever in the depths: Enos . . . Berrios . . . Sylvia . . . Roderick . . . many, many others.

This was the past that seemed to impregnate Capt. Codinha's words.

But his was just one view of the slow strangulation of Provincetown as a once vital Massachusetts seaport.

George Colley, 64, is owner of Seafood Packers, Inc., which together with the Provincetown Cooperative Fishing Industries Inc. are the only fish handling firms left in town since the closing last fall of the Atlantic Coast Fisheries Co. and its freezer.

The P'town firms truck their fresh fish daily to markets in Boston, New York, Philadelphia, and Baltimore.

Colley says his firm, which owns four boats, handles two-thirds of the fish landed now at Provincetown, but he adds resignedly: "That's not much anymore."

He's had to close his freezer for want of enough fish. It once employed 300 persons and could handle 100,000 pounds a day. "We needed 75,000 pounds a day to break even," Colley said. "But now we're only landing 30,000–40,000, maybe if we're lucky 50,000 pounds on a good day. But on a day like today," he said looking out at the scudding whitecaps beyond Long Point, "we'll be lucky to land 7000 to 8000 pounds." Last year, the two remaining firms at P'town shipped only 14 million pounds of whiting, cod, yellowtails, pollock, blackback, dab, herring and scallops to eastern markets.

The seafood firm head, by way of comparison, cited the day "a few years ago when Capt. Manuel Phillips in the Silver Mate caught 60,000 pounds of tuna right off the point. It took all our trucks, everything. Everybody worked all night to handle that load of fish.

"But those days are gone," he said. "There were no tuna here last year. Once you could always get fish here, but now, you try and try, there are none. Not even yellowtails.

"The foreign fleet has cleaned us out, all the whiting, yellowtails . . . gone. The situation is acute. We should be catching yellowtails right now on the back side off Nausett, but the minute a few fish show up, in comes the foreign fleet to catch them all.

"The other day, Joe Roderick went out in the Jimmy Boy in real rough weather. Blowin' hard. Made three-hour tows, and he managed to get 10,000 pounds . . . he's a crackerjack fisherman. But what happened? The foreign boats moved in and stayed overnight and the next day when Joe went back to the spot, he couldn't find 300 pounds."

Can the Provincetown fisherman survive the crisis?

Both Colley and Capt. Codinha claim the government may have to help.

Colley said, "Some fishermen are making a living. The others are just existing."

He blamed it on a cycle of inflationary costs for fuel, cable, nets and food, aging boats that each year become more expensive to maintain, and the dwindling catches. The average age of the Provincetown fleet is 25 years with some boats 30 years old.

"New boats like these today cost between $110,000 to $120,000 and the men can't afford new boats," Colley said. "And with these older boats, you worry when you go out. Every time you think you've made $3000 or $4000, then something lets go and you've got to haul up on the railway to repair the old hull. A leak or something. There goes your $4000," he said.

"The whole trouble is that we can't make enough money to put enough aside to buy new equipment."

"He and Capt. Codinha urged a government program to help, a kind of Fish Boat Renewal plan whereby the government could buy up all these boats and help us get new ones. They've got urban renewal," Colley said. "They buy homes for the poor. Well, these fishermen are poor. They need government help, too."

It was the story of the fishery at Provincetown, 1975.

TRIBUTE TO BEN FERGUSON

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. ZABLOCKI. Mr. Speaker, I was saddened to learn recently of the death of Ben Ferguson, who was perhaps the most successful organizer of rural people and rural activities in the history of foreign aid. He was one American who demonstrated that U.S. assistance can benefit the poor. Among those working in the field of international development, Ben Ferguson became a living legend because of his magic touch in dealing with villagers in poor countries.

Ben left his Colorado ranch in 1961 to go to Pakistan with the International Cooperation Administration, soon to become the Agency for International Development. For 14 years, Ben worked in East Pakistan, in Vietnam, and in the Philippines, trying to explain to government officials the need to involve rural people in their own development and how that could be done.

Ben Ferguson was a man far ahead of his time. His work was a living example of the spirit of the development aid reforms which were enacted into law in the Foreign Assistance Act of 1973. Let us hope that the world has, at long last, learned the lesson he tried to teach for so many years—that the people's participation is necessary for the success of development. If that guiding principal is followed, U.S. assistance can help the poor in the developing world to reach for a more productive and more fulfilling life.

To his family and friends I extend sincerest sympathy. May they be consoled by the fact that he will long be remembered for his unselfish service to his fellow man.

FORMER ATOMIC ENERGY COMMISSION CHAIRMAN, DIXY LEE RAY, SPEAKS OUT ON THE SAFETY OF ATOMIC ENERGY

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. EVINS of Tennessee. Mr. Speaker, Dr. Dixy Lee Ray, former Chairman of the Atomic Energy Commission, in a recent interview in Mainliner magazine underlines the history and record of safety of nuclear powerplants.

Dr. Ray describes the nuclear safety record as remarkable and points out that the first commercial nuclear reactor began operating in 1957 and that more than 50 nuclear power stations are now in operation, totaling some 210 reactor years of operation and producing more than 350 million megawatt hours of electricity.

She emphasizes that no member of the public has been injured or killed as a result of the operation of these plants.

Dr. Ray also refers to the Rasmussen report which found that the probability of a reactor accident resulting in 100 or more casualties was 1 in 1 million per plant per year.

"I consider that the low risks cited in the study are acceptable," Dr. Ray concludes.

Because of the interest of my colleagues and the American people in this matter, I place excerpts from the article

from the Mainliner in the RECORD herewith.

These excerpts follow:

EXCERPTS OF INTERVIEW WITH DR. DIXY LEE RAY

MAINLINER. How safe are nuclear power plants? Have there been any serious accidents or scares?

RAY. The primary basis we have for judging the safety of nuclear power plants is the 17 years of experience since the first commercial power reactor began operation in 1957. More than 50 nuclear central station plants have been operated since that time, accumulating some 210 reactor years of commercial operation. More than 350 million megawatt-hours of electricity have been generated by nuclear means in that period and no member of the public has been injured by the failure of a reactor or by an accidental release of radioactivity. This is a remarkable safety record for any industry and particularly so for a developing technology.

The nuclear industry's safety record is due in large part to the rigorous standards and quality assurance programs applied to the design, construction, testing, operating and maintenance of nuclear power plants, and to the corrective actions taken when deficiencies are identified during formal inspection and testing programs applied to all phases over the life of the plant.

The overall approach to reactor safety involves several levels of protection and includes a recognition that human errors, malfunctions or off-normal conditions can occur even with the closest attention to detail. Consequently, an additional level of safety is provided by reliable protection devices and systems designed to ensure that such incidents will be prevented, arrested or accommodated safely.

A further margin of safety is added by testing the plant design against severe hypothetical accidents. Many other actions are taken to ensure the safe and reliable operation of nuclear power plants. The combination of research, engineering, technical review and inspection activities, supplementing a careful and safety-conscious design and quality assurance effort, provides a high degree of assurance that the health and safety of the public will be maintained.

MAINLINER. What is your reaction to WASH–1400, the nuclear safety study?

RAY. First of all, I should like to say that we are very pleased that the study was carried out in a careful and certainly a very analytical and objective manner. This study, directed by Professor Norman Rasmussen of MIT, should serve as a sound up-to-date analysis of the risks involved in nuclear power production.

As to the results of the study, it seems to me there is no question that the nuclear industry stands out very favorably indeed. The two-year study concludes that the risks to the public associated with nuclear power generation are very small, and that the likelihood of reactor accidents is much smaller than many types of nonnuclear accidents with similar consequences. For example, calculations from the Rasmussen Study show that the probability of a reactor accident resulting in 100 or more fatalities is about one in one million per plant per year. I consider that the low risks cited in the study are acceptable.

MAINLINER. What safeguards exist for the transportation and processing of reactor fuel?

RAY. First, I should note that the concern here is with what we call strategic special nuclear materials which could be used to make a nuclear explosive. In the commercial nuclear power program today, very little of this fissionable material is involved in either the transportation or processing of fuels. As the nuclear power program expands, there will be a commensurate increase in fuel transport activities. Recognizing this, we already require, among other things, armed guards in separate escort vehicles for truck or trailer shipments, and armed guards in the car with the shipment or on board if shipped by train. The regulations also require close communications between vehicles or trains and the licensee.

For facilities where fuels are processed—and looking to the future—reprocessed, we require essentially the same type of security programs.

MAINLINER. How good is the safety record of our existing nuclear power plants?

RAY. The safety record of our existing nuclear power plants is excellent. This was spelled out in my response to the first question, but let me add further confirmation. As of November 1, 1975, there were 54 operable nuclear power plants in the United States. About 60 are under construction and many others are under environmental and safety review. We review thoroughly every application. If we should ever have any doubts that a reactor could be built or operated safely, we would deny the application. Once a reactor passes all the tests and meets all the requirements for an operating license, a heavy responsibility is placed on the licensee to monitor and report the slightest deviation in procedure or operating performance. We will continue to exercise this regulatory control and attention to safety while at the same time continuing our extensive safety research programs to obtain additional support data.

MAINLINER. Might our energy dollars be better spent on other alternatives?

RAY. Determining how our energy dollars may be spent best is one of the major purposes of our national energy research and development program. If we knew precisely which energy sources would be the most cost efficient in the 1980s, we could perhaps drop some of the ideas and concentrate on the others. However, that is not the case. For example, we now have the technology to supply a house with all its electrical needs from solar cells mounted on the roof—at a cost of about $50,000 to $60,000 per house. Some researchers think this cost can be brought down by the mid-1980s to be competitive with nuclear and coal. Others feel that it cannot. Our only course, then, is to continue our R&D to a point where this question can be resolved.

The new Energy Research and Development Administration, which came into being early in 1975, is charged with conducting the type of research efforts that will answer these difficult questions. Some of the major energy projects include the fast breeder reactor, controlled fusion processes, solar and wind power, geothermal, coal liquefaction and gasification, oil shale development, enhanced recovery of oil and natural gas, and magnetohydrodynamics. It will not be an either/or choice, but rather a combination of these that will supply the great energy demands of this nation in the future.

THOMAS J. MONTGOMERY

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. CORMAN. Mr. Speaker, it is my pleasure to bring to the attention of my colleages in this House, the diligent and outstanding civic activities of Thomas J. Montgomery of Pacoima, Calif.

Mr. Montgomery's enthusiastic pride in the community is exemplified by his dedicated and continuing efforts to improve the quality of life for all citizens of the San Fernando Valley. His extensive activism within the NAACP is particularly well known and acknowledged through receipt of the coveted Freedom Award Citation and Community Involvement Award. As a member of the valley branch, and national board member of the NAACP, Tom is continuing to lead the efforts for full equality and advancement of blacks in our society. And he is serving as a positive example of the service and pride fostered by the NAACP in all affairs within the local community.

The breadth of Tom's accomplishments can further be measured by his involvement and impact in political and community activities. He has served as deputy registrar of voters for Los Angeles County, president of the San Fernando Valley Neighborhood Legal Services Advisory Council, member of the Citizens Committee for Community Involvement, and treasurer of the Valley Community Democratic Club. Presently his involvement extends to serving as a member of the Pacoima Chamber of Commerce Board of Directors and member of the California State Democratic Central Committee. Additionally, he has contributed his time and talent to the UCLA Alumni Association, the Pacoima Skills Center, and the Northeast Valley Health Corp. The list is almost endless.

Mr. Speaker, I believe that Tom Montgomery's tireless efforts outline an example of an individual who has made a tremendous impact in his community. I am proud and privileged to represent individuals of such high caliber in the Congress of the United States.

CHINA IN REVIEW

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. COLLINS of Texas. Mr. Speaker, our country is now interested in seeing permanent stability in Asia. China is the key to all Asia. One view was discussed in "The Red China Papers" by Anthony Kubek. Here are some paragraphs from William B. Ruggles book review in the Dallas Morning News:

CHINESE POLITICS MISUNDERSTOOD

The Red China Papers (Anthony Kubek; Arlington House, $8.95).

(By William B. Ruggles)

Kubek is one of the all too few Americans who already knows. He has performed a national service. The last seven of his nine chapters cover the whole tragic story of the 33 years—1941–74—in which the administration of this country has so shifted its official policy as to undermine the chances of the Republic of China to survive against the China of Mao Tse tung.

Dr. Kubek, dean and chief academic officer of the University of Plano and curator of the Claire Lee Chennault Library of Asian and American Affairs at Plano, is no stranger to his subject. His widely read "How the Far East was lost," dealt with the grim failure of policy to deal properly in the decade 1941–49 with the struggle for power going on in China.

Through the book it becomes clearly visible the changes wrought by lack of understanding of the original American policy and probably even less of basic Chinese thought in high places in Washington. In his visit to China, Nixon practically assured Peking that Chinese communism need not fear American enmity, though he did not wipe out, at least in words, this country's pledge to defend Taiwan against outside interference with the true Chinese independence.

Kubek is under no delusions that the Chinese communists are determined to eliminate free China.

He says:

"The United States remains formally committed, despite all Nixon-Kissinger designs of detente, to the protection of Taiwan against any external attack. The concept, expressed in the Shanghai statement, that Taiwan is an internal Chinese problem does not alter the treaty commitment of the United States to defend the island. This fact remains central to every weighing of the Chinese question in the future."

Actually only a limited number of Americans are satisfactorily aware of the political problems of the huge part of Asia represented by the vast Chinese population.

PHILADELPHIA CITY COUNCIL URGES FREE EMIGRATION FROM THE SOVIET UNION

HON. ROBERT N. C. NIX

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. NIX. Mr. Speaker, I am proud to note that once again the city of Philadelphia has taken a strong stand for human rights. In a petition to Congress, the city council urges us "to take affirmative action in utilizing congressional influence upon the Soviet Foreign Ministry to liberalize their emigration policy concomitant with the inherent human rights of all people to make their choice of country in which to reside."

I heartily endorse this resolution of the city council. A copy of the resolution follows:

RESOLUTION NO. 384

Memorializing the Congress of the United States to take affirmative action in utilizing Congressional influence upon the Soviet Foreign Ministry to liberalize their emigration policy concomitant with the inherent human rights of all people to make their choice of country in which to reside, in accordance with the express policy of the Committee for Reuniting Families.

Whereas, The Committee For Reuniting Families is a non-profit corporation whose sole purpose and existence is to facilitate emigration from the U.S.S.R. to the United States, Canada and other countries throughout the world; and

Whereas, In the highest American tradition the Committee For Reuniting Families is working diligently to achieve their stated purposes; and

Whereas, If the Committee For Reuniting Families is to continue to serve the people of the world, a broader public understanding of the Committee's work is necessary; and

Whereas, The Committee For Reuniting Families needs the cooperation of Civic Leaders, Lawmakers, and all public figures in the United States; therefore

Resolved By the Council of the City of Philadelphia, That we hereby memorialize the Congress of the United States to take affirmative action in utilizing Congressional influence upon the Soviet Foreign Ministry to liberalize their emigration policy concomitant with the inherent human rights of all people to make their choice of country in which to reside, in accordance with the express policy of the Committee For Reuniting Families.

Resolved, That certified copies of this Resolution be forwarded to the President of the United States, the Secretary of State, President Pro-Tempore of the Senate, Speaker of the House of Representatives, the Senators from Pennsylvania, and the Congressmen representing Philadelphia, as evidence of the sincere sentiments of this legislative body.

ALEXANDRIA HOSTS NATIONAL LONG-DISTANCE RUNNING CHAMPIONSHIP

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. HARRIS. Mr. Speaker, last Saturday, May 17, the city of Alexandria, Va., was the site for the 1975 National Amateur Athletic Union 15-Kilometer Championship. This was the first time a national long-distance running championship had been held in Alexandria and from all accounts it was an outstanding meet.

Jointly sponsored by the D.C. Road Runners Club and the city of Alexandria, the 9.3 mile race started at the Alexandria City Hall on North Royal Street and proceeded south to the scenic bike path adjacent to the Potomac River and the George Washington Memorial Parkway. The athletes ran along the gently rolling bike path to the Collingwood section of suburban Fairfax County and then returned to the Alexandria City Hall. This premier running event was ably directed by Fred Weeks of Springfield, assisted by John Hoechst of the Alexandria Recreation Department.

I am informed that this meet attracted some of the most well-known and accomplished amateur long-distance runners in the United States. Among the luminaries were Will Rodgers of the Greater Boston Track Club, winner of the 1975 Boston Marathon and the American record holder in the 26.2 mile event; the West Virginia Track Club's Carl Hatfield; Jack Mahurin, Gareth Hayes, and Ed Hereford of the North Carolina Track Club; Mark Covert of the San Fernando Valley Track Club; the Washington Sport Club's Bruce Robinson, Steve Mahieu, and Phil Stewart; and England's Bernie Allen. The 15-kilometer race was won by Hamilton Amer of the Greater Boston Track Club in the time of 46:56.8.

Mr. Speaker, I am most proud that this national championship was held in my district and that many of my constituents competed in it and helped to officiate. I particularly commend the District of Columbia Road Runners Club and the city of Alexandria for sponsoring this meet and for their active role in the promotion of long distance running and physical fitness.

I insert herewith, for inclusion in the RECORD, a news article which appeared in Sunday's New York Times about the 15-kilometer championship:

RODGERS IS UPSET BY AMER AT FINISH

ALEXANDRIA, Va., May 17—Hamilton Amer put on a strong kick in the last few yards today to upset favored Will Rodgers in the 1975 national Amateur Athletic Union 15-kilometer championship run through this historic, old Washington suburb.

Amer, representing the Greater Boston Track Club, beat Rodgers, a teammate who won the Boston marathon in record time this year, by less than two seconds—46 minutes 56.8 seconds to 46:58.

Amer and Rodgers ran stride for stride over the 9.3-mile course through the city, over the scenic bike path adjacent to the Potomac River and back through the historic streets of the 18th century city before Amer put on his kick near the finish line.

There were 174 finishers of the 180 that started the race. The North Carolina Track Club was the team winner, followed by the Washington Sports Club and then the Greater Boston Track Club.

H.R. 2522, THE NEW AMERICANS EDUCATION AND EMPLOYMENT ASSISTANCE ACT

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mrs. MINK. Mr. Speaker, two recent articles which have appeared in the Washington Post have tended to bring into focus a number of issues involved in the refugee assistance program which this country is involved in currently.

I refer to an article by Clayton Fritchey from the May 14, 1975, Post, entitled "Our 'Traditional' Immigration Policy," and the article in the May 16, Post by Susan Jacoby, entitled "The New Immigrants."

I think that each of these writers has managed to bring a worthwhile perspective to the influx of refugees which we are experiencing, and I think that when my colleagues review these articles, they will find that they must agree that we are facing a long term responsibility not only to these most recent arrivals, but to those who have arrived in the past few years and who are still in the process of "settling" in America, and to those who will come in the years ahead.

The Federal Government must address this problem as soon as possible. In addition to including in these remarks the two articles to which I refer, I would like once again to call the attention of my colleagues to the legislation which has been before them in the 93d Congress and which is before them again this year which would delineate Federal responsibility for assisting immigrants through grants to the State and city governments with which they must deal most often. My bill, H.R. 2522, has recently received a strong endorsement from the U.S. Commission on Civil Rights, adding to the already long list of organizations and individuals who have testified in favor or otherwise indicated support of this proposal.

I urge the Members of this House to read these articles carefully, and to review my bill. I hope for early and favorable consideration of this legislation:

[From the Washington Post, May 14, 1975]

OUR "TRADITIONAL" IMMIGRATION POLICY

(By Clayton Fritchey)

To hear the administration tell it, it might be thought that overnight America had changed from an open-armed to a hard-hearted nation on immigration, especially Asian immigration. But that's not telling it like it is—or has been.

In explaining why he was "damn mad" about widespread opposition to his resettlement plans for 150,000 Vietnamese and Cambodian refugees, President Ford said, "I am primarily very upset because the United States has had a long tradition of opening its doors to immigrants of all countries."

The President needs a new and better briefing about U.S. immigration policy in general and, in particular, its application to Asians. If Mr. Ford believes America has had a long tradition of welcoming *all* immigrants, regardless of origin, he has another think coming.

For most of its history, this republic has consistently discriminated against Orientals in the most bigoted way, culminating in "Yellow Peril" scares that led to legislation excluding or severely restricting the entry of Asians into the United States.

In legislation enacted in 1862 and 1875, Congress specifically prohibited the importation of "Oriental slave labor," and this was capped in 1882 by passage of the Chinese Exclusion Act and a variety of other restrictions.

Under the controversial McCarran-Walter Act of 1952, race was supposedly eliminated as a complete bar to immigration, yet Asians, no matter where they are born, must enter the United States on the basis of small racial quotas. Non-Asians come in on much larger national quotas designed to favor "Nordic" immigrants.

Of total immigration to the United States of 41 million persons, admitted from 1820 to 1960, more than 34 million (or 83 per cent) were from European countries. Although Asia has most of the world's population, there are now only about 2 million Asians and Asian-Americans living in the United States, largely in Californa.

So it is readily apparent that, contrary to the administration, there is nothing new or surprising about the present lack of enthusiasm for embracing 150,000 Asian refugees.

The United States is simply doing what has always come naturally. If anything, it is surprising that the grumbling has not been louder. All signs indicate that the U.S. public is going to accept this extraordinary burden without much more fuss, which is an improvement on the past.

The White House likes to talk about the Statue of Liberty as a symbol of our "traditional" immigration policy, notably those poetic lines of Emma Lazarus inscribed on the base of the statue: "Give me your tired, your poor, your huddled masses . . ."

Well, in the first place, the idea of the statue came from France, and so did the money for its cost. That was in 1886, when, for a few brief decades, the masters of America welcomed mass immigration because they needed cheap labor to carry on the transformation of the United States from a rural to an industrial society.

They came by the tens of millions (mostly from Europe) between 1890 and 1910, but then industry discovered it had all the common labor it needed, and by 1917 Congress was passing legislation to stem the tide.

Incidentally, most of the immigration laws of this century have been so mean and narrow that they've had to be passed over presidential vetos, including the prevailing 1952 McCarran-Walter Act, which was vainly vetoed by former President Harry Truman.

It provides annual quotas for various nations, with each area given an annual quota equivalent to one-sixth of 1 per cent of the inhabitants in the United States in 1920 attributable to that area. In short, the spigot was turned off.

It is foolish and unfair for the administration to liken the Vietnamese exodus to that of Hungary and Cuba. The refugees from those countries came in gradually over a period of years, and after public opinion had been conditioned to accept them.

There is no precedent for the Vietnam crisis, with 150,000 refugees suddenly and unexpectedly pouring into the United States within a week or two. Moreover, the public's alarm was originally triggered by the fear that U.S. troops would become involved in a new war while protecting the evacuation.

[From the Washington Post, May 16, 1975]

THE NEW IMMIGRANTS

(By Susan Jacoby)

If the hostile reaction to the arrival of Vietnamese refugees in the United States proves anything, it is the difficulty Americans have in learning from their own history.

A Martian reading the newspapers or watching television would find it difficult to believe that this country has had any experience with immigrants or political refugees. It may be asking too much to expect Americans to remember how many of their forebears arrived just one jump ahead of hostile European rulers or mobs in the 19th century, but there are more recent historical lessons to be drawn from the successful assimilation of several million displaced persons after World War II, some 40,000 Hungarians in the late 1950s and at least 700,000 Cubans between 1959 and 1973.

In countless interviews with local public officials and ordinary citizens, ignorance, fear and bigotry are outshining any ancestral concern for huddled masses yearning to breathe free. From California, which gave its Asian-American citizens *de jure* segregated schools and anti-miscegenation laws for decades, along with the unsettling historical memory of the Japanese internment during World War II, come reports that the Vietnamese may bear strange diseases to our pristine shores. No matter that American doctors on Guam say the incidence of infectious diseases is much lower among the refugees than in the American population as a whole.

Then there are the predictions that all of the refugees will wind up on welfare. "They are out of their environment," says a carpenter. "They can't speak English, and they will be on welfare before they get off the airplane. And who pays for that? We do." A State Department spokesman assures anxious officials in Florida, Arkansas and California that the Vietnamese will be resettled throughout the country and there will be no "Little Saigons" comparable to the "Little Havana" built by several hundred thousand Cubans in Miami.

It is probably safe to predict on the basis of past American experience with ordinary immigrants as well as political refugees, that very little that is now being predicted about the Indochina refugees will turn out to be true.

With respect to the threat of disease or the spread of welfare burdens, many of the same comments—in almost exactly the same phrases—appeared in 19th-century newspapers, but they referred to "Hebrews" and "Slavs" rather than to Vietnamese; they were repeated much more recently about Cubans in Miami. As for the State Department's prediction that there will be no "Little Saigons," that may prove to be equally misguided, since the American government has no authority to keep legal residents in one part of the country rather than another after an initial period of settlement is over. Immigrants have always congregated in Little Italys, Chinatowns, or whatever.

Their presence is always perceived as a threat by local communities until it is discovered that immigrants from the same country put a high premium on self-help and self-sufficiency.

The only real difference between the Vietnamese and past groups of refugees is that they provide a highly visible reminder of a trauma Americans would like to forget. Like all refugees, the Vietnamese are a mixed bag: To be sure, a minority are undoubtedly crooks who exploited their own people and made a handsome profit on the war. But for every former government official who already had his money in a Swiss bank, there are thousands of decent Vietnamese who—not always by choice—were caught up in the losing side of a complex civil war. Many politicians, both liberal and conservative, are purveying the notion that the only proper definition of a refugee is someone who is likely to be shot immediately in his or her native land. This definition would have excluded many of the East European and Russian Jews who arrived here between 1890 and 1924, most of the displaced persons after World War II, a large majority of the Cubans as well as Jews who have recently emigrated from the Soviet Union. By custom and by American law, a refugee is anyone who might be persecuted because of race, religion or political beliefs. After misjudging the situation in Vietnam for 30 years, it is the height of arrogance and hypocrisy for Americans to pass judgment on the question of who should have stayed in Saigon.

American history not only offers a proper definition of a political refugee but it suggests guidelines for helping the refugees after they arrive. The first 300,000 Cubans arrived between Jan. 1, 1959, when Fidel Castro took power, and the Cuban missile crisis of October, 1962. The refugee influx was heaviest in Southern Florida, which was experiencing an economic recession almost as severe as the recession today. With an aging population and with tourism as its main industry. Miami had an unemployment rate of 10.5 per cent. The area had the largest rate of FHA and VA mortgage foreclosures in the nation; the Southern Florida real estate boom was still in the future. The predictions about Cubans becoming a permanent welfare burden were identical to those being made about the Vietnamese today. When the government stepped in with emergency aid, there were bitter complaints about foreigners being kept in luxury while Americans worked for a living. "A cashier in a big supermarket told me she was appalled by the number of $100 bills carried by Cubans," reported one Miami newspaper.

The maximum government welfare payment to Cuban refugee families in Florida was $100 per month, regardless of the number of children. Most Cuban families became self-supporting within 18 months to two years after their arrival. In return, the Miami area got 100,000 new jobs that did not exist before the Cuban migration. The Cubans did more than create jobs for themselves; since 1965, at least 80 major U.S. corporations have moved their offices dealing with Latin American business to Miami. The refugees revitalized decaying residential and business areas of central Miami; after 1965, Cubans who had been resettled in other parts of the country returned to Florida because it offered them such bright prospects for economic growth and cultural identity.

There is no reason to believe that the Vietnamese, given temporary aid to tide them over the culture shock and language barrier, will be any less able to carve out a niche in American life than other refugees. Federal officials will have to stop pretending that they can keep the Vietnamese on military reservations until American sponsors

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are found. Relatives are the only people who are willing to guarantee the livelihood of new immigrants to the United States; there are simply not enough relatives to take care of the 100,000 to 150,000 Vietnamese now expected to settle here. Eventually, the Vietnamese will have to make their own way in American society—and they will undoubtedly form "Little Saigons" to help each other out. That is the way every immigrant group has managed to survive the tough initial phase of adjustment to this new land.

DR. CARLTON GOODLETT ADDRESSES SHAREHOLDERS MEETING OF AMERICAN TELEPHONE & TELEGRAPH CO.

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. JOHN L. BURTON. Mr. Speaker, I would like to share with my colleagues a general statement of concerns made by Dr. Carlton Goodlett at the latest shareholders meeting of the American Telephone & Telegraph Co.

Dr. Goodlett is president of the National Newspaper Publishe Association—the Black Press of America. I know that his remarks will be of interest to all Members.

The text of his statement follows:

ADDRESS BY DR. CARLTON GOODLETT

GENERAL STATEMENT OF CONCERNS

Mr. Chairman: As a stockholder of American Telephone and Telegraph Company, I take this opportunity to formally alert my fellow stockholders that our company is still guilty of a callous policy of covert discrimination in employment and in equitable advertising.

FAIR EMPLOYMENT

Our company, American Telephone and Telegraph, regrettably is guilty of the same criticism leveled against America's fifty largest corporations with an excess of 2,500 corporate executive positions, none of which is filled by a single black person. The fair employment statutes demand more than the hiring of racial minorities and women at the entrance level; their full meaning requires that women and racial minorities be integrated throughout the infrastructure of our company from the janitor's closet to the board of directors' room.

FAIR ADVERTISING

During 1972 blacks' $46-billion purchasing power contributed more than $900 million to American industries' advertising budgets while receiving less than 1/14th of 1% of the total national newspaper advertising placed by the 100 top white advertising agencies. In spite of the fact that American Telephone & Telegraph, with its subsidiaries, is the largest corporate entity in the USA, with a multi-million-dollar advertising budget, AT&T consistently discriminates against the black press in advertising expenditures, utilizing black consumer dollars for advertising in white-owned communications media, radio, television and the press. This is an example of economic racism. Rarely has a corporation received so much in the marketplace and returned so little to 25,000,000 American blacks, a constituency larger than 157 other nations in the world.

These problems of racism in employment and advertising have been discussed with our subsidiary, Pacific Telephone Company, for over a decade, and with officers of our parent company for well-nigh four years, without any significant results: this treadmill conversation leading nowhere has convinced us that more positive, direct action involving the use of the Federal Regulatory Commission, the courts, and if necessary direct action campaigns, are necessary to remove the inequities which we have suffered in silence far too long.

Because of the recent EEO Commission decision against our company and because of our desire to obtain substantive relief, the organized black press of America will soon seek a federal court interpretation of the EEO statutes to require: 1) equal employment opportunities, 2) equitable investment opportunities, and 3) equitable advertising opportunities. Every business participating in a plus-$50-billion annual expenditure of federal non-defense dollars must not be allowed to practice economic racism in employment, investment and advertising. Statute EO 11625 dealing with minority enterprise supporting programs requires that minority suppliers must receive equitable treatment from those enterprises engaging in federal contracts.

With blacks comprising 33.8% of the 25 largest cities and 27.6% of the 50 largest cities, respectively, and with gross corporate profit before taxes ranging from 8 to 14%, what business in the nation could withstand a concentrated national direct-action campaign directed against it by black Americans, as reciprocal action in the marketplace against those who practice economic racism against black people in the withholding of even that portion of corporate America's advertising budget derived from black purchasing power?

American Telephone and Telegraph Company, primarily a public monopoly, is interested in serving as many consumers as possible. Black America must have a strong press, which means advertising. Both AT&T and black Americans are interested in a common commodity: money in the marketplace. Success or failure of both AT&T and the black press have a recriprocal relationship. Our company must develop a new role guaranteeing fair employment, equitable investment opportunities and equitable advertising so as to encourage the development of broader corporate social responsibility as an ameliorating influence in dealing with the crises of sex and racial discrimination which threaten our Nation's progress.

A final word: How can AT&T speak so proudly of its vaunted affirmative action program, and spend nothing to achieve inter- and intra-group communication in black America? What does it profit the Nation for the black masses to be uninformed? A people without a voice, its press, are a hapless people! Black Americans, 25 million strong, the 26th largest nation in the world, and their black press, will not endure any longer in silence the economic racism inflicted upon us by AT&T and other corporate institutions.

THREE RECOMMENDATIONS

To rectify these wrongs, three recommendations are made:

1. That management be instructed to issue within the next six months a full report to our stockholders of its distribution of employees, based upon race and sex, delineating policies of promotion in the main job categories.

2. That stockholders be given a report on the expenditure of our advertising dollars in both the white and the black press.

3. That a stockholders' fair employment and fair advertising committee be appointed to assist management in broadening its programs of fair employment, equitable upgrading, and equitable advertising, which would allow AT&T to become an outstanding example of the proper role of corporate social responsibility in ameliorating the racial crisis and the crisis of sex discrimination.

ILLICIT DRUG IMPORTS SEEN AT RECORD LEVEL

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. WOLFF. Mr. Speaker, the Drug Enforcement Administration has been in operation for 18 months. On this special occasion they have released a series of statistics which shows that they are seizing record levels of drugs and also arresting record levels of traffickers. The problem is that drug abuse levels in the United States continue to rise and the outlook on the horizon does not seem to be positive. Our narcotics control effort is faced with an extremely complex problem which continues to change. I feel that our people must continue to evaluate and adopt innovative new approaches to combat the drug traffic.

I have attached the article which summarizes the DEA's efforts and also outlines the major problem areas. I think that this material will be of interest to all of my colleagues who are interested in dealing with our domestic drug abuse problems.

ILLICIT DRUG IMPORTS SEEN AT RECORD LEVEL

(By Douglas Watson)

The flow of cocaine, marijuana and hashish into the United States appears to be at record levels despite an unprecedented number of arrests and seizures, Drug Enforcement Administration officials said yesterday.

They also warned that with the return this year of Turkey to large-scale opium growing, heroin imports into this country could rebound from recent reduced levels to new records.

According to DEA officials, in recent years, as police have shifted their focus, there have been these important shifts in the international flow of illicit drugs.

Southeast Asia (mainly Burma, Thailand and Laos by way of Malaysia and Hong Kong) has become the principal heroin supplier to Western Europe, which last year set its own records for heroin usage.

Mexico has become the primary supplier of heroin to the United States, mainly because Turkey stopped growing opium in 1972. Mexico continues to be the world's leading marijuana exporter.

Cocaine is now the most popular "hard" drug in the United States and is being imported in "tremendous" volumes from Colombia, Ecuador, Peru, Bolivia, and Chile.

Amsterdam has replaced Marseilles as the chief heroin distribution center in Europe.

Lebanon is exporting an increasing amount of heroin to the United States, often through the Caribbean and Central America.

In the United States there also have been basic shifts in the flow of illicit drugs.

John Warner, chief of DEA's international intelligence division, said that in recent years illicit drug usage has spread from the big cities, where it was largely found in the 1960s, to smaller cities and rural areas.

During the 1960s most heroin sold here and in other East Coast cities was the white-colored variety mostly produced in France from opium grown in Turkey. Now, DEA officials said, heroin sold here is largely the "Mexican brown" variety.

U.S. withdrawal from Vietnam and Cambodia is expected by DEA officials to have little impact on the total flow of illicit drugs into this country, although the Communist military victories in those two countries expected to cut off the very small flow that was coming from them mainly by mail.

The increasing importation of illicit drugs other than heroin has occurred despite vigorous law enforcement efforts in many nations. DEA, working with foreign and U.S. police, made more than 25,000 arrests between July, 1973, and December, 1974.

DEA officials say the arrests during that 18-month period removed 7,235 pounds of heroin worth $3.9 billion in street sales, 2,510 pounds of cocaine worth $543 million retail. 36.6 million dosage units of other dangerous drugs worth $16.5 million retail and 687 tons of marijuana worth $398.8 million retail.

"The imports of cocaine, marijuana and hashish are clearly at all-time record levels as based on our seizures of these drugs," a DEA spokesman said.

Under pressure by the United States, which appropriated $35 million to compensate Turkish opium growing farmers, Turkey halted large-scale production of opium, the raw material from which heroin is made. However, Turkey last year lifted the ban and is producing an opium crop estimated to be about 50 per cent greater than before.

Warner said U.S. officials hope Turkey will follow through on its assurances that it will police its poppy fields so that the opium will go for legitimate pharmaceutical needs, where there have been shortages.

However, Manhattan District Attorney Robert Morgenthau warned Sunday that because of renewed Turkish opium production, "I think by late summer or early fall there will be a substantial increase in heroin use" in this country.

Colombians now largely control the cocaine traffic particularly from Bolivia, according to Jerry Strickler, a DEA official who one headed the agency's Latin American enforcement section. Colombia also has become a major marijuana exporter, as was Jamaica until a recent crackdown.

Strickler said that Vancouver and Argentina have become particularly active illicit drug transfer centers.

The extent to which a courier will go in an effort to smuggle drugs into the United States was illustrated by a man who flew from Bogota, Colombia, to Mexico City and then to Australia before being arrested in Honolulu on his way to Miami, Strickler said.

PRESIDENT SENGHOR OF SENEGAL VISITS THE UNITED STATES

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. RANGEL. Mr. Speaker, I regret that I was forced to miss several votes on the House floor today. I was attending a meeting at the White House with the distinguished President of Senegal, Leopold Sedar Senghor.

One of the priorities of the Congressional Black Caucus is improving United States-African relations and focusing the attention of the American people on the needs of Africa. Regretfully, our State Department gives far too little time to this critical issue.

President Senghor, a leader in the struggle for independence in Senegal, is also an internationally recognized poet. His leadership in African affairs has made him an influential statesman.

I hope that a closer relationship between our two countries will result from his visit to Washington and I urge both President Ford and Secretary of State Kissinger to reciprocate and pay an official visit to Senegal.

LAPP HITS NADER CRITICISM OF NUCLEAR POWER AS "GROSS EXAGGERATION"

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. EVINS of Tennessee. Mr. Speaker, Dr. Ralph Lapp, one of the Nation's leading experts on nuclear development, has issued a thorough and informative critique of Ralph Nader's charges that nuclear power is "unsafe, unnecessary and unreliable."

Dr. Lapp maintains in his 188-page report that no other energy source holds as much promise as nuclear power, and he states:

> That's the basic reason why the community of informed scientists and engineers is so overwhelmingly in favor of nuclear power."

Dr. Lapp is highly critical of what he calls Ralph Nader's "indictments of nuclear risks without any cohesive analysis of the problems and—what is more important—with no constructive suggestions."

Nuclear power has its enemies, Dr. Lapp concludes, but they lack perspective.

Mr. Speaker, the May 16 newsletter of the National Rural Electric Cooperative Association includes a brief summary of Dr. Lapp's statement. Because of the interest of the American people and the Congress in this most important matter, I insert herewith in the RECORD the article from the NRECA Newsletter.

The article follows:

NUCLEAR POWER SAVES USERS BILLIONS

Nuclear energy can supply the United States with the energy equivalent to 25-billion tons of coal in the next quarter century, according to Dr. Ralph Lapp, pioneer nuclear physicist and author.

"No other energy source within our technological grasp holds such promise and that's the basic reason why the community of informed scientists and engineers is so overwhelmingly in favor of nuclear power," Lapp wrote in a May 11 letter to members of Congress.

Accompanying the letter was a 118-page critique of Ralph Nader's campaign against nuclear power. At a press conference at the National Press Club in Washington Monday, Lapp released the critique which comments on "27 items of contention" in Nader's case against nuclear power. Lapp charged that the items "turn out to be ill-supported allegations and gross exaggerations.

"Nader would have the American people pay more for their monthly electric bills," Lapp said. "According to my calculations, it would cost Americans $13.7-billion more for electric power in the 1976–1980 period if nuclear plants were to be shut down."

In commenting on various sections of the report, Lapp said:

"I have carefully examined Nader's case, and I find it to be a casually constructed set of arguments, deeply flawed by Nader's lack of nuclear expertise. This inability of Nader to do his own homework and his apparent unwillingness to listen to anything but extremist advice results in a lack of evidence to support Nader's claims.

"Nader supercharges the nuclear debate atmosphere with unending misinformation and misinterpretation of data. The result is that Nader excites but does not inform. Nader makes rational debate of nuclear issues impossible. Nader asserts that other sources of energy can fill America's energy gap in the future. Nader does not live in the real world of energy resources. He would have America give up a sure thing—nuclear power equal to the energy of 100-billion barrels of oil during the next 25 years. But his alternative sources of energy are either too costly, too unavailable or too far below the technological horizon to do us any good.

ON NATIONAL BETTER HEARING AND SPEECH MONTH

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. KOCH. Mr. Speaker, according to figures from the Alexander Graham Bell Association for the Deaf, there are today upwards of 15 million adults and 3 million children who suffer from some degree of hearing loss. The month of May having been proclaimed as National Better Hearing and Speech Month, I am taking this opportunity at the request of some of my constituents to further educate Congress and the public on some of the problems and needs of those Americans who suffer from speech and/or hearing disabilities.

One of the major concerns encountered in trying to help the individuals afflicted with speech and hearing disabilities is that many of them do not know how or where to get help for their problem or are unwilling to admit that they have a problem.

There are also many individuals who realize that they have a speech and/or hearing deficiency, yet who refuse to do anything about it.

Speech pathologists, audiologists, and otolaryngologists are the professionals who work with individuals afflicted with speech, language, and/or hearing problems, and it is through them that one can obtain expert diagnostic assistance and treatment. There are also numerous nonprofit speech and hearing centers across the country, and information about the nearest center can be obtained by writing to the American Speech and Hearing Association, 9030 Old Georgetown Road, Bethesda, Md. 20014.

In the 18th Congressional District alone there are many hearing and speech centers and hospital facilities like Manhattan Eye, Ear, and Throat Hospital, New York University, New York Hospital, Lenox Hill Hospital, as well as free standing clinics like the New York League for the Hard of Hearing, the Institute for Crippled and Disabled, and private practitioners, all of whom are available to provide services for speech, language, and hearing handicapped persons.

For instance, at the Manhattan Eye, Ear, and Throat Hospital, Hearing and Speech Clinic, they provide complete diagnostic and rehabilitative services to people of all ages—infant through geriatric population—and all socioeconomic classes. Some of the services offered by the hearing and speech department include complete hearing tests by audi-

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ologists, treatment by otolaryngologists, hearing aid evaluation, speech, language, and voice evaluation by speech pathologists, voice therapy for individuals whose larynx has been removed because of surgery, and additional medical services as well as social service and psychology.

If a hearing loss is suspected, a doctor should be consulted, preferably an ear specialist, to see if a problem exists and if a medical correction is possible. It is very important to have an ear check at least once every year, especially so for young children, for whom an early hearing loss can severely affect learning ability. Often, after the problem is found and diagnosed, it can be medically treated and cured. In other cases a hearing aid can be used to restore one's hearing to its normal efficiency. With children, it is vital that the afflicted individual be enrolled at the earliest possible time in a preschool program for hearing and speech impaired children.

Finally, one should never leave untreated a suspected hearing or speech disability. There are ample resources available to help with these communication problems, and once the existence of the problem is realized, something can and should be done to assist the problem. Again, there are a wide range of professional services available.

PROHIBIT JOB AND HOUSING DISCRIMINATION AGAINST MENTALLY AND PHYSICALLY DISABLED

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. DODD. Mr. Speaker, recently, I introduced H.R. 7601, legislation that would prohibit job and housing discrimination against the mentally and physically disabled by amending the Civil Rights Act of 1964 and 1968. Presently, there are unconstitutional barriers that exclude mentally and physically disabled individuals from playing their rightful role in society. This legislation would prohibit denying an individual a job solely on the basis of a disability, even though he is qualified to hold the job. It would also clarify under the Civil Rights Acts of 1964 and 1968 the right of the disabled person who can financially afford to buy, lease, or rent a house, his or her right to live where he or she chooses.

This problem has long been ignored, yet it deserves the same attention that discrimination by race, sex, or age has received. It is also necessary to provide the strict enforcement procedures of the Civil Rights Acts of 1964 and 1968 to insure that discrimination against the disabled comes to an end.

Discrimination against the mentally and physically disabled usually arises from the myths and lack of information concerning these people. For too long America locked up its disabled in attics and closed institutions. It is past time we realize that by denying these individuals their constitutional rights to be free from discrimination in employment and in housing, we are continuing to block the disabled from active participation in open society.

It is generally recognized that proper employment constitutes essential therapy for the disabled. This is basic to both an individual's self-acceptance and social acceptance.

In employment, preliminary Government investigations have found that provisions of the Federal Rehabilitation Act of 1973, which require Federal contractors to adopt affirmative action programs to hire the handicapped have not been fully enforced.

Violations of the act are committed when certain Federal contractors, who must report job openings to local employment agencies, fail to do so.

Yet to police these violations, the Department of Labor has only 14 people—14 people to insure enforcement of the Rehabilitation Act, which affects millions of disabled persons.

In regard to those persons who are mentally retarded, a Department of Labor publication in 1965 cited that over 87 percent of the 6½ million retarded in this country are potentially capable of entering the competitive labor market. Yet according to testimony given during hearings for the Rehabilitation Act—the latest figures available, the total number of mentally retarded individuals employed by the Federal Government in 1972 was only 7,200.

The attitudes of employers toward the disabled are also usually unfavorable. A study of empoyers' attitudes toward ex-mental hospital patients conducted by State and Federal mental health rehabilitation officials in 1957 in the greater Boston area showed that only 13 percent of the over 200 employers interviewed had at least 1 person on the payroll that had spent time in a mental hospital. Employers expressed the fear that the ex-patient might explode with violence or become bizarre in his behavior. Many employers associated mentally disabled individuals with convicts and criminals.

Yet studies of work performances of the mentally disabled show that most employers' fears are groundless. A 1969 study of 5,000 mentally retarded persons who were employed in Federal service showed 90 percent of them had been successfully employed for an extended period.

A 1961 study in Brockton, Mass., showed that those employers who employed ex-mental-patients felt that 80 percent of those ex-patients were either as good or better than their other workers.

All these figures reflect the valuable contribution the disabled person can make if given a chance.

Discrimination is also evident in the area of housing. This discrimination usually is in the form of either architectual barriers or restrictive zoning procedures. Many times buildings and houses are constructed without taking into account the special needs of the disabled.

Recently in Ohio a group of individuals brought legal action against the Cuyahoga county government calling for construction of special entrance facilities in all public buildings for the disabled. The court decided in favor of the disabled individuals and required ramps or signaling devices be installed.

Zoning regulations exist that restrict rehabilitation centers from being placed in residential districts, where the disabled person can more normally readjust to society. Zoning regulations many times specify that only single families may reside in one house, thus excluding all facilities such as halfway houses and foster homes.

Another use of zoning regulations is the "general welfare" or "nuisance" clause where the local zoning board can deny zoning for a disabled care facility on the grounds it will be a nuisance to the community.

Since these regulations place a disabled person in a separate category, many are thought to be unconstitutional and are being tested in the courts.

One such case, Defoe against San Francisco Planning Commission, tests a local ordinance that denies the right to have more than two mentally disabled children in a foster home in a residential area.

Mr. Speaker, too often the mentally and physically disabled are a forgotten minority.

While the flagrant discrimination is obvious; I plan to request the Civil and Constitutional Rights Subcommittee, to which I belong, to hold hearings on H.R. 7601 which will provide valuable documentation on both the extent and different types of discrimination against the disabled, and demonstrate the necessity of quick passage of this legislation.

Mr. Speaker, at this time I would like to insert a copy of H.R. 7601 into the RECORD.

H.R. 7601

A bill to amend the Civil Rights Act of 1964 and the Act commonly called the Civil Rights Act of 1968 to prevent discrimination in employment and housing against disabled persons

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title VII of the Civil Rights Act of 1964 is amended—

(1) by adding at the end of section 701 the following new subsection:

"(k) The term 'disability' means a physical, mental, or medical impairment which prevents the exercise of a normal bodily function or is demonstrable by medically accepted clinical or laboratory diagnostic techniques, but does not include any physical, mental, or medical condition which is related to the ability to engage in the activities involved in the job or occupation with respect to which an employee seeks the protection of this title."; and

(2) by inserting "disability," immediately before "or national origin" each time it appears in sections 703, 704(b), and 717.

SEC. 2. Title VIII (42 U.S.C. 3601 et seq.) of the Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes", approved April 11, 1968, is amended—

(1) by adding at the end of section 802 the following new subsection:

"(h) 'Disability' means a physical, mental, or medical impairment which prevents the exercise of a normal bodily function or is demonstrable by medically accepted clinical or laboratory diagnostic techniques."; and

(2) by inserting "disability," immediately before "or national origin" each time it appears in sections 804, 805, 806, and 807.

THE PAROLE REORGANIZATION BILL

HON. JOHN BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. BRECKINRIDGE. Mr. Speaker, on May 21, the House considered passage of H.R. 5727, the Parole Reorganization Act of 1975. The purpose of this bill is to revise and modernize our system of granting paroles and providing for their review. The U.S. Parole Board, since its inception in 1930, has remained virtually unchanged except for minor attempts by the Board itself to update its policies. Through the years, criticisms have been leveled against the Board, building to a crescendo recently. The Board's procedures and operational mechanisms have been cited as antiquated and deficient and possibly inadequate with regard to constitutional safeguards. I can certainly find no fault in an attempt to modernize and to reorganize and improve the Parole Board. In fact, it seems appropriate to do so in view of its unchanged status for some 45 years.

However, Mr. Speaker, I must express severe reservations about some provisions of this bill. On one hand, we have Congress providing for a term of incarceration after a conviction for a crime, specifying maximum sentences. On the other hand, we state that the maximum sentences may not be served unless there is a high probability that the convicted persons will violate criminal laws—a vague test.

I can see an additional problem: If the court should fail to provide for a minimum sentence, the result will be that the convict cannot serve longer than 150 days without being eligible for parole at which time the Board would be required to show that he should not be granted a parole. This means that the will of the people can be circumvented—after a trial and conviction in which the people in accordance with the law have determined that a convicted person should serve a set period of time. Another undesirable effect of creating such an increased workload for the Parole Board would be the release of a great number of convicted criminals without adequate justification.

Like others among my colleagues in the House, I feel it is unwise to mandate that a convicted felon should be eligible for parole and, in fact, entitled to parole, unless the Parole Board has proven that he is not fit to return to society, regardless of the original length of his sentence and the crime committed. The very substantial safeguards of our system assure the accused protection and fairness. The result of a conviction should not be subverted, thus confusing the privilege of clemency with the rights of the accused and convicted.

Finally, Mr. Speaker, although I commend the Board and all other persons who worked on this legislation, I would urge that Members of this body reject this bill. Instead, I would recommend further study and clarification of the procedures included in this legislation.

ILLEGAL ALIEN PROBLEM

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. DENT. Mr. Speaker, the illegal alien problem in the United States has been with us for some time, but it has only been most recently that we have felt any particular strain because of their presence. During this time of recession and increased unemployment it becomes apparent that these people are taking American jobs, and when they cannot find jobs, American public assistance.

It used to be argued that the jobs that these aliens had were subminimum wage jobs, but a recent study in U.S. News & World Report shows that the vast majority of aliens employed are in categories far above the minimum wage level. Think of it: approximately 7 million illegal aliens, with an expected addition of about 2 million aliens in 1975, all competing for American jobs, and adding to the burdens of our already severely taxed economy.

Recently Representative MARIO BIAGGI suggested that I join him in legislation that would go a long way in curbing the flow of illegal aliens into the United States. Among other provisions, the bill would make it a Federal offense for employers to knowingly hire illegal aliens.

However, without the cooperation of the business community it will be impossible to truly eliminate the illegal alien from the ranks of the already employed. That is why I heartily applaud the recent action taken by the National Can Corp., in which they have promised an all out effort to eliminate the illegal alien employee in their business facilities. I am enclosing the details of the National Can Corp. proposal in hopes that it might prove the impetus for other business firms to do voluntarily what has to be done to make some inroads into the unemployment problem.

The articles follow.

NATIONAL CAN CORP.,
May 12, 1975.

Hon. JOHN H. DENT,
House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE DENT: At our annual shareholders meeting on April 11, 1975, I made the announcement that the National Can Corporation was adopting a policy to insure against the hiring of illegal aliens. Furthermore, that the corporation, and I personally, would be spearheading a drive to recruit other businesses to do the same.

General Leonard Chapman, Commisisoner of the United States Immigration and Naturalization Service, has assured me that if all of business would adopt a similar policy, more than one million jobs could be opened up for U.S. workers within a matter of months; an additional two million jobs could be opened up over a period of three to four years.

I know how deeply concerned you personally are about the unemployment in the United States today, therefore, I hope that I can count on your support in this program.

We would welcome any comments or suggestions you have concerning this program. A press release summarizing my remarks at our annual meeting is enclosed for your information.

I look forward to hearing from you soon.

Sincerely,

F. W. CONSIDINE.

NATIONAL CAN ENACTS MEASURES TO INSURE AGAINST HIRING ILLEGAL ALIENS—HEADS DRIVE TO RECRUIT OTHER BUSINESS TO DO THE SAME

CHICAGO, ILL., April 11.—With unemployment at an all-time high since the depression, National Can Corporation announced today that it is enacting measures to insure against the hiring of illegal aliens.

According to the United States Immigration Service, it is the first major U.S. corporation to publicly adopt such a policy.

Frank W. Considine, president and chief executive officer of National Can, in making the announcement at the corporation's annual meeting in Chicago, said that in addition to its own policy, National Can would spearhead a drive in cooperation with the U.S. Immigration Service to get other companies to adopt similar measures. Considine personally will head up the drive.

General Leonard F. Chapman, commissioner of the U.S. Immigration Service, said that a concerted effort by all of business not to employ illegal aliens would help to open up more than one million jobs for unemployed U.S. workers within a matter of months; it could make available over a period of three to four years an additional two million or more jobs.

"The time when our nation could absorb the world's unemployment is long past," Considine said in making his announcement. "I don't see how we can any longer justify, taking lightly the hiring of people who enter the country illegally, violating our laws, when so many of our own people are begging for jobs."

Considine stated that government statistics show that illegal aliens don't just occupy the low paying, unwanted jobs.

"Quite to the contrary," he said. "Illegal aliens hold jobs throughout our entire employment stream.

"It is estimated that more than one million illegal aliens are in New York; more than half a million in Chicago," Considine continued. "You can be sure that the people employed in these areas aren't harvesting crops."

According to the Immigration Service, more than two and one-half million illegal aliens come into the United States each year. They arrive from nearly every country in the world.

As unemployment in Europe continues to grow, the number of illegal aliens migrating to this country is expected to rise.

According to General Chapman, the surest way of shutting them out is to turn off the magnet that attracts them here . . . jobs.

"This is what we are trying to encourage major corporations to do," General Chapman said. "This is why National Can's public policy and leadership role in this vital issue is so important to our solution to the illegal alien problem."

National Can is listing on all of its employment forms, both temporary and permanent, salaried and hourly, the question: "Do you have the legal right to be in this country?"

It is posting signs in each of its plants,

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informing workers of the company's policy on the employment of illegal aliens. It is informing each of its employees that it is cooperating fully with the U.S. Immigration Service and that plants will be open for regular immigration inspection.

"This puts the illegal alien on notice that National Can is one company to avoid," General Chapman said.

"If more corporations would adopt this policy it would eventually transmit to the illegal alien that there are no jobs for them here. It would discourage them from coming to America on an illegal basis."

The General said that illegal aliens who were employed at company plants posting this information would most likely leave.

"They know that sooner or later with our regular inspections that they would be detected," he said.

Considine stated that this is of course National Can's goal . . . to open up more jobs for legal residents.

"If we can do something to help ease the unemployment problem in the U.S.," Considine said, "then we feel that we will have truly accomplished something.

"Our goal is to put the U.S. worker back to work, as quickly as possible. We feel that this program with the U.S. Immigration Service is an important step in the right direction."

National Can Corporation has 62 plants across the U.S. It employs over 14,000 people. In addition to its U.S. plants, the company has 12 plants overseas. Its 1974 annual sales were $710 million.

LEGAL SERVICES FOR THE ELDERLY

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. BRADEMAS. Mr. Speaker, during the last several months many of us have become increasingly aware of the legal problems facing millions of senior citizens.

Indeed, Mr. Speaker, many of these legal problems are unique to the elderly and frequently require special legal training.

Unfortunately, in the past the legal profession as a whole has been either unable or unwilling to provide older persons the legal assistance they so desperately need.

Recently, Mr. Speaker, the House passed legislation which I hope will encourage the legal profession to become more involved in the problems of the elderly. I refer to the provisions of H.R. 3922, the Older Americans Amendments of 1975, which allow for the development of legal counseling assistance programs and the creation of programs to assist in the training of professionals and paraprofessionals to deal with the legal problems of the elderly.

However, Mr. Speaker, it is clear that we have much more to do before all older Americans have access to adequate legal counseling services. In this connection, I insert at this point in the RECORD an article entitled, "Old People: Friendless in the Court," by Ms. Marlene Marks, which appeared in the March 1975 issue of Juris Doctor magazine.

The article follows:

OLD PEOPLE: FRIENDLESS IN THE COURT

(By Marlene Adler Marks)

In the year 2010, I will be 62. Chances are most of you will be at least that old. Many of you will be much older. The postwar "baby boom" will undoubtedly become, just 35 years from now, the "patriarchs push." And so for the youngest among us it may well be an act of self-preservation to talk about the legal problems of today's old people, euphemistically called senior citizens. For no matter who they are or where they live—in isolated retirement meccas like Miami or Los Angeles or in nursing homes near your house where they are rarely seen—the elderly today are you tomorrow.

But the private bar, like the public at large, has little use for reminders of impending old age. "The private bar hasn't done diddly," says an activist in the field of legal aid for the elderly. Says Jack Berman, a prominent San Francisco attorney, "You want to know why we don't handle cases for the elderly poor? Why, it's the same reason we don't handle cases for the young poor. We can't afford to. Let me tell you about my overhead . . . ."

There are 20 million prospective clients out there over 65 with problems you would hate to face—but may have to one day. Contemplate for a moment the specter of incompetency proceedings, or the no-man's land of a nursing home. One in four elderly families lives on less than $3,000 annually. More than 50 percent of single old people live on less than $2,000 a year.

But the problem is more than one of poverty, for not all the elderly are poor. Many of them are living on fixed, but middle-class, incomes. Nevertheless, they have special legal problems, and the record of the private bar in helping these Americans—who are often too proud or frightened to cry out for help—has been abysmal. The old live today under an apartheid policy as severe and shocking as South Africa's, and so far no deluge of "civil rights workers" has volunteered to set them free.

THE ELDERLY FACE MANY PROBLEMS

Economics are only the beginning—the problems inevitably involve equal rights and the law. People over 65 make up 20 percent of the poverty population. They live on Old Age Assistance, Social Security, and the recently enacted Supplemental Security Income—a basic monthly income of about $235, depending upon the state.

To some of us, a yearly income of under $3,000 may seem beyond belief. But for the elderly, the current economic crisis is only the last item on a long list of financial tortures. "My wife, at 65, and I, at 72, are part of an unfortunate generation," one man wrote to the American Association of Retired Persons. "The depression of the thirties denied us the maximum earning power and advancement oportunities of normally more productive years. During World War II, our salaries were frozen and our mobility severely restricted, Pension plans and fringe benefits in commerce and industry did not materialize until the middle or late fifties. Even then, I was considered too old to participate or unable to transfer what little vested rights I had accumulated to another job. This is not to be considered a complaint, but only a record to the facts."

"CATCH 65"

Horror stories may be unnecessary. We all know of old people living alone, enfeebled, poor. We've heard stories and read congressional reports about inhuman conditions in nursing homes, and we remember the testimony about old people eating dog food. And the rights of the elderly are still in daily jeopardy. They live in a "Catch 65" world, where institutions and people seem bent on destroying the only thing the old have left, their dignity.

Urban renewal programs are a good example. Generally, old people who live in their own homes have maintained them well—some for as long as 50 years. But when cities require costly adherence to housing codes, the elderly run for cover. They simply can't afford the improvements or the attendant increase in property taxes; eviction becomes a certainty. "The elderly cannot afford to pay for a loan," Stan Price, former head of the defunct Housing Law group in Santa Monica, California, told a congressional committee some years back. "They cannot get a loan because the banks will not lend money to elderly people who are living on a fixed income, and banks will not lend money to homeowners in certain parts of the city."

THE ELDERLY ARE FRIENDLESS IN THE LEGAL COMMUNITY

Where can old people go for help? Whether it is a dispute with a landlord, a nursing home, an insurance company, or the Social Security Administration, the elderly usually find themselves friendless in the legal community. "We never think about going to a private attorney for help," says a member of one California senior citizens group. "Attorneys don't regard the elderly as part of the market. They don't have money so they never get help."

While frequently pigeonholed as "poor" and therefore entitled to legal aid, the elderly are in a class by themselves. They have the same needs as other legal aid clients, but they have problems that set them apart. As James Kraus, former deputy director of New York's Legal Services for the Elderly Poor, wrote in 1971, "The candid policy of many attorneys is to take advantage of court delay and elderly plaintiffs by postponing trials as long as possible, knowing that the pressure for settlement intensifies in proportion to the plaintiff's age and health—and therefore the diminishing likelihood of remaining alive to enjoy any financial recovery."

Kraus suggested that all jurisdictions give the elderly special priority for hearings and trials. They need extra consideration as plaintiffs, Kraus said, so that they "can benefit from any recovery during their lifetimes," and as defendants "to prevent one party from capitalizing on the age of another and in the interest of having the trial include the live testimony of the defendant."

But these problems arise only after the elderly client has found a lawyer. Finding representation is difficult indeed, compounded not only by the disinterest of most of the private bar but also by its simple ignorance of old people's problems. Social Security forms and the appeals process for beneficiaries are a legal specialty, as are pensions, nursing home contracts, and the problems of involuntary commitment. While law schools were relatively swift in adding civil rights law, landlord-tenant law, and general social welfare law to their curricula, only a minority of schools offer courses in how to fight for an elderly client.

Thus it is newsworthy when four Stanford University law students establish a program for free legal services to the elderly. Duke, Syracuse, and George Washington law schools have grants for clinical programs on aging, and the University of Southern California and the Los Angeles campus of the University of California allow students to spend a part of their time representing the elderly. And New York City has opened the first legal aid office exclusively for the elderly (see accompanying story at right).

But these are still the proverbial drops in the bucket. "The issues the elderly face are those for which even most legal services attorneys have no background," says David Affeldt, counsel for the Senate Committee on the Aging. "The other minority groups are regarded as being perhaps more visible and more glamorous. Their problems are ones

attorneys are acquainted with." Old people's problems, he says, are not "of natural interest . . . to the general members of the bar."

Compounding the problem are disincentives built into federal programs that set outrageously low attorneys fees. The Social Security Administration, which ranks first on the complaint list of the elderly has established a 25 percent fee limit on past-due benefits recovered. Any additional approved fees must be recovered directly from the client. All fees for disability cases require approval from either SSA or the court. While this may prevent attorneys from reaping a bonanza, the limit also means that only the most dedicated lawyers will work in a remote area of the law where the fee is small or nonexistent.

"The government ought to pay reasonable attorneys' fees on the basis that it expects to get professional help," says Norman Kalcheim, former head of the American Bar Association's Family Law Section. Fees should be discretionary within the appeals process, based on the amount of work done, he says, just as they are in workmen's compensation cases.

INTEREST GROUPS ATTEMPT TO STIR INTEREST IN LEGAL PROBLEMS OF ELDERLY

Oddly enough, an increase in attorneys' fees gets no support whatever from the two major elderly organizations, the predominantly blue-collar National Council of Senior Citizens and the mostly white-collar American Association of Retired Persons. These two groups attempt to speak for about seven million of the nation's elderly.

"We're trying to awaken the attorney to perform that *pro bono* benefit he's always so proud of," says David Marlin, NCSC counsel. "We're trying to tell him it's in his self-interest, the interest of the community at large, as well as God's work." For years Marlin and the NCSC staff have been promoting programs to entice the public bar. In 1968 they used one of the first federal grants for the elderly for 12 demonstration projects throughout the nation. One outgrowth of such funding was the National Senior Citizens Law Center.

The AARP, on the other hand, while fervently backing legal services, has little hope of getting the private bar to respond. Jim Hacking of AARP's legislative section talks of prepaid legal insurance, more money for the newly established Legal Services Corporation, even government-funded ombudsmen to help the elderly through the federal bureaucracy.

But AARP doesn't mention partnership with the private bar. "We understand the average attorney has to run an office, has to make enough money," says John Martin, a colleague at AARP. "In a good many cases, there's no adequate fee."

At the union-backed NCSC, there is no evidence of such understanding. "The legal profession has never been covered with glory in its attempts to use the law to benefit the depressed and deprived of this country," says NCSC attorney David Marlin. "The problem with the legal profession is the same as that of many professions in this country. They forget their obligations to the less well-off."

When the Practising Law Institute held a two-day seminar last spring on "Legal Rights of the Elderly," most of the 100 attorneys attending were, predictably, government lawyers. "Unfortunately, the problems of the group are typically non-remunerative to the attorneys involved. The elderly, more than others, live on limited fixed incomes," says Alfred Miller, program director of the seminar. Miller looks forward to a revolution in office management. Attorneys could realistically and painlessly use their time for elderly clients, he says, if they would use paralegals or form books, or otherwise simplify the delivery of their services.

"Attorneys could do the job," says Paul Nathanson, head of the National Senior Citizens Law Center. "They could make sure the elderly got care." The elderly would not have "Rolls Royce" wills, Nathanson admits, but they could get adequate legal care, "which is more than they get now."

The ABA's Kalcheim has been trying for years to get approval for a specific program, and this year the organized bar has made its first concrete attempt to enlist private attorneys in serving the elderly—a program called LATE, Legal Assistance for the Elderly, using retired attorneys working for free. "My committee has been dealing with these problems for eight years," says Kalcheim. "The bar has always been active; 25 percent of its time is given to public affairs, and we've always been receptive even without financial rewards."

David Marlin of the NCSC doesn't think that's quite the case. "The Family Law Section has done very well within the range it operates in," he says, but because it is oriented to the law rather than the client, it has adopted a piecemeal, specialist approach. "The section is peculiarly geared to guardianship and conservatorships," says Marlin. "It has nothing to do with housing or welfare, and very little to do with probate. That's all another section. The range of interests of older persons do not coincide with this specialty of the law."

Perhaps there would be no problem if government legal services were filling the need. But in terms of dollars and political muscle, the elderly have had to take a back seat to the better organized poor blacks and other racial minorities whose problems are more visible. Now that the lobby representing elderly rights has become stronger, however, the tables may be turned—to such an extent that some attorneys think the poverty population as a whole may be hurt as money is siphoned off for programs designed solely for the elderly poor.

This year, for example, the Senate has already passed a $105 million appropriation under Title III of the Older Americans Act of 1965, some $9 million more than originally requested by the Nixon-Ford Administration. Some $2 million seems destined for legal services projects, though it's difficult to tell whether the House will agree to the increase or if President Gerald Ford will veto the entire package as "inflationary."

Money is the lifeblood of all federal projects, and neither the elderly nor the poor in general are exactly swimming in it. For a year, no new money has been allocated to the Legal Services Corporation, for example, although Congress has voted its intent to increase funding. Meanwhile, the fight for the few available dollars is dividing poor people, young and old, despite the fact that their needs are often the same.

LEGAL PROFESSION FAILS TO RESPOND TO NEEDS OF ELDERLY

Since the problems of the elderly began making the front pages, the ability of the legal profession to respond voluntarily to the demands of society's downtrodden has been called into question more dramatically than ever before. Why must the government step in where private enterprise fears, or refuses, to tread? Last year, Senator John V. Tunney's Subcommittee on Representation of Citizen Interests held a series of hearings on "The Organized Bar: Self-serving or Serving the Public?" Tunney heard from leaders of the bar on questions of price-fixing among attorneys, the monopoly of the legal profession, and the bar's responsiveness to the poor.

"Studies show that scores of citizens are turning away from lawyers because of the high cost of services," Tunney said at one hearing, "and lawyers increasingly leave single practice to aggregate in corporate law firms in large cities. The result is a growing gap between the lawyer and the average citizen. Why should this situation exist at a time when the lawyer population is increasing faster than the general population? If, according to the ABA Canons, the profession has a 'duty' to make legal counsel available, why isn't it happening?"

Tunney is clearly aware of how this affects the elderly: each month at least 600 of them file requests for service at his Los Angeles office. Administrative foul-ups in Social Security are the major complaint of Tunney's older constituents. Problems with loans and convalescent homes run a close second.

Eric Perkowski, Tunney's chief case worker, says many of these complaints should be directed to an attorney, but can't be because his office can't get involved in solicitations or referrals. In any case, says Perkowski, "by the time we get a case, it's too late to do anything about it. The elderly turn to their congressmen because they don't know where else to go. It'a not that the system is so complex. . . . It's just that people don't fit into nice, clean slots."

"Even in an administration as efficient as this one, there are many mistakes and misjudgments," says David Marlin of the National Council of Senior Citizens. "If there were more legal activity, there would be more justice applied accurately and fairly."

The central question may simply be, "What makes the age 65 so special?" New York attorney Alfred Miller wonders if the problems of the elderly are really substantially different from anyone else's. "Aren't they part of the entire population?" he asks. "There are others in society attorneys don't serve either. Lots of attorneys wouldn't take a client of 55 if he were without money.

"It's one of my hangups. Why does the fact you're over 65 make it difficult to get legal services? It's only one aspect of the entire problem of inadequate delivery of legal services in our society."

Perhaps Miller is right. But the elderly, poor and middle class alike, face legal problems peculiar to being old in America. This past January the Supreme Court ruled that Greyhound Bus Lines could discriminate in hiring bus drivers based on age; a legitimate safety issue, the Court said, was at stake. Such decisions do not bode well for the elderly who must work, or for the many who have to work simply because they need something to do that makes them feel worthwhile.

So the elderly's problems extend well beyond economics. The poor do not live in nursing homes; old people do. The poor are not likely to have invested 40 years in pension plans only to watch them go broke; old people have. Most of us, rich or poor, are not hidden away in society's dark corners. The elderly are. But they are beginning to crawl out of the corners in which society has put them and have started demanding equal representation before the law.

INSIDE THE MIDDLE EAST—II

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. MIKVA. Mr. Speaker, here follows the second in the series of articles, "Inside the Middle East," by the K-Thorpes of Evanston, Ill., chronicalling their trip to the Middle East with the Second Editorial Conference on the Middle East.

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INSIDE THE MIDDLE EAST: ISRAEL SCALES DOWN DEMANDS FOR PEACE; GOES FROM SOVEREIGNTY TO NONBELIGERENCY

(By Jane K-Thorpe and Lee K-Thorpe)

Israel was never recognized as a state by the Arab countries because of the continuing Arab nationalist hope of establishing an independent Arab state in Palestine. All of the Palestinian refugees Jane and I spoke with in the Middle East last month referred to Israel as "Palestine." While there have been periods in which the Arabs did give Israel de facto recognition, the official Arab policy has been either nonrecognition or to try to destroy Israel completely and return the land to the Palestinian Arabs. The recent Palestine Liberation Organization (PLO) suggestion of a secular state containing both Arabs and Jews also amounts to a call for the end of the Jewish state.

Israel has sought a peace treaty with the Arabs ever since 1948, and at the same time has demanded boundaries that can be defended against Arab attack. Until recently Israel has insisted on official recognition of its statehood. Now it is willing to settle for non-belligerent written resolutions, with recognition taking place several years from now. Israel has refused to re-admit the Palestinian Arab refugees except as part of a peace treaty, and the Arabs have refused to negotiate without the return of the refugees as a pre-condition. Another issue of contention, especially in Israel's early years, was the internationalization of Jerusalem. The Arab and Israeli irreconcilable positions have been the source of conflict ever since Israel's founding.

After the 1948–49 war, in which the Arabs lost additional territory to the Jews, Arab hostility was based largely on the fear of Israeli expansionism, a fear that has continued to concern the Arabs greatly. Israel did sometimes try to increase its territory at Arab expense, but this threat has been largely exaggerated by Arab propaganda. After 1949 Israel refused to withdraw from the newly seized area partly because it wished to occupy a greater and more defensible territory than the UN had authorized, and also because it gave Israel a stronger base from which to demand recognition by the Arabs. Still, Israel's rejection of the UN partition plan's boundaries seemed to show the Arabs that the Jewish state's encroachment on Arab lands would become even more extensive if it were given the chance. Israel maintained that the UN boundaries were invalid after the Arabs rejected them by attacking in May, 1948. What had been won by war, they felt, was not rightfully theirs.

The Palestinian refugees' situation was another reason for Arab hostility toward Israel. About 500,000 Palestinian Arabs left Israel during the war of 1948–49, according to Israel, but other figures given are as high as 900,000. The Arab governments insisted on the refugees' legal right to their former homes and so obstructed long-range resettlement plans such as the UN proposal that they live in the Sinai, Jordan and Syria. The UN established a fund to help resettle the Arab refugees in other lands, but for political reasons the Arab nations decided not to apply for most of the money offered. Arab governments also prevented refugees from becoming citizens or even working in some cases.

The Arabs who remained in Israel were able to share in Israel's economic growth to some extent, but they were treated as second-class citizens in many ways. Although Arabs could apply for citizenship with full rights (other than military service), they were restricted in movement and given only a limited part in government. The Israeli Land Acquisition Law of 1953 authorized Israel to buy any Arab lands not occupied, and both refugees and displaced Arabs within Israel suffered great losses for which they were poorly compensated. At the same time, the Jewish minorities in Arab countries were badly persecuted. Almost 500,000 Jews emigrated to Israel by 1950, with small groups continuing to live there now. (We'll describe what we saw of them in our upcoming stories.)

The Israeli "NAHAL" ("Fighting Pioneer Youth") settlements were started in 1951 as a means of dealing with terrorist raids. The "Nahalniks" were young army people—male and female—who established settlements in border and uncultivated areas. In spite of Arab incursions, these agricultural areas flourished.

Bases of terrorist activity against Israel were established after 1950 by Egypt in Gaza and the Sinai, and fedayeen terrorist groups were also given refuge in Saudi Arabia, Syria and Lebanon. Arab attacks on Jewish settlements occurred between 1951–56 with increasing severity and frequency. The West Bank was also an established base of activity against Israel by Palestinian groups from Jordan. Israel established a policy of retaliation by the early 1950's first through similar terrorist incidents and later, when these attacks did not discourage further terrorism, the Israelis used larger scale regular military action. The Israeli policy of collective reprisals for terrorist attacks was responsible for the Israeli massacre at the Jordanian village of Kibya in 1953, and other attacks on Arab villages.

But the Israeli reprisals did not result in fewer attacks and instead intensified Arab hostility. In 1954 King Saud of Saudi Arabia declared that if necessary, the Arabs should sacrifice as many as ten million soldiers in order to destroy the "cancer" of Israel from their midst. Further Arab attacks killing Israelis resulted in more Israeli reprisals. A desire to develop greater military prowess and Israel's strong military action caused Egypt and other Arab countries to turn to the Soviet Union for arms beginning in 1955.

During the same period the British and French were being eased out of the Arab world as Arab nationalism continued to gain momentum with Israel as a common enemy. In addition, the U.S. and USSR were replacing the European influence by strengthening those forces it felt were beneficial to their own interests. Britain and France were anxious to re-establish themselves in the Arab world, and when Egypt nationalized the Suez Canal they tried by force to take it back. When Egypt cut off the Israeli port of Eilat by blockading the Gulf of Akaba, it also precipitated military action on the part of Israel. Israel quickly took over the Sinai and the western powers took over Port Said and Port Fuad, but were halted by the UN and especially U.S. pressure. British troops left Port Said and the French withdrew from Port Fuad, while the Israelis retreated from the Sinai and the Gaza. A UN force occupied the Sinai border, Gaza and Sharm el-Sheikh, its purpose being to prevent Egypt from reblockading the Gulf of Akaba and to secure the borders from attack by Israel into Egypt. After the Israeli withdrawal Egypt refused to open the Suez Canal to Israeli shipping and the Gaza strip continued to be used as a base for raids into Israel.

The tensions remained in the area. Raids continued sporadically. The positions on both sides hardened; there was a constant demand by the Arabs for the return of land, and Israel continued to refuse to give it up without recognition of its statehood. They were unable to move toward an agreement. Russia became more involved, wanting to use its influence in the area, and took on Egypt as a client. They began to furnish arms in larger quantities, primarily to Egypt but also to other Arab nations. To counter-balance this the U.S. began to furnish arms to Israel to retain the balance of military power. Nasser spoke of Arab solidarity and the future of the Arab nations once the threat of Israel was eliminated. Syria, meanwhile, had always been a strong force for Arab nationalism and threatened the leadership of Nasser by accusing him of talking but not doing anything. An Arab conference was called in 1964 on the common question of how to destroy Israel. It was agreed that they would use force. The PLO had been agitating for recognition, and at this point the Arab governments decided to use the PLO as an action group. They began to support it financially, and militarily, and gave them strong bases in the Arab lands. Both sides began to develop their military capacity more rapidly. The Arab economic boycott of Israel was strengthened.

From 1966–67 attacks on Israeli villages preceded the war of 1967. Egypt mobilized, demanding the withdrawal of the UN from the Sinai, and other Arab countries also mobilized forces at Israel's borders.

Anti-Israel statements by these governments made it clear war was imminent. Nasser and the president of Iraq stated that their aim was the destruction of Israel. Israel outnumbered by the Arab forces 3 to 1, decided to pre-empt an Arab attack and struck at Egyptian air bases on June 5, 1967. The PLO chairman, Ahmed Shukairy, viewed it as a fight for the homeland and hoped to make over Israel, driving the Jews out or killing them.

Israel defeated the Syrians in the Golan Heights and took over Kuneitra. The UN called a cease-fire June 10. About 70,000 Syrians abandoned their towns in the Golan, fleeting into the Syrian interior. Israel then established some settlements in the Golan, thus thwarting Syrian artillery from shelling Jewish settlements. Between 1969 and 1972 terrorist activity continued from the Gaza strip (Arab refugee camps there had been taken from Egyptian control with Israel's conquest of the Sinai in 1967.) Terrorist activities conducted from the West Bank ceased after 1968, when the Israelis defeated most of the terrorist bases, but it resumed after October, 1973. From 1968 on, terrorist bases continued to thrive in Lebanon, Jordan, Syria and Iraq. The Israeli "open bridges" policy allowed most of the West Bank Arabs to continue to work in Arab countries, crossing into Jordan daily.

The war of attrition of 1969–70 resulted in no territorial exchanges. Raids and counter-raids were conducted by Egypt and Israel, and the Bar Lev fortified line was established in the Sinai by Israel. In 1970 PLO leaders George Habbash and Yassir Arafat stated that their hope was to liberate Palestine, uproot Zionism and return the area to the Arabs.

From 1969–72 Palestinian terrorist activities beyond the Middle East became frequent. There were aircraft hijackings in Europe, letter bombs sent to London and murders such as those of the eleven Israeli Olympic athletes at Munich in 1972. About 10,000 terrorists lived in Syria, 5,000 in Lebanon, 2,300 in Egypt, 2,000 in Libya and smaller numbers in other Arab countries. These countries committed themselves to aiding the Palestinian cause and the terrorists. The attacks continued in 1972 and 1973, and President Sadat of Egypt pledged himself not only to liberating Palestine but putting an end to "Israeli arrogance." The Israelis downed a Libyan civilian airliner in 1973, killing 104, because they feared that it planned to attack Tel Aviv. The President of Libya denied Israel's right to exist.

On Oct. 6, 1973, Yom Kippur, Egypt and Syria attacked Israel, with the declared territorial objectives of Gaza, Sinai and the Golan, but most Israelis believed they would

try to go farther if possible, to cross the 1949 lines and try to destroy Israel completely. Soviet military aid to Egypt and Syria was valued at about 3,500 million dollars, and U.S. aid to Israel came to 2,200 million dollars. From Oct. 6–8 Arab forces penetrated into Sinai and the Golan Heights, but from Oct. 8–24 the Israelis forced the Arabs out of these areas and then reached into Egypt and also beyond the Golan into Syria. The Egyptians and Syrians were aided by Iraq, Kuwait, Jordan, Saudi Arabia, Algeria and Morocco. In November the Soviet Union provided Egypt and Syria with surface to surface "Scud" missiles, the range of which covers most of Israel if both Egypt and Syria use them to attack.

(After war broke out many Arabs within Israel drove vehicles, gave blood, made cash contributions and volunteered to do other necessary work. Israel lost about 2,500 soldiers, proportionately equivalent to about 200,000 U.S. losses. The Arab casualties have never been released for any war.)

In early 1974 Egypt began work to reopen the Suez Canal and build up the cities along it. But at the same time that Egypt and Israel were disengaging in the Sinai, the Syrians began attacking Israeli military bases in the Golan Heights. Syria continued a war of attrition throughout 1974, insisting that Israel withdraw from the Golan Heights before any negotiations could take place.

NATIONAL SECURITY STUDY MEMORANDUM 39 AND THE FUTURE OF U.S. POLICY TOWARD SOUTHERN AFRICA

HON. CHARLES C. DIGGS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. DIGGS. Mr. Speaker, I would like to insert into the RECORD for the thoughtful attention of my colleagues, excerpts from an analysis by Mr. Edgar Lockwood of "Nissem 39," and the implications of that document for the future direction of U.S. policy in southern Africa. This article first appeared in ISSUE: A Quarterly Journal of Africanist Opinion, volume IV, No. 3, fall 1974. The excerpts follow:

NATIONAL SECURITY STUDY MEMORANDUM 39 AND THE FUTURE OF U.S. POLICY TOWARD SOUTHERN AFRICA

(By Edgar Lockwood)

For observers of U.S. policy toward Africa, this has been the fall of the "Nissem."

Newspaper and magazine articles by Tad Szulc and Jack Anderson, based on the text of National Security Study Memorandum 39 of 1969 (NSSM 39), have popularized an alleged Nixon "tilt" toward Southern Africa's white regimes, stemming from a preference for protection of U.S. economic interests over ideals of democracy and decency. The State Department, embarrassed and flustered by the leak of another secret document, has tried to downplay its significance (calling it merely a preliminary study), and has disclaimed any change in policy.

For some, the revelations contained in NSSM 39 simply confirmed old news. As early as 1970, Ken Owen, the Washington representative of South Africa's Argus news chain, had been summoned to the White House and asked to convey a message to Pretoria via his column: the White House was anxious to improve relations with South Africa and was therefore refraining from condemnation of South Africa's denial of a visa for Arthur Ashe as a sign of a shift in policy. In September 1970, Assistant Secretary of State David Newsom had, in a Chicago speech, signaled South Africa that the U.S. would be prepared to accept license applications for sales of VIP jet planes to South Africa's military, indicating a new flexibility in the U.S. arms embargo. Two years later, Terrence Smith of the *New York Times* had analyzed the new policy of "dialogue." By early 1973, Chairman Diggs of the House Subcommittee on Africa was openly referring to NSSM 39 as the memorandum that had "launched the so-called communication policy."

What *is* new of late is that a wide range of people outside the Administration have recently had access to the text of the memorandum itself. The significance of the NSSM lies in the glimpse it affords of Kissinger's *realpolitik* analysis, unadorned by rhetoric and devoid of charisma. The basic considerations and posture there set forth indicate what we can expect between now and at least 1976. A more exact analysis of the document's contents and of the actions flowing from it is thus justified.

In April 1969, Kissinger directed the preparation of a comprehensive review of U.S. policy toward Southern Africa by the National Security Council Interdepartmental Group for Africa—composed primarily of representatives of the State Department, the Department of Defense and the CIA, Treasury, Commerce, Joint Chiefs of Staff, AID and NASA would add their special knowledge. The study was to cover the history and the future of major area problems, U.S. interests and options for strategy and policy. The emphasis was to be on broadening the range of views and presenting alternatives.

In August, the 70-page memorandum was presented to Kissinger. It was then redrafted in ways not affecting most of its substance and presented to the National Security Council on December 9th. The Council's view was that the U.S. should to some degree "straddle" the racial conflict which it saw building—with an emphasis on relaxing previous "arbitrary" limitations on U.S. interests—and should adopt a less moralistic, admonishing tone toward the white states. Kissinger therefore recommended to Nixon in January that the general outline of "Option 2" of NSSM 39 be followed, and he spelled out what this choice would mean in a number of "Operational Examples."

Until 1969, our policy had defined progress toward majority rule in the white states as meaning:

1. "Non-whites" from the U.S. would be free of discrimination on naval shore leave, would participate in exchange programs and have access to non-white areas.

2. Elimination of job reservation, recognition of African trade unions as bargaining agents, abolition of pass laws and repressive police measures, and a qualified franchise.

3. Recognition of United Nations responsibility for Namibia and the cessation of repression there; withdrawal of South African economic and paramilitary support for Rhodesia; generous customs treatment for Botswana, Lesotho and Swaziland; and exceptions to apartheid for black sportsmen and businessmen.

Option 2 is built on a new acquiescence in the fundamental permanence and even desirability of South African power. Its key premise is that South Africa is and should be the *dominant* power in the area and that white rule there (and in the Portuguese colonies) is "here to stay." The outward thrust of South Africa to become accepted as a legitimate African state, to make itself available as a partner in black economic development, and to create a whole nexus of economic interrelationships with the states of the region provides a welcome opportunity for the United States. A closer relationship between South Africa and its black neighbors is seen to be the key to relaxation of tensions in the area, and thus to the protection of U.S. interests from the risks of instability arising from escalating violence. In order to accomplish this, the U.S. should work to encourage a closer relationship between the black and white states. By urging black states to concentrate on internal economic development, by giving them U.S. aid, and by encouraging South Africa to do the same, Option 2 envisages less support of armed struggle for the liberation of the white-ruled countries on the part of black states which realize that "peace and prosperity" lie in a *closer* relationship with South Africa. Communist powers will correspondingly lose influence. (It is interesting to note that even in 1969 U.S. policymakers were aware of South Africa's overtures to its black neighbors, and of a response from Zambia and others.)

We can conclude that the record of policy actions taken since 1969 conforms to Option 2 and its Operational Examples. The United States *has* moved perceptibly closer to outright political support for southern Africa's white regimes. Indeed, its veto—with Great Britain and France—of the African states' resolution to exclude South Africa from the United Nations, and Ambassador Scali's attack in December 1974 on "unrealistic" General Assembly actions were public confirmation of what was privately decided long ago. NSSM 39 makes it plain that force, sanctions, and exclusion of South Africa are all "unrealistic," and the United States is not now and never has been prepared to see them used as appropriate measures, even though it is admitted that basic change may not come without them.

The authors of NSSM 39, like most white Americans, have a hard time understanding, evaluating, or appreciating the depth of black hopes and the deep anger felt by Blacks with respect to white minority rule in southern Africa. This lack of comprehension no doubt contributed to the rather bizarre and inaccurate judgments contained in NSSM 39:

While the study group could not decide whether racial "violence" would escalate, some members argued that only the growth of violence would bring about change of any kind. But the predominant view, distilled in Option 2, declared that violence would not get the Blacks any political rights.

Not only did the State Department refuse to see the possibility of a Portuguese collapse in Mozambique, it steadfastly refused publicly to recognize the reality of PAIGC success in Guinea-Bissau. Until the very end, it kept insisting that this most successful of the liberation groups controlled only one-third of the territory and that a virtually non-existent rival, FLIC, was a contender for power. In 1973, Kissinger had an opportunity to meet Amilcar Cabral, but NSC staff refused to consider such a meeting on grounds that it would give offence to the Portuguese.

The study does not perceive that the success of the liberation movements might bring tangible benefits to the African people in their movement for growth and self-development. On the contrary, only great power interests are considered. Either the U.S. and its Western European economic partners or rivals, including South Africa, will benefit from and have influence in black states, or the communist bloc will. Africans remain pawns in the cold war game.

Option 2 is built on the cynical calculation that black states are easily bought off. The token nature of the increase in U.S. economic assistance (an additional $5 million) was admitted to be too small to be

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capable of exerting any real leverage. But it was intended to protect U.S. interests in the white states by defusing black militancy with some cheap window dressing.

Aid to Zambia was not to include any defensive weapons, whether sophisticated or unsophisticated, notwithstanding the repeated threats of Rhodesia and South Africa to retaliate against Zambian protection of liberation movements.

NSSM 39 never confronts the question of how "progress toward majority rule" is actually transformed into "majority rule. In fact, the document's silence on that issue amounts to an admission that Whites will never peacefully surrender more than a qualified franchise. Yet the drafters of this study do not consider any real support for strong measures, even though these might be the only effective means of bringing about real change.

South Africa's Bantustans are viewed as unworkable not because of any inherent inequity in allocating 13 percent of South Africa's land as "homelands" for 70 percent of its population, nor because they are areas devoid of resources and without access via the sea to the outside world. They are viewed as unworkable because South Africa has not invested properly in them.

This analysis, of course, does not preclude the realism which recognizes the advent of new political power when violence succeeds. Now that FRELIMO has won power in Mozambique, U.S. policymakers have done a complete turnabout, switching from denying FRELIMO's importance and reality to promulgating effusive statements of congratulations and offers of assistance. Economic aid will follow: indeed, it has already been appropriated in a minor amount, since aid can provide some leverage to prevent independent Mozambique from taking political steps unacceptable to the U.S. (such as breaking its economic dependence on South Africa or making itself available as a staging ground for guerrilla raids or war on South Africa).

The U.S. veto of the African initiative to exclude South Africa from the UN and Ambassador Scali's denunciation of the UN General Asembly for "unrealistic" resolutions coincided with the gradual collapse of the Administration's support for repeal of the sanctions-breaking Byrd Amendment. These events suggest a trend to dismiss the concerns of the black states and to move toward a more open and forthright promotion of U.S. tangible interests in the white-ruled states of southern Africa.

This trend reflects not only the rising tide of U.S. economic activity in the white states, but also, perhaps, a raised assessment of the strategic importance of South Africa.

NSSM 39 not only built the case for acceptance of South Africa's power and resources; it moves a giant step toward acceptance of the permanence of apartheid itself. It banks on the continuation of the flow of material benefits from the inequities of white oppression. Idolatry of the "tangible" and "realistic" are apparent on every page. Racial discrimination is viewed as a problem in the United States not because it is evil but because Blacks are prepared to cause trouble. By appeasing the black states and urging modest improvements on the white states, policymakers hoped in 1969 to strike a delicate balance between pursuit of gain and the appearance of rectitude. At the moment, the balance seems to have been achieved.

What the study ignores is the longer sweep of history, which is ultimately determined by the deeper currents of the human and political struggle. The Bicentennial of the American Revolution reminds us that we have preferred the liberty to pursue individual self-interests, no matter how grossly material, to the preservation of equality for all. This preference for freedom over equality has led to the concentration of economic and political power in the hands of the few. But while we have sacrificed our ideals of equality, we have never entirely forgotten them. Indeed we cannot. They will return to haunt us if the policy of the United States continues to dictate the pursuit of power and wealth as ends in themselves.

DICKEY-LINCOLN PROJECT

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. CONTE. Mr. Speaker, an advance copy of an excellent article on the northern Maine woods, the upper St. John River, and the dispute over the Dickey-Lincoln project should be read by all Members of Congress. It is an incisive argument against any further funding for Dickey-Lincoln.

This article, written by Richard Saltonstall, Jr., is scheduled to appear in the August 1975 issue of Country Journal. Because its publication will probably come after House consideration of the public works appropriations bill, the author and the editors have graciously consented to have it printed in the RECORD at this time:

THE MAINE WOODS IN 1975: A CASE FOR THE UPPER ST. JOHN RIVER

(By Richard Saltonstall, Jr.)

Though most of it has been logged at least twice during the past century or more, the country of the upper St. John still is a thriving forest. The land is flat compared to the rugged region of the Penobscot basin around Mt. Katahdin. And the river gradient is gentle too, dropping from a 1,200 foot elevation at Baker Lake to about 600 feet at Allagash, 110 miles downstream. As wild rivers go, this slope is barely noticeable. The upper river section drains a watershed of 2,725 square miles, an area consisting entirely of unorganized territory (or unincorporated townships called Wildlands), almost all of it controlled by four companies—International Paper, Great Northern, Irving Pulp and Paper and the Seven Islands Land Co. which is by far the biggest property manager.

"It is even more grim and wild than you had anticipated, a damp and intricate wilderness, in the spring everywhere wet and miry," wrote Henry Thoreau about the north woods of Maine back in 1846. And it hasn't changed much, at least beside the river. Just as the forest dries out and the river scenery is enlivened by wildflowers and the bright greens of deciduous growth along the banks, black flies, mosquitoes and noseeums can make life miserable. In the winter of course, the river is a winding snow-covered channel of ice. My first view of it was that way, from the Moody Bridge where we crossed in a pickup late at night and a smooth, still fairway glistened under a full moon and stretched both ways until swallowed up in the black forest that confined it.

The ice goes out late in April, sometimes in May. Swollen by melted snow and jammed with tumbling chunks of ice that leave scars on the trees well above the banks, the St. John is to be feared. In 1970, the ice swept the Ninemile Bridge right off its massive stone and concrete piers, depositing two entire steel truss sections on opposite shores below. And in the past two years, the spring floods have caused several million dollars worth of damage to the 4,700-soul community of Fort Kent far downstream. The upper river is a moody watercourse whose personality varies with the rains that quickly run off into sidestreams too numerous to count and five sizable tributaries. It has run at a volume as high as 70,000 cubic feet a second and as low as 129 cfs, though the yearly average is 4,600 cfs. Meek in one extreme, monstrous in the other, the upper St. John is quite unlike its sister, the Allagash, just to the south, that runs parallel for nearly 30 miles before the two meet below Route 161. Though well known as a state-managed Scenic Waterway, Allagash is hardly a river at all, composed as it is of a string of lakes that take up 47 of its 92 miles.

Even with an indefinite season, with summer dry spells forcing canoeists to get out and wade, with the terrible black flies lacerating both man and moose and with a dearth of varying topography to lead the eye, the upper St. John has special qualities. It is remote, bridged only three times by private forestry roads before the highway span above Allagash. There are no dams, no habitations until the last few miles, and few people on the river. The current is swift all the way from the Northwest Branch to the Allagash confluence, and while there are only three heavy rapids, there are rock riffles and rips to keep you alert to the channel every stretch of the way. So you can always hear the river. The forest cover is pleasantly varied: alders in the logans of the Baker Branch, dense stands of fir and spruce all the way, aspen and birch where there was a fire, and some remaining patches of the Eastern white pine (pinus strobus) that once lorded it over the entire countryside. Up the smallest side trickles there are beaver settlements and in the clear brooks and tributaries there are native brook trout. Ahead of you, mergansers, goldeneyes and great blue heron take flight and overhead there's an occasional osprey. Sandpipers and yellowlegs flit about the banks and gravel bars. Depending on the season you ought to see wood duck, black duck and blue-winged teal.

The best kind of a river trip takes at least a week, longer with side trips up brooks and tributaries. Then your bodily senses have time to attune to new surroundings, gradually you spot the subtlest changes in the forest and flora and notice the slightest stirrings of wild life. Your mental faculties also need to readjust. When at last you're acclimated you can daydream or think big thoughts as you paddle while missing nothing important that is going on in the river world. And if you're tired of being sensory or of pondering the future, there is no place better than a canoe for a friendly discussion. And I know of no Eastern river besides the St. John where there is so much opportunity for a person to establish himself this way, without the civilized distractions.

A few years ago, the forestry companies got together with the state to make various arrangements for public recreation with a two and one half million acre section that includes all of the upper St. John. North Maine Woods is what they call both the area and the program. They put out a map showing points of entry, driveable roads, campsites and bigger campgrounds. There is a $2 per season registration and a $1 per night camping fee. Fire permits are required. On the back of the map it says that the North Maine Woods "is not a wilderness" because the area is interlaced with 2,000 miles of maintained forestry roads, thousands of miles in temporary roads and is in the process of being cut over for the third time. I suppose the companies are anxious to prevent the romantic notions associated with a forest wilderness, such as the North Woods, from going to people's heads. To my way of thinking, bulldozed and chainsawed here and there as it is, the St. John country still provides what the park planners call a "wilderness experience." The late Aldo Leopold said over 50 years ago that true wilderness should be able to "absorb a two week's pack trip." The Outdoor Recreation Resources Review Commission in 1962 defined wilderness as

being an area over 100,000 acres with no public roads. Both criteria hold up in the upper St. John. I'm certain that if the forestry companies coordinate their cutting plans with public authorities, and forest operations are conducted with enlightenment, then there will be plenty of "wilderness" to go around in North Maine Woods, even if it is rotated along with the forest crop.

But the problem isn't forest operations, at least for the moment, and that's what this report is all about. The problem is a proposal for the Army Corps of Engineers to build two dams across the upper river, at places 11 miles apart, called Dickey and Lincoln, the biggest dam being 9,260 feet long and 340 feet above the river bed, bigger than the Aswan Dam on the Nile. If built on schedule, before 1985, the Dickey-Lincoln Hydroelectric Project will flood some 89,000 acres, turning the river into a still lake all the way back to Seven Islands, some 55 miles upstream, drowning such tributaries as Little Black River and Big Black River and a dozen or so superior trout streams such as Chimenticook and Pocwock. Though the U.S. Congress has authorized nearly two million dollars in planning funds back in 1966 and 67, until the energy crisis finally captured public attention a year ago, the project appeared to be abandoned. It had been rejected in succeeding votes for appropriations and made fun of in Congressional circles as the "Dinky-Licken" or "Maine's boondoggle." Last year, Congress voted $800,000 to continue planning for the project, and at this writing was considering another $1.1 million for final plans. The Maine legislature has also gotten into the act by considering a proposal to create a state of Maine Dickey-Lincoln Authority that would take over the entire hydroelectric project.

Extraordinary as it may seem for a power proposal that ultimately may cost over $800 million, Dickey-Lincoln is designed mainly to operate two and one half hours a day (the river volume will allow no more) to generate 725 megawatts of peak load electricity to Southern New England, where in summer air-conditioners and in winter electric heating and lighting have strained existing power plants. Only 105 megawatts, generated over 12 hour periods, will be delivered as baseload to so-called preferred customers in Maine, mostly Federal installations and municipalities. Put in simpler terms, Dickey-Lincoln's total yearly output of 1.1 billion kilowatt hours is actually *less* than the generating capacity of a small fossil-fuel plant and is only around 1½ percent of New England's yearly consumption of 64 billion kilowatt hours. In the next decade, when it is estimated that this region will use 100 billion kilowatt hours, Dickey-Lincoln can contribute barely one percent. Moreover, while Dickey-Lincoln is supposed to produce 10 percent of New England's projected 1980 peak load requirements, the peaking periods last as long as six hours. So other facilities will be needed during the 3½ hours when Dickey-Lincoln has no additional peaking capacity.

The need for peak load capacity is used increasingly by utilities across the nation as a justification for new facilities. Looking at the problem as a whole, however, makes the peak load arguments seem foolish. With regard to Dickey-Lincoln, for example, the Environmental Policy Center in Washington notes that a program to install storm windows throughout New England (at a cost of $15 per window with a savings of 10 gallons each in heating oil) would cost $150 million. The program can save as much oil as Dickey-Lincoln but will pay for itself in seven years instead of the fifty years in which payments are to be stretched out for the hydro project.

The sensible solution to New England's energy gluttony would be the passage of energy conservation laws, and rate changes that would inhibit peak load demands. Yet the Corps of Engineers not only has turned away from the possibilities inherent in this course but has not considered various alternatives, conventional and unconventional, to Dickey-Lincoln. Under the National Environmental Protection Act of 1969, Federal planners are required to study alternatives to all proposed government actions that might have an environmental impact. Yet New England District Engineer John Leslie tells me that since Dickey-Lincoln has already been authorized by Congress the Corps is not going to analyze environmental considerations beyond the immediate impact of the constructed facilities and reservoir. The fact remains, as Bowdoin economics professor A. Myrick Freeman, III, wrote in a study for the Maine Natural Resources Council, that "a full investigation of the economic feasibility of Dickey-Lincoln as a source of peaking power for New England would require an investigation of the effect of peak load pricing on the load curve and the growth in electricity demand." Moreover, Freeman went on, if peak load users had to pay their way, "it is possible that changes in the time pattern of electricity demand would make additional investments in peaking capacity such as Dickey-Lincoln unnecessary." That is basic. Unfortunately, for all concerned, most of the arguments that presently are mustered in behalf of Dickey-Lincoln overlook the basics.

When it was hatched way back in 1956, a hydro-electric dam on the St. John at Rankin Rapids, just downstream of the site of the proposed Dickey Dam, was to fill the gaps in the output of a tidal power facility on Passamaquoddy Bay. If the Canadians and Americans cooperated to the fullest extent in developing a tidal project, there would be no gaps to fill. The private dream of a brilliant engineer named Dexter P. Cooper, given public scope by President Franklin D. Roosevelt, the "Quoddy Project" was reduced in scale so that the upper St. John's peaking power was needed. On again and off again, through the years since 1924, the tidal facility was finally considered economically unfeasible in 1964 and full attention was diverted to the inland project. Since a dam at Rankin Rapids would have backed water up into the Allagash Waterway, the planners shifted sites to Dickey, where a big dam would generate 760 MW, and downstream to Lincoln, where a small impoundment would squeeze the last drop of power out of the river, 70 MW worth. At that point, objections to a hydroelectric project on the St. John on environmental grounds seemed to be stilled.

Early advocates of the dam such as Maine Senator Edmund Muskie and Congressman (now Maine's other senator) William Hathaway saw in Dickey-Lincoln the introduction of public power to Northern New England, bringing lower electrical rates over the long term and more efficient planning for Maine's energy needs in particular. And in those first years of debate, it was Maine's big private utilities, Central Maine Power and Bangor Hydro-Electric Co. that protested against the project most loudly. Lately, the private utilities have been less vocal. The energy crunch has stretched their generating facilities to the breaking point and the promise of cheap nuclear power remains unfulfilled. Perhaps they also realize that Dickey-Lincoln no longer is the only opening wedge for a public power authority in New England and, in any case, will not be much of a public competitor. (Proponents of the project say it will cost around 2.5c per kilowatt hour compared to 3.4c for a fossil-fuel alternative. Yet this claim is misleading. The 2.5c Corps figure does not take into account cost increases and inflation that have affected Dickey-Lincoln during the past ten years whereas the 3.4c cost is based on the high price of $12.50 per barrel of oil as well as the recent costs of alternatives. Even so, the projected annual savings of $11.7 million is a fraction of the $1.6 billion New Englanders spend each year on electricity.)

In the past few years, as the need for back country recreation and the careful management of wild ecosystems has become more and more apparent, Corps of Engineers proposals everywhere have been subjected to new standards. And so it is with Dickey-Lincoln. The environmentalists have taken up the cry. Representatives like Muskie and Hathaway, considered sympathetic to environmental legislation, find themselves hemmed in over a project they have long identified with. Hathaway's congressional district included Northern Maine, so his advocacy has always featured the arguments that the project will provide much-needed flood control for Fort Kent as well as boost for the Aroostock County economy.

To be sure, seven years from now, Dickey-Lincoln could give Fort Kent some security. Yet District Engineer Leslie says that the floods of the last two years have prompted his office to proceed with plans for a dike system to protect Fort Kent for less than two million dollars, excluding compensation for the land, or about .0025 percent of the dam cost. As a regional economic asset, Dickey-Lincoln might even be counter-productive. It is estimated that only about one-third of the construction labor will be performed by Maine workers and even then this will only produce the kind of short term boom that makes the eventual "bust" all the more disruptive. When finished, the hydroelectric facility will employ less than 40 persons. Recreation? Proponents talk about boating and fishing on the reservoir without questioning the dubious appeal of a lake whose shoreline is a mudflat much of the time because of the rising and falling of the power pool. Moreover, while touting the possibilities of reservoir recreation, the Corps has not put a value on the camping, canoeing and fishing and activities that already are associated with the free-flowing river and are growing each year. In any case, Maine has many large lakes, still uncrowded, a lot closer to New England population centers than Dickey-Lincoln.

Paradoxically, as far as the lake argument goes, the granite aggregate and facing for the hydroelectric project's earthfill is supposed to be quartered at Deboulie Mountain, the centerpiece of a string of lakes nearby which has already become such an attractive area for outdoor recreation that it is under consideration as a Critical Environmental Area. All told, nearly 70 million cubic yards of earthfill will be needed for the dams. Counting the reservoir, the dam facilities and the earth and rock pits, Dickey-Lincoln will encompass 110,000 acres of the North Woods. It will flood a forest that now can produce a minimum of 20,000 cords a year under sustained yield management, worth $4.5 million. (Forestry experts say that in the comparatively good soils of the upper river drainage, 40,000 cords a year is a far truer estimate of the potential of that area to be flooded.) Moreover, the reservoir will severely disrupt the established network of forestry roads through the upper river basin and will isolate from the rest of Maine and the U.S. another 200,000 acres of producing timberland.

While the recreation and forestry consideration may be debated on a comparative basis, the upper river's ecological value is absolute. State and Federal biologists have compiled data on the St. John basin ever since a dam was considered at Rankin Rapids. While much of their material was prepared to show how a dam would affect the Allagash Waterway, inasmuch as either project (Rankin or Dickey-Lincoln) would flood a large part of the Upper St. John, the observations in these various studies remain valid. A state report says there "is an almost unlimited amount of superior seasonal

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stream habitat for brook trout." Even when the water is lower and warmer in summer, the fish appear to find plenty of spawning beds and deep or shaded pools. The best spawning areas fall within the area to be flooded. While the Corps puts high value on a potential lake fishery, no cost is considered for the loss of a native trout habitat or the likelihood that yellow perch and other lake fish will compete in the headwaters with the remaining native species.

State biologists singled out some 34 deer yards in the upper river region. Most will be flooded by the dam. And both State and Federal biologists noted that these refuges were important not only to indigenous deer but to deer that normally move in during the winter from the less habitable forest (less browse) far back from the river. The best dams money can buy are beaver dams, and they abound in the St. John basin, creating nutritious backwaters for migratory ducks, geese and other waterfowl. A reservoir will destroy many of these natural impoundments. Friends of the St. John, the coalition of environmental groups now opposing Dickey-Lincoln, has stressed in its literature that a reservoir fluctuating in size from 89,000 to 55,000 acres cannot possibly replace the natural, stable wildlife habitats like the trout pools, the brooks and the beaver ponds. "The displaced wildlife population will be lost, since wildlife habitat in surrounding areas is being utilized to its maximum capacity."

All the same, it is most likely that the Dickey-Lincoln proposal will be rejected on the basis of energy economics, and in this regard there is a strong case for declaring the project a public works pork-barrel even if the energy crisis worsens. In January, the U.S. General Accounting Office published a report saying that the Corps of Engineers consistently misled the public by exaggerating the benefits of hydroelectric projects throughout the nation. Time after time, said the GAO, the Corps does not make sufficient allowance for unexpected costs, inflation and environmental damage while it overstates such economic benefits as flood control, irrigation, power generation and recreation. Recreation is always in there for its hidden appeal. While the GAO has not yet released specific information on Dickey-Lincoln, at least two researchers have produced carefully documented studies. They are Rosemary M. Manning and Bowdoin's Rick Freeman. Both pointed out a major flaw in the Corps' method of arriving at a 2.6 benefit to cost ratio.

First of all, the Corps basic data is seven years old. The original price tag of $356 already has grown to over $500 million and even Corps planners concede it will go over $650 million. (For the purposes of analysis, the Corps' has updated the estimated construction cost to $384 million.) Moreover, the Corps' favorable ratio depends heavily on a 3¼ percent discount or borrowing rate on capital construction financing, a discount based on the rate of return on U.S. Treasury bonds issued 20 or more years ago. Legislation passed in Congress directs the Corps to use this rate for projects authorized before a higher rate was recommended for Federal water projects. Corps spokesmen admit very candidly that the low discount rate is used solely for the evaluation of benefits versus costs and that when the government has to borrow money for the project it will pay at least double the old rate. Rick Freeman thinks the discount rate will come closer to three times that rate. A private utility today would pay between eight and ten percent interest on borrowing, as well as taxes and insurance. In the case of Dickey-Lincoln, these differences are absorbed by the taxpayer. If the Federal Water Resources Council's recommended discount rate of 6⅞ percent is applied to Dickey-Lincoln, and realistic construction costs are taken into account, says Freeman, the project is hardly justified, the margin being between 0.9, which is a loss, and 1.2, which is barely beneficial.

But then there are the other factors. One of these is the Corps method of measuring flood control benefits, $60,000 in the case of Dickey-Lincoln. This figure is supposed to equal the value of annual flood damages that will be avoided with a dam. It only holds up if the dam is the least expensive way of obtaining protection. And of course the Corps already admits this is not the case. Another factor that keeps nagging is the question of alternatives. In the short term, surely energy conservation measures must be enacted so that as a society we can collectively defray one another's local deficits, (e.g. as would be the case with storm windows.) In the long term, there are a variety of considerations ranging from decentralized solar systems and windmills to the recreation of the way trees convert solar energy by protein synthesis. Certainly none of these ideas should seem any more "far out" than landing men on the moon. (Although just repeating that popular comparison isn't going to get us anywhere either.)

My friend John Cole, editor of Maine Times, has urged authorities to follow up suggestions that forest wastes (chips, bark and slash) might provide enough fuel for a steam turbine to compete with Dickey-Lincoln. And there is always the possibility of converting Maine's forest materials into methanol, a good source of energy fuel, even though present economics do not favor such a plan. Yet another fuel source, already tried successfully in different urban areas of the U.S., is household wastes. (In St. Louis, Mo., for example, one third of the city's garbage is shredded, then mixed with pulverized coal for use as power plant fuel.) According to the President's Council on Environmental Quality, direct incineration of wastes or bioconversion of these materials for liquid or gaseous fuels ought to provide up to ten percent of any community's energy needs.

Many analysts of the energy crisis are optimistic about decentralized and unconventional energy sources that are suited to a particular environment. These sources include the windmills and solar units for cooling and heating that already have been tried successfully in single rural residences. In the future they might include community incinerators making power and heat, clusters of windmills and, along the coast of Eastern Maine, a tidal project or two. Decentralized energy certainly results in one important efficiency, the elimination of miles and miles of unsightly transmission lines. For Dickey-Lincoln, upwards of 1[illegible]0 miles in new transmission lines will be needed at a total cost (which includes outside investment) of $129.1 million. Energy losses over long transmission distances also will run upwards of ten percent.

I have my own vision of an upper St. John river valley and of course it doesn't include any dam. Forest landowners and state officials join in an authority that also includes some citizens involved in open space preservation and wilderness land use. Call it the North Maine Woods Commission. Forestry guidelines are established in order to protect the upper St. John from erosion, unusual runoff, ecological damage and esthetic blight that can result from indiscriminate forest operations. Guidelines also are developed to make certain that those who go to the river for a backwoods outing can indeed enjoy the sense of being in a wild and remote place. The harsh winter, the spring blackflies and a paucity of access routes have prevented overcrowding of the St. John up until now. But the landowners say this is changing, that larger numbers want to canoe the river and many people drive in to the Moody and Priestly Bridges, and to Dickey, to fish or enjoy the river setting just for the day. So a few more restrictions may be necessary to prevent the different expressions of recreational pleasure from infringing upon one another. Finally, both recreation and forestry plans should be coordinated so that loggers and campers do not get in each other's way. Obviously, along the river at some point where canoeists will pass by, there may be a visible forest operation. But in this narrow river corridor operations should follow the strictest methods of selective cutting and timber stand improvement (TSI) and should be conducted when the river is not being paddled.

Already the Allagash Waterway next door is being enjoyed to capacity. Further south and east, Baxter State Park and Mt. Katahdin, beckon thousands of campers and hikers annually. It only makes sense to build a positive framework for the upper St. John, creating a North Woods that is for real.

FIRST TARGET FOR SUPPRESSION

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. DERWINSKI. Mr. Speaker, recognizing as I do, the Members, continuing interest in the politics and human rights in South Vietnam, now that the Communists have conquered that country, I direct the attention of the Members to an editorial that appeared in the May 15 edition of the Machinist, a weekly newspaper of the International Association of Machinists and Aerospace Workers.

The editorial, by Gordon H. Cole, editor of the Machinist, categorizes the steps that the Communists are taking to suppress the free trade union movement of South Vietnam.

The article follows;

FIRST TARGET FOR SUPPRESSION

As in the case of every Communist takeover, the free trade union movement of South Vietnam, the CVT, was one of the first targets for suppression. Here are reports that reached the AFL–CIO from Saigon last month:

In Da Nang, CVT officers were arrested and required to turn over all of their records and files.

At Ban Me Thout, former union officials were put on a non-subsistence ration.

In Binh Long, the plantation workers' representative was shot and scores of others were arrested.

In Bing Dong, the president of the CVT local was arrested and one CVT leader was shot.

In Quang Ngai, the president of the CVT provincial council was arrested.

In Quang Tin, the secretary general of the CVT provincial council was arrested with all members of the council. They have not been seen or heard of since the fall of Da Nang.

In Pleiku, both of the CVT provincial representatives were arrested.

In Kontum, the CVT provincial council was captured and has not been seen or heard of since.

In Hue, the president of the provincial council was arrested, the CVT had no details of what happened to him.

In Dalat, the provincial council president was seized.

In Nahtrang, the president of the railway workers union, who was also the vice president of the CVT provincial council and leader of the workers' party, was arrested.

About 70 trade union officers and some 220 dependents are among the Vietnamese refugees brought out by United States forces. CVT President Tran Quoc Buu was among the last. He is reported to be on Guam.

What has happened to trade unionists since the unconditional surrender of Saigon is not known.

CVT headquarters in Saigon, Da Nang, My Tho and other cities have been seized. The CVT newspaper has been suspended. New leaders have been designated by the North Vietnamese military government.

ORGANIZED 27 YEARS AGO

The CVT was organized in 1948. During French rule, it operated as an underground movement. When the country was partitioned in 1954, union headquarters was moved from Hanoi to Saigon. A few weeks later, the Communists seized all union property and records left behind in North Vietnam.

The CVT continued in the South until the fall of Saigon, representing more than 400,000 workers. Its largest affiliate was the Farmers Union through which the Vietnamese campaigned successfully for land reform law, organized cooperatives and credit unions. Other affiliates included the railway workers, fishermen, dockworkers, oil workers, transport workers and government workers.

The CVT participated in the councils of the International Labor Organization and the World Confederation of Labor. The free trade union movement has been weakened by the fall of South Vietnam.

DESIGNING HOMES FOR SOLAR ENERGY UTILIZATION

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. BROWN of California. Mr. Speaker, last week the Energy Research, Development and Demonstration Subcommittee of the Science and Technology Committee held oversight hearings on the Solar Heating and Cooling Act. As an original sponsor of that legislation, and a strong supporter of this technology, I was very interested in the testimony presented at these hearings. Among all of the fine statements presented, I found one that particularly impressed me with its perspective on the solar energy issue.

Mr. John P. Eberhard spoke on behalf of the American Institute of Architects, which has a substantial role to play in our national energy use patterns. His comments were critical of the Energy Research and Development Administration's Interim Report, entitled, "National Plan for Solar Heating and Cooling." The main criticisms were not technical, but conceptual. The AIA statement urged that building designs fit natural climates, and this initial design use of solar energy should be used as the base for additional hardware add-ons of solar heating and cooling equipment. The ERDA plan fails to address the basic design of homes in its attempt to encourage the use of solar heating and cooling.

I would recommend the statement by Mr. Eberhard to any of my colleagues who are interested in solar heating and cooling.

The statement follows:

SOLAR HEATING AND COOLING DEMONSTRATION ACT OF 1974

(A Statement by John P. Eberhard)

Mr. Chairman and Members of the Committee. I am John P. Eberhard, President of the AIA Research Corporation, a non-profit, public corporation established by the American Institute of Architects. I speak today on behalf of the American Institute of Architects, the professional society of architects, as well as the AIA Research Corporation.

I appreciate this opportunity to present my views on Public Law 93–409, Solar Heating and Cooling Demonstration Act of 1974, and welcome this opportunity to comment on the March, 1975, interim report entitled National Plan for Solar Heating and Cooling prepared by the Division of Solar Energy of the Energy Research and Development Administration. We believe that in general this plan provides a useful guide for the conduct of the program for demonstrations in both residential applications and commercial/institutional applications. The plan seems to meet the goals of the legislation to stimulate the creation of a viable industrial and commercial capability for producing and distributing solar heating and cooling systems, and the recognized national need to reduce the demand on fossil fuel supplies. We believe this version of the plan is a considerable improvement over the December 30, 1974 plan entitled Program Plan, Solar Heating and Cooling Demonstration Program (Residential Dwellings). We have a few general comments and some specific suggestions for modification to the language or content of the interim report.

While we all recognize the potential that solar energy may offer for reducing our national dependence on fossil fuels, we believe that there are three basic concerns which are architectural in nature that the ERDA Plan either overlooks or underemphasizes:

(1) Buildings were built for thousands of years before there were any mechanical systems available to provide for heating, ventilating or cooling. Architects were always concerned with meeting the needs of users and building owners and providing for human comfort to the extent that was technically feasible.

In many climates, the challenge of providing for human comfort in buildings was historically difficult because of wide-ranging fluctuations in temperature, but there were always sensible things to do in order to utilize the heat of the sun in cold periods and reduce the impact of the sun's heat in hot periods. Only within the past twenty or thirty years have architects tended to forget these lessons of history and to compensate for poor design decisions by using large-scale mechanical heating and cooling systems to provide for human comfort in the buildings they design. The ERDA Plan has a tendency to accept as a fact of life that buildings provide for human comfort with mechanical systems, and to suggest that we find ways to substitute solar collectors on the roof for boilers in the basement. We would like to re-emphasize that there is a long history of sensible things that should be done to design buildings in adverse climates. These sensible design decisions should be made first, and then supplemented with solar energy activated mechanical systems to provide the additional comfort conditioning desired. It is possible in certain climates to design houses that require no mechanical systems—only sensible designs to capture the natural ventilation of the winds, the natural heat of the sun, and the natural cooling effects of nighttime conditions. In such circumstances, the energy costs to the consumer can be reduced to enough electricity to operate a few lights at night. Such conditions may not help to create a solar energy industry of the kind envisioned in Public Law 93–409, but they would help to save the nation a large amount of fossil fuel energy. The ERDA Plan should recognize more adequately this balance between sensible design decisions and the need for solar activated mechanical systems.

(2) The ERDA Plan concentrates almost entirely on the requirements and constraints associated with the application of solar energy to individual buildings. We believe that there are substantial design issues associated with the neighborhoods and communities in which the buildings will be located. In a report being prepared by the AIA Research Corporation for the National Bureau of Standards and the Department of Housing and Urban Development, we are pointing out the obvious community planning decisions that will have to be made because of the requirement to orient solar collectors towards the sun. The American Society of Landscape Architects is working with us to show that the traditional development patterns of most suburban housing schemes will require rethinking. So will zoning regulations which affect such basic issues as "sun rights" (a legal issue) and density requirements (a planning issue). The consumer acceptance of solar heating and cooling will depend not only on the appearance of the dwelling unit, but the community design decisions that are needed to avoid a hodgepodge of solar collection devices on roofs, on walls and on the ground. For commercial and institutional buildings, the relationship of the collecting surfaces to the building mass and the subsequent relationship to other buildings in the same area will be of obvious importance. The ERDA Plan should recognize more adequately this requirement for community and site-planning issues.

(3) We also believe there is a fundamental issue of concern to consumers that is not well recognized in the ERDA Plan that might be classified as a basic aesthetic concern. It is not an easy concept to explain nor will it be possible to measure the importance of the concept in the early stages of development. Perhaps two analogies to other areas of design will help to explain the concept. The early automobiles that were developed at the turn of the century were literally horseless carriages—that is they looked like carriages that no longer were pulled by horses but propelled by an engine hidden inside the carriage. It took a lot of early design experiments, and a substantial number of engineering changes, before a vehicle began to emerge that was clearly an automobile. Houses that look like our traditional houses, that were dependent on furnaces in the basement for their heat and air-conditioning units either stuck in the windows or attached to the side of the house, will be the Model-T Fords of solar energy assisted houses, but new designs that are clearly the result of solar energy thinking will eventually emerge. A second analogy can be drawn from the fireplace. For hundreds of years, a fireplace that burned either wood or coal was the only source of heat for buildings of all kinds. In most of Europe, or in Colonial America, we can see the importance of the fireplace to the design of buildings. The fireplace became a major design element of both the interior and exterior of houses. We still find fireplaces

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in many new houses. Why? Not as a source of heat because they don't provide much heat (in fact, they cause more heat loss than they provide in heat gain). Fireplaces are still desired by consumers because their ambience adds to the quality of our lives. Many executive suites have fireplaces even in modern office buildings because they provide a "homey" touch. Solar energy has this potential for adding to the psychological quality of buildings.

Sunlight can and does provide us with a warm and pleasant light for using spaces in buildings. Sunshine can and does provide us with the shades and shadows that make buildings architecturally interesting. Solar energy can and does provide us with warmth. They all three come together, at the same time, and in abundance. Architects are interested in findings as many ways as possible to use sunlight, sunshine and solar energy to add to the quality of our lives. The public is out in front of all of us in recognizing this potential, and the solar energy industry which emerges will want to capitalize on this market potential. The ERDA Plan should recognize more adequately this fundamental concern with the design quality of the results.

THE GROWING POWER OF THE EPA

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. ARCHER. Mr. Speaker, I have been greatly concerned with the growing power of the U.S. Environmental Protection Agency. Unfortunately, this bureaucratic agency has gone far beyond its original task of protecting the environment by controlling pollution. We in the Houston area have experienced some of the extensive powers of this Agency when the EPA promoted a "clean air" standard in Houston which in effect amounts to land use and transportation controls. I will continue to oppose these unnecessary and undesirable restrictions.

Mr. Ralph deToledano in a recent column entitled "Mushrooming Power of the EPA" does an excellent job of describing the extensive power of the EPA. Mr. Mike LaVelle, in a column in the Chicago Tribune of April 24, 1975, has pointed out some of the problems created by EPA policies and programs. I would like to enter both of these columns in the CONGRESSIONAL RECORD.

It is time that Congress takes some effective action to control the power of the U.S. Environmental Protection Agency.

The articles follow:

MUSHROOMING POWER OF THE EPA

(By Ralph de Toledano)

The name sounds so laudable: The Environmental Protection Agency. But this power-grabbing agency has set out to dominate every activity in this country—with the possible exception of sex—and to reshape our national life according to the frenzied blueprints of the eco-freaks and the environmentalists crazies.

It it has its way, as Prof. Irving Kristol warned recently in the Wall Street Journal, "It will be the most powerful branch of government, having far greater control over our individual lives than Congress, or the executive, or state and local government," an agency "spending much of its time and energy figuring out how to be an obstacle to practically everything Americans want to do."

It is demanding veto power over the construction of low-cost housing, cultural centers, amusement parks, convention centers—you name it. And it is getting away with it.

In New York City, to cite one example, EPA was able to halt a low-cost housing project dead in its tracks for months until it was redesigned—at considerable cost which will be passed on to the poor—to prevent "noise pollution."

In Los Angeles, it tried to ram through a plan under which people would be taxed if they did not ride to work in a car pool, gas would be rationed, and car drivers would be compelled to pay a surcharge on regular parking meter fees. In Boston, it sought to force companies with more than 50 employes to reduce the size of their parking lots by 25 per cent.

That's for starters. In St. Louis, EPA ordered the Union Electric Co. to install sulfur removing equipment on three of its generating plants at a cost of $500 million and an additional annual operating cost of $201 million—even though its own regional director had said that the city's air "already meets federal air quality standards except for a few hot spots" for which "Union Electric cannot be blamed."

This will raise electric bills by an estimated 30 per cent, according to the St. Louis *Post-Dispatch*. In Tampa, Fla., EPA ordered controls which will raise the cost of electricity to consumers by 40 per cent.

The Department of the Interior has warned that if EPA has its way in regulating lead anti-knocks in gasoline, America's oil requirements will increase by about "one million barrels a day, create an incremental drain on our balance of payments by over $1 billion per year, reduce the security of oil supplies, and cost the consumer tens of billions of dollars."

Our environmental protectors are also proposing to the airlines that they increase each fare an average of $2 a day in order to recover the $880 million EPA wants spent on modifying jet engines.

EPA takes the view that it is not part of the executive branch. When its officials testify on legislation, they battle their own schemes, not the position agreed to by other agencies.

To make its own views prevail, EPA has a staff of 41 lobbyists to pressure Congress. These lobbyists are paid close to $1 million a year, from your taxes and mine at a time when every agency of government is attempting to reduce its share of the federal deficit.

And what of the eco-freak line it is employing these lobbyists to sell? EPA has submitted three reports on the dangers to health of lead in gasoline. Two were withdrawn for their inaccuracies and propagandistic distortions after they were cut to pieces by the scientific community. The third was described by EPA itself as being "in no sense . . . an unbiased document."

EPA FINDS "THROWAWAY" JOBS

(By Mike LaVelle)

The U.S. Environmental Protection Agency was formed Dec. 2, 1970. Its stated purpose was to "coordinate governmental action to assure protection of the environment by abating and controlling pollution."

What should have been added to that government directive were the words: "But to balance its effectiveness with a goal toward preserving jobs as fell as environment."

When the EPA was created unemployment nationally was 4.9 per cent. At the time jobs were not affected by environmental efforts. No one foresaw that five years later unemployment would push toward 9 per cent.

But now the issue of environment and employment has surfaced. The EPA currently is drafting rules that would ban the sale of throwaway cans and bottles at all federal facilities, including military commissaries, federal categories, and other government installations.

If those rules become effective, it might signal the acceleration of a similar campaign on the state level. Three states already have laws requiring mandatory deposits on bottles, and three others are considering similar legislation.

Such a ban at federal installations would, according to both the AFL–CIO and the EPA, affect more than 60,000 highly skilled jobs. The EPA claims that many of these jobs would be replaced by other positions in the washing, handling, distributing, and recycling of deposit containers in other areas of the container industry.

That doesn't make much sense. There is little difference between the manufacture of throwaways and deposit containers.

If the EPA's intention is to dissuade the slobs who litter our beaches, parks, and highways, it won't work. Those people would just as soon litter with cardboard milk containers as with beer and pop bottles. [I concede litter along Oregon roads has dropped by 80 per cent.]

To my knowledge, there are neither "deposit" cans, nor jobs washing them out. There are, of course, jobs making cans.

Those facts may have slipped past the EPA in its haste for sanitized snack bars.

Maybe there ought to be deposit cans. It would not be difficult for can distributors to add on a penny or two. Barring the deposit can, maybe the container industry could return to setting up recyclining centers, as was done during the World War II drives for scrap steel. During that era you could even make a fast buck on bringing in abandoned cars.

Cans and bottles, both deposit and throwaways, account for less than 20 per cent of the country's litter, according to AFL–CIO economist George Taylor. The proposals of the EPA would have an even smaller effect on the environment.

Taylors says the beverage industry uses between 1 and 2 per cent of our total industrial energy, which amounts to between four-tenths and eight-tenths of the total national energy use.

"Cutting down this use by a fraction would have little impact on our national energy status, but it would have an inordinate impact on jobs." Taylor says.

When a conflict arises between employment and environment, the priorities plainly ought to be with jobs. A clean environment and full employment need not be mutually exclusive.

Consider a recent innovation: the transformation of garbage into fuel. This new fuel source could be expanded so that we could clean up our environment and create jobs—both at the same time.

The EPA's proposals on cans and bottles could be stretched to be absurd to include discarded candy wrappers, balloons, cigaret packages—even junk cars. Why pick on just one industry when a whole slew of them is represented in the trash piles that dot our parks and highways.

The EPA ought to be suggesting the imposition of stiff fines on litterbugs as one approach toward a clean environment.

In fact, why not merge local EPA offices with local sanitation agencies. Think of how many public jobs could be created if the EPA really went out to clean up our slums, to say nothing of our parks.

Such an idea is no more extreme than banning throwaway cans and bottles at federal installations.

A CALL FOR LICENSE RENEWAL REFORM

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. KASTEN. Mr. Speaker, for too many years, broadcasters have been forced to operate under a nonspecific, vacillating license renewal policy characterized by extensive filings and paperwork.

Past Congresses have skirted resolution of this issue. Now is the time, during the 94th Congress, to finally resolve this issue. I believe that passage of H.R. 5578, which I am cosponsoring, will accomplish that objective.

H.R. 5578, approved by the National Association of Broadcasters, directs the Federal Communications Commission to renew a license, if the licensee has been responsive in his programing to the "problems, needs, and interests" of the service area in which he broadcasts. Additionally, the FCC is responsible for establishing procedures for the licensee to follow in ascertaining those needs.

Thus definite guidelines are to be established for both the FCC and the licensee concerning renewal criteria. At present, however, a broadcaster is forced to operate his business without any security that his license will be renewed in the future, regardless of the fact that his broadcast operations have served "the public interest." A broadcaster who has made his best effort to serve the public interest and has succeeded in that effort faces the possibility that his renewal application may be denied and awarded to a competing applicant, whose untested proposals the FCC arbitrarily decides at the time of renewal will better serve the public.

In addition to providing added security to a licensee who has done a good job by establishing set criteria for renewal, H.R. 5578 would give the FCC the authority to extend the license period from the present 3-year term to 5 years.

The present 3-year period is archaic. It was instituted in the very early, unproved years of the broadcast industry. Today the broadcast industry is strong and mature, which should be reflected by an extension of the present 3-year term.

The very great majority of broadcasters retain their licenses. Thus the FCC and the broadcasters expend a great deal of needless time and energy, routinely filing and eventually approving renewal applications of incumbent licensees every 3 years. H.R. 5578 would lessen the burden on the FCC and broadcasters by requiring application every 5 years, in cases where the FCC deems such action to be in the public interest.

Such an extension of the license term would not limit the FCC's power to regulate the broadcast industry, in any substantial way. The same threat of cancellation would deter broadcasters from abuse, regardless of the fact that the time period between applications was lengthened. It is unlikely that the length of time between renewals is the regulatory force affecting broadcasters' attitudes and actions. Rather, it is the future possibility of renewal refusal, regardless of the specific date in the future.

H.R. 5578 would lessen the license renewal burden in another way, since it directs the FCC to reduce the paperwork required in filing renewal applications. At present the renewal form is 8 pages long, requiring answers to 33 questions. Since some 8,900 licensees file for renewal during a given 3-year period, the paperwork burden on the FCC is very extensive. A simplication of the renewal form would be a great advantage to broadcasters, the FCC and the public, since resources and personnel could be redirected to more fruitful endeavors.

H.R. 5578, in my opinion, is a very practical vehicle for solving the license renewal problem. During the last Congress, renewal bills were passed by both the House and the Senate. Obviously, it is agreed in both Chambers that reform is necessary in this area. Unfortunately the House and the Senate were unable to resolve the differences between the two bills during the 93d Congress. Broadcasters, however, should not be forced to suffer for our inability to form a compromise. Now is the time, during the 94th Congress, to take decisive action, leading to the passage of a public law reforming the present license renewal practices of the FCC.

NONPROLIFERATION TREATY REVIEW CONFERENCE

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. ZABLOCKI. Mr. Speaker, Dr. Fred C. Ikle, Director of the Arms Control and Disarmament Agency, addressed the First Review Conference on the Nuclear Nonproliferation Treaty in Geneva on May 6, 1975.

His comments at this important meeting called to reinforce the NPT and halt the spread of nuclear weapons deserve the careful reading and full consideration of all Members of Congress.

Madame President:

It is my privilege to convey a message to this Conference from the President of the United States:

"This Review Conference offers an opportunity to focus new attention on our vital obligation to arrest the spread of nuclear weapons. It is a responsibility that confronts all nations equally and impartially. Nuclear energy can and should promote the fortunes of nations assembled at this conference. But its destructive potential can and must be contained.

"Support for the Non-Proliferation Treaty is a major tenet of American policy. Consequently, I hope this conference will:

"Convey the importance of non-proliferation to the security of all nations, hence to global stability;

"Promote international cooperation in peaceful uses of nuclear energy, while ensuring that it not be misused as a means of mass destruction;

"Encourage the further development and wider application of effective safeguards and physical security measures for nuclear materials and facilities; and

"Review the considerable progress that has been made in arms control and disarmament since the Treaty was signed, and promote efforts to build on what has been achieved.

"We welcome the important recent additions to the roster of Parties to the Non-Proliferation Treaty, as well as the indications that others are moving toward adherence. We recognize that the Treaty's promise is not yet fully realized, but we take satisfaction from what has been achieved. We further recognize that no treaty by itself can prevent the proliferation of nuclear weapons. Yet we remain convinced that the Non-Proliferation Treaty is an essential means of advancing this purpose.

"Although we still have a long way to go, we see in reviewing the record that the cooperative undertaking to create a more stable world community is well underway.

"I take this occasion therefore to re-dedicate the United States to the support of the Non-Proliferation Treaty and to the high purpose of a stable peace which animates it."

Few international endeavors are more deserving of our attention and energy than containing the destructive potential of the atom. The stakes involved are enormous.

We cannot be complacent—and indeed we are not—about the nuclear arsenals that now exist. We must press ahead to make more comprehensive the limitations which have been imposed, and begin to reduce the potential for destruction—a potential that we can scarcely grasp.

But it would be a fatal error if we assumed that we could move forward in reducing the threat of nuclear destruction while nation after nation began to build its own nuclear arsenals. We cannot move forward and backward at the same time. The risk of nuclear destruction—by design, miscalculation, or accident—cannot be reduced if nuclear competition drives a dangerous wedge between neighboring nations throughout the world.

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Let there be no mistake. The dangers resulting from nuclear proliferation are shared by all, nuclear powers and non-nuclear weapon states alike.

We therefore have a common interest in the success of the Non-Proliferation Treaty. It is my government's hope that this conference will focus attention on the Treaty's essential role in promoting the security of all States, and that it will provide a stimulus for cooperative international effort to make the Treaty as effective and universally applicable as possible.

The basic provisions of the Treaty—Articles I and II—have been followed faithfully by the Parties. The safeguards resulting from Article III make an important additional contribution to the security of all States. But in our judgment, the effectiveness of all three Articles can be strengthened best by securing the widest possible adherence to the Treaty. Hence, it is most gratifying that several States have recently completed their ratification. The Republic of Korea ratified the Treaty. Just last week major industrial countries of Western Europe also became Parties to the Treaty: Belgium, The Federal Republic of Germany, Italy, Luxembourg, and The Netherlands.

We welcome all the new Parties. Several of them have attained world leadership in peaceful applications of nuclear technology. This offers telling evidence that the Treaty is consistent with progress in the peaceful uses of the atom. In fact, the Treaty not only supports peaceful uses, but helps preserve the world order without which peaceful uses could not survive and expand.

In its first five years, the Treaty has clear-

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ly served to increase the volume of international nuclear commerce. The United States, for example, has entered into international arrangements for the enrichment of uranium to meet the needs of some 150 power reactors in non-nuclear weapon states, having a total capacity of about 120,000 megawatts. In addition, the United States has exported 35 nuclear reactors since 1970. Most of this cooperation has been with States now Party to the Non-Proliferation Treaty or with signatories whose ratification appears imminent.

The United States has shared its peaceful nuclear technology generously. It has provided information, offered training, supported research programs, supplied uranium enrichment services, and sold or donated research and power reactors embodying the most advanced technology.

Aid to the developing countries has also increased considerably since the Treaty was opened for signature. We believe the developing countries Party to the Treaty should be given favored consideration in nuclear assistance. Last year, my government announced that Parties will be given preference in the allocation of our in-kind contributions to the technical assistance program of the International Atomic Energy Agency. At the same time, we are increasing substantially the amount of our voluntary contribution for 1975.

A major purpose—indeed, a major accomplishment—of the Non-Proliferation Treaty is to make possible the expansion of peaceful nuclear cooperation. But, as Secretary Kissinger stated to the United Nations last Fall, our policy of widely supplying nuclear fuels and other nuclear materials "cannot continue if it leads to the proliferation of nuclear explosives."

The rapid expansion of the peaceful uses of nuclear energy has raised massive new problems. One is meeting fuel reprocessing needs in the safest and most economic way. Another is the disposal of the rapidly accumulating nuclear wastes. Fortunately, we still have some time to work out solutions. There is no economic need for reprocessing for several years to come, and spent fuel can still be kept in temporary storage. But nations must cooperate to solve these problems soon to protect the health and safety of all the people.

The promotion of peaceful uses of the atom is inseparably linked with safeguards to inspire international confidence that fissionable materials are not being diverted to destructive purposes. We can all take pride in what has been done about safeguards.

Specifically, the International Atomic Energy Agency has accomplished a great deal. Its efforts deserve the wholehearted support of us all.

Virtually every Party to this Treaty with nuclear facilities requiring safeguards has negotiated an agreement with the Agency; and almost every nuclear facility now operating in the Non-Nuclear-Weapon States is subject to Agency safeguards, or will be in the near future. This is a good record.

But much remains to be done. We need to ensure:

That all Parties to the Treaty conclude agreements with the Agency;

That safeguards are effective and efficient; and

That safeguards cover, as comprehensively as possible, the nuclear facilities of Non-Nuclear-Weapon States not Party to the Treaty and preclude diversion of nuclear materials for any nuclear explosive device.

Also, we have to concern ourselves seriously with the threat of theft and other criminal seizure of nuclear material. We hope this Conference will recognize the need for international measures to deal with this grim danger.

Article V, as we all know, was included in the Treaty to ensure that the Non-Nuclear-Weapon States adhering to the Treaty would not be deprived of any potential benefits of peaceful nuclear explosions that might be realized by the Nuclear Weapon States.

In the United States, there has been much research and experimentation on the use of nuclear explosions for peaceful purposes. But we have not yet reduced any application to practice, nor have we obtained any commercial benefits from this technology. If and when we should succeed in doing so, we would, of course, make those benefits available, as called for in the Treaty.

Questions remain to be resolved regarding the feasibility and practicability of peaceful nuclear explosions. Moreover, no request for such explosions has ever gone beyond the stage of preliminary feasibility studies. For these reasons, there has so far been no practical necessity to conclude the international agreement or agreements mentioned in Article V. However, the United States stands ready to negotiate the requisite agreements when the practical need develops. In the meantime, the United States is prepared to participate in consideration of the institutional arrangements that may be required to make the benefits of peaceful nuclear explosions available internationally. Toward this end, important steps have already been taken within the framework of the International Atomic Energy Agency. My Government, as one of the potential suppliers of such services, has agreed to assist the Agency in a study of the related legal problems.

When this Treaty was opened for signature in 1968, the only other post-war arms control agreements were the Antarctic Treaty, the "Hot Line" Agreement, the Limited Test Ban Treaty, and the Outer Space Treaty. While these were solid accomplishments, they did not reduce the levels of existing nuclear armaments.

At the signing ceremony of the Non-Proliferation Treaty, my Government and the Soviet Government announced that we would open negotiations to limit offensive and defensive strategic arms. The relationship between the Treaty and this announcement was clear: the successful negotiation of this Treaty had strengthened mutual confidence between the two largest nuclear weapons powers and promised to keep nuclear arms control from becoming totally unmanageable.

Since then, serious and intensive negotiations on strategic arms limitations have continued steadily and received personal attention at the highest level of the two governments. The first fruits of these negotiations were the improved "Hot Line" Agreement and the Agreement on Measures to Reduce the Risk of Outbreak of Nuclear War.

The culmination of the Strategic Arms Limitation Talks in 1972 brought the Treaty on Anti-Ballistic Missile Systems limiting each side to two narrowly circumscribed complexes. In my country it led in fact to dismantling an anti-ballistic missile complex already well under construction. By renouncing major anti-ballistic missile systems, the United States and the Soviet Union gave up a potential new weapons system that they were in a unique position to exploit—no other country could have built such systems.

Along with the Anti-Ballistic Missile Treaty, an Interim Agreement was worked out to limit the number of strategic offensive launchers on both sides for five years—a period that would provide time to achieve more comprehensive limits.

At the summit meeting in the summer of 1974, the leaders of the United States and Soviet Union took a further important step by negotiating the Threshold Test Ban Treaty. I should point out that this was not only an important arms control measure in its own right; it was also a positive step toward a comprehensive test ban, to which we remain firmly committed.

Last November, at Vladivostok, a major milestone was reached when President Ford and General Secretary Brezhnev established specific guidelines for a new agreement to limit strategic offensive arms. Based on this Accord, negotiations are now underway here in Geneva. The new agreement is to limit strategic offensive armaments, including strategic bombers and missiles equipped with multiple re-entry vehicles (MIRVs), to equal totals on each side.

The implications of this breakthrough are far reaching. By putting an overall ceiling on strategic armaments, we established a promising basis for further reductions. We look forward to follow-on negotiations on further limitation and reductions as soon as the Vladivostok Agreement is complete.

An encouraging precedent has already been set: only two years after the Anti-Ballistic Missile Treaty imposed comprehensive, equal ceilings on these systems, both sides agreed to reduce the permitted deployment levels by one-half.

Five years have now elapsed since the Non-Proliferation Treaty went into effect. This period is only one-sixth of the nuclear era that began at the end of the Second World War. Yet, in this short time, far more has been accomplished in the control of nuclear arms than in the preceding 25 years. In historical perspective, the Treaty has proven to be both a prerequisite and a catalyst for progress toward nuclear disarmament. That process is underway. And it is up to all of us to encourage and sustain it.

The Non-Proliferation Treaty is indispensable to nuclear disarmament. It is indispensable to achieving the maximum peaceful benefits of nuclear energy. It is indispensable to the security of all. The task of this Conference is to provide the support and forward movement that are needed to enable the Treaty to fulfill its great promise.

INEQUITIES OF MEDICAL CARE DISTRIBUTION IN THE UNITED STATES

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. DELLUMS. Mr. Speaker, the issue of comprehensive national health care remains critical and will grow even more serious if Congress and the Executive continue their extensive procrastination.

I have been working to develop model legislation in this area, and hope to have it before Congress this year. One of the persons assisting me in developing the proposal is Dr. Vijaya L. Melnick, associate professor of biology at Federal City College.

Recently, Dr. Melnick presented a paper at the annual convention of the National Science Teachers' Association, and I would now like to insert that paper into the RECORD:

THE INEQUITIES OF MEDICAL CARE DISTRIBUTION IN THE UNITED STATES

(By Vijaya L. Melnick, Ph.D.)

A decade ago—a black American was driving his expectant wife, who was in the throes of labor, to the hospital. For this couple, the nearest hospital was twelve miles away. That is not an unusual distance from certain neighborhoods. This particular drive, not only dramatized the access to medical care, but proved historical. The couple did not make it to the hospital—the events that followed, however, made headlines for days in newspapers, and on television screens, across the country. The time was the summer of

1965—and the place—the Watts Ghetto area of the city of Los Angeles. The flames kindled from the Watts riots, threatened to spread across the nation—decades of oppression, neglect, poverty, separatism, unemployment, hunger, disease, and sorrow erupted and spilled over—in a living nightmare—for all to watch and, regretfully, for too few to understand. After the McCone Commission, and two years later, Watts got its first hospital—the Martin Luther King Jr. Hospital with its affiliated Charles Drew Post Graduate School of Medicine. Today the 344,000 residents of Watts have one hospital in their neighborhood and eight private hospitals skirting the Watts area which *may* accept a resident provided he or she has money to pay. Of these, only two are accredited. It was reported (Issues of Health Care, Science and Society series, no. 1, 1973) that up until 2 or 3 years ago, there was no emergency service for the people of Watts except in unaccredited hospitals or hospitals miles away. The huge and overcrowded public facility, Los Angeles County General Hospital, is still a two hour ride (presumably the hospital that the young couple were heading for, that fateful day) and six bus changes away from Watts.

Health care in the United States, as it exists today, is neither 'healthy' nor involves much 'care'. It is besieged with a number of crises—these include quality of care, cost of care, and equitable distribution of services to all the people. Our national expenditure for medical care and services now approach 8% of the Gross National Product. Looked at another way, an average American works a whole month to pay for the health care expenditure. It is projected, that at this rate, the figure will be two months of work, within the decade. This high price, however, (the highest in the world, in fact) does not in any way indicate the best in quality or accessibility to health care. The story is quite the reverse. If one uses the usual set of yardsticks, health conditions here compare less than favorably with most of the developed countries. The return we get for our health dollar is very little indeed.

The reason for this is that even though politicians and others have acknowledged the fact that health care is a basic and fundamental right—little, in the way of actually guaranteeing such a right, has been done. At present the United States is burdened by an expensive, unsatisfactory, inequitable, uncoordinated and fragmented system of medical care.

I come from Washington, D.C., the Nation's Capital. I will use the conditions in the District of Columbia to illustrate some crucial issues in the current health care system.

The District offers some impressive statistics. They include the following:

1. the highest physician to population ratio, perhaps, in the whole world (one physician for every 296 civilian population)

2. three medical schools with a fourth one soon to be added, and their associated research and clinical facilities

3. the site of the most renowned and world famous, National Institutes of Health—which has been an acknowledged leader in the area of biomedical research. The efforts of such research has gained an unexcelled place for the United States, in the area of acute, curative, scientific and technical service.

4. the site of one of the best research and clinical facilities of the United States Navy—the Naval Medical Center

5. the site of the United States Armed Force's proud medical facility—The Walter Reed Army Hospital and the Armed Force's Institute of Pathology

6. the site of several hospitals, which include both public and private institutions. Among these, the nationally and internationally famous Children's Hospital, which has often been in the forefront of innovative and provocative new techniques in pediatric medical care.

Having said this, and being justly proud of such an outstanding list, it is with great sorrow and considerable embarrassment that I must say that the list does not present a total picture. To complete the picture I must add that the District of Columbia also reports the following:

1. one of the highest infant mortality rates. There are 14 or 15 nations whose infant mortality rates are less than ours. That is comparing the overall rate for the United States. If we consider white and non-white populations separately in the United States, then the rate for non-whites is almost double that for whites (16 for whites and 30 for non-whites per 1000 live births in 1971). The reason why Washington, D.C. reports a higher than national rate is partly due to the fact that over 70% of the D.C. population is black. There is also a correlation between income levels and infant mortality rates. Lower the income, higher the rate. A large proportion of D.C. residents also happen to be poor.

2. D.C. reported one of the highest drops in percentage of general practitioners, of any state in the Country, between 1968 and 1972 (a percentage change of −19). This also reflects a national trend, again on an exaggerated basis. Whereas approximately 50% of the physicians in 1950 were in general practice, today that percentage has dropped to less than 19% and if the trend continues will drop even further. Most physicians go into various specialties for a host of reasons, not the least of them being prestige and money. The United States, for example, has twice the number of surgeons than England and Wales put together. The U.S. surgeons also do twice the number of surgeries! The exodus of physicians into specialties is also one of the prime reasons for the existing fragmented medical care. Due to the lack of general practitioners and primary care, a person is often forced to make self diagnosis of his ailments. Frequently this would entail shunting from one specialist to another coupled with long waiting periods in between. It is not uncommon then, that by the time you get to the right specialist, your illness has already been cured of its own accord or you have been dead.

3. The children of the District present a grim health status. Again this is correlated to the assertion that has been made that the health of our children is a neglected issue in the United States. (Charles Lowe and Duane Alexander, "Health Care of Poor Children" in *Children and Decent People*, ed. by Alvin Schorr, N.Y. Basic Books, 1974.) Reportedly there are over 10 million children across the country who receive no health care at all.

A recent study conducted in the District of Columbia by the Institute of Medicine of the National Academy of Science reports that 25% of the children in the study were found to be anemic, that 70% of the children who wore eye glasses did not benefit from them and of these 40% could see better without them, than with them, and, that one older child in every 15 is educationally handicapped by loss of hearing ability due to undetected and untreated middle-ear infection. The study found that the overall tonsillectomy rates, among the children, were related to family income—in other words, the ability to pay, rather than medical need, may well have been the deciding factor for whether the child will keep or lose his tonsils (Assessment of Medical Care for Children, Inst. of Med., Natl. Acad, Sci. 1974). The group of 2,780 children, included in the study, came from 1,436 families and ranged between 6 months to 11 years in age. They represented all social class backgrounds and came from families that used solo physicians, small fee-for-service groups, pre-paid group practice, public clinics, hospital out patient departments, and families that had no particular source of care.

In effect, the study documents the failure of the District Urban primary care system to effectively manage simple and common health problems of children. The rich constellation of medical research and clinical centers, and the enviable per capita physician distribution of the District, had all distressingly failed, to come up with an adequate program of primery care services, such as screening, diagnoses, therapy and follow-up.

4. According to an American Medical Association report (Foreign medical graduates in the United States, 1970), there are 778 Foreign medical graduates (FMG) practicing in the District of Columbia. Of these 778 only 198 had licensure—the other 580 were not licensed—that is, over 75% (one of the highest such % of any state) of the FMGs practicing in the District did so without a license to practice medicine. In testimony before the Senate Committee on Labor and Public Welfare it was revealed that there were over 14,000 FMGs, in the United States, who were not fully licensed, but who were now delivering health care, across the country. When asked by the Committee where such FMGs were mostly present and what they did, Dr. Robert Weiss of the Center for Community Health and Medical Care of Harvard University replied that their (unlicensed FMGs) job include taking night calls, covering emergency rooms, sewing lacerations, doing general practice, delivering babies, prescribing pre-anesthetic medication, giving anesthesia, writing x-ray reports, doing history and physical examinations, reading frozen sections on which a surgeon bases a determination to do or not to do a radical procedure, doing fluoroscopy, in short, they were found in practically all areas of medical practice. He went on to report that the new flux of FMGs has resulted primarily because of the demands made in urban settings in inner city hospitals for service, and in many cases, because the physicians are overloaded. The problem was especially acute in State Mental Hospitals where "they (the FMGs) are taking care of the sickest and the poorest patients of the United States.". Thus the prevalence of unlicensed and undertrained physicians in the inner city hospitals constituting what essentially amounts to second class care has lead observers to comment that such second class quality care was being administered to second class citizens such as the minorities, the poor and the aged. (Hearings on Health Professions Educational Assistance Act 1974, Comm. on Labor and Public Welfare, 93rd Congress, 1974).

5. The three medical schools and two dental schools of Washington, D.C. together, have less than 10% of their entering class (AAMC 1973 datagram) constituted by District residents. Howard University Medical and Dental Schools had approximately 11% D.C. residents in their 1973 entering class. Howard is in an unique position—it was established as a national resource, and was charged with training black Americans in medicine and dentistry, when majority of the other medical and dental schools did not admit any black students. In fact, up until 1969 Howard and Meharry together accounted for 66% of all black physicians produced in the United States. It was reported, for example, that UCLA graduated a total of 2 black doctors out of 1200 of its graduates between the period of 1952 and 1970. If one then excludes Howard from the group, of the three Washington, D.C. based medical schools, then the remaining two, George Washington and Georgetown medical and dental schools had less than 5.5% D.C. residents in 1973. This was a major point in the HEW testimony during the hearing of the D.C. Medical and Dental Manpower Act 1970 Ext. hearings, as was

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also in the testimonies from members of the community, including myself. (The bill provides for federal support to the two private medical schools.) The point on number of D.C. residents is an important one, since over 70% of the District population is black. The number of blacks in medical schools is still a far cry from being proportionate to the 12% of blacks in the U.S. population. The total of black freshmen in U.S. medical schools is reported to have increased from 4.2% in 1969 to 7.2% in 1974. The case of blacks in American medical education and practice has been set forth most eloquently in the book 'Blacks and American Medical Care' by Max Schan (U. of Minn. Press, 1973), a perceptive and humanitarian white physician who has practiced as a pediatrician for more than six decades. In speaking about the black medical students Dr. Seham observes "The victims of racism within our medical system have not been limited to the patients. Discrimination and poverty have also had a disastrous effect on the opportunities for black medical students . . . Although blacks constituted 11.2% of the total population in 1969, only 2.2% of the physicians, less than 3% of the dentists and less than 5% of the nurses in this country were black." A memorandum written by Dr. Fuller Torrey, M.D. (ADAMHA) to Dr. Paul Ehrlich (Director, Office of International Health), points out that currently there are more Philippine doctors in this country (7000) than there are black American doctors (6000) (Senate Com. on Labor and Public Welfare hearings on the Health Professions Educational Assistance Act of 1974). The obstacles that stand in the way of the potential black American medical student and physician is richly described by Dr. Seham in his book, the most critical of these being the existence of covert or overt racism and sexism, a handicapped educational background, the economic problems caused by escalating cost of medical education and dwindling sources of support, a lack of total social and professional acceptance, the relatively low numbers of black doctors in decision and policymaking levels in professional institutions and organizations and related issues.

6. The covetable physician to population distribution ratio of the District masks more than it conveys. Such impersonal statistics do not show the difference in physician distribution between different neighbourhoods within the District. As was pointed out in Ed Cray's incisive book "In Failing Health: The Medical Crisis and the AMA" (Bobbs-Merrill Co., Inc. 1970) the high physician to population ratio does not mean that a resident of a lower income neighbourhood has adequate access to a physician. Private physicians are as hard to come by in certain neighborhoods of the urban city, as in some remote corner of a rural county in the deep South. As Dr. John L. S. Holloman (President, N.Y. City Hospital Corp.) reported about New York City (New York state stands second only to Washington, D.C. in overall distribution of physician to population) two thirds of the people must get care from only one third of the physicians. There are 150 physicians serving 223,000 people in central Harlem—one for every 1,600 people (the overall ratio of New York is 1:504). This in contrast to the 4,000 physicians located on the elite Park Avenue and its environs. The story is much the same in the District if one compares the rich areas of North West to the poor areas of South East and North East. One poor mother living in the North East section said that her children managed to catch everything except a doctor. Dr. John Knowles (President, Rockefeller Foundation) an established champion of reform in medical education and health care services, said in a recent interview (Redbook, March 1975) that there are still pockets of poverty and ignorance in inner cities and rural areas when it comes to, even such seemingly universal concepts as, immunization. There are infants living in these areas who are to this day not immunized against diptheria, measles, polio, tetanus or even tuberculosis. There are tens of thousands of adults and children living in poor neighbourhoods, literally amidst the best medical research and clinical facilities, whose only contact with the health care system is the public hospital's emergency room.

The question has been asked many times over "Why is our health care system locked into this pattern of non-preventive care and inequality?" Indeed we all agree that the tragedy of the ghettos and the ills of the inner city, as are the problems of the rural poor, cannot be solved unless we also address related social ailments—such as, unequal education, unemployment, poor housing, unequal justice, unsafe environment and a multitude of other related questions. For these are intimately and inextricably tied to the health status and the well being of human beings. Nevertheless, it is unequivocably clear that the time is long overdue for our nation to reorder its priorities and allocate needed resources to reorganize our fragmented medical care and inequitable delivery system as part of a total commitment to solve the larger social malaise.

Since 1961 several bills have been introduced in the United States Congress directed toward an effort of providing health care for all the people in the nation. These range from that proposed by the administration to those drafted and supported by labor unions. They vary in benefits, deductables, eligibility and cost, among other things. However, they all have one common characteristic—that is—they are all based on the concept of a national health insurance. None of them adequately address the most important question germaine to much of our present health care delivery problems. That is, the question of restructuring the existing fragmented and inequitable health care system. Going the insurance route the bills get more concerned with how to pay providers rather than seeking what is best for the public. Another drawback is that, if the bills will only address the question of the minorities, the poor, the aged and the disadvantaged and seek solutions to redress their situation of inadequate health care, then for all practical purposes such a bill will effect only minimum change and might even perpetuate an inequitable and separate two-class system of care.

The only way to bring about the needed change in the structure of health care delivery system is to begin with the premise that quality health care is the right of all the people irrespective of race, colour, national origin, age, sex, and educational and economic status. The only bill, that I know of, that starts from such a premise is the one currently being drafted by Congressman Ronald V. Dellums (D-Calif.). The proposal for such a bill was suggested to the congressman by an active group of health professionals and workers—called the 'Coalition for Health Rights and Community Health Services' many of whom belong to the 'Medical Committee for Human Rights'. This organization has long been in the vanguard of efforts and directions to make quality health care equitably distributed to all the people. Contrary to most American physicians—these Civil rights oriented physicians—have put the monetary considerations of medical practice low in priority. Congressman Dellums' bill will be called "The National Health Rights and Community Health Services Act'. The bill will include:

1. Total, free and accessible community based health care services for all the people.

2. Financing through fully progressive taxes.

3. Elimination of all profit making in health care related programs and services.

4 Equal benefits to all the people.

5. Quality control monitored not only by providers but also by the community.

6. Strict control over quality and safety of drugs, medical appliances and procedures.

7. Reforms in medical education and training with emphasis on preventive care.

8. Built-in upward mobility and cross-over programs between various categories of health professional training.

9. Conversion of fee-for-service to salary with incentives for advancement.

10. Incentives for general practice and service in physician shortage areas.

11. Controlled and planned production of specialists within the health profession.

12. Co-ordination of health research at the community, district, regional and national levels with basic biomedical research programs to be set at the national level.

These are only some of the highlights of the proposed legislation. The details and many other features are now being prepared to be included in the bill before it is placed in the Congressional hopper.

There is no doubt that organized medicine and many other powerful vested interest groups of the current health lobby will be against much of what is in the bill. But it is time that we recognize that medical care is also a moral and social activity. Thus, it is a much too important an issue to be left entirely up to the physicians and the health lobby. If we indeed guarantee the right to life, liberty and the pursuit of happiness then I suggest, that we cannot do so without guaranteeing the right to equal access to quality health care.

THE ROLE OF CONGRESS

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. COHEN. Mr. Speaker, on Monday I had the privilege of attending a conference on "The Role of Congress," sponsored by Time, Inc., at the City Tavern Club here in Washington.

The Time symposium, which brought together several dozen Members of Congress, educators, and reporters, attempted to assess the importance of Congress in setting national goals and priorities, its ability to take legislative initiatives, and its capacity to work with the executive branch in our tripartite system of government.

Among those speaking to this issue was my distinguished colleague, JOHN B. ANDERSON of Illinois. Congressman ANDERSON, drawing upon his experience in eight Congresses and his 6 years as chairman of the House Republican Conference, offered the thesis that "this Congress is embarked upon a course which could result in a dangerous deadlock of democracy, to the detriment of the Congress, the Presidency, and the Nation."

Congressman ANDERSON submits that an "Imperial Congress" under a power-swollen caucus could be just as destructive of our constitutional framework as the "Imperial Presidency."

He concludes that what is needed is a "government by consensus," the type achieved by President Truman with the Republican Congress on the Marshall plan. He notes that such an approach

will not be instantly attractive to members of either party, but he observes that neither is partisan governmental stalemate attractive. Congressman ANDERSON echoes Minority Leader JOHN RHODES' appeal for both parties to join together now in a common assault on our pressing national problems while there is still time.

Congressman ANDERSON's thesis is perceptively conceived, eloquently and convincingly argued. I commend it to my colleagues, and I include it at this point in the RECORD:

DEADLOCK OF DEMOCRACY THE IRONY AND THE METASTASES

I have been asked to discuss the effectiveness of the present Congress and its relationship to the Executive Branch. I begin with the premise that the effectiveness of the present Congress will ultimately be measured by the extent to which it can, working in cooperation with the President, address the major problems of our times, namely, the economy, energy and the foreign policy challenge. And it is my thesis that this Congress is embarked on a course which could—and I repeat, "could"—result in a dangerous deadlock of democracy, to the detriment of the Congress, the Presidency, and the Nation.

Many of you will recognize "Deadlock of Democracy" as the title of a book written by James MacGregor Burns in 1963. The book was written at a time when much of President Kennedy's New Frontier domestic program was bottled up in what was perceived as an obstructionist Congress controlled by a powerful coalition of conservative Democrats and Republicans. The Burns book was but one of a whole genre of presidential supremacy books which advocated an almost parliamentary subordination of Congress to the President in order to expedite enactment of urgently needed social welfare legislation. The trinity of targets of this school of reformers include entrenched committee chairmen, the filibuster rule and the House Rules Committee, all of which were viewed as roadblcoks to Presidential supremacy over the legislative process. The reformers proposed shifting power from the existing establishment of committee barons to the majority party leadership and caucus which in turn would serve as the President's legislative lieutenants in pushing through his programs.

As it turned out, this reform movement subsided when President Lyndon Johnson proved that Congress could be moved to act without radical overhaul. We got a strong presidency without congressional reform, and with it Vietnam and the Great Society—both of which failed to measure up to presidential promises in terms of actual performance. The Nixon Administration was the culmination of the long-term trend towards an "Imperial Presidency," and it eventually toppled under its own weight at the Watergate, suffering from an excessive abuse of power.

The irony is that the 94th Congress has now completed the reforms advocated by the presidential supremacists of over a decade ago—modifying the seniority system and filibuster rule, and placing the Rules Committee under the firm control of the Speaker, while shifting powers from committee chairmen to the majority leadership and caucus. All this would seem to indicate that the Congress will be even more subservient to Presidential direction under a Democratic Administration than in the past given the more centralized location of the levers of power.

But, under a Republican President this development has been hailed as the precursor of what the deputy majority whip of the House last summer described as "congressional government"—a situation in which an overwhelmingly Democratic Congress confronts a much-weakened presidency.

Parenthetically, it is also ironic that Republicans, ever since the days of FDR, have been the bitterest critics of excessive presidential power and congressional anemia. And yet it was a Democratic Congress that finally moved to reassert itself in reaction to a Republican President's abuse of powers: Cambodia, impoundments, executive privilege, manipulation of government agencies for political purposes, Watergate and the cover-up.

As a result, since our last Time seminar 2½ years ago, the Congress enacted the War Powers Resolution, the Congressional Budget and Impoundment Control Act, and vigorously pursued the Watergate and impeachment investigations which led to President Nixon's resignation. We also adopted a limited committee reorganization proposal in the House last fall after the Democratic Caucus successfully blocked a more comprehensive plan for the functional realignment of committee jurisdictions and limiting Members to one major committee.

The reform ball was picked up by the 94th Congress as the House Democrats flexed their muscles in caucus and deposed four committee chairmen and put the fear of the Lord in the rest. Caucus Chairman Phil Burton was moved to say in March of this year: "What was once a myth that the caucus is all-powerful is shaping into reality. I had thought it would take longer." Theoretically, at least, power in the House is now shared by the caucus and the Speaker as chairman of the steering and policy committee. In reality, the locus of power seems to hang in a limbo between the two more often than not, shifting temporarily from one to another from time to time. Further complicating any attempt to pinpoint power in the House is the dispersal of power at the committee level to a proliferation of semi-autonomous subcommittees. For the time being, at least, because of the ambiguous power relationship between the Speaker and caucus and the dispersal of powers to subcommittees, there is a leadership vacuum in the House. How and whether this leadership vacuum is eventually filled will ultimately determine the shape and direction of the new Congress as well as its potential for being effective. Ideally, at least, the Steering and Policy Committee would be the logical power center from which to give general policy direction to the caucus and committees.

But whether the power ball finally comes to rest in the steering and policy committee or in the caucus, "congressional government" is bound to be synonymous with "party government," and therein lies danger of deadlock of which I have warned.

I have already covered the irony of Democrat Congressional Government operating under reforms advocated by Presidential Government proponents. I now turn to the term, "metastasis," which I use in the rhetorical sense of "a sudden transition from one point to another," rather than in the medical sense of being the spread of a disease from one part of the body to another—though I suppose I could have some fun with that medical metaphor in discussing the House of Representatives. In using the plural, "metatases," I have reference here to four sudden transitions from one point to another:

First, the shift of power from the executive branch to the legislative branch;

Second, the shift of power within the House from committees to party organs;

Third, the shift in the economy at home and abroad from a state of inflation to a state of recession;

And fourth, the shift in the international situation, particularly with the collapse of Cambodia and Vietnam and the subsequent questions about the credibility of our other commitments and our future world role.

It is my thesis that if the first two-mentioned metastases proceed unchecked, that is, the shift to both congressional and party government, we will be dangerously deadlocked in attempting to cope effectively with the latter two metastases—the economy and foreign policy; and falling under both of these latter two categories I include the energy crisis which has both national and international dimensions.

I am not implying by any of this that I am urging a return to unbridled presidential power in order to steer us through these difficult times. While the Democratic majority has been credited with the reassertion of congressional powers and prerogatives, keep in mind that Republicans, not Democrats, have the most solid and longstanding credentials in the area of curbing presidential powers and strengthening the Congress; and I am no exception. But I think a distinction must be made between righting or redressing the balance of powers, which has been the Republican aim all along, and tipping the balance in the direction of Congress, which apparently is the Democratic aim. I would submit that an "Imperial Congress" under King Caucus could be just as destructive of our constitutional framework as the "Imperial Presidency." Moreover, I would contend that the Congress is not capable of governing in these modern, complex times.

President Ford set the proper tone for a new balance and working partnership between the President and Congress in his Inauguration Address when he said:

"I know well the co-equal role of the Congress in our constitutional process. . . . As President, within the limits of basic principles, my motto toward the Congress is communication, conciliation, compromise and cooperation. This Congress, unless it has changed, I am confident, will be my working partner as well as my most constructive critic."

But, the prospects for a working partnership—for communication, conciliation, compromise and cooperation—diminish proportionately with the growth of congressional and party government. Traditionally, the locus for accommodating competing and divergent views and interests, including Executive input, and for forging acceptable compromises, has been the committee system. But, with the shift in power away from committees to party organs and with the tendency of those organs to in turn dictate substantive legislative matters to committees, even before hearings and deliberations, the possibility of compromise narrowly proscribed, and the prospect of confrontation and stalemate is enhanced. And the more frequent and detailed the degree of party intervention in the legislative process at the committee level, the more the integrity and strengths of that process suffer.

This is not to say that for Congress to be effective, committees should be left entirely to their own devices as autonomous, mini-governments. There clearly is a need for leadership to coordinate their efforts and set general legislative priorities, guidelines and timetables. But, within that framework, there is also a need for some central leadership at the committee level as well as for maintaining a free and open deliberative process, free of predetermined specific instructions. To throw out the traditional committee process with unacceptable chairmen would be to destroy the very heart of the legislative process. And more significantly, it would tend to put the legislative and executive branches on a direct collision course with little opportunity for accommodation.

In the time remaining, I would like to briefly discuss what I consider to be the three major problems confronting this Congress—the economy, energy and foreign policy—and the prospects for an effective resolution of these problems within the congressional setting I have just depicted.

Obviously, there is a fundamental difference between the President and the Congress on what and how much must be done to put our economy on the road to recovery. For the most part, the President's program is dependent on the stimulative effects, both direct and psychological, of the tax reduction for individuals and corporations, which has already been enacted. On the Democratic side, however, there is a tendency to enact all manner of "emergency" Federal jobs and public works programs aimed at speeding the recovery and reducing unemployment at a faster rate. The Administration has rejected this approach on the grounds that the economy will come out of the recession naturally without further direct stimulation, and moreover, that overstimulation will result in dangerous deficits, a new round of inflation, and, eventually, an even deeper recession. The Democratic economic recovery program is reflected only in part in the recently adopted Congressional budget resolution which sets fiscal 1976 spending levels about $17.6 billion over the President's budget, and the deficit about $8.8 billion over the $60 billion line the President has drawn. While these differences may result in some veto tests on spending bills, the real test will be on whether the Congress will comply with its own spending ceiling. As I mentioned, the Budget Resolution makes provisions for only parts of the total Democratic program which, if enacted, could run the deficit up another $30-billion to the $100-billion mark or better.

The first test on this came last week with the House vôte to override the President's veto of the $1.8-billion farm bill—an item which was not included in either the President's budget or the congressional budget resolution. I am pleased that the House passed the first test of the budget resolution by sustaining the veto with some 40-votes to spare—20 more votes than when the farm bill first passed the House. Out of curiosity I checked the votes of the Members of the House Budget Committee. Seventy-seven percent of the committee Democrats voted to override the veto, compared with 75 percent of the Democrats in the whole House. (The House Budget chairman did not vote). Sixty-three percent of the Committee Republicans supported the President's veto, compared with 83 percent of all Republicans. In short, budget committee support for its own recommendation was actually slightly less than overall House support for the budget resolution's agriculture ceiling.

Turning to the area of energy, the Congress has already passed legislation to block the President's oil import tariff, but it has held off on a vote to override the President's veto of the bill in return for the President's delay in imposing the second and third dollar increases per barrel. To date, this has been an example of mutual restraint to avoid confrontation while efforts were being made to devise a compromise energy program. The Ways and Means Committee has just reported its energy bill which is weaker than the original Ullman bill, and which has been termed by the Administration to be inadequate in promoting energy conservation, lessening our dependence on foreign oil, and encouraging the development of new domestic energy sources. (Meantime, the House Commerce Committee's energy subcommittee has reported legislation to phase out price controls over domestic oil over a five-year period).

The prospects for ever getting any meaningful energy bill through the Congress remain bleak, in my opinion. Efforts will be made on the House floor to weaken the Ways and Means bill even further, knocking out the modest increase in the gas tax, and such efforts are given handsome odds of winning for obvious political reasons. In short, Congress is unlikely to take the energy crisis and the need for a strong program seriously so long as the American people do not perceive or understand the dimensions of the crisis. And, so long as the people are not inconvenienced by fuel shortages, they will not accept the need for sacrifice. What is not understood is that this is not just a domestic, economic problem, but rather an international problem with very serious foreign policy implications. The President's energy conservation goals are one-third of the Western plan to reduce dependence on OPEC oil by 3-million barrels a day and thus gain bargaining leverage with the cartel to negotiate reduced prices. As Western economies begin to recover, energy consumption will go up and with it increased dependence on imported oil and vulnerability to foreign political pressures. Increased dependence could encourage the cartel to raise its prices even further.

Irving Kristol has perhaps correctly observed that, because any effective energy program "will represent a voluntary act of economic self-denial on the part of the American people in order to gain political freedom of action in international affairs," . . . "it is predictable that Congress will conclude that economic self-denial is unthinkable. . . . It will decide that we shall all be better off—i.e., more comfortable—with no kind of program at all." While such a decision has validity of its own in narrow economic terms, according to Kristol, it will narrowly limit our options in the event of another Middle East crisis and embargo. The alternatives will be either immediate military intervention or abrupt appeasement. And, he goes on, since "intervention" is a dirty word after Vietnam, "appeasement will be the order of the day." This in turn could prove to be a very real first domino in the collapse of our foreign policy and commitments.

This raises the whole question of the congressional role in the foreign policy process. With the collapse of Vietnam and Cambodia, there has been at least some talk on the part of congressional leaders about a new "bipartisan foreign policy," in order to assure our remaining allies that we are not going isolationist and do not intend to shrink from our commitments and world role. Sen. Mansfield and Congressman O'Neill will apparently hold off on their NATO troop withdrawal resolutions; defense spending cuts will not be as drastic as originally anticipated. Whether responsible congressional leaders will have the support of their own troops remains to be seen. Our recent experiences with the Turkey aid cutoff, the Jackson-Vanik amendment tying trade with the Soviets to minority group emigration, and other piece-meal riders picking at parts of our foreign policy, have not only cast doubts on the ability of Congress to play a constructive foreign policy role, but have confused our allies as well.

One major constitutional role of the Congress is in the area of war powers. In response to the Presidential war of Vietnam, the Congress enacted the war powers resolution of 1973, to insure not only adequate consultation between the President and Congress, but a proscription on the President's powers to commit American troops abroad without congressional approval.

The first real test of this came several weeks ago when the President requested a clarification of his powers to use American troops in the evacuation of American and Vietnamese nationals from Saigon. House and Senate committees responded by reporting a refugee evacuation and relief assistance bill which gave the President very limited authority to use troops in the evacuation. What we witnessed in the House was a sorry commentary on our Vietnam legacy. The emergency bill was filibustered late into the night by an endless series of amendments and parliamentary maneuvers, all emanating from a group which was convinced that President Ford really intended to reinvolve us in an Asian land war. Even when the conference report was cleared, House action was postponed until after the evacuation, and even then it was defeated on the grounds the President might use the authority to go back for more—written assurances from the President to the contrary, notwithstanding.

In arguing for the conference report, after the evacuation, Congressman Clement Zablocki, one of the authors of the War Powers Resolution, put it this way:

"By passing this conference report—even in this ex post facto form—we will give final confirmation to a responsible sharing in important national security decisions. I firmly believe passage is necessary to clarify the legal basis for the President's actions. . . . If we fail to pass the bill today, the seriousness of our quest for a responsible partnership will be in question."

But the Congress did fail to act to legitimize the President's use of troops in the evacuation, even after the act, and White House Press Aid Ron Nessen conceded that the President acted on moral, not legal, grounds, in using American troops to evacuate the Vietnamese along with the Americans. He quoted the President as saying: "I did it because the people would have been killed otherwise, and I'm glad I did it."

The effectiveness of Congress to work with the President in solving domestic and international problems will continue to be impaired so long as there is this lingering distrust of any President and the consequent attempt to impose congressional government on the nation as a substitute for Presidential leadership and a balance between the two branches. During the debate on the evacuation authority bill, I quoted to my colleagues a passage from Theodore Sorenson's book, Watchman in the Night, which seemed to apply to that situation as well as my overall thesis tonight. Sorenson wrote, and I quote:

"There are disadvantages to reassessing the presidency in this abnormal period. Once when I thought of the Presidency, I saw only Kennedy and would have mistakenly enlarged the powers of the office accordingly. Today, when some think of the Presidency, they see only Nixon and would mistakenly curb its powers accordingly."

I don't want to conclude on the pessimistic note that the "deadlock of democracy" is inevitable because of the conflicting sets of metastases I have described. But as we approach an important election year, the possibility of altering the current course will be even more difficult as both parties maneuver for favorable positions. I would like to think that on the crucial issues of energy and foreign policy, this Congress and President could achieve what was advocated by Minority Leader Rhodes last fall—"a government by consensus," the type achieved by President Truman with the Republican Congress on the Marshall Plan. Presidential scholar Richard Neustadt has described the 1947 consensus approach as "thorough a display of executive-congressional cooperation as any we have seen since the Second World War."

Congressman Rhodes concedes that this proposal will not be instantly attractive to many members of either party. But, he goes on, "neither is inattention to the nation's problems attractive. Never before has it been more important for good men and women of both political parties to join together in a common assault on the nation's problems. The American people deserve action on the part of their federal government and not two years of partisan stalemate."

To the words of my Minority Leader, I can only say, "Amen," and pray that we will seize on this opportunity—indeed this imperative—while there is still time.

OLDER AMERICANS MONTH

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. HAMMERSCHMIDT. Mr. Speaker, among the various national observances in which we, as a nation, take part, I cannot think of a more significant or deserving commemoration than Older Americans Month, now being observed in the month of May.

As a member of the Select Committee on Aging, my personal interest in and concern for the elderly of our society are keen. I consider myself exceedingly fortunate to serve on the panel, so that I may take an active and direct role in seeking solutions to the very specialized problems and needs of our older population.

The Congress has very clearly acted with dispatch in enacting the Older Americans Act Amendments of 1975, which provides the impetus needed to begin the long process of understanding problems of aging. The legislation touches upon virtually every aspect of life for the elderly. It is a landmark proposal, one which I fully supported, and the Congress can be justly proud of having developed the measure. My heartiest commendation goes to the members of the Education and Labor Committee, for their efforts which reflect great insight into this entire subject area.

Now that the impetus has been created, it is crucial that it not only be maintained, but increased. I know that we all welcome this occasion to observe Older Americans Month, during which we will commemorate the contributions and accomplishments of older persons in our society. Those achievements and contributions deserve recognition.

And yet, during the course of this observance, there is in the back of my mind a gnawing reality which should also be recognized and discussed, unpleasant as it may be, for it is the recognition of a fact which cannot be ignored nor neglected: The American society has failed to create a pleasant, useful and worthwhile climate in which its elderly can live in dignity and comfort in their aging years.

It is a difficult and distasteful fact to think about, in our youth-oriented culture, but we can no longer put it in the back of our minds, as a society. We are doing ourselves a great disservice by doing so, for the older population represents an enormous reservoir of knowledge, expertise, experience and wisdom that is largely untapped and forgotten.

It is a shameful situation, for any society which does not want to be reminded of old age, which does not revere its elderly, and which places its aged out of the way so they are not visible, is a society that is not healthy and strong, in my view. The late author, Pearl S. Buck, once said that we can measure how far a civilization has truly progressed by the way it treats the helpless. And while so many of our elderly citizens are not helpless in the sense that they still have so many worthwhile contributions to make to life in America, in another sense they are helpless, for invisible barriers and lines have clearly been drawn by our society, beyond which they are told life must come to a grinding halt. They are no longer useful, can no longer be productive, their knowledge and experience no longer valuable. We have created euphemisms to replace words that are distasteful to say aloud: "senior citizens," "twilight years," "golden years."

But, Mr. Speaker, for so many elderly in our midst, the older years are not golden. They are filled with concern for the future and they are difficult years. Often they represent a struggle to exist on rigid, fixed incomes, with little hope of any substantial improvement in either the economic or the social outlook.

Retirement was once looked upon as a time of unrestricted pleasure, of leisure and freedom to at last explore the interests and goals that were postponed during the younger years. Today, retirement is an ugly word to many Americans approaching the aging years.

It need not be that way.

We, as a nation, must remove those invisible but very real barriers that have been placed in the way of the elderly. We must erase the fear that too often accompanies old age, including that which I feel is the single greatest fear of the elderly: institutionalization.

Therefore, as we commemorate Older Americans Month, an integral part of that observance and of the recognition of the vast incalculable contributions of the elderly must be facing up to the realities of old age and of society's responsibility and obligation to the elderly.

Only until we have come to grips with that reality can we achieve the kind of society for which we have always professed to strive.

As a member of the Select Committee on Aging, I am prepared to do so. Let this occasion mark the beginning of the realization of that goal.

A TRIBUTE TO DR. ALFRED O. HEATH

HON. RON DE LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. DE LUGO. Mr. Speaker, I would like to add my public support for the decision by Virgin Islands Gov. Cyril King to retain Dr. Alfred O. Heath as Commissioner of Health.

The Virgin Islands Daily News recently published an excellent editorial on this issue, and I would like to share it with my colleagues in the House:

GOOD MAN TO KEEP

The Governor's announcement last week of his decision to retain Dr. Alfred O. Heath as Commissioner of Health was a welcome development. A native Virgin Islander who has achieved substantial acclaim as a physician, Dr. Heath's progress in his chosen field is highly impressive for one so youthful. Those who know him are particularly struck by his diligence and zealousness in keeping abreast of events in the rapidly changing medical field.

The Health Department, like many branches of government in the Virgin Islands, has had difficulty in keeping up with the rapid increase in population over the past decade-and-a-half and the accompanying need for an increasingly higher level of services. In the health area, particularly, this has meant the need for more complex and sophisticated medical service than the department has always been able to provide. Yet, in his three years as commissioner, Dr. Heath has been energetic and conscientious in striving for improvements and facilities, and it seems common sense to retain him in this post in light of the progress we have seen.

In announcing that the commissioner would be staying on, Government House reported that the chief executive gave some directives in specific areas. Among these were the upgrading and modernization of the emergency rooms and services on all three islands, improving the overall maintenance care of health care facilities, establishing clear lines of authority and responsibility throughout the department's administrative structure, and establishing tighter controls on the use of hospital equipment and medical supplies—drugs in particular.

In addition, the Governor charged Dr. Heath with expediting the conversion of hospital billings to a computerized system in order to improve the collection of outstanding bills owed the government. Once in operation, this process should enable the hospitals to issue bills promptly, initiate a follow-up procedure, eliminate duplication and error, and do much to plug those leaks in the billing process that have cost the government millions of dollars over the years.

There are substantial challenges before the man in charge of the Department of Health, and Commissioner Heath deserves considerable credit for having agreed to continue serving at what can be no small sacrifice to himself and his family. We are confident that his dedication and abilities will result in continued improvement in the quality of the islands' medical services in coming years.

STOP WELFARE CHEATING

HON. DELBERT L. LATTA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. LATTA. Mr. Speaker, in a recent editorial, the Defiance, Ohio, Crescent-News called attention to ever-accumulating evidence of massive welfare fraud that is estimated to be costing taxpayers well over $1 billion a year. I share the newspaper's view that it is up to Congress to see that corrective steps are taken immediately. As a means of spurring remedial action, I am pleased to insert the editorial in its entirety in the CONGRESSIONAL RECORD.

STOP WELFARE CHEATING

Shortly after a congressional panel began investigating waste in the various welfare programs administered by Department of Health, Education and Welfare, HEW unveiled its own studies. The department's reviewers tend to corroborate congressional charges that large scale waste of taxpayer funds may be involved in welfare payouts.

In reporting on studies of the Aid to Families with Department Children program—the largest single welfare program—Robert Carleson, welfare adviser to HEW Secretary Caspar Weinberger, said:

"We don't know how much cheating there is because it hasn't been studied. But it's probably well in excess of 15 percent may be close to 30 percent."

UMI

In 44,035 welfare cases representing 53 districts, 15,537 recipients were found either to be ineligible or receiving improper payments. The department's estimate is that $1 billion a year is being paid out in excess of legitimate payments, but considering the rate of error the waste could be much higher.

Whatever the actual mismanagement level of welfare programs, it is obviously too high to be overlooked. Now that the shocking extent of welfare abuse or error has been exposed, the root causes must be attacked and eliminated. It will be up to Congress to see that HEW takes whatever corrective steps are required.

A REPORT FROM THE MIDDLE EAST

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. McDONALD of Georgia. Mr. Speaker, Hilaire du Berrier recently issued a report after traveling through the Middle East. Following is his summary of the present situation in the countries of Jordan, Iran, Syria, Egypt, and Turkey, as it appeared in the April 9, 1975, issue of the Review of the News. I commend it to the attention of my colleagues:

A REPORT FROM THE MIDDLE EAST

Jordan: History will find King Hussein one of the great leaders of our age. All moves to date toward solution of the Palestinian problem have been made at his expense, and for the sake of peace he finds his kingdom reduced to the old boundaries of his grandfather's day. His lands on the West Bank of the Jordan River have been handed over to Yasir Arafat as a country for the Palestinians. This leaves Hussein with some 100 miles of common border with Israel south of the Dead Sea, and Israel for a neighbor in the Gulf of Aqaba where the Israeli port of Eilat and the Jordanian city of Aqaba open on to the Red Sea.

Since 1949, when the West Bank became part of Jordan, over 700,000 Palestinians have put down roots in King Hussein's kingdom. They own 80 percent of the buildings and cultivated land around Amman. They are the country's leading shopkeepers and businessmen, and two-thirds of the administrative posts in Hussein's government are held by Palestinians. The King has an excellent Army of 75,000 men, but 30,000 of them come from the West Bank area which has been taken away from him.

The question to be answered is, will this potential Palestinian fifth column decide to remain Jordanian, or will it turn on Hussein and try to seize the half of the realm which the Arab summit did not give them?

There are other factors involved. Another 250,000 Palestinians, mostly young men hardened in refugee camps maintained by the United Nations, work in the oil emirates of the Persian Gulf, and all hold Jordanian passports. Another 7,000 Palestinians work as civil servants in the part of Jordan which Israel occupied in the 1967 war. Hussein has continued to pay their salaries, and at the Rabat Conference when he was forced to give half his country to Arafat's Palestine Liberation Organization (P.L.O.), he agreed to continue paying them until "a new order is established." In return, Arafat promised that his government-in-exile would not start issuing Palestinian passports until it is actually installed in a liberated area of the West Bank. This means that in the meantime, when not using documents provided by states such as Libya and Algeria, Palestinians of all political tendencies will travel on Jordanian passports.

In his desire to avoid trouble King Hussein has told his Palestinian subjects that they can decide whether they want to be Jordanian or Palestinian. If they opt for Arafat, they will be treated as citizens of any other Arab country. Nothing could be more fair, but Hussein's offer is full of pitfalls. The Palestinian state which the Arab leaders gave Arafat is a landlocked enclave between Jordan and Israel, with no outlet on the sea or route for commerce and travel save through one country or the other. With so many Palestinians entrenched in the Army, administration, and the economic and social life of Hussein's kingdom, there is bound to be an attempt to carry out Colonel Qaddafi's call to depose King Hussein and form a greater Palestinian nation.

Hussein walks warily between this threat and the possibility that any day he may be swept into a war started by someone else, and invaded by an Israeli Army he is powerless to stop. Assassins dog him; Qaddafi welcomes his enemies and finances a constant campaign of vituperation against him; Golda Meir refused to meet with him in 1972, when he might have negotiated an Israeli-Jordan settlement; and when it was too late for a deal, his fellow Arabs took half his kingdom to create a worse threat to Israel. All King Hussein can do is repeat the Arab word *mektoub* (which translates, "it is written") and wait.

Iran: Moscow is increasingly worried over the rising power of Shah Mohammed Reza Pahlavi. So worried is it that on November 18, 1974, Soviet President Nikolai Podgorny came as near to crying "Uncle" as any Russian leader is likely to do in public. "The tension between Iraq and Iran is not conducive to the cause of peace," Podgorny told the Shah. Which, translated from Russian doubletalk, means "ease up." What Podgorny was talking about was the power struggle going on in the Persian Gulf.

At one time Russia had backed the Mullah Barzani and his Kurds in their revolt against Iraq. The idea was to bring the Kurds of Turkey and Iran into this revolt and establish a Russian-sponsored Kurdistan. But the Shah of Iran rose to the challenge and put the profits from his 350 million tons of oil a year into making Iran a world power capable of defending the Hormuz Straits and keeping Russia out of the Persian Gulf. Overnight the Kurd liberation movement shrank into unimportance and the Kremlin staked everything on the Marxist Government in Iraq.

The Sultans and Emirs of the Gulf oil-producing states reacted by accepting Iranian protection and permitted the Shah to occupy strategic islands in the straits. Moscow retaliated by launching a subversive movement among workers in the Emirates and Palestinian technicians operating the oil wells. Comrade Belayev, K.G.B. chief in Damascus, organized a "Liberation Front" to work for the creation of a Gulf Socialist Republic.

But the Shah meant business, and Moscow saw the frightening spectre of a strong, industrialized Iran encouraging revolts in the Caucasus and Russian Turkistan or in the border region of Afghanistan. Though the world press has played it down, Iran and Soviet Russia are locked in the opening phase of a regional struggle in which Shah Reza Pahlavi has replaced America as defender of freedom.

The Shah estimates that, by the year 2000, Iran will have 65 million inhabitants and will rank as the fifth strongest power in the world. Iran's $25 billion oil income a year, and income from her untapped resources in natural gas, will provide the money. By spending the revenue from two days of oil production, the Shah acquired a 25 percent interest in the Krupp steelworks. Other investments followed. One-fifth of the country's oil revenue is spent on defense, and the Shah plans to use profits from his investments to strengthen his present Army of 160,000 men, his 40,000-man Air Force, and his 11,500-man Navy. Iran recently acquired a fleet of hovercraft capable of landing a battalion on either shore of the Persian Gulf in 25 minutes.

Given the power he wields and the determination with which he implements his decisions, the Shah's personal sentiments are an important consideration. When the question of Israel comes up, he reminds his listeners that as the successor of Cyrus and Darius he has always been a friend to the Jews. Cyrus, he pointed out, freed the Jews from Babylonian captivity in 536 B.C. The Shah believes that Israel has a right to exist. Iran supplies 50 percent of Israel's oil needs and the Shah has reportedly offered to replace the other 50 percent for nothing if Iran supplies 50 percent of Israel's oil needs in the Sinai and agree to withdraw from the Arab holy places in East Jerusalem. "But," adds the Shah, "if Israel decides to make a preventive strike, it will be our war."

While the West goes soft, Iran and Turkey stand alone against Russia. It is very likely that Iran will be the deciding factor in the Middle East.

SYRIA

Three thousand Russian military "advisors" were in Syria in mid-February as President Hafez al-Assad met in Algiers with President Hourai Boumédienne and leaders of the Palestine Liberation Organization. The discussions centered around suicide missions the Palestinians would carry out, if necessary, to emphasize Arab opposition to a separate Israeli-Egyptian settlement. Although far from the fighting, Algeria is vociferous in her calls for war to the finish, and Egyptian President Anwar Sadat blames Boumédienne for launching the Palestinians on the international terrorist war that has since been taken up by Libya and Syria.

In May of 1969, Turkish intelligence learned that the K.G.B. was operating a special school for spies in Damascus, and that its agents were agitating Turkish students at Istanbul Technical University. Furthermore, many foreign revolutionaries, including Americans who like Sirhan Sirhan underwent training at the Qataneh, Syria, guerrilla instruction camp, have been given special training in this K.G.B. school of espionage.

Hafel al-Assad and his Baath Party have Syria firmly in hand. In turn, the K.G.B. and its police network composed of Bulgarians and East Germans have a firm hand on Assad. Officers suspected of being anti-Russian are summarily arrested and a Syrian National Progressive Front serves as liaison with Communist parties of the Soviet Union, Czecho-Slovakia, and France. Syria's 90,000-man Army is Russian-equipped and in some cases under Russian officers.

Syria is the weak link in any peace plans. If Hafez al-Assad thinks Sadat is making a separate deal without him, he and his Palestinian protégés are capable of starting a war into which Sadat will be carried.

EGYPT

American tourist taking their breakfast on the terraces of the Nile Hilton can look across the river and see the "Tower of Cairo," built by Gamal Abdel Nasser with $3 million provided in unvouchered U.S. funds in 1953 by Miles Copeland, C.I.A. consultant and authority on Africa and the Middle East. The tower serves no useful purpose, but at least Nasser did not put the money in his pocket.

Gamal Nasser died in September of 1970 and was succeeded by Anwar Sadat, a man so underrated that by 1972 the Western press was still sneering at him. Newsmen saw Sadat as a talker who made big speeches one day and ate his words the next. The true test of President Sadat's stature came on July 18, 1972, when looking pointedly at the Russians he made a speech in which he said: "A policy of alliance with the devil is acceptable only as long as it is not favorable to the devil." Supposition is that he was already planning the Yom Kippur War of October 1973 and was concerned that the Soviet grip on his country was tight enough to enable Moscow to take over in the heat of the coming crisis.

If that is true, Sadat took a grave calculated risk in expelling his principal suppliers. General Oukenev and his 20,000 technicians and "advisers" were nonetheless moved to Algiers, and K.G.B. agents by the hundreds were transferred to Beirut, Damascus, and Baghdad with orders to form a new axis for eventual conquest of the Persian Gulf. Only the infantry instructors, missile specialists, and a few MIG pilots remained. Overnight Moscow's ability to deal with the American Sixth Fleet was impaired.

This was the beginning of a series of confrontations with the Russians, many of which have not yet seen print. In late 1974, Sadat was warned not to make a separate peace with Israel. It is in Moscow's interest to keep the Middle East in ferment, and if peace comes it must be on the devil's terms. When Sadat did not bend, Soviet party boss Leonid Brezhnev sent him a message on December 26, 1974, which brought Foreign Minister Ismael Fahmi and chief of staff Mohammed Abdul Ghani Gamasi flying to Moscow.

It was the old stick and carrot game. If Sadat would be reasonable Moscow would sell him the MIG-25s he wanted, but only on conditions that a Soviet ground force determine when and how the planes were used. If he would not be reasonable, shipment of spare parts for the millions of dollars' worth of Russian materiel already purchased could be stopped. Today the immense arms debt to Russia is almost paid off and Sadat is getting his planes, guns, tanks, and missile-launching patrol boats from France.

Even more humiliating to Moscow was the affair of the $100 million worth of TU-154 jets. Moscow sold eight of the transport jets, capable of carrying 140 passengers, to the Egyptian state airline, Egyptair. One jet crashed last July, killing two Egyptians and four Russian instructors, and the findings were immediately hushed up. Egypt had not wanted to buy the TU-154s, but Moscow refused to supply MIG-23s and other military aircraft unless the eight transport planes were included in the deal. After the July crash, investigators found structural flaws in the other seven planes and Egyptian pilots refused to fly them. In mid-January Sadat demanded that Moscow take back the remaining seven and credit him for their cost.

The Kremlin replied by slowing up deliveries of spare parts and sending to Syria their top Middle East troublemaker, Vladimir Vinogradov, who for over five years was their Ambassador to Egypt, to seal a new deal between President Hafez al-Assad and Yasir Arafat of the Palestine Liberation Organization. Under a new Syria-Palestine unification treaty, both Syria and the P.L.O. will come under one political and military command. This means that an attack on the P.L.O. will be considered an attack on Syria.

The Palestinian raid on a small hotel in Tel Aviv on March 5th, and the attempt to make it appear that the raiders took off from Egypt, show how far the P.L.O. is prepared to go to prevent Sadat from making a separate peace with Israel. With Russia pulling the strings behind a united Syrian and Palestinian "Government," and a high-level Soviet goodwill delegation about to visit Arafat as this is written, Sadat looks more and more like the Free World's man in the Middle East.

Israeli public opinion, which Prime Minister Yitzhak Rabin has to consider, remains convinced that Sadat does not want peace. But important British specialists regard him as the first Egyptian to realize that a position of no compromise leads nowhere. They are convinced that if Egypt gets back her own territory the easy-going Egyptians will embrace the peace and what happens to the Palestinians will in time cease to matter. This is just what the Russians, Syrians, and Palestinians are trying to forestall with their new Syrian-Palestinian unification.

Sadat is walking a tightwire. If nothing else trips him, it may be his faith in Henry Kissinger that proves his undoing. After Vietnam, a guarantee by America is not taken seriously by any of the warring factions. The only thing that is certain is that a vacuum in politics never exists for long. Foreign Offices in the West fear that something may happen to Sadat and that the expertly directed Communists now underground in Egypt will emerge to fill the vacuum.

TURKEY

About fifty Soviet, Bulgarian and Romanian divisions are lined up in the Warsaw Pact zone across Turkey's common frontier with Russia, and only twenty miles of Greek territory separate Bulgaria from the Aegean Sea. The military threat is real.

Remember that three doors block Russia's entry to the Mediterranean: Gibraltar, Suez, and the Turkish-controlled Bosphorus and Dardanelles. If the Spanish Government is toppled, sick Britain's foothold on Gibraltar will become untenable. The Iberian Peninsula will become the western arm in a Communist embrace of Europe. With Egypt about to open the Suez, only Turkey as guardian of the Bosphorus and Dardanelles remains secure. Thus Turkey is now the main danger zone of the West's confrontation with Russia. Yet because of Turkish action to protect her minority on Cyprus after the *coup d'etat* there, radicals in Congress are fighting to cut off American support.

The N.A.T.O. installations in Turkey include some twenty American early-warning and tracking stations, mainly near the Black Sea coast and in eastern Turkey. America and N.A.T.O. have been dependent on these for the collection and processing of military information on the southern half of the Soviet Union and all of the Middle East. Turkey, in her front-line position facing Russia, is the eyes and ears of the American Sixth Fleet. This costs us $140 million a year, half in credits and half in grants, but the Turks are convinced our Congressmen are throwing this defense bargain away because they regard the Turks as alien Moslems. While it is true that there are more Greek than Turkish votes in America, it is also true that some in our present Congress are simply advancing Russia's aim. Foreign Minister Melih Esenbel makes no attempt to conceal the fact that Turkey, as a friendly ally and not a "banana republic," will reappraise her relations with N.A.T.O. if Congress does not have second thoughts.

Greek hatred of Turkey dates back to May 29, 1453, when Mehmed II took Byzantium. Militarily, Turkey is more powerful than Greece. But in Cyprus the Greeks outnumbered the Turks, and so it was there that the Greeks gave vent to their feelings. A clash was inevitable. There was no outburst in Congress when Turkish civilians were found in mass graves uncovered after the recent fighting.

Whatever the outcome on Cyprus the West will eventually have to choose between Greece and Turkey. The Greek Government claims total sovereignty over the entire Aegean Sea, including all oil and mineral deposits even on islands lying within Turkish territorial waters. Now Greece is about to claim an economic zone of 200 miles around every island and rock she owns. This would convert not only the Aegean but a large part of the Mediterranean into Greek "economic territory," through and over which foreign shipping and planes could pass only with Greek permission. Russia may be expected to support the Greeks, and the West can expect a greater headache than the one caused by Cyprus.

RED CHINA'S INFLUENCE

Yasir Arafat, leader of the Palestine Liberation Organization, visited Peking in early 1970, and from that moment Red Chinese influence began exerting itself in the murky world of Middle East terrorism. Two arms shipments immediately followed Arafat's visit, and Peking threw her weight behind the pro-Maoist Popular Front for the Liberation of Palestine and the Popular Democratic Front. These in turn are tied to the Peking-supported Popular Front for the Liberation of the Occupied Arab Gulf, which has been behind the war in Dhofar and areas of Muscat and Oman. To keep the pot boiling, Peking maintains a staff of over 100 in her Embassy in Syria's capital city.

After Chou En-lai's visit to South Yemen in the fall of 1970, Aden was selected as the nerve center of Red Chinese revolutionary activity in the Arab world. Today Aden in South Yemen is Red China's supply depot for arms, propaganda, and agents. Eritrea and the Persian Gulf are primary targets.

It is possible to summarize the situation among the Moslems in the Middle East only by saying it is still very volatile. With Henry Kissinger representing both Moscow and Washington in talks there, and failing to produce a peace, it is all too clear that the International Communist Conspiracy and the *Insiders* of our internationalist Establishment find continuing turmoil in the oil-rich Moslem world useful to their purpose. For the moment, the idea is at once to prevent the rise of any anti-Communist moral force capable of uniting Islam, to manipulate a staggering Europe, and to keep imminent the possibility of a major war.

THE THIRD CENTURY—THE THIRD LANTERN

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. MOAKLEY. Mr. Speaker, recently the Nation began the Bicentennial celebration. A ceremony, attended by the President of the United States and numerous dignitaries, at the Old North Church was addressed by the vicar, the Reverend Robert W. Golledge.

I would like to share with my colleagues a very perceptive article by Mr. Charles Brooks which appeared recently in the Canton Journal, based on the theme of Mr. Golledge's remarks:

THE THIRD CENTURY—THE THIRD LANTERN

"Now after two centuries, who will say that the American promise has come true? The American promise has not come true, but we believe in it and we will not be discouraged and that is why we will send out a new signal from the Old North Church.

"Tonight we will light a third lantern, a new signal that will call us to a new spirit and a new hope in our third century, a signal that we hope will be repeated in homes and farms and schools and factories all across America."—Rev. Robert W. Golledge, Vicar of the Old North Church.

The above is an excerpt from the text of the sermon delivered by the Vicar of the Old North Church, with President Gerald R. Ford in attendance, on the occasion of the Lantern Service, marking the opening of the national celebration of the 200th anniversary of the beginning of America's War for Independence.

UMI

When the Minutemen answered the call of the church bells in the hours just before dawn, on the green at Lexington, they responded as Englishmen. As Englishmen they were determined to obtain all the rights other Englishmen possessed, that had been granted them under the Magna Carta. They demanded freedom to govern themselves.

Before the sun sank in the west on that fateful day, a new Nation was born and the Minutemen became Americans. At the same time, Great Britain, at the zenith of world supremacy, began its decline as a major power. Exactly six years and seven months later, to the very day, on October 19th, 1781, the fighting glory and power of England surrendered at Yorktown to the Americans.

From Concord and Lexington to Bunker Hill, from Ticonderoga to Dorchester Heights, from Saratoga to the Crossing of the Delaware, through the long cold, bitter trial of Valley Forge, the work of the Minutemen ended in victory. It established the rights and dignity of all men living under the Stars and Stripes. But did it?

Two hundred years have come and departed and many Americans never experienced that Freedom nor that Dignity. Rather they were hunted and driven from the only homes they knew. Many lived out their pitiful lives as mere chattel—slaves to the very citizens who had fought from '75 to '81 for the dignity and freedom of Man—all Men.

True, we have become a great Nation. In business, trade, industry, manufacturing we have no equal. We are generous to our allies and our enemies to a fault. We give of our goods, possessions and the fruits of our labors to the unfortunate, to the poor, the blind, the sick and the lame. In part, we follow the command of the Man of Nazareth, when he said: "Whatsoever you do to the least of my brothers, you do unto Me."

However, God, in the person of His Son, did not say "Brother". Rather he said "Brothers". He did not say My black, or white, or yellow or red Brothers. He meant ALL our brothers from the beginning of Time to the end of Time.

Reverend Mr. Gulledge's employment of a Third Lantern expressed this thought. President Ford, in joining the Third Lantern to the original two, pledged all Americans from sea to sea, from border to border, on the land through to the stratosphere, to implementing, with open hearts, the words of the Old North Church's Vicar.

That is America's task as it begins its Third Century and may we, in our time, be as victorious as the Minutemen of Concord and Lexington in the prodigious task outlined for us last Friday night in the Old North Church.

And to Vicar Golledge's prayer—Amen!

MORE ON THE "MAYAGUEZ"

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. HARRINGTON. Mr. Speaker, I was gratified to receive word today that Chairman Morgan of the International Relations Committee is interested in pursuing my suggestion of holding hearings on the *Mayaguez* incident. For the information of my colleagues, I am inserting in the Record the following article from this week's New Yorker which reflects some of my concerns in this matter:

Letter From Washington

May 17.

The President's order to recapture the merchant ship Mayaguez by force, his dispatch of Marine Corps contingents to Tang Island, off the Cambodian coast, and his authorization of bombing raids on an airport and an oil depot on the mainland seem to have met with approval here and in most parts of the country. Coming so shortly after what many regard as the national humiliation over the "loss" of South Vietnam, any show of determination, particularly in Southeast Asia, was bound to have a bracing effect on those who feared that military timidity had overtaken our leadership, and it is believed that Ford has strengthened himself in his own party. It seems quite possible, though, that congressional investigations of the affair will recall that there was neither much valor nor much discretion in what the President did. It has for several days been clear that the bombings and the airborne assaults were unnecessary for the return of the ship's crew, and, apparently because of faulty communications and intelligence on the American side, nothing came of these actions except the killing of a number of Americans and Cambodians. (Had there been heavier or more prolonged Cambodian resistance, the ship's crew might also have died, either by their captors' fire or by that of their rescuers.) If the episode has helped the President's standing here, there seems no reason to suppose that it has helped him much beyond our borders. The administrators of the South Korean dictatorship are jubilant, seeing in the action evidence that American forces will come to their defense if necessary, and there were some sympathetic words from the Shah of Iran, who happened to be the President's dinner guest. No official disapproval has been expressed in allied capitals, but there have been references to "gunboat diplomacy" in the Western European press and some harsh criticism in the American press.

In justification, it has been said that the new Cambodian regime has shown a disregard for life and suffering even greater than is the rule in most Communist countries, so if the crew was to be rescued at all it had to be done quickly. By most accounts, the new Cambodian rulers have been a good deal more brutal in their hours of victory than the North Vietnamese and the Vietcong in theirs, and it may be that the thirty-nine men seized would have been executed. But it is clear that our own dead were more than the one officially announced, and the total may reach or exceed the number of hostages returned, since "missing" troops often turn out to be dead ones. No figures on the combat have yet come out of Phnom Penh, but it seems more likely than not that our superior firepower and our sinking of their three ships resulted in at least as many Cambodian as American deaths and perhaps more. If it took forty or fifty lives to save thirty-nine, the ratio seems hardly satisfactory, especially since the assumption that the crew of the Mayagüez would have been killed is an assumption and nothing more. In any case, one can be sure that if Cambodia had been a more formidable power, sustained efforts at diplomacy would have been made. (When the crew of the intelligence-gathering vessel Pueblo was taken into custody in North Korea, in 1968, the notion of sending an expeditionary force to liberate its members was never seriously entertained.) Officials here say that diplomatic efforts were made; they asked Chinese help in approaching the Cambodian Embassy in Peking, they say, and the State Department did ask the Secretary-General of the United Nations to lend his good offices, but the request did not reach him until more than twelve hours after the sinking of the patrol boats. Sixty hours elapsed between the boarding of the Mayagüez and the Tang Island assault. Diplomatic initiatives intended to bring diplomatic results can hardly get under way in so short a period, and the process is likely to be particularly slow when dealing with a government as new to power as the one in Cambodia and one as yet unrecognized by our government and those of our allies. What seems most reprehensible of all was Washington's failure to notify the government of Thailand of our intentions; in his news conference yesterday the Secretary of State tried to explain this by asserting that advance notification or consultation was impossible, because the situation at hand was an "emergency," and that, in any case, consultation would have involved "massive problems."

Had the situation been reversed—had some other nation surreptitiously used our territory as a staging area for operations against a third power—we would certainly not have tolerated "emergency" or "massive problems" as a defense. Now the Thai premier, Kukrit Pramoj, has recalled his ambassador, and may, in time—either because of this affair or using it as a pretext—break all relations with the United States. That seems a problem at least as "massive" as any that Henry Kissinger may have foreseen last week.

The Cambodian government has described our role in last week's events as "imperialist," and not the defense of the freedom of navigation and the protection of nationals that Ford and Kissinger insist it was. At least a few people here share that view. If by "imperialist" it is meant, as the Cambodian communiqué seems to have it, that Washington was acting in support of some territorial or economic objectives or that it wished to resume the war in Southeast Asia, the claim seems lacking in merit. Even if the Ford Administration did seek either to annex territories or to renew hostilities, which is unlikely, Congress and the people would have no part of it. We do have economic objectives in that part of the world, but they are hardly to be achieved by a few skirmishes in Cambodia. On the other hand, the ethic that apparently underlines actions of this sort appears to betray an imperialist mentality. We have treated a small power with a contempt and a recklessness with which we would not approach a large one. Contempt showed most clearly when a CBS account of an interview with Senator Barry Goldwater had to delete the expletive used by Goldwater to describe the kind of "little nation" he thinks Cambodia is. Our aggressive military operations—the bombings and the landings—seemed carried out as much for purposes of punishment as for those of strategy. All we talk about not letting Americans be "pushed around" comes with remarkably poor grace from a nation that has lately done far more than its share of "pushing" and when the supposed "pusher" in this instance is a nation that, by its own acknowledgment, can protect its interests only within its own borders and has to yield quickly to a superior force only a few miles off its shores.

In time, the whole affair will be studied by the appropriate congressional committees. Hearings may or may not clear up the mystery of whether the Mayaguez was on a political as well as a commercial mission. Evidently it was not gathering intelligence, because it is not the kind of vessel generally put to such use. (It should be possible to assume that if it *had* been monitoring Cambodian communications it would have learned of its own fate; however, the Pueblo is thought to have intercepted the orders for its own capture and, instead of evaluating them on the spot, passed them, along with everything else, back to Washington.) No doubt the investigators will try to learn something about the intensity of the diplomatic efforts. But the main focus, it is thought, will be on the working of the resolutions and statutes passed by Congress in 1973 and intended specifically to give Congress a role in decisions of the sort the President made earlier in the week. One attempt at legislative restraint of the President is the War Powers Act of 1973, passed over Richard Nixon's veto. It calls upon the President to "consult" with Congress in "every possible instance" before ordering military action and also to "report" to Congress

within forty-eight hours when time does not allow consultation. With such language, this statute is clearly no restraint at all. The White House says that it did "notify" Congress within the specified time, though as important a figure as Mike Mansfield, the Democratic leader in the Senate, says that no one tried to reach him. Another law passed in 1973 states that none of the funds approved by Congress for national defense shall, after August 15, 1973, be used to "finance directly or indirectly combat activities by United States military forces in or over or from off the shores of North Vietnam, South Vietnam, Laos, or Cambodia." That law was clearly broken by the President earlier in the week.

In both major parties, there has for some time been considerable disaffection on both the left and the right. President Ford seems to suit neither conservative nor liberal Republicans; most of the leading Democratic prospects for a Presidential nomination are liberals, at least on domestic issues, but some of them are too liberal to suit the right and not enough so to suit the left.

In both parties, civil rights and foreign policy are divisive factors, and it has for some time seemed possible that two splinter parties might emerge from the 1976 Conventions—the Republican malcontents rallying behind Ronald Reagan, the Democratic ones behind George Wallace. Recently, however, there has been much talk of a union of the apostates in both parties to support a Reagan-Wallace ticket. In a recent Harris Survey, it was reported that such a ticket could get twenty-three per cent of the vote if Ford ran with Nelson Rockefeller and if Edward Kennedy ran with John Glenn as his candidate for Vice-President. The poll shows the Ford-Rockefeller ticket getting thirty per cent of the vote, the Kennedy-Glenn ticket getting thirty-eight. Kennedy seems to have the largest following of any potential candidate in either party, but he has said he will not run, and most people take him at his word. Presumably another Democratic candidate would do less well, which would probably mean more votes for Ford, but if no majority emerged in the Electoral College, the Constitution would require that the election be thrown into the House of Representatives, where each state would cast one vote.

There are at present in the House thirty-six state delegations in which Democrats have a majority, eleven in which Republicans prevail, and three in which representation is equal. It would appear, thus, that if Reagan and Wallace joined forces they would assure the eventual election of a Democrat, probably a liberal one. True, there are some Democratic states in the Solid South whose delegations might be attracted by a Wallace candidacy, particularly if the Governor was running for President. (This would not be because his fellow Southern politicians have much fondness for him; most of them don't, but they respect his power and might feel that their constituents would expect them to vote for him.) But the ticket that has aroused most speculation has Reagan for President, Wallace for Vice-President, and it is hard to see how a region would be satisfied by having a man it favors in an office as impotent as the Vice-Presidency. Moreover, Reagan's economic conservatism seems unlikely to be found congenial in the South, most of whose people have been enthusiastic supporters of the idea of a welfare state. But even if all three divided delegations voted for Reagan or Ford, and if eleven Democratic ones defected, the Democrats, assuming they kept anything like their present strength—it seems more likely to increase than to diminish—would win. Assuming that neither Reagan nor Ford captured all the Republican delegations, there might be no winner on the first ballot. But on a second, almost certainly, the Democratic candidate would win.

Neither Reagan nor Wallace has yet conceded a willingness to run with the other. After all, no one announces ten months before the first primary that he is seeking the Vice-Presidency. But neither has repudiated the other or the suggestion that they run in tandem. What kind of platform they could agree on is hard to imagine. Unlike Reagan, Wallace is anything but a conservative in economic matters: He is a traditional Southern populist, who welcomes government intervention. He has accepted favors from private interests and has doubtless done some in return, but he can hardly be classified as a supporter of the free-enterprise system, which Reagan emphatically is. Wallace is a racist, though he has been a somewhat subdued one of late; Reagan's record on civil rights is a good deal less than outstanding, but he has never, so far as is known, been a segregationist. On foreign policy, both men have supported intervention in Southeast Asia and have faulted recent Administrations for insufficient bellicosity. Since the major phases of the recent war are over, military policy is unlikely to be an issue unless our leaders involve us in some other part of the world. However, Wallace's recently reported statement to the effect that we fought on the wrong side in the Second World War, and that we would have better served our own interests by allying ourselves with Germany and Japan, introduces a new dimension to foreign-policy issues. That conflict may be ancient history to a majority of voters, and many may not be interested in any politician's view of it. However, the suggestion that Nazi Germany, Fascist Italy, and Imperial Japan should have been rescued from defeat by us is, to say the least, not one that will attract many voters and is certain to repel some, especially in the South, which takes so much pride in its military heritage. One would expect that it would also repel Reagan, a patriot of the most militant sort and one who has found little to criticize in American history before the last thirty years. But if it has offended him he has not said so publicly, nor have many of the proponents of a Reagan-Wallace ticket. In this week's *Newsweek*, Kevin Phillips—a conservative ideologue and the author of "The Emerging Republican Majority," one of the last decade's most unprophetic books—writes enthusiastically of the prospect and, in a punning mood, asserts that it would be logical to follow Franklin Roosevelt's New Deal and Harry Truman's Fair Deal with Reagan's and Wallace's Right Deal. Nor, it seems, does either Reagan or Wallace find unsettling the strong probability that their running together might assure the election of the sort of candidate they profess to despise most. Both seem capable of rising above the principles they proclaim.

Richard H. Rovere.

HARD CHOICES ON ENERGY

HON. MORGAN F. MURPHY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. MURPHY of Illinois. Mr. Speaker, tough decisions must be made in forming and implementing a comprehensive energy program to meet our Nation's needs. The choices facing us are not easy nor desirable but necessary.

Fuel must be conserved by every American. Conservation may come about from increased taxes on gasoline, forcing people to be more prudent in the use of their automobiles. An additional $1 a barrel import fee on crude oil may be imposed by the President, passing higher costs on to the consumer. A phaseout of price controls on crude oil may be another approach used to force Americans to buy less fuel. All of these measures mean higher prices for fuel and greater financial pressures on the American people, particularly the poor and the elderly.

The crisis remains, although invisible until the long lines form again at the gasoline pumps. Action must be taken now to develop a conservation ethic among our people before it is too late and we grow more dependent on foreign sources for our energy. Increased dependence on imported oil leaves us open to political and economic blackmail with uncertain consequences.

I agree with the Washington Post editorial that the hardest choice remains who pays more and who learns to do without. The leisure of deliberation is rapidly growing to a close. The necessity of reaching a workable solution to the energy dilemma is evident. Hopefully a national consensus will emerge that will recognize the need to conserve while providing the positive incentive to produce more domestic oil.

I am including the Washington Post editorial from May 22, 1975, for the benefit of my colleagues and Americans in general:

Hard Choices on Energy

A mood of dangerous indecision seems to have seized the country in everything that touches energy and transportation. The choices are too hard, and the common reaction is to try to push them away. They are too costly, too disruptive, too unfamiliar, too heavily freighted with ideological overtones. The country, in general, and Congress, in particular, are now merely procrastinating. There is a terrible temptation just to sit tight and hope that somehow those hard choices will evaporate and let us return to the happy days of two years ago when everybody thought that there was an unlimited supply of cheap gasoline.

But the hard choices aren't going to go away. First on the list is the issue of oil imports, and our rising dependence on Mideastern sources. The House Ways and Means Committee has written a bill that would attempt to meet this threat by raising gasoline taxes—but mainly in 1977, after the next presidential election. The bill is a good one in principle, and the committee has shown a considerable degree of courage in reporting it. But the chairman, Rep. Al Ullman (D Ore.), was able to get it through his committee only by heavily diluting his original intentions. The bill has only a modest chance of getting through the House and even less of passing the Senate, where a large majority of the membership clearly wants to do nothing at all. Cutting gasoline consumption is too hard. Cutting oil imports is too hard, and the voters don't like it. But the consequences of not cutting them are frightening, and no one is prepared to defend a rapid rise in Middle Eastern imports as an energy policy for the United States. The national posture is, for the present, procrastination.

Next on the list of hard choices comes the deregulation of natural gas prices. By keeping the price low, Congress has created an artificial shortage that is getting worse each winter. One solution is to go into an increasingly intricate and inefficient program of allocation, pushing the shortage around the country. Nobody much likes the idea. The other is to decontrol the price, and let it rise. Nobody seems to like that idea either. We have now had two successive warm winters. The Federal Energy Administration is currently setting up a task force to organize emergency measures in the event of a cold winter this year. One expedient under consideration is to force utilities in the gas-producing states to convert to oil, to divert their gas supplies to the North and Northeast. But is it fair to divert this cheap and clean fuel from states such as Texas and Oklahoma, which have paid the uncontrolled intrastate price all along, in order to rescue otherstates from an emergency created by the unrealistically low interstate price?

Another of the too-hard questions is the environmental standard for automobile emissions. The hearings are moving along at a leisurely pace in the Senate; any final decision is months away. The scientific aspects of this legislation are extremely complex, but the industry is right on one basic point: It takes 18 months of lead time to get any major change into production. The manufacturers need to know right now under what standards they must design, test and build the cars that will go on sale in the fall of 1976. But Congress is caught fast among competing warnings of public health hazards.

Consider the hard choices presented by the vast network of bankrupt eastern railroads. After years of congressional consideration and preparation, the Conrail plan for public ownership of the roadbeds was published two months ago. Then the Justice Department, in an extreme example of tunnel vision, attacked the idea as a threat to competition. The department's idea of competition is, apparently, a plurality of poverty-stricken lines all sliding toward final collapse together. Conrail is already under heavy attack in Congress, on grounds that it closes too many branch lines that people are used to, and needs too many billions of federal dollars for purposes traditionally met by private investors. This week the administration brought forward a plan of its own, calling for billions of dollars in subsidized loans accompanied by reduced regulation. That means higher rates, and the predictable outcry is already audible. The outlook is continued paralysis, with the bankrupt roads leaking public money heavily and, of course, deteriorating in service.

Each of these dilemmas, you will note, affects all the others. Reduced oil prices make the gas shortage more onerous: Price controls on the gas increase our need for imported oil. The emissions standards set for new cara affects their gasoline mileage. The degradation of rail service throws more freight onto the highways. It also interferes with shipment of coal to the plants being converted from imported oil.

It has now been 18 months since the Arab oil embargo began, and this country has taken no significant steps to protect, itself from a repetition. There is widespread talk of another increase in Mideast oil prices next fall, but the House has just postponed action on the Ways and Means Committee's very limited conservation bill until next month. The Democratic leadership evidently fears that it does not control enough Democratic votes to pass it. President Ford and his administration are entitled to a substantial measure of credit for their repeated attempts to force these decisions. But they are not, at present, making much progress. Most congressmen, like most other Americans, agree in principle on the need for conservation and cutting back fuel consumption. But there is no agreement yet as to who must pay more and who must learn to do without.

GUN CONTROL

HON. ALLAN T. HOWE

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. HOWE. Mr. Speaker, the recent revival of the gun control issue has created a substantial amount of controversy, both pro and con, as evidenced by the 45 pieces of legislation currently before Congress.

I share much of the concern of my colleagues over the ever increasing crime rate in this country, and believe any attempt to reduce that rate is certainly laudable. I am, however, disturbed by some of the recommendations set forth to deal with this problem. One such recommendation is the elimination of private ownership of handguns through a nationwide ban which I cannot support.

Of course, any examination of the gun control issue must logically begin with what the present laws are, and how they function nationally and locally.

On the Federal level, we have the National Firearms Act of 1934 and the Gun Control Act of 1968.

The National Firearms Act prohibits, through heavy taxation, the manufacturing and distribution of lethal weapons, such as sawed-off shotguns and machineguns, and compels buyer disclosure, through registration, to Treasury authorities.

The Gun Control Act of 1968 is the major firearms statute in the United States. It requires all persons dealing in firearms to be federally licensed, sets more restrictive standards for licensing and prohibits interstate mail-order sale of handguns. It also prohibits the sale of a firearm to any person who has violated a law or to any nonresident of a State. Convicted felons, drug addicts, aliens, persons who have renounced their U.S. citizenship, mental incompetents, and other undesirable classes are not allowed to own or possess any firearm. Destructive devices such as bombs, grenades, bazookas, and so forth, are also illegal.

In the State of Utah, the firearms laws are relatively lenient. A license, to be issued by a local police chief, is required for any person carrying a concealed firearm. Before obtaining that license, the person must establish a need for the permit and satisfy the police that he is a good citizen. In other words, he cannot be a drug addict, mental incompetent, alien, or convicted felon, all of which are prohibited by both State and Federal law. Minors under the age of 18 can possess or own a firearm only with the permission of their parents or legal guardian.

The effect of the Utah laws is evident in that the State has one of the lowest murder, nonnegligent manslaughter rates in the country, according to the 1973 FBI Uniform Crime Reports. In contrast, the city of New York, which enacted a very restrictive gun law in 1911, has a murder, nonnegligent manslaughter rate of 17.3—one of the highest in the Nation—according to FBI report. Other examples of cities with tough antigun laws are Detroit with 19.3 and Chicago with 14.1.

My question, therefore, is whether or not crimes are being committed by law-abiding gunowners or by those who do not choose to abide by the law in the first place

Wilfred N. Horne, deputy commissioner of the New York Police Department, stated in April 1971:

> At the present time, we have 24,354 pistol licenses in force, of which 564 are issued to persons who do not require them as a condition of employment.

Certainly it is obvious that the thousands of crimes committed during that year in New York City were not committed by those 564 persons. If tough gun control laws have not been effective in large urban areas, what would be the effect for the country as a whole?

Also, the historical significance based on a constitutional right to bear arms reinforces my own belief that our Founding Fathers never intended Government to interfere with the basic rights of Americans.

Government is already too involved in our private lives. Bureaucracy, coupled with the involvement of Government investigative agencies, all indicate the need to reduce governmental control, not increase it.

With the Bicentennial year approaching, we must reexamine the rights upon which our country was founded and not enact restrictive laws that place responsible private citizens as suspect along with the criminal element in our society.

It is my own opinion that denying American citizens the right to own firearms is not the answer. Instead, we must begin to make better use of the laws already on the books dealing with those who use firearms irresponsibly and illegally. Rather than aiming our efforts at responsible citizens, we should punish the person using the firearms in a crime by providing mandatory, nonconcurrent sentences, and not enact another law just because those we have are not being used. We must concentrate on the abuser not the firearm.

In closing, there obviously can be no simple answer for reducing the Nation's crime rate but I submit the wisest and most judicious course is crime control, not gun control.

TAXPAYERS' REVOLT COULD HAPPEN

HON. DELBERT L. LATTA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. LATTA. Mr. Speaker, the Fremont, Ohio, News-Messenger in my congressional district suggested in a recent editorial that a taxpayers' revolt may be the only answer in halting the irresponsible, free-spending ways of Congress. It is an indication of the growing desperation being felt around the country as Congress continues merrily cranking out

costly new programs for which unwilling taxpayers will have to pick up the bills.

The message of this editorial needs to be heeded here in the Congress. I am pleased to insert the commentary in the CONGRESSIONAL RECORD for the benefit of my colleagues.

TAXPAYER REVOLT

Nobody wants to pay more taxes but virtually everybody wants more government benefits.

That contradiction is now being handled by the Congress in typical fashion.

First the politicians make a lot of fancy promises about cutting costs and holding down deficits while in the same breath guaranteeing everything for everybody plus a few governmental goodies we hadn't even thought of.

Next comes the high-powered rhetoric about why such and such programs are essential, antirecessionary, inflation-fighting and downright patriotic, or a combination thereof.

This year Congress has actually outdone itself in several important respects, not the least of which was a $24 billion tax reduction and rebate program which is certain to help magnify the national deficit far beyond the current estimates.

Lawmakers also exceeded their usual best intentions by establishing House and Senate budget committees which are supposed to set revenue and spending guidelines. They are "watchdogs" of federal spending.

There is evidence, however, that the watchdogs are toothless.

The House committee, for example, estimates revenues at $295 billion and spending at $368.2 billion, leaving a deficit of $73.2 billion for the fiscal year beginnnig July 1.

In the meantime, President Ford proposed a budget of $355.6 billion with a deficit of $58.6 billion, which is slightly shy of the $60 billion deficit he considers to be the maximum amount of red ink tolerable.

The House' $73.2 billion deficit would be the largest in history and would nearly equal total federal expenditures of $76.5 billion in 1960.

The deficit would be financed by raising the limit on the national debt and by federal borrowing in the same money markets in which private companies are competing for a limited amount of capital.

Aside from the obvious inflationary pressures generated by such competition, there is the "overhead" to taxpayers. In fiscal 1974 the interest on the national debt was more than $29.3 billion.

Some congressmen argue that the added spending will stimulate the economy and get people back to work again. True enough, temporarily. But there are solid indications that economic recovery has already started without the federal spending, and many experts feel heavy-handed government intervention in the system now will cause inflation to spiral even faster than before and, in the end, lead to economic collapse and fresh hardship.

The alternative, of course, is the tougher approach, which is always difficult for the Congress to execute and even harder with so many new liberal members this year.

An immediate possibility would be either to raise taxes or cut spending, or both, to reduce the deficit next year. The long-range alternative is to balance the federal budget and keep it balanced in order to reduce the heavy national debt.

There is, unfortunately, no indication that the Congress is disposed toward either of those ideas. What is needed is a taxpayers' revolt aimed at the federal level where so many of our tax problems originate. That may be the only answer, given the prevailing spend-free attitude of this Congress.

THE TAX CUT AND ITS IMPACT ON PUBLIC ASSISTANCE RECIPIENTS

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. FRASER. Mr. Speaker, the 1975 Tax Reduction Act will have a significant impact on millions of low-income people, many of whom receive public assistance.

Because of the complexities of the public welfare system, many welfare recipients with earned income will find that any tax credits or tax relief they receive in 1975 will be offset by reductions in their public assistance grants.

In a recent report, the Center on Social Welfare Policy and Law has examined the effect of the tax cut on public assistance recipients. I would like to take this opportunity to insert the center's report, prepared by Henry Freedman, in the RECORD. The report follows:

EFFECT OF FEDERAL TAX REDUCTION ACT OF 1975 ON PUBLIC ASSISTANCE RECIPIENTS

The Tax Reduction Act of 1975, P.L. 94–12, 43 U.S.L.W. 225, contains a number of provisions which will have a direct and immediate impact on welfare recipients. This includes recipients who incurred an income tax liability during 1974, or who are working during some part of 1975, or who receive SSI, Railroad Retirement, or Social Security benefits, or who may be subject to state-imposed work requirements.

There are four separate provisions which affect welfare recipients and other low-income people. They are:

(a) a rebate on 1974 federal taxes,

(b) changes in federal tax liability for monies earned during 1975,

(c) a one-time $50 payment to recipients of social security, railroad retirement or SSI benefits, and

(d) a federal tax credit for persons who employ welfare recipients.

The effect of each of these provisions is discussed in detail in the sections which follow. It should be noted that all of these provisions relate only to federal tax liability and to federal taxes.

A. REBATE ON 1974 TAXES NOT COUNTED AS INCOME OR RESOURCES TO PUBLIC ASSISTANCE RECIPIENTS

The Tax Reduction Act creates a credit equal to 10% of the amount of the tax liability for the calendar year 1974. It further provides that the minimum credit shall be $100, unless actual tax liability was less, in which case the credit will be equal to the full amount of the tax liability.

This credit has been commonly referred to as the 1974 tax rebate. Since the Tax Act was passed too late to allow the credit to be reflected in the filing of income tax returns for 1974, an individual who filed a tax return for 1974 will receive a check from the Internal Revenue Service (IRS) for the amount of the credit, if any, to which he or she is entitled, that is, if the individual is entitled to a credit the amount of the credit will be "rebated" to the taxpayer.

The amount of this tax credit or rebate is exempt from consideration as income or resources in any *federally-aided* need-related program, including AFDC, SSI, medicaid, and food stamps. Tax Reduction Act, §§ 101–102; See Conference Report, *Congressional Record*, March 26, 1975 (Page 8912). A state is free, if it chooses, to count the rebate as income in a general assistance program.

In many cases, of course, an individual will also be entitled to a regular tax refund for 1974 because the amount withheld from his or her wages during 1974 was greater than the amount he or she owed in taxes without considering the credit. In these cases the individual will receive both the regular tax refund that was due and the rebate. If the refund has not already been paid to the taxpayer, both the refund and the rebate may be combined in one check.

In all cases, the amount of the credit is based on the individual's tax liability for 1974, or the amount of taxes properly owed on the basis of income received in 1974. An individual's tax liability includes the amounts withheld from wages during the year, plus any additional amounts due and paid with the filing of his or her tax return, or minus any amounts claimed as a refund on the filing of the tax return.

For example, assume that Mrs. L. earned $6,000 in wages in 1974 and during that time she had $377 withheld from her wages for federal taxes. Assume that when Mrs. L. filled out her tax return in March of 1975, it turned out that she only should have paid taxes of $256 on her 1974 income. She therefore claimed a refund of $121, the difference between what she had already paid through withholding and what she truly owed. In addition Mrs. L. is now eligible for the $100 tax credit or rebate (since 10% of her tax liability=$25.60, she is eligible for the minimum credit). If she has not already received the refund, she should now receive a check for $221 from IRS, the regular refund plus the $100 rebate.

Because most states treat regular tax refunds as income to welfare recipients in the month when they are received, there is likely to be a great deal of confusion with respect to the rebate and there is a strong possibility that many agencies may incorrectly try to count the rebate as income in determining eligibility for the amount of the grant under a federally-aided program such as AFDC. Confusion may be compounded by the fact that one out of every seven taxpayers will be receiving checks that combine the regular refund that would have been due in any event together with the rebate.

How to identify the credit or rebate.—Each check mailed out by IRS will indicate on its face whether it represents a rebate and/or a regular refund. An IRS news release dated April 1, 1975, explains it as follows:

"Rebate checks will be issued quickly and in most instances by June 15, 1975. If you have not yet received your refund, it may be included in the same check. If the check has the words 'REF & REB' on it, this means that the amount of the check includes both the regular refund and the rebate. If it is for the rebate only it will have 'Tax Rebate' printed on it."

The release also says that an explanatory stuffer will be included with each rebate check and that there will be an indication on the check of the amounts attributable to the refund and to the rebate.

It is obviously critical that recipients of SSI, AFDC, food stamps or any federally-aided program understand that the *rebate cannot be counted as income* for welfare purposes and cannot be used to reduce their grants. Efforts to monitor agency action to assure a correct application of this rule will be especially important in states which now count regular tax refunds as income or resources. The department should instruct its workers to determine whether a refund check also includes a rebate, and, if so, to count only the portion attributable to the refund as income.

B. CHANGES IN 1975 TAX LIABILITY

1. *Increase in take-home pay.*—The withholding tax tables will be changed effective May 1, 1975 to reduce the amount withheld from earnings. This will mean an immediate increase in take-home pay.

The changes in the withholding tables reflect a number of tax reductions: an increase in the low income allowance, § 201; an increase in the percentage standard deduction, § 202; a $30 credit for each individual exemption, § 203; and, in the case of families with dependent children where the wage-earner's income is less than $8,000, an earned income credit, § 204. The tables are to be adjusted so that the full yearly benefit of these reductions will be achieved during the 8 months from May 1 to December 31, 1975. These changes are effective only for 1975. Unless there is further legislation, there would be a return to current withholding rates on January 1, 1976.

Low-income workers will of course be affected. Congressman Al Ullman, Chairman of the House Committee on Ways and Means, reported that tax liability for low income families has been altered so that, generally speaking, there would be no federal tax liability at all for a single taxpayer whose income was below $2,650 or for a married couple with two dependents whose income was below $5,500. (*Congressional Record*, February 27, 1975, p. 4601.) (Note that a wage-earner working at the minimum wage of $2.00 an hour for a 40 hour week will earn just over $4,000 per year.)

What is the relationship of these tax reductions to welfare?

This change generally will not increase the total income of employed individuals or families who are also receiving AFDC benefits since the increase in take-home pay will often result in a dollar for dollar reduction of the assistance grants. Thus, the amounts withheld from wages should be deducted from earnings as work expenses to figure countable income. 42 U.S.C. § 602(a)(7). As the amount of the withholding and the resulting work expense deduction goes down, the amount of countable income goes up and the assistance grant will necessarily go down except for those few states, *e.g.*, Mississippi, which limit payments by maximums and allow income to "fill the gap". There should be an increase in available income for employed welfare recipients in those states which are using a standard deduction for work expenses in their general assistance programs or are illegally continuing to use the standard deduction without exception in AFDC. Those recipients whose current work expenses exceed the maximum should benefit from having their work expenses reduced.

In addition to the fact that many or most working welfare recipients will not get an increase in income by the reduction of 1975 taxes, some families may even lose their eligibility for medicaid and cash assistance as a result of their increase in take-home pay. This could happen in cases where the increase in take-home and therefore in countable income equals or exceeds the family's budget deficit (the difference between need or payment level and countable income). Obviously in any such case the cash increase will actually be a major financial loss to the family since the increase in cash will be far outweighed by the value of the lost medical benefits. This problem will be somewhat less in states that have a medically needy program, but even there the family may have to pay out far more than the amount of the cash increase for medical needs before it "spends-down" to the level where assistance will be available to meet other medical expenses.

It is apparent that a substantial, and intended, side effect of the Tax Reduction Act is fiscal relief to state and local governments by reduction of their welfare costs. The staff of the Senate Finance Committee has estimated that the federal government will save $100,000,000 in its share of welfare expenses as the result of the increased income to individuals from the earned income credit in § 204 alone. (*Congressional Record*, March 26, 1975, p. 8879). The other tax reductions for poor people contained §§ 201–203 are substantial as well. At the very least, it should be possible to use this reductions and cutbacks in welfare which are now being threatened in many states. Perhaps it can also be argued that the federal savings should be used to allow states to pass-through increases in federal SSI benefits in their state supplementation programs.

A final note on the impact of the change in 1975 withholding tables. According to IRS low-income families in which both parents are working will owe substantial taxes at the end of the year, since their withholding will be based upon the low-income allowance for one income, but their tax liability will be based upon their higher joint income. New York Times, April 4, 1975, p. 7. Accordingly, it may be advisable for such low-income families to overwithhold during the year in order to avoid being faced with a tax bill in April of 1976 which they cannot pay. This may be especially important to families receiving assistance in which both parents are employed since they will otherwise suffer a reduction of assistance income in 1975 for an increase in take-home pay which is not really theirs to keep. They will thus have actually lost money in 1975 unless their grant is adjusted for the month in which they pay their taxes in 1976 to make up for their decrease in net outside income from the deferred work expense in that month. The likelihood of getting such a one-shot grant adjustment seems slim at best.

2. *Refundable tax credit.*—As noted above, the Tax Reduction Act provides an earned income credit for low income families, § 204. This credit is in the form of a "refundable tax credit" which means that if the amount of the credit is greater than the amount the person owes in taxes, he/she would be eligible to receive a payment from the federal government for the amount of the credit. This earned income credit has been described in the press as a first step toward a "negative income tax," but, as we shall explain below, welfare recipients will probably not share in this benefit.

The credit will amount to 10% of earned income, with a maximum of $400 on an income of $4,000. For families with income above $4,000, the credit is reduced by a sliding scale so that it becomes zero at $8,000 of income. Thus, for example, a family with the following earned incomes will receive the following refundable credits:

Income:	*Credit*
$2,000	$200
$5,000	300
$7,000	100

This refundable credit is only available to families with dependent children. Thus, the taxpayer must be an individual who maintains a household (as defined in 26 U.S.C. § 214(b)(3)) which is the principal place of abode of that individual and of a child of that individual with respect to whom he or she is entitled to claim a deduction under 26 U.S.C. § 151(e)(1)(B).

The principal reason why most welfare recipients will not benefit from this credit for 1975 earnings has been discussed above. Thus, the estimated amount or value of the credit to a family is included in the May 1, 1975 adjustment of withholding so that the credit will be paid out to families during 1975 insofar as that is possible. In other words, the credit is included in the immediate increase in take-home pay and as explained above, this generally will not increase total income for welfare recipients.

It is only where the credit has not been fully paid out to the family during 1975 that the family will actually receive some or all of its value as a cash refund on payment of taxes in 1976. However even where the credit is paid as a lump-sum cash refund, the family receiving public assistance may not benefit from it at all, since some welfare departments will simply deduct the amount of any refund received from the public assistance grant. This at least was the original intention of the Senate, which included language in the tax bill which would have amended § 402(a)(7) of the Social Security Act, 42 U.S.C. § 602(a)(7), to make clear that the refundable tax credit received pursuant to § 204 of the Tax Reduction Act would be counted as income for AFDC purposes.

Senator Brooke of Massachusetts fought for an amendment to require disregard of the refundable credit for public assistance purposes but his proposal was defeated 50–40. However, the Senate provision calling for specific reference to the credit in § 402(a)(7) was itself deleted in Conference, with the Conferees noting:

"The language in the Senate Amendment with reference to the income being taken into account for welfare purposes, however, is not included as the Conferees intended that the language applicable under present law is not changed." *Congressional Record*, March 26, 1975,

In explaining the Conference Report to the Senate, Senator Long stated:

"The House agreed to the Senate amendment on the work bonus with one change. They deleted the specific provision for counting the full credit as income in determining need for aid to families with dependent children. The House bill contained no provision modifying present law. The Senate conferees were willing to go along with this modification since the result is that present law will prevail for all Federal and State programs. For example, under the aid to families with dependent children program, all income and resources must be taken into account in determining need except where the law makes specific provision for a disregard. No specific provision is made in the bill." *Congressional Record*, March 26, 1975, p. 8861.

While this interpretation is undercut somewhat by a colloquy in the House between Congressman Fraser, Ullman and Vanik in which Mr. Ullman indicated some uncertainty as to the effect of existing law, Cong. Rec., March 26, 1975, p. 8921, it is probable that most states will treat the refundable credit in exactly the same way as they now treat regular tax refunds. There is, however, some possibility of further legislative action as noted in the following dialogue between Mr. Fraser and Mr. Ullman:

"Mr. FRASER. I hope that members of the committee will agree that this is a problem. I hope they will be willing to look at the disregard issue in future legislation.

Mr. ULLMAN. It was not in conference, but we did reject the Senate language, which leaves it open for future consideration. I am sure we are going to be looking at the issue in future."—*Congressional Record*, March 26, 1975, p. 8921.

One possibility for legislative action would be a "hold-harmless provision" which would require states to continue medicaid benefits to current cash assistance recipients made ineligible solely because of the changes in withholding for 1975 resulting from Sections 201, 203, 203 and 204. A similar step was taken when Congress realized many recipients would lose medicaid benefits as the result of the large increase in Social Security benefits in October 1972. At that time Congress required states to disregard the amount of the 1972 Social Security increase for purposes of determining continuing eligibility for medicaid (but not cash) benefits. P.L. 92–603, § 249E, extended to July 1975 by P.L. 93–66, § 233. A similar step at this time could save important medical benefits for low-income working people who would otherwise suffer losses under the Tax Reduction Act.

C. ONE-TIME FIFTY DOLLAR PAYMENT TO PERSONS RECEIVING SOCIAL SECURITY, RAILROAD RETIREMENT OR SSI BENEFITS

A one-time payment of $50 will be made to all individuals entitled to receive Social

Security, Railroad Retirement or SSI benefits for the month of March 1975.

The Conference Report describes these payments as follows:

"The Conferees emphasize that these payments are not social security benefits in any sense but are intended to provide to the aged, blind and disabled a payment comparable in nature to the tax rebates which the bill provides to those who are working. These payments, therefore, should be clearly identifiable as Treasury Department payments and not to be included in or confused with social security benefit checks." (*Congressional Record*, March 26, 1975, p. 8916)

Congressman Ullman went on to explain that this payment was designed to provide relief to poor people who would not benefit from the other portions of the bill: "[W]e felt that these people are suffering severely from inflation and deserved relief. *Congressional Record*, March 26, 1975, p. 8919. Others objected that the funds should be concentrated in the SSI program, where need had already been demonstrated. See, *e.g.*, remarks of Congressman Conable, *Congressional Record*, March 26, 1975, p. 8932.

Only one payment will be made to the individual even if that individual receives benefits under two or more programs. The payment will be made only to individuals who applied for benefits under one of these programs prior to April 1, 1975. Thus any rules under these programs providing for payment of benefits for a month prior to the month of application do not apply for purposes of this payment.

In addition, the benefit to which the person was entitled for the month of March 1975 must have been paid by a check issued no later than August 31, 1975. This means that individuals who applied for benefits under one of the three programs prior to April 1975 will lose their entitlement to the $50 payment unless their benefit check for the month of March has been issued by the end of the month of August. This will obviously make it even more imperative that Social Security take action to reduce the inordinate delays that still exist in the processing of social security and SSI applications.

The $50 payment may not be considered as income with respect to the individual, or the family of which the individual is a member, in any federal or state need-related program or for federal income tax purposes. In addition, it may not be counted as a resource during calendar year 1975.

Only residents of the United States, as determined by the address to which their benefit checks are mailed, are eligible for this payment.

D. TAX BREAK FOR PERSONS HIRING WELFARE RECIPIENTS IN DOMESTIC OR COMMERCIAL EMPLOYMENT

Under an unpublicized amendment by the Senate Finance Committee, accepted by the Senate and the Conference Committee, there will be a 20% tax credit for any business or non-business (i.e., household) employer who hires a person who has been receiving public assistance for three months or longer. This credit is equal to 20% of the wages paid (with a maximum credit of $1,000 for non-business employers).

The only limitations on the nature of employment covered are:

(1) the wages must be comparable to that paid to other employees who perform comparable services.

(2) the employee must have continuously received financial assistance during the ninety days immediately preceding the date on which the employee was hired.

(3) the employee is employed for a period in excess of thirty consecutive days on a substantially full time basis.

(4) the employee is not displacing any other individual from employment, and

(5) the employee is not a migrant worker.

This credit is a considerable expansion of the credit allowed for employer expenses under the Work Incentive Program, which focuses upon business employment of substantial duration. This modification, which continues only until July 1, 1976, may have a major impact in the area of domestic employment. In this regard, it should be noted that the federal minimum wage for employees in domestic service employment under the Fair Labor Standards Act, 29 U.S.C. § 206(b)(f), as amended by P.L. 93–250 (April 8, 1974), is $2.00 an hour during 1975 and $2.20 an hour during 1976.

It should be noted that any such credit will be in addition to the deduction to which the taxpayer is entitled for domestic service related to child care.

SUMMARY

The Tax Reduction Act provides no benefits for the public assistance recipient who is not working except for the $50 one-time payment to Social Security, Railroad Retirement, and SSI beneficiaries. Except for the rebate on 1974 taxes which should be received within the next two months, almost all benefits to the employed recipient will be passed along to the State, since public assistance grants will generally be reduced dollar for dollar.

THE RANDOLPH-SHEPPARD ACT AMENDMENTS OF 1974, AN ADDRESS BY ROBERT R. HUMPHREYS

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. BRADEMAS. Mr. Speaker, on March 28, 1975, Mr. Robert R. Humphreys, Special Counsel for the Committee on Labor and Public Welfare of the Senate, delivered an excellent speech on the Randolph-Sheppard Act Amendments of 1974 before a meeting of the National Council of State Agencies for the Blind in San Antonio, Tex.

Because this is a vital program which is of great interest to all of us, I would like to share this speech with my colleagues and insert Mr. Humphreys' speech at this point in the RECORD:

THE RANDOLPH-SHEPPARD ACT AMENDMENTS: AN ELABORATION OF CONGRESSIONAL INTENT

(By Robert R. Humphreys)

I. INTRODUCTION

Title II of Public Law 93–516, also known as the Randolph-Sheppard Act Amendments of 1974, became law on December 7, 1974. Members of the National Council of State Agencies for the Blind are aware that these changes in the law herald profound alterations in blind vendor programs throughout the country.

The object of this paper is to present an assessment of the meaning behind the changes in the law from the vantage point of one who drafted the Randolph-Sheppard changes. In particular, the focus of the paper is on those aspects of the new provisions which will or may have an impact on State agencies and their operations.

Much of what appears here will be self-evident and unnecessary to sophisticated State agency directors and program managers. The writer nonetheless believes it better to err on the side of excess rather than insufficiency, and it is to be hoped that the reader will be patient long enough to glean a few morsels of hitherto unrevealed knowledge, if such can, indeed, be found.

II. BACKGROUND

To begin, it is probably well to recite the circumstances which brought about the changes in the law—the objective status of the blind vendor on Federal property and the problems he encountered, as well as the subjective influence of testimony and other documentation received by Senator Randolph and his Subcommittee on the Handicapped. I have in mind particularly the very cogent and helpful testimony of your General Counsel, Charles Hoehne.

The fact that severe problems were being encountered by blind vendors was first brought to Senator Randolph's attention in 1968 or 1969. At any rate, the Senator introduced a bill, S. 2461, on June 20, 1969, to amend the 1936 Randolph-Sheppard Act. There were many cosponsors, Senate passage was unanimous, and little difficulty was contemplated by the bill's chief sponsor in obtaining prompt enactment. Then the lightening struck. In the House of Representatives, the postal union representatives, expressed their keen dismay with a bill that would expropriate all profits from vending machines on Federal property.

That opening salvo was the start of a battle that was terminated only last December—four years from start to finish.

As the positions of the various interests and organizations became known, and their impact and influence tested, the bill itself evolved. S. 2506, in the 92nd Congress, was a bit different from S. 2461 in the 91st, and S. 2581 in the 93rd was substantially different from either of its predecessors. By the time title II of Public Law 93–516 was enacted, it would have been difficult for a neutral, uninitiated observer to see much similarity between the first bill and the final amendments to the law.

Yet, title II of P. L. 93–516 is an evolutionary product, and in many respects is superior to the 1969 and 1971 proposals, notwithstanding the fact that the old bills provided for exclusive acquisition of vending machine income by blind vendors while the law does not. There is much more to the amendments than that.

But I digress. The status of blind vendors on Federal property was—and is—well-known to each of you. At some locations, in some States, vendors were doing very well. Overall, however, it was said that the program was deteriorating. The number of stands should have been expanding. Instead, their numbers were diminishing. The conditions of a vendor's facility were essentially the province of each Federal agency, and the agency delegated such responsibilities to the individual building manager. Many such managers had innovative ideas of whether and how blind vendors should be allowed to operate. Many bureaucrats didn't want blind vendors on "their" property, the spirit of the law notwithstanding. Others—many others—did not see that vendors had any rightful claim on vending machine income, which had traditionally been the exclusive perquisite of employee associations.

To blind vendors as a class, the result was a limitation on income and on new employment opportunities. To Senator Randolph and others, the situation was a perversion of the spirit of the law and a moral injustice. These feelings, beliefs, and assumptions were borne out by the study made by the General Accounting Office released September 27, 1973.

As it affects State agency operations, the GAO Study found wide disparity in the way States conducted blind vendor programs. Although it had implicit authority to do so, the Department of Health, Education, and Welfare had not developed minimum standards for State operations. The General Services Administration is the largest contractor for blind vendor operations in the Federal establishment, but GSA clearly believed that the program should not in any way interfere with, or impact on, either GSA itself, the tenant agency, or its employees. The Defense Department has been a virtual monolith of opposition to the introduction of blind vendors at military installations, and State agencies have been powerless to do anything about it.

The GAO made several recommendations for Congressional action, all of which impact on State agencies and their programs. Three of these are directed specifically to the State programs and HEW's relations with them. They bear repeating. GAO said:

"Before the blind vendor program can be expanded, priorities among competing interests—the blind, minority enterprises, employee associations, and cafeteria operators—must be established.

"In deliberations on whatever legislative or administrative actions need to be taken the Subcommittee (on the Handicapped) may wish to consider:

"(1) * * *

"(2) * * *

"(3) The extent States use set-aside funds, the differences in methods of computing blind vendors' contributions, and the activities for which set-aside funds can be used.

"(4) That the Randolph-Sheppard Act does not require the program to be evaluated periodically or for reports to be submitted to the Congress by HEW or any other Federal agencies that control, operate, or maintain Federal property and approve installation of blind vendor operations.

"(5) * * *

"(6) The issue of HEW and the States having no recourse from Federal agency decisions regarding blind vendor facilities on property that they control, which was brought out in hearings to amend the Randolph-Sheppard Act held before the Subcommittee on Handicapped Workers, Senate Committee on Labor and Public Welfare, in October and December 1971. The proposed amendments were not enacted into law, and as a result HEW and State agencies are still without recourse."

Let us now ascertain what was done with each of those recommendations, as well as others, and the rationale behind them. I hope to be able to shed some light on certain provisions of the amendments of 1974, over and above the explanations made in the Committee reports and other legislative history.

III. SOME OF THE 1974 AMENDMENTS

In the interest of time, and in order to avoid any potential flagging of interest on your part, I intend to concentrate on those provisions which require you as State program administrators to do something, or to react to something someone else is required to do.

By way of a sneak preview, I want to consider (1) the new priority for blind vendors on Federal property, and the qualifications thereto; (2) uniform requirements to be established by HEW for State agencies; (3) HEW program evaluations; (4) the "satisfactory site" requirement for Federal agencies; (5) fringe benefits for blind vendors and the set-aside; (6) the State agency role in hearings and arbitration proceedings; (7) vending machine income which accrues to State agencies; (8) training programs; (9) new State responsibilities toward blind vendors; and (1) State agency reports to the Secretary.

1. *Blind Vendor Priority*. The Randolph-Sheppard Act, before its amendment, gave a preference to blind licensees in the operation of vending stands on Federal property. Under the amended law, vendors licensed by State agencies are assigned a priority to operate such vending facilities.

The intent here is to make the blind vendor, to the extent possible, the exclusive provender of food, beverages, and other articles, within Federal buildings. Minority businesses should, of course, be encouraged, but not in place of, or in competition with, blind vendors at Federal locations. Such a priority would, in my view, also preclude consideration by a Federal agency of any new concession services that would not be provided by blind vendors, except where a service was needed and no blind vendor was available to provide it within a reasonable time. This interpretation would also preclude the installation of vending machines on Federal property unless a blind vendor were to operate them, or unless the installation were too small to support a blind vending operation.

The limitation on the placement or operation of a blind vending facility is intended to be a safety valve only. It is to be most stringently restricted to those individuals cases in which the Secretary of HEW finds a legitimate claim that a blind vending operation would—not might, would—adversely and substantially affect the interests of the United States.

Action by the Secretary or other Federal agency which is adverse to a State agency or blind vendor under this provision would be a proper subject for arbitration under new section 5(b) of the Act.

2. *Uniform Agency Requirements*. New paragraph (1) of section 2(a) of the Act directs the RSA Commissioner to establish within 180 days after enactment—that is, by June 7, 1975—uniform requirements for accounting procedures, policy on selection of new vending facilities, distribution of income to vendors, and set-aside funds.

This provision grew out of the finding of the GAO report of the great variances in the administration and operation of the program by the several States.

It is by no means a castigation of any State's efforts, but is rather intended to bring some order and common rationality to all programs, and to the RSA's coordinating role in relation to them. If HEW is to evaluate programs with a modicum of success, it must be able, to the extent that this can be done, to deal with common reference points. It is expected that RSA-HEW will take into account that, for example, some States do not have set-aside funds. Yet, the objective of this provision is to work toward a close similarity in vendor benefits, administration, and program operation in all States, so that a vendor is not disadvantaged because of geography.

3. *HEW Program Evaluation*. New paragraph (6) of section 2(a) requires the RSA Commissioner to make periodic evaluations of the Randolph-Sheppard program, including an assessment of the upward mobility and on-the-job training being conducted for the benefit of blind licensees.

The depth and frequency of such evaluations will, in large measure, depend on the manpower available to conduct them. The Congress, in any event, contemplated for the Office for the Blind and Visually Handicapped an operation substantially larger than the one that exists today. The directive of section 208 of the 1974 amendments that ten additional people be hired for the program represents an absolute minimum estimate of the manpower need. It is fervently hoped that the Secretary, the Assistant Secretary for Human Development, and the RSA Commissioner, will recognize the need, as Congress expressed it, to strengthen the Randolph-Sheppard program operation at the Federal level.

Now that the Act has been amended, it is critically important for HEW and the State agencies to monitor compliance with the new provisions by Federal agencies who may be intentionally recalcitrant, or just bureaucratically ossified, or both.

4. *Satisfactory Vending Sites*. This one is going to require substantial cooperation and hard work on the part of everyone involved. As of January 1 of this year, the law mandates that each new or renovated or newly leased Federal building include one or more satisfactory sites for blind vending facilities.

The cooperation of those who plan, build, buy, or lease buildings for Federal occupancy with HEW and the licensing agency of the States where such buildings are or are to be located, is essential to the expansion of the program. Again, the monitoring and evaluating function will be put to good use in this area. There must also be coordination between HEW and the State agency in their joint review of building plans. Efforts should be made to insure that the time of review is not excessive so that undue delays in purchase or construction can be avoided.

It may be possible to establish a "filtering out" procedure by which a Federal agency can certify to the HEW-State licensing agency consortium that the building is not large enough or will not be sufficiently populated as to permit the assignment of a blind vendor. Values can be established by HEW and the State agencies to check against such Federal agency certifications. This process should eliminate a good amount of red tape, and should keep frayed tempers to a minimum. Once again, monitoring is a good idea here, and if a Federal agency is in violation of the Randolph-Sheppard Act or regulations thereunder, he may be brought to binding arbitration.

5. *Fringe Benefits and Set-aside Funds*. As State agencies well know, section 3(3) of the Randolph-Sheppard Act has been amended to include, for set-aside fund use, "retirement or pension funds, health insurance contributions, and provision for paid sick leave and vacation time" subject to a vote of the blind vendors in the State. This is another far-reaching provision which holds the promise of a better life for blind vendors. Certainly these operators desedve to take advantage of those job-related "extras" which have, for most of us, become indispensable to our health and security.

Of course, if a State does not provide for set-aside funds, the vendors in such States will not be able to take advantage of this new provision. It is anticipated, however, that every State will begin to accrue substantial amounts of vending machine income under new section 7 of the Act, and that this new influx of funds will be adequate to provide the new benefits. At the same time, vendor income is being eroded by State agency assessments against that income for section 3(3) purposes. Once again, the new money should be ample to reduce the States' requirement for such assessments. Section 7 (c) requires, in fact, that all such new money shall be used for the fringe benefits, and the remainder shall be used to reduce assessments against vendor income.

The vendors themselves, through their Washington representatives, asked that the implementation of the fringe benefit provision be subject to a majority vote of vendors in a State. It is assumed that a favorable vote would result in the provision of benefits to all vendors, and not just those who vote for them. A fringe benefit arrangement probably would not be economical or practical without broad coverage. There are some problems implicit in this that will better be left for each State to deal with.

6. *State Agencies and Arbitration*. New sections 5 and 6 of the Act provide a mechanism for grievance resolution through arbitration. The mechanism is available to blind venders, to State agencies on behalf of one or all blind vendors in the State, and to State agencies on their own behalf.

Two conditions prompted the inclusion of these new sections. First, blind vendors have considered previously available legal procedures to be inadequate. Second, State agencies have expressed frustration with their inability to get a fair resolution of their fights with Federal property managers.

A blind vendor may have a problem with his State agency, with a Federal building manager, or with an employee association. Through these newly available procedures he will, in the case of an argument with a State agency, obtain a hearing from the agency, then the convention of an arbitration panel, and if his grievance still is not resolved, he now has standing to bring an action in Federal Court.

The State agency has at its disposal the final two procedures. No more will an agency director have to settle for a decision by the fox who is in charge of the chicken coop. He can, of course, continue to go the route of appealing to the Federal agency in charge of the property over which the dispute arose, but he doesn't have to. He can immediately ask for arbitration.

The way the law is written, the Secretary has no alternative but to convene an ad hoc arbitration panel. It can be anticipated, however, that some complaints can be disposed of by jaw-boning, and I would not expect the Secretary to convene a panel and waste the taxpayers' money if a complaint is clearly specious, retributive, or unwarranted. The ability of the Secretary not to convene a panel on this basis, however, is itself subject to abuse, and the Secretary should be ready to back up such a decision with a full, written justification.

7. *Vending Machine Income*. This subject has been covered in part under item 5. Each Federal agency, whose job it is to collect and account for vending machine income, must segregate such income according to its source and its recipients. This means not only a determination of what income is from machines in direct competition with a blind vendor, and which income is not from machines in direct competition, but also machine location, installation location, whether the machines are exempt under section 7 (d) of the Act, and so forth. A Federal agency with installations in several States will have to segregate funds by State to insure that they go to the appropriate State agency. All these procedures will require careful monitoring by HEW, by State agencies, and by individual vendors, along with considerable cooperation among these with the particular Federal agency. The requirement for GAO audit should help to keep everybody honest. Each Federal agency, moreover, will have the burden of policing itself, keeping adequate accounts and auditing its own installations.

8. *Training Programs*. Training for blind vendors is not uniform among the States. In some cases, potential vendors are merely run through the State rehab program and then put on a waiting list. In others, there is a period of on-the-job training as a prerequisite to setting up an individual with his own vending facility. Our Committee in Congress thought it would be a fine idea not only to standardize the training a potential licensee undergoes, but also to provide him with additional education and training opportunity in the event he wants to do something other than, or in addition to, his vending operation. In this connection, it is anticipated that vendors will be monitored closely by the State agency (follow-along) so that each individual's needs and wants can be accommodated.

9. *New State Agency Responsibilities*. From now on, State agencies and their program managers are going to have to acclimate themselves to blind vendor participation in their administration, policy, and program decisions. After all, the Randolph-Sheppard program is for the benefit of vendors and nobody else. More satisfactory relationships should result from this closer interaction. State personnel, perhaps, will get a better idea of the problems facing blind vendors, and conversely, vendors should become more sensitive to the obstacles confronting the State agencies.

The blind vendors will thus become a part of the whole program which affects his livelihood and well-being, rather than being someone who is affected by a system he has no voice in or control over. I think this section will be healthy for all concerned.

10. *Reports*. Finally, section 210 imposes a plethora of requirements on the Secretary of HEW and on State agencies. The Secretary must consult with you in promulgating national standards. He only has three months to go, so he'd better get moving. The study of a possible national system of retirement and health for blind vendors will be most important. State agencies will have a vital contribution to make in the development of that study. That study must be completed by December 7, 1975.

The Secretary must also, by September 30, 1975, determine whether the vending machine income provisions are the best that can be developed. State agencies should have an input to that study as well.

Finally, each State agency must, by December 7, 1975, submit a report to the Secretary on its actions to implement the uniform requirements which HEW must, by June 7, 1975, develop.

CONCLUSION

I can assure you that the date of enactment of the Randolph-Sheppard Act Amendments of 1975, although ironic, only by coincidence fell on the anniversary of the attack on Pearl Harbor.

Thank you for giving me this opportunity to offer my views on this important program. I sincerely wish you well in meeting the challenge it presents.

PRESIDENT FORD'S RESCUE DECISION APPLAUDED IN OHIO

HON. DELBERT L. LATTA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. LATTA. Mr. Speaker, I am proud to report that Ohioans of many political viewpoints in my congressional district are united in believing that President Ford followed the right course of action in decisions that led to the successful rescue of the American merchant ship, *Mayaguez*, and her crew from the hands of the Cambodian Communists. Indicative of the widespread backing the President is receiving in Ohio are the following editorials from the Tiffin Advertiser-Tribune and the Fremont News-Messenger:

[From the Tiffin (Ohio) Advertiser-Tribune]

OUR VIEWPOINT

We feel President Ford and the contingent of United States Marines are to be heartily congratulated for their affirmative decision-making and action in the quick recovery of the captured American merchant ship Mayaguez.

It was a shot in the arm to an American public grown weary of committee-made decisions which have provided too little too late. When hoodlum pirates commandeer a United States ship and crew members, it's time for aggressive action to get it back. And we took it.

The strength of the President's decision and the quick accomplishment of the mission by our Marines had a strong impact on all of us. You could almost hear the exuberant cheers go up from households around the country as the decision was announced and the reports of recovery came in.

There are those who have said in the past two days that we should "study" the situation and not be hasty. Well, they are wrong in our judgment. When an obvious wrong has been committed, you don't need study or discussion. You need action.

It is refreshing to all of us to see political red tape cut and inaction thwarted. To see something done at a time when events demand action.

Decisive leadership is always needed and it is especially needed in times like these. Though there will be those specialists in inaction who will say the Presiden did not do right, we strongly feel he was absolutely correct in taking the necessary action.

We sense a grateful American people who give genuine thanks to the President, the U.S. Marines, and especially to those who gave their lives to a right principle.

[From the Fremont (Ohio) News Messenger]

CAMBODIAN PIRACY

In a matter of a few days, the new government of Cambodia has shown its utter contempt for the principles of humanity and international law. First it uprooted millions of city people, herded them out into the countryside to toil in the fields. Then it seized the U.S. merchant ship Mayaguez and its crew on the high seas and opened fire on American aircraft maintaining justifiable surveillance of the ship.

U.S. warplanes retaliated and later, on President Ford's orders, Marines used force to recapture the pirated ship and rescue its 39-man crew from a Cambodian Island.

With the vessel and crew apparently safely out of Cambodian bands, we hope the crisis cools as quickly as it became inflamed. Unfortunately, that is not likely to happen.

Protests from S.E. Asia are certain to follow. The U.S. probably will be condemned by Cambodia and its Communist pals. At worst, the Cambodians could launch military retaliation against Thailand, a neighbor on whose territory the U.S. assembled a portion of its rescue mission. Who knows what could come of a development that severe.

Nobody wants another Vietnam. Despite our sensitivity in that regard, however, the U.S. had to secure the release of the ship and crew. Diplomatic approaches to Cambodia were tried but failed.

President Ford faced an obvious dilemma. He could not afford to act hastily without jeopardizing the lives of the crewmen. Moreover, he was not anxious to precipitate unnecessary military intervention.

On the other hand, the President could not merely sit idly by. While the United States learned from its sad experience in Vietnam that it cannot be the world's policeman, neither can we become a global patsy.

As we see it at this point, President Ford acted prudently and deserves high marks for his strong leadership in handling an extremely difficult and potentially explosive incident. The President's firmness should serve notice on the world that the United States is determined to protect its interests anywhere and that any nation that thinks otherwise does so at its own peril.

FINANCIAL STATEMENT OF CONGRESSMAN CHARLES W. WHALEN, JR., AND FAMILY

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. WHALEN. Mr. Speaker, as in the past, I again am inserting in the RECORD a complete disclosure of my family's financial affairs during the preceding calendar year.

Each Member comes to the Congress with certain "interests"—be they a law practice, stock holdings, membership in a labor organization, et cetera—which reflect a previously occupied status. This situation was anticipated by our Founding Fathers.

In June 1787 James Madison wrote in the Federalist Papers:

> Why was America so justly apprehensive of Parliamentary injustice? Because Great Britain had a separate interest. The only remedy is to enlarge the sphere, and thereby divide the community into so great a number of interests and parties, that a majority will not be likely to have a common interest separate from the whole.

The 66 House Members of the First Congress, who convened on March 4, 1789, were similar in background to those comprising the 94th Congress. For example, 28 were lawyers. Three were military officers. There were 10 farmers and plantation owners, 3 ministers, 4 from the field of retailing, 3 teachers, 1 banker, 3 medical doctors, and 4 businessmen.

It is important today that constituents be fully apprised not only of the professional backgrounds of their Representatives, but also the monetary interests which these officials bring to Washington. In this way, the actions of each Member can be weighed in terms of whether or not they represent possible "conflicts of interests." It is for this reason that I have prepared the following statements for inclusion in the RECORD.

These include a breakdown of my wife's and my combined net worth, as of January 2, 1975, and our income tax return for the year 1974. This same information also is provided for our six children: Charles E., age 15; Daniel D., age 13; Edward J., age 11; Joseph M., age 9; Anne E., age 8; and Mary B., age 3.

The January 2, 1975, asset totals reflect a $12,000 cash gift to Charles W. Whalen, Jr., and Barbara G. Whalen by my parents, Charles W. Whalen, Sr., and Colette E. Whalen. Our family's combined net worth, as of January 2, 1975, is $1,262,223.57. This is $222,678.63 less than that reported for January 2, 1974, and $400,542.65 less than that disclosed for January 2, 1973. This decline in net worth is attributable almost exclusively to a sharp depreciation in the market price of common stock.

1974 Income—Mary Barbara and Charles W. Whalen, Jr.

	Gross amounts
U.S. House of Representatives—salary	$42,500.00
Net Partnership Income: Whalen Investment Co	14,780.35
Interest Received—Prudential Insurance Co	42.23
Rental Income—228 Beverly Place, Dayton, Ohio	1,500.00
Taxable dividends received (common stock):	
Allegheny Power Systems, Inc	1,672.00
American Cyanamid	290.00
Baltimore Gas & Electric	196.00
Beneficial Corp	235.00
Coca-Cola Co	499.20
Copeland Corporation	972.00
Delmarva Power & Light Co	745.20
Detroit Edison Co	710.50
Ex-Cell-O	95.00
Federated Department Stores, Inc.	250.80
General Telephone and Electronics	$522.00
Gulf States Utilities Co	448.00
Hubbard Real Estate Investments	188.00
Indianapolis Power & Light Co	1,547.00
Lionel Edie Capital Fund	2,722.16
Merrill Lynch, Pierce, Fenner, and Smith	28.00
Middle South Utilities	1,701.00
Minnesota Mining and Mfg. Co.	750.00
Owens-Illinois, Inc	314.00
Charles Pfizer, Inc	47.40
Phillips Petroleum Co	290.00
Public Service Electric & Gas Co	1,273.23
Royal Dutch Petroleum Co	510.00
South Carolina Electric & Gas Co.	675.04
Texas Utilities Co	436.00
Westinghouse	388.80
Total	17,507.93
Nontaxable return on capital (common stock):	
Delmarva Power & Light Co	454.80
Detroit Edison Co	739.50
Duke Power Co	1,400.00
Public Service Electric & Gas Co	2,768.77
South Carolina Electric & Gas Co	58.71
Virginia Electric Power Co	1,652.00
Total	7,073.78
Speeches (honoraria): Wright State University	50.00
Capital gains	None
Capital losses	None

1974 Claimed Deductions

1. Standard exemptions—6 children.	
2. Public Law, 82d Congress, Public Law 178, 83d Congress Away From Home living expense allowance	$3,000.00
3. Standard Deduction for stock dividends	200.00
4. Interest paid on loans:	
Charles W. Whalen, Sr	1,525.00
Mutual Benefit Life Insurance Co	254.00
Charles E. Whalen	242.68
Daniel D. Whalen	239.28
Edward J. Whalen	239.28
Joseph M. Whalen	239.28
Anne E. Whalen	177.70
Mary B. Whalen	114.15
The Third National Bank & Trust Co	40.44
Total	3,071.91
5. Taxes paid (other than Federal):	
State of Ohio—Income tax	1,949.89
City of Oakwood, Ohio—Income tax	524.78
Montgomery County, Md.—Property tax (5301 Portsmouth Road residence)	1,934.68
Montgomery County, Ohio—Property tax (228 Beverly Place residence)	988.96
Montgomery County, Ohio—Intangibles tax	953.03
Netherlands Government—Tax on Royal Dutch Petroleum dividends	76.50
General sales tax	493.20
State and local gasoline tax	146.30
Total	7,067.34
6. Depreciation—228 Beverly Place	$600.00
7. Allowable medical deductions family	150.00
8. Office and professional expenses	593.04
9. Charitable donations	651.00
10. Travel to and from district for which not reimbursed	1,149.63
Total taxes paid to IRS—1974	21,920.40
Total Federal, State, and local taxes paid—1974	29,987.74

1974 income—Whalen children

CHARLES EDWARD WHALEN

Taxable dividends received (common stock):	
Allegheny Power Systems, Inc	$760.00
Atlantic City Electric Co	228.00
Baltimore Gas & Electric	196.00
Consolidated Edison	85.00
Copeland Corp	486.00
Entex	424.00
Florida Power & Light Co	609.50
Illinois Power Co	660.00
Indianapolis Power Co	182.00
Lionel D. Edie Capital Fund	149.52
Middle South Utilities	729.00
Pfizer, Inc	110.60
Public Service Electric & Gas Co	162.54
Third National Bank & Trust Co	200.00
Total	4,982.16
Nontaxable return on capital (common stock):	
Atlantic City Electric Co	372.00
Carolina Power & Light Co	1,120.00
Duke Power Co	700.00
Public Services Electric & Gas Co	700.00
Co	353.46
VEPCO	236.00
Total	2,781.46
Interest received:	
Charles W. Whalen, Jr	242.68
Mary B. Whalen	22.00
Total	264.68

1974 Claimed Deductions

Taxes paid (other than Federal):	
State of Ohio—Income tax	$2.44
Montgomery County, Ohio—Intangibles tax	244.06
Total	264.50
Accountants' fee	30.00
Total taxes paid to IRS—1974	715.27

DANIEL DENNIS WHALEN

Taxable dividends received (common stock):	
Allegheny Power System, Inc	$760.00
Atlantic City Electric Co	228.00
Baltimore Gas & Electric Co	196.00
Consolidated Edison Co	127.50
Copeland Corp	486.00
Entex	212.00
Florida Power & Light Co	742.00
Illinois Power Co	660.00
Indianapolis Power & Light Co	182.00
Lionel D. Edie Capital Fund	65.52
Middle South Utilities	729.00
Pfizer, Inc	110.60
Public Service Electric & Gas Co.	162.54
Third National Bank & Trust Co.	200.00
Total	4,861.16

Nontaxable return on capital (common stock):	
Atlantic City Electric Co	$372.00
Carolina Power and Light Co	1,120.00
Duke Power Co	700.00
Public Service Electric & Gas Co.	353.46
VEPCO	236.00
Total	2,781.46
Interest received:	
Charles W. Whalen, Jr	239.28
Mary B. Whalen	7.33
Total	246.61

1974 Claimed Deductions

Taxes paid (other than Federal):	
State of Ohio—Income tax	$2.31
Montgomery County, Ohio—Intangibles tax	241.67
Total	243.98
Accountants' fee	30.00
Total taxes paid to IRS—1974	686.92

EDWARD JAMES WHALEN

Taxable dividends received (common stock):	
Allegheny Power System, Inc	$760.00
Atlantic City Electric Co	228.00
Baltimore Gas & Electric Co	196.00
Consolidated Edison	85.00
Copeland Corp	486.00
Entex	106.00
Florida Power & Light Co	715.50
Illinois Power Co	660.00
Indianapolis Power & Light Co	182.00
Lionel D. Edie Capital Fund	42.56
Middle South Utilities	729.00
Pfizer, Inc	110.60
Public Service Electric & Gas Co	162.54
Third National Bank & Trust Co	200.00
Total	4,663.20
Nontaxable return on capital (common stock):	
Atlantic City Electric Co	372.00
Carolina Power and Light Co	1,120.00
Duke Power Co	700.00
Public Service Electric & Gas Co	353.46
VEPCO	236.00
Total	2,781.46
Interest received:	
Charles W. Whalen, Jr	239.28

1974 Claimed Deductions

Taxes paid (other than Federal):	
State of Ohio—Income tax	$2.31
Montgomery County, Ohio—Intangibles tax	236.57
Total	238.88
Accountants' fee	30.00
Total taxes paid to IRS—1974	649.32

JOSEPH MICHAEL WHALEN

Taxable dividends received (common stock):	
Allegheny Power System, Inc	$760.00
Atlantic City Electric Co	228.00
Baltimore Gas & Electric Co	196.00
Consolidated Edison	85.00
Copeland Corp	486.00
Entex	106.00
Florida Power & Light Co	556.50
Illinois Power Co	660.00
Indianapolis Power & Light Co	182.00
Lionel D. Edie Capital Fund	76.72
Middle South Utilities	729.00
Pfizer, Inc	$110.60
Public Service Electric & Gas Co	162.54
Third National Bank & Trust Co	200.00
Total	4,538.36
Nontaxable return on capital (common stock):	
Atlantic City Electric Co	372.00
Carolina Power & Light Co	1,120.00
Duke Power Co	700.00
Public Service Electric & Gas Co	353.46
VEPCO	236.00
Total	2,781.46
Interest received:	
Charles W. Whalen, Jr	239.28

1974 Claimed Deductions

Taxes paid (other than Federal):	
State of Ohio—Income tax	$2.31
Montgomery County, Ohio—Intangibles tax	227.31
Total	229.62
Accountants' fee	30.00
Total taxes paid to IRS—1974	626.92

ANNE ELIZABETH WHALEN

Taxable dividends received (common stock):	
Allegheny Power System, Inc	$349.60
Baltimore Gas & Electric	196.00
Consolidated Edison	63.75
Copeland Corp	486.00
Florida Power & Light Co	583.00
Illinois Power Co	660.00
Indianapolis Power & Light Co	91.00
Lionel D. Edie Capital Fund	34.72
Middle South Utilities	729.00
Pfizer, Inc	110.60
Public Service Electric & Gas Co.	162.54
Third National Bank & Trust Co.	200.00
Total	3,666.21
Nontaxable return on capital (common stock):	
Carolina Power & Light Co	1,120.00
Duke Power Co	420.00
Public Service Electric & Gas Co.	353.46
VEPCO	236.00
Total	2,129.46
Interest received:	
Charles W. Whalen, Jr	177.70

1974 Claimed Deductions

Taxes paid (other than Federal):	
State of Ohio—Income tax	$2.31
Montgomery County, Ohio—Intangibles tax	167.02
Total	167.33
Accountants' fee	30.00
Total taxes paid to IRS—1974	461.35

MARY BARBARA WHALEN

Taxable dividends received (common stock):	
Copeland Corp	$270.00
Indianapolis Power & Light Co	546.00
Lionel D. Edie Capital Fund	146.16
Middle South Utilities	729.00
Pfizer, Inc	110.60
Total	1,801.76
Nontaxable return on capital (common stock):	
Carolina Power & Light Co	$160.00
VEPCO	236.00
Total	396.00
Interest received: Charles W. Whalen, Jr	114.15

1974 Claimed Deductions

Taxes paid (other than Federal):	
State of Ohio—Income tax	$1.31
Montgomery County, Ohio—Intangibles tax	42.70
Total	44.01
Accountants' fee	30.00
Total taxes paid to IRS—1974	139.39

Financial statement as of January 2, 1975—Charles W. Whalen, Jr., and Barbara G. Whalen

ASSETS

Cash in bank	$4,300.83
Common Stock:	
Allegheny Power Systems (1,100 shares)	15,400.00
American Cyanamid (200 shares)	4,250.00
Baltimore Gas & Electric Co. (100 shares)	1,625.00
Beneficial Finance Co. (188 shares)	2,914.00
Coca-Cola (240 shares)	13,560.00
Copeland Corp. (1,800 shares)	14,400.00
Delmarva Power & Light Co. (1,000 shares)	9,250.00
Detroit Edison Co. (1,000 shares)	10,000.00
Duke Power Co. (1,000 shares)	12,250.00
Lionel D. Edie Capital Fund, Inc. (4,861 shares)	68,054.00
Ex-Cell-O Corp. (100 shares)	1,050.00
Federated Department Stores (220 shares)	5,940.00
General Telephone (300 shares)	5,550.00
Gulf State Utilities (400 shares)	4,800.00
Hubbard Real Estate Investment Co. (120 shares)	1,320.00
Indianapolis Power & Light Co. (850 shares)	13,175.00
Merrill Lynch, Pierce, Fenner, and Smith (50 shares)	525.00
Middle South Utilities, Inc. (1,400 shares)	18,900.00
Minnesota Mining and Manufacturing (600 shares)	26,700.00
Owens-Illinois Glass (200 shares)	6,800.00
Charles Pfizer, Inc. (60 shares)	1,950.00
Phillips Petroleum (200 shares)	8,500.00
Public Service Electric & Gas (2,350 shares)	31,725.00
Royal Dutch Petroleum (188 shares)	4,747.00
South Carolina Electric Gas (500 shares)	5,250.00
Steadman Fund (123½ shares)	374.21
Texas Utilities (400 shares)	8,800.00
United State Bank (2 shares)	50.00
Virginia Electric Power Co. (1,400 shares)	12,950.00
Westinghouse Electric Co. (400 shares)	4,000.00
Total	314,809.21

1974 Income—Mary Barbara and Charles W. Whalen, Jr.—Continued

	Gross Amounts
Cash value—Paid up life insurance	70,593.26
Cash value—Outsanding life insurance	$22,295.18
Contribution to Public Employees Retirement System of Ohio	5.008.23
Contribution to Teachers Insurance and Annuity Association	12.336.20
Contribution to Civil Service Retirement Deposit	24,253.43
Partnership interest, Whalen Investment Co	112,500.00
Residence—228 Beverly Place, Dayton, Ohio	35,000.00
Furniture—228 Beverly Place, Dayton, Ohio	1,000.00
Residence—5301 Portsmouth Road, Bethesda, Md	140,000.00
Furniture—5301 Portsmouth Road, Bethesda, Md	25,000.00
Jewelry (1969 valuation)	26,000.00
1971 Ford Country Squire station wagon	1,190.00
1965 Ford Mustang	450.00
Total assets	794,736.34
LIABILITIES	
Loan—Third National Bank & Trust Co	$10,000.00
Loan—Charles W. Whalen, Sr	6,500.00
Loan—Mutual Benefit Life Insurance Co	4,235.00
Total liabilities	20,735.00
Net worth	774,001.34

Financial statement, January 2. 1975. Charles E. Whalen

ASSETS	
Cash—Checking account	$6,570.83
Cash—Savings account	1,041.94
Common stock:	
Allegheny Power Systems (500 shares)	7,500.00
Atlantic City Electric (400 shares)	6,600.00
Baltimore Gas & Electric (100 shares)	1,900.00
Carolina Power & Light Co. (700 shares)	10.150.00
Consolidated Edison (100 shares)	1,250.00
Copeland Corp. (900 shares)	8,100.00
Duke Power Co. (500 shares)	7,000.00
Lionel Edie Capital Fund (356 shares)	4,795.32
Florida Power & Light Co. (460 shares)	9,200.00
Illinois Power & Light (300 shares)	6.150.00
Indianapolis Power & Light (100 shares)	1,900.00
Middle South Utilities (600 shares)	7,800.00
Pfizer, Inc. (140 shares)	4.550.00
Public Service Electric & Gas (300 shares)	4,350.00
Third National Bank & Trust (202 shares)	3.434.00
United Gas, Inc. (Entex) (400 shares)	3,200.00
VEPCO (200 shares)	2,200.00
Total	90,079.32
Net worth	$97,692.09
LIABILITIES	
Total liabilities	None
Net worth	97,692.09

Financial statement, January 2, 1975, Daniel D. Whalen

ASSETS	
Cash—Checking account	$4,274.78
Cash—Savings account	172.92
Common stock:	
Allegheny Power Systems (500 shares)	$7,500.00
Atlantic City Electric (400 shares)	6,600.00
Baltimore Gas & Electric Co. (100 shares)	1.900.00
Carolina Power & Light Co. (700 shares)	10.150.00
Consolidated Edison (150 shares)	1,875.00
Copeland Corp. (900 shares)	8,100.00
Duke Power Co. (500 shares)	7,000.00
Lionel Edie Capital Fund (402 shares)	5.414.94
Florida Power & Light Co. (560 shares)	11,200.00
Illinois Power Co. (300 shares)	6,150.00
Indianapolis Power & Light (100 shares)	1,900.00
Middle South Utilities (600 shares)	7,800.00
Pfizer, Inc. (140 shares)	4,550.00
Public Service Electric & Gas (300 shares)	4,350.00
Third National Bank & Trust (200 shares)	3,400.00
United Gas, Inc. (Entex) (200 shares)	1,600.00
VEPCO (200 shares)	2,200.00
Total	91,689.94
Total Assets	96,137.04
LIABILITIES	
Total liabilities	None
Net worth	$96,137.04

Financial statement, January 2, 1975. Edward J. Whalen

ASSETS	
Cash—Checking account	$3,366.27
Cash—Savings account	317.34
Common stock:	
Allegheny Power System (500 shares)	7,500.00
Atlantic City Electric (400 shares)	6.600.00
Baltimore Gas & Electric Co. (100 shares)	1,900.00
Carolina Power & Light Co. (700 shares)	10,150.00
Consolidated Edison (100 shares)	1,250.00
Consolidated Edison (100 shares)	1,250.00
Copeland Corp (900 shares)	8,100.00
Duke Power Co. (500 shares)	7,000.00
Lionel Edie Capital Fund (414 shares)	5.576.58
Florida Power & Light Co. (540 shares	10,800.00
Illinois Power Co. (300 shares)	6.150.00
Indianapolis Power & Light (100 shares)	1.900.00
Middle South Utilities (600 shares)	7,800.00
Pfizer, Inc. (140 shares)	4,550.00
Public Service Electric & Gas (300 shares)	4.350.00
Third National Bank & Trust) (200 shares)	3,400.00
United Gas, Inc. (Entex) (100 shares)	800.00
VEPCO (200 shares)	2,200.00
Total	90,026.58
Total assets	93,710.19
LIABILITIES	
Total liabilities	None
Net worth	$93,710.19

Financial statement, January 2, 1975, Joseph M. Whalen

ASSETS	
Cash—Checking account	$4,827.85
Cash—Savings account	404.39
Common stock:	
Allegheny Power Systems (500 shares)	7,500.00
Atlantic City Electric (400 shares)	6,800.00
Baltimore Gas & Electric Co. (100 shares)	1,900.00
Carolina Power & Light Co. (700 shares)	10,150.00
Consolidated Edison (100 shares)	1,250.00
Copeland Corp. (900 shares)	8,100.00
Duke Power Co. (500 shares)	7,000.00
Lionel Edie Capital Fund (395 shares)	5,320.65
Florida Power & Light Co. (420 shares)	8,400.00
Illinois Power Co. (300 shares)	6,150.00
Indianapolis Power Co. (100 shares)	1,900.00
Middle South Utilities (600 shares)	7,800.00
Pfizer, Inc. (140 shares)	4,550.00
Public Service Electric & Gas (300 shares)	4,350.00
Third National Bank & Trust (200 shares)	3,400.00
United Gas, Inc. (Entex) (100 shares)	800.00
VEPCO (200 shares)	2,200.00
Total	87,370.65
Total assets	92,602.89
LIABILITIES	
Total liabilities	None
Net worth	$92,602.89

Financial statment. January 2, 1975, Anne E. Whalen

ASSETS	
Cash—Checking account	$2,580.95
Cash—Savings account	266.55
Common stock:	
Allegheny Power Systems (230 shares)	3,450.00
Baltimore Gas & Electric Co. (100 shares)	1,900.00
Consolidated Edison (75 shares)	937.50
Carolina Power & Light (700 shares)	10,150.00
Copeland Corp. (900 shares)	8,100.00
Duke Power Co. (300 shares)	4,200.00
Lionel Edie Capital Fund (418 shares)	5,630.46
Florida Power & Light Co. (440 shares)	8.800.00
Illinois Power Co. (300 shares)	6.150.00
Indianapolis Power & Light (50 shares)	950.00
Middle South Utilities (600 shares)	7,800.00
Pfizer, Inc. (140 shares)	4,550.00
Public Service Electric & Gas (300 shares)	4,350.00
Third National Bank & Trust (200 shares)	3,400.00
VEPCO (200 shares)	2,200.00
Total	72,567.96
Total assets	75,415.46
LIABILITIES	
Total liabilities	None
Net worth	$75,415.46

Financial statement, January 2, 1975, Mary B. Whalen

ASSETS	
Cash—Checking account	$1,539.50
Cash—Savings account	210.56
Common stock:	
Carolina Power & Light (100 shares)	1,450.00
Copeland Corp. (500 shares)	4,500.00
Lionel Edie Capital Fund (350 shares)	4,714.50
Indianapolis Power & Light (300 shares)	5,700.00
Middle South Utilities (600 shares)	7,800.00
Pfizer, Inc. (140 shares)	4,550.00
VEPCO (200 shares)	2,200.00
Total	30,914.50
Total assets	32,664.56
LIABILITIES	
Total Liabilities	None
Net worth	$32,664.56

Common stock:	
Allegheny Power Systems (1,100 shares)	22,000.00
American Cyanamid (200 shares)	3,900.00
Baltimore Gas & Electric Co. (100 shares)	2,250.00
Beneficial Finance Co. (188 shares)	4,888.00
Coca-Coal (240 shares)	30,360.00
Copeland Corp. (1,800 shares)	22,500.00
Delmarva Power & Light Co. (1,000 shares)	13,750.00
Detroit Edison Co. (1,000 shares)	16,500.00
Duke Power Co. (1,000 shares)	17,500.00
Lionel D. Edie Capital Fund, Inc. (4,861 shares)	68,054.00
Ex-Cell-O Corp (100 shares)	1,475.00
Federated Department Stores (200 shares)	6,160.00
General Telephone & Electronics (300 shares)	7,500.00
Gulf States Utilities (400 shares)	5,800.00
Hubbard Real Estate Investment Co. (120 shares)	2,040.00
Indianapolis Power and Light Co. (850 shares)	20,040.00
Merrill Lynch, Pierce, Fenner & Smith (50 shares)	662.50

HAZARDS OF SUPERTANKERS

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. HOWARD. Mr. Speaker, in the last session of Congress I had the privilege and honor of serving as chairman of the Public Works Committee's Subcommittee on Energy. In that capacity I initiated a study of supertankers for the purpose of ascertaining what genuine hazards may exist in the operation of those ships. The study particularly focused on the potential impact of those hazards on the environment. During the study we sought the viewpoints of a number of the people in one way or another connected with the construction, operation, and classification of those ships; it also includes an analysis of allegations made by Mr. Noel Mostert in his book, "Supership." My staff is presently engaged in putting the final touches on that study and hopefully you will have the benefit of it in the near future. But there is an aspect that I feel compelled to bring to your attention at this time.

One of the items, our study indicates, that would contribute materially to enhancing the safety and integrity of the supership is for the supership to contain segregated ballast. Segregated ballast tanks, with no connection to the oil cargo tanks, would insure clean and oil-free seawater ballast. I am advised that if tankers would convert some of their cargo tanks into segregated ballast tanks there would be at least four beneficial effects.

First, the surplus tanker capacity that is currently depressing the tanker industry would be eliminated. Second, the estimated loss of 4,250,000 tons of oil now sent to the oceans each year from tankers carrying ballast in their oil cargo tanks would be drastically curtailed, if not eliminated. Third, tankers with segregated ballast tanks would have a greater margin of safety, when loaded, because the tanker would have more buoyancy. Fourth, the conversion would provide needed employment in shipyards round the world.

International agreement is necessary for the world to take advantage of the opportunity afforded at this time by the slack in tanker trade to provide segregated ballast in existing tankers. I am asking the State Department to bring the matter to the attention of the Inter-Governmental Maritime Consultative Organization—IMCO—of the United Nations, requesting that organization's efforts for prompt implementation of the concept. I urge you and my colleagues to add your voice.

In a May 16, 1975, report from the Tanker Advisory Center, its director, Mr. Arthur McKenzie, wrote an editorial on the subject of segregated ballast. I believe that editorial is of great interest to all of us and I accordingly request that it be included in the RECORD.

TANKER ADVISORY CENTER

The surplus tanker capacity, that is growing larger each month, provides a unique opportunity for minimizing pollution of the seas by oil from tankers. Idle tanker capacity should be converted into an equivalent amount of segregated ballast on existing tankers.

Segregated ballast tanks, with no connection to the oil cargo tanks, insures the sea water ballast is clean and oil-free. When the ballast is carried in oily cargo tanks it is difficult to avoid polluting the oceans with the oily residues. The International Conference for the Prevention of Pollution from Ships held in London in November 1973 requires all tankers larger than 70,000 DWTs ordered after December 31st, 1975 to be equipped with segregated ballast tanks large enough to provide adequate operating draft without having to carry ballast water in the cargo oil tanks.

Mr. Egil Abrahamsen, president of Det Norske Veritas has suggested that in view of the huge surplus tanker capacity, ". . . we should now discuss the feasibility of using the surplus tanker capacity for clean ballast purposes." And the Council of the International Association of Independent Tanker Owners (INTERTANKO) agreed at a recent meeting in Tokyo, at least in principle, they were willing to support, in cooperation with charterers, a voluntary compliance with anti pollution measures pending full ratification of international conventions in this area.

Senator Magnuson, Chairman of the Committee on Commerce, United States Senate, has indicated that he considers the idea of converting some of the cargo tanks of existing U.S. and foreign tankers into segregated ballast during this period of surplus tanker tonnage as meritorious.

It is believed that the large oil companies also favor serious consideration of the feasibility of using surplus tanker capacity for clean ballast purposes.

If tankers would convert some of their cargo tanks into segregated ballast tanks there would be three beneficial effects. First, the surplus tanker capacity that is depressing the tanker industry would be eliminated. Second, the estimated loss of 4,250,000 tons of oil now sent to the oceans each year from tankers carrying ballast in their oil cargo tanks would be drastically curtailed, if not eliminated. And. third, tankers with segregated ballast tanks would have a greater margin of safety, when loaded, because the tanker would have more buoyancy.

Obviously no nation or shipping company can take this action unilaterally. It requires international agreement. It is essential that The Intergovernmental Maritime Consultative Organization(IMCO) of the United Nations be requested to consider promptly a plan for utilizing idle tanker capacity for clean ballast purposes, pending ratification of the 1973 Convention.

The United States Government should take the lead in askng IMCO to take the necessary action to obtain agreement among maritime nations to adopt this measure for insuring cleaner seas by converting the present surplus tanker capacity into segregated ballast on existing tankers.

SACRED HEART SCHOOL OF YOUNGSTOWN, OHIO, CELEBRATES 50TH ANNIVERSARY

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. CARNEY. Mr. Speaker, on Sunday, May 18, 1975, I had the pleasure of attending the golden jubilee celebration of the Sacred Heart School in Youngstown, Ohio. The 50th anniversary mass commemorated the first graduating class at Sacred Heart School.

Through the years, the clergy and parishioners of the Sacred Heart Church have worked long and hard, and have made many sacrifices so that the children of their parish could have a good, Catholic education. Under the guidance and direction of the Ursuline Sisters, a dedicated teaching order, Sacred Heart School has provided the kind of religious and secular education that exemplifies all that is best in parochial schools.

Some of the notable graduates of the Sacred Heart School are: Court of Appeals Judge John J. Lynch, Common Pleas Judge Martin J. Joyce, Youngstown City Council President William Holt, Youngstown Clerk of Courts George Vukovich, and many other distinguished citizens of the Youngstown area. I am proud to say that I am a graduate of

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Sacred Heart School, and I am very grateful for the wonderful education I received.

Mr. Speaker, I would like to take this opportunity to commend the priests, sisters, and lay teachers at Sacred Heart School for the outstanding work they have done, and to wish them many more years of success in the future. In addition, I would like to insert excerpts from the 50th anniversary program in the RECORD at this time:

EXCERPTS FROM THE 50TH ANNIVERSARY PROGRAM, SACRED HEART SCHOOL, YOUNGSTOWN, OHIO

[Letters]

DIOCESE OF YOUNGSTOWN,
Youngstown, Ohio, March 18, 1975.

MY DEAR PARISHIONERS: Congratulations on the 50th Anniversary of the first graduating class from Sacred Heart School. Fifty years of religious formation is a valuable contribution to the Catholic community and the civic community, as well.

Parishioners of Sacred Heart Parish have been most generous in supporting Sacred Heart School and in providing the opportunity for Catholic schooling for young people over these fifty years. This generosity is a tribute to your faith. Please accept my thanks for such dedication.

May I thank, as well, your pastor—Father Gromada—for his leadership in continuing to provide Catholic education.

May I express your thanks and mine to the Ursuline Sisters, who—for all these years—have so generously contributed to the spirit and development of Sacred Heart School.

May I thank the many fine lay teachers, who—over this period—have served so well and have brought a commitment and dedication that has been a source of inspiration to the children.

All of you are to be commended on what you have done, and what you are doing, for Sacred Heart School.

Sincerely yours in Christ,
The Most Reverend
WILLIAM A. HUGHES,
Auxiliary Bishop of Youngstown.

URSULINE MOTHERHOUSE AND EDUCATIONAL CENTER,
Canfield, Ohio, March 14, 1975.

DEAR FRIENDS AT SACRED HEART, Congratulations on your Golden Jubilee celebration in honor of Sacred Heart School! When those school doors opened for the very first time over a half-century ago, the Ursuline Sisters entered to teach your children.

We are very proud that we've staffed Sacred Heart School during its entire existence. We are especially proud to work with your present pastor, Father Conrad Gromada, who is himself an "Ursuline student" via St. Patrick's and Ursuline High School. The Ursuline Sisters enthusiastically share the labor in the Lord's vineyard on Lincion Park Drive with Father Gromada.

Know that through the years Sacred Heart Parish has been a precious part of our Ursuline apostolate. You are—and have been—remembered in all our prayers and good works. Very especially, on this joyous Jubilee occasion, the Ursuline Sisters rejoice in God's goodness through the years at Sacred Heart.

May his blessing continue "ad multos annos."

Sincerely in Christ,
Sister MARY CONROY,
General Superior.

SACRED HEART PARISH,
Youngstown, Ohio, May 6, 1975.

DEAR FRIENDS OF SACRED HEART SCHOOL: When I arrived at Sacred Heart four years ago I came with an awareness that I was entering a place filled with fond memories and steeped in a rich tradition. So many seem to hold this parish so dear. It did not take long to discover how much these sentiments are tied up in the happenings of the parish school. The occasion of this fiftieth anniversary is a time to express in a dramatic and beautiful way what is deepest and dearest to us all, myself included now.

Only four years of my life are tied up here but somehow the entire fifty have become a part of me. The past that we inherit is part of our identity. And if we are true to the dedication of past generations whose inspiration we have felt we will be spurred on to a similar dedication in the present and the future.

Our immigrant grandparents faced a world that was new, geographically for the most part. In the new world they formed parishes and built parish schools through which they instilled the richness of the Catholic faith and tradition in their children. We too face a new world and new challenges as they did; not so much geographically, although, ironically, our geographical neighborhoods have changed; but more so a new world culturally, and deeply so, sometimes frighteningly so. A new world is upon us. It need not present us with a depressing enterprise. It can very well mean that ours is an exciting challenge. For the very same faith that inspired our ancestors to build and maintain Sacred Heart School is the faith that you and I share today as we gather to remember our childhood to celebrate with our children and to pledge a better world for our children's children.

I thank God for being so warmly accepted by the family of faith here at Sacred Heart as pastor and friend.

With deepest affection,
Rev. CONRAD T. GROMADA.

SACRED HEART SCHOOL,
Youngstown, Ohio, April 2[illegible], 1975.

DEAR GRADUATES AND FRIENDS OF SACRED HEART SCHOOL, Congratulations and best wishes on such a momentous occasion!

As a member of the Community of Ursuline Sisters I am proud to be one of a long line of principals who have served here at Sacred Heart School. I am sure you remember who was principal when you attended school and hopefully your remembrances are filled with many pleasant thoughts about her.

Needless to say, Sacred Heart School is continuing in the same fine tradition that has characterized it over these five decades. I am proud to be the recipient of such a fine tradition and yet I am challenged by this tradition to help forge a future that will be just as glorious in its educational goals and ideals of proclaiming the Good News of Jesus Christ, of creating a community and a family spirit here and of challenging the faculty and students to maintain an outward thrust of service to the Church and to the community at large.

Let us thank God together for giving us this golden opportunity to celebrate this golden anniversary of our school.

Sincerely yours,
Sister CAROL ANN HIGGINS,
Principal.

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 6, 1975.

Rev. CONRAD T. GROMADA,
Pastor, Sacred Heart Parrish,
Youngstown, Ohio.

DEAR FATHER GROMADA: Thank you for your kind invitation to attend Mass at 4:00 p.m. on Sunday, May 18, 1975, honoring the 50th anniversary of the first graduating class of Sacred Heart School. I hope to be in attendance.

The fine training I received from the Good Fathers and devoted Ursuline Nuns at Sacret Heart School has been the basic foundation of my life. I thank God for this wonderful training.

Over the years, graduates of Sacred Heart have made a most favorable impact in all walks of life for the enrichment of our City, State and Nation.

May Sacred Heart parish and school carry on the great traditions of our forebears.

With best wishes to all members of Sacred Heart, past and present and sincere thanks for all their help.

Sincerely,
CHARLES J. CARNEY,
Congressman, 19th Ohio District.

SACRED HEART SCHOOL

On October 7, 1920, Father John I. Moran called together the parishioners of Sacred Heart Church to launch a campaign for a new school. The goal of the initial campaign was $50,000, the nucleus for a school to cost $120,000. This news story taken from the Vindicator files, marks the beginning of the history of Sacred Heart School.

To Father John I. Moran goes much of the credit for bringing to completion the campaign and the building of Sacred Heart School, although he died just a short time before the school was opened.

It was Father Moran's wish to have not only a modern school but a place to serve as a social center as well. In his plans he included a community center where all the neighborhood could gather for a pleasant evening. His wishes were fulfilled because over the years, pastors and assistant priests utilized the facilities to produce plays and minstrel shows, to hold dances, card parties, community dinners, and sports events. Many programs presented by the school children have been enjoyed by the public for many generations.

On August 27, 1923, Dr. E. A. Kirby, then pastor of Sacred Heart Parish, announced that all eight grades of the new school would open on September 4, 1923. Approximately 300 children were enrolled at that time.

On January 6, 1924, the Rt. Rev. Joseph Schrembs, Bishop of Cleveland, officiated at the dedication of the newly completed school of Sacred Heart Parish. The principal speaker at the occasion was the Very Rev. Edward Francis Burke, Ph.D., President of St. Mary's Seminary.

Sacred Heart School has had the good fortune to be staffed by the Ursuline nuns over the past fifty years. The first principal of the school was Mother Celestine Duffy.

In 1961, when Monsignor Walter B. Martin was serving as pastor, four new classrooms were added to the building to take care of the increase in enrollment. By this time there were double grades in the first three grades. Each year for the next five years, the grades continued to be doubled until there was a total of sixteen classrooms with an enrollment reaching more than 600 students.

Approximately 2,000 students have graduated from Sacred Heart School in its 50 years of existence. Numbered among the alumni are a number of priests and nuns, as well as many prominent judges, doctors, attorneys, and other professional and business people. A signal honor that Sacred Heart School may claim also is a United States Congressman.

In 1972, when a financial crisis brought up some question of the possibility of the closing of the school, under the able leadership of Father Conrad Gromada, the present pastor, the people of the parish once again rallied to the cause and undertook various fund raising activities. It also became necessary to assess parents of the school children a tuition fee in order to keep the school operating. The response to all these financial demands has been gratifying.

Sacred Heart School has kept pace with the changing times in providing up-dated course-of-study programs continually. Sister

Carol Ann Higgins is presently serving as principal of the school with a fully certified staff of teachers.

Looking back to 1920, fifty-five years ago, and reviewing the past as well as the present, produces a picture of growth in a Christian community. As Father Moran so aptly put it, ". . . a place where all the neighborhood can gather for entertainment . . .".

Because of the high character and dedication of all the priests, religious, and lay people who have worked with and for the parish of Sacred Heart, the school has survived both depression and recession. Although the enrollment has decreased in the past decade, due to many economic factors, the spirit of the founders is "alive and well" in the hearts of all who are directly or indirectly involved in keeping Sacred Heart School a place where all the Christian community can grow in the love of Christ Jesus our Lord.

PASTORS FROM FOUNDING OF SCHOOL TO DATE

Dr. Kirby, 1924.
Father Crehan, 1927.
Father Sullivan, 1932.
Father Collins, 1935.
Msgr. Martin, 1954.
Father Stanton, 1971.

FORMER PRINCIPALS

Sister Celestine Duffy.
Sister Damian Reilly.
Sister Malachi Burke.
Sister Alphonsus McCabe.
Sister Mildred Gilboy.
Sister Alberta Gerlach.
Sister Mary Alice Ryan.
Sister M. Beatrice Madden.
Sister Bernadine Fickers.
Sister Anna Marie Saunders.
Sister M. Imelda Maloney.
Sister Francis De Salles McDade.
Sister M. Carmel Incarnato.
Sister Mary Agnes Convery.
Sister Marlene LoGrasso.

FORMER TEACHERS

Sister M. Alberta Gerlach.
*Sister M. Anastasia Ryan.
Sister Augusta Marie.
*Sister M. Alphonsus McCabe.
Sister Anna Marie Saunders.
Sister Albert Marie Beil.
Sister Mary Alma.
Sister Mary Agnes Convery.
Sister Mary Alice Ryan.
Sister Agnes Marie Beil.
Sister Mary Andrew.
(Sister Elizabeth Kerrigan)
Mr. J. T. Anzelmo.
Miss Betty Alexander.
(Mrs. Martin Joyce)
*Sister Beatrice Madden.
Sister Bernice Bosanac.
Sister Bernadette Gezic.
Sister Barbara Turk.
Sister Bernadine Fickers.
Sister Bridget Nolan.
Mr. William O. Brahler, Jr.
Mrs. Barillaire.
*Sister Celestine Duffy.
*Sister Coletta Braun.
Sister Charlotte McEvoy.
Sister Carmel Incarnato.
Mrs. Casanta.
Sister Christine Carroll.
Miss Wilma Cannon.
*Mrs. Rose Ciolli.
Mrs. June Carducci.
Ms. Camille Capezzuto.
Sister Colleen Cook.
*Sister Damian Reilly.
Sister Dorothy Leslie.
Sister Dorothea Cavanaugh.
Sister Dolores Waldman.
Sister Denise.
Miss DiThomas.
Sister M. Daniel Neville.
Sister Dorothy Marie Kundvacik.
Mrs. M. L. Drummond.
Sister Diane Toth.
Miss K. Dolan.
Sister M. David.
Sister M. Eileen Kelly.
Sister Mary Esther Stoltz.
Sister Elizabeth Kupec.
*Sister Mary Ellen O'Connell.
Sister Evelyn Croell.
Sister M. Eugene (Sr. Jane Doyle).
Sister Elizabeth Anne Friedhoff.
Sister Mary Elise Vaccaro.
Miss M. K. Evan (Mrs. Scott Moon)
Sister Francis Xavier.
Sister Francis DeSales McDade.
Miss Denise Fitzgerald (Mrs. Joseph Gorman).
Sister Gabriel Manley.
Sister Mary Grace Daley.
Mrs. Gremer.
Mr. Garono.
Mrs. Virginia Gorski.
Mrs. Hernan.
Miss Hum.
Miss Helen Howe.
Miss Sarah Howe.
Miss Hurd.
*Sister Irene Breen.
Sister Imelda Maloney.
Sister Mary Ida Calvey.
Sister Ignatius (Rust).
Sister M. Inez.
Miss Hierro.
Sister Jacquelyn Herpy.
Sister Joan Marie.
Sister Janet Frantz.
Sister Mary Jane.
Sister James Marie (Sister Mary O'Leary).
Sister John Francis Hevnan.
Sister Justin Oliva.
Sister John Berchmans.
Miss Nancy Johnson (Mrs. James Fox).
Sister Jean Marie Eskay.
Sister Juliana Barrett.
Miss Sally Kalaher.
Sister Kevin.
Sister Mary Karen McLaughlin.
Mr. Kennedy.
Mrs. Kiefert.
Sister Kathleen Kelly.
* Sister M. Leo Kelly.
Sister M. Loretta Reiles.
*Sister Laurentina Butler.
Sister Mary Luke Petrus.
Mr. Lewis Lowery.
Sister Lucille.
* Sister Margaret Fitzgerald.
Sister Marita.
Sister Mildred Gilboy.
Sister Madeleine McNally.
Mrs. Frances Murphy.
Mrs. Mary Murphy.
Sister Marie Antoinette Shipka.
*Sister Martha Eurell.
*Sister Methodia Thurik.
Sister Mariana.
Mrs. D. Miller.
Miss Jane Mahl.
Mrs. Lottie Maron.
Sister Marilyn Hoover.
Sister Margaret Ann Klempay.
Miss Arlene Mahon.
Mrs. Milligan.
Sister Marlene LoGrasso.
Sister Norbert (Sr. Carole Suhar).
Sister Noreen (Sr. Kathleen Minchin).
Mrs. Nelis.
Miss Rosemary Novosel.
(Mrs. Stephen Yaniglos).
Miss M. O'Hara.
Sister Pauline Dalpe.
Miss M. L. Perunko.
Mrs. Pope.
Sister Patrice Connally.
Sister Patrick McIlduff.
Sister Mary Peter Hacker.
Miss Pearl.
Mrs. Pearl Quinby.
Sister Robert Marie.
(Sister Marianne Diersing).
Sister Rosemary Diebel.
Sister M. Richard Curry.
Sister Rosemary Ezzo.
*Sister Stanislaus.
Sister Mary Sean.
Mrs. Mary Sandy.
Mrs. Margaret Sweeney.
Mrs. Ellen Stafford.
Mrs. P. Safara.
*Sister Theresa Moran.
Sister Therese Ann Rich.
Sister M. Timothy.
(Sr. Ruthanne Gribbon).
Sister Teresita Carney.
Mr. Ectore Tranzuillo.
Mr. Robert Tyndall.
Sister Vincent de Paul McNamara.
Miss Margaret Wellington.
Ms. Frances Zamary.

PRESENT STAFF

Grade 1: Miss Mary Rose Luchison.
Grade 2: Miss Lottie Maron.
Grade 3: Miss Mary Lou Drummond.
Grade 4: Mrs. Virginia Gorski.
Grade 5: Mrs. Ellen Stafford.
Grade 6: Sister Dorothy Marie Kundracik.
Grade 7: Mrs. Catherine Russo.
Grade 8: Miss Martha Taylor.

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*Deceased.

DAYTON'S PARK MANOR CELEBRATES 10TH ANNIVERSARY

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1975

Mr. WHALEN. Mr. Speaker, I rise today to note a significant occurrence in my district next Thursday, May 29, 1975. On that occasion resident of Park Manor, Dayton's outstanding public housing community for senior citizens, will celebrate that facility's 10th anniversary. I am pleased to be able to attend this "birthday party."

Located in East Dayton's historic Oregon Village, Park Manor has become a nationwide model for cities planning senior citizens housing programs. This complex, consisting of 220 families, was developed by the Dayton Metropolitan Housing Authority with assistance from the Department of Housing and Urban Development. Since its completion in 1965, Park Manor, through its residents council, has become near-autonomous in the management of its affairs.

Unfortunately, many elderly citizens become isolated when moving into public housing projects. Park Manor has avoided this pitfall—it has enjoyed great success by creating a whole new adventure in living. The active participation of its citizens in all areas of the community's existence has contributed to the establishment of many programs now widely accepted throughout the United States.

Foremost of these is the Park Manor Credit Union, the first of its kind in the Nation. This institution serves elderly residents who, in most instances, are denied credit because of their age.

The Park Manor kitchen—located in the center's recreation room—is volunteer operated, serves light lunches daily, in a congenial environment at costs which the most meager income can afford. The menu of the kitchen is specifically planned by dieticians for nutritious meals.

Another innovation is the Park Manor mediation period. This is a Monday morning nondenominational inspirational service designed to build a bond of unity and friendship throughout the community.

The Park Manor News functions as the community's communication system, bringing all matters of importance to each resident's attention.

The Park Manor Travel Club offers residents a means of traveling inexpensively with friends and families to places of interest. The travel club raise all of its own money through dinners and cookouts.

Another example of resident involvement is the assistance offered the staff by many tenants in building maintenance and grounds care. Occupants also engage in many other facets of the project's operation.

In the words of Park Manor's manager, Mr. Roland Matthews: "Park Manor people have to be the greatest."

This attitude sums up the communtiy's experience with Park Manor in its first 10 years. I know that the residents of Park Manor share my hopes that other senior citizens across the country may have the opportunity to experience life as those at Park Manor know it.

UMI

RESOLUTION CHART

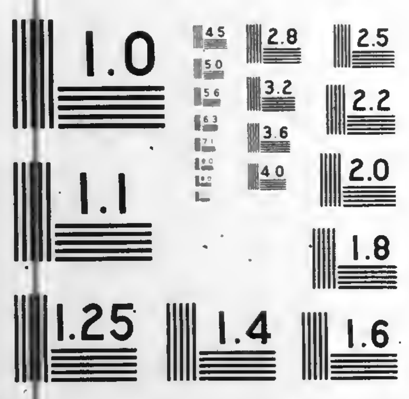

100 MILLIMETERS

INSTRUCTIONS Resolution is expressed in terms of the lines per millimeter recorded by a particular film under specified conditions. Numerals in chart indicate the number of lines per millimeter in adjacent "T-shaped" groupings.

In microfilming, it is necessary to determine the reduction ratio and multiply the number of lines in the chart by this value to find the number of lines recorded by the film. As an aid in determining the reduction ratio, the line above is 100 millimeters in length. Measuring this line in the film image and dividing the length into 100 gives the reduction ratio. Example: the line is 20 mm. long in the film image, and 100/20 = 5.

Examine "T-shaped" line groupings in the film with microscope, and note the number adjacent to finest lines recorded sharply and distinctly. Multiply this number by the reduction factor to obtain resolving power in lines per millimeter. Example: 7.9 group of lines is clearly recorded while lines in the 10.0 group are not distinctly separated. Reduction ratio is 5, and 7.9 x 5 = 39.5 lines per millimeter recorded satisfactorily. 10.0 x 5 = 50 lines per millimeter which are not recorded satisfactorily. Under the particular conditions, maximum resolution is between 39.5 and 50 lines per millimeter.

Resolution, as measured on the film, is a test of the entire photographic system, including lens, exposure, processing, and other factors. These rarely utilize maximum resolution of the film. Vibrations during exposure, lack of critical focus, and exposures yielding very dense negatives are to be avoided.